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SECOND SESSION

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Congressional Record

PROCEEDINGS AND DEBATES OF THE 97th CONGRESS, SECOND SESSION

SENATE—*Monday, May 3, 1982*

(Legislative day of Tuesday, April 13, 1982)

The Senate met at 12 noon, on the expiration of the recess, and was called to order by the President pro tempore (Mr. THURMOND).

PRAYER

The Chaplain, the Reverend Richard C. Halverson, LL.D., D.D., offered the following prayer:

"The God of Abraham praise, all praised be His name, Who was and is, and is to be, always the same! The one Eternal God, whose timelessness is clear, The first, the last; beyond all thought, throughout the years!

"He hath eternal life/implanted in our soul; His love shall be our strengthening, while ages roll. Praise to the Living God! All praise be His name, Who was, and is, and is to be, always the same!" Revised version of the Yigdal by Daniel Ben Judah.

Almighty God, we praise Thee, not that Thou dost need our praise but our souls need to worship and adore Thee. Our humanness demands it and suffers when we fail to praise Thee. Our spirits languish and starve when we do not worship Thee. We need Thee, Lord. We need Thy mercy, Thy forgiveness, Thy love, Thy grace.

Search us, O God, and know our hearts! Try us and know our thoughts!

And see if there be any wicked way in us and lead us in the way everlasting!—Psalm 139: 23,24.

Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The majority leader is recognized.

Mr. BAKER. I thank the Chair.

THE JOURNAL

Mr. BAKER. Mr. President, I ask unanimous consent that the Journal of the proceedings of the Senate be approved to date.

The PRESIDENT pro tempore. Without objection, it is so ordered.

KIDNAP POEM

Mr. BAKER. Mr. President, it is only appropriate that after the opening of the 1982 World's Fair in Knoxville, Tenn., this past weekend, our poem today would be authored by a native daughter, Nikki Giovanni, poet extraordinaire, who was born in Knoxville in 1943. The following selection, "Kidnap Poem," has been described as a poet's charm to catch a lover, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the poem was ordered to be printed in the RECORD, as follows:

KIDNAP POEM

ever been kidnapped
by a poet
if i were a poet
i'd kidnap you
put you in my phrases and meter
you to jones beach
or maybe coney island
or maybe just to my house
lyric you in lilacs
dash you in the rain
blend into the beach
to complement my see
play the lyre for you
ode you with my love song
anything to win you
wrap you in the red Black green
show you off to mama
yeah if i were a poet i'd
kidnap you

NIKKI GIOVANNI

ORDER FOR ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, my notes indicate that there are no special orders this morning, is that correct?

The PRESIDENT pro tempore. That is correct.

Mr. BAKER. Mr. President, I ask unanimous consent then that after the recognition of the two leaders under the standing order that there be a brief period for the transaction of routine morning business to extend not beyond the hour of 1:30 p.m. in which Senators may speak for 10 minutes each.

The PRESIDENT pro tempore. Without objection, it is so ordered.

SENATE SCHEDULE

Mr. BAKER. Mr. President, it is the intention of the leadership today to proceed to the consideration of the Department of Defense authorization bill, Calendar Order No. 475, S. 2248, and the budget resolution related thereto, as previously announced.

RECESS FROM 1:30 P.M. UNTIL 4:15 P.M. TODAY

There are meetings, Mr. President, that will involve Senators who have a prime responsibility for the management of this measure that will call them away from the Senate Chamber to meet with the President and representatives of the executive department beginning at 2 o'clock and continuing until approximately 4 o'clock.

While I hate to do so, and while I regret the necessity of doing so, I believe it is the only practical arrangement to provide for the Senate's activity today to recess during that period. Therefore, I ask unanimous consent that the Senate stand in recess automatically without further motion at 1:30 p.m. and continue in recess until the hour of 4:15 p.m. this afternoon.

The PRESIDENT pro tempore. Without objection, it is so ordered.

THE KNOXVILLE WORLD'S FAIR

Mr. BAKER. Mr. President, world's fairs just do not come and go, they remain with us in one form or another, forever and ever. I am proud to announce to my colleagues today, that the 1982 World's Fair in Knoxville has officially opened.

The people of Tennessee and of the entire Nation are excited by this global festival. Its theme, "Energy Turns the World," is emblematic of the fair's intention to be not only entertaining but also informative.

The fair was fortunate enough to be opened by President and Mrs. Reagan, who toured the international exposition which will be opened for 184 days

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● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

and is expected to attract over 11 million people.

The 1982 World's Fair is located in the cradle of American energy development and deployment, surrounded by major hydroelectric facilities, coal-fired plants, and coal reserves vital to America's future, a nascent oil and gas industry, a highly advanced breeder reactor, and the Oak Ridge National Laboratory which has, since its founding 40 years ago, become a world leader in fossil fuels utilization, nuclear energy development, and fusion research.

In addition, two of the cornerstones of America's energy history underpin this year's world's fair: The Tennessee Valley Authority, birthplace of one of the largest electric power systems in the world, and the University of Tennessee, recognized as a leader in energy research with major efforts in the development of advanced electrical generating techniques.

I was most pleased that President and Mrs. Reagan were in attendance for the historic opening of the fair, and I now ask unanimous consent that the text of President Reagan's remarks at the opening ceremonies be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

REMARKS OF THE PRESIDENT AT THE OPENING OF THE 1982 WORLD'S FAIR

The PRESIDENT. Ladies and gentlemen, your Governor, Senator Baker, your congressmen, members of our Cabinet, and a good friend and a loyal Tennessean, Dinah Shore, it's a special pleasure for me to be here this afternoon in the shadow of the Sunsphere—a symbol of the energy potential, near the banks of the Tennessee River—whose force we have tapped for centuries.

All Americans can be proud of this World's Fair that we open today. For the next six months, we'll be host to representatives of 22 nations—more countries than have participated in any world exposition in more than a decade. Here in Knoxville, in the Tennessee foothills, in the hometown of John Duncan, the home state of my good friends Howard Baker and Lamar Alexander, Robin Beard and Jimmy Quillen, the world will share its knowledge, accomplishments and hopes for tomorrow.

Americans welcome the world to Tennessee.

The technology exhibited here once seemed as fanciful as the extraction of sunbeams from cucumbers in "Gulliver's Travels." But as de Toqueville said, when people live in democracy, enlightenment and freedom, their societies will be marked by scientific genius and discovery.

The countries represented here hold out the hands of friendship and cooperation; let us join them. Inventors of the world share the discoveries of their laboratories, universities, and research centers; let us pool our knowledge, technology, and our dreams. In the days and months ahead, let this spot be the focus of progress, not only in the field of energy, but for the cause of the peace.

The theme of this fair, "Energy Turns the World," is appropriate for this decade, as our nation and many of our allies struggle to produce and use energy efficiently—to provide for our energy security.

We've seen the havoc and felt the pain brought on when vital energy sources outside our influence have been cut off. We've seen our economies manipulated, our industries hamstrung, and our people squeezed between scarcity and inflation.

Together and independently, we've taken steps to make sure that never again will we be so vulnerable. Here in America, in this administration, our national energy policy dictates that one of the government's chief energy roles is to guard against sudden interruptions of energy supplies. In the past, we tried to manage a shortage by interfering with the market process. The results were gas lines, bottlenecks and bureacucracy.

A newly created Department of Energy passed more regulations, hired more bureaucrats, raised taxes and spent much more money and it didn't produce a single drop of oil. In fact, American oil production continued to decline.

Just as in today—and too many other cases, government did not solve the problem—it became the problem. Our administration is determined to press forward for real solutions. Already we have dramatically increased our Strategic Petroleum Reserve. Instead of managing scarcity, we'll help ensure continued suppiles from a strategic stockpile, alleviating shortages while permitting the private market to work.

Our stockpile, I'm happy to tell you, is now one of the largest in the world—more than a quarter billion barrels—an amount greater than 135 days' supply of the crude oil we import from the Arab OPEC nations. Last year, this reserve has been stocked with more than twice as much oil as was accumulated in the preceding four years. We will increase it to nearly three times our current supply as a symbol to our allies of our resolve to reduce our vulnerability.

We will ensure that our people and our economy are never again held hostage by the whim of any country or cartel. In the area of conservation, our industries and our citizens have increased energy efficiency and cut back on waste. The amount of goods and services that we produce for each unit of energy went up last year by four and a half percent—the greatest increase in 30 years. For the last several months, our net oil imports have been less than half of their 1977 levels.

But energy is still a great concern. Even with our improved conservation, we consume 16 million barrels of oil a day. Now, let me give you an idea how many 16 million barrels is. Imagine the distance to the moon. If those 16 million barrels were stacked up each day, they'd reach the moon about once a month. We're the world's largest consumer of energy. But we use that energy well.

We are one of the most productive nations in the world. Estimates show that the 25 eastern states and Washington, D.C.—which expends most of its energy shuffling paper—produce about as much in goods and services as the entire Soviet Union. And with only 5 percent of the world's population, we Americans account for more than 21 percent of the world's output.

But we can't afford to be complacent. Our energy appetite means our energy production must be allowed to keep pace. In the last year, our oil production in the lower 48 states ended its decade-long decline. In 1981, America produced nearly 90 percent of the energy that it consumed.

What caused this turn-around? The same principle responsible for most of the prosperity, production and progress in the world today: free enterprise.

Our economic and energy problems were in large part caused by government excesses and quick fixes, not by a basic scarcity of supply. Our principles have not failed us. Too many times, we have failed to live up to our principles.

Since January 1981, when I ordered immediate decontrol of oil, we have removed requirements for more that a million man-hours of energy-related paperwork, eliminated more than 200 energy-related regulations, cut taxes to encourage capital investment, begun to dismantle the Department of Energy and reduced spending nearly $5 billion from the levels proposed by the previous administration. We are unleashing, again, the power of our people and the forces of democratic capitalism.

Skeptics said the decontrol of oil would send prices soaring. But the price of gas at the pumps has been dropping. Gasoline prices, at last, no longer lead inflation but are actually holding it down.

Within a year of decontrol, more than one thousand new drilling rigs began searching for oil and natural gas. Forty percent more successful oil wells were completed in '81 than the year before. In February our oil production was the greatest it's been for the last two years. There is magic in the free marketplace. And it works.

Although oil has been decontrolled, natural gas, the nation's largest source of domestic energy production, remains under price controls. As a result, natural gas wells have increased only 10 percent.

The legislative agenda this year is too crowded to handle the issue of natural gas decontrol. But if America is to provide for her energy security, if we are to continue growing more self-reliant, if we are to free ourselves from foreign pressure, we must press toward the ultimate solution to our energy problems: the decontrol of all of our energy sources, including natural gas, and this we shall do.

Within our boundaries and just off our shores, experts estimate that compared to our current reserves, three times as much oil and gas are yet to be discovered. We're also blessed with a quarter of the free world's coal and uranium resources.

In the last year, America has also greatly increased exports of coal, strengthening our economy and helping our allies lessen their dependence on imported oil.

In 1981, exports from this country of coal reached 110 million tons. That's 20 percent more than the previous year. Coupled with our decreasing oil imports, this meant America's net dependence on foreign energy fell to less than 13 percent. It was nearly 25 percent in 1977.

Though quite small, our use of solar power is expanding. Many people across the country are experimenting with renewable technologies such as wind and geothermal power. The Synthetic Fuels Corporation has also become operational, managing loan guarantees and price supports for some important projects. But heavy reliance on these sources is still in the future. We still have to depend on practical sources available today, such as nuclear power, which now produces more of America's electricity than oil. The Clinch River reactor, which will use new breeder technology, and the Oak Ridge National Laboratory, not far from here, symbolize our commitment to developing safe nuclear energy and technology to secure our energy future.

Our Secretary of Energy, Jim Edwards, tells the story about the time in his home state of South Carolina he spotted a car bearing a bumper sticker, "Split wood, not atoms." Well, he said he didn't think the fellow driving the car had ever split much wood—especially not a one—enough for a typical family's needs—because it isn't very easy. I can testify to that. But Jim said he wanted to tell him that America must split both atoms and wood. It'll take the use of many technologies to satisfy our future energy demands.

We're pursuing our goal of energy security while still respecting and protecting our environment. The staggering statistics of progress that I've recited today—our growing independence from foreign oil, and our increasing sophistication in using our reserves—reflect American ingenuity at its best.

This progress didn't come about as the result of some government program. It's the result of getting government out of the way.

We're applying the same philosophy to our economy: Restoring incentive, rewarding risk-taking and hard work, encouraging investment and returning more freedom to the marketplace. An economic mess has been piling up for more than 40 years. Our economic recovery program began only six months ago, but already there are visible signs of success.

In the last six months. inflation, which was 12.4 percent, has been running at a rate of only 3.2 percent. And last month the Consumer Price Index, the measure of inflation, actually went down. For the first time in 17 years, not only did goods not get more expensive; they got cheaper.

In the six months since our tax cut took effect, the rate of personal savings has increased. And we've seen recent gains in housing starts, auto sales, and retail sales.

Now, we still have a long way to go before our economy is back in shape. And this recession is causing great pain to too many of our people. But there was a thing called the misery index that was created in the 1976 presidential campaign. It was used against the then incumbent President Ford. And the misery index had been created by adding the rate of inflation and unemployment. And at that time, they were something around 12 percent. And they were used over and over against, as I say, the President in that campaign. In the 1980 campaign, they didn't mention the misery index because it had risen to 20.8 percent. I'm happy to tell you the misery index is now currently 9.8 percent.

Still, there is pressure from many sides to retreat to business as usual. There are still those in leadership positions who would allow government to grow bigger and bigger. Many well-intentioned people suggest that we can't spend less and we must tax more. As the decisions become tougher and the stakes get higher, some people in Washington are throwing up their hands. Their only answer for our energy problems, for our economy, and for virtually any difficulty at all, is more government.

We will continue to press for a bipartisan budget. But the only compromise offered so far has been: If our side agrees to raise taxes, the other side will continue to increase spending.

You know, trying to end the recession or eliminate the deficit by raising taxes is like the Big Orange trying to pull a football game out in the fourth quarter by punting on third down. (Applause.) No government in the history of civilization has ever voluntarily reduced itself in size. But with God's help, this one's going to. (Applause.)

Yes, we had the largest tax cut in history last year but it barely offsets the massive, largest tax increase in history that had been passed in 1977. And yes, we cut the rate of growth in government spending—nearly in half. But if we don't cut spending more and if we don't protect the people's tax cut, we'll see the largest deficit and the highest personal tax burden in American history.

I don't believe that you sent us to Washington to raise your taxes. And I don't think you sent us to Washington just to do what everyone did before us—spend and spend and spend. We don't have a trillion dollar debt because we don't tax enough, we have a trillion dollar debt because we spend too much. (Applause.)

We must balance the budget but history shows it can't be done simply by raising taxes. For that reason, I've asked the Congress to pass as soon as possible a constitutional amendment to require a balanced budget. (Applause.) Then there will be no partisan pointing of fingers, there'll be no refusal to compromise, and there will no longer be any red ink below the bottom line of our budget.

Twenty years of tax and spend policies resulted in 21-percent interest rates, back-to-back years of double-digit inflation, and the unemployment rate that afflicts us today. Retreating to those tired old policies will only bring us more of the same. We plan to hold down spending, reduce taxes and return prosperity. And we think that's the most compassionate program of help for the people that we can possibly produce.

I'm sure that patriots in every country believe that their nation holds the key to world progress. But I have long believed the United States of America and her people have a special destiny. Abraham Lincoln said: "God would never cease to call America to her true service, not only for her sake, but for the sake of the world."

I believe the challenge of this generation of Americans is to turn our country to a different path, to restore it to the principles that made it great, because the free world—indeed western civilization—needs a strong United States.

The community of nations must work together to achieve stability, security and peace. This exposition that we open today is another step toward achieving those goals.

You know, to those who have refused to take part, who are conspicuously absent, who continue to lock their people in misery through isolation and tyranny, we can say to them only: We wish you had come. But we'll make no effort to hide this wealth of ideas. We believe advances in the human condition can only come from open markets, free trading and stiff competition. Men and nations who ignore those forces will be lost to time.

Let the rest of us draw from this exposition a sense of confidence and community. Let us realize that free men and women still have the power to better their lives and raise the standard of living for all mankind. Let us recognize that those things that bind us and keep us strong: our democratic political institutions, our market economic systems, our commitment to liberty and our belief and faith in human dignity. And let us reaffirm our partnership among citizens, among States, and among nations.

What a partnership it was for this community to bring forth this great exposition. Maybe we should all recall that late in the last century, there was a great world exposition. And, at that time, there was a member of our Congress who actually proposed a measure to eliminate the patent office, because, he said, that everything had been invented that needed to be invented or that could be invented. Well, I wouldn't be talking into a microphone today if we'd gone along with that. .

As we pool knowledge and resources here in Knoxville, our cooperation will become the keystone of a more peaceful and a stable world.

And now, I'm looking forward to seeing something of this exposition. Thank you all. Have a good time and God bless you. (Applause).

ORDER OF BUSINESS

Mr. BAKER. Mr. President, I am prepared to yield the remainder of my time to any Senator seeking recognition at this point. I see no Senator seeking recognition for that purpose and I offer the time remaining to the distinguished acting minority leader.

Mr. PROXMIRE. I thank the distinguished majority leader. We will not need nor require any time.

Mr. BAKER. Then I yield the time remaining back.

RECOGNITION OF THE ACTING MINORITY LEADER

The PRESIDING OFFICER (Mr. WARNER). The acting minority leader is recognized.

EVACUATION AND RELOCATION IN THE EVENT OF NUCLEAR WAR

Mr. PROXMIRE. Mr. President, once again I call to the attention of the Senate the consequences of so-called surgical nuclear strike by the U.S.S.R. against our nuclear deterrent as estimated by the CATO Institute policy analysis by Katz and Osdoby.

I have previously discussed the effect of such an attack on casualties, medical reaction, food production and the economic system. Today I will discuss the evacuation that such an attack would compel, the relocation and the consequences of such evacuation and relocation.

I quote from the study:

> Fallout would be so intense that massive evacuation of the affected areas in the Midwest, South and Farm Belt would be required; relocation would last for weeks, months, and in some cases even years. At least 30 to 40 million people would be forced to leave. However, in a stalemated situation—as "limited" nuclear war is likely to be initially—well over 100 million people, mostly from major urban areas, would either leave spontaneously or be required to leave by government directive. The implications, particularly for the economy, are dramatic. As Fred Ikle, current Undersecretary of Defense for Policy, concluded 25 years ago

not recently but 25 years ago—

> "not only nonessential persons but most of the workers will remain evacuated as long after the first nuclear attack as further attacks appear likely." [6] Certainly this would be the case in a limited nuclear war.
>
> If evacuation were to result in a prolonged relocation, divisive social conflicts as well as economic and social dislocation would be likely. Under much more favorable conditions in Great Britain during World War II, relationships between evacuees and their hosts degenerated quickly under the influence of prolonged stress, uncertainty, substantial class and urban-rural differences and inadequate social service resources. This experience was not unique. Japan and Germany in World War II, and even the Netherlands in peacetime, experienced these types of conflicts. Under a limited war scenario in the United States, to absorb the evacuated population the number of people living in a single house

listen to this—

> or apartment in the host areas would have to increase six times (from three people to eighteen). It is not hard to imagine the conflict and stress that type of crowding would create. [7] Thus these problems are likely to be much more intractable under the "limited" war scenarios because of insufficient social services and the massive numbers of people involved. In threatened but unaffected metropolitan areas, decisions about who will be evacuated and when could become politically explosive—fraught with fears of one group or another becoming the expendable victims. This is not to mention the problem of deciding when and how to evacuate special populations—prisoners, patients in acute and chronic care facilities, etc.

A SALUTE TO BRUNO BITKER: ONE OF WISCONSIN'S FINEST

Mr. PROXMIRE. Mr. President, on February 17, the Milwaukee Bar Association paid tribute to one of its finest members, Bruno Bitker, saluting him for his services and leadership in this city and State and for his outstanding contributions to our country and the world in his efforts to bring about universal peace through law.

No tribute could be more fitting. Few men have labored so long in the vineyard of public service and been able to make so many contributions.

The career of Bruno Bitker is an inspiration to anyone who aspires to a life of public service.

Since entering public service in 1937, Bruno has served on seven boards and commissions for Milwaukee, in seven different positions for the State of Wisconsin—and several of those positions he held for well over a decade—and has served his nation in nine different capacities on the national and international level.

And he has not been a follower. He has chaired three commissions for Milwaukee, three commissions for the State of Wisconsin and represented the United States abroad on six different occasions.

In his work with the bar association, Bruno has displayed the same type of zeal as chairman of the International Human Rights Committee, the U.S. representative at the first World Conference of Lawyers in Athens in 1963, in Geneva in 1967, in Belgrade in 1971, and the Ivory Coast in 1973. He has also served as a member of the American Society of International Law and its Human Rights Panel and still found time to serve as a lecturer in Marquette University's continuing education program.

He has for many years been the leading expert on the Genocide Convention and has been very helpful to me and my staff in the fight to secure Senate ratification of the Genocide Convention.

Mr. President, Bruno Bitker represents the very finest of a Wisconsin tradition of public service. I am delighted to join the Milwaukee Bar Association, and our entire State, in saluting him.

Mr. President, I ask unanimous consent that the resolution of the Milwaukee Bar Association, outlining Bruno Bitker's career and their commendation be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION—MILWAUKEE BAR ASSOCIATION

Whereas, Bruno Bitker was born in Milwaukee on February 5, 1898, studied at Cornell University, and practiced law in Milwaukee from 1923 onwards, and

Whereas, Bruno Bitker has served his city and state as a member of the Sewerage Commission of Milwaukee from 1931 to 1953; as Special Counsel to the Governor of Wisconsin in 1937; as Counsel for the State Banking Commission in 1936; as Wisconsin State Counsel District Director of the OPA from 1942 to 1944; as Chairman of the State Public Utility Arbitration Board in 1947; as Chairman of the Milwaukee Cómmittee on Living Cost and Food Conservation in 1947; as Chairman of the Milwaukee Commission on Economic Study in 1948; as a member of the Mayor's Commission on Human Relations from 1948 to 1952; as Federal Court Trustee of the Milwaukee Rapid Transit Line from 1950 to 1952; as a member and officer of the Governor's Commission on Human Rights from 1947 to 1956; as Chairman of the Municipal Commission on Mass Transportation in 1954; as Chairman of the Governor's Commission U.N. from 1959 to 1976; and as a member and Chairman of the Wisconsin Advisory Committee to the U.S. Commission on Civil Rights from 1960 to 1971; and

Whereas, Bruno Bitker has represented his country as the U.S. Delegate to the International Conference on Local Governments in Geneva in 1949; as a member of the National Citizens Commission on International Cooperation in 1965; at the U.S. National Commission for UNESCO from 1965 to 1971, on the President's Commission for the Observance of Human Rights Year in 1968 and 1969; as the U.S. Civic Leadership Delegate to Germany in 1964; as the U.S. Representative at the International Conference on Human Rights in Teheran in 1968; as Consultant to the Department of State in 1968 and 1969; as a Delegate at the Human Rights Conference in 1972; and as the U.S. Representative to the U.N. Seminar on Human Rights in Geneva in 1978; and

Whereas, Bruno Bitker has served his community as Trustee for the Adv. Council of the Milwaukee Art Institute from 1957 to 1978; and in recognition of his many achievements has received the Milwaukee Citation for Distinguished Public Service in 1944, the Amity Award in 1950, and the Junior Achievement Award in 1959; and

Whereas, Bruno Bitker has served and represented the legal profession as a member of the Milwaukee, Wisconsin, and American Bar Associations, as Chairman of the International Human Rights Committee of the American Bar Association; as a member and past president of the Federal Bar Assocation in Milwaukee; as a member of the American Society of International Law and its Human Rights Panel; as a member of the World Peace through Law Center in Geneva; as a Lecturer in the Division of Continuing Education at Marquette University in 1961; and as the U.S. Representative at the 1st World Conference of Lawyers in Athens in 1963, in Geneva in 1967, in Belgrade in 1971, and in the Ivory Coast in 1973: Now therefore, be it

Resolved, That the Milwaukee Bar Association honors and bestows recognition upon Bruno Bitker for his services and leadership in this city and state, and for his outstanding contributions to our country and the world in his efforts to bring about universal peace through law.

Dated February 17, 1982.

By:

WAYNE E. BABLER, JR.,
President.

Attest:

AARON E. GOODSTEIN,
Secretary.

SAVING TREASURES

Mr. PROXMIRE. Mr. President, the Boston Globe recently published an article entitled, "Harvard Unveils Treasures From a Lost Community" which reports the reopening of the Harvard Semitic Museum. The museum which was closed to the public for 40 years, opens with the only remaining complete collection of ceremonial objects rescued from a European Jewish community.

The collection, called Danzig 1939: Treasures of a Destroyed Community, has a very interesting history.

It takes place in Danzig during the 1930's, when the Nazis were in power. By the end of the decade thousands of members of the Jewish community had emigrated. At that point, realizing the terror that would come to them, the remaining Danzig Jews met for the last time in the great synagogue and voted to sell their combined treasures of ceremonial objects to help finance the emigration of their poor. For this purpose they put together the collection that is being exhibited at the Harvard Semitic Museum.

They sent the crates to New York, agreeing with a group there that if the city of Danzig existed in 15 years, they would ship back the cherished collection. Tragically, the ceremonial objects were never returned.

As we are all aware, the life of Jewish people in Poland during the 1930's went from bad to unbelievable. As the Nazi's actions became more and

more aggressive, the Jewish community began to realize that they were doomed. They began to realize—but it was too late. Many Danzig Jews who tried to escape were placed in concentration camps. When the war broke out there were only 1,000 Jews remaining in Danzig.

Mr. President, these people managed to preserve a part of their culture but not their own lives. Unfortunately they realized too late what was happening.

That is why we need to ratify the Genocide Convention. We cannot afford to be too late in becoming a signatory and strengthening the preventive capacity of this international human rights and criminal treaty.

Mr. President, it is clear that our ratification of the Genocide Convention would put us in a better position to bring our moral influence to bear in specific cases where genocide is alleged. I urge my colleagues to immediately ratify the Genocide Convention.

I yield the floor; I yield back the remainder of the leader's time.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business.

NATO RESOURCE POOL FOR COMMON DEFENSE

(Concurrent resolution submitted by Mr. ROTH, for himself, Mr. GLENN, and Mr. NUNN.)

Mr. ROTH. Mr. President, today Senators GLENN, NUNN, and I are submitting a concurrent resolution calling on the President to propose that the NATO allies finally begin in earnest to pool our vast financial, technological, and industrial resources to provide for the common defense at acceptable costs. The resolution suggests that the President take this proposal with him to the NATO summit in Bonn this June.

The idea of combining the talents, resources, and energies of the free peoples of the West is, of course, not new. It lies at the heart of the original purpose for which NATO itself was formed. But in practice neither NATO as a military organization, nor the defense industries supporting it have functioned as unified and integrated systems.

There is, in short, less to NATO than meets the eye.

On paper, NATO looks impressive. In terms of numbers of people under arms, and total amount spent on defense, the West would appear to be more than adequately strong to meet the threat posed by the Warsaw Pact Forces.

But the statistics hide a grim reality. As a military force, NATO actually functions as a loosely organized collection of 14 separate national defense efforts.

Each member determines what it will buy and when it will buy it. Levels of ammunition and other war reserves, are set independently of total allied requirements. In fact, the NATO Integrated Military Commands commands very little that is integrated.

Consequently, NATO forces are quantitatively uneven and qualitatively inferior to the Warsaw Pact. They have only a limited ability to rearm, repair, reinforce, support, supply or even communicate with one another. One could almost say that NATO equipment is a hodgepodge of custom-built parade pieces.

The NATO defense industrial base is fragmented into wasteful and duplicative national efforts. Each of the 14 NATO nations with armed forces tries to maintain some kind of defense industry, despite gross inefficiencies of scale.

Until recently, that NATO cooperation is largely a facade, seemed to bother few people on either side of the Atlantic. Large numbers of American troops in Western Europe guaranteed that our nuclear might would be engaged on Europe's behalf. Despite continual pressure from the United States to shoulder a larger share of the defense burden, the Europeans—and the Japanese for that matter—were in effect relieved of the necessity to field their own conventional deterrent to Soviet aggression or intimidation.

American nuclear superiority and our visible commitment to European defense also permitted our European allies to adopt defense industry policies that were inspired more by national prestige or domestic economic considerations than by a real desire to contribute to our common defense.

Consequently, our European allies are paying at least one-third less than we are for defense, although their combined economies are larger than our own. In R. & D. alone, our allies would be spending some $10 billion a year more if they were spending a proportionate amount.

In this country, many in the defense establishment still act as if armaments cooperation was merely a rhetorical exercise. They seemed to be blinded by the large favorable trade balance we enjoy in military sales abroad, and perhaps by a belief that so long as were providing the real defense, we have ultimate control over alliance policies.

Mr. President, NATO can no longer afford to live in a make-believe world of giving complacent lipservice to allied cooperation, while its individual members pursue divergent and even conflicting defense policies. The realities of today will not permit it. For as Winston Churchill put it: "You must look at the facts, because the facts look at you."

The first and most important fact we must face is that the relentless Soviet nuclear buildup has called into question the credibility of the American nuclear guarantee. It is this fact above all others—the absence of a clear and credible American nuclear guarantee—that has spawned the intense defense in Western Europe.

For the Europeans, most of the choices are very difficult.

They could build a nuclear deterrent of their own, and risk even more volatile domestic political upheavals.

They could try independently to field a conventional deterrent, despite the enormous costs.

They could self-neutralize and place their faith in Soviet good will.

Or, they could cooperate with the United States to reinvigorate the alliance by combining our resources to give, over the long term, everyone greater security at lower costs. This would mean, however, abandoning old habits and taking broader view of their security needs.

Unless the West Europeans really believe that they would fare better under Soviet guns than have the Polish or Afghan peoples, only the last alternative makes any sense. It is also the only one that makes any sense from our perspective as well.

Which brings me to another fact we must face, however reluctantly. The costs of modern weapons systems and military programs have reached astronomical proportions. New cooperative approaches are absolutely imperative if we are to maintain and adequate defense for the industrial democracies at acceptable costs.

Let me just give a few examples of how defense costs have exploded. According to a recent study by the Heritage Foundation, modern military aircraft cost 25 times more than they did in World War II—even when inflation is factored out. The costs of ships and armored vehicles have increased tenfold. In general, the costs of major weapons systems have been growing in real terms at about 10 percent per year, while the growth rate for all types of military equipment has been about 6 percent annually. Obviously even a 3 percent annual budget increase will not keep pace with rising costs unless something is done.

There are a number of reasons defense cost have skyrocketed. But one of the most important is that too many countries are making the same sorts of things, and there is too much duplication of research and development. In other words, we are not getting the maximum return on our defense dollar investment.

NATO forces today have seven kinds of tanks; and six separate communications systems are under development.

Other equipment is equally nonstandardized. In addition to impairing NATO's fighting ability, this shortsighted and prideful approach means that production runs are too short to sustain output at acceptable costs.

Even in this country we have production lines that are absurdly short. Eight of the 13 production lines building Navy aircraft are turning out fewer than 20 planes a year. Three of these lines will each produce in fiscal year 1983 only six aircraft. This has led to what the Senate Armed Services Committee, under the very able leadership of the distinguished Senator from Texas, Mr. TOWER, has correctly termed "exorbitant unit costs and wasted resources."

The pressure of rising defense costs is causing some countries to drastically cut their defense industrial capabilities. Formerly significant producers of first class military equipment such as Great Britain are progressively leaving the scene. Were it not for sales to the Third World, especially OPEC countries, Britain and France might be virtually out of the modern defense equipment business.

The demise of Western Europe defense industries would not, as some might think, lead to a commensurate increase in the sales of American military equipment to our allies. Rather, it will lead to a progressive decline in total allied military strength as the allies simply procure less and less. Great Britain has already decided to cut its surface fleet drastically because the costs of maintaining shipbuilding capacity are too high. So far as I am aware, Britain has no plans to place orders with any American shipyard to make up the shortfall.

Pooling the West's vastly superior financial, technological and human resources in a meaningful fashion would not magically whisk away all our defense problems. Major reforms are necessary in this country as well. We should abandon our penchant for confusing complexity with effectiveness, and for funding every program dreamed up in some defense think tank. We need to take a close look at the organization and structure of our own Armed Forces. And we badly need to streamline our procurement procedures.

But a more tightly knit NATO system would first of all make a major contribution to bringing down costs over time. Eight years ago, one expert, Thomas C. Callaghan, estimated that removing unnecessary duplication would result in $10 billion in yearly savings. How much would be saved by larger production runs would depend on what requirements NATO identifed. But clearly they would be in the tens of billions of dollars. Competition for defense contracts would be broadened and deepened. New talents and skills would be tapped to assure the best possible results at the least possible costs.

The prospect of lower costs would, in turn, facilitate the creation of a truly effective and credible collective conventional deterrent. Western Europe could be treated as a single geopolitical entity, rather than a collection of separate, national defense problems. NATO forces would become far better integrated through using common and interoperable weapons systems. In short, NATO cohesion would match that of the Warsaw Pact.

Perhaps even more importantly, a decision to pool the West's defense resources would infuse NATO with a restored sense of unity and common purpose. Both the financial burdens and the benefits of jobs, technology, and trade would be shared more equitably. In the past, the Europeans have complained about the one-way street in defense trade, that has favored the United States. On the other hand, we have repeatedly expressed our unhappiness at the unwillingness of the Europeans to bear a larger share of the defense burden.

Mr. President, our resolution would do much to solve both problems. The Europeans would have greater access to our market, but in return they would have to maintain larger and more powerful conventional forces which would be procuring much of its equipment from American producers.

In fact, the larger NATO-wide market would provide American subcontractors in particular with new business opportunities. This is a particularly important point because our defense subcontractor base has been shrinking steadily.

And finally, a NATO-wide defense-industrial system would provide the Soviet Union with a powerful incentive to agree to meaningful arms reductions. Indeed, the currently fragmented and inefficient system has no doubt contributed to the Soviet belief that the so-called correlation of forces has tipped permanently in their favor. Let us disabuse the Soviets of this notion. Let us demonstrate conclusively that our system of democracy and free enterprise cannot only out-perform the Soviet system economically, but can also provide a viable and permanent collective defense.

And, let us also demonstrate that we are not afraid to negotiate, because we are negotiating from strength.

A comprehensive program to restore America's military strength is now in place. It is the core of the NATO alliance system. It is fully sufficient for us to move ahead in seeking negotiations with the Soviets on mutual and verifiable arms reductions, especially on the nuclear level.

But even as the numbers of nuclear weapons are reduced, no responsible democratic government can place its faith in the willingness of the Soviet Union to abide by the rules of good international behavior. NATO conventional forces will become, if anything, even more important. And in strengthening our collective conventional forces we will not only make nuclear war less likely, we will make any war less likely.

But we must begin now to revitalize and rededicate the North Atlantic Alliance.

The past three administrations have attempted to move in the direction of greater cooperation. According to a letter I received last week from Kenneth M. Duberstein, Assistant to the President, there are now in effect 11 bilateral Memoranda of Understanding of reciprocal procurement arrangements. Other steps are also being taken, almost entirely on a bilateral basis.

In agreeing that increasing NATO arms cooperation is a good thing, however, Mr. Duberstein also added that the adminstration hesitates to propose bolder initiatives at the NATO summit until stronger congressional support is evident.

Mr. President, what greater incentive does the Senate need? Our resolution provides a golden opportunity to send a signal to the President that the Congress stands foursquare behind reducing defense costs through greater allied cooperation.

If the President were to go to Europe and, backed by a strong congressional resolution, say, "The United States stands ready to work out the means by which we can together produce more defense at less cost" not only would confidence in U.S. leadership be restored, but NATO as an alliance would be infused with a renewed sense of unity and purpose.

In his 1958 state of the Union message, President Eisenhower stated the case for allied cooperation with unrefutable logic. Ike said,

> It is wasteful in the extreme for friendly allies to consume talent and money in solving problems that their friends have already solved—all because of artifical barriers to sharing. We cannot afford to cut ourselves off from the brilliant talents and minds of scientists in friendly countries. The tasks ahead will be hard enough without handcuffs of our own making.

Mr. President, I urge my colleagues to join us in unlocking those handcuffs. In 1958, the United States enjoyed overwhelming nuclear superiority and a dominant place in the world economy. Twenty-five years later we face an adversary whose military power is beginning to overtake our own, while the economies of Western Europe have reached superpower status.

It is time to drop the "no trespassing" and "keep out" signs from our defense industrial policies. Mercantilism in defense matters is self-defeating. If the industrial democracies are going to

preserve our common values and way of life in the last 20 years of this century we simply must pull together.

Mr. President, I ask unanimous consent that the text of the concurrent resolution be printed in the RECORD.

There being no objection, the text of the concurrent resolution was ordered to be printed in the RECORD, as follows:

S. CON. RES. 88

Expressing the sense of the Congress that the member countries of the North Atlantic Alliance must pool their resources for their common defense.

Whereas, the United States remains firmly committed to cooperating closely with its North Atlantic Treaty Organization (NATO) allies and its other allies in protecting liberty and maintaining world peace;

Whereas, the financial burden of defense of the Free World has reached such proportions that new cooperative approaches among the United States and its NATO allies are required to maintain an adequate collective defense at acceptable costs;

Whereas, although the North Atlantic democracies possess more than half again as many people as the Warsaw Pact countries, and more than twice the gross national product of the Warsaw Pact countries, the loosely organized national defense efforts of the 14 armed nations of the North Atlantic Alliance produce a collection of forces that are qualitatively uneven, quantitatively inferior, and have only a limited ability to rearm, repair, reinforce, support, supply, or even communicate with one another.

Whereas, the need for a credible conventional deterrent in Western Europe has long been recognized in theory but has never been fully addressed in practice, largely because of the existence for many years of American nuclear superiority in Europe;

Whereas, United States nuclear superiority in Europe has now disappeared, leaving European, Canadian and American forces in Western Europe vulnerable to the threat of attack by the overwhelmingly superior conventional forces of the Warsaw Pact countries;

Whereas, a more equitable sharing by member countries of the North Atlantic Treaty Organization of both the burdens and the technological and economic benefits of the common defense would do much to reinvigerate the member countries of NATO with a restored sense of unity and common purpose;

Whereas, the West's wasteful and duplicative defense-industrial system and inadequate collective conventional deterrent to not provide the Soviet Union with incentives to agree to meaningful and mutual arms reductions; and

Whereas, a decision to pool the West's enormous technological, industrial, and economic resources will not only lead to lower defense costs, but will provide a powerful inducement for the Soviet Union to enter into a meaningful arms reduction agreement so that both East and West can devote their energies and resources to peaceful, cooperative pursuits: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that—

(1) the President should propose at the summit meeting of the heads of governments of the member countries of the North Atlantic Treaty Organization (hereafter in this concurrent resolution referred to as "NATO"), scheduled to take place in June 1982 in Bonn, West Germany, that the NATO allies of the United States join the United States in agreeing to—

(A) pool their defense efforts and resources to create, at acceptable costs, a credible, collective conventional force for the defense of the North Atlantic area;

(B) established a cooperative defense-industrial effort within Europe and between Europe and North America that would ultimately reduce the defense costs of the United States and other NATO countries, by providing a larger production base while eliminating unnecessary duplication of defense-industrial efforts;

(C) share, equitably and efficiently, the financial burdens, as well as the economic benefits, including jobs, technology, and trade, of NATO defense; and

(D) begin negotiations promptly to establish the strategies, structures, policies, and programs to give full effect to the agreements described in clauses (A) through (C); and

(2) to assure the NATO allies of the United States that the policy described in paragraph (1) has the full support of the American people, the President should work with the Congress in negotiating the implementing strategies, structures, policies and programs, and should present such agreements with the European members of the Alliance acting on a united and collective basis, and with Canada, to the Congress for approval.

SEC. 2. The Secretary of the Senate shall transmit a copy of this concurrent resolution to the President.

GEORGE MUSSO'S INDUCTION INTO PRO FOOTBALL'S HALL OF FAME

Mr. DIXON. Mr. President, today I would like to pay tribute to a great athlete and a distinguished Illinoisan, Mr. George Musso, who this summer will be inducted into professional football's Hall of Fame.

Born and raised in Collinsville, Ill., George Musso graduated from James Millikin University in Decatur, Ill., in the class of 1933. I am sure some of my colleagues would be interested in knowing that when Millikin University squared off against Eureka College in 1929, Mr. Musso faced a right guard by the name of Ronald Reagan. Millikin won 40 to 6.

George Musso joined the Chicago Bears in 1933 and achieved the distinction of being selected as team captain in his third year. During his 12 years with the Bears he played both offense and defense though he made his reputation primarily as a defensive middle guard. He was selected as all-NFL guard in 1935, 1937, and 1938 and was a member of four Bear championships: 1933, 1940, 1941, and 1943.

As if his illustrious career in pro football was not sufficient, George Musso went on to distinguish himself as a civic leader in his community; first as sheriff and then as treasurer of Madison County, Ill.

Mr. President, on behalf of all Illinois citizens I would like to extend our warmest congratulations to George Musso for his well-deserved induction into professional football's Hall of Fame and express our deep appreciation for a career of dedication to the world of sports and service to Illinois.

OPPORTUNITIES FOR A POSITIVE POLICY ON CUBA

Mr. PELL. Mr. President, at this moment we seem to be at a crossroads on the issue of peace in Central America and the Caribbean. We can either take advantage of the opportunities presented to work out difficult problems through discussions and negotiations or, it seems, we can be drawn down the path of deeper and dangerous involvement.

The administration's policy toward Cuba, as evidenced by statements and actions of the past weeks, indicates that it has made the decision to reemphasize the hard line on Cuba. The reimposing of Treasury Department regulations which in effect place a ban on travel of U.S. citizens to Cuba, and restatements of the charges that Cuba is sending arms to the Salvadoran guerrillas are the latest steps in this attempt to revitalize a policy that has not worked for over 20 years.

These latest negative moves by the administration fly in the face of the positive opportunities presented by the important initiative of Mexican President Lopez Portillo to encourage talks between the United States and Cuba. It comes at the time of a most-explicit sign of the Cuban Government's desire to discuss issues of contention, including ways to achieve peace in Central America. It is presented when a growing body of learned opinion in this country believes that talks with Cuba are in the best interests of the United States.

The administration, by its own actions, acknowledges that Cuba is a key factor in Central America and the Caribbean. This reasoning should lead to the conclusion that until the United States and Cuba get together to resolve issues, a peaceful resolution to the conflict in Central America is not possible. There have been unclear signs from the administration that discussions with Cuba were on the agenda. It has been revealed that Secretary of State Haig met with the Cuban Vice President in Mexico last November and Gen. Vernon Walters met with President Castro in Havana last month. Recent reactivation of the hard line, however, seems to have overtaken the situation.

At the very highest foreign policy levels, the Cubans have strongly signaled their willingness to cooperate in far-ranging negotiations with the United States which would include discussions of mutual concerns in Central America. Cuba has also signaled its desire to lessen its dependence on the Soviet Union. Last month, a study prepared by the Office of East-West Policy and Planning of the U.S. Department of Commerce, and published by the Joint Economic Committee demonstrated that the U.S. trade embargo has forced Cuba deeper into the Soviet bloc because of the dependency on East European foreign trade. A positive U.S. approach on Cuba could have positive results for all concerned.

This point, and others regarding the issues I raise today, are very well presented in recent articles by Clayton Fritchey, Leslie Gelb, Abraham Lowenthal, Jorge Dominguez, Flora Lewis, Saul Landau, William LeoGrande and a New York Times editorial of April 20. I ask unanimous consent that these articles be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Post, Apr. 14, 1982]

IT'S TIME TO TALK WITH CUBA

(By Clayton Fritchey)

In the crisis over the Falkland Islands, there is a lesson for the Reagan administration: don't let a dangerous situation deteriorate to the point of explosion. There is also a lesson for Secretary of State Alexander Haig in the exemplary way that Lord Carrington admitted error when, as a point of honor, he resigned as Britain's foreign minister. "I was wrong in the assessment of what they were doing," he said, "and therefore I am responsible." How refreshing it would be if only Haig would admit as much about his dubious assessment that Cuba is to blame for all the unrest and turmoil in Central America and the Caribbean.

Tension with Cuba is nothing new, but we know from experience—the Bay of Pigs and the 1962 missile crisis—what it can lead to. Any new clash with Cuba would be even more dangerous, for Fidel Castro now has a far stronger military establishment, and he is backed by Soviet nuclear power which, unlike 1962, is now a match for the American arsenal. At this point, the Reagan administration could do worse than give some attention to a new study of the Cuban economy by the Joint Economic Committee of Congress, which concludes that the 20-year-old U.S. trade embargo against Cuba is forcing Havana deeper into the Soviet camp. Before its 1959 revolution, Cuba relied on the United States for 75 percent of its imports and 65 percent of its exports, but now, according to the study, the U.S. embargo forces Havana to depend on the Soviet bloc for 75 percent of its foreign trade.

Rep. Henry Reuss (D-Wis.) chairman of the committee, says, "There can't be any solution to the problems in Central America without Cuba, so maybe a good place to start discussions with them would be on lifting our embargo against pharmaceuticals." Moreover, he added, the report confirmed his belief that both Cuba and the United States could benefit now from talks. Fortunately, the Cubans seem to have arrived at the same conclusion.

Only a few days ago a senior Cuban official said his government is now ready for wide-ranging negotiations and agreements on "mutual restraints" with Washington. At the same time he "distanced" Havana from Soviet actions in Poland and Afghanistan. He even went so far as to say that Latin America is not ripe for socialism, and therefore Castro is willing to promote "democratic change" and moderation in the region. Significantly, the Cuban spokesman acknowledged that Havana had in the past provided arms for Nicaragua, as well as "material aid" for El Salvador, but said the supplies had been stopped some months ago.

Since 1959, seven U.S. presidents have tried one way or another—including the attempted assassination of Castro—to bring Cuba to heel, but in spite of these efforts, the Cuban leader continues to flourish. What puzzles many nations that long ago formally recognized Cuba is why so many U.S. presidents, both Democratic and Republican, seem to have a fixation about Cuba, a small island with fewer than 10 million people. As one European diplomat recently put it, "You recognize and do business with all kinds of communist countries, including China, Russia and the Soviet bloc. Why can't you normalize relations with Cuba, which, after all, is hardly a serious threat to a superpower like the U.S.?"

CUBAN CALLS FOR TALKS WITH THE UNITED STATES AND ACCEPTS PART BLAME FOR STRAINS

(By Leslie H. Gelb)

HAVANA, April 4.—A senior Cuban official said this weekend that "until recently" Cuba as well as the United States bore responsibility for the present atmosphere of confrontation, but that his Government was now ready for wide-ranging negotiations and agreements on "mutual restraint" with Washington.

Apparently in an effort to achieve a major breakthrough in Cuban-American relations, the official acknowledged past arms aid to Nicaragua and the Salvadoran guerrillas but also insisted that the supply had ended. He said this applied also to helping others to send arms.

Previously, Cuba had been unwilling to admit or had denied providing arms aid to the Salvadoran guerrillas and had claimed nothing about stopping transshipments of arms to El Salvador or stopping the arms flow to Nicaragua. The official said these activities had stopped within the last few months.

The senior official and others, speaking to a group of scholars and foreign policy experts gathered in Havana over the weekend, did not hide their concern about the possibility of United States use of force against Cuba. They spoke on the condition that they not be named, a practice adopted by many governments in order to provide some element of flexibility in later negotiations.

TALKS APPARENTLY AT STANDSTILL

The senior official indicated that private talks with the Reagan Administration had reached a standstill and that the Cuban position was not adequately understood by the Administration or the American public. The most recent official Cuban-American meeting was last month when Ambassador at Large Vernon A. Walters met with President Fidel Castro in Havana.

The official said that Cuba would not abandon the right to supply arms and support revolutions, as he maintained the Reagan Administration insisted that it do, but claimed that as a practical matter Havana was now exercising self-restraint and was prepared to play "a positive role" in settling disputes and bringing about "democratic change."

He also distanced Havana from actions of the Soviet Union in Afghanistan and Poland. Diplomats here related that a number of points made by the Cuban official had been made privately in recent direct contacts with the Reagan Administration and through intermediaries.

The official stressed at the outset that "we believe we can have serious negotiations with the Reagan Administration" despite evident feelings of mistrust toward the Administration.

He said that Cuba would be willing to negotiate foreign policy questions with the United States "in a multilateral context" without prior normalization of relations. This, he said, included playing "a positive role" in working with other nations to bring about a political soluton in El Salvador. Previously, in public at least, Havana has said that normalization of relations and a lifting of the American economic embargo were necessary before such negotiations could be held.

He asserted that normalization would lead to "restraints" on Cuban as well as American behavior.

SOVIET BOND "UNBREAKABLE"

Perhaps to lay the groundwork for a better dialogue with Washington, the official indicated disapproval of the Soviet presence in Afghanistan and said that the situation in Poland should be resolved by the Polish people themselves. However, he added that the bond between Moscow and Havana was unbreakable.

He also insisted that Moscow itself was not prepared to damage relations with Washington by trying to gain "an asset" in El Salvador.

Several themes ran through the official's presentation and answers to questions.

Cuba feels confident about its own future and beliefs, sees itself playing an important role in promoting world peace and economic development, and with this in mind, is ready for a "relative accommodation" with the United States.

Cuba will not under any circumstances compromise its principles, rights and support for revolution, but it is prepared to negotiate practical, arrangements for mutual restraint to supplement and guarantee political solutions reached by the parties to conflicts themselves.

Latin America as a whole is not ripe for socialism, and President Fidel Castro is therefore willing to promote "democratic change" and moderation in the region.

While Havana will always maintain "socialist solidarity" with Moscow, it pursues an independent foreign policy and does not want to be the "victim" of East-West confrontation.

"Until recently," the offical said, both the United States and Cuba "were acting in a way that was leading to an unavoidable confrontation." He said that was "the first thing to avoid, and it can be avoided."

MISUNDERSTANDING IS NOTED

"We are convinced," he added, "that an important part of the differences results from misunderstanding, perhaps mutual misunderstanding."

He argued that it was wrong to think of everything in terms of global East-West competition and especially wrong to believe that "everything harmful to one side is produced by the other." "We Cubans are victims of that misconception," he said.

Most change, the official maintained, springs from situations of injustice and poverty within countries.

He acknowledged that Cuba had been providing what he called material aid to the Salvadoran guerrillas, but insisted that this had stopped 14 months ago. And he said that Cuba had also ceased transshipping arms from other countries to the guerrillas in recent months.

He said nothing about continued Cuban training of Nicaraguan forces and Salvadoran guerrillas or about what the Reagan Administration says is Cuba's involvement in the command and control of the Salvadoran guerrillas.

OTHERS SAID TO SUPPLY ARMS

As for Cuban arms aid to Nicaragua, the official insisted that this had stopped several months ago since, he said, the Nicaraguans already had enough arms. He maintained that the Reagan Administration knew who was really supplying the arms, but would not say so. The official also declined to name the suppliers.

"The United States has told us they consider an end to our aid to Salvador as a prerequisite to future normalization of relations," he said. "We do not renounce the right to send arms to the guerrillas in El Salvador, but we have not exercised this right for over a year.

"Cuba cannot permit as a precondition for normalization what the United States understands as Cuban good behavior."

On El Salvador, he maintained that the United States "is not reading between the lines or the lines themselves." The guerrillas' message, he said, was clear: "They are not fighting to establish a socialist regime, although some would like it, and some are Communists. They don't think they can reach Communism now, and they are trying to find a progressive democratic system."

He added that if the United States understood this, "there are wide possibilities to settle other Central American problems" as well.

Cuba, the official said, would not be a direct party to internal negotiations in Central America or Africa, but would participate in a "multilateral context" to help bring about political settlements and abide by the terms of the settlements as long as Washington did so.

"We do support the French and Mexican proposal to propitiate a negotiation between the Salvardoran junta and the guerrilla groups," he said. He seemed to indicate that this would not include the right-wing groups in El Salvador.

In his view, a solution to the Salvadoran situation would make it easier for the United States and Nicaragua and for Nicaragua and Honduras to settle their disputes.

In the meantime, he said, Cuba was also ready for "discussions" with Washington on issues affecting both countries, including American overflights of Cuba, the American base in Guantanamo and settlement of American financial claims against Cuba.

While insisting that the Cuban-Soviet bond was solid, the official responded to a question by saying that his Government was "worried" about the situation in Afghanistan. he said that Cuba had "never given support for what happened there" and had been "consistently working for a political solution."

Other Cuban officials explained that Cuba's vote in the United Nations against condemning the Soviet intervention in Afghanistan was as a matter of political realism. They said they were not about to line up formally against the country that provides Cuba with what State Department specialists estimate is some $3 billion annually in various forms of economic support and millions of dollars in free military equipment.

The senior official called the situation in Poland "a socialist tragedy," then added: We believe the Poles should have the opportunity to solve the problem themselves. The way the Poles are trying is the least tragic way possible without civil war or intervention."

[From the New York Times, Feb. 26, 1981]

ON UNITED STATES-CUBAN TIES

(By Jorge I. Dominguez)

CAMBRIDGE, MASS.—The United States and Cuba are almost certain to be involved in bitter political disputes in coming months. The Reagan Administration, accusing the Cuban Government of interfering in El Salvador's internal affairs, has placed the El Salvador issue at the top of its foreign policy priorities in relations with friends and adversaries. Nonetheless, United States policy must recognize that despite any conflicts with Cuba over El Salvador, or Angola, or Ethiopia, there is an important aspect of the bilateral relationship that should be preserved.

To put it differently: Do Ronald Reagan and Fidel Castro have common interests? They do, and it is essential that both countries enhance their joint gains from their existing relationship, even though they may remain in conflict over their relations with other countries.

Mr. Reagan and Secretary of State Alexander M. Haig Jr. have made it clear that they believe that combating international terrorism is an essential foreign policy goal. The main reason for the decline of one form of terrorism—the hijacking of commercial airliners to Cuba—has been the agreements between the two capitals that have deterred and punished hijackers. Our Government must retain the Cuban Government's trust and collaboration if a hijacking epidemic is not to resume.

Havana very much wants Washington to prevent the launching of terrorist attacks against Cuba from United States soil. If Washington wants to be credible and consistent in its antiterrorism campaign, the Administration should take all possible steps to do so.

The Administration has a major stake in regulating and controlling the flow of people into the United States. The Castro Government opened a harbor last year to allow the emigration of Cuban-Americans' relatives and friends to the States. Havana has signaled that it is ready to open the gates again, even in the absence of formal agreements with Washington. Such agreements must be negotiated, especially since the boats carried people including criminals, who would not ordinarily be admitted under the immigration law. Unrelieved hostility toward Cuba might put the Administration in the uncomfortable position of ordering

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gee? Should the Miami area be asked to absorb another 250,000 Cubans?

The Administration has indicated that the guiding value of its policies toward Latin America is to make the Western Hemisphere a bastion of freedom. It would be contrary to that policy to cut off the possibility of receiving remaining Cuban political prisoners, to prevent Cuban-Americans from visiting their families in Cuba, to prevent United States citizens from traveling to Cuba for cultural, educational or artistic reasons, or for touring, using charter flights departing from United States airports. It would be contrary to such a profession of freedom if visits by Cuban scholars or artists to the United States were prohibited, or if our libraries or scholars could no longer obtain Cuban documents and other publications, or if Cuban films could no longer be exhibited in this country.

Both governments share an aversion to the international drug traffic. Collaboration between their coast guards and the continued exchange of information on the problem would also serve common interests.

The maintenance of professional collaboration between both countries' weather services has served the safety of the peoples of Cuba and of Florida for decades. Hurricane-tracking in the Caribbean must remain insulated from disputes about El Salvador.

The diplomatic and consular "interest sections" established in 1977, whereby United States diplomats are posted in the Swiss Embassy in Havana and a comparable number of Cubans posted in the Czechoslovak Embassy in Washington, have served to clarify disagreements and to cool down disputes in moments of crisis. Our section in Havana has proved invaluable in assisting our citizens in Cuban jails, individuals with both United States and Cuban citizenships, Cuban political prisoners going to the States, and United States tourists.

It might be argued that the two countries have compatible goals in areas of the world where suspicion and hostility prevail: They may share a common interest in a Namibian settlement, in the preservation of existing African borders, even in Gulf Oil's continued oil operations in Angola's Cabinda enclave. Admittedly, these are controversial propositions.

What should not be controversial is the Ronald Reagan and Fidel Castro do have common interests in ensuring that possibilities of cooperation remain, despite the foreseeable deterioration in relations.

WHO'S SCARING WHOM?

(By Flora Lewis)

WASHINGTON, February 17.—Ominous but ambiguous rumbles about what the U.S. might do to Cuba have become a current staple of foreign policy noises from Washington. They are hard to read. Does the Administration have firm intentions? What are they?

The more you dig into this, the less you find. Grant the statements about a new flow of Soviet weapons to Cuba. But Washington's unwillingness to provide hard details is explained alternately as protecting sources and prudently avoiding over-dramatics like President Carter's useless flap about "discovering" a Soviet brigade on the island.

These are contradictory stands. Do they mean things are really getting worse, or that we want to signal Havana and Moscow we'll be very angry if they do? It depends which senior officials you ask.

There is no charge that the 1962 Soviet pledge not to send "offensive" arms to Cuba has been violated, though that is hard to define and is usually interpreted to mean nuclear weapons in this context.

In any case, the Administration does not claim that the warnings have in fact achieved their advertised purpose of stopping "the export of Cuban subversion" to Central America and the Caribbean. But it has no answer to the question of whether the deliberate campaign of "not ruling out" the use of force may be provoking the arms buildup as a defensive reaction. Cuba's policy of aiding rebels isn't likely to change under pressure.

Meanwhile, Fidel Castro has been sending quiet signals that he wants to extend contacts and negotiate with the U.S. Nothing significant happened at the meeting late last year between Secretary of State Haig and Cuba's Vice President beyond the fact of the meeting itself, officials say. Both sides simply repeated their old positions.

But recently Mr. Castro told a Republican Congressman, Hamilton Fish, that he would take back criminals and sick people dumped on the U.S. during the mariel exodus if a face-saving exchange were arranged. And he released four American prisoners.

The signs and gestures have been coldly received in Washington. There is a lot of talk about Cuba but little interest in talking to Cuba. It is taken for granted that Mr. Castro's overtures are a tactical attempt to defuse U.S. antagonism, not a genuine desire to improve relations and ease his country's total dependence on Moscow, as some foreign diplomats think.

Certainly, there is plenty of reason to worry about the future in the Caribbean basin. Ferment is developing through the area. To the extent the U.S. is seen as hostile to urgently needed social change, and to some people that's how it looks, hostility to the U.S. is growing.

A spread of Cuban influence, backed by the Kremlin, would indeed represent a strategic threat. President Reagan will spell out America's promised Caribbean Basin Initiative next week. Drafts are still being revised at the White House, but latest word is that the speech will offer trade incentives and not much aid.

No doubt regional hopes are excessive. The U.S. and the industrial West can't simply cure impoverished, frustrated societies even if they had unlimited funds to offer. The main thing development experts have learned in their trials is how hard it is to speed peaceful change.

But it is the only reliable way to improve regional security in the long run. In the short run, encouragement and sustained hope make all the difference. Forcing people to choose sides in an East-West confrontation that seems irrelevant to their lives is a way to breed enemies.

A Canadian parliamentary commission that studied the area's urgent problems for nearly a year concluded that "potentially the most dangerous threat to security in these regions [is] the growing confrontation between the U.S. and Cuba."

Change in the area is necessary and inevitable, it said. "Any attempt therefore to characterize this process as derived essentially from an alien ideology should be resisted. Moreover, social change in these countries will evolve from a wide range of development models because of their rich and complex histories. It is unrealistic to expect them to blindly imitate the experience of others. Canada should recognize and support such pluralism in Latin America and the Caribbean."

All Canadian parties were represented on the commission. They were saying, in effect, that the U.S. is making a mistake in stressing a Cuban and Communist challenge rather than a human and social challenge.

Why is Washington on such a different tack and what does the Administration hope to achieve with its threats and warnings? The more one looks into the facts, the harder it is to avoid suspicion that the Administration isn't talking foreign affairs at all but domestic politics. The noises seem to be required to still right-wing charges of being "soft on Communists." Intentions are hard to read because they are so vague.

The trouble is that this bombastic domestic dialogue resounds around the world. It is frightening friends. It isn't facing let alone solving real problems.

[From the Los Angeles Times, Apr. 5, 1981]

Reagan's Best Weapon Against Cuba May Be the Threat of Peace

(By Abraham F. Lowenthal)

Secretary of State Alexander M. Haig, Jr.'s recent statements appear to have brought the United States another step closer toward punitive actions against Fidel Castro's Cuba.

The Reagan Administration, like six U.S. administrations before it, wants to pressure Cuba into changing its foreign policies, particularly its involvement in Central America's civil strife and its military support for the Soviet Union in other parts of the world.

Previous administrations in Washington have tried a gamut of options, ranging from measures just short of war—the Bay of Pigs invasion in 1961, acts of sabotage, and attempts to assassinate Castro himself—to Jimmy Carter's gestures toward rapprochement, which included opening quasi-diplomatic missions in Havana and Washington and permitting the limited resumption of travel and cultural exchange between the two countries.

No administration so far has succeeded, however, Castro still rules in Cuba, without serious challenge. The island's economic organization is still socialist. No compensation, not a cent, has been paid for expropriated U.S. properties. More important, Cuba's ties with the Soviet Union have not been broken. Rather, Cuba's troops have cooperated with Soviet policies in Africa and the Middle East. Worse yet, Cuba has been demonstrating in Central America and the Caribbean—in Nicaragua, El Salvador, Granada and even in Puerto Rico—that it does have some capacity to support the declared enemies of the United States.

The Reagan Administration, anxious to show its skill and strength in the Western Hemisphere, favors renewed and intensified hostility toward Cuba. Tough talk is easy, and is already under way. Tougher actions can be expected to follow; resuming air surveillance over Cuba; expelling Cuba's diplomats from Washington; curbing or ending travel between the two nations, revoking the bilateral fishing agreement and other accords between the two nations; stepped-up propaganda against Cuba, perhaps intensified economic sanctions, and maybe even renewed covert military or para-military operations against Cuba.

The path Washington seems to have started down has been tried before. Experience suggests it will not work. Fidel Castro has not been budged by American bluster, nor by more tangible measures. On the contrary, Washington's previous bursts of hostility may have helped Castro consolidate his hold in Havana and given him a plausible pretext for harsh repression; it may also have strengthened the anti-accommodationist advisers in his circle and reinforced Cuba's links with the Soviet Union.

Faced with this recipe for almost certain frustration, one hopes that President Reagan and his advisers will at least consider alternative ways of accomplishing the desired aim—forcing Cuba to break or at least loosen its close alliance with the Soviet Union. What President Reagan could try, perhaps more effectively than any of his predecessors, would be to create for Fidel Castro some real incentive to distance himself from Moscow. Reagan could do so, not by menacing Cuba with war, but by threatening Cuba with peace.

President Reagan could make it clear to Castro that the United States accepts the consolidation of his government and is willing to extend it conventional diplomatic recognition. He could indicate that we expect to deal with a series of outstanding bilateral issues—including the status of expropriated property and the fate of the U.S. naval station at Guantanamo Bay—in the context of resumed diplomatic exchange and with the prospect of renewed commerce. He could go on to say that his Administration regards the economic and social development of the entire Caribbean basin to be a high priority, fundamentally because long history and present migration trends show the United States that it has an important stake in the health of its closest neighbors.

The President could emphasize that Cuba still obviously suffers from the problems shared by all other Caribbean nations: inadequate access to markets, technology and capital; excessive dependence on primary exports; extreme vulnerability to the vagaries of disease, the weather and international economic fluctuations. Reagan could emphasize the obvious—that the United States has the resources needed to deal with these problems. And he could let Castro know that only two obstacles now bar inviting Cuba to join in an all-out regional effort to confront these basic issues: Cuba's overt foreign military adventures in alliance with the Soviet Union and evidence that Cuba is covertly involving itself militarily in the internal affairs of various Central American nations. The President could affirm that the United States recognizes Cuba's right to have a mutual security relationship with the Soviet Union. He could also reaffirm that the United States wants to remain uninvolved militarily in Central America's civil strife as long as all other external powers stay out. The President could invite Castro, finally, to clarify Cuba's policy on its precise limits on Cuba's interventionism in the Americas and elsewhere.

This dramatic ploy might not succeed in forcing Castro to back away from his alliance with the Soviet Union. Castro's ideological and personal commitments to world revolution should not be underestimated, nor should his confidence that historical trends ultimately favor Cuba's stance.

But neither should one overlook Castro's demonstrated skill at pursuing Cuba's interests, even when they conflict with Moscow's. Nor should we minimize what U.S. recognition and free access to the world economy might mean now for Cuba, particularly if these incentives were offered by a conservative Administration.

At the very least, a U.S. promise of peace would allow Washington to take the initiative, not simply to react to events. And it would let Cuba's people know exactly what its leaders' choices are, thus making Fidel Castro fully responsible for how he responds.

[From the New York Times, Mar. 4, 1982]

Warm Up to Cuba

(By Saul Landau)

WASHINGTON.—It is time for a new policy toward Cuba.

Washington's hostility toward Fidel Castro's Government has proved not only futile, but dangerous.

One consequence of this policy is that the Cuban Revolution has emerged far stronger

than it was at the beginning, in 1959, and Mr. Castro, once a young guerrilla in the mountains, is now a powerful leader, firmly entrenched. Another result is that Soviet support has became essential for Cuba's survival, and Moscow has gained a friend in the Western Hemisphere.

After 1973, some of the most aggressive features of United States policy toward Cuba were abandoned in favor of a limited thaw. The Nixon and Ford Administrations took small steps, and the Carter Administration lifted travel restrictions in this country for Cuban diplomats, allowed cultural exchanges, and worked out arrangements for American tourism in Cuba and return visits by Cubans. But while both countries set up so-called interest sections—diplomatic offices in other countries' embassies—in each other's capitals, no diplomatic recognition, direct trade, or commerce was permitted.

Ironically, President Carter's "soft" policy allowed the United States, for the first time since the Cuban Revolution, to regain some informal influence in Cuba—other than the destructive influence produced by Washington's aggression. The increased contact during the Carter years encouraged many Cubans to yearn for freedoms denied them, and for more consumer goods. The Carter Administration temporarily dropped cold war rhetoric and began to treat Cuba as a small country that could be influenced by constructive overtures.

But today the United States seems again determined to emphasize the East-West side of a problem that objectively has more to do with North-South relations. And like any true obsession, the United States' preoccupation with Cuban troops in Africa and Cuban aid to revolutionary forces in Central America is both exaggerated and unworthy of a great power.

Much of the developed world recognizes that underdevelopment, and not the Soviet Union, is the cause of third-world misery and instability. That is why many Western European countries, Mexico, Venezuela, and even Brazil have supported Nicaraguan, and why some of these countries even send aid to Cuba. The Swedish, Dutch, Norwegian, and Mexican Governments do not view Cuba as a threat, but as a poor, developing country.

Yet Washington insists that the Cuban Revolution and liberation struggles in other third-world countries are part of the conflict between the United States and the Soviet Union. It is this obsession with the East-West conflict that lies at the heart of the United States' bad relations with Cuba and some other third-world countries.

Our policy, then, has failed. Cuba is not ready to fall apart and Moscow's hold there will probably remain strong—unless the United States takes the initiative in helping Cuba diversify its dependent economic relations. Then Cuba could begin to move closer to currently hostile neighboring countries. There is, of course, no guarantee that this will happen, but after 22 years of failure and frustration it only makes sense for Washington a try a more constructive approach.

In July 1974, Henry A. Kissinger showed how this might work. He sent a secret note—until now virtually unmentioned in any public account—to Fidel Castro, requesting secret talks. Those talks, on a lower level, took place between the fall of 1974 and the fall of 1975, and some steps toward improving relations were made. Then President Castro sent troops to Angola and Mr. Kissinger broke off the talks.

Today, it is time to pick up where Mr. Kissinger left off. We should lift the economic embargo on Cuba, and begin selling food and medical supplies. Since Mr. Castro claims that the embargo is an act of war, we would thus remove the only serious obstacle to re-establishing relations. Then we could begin to discuss Cuban expropriation of United States property, the future of the Navy base at Guantanamo Bay, and even each other's foreign policies—much as such differences are discussed with most other countries. Cubans in the United States want to maintain contact with their families on the island. Businessmen throughout the United States are eager to resume trade. In fact, real barriers to renewed relations are much less heavy than the hostile rhetoric of the past 20 years makes them seem.

The United States' vituperative and vindictive Cuban policy has failed to achieve any positive results. Both commonsense and geography argue against the existing alignment in which the Soviet Union, not the United States, is Cuba's most important partner and ally.

[From Foreign Policy magazine, No. 46, spring 1982]

Cuba Policy Recycled

(By William M. LeoGrande)

For over two decades, Cuba has thwarted U.S. hemispheric policy. Presidents Eisenhower and Kennedy tried to overthrow Cuban Premier Fidel Castro, Presidents Johnson and Nixon tried to break him through economic embargo and covert action, and Presidents Ford and Carter tried to entice him into better behavior with the lure of normalization. All failed. Having resisted the pressures of six presidents, Castro will not be tamed by the seventh.

As unveiled thus far the Reagan administration's policy options hold nothing new or innovative. The rising war of words, the renewed effort to isolate Cuba diplomatically, and the tightening of the economic embargo are sanctions refurbished from the 1960s. Having failed then, they are no more likely to succeed today.

It seems incredible that the United States, with its vast economic and military resources, has never found an effective response to the Cuban challenge. U.S. policy makers have spent the better part of 20 years searching for ways to translate their overwhelming resources into real leverage.

But the unpleasant truth is that Castro's decision to align Cuba with the USSR, which agreed to subsidize Cuba's survival, deprived the United States of its traditional ability to dicate the terms of U.S.-Cuban relations. Until American accepts this reality and adjusts its policies accordingly, successive administrations will continue, as did their predecessors, to search in vain for the magic formula that will make Castro behave.

Relations between the United States and Cuba were strained even before the Soviet Union's patronage made Cuba a focal point of the Cold War. Washington's long and friendly relationship with Fulgencio Batista's dictatorship, the intense nationalism of Castro's revolutionary movement, and Washington's assessment of the new regime as dangerously radical burdened bilateral relations from the outset with deep mutual distrust and suspicion.

These latent tensions became manifest when the United States excoriated the policies of the new Cuban regime: its 1959 agrarian reform, which nationalized substantial holdings of U.S. citizens; its determination to open trade and diplomatic relations with the Soviet bloc; and its willingness to provide sanctuary and assistance to other Latin American revolutionaries. To Washington's objections Cuba offered defiance. The rising spiral of hostile rhetoric took on a dynamic of its own.

Cuba's leaders must also assume a major share of responsibility for the deterioration of relations. But once Washington undertook to strangle the Cuban revolution economically and subvert it militarily, Havana was forced to find a patron willing and able to defend it. The Soviet Union took on this task reluctantly at first, later with relish. Without Soviet assistance, the Cuban economy could not have survived the severing of U.S. ties; without Soviet arms, Cuba's revolution could not have survived U.S. efforts to overthrow it.

During the 1960s Washington held fast to its policy of hostility, organizing paramilitary attacks and recruiting its allies to join the diplomatic and economic embargo on Cuba. Outside the hemisphere, the embargo met with little success, but among Latin American states only Mexico refused to abide by the sanctions imposed in 1964 by the Organization of American States (OAS). Cuba responded to its pariah status by stepping up the export of revolution to its neighbors, even though this policy strained relations with the USSR. To the Soviets, Cuba's strategy was unrealistic as well as detrimental to their objective of fostering peaceful coexistence.

U.S. POLICY COMES FULL CIRCLE

In the early 1970s U.S. policy makers began to reassess relations with Cuba. The policy of hostility had failed to destabilize the Cuban regime and had not noticeably deterred Cuba's export of revolution. At the same time, the advent of détente made Cuban communism seem less malevolent and Cuba's ostracism less rational. One by one, Latin American states began to abandon the sanctions, and Cuba responded by moderating its revolutionary zeal in favor of normal state-to-state relations. The carrot, it appeared, was a better policy lever than the stick. Within the OAS and even within the United States itself, pressures began building to normalize relations with Cuba.

The Ford administration took several initiatives in this direction. It eased the economic embargo for subsidiaries of U.S. firms operating abroad, voted in 1975 to relax the OAS sanctions, and dropped its demand that Cuba sever its relations with the Soviet Union as a precondition for normalization. Shortly thereafter the United States and Cuba began private discussions on the full range of bilateral relations.

The movement toward normalization ended, however, when Cuba deployed—according to Castro—36,000 combat troops in Angola to support the Popular Movement for the Liberation of Angola (MPLA). Washington reacted by denouncing Cuba as a Soviet puppet, threatening a military response to any further Cuban adventures abroad, and making the withdrawal of Cuban troops from Angola a precondition for resuming the normalization process.

By 1977 Cuban troops had begun withdrawing from Angola, and so the incoming Carter administration did not regard them as an insurmountable obstacle to improved relations. The new administration negotiated a fishing agreement with Cuba and resumed discussions on a broad range of bilateral issues. Both Cuba and the United States sought to propel the process forward by making a series of minor but symbolically important concessions. The United States halted reconnaissance overflights and lifted the ban on travel to Cuba. The Cubans in turn released 4,000 political prisoners, including a number of U.S. citizens. Havana also began a dialogue. with leaders of the Cuban exile community, concluding agreements to allow exile visits to Cuba and to permit the reunification of families. These efforts led to the establishment of diplomatic interests sections in both capitals—a move one step short of diplomatic recognition.

Carter's efforts to normalize relations with Cuba, like Ford's, collapsed as a result of Cuba's Africa policy. In 1978 Cuba sent 20,000 combat troops to Ethiopia, coordinating the move much more closely with the USSR than had been the case in Angola. Over the next few years, U.S.-Cuban relations deteriorated dramatically as a result of successive minicrises: the 1978 invasion of Zaire—which the United States accused Cuba of instigating—by Katangan rebels; the deployment to Cuba of Soviet MiG-23 fighter aircraft, which in some configurations are capable of carrying nuclear weapons; the 1979 controversy over the alleged Soviet combat brigade in Cuba; and the 1980 flotilla of Cuban refugees from Mariel.

The Reagan administration has, from the outset, taken a hard line on Cuba, in part because of Cuban assistance to revolutionaries in Central America. The administration has imposed new sanctions, including tightening the economic embargo, and is attempting to re-isolate Cuba within the hemisphere. Administration officials have even warned that the United States is prepared to exercise military options against Cuba unless it halts its arms shipments to the guerrillas in El Salvador. In short, U.S. policy has come full circle. Yet a hard-line policy is no more likely to succeed now than it did 20 years ago.

REALITIES OR WISHFUL THINKING?

Cuba remains, after all, a socialist country in which the economy and polity are organized according to values profoundly different from those prevailing in the United States. These differences translate into sharply conflicting policies across a broad spectrum of international issues. Areas of mutual interest between the United States and Cuba do exist—the anti-hijacking and fishing agreements negotiated in the 1970s were based upon such mutual interests. But in light of the deep differences between the two countries, it would be naive to expect that even under the best of circumstances the opportunities for accord and mutual benefit will ever overshadow the occasions for conflict and competition.

The United States must learn to live with this reality unless it is willing to confront the Soviet Union directly. Neither the sanctions applied during the 1960s nor the enticements offered during the 1970s were sufficient to divert the Cuban government from its program of socialist construction at home and revolutionary solidarity abroad. These bedrock policies can be altered only by changing the basic character of the regime itself or by overthrowing it—both unlikely occurrences.

Despite recent economic hardships in Cuba and their attendant political discord, Castro continues to enjoy broad popular support. Unlike some of its East European counterparts, the Cuban regime has responded to discontent with pragmatic reforms. In the past two years, as in the early 1970s, the regime has modified prevailing economic orthodoxy to stimulate consumer production and has rearranged political institutions to improve elite sensibility to mass opinion. Moreover, whereas Polish nationalism is anti-Russian and tends to erode the legitimacy of a Soviet-linked regime, Cuban nationalism is anti-Yankee and tends to bolster a regime in confrontation with the United States. Thus, with or without the propaganda broadcasts of Radio Marir the U.S. sponsored station scheduled to begin broadcasting to Cuba in 1982—Castro is not likely to face an eruption of mass opposition.

If the Cuban regime is relatively secure from internal upheaval, then only direct, massive military force can change its basic domestic and international orientation. Even in strictly military terms, this option is untenable. Cuba is defended by a well-trained, well-equipped professional army of 100,000 people, an equal number of reservists, and a militia of 500,000. To occupy the island would require the United States to strip every other theater of operations, including Western Europe and the Persian Gulf, of conventional forces.

Moreover, an invasion would provoke an immediate confrontation with the Soviet Union. Not only would an invasion place U.S. troops in combat against the several thousand Soviet military personnel stationed in Cuba, but it would also violate the agreement that ended the 1962 missile crisis, whereby the United States pledged not to attack Cuba in return for the withdrawal of the Soviet missiles. The Soviet Union, therefore, could not ignore an invasion or any other direct military action, such as a blockade or air strikes.

Nor is there any political exchange that America could feasibly offer the Soviets to induce them to abandon their support of Cuba. As U.S.-Cuban rhetorical exchanges have escalated, the Soviets have repreatedly warned that Cuba is, in Soviet President Leonid Brezhenev's words, "an inseparable part of the socialist community." A U.S. invastion of Cuba would imperil world peace as much as would a Soviet invasion of West Berlin.

For Washington, then, the challenge is to abandon the hopeless quest for ways to eliminate U.S.-Cuban conflicts and instead to devise a strategy for managing them. The measure of success will be whether U.S. policy modifies Cuban behavior in ways that advance the interests of the United States. Great expectations in this regard would be illusions, but if the United States bases its policy toward Cuba on realities rather than on wishful thinking, some successes are possible.

OUTSTANDING ISSUES

To design a strategy for managing conflicts with Cuba, the United States must begin to specify the issues in contention and the sorts of Cuban behavior that damage U.S. interests. These issues fall into two categories: strictly bilateral questions between the United States and Cuba, and multilateral issues involving a third country.

Most of the bilateral questions are relatively insignificant. Left over from the deterioration of U.S.-Cuban relations in the 1960s, they could probably be settled if both parties had the will to proceed with negotiations. Compromise would not require either side to relinquish vital interests. The outstanding issues include the ongoing U.S. economic embargo of Cuba, the presence of the U.S. naval base at Guantánamo, U.S. reconnaissance flights over Cuba, immigration, U.S. demands for compensation for property nationalized in 1959-1960, and Cuban counterclaims for damage caused by the embargo and by the Central Intelligence Agency's secret war in the 1960s.

With the exceptions of immigration and compensation, none of these issues involves Cuban actions or potential actions that are or have been damaging to the United States. On the contrary, most involve Cuban demands for a cessation of U.S. activities—the embargo, the occupation of Guantánamo, and the overflights. This imbalance may explain why Cuba has generally been more willing than the United States to enter negotiations over the bilateral issues: Cuba has a good deal more to gain from their successful resolution.

Since the uncontrolled exodus of refugees in 1980, immigration has been the main bilateral issue in which the United States has a significant stake. The flow of tens of thousands of exiles could be resumed at any time, once again making a mockery of U.S. immigration laws and worsening intense social pressures in Florida. For humanitarian reasons and because of the intense emotions of the Cuban-American community, the United States could do little to halt such an inundation.

The Reagan administration claims it has contingency plans to prevent another exodus, but any plans beyond deploying the Coast Guard to halt the boat lift, as the Carter administration tried to do, are difficult to imagine. In fact, it was candidate Reagan who blasted Carter's efforts to bar the refugees; as president, Reagan could expect similar treatment from his political adversaries.

The key conflicts between the United States and Cuba have never been strictly bilateral. Ever since Cuba adopted socialism and sought safety with the Soviet Union, Cuba's partisan position in the Cold War has dictated the terms of U.S.-Cuban relations. Washington has viewed Soviet military assistance to Cuba and Cuban assistance to foreign revolutionaries as threats to the security of both the United States and its allies abroad. As Cuban foreign policy has become increasingly global and more successful, Washington's fear that Cuba acts as the vanguard of Soviet influence in the Third World has become more acute.

Cuba's partnership with the Soviet Union and the potential danger it holds for U.S. interests are real, although the relationship has not always been portrayed realistically. If the Cuban-Soviet partnership lies at the heart of U.S. concerns about Cuba's international behavior, then the U.S. response must be premised on an understanding of that complex partnership and on a realistic assessment of the dangers it poses for U.S. interests.

The Cuban-Soviet military relationship has not constituted a serious direct threat to U.S. security since 1962 when the Soviets attempted to place intermediate-range ballistic missiles in Cuba. The agreement that ended the missile crisis prohibits the Soviet Union from deploying offensive weapons on the island. This agreement was extended in 1970 to encompass Soviet nuclear submarine bases and again in 1979 to cover Soviet ground forces. As long as the agreement remains in force, Cuba can pose little danger to the United States.

At some future time of crisis, of course, the Soviets might abrogate this agreement and use Cuba as a forward naval or air station for Soviet action in the Western Hemisphere. The United States can do little about this possibility now other than plan for that contingency. But the chances of

such a scenario materializing are remote; a Soviet military initiative in the Western Hemisphere makes little strategic or geopolitical sense. Even if the USSR intended simply to divert U.S. forces from other theaters of operation, a credible threat would divert Soviet forces as well and would bring U.S. retaliation against Cuba, by far the most militarily exposed member of the Soviet bloc.

The Soviet Union is not likely to initiate a superpower confrontation under such unfavorable circumstances for such small stakes. Nevertheless, a confrontation could develop if the United States abrogated the missile crisis agreement, as Ford threatened to do because of Cuban policy in Africa and as Reagan threatens to do over Cuban policy in Central America. A naval blockade or air strike against Cuba would force a Soviet response—if not in Cuba, then elsewhere in the world. Another obvious Soviet option would be to upgrade the Soviet military posture in Cuba in ways currently prohibited. Cuba could then pose a direct security threat once more to the United States.

OTHER CUBAS?

In the absence of such a threat, the United States has been preoccupied with Cuba's Third World initiatives, in Angola, Ethiopia, Central America, and the Non-Aligned Movement. Washington has interpreted Cuba's actions—whether diplomatic, economic, or military—as gambits in the Cold War, aimed as much at advancing Soviet interests as Cuban ones. The extreme version of this interpretation reduces the Cubans to mindless proxies of the USSR with no autonomy or interests of their own.

Such a view is not supported by the historical record. Despite the support Cuba has received from the Soviet Union, relations between the two have been complex and volatile. During the late 1960s Cuban leaders openly criticized the Soviet Union for sacrificing proletarian internationalism on the altar of peaceful coexistence. Cuba cited the willingness of the Soviets to do business with rightist regimes in Latin America, their capitalist trade relations with the Third World, and their inadequate defense of North Vietnam. The Cubans, in contrast, sought to create a new revolutionary international at the 1966 Tricontinental Conference in Havana and to forge a militant third force with Vietnam and North Korea within the socialist camp.

Such differences, however, have diminished since 1970. Cuban and Soviet world views now correspond closely, making possible a variety of cooperative ventures abroad—in Angola, Ethiopia, and South Yemen. If this partnership remains intact, most Cuban foreign policy successes will have the effect, intended or not, of advancing Soviet interests. But the sharp disagreements of the past should demonstrate that the current Cuban-Soviet partnership is neither inevitable nor interminable.

Even in the 1970s there have been significant discrepancies between Cuban and Soviet policies. In Angola Cuban troops helped the late President Agostinno Neto's moderate faction of the MPLA defeat the 1977 coup attempt by Nito Alves's pro-Soviet faction. In Ethiopia Cuba has refused to send its troops into combat against Eritrean rebels. Instead, it called for a negotiated settlement despite the Soviet Union's initial preference for a military solution to the insurgency.

The most important difference between current Cuban and Soviet foreign policies concerns the quest for a new international economic order. As the 1979-1982 leader of the Non-Aligned Movement and a self-described member of the Third World, Cuba has long been in the forefront of demands for change in the international economic system—including advocating that all developed countries, capatalist and socialist alike, expand development assistance to the Third World. Castro's speech before the 1979 U.N. General Assembly on behalf of the non-aligned countries explicitly called on the socialist states to contribute their share of the burden. The Soviet position on the new international economic order has been unenthusiastic at best.

Other Cuban foreign policy initiatives seem to be of little concern to the Soviet Union, among them Cuban policy in the Caribbean region. Although the Soviets have now, as far as is known, tried to restrain Cuban behavior, they have shown remarkably little enthusiam for creating other Cubas in the region. The Soviet Union has refused to underwrite the expenses of socialist construction in such countries as Jamaica under former Prime Minister Michael Manley, or Nicaragua. Even the Salvadoran Communist party's modest request for arms was met with reluctance in Moscow. The Soviet economy can ill afford to finance any more Cubas in the Caribbean, especially because they would provide only a marginal strategic gain over the existing partnership with Cuba itself. Indeed, the next major disagreement between Cuba and the Soviet Union could come over Soviet unwillingness to shore up a faltering Nicaraguan economy.

HOSTILITY OR ENGAGEMENT?

As U.S. policy makers seek to formulate responses to Cuba's international activism, they must look beyond the Manichaean rhetoric about Cuban puppets and mercenaries. Cuban-Soviet agreement and cooperation varies from region to region. For the United States to assume that Cuban behavior comes at Soviet behest is foolish and dangerous.

It is equally dangerous to determine U.S. policy toward regional conflicts by looking at Cuba's posture rather than the realities of the conflicts themselves. Current U.S. policy in Central America, for example, is hostage to Washington's animosity toward Cuba. Washington cites Cuban assistance to revolutionary movements in the region as evidence that Cuba created these movements and that therefore their leaders are implacable enemies of the United States. The idea that these insurgencies may be authentically indigenous and that there may be no solution to the region's crises without the insurgents' participation is lost in the cacophony of anti-Cuban rhetoric. Washington ignores the real source of insurgency in Centreal America—decades of economic inequality and political oppression.

Indeed, Central America offers a perfect example of what has been wrong with U.S. responses to Cuban initiatives abroad. By treating Cuba as the source of Central America's problems, the United States loses sight of regional dynamics, focusing only on the East-West dimension of local conflicts. The United States would respond more effectively to Cuban inniatives by focusing on the regional conflicts themselves, seeking solutions that deprive Cuba of political advantage. As Angola and Ethoipia demonstrate, Cuba's opportunities for major gains are greatest when regional conflicts erupt in violence and become internationalized. When negotiations resolve conficts, as they did in Zimbabwe, Cuba—and the Soviet Union—are prevented from extending their influence through military aid.

As they contemplate how best to manage the conflicts between the United States and Cuba, U.S. policy makers face a choice between two broad sets of policy options. A policy of graduated hostility, on the one hand, is a coercive strategy aimed at forcing Cuba to cease activities objectionable to the United States by punishing Cuba for undertaking them. At the heart of this strategy lies the premise that no significant improvement in America's relations with Cuba should be undertaken until it fundamentally alters its foreign policy.

A strategy of gradual engagement, on the other hand, seeks to induce changes in Cuban behavior by positive reinforcement. This strategy is based on the premise that an improvement in U.S.-Cuban relations could serve U.S. interests even if Cuba did not change its basic foreign policy positions. This strategy does not, however, rule out such change as a long-term objective of U.S. policy. To embark on this strategy, the United States would have to make a decision to offer inducements to Cuba and, if they are met with a positive response to follow them with additional inducements. The United States can, of course, introduce some punitive measures into an overall strategy of engagement. What is critical is the decision to test the possibility of improving relations.

The specific components of the strategy of hostility range from a relatively passive stance of malign neglect to active policies of diplomatic isolation, economic embargo, paramilitary attack, or even direct military assault. During the 1960s U.S.-Cuba policy sought to overthrow Castro or, failing that, to raise the cost to Cuba of pursuing a socialist path of development in partnership with the USSR. By making the survival of the Cuban revolution as difficult as possible, the United States hoped to deter other Latin American countries from following the Cuban model.

Washington achieved some success. The sanctions did damage the Cuban economy and force Havana to divert vast resources from economic development to national defense. Cuba's subsequent economic difficulties and it dependence on the USSR are by no means enviable. And in at least two instances—Angola and Nicaragua—revolutionary governments, despite an ideological affinity with socialism, have tried to maintain mixed economies and good relations with the West in the hope of avoiding Cuba's difficulties. Ironically, the Cubans themselves have apparently encouraged these governments in this course.

But if the United States succeeded in making Cuba a negative example, it failed to overthrow the Cuban revolution. Moreover, the overall effect of the sanctions on bilateral relations was not salutary. The full range of sanctions, excluding only direct military attack, failed to modify Cuban behavior in ways favorable to the United States and actually seemed to make Havana more belligerent. And although the policy of isolating Cuba from Latin American countries and the other Western states damaged the Cuban economy, it also forced the Cubans to rely more heavily on the USSR for economic and military aid Thus, the central problem as perceived by Washington—Cuba's relationship with USSR—was exacerbated.

If the Reagan administration is indeed intent upon returning to the strategy of hostility, it will encounter the same problems with this strategy the existed in the 1960s, without the attendant benefits. No one can now expect diplomatic and economic isolation to endange the Castro regime's survival. Cuba today is much less economically dependent on the West than it was 20 years ago.

In fact, the effect of graduated hostility might be precisely the opposite of its intended purpose. Cuba's most assertive international posture came in the late 1960s—the period of exporting revolution—when U.S.-Cuban relations were at their worst. Moreover, Cuba can now strike back in ways that it could not before; Castro could unleash Cuban troops in Africa—in Zaire, Somalia, or Namibia—or Cuban refugees from Mariel.

On balance, a strategy of graduated hostility offers so little leverage that this strategy is unlikely to alter Cuba's foreign policy except perhaps for the worse. It promises no more than a continuation of the status quo in both U.S.-Cuban relations and, more important, in Cuban-Soviet relations.

In contrast, a strategy of gradual engagement advocates the progressive establishment of links between the United States and Cuba to enhance the ability of U.S. policy makers to exert leverage on Cuban behavior in the future. There is some historical precedent for such a strategy in the Ford and Carter administrations' efforts to begin normalizing relations. Cuban involvement in Angola and Ethiopia, however, clearly demonstrated that Cuba was unwilling to make major foreign policy concessions in exchange for normal relations with the United States. This fact has become the principal argument against a policy of engagement.

But this argument has force only if the main justification for a U.S. policy of engagement is the prospect that Cuba will give up its entire foreign policy—its relationship with the Soviet Union and its support for friendly governments and revolutionary movements abroad—in exchange for relatively minor concessions by the United States. Such unrealistic expectations are precisely why U.S.-Cuban relations have been stalemated for so long.

A strategy of gradual engagement would entail seeking out the most pliant issues for both Cuba and the United States and negotiating agreements with balanced concessions from each side. Negotiations no doubt cannot resolve some issues in isolation, and the two countries will have to examine those issues as part of a broader package. But more important for success would be the U.S. acknowledgment that compromise must be mutual.

In the short term such a policy has a number of advantages. The United States and Cuba could resolve most of their bilateral issues, leading to economic and diplomatic relations that would give Washington at least some leverage on other issues. The United States could probably persuade Cuba to mitigate its denunciations of Washington in such international forums as the Non-Aligned Movement and the United Nations. More significant, a less confrontational relationship would diminish the credibility of Cuba's efforts to build its prestige in the Third World on the image of an embattled David confronting the Goliath of U.S. imperialism. In addition, an improvement in U.S.-Cuban relations would eliminate Cuba as a potential flashpoint of superpower confrontation. Improved relations might also begin to free U.S. policy makers from the tendency to react reflexively against every Cuban initiative abroad, regardless of the circumstances.

In the long term a policy of gradual engagement would allow Cuba to reduce its military and economic dependence on the Soviet Union. As long as U.S. hostility persists, Cuba's ties with the Soviets remain essential to Cuban national security. The Cuban-Soviet relationship will not, however, wither away in short order. Cuban soldiers have been trained with Soviet arms, and Cuban factories are filled with Soviet equipment. Soviet economic and military assistance to Cuba is indispensable, and no Western nation would be prepared to assume these burdens, even if the Cubans were looking for a new patron.

Nevertheless, Castro has always been one of the most nationalistic leaders in the socialist bloc. Whenever circumstances have allowed, he has tried to reduce Cuba's dependence on the Soviet Union, especially by attempting to create a Cuban constituency in the Third World. This strategy is not so different from that pursued by Yugoslavia, although Cuba's non-alignment is less neutral. If Cuba is to have any prospect of striking out on a more independent course, it must have the economic and military breathing space to modify its relationship with the Soviet Union. Only the United States can create that opportunity by moving away from the policy of hostility, which leaves Cuba no option but to hold fast to its Soviet patron. For years the United States has sought to encourage East Eurpoean states to distance themselves, however slightly, from the Soviet Union, and several—Romania, Hungary, and Poland—have done so. Surely the prospects for such a development are greater in the case of Cuba, despite its reliance on Soviet aid, than they are in Eastern Europe.

A realistic assessment of the advantages to the United States of pursuing a strategy of gradual engagement with Cuba shows that limited gains, particularly on bilateral issues, are fairly certain, whereas major gains, such as changing Cuban foreign policy significantly or rupturing Cuba's partnership with the Soviet Union, are at best long-term possibilities. Such gains may not be impressive, but they are nevertheless superior to the results achieved over the past two decades by a policy of hostility.

[From the New York Times, Apr. 20, 1982]

The Puffs From Havana's Cigar

First, the hard-nosed interpretation of Cuba's unexpected pitch for better relations with the United States: It's a trick and a trap. Fidel Castro doesn't really mean it when his agents express a desire to "talk" with Washington, admit to having smuggled arms to Central America and disapprove of the Soviet interventions in Poland and Afghanistan.

All this is being said insistently to selected but not only "friendly" Americans. Still, Mr. Castro isn't saying it himself, and these overtures may be just a concession to a hard-pressed Soviet Union that is tired of lavishing $3 billion a year to maintain the Cubans. Or it could be a trap, so the United States can again be shown up as a hostile oppressor of a little country. Twice before, in 1974 and 1977, Mr. Castro encouraged hopes of a limited accommodation—hopes that foundered when he sent new armies to serve Soviet policy interests in Africa.

Yet a different reading is also possible. Cuba may at last have wearied of its dependence on the Kremlin and developed a genuine taste for its professed nonalignment. Logically, it should be willing to talk to Washington about its export and encouragement of Latin insurgencies, its still-growing collection of Soviet arms, its refusal to take back criminals and deranged refugees that it cynically dumped into American-bound boats two years ago.

And if it wants to talk, then what? Then by all means keep talking—as the Reagan Administration has been doing since Secretary of State Haig met in Mexico last December with Cuba's Vice President. In March it sent to Havana the crustiest of negotiators, Gen. Vernon Walters, a former deputy director of the C.I.A. And when Mr. Haig gets off the Falklands shuttle, he ought himself to spell out what he expects of the Cubans if these approaches are to bear fruit.

Cuba is not a China or Yugoslavia breaking openly from the Soviet camp. The Cubans say their ties with Moscow are not negotiable. There probably are clear limits to how far Cuba could now go in any deal with Washington. But that is no reason for the United States not to hold out an opportunity for some realignment.

It has long been American policy to give every Communist nation a chance to improve relations with the West, to make the world safer for pluralism and to soften the rigidities of bloc diplomacy. Indeed, Americans have worked hard to break through iron and bamboo curtains to promote their values in other estranged societies. It never made sense to seal off Cuba.

The inconsistency is rooted in American domestic politics. Six Presidents have failed to fashion an effective Cuban policy based on isolation, direct assault or economic sanctions. Cuba has been hostile, provocative and repressive, a military adventurer in Africa and an abettor of revolution in the Caribbean. But sooner or later it will discover that it has not thereby served its own highest interests.

President Reagan has the conservative credentials to test the chances for reopening serious dealings with Cuba. Indeed, Havana's receptivity may be partly due to the Reagan Administration's threats of dealing with revoluntary challenges "at the source." If changing circumstances have opened a narrow path for negotiations, by all means it should be explored.

THE EXECUTIVE CALENDAR

The PRESIDING OFFICER. The majority leader is recognized.

Mr. BAKER. Mr. President, there are certain nominations which are cleared for action on the Executive Calendar on this side of the aisle.

May I state to the distinguished acting minority leader that I am prepared on this side to proceed to the consideration of two nominations to the Board of the U.S. Synthetic Fuels Corporation at 12:30. They are Samuel Kenric Lessey, Jr., and Robert W. Gambino, that would be under the following terms and conditions: A debate limitation of 10 minutes to be assigned to the control of the distinguished chairman of the Energy Committee (Mr. McClure), 10 minutes to the control of the minority leader or his designee, and 10 minutes to the control of the distinguished Senator from Wisconsin, the acting minority leader, with the further understanding, Mr.

President, that if a rollcall vote is asked for, and I do not anticipate that, that vote will occur tomorrow. The votes will be back to back if there are rollcall votes in both cases, and the vote will occur immediately after the time designated for the transaction of routine morning business.

If this is generally agreeable with the minority leader I am prepared to put that request at this time.

Mr. PROXMIRE. Mr. President, that is agreeable to this side.

Mr. BAKER. I thank the acting minority leader.

EXECUTIVE SESSION

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate now go into executive session for the purpose of considering nominations on the Executive Calendar under the U.S. Synthetic Fuels Corporation title, to wit, the nomination of Samuel Kenric Lessey, Jr., and Robert S. Gambino; that time for debate on these nominations be controlled as follows: 10 minutes under the control of the distinguished chairman of the Committee on Energy, Mr. McClure; 10 minutes under the control of the minority leader or his designee; and 10 minutes under control of the distinguished Senator from Wisconsin, Mr. Proxmire; that at the conclusion of that time or the yielding back thereof, the Senate proceed to vote back-to-back on the confirmation of these two nominees; and that, following the conclusion of the vote, any motions to reconsider the vote and tabling motion and the notification to the President that the Senate has given its consent be undertaken without further action by the Senate; and that the Senate immediately thereafter return to legislative session.

I further ask unanimous consent that if rollcall votes are ordered on either or both of these nominations, they not occur today, that they go over until tomorrow to occur back to back, if votes are ordered on both, those votes to occur immediately after the close of the period to be provided for the transaction of routine morning business on tomorrow.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. BAKER. Mr. President, the distinguished chairman of the Committee on Energy is on his way to the floor and has not yet arrived. I ask unanimous consent that it may be in order that I may suggest the absence of a quorum without its being charged against the time required in this unanimous-consent agreement.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

U.S. SYNTHETIC FUELS CORPORATION

NOMINATION OF SAMUEL KENRIC LESSEY, JR., OF NEW HAMPSHIRE, TO BE INSPECTOR GENERAL, AND NOMINATION OF ROBERT W. GAMBINO, OF VIRGINIA, TO BE DEPUTY INSPECTOR GENERAL

Mr. McCLURE. Mr. President, what is the pending business?

The PRESIDING OFFICER. The pending business is an executive session to consider the nominations of Samuel Kenric Lessey, Jr., of New Hampshire, to be Inspector General of the U.S. Synthetic Fuels Corporation for a term of 7 years, and the nomination of Mr. Robert W. Gambino, of Virginia, to be Deputy Inspector General of the U.S. Synthetic Fuels Corporation for a term of 7 years.

Mr. McCLURE. Mr. President, I thank the Chair.

NOMINATION OF SAMUEL K. LESSEY, JR.

Mr. McClure, Mr. President, on April 21, the Committee on Energy and Natural Resources favorably reported the nomination of Samuel K. Lessey to be Inspector General of the U.S. Synthetic Fuels Corporation. The vote was 19 to 0. The committee's vote followed a nomination hearing held on April 16.

The Synthetic Fuels Corporation can best be described as a special purpose Federal entity. It was established on June 30, 1980, by the enactment of the Energy Security Act. It was declared operational by President Reagan on February 9, 1982. The purpose of the Corporation is to provide sufficient financial incentives to private industry to develop a synthetic fuel production capability in the United States. The primary incentive is contingent Federal financing, such as purchase and price guarantees as well as loan guarantees, rather than outright Federal cost sharing.

Mr. President, when Congress created the Synthetic Fuels Corporation, the goal was to demonstrate, as soon as possible, the practicality of commercial production of synthetic fuels in the United States. That objective is an important part of our national energy policy. When we have demonstrated the ability to produce synthetic fuels in commercial quantities, we will have reduced our vulnerability to an oil import disruption, and we will have substantially added to our national security.

The Synthetic Fuels Corporation has powers and duties that are expressly set forth in the Energy Security Act. In accordance with the intent of Congress, the powers of the Corporation can be exercised only in conjunction with its authorized activities, and the activities of the Corporation are strictly limited by the provisions of the statute. Thus, one of the primary functions of the Inspector General and the Deputy Inspector General is to insure that the Corporation complies with these statutory limitations. Both nominees for those positions have made a commitment to the Congress in their hearing to insure the close enforcement of those limitations. We will expect their diligent fulfillment of that commitment. In addition, of course, the Inspector General must perform the traditional I.G. functions, such as audits, investigations, and inspections. It is the responsibility of the Inspector General to detect and prevent any fraud and abuse in the programs of the Corporation, and to insure that the Corporation is operated efficiently.

The duties and responsibilities of the Inspector General and his Deputy are specified, in considerable detail, in section 122 of the Energy Security Act. This underscores the importance of the role of these officers in the operations of the Corporation.

Mr. President, the nominee for Inspector General, Samuel K. Lessey, Jr., has over 17 years of experience in the investment banking business. He has monitored and examined the financial affairs and managements of major corporations in many industries. Mr. Lessey's work as a financial analyst has provided him with a background that it directly applicable to the financial assistance role of the Synthetic Fuels Corporation.

In addition, Mr. Lessey's military experience includes the leadership of a management implementation team which examined the entire structure of the Air Force Reserve. The team then implemented a reorganization that resulted in greatly improved efficienty, readiness, and mission responsiveness while eliminating more than 10 percent of the management overhead. Mr. Lessey is a 1945 graduate of the U.S. Military Academy, and he holds the rank of brigadier general in the Air Force Reserve. He has an LL.B. from Harvard Law School and an M.B.A. from Harvard Business School.

In his testimony before the committee, Mr. Lessey presented his views on the basic purpose of the Synthetic Fuels Corporation and why the role of the Inspector General is critical to the Corporation's successful operation. He stated:

> The Energy Security Act is no less than a step-by-step guide to this nation's full utilization of those resources which we have been blessed with in great abundance. I believe that the proper development and careful utilization of these resources can effectively build a bridge to the renewable energy supplies of the future.

> The mechanism created to accomplish this goal is the Synthetic Fuels Corporation. The Corporation is narrowly defined by statute and has funds available to it that have been authorized and appropriated without fiscal year limitation. The job that is required is a big one and it must be done right. If the Synthetic Fuels Corporation strays off-course, becomes involved in activities not specifically within the authorities created by its statutory parameters, the credibility of this enterprise will be put in jeopardy.
>
> That is why the role of the Inspector General is so critical. Congress created the office of Inspector General, I believe, to guarantee that the Corporation would be held accountable to the Congress which authorized it and the taxpayers who fund it. It is imperative, I believe, that the Synthetic Fuels Corporation operate efficiently and effectively.

Mr. Lessey also explained the importance of the Inspector General's immediate involvement in the Corporation's operations. He stated:

> I am anxious to get started. I have spent the past several months studying the operations and procedures of the Corporation. Most of projects are large and require long lead times before they are constructed and operating. As a result, I intend to have the office of the Inspector General fully involved now, as the first group of Phase II projects begins its negotiations. The potential for fraud, abuse and bad management must be eliminated at the front end of these projects, not after the damage has been done and the only recourse is to leave the government and the taxpayer "holding the bag."

Mr. President, Mr. Lessey has fully complied with the committee's rules, which require the filing of a detailed information statement and the submittal of a financial disclosure report. On behalf of the Committee on Energy and Natural Resources, I am pleased to recommend Senate approval of the Presidential nomination of Samuel K. Lessey, Jr., for the position of Inspector General of the U.S. Synthetic Fuels Corporation.

NOMINATION OF ROBERT W. GAMBINO

Mr. President, on April 21, the Committee on Energy and Natural Resources, by a vote of 19 to 0, reported the nomination of Robert W. Gambino to be Deputy Inspector General of the U.S. Synthetic Fuels Corporation. Mr. Gambino's nomination hearing was held on April 16. He has fully complied with the committee's rules requiring submittal of a financial disclosure report and a detailed information statement. I am prepared to recommend Mr. Gambino's confirmation and strongly endorse his qualifications and unquestioned integrity for this important post.

In his testimony before the committee, Mr. Gambino related his background and professional experience to the responsibilities he will have as Deputy Inspector General. He stated:

> As to my personal mission as Deputy Inspector General, I am convinced that the tasks to which I have been assigned in the past provide sufficient training and expertise for me to fill this most important position. I have been engaged in intelligence, investigative and security activities for many years. For more than twenty years, I served in the Central Intelligence Agency assigned to collection, operational and support components. My experience includes service in every facet of these organizations from junior officer to office director. I have conducted investigations and managed a variety of special investigative, security and operational support programs specifically designed to the unusual needs of the intelligence community.
>
> While Director of Security CIA, I was responsible for all the investigative and security activities undertaken by the CIA, I was responsible for all the investigative and security activities undertaken by the CIA on a worldwide basis. I managed a large, dispersed office with many unique and independent authorities. In addition, I have been a participant in large national projects involving the private sector, military and civilian government agencies. As part of this effort, I directed the design and implementation of special programmatic audit programs.
>
> This overall exposure will enable me to effectively assist the Inspector General in implementing his program, and provides me with the depth of background necessary to carry out the duties of the Inspector General during his absence or temporary incapacity.

Mr. Gambino also provided the committee with his views of the commitment he would undertake as Deputy Inspector General, and the responsibilities of the Inspector General's Office. He stated:

> I believe that there must be a substantial commitment to the position for which I am being considered. It is a seven-year term, spanning presidential elections and the tenure of office of all the members of the original Board of Directors except the Chairman. While the corporation goes about the business of encouraging the development of a private, economically viable synthetic fuels industry, it will be my job to ensure that this task is performed with the utmost efficiency, honesty and integrity. My job will be to impartially review the facts, without regard to political parties, personalities or ideological persuasion. The Inspector General is the statutory link between the Congress and the corporation. He serves both without bias or prejudice but with candor, objectivity and independence. It's a tall order; it's a big job, but I would not be sitting here if I did not believe I can do the job and do it effectively.
>
> Since the Synthetic Fuels Corporation is a quasi-governmental organization, and not subject to all the rules and regulations of the more prosaic federal agencies, the Inspector General's office takes on a special importance in the success or failure of the corporation. It is the office which must remind the corporation to be specific and precise when it comes to matters of law, and thoughtful, insightful and cautious when it comes to matters of judgment. It is the Inspector General's Office which must admonish the corporation to do efficient, effective and professional work in a way which will maintain high confidence and credibility with the Congress, the President and the citizens of our country.

Mr. President, on behalf of the Committee on Energy and Natural Resources, I am pleased to recommend Senate approval of the Presidential nomination of Robert W. Gambino for the position of Deputy Inspector General of the U.S. Synthetic Fuels Corporation.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I do not intend to delay the nominations of Mr. Lessey and Mr. Gambino to be Inspector General and Deputy Inspector General of the Synthetic Fuels Corporation, but I do think that other Senators should be aware of the arrangements the Corporation made to employ these men while they are awaiting nomination and confirmation.

The Corporation hired Mr. Lessey, the nominee for Inspector General, as a consultant on September 21 of last year. He was paid $300 a day. The Corporation asked him to prepare "an organizational framework and interim operational capability for the Office of Inspector General." He was to be the Inspector General, mind you.

Mr. Gambino was hired on January 11, 1982, and was to assist Mr. Lessey. He was paid $285 a day. Executive agencies, in contrast to this quasi-public corporation, can pay consultants, and they were consultants, no more that $192 a day.

Mr. President, while these nominees were extremely well paid, they were apparently underworked. During the months of September, October, and November, the taxpayers paid Mr. Lessey for those 3 months approximately $9,000.

In early December, Mr. Lessey sent a handwritten note to the Acting Inspector General requesting information about the Inspector General's Office and the Corporation. He received that information on December 7. Two months passed, during which Mr. Lessey was paid another $11,000. During early February, Lessey requested a formal briefing from the Acting Inspector General.

In mid-March, after Mr. Lessey and Mr. Gambino had been paid over $35,000 total, the Corporation reported, "No instructions have been issued by either of them * * * with respect to their work of planning the new office and preparing for duties in the event of Senate confirmation, no reports have been submitted to the Corporation."

The Corporation argues that by employing the nominees as consultants, they were able to "hit the ground running" and that "this approach is good management." Had the Corporation hired these two men within the past 3 weeks and sent them through a rigorous schedule of briefings, I might agree. But to employ one man for 7 months and another for 3 while receiving no reports and paying them hundreds of dollars a day is not good management. It strikes me that the Corporation wanted to employ these two men and did so without regard to efficiency or effectiveness.

Mr. President, I am concerned with this arrangement because the Office of the Inspector General and the Synthetic Fuels Corporation is particularly powerful. That Corporation is a quasi-public agency. It has an unusual financial arrangement with the Federal Government involving, as a matter of fact, billions of dollars. It can dispense lucrative favors to private firms. Under these circumstances, the Inspector General must be independent and hardnosed, especially about waste. As they say, "he ought to be mean as a junkyard dog." He ought to be in a position where he can pursue any kind of action that is fraudulent or wasteful and would do so.

But the arrangement these two men have made with the Corporation makes me wonder about their independence. Walter Sickert once wrote: "Nothing knits man to man like the frequent passage from hand to hand of cash."

These nominees have had a sweetheart consulting contract with the Corporation, and I wonder, Will they bite the hand that fed them?

Mr. President, I might point out, incidentally, that Mr. Lessey owns stock in Hercules and Exxon, and Mobil, and that ownership certainly would raise question about any employee of the Synthetic Fuels Corporation but particularly an inspector general.

I would like to ask the chairman of the committee, Senator McClure, these questions: First, how can a consultant develop an organizational framework and interim operational capability for an inspector general's office by waiting 4 months before formally meeting with the Acting Inspector General?

Mr. McCLURE. Will the Senator yield?

Mr. PROXMIRE. Yes.

Mr. McCLURE. Mr. President, I think the Senator is correct, that the period of time in which they were involved under these consulting contracts is an unusually long period of time. I, too, would have preferred that the Inspector General be named and confirmed at an earlier date and with less time. As the Senator will recall, however, there was considerable delay in getting the Synthetic Fuels Corporation fully functional through the confirmation of all of the board members.

As a matter of fact, although the Corporation was designated as a functional corporation, we still do not have two of the Board members named, because those names have not been submitted to us. So there has been a time lapse, and I suspect part of the product of the time lapse here was similar to the time lapse in getting the Board of Directors in place.

The Synthetic Fuels Corporation is a unique corporation. It is a very important one and, as the Senator knows, has a great deal of money at its disposal—under very unusual circumstances, I might add. They have much more latitude to act without the usual restrictions imposed upon governmental organizations.

But I suppose under those circumstances it makes some sense to ask that the man who will be the Inspector General look at the organizational structure, look at the work that may be performed and do an awful lot of his own work independent of those who are already doing that work.

I am not sure that I can characterize what the Board of Directors and the President of the Corporation may have had in mind in permitting this to exist as long as it did. But if the Senator will remember, the Corporation got off to a rocky start in the sense that the President of the United States, Mr. Carter, appointed a President and a Board even though he knew that Board would not be confirmed. There were some very strong political overtones, both as to the nature of the Board and the timing of the appointments, and very strong feelings by many people outside the Government that the new Board coming in would be equally tinged with politics. I think it has been wise that they moved relatively slowly.

Mr. PROXMIRE. As I understand it, the Acting Inspector General, Mr. Seltzer, was also a consultant at $300 a day; so why did they need two?

Mr. McCLURE. I cannot tell the Senator why they needed two, but it was apparently not the opinion of the Board of Directors and of the Corporation executives that the Acting IG would be the permanent one. It is a Presidential nomination, and until that nomination had been made, they were not in position to assume that either one would have the permanent nomination. They needed to have somebody who was sitting in that chair doing that job, doing the work that needed to be done. I can only characterize their actions as probably coming from that particular point of view.

Mr. PROXMIRE. One of the things that bothers me—I am not talking about Mr. Seltzer, but I am talking about Mr. Gambino and Mr. Lessey—Mr. Lessey, of course, being the Inspector General—what did these two nominees do during the months they were employed? They were receiving $300 and $285 a day. What did they do during that period of time?

Mr. McCLURE. I think they have done a great deal of work. I cannot tell the Senator on a day-to-day basis what they have done, but we have looked at their activities in general and heard their testimony, and the members of the committee asked questions of them about what was done. The Senator will remember that the SFC was not declared operational until February 9, but it was essential that the permament IG become immediately involved in its operations following that date and his Senate confirmation.

I think there are a number of things that need to be said about what has been done. Much of their activity has consisted of meetings, and I can just give the Senator a log of what Mr. Lessey's meetings have included. There have been 40 meetings with the SFC general counsel; there have been 20 meetings with the ethics officer, 60 meetings with the chairman of the Synthetic Fuels Corporation, the president or their executive assistants, and 25 meetings with the Inspector General personnel.

In addition to that, there have been various meetings with project personnel and administrative employees. During this period of time since they came on board, pursuant to this contract, both Mr. Lessey and Mr. Gambino have had to analyze the SFC and the role that they would play as Inspector General and Deputy Inspector General. They have had to look at the Energy Security Act. They have had to go back and review the congressional hearings, because this is a rather unique enterprise on the part of the Government. I think they could not have gone on to do their job if they were not familiar with the legislative background relating to the creation of the Synthetic Fuels Corporation, and with the bylaws of the Corporation, and the corporate records. There was a great deal of questioning of the actions of the original Board of Directors as the new Board came in, and they restructured the executive supervision of the Synthetic Fuels Corporation, There was quite a shift in personnel during that period of time as they tried to mesh the new Chairman and Board's ideas of how to operate the Synthetic Fuels Corporation under the very unique circumstances that this board does occupy. It is not a typical manner of Government organization at all.

It was also necessary during that period of time that Mr. Lessey and Mr. Gambino analyze both the previous and the changing management structure. They had to look back at the initial solicitations and then recognize that those initial solicitations were under a great deal of scrutiny by the Synthetic Fuels Corporation, and they went back on the street with modifications.

They also during that same period of time were making the additional solicitations for the second round of awards that would be made by the Synthetic Fuels Corporation.

I think it is fair to say, too, that they undoubtedly looked back at the responsibility which they necessarily would have under what the Department of Energy had done in the original awards and the contracts that now became the Synthetic Fuels Corporation's responsibility to administer, the awards that have been made under the old War Production Board type of authority that was merged into the creation of the synthetic fuels program.

So the two nominees had a great deal of work to do in just finding out what this organization had done in the prior year, before they got on board, so that they would know how to look at what was being done on a day-to-day basis.

The Corporation started out with $20 billion to be spent, and more than $10 billion of that remains to be obligated. It has not been spent, but some has been obligated. So they have a large responsibility.

Mr. PROXMIRE. It is a very large responsibility. But the problem I have is this: Why are we bringing this up today? As of now, there are no jobs at all. Their nominations have not been confirmed. They have not been given the responsibility. Yet, since September 1981—about 6 months or more—these men have been paid $300 a day and $285 a day, but they do not even have the job.

I am not going to ask for a rollcall vote, but suppose the Senate decided that their nominations should not be confirmed? They would have been paid $35,000 for nothing.

Again and again, I have seen the President nominate people for Senate confirmation, and I cannot remember any—there may be some cases, but I cannot remember any—in which people have been paid while they were waiting for their nominations to be confirmed. They are paid the day they get the job. They are not paid in advance, particularly if they are Inspectors General.

Mr. McCLURE. We have looked at the very carefully, not just with respect to these but also with respect to the others, and I suggest that the Senator go back and look at the record and refresh his memory, because that is not at all unusual. Whether it is right or wrong, good or bad, it is not unusual. It has been done not only in this administration but also in the Carter administration.

Mr. PROXMIRE. For 6 or 7 months?

Mr. McCLURE. I cannot verify the length of time. I would hate to say that I know what the length of time is, but for substantial periods of time.

The Senator is correct in saying that if we did not now confirm the nominations, we certainly would have reason to question the policy that permitted them to obtain an education and to participate in a function in which they were not going to continue.

Mr. PROXMIRE. Jim McClure is as bright and informed a Member of the Senate as we have. He knows this business inside and out, and his staff man is an expert. I challenge the Senator to cite one case in which an Inspector General nominee had ever before received a payment such as this, in any department.

Mr. McCLURE. I say to the Senator that I do not know of another case in which we have had such a time getting a corporation started as this one. There have been all kinds of delays, and it started at the end of the Carter administration. We have been trying ever since then to get it going. If the complaint is delay, I share that feeling. If the concern is that we have people onboard before their nominations are confirmed, yes; but that is not unusual.

Mr. PROXMIRE. A few days or a week.

Mr. McCLURE. Much longer than that.

Mr. PROXMIRE. And for some other positions, perhaps, but the Inspector General is different. He should be aside and apart from an organization which is paying him.

My next question: Should nominees for sensitive positions, requiring independence, accept consulting contracts from the organization they are supposed to inspect? Is that a conflict?

Mr. McCLURE. Under the normal course of events, if the Senator is talking about a normal consulting contract, of course he is right; but this is not that, and the Senator knows it is not.

This is a situation in which they brought someone onboard—there is going to be an Inspector General—so that he can get to work, pending the selection and the confirmation process. That is what it is. The Inspector General is an employee of the Federal Government, and he lies within a department, whether it is this one or the usual place, and his money comes through that departmental budget.

There is a sense of concern on my part that the Inspector General be as truly independent as the structure and the theory says he should be. I agree with that. But when their budget comes through the same budgetary process, there will always be that question: Is he really independent? His budget is subject to some control of the Department in which he is the Inspector General.

Mr. PROXMIRE. Did the Corporation follow its standard procedures when they hired these two men? I will quote from their requirements: A "specific and well-defined need for expertise not presently available within the corporation." Did they follow that? Was there a request for a proposal made in that connection?

Mr. McCLURE. I think these are appointees. They do not come through the ordinary hiring process, any more than does a Cabinet member. I cannot recall when various Presidents in the past have called for applicants for jobs in the Cabinet.

Mr. PROXIMIRE. We are talking about consultants. These are consultants.

Mr. McCLURE. Again I say to the Senator that this is not the ordinary kind of consultancy, and I think the Senator knows that.

Mr. PROXMIRE. Was this not a sole source? There was no competition.

Mr. McCLURE. I think that in both of these cases, these men had been selected by the White House for these jobs before the consultant contracts were entered into.

Mr. PROXMIRE. So that it was not competitive. Why did not the Corporation follow the standard procedures?

Mr. McCLURE. Because this not a standard consultancy.

Mr. PROXMIRE. Standard consultancy provides some kind of safeguards.

Mr. President, I do not intend to delay this nomination any further. I have indicated that I am not going to ask for a rollcall vote, and I am going to do so, but I am troubled by what has happened here. I hope that, in the future, we can avoid a situation in which consultants are paid thousands of dollars. In this case, they were paid more than $35,000, in total, before they had had 1 day in their position of authority. I believe that is unfortunate. We should do our best to avoid it in the future.

Mr. McCLURE. I say to the Senator from Wisconsin that I appreciate the concern he has stated, and I share with him the determination that the Inspectors General and the Deputy should have not only the appearance of being independent but also actually be independent.

I would have been concerned had these men been selected by the Synthetic Fuels Corporation Board of Directors and the President and hired by them, and then some time later they had been selected, in the selection process, for personnel to be appointed by the White House. It did not happen that way.

The record should indicate that these men were selected for that post based upon their qualifications and their expertise, and they were not placed on consultancy until the selection had been made. It was only the unusual period of the delay between their selection in the White House personnel selection process and this date that has caused the question to arise in terms of the length of time and the compensation.

I agree with the Senator that it is not a method that should be followed routinely. I agree wholeheartedly with that statement.

Mr. PROXMIRE. I thank the Senator.

Mr. President, I yield back whatever time I may have.

Mr. McCLURE. Mr. President, I move that the nominations be confirmed.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the nomination of Samuel Kenric Lessey, Jr., of New Hampshire, to be Inspector General of the U.S. Synthetic Fuels Corporation for a term of 7 years.

The nomination was confirmed.

The PRESIDING OFFICER. The question is on agreeing to the nomination of Robert W. Gambino, of Virginia, to be Deputy Inspector General of the U.S. Synthetic Fuels Corporation for a term of 7 years.

The nomination was confirmed.

Mr. McCLURE. Mr. President, I believe that under the previous unanimous-consent request, we already have a direction to notify the President of the confirmation of these nominations.

The PRESIDING OFFICER. Without objection, the President will be so notified.

LEGISLATIVE SESSION

Mr. McCLURE. Mr. President, I understand that under the previous unanimous-consent request, the Senate will now return to legislative business.

The PRESIDING OFFICER. The Senator is correct. The Senate will now return to legislative business.

Mr. McCLURE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

The PRESIDING OFFICER. The Chair, in the capacity of a Senator from Virginia, asks unanimous consent that the order for the quorum call be rescinded.

Without objection, it is so ordered.

RECESS UNTIL 4:15 P.M.

The PRESIDING OFFICER. Under the previous order, the Senate now stands in recess until the hour of 4:15 p.m.

Thereupon, at 1:30 p.m., the Senate recessed until 4:15 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. Tower).

The PRESIDING OFFICER. The Chair, in his capacity as a Senator from the State of Texas, suggests the absence of a quorum.

The clerk will call the role.

The bill clerk proceeded to call the roll.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. Abdnor). Without objection, it is so ordered.

DO WE HAVE A LOCAL OR NATIONAL DEFENSE?

Mr. GOLDWATER. Mr. President, one of the biggest problems that we in Congress face every year is trying to decide between too little and too much in relation to our defense needs. While this problem is equally as bad, if not worse, in the social spending arena, the Defense budget attracts much more interest from a wider variety of people.

Because of this strong interest, those of us who are entrusted with trying to shape a workable defense budget are beseiged with all sorts of strange requests for inclusion in the budget. At first glance, these requests appear odd because of what they are and who is making the request. I ask you, what would you do if a respected individual, who didn't know an afterburner from a hot rock, approached you and requested that the budget include a given quantity of XYZ aircraft? As funny as that may sound, a lot of stranger things have happened on the way to the defense budget. I am sure that I am not alone in saying that I have been badgered and cajoled by constituents, contractors, colleagues and program managers for a piece of the action. While a lot of these requests are legitimate and fit into our defense plans, many of these projects should never have seen the light of day. Some, having seen the light, now deserve to be put in a dark closet.

Unfortunately, we in Congress are as much to blame as anybody in encouraging this type of budget management.

Too often, we have seen Members of Congress who have little interest and less knowledge in defense matters suddenly become authorities on this or that problem. And, why is this? Plain and simple is the fact that a particular weapons system or a major piece of one is going to be built in that person's district. With the prospect of jobs and money being dangled before their eyes, some Members, uncritically, accept these programs as they are depicted by those with vested interests in them. It then becomes an annual struggle to maintain control over the Defense budget since so many programs have acquired congressional "Godfathers."

In order to understand what happens, a quick tour of the life-cycle process of any system may illustrate the problems we face.

The whole thing begins when a perceived threat to our military capabilities suddenly appears on the horizon. At this point, a minor argument usually arises as to whether we should upgrade an existing system with new technology or start a whole new program based on the assumption that better technology is just around the corner. Whichever way the decision goes, the next step is where we begin to see the problems develop.

For it is at this step—the program management step—that an individual weapons system begins to gather supporters.

While the basic concept of program management is sound and one that I support, it can lead directly into the parochialism which forces various programs to hang on long after their useful lives. For it is at this point that a program gains vocal adherents who have a vested interest in it.

The military, the civilian bureaucracy, the contractors and, particularly, Congress, all have their reasons for going ahead with a particular program. It is easy to understand the vested interest of the executive branch agencies and the contractors. It is easy to see that jobs, money and job security are heavily entwined in their thinking. But, the real problem lies here, in Congress.

Too often, it can be said, Congress votes itself regional or local defense programs instead of national defense structure. As an example, I can think of one New England State delegation that, for the most part, would never agree to vote for a strong defense. But, all of a sudden, when a program is proposed to be built in their State, they become immediate experts on our national defense needs. And, yet another example—base closures and consolidations. Why is it that every time the Pentagon sends over a list of proposed closures or consolidation of military posts, they come away emptyhanded, regardless of the fact that these actions would save the United States millions of dollars and make the military more effective and efficient? We in Congress retreat to our parochialism and threaten all sorts of dire consequences if these plans are carried out.

The list of projects which should have never seen the light of day, as well as those which should have been ended after their technological or practical life had ended, would engulf this room. I would suggest that all of us in Congress sit back and take stock of our own personal positions.

Certainly, being politicians, we are susceptible to political pressure from our homes areas. However, the time now has come when the United States has neither the money, the time, nor the capacity to continue the wasteful subsidies of our own narrow interests.

If we are ever to redress the military imbalance, then we in Congress must be willing to turn a deaf ear to the special-interest people and begin to vote for, and promote, a truly national defese program.

Mr. President, I suggest the absence of a quorum.

The **PRESIDING OFFICER**. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. **TOWER**. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

BUDGET ACT WAIVER

Mr. **TOWER**. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of Calendar No. 510, Senate Resolution 360, a resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 2248, the Department of Defense authorization bill.

It is my understanding that Mr. PRYOR wishes to speak on the waiver but does not object to our taking it up.

The **PRESIDING OFFICER**. The resolution will be stated by title.

The bill clerk read as follows:

> A resolution (S. Res. 360) waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 2248.

The **PRESIDING OFFICER**. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

The **PRESIDING OFFICER**. There is 1 hour on the resolution.

Mr. **TOWER**. Mr. President, how much time does the Senator yield himself?

Mr. **PRYOR**. At this point, 10 minutes.

Mr. President, today we are beginning to debate perhaps the largest single part of the budget for 1983. We are doing it, in my opinion, in a backward manner. We are starting the debate on the Defense authorization bill which will consume billions of dollars of taxpayer money and we are beginning in a way which is a violation of the Budget Act, not only the letter of the Budget Act but also the spirit of the Budget Act. Only 4 days after the President of the United States has appeared before the American people, following negotiating sessions with Congress relative to a budget compromise, we are violating the plea for restraint that the President has made.

For the life of me, I can see no real reason for bringing up the Defense authorization bill before we bring up the budget resolution. I think it would be the proper and the wisest course for this body to first get together on the budget and establish ceilings on that budget. Then, in the context of looking at the entirety of the budget, we could look at the effect of defense spending upon that budget. I think we would then be following a course of commonsense, a course of discretion, and a course that the taxpayers of this country would certainly applaud.

For example, in the budget authorization bill for the Department of Defense, we are looking at $87 billion in procurement, $24 billion in research, development, testing, and evaluation, $69 billion in operation and maintenance, $144 million in civil defense. Yet, Mr. President, we are bringing up this bill before we have an opportunity to find ceilings, those top figures—or, possibly better said, those bottom figures—on the budget as a whole.

I believe that the people of this country expect Congress to budget before it spends; and here we are, beginning to make a severe impact on the entire budget and we are proceeding in a way that does not represent a commonsense approach to the budgetary crisis in which we find ourselves.

I believe this is a true test of the restraint of Congress. I ask this question: Can we wait to give out these so-called presents to the Pentagon and to the defense contractors until we find out what our budget is actually going to allow us to spend? It is my opinion that we could wait 1 week or 2, or even 3, until the Chairman of the Budget Committee and the members of that committee, as well as other Members of this body, have an opportunity to report a resolution, an action which could take place quickly—perhaps even by the end of the week.

My question is, Why can we not wait until that opportunity, when we can see the implications of the entire budget when it is placed before this body?

The fiscal 1983 budget proposed by the administration, for military matters, is $263 billion in budget authority. That is a $43.3 billion increase. Not all of this increase is included in this particular authorization bill, because this bill does not include military construction and certain other matters. But it does represent a substantial portion of the $800 billion budget proposed in February. Indeed, exclusive of income security programs and interest on the national debt, defense costs represent more than 60 percent of Federal spending proposed in the 1983 budget.

As I have stated, this particular bill contains four major items, four of the major expenditures that this Congress is going to have to face for next year, and yet we find ourselves today attempting to have this bill considered by the Senate before the Budget Committee has brought its budget proposals to us.

My next question is whether there is precedent for bringing the defense authorization bill to the floor before the budget resolution has come forward? The answer is no. There is no precedent except on one former occasion when the budget authority figures used by the Armed Services Committee and the Budget Committee coincided at the same level.

Today, it is my understanding that the Budget Committee and the Armed Services Committee are not together on what is going to be recommended that we spend for military procurement, for military research, development, tests, and evaluation, for operation and maintenance, and for the civil defense of this country.

Mr. President, I think that it is not only unfair to the military, I think it is unfair to the budgetary process for us to come forward at this time and in this manner before the Budget Committee has had an opportunity to present a budget resolution to the Senate. I think that it is very wrong that we would attempt to consider this matter before we see the full impact of what we are about to do.

Mr. President, I think I should just make mention of this, even though I will not raise a point of order, that this bill violates section 402 of the Budget Act and is subject to a point of order unless the Budget Act restrictions are waived. That violation is very simple. It would authorize fiscal 1982 funds and under the act committees must report 1982 authorizations before May 15, 1982.

Why did this violation occur? This violation is occurring because, as the committee report says, the administration did not formally request these funds until March 22, 1982; therefore, the violation is quite simply the result of some delays by the administration.

I realize that only $1.5 billion of this $180 billion bill does violate the Budget Act. Nevertheless, the act is violated and we are being asked to waive this violation.

I think that we should pause, Mr. President, before doing so because if Congress is going to get control of the budget and reduce the deficit, we need to begin, and to begin now, not putting the cart before the horse as we are doing by considering the defense authorization bill before the budget resolution is brought to the floor. We need a budget resolution, and we need it before we act on the $1.5 billion supplemental or the $180 billion fiscal 1983 authorization.

I can also only assume, Mr. President, that later on in the budgetary fight that we are about to begin, we will find certain individuals, perhaps even the chairman of the Budget Committee——

The **PRESIDING OFFICER**. The Senator's 10 minutes have expired.

Mr. **PRYOR**. Mr. President, I yield myself 3 additional minutes.

The **PRESIDING OFFICER**. The Senator is recognized for 3 additional minutes.

Mr. **PRYOR**. Mr. President, we can only assume that we will see later in this process the chairman or some other member of the committee, perhaps even the committee itself, rising to say that supplemental funding requests for domestic programs cannot possibly be funded because they violate the Budget Act.

We are, however, violating the Budget Act at this time on this day, but that is not my main concern.

My main concern is that by bringing this matter to the floor at this time, we will authorize major portions of the entire 1983 appropriations. It is wrong to do that now. We are getting the cart before the horse, and I wish to bring these matters to the attention of the President and my distinguished colleagues.

Mr. President, at this point I yield the floor.

Mr. **TOWER**. Mr. President, if the Senator from Arkansas is prepared to yield back the remainder of the time in opposition to the waiver, I am prepared to yield my time.

Mr. **PRYOR**. If I could say to the distinguished chairman, I might wish to reserve the remainder of my time. I do not know whether there are other speakers here. I may wish to conclude depending on what the distinguished chairman has to say.

Mr. **TOWER**. Mr. President, I suggest the absence of a quorum and ask unanimous consent that the time be charged equally to both sides.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. **PRYOR**. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

Mr. **PRYOR**. Mr. President, I yield back the remainder of my time at this point.

Mr. **TOWER**. Mr. President, I yield back the remainder of the time and move the adoption of the waiver resolution.

The **PRESIDING OFFICER**. The question is on agreeing to the resolution.

The resolution (S. Res. 360) was agreed to, as follows:

S. RES. 360

> *Resolved*, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to the consideration of S. 2248, a bill to authorize appropriations for fiscal year 1983 for procurement, for research, development, test, and evaluation, and for operation and maintenance for the Armed Forces, to prescribe personnel strengths for the Armed Forces and for civilian personnel of the Department of Defense, and for other purposes.
>
> Such waiver is necessary because section 402(a) of the Congressional Budget Act of 1974 provides that it shall not be in order in either the House of Representatives or the Senate to consider any bill or resolution which, directly or indirectly, authorizes the enactment of new budget authority for a fiscal year, unless that bill or resolution is reported in the House or the Senate, as the case may be, on or before May 15 preceding the beginning of such fiscal year.
>
> For the foregoing reasons, pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to S. 2248 as reported by the Committee on Armed Services.

Mr. **TOWER**. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. **BAKER**. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

DEPARTMENT OF DEFENSE AUTHORIZATION, 1983

Mr. **TOWER**. Mr. President, I move the Senate proceed to the consideration of S. 2248, the fiscal year 1983 defense authorization bill.

The **PRESIDING OFFICER**. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to.

The **PRESIDING OFFICER**. The clerk will state the bill by title.

The assistant legislative clerk read as follows:

> A bill (S. 2248) to authorize appropriations for fiscal year 1983 for procurement, for research, development, test, and evaluation, and for operation and maintenance for the Armed Forces, to prescribe personnel strengths for the Armed Forces and for civilian personnel of the Department of Defense, and for other purposes.

The Senate proceeded to consider the bill which had been reported from the Committee on Armed Services with an amendment to strike out all after the enacting clause, and insert the following:

> That this Act may be cited as the "Department of Defense Authorization Act, 1983".

TITLE I—PROCUREMENT

AUTHORIZATION OF APPROPRIATIONS

SEC. 101. Funds are hereby authorized to be appropriated for fiscal year 1983 for the use of the Armed Forces of the United States for procurement in amounts as follows:

ARMY

For the Army: for aircraft, $1,786,914,000; missiles, $2,846,600,000; weapons and tracked combat vehicles, $5,016,285,000; ammunition, $2,733,384,000; and other procurement, $4,564,991,000.

NAVY

For the Navy: for aircraft (including aircraft for the Marine Corps), $11,617,800,000; weapons (including missiles and torpedoes), $3,901,200,000; naval vessels, $18,648,300,000; and other procurement, $3,969,156,000.

MARINE CORPS

For the Marine Corps: for procurement (including ammunition, other weapons and combat vehicles, missiles, communications and electronics, support vehicles, and engineering and other equipment), $2,198,700,000.

AIR FORCE

For the Air Force: for aircraft, $17,792,900,000, of which $186,100,000 is for the United States contribution of its fiscal year 1983 share of the cost of the acquisition by the North Atlantic Treaty Organization (NATO) of the Airborne Early Warning and Control System (AWACS); missiles, $5,370,800,000; and other procurement, $5,753,100,000.

NATIONAL GUARD AND RESERVE COMPONENTS

For aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, other weapons, and other procurement, as follows:

For the Army National Guard, $50,000,000.

For the Air National Guard, $30,000,000.

For the Army Reserve, $30,000,000.

For the Naval Reserve, $30,000,000.

For the Marine Corps Reserve, $30,000,000.

For the Air Force Reserve, $30,000,000.

The authorization of appropriations for the National Guard and Reserve components contained in this paragraph is in addition to any other funds authorized to be appropriated by this or any other Act.

DEFENSE AGENCIES

For the Defense Agencies: for procurement, $878,184,000.

REQUIREMENTS RELATING TO MULTIYEAR CONTRACTS FOR CERTAIN EQUIPMENT

SEC. 102. Notwithstanding any other provision of law, no multiyear contract may be entered into for the procurement of—

(1) F-111 weapon navigation computers;
(2) C-2 aircraft;
(3) EA-6B aircraft;
(4) A-6E aircraft;
(5) MULE laser designators;
(6) CH-53E helicopters;
(7) MLRS rocket systems; or
(8) ALQ-136 radio jammers,

until (A) the Secretary of the military department concerned has submitted to the Committees on Armed Services of the Senate and the House of Representatives a written report setting forth the justification for entering into a multiyear contract for the procurement of the equipment concerned, and (B) thirty days have elapsed after the date on which such report is received by such committees.

CERTAIN AUTHORITY PROVIDED THE SECRETARY OF DEFENSE IN CONNECTION WITH THE NATO AIRBORNE WARNING AND CONTROL SYSTEM (AWACS) PROGRAM

SEC. 103. Section 103(a) of the Department of Defense Authorization Act, 1982 (Public Law 97-36; 95 Stat. 1100) is amended—

(1) by inserting "and each fiscal year thereafter" after "fiscal year 1982" in the matter before clause (1); and

(2) by striking out "for fiscal year 1982" in clause (3).

PROHIBITION AGAINST PROCUREMENT OF ADDITIONAL A-10 AIRCRAFT

SEC. 104. Notwithstanding any other provision of law, none of the funds appropriated to or for the use of the Air Force for fiscal year 1983, or any prior fiscal year, may be obligated after the date of the enactment of this Act for the procurement of any A-10 aircraft in any amount greater than the amount authorized for the procurement of such aircraft in the Department of Defense Authorization Act, 1982 (Public Law 97-86; 95 Stat. 1099).

PROHIBITION AGAINST PROCUREMENT OF ADDITIONAL AH-64 (APACHE) HELICOPTERS

SEC. 105. Notwithstanding any other provision of law, none of the funds appropriated to or for the use of the Army in the Department of Defense Appropriation Act, 1982 (Public Law 97-114; 95 Stat. 1565), may be obligated after the date of the enactment of this Act for the procurement of any AH-64 (Apache) helicopters unless the procurement thereof is specifically authorized by legislation enacted after the date of the enactment of this Act.

RESTRICTION ON PROCUREMENT OF TACAMO COMMAND, COMMUNICATIONS, AND CONTROL EQUIPMENT

SEC. 106. None of the funds appropriated pursuant to this Act may be obligated or expended for the procurement of any airborne very low frequency equipment for the TACAMO EC-130Q aircraft until thirty days have elapsed after the date on which the Secretary of Defense has submitted a written report to the Committees on Armed Services of the Senate and the House of Representatives discussing the feasibility of replacing such equipment with modern communication systems consistent with the planned acquisition of replacement aircraft.

CBU-90 ANTIARMOR CLUSTER MUNITION

SEC. 107. None of the funds appropriated pursuant to section 101 of this title may be used for the procurement of the CBU-90 antiarmor cluster munition until after the Secretary of the Air Force certifies in writing to the Committees on Armed Services of the Senate and the House of Representatives that procurement of such munition is essential to the Air Force inventory.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

AUTHORIZATION OF APPROPRIATIONS

SEC. 201. (a) Funds are hereby authorized to be appropriated for fiscal year 1983 for the use of the Armed Forces of the United States for research, development, test, and evaluation in amounts as follows:

For the Army, $4,455,341,000.

For the Navy (including the Marine Corps), $8,302,898,000.

For the Air Force, $10,745,543,000.

For the Defense Agencies, $2,302,184,000, of which $60,000 is authorized for the activities of the Director of Test and Evaluation, Defense.

(b) In addition to the funds authorized to be appropriated in subsection (a), there are authorized to be appropriated for fiscal year 1983 such additional sums as may be necessary for increases in salary, pay, retirement, and other employee benefits authorized by law for civilian employees of the Department of Defense whose compensation is provided for by funds authorized to be appropriated in such subsection.

REQUIREMENT FOR COMPETITION BETWEEN THE LANTIRN AND FLIR SYSTEMS

SEC. 202. Of the amount authorized to be appropriated in this title for the Air Force, not more than $88,700,000 is authorized for development of the LANTIRN System. However, no funds appropriated pursuant to this title for the Air Force may be obligated or expended for the development of such system until the Secretary of the Air Force submits to the Committees on Armed Services and Appropriations of the Senate and the House of Representatives a written statement certifying that the LANTIRN program has been restructured to provide a competitive demonstration between the current LANTIRN System and a suitably modified version of the Navy's F/A-18 aircraft FLIR System. The Secretary of the Air Force may not enter into any contract for the production of the LANTIRN System until after a competitive demonstration between the LANTIRN System and the suitably modified version of the Navy's F/A-18 aircraft FLIR System has been carried out.

SUBMARINE ADVANCED COMBAT SYSTEM

SEC. 203. Of the funds authorized to be appropriated for the Navy in this title, not more than $85,937,000 is authorized for the Submarine Advanced Combat System research and development program. However, no funds appropriated pursuant to this title may be obligated or expended for the Submarine Advanced Combat System program until the Secretary of the Navy has presented to the Committees on Armed Services of the Senate and the House of Representatives a detailed explanation in writing of how the Department of the Navy plans to proceed with the phased array radar portion (phase III) of the MK-92 Fire Control System upgrade.

TITLE III—OPERATION AND MAINTENANCE

AUTHORIZATION OF APPROPRIATIONS

SEC. 301. (a) Funds are hereby authorized to be appropriated for fiscal year 1983 for the use of the Armed Forces of the United States (other than the Coast Guard) and other activities and agencies of the Department of Defense for operation and maintenance in amounts as follows:

(1) For the Army (including the Army Reserve, the Army National Guard, and rifle practice, Army), $18,774,275,000.

(2) For the Navy (including the Naval Reserve and the Marine Corps Reserve), $22,766,500,000.

(3) For the Marine Corps (including the Marine Corps Reserve), $1,525,015,000.

(4) For the Air Force (including the Air Force Reserve and the Air National Guard), $20,094,300,000.

(5) For the Defense Agencies and other activities of the Department of Defense, $5,896,910,000.

(b) In addition to the funds authorized to be appropriated in subsection (a), there are authorized to be appropriated for fiscal year 1983 such additional sums as may be necessary (1) for increases in salary, pay, retirement, and other employee benefits authorized by law for civilian employees of the Department of Defense whose compensation is provided for by funds authorized to be appropriated in such subsection, and (2) for unbudgeted increases in fuel costs and for increases as the result of inflation in the cost of activities authorized by subsection (a).

STATIONING OF E-4 NATIONAL EMERGENCY AIRBORNE COMMAND POST AIRCRAFT

SEC. 302. (a) None of the funds appropriated pursuant to this title may be obligated or expended for the stationing of the E-4 National Emergency Airborne Command Post aircraft, or associated maintenance and logistical support for such aircraft, at Andrews Air Force Base, Camp Springs, Maryland, unless the President certifies to the Congress in writing that the continued deployment of the E-4 National Emergency Airborne Command Post aircraft at Andrews Air Force Base is essential to and supportive of the national security of the United States.

(b) Notwithstanding the prohibition contained in subsection (a), funds appropriated pursuant to an authorization provided in this title for deployment and support of the National Emergency Command Authority's E-4 aircraft shall [illegible] available for obligation and expenditure [illegible] such deployment and support if (1) an alternative deployment site more than five hundred miles inland from the Atlantic coast has been selected, (2) the chairmen of the Committees on Armed Services of the Senate and the House of Representatives have been notified in writing of the selected site, and (3) thirty days have elapsed following the date on which such notification is received by the chairmen of such committees.

NAVY SHIP OVERHAULS

SEC. 303. Of the funds authorized in section 301(a)(2), not more than $2,518,800,000 may be obligated or expended for ship overhauls for the Navy.

TITLE IV—ACTIVE FORCES

AUTHORIZATION OF END STRENGTHS

SEC. 401. The Armed Forces are authorized strengths for active duty personnel as of September 30, 1983, as follows:

(1) The Army, 783,800.

(2) The Navy, 564,200.

(3) The Marine Corps, 194,600.

(4) The Air Force, 594,500.

AUTHORITY TO EXCEED END STRENGTH AUTHORIZATION

SEC. 402. (a) Section 138(c)(1)(A) of title 10, United States Code, is amended by adding the following new sentence after the first sentence: "The end strength authorized for any component of the armed forces for any fiscal year may be increased by a number equal to not more than 0.5 per centum of the total end strength authorized for such component for such fiscal year if the Secretary of Defense determines that such increase is needed to maintain a stable personnel force.".

(b) The amendment made by subsection (a) shall apply with respect to end strengths for active-duty personnel authorized for fiscal years beginning after September 30, 1981.

LIMITATION ON NUMBER OF NON-HIGH-SCHOOL GRADUATE RECRUITS

SEC. 403. Section 302(a) of the Department of Defense Authorization Act, 1981 (Public Law 96-342; 10 U.S.C. 520 note), is amended by striking out "October 1, 1981" and "September 30, 1982" and inserting in lieu thereof "October 1, 1982" and "September 30, 1983", respectively.

ACCRUED LEAVE SAVING PROVISION

SEC. 404. A member of the Armed Forces of the United States who was authorized under section 701(f) of title 10, United States Code, to accumulate ninety days' leave during fiscal year 1980 and lost any leave at the end of fiscal year 1981 shall be recredited with such lost leave and may retain leave in excess of sixty days until the end of fiscal year 1982, but in no case may such member accumulate leave in excess of ninety days.

TITLE V—RESERVE FORCES

AUTHORIZATION OF AVERAGE STRENGTHS FOR SELECTED RESERVE

SEC. 501. (a) For fiscal year 1983 the Selected Reserve of the Reserve components of the Armed Forces shall be programed to attain average strengths of not less than the following:

(1) The Army National Guard of the United States, 407,400.

(2) The Army Reserve, 258,700.

(3) The Naval Reserve, 105,500.

(4) The Marine Corps Reserve, 38,300.

(5) The Air National Guard of the United States, 101,100.

(6) The Air Force Reserve, 66,000.

(7) The Coast Guard Reserve, 10,700.

(b) The average strength prescribed by subsection (a) for the Selected Reserve of any Reserve component shall be proportionately reduced by (1) the total authorized strength of units organized to serve as units of the Selected Reserve of such component which are on active duty (other than for training) at any time during the fiscal year, and (2) the total number of individual members not in units organized to serve as units of the Selected Reserve of such component who are on active duty (other than for training or for unsatisfactory participation in training) without their consent at any time during the fiscal year. Whenever such units or such individual members are released from active duty during any fiscal year, the average strength prescribed for such fiscal year for the Selected Reserve of such Reserve component shall be proportionately increased by the total authorized strength of such units and by the total number of such individual members.

AUTHORIZATION OF END STRENGTHS FOR RESERVES ON ACTIVE DUTY IN SUPPORT OF THE RESERVES

SEC. 502. (a) Within the average strengths prescribed in section 501, the Reserve components of the Armed Forces are authorized, as of September 30, 1983, the following number of Reserves to be serving on full-time active duty for the purpose of organizing, administering, recruiting, instructing, or training the Reserve components:

(1) The Army National Guard of the United States, 14,419.

(2) The Army Reserve, 8,251.

(3) The Naval Reserve, 12,038.

(4) The Marine Corps Reserve, 678.

(5) The Air National Guard of the United States, 5,158.

(6) The Air Force Reserve, 479.

(b) Upon a determination by the Secretary of Defense that such action is in the national interest, the end strengths prescribed by subsection (a) may be increased by a total of not more than the number equal to 2 per centum of the total end strengths prescribed.

INCREASE IN NUMBER OF CERTAIN PERSONNEL AUTHORIZED TO BE ON ACTIVE DUTY IN SUPPORT OF THE RESERVE COMPONENTS

SEC. 503. (a) Section 517 of title 10, United States Code, is amended by striking out the table in subsection (b) and inserting in lieu thereof the following:

"Grade	Army	Navy	Air Force	Marine Corps
E-9	265	156	132	6
E-8	1,244	329	441	56"

(b) The columns with the headings "Army", "Air Force", and "Marine Corps" in the table contained in section 524(a) of such title are amended to read as follows:

"Army	Air Force	Marine Corps
1,351	281	95
671	267	40
234	170	21"

TITLE VI—CIVILIAN PERSONNEL

AUTHORIZATION OF END STRENGTHS

SEC. 601. (a) The Department of Defense is authorized a strength in civilian personnel, as of September 30, 1983, as follows:

(1) The Department of the Army, 378,000.

(2) The Department of the Navy, including the Marine Corps, 320,600.

(3) The Department of the Air Force, 242,800.

(4) Activities and agencies of the Department of Defense (other than the military departments), 83,000.

(b) In computing the strength for civilian personnel, there shall be included all direct-hire and indirect-hire civilian personnel employed to perform military functions administered by the Department of Defense (other than those performed by the National Security Agency) whether employed on a full-time, part-time, or intermittent basis, but excluding special employment categories for students and disadvantaged youth such as the stay-in-school campaign, the temporary summer aid program, and the Federal junior fellowship program and personnel participating in the worker-trainee opportunity program. Personnel employed under a part-time career employment program established by section 3402 of title 5, United States Code, shall be counted as prescribed by section 3404 of that title. Whenever a function, power, duty, or activity is transferred or assigned to a department or agency of the Department of Defense from a department or agency outside of the Department of Defense, or from another department or agency within the Department of Defense, the civilian personnel end strength authorized for such departments or agencies of the Department of Defense affected shall be adjusted to reflect any increases or decreases in civilian personnel required as a result of such transfer or assignment.

(c) When the Secretary of Defense determines that such action is necessary in the national interest or if any conversion of commercial and industrial type functions from performance by Department of Defense personnel to performance by private contractors which was anticipated to be made during fiscal year 1983 in the budget of the President submitted for such fiscal year is not determined to be appropriate for such conversion under established administrative criteria, the Secretary of Defense may authorize the employment of civilian personnel in excess of the number authorized by subsection (a), but such additional number may not exceed 2 per centum of the total number of civilian personnel authorized for the Department of Defense by subsection (a). The Secretary of Defense shall promptly notify the Congress of any authorization to increase civilian personnel strength under this subsection.

TITLE VII—MILITARY TRAINING STUDENT LOADS

AUTHORIZATION OF TRAINING STUDENT LOADS

SEC. 701. (a) For fiscal year 1983, the components of the Armed Forces are authorized average military training student loads as follows:

(1) The Army, 78,311.

(2) The Navy, 66,930.

(3) The Marine Corps, 20,435.

(4) The Air Force, 48,769.

(5) The Army National Guard of the United States, 18,052.

(6) The Army Reserve, 14,579.

(7) The Naval Reserve, 1,000.

(8) The Marine Corps Reserve, 2,971.

(9) The Air National Guard of the United States, 2,328.

(10) The Air Force Reserve, 1,351.

(b) The average military student loads for the Army, the Navy, the Marine Corps, and the Air Force and the Reserve components authorized in subsection (a) for fiscal year 1983 shall be adjusted consistent with the manpower strengths authorized in titles IV, V, and VI of this Act. Such adjustment shall be apportioned among the Army, the Navy, the Marine Corps, and the Air Force and the Reserve components in such manner as the Secretary of Defense shall prescribe.

TITLE VIII—ATTACK-RELATED CIVIL DEFENSE

AUTHORIZATION OF APPROPRIATIONS

SEC. 801. There is hereby authorized to be appropriated for fiscal year 1983 to carry out the provisions of the Federal Civil Defense Act of 1950 (50 U.S.C. App. 2251-2297) the sum of $144,530,000.

AMOUNT AUTHORIZED FOR CONTRIBUTION FOR STATE PERSONNEL AND ADMINISTRATIVE EXPENSES

SEC. 802. The third sentence of section 408 of the Federal Civil Defense Act of 1950 (50 U.S.C. App. 2260) is amended by striking out "$47,000,000" in the second proviso and inserting in lieu thereof "$50,000,000".

TITLE IX—SUPPLEMENTAL AUTHORIZATIONS FOR FISCAL YEAR 1982

PROCUREMENT

SEC. 901. In addition to the funds authorized to be appropriated in the Department of Defense Authorization Act, 1982 (Public Law 97-86; 95 Stat. 1099), there is hereby authorized to be appropriated to the Navy and the Air Force for fiscal year 1982 for procurement in amounts as follows:

For the Navy: for naval vessels, $263,400,000.

For the Air Force: for aircraft, $219,100,000 and missiles, $5,300,000.

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

SEC. 902. In addition to the funds authorized to be appropriated in the Department of Defense Authorization Act, 1982, there is hereby authorized to be appropriated to the Air Force for fiscal year 1982 for research, development, test, and evaluation, $16,400,000.

OPERATION AND MAINTENANCE

SEC. 903. In addition to the funds authorized to be appropriated in the Department of Defense Authorization Act, 1982, funds are hereby authorized to be appropriated for fiscal year 1982 for the use of the Armed Forces of the United States and other activities and agencies of the Department of Defense for operation and maintenance in amounts as follows:

For the Army, Army Reserve and Army National Guard, $90,200,000.

For the Navy, Naval Reserve and Marine Corps, $164,600,000.

For the Air Force, Air Force Reserve and Air National Guard, $30,300,000.

For the Defense Agencies and Defense-wide activities, $41,200,000.

INCREASE IN END STRENGTH AUTHORIZATION FOR THE ARMY FOR FISCAL YEAR 1982

Sec. 904. Section 401 of the Department of Defense Authorization Act, 1982 (Public Law 97-86; 95 Stat. 1104), is amended by striking out "Army, 780,300" and inserting in lieu thereof "Army, 784,400".

TITLE X—ADDITIONAL AUTHORIZATIONS FOR FISCAL YEAR 1982

PROCUREMENT

Sec. 1001. In addition to the funds authorized to be appropriated in the Department of Defense Authorization Act, 1982 (Public Law 97-86; 95 Stat. 1099), funds are hereby authorized to be appropriated for fiscal year 1982 for the use of the Navy and Air Force for procurement in amounts as follows:

Navy

For the Navy: for naval vessels, $123,600,000.

Air Force

For the Air Force: for aircraft (including aircraft for the Air National Guard), $137,800,000 and missiles, $12,000,000.

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

Sec. 1002. In addition to the funds authorized to be appropriated in the Department of Defense Authorization Act, 1982, funds are hereby authorized to be appropriated for fiscal year 1982 for the use of the Navy and Air Force for research, development, test, and evaluation in amounts as follows:

For the Navy: $53,969,000.

For the Air Force: $73,000,000.

TITLE XI—GENERAL PROVISIONS

SPECIAL DEFENSE ACQUISITION FUND

Sec. 1101. Section 138(g) of title 10, United States Code, is amended—

(1) by striking out "and" after "1982" and inserting in lieu thereof a comma; and

(2) by inserting ", and may not exceed $900,000,000 in fiscal year 1984" after "1983".

INCREASE DOLLAR AMOUNTS FOR REPORTS TO CONGRESS REGARDING TRANSFER OF DEFENSE ARTICLES

Sec. 1102. Section 813 of the Department of Defense Appropriation Authorization Act, 1976 (Public Law 94-106; 10 U.S.C. 133 note) is amended by striking out "$25,000,000" and inserting in lieu thereof "$50,000,000".

REPORTS ON UNIT COSTS OF MAJOR DEFENSE SYSTEMS

Sec. 1103. (a)(1) The program manager (as designated by the Secretary concerned) for each major defense system included in any selected acquisition report submitted to the Congress pursuant to section 811 of the Department of Defense Appropriations Authorization Act, 1976 (Public Law 94-106; 10 U.S.C. 139 note), shall submit to the Secretary concerned, as hereinafter provided in this section, a written report on the unit cost of the major defense system included in such selected acquisition report for which such manager has responsibility. The program manager shall submit such report to the Secretary concerned not more than seven days after the end of any quarter for which a selected acquisition report is required to be submitted to the Congress containing information on such defense system. The program manager shall include in each such unit cost report—

(A) the total program acquisition unit cost for such major defense system as of the last day of the quarter for which the report is being made; and

(B) in the case of a major defense system for which procurement funds are authorized for the fiscal year containing the quarter for which the unit cost report is submitted, the current procurement unit cost for such major defense system as of the last day of the quarter for which the report is being made.

(2) If at any time during any quarter for which a unit cost report is required under this section, the program manager of a major defense system referred to in paragraph (1) has reasonable cause to believe that (A) the total program acquisition unit cost, or (B) in the case of a major defense system for which procurement funds are authorized for the fiscal year containing the quarter for which such report is to be submitted, the current procurement unit cost has exceeded the applicable percentage increase specified in subsection (b), such manager shall immediately submit to the Secretary concerned a unit cost report containing the information, as of the date of such report, required by paragraph (1).

(3) The program manager shall also include in each unit cost report submitted for any major defense system pursuant to paragraph (1) or (2) any change from the schedule milestones or system performances with respect to such system reflected in the selected acquisition report used as the base for applying the applicable percentage increase specified in subsection (b) and that is known, expected, or anticipated by such manager.

(b)(1)(A) The Secretary concerned shall determine within seven days after any unit cost report has been submitted to him pursuant to subsection (a) whether the total program acquisition unit cost (including any increase for expected inflation) for any major defense system for which no procurement funds are authorized for the fiscal year containing the quarter for which the report is submitted has increased by more than 15 per centum over the total program acquisition unit cost for such system as reflected in the selected acquisition report which first included information on such defense system or as reflected in the selected acquisition report covering the first quarter of the fiscal year immediately preceding the fiscal year containing the quarter for which such unit cost report is submitted to the Secretary concerned, whichever selected acquisition report is later.

(B) If the Secretary concerned determines that the total program acquisition unit cost (including any increase for expected inflation) for any such major defense system has increased by more than the amount referred to in subparagraph (A), he shall notify the Congress in writing of such determination and of the increase with respect to such system within ten days after the unit cost report was submitted to him. The Secretary shall include in such notice the date on which the determination was made. Except as provided in paragraph (3), if the Secretary makes such a determination with respect to a major defense system, no additional funds may be obligated in connection with such system after the end of the thirty-day period beginning on the day on which the Secretary makes such determination.

(2)(A) The Secretary concerned shall also determine within seven days after any unit cost report has been submitted to him pursuant to subsection (a) whether—

(i) the current procurement unit cost of any major defense system for which procurement funds are authorized for the fiscal year containing the quarter for which the unit cost report is submitted has increased by more than 15 per centum over the procurement unit cost derived from the selected acquisition report which first included information on such defense system or derived from the selected acquisition report covering the first quarter of the fiscal year immediately preceding the fiscal year containing the quarter for which such unit cost report is submitted to the Secretary concerned, whichever selected acquisition report is later, or

(ii) the total program acquisition unit cost (including any increase for expected inflation) of such system has increased by more than 15 per centum over the total program acquisition unit cost for such system as reflected in the selected acquisition report which first included information on such defense system or as reflected in the selected acquisition report covering the first quarter of the fiscal year immediately preceding the fiscal year containing the quarter for which such unit cost report is submitted to the Secretary concerned, whichever selected acquisition report is later.

(B) If the Secretary concerned determines that the current procurement unit cost has increased by more than the percentage referred to in subparagraph (A)(i) or that the total program acquisition unit cost (including any increase for expected inflation) has increased by more than the percentage referred to in subparagraph (A)(ii), he shall notify the Congress in writing of such determination and of the increase with respect to such system within ten days after the unit cost report was submitted to him. The Secretary shall include in such notice the date on which such determination was made. Except as provided in paragraph (3), if the Secretary makes such a determination with respect to a major defense system, no additional funds may be obligated in connection with such system after the end of the thirty-day period beginning on the day on which the Secretary makes such determination.

(3) The prohibition contained in paragraphs (1) and (2) on the obligation of funds shall not apply in the case of any major defense system to which such prohibition would otherwise apply if the Secretary concerned submits to the Congress, before the end of the thirty-day period referred to in paragraph (1) or (2), a written report which includes—

(A) a statement of the dollar increase in total program acquisition unit cost or procurement unit cost, in both current and constant dollars, and the percentage increase for each;

(B) a statement of the reasons for such increase in total program acquisition unit cost or procurement unit cost;

(C) the identities of the military and civilian officers responsible for program management and cost control of the major defense system;

(D) except when the cost increase is due solely to termination or cancellation of the entire program for the major defense system—

(i) the action taken and proposed to be taken to control future cost growth of such system; and

(ii) any changes made in the performance or schedule milestones of such system and the extent to which such changes have contributed to the increase in total program acquisition unit cost or procurement unit cost;

(E) the identities of the principal contractors for the major defense system; and

(F) the history of the total program acquisition unit cost of such major defense system, including all changes in such unit cost, from the date of the selected acquisition report which first included information on such defense system.

(c)(1)(A) The Secretary concerned shall also determine within seven days after any unit cost report has been submitted to him pursuant to subsection (a) whether—

(i) in the case of any such system for which procurement funds are authorized for the fiscal year in which the unit cost report is submitted, the current procurement unit cost of such system has increased by more than 25 per centum over the procurement unit cost derived from the selected acquisition report which first included the information on such defense system or derived from the selected acquisition report covering the first quarter of the fiscal year immediately preceding the fiscal year containing the quarter for which such unit cost report is submitted to the Secretary concerned, whichever selected acquisition report is later, or

(ii) the total program acquisition unit cost (including any increase for expected inflation) for a major defense system has increased by more than 25 per centum over the total program acquisition unit cost for such system as reflected in the selected acquisition report which first included the information on such defense system or as reflected in the selected acquisition report covering the first quarter of the fiscal year immediately preceding the fiscal year containing the quarter for which such unit cost report is submitted to the Secretary concerned, whichever selected acquisition report is later.

(B) If the Secretary concerned determines that the current procurement unit cost of a major defense system referred to in subparagraph (A)(i) has increased by more than the percentage referred to in such subparagraph or that the total program acquisition unit cost (including any increase for expected inflation) for a major defense system referred to in subparagraph (A)(ii) has increased by more than the percentage referred to in such subparagraph, he shall notify the Congress in writing of such determination and the increase with respect to such system within ten days after the unit cost report was submitted to him. The Secretary shall include in such notice the date on which such determination was made. Except as provided in paragraph (3), if the Secretary makes such a determination with respect to a major defense system and submits a report to the Congress with respect to such system pursuant to subsection (b)(3), no additional funds may be obligated in connection with such system after the end of the sixty-day period beginning on the day on which the Secretary makes such determination.

(2) The prohibition contained in paragraph (1) on the obligation of funds shall not apply in the case of a major defense system to which such prohibition would otherwise apply if—

(A) the cost increase was due solely to termination or cancellation of the entire program for the major defense system; or

(B) the Secretary of Defense submits to the Congress, before the end of the sixty-day period referred to in such paragraph, a written certification stating that—

(i) such system is essential to the national security;

(ii) there are no alternatives to such system which will provide equal or greater military capability at less cost;

(iii) the new estimates of the total program acquisition unit cost or procurement unit cost are reasonable; and

(iv) the management structure for such major defense system is adequate to manage and control total program acquisition unit cost or procurement unit cost.

(d) As used in this section:

(1) The term "total program acquisition unit cost" means, in the case of a major defense system, the amount equal to (A) the total cost for development and procurement of, and system-specific military construction for, such system, divided by (B) the number of fully configured end items to be produced for such system.

(2) The term "procurement unit cost" means, in the case of a major defense system, the amount equal to (A) the total of all procurement funds available for such system in any fiscal year, reduced by the amount of any funds appropriated for such fiscal year for advanced procurement for such system in any year subsequent to such fiscal year and increased by any amount appropriated in years prior to such fiscal year for advanced procurement for such system in such fiscal year, divided by (B) the number of fully configured end items to be procured with such funds during such fiscal year.

(3) The term "Secretary concerned" has the same meaning as provided in section 101(8) of title 10, United States Code.

REQUIREMENTS RELATING TO THE AWARDING OF SOLE-SOURCE CONTRACTS

Sec. 1104. (a) Chapter 137 of title 10, United States Code, is amended by adding at the end thereof the following new section:

"§ 2316. Requirements pertaining to the awarding of sole-source contracts

"(a) In this section—

"(1) 'sole-source contract' means a negotiated contract for the purchase of property or services which is entered into or proposed to be entered into by a military department or defense agency after soliciting the purchase of such property or services from only one contractor; and

"(2) 'person' has the same meaning as provided in section 551(2) of title 5.

"(b)(1) The head of a military department or defense agency may not enter into negotiations for the award of a sole-source contract for more than $100,000 unless—

"(A) the head of such department or agency has first published in the Commerce Business Daily a notice that the department or agency intends to negotiate such contract;

"(B) a period of at least thirty days after the date of the first publication of the notice has expired, and all interested responsible persons have been permitted to respond or submit proposals in response to such notice within such period;

"(C) the head of such department or agency has considered all responses submitted within the thirty-day period referred to in clause (B); and

"(D) the head of such department or agency has approved the proposal to negotiate such contract.

"(2) The notice required under paragraph (1)(A) shall include—

"(A) all information pertaining to the contract that would be required to be published if the contract were to be awarded under formal advertising procedures; and

"(B) a statement that any person may respond to the notice within thirty days after the date of the publication of the notice.

"(c) The Secretary of Defense may waive the requirements of subsection (b) in the case of any contract if he determines such action is necessary because of national security reasons.

"(d) The provisions of subsection (b) shall not apply in the case of—

"(1) a classified procurement if the notice required under subsection (b)(1)(A) cannot reasonably be worded to avoid disclosure of classified information;

"(2) a procurement with respect to which disclosure of the Government's interest in the property or service to be purchased would compromise the national security;

"(3) the procurement of utility services (not including the purchase of equipment or supplies);

"(4) the procurement of perishable subsistence and services related thereto, if the head of the military department or defense agency determines that it is impracticable to comply with the thirty-day requirement referred to in subsection (b)(1)(B);

"(5) a procurement with respect to which only foreign sources are to be solicited;

"(6) a procurement from another agency, including a procurement from the Small Business Administration under section 8(a) of the Small Business Act (15 U.S.C. 637(a));

"(7) the procurement of any property or service the price of which is established by law;

"(8) a procurement that is of such urgency that the Government would be seriously injured by the delay involved in complying with the thirty-day requirement referred to in subsection (b)(1)(B);

"(9) the procurement of any property or service the cost of which is to be reimbursed by a foreign country, if the foreign country requires that the property or service be obtained from a particular source;

"(10) a procurement to be awarded as a follow-on contract or a contract for related supplies or services if such follow-on contract or contract for related supplies or services is awarded in connection with a program for the procurement of an end item of a major weapons system for which there was a contract competition evaluated on the basis of price and design factors or price and technical factors;

"(11) the procurement of personal or professional services in an amount less than $500,000, to the extent that a determination is made that only one source can provide the desired service;

"(12) the procurement of construction services if a contractor or group of contractors is already at work on the site at which such services are to be provided and it would not be practicable to allow another contractor or additional contractors to work on the same site;

"(13) procurements to be made by an order placed under an existing contract, but only if the existing contract was awarded after a notice published in the Commerce Business Daily in accordance with subsection (a);

"(14) facilities contracts when the performance required practicably can be obtained only from one source; and

"(15) procurements from nonprofit institutions.

"(e) The Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives, not later than March 1 of each year, a report on all sole-source contracts of more than $100,000 entered into by each military department and defense agency during the preceding fiscal year. Such report shall include the number of sole-source contracts entered into during the preceding fiscal year by each such department and agency that were exempt from the requirement of subsection (b) and the total dollar amount of such contracts.".

(b) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new item:

"2316. Requirements pertaining to the awarding of sole-source contracts.".

(c) The amendments made by subsections (a) and (b) shall apply with respect to contracts entered into more than sixty days after the date of the enactment of this Act.

REPEAL OF PROHIBITION ON PURCHASE OF ADMINISTRATIVE USE VEHICLES FROM FOREIGN SOURCES

SEC. 1105. Section 783 of the Department of Defense Appropriations Act, 1982 (Public Law 97-114; 95 Stat. 1591), is repealed.

PURCHASE OF CHEMICAL WARFARE PROTECTIVE CLOTHING AND ITEMS CONTAINING SPECIALTY METALS FROM FOREIGN SOURCES

SEC. 1106. Section 723 of the Department of Defense Appropriations Act, 1982 (Public Law 97-114; 95 Stat. 1582) is amended by inserting after the first colon the following new proviso: "*Provided*, That nothing in this section shall preclude the procurement of specialty metals or chemical warfare protective clothing produced outside the United States or its possessions if such procurement is necessary to comply with agreements with foreign governments requiring the United States to purchase supplies from foreign sources for the purposes of offsetting sales made by the United States Government or United States firms under approved programs serving defense requirements or if such procurement is necessary in furtherance of the standardization and interoperability of equipment requirements within the North Atlantic Treaty Organization (NATO) so long as such agreements with foreign governments comply, where applicable, with the requirements of section 36 of the Arms Export Control Act (22 U.S.C. 2778) and section 814 of the Department of Defense Appropriation Authorization Act, 1976 (Public Law 94-106; 10 U.S.C. 2351 note):".

PROHIBITION AGAINST CONSOLIDATING FUNCTIONS OF THE MILITARY TRANSPORTATION COMMANDS

SEC. 1107. (a) None of the funds appropriated pursuant to an authorization of appropriations in this or any other Act may be used for the purpose of consolidating any of the functions being performed on the date of the enactment of this Act by the Military Traffic Management Command of the Army, the Military Sealift Command of the Navy, or the Military Airlift Command of the Air Force with any function being performed on such date by either or both of the other commands referred to in this subsection.

(b) The Secretary of Defense shall submit a report to the Committees on Armed Services of the Senate and the House of Representatives explaining—

(1) any changes proposed or contemplated by the Department of Defense in the management structure or contracting authority of the three commands referred to in subsection (a);

(2) the necessity or desirability of such changes and the effect such changes likely would have on the operational readiness of each of the commands referred to in subsection (a);

(3) the consequences such changes likely would have on the ability of the fleet support elements of the Military Sealift Command of the Navy to be fully integrated and fully supportive of the operating naval fleets;

(4) the effect such proposed or contemplated changes likely would have on the Navy's ability to develop comprehensive shipbuilding, ship repair, and ship maintenance programs;

(5) the effect such proposed or contemplated changes likely would have on the identification and fulfillment of the overland movement and ocean terminal needs of the Army;

(6) the anticipated cost savings, if any, which would result from such changes; and

(7) the relationship that any new transportation organization that may be established by the Department of Defense would have with the Joint Deployment Agency.

The Secretary shall submit such report to the committees not later than March 1, 1983, together with such comments, recommendations, and proposals for legislation as he considers appropriate.

REPORT ON ALLIED CONTRIBUTIONS TO THE COMMON DEFENSE

SEC. 1108. (a) In recognition of the increasing military threat faced by the Western World and in view of the growth, relative to the United States, in the economic strength of Japan, Canada, and a number of Western European countries which have occurred since the signing of the North Atlantic Treaty on April 4, 1949, and the Mutual Cooperation and Security Treaty between Japan and the United States on January 19, 1960, it is the sense of the Congress that—

(1) the burdens of mutual defense now assumed by some of the countries allied with the United States under those agreements are not commensurate with their economic resources; and

(2) the continued unwillingness of those countries to increase their contributions to the common defense to more appropriate levels will endanger the vitality, effectiveness, and cohesiveness of the alliances between those countries and the United States.

(b) It is further the sense of Congress that the President should seek from each signatory country (other than the United States) of the two treaties referred to in subsection (a) acceptance of international security responsibilities and an agreement to make contributions to the common defense which are commensurate with the economic resources of such country, including, when appropriate, an increase in host nation support.

(c)(1) The Secretary of Defense shall submit to the Congress not later than March 1, 1983, a classified report containing—

(A) a comparison of the fair and equitable shares of the mutual defense burdens of these alliances that should be borne by the United States, by other member nations of the North Atlantic Treaty Organization (NATO), and by Japan, based upon economic strength and other relevant factors, and the actual defense efforts of each nation together with an explanation of disparities that currently exist;

(B) a description of efforts by the United States and of other efforts to eliminate existing disparities;

(C) estimates of the real growth in defense spending in fiscal year 1983 projected for each NATO member nation compared with the annual real growth goal in the range of 3 percent set in May 1978;

(D) a description of the defense-related initiatives undertaken by each NATO member nation within the real growth in defense spending of such nation in fiscal year 1983;

(E) an explanation of those instances in which the commitments to real growth in defense spending and to the long-term defense program have not been realized and a description of efforts being made by the United States to ensure fulfillment of these important NATO commitments; and

(F) a description of the activities of each NATO member and Japan to enhance the security and stability of the Southwest Asia region and to assume additional missions for their own defense as the United States allocates additional resources to the mission of protecting Western interests in world areas not covered by the system of Western alliances.

(2) The Secretary of Defense shall also submit to the Congress not more than thirty days after the submission of the report required under paragraph (1) an unclassified report containing the matters set forth in clauses (A) through (F) of such paragraph.

CRITICAL SKILL NEEDS AND SUPPLIES

SEC. 1109. The Secretary of Defense, in conjunction with the Secretary of Labor, shall conduct a study to determine the level of skilled labor needed and available in the civilian work force to accomplish the programs planned by the Department of Defense for fiscal years 1983 through 1987 and needed and available during a mobilization period. The Secretary shall submit a report on the results of such study, not later than February 15, 1983, to the Committees on Armed Services of the Senate and the House of Representatives. Such report shall include—

(1) an analysis of the expected level of the demand for skilled labor in the civilian work force, by type of skill and by regions of the country, to accomplish defense programs during fiscal years 1983 through 1987 and the expected level of the supply of such labor in the civilian work force available to meet such demand during such fiscal years;

(2) an analysis of the expected level of demand for skilled labor in the civilian work force, by skill and by regions of the country, during a mobilization period and of the ability of the present civilian labor work force to meet such a demand; and

(3) recommendations for programs or legislation to effect any improvements in the level of skilled labor in the civilian work force needed to accomplish defense programs during fiscal years 1983 through 1987 or during a mobilization period.

TECHNOLOGY TRANSFER CONTROL POLICY

SEC. 1110. (a) The Secretary of Defense shall conduct a study of the effectiveness of the technology transfer control policy formulation and related activities of the Department of Defense and shall submit the results of such study to the Congress not later than December 31, 1982, together with such comments and recommendations for such improvements as he considers appropriate. The Secretary shall specifically indicate in such report whether he favors establishing a separate office within the Office of the Secretary of Defense to manage and coordinate technology transfer control policy formulation and related activities within the Department of Defense and shall indicate his reasons for favoring or not favoring,

as the case may be, the establishment of such a separate office. The Secretary shall make available sufficient manpower and fiscal resources from the Office of the Secretary of Defense and the military departments to ensure that the requested study is carried out in a complete and timely manner.

(b) The Secretary of Defense shall also submit to the Congress a written report, not later than February 15 of each fiscal year, recommending the amount of funds to be appropriated to carry out the technology transfer control policy formulation and related activities of the Department of Defense during the next fiscal year. The Secretary shall also include in such report the proposed allocation of the funds requested for such purpose and the number of personnel proposed to be assigned to carry out such activities during such fiscal year.

REPORT ON STANDARDIZATION AND INTEROPERABILITY OF NATO WEAPONS AND EQUIPMENT

SEC. 1111. Section 302(c) of the Department of Defense Appropriation Authorization Act, 1975 (88 Stat. 402; 10 U.S.C. 2451 note), is amended by adding at the end thereof the following: "The Secretary shall also include in each such report—

"(1) a description of each existing and planned program of the Department of Defense that supports the development or procurement of a weapon system or other military equipment originally developed or procured by members of the North Atlantic Treaty Organization (NATO) other than the United States and for which funds have been authorized to be appropriated for the fiscal year in which the report is submitted;

"(2) a summary listing of the amount of funds appropriated for all such existing and planned programs for the fiscal year in which the report is submitted; and

"(3) a summary listing of the amount of funds requested, or proposed to be requested, for all such programs for each of the two fiscal years following the fiscal year for which the report is submitted.

Such report shall also include a description of each weapon system or other military equipment originally developed or procured in the United States and that is being developed or procured by members of the North Atlantic Treaty Organization (NATO) other than the United States during the fiscal year for which the report is submitted.".

ADMINISTRATION BY THE SECRETARY OF DEFENSE OF SCHOOLS ON MILITARY INSTALLATIONS

SEC. 1112. Notwithstanding the provisions of paragraph (3) of section 505(c) of the Omnibus Reconciliation Act of 1981 (Public Law 97-35; 95 Stat. 443), the Secretary of Defense shall be responsible for the conduct of programs carried out with funds of the Department of Defense made available by such section, and the Secretary may not delegate such responsibility outside the Department of Defense.

TEMPORARY INCREASE IN NUMBER OF NAVY OFFICERS THAT MAY SERVE IN GRADES OF ADMIRAL AND VICE ADMIRAL

SEC. 1113. (a) Section 525(b)(2) of title 10, United States Code, is amended by striking out "15 percent" each place it appears and inserting in lieu thereof "17½ percent".

(b) Effective October 1, 1983, section 525(b)(2) of such title is amended by striking out "17½ percent" each place it appears and inserting in lieu thereof "15 percent".

MODIFICATION OF REPORTS ON CONVERSION OF PERFORMANCE OF COMMERCIAL AND INDUSTRIAL TYPE FUNCTIONS FROM DEPARTMENT OF DEFENSE PERSONNEL TO PRIVATE CONTRACTORS

SEC. 1114. (a) Section 502 of the Department of Defense Authorization Act, 1981 (10 U.S.C. 2304 note) is amended—

(1) by striking out "Department of Defense personnel" each time it appears and inserting in lieu thereof "Department of Defense civilian personnel"; and

(2) by striking out subsection (d) and inserting in lieu thereof the following:

"(d) Except as provided in subsection (a)(1), subsections (a) through (c) shall not apply to a commercial or industrial type function of the Department of Defense that is being performed by less than fifty Department of Defense civilian personnel.

"(e) In no case may any commercial or industrial type function being performed by Department of Defense personnel be modified, reorganized, divided, or in any way changed for the purpose of exempting from the requirements of subsection (a)(2) the conversion of all or any part of such function to performance by a private contractor.

"(f) The provisions of this section shall not apply during war or a period of national emergency declared by the President or the Congress.".

(b) The amendments made by subsection (a) shall become effective on October 1, 1982.

MILITARY RECRUITING INFORMATION

SEC. 1115. (a) The Congress finds and declares that in order for the Congress to carry out effectively its constitutional authority to raise and support armies, it is essential—

(1) that the Secretary of Defense obtain and compile directory information pertaining to students enrolled in secondary schools throughout the United States; and

(2) that such directory information be used only for military recruiting purposes and be retained in the case of each person with respect to whom such information is obtained and compiled for a limited period of time.

(b) Section 503 of title 10, United States Code, is amended—

(1) by inserting "(a)" before "The Secretary"; and

(2) by adding at the end thereof the following new subsection:

"(b)(1) The Secretary of Defense is authorized to collect and compile directory information pertaining to each student who is seventeen years of age or older, or who is in the eleventh grade (or its equivalent) or higher regardless of age, and who is enrolled in a secondary school in the United States, its territories, possessions, or the Commonwealth of Puerto Rico.

"(2) Directory information collected and compiled by the Secretary of Defense under this subsection may be made available to the armed forces for military recruiting purposes only.

"(3) Directory information pertaining to any person may not be maintained for more than three years after the date the information pertaining to such person is first collected and compiled under this subsection.

"(4) Directory information collected and compiled under this subsection shall be confidential and no person who has had access to such information may disclose such information except for the purposes described in paragraph (2).

"(5) The Secretary of Defense shall prescribe regulations necessary to carry out the provisions of this subsection and may authorize each Secretary concerned to issue further implementing regulations necessary to administer the program established under this subsection. Each regulation issued pursuant to this section shall be reported to the Committees on Armed Services of the Senate and the House of Representatives. Any regulations issued by the Secretaries concerned shall be as uniform as practicable.

"(6) In this subsection, 'directory information' means, with respect to a student, the student's name, address, telephone listing, date and place of birth, level of education, degrees received, academic grades and class standing, and the most recent previous educational agency or institution attended by the student.".

(c)(1) The heading for section 503 of such title is amended to read as follows:

"§ 503. Enlistments: recruiting campaign[illegible] compilation of directory information".

(2) The item in the table of sections at the beginning of chapter 31 of such title relating to section 503 is amended to read as follows:

"503. Enlistments: recruiting campaigns; compilation of directory information.".

(d)(1) Chapter 31 of title 10, United States Code, is amended by adding at the end thereof the following new section:

"§ 520. Criminal history information for military recruiting purposes

"(a) Each State and each unit of general local government of a State is requested to make available, upon request, to the Secretary concerned any criminal history information maintained by or available to such State or unit of general local government which pertains to any person who, within ninety days before the date on which such information was requested (1) has made application for enlistment in the armed forces, or (2) has made, in connection with such person's application for enlistment, an application for participation in a program of the armed forces which requires a determination of the trustworthiness of persons who participate in such program.

"(b) In this section, 'criminal history information' means the following information with respect to any juvenile or adult arrest, citation, or conviction of any person referred to in subsection (a):

"(1) The offense involved.

"(2) The age of the person with respect to whom such information pertains.

"(3) The dates of the arrest, citation, and conviction, if any.

"(4) The place the offense was alleged to have been committed, the place of the arrest, and the court to which the case was assigned.

"(5) The disposition of the case.

"(c) Criminal history information received under this section shall be confidential and no person who has had access to any information received under this section may disclose such information except to facilitate military recruiting.

"(d) The Secretaries concerned shall prescribe regulations necessary to carry out the provisions of this section, which shall be as uniform as practicable. Any regulations issued pursuant to this section shall be reported to the Committees on Armed Services of the Senate and the House of Representatives.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new item:

"520. Criminal history information for military recruiting purposes.".

COOPERATIVE MILITARY AIRLIFT AGREEMENTS

SEC. 1118. (a) Chapter 131 of title 10, United States Code, is amended by adding at the end thereof the following new section:

"§ 2213. Cooperative military airlift agreements

"(a) Subject to the availability of appropriations, and after consultation with the Secretary of State, the Secretary of Defense may enter into a cooperative military airlift agreement with the government of any allied country for the transportation of the personnel and cargo of the military forces of such country on aircraft operated by or for the military forces of the United States in return for the reciprocal transportation of the personnel and cargo of the military forces of the United States on aircraft operated by or for the military forces of such allied country. Any such agreement shall include the following terms:

"(1) The rate of reimbursement for transportation provided shall be the same for each party which rate shall not be less than the rate charged to military forces of the United States as determined by the Secretary of Defense under section 2208(h) of this title.

"(2) Credits and liabilities accrued as a result of providing or receiving transportation shall be liquidated not less often than once every three months by direct payment to the country which has provided the greater amount of transportation.

"(3) During peacetime, the only military airlift capacity which may be used to provide transportation is that capacity which is not needed to meet the transportation requirements of the military forces of the country providing the transportation and which is not created solely to accommodate the requirements of the military forces of the country receiving the transportation.

"(4) Defense articles purchased by an allied country from the United States under the Arms Export Control Act (22 U.S.C. 2751 et seq.) or from a commercial source under the export controls of the Arms Export Control Act may not be transported (for the purpose of delivery incident to the purchase of the defense articles) to the purchasing allied country on aircraft operated by or for the military forces of the United States except at a rate of reimbursement which is equal to the full cost of transportation of the defense articles, as required by section 21(a)(3) of the Arms Export Control Act (22 U.S.C. 2761(a)(3)).

"(b) The Secretary of Defense may also enter into nonreciprocal military airlift agreements with North Atlantic Treaty Organization subsidiary bodies in the manner provided in subsection (a) and under such terms as the Secretary of Defense considers appropriate.

"(c) Any amount received by the United States as a result of an agreement entered into under this section shall be credited to applicable appropriations, accounts, and funds of the Department of Defense.

"(d) Notwithstanding chapter 138 of this title, military airlift agreements may be entered into only under the authority of this section.

"(e) In this section—

"(1) 'Allied country' means—

"(A) a country which is a member of the North Atlantic Treaty Organization (NATO);

"(B) Australia and New Zealand; and

"(C) any other country designated as an allied country by the Secretary of Defense with the concurrence of the Secretary of State.

"(2) 'North Atlantic Treaty Organization subsidiary bodies' has the meaning given such term by section 2331 of this title.".

(b) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new item:

"§ 2213. Cooperative military airlift agreements.".

Amend the title so as to read: "A bill to authorize appropriations for fiscal year 1983 for the Armed Forces for procurement, for research, development, test, and evaluation, and for operation and maintenance, to prescribe personnel strengths for such fiscal year for the Armed Forces and for civilian employees of the Department of Defense, to authorize supplemental appropriations for fiscal year 1982, to provide additional authorizations for fiscal year 1982, and for other purposes.".

Mr. TOWER. Mr. President, I ask unanimous consent that, during the consideration of S. 2248, the fiscal year 1983 Department of Defense authorization bill, and during any votes thereon, the following members of the staff of the Committee on Armed Services be granted privileges of the floor:

James F. McGovern, Frank Gaffney, Carl Smith, Michael Donley, Wayne Arny, Ken Johnson, Jim Smith, Chris Cowart, Brenda Hudson, Ann Sauer, Carol Rudolph, and Karen Love.

James Locher, Richard Finn, Anthony Principi, Drew Harker, Jose Martinez, Mark Robinson, Ralph White, Mary Shields, Francis J. Sullivan, Paul Besozzi, David Lyles, Steve Dotson, Pat Renahan, and Jim Dykstra.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TOWER. Mr. President, the Defense Department authorization bill before the Senate today, S. 2248, continues the reinvestment in America's security that was begun last year. At that time, a new administration and a new Congress responded to the mandate of the American people by fashioning a defense program that sought to reverse the dangerous trends of the past 20 years. Obviously, the imbalance that has developed between the Western Allies and the Soviet bloc over that length of time cannot be corrected in a single fiscal year. Only a sustained commitment to real growth in our defense investment can restore out Nation's security.

The President's budget request for the categories authorized in S. 2248 is $183.4 billion. To review this proposal, the Armed Services Committee and its subcommittees conducted more than 70 hearings over an 8-week period. After this intensive scrutiny, the committee reported a bill which authorizes $180.2 billion, a net reduction of $3.2 billion from the President's request. That total is allocated among procurement, research and development, operation and maintenance, and civil defense accounts. In addition, S. 2248 prescribes the active-duty, Reserve and National Guard, and civilian personnel strengths of each of the services.

Most of the growth in this defense budget is dedicated to the long-overdue procurement of weapons and other equipment. However, it is important to remember that as late as we are in finally catching up in approving this investment, we will have to wait still longer—too long in my mind—as they gradually appear in the force structure.

Our late start on this lengthy process emphasizes the urgency of getting on with the job of modernizing our Armed Forces. The magnitude of the threat we face should be clear to everyone. A comprehensive intelligence briefing to be presented later—it is my understanding it will be presented tomorrow afternoon—should help to put this authorization bill in perspective: it is part of a larger effort by the United States to defend itself against the growing offensive threat posed by the Soviet Union and its allies. I think it is helpful to keep that simple, basic purpose in mind as we consider this bill.

Before I turn to a brief summary of the mission areas into which the Armed Services Committee has organized its work, I would like to point out three unique features of this bill. First, S. 2248 includes a separate title for the Defense Department supplemental authorization request for fiscal year 1982. The committee recommends a total supplemental authorization of $830.5 million, a net reduction of $621.3 million from the request. Second, S. 2248 provides additional authorization for various programs which had been appropriated more money than they had been authorized in the fiscal year 1982 legislative process. This bill matches the authorization and appropriations level for those programs. Third, S. 2248 authorizes for the first time the ammunition and "other procurement" accounts. By expanding its authorization responsibilities to include these items, the committee has improved its ability to review the readiness and sustainability of U.S. Forces.

Mr. President, I will only briefly describe the committee's specific recommendations. A more detailed presentation will be left to the subcommittee chairmen who had the primary responsibility for reviewing the programs and policies within their mission areas.

TACTICAL WARFARE FORCES

Let me first turn to the actions of the Tactical Warfare Subcommittee.

The committee's assessment of our tactical forces was directed at the procurement of the right weapons in the most efficient manner. As a result of its review, the committee proposes to

terminate the inefficient, low rate of production of the A-6E and the A-10 aircraft while increasing the production rates of the F-15 and F-16.

Cost growth continues to be the single greatest threat to our efforts to modernize our tactical forces. This year the committee recommends a 1-year deferral of production of the Army's AH-64 attack helicopter after a combination of Army and contractor actions increased the unit cost from $11 million to over $16 million per aircraft. Although the committee is satisfied that a legitimate requirement exists for this program, and it is a very fine aircraft, it is not persuaded that the need is so great that it should be funded at any price.

Last year, the committee recommended additional funds to improve the equipment of the Army National Guard. This authorization bill includes a similar set-aside of $200 million to procure weapons and support equipment for the Reserve and Guard components.

STRATEGIC AND THEATER NUCLEAR FORCES

In the area of strategic and theater nuclear forces, the committee continues to support the comprehensive strategic forces modernization effort that was accelerated last year. In particular, S. 2248 recommends the construction of two more Trident submarines and seven B-1B bombers. In addition, several initiatives in the bill reflect the committee's continuing interest in the strategic command, control and communications area.

In a major change to the administration's request, the committee proposed a redirection of the MX missile program to require its deployment in a survivable basing mode as soon as possible. Although funding for research and development on interim silo basing and for actual procurement of nine missiles was denied, the committee did approve the requested R. & D. funding for the MX missile itself so that this development program could proceed on schedule. In light of this decision, the committee added $74 million to retain the Titan II missile force in a safe and reliable status in the inventory.

Another area of special concern this year is the development of a comprehensive program to restore the credibility of the U.S. deterrent to chemical warfare. The chemical preparedness program approved by the committee is designed, first, to deter the Soviet Union from the first use of chemical agents and, second, to encourage the U.S.S.R. to engage in a global and verifiable agreement to eliminate chemical weaponry.

PREPAREDNESS

Based upon the findings of its Preparedness Subcommittee, the committee remains very concerned that recent initiatives in improving the readiness of our Forces be continued in S. 2248 and in future legislation. Although personnel and material readiness have improved, the preparedness of U.S. ground forces still suffers from a basic shortage of major end items. Only marginal improvements in capability are possible as long as the force structure remains underequipped. Accelerated procurement programs and adequate peacetime inventories offer the only sure response to this problem.

The administration's request of $69.4 billion for operation and maintenance in fiscal year 1983 represents an increase of about $7.3 billion, or 12 percent, over the fiscal year 1982 level. The net reduction of $350 million that the committee proposes to this request chiefly results from more favorable pricing assumptions on fuel and the U.S. dollar. Offsetting those savings are substantial additions for real property maintenance and the installation of modifications to Navy aircraft.

SEA POWER AND FORCE PROJECTION

The Sea Power and Force Projection Subcommittee conducted a lengthy review of our country's naval posture. At its conclusion, the subcommittee recommended to the full Armed Services Committee that it endorse the administration's strategy to regain maritime superiority. In order to achieve that ambitious goal, the committee approved the Navy's shipbuilding request for fiscal year 1983. Among the major ships approved for construction or modernization are two nimitz class carriers, three CG-47 class guided missile cruisers, two Los Angeles class attack submarines, and a second battleship.

The authorization of two Nimitz class aircraft carriers not only enhances the national defense and gets the carriers underway much earlier, but saves money as well. When compared with the traditional alternative of procuring one carrier at a time in 1984 and in 1986, the administration's program will deliver each ship 22 months early and will save approximately $754 million. An audit report requested by the committee from the General Accounting Office confirms that these savings in time and money can be achieved.

The authorization bill before us today also clearly directs that the revitalization of our force projection capabilities be continued. Funding levels for various components of force projection have been substantially increased. In addition, the committee made important program recommendations for airlift, amphibious shipping, full medical support for the Rapid Deployment Joint Task Force, and lightweight armored vehicles.

MANPOWER AND PERSONNEL

Requirements for all categories of defense manpower were reviewed by the Manpower and Personnel Subcommittee.

The force structure for which active-duty, civilian, and Reserve and Guard personnel are authorized in S. 2248 consists of 16 Army divisions, 26 Air Force wings, 3 Marine divisions, and 535 battle force ships.

The committee recommends an active-duty end strength of 2,137,100 for fiscal year 1983. This level represents an increase of 29,300 personnel, mostly in combat forces and training support, over the authorization for fiscal year 1982. Selected Reserve strengths are authorized to increase by 54,000 as recruiting and retention continue to improve in those units. The final category of defense manpower, the civilian work force, remains stable in fiscal year 1983 after substantial growth last year.

The committee continues to endorse the contracting-out process as a cost-effective way of performing nonessential Defense Department activities. To streamline the process and save more money, the committee approved a provision which exempts functions staffed entirely by military personnel or by fewer than 50 civilian employees from detailed cost study requirements.

GENERAL PROVISIONS

The committee recommends several general provisions in title XI of this authorization bill.

The committee remains seriously concerned with the continued escalation in the unit costs of some of our major defense systems. Therefore, one of the general provisions requires the Department of Defense to submit a detailed report to Congress whenever the cost of a major weapons system exceeds its baseline cost estimate by more than 15 percent. This recommendation makes permanent a provision initiated by Senator NUNN last year that applied only to fiscal year 1982 appropriations.

Another important provision expresses the sense of Congress that the NATO allies and Japan should increase their contributions to the common defense to levels more commensurate with their economic resources. In addition, the President is encouraged to seek from those allies greater acceptance of international security responsibilities.

CONCLUSION

Mr. President, at the conclusion of my opening statement last year, I pointed out that I fully realized the burden of restoring our Nation's defense in a time of fiscal austerity. I am still very aware of that heavy responsibility. But again, I have to repeat that we simply have no choice. The threat that faces us demands that we endure sacrifices—and they are not heavy sacrifices, Mr. President, but sacrifices we must endure for the common defense.

Mr. STENNIS addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. TOWER. Will the distinguished Senator from Mississippi yield to me just a moment?

Mr. STENNIS. I am happy to yield to the Senator.

Mr. TOWER. Mr. President, I wish to thank the Senator from Mississippi for his splendid cooperation in our getting through these some 70 hearings and several days of markup in subcommittee and in full committee, which he was, as usual, most cooperative and lent his very great wisdom and experience to the expeditious fulfillment of the committee's responsibilities.

Mr. STENNIS. Mr. President, I certainly thank the Senator from Texas for his very fine words. It is natural for us to work together. We have been at it a long time. Fortunately, we see most of these major battles very closely alike and we have never had anything except pleasant experiences together about it.

I certainly commend him highly for the very fine way in which he led in putting this bill together. The tremendous volume of work that goes into a bill of this magnitude, Mr. President, can hardly be realized by the public generally or be fully realized even by those of our membership who do not have a chance or the time to really get intimately involved with it. But the very complicated, weighty decisions that have to be made after complicated facts are collected and considered are of tremendous magnitude. Even after the valuable counsel of the civilian and military leadership of the Department of Defense has been weighed and our excellent staff assistance has been given these are still matters of the gravest concern when so much is at stake.

I am always pleased to see a bill come to the floor that is just weighted down, you might say, with efforts—and talented efforts, too—of that kind. This is always true with the membership of the Appropriations Committee, who must review this immense military program, and particularly true in a day when there are such hard, excruciating choices to be made about the money we have available and how much can be judiciously spent to meet the threat facing us.

So I consider it a privilege, of which I never tire of taking advantage, to prepare this bill and present it here on the floor.

Mr. President, proceeding to the very heart of the bill, we have a massive and complex piece of legislation authorizing over $180 billion for procurement, research, operations, and other activities for our Armed Forces. It is part of an overall Department of Defense budget request of some $258 billion, which represents a 13-percent increase, after inflation, over the $214 billion requested last year.

The committee and subcommittees toiled hard over the last 2 months or so—holding 74 hearings in February and March alone—to review the administration's defense programs. Thousands of line items make up this total package, which is the second leg of the administration's proposed $1.6 trillion, 5-year defense program started last year. The volume of work by the committee and staff was prodigious and the result was just as good a bill as was possible under the time available.

This bill is being taken up by the Senate before the overall budget targets have been established this year. That is not the best method and risks making the authorization process irrelevant.

Mr. President, I have always strongly supported the authorization process performed by this committee. I have seen the day when we did not have any requirement for authorization, but the program has grown so much beyond what it was then, that authorization is necessary.

But the Senate needs a bill to debate and settle the major defense and national security issues that the country faces. Therefore, on balance, I believe we should move this bill forward now and put some of these matters behind us. When the budget matters are settled, the defense budget can be adjusted to meet that situation.

The budget matters this year, as last year, are very much at issue and the demand will be far more than the money available. So I would think the budget issue, in one form or another, will be hanging fire in some phase during most of the session, and these bills would have to move along finally as a matter of necessity.

For the longer term, I believe the Congress must look to changing the budget process to better accommodate the important authorization process. The way it is now does not permit adequate linkage to the budget process, does not permit real consideration of the future year's defense programs and budget and subjects the Congress to an enormous workload and confusion of figures by separately, but simultaneously, working on the same matters in the budget process, in the authorization process, and in the appropriations process.

Mr. President, in my comments on last year's Defense authorization bill, I made several general observations about the bill and the administration's defense program, some of which are equally pertinent this year.

First, the ever rising manpower costs caused by an all-volunteer policy and the almost exploding costs of individual weapons systems continue to take a heavy toll in the real strength this defense budget will produce. I have always been for a frugal, make-do, practical approach to military programs. But now, more than ever, there must be frugality. It can only come from a frame of mind of what I will call salami tactics—actively searching out and slicing away at every opportunity any waste, extravagance, or fraud that can be found so that the military establishment is leaner, trimmer, and in fighting shape.

I have been encouraged by the initiatives in this area started by the Department of Defense, but much more must be done.

Frugality is even more essential now for another reason—the state of our economy. Public support for the military and the military budget will evaporate quickly if our military forces do not show real improvement without damaging the health of our economy. These are difficult economic times for many Americans. I believe our citizens recognize the need to maintain a strong defense, but it is their right to expect that capability will be built efficiently, getting the most out of every defense dollar expended.

Mr. President, I think that this big increase in the amount of money to be spent, and the rapidity which is required in spending it, is an additional test, a real test, for the military. If they do not do a good job, and I think they can improve on what they have been doing, in judiciously spending this money, they will pay a rather heavy price for it. It can be taken out of their hands and given to others.

I think it will be done not only in the military departments but in other departments. I believe that after all is said and done, and in fact, I know after all is said and done, that a great deal of our deficit that we have year after year results from the lack of administration of these programs and the proper spending of the money involved.

I am not trying to relate this to any individual member of the Cabinet or to any general indictment of bureaucracies. You do not see me trying to indict them every time anything adverse happens. But I do know that a spirit of indifference and waste has crept in, and, unfortunately, it has reached the point where a dollar just does not buy the value for the taxpayers that it should buy. It does not keep trust fully with the trusteeship with which we are vested in the spending of this money. I know we just have to become more severe, more demanding, in our requirements in this field.

There are many things that Members of Congress are called upon to do, but this is one that they cannot personally attend to—the personal vigilance, followup, and surveillance in a personal way over the expenditure of these funds. That is an Executive function and an Executive responsibility. Those in the executive branch of the Government will have to carry that load. All we can do here is to lay down the fundamental requirements. We can do more than we are doing in imposing penalties and by withholding money when any particular budget has been injudiciously spent.

Another area of concern with me is whether there will be enough money over the next 5 years to complete the ambitious defense program that the administration has proposed. Even assuming a strong economy and public support, it is becoming more and more doubtful that all of the new programs being discussed and planned are affordable. There just may not be enough money even in the proposed budget over the next 5 years—when the procurement portion of the defense budget alone is projected to rise from $89 to $159 billion—to buy many of the new ships, tanks, missiles, and aircraft now being advocated to strengthen our defense.

I say that, Mr. President, because we hear every year, to some degree, about the capability of the industrial fraternity, the industry of this Nation, to take care of, in a proper way, and at the rapidity requested, these enormous orders.

Indeed, a look at the military force structure currently projected by the Defense Department for the end of the 5-year period confirms the validity of my doubts about the affordability of all these options.

For example, by fiscal year 1986 the administration projects 23 percent more active Air Force attack squadrons than planned previously, but there will be only 1.5 percent more aircraft to fill those planned additional squadrons. Moreover, by fiscal 1986 our arsenal is projected to have quantitatively less on-line ICBM and SLBM launchers, strategic bombers, cruise missiles, and attack submarines than previously planned. So we are not getting much more for our money.

As I noted last year, if the costs of the 50 ongoing major weapons systems plus costs of all other minor procurement items are added to the costs of the MX missile, a second bomber, an airlift aircraft, and the ships to achieve a 600-ship Navy by 1992, then the procurement budget reported by the administration could be some $10 to $20 billion short just in fiscal year 1983. This allows no money for any new major weapons systems to be started—or increased numbers of aircraft, missiles, and tanks beyond those already planned. In fact, the planned procurement of many of these systems focuses on the outyears of this 5-year plan, when budget resources may be even more scarce. The Navy, for example, has never gotten more than 50 percent of the ships it has requested for the outyears of this program. But without approval of these greater numbers of ships, the goal of a 600-ship Navy will not be achieved.

Nothing has happened since last May to fill up this resource shortfall that I cited last year. Indeed, with the current state of the economy, the gap may grow. For I believe it is clear, Mr. President, that there is, to put it mildly, a strong sentiment to reduce this defense budget further—beyond the reductions proposed by the Committee—to assist in shrinking the expected budget deficit. We cannot and should not try to reduce the deficit on the back of our national security needs, but a strong economy is an essential ingredient in a strong defense. Therefore, although the degee of reductions is uncertain, this defense budget will be lowered. And this will mean added strain on the ability of the administration to afford everything it wants to buy.

I think it well that we look at these road signs as we go along this way and that we seriously consider the implications of what we are doing here.

These pressures on the budgetary resources which will be available for defense demand that both the Congress and the Department of Defense carefully prioritize our expenditures. We must put our money in systems and organizations which are the most needed and give us the most for every dollar. Indeed, as part of the Defense Department's announced initiatives to improve the acquisition process it had hoped to help attain the most economic production rates for high-priority systems by canceling or terminating low-priority projects. However, the final report of the Department's own Acquisition Improvement Task Force, dated December 23, 1981, indicates that this initiative has met with only marginal success. And the General Accounting Office, in its recent report, "Defense Budget Increases: How Well Are They Planned and Spent," April 13, 1982, found that "the administration had only limited success in eliminating marginal weapons programs * * * only a few programs were actually out in the fiscal year 1982 procurement and research budgets, with most of the cuts * * * already * * * recommended by the Congress." The Department—and the Congress also—must be willing to cut marginal programs to provide the necessary stability on the higher priority ones; we simply have too many programs to fund efficiently and effectively with available funding.

Getting more for the defense dollar also means making our weapons a part of more effective strategies and tactics. We have to design and employ our weapon systems to expand their likelihood of success. I am pleased to see an attitude developing in the Army toward tactics which will make conventional battles more likely to succeed. The Airland Battle concepts and their progeny recognize the evolving nature of today's modern battlefield and prioritize the use of our new, sophisticated systems toward the optimal means of accomplishing our combat goals. I hope this kind of thinking will be integrated into the combat perspectives of all the military services where applicable.

I remember so well the statements we had 2 or 3 years ago, and on down through last year and this year also, about the problems that we might have in getting these products out on time while maintaining high levels of quality. I think we ought to be fully frank about it in presenting this to our colleagues and to the taxpayers. At the same time, we must make a fight here for what we think will be the amount that will be used, that will be necessary, and that will put us beyond any reasonable chance of being cut short in the years to come.

I have no great doubts now. I have no great concern about any superiority over us in any major field, if the witnesses I have been hearing all these years have been telling us correctly. And I think they have been.

In any event, we all know that for the years ahead we cannot go to sleep. Our alertness must be 100 percent. We cannot take chances and just expect or hope to get by 5, 10, 15, or 20 years.

Mr. President, military personnel has always been a high priority with me. I think that the manpower and womanpower of our military Force is the major source of our strength. We can have the planes, ships, and ground forces. We have the engineering know-how and the technology. But we also must have an abundance of trained personnel capable of handling these instruments and, at the same time, carrying on the spirit, the will, and the overwhelming patriotism—enough of them have it in the old-fashioned style—so we will never be caught short.

Mr. President, we have an unemployment situation now and an economic recession, and they have pushed our personnel structure—temporarily perhaps—toward the high standards needed to maintain and operate our sophisticated equipment. The military services should make the most out of this opportunity to improve the quality of officer and enlisted personnel—both career and first term.

Mr. President, I have seen days in the last few years when, to me, the military was being required to run on tires that probably were what I called flat tires for their personnel. I am proud to see this change. I think it will hold up during times such as we have now but, in the advent of better times in the economy, I think we shall be beset again by our same manpower problems.

It is true that military manpower costs take up a somewhat smaller percentage of the defense budget than they did a few years ago. But this is not due to any effort to control or reduce such costs. Rather, it reflects the even faster dollar growth in other sectors of the defense budget (for example, procurement and operations and maintenance). Manpower and related costs (for example, recruiting) still consume the lion's share of the fiscal year 1983 defense budget—a projected $101.6 billion, or 40 percent of the $258 billion overall defense program. So, Mr. President, we need to prioritize the expenditure of our manpower dollars also—to point them where they meet our greatest needs.

For example, recruiting and retention in the Military Services are at an all-time high. For the last completed fiscal year, 1981, three of the four active military services exceeded their authorized end strengths. Recruiting continued to improve in fiscal year 1982 over the levels achieved in fiscal year 1981. The Army, which has faced the greatest challenges in attracting adequate numbers of quality recruits, recently announced that it would only accept recruits who were high school graduates. The shortages that do exist are in personnel with certain critical and technical skills at the mid-level noncommissioned officer grades of E-5 to E-7. Congress is going to have to consider whether it is time to go beyond last year's pay raise, which was targeted by grade, to a concept of targeting future pay raises to specific skills. In the current environment, this could be the best buy for our manpower dollar.

Mr. President, these are not just cost matters. They involve the spirit, patriotic motives, and the will to have a unit that is a credit to an organization.

That is what we were so sadly lacking for a few years. Now, we are in better days. But that brings to my mind, too, the enormous cost, the relative percentage cost of carrying on our manpower program. It is such a high percent, even though it is not as high as it was some years ago, but the cost is still very high. I think that is another reason that we should seriously consider moving forward and developing what we can be evolved into a reasonable Selective Service Act that will give the military a better chance to obtain the talent of the type that they need—without a lot of dollars being virtually thrown away trying to train people who are not qualified in these fields.

Mr. President, in my view, one of the best investments to increase our military force capability is in the National Guard and Reserve components. The return on this investment has long been on the plus side of the ledger. The young men and women of the National Guard and Reserves continues the great and inveterate tradition of the citizen-soldier in this country. Reliance on the citizen-soldier to augment a limited standing Armed Force is a concept that is fundamental to the democratic principles of our Nation. And the Guard and Reserve components include some far-thinking, sound, practical idea people. A glance at the findings and recommendations of the recently completed Vista 1999 Study, which takes a long-range look at the future of the Army and Air National Guard, demonstrates the modern thought process which has become the hallmark of our Guard and Reserve leadership.

Investments in the National Guard and Reserve represent the best buy for the dollar to expand conventional force capabilities. In fact, the Guard and Reserves make up the bulk of our combat forces.

Mr. President, I think we continue to neglect investments that could well be made in the National Guard and the Reserve—making them powerful, available, effective units with just a relatively small amount of more money, equipment, and training.

Our Army National Guard—and I am proud of these figures which I would like to repeat—now represents some 46 percent of the total ground combat power of the U.S. Army, as measured by the number of combat division brigades and battalions. It includes 57 percent of the infantry battalions, 50 percent of the artillery battalions, and 43 percent of the armored battalions of our ground forces. The Army Reserve represents 33 percent of the Army's tactical support forces and 100 percent of the training divisions and brigades.

But the allocation of funds in the Defense budget for National Guard and reserve equipment has never reflected this major contribution to our Force structure. That fact continues to be true in fiscal year 1983 as the following table shows:

REGULAR NATIONAL GUARD AND RESERVE BUDGET COMPARED WITH OVERALL DOD BUDGET

	Fiscal year—		
	1981	1982	1983
Total defense budget (billions)	$178.4	$214.1	$257.5
Percent increase	+25	+20	+20
Total National Guard and Reserve budget (billions)	$9.8	$11.7	$13.5
Percent increase	+24	+19	+15
Reserve component share of total DOD budget (percent)	5.5	5.5	5.2
Total DOD procurement budget (billions)	$48.0	$65.7	$89.5
Percent increase	+36	+37	+36
Guard and Reserve procurement budget (billions)	$1.9	$2.3	$2.9
Percent increase	+26	+21	+26
Reserve component share of total DOD procurement budget (percent)	3.9	3.5	3.2

The Guard and Reserves get only 5.2 percent of the total defense budget, a smaller percentage than in fiscal year 1982. In fiscal year 1983, only $3 billion (3.3 percent) of the $89 billion earmarked for procurement is for National Guard and Reserve equipment. This also represents a declining share over fiscal year 1982. The year-to-year percentage increase in Guard and Reserve component procurement funds for the last 3 years has been far less than the increase in the overall defense procurement budget. The end result of this relatively low level of procurement budget attention paid to Guard and Reserve equipment needs has been large shortages in each of the Guard and Reserve components of the common, everyday equipment needed by units for training and preparedness. The shortfall in high-priority items—identified by the Chiefs of these components—is some $2.6 billion.

Last year, the Congress agreed to a $50 million initiative that I instigated to start to redress some of this shortfall—particularly in the Army National Guard. This year I am pleased that the committee has agreed to recommend the second installment for the Army National Guard and some additional resources for each of the other Guard and Reserve components. The package in this year's bill totals $200 million. It is a first step, an initial downpayment to give our Guard and Reserve personnel some items with new paint on them. In my view, this is a sound investment which will pay bountiful returns in terms of our national security.

Mr. President, I must also say a few positive words about the shipbuilding program in this budget. It represents a 100-percent increase in dollar terms over last year—from roughly $8.9 billion to over $18.6 billion. I supported the committee's approval of this program to strengthen our naval forces including the two new aircraft carriers. It sends a strong and needed signal of our resolve to the Soviets, who have been engaged in a major naval force buildup over the last 10 years. The program includes three of the very necessary CG-47 cruisers. It also continues the funding of the LHD-1, a new class of amphibious assault ship. And our sea-based strategic forces continue to be modernized with the acquisition of Trident submarines with longer range, more accurate missiles.

Mr. President, this defense bill is an early step in a 5-year program to strengthen our defenses. There are many more planned steps to follow. We need to take them one by one, considering the overall needs of our Nation. Right now we are in the midst of uncertain economic times. Many are unemployed, interest rates remain high, economic growth is stagnant. We must consider these factors too in deciding what level of defense spending is in the best interests of our Nation. For, as I said before, a weak and reeling economy undermines the quest for a strong defense. Therefore, while I have supported the committee's action on this bill, I recognize that our current economic posture—and returning it to a more healthy condition—may dictate changes to the program the bill represents. This is flexibility we all must preserve.

Finally, Mr. President, let me say that we have been fortunate to have solid military men in the top jobs of each of the services and the Joint Chiefs of Staff; the nominated replacements on the Joint Chiefs appear to be top notch also. I am highly pleased with the new evidence of hardheaded thinking by our military leaders.

General Jones, now Chairman of the Joint Chiefs of Staff, is a dedicated officer, who has served well indeed through grave years here, when we have had conflicts and problems that required firm purposes and wise decisions. General Meyer has undertaken a refreshing revitalization of the entire U.S. Army doctrine, organization, and equipment. He is a very competent officer, with a very capable mind. Admiral Hayward has led the Navy in difficult times toward new ways to deal with a growing Russian fleet, while operating a worldwide Navy that is proud and ready. General Barrow has continued the indispensibly high standards of discipline and readiness of the Marine Corps, while bringing in new methods of fighting and deploying. General Allen has initiated highly technical changes required by the Air Force, while keeping the basic fighting spirit needed by any military service at the forefront.

The new thinking encouraged by these men will be needed even more in the future as the pressure grows on the defense budget. It is up to them and their successors to design and develop new methods, doctrine, and procedures and equipment—together with the trained personnel—that will provide this country with a strong and adequate defense—inferior to none—with the money that can be made available. Military thinking and planning must be made to take its needed place in leading—not being led by—procurement, and we must learn how to make do and get more out of what is available.

I have observed the duties and responsibilities that go with these positions for a great number of years. The men who serve in them stick to their guns. They carry their load and responsibility, and I commend them highly and thank them warmly for their services.

Mr. President, I welcome—and hope we do have—a good, wholesome debate. I think all the major matters of this bill can be defended, and improvement can be had through discussion, through proposals, and through amendments. That is what our body is for. I have seen comparable bills, not with this much money by comparison, but the subject matter, pass this body within an afternoon. Certainly no more than a day. So I think that a good debate, weighing these matters and reviewing the policies, is very timely indeed. It is important for our people to learn about, not the problems themselves, but what is being done toward trying to solve these problems. Mr. President, I look foreward to the debate here. I am going to be present at all times.

I will have additional time later, and I hope to take part in some of the debate..

Mr. President, I yield the floor.

Mr. GOLDWATER. Mr. President, Senator THURMOND has not returned from the committee meeting, so I will yield myself whatever time I need.

Mr. President, as chairman of the Tactical Warfare Subcommittee, I report on the tactical portions of the fiscal year 1983 defense authorization bill with mixed feelings. I am pleased that this bill will continue the moderization of most of our conventional forces, but at the same time I am disappointed that we were not able to accomplish more. As always, funding constraints—not operational requirements—determined what we could and could not do. While this is inevitable, it is still disappointing—and the more you know about the Soviet threat, the more disappointed you become.

Having studied the growth of the Soviet military over the past several years from two vantage points—the Armed Services Committee and the Select Committee on Intelligence—I find it difficult to believe that there are still those who would oppose our current level of defense spending.

If you believe, as I do, that the primary function of our Armed Forces is to deter conflict, then you must also believe that time is steadily eroding that deterrent value as the Soviets continue to modernize both their strategic and conventional forces at a pace that far exeeds our own. The level of Soviet investment in military hardware is enormous. In short, they are outspending us and out building us.

Consider some of these better known examples. While we produce about 600 tanks a year, the Soviets build 3,000. And while we produce around 300 tactical fighter aircraft each year, the Soviets produce 1,300. In fact, the Soviets build more Mig-23 Floggers in a single year than the United States builds F-14's, F-15's, F-16's, F-18's, A-6's and A-10's all together. That should tell you something about the Soviet commitment to modernizing their armed forces. By the way, at the current production rate of Soviet fighters, they could completely modernize our entire tactical air command every 18 months. It will take us 10 to 12 years to accomplish the same feat.

If we are going to maintain a credible deterrent against Soviet aggression—and against the very real threat of Soviet military blackmail—we must continue to equip our forces with modern, effective hardware. Above all, that hardware must be capable of defeating the threat should deterrence fail and conflict become unavoidable.

The recommendations of the Tactical Warfare Subcommittee reflect these goals. Our recommendations also reflect our determination to achieve these goals in the most efficient manner practical. But unfortunately, we still have a long way to go before we can congratulate ourselves for building weapons efficiently.

Consider, Mr. President, our aircraft production rates. We currently have more than 25 military aircraft production lines in operation and not a single one is producing aircraft at an economical rate. In fact, nearly a dozen of those lines are each producing fewer than 10 aircraft per year. I assure you there is a stiff penalty associated with such inefficiency—and we pay for it—in outrageous unit costs and wasted resources. Those who wish now to reduce our defense spending will only add to that inefficiency.

While the Reagan administration has made significant improvements in weapons production rates compared with those of the previous administration, still more must be accomplished. Several of our recommendations will do just that.

We have recommended closing two production lines—the Air Force's A-10 and the Navy's A-6E for which adequate inventories exist, and we recommend increasing the production rates of F-15's and EA-6B's for which there are inventory shortfalls. We also propose additional long lead funding to increase the future production of F-16's and F/A-18's.

For the Army, we endorse the administration's request for 776 M1 tanks and 600 Bradley fighting vehicles. I am happy to report that the M1 appears to have survived its trial by media and is on its way to becoming the finest tank in the free world.

While generally supporting the Army's modernization effort, we did take exception to the administration's request for 48 AH-64 attack helicopters. We think the cost increase—from $11.2 million to $15 million per aircraft in less than 1 year—is excessive and therefore we recommend that production be deferred 1 year. that delay should enable the Army and the manufacturer to structure a program with greater confidence and less risk, and may even reduce the cost of the helicopter.

Mr. President, that very briefly summarizes the recommendations of the Tactical Warfare Subcommittee.

I am very pleased with the quality of the review each of the subcommittee members devoted to insuring that the expenditures authorized in this bill are both necessary and reasonable.

And I am particularly grateful that this bill represents an honest commitment to national defense and not a vehicle for serving local political interests.

I also want to thank the work of the staff of the subcommittee. They did outstanding work.

I want to thank Senator Cannon, the ranking minority member, who is one of the real strengths on this whole committee, and all the subcommittee members for their genuine interest and hard work.

In closing, Mr. President, I should like to address a few comments to what Senator Pryor said at the opening of this bill.

I agree with what the Senator is complaining about, that we have gone backwards; when we operated under the budget bill, which has now become the law of the land, we made these authorizations. In fact, we had almost completed the authorization bills by this time. Under the Constitution, the authorization bills would then go the Appropriations Committees to receive their approval or their disapproval.

But today we have to wait for the Budget Committee to hold identical hearings to those that the Armed Services Committee has held this year and every year the Budget Act has been in effect, and then we have to wait for the figure that they give us and repattern our authorization structure into that.

I agree with Senator Pryor that that is bad, but I do not agree for the same reasons. The Constitution gives the charge of raising money to the House of Representatives, not to this body. I wish we would go back to it; we could authorize and get approval of the money and get rid of this bill in time for the manufacturers to know what they are going to have to spend and for the military to know what they are going to be able to get in equipment.

In answer to the Senator's urging that we wait for the budget to be resolved, Mr. President, if I were a betting man, I would bet we do not have a budget written much before Christmas.

If that is the pattern we are going to follow, and it seems to be, then the manufacturers are not going to know what they are going to be able to spend; the military will not be able to know what they are going to receive.

I do not say that lightly. I say that with full recognition that this is an election year, and there are many people who want to leave the President in his economic goals, but they do not quite have the courage yet. I hope they do not get it, because I think he is on the right track, and I think the American people do, too.

I just want to tell the Senator from Arkansas that, on the whole, I agree with him, but for different reasons.

Mr. TOWER. Mr. President, will the Senator yield?

Mr. GOLDWATER. I yield.

Mr. TOWER. I recall the statement made by the Senator from Arkansas (Mr. Pryor) about waiting for the Budget Committee to act. In fact, this committee has waited for 2 weeks. This bill was originally scheduled to come to the floor on April 19. It was reported around the 1st of April. We have been ready to go.

It occurs to me that if we do not get to work on some authorization bills around here—because they are going to start coming in thick and heavy pretty soon—we are going to delay the business of the Senate and will not have served the people of this country very well in the process.

So I endorse what the Senator from Arizona has said about waiting for the budget.

To begin with, not all the military budget is included in this bill. We already have made some savings in this bill and expect to make savings in subsequent bills that come out of the committee. I do not think we will do too much violence to what the Budget Committee seeks to do this year.

Mr. QUAYLE. Mr. President, I want to pay tribute to the extraordinary work that the chairman of the committeee, Senator Tower, has done on this authorization bill. He is absolutely correct: We have been ready for 2½ to 3 weeks.

As one who serves on the Budget Committee, I am certain that at some time the Budget Committee will have an impact on what the defense authorization figure is going to be, but we cannot wait forever.

I hope my good friend the distinguished Senator from Arizona is wrong, that we will not be here until Christmas, waiting for a budget resolution. But it is an election year, and who knows? We must get on with the process.

Mr. President, during the course of the past few months, the Armed Services Committee has received a series of comprehensive formal and informal briefings on the overall defense posture of our country.

A relentless, decade-long buildup in Soviet forces has been described to us, with significant improvements and additions being made to every element of their armed forces.

Their strategic rocket forces have been transformed from units which deployed relatively vulnerable, relatively inaccurate intercontinental ballistic missiles, whose war-fighting potential was roughly comparable to the U.S. nuclear triad, into a missile force whose strategic capability exceeds comparable U.S. force structures. That unilateral Soviet action, taken during a period where the United States exercised great restraint on upgrading of our nuclear deterrent, has greatly destabilized the international situation and severely complicated forthcoming arms control discussions.

The Soviet Navy has been transformed from a coastal defense force into an offensive force able to implement Soviet policy on a worldwide basis.

The Presiding Officer, the distinguished Senator from Maine (Mr. Cohen), knows what the Soviet Navy has been doing. Equally substantial and equally thought-provoking improvements have been made in all other elements of their armed forces.

One can only speculate on the issue of why the Soviets, during a period which we and the world referred to as "detente", chose to take such provocative actions.

How should the United States respond to these Soviet initiatives?

First, and most important—and I believe the President is on the right track—we should increase the urgency which we attach to the need for arms control and arms reduction discussions. The salvation of the world lies in a reduction in the size of Soviet and United States forces, rather than in an unending series of new weapons, expensively purchased in the interests of obtaining some fractional and perhaps meaningless margin of superiority over the opposing side. However, this reduction shall be mutual, and it must be verifiable.

Second, we must take some positive steps to deter the Soviets from believing that the United States will sit idly by and watch them utilize the decade of the eighties to further enhance their military advantage over us. Were we to do that, our freedom and the freedom of the world would be put at risk. The President ran on a platform which called for dramatic improvements in our overall defense posture. I supported him then and I support him now in his attempts to meet that objective. The defense of the United States remains a very high priority in terms of national need, and the months of briefings that I and others referred to earlier have confirmed that fact. If anything, the problem of our strength vis-a-vis the Soviets is much worse, and in much more need of corrective action, than I had anticipated when I took office some 16 months ago. The Soviet buildup is real, seemingly relentless, and ominous. The United States must clearly increase its expenditures for defense, now and for the next several years. The only open issues are, "by how much?" and "for what strategy?" and "How will we arrive at a compromise defense plan?"

Not only are there ominous signs abroad, but also, there are certainly serious economic problems that we have here at home. The Soviet buildup is sobering and troubling, but so is the

$183 billion deficit projected for 1983 sobering and troubling. There is no doubt, because of the deficits we have the potential to incur, that the build up of U.S. defenses will not be as rapid as many would like to see. It will pursue a more moderate course. It will pursue a more moderate increase in defense spending than originally had been projected.

As one of 100 Members and as one member of the Armed Services Committee, I will be working to try to find the course of action that will provide sufficient deterrence to meet the Soviet threat, that will provide for a strategy compatible with meeting that threat—not only the threat abroad but also the threat we find here at home.

Mr. President, I yield the floor at this time, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. Mr. President; I rise in support of the pending defense authorization bill, S. 2248, which provides recommendations of $180.3 billion for fiscal year 1983.

This bill includes $87.3 billion for procurement, $23.8 billion for research, development, test, and evaluation and $69 billion for operations and maintenance.

The funds authorized in this bill are within a few billion dollars of the total amount recommended in President Reagan's budget. The committee, however, made a number of changes in the President's budget.

It should be noted that this budget is a continuation of the administration's program to modernize and strengthen our strategic and conventional forces. This budget clearly signifies to our allies and our enemies that the United States is committed to a strong defense.

Although this budget falls far short of the defense expenditures expected by the Soviet Union, it should significantly increase our national security. Some of the significant initiatives are as follows:

First, higher rates of procurement that accelerate additions to our inventories at lower unit costs.

Second, $4 billion for the B-1B strategic bomber. These funds are for the procurement of seven planes with an initial operational capability of 1986.

Third, approximately $475 million for National Guard and Reserve initiatives to modernize and strengthen these forces.

Fourth, funds for two *Nimitz*-class aircraft carriers. This authorization will save nearly three-quarters of a billion dollars over authorizing the carriers in separate years.

Fifth, funds for the procurement of 776 M-1 tanks to strengthen and modernize our ground combat forces.

Mr. President, these are but a few of the procurement highlights of this legislation. More important, however, is the sustained effort of force modernization that this budget is an integral part of. The modernization of our Navy, our strategic forces, and ground forces is of critical importance. The United States is a maritime power and control of the sea-lanes is vital to our survival in time of conflict. The goal of 600 ships for our Navy is realistic and represents that sea-power necessary for the United States to protect its interests. The Soviets, who have traditionally been a land-power, currently build surface combatants at a rate of 5 to 1 in comparison to the United States. This illustrates Soviet emphasis on the importance of controlling the seas in time of war.

The United States has not deployed a new intercontinental ballistic missile since Minuteman III. By comparison the Soviets deployed three new ICBM's beginning in the 1970's and have four more in development. The United States is currently developing one new ICBM, which is the MX.

We are currently adding the M-1 tank to our inventory, which will be complemented by the Bradley Fighting Vehicle. Both of these systems provide greater combat firepower and battlefield mobility than anything we currently possess.

The increases made in operations and maintenance funds will help provide for more training that will enhance combat readiness and provide the United States with a more credible deterrent capability.

As the leaders of this Nation we are required to make decisions that are fair, equitable, and for the common good. We should not subject the defense of this great Nation to the quibblings of partisan politics.

The threat is real and growing at an ever-increasing rate. We cannot be paralyzed by complacency or blinded by domestic political considerations. We must proceed with these needed improvements now.

Mr. President, I would like to commend my distinguished colleague from Texas, Chairman John Tower. He has dedicated himself to an arduous task and has done an outstanding job. He has my support for S. 2248.

Mr. COHEN. Mr. President, I rise in support of the 1983 Department of Defense authorization bill. As chairman of the Sea Power and Force Projection Subcommittee, I would like to describe why it is so important to the safety of our Nation that this defense budget receive full support from the Members.

Sea power and force projection encompass two basic missions:

Gaining and maintaining maritime superiority—the ability to control vital ocean areas of the world when and where necessary.

And projecting U.S. military power ashore—the ability to deploy fighting forces to distant world areas in defense of U.S. interests.

It is clear to even the casual observer that the United States is primarily a maritime power. We are dependent on the oceans for the safe passage of raw materials, energy supplies, and commerce which are necessary to our economy. Consequently, it is necessary that we have the ability to insure the safe passage of our ships, both military and civilian, on the oceans of the world. This mandates that we be able to provide local naval superiority at any time and place we require. This is the key to our ability to deter in peacetime and to prevail in wartime.

Maritime superiority is a firm military requirement for our Nation.

We are involved in a network of some 40 treaty commitments with allies overseas. Two of our fifty States and all of our territories are overseas, as well. But again this year, witnesses before the Armed Services Committee told us that the slim margin of superiority that the U.S. Navy or our allied navies enjoyed over the combined navies of the Soviet Union and its allies has disappeared. As Secretary of the Navy Lehman has correctly stated, "It must be recognized that withdrawal is the only alternative to a major naval force expansion."

In regard to the growing threat this Nation faces, many voices have been heard at many different levels. We must not fall victim to the notion that the questions of war and peace depend only on the decisions which we make or on the actions we take. It is clear that the military power of the Soviet Union continues to grow at an alarming rate. And the invasion of Afghanistan makes it even clearer that they are prepared to invade countries outside that circle which we normally have considered within their area of domination.

Weakness invites aggression. A strong U.S. military is a necessary condition for peace in today's world. It is true that armed strength alone cannot insure the peace, but it is a safe assumption that aggression will grow more frequent, if our essential military strength is eclipsed.

The growing might of the Soviet military must be kept in mind as we consider our own defense expenditures.

It is in this context that I would like to address the areas of seapower and force projection and the administration's budget request.

First let us look at shipbuilding. One of the fundamental problems of the Navy is that we have not built enough ships.

Our Navy is basically organized into battle groups and the reason for this is sound. The hard fact is that local control of the ocean can only be secured if we also control the air above it. Right now, we cannot do this without aircraft. The cheapest way we know to put aircraft in the sky is to base them on large aircraft carriers. Large carriers are survivable and have greater endurance than small, conventionally powered aircraft carriers. Because of their much greater speed, large nuclear powered carriers also have a greater capability for evasion.

The administration proposed that funding authority for two carriers be provided in fiscal year 1983. By funding both carriers this year, instead of funding in the more traditional pattern of one at a time, each carrier will be delivered 22 months earlier, and the Government can achieve a savings of some $754 million.

In addition, this bill provides authorization for a total of 25 ships, of which 18 are new, 6 are conversions, and 1 is a reactivation. Among the specific ships addressed by the Sea Power Subcommittee there were, in addition to the two carriers, two SSN-688 attack submarines, three CG-47 Aegis cruisers, one LSD-41, two FFG-7 frigates, as well as six other support ships.

The six conversions include one aircraft carrier SLEP, the final four conversions of the SL-7 fast logistic ships, and the conversion of an existing hull to a hospital ship. The single reactivation is for the U.S.S. *Iowa*, the second of the planned program that encompasses the reactivation and modernization of all four *Iowa*-class battleships.

Finally, among other things, we approved advanced procurement for a new LHD-1 amphibious assault ship that will be an adaptation of the successful LHA class amphibious assault ship. The LHD-1 will be capable of handling a greater number of AV-8B V/STOL aircraft and the new air cushion landing craft.

In the research and development account, there was a thorough examination of all the individual programs.

The most important R. & D. program is the DDG-X, now referred to as the DDG-51, and its related programs.

The key points of this guided missile destroyer program are that it is the only major new shipbuilding program in the 5-year defense plan, and it is essential if we are to provide for adequate replacements for the older guided missile destroyers and cruisers that will begin reaching the end of their service lives in the next decade and beyond.

However, I am concerned that the Navy is not devoting sufficient resources and management attention to programs that are essential to the success of the DDG-51. In this bill, we addressed several of those programs, and added language directing what we feel are improvements and proper changes in direction. Indeed, it appears that on one antisubmarine weapon program, the Department of Defense has already begun to restructure their plans.

We examined numerous other programs in the process of forming this bill, but I will refrain from going into further details on them now. If there are any questions, I am sure we will be able to touch on them later.

The focus of U.S. force projection plans and programs has centered on the Rapid Deployment Joint Task Force, which is scheduled to be superceded on January 1, 1983, by a separate command for Southwest Asia. The committee fully supported the creation of this new unified command.

The mission of protecting U.S. interests in the Southwest Asia region with military forces can be enhanced by having a single commander who can focus on the security environment and trends of the entire region, including contiguous waters. The geographic boundaries of this command have not yet been determined. The committee believes these boundaries should be defined so as to include the northwest quadrant of the Indian Ocean and Diego Garcia. These contigious waters are an integral part of the region. In addition, Diego Garcia will be the main support base for Southwest Asia.

We were happy to see that U.S. planning is no longer exclusively oriented toward scenarios based on direct Soviet invasion of Southwest Asia. The more likely crises of conflict between regional states and of internal subversion supported by external forces may pose substantially different requirements for U.S. military forces compared to a worst case scenario. We recommended that U.S. planning should emphasize flexible forces that are not overly dependent on access to land facilities.

Only in the last several years has the United States begun to revitalize its force projection capabilities. The authorization request for fiscal year 1983 gives clear direction to this revitalization effort. Funding levels for force projection have been substantially increased. In addition, important program decisions have been made for airlift, amphibious shipping, medical support, and lightweight armored vehicles.

Let me make one final point. Today's news is filled with reports of naval battles in the South Atlantic between Great Britain and Argentina. Britain, you will recall, decided several years ago to reduce its naval strength because of its cost in relation to competing social programs. Now she is putting together many of the ships she has remaining, as well as requisitioning civilian assets to react against an unprovoked—and relatively limited aggression that is, unfortunately, 8,000 miles from her shores. Indeed, if the Argentines had waited 1 more year, some of the major ships and aircraft in the British force would have been returned or sold.

The United States has agreed to provide support for Great Britain. By all accounts this support is very important, for without it Britain would be unable to maintain a force around the Falkland Islands for very long.

We are now considering the future of our own naval forces. We must always remember that our future and our success as a nation are tied to the superiority of our own maritime forces over those of our continentially based opponents. Nothing less can suffice. As Winston Churchill said of his country in another time.

> Nothing in the world, nothing that you may think of, or anyone may tell you; no arguments, however specious; no appeals, however seductive, must lead you to abandon that naval supremacy on which the life of our country depends.

His advice has been ignored and his countrymen are now paying the price. I say that it is up to us in this Chamber to insure that we do not make the same mistakes.

SOLAR ENERGY IN CALIFORNIA

Mr. HAYAKAWA. Mr. President, today may be Monday, but for all intents and purposes, it is the fourth anniversary of Sun Day, a time to extol the virtues of solar energy. Coming from a State known for its sunshine, I should like my colleagues to know that the solar proponents in California are not limited to those people who eat granola and soak in hot tubs. In fact, the California utilities which are not traditionally advocates of alternatives lifestyles have found innovative ways to make us of California's most abundant natural resource, the Sun.

For example, Southern California Edison (SCE), which serves more than 8 million people in a 50,000-square-mile area, has initiated a number of solar projects in my State. Currently in the design phase, the Salton Sea Solar Pond upon completion could generate 600 megawatts and displace up to 8 million barrels of oil per year. Based on the solar ponds in Israel, the Salton Sea Solar Pond pumps a hot brine (200° F) from the pond's salty bottom through heat exchangers vaporize a working fluid and drive a turbine generator combination.

Funded by the Department of Energy, the California Energy Commission and SCE, the project is attractive not only because it costs little to operate but also because it is environmentally sound. A commercial scale facility at the Salton Sea with a 30-year life could be privately constructed at $1,800 per kilowatt of installed capacity, an amount comparable to the cost of coal-fired or nuclear generating systems. In addition to providing energy, the facility is expected to reduce the Salton Sea's saline content which threatens many of the species living in the water. Although solar pond technology has only recently become feasible for large scale energy production, in the future it could be put to agricultural uses such as irrigation pumping, crop drying, and desalination efforts.

SCE, in conjunction with Acurex Solar Corp., also is involved in the world's largest commercial and cost effective solar electric facility. Situated on 90 acres of land near Daggett, Calif., in San Bernardino, the plant will service 6,000 homes and have a peak power of 12 megawatts. Expected to operate in 1983, the facility will be built by Solarex. SCE plans to purchase the electricity from Solarex for a price less than what it would cost to produce the same amount of electricity from fossil fuels. The energy generated will displace approximately 30,000 barrels of oil per year—enough to drive a fleet of 2,000 diesel automobiles 15,000 miles.

Based on research partially funded by the Department of Energy, the project uses parabolic trough collectors which reflect and concentrate the Sun's rays on an linear receiver tube filled with transfer oil. The solar energy heats the oil to almost 600° F. The oil carries the heat to the thermal storage subsystem where the heat is then extracted to produce steam and drive a 12-megawatt turbine generator, producing electric power for SCE's power grid. Although the facility is a $75,000,000 commerical business operation, the project is the direct result of the Federal and State governments incentives encouraging the development of solar facilities.

Mr. President, almost all the solar programs in California are the direct result of Federal tax credits for investments in solar product. A private company called Windfarms Ltd. is working with California utilities to develop wind farms throughout the State. Since wind is caused by the Sun's heat and the rotation of the Earth, by definition wind is a form of solar energy. In Solana County, windfarms and the Pacific Gas & Electric Co. (P.G. & E.) are cooperating in a project calling for 146 windmills to be installed in a 5,000-acre tract. When the 146 windmills go on line in 1989, the wind farm is expected to produce 350,000 kilowatts of power or 1 billion kilowatt hours of electricity a year. This is the equivalent of burning 1.6 million barrels of oil to generate electricity for 150,000 homes in California.

Although the wind is free, installation costs average $2,500 to $3,500 a year for windmills. This compares to $12,000 per kilowatt for a nuclear powerplant, $900 to $1,200 for an oil-fired generator, and $490 to $600 at a coal-fired plant. While wind-power could generate from 10 to 18 percent of this country's electricity needs, the major obstacle is the need for large tracts of land situated near a power grid where the wind blows hard and often enough. In southern California, Windfarms is working with SCE at the San Gorgonio Pass, an area considered to be the best wind region in California. Windfarms leases approximately 10,000 acres of land capable of generating 400 megawatts.

Finally, Mr. Presient, I would like to acknowledge efforts taken by the city of Arcata. Situated 300 miles north of San Francisco under a typically overcast sky, the city is developing a program designed to save residents money and provide jobs. In an area where the unemployment rate has skyrocketed to 19 percent, the city is initiating a municipal solar utility leasing company to reduce utility rates and stimulate private investments in the solar market. For a small fee, the city will list bona fide private solar companies which in turn will lease or sell solar hot water heaters to residents. Because the city guarantees that the solar leasing companies are legitimate, residents are expected to take advantage of the opportunity to save about $4,000 per home in a 10-year period.

Mr. President, once again I stress that like the other solar projects in my State, Arcata's solar utility leasing program depends on the State and Federal tax incentives. On this fourth anniversary of Sun Day when utility rates are rising and this country is making every effort to reduce its dependence on imported oil, I am proud of the innovative steps California has taken to meet its energy needs.

LITIGIOUSNESS

Mr. HAYAKAWA. Mr. President, this past Saturday was Law Day in the United States. I cannot think of a more worthy subject for official recognition. After all, it is law that separates civilization from savagery. It is law that sets the guidelines without which societies would dissolve into anarchy.

But unchecked growth of law can drain a nation's productive strength. There are more lawyers handling more lawsuits today in the United States than in any nation in history. If your dog bites my child, I sue you; and if my tree blocks your view, you sue me. Our intelligent, capable lawyers will cite and recite legal precedents, valuable court time will be spent in the pursuit of equity, and money will be redistributed between our bank accounts. But nothing will actually be produced, and our Nation will suffer as a result.

What does the growth of litigation say about a society? In his book, "The Litigious Society," Jerome Lieberman says, "Litigiousness is not a legal but a social phenomenon. It is born of a breakdown in community, a breakdown that exacerbates and is exacerbated by the growth of law."

Or as an article in the Washingtonian of March 1981 said:

> The legal process is supposed to provide a way for people to settle disputes without resorting to combat, and to provide a set of rules that can be depended on when acceptable human conduct is being determined. That's surely a good thing and a certain amount of it is necessary. But carried to extremes, law can become an invitation to friction rather than the cement of social cohesion.

Mr. President, I am not, of course, advocating a freeze on litigation, nor do I concur with Dick in Henry VI, who said, "The first thing we do, let's kill all the lawyers." If all of our lawyers were to suddenly disappear, this Chamber would be a lonely place indeed.

What I am suggesting is that the United States is in the midst of a law overdose—a circumstance for which Congress is partly to blame. As the Washingtonian article pointed out:

> When Congress passes a law, chances are that it won't do exactly what it was intended to do, and may do a great deal that wasn't intended—but one thing that's sure is that it will make more business for lawyers.

Mr. President, I ask unanimous consent that two articles be printed in the Record: "What's a Law Suit?" from the March 18 edition of the Kashu Mainichi; and "Let's Kill All the Lawyers," from the Washingtonian of March 1981.

There being no objection, the articles were ordered to be printed in the Record, as follows:

[From the Kashu Mainichi, Mar. 18]

What's a Law Suit?

Tokyo.—On the morning of Feb. 9, the skies were clear and the weather balmy when a Japan Air Lines DC-8 plunged into Tokyo Bay 300 yards short of the Haneda Airport runway, killing 24 people.

A few days afterward, Yasumoto Takagi, president of Japan Air Lines, embarked on a journey of obligation that in Japan is expected behavior of a top executive whose company is involved in a tragedy such as this.

Takagi visited the families of most of the crash victims, apologizing profusely and paying homage on his knees before the Buddist funeral alters in the homes of the bereaved.

The government is still investigating the crash, but the circumstances could scarcely have been more unusual, and all the evidence so far points to pilot error.

Still Japan Air Lines has not yet been sued by any relatives of the passengers who died in the crash and it is unlikely that the company will be sued.

"If this had happened in the United States," James Weatherly, a spokesman for Japan Air Lines, said, "we probably would have seen a wave of million dollar suits. But people don't sue * * *".

By contrast, 12 suits have been filed thus far since an Air Florida Boeing 737 jet struck a bridge and crashed into the Potomac River on Jan. 13, seconds after taking off from National Airport in Washington, D.C., killing 78 people.

"This is a nonadversarial, nonlitigious society," observed Tadashi Yamamoto, directior of the Japan Center for International Exchange, a not-for-profit organization in Tokyo. "And I think that is reflected in how a misfortune like this airplane crash is handled."

The reluctance of Japanese to go to court stands in the stark contrast with practices in the West, especially in the United States.

International comparisons of lawsuits are imprecise. But government figures show that in 1979 about 160,000 civil suits were filed in Japan while the comparable total in the United States was several million.

There are about half a million lawyers in the United States, compared with just over 10,000 in Japan, which has half the population of the United States.

That Japan is a relatively suitfree society is general attributed to its cohesive culture, with its heritage of shunning open confrontation.

In his recent book, "The Litigious Society," Jethro Lieberman, a journalist who is a graduate of Harvard Law School, writes: "Litigiousness is not a legal but a social phenomenon. It is born of a breakdown in community, a breakdown that exacerbates and is exacerbated by the growth of law. But until there is a consensus on fundamental principles, the trust that is essential to a self-ordering community cannot be."

To a remarkable degree, the requisite consensus on fundamental principles exists in Japan.

Legal practices and habits also reflect a society's values, according to Carl Green, a Washington lawyer and a senior research fellow at the Harvard Law School specializing in the Japanese legal system. In Japan, Green says, the harmony of community is valued most and people go to court only as a last resort.

In the United States, by contrast, the rights of the individual are given priority and the courtroom is a key forum in which the conflicting claims of individuals are arbitrated. "We would be unhappy with the Japanese system" Green said.

In Japan, liability settlements are typically decided in out-of-court negotiations. For example, the previous serious accident involving a Japan Air Lines plane was on Sept. 27, 1977, when 33 people were killed in a crash in Kuala Lumpur, Malaysia.

In that case no suits were filed. Instead the airline and families of the victims held private consultations to determine the compensation.

These negotiations were handled on a case-by-case basis, with the settlements differing depending on the victim's age, salary and family responsibilities.

At present, and until April 1, there is a liability law applying to plane crashes that sets a maximum of about $140,000 for each victim.

Yet Japan Air Lines has indicated that it will not necessarily limit settlements to that level, even though the accident occurred before April.

"It's all negotiable" Weatherly said. "That's the way things work here."

[From the Washingtonian, March 1981]

LET'S KILL ALL THE LAWYERS

(By Publius)

Imagine a land where each year thousands of the brightest young men and women soon after their twenty-first birthday are admitted as novices to an elite order. After testing and initiation rites, they go to special seminaries to have their minds altered for three years. Within those walls, they turn aside from thoughts of how goods are produced, or the secrets of physics, or the insights of art, religion, philosophy. Nothing of substance intrudes on their instruction. Instead, they are taught to dispute ingeniously about topics at once mundane and artificial.

When they emerge from this training, they are encouraged to apply the disputatious skills they have acquired to the workaday world. The most clever devise new topics of controversy touching heretofore unexamined daily activities. Many aspire to become rulers. The populace is taxed heavily to keep the brotherhood comfortable and free from life's ordinary annoyances. There are both direct taxes and special fees levied on persons pursuing less arcane lines of activity. In fact, the members of the order are made so comfortable that young people line up and struggle to gain entrance.

This isn't a distant land. It's here in America, especially in Washington, and it's one of the greatest misallocations of resources since the Aztecs sacrificed virgins to the sun god.

I'm talking about lawyers. Others have pointed out the strangeness of a society in which the denizens of courthouse and jailhouse enjoy so much prestige and power. Prophetically, Alexis de Tocqueville, the nineteeth-century French student of America, puzzled about a land in which it seemed all social issues were quickly converted into legal ones. (Should women be drafted? When are abortions appropriate? Is the census unconstitutional? Can Washington restaurants require men to wear jackets and ties?)

Charles Dickens and William S. Gilbert caricatured the English law's tendency to sharpen the mind by narrowing it; it is no different here. Henry Friendly, the distinguished former chief judge of the US Court of Appeals in New York, complained recently about "the law flood"—the elephantiasis of statutes, regulations, administrative decisions, and appellate-court trash, all the product of lawyers—that he says threaten to make law "a kind of mystery whose performance is absorbing to the hierophants but, like the ceremonies at Eleusis, unknowable save to the elect."

My complaint is more modest and less confined. It is not that the system is wrong—simply that it is wasteful.

Item: Productivity in the United States is actually declining; after several years of sputtering, the great engine of our society is in reverse. Why is the hope of the free world becoming a country-sized Chrysler Corporation?

Item: The Washington Post reports that US graduate schools are being filled more and more by foreigners, in part because "American students have been turning away from some basic sciences, at the graduate level especially." Because of this, says the American Institute of Physics, the gaps are now being filled by foreigners.

Item: A first-class midshipman at the US Naval Academy is asked about plans for his naval career. "Actually," he replies, "I'm planning to get out as soon as I can. What I really want is a deferment of active duty so I can go to law school." What course do hundreds of his classmates at Annapolis elect to study? You guessed it: introduction to law.

Item: A harassed high school principal in Northern Virginia confides that hardly any people of talent now enter the teaching profession and that when the older faculty members retire, there will be few teachers of quality left.

Item: An outgoing government lawyer, one of thousands who left town with the Carter administration, says smugly, "The issue is not whether we're going to do well. Presumably, we're going to be very well off."

What bothers me is not just the tediousness of today's legal process, or the over-regulation of our lives by lawyers, or the tendency in this country to miscast issues of morality or ethics (Is it right?) as points of law (Is it legal?). My complaint is simply that having so many lawyers costs too much. It costs a great deal in the dollars that lawyers extract from society in payment for their time. But even more important, society pays what the economists call an opportunity cost: For every hundred lawyers who hang out shingles, or rewrite advertising copy at the Federal Trade Commission, or join big firms and go on "document searches," or invent new theories by which to prosecute people for acts that weren't criminal before, we lose a certain number of geneticists and admirals and geologists and presidents of efficient automobile companies.

Lawyers deal in process. They don't have to produce anything useful. They don't have to plan for the future. They deal mostly in rehashing past events in such a way as to distribute wealth from one person to another. They think up new situations and theories for redistribution. When wealth is simply redistributed, society has no net gain. We all incur a cost equal to the value of the resources used in the redistribution, as well as to the useful production the redistributors could have been contributing.

But, you say, much Washington litigation or lobbying has to do with federal regulations, or prosecutions, not damages paid by one client to another. Nevertheless, the effect is nearly the same. Regulations cost money mostly to the regulated; a transfer takes place to the extent the regulation requires expense, and in any event there is a transfer to the lawyers who draft and enforce the rules and to those who are paid to impede them.

When I look around the law office every day, I'm not surprised at the declining productivity figures. It's not that lawyers aren't working; they're working harder than any other group I know of. It's not that they aren't creative; a finer collection of well-trained and ingenious minds you're not likely to meet.

But what are they doing? Drafting complaints against insurance companies. Defending insurance companies against complaints. Suing the Department of Energy or the FCC, or filing a freedom-of-information request. Defending suits brought by the Department of Energy or the EEOC or the SEC. Arguing in court that the tax regulations mean one thing and not another. Trying to persuade a prosecutor not to prosecute. And they are doing all these things exceedingly well. They should—they are the best minds of their generation.

The law began to change some ten or fifteen years ago. It stopped being seen as stuffy and became glamorous. Some say this began when Raymond Burr started playing Perry Mason. Others attribute it simply to that old favorite—money. Legal fees have not lagged behind the inflation rate, and law-school graduates now can start at $35,000 per year in Washington. Others say law caught on when kids in the late 1960's figured out that lawyers could keep them from being drafted and therefore must be pretty powerful people. A benchmark of some sort must have been reached when people started buying books and watching TV shows depicting the miseries of first-year law students.

The trouble is, lawyers don't do much. Sure, they are busy. And sometimes they help people. And there's the old story a distinguished member of the bar told me: His father counseled him, "Son, be a lawyer. Because lawyers deal in trouble and there'll always be plenty of that."

More apropos, however, is the story of the town that had only one lawyer, and he was impoverished for lack of business. But one day another lawyer came to town, and from then on they both did very well. Isn't that Washington? Of every 1,000 Washingtonians, nearly 50 are lawyers—the highest ratio in the world. They keep one another employed.

The law professors at Harvard used to assure the first-year class that lawyers are the grease that lubricates the wheels of society. Nonsense. A few are needed to give advice and draft contracts and protect people from bureaucratic excesses, but much of the time lawyers are the sand in the gearbox. They channel society's resources, as well as their own, into redistributive rather than productive activities.

It's not just the private bar that's to blame. Far from it. The real hell-raisers are in those big stone buildings along Pennsylvania Avenue and in the federal office enclaves scattered throughout the city. That's where the surplus of lawyers has gravitated. How else but as an attorney can a 25-year-old barely out of law school start an investigation or prosecution or suit that, whatever the ultimate decision, can cost individuals and companies infinite distraction, anxiety, and hundreds of thousands of dollars?

Also contributing their share are the "public interest" lawyers, who, with the aid of compliant federal judges and open ended statutes, drafted by other lawyers on congressional staffs, have succeeded beyond anyone's dreams in legalizing our society. We have gradually come to think it's normal that any time you can't succeed in persuading the Congress, you turn to the courts. It has become increasingly clear that if one can but find him, there is a federal judge somewhere who will order nearly anything. When one side goes to court, both sides need lawyers. Ralph Nader may well have done more to enrich the Washington bar than any other individual of our time.

Congress—whose burgeoning staffs are crammed full of lawyers—now enacts so many laws so quickly that its members most often have no idea what they are doing. No one really does. When Congress passes a law, chances are that it won't do exactly what it was intended to do, and may do a great deal that wasn't intended—but one thing that's sure is that it will make more business for lawyers—especially Washington lawyers.

The legal process is supposed to provide a way for people to settle disputes without resorting to combat, and to provide a set of rules that can be depended on when acceptable human conduct is being determined. That's surely a good thing, and a certain amount of it is necessary. But carried to extremes, law can become an invitation to friction rather than the cement of social cohesion.

Although it might seem at first glance that a multitude of lawyers is a sign of heightened civilization, quite the opposite probably is the case. Indeed, Gibbon thought a burgeoning bar had something to do with decline, as newly trained lawyers who "considered reason as the instrument of dispute" went about fomenting lawsuits and found "an inexhaustible supply of business in a great empire already corrupted by the multiplicity of laws, of arts, and of vices." As the ranks of the legal profession swelled, he concluded, it became "a sordid and pernicious trade."

Don't kid yourself that we need all these lawyers in order to have a free society. We need some, but too many may make the society less free, not more. In Great Britain, not exactly a police state, there are about 7 lawyers for every 1,000 citizens. In Japan, not exactly an underdeveloped country, there are fewer than 1 per 1,000. For the United States, however, the figure is about 25. Is the power of our economy, the fairness of our administration of justice, really superior? If so, is that because of the lawyers or in spite of them?

A paradox is at work: There probably cannot be a truly free society without a skilled and independent bar. Yet a surplus of lawyers not only saps a nation's resources but, by making the legal system so voluminous and complex as to be unknowable and unpredictable, also destroys the law itself.

I have a recurring dream. I worry that lawyers may be like atoms and there may be a critical mass toward which we are pushing. I see a Washington in which the laws and lawsuits multiply until the number of lawyers doubles, and then doubles again, and then again. One day I can't take the Metro to Farragut West; the drivers are all studying labor law. I stop to buy a paper from the man who sells the Star; he doesn't notice me because his nose is buried in Prosser on Torts. The coffee machine in the office can't be used because of a temporary restraining order obtaining by the new Bureau of Consumption and Ideology. My secretary tells me she has been advised not talk to me because of the pending class action by secretaries against bosses for failing to provide sufficient study time during law-school finals. I open the newspaper to learn that the last automobile has been made in Detroit. I learn also that a court order has closed down the armed forces for curtailing individual liberties; the article notes that it doesn't really matter because there are no more volunteers except for the Judge Advocate General's Corps.

Do not think I would do away with the profession. A court of law is still the last place on earth where the individual can stand against all the forces of the state and, if he has a good attorney, reasonably hope to prevail. Judges gave us *Brown* v. *Board of Education;* lawyers wrote our Constitution; lawyers have been leaders in public service for 200 years.

But isn't there something better some of those bright kids could do than get their law degrees and join the great litigating mud fight? Couldn't we get along with, say, only 30 lawyers per 1,000 in Washington rather than nearly 50? Let the other 20 invent something at Bell Labs, or paint a picture, or help our moribund space program, or study advanced math, or teach literature, or go to Harvard Business School, or join the Foreign Service, or start a business and learn how to meet a payroll.

The problem is not too many dumb lawyers, but too many smart ones. Competence is a scarce national asset, and one we can't import from the Arabs. We shouldn't waste it. When more of our best young brains begin to prefer producing to litigating, we'll all be better off.

DIPLOMATIC HISTORY OF ARGENTINE-BRITISH NEGOTIATIONS

Mr. HELMS. Mr. President, the crisis in the South Atlantic has grown even more grave over the weekend, as a consequence of the failure of U.S. diplomacy to prevent the use of military force by the British fleet in the southern waters of our Hemisphere.

The presence of the British fleet in the Western Hemisphere, engaged in military operations against one of the principal nations of the hemisphere, has driven a wedge between our NATO allies and our OAS allies. This divisiveness was itself unnecessary and is dangerous to the future security of our Nation. Whether the "tilt" toward Britain announced on Friday, April 30, emboldened the military forces of the British Government is an open question. According to press reports, British forces opened fire on Argentine positions on the Malvinas/Falkland Islands just 12 hours after the statement by Secretary of State Haig.

Those who look back on these tragic events should note that the U.S. Senate, in voting for the Biden resolution on Thursday evening, April 29, sought to show support for U.N. Security Council Resolution 502 of April 3 and hoped for a peaceful resolution of the crisis.

Mr. President, it is now clear that the statement of Secretary Haig has greatly lessened the chances of a peaceful solution.

In this regard, it would be useful to put resolution 502 in the context of its diplomatic history at the United Nations. It should be noted, first of all, that the resolution does not name Argentina as an aggressor state; to do so would have been to repudiate a whole series of U.N. actions dating back to 1965 which recognized Britain's occupation of the islands as a colonial situation which should be resolved peacefully through recognition of Argentina's sovereignty over the islands.

Thus paragraph 1 of resolution 502 demands an immediate cessation of hostilities. This was not directed toward Argentina, but equally toward both parties. The resolution was passed on April 3.

On April 1, the Argentine Ambassador to the U.N., Eduardo Roca, had addressed a letter to the President of the

Security Council informing him of the grave tension which existed between Britain and Argentina as a result of the dispatch in late March of British naval forces to remove forcibly a group of peaceful Argentine civilians working on a salvage project on the South Georgia Islands. The civilians were lawfully in the South Georgias with permits approved in London pursuant to the Argentine-British Joint Statement of July 1, 1971. That statement, in turn, had been the fruit of U.N.-sponsored negotiations.

Mr. President, Britain's disregard of the 1971 agreement, and the threat to use military force—announced by Lord Carrington in the House of Lords—precipitated the Argentine reaction. In the opinion of the Senator from North Carolina, the threat of the use of hostile force by the British in the Western Hemisphere was totally inappropriate and was exactly the sort of danger which President Monroe wisely foresaw.

Mr. President, let me be clear: I deplore the reaction of the Argentines in their preemptive occupation of the islands; yet it is important to realize that it was essentially a reaction to the British threat to use force in violation of bilateral agreements.

Paragraph 2 of resolution 502 calls upon the withdrawal of all Argentine forces. This is directed only at the Argentine forces because on April 3 the Argentine forces were the only forces in the islands. No mention was made of the British because the British forces had not yet been dispatched.

Paragraph 3 calls upon both the Government of Argentine and the United Kingdom to seek a diplomatic solution to their differences and to respect fully the purposes and principles of the Charter of the United Nations. Argentina announced that it was ready to negotiate, but Britain dispatched military force and went outside the structure of the United Nations, in violation of the Charter of the United Nations, and sought economic sanctions within the European Economic Community.

The Senate, in calling for the implementation of resolution 502, could only be calling for it to be implemented in the context of April 3. So, regardless of how anyone "tilts" in this matter, the fact remains that Britain was actually in violation of resolution 502, particularly paragraph 1, calling for an immediate cessation of hostilities. Argentina was occupying territory which she had regarded as sovereign since 1810 with military force, but was not engaging in hostilities. It was Britain which threatened to use force, and initiated the use of force after the passage of resolution 502.

It might be useful, therefore, to catalog some of the actions leading up to the decision of the U.N. Security Council on April 3.

Mr. President, first I ask unanimous consent that resolution 502 be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HELMS. Second, Mr. President, I ask unanimous consent that resolution 2065 of the U.N. General Assembly of 1965 be printed in the RECORD. This is the fundamental resolution calling for decolonialization and negotiations leading to the recognition of Argentina's sovereignty.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. HELMS. Third, Mr. President, I ask unanimous consent that the Joint Statement of Argentina and Great Britain of July 1, 1971, be printed in the RECORD. This statement, a result of the negotiations called for in resolution 2065, provided for the first time that Argentina would supply mail service, air service, communications, free travel with appropriate documents, exemption from taxes for Argentinians providing services on the islands, and steps to facilitate the transit, work, and residence of persons directly concerned with practical measures to implement the agreement. It was under this agreement that citizens of Argentina obtained permits to travel to South Georgia for salvage operations on the abandoned whaling station.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 3.)

Mr. HELMS. Fourth, Mr. President, I ask unanimous consent that the letter dated August 15, 1973, from the Argentine Ambassador to the U.N. to the Secretary General of the U.N. be printed in the record. This letter detailed the process of the negotiations and reported, for the first time, that the islanders were finally receiving normal services of which they had been deprived by Britain for over 140 years. It is useful to keep this in perspective when we hear about British concerns "for the rights of the islanders," which Britain herself had neglected.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 4.)

Mr. HELMS. Fifth, Mr. President, I ask unanimous consent that U.N. General Assembly resolution of December 14, 1973, be printed in the RECORD. This resolution thanks Argentina for its role in the decolonialization of the islands, and calls upon Britain to come to a speedy solution to the sovereignty issue.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 5.)

Mr. HELMS. Sixth, Mr. President, I ask unanimous consent that the U.N. General Assembly Resolution of December 1, 1976, be printed in the RECORD. Once again, the resolution thanks Argentina for its cooperation and calls upon Britain to expedite a solution, requesting both countries not to take unilateral steps while the process is underway.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 6.)

Mr. HELMS. Seventh, Mr. President, I ask unanimous consent that the letter of July 27, 1981, of the Argentine Ambassador to the United Nations be printed in the RECORD. In this letter, Argentina asked Britain to expedite the negotiating process, and emphasizes its willingness to provide for the rights and interests of the islanders, taking into account the islanders' way of life and traditions.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 7.)

Mr. HELMS. Eighth, and last, Mr. President, I ask consent that four letters of the Argentine Ambassador to the United Nations to the President of the Security Council be printed in the RECORD. The letter of April 1, 1982, is one to which I have already referred, pointing out the tension created by the British threat to use military force against the peaceful implementation of the agreement of 1971. The letters of April 9, 12, and 16 address the deepening crisis, and are important to an understanding of that country's position—an understanding, Mr. President, which has received little notice in the U.S. media.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 8.)

EXHIBIT NO. 1

U.N. SECURITY COUNCIL RESOLUTION 502, 3 APRIL 1982

The Security Council, recalling the statement made by the President of the Security Council on 2 April 1982 calling on the Governments of Argentina and the United Kingdom to refrain from the use of threat or force in the region of the Falkland Islands (Islas Malvinas),

Deeply disturbed at reports of an invasion on 2 April 1982 by armed forces of Argentina,

Determining that there exists a breach of peace in the region of the Falkland Islands (Islas Malvinas),

1. Demands an immediate cessation of hostilities;

2. Demands and immediate withdrawal of all Argentine forces from the Falkland Islands (Islas Malvinas);

3. Calls on the Government of Argentina and the United Kingdom to seek a diplomatic solution to their differences and to respect fully the purposes and principles of the Charter of the United Nations.

EXHIBIT NO. 2

U.N. GENERAL ASSEMBLY RESOLUTION 2065 (XX). QUESTION OF THE FALKLAND ISLANDS (MALVINAS)

The General Assembly,

Having examined the question of the Falkland Islands (Malvinas),

Taking into account the chapters of the reports of the Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples relating to the Falkland Islands (Malvinas),[15] and in particular the conclusions and recommendations adopted by the Committee with reference to that Territory,

Considering that its resolution 1514 (XV) of 14 December 1960 was prompted by the cherished aim of bringing to an end everywhere colonialism in all its forms one of which covers the case of the Falkland Islands (Malvinas),

Noting the existence of a dispute between the Governments of Argentina and the United Kingdom of Great Britain and Northern Ireland concerning sovereignty over the said Islands,

1. Invites the Governments of Argentina and the United Kingdom of Great Britain and Northern Island to proceed without delay with the negotiations recommended by the Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples with a view to finding a peaceful solution to the problem, bearing in mind the provisions and objectives of the Charter of the United Nations and of General Assembly resolution 1514 (XV) and the interests of the population of the Falkland Islands (Malvinas);

2. Requests the two Governments to report to the Special Committee and to the General Assembly at its twenty-first session on the results of the negotiations.

139th plenary meeting,
16 December 1965.

EXHIBIT NO. 3

JOINT STATEMENT OF ARGENTINA AND GREAT BRITAIN, 1 JULY 1971

Special conversations were continued in Buenos Aires from the 21st until the 30th of June 1971 about communications and movement between the Argentine mainland and the Falkland Islands by delegations of the Government of the United Kingdom of Great Britain and Northern Ireland and of the Argentine Republic, the former including participants from the Islands. The conversations were within the general framework of the negotiations recommended by Resolution No. 2065 (XX) of the General Assembly of the United Nations and in accordance with letters addressed to the Secretary General of the Organization by the Permanent Representatives of both countries on the 21st of November 1969 and the 11th of December 1970.

The delegates concluded that, subject to the approval of their Governments, the following measures should be adopted on the understanding that they may contribute to the process of a definitive solution to the dispute between the two Governments over the Islands which is referred to in Resolution No. 2065 (XX) mentioned above.

1. In order to deal with questions which might arise over the setting up and promotion of communications between the Argentine mainland and the Falkland Islands in both directions, including questions relating to the movement of persons, those which might arise for residents of the Islands while they were on the mainland and those concerning residents of the mainland while they were in the Islands, a special consultative committee should be set up, consisting of representatives of the Argentine Ministry of Foreign Affairs and the British Embassy, with its headquarters in Buenos Aires. The Committee should have its representatives in Port Stanley who would keep it informed.

2. The Argentine Government should issue a document, in the form annexed, to residents of the Falkland Islands irrespective of their nationality who wished to travel to the Argentine mainland, which would allow them free movement within it. A document in the same form issued by the Argentine Government should be the only document needed by residents of the Argentine mainland for journeys to the Falkland Islands.

3. Residents in the Falkland Islands should be exempted by the Argentine Government from all duties, taxes, and any other obligations arising as a result of activities in the Falkland Islands. In addition, residents of the Falkland Islands who go to the Argentine mainland in order to provide services connected with the communications should be exempt from taxes on their salaries and other emoluments which they receive from their British employers. The British Government should make no claims on residents of the Argentine mainland who provide service in the Falkland Islands for activities related to communications for taxes on their salaries and other emoluments which they receive from their Argentine employers.

4. The Argentine Government should take the necessary practical measures so that the normal luggage of residents of the Falkland Islands who travel between the Falkland Islands and the Argentine mainland in either direction should be free from the payment of all duties and taxes. Residents of the Falkland Islands should be exempted from the payment of all Argentine duties and taxes in respect of their luggage, household effects and motor cars passing directly through the Argentine mainland toward the Falkland Islands or going abroad through the Argentine mainland. The British Government should take the necessary measures so that the normal luggage of residents of the Argentine mainland who travel between the Argentine mainland and the Falkland Islands in either direction will be exempted from the payment of all duties and taxes.

5. The Argentine Government should take the necessary measures so that each resident of the Islands who establishes a permanent residence on the Argentine mainland may bring in once only free of all duties and taxes all personal effects, household effects and a motor car. Equally, the British Government should take the necessary measures so that each resident on the Argentine mainland who establishes a permanent residence in the Falkland Islands, may bring in once only free of all duties and taxes all personal effects, household effects and a motor car.

6. The British and Argentine Governments should facilitate in the Falkland Islands and on the Argentine mainland respectively, the transit, residence and work of persons directly concerned with practical measures adopted in order to implement and promote communications and movement.

7. The British Government should take the necessary measures to arrange for a regular shipping service for passengers, cargo and mail between the Falkland Islands and the Argentine mainland.

8. The Argentine Government should take the necessary measures to arrange for a regular service of weekly frequency by air for passengers, cargo and mail between the Argentine mainland and the Falkland Islands.

9. Pending the completion of the airfield at Port Stanley, the Argentine Government should provide a temporary service by amphibian aircraft between the Argentine mainland and the Falkland Islands for passengers, cargo and mail. This service should be reviewed from time to time in the light of progress in the construction of the airfield mentioned above.

10. Both Governments should cooperate over the simplification of administrative practices, regulations and documentation for sea and air transport bearing in mind the need to promote and speed up communications.

11. In order to facilitate the movement of persons born in the Falkland Islands, the Argentine Government should take the necessary measures to exempt them from all obligations related to enlistment and military service. The British Government should declare that in the Falkland Islands no obligations for enlistment for military service exist.

12. Both Governments should study and exchange views on measures to facilitate trade and to permit a greater case of commercial transactions.

13. The British and Argentine Governments should take the necessary measures so that postal, telegraphic and telephone communications in both directions between the Argentine mainland and the Falkland Islands are as effective and expeditious as possible.

14. The tariff for postal, telegraphic and telephone communications in both directions between the Argentine mainland and the Falkland Islands should be at a rate equivalent to the internal rate at the place of origin of the communications.

15. Postage stamps on mail travelling between the Argentine mainland and the Falkland Islands in either direction should be cancelled with a mark referring to this joint statement. Mail bags should be similarly marked.

16. The Argentine Government should be prepared to cooperate in the health, educational, agricultural and technical fields if requested. The Argentine Government should arrange for places to be available in schools on the Argentine mainland for the children of residents of the Falkland Islands and should offer scholarships which should be published from time to time, the number of which should be decided upon in the light of local requirements. Both Governments should continue to exchange views on the matters referred to in this paragraph.

17. Conversations should be continued through the customary diplomatic channels and the next meeting should be held in Port Stanley in 1972.

18. If either Government should decide to terminate the measures referred to above, it should give six months' notice of its decision to the other Government.

Initialled in Buenos Aires on the 1st day of July 1971 by the Heads of the respective delegations.

EXHIBIT NO. 4

UNITED NATIONS GENERAL ASSEMBLY

Letter dated 15 August 1973 from the Permanent Representative of Argentina to the United Nations addressed to the Secretary-General

I have the honour to inform Your Excellency and, through you, the Special Committee and the General Assembly, on the express instructions of my Government and in fulfilment of the obligation to report under resolution 2065 (XX) of 6 December 1965 and the consensus adopted by the General Assembly on 20 December 1971, concerning the progress of the negotiations with a view to finding a peaceful solution to the dispute concerning sovereignty over the Malvinas Islands.

In this regard, the Argentine Government regrets to report that the negotiations have been virtually paralysed as a result of the attitude adopted by the Government of the United Kingdom.

The joint communiqué of January 1966, signed by the Ministers for Foreign Affairs of both countries, reflected an agreement to "proceed without delay with the negotiations recommended" in the above-mentioned resolution.

As a result of this communiqué, negotiations were held in July and November of that year in London. On 20 December 1966, the first General Assembly consensus concerning the Malvinas Islands urged "both parties to continue with the negotiations so as to find a peaceful solution as soon as possible" and to report to the Special Committee and the General Assembly on the development of the negotiations.

The negotiations continued during 1967, reducing the area of disagreement, and this was reported to the General Assembly, which, on 19 December, adopted a second consensus similar to the first. It was already clear that the subject of the discussion could only be the recognition of Argentine sovereignty over the Islands and their return to the Argentine territorial heritage, in conjunction with the greater readiness shown by my Government to recognize the guarantees and safeguards which would protect the interests of the islanders.

The seemingly substantial progress made in the negotiations made it possible at that time to arrive at a joint formula which would have meant, in August 1968, a practical step forward towards a solution, if the United Kingdom Government had not in the end refused to allow it to materialize.

Since that time, the negotiations on sovereignty have gradually come to a standstill, which persists to date, notwithstanding the efforts made by my Government to revive them.

Nevertheless, the Argentine Republic decided, without losing sight of the ultimate objective of the negotiations and in the desire to promote the well-being of the inhabitants of the Islands, to hold special talks on measures to promote communications between the Argentine mainland and the Islands. As indicated in the letters addressed to the Secretary-General by the Permanent Representatives of both countries on November 21, 1969, the talks were none the less held "within the general framework" of the negotiations provided for by resolution 2065 (XX), which the General Assembly, in its consensuses of 1969 and 1971, urged should be continued so as "to reach, as soon as possible, a definitive solution to the dispute".

As a result of those talks, in 1972 and 1973, the Argentine Government adopted a series of measures which represented significant benefits for the population of the Malvinas Islands. Thus, for example, the weekly service for the air transport of passengers, cargo and mail has finally been arranged between the Argentine mainland and the Malvinas Islands; the Argentine Air Force has constructed an airfield at Port Stanley, which can accommodate fixed-wheel aircraft; the award of scholarships to young people from the Malvinas Islands for study on the Argentine mainland has been continued; commercial transactions with the Islands have been encouraged and effected; regular postal, radio-telegraphic and telephone services have been established; the Argentine State Petroleum Authority has built an aviation fuel storage plant at Port Stanley and supplies other fuels periodically by tanker; tourism has been developed; and evacuation and auxiliary health services have been provided for islanders requiring proper medical and hospital care. All these and other measures have been taken in accordance with the Argentine-United Kingdom joint statement of July 1, 1971.

The last round of special talks on communications was held in November 1972 in Port Stanley. Previously, however, on the proposal of Argentina, provision had been made in the joint statement of October 13, 1972 for the holding of a round of talks in London during the first half of 1973 in compliance with resolution 2065 (XX) and subsequent consensuses of the General Assembly. Meanwhile, the lack of any real progress delayed the submission of information to the United Nations on the course of the negotiations.

At that time, it was becoming increasingly evident that the United Kindgom's position on this question had changed substantially from that which it had taken since contacts had first been established with the Argentine Government early in 1966.

In a number of verbal and written statements made at the highest level, the United Kingdom Government took to maintaining that the round of meetings to be held in 1973 could not be called "negotiations" since in its opinion, they involved only "talks" or "discussions". The Argentine Republic considers that the position now held by the United Kingdom Government is not in conformity with the provisions of resolution 2065 (XX). It should be pointed out in this connexion that the word "negotiations", as a means of reaching a peaceful solution to the dispute concerning sovereignty over the Malvinas Islands, appears in that resolution and in the subsequent consensuses adopted up to 1971, and also in the notes which the Permanent Representatives of both countries addressed to the Secretary-General in 1967, 1968, 1969, 1970, and 1971 to report on the status of the negotiations.

It is obviously the intention of the United Kingdom Government not only to downgrade the negotiations, but also to change their true character, thus contradicting the wording and meaning of concepts which it had previously accepted.

Furthermore, the United Kingdom authorities contend that the question of communications is closely linked with the basic issue and that, consequently, talks on communications are in fact concerned with sovereignty, a view which is of course neither shared nor accepted by the Argentine Government.

This attitude on the part of the United Kingdom Government was demonstrated during the meetings held in London on 26 and 27 April of this year in accordance with the agreement set down in the joint statement of 13 October 1972. On that occasion, the United Kingdom delegation was willing to discuss only the question of the talks. The Argentine delegation made efforts to reactivate the negotiations, which had been postponed since 1968, so as to reaffirm the proposals it had made in 1968 and in March 1969 concerning adequate safeguards and guarantees for the interests of the inhabitants of the Islands until such time as the dispute over sovereignty was resolved by the return of the Islands to the Argentine territorial heritage.

My country has always felt that the negotiations had invariably been conducted in accordance with the letter and the spirit of resolution 2065 (XX), which recognizes the existence of a dispute over sovereignty. As is clear in the joint notes to the United Nations, the parallel talks on communications, while they come within the framework of the fundamental issue, cannot exclude consideration of that issue, particularly since they are not part of the terms of reference established in the resolution.

This was made clear in the statement made by the Permanent Representative of Argentina to the Security Council in Panama on 16 March of this year, in which he said: "The special talks held since 1970 to agree on practical measures for communications and movement between the Argentine mainland and the Islands have, by common agreement, been conducted within the general framework of these negotiations, thus complying with the undertaking to continue efforts to find a final solution to the dispute over sovereignty, bearing in mind the interests of the inhabitants."

As pointed out earlier, the negotiations on the question of sovereignty have for all practical purposes been suspended and now, when it is imperative to resume them, since no further delays or postponements can be tolerated, the United Kingdom is departing from the terms of resolution 2065 (XX) and is not demonstrating the spirit of co-operation which must motivate both parties if they really want to reach an effective solution through negotiation. By adopting this position, the United Kingdom is delaying the process of decolonization.

My Government, which has shown moderation and restraint in this matter on innumerable occasions, despite the legitimate impatience and anxiety felt by the Argentine people concerning the recovery of part of their national territory, firmly insists that there should be no further unwarranted delays in the negotiations, which should be conducted in accordance with the provisions of resolution 2065 (XX). The negative attitude of the United Kingdom Government compels the Government of the Argentine Republic to demand that the negotiations should not be hampered by further delays, and it has therefore become imperative that the Government of the United Kingdom should make an active contribution towards a final settlement of the dispute over sovereignty. To that end the Government of the Argentine Republic calls upon the United Kingdom Government to take measures to continue the negotiations, without further procrastination, within the framework of the above-mentioned resolution and subsequent consensuses, so as to bring about the speedy elimination of this colonial situation. This is a goal which is not only of paramount importance to the Argentine Republic but also to the entire international community, which is keenly aware of the need to put an immediate end to all vestiges of colonialism existing in the world.

My country is convinced that this settlement has already been postponed far too long and it is entitled to ask the United Kingdom to comply with resolution 2065 (XX) under whose authority the talks were initiated and conducted. My Government also reaffirms its determination fully and adequately to guarantee the rights and interests of the people of the Malvinas Islands when these islands are returned to the Argentine Republic.

The Argentine Government feels compelled to make it clear that failure to settle this dispute within a short and reasonable time will necessitate a thorough reappraisal of the policy it has pursued until now, based on good faith and respect for the principles of the Charter and resolutions of the United Nations. The termination of the colonial occupation of the Malvinas Islands, a portion of territory wrested from it by force almost a century and a half ago, is not only a fundamental and abiding objective of Argentine foreign policy but also a responsibility of the United Nations.

I am accordingly obliged to draw the attention of the appropriate United Nations bodies to this matter so that they may adopt suitable decisions.

I should be very grateful if Your Excellency would kindly arrange for this communication to be circulated as a General Assembly document and also transmitted to the Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples.

(Signed) CARLOS ORTIZ DE ROZAS,
Ambassador, Permanent Representative.

EXHIBIT 5

QUESTION OF THE FALKLAND ISLANDS (MALVINAS)

(Date: 14 December 1973; Meeting 2202; Vote: 116-0-14 (recorded); Report: A/9417.)

The General Assembly.

Having examined the question of the Falkland Islands (Malvinas).

Recalling its resolution 1514 (XV) of 14 December 1960 containing the Declaration on the Granting of Independence to Colonial Countries and Peoples.

Recalling also its resolution 2065 (XX) of 16 December 1965, which invites the Governments of Argentina and the United Kingdom of Great Britain and Northern Ireland to proceed without delay with the negotiations recommended by the Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples with a view to finding a peaceful solution to the problem of the Falkland Islands (Malvinas), bearing in mind the provisions and objectives of the Charter of the United Nations and of resolution 1514 (XV) and the interests of the population of the Falkland Islands (Malvinas).

Gravely concerned at the fact that eight years have elapsed since the adoption of resolution 2065 (XX) without any substantial progress having been made in the negotiations.

Mindful that resolution 2065 (XX) indicates that the way to put an end to this colonial situation is the peaceful solution of the conflict of sovereignty between the Governments of Argentina and the United Kingdom with regard to the aforementioned islands.

Expressing its gratitude for the continuous efforts made by the Government of Argentina, in accordance with the relevant decisions of the General Assembly, to facilitate the process of decolonization and to promote the well-being of the population of the islands.

1. Approves the chapters of the report of the Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples relating to the Falkland Islands (Malvinas), and in particular the resolution adopted by that Committee on 21 August 1973 concerning the Territory.

2. Declares the need to accelerate the negotiations between the Governments of Argentina and the United Kingdom of Great Britain and Northern Ireland called for in General Assembly resolution 2065 (XX) in order to arrive at a peaceful solution of the conflict of sovereignty between them concerning the Falkland Islands (Malvinas).

3. Urges the Governments of Argentina and the United Kingdom, therefore, to proceed without delay with the negotiations, in accordance with the provisions of the relevant General Assembly resolutions, in order to put an end to the colonial situation.

4. Requests both Governments to report to the Secretary-General and to the General Assembly as soon as possible, and not later than at its twenty-ninth session, on the results of the negotiations.

EXHIBIT 6

QUESTION OF THE FALKLAND ISLANDS (MALVINAS)

(Date: 1 December 1976; Hearing: 85; Vote: 102-1-32 (recorded) Report: A/32/362)

The General Assembly.

Having considered the question of the Falkland Islands (Malvinas).

Recalling its resolutions 1514 (XV) of 14 December 1960, 2065 (XX) of 16 December 1965 and 3160 (XXVIII) of 14 December 1973.

Bearing in mind the paragraphs relate to this question contained in the Political Declaration adopted by the Conference of Ministers for Foreign Affairs of Non-Aligned Countries, held at Lima from 25 to 30 August 1975, and in the Political Declaration adopted by the Fifth Conference of Heads of State or Government of Non-Aligned Countries, held at Colombo from 16 to 19 August 1976,

Having regard to the chapter of the report of the Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples relating to the Falkland Islands (Malvinas) and, in particular, the conclusions and recommendations adopted by the Committee concerning the Territory;

1. Approves the chapter of the report of the Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples relating to the Falkland Islands (Malvinas) and, in particular, the conclusions and recommendations adopted by the Committee concerning the Territory;

2. Expresses its gratitude for the continuous efforts made by the Government of Argentina, in accordance with the relevant decisions of the General Assembly to facilitate the process of decolonization and to promote the well-being of the population of the islands;

3. Requests the Governments of Argentina and the United Kingdom of Great Britain and Northern Ireland to expedite the negotiations concerning the dispute over sovereignty as requested in General Assembly resolutions 2065 (XX) and 3160 (XXVIII);

4. Calls upon the two parties to refrain from taking decisions that would imply introducing unilateral modifications in the situation while the islands are going through the process recommended in the above-mentioned resolutions;

5. Requests both Governments to report to the Secretary-General and to the General Assembly as soon as possible on the results of the negotiations.

EXHIBIT 7

IMPLEMENTATION OF THE DECLARATION ON THE GRANTING OF INDEPENDENCE TO COLONIAL COUNTRIES AND PEOPLES

(Letter dated 29 July 1981 from the Permanent Representative of Argentina to the United Nations addressed to the Secretary-General)

I have the honour to address you on the subject of the Malvinas Islands.

In that connexion, and in accordance with the instructions received, I am pleased to inform you that the Argentine Government issued the following Declaration to the press on 27 July 1981:

"The Argentine Government has invited the Government of the United Kingdom to expedite resolutely the formal negotiating process aimed at settling once and for all our country's claim to the Malvinas Islands, South Georgia and the South Sandwich Islands.

"That invitation was transmitted in a note sent today to the Ambassador of the United Kingdom of Great Britain and Northern Ireland in Buenos Aires, Mr. Anthony Williams, by the Minister for External Relations and Worship, Dr. Oscar Camilion

"In that regard, the discussions which have taken place since the negotiating process resumed in 1977 have made it possible to become acquainted with the general outline of the respective points of view. Clearly, however, no substantial progress has been made since negotiations were undertaken pursuant to resolution 2065 (XX) of the United Nations General Assembly, on the clearly defined subject of the dispute concerning sovereignty over those archipelagos.

"At the same time, the system of opening up communications, initiated following the Joint Declaration of 1971, has been maintained and expanded by the Argentine Republic within the limits of its possibilities. It should be emphasized that although this system has undoubtedly achieved the objective of improving the living conditions of the population to a highly significant extent, has not achieved the success hoped for with regard to its basic goals of contributing to mutual knowledge and understanding and promoting the success of the negotiations.

"Because of the isolation in which the islanders live, they are largely ignorant of the nature of the Argentine Republic and what occurs in the continental part of its territory. That ignorance has become an obstacle to the progress of the negotiating process, in that the wishes—but not the interests—of the inhabitants of the Malvinas can be invoked as a permanent argument to impede progress. With due respect for the interests of the islanders, Argentina naturally maintains that the discussion concerning sovereignty is the bilateral responsibility of its Government and that of Great Britain, as recognized by the United Nations. In practice, there are no alternatives other than effective Argentine sovereignty over that part of its territory which is currently occupied by the United Kingdom and the maintenance of the present situation, that is, British control of the islands as a colonial dependency.

"In 1981 the latter situation constitutes an anachronism which is as unacceptable as it is indefensible. Furthermore, its continuation constitutes a decisive obstacle to the development of the natural resources of the islands. The economy of the islands is continually deteriorating. The population, which currently consists of about 1,800 inhabitants, is constantly declining, with no possibility of a natural reversal.

"This unjust situation creates a feeling of political and moral frustration among the Argentine people and also leads to an incongruous failure to develop the resources of the islands, which are essential in a world which needs energy and food. The whole situation is highly irrational and no one can seriously contend that the status quo can continue much longer.

"The Argentine Government therefore considers that it has become an unpostponable priority of its foreign policy to expedite resolutely the negotiations on the Malvinas Islands, which should focus on specific objectives.

"The note sent to the United Kingdom stresses the urgent need to solve this problem, which is complex and requires a comprehensive approach in which all aspects must be considered simultaneously. In that regard, the Argentine Government takes the following basic positions:

"1. It reaffirms the traditional position of our country that any realistic negotiations concerning the Malvinas Islands, South Georgia and the South Sandwich Islands must be based on the assumption that the essential feature of any solution is recognition of the sovereignty of Argentina over those archipelagos;

"2. The Argentine Government reiterates its promise to respect the interest of the islanders;

"3. The protection of those interests should take into account the islanders' way of life and traditions;

"4. Within the context of acceptable negotiations, Argentina will continue to provide the islanders with the services it is now supplying, which were initiated in 1971. These services, which are currently provided in various areas of activity and can be expanded, require some sign of British political will to make constructive progress, so that they do not become a sterile exercise as far as a final solution is concerned;

"5. Since these negotiations have been carried out within the framework of United Nations resolutions, the Argentine Republic is prepared to agree that the Organization should provide any guarantees that may be considered desirable in order to provide reliable safeguards for the islanders' interests, should such safeguards be necessary in addition to all those offered by the Argentine legal system and any special statutes that may be negotiated;

"6. With regard to the resources of the islands, Argentina is prepared to devise practical formulas that take into account the interests of those who can benefit from the development of such resources.

"The Argentine Government is determined to continue the negotiations in an extremely realistic spirit and with full confidence that reasonable and feasible solutions can be found. In the same realistic spirit and with the same confidence, the Argentine Government considers that the time has come for these negotiations to become effective. It feels that it cannot continue waiting indefinitely for a solution while there is a failure to negotiate with due seriousness and firm determination to reach an agreement.

"Concerning the national attitude to this matter, on the one hand there is a readiness to negotiate, but on the other there is a conviction that consideration of this question, which affects the territorial integrity and dignity of the nation, cannot be postponed."

I should be grateful if you would have this letter distributed as a document of the General Assembly under item 19 of the provisional agenda and brought to the attention of the Special Committee on Decolonization.

JUAN CARLOS BELTRAMINO,
Permanent Representative of the Argentine Republic to the United Nations.

EXHIBIT 8

LETTER DATED APRIL 1, 1982 FROM THE PERMANENT REPRESENTATIVE OF ARGENTINA ADDRESSED TO THE PRESIDENT OF THE SECURITY COUNCIL

I have the honour, on express instructions from my Government and in accordance with the provisions of the Charter of the United Nations, to bring to the attention of the Security Council the situation of grave tension existing between the Argentine Republic and the United Kingdom of Great Britain and Northern Ireland.

On 18 March 1982, workers of Argentine nationality from a private company were transported to the South Georgia Islands by the naval transport vessel *Bahia Buen Suceso*, where they landed with the prior knowledge of the United Kingdom Embassy in Buenos Aires and therefore of the British Government. All this was done in accordance with a valid commercial contract between an Argentine private company and a British private company. The workers were in possession of the document known as a "provisional certificate", the only valid document for travel to the Malvinas, South Georgia and South Sandwich Islands, in accordance with the Argentine-British joint declaration which governs the opening of communications between the mainland territory of Argentina and those islands.

The situation of tension, which is a cause of serious concern to my Government, was created by the following acts: the uncommon presumption of the British Government in disregarding the 1971 declaration so far as the South Georgia Islands are concerned and the documents introduced under it, and the British threat to use force through the dispatch of vessels belonging to its navy. The latter was expressly admitted by the Secretary of State for Foreign Affairs of the United Kingdom in the House of Lords. In his statement of 30 March, Lord Carrington also stated that his Government was considering security measures which could not be publicly disclosed.

The concern which these statements caused my Government was increased by news reports which appeared in the British press and were not denied, to the effect that a number of warships, some of them carrying missiles, and two nuclear submarines had been sent to the South Atlantic because of this dispute.

The conduct of the British Government, which led to the above incidents, combined with a military presence that is unjustified and inimical to the basic principles in which international peace and security rest, is the culmination of a systematic United Kingdom policy aimed at maintaining a position of total disregard for the sovereignty of my country over the Malvinas, South Georgia and South Sandwich Islands, which the Argentine Republic has claimed, always by peaceful means, since their illegal occupation by British military forces in 1833. My Government also wishes to point out that, from the outset, the Argentine Republic has constantly reiterated its incontestable rights over the islands and has maintained its trust in the use of negotiation for a just settlement of the dispute and in the role of the United Nations in putting an end to an unjust and anachronistic colonial situation. To that end, it initiated in 1965, in compliance with resolution 2065 (XX) of the General Assembly of the United Nations, a process of negotiation which has made no progress whatever because of the persistently negative attitude of the British Government and the clearly defined subject matter of which was the dispute concerning sovereignty over these archipelagos.

One of the many efforts of the Argentine Government mentioned above is the proposal made by the representatives of my country to the representatives of the United Kingdom at the meeting held in New York on 26 and 27 February 1982 for the establishment of a system of monthly meetings aimed at settling the dispute concerning those territories, Argentine sovereignty over which has been recognized by the great majority of the States comprising the international community.

That proposal by the Argentine Republic received no response from the United Kingdom Government, thus demonstrating once again its indifference to considering by peaceful means and through negotiation a question which affects the territorial integrity and dignity of the Argentine nation.

I consider it appropriate to place very special emphasis on the fact that the unilateral measures and acts of the British Government have created a situation of grave tension, the continuation of which could eventually endanger the maintenance of international peace and security.

In view of the primary responsibility vested in the Security Council for the maintenance of international peace and security, the Argentine Government considers that the Council should be informed of the development of this situation.

I request that this letter should be circulated urgently as a Security Council document.

EDUARDO A. ROCA,
Ambassador, Permanent Representative.

LETTER DATED 9 APRIL 1982 FROM THE PERMANENT REPRESENTATIVE OF ARGENTINA TO THE UNITED NATIONS ADDRESSED TO THE PRESIDENT OF THE SECURITY COUNCIL

On the express instructions of my Government, I have the honour to address Your Excellency with the purpose of informing the Security Council that on 8 April the Embassy of Switzerland in Buenos Aires transmitted to the Argentine Government the following communication originating from the British Government:

"From 0400 Greenwich mean time on Monday 12 April 1982, a maritime exclusion zone will be established around the Falkland Islands, the outer limit of this zone is a circle of 200 nautical mile radius from latitude 51 degrees 40 minutes south, 59 degrees 30 minutes west, which is approximately the centre of the Falkland Islands. From the time indicated, any Argentine warships and Argentine naval auxiliaries found within this zone will be treated as hostile and are liable to be attacked by British Forces. This measure is without prejudice to the right of the United Kingdom to take whatever additional measures may be needed in exercise of its right of self-defence, under article 51 of the United Nations Charter".

The Argentine Government replied to the preceding communication in the following terms:

"The Ministry of Foreign Affairs and Public Worship wishes to refer to the Swiss Embassy's note i.e. (G.B.) 12/82, in which the Embassy informed the Government of the Argentine Republic that from 0400 hours on 12 April 1982 a maritime exclusion zone would be established around the Malvinas Islands, within which any Argentine warships and naval auxiliaries would be treated as hostile and be liable to be attacked by British forces.

"This communication constitutes a notification of blockade—an act expressly defined as aggression in United Nations General Assembly resolution 3314 (XXIX) of 14 December 1974, article 3(c) of which specifies that, regardless of a declaration of war, the blockade of the ports or coasts of a State by the armed forces of another State is an act of aggression.

"The Argentine Republic will exercise the right of self-defence granted to it under Article 51 of the Charter of the United Nations in the face of this and any other act of aggression."

I request that this letter be circulated as a matter of urgency as a document of the Security Council.

EDUARDO A. ROCA,
Ambassador, Permanent Representative.

LETTER DATED 12 APRIL 1982 FROM THE PERMANENT REPRESENTATIVE OF ARGENTINA TO THE UNITED NATIONS ADDRESSED TO THE PRESIDENT OF THE SECURITY COUNCIL

I have the honour to communicate with you, upon express instructions from my Government, in connexion with Security Council resolution 502 (1982) of 3 April 1982, in order to inform you of the following:

The Government of the Argentine Republic believes that the operative part of the aforementioned resolution constitutes a text which must be considered as a unified whole. Its paragraphs are so interrelated that it is impossible to take action for partial compliance with one paragraph while ignoring its consequences on other aspects of the situation.

Respect for the cessation of hostilities is something to be demanded of both parties. Its violation originates with the United Kingdom, which has already sent a large fleet of war to the zone and initiated a naval blockade of the islands. This fleet also includes nuclear submarines. All of this prompted the submission to this Council of my note of 9 April 1982, circulated as document S/14961.

My Government is prepared to comply with paragraph 2, on condition that the United Kingdom complies fully with the provisions of paragraph 1 and does not attempt to use resolution 502 (1982) as an instrument for justifying a return to the previous colonial situation, disregarding Argentina's sovereign rights and the appeals and resolutions of this Organization urging the end of all colonial situations.

Similarly, the Government of the United Kingdom has unilaterally, outside the framework of the Charter of the United Nations, taken a series of measures which constitute economic aggression, and it has thereby violated the Charter of Economic Rights and Duties of States (General Assembly resolution 3281 (XXIX)). Furthermore, in its eagerness to harm my country, it has induced other States to engage in similar aggression.

The Government of the Argentine Republic also wishes to reaffirm its undertaking to consider with an open and receptive mind the situation of the 1,800 residents of the islands, whose interests Argentina will respect.

The Argentine Government believes in a negotiated diplomatic solution and will exert its best efforts to that end.

I should be grateful if you would have this letter circulated as a matter of urgency as a Security Council document.

EDUARDO A. ROCA,
Ambassador, Permanent Representative.

LETTER DATED 16 APRIL 1982 FROM THE PERMANENT REPRESENTATIVE OF ARGENTINA TO THE UNITED NATIONS ADDRESSED TO THE PRESIDENT OF THE SECURITY COUNCIL

On express instructions from my Government, I have the honour to communicate with you in order to reaffirm the readiness of the Argentine Republic to comply with resolution 502 (1982), as stated in my earlier communication of 12 April 1982.

The initiation of negotiations with the friendly intercession of the Secretary of State of the United States of America demonstrates our country's determination to find a peaceful solution to the dispute, and consequently the Argentine side cannot be accused of non-compliance.

A few hours after the adoption of resolution 502 (1982), the United Kingdom announced the dispatching of a fleet of war. It later supplemented this measure with the announcement and establishment of a naval blockade and the reinforcing of the armed fleet with new units which include nuclear submarines.

To this is added the United Kingdom's recent communication to the International Civil Aviation Organization, stating that it has declared the air space above the blockade area to be a zone of emergency. To that end, it has invoked article 89 of the Chicago Convention, which provided both for cases of war and for cases of emergency.

These actions are very serious and were taken after the adoption of the Council's resolution. In the face of these actions, it is unreasonable to call on Argentina to comply unilaterally with the aforementioned resolution, thereby placing itself in a state of absolute defencelessness.

The behaviour of the United Kingdom is not coherent: on the one hand, it resorts to the security machinery provided for in the Charter, and on the other hand, it threatens to use force; this attitude harks back to the obsolete concept of punitive expeditions, in a subjective interpretation of international law which was questioned even in the age of the most brutal colonialism.

The measures of self-defence invoked by that country are not applicable to this case; such measures must be reasonable, limited to the need for protection and proportionate to the imminent danger.

It cannot be argued that the measures taken by the United Kingdom are of such a nature. On the contrary, the mobilization of the fleet and the blockade constitute acts of war which endanger international peace and security. At this moment there does not exist, not did there exist previously, any threat to interests which the United Kingdom has a right to protect. The dispute itself can be resolved by peaceful means, as Argentina is prepared to do.

The Security Council has its own methods of ensuring compliance with its decisions, and they do not authorize one side to use armed force to that end. That would imply, in the circumstances, "recolonization" through the use of force, unprecedented in the history of the United Nations.

The United Kingdom is attempting to separate the situation of the South Georgia Islands from that of the Malvinas, disregarding the fact that the two archipelagos are subject to the same agreements, as was expressly established by the Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples when it dealt with them in a unified manner.

As can be seen from the records of the Security Council, the United Kingdom Government itself admitted its determination to expel by force, if necessary, the Argentine workers employed by a commercial enterprise which had a valid contract to carry on demolition activities at a whaling station in the South Georgia Islands.

The landing of United Kingdom marines in the South Georgia Islands with that ostensible purpose compelled Argentina to take steps in defence of its unarmed nationals.

In the face of the announcement of the dispatching of the fleet, which clearly demonstrated a lack of readiness on the part of the United Kingdom to comply with paragraph 1 of resolution 502 (1982), Argentina had no alternative but to take advantage of the right of self-defence provided for in Article 51 of the Charter in order to protect its nationals in its own territory.

The invocation of the principle of self-determination is merely a political excuse, which has always been used by the United Kingdom, in order to prolong indefinitely the fragmentation of our country's territorial integrity and thus continue to maintain the colonial situation. The United Kingdom was thereby avoiding a final settlement of the dispute, in flagrant violation of the provisions of various resolutions of the United Nations General Assembly.

It is worth while at this point to recall to the Council that the General Assembly has declared that the continuation of colonialism, in any of its forms, is a crime which violates the Charter of the United Nations.

My Government has emphasized to the point of exhaustion its firm and unalterable determination to make no change in the life-style of the islanders and to provide for their welfare. Argentina is a country built by millions of immigrants and has demonstrated that diverse ethnic and cultural groups have developed their customs in the country without restriction.

To mention only one of the numerous declarations which prove the foregoing, it is of interest to quote one of the paragraphs of the communication sent by the Association of British and British-descended Farmers in Argentina to the Prime Minister of the United Kingdom, which states:

"We, British farmers and children of British farmers in Argentina, wish to inform Her Majesty's Government that for years, and in some cases for generations, we have lived and worked happily under Argentina Governments of various political orientation. We have lived in accordance with our traditional British life-style with no hindrance of any kind, and our experience has led us to believe that the inhabitants of the Malvinas have nothing to lose and much to gain by placing themselves under Argentine sovereignty."

It is ironic that the United Kingdom should now manifest so much concern for the fate of the islanders after decades of keeping them second-class citizens who cannot settle freely in Great Britain, in a state of virtual isolation, obstructing normal relations between the islands and the continental Argentine territory.

The self-defense invoked by the United Kingdom can be used only to repel an imminent and grave danger. In the present circumstances the United Kingdom cannot allege that such an imminent and grave danger exists.

Argentina has complied with the Security Council resolution with regard to the cessation of hostilities and has not threatened the United Kingdom with any hostile act. On the contrary, it has repeatedly stated that it accepts a peaceful solution of the dispute and that, to that end, it is prepared to negotiate on any proposal, that does not affect its sovereignty over the territory of the Malvinas, South Georgia and South Sandwich Islands.

I should be grateful if you would have this not circulated as a Security Council document.

Eduardo A. Roca,
Ambassador, Permanent Representative.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, and a withdrawal which were referred to the appropriate committees.

(The nominations and withdrawal received today are printed at the end of the Senate proceedings.)

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on April 30, 1982, he had presented to the President of the United States the following enrolled bill:

S. 2373. A bill to change the name of the landing strip at White Sands Missile Range in the State of New Mexico, to "White Sands Space Harbor."

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-3335. A communication from the Acting Director of the Defense Security Assistance Agency transmitting, pursuant to law, a report on a proposed foreign military sale to Morocco; to the Committee on Armed Services.

EC-3336. A communication from the Secretary of Labor transmitting, pursuant to law, a report on exemplary rehabilitation certificates for calendar year 1981; to the Committee on Armed Services.

EC-3337. A communication from the Deputy Director, Legislative Liaison, Department of the Air Force, transmitting, pursuant to law, a report on the progress of the Reserve Officers' Training Corps flight instruction program; to the Committee on Armed Services.

EC-3338. A communication from the Director of the Administrative Office of the U.S. Courts transmitting, pursuant to law, a report on activities of the courts under the provisions of the Right to Financial Privacy Act of 1978; to the Committee on Banking, Housing, and Urban Affairs.

EC-3339. A communication from the Deputy Secretary of the Treasury transmitting a draft of proposed legislation to authorize appropriations for the improvement of mint facilities; to the Committee on Banking, Housing, and Urban Affairs.

EC-3340. A communication from the Chairman of the Board of Governors of the Federal Reserve System transmitting, pursuant to law, a report on the activities of the Depository Institutions Deregulation Committee; to the Committee on Banking, Housing, and Urban Affairs.

EC-3341. A communication from the General Counsel of the Federal Emergency Management Agency transmitting a draft of proposed legislation to amend certain flood insurance and protection statutes to reflect certain reorgnizational changes; to the Committee on Banking, Housing, and Urban Affairs.

EC-3342. A communication from the Secretary of Transportation transmitting, pursuant to law, a report on State systems of penalties for violations, issuance of special permits for overweight vehicles, and annual State certifications; to the Committee on Commerce, Science, and Transportation.

EC-3343. A communication from the Under Secretary of the Interior transmitting, pursuant to law, a report on the refund of excess royalty payments to certain oil companies in connection with three leases; to the Committee on Energy and Natural Resources.

EC-3344. A communication from the Under Secretary of the Interior transmitting, pursuant to law, a report on the refund of excess royalty payments to Shell Oil Co. in connection with seven leases; to the Committee on Energy and Natural Resources.

EC-3345. A communication from the Federal Inspector transmitting, pursuant to law, the quarterly report for January through March 1982 on the status of the Alaska Natural Gas Transportation System; to the Committee on Energy and Natural Resources.

EC-3346. A communication from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to amend the Federal Land Policy and Management Act of 1976, relating to the authority of the Secretary of the Interior to accept volunteer services in aid of the work of the Bureau of Land Management, and for other purposes; to the Committee on Energy and Natural Resources.

EC-3347. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a summary of the "Status of Major Acquisitions as of September 30, 1981: Better Reporting Essential To Controlling Cost Growth;' to the Committee on Governmental Affairs.

EC-3348. A communication from the Director of the Office of Personnel Management, transmitting a draft of proposed legislation to amend title 5, United States Code, to limit civil service retirement cost-of-living adjustments, to eliminate wasteful and unnecessary provisions of the civil service retirement system, to improve the administration of that system, and for other purposes; to the Committee on Governmental Affairs.

EC-3349. A communication from the District of Columbia Auditor, transmitting, pursuant to law, a report entitled "Audit of Water Bill Payment Policies and Procedures"; to the Committee on Governmental Affairs.

EC-3350. A communication from the Deputy Director of the Central Intelligence Agency (Administration), transmitting, pursuant to law, a report on a proposed revision of the statement of general routine uses for all CIA records systems; to the Committee on Governmental Affairs.

EC-3351. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Status of Major Acquisitions As Of September 30, 1981: Better Reporting Essential To Controlling Cost Growth"; to the Committee on Governmental Affairs.

EC-3352. A communication from the Chief Justice of the United States, transmitting, pursuant to law, amendments to the Federal Rules of Criminal Procedure; to the Committee on the Judiciary.

EC-3353. A communication from the Assistant Attorney General (Legislative Affairs), transmitting a draft of proposed legislation to amend title V of the Refugee Education Assistance Act of 1980; to the Committtee on Labor and Human Resources.

EC-3354. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, a report on the extent to which States have developed and operated State mechanized claims processing and information retrieval systems through October 1, 1981; to the Committee on Labor and Human Resources.

EC-3355. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations for the training program for special programs staff and leadership personnel; to the Committee on Labor and Human Resources.

EC-3356. A communication from the Secretary of Labor, transmitting a draft of proposed legislation to amend the Federal Employees' Compensation Act to provide for more equitable benefits, to reestablish a waiting period for benefits, to promote the return of disabled workers to employment, and for other purposes; to the Committee on Labor and Human Resources.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. McCLURE, from the Committee on Energy and Natural Resources, without amendment:

S. 1519. A bill to designate certain wildlife refuge lands (Rept. No. 97-377).

By Mr. HATCH, from the Committee on Labor and Human Resources without amendment:

S.J. Res. 127. Joint resolution to grant official recognition to the international ballet competition.

By Mr. PERCY, from the Committee on Governmental Affairs:

Report to accompany the bill S. 1249, a bill increasing the efficiency of Government-wide efforts to collect debts owed the United States, to require the Office of Management and Budget to establish regulations for reporting on debts owed the United Stats, and to provide additional procedures for the collection of debts owed the United States (Rept. No. 97-378).

STAR PRINT

Mr. ROTH. Mr. President, I ask unanimous consent that a star print of Senate Joint Resolution 162 be made to correct an error in the date. The correction is "1911" instead of "1912."

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator will send a corrected copy of the joint resolution to the desk.

DISCHARGE AGREEMENT ON THE VENUE BILL

Mr. TOWER. Mr. President, I ask unanimous consent that if the Committee on the Judiciary has not reported the bill S. 2419 by May 14, 1982, the Committee be considered as having been discharged, and that the bill be placed immediately on the Senate Calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

JOINT REFERRAL OF S. 2227

Mr. TOWER. Mr. President, I ask unanimous consent that S. 2227 be jointly referred to the Committee on Foreign Relations for the purpose of considering all of the bill except section 108(b) and to the Committee on Agriculture, Nutrition, and Forestry, solely for the purpose of considering section 108(b) of the bill.

Further, I ask unanimous consent that if the Committee on Agriculture, Nutrition, and Forestry is unable to consider that portion of the bill within its jurisdiction by May 14, 1982, the committee be discharged from further consideration thereof.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. STENNIS:

S. 2468. A bill for the relief of Abel Ochoa; to the Committee on the Judiciary.

By Mr. GOLDWATER (for himself, Mr. Schmitt and Mr. Cannon):

S. 2469. A bill to amend the Communications Act of 1934 to provide for improved international telecommunications, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. MOYNIHAN:

S. 2470 A bill to suspend through July 1, 1983 the requirement that insured unemployment in a State must exceed 120 percent of the average of such unemployment in comparable periods in the 2 previous years in order to trigger "on" an extended benefit program; to the Committee on Finance.

S. 2471. A bill to amend the Federal-State Extended Unemployment Compensation Act of 1970 to retain current provisions relating to the State trigger which are scheduled to change in September 1982; to the Committee on Finance.

S. 2472. A bill to amend the Federal-State Extended Unemployment Compensation Act of 1970 to provide that extended benefits will be payable in any State in which the rate of regular unemployment equals or exceeds 7 percent; to the Committee on Finance.

S. 2473. A bill to amend the Internal Revenue Code to eliminate the holding period for capital gains and to change the rules for deducting capital losses; to the Committee on Finance.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. ROTH (for himself, Mr. Glenn and Mr. Nunn):

S. Con. Res. 88. Concurrent resolution expressing the sense of the Congress that the member countries of the North Atlantic Alliance must pool their resources for their common defense; to the Committee on Foreign Relations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. GOLDWATER (for himself, Mr. Schmitt, and Mr. Cannon):

S. 2469. A bill to amend the Communications Act of 1934 to provide for improved international telecommunications, and for other purposes; to the Committee on Commerce, Science, and Transportation.

INTERNATIONAL TELECOMMUNICATIONS DEREGULATION ACT OF 1982

Mr. GOLDWATER. Mr. President, the bill I introduce today is entitled the "International Telecommunications Deregulation Act of 1982." Its introduction represents the achievement of a goal I set for the Communications Subcommittee at the beginning of this Congress—to address, for the first time, comprehensive legislation formulating U.S. policy for the provision of international telecommunications.

In the last Congress, several telecommunications bills (S. 611, S. 622, and S. 2827) contained provisions dealing with international telecommunications issues. However, the major focus of those bills was on the policies we were adopting for domestic telecommunications deregulation. In last year's debate on S. 898, the Telecommunications Competition and Deregulation Act of 1981, we made it clear the bill did not address the provision of international telecommunications services. There are express disclaimers in S. 898 to that effect. It was our judgment that a separate bill had to be drafted to stimuate debate on specific international telecommunications policy issues.

Mr. President, the competitive viability of U.S. industry in international markets is becoming an issue of ever-increasing concern. It no longer deserves to be put on the "back burner" by Congress or the executive branch. In fact, the international telecommunications arena should increasingly be the focus of our national attention. New technologies using satellite distribution do not recognize national boundaries and the increasing demand for spectrum from all nations will require the United States to organize itself more effectively for participation in international telecommunications conferences.

This bill makes clear that Commission jurisdiction must encompass marketplace competition in the provision of international telecommunications services, and that technological advances are making possible competition among providers of international telecommunications services. The bill applies only to the provision of those telecommunications transmissions that originate or terminate outside the United States and which have a domestic nexus.

The bill establishes as national policy that U.S. carriers must be afforded an opportunity to compete in foreign markets and that entry barriers to such competition must be reduced. The FCC is given the authority to approve or modify arrangements for the provision of international services if it finds that such an arrangement is inconsistent with its procompetitive policies. It is clear that the FCC has such authority today under the 1934 act. This bill makes the authority more explicit. We expect the Commission to make limited use of this power, recognizing the important role of international comity.

Mr. President, I ask unanimous consent that a summary of the bill be printed in the Record at this point.

There being no objection, the summary was ordered to be printed in the Record, as follows:

Summary

INTERNATIONAL TELECOMMUNICATIONS COMPETITION AND DEREGULATION ACT OF 1982

(1) Findings: Advances in technology are making possible competition among providers of international telecommunications services; competition is a more efficient regulator then government.

(2) Applicability: Act applies to the provision of international telecommunications services—those telecommunications transmissions that originate or terminate outside the United States.

(3) Transition Plan: The bill requires the FCC to establish a plan to carry out the provisions of the Act—carrier and service classification; establishment of an accounting system; and action on petitions related to the formation of separate subsidiaries.

Time periods are specified in the bill for implementation of these requirements.

(4) Degree of Regulation: The FCC is ordered to reduce regulation as competition develops in the provision of services, facilities, or access to or interconnection in foreign markets.

(5) Classification: Within 30 days after enactment, international telecommunications services are classified by the FCC as regulated. Thereafter, the FCC may deregulate services as they become subject to effective competition. Carriers dominant in the provision of international telecommunications facilities or services should be classified as dominant carriers. The Commission will have continuing authority to classify and reclassify carriers, depending upon the services provided and the extent to which the telecommunications facilities they provide are not subject to reasonable competition.

(6) Resale and Shared-Use: Neither resale (the reoffering with or without adding value, by any person for a profit of any telecommunications service which has been obtained from a carrier) Non shared-use (collective use of telecommunications services or facilities with each user paying its pro rata telecommunications-related usage) are subject to FCC regulation.

(7) Interconnection: Any carrier providing a regulated international telecommunications service is required to interconnect with any carrier, facilility, equipment, or private system upon reasonable request and pursuant to non-discriminatory terms and conditions.

(8) Information Filing Requirements: The FCC is given authority to require any carrier providing a regulated international telecommunications service to file information relating to such service. Carriers providing regulated international telecommunications services will also be required to file contracts entered into with foreign telecommunications entities.

(9) Tariffs: International telecommunications carriers providing regulated services will have to file tariffs for the provision of such services. The tariff becomes effective on the date specified by the carrier, but subject to later findings of unlawfulness after a hearing.

(10) Facilities Construction Approval: Any international telecomminications carrier may begin construction of new facilities upon notification to the Commission. Dominant carriers may be required to obtain FCC approval before new construction can begin. Termination of regulated international telecommunications services is subject to FCC approval.

(11) Network Planning: International telecommunications carriers, both regulated and unregulated, are authorized to meet, plan, and coordinate international telecommunications networks and facilities.

(12) International Telecommunications Facilities: The Commission may adopt procedures to assess U.S. carriers' proposals for the construction and utilization of international telecommunications facilities.

(13) Fully Separated Affiliate: Dominant carriers are required to provide all unregulated services through a fully separated affiliate. The FCC shall prescribe accounting rules and procedures to assure that unregulated services are not subsidized by regulated international telecommunications services. The dominant carrier is, therefore, not precluded from offering any telecommunications service. No carrier is precluded from providing any service or facility for the provision of any international telecommunications service.

(14) Equitable Market Access: The FCC is authorized to adopt rules and policies applicable to the entry of foreign carriers that are comparable with terms and conditions applicable to U.S. carriers in foreign markets.

(15) International Telecommunications and Information Task Force: Established in the Executive Branch as the principal coordinating body for the development of U.S. telecommunications or information policies.

(16) Comsat: Comsat is relieved of statutory limitations contained in the Communications Satellite Act of 1962, i.e., Board of Directors, place of incorporation, voting procedures, issuance of stock.

(17) Private Sector Representation: Private sector representatives are exempt from Federal conflict-of-interest requirements when serving on international telecommunications delegations.

Mr. GOLDWATER. Mr. President, we recognize the FCC's inability to unilaterally implement changes in policies, services, facilities, and the structure of the international common carrier industry. International telecommunications facilities are jointly owned, and services are jointly provided by U.S. carriers and foreign correspondents. It is clear, for example, that opening markets to new entry may not be deregulatory. Many services and all facilities subject to this act may not be deregulated in either the near or long term.

FCC policies precluded A.T. & T. from entering nonvoice markets and protected the international record carriers by prohibiting Comsat from offering retail services. These policies limited competition in the international market. Significantly in this bill, such market and service restraints are eliminated.

It is clear that foreign telecommunications entities probably prefer the status quo to changes that are contained in this bill. They seem satisfied with the existing structure—consisting of several established U.S. international record carriers and one predominate U.S. voice carrier. Their policies are a formidable roadblock to new carrier entry.

Under this bill, the FCC Is given explicit tools to leverage regulated international services to encourage other nations to lower their barriers to entry. But the FCC will not be operating in a vacuum. This measure will require the FCC to coordinate its work with other agencies of the Federal Government.

THE INTERNATIONAL TELECOMMUNICATIONS AND INFORMATION TASK FORCE

The major provision in this bill is the formation of a seven-member inter-agency International Telecommunications and Information Task Force. For the last several years, the world has witnessed revoluntary changes in communications technology, global telecommunications policy, and the emergence of a vast array of political, social, and economic problems caused by these technological advances and transformations in the international political order.

While many nations have taken steps to prepare and plan for and control these developments, the U.S. Government, alone among the advanced industrialized nations, lacks a comprehensive, cohesive set of national goals and policies and the institutional structure to deal with these events.

The United States is a world's telecommunications leader in creating new hardware and software, originating and transmitting data, and providing information-based products. Our leadership, however, is gravely endangered by the changes in the world telecommunications environment and by our Government's inability to respond quickly enough to these developments. Telecommunications and information are the basis of this Nation's economic and commercial strength, and failure to enhance and promote these strengths will lead inevitably to the erosion of the political stature of the United States.

One particular area of concern to me is the way the United States prepares for international telecommunications Conferences. Although we have traditionally been in a position to exert leadership on technical issues, in an increasingly political environment our representatives must be able to respond to the political and commercial considerations at these Conferences.

Many U.S. participants in the 1979 World Administrative Radio Conference were satisfied with the results of that Conference. Yet, the most controversial decisions were postponed for consideration in Conferences scheduled throughout the next 10 years. These decisions will have far-reaching implications for the United States. Various executive branch agencies and the Federal Communications Commission are preparing for these Conferences. The task force will insure coordination of these preparations.

Under the recent international trade reorganization legislation, the Commerce Department enjoys broad new authorities in this field. I believe, therefore, that programs aimed at improving the effectiveness of U.S. policies in this area should be a primary responsibility of the Secretary of Commerce, whose organization uniquely blends the capability to deal with government and industry, domestically as well as internationally, Under title II, therefore, the special task force would be chaired by the Secretary of Commerce. In order to insure that our foreign policy, defense, and competition policy interests are appropriately reflected, the Departments of State, Defense, and Justice, and the U.S. Trade Representative, would be made statutory members. By virtue of the expanded oversight opportunities that specific and determinant authorization

of NTIA will facilitate, the committee will be able to insure the efficient and responsive conduct of the task force effort.

The task force will be required to meet on a periodic basis to review and approve all positions, policies, and public statements dealing with U.S. telecommunications and information policy. The task force will insure that there is a consistent position advanced in multiple international forums by the responsible delegations.

Before approval of a public position on international telecommunications and information policies, the task force will consult the advisory committee and solicit the members' views.

The task force will also be responsible for reviewing the various Conferences scheduled by the International Telecommunications Union, Organization for Economic Cooperation and Development, and other international bodies to insure that the responsible agency or agencies have assigned adequate resources and personnel to assure the successful achievement of U.S. interests.

Membership on the delegations of these international Conferences will be coordinated with the task force to insure that affected parties are represented on those delegations.

I expect this bill to provoke extensive debate, both here and in the international community. The Communications Subcommittee will be holding hearings in June to allow it to be the forum for that debate.

Mr. President, I ask unanimous consent that the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2469

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "International Telecommunications Deregulation Act of 1982".

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[To be supplied]

FINDINGS

Sec. 2. The Congress hereby finds and declares that—

(1) rapid advances in international telecommunications technologies are making possible increased competition among providers of international telecommunications services; and

(2) competition is a more efficient regulator than Government of the provision of diverse international telecommunications services and, as competition continues to develop, deregulation of international telecommunications carriers and services should occur.

TITLE I—GENERAL

PURPOSES—DERAL COMMUNICATIONS COMMISSION; INTERNATIONAL TELECOMMUNICATIONS

Sec. 101. The Communications Act of 1934, as amended (47 U.S.C. 151), is amended by inserting immediately after title V the following new title:

"TITLE VI—INTERNATIONAL TELECOMMUNICATIONS

"PURPOSES OF TITLE; FEDERAL COMMUNICATIONS COMMISSION

"Sec. 601. For the purpose of making available, so far as possible, to all the people of the United States, rapid and worldwide telecommunications services with adequate facilities at reasonable charges; for the purpose of encouraging competition in the provision of international telecommunications; for the purpose of promoting United States interests abroad; for the purpose of promoting the free flow of information; for the purpose of promoting a strong telecommunications industry responsive to national defense and security needs; for the purpose of encouraging continuing improvement in the use of technologies; for the purpose of promoting the technological leadership of United States telecommunications equipment and service suppliers; and for the purpose of promoting interstate and foreign commerce in telecommunications services, the Commission shall execute and enforce the provisions of this title.

"APPLICATION OF TITLE

"Sec. 602. The provisions of this title shall apply to, and the Commission shall exercise jurisdiction with respect to, international telecommunications, and all transmission of electromagnetic energy by radio, which originates or is received without the United States, and all persons engaged within the United States in such international telecommunications or such transmission of energy by radio.

"DEFINITIONS

"Sec. 603. For the purposes of this title, unless the context otherwise requires, the term—

"(1) 'Affiliate' means any organization or entity which does not provide regulated international telecommunications services (other than a fully separated affiliate) and which is under direct or indirect common ownership or control with another entity, or is owned or controlled by another entity. For the purposes of this paragraph, the terms 'ownership' and 'owned' mean a direct or indirect equity interest (or the equivalent thereof) of more than 50 percent of an entity.

"(2) 'Commission' means the Federal Communications Commission.

"(3) 'Construction permit' or 'permit for construction' means that instrument of authorization required by this title or the rules and regulations of the Commission made pursuant to this title for the construction of a station or the installation of apparatus for the transmission of energy, or communications, or signals by radio, by whatever name the instrument may be designated by the Commission.

"(4) 'Corporation' includes any corporation, joint-stock company, or association.

"(5) 'Dominant carrier' means any telecommunications carrier which is classified as a dominant carrier under section 607(c) of this title. Such term includes—

"(A) any person who owns or controls a dominant carrier to the extent that such entity provides international telecommunications service; and

"(B) any organization and entity (other than a fully separated affiliate) to the extent that such entity provides international telecommunications service.

"(6) 'Foreign telecommunications', 'foreign transmission', or 'international telecommunications service' means telecommunications or transmission from or to any place in the United States to or from a foreign country, or between a station in the United States and mobile station located outside the United States.

"(7) 'Foreign telecommunications carrier', 'foreign information supplier', 'enterprise', 'entity', or 'foreign person' means any telecommunications carrier or enterprise or information supplier or entity of which at least 20 percent of the capital stock or equivalent ownership is owned or controlled by a foreign person or a domestic person acting in behalf of a foreign person.

"(8) 'Information' means knowledge or intelligence represented by any form of writing, signs, signals, pictures, sounds, or other symbols.

"(9) 'International telecommunications service' means the offering for hire of international telecommunications facilities, or of telecommunications by means of such facilities.

"(10) 'National Communications System' means a confederation of the telecommunications assets of the agencies and departments of the Federal Government.

"(11) 'Person' includes an individual, partnership, association, joint-stock company, trust, corporation, or any Government agency.

"(12) 'Equitable market access' or 'equitable terms and conditions' means those rights, terms, and conditions established for United States international telecommunications and information services or facilities in foreign markets that are reasonably equivalent to those established for foreign telecommunications and information services or facilities in United States markets. The term 'equitable access' includes rights of access to and establishment in foreign markets.

"(13) 'Regulated telecommunications service' or 'regulated service' means any international telecommunications service designated by the Commission pursuant to this Act and which the Commission determines shall be regulated pursuant to this Act, and any international telecommunications service or facilities not subject to effective competition as determined by the Commission pursuant to sections 607(c) and 624(b) of this title.

"(14) 'Resale' means the reoffering, with or without adding value, by any person for a profit of any international telecommunications service which has been obtained from a carrier.

"(15) 'Sharing' or 'shared use' means the collective use of telecommunications services or facilities with each user paying the telecommunications-related costs associated with subscription to and collective use of the telecommunications services or facilities according to its pro rata usage of such services or facilities.

"(16) 'State' means the several States of the United States and includes the District of Columbia and the territories and possessions of the United States.

"(17) 'Tariff' means a schedule governing any generally applicable charge, characteristic, regulation, or practice associated with a regulated international telecommunications service.

"(18) 'Telecommunications' means the transmission, between or among points specified by the user, of information of the user's choosing, without change in the form or content of the information, by means of electromagnetic transmission, with or without benefit of any closed transmission medium, including all instrumentalities, facilities, apparatus, and services (including the collection, storage, forwarding, switching, and delivery of such information) essential to such transmission.

"(19) 'International telecommunications carrier' or 'carrier' means any person, including any government or independent government entity, which offers any international telecommunications service or facilities used by any person to provide telecommunications services. A person engaged in any nontelecommunications activities, in providing any information service or information software, in producing or marketing equipment, or a person engaged in broadcasting, or in providing any cable service, shall not, insofar as such person is so engaged, be deemed a carrier. The shared use of telecommunications equipment, facilities, or services among Government agencies, or the provision of telecommunications equipment facilities, or services by any Government agency to any other Government agency shall not be sufficient to deem such Government agencies to be a carrier.

"(20) 'Transmission of energy by radio', 'radio transmission of energy', or 'transmission of electromagnetic energy by radio' means the transmission of electromagnetic energy through space without benefit of a closed transmission medium and includes both such transmission and all instrumentalities, facilities, and services incidental to such transmission.

"(21) 'Transmission facilities' or 'telecommunications facilities' means equipment (including wire, cable, microwave, satellite, and fibre-optics) which transmit information by electromagnetic means or which directly support such transmission, but does not include customer-premises equipment.

"(22) 'United States' means the several States and territories, the District of Columbia, and the possessions of the United States.

"FINDINGS/TRANSITION PLAN

"Sec. 604. (a) The Congress hereby finds and declares that—

"(1) the basic goals of this Act continue to be valid, and it is in the public interest to continue efforts to attain these goals;

"(2) a technologically advanced and internationally competitive United States international telecommunications industry is vital to the economic welfare and national security and defense of the United States;

"(3) International telecommunications services which are not subject to effective competition may continue to be regulated by the Commission;

"(4) current and projected public, business, and governmental needs for additional international telecommunications and information services and equipment are highly diverse;

"(5) advances in technology can make possible new and diverse international telecommunications-services and equipment previously unavailable to the public and can satisfy specialized consumer needs;

"(6) modern efficient telecommunications services are essential to interstate and foreign commerce;

"(7) decisions of the courts and the Commission have indicated a clear need for congressional guidance;

"(8) increased competition in the supply of telecommunications and information services and equipment and selective deregulation have already produced significant benefits for the telecommunications and information consumer; and

"(9) further competition and deregulation can result in increased benefits to the consumer and additional opportunity to exploit new technologies and should be explicitly encouraged through appropriate statutory policies and guidelines.

"(b) The Commission shall establish a plan to carry out the provisions of this title to foster marketplace competition and to implement deregulation no later than the dates specified therein (or where no date is specified at the earliest practicable date).

"STATEMENT OF POLICY

"Sec. 605. (a) It is the policy of the United States to rely wherever and whenever possible on marketplace competition and on the private sector to provide international telecommunications services, and thereby to reduce and eliminate unnecessary regulation including the regulation of telecommunications facilities used for the provision of international services. Marketplace competition will result in technological innovation, operating efficiencies, and availability of a wide variety of telecommunications technologies that are now or may become available in the future, and will promote the equitable and efficient use of such technologies to provide international telecommunications services. Where effective competition does not now exist, it is the policy of the United States to encourage the development of such competition, and pursuant to an appropriate transition in accordance with this title, to deregulate international telecommunications services while establishing appropriate safeguards to prevent anticompetitive practices, or adverse impact upon the national defense and security or emergency preparedness. Whenever the Commission finds it necessary to regulate international telecommunications services or facilities which are not subject to effective competition, such regulation shall be minimal. Unless the Commission in any particular case shall find otherwise, it shall be presumed that there are no basic technological, operational, or economic factors which would necessarily preclude the provision of any international telecommunications service under conditions of competition. Competition in the provision of telecommunications from foreign persons and their United States affiliates is welcome to the extent that United States persons are permitted equitable access to and the right of establishment in the home markets of those foreign persons who seek access to the United States market.

"(b) The Congress recognizes that the provision of international telecommunications services, and the planning, construction, and ownership of international telecommunications facilities, are necessarily joint undertakings between United States persons and representatives of numerous sovereign nations. Accordingly, the interests of those sovereign nations are to be considered in the implementation of United States policy.

"AUTHORITY OF THE COMMISSION

"Sec. 606. (a) The Commission shall exercise only so much of the powers conferred upon it under this title as is essential to the purposes of this title, and shall revise, reduce, or eliminate any rule or regulation prescribed pursuant to this title with respect to any international telecommunications service or any carrier operating in any market or geographic area as competition develops unless such revision, reduction, or elimination thereof may result in a significant adverse impact upon the national defense and security or emergency preparedness or upon the economic competitiveness and viability of United States suppliers of telecommunications equipment and telecommunications services relative to competing foreign suppliers and their United States affiliates.

"(b) The Commission shall have continuing authority over the provision of regulated international telecommunications services.

"(c) In addition to any other authority which the Commission may exercise under this title, the Commission shall have authority over any dominant carrier and its affiliates (other than any fully separated affiliate) for the purpose of—

"(1) dealing with anticompetitive practices between any fully separated affiliate and the dominant carrier or its affiliates; and

"(2) protecting users of international telecommunications services in connection with dealings between any dominant carrier and its affiliates and any fully separated affiliate.

"(d) Nothing in this title is intended to preclude management personnel of a dominant carrier from directing the operations of any dominant carrier, any affiliates, and any fully separated affiliates, except that costs of such direction shall be properly allocated to any dominant carrier, any affiliates, and any fully separated affiliate.

"(e) Consistent with the purposes of this title, the Commission shall not prevent or limit the use of any technology or improvement in the provision of international telecommunications services.

"(f) The Secretary of Commerce is authorized to collect information on the competitiveness of United States suppliers of telecommunications equipment and services, foreign direct investment in the domestic telecommunications industry, foreign laws and administrative controls on access of United States persons to foreign markets, the degree of equitable access to foreign markets by United States persons, the United States share of global markets, and such other information as the Secretary deems necessary, and shall report any findings to the Congress on a periodic basis.

"CLASSIFICATION OF CARRIERS AND SERVICES

"Sec. 607. (a) Not later than 30 days after the date of enactment of this title, the Commission shall identify, and cause to be published in the Federal Register, a list of those services which are fully subject to regulation by the Commission on the date of enactment of this title.

"(b)(1) The Commission may classify or reclassify as a regulated international telecommunications service any services or facilities where it determines after a hearing that—

"(A) such services or facilities are not subject to effective competition;

"(B) Federal regulation of such services is required to accomplish the purposes of this title; and

"(C) the benefits of such regulation outweigh the costs.

"(2) In making such a determination under paragraph (1) the Commission shall consider—

"(A) the number and size of unaffiliated providers of service or facilities;

"(B) the extent to which service or facilities are available from unaffiliated providers in the relevant geographic area or market;

"(C) the ability of such unaffiliated providers to make such service or facilities readily available at comparable rates, terms, and conditions;

"(D) whether the service or facilities are necessary to the Nation during a state of public peril or disaster or other national emergency;

"(E) the extent to which United States carriers are accorded fair access to or interconnection in foreign markets in the provision of services or facilities; and

"(F) other indicators of the extent of competition.

"(c) The Commission shall, upon its own motion or upon petition, classify or reclassify as a dominant carrier any carrier which is dominant in the provision of regulated international telecommunications services in a substantial percentage of the total number of markets or submarkets for international telecommunications services and may classify as dominant any foreign telecommunications carrier, or carrier which is owned or controlled by a foreign government.

"(d) The Commission may, upon its own motion or upon petition, reclassify any dominant carrier as an unregulated carrier.

"TRANSITIONAL PROVISIONS OF CERTAIN FACILITIES AND SERVICES

"Sec. 607A. (a) Each international telecommunications service which is being provided on the date of the enactment of this title shall continue to be provided under tariff, on an unbundled basis, for a period of not less than 1 year from such date.

"(b) Not later than 1 year after the date of enactment of this title, the Commission shall determine, after an expedited hearing in which any interested party may join, which of the international telecommunications services described in subsection (a) must continue to be regulated pursuant to subsection 607(b)(1).

"(c)(1) Any international telecommunications service for which the Commission fails to make the determination specified in section 607(b) shall be deregulated.

"(2) Upon its own motion, or upon petition, the Commission shall review at least once every 2 years any determination that any international telecommunications service is to be regulated pursuant to section 607(b). Upon making a determination that a service is subject to effective competition, the Commission shall deregulate such service.

"RESALE OF TELECOMMUNICATIONS SERVICES

"Sec. 608. (a) Except as otherwise provided in this title, the Commission shall not regulate or prohibit the resale or shared use of any international telecommunications service except that the Commission may regulate or restrict the resale of any regulated telecommunications service by a foreign entity to the extent that such resale services offered by United States telecommunications persons are regulated or restricted in the home country of such entity and such regulation or restriction does not provide equitable opportunities for United States persons to participate in the resale market.

"(b) No carrier may establish or enforce any restrictions on the resale or other use of any regulated service provided by such carrier.

"PRESCRIPTION OF CARRIER REQUIREMENTS

"Sec. 609. (a) Consistent with the purposes of this title and the policy of this title, the Commission may—

"(1) prescribe different requirements for different carriers, or

"(2) exempt any person in whole or in part, from the requirements of this title,

if it finds that such different requirement or exemption is consistent with the purposes of this title.

"(b) The Commission shall not have the authority, with respect to carriers (including any fully separated affiliate of a dominant carrier), to impose any requirements which are not specifically provided in this title.

"(c) Any carrier, any officer, representative, or agent of a carrier, or any receiver, trustee, lessee, or agent of either of them, who knowingly fails or neglects to obey any order made under the provisions of this title shall forfeit to the United States an amount assessed by the Commission in accordance with the procedure established in paragraph (2) and paragraph (3)(A) of section 503(b), which shall not exceed $25,000 for each offense. Every distinct violation shall be a separate offense, and in the case of a continuing violation each day shall be deemed a separate offense.

"INTERCONNECTION

"Sec. 610. (a) In addition to that interconnection required under section 622(a), every telecommunications carrier—

"(1) shall, if a reasonable request is made, establish interconnection of its regulated service—

"(A) with any telecommunications carrier;

"(B) with any telecommunications facility or private telecommunications system; and

"(C) with any customer premise equipment which is owned or leased by a customer of such carrier and which meets such standards as the Commission may establish under this Act;

"(2) may not discriminate in an unreasonable or anticompetitive manner with respect to the charges, terms, and conditions for interconnection of its regulated service; and

"(3) such charges, terms or conditions for interconnection shall be based upon the costs of the regulated service or facilities.

"(b) The Commission shall have authority—

"(1) to specify or to approve the manner, rates, terms, and conditions for the provision by any carrier of regulated international telecommunications services or facilities to other carriers or customers of such carrier;

"(2) to specify or to approve the manner, rates, terms, and conditions of interconnection between the regulated international telecommunications services and facilities of a carrier and—

"(A) any international telecommunications facility or any private international telecommunications system which meets such uniform, minimum, and technical standards as the Commission may establish by rule; and

"(B) any customer-premises equipment which is owned or leased by a customer of such carrier and which meets such standards as the Commission may establish; and

"(3) to prohibit discrimination by carriers in the provision of regulated international telecommunications services.

"(c) Any person who violates any provision of this section or any rule or order promulgated thereunder shall be liable to the United States for an amount not to exceed $250,000.

"PROVISION OF REGULATED SERVICES BY TELECOMMUNICATIONS CARRIERS

"Sec. 611. (a) It shall be the duty of every carrier providing regulated international telecommunications service to furnish such service upon reasonable request therefor; and, in accordance with the orders of the Commission, in cases where the Commission, after opportunity for hearing, finds such action necessary or desirable in the public interest, to establish through routes and charges applicable thereto and the divisions of such charges, and to establish and provide facilities and regulations for operating such through routes.

"(b) Telecommunications carriers engaged in providing regulated international telecommunications service shall establish just, reasonable, and nondiscriminatory tariffs for and in connection with such service, and any such tariff that is unjust or unreasonable, or that results in any unjust or unreasonable discrimination, preference, or advantage with respect to any person (including any fully separated affiliate), class of persons, or locality for or in connection with like international telecommunications services is hereby declared to be unlawful.

"INFORMATION ON TELECOMMUNICATIONS CHARGES AND PRACTICES

"Sec. 612. (a) Within such reasonable time as the Commission shall prescribe, every carrier shall file with the Commission, publish, and make available for public inspection tariffs for regulated international telecommunications services and showing the practices and regulations affecting such charges. Such tariffs shall contain such other information, and be kept open for public inspection in such places, as the Commission may by regulation require. Each such schedule shall give notice of its effective date, and each such carrier shall furnish such tariffs to each of its interconnecting carriers.

"(b)(1) Unless otherwise provided by or under authority of this Act, no carrier shall engage or participate in regulated international telecommunications services unless tariffs have been filed and published in accordance with the provisions of this title and with the regulations made thereunder.

"(2) No carrier shall—

"(A) charge, demand, collect, or receive a greater, lesser, or different compensation for any regulated international telecommunications service or for any service in connection therewith than the charges specified in the tariff then in effect;

"(B) refund or remit by any means or device any portion of the charges so specified; or

"(C) extend to any person any privileges or facilities, or employ or enforce any regulations or practices affecting such charges, except as specified in such tariff.

"TARIFFS

"Sec. 613. (a) Each carrier providing a regulated international telecommunications service shall file a new or revised tariff for such service pursuant to this section.

"(b) Subject to the provisions of subsection (c) of this section, tariffs filed pursuant to this section, including a revised tariff, shall take effect on the effective date specified in such filing, unless the Commission for good cause shall specify, by rule or order in any particular case, a longer period not to exceed 30 days.

"(c) The Commission shall give public notice of the filing of such new or revised tariff within 15 days of such filing. Any party in interest may file with the Commission, within such reasonable time as the Commission shall specify, but in no event later than 30 days from the date of such notice, a petition for hearing concerning the lawfulness of such tariff, which petition shall set forth specific allegations of fact sufficient to show that the petitioner is a party in interest and that the tariff constitutes a prima facie violation of the provisions of this title. The petitioner shall serve a copy of such petition upon such carrier, which carrier shall have the opportunity to reply within a reasonable period of time as specified by the Commission. Not later than 30 days from the time for filing such reply, the Commission, on the basis of the tariff and pleadings filed or on the basis of other information within the knowledge of the Commission, shall either grant or deny such petition. Whenever the Commission shall grant such a petition it shall hold a hearing concerning those issues raised in the petition which the Commission determines are substantial and material questions relating to such violation. Upon completion of such hearing, the Commission shall either accept, accept with conditions, or reject such tariff, and shall make findings of fact and conclusions of law with respect to the allegations set forth in the petition.

"COPIES OF CONTRACTS TO BE FILED

"SEC. 614. (a) All contracts, agreements, or arrangements related to any regulated international telecommunications service shall be filed with the Commission.

"(b) The Commission shall have authority to require the filing of any other contracts, agreements, or arrangements of any carrier providing a regulated international telecommunications service and shall have authority to exempt any such carrier from submitting copies of contracts, agreements, or arrangements as the Commission may determine.

"(c) The Commission shall have authority to vacate or modify any contract, agreement, or arrangement related to any regulated international telecommunications service filed with the Commission under this section, if the Commission determines that such contract, agreement, or arrangement is not consistent with the purposes of this title, or such contract, agreement, or arrangement unjustly or unreasonably discriminates against any carrier.

"VALUATION OF CARRIER PROPERTY

"SEC. 615. (a) After opportunity for hearing, the Commission, where necessary for the proper administration of this title, may make an evaluation, as of such date as the Commission may designate, of all or of any part of the property owned or used by any carrier for the provision of any regulated international telecommunications service.

"(b) The Commission may at any time require any such carrier to file with the Commission an inventory of all or of any part of the property owned or used by said carrier, which inventory shall show the units of said property classified in such detail, and in such manner, as the Commission shall direct, and shall show the estimated cost of reproduction new of said units, and their reproduction cost new less depreciation, as of such date as the Commission may direct; and such carrier shall file such inventory within such reasonable time as the Commission by order shall require.

"(c) The Commission may at any time require any carrier offering a regulated international telecommunications service under this Act to file with the Commission a statement showing the original cost at the time of dedication to telecommunication use of all or of any part of the property owned or used by such carrier. For the showing of such original cost said property shall be classified, and the original cost shall be defined, in such manner as the Commission may prescribe; and if any part of such cost cannot be determined from accounting or other records, the portion of the property for which such cost cannot be determined shall be reported to the Commission; and, if the Commission shall so direct, the original cost thereof shall be estimated in such manner as the Commission may prescribe. If the carrier owning the property at the time such original cost is reported shall have paid more or less than the original cost to acquire the same, the amount of such cost of acquisition, and any facts which the Commission may require in connection therewith, shall be reported with such original cost. The report made by a carrier under this subsection shall show the source or sources from which the original cost reported was obtained, and such other information as to the manner in which the report was prepared, as the Commission shall require.

"(d) The Commission shall keep itself informed of all new construction, extensions, improvements, retirements, or other changes in the condition, quantity, use, and classification of the property of carriers used in the provision of regulated international telecommunications services, and of the cost of all additions and betterments thereto and of all changes in the investment therein, and may keep itself informed of current changes in costs and values of carrier properties.

"(e) For the purpose of enabling the Commission to make a valuation of any of the property of any such carrier, or to find the original cost of such property, or to find any other facts concerning the same which are required for use by the Commission, it shall be the duty of each such carrier to furnish to the Commission, within such reasonable time as the Commission may order, any information with respect thereto which the Commission may by order require, including copies of maps, contracts, reports of engineers, and other data, records, and papers, and to grant to all agents of the Commission free access to its property and its accounts, records, and memoranda whenever and wherever requested by any such duly authorized agent, and to cooperate with and aid the Commission in the work of making any such valuation or finding in such manner and to such extent as the Commission may require and direct, and all rules and regulations made by the Commission for the purpose of administering this section shall have the full force and effect of law. Unless otherwise ordered by the Commission, with the reasons therefor, the records and data of the Commission shall be open to the inspection and examination of the public. The Commission, in making any such valuation, shall be free to adopt any method of valuation which shall be lawful.

"NOTICE AND APPROVAL OF FACILITIES CONSTRUCTION, ACQUISITION, OR OPERATION

"SEC. 616. (a) Subject to subsection (b), upon notification to the Commission, any person may—

"(1) undertake the construction of any new international transmission facilities or of any extension thereof;

"(2) acquire or operate any such facility or extension thereof; or

"(3) engage in international telecommunications over or by means of such new facility or extension.

"(b)(1) The Commission may, by rule or order, require a dominant carrier to obtain from the Commission a certificate that the present or future public convenience and necessity require or will require the construction, extension, acquisition, operation, or use of any new or extended international telecommunications transmission facility, other than switching facilities.

"(2) Nothing in this section shall be construed to permit the Commission to require a certificate or other authorization from the Commission for any installation, replacement, or other changes in plant, operation, or equipment, other than new construction, which will not impair the adequacy or quality of service provided.

"(3) The Commission may, upon application, authorize in whole or in part a long-term facilities construction plan for a dominant carrier. Upon authorization of such plan such carrier may not be required to obtain separate certification under paragraph (1) of this subsection for each element of such plan. The Commission may condition any authorization upon appropriate safeguards and submission to the Commission of periodic reports in such form and containing such information as the Commission may require in order to monitor the implementation and operation of such plan.

"(4) The Commission may by rule or order require that a carrier providing a regulated international telecommunications service may not discontinue, reduce, or impair regulated international telecommunications service to a community or part of a community unless it obtains from the Commission a certificate that the present or future public convenience will be served by the discontinuance, reduction, or impairment of regulated international telecommunications services.

"(c) Upon receipt of any notification or application under the provisions of subsections (a) and (b), the Commission shall cause notice thereof to be given to the Secretary of Defense, the Secretary of State (with respect to notifications or applications involving service to foreign points), and the Secretary of Commerce.

"(d) The Commission shall have the power to issue a certificate for the facilities or plan for which application was made; to refuse to issue a certificate; to issue a certificate for a portion or portions of a facility or plan, or extension thereof, or discontinuance, reduction, or impairment of service, described in the application. The Commission may attach to the issuance of the certificate such terms and conditions as in its judgment the public convenience and necessity may require. After issuance of such certificate a carrier may, without securing approval other than such certificate, comply with the terms and conditions contained in or attached to the issuance of such certificate and proceed with the construction, extension, acquisition, operation, or discontinuance, reduction, or impairment of service authorized thereby. Any construction, extension, acquisition, operation, discontinuance, reduction, or impairment of service contrary to the provisions of this section may be enjoined by any court of competent jurisdiction.

"(e) The Commission may, upon appropriate request, authorize temporary or emergency augmentation of facilities or services or discontinuance, reduction, or impairment of facilities or services without regard to the provisions of this section.

"(f)(1) Any dominant carrier, and any other carrier, if the Commission shall so order, shall maintain and file with the Commission a description of the operational protocols and technical interface requirements for connection with or use of any regulated international telecommunications services, and report regularly to the Commission—

"(A) any material change relating to such protocols, or interface requirements which has been adopted or implemented, or which

is required by the specific design or development of any service, facility, or equipment including any information or technical requirements relating to the capacity of services, facilities, or equipment to function effectively and efficiently if connected to any regulated international telecommunications service or facility furnished by a dominant carrier;

"(B) summaries of construction programs or activities intended to maintain, extend, or expand the regulated international telecommunications services or facilities if such information affects the interconnection of service offerings of competing carriers or persons seeking interconnection with such services or facilities of such carrier; and

"(C) such additional information relating to any regulated international telecommunications services, the disclosure of which the Commission determines to be necessary on its own initiative or in response to a petition submitted by any interested person.

"(2) In any case in which a submission to the Commission is required under paragraph (1), any person may obtain the information which is the subject of such submission upon reasonable request and payment of reasonable copying and processing fees, unless the Commission after consultation with the Secretary of State, the Secretary of Defense, and the Secretary of Commerce, determines that the furnishing of such information would be detrimental to the national defense and security or to the emergency preparedness of the Nation or the technological or economic competitiveness of the United States telecommunications industry or is otherwise inconsistent with this title. In the case where one or more of the Secretaries cited above object to the public release of such information, the Commission may not make such material available without the approval of the President. In any case where the public release of such information is withheld (whether because of a determination of the Commission or because the Commission has not received the approval of the President), each Secretary cited above who has advised against or objected to the release of such information shall provide the appropriate committees of the Congress with the reasons for the advice or objection not later than 10 days after the advice has been given to the Commission or the objection has been filed with the Commission.

"(3) The Commission shall prescribe procedures to implement this subsection not later than 180 days after the date of enactment of this title.

"(g) Any carrier which refuses or neglects to comply with any order of the Commission made in pursuance of subsection (e) (relating to the extension of facilities) shall forfeit to the United States an amount assessed by the Commission in accordance with the procedure established in paragraph (2) and paragraph (3)(A) of section 503(b), which shall not exceed $2,500 for each day during which such refusal or neglect continues.

"INTERNATIONAL TELECOMMUNICATIONS FACILITIES

"SEC. 617. (a)(1) The Commission may prescribe appropriate procedures to assess United States carriers' proposals for the construction and utilization of international telecommunications facilities.

"(2) In assessing United States carriers' proposals, the Commission shall in consultation with affected United States carriers, including persons seeking to participate in ownership and operation of international telecommunications facilities, and appropriate Federal agencies develop guidelines to aid the planning process consistent with the purposes of this title.

"(b) At any time during the development of such guidelines or during the planning process, the Commission or any Commissioners may meet to exchange information with representatives of foreign telecommunications entities responsible for facilities planning in their home countries, except that—

"(1) proper notice shall be given to all interested parties prior to any such meeting and such parties shall be given an opportunity to comment on the subjects to be discussed;

"(2) to the maximum extent feasible any meetings with such representatives shall be public, and a report of such proceedings shall be made part of the public record; and

"(3) any data the Commission obtained during such meetings and used by the Commission in developing any plan must be disclosed. In any such decision, the Commission must explain the manner in which such data was used.

"(c) Nothing in this section shall be construed to exempt any carrier from the antitrust laws.

"REPORTS BY CARRIERS; CONTENTS AND REQUIREMENTS GENERALLY

"SEC. 618. (a) The Commission is authorized to require annual reports from all carriers providing services subject to this title, and from persons directly or indirectly controlling or controlled by, or under direct or indirect common control with any such carrier, to prescribe the manner in which such reports shall be made, and to require from such persons specific answers to all questions upon which the Commission may need information. The Commission shall require only such reports as are necessary to perform its duties under this title.

"(b) Such reports shall be for a twelve-month period as the Commission shall designate and shall be filed with the Commission at its office in Washington, District of Columbia, within three months after the close of the year for which the report is made, unless additional time is granted in any case by the Commission; and if any person subject to the provisions of this section shall fail to make and file said annual reports within the time above specified, or within the time extended by the Commission, for making and filing the same, or shall fail to make a specific answer to any question authorized by the provisions of this section within thirty days from the time it is lawfully required so to do, such person shall forfeit to the United States an amount assessed by the Commission in accordance with the procedure established in paragraph (2) and paragraph (3)(A) of section 503(b), which shall not exceed $2,500 for each and every day it shall continue to be in default with respect thereto. The Commission may by general or special orders require any such carriers to file monthly reports of earnings and expenses and to file periodical or special reports concerning any matters with respect to which the Commission is authorized or required by law to act. If any such carrier shall fail to make and file any such periodical or special report within the time fixed by the Commission, it shall be subject to the forfeitures above provided.

"RECORDS AND ACCOUNTS

"SEC. 619. (a)(1) The Commission may, in its discretion, prescribe the forms of any and all accounts, records, and memoranda to be kept by carriers in their provision of regulated international telecommunications services subject to this title, including the accounts, records, and memoranda of the movement of traffic, as well as of the receipts and expenditures of moneys.

"(2) Not later than the first anniversary of the date of enactment of this title, the Commission shall prescribe, and within the period prescribed by the Commission all carriers providing regulated international telecommunications services shall comply with, guidelines of general applicability relating to accounts, records, and memoranda which shall be designed at a minimum to accomplish a complete and proper allocation of all revenues and costs, including joint and common costs, costs incurred by affiliates other than fully separated affiliates, and any costs incurred before such date of enactment between regulated equipment and services and unregulated equipment and services. The Commission may require any carrier offering regulated international telecommunications services to establish and maintain such other separate accounts and supporting records and memoranda as the Commission determines necessary to carry out the purposes of this title.

"(b)(1) The Commission shall establish and prescribe—

"(A) the classes of property used by any carrier for the provision of regulated international telecommunications services which are subject to the regulatory authority of the Commission under this title; and

"(B) the methods by which investments in such classes of property may be recovered.

"(2) The methods specified in paragraph (1)(B) may include capital recovery schedules or percentage depreciation schedules. Such methods shall—

"(A) provide for the full recovery of any unrecovered amount of invested capital not later than the end of the remaining life of the property involved;

"(B) permit capital recovery and depreciation at rates comparable to those used by unregulated entities providing competitive services;

"(C) permit not more than the full amount of invested capital to be recovered;

"(D) for property used by a carrier in providing regulated international telecommunications services, include, as an allowable operating expense for ratemaking purposes, depreciation computed under any accelerated methods selected by such regulated carrier which are consistent with the capital recovery schedules or percentage depreciation schedules established and prescribed by the Commission, except that (i) the initial selection shall apply only to property placed in service on or after the first day of the first calendar year which begins after the date of the enactment of the International Telecommunications Deregulation Act of 1982; and (ii) any subsequent changes in such selection shall apply only to property placed in service on or after the date of such selection unless the carrier obtains the permission of the Commission to change such selection as to any other property; and

"(E) for property already in service on the first day of the first calendar year which begins after the date of the enactment of this title, include as an allowable operating expense for ratemaking purposes such amounts as may be necessary to recover all embedded invested capital through the use of the remaining life method of capital recovery or some other reasonable method approved by the Commission.

"(3) Any determination of the remaining life of property under paragraph (2) shall take into consideration competition, changes in technology, and remaining economic life.

"(c) The Commission shall at all times have access to and the right of inspection and examination of all accounts, records, and memoranda, including all documents, papers, and correspondence now or hereafter existing, and kept or required to be kept by such carriers, and the provisions of this section respecting the preservation and destruction of books, papers, and documents shall apply thereto. The burden of proof to justify every accounting entry questioned by the Commission shall be on the person making, authorizing, or requiring such entry and the Commission may suspend a charge or credit pending submission of proof by such person. Any provision of law prohibiting the disclosure of the contents of messages or communications shall not be deemed to prohibit the disclosure of any matter in accordance with the provisions of this section.

"(d) In case of failure or refusal on the part of any such carrier to keep such accounts, records, and memoranda on the books and in the manner prescribed by the Commission, or to submit such accounts, records, memoranda, documents, papers, and correspondence as are kept to the inspection of the Commission or any of its authorized agents, such carrier shall forfeit to the United States an amount assessed by the Commission in accordance with the procedure established in paragraph (2) and paragraph (3)(A) of section 503(b), which shall not exceed $100,000 for each day of the continuance of each such offense.

"(e) Any person who shall willfully make any false entry in the accounts of any book of accounts or in any record or memoranda kept by any such carrier, or who shall willfully destroy, mutilate, alter, or by any other means or device falsify any such account, record, or memoranda, or who shall willfully neglect or fail to make full, true, and correct entries in such accounts, records, or memoranda of all facts and transactions pertaining to the business of the carrier, shall be deemed guilty of a misdemeanor, and shall be subject, upon conviction, to a fine of not less than $10,000 nor more than $100,000 or imprisonment for a term of not less than one year nor more than three years, or both such fine and imprisonment: *Provided*, That the Commission may in its discretion issue orders specifying such operating, accounting, or financial papers, records, books, blanks, or documents which may, after a reasonable time, be destroyed, and prescribing the length of time such books, papers, or documents shall be preserved.

"(f) No member, officer, or employee of the Commission shall divulge any fact or information which may come to his knowledge during the course of examination of books or other accounts, as hereinbefore provided, except insofar as he may be directed by the Commission or by a court.

"(g) After the Commission has prescribed the forms and manner of keeping of accounts, records, and memoranda to be kept by any person as herein provided, it shall be unlawful for such person to keep any other accounts, records, or memoranda than those so prescribed or such as may be approved by the Commission or to keep the accounts in any other manner than that prescribed or approved by the Commission. Notice of alterations by the Commission in the required manner or form of keeping accounts shall be given to such persons by the Commission at least six months before the same are to take effect. The Commission shall have due regard to the different sizes of carriers in prescribing forms or guidelines under this section.

"(h) The Commission may prescribe different requirements under this section for different carriers if it deems such action consistent with the public interest.

"FULLY SEPARATED AFFILIATE

"SEC. 620. (a) A fully separated affiliate of a dominant carrier shall—

"(1) have no more than one member of its governing board who is a member of the governing board or officer or employee of such dominant carrier or any other affiliate of such dominant carrier;

"(2) have no officers or employees in common with any such dominant carrier or any other affiliate of such dominant carrier;

"(3) have not less than five individuals serving on its governing board of which not more than 50 percent of whom are employees or officers of the fully separated affiliate which percentage shall also include any individual specified in subsection (a)(1); and

"(4) maintain books, records, and accounts separate from any such dominant carrier or any affiliate of such dominant carrier which identify all transactions with such dominant carrier or any affiliate of such dominant carrier and prepare financial statements which are in compliance with Federal financial reporting requirements (including filing such annual reports as may be required by the Securities and Exchange Commission, if the fully separated affiliate were a publicly held corporation) for publicly held corporations and file such statements with the Commission and make such statements available for public inspection.

"(b)(1) A fully separated affiliate may conduct business with respect to the transfer of goods, services, and facilities with its dominant carrier: *Provided*, That such business is conducted on a fully auditable and compensatory basis.

"(2) The conduct of business between a dominant carrier and a fully separated affiliate shall be pursuant to contract and shall be reported to the Commission under such rules as the Commission determines necessary. The Commission shall make such contracts, or portions of contracts, available for public inspection to the extent necessary to ensure proper enforcement of this section.

"(c) The conduct of business by any dominant carrier or any affiliate of the dominant carrier with any fully separated affiliate shall be carried out in the same manner as such business is conducted between such carrier or affiliate and any nonaffiliate. The conduct of business between a dominant carrier or any affiliate of the dominant carrier and any fully separated affiliate shall not be based upon, or include, any preference or discrimination arising out of affiliation.

"(d) Not later than 45 days after the date of enactment of this title, the Commission shall establish procedures for the expeditious consideration of petitions filed under this section. Such regulations shall provide that final action on any such petition shall be taken by the Commission not later than 180 days after filing.

"(e) The provisions of subsections (b) and (c) shall not apply to the provision of telecommunications facilities, services, or customer-premises equipment during times of public peril, disaster, or national emergency.

"(f) The Commission may request information from the dominant carrier or any of its affiliates, or the fully separated affiliate regarding the conduct of business between the fully separated affiliate and the dominant carrier or any affiliate in order to properly enforce the provisions of this section.

"(g) All administrative or other general expenses provided by the dominant carrier on behalf of any affiliate or fully separated affiliate shall be provided only on a fully auditable and compensatory basis, and each affiliate and fully separated affiliate shall reimburse a dominant carrier for a pro rata share of the common administrative and general expenses of such carrier.

"(h) Any person (other than an individual) who violates any provision of this section or any rule, regulation, or order promulgated thereunder shall be fined not more than $1,000,000 for each such violation.

"(i) Nothing in this section shall be construed to permit cross-subsidization or any other anticompetitive conduct by a dominant carrier.

"ARRANGEMENTS RELATING TO THE TRANSITION TO FULL SEPARATION

"SEC. 621. (a) The provisions of this section and section 620 shall apply in any case in which a dominant carrier and its affiliates engage in the provision of unregulated international telecommunications facilities and services. Nothing in this section shall prohibit or otherwise restrict any dominant carrier, affiliate, or fully separated affiliate from exercising its independent, prudent business judgment in connection with business conducted with nonaffiliates.

"(b) A dominant carrier shall submit a plan to demonstrate that the dominant carrier and any affiliate have an accounting system which ensures a complete separation between the provision of regulated and unregulated services.

"(c) The provisions of this section shall not apply to the provision of telecommunications facilities, services, or customer-premises equipment during times of public peril, disaster, or national emergency.

"PROTECTION AND RESTORATION OF ESSENTIAL TELECOMMUNICATIONS

"SEC. 622. (a) The President shall have authority to require appropriate Federal departments and agencies, and any telecommunications carrier subject to the provisions of this title, to develop and establish arrangements for such mutual backup, restoration, and interconnection of international telecommunications facilities or services as may be necessary to avert public peril or disaster or to ensure the continuity of telecommunications essential to the national defense and security and the prompt restoration of any such telecommunications which may be interrupted by the failure or disruption of the facilities of any one or more such carriers.

"(b) The President shall have authority to require any carrier subject to the provisions of this title or fully separated affiliate to furnish international telecommunications services or facilities or customer-premises equipment to any Federal agency if the President determines that—

"(1) the provision of such services or facilities or customer-premises equipment is necessary and appropriate to promote the national defense and security or the emergency preparedness of the Nation; and

"(2)(A) there is a threat of war with a foreign nation, the Nation is at war with a foreign nation, or there exists a state of public peril or disaster or other national emergency; or

"(B) in order to provide for the national defense or security or the emergency preparedness of the Nation, there is an immediate need for such services and facilities or customer-premises equipment, and such need cannot be met through reliance upon any other source of supply.

"(c) The President shall coordinate any Government program for enhancing the survivability of facilities used to provide international communications and protection against unauthorized interception of international telecommunications traffic, insuring, where appropriate, the availability of such programs to all telecommunications carriers willing and able to participate in such programs.

"(d) The Chairman of the Commission shall designate one of the Commissioners to serve as the 'National Security-Emergency Preparedness Commissioner' who shall be the Commission's representative to the President regarding national defense and security and emergency preparedness matters.

"(e) The President shall appoint an advisory council of not to exceed 15 members to examine the structure, policy, and needs of Federal telecommunications management for national security and emergency preparedness under deregulation and to ensure that the United States shall have a technologically advanced and economically viable telecommunications industry for the purposes of the national defense and economic advancement.

"CUSTOMER-PREMISES EQUIPMENT

"SEC. 623. (a) Except as provided in this title, neither the Commission nor any State shall regulate the production, marketing, or other provision of customer-premises equipment used for international telecommunications services.

"(b)(1) The Commission may establish and enforce such minimum uniform technical standards for customer-premises equipment used for international telecommunications purposes as are necessary to prevent technical or operational harm to carrier facilities and to promote national defense and emergency preparedness of the Nation.

"(2) The Commission may establish requirements relating to labeling of customer-premises equipment used for international telecommunications services to indicate the country of origin and to provide such other consumer information as the Commission determines will be of significant interest.

"(3) The Commission may establish model technical standards for customer-premises equipment that would provide internal means for effective and beneficial coupling to hearing aids. Such standards shall not be binding upon any carrier or manufacturer of customer-premises equipment.

"(4) The Commission is authorized to deny certification of any customer-premises equipment of which more than one-half of the value added was manufactured in a country or countries which are determined in accordance with section 624 to be a country or countries which do not extend equitable market access to United States telecommunications equipment manufacturers. Such denial of certification shall not include customer-premises equipment from foreign countries which are in the process of extending equitable market access to United States telecommunications equipment manufacturers or are engaged in substantive negotiations to extend such access.

"EQUITABLE MARKET ACCESS

"SEC. 624. (a) For the purpose of ensuring fair and equitable treatment of United States telecommunications enterprises seeking access to foreign markets, the Commission shall have authority to conduct inquiries and establish policies, rules, regulations, and requirements applicable to the entry of foreign carriers or foreign persons supplying telecommunications or information services or facilities into domestic United States telecommunications markets upon terms and conditions which are comparable to the terms and conditions under which United States persons are permitted entry into—

"(1) the foreign nation in which the operations of such foreign persons offering telecommunications or information services or facilities is based; and

"(2) the foreign nation under the laws of which such foreign telecommunications or information services or facilities are established.

No other provision of this Act shall be construed to limit or otherwise restrict the authority of the Commission established in this section.

"(b) The Commission shall adopt such rules, regulations, policies, requirements, and procedures, and may impose such restrictions upon foreign persons supplying telecommunications or information services or facilities as it determines to be necessary or appropriate to carry out the provisions of this subsection and to carry out its determinations under this subsection. Prior to exercise of any powers granted under this subsection, the Commission shall consult and coordinate with the International Task Force on Telecommunications and Information, established pursuant to title II of this Act, to assess the probable impact of any proposed exercise of such powers upon United States commercial and governmental interests, foreign policy, and international comity. The Commission may solicit the views of any private United States entities likely to be affected by such a proposed implementation of powers.

"APPLICABILITY OF TITLE

"SEC. 625. The provisions of this title shall be applicable only to telecommunications services which are designed to originate or terminate outside the United States. Except to the extent otherwise provided in this title and by the International Telecommunications Deregulation Act of 1982, the provisions of the Communications Act of 1934 which, immediately prior to the date of the enactment of the International Telecommunications Deregulation Act of 1982, were applicable to telecommunications services which are designed to originate or terminate outside the United States, including facilities used in connection therewith, shall continue to be applicable to such services and facilities.".

TITLE II—INTERNATIONAL TELECOMMUNICATIONS

SHORT TITLE

SEC. 201. This title may be cited as the "International Telecommunications and Information Coordination Act of 1982".

FINDINGS AND PURPOSE

SEC. 202. (a) The Congress finds that—

(1) the United States telecommunications and information industries make an important contribution to international commerce and are vital to the economy of the United States;

(2) although many governments of the world have recognized the strategic importance of their telecommunications and information industries and have developed policies to promote those industries, the United States has no coordinated international telecommunications and information policies;

(3) the authority and responsibility to develop such policies is divided among Federal agencies on a conflicting and often confusing basis; and

(4) the United States must have an effective mechanism for the development of telecommunications and information policies. The mechanism must coordinate within the Federal Government and between the Federal Government and the private sector.

(b) The Congress declares that it is the policy of the United States—

(1) to maintain and promote a viable, strong, and technologically competitive telecommunications industry;

(2) to encourage and assist the open and fair provision of telecommunications and information goods and services in international commerce;

(3) to ensure the preservation and enhancement of the principles of the free flow of telecommunications services and information throughout the world;

(4) to ensure the equitable treatment of United States and foreign enterprises in all international markets of telecommunications and information goods and services; and

(5) to ensure the effective coordination and representation of United States interests in international forums.

ESTABLISHMENT OF THE TASK FORCE

SEC. 203. (a) There is established in the executive branch an International Telecommunications and Information Task Force (hereinafter in this title referred to as the "Task Force"). The Task Force shall be the principal coordinating body for the development of United States telecommunications and information policies.

(b) The membership of the Task Force shall consist of—

(1) the Secretary of Commerce, the Secretary of State, the Secretary of Defense, the Attorney General, the United States Trade Representative, the Chairman of the Federal Communications Commission, the Deputy Assistant Secretary of State for Transportation and Telecommunications Affairs, and the Director of the International Communications Agency; and

(2) the members of the Task Force designated in paragraph (1) may appoint a representative to serve in their place. The representative shall be an official of a rank no lower than that of Assistant Secretary or its statutory equivalent. In the case of the Federal Communications Commission, the Chairman may designate another Commissioner and the Director of the International Communications Agency may designate the Deputy Director of that agency. In the event that the Secretary of Commerce designates a representative, it shall be the Assistant for Communications and Information.

(c) The Chairman of the Task Force shall be the Secretary of Commerce and the Vice Chairman shall be the Secretary of State.

(d) Whenever the Task Force considers matters that affect the interests of Federal agencies not represented on the Task Force, the Chairman may invite the heads of such agencies to designate representatives to participate in the relevant deliberations of the Task Force.

(e) Members of the Task Force shall serve without additional compensation, but shall be reimbursed for actual and necessary expenses, including travel expenses, incurred by them in carrying out the duties of the Task Force.

(f) The Task Force shall terminate upon the expiration of the 36-month period following the date of the enactment of this title, except that the President may, at any time during the 6-month period preceding the expiration of the term of authority of the Task Force, extend the existence of the Task Force for a period of not more than 3 years. Any extension shall be made by Executive order. If the President chooses not to extend the Task Force, he shall, by Executive order, assign the responsibilities and authorities of the Task Force to one department or agency.

POWERS OF THE TASK FORCE

SEC. 204. (a) The Task Force shall develop consistent and comprehensive United States international telecommunications and information policies and shall advise the President with respect to those policies. In order to avoid duplicative and conflicting policies among Federal agencies, and to assure the greatest possible cooperation among such agencies, the Task Force shall—

(1) coordinate the policies of all Federal agencies involving international telecommunications and information;

(2) review all significant policy determinations of Federal agencies, and all proposed statements of United States policy by such agencies, relating to international telecommunications and information, and approve, disapprove, or modify any such policy, determination, or proposed statement where necessary;

(3) conduct a comprehensive study of the long range telecommunications and information goals of the United States, the specific telecommunications and information policies necessary to promote those goals and the strategies that will ensure that the United States achieves them; and

(4) conduct a review of the structures, procedures, and mechanisms which are utilized by the United States to develop telecommunications and information policy.

The Task Force shall make recommendations to appropriate Federal agencies in accordance with the findings of this review. Those recommendations shall also be provided to the President and the appropriate Committees of the Congress.

(b) The provisions of subsection (a)(2) shall not apply to any action or determination of an independent regulatory agency made pursuant to the rulemaking or adjudicatory procedures set forth in section 553, 554, 556, or 557 of title 5, United States Code, or pursuant to comparable statutory rulemaking or adjudicatory procedures.

(c) The Task Force shall make recommendations and reports to the President and the Congress on a regular basis.

TRANSFER OF FUNCTIONS

SEC. 205. (a) All functions vested in the Secretary of State by section 5-201 of Executive Order 12046 of March 27, 1978, to the extent that they relate to the determination of policies and positions, are transferred to the Task Force.

(b) All functions vested in the Secretary of Commerce by section 2-404 of Executive Order 12046 of March 27, 1978, to the extent that they relate to the determination and coordination of plans and policies, and, to the extent its provisions relate to international telecommunications and information, by section 2-501 of Executive Order 12046 of March 27, 1978, are transferred to the Task Force.

(c) All functions vested in the Director of the International Communications Agency by section 6 of Executive Order 12048 of March 27, 1978, to the extent that its provisions relate to responsibility for advising the President, are transferred to the Task Force.

ADMINISTRATIVE POWERS

SEC. 206. (a) For the purpose of carrying out its functions under this Act, the Task Force may—

(1) utilize those services, personnel, and facilities of the Department of State, the Department of Commerce, the International Communications Agency, and the United States Trade Representative, that are used for international telecommunications and information activities;

(2) utilize, with their consent, the services, personnel, and facilities of any other Federal agency; and

(3) accept voluntary and uncompensated services, notwithstanding the provisions of section 3679(b) of the Revised Statutes (31 U.S.C. 665(b)).

(b) The Secretary of Commerce and the Secretary of State shall designate such employees as are necessary to serve as staff to the Task Force. The Secretary of Commerce shall designate a director for the staff of the Task Force.

ADVISORY COMMITTEE

SEC. 207. (a) The Task Force shall establish an Advisory Committee on International Telecommunications and Information (hereinafter in this title referred to as the "Committee") to provide overall policy guidance to the Task Force with respect to the functions of the Task Force. The Committee shall be composed of not more than thirty individuals and shall include representatives of labor, manufacturers of telecommunications, information, data processing equipment, other affected manufacturers, providers of telecommunications, information, and data processing services, other affected service industries, financial institutions, journalists, broadcasters, consumer interests, the legal profession, users of telecommunications services and equipment, and small business.

(b) The members of the Committee shall designate a Chairman and a Vice Chairman, who shall preside at meetings in the absence of the Chairman.

(c) The Committee shall meet at the call of the Chairman to provide policy advice, technical advice and information, and advice on other factors relevant to the activities of the Task Force. A meeting of the Committee shall be held at least once each calendar quarter.

(d) The Task Force shall, before approving under this Act any statement of new United States policy relating to international telecommunications and information, consult with the Committee for the purpose of obtaining the views of the Committee on the effect of the proposed submission on the social and economic interests of the United States.

(e) The Task Force shall make available to the Committee such staff, information, personnel, and administrative services and assistance as may reasonably be required to carry out the activities of the Committee.

(f) The Task Force shall adopt procedures for consulting with and obtaining information and advice from the Committee on a continuing and timely basis. Such consultation shall include the provision of information to the Committee as to (1) significant issues and developments, and (2) overall objectives and positions of the United States with respect to the development of telecommunications and information policies. The Task Force shall not be bound by the advice or recommendations of the Committee but the Task Force shall inform the Committee of failures to accept such advice or recommendations. The Task Force shall submit an annual report to the appropriate committees of the Congress on consultations with the Committee, issues involved in such consultations, and the reasons for not accepting any advice or recommendations of the Committee.

TITLE III—MISCELLANEOUS

TRANSITION OF COMMISSION AUTHORITY

SEC. 301. All orders, determinations, rules, regulations, permits, contracts, certificates, and privileges, which, pursuant to the provisions of titles II and III of the Communications Act of 1934, as amended—

(1) have been issued, made, granted, or allowed to become effective by the Federal Communications Commission; and

(2) were in effect prior to the enactment of this Act,

shall continue in effect according to their terms until modified, terminated, superseded, set aside, or repealed by the Commission, by any court of competent jurisdiction, or by operation of law.

INTERNATIONAL TELECOMMUNICATIONS

SEC. 302. (a) The provisions of this Act, and the amendments made thereby, shall apply only to the provision of international telecommunications services or facilities. For the purposes of this section, the term—

(1) "international telecommunications services" shall have the same meaning as that provided in section 603(6) of the Communications Act of 1934, and

(2) "international telecommunications facilities" means those facilities intended for the provision of international telecommunications services.

(b) A foreign telecommunications carrier or foreign information supplier or enterprise or entity or foreign person shall have the same meaning as that provided in section 603(7) of the Communications Act of 1934.

INTERNATIONAL ECONOMIC COMPETITION EVALUATION

SEC. 303. The Department of Commerce, to the extent feasible, shall analyze and quantify the effect of any significant rule or order of the Commission on international competition and the viability of the United States telecommunications industry, including, but not limited to, the effect of the action on the ability of United States industry to compete domestically and abroad. In addition, the analysis shall consider whether such action will delay the introduction of new equipment and services, inhibit the cooperation of the United States entities in competing jointly for foreign or domestic business, impose delays on United States firms, provide an advantage to foreign telecommunications carriers or suppliers of information or adversely affect research and development by United States industry.

COMMUNICATIONS SATELLITE ACT OF 1962

SEC. 304. (a) Section 303(a) of the Communications Satellite Act of 1962, as amended, is amended by striking all except the last three sentences of section 303(a) and substituting therefor the words "The corporation

shall have a board of directors who shall be elected annually by the stockholders. All board members shall be citizens of the United States, and one board member shall be elected annually by the board to serve as chairman: *Provided, however*, That effective one year after this Act takes effect no directors incumbent shall be eligible to hold office as members of the board unless elected in accordance with this section.".

(b) Paragraph (8) of subsection (c) of section 201 of the Communications Satellite Act of 1962, as amended (47 U.S.C. 721(c)(8)), is repealed.

(c) Section 301 of the Communications Satellite Act of 1962, as amended (47 U.S.C. 731), is amended by deleting "to the District of Columbia Business Corporation Act" and inserting in lieu thereof "to the laws governing corporations in the jurisdiction within the United States in which it is incorporated".

(d) Section 303(a) of the Communications Satellite Act of 1962, as amended (47 U.S.C. 733(a)), is amended to read as follows:

"(a) The corporation shall have a board of directors who shall be elected annually by the stockholders. All board members shall be citizens of the United States, and one board member shall be elected annually by the board to serve as chairman: *Provided, however*, That effective one year after this Act takes effect no directors incumbent shall be eligible to hold office as members of the board unless elected in accordance with this section. The articles of incorporation of the corporation shall provide for cumulative voting and, in the manner prescribed by the laws governing corporations in the jurisdiction in which the corporation is incorporated, may be amended, altered, changed, or repealed by a vote of the outstanding shares of the voting capital stock of the corporation owned by stockholders who are communications common carriers and by stockholders who are not communications common carriers, voting together, if such vote complies with all other requirements of this chapter and of the articles of incorporation of the corporation with respect to the amendment, alteration, change, or repeal of such articles. The corporation may adopt such bylaws as shall, notwithstanding the provisions of the law of any State or of the District of Columbia, provide for the continued ability of the board to transact business under such circumstances of national emergency as the President of the United States, or the officer designated by him, may determine, after February 18, 1969, would not permit a prompt meeting of a majority of the board to transact business.".

(e) Section 304(a) of the Communications Satellite Act of 1962, as amended (47 U.S.C. 734(a)), is amended by inserting immediately before "without" the following: "with or".

(f) Section 304(e) of the Communications Satellite Act of 1962, as amended (47 U.S.C. 734(e)), is amended to read as follows:

"(g) Any record holder of the stock of the corporation, without regard to the percentage of stock so held, shall have the right to examine, in person, or by agent or attorney, at any reasonable time or times, for any proper purpose, the corporation's record of shareholders and to make extracts therefrom.".

(h) Section 305(c) of the Communications Satellite Act of 1962, as amended (47 U.S.C. 735(c)), is amended to read as follows:

"(c) To carry out the foregoing purposes, the corporation shall have the usual powers conferred upon a stock corporation by the laws of the jurisdiction in which it is incorporated.".

(i) Section 201(c)(7) of the Communications Satellite Act of 1962 is amended to read:

(7) grant appropriate authorization for the construction and operation of each satellite terminal station to: the corporation; one or more authorized carriers; the corporation and one or more such carriers jointly; or to persons other than the corporation or authorized carriers, as will best serve the public interest, convenience and necessity.

(j) Section 103(13) of the Communications Satellite Act of 1962 is amended to read:

(13) the terms "authorized user" and "authorized entity" means a user or entity, other than an authorized carrier, which has been authorized by the Commission to obtain channels of communications in the communications satellite directly from the corporation.

(k) Section 201(c)(12) of the Communications Satellite Act of 1962 is amended to read:

(12) authorize users and entities other than authorized carriers to acquire channels of communications in the communications satellite system directly from the corporation whenever the Commission finds such acquisition will serve the public interest.

DEPUTY ASSISTANT SECRETARY OF STATE

SEC. 305. (a) There shall be within the Department of State a "Deputy Assistant Secretary of State for Transportation and Telecommunications Affairs". The Deputy Assistant Secretary of State for Transportation and Telecommunications Affairs shall be appointed by the President, with the advice and consent of the Senate, and shall serve at the pleasure of the President and shall have the rank of Ambassador. Such Deputy Assistant Secretary shall perform such duties as shall be prescribed by the Secretary of State, including the formulation and implementation of policy regarding foreign economic matters in the area of transportation and telecommunications, and advising the Secretary of State with respect thereto.

(b) Section 5316 of title 5, United States Code, is amended by adding at the end thereof the following:

"Deputy Assistant Secretary of State for Transportation and Telecommunications Affairs.".

CONFERENCES ON INTERNATIONAL TELECOMMUNICATIONS

SEC. 306. (a) In order to ensure the effective representation of United State policy, when selecting delegations to conferences involving international telecommunications matters, the Secretary of State shall, where appropriate, select—

(1) representatives of affected agencies of the Government of the United States upon recommendation by any such agency; and

(2) representatives from the private sector.

(b) The provisions of sections 202, 203, 205, 207, and 209 of title 18, United States Code, shall not apply to representatives from the private sector on a delegation of the United States to an international telecommunications conference or meeting who are specifically designated to represent the interests of the United States at such conference or meeting, with respect to a particular matter.

(c) All such representatives shall maintain on file with the Department of State any financial disclosure report which may be required for special Government employees.

(d) For the purpose of this section, international telecommunications conferences and meetings involving international telecommunications matters shall include conferences and meetings of the International Telecommunication Union (ITU), the International Consultative Committees for Radio and for Telegraph and Telephone (CCIR and CCITT), the Organization for Economic Cooperation and Development (OECD), the United Nations Educational, Scientific and Cultural Organization (UNESCO), the International Telecommunications Satellite Organization (INTELSAT), and the International Maritime Satellite Organization (INMARSAT).

REDESIGNATION OF TITLE VI OF THE COMMUNICATIONS ACT OF 1934

SEC. 307. The provisions of title VI of the Communications Act of 1934 as such title existed on the date immediately preceding the date of the enactment of this Act are hereby redesignated as title VII and sections 601 through 609 thereof are redesignated as sections 701 through 709, respectively.

By Mr. MOYNIHAN:

S. 2470. A bill to suspend through July 1, 1983, the requirement that insured unemployment in a State must exceed 120 percent of the average of such unemployment in comparable periods in the 2 previous years in order to trigger "on" an extended benefit period; to the Committee on Finance.

S. 2471. A bill to amend the Federal-State Extended Unemployment Compensation Act of 1970 to retain current provisions relating to the State trigger which are scheduled to change in September 1982; to the Committee on Finance.

S. 2472. A bill to amend the Federal-State Extended Unemployment Compensation Act of 1970 to provide that extended benefits will be payable in any State in which the rate of regular unemployment equals or exceeds 7 percent; to the Committee on Finance.

LEGISLATION TO AMEND THE FEDERAL-STATE EXTENDED UNEMPLOYMENT COMPENSATION ACT

● Mr. MOYNIHAN. Mr. President, today I am introducing three bills to amend the Federal-State Extended Unemployment Compensation Act of 1970. Indeed, technical problems have arisen in the administration of this law which have very serious consequences for the workers who have lost their jobs in the course of our current recession.

This act provides the legal mechanism—or so-called trigger as it has come to be known—whereby unemployed workers in a State become eligible for 13 additional weeks of extended unemployment compensation (EB) after 26 weeks of regular unemployment benefits (UI). The law requires States not only to have high unemployment to be eligible for EB, but also to have higher unemployment, compared to the State's average unemployment over the past 2 years.

At the time Congress enacted this legislation, however, no one anticipated that there would occur back-to-back recessions, the likes of which we are currently experiencing. Indeed, until now there has not been a back-to-back recession since 1918. The law as it is written, then, would now require a State not only to have high unemployment but also a level of unemployment that is higher than the level which existed during the 1980 recession.

The case of my own State of New York is a striking example. Although we have an 8.6 percent unemployment rate—and a rate as high as 14.3 percent in parts of the State such as Buffalo—New York has not yet triggered "on" to extended benefits. We meet the trigger level, but our insured unemployment rate is not 20 percent higher than the average rate over the past 2 years, as the law requires. In the last 3 years, New York employers have paid over $251 million in unemployment tax to the Federal Unemployment Compensation Account, while workers in the State have drawn only $55 million in extended benefits, a difference of $196 million.

This is certainly not what Congress intended, and as long as the law is not changed, the unemployed workers in my State and in other States will be penalized unintentionally and surely unjustly. My bill would waive the 20-percent requirement until July of next year.

The second of these bills would repeal increases in the trigger levels that were accepted by this body during last year's reconciliation debate and that are scheduled to take effect on September 25, 1982. At a time of record unemployment it is simply wrong to cut off even more unemployed workers across this country from receiving extended unemployment benefits. Were these changes to go into effect today, 10 States would automatically trigger off their eligibility for these benefits.

The third bill of this package would eliminate the use of a State's insured unemployment rate—or IUR—for determining eligibility for extended benefits, and would instead permit a State to trigger on to extended benefits when its seasonably adjusted unemployment rate reaches 7 percent. This is a compasion bill to H.R. 6048 introduced by the distinguished Congressman JOHN J. LAFALCE on April 1, 1982.

It is important to understand, although it is a highly technical issue, that the IUR does not accurately reflect the actual level of unemployment in a State. To the contrary, the IUR represents only those persons who are currently collecting unemployment insurance as a percentage of the total labor force of the State. In effect, the IUR fails to count those people who have exhausted their regular benefits and are still looking for work—the very people who most need additional weeks of assistance.

All the more inaccurate is the IUR as an index of unemployment in a State during periods of recession. If workers in a State have been out of work for a long period of time, which is most often the case in a recession, these workers will exhaust their unemployment compensation and will no longer be counted in the calculation of the IUR. In effect, over time such a State will have a low IUR, even though the State has a high real unemployment rate.

In New York State, for example, the difference between our average IUR in 1981 (3.4 percent) compared with our average real unemployment rate in 1981 (7.6 percent) was 4.2 percentage points, a difference of such magnitude that it even exceeds the legal 4 percent IUR trigger level.

This disparity between State insured unemployment rates and real unemployment rates will only increase over time. It is crucial, therefore, that this harsh, inaccurate measure a State's economy be replaced with a true calculation of a State's real unemployment rate. Only then will the eligibility rules for determining who collects extended unemployment benefits not only be equitable, but help those unemployed workers most in need of assistance.

I call on this body to address the immediate needs of those now unemployed and to enact these bills to amend our Nation's extended unemployment benefits program.●

By Mr. MOYNIHAN:

S. 2473. A bill to amend the Internal Revenue Code to eliminate the holding period for capital gains and to change the rules for deducting capital losses; to the Committee on Finance.

ELIMINATION OF HOLDING PERIOD FOR CAPITAL GAINS

● Mr. MOYNIHAN. Mr. President, I am introducing a bill today to eliminate the holding period for capital gains. Current law requires that an investment be held for more than a year before the investor qualifies for lower tax rates on his profits from the investment.

The holding period has not always been a year. As recently as 1976, it was 6 months. In the General Explanation of the Tax Reform Act of 1976, the staff of the Joint Committee on Taxation observes that Congress increased the holding period to a year in two stages after 1976 because it felt the 6-month holding period was inappropriately short.

Said the joint committee:

> (It was) argued that there should be special tax treatment for gains on assets held for investment but not on those held for speculative profit. The underlying concept is that a person who holds an asset for only a short time is primarily interested in obtaining quick gains from short-term market fluctuations . . .

Also, Congress did not view the special, capital gains rates as an incentive for investment, but as a remedy for the so-called bunching problem. The problem: It would be unfair to tax an individual in a single year at progressive rates on a profit that was earned over many years. For example, the man who sells his house. He has a huge profit in 1 year. This propels him into the highest tax bracket. The Government would take half his profit in taxes when, perhaps, it ought to take less.

Said the joint committee:

> The six-month holding period cannot be justified by the unfairness that results from (the so-called 'bunching' problem). This argument clearly suggests a holding period of one year . . .

Nevertheless, Congress has experimented with many different holding periods over the years. The holding period has been as long as 10 years. As short as 6 months. I ask unanimous consent, Mr. President, that a table showing the holding periods in effect since 1922 be included at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 1.—HISTORY OF THE CAPITAL GAINS HOLDING PERIOD

Year(s)	Holding period
1922–33	2 years.
1934–37	Four different holding periods, ranging in length from 1 to 10 years.
1938–41	Two different holding periods: 18 months and 2 years
1942–76	6 months.
1977	9 months.
1978–present	1 year.

Mr. MOYNIHAN. Mr. President, the best policy is to have no holding period at all—for two reasons. The first is economics. A powerful case exists for leaving investors free to move their capital about in search of the highest return. The need to hold an investment for a specific length of time in order to receive preferential tax treatment introduces a nonmarket factor into the decisionmaking processes of investors. Ideally, an investor puts his capital into assets, firms, and industries where capital is used most efficiently and the return to the investor is maximized. But an investor may be reluctant to shift his funds to a more productive use if he is waiting to take advantage of long-term capital gains rates on his current investment. In this way, the capital markets are distorted. Capital is used in a relatively inefficient manner.

Evidence of this type of distortion can be seen in another table, which I would also like to have included in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 2.—GROSS GAINS ON CORPORATE STOCK TRANSACTIONS BY LENGTH OF TIME HELD, 1973

[In millions of dollars]

Holding period	All returns
Months:	
Under 1	163.5
1 to 2	114.9
2 to 3	106.6
3 to 4	75.6
4 to 5	67.9
5 to 6	44.9
6 to 7	153.4
7 to 8	132.7
8 to 9	99.4
9 to 10	96.2
10 to 11	53.1
11 to 12	60.6

Mr. MOYNIHAN. Mr. President, the table shows that in 1973, individuals tended to postpone transactions until their capital gains achieved long-term status: 6 months in 1973. This is the most recent year for which such data is available. The Treasury has just finished gathering similar data for 1977, but is has not yet been made public.

A holding period of any length produces distortion. Eliminate the holding period and there would be an improvement in the liquidity and efficiency of the capital markets. The result: higher productivity. More output.

It's interesting to note that most other countries with special capital gains taxes do not require that an investment be held for any particular period of time. Three countries have no holding period: Canada, Great Britain, and France. In four countries, capital gains simply are not taxed at all: Japan, the Netherlands, Belgium, and Italy.

The trouble with the argument that a holding period is needed to discourage speculation is that it is impossible in most instances to distingush "speculation" from "arbitrage." The two acts are frequently the same. One term is of opprobrium. The other is the name for a vital activity. Arbitrage is the means by which prices in different markets are brought into line. What is speculation to one man is often arbitrage to the economist.

The second reason for eliminating the holding period is that it would simplify the tax laws. My bill would repeal three sections of the Tax Code. It would shorten another 52 sections.

No longer would there be a distinction between short- and long-term capital gains and losses. This helps. No need in future to net one's short-term gain against long-term loss, and long-term gain against short-term loss. No need to fuss with overcomplicated rules for carrying forward capital losses. Or with carrying back losses from regulated futures contracts.

Profits on commodity contracts would no longer be taxed as if 40 percent of the profits were from short-term investments and the other 60 percent from long-term investments.

Also, tax shelters aimed at converting short-term gain into long-term gain would disappear. No need for them. The tax laws would be measurably simpler.

I have one more point to mention. In addition to eliminating the holding period, my bill changes the rule that half of an investor's long-term loss may be deducted from ordinary income. In future, only 40 percent of the loss could be deducted.

This makes sense. Only 40 percent of a capital gain is taxed. Therefore, only 40 percent of the loss should be deductible. It is also a way of cutting the revenue loss to the Treasury.

The Joint Tax Committee says a "preliminary" estimate of the cost of eliminating the holding period is $400 million a year. That is a static estimate. Not very much time was spent on preparing it. It does not include any "feedback"—economic growth that would result from the elimination of the holding period—which would tend to reduce the revenue loss. Nor does it take into account the change in the fraction of a capital loss that may be deducted from ordinary income.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2473

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. AMENDMENT OF 1954 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1954.

SEC. 2. REMOVAL OF THE HOLDING PERIOD REQUIREMENT FOR CAPITAL ASSETS.—Section 1222 (defining terms relating to capital gains and losses) is amended to read as follows:

"SEC. 1222. OTHER TERMS RELATING TO CAPITAL GAINS AND LOSSES.—For purposes of this subtitle—

"(1) CAPITAL GAIN.—The term 'capital gain' means gain from the sale or exchange of a capital asset, if and to the extent that such gain is taken into account in computing gross income.

"(2) CAPITAL LOSS.—The term 'capital loss' means loss from the sale or exchange of a capital asset, if and to the extent that such loss is taken into account in computing taxable income.

"(3) NET CAPITAL GAIN.—The term 'net capital gain' means the excess of the capital gains for the taxable year over the capital losses for such taxable year.

"(4) NET CAPITAL LOSS.—The term 'net capital loss' means the excess of the capital losses for the taxable year over the capital gains for such taxable year.".

SEC. 3. REMOVAL OF THE HOLDING PERIOD REQUIREMENT FOR PROPERTY USED IN A TRADE OR BUSINESS.—

(a) GENERAL RULE.—Subsection (a) of section 1231 (relating to property used in the trade or business and involuntary conversions) is amended by striking out "held for more than 1 year" each place it appears.

(b) DEFINITION OF PROPERTY USED IN THE TRADE OR BUSINESS.—

(1) Paragraphs (1) and (4) of section 1231(b) are each amended by striking out "held for more than 1 year" each place it appears.

(2) Paragraph (3) of section 1231(b) is amended—

(A) by striking out ", and held by him for 24 months or more from the date of acquisition," and

(B) by striking out ", and held by him for 12 months or more from the date of acquisition."

SEC. 4. CHANGE IN THE TREATMENT OF CAPITAL LOSSES.—

(a) AMENDMENT OF SECTION 1211.—Subparagraph (C) of section 1211(b)(1) (relating to limits on capital losses) is amended to read as follows:

"(C) 40 percent of the net capital loss for the taxable year.".

(b) AMENDMENTS OF SECTION 1212.—

(1) Paragraph (1) of section 1212(a) (relating to capital loss carrybacks and carryovers to corporations) is amended by striking out "and shall be treated as a short-term capital loss in each such taxable year.".

(2) Subsection (b) of section 1212 (relating to capital loss carrybacks and carryovers of other taxpayers) is amended to read as follows:

"(b) OTHER TAXPAYERS.—If a taxpayer other than a corporation has a net capital loss for any taxable year, the excess of such loss over 2.5 times the amount allowed for the taxable year under subparagraph (A), (B), or (C) of section 1211(b)(1) shall be treated as a capital loss in the succeeding taxable year.".

(3) Paragraph (1) of section 1212(c) (relating to carryback of losses from regulated futures contracts) is amended to read as follows:

"(1) IN GENERAL.—If a taxpayer (other than a corporation) has a net commodity futures loss for the taxable year and elects to have this subsection apply to such taxable year, the amount of such net commodity futures loss shall be a carryback to each of the 3 taxable years preceding the loss year.".

(4) Subparagraph (A) of section 1212(c)(6) is amended to read as follows:

"(A) CARRYFORWARD AMOUNT REDUCED BY AMOUNT USED AS CARRYBACK.—For purposes of applying subsection (b)(1), if any portion of the net commodity futures loss for any taxable year is allowed as a carryback under paragraph (1) to any preceding taxable year, such amount shall be treated as a capital gain the loss year.".

(5) Subparagraph (B) of section 1212(c)(6) is amended by striking out "short-term or long-term".

SEC. 5. CONFORMING AMENDMENTS.—

(1) The following sections are amended by striking out "long-term": section 57(e)(2) (defining timber preference income), section 62(3) (defining adjusted gross income), section 80(c)(2) (relating to restoration of value of certain securities), section 170(e)(1)(A) (relating to certain contributions of ordinary income and capital gain property), section 172(d)(2)(B) (relating to the net operating loss deduction), section 233(1) (relating to cross references), section 593(b)(2)(E)(iv) (relating to reserves for losses on loans), section 1247(c)(2) and (d) (relating to the election by foreign investment companies to distribute income currently), and section

1378([illegible])(3)(B) (relating to the tax imposed on certain capital gains).

(2) Subparagraph (B) of section 163(d)(3) (relating to limits on interest on investment indebtedness) is amended by inserting "and" after the comma at the end of clause (i), striking out clause (ii), and redesignating clause (iii) as clause (ii).

(3) Subparagraph (B) of section 166(d)(1) (relating to nonbusiness debts) is amended by striking out "held not more than 1 year".

(4) Section 246 (relating to rules applying to deductions for dividends received) is amended by striking out ", and (C) paragraph (4) of section 1223 shall not apply".

(5) Paragraph (2) of section 333(e) (relating to the election as to recognition of gain in certain liquidations) is amended by striking out "short-term or long-term capital gain, as the case may be" and inserting in lieu thereof "capital gain".

(6) Section 341 (relating to collapsible corporations) is amended by striking out "held for more than one year" in subsection (a) and striking out "section 1223 shall apply, but" in subsection (b)(3).

(7) Paragraph (2) of section 402(a) (relating to taxability of beneficiary of employees' trust) is amended by striking out "held for more than 6 months [9 months for taxable years beginning in 1977; 1 year for taxable years beginning after December 31, 1977]".

(8) Subparagraph (L) of section 402(e)(4) (relating to taxability of beneficiary of employees' trust) is amended by striking out "held for more than 1 year".

(9) Paragraph (2) of section 403(a) (relating to taxation of employee annuities) is amended by striking out "held for more than 1 year".

(10) Section 483(f) (relating to interest on certain deferred payments) is amended by striking out paragraph (4) and redesignating paragraph (5) as paragraph (4).

(11) Paragraph (2) of section 582(c) (relating to bad debts, losses, and gains with respect to securities held by financial institutions) is amended by striking out "net long-term", "net short-term" and "held for more than 1 year".

(12) Subsection (c) of section 584 (relating to income of participants in common trust funds) is amended to read as follows:

"(c) INCOME OF PARTICIPANTS IN FUND.—

"(1) INCLUSIONS IN TAXABLE INCOME.—Each participant in the common trust fund in computing its taxable income shall include, whether or not distributed and whether or not distributable—

"(A) as part of its gains and losses from sales or exchanges or capital assets, its proportionate share of the gains and losses of the common trust fund from sales or exchanges of capital assets;

"(B) its proportionate share of the ordinary taxable income or the ordinary net loss of the common trust fund, computed as provided in subsection (d).".

(13) Subsection (a) of section 631 (relating to gain or loss in the case of timber, coal, or domestic iron ore) is amended by striking out "(providing he has owned such timber or has held such contract right for a period of more than 1 year)".

(14) Subsection (b) of section 631 is amended by striking out "held for more than 1 year before such disposal".

(15) Subsection (c) of section 631 is amended by striking out ", held for more than 1 year before such disposal".

(16) Paragraphs (3) and (4) of section 642(c) (relating to the deduction for amounts paid or permanently set aside for a charitable purpose) is amended by striking out "held for more than 1 year".

(17) Subsection (a) of section 702 (relating to income and credits of partners) is amended by striking out "held for not more than one year, (2) gains and losses from sales or exchanges of capital assets held for more than 1 year".

(18) Subsection (b) of section 735 (relating to holding period for distributed property) is amended by striking out ", as determined under section 1223,".

(19) Paragraph (4) of section 801(g) (defining life insurance company) is amended to read as follows:

"(4) INVESTMENT YIELD.—For purposes of this part, the policy and other contract liability requirements, and the life insurance company's share of investment yield, shall be separately computed—

"(A) with respect to the items separately accounted for in accordance with paragraph (3), and

"(B) excluding the items taken into account under subparagraph (A).".

(20) Subsection (b) of section 804 (relating to taxable investment income) is amended by striking out paragraph (2) and redesignating paragraph (3) as paragraph (2).

(21) Subparagraph (A) of section 817(a)(1) (relating to rules for certain gains and losses) is amended by striking out ", held for more than 1 year" in both places it appears.

(22) Subparagraph (A) of section 817(b)(2) is amended by striking out ", determined with reference to section 1223".

(23) Subparagraph (b) of section 852(b)(3) (relating to taxation of regulated investment companies and their shareholders) is amended by striking out "held for more than 1 year".

(24) Paragraph (4) of section 852(b) is amended by striking out "long-term" in both places it appears.

(25) Paragraph (4) of section 856(c) (relating to real estate investment trusts) is amended by striking out subparagraph (A) and redesignating paragraphs (B) and (C) as (A) and (B) respectively.

(26) Subparagraph (B) of section 857(b)(3) (relating to the method of taxing real estate investment trusts) is amended by striking out "held for more than 1 year".

(27) Paragraph (5) of section 857(b) is amended by striking out "long-term capital gain; and short-term capital gain to the extent of any short-term capital loss" and inserting in lieu thereof "capital gain".

(28) Paragraph (7) of section 857(b) is amended by striking out "long-term" and "held for more than 1 year".

(29) Subparagraph (b) of section 871(a)(1) (relating to the tax on nonresident alien individuals) is amended by striking out "and gains on transfers described in section 1235 made on or before October 4, 1966".

(30) Subsection (h) of section 1023 (relating to carryover basis for certain property acquired from a decedent) is amended by striking out "as determined under section 1223; except that" and inserting in lieu thereof a semicolon.

(31) Subsection (h) of section 1033 (relating to to involuntary conversions) is amended by striking out paragraph (1) and redesignating paragraphs (2), (3) and (4) as (1), (2) and (3) respectively.

(32) Subsection (f) of section 1034 (relating to tenant-stockholder in a cooperative housing corporation) is amended by striking out ", section 1016 (relating to adjustments to basis), and section 1223 (relating to holding period)" and inserting in lieu thereof "and section 1016 (relating to adjustments to basis)".

(33) Subsection (b) of section 1092 (relating to straddles) is amended by striking out "and of subsections (b) and (d) of section 1233".

(34) Section 1223 (relating to holding period for property) is repealed.

(35) Paragraph (2) of section 1232(a) (relating to bonds and other evidences of indebtedness) is amended by striking out "held by the taxpayer for more than one year," and "held for more than one year" every place they appear.

(36) Subparagraph (A) of section 1232(a)(4) is amended by striking out "held less than 1 year".

(37) Section 1233 (relating to gains and losses from short sales) is repealed.

(38) Subparagraph (C) of section 1234(a)(3) (relating to options to buy or sell) is amended to read as follows:

"(C) a loss attributable to a failure to exercise an option to sell property at a fixed price acquired on the same day on which the property identified as intended to be used in exercising such option is acquired and which, if exercised, is exercised through the sale of the property so identified. If the option is not exercised, the cost of the option shall be added to the basis of the property with which the option is identified. This paragraph shall apply only to options acquired after August 16, 1954.".

(39) Paragraph (1) of section 1234(b) is amended by striking out "held not more than one year".

(40) Section 1235 (relating to sale or exchange of patents) is repealed.

(41) Subsection (a) of section 1246 (relating to gain on foreign investment company stock) is amended by striking out paragraph (4).

(42) Section 1246 is amended by striking out "(determined under section 1223)" in subsections (c) and (d).

(43) Subsection (i) of section 1247 (relating to election by foreign investment companies to distribute income currently) is repealed.

(44) Section 1248 (relating to gain from certain sales or exchanges of stock in certain foreign corporations) is amended by striking out "and has been held for more than one year" and "held for more than one year".

(45) Paragraph (3) of section 1248(g) is amended by striking out ", or" at the end of subparagraph (B), inserting in lieu thereof a period, and striking out subparagraph (C).

(46) Subsection (e) of section 1250 (relating to gains from dispositions of certain depreciable reality) is amended to read as follows:

"(e) HOLDING PERIOD.—For purposes of determining the applicable percentage under this section, the holding period shall be determined according to the following rules:".

(47) Subsection (a) of section 1256 (relating to regulated futures contracts) is amended by inserting "and" after the comma at the end of paragraph (2), striking out paragraph (3), and redesignating paragraph (4) as paragraph (3).

(48) Paragraph (1) of section 1375(a) (relating to special rules for distributions of electing small business corporations) is amended by striking out "long-term".

(49) Subsection (b) of section 1441 (relating to withholding of tax on nonresident aliens) is amended by striking out "transfers described in section 1235" and inserting in lieu thereof "certain transfers of patents and patent rights".

(50) Subparagraph (b) of section 4942(e)(2) (relating to taxes on failure to distribute income) is amended to read as follows:

"(B) capital gains and losses from the sale or other disposition of property shall not be taken into account;".

SEC. 6. EFFECTIVE DATE.—The amendments made by this Act shall apply to taxable years beginning after the date of enactment.●

ADDITIONAL COSPONSORS

S. 1215

At the request of Mr. PROXMIRE, the Senator from Kentucky (Mr. FORD) was added as a cosponsor of S. 1215, a bill to clarify the circumstances under which territorial provisions in licenses to distribute and sell trademarked malt beverage products are lawful under the antitrust laws.

S. 2158

At the request of Mr. DANFORTH, the Senator from Pennsylvania (Mr. HEINZ) was added as a cosponsor of S. 2158, a bill to amend title 23, United States Code, to authorize and direct the payment of an incentive grant for highway safety programs to any State in any fiscal year during which the statutes of the State include certain provisions, relating to driving while intoxicated; to establish a national driver register, and for other purposes.

S. 2297

At the request of Mr. HATCH, the Senator from North Carolina (Mr. EAST) was added as a cosponsor of S. 2297, a bill to amend title II, United States Code, to improve the protection for shopping centers and their tenants under the Bankruptcy Code.

S. 2300

At the request of Mr. FORD, the Senator from New York (Mr. MOYNIHAN) was added as a cosponsor of S. 2300, a bill to establish domestic content requirements for motor vehicles sold in the United States, and for other purposes.

S. 2369

At the request of Mr. DOLE, the Senator from Iowa (Mr. GRASSLEY) was added as a cosponsor of S. 2369, a bill to amend the Internal Revenue Act of 1954 to clarify the standards used for determining whether individuals are not employees for purposes of the employment taxes, and for other purposes.

S. 2386

At the request of Mr. SASSER, the Senator from Kentucky (Mr. HUDDLESTON) was added as a cosponsor of S. 2386, a bill to provide for the establishment of a system to collect data on the geographic distribution of Federal funds.

S. 2407

At the request of Mr. PROXMIRE, the Senator from Michigan (Mr. LEVIN) was added as a cosponsor of S. 2407, a bill to repeal provisions of law providing for salary adjustments for Members of Congress, to assure that Members are not exempt from requirements for justification of income tax deductions, and to provide that legislation increasing Member's compensation, Federal income tax benefits, or limitations on outside earnings is considered separately from other legislation, is adopted only by a recorded vote, and does not take effect until the start of the Congress following the Congress in which approved.

S. 2459

At the request of Mr. RANDOLPH, the Senator from Washington (Mr. GORTON), and the Senator from Louisiana (Mr. JOHNSTON) were added as cosponsors of S. 2459, a bill to strengthen certain national resources, facilities, and services for deaf-blind individuals and other handicapped individuals, and for other purposes.

SENATE JOINT RESOLUTION 58

At the request of Mr. HATCH, the Senator from Texas (Mr. TOWER) was added as a cosponsor of Senate Joint Resolution 58, a joint resolution proposing an amendment to the Constitution altering Federal fiscal decision-making procedures.

SENATE JOINT RESOLUTION 183

At the request of Mr. SPECTER, the Senator from Georgia (Mr. NUNN); the Senator from Arizona (Mr. GOLDWATER), the Senator from Nevada (Mr. CANNON), the Senator from Hawaii (Mr. INOUYE), and the Senator from New Hampshire (Mr. HUMPHREY) were added as cosponsors of Senate Joint Resolution 183, a joint resolution to authorize and request the President to issue a proclamation designating October 19 through October 25, 1982, as "Lupus Awareness Week."

SENATE CONCURRENT RESOLUTION 81

At the request of Mr. SPECTER, the Senator from Pennsylvania (Mr. HEINZ) was added as a cosponsor of Senate Concurrent Resolution 81, a concurrent resolution to express the sense of the Congress that the President should promptly hold a summit with leaders of the Soviet Union to reduce the risks of nuclear war and to seek control and reduction of nuclear weapons.

SENATE RESOLUTION 367

At the request of Mrs. HAWKINS, the Senator from New Jersey (Mr. BRADLEY), the Senator from Nebraska (Mr. ZORINSKY), the Senator from Washington (Mr. GORTON), the Senator from California (Mr. CRANSTON), and the Senator from Minnesota (Mr. DURENBERGER) were added as cosponsors of Senate Resolution 367, a resolution expressing the sense of the Senate with respect to recognition of the Red Shield of David of the Magen David Adom by the International Committee on the Red Cross.

NOTICES OF HEARINGS

COMMITTEE ON THE BUDGET

Mr. DOMENICI. Mr. President, the Senate Committee on the Budget will resume its deliberation on a fiscal year 1983 budget at 9:30 a.m., Tuesday, May 4, in 6202 Dirksen Senate Office Building.

The schedule for markup of a new budget is as follows:

Tuesday, 9:30 a.m, to 12 noon, 2 to 6 p.m., room 6202, Dirksen;

Wednesday, 9:30 a.m, to 12 noon, 2 to 6 p.m., 7 to 10 p.m., room 6202, Dirksen;

Thursday, 9:30 a.m.-12 noon, 2 to 6 p.m., 7 to 10 p.m., room 6202, Dirksen;

Friday, 9:30 a.m. until conclusion of markup.

For further information, contact Nancy Moore of the Senate Budget Committee at 224-4129.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON FOREIGN RELATIONS

Mr. TOWER. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Monday, May 3, at 3 p.m., to hold a hearing on the nomination of Gregory Newell to be Assistant Secretary of State for International Organizations.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

THE PROPOSED CONSTITUTIONAL AMENDMENT TO BALANCE THE BUDGET

● Mr. TSONGAS. Mr. President, I would like to share with my colleagues an editorial which appeared in the New York Times today regarding the proposed constitutional amendment to balance the budget. I believe the article outlines the flaws of freezing into the Constitution an economic formula for all time.

The article follows:

LEADERS, NOT LAWS, BALANCE BUDGETS

(We've tried the carrot and it failed. With the stick of a balanced budget amendment, we can stop the Government's squandering, overtaxing ways and save our economy.—PRESIDENT REAGAN.)

As political camouflage, Mr. Reagan's enthusiastic endorsement of a constitutional amendment requiring a balanced budget made sense. The message seemed to be, forget that it was he himself who has insisted on enormous permanent tax cuts before making proportionate spending cuts. Forget that in February it was he who said that the resulting deficits "will not jeopardize the economic recovery." Forget, too, that he dismissed Senator Hollings' February initiative for a freeze on most spending. That was before the prospect of a 12-digit deficit became a giant political liability.

As the means to "save our economy," the amendment is a fraud.

The version Mr. Reagan apparently wants is so riddled with escape hatches that it would have little disciplinary effect on the budget process. And if tougher language were substituted, thus creating a truly effective check on deficit spending by the Government, great economic damage might result.

The proposed amendment that has won informal White House approval was written last year by the Senate Judiciary Committee. It would require a balanced budget in each fiscal year, but would allow a three-fifth's majority in Congress to override the requirement. It would also require Congress to limit the growth of spending to the rate of growth in the economy, though a simple majority of Congress could shelve that rule.

Wouldn't Congress rather vote for those overrides than enforce balance on the backs of veterans or Social Security pensions or farmers? Most likely it would. But creating a set of constitutional ties that really bind could lead to disaster.

In spite of what the President says, there is no sound economic logic for the Federal Government "to do what each of us does with our own family budgets—spend no more than we can afford." Government deficits can provide a cushion of purchasing power that limits the loss of output and employment recessions.

The current recession is, arguably, the worst since 1937. Unemployment nationwide is at or near record highs. If an effective balanced-budget amendment had been in effect since the recession bagan last year, however, it would have forced Congress to reduce spending or raise taxes by more than $100 billion. That would have wiped out millions more jobs.

Everyone agrees that the Federal Government's flexibility to spend more than it taxes is a permanent invitation to special interests to grab a piece of the action. But far more important than this drawback is the way that flexibility actually functions to cushion cycles in economic activity.

The truth is that there is no magic bullet for fiscal responsibility. To check waste in government takes high-quality leadership—something neither Mr. Reagan nor Congress is currently providing.●

THE DOWNRIVER COMMUNITY CONFERENCE JOB CENTER

● Mr. RIEGLE. Mr. President, the Downriver Community Conference Job Center is a unique and highly effective job retraining center. Its growth and success if truly phenomenal, and it can serve as a model for other programs around the Nation. I have worked closely with this fine organization and have seen firsthand the benefits it has brought to the Downriver area. The D.C.C. not only offers services, but it also offers hope for the people of Michigan that the present economic conditions will take a favorable turn.

I ask that an article by Pat Henegar which appeared in the Lincoln Parker of Lincoln Park, Mich., describing the successes of the D.C.C. be printed in the Record.

Why Is DCC's Job Center Successful?

(By Pat Henegar)

Wyandotte.—There are other efforts being made to return the unemployed to the active work force, but none as comprehensive as the Downriver Community Conference Job Center at 140 Superior.

Here, under one roof, are retraining classes, skills workshops, business assistance and aid for the families of the unemployed—a variety of services which combine to make this "the only center of its kind anywhere," according to those who administer the programs.

And, according to the participants in one workshop, "These people (the center staff) are doing one helluva job for us!"

The DCC, a cooperative organization of the governments of 15 (currently) Downriver cities and townships, first got into the job training business on a limited basis in 1979 when programs were set up through the Wayne County Comprehensive Employment and Training Act (CETA), explained Richard Buss, the center's business assistance manager.

The concept of the extensive retraining program, he said, was born in the summer of 1980 when the mayors of Ecorse and Wyandotte came to the DCC for help in dealing with the problems of plant closings in their cities: Dana Corp. in Ecorse and the BASF South Works in Wyandotte.

In response, the DCC formed the Downriver employment task force, made up of business people, local government officials, representatives of organizations and unions. The task force put together a plan for retraining and re-employment, termed the "economic readjustment project," that was the basis for an application to the U.S. Department of Labor for grant money.

A $1.2 million grant was approved as a national demonstration project to be initiated on Oct. 1, 1980. A year later, the labor department awarded the DCC a $4.8 million planned expansion grant.

"This is the only publicly, federally funded retraining program in the county," according to DCC director Dewitt Henry, who pointed out that there were 700 new enrollees in the retraining program just in the past month.

One of the first steps in the DCC's approach to Downriver's unemployment situation was the establishment in June 1980 of a "hot line" to assist telephone callers find help for those problems related to being unemployed. The "hot line" was started without extra funding, Buss said, since it was staffed with CETA workers.

According to Nancy Nagle, supervisor of the "hot line," the service is currently averaging 55 to 95 calls a day during the hours it is staffed, 8:30 a.m. to 5 p.m. The workers have an extensive file containing about 3,000 cards listing agencies, organizations, special programs and other sources of aid. Local newspapers are read regularly to keep the files up to date and possibly locate new sources.

A unique service of the "hot line," Nagle said, is the Health Care Referral Network which offers free or low cost medical treatment to unemployed. Started with seven physicians last July, the program now lists 51 volunteer physicians and has the cooperation of all seven Downriver hospitals, Nagle said. Pre-employment physical exams are also provided. The Wayne County Medical Society was "a great help" in setting up the program, Nagle added.

Other areas in which the "hot line" commonly helps, according to Nagle, include referring people to the proper place for energy assistance; acting as advocate in case of trouble with other agencies; referring to various types of counseling, or to the DCC's substance abuse program; and finding sources for emergency clothing or food needs. In the latter case, Nagle said local churches have been particulary helpful with their food banks.

Calls for emergency shelter, she said, are a big problem. While the "hot line" workers can sometimes find temporary shelter for people in an emergency situation, the area has no public housing and if people have lost their home of been evicted, there is really no where to refer them.

The major retraining program that was funded by the federal government as a demonstration project, according to Buss, is limited to persons who have lost their jobs from a specific company's closing. The initial grant was for those who had been employed with Dana and BASF.

The second grant will assist people who have lost jobs because of the closing of Ford Motor Company's Michigan Casting Center in Flat Rock and Firestone Steel Products Co. in Riverview. Some persons laid off from Pennwalt Corp. in Wyandotte will be included in the new program for comparison purposes, Buss said. The idea is to compare the situation of workers who have been laid off, possibly indefinitely, with those who have lost their jobs because of a plant closing.

In addition to the major program, there are CETA funds to assist anyone laid off within the last six months. However, Buss pointed out that this is the last year of CETA as it is currently funded.

CETA, or some other form of job retraining, is currently being considered by the Congress, the business assistance manager said, and Job Center director Freda Rutherford was in Washington last week testifying before a Senate labor subcommittee on job retraining. Center personnel were also asked to review proposed legislation in terms of what other funds are also available for economically disadvantaged persons who can best learn a skill in an on the job situation. This program pays half their salary during the training period up to a maximum of 44 weeks.

One aspect of retraining is classes set up by the center which are concentrated nearly full time training in highly skilled categories. These generally run from 18 to 39 weeks.

In other cases, persons with suitable skills and background interested in a good career area are enrolled in a community college or trade or proprietary school. The aim here, center personnel explained, is to develop marketable skills in one year, targeting toward an associate's degree. Occasionally a person might be enrolled in a four-year college, especially if a year or less is all that would be required for them to complete work toward a degree.

The center also holds job seeking skills workshops aimed at reinforcing unemployed persons' confidence, and providing them with such skills as resume writing and effective interviewing.

While unemployed persons are learning new skills, their families are getting reinforcement through a spouse support program.

The spouse, a staff member commented, is often "trying to hold everything together"—take some of the pressure off the unemployed person, explain to the kids why there isn't money for a special treat, put off the bill collectors.

Through the spouse support program they have an opportunity to express their feelings, which have often been held in; to take advantage of support services, and learn job seeking skills themselves. Nutritional information on low-cost meals and a coupon exchange are also part of the spouse program.

The latest addition to 140 Superior is the Downriver Business Center, a business assistance project aimed at creating jobs by assisting small- to medium-sized firms in bidding on government contracts.

The focal point of the business center, which is headed by Buss, is a microfilm viewer-printer attached to a computer page search device. Stored in this room on microfilm are 1.8 million pages of government specifications and drawings—the specifications for 71,000 different federal military items. Provided by a commercial lease service costing $4,400 per year, according to Buss, the information is updated every two weeks.

Also available in the center are manufacturers' catalogs and price lists, used to help a prospective bidder locate component parts or prepare a price quotation, and a General Service Administration (GSA) supply schedule, which lists makers of products and prices which have been approved for government purchasing.

The recently-initiated job assistance program has already won the attention of the state of Michigan, and was mentioned last week in Gov. William Milliken's State of the State address, Buss said.

Representatives of the governor's office have also met with DCC officials to ask them to expand the business assistance project statewide, or at least to more of southeast Michigan. At a meeting last week, the DCC voted to extend the service to the entire tri-county area, Wayne, Oakland and Macomb counties, with the provision of state funds to cover the expansion.

According to Henry, negotiations for state funds are now underway.

The first step in the business assistance program, according to Buss, is to determine what a company does and where they fit into the government procurement picture. Do they have a product the government buys? Are they qualified to do government business? Or, can the center educate them to become qualified?

The center has forms available for companies wishing to be on a bid notification list or wishing to obtain bid forms. Buss said the resources of the center can save a prospective bidder one month's time in paperwork alone.

Center personnel can help interpret a bid description and its codes and terms; can explain inspection, packaging and shipping requirements. They can obtain the bid history of a particular contract—who won it the last time, what was the bid price, and can the prospective bidder be competitive? The staff would also help the company correctly fill out bid package forms.

The only charges to a company being assisted by the program would be to cover the cost of copying documents or a nominal fee for putting on a specialized seminar. Otherwise, the program is completely funded by grant monies.

"The real reason we're doing this," Buss said, "is that when we get enough successful bidders it should create new jobs, and then we'll talk to them about their employment needs and our retrained workers."

Thus the center becomes a three-pronged attack on unemployment—retraining workers and helping them develop new job skills, giving support service to the unemployed and their families, and assisting business to create new jobs.●

SOLAR DAY

● Mr. CHAFEE. Mr. President, I am happy to join with the other Members of Congress who are joining in the celebration of Solar Day and demonstrating their support for energy conservation and renewable energy programs.

Now more than ever we need to strengthen our commitment to promoting efficient energy use and developing alternative sources of energy such as solar, wind, and hydropower. My efforts to achieve those goals have been targeted in three specific areas.

The first area is the energy investment tax credits. I have opposed the elimination of the business and home energy tax credit. Additionally, I have supported inclusion of wood-burning stoves in the energy tax credit. This change is particularly important to residents of my home State of Rhode Island where the use of wood as a home heating fuel increased by 30 percent from 1977 to 1980. The energy tax credit is also essential to the development of solar energy in this country.

The second area that I believe to be of vital importance, particularly to New England, is the low-income weatherization program. Last year, I successfully opposed the administration's proposal to eliminate the weatherization program. I intend to continue that fight this year. Nearly one-third of the eligible homes in Rhode Island have been insulated as a result of the program. This has produced a savings of 18 cents per dollar of energy costs.

The third area is the energy conservation and renewable fuels budget itself. The administration's fiscal year 1983 budget sharply accelerates cuts in the conservation and renewable energy programs.

For example, the budget proposes a 74 percent reduction in solar energy funds. I am committed to an overall reduction in the level of Federal spending, but I do not believe that the reductions in energy conservation and renewable fuels programs are equitable, particularly in light of the fact that the funding for these programs was cut by over half in fiscal year 1982.

These are the areas where I have focused my efforts to promote efficient energy use and develop safe alternative energy sources. A great deal of work remains to be done, and my commitment remains strong.●

A LABEL THAT CROSSES THE LIMITS

● Mr. LEVIN. Mr. President, some of my colleagues may recall that several weeks ago Esquire magazine ran a cover story on a group they identified as "neoliberals." I recall reading that article and being pleased for those colleagues featured in it, particularly Senator Bradley and Senator Hart, whose smiling visages graced the cover art and whose names and ideas were exposed to the reading public in the pages of that article.

But now, Mr. President, now I have some concerns. In the current edition of the Columbia Journalism Review, C. T. Hanscn has done an expose of that Esquire article seeking to discover why it excluded so many Members of Congress from inclusion in the neoliberal club. In that article they make reference to the fact that by virtue of my public policy predilections, I ought to have been a member of the club. But C. T. Hanson goes on to provide a rationale for my exclusion from the Esquire list. He comments that "a possible explanation is that Levin is disheveled, balding, plump, perhaps the worst dressed man in the Senate, and anything but glamorous."

My initial reaction, Mr. President, was profound fear—not for my political future but for my financial solvency. When my wife sees this, I thought, she will be out getting me hair transplants, putting me in exercise courses and buying me new suits. Such additional financial burdens would virtually destroy me.

But as I read on in the article, hope for my fiscal future was renewed because in the same paragraph describing me in such scurrilous terms came the following analysis suggesting that because Esquire's criteria for inclusion in the neoliberal club required good looks, "the unglamorous young Democratic Senators Joe Biden and Chris Dodd did not make the list." Joe Biden and Chris Dodd unglamorous? Why Mr. President, if that is the label that is applied to them, I am delighted that it is applied to me as well.

Mr. President, I know that those of us in public life have to be subjected to public scrutiny and, at times, scurrilous attacks. But this article has passed the point of tolerence. Besides the snide sartorial comments addressed to me and the invidious lumping of Senators Biden and Dodd with me under the rubric of "nonglamorous," this article goes on to suggest a possible link between William Proxmire, John Glenn, and Jimmy Carter. It also makes the virtually libelous mistake of suggesting that those in the Esquire "neoliberal club" are separated from those of us not in the club by virtue of the fact that they are "sexy."

Plump, balding, disheveled—even worst dressed—I can accept with some degree of serenity. But nonsexy. Mr. President, there are limits to what any man in public life ought to be asked to stand for—and this crosses those limits. Or at least I hope it does, and my wife assures me that it does. Of course, in that regard, maybe I cannot trust her judgment—after all, she picks out my clothes.●

REDUCING THE WELFARE BURDEN

● Mr. WALLOP. Mr. President, last week I introduced S. 2437, a proposal which is intended to focus our attention on one of the most serious problems in our welfare system. I am referring to the situation where a family with two able-bodied parents is receiving public assistance. The reason they qualify for public assistance is that one parent, usually the father, has deserted the family. The AFDC program, which was originally intended to aid families with a deceased or disabled father, has become a major source of support for deserted families. About 80 percent of AFDC cases involve a family with an absent parent.

In our attempts to reform welfare, we have virtually ignored the absent parent. An effort has been undertaken to collect child support, and a tax refund intercept program for parents owing child support has just begun. But, we are barely scratching the surface. S. 2437 would expand our efforts to bring the absent parent back into the process of meeting the cost of maintaining their family.

Margaret McCrory recently published an article in the Washington Post which discusses the problem of child support and possible solutions. Basically, her answer is similar to that already proposed in my bill, S. 2437. Another article appeared in today's Post which describes a Census Bureau study of the family based on the 1980 census. The number of single-parent families has grown dramatically, from 9 percent of the population in 1960 to 20 percent of the population today. The article states, "Single parenthood contributes massively toward poverty and dependency on welfare." I ask that the articles be printed in the Record at this point.

The articles follow:

If You Ask Me: Child-Support the Payroll Way

(By Margaret McCrory)

There's a new American hero in Divorce Court—the father who fights tooth and nail for the custody of his children. We, the people, are captivated by the new phenomenon: working father accepting the day-to-day responsibility for the care of his children as his wife walks off with her new lover or pursues a career.

It warms the heart, this show of courage. It makes good script, for the TV soaps and the new rush of movies about families in divorce.

But in real life, the scenario doesn't play that way.

Only rarely does a wife and mother walk out of the house and abandon her children. She stays, and when she stays, she pays—heavily. The Census Bureau says that 19 percent of all families in this country are single-parent, and that 90 percent of those are headed by women. Which means, as we all know, that it's women in those cases who are picking up most of the family tab.

The "mother dilemma," which has been with us now for some years, prompted the State of Wisconsin in 1977 to pass a revolutionary new law requiring the deduction of child support from the wages of errant fathers. The law gathered support after women's organizations proved that the payment of child support in that state was only a sometime-occurrence.

Wisconsin is not alone. Across the United States, according to the Census Bureau, less than half of the 3.4 million women who are supposed to receive child support do so regularly. Of the $6.9 billion due from fathers in 1978, only $4.5 billion was ever paid.

The Wisconsin law requires employers to withhold child-support payments each pay period, as they do Social Security payments and income taxes. The amounts withheld are sent directly to the wife. The procedure is included in every divorce decree in Wisconsin, even when the parties arrive at a settlement privately.

Absent parents (fathers or mothers) may keep the child-support matter private, if they choose. All that's required is payment of amount due, regularly and on time. Once there's a default, the process is automatic. The employer is notified and the payments are deducted routinely. The employer, who is reimbursed for extra bookkeeping expenses, is forbidden to fire the employe because of the added trouble.

Wisconsin's initiative has prompted New Jersey to pass a similar law, and momentum is growing for other states to follow suit. The American Bar Association endorsed the concept in 1974.

"I can report only success. It's a fair law," says Milwaukee lawyer Leonard Loeb, chairman-elect of the Family Law Section of the American Bar Association. "It's a needed law, and I recommend it highly. No woman should be forced to go back into court to get the child support that's already due her. Lawyers have better things to do with their talents, or should have."

Today's divorced mother is not lounging around reading novels and popping bonbons into her mouth. She's probably supporting herself and her family. The child-support payroll deduction appears to be an idea whose time has come.

The current recession may accelerate the process. The job market is tightening, and more working mothers are losing their jobs. As the New Federalism forces local jurisdictions to review entitlement programs, it becomes clear that men whose former wives go on welfare—because they are not receiving child support—are shifting their burden of family responsibility to the taxpayer. The new law permitting the IRS to treat a delinquent child-support payment as if it were a delinquent tax bill indicates a recognition of that fact by Congress.

The District of Columbia should consider wage-deduction legislation for child support. And Maryland and Virginia too.

Single-Parent Families Rise Dramatically

(By Spencer Rich)

One of five children under 18 in America today lives in a one-parent family, and for blacks the proportion is about one in two, according to new Census Bureau reports.

The reports, derived from the 1980 decennial census and other surveys, show that of about 63 million children, 12.6 million are living with one parent only, usually the mother.

The current figures contrast sharply with 1960, when only 9 percent of children lived in single-parent households. In that year, 93 percent of white children and 75 percent of black children lived in two-parent homes.

The increase in single-parent families is one of the most striking social developments of the past generation. About 19 percent of families with children (over double that for black families) are now headed by a single parent.

Single parenthood contributes massively toward poverty and dependency on welfare. The 1980 census shows that while the proportion of American families living in poverty in 1979 was 9.6 percent, it was 40 percent for families with children headed by single women, or 2.3 million of 5.5 million such households.

Another survey shows that for white single-parent families, the poverty rate was 36 percent in 1980, for black families of this type it was 56 percent and for Hispanic-origin families almost 57 percent. In 1979, the median income of families with children headed by single black women was only $6,610, or one-third the $19,961 figure for all U.S. families.

These reports mirror profound changes in the American family in recent decades.

There has been a drop in the proportion of Americans living in traditional "mom-and-pop" families, a sharp rise in divorces and in births to unmarried women, especially black women, a huge jump in one-parent families, and an increase in the number of women in the labor force. There have also been increases in the number of black-white married couples (only 166,000, but triple 1970), and in unmarried couples living together (1.6 million in 1980).

In 1960, 84 percent of the population lived in households headed by a married couple (including remarried ones), consisting of parents, children and other relatives.

By 1970, the proportion of Americans living in these "mom-and-pop" households had dropped to 82 percent, and in 1980, to 73.5 percent.

The marriage rate (including remarriages) was 10.3 per 1,000 population in 1910 and was estimated at 10.6 in 1981. But divorce has increased enormously. In 1910 it was only 0.9 per 1,000 population, reached 2.2 in 1960, 3.5 in 1970 and now is about 5.3 per 1,000.

The past generation has also witnessed a sharp rise in births to unmarried women, including the "explosion" of teen-age pregnancies. In 1950, 1.7 percent of children born to white women were born out of wedlock; the figure was 16.8 percent for non-white women. By 1979, the figure for whites had reached 9.4 percent, and for non-white 48.8 percent; for black women alone the 1979 out-of-wedlock rate was 55 percent.

In 1940, according to Census Bureau figures, the proportion of families with children headed by single women among blacks was 18 percent of all such families; by 1970 it was about 30 percent, and today about 42 percent.

Among white female-headed families with children the figure was 8.3 percent in 1970 and 12.6 percent today, a big rise even though starting from a smaller base than blacks. The overall figure for single-parent families today is 19 percent.

All these phenomena have increased enormously the proportion of children living with one parent, from 9 percent in 1960 to 20 percent today. By 1990, 25 percent is projected.

Broken down by race the figures are startling: 75 percent of black children lived in two-parent households in 1960; today, only 42.7 percent. Another 46 percent live in one-parent households and the rest with other relatives or in other living arrangements.

In 1960, 93 percent of white children under 18 were living in a two-parent household. By 1981, the figure had dropped to 82.3 percent. Another 15.5 percent were in one-parent families and the remainder were with other relatives or in other living arrangements.

The sexual revolution and the rapid entry of women into the labor force (in 1940 a quarter of the women were in the labor force, today it is 52 percent) are often cited as reasons for some of these trends.

But there is disagreement among experts on why the figures on illegitimacy and one-parent families are higher for blacks then whites.

Some observers say that low earnings, lack of economic security and relatively high unemployment among black men, as compared to white men, probably discourage marriage by teen-age girls who become pregnant and thus contribute to the high illegitimacy and one-parent family rates.

"The males have little economic future; they can't count on a good income," said Herrington Bryce, president of the National Policy Institute. As a result, marriage is often economically unappealing and impractical and the woman bears the baby alone.

Robert B. Hill, former director of research of the National Urban League and now a senior research associate at the Bureau of Social Science Research, also cited economic difficulties of black men, particularly during the 1970s, when some of the social changes have become the most evident.

Several recessionary periods created extremely high unemployment during the 1970s for many blacks in urban areas, Hill said. Harsh conditions, he said, make it more likely that there will be family breakup when there is personal strife.

But he also said there is something about moving out of the rural environment of the South into the nation's big cities that leads to family breakup and instability, and blacks made that move rapidly and are now more urbanized than whites.

In 1940, half the nation's blacks lived in urban areas compared with three-fifths of the whites. But by 1970, 81 percent of the blacks and only 72 percent of the whites did, and most blacks lived in central cities while a high proportion of the whites lived in the surrounding surburbs.

The earlier era of farm life made for more stability and the male was the breadwinner, he said. But that stability and that role was often lost in the labor market conditions of the central cities.●

TUITION TAX CREDITS

● Mr. HART. Mr. President, President Reagan's proposal to provide tuition tax credits for families who send their children to private elementary of secondary schools is unacceptable from several policy perspectives. It is fiscally irresponsible economic policy. It is unfair and perhaps unconstitutional public policy and it is unwise educational policy.

Tuition tax credits are bad economic policy because they represent a hugh revenue loss at a time when we are cutting one important program after another in an effort to balance the Federal budget.

The administration admitted recently that its original deficit estimates are wrong and that Federal deficit in fiscal year 1982 and fiscal year 1983 will exceed $100 billion even if the spending reductions and tax increases in their budget are passed by Congress. Tuition tax credits would increase the deficit by at least another $5 billion in the years ahead.

Tuition tax credits divert shrinking Federal dollars from public education to private educational institutions. The administration's fiscal year 1983 budget reduces spending by more a billion dollars for the very successful title I program. This program was designed to provide remedial and compensatory instruction in reading and math for educationally disadvantaged children living in low-income areas. And, if the President gets his request, some 2.5 million needy children will be eliminated from the title I program in the fiscal year 1983–84 school year.

It is ironic and discouraging that the administration would seek to cut a strong, effective public education program like title I by approximately the same amount in lost revenues under a tuition tax credit plan.

A tuition tax credit plan is also bad public policy. First of all, considering the Federal Government now provides less than $200 per pupil support for public education, a tuition tax credit of $500 per pupil would in effect provide twice the amount of Federal support given public school students to those in private schools.

The philosophy of American education is undermined by aiding private schools more than public schools.

Second, tuition tax credits require all taxpayers involuntarily to pay twice for education. If parents use a private school, that is a voluntary choice. But if they get tax subsidies for it, then it is other taxpayers who have to pay twice. They have to pay once for the public schools and again through the subsidy for the private one. That is unvoluntary and unfair.

Third, tuition tax credits would result in increased Federal regulation of private schools. Before the credits could be given for private school tuition, the Federal Government would be required to judge the legitimacy of a school that benefits from the credit. Eventually, the Federal Government would have to set criteria for a qualifying school. This would be an unprecedented interference in private education.

This administration has called for less Federal involvement in education by reducing spending for education programs and by proposing block grants. Ironically, tuition tax credits increase Federal involvement and regulation.

Fourth, a tuition tax credit plan raises serious constitutional questions; 90 percent of private schools are church related. And there is a long, well-established line of Supreme Court cases striking down legislation which either directly or indirectly advance religion and challenges the constitutional guarantee of separation of church and state.

Finally, a tuition tax credit plan is poor educational policy for two important reasons.

First, the loss of revenues resulting from this subsidy would surely force Congress to cut back on other existing education programs. The Congress has already approved extreme budget reductions in a variety of education programs. Further reductions would prove devastating especially to those citizens that are truly needy.

Second, tax credits, by allowing special benefits through taxes for wealthier families could undermine the support of public schools through an unfair and unwise competition. Elite private schools and disadvantaged public schools will increasingly create a separate and unequal dual education system in the United States.

While diversity in education is important, the Federal Goverment's first priority should be to insure the vitality of its public educational institutions. Everyone benefits, either directly or indirectly, from a strong public school system.

Mr. President, tuition tax credits for private education are bad economic policy and bad education policy. It is especially bad when the President is jeopardizing the future of public education by proposing drastic reductions in funding for Federal aid, but increasing Federal funding for expensive subsidies for private schools.

I would like to call to the attention of my colleagues three excellent editorials in opposition to tuition tax credits from the Wall Street Journal, the New York Times, and the Washington Post. I ask the articles be printed in the Record at this point.

The editorials follow:

[From the Wall Street Journal]

Tuition Credit Conflicts

Most of the objections to tuition tax credits for parents who send their children to private schools had been thought of long before President Reagan put his weight behind the idea last week. The issue has been around for years and questions of constitutionality, damage to the public schools, etc., have been well ventilated in public debate.

We find many of those objections less than impressive. Granting a tax credit to someone who might happen to send his child to a church-related school hardly constitutes an establishment of religion. Knocking $500 off a tuition bill, which the President's plan would scale up to by 1985, is not going to put the public schools out of business.

Indeed we find some of the counterarguments more persuasive. The fact that so many parents are willing to support private schools with their tuition payments at the same time they are paying taxes to support public suggests a broad dissatisfaction with the public schools. Many no doubt think that public education has become too divorced from widely shared values to be suitable for educating children who will someday have the responsibility for holding their communities and their society together. They would argue that there is indeed a public purpose to be served in encouraging alternative forms of education. They would further argue that tax credits are not only easy to administer but far less subject to constitutional challenge than, say, direct subsidies to private schools.

Nonetheless, we are not in favor of tuition tax credits. In broad terms, we have often objected here to the efforts politicians are constantly making to warp the tax system in ways that will serve some social or political purpose. More specifically, this particular warp the President has in mind runs entirely counter to his other efforts to rid the tax system of some of its social and economic biases and to thus restore incentives for work effort and advancement.

The tuition tax credit would be what economists call a non-marginal tax cut. It would provide a rebate for those taxpayers who meet certain criteria, but it would not change the tax rate on the next additional dollar anyone earned. Thus it provides no new incentives in the economy. Indeed, the phasing out of the credit at high incomes provides disincentives. The loss of this benefit would increase marginal rates in the $50,000 to $75,000 income ranges in a small but symbolic way.

This may seem like a small issue to those eager to work themselves into a lather over the great historical issue of separation of church and state. But issues have changed over the last 200 years, and today the central one is getting the economy moving. The President has a program for this problem, but its logic is undercut by his tuition tax credit proposal. The tax system ought to be structured not to aid this or that worthy cause, but to reward productive effort.

[From the Washington Post]

SUBSIDIZING PRIVATE SCHOOLS

The tuition tax credit, a bad idea that President Reagan now reportedly intends to revive, has a certain melancholy perfection to it. This tax credit is bad law, for it probably would infringe the Constitution. It is bad economics, for it would create another large tax subsidy and add to the budget deficit. It is bad public policy, for it is an assault on the public school that, for most American families, is a center of community life.

What's to be said in behalf of the tuition tax credit? Not much, except that many parents with children in private or parochial schools would like the federal government to help pay their tuition. Mr. Reagan is apparently about to propose contributing $500 per child through the simple device of letting the parents take that much off their income tax payments—with the inevitable cash pay-out to those whose taxes aren't that high.

When people are unsatisfied with public services, they have an unchallenged right to set up their own parallel services privately. If you don't want to use the city swimming pools, you can build your own. But you aren't entitled to public funds to help you pay for it. If you think that the police protection is inadequate, you can hire your own watchman. But you can't reasonably ask for tax money to pay him. The same rule applies to schools.

It applies with special force to those schools that have been established for religious purposes, to provide children with a kind of education that the public schools must not offer. A tax credit of $500 is a direct payment to a parent, just like a check for $500 from the Treasury. A federal payment to a parent to provide religious training for a child raises an issue on which the First Amendment is pretty clear.

The cost of this subsidy would be something over $2 billion a year. By an illuminating coincidence, that is just about the amount by which Mr. Reagan has proposed to cut federal spending on education next year. With the tuition tax credit, he would alter his budget significantly. It would mean that he was no longer cutting federal funds for education. He would only cut spending on public schools, and on aid to college students. Instead, he would swing those billions of dollars to support of the private schools. Aside from any other aspect of this unhappy venture, is there anyone in Congress who thinks that Mr. Reagan and his budget have $2 billion to spare for this purpose?

But there is much more at stake here than money. The tuition tax credit would be a powerful subsidy, encouraging private schools and eroding the public ones. Whatever their shortcomings and exasperations, the public schools are among the most valuable and productive of this country's institutions. They are central to the way the country works. They are the places where most Americans learn the meaning of opportunity, equality and democracy. To the extent that the Reagan administration weakens the public schools, it will have weakened—inadvertently but inevitably—the values for which it stands.

Mr. Reagan has not yet publicly committed himself to a campaign to get this tuition tax credit through Congress. He still has time to reconsider.

[From the New York Times]

PRIVATE SCHOOL AID IS STILL A BAD IDEA

Perhaps to pacify a consitituency that is angered by cuts in college aid, President Reagan is about to propose tuition tax credits for the parents of private school children. The idea is awful and the timing is worse. Financing private and parochial schools through tax subsidies endangers public education and diverts Federal funds from worthier projects.

The contemplated credit against Federal taxes would go to parents with children in any nonpublic school. Although the details of the Reagan plan are not yet known, it would in three years authorize a credit of up to $500 a child, at a total cost of $1.5 billion. An income ceiling would limit the benefit to families burdened by tutition.

The Administration contends that such credits would foster educational choice. Poor public education, it is said, is not the fault of parents who withdraw their children; they should not bear the costs of private school unaided. Besides, it is argued, stiffer competition will shake up moribund public schools systems. As New York's Senator Daniel Patrick Moynihan says in favor of credits, "We do not build and maintain strong and vibrant public schools by turning them into educational monopolies."

But there's nothing fair about a competition if one contender starts out ahead. Nonpublic schools already have an edge because they admit whom they please and expel troublemakers or slow learners. Public schools must take all who enroll and find it hard to throw anyone out.

Then, too, Mr. Reagan's tax subsidies would presumably flow also to schools organized by fanatic cults and blatant racists. Does he really mean to tap the Treasury on their behalf?

Senator Moynihan says tax credits are not meant to supplant Federal aid for public schools. Yet when coupled with White House plans to halve compensatory education aid for the public schools, that would be precisely the effect this year.

For a time, the threat of tax credits served to jolt public education out of its lethargy. In New York and other places, public schools now show encouraging signs of improvement. Tuition credits would jeopardize that fragile recovery and undermine the principle that government should finance education that is available to all.●

NOTICE OF DETERMINATION BY THE SELECT COMMITTEE ON ETHICS

● Mr. WALLOP. Mr. President, it is required by paragraph 4 of rule 35 that I place in the Congressional Record this notice of a Senate employee who proposes to participate in a program, the principal objective of which is educational, sponsored by a foreign government or a foreign educational or charitable organization involving travel to a foreign country paid for by that foreign government or organization.

The Select Committee on Ethics has received a request for a determination under rule 35 which would permit Ms. Margo Carlisle, of the Senate Republican Conference staff, to participate in a workshop sponsored by a foreign educational organization, the Friedrich-Ebert-Siftung (Foundation), in Bonn, West Germany, on May 3-5, 1982.

The committee has determined that participation by Ms. Carlisle in the program in West Germany, at the expense of Friedrich-Ebert-Siftung (Foundation), is in the interests of the Senate and the United States.●

ANTI-SEMITISM

● Mr. MOYNIHAN. Mr. President, members of the Senate will recall receiving in the mail during January a package containing several blatantly, repugnantly anti-Semitic tracts. Anonymously sent, the kits contained a book called "Anti-Zion," and another entitled "The Six Million Reconsidered." The latter is a cruelly absurd treatise which purports to prove that the Holocaust never happened—that 6 million Jews were not murdered by the Nazis during World War II.

This mailing would not be remarkable—Senators receive a great deal of assorted nonsense in the mail every day, in addition to important and useful letters from their constituents—but for the fact that the mailing has been indentified as having originated with a Pakistani-based organization which is closely identified with the Government of Saudi Arabia.

I have recently received a brief report, prepared by the factfinding department of the Anti-Defamation League of B'nai B'rith, which summarizes the connections. It has been made available to me by Mr. Irwin Suall, director of the fact-finding department.

The report speaks for itself. The information it contains is important, and new, as far as I know.

For the benefit of Senators, and for the information of the general public, I ask that the text of the report to which I have referred be printed in the Record at this point.

The report follows:

ANTI-DEFAMATION LEAGUE OF B'NAI B'RITH—SPECIAL REPORT—MARCH 25, 1982

Members of the U.S. Senate were the recipients recently of packages from Pakistan containing anti-Semitic books. The mailing bore no return address nor did it in any other way identify the sender of the hate materials.

The books received by the Senators were "Anti-Zion," a compendium of anti-Jewish writings compiled by William Grimstad, an American neo-Nazi and Ku Klux Klan propagandist, and "The Six Million Reconsidered," an anonymous volume dedicated to the proposition that the Nazi Holocaust against European Jewry never happened. (Grimstad was actually the author of this book also.)

Investigation by the Anti-Defamation League's Fact-Finding Department reveals that the source of the mailing was a Pakistan-based international Muslim organization, the World Muslim Congress, which receives funding from, and is closely identified with, Saudi Arabia's ruling establishment. The president of the World Muslim Congress, Dr. Ma'ruf al-Dawalibi, lives in Riyadh and is a Royal Advisor to King Khaled. Dawalibi has stated that "the Arabs would prefer a thousandfold to become a Soviet Republic than a prey to World Jewry."

Another Saudi connection is financial. The Congress' largest and most reliable source of income is a Saudi-based Islamic organization, the World Muslim League, P.O. Box 537, Mecca, Saudi Arabia. The League was created in 1962 through a Saudi government grant as the principal instrument of Saudi Arabia's policy of centralizing Islamic institutions under Saudi auspices. Besides rendering financial support to the World Muslim Congress, the League funds a long list of Islamic centers, mosques, universities and associations outside Saudi Arabia.

In addition to its intimate connection with the Saudi monarchy, the World Muslim Congress enjoys consultative status as a Category I Non-Governmental Organization (NGO) in the United Nations Economic and Social Council (ECOSOC)—the highest such classification—and maintains a permanent representative to the United Nations. The Congress' NGO office to the UN in New York is located in the World Muslim League offices at 300 East 44 Street. The League is also accredited as an NGO to the UN.

The World Muslim Congress, P.O. Box 5030, Karachi 2, Pakistan, was founded in 1949 in Karachi. Its first president, who held the post for two decades, was the late Mufti of Jerusalem, Hajj Amin al-Hussayni. Hussayni, who led violent Arab resistance to Jewish immigration to Palestine in the 1930s and 1940s, worked for an Axis victory in World War II, during which he lived in Berlin and made broadcasts to the Middle East urging Arab alignment with Nazi Germany. He was also instrumental in organizing a Yugoslavian Muslim SS division which fought alongside the Germans.

The Secretary-General of the Congress from its inception, who still holds the post, has been a Pakistani, Inamullah Khan.

Following Hajj Amin Hussaynia's death in 1974, his successor as president of the Congress was Dr. Ma'ruf al-Dawalibi, a former Prime Minister of Syria, who upon his political demise in that country in the mid-60s moved to Saudi Arabia where he became a legal advisor to the Saudi royal family. Dawalibi had earlier been a close associate of Hajj Amin al-Hussaynia and has continued to serve as president of the Congress to this day. His services have recently been loaned by King Khaled to Pakistan's Prime Minister Zia ul-Haq for the drafting of Islamic legislation, as part of Pakistan's current Islamicization process.

The author of the books mailed to the Senators, William Grimstad, registered with the U.S. Department of Justice in 1978 as a paid foreign agent for Saudi Arabia. He submitted a declaration that he had been paid $20,000 by the Saudis "in appreciation for my 1976 book 'Anti-Zion' and intended for use in similar humanitarian educational projects." After ADL learned of the registration and caused it to be exposed in the press, Grimstad changed his mind, declaring that it was all a misunderstanding; it wasn't the Saudis who had paid him the $20,000 he claimed, but some anonymous donor whose identity he did not know. Grimstad had earlier been managing editor of White Power, the official publication of the neo-Nazi National Socialist White Peoples Party. An earlier edition of "Anti-Zion" was published in 1973 in Washington, D.C. by the Aryan Press, under the title "The Jews on Trial." A later edition of the book was published by Noontide Press in Los Angeles, a publishing house controlled by Willis Carto, the controlling figure in Liberty Lobby, a Washington-based far-right anti-Semitic organization.

The second book received by the Senators, "The Six Million Reconsidered" was originally published with no author listed, by the Historical Review Press in England. Subsequent advertisements for the book in various U.S. and British hate publications identified Grimstad as the author. The book was originally printed by a British right-wing extremist, Anthony Hancock, of Brighton, who has been linked with various British neo-fascists, including the National Front and the League of St. George. His printing company specializes in the publication of anti-Semitic and neo-Nazi literature. A subsequent edition of "The Six Million Reconsidered" was published in the United States by Noontide Press.

The editions of the two books which were sent to members of the U.S. Senate were reprints, smaller in size and cheaper in quality than the British and American publications. The mailing was sent to the district offices of the Senators. A similar mailing by the World Muslim Congress was received in the summer of 1981 by members of Parliament in the United Kingdom.●

BOY SCOUTS HONOR GLENN SPIES, OF AURORA, COLO.

● Mr. ARMSTRONG. Mr. President, Glenn Spies, 19, of Aurora, Colo., was honored at ceremonies on Tuesday, April 27, for his attempt to save the life of a policewoman attacked by an assailant. Glenn was recognized by the Boy Scouts of America with their Honor Medal for Lifesaving with crossed palms.

The recognition is the rarest award of any type presented by the Boy Scouts of America. It is the second to be given in the United States this year and is the first to go to a Coloradan in 3 years.

"Spies' attempt to assist the officer exemplified the Scouting tradition of selfless service," asserted the National Court of Honor in approving the award. The young man is a member of Explorer Post 24, chartered to the Aurora Police Department, and at the time of the incident was employed as a park aide by the city.

According to Scout officials, Spies was driving near the 1500 block of Moline Street in Aurora about 1 a.m. last June 27 when he saw police officer Debra Sue Corr, 26, being assaulted. Police officials say she was attempting to arrest a suspect for an alleged traffic violation. Spies made a U-turn and attempted to assist the officer.

During the struggle, the assailant shot and killed the officer with her handgun. He then turned and fired on Spies, critically injuring him in the spine as he sought to interrupt the attack on the woman.

The Honor Medal for Lifesaving is awarded to about 25 persons a year, both youth and adult, who "demonstrate unusual heroism in saving or attempting to save life at the risk of their own." Only rarely is it given with crossed palms, recognizing "extraordinary skill or resourcefulness" at the extreme risk of one's own life.●

SENATOR WEICKER RECEIVES DISTINGUISHED SERVICE AWARD FROM ASHA

● Mr. LAXALT. Mr. President, for over a half century, the American Speech-Language-Hearing Association has been at the forefront of research, education, and rehabilitation on behalf of millions of individuals who suffer from communicative disorders. From its modest beginnings in 1925 as an organization consisting of a handful of persons concerned with disorders of human communication, to its present status as an internationally recognized association with over 36,000 members, the American Speech-Language-Hearing Association has provided leadership for professionals devoted to the diagnosis and treatment of speech, language, and hearing disorders.

Among the estimated 22 million Americans with communicative disorders are 3 million school-age children with speech and language impairments, and nearly 7 million elderly citizens with hearing losses.

Many people at every age level are able to lead fuller and more productive lives as a result of the special education and rehabilitative services provided to them by qualified speech-language pathologists and audiologists in schools, hospitals, clinics, rehabilitation agencies, private practices, and other settings throughout the country.

As an educational and scientific professional membership organization, ASHA, as it is know, has set strong standards for the qualifications of practitioners, of training programs, and of clinical facilities. At the dedication of its new building last year, the Secretary of Education, Terrel H. Bell said:

> You've made great progress in raising the standards of clinical competency for professionals providing services to the public—all kinds of service. As a result of your work, the speech and hearing impaired have highly qualified professionals to assess and treat their needs. Your accomplishments are numerous.
>
> You have enlarged the body of knowledge about communicative disorders. You have developed comprehensive programs and procedures. You have supported generously basic research and scientific study related to your field.

Many Members of the Senate know ASHA through their advocacy efforts. Many Senators—over half in fact—have worked with ASHA to produce televison public service announcements in which we urged citizens in our States to seek appropriate services for their communicative disorders. The American Speech-Language-Hearing Association has played an important role in advocating public policies affecting the handicapped. The association has spoken out forcefully for the rights of handicapped children to an appropriate education, for research on the causes and effects of handicapping conditions, for the rights of handicapped adults to vote and be free of architectural barriers, for employment opportunities, and for the rights of older persons and the poor to receive those health services that will allow them to use these marvelous attributes of speech, language, and hearing, and be uniquely human.

This year ASHA has awarded its highest honor, the Distinguished Service Award, to our colleague Senator Lowell Weicker, chairman of the Subcommittee on the Handicapped. The other Member of the Senate to receive this prestigious award recently is Senator Charles Percy. The citation to Senator Weicker reads:

Distinguished Service Award Resolution for Senator Lowell P. Weicker, Jr.

> Whereas Lowell P. Weicker, Jr., of Connecticut, has, during the past 13 years of service in the U.S. House of Representatives and the U.S. Senate, demonstrated a sincere awareness and active commitment to the needs and problems of handicapped people in his state and throughout the nation, and
>
> Whereas Senator Weicker has put political concerns aside in his tireless efforts to promote and protect the rights and opportunities of all American citizens, and
>
> Whereas his leadership on the Senate Committee on Labor and Human Resources and as Chairman of the Subcommittee on the Handicapped has contributed to the continued viability of the Education of All Handicapped Children Act of 1975, the Rehabilitation Act of 1973, and other laws that are vital to the well-being of handicapped children and adults, and,
>
> Whereas, his commitments and legislative accomplishments have had and will continue to have a profound and positive impact on the delivery, quality, and availability social education and rehabilitative services: Therefore be it
>
> *Resolved*, That the American Speech-Language-Hearing Association commend the Honorable Lowell P. Weicker, Jr., for his intense dedication to the rights of all citizens and his ceaseless efforts to improve the lives of millions of handicapped persons by granting him its Distinguished Service Award in Government.

I believe we all share in congratulating Senator Weicker on this outstanding recognition.

Mr. WEICKER. Mr. President, I wish to thank my distinguished colleague for his remarks. I am indeed proud to receive this award from ASHA. I am especially pleased at the consistent, firm, and effective support ASHA has demonstrated for individuals with communicative disorders. This last year they have been successful in working with Congress to maintain the Federal-State program for the education of handicapped children (Public Law 94-142) and with the administration in having the Occupational Safety and Health Administration issue a reasonable regulation to protect the hearing of millions of workers in industry.

I am sure that all who wish to improve the lives of handicapped individuals—particularly those who cannot communicate—will find the members, leaders, and staff of ASHA, headed by Frank T. Spahr, Ph. D., executive director, true and effective allies.●

WESTERN ENERGY AND NATURAL RESOURCES

● Mr. HART. Mr. President, last weekend Senator Baucus and I participated in a Western Energy and Resource Policy Conference sponsored by the Center for National Policy in Denver. The Conference brought together leaders and decisionmakers from the Rocky Mountain States to debate the special issues facing this fast-growing and resource-rich region as it becomes increasingly important to the rest of the country.

The West faces difficult choices in its dual role as a critical national energy supplier, and a preserve for the Nation's natural heritage. Striking a balance between national and regional interests in the development of Western resources is an extremely difficult task. Senator Baucus' remarks to the Policy Conference offer the kind of fresh thinking and optimism needed to confront this challenge. I recommend his remarks to other Senators, and request they be printed in the Record at this point.

The remarks follow:

Away From Ideology

(By Senator Max Baucus)

Today, I'd like to talk about the future, and how we think about it.

Our Nation is presently reevaluating the role of Government. The Center for National Policy is especially important in that effort. We certainly need both fresh thoughts and new policies.

Yet we often forget the distinction between policies and Government. Politics is adversarial. It involves a free trade in ideas. Political parties compete in the National Marketplace. There are winners and losers.

Government cannot be divorced from politics, yet too often we fall victim to adversarial thinking. We lapse into the terminology of sports, and even war.

The press tends to encourage this. The world is divided into teams. Instead of uniforms, we have labels to identify the players. The teams do battle. Often we have a final score. Form simplifies substance.

So Democrats and Republicans "jockey for position". The President and Congress "put their cards on the table". The Pentagon launches a "preemptive strike" on the defense budget.

Ideas must fit into the box scores. Otherwise they get lost in the shuffle. The debate is dominated by narrow interest groups, or rigid ideologies. Theological certainty replaces idea-based government.

Instead of ideology, we should think of policies of ideas. Ideas that are neither liberal nor conservative, neither monetarist nor Marxist. And, we should think about translating ideas into actions.

Fifteen years ago, a Frenchman wrote a book about American success. He called it "The American Challenge." It's relevant today.

He marveled at the creativity of American management.

He envied the excellence of our products. He admired our methods of thinking ahead. He respected our understanding of the power of ideas.

He rejoiced in our expansion of human potential, through education, and training.

He knew that the wealth of nations depended on thought, creativity, and action.

He said: "Modern power is based on the capacity for innovation, which is research, and the capacity to transform inventions into finished products, which is technology."

He was talking about human capital. The capital of ideas. Thinking ahead. Creativity. Excellence.

These are the important concepts in today's world economy. New technologies are emerging. Foreign competition is increasing. The energy crisis poses new dangers and new opportunities.

The old answers, the old ideologies, just won't do. Our minds must look ahead, and not be frozen in the past.

I'm talking primarily about attitude. Call it American ingenuity. Call it idealism without illusions. It's a common thread in American history.

Take our Nation's Constitution. The Founding Fathers created something new. They wanted a constitution that would last. They were thinking ahead, looking forward. They talked—but they also acted. They disagreed—but they compromised. They got the job done.

Take the Marshall Plan. President Truman had learned the lesson of history. He understood the mistakes made after World War I. He vowed it would not happen again.

President Truman decided to rebuild Europe. To regain stability through prosperity. It was a generous act by a great power. It was visionary, and, it was in our national interest. It charted a new path, and it worked.

Take the space program. President Kennedy wanted to move into a New Frontier. Government, business and labor were mobilized. Resources were allocated. Goals were defined. National purpose was rallied. Being an American was a statement of principle and pride.

The Constitution. The Marshall Plan. The space program. Each involved trying something new—experimenting. Each involved a postitive, can-do attitude—confidence. Instead of finding reasons not to act, we acted.

This is the American idea. This is the American challenge. This is the pioneer spirit that built the country. Americans were part of something important, something to care about, something worthy of national commitment.

It's this attitude, more than anything else, that we need today.

Politicians need to think beyond the next election.

Business should think beyond the next quarter's profits.

I'm a member of the Senate Finance Committee. I sit on the Trade Subcommittee, where we spend a lot of time thinking about Japan. And Japan spends a lot of time thinking about the future. They forcefully promote new technologies. They develop foreign markets. They husband capital and save energy. They train workers.

We should do a lot more of these things. Ourselves—particularly in the development of energy.

For thousands of years, agricultural society used little energy—mostly renewable. For hundreds of years, industrial society used more energy—mostly non-renewable.

Today we stand at a crossroads. Information industries are growing dramatically. Alternative energies are becoming more practical. Foresight is more important than ever.

And foresight means we don't depend on Middle East stability. We don't cut conservation. We don't neglect alternative energies.

But look at the proposed 1983 budget:

Conservation research: Down almost 90 percent.

Conservation grants: Down 98 percent. The remaining 2 percent is to phase out the other programs.

Conservation involves research, investment, marketing and incentives. Yet research and grants are to be cut, and incentives are under attack.

This is the wrong policy, reflecting the wrong attitude, sending the wrong message.

The same is true of alternative energies. They are needed, and they are coming. But look again at the proposed budget:

Total energy research: Down almost 75 percent.

Fossil fuels: Down almost 75 percent.

Coal: Down over 80 percent.

Nenewable energies: Down almost 75 percent.

Solar research: Down over 70 percent.

Photovoltaic cells: Down over 60 percent.

What's left in the energy budget? Nuclear power. Fission alone would take almost half of the 1983 research budget.

This blend is unbalanced and unwise. It neglects conservation, alternative energies, and the strategic petroleum reserve. It neglects the future.

Not all nations are moving in this direction. Japan isn't. A good example is photovoltaics, a promising new technology.

Three years ago we spent twice as much as Japan. Since then they have increased their commitment while we have reduced ours.

If the proposed 1983 budget passes, Japan could be spending twice as much as we are in real dollars. History could repeat itself, and we'll have Japan flooding us again.

I don't want that to happen. I want the United states—not Japan—to be the Saudi Arabia of new energy sources.

But again—we have to invest. Look to the future. Think ahead.

This is true throughout the economy. We can act to become more competitive—and save energy in the process. New cars can be more efficient than the older ones they replace. New machinery can increase productivity and save energy as well.

And let's invest in people. Nearly one in 10 workers is unemployed. But many industries need skilled labor. We should match the workers to the work. We could fill jobs that industry needs, and workers want.

We are falling short in the sciences. Japan is now producing twice as many engineers as we are, per capita. Doctorates are down. Compare the number of U.S. doctorates today to the 1970's:

Physics and astronomy: down over 40 percent.

Chemistry: down over 30 percent.

Engineering: down almost 30 percent.

Math and computer science: down almost 30 percent.

And, many of those who graduate are foreign. They return home to compete against American firms.

We can restore educational leadership. We can graduate the people our economy needs. And as we invest in people—we invest in ideas. America should continue to be the research center of the world. We still are, but we cannot afford to retreat.

Certainly—we can't do everything at once. Programs cost money, and money is limited. We have to find savings everywhere. Including taxes. Including defense.

But ultimately—even here—we return to attitude.

The attitude of business. The wisdom to move away from short-term obsession. The foresight to look ahead. The good sense to invest in the future.

The attitude of labor. The wisdom to avoid seeing management as a mortal enemy—a wisdom, I add—that must be mutual. The foresight to master the new tools of the modern economy.

The attitude of Government. The wisdom to move away from rigidity, to know that old answers don't solve new problems. The courage to lead and the foresight to know where to lead.

Despite our short term problems, the future holds unlimited potential. My father is a rancher. He is an old fashioned man of the land. I am a lawyer, a public servant, I hope. My son is five years old. What will he become?

Maybe he'll build solar energy houses or develop computers that reduce energy waste or perform experiments on orbitting satellites.

It is our job to give him the choice. To pioneer new energy sources that he will enjoy. To protect the envrionment that he will inherit.

What's missing from our national dialogue is a sense of wonder. Scott Fitzgerald described it in "The Great Gatsby." He imagined how the first explorers felt when they laid eyes on America. The awe they must have felt, about the dangers ahead, about the adventure they had begun.

Today we get lost in budgetary details. We haggle too much.

Our generation could decide whether the world survives the nuclear danger. Whether cancer is cured. Whether energy is bountiful in the foreseeable future more than enough for wonder.

The American challenge is to rise above narrow thinking and to look ahead. If we do, we can accomplish anything. So long as we do it together, and do it now.●

LAWSUIT FILED AGAINST ADMINISTRATION TO PROTECT THE OSCEOLA NATIONAL FOREST

● Mr. CHILES. Mr. President, today, along with the State of Florida, I am bringing legal challenge to the actions by the Department of the Interior and the Department of Agriculture concerning the management and continued protection of the Osceola National Forest. Joining me in this lawsuit are the Florida Audubon Society, the Florida Defenders of the Environment, and the Florida Wildlife Federation as well as the Environmental Defense Fund, Inc., the National Wildlife Federation, and the National Resources Defense Council, Inc.

The lawsuit we are filing today represents but one of a series of efforts by elected officials, public interest groups, and individual citizens to prevent the Osceola from being permanently changed through strip mining activity. The threat of phosphate mining in this popular, valuable Florida forest has been hanging over the head of Floridians for over 10 years now.

Until recently, our persistent efforts have been successful in holding off the issuance of leases. Last year, however, the new administration indicated its intention to move forward in the processing of pending lease applications. This announcement brought to the forefront the very real possibility that the people of Florida might soon see draglines and slime ponds in the Osceola National Forest.

Public outcry has been loud and strong against strip mining in the forest. There is total unanimity in Florida's congressional delegation that phosphate mining should not take place in the Osceola.

In spite of unified public opinion against such action, the Department of Interior and the Department of Agriculture have proceeded full steam ahead in processing the pending lease applications. In so doing I feel these public officials have violated the public's interest and certain actions clearly warrant judicial review.

I view this lawsuit as being complementary to the efforts underway in Congress to reach a legislative solution to the threat of mining in the forest.

The Florida congressional delegation is 100 percent behind legislation to prohibit mining in the Osceola National Forest. Thanks to the dedicated efforts of Congressman Don Fuqua, the House of Representatives has passed such a bill. I have introduced legislation in the Senate, and a hearing was held on April 1 to review the phosphate mining issue. I am very pleased that the Senate subcommittee chairman, Senator Malcolm Wallop, has given some encouragement. The subcommittee appears willing to address the issue and I certainly intend to continue working with the committee and the members of the delegation to develop a legislative solution to the problem of possible mining in the Osceola. While I am hopeful of a legislative solution, I feel the legal challenges encompassed in this lawsuit are both timely and necessary.

The litigation is timely because none of the mining companies involved have yet shown they are entitled to a lease. The Department of the Interior is currently in the process of making this determination—a decision which will be based on whether the mining companies can meet the lease terms and conditions drawn up by the Department of Agriculture. These stipulations developed by the Department are seriously deficient in adequately protecting the resource values of the forest.

This lawsuit points to the failure of the Department of Agriculture to develop strong and protection lease terms, the Department's disregard of recommendations from other Federal and State agencies as to the impact of the proposed mining, and the Department's reliance on unproven technology to restore the hardwood forest systems and the critical wetlands after mining.

The Osceola National Forest was established primarily for the purposes of timber management and wetland protection. It is also invaluable for recreational use. In approving these stipulations the Department of Agriculture has failed to meet its statutory responsibility to insure that these lands will continue to be used for these important purposes.

Not only is the litigation timely, but it is also necessary if we are to reserve all available options in protecting the forest. As I have mentioned before, I am all for seeking a legislative solution to this problem. However, we cannot predict if our efforts will be successful, and we must be ready to take advantage of any means we have to prevent the issuance of mining leases in the Osceola.

The Department of the Interior and the Department of Agriculture have testified against legislation to prohibit mining in the Osceola Forest. In a report to the Senate committee on the proposed legislation, the Secretary of Agriculture said, "We believe it is not necessary or desirable to withdraw the Osceola National Forest from phosphate leasing."

Although I want to be optimistic that the Senate committee will work with members of the Florida delegation to try and come up with a legislative proposal to protect the forest, we cannot assume that any decision reached by the committee will be approved by the Senate and ultimately signed off on by the President. I will certainly not give up on this approach. However, in the absence of a legislative solution, I feel we must take every possible step to prevent the issuance of leases in the forest.

I have, and will continue trying to convince the Department of the Interior and the Department of Agriculture on the merits of preventing phosphate mining in the Osceola National Forest. I have sponsored, and will continue to pursue, legislation to protect the forest. This lawsuit is one more step in a series of efforts designed to insure the continued protection and use of our important Osceola forest.

Mr. President, I ask that the statements made at the press conference this morning by the Florida Wildlife Federation and the Florida Defenders and the Environment, Inc., be printed at this point in the Record.

The statements follow:

Statement of John C. Jones, Executive Director, Florida Wildlife Federation

In keeping with a long standing policy opposing phosphate leases on the Osceola National Forest, the Board of Directors of the Florida Wildlife Federation, agreed to join suit with the National Wildlife Federation, the Environmental Defense Fund and other Florida conservation organizations in opposing issuance of phosphate mining leases in the Osceola National Forest.

The basic grounds for our objection to the leases arise from the concerns about the permanent deleterious impacts such mining will have on the water and wildlife of the forest. The mining will also interfere with economically valuable and long cherished public recreational uses.

The FWF believes that the damage from the mining clearly outweigh any benefits to the public and that the leases should be vigorously opposed in all available forums.

Statement of the Florida Defenders of the Environment, Inc.

Florida Defenders of the Environment (FDE) today announces that it is joining Senator Lawton Chiles, the Environmental Defense Fund, the Natural Resources Defense Council, and other national and state conservation organizations in a suit to temporarily and permanently enjoin the U.S. Department of the Interior and the U.S. Department of Agriculture from actions to process and grant preference right leases for phosphate strip mining in the Osceola National Forest.

The suit is being filed today in the United States District Court for the Middle District of Florida in Jacksonville by Joseph W. Landers, Jr., Attorney for the Plaintiffs, James T. B. Tripp, attorney for the Environmental Defense Fund, and Thomas D. Lustig, Attorney for the National Wildlife Federation.

Defendants are James G. Watt, Secretary of the Interior; John R. Block, Secretary of Agriculture; and other officials responsible for processing the leases, or managing the national forests for the purposes for which they were acquired.

Florida Defenders of the Environment has opposed phosphate mining in the Osceola Forest since 1974 when, after analysis of the Final Environmental Statement (FES) by our environmental specialists, we identified unacceptable impacts to the forested wetlands and other ecosystems of the Forests, and to the Suwannee River watershed. Furthermore, with more than adequate phosphate reserves and resources available on private land, our economists found no economic justification to sacrifice the long term, sustained yield timber revenues for a short term private profit. When the supplement to the FES was published in 1979, we reiterated our objection to the mining, citing again the impacts to the Forest ecosystems and the Suwannee River and the lack of economic necessity to mine. We agreed with the suggestion of the U.S. Environmental Protection Agency that it was clearly in the public interest to consider the phosphate in the Osceola as a stategic reserve, to be mined only when private sources were depleted.

More recently, FDE has supported the bills in the U.S. Congress which would prohibit mining in the Osceola. In the hearings of U.S. Representative Don Fuqua's bill H.R. 9, we expressed our concerns about the Suwannee River watershed, the loss of wildlife habitat and timber production, the preemption of public recreation uses, and especially the uncertainties surrounding restoration of all these multiple use functions after mining. We noted even less economic justification for mining in the face of a glut of phosphate on the market and the lay-offs in the industry in Florida. (Last week Occidental Chemical Company closed its Swift Creek Mine and laid off about 10 percent of its workers. Occidental mines is in Hamilton county across the river from the Forest.)

During the past few months, we have supported the efforts of Senator Chiles and the State of Florida to force the Department of the Interior and the Department of Agriculture to protect and maintain the outstanding natural resources of the Osceola National Forest as they prepared to issue the preference right leases claimed by four mining companies. We have been amazed and disheartened by the Reagan Administration's complete disregard for the desires of the citizens of Florida as expressed by Senator Chiles, Senator Paula Hawkins, Representative Fuqua and all the other Florida Congressmen, Governor Bob Graham, Attorney General Jim Smith, all the other Cabinet members, the State Legislature, state and regional agencies, local governments, and many organizations and individual citizens.

FDE believes that the stipulations developed by the U.S. Forest Service and accepted by the Department of the Interior as the basis to protect the public interest in the Osceola National Forest are grossly deficient. We believe that their use in the lease application review process violates the laws that are meant to protect public land for the use of citizens. We believe that Senator Chiles, the State of Florida, and the public interest organizations have exhausted all other possibilities for relief, and therefore we join in this suit to stop the issuance of leases to mine in the Osceola National Forest.

Florida Defenders of the Environment, Inc., is a statewide organization of 500 scientists, economists, attorneys, and other professionals concerned about threats to the quality of Florida's environment, whose volunteer activities are supported by 2000 contributing members. Attorney for the Plaintiffs, Joseph W. Landers, Jr., former Secretary of the Department of Environmental Regulation, is a Trustee of FDE. Trustee Helen Hood, Chairman of the Public Lands Committee, will coordinate expert witnesses and provide liaison with the other plaintiffs.

Environmental Defense Fund, Inc. (EDF) is a nationwide public interest organization dedicated to protecting and improving environmental quality and public health and improving the management of natural resources. EDF and FDE have had a long and successful association in legal action to stop the construction of the Cross Florida Barge Canal. Indeed, FDE's name was chosen to reverse the initials of the Environmental Defense Fund. James T. B. Tripp, Attorney for EDF, has a special interest in the protection of wetlands ecosystems, one of the major issues in the suit.

National Resources Defense Council, Inc. (NRDC) is dedicated to the preservation, enhancement and defense of natural resources in the United States. In carrying out these objectives, NRDC has a national program to ensure sound management of national forests and, at the request of FDE, has entered the suit as an appropriate action to further that goal.

An Osceola Fact Sheet is attached.

SOME USEFUL FACTS

Forest, total, 157,200 acres; prospecting permits, 52,000 acres; workable deposits, 28,000 acres.

Applicants: Pittsburg and Midway Coal Mining Co., 19,000 acres; Monsanto Chemical Products Co., 18,900 acres; Kerr McGee Chemical Corp., 7,694 acres; Global Exploration & Development Corp., 6,551 acres.

[Note: Acres approximate.]

Authorities: A. Mineral Leasing Act of 1920, 30 U.S.C. Sec. 181 et seq.; B. Mineral Leasing Act of 1947 for Acquired Lands, 30 U.S.C. Sec. 351-359; 40 acres public domain subject to A; remainder subject to B.

Total estimated reserves: 120 million tons, removed at the rate of 750-1000 tons/yr for 30 yrs.

Total water use: 200,000,000 gals/day. Approximately 90 percent recovered and recycled; 10 percent made up from deep wells.

Land use: Approximately ⅓ of mined area left as permanent water surface provided overburden is distributed to maximize land surface.

Slime ponds: Slimes would be retained in ponds on mined-out private lands west of the Forest. They would occupy an area of 10,000-12,000 acres.

Description of Environment: The Osceola National Forest is a mosaic of pine flatwoods, cypress swamps, and creek swamps. The forested wetland areas and hardwood hammock serve to protect watersheds of the Suwannee and St. Mary's Rivers. They are valuable wildlife habitat for hunting and fishing and for survival of a number of endangered and threatened species.

National Forest Land Use Policies: The Osceola National Forest is managed by the Forest Service, USDA, under the principle of Multiple Use and Sustained Yield. Forest resources are wildlife, recreation, forage, timber, water, and minerals.

All but 40 acres of public domain land were acquired under the Weeks Law of 1911 which authorized the purchase of land for timber production and watershed protection. The Multiple Use—Sustained Yield Act of 1960 confirmed longstanding Forest Service policy to administer the National Forests for outdoor recreation, range, timber, watershed, and wildlife. The National Environmental Policy Act of 1969 declared a national policy to encourage productive and enjoyable harmony between man and his environment.

Reclamation Policies:

A. Goal: Restoration of existing resource and reestablishment of its multiple use.

B. Management objectives: Sustained timber and forage production, wildlife and watershed management, and recreation by reestablishing, as nearly as possible, the same type of plant and aquatic communities with the same interspersion of community types, i.e., pine flatwoods, cypress swamps, creek swamps and lakes, as is now present. Emphasis would be on maximum land surface rather than lakes.●

ORDER FOR RECESS UNTIL 11:30 A.M. TOMORROW

Mr. TOWER. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until 11:30 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR THE RECOGNITION OF SENATOR BAUCUS ON TOMORROW

Mr. TOWER. Mr. President, I ask unanimous consent that after the recognition of the two leaders tomorrow Senator Baucus be recognized for a special order to speak for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 11:30 A.M. TOMORROW

Mr. TOWER. Mr. President, I ask unanimous consent that, pursuant to the previous consent agreement, the Senate stand in recess until 11:30 a.m. tomorrow.

There being no objection, the Senate, at 5:48 p.m., recessed until tomorrow, Tuesday, May 4, 1982, at 11:30 a.m.

NOMINATIONS

Executive nominations received by the Senate, May 3, 1982:

Department of State

Robert Anderson, of the District of Columbia, a Career Member of the Senior Foreign Service, class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Dominican Republic.

World Health Organization

Edward N. Brandt, Jr., of Texas, to be Representative of the United States on the Executive Board of the World Health Organization, vice Dr. S. Paul Ehrlich, Jr.

Department of Justice

Gilbert G. Pompa, of Texas, to be Director, Community Relations Service, for a term of 4 years (reappointment).

In the Coast Guard

The following-named Reserve officers of the Coast Guard to be permanent commissioned officers in the grades indicated:

Lieutenant commander

Samuel E. Burton
Thomas F. Murphy, Jr.
Mark P. Troseth

Lieutenant

Roger P. Bowers
Jane R. Ditto
John R. Hannon
Randolph C. Helland
John M. Holmes
Mark E. Ives
Beverly G. Kelley
John D. Kercher
Eugene O'Dell
William R. Shilland, Jr.

Lieutenant junior grade

Robert L. Abair
David J. Ackerman
Willard R. Adams
James M. Anderson
John S. Anevski
David G. Atkinson
Gary L. Bagaas
Richard G. Barch
Thomas E. Bell
Thomas G. Berstene
Robert L. Beziat
William M. Biggar
Patrick L. Blair
Thomas J. Blancett
Charles D. Brantley
Michael J. Brennan
David S. Brimblecom
Jospeh A. Broom
Michael T. Brown
Richard A. Brundrett
John S. Burhoe
Terry I. Burton
William L. Carey
James Z. Carter
Eric J. Challain
Danny M. Clark
Joseph J. Coccia
Bonita G. Coe
John B. Crites
Ernesto de Armas
Eldo K. Delong, Jr.
James C. Disbrow
Kathleen M. Donohoe
Gary E. Dunn
John D. Dwyer
Timothy G. Eastman
Steven P. Eddy
Gary S. Ellis
Roy Ellis
Michael L. Emge
Marc A. Fiorini
Brian P. Flanagan
Thomas H. Gardiner
Richard M. Gaudiosi
Steven B. Gerken
Ernest A. Gibson III
Timothy K. Gibson
Richard E. Gingras
Stephen P. Glenn
Nicholas E. Grasselli
Theodore R. Harrington
Patrick A. Harris
Edward H. Hotard
David M. Illuminate
James R. Iversen, Jr.
Liston A. Jackson

Paul V. Karna
Jeffrey K. Karonis
Michael D. Kearney
Benjamin R. Keck
John J. Kelly
Jack A. Kemerer
Stephen R. Kenney
Roy C. Kisling
Michael E. Kistner
Robert L. Kohlhoff
Stanley J. Lander
Robert C. Lorigan
Richard N. Mac Ewan
William G. Mac Farlane
Timothy J. Martin
Douglas T. McCaffrey
John S. McDonald
James H. McDowell
John J. McGrail
James C. Milbury
James A. Miller
Michael A. Monteith
William M. Moore
Brent D. Morris
Michael D. Morse
Paul S. Neeld
William C. Nielsen
John C. Noreus
John T. O'Brien
Francis X. O'Byrne, Jr.
Joseph J. Ocken
John P. O'Connor
Gary E. Odom
Michael Omatsu
Mike D. Osmun
Curtis J. Ott
C. R. Pastene
David C. Paxton
James A. Petersen
James J. Potdevin
Linwood A. Quinn
Charles J. Reedy
Wayne J. Roberts
John W. Robertson
Susan L. Rogers
George A. Russell, Jr.
Joseph J. Saboe
Hugh F. Sage
Brian M. Salerno
Ronald P. Sanctuary
Jonathan D. Sarubbi
Christopher M. Scarborough
Kenneth E. Scholz
Benedict J. Scott
Alfred W. Seidel
Ray L. Shultz
Joseph S. Simpson
Gary M. Smith
Kevin B. Smith
Lawrence E. Solberg
Joann F. Spangenberg
Phillip L. Stephenson
Gary J. Stock
Joseph R. Sybille
Francis T. Tabata
Thomas A. Tansey
Carl D. Thomas
Donald B. Thompson
Kenneth G. Thysell
Paul J. Tikkanen
Patrick C. Twiss
Richard Van Lear
Arnold J. Van Ruitenbeek
Thomas S. Vasilou
Sarah E. Walsh
James A. Waterbury
Benjamin A. Watson
William J. Wetzel
Mark S. Zecca

The following regular officer of the Coast Guard to be appointed in the Coast Guard Reserve in the grade of commander.

James B. Ellis II

IN THE ARMY

Gen. John A. Wickham, Jr., 092-20-1086, Army of the United States (major general, U.S. Army), under the provisions of title 10, United States Code, section 601(b)(1), to be reassigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601(a), in the grade of general.

IN THE AIR FORCE

The following officers for appointment in the Regular Air Force under the provisions of Section 531, Title 10, United States Code, with grades and dates of rank to be determined by the Secretary of the Air Force.

LINE OF THE AIR FORCE

Sorensen, Walter S., 115-42-4495
Stibrik, Richard A., 190-42-0918

The following officers for appointment in the Regular Air Force under the provisions of section 531, title 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform the duties indicated, and with grades and dates of rank to be determined by the Secretary of the Air Force in accordance with secton 533, title 10, United States Code.

MEDICAL CORPS

Morden, Catherine T., 560-86-2626
Newland, Guy N., 083-50-9419
Powell, Alton W., III, 556-02-1989
Riddles, Lawrence M., 049-42-7450
San Diego, Armando G., 356-36-9508
Scales, David K., 265-23-1617
Sharp, Gary H., 029-44-5348
Winget, Deborah A., 319-50-0639
Wong, Marshall L., 457-90-9395
Wyatt, Rhonda A., 382-58-1670
Ziaya, Paul A., 562-15-1224

DENTAL CORPS

Bakke, Joseph C., 466-80-0858
Burgoyne, Donald A., 033-36-2728
Calhoun, Richard L., 540-54-9922
Collins, David C., 155-34-4631

The following persons for appointment as Reserve of the Air Force, in grade indicated, under the provisions of section 593, title 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform the duties indicated.

MEDICAL CORPS

To be lieutenant colonel

Mishkin, David, 360-18-3069
Osborne, James G., 470-52-5160
Pare, Norman. G., 002-23-3208
Plainer, Truman D., 568-44-1632
Smith, Robert L., 523-34-1360

The following-named officers for permanent promotion in the U.S. Air Force, in accordance with section 601, title VI, transition provisions, Defense Officers Personnel Management Act of 1980, with dates of rank to be determined by the Secretary of the Air Force.

MEDICAL CORPS

To be lieutenant colonel

Charlesworth, Ernest N., 452-68-9273
Dean, Linda O., 268-42-0729
Tilton, Frederick E., 053-34-1580

To be major

Andersen, Clare Z., 528-64-7171
Dehmer, Gregory J., 398-44-6603
Henry, David H., 159-38-3557
King, Halifax C., 578-64-6286
Wickler, W. Laurence, 319-38-8727

BIOMEDICAL SCIENCE CORPS

To be major

Egerton, Charles P., 242-58-4312

JUDGE ADVOCATE CORPS

To be lieutenant colonel

Fries, Ralph R., 525-84-6789

To be major

Schwetje, Fred K., 141-40-3546

The following Air Force officer for appointment as a permanent professor, U.S. Air Force Academy, under the provisoins of section 9333(b), title 10, United States Code.

Reddel, Carl W., 507-42-5956

IN THE AIR FORCE

The following officers for appointment in the Regular Air Force under the provisions of section 531, title 10, United States Code, with grades and dates of rank to be determined by the Secretary of the Air Force.

LINE OF THE AIR FORCE

Ivandick, Woodrow M., 500-60-3538
Johnson, Darlene R., 204-42-7699
Joyner, Stephen E., 223-78-0279

The following officers for appointment in the Regular Air Force under the provisions of section 531, title 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform the duties indicated, and with grades and dates of rank to be determined by the Secretary of the Air Force in accordance with section 533, title 10, United States Code.

MEDICAL CORPS

Adams, Robert R., 220-48-4308
Batki, Dara, 522-90-5338
Bisson, Roger U., 011-44-9886
Bitner, Alan F., 529-76-2179
Boyer, Franklin, Jr., 146-44-1982
Cavazos, Daniel R., 457-90-5098
Cole, Peter M., 053-14-9289
Collins, Gary J., 088-50-1479
Chambers, Steven L., 471-66-6546
Deering, Karen C. H., 027-38-4719
Ellis, Jay S., Jr., 343-50-0776

DENTAL CORPS

Raybeck, Gerald E., 170-36-1625
Steele, Richard H., 528-60-2218
Stuckey, Dennis P., 277-42-0393

The following persons for appointment as Reserve of the Air Force, in grade indicated, under the provisions of section 593, title 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform the duties indicated.

MEDICAL CORPS

To be colonel

O'Malley, Edward P., 132-16-4628

To be lieutenant colonel

Albright, Bruce W., 510-46-9095
Barrs, David M., 521-66-3315
Cox, Rex A., 315-46-5829
Dudas-Gyorki, George, 231-52-7023

The following person for appointment as Reserve of the Air Force (ANGUS) in the grade indicated, under the provisions of sections 593 and 8351, title 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform the duties indicated.

MEDICAL CORPS

To be lieutenant colonel

Barnett, Jim C., Jr., 425-36-1103

The following officer for promotion in the Air Force Reserve, under the provision of sections 1552 and 8371, title 10, United States Code (non-EAD).

JUDGE ADVOCATE

To be colonel

Bergen, Joseph B., 25-320-6626

The following-named officers for permanent promotion in the U.S. Air Force, in accordance with section 601, title VI, transition provisions, Defense Officer Personnel Management Act of 1980, with dates of rank to be determined by the Secretary of the Air Force.

LINE OF THE AIR FORCE

To be colonel

McDonald, Kurt C., 529-38-5132
Ralston, Joseph W., 270-40-9172
Warner, Norris E., 507-42-7873

To be lieutenant colonel

Foringer, Harold F., 206-30-7085
Hardy, Tristam M., 438-56-8773
Heck, Frederick B., II, 059-34-8044
Hopper, Earl P., Jr., 526-60-4263
Jefferson, James M., 267-62-7889
Lloyd, Theodore A., Jr., 109-28-9757

The following Air Force officer for appointment as a permanent professor, U.S. Air Force Academy, under the provisions of section 9333(b), title 10, United States Code.

Flemming, Kenneth H., 056-32-5927

IN THE AIR FORCE

The following officers for appointment in the Regular Air Force under the provisions of section 531, title 10, United States Code, with grades and dates of rank to be determined by the Secretary of the Air Force.

LINE OF THE AIR FORCE

Behnke, Patrick J., 458-96-5606
Cheshire, Leham F., II, 214-48-8440

The following officers for appointment in the Regular Air Force under the provisions of section 531, title 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform the duties indicated, and with grades and dates of rank to be determined by the Secretary of the Air Force in accordance with section 533, title 10, United States Code.

MEDICAL CORPS

Ethier, David B., 020-48-5345
Garrison, Thomas E., 528-64-8784
Germann, William J., 470-68-0850
Hatton, Craig T., 113-42-7841
Johnson, George P., 519-66-2049
Kaylor, Kenneth L., 510-58-6819
Lakier, Philip A., 178-50-8669
Martinson, Lindsey S., 112-46-9747
Meissner, Frank W., 390-52-7436
Milbourn, John M., 557-78-5767

DENTAL CORPS

Hardy, Patrick G., 456-13-9496
Julius, John L., 481-50-8863
Moisberry, Bill H., 484-68-3403
Pillsbury, James S., 269-40-3008

The following persons for appointment as Reserve of the Air Force, in grade indicated, under the provisions of section 593, title 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform the duties indicated.

MEDICAL CORPS

To be lieutenant colonel

Forrest, Peter E. C., 527-44-5329
Ganley, John A., 563-58-8746
Grossman, Perry, 152-26-7104
Kronberg, Gregory M., 564-70-7526
Letard, Francis X. Jr., 436-76-6251
Lobritz, Richard W., 295-46-8525

The following-named officers for permanent promotion in the U.S. Air Force, in accordance with section 601, title VI, transition provisions, Defense Office Personnel Management Act of 1980, with dates of rank to be determined by the Secretary of the Air Force.

LINE OF THE AIR FORCE

MacNevin, Charles H., 018-30-8484
Martin, Fred W., 214-36-7598
Murphy, Dennis P., 274-40-7841
Smith, Jerry P., 310-38-8676
Wimmer, Carl J., 145-26-2663

To be major

Burggrae, Larry W., 292-40-8552
Greene, John F., 236-74-5891
Rosenberg, Maury, 570-56-7137
Sturm, William J., 394-38-9198

The following Air Force officer for appointment as a permanent professor, U.S. Air Force Academy under the provisions of section 9333(b), title 10, United States Code.

Swint, David O., 451-52-0231

IN THE AIR FORCE

The following officers for appointment in the Regular Air Force under the provisions of section 531, title 10, United States Code, with grades and dates of rank to be determined by the Secretary of the Air Force.

LINE OF THE AIR FORCE

Abraham, Randal G., 306-62-7658
Acero George E., 076-46-1036
Adams Regina J., 244-86-1679
Adrian Lyman A., 263-11-7753
Agee Bruce E., 575-74-2329
Agnew Harold R., 511-50-9986
Albright Ernest L., 356-36-5922
Albright James A., 575-72-1251
Aldrich David M., 045-42-8807
Alexander Michael S., 273-58-0707
Alfter Francis J., 219-50-1052
Alkove Linda D., 566-98-8158
Allen Newton D., 421-82-4992
Allen Steven G., 069-50-1763
Allman William P., 296-54-1056
Almquist Mark E., 023-44-1119
Altman Jerry C. 251-92-8315
Ames David B., 024-44-7214
Ammons Audrey A., 247-08-1148
Andersen Mark E., 562-94-2237
Anderson Diane M., 516-70-5258
Anderson Mary L., 435-90-3744
Anderson Paul 257-84-0330
Anderson Scott D., 502-68-4499
Andringa Wanda G., 268-42-7905
Andrus Dixie M., 432-08-9018
Anible Floyd R., 366-56-7275
Ankrom Derrick D., 283-48-1969
Armstrong Blane A., 585-56-6311
Armstrong Harold L., Jr., 387-64-5985
Armstrong James D., 525-06-9013
Armstrong John L., 272-44-6763
Arnold Charles W., 538-40-4423
Arnold Daniel E., 361-52-2404
Arnold Dennis K., 240-72-1679
Arnold Larry J., 245-80-6830
Arnold Wade B., 269-52-3835
Arrington Samuel D., Jr., 439-02-2456
Arsuaga Jorge E., 583-88-5131
Arth Michael L. 463-17-5195
Artis Craston M., 239-86-5821
Asbridge, Aimee A., 532-60-7169
Ascani, David, 578-76-1572
Atkinson, Karen S., 009-36-4436
Atkinson, Patricia M., 189-48-4312
Atkinson, Robert W., 303-68-3144
Ault, Jeffrey, 587-82-8756
Autry , David A., 243-80-1313
Avinger, Charles R., 521-80-8816
Ayers, John W., 018-34-4348
Baareman, Randy S., 370-60-7530
Bachus, Kathleen A., 327-50-5464
Badgett, Maria L, 414-02-7274
Bair, Timothy C., 160-48-2895
Baker, Danial R.,562-72-8179
Baldetti, Peter J., 491-64-3494
Baldwin, Curt K., 474-66-5466
Balmer, Dale R., 529-08-5804
Baltes, Dorothy L., 523-60-9482
Bancroft, Jonathan E,, 005-50-6949
Bankston, Kenneth E., 415-98-6976
Barbaro, Gary P., 563-68-1133
Barber, Michael K., 261-02-7812
Barber, Richard A., 527-64-3594
Barbieri, John R., 060-40-7661
Barham, Henry E., Jr., 152-34-7536
Barksdale, George G., Jr., 418-80-1671
Barnby, Lee M., 022-48-3479
Barnes, Dale R., 554-94-5311
Barnett, Roy D., 010-40-4382
Baronet, James R., 574-16-6500
Barry, James H., 372-64-0812
Bastine, Michael J., 290-42-5585
Bates, Frederick R., II, 563-96-7283
Bates, Patrick E., 464-68-5713
Bauer, Steven R., 253-02-8854
Baughman, Ronald E., 298-52-3458
Baxt, Jonathan S., 444-54-8347
Baxter, Randall, 082-52-2323
Bean, Richard, Allen, 527-13-1751
Beattie, Regina A., 302-42-3029
Beck, George E., Jr., 415-94-2783
Bednarek, Michael H., 395-46-9700
Behring, James A., 389-54-2159
Beihl, William L., II, 548-06-7143
Belcher, James W., 227-60-7739
Bell, James H., 099-52-9004
Bell, Michael L., 528-82-5846
Belt, James S., 270-56-7629
Belzil, Michael J., 003-46-8727
Bengtson, John W., 553-96-7941
Bennett, John A., Jr., 266-13-9828
Benoit, Richard N., 536-44-6290
Bensinger, Richard B., 422-68-6216
Benson, Charles L., Jr., 464-06-9498
Benson, Leonard F., 009-30-6694
Berlin, Lawrence W., 156-36-7837
Berning, Kevin A., 540-66-1521
Bess, Donna J., 118-48-5134
Best, Thomas M., 267-19-3997
Beuerlein, Christine E., 304-62-2409
Beyer, Gary M., 571-02-5663
Bicket, John S., 267-21-6907
Bild, Norman A., 494-54-7930
Billig, Thomas A., 277-50-4615
Bilyeu, Keith F., 495-50-6092
Bird, David F. Jr., 264-13-9266
Birdsong, Angela K., 168-44-9536
Bisbal, Wanda, E., 583-90-1061
Bishop, Jeffrey Edward, 400-86-1550
Bishop, Jonathan M., 421-86-2731
Bishop, William L., 284-46-4377
Black, Elizabeth W., 310-58-8027
Black, William C., 552-90-1202
Blake, Martin C. Jr., 076-46-1154
Blake, Oliver W., 028-40-0287
Blanks, Donald W., 240-74-6916
Blaszkiewicz, Gary C., 473-78-6776
Blethen, Brett D., 261-02-3049
Blevins, Kathi C., 490-62-7455
Blickley, Ronald R., 159-46-4489
Bloebaum, Paul R., 498-58-6518
Bodnar, Richard L. Jr., 173-48-0974
Bohne, Ronald D., 531-62-3091
Bollinger, Robert A., 495-48-4478
Bonnette, Michael B., 158-48-7920
Borja, Joseph C., 586-01-6027
Bormuth, Larry L., 297-48-6744
Boschee, Donald R., 504-58-4278
Boulware, Gary W., 277-52-6195
Bovey, Laddy F., 292-54-5063
Bowker, Vince R., 505-70-7485
Bowman, Donald K., 535-62-2352
Boyd, Michele C., 556-06-2853
Boyer, James A., 231-70-7023
Bozarth, Gary D., 489-60-9149
Bradley, John A., 402-56-7112
Bradley, William P., III, 160-38-2793
Branchini, Michael J., 481-68-1231
Branco, Allen G. Jr., 576-64-9823
Branning, Phillip C., 241-08-0076
Braswell, James G., 230-86-4516
Braud, Richard K., 435-70-2478
Braun, Jeffrey J., 191-42-4350
Braun, Richard W., 275-52-2623
Braymer, Charles D., 174-46-8535
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Resha, Thomas N., Jr., 423-80-1488
Resnicke, Alan D., 561-90-9826
Rhoads, Deborah L., 541-58-7956
Rhodes, Ulysses S., 212-68-7016
Rice, Aubrey D., 429-94-4329
Rice, Kevin J., 051-48-5630
Rice, William D., 253-96-2784
Richardson, Adrian L., 455-74-8723
Richardson, David S., 285-44-5519
Richardson, Robert C., 231-68-5562
Riddle, Clyde E., 480-62-5872
Ries, Richard A., 022-44-7030
Riggins, Leonard M., Jr., 263-02-9396
Ragmaiden, Raymond T., 564-60-1239
Riley, Terrill W., 266-08-1301
Rinehart, Mark W., 313-62-4280
Rivas, Joseph A., 131-40-2242
Rivera, Bolivar V., 053-46-4813
Roark, Lance M., 565-90-2620
Robbins, John E., 262-25-4970
Robertello, Catherine M., 230-90-7209
Robertson, Joan A., 096-40-4507
Robinson, Norman C., III, 242-04-1859
Robinson, Paul A., 562-08-7353
Rogers, David L., 248-90-3934
Rogers, Franklin J., 211-34-1531
Rogers, Marc E., 497-64-4472
Rogers, Steven K., 239-94-8267
Rogers, Thomas J., 566-08-6867
Rohl, Terrence E., 278-46-7514
Roman, Elaine, 584-40-8425
Romano, Anthony F., 027-46-8980
Romans, Richard L., 498-50-2449
Roper, Carter P., 456-02-2977
Roper, William C., 267-23-8765
Roque, Carlos F., 156-44-1005
Rosa, James S., 264-33-0436
Rosado, Ernesto, 102-46-0597
Rosales, Lana G., 248-92-1448
Rosario, Wilfredo, 070-40-3121
Rose, Larry W., 546-06-6022
Rose, Stephen E., 456-15-0078
Ross, Frank L., 298-44-1807
Ross, Michael W., 281-54-9773
Ross, Susan M., 483-74-9986
Rothenanger, David A., 421-70-6751
Rounds, Mark S., 517-74-4251
Roundy, Norman R., 520-86-8042
Roy, Bruce A., 015-38-7400
Roy, Christopher, W., 020-44-8334
Ruehs, Ricky L., 479-76-0818
Rumohr, Keith K., 314-66-0669
Runk, Kathy H., 239-92-0269
Russell, David L., 228-88-5910
Russell, Randy R., 467-78-9423
Russell, Susan E., 048-42-9724
Ryner, Peter J., 315-56-2760
Saad, Joseph I., 070-42-4209
Sale, James G., 212-60-2312
Sampson, Cheryl T., 008-36-4684
Sander, Donald L., 441-52-0551
Sandico, Reynaldo S., 340-50-6821
Sandman, Steven P., 391-64-2719
Sangiorgio, Giuliana, 060-48-8751
Santos, John J., 036-40-0057
Saphore, Roger B., 173-34-8551
Saranich, Robert W., 044-34-0902
Sauceda, Jose L., Jr., 467-80-9916
Saunders, James W., 126-44-5834
Saunders, Lynne F., 578-80-0338
Saunders, Samuel E., III, 231-88-5208
Savageau, Steven M., 476-64-2613
Savey, William H., Jr., 134-40-3826
Saylor, James M., 261-06-9164
Scalise, Nicholas L., 163-52-6299
Scannell, John M., 220-62-4407
Scarine, Richard M., 585-46-7542
Schaeffer, Ronald W., 455-02-6055
Schaeffer, Richard L., 350-36-5970
Schancer, Gary E., 121-44-0596
Schepis, Roger B., 155-38-4046
Schiller, Donald J., 108-42-2337
Schlatter, James D., Jr., 522-66-3220
Schmidt, Richard F., 031-42-4130
Schmitt, David R., 119-48-5638
Schmitz, William T., 469-66-9065
Schoeneberg, Neal G., 458-80-4619
Schopperth, Edward D., 141-36-7448
Schroeder, William T., 319-40-2858
Schroer, Robert A., 510-60-3983
Schulze, John C., 110-36-4079
Schumacher, Donald F., 552-90-5451
Scott, Clyde W., 068-40-3817
Scott, Donna E., 227-86-4799
Scott, Stephen T., 462-11-5618
Scott, Tony C., 416-84-9128
Scott, William R., 247-02-5585
Scudamore, Scott W., 078-42-8551
Scully, Elizabeth M., 106-38-5453
Sebree, James H., Jr., 401-64-0759
Seely, Mark H., 576-58-6443
Seibel, Clifford A., 193-44-7361
Seigel, Gary S., 556-90-2713
Seigel, Robert J., 296-44-0346
Selix, George R., 140-40-0711
Senior, Conrad B., 047-46-6762
Seymour, Robert A., III, 007-48-1292
Shallow, James D., 002-40-1227
Shamiyeh, Azeez M., 405-82-6434
Shaner, Keith L., 200-40-0966
Shannon, David L., 440-54-8867
Shannon, Donald E., 290-46-3869
Shannon, Sheri L., 572-02-6683
Sharkany, Frank C., 046-50-6977
Sharpe, Gary W., 249-84-1555
Shaver, Danny, 302-54-6544
Shea, Sharon A., 336-50-3787
Shearer, Thomas D., 081-50-2384
Sheehan, Dirk D., 467-11-3940
Sheets, Ilona A., 527-23-7882
Sherlin, Charles G., 417-80-9987
Sherman, Geoffrey C., 449-94-5985
Shilko, Michael L., 463-72-3502
Shinault, Gaylon W., 411-98-9176
Shipley, Henry D., 457-88-6949
Shirley, Robert J., 099-42-4265
Short, David R., 246-80-1345
Short, Timothy A., 341-54-5248
Shulas, Jill L., 146-52-6199
Shulas, Timothy S., 135-40-7374
Siegert, Richard R., 548-60-0600
Sikorsky, Charles S., 170-48-9597
Sills, Larry G., 262-29-8717
Simmons, Billy R., 245-78-4792
Simmons, Mark K., 032-44-2736
Simmons, Mark R., 564-[illegible]6-8889
Simpson, Gloria P., 241-96-7065
Sims, Darrell L., 133-48-2932
Sims, David L., 451-88-7019
Sinclair, Thomas E., 226-80-1655
Siniard, Mark J., 579-62-2484
Sipes, Franklin B., Jr., 263-02-8395
Siter, George R., III, 008-54-0357
Skaer, Marcia V., 569-88-1556
Skinner, Eddie, Jr., 491-50-9088
Sklaver, Jeffrey H., 067-38-8534
Skorusa, John J., Jr., 318-48-5788
Skvorc, Mary E., 526-04-2260
Sladen, John G., 272-52-3236
Slate, James C., 264-04-1827
Sleek, Paul A., 168-48-9977
Sloan, Thomas, 165-36-8741
Small, Calvin, 254-94-0823
Small, Dane J., 203-40-8250
Smi, Barry S., 074-40-6438
Smith, Catherine D., 562-17-7206
Smith, Craig C., 140-42-8742
Smith, David G., 312-62-5705
Smith, Diane M., 177-38-2507
Smith, Eric B., 293-50-7197
Smith, Eugene J., 247-96-7470
Smith, Henry R., Jr., 546-08-8751
Smith, Kenneth R., 253-82-3711
Smith, Marsha K., 284-44-7970
Smith, Martin J., 526-84-8414
Smith, Noel M., Jr., 228-90-3052
Smith, Paul A., 212-54-0200
Smith, Peter H., 117-46-3676
Smith, Ralph T., 457-72-9099
Smith, Robert M., 522-84-5255
Smith, Stanley R., 155-54-7020
Smith, Wesley H., 585-05-3375
Snyder, Gary W., 229-92-2079
Snyder, Jeffrey M., 236-90-5129
Sobota, John G., Jr., 166-44-2822
Solo, Mark S., 385-64-7827
Somers, Paul W., 426-02-2994
Sommerville, Windham, 421-92-7242
Sondag, Dale A., 331-54-5493
Sonsini, Joseph T., 338-44-5614
Sorenson, Richard J., 126-40-4800

Sorrels, Robert F., 441-60-8138
Sorrenti, Patrick, 248-86-7339
Sousa, George A., Jr., 016-48-2149
Spackman, Leon C., 528-64-9474
Spalviero, Joseph W., 248-08-4320
Spann, Joseph A., 457-11-0466
Speer, Colette D., 272-52-9578
Speicher, Clark F., 206-40-6971
Spence, Warren R., 245-06-6436
Spenny, David E., 312-48-5381
Spier, Clifton M., 561-96-7419
Spindler, Judy L., 144-50-5801
Spinner Celia F., 417-66-4547
Spivey, Kenneth M., 420-76-2054
Spragg, Mark G., 267-19-7060
Springer, Rita A., 264-94-3881
Stacey, Mark R., 569-90-0296
Stacey, Theodore R., 217-44-0923
Stachowitz, Rainer P., 460-11-3190
Stanislav, Terrance J., 477-50-2089
Stankiewicz, Glenn E., 043-58-2369
Stark, Ray M., 264-25-5134
Stark, Steven R., 497-64-4405
Staten, Joe K., 413-78-1023
Stauffer, Douglas K., 210-44-5019
Stemen, Alan L., 299-56-8716
Stevens, Donald G., 017-44-4834
Stift, Danny F., 561-64-0611
Stogsdill, Steven M., 407-84-3795
Stokes, Daniel L., 543-64-7702
Stoltenberg, Larry A., 484-62-1731
Stone, Michael A., 261-64-2672
Stone, Paul Lee., 407-74-7727
Stoner, Ken Marvin, 279-46-6426
Storey, Robert W., 516-68-2828
Strini, Robert A., 262-39-9695
Stomire, William D., 303-64-8511
Stong, Philip M., 585-16-7237
Strother, Barbara Blair, 527-39-9226
Stuart, Harold C., 527-88-2832
Stubblefield, Juanita A., 567-86-4478
Stupica, Carmen M., 470-66-7331
Sturgis, James E., 423-56-7437
Stutte, Michael P., 504-60-0192
Stutzriem, Candice A., 527-11-4496
Stutzriem, Lawrence A., 529-88-7077
Sudul, Gail P., 194-42-5091
Swanson, Jack E., 524-62-8208
Swarts, Charles J., 350-38-3462
Swenson, Candace J., 501-74-1593
Swift, Jacquelyn M., 477-66-5297
Swigert, Diane D., 038-32-8290
Syckes, Shelby L., 213-64-7714
Sycuro, Stephen J., 532-50-5171
Sykes, Thomas M., 217-72-8336
Szabo, Jeffrey 202-48-0833
Szabo, Karl 294-58-7664
Szyhowski, Michael J., 332-40-5392
Tagert, David B., 452-15-0972
Talbot, William L., 465-04-2867
Tamura, Miles K., 576-72-3555
Taylor, Clarence, Jr., II, 514-64-2651
Taylor, Edwin S., 264-15-8098
Taylor, Hugh K., 432-96-8283
Taylor, Marcia A., 531-68-6391
Taylor, Rhett P., 150-42-2175
Tedesco, Richard, 1, 088-46-9388
Tennermann, Heather A., 560-84-7809
Tennis, David L., 524-74-1813
Terrazas, Edgar L., 136-44-1393
Terry, James W., 284-48-5160
Theisler, Paula L., 203-40-3133
Thibodeaux, Thomas, W., III, 437-02-2931
Thomas, Jerald L., 245-72-8374
Thomas, Oatice M., 417-82-0180
Thomas, Tommy T., 257-96-3578
Thompson, David 388-56-4574
Thompson, Harry J., III, 175-46-2133
Thompson, Mark D., 441-60-8693
Thompson, Steven E., 310-64-8345
Thornton, Joseph R., 575-70-3958
Tidwell, Rex A., 441-58-7260
Tillman, Mark J., 380-54-5964
Timmons, Randy J., 531-62-2360
Timms, James R., 045-48-1146
Tirevold, Robert W., 470-64-7819
Tom, David A., 575-68-6508
Toman, Charles F., 289-50-3393
Tooker, Robert E., 372-58-6917
Toppert, Mark A., 569-13-4787
Torrence, Steven G., 537-50-0072
Torres, Javier 139-52-0793
Treat, Bobby R., 462-86-6738
Trest, Warner N., 587-58-2376
Trojan, Kenneth G., 154-38-4058
Trotter, James A., 245-82-8510
Trump, Larry M., 232-72-7361
Tschan, Christopher R., 061-50-9038
Tucker, Allan R., 132-46-2958
Turk, Duane C., 177-38-6439
Turner, Timothy T., 223-66-0944
Tuttle, Ernest W., II, 461-74-1814
Tyler, Allen B., 549-74-6711
Ulsh, David J., 117-48-9875
Ulvog, James L., 512-56-1456
Underwood, Jimmy E., 523-76-9121
Upton, Douglas M., 418-80-3094
Vaden, Patsy J., 250-74-1706
Valentine, Thomas F., 547-02-5727
Valiton, Jeffrey C., 023-46-7339
Vandehey, Dean C., 226-80-6859
Vanderheyden, Anthony B., 395-46-4497
Vandermeyden, Mark P., 568-17-5179
Vanlandingham, James D., 524-90-0049
Vanvactor, Gary R., 403-66-7684
Vanwagner, Gilbert J., 138-46-8310
Vanwyk, Daniel C., 182-50-9324
Vardaman, Hunter W., III, 421-74-6100
Vasser, Mediatrix L., 556-76-4326
Vassor, Beverly M., 238-96-0526
Vaughn, Lasalle R., Jr., 248-82-9256
Velez, Julio E., 060-44-5699
Vetere, Lawrence J., 087-50-3810
Vey, Gail E., 252-88-9365
Vinci, Paul T., 253-06-0913
Vitagliano, Mary K., 088-42-8520
Vittori, Jay M., 577-74-6199
Vornbrock, Frederick M., 422-76-6015
Wachenfeld, Joanne N., 072-40-5623
Waddell, Linda S., 194-48-9631
Waddell, Russell L., 284-48-8869
Wade, Ralph E., 564-88-9510
Waggoner, Charles K., 443-42-5259
Wagner, Fred K., 266-74-5513
Wakefield, Scott K., 480-76-7543
Walford, Austroberto C., 096-36-2521
Walker, James L., 446-50-5878
Walker, Lawrence A., 176-42-7837
Wallace, Allen L., 564-68-1545
Wallace, Angelia M., 154-52-5731
Wallace, Marshall A., 227-86-7055
Wallace, Robert B., 254-88-9110
Wallendorf, Kirk D., 362-60-2522
Walling, Robert D., 532-42-6700
Walls, Bruce A., 228-82-7163
Ward, Eleanor G., 238-02-5538
Warnke, James E., 471-52-8385
Warsheski, Thomas J., 262-25-1477
Wassel, Michael A., 219-64-9828
Watkins, Delbert A., Jr., 263-90-3287
Watson, James E., 081-36-5390
Watt, Glenn D., Jr., 205-42-3093
Webb, Jeffery B., 499-62-0584
Weber, Larry G., 534-58-6842
Webster, Richard D., 466-06-1389
Weight, Terry J., 529-82-9114
Weimer, Alan L., 479-70-4968
Weiner, Allan M., 406-78-2459
Weir, James C., Jr., 191-44-2507
Weissend, Norma E., 107-50-2913
Welborn, Stephen S., 240-90-0061
Welch, Richard J., 505-76-9258
Welham, Michael E., 429-82-3546
Welker, William J., Jr., 444-56-8956
Welsh, Kathleen E., 261-45-6732
Wendel, Arthur H., 152-40-7654
Wentworth, Frances M., 024-36-6550
West, Gary C., 509-66-8208
West, Robert T., 189-38-4501
Westcott, Raymond J., Jr., 347-52-2672
Weston, Jack R., 036-28-2258
Westrich, Keith G., 301-44-5818
Wetherington, Russell S., 261-92-7463
White, Arvil E., III, 254-74-2244
White, Brenda A., 249-02-0544
White, David B., 453-98-4909
White, Harley D., 564-13-7069
White, Hildery P., Jr., 229-78-2582
White, Jerry L., 042-40-2412
White, Paul K., 425-02-5841
White, Roger P., 529-78-4006
Whiteman, Steven D., 302-46-2846
Whitlark, David B., 461-11-0825
Whitley, Bernard A., 415-98-6752
Whitmore, Wesley R., Jr., 086-42-3918
Wickel, Albert S., 086-52-5941
Wickman, Allen E., 369-64-8227
Wiechert, Kenneth E., 382-54-2592
Wilkinson, James H., 262-25-0433
Wilkos, Charles H., 048-54-1335
Wille, Donald A., 520-56-0349
Williams, Bill E., Jr., 449-94-1005
Williams, Brian E., 585-48-3202
Williams, Chapman U. J., 244-92-6761
Williams, Cheryl A., 209-44-8079
Williams, Daniel H., 405-78-9652
Williams, Franklin L., 447-56-6030
Williams, Jack L., 406-72-4377
Williams, James D., 281-56-3889
Williams, Mary L., 587-62-3153
Williams, Michael D., 548-98-0640
Williams, Richard J., 338-38-0044
Williamson, Virginia, 565-84-1180
Willis, Janice R., 233-90-8863
Wilson, Carter E., III, 566-82-1192
Wilson, Edward L., 116-48-5185
Wilson, George, III, 467-86-7069
Wilt, John W., 224-68-1666
Wimsatt, Kenneth E., 262-37-1587
Wingate, James E., 266-02-2763
Wingo, Paul R., 442-60-0037
Wise, Dale R., 509-54-6867
Wolcott, Mary H., 267-13-4616
Wolf, Richard E., 406-66-6063
Wolfe, Dale A., 241-74-1072
Wolfe, Kenneth W., 244-84-7262
Wolfenbarger, William C., 413-94-3326
Wolff, Frederick J., 543-52-4649
Wolosz, Alan A., 398-62-6078
Wondolowski, Pamela A., 016-50-3244
Woods, Byron D., 466-96-9276
Woodworth, Michael A., 555-96-5707
Worthing, Jeffrey A., 547-06-6305
Wright, Charles R., Jr., 303-62-0687
Wright, David W., 263-29-79[illegible]
Wright, Edgar A., 249-13-3236
Wright, Jonnie L., 263-72-3209
Wunderlich, Mark E., 494-66-6028
Wyre, St Clair T., 099-40-5181
Young, James A., 379-64-5569
Young, Kenneth W., 466-04-0438
Youngblood, Warren L., 154-42-0212
Youngclaus Daniel A., 495-48-5599
Zager, Bernard E., 392-44-3717
Zenishek, Steven G., 479-74-1991

IN THE NAVY

The following-named Naval Reserve Officers Training Corps candidates to be appointed permanent ensign in the line or staff corps of the U.S. Navy, subject to qualification therefor as provided by law:

Frampton, Brent S.
Spring, Theresa L.
Taylor, William C., II

The following-named Naval Reserve officers for permanent appointment in the line or staff corps of the U.S. Navy in the permanent grade of ensign, subject to qualification therefor as provided by law:

Allard, John M.
Bank, Baynes W.
Burkey, Paul F.
de Veer, Donald H.

Dickey, David D.
Edsall, Eric E.
Griffin, William T.
Harper, Donald L., Jr.
Hart, Charles G.
Hayden, Michael F.
Johnson, Kevin C.
Kilchenmann, Mark A.
Larsen, William H.
Lotzar, Roy K.
Lucey, Kevin E.
Manikowske, Thomas W.
May, Robert B.
McCampbell, Robert T.
Meeder, Brad P.
Minehart, Peter J.
Moon, Peter M.
Ohnigian, Steven P.
Plucker, Donald C.
Rallo, Joseph C.
Rogers, Stephen V.
Schlickenmeyer, Daniel W.
Steen, William H.
Stuart, David C.
Tousignant, Peter M.
VanGameren, Niels W.
Walter, Delburn M.
Wilkes, Michael R.

Umbert Hart, medical college graduate, to be appointed a permanent captain in the Medical Corps in the Reserve of the U.S. Navy, subject to qualification therefor as provided by law.

Harvard E. Isaak, medical college graduate, to be appointed a permanent commander in the Medical Corps in the Reserve of the U.S. Navy, subject to qualification therefor as provided by law.

The following-named ex U.S. Navy officers to be appointed permanent commander in the Medical Corps in the Reserve of the U.S. Navy, subject to qualification therefor as provided by law:

Hand, John J.
Thomas, Ronnie D.

In the Marine Corps

The following-named officers of the Marine Corps for permanent appointment to the grade of major under provisions of title 10, United States Code, section 624, subject to qualification therefor as provided by law:

Acree, Clifford M., 0556
Adams, James H., 0807
Adams, Mark W., 4095
Adams, Michael L., 2771
Ahlers, Mitchel N., Sr., 9675
Ailshire, John W., 8200
Albritton, Mark E., 5311
Aldridge, Michael E., 1448
Allison, Karen A., 5012
Auzenne, Joseph L., 7966
Avery, Allan P., 7456
Baca, Ruben, 3694
Baggs, Winston E., 8843
Bailey, Donald L., 0997
Baker, Neal A., III, 6681
Bamford, Reno C., II, 1437
Bann, William M., 2472
Banner, Gerald A., 2950
Barnes, Larry B., 2916
Barr, Richard G., 7908
Barrow, Theodore H., 9291
Barry, Richard M., 2570
Barton, John E., 6518
Bartzer, Richard K., 9458
Bass, Floyd L., Jr., 1197
Beames, Paul A., 9283
Beaton, Kenneth E., 5187
Beauchamp, Bill R., 9142
Behal, Eugene F., 5175
Bennett, Mark E., 1662
Bess, Richard P., Jr., 3241
Blackiston, Dallas O., II, 4358
Blair, James G., 1850
Blankenship, Bruce L., 6783
Blankenship, Wayne F., 5360
Blice, Anthony, D., 3220
Bostek, James E., 3266
Bott, Carl R., 8757
Boyd, John C., 3744
Boyer, Larry M., 2588
Bradley, Gary R., 2552
Brasington, Boyce A., Jr., 6330
Bridges, Michael C., 3758
Brizendine, John A., III, 0353
Broussard, Allen D., 0040
Brown, George M., 3464
Brown, James, 7856
Brown, Jerry L., 0081
Buchanan, Lawrence E., 5541
Burgess, David S., 2034
Burnette, Edwin A., 7011
Burns, John M., 2104
Burzak, Jay E., 8153
Byrem, Jimmie M., 2711
Cade, Ervin E., 3967
Cain, Lee R., Jr., 4817
Cajohn, Michael, 0991
Caldwell, John, 2432
Cameron, Robert J., 7940
Cannon, Paul B., 6064
Canode, Michael E., 4587
Carreon, Phillip K., 1031
Carrigan, Charles R., 6195
Carroll, Michael E., 4535
Chavazos, Ezequiel, Jr., 4510
Christie, John B., 8926
Christman, Jeffrey C., 4551
Click, Robert L., 9488
Commiskey, Henry A., Jr., 8235
Cooper, Michael G., 3047
Coovert, Paul H., 5448
Corwin, Tony L., 1553
Cowen, Glenn B., 9863
Craft, Russell M., 0643
Creswell, Lyn L., 7427
Cronley, Timothy J., 0038
Crowley, Craig C., 8104
Culler, William S., 0918
Daniels, Eddie A., III, 8073
Davis, Alphonse G., 5436
Davis, Christophe A., 9197
Davis, Dequincey A., 3250
Dean, David R., 5200
Debernardis, Amo R., 2210
Donaghue, Robert S., 8332
Donahue, Patrick E., 9247
Doran, Terrance S., 5939
Dotterrer, David G., 7536
Duggan, Francis G., 0871
Dunsmore, Billy D., 0260
Dzierzak, John A., 4074
Eaton, Edmund D., Jr., 0768
Elkins, Freddie E., Jr., 7067
Eluk, Ronald S., 4223
Emanuel, Dennis A., 7338
Evenstad, David H., 6907
Falana, Roland W., 7349
Feigley, James M., 1052
Feldman, Lloyd A., 0901
Felhoelter, Dennis G., 3543
Fick, George S., 4235
Fisher, Barney J., 3364
Fogarty, Michael P., 0457
Foley, Timothy H., 3135
Forr, John J., 0848
Foster, William J., 0275
Foucha, Craig S., 4714
Fox, Neil S., II, 6443
Frerker, Terry J., 2704
Fulton, Larry G., 7690
Gardner, Emerson N., Jr., 0157
Gemar, Roger L., 1467
Genteman, Alan J., 4543
Gesick, Richard A., 4467
Ghormy, Timothy F., 8863
Giansiracusa, James A., 2761
Gibson, Lewis C., Jr., 2543
Giles, Earnie L., Jr., 0054
Glover, John E., 7443
Gordon, Lauren E., 8155
Gordon, Wellington H., 1335
Graham, Thomas K., 0078
Grass, Steve M., 7689
Gray, Roy E., 1011
Green, Robert L., 0054
Grein, William J., 3975
Grice, Bobby L., 5530
Griffis, Todd H., 2756
Grohsmeyer, Steven P., 4758
Grove, Russell W., 2894
Guidry, Richard W., 3252
Gullett, Harry W., 7402
Haddock, Ralph D., 8082
Haffey, William J., 9699
Hagan, Emory J., III, 7469
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Workman, Charles D., 1598
Yoakem, Stephen M., 2253
York, Stephen T., 2235
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CONFIRMATIONS

Executive nominations confirmed by the Senate May 3, 1982:

U.S. Synthetic Fuels Corporation

Samuel Kenric Lessey, Jr., of New Hampshire, to be Inspector General of the U.S. Synthetic Fuels Corporation for a term of 7 years.

Robert W. Gambino, of Virginia, to be Deputy Inspector General of the U.S. Synthetic Fuels Corporation for a term of 7 years.

The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

WITHDRAWAL

Executive nomination withdrawn from the Senate May 3, 1982:

The nomination of General John A. Wickham, Jr., 092-20-1086, Army of the United States (major general, U.S. Army) under the provisions of title 10, United States Code section 601, to be reassigned as Vice Chief of Staff, U.S. Army, a position of importance and responsibility designated by the President under subsection (a) of section 601, which was sent to the Senate on April 19, 1982.

HOUSE OF REPRESENTATIVES—*Monday, May 3, 1982*

The House met at 12 o'clock noon and was called to order by the Speaker pro tempore (Mr. BEVILL).

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, D.C.,
April 29, 1982.

I hereby designate the Honorable TOM BEVILL to act as Speaker pro tempore on Monday, May 3, 1982.

THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives.

PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Sing aloud to God our strength: shout for joy to the God of Jacob.—Psalm 81: 1.

We raise our voices in supplication to You, O God, that You would heal our broken world and restore us in the paths of peace. Teach us to use our talents as stewards of righteousness and as heralds of justice that we may do Your work on Earth as it is in heaven. Grant wisdom to those to whom decisions are given that they may seek peace and pursue it, strengthened always by Your mighty hand and by the power of Your spirit. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H.R. 1624. An act for the relief of Theresa Macam Alcalen;

H.R. 1796. An act for the relief of Jacobo Cosio-Franco;

H.R. 1977. An act for the relief of Maria Gloria (Joy) C. Villa; and

H.R. 3478. An act for the relief of Mrs. Haruko Kubota Smith.

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 1681. An act for the relief of Andre Bartholo Eubanks.

The message also announced that the Senate had passed bills and a concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 189. An act for the relief of Marlon Dolon Opelt;

S. 198. An act for the relief of James G. Reese;

S. 222. An act for the relief of Lydia Delos Santos Colcol;

S. 224. An act for the relief of Isoo Kojima;

S. 275. An act for the relief of Dante Soriano Loo and Rhodora Guerrero Loo, his wife;

S. 521. An act for the relief of Benjamin Bane;

S. 854. An act to promote the orderly conduct of international relations by facilitating the operation of foreign missions in the United States, thereby promoting the secure and efficient operation of U.S. missions abroad;

S. 1048. An act for the relief of Braun Green;

S. 1092. An act for the relief of Luis Monzon;

S. 1330. An act for the relief of Jose Garcia-Nunez and Maura Nunez de Garcia, his wife;

S. 1331. An act for the relief of Florence Louise Barry;

S. 1364. An act for the relief of Jose Ramon Beltron Aivenda Ostler;

S. 1494. An act for the relief of Pandelis Perdikis;

S. 1523. An act for the relief of Stephen Hassan Abdul;

S. 1569. An act for the relief of Professor Ramarao Inguva, his wife Bhagya Lakshmi Inguva, and their son Srinivas Inguva;

S. 1611. An act to amend Public Law 90-553, to authorize the transfer, conveyance, lease and improvement of, and construction on, certain property in the District of Columbia, for use as a headquarters site for an international organization, as sites for governments of foreign countries, and for other purposes;

S. 1781. An act for the relief of Ezekiel Trail Clemons;

S. 2271. An act to authorize appropriations to the Secretary of Commerce for the programs of the National Bureau of Standards for fiscal year 1983, and for other purposes;

S. 2272. An act to enhance the transfer of technical information to industry, business, and the general public by amending the act of September 9, 1950 (15 U.S.C. 1151 et seq.) to establish a Technical Information Clearinghouse Fund, and for other purposes;

S. 2273. An act to amend section 7 of the Earthquake Hazards Reduction Act of 1977 (42 U.S.C. 7706) to extend authorizations for appropriations, and for other purposes; and

S. Con. Res. 84. Concurrent resolution expressing the sense of the Congress on the occasion of the centennial of the establishment of diplomatic relations between the United States and Korea.

THE ALASKA NATURAL GAS PIPELINE

(Mr. CORCORAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CORCORAN. Mr. Speaker, last Thursday, when we were last in session, I took the floor of the House in order to announce that the Alaska natural gas pipeline matter was once again in the news. At that time I indicated that on Friday, April 30, there would be a meeting of the sponsors of the project in Salt Lake City, Utah. The purpose of the meeting was to discuss just where they were at that point and what they might do in the foreseeable future.

On that occasion I made two predictions: One, I said that the sponsors would probably put the project on blocks for 2 years; and, second, that it was likely that they would also seek the assistance of the Congress and the President to get a Government bailout, because up to this point they have not been able to get the financing for the project. Although all of the reports are not in, Mr. Speaker, I think, unfortunately, that my predictions were correct on both counts. That is why I introduced, last Thursday, a joint resolution which would spell out very clearly that the Congress of the United States is opposed to a Government bailout of the Alaska natural gas pipeline.

THE CURRENT BUDGET IMPASSE

(Mr. DICKS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DICKS. Mr. Speaker, I rise today to urge this House to expedite consideration of the fiscal year 1983 budget. Over the weekend I talked directly to many business leaders in Washington State who expressed deep concern over the current budget impasse.

Washington State has a 13-percent unemployment rate and things are getting worse.

This Congress must act expeditiously and courageously in order to restore economic confidence in the country.

The fiscal year 1983 budget resolution must prove to worried financial markets that Congress will reduce the large deficits predicted for fiscal years 1983, 1984, and 1985. Only then will interest rates come down.

Time is running out, Mr. Speaker. We cannot and must not delay resolution of this extraordinary problem.

The President's fiscal year 1983 budget does not come to grips with the deficit problem. It is time for all responsible parties to stop political posturing and settle down to the job of producing a budget that will restore economic confidence.

I pledge my personal effort to produce a positive result in a timely fashion.

☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.
● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

THE CRISIS IN AGRICULTURE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. GUNDERSON) is recognized for 60 minutes.

GENERAL LEAVE

Mr. GUNDERSON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous material on the subject of my special order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. GUNDERSON. Mr. Speaker, agriculture in this country is facing extreme dire difficulties at the present time in almost all commodities and in all sections of the country. The purpose, then, of this special order is to discuss that present agricultural crisis we are facing, how we got into the situation we are presently in, exactly what should be done, is being done, and where we go from here in trying to solve the future in providing a positive future for agriculture.

The U.S. Department of Agriculture recently projected a $16 billion net income for agriculture in 1982. Adjusted, this represents the lowest real net income ever recorded for agriculture. It represents a reduced income level for the third consecutive year in a row. Unfortunately, 1982 is not an aberration. It is rather consistent with what has been a 10-year trend of production and technology exceeding the domestic and world demand for our agricultural goods. Farm debt in this country has doubled in the last 5 years. The real value of our farm assets has declined in the last 2 years. And yet we are, in 1982, facing continued surplus commodities and low prices for the remainder of this calendar year.

The need, then, for discussion, I think, is obvious. That is the reason for this special order.

At this time I yield to the cosponsor of this special order, the distinguished gentleman from Kansas (Mr. ROBERTS).

Mr. ROBERTS of Kansas. I thank the gentleman for yielding.

Mr. Speaker, I am very pleased to join with my friend and colleague, the gentleman from Wisconsin (Mr. GUNDERSON) to join in this special order and to talk about the problems we are experiencing in farm country and the future of agriculture and what we can do to find answers to these problems.

First, let me say that we are in the most serious farm price, cash flow, and credit crisis in farm country in the High Plains since the Great Depression. I am talking about our ever-increasing interest rates and production costs, the price over a 4-year period and the fact now that our land values are starting to level off.

The blunt fact about the matter is that farmers cannot tighten their belts and make it through the several lean crop years as they did in the depression. It used to be that the most important farm policy was how on Earth we were going to get the next generation of farmers on board. The question now is whether the current generation can hang on and survive this crop year. It is that serious.

I want to emphasize that the farmers' plight, in my view, at least, does not stem from current policy or the farm bill of 1981 exclusively. It does stem from a series of things that have happened over the past several years. We have had a unique problem in High Plains wheat country ever since 1977 with prices far below the cost of production.

In my view, in 1976, if we have to point the finger of blame, I think President Ford could have put on a mandated set-aside, and our problems would not be so serious as they are today. And, of course, we have the embargo of 1980 under the previous administration, and that has been like shattered glass; there are chapters to play out on that, and we are now witnessing those final chapters.

We have had extremely high interest rates, outrageous interest rates, and the increase in production costs. We have had energy costs, stemming from the policy of the OPEC nations and a misguided energy policy in past administrations here in Washington, with all sorts of controls and regulations that the farmer simply could not keep up with. We have had consumer boycotts. We have had consumer activists within the USDA. We even had the World Council of Churches speaking to a cheap food policy. We have had everybody here in Washington thinking of the grain as their grain instead of the farmers' grain.

All of this has contributed to the problems we are experiencing. And, yes, under this administration there have been problems as well. We have had in effect, in fact, a market-oriented farm policy without a real market. While our goal today is not really to place blame for the present farm problems on any one person, any one party, or any administration, our aim is to discuss what is being done and, more importantly, what should be done to deal with the economic situation confronting the man whose job it is to produce food and fiber for this Nation and a very troubled and hungry world.

Mr. Speaker, at this point I yield to my friend and colleague, and I would like to make a statement later on in regard to export policy.

Mr. GUNDERSON. Mr. Speaker, I appreciate the gentleman's remarks, and I certainly concur with him.

Perhaps the remarks were put best by a famous author that I think many of us have read, Charles Dickens, when he wrote in the "Tale of Two Cities":

> It was the best of times; it was the worst of times. We had everything before us; we had nothing before us.

I think that, in an objective fashion, is exactly what we face in agriculture in this country today.

We mentioned earlier some of the difficult financial conditions we find at the present time. Let us go on then, and take a look at those problems. Let us take a look at some of the things we need to do in dealing with those commodities, and also some of the various proposals coming from the USDA.

At this time I yield to my distinguished colleague, the gentleman from Wisconsin (Mr. ROTH).

Mr. ROTH. I thank the gentleman for yielding.

Mr. Speaker, I would like to extend my thanks to my colleague, the gentleman from Wisconsin (Mr. GUNDERSON) and the gentleman from Kansas (Mr. ROBERTS) for having this special order. I think it is very appropriate.

Mr. Speaker, as I see it, the American farmer, in truth, the men and women in American agriculture, are the most unappreciated people in this country today. I think that is most unfortunate. But there is change coming in agriculture. I think those of us who speak for agriculture have to take a look at the future, at present and developing trends. That is why I again compliment the gentleman for having this special order. I think it is important that we bring these views, not only to the Congress but to the American people.

From the dawn of history to the year 1800, the world's population grew to 1 billion people. In 1930, only 130 years after that, we had 2 billion people on this planet. In 1960, in only 30 years, we had 3 billion. And in 1980, a mere 20 years later, we had 4 billion people. In only 18 years from the present we are going to have 6.2 billion people on this planet.

Where is the food going to come from to take care of these people? For every two people you see on the planet today, in only 18 years you will see three. This is going to cause tremendous social, economic, and political upheaval. We must comprehend the meaning of rapid population growth.

Of the 173 countries on this planet, only 8 can produce food consistently for export, and those are the United States, Australia, New Zealand, South Africa, Canada, France, and Thailand. Only 8 out of 173.

Thus, I think it is very important for us to start praising the American farmer and to back up the American farmer rather than always criticizing him. I draw my colleagues' attention to a Reader's Digest article, "Food, American's Secret Weapon." I would like to have my colleagues and the American people read this article because it is a real eye opener. Here are people who are thinking about the future and what the farmer means to America's future.

Now, what have we in the Congress done for the farmer? Precious little. In fact, most recently, when the farm bill came before Congress, I asked the Rules Committee to allow us to add an amendment to restrict casein imports. As all of you know, last year some 152 million pounds of casein were imported into this country. This is in direct competition to our dairy farmers. I think if we are going to be fair to our dairy farmers, we have to do something about casein imports which materially interfere with domestic agricultural policy.

Like many of you, I don't feel that we should do away with casein imports totally; but at least cut back to about 50 percent, so that we would only have about half of the nonfat dry milk in storage that we have today.

On the one hand, we say that the farmers are producing too much; on the other hand, we in the Congress allow unlimited imports which are in direct competition to our dairy farmers. So I think it is very important for us to be evenhanded, to say, "Yes, if we have a surplus, it is then also incumbent upon us to make sure that we do something about imports that contribute to that surplus."

□ 1215

Now, I invite people to sign on my legislation to cut casein imports in half.

We have an old adage in the State of Wisconsin, that my good friend and colleague from Wisconsin, knows well. It says that talk is cheap, but it costs money to buy whisky.

Here in the Congress we always employ a good deal of rhetoric when it comes to the farm issue, but we have got to put our shoulder to the wheel and start the changes that are so necessary to a successful agricultural policy.

We also have to act promptly on exports. Of the 173 countries in the world today, 72 of those countries have per capita calorie supplies of below adequate nutrition; 72. There is tremendous need for U.S. agricultural products and I think it is high time that we in the Congress start taking a long, hard look at our trade policies—import and export.

For example, in dairy alone last year, we exported $251 million worth of dairy products. Do you know how much we took into this country, so prolific in dairy production? We had imports three times that amount. We had $619 million worth of imports.

Now is that being fair to our dairy farmer? I do not think so.

Recently I was invited to Harvard University to debate some of the Japanese involved in trade, and they were most blunt in saying, "Yes, we have nontariff trade barriers." I think it is about time that we in the Congress tell the people who are negotiating trade to look at nontariff trade barriers and consider the effects of these barriers on U.S. producers before entering into trade agreements.

I think that we in Congress can do something about these problems. I do not think we have been doing enough in the past to rectify these inequities. However, I think that this special order is a step in the right direction.

I compliment the gentlemen again for opening discussion on these vital issues. We must remember not to bite the hand that feeds us.

Mr. GUNDERSON. I thank my colleague from Wisconsin for his remarks and commend him for those particular concerns.

As he knows, I join with him in the particular battle that we face in the dairy situation in our home State.

At this time I yield to our distinguished colleague, the gentleman from New York (Mr. WORTLEY).

Mr. WORTLEY. I thank the gentleman for yielding.

Mr. Speaker, in 1726, Jonathan Swift, the great English satirist, published "Gulliver's Travels," a favorite of both children and adults. It was intended as a satire on the human race. He made fun of people in high places. One of this most notable quotes related to agriculture:

> He gave it for his opinion, that whoever could make two ears of corn or two blades of grass to grow upon a spot where only one grew before, would deserve better of mankind, and do more essential service to his country than the whole race of politicians put together.

Obviously Mr. Swift did not know anything of Washington, D.C., but some days I wonder if he did not have ability to see into the future when he wrote those words.

The challenge of Jonathan Swift has been met by the American farmer. Horses were first substituted for hand power and then tractors for horses. With increasing demands for food through rising populations and increases in consumer demands at home and abroad, the American farmer has always come through.

Agriculture is the world's most basic enterprise. It is America's No. 1 industry. Most all of our food, much of our clothing and many of the materials needed to make other products come from agriculture.

The 48 contiguous States of the United States have a total land area of about 1 billion acres. Of this, almost 365 million are currently used for agriculture.

American agriculture during the past 200 years has been hailed as the best, the most productive and the most successful in the world. The United States is blessed with both fertility of soil and fertility of climate. One of the most remarkable features of American agriculture is a two to fourfold increase in productivity over the last 40 years. This has been achieved with no increase in cropland.

The fertility of climite and soil, coupled with human freedom, brightened with free enterprise, and a catalyzed by the hearts of an energetic, free and imaginative people has created through research the miracle of miracles—an abundant agriculture the likes of which the world has never known. This is our heritage.

One farmer in 1980 produced enough food for himself and 65 other people—47 at home and 28 abroad. This compares with 29 people in 1970 and only 11 people 40 years ago.

The amount of disposable income the average American consumer spends for food stabilized in the 1980's at about 16.5 percent. This compares with about 65 percent for developing countries, 30 percent for the Soviet Union and about 26 percent for the countries of the European Economic Community.

This remarkable achievement, unequaled any place on Earth, can be attributed in part to better management, more timely operations and more productive equipment. Mechanization in American agriculture has enabled farmers to carry out their field work and have time left for farm management activities.

I wish that there were no trouble spots for American agriculture. Unfortunately, this is not the case. Several major concerns confront American farmers.

Inflation, always an enemy of us all, is no kinder to the farmer. Rising interest rates have also hit the farmer hard, as he depends heavily on short-term credit.

The situation for the farmer in these areas is beginning to improve. The general inflation rate is declining rapidly. This is leading to a lower rate of increase in prices paid by farmers for production items and family living. Short-term interest rates, while still high by historical standards, have fallen from their peak levels last summer. For the farmer these improvements are significant, but this trend must continue to reduce the Federal deficit.

Despite these encouraging economic signs, we cannot ignore the current plight of the farmer. This administration has been particularly sensitive to the farmer's current situation and his future.

In the area of export, the administration is taking an aggressive lead in marketing our agricultural products. The most important single step has been the removal of the partial embargo on export sales to the U.S.S.R. This has freed U.S. producers and has allowed our exports to compete once again in a huge market.

The Department of Agriculture has sent sales teams to 14 countries. These trips have significantly added to expanded U.S. markets abroad. The Department has also made great strides in trying to get other countries to remove trade barriers to our agriculture products.

In a time of tight credit, the Farmers Home Administration has remained sensitive to the farmers' credit needs and problems. Recently, it has allowed farmers to defer loan payments when the situation warrants. The FmHA also has gone to great strides to improve its services. In my own congressional district, the administrator has reported that recent organizational changes have allowed him to better service loans and improve the handling of new loans.

A problem particularly sensitive to me has been the current plight of the dairy farmer, who represents a large part of my district. The dairy farmer has long been the victim of fluctuating Government policy. The policy has led to increased production for a product that currently has a stable demand. This administration is taking the lead to try to bring about a stop to the stop and go Government policy in the dairy industry. A solution is still not at hand, but is closer to coming about than any time in the last 50 years.

Stability is what this administration is all about for the farmer. For the first time an administration is trying to bring about long-term stability in agriculture. It has shown this attitude consistently in legislation. In the area of exports, it has ended the use of the embargo of farm products as a diplomatic tool. It has passed tax provisions that will keep the family farm from disappearing from our way of life. It has passed additional tax provisions that allow the farmer to buy large farm equipment at a fixed price. Again and again, the administration's bench mark in agriculture has been to bring about stability.

Not all the problems have been corrected, but for the first time the problems of the American farmer are being addressed with the long term in mind and with a policy that reflects a consistent approach with a very definite goal.

The future of the American farmer, his prosperity and security lies in our commitment in the Congress to join the administration in its goal to bring about stability. We must put an end to runaway Government spending and erratic policies which ignore the problems of the farmer.

The 1980's have not been easy for farmers, or for most Americans, but I am confident that good times will return. An improved national economy is closer than many editorial writers and television commentaries would have us believe.

Our commitment in the Congress should be one that reflects our willingness to enter into a partnership with the farmer in working to bring about the stability he requires and deserves.

Mr. GUNDERSON. I thank the gentleman. I certainly appreciate those remarks.

At this time, Mr. Speaker, I yield to my colleague from Nebraska (Mr. BEREUTER).

Mr. BEREUTER. I thank the gentleman from Wisconsin for yielding, and I commend him for taking the initiative through a special order for those who have concerns about agricultural conditions in our districts and in the Nation to say a few words on this subject and to offer some suggestions.

I would also like to extend that commendation to the gentleman from Kansas (Mr. ROBERTS), who was also involved in arranging for this special order.

The reason is obvious to all people who come from those parts of the country where agriculture is a very dominant economic force. Conditions in agriculture today are extremely depressed.

Those of us who come from the Great Plains area, or the Western Corn Belt in particular, are beset with a wide disparity of problems because our costs of production are so high. We inherited years of problems that are today coming to the attention of the Nation.

I am pleased that finally we see some good examples of discussions on this subject in some of our major national newspapers like the New York Times and the Washington Post.

Of course, high interest rates are accentuating problems for small business families and for farmers around the country.

There are a few things that I think perhaps we should say about the kind of conditions brought on by recent grain embargoes. On the trade front, the disastrous grain embargo has been lifted and a 1-year extension of the long-term agreement on grain sales with the Soviet Union has been secured.

We have already sold the Soviet Union 14 million metric tons under the extension, with additional sales likely yet this year. Efforts continue to begin negotiations on a new long-term agreement for future years.

These suggestions, coupled with changes by this administration in agricultural trade, which were issued on March 22, are helping to restore and expand upon the markets which have been lost due to foreign-policy decisions of previous administration, both Republican and Democrat.

This is not a partisan issue. The problems on the farm front are so severe that they must not be regarded as partisan issues.

On another front, something very interesting is happening here this year with respect to a subject called trade reciprocity. Many bills have been introduced requiring that the President take reciprocal action against those nations which are not treating us fairly when it comes to dealing with trade issues. We are not only talking about embargoes, we are not talking strictly about tariff barriers. Oftentimes, the most damaging things that are done to impact trade of this country are nontariff barriers. I thought it was important enough that we bring this matter to the attention of the Congress that I introduced a bill several weeks ago relating specifically to nontariff barriers which affect agricultural products. Many of my colleagues here who are participating today are cosponsors of that legislation.

In my examination of trade legislation, I noted that many trade reciprocity bills addressed themselves to industrial products. It was my concern, as I am sure it is the concern of many people who represent rural America, that the nontariff barriers which affect agricultural goods not be forgotten when we next engage in these multiyear, multinational trade negotiations again.

My bill addresses such agricultural commodities as red meat, citrus fruits, and rice, where in fact the Japanese are treating us very unfairly.

We are this fall or early this winter beginning another series of multilateral trade negotiations. I think it is imperative that all of us in Congress become active in assuring that we bring to the attention of this administration our concern that these nontariff barriers be brought down.

Today, argicultural products produce $43.3 billion worth of America's exports. It is an amount that must grow. We have the capacity to make it grow in this country because of the productivity of our agricultural sector.

We simply must go to the bargaining table with a much more coherent and hard line policy than we have in the past.

I also would like to say a word to my colleagues who happen to be here, who are from that part of the country that I represent, the Great Plains and the western Corn Belt areas.

I think that the recent occurrences in this Congress relating to the budget reconciliation process and the passage of the 1981 farm bill make it very clear to all of us, looking at the voting demographics, that we must do a better job of organizing ourselves to stand up for those things that we think are important to the Great Plains and the western Corn Belt, an area you might call the Prairie States.

It is imperative because of our small number of votes in the House that we do organize ourselves in that respect.

The Congressman from Kansas, Mr. Dan Glickman, and I, have put forth such a proposal and many of my colleagues have already joined us in this effort. I thank them for their support.

We will be looking for additional activities that are important to the agricultural, water, and transportation sectors that affect those States in the center of the country.

Again, I would like to thank the gentleman from Wisconsin for taking the initiative in calling for this special order. I would particularly like to associate myself with the gentleman's remarks and with the remarks of the gentleman from Kansas (Mr. Roberts), because I think they are right on target.

Mr. GUNDERSON. Mr. Speaker, I certainly thank the gentleman for his remarks.

I think there are two things that the gentleman has said that I would like to particularly associate myself with. First of all, the process. We in the rural areas have to be more aggressive in that area, and second, on the legislation dealing with international trade. I suspect most Members of this body and most people in this country believe in free enterprise and a free market system. Anybody who believes one exists in agriculture today does not understand agriculture. We need to do everything we can to make that occur.

□ 1230

Mr. Speaker, at this time I yield to our distinguished colleague, the ranking member of the Budget Committee, the gentleman from Ohio (Mr. Latta).

Mr. LATTA. Mr. Speaker, first of all, I would like to take this opportunity to commend the gentleman from Wisconsin (Mr. Gunderson) and the gentleman from Kansas (Mr. Roberts) for taking this special order today so that the House will have a chance to objectively review and discuss the current American farm economy.

Clearly, Mr. Speaker, as the present recession bottoms out, all segments of the American economy are suffering. The economic situation currently confronting our farmers is particularly difficult—prices are low and returns are not nearly as good as we would like them.

Rest assured, however, this Congress should not sit idly by and let the "backbone" of the American economy go under. Positive actions should be taken and will be taken by both the Congress and the Department of Agriculture to help our farmers through this very difficult time.

The implementation of the President's economic recovery program has, indeed, profoundly affected the rate of inflation. In fact, last month we experienced actual deflation for the first time in 17 years.

For most farmers who have experienced the adverse effects that runaway inflation has caused their operations in the last 4 years, this is the best economic news they could receive. As so many others have noted, no combination of Federal farm programs can do as much for young and family farmers as a controlled inflation rate. Even though the inflation rate has dropped substantially, interest rates have not dropped accordingly. Deficit spending must come to an end to permit these rates to drop.

An important part of the economic recovery program is the Economic Recovery Tax Act passed by Congress last summer. This landmark legislation contained many revisions in the Tax Code of benefit to American farmers.

In the area of estate taxes alone, the Congress enacted an unlimited marital deduction and increased the unified credit to $600,000 in 1987. This will permit most farm estates to pass without Federal taxation.

By contrast, the recent revenue proposals of the Democrats in our budget negotiations would place an even greater tax burden on the American farmer. For example, the Democrats have proposed increasing the social security withholding tax on farmers to 13.4 percent. That is a 50-percent increase over the present level.

The administration is also making every effort to reestablish America's position in the world marketplace as a reliable trading partner. The President's action in lifting the Russian grain embargo was a definite stimulus for farmer's exports. Additionally, the USDA and Secretary Block have placed a high priority on developing new markets for American agricultural products.

And this is just the beginning. We must now add onto these decisive initial actions to guarantee the economic recovery of American agriculture.

Mr. GUNDERSON. I certainly thank the gentleman for his remarks and concur wholeheartedly.

At this time I would like to yield to a distinguished colleague of ours on the Committee on Agriculture, the gentleman from Washington (Mr. Morrison).

Mr. MORRISON. Mr. Speaker, I thank the gentleman for yielding and applaud his leadership in this special order to point out some of the problems those of us in agriculture are facing in this Nation.

Mr. Speaker, no one today is painting a rosy picture for the agriculture industry—we all know this is an extremely difficult period for our farmers, but this situation did not appear overnight.

The first of many blows to agriculture was the Carter administration imposed wheat embargo in January 1980. Farm prices declined and the marketing system including elevators, railways, and exporters was disrupted.

According to both private and Government estimates, billions of dollars in output and services were lost, jobs were gone and the taxpayers had to shell out more than $2 billion to help soften the blow. The Soviet embargo was bad for our farmers, bad for the economy and not that bad for the Soviets who increased grain imports from other sources.

The 1981 farm bill contains a provision which puts a prohibitive price tab on a selective agricultural embargo which would be costly enough to make future Presidents think twice about taking action similar to that of 1980.

Instead of embargoing our agricultural products, we must prioritize our agricultural export policy which is what President Reagan has done. In the past 8 years our stop and go export actions have weakened our reputation as a reliable supplier and the administration's newly announced long-term policy on farm exports should help stabilize the agriculture export market. Three essential requirements are featured in the policy:

First, no restrictions will be imposed on the exportation of farm products because of rising domestic prices. High prices signal market oriented farmers to produce more and they will if allowed to compete freely in export markets.

Second, farm exports will not be used as an instrument of foreign policy, except in extreme situations and as part of a broader embargo.

Third, world markets will be freed of trade barriers and unfair trade practices. Under the leadership of Secretary Block and Trade Representative Brock this objective has been pursued aggressively and I commend their efforts thus far.

The other point which I would like to touch upon is the grain elevator bankruptcy reform legislation, or more accurately, the lack of it.

During the period from 1974 to 1981, approximately 130 bankruptcy proceedings involving commodity warehouses were filed in 22 States. These bankruptcies have posed special and unique problems for farmers. The legal delays involved in these bankruptcy proceedings can mean economic disaster since future operations depend upon the ability of the producer to sell this year's crop at the opportune time. The real victim of elevator bankruptcies is the commodity producer.

The Federal Government has allowed the bankruptcy laws of this land deny the farmers the products of his work. All he asks is the protection of his rights of ownership of this product.

The distinguished chairman of the Courts Subcommittee, Senator Dole, and my colleague and friend on the House Agriculture Committee, Bill Emerson, have introduced legislation which will give the farmer deserved and welcome relief in solving the problems experienced by farmers when elevators go bankrupt.

Passage of the bill would go a long way to prove our Government can be of assistance to the farmer and not an obstacle.

It is difficult to tell my constituents why this legislation is being bottled up in the House Judiciary Committee when they are on the verge of losing what has been their entire lives for the past 30 years.

I, for one, would like to know what I am to tell my good farmers when they ask why we cannot get this bill to the House floor for action.

Mr. GUNDERSON. I certainly thank the gentleman for his remarks. If there is one thing that I would hope we gain out of this special order today, it is that somehow or other Government is not going to continue to be an adversary to agriculture, but rather a partner in working with probably the most productive work force we have in this country to provide food, not only for our own people, but for the entire world.

At this time I yield to our distinguished colleague, the gentleman from Indiana (Mr. Coats).

Mr. COATS. I thank the gentleman for yielding and commend the gentleman from Wisconsin, as well as the gentleman from Kansas, for taking this special order to highlight what is a very important issue, not only to our farmers, but to this entire Nation and to the world.

As the gentleman knows, and all the gentlemen know, we are the breadbasket of the world. We have been feeding the world.

Perhaps the best bargain in the world today is food, done so because of the productivity, the improvements in productivity, and the hard work of the American farmer through the years.

I have the good fortune of having an agriculture advisory committee in my district that I meet with regularly, as well as having conducted dozens of farm meetings throughout various communities and counties in my district and the good advice, the suggestions and criticism that I have received from these people who work in the agricultural sector has done a great deal to develop my understanding of the farm situation, suggestions for dealing with that, and there is no doubt that today there is trouble down on the farm. We have had in past years policies which have encouraged overproduction and discouraged selling and use of that production. There have been disastrous bans on exports and disastrous imports that we are still feeling the adverse effects from.

I am happy that the Reagan administration in recognizing the downside of the past export embargo policies have reversed that and the farm bill provides much greater protection for our farmers from future embargoes.

We need, I think, to bring an awareness to the American people that some of these policies are shortsighted and that in the long run the American farmer and the American economy and the world's people suffer from these things.

What are the solutions? Well, the farmers that I talk to have some very commonsense ideas as to what to do about this; yet we all realize down at the lower level, at the bottom end, the bottom line of this entire situation is that only higher prices can ultimately bring about the return on farm income, return on net income that farmers need in order to be a viable economic part of this community.

So we have to I think be fair with the American people, to demonstrate to them what a bargain farm prices are, demonstrate to them why higher farm prices are necessary, not only for the economic health of our American farmers, but also for the economic health of this country.

That is a good long-term solution. What do we do in the meantime?

Farmers in Indiana have proposed a number of alternatives. They have suggested what has become known as the Indiana plan, which is a mandatory reduction of farm acreage and farm production in order to bring our supply and demand more in line. This plan would require a referendum among all farmers. It would be a self-imposed situation whereby the farmers themselves would vote as to whether or not they would agree to a reduction in crop supply. If they did so agree, then there would be a mandatory imposition of that supply.

This is currently under study by the Department of Agriculture. I have worked with the gentlemen from that Department and they are reviewing this to see what impact this would have economically, not only on our farmers, but on our economy.

In the meantime, the Department, as you know, has come out with a voluntary acreage reduction program. I am happy to report that the farmers in Indiana have enthusiastically supported that. We have had a signup of a total of 69.1 percent of our total acres that are signed up for the program. In terms of feed grain, 72.7 percent of our farmers have endorsed the program.

□ 1245

Certification will come down the line a little bit. We will find out what those true numbers are. But it shows, I think, a willingness, a voluntary willingness on the part of farmers in Indiana and across this country to recognize the problem, and to take steps on their own to help solve the problem.

Yet through it all, I think that we need to understand that not only do the farmers here have a responsibility, but also the Nation has a responsibility to the farmers, and that we must have policies which encourage exports, we must have funds available for supplying available loans and credit to those countries that want to buy our products. We have embassies and farm export operations throughout the world which vigorously promote farm exports and promote the surplus that we provide.

We must also have policies here which are honest and fair with the American people, and will demonstrate to them that if we are to continue as the No. 1 producer of crops in this country, we have to give the farmer an adequate return on his investment. Certainly reducing the deficit, bringing down interest rates, will in the short term assist our farmers.

Efforts we have taken in the energy area have reduced costs to farmers this year. We have done a number of things. A number of additional things can be done.

But most important, I think, is to bring an awareness to the problem, to make the American people aware of the situation that our farmers face and to do all we can here as Members of Congress to promote those policies that will bring about health in agriculture, a healthy situation, and that ultimately will make for a healthy America.

I thank the gentleman for allowing me the time to bring a little bit of insight from Indiana farmers as to the problem and would be happy to yield back whatever remaining time I have.

Mr. GUNDERSON. I certainly thank the gentleman for his remarks and commend him.

Whether it be the feed grain area such as the gentleman represents, or many of the other commodities, the Indiana plan presents a philosophical question that we have to resolve here in this Congress and in this country; that is, are we all going to share in reducing our surpluses or are we going to ask a few people to carry the total brunt through depressed prices.

I commend the gentleman and his farmers, and will work with them in any way we can with those programs.

Mr. COATS. I appreciate the gentleman's remarks. I think his suggestion that we ought to open the debate on this subject is a very valid one. It is a question we ought to pursue and pursue vigorously and quickly.

I am happy to report that the Department of Agriculture has agreed to investigate this matter thoroughly and report and work with us. So I also would be happy to work with the gentleman in pursuing this, I think, very, very important question as to how we must direct farm policy and how do we equitably and fairly spread the burden across the entire sector without imposing it on a few.

Mr. WALKER. Mr. Speaker, will the gentleman yield?

Mr. GUNDERSON. I yield to my distinguished colleague from Pennsylvania.

Mr. WALKER. I thank the gentleman for yielding.

Mr. Speaker, I first of all commend the gentleman and the distinguished gentleman from Kansas for using this special order to help point out that there is, indeed, a major problem down on the farm that we bear a great deal of responsibility for in this body, in this town, and that we should be attempting to resolve as quickly as possible so that that most productive sector of our society can get back on its feet.

There would be some who would suggest that one of the problems is that the Government has itself caused this problem by reducing the amount of spending in the agricultural area. I think that it is important to note to those who would make such a suggestion that we are spending in the agricultural area about the same amount of money, almost exactly the same amount of money, that we spent in 1965, which was about midway through the Great Society, which I don't think anybody would contend was one of the lower spending eras in American political affairs.

But it is well to note that there has been a drastic shift in how that money gets spent since 1965. Instead of the money going directly to the farmer and helping the farmer in his productive efforts, we have had a drastic shift of that money toward the social welfare area. For instance, the food stamp program, which comes under Agriculture, has increased by over 30,000 percent since that period of time.

So that many of those who suggest the problem is the Government is not spending enough just refuse to see that what spending is out there is going perhaps in the wrong direction, and is not really getting us the kind of help that we need down on the farm to keep productive activity alive.

Second, there is an awful lot of talk that interest problems are at the base of what is happening in the agricultural area, and I don't think there is any doubt that. The farmer, faced with the kind of high interest situation that we have in the country today, finds himself unable to compete, unable to buy the things that he needs in order to become more productive. And I don't think there is any doubt but what those high interest rates have resulted from high deficits, and we have had that pointed out on several occasions today.

I think, though, it is also important to note that the problem with those high deficits is that we spend too much money around here, and that if we look at what the majority of the Agriculture Committee has reported to the Budget Committee for its spending for next year, instead of holding the line at the President's budget figures, the committee, in terms of outlays, proposed between a 15- and 20-percent increase over and above what the President had suggested as a spending figure in agriculture, which I said is about even to where we were in 1965.

So we still have that problem, that many of the people around here are still willing to spend big bucks and increase those deficits, which then causes high interest.

Finally, I think it needs to be pointed out that much of the problem that we have on the farm today came about as a result of high taxes. The farmers in this country were faced with major taxation problems. While they were very, very productive, much of that productive ability was being sapped by the kinds of taxes that were imposed upon them. And many of the people who come to this floor and suggest that one of the things we ought to do to solve our economic problems is repeal the tax bill that we passed last year cannot be friends of the farmer, because there was much on that tax bill that went directly to aid the farmer. There were accelerated depreciation, which aids the farmer, change in capital gains provisions, changes in inheritance tax provisions, which is one of the main things which will help keep the family farm alive.

A lot of those things were in that bill which were a direct help to the family farmer in this country, and I think that it is important to recognize that anybody who suggests that repeal of that act would somehow be of benefit to the total economy is not looking at the benefit of the farmer.

I think it is also well to note that some of the people who have been suggesting that this administration is in part responsible for the plight of the family farmer have ignored the fact that when they put forth some of their budget proposals in the recent negotiations, one of the ideas they put forward was a major increase in self-employment taxes and social security. That would have a direct impact on farmers. It would have a major impact on the ability of farmers to finance their own operations in the coming years. Such a suggestion is antifarmer, not profarmer.

And I think that when we look at the kinds of provisions that this adminstration is backing in terms of tax cuts, and the kinds of provisions that have traditionally been sponsored by our opponents on the other side of the aisle in terms of taxes, we will find that this administration has done a great deal to help the farmer, and that is a kind of benefit which will accrue to the farmer in the years to come.

I thank the gentleman for yielding this time, and also for his special order. Hopefully it will help put some focus on not only what the plight of the farmer is today, but some of the things that need to be done in order to improve the condition down on the farm.

Mr. GUNDERSON. I thank the gentleman for his remarks. I particularly commend him for his remarks regarding the Tax Act that we passed last year. Without question, the farmer probably benefits more from that tax program than any other sector of the American population. The long-term ability to transfer that farm from one generation to another must remain a part of the laws of this land, and I certainly commend him for those remarks.

Mr. THOMAS. Mr. Speaker, will the gentleman yield?

Mr. GUNDERSON. At this time I would be happy to yield to the distinguished ranking member of the Cotton, Rice, and Sugar Subcommittee, the gentleman from California (Mr. Thomas).

Mr. THOMAS. I thank the gentleman for yielding.

Mr. Speaker, I, too, want to congratulate the gentleman from Wisconsin, and my colleague, as well, on the Agriculture Committee, the gentleman from Kansas (Mr. Roberts).

Most of the speakers today represent what I would call traditional agriculture, Great Plains agriculture, as the Member from Nebraska indicated. As a matter of fact, if anyone spends any time in the Agriculture Committee room in the Longworth Building, they will find that the light fixtures are decorated with ears of corn and stalks of wheat, and that grain has traditionally been the focal point in

terms of American agriculture, and rightly so. We have been and will continue to be the bread basket of the world.

But coming from California, and representing a district that emphasizes cotton and specialty crops, I do want to spend just a few minutes talking about what I think the direction of American agriculture is taking, and that is more and more the direction that the specialty crop folk have had to take from the very beginning, and that is, they got into the production of agriculture in large part after the Great Depression. They were not the recipients of Government programs to assist them in direct subsidy forms. In the 1981 farm bill, I think this administration took a gigantic step more in the direction of the type of agriculture and farming that I am most familiar with, and that is farmers in our area have always felt that the profit for the farmer is to come from the marketplace, and the marketplace is to be defined as the world, and that the role of the Government, if any, in the area of agriculture is to make sure that the American farmer has the ability to sell his product in that marketplace defined as the world.

For a few minutes, I would like to share my concern with not some of the particular problems that we have of the moment, given the economy of this country and, indeed, the economy worldwide in crop productions, but rather the general direction that the United States has taken in previous administrations that have partly been corrected in this administration, but still would be improved upon, and that is, I think, we have to admit that it is a cold, cruel world out there, and that no one is going to give us anything for nothing, and that all of us, I think, continue to advocate free trade. Give us an opportunity, given the products that we have, if it is in fact a free trade arrangement, the American farmer will outproduce, based upon quantity and quality, anyplace else in the world.

But as the gentleman from Wisconsin rightly pointed out, it is not a free trade world. It is not even a fair trade world. In terms of the two major agricultural product recipients in the world today, the European Community and the Pacific rim nations, we have a continual series of problems.

Now, in the short time that I have been in Congress, just two terms, for example, in the U.S. Trade Representative position alone, a crucially important one in dealing with other nations, as our chief trade negotiator and spokesman we have had three in just the two terms that I have been in Congress. The current one, Bill Brock, has done an excellent job in terms of indicating a direction that this administration is taking, and that is one of continuity.

In the two terms that I have been in Congress, we have had two Presidents, swinging the pendulum from a specific commodity grain embargo to a removal of that embargo, and a promise of no product specificity embargo again. These kinds of swings make it very difficult for us to establish long-term trading relationships.

In the European Community, our largest trading partner, we think about grains and grain-related products; for example, corn gluten feed, which is a significant dollar amount, almost $500 million traded last year with the European Community. One of the opportunities for such a high volume of trade with the European Community with corn gluten feed is because of the subsidy programs within the European Community itself, and that we are able to send this corn gluten feed into the European Community at about 20 percent less than the European Community farmers can buy their own grains grown in their own countries, because of the common agricultural policy.

We are able to have zero duty on that particular product because of the Kennedy round of the general agreement on tariffs and trade the last time. Tremendous pressure of the European Community to do something about that zero duty.

But we forget about a lot of other specialty crops. Just one example, grown in my area, in fact, exclusively grown in California, almonds. Our almond trade with the European Community is $250 million, half of the corn gluten feed trade. With an extremely high tariff, we are able to succeed in those markets only because of the ability to raise the almonds at a very, very low cost and the high quality that we produce.

On the Pacific Basin, we have already had two congressional hearings over the subject of United States-Korean rice sales. We happen to be the No. 1 supplier of rice to Korea, and we have opportunities for additional markets in the area if we can be a reliable supplier. One of the difficulties we have is that with the State Department attempting to push foreign policy, the Department of Agriculture interested in moving American products, and the U.S. Trade Representatives and their concerns, our governmental approach is fragmented. Even with the will to open up these markets for the American farmer, our inability to allow, for example, the Department of Agriculture to speak, rather than the Department of State, has caused us great problems.

There are a number of nations in the Pacific Basin—Australia, for example—that are coming right in behind the United States and promising long-term, reliable supplier positions which at one time had been the American position.

Let us underscore the fact that it is a cold, cruel world out there. The markets we have are not necessarily the markets we are going to be able to maintain unless we provide the products, the credit, and the proper atmosphere for trade.

□ 1300

Japan is a tremendous opportunity for specialty products, but we have to have the Department of State, the Department of Agriculture, the U.S. Trade Representative, speaking with one voice, making it clear to the nation of Japan that we are no longer going to compartmentalize agricultural products with other trade areas. Every other nation in this world lays all its trade areas with other nations out on the table and examines their opportunities for penetrating markets, looking at it as a whole.

It seems the United States is the only nation that ignores the total trade picture and focuses item by item, general area by general area.

We are at a tremendous disadvantage, No. 1, because we have no continuity in terms of the administration, we have no continuity in terms of the concept and role. One of the things I think we have to do as we weather this short-term economic difficulty is to understand that if we are going to continue the kind of agriculture and trade in the world we have today we, No. 1, as the gentleman from Washington indicated, have to be reliable trading partners, but we also have to have a government which is willing to talk across the board in terms of trade arrangements.

As I mentioned, in terms of the European Community on the corn gluten feed, they are examining other tariff areas in which they continue to move, very heavy politics, trying to protect the markets.

What we are trying to do is open up these countries, and we have to understand that the pressure has to come from all possible angles for the United States to maintain its traditional markets, and to continue to persuade countries around the world that all benefit when it is moving in the direction of free trade.

I thank the gentleman from Wisconsin for yielding, and I understand the difficulties in the high plain, but for the agribusinessman today who faces questions of money, questions of government, but most of all, faces questions of trying to maintain markets, we have to understand that it is a very complex, very complicated world we live in. There are no simple solutions, but by working together we can certainly resolve some of the problems and barriers facing the American farmer today.

Mr. GUNDERSON. I certainly thank the gentleman for his leadership not only on the floor today, but in the committee as ranking minority member of the subcommittee, focusing on cotton, rice, and sugar.

Mr. Speaker, at this time I would like to yield to our distinguished friend from the State of Nebraska (Mrs. Smith).

Mrs. SMITH of Nebraska. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, we all know that agriculture is in poor shape right now—depressed commodity prices due to record supplies, dampened export demand due to worldwide recession and increased value of the dollar on foreign exchanges, and high interest rates that are putting the squeeze on all industries depending on large amounts of capital.

This situation is not new. We, from rural areas, have been telling of rural recession for 3 years now, and our early concern demonstrates that a general economic recession can be predicted whenever the farm economy declines.

My own close watch on the farm economy tells me that better times may be on their way. Hog and cattle prices are above last year's levels, with positive profit margins for the first time in quite a while. Although grain prices are still below cost of production, they have showed upward movement from mid-March even in the face of record stocks. This tells me that our farm programs must be helping and that export demand may be on the upswing.

Some of these positive signs can be attributed to cyclical trends and market forces. But policies and programs of the President and the Secretary of Agriculture, however, have had considerable influence on the positive signs that are starting to appear.

Of particular interest to family farmers and ranchers in my rural Nebraska district are the estate- and gift-tax reforms contained in the President's tax legislation of 1981.

As a candidate, speaking in the Midwest, President Reagan said that he felt the devastating effects of estate taxes on family farms and ranches was not worth the revenue they raised for the Federal Government. He told agriculture that he would do what he could to lift this burden from our shoulders. Carrying through on that promise, as he has on almost every other campaign promise, the President included sweeping estate and gift-tax reform in his tax recommendations to Congress. These provisions, very similar to my own legislation, were enacted by Congress and are having a positive effect for family farmers in this country.

During his campaign, the President also said that he felt the embargo was unfair to farmers and that if he were elected, the embargo would be lifted. Even though some of his closest advisors asked that he continue the embargo for foreign-policy reasons, the President followed through on his promise to farmers and lifted the embargo. In addition, he has stated recently that he would never single out agriculture for embargos and has agreed to resume consultations with the U.S.S.R. on our present grain agreement.

Exporting, another area of vital importance to agriculture, registering roughly a tenfold increase in value in the past two decades and more than doubling in volume, has never been pursued harder than by this administration.

Secretary Block and Under Secretary Lodwick have formed producer-government trade teams that have traveled to 14 countries trying to open markets and sell U.S. farm products. Funding for market development and industry cooperative export programs has increased in real terms under this administration.

This country is finally standing up to competitors who engage in unfair trade practices. Subsidized exports dumped on the world market and attempts to violate duty-free status of U.S. exports such as corn gluten by the European Economic Community are being challenged in every way available. Trade barriers imposed by one of our best agricultural trade partners, Japan, are targets for negotiated removal.

As ranking minority member of the House Subcommittee on Agriculture Appropriations, I am very familiar with what is being spent on agricultural programs. In 1981, total Government outlays for loans and direct payments to agricultural producers increased from $11.4 billion in 1980 to $15.9 billion in 1981.

Of course, 1982 spending figures are not in yet because of the flexible nature of commodity support programs, but because of such poor commodity prices, Government spending for price support programs, alone, may reach $10 billion.

The President's 1983 agriculture budget, now being reviewed by my distinguished chairman, Mr. Whitten, and our subcommittee, contains some increases and some decreases. However, I feel it important to point out increases in such areas as research and education, up $45 million; market development for exports, up $39 million; and FmHA farm operating loans, up $135 million.

As a result of Mr. Reagan's successful fight against inflation, overall 1982 farm production costs are expected to rise only 3 to 5 percent. This would be the smallest increase since 1968.

Mr. Speaker, our farm economy is in its worst shape since the Depression, but I am optimistic that most producers, with the help of good government policy on all fronts, will endure this unprofitable period and share in the economic upturn that the administration's policies are designed to bring about.

THE STATE OF AGRICULTURE IN THE UNITED STATES TODAY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kansas (Mr. Roberts) is recognized for 60 minutes.

GENERAL LEAVE

Mr. ROBERTS of Kansas. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and to include extraneous material on the subject of my special order today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. ROBERTS of Kansas. Mr. Speaker, I do not expect to take the full time.

Mr. Speaker, I would like to thank again my good friend and colleague from Wisconsin (Mr. Gunderson) for helping to sponsor this special order to discuss the problems we are having in farm country today.

There is some talk about an emergency farm bill in this body, and the fact that we still have commodity prices way below the cost of production, as has been pointed out many times today. The House Agriculture Committee will doubtlessly hold hearings on this emergency legislation. I plan to take part in those hearings and to suggest several different things that I think we can do on an immediate basis, to answer the problem. But, I do not think the answer lies in more farm subsidy program payments. The farmers in my country tell me over and over again that what they want is price. They do not want to rely on the Federal Government for farm program supports, more especially when almost every other Government program is experiencing a cutback.

In terms of getting a price, the primary thing over the short term to accomplish this is to get our export policy cracking, to fulfull the goal of this administration, to get a reasonable price from the marketplace. I would like to reflect a little bit on that export policy. But, before I do, I want to address one other concern that I have. There have been those in this body who have stated that the President is simply not aware of the seriousness of the situation in farm country. From my personal standpoint I do not believe that this is the case. I think the President is very much aware of the situation. He mentioned the tremendous impact that interest rates are continuing to have, on those

individual farmers, in his budget message just several days ago. Last year, when the freshman Republican class was invited to meet with the President at breakfast, I personally visited with the President regarding the situation in farm country, and I said:

> Mr. President, we still are experiencing a price and cash flow and a real credit crunch to the extent that young farmers are simply not able to stay in business.

He acknowledged that fact. He then again addressed this in a personal meeting when we were discussing the farm bill in a recent bipartisan meeting.

I said:

> Mr. President, with all due respect to your farm policy, you cannot have a market-oriented farm policy without a market; that in my district, where we grow more wheat than any state, we do not have a price.

He shared my concern. He shared my frustration, and just over a month ago, he spoke to that very problem.

What we are trying to do here, as of today, is to focus on what can be done to alleviate these problems. We can announce the 1983 farm program details, and they are under consideration right now, in time for individual producers to go ahead and to certify with the 1982 program. And, if we get that kind of consideration we will get more acreage out of production, and we can see prices increase. We will not do it if we delay the 1983 program as we did in 1982. I must point out that the 1982 set-aside program, or what is now called the reduced acreage program, was announced months late, and dollars short. We can make up for that by announcing the 1983 program as soon as possible, and I have it on good authority, in working with members of the U.S. Department of Agriculture and Jack Block's team, that will happen.

Second, we can fund the export revolving fund, the CCC, export revolving fund, and in the Budget Subcommittee of the House Agriculture Committee we took those steps. We are really trying to piece together a shattered U.S. export policy due to previous embargoes, and I am not just trying to single out the Carter administration. The same thing happened under the Ford administration, the same thing happened under former President Nixon's administration.

I want to stress the value of exports not only to our farmers in western Kansas, but to the Nation as a whole. In our country, we have to export one-third of our crop because, as I said, we grow more wheat in the big first district than any other State, but this has a national impact. Until recently, we did not have a comprehensive study of the impact of the embargo that was placed on U.S. sales to the Soviet Union on this country—not on the Soviet Union, but on this country. It had not been available.

Several months ago John Snittker Associates, a Washington-based agriculture firm that does a lot of consultation, made a study for the Corn Growers Association, and they released an analysis of the 1980 grain embargo and the impact upon our own economy and every American citizen in this Nation. Outside the farm sector, back in 1980 the reduced value of inland transportation as a result of the embargo cost this country $175 million. The reduced value of ocean shipping cost us $365 million. Balance of payments losses to this country were $2.5 billion. And, it cost Uncle Sam $1.5 billion for acquiring the grain. We got back into the grain business, and we did not need to do that. The additional cost to the Government was $1 billion for interest, storage, and handling. Then, we had to make target price payments to wheat producers of $375 million. Most important the embargo cost all Americans $11.4 billion in overall national output; 310,000 jobs; $3.1 billion in personal income.

Now, if we continue that kind of policy, if we continue using agriculture and the farmer as a foreign policy whipping boy, you can multiply those figures by 3, and you are talking about a million jobs when we are experiencing very high joblessness; and you are talking about $33 billion in national input. We cannot afford to go down that road again.

In terms of our own foreign policy, the United States became a residual supplier of farm products. I can assure you that the bloom is off the lily in farm country when we talk about exports. It is not a four letter word, but until we get the proof of the pudding, until we get honored contracts, until we get sales, until we get a price at the country elevator, this is a policy that has yet to bear total fruition.

The stakes are enormous. Agriculture is the tail that wags the dog. If we can get agriculture healthy the country will improve. However, agriculture is sick now, and that is part of the problem.

As a result, over a month ago, on March 23, the President announced what has become the Reagan doctrine in regard to major policy address on U.S. trade and farm export policy.

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The President, in effect, put a stop to the mistaken and the very counterproductive business of singling out agriculture and the farmer as a foreign policy weapon.

I should emphasize that this President and this administration is not entirely blameless, in my personal opinion, on this topic. When the Soviet declared martial law in Poland we responded with a possible threat of a trade sanction.

I do not know what that did for the Polish worker, and I do not know what that did in making the Soviet Union sit up and take notice. But I can tell my colleagues what it did at the county elevator in western Kansas. It dropped the price 50 cents. What we had was a de facto embargo. What we had was symbolism.

However, the President has now spoken to that. He has spelled out his policy very clearly:

First, no restrictions will be imposed on the exportation of farm products because of rising prices here at home. We are not going to pit the consumer against the farmer in this country with any future domestic embargo.

Second, farm exports will not be used as an instrument of foreign policy unless our national security is threatened and agriculture will no longer be singled out.

Third, world markets must be freed of trade barriers and unfair trade practices.

At this point, Mr. Speaker, I ask unanimous consent to insert in the Record at this time the full text of the remarks by the President to the agriculture editors and representatives of March 22, 1982, which in detail outlines the Reagan doctrine.

The material referred to follows:

REMARKS BY THE PRESIDENT TO THE AGRICULTURE EDITORS AND REPRESENTATIVES, MARCH 22, 1982

We are delighted to have you for these briefings and I've been looking forward to meeting you personally. Now I can say I have met the one group that hears as many complaints as I do. I think it was Thomas Jefferson who said farmers are God's chosen people. But nowadays they must be asking—chosen for what?

I have always thought that when we Americans can get up in the morning and see eggs, bacon, toast and milk on the table, we should give thanks that American farmers are survivors. They are the real miracle workers of the modern world—keepers of an incredible system based on faith, freedom and hard work, that feeds us and sustains millions of the world's hungry as well.

I am told that in 1820, a farm worker produced enough food products for himself and three other people. By 1920, he produced enough for eight people. And now, that number he feeds has risen to 77.

Agriculture has also become one of our biggest employers: The meal ticket for millions of workers, from farm suppliers, bankers, hired hands, all the way through the system to supermarket clerks. In 1981, the $28 billion agricultural trade surplus offset almost half of our petroleum deficit. In fact, our agricultural exports account for about 40 percent of the world's total agricultural trade and one-fifth of America's merchandise export earnings.

This bounty from our Nation's farms has been a little too easy for us to take for granted. We have never really had nationwide food shortages; our share of income spent for food is among the lowest of any nation, and our farmers keep on increasing their productivity.

I believe our Administration is lucky to have an Illinois farmer named Jack Block who never lets me or any member of our Cabinet forget our farmers. Through your group, I would like to thank the farmers of America for so strongly supporting our Economic Recovery Plan. You know, our plan is a little like farming. You prepare the ground, plant the seeds, tend the field and weed it, and then hope the harvest will bring a bumper crop—in this case for the American economy.

As a part-time rancher myself, I share an appreciation for this system—the chance to own your own land, work it by the sweat of your brow and take risk for profits.

So often we forget the risks they are taking. A drought or a terrible storm is usually little more than a temporary inconvenience for city dwellers; for farmers it can mean a whole year's work and investment wiped out. I remember when Ezra Taft Benson was Secretary of Agriculture under Eisenhower; he was making a tour of farm areas and in one he was assailed by one particular farmer who would not stop complaining. The Secretary took a look at some papers one of his aides handed him and said, "Now, wait a minute. You didn't have it all that bad. You had 29 inches of rain this past year." And the fellow said, "Yes, I remember the night it happened."

Right now, many of our farmers must be wondering if the sky has not fallen. I know this is an extremely difficult period for them. U.S. agriculture is in its third straight year of economic recession.

A vicious cost/price squeeze, high interest rates and uncertain markets have combined to erode many farmers' confidence and hopes for prosperity. The tragedy is that much of this misery did not have to happen.

I believe the first body blow to agriculture fell in January 1980, when contracts for the sale of our farm products to the Soviet Union were blocked in retaliation for its invasion of Afghanistan. The impact was immediate and severe: Farm prices declined and our entire agricultural marketing system—elevators, barge lines, railways, millers, exporters—was disrupted.

According to both private and government estimates, billions of dollars in output and services were lost, thousands of jobs were lost, and taxpayers immediately had to shell out more than $2 billion to help soften the blow. Other countries did not hesitate to increase their production and displace U.S. sales. No one knows for sure what the ultimate impact of that ill-advised embargo will be because such actions affect trade patterns for years.

It is also worth noting that the Soviets are still in Afghanistan, suppressing an innocent people who yearn to be free. And while the Soviets experienced some economic problems, that predicted cutback in their meat production never materialized as a result of our action. By increasing grain imports from other sources, by seeking out meat imports from other countries, and by expanding the use of substitute feeds, the Soviets were able to maintain their meat inventories.

Don't get me wrong. There may come a day when our national security is threatened and the issue of an embargo is raised again. In that case, I would not hesitate to declare such an embargo if it was part of a complete boycott and if we could have the cooperation of other nations so that we wouldn't end up hurting ourselves with no harm done to those we were trying to influence.

The bottom line is that the Soviet embargo was bad for our farmers: Bad for our economy, but not that bad for the aggressors we were supposedly going to punish.

On top of the Soviet embargo, farmers were hard hit by the policies of the late 1970's that led to soaring inflation and interest rates. Inflation went from 4.8 percent in 1976 to 12.4 percent in 1980, and during that period interest rates shot all the way up from 6.5 percent to 21.5 percent.

The farmer, like any other small businessman, lives or dies on his ability to sustain an adequate cash flow. When that cash flow is reduced to a trickle by high inflation and interest rates, the farmer sometimes has no option but to shut down his operation.

Add to all this the recent bumper crops and we understand why the cost/price squeeze is so bad and threatens to strangle the vitality from American agriculture. Prices received by farmers have gone up five percent since 1979. Prices paid by farmers have gone up by 20 percent, four times as much, in this period.

One other problem I did not mention is that excellent weather overseas has created a large, worldwide surplus. The one exception, of course, is the Soviet Union. You know, I can hardly remember a year when Soviet harvests were not victimized by bad weather. And I've seen a lot of harvest seasons, as I am constantly being reminded.

I am determined to do everything I can to help our farmers get out of their terrible bind. I have listened, asked questions and probed for answers. I think we know what needs to be done to get agriculture back on track.

And one of the first things is make the federal government get its own house in order, so we can reduce its claim on our national resources and end its interference with the marketplace. That's what our economic recovery program is all about, and let me say again, how grateful we have been to receive the strong support of the farm community.

In our first 12 months, we have cut nearly in half the growth in federal spending. The inflation rate has dropped to 8.9 percent, and since October 1, it's running about 4.1 percent.

Last year's drop in inflation means that an American family of four earning the median income of about $24,000 had $754 more in purchasing power than if inflation had not come down. Prime interest rates were 21½ percent at the end of 1980. We have got them down about five percentage points. They are still much too high, but if everyone stiffens their spine and does what still needs to be done on spending, we will bring those interest rates down more.

The growth in regulations has been cut by a third. Personal and business taxes have been reduced to stimulate savings, investment, work effort and productivity. The provision for accelerated depreciation will benefit many small enterprises in agriculture. The 25 percent personal rate reduction helps the small firms that pay their taxes by personal rates, not corporate rates, and this is another reason why that personal tax cut must be protected.

One of the features of our tax program that I am most proud of addresses a special problem for farmers and family-owned businesses. It is not right that widows and children must lose, just to pay Uncle Sam, what generations of love and toil created. So the estate tax exemption will increase to $600,000 by 1987, and of even greater help, there will be no estate tax for a surviving spouse—the widower or widow.

We know that the federal government also has an important role to play, as partner to the farm community. I think the gist of that role is to help the farmer do what he cannot do on his own—promote basic research, seek out new markets, counter any unfair trade practices of our trading partners, provide a measure of protection from erratic weather and natural disasters, and create the proper environment so the forces of supply and demand can more efficiently allocate resources.

We are fully committed to do this. We have increased the Fiscal Year 1983 budget for agricultural research by nearly three percent above the inflation rate. We have expanded the Federal Crop Insurance Program. We proposed a $4 million increase in U.S.D.A.'s market development program and recommended that the level of agricultural export credit guarantees be maintained at the highest level in history, $2.5 billion. We ended the previous Administration's Soviet embargo, and withstood pressures to impose agricultural trade sanctions during the Polish crisis.

We have also set out a blueprint to challenge unfair agricultural trade practices by Japan and the European Economic Community. We are challenging in the G.A.T.T., the European Community's open-ended use of exports subsidies on certain agricultural products, where we feel they have gained an inequitable share of world trade as a result of those subsidies. We are pressing the Japanese to remove non-tariff trade barriers that prevent us from fully benefitting from our comparative advantage in agricultural production. A U.S.-Japan working party will meet in Washington the week of April 12th, to discuss the G.A.T.T. consistency of Japan's agricultural quotas with a view toward liberalizing those restrictions.

In the past eight years, our stop-and-go export actions have weakened our reputation as a reliable supplier. If we are to take full advantage of our agricultural resources, we must establish a clear policy for the benefit of our farmers, those who market our crops and those who buy our commodities at home and abroad.

For this reason, I am presenting today our long-term policy on farm exports. The agriculture export policy of the United States will insure three essential priorities:

First, no restrictions will be imposed on the exportation of farm products because of rising domestic prices. Farm prices go up and farm prices go down. High prices signal market-oriented farmers to produce more, and they will, if we allow them to compete freely in export markets. This is best for everyone, from farmer to consumer.

Second, farm exports, as I have already indicated, will not be used as an instrument of foreign policy except in extreme situations and as part of a broader embargo. Agricultural commodities are fungible; that is, they are easily interchanged for the same commodity from other nations. For this reason the embargo of 1980 was almost totally ineffective, yet it caused great economic hardship to U.S. agriculture. We will not repeat such action.

Third, world markets must be freed of trade barriers and unfair trade practices. We must continue to pursue this objective aggressively. World economic health will be improved and strengthened by freer agricultural trade. Our great agricultural system must be turned loose to benefit not only Americans but people throughout the entire world.

I announce this policy with a great sense of pride—pride in the accomplishments of U.S. farm families. Adherence to this policy will bring them deserved benefits, add to the prosperity of all Americans and enhance the cause of peace throughout the world.

During the first year of our Administration I think we have turned an historic corner. We are ending the destructive inflation and financial disorder of the 1970's. We are restoring incentives for personal enterprise. And we have begun to dismantle the regulatory straitjacket and reverse the dangerous erosion of our military strength.

Our recovery program was passed too late to avert the present painful slump, brought about by past pump-priming and those 21½ percent interest rates.

There is no quick fix for the economy or for our farmers. Weather will still be a major factor in determining when prices make a recovery. Some farmers will not make it through this difficult period of readjustment, but the vast majority will. And they are going to discover a better environment to conduct their business and realize a meaningful profit.

I am not going to turn my back on the farmers of America and undo all the good we have begun to put in place. If we stay on course and shun retreat we will bring prosperity back to our farmers and the Nation's economy.

Mr. ROBERTS of Kansas. At this point I yield to my colleague from Wisconsin (Mr. Gunderson), who I understand has some additional points to make.

Mr. GUNDERSON. I certainly thank my distinguished colleague for yielding, and let me begin by commending him not only for what he has just said, but as one who came to this Congress in the same class as he did and has had the honor and privilege of serving with him on the Agriculture Committee, I want him to know that I and a lot of other members of the committee look to the gentleman for his leadership and experience in this area, and appreciate it very much.

Perhaps I can take just a few minutes and try to summarize or put into perspective everything that has been said this afternoon on agriculture, hopefully in an objective way. Certainly there is no question that we have a problem in agriculture. We have heard this for the past hour and a half in our discussions.

You probably have asked the same question that I have asked myself in the past—how can agriculture survive in this country?

Despite the financial difficulties that have been mentioned earlier, the farm sector has survived in this country really for four reasons.

First of all, productivity gains. Agriculture is probably the most productive sector in the American economy.

Second, expanding exports. In 1950 we exported 9 million metric tons of American food products. In 1970 we exported 127 million metric tons. In just 20 years we had a phenomenal increase in our agricultural exports.

Third, inflation. One of the few benefits of inflation is that it has provided us with a gradual increase in the land values. Accordingly, inflation permitted farmers to go into those local banks and rewrite that credit portfolio in times of depressed prices. They were not getting rich in real dollars, but they were able to survive year after year because of inflation.

Finally, in some sectors of our agricultural commodities we have had decent prices and decent price support programs in the past.

All of this occurred, then, during a time of increased gross revenues to each individual or to most individual farmers in this country. However, we also witnessed something else, not just a change in the revenue picture, but also the change in the structure of agriculture in this country.

In 1940 we had 30.5 million people living on our farms in this country. In 1970, only 30 years later, not only did we not have 30 million, we had only 2.7 million people, and the average size of that individual farm had more than doubled. So we had seen a major change in this area.

The challenge of today, however, is very different from agriculture in the 1930's and the 1940's when we first witnessed the inauguration of farm legislation and farm support programs in this Congress.

Today our commodity support programs are determined not only by what we would like to call agricultural policy, but, unfortunately, they are also determined by budgetary policy as we have begun to realize the effect of budget on our economy as a whole.

Second, at a time of world hunger, there is not a world demand for our food. The fact is that in 1982 we are expecting about a 3-percent decrease in the value of the exports that our agricultural sector sends abroad, even though the total amount of exports will increase over 1981.

Likewise, we are witnessing major surpluses in almost every other commodity—wheat, feedgrains, dairy, and many others.

As a matter of fact, this year we are going to lose in cash receipts in terms of those commodities. We will see a decline, the first decline we have seen in cash for our agricultural commodities since 1975.

How is this going to occur? Lifestock may have a slight increase, but all indications are that the other crops are probably going to find their receipts decreasing in 1982 due to the surplus commodities and declining prices.

The major uncertainty we face then as we deal with these commodities today is where do we go from here; what is going to happen in the short term?

I think two particular items are going to affect that. One is how we can dispose of the present surplus and, second, what happens in the 1982 production year.

So many factors can affect that in a positive or negative way, and it is too soon to tell what is going to happen. Certainly some factors that could again depress our country's agricultural economy are: First, a continued weak national economy; second, continued high interest rates; third, a bountiful crop that could simply add to our further depressed prices; and fourth, world demand.

There is not only a recession or economic trouble in America, I would say to my colleagues, there is economic trouble the world over that is greatly affecting the demand for our agricultural products in this country.

On the positive side, if we can get our economy turned around, if we can get the world economy turned around, if we can get interest rates turned around in this country, somehow or another we are going to be able to change the American agricultural economy as well.

When one looks at those factors, then it should become clear to each and every one of us that, while we would like to stand here today and only talk about agricultural policy and only talk about commodity support programs, we cannot separate ourselves from the real world of the economic conditions and the budgetary dilemma that we all face here in this Congress.

I remember a year ago I stood on this same floor as we were considering the budget resolution. As a matter of fact, it was a year ago to the day tomorrow that I took the well in the floor of the House and spoke about the Gramm-Latta budget. At that time we were considering why we in rural America had to take a good look at that budget, not only because it put some constraints on some of the commodities, which none of us liked, but on the other side, I quoted on agricultural economist from the University of Wisconsin, Mr. Robert Lunning, who talked about that average Wisconsin dairy herd of 40 cows, and that young farmer building the land that would be included in the support of that 40-cow dairy herd. He estimated that in 1981 dollars that would cost about $280,000.

Then he took that young couple's little boy who was just in kindergarten in 1982 and following him through his primary and secondary school, and assuming, like most people in agriculture today, that one needs a great deal of knowledge and expertise to become involved, that he would go on to the university and take an agricultural short course. Then in 1995 he would want to buy mom and dad's farm. Based not on the 18-percent inflation rate we experienced in this country 2 years ago, but on a 10-percent annualized inflation rate, that young fellow would not pay $280,000 for that farm in 1995. Rather, he would be required to pay $1,063,000.

I think it becomes patently clear to all of us that there are no Government support programs that could allow the family farm to survive in even a 10-percent inflation rate economy.

Certainly we have looked at it time and time again in this country as to the impact and the cost of these products in terms of inflation, and unless we can get that under control and into some shape in 1982, we are actually looking at the first decrease in the cost of production for agriculture since 1968. We are looking at something between a 3-percent and 5-percent increase in costs, which is just a major, major change in what we have experienced previously. So we have begun some positive things in certain areas.

Yet, I think as we look at that whole budget we must look at some of the other areas, and an area that concerns us today is high interest rates.

The fact is we in this country cannot continue to live beyond our means. The fact that we are now spending over $100 billion a year of our Government's dollars to pay the interest on the national debt, and that is dollars that the gentleman from Kansas and my farmers cannot borrow, or that they have to compete with the Federal Government on borrowing, and the impact of that on the interest rates in this country.

In 1982 we are looking at an increase in the cost of interest rates as a part of the total cost of production for American agriculture.

Just 2 years ago it was only 12 percent. In 1982 we are looking at a 15 percent of the cost of production for the American farm family as a result of high interest rates.

Why? No. 1, because of the rapidly increasing interest rates themselves. No. 2, because of the large increases in farm debt.

So somehow or another we have to continue to keep that focused on the economy and its impact on agriculture. Despite the economic difficulties, I think we would be remiss if we stood here today and we did not take a look very quickly at some of the very positive things that have happened in the last 15 months in this Congress and in this city as we have tried to work with American agriculture.

One is major changes in tax policy and the inheritance taxes and the impact of that and of the transferring of that farm from one generation to another. Inflation, and the fact that we are looking at now, many economists are telling us we are looking at 5 consecutive years of inflation under 8 percent, and what that is going to mean to the farmers' cost of production and the cost of that farmer's transferring it from one generation to another is just very positive.

In terms of exports, despite the difficulties we have experienced over the past, we have a President that says no longer are we going to isolate agriculture and use it as the only tool of conducting American foreign policy. We are not going to impose embargoes only on agriculture in the future. That lesson down the road is just going to bear us return upon return in dollars that I really am not sure the corn growers or any of us could estimate and say 10, 20 years down the road the impact of that.

Certainly the gentleman from Kansas recognizes the difficulties we faced on our agricultural committee as we had to deal with those budget constraints. Yet I think we did something very worthwhile last year over the long term, and that is the commitment we made to conservation.

We all recognized for every bushel of corn we grow in this country we are looking at something like two bushels of soil that we are washing down the road. We all recognize that 60 percent of the Nation's croplands, 75 percent of the Nation's grazing lands need additional conservation attendance. We put the language in place.

We did not have the money in 1981. We had to make that difficult choice of do we take those limited resources and focus them on productive agriculture, and put the complementary and supportive means in place so that when the economy turns around we can put that emphasis on conservation.

So we have recognized the need for conservation.

We have also recognized the need for the economic climate, and I would suggest that perhaps we have also recognized that not only for the long term, but for the short term as well.

As I look at 1982, and as I look at the remaining decade of the 1980's, I think there are a number of things that need to be done and the agenda is rather long and large for those of us concerned about agriculture in this country.

First of all, the economy is all too obvious. Second, in terms of the structure of the agriculture, we made some great starts in that area in the tax policy. But we have a lot less to do in terms of our farm support programs, directing them to the people they were originally intended to support, that being family productive agriculture in this country.

Third, I would be remiss if, coming from my own area in the dairy area, I did not mention just briefly the troubles, the dilemmas we are facing. Last year we made an effort. We tried to reduce the price support program. The fact is that the result of that was just what many of us thought it was going to be. When you reduce the price, it only forces that farmer on the short term to increase production, because he needs to bring in additional revenue to meet his costs of production.

We are now in the terrible situation in this country where we are looking at the need above and beyond the farm bill of at least an additional $400 million in 1982 and $1.2 billion in 1983, additional appropriations for the dairy price support program above and beyond what was included in that farm bill last year.

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You know and I know we cannot afford that. We ought not be busting the budget for the dairy price support program, for the wheats, for the feed grains, for rice, for sugar, for cotton, for agriculture, any more than we ought to bust it for defense or for social services or for education or for health care or for transportation or any other sector of the American economy.

We all must learn to live within our budgets, and we must come up with new and innovative ways to do that. I would call to the attention of all my colleagues the particular proposals that I have introduced in the dairy area and that many of my other colleagues, such as the gentleman from Vermont (Mr. JEFFORDS), have also introduced, dealing with the dairy price support surplus, dealing with it in a way that lives within the budget, actually reduces the cost of the program to the Federal Government over that projected in the farm bill that we passed last year, and yet at the same time providing an increase in gross revenues to the average dairy farmer in this country.

Likewise, in terms of the grain prices, I suspect if I could work with the gentleman from Kansas and others who have similar concerns, if we could increase prices for our grains and our wheat, we would find a domino effect in so many other areas of agriculture, dairy, the livestock industry, and certainly agriculture as a whole, in terms of world trade. We have seen some of the short-term corrections that were needed in terms of the use of embargoes. We need to now continue the aggressive export expansion, and I certainly have to join those who have commended our Secretary of Agriculture, our trade negotiator in this area. And fifth, and perhaps the most important, the area of conservation. Over the long term, we cannot forget that.

The short-term agenda has been much, it has been inclusive, much has been done. Yet the long-term agenda includes many other programs that are equally positive. The major concern that we need to look at in this country at the present time is to take short-term needs, in terms of interest rates, in terms of credit, in terms of the economy, in terms of our support

prices. If we can combine some short-term corrections to those areas with the many long-term policies we have already put into place, I suspect that the future of agriculture in this country for generations to come will be one of the most prosperous sectors not only of our economy, but one of the most bountiful ways in which we can work to feed not only a hungry nation but a hungry world.

I thank the gentleman for his work. Mr. Speaker, I would be remiss, before I yield back my time, if I did not commend and thank the Speaker for his cooperation in this special order today.

Mr. ROBERTS of Kansas. I thank the gentleman.

Mr. Speaker, I want to again stress the value that I hold to the gentleman's personal contributions within the House Agriculture Committee and his leadership and his concern, not only for his dairy producers, but for all of us who are involved in agriculture—and that is really every citizen in this country.

I was recently on a 60 noncounty seat tour of some small towns in my district. I have 57 counties in what is called the Big First District of Kansas. We are actually, in district size, larger than the State of Pennsylvania. In town after town—and, by the way, if it had a post office or if it had a cafe or if it had a country elevator or if it had a church, we stopped there. And their message was the same: Does Washington really understand the seriousness of the problem that we are experiencing in farm country? And I know we do, on the House Agriculture Committee. I know the people who have taken part in this special order recognize that problem. And that was the intent of this entire special order, to focus on answers. We are going through a tough time.

It is rather ironic, it seems to me, that we are now being "discovered" once again in a rather quaint fashion by the New York Times and the Washington Post and Newsweek, and all of our national news publications. It always seems they discover us when we have some blowing dust and they ask, "Are you returning to the dust bowl days?" And they send a team of reporters out. I do not know why they do not send somebody out when we are doing something right, which we do every day in terms of producing food and fiber for this country.

I can make the case that my district and many more like it in farm country are hurting as much or more than other districts throughout the country. I am talking about producers, not nonproducers. It is this crop year that will make a difference between staying in business or going out of business. I am talking about diversified and established producers.

We have a real crossroads. We can go down the road to a market-oriented farm policy, where the farmer, hopefully, gets a reasonable price, that goal we have been searching for, it seems, year after year after year, in considering many farm bills. We can get it from the marketplace or we can go back to a Government-controlled agriculture.

We have heard a lot about the Indiana plan. Actually, we could call it the Texas plan, we could call it the South Carolina plan, we could call it the Kansas plan. It simply means that farmers tell us, "I would rather make something on 75 percent of my production as opposed to nothing on 100 percent, and we call for a farmer referendum to mandate that the farmer set aside that acreage."

However, I do not want the taxpayer to subsidize producers, and the farmer does not want that either. So we really have a choice, and once again we must become the principal supplier of farm products for this very troubled and hungry world.

What is being done? I can report to you with optimism and with confidence that, within the USDA at the present time, the USDA is sending joint Government-industry sales teams to countries that offer good potential for our markets. Five teams have already gone to 14 countries, in Africa, Latin America, and Asia. And Secretary Block has made three market expansion trips. An agreement has been reached with China for U.S. wheat and feed grains and soybeans market development, and we are groing to open several field offices in that regard. Some credit guarantees were increased for Brazil, and a Public Law 480 agreement was concluded in Morocco, meeting the credit needs to stimulate sales of U.S. wheat. The volume of U.S. wheat exports this year is expected to reach about 49 million tons, about 7 million more than last year. So Secretary Block is committed to that goal. We must again become a reliable supplier of food and fiber for the world.

Let me emphasize this is not just a parochial interest. Such issues as an abundant supply of food to allow the U.S. consumer to continue to spend a very low percentage of his disposable income dollar for food, such issues as feeding the hungry of the world, even world peace—hang in the balance.

There was a study done by an economist from Oklahoma State University about a year and a half ago, and he said at that time that if current projections and economic conditions continue, by the year 2000 over one-half of our Nation's food supply would be produced by 50,000 or fewer farmers—50,000 by the year 2000. If you think we have problems now, if these trends do not turn around and we do not get profit back in agriculture, think of what will happen. There are 72,000 farmers in Kansas alone. So the issues are indeed national in scope and international in scope.

I think the secret to this, again, is farm income. A reference was made by my colleague, the gentleman from Wisconsin, on the value of farm income. I remember back in the early 1970's, when we had all sorts of rural development bills being talked about in this body: grants and loans. And then we had some price improvement, especially in wheat country, and in 1973 and 1974 we say prices making some progress to parity levels. And do you know what happened? We reversed the outflow of young people, the outmigration of young people from our rural areas to the cities where they took jobs of young people in the cities. All of the Federal programs combined did not do one nickel's worth as good as one dollar increase in farm income. That shall be and is the goal of this administration.

At this point, Mr. Speaker, I also wish to second the comments made by my colleague, and I thank the Speaker for his patience. I yield back the balance of my time.

● Mr. HANSEN of Idaho. Mr. Speaker, those of us directly involved in the agricultural sector know that this Nation's farm economy is in worse condition than it has been for a number of years. We must examine the reason for this situation in order to attempt to find a solution.

The simplest explanation is that farm prices are down and the cost of producing is up. This is the result of high interest rates, high inflation rates, and other high operating costs in contrast to low prices and disrupted markets. Farmers are producing more and getting less.

The 4 years of Jimmy Carter's administration saw taxes rise, interest rates move from less than 7 to 21.5 percent, and inflation go up from 5 to 13 percent, with surges even higher. In addition, agriculture embargoes and an export-disrupting foreign policy brought depressed agricultural markets.

In an effort to correct this, the Reagan administration, in a comparatively short time in office, has significantly reduced inflation and taxes, while enacting a monumental fiscal reform program—and those frustrating high interest rates have now dropped to 15 to 16 percent with signs pointing to a continued downward trend.

Overseas reaction to an end to the grain embargo and an expanded export program is encouraging and promises to accentuate the already critical position agricultural exports play in our total balance of payments position. The Reagan administration has said it will continue to pursue an aggressive foreign marketing policy which will hopefully substantially increase the Nation's exports by 1984.

Patience and responsible efforts in dealing with our economics and marketing problems are obviously the way out of our plight. Early results are most encouraging and we must not become discouraged when 40 years of mismanagement are not totally corrected in only a few months.

Mr. Speaker, we must continue to do everything possible to help resolve the problems of agriculture while we still have people who are willing to invest in the business of agriculture, which is the real backbone of the Nation's economy and which basically provides the standard of living we have all come to expect.●

● Mr. **FINDLEY**. Mr. Speaker, the people of this country should commend the farmers who work each day and take the risks that are necessary to assure us that we will have enough to eat each day.

Agriculture is our largest industry. On January 1, 1981, agriculture's assets stood at almost $1.1 trillion. That is equal to about 88 percent of the capital assets of all manufacturing corporations in the United States.

Agriculture provides jobs for about 20 million people. Farming itself uses 3.7 million workers—as many as the combined payrolls of transportation, the steel industry, and the automobile industry. In addition, agriculture requires the services of 15 to 16 million people to store, transport, process, and merchandise the output of this Nation's farms. That is approximately one out of every five jobs in private enterprise.

Each year, farmers spend about $131 billion for goods and services to produce crops and livestock. They pay about $3.5 billion in farm real estate taxes, $606 million in personal property taxes, $3.8 billion in Federal and State income taxes, and about $344 million in sales taxes.

Today, some farmers are in trouble. Almost all face reduced income. Interest rates are still too high, and crop and livestock prices are too low. Our trading partners are restricting access to their markets and subsidizing their exports to cut into our market share. The recession is putting a crimp in our efforts to restore prosperity, because funds that are badly needed to meet operating expenses and to modernize equipment must be channeled to help an unacceptably high number of unemployed workers.

This Nation must act decisively to meet these challenges. We must put our people back to work in order to reduce the deficit and restore prosperity. To do this, we have to find markets for our products.

The Reagan administration is trying to do just that. While some of my colleagues bemoan the economic problems that confront us and call for huge increases in Federal farm aid, the Secretary of Agriculture has traveled throughout the world seeking new and expanded markets for our farm products.

The Special Representative for Trade Negotiations is aggressively testing the General Agreement on Tariffs and Trade to see whether we can rely on it to knock down trade barriers.

The President has lifted the embargo imposed on Soviet grain purchases by President Carter. Remember that I recently placed in the CONGRESSIONAL RECORD a study conducted for the National Corn Growers Association. That study showed that the embargo cost this Nation $11.4 billion in overall national output, 310,000 jobs and $3.1 billion in lost personal income. That's a mighty high price for an embargo that did not work.

I hope you also remember that President Reagan recently established a policy under which farm product sales will not be suspended, except as part of a total trade embargo, and with the cooperation of our major trading partners.

Today, the farmer's biggest enemy is inflation. Inflation drives production costs—including interest rates—above manageable levels. It reduces the value of his savings. It fuels land price escalation, making it harder for young people to get started in farming. And it undermines everyone's faith in our Nation.

We got into this problem following the policies advocated by those who think we can keep everyone happy by forcing Federal money into the system. Now, as we face the difficulties associated with the President's program, many people would like to turn back; to take the "easier" road. But we all know that the road we were on was rough and getting rougher. We knew this road would not be easy. I think this is the right road to prosperity, and I urge my colleagues not to abandon it to return to the failed policies of the past.

Thank you.●

● Mr. **EVANS** of Iowa. Mr. Speaker, today with many of my colleagues focusing attention on the situation in rural America, both on our farms and in our small towns, it is timely for us to take a look at ourselves—at what Congress is failing to do which could go a long way toward alleviating the uncertain economic condition faced by rural Americans.

We easily focus attention on what others can and probably should do to help improve the quality of life around us, but it is we, in Congress, who have the responsibility to act. Too often, in my view, the legislative branch waits for the Executive to propose action to meet a challenge or correct a deficiency. But it is we, in Congress, who need to be more bold and original in addressing the needs of our constituents.

To me and to my constituents, it is disappointing that so little action has been taken by this 2d session of the 97th Congress. We have cast fewer than 60 record votes this entire legislative year, and that includes votes on procedural matters. We hold short sessions when, indeed, we hold any session at all. We seem unable to address the real needs of the Nation. And the foot-dragging is not due to a lack of original ideas. In virtually every area of need for farm families and those who live in rural communities and towns, there exists in our committees good, reasonable legislation which should be acted upon. If the Democratic majority in the House continues to refuse to act on the problems and needs of rural America, they will face the wrath of a major segment of our Nation.

Farm and smalltown families expect to put in an honest day's work for their pay and they expect their elected officials to do the same. As we take an accounting of the economic strains on rural America, we should remember that many opportunities for legislative solutions have already been drafted and put before Congress. But without an interest on the part of the majority party and action by its Members, we can make no progress.

Handwringing over the budget should be reserved for those who serve on that vital committee. All other Members of the House need not merely stand and wait for action on Federal spending. We need action now on productive legislative proposals dealing with the farm problem—proposals we have in abundance.

I think it wise that we review some of the issues before us and the legislative proposals already drafted which await House action to deal with those issues.

Tax incentives for soil conservation.—The Ways and Means Committee has legislation bottled up which would provide much needed incentives to farmers to encourage the practice of sound conservation measures. H.R. 2515 would provide a 10-percent investment tax credit for expenditures on soil and water conservation measures. H.R. 5724 provides a tax exemption for loans taken out by farmers to construct soil conservation terraces and for drainage equipment for these terraces. H.R. 5814 would allow a tax exemption to farmers on money borrowed to purchase soil conservation tillage equipment. These are just a few examples of the type of conservation legislation needed by our farmers. The management and use of our productive soils and waters will determine the long-term quality and productivity of the Nation's land. The costs of conservation measures cannot be readily

recovered in the marketplace, and this places an unfair burden on private producers who provide a public benefit and often lose money in the process.

Rural development initiatives.—H.R. 6009, the Enterprise Zone Act proposed by Representatives KEMP and GARCIA and supported by the administration, calls for a combination of Federal, State, county, and local incentives for businesses which would locate or expand commercial activity in locations which suffer from chronic loss of population, high unemployment, or below average income levels. Metropolitan areas as small as 4,000 population and nonrural statistical areas over 2,500 population would be eligible. H.R. 5137, the Rock Island-Milwaukee Railroads Amendments Act, establishes a procedure to expedite the sale and liquidation of the property of a bankrupt railroad. The transfer of the lines of the Rock Island in Iowa to new owners would provide new jobs for workers and restore service over lines serving major grain-producing areas.

Acid rain.—The Clean Air Act is a major piece of legislation which is deficient in an area of prime importance to farmers—crop yield reduction. The adverse effects of acid rain on corn, wheat, and soybeans is undeniable and has been confirmed by studies done by the Office of Technology Assessment. Unfortunately, although three separate bills concerning acid rain have been introduced, not one has been incorporated into the proposed Clean Air Act being considered by the Energy and Commerce Committee. This is irresponsible and will only transfer additional costs to the farmer and cause him to suffer needless loss of agriculture productivity.

Expanding exports.—The agricultural producers of this Nation face a cost-price squeeze on farm commodities that is having a serious effect on farm income. Farmers are still feeling the effects of the 1980 embargo imposed by the Carter administration. It is vital that the sagging farm economy be bolstered, and expanded exports of agricultural commodities offer the greatest promise of raising farm prices. With this goal in mind, I have introduced legislation aimed at encouraging the export of agricultural products. H.R. 4510 is a bill to restore authority for the Export-Import Bank to finance U.S. agricultural export sales abroad. This authority was available and used until 1977 when President Carter repealed the use of these funds. This bill is one avenue of assistance. In addition, H.R. 5489 proposes to reinstate the barter program which operated in the 1960's in which the Commodity Credit Corporation exchanged CCC-owned agricultural commodities for strategic materials stockpiled by the General Services Administration. This barter program was suspended in the 1970's. It should be reactivated and expanded to include barter of agricultural products for oil for the natural petroleum reserve and barter through commercial channels. USDA estimates that for every additional $1 billion of U.S. agricultural products exported, 35,000 jobs are created, and $3,360,000,000 finds its way into the pockets of our Nation's farmers. With this in mind, I believe we must follow-up on a provision Congress adopted as part of the 1981 farm bill, the agricultural export credit revolving fund. The fund needs a one-time appropriation from this Congress which would be repaid many times over through reduced deficiency payments and additional jobs.

Elevator bankruptcies.—For over a year, farmers have been asking this Congress to recognize the plight of farmers who suffer devastating effects from the bankruptcy of grain warehouses where their property is stored. Farmers want us to take action to protect them from the unique hardships and uncertainty incurred. Under current law, when a grain warehouse files bankruptcy, farmers are faced with months of uncertainty and probable loss of property which was stored there in good faith. In the past year, a number of bills to aid these producers have been introduced, but no laws have evolved. Legislation easily passed the Senate, but efforts here in the House have been stalled in committee. It is time to move these bills out of committee and put them into law.

Mr. Speaker, I have mentioned only a few of the proposals before the House which would help rural America. And I ask you, sir, and the leadership of your party, to stop dragging your feet and to take action on these proposals.●

● Mr. **SKEEN**. Mr. Speaker, we did not get into this situation overnight. It took years to develop. But naturally we expect someone to fix it overnight. That is the way we are. The American people have those kinds of expectations, and that is one of the things that has made this country great.

Through the seventies, there was enormous growth in Federal programs, and especially in the late seventies, Congress authorized a tremendous amount of additional Federal lending. This began to put the Government heavily into the credit market.

All this was not so obvious when it was being done. It was not at all clear to many what the consequences might be. Of course, there were a few voices of gloom and doom, but they were easily brushed aside.

Then, one morning, we woke up with double-digit inflation and interest rates at nearly 21 percent.

We had a Federal budget that was growing at the rate of 17 percent a year.

We had a Federal debt that was going through the ceiling.

We had federally sponsored borrowing that nearly doubled between 1977 and 1981.

We had Federal credit demands that accounted for 35 percent of all funds raised in U.S. credit markets in fiscal 1981.

It was as though suddenly we got presented with the bill.

When Congress was doing all these good things with Federal tax dollars, and it was a question of paying now or later, later seemed more convenient.

Well, this is "later," and the chickens have come home to roost.

It could not come at a worse time for agriculture. The Soviet embargo under the last administration weakened prices for the long term, and seriously undermined our export position for the future by encouraging greater production in other countries that wanted to supply the Soviet market.

Record grain crops have pushed prices down still further, and the combination of low farm prices and high interest rates is putting many producers under severe financial strain.

Unfortunately, there are no easy answers. More credit is not generally a good solution because in most cases with individual producers, it is part of the problem. Trying to generate a cash flow large enough to meet interest costs has become more and more difficult for many.

There is not enough money in the Federal Treasury to raise farm income substantially through commodity programs, and that would not help the livestock industry. Besides, with the reductions that are being made in other Federal programs, it is unlikely that either the Congress or the administration would go along with that.

As a result of steps the administration and the Congress have already taken, we have seen a substantial decline in the rate of inflation. The Consumer Price Index grew at a rate of 12.5 percent from the fourth quarter of 1979 to the fourth quarter of 1980. It was down to 9.5 percent in 1981, and now it is running just over 7 percent.

The growth of the Federal budget has been reduced from 17 percent in fiscal 1980 to 14 percent in 1981, and will likely be just over 10 percent in 1982.

The most important thing we can do right now is to meet the challenge of the fiscal 1983 budget in a responsible way. If we can do that, there will be some hope for further reductions in interest rates, which will help agriculture and all other segments of the economy.

Mr. Speaker, the problems we are facing now have been a long time building and the solutions are going to continue to be painful for all of us. The coming days will be critical ones for agriculture and the Nation. It is vital that we get our priorities in order in this body so that we can deal with the situation in a way that will send a strong, positive signal to the economy and the American people.●

● Mr. HAGEDORN. Mr. Speaker, I could not be in more agreement with my colleagues concerning the severity of the financial straits of our Nation's farmers. There is no question that agriculture is undergoing a severe economic situation.

However, I do not believe we can solve our long-term economic problems by imposing short-term quick-fix solutions. For example, raising the loan rates for wheat, feedgrains, and other major commodities has always been promoted as a quick solution, particularly during depressed conditions. The principle of price supports is to provide a safety net to avoid economic disaster, not to encourage excess production. In the long run, setting high loan rates will result in an artificial economy that would serve only to aggravate the current supply-demand situation, not to mention the tremendous costs to the Government.

Government payments to divert land from production is another form of quick fix. USDA has instituted the voluntary reduced acreage program and signup is now complete. The producer response has been quite favorable. They have enrolled almost four-fifths of their base acreage. Instead of direct payments, farmers are offered operating capital in the form of loans and target price protection. I believe that most farmers will actually participate in the program. If they do not, we will be faced with continued depressed commodity prices, a shortage of storage space, large deficiency payments, and huge inventories of grain financed by the Government. Supply management is the key to solving our economic dilemma.

The same problem is evident in our dairy price support program. Milk production continues to set records and Government purchases of dairy products are expected to reach an unprecedented level this marketing year. As a result, the Congress will be forced to reexamine the whole concept of the dairy program.

I can sympathize with dairy producers. Cow and replacement heifers are at near or record numbers. Feedgrain and cull cow prices are low and few outside opportunities exist at present. Domestic and foreign demand for dairy products is near the saturation point. Nonetheless, we must implement some form of supply management or jeopardize the price support program and the dairy industry itself. Several of the proposals now before Congress contain such supply management concepts.

The livestock sector has shown some recovery in recent months. Choice fed steer prices have increased more than 15 percent since January; barrow and gilt prices have risen 25 percent during the same period. Why? Because the livestock industry has been making adjustments to bring supply in line with demand. Hog producers have cut back production plans in order to operate at profitable levels. It is precisely this kind of adjustment that is necessary to put agriculture back on its feet.

Our responsibility, as Members of Congress, should be to foster the philosophy of reliance on the marketplace to sustain farm income and not place the burden on the U.S. Treasury. To that end, we need to seek new export markets and continue to be a reliable supplier to our existing ones. We need to better utilize the existing export credit programs, implement the CCC revolving credit fund that was mandated under the 1981 Farm Act and explore other concepts that will enhance trade expansion. I am working with the administration to develop a program to provide an outlet for wheat and feedgrains to qualified customers over and above current threshold levels with concessionary financing terms. We must shift our emphasis by allocating funds into these export programs rather than into CCC price support programs.

Of course, we will have to address the specific trade problems that we have encountered in exporting agricultural commodities. This administration has taken an aggressive stance in bringing our trading partners into line on fair trade issues. I believe it is time that the Congress make it perfectly clear to our competitors that we will not tolerate unfair intrusion into our markets with tariff and nontariff barriers.

Most important, the Congress has a responsibility to come to grips with the current stalemate of the budget. We cannot expect any sector of the economy, particularly agriculture, to recover in the near future, if we cannot reach a compromise on the budget. The Federal Reserve will not even consider modifying their tight monetary policy nor will the banking and business community react favorably with lower interest rates and increased productivity until we address this issue. It is time to put our economic house in order, not exacerbate it by quick infusions of money that will only put us in a larger deficit situation and ultimately devastate our economy.●

● Mr. TAYLOR. Mr. Speaker, undoubtedly one of the best things that has happened to the farmers of this Nation in a long time, was the passage of the Economic Recovery Tax Act of 1981, which brought about major revisions in the estate and gift tax laws.

I do not know anyone connected with agriculture in any way who is not concerned about the preservation of the family farm; however, our antiquated estate laws have made it virtually impossible, if not extremely expensive, to leave the property to a spouse, son, or daughter, because of the increased tax liability on farms that have been affected by rising land values and farm expansion.

I do not intend to go into all of the details at this time; they are pretty well known. However, it is worth noting some of the important features of the law which include:

An increase in the estate and gift tax unified credit that will be phased in over 6 years and will allow $600,000 to be transferred tax free in 1987 and later; a reduction in the highest marginal estate and gift tax rates; an unlimited marital deduction; a relaxation of the requirements under the installment payment provisions for estate taxes due; and a general relaxing of the qualifying requirements for the special use valuation law which allows farmland to be valued at its use value, rather than at its fair market value for estate tax purposes.

The best way in the world to preserve the family is to make certain that the farm can stay within the family. By getting Government out of the way where inheritance is concerned, we have taken a major step.

This is just one more example of where the Economic Recovery Tax Act of 1981 was not a rich against the poor law, but rather a law that seeks to ease the tax burden the Federal Government has placed on the farmers of this Nation that has discouraged the transfer of farmland from generation to generation.●

● Mr. WAMPLER. Mr. Speaker, in title XIV of the 1977 and 1981 farm bills, the Congress sought to halt decades of decline in Federal funding and emphasis on research and education in the food and agricultural sciences.

It is no secret why America leads the world in the production of food, fiber, and forest products. The effort to put our country in that leadership role began as far back as 1862 when our Government entered into a longstanding commitment to endorse and support public expenditures at State land-grant colleges and universities for agricultural research and education programs for the extension of technical knowledge from the science laboratories to the user farmers and ranchers of this Nation. This effort also included as well programs that enhanced the living conditions and standards for farm and rural people and people throughout our country. This commitment reached its climax in 1939 when approximately 39 percent of all Federal research and development funds were allocated to agricultural research and education. Unfortunately, by 1975, funds for agricultural research and education had sunk to approximately

2 percent of the Federal R. & D. budget. Fortunately for the American farmer and consumer, these earlier efforts paid such rich dividends that our Nation gained the capability to produce a cornucopia of food, fiber, and forest products far outstripping the capabilities of our competitors. Moreover, our agriculture industry, with only about 3 percent of the Nation's labor force as farmers, produces such an abundance of food and fiber that our own people enjoy the best quality diet purchased with a smaller percent of disposable income of any people in the world in the history of man. This remarkable feat has been made possible through extensive technological developments adopted by our farm producers and processors. These developments and adoptions have as their basis the research and educational institutions, our land-grant colleges, and the 1890 institutions across the Nation.

Agriculture is one bright spot for America in the world marketplace. While our Nation is blessed with natural resources necessary for extensive agricultural production as well as a favorable climate in much of the Nation, the might and importance of the industry are dependent on other factors, primarily past technological development. We must continue to develop new technology if we are to maintain our world market position. Two decades ago, most Americans held the notion that products made in Japan were cheap handmade trinkets with little durability. What a change has taken place! Where in the world will similar changes take place to enable farm producers to out-compete American producers? Only if we maintain a commitment to those factors that have enabled the American agricultural industry to grow in magnitude and importance will we maintain our ability to sell significant amounts of our production to the world and pay for the vast qualities of raw products we must import from other nations to fuel and feed our own industries and provide jobs for American labor. And only by selling to the world market can we share in meeting the needs of hungry undernourished people of the world.

It is known that the worldwide demand for food and fiber will increase throughout the rest of this century. It is anticipated that people of the world will seek a better quality diet which will include more animal products. In other areas of the world, there have been examples of dramatic improvements in agricultural production. India, long riddled with famine, is now producing enough wheat to meet most of its domestic needs. This is a direct result of U.S. wheat research, advanced by Normand Borlaug at CIMMYT in Mexico, and subsequently adapted in India. Similarly, rice production in Asia has significantly increased as a result of research at the (International Rice Research Institute in the Philippines. We, in this Nation, have experienced approximately a twofold increase in crop yields since 1940, largely a result of technology initiated over a century ago. We know that there are substantial dividends for investments in technological developments in future agricultural production.

Some have said that the importance of agriculture is equal to, if not greater than, that of our national defense system. In regards to maintaining a strong competitive agriculture, the Soviet Union and People's Republic of China are placing the highest priority on food production research with emphasis not only on output, but on stable production from year to year. We feel that the future of America can be no better than the future of the agricultural industry. It is within the national interest to provide public support for agricultural research and education.

While we know there will be demand for farm products, we should not take for granted the possibility that American agriculture will fill that demand without competition.. In most recent years, productivity on American farms has been plateauing. Some of the reasons for this plateauing are soil erosion, reduced soil organic matter, soil compaction, chemical residues, more less productive land in production, increased pressure on prime land for nonfarm uses, fewer options for water, fertilizer and pesticides, increased regulatory constraints, and decreased support for agricultural research and extension in real dollars. This plateauing is not the result of not having any remaining potential to realize from continued research and education.

While approximately half of the agricultural reseach in the United States is funded with private funds, we do not feel the Nation should rely more heavily on this funding source. Furthermore, many necessary projects would never be undertaken were we to rely on private initiative.

Funding of food and agricultural research involves the expense of having "things" ready to go when research is required. Being prepared demands maintenance and replacement of research tools: flocks, herds, barns, feed, milking parlors, machinery, field stations, land, orchards, crops, irrigation equipment, and greenhouses. We see a need for consistent formula funding of the Hatch Act, as these funds are the basis for maintaining research systems.

Benefits to farmers from research which reduces the cost of producing food, fiber, and forest products spill across county and State lines when we develop improved technology. Early acceptors and implementors benefit, but in the long run, the true benefactor is the American consumer. Research benefits everyone in the supermarkets. Therefore, it is appropriate to maintain significant Federal funding.

Federal funds provide an element of Federal influence. This influence is in the form of coordination of efforts and results in minimizing duplications. Federal involvement also provides for upward and outward movement of information. The USDA Science and Education agencies—ARS, CSRS and Extension—are examples of effective Federal agencies. Further, CSRS and Extension which manage Federal/State partnership research and education programs are Federal agencies with relatively limited staffs that provide valuable coordination points for these programs.

The next generation of researchers and teachers and demonstrators have some exciting opportunities. The results of their efforts can be even more dramatic than the results of the past. Researchers can keep American agriculture great with greater photosynthetic efficiency, improved biological nitrogen fixation, genetic improvement and cell fusion techniques, greater resistance to competing biological systems, more efficiency in nutrient uptake and conversion, reduction in losses from nitrification and denitrification, greater resistance to environmental stresses, and identification of hormonal systems and mechanisms, to mention but a few areas.

Chemically synthesized nitrogen fertilizer represents the largest single industrial input into agricultural production. One-third of the fossile fuel energy consumed in food production is for this use. Each pound of synthetic nitrogen fertilizer requires an input of 30 cubic feet of natural gas. When applied to the land, much of this fertilizer can be lost to leaching by rain or to volitalization to the air. The amount lost will depend on variance in the weather. Consider the significance of research that could result in a crop such as corn fixing nitrogen from the air.

Solar energy is clean, renewable, and nonpolluting. Agriculture is the only major industry that directly depends on solar energy; we farm the Sun. Plants are literally biological Sun traps, and we ought to invest more of our resources to learn more about this magical process.

We recognize and agree with the need to reduce Government spending. We also recognize the dramatic returns available from investments in agricultural research and educational. We are convinced that the commitment should be increased and that the Federal partner must participate in the increases. We hope that the future will have increases even more extensive than those proposed by the administration in this year's budget.

Mr. Speaker, I am proud to report that the President and the Secretary of Agriculture are both in full support of the need for maintaining our leadership role in American agriculture now and into the future. In this regard, it is important to note that the only element of the fiscal year 1983 agriculture budget that received an increase was the research and education program. Moreover, I have been informed by Secretary Block himself, that an outstanding scientist and leader in American agriculture for the position of Assistant Secretary of Agriculture for Research and Education has been recommended to the President for nomination to the Senate for confirmation, further committing this administration to a strong agricultural research and education program to maintain and enhance our future role as the leader of the world in food, fiber, and forestry production at prices both beneficial to our farmers and ranchers and consumers both here at home and abroad.●

● Mr. BAILEY of Missouri. Mr. Speaker, imagine going to the grocery store and finding California oranges selling for $1 apiece, pork chops going for $10 a pound, and beef steak selling for $16 a pound. These are the prices of American food at grocery stores in Japan. Such outrageously high prices keep the Japanese consumer from buying and the American farmer from selling. As a result, the U.S. trade deficit with Japan is $15 billion.

This enormous trade gap is a sore spot with me and any thinking farmer. America's best hope for improving our trade balance is in increasing agricultural export markets. That is a lot easier said than done though, because the Japanese Government is working hard to limit its food imports from the United States.

Japan depends on the United States for its food supply. Our exports make up half the food the Japanese eat. More cropland is used in America to feed Japan than is farmed in Japan; our farmers devote 1 acre in every 20 to supplying the island nation.

Japanese consumers want more American products. At a recent American agriculture show, held in Tokyo, Japanese consumers stood in line for hours to buy American beef at American prices. The same imported beef purchased at a Japanese grocery would have cost eight times as much.

Publicly, the Japanese Government says it is easing trade restrictions on agricultural products. It recently increased the beef import quota from 100,000 tons to 135,000 tons, and some quotas were relaxed on high quality American beef. But private shenanigans offset any effect the public efforts have.

The United States can deliver beef to Japan at less than $2 per pound—including transportation costs. By the time the beef shows up on grocer's shelves it is $16 per pound. Japanese farmers have put heavy political pressure on the Government to keep that price high and to keep consumers buying Japanese products. There is no use easing quotas when very few can afford to buy the product.

Unfair markups like this keep us from reaching our full export potential in Japan. It is unfair to our farmers because they are by far the world's most efficient producers of food. It is unfair to our auto industry because we do not use the same tactics to keep foreign cars priced out of American markets. And it is unfair according to the basic rules of free trade—nations should trade among themselves so that everyone benefits equally.

While watching the evening news recently, I saw Japanese farmers marching in the streets. They were protesting the slightly relaxed beef quotas. Japanese farmers say they produce quality foodstuffs. However, they cannot do it as efficiently and as inexpensively as we can. That is what the price difference is all about.

Those protesting farmers seem to forget that Japan's current prosperity is due largely to its vast export markets. If they hope to continue prospering as a nation, they will have to continue playing the trade game. And, if they hope to continue having virtually unrestricted export markets in the United States then we must get equal treatment in their markets. The trade game must be played fairly.●

● Mr. JEFFORDS. Mr. Speaker, I rise to commend the Farmers Home Administration for its work with borrowers during this period of financial strife. It is clear to me that FmHA is going "the extra mile" with the borrower who has the ability and shows a desire to continue making payments but is temporarily unable to do so because of circumstances beyond the borrower's control.

I am concerned over public policy changes which are being suggested by some of my colleagues. These changes deal with the repayment of Farmers Home Administration loans. The first requires FmHA to grant a loan repayment deferral to any borrower who meets certain minimal conditions and who requests a deferral. The second provision would impose an across-the-board moratorium on all FmHA foreclosures in any State where FmHA forecloses on 1 percent of its borrowers.

There are several reasons why a board moratorium and deferral policy should be opposed:

FmHA serves only about 10 percent of all farmers. Any type of deferral or moratorium would put the overwhelming majority of the farmers—90 percent—at a severe disadvantage since they would have to continue repaying their loans.

A mandatory deferral would cause the loss of payments that the large majority of borrowers can and are prepared to make, and disrupt operations of the loan revolving fund. Money collected is loaned again from this fund. If collections are stopped, the fund can be sustained only by use of Treasury funds obtained through public borrowing—a procedure that increases the public debt.

The Secretary already has discretionary authority to establish moratoriums on repayment of loans when he deems such action is necessary and in the best interests of all concerned.

Adoption of this amendment could cost USDA $1½ to 3 billion annually if the moratorium were triggered on a widespread scale; in addition, the orderly financial management of the revolving fund programs would be disrupted.

FmHA generally forecloses only when there is no reasonable chance for the borrower to continue a viable operation. It has never been, and certainly is not now, a policy of FmHA to engage in large-scale foreclosure efforts.

Current FmHA policy sets a high priority on counseling its borrowers on a case-by-case basis. This case-by-case basis is the only equitable way to deal with borrowers. To lump individual problems together and treat them en bloc would invite program abuses on the part of borrowers who might be able to repay their loans but would choose not to do so.

Farmers Home Administration needs to have the option to foreclose and not grant a deferral when such action is justified; to be required to do otherwise would not be prudent program administration, and would create havoc in the agency's loan and accounting departments.

Farmers Home Administration has pledged to us—in testimony and in writing—to work closely with each individual borrower experiencing problems, and to implement a wide range of discretionary tools to deal with each producer's specific and unique credit problems.

Deferral would not deal with the problem faced by borrowers who are long delinquent—with loan payments overdue by more than 2 years. They might be able to stay in business another year by relying on off-farm income or selling some of their assets at depressed prices. However, they face poor intermediate-term prospects in paying off their debts and in their efforts to become viable producers.

Deferral could result in an increased demand for FmHA loans, especially operating loans, because borrowers would not have to repay them until the fall of 1983 under some of the bills introduced. Demand would be further heightened if the loans were also interest-free in the interim. Commercial and Farm Credit System lenders as a result would likely steer their riskier borrowers to FmHA, which is required to serve borrowers not eligible for credit elsewhere.

Deferral would likely stop the graduation process of FmHA borrowers to other lenders.

There may be a temptation to respond to an emotional appeal for a board moratorium and deferral. However, I ask my colleagues to resist such a temptation as it is bad public policy.●

● Mr. RAILSBACK. Mr. Speaker, farmer Maurice Sinclair of Montrose, Iowa, stated in an April 23 Wall Street Journal article that, "You can't make a living at the coffee shop bitching about hard times. Cycles are cycles, and you keep farming till they turn."

We could well heed the Iowa farmer's advice. With mounting concern about the impact of our farm economy's uneven decline, we in Congress can either spend our time passing the blame around for agriculture's economic woes or we can push for serious consideration of legislation that will help the farmer sell his commodities.

I know few would dispute that farm income has been under pressure from record harvests, sluggish world demand and a strong U.S. dollar, and high interest rates. Farmers who have gambled on the continued rise in land prices and the rate of inflation, or those who have proven to be inefficient managers, now find themselves in a precarious financial position.

A balanced perspective cannot, however, ignore the marked improvement in hog and cattle prices, the solid financial condition of most dairy farmers, or the cushion off-farm incomes provide more than two-thirds of U.S. farmers. According to the Wall Street Journal article that I cited, "Most farmers, the experts say, will survive the recession in good shape."

While agriculture's 1981 trade surplus of nearly $27 billion offset almost half of our country's petroleum deficit, other gains beneficial to farmers were being recorded in 1981. Congress passed important tax reductions and estate tax reforms proposed by President Reagan. The President's Task Force on Regulatory Reform reported a significant reduction in the output of burdensome and costly Federal regulations. A dramatic reduction in the rate of inflation, which has sent the cost of production skyrocketing, has also been achieved since the President took office.

To the credit of Agriculture Secretary John Block, Congress, working under severe budget constraints, passed major farm legislation, and the President signed a 4-year farm bill that maintains essential income protection programs while moving farming toward a greater market-oriented approach. Secretary Block was also the driving force behind the President's decision to lift the 1980 selective grain embargo, an embargo that cost this country an estimated $11.4 billion in overall output, 310,000 jobs, and $3.1 billion in lost personal income. I know all farmers welcomed President Reagan's pledge not to single out farm commodities in future foreign policy disputes.

As the economic viability of our farm sector has increasingly become a function of world markets, our need to provide greater market access for our products and enhance our competitive posture in the world has grown. Secretary Block and others in the administration are making progress in an effort to reduce Japanese and European Community trade barriers to our farm products. Secretary Block has also indicated his concern about the need to increase U.S. farm exports by personally leading export trade missions to foreign markets.

The House Judiciary Committee has begun final consideration of legislation that would encourage the formation of export trading companies, which would provide farmers and businesses with the marketing and financial expertise to promote our exports abroad. A University of Illinois professor has produced a study that indicates this bill could increase U.S. exports by 10 percent and create about 12,700 new jobs in Illinois alone.

The export trading company bill, the Grain Elevator Bankruptcy Act, which would give farmers a priority position in the disposition of a bankrupt elevator's assets, and Representative FINDLEY's bill to appropriate $500 million for the Agricultural Export Credit Revolving Fund, all supported by the administation, are examples of constructive and reasonable efforts to assist agriculture. These bills, Mr. Speaker, deserve our serious consideration.●

● Mr. BUTLER. Mr. Speaker, economic uncertainties have been a way of life for the American farmer for many years. For a variety of reasons, these have become increasingly acute in recent years and have nothing to do with the policies of the Reagan administration. All of you, I am sure, will recall that the recent tractor descent by farmers on Washington took place under another administration at a time when both Houses of Congress, as well, were controlled by the other party.

For the most part, the problems of the American farmer have been a long time in the making. In part they are structural and are tied to policies peculiar to agriculture. But the problems of the American farmer are also tied to the state of the general economy and are made worse by the same plagues that beset industry and commerce: continued high interest, the previous high rate of inflation, the effects of over regulation on productivity, the availability of capital to expand and of loan money to finance an adequate cash flow. Well, the Republican Party did not get us in this economic mess; it was Democratic policies and Democratic leadership that did it. Now Republican policies and leadership are beginning to address these problems and I am confident that we will be successful. Just last month, inflation dropped to its lowest level in 17 years and interest rates are down from a high of 21.5 percent in 1980 to 16.5 percent as of April 1982. In addition, progress is also being made on problems peculiar to the farmer, such as exports.

Fundamental to the future success of the American farmer is finding new markets for his products. Increasingly, this has been accomplished by expanding exports to both developing and developed countries; in fact, in the past 10 years, agricultural exports have increased 450 percent.

Agricultural exports to Japan have contributed to this growth. However, Japanese trade barriers have artificially restricted the market for American agricultural products, exacerbating our trade imbalance with Japan and fueling public sentiment that the United States adopt reciprocal measures.

In January of this year, I traveled to Japan as a participant in the United States—Japan parliamentary exchange program. I am satisfied that the Japanese Government does understand our concerns and is sincere in its desire to respond to them. While we certainly have a long way to go on this road, already, trade talks with Japan have resulted in the liberalizing of 36 nontariff barriers affecting agriculture and there are positive signs of additional movement on these matters. For example, after a series of meetings and consultations, Japan has agreed to meet next October—6 months ahead of schedule—to negotiate the removal of quotas on beef and citrus products. In addition, after several years of trying, the Government has finally gotten the Japanese Government to agree to focus on the legality of their agricultural quotas in terms of the GATT.

While trade barriers have been the focus of debate for improving agricultural exports to Japan, new cooperative programs between our countries has further expanded Japanese markets. For example, the U.S. Feed Grain Council has worked closely with Japanese livestock producers for more efficient production of high quality Japanese beef. This has created a rapidly growing market for American corn and by the end of the decade, corn trade with Japan should be substantially higher than that of today. Taken in concert with the easing of trade restrictions, such cooperative programs should contribute significantly to the growth of exports to Japan.

The problems facing the American farmer can be overcome. Admittedly, improving the conditions of American trade with Japan is only a small part of a large program which must be undertaken to restore the vitality of the American agricultural sector; nonetheless, it cannot be overlooked, and I am confident the administration's prudent and determined course will benefit the American farmer while strengthening our relations with Japan.●

● **Mr. STANGELAND.** Mr. Speaker, first of all, I want to commend my freshman colleagues on the House Agriculture Committee for calling this special order to discuss and review the condition of the American farm economy. The gentleman from Kansas and the gentleman from Wisconsin have repeatedly shown their deep commitment to the American farmer and, in a short time, have established themselves as two of the strongest advocates our farmers have in Congress.

There is no question that the entire agriculture sector has been hard hit. Incredibly low commodity prices, coupled with high interest rates, are responsible for the serious condition currently facing our farmers. Internal U.S. Department of Agriculture projections indicate that the agriculture community could be facing an unprecedented third straight year of declining net farm income.

Although interest rates have declined somewhat from the 20.5-percent prime rate that existed when President Reagan first took office, they are still too high. If the financial markets begin to perceive the dramatic progress that has been made on inflation is permanent, and if the Federal deficit is reduced, then interest rates will surely decline.

However, it is our responsibility to make the difficult cuts in spending, as well as to close those existing tax loopholes which have been abused, in order to lower the deficit and pave the way for lower interest rates for our agricultural community. We, in Congress, must not shy away from the hard choices that must be made to get interest rates down and keep them down.

In the short term, efforts to hike up commodity prices by expanding farm product exports have been hindered by suspicions abroad that the United States cannot be depended upon as a reliable supplier. Past embargoes—by administrations from both political parties—are responsible for this perception and our farmers are the ones who have been forced to suffer, and who continue to suffer, as a result of these misguided actions.

The farmers in my congressional district have no doubts about the devastating short-term and long-term consequences that the Soviet-grain embargo caused and it was particularly encouraging to hear President Reagan's recent comment that "the embargo of 1980 was totally ineffective, yet it caused great economic hardship to U.S. agriculture. We will not repeat such action."

Since the embargo was lifted by President Reagan, United States sales to the Soviet Union have totaled more than 15 million tons of wheat and corn. In addition, the recent announcement that United States and Soviet grain teams will hold consultations under terms of the U.S.-U.S.S.R. grains agreement later this month, is another indication that the administration is reestablishing this important market for the benefit of our domestic producers.

Our farmers have been, and always will be, the backbone of this Nation's economy. We must continue to strive for, and implement, sound programs and policies that will restore the economic health of our agricultural sector and increase the net return of the individual farmer.

Again, I commend my distinguished colleagues for reserving this time to discuss the current condition of American agriculture.●

● **Mr. HOPKINS.** Mr. Speaker, I am pleased that my colleagues on the Agriculture Committee have requested and received an opportunity to share with our other colleagues some of the high points in the agricultural situation in our country. Since I am the ranking Republican member on the Tobacco Subcommittee, I would like to focus my remarks on that area.

Several worthwhile changes have occurred during the past 16 months with respect to the operation of the tobacco program. The changes have, for the most part, been embraced by tobacco farmers who welcome the opportunity to support the President's programs, while seeking to improve a program so vital to their economic well-being.

One such opportunity presented itself during consideration of the Omnibus Budget Reconciliation Act of 1981. The administration proposed the assessment and collection of user fees for certain Government services. One such service is tobacco grading. Heretofore, the inspection, certification, and establishment of standards for tobacco has been provided free of charge to tobacco producers. As a result of action taken last year, fees were charged for this service. Tobacco farmers, at least in my district, responded to this attempt at cutting Government spending with widespread support, and the implementation of the new program will result in savings of about $8 million annually to America's taxpayers.

During consideration of the 1981 farm bill, as you know, an amendment was adopted that mandates that the tobacco price support and production adjustment program be operated at no-net cost to the taxpayers, except for incidental administrative expenses. Now, as most of my colleagues will remember from discussions during the debate on the tobacco amendment, the tobacco program is the least expensive of all of the major commodity programs. So cheap, in fact, that in fiscal year 1981, more loans were repaid than were made, representing a net receipt, not outlay, of $51 million. No other commodity program can boast of such a record. But, nevertheless, Congress has mandated that the program operate at no-net cost. To accomplish this, the Subcommittee on Tobacco and Peanuts has held a series of hearings throughout the tobacco-producing regions of our country to receive suggestions on how to best operate the program at no-net cost while maintaining its effectiveness—attempting to insure tobacco farmers of a fair return on their investments of labor and money while providing both domestic and foreign markets with adequate supplies of high quality tobacco at competitive prices—not an easy task, I assure you. We have received volumes of testimony, and are in the process of developing legislation to be considered shortly. Let me be quick to say that tobacco is not a partisan issue—any changes in the tobacco program will be made through a bipartisan effort. I look forward to working with my able subcommittee chairman to affect these changes.

Another amendment was adopted during consideration of the farm bill that improved the efficiency and preserved the integrity of the tobacco program. That amendment addressed the problems associated with the production of nonquota tobacco, the kinds of tobacco produced by farmers who have chosen not to participate in the price support and production restriction program, in areas where quota tobacco, tobacco controlled by these programs, is grown. That amendment imposes strict penalties on farmers who grow nonquota tobacco in quota regions, thereby discouraging a practice that could have caused additional expense in the operation of the program.

That section of the farm bill was challenged in court by some farmers who sought to continue this double-dipping, and I am pleased to say that the case was dismissed by a judge in North Carolina.

So, when you hear about how bad things are going in the agricultural sector of our country, people will not be talking about tobacco. Things are not perfect, but we are working on it.●

● **Mr. CORCORAN.** Mr. Speaker, during the 16 months that the Reagan administration has been in Washington, our farm exports markets have been strengthened significantly by such measures as boosting farm commodity export promotion groups, attacking foreign trade barriers to U.S. farm exports, sending trade teams around the world, and organizing a coordinated Federal farm export policy which included the U.S. Departments of Agriculture, State, and Commerce. Another policy shift which has proven to be highly effective has been the termination of the Carter-emplaced Soviet grain embargo of 1980.

President Reagan ended the embargo soon after he took office, and later said that "the embargo of 1980 was almost totally ineffective, yet it caused great economic hardship to U.S. agriculture. We will not repeat such action." He further noted, "Farm exports will not be used as an instrument of foreign policy except in extreme situations and as a part of a broader embargo." Since the cessation of this embargo, American shipments to the Soviet Union have totaled more than 15 million tons in wheat and corn alone.

Last year farmers sold nearly $44 billion worth of agricultural products to customers overseas. This figure, which is one-third of our total agricultural production and generates more than one-fourth of American farm income, acts as a catalyst to the rest of our economy because it creates a vast amount of economic activity in off-farm businesses. For example, for every dollar of agricultural exports, another $1.05 is produced in areas such as transportation, financing, warehousing, and production of supplies to farmers. The total impact of last year's record crop exports was over $88 billion and produced more than 630,000 off-farm jobs.

In order to continue this phenomenal growth, without being bogged down by an inefficient embargo, I introduced H.R. 6073, the Export Administration Act Amendments of 1982 on April 5, which would act to repair further our damaged reputation as a reliable trade partner in foreign markets. My bill would prohibit the imposition of an embargo on exports unless the President has declared war or a national emergency, and delays the applicability of certain such embargoes to preexisting contracts for a period of 6 months after they are emplaced. Furthermore, export curbs could not persist when the state of war or national emergency has come to an end. I have received enthusiastic support for this bill in my district and feel that its expeditious passage is essential to the continued success of our export markets.●

● **Mr. ROGERS.** Mr. Speaker, I rise today to join with my colleagues in applauding the administration's efforts on behalf of the American farmer.

I would like to commend my distinguished colleagues from Wisconsin and Kansas for their efforts to set the public record straight on this administration's agricultural policies. Because despite all the rhetoric and mud-slinging, the fact remains that this administration is firmly committed to the American farmer. And the fact remains that this is the first administration in years to take the economic action which our farmers so badly need.

Mr. Speaker, if we were to find a man drowning in the ocean, it would not be enough to toss him a life preserver. Sooner or later, we would have to pull him out of the water.

Mr. Speaker, if we were to discover a man calling for help from a burning building, it would not be enough to shout words of encouragement and to toss him an oxygen mask. Sooner or later we would have to help him out of the building and put out the flames.

Mr. Speaker, for years now, our farmers have come to us, telling us that they will be ruined by the high interest rates and the soaring costs of production. Between the soaring costs of operation and interest rates and the low commodity prices, they are being squeezed nearly out of existence. It is no longer enough to throw Federal dollars at the problem or to fill the Halls of the Congress with sympathetic rhetoric. The need of the hour is to haul them out of the drowning waves of outrageous interest and inflation rates.

And it is for these reasons that I applaud the administration for having the courage to tackle these problems. They will not lend themselves to easy, overnight solutions. But they are the only way we can stabilize our Nation's economy so farmers can again make the sound business decisions they need to make in order to run their farms. And we are already beginning to see strong, positive results.

First and foremost, the administration is coming to grips with inflation. Just a little over a year ago, inflation peaked at 16.5 percent. But through its hardnosed policy, this administration has pulled inflation down to below 5 percent. This has increased the buying power of every single farmer, so that when they go to the store, they will be able to buy more seed or more fertilizer with each dollar they have worked so hard to earn.

And this means lower costs of operation. Overall, farm production expenses are expected to rise by only 3-5 percent during 1982. This would be the smallest increase in farm expenses since 1968. And energy costs are coming into line. As a matter of fact, fuel prices have actually declined during the first quarter of 1982. And this means more dollars in the wallets of farmers who have to feed and clothe their families.

And the administration is making great strides in combating the interest rates. Now do not get me wrong. Interest rates are still unacceptably high. But this administration's budget cutting policies are beginning to work and the prime rate has fallen from 20.5 percent to 16.5 percent.

There is still a long way to go. I have seen the grim forecasts for farm income. And good farmers in my own district have told me that they are wondering whether they will be able to stay in operation for another year.

But the fact remains that their main problems are economic. And until we resolve these economic problems, these problems that are the result of years of reckless Government spending, our farmers will never have the economic stability which they need so badly. And the administration's policies are already succeeding in stabilizing our Nation's economy.

There are some people who are fooled by rhetoric, and short-term, flashy solutions. But the man who is drowning knows when he has been left to fend for himself in the ocean. The man who is caught in a burning building knows when the flames get too hot. And the farmers who are being utterly destroyed by the old economic and reckless spending policies will know if we desert them and fail to strangle the soaring inflation and interest rates which threaten them so badly.

Our country cannot get by without the family farm. Our country's entire economy was built on the foundation of prosperous family farms which have proven strong enough to feed our entire Nation. We cannot risk eroding this sound foundation. We cannot risk a continued policy of reckless Government spending with the devastating interest and inflation rates it causes.

This administration has had the courage to make the difficult decisions to reduce Federal spending. This is the only way we can reduce the deficit and clamp down on interest and inflation rates. I applaud the administration for their courage and I urge my colleagues in the House to stand with the administration in building on their policy of fiscal responsibility. This is the only hope our farmers have for the economic stability they need so badly.●

● **Mr. GOODLING.** Mr. Speaker, lately it has been said that the present administration has not been a friend to the farm community, that they have done little, if anything, to benefit the farmer and his family.

Well, Mr. Speaker, I disagree. Although I feel that there are still many initiatives which we can take to keep our agricultural industry the best in the world and to preserve the traditional family farm, I feel that the record shows that the administration has established itself as being supportive of U.S. agriculture.

For example, the general inflation rate has been declining. This means that the overall cost to the farmer for supplies and other items necessary to run his farm is increasing at a slower rate.

In addition, prices have been on the increase since March. From mid-March to late April, cash corn prices have gained about 10 cents a bushel, wheat has gained about a nickel a bushel, and soybeans have moved up about 30 cents a bushel.

Further, an added marketing option was provided to farmers holding 1980 and 1981 Commodity Credit Corporation (CCC) commodity loans. By giving farmers an opportunity to extend these loans, they will not be forced to sell when the loans come due.

The USDA, under the present administration, is establishing a demonstration project tht will convert about 4 million bushels of low quality corn owned by the Commodity Credit Corporation into fuel grade alcohol. This project will investigate new market outlets for CCC-owned corn that might otherwise spoil.

Major changes in the estate and gift tax laws—made with the interests of farmers in mind—were contained in the Economic Recovery Tax Act of 1981. These changes reduced the impact of estate and gift taxes on the farm industry and facilitated the transfer of farmland from generation to generation, thereby preserving the family farm.

The administration has also done much to spur the growth in U.S. agricultural trade. Approximately 1 year ago, President Reagan lifted the partial embargo on export sales to the Soviet Union. Since that time, sales to the Soviet Union have totaled more than 15 million tons of wheat and corn, 708,000 tons of soybeans, and lesser amounts of other agricultural products.

The administration has also been negotiating with Japan in order to liberalize access to Japan's market for both industrial and agricultural products.

In another step to increase sales abroad, the Department of Agriculture has sent joint Government-industry sales teams to countries that have good market growth potential, placing emphasis on grains and soybeans. As of this time, five teams have gone to 14 countries in Africa, Latin America, and Asia. In fact, Secretary Block himself has made three market expansion trips.

Mr. Speaker, these are but a few examples of the contributions the present administration has made toward maintaining a strong agricultural industry in our country. This is definitely a positive trend, and one which I am hopeful will be continued in the future.

As the representative of a portion of Pennsylvania which has a reputation for its thriving farm community, I look forward to future cooperative efforts with the administration and with my colleagues in the Congress, to insure that additional steps are taken to preserve the family farm and maintain a healthy, prosperous agricultural community.●

THE NEED FOR A BALANCED BUDGET CONSTITUTIONAL AMENDMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. WALKER) is recognized for 15 minutes.

Mr. WALKER. Mr. Speaker, last week the President of the United States took the budget battle to the American people. The President in a speech to the American people attempted to lay out very clearly what the problems were that we face and how we should go about resolving those particular problems. He put the focus on something very important, I think. His focus was on the need to slow down the growth in Government spending that has taken place over the last several years. Government spending has been growing at unprecedented rates, at far too high rates, and it has caused economic dislocation across the board.

What the President said is that Congress and the administration need to begin the process of disciplining themselves. We need to have the kind of discipline within the spending process which allows us to eventually arrive at a balanced budget. He also indicated that he felt that, for the long term, there was a need to make certain that that discipline is defined as best we can in the fundamental law of the land. In other words, the Constitution should be amended to assure that we do not go on the kind of spending sprees in the future that we have gone on in the past.

I think it is interesting to note that, if you take a look at the budget today, the current services budget of the Federal Government is indeed balanced. The receipts of the Federal Government can pay for the obligations that we have, except for one thing, and that is the interest payments. We cannot pay the interest. Why? Because we spent too much in the past. We cannot afford to go on that kind of a spending spree again, and the President is saying that we need a constitutional amendment in order to assure that indeed this Government does operate on a balanced budget.

Now, I think that we have had an opportunity for some time around here to do exactly what the President recommended. We have spent several weeks around here doing nothing of substance. We could have brought that constitutional amendment, which has the endorsement of nearly a majority of this House. As a matter of fact, if you take all of the constitutional amendments that have been introduced in regard to a balanced budget, I am sure you would find that majority of the Members of this House have endorsed in some kind of a way a balanced budget amendment to the Constitution. Yet, we spend weeks around here doing nothing. We could have brought such an amendment to the floor. We could have it our right now, in the process of being approved by the States. Instead, we have not done anything. The President has defined it, though, as something that is a priority, something that needs to get done now.

I heard it discussed by news commentators and by several people from this body and the other body, commenting on it, that, really, the President kind of copped out by suggesting a balanced budget amendment to the Constitution because this is something that can only take place by 1986 or 1987 and that what we really need is action right now.

Well, I agree that we need action right now, and the action right now should include the action on the constitutional amendment. I think it is imperative that, given the President's decision to define this as a priority, this Congress should do the same thing. And we ought to begin the process right now of not waiting until 1986 and 1987, but getting something passed in this body right now that can get out to the States and get approved so that we have that kind of mandate on us in as near a term as possible.

So, therefore, Mr. Speaker, the reason for this special order is to put the House basically on notice that I have resolved personally, at least, and I think I will be joined by a number of my colleagues, to make available or to take all available legislative and parliamentary opportunities available to us to get this House moving on the consideration of a constitutional amendment. And over the next several days and several weeks I intend to do specifically that. I intend to use everything in my power to try to make certain that we have a vote on the constitutional amendment as early as possible. This will be a test. It is going to be a test of whether or not we are only willing to talk about balanced budgets or whether or not we are really willing to do something about balanced budgets. Over the next several weeks we will have a chance to see.

I thank the Chair for his indulgence.

THE COST OF CONGRESS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 15 minutes.

● Mr. GONZALEZ. Mr. Speaker, there is increasingly a reluctance by Congress to provide itself with the resources it must have in order to be an effective institution. Consequently, we leave ourselves with inadequate resources, and then wonder why it is that the legislative branch seems unable to exert leadership even in times like these, when the Nation cries out for direction.

Those who really understand the congressional budget understand that it consists of much more than salaries for our staff—that it encompasses agencies like the General Accounting Office and the Copyright Office and the Library of Congress itself. These agencies serve far more than the Congress, but they, and the Printing Office, are included in the congressional budget.

Those who shrink from adequate pay for the Congress, those who deny adequate pay for civil servants, and those who deny Congress the tools to do its work with, contribute to the problems of the Congress, and thence to the country as well. The Congress, so often accused of being profligate, in fact is less generous to itself than it is to the President's personal office. It is time to set the record straight, as I have in the following newspaper article:

[From the San Antonio Light, May 2, 1982]

THE REAL COSTS

(By U.S. Representative Henry B. Gonzalez)

It will probably cost about $1.4 billion to run the legislative branch of the federal government this year.

Before you get mad, bear in mind that the legislative branch is much more than you see on the evening news.

Also, its total costs are only about one-tenth of the amount of money appropriated to the president each year. The amount of money used by the legislative branch in a year would not be enough to sustain the Pentagon for more than four or five hours a week.

The biggest headline grabber is, of course, congressional pay. As it turns out, the pay allocated to all the congressmen and all the senators is only about half as much as the cost of postage to send out congressional mail.

Congressmen get letters, tons of letters, and people expect to get replies. The postage bill, at $75 million this year, is nearly twice as much as the sum of congressional salaries.

Next to congressional salaries, the size and expense of congressional staffs is a favorite target of critics. Altogether, the committee staffs of the House and Senate are paid about $90 million a year.

That's a lot of money, but is still less than half the salaries paid out to the staff of the General Accounting Office, an agency that everybody values and approves.

The eagle-eyed accountants of the GAO, by the way, are employees paid out of congressional expenses. The GAO is, in fact, the independent auditor of the Congress, and it's free to investigate everything from the inventory of the congressional stationery shop to the reasons for the cost overruns of the M-1 tank.

Congressional committee staffs, for all the criticism, are pitifully small compared with the enormous scale of their responsibility. My own housing subcommittee staff consists of 10 people—six professionals and four clerks.

These people must draft laws, review mind-numbing regulations, comb through complex budgets and oversee the operation of dozens of programs that cost $30 billion a year to run. These 10 staffers have direct responsibility for the oversight of executive agencies that employ 24,000 people.

I'd say that those who charge that congressional committees are overstaffed just haven't seen the kind of workload these people must deal with.

A big chunk of the legislative branch appropriation goes to cover the expenses of the Library of Congress; it is the premier research library that, among other things, operates the Copyright Office.

Another of its services provides special materials to the blind and handicapped—an operation that alone equals the total cost of congressional salaries.

The Government Printing Office is an arm of the Congress—a fact that few people realize. The GPO, as it is popularly known, is the biggest publishing house in the nation. Aside from producing the daily Congressional Record and the Federal Register, the GPO prints your income tax form, and it also prints all the books, pamphlets, brochures and stationery of the federal government.

Much of the cost of running the GPO is recovered through charges levied on the agencies that use its services; still, the budget charges Congress $130 million to run the Printing Office.

If the cost of the Library of Congress, the Government Printing Office and the General Accounting Office were taken out of the legislative branch account, the true cost of running actual legislative operations would be more accurately seen.

These agencies require $600 million a year, all charged to the Congress. Additionally, services like the Tax Court, the Office of Technology Assessment and the Copyright Tribunal are charged to the accounts of Congress.

Take all those away, and the actual legislative operations of the legislative branch of the federal government actually consume far less than half the budget total charged to congressional accounts.

There's no getting around it: Congress does cost a great deal of money to run. The Capitol complex has to be heated and lighted—an operation that costs $24 million a year. (Congress has its own heat and power plant.)

The millions of visitors to the Capitol must have the service of guides, and this costs $724,000 a year.

It costs about $2.4 million a year to keep up the expansive grounds of the Capitol—but this is much less than the $3.8 million it costs to keep up the White House. (The cost of landscaping at the White House is additional; it's not charged to the president's accounts, but instead to the National Park Service.)

The great bulk of legislative branch expenses has little to do with the actual business of writing laws. The majority of Congress' money goes to the upkeep of its grand old buildings, the provision of services to the general public, the pay of guards, gardeners and guides and such essentials as heat, light and postage stamps.

Even though the pay of congressmen amounts to two-tenths of 1 percent of the whole legislative branch budget, it accounts for 99.8 percent of the controversy.

Ironically, Congress, so often charged with being profligate, is in reality a penny-pincher. The funds appropriated to Congress will actually shrink by $100 million next year.

Meanwhile, that tight-fisted Ronald Reagan is asking for an increase of $450 million in funds appropriated to his office, including a substantial increase for his own Office of Management and Budget.

The congressional counterpart of the president's budget office is only half the size of the Reagan operation, and its figures, are consistently better. The people who are negotiating a budget compromise this week decided to use the congressional data and throw out the Reagan data, which is seen as even less accurate this year than it was last year.

Guess which budget office will get the increased budget. Right—the president's version, the one that has the most notoriously inaccurate books in town.●

AMERICANS CONTINUE THEIR STRONG SUPPORT FOR ANNUNZIO'S OLYMPIC COIN BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, the two pieces of legislation before this Congress designed to commemorate the 1984 summer Olympics and raise money for our athletes through the sale of commemorative coins take radically different approaches to this issue. My bill, H.R. 6158, calls for the minting of three coins to be sold directly to the public by the mint. The other proposal, H.R. 6058, calls for the minting of numerous coins to be sold to the public through private marketers. The public must wholeheartedly support whichever plan we ultimately adopt in order for it to be a success. With this in mind, I call your attention to some of the many letters I have received from Americans from all over the country.

Mr. Daniel Gerlach of Lapeer, Mich., writes:

> This letter is in regards to your fight against the Olympic coinage. Keep it up.
>
> I am a collector and there is no way I could buy all of the Olympic coins as it is proposed. . . .
>
> I can't afford it.
>
> What I think would be better is one silver half dollar or dollar coin in proof or uncirculated condition selling for $10 to $25 each. Handled by the Bureau of the Mint. I would buy 3 or 4 of each. One for me and the rest for my kids.
>
> My budget for coins is about 3 to 4 hundred dollars a year. So you see if the Olympic coinage proposals go through as is, there is NO way I will buy any.

Mr. Gerlach's concern over the prohibitive cost of the coins called for in H.R. 6058 is echoed by Mr. C. E. Jones of Orange Park, Fla.:

> I am a simple man who does not like ripoffs. All the proposed bills except yours sound to me like 24 carat phony schemes.
>
> I would buy one or more of the 90% silver dollar coins you proposed to mint for the Olympic Games. I would not nor could I afford any contained in the other bills.
>
> I hope you are able to stop the give-away schemes that I have read in various publications. No way should the coining or sale of U.S. coins be turned over to a private company. I don't like the smell of a give-away proposal in the other proposed bills. I like the bill you are proposing.

Mr. Herman Johnson, Jr., of Keokuk, Iowa, agrees:

> I strongly support your position of fewer coins and government handling of the Olympic Coin Program. Profits should go directly to the athletes and the U.S. Treasury, and not into the pockets of private entrepreneurs.

And from Mr. Gabor Kincses of West Alexandria, Ohio:

> I fully support your position on the Olympic Coinage. I agree that fewer coins and also the Government handling of the Program is necessary instead of the Group that is trying to get it and line their pockets with the money. I hope and pray that you can swing the deal. So that it will serve all the people instead of just a few.

Mr. Kincses' objection to the private marketing of Olympic commemorative coins is repeated by Mr. Charles Henderson of Chevy Chase, Md.:

> Among the many proposals concerning authorization to mint coins commemorating the 1984 Olympics, yours is the most reasonable.
>
> I wish to express support for your efforts to keep the number of coins issued to a minimum and to have the Treasury Department market the coins, rather than having their marketing turned over to Occidental Petroleum, Lazard Freres, Franklin Mint, or any other non-government entity.
>
> If enacted, your proposal would be the best way to provide funds for the Olympic program and to insure an honest method of marketing and distribution.
>
> Please let me ask that you continue your efforts in this regard.
>
> I hope that my representative and senators will support your proposal, and I shall ask them to do so by copy of this letter.

Mr. Paul Meyer of Chillicothe, Ohio, writes:

> I support your position of fewer than 25 Olympic coins. . . . I also support your position of letting the government handle the program. I truly think it's unthinkable of letting Lazard Freres and Occidental Petroleum be in charge. These lobbyists against you have got to be stopped. How can the U.S. Mint even consider such nonsense?

These views are shared by Mr. Douglas Bryner of Nevada, Iowa:

> This letter concerns the proposed commemorative Olympic coins. I would hate to see the distribution of these coins put into the hands of some outside group or business. The coins should be sold by the Mint directly to the public with any profit going back to the U.S. Treasury.
>
> Also, I feel that 2 or 3 coins would generate more interest and more revenue for the U.S. Olympic team than a long expensive series of coins.

As you can see, the same themes run through all of these letters. These Americans raise many of the same issues regarding the various Olympic coin bills that I have raised. They overwhelmingly support the idea of striking official commemorative coins to raise money for our athletes. So do I. They would like to see a program that is reasonably sized and priced. So would I. And finally, they object to the private marketing of Olympic commemorative coins and call on the U.S. Government to manage this entire effort. Should we refuse them? I think not.●

MAJORITY OF HOUSE MEMBERS COSPONSOR RESOLUTION AGAINST "BACK-DOOR" DECONTROL OF NATURAL GAS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. DINGELL) is recognized for 5 minutes.

● Mr. DINGELL. Mr. Speaker, I am today reintroducing House Resolution 371, expressing the sense of the House that there should be no accelerated decontrol of natural gas prices through administrative action by the Federal Energy Regulatory Commission (FERC). I am happy to report that more than half of the Members of the House—a total of 226 from both sides of the aisle—have joined in cosponsoring this resolution. The text of House Resolution 371 follows:

H. RES. 371

Whereas accelerated decontrol of natural gas prices at the wellhead would have a drastic effect on the the Nation's economy, deepening the current recession and increasing inflation;

Whereas such decontrol would result in the loss of hundreds of thousands of jobs;

Whereas such decontrol would cost consumers tens of billions of dollars, with a disproportionate impact on the elderly and others on fixed incomes; and

Whereas such decontrol would adversely affect major sectors of the economy, including agriculture, public services, and small business: Now, therefore be it

Resolved, That it is the sense of the House of Representatives that the Federal Energy Regulatory Commission should take no action to accelerate the decontrol of wellhead gas prices.

Last Wednesday, April 28, FERC's members voted to issue a notice of inquiry to review natural gas markets. The proposal that was approved on Wednesday, April 28 is more modest than earlier proposals that had been suggested, and will include broader assessments of economic effects than Chairman BUTLER had previously advocated.

Nevertheless, I remain extremely concerned about the Commission's activities, and intend to be very watchful of FERC in the coming months. I have several major concerns: first, that the Commission act only within its statutory authority; second, that it conduct field and Washington, D.C., hearings in order to develop a sufficient evidentiary record upon which to base any future decision in a reasonable and responsible fashion; and third, that the Commissioners, themselves, pay heed to all the information gathered in the course of this notice of inquiry.

For the information of my colleagues, I would like at this point to insert in the RECORD the text of the press release issued yesterday by the FERC:

COMMISSION ISSUES NOTICE OF INQUIRY ON NATURAL GAS MARKETS

The Federal Energy Regulatory Commission today voted to issue a Notice of Inquiry to determine whether serious economic distortions may be evolving in today's natural gas markets. The Commission's action is essentially a fact finding mission to determine whether there is, or will be, among other things, a market ordering problem which could affect natural gas supplies in certain parts of the country and also cause certain consumers to pay more for gas than other consumers. It is also directed at determining other types of potential dislocation such as levels of inflation and the impact increased gas prices would have on the economy.

These distortions appear to stem from the planned partial decontrol of natural gas wellhead prices in 1985 under the Natural Gas Policy Act of 1978 (NGPA) and a different economic environment than was predicted when the NGPA was enacted.

The comment period will extend for 120 days from date of issuance. A determination will then be made as to whether to proceed with a proposed rulemaking or refer the collected data to the Congress for its use and consideration.

The Commission may determine that no such action is either necessary or in the public interest. If the Commission determines that some action is necessary, it will consider its options at a future date.

The purpose of today's Commission action is merely to assemble a range of facts to help evaluate the current and prospective inequities in the natural gas market.●

THE NATIONAL FOREST MANAGEMENT ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. WEAVER) is recognized for 5 minutes.

● Mr. WEAVER. Mr. Speaker, in 1976, Congress passed the National Forest Management Act to provide comprehensive land management planning, based upon a sound technical and ecological data base, that would guarantee sustained yields of all national forest resources in perpetuity.

It took 3 long years of painstaking research, analysis, and debate, relying upon extensive public participation and the expertise of an independent committee of resource specialists to develop comprehensive regulations for

implementing the act. Now, after a brief 60-day public comment period, the Department of Agriculture is prepared to dramatically revise these regulations in a way that seriously threatens the ability to manage our forests—as required by law—on a sustained yield basis in perpetuity.

In a letter cosigned by four of my colleagues in the House and Senator DALE BUMPERS, an original sponsor of the act in the Senate, we asked Agriculture Secretary John Block to: First, extend the public comment period on the regulations for at least 180 days; second, designate a committee of scientists to review the proposed changes and advise the Secretary of their effects; third, conduct formal hearings around the country to give citizens a greater opportunity to voice their concerns; and fourth, publish the final regulatory changes and comments in a supplement to the 1979 environmental impact statement that accompanied the original NFMA regulations. The letter goes on to fully explain the need for each point.

I would like to insert a copy of that letter in the RECORD. In addition, I would like to insert a copy of the editorial that appeared in the March 17, 1982, Chicago Tribune chastizing this shortsighted proposal. The material follows:

SUBCOMMITTEE ON FORESTS,
FAMILY FARMS, AND ENERGY,
Washington, D.C., April 21, 1982.

Hon. JOHN R. BLOCK,
Secretary, Department of Agriculture,
Washington, D.C.

DEAR MR. SECRETARY: The substantial revisions recently proposed to the National Forests Management Act (NFMA) regulations have generated widespread citizen concern. Since their publication and a subsequent Forests Subcommittee hearing, Members of Congress and the Forest Service have received an enormous volume of individual written comments opposing many of the proposed changes. These expressions of dismay come from throughout the country and attest to the significance and controversial nature of these revisions.

It is plainly apparent that a far greater public review of these proposals should be provided. Therefore, we strongly request that you extend for not less than 180 days the public comment period prior to publication of these regulations in final form. Pursuant to Section 6(h)(1) of the NFMA, we also request that you formally designate a Committee of Scientists so that it may advise you on the effects of these regulatory revisions. Third, formal public hearings should be conducted by the Department of Agriculture in various regions of the country in order to provide a greater opportunity for citizens to register their concerns. Finally, we request that the final regulatory changes and comments be published in the form of a Supplement to the Environmental Impact Statement that accompanied the original regulations in 1979.

The existing regulations were painstakingly developed over a three year period by a special Committee of Scientists established by the NFMA. The proposed revisions demand extremely careful consideration in order to fully assess their implications. Yet the interested public was allowed only 60 days to comment upon the detailed and significant technical changes envisioned. Any changes in the judiciously drafted and fully debated original regulations should be made only after the most thorough public review. This kind of review was not possible given the limited comment period allowed.

Such an extension is especially important in light of the severe criticism voiced during a recent Congressional hearing on the proposed revisions. In testimony before the House Forests Subcommittee, a substantial number of witnesses expressed their belief that the new regulations would have far greater effects than the Forest Service's stated intentions of mere regulatory simplification and clarification. In fact, it is the opinion of many that the revisions severely strained, if not violated, several provisions of the National Forest Management Act. An extension would give you sufficient time to register all of these serious concerns so that they could be fully accommodated in the final regulations.

Further, as part of this more extensive solicitation of comments, it is of extreme importance that you take advantage of the advice of a designated Committee on Scientists regarding these revisions. The original regulations were drawn up by such a committee of resource professionals, and it is unclear why you did not seek a similar committee's reactions. This oversight is especially puzzling, since Congress specifically provided that the Secretary should exercise this useful and prudent option.

The convening of formal Agriculture Department hearings is essential to assure the active citizen participation explicitly called for in the NFMA. Many individuals are, indeed, taking part in the forest planning process. It is important that great care be taken during the process of any regulatory change not to discourage such participation. Consistent with the Forest Service's desire for active public involvement, the Department should make concerted efforts to seek the widest possible citizen comments on these revisions.

Finally, the Subcommittee hearing record and other public comments indicate that these revisions are perceived by many as a "major federal action having a significant impact on the human environment." The initial regulations were understood by the Department to have an effect of this magnitude. Therefore, as required by the National Environmental Policy Act, an Environmental Impact Statement was published along with the final (1979) regulations.

The proposed revisions certainly include significant changes from the original, otherwise, there would be little reason for the Department to pursue them. If adopted, they will undoubtedly influence major decisions regarding resource management on national forests throughout the country. Therefore, the publication of any final regulatory changes and comments should be in the form of a Supplement to the EIS that accompanied the adoption of the original regulations. If for no other reason, this should be done to avoid administrative or legal challenges to the implementation of the revised regulations on the grounds that such a supplement is lacking.

Further, there is no overriding urgency to implement the proposed revisions. Adequate regulations governing forest management are already in place. They are easily superior to those that guided the Forest Service prior to the passage of the NFMA in 1976. They are adequate for the current forest planning process, and can be used until the need to implement new regulations is clearly established.

More importantly, initial plans made under the NFMA are only partially completed. There has not been sufficient time to fully gauge the adequacy and the effectiveness of the original regulations in implementing the Act, or see the completion of even one of the 120 national forest plans. Rapid implementation of all the proposed revisions could result in significant additional expense for the Forest Service's land management planning effort, as well as jeopardize the progress of uncompleted regional and forest plans.

In addition, the existing regulations are not a constraint on the economic vitality of the timber industry or any other commercial entity dependent upon resources provided by the national forests. They certainly cannot be blamed for reducing the availability of timber, either now or in the immediate future. The existing record-high volume of national forest timber under contract for harvest totals over 34 billion board feet. This is equal to well over a three year supply. The problems confronting the timber industry are far more closely related to high interest rates for new housing, and the consequent lack of demand for timber and wood products, rather than any regulatory constraint.

As the Resources Planning Act and the National Forest Management Act made clear, forest management must be undertaken in a very long-term context. Rash or uninformed decisions made today may not demonstrate their effects for years to come. At that point, of course, it may well be too late to rectify them. Our nation's foresters must manage all the resources under their jurisdiction for sustained yield, now and in perpetuity. Management decisions must be made extremely conservatively since they will affect the sustainability of a multitude of resources, including a timber crop that can be harvested from a given parcel of forest land only once every 80 to 100 years. Any revisions in the regulations governing the management of these resources must be drafted to fully reflect these long-term considerations.

It will be well worth the Department's time and effort to take the utmost care in determining the final form of its proposed revisions. Any changes made in the manner of implementation of the NFMA should be made with extreme caution, and only after the most extensive possible solicitation and review of comments from scientists, resources professionals, and the concerned public. The extended and more formal review that this request entails will allow your Department to keep faith with the spirit of public involvement required by the National Forest Management Act.

Sincerely,

JIM WEAVER,
DALE BUMPERS,
BERKLEY BEDELL,
GEORGE E. BROWN, JR.,
THOMAS A. DASCHLE,
LEON PANETTA,
Members of Congress.

[From the Chicago Tribune, Mar. 17, 1982]

A HUNDRED ACRES OF REDWOODS

The Reagan administration has proposed new "forest management" regulations for national forest land that can best be described with one word:

"Timberrrrrrr!"

Drawn up in part by a former lumber industry executive now serving "the public" in the Agriculture Department, the proposal would "simplify" the National Forest Management Act of 1976, which was intended to protect wildlife and the wilderness and also to prevent overcutting.

The changes would permit the government to sell timber for logging at a rate faster than the trees could be replaced. Loggers now operating in privately-owned forests have been cutting at up to three times the rate allowed on public lands, and a denuding of American forest lands has been the result.

The Reagan plan would also enable the administration to increase cuttings at its own discretion and to bulldoze logging roads all through the forests—at taxpayers' considerable expense and even though no lumbering firm has any immediate plans for such widescale logging. These roads would disqualify these lands for future wilderness designation.

The environmental reasons for opposing the Reagan plan are compelling, but there is the even more obvious argument that it simply isn't needed.

The plan would increase the amount of timber that could be taken from public forests by 1.3 billion board feet, or about 10 percent, next year. Yet there is now a backlog of 34 billion board feet of timber sold to loggers but not cut because the depressed housing industry has no need for it and won't for some time.

The administration's urgency in pushing the plan may derive simply from an attitude, as expressed by Reagan confidant and "kitchen cabinet" member Justin Dart, when he recently told the Los Angeles Times, "I'm for preservation. I say we should preserve the redwoods, sure, maybe 100 acres of them, just the way God made them, to show the kids."

There's another word for this proposal: "No."●

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. AuCoin) to revise and extend their remarks and include extraneous material:)

Mr. Gonzalez, for 15 minutes, today.
Mr. Annunzio, for 5 minutes, today.
Mr. Coelho, for 5 minutes, today.

(The following Members (at the request of Mr. Roemer) to revise and extend their remarks and include extraneous material:)

Mr. Dingell, for 5 minutes, today.
Mr. Weaver, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. Thomas) and to include extraneous matter:)

Mr. Gingrich.
Mr. Corcoran.
Mr. Evans of Delaware.

(The following Members (at the request of Mr. AuCoin) and to include extraneous matter:)

Mr. Neal.
Mr. Aspin.
Mr. Moffett.
Mr. Frost.
Mr. Hubbard.
Mr. Lehman.
Ms. Oakar.
Mr. Anderson in 10 instances.
Mr. Gonzalez in 10 instances.
Mr. Rosenthal in 10 instances.
Mrs. Bouquard in five instances.
Mr. Hamilton in 10 instances.
Mr. Brown of California in 10 instances.
Mr. Annunzio in six instances.
Mr. Jones of Tennessee in 10 instances.
Mr. Boner of Tennessee in five instances.

(The following Members (at the request of Mr. Roemer) and to include extraneous matter:)

Mr. Brinkley.
Mr. Gejdenson.
Mr. Heftel.
Mr. Hoyer.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 189. An act for the relief of Marlon Dolon Opelt; to the Committee on the Judiciary.

S. 198. An act for the relief of James G. Reese; to the Committee on the Judiciary.

S. 222. An act for the relief of Lydia Delos Santos Colcol; to the Committee on the Judiciary.

S. 224. An act for the relief of Isoo Kojima; to the Committee on the Judiciary.

S. 275. An act for the relief of Dante Soriano Loo and Rhodora Guerrero Loo, his wife; to the Committee on the Judiciary.

S. 521. An act for the relief of Benjamin Bane; to the Committee on the Judiciary.

S. 1048. An act for the relief of Braun Green; to the Committee on the Judiciary.

S. 1092. An act for the relief of Luis Monzon; to the Committee on the Judiciary.

S. 1330. An act for the relief of Jose Garcia-Nunez and Maura Nunez de Garcia, his wife; to the Committee on the Judiciary.

S. 1331. An act for the relief of Florence Louise Barry; to the Committee on the Judiciary.

S. 1364. An act for the relief of Jose Ramon Beltron Aivenda Ostler; to the Committee on the Judiciary.

S. 1494. An act for the relief of Pandelis Perdikis; to the Committee on the Judiciary.

S. 1523. An act for the relief of Stephen Hassan Abdul; to the Committee on the Judiciary.

S. 1569. An act for the relief of Prof. Ramarao Inguva, his wife Bhagya Lakshmi Inguva, and their son Srinivas Inguva, to the Committee on the Judiciary.

S. 1781. An act for the relief of Ezekiel Trail Clemons; to the Committee on the Judiciary.

S. 2272. An act to enhance the transfer of technical information to industry, business, and the general public by amending the Act of September 9, 1950 (15 U.S.C. 1151 et seq.) to establish a Technical Information Clearinghouse Fund, and for other purposes; to the Committee on Energy and Commerce.

ADJOURNMENT

Mr. ROEMER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 46 minutes p.m.), the House adjourned until tomorrow, Tuesday, May 4, 1982, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3826. A letter from the General Counsel, Department of Defense, transmitting a draft of proposed legislation to amend title 10, United States Code, to provide for a Department of Defense military retirement and disability fund, and for other purposes; to the Committee on Armed Services.

3827. A letter from the Deputy Director, Legislative Liaison, Department of the Air Force, transmitting the annual report for fiscal year 1981, and fiscal year 1982 through March 31 on the progress of the Air Force Reserve Officers' Training Corps flight training program, pursuant to 10 U.S.C. 2110(b); to the Committee on Armed Services.

3828. A letter from the Assistant Secretary of the Air Force (Research, Development Logistics), transmitting notice of conversion to contractor performance of base information transfer center at Wright Patterson Air Force Base, pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

3829. A letter from the Assistant Secretary of the Army (Installations, Logistics and Financial Management), transmitting notice of conversion to contractor performance of the refuse collection and disposal at Fort McPherson, Ga., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

3830. A letter from the District of Columbia Auditor, transmitting an audit water bill payment policies and procedures, pursuant to section 455 of Public Law 93-198; to the Committee on the District of Columbia.

3831. A letter from the Secretary of Education, transmitting proposed final regulations for the supplemental funds program for cooperative education; to the Committee on Education and Labor.

3832. A letter from the Secretary of Education, transmitting the proposed family contribution schedules for the guaranteed student loan family program for 1982-83, pursuant to section 428(a)(2)(E)(iv) of the Higher Education Act of 1965, as amended; to the Committee on Education and Labor.

3833. A letter from the Secretary of Health and Human Services, transmitting a report on the extent of development and implementation of mechanized claims processing and information retrieval systems, pursuant to section 1903(r)(6)(3) of the Social Security Act, as amended; to the Committee on Energy and Commerce.

3834. A letter from the Acting Director, Defense Security Assistance Agency, transmitting notice of the Department of the Air Force's proposed lease of defense articles to the Government of Pakistan, pursuant to section 62(a) of the Arms Export Control Act; to the Committee on Foreign Affairs.

3835. A letter from the Acting Director, Defense Security Assistance Agency, transmitting Presidential Determination No. 82-11, March 19, 1982, concerning the lease of defense articles to the Government of New Zealand and Presidential Determination No. 82-13, April 23, 1982, concerning the lease of defense articles to the Government of Portugal, pursuant to public law; to the Committee on Foreign Affairs.

3836. A letter from the Deputy Director for Administration, Central Intelligence Agency, transmitting notice of a proposed revision of the Agency's system of records, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

3837. A letter from the Deputy Assistant Secretary of Defense (Comptroller-Administration), transmitting notice of a proposed new records system for the Department of the Air Force, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

3838. A letter from the Secretary of the Interior, transmitting the annual report for fiscal year 1981 on the Government's helium program, pursuant to section 16 of Public Law 86-777; to the Committee on Interior and Insular Affairs.

3839. A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, transmitting drafts of three proposed bills for the reform of the Federal procurement process; jointly, to the Committees on Government Operations and Armed Services.

3840. A letter from the Comptroller General of the United States, transmitting a report on the Department of Defense's efforts to provide housing to unaccompanied enlisted personnel (PLRD-82-59, April 30, 1982); jointly, to the Committees on Government Operations and Armed Services.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. HAWKINS (for himself, Mr. Perkins, Mr. Jeffords, Mr. Clay, Mr. Weiss, Mr. Corrada, and Mr. Washington):

H.R. 6250. A bill to provide employment opportunities to long-term unemployed individuals in high-unemployment areas, and for other purposes; to the Committee on Education and Labor.

By Mr. BENNETT:

H.R. 6251. A bill to make multipurpose senior centers available to handicapped or disabled individuals who have not attained 80 years of age; to the Committee on Education and Labor.

H.R. 6252. A bill to provide for payment of certain insurance benefits to certain protected employees of the Consolidated Rail Corporation to insure that such employees were not disadvantaged between April 1 and September 30, 1976; to the Committee on Energy and Commerce.

By Mr. BOLAND (for himself, Mr. Conte, and Mr. Mineta):

H.R. 6253. A bill to provide for the appointment of Nancy Hanks as a citizen regent of the Board of Regents of the Smithsonian Institution; to the Committee on House Administration.

By Ms. FERRARO (for herself, Mr. Molinari, and Mr. Green):

H.R. 6254. A bill to amend title 3, United States Code, to clarify the function of the U.S. Secret Service Uniformed Division with respect to certain foreign diplomatic missions in the United States, and for other purposes; to the Committee on Public Works and Transportation.

By Mrs. SMITH of Nebraska:

H.R. 6255. A bill to amend the Commodity Credit Corporation Charter Act to require the Secretary of Agriculture to make loans, or guarantee loans made, to certain grain growers for grain storage facilities; to the Committee on Agriculture.

By Mr. HEFTEL (for himself and Mr. Akaka):

H.J. Res. 472. Joint resolution to designate January 28, 1983, as "Native American Day"; to the Committee on Post Office and Civil Service.

By Mr. HUNTER:

H. Con Res. 325. Concurrent resolution expressing the sense of the Congress that the Government of Japan should assume a greater share of the defense of Japan and should pay for the construction, equipping, and operation of a U.S. Navy aircraft carrier battle group; to the Committee on Foreign Affairs.

By Mr. FARY:

H. Res. 447. Resolution declaring the sense of the House with respect to the railroad retirement system; to the Committee on Energy and Commerce.

MEMORIALS

Under clause 4 of rule XXII,

367. The SPEAKER presented a memorial of the Legislature of the Commonwealth of Pennsylvania, relative to the railroad retirement and unemployment insurance programs; to the Committee on Energy and Commerce.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 116: Mr. Wright and Mr. Clausen.

H.R. 375: Mr. Bingham and Mr. Fazio.

H.R. 2007: Mr. Conte, Mr. Courter, Mr. Daub, Mr. de la Garza, Mr. Fascell, Mr. Fazio, Mr. Jeffords, Mr. Ottinger, and Mr. Rahall.

H.R. 4449: Mr. Goodling.

H.R. 4509: Mr. Beard.

H.R. 4562: Mr. de Lugo.

H.R. 5004: Mr. Gingrich.

H.R. 5114: Mr. Oberstar.

H.R. 5312: Mr. Marriott.

H.R. 5600: Mr. Albosta, Mr. Bailey of Pennsylvania, Mr. Beard, Mr. Boner of Tennessee, Mr. Bonior of Michigan, Mr. Campbell, Mr. Courter, Mr. de Lugo, Mr. DeNardis, Mr. Dornan of California, Mr. Evans of Georgia, Mr. Foglietta, Mr. Ford of Tennessee, Mr. Guarini, Mr. Hartnett, Mr. Hutto, Mr. Kildee, Mr. Kogovsek, Mr. Lagomarsino, Mr. Long of Maryland, Mr. Lowery of California, Mr. Lungren, Mr. McCloskey, Mr. McEwen, Mr. Marlenee, Mr. Martin of New York, Mr. Mavroules, Mr. Mitchell of New York, Mr. Mitchell of Maryland, Mr. Murphy, Mr. Siljander, Mr. Simon, Mr. Skelton, Mr. Stark, Mr. Traxler, Mr. Trible, and Mr. Wilson.

H.R. 5617: Mr. Dougherty, Mr. Wilson, Mr. Won Pat, Mr. Lent, Mr. Biaggi, Mr. Howard, Mr. Ford of Tennessee, Mr. Dyson, Mr. Davis, Mrs. Snowe, Mr. Evans of Delaware, and Mr. Anderson.

H.R. 5666: Mr. Simon.

H.R. 5786: Mr. Emery, Mr. Forsythe, Mr. Hyde, Mr. Corcoran, Mr. Stokes, Mr. Gibbons, Mr. Weiss, Mr. John L. Burton, Mr. Frenzel, and Mr. Edgar.

H.R. 5828: Mr. Yates.

H.R. 5834: Mr. Roe, Mr. Dixon, Mr. Hubbard, Mr. Bliley, Mr. Wampler, Mr. Fuqua, Mr. Seiberling, Mr. Frank, Mr. Mattox, Mr. Hendon, and Mrs. Heckler.

H.R. 5896: Mr. Weaver, Mr. Lowry of Washington, Mr. McKinney, and Mr. Mineta.

H.R. 6170: Mr. Albosta, Mr. Savage, Mr. Sunia, Mr. Oberstar, Mr. Edgar, Mr. Rahall, and Mrs. Kennelly.

H.R. 6213: Mr. Stenholm and Mr. Gramm.

H.J. Res. 151: Mr. Roybal, Mr. Hance, Mr. Hollenbeck, Mr. McEwen, Mr. Gibbons, Mr. Hammerschmidt, Mr. Staton of West Virginia, Mr. Findley, Mr. Fuqua, Mr. Young of Missouri, Mr. Long of Maryland, and Mr. Rogers.

H.J. Res. 365: Mr. Swift.

H.J. Res. 459: Mr. Edwards of California, Mr. Marriott, Mr. Frost, Mr. Lantos, Mr. Foley, Mr. Derwinski, Mr. Burgener, Mr. Simon, Mrs. Kennelly, Mr. Edwards of Oklahoma, Mr. Hammerschmidt, Mr. Kemp, Mr. McDade, Mr. Moore, Mr. Pritchard, Mr. Snyder, and Mr. Williams of Ohio.

H. Res. 371: Mr. Albosta, Mr. Anderson, Mr. Aspin, Mr. Atkinson, Mr. Bereuter, Mr. Biaggi, Mr. Boner of Tennessee, Mr. Brown of California, Mr. John L. Burton, Mr. Phillip Burton, Mrs. Chisholm, Mrs. Collins of Illinois, Mr. Conyers, Mr. Coughlin, Mr. Davis, Mr. DeNardis, Mr. Dicks, Mr. Donnelly, Mr. Duncan, Mr. Dyson, Mr. Erdahl, Mr. Evans of Georgia, Mr. Evans of Indiana, Mr. Fascell, Mr. Fauntroy, Mr. Fowler, Mr. Frenzel, Mr. Garcia, Mr. Gilman, Mr. Green, Mr. Grisham, Mr. Hagedorn, Mr. Hamilton, Mr. Hawkins, Mrs. Heckler, Mr. Hefner, Mr. Hillis, Mrs. Holt, Mr. Horton, Mr. Jeffords, Mr. Latta, Mr. Lehman, Mr. Lowry, of Washington, Mr. Lujan, Mr. Luken, Mr. Martin of New York, Mr. McDonald, Mr. McEwen, Mr. McGrath, Ms. Mikulski, Mr. Molinari, Mr. Natcher, Mr. Nelligan, Mr. Nichols, Mr. Obey, Mr. Oxley, Mr. Pepper, Mr. Price, Mr. Pritchard, Mr. Regula, Mr. Reuss, Mr. Roybal, Mr. Russo, Mr. Scheuer, Mr. Sensenbrenner, Mr. Shamansky, Mr. Smith of New Jersey, Mr. Snyder, Mr. Stangeland, Mr. Stokes, Mr. Tauke, Mr. Udall, Mr. Weber of Minnesota, Mr. Weiss, Mr. Williams of Ohio, Mr. Williams of Montana, Mr. Winn, Mr. Wylie, Mr. Yatron, and Mr. Zablocki.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

416. By the SPEAKER: Petition of San Diego District 25, California Federation of Women's Clubs, La Mesa, Calif., relative to the Blitz amendment; to the Committee on Education and Labor.

417. Also, petition of Mr. W. A. J. Semerjibashian, Kreuzlingen, Switzerland, relative to financial compensation; to the Committee on the Judiciary.

418. Also, petition of the city of Clio, Mich., relative to H.R. 5133; jointly, to the Committees on Energy and Commerce and Ways and Means.

EXTENSIONS OF REMARKS

NUCLEAR FREEZE

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, May 3, 1982

● Mr. ASPIN. Mr. Speaker, it is quite remarkable how public attitudes on arms control have changed swiftly. We had worked out in 1979 a very complicated—perhaps too complicated--but a very complicated SALT agreement. That agreement was very carefully looked at by all of the specialists. It was looked at by the generals, examined by experts in the academic world, looked at by officials, examined from all sides, and when it was presented to the public, the reaction was generally very blah.

Now here we are a couple of years later, and scribbled on the back of an envelope is the idea to freeze everything where it is now, and, as one, the American public is rising up and saying, "Let's charge."

Basically speaking, to most people nuclear weapons are so horrible and nuclear war so difficult to comprehend that the first reaction is to block them out entirely, to hope that somehow it is all going to go away. If something breaks through that shell and forces people to confront the horror of nuclear weapons, the reaction is likely to be a jump to active involvement—petition drives, meetings and protests, organizations, teach-ins, and other things. People can jump from one state to the other with hardly a pause in between. I think that is what has happened. The current administration deserves a great deal of the credit—or blame—what with its casual discussion about nuclear weapons and civil defense. As a result, people have been forced to confront the issue. The result is the freeze.

I think that the freeze has a lot of political value in terms of getting a constituency going in favor of arms control. From that standpoint, it is a very good idea. Personally, I would have a different approach than a freeze as an opening negotiating position with the Soviet Union. I think as a negotiating position it has some problems, but as a political movement, it has a great deal of merit.

Let me just state some of the problems that I see with it in terms of a negotiating position.

First, it would simply be one more jolting change in our negotiating stance. We already have an A for lack of consistency; let us not try for an A plus.

Where once we had a nonpartisan foreign policy, we have now made arms control the most partisan of foreign policy issues. Ford negotiated the Vladivostok accords. He did a good job. We should have ratified Vladivostok. But, no, along came Jimmy Carter saying he could do better. The ceilings on weapons were too high, he said. Chuck Vladivostok, and I will work out a better deal. So we chucked Vladivostok, and years later Carter came up with SALT II. It was a good package. But, then, Ronald Reagan came along saying he could do a better job. The ceilings in SALT II were too high, he said. Chuck SALT II, and I will work out a better deal.

The freeze people are now agreeing with Ronald Reagan's wish to chuck SALT II and pursue the better deal. But why? SALT I, Vladivostok, SALT II—each is of limited duration. None was designed as the final word. Each was designed as a stepping stone, an earnest of good intentions to prepare the ground for broader arms control measures. An important step in this continuing process would be to ratify SALT II so we could move on to SALT III (or START I, or whatever acronym).

The second problem with the freeze concept has already been pointed out—correctly for a change—by President Reagan. A freeze clamps down on the strategic issues that make Kremlin planners sweat, but it does not address those issues that make American planners sweat. To have any hope of negotiating successfully, each side must have something the other would like to get at. Otherwise, there is no incentive to make a deal.

We are worried that the huge numbers of Soviet MIRV'd missiles or their inventory of very large missiles could successfully wipe our our land-based ICBM's in a first strike. We want reductions in either or both of those categories. The freeze simply leaves those threatening missiles in place.

On the other hand, what worries the Soviets is what we are preparing to do. We are working on a new Trident D5 sea-based missile that will make their land-based missiles vulnerable. Third, we are developing sea-launched cruise missiles, and fourth, we are working on the Pershing II missile, which could be launched from Europe to hit Soviet targets in a matter of minutes. The Russians want to get at all four of these weapons. For us to get what we want, we need both a freeze and reductions. For the Soviets to get what they want, all they need is a freeze. At that point, there is no incentive for them to talk about reductions.

The third problem with the freeze proposal is that two moves away in this chess game we are presented with nothing but bad alternatives; we can give up either our knight or our bishop. Either way we get rooked. The freeze is proposed as an open-ended policy to last until reductions are agreed upon. The Soviets will have every incentive to hold religiously to the freeze while stonewalling on the reduction talks. Any proposal to drop the freeze will be seen by freeze advocates as a step backward and perceived around the world as American perfidy—while the Soviets sit quietly at the negotiating table behind their Cheshire grins. We will be forced either to stick with the freeze and its disadvantages or to play the role of ogre and resume the arms race. Neither is to our benefit. Neither advances the cause of arms control.

So, for those three reasons. I really have some questions whether a freeze is the best negotiating position we can lead with. As I say, I am so happy to see some political interest in the arms control areas and some political interest in reducing nuclear weapons, that I think there is a lot of good to be said for the public discussion of a freeze. It is just as a negotiating position I would prefer to see us go with SALT II.

Here we are with SALT II. What in the name of God is wrong with SALT II? It is looking better and better every day. At the time SALT II was rejected, it was rejected because something better was held out as being possible. The people who did not like SALT II said it allowed the Soviets to have 308 large ICBM's, and we should have the same, or they should not have them at all.

The people who objected to the provision on the Backfire bomber said that there was not enough of a provision on the Backfire bomber. We did not have enough assurances that the Backfire could not be used for intercontinental weaponry. They objected to the provision on the telemetry. They objected to lots of things.

The problem was that we were looking at SALT II versus some idealized treaty, and under those circumstances SALT II did not look so good.

So we have not ratified SALT II. SALT II is sitting out there as an alternative, but the alternative to SALT II is now nothing, and SALT II looks pretty good.

The interesting thing about SALT II is that we have been following everything in it. If we look at the Reagan defense budget, big as it is, there is not

one single weapon that we are proposing or have started or anything that is inconsistent with SALT II. Everything that Ronald Reagan wants to do and the Pentagon wants to do, we could do under SALT II.

We are following SALT II; we are following it precisely. So why not ratify it? The only thing that we are not getting is that if we did ratify SALT II, the Soviets would have to dismantle about 10 percent of their most threatening weapons. That is a reduction in arms. And reductions are what both the freeze advocates and the Reagan White House have declared as their goal.

We are following the SALT II numerical restrictions right now. Every time we build a new missile submarine, we dismantle an old one. The Russians are doing the same thing; every time they build a new missile sub, they dismantle an old one. The only provision that has not been put into effect—and which will not go into effect until and unless there is a ratified treaty—is the one that would limit the total number of strategic delivery vehicles (missile launchers and heavy bombers) to 2,250 on each side. Under that provision, the Soviets would have to get rid of more than 250 of their missiles or bombers. The United States is already under the ceiling.

SALT II also forbids either side from developing and deploying more than one new type of ICBM; that is one new type after ratification. That would put a real brake on the arms race.

The Reagan people ought to like SALT II. After all, Reagan's 5-year defense plan looks as if it were drafted with ratification of SALT II in mind.

Freeze advocates may find some drawbacks to SALT II. Granted. There are drawbacks to any policy one can think of. But SALT II has two key advantages over a freeze. First, it goes beyond a freeze and provides for reductions. Second, it has already been worked out with the Russians. It has been signed and sealed. Unlike the freeze proposal, we do not have to invest time negotiating the fine print with Moscow.

The classic definition of "arms control" comes from Tom Shelling, who is a professor at Harvard, and he said that arms control is really three different things. It is, first of all, reducing the cost of preparing for war; second, reducing the probability of war breaking out; and third, reducing the damage should war break out.

There are in essence now, on the left of the political spectrum—or maybe it is now so complicated that the left and the right are all mixed up together—two different groups forming that are interested in the nuclear issues. One we would define as the "peace group." The peace group is interested essentially in the first and third items in Shelling's triad. They are mostly interested in reducing the cost of preparing for war and reducing the damage should war break out. They are talking about reducing numbers of warheads, reducing numbers of nuclear weapons, and reducing the amount of nuclear damage and the amount of money being spent on nuclear weapons.

The second group is made up of people we might call the arms control community. They are in academia; they are in think tanks around the country; they are in arms control and disarmament agencies, and they spend a lot of time studying this issue and analyzing it. They are not the citizen soldiers we find in the peace movement; they are people who are professionals, people who have spent their lives studying the subject.

They have always and consistently focused on the second issue, which is preventing nuclear war from breaking out, reducing the probability of nuclear war breaking out. And that is a real split. There is a real split in the ranks because there are things that we can do that will help achieve one of those goals which is inconsistent with the others, and in a sense reducing the number of nuclear weapons is one of those.

The real arms control community is not so interested in reducing the number of weapons. What they are interested in is stability so that if there is a crisis somewhere, people's fingers do not start itching toward that button. They are trying to determine how to get agreements that prevent that. That is why the centerpiece of the ABM system was to reduce the vulnerability, the susceptibility and the likelihood of war breaking out.

But what we have now, I think, is a real split between the peace group and the arms control community, and there is a danger here that this thing might cause some kind of rift in the antinuclear movement, because what we have on the one side is the peace groups who are very much interested in reducing the number of warheads. You go to their rallies and you go to their meetings and you hear them say that the whole thing has been a farce, that arms control is just arms management, it does not reduce anything. We have gone on for years and nothing has happened. What we need is something simple like a freeze followed by a reduction, something that everybody can understand.

The arms control people would say the effort has not been a farce. They say, look at the ABM. Arms control has contributed to the ABM. Yes, the number of warheads have increased on all sides. The cost of weapons has increased on all sides. But we have had about 40 years since nuclear weapons were used in Japan in World War II. That is not a small achievement.

The real central purpose of all this is to reduce the probability of nuclear war breaking out. I think at some point this whole thing may come down to a choice between which way we are going to go. Are we going to go in the direction of reducing cost and reducing damage by reducing numbers of warheads, or are we going to go in another direction, that of increasing stability and reducing the probability of nuclear war breaking out?

The people who are promoting the freeze, the people who are involved in "ground zero," and the other citizen groups have started educating the people. From that we will be able to have an electorate that is a lot more interested in the subject and a lot more informed.●

DONALD F. O'MALLEY: TESTIMONY TO A LABOR LEADER

HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, May 3, 1982

● Ms. OAKAR. Mr. Speaker, our labor unions have helped to provide the American worker with the highest standard of living in the world. The organized might of the working man and woman have provided them with the clout to back up their best interests. A crucial component has been the labor leader.

I would like to pay tribute today to one of those labor leaders, Donald F. O'Malley, who retired this year as president of the Communication Workers of America Local 4304 in Cleveland.

Don is a lifelong Clevelander. He was born there on February 11, 1932, and grew up on the West Side. He served his country in the U.S. Army 1950-52 where he was an honor guard at the Tomb of the Unknown Soldier. In April 1952, he began his 30-year employment with the Ohio Bell Telephone Co. He soon became active in union activities, becoming a steward in his work area, representing fellow employees with grievances and resolving on-the-job problems. He also walked the picket line when that became necessary and acted as strike director for his work area. He rose to the position of chief steward, then in 1971 became vice president of CWA Local 4304, and in 1973 he became president. He was also elected to represent his fellow workers at national conventions.

Don O'Malley is an example of the kind of dedicated union leader this country has depended on to bring benefits of organization to the rank-and-file workers. Don has always worked in an honest, intelligent manner to better the lives of people he works with and in the communities where he

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● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

has lived. He is a sensitive and mannerly person and a solid citizen.

On Friday, May 7, 1982, Don's friends will hold a testimonial dinner for him. I join them in wishing him and his wife, Hilda, all the best in the coming years and congratulations on his accomplishments.●

ONE YOUNG MAN'S BRIGHT IDEA MAKES THE IDEAS OF A NATION TAKE SHAPE

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 3, 1982

● Mr. GINGRICH. Mr. Speaker, one young man had the idea that a small computer could be used in the home or in a small business. He then set out to prove he was right when we began to make and sell his Apple computers.

Because of the dream and determination of this one young man, Steven Jobs, families and small businesses all over this country and even the world are plugging into the computer age. These computers are not much bigger than a typewriter with a television sitting on top, but they are as powerful as the first computers built which would have taken as much room as a whole house.

Because of this man, the computerized home is bringing new freedoms to the generation of the information age. The freedom to work and learn at home.

I want to share with you his story as it was reported in Time magazine, February 15, 1982. This is a story of determination like the same determination that has made this country what it is.

His story follows:

[From Time, Feb. 15, 1982]

THE SEEDS OF SUCCESS

Engineers and designers at the headquarters of Apple Computer Inc. in Cupertino, Calif., are accustomed to seeing a slender figure saunter past their offices wearing frayed jeans, suede boots and a cowboy shirt. The boyish-looking fellow with the stringy mustache is Steven Jobs, Apple's chairman of the board. At 26, Jobs heads a company that six years ago was located in a bedroom and garage of his parents' house, but this year, it is expected to have sales of $600 million.

Like so many new entrepreneurs, Jobs is a child of California's Silicon Valley. As a student at Homestead High School in Los Altos during the early 1970s, he was fascinated by technology. After school, he attended lectures at Hewlett-Packard, the big electronic firm. One day he boldly called William Hewlett, the president, to ask for some equipment for a machine he was building. Impressed, Hewlett gave it to him and helped arrange summer employment.

One of Jobs' best friends at the time was Stephen Wozniak. Pooling their talents, the two Steves built and sold so-called blue boxes, which were illegal electronic attachments for telephones that allowed users to make long-distance calls for free. On one occasion, Wozniak called the Vatican and pretending to be Henry Kissinger, asked for Pope Paul VI. As Wozniak tells the story, the Pontiff was summoned, and Vatican officials caught on to the ruse only after a bishop came on the line to act as translator.

In 1972, Jobs entered Oregon's Reed College, but he left two years later to ease his family's financial hardships. He then took a job designing video games at Atari. Wozniak, meanwhile, had dropped out of Berkeley to become a designer at Hewlett-Packard. After hours, Wozniak worked hard building a small, easy-to-use computer. In 1976 he succeeded. The pint-size machine was smaller than a portable typewriter, but it could do the feats of much larger computers.

To Wozniak, the new machine was simply a gadget to show his fellow computer buffs. Jobs, in contrast, saw the commercial potential of the machine that could help families do their personal finance or small businesses control inventories, and he urged that they form a company to market the computer. The two raised $1,300 to open a makeshift production line by selling Jobs' Volkswagen Micro Bus and Wozniak's Hewlett-Packard scientific calculator. Jobs, recalling a pleasant summer that he spent working in the orchards of Oregon, christened the new computer Apple.

To build the company, Jobs adroitly tapped the network of support services that has made Silicon Valley such a fertile place for fledging businesses. Says he: "We didn't know what the hell we were doing, but we were very careful observers and learned quickly." Jobs pestered Regis McKenna, the area's premier public relations specialist, to take on Apple as a client. After refusing twice, McKenna finally agreed. For advice on how to raise money, Jobs consulted both McKenna and Nolan Bushnell, his former boss at Atari. They suggested that he call Don Valentine, an investor who frequently puts money into new firms. When Valentine came around to inspect the new computer, he found Jobs wearing cutoff jeans and sandals while sporting shoulder-length hair and a Ho Chi Minh beard. Valentine later asked McKenna: "Why did you send me this renegade from the human race?"

Valentine mentioned the company to A. C. Markkula, 40, a former marketing manager at Intel, a computer-chip manufacturer. When Markkula offered his expertise and $250,000 of his own money, Jobs and Wozniak made him an equal partner. Markkula helped arrange a credit line with the Bank of America and persuaded two venture capital firms to invest in Apple.

From the start, the Apple team did almost everything right. First they redesigned the prototype into a trime, spiffy model called Apple II. Jobs insisted that the cases for the keyboard and video display be made of light, attractive plastic instead of metal. They also wrote clear, concise instruction manuals that made the machine easy for consumers to use. Sales surged from $2.7 million in 1977 to $200 million in 1980.

The rapid growth, however, was hard to control. In the words of Markkula, the problem was "to keep the race car on the track." The introduction in 1980 of Apple III, a more powerful version of its predecessor, was a fiasco. The new machines, plagued by production snafus, were full of bugs and had to be withdrawn from the market. Early last year some 40 employees were fired, and the project manager of Apple III resigned. Since then, Apple's growing pains have eased. Sales of a retooled Apple III have improved, and those of the less expensive Apple II Plus, which is available for $1,530, total 15,000 a month.

Overseeing Apple's growth has kept Jobs too busy to spend the millions he earned when the company went public 14 months ago. He took a few days off last year to go backpacking in Yosmite National Park. Except for some Japanese woodprints and a Maxfield Parrish painting, his unpretentious Tudor-style home in Las Altos Hills is largely bare because he has not decided how to furnish it. As an executive, Jobs has sometimes been petulant and harsh on subordinates. Admits he: "I've got to learn to keep my feelings private."

Apple has now come to a critical juncture. The company, which last year garnered 23 percent of the $2.2 billion worldwide market in personal computers, has to fight off a host of aggressive competitors. Tandy Corp.'s Radio Shack, with its 6,400 retail outlets, has captured an equal 23 percent of sales. Xerox has a new entry that its engineers call the "worm" because they claim that it can eat an Apple. Most important, mighty IBM has joined the fray with its first personal computer.

Apple plans to outpace the competition by maintaining an innovative edge. Spending on research and development has increased from $3.6 million in 1979 to $21 million last year. The company is currently modifying the Apple II to reduce manufacturing costs and this summer will introduce a less expensive version called the Super II. It is also preparing to unveil early next year a new machine that already has the computer world abuzz. Code-named Lisa, after one of Jobs' exgirlfriends, it is both more powerful and easier to use than Apple III.

In addition to developing new products, Apple will have to prove that it has the management talents needed in a firm that this year will join the ranks of the Fortune 500. Though Wozniak remains a major shareholder, he has dropped out of company affairs and returned to Berkeley to finish his studies. Markkula plans to retire within two years to spend more time with his family. Jobs, who had the vision to build one of America's foremost companies from a hobbyist's toy, must show that he has the foresight and ability to guide a major corporation.●

DORMAN COLLINS—AN "INVOLVED CITIZEN" WHOSE WORK GOES ON

HON. JACK BRINKLEY

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 3, 1982

● Mr. BRINKLEY. Mr. Speaker, on the night of Wednesday, March 31, 1982, our Nation lost one of its most precious assets, an involved citizen. To quote an editorial which appeared in the Columbus Enquirer on April 5, "Dorman Collins was a man who believed in getting involved."

Born on August 9, 1920, in Houston County, Ala., Dorman Collins had lived in Columbus, Ga. for 42 years. He belonged to Edgewood Baptist Church and was a founder and past

president of the Muscogee County Bruce Wilder Chapter of the Muscular Dystrophy Association. He was also founder of the Fulton-DeKalb County Muscular Dystrophy Association.

In 1957, he was Columbus Elk of the Year and in 1964 he received the Columbus Sertoma Club's Service to Mankind Award. In 1965, he was awarded the Georgia District and the Sertoma International Service to Mankind Awards. He was also a charter member of the Muscogee County Exchange Club.

A registered sanitarian with the Georgia Department of Agriculture, Dorman was named man of the year in 1965 by the Georgia Department of Agriculture and received Outstanding Sanitarian Awards from the State of Georgia in 1971 and 1972.

Most recently, Dorman Collins had devoted much of his time to leading a grassroots drive to help correct the social security benefit disparity known as the notch problem. In that effort, as in so many of this previous endeavors, he proved beyond doubt that one person can still make a big difference. For example, Dorman's work brought the notch problem into a clearer perspective for me, and the resulting legislation has now been cosponsored by over 60 of our colleagues.

What makes all this even more impressive is the fact that Dorman Collins had a spirit so strong that he responded to personal difficulties by working harder than ever to help others. For instance, the fact that his son, Jerry, was a victim of muscular dystrophy motivated Dorman's work with the MDA, and his leadership on the notch problem came despite the fact that he lost his larynx to cancer surgery in 1979.

Like Dorman's wife, Esther, and the other members of his family, we find in the legacy he left us much to console the sense of grief we feel over his loss. The truth is that Dorman Collins would not want us to devote much time to the sadness we feel over his death. Instead, he would want us to rededicate ourselves to the work which gave his life such a special meaning, the work of forgetting our own problems and helping others with theirs.

In that spirit, Mr. Speaker, I met last weekend with Mrs. Linda Joyce Parker, also of Columbus, who had worked closely with Dorman and has now decided with other members of the Concerned Citizens Committee to Remove the Notch Problem From Social Security to continue the endeavor he began. Her dedication to helping others is in the finest tradition of good citizenship, and it is my hope that a hearing may soon be scheduled to confirm the extent of the notch problem and consider possible remedies, Without doubt, that is the kind of tribute for which Dorman Collins would be most grateful.●

SOLIDARITY SUNDAY

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 3, 1982

● Mr. ROSENTHAL. Mr. Speaker, on May 2, 1982—Solidarity Sunday—thousands of Americans joined together to march in support of the 500,000 Jews who today remain trapped inside Russia. This day, which has traditionally been set aside as a reminder to the world community of the continuing persecution of the Jewish citizens in the Soviet Union, was especially important because of the extreme deterioration of conditions under which Soviet Jews have been forced to live.

It has been more than 6 years now since the signatories of the Helsinki accords came together in Finland. Yet the Soviet Union has chosen to ignore the promises it made at that time.

Ironically, the third largest center for Jews in the world allows no Hebrew books or Bibles. The Soviets have virtually banned all religious and cultural activities by Jews. These practices do not comply with the "Respect for Human Rights and Fundamental Freedoms" section of the Helsinki agreement which promises "to recognize and respect the freedom of an individual to profess and practice, alone or in a community with others, religion or belief in accordance with the dictates of his own conscience."

There has also been an upsurge in the number of prisoners of conscience imprisoned either for actions related to their religious activities or the usual trumped-up charges of treason or espionage that are often used as excuses to lock up Soviet Jews. The trials provided for those arrested are a farce. Proper counsel is never provided, verdicts handed down often in less than 5 minutes. Innocent people receive up to 13 years of hard labor or are forced into exile without the benefit of defending themselves at a fair trial. This defies the very intent of the Helsinki accords "to respect the right of national minorities to equality before the law, afford them the full opportunity for the actual enjoyment of human rights and fundamental freedoms."

Not only is there rampant repression within the Soviet Union, but the alternatives for deliverance from it are limited at best. It is now nearly impossible for most Jews to obtain exit visas. Only those with "first" relatives in Israel can apply, and even some of these requests have been denied. The "first" relative rule has been made stricter, now applying only to immediate family members—a direct violation of Soviet domestic law and certainly of the principles embodied in the accords under the "Reunification of Families" provision which binds the Soviet Union "to deal in a positive and humanitarian spirit with members of their family * * * and to deal with applications in this field as expeditiously as possible." Unless the Soviet Union can justify 5- to 10-year waiting periods as expeditious, it has not abided by these principles either.

Anti-Semitic propaganda, decreased emigration figures to all-time lows, great numbers of Prisoners of Conscience: These are the facts of life for Soviet Jews today, a drastic worsening of the human rights situation.

How many more agreements will the Soviet Union be quick to sign, then act as if they were nonexistent? This travesty of justice cannot be overlooked by the United States. Those who wish to leave the Soviet Union need American help. Those who wish to remain deserve to live in peace and be permitted to practice their beliefs. It is our duty to insure that the Soviet Union does "respect human rights and fundamental freedoms, including the freedom of thought, conscience, religion or belief, for all without distinction as to race, sex, language, or religion", for this was the intention of the accords signed in August 1975.●

THE FIRST GENOCIDE OF THE 20TH CENTURY

HON. CHARLES PASHAYAN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 27, 1982

● Mr. PASHAYAN. Mr. Speaker, although April 24 is commemorated as Martyr's Day by the world's Armenian community, I should like to underscore the fact that the Armenian community does not condone, and in most cases is abhorred by, the wave of terrorism against Turkish diplomats throughout the free world.

Armenian history is replete with tragedy, and the events begun on April 24, 1915, were acts of genocide.

The tragedy that befell Kemal Arikan in Los Angeles in January was an act of terrorism.

These events are unacceptable to civilized people everywhere. They should be, indeed they must be, acknowledged for what they were.●

TEXT OF HOUSE JOINT RESOLUTION 467 RELATING TO ALASKA NATURAL GAS PIPELINE

HON. TOM CORCORAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 3, 1982

● Mr. CORCORAN. Mr. Speaker, on Thursday, April 29, I introduced

House Joint Resolution 467, a resolution relating to the Alaska natural gas pipeline. House Joint Resolution 467 was jointly referred to the House Committees on Energy and Commerce and Interior and Insular Affairs. To become effective, joint resolutions require adoption by both Houses of the Congress and approval by the President in the same way that bills become effective. Once enacted, joint resolutions are binding and have the force of law.

Mr. Speaker, for the benefit of our colleagues, I would like to insert in the Record the text of House Joint Resolution 467.

Text of House Joint Resolution 467 follows:

Joint resolution to establish an expiration date for the waiver of laws granted for the Alaska Natural Gas Transportation System, and to bar Federal loans, loan guarantees, or other financial assistance for that system

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

Whereas the Alaskan Northwest Natural Gas Transportation Company (hereinafter in this resolution referred to as the "sponsors") received from the Carter Administration and the Ninety-fifth Congress the sole right to develop the approved natural gas pipeline system from Alaska into the continental United States, having made assurances they would privately finance the pipeline system;

Whereas the sponsors were unable to obtain such financing and requested the Reagan Administration to propose a waiver of laws permitting the sponsors to bill consumers for the pipeline system before completion or even if the system is never completed;

Whereas, after the sponsors had made assurances that they would not require any further Federal assistance, the waiver of laws was adopted by the Ninety-seventh Congress on December 10, 1981, and approved by the President on December 15, 1981;

Whereas the adoption of the waiver of laws fulfilled any commitment of the Government of the United States to the Government of Canada regarding the pipeline system;

Whereas, even with the granting of the waiver of laws, the sponsors have been unable to finance the pipeline system;

Whereas the sponsors will indefinitely retain the sole right to develop the pipeliine system and place natural gas consumers at risk for the costs of the system unless some deadline is established: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America is Congress assembled, That—

(1) the joint resolution entitled "Joint resolution to approve the President's recommendation for a waiver of law pursuant to the Alaska Natural Gas Transportation Act of 1976" approved December 15, 1981, (Public Law 97-93; 95 Stat. 1204) shall cease to be effective December 15, 1983, unless the Federal Energy Regulatory Commission issues, on or before December 15, 1983, a final certificate of public convenience and necessity for the approved transportation system; and

(2) on and after the date of the approval of this joint resolution, no loan, loan guarantee, or other financial assistance from the United States or any agency or instrumentality of the United States may be made for the approved transportation system or any part thereof.●

NATIVE AMERICAN DAY

HON. CECIL (CEC) HEFTEL

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Monday, May 3, 1982

● Mr. HEFTEL. Mr. Speaker, I am honored to introduce a joint resolution today with my distinguished colleague from Hawaii, Mr. Akaka, to designate January 28, 1983, as "Native American Day." This resolution calls on all Americans to reflect upon the contributions Native Americans have made to our culture and to mark the occasion with ceremonies and activities which reinforce the pride which we all have in those first Americans.

The Native Americans are a link to our cultural past. We, in Hawaii, have been greatly influenced by our unique ethnic origins and are particularly proud of our heritage. Many Americans are probably not even aware of the role our indigenous populations played in our Nation's development. By setting aside a day to reflect on past accomplishments of Native Americans, we, as a nation, will benefit. In gaining new insights into our past, we will learn more about ourselves as Americans. The very essence of the American way is rooted in the lasting contribution of our Native Americans, a proud people who joined with an immigrant population to forge a united, pluralistic Nation, the envy of every society on Earth. We must never lose sight of our Nation's roots. Hopefully, Native American Day will raise the consciousness of the American people to look back to their humble beginnings and to look to America's future with pride and with optimism.

I am pleased to note that companion legislation, introduced by Senators Inouye and Matsunaga and 26 other Senators, has already been approved by the Senate. I hope my colleagues in the House will join with me in cosponsoring this resolution to pay tribute to our Native citizens and to honor the American spirit. The resolution follows:

H.J. Res. 472

Joint resolution to designate January 28, 1983, as "Native American Day"

Whereas Native Americans have made important contributions to the cultural and social history of the Nation; and

Whereas Native Americans are now assuming a greater role in the economic life of the Nation; and

Whereas it is appropriate to extend recognition to Native Americans for their achievements as citizens of the Nation: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That January 28, 1983, is hereby designated as "Native American Day". The President is authorized and requested to issue a proclamation calling upon all Government agencies and people of the United States to observe the day with appropriate programs, ceremonies, and activities.●

THE 3D OF MAY POLISH CONSTITUTION

HON. THOMAS B. EVANS, JR.

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Monday, May 3, 1982

● Mr. EVANS of Delaware. Mr. Speaker, today is the celebration of the Polish Constitution Day of 1791. It is a time when all Poles celebrate to show their unswerving dedication to the principles of freedom, justice, equality, and individual liberty.

As Americans, we share the same dedication to these principles, and feel especially close to the Polish people on this day when they commemorate the Constitution of 1791, a day when this freedom-loving people saw their cherished dream of independence and freedom realized.

We have a special responsibility to the people of Poland, because they are so closely linked with us. Americans of Polish ancestry have contributed so much to the freedom we now enjoy. I think especially of Gen. Casimir Pulaski, who made the ultimate sacrifice and gave his life in the battle for American independence and liberty.

One of the most important things we can do in this dark hour of Polish history is to keep open their link to the free world to let them know we care. I am speaking of the Voice of America and Radio Free Europe, vital links of communication threatened by unprecedented jamming by the Soviets. We must do all that is necessary to keep that vital link open. Very shortly, we will consider legislation to fund these critical broadcasts, and I urge my colleagues to join me in support of this effort to provide increased funds for the Voice of America.

With our support and our prayers, no dictatorship and no totalitarian regime can ever suppress the human spirit of the people of Poland, people who so fiercely embrace the principles of liberty and freedom.●

CROSSROADS OF THE ECONOMY

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, May 3, 1982

● Mr. HUBBARD. Mr. Speaker, one of the major challenges facing this

Nation is overcoming this recession and putting the Nation back on the right economic track. Mr. Joe Douglas Pride, senior vice president of Providence State Bank in Providence Ky., has some definite ideas about the role of Congress in solving these problems. I believe Mr. Pride's letter is one which should be shared with my colleagues and I wish to do so at this time:

Dear Sir: We of the United States are poised near the crossroads of our economy. Conflicting messages are being received from the economy. Bond markets and interest rate futures are lower, while signaling higher inflation, and gold and silver are lower, signaling lower inflation. These powerful and opposite economic forces are coming to a boil.

The budget reflects a $100-plus billion deficit indicating Congress' intent to spend more than it has. Two alternatives are easy, yet both are counterproductive. First, the Treasury can fund by borrowing from the private sector, forcing interest rates higher and discouraging recovery, or the Fed can fund by printing, thus creating inflation.

Now, I watch the congressional scene and realize shortsightedness is easily created by short term economic pain and personal interest, but the crossroads have been reached.

President Reagan clearly intends to give his plan a chance and continues to resist nearly all political pressures. His efforts are those for improvement. The congressional efforts of freezing, spending, etc., have nothing to offer other than a negative impact. The Fed has openly demonstrated its reluctance to foster inflation by printing money and the effect of the Treasury's borrowing is already well known.

The future of our economy and our people could well rest more in the hands of you and our Congress than ever before. Your strength and conviction to correct our problem is at hand. Positive action will return us to propsperity. Fiscal control and restraint is a prerequisite.

Thank you,

Joe Douglas Pride,
Senior Vice President.●

A MESSAGE FROM THE PEOPLE OF HONDURAS

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 3, 1982

● Mr. LEHMAN. Mr. Speaker, because I do not believe there is a military solution for the problem in Central America, I want to insert in the Congressional Record some findings and words of advice from a friend who recently visited that part of the world.

As she states, our country must again become the champion of peace, freedom, and human rights and shed the image of arms merchant to the world.

Mrs. Marilyn Hall is a member of the Potter's House Community of the Church of the Savior. She has been working with Cambodian refugees in the United States, and is on the staff of the Committee on Education and Labor. A portion of her report follows:

Hope and Despair in Honduras

(By Marilyn Smith Hall)

Late in March I left for Honduras with a group of three friends from the Church of the Savior in Washington, D.C., with the purpose of listening to the concerns of the people there, and learning as much as we could about that country. We traveled over a wide area—from Tegucigalpa to Copan—speaking with many people, including a businessman who had settled in Honduras after escaping from Nazi Germany as a young man, a young woman journalist from a leading newspaper, a government official, a coordinator for the refugee camps, several farmers and their families, a nun who worked in Central America for many years, townspeople in areas where we stayed, and Guatemalan refugees in a camp near the border.

Honduras is the second poorest nation in the western hemisphere, and all of those we spoke with were concerned about this. I am convinced after our trip that many people of good-will, including some in our Embassy there as well as in the Peace Corps (which is very active in Honduras), would like to see things change for the better in Honduras, and many of them are working toward this end. But it seems that our military intervention, our strong emphasis on arms and force to achieve our goals, is self defeating, opposed to our ideals of self-government and nonintervention, and helps to turn the tide toward violence and oppression rather than toward solutions achieved by law through the democratic process. In our talks with our Honduran friends, their concern about this was confirmed many times. In reference to the threat of Communism, one Honduran women suggested that the best weapon against this is people who are not hungry, and who have access to jobs and to health services. My own observations in Honduras lead me to believe she is right. If we really believe in self-determination and the ability of each individual to make his or her own choices, would not a more courageous and prudent role for us to play in Central America be to place our emphasis on the development of human resources and potential rather than on warfare?

Perhaps a case in point is Guatemala. While we were in Honduras we also visited a Guatemalan refugee camp. I have been to Guatemala twice in the past six years, and am aware through these visits that the Guatemalan military government has been notorious for its acts of oppression and violence among the Indian peoples there, who comprise approximately 60 percent of the population. We in the United States have given support to that regime, and in fact through the efforts of the C.I.A. were responsible for the coup in 1954 which led to the rule of the military regime. While we have been protecting our interests in this very strategic and potentially rich country, the oppressed Indian peoples of Guatemala, under threat of annihilation, have come to a crossroads where very terrible choices have had to be made: should they remain in their country, which they love, when if they do they are under the threat of death by their government? If they leave, where are they going to go? If they stay, how are they going to defend themselves? Many of them have seen terrible things happen to their friends or their relatives. Some have survived attacks on whole villages. Many are very angry, and emotionally scarred by what has happened.

The people we saw in the camps chose to leave under threat of violence. They are not happy living in the confines of a refugee camp, but they are doing the best they can. They are growing vegetables, making tables and beds for their families, and everybody has a job. The women take care of the children, the meals and the clothes, and men take turns in a nightly crew which guards the camp because they fear the invasion of Guatemalan soldiers. The recent change in the Guatemalan leadership in the military government has not taken away their fear nor affected their lives. They cannot foresee going back to Guatemala anytime soon because they are afraid the new government is really the same as the old government which has brought them such horror and injustice.

These, too, are people who want to live in peace with their neighbors, just like the Hondurans we spoke with before them. They want to go back to their country, till their fields, and live among their families and friends. One hopes that the new leadership can effect peaceful change so that this can happen, but for now many of the Indians can only see the new leaders as "wolves from the same hill." It will take a long time to convince them otherwise. During another part of our journey, I met a person who made me believe that there are people in Guatemala who are seeking constructive change: he was a Guatemalan, a former student, who has studied outside of his country. He was not an Indian, but rather from a family of some means. He described how unjust the society in Guatemala had been to the Indians; he wanted it to be different. He has been asked to join the guerrillas because of his concerns, but he just didn't feel that was the right approach. He was not very flattering in his description of the United States, referring to our country as "The Empire". Everything in the United States is done for the good of "The Empire," he said, not for other countries or people.

I was sad my new friend had such a bad opinion of our country, but was touched by his compassion for his fellow Guatemalans as well as his willingness to share his concerns with me. He told me something of what he had experienced in his country, stories of fraud and oppression, some of which I'd heard before—but seldom from a person with his particular background. He, too, like the refugees, just wanted to live in peace in his country. He, too, was uncertain about the new leadership, whether it could really effect needed change. "You know," he said finally, "I could be killed if I said these things in Guatemala."

I knew he was right, and I was grateful to find him—and so many others in our travels in Honduras—who still have courage, vision, and hope despite many odds, maybe enough to make a difference. At the same time, I must believe that not all of our citizens here are without compassion, and that it is probably true that, if North Americans really knew how desolate life is in so many other areas of the world, they would not rest until there is freedom from poverty and oppression for everyone.●

ONE MILLION SAFE HOURS AT AIR PRODUCTS & CHEMICALS

HON. STENY H. HOYER

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, May 3, 1982

● Mr. HOYER. Mr. Speaker, recently I had the opportunity of touring the Air Products & Chemicals, Inc., industrial gases facility in Bladensburg, Md. Needless to say it was an extremely interesting experience. The facility is the regional distribution point for industrial and specialty gases used in hospitals, in food processing and storage, in construction, and in electronics manufacturing.

The Bladensburg facility is part of the Air Products complex located in Maryland. The corporation has a chemical manufacturing plant in Elkton, a distribution center in Salisbury, and an industrial gases production plant adjacent to the steel mills in Sparrows Point. In the new Fortune directory of the 500 largest U.S. industrial corporations, Air Products jumped to 228th in sales compared to 242d last year.

As you can see, Air Products is a thriving business, with vital commitments to its employees and to the community in which it is located. More than $1.5 million will be donated this year to organizations concerned with education, health and welfare, youth development, civic improvement, culture, and the arts. Half of the company's financial donations will go to colleges and universities. The other half will be distributed in the communities where Air Products has plants and offices.

Handling chemicals such as oxygen, nitrogen, argon, polyvinyl acetate emulsions, and specialty medical gases can be a difficult and hazardous job. The company has established an emergency response program to react swiftly to any gases or chemical accident in the vicinity of a company facility, even if its personnel or products are not involved.

I am happy to report to you, Mr. Speaker, that this program has not been needed in recent months at the Bladensburg plant. On April 19, at 1:30 p.m., the Bladensburg Air Products distribution facility observed 1 million man-hours without an accident. This is indeed a laudable record and I commend the employees of the company for their commitment to safety.

Undoubtedly the experience of Air Products can serve as a model for other industrial enterprises. I am proud of the men and women who work at the Bladensburg facility, and I am equally proud to be able to represent them in Congress.●

CONGRESSMAN FROST RELEASES PERSONAL FINANCIAL STATEMENTS FOR 1981

HON. MARTIN FROST

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 3, 1982

● Mr. FROST. Mr. Speaker, I am inserting in the CONGRESSIONAL RECORD a balance sheet and income statement for my wife, Valerie, and me for the year 1981.

Because the required financial disclosure of the House does not go into much detail, I am voluntarily providing this additional information.

The financial statement follows:

Balance Sheet: Martin and Valerie Frost as of 31 December 1981

Assets:	
House and lot, 1910 Kessler Parkway, Dallas, Tex	$85,000.00
House and lot, 8508 Riverside Road, Alexandria, Va	100,000.00
Home furnishings and other personal effects	10,000.00
Savings, Wright Patman Federal Credit Union	4,467.00
Checking account	2,474.29
Retirement—U.S. Congress	13,939.47
Subtotal	215,880.76
Automobiles:	
1979 Chevrolet Chevette	4,000.00
1976 Ford Grenada	2,500.00
1971 AMC Gremlin	100.00
Subtotal	6,600.00
Stocks and bonds:	
4 shares IBM	227.52
12 shares Ensearch	303.00
U.S. savings bonds	300.00
Subtotal	830.52
Total assets	223,311.28
Liabilities:	
Mortgages:	
Trinity Mortgage Co. of Dallas (Dallas residence)	32,995.00
National Homes Acceptance Corp. (Alexandria residence)	73,306.00
Subtotal	106,301.00
Installment loans:	
Wright Patman Federal Credit Union	2,000.00
Oak Cliff Bank (Automobile).	1,760.50
Open charge accounts (balances)	1,000.00
Subtotal	4,760.50
Total liabilities	111,061.50
Net worth:	
Total assets	223,311.28
Total liabilities	111,081.50
Total net worth	112,249.78

●

CUTOFF OF COLLEGE SOCIAL SECURITY BENEFITS

HON. ANTHONY TOBY MOFFETT

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, May 3, 1982

● Mr. MOFFETT. Mr. Speaker, Saturday, May 1, marks the beginning of one of the most mean spirited cuts imposed by the Reagan administration—the 3-year phaseout of all college social security benefits. This program began in 1965 and provided an average of $250 a month toward postsecondary education for the children of workers who either became disabled or who lost their lives while working. It was instituted in recognition of the fact that families with an absent wage earner were much less likely to be able to provide a college education for their children.

The college social security benefits also provided much needed support to the children of servicemen and women who were killed or disabled while defending the Nation. These benefits were promised, for example, to families of those sent to Vietnam. The literature given to these families explicitly listed college social security benefits as one of the compensations that children would be guaranteed if their parents were killed or disabled while in the Armed Forces.

Yet both of these solemn promises—to the children of workers who paid into the social security system and to the children of Armed Forces personnel—will be violated starting May 1, 1982. After May 1, the college social security program will be phased out over a 3-year period. For children of deceased workers and Vietnam veterans who have not yet reached college age, there will never be any benefits. For young men and women who are already in college, benefits will be cut by 25 percent a year for 3 years, with benefits eliminated entirely during May through August, whether or not the student is attending summer classes. By May 1, 1985, there will no longer be a college social security benefits program.

This program is being brought to an end because the Reagan administration won this cut as part of its fiscal year 1982 budget. It is just one more example of the inequities of that budget, which allocated $1.6 trillion to the Pentagon over 5 years, which effectively reduced the corporate income tax to near zero, which targeted tax relief to the needy earning over $200,000 a year, and which cut vital social service programs by $36 billion in just 1 year. The college benefits currently go to approximately 650,000 students, and cost about $2.2 billion a year. The administration claimed that these cuts would be painless because it would increase the moneys going to the Pell grant program for college study.

Yet that promise was a false one from the start. The administration also requested massive slashes in the Pell grant moneys, from $2.6 billion in fiscal year 1981 down to $2.3 billion in fiscal year 1982, to a mere $1.4 billion in fiscal year 1983. When inflation is taken into account, these represent a cut of more than 50 percent in moneys available through the Pell program. If we add in the $2.2 billion cut that the elimination of the social security program represents, we are looking at total cuts of at least $3.4 billion.

The elimination of the college social security benefits disproportionately hits those least able to afford postsecondary education. Studies have shown that the children who receive these benefits are generally from low-income, blue-collar families. The median income of the households benefiting from these funds is barely two-thirds of the U.S. average. This is hardly surprising, since blue-collar workers are far more likely to be injured or killed while working than are white-collar workers.

In sum, Mr. Speaker, the elimination of this program by the Reaganites is an unjustifiable violation of promises made to the affected families. It continues the Reagan program of cutting our investment in the future of America's young people, while squandering tens of billions of dollars on unneeded and outmoded flashy weapons systems. May 1, 1982, is a new blackmark in the annals of the Reagan administration, and in the commitment of this Nation to its working people and to those who gave their lives in its defense.●

A DIFFERENT VIEW OF THE SOVIET UNION

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 3, 1982

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Foreign Affairs Newsletter for April 1982 into the CONGRESSIONAL RECORD:

A DIFFERENT VIEW OF THE SOVIET UNION

There are two ways of looking at the Soviet Union. The more familiar view emphasizes Moscow's attainment of status as a global power and its successes in building up its military might and in creating the second largest economy in the world. The other view, set forth in the following paragraphs, sees the Soviet Union in some of the darkest days of its 60-year history.

The Soviet Union faces many domestic and international problems which are imposing ever greater constraints on Soviet behavior:

SUCCESSION

The Soviet Union may soon undergo a crisis of succession. President Leonid Brezhnev is ailing and aged, and it is hard to see how he can effectively run the Soviet Union for long. He must shortly relinquish control, but when he does his country will enter a period of disturbing instability. His most probable immediate successors are also old, so a prolonged struggle for power is likely. It is remarkable that the second greatest power in the world, operating as it does under a system of government which vests enormous authority in one man, has not yet worked out a way to transfer authority smoothly from one leader to the next.

ECONOMY

The Soviet economy is an elaborately planned mess, a mix of ample human and natural resources together with mismanagement and corruption. The economic system discourages initiative and innovation as it encourages waste and inefficiency. Average growth in the early 1970's was four percent per year, but the rate has declined since 1976 and in 1979 and 1980 it averaged only 1.1 percent annually. The industrial sector is stagnating, infrastructure is inadequate, transportation bottlenecks abound, and the shortage of skilled labor has reached crisis proportions. There are shortfalls in the production of such key industrial commodities as steel, coal, construction materials, and chemicals. The Soviet Union is having a serious cash flow problem with the currencies used in international trade. Its technology lags, its oil reserves are dropping, and its debt to the West, now $100 billion, could reach $150 billion by 1985. In short, the Soviet economic system simply does not work well. Centralized economic planning increasingly conflicts with the need for modern economic management. Soviet leaders are clearly confronted with their most severe economic problems since World War II.

STANDARD OF LIVING

The extent of this economic failure is reflected in the bleak lifestyle of the typical Soviet citizen. He copes with shortages of everything, waits in line hours each day for food and other necessities, and lives in crowded, substandard housing. The Soviet standard of living is already the lowest among the world's major industrial nations, and the chance for improvement is not good. The 1981-1985 "plan" places a lower priority on consumption than on defense and heavy industry. Little progress is anticipated with respect to the quality of life, the suitability of housing, and the production of consumer durables of passable quality.

AGRICULTURE

Soviet agriculture is unreliable. Three bad harvests in succession have seriously hurt the nation. Soviet leaders admit that much of the $500 million invested in agriculture in the last 15 years has been wasted. They cannot explain why up to one quarter of the annual harvest never gets to processing centers. They cannot explain why people are not properly fed in a land of such potential abundance.

ETHNIC DIVERSITY

The Soviet Union is the fifth largest Moslem country in the world. That fact is starting to send shivers through the Soviet government. The population of 43 million Moslems is growing much faster than the Russian population (which now constitutes a mere 52 percent of the citizenry of the Soviet Union), and the Moslem people cherish their own identity and traditions. Their awakening nationalism competes with Russian nationalism. Over the next decade, the composition of Soviet society will change as ethnic non-Russians begin to outnumber ethnic Russians. New racial and cultural conflicts will arise. For example, the increasing number of ethnic non-Russians in the Red Army (now more than half) has already raised questions about the army's effectiveness under Russian command.

SOCIAL PROBLEMS

Social problems such as alcoholism, juvenile delinquency, and corruption are on the rise in the Soviet Union. They are of real concern to the general public and the Soviet leadership at least in part because they signal the existence of a genuine, deep-seated malaise in Soviet society.

MARXIST IDEOLOGY

Although its trappings are everywhere, Marxist ideology has lost much of whatever attractiveness it may have once had in the Soviet Union. It is often difficult to find Soviet citizens who really believe in Marxist principles. Few dare challenge it openly for fear of reprisal, but the plain fact is that there is massive indifference to Marxist ideology in the Soviet Union today. Soviet leaders preserve their authority less by appeal to ideology than by appeal to patriotism (and, when necessary, by use of force). They claim to be the keepers of a great revolutionary tradition, but they are, in fact, among the most inflexible, backward-looking rulers in the world.

INTERNATIONAL AFFAIRS

This Soviet Union does not have a single ally who is at once reliable and powerful. It is surrounded by several unfriendly and unpredictable neighbors. The Soviet Union sees restiveness among its allies and surges of Third World nationalism which threaten its international appeal. Its reputation in the nonaligned world was seriously compromised after the invasion of Afghanistan. Despite its close ties to Angola, Ethiopia, and Libya, the Soviet Union has uneasy relations with several critical states in Africa and the Middle East, including Nigeria, Kenya, and Egypt.

The great question being debated by the experts is whether these problems will lead to prudence or adventurism in the Soviet Union's conduct of its foreign affairs.●

WOULD WAR WITH GAS MEANS HOLOCAUST?

HON. SAM GEJDENSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, May 3, 1982

● Mr. GEJDENSON. Mr. Speaker, in light of the ongoing debate surrounding the administration's proposals to renew the production of lethal binary chemical weapons, I would like to share with my colleagues an article that appeared in yesterday's New York Times entitled, "Would War With Gas Mean Holocaust?".

The article reads as follows:

[From the New York Times, May 2, 1982]

Would War With Gas Mean Holocaust?

(By Richard Halloran and Caroline Rand Herron)

Question. Do we need more, better or any chemical munitions, and why now?

Mr. Meselson. General Fulwyler and I agree we have to assume the Soviet Union poses a major chemical threat. Where we begin to disagree is in the response. In my opinion, the response which the Army has recommended and which the President has endorsed is dangerous and wrong.

This follows from a unique characteristic of chemical weapons. The military advantage against a sophisticated opponent is simply to force the other side into their protective equipment (and) decrease tempo. This has two important consequences. The munitions requirement is very small.

The other thing, though, about chemicals is that they selectively exterminate civilians. A civilian goes down into his cellar, the way civilians do to avoid high explosive fire—he's going down into his gas chamber. Quite aside from the moral implications of that, that means that if you're thinking about alliance warfare on somebody else's real estate, mainly Europe, those people aren't going to let their soldiers use chemical weapons in their defense.

General Fulwyler. Unfortunately, civilians have been subjected to the violence of war in every war we've ever had. Now that is not good, but it has occurred.

Mr. Meselson. We need to look at these things more quantitatively. You can calculate the ratio of military deaths to civilian deaths under various kinds of scenarios. With chemicals, you might end up killing 20 civilians for every soldier; with high explosives, far, far less. Even in tactical war in Europe, the ratio would be less.

General Fulwyler. The first reason that we want the retaliatory capability is, of course, to deter use. But, secondly, if the adversary uses chemical and forces us into protective clothing, if we do not have the capability to force him into protective clothing, then we're fighting with one or one and a half arms tied behind our backs.

Mr. Meselson. We already have many more than enough artillery shells (containing chemical weapons) to accomplish the objective which General Fulwyler and I have been discussing. They are not deteriorating, contrary to a myth that is prevalent; they are not obsolescing, contrary to a second myth.

General Fulwyler. Perhaps the agent deterioration itself is not all that great—except it does occur. (But) we have containerized today over a thousand diferent types of artillery munition that have been leaking.

There's another type of deterioration. The M-55 rocket, we don't have a delivery system for; the rocket launcher is no longer in inventory. We have a sizable part of our stockpile in the 105-millimeter howitzer, which is rapidly being phased out of the Army inventory.

Question. Are binaries the most efficient addition, in terms of storage, transport, battlefield use?

General Fulwyler. We believe so, particularly on production, storage and transport. We never join the second chemical precursor until in the operational site, which means that that round, for all practical purposes, is safe up until the time it is finally loaded. And those various compounds themselves are relatively non-toxic. The diforal that will be used in the 155, as an example, is not as toxic as tear gas. And we believe, based on over 2,500 test firings of the 155, that the binary concept will be just as effective as the current unitary rounds.

Mr. Meselson. There has never been a single test firing in the present configuration. You can't test one thing by testing another.

General Fulwyler. Well, the configuration wasn't that much different. (And) we do not need live testing because we can do all the necessary testing in a laboratory environment with modern technology.

Mr. Meselson. General, you know that we want to resume testing. I'm all for it, I think we should. To issue untested munitions to the troops is wrong.

But let me talk about the need for them, not whether they're any good. You are participating in the perpetuation of a harmful confusion. Do you know that all of our nerve gas (in) artillery ammunition is today classified Code A? Code A means, and I quote, that "fully meet all military characteristics, issuable without limit or restriction." The only way you could generate a bigger requirement would be to assume a long war in which all our allies are also using nerve agent at a high rate.

THE DETERIORATION FACTOR

General Fulwyler. You do not have access to——

Mr. Meselson. Yes, I do. I've written a classified report on the stockpile (in January 1981). And it's gone up, not down, since then.

General Fulwyler. Still, I have concern about you making statements concerning the status of our stockpile, when I believe, Professor, you do not have timely information.

Mr. Meselson. Can you refer me—because names of documents are always unclassified as names—to a single existing document saying that the stockpile of minitions are deteriorating at such a rate that in a few years we won't have any?

General Fulwyler. I don't know if there's a study or not, but the information that I have would lead me to say unless we do something, by the end of this century we will have unilaterally disarmed.

Question. Mr. Meselson, what would be your formula for acquiring sufficient deterrent?

Mr. Meselson. There are two parts to that. The first is protection in defense. We have a good protective suit, and a better one is coming along. We have a mask which is somewhat maligned; whether a better one is coming along I don't know.

But where we fail is troop training, except for certain specialty units like the 82nd Airborne. I talked to a colonel from the 82nd Airborne; he says that his men relish the chemical suits. But most soldiers are not practiced in the equipment to the extent they should be.

As far as our deterrent stockpile is concerned, if we press ahead with what I consider to be these useless weapons, which are complicated, almost four times bulkier to ship, 10 percent heavier to ship——

General Fulwyler. That's wrong! We can (ship) almost twice as many of the binary rounds as we can a unitary round.

Mr. Meselson. General, the numbers you're talking about refer to not having the fuse or the cannister (and packing materials).

General Fulwyler. That's correct, you're not shipping both at the same time. In the interest of safety, we would not plan to ship them on the same aircraft.

Mr. Meselson. Then there's not twice as many.

But my point is that if we overemphasize chemical weapons, which we are on the verge of doing, then two very bad things could happen.

First, there is already on the agenda of the German Social Democratic Party a resolution to withdraw the stocks there. They're the only stocks which are ready to use. This resolution is provoked by apprehension that we are going to overemphasize chemical weapons. The other great danger in overemphasizing the chemical weapons is that if they are ever used against us, our second strike by definition has got to be a lot less effective. Because anyone who would use them first against us is going to prewarn all their forces to protect themselves. Whereas the first strike on us has a chance of catching us by surprise.

Therefore, to the extent that we advertise that we're going to make very much more than we already have on hand, which is a lot, we risk propagating the view that we are unlikely to use our nuclear weapons ever. This under mines the deterrent to war itself.

General Fulwyler. Professor, I think you're really stretching the rationale on that one.

Let me hit just a couple of things.

We have done some tests last year with soldiers with the protective clothing on, for instance, in tanks, and the time by which we had to get them out of the suit or risk a health to them was about 40 minutes.

About the overemphasis on chemical—well, on the defensive side we're paying the price for an underemphasis for a number of years. We can and must make improvements. Over and above that, though, I still maintain that the best way to deter the Soviets' use of chemical agent is for us to have a credible retaliatory capability. That means one in being, one that constitutes a threat and one that he knows that we can hold him at risk at. And the current stockpile does not offer that.

Mr. Meselson. Even if the wearing of this equipment, which I believe has had its burden exaggerated, is a burden, that just means that the objective of having these munitions is to force the other side into such equipment. We have at present far more than enough to do that.

The intent to produce another type which is not needed and which has not been tested in live form in the field is likely to do more to enrage our allies—we're not doing us a particle of military good. Besides that, binary is complicated to assemble in the field.

General Fulwyler. That is not true, Professor! It's a very simple weapon to assemble in the field. Two to three minutes at the most.

Mr. Meselson. I agree that it can be assembled in the field, the piece time rate is probably an underestimate—but no commander prefers to have to do that.

Question. To close, let's talk about something that takes more than three minutes or 20 years, apparently, and that's the chemical warfare treaty, and the now apparently abandoned push for a total ban. How does our current posture help or hurt that endeavor?

General Fulwyler. Well, of course that's one of our points, too. We believe that what we're doing with the binary program is probably going to give us the best leverage at the negotiation table.

INCENTIVES TO NEGOTIATION

We have been sitting at the table with the Russians since 1977, and during that time we have seen little or no progress at all. And at the same time, we believe that the Soviets have gone forward and continued to improve their posture. There has been no incentive for them to make any meaningful proposals or agreements.

Mr. Meselson. I can't evaluate that, because that is a psychological question. But I can say something about the negotiations. It depends on how you look at the record (as to) whether it represented progress. And I wouldn't dogmatically assert one or the other. We have agreed with the Soviets—and we announced in July three years ago in a joint communique with them—we agreed on the principle of on-site international challenge inspection. But that's not good enough for us.

We're the ones who cut off these talks. We should resume them. Whether or not we could get agreement on the kind of verification that's needed, I don't presume to know. We should just keep trying.

Quite aside from the fact that millions of Europeans are at risk of dying in any large-scale chemical war in Europe, the military implications of that have gone unappreciated. You cannot fight an alliance war with allies who won't use the weapon. It's dreaming to think that they will allow their troops to use it.

THE RETALIATION BOOMERANG

General Fulwyler. We got to live with the facts of the day, and the facts are that the Soviets are the best equipped nation in the world to wage chemical warfare. If the conflict is forced upon them, I would be willing to wager that anyone, including our allies, will be more than happy to accept that as part of the deterrent, if not to have it as a retaliatory capability if it is used on them.

Mr. Meselson. I strongly disagree. If we could imagine the war happening in New Jersey——

General Fulwyler. Do you think our allies would prefer for us to cross the nuclear threshold first as a counter to the Soviet use of chemical weapons?

Mr. Meselson. At the point where the Europeans see millions of their civilians dying that they would advocate that we not defend them anymore—which we hope they wouldn't do. That's exactly what chemicals might achieve, because it puts them in a position where the continuation of that war would involve a catastrophe of strategic proportions for them due to chemical losses.

General Fulwyler. If we cross the nuclear threshold, that is going to be a catastrophe of greater immensity.

Mr. Meselson. Yes, but I think that chemicals can bring that on.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the Congressional Record on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, May 4, 1982, may be found in the Daily Digest of today's Record.

Meetings Scheduled

MAY 5

9:00 a.m.
Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1983 for the defense establishment, focusing on naval shipbuilding and overhauls.
1318 Dirksen Building

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1983 for the Alcohol, Drug Abuse, and Mental Health Administration, Office of the Assistant Secretary for Health, and the Health Resources Administration, Department of Health and Human Services.
1114 Dirksen Building

Budget
Business meeting, to continue markup of the first concurrent resolution on the budget for fiscal year 1983, setting forth recommended levels of total budget outlays, Federal revenues and new budget authority.
6202 Dirksen Building

Commerce, Science, and Transportation
To hold hearings on the nominations of Vice Adm. James S. Gracey, U.S. Coast Guard, to be Commandant, and Rear Adm. Benedict L. Stabile, U.S. Coast Guard, to be Vice Commandant, each for the U.S. Coast Guard.
235 Russell Building

Foreign Relations
To resume hearings on East-West relations, focusing on the Pacific.
4221 Dirksen Building

* Governmental Affairs
Permanent Subcommittee on Investigations
To continue hearings on the effectiveness of the Federal Government to enforce export controls, focusing on the transfer of high technology to the Soviet Union and other Warsaw Pact nations.
3302 Dirksen Building

* Governmental Affairs
Intergovernmental Relations Subcommittee
To hold oversight hearings on the implementation of Federal block grants.
4232 Dirksen Building

10:00 a.m.
Agriculture, Nutrition, and Forestry
Business meeting, to mark up S. 2314, authorizing funds for fiscal years 1983, 1984, and 1985 for farm and rural development loan programs of the Farmers Home Administration.
324 Russell Building

Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1983 for the National Aeronautics and Space Administration.
1224 Dirksen Building

Energy and Natural Resources
Business meeting, to consider pending calendar business.
3110 Dirksen Building

Environment and Public Works
Environmental Pollution Subcommittee
Business meeting, to mark up proposed legislation authorizing funds for programs of the Resource Conservation and Recovery Act, Marine Protection, Research and Sanctuaries Act, Federal Water Pollution Control Act, and the Endangered Species Act.
4200 Dirksen Building

Judiciary
Criminal Law Subcommittee
To resume hearings on proposals providing for a ban on the manufacture or sale of nonsporting handguns, mandatory sentences for the use of a firearm in committing a felony, and a preclearance procedure for the sale or transfer of any handgun.
2228 Dirksen Building

Veterans' Affairs
To hold hearings on a Veterans' Administration proposal to decentralize certain medical automated data processing facilities.
412 Russell Building

Select on Intelligence
To hold closed hearings on intelligence matters.
S-407, Capitol

1:30 p.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1983 for the Office of Human Development Services, Office of Community Services, and certain health and human services programs, Department of Health and Human Services; and for elementary and secondary education programs, bilingual education program, and the impact aid program, Department of Education.
1318 Dirksen Building

2:00 p.m.
Appropriations
To continue open and closed hearings on proposed budget estimates for fiscal year 1983 for chemical warfare weapons programs of the Department of Defense.
1114 Dirksen Building

Budget
Business meeting, to continue markup of the first concurrent resolution on the budget for fiscal year 1983, setting forth recommended levels of total budget outlays, Federal revenues, and new budget authority.
6202 Dirksen Building

Environment and Public Works
Environmental Pollution Subcommittee
Business meeting to continue markup of proposed legislation authorizing funds for programs of the Resource Conservation and Recovery Act, Marine Protection, Research and Sanctuaries Act, Federal Water Pollution Control Act, and the Endangered Species Act.
4200 Dirksen Building

Governmental Affairs
Federal Expenditures, Research and Rules Subcommittee
To hold hearings on proposed legislation improving the efficiency of the Federal procurement system.
3302 Dirksen Building

Judiciary
To hold hearings on pending nominations
2228 Dirksen Building

Select on Intelligence
Closed briefing on intelligence matters.
S-407, Capitol

7:00 p.m.
Budget
Business meeting, to continue markup of the first concurrent resolution on the budget for fiscal year 1983, setting forth recommended levels of total budget outlays, Federal revenues, and new budget authority.
6202 Dirksen Building

MAY 6

9:00 a.m.
Appropriations
Defense Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1983 for the defense establishment, focusing on airlift requirements.
1224 Dirksen Building

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1983 for the U.S. Fish and Wildlife Service, Department of the Interior, and the Institute of Museum Services.
1318 Dirksen Building

Commerce, Science, and Transportation
Communications Subcommittee
To hold hearings on S. 604 and S. 2355, bills providing adequate telephone service to persons with impaired hearing.
235 Russell Building

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1983 for education programs for the handicapped, rehabilitation services, vocational and adult education, higher education, and the National Institute of Education, Department of Education.
1114 Dirksen Building

Appropriations
State, Justice, Commerce, the Judiciary and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1983 for the U.S. Supreme Court, Architect of the Capitol (care of U.S. Supreme Court Building), U.S. International Trade Commission, Federal Maritime Commission, and the Marine Mammal Commission.
S-146, Capitol

Banking, Housing, and Urban Affairs
Business meeting, to mark up S. 2361, authorizing funds for housing, community, and neighborhood development programs, and S. 2453, authorizing funds for fiscal years 1983, 1984, and 1985 for rural housing programs.
5302 Dirksen Building

Budget
Business meeting, to continue markup of the first concurrent resolution on the budget for fiscal year 1983, setting forth recommended levels of total budget outlays, Federal revenues, and new budget authority.
6202 Dirksen Building

*Governmental Affairs
Permanent Subcommittee on Investigations
To continue hearings on the effectiveness of the Federal Government to enforce export controls, focusing on the transfer of high technology to the Soviet Union and other Warsaw Pact nations.
3302 Dirksen Building

Judiciary
Agency Administration Subcommittee
Business meeting, to markup S. 1483, making the U.S. Government liable for damages to residents and participants arising from the fallout from certain atmospheric tests, establishing an advisory panel to study the adverse health effects, and transferring from the Department of Energy, all functions relating to research on the health effects of radiation to the Department of Health and Human Services.
2228 Dirksen Building

Select on Indian Affairs
Business meeting, to consider pending calendar business.
6226 Dirksen Building

10:00 a.m.
Agriculture, Nutrition, and Forestry
Soil and Water Conservation Subcommittee
Agricultural Production, Marketing, and Stabilization of Prices Subcommittee
To hold joint hearings on S. 1825, prohibiting the Federal price support program to be used to subsidize crops grown on certain lands in the western part of the United States which have not been cultivated in the past ten years.
324 Russell Building

Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1983 for the Office of Personnel Management, Merit Systems Protection Board, Federal Labor Relations Authority, and the U.S. Tax Court of the Judicial Branch.
1223 Dirksen Building

Energy and Natural Resources
To hold hearings in S. 2332, extending until July 1, 1983, the expiration date of section 252, of the Energy Policy and Conservation Act, which provides a limited antitrust defense for U.S. oil companies participating in the international energy program.
3110 Dirksen Building

Environment and Public Works
Business meeting, to resume markup of proposed amendments to the Clean Air Act (P.L. 95-95).
4200 Dirksen Building

Foreign Relations
East Asian and Pacific Affairs Subcommittee
To hold hearings on U.S. strategies to address increased opium production in the Golden Triangle.
4221 Dirksen Building

Foreign Relations
International Economic Policy Subcommittee
To hold hearings on the concerns of American children for other children in foreign countries.
1202 Dirksen Building

11:00 a.m.
*Labor and Human Resources
Business meeting, to mark up S. 2365, authorizing funds for fiscal years 1983 and 1984 for the National Institute on Drug Abuse and the National Institute on Alcohol Abuse and Alcoholism.
4232 Dirksen Building

1:30 p.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1983 for student financial assistance, libraries/special institutions, civil rights, women's educational equity, and related agencies.
1114 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1983 for the Department of State, focusing on antiterrorism, Bureau for International Narcotic Matters, and migration and refugee assistance.
1224 Dirksen Building

Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1983 for the U.S. Postal Service.
1223 Dirksen Building

Budget
Business meeting, to continue markup of the first concurrent resolution on the budget for fiscal year 1983, setting forth recommended levels of total budget outlays, Federal revenues, and new budget authority.
6202 Dirksen Building

Environment and Public Works
To hold hearings on the nomination of James K. Asselstine, of Virginia, to be a Member of the Nuclear Regulatory Commission.
4200 Dirksen Building

Finance
International Trade Subcommittee
To resume hearings on S. 2094 and related proposals, establishing the concept of reciprocity of market access as an objective for U.S. trade policy where American products are competitive.
2221 Dirksen Building

2:30 p.m.
*Judiciary
Immigration and Refugee Policy Subcommittee
Business meeting, to markup S. 2222, revising and reforming U.S. immigration laws.
2228 Dirksen Building

7:00 p.m.
Budget
Business meeting, to continue markup of the first concurrent resolution on the budget for fiscal year 1983, setting forth recommended levels of total budget outlays, Federal revenues, and new budget authority.
6202 Dirksen Building

MAY 7

9:00 a.m.
Finance
Taxation and Debt Management Subcommittee
Savings, Pensions and Investment Policy Subcommittee
To hold joint hearings on S. 2214, providing for incentives to increase the rate of personal savings and investment by increasing the percentage of tax exempt net interest income to 25 percent, making dividend income eligible for the 25 percent exemption, changing the enactment date to one year earlier, and eliminating the deductibility of consumer interest expense (with certain exceptions) on a gradual basis; to be followed by the Subcommittee on Taxation and Debt Management holding hearings on S. 2281, proposed Technology Education Act, and S. 1928, proposed M.D.L. 235 Settlement Discounts Tax Act of 1981.
2221 Dirksen Building

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1983 for certain programs which fall within the jurisdiction of the subcommittee.
1114 Dirksen Building

Budget
Business meeting, to continue markup of the first concurrent resolution on the budget for fiscal year 1983, setting forth recommended levels of total budget outlays, Federal revenues, and new budget authority.
6202 Dirksen Building

Energy and Natural Resources
Energy and Mineral Resources Subcommittee
To hold hearings on S. 1877, S. 1908, S. 1909 and S. 1941, bills providing for the reinstatement and validation of certain U.S. oil and gas leases, S. 2095, directing the Secretary of the Interior to issue a certain oil and gas lease, and S. 2146, extending the lease terms of various Federal oil and gas leases.
3110 Dirksen Building

Joint Economic
To hold hearings on the employment/unemployment situation for the month of April.
2128 Rayburn Building

10:00 a.m.
Environment and Public Works
Toxic Substances and Environmental Oversight Subcommittee
Business meeting, to mark up proposed legislation authorizing funds for environmental research and development programs; and other pending business.
4200 Dirksen Building

Labor and Human Resources
Investigations and General Oversight Subcommittee
To hold hearings to examine adverse drug reactions from immunization, Federal efforts in preventive medicine, and characteristics of certain diseases.
4232 Dirksen Building

MAY 10

8:00 a.m.
Appropriations
Legislative Branch Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1983 for activities of the Secretary of the Senate, Sergeant at Arms, Architect of the Capitol, and the Congressional Budget Office.
S-128, Capitol

10:00 a.m.
Commerce, Science, and Transportation
To hold hearings on S. 1929, establishing an Interagency Committee on Smoking and Health to coordinate Federal and private activities to educate the public about the health hazards of smoking.
235 Russell Building

Energy and Natural Resources
To hold hearings on S. 1844, permitting the development of coal pipelines as part of the national energy transportation and distribution system.
3110 Dirksen Building

Finance
To hold hearings on the administration's New Federalism proposal.
2221 Dirksen Building

11:00 a.m.
Environment and Public Works
Business meeting, to consider pending calendar business.
4200 Dirksen Building

1:00 p.m.
Appropriations
Legislative Branch Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1983 for the General Accounting Office, and the Government Printing Office.
S-128, Capitol

MAY 11

8:30 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1983 for the National Endowment for the Humanities, National Capital Planning Commission, and the Office of Surface Mining of the Department of the Interior.
1114 Dirksen Building

9:00 a.m.
Commerce, Science, and Transportation
Business meeting, to consider pending calendar business.
235 Russell Building

*Governmental Affairs
Permanent Subcommittee on Investigations
To resume hearings on the effectiveness of the Federal Government to enforce export controls, focusing on the transfer of high technology to the Soviet Union and other Warsaw Pact nations.
3302 Dirksen Building

9:30 a.m.
Appropriations
State, Justice, Commerce, the Judiciary and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1983 for the Judiciary.
S-146, Capitol

Foreign Relations
To hold hearings on nuclear arms reduction proposals.
4221 Dirksen Building

Governmental Affairs
Intergovernmental Relations Subcommittee
To resume oversight hearings on the implementation of block grants.
357 Russell Building

Labor and Human Resources
To hold oversight hearings on the Department of Labor's investigation of alleged abuses within the International Brotherhood of Boilermakers (local 154).
4232 Dirksen Building

*Labor and Human Resources
Aging, Family and Human Services Subcommittee
To hold hearings on the extended family.
6226 Dirksen Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1983 for the National Institute of Building Sciences, Federal Home Loan Bank Board, and National Credit Union Administration.
1224 Dirksen Building

Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1983 for the Office of Management and Budget.
1318 Dirksen Building

Armed Services
To hear and consider the nomination of Gen. John W. Vessey, Jr., Army of the United States (major general, U.S. Army), to be Chairman of the Joint Chiefs of Staff.
1202 Dirksen Building

Energy and Natural Resources
Business meeting, to consider pending calendar business.
3110 Dirksen Building

Environment and Public Works
Business meeting, to resume consideration of proposed legislation authorizing funds for programs which fall under its legislative jurisdiction.
4200 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1983 for the Agency for International Development, focusing on Latin America regional, Asia regional, Africa regional, and the Sahel development programs.
1223 Dirksen Building

Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1983 for programs which fall within the jurisdiction of the subcommittee, receiving testimony from public witnesses.
1318 Dirksen Building

MAY 12

9:30 a.m.

Banking, Housing, and Urban Affairs

Business meeting, to mark up S. 2367 and S. 2377, bills authorizing funds through fiscal year 1986 for Federal transit assistance programs of the Urban Mass Transportation Administration, Department of Transportation.

5302 Dirksen Building

10:00 a.m.

Energy and Natural Resources

Business meeting, to consider pending calendar business.

3110 Dirksen Building

Foreign Relations

To continue hearings on certain nuclear arms reduction proposals.

4221 Dirksen Building

Governmental Affairs

Permanent Subcommittee on Investigations

To continue hearings on the effectiveness of the Federal Government to enforce export controls, focusing on the transfer of high technology to the Soviet Union and other Warsaw Pact nations.

3302 Dirksen Building

Labor and Human Resources

Education, Arts, and Humanities Subcommittee

To hold oversight hearings on the implementation of guidance and counseling programs of the Department of Education.

4232 Dirksen Building

2:00 p.m.

Foreign Relations

To continue hearings on certain nuclear arms reduction proposals.

4221 Dirksen Building

*Governmental Affairs

Intergovernmental Relations Subcommittee

To hold hearings on S. 2386, providing for the establishment of a system to collect data on the geographic distribution of Federal funds, and Office of Management and Budget Circular A-98, relating thereto.

3302 Dirksen Building

MAY 13

9:00 a.m.

Appropriations

Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1983 for territorial affairs of the Department of the Interior.

1114 Dirksen Building

9:30 a.m.

Labor and Human Resources

To resume oversight hearings on the Department of Labor's investigation of alleged abuses within the International Brotherhood of Boilermakers (local 154).

4232 Dirksen Building

Small Business

Business meeting, to consider pending calendar business.

424 Russell Building

10:00 a.m.

Environment and Public Works

Business meeting, to resume consideration of proposed legislation authorizing funds for programs which fall under its legislative jurisdiction.

4200 Dirksen Building

Governmental Affairs

Congressional Operations and Oversight Subcommittee

To resume oversight hearings on the use of the Consumer Price Index as a measurement of inflation for the purposes of calculating cost-of-living increases for all indexed programs.

3302 Dirksen Building

*Labor and Human Resources

Investigations and General Oversight Subcommittee

To hold hearings to examine the increased use of certain drugs, focusing on quaaludes.

5302 Dirksen Building

1:30 p.m.

Appropriations

Interior and Related Agencies Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1983 for territorial affairs of the Department of the Interior.

1114 Dirksen Building

*Judiciary

To hold hearings on S. 2419, modifying certain provisions of the venue law to allow cases to be heard in courts where the decision would have greater impact.

2228 Dirksen Building

2:00 p.m.

Appropriations

Foreign Operations Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1983 for the Agency for International Development, focusing on the Near East regional and centrally funded programs.

1223 Dirksen Building

Governmental Affairs

Federal Expenditures, Research, and Rules Subcommittee

To resume hearings on proposed legislation improving the efficiency of the Federal procurement system.

3302 Dirksen Building

MAY 14

8:00 a.m.

Appropriations

Legislative Branch Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1983 for the Library of Congress, Congressional Research Service, Office of Technology Assessment, and the Copyright Royalty Tribunal.

S-128, Capitol

10:00 a.m.

Finance

International Trade Subcommittee

Taxation and Debt Management Subcommittee

To hold joint hearings on S. 2058 and S. 2051, bills promoting fair international trade practices in the services sector.

2221 Dirksen Building

MAY 18

9:00 a.m.

Governmental Affairs

Civil Services, Post Office, and General Services Subcommittee

To hold hearings on S. 46, providing that certain military service, which is covered by social security, be included in the aggregate period of service on which a civil service annuity is based.

3302 Dirksen Building

9:30 a.m.

Labor and Human Resources

To hold hearings on the nominations of Marc Sandstrom, of California, William F. Harvey, of Indiana, and Annie L. Slaughter, of Missouri, each to be a member of the Board of Directors of the Legal Services Corporation.

4232 Dirksen Building

10:00 a.m.

Appropriations

HUD-Independent Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1983 for the Department of Housing and Urban Development.

1224 Dirksen Building

Commerce, Science, and Transportation

To hold hearings on the nomination of Heather J. Gradison, of Ohio, to be a Member of the Interstate Commerce Commission.

235 Russell Building

Energy and Natural Resources

To hold oversight hearings on Federal property management and disposal.

3110 Dirksen Building

Environment and Public Works

Business meeting, to consider pending calendar business.

4200 Dirksen Building

Select on Indian Affairs

To hold oversight hearings on the implementation of Indian education programs.

6226 Dirksen Building

2:00 p.m.

Appropriations

Foreign Operations Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1983 for the Agency for International Development, focusing on the trade and development program, international disaster assistance, and American schools and hospitals abroad program.

1223 Dirksen Building

MAY 19

9:30 a.m.

*Governmental Affairs

Federal Expenditures, Research and Rules Subcommittee

To hold hearings on Senate Joint Resolution 93 and S. 2278, measures reaffirming the policy of relying on the private sector to meet public requirements for goods and services, and Office of Management and Budget Circular A-76, relating to Federal procurement policy.

3302 Dirksen Building

Labor and Human Resources

Labor Subcommittee

To resume oversight hearings to review the Pension Benefit Guaranty Corporation premium rate increases.

4232 Dirksen Building

10:00 a.m.

Appropriations

HUD-Independent Agencies Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1983 for the Department of Housing and Urban Development, and the Neighborhood Reinvestment Corporation.

1224 Dirksen Building

Environment and Public Works

Toxic Substances and Environmental Oversight Subcommittee

To resume hearings on S. 1866, revising regulatory procedures relating to safe drinking water requirements; and S. 2131, authorizing funds through fiscal

year 1986 for the safe drinking water program.

4200 Dirksen Building

Select on Indian Affairs

To continue oversight hearings on the implementation of Indian education programs.

6226 Dirksen Building

MAY 20

9:30 a.m.

Commerce, Science, and Transportation

Aviation Subcommittee

To hold hearings on S. 1770, authorizing funds to conduct a study to determine the adequacy of certain industry practices and Federal Aviation Administration rules and regulations.

235 Russell Building

Governmental Affairs

Federal Expenditures, Research and Rules Subcommittee

To hold hearings on S. 1782, eliminating percentage retention on Federal Government construction contracts, and S. 1882, improving the effectiveness and fairness of the Federal Government's contractor suspension and debarment programs.

3302 Dirksen Building

10:00 a.m.

Agriculture, Nutrition, and Forestry

Agricultural Production, Marketing, and Stabilization of Prices Subcommittee

To hold oversight hearings on the implementation of the Federal crop insurance program of the Department of Agriculture.

324 Russell Building

MAY 21

9:30 a.m.

Energy and Natural Resources

Energy Regulation Subcommittee

To hold hearings on S. 1626, removing the requirement for Federal regulation to allow the competitive market system to establish petroleum pipeline transportation rates while maintaining safeguards to protect the industry and consumers against unlawful discrimination.

3110 Dirksen Building

10:00 a.m.

Agriculture, Nutrition, and Forestry

Agricultural Production, Marketing, and Stabilization of Prices Subcommittee

To continue oversight hearings on the implementation of the Federal crop insurance program of the Department of Agriculture.

324 Russell Building

MAY 24

10:00 a.m.

Appropriations

HUD-Independent Agencies Subcommittee

To receive testimony from public witnesses on proposed budget estimates for fiscal year 1983 for certain programs under the subcommittee's jurisdiction.

1224 Dirksen Building

MAY 25

9:00 a.m.

Governmental Affairs

To hold hearings on the annual report of the Postmaster General.

3302 Dirksen Building

9:30 a.m.

Agriculture, Nutrition, and Forestry

Rural Development, Oversight, and Investigations Subcommittee

To hold oversight hearings to review the energy needs of rural communities.

324 Russell Building

Commerce, Science, and Transportation

Merchant Marine Subcommittee

To hold hearings on S. 2414, providing for jurisdiction over common carriers by water engaging in foreign commerce to and from the United States utilizing ports in nations contiguous to the United States.

235 Russell Building

Energy and Natural Resources

Energy Regulations Subcommittee

To resume hearings on S. 1626, removing the requirement for Federal regulation to allow the competitive market system to establish petroleum pipeline transportation rates while maintaining safeguards to protect the industry and consumers against unlawful discrimination.

3110 Dirksen Building

Governmental Affairs

Oversight of Government Management Subcommittee

To hold oversight hearings on social security disability terminations, focusing on the Social Security Administration's decision to accelerate the required review of disability eligibility, the continuing deficiencies in the system, and the resulting impact on claimants.

1318 Dirksen Building

10:00 a.m.

Appropriations

HUD-Independent Agencies Subcommittee

To receive testimony from public witnesses on proposed budget estimates for fiscal year 1983 for certain programs under the subcommittee's jurisdiction.

1224 Dirksen Building

Environment and Public Works

Business meeting, to consider pending calendar business.

4200 Dirksen Building

Foreign Relations

Business meeting, to mark up certain nuclear arms reduction proposals.

4221 Dirksen Building

MAY 26

9:30 a.m.

Agriculture, Nutrition, and Forestry

Rural Development, Oversight, and Investigations Subcommittee

To continue oversight hearings on the energy needs of rural communities.

324 Russell Building

10:00 a.m.

Environment and Public Works

Toxic Substances and Environmental Oversight Subcommittee

To resume hearings on S. 1866, revising regulatory procedures relating to safe drinking water requirements, and S. 2131, authorizing funds through fiscal year 1986 for the safe drinking water program.

4200 Dirksen Building

Governmental Affairs

Permanent Subcommittee on Investigations

To hold hearings on certain alleged mismanagement practices within the Department of Energy.

3302 Dirksen Building

MAY 27

10:00 a.m.

Governmental Affairs

Permanent Subcommittee on Investigations

To continue hearings on certain alleged mismanagement practices within the Department of Energy.

3302 Dirksen Building

JUNE 8

9:30 a.m.

Banking, Housing, and Urban Affairs

Securities Subcommittee

To resume hearings S. 1869, S. 1870, S. 1871, and S. 1977, bills revising or repealing certain provisions of the Public Utility Holding Company Act of 1935.

5302 Dirksen Building

JUNE 9

9:30 a.m.

Select on Indian Affairs

To hold hearings on law enforcement problems on Indian reservations including the authority and effectiveness of the Bureau of Indian Affairs police, tribal police, and the Federal Bureau of Investigation, and the quality of U.S. prosecution of criminal offenses.

6226 Dirksen Building

JUNE 10

9:30 a.m.

Banking, Housing, and Urban Affairs

Securities Subcommittee

To resume hearings on S. 1869, S. 1870, S. 1871, and S. 1977, bills revising or repealing certain provisions of the Public Utility Holding Company Act of 1935.

5302 Dirksen Building

JUNE 16

9:30 a.m.

Commerce, Science, and Transportation

Merchant Marine Subcommittee

To hold oversight hearings on Federal Government cargo preference.

235 Russell Building

10:00 a.m.

Environment and Public Works

Environmental Pollution Subcommittee

To hold oversight hearings on the implementation of the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (Super Fund).

4200 Dirksen Building

SEPTEMBER 21

10:30 a.m.

Veterans Affairs

To hold hearings to receive American Legion legislative recommendation for fiscal year 1983.

318 Russell Building

CANCELLATIONS

MAY 4

9:30 a.m.
Labor and Human Resources
To hold oversight hearings on the Office of Federal Contract Compliance Programs, Department of Labor.
4232 Dirksen Building

10:00 a.m.
Environment and Public Works
Business meeting, to resume markup of proposed amendments to the Clean Air Act (Public Law 95-95).
4200 Dirksen Building

MAY 10

9:30 a.m.
Labor and Human Resources
Labor Subcommittee
To hold oversight hearings to review Pension Benefit Guaranty Corporation premium rate increases.
4232 Dirksen Building

SENATE—*Tuesday, May 4, 1982*

(Legislative day of Tuesday, April 13, 1982)

The Senate met at 11:30 a.m., on the expiration of the recess, and was called to order by the President pro tempore (Mr. THURMOND).

PRAYER

The Chaplain, the Reverend Richard C. Halverson, LL.D., D.D., offered the following prayer:

Let us pray.

Gracious God, Creator, Sustainer, Consummator of history, give to leadership of the Nation the will to unity and peace. We are familiar with the age-old strategy of an enemy to divide and destroy. Forbid Lord that our leadership should inadvertently capitulate to such transparent tactics at such a critical time in domestic and foreign affairs. Strengthen them against all the personal and institutional pressures which would divide and conquer.

May the breath of God warm hearts and cool emotions and may we remember with gratitude that we are one, we are not enemies however great the differences. We thank Thee for our manifold diversity which is the glory of our unity. Help us to remember the Biblical insight which says: "We are not contending against flesh and blood, but against the principalities, against the powers, against the world rulers of this present darkness, against the spiritual hosts of wickedness in the heavenly places." (Ephesians 6: 12, RVS.)

Gracious Lord of love, keep us from seeing an enemy in each other and grant grace that will turn discord into harmony and out of struggle bring a symphony of truth and righteousness and justice. We beseech Thee earnestly in the name of the Prince of Peace. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The majority leader is recognized.

Mr. BAKER. I thank the Chair.

THE JOURNAL

Mr. BAKER. Mr. President, I ask unanimous consent that the Journal of the proceedings of the Senate be approved to date.

The PRESIDENT pro tempore. Without objection, it is so ordered.

SENATE SCHEDULE

Mr. BAKER. Mr. President, this morning after the recognition of the two leaders under the standing order, there is a special order in favor of Senator BAUCUS to be followed then by a period for the transaction of routine morning business.

ORDER FOR A PERIOD FOR ROUTINE MORNING BUSINESS

Mr. President, I now ask unanimous consent that after the execution of the special order in favor of Senator BAUCUS there be a period for the transaction of routine morning business to extend not past the hour of 12 noon in which Senators may speak for not more than 2 minutes each.

The PRESIDENT pro tempore. Without objection, it is so ordered.

RECESS AT 12 NOON

Mr. BAKER. Mr. President, at 12 noon the Senate will recess, if a further unanimous-consent agreement that I will propound shortly is agreed to by the Senate, in order to accommodate the requirement of Senators that they attend caucuses or at least a caucus off the Senate floor.

CLOSED SESSION

It is anticipated and provided for in the order, which I will later state, that the recess will extend from 12 o'clock noon until 2 p.m. At 2 p.m., if that agreement is entered into, Mr. President, the Senate will go into an executive session for the purpose of hearing certain statements made of a sensitive nature which will be only for Senators and certain very limited staff who are cleared for covert briefing.

DEPARTMENT OF DEFENSE AUTHORIZATION BILL

After the time for the executive session, if the same is provided for, the Senate will resume legislative session and continue debate on the Department of Defense authorization bill.

I understand the unanimous-consent request that I wish to put has not yet been fully cleared on both sides and I will withhold putting it for the time being.

THE FALKLAND ISLANDS CONFLICT—AN EXPRESSION OF SYMPATHY AND HOPE

Mr. BAKER. Mr. President, yesterday, we received news of a serious and major escalation in the conflict between Great Britain and Argentina by the sinking of an Argentine cruiser with heavy loss of life.

All of us, I am sure, wish to express our sympathy to the survivors of the lost crewmen of the Argentine cruiser and to express our collective hope that caution and restraint will stay the hand on both sides and avoid further bloodshed.

The United States remains ready to serve in the role of mediator and peace seeker in our continuing effort to avoid further hostilities and conflict.

COMMENDATIONS ON PROPOSED EXTENSION OF THE VOTING RIGHTS ACT

Mr. BAKER. Mr. President, yesterday Americans witnessed politics, and the art of political compromise at its best. Confronted with an array of complexities, amendments, and positions, a bipartisan coalition of Senators emerged, after months of negotiations, with a workable and broadly based blueprint for extending the Voting Rights Act of 1965. Moreover, they brought forth a proposal which was immediately endorsed by President Reagan for his administration.

It is my hope that yesterday's achievement will serve as a symbol of optimism and faith; difficulties can be worked out, many times despite apparent odds. What will distinguish this Congress from others in recent years, will be its ability to forge these compromises and act on the imperative measures which now confront us.

I want to take this opportunity to thank Senator DOLE and Senator THURMOND. Their ability to work together, with the help of Senator MATHIAS, Senator GRASSLEY, Senator KENNEDY, and Senator DECONCINI, has paved the way for the full Senate to act from a responsible approach to prevent this historic legislation from expiring. I am informed that many of my colleagues are prepared to add their names to the list of those favoring this compromise, and I am pleased that the proposal has received the support of many civil rights groups, including the NAACP and the Leadership Conference on Civil Rights.

The architects of yesterday's agreement have every right to be proud of their efforts, and I look forward, Mr. President, to early Senate action on this measure to be brought to the floor for the attention of the full Senate as soon as it is available and to be acted on as promptly as it is possible to do.

ORDER OF BUSINESS

Mr. BAKER. Mr. President, I have no need for the remainder of my time under the standing order, and I am prepared now to yield to any Senator seeking time from the time remaining to me.

Mr. PROXMIRE. Mr. President, will the majority leader yield me 3 minutes?

Mr. BAKER. Yes, I yield 3 minutes to the distinguished Senator from Wisconsin.

Mr. PROXMIRE. I thank the distinguished majority leader.

SUMMARY—LIFE AFTER A NUCLEAR ATTACK

Mr. PROXMIRE. Mr. President, today I summarize the series of reports I have put in the Record over the past week or so from the study of the CATO Institute policy analysis of the social and economic effects of a limited nuclear attack on the United States; that is an attack designed to take out as much of our deterrent as the Soviets could take out with a first strike.

The study by Katz and Osdoby summarizes these consequences as follows:

> Life would be severely disrupted. The medical care system would be overburdened, providing intensive treatment to fallout victims resulting in degraded regular, acute, chronic or preventive care. Support systems such as insurance and medical records would likely be in chaos, or at best in serious disarray with some drugs in short supply. Food production and distribution systems, as well as the banking system, would be severely disrupted.
>
> Judging from previous experience, survivors are likely to feel threatened and disoriented. Massive urban evacuation and prolonged relocation could provoke social tension, severely taxing limited social services. Choices to be made regarding evacuation and future aid to rebuild the post-attack economy could become politically explosive.
>
> Effects would extend beyond the United States. Industrial and food exports would decrease, or cease, tilting the balance of payments, destabilizing the dollar, and ultimately affecting other currencies. Countries dependent on the United States for food would probably experience shortages and face domestic political problems as a result. The international situation would likely be unstable.

ISRAEL WOLNERMAN

Mr. PROXMIRE. Mr. President, Israel Wolnerman is one of several hundred Holocaust survivors in the Milwaukee area. The Wisconsin Jewish Chronicle recently interviewed him.

Activism in the Milwaukee Jewish community helps him live with his memories of the Holocaust. President of the New Americans Club, an organization of Holocaust survivors, Wolnerman speaks on the Holocaust to college classes and organizations. According to the Chronicle, Mr. Wolnerman feels compelled to speak because "life testimony is more powerful than just something read in a book."

In 1939, when the Nazis invaded Poland, Israel Wolnerman was 18. They asked each family in his community to "volunteer" a family member for government service. He and his brother, who also "volunteered," were shipped to Germany to work on the autobahn. Israel Wolnerman spent the next 5 years in 10 slave labor and concentration camps.

Typhus finally separated Israel Wolnerman from his brother. When a group of prisoners sent east to Russia to modify the railroad tracks caught typhus, the survivors were sent back to the camp. Israel's brother caught this disease while nurturing the survivors. He was then sent to a quarantine camp, where, after surviving the disease, he died of infections caught from a filthy, infested straw mattress.

After the war, Israel was totally alone. He never saw his three sisters again. He married, taught in Munich for a while, and eventually moved to the United States and settled in Milwaukee. He says of his adjustment:

> . . . there is a pain all the time, and it never leaves you. It's a dull pain, but it's continually there. I don't think there's a survivor alive today without it.

Mr. President, Israel Wolnerman is a tribute to the human spirit. How can we pay tribute to him, as well as to the other victims of the Holocaust? By ratifying the Genocide Treaty, which declares genocide of a religious, racial, ethnical, or national group an international crime. What more could we possibly do for victims of genocide—past, present, and future—than ratify this treaty?

I thank the majority leader.

ORDER OF PROCEDURE

Mr. PROXMIRE. Speaking for the minority leader, I ask that his time be reserved.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I reserve the remainder of my time until such time as the minority leader may choose to utilize the privilege just granted by the Chair.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Now, Mr. President, I understand the distinguished Senator from Montana has a special order in his favor for not to exceed 15 minutes.

RECOGNITION OF SENATOR BAUCUS

The PRESIDING OFFICER. Under the previous order, the Senator from Montana is recognized for not to exceed 15 minutes.

THE ATTORNEY GENERAL MUST SPEAK OUT AGAINST COURT-STRIPPING

Mr. BAUCUS. Mr. President, for 18 months, Congress has engaged in an extended debate on the constitutionality and wisdom of congressional attempts to strip the Federal courts of jurisdiction over constitutional issues. One of the most unfortunate aspects of that debate has been the unwillingness of the Attorney General and the Department of Justice to take a public position on the court-stripping bills.

In May 1979, the Senate adopted an amendment to a Supreme Court jurisdiction bill that would have eliminated Supreme Court and lower Federal court jurisdiction over the issue of school prayer. Following that vote, the House Judiciary Committee's Subcommittee on Courts, Civil Liberties, and the Administration of Justice held extensive hearings on the issue. At that time, John Harmon, of the Justice Department's Office of Legal Counsel, presented the administration's views that the proposal was both unconstitutional and represented unsound public policy.

The identical provision is currently pending on the Senate calendar in the form of S. 1742. On March 23 of this year, at a public hearing of the Senate Judiciary Committee on the Department of Justice's budget for fiscal year 1983, I asked Attorney General William French Smith for the Department's views on S. 1742. He stated the Department had no position on the bill. He asked me to send him a letter requesting the Department's position, and I did so the following day.

Mr. President, I regret to inform the Senate that not only has the Attorney General failed to respond to my letter of March 24, but more important, the Department has continued to duck the issue of court-stripping. I consider such evasion unacceptable. The Attorney General and the Department of Justice have a duty to uphold and enforce the Constitution. Any responsible view of that duty would include a commitment to advise the Congress not to engage in conduct that would be unconstitutional or defies the spirit of the Constitution.

It is interesting, Mr. President, that the present Attorney General has had no problem speaking out against activist judges. He has had no problem speaking out against affirmative action or busing or voting rights legislation. I am not criticizing his statements on these issues—I welcome them. And although I do not always share his views, they are part of a necessary national dialog.

But why, Mr. President, does the Attorney General continue to refuse to speak out on court-stripping? Why does he fail to involve himself in this national debate of fundamental constitutional principles? Why?

I suspect it is because he does not want to offend or alienate supporters of the President who favor these proposals. It is easier for the President

and the Attorney General to avoid political controversy by remaining silent. However, their silence can be interpreted as tacit approval of these proposals. That would be most unfortunate. The Attorney General should set the record straight and speak out directly on the court-stripping bills.

The Attorney General's silence is even more disturbing in light of a letter that was sent by former officials of the Department of Justice to the leadership of the Senate just last week. In that letter, a bipartisan group of former high officials of the Department urged the Senate to oppose the legislation stripping all Federal courts of its jurisdiction over voluntary prayer issues. In that letter, former Attorneys General Nicholas deB. Katzenbach, Elliot L. Richardson, and Benjamin R. Civiletti, and former officials Carla A. Hills, Harold R. Tyler, Jr., and Erwin N. Griswold declared that, in their view, such legislation was "unconstitutional" and that "the judicial system in the United States would be improperly and needlessly impaired" by its passage.

This letter underscores the fact that court-stripping is not a partisan issue. When the American College of Trial Lawyers criticize the court-stripping bills earlier this year, they aptly noted:

> This issue should not divide Conservatives and Liberals or Democrats and Republicans. Nor should it divide those who support or disagree with one or another constitutional decision of the Supreme Court.

And Senator Barry Goldwater has observed:

> In my view, the Supreme Court has erred. But we should not meet judicial excesses with legislative excesses. Whether or not Congress possesses the power of curbing judicial authority, we should not invoke it. As sure as the Sun will rise over the Arizona desert, the precedent will return to oppress those who would weaken the courts. If there is no independent tribunal to check legislative or executive action, all the written guarantees of rights in the world would amount to nothing.

Mr. President, as Senator Goldwater points out, the court-stripping bills represent a threat to the Constitution of the highest magnitude. This is not an issue where short-term political considerations should override our respect for fundamental constitutional principles. This is not a time for the Attorney General to hide behind procedural excuses. It is a time for the Attorney General to speak out boldly and clearly against the court-stripping proposals. I urge him to do so.

Mr. President, I ask unanimous consent that a copy of the letter to the Senate leadership in opposition to the legislation eliminating Federal court jurisdiction over voluntary prayer and a copy of my, as yet unanswered, letter to Attorney General William French Smith be printed in the Record.

There being no objection, the letters were ordered to be printed in the Record, as follows:

April 29, 1982.

Hon. George Bush,
President, U.S. Senate, Washington, D.C.
Hon. Howard H. Baker, Jr.,
Majority Leader of the Senate, Washington, D.C.
Hon. Robert C. Byrd,
Minority Leader of the Senate, Washington, D.C.
Hon. Strom Thurmond,
Chairman, Committee on the Judiciary, U.S. Senate, Washington, D.C.
Hon. Joseph R. Biden, Jr.,
Ranking Minority Member, Committee on the Judiciary, U.S. Senate, Washington, D.C.

Sirs: As former officials of the United States Department of Justice, we are deeply concerned that the judicial system in the United States would be improperly and needlessly impaired by passage of S. 481, which would eliminate all federal court jurisdiction to determine the constitutionality of state laws relating to voluntary prayer in public schools and buildings. Before voting on S. 481, we urge you to consider the reasons why Congress has never before pursued such a legislative course.

The Supreme Court of the United States was vested with the authority to render constitutional interpretations binding on the Congress, the Executive Branch and the fifty states. If the Members of Congress disagree with the wisdom of the Supreme Court's construction of any constitutional provision, such as the terms of the First Amendment governing the establishment and free exercise of religion, Article V of the Constitution provides Congress with the means to initiate a change in the law by amendment. To circumvent Article V by withdrawing all federal court jurisdiction would undermine the separate roles of Congress and the judiciary and destroy the uniform interpretation of federal constitutional rights in the fifty states.

We may differ among ourselves as to the correctness of the Supreme Court's decisions concerning school prayer, but we are unanimous in our judgment that S. 481 is unconstitutional. We therefore urge you to oppose S. 481.

Very truly yours,

Benjamin R. Civiletti.
Erwin N. Griswold.
Nicholas deB. Katzenbach.
Elliot L. Richardson.
Harold R. Taylor, Jr.

March 24, 1982.

Hon. William French Smith,
Attorney General, U.S. Department of Justice, Washington, D.C.

Dear Mr. Attorney General: At yesterday's Judiciary Committee hearings on the budget for the Department of Justice, we discussed the bills pending before the Senate which would withdraw the jurisdiction of the Supreme Court over federal constitutional issues. In response to your suggestion, I am formally requesting the Department of Justice views on S. 1742.

This legislation, if enacted, would remove Supreme Court and lower federal court jurisdiction over the issue of prayer in the schools. An identical provision passed the Senate in April of 1979 by a vote of 51 to 40. Following that vote, the House Judiciary Subcommittee on Courts, Civil Liberties and the Administration of Justice held hearings on the provision and the Justice Department testified in opposition on July 29, 1980.

I understand that the Department cannot comment on every bill that is introduced in the Congress. However, in some circumstances, legislation does not proceed through the subcommittee and committee process. In the case of S. 1742, the bill was placed directly onto the Senate calendar under a rarely used Senate rule. Every indication is that we will have a vote in the Senate on S. 1742 within the next two months without the benefit of subcommittee or committee hearings or mark-ups. Therefore, I would appreciate receiving your comments within the next several weeks if the full Senate is to have the benefit of the Department's views before consideration of the bill.

I would like the Department of Justice to evaluate two significant aspects of this bill. The first is whether S. 1742 represents a constitutional exercise of Congress' authority to control the appellate jurisdiction of the United States Supreme Court. Does the Department believe that the Congress can constitutionally withdraw the Supreme Court's jurisdiction over the school prayer issue overturning the effect of the Supreme Court's school prayer decisions?

Additionally, it is equally important for the Senate to have the views of the Department on whether S. 1742 represents responsible public policy. Even if the Department comes to the conclusion that the Congress can from a technical standpoint pass legislation which removes Supreme Court appellate jurisdiction over a constitutional matter, what is the Department's view as to whether such legislation is wise and represents a sound Congressional approach toward management of the federal judiciary?

I very much appreciate your consideration of this request. I trust that you will be able to respond within the next 30 days so that we can avoid the unfortunate circumstance of having the Senate vote on such a significant constitutional matter without the benefit of the Department's views.

Thank you so much for doing what you can to expedite this request. I look forward to hearing from you.

With best personal regards, I am
Sincerely,

Max Baucus.

Mr. BAUCUS. Mr. President, I yield back the remainder of my time.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, is there an order now for a period for the transaction of routine morning business?

The PRESIDING OFFICER. There is.

Mr. BAKER. May I inquire of the minority leader if he would prefer to claim his time under the standing order, or go forward with morning business at this point?

Mr. ROBERT C. BYRD. Mr. President, I yield back the time that was reserved to me under the standing order.

Mr. BAKER. Mr. President, I yield back any of my time remaining under the standing order.

Mr. ROBERT C. BYRD. I thank the distinguished majority leader for his consideration.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business.

UNANIMOUS-CONSENT AGREEMENT—CLOSED SESSION

Mr. BAKER. Mr. President, I spoke earlier of a unanimous-consent request which I would propose later. I am prepared now to do that. It is my understanding that the request I am about to make has been cleared on both sides and I shall state the request now for the consideration of the minority leader and other Senators.

Mr. President, I ask unanimous consent that the Senate stand in recess today from 12 noon until 2 p.m. and that, upon the reconvening of the Senate at that hour, the Chair direct the clerk to call the roll to determine the presence of a quorum.

I further ask unanimous consent that, upon the ascertaining of the presence of a quorum, the Senate immediately go into closed session with the floor cleared of all Senate personnel save for those having code word clearance which are on the accompanying list which I shall send to the desk. I further ask unanimous consent that, during the closed session, no business of any kind be transacted, and that the time be equally under the control of the majority or minority leader or their designees.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I send to the desk a list of personnel who are contemplated in this agreement. This is also submitted for the consideration of the minority leader and has been mutually agreed upon, I believe. It should become an integral part of the agreement which has just been entered into.

The PRESIDING OFFICER. The clerk will read the names.

The legislative clerk read as follows:

The following individuals shall be granted privilege of the floor today during the classified briefing on the Soviet threat:

COMMITTEE ON ARMED SERVICES

Rhett B. Dawson, Francis J. Sullivan, and James C. Smith.

DEFENSE INTELLIGENCE AGENCY

Mr. John Hughes, Mr. James Miller, and Capt. Ed Cummings.

ALDERSON REPORTING CO., INC.

Mr. Albert J. LaFrance.

COMMITTEE ON FOREIGN RELATIONS

Hans Binnendijk, Bob Bell, and Bill Ashworth.

SELECT COMMITTEE ON INTELLIGENCE

Robert R. Simmons, Abram N. Shulsky, and Angelo Codevilla.

SENATE LEADERSHIP

George Murphy and Mike Epstein.

Further—The Secretary of the Senate, William F. Hildenbrand and the Senate Sergeant at Arms, Howard S. Liebengood.

Mr. BAKER. I thank the Chair.

ORDER FOR REPORTER TO RECORD CLOSED SESSION

Mr. BAKER. Mr. President, I further ask unanimous consent that Mr. Albert LaFrance, who is a reporter with appropriate clearances and listed on the paper just read to the clerk, be authorized to take down, by stenographic notation, verbatim, the proceedings of the closed session. At the conclusion of the closed session, the stenotype paper and related material will be hand carried to the Senate National Security Office, where the proceeding will be transcribed.

I also ask unanimous consent that the transcript of the remarks of each Senator who participated in the debate be made available to such Senator in the Senate National Security Office for revision of his remarks. When this process is completed, the classified transcript shall be stored in a secure vault in such office where other closed session transcripts are maintained.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. BAKER. Mr. President, I believe we have 7 more minutes, approximately, for the transaction of routine morning business before the Chair will automatically recess the Senate until 2 o'clock under the provisions of the order just entered into.

Mr. President, for the information of Senators, although the secret session will start at 2 p.m., the Chamber will be cleared and the room will be locked at 12 noon in order to permit the appropriate authorities to conduct their operations in preparation for a secure briefing.

Mr. President, I yield the floor.

Mr. President, I see no Senators seeking recognition. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

The PRESIDING OFFICER. The Chair, acting in his capacity as the Senator from New Hampshire, asks unanimous consent that the quorum call be rescinded.

Without objection, it is so ordered.

RECESS UNTIL 2 P.M.

The PRESIDING OFFICER. Under the previous order, the Senate now stands in recess until 2 p.m.

Whereupon, at 12 noon, the Senate recessed until 2 p.m.

The Senate reassembled at 2 p.m. when called to order by the Presiding Officer (Mr. Lugar).

CALL OF THE ROLL

The PRESIDING OFFICER. Under the previous order, the clerk will call the roll to establish a quorum.

The assistant legislative clerk called the roll and the following Senators entered the Chamber and answered to their names:

[Quorum No. 32 Leg.]

Abdnor
Baker
Brady
Byrd, Harry F., Jr.
Chafee
Danforth
Garn
Goldwater
Gorton
Hatfield
Helms
Inouye
Lugar
Mattingly
McClure
Pryor
Rudman
Symms
Tower
Warner

The PRESIDING OFFICER. A quorum is not present.

The clerk will call the names of the absent Senators.

The assistant legislative clerk resumed the call of the roll and the following Senators entered the Chamber and answered to their names:

Andrews
Armstrong
Baucus
Bentsen
Biden
Boren
Boschwitz
Bradley
Bumpers
Byrd, Robert C.
Chiles
Cochran
Cohen
Cranston
D'Amato
DeConcini
Denton
Dixon
Dole
Domenici
Durenberger
East
Exon
Ford
Glenn
Grassley
Hart
Hawkins
Hayakawa
Heinz
Hollings
Humphrey
Jackson
Jepsen
Kassebaum
Kasten
Laxalt
Leahy
Levin
Long
Mathias
Melcher
Metzenbaum
Mitchell
Murkowski
Nickles
Nunn
Packwood
Pell
Percy
Pressler
Quayle
Randolph
Riegle
Roth
Sarbanes
Sasser
Schmitt
Specter
Stafford
Stennis
Thurmond
Tsongas
Wallop
Weicker
Zorinsky

Mr. BAKER. I announce that the Senator from Utah (Mr. Hatch) and the Senator from Wyoming (Mr. Simpson) are necessarily absent.

I also announce that the Senator from Alaska (Mr. Stevens) is absent due to death in the family.

Mr. CRANSTON. I announce that the Senator from North Dakota (Mr. Burdick), the Senator from Nevada (Mr. Cannon), the Senator from Connecticut (Mr. Dodd), the Senator from Missouri (Mr. Eagleton), the Senator from Alabama (Mr. Heflin), the Senator from Kentucky (Mr. Huddleston), the Senator from Louisiana (Mr. Johnston), the Senator from Massachusetts (Mr. Kennedy), the Senator from Hawaii (Mr. Matsunaga), the Senator from New York (Mr. Moynihan), and the Senator from Wisconsin (Mr. Proxmire), are necessarily absent.

The PRESIDING OFFICER. A quorum is present.

The majority leader is recognized.

CLOSED SESSION

Mr. BAKER. Mr. President, under the order previously entered, the Senate will now automatically go into executive session. Before that occurs, I ask that the Chair instruct the clerk to read the relevant portions of rule XXIX in respect to the responsibility of Members and officers for the handling of secret material.

The PRESIDING OFFICER. The clerk will read rule XXIX, paragraph 5.

The legislative clerk read as follows:

Standing Rules of the Senate:
Rule XXIX, Executive Sessions,
Paragraph 5:

Any Senator or officer of the Senate who shall disclose the secret or confidential business or proceedings of the Senate shall be liable, if a Senator, to suffer expulsion from the body; and if an officer, to dismissal from the service of the Senate, and to punishment for contempt.

Mr. BAKER. Mr. President, I wish to state that, in addition to the penalties prescribed by rule XXIX of the Standing Rules of the Senate, any person, whether or not an employee of the Senate is subject under the inherent power of the Senate, to citation for contempt of the Senate, and to prosecution therefor for the disclosure of materials relevant to rule XXIX.

Mr. President, I ask that the Senate Chamber be cleared of all those except Senators, the two officers of the Senate and those persons enumerated in the unanimous-consent request.

The PRESIDING OFFICER. The Chamber will be cleared.

(At 2:16 p.m., the doors of the Chamber were closed.)

LEGISLATIVE SESSION

(At 4:49 p.m., pursuant to motion by Mr. Baker, the Senate resumed its open legislative session; and upon further motion by Mr. Baker the Senate recessed until 5 p.m., at which time the Senate reassembled, when called to order by the Presiding officer, Mr. Cohen.)

DEPARTMENT OF DEFENSE AUTHORIZATION, 1983

The PRESIDING OFFICER. The Senator from Virginia is recognized.

Mr. WARNER. Mr. President, I am pleased to rise in support of the fiscal year 1983 defense authorization bill as reported by the Armed Services Committee under the able leadership of the distinguished Senator from Texas. While the chairman and the ranking member of the committee, the distinguished Senator from Mississippi, deserve special credit for establishing and maintaining a schedule which allowed the committee to consider and act on this legislation in an expeditious, thorough manner, I believe that the spirit of bipartisanship and cooperation that was maintained throughout our deliberations by all members of the subcommittee, as well as when gathered in full committee, and staff merit the Senate's commendation.

I shall take just a few moments to describe some of the more significant actions in this bill which were taken at the initiative of the Strategic and Theater Nuclear Forces Subcommittee, of which I have the honor to be chairman. Let me address first programs in the strategic area.

The bill before the Senate today is, on balance, in furtherance of President Reagan's comprehensive program for restoring the credibility and effectiveness of our deterrent strategic nuclear triad. The committee is supportive of the urgent requirement to render our defensive nuclear weapon systems less vulnerable to—and indeed, less inviting of—a Soviet preemptive attack.

The specific actions we have taken are as follows: In recommending the authorization of the $4.6 billion requested to develop and produce the B-1 bomber, the committee has advocated once again the improvement of our bomber forces—both in terms of improved base escape and enhanced penetration of Soviet air defenses. The Senate and the full Congress in fiscal year 1982 endorsed this program overwhelmingly. The committee's action on this legislation is in keeping with last year's mandate. The ability of the air-breathing leg of the triad to operate more successfully against ever-improving Soviet air defenses is also enhanced by this bill through the authorization of $900 million for an air-launched cruise missile program.

Similarly, the Armed Services Committee has recommended approval of the President's requests associated with the continued upgrading of our sea-based strategic deterrent. Authorization is included in this legislation for the construction of two *Ohio*-class ballistic missile submarines, the procurement of Trident I (C-4) missiles, continued research and development on Trident II (D-5) missiles, and the development and production of sea-launched cruise missiles. Taken together, these initiatives will do much to insure that our sea-based deterrent force will continue to be a survivable and credible deterrent for the foreseeable future.

The fiscal year 1983 defense authorization bill also contains some $2.8 billion requested by the administration for the continued upgrading of our strategic command, control, and communications system. I am pleased to say that, subsequent to adoption by the Senate of the Armed Services Committee's fiscal year 1982 defense bill, which contained large sums for its own initiatives in this area, the administration undertook, as part of its comprehensive strategic force modernization program, a thorough revamping of our strategic C^3 systems. Of course, the ability of our C^3 assets to survive an initial attack and to perform reliably their respective command, control, and communications missions in support of the strategic nuclear forces, is essential to the ability of those forces to carry out their required tasks.

Let me turn now to a brief discussion of the land-based leg of our nuclear triad. There has been some possible misunderstanding in Congress and elsewhere about the intent and purposes involved in the decision by the Armed Services Committee to recommend the restructuring of the MX basing program. I rephrase that by stating as the basing part of the overall MX program. The decision to eliminate the interim deployment of this weapon system in Minuteman silos was not taken lightly nor was it intended to suggest a lack of support for the MX land-based leg of the triad. Rather the committee urged that the program for developing and deploying a more survivable basing system for the missile part of the MX system be accelerated so as to achieve an initial operational capability of the MX in such a system at the earliest possible opportunity. The committee has also recommended that the funds requested for initiation of production of the MX missile be deferred without prejudice in order to bring such production into line with what is anticipated to be the first availability of a more survivable basing mode.

I expect that the administration will respond favorably to the call for restructuring the MX basing program. Should an effective and survivable basing system be devised and proposed by the administration for the MX missile, I am fully prepared to come before the subcommittee, the full committee, and the Senate and seek support for an aggressive approach to procurement and deployment of this highly important segment of the overall MX weapon system.

Two other actions in the ICBM area are worthy of note at this point.

First, the committee recommended the retention of the Titan II missile force in the active inventory through fiscal year 1983, a logical consequence of our decision to delete funds for the interim proposed MX basing system. The committee recommends this step in view of that decision to require a restructuring in the overall MX program which would result in a probable delay of this missile's initial operational capability as a total system; $80 million was added to the bill for the purpose of maintaining the Titans in a safe and reliable condition through fiscal year 1983, and I believe that these funds are a sound investment in light of our present strategic position.

Second, the Armed Services Committee has agreed with the decision made by the Department of Defense to equip the MX missile with the advanced ballastic reentry vehicle system. The Strategic and Theater Nuclear Forces Subcommittee held a special hearing on this proposal. It was the committee's judgment that the additional capabilities represented by this advanced system justified the startup costs requested by the administration. These included an ability to provide roughly equivalent yields to the MK-12A reentry vehicle it will replace while permitting significant savings in terms of special nuclear materials comsumption. Alternatively, the ABRV, as it is commonly known, provides the option for vastly increased yields without requiring system redesign. These features seem to be highly desirable in a reentry vehicle and warhead system intended to optimize the effectiveness of the MX missile.

Turning now to committee initiatives outside the strategic forces area, I call to my colleagues' attention the decision of the Armed Services Committee to approve President Reagan's program for chemical preparedness. This program consists of a commitment to achieve a negotiated chemical disarmament agreement with the Soviet Union, an aggressive plan for providing defensive equipment and clothing to our forces, a plan for safely disposing of obsolete and hazardous chemical munitions, and a request for funds to replace these weapons with modern, safe binary systems. These measures are intended to reduce significantly the danger of chemical warfare and promote the prospects for achieving the verifiable, global ban on such weapons which we all seek. Having reviewed personally, at great length, the considerations which require the United States to engage in a program for restoring the credibility of its chemical deterrent, I feel it is imperative that we get on with this program with all deliberate speed. I urge my colleagues to support the committee's and the President's actions in this area.

Finally a few words are in order on civil defense. The Reagan administration sought $252 million in attack-related civil defense in fiscal year 1983. This figure represented an increase in real terms of 84 percent over fiscal year 1982. This increased funding level formed an important part of the President's commitment to revitalizing our strategic offensive and defensive capabilities. Personally, and I speak only for myself, I strongly endorse the President's initiative in this area and recognize the important contribution that an effective and reliable civil defense program could make to the enhancement of strategic stability. It was a step forward, in my judgment for the President to recommend this additional spending. It was not in any sense a complete and final program, but some movement from where we had been for years of basically at minimal levels of spending.

I am also keenly aware of the very substantial disparity that exists between the United States and the Soviet expenditures on civil defense. However, in the committee markup, although I espoused and recommended vigorously the President's program, a majority of those present prevailed in reducing that program to a lower level of spending.

The majority of the committee regarded the increased outlays in civil defense preparedness requested by the administration to be high under present circumstances. The unprecedented increase in civil defense activities, the budgetary constraints under which the committee is operating, and is likely to operate in future weeks, and lingering concerns about the effectiveness of any civil defense program requiring strategic warning and crisis relocation caused the Armed Services Committee to recommend a reduction of $107.8 million in the President's program, for a new total of $145.3 million. I note that the committee stated its intention, "to consider carefully in the months ahead the program advocated by the administration" and expressed its openness to "the possibility of increasing the fiscal year 1984 civil defense program if it can be satisfied that the proposed initiatives are sound and cost effective."

Mr. President, these actions are, in my opinion, highly important steps, consistent on balance with a comprehensive and overdue program for revitalizing our strategic deterrent. I believe them also to be fully consistent with our efforts to achieve a sound and verifiable arms reduction treaty with the Soviet Union. I am pleased to have been associated with the committee's deliberations in these matters and look forward to the upcoming debate on this legislation for an opportunity to discuss our actions at greater length with my colleagues.

Therefore, I urge at this time careful attention from all of our colleagues to this very important segment of the defense program and, hopefully, ultimately the support of all present.

Mr. President, I now yield the floor to the distinguished Senator from Alabama.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. DENTON. Mr. President, let me associate myself with the remarks about and compliments to our chairman expressed by the distinguished Senator from Virginia, who is also the former Secretary of the Navy under whom I was honored and privileged to serve.

I would like to deal with a consideration regarding this authorization bill that I feel might otherwise be overlooked.

Mr. President. As we begin consideration of S. 2248, the fiscal year 1983 Department of Defense authorization bill, each of us is especially aware of the ongoing efforts to achieve a comprehensive budget compromise. Although I remain hopeful that such a compromise can be reached within the framework of the President's economic program, I believe it is imperative that we maintain a proper sense of perspective as we consider the legislation now before us.

The Preamble to the Constitution charges us in the Federal Government to:

> . . . establish Justice, insure domestic Tranquillity, Provide for the common defense, Promote the general welfare, and secure the blessings of Liberty to ourselves and our posterity . . .

Our constitutional mandate does not require us to provide for the general welfare. Nor does it allow us simply to promote the common defense. This fundamental understanding of our collective responsibility is essential to a sustained effort to assure our security, and to the proper orientation for beginning consideration of this bill.

S. 2248, reported from the Armed Services Committee after extensive analysis, deliberation, and debate, reflects a commitment to funding levels necessary to effect a start toward offsetting, over a period of years, the defense imbalance that resulted from the fiscal neglect of our security requirements over the past decade. A crucial element in preserving this commitment is maintaining an understanding in the Congress and the electorate of all that is involved in assuring national security.

We must recognize that our economic health depends on an America secure in its freedom and capable of defending it. Put succinctly, the single indispensable social service that a government must provide for its citizens is national security: The capacity to defend effectively the Nation, its values, and its way of life. Without national security there is no capacity to promote the general welfare, or to provide benefits to any citizen.

We are all justifiably concerned about our economy and the need to reduce a burgeoning Federal deficit, but those who propose solutions based on decreased levels of security have overlooked the reality that our military strength, and how is is perceived by other nations, directly affects our economy, and has done so, to our detriment, for the past 15 years or more.

When we are seen as strong, and determined in our strength, our allies are eager to trade with us. We find ready access to resources and markets throughout the world. Our adversaries find little opportunity to expand the

sphere of politico-economic influence and control. Because sustained politico-economic relations with us are crucial to other nations, we have economic leverage that is effective and can replace successfully other, more drastic, measures in times of crisis.

On the other hand, when we are seen as weak, or lacking in resolve, our allies begin to look elsewhere for economic benefit and for strategic leadership. Our European friends orient pipelines, based on pipedreams, to the East. We find ourselves unable to muster broad-based support for opposition to and sanctions against the adventuristic policies of our adversaries, their surrogates, and their puppets.

Our failure to provide adequately for our defense over the past decade has most assuredly taken its economic and political toll. Whole blocks of the world are being denied to us, as is the case in Indochina, Afghanistan, the Horn of Africa, and even parts of Central America. When we lose access to the resources and markets of those countries, we and they lose the mutual benefits of increased trade and diplomacy.

The expenditures planned for defense are seen by too many Americans in precisely the opposite perspective. They think that spending for defense is a detriment to our economic prospects. That is short-range, 1 year, deficit oriented illogic—not long-range commonsense. We must stop playing checkers, and start playing chess, in the deadly games of survival and wellbeing.

Mr. President, the fiscal year 1983 defense authorization bill, as reported by the Armed Services Committee, represents an objective, bipartisan assessment or our security requirements. The committee, under the leadership of the Senator from Texas, did not "rubberstamp" the administration's request. The committee authorized figure of $180.3 billion for fiscal year 1983 is $3.2 billion under the administration's request. Perhaps more important than the actual authorization cuts are the areas where these cost savings were achieved. No portion of the President's proposal was considered sacrosanct. The elimination of certain marginal programs, and the curtailing of near-term expenditures in some essential programs until doctrinal or production problems have been satisfactorily resolved, are indicative of a bipartisan committee resolve to demand and insure the effective and efficient use of Federal tax dollars.

The authorization levels contained in S. 2248 are necessary to our security, based on both near-term and long-term analysis. The stark reality we must face is that neither this defense budget, nor the 5-year defense plan of which it is part, will provide the United States with clear-cut military superiority—clear-cut military superiority we enjoyed from after World War II until the late 1960's. What the fiscal year 1983 defense authorization bill provides for, and what this body must insure, at the minimum, is a level of security that has been tenuously termed an "acceptable risk."

We must recognize clearly that efforts to reduce the level of authorizations recommended by the Armed Services Committee will affect directly and adversely the security of our Nation. Those, unfortunately, are the hard facts, and as Winston Churchill said: "You must look at the facts, because the facts look at you."

Mr. President, I implore my colleagues on both sides of the aisle to join with me, with the distinguished chairman of the Armed Services Committee, Senator Tower, and with many others who have spent so much time analyzing the data and testimony provided by our professional military experts, in supporting this fiscal year 1983 defense authorization bill.

Our margin for error is perilously thin.

I yield the floor to the distinguished chairman of the Armed Services Committee, the Senator from Texas.

The PRESIDING OFFICER. The Senator from Texas.

Mr. TOWER. Mr. President, I do not know of any others present who want to make opening statements. Therefore, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. SPECTER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 902

(Subsequently numbered amendment No. 1397.)

(Purpose: To express the sense of the Congress recommending a summit meeting on reducing the risk of the occurrence of nuclear war)

Mr. SPECTER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Pennsylvania (Mr. Specter), for himself and Mr. Dixon proposes an unprinted amendment numbered 902.

At the end of the bill add the following:

Sec. . (a) The Congress finds that—

(1) a general nuclear war could cause the death or mutilation of hundreds of millions of people;

(2) the damage that a general nuclear war would cause to the environment would be of unknown, unimaginable, and unprecedented kinds and degree;

(3) many survivors of a general nuclear war would, after suffering extraordinary agony, die of radiation poisoning, disease, overexposure to the elements, starvation, or similar causes;

(4) the probability of the occurrence of a general nuclear war would increase vastly and, perhaps, uncontrollably if any government initiates major hostilities or the use of nuclear weapons, regardless of the circumstances;

(5) the recent development of nuclear weapons that are capable of destroying the nuclear weapons of rival nations increases the likelihood of a preemptive nuclear strike;

(6) the governments of many nations already have nuclear weapons, and the governments of many more nations may soon develop or otherwise be able to acquire nuclear weapons;

(7) even a local or regional armed conflict or terrorist incident could escalate into a conflict involving the superpowers and leading to general nuclear war; and

(8) launched missiles carrying nuclear weapons, including those launched in error or by accident, cannot be recalled from proceeding to and devastating preassigned targets.

(b) It is the sense of the Congress that the President should, at the earliest possible date, act to convene a summit meeting with leaders of the Government of the Union of Soviet Socialist Republics for the purpose of seeking to reduce the risk that nuclear war would occur from any cause and to establish a means for better controlling the use of, and reducing the stocks of, nuclear weapons.

Mr. SPECTER. Mr. President, I send an amendment to the desk on behalf of myself and the distinguished Senator from Illinois (Mr. Dixon) as principal sponsors.

The purpose of the amendment is to link with this Department of Defense authorization bill the sense or recommendation of this body and ultimately, the Congress, that the President of the United States move to convene a summit meeting on the subject of nuclear arms control and strategic arms reductions. This summit meeting would be in accordance with the campaign statements made by President Reagan when he was a candidate and would be in accordance with a number of the declarations which have been made by spokesmen for the White House.

It may or may not be necessary, as a causative factor, for the Senate and the Congress to act on this matter, as it may be something which would follow in due course. But at a time when this body, and ultimately the Congress, is being called upon to consider the very enormous expenses of this Department of Defense authorization bill, in my judgment it is appropriate to link such an affirmative vote, which I think will be forthcoming, with our sense that there ought to be, contemporaneously, efforts made to limit and reduce nuclear weapons.

In the Washington Post today, Mr. President, there is a statement attributed to Mr. Larry Speakes, the White House Press Secretary: "There are currently no specific plans or preparations for such a meeting," referring to a summit meeting.

I wrote to the President on April 14 of this year as follows:

Dear Mr. President: I respectfully suggest that you act now to initiate a full-scale summit meeting with the Soviet leaders in order to reduce the risk of nuclear war and stop the escalation of the arms race.

In my view, such negotiations can only be successfully started with your personal leadership.

Leadership on lesser issues can safely be left to others. Indeed, resolution of all the other national issues will not suffice if the momentum toward nuclear war is not reversed. There is simply no more important issue facing the world today.

The meeting you announced you are seeking with President Brezhnev at the United Nations in June would provide a good start. This initial meeting could be followed by further direct talks later this summer, or at the earliest practical time.

With current world tensions higher than anytime since the Cuban missile crisis, talks involving only Ambassadors and Generals would inevitably be too cautious and too slow. Once the basic framework for an agreement has been established, other officials and technical experts can negotiate the details necessary to conclude and implement an agreement.

Just as President Nixon was the one person who could advocate recognizing Red China, given apprehensions about Red China and his unassailable record of anti-communism, you possess the unique leadership capability and credibility to make meaningful progress on this issue.

The dangers of nuclear war will increase with delay. In fact, the risk of inaction may already have surpassed the risks inherent in initiating negotiations on nuclear arms. Crisis communications, strategic stability and arms reductions head the agenda which must be addressed now.

Negotiations now would be timely and could be productive. The Soviets have seen our determination to respond to their build-up of strategic nuclear weapons systems in actions taken last year to go forward with the B-1 bomber and MX missile. There is much evidence that our present nuclear deterrent is still strong, sure, and sufficient. Therefore, we are able to negotiate from a position of substantial strength, if not superiority.

Whatever increases in vulnerability may occur later in the decade, our Minuteman missiles and B-52 bombers can still reliably wreak sufficient destruction on Soviet industry, cities, and military bases to deter a Soviet pre-emptive strike. I am convinced that we have such strength based on my recent meetings with officials at the Strategic Air Command Headquarters and bases in North Dakota and California.

In any event, our 33 nuclear missile submarines will remain invulnerable for the next two decades. Each submarine can deliver greater destructive power than all the bombs dropped on Germany in World War II. From discussions with Navy officials last Saturday at the Fleet Ballistic Missile base in Charleston, South Carolina, I am convinced that these submarines, which carry nearly 5,000 warheads, (each more powerful than the Hiroshima Bomb) could deliver them with sufficient accuracy to devastate the Soviet Union. Therefore, this one leg of the strategic triad alone seems a sufficient deterrent against Soviet strategic attack.

I hope you will personally review these matters.

I believe that once you have studied the pertinent facts and arguments, your unique personal capabilities will enable you to succeed where no one else has in moving the world away from the threat of nuclear holocaust.

Sincerely,

Arlen Specter.

On April 19, 1982, I introduced Senate Concurrent Resolution 81 urging a summit meeting to reduce the risks of nuclear war, which is essentially the same amendment which I forwarded to the desk a few moments ago. At that time, the distinguished Senator from Illinois, Senator Dixon, became a principal cosponsor with me on that resolution.

On April 19, 1982, I wrote to Secretary of State Alexander Haig. At this time I ask unanimous consent that a copy of that letter be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

United States Senate,
Washington, D.C., April 19, 1982.

Hon. Alexander M. Haig, Jr.,
Secretary of State,
Washington, D.C.

Dear Al: I have today introduced a Sense of the Senate Resolution calling on President Reagan to take the lead in convening a summit meeting with Soviet President Brezhnev on nuclear arms reduction.

With this letter I am enclosing:

1. The resolution;
2. My floor speech in support of the resolution;
3. My letter to President Reagan dated today; and
4. My letter to President Reagan dated April 14, 1982.

Sincerely,

Arlen Specter.

Mr. SPECTER. Similarly, I wrote to the Honorable Casper Weinberger, Secretary of Defense, on April 19, 1982. I ask unanimous consent that that letter be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

U.S. Senate,
Washington, D.C., April 19, 1982.

Hon. Caspar W. Weinberger,
Secretary of Defense,
Washington, D.C.

Dear Cap: I have today introduced a Sense of the Senate Resolution calling on President Reagan to take the lead in convening a summit meeting with Soviet President Brezhnev on nuclear arms reduction.

With this letter I am enclosing:

1. The resolution;
2. My floor speech in support of the resolution;
3. My letter to President Reagan dated today; and
4. My letter to President Reagan dated April 14, 1982.

Sincerely,

Arlen Specter.

Mr. SPECTER. Similarly, on April 19, 1982, I wrote to the Honorable Wilian P. Clark, Assistant to the President for National Security Affairs. I also ask unanimous consent that that letter be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

U.S. Senate,
Washington, D.C., April 19, 1982.

Hon. William P. Clark,
Assistant to the President for National Security Affairs, the White House, Washington, D.C.

Dear Bill: I have today introduced a Sense of the Senate Resolution calling on President Reagan to take the lead in convening a summit meeting with Soviet President Brezhnev on nuclear arms reduction.

With this letter I am enclosing:

1. The resolution;
2. My floor speech in support of the resolution;
3. My letter to President Reagan dated today; and
4. My letter to President Reagan dated April 14, 1982.

Sincerely,

Arlen Specter.

Mr. SPECTER. On April 19, I advised the distinguished Senator from Illinois (Mr. Percy) of the introduction of that resolution. I similarly advised the distinguished Senator from Texas (Mr. Tower), the chairman of the Armed Services Committee. And I subsequently advised the majority leader (Mr. Baker) of my intention to offer this amendment at the time of the consideration of the Department of Defense authorization bill. I similarly advised the distinguished Senator from Texas (Mr. Tower) of that intention.

By letter dated April 28, 1982, I received a reply from the Honorable Alexander M. Haig, Jr., Secretary of State, as follows:

The Secretary of State,
Washington, April 28, 1982.

Hon. Arlen Specter,
U.S. Senate.

Dear Arlen: Thank you for sending the text of your Sense of the Senate Resolution calling for a summit meeting on nuclear arms reduction.

The President and I fully share your concern about the danger of nuclear war. A meeting with President Brezhnev can contribute to reducing that danger, and President Reagan has expressed his desire to meet with the Soviet leader in June in the context of the United Nations Special Session on Disarmament. Even though President Brezhnev responded by suggesting a meeting in the fall, President Reagan hopes that it will still be possible to meet in June as he proposed.

We recognize, however, that ensuring peace is not the work of a single meeting. Peace requires the determination to maintain a balance of power. It requires detailed preparation and patient negotiation. It requires restraint in foreign policy. We intend to meet these standards. The problem we face has been Soviet unwillingness to match our restraint.

The President is committed to achieving meaningful reductions in nuclear arms. Preparations for strategic arms negotiations are now in their final stages, and we expect to begin talks with the Soviets as soon as conditions permit. Negotiations on intermediate-range nuclear forces took place between November 1981 and March of this

year, and they will reconvene on May 20. We are also discussing important arms control issues in the Mutual and Balanced Force Reduction talks, the United Nations Committee on Disarmament, and the Standing Consultative Commission established under the SALT I agreements. We hope that this ongoing dialogue will succeed in achieving genuine arms reductions and in lessening the risk of war.

No one is more concerned than the President about the danger of nuclear conflict or more determined to prevent it. You can be sure that he will do his part in this effort in which all of us—at both ends of Pennsylvania Avenue—are engaged.

With warm regards,

Sincerely,

Alexander M. Haig, Jr.

In the news reports earlier referred to, Mr. President, there is a suggestion that the summit be linked to Soviet behavior, and, as previously noted, a statement made by the White House Press Secretary Larry Speakes, that there are currently no specific plans or preparations for such a meeting.

Mr. President, I ask unanimous consent to have printed in the Record an article from today's Washington Post.

There being no objection, the article was ordered to be printed in the Record, as follows:

SUMMIT LINKED TO SOVIET BEHAVIOR, REAGAN AIDE SAYS

(By Lou Cannon)

White House officials said yesterday that any summit meeting this year between President Reagan and Soviet President Leonid Brezhnev depends, in effect, on the behavior of the Russians.

"President Reagan has made it clear that our longstanding criteria for a formal summit meeting remain in place, that is it would have to be first, carefully prepared; second, it would have to be justified by the overall state of our relations at the time; and, third, hold reasonable prospects for positive results," deputy White House press secretary Larry Speakes said in a prepared statement "There are currently no specific plans or preparations for such a meeting."

Speakes was responding to a report in the The Washington Post yesterday that Reagan will accept Brezhnev's invitation for a "well prepared" summit this October, a statement that was not specifically denied by the deputy press secretary.

But Speakes emphasized that the president still wants to meet Brezhnev in New York City this June where Reagan will go to address a United Nations disarmament conference.

During a meeting with reporters in the Oval Office on April 4, Reagan urged Brezhnev to attend this meeting and suggested that the two of them meet while he was there. The 75-year-old Brezhnev, who is in ill health, rejected the offer two weeks later and called instead for the October summit in Europe.

Though Soviet leaders have many times expressed their interest in a genuine summit, there is no sign that they took the Reagan offer to meet in New York seriously. Even Reagan administration officials admit that it would be difficult to prepare for a June meeting in New York, especially since Reagan will spend the first part of the month on a long-planned trip to Europe.

An administration official said yesterday, however, that the president "liked the idea" of the New York meeting and wanted it known that he didn't consider the Soviet rejection to be final.

Speakes said yesterday that the president had not formally invited Brezhnev for the New York meeting. He said this would be done if Brezhnev accepted the U.N. invitation to attend the disarmament conference.

The imponderable in the behind-the-scenes maneuvering about the summit is Brezhnev's health. Administration officials privately acknowledge they don't know whether he would be able to withstand the rigors of either a trip to New York or an October summit in a neutral European country.

Administration officials also stressed the necessity of being "well-prepared" for any summit, a point that also has been made by the Soviets. This would seem to argue against any June meeting in favor of a later full-scale summit.

Both Austria and Ireland have been mentioned in discussions in the administration as possible sites for the prospective summit meeting.

Mr. SPECTER. It is my recommendation that efforts toward a summit ought to proceed forthwith, and such a summit meeting ought to be held at the earliest possible moment. It is my view that while Soviet behavior in the broader sense is, of course, critical, and obviously determinative of the success of any such summit talks, that there not be a linkage to any specific kind of Soviet conduct.

It is easy to find a reason at any time why such talks should not be held, and the reasons may have some very substantial weight.

The efforts on the SALT II ratification were thrown off by the Soviet invasion of Afghanistan. Doubtless, that was a good reason for reassessing the sincerity of the Soviet Union and reassessing the advisability of ratification of SALT II.

The efforts at arms reduction talks were similarly stymied in December 1981 as a result of the action by the Polish Government in imposing martial law and the background action of the Soviet Union.

It is my view, however, that while the conduct of the Soviet Union in such respects certainly must be considered and is a critical factor in determining the long-range success of any such summit talks, that we must proceed to talk and have such discussions notwithstanding such individual incidents.

Mr. President, on April 17, in one of his 5-minute radio addresses, President Reagan cast some doubt of his intention to have an early summit meeting when he said that the United States would not be ready for arms talks until we were stronger. With that statement, Mr. President, I respectfully disagree. Starting to talk and continuing to acquire strength are not mutually exclusive. Just as we should not wait to become stronger, we should not wait to talk. The efforts which we are beginning in our deliberations here today on a Department of Defense authorization bill are of vital importance. In that April 17 speech, the President said:

> If steps are not taken to modernize our defenses, the United States will progressively lose the ability to deter the Soviet Union from employing force and threats of force against us and against our allies.

Mr. President, with that statement, I agree. Last year, I joined with an overwhelming Senate majority in voting for the B-1 bomber, the MX missile, and the President's strengthened overall military budget.

While there must continue to be a close analysis of military spending, like all Government spending, after deliberations on the Department of Defense authorization bill, I am prepared to support the President's call for stronger defense. The President has also recognized that a great deterrent force without projected arms reduction is insufficient. Last year, he proposed a bold plan for eliminating theater nuclear weapons from Europe. In the April 17 speech, he said:

> For those who protest nuclear war, I can only say that I am with you.

The support for the protests against nuclear war will certainly be met by the summit talks which this amendment calls for.

In the April 17 speech, Mr. President, President Reagan further questioned the advisability of summit talks until we had achieved parity.

President Reagan said that there would be no winner in a nuclear war. When one nation has sufficient nuclear force to destroy the other nation, there is no such thing as superiority, even though one nation may have a larger arsenal. The debate on superiority or parity belongs to the eras between the dinosaurs and conventional warfare. In the nuclear age, all nations are inferior, as that term is realistically defined to mean that any nation is subject to destruction by the force of another nation.

The Soviet Union is inferior to the United States, the United States is inferior to the Soviet Union, and it may not be long, as that term is now defined, before both superpowers, the United States and the Soviet Union, will be inferior to the likes of Iraq or Libya.

It is, in my judgment, not a sufficient answer to say that we shall await parity before talks are initiated or before there are summit talks between President Reagan and President Brezhnev. It is questionable what parity means. It is even more questionable when any such parity can be obtained.

Mr. President, in the partnership between the executive and legislative branches, it is, of course, appropriate for the Senate to take extensive advice from the executive, as we have, on how much to authorize for fiscal year

1983 expenditures for national defense in the Department of Defense authorization bill. It is my thought that it is appropriate, in turn, for the U.S. Senate to offer its advice to the executive branch on the need for prospective treaties for arms control.

Mr. TOWER. Will the Senator yield at that point?

Mr. SPECTER. Yes, I yield.

Mr. TOWER. Have there been any hearings on the Senator's amendment?

Mr. SPECTER. There have not been, Mr. President.

Mr. TOWER. Does the administration support that amendment?

Mr. SPECTER. I have had no response to my letter of April 14.

Mr. TOWER. Mr. President, I believe that I can say that the administration does not. It seems to me, Mr. President, that if we are going to do business on negotiating arms reduction, we should not try to force some initiative on the President without giving the administration an opportunity to be heard. It occurs to me that the Senator from Pennsylvania wants to force the President to abandon his timetable and substitute snap judgment on the Senate floor for the President's judgment, without even having a hearing.

It also occurs to me that this is not the proper bill to put this on. I disagree with what is suggested by the Senator from Pennsylvania, that the United States is responsible for the arms race in the first place. The Soviet Union, in my view, is responsible, not the United States.

Mr. SPECTER. Mr. President, the Sentor from Texas must have misunderstood me if he thought there was any suggestion in what I said that the United States was responsible for the arms race, because I said no such thing.

Mr. TOWER. Then may I ask a question?

Mr. SPECTER. Just a minute, Mr. President. I have the floor and I propose to respond to the questions the Senator has asked. Then I shall be glad to yield for an additional question.

Mr. TOWER. Very well, Mr. President.

Mr. SPECTER. Mr. President, it is my view that to state that it is the Senate's view that there should be a summit talk is not to dictate in any sense of the word to the executive branch. We are being called upon to vote on a very extensive Department of Defense authorization here. It has very extensive expenditures on nuclear weapons. It seems to me appropriate at the time that we undertake that consideration that we should have—obviously, we have the right to say whatever we choose—but it would be appropriate in that context for us to say to the executive branch that, while we support it on these requests for defense authorization for nuclear weapons, at the same time, we believe that summit talks ought to proceed and ought to proceed promptly.

This is a matter which has attracted considerable national and international attention since the 1980 campaign. There have been comments made about such summit talks. There have been disclaimers on such summit talks. There have been statements that we shall await parity, which might take many years, even more. So in this context, it is an appropriate thing for us to give our opinion.

Mr. TOWER. Is the Senator aware that President Reagan proposed a summit in June and Brezhnev refused? Now the Senator is insisting that the President crawl to Brezhnev again and ask for an immediate summit. It seems to me the Senator's resolution would be better advised if it were addressed to President Brezhnev, asking him to respond in a timely fashion to the many invitations extended by the President of the United States.

Why would the Senator from Pennsylvania insist on bypassing or subordinating the criteria the President has established? That is, that such a summit be carefully prepared, that it be justified by the overall relationship between the two countries and that it hold out some promise of a positive result? The President has already expressed his decision to go to such a conference. It seems to me this is a slap at the President and a vote of no confidence in the President.

Mr. SPECTER. Mr. President, it is, in my view, a misinterpretation and an attempt to make an inflammatory statement as to what I have proposed to characterize it in those terms. There is every legitimate opportunity for appropriate comment from a Senator, or from the Senate in a resolution of this sort to make a suggestion on a matter of this kind. When the Senator from Texas refers to the criteria, it is my view that there has been adequate time for such careful preparation or there still could be between the present date and the time such a summit would be held.

The second criteria, that there would have to be justifications by the overall state of our relations at the time, at least in my judgment, is within the ambit of realism. And, third, that there should be reasonable prospects for positive results again is a criteria which in my judgment is realistically met.

But in my view, further delays are not justified and it is within the range of responsibility and appropriate conduct of this body to express its own opinion to the President on these subjects in this context which is respectful, which is suggestive, which is not in any way, shape or form a slight.

Mr. WARNER. Mr. President, I thought the Senator yielded.

Mr. SPECTER. I will be glad to yield for a question. I did not yield the floor.

Mr. WARNER. I did not wish to interrupt the distinguished Senator from Pennsylvania. I heard a pause in his voice. I will wait until I can address the Senator's resolution.

Mr. SPECTER. Overall, Mr. President, this amendment is being offered in the context of a most respectful suggestion to President Reagan. It is not being offered precipitously here this afternoon. It is offered after a great deal of thought and after a letter, as previously delineated, of April 14 of this year, after the introduction of the resolution on April 19, after sending the resolution and my floor statement to the Secretary of State, the Secretary of Defense, and the National Security Adviser.

So that the matter has been thought through with some care, and in my view a most appropriate consideration at a time when we are being called upon to make the very material commitments that this Department of Defense authorization bill calls for.

I yield the floor.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. BAKER. Mr. President, if I may, I inquire of the managers of the bill and other Senators how much longer they wish to proceed tonight.

There are commitments that have to be fulfilled away from the Capitol, and I had planned to recess at about 6 o'clock this evening.

Mr. PERCY. I would take less than that time.

Mr. BAKER. On the bill?

Mr. PERCY. On this amendment. I need about 3 or 4 minutes to respond to Senator Specter and that would be all I would need.

Mr. WARNER. Three.

Mr. BAKER. Very good. I yield the floor, Mr. President.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Mr. PERCY. Mr. President, I have a great deal of respect for what Senator Specter is attempting to do here in focusing attention on a problem that we face as a nation and that we face as humanity. When you have two buttons in the world, one in Moscow and one in Washington and two men with the power to press them and they have not met, then they ought to meet and talk about the most important single subject that has faced mankind, whether we are going to move in a direction where we might exterminate ourselves.

I have long felt that this meeting should be held. As the Senator knows, I have publicly called for an early summit meeting. I have talked to the administration about this on any number of occasions for the past year. So I concur with the principle that is being espoused.

In response to a question raised by the distinguished chairman of the Armed Services Committee as to whether hearings have been held, there was a negative response from the Senator from Pennsylvania. Ten separate resolutions have now been put in on arms control. All 10 resolutions have been referred to the Foreign Relations Committee. The Senator's resolution, which is one of these 10 resolutions, is before the committee. We have a series of four hearings on the resolutions scheduled and two hearings have already been held. I believe the staff has discussed with the Senator from Pennsylvania his testifying on his resolution, though in the judgment of the Senator from Illinois this question is now a moot question in that Senator Baker and I, when we met with Secretary Haig a couple weeks ago, talked with him about it. The President has subsequently decided that a call for a summit was in order, and he made that call and asked for a meeting in June.

The Soviets have come back and asked for a meeting in October some place in Europe rather than in New York. I saw Ambassador Dobrynin, the distinguished envoy from the Soviet Union, on Friday and talked with him about some of the subjects that may be discussed at such a summit, though I am not setting an agenda for it. I just wanted to express a viewpoint and to learn their views about the feasibility of a summit meeting. I believe the President has responded very positively to the idea behind the Senator's amendment. The committee is going to be acting on all of the resolutions before it, and we hope to agree on a resolution that would embrace many of the ideas that have been introduced.

If during debate on this bill we accept or have a vote on one arms control amendment, then nine other Senators who have similar amendments, including the Senator from Illinois, would wonder why we should not vote on their resolutions. They do not belong on this bill. This is not the right bill to put them on. Such resolutions are properly referred to the Foreign Relations Committee, and a resolution will come out of the Foreign Relations Committee. We cordially invite the distinguished Senator from Pennsylvania to work with us in committee, but we do hope that he would withdraw his amendment so it would not establish a precedent for nine other resolutions to be debated and voted on over here, which would really take an interminable length of time, because this a very complex subject. I yield the floor.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. BAKER. Is the Senator from Texas willing for me to put us in morning business now so that we can conclude the day's activities? I will yield the floor if he wishes to proceed.

UP AMENDMENT 903

(Subsequently numbered amendment No. 1398.)

Mr. TOWER. Mr. President, I send to the desk an amendment to the amendment of the Senator from Pennsylvania and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated: the bill clerk read as follows:

> Delete subparagraph (b) and substitute therefor:
>
> (b) it is the sense of the Congress that the President of the Union of Soviet Socialist Republics should, at the earliest possible date, respond to any invitation extended to him by the President of the United States of America to attend a summit meeting to reduce the risk that nuclear war could occur from any cause and to establish a means for better controlling the use of, and reducing the stocks of, nuclear weapons.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. BAKER. Mr. President, I was about to inquire if we could go into morning business, and I was beaten to the punch, but I am going to renew that request. If any Member wishes to debate the pending question, which I gather now is a second-degree amendment to the Specter amendment, I, of course, will accommodate them. But I announced earlier that we would close at about 6 o'clock, and I prefer to put us in morning business at this time so that we can do that.

Mr. TOWER. Mr. President, I have no objection.

Mr. BAKER. I thank the Senator from Pennsylvania and the Senator from Texas.

Mr. WARNER. Mr. President, I will forebear the remarks I was desiring to offer tonight.

Mr. BAKER. I am grateful.

Mr. SPECTER. I have no objection. We can continue on this matter in the morning as well.

Mr. BAKER. I thank all Senators.

ORDER OF BUSINESS

Mr. BAKER. Mr. President, I suggest an absence of a quorum.

The PRESIDING OFFICER (Mr. Rudman). The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, there are a number of routine items that might be disposed of this evening, but I will not do that, in deference to the commitment of many Senators to attend an event that will start in less than 30 minutes and is off Capitol Hill.

There are two matters I should like to do, and I hope both are agreeable to the distinguished minority leader and other Senators.

ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that there now be a brief period for the transaction of routine morning business, not to extend past 6:05 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

NATIONAL CLEAN AIR WEEK

Mr. BAKER. Mr. President, I sent to the desk a joint resolution on behalf of the distinguished Senator from Vermont (Mr. Stafford), for himself and for other Senators.

The joint resolution will be stated by title.

The assistant legislative clerk read as follows:

> A joint resolution (Senate Joint Resolution 195) designating the week of May 2, 1982 through May 9, 1982, as "National Clean Air Week."

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of this resolution.

The PRESIDING OFFICER. Is there objection?

Mr. ROBERT C. BYRD. There is no objection.

The PRESIDING OFFICER. Without objection, the resolution will be considered as having been read the second time at length, and the Senate will proceed to its consideration.

The Senate proceeded to consider the joint resolution, which was submitted on behalf of the following Senators: Mr. Stafford, Mr. Baker, Mr. Thurmond, Mr. Randolph, Mr. Chafee, Mr. Mitchell, Mr. Gorton, Mr. Baucus, Mr. Tsongas, Mr. Danforth, Mr. Abdnor, Mr. DeConcini, Mr. Ford, Mr. Eagleton, Mr. Lugar, Mr. Rudman, Mr. Weicker, Mr. Sarbanes, Mr. Murkowski, Mr. Sasser, Mr. Pell, Mr. D'Amato, Mr. Mathias, Mr. Quayle, Mr. Jackson, Mr. Exon, Mr. Durenberger, Mr. Roth, Mr. Chiles, Mr. Pryor, Mr. Matsunaga, Mr. Dixon, Mr. Cranston, Mr. Bumpers, and Mr. Robert C. Byrd.

Mr. STAFFORD. Mr. President, despite a decade of progress toward clean air, for the 70 million Americans most at risk—principally the young, the elderly, and the infirm—whether the air will be fit to breathe remains a day-to-day proposition.

This is National Clean Air Week, proclaimed by the American Lung Association. In Washington and throughout the United States, chapters of the Lung Association will be celebrating how far we have come in controlling air pollution.

But this is also time to look forward to a largely incomplete and formidable task. Although we made substantial gains, much remains to be done. For example—

According to Lung Association estimates, as of August 31, 1981, 620 U.S. counties with a population in excess of 154 million people had air quality which failed to meet Federal health standards.

The air in most of the Eastern United States, the larger cities in the Midwest, and about one-half of California continues to have oxidant—a pollutant caused in part by automotive exhaust gases—levels which are unhealthy.

In the industrial Midwest, large powerplants produce only 17 percent of the Nation's coal-fired electricity, but about 45 percent of the sulphur dioxide, a colorless gas created by burning coal. This sulfur dioxide produces acid rain, which is rapidly emerging as an environmental problem of enormous proportions because it kills lakes and streams in the Northeast and upper Midwest.

Although dozens of cities have made great progress toward controlling carbon monoxide—almost 90 percent of which is produced by autos—our ability to retain this momentum depends on keeping tough exhaust controls and local inspection and maintenance programs to assure that cars are running correctly.

This is a time when air pollution laws are under attack by powerful interests who wish to blame those laws for the plight of the steel, auto, utility, and other domestic industries. Respected commentators and analysts, including the Congressional Budget Office, the Brookings Institution, and the National Commission on Air Quality have repeatedly rejected these contentions. A recent Brookings Institution report, for example, called the Clean Air Act "little more than an irritant" in the context of the national economy.

"Environmental policy has been the whipping boy for other social ills," the Brookings report concluded.

Despite these and similar findings and despite the strong public support for our air pollution laws, the possibility for substantial weakening remains real. That is in part because too few realize the enormity of the stakes in this debate.

The Clean Air Act is frequently described by its industrial critics as protecting only a tiny segment of the population. An examination of the facts tells us that we should count those protected by the law in the tens of millions, not the tens of thousands which some would have us believe.

For four common pollutants, for example, the following groups are at risk, and I ask unanimous that a table containing this information be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Pollutant	Sensitive population	Number of persons in sensitive population	Percent of total United States	Health effects
Ozone	Asthmatics and others with reactive airways	6,000,000 to 10,000,000	3 to 5 percent	Irritates mucous membranes of respiratory system, causing coughing, choking, impaired lung function, reduced resistance to colds and serious diseases such as pneumonia; can aggravate chronic heart disease, asthma, bronchitis, emphysema.
Carbon monoxide	Those with known or suspected coronary heart disease.	5,500,000	5 percent of adult population	Interferes with blood's ability to absorb oxygen, thus impairing perception and thinking, slowing reflexes and causing drowsiness, unconsciousness and death. CO inhaled by pregnant women may threaten the unborn child's growth and mental development. Long-term exposure is suspected of aggravating arteriosclerosis and vascular disease.
	Those with atherosclerosis	700,000	0.34 percent	Do.
	Those who die from sudden cardiac arrest	400,000 per year	0 20 percent	Do.
Lead	Children less than 5 yr. of age	20,000,000 total in United States; 12,000,000 in urban areas; 5,000,000 in center cities.	8 percent of total population	Affects blood-forming, reproductive, nervous and kidney systems; can accumulate in bone and other tissues, posing a health hazard even after exposure has ended. Children are particularly susceptible, and behavioral abnormalities including hyperactivity and decreased learning ability have recently been demonstrated.
Particulates	Children, asthmatics, obligatory mouth breathers, and those with genetic susceptibility to lung disease.	Approximately 50,000,000	20 percent	Can carry heavy metals and cancer-causing organic compounds into the deepest most sensitive parts of the lung; with SO_2 can increase incidence and severity of respiratory diseases.

Mr. STAFFORD. Mr. President, numbers, however, do not tell the full story. Only after listening to a tearful mother describe how she can tell the concentration of pollution by the labored breathing of her asthmatic 3-year-old daughter can vou understand the importance of these laws to Americans.

The truth is that Americans have made a legal and moral commitment to strong air pollution laws for the sake of protecting themselves. All of the facts indicate that these laws bear at most a minor relationship to health of domestic industry. But even if they did, the laws constitute a decision by the American people that some values are too precious to be placed on the auction block of the marketplace.

Some day the time may come when that fundamental decision is reexamined and, perhaps, set aside. But for the time being we have laws which say that life and its quality are more important than dollars in our society.

It is celebrations such as National Clean Air Week which remind us not only of the decision, but the very real stakes in terms of life and health.

So as the local and State chapters convene their meetings, this is one U.S. Senator who salutes them with their own words: "It's a matter of life and breath."

The joint resolution (S.J. Res. 195) was ordered to be engrossed for a third reading, was read the third time, and passed.

The preamble was agreed to.

The joint resolution, with its preamble, reads as follows:

S.J. RES. 195

Whereas the air quality of the United States is an invaluable natural resource and heritage;

Whereas the attainment and maintenance of clean air standards is important to the health of the citizens of the United States, particularly the young, the elderly, and the infirm;

Whereas the maintenance of clean air is a valuable part of the quality of life of the citizens of the United States; and,

Whereas the United States and its citizens are committed to attainment and maintenance of clean air: Now, therefore, be it

Resolved by the Senate and the House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to issue a proclamation designating the week of May 2, 1982, through May 8, 1982, as "National Clean Air Week", and calling upon the people of the United States to observe the week with appropriate programs, ceremonies and activities.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the joint resolution was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

EXECUTIVE SESSION

Mr. BAKER. Mr. President, there is one other item I have not yet had an opportunity to discuss with the distinguished minority leader, but there is one item on today's Executive Calendar that I should like to consider by unanimous consent, if he is agreeable, and that is item No. 737, under "Department of Justice," on page 3, the

nomination of William S. Price, of Oklahoma, to be U.S. attorney for the western district of Oklahoma.

Mr. ROBERT C. BYRD. Mr. President, there is no objection to the confirmation of that nomination.

Mr. BAKER. I thank the minority leader. I am sure the Senators from Oklahoma thank him as well.

Mr. President, I ask unanimous consent that the Senate now go into executive session for the purpose of considering the nomination just identified.

There being no objection, the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. The nomination will be stated.

DEPARTMENT OF JUSTICE

The bill clerk read the nomination of William S. Price, of Oklahoma, to be U.S. attorney for the western district of Oklahoma for the term of 4 years.

The PRESIDING OFFICER. Without objection, the nomination is considerd and confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table. The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I ask unanimous consent that the President be immediately notified that the Senate has given its consent to this nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate now return to legislative session.

There being no objection, the Senate resumed the consideration of legislative business.

AMBASSADOR RICHARD GARDNER ON THE FUTURE OF THE UNITED NATIONS

Mr. CRANSTON. Mr. President, a thoughtful and clear analysis of the U.S. interests in the United Nations was recently offered to our House colleagues by a distinguished American, Richard Gardner. Ambassador Gardner carefully examines, in his testimony, the clear U.S. national interest in the growth of the United Nations system. Gardner quotes then Ambassador Adlai Stevenson on this essential point:

> In the second half of the twentieth century, the U.N. is a plain necessity, a primitive but essential beginning of a system of world order. It is not a substitute for a strong defense, for a strong Atlantic Community, for alliances, or for bilateral, nation-to-nation diplomacy. But it is indispensable as one of the mutually reinforcing instruments of peaceful change in a world that is bound to change and had better do it in peace.

Mr. President, I commend Ambassador Gardner's testimony to my colleagues' attention and ask unanimous consent that it be printed in the RECORD at this point.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

PREPARED STATEMENT OF RICHARD N. GARDNER

My name is Richard N. Gardner. I hold the Henry L. Moses chair of Law and International Organization at Columbia University. I recently returned to teaching after four years as U.S. Ambassador to Italy. I have been asssociated with the United Nations for over twenty years in such capacities as Deputy Assistant Secretary of State for International Organization Affairs from 1961 to 1965, as a Senior Advisor to the U.S. delegation to the UN from 1965 to 1967, and as the U.S. member and Rapporteur of the Group of High Level Experts appointed by the Secretary-General on the restructuring of the UN in 1975. During my recent term as U.S. Ambassador to Italy, I was responsible for supervising U.S. participation in the Food and Agriculture Organization and other UN food agencies based in Rome.

I wish to thank you for this opportunity to testify on U.S. policy toward the United Nations. The United Nations is a controversial subject. A larger portion of the American public is unhappy about what goes on there. UN members often behave irresponsibly. Many are implacably hostile to Israel. Many use the UN to make demagogic speeches with one-sided economic demands on the industrialized countries. Many demonstrate a double standard on human rights. Some of the votes in the General Assembly are deeply offensive to us and aggravate international tensions.

I have always argued that we should look at the UN in unsentimental, practical terms, as an instrument of U.S. foreign policy. The central question is—does our participation in the United Nations serve our national interest? In answering this question, I believe we should bear in mind the following considerations:

First, we should distinguish between the difficulties we are facing that are caused by the policies of UN members and the difficulties that are due to the United Nations as an organization. If a majority of UN members disagree with our foreign policy—in the Middle East, in Southern Africa, on so-called North-South economic issues—that is not the fault of the United Nations. It may reflect divergencies between the interest of the UN members and those of the United States—or possibly misperceptions of national interest on their side or on ours—but the fault cannot be laid at the door of the UN as an organization.

Second, we should distinguish between UN rhetoric, as expressed in the General Assembly and some of its organs, and UN operations of a peacekeeping, economic, or humanitarian character. The rhetoric may be offensive—even, as in the case of the Zionism-equals-racism resolution—obscene. It represents a "letting off of steam", sometimes harmful, sometimes therapeutic in the sense that it enables governments to avoid resort to disruptive actions outside the UN which would have a much more dangerous effect on peace and security than their speeches and votes in the General Assembly. But it is the UN's operations—its mediators and men in blue helmets in world trouble spots, its work in helping countries grow food, limit population growth, protect the environment, find new sources of energy, alleviate mass poverty, cope with refugees—that make by far the most practical difference in terms of the national interest of our country.

Third, it is only when we consider the UN's operations as well as the UN's rhetoric, it is only when we consider what is actually done in the real world by the UN as well as the words that are spoken at the UN, that we are able to make a realistic balance sheet of the pluses and minuses for our country. Let's consider a few examples. When Henry Kissinger sought a cease-fire and disengagement of forces between Israel and Syria and Israel and Egypt after the 1973 war, he quickly found that he needed the United Nations. Had there been no men in blue helmets available, no UN Disengagement Observer Force (UNDOF), Henry Kissinger, with all his diplomatic agility, could not have succeeded. More recently, when Ambassador Philip Habib sought to arrange a cease-fire in Lebanon, he needed the UN to secure the agreement of the PLO, since U.S. policy would not permit him to negotiate with that organization. That cease-fire has been maintained ever since—to be sure, with less than complete success—by other men in blue helmets known as UNIFIL. If it were not for the UN force in Cyprus and the ongoing mediation effort of the UN, war between Greece and Turkey would be much more likely. And there would be no prospect for a peaceful resolution of the problem of Namibia were it not for the peace effort being pursued through the United Nations and the prospect that UN troops could eventually supervise the transition to independence.

The above are practical examples in the field of peace and security. In the non-political area, which accounts for ninety percent of the UN budget and the vast majority of UN activities, the case is just as clear. The International Monetary Fund, the World Bank, and the General Agreement on Tariffs and Trade, to take only the most obvious examples, have provided vitally needed negotiating forums, indispensable rules of the game, and (in the case of the first two organizations) significant financial resources to cope with the world's most serious economic problems. The World Bank Group is making available well over ten billion dollars a year on projects which serve U.S. interests as well as those of the developing countries concerned. The value of the World Bank Group is not only that for every one dollar supplied by the U.S. for the World Bank Group's concessional lending at least three dollars are made available by others; it resides in the fact that these international institutions are in many cases better able politically to bring about those domestic reforms and policy changes that are indispensable to assure that the money is effectively used. The same point can be made with respect to the UN Development Program, the United Nations Children's Fund and the UN Funds for Population and Environment.

I am not saying that the United Nations should be free from criticism. Having been associated with the world organization in one way or another for over twenty years, I could provide a long list of UN failures and weaknesses which need to be remedied. Nor would I disagree with those who say that the UN has in some cases "made things worse". My central point, however, is that when we look at the activities of the United Nations as a whole, the evidence leads us to the unavoidable conclusion that the advantages of the UN to our national interest outweigh the disadvantages.

To form a mature judgment about the United Nations, we must look at the entire record and ask the question: What is the alternative? For example:

Would the Communists have fared better or worse in their efforts to divert the independence movement into a Communist mould—the supreme opportunity for them to extend their power—if the United Nations had not existed?

Would the North Atlantic countries have had greater or fewer resources for communicating effectively with the less developed countries after their independence, if the United Nations had not existed?

Would the prospects of peace have been better or worse—in the Middle East, in Cyprus, in Kashmir, in the Congo, in Southern Africa—if there had been no United Nations during the past thirty years?

I believe that the answers to these questions are clear.

The remedy for our present complaints about the UN is not to downgrade our participation but to upgrade it. This would mean, among other things:

Developing a coherent government-wide position on just what we want from the UN and how we propose to achieve it;

Staffing our UN Mission, the State Department's Bureau of International Organization Affairs, and delegations to multilateral conferences with men and women of outstanding professional qualifications and experience in multilateral diplomacy;

Much greater use of our diplomatic strength in world capitals in support of UN positions we believe in;

Prudent increases, rather than meat-axe reductions, in our participation in UN programs financed by voluntary contributions that serve our own as well as the general interest;

A more imaginative approach to the "world economic bargain" that needs to be struck with the developing countries;

And a serious search for reforms in UN procedures and decision-making of the kind outlined in my article entitled "The Hard Road to World Order", in Foreign Affairs, April 1974. With your permission, the relevant portions of that article will be submitted for the record at the conclusion of this statement.

For much top long, our national foreign policy debate has posed "balance of power politics" and "world order politics" as incompatible alternatives. In fact, what we need is both. We need a strong national defense to resist Soviet threats to ourselves and our allies. We also need a strong United Nations system to help us avoid war and to advance the economic and social condition of mankind. This central point has been made by many people, but perhaps never so well as by Adlai Stevenson. As he put it, while Ambassador to the United Nations, back in 1964:

"In the second half of the twentieth century, the U.N. is a plain necessity, a primitive but essential beginning of a system of world order. It is not a substitute for a strong defense, for a strong Atlantic Community, for alliances, or for bilateral, nation-to-nation diplomacy. But it is indispensable as one of the mutually reinforcing instruments of peaceful change in a world that is bound to change and had better do it in peace."

That summary of the U.S. national interest in the U.N. seems to me as valid today as it was nearly twenty years ago.

RESTORE FUNDS TO EPA SO IT CAN DO THE JOB

Mr. PELL. Mr. President, I have asked to be added as a cosponsor of Senate Resolution 359, which expresses the sense of the Senate that President Reagan should submit a new fiscal year 1983 budget that adequately reflects the agency's expanded responsibilities.

The Reagan administration has proposed cuts in EPA's budget that are, in my view, shortsighted and dangerous. We cannot put smoke back in the stack or hazardous waste back in the drum. Every delay becomes more costly to the taxpayer and increases the risks we are taking with the health of our citizens.

EPA's operating budget has declined from $1,353 million in fiscal year 1981 to the administration's current request of $961.4 million for fiscal year 1983, with even more reductions contemplated in subsequent years. This shrinking funding has been accompanied by a rapidly increasing workload of major responsibilities mandated by Congress.

These increased responsibilities in protecting the environment, safety, and health of our citizens were mandated under the Clean Water Act, the Federal Water Pollution Act, the Federal Insecticide, Fungicide, and Rodenticide Act, the Marine Protection, Research, and Sanctuaries Act, the Resource Conservation and Recovery Act, the Safe Drinking Water Act, the Solid Waste Disposal Act, the Toxic Substances Control Act, and the Comprehensive Environmental Response, Compensation, and Liability Act.

Congress has given EPA the responsibility for our Nation's major attacks on the pollution that threatens our health—the contamination of our air and water, and even the contamination of the ground itself, by our chemicals and wastes.

The entire operating budget for EPA is roughly one-tenth the cost of building and preparing to defend a single new aircraft carrier, but the Reagan administration wants two more carriers and a lot less EPA. We already have 13 carriers—large, slow-moving targets—and a rapidly sinking EPA.

While the military defense budget is growing bloated, our environmental defense budget is shrinking dangerously. The Reagan administration has proposed cuts totaling 39 percent in EPA's operating budget since 1981. Those cuts go beyond any fat, they cut away essential muscles and scrape the bone.

Those who would weaken or repeal our environmental laws, developed painstakingly over more than the past decade for the protection of our citizens, may be afraid to try a frontal assault but they should not be permitted to succeed through the back door of the budget process.

PAPERWORK REDUCTION

Mr. HATCH. Mr. President, in his campaign, President Reagan promised to reduce the excessive amount of burdensome regulations imposed on the economy thwarting the best of our Nation's resources. While the administration has begun this long-overdue effort to eliminate these excesses of big government, much more remains to be done. I am confident that the administration will continue to make every effort to identify the useless regulations and eliminate them.

However, not all of the troops in battle against the overabundance of Federal paperwork and redtape are drawn from the ranks of Government bureaucrats themselves. There are some independent efforts made to reduce the Federal requirements on the private sector.

On such individual is Alvin L. Hoffman, publisher of Construction Economics, a Washington-based publication which has been saying for several years that salvation from the often unnecessary Federal paperwork imposed on business and industries will have to come from non-Government sources. Hoffman has organized several paperwork reduction and regulatory reform conferences and now is thinking of another one in a few months, which will assess just what the Reagan administration is doing to solve the problem.

Mr. President, I ask unanimous consent that the following editorial be placed in the RECORD which describes the outstanding efforts of one individual in helping the President achieve his goal of reducing the excessive paperwork and overregulation placed on businesses.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Indianapolis News, Sat., Feb. 20, 1982]

MAN WHO FIGHTS BACK

Not all the troops in the battle against the overabundance of Federal paperwork and red tape are drawn from the ranks of government bureaucrats themselves.

There are some independent efforts being made to reduce the Federal requirements on the private sector. Complying with those paperwork regulations only adds to productivity costs and keeps inflation on the rise, those outside the government point out.

Alvin L. Hoffman, publisher of Construction Economics, a Washingon-based publication, has been writing for several years that "salvation" from the often unnecessary Federal paperwork imposed on businesses and industries will have to come from nongovernment sources.

Hoffman has organized several paperwork reduction and regulatory reform conferences and now is thinking of another one in a few months to assess just what the Reagan administration is doing to solve the problem.

He has pointed out that one of President Reagan's campaign promises to Americans was "to get the government off your backs." It's time for an evaluation, the publisher says.

In getting persons outside government interested in reducing red tape, he says:

"Few association executives, chairmen or elected officers need to be reminded of the burden that a growing blizzard of government inspired paperwork is placing not only on their associations but on their members. Few executives and few members haven't had occasion to complain about this paperwork burden over the past few years. Some of the complaints have been extremely bitter, some have been factual, some have reached few ears outside of the associations."

He believes more businessmen should take their paperwork headaches directly to the heads of government agencies that require the compliance rather than just moaning among themselves about the expense and often unnecessary red tape.

But don't gripe, he advises business and labor leaders, just for the sake of griping. He adds:

"In order (1) to be heard, and (2) to get something done, the complaints can't be simply complaints. They must be backed by solid facts, real examples of problems, estimates of costs that can be supported . . . It is not enough to just view with alarm.' "

Hoffman believes associations that represent businesses and industries would be well advised to carry the ball on reporting paperwork excesses to officials of various Federal agencies.

"They are in daily contact with their own industries and are certainly aware of the problems posed for their members by the excessive paperwork demands of all levels of governments, able to arrive at logical answers and suggestions," he suggests.

How serious is this "blizzard" of Federal paperwork and over-regulation? Hoffman answers:

"The problem is enormous. It is costly. It is probably a major contributor to the inflationary spiral all businesses and all taxpaying citizens are facing today. Answers and reductions can make a tremendous difference."

He quotes figures from various economists who estimate the annual cost to general industry for compliance with these paperwork requirements runs somewhere between $28 billion and $100 billion a year.

Hoffman's campaign against paperwork and regulation is on a rather modest scale in his Construction Economics and the seminars he's organized on the subject.

Some business and labor leaders remember him though, as one of the first men outside the oil industry who was predicting back in 1972 that this nation was facing a critical oil shortage and eventual energy crisis.

MESSAGES FROM THE HOUSE

At 11:39 a.m., a message from the House of Representatives, delivered by Mr. Gregory, one of its reading clerks, announced that the Speaker appoints Mr. YOUNG of Florida a conferee in the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4) entitled "An Act to amend the National Security Act of 1947 to prohibit the unauthorized disclosure of information identifying certain U.S. intelligence officers, agents, informants, and sources," vice Mr. Ashbrook, deceased.

The message also announced that pursuant to the provisions of section 4(b) of Public Law 94-201, the Speaker appoints Doctor Jeanne Guillemin of Cambridge, Mass., from private life, to the Board of Trustees of the American Folklife Center in the Library of Congress for a term ending March 3, 1988.

ENROLLED BILLS SIGNED

At 5:27 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the Speaker has signed the following enrolled bills:

H.R. 1624. An act for the relief of Theresa Macam Alcalen;

H.R. 1796. An act for the relief of Jacobo Cosio-Franco;

H.R. 1977. An act for the relief of Maria Gloria (Joy) C. Villa; and

H.R. 3478. An act for the relief of Mrs. Haruko Kubota Smith.

The enrolled bills were subsequently signed by the President pro tempore (Mr. THURMOND).

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-3357. A communication from the Comptroller General of the United States transmitting, pursuant to law, notice of an agreement for the provision of access to certain records at the Drug Enforcement Administration of the Department of Justice; jointly, pursuant to the order of January 30, 1975, to the Committee on Appropriations, the Committee on the Budget, and the Committee on Governmental Affairs.

EC-3358. A communication from the Director of the Defense Security Assistance Agency transmitting, pursuant to law, a report on a proposed foreign military sale to Egypt; to the Committee on Armed Services.

EC-3359. A communication from the Assistant Secretary of the Army for Installations, Logistics, and Financial Management transmitting, pursuant to law, notice of a decision made to convert the storage and warehousing activity at Fort Leavenworth, Kans., to performance under contract; to the Committee on Armed Services.

EC-3360. A communication from the Assistant Secretary of the Navy for Shipbuilding and Logistics transmitting, pursuant to law, notice of a decision made to convert the keypunch function at the Public Works Center, San Diego, Calif., to performance under contract; to the Committee on Armed Services.

EC-3361. A communication from the Director of the Defense Security Assistance Agency transmitting, pursuant to law, a report on a proposed foreign military sale to Israel; to the Committee on Armed Services.

EC-3362. A communication from the Acting Assistant Secretary of the Air Force for Research, Development, and Logistics transmitting, pursuant to law, notice of a decision made to convert the transient aircraft services function at Barksdale Air Force Base, La. to performance under contract; to the Committee on Armed Services.

EC-3363. A communication from the Assistant Secretary of the Air Force for Research, Development, and Logistics transmitting, pursuant to law, a report on a decision made to convert the base information transfer center function at Wright-Patterson Air Force Base to performance under contract; to the Committee on Armed Services.

EC-3364. A communication from the Acting Director of the Defense Security Assistance Agency transmitting, pursuant to law, notice of Presidential determinations to lease UH-1H Helicopters to New Zealand and the lease of one TA-7C aircraft (less engine) to Portugal; to the Committee on Armed Services.

EC-3365. A communication from the President of the United States transmitting, pursuant to law, certain conclusions and recommendations relative to certain new and proposed combat ships; to the Committee on Armed Services.

EC-3366. A communication from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "DOD's Unaccompanied Enlisted Personnel Housing—Better Living Conditions and Reduced Costs Possible"; to the Committee on Armed Services.

EC-3367. A communication from the Acting Comptroller of the Currency transmitting, pursuant to law, the annual report on the Consumer Activities of the Comptroller of the Currency for calendar year 1981; to the Committee on Commerce, Science, and Transportation.

EC-3368. A communication from the Chief of the Washington Office of the U.S. Forest Service transmitting, pursuant to law, notice that certain legal descriptions and maps of 14 wildernesses in Alaska have been transmitted directly to the chairman of the Senate Committee on Energy and Natural Resources; to the Committee on Energy and Natural Resources.

EC-3369. A communication from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "State Energy Conservation Program Needs Reassessing"; to the Committee on Energy and Natural Resources.

EC-3370. A communication from the Secretary of Energy transmitting, pursuant to law, a report on the size of the Strategic Petroleum Reserve; to the Committee on Energy and Natural Resources.

EC-3371. A communication from the Commissioner of the Bureau of Reclamation transmitting, pursuant to law, a report on construction of modifications to Lahontan Dam, Newlands project, Nevada; to the Committee on Energy and Natural Resources.

EC-3372. A communication from the Secretary of Health and Human Services transmitting, pursuant to law, a report on actions being taken to prevent payments being made under title II of the Social Security Act to deceased individuals; to the Committee on Finance.

EC-3373. A communication from the Comptroller General of the United States transmitting, pursuant to law, a summary report entitled "Removing Tiering From the Revenue Sharing Formula Would Eliminate

Payment Inequities to Local Governments; to the Committee on Finance.

EC-3374. A communication from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "Discontinuing Social Security's Currently Insured Benefit Provision Would Save Millions and Eliminate Inequities"; to the Committee on Finance.

EC-3375. A communication from the Director of the Office of Legislative Affairs of the Agency for International Development transmitting, pursuant to law, the report of the Minority Resource Center for fiscal year 1981; to the Committee on Foreign Relations.

EC-3378. A communication from the Acting Director of the National Park Service transmitting, pursuant to law, a report covering the disposal of surplus Federal real property for parks and recreation purposes for fiscal year 1981; to the Committee on Governmental Affairs.

EC-3377. A communication from the Administrator of the Health Care Financing Administration, Department of Health and Human Services, transmitting, pursuant to law, a report on a new Privacy Act system of records; to the Committee on Governmental Affairs.

EC-3378. A communication from the Executive Vice President and Chief Administrative Officer of the Federal Home Loan Mortgage Corporation, transmitting, pursuant to law, the annual report for the Federal Home Loan Mortgage Corporation Employees' Pension Trust for calendar year 1980; to the Committee on Governmental Affairs.

EC-3380. A communication from the Assistant Secretary of the Treasury (Administration), transmitting, pursuant to law, a proposed new Privacy Act system of records; to the Committee on Governmental Affairs.

EC-3381. A communication from the Executive Director of the Neighborhood Reinvestment Corporation, transmitting, pursuant to law, the annual report of the Corporation on compliance with the Government in the Sunshine Act for calendar year 1981; to the Committee on Governmental Affairs.

EC-3382. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Status of Major Acquisitions As of September 30, 1981: Better Reporting Essential To Controlling Cost Growth"; to the Committee on Governmental Affairs.

EC-3383. A communication from the District of Columbia Auditor, transmitting, pursuant to law, the annual report on depository activities for fiscal year 1981; to the Committee on Governmental Affairs.

EC-3384. A communication from the District of Columbia Auditor, transmitting, pursuant to law, a copy of the annual report of the Advisory Neighborhood Commission for fiscal year 1981; to the Committee on Governmental Affairs.

EC-3385. A communication from the Chairman of the District of Columbia Council transmitting, pursuant to law, a copy of an act of the Council, D.C. Act 4-179; to the Committee on Governmental Affairs.

EC-3386. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of legislation adopted by the Council on April 6, 1982; to the Committee on Governmental Affairs.

EC-3387. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of legislation adopted by the Council on March 23, 1982; to the Committee on Governmental Affairs.

EC-3388. A communication from the Deputy Assistant Secretary of Defense (Administration), transmitting, pursuant to law, a report on a new Privacy Act system of records; to the Committee on Governmental Affairs.

EC-3389. A communication from the Chairperson of the National Advisory Council on Indian Education, transmitting, pursuant to law, the annual report of the Council entitled "Indian Education: America's Unpaid Debt", dated June 1982; to the Select Committee on Indian Affairs.

EC-3390. A communication from the Director of the Administrative Office of the United States Courts, transmitting, pursuant to law, the annual report of the Director on applications for court orders made to Federal and State judges to permit the interception of wire or oral communications during calendar year 1981; to the Committee on the Judiciary.

EC-3391. A communication from the Director of the Office of Personnel Management, transmitting, pursuant to law, the annual report on the administration of the Freedom of Information Act during calendar year 1981; to the Committee on the Judiciary.

EC-3392. A communication from the Chairman of the National Transportation Safety Board, Transmitting, pursuant to law, the annual report on the administration of the Freedom of Information Act for calendar year 1981; to the Committee on the Judiciary.

EC-3393. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations—Cooperative Education; to the Committee on Labor and Human Resources.

EC-3394. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the annual report on the National Health Service Corps Scholarship Program for fiscal year 1981; to the Committee on Labor and Human Resources.

EC-3395. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations—Supplemental Funds Program for Cooperative Education; to the Committee on Labor and Human Resources.

EC-3396. A communication from the Secretary of Energy, transmitting, pursuant to law, a comprehensive program management plan for activities under the Ocean Thermal Energy Conversion Research, Development, and Demonstration Act; to the Committee on Energy and Natural Resources.

EC-3397. A communication from the Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, revised estimates of the President's fiscal year 1983 budget; to the Committee on the Budget.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. THURMOND, from the Committee on the Judiciary:

Evan L. Hultman, of Iowa, to be U.S. Attorney for the Northern District of Iowa for the term of 4 years.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. BENTSEN:

S. 2474. A bill to amend the Internal Revenue Code of 1954 to expand the credit for university research; to the Committee on Finance.

S. 2475. A bill to amend the Internal Revenue Code of 1954 to expand the deduction for contributions of research equipment and service contracts to universities; to the Committee on Finance.

S. 2476. A bill to amend the Internal Revenue Code of 1954 to allow a credit for skilled occupation training; to the Committee Finance.

By Mr. GARN (for himself, Mr. McClure, Mr. Laxalt, Mr. Hatch, Mr. Symms, Mr. Burdick, and Mr. Goldwater):

S. 2477. A bill to amend certain provisions of title I of the Clean Air Act; to the Committee on Environment and Public Work.

By Mrs. HAWKINS:

S. 2478. A bill to amend the Controlled Substances Act, and for other purposes; to the Committee on the Judiciary.

By Mr. SYMMS (for himself, Mr. Bentsen, Mr. Boren, Mr. Cohen, Mr. Helms, Mr. Jepsen, Mr. Johnston, Mr. Mathias, Mr. Mattingly, Mr. McClure, Mr. Nunn, and Mr. Zorinsky):

S. 2479. A bill to amend the Internal Revenue Code of 1954 to treat certain interests as closely held businesses for estate tax purposes, to prevent the acceleration of estate tax installment payments in certain situations, and for other purposes; to the Committee on Finance.

By Mr. HAYAKAWA:

S. 2480. A bill to amend the Food Stamp Act of 1977; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. TOWER:

S. 2481. A bill to provide for the reinstatement and validation of United States oil and gas lease number W 61985; to the Committee on Energy and Natural Resources.

By Mr. HELMS (by request):

S. 2482. A bill to repeal that paragraph of the Act of March 4, 1913, that designates 10 percent of all National Forest receipts for the construction of roads and trails on the national forests (37 Stat. 843, as amended; 16 U.S.C. 501); to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. RIEGLE (for himself, Mr. Cranston and Mr. Dodd):

S. 2483. A bill to limit certain authorities under the National Housing Act; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. QUAYLE (for himself and Mr. Tsongas):

S. 2484. A bill to amend the Agricultural Act of 1949 to repeal the price support program for the 1982 through 1985 crops of sugar; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. GOLDWATER (for himself, Mr. Garn, and Mr. Jackson):

S.J. Res. 194. Joint resolution to provide for the appointment of Nancy Hanks as a citizen regent of the Board of Regents of the Smithsonian Institution; to the Committee on Rules and Administration.

By Mr. BAKER (for Mr. Stafford) (for himself, Mr. Thurmond, Mr. Randolph, Mr. Chafee, Mr. Mitchell, Mr. Gorton, Mr. Baucus, Mr. Tsongas, Mr. Danforth, Mr. Abdnor, Mr. DeConcini, Mr. Ford, Mr. Eagleton, Mr. Lugar, Mr. Rudman, Mr. Weicker, Mr. Sarbanes, Mr. Murkowski, Mr. Sasser, Mr. Pell, Mr. D'Amato, Mr. Mathias, Mr. Quayle, Mr. Jackson, Mr. Exon, Mr. Durenberger, Mr. Roth, Mr. Chiles, Mr. Pryor, Mr. Matsunaga, Mr. Dixon, Mr. Cranston, Mr. Bumpers, and Mr. Robert C. Byrd):

S.J. Res. 195. Joint resolution designating the week of May 2, 1982 through May 9, 1982 as "National Clean Air Week"; considered and passed.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. GLENN (for himself, Mr. Tsongas, Mr. Sarbanes, Mr. Biden, Mr. Riegle, Mr. Moynihan, Mr. Cannon, Mr. Lugar, Mr. Bradley, Mr. Exon, Mr. Melcher, Mr. Kennedy, Mr. Heflin, Mr. Leahy, Mr. Zorinsky, and Mr. Jackson):

S. Con. Res. 89. Concurrent resolution expressing the sense of Congress that the U.S. Fire Administration should continue to make arson research and training an important and integral part of its mission and continue to support the antiarson and fire safety efforts of States and localities in order to reduce lives and property damage lost by fire and arson; to the Committee on Commerce, Science, and Transportation.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BENTSEN:

S. 2474. A bill to amend the Internal Revenue Code of 1954 to expand the credit for university research; to the Committee on Finance.

S. 2475. A bill to amend the Internal Revenue Code of 1954 to expand the deduction for contributions of research equipment and service contracts to universities; to the Committee on Finance.

S. 2476. A bill to amend the Internal Revenue Code of 1954 to allow a credit for skilled occupation training; to the Committee on Finance.

CRITICAL SKILLS DEVELOPMENT LEGISLATION

Mr. BENTSEN. Mr. President, I rise to introduce three bills designed to address a fundamental challenge confronting our economy—the looming shortage of skilled men and women able to operate the increasingly complicated devices being used across our Nation to produce goods and services. Almost 10 years ago, I established the capital formation caucus here in the Senate to explore the roots of our Nation's sagging productivity performance. That new concern attracted very little attention back then and, consequently, very little progress was made back in the early 1970's in attacking our productivity problem.

SAGGING PRODUCTIVITY

That lack of attention and action has haunted us many times over since then. Throughout the decade of the seventies, our Nation's productivity performance was dismal. In 3 of the last 4 years, in fact, it has actually declined. And, in that fourth year, it fell three of the four quarters.

Our trading competitors have not permitted their productivity to sag. On the contrary, they have used their rising productivity to rapidly expand market shares around the globe at our expense. Indeed, for the past decade, both Japan and Germany have consistently scored annual productivity gains four to six times greater than our own, and now threaten to supplant us as the world's productivity leader.

Our soggy productivity is largely responsible for our great difficulty in slowing inflation without adding to unemployment. With low or no productivity growth, any increase in wages or other input costs translates directly into higher prices. In fact, the tragic and seemingly unending recession afflicting our Nation today has its roots in our inability in recent years to score rapid productivity gains which would have been directly translated into less inflation. In my book, rising productivity is a far better solution to inflation than rising bankruptcies and unemployment lines.

SAVINGS AND INVESTMENT

Let me hasten to say, Mr. President, that Congress has not stood idly by while productivity repeatedly plunged into the red. Indeed, the Economic Recovery Tax Act passed last year will be looked upon in the future as a pathbreaking event—one which reoriented our Nation toward balanced macroeconomic policies capable of tackling our productivity dilemma. The savings, investment, and R. & D. incentives in the ERTA will result in a substantial boost in the rate of capital formation in the United States as interest rates subside and the recession bottoms out. We will see a sharp rise in the quantity of capital goods available at the workbench. And, that will markedly boost the productivity of men, women, and youths at that workbench just as it has in Japan and Germany.

The heavy rate of capital formation in recent years in Japan and Germany has permitted those nations to renew their entire industrial base once a decade, or at about twice the turnover rate here. It is unrealistic to see our plodding rate of investment in new plant and equipment double to match their rate, but it is not at all unrealistic to see our rate of investment rise some 20 percent or 30 percent by 1985 as a result of the ERTA.

LAGGING HUMAN CAPITAL INVESTMENT

The incentives for increased savings and plant and equipment investment in ERTA were long overdue. But, they will not solve our productivity problem alone. Perhaps equally important to the quantity and quality of capital goods in the productivity growth process is the skills and knowledge brought by working men and women themselves to the workbench. Our Nation has long acknowledged that reality and has devoted substantial resources to the education and training of all our citizens, but with a major focus on youths. The use of national resources for such enrichment is viewed correctly as an investment in our future—just as the acquisition of new drill presses or computers is viewed by firms as an investment in their own future.

Our Nation's investment in human capital is in danger of falling behind the rapid evolution of technology being applied at the workbench. Indeed, if Department of Labor projections of labor demand, supply, and training capacity are to be believed, our Nation faces a shortfall of at least 2.5 million skilled workers this decade—a shortfall largely due to the burgeoning application of electronics to the plant and office. You will recall, Mr. President, that I explored implications of this prospective shortage in a series of seven speeches before this body last fall.

A shortfall of skilled men and women of this magnitude would be rectified in normal times with great difficulty. Employers would expand their already large commitment to on-the-job training and our Nation's schools, colleges, and vocational education institutions would expand. But the decade of the 1980's will not see a traditional expansion in the work force—an expansion from which youths can be drawn for training in these new technical skills. Indeed, with the demise of the baby boom and arrival of the baby bust generation this decade, the United States faces the prospect of increasingly tight labor markets and skill shortages as this decade progresses if robust economic growth is reattained. In fact, even a spotty growth record during the 1980's—similar to that scored in the past decade, for example—will see unemployment fall and remain at 5 percent or less by 1990—putting substantial pressure on employers to even find able and willing workers.

This demographic reality is not subject to Federal policy prescriptions involving greater work force participation by youths or women. Two out of three new labor market entrants this decade are already projected to be women. Even that remarkable statistic, however, is overshadowed by the reality that the number of youths turning 16 will decline every year during the latter half of this decade. By 1990, there will only be three youths age 16 for every four today.

These demographic changes are striking and will magnify any skilled labor shortage. They point up the wisdom, as well, of broadening the target population groups being trained with Federal resources in our country. With the passing of the baby boom generation into their twenties and thirties, the pool of workers willing and available for training or retraining has changed, as well. This aging of our population and our declining labor force growth will force us to broaden the target age groups for training programs beyond just youths—as has already occurred in other developed economies experiencing the same demographic changes. Japan, West Germany, Sweden, and England, for example, all maintain substantial labor retraining programs for experienced or mature workers. Indeed, we are virtually at the bottom of the list in terms of resources devoted to retraining workers, just as we are in productivity growth.

A NATIONAL HUMAN CAPITAL PROGRAM

The aging of our work force, the shrinking number of youths entering the work force, the prospective shortages of skilled labor, and the rapid turnover in technology needed at the workplace all point toward the need for a broadening and a new direction in our Nation's labor training policy toward the training and retraining of men and women of all ages in increasing complex job skills. Before outlining parameters for this new direction in the development of our human capital, let me clarify why any Federal presence in this process is needed.

I do not doubt that most shortages of particular labor skills will be eliminated over time by the market process. Indeed, I feel very strongly that the free market is the best allocator of resources. Yet, it is not always a quick process, especially when labor occupations involving years of training are involved. Occupational shortages are initially reflected in above average salaries. More scarce Ph. D. computer experts and electrical engineers will be trained, for example, but only after a long time and only after their wages are bid up quite high. The public sector can grease that labor market process by providing information and encouraging occupational growth before the market itself would react noticeably. In the meantime, both the quality of those filling the shorthanded occupations is higher—thereby helping productivity and foreign trade—and their wages are not bid up extraordinarily high—thereby slowing the wage/price spiral and inflation.

How best can this broadening of our national labor policy be pursued? A critical preliminary step is to identify actual or prospective areas of skill labor shortages. There are a few areas now where undisputable and glaring shortages exist, including faculty at our engineering colleges and universities. Once other shortages are identified, what parameters should be followed to eliminate them in the most cost-effective fashion possible?

First, extensive use of the existing labor training infrastructure, including schools, colleges, cooperative education systems, and vocational education institutions, must be made.

Second, in light of our enormous deficit overhang, a major expansion in Federal spending should not occur.

Third, training in the needed specialized job skills should be coordinated and supervised to meet employer demands, and should feature both on-the-job and classroom training.

Fourth, the retraining of experienced workers as well as training of new workers and youths should be emphasized.

With these parameters in mind, I have crafted three bills designed: First, to provide immediate assistance to deal with the acknowledged shortage of skilled technical and professional engineering faculty in the United States; second, to deal with the grim state of equipment available for technical educations generally; and third, to mobilize public resources to identify and eliminate shortages in specific skilled occupations.

SCIENTIFIC RESEARCH AND EDUCATION ACT

Mr. President, my first bill is designed to provide a carefully targeted solution to what is a serious and growing national problem: The debilitating shortage of faculty and graduate students at our engineering schools. My colleagues are aware of the giant strides made by Japan in carving out markets abroad at our expense. Less well understood are the complex forces at work responsible for their success. Price competitiveness is one facet. But increasingly, our international marketers are encountering Japanese items which are at least as advanced technically and qualitatively as those made anywhere else in the world. Indeed, in some technical product lines, Japanese technology is the cutting edge.

This technological expertise has not been developed by accident. It is the explicit result of an aggressive Japanese national policy to upgrade their society's technical base by stressing engineering undergraduate education—a policy which sees Japan, with only half our population, produce substantially more electrical engineers, for example, than we do. Dr. F. Karl Willenbrock, who is Cecil H. Green Professor of Engineering at Dallas' Southern Methodist University, testified before the Joint Economic Committee last year on behalf of the American Electronics Association. He noted that Japan produces 163 engineering graduates per million population and the Soviets 260 per million, while we produce only 67 per million, down even from the 88 per million rate scored here as recently as 1970. As a result, Japan graduates 4,000 more bachelor degree electronic engineers annually than we do. The number and quality of engineers we produce will have a major and long-term impact on our Nation's ability to conduct R. & D., to retain world markets, and, above all, to boost productivity. In turn, it will have a dramatic impact on the growth in real per capita income and efforts to trim unemployment while holding inflation and interest rates down. And, in light of our need to strengthen the defense sector, the urgency to insure that adequate numbers of engineers are being graduated from our some 280 engineering colleges has never been greater.

The private sector reflects this urgency. Private employers, for example, contend they will need as many as 50,000 new computer and electrical engineers in 1985 alone while only some 15,000 are graduated annually now. The American Electronics Association has projected a demand for 199,000 new electrical and computer science engineers over the 1980–85 period—almost three times higher than the number being graduated in that same period. Including the impact of retirements and deaths, well over 35,000 engineering slots will go unfilled each year through 1985 in this Nation. Our building engineering schools would need to triple enrollment overnight to meet this demand—a very unlikely event and one which would scarcely dent the 6:1 lead enjoyed by the Soviets today in the number of college graduates majoring in technical areas.

These demand shortfall projections are enormous. Yet, the surge in R. & D. in these fields and in the number of firms able to carve out market shares and new products suggest these estimates may prove accurate or even be low. Hewlett-Packard, for example, derived three-quarters of its sales in 1980 from products not even available 5 years earlier. And the pace of competition is quickening daily.

ENGINEERING FACULTY SHORTAGES

The rising demand and salaries of engineers has sparked a resurgence in student interest in engineering. It is the second most favored career choice now of high school seniors. Undergraduate engineering enrollment is rising 7 to 8 percent a year and doubled during the 1970's, placing substantial pressure on both engineering faculty and teaching equipment. Yet, despite the anticipated decline in overall college enrollments as the baby boom enters their twenties, engineering schools have not even been able to keep pace with surging student demand. Indeed, at least 10 percent, or

2,000, engineering faculty slots sit empty nationwide according to the American Electronics Association, with computer-related faculty vacancies as high as 50 percent at some universities.

The cause of these faculty shortages is straightforward. Engineering colleges and universities cannot compete for graduate engineers with private industry. They are last in the salary sweepstakes and are falling further behind each academic year. Ten years ago, for example, about one-half of the new Stanford University engineering Ph. D.'s chose teaching. Last year, a scant 24 percent did.

The result of limited faculty is a winnowing process among engineering school applicants not unlike that with our medical schools. Georgia Tech can accept only 1,700 of the 7,000 applications it receives. Students must score in the very high 97th percentile on entrance exams to gain admission to the University of Illinois engineering program at Champaign-Urbana. An incredible 20 percent of all undergraduates at the University of California (San Diego) are engineering students now, and economics writer Robert Samuelson reported recently that due to overcrowding, some students can only get computer time there in the wee hours of the morning. San Jose State has 1,000 students holding in other curricula waiting like birds of prey for an engineering school slot to open up.

Engineering schools do not have the flexibility to meet this surging demand for two reasons:

Difficulty in stretching tight budgets to meet the soaring salaries being offered graduate-level engineers when total college enrollment is declining and tenured faculty in other disciplines must be retained; and

Difficulty in providing adequate equipment for the training of rising student engineer populations.

FACULTY ASSISTANCE

My first bill, the Scientific Research and Education Act, is designed to deal with the first problem—the immediate faculty shortage—and enable our engineering colleges and universities to digest the surging demand for student slots. My bill encourages the private sector to both directly supplement faculty salaries and to temporarily lend faculty caliber engineers to engineering schools. Such payments will become eligible for the current R. & D. tax credit. These are the quickest, most effective, and most cost-effective steps our Nation can take to ease the engineering faculty shortage.

GRADUATE STUDENT ASSISTANCE

Filling the current faculty gap is an immediate requirement. But a longer term solution is needed, as well. Engineering faculty are drawn from the national pool of specialists with engineering graduate degrees. That pool has been shrinking noticeably as promising engineering bachelor graduates from every engineering school increasingly flock to high paying industry jobs. Data from the American Association of Engineering Societies, for example, show that the number of masters degrees awarded in electrical engineering was down 12 percent in 1980 compared to 1970. The number of Ph. D. degrees in that field was off an incredible 40 percent.

Even these alarming numbers underestimate the decline, however. U.S. engineering schools have truly become world universities. In 1980, over 46 percent of their engineering graduate students were foreign students, many of whom will not work or teach here upon graduation. An unbelievable 66 percent of the Ph.D.'s awarded in electrical engineering during 1980 were to foreign students. These students are certainly welcomed here, particularly since their school spaces are not sought by our own college graduates. Yet, many will or must return home abroad upon graduation, further depleting our national stock of engineers qualified to teach.

The University of California at Davis evaluated the impact of the grim engineering graduate student picture in light of expanding engineering school enrollments. Their study concluded that a net shortage of about 500 faculty slots a year will exist throughout this entire decade. Adding the current faculty shortage of 2,000 slots means a net minimum engineering faculty shortage in the 1980's of some 6,000 to 7,000 highly trained men and women—comparable to one-third of our Nation's existing faculty pool.

Private industry is reacting to the shortage of graduate engineering students. The U.S. Semiconductor Industry Association, for example, is budgeting up to $6 million this year, and perhaps double that next year, for university engineering research and assistance to graduate students. Despite such efforts, the engineering faculty shortage will become worse. Bounties are being offered now by firms for the referral of possible engineering employees even though we are in the midst of our most severe postwar recession with industry operating at less than 72 percent of capacity. And, it takes little imagination to picture the drain from our engineering faculties and graduate classes which will accompany any return to robust economic growth and the looming defense buildup.

To increase engineering graduate student enrollment, therefore, my bill will encourage the private sector to directly supplement graduate student assistantships by making any such supplemental payments eligibile for the R. & D. tax credit. Eligibility is extended to supplements, as well, for engineering or other technical faculty at our Nation's 2-year and other postsecondary institutions of learning.

R. & D. ASSISTANCE

My first bill, the Scientific Research and Education Act, expands the incentives provided by the current R. & D. credit in two additional ways. These steps are designed to finish the process initiated by the Economic Recovery Tax Act toward a fundamental rejuvenation of our Nation's R. & D. base. Total spending in the United States for R. & D. by industry, government, and universities declined from a peak of 3 percent of GNP in 1964 to 2.3 percent in 1979. Since there is a considerable link between R. & D. and longrun productivity growth through the introduction of new products or new production processes, this trend holds some of the answers for our dismal productivity performance over the last decade.

The slowdown in R. & D. spending in the United States is compounded by the fact that many of our trading partners have increased their own commitment of resources to the development of new technologies, as table I shows. Furthermore, a much greater portion of R. & D. spending in the United States is devoted to defense than in other countries. And, the share of industry R. & D. spending for basic research has fallen almost by half since the mid-1960's to a shockingly low 3.6 percent, with 75 percent of every research dollar in industry now going to product development.

Mr. President, I ask unanimous consent that the table be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE I.—RESEARCH AND DEVELOPMENT EXPENDITURES IN LEADING INDUSTRIAL COUNTRIES AS A PERCENT OF GROSS NATIONAL PRODUCT, 1963–77

	1963	1967	1973	1977
United States	2.9	2.9	2.3	2.3
Canada	.9	1.3	1.1	1.0
France	1.6	2.1	1.8	1.8
Germany	1.4	2.0	2.3	2.3
Japan	1.4	1.5	1.9	[1] 1.9
United Kingdom	[2] 2.3	2.3	[3] 2.1	NA
U.S.S.R	2.8	2.9	3.7	3.5

[1] 1976.

[2] 1964.

[3] 1975.

Source: National Science Foundation, "Science Indicators 1978," p. 140. From Congressional Budget Office. "The Productivity Problem: Alternatives for Action." January 1981, p. 71.

Mr. BENTSEN. Mr. President, the deterioration in our R. & D. base and the meek Federal reaction is perhaps best signified by the tentative decision by 17 prominent U.S. computer and electronics firms to join forces in pursuing basic research. That industry heavyweights are examining this unprecedented step in the face of possible antitrust implications is a measure of the sorry state of basic R. & D. in our Nation.

My first bill would encourage a greater allocation of private-sector resources to basic R. & D.—which is more typically done by universities than private firms—by broadening the R. & D. tax credit for university research. Under present law, that 25-percent credit can be applied against only 65 percent of eligible R. & D. payments to universities by private entities. My bill eliminates that 65-percent cap which was originally imposed to reflect the share of R. & D. budget in universities typically devoted to schoolwide overhead. This cap is not appropriate. R. & D. contracts between universities and private entities provide little if any significant reimbursement for indirect university costs. And payments to supplement faculty and graduate student salaries as provided in my bill cannot contain an indirect component.

My second expansion of the R. & D. credit involves elimination of the present requirement that amounts paid to universities for either basic research or education to be taken into account by the paying corporation in subsequent years in determining the amount of incremental R. & D. expenditures eligible for the R. & D. credit in that future year. The effect of this ratchet provision is to make the R. & D. credit on amounts paid to universities a full credit of 25 percent of the amount paid—for companies increasing their overall R. & D. expenditures.

Mr. President, I ask unanimous consent for a factsheet and for the Scientific Research and Education Act to appear at this point in my remarks.

There being no objection, the bill and factsheet were ordered to be printed in the RECORD, as follows:

S. 2474

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Scientific Research and Education Act."

SEC. 2. EXPANSION OF CREDIT FOR UNIVERSITY RESEARCH AND RELATED ACTIVITIES.

Subsection (e) of Section 44F of the Internal Revenue Code of 1954 is amended to read as follows:

"(e) CREDIT AVAILABLE WITH RESPECT TO CERTAIN BASIC RESEARCH OR EDUCATION EXPENDITURES BY COLLEGES, UNIVERSITIES AND CERTAIN RESEARCH ORGANIZATIONS.—

"(1) IN GENERAL.—Any amount paid or incurred by a corporation to any qualified organization for basic research or scientific education to be performed by such organization shall be treated as contract research expenses. The preceding sentence shall apply only if the amount is paid or incurred pursuant to a written agreement between the corporation and the qualified organization.

"(2) NOT INCLUDED IN BASE YEAR EXPENSES.—For purposes of determining the amount of the credit allowed under this section for any taxable year, any amount treated as contract research expenses under paragraph (1) shall not be included in the qualified research expenses for any year in the base period.

"(3) QUALIFIED ORGANIZATION.—For purposes of this subsection, the term 'qualified organization' means—

"(A) any educational organization which is described in section 170(b)(1)(A)(ii) and which is an institution of higher education (as defined in section 3304(f)) and

"(B) any other organization which—

"(i) is described in section 501(c)(3) and exempt from tax under section 501(a),

"(ii) is not a private foundation, and

"(iii) is organized and operated primarily to conduct scientific research, or

"(iv) is a post-secondary or adult education organization which grants a one- or two-year certificate and has occupational specific programs.

"(4) BASIC RESEARCH.—The term 'basic research' means any original investigation for the advancement of scientific knowledge not having a specific commercial objective.

"(5) SCIENTIFIC EDUCATION.—The term 'scientific education' means the teaching of engineering and the physical and biological sciences to individuals attending an institution described in paragraph (3)(A).

"(6) LIMITATION ON SCIENTIFIC EDUCATION AMOUNTS.—Any amount paid or incurred by a corporation for scientific education shall be treated as contract research expenses only to the extent such amounts are used by the recipient for the payment of wages (within the meaning of Section 3401(a)) to any individual directly engaged in providing such scientific education.

"(7) SPECIAL RULES FOR GRANTS TO CERTAIN RESEARCH FUNDS.—

"(A) IN GENERAL.—For purposes of this subsection, a qualified fund shall be treated as a qualified organization and the requirements of paragraph (1) that the basic research be performed by the qualified organization shall not apply.

"(B) QUALIFIED FUND.—For purposes of subparagraph (A), the term 'qualified fund' means any organization which—

"(i) is described in section 501(c)(3) and exempt from tax under section 501(a) and is not a private foundation,

"(ii) is established and maintained by an organization established before July 10, 1981, which meets the requirements of clause (i);

"(iii) is organized and operated exclusively for purposes of making grants pursuant to written research agreements to organizations described in paragraph (3)(A) for purposes of basic research, and

"(iv) makes an election under this paragraph.

"(C) EFFECT OF ELECTION.—

"(i) IN GENERAL.—Any organization which makes an election under this paragraph shall be treated as a private foundation for purposes of this title (other than section 4940, relating to excise tax based on investment income).

"(ii) ELECTION REVOCABLE ONLY WITH CONSENT.—An election under this paragraph, once made, may be revoked only with the consent of the Secretary.

"(8) CERTAIN CORPORATIONS NOT ELIGIBLE.—For purposes of this subsection, the term 'corporation' shall not include—

"(A) an electing small business corporation (as defined in section 1371(b)),

"(B) a personal holding company (as defined in section 542), and

"(C) a service organization (as defined in section 414(m)(3))."

SEC. 3. EFFECTIVE DATE.

The amendments made by Section 2 shall apply to amounts paid or incurred in taxable years beginning after December 31, 1981.

[Fact Sheet]

THE SCIENTIFIC RESEARCH AND EDUCATION ACT

A. Scientific Education: The bill expands eligibility for the present 25 percent R. & D. tax credit to cover:

(1) Payments to universities and 2- and 4-year colleges which are used by them to pay faculty salaries and graduate student assistantships in engineering and the biological and physical sciences; and

(2) Salaries paid to engineers who are lent by firms to join the faculty at universities and 2- and 4-year colleges.

B. Scientific Research: The bill expands the present 25 percent R. & D. credit by:

(1) Permitting it to apply to the full amount of payments for basic university research and for education, rather than just 65 percent of such amounts under current law; and

(2) Eliminating the present requirement that amounts paid to universities for either basic research or education must be taken into account by the paying corporation in subsequent years in determining the incremental R. & D. expenditures eligible for the R. & D. credit in that future year. This will make the R. & D. credit a full 25 percent of the amount paid (for companies increasing their overall R. & D. expenditures).

SCIENTIFIC AND TECHNICAL EQUIPMENT ACT

Mr. BENTSEN. Mr. President, I noted a moment ago that the second hurdle in the path of our engineering schools is the outdated state of their teaching equipment. The technical and scientific training they provide is only as good as the equipment, from computers to electronic microscopes, they use.

The second bill I am introducing today, the Scientific and Technical Equipment Act, is designed to upgrade the technical equipment used in engineering schools and in all elementary, secondary, and postsecondary education institutions, as well. The dangers posed by outdated scientific and technical education hardware is perhaps greatest in our engineering schools. Access there to the most contemporary equipment is critical both to our national efforts to boost R. & D. and to maintain technological competitiveness in foreign markets.

But the use of outdated technical equipment in the classroom extends throughout our entire education system. And its impact at the high school and college level—particularly for vocational education students in technical occupations such as computer programing—has had a direct and chilling effect on productivity. Vocational education programs have a proven record of success.

Recent data covering individuals who completed a secondary level vocational education in 1978–79 found them to have a sharply lower unemployment rate, for example, than their

contemporaries. In the year following completion of their programs, their unemployment rate averaged 9.7 percent, far below the 16.5 percent rate for recent high school graduates not in college. The unemployment rate for adults who completed a vocational program was a low 4.7 percent.

EQUIPMENT SHORTAGES

Despite their successes, vocational education schools as well as colleges and universities are under increasing pressure to provide timely and sophisticated training in skills needed for our increasingly complex plants and offices. Yet, their ability to provide that training is in question. This problem is not new. Repeated references were made on the issue of outdated equipment, for example, during both the 1976 and 1981 reauthorization of the 1963 Vocational Education Act. Media coverage of the issue in trade, engineering, academic, technical, and business journals has been extensive.

The results of a survey by the American Vocational Association in the spring of 1981 reveals in stark detail the dated status of equipment used in our training and education entities. Some 227 schools participated in the survey. Over half were not using computer-assisted design or manufacturing technology in their curriculums. Almost 20 percent had no fiber optics technology available for students. And 74 percent had not acquired robotic or laser technology equipment. In the technical area generally, 44 percent of their tools and equipment were over 10 years old. In the technical and industrial curriculums, 52 percent of the tools and equipment were over 10 years old.

It may not be appropriate to use the term "crisis" in describing the state of equipment and devices used by schools, colleges, universities, and other education entities today. It is indisputable, however, that few if any can afford to acquire the bewildering variety of increasingly expensive, specialized, and complex machinery and equipment which is and will be used to produce goods and services.

They need help in maintaining the relevance of their education equipment in order to maximize the skills brought by graduates to the workbench and to the research laboratory. This is a particularly acute problem for the electronics sector where new generations of hardware appear almost annually.

A computer-assisted design system commonly used throughout American industry cost universities at least $300,000 now. Even acquiring a simple robot and the associated hardware to teach their maintenance and repair to vocational education students runs a minimum of $130,000.

My Scientific and Technical Equipment Act is designed to close the education equipment gap. This act will provide scientific and technical hardware fabricators and users with a charitable tax deduction for scientific and technical equipment donated to any school, college, vocational education institution, or university for education purposes. To insure that this incentive is effective, donations made under this provision will be valued for tax purposes at their current market value rather than production cost.

To insure that this bill results in education entities receiving the most relevant training equipment, only equipment 3 years or newer will be eligible for the deduction. And, to insure that the diversion of Federal resources by this act is minimized, firms seeking deductions must provide a certification from the education entities receiving donated equipment that they are utilizing the equipment.

SERVICE CONTRACT DONATIONS

My bill will encourage the increased donation of service contracts on sophisticated computers and other scientific and technical equipment, as well. Most of the sophisticated equipment needed in school and university classrooms and laboratories requires frequent servicing. This servicing often can only be done by representatives of the manufacturing company and is generally a relatively high-cost activity of that company. In some cases, costs run exceptionally high. Ohio State University, for example, estimated that it would cost $450,000 annually to maintain a proposed installation of $3 million worth of modern design equipment.

In most cases, the costs are less, but still far too rich for educational budgets. In addition, situations have arisen when computers and other sophisticated equipment would have been donated to universities had they been able to make the necessary payments on accompanying service contracts. In these and other cases, the donating corporations concluded that they could not afford to provide their services without some compensation. And the equipment was not donated.

Under current law, only the out-of-pocket costs of service contracts can be deducted now as a charitable donation. My bill will improve that incentive by permitting a deduction of up to 150 percent of such costs when service contracts are donated to educational institutions.

EQUIPMENT SHARING TAX CREDIT

Relatively few schools, colleges, vocational education schools, and universities can afford to acquire any new hardware for training, much less maintain an update inventory of enormously expensive and increasingly specialized high technology equipment.

Yet, some innovative approaches are being taken to permit students to receive training on conventional state-of-the-art equipment without requiring institutions to purchase it.

For example, the Austin Community College, located in my State capital, has developed an innovative approach to this problem in conjunction with the Bausch and Lomb Corp. Bausch and Lomb permits the Austin Community College to utilize some $260,000 worth of high technology equipment for classes conducted right at the Bausch and Lomb plant. This maximizes the use of Bausch and Lomb's hardware and permits the Austin Community College to provide the most advanced training available anywhere in the United States to its students in computer graphics.

Both Bausch and Lomb and the Austin Community College deserve congratulations for utilizing this equipment-sharing concept. It is an excellent one, and my bill will encourage the broader application of this innovative and clever approach to skill training by providing up to a 10-percent annual tax credit on shared equipment. Firms will receive the credit based on that portion of their scientific and technical equipment shared with an educational entity.

I am optimistic that my Scientific and Technical Equipment Act will result in a surge of offers by hardware fabricators and other firms to donate or share their latest production equipment with education and training entities. Indeed, I hope it will result in a complete restructuring of the way such firms do business.

Under my bill, these firms will be encouraged to donate hardware as a key component of their marketing strategy, thereby immeasurably improving the skills being brought to the workplace in the future by youths, men, and women everywhere.

Mr. President, I ask unanimous consent for a brief factsheet and the Scientific and Technical Equipment Act to appear at this point in my remarks.

There being no objection, the bill and factsheet were ordered to be printed in the RECORD, as follows:

S. 2475

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled.

SECTION 1. SHORT TITLE. This Act may be cited as the "Scientific and Technical Equipment Act."

SEC. 2. EXPANSION OF DEDUCTION FOR CONTRIBUTION OF SCIENTIFIC PROPERTY.—Subsection (e) of Section 170 of the Internal Revenue Code of 1954 (relating to deductions for charitable, etc. contributions and gifts) is amended by striking paragraph (4) and inserting in lieu thereof the following:

"(4) SPECIAL RULE FOR CONTRIBUTIONS OF SCIENTIFIC PROPERTY USED FOR RESEARCH AND EDUCATION.—

"(A) LIMIT ON REDUCTION.—In the case of a qualified research and education contribution, the reduction under paragraph (1)(A) shall not apply.

"(B) Qualified research and education contribution.—For purposes of this paragraph, the term 'qualified research and education contribution' means a charitable contribution by a corporation of tangible personal property which is described in paragraph (1) of Section 1221 or which is property used in the trade or business (as defined in Section 1231(b)), but only if—

"(i) the contribution is to an educational organization which is described in subsection (b)(1)(a)(ii) of this section, to an institution of higher education (as defined in section 3304(f)), or to a post-secondary or adult education organization which grants a one- or two-year certificate and has occupational specific programs,

"(ii) the property is scientific or technical equipment or apparatus substantially all of the use of which by the donee is for research and experimentation (within the meaning of section 174), or for research or educational training, in the United States in physical or biological sciences or in engineering,

"(iii) except as permitted under regulations prescribed by the Secretary, the contribution is made not later than three years (or two years in the case of property described in Section 1221(1)) after the date construction of the property is substantially completed or the property is first placed in service,

"(iv) the value of the property contributed exceeds $250,

"(v) the property is not transferred by the donee in exchange for money, other property, or services, and

"(vi) the taxpayer receives from the donee a written statement representing that its use and disposition of the property will be in accordance with the provisions of clause (ii).

"(C) Corporation.—For purposes of this paragraph, the term 'corporation' shall not include—

"(i) an electing small business corporation (as defined in section 1371(b)),

"(ii) a personal holding company (as defined in section 542), and

"(iii) a service organization (as defined in section 414(m)(3))."

Sec. 3. Deductions for Contributions of Service Contracts.—Section 170 of the Internal Revenue Code of 1954 (relating to deductions for charitable contributions and gifts) is amended by redesignating subsection (j) and subsection (k) and by inserting after subsection (i) the following:

"(j) Contribution of Certain Service Contracts.—Notwithstanding any other provision of this section, there shall be allowed as a deduction under subsection (a) the value of services provided under any standard service contract entered into by a taxpayer and a qualified organization in connection with any qualified research and education contribution (within the meaning of paragraph (4)(B) of subsection (3)); *Provided, however*, That the deduction under this subsection shall not exceed one hundred fifty percent of the costs of the taxpayer in providing such services. For purposes of this subsection, a 'standard service contract' is any contract for services normally made available by the taxpayer to its customers in connection with the sale or lease of tangible personal property. The value of such a contract shall be determined by the amount normally paid (whether or not separately stated) by customers for such services."

Sec. 4. Credit for Equipment Sharing.—Part IV of subchapter A of chapter I of the Internal Revenue Code of 1954 is amended by inserting after section 44G the following:

"Sec. 44H. Credit for Sharing Scientific and Technical Equipment.

"(a) General Rule.—There shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 10 percent of the qualified costs of scientific and technical equipment for that year.

"(b) Qualified Costs.—

"1. In general.—For purposes of this section the term 'qualified costs' for any taxable year with respect to any item of scientific or technical equipment means an amount equal to the taxpayer's unadjusted basis in that item of equipment multiplied by the ratio of the time the equipment is used in scientific education by a qualified organization in that year compared to the total time that equipment is used by the taxpayer in that year.

"2. Scientific education.—For purposes of this subsection the term 'scientific education' is defined as set forth in section 44F(e)(5).

"3. Qualified organization.—For purposes of this subsection, the term 'qualified organization' is defined as set forth in section 44F(e)(3).

"(c) Limitation Based on Amount of Tax.—

"1. Liability for tax.—The credit allowed by subsection (a) for any taxable year shall not exceed the amount of the tax imposed by this chapter reduced by the sum of the credits allowable under a section of this part having a lower number or letter designation than this section, other than the credits allowable by sections 31, 39, and 43. For purposes of the preceding sentence, the term 'tax imposed by this chapter' shall not include any tax treated as not imposed by this chapter under the last sentence of section 53(a).

"2. Carryback and carryover of unused credit.—

(A) Allowance of credit.—If the amount of the credit determined under this section for any taxable year exceeds the limitation provided by paragraph (1) for such taxable year (hereinafter in this paragraph referred to as the 'unused credit year'), such excess shall be—

(i) a research credit carryback to each of the 3 taxable years preceding the unused credit year, and

(ii) a research credit carryover to each of the 15 taxable years following the unused credit year,

and shall be added to the amount allowable as a credit by this section for such years. If any portion of such excess is a carryback to a taxable year beginning before July 1, 1981, this section shall be deemed to have been in effect for such taxable year for purposes of allowing such carryback as a credit under this section. The entire amount of the unused credit for an unused credit year shall be carried to the earliest of the 18 taxable years to which (by reason of clauses (i) and (ii)) such credit may be carried, and then to each of the other 17 taxable years to the extent that, because of the limitation contained in subparagraph (b), such unused credit may not be added for a prior taxable year to which such unused credit may be carried.

"(B) Limitation.—The amount of the unused credit which may be added under subparagraph (A) for any preceding or succeeding taxable year shall not exceed the amount by which the limitation provided by paragraph (1) for such taxable year exceeds the sum of—

"(i) the credit allowable under this section for such taxable year, and

"(ii) the amounts which, by reason of this paragraph, are added to the amount allowable for such taxable year and which are attributable to taxable years preceding the unused credit year."

Sec. 5. Effective Date.—The amendments made by sections 2, 3, and 4 shall apply to charitable contributions made after the date of enactment of this Act.

FACTSHEET

THE SCIENTIFIC AND TECHNICAL EQUIPMENT ACT

A. Donation of Scientific and Technical Equipment: The bill expands Section 170, charitable equipment donation deduction provisions:

(1) To cover scientific and technical equipment donated to elementary and secondary schools and two-year colleges rather than just universities under current law;

(2) To cover scientific and technical equipment used for education teaching rather than just research and research teaching under current law;

(3) To cover the donation of used scientific and technical equipment which constitutes a trade or business asset in the donor's hand, if no more than three years old, rather than just (new) equipment which is inventory in the donor's hand under current law;

(4) To permit a deduction on new donated equipment at fair market value rather than at the cost of manufacture plus one-half of the difference between that cost and the fair market value of the equipment under current law;

(5) To permit a deduction on new donated equipment at fair market value rather than at fair market value less depreciation recapture under current law; and

(6) To permit a deduction for the donation of service contracts at up to 150 percent of the donor's out-of-pocket cost rather than at 100 percent of the donor's out-of-pocket cost under current law.

Special Rule: Each equipment donation must have a fair market unit value exceeding $250.

B. Tax Credit for Sharing Scientific and Technical Equipment: The bill established a tax credit of up to 10 percent on the value of equipment owned by a taxpayer but shared for educational purposes with a school, college, or university. The actual credit will be based on the proportion of time the equipment is used for education.

THE SKILLED LABOR TRAINING ACT

Mr. **BENTSEN**. Mr. President, my third bill is designed to prevent shortages from developing in occupations which require substantial periods of training. It establishes a system to constantly monitor the demand and supply of workers for all skilled occupations. And, it permits the targeting of Federal fiscal incentives for the training by employers and vocational training institutions of workers in those skilled occupations experiencing actual or prospective shortages.

The Skilled Labor Training Act is designed to fill a gap, a large gap I believe, in our Nation's approach to labor market developments. Creating mechanisms, as I propose in my first two bills, to provide contemporary equipment and to ease our engineering

faculty shortage are necessary steps to deal with immediate skilled labor trouble areas. But a more enduring step is needed, as well, one designed to insure that technical paraprofessionals and professionals are being trained in adequate numbers to prevent skill labor bottlenecks developing. My third bill will permit our Nation to take that step, one already taken I might add by Japan and Great Britain, among other international competitors.

SKILLED LABOR SHORTAGES

Mr. President, with almost 10 million men and women looking for work without success, some find it difficult to believe that we face skilled labor shortfalls. Yet, we can look at the Sunday newspapers to see that large numbers of skilled job openings exist. In addition, there are credible projections by various industries regarding labor shortages which they anticipate to occur once a robust recovery is well underway. For example, Dr. Willenbrock, whose testimony I noted earlier, cited a survey of American Electronics Association members which caused quite a stir at the Joint Economic Committee hearing. The survey revealed that the demand for key electronics and computer technicians—generally men and women with 2 years or less of college—far outstrips available supply. Over a 100-percent growth in just the next 5 years was projected for paraprofessionals in these two fields. In addition, a recent survey by the National Tooling and Machining Association, presented to the Joint Economic Committee on November 3, 1981, found that a substantial shortage of machinists will soon exist. Indeed, the survey turned up a current shortage of 60,000 skilled workers now, with a projected 250,000 additional machinists being demanded by firms in this counting through 1985. The anticipated defense buildup will increase the demand for machinists by some 8 percent just this year—and the largest buildup is still ahead of us. In fact, long before the scope of the current prospective defense buildup was known, the House Committee on Armed Services in 1980 said:

> It is clear that the shortages of machinists and other skilled laboreres are contributing factors which adversely affect the ability of the sub-tier base of firms to respond rapidly to significant increases in defense production demand.

Looming in the background of all discussions of prospective machinist shortages is the reality that the average age of our 300,000 machinists is 58. Essentially one-half of them will be retiring in the next 7 years, guaranteeing a substantial shortage even if renewed economic growth or a defense buildup does not occur.

DESCRIPTION OF LEGISLATION

My third bill, the Skilled Labor Training Act, will provide a tax credit for a portion of the wages paid eligible trainees by employers in certain shorthanded skilled occupations. The credit is equal to 50 percent of the first $6,000 in wages paid during the first year of training, and 25 percent of the first $6,000 in wages paid during the second year. The detailed components of my proposed skilled tax credit are:

First. The Department of Labor will develop and maintain a list of skilled occupations facing an actual or prospective labor shortage.

Second. The skilled tax credit will be available only for workers receiving training in those skilled occupations found to be facing labor shortages.

Third. The skilled tax credit will be available for both adults and youths participating in approved training programs of 6 months or longer in duration.

Fourth. To minimize revenue losses, the skilled tax credit will be available only on the increase in eligible workers being trained by an employer over the number being trained in the 1981 base period.

Fifth. Employers will have flexibility to select who, where, and how training will occur, and can provide it on-the-job and in conjunction with classroom work at community colleges, postsecondary vocational institutes, and colleges or universities. Approved training for which the skilled tax credit can be claimed by employers includes: apprenticeship programs; employer-designed or employer-union designed programs combining on-the-job and classroom training; cooperative education programs for youths; programs designed by vocational education institutions which combine on-the-job and classroom training.

Mr. President, let me stress a number of points regarding the program which I propose to establish with this bill.

First, it will direct national resources explicitly to spur the training of scarce skills needed for the future.

Second, it is designed in a cost-effective fashion to minimize the use of Federal resources; the skilled tax credit will be available only in a targeted fashion where conventional private and public training resources are found to be inadequate to supply needed skills.

Third, it opens the door to training in scarce skills to all ages, including workers in declining industries who seek retraining.

Fourth, it stresses on-the-job training by the private sector and vocational institutions in the design and implementation of skill training programs.

Fifth, the skilled tax credit will be available to employers only to the extent they increase their training activities above the 1981 base period.

Sixth, it will build on the success of apprenticeship programs and will encourage unions and employers to expand their joint efforts to provide training which combines on-the-job with classroom experience.

In short, the proposed skilled tax credit is a targeted, precise incentive designed to spark increased private-sector, on-the-job training of skills in short supply. In combination with my first two bills, it will provide a broad, cost-effective, and sturdy foundation for a national skilled labor policy for the 1980's and beyond, a long overdue supplement to existing labor programs targeted at youth training.

I ask unanimous consent for a brief factsheet and the Skilled Labor Training Act to appear in the Record at this point in my remarks.

There being no objection, the bill and factsheet were ordered to be printed in the Record, as follows:

S. 2476

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Section 1. Short Title.

This Act may be cited as the "Skilled Labor Training Act".

Sec. 2. Skilled Training Tax Credit.

(a) In General.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits allowable against tax) is amended by inserting after section 44G the following new section:

"Sec. 44H. Skilled Training Tax Credit.

"(a) In General.—At the election of the taxpayer, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the sum of—

"(1) 50 percent of the aggregate qualified first-year wages paid or incurred by the taxpayer to qualified trainees during such taxable year, and

"(2) 25 percent of the aggregate qualified second-year wages paid or incurred by the taxpayer to qualified trainees during such taxable year.

"(b) Limitation Based on Amount of Tax.—

(1) Liability for tax.—

"(A) In general.—Except as provided in subparagraph (B), the credit allowed by subsection (a) for any taxable year shall not exceed 90 percent of the excess of—

"(i) the amount of the tax imposed by this chapter, over

"(ii) the sum of the credits allowable under a section of this part having a lower number or letter designation than this section, other than the credits allowable by sections 31, 39, and 43.

For purposes of the preceding sentence, the term 'tax imposed by this chapter' shall not include any tax treated as not imposed by this chapter under the last sentence of section 53(a).

"(B) Special rule for passthrough of credit.—In the case of an individual who—

"(i) owns an interest in an unincorporated trade or business,

"(ii) is a partner in a partnership,

"(iii) is a beneficiary of an estate or trust, or

"(iv) is a shareholder in an electing small business corporation (within the meaning of section 1371(b)),

the credit allowed by subsection (a) for any taxable year shall not exceed the lesser of the amount determined under subparagraph (A) for the taxable year or an amount (separately computed with respect to such person's interest in such trade or business or entity) equal to the amount of tax attributable to that portion of a person's taxable income which is allocable or apportionable to the person's interest in such trade or business or entity.

"(2) Carryback and carryover of unused credit.—

"(A) Allowance of credit.—If the amount of the credit determined under this section for any taxable year exceeds the limitation provided under paragraph (1) for such taxable year (hereinafter in this paragraph referred to as the 'unused credit year'), such excess shall be—

"(i) a skilled training credit carryback to each of the 3 taxable years preceding the unused credit year, and

"(ii) a skilled training credit carryover to each of the 15 taxable years following the unused credit year,

and shall be added to the amount allowable as a credit by this section for such years. If any portion of such excess is a carryback to a taxable year beginning before January 1, 1982, this section shall be deemed to have been in effect for such taxable year for purposes of allowing such carryback as a credit under this section. The entire amount of the unused credit for an unused credit year shall be carried to the earliest of the 18 taxable years to which (by reason of clauses (i) and (ii)) such credit may be carried, and then to each of the other taxable years to the extent that, because of the limitation contained in subparagraph (B), such unused credit may not be added for a prior taxable year to which such unused credit may be carried.

"(B) Limitation.—The amount of the unused credit which may be added under subparagraph (A) for any preceding or succeeding taxable year shall not exceed the amount by which the limitation provided under paragraph (1) for such taxable year exceeds the sum of—

"(i) the credit allowable under this section for such taxable year, and

"(ii) the amounts which, by reason of this paragraph, are added to the amount allowable for such taxable year and which are attributable to taxable years preceding the unused credit year.

"(c) Definitions.—For purposes of this section—

"(1) Wages.—The term 'wages' has the meaning given to such term by section 3306(b) (determined without regard to any dollar limitation contained in such section), but does not include any amount paid or incurred by the taxpayer to an individual with respect to whom the taxpayer claims a credit under section 44B.

"(2) Qualified first-year wages.—The term 'qualified first-year wages' means the first $6,000 of wages paid or incurred by the taxpayer to a qualified trainee for services rendered by such trainee during the one-year period beginning on the day such trainee begins to work for the taxpayer.

"(3) Qualified second-year wages.—The term 'qualified second-year wages' means the first $6,000 of wages paid or incurred by the taxpayer to a qualified trainee for services rendered by such trainee during the one-year period beginning on the day after the end of the one-year period described in paragraph (2).

"(4) Qualified trainee.—

"(A) In general.—The term 'qualified trainee' means any eligible employee designated by the taxpayer for the taxable year in such manner and at such time as the Secretary shall by regulation prescribe.

"(B) Limitation on designations.—The number of eligible employees who may be designated as qualified trainees under subparagraph (A) for any taxable year shall not exceed the excess, if any, of—

"(i) the number of eligible employees of the taxpayer for such taxable year, over

"(ii) the number of eligible employees of the taxpayer for the taxable year beginning in 1981.

"(5) Eligible employees.—The term 'eligible employee' means an employee of the taxpayer who participates during the taxable year in an approved training program that trains such employee for a skilled occupation in which the Secretary of Labor has determined that there is a substantial shortage of workers.

"(6) Skilled occupation.—The term 'skilled occupation' means an occupation for which a normal training program is at least six months and for which a college degree is not normally a prerequisite.

"(7) Substantial shortage.—There is a substantial shortage of workers with respect to a skilled occupation if the Secretary of Labor determines that the sum of the number of trained workers and the number of persons in training programs in such occupation is less than 80 percent of the anticipated demand for workers in such occupation for the five-year period beginning on the first day of the first month after the determination is made.

"(8) Approved training programs.—The term 'approved training program' means—

"(A) any State or federally registered apprenticeship program,

"(B) any employer-designed program or employer-union designed program which meets such minimum requirements with respect to supervised on-the-job experience and classroom instruction as the Secretary of Labor shall by regulations prescribe,

"(C) any cooperative education programs of work and study (within the meaning of the Vocational Education Act of 1963 (20 U.S.C. 2301 et seq.), as amended),

"(D) any training program designated by the Secretary of Labor, which—

"(i) is carried out under the supervision of an accredited public or private secondary or postsecondary vocational education institution, and

"(ii) combines instruction by such institution and on-the-job training, or

"(E) such other programs as the Secretary of Labor shall designate.

"(9) Controlled group of corporations.—The term 'controlled group of corporations' has the same meaning given to such term by section 1563(a), except that—

"(A) 'more than 50 percent' shall be substituted for 'at least 80 percent' each place it appears in section 1563(a)(1), and

"(B) the determination shall be made without regard to subsections (a)(4) and (e)(3)(C) of section 1563.

"(d) Special Rules.—For purposes of this section—

"(1) Determination of shortage.—The Secretary of Labor shall annually make a determination of whether there is a substantial shortage in each skilled occupation.

"(2) Requests for occupation designation.—Under regulations prescribed by the Secretary, any employer, in conjunction with his State employment service, may request the Secretary to designate an occupation as a skilled occupation in which there is a substantial shortage of workers.

"(3) Aggregation of qualified wages.—

"(A) Controlled group of corporations.—In determining the amount of the credit under this section—

"(i) all members of the same controlled group of corporations shall be treated as a single taxpayer, and

"(ii) the credit (if any) allowable by this section to each such member shall be its proportionate share of the wages giving rise to the credit.

"(B) Common control.—Under regulations prescribed by the Secretary, in determining the amount of credit under this section—

"(i) all trades or businesses (whether or not incorporated) which are under common control shall be treated as a single taxpayer, and

"(ii) the credit (if any) allowable by this section to each such trade or business shall be its proportionate share of the wages giving rise to the credit.

The regulations prescribed under this subparagraph shall be based on principles similar to the principles which apply in the case of subparagraph (A).

"(4) Allocations.—

"(A) Passthrough in the case of subchapter s corporations, etc.—Under regulations prescribed by the Secretary, rules similar to the rules of subsections (d) and (e) of section 52 shall apply.

"(B) Allocation in the case of partnerships.—In the case of partnerships, the credit shall be allocated among partners under regulations prescribed by the Secretary.

"(e) Denial of Double Benefit.—No deduction or credit shall be allowed under any other provision of this chapter with respect to any amount for which a credit is allowed under subsection (a).".

(b) Conforming Amendments.—

(1) The table of sections for subpart A of part IV of subchapter A of chapter 1 of such Code is amended by inserting after the item relating to section 44G the following new item:

"Sec. 44H. Skilled training tax credit.".

(2) Section 6096(b) of such Code (relating to designation of income tax payments to Presidential Election Campaign Fund) is amended by striking out "and 44G" and inserting in lieu thereof "44G, and 44H".

(3) Subparagraph (A) of section 55(c)(4) of the Internal Revenue Code of 1954 (relating to credits) is amended by inserting "44H(b)(1)," before "53(b)".

(4) Subsection (c) of section 381 of such Code (relating to items of the distributor or transferor corporation) is amended by adding at the end thereof the following new paragraph:

"(30) Credit under section 44h.—The acquiring corporation shall take into account (to the extent proper to carry out the purposes of this section and section 44H, and under such regulations as may be prescribed by the Secretary) the items required to be taken into account for purposes of section 44H in respect of the distributor or transferor corporation.".

(5) Section 383 of such Code (relating to special limitations on unused investment credits, work incentive program credits, new employee credits, alcohol fuel credits, foreign taxes, and capital losses), as in effect for taxable years beginning with and after the first taxable year to which the amendments made by the Tax Reform Act of 1976 apply, is amended—

(A) by inserting "to any unused credit of the corporation under section 44H(b)," after "44G(b)(2),", and

(B) by inserting "SKILLED TRAINING CREDITS," after "EMPLOYEE STOCK OWNERSHIP CREDITS," in the section heading.

(6) Section 383 of such Code (as in effect on the day before the date of the enactment of the Tax Reform Act of 1976) is amended—

(A) by inserting "to any unused credit of the corporation which could otherwise be carried forward under section 44H(b)(2)," after "44G(b)(2),", and

(B) by inserting "SKILLED TRAINING CREDITS," after "EMPLOYEE STOCK OWNERSHIP CREDITS," in the section heading.

(7) The table of sections for part V of subchapter C of chapter 1 is amended by inserting "skilled training credits," after "employee stock ownership credits," in the item relating to section 383.

(8) Subparagraph (C) of section 6511(d)(4) of such Code (defining credit carryback) is amended by striking out "and employee stock ownership credit carryback" and inserting in lieu thereof "employee stock ownership credit carryback, and skilled training credit carryback".

(9) Section 6411 of such Code (relating to quick refunds in respect of tentative carryback adjustments) is amended—

(A) by striking out, "or unused employee stock ownership credit" each place it appears and inserting in lieu thereof "unused employee stock ownership credit, or unused skilled training credit";

(B) by inserting ", by a skilled training credit carryback provided by section 44H (b)(2)" after "by an employee stock ownership credit carryback provided in section 44G (b)(2)," in the first sentence of subsection (a);

(C) by striking out "or an employee stock ownership credit carryback from" each place it appears and inserting in lieu thereof "an employee stock ownership credit carryback, or a skilled training credit carryback from"; and

(D) by striking out "research and experimental credit carryback)" in the second sentence of subsection (a) and inserting in lieu thereof "research and experimental credit carryback, or, in the case of a skilled training credit carryback, to an investment credit carryback, a new employee credit carryback, a research and experimental credit carryback, or an employee stock ownership credit carryback)".

Sec. 3. Effective Date.

The Amendments made by this Act shall apply to wages paid or incurred with respect to individuals hired on or after the date of enactment of this Act in taxable years beginning after December 31, 1981.

[Factsheet]

The Skilled Labor Training Act

This bill creates a tax credit on a portion of the salary paid to employees participating in a skill training program.

A. The credit is 50 percent of the first $6,000 in salary of the employee for the first year of training, and 25 percent of the first $6,000 in salary for the second year.

B. Eligibility for the tax credit requires that the employee be:

(1) Participating in a training program which normally lasts at least six months;

(2) Receiving training in an occupation which the Secretary of Labor has designated as experiencing a substantial shortage of workers; and

(3) Participating in either—

An apprenticeship program;

A cooperative education program;

An employer-designed or employer-union designed training program of on-the-job experience and classroom work; or

A training program designed by a vocational education institution combining on-the-job experience and classroom work.

By Mr. GARN (for himself, Mr. McClure, Mr. Laxalt, Mr. Hatch, Mr. Symms, Mr. Burdick, and Mr. Goldwater):

S. 2477. A bill to amend certain provisions of title I of the Clean Air Act; to the Committee on Environment and Public Works.

CLEAN AIR ACT AMENDMENTS OF 1982

Mr. GARN. Mr. President, today, together with several of my colleagues, I am introducing a set of alternative amendments to the Clean Air Act. These amendments, I believe, will allow moderate growth in those parts of the country like the West where growth remains a desirable goal. These amendments will continue to maintain air quality at levels the public expects us to achieve.

Many proponents of clean air legislation argue that because support for clean air is strong, any attempt by Congress to change the Clean Air Act must be construed as a weakening of the act. Mr. President, this type of argument does not serve a constructive purpose—every one of us wants to breath clean air. Certainly the progress in improving air quality over the past 10 to 15 years has not proven to be so efficient or effective as to preclude the Congress from achieving our national clean air objectives another way.

The current law as interpreted by the courts and the environmental regulators stifles growth opportunities, is a burden on the States who try to administer it and costs companies and ultimately consumers hundreds of millions of dollars in unnecessary regulatory costs in order to comply. The legislation I am offering proposes to keep the health protecting national ambient air quality standards intact. It streamlines the regulations which have limited growth and clarifies that moderate development is compatible with our clean air objectives.

Mr. President, the vast majority of the people of the West, including Utah, want to be able to use their talents to invent, develop, or manufacture new products and commodities to help improve this country's standard of living. Utahans, for example, will support rational, clean air laws that make sense and clean up the air. They do not, however, support laws which may inhibit development because a Federal bureaucrat arbitrarily thinks smoke from a new manufacturing plant may be visible 100 miles away from a national park. Utahans do not support clean air laws that make them pay hundreds of millions of dollars in additional utility rates all in an effort to subsidize eastern coal markets. They will not support clean air laws which cause companies to give up legitimate development plans because EPA permitting requirements are so cumbersome and costly as to eliminate the opportunity for a company to survive. Finally the people of my State will not support a Clean Air Act that seems to have as its major underlying objective the goal of penalizing polluters rather than encouraging the installation of modern, efficient, low-polluting plants and machinery.

I trust that as debate continues on this important issue this year, those of us in this body might elevate our discussion away from the clean air versus dirty air debate to a rational discussion of providing incentives and opportunities for industry, small and large—to develop clean, low-polluting facilities and job opportunities for our people who need them.

Mr. President, I ask unanimous consent that a summary of the legislation be printed in the Record.

There being no objection, the summary was ordered to be printed in the Record, as follows:

Summary of Amendments

SECTION 110—STATE IMPLEMENTATION PLANS

Streamlines process for SIP revisions by allowing revisions to be automatically approved unless disapproved by EPA within 120 days.

Revises construction moratorium language to prohibit procedural defects in a SIP revision from being the basis of such moratorium.

SIP plan approval is no longer conditioned upon program for periodic inspection and testing of motor vehicles.

Ten year grandfather provision for sources in nonattainment areas which meet all act requirements to be free of further control requirements during that time.

SECTION 111—NEW SOURCE PERFORMANCE STANDARDS

Percent reduction requirement for new sources is eliminated.

SECTION 119—PRIMARY NON-FERROUS SMELTERS

Non-ferrous smelters are allowed to curtail operations on a temporary basis (not more than 5% of any year) as a way of complying with air quality standards through intermittent controls.

The termination date for primary non-ferrous smelter orders is extended five years to January 1, 1988 and 1993, respectively.

EPA is required to establish new regulations on what constitutes good engineering practice for stock height credits in mountainous terrain where no other plant siting options are available, and weather inversions pose compliance problems not faced by plants in non-mountainous terrain.

SECTION 160—PREVENTION OF SIGNIFICANT DETERIORATION

Small technical amendment making PSD protection dependent upon actual or potential adverse effects to the public health and welfare, rather than to "any" such effect.

SECTION 162—INITIAL CLASSIFICATIONS

Mandatory Class II areas are retained, but States may opt out of mandatory Class II areas if the State finds such designation to be unreasonable. (Bill retains Class I areas)

Gives States 18 months from date of enactment of the Act to reevaluate all existing non-mandatory Class II areas and provides that if such areas are not reaffirmed as non-mandatory Class II areas, that they will become unclassified, but still subject to National Ambient Air Quality Standards. (NAAQS)

SECTION 163—INCREMENTS AND CEILINGS

Short term increments for Class I and II areas are eliminated, and Class III is abolished.

Fugitive dust must no longer be included in the PSD increment consumption count.

SECTION 164—AREA REDESIGNATION

Established a mechanism whereby states may redesignate as either Class I or II areas, any new national monuments, national primitive areas, national preserves, national recreation areas, national wild and scenic rivers, national wildlife refuges, national lakeshores or national seashores, national parks, and wilderness areas exceeding 10,000 acres in size. Existing Class I areas are not affected.

SECTION 165—PRE-CONSTRUCTION REQUIREMENTS

Major emitting facilities subject to PSD review are redefined to be those facilities which will emit 500 tons or more per year of particulates, or 1,000 tons or more per year of sulfur dioxide.

Process for PSD permit application speeded up by requiring permitting authority to notify applicant within two months whether or not permit application is complete, or whether additional information is required.

Modifies the air quality related values test, which is the affirmative responsibility of the Federal Land Manager in a Class I area, to require adverse impacts upon such valued be "significant."

Increases State authority in the permit process relating to Class I areas and shortens permit application time.

One year pre-construction modeling and monitoring requirement is deleted.

State's role in permit variance authority for facilities wishing to locate near a Class I area is redefined. States may override the Federal Land Manager's disapproval of a permit if such action is in the public interest and will not have a significant adverse effect upon the air quality-related values of the area.

SECTION 166—OTHER POLLUTANTS

Technical amendment to cure vagueness in the language allowing EPA to more effectively administer the Act.

SECTION 169—DEFINITIONS

Modifies the definition of "major emitting facility" presently subject to PSD review by disallowing EPA to require a facility to undergo full PSD review for de minimus changes in its emissions. Such de minimus control is presently exercised by EPA through the practice of requiring reviews based on the "potential to emit" any pollutant. The amendment would eliminate this term and impose PSD requirements when one of the stationary sources in the 28 categories set out by EPA increases emissions, the net effect of which would increase by one hundred tons per year or more any air pollutant. Any other sources that undergo a modification, the net effect of which is to increase emissions by two hundred and fifty tons per year or more of any pollutant, are also subject to this provision.

SECTION 169A—VISIBILITY PROTECTION FOR CLASS I AREAS

Visibility protection limited to Class I areas.

The standard of protection of visibility in Class I areas is redefined to mean any "significant" impairment of visibility in mandatory Class I Federal areas.

The term visibility impairment in the definition section has been amended to exclude integral vistas. However, as redefined the term still includes reduction in visual range and atmospheric discoloration within a Class I area.

SECTION 302—DEFINITIONS

Best available control technology is redefined in a manner which would allow alternate methods of control to constitute such technology on a case-by-case basis. Sources which do not emit more than 500 tons per year of regulated air pollutants defines "best available control technology" as new source performance standards. States, however, are given authority to impose a more stringent best available control technology than the one set out in this amendment if they choose.

Mr. HATCH. Mr. President, I have deep appreciation for all of the many hours and hard work of the Committee on Environment and Public Works in the effort to come up with consensus amendments to the Clean Air Act. Unfortunately, I cannot accept what has been done and I do not feel the bill, working its way through the committee, can be an appropriate vehicle for further amendment. For this reason, I cosponsor the bill this date with my distinguished colleagues, Senator GARN, Senator McCLURE, and Senator LAXALT, to make appropriate and required amendments to the Clean Air Act.

I resent and take strong exception to those who undoubtedly will characterize this bill as a "dirty air" bill, or who attack my cosponsors and me as being unconcerned with the environment or public health. I am extremely concerned about the environment. I am extremely concerned about public health problems. Most public health programs are designed to protect the public from specific, or a specific set of, health conditions. Clean water programs to chlorinate drinking water are specifically directed against identifiable waterborne diseases. Their effect is easly indentifiable.

The Clean Air Act is not specific. It merely establishes ambient air quality standards to protect the general health and welfare. At what cost? I am not specifically talking about monetary cost but possible public health cost. It is submitted that an inverse relationship exists between health status and socioeconomic status. As socioeconomic status decreases, the incidence of health problems increases. Without jobs or with reduced income, the ability to purchase food for adequate nutrition is reduced; the ability to obtain proper medical attention is reduced, and even the ability to provide adequate heat, clothing, and shelter is reduced.

Today we face a depressed economy. Unemployment is high. Socioeconomic stress has been increasing and public health must be suffering. Unreasonable and unspecific requirements under the Clean Air Act make the problems worse by increasing the cost of providing goods and services.

Who bears the cost to clean up the air? It is fundamental that the cost is not borne by industry as many would claim. Industry does not have a secret source of funds. Industry has no private printing press to print money. Industry must recover its costs and obtain its profits from the consumer or it must, of necessity, go out of business.

The cost is borne by the taxpayers in increased taxes and the consumer of goods and services in increased costs. How much this cost of clean air contributes to illness is no more speculative than the question of the "protection" the Clean Air Act affords. It is not impossible that there may actually be a net loss to public health in today's depressed economy from some Clean Air Act provisions.

As I said before, I am not opposed to clean air but I insist that we must have an appropriate balance. The bill being introduced today addresses this balance, and I urge you to carefully study it. The American public can and will take only so much. Clean air is important. It is as important to me as to anyone else, but so is the economic viability of the State of Utah and this country. I am besieged by letters from constituents who cannot understand and who cannot pay the higher cost for vital electricity resulting from expensive scrubbers mandated by the percentage-reduction requirements under the existing Clean Air Act.

This is but one example of many. What are we trying to prove? Proper amendments to the Clean Air Act are desirable and necessary to remove unreasonable requirements doing little, if any, good but which are creating unacceptable and unreasonable hardships on millions of Americans. I urge support of this bill.

● Mr. LAXALT. Mr. President, I am pleased to be able to join with my distinguished colleague, Senator GARN, in introducing commonsense legislation to amend the Clean Air Act. Like my friend from Utah, I sincerely believe that this legislation is both timely and necessary.

Frankly, I do not believe that any of us are against clean air. However, I believe that flexibility and commonsense must be exercised in our pursuit of air quality goals. We must take all possible actions to remove unwarranted obstacles hindering exploration, production, and use of our domestic resources and make every effort to revitalize key domestic industries by removing or modifying excessive regulatory

controls that now exist in this area. The fact of the matter is, many of the relevant pollution standards strike a poor balance between environmental and other economic goals.

Mr. President, there will be those who will try to insist that the issue here is clean air versus dirty air. Nothing could be further from the truth. The issue is whether we have the foresight and the initiative to attack the problem of air pollution and at the same time, revitalize our economy and remove unwarranted regulatory constraints from our domestic industry. Simply put, the issue is not clean air versus dirty air, but rather jobs and prosperity versus unemployment and excessive regulation. Regulatory reform is a linchpin of President Reagan's economic recovery package and, I believe, that this effort demands a swift reexamination of the Clean Air Act.

A clear example of unnecessary regulation that contributes nothing to clean air can be found in the indirect source regulations problem. This is a classic case of regulation creating a legal snarl which prevents economic development and which provides no benefit to the public. Actually, we in Congress believe that we had dealt with this matter in the 1977 amendments to the Clean Air Act. Not true. This problem continues to plaque the development and operation of real estate facilities in a number of States.

In the 1977 amendments to the act, Congress provided that EPA should not require the States to include indirect source regulations (ISR's) in their State implementation plans. ISR's involve preconstruction reviews to determine the potential effects on air quality of motor vehicle traffic attracted to facilities.

Because 14 States, including my own State of Nevada, had included indirect source regulations in their State implementation plans in good faith response to an EPA requirement that they do so, the 1977 amendments included a special withdrawal provision allowing States to modify or withdraw indirect source regulations from their State implementation plans without going through the normal process of amending their plans.

In reliance on the special withdrawal provision, a number of the States which had indirect source regulations as part of their State implementation plans asked EPA for approval of the modification or withdrawal of their indirect source regulations, and ceased issuing permits under their regulations.

On December 6, 1979, the second circuit court of appeals overruled EPA's approval of Connecticut's modification of its ISR program and interpreted the special withdrawal provision as requiring any State which modified or withdrew its indirect source regulation to concurrently demonstrate compliance with all the applicable requirements of section 110 of the act, *Manchester Environmental Coalition* v. *Environmental Protection Agency*, 612 F.2d 45 (2d Cir. 1979).

Until such time, the ISR program would remain part of the SIP, with the attendant private enforcement remedies for failure to comply with the ISR. In two of the six States where the problem existed, including Nevada, cases were brought successfully to halt the construction or opening of projects which were required to obtain indirect source permits under regulations which remained part of the State implementation plan, but which were not being enforced.

EPA has approved the withdrawal of indirect source review programs in a number of States on the basis that the nonattainment plans were approved and did not contain the indirect source review program. Some of these withdrawal approvals were based on nonattainment plans which were conditionally approved. However, the approvals of the withdrawal of the indirect source review programs were not conditional.

On February 20, 1981, the second circuit court of appeals was petitioned for review of EPA's approval of the withdrawal of the Connecticut ISR program on the basis that the conditional nature of EPA's approval of the nonattainment plan meant, by definition, that the plan does not fully meet all of the requirements necessary for the withdrawal of the indirect source regulation. The case was argued before the second circuit on September 23, 1981.

On February 1, 1982, the U.S. Court of Appeals for the Second Circuit upheld the Environmental Protection Agency's (EPA) approval of the partial withdrawal of the indirect source review (IRS) regulations from Connecticut's State implementation plan (SIP) *Connecticut Fund for the Enviornment* v. *Environmental Protection Agency*, docket No. 81-4025, slip opinion No. 52 (February 3, 1982). While this decision ended the 4-year battle over Connecticut's ISR program modification, the terms of this decision and of the 1979 decision by the same court, *Manchester Environmental Coalition* v. *EPA*, 612 F.2d 56 (2d Cir. 1979), leave some remaining uncertainty as to the status of other States such as Nevada which have attempted or may attempt to withdraw ISR regulations from their approved SIP's.

Mr. President, to eliminate this problem, the legislation we have introduced amends the Clean Air Act to provide that any State may withdraw an indirect source review program from the applicable State implementation plan, at any time, without restriction. Under this amendment, the State's decision to withdraw is sufficient by itself, to revise the State implementation plan and does not require any subsequent action by EPA.

In addition to the expedited process, the amendment would provide for adequate notice of the revision to EPA and the public.

Another problem that our legislation addresses is the plight of our domestic nonferrous smelting industry which has been devasted in world competition by unreasonable and nonproductive environmental controls.

Mr. President, in the 1977 amendments to the act, Congress recognized the importance and uniqueness of the copper smelting industry by enacting section 119. Section 119 enables primary nonferrous smelters, upon demonstration of economic hardship, to employ supplementary as well as continuous control to meet national ambient air quality standards (NAAQS) until January 1, 1988, by obtaining two nonferrous smelter orders (NSO). As a condition for the second NSO, the smelter must agree to a compliance schedule to use only continuous controls after January 1, 1988, to meet EPA emission requirements, provided the Administrator determines that adequately demonstrated technology is available.

The legislation that we have introduced would amend section 119 in three important ways. First, nonferrous smelters would be allowed to curtail operations on a temporary basis as a way of complying with air quality standards through intermittent controls. In addition, the termination date for nonferrous smelter orders would be extended 5 years to 1988 and 1993, respectively. Finally, EPA would be required to establish new regulations on what constitutes good engineering practice for stack height credits in mountainous terrain where no other plant siting options are available, and weather inversions pose compliance not faced by plants in nonmountainous terrain.

Mr. President, these amendments are critical to the survival of the domestic smelting industry and will not result in any environmental damage. The fact is that American nonferrous smelters are, for the most part, currently meeting NAAQS and this has been accomplished by substantial investment. Between 1970 and 1978 the U.S. copper industry spent $1.1 billion for air pollution control devices. During that period, SO$_2$ emissions from copper smelters dropped from 11.6 percent to 5.7 percent of the total industrial SO$_2$ emissions.

This tremendous investment has put the industry in a difficult position in the world community market where the foreign competition is often government subsidized. The bottom line being that American companies are unable to pass on nonproductive investments in their product prices. If this industry is shouldered with additional nonproductive investments for clean air requirements the result will almost certainly be a number of U.S. smelter shutdowns resulting in concentrates going overseas for smelting. This would result in an increased dependency on foreign smelters and refineries for nonferrous finished metals such as copper, lead, and zinc and byproducts like silver and gold.

During the past 10 years, this country has averaged 90 percent in terms of total copper and copper alloy self-sufficiency. This self-sufficiency will decline radically if additional smelters are forced to close. Currently, there are very few nonferrous smelters left in this country and almost all are located in remote areas of the Western United States where they are often the predominate employers. Smelter shutdowns will have a significant adverse effect on unemployment in these western communities.

Mr. President, the final aspect of our bill that I would like to call my colleagues attention to is the elimination of the percent reduction requirement for new sources under section 111 of the act.

This issue, known best by its shorthand name as the "scrubber" issue, represents to me the greatest single purely economic boondoggle that we attempt to address. If the average western utility user knew of the impact that this requirement has on his monthly utility bill, he or she would be as outraged as I have been after giving the matter some scrutiny.

Mr. President, current law requires a 70 to 90 percent SO_2 removal rate for new coal-fired powerplants by requiring the installation of expensive scrubbing devices on these plants. When EPA promulgated the original new source performance standards for coal-fired plants in 1971, the rules allowed new units to meet a maximum SO_2 emmission rate of 1.2 pounds per million Btu's of heat by the use of low-sulfur coal alone, or by add-on flue gas scrubbers. Most western coal can be burned in compliance with the 1.2 pound emmission level while most eastern coal cannot.

Naturally enough, west-to-east coal shipments increased sharply after the 1971 rules went into effect. In order to meet the NSPS, eastern utilities began contracting for low-sulfur western coal. The result was that by 1977 eastern utilities consumed 25 million more tons of western coal than they did in 1970.

In 1977, as a result of the efforts of a bizarre coalition of environmentalists and eastern coal interests, Congress mandated that flue gas scrubbers be installed on all new fossil-fueled powerplants. The background of this legislative achievement is outlined in a recently published book by Bruce Ackerman and William Hassler entitled "Clean Coal/Dirty Air or How the Clean Air Act Became a Multibillion Dollar Bail-Out for High Sulfur Coal Producers and What Should Be Done About It." I recommend this book to all my colleagues as we begin the debate on the Clean Air Act.

Mr. President, we should be proud of the progress we have made in reducing air pollution in this country. I for one, want to continue that progress and I believe we can. However, I firmly believe that we can do so without economic bailouts like the percent-reduction requirement and without unnecessarily injuring key domestic industries and stifling growth. The bill we have introduced today meets those goals.●

By Mrs. HAWKINS:

S. 2478. A bill to amend the Controlled Substances Act, and for other purposes; to the Committee on the Judiciary.

OUTLAWING THE USE AND SALE OF METHAQUALONE

● Mrs. HAWKINS. Mr. President, except for marihuana, methaqualone is the most abused drug among teenagers and young adults in the United States. Today, I am introducing legislation which outlaws the use and sale of this hazardous narcotic.

Outlawing methaqualone will not inconvenience legitimate users. First marketed in the United States in 1965, methaqualone was developed to relieve insomnia. It was soon discovered, however, that its effectiveness is limited; after 2 weeks of use, the body develops a resistance to its sleep-inducing effects. As a result, medical associations stopped recommending it for treatment of insomnia. Furthermore, methaqualone is considered to be a addictive drug. Other, less dangerous therapeutic products are therefore used to treat insomnia. Nevertheless, a few clinics in major metropolitan areas now treat stress almost exclusively by prescribing this powerful, addictive central nervous system depressant. For example, about 80 to 90 percent of all prescriptions for methaqualone in New York State last year origninated in one stress clinic. And, during a 13-month period, one Miami stress clinic doled out 6,941 methaqualone prescriptions at $100 each—for an income of $694,100. Usually these clinics are owned by drug entrepreneurs who have hired physicians willing to circumvent Federal law for a price.

My legislation removes methaqualone from the market by amending the Controlled Substances Act to raise it from a schedule II controlled substance to a schedule I. This change will effect a ban on the sale and use of this hazardous narcotic. It assures that stress clinics will no longer reap windfall profits by trafficking in methaqualone.

Mr. President, the need for this legislation is increasingly urgent. Nationally, emergency methaqualone abuse in 1980 brought nearly 6,000 into hospital emergency rooms. We can expect this figure to be higher in 1982 unless Congress acts because more people are abusing methaqualone. The National Institute on Drug Abuse reports that use by seniors in high school grew from 8 percent in 1975 to nearly 11 percent in 1981.

Statistics released by the Dade County, Fla., Medical Examiner's Department indicated that 66 deaths last year in Dade County alone were related to methaqualone use. This is more than the previous 4 years combined.

Additionally, this bill addresses the shocking problem of methaqualone related pharmacy theft. Recently, the Eckart Drug Co. has announced that many of the robberies at its 1,209 pharmacies in 15 States are committed by people seeking methaqualone.

As Senators, we have a responsibility to take action against methaqualone abuse, its associated accident deaths, and related pharmacy theft. I believe we should follow the examples set by the States of Florida and Georgia by outlawing the use of this dangerous narcotic. I invite my colleagues to join me in this effort to reduce youth drug abuse and its associated violent crime.●

By Mr. SYMMS (for himself, Mr. BENTSEN, Mr. BOREN, Mr. COHEN, Mr. HELMS, Mr. JEPSEN, Mr. JOHNSTON, Mr. MATHIAS, Mr. MATTINGLY, Mr. MCCLURE, Mr. NUNN, and Mr. ZORINSKY):

S. 2479. A bill to amend the Internal Revenue Code of 1954 to treat certain interests as closely held businesses for estate tax purposes, to prevent the acceleration of estate tax installment payments in certain situations, and for other purposes; to the Committee on Finance.

SECTION 6166 TECHNICAL REVISION ACT OF 1982

Mr. SYMMS. Mr. President, today I am introducing legislation, along with some of my colleagues, which will correct technical deficiencies in section 6166 and the redemption rules under section 303.

Section 6166 of the Internal Revenue Code permits an executor to extend the time of payment of the estate tax attributable to closely held business interests, including farms. The deferral provision, which was implemented by Congress in 1958, does not reduce taxes but only extends the period of payment for estates that qualify as being illiquid.

Often when Congress passes tax legislation, it unfortunately cannot foresee all of the technical problems that might arise from the passage of a

particular provision. As a result, technical revisions are normally necessary so that the full intent of Congress can be implemented with the greatest possible ease.

As presently written, section 6166 contains a number of intricate rules that frequently operate as traps for the unwary and cause many deserving estates to lose the relief extended by the statute because of inadvertent errors.

The purpose of the legislation being introduced today is to make only technical, clarifying changes in the law, not to change past or present policy on section 6166.

A tremendous amount of effort has been made to review this section of the Internal Revenue Code. Last year, a Task Force on Technical Revision of Section 6166 was formed to lend their expertise in recommending the needed technical revisions so that the full intent of Congress could be executed.

The following law firms and accounting firms from throughout the country are members of the Task Force on Technical Revision of Section 6166. Listed beside each firm is the name of the person who is principally involved with section 6166 and related matters:

Arthur Andersen & Co., Sam Murray.
Baker & Botts, J. Thomas Eubank.
Cox, Castle & Nicholson, Jeffrey Lapota.
Deloitte, Haskins & Sells, Alexander Zakupowsky.
Dow, Lohnes & Albertson, Bernard J. Long, Jr.
Ernst & Whinney, Herbert J. Lerner.
Frank, Bernstein, Conaway & Goldman, Shale D. Stiller.
Giordano, Halleran & Crahay, John A. Aiello.
Gordon, Feinblatt, Rothman, Hoffberger & Hollander, Marc P. Blum.
Greenebaum Doll & McDonald, Martin S. Weinberg.
Hogan & Hartson, Sara-Ann Determan.
Jones, Walker, Waechter, Poitevent, Carrère & Denègre, Edward B. Benjamin, Jr.
Katten, Muchin, Zavis, Pearl & Galler, Sheldon I. Banoff.
Lidell, Sapp, Zivley, Brown & LaBoon, Walter Zivley.
Nelson & Harding, Senator Carl Curtis.
Peat, Marwick, Mitchell & Co. Gilbert Bloom.
Sills Beck Cummis Radin & Tischman, Herbert L. Zuckerman.
Prince, Yeates & Geldzahler, David S. Geldzahler.
Shea & Gould, James C. Heinhold.
Silverstein and Mullens, Ronald D. Abramson.
Sutherland, Asbill & Brennan, Mac Asbill, Jr.
Vinson & Elkins, Marvin K. Collie.

SPECIFIC PROPOSALS FOR TECHNICAL REVISION OF SECTION 6166

The Economic Recovery Tax Act of 1981 made a number of significant changes in the availability and operation of section 6166.[1] Although, section 6166 continues to be plagued by numerous technical deficiencies, it is a valuable provision which should be preserved.[2] In order to remedy these technical deficiencies, the Task Force on Technical Revision of Section 6166 suggests the following specific legislative proposals.

A. NECESSITY FOR JUDICIAL REVIEW

An overriding problem in this entire area is the fact that any dispute which arises under section 6166 cannot be resolved in court, thereby making the Revenue Service the sole arbiter of all controversies. This unintended imbalance between the taxpayer and the Revenue Service needs to be remedied at the earliest possible time through the creation of a judicial forum for the resolution of all qualification and acceleration disputes arising under Section 6166.[3]

The declaratory judgment provision contained in the House-passed version of the Economic Recovery Tax Act of 1981 can serve as a model for legislation. However, decisions of the Tax Court should be reviewable by the circuit courts, as is the case with all other decisions of the Tax Court. Sufficient statutory safeguards are available to penalize taxpayers whose appeals from the Tax Court to the circuit courts are instituted or maintained merely for delay or where the appeals are frivolous or groundless.[4] Moreover, in order to appeal to a circuit court, the taxpayer must pay the amount of tax in dispute at the outset of the appeal or comply with the complex and expensive bonding procedures which are very rarely utilized.[5] Accordingly, the task force endorses S. 1733 because it would provide a reviewable Tax Court judicial forum.

B. CLARIFICATION OF STATUS OF CORPORATE AND PARTNERSHIP HOLDING COMPANIES

In order to reflect present business practices which oftentimes utilize corporate and partnership holding company structures, section 6166 should be clarified to permit a decedent to own either a direct or indirect interest in a corporation or partnership carrying on a trade or business. In other words, if a decedent's interest is in a holding company and the holding company owns a subsidiary which is engaged in a trade or business, the decedent's estate should have the benefits of section 6166, assuming that other requirements of the section are met.[6]

There is no justifiable reason for the International Revenue Code to exclude partnership and corporate holding companies from the benefits of section 6166. The congressional purpose underlying section 6166—to provide a long-term payout to estates with liquidity problems in order to prevent a forced sale to larger publicly owned companies—should apply equally to holding companies and to entities without corporate or partnership subsidiaries.[7]

C. CLOSELY HELD BUSINESS INTEREST SHOULD INCLUDE INDEBTEDNESS

Section 6166 should be amended to permit indebtedness to qualify for deferral benefits if the decedent's equity interest in the partnership or corporation, standing alone, would constitue a closely held business interest for purposes of section 6166. Section 6166 should not contain a bias in favor of equity over indebtedness.

In addition, section 6166 should be amended to enable buy outs to occur prior to the death of one of the owners, if such person has been an owner for at least 1 year prior to the buy out.[8] Thus, a note receivable from a corporation or partnership would be eligible for the deferral privilege if the note, at the time of the decedent's death, represents 20 percent or more of the total value of the business[9] or the corporation or partnership has 25 or fewer owners.

D. INDIVIDUALS ENGAGED IN OIL AND GAS BUSINESS AS SOLE PROPRIETORS

Under the vast sweep of section 3797(a)(2) of the Internal Revenue Code of 1939, coownership and operation of oil and gas leases was held to be a partnership for Federal tax purposes. This was true even though each co-owner marketed his own share of the production and hence there was no joint profit. (I.T. 3930, 1948-2 C.B. 126; I.T. 3948, 1949-1 C.B. 161; Bentex Oil Corp., 20 T.C. 565 (1953))

In the Internal Revenue Code of 1954, Congress recognized that to require a partnership for general income tax purposes was inconvenient for the Internal Revenue Service and unjust to the taxpayer. Hence, after reiterating the same broad definition of partnership in section 7701, Congress permitted in section 761 an election out of the partnership category for such types of partnerships. The election, however, is only for purposes of subchapter K, dealing with partners and partnerships under chapter 1 of subtitle A; this subtitle concerns only income taxation.

Section 6166, however, is part of subchapter B of chapter 62 of subtitle F dealing with procedure and administration of the Internal Revenue Code. Therefore, in its use of the term "partnership," section 6166 is controlled by the definition in section 7701 without any provision for election out of the partnership category. (*Bryant* v. *Commissioner*, 339 F.2d 800 (5th Cir., 1968); Unpublished Letter Ruling No. 8042011, July 1, 1980)

The unjustness of the resulting situation is readily apparent to those operating today in the oil and gas business. Section 6166 permits the installment payment of Federal estate taxes if, among other qualifications, the decedent's interest in a single closely held business exceeds 35 percent of the adjusted gross estate. If a decedent has

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Footnotes at end of article.

an interest in more than one closely held business and each such interest is 20 percent or more of the total value of such business, then such interests may be aggregated in reaching the 35-percent plateau. While the Internal Revenue Service has long recognized that operating and developing interests in oil and gas leases is a business (Rev. Rul. 61-55, 1961-1 C.B. 713), recently it became the position of the Internal Revenue Service that each coowned oil and gas lease is a separate and distinct partnership; hence, the decedent must have a 20-percent or greater interest in the total value of such partnership business, that is, each oil and gas lease in which he has an interest for the requisite aggregation. (Unpublished Letter Ruling No. 8042011, July 1, 1980)

As a practical matter this eliminates most individual oil and gas operators from utilization of the relief of section 6166. With the present-day costs of oil and gas exploration and development, most individuals cannot take, or retain, 20 percent of each lease for exploration. Even if one could, such percentage aggregation requirement is especially difficult to meet when modern methods of conservation, such as unitization, are required. For example, if an individual has 25 percent in value of a producing lease to maintain qualification for the aggregation threshold, he would have to resist a unitization that potentially requires his interest in the unitized leasehold to be reduced to a small percentage, such as 2 or 3 percent, a not uncommon situation.

The fair solution to this inequitable and undesirable result is to treat all coownership of oil and gas leases as being one business for the purposes of section 6166, just as was done consistently in practice prior to 1980. The requisite business type of ownership is assured by the reference to the ability to elect out of the partnership category for purposes of such partnership under section 761(a)(2). Thus, this ability to elect out is not present in a limited partnership. It is only present when one has a direct operating ability and liability. Accordingly, the proposed amendment would not benefit syndicated oil and gas tax shelters. Moreover, the proprietorship still must satisfy the other statutory requirements of section 6166, including the trade or business test, before it can be classified as an interest in a closely held business.

E. THE "POOL OF CAPITAL" DOCTRINE

All over the country there are independent persons who make their living by locating, identifying, or acquiring mineral rights or leases on behalf of or for sale to others who will attempt to explore and develop such properties. Typically, these independent professionals receive for their services, or for their interest in minerals, an overriding royalty interest, net profits interest, or other nonoperating interest in the minerals which have been located, identified, or acquired, plus in some cases reimbursement of the out-of-pocket costs. At death they typically hold a substantial number of such interests in various mineral properties, each much smaller than 20 percent of the total leasehold interest. Although these numerous small interests are nonoperating interests, they represent the business assets of the decedent and the value of these interests reflect in part the personal efforts of these individuals.

The facts surrounding these independent professionals are unique for two reasons. First, in the natural resources field, and in oil and gas in particular, there is the "pool of capital" doctrine which runs counter to the general rule that the receipt of an interest in property for services is taxable. A contributor to the pool of capital whose contribution of materials, services, or a mineral interest, enables a particular well to be drilled; that is, enables the capital to be provided to drill that particular well, receives an interest in the well and its acreage without recognition of income because Congress and the Internal Revenue Service have long recognized that such contributions are necessary in order to have the natural resources developed.

Second, all or virtually all of the independent professional's profit from his business comes from these property interests received as a result of his contributions to the pool of capital, so that he is indeed only in the business of providing services or mineral interests as contributions to pools of capital. By contrast, attorneys, real estate brokers, and others who provide services are usually remunerated for their services in cash, and only take interests in particular transactions from time to time and as incidental to their normal business of deriving cash profits for their services.

Taken together, these interests of a professional represent a closely held business, and their heirs should be entitled to the benefits of section 6166 despite the fact that each business asset, taken separately, is a nonoperating interest.

F. ASSETS LEASED TO CLOSELY HELD BUSINESS

Under present law, if a decedent directly or indirectly owns assets which are leased to a closely held business and the lease can be characterized as a net lease, the leased assets do not qualify for purposes of section 6166. However, if those assets were owned directly by the closely held business, section 6166 would be available with respect to them.

Section 6166 should apply to the assets used by the closely held business whether such assets are directly owned by that business or leased to the business by a partner or stockholder.[10] Accordingly, corrective legislation should provide that assets directly or indirectly owned by the decedent that are leased to a closely held business should qualify for purposes of section 6166 if such assets are used by the closely held business in carrying on a trade or business, throughout the 1-year period ending on the date of the decedent's death, and the decedent's stock or partnership interest in such closely held business qualifies for purposes of section 6166.[11]

By contrast, where money or other property is contributed or loaned to a closely held business but is not used in carrying on the trade or business during the 1-year period prior to death, section 6166 should not be available with respect to such money or other property.

G. ELIMINATION OF DISTINCTION BETWEEN CAPITAL AND PROFITS INTEREST IN A PARTNERSHIP

Under present law, if a partnership has more than 15 partners, determined by taking into account all of the attribution rules, the decedent must own 20 percent or more of the total capital interest in such partnership in order to qualify for section 6166. There are several reasons to amend section 6166(b)(1)(B)(i) to eliminate the distinction between an interest in partnership capital and an interest in partnership profits.

First, if the partnership has 15 or fewer partners, the decedent's partnership interest can qualify even if such interest is limited to partnership profits. Second, for purposes of the aggregation rule in section 6166(c), the decedent must own 20 percent or more of the total value of each business without regard to whether the decedent's partnership interest relates to capital or profits. Finally, numerous sections of the Revenue Code provide for attribution between a partner and a partnership where the partner owns a prescribed interest in either partnership profits or partnership capital.[12]

H. ELIMINATION OF DISTINCTION BETWEEN VOTING AND NONVOTING STOCK

Under present law, if a corporation has more than 15 shareholders, determined by applying all of the attribution rules, the decedent must own 20 percent or more in value of the voting stock of such corporation in order to qualify for section 6166. There are several reasons section 6166(b)(1)(C)(i) should be amended to eliminate the distinction between voting and nonvoting stock.

First, if the corporation has 15 or fewer shareholders, the decedent's stock interest can qualify even if such interest is comprised solely of nonvoting stock. Second, for purposes of the aggregation rule in section 6166(c), the decedent must own 20 percent or more of the total value of each business without regard to whether the decedent's stock is voting or nonvoting. Finally, several provisions of the Reve-

nue Code provide for attribution between a shareholder and a corporation where the shareholder owns a certain minimum percentage of the value of the outstanding stock including both voting and nonvoting stock.[13]

I. COORDINATION WITH SUBCHAPTER S PROVISIONS

In order to preserve the historic relationship between the subchapter S provisions and the estate tax deferral provisions, dating back to 1958, a decedent's interest in a corporation should qualify under section 6166 if such entity has 25 or fewer stockholders.[14] In order to achieve additional coordination between the two provisions, the spousal attribution rules in section 6166(b)(2)(B) and section 6166(c) should be revised to eliminate the common ownership requirement and to include estates of deceased spouses.

J. SIMPLIFICATION OF ATTRIBUTION RULES

Under present law, in determining whether the 15-person numerical test is satisfied, three complex and at times overlapping attribution rules are applicable: spousal, family and entity. By contrast, in determining whether the percentage ownership test is satisfied, the executor can elect to apply these attribution rules, but only by giving up the 4-percent interest rate and the 5-year interest only provisions. In the case of a husband and wife where one of the spouses is the decedent, both spousal and family attribution would be applicable, although spousal attribution is limited to situations in which the closely held business interest is jointly or commonly owned. Finally, attribution does not extend to estates of family members.

Present law should be amended to combine the spousal and family attribution rules into a single provision applicable, without any penalties, to both the percentage and numerical qualification tests. In addition, in order to preserve the current interaction between family and spousal attribution, the definition of family should be amended to include spouses of an owner's brothers and sisters as well as spouses of such owner's lineal descendants. Finally, estates of family members should be included for purposes of attribution.

K. EXPANSION OF AGGREGATION RULE TO INCLUDE NUMERICAL TEST

Aggregation under section 6166(c) should be permitted for each of the decedent's interests which satisfy either the numerical or percentage qualification tests. Since modern business practices often favor the creation of multiple entities, section 6166 should not impose a stiffer requirement in the case of two or more entities, but, at the same time, provide a more lenient qualification standard where the decedent dies owning a single closely held business interest.[16] In effect, all closely held business interests qualifying under section 6166(b)(1) should be eligible for aggregation.

However, in order to assure that section 6166 is not available to estates which are comprised of a multitude of small interests, aggregation only should be available if each interest equals 5 percent or more of the adjusted gross estate, except that interests which are sole proprietorships or which meet the percentage tests would be eligible for aggregation in all events as under present law.

L. EXPANSION OF ACCELERATION EXCEPTIONS

Since buy-out agreements often are an essential element in the continuation of a closely held business after the death of one of the owners, section 6166 should be amended to permit an estate to sell its stock or partnership interest to the company or an existing owner or employee [16] in exchange for a note without resulting in acceleration. The American Bar Association has recommended a similar change.[17]

Second, the acceleration exception for section 303 redemptions should be expanded to permit the proceeds of such redemption to be used for any of the purposes enumerated in section 303(a). Under current law, a section 303 redemption can include amounts sufficient to cover Federal and State death taxes, interest on such death taxes, and funeral and administration expenses under section 2053, whereas section 6166(g)(1)(B) is limited to Federal estate taxes. In addition, corrective legislation should provide that for redemptions occurring during the 5-year interest only period, such proceeds must be utilized for the enumerated purposes by the end of such period; for redemptions occurring after such period, the proceeds must be so utilized within 1 year of the redemption.

Third, the acceleration exception for section 303 redemptions should be expanded to provide equivalent treatment for partnerships and proprietorships. There is no justification for permitting an estate to receive funds from a closely held corporation to pay enumerated expenses without causing acceleration, but to deny that right to partnerships and proprietorships. Acceleration is not justified in either case because the estate must pay such expenses (or reimburse itself) with the funds it receives from the closely held business. This exception also should be expanded to apply to the extent amounts are received from the business for the designated purposes, whether by way of dividends, redemption proceeds, or principal payments on indebtedness which qualifies as a closely held business interest. However, interest on such indebtedness would not be counted for acceleration purposes. In addition, this exception should be available whether the funds received reimburse the estate for the designated purposes or such funds are used for the designated purposes within prescribed time periods after the funds are received.

Fourth, the acceleration exception in section 6166(g)(1)(C) should be expanded to include all reorganizations under section 368 if the stock received by the decedent's estate (or heirs) would have qualified as a closely held business interest if owned by the decedent on the date of his death. In effect, closely held businesses should be allowed to be acquired in tax-free transactions by unrelated closely held businesses without causing acceleration.[18]

For similar reasons, a disposition of a closely held business interest should not result in acceleration to the extent no gain is recognized pursuant to the like kind exchange provisions of section 1031 or the involuntary conversion provisions of section 1033.

Finally, the acceleration exception for subsequent death-related transfers should be amended to repeal the family limitation. When the original decedent dies, section 6166 is available whether or not the decedent leaves any portion of the estate to nonfamily members. However, on the death of an heir of the original decedent, the acceleration exception only is available if the subsequent transferee is a member of the transferor's family. There are many situations in which business associates—including employees—and charitable organizations are beneficiaries of an estate. In effect, under present law, an heir of the original decedent is penalized if the closely held business interest is left, in whole or in part, to such business colleagues or charitable organizations. The goal of section 6166—to preserve closely held businesses after the death of one of the owners—is enhanced if such owner is free to determine the beneficiaries of the business interest. The task force supports S. 1734 because it repeals the family limitation.

M. SOLUTION TO INTEREST AS AN ADMINISTRATION EXPENSE

An extremely complicated situation is presented because interest throughout the 14-year period is deductible as an administration expense under section 2053. However, according to the Revenue Service, a deduction can only be claimed when the interest is actually paid or accrued. One method of eliminating the complex procedures prescribed by the Revenue Service, while retaining the economic benefit of the deduction, would be to amend section 2053 to exclude interest as a deduction but to reduce the interest rate by 50 percent to compensate for such elimination.[19]

The task force recommends that the interest attributable to the section 6166 deferral period should continue to be deductible as an administration expense under section 2053. The interest rate would be fixed for the entire deferral period, geared to the then prevailing yield on Treasury obligations of comparable maturity. All of the interest attributable to the payout period, including interest imposed by a State, would be deductible when the estate tax return was filed. In the event an estate terminated the deferral privilege prematurely, one recalculation procedure would be required at that time; otherwise no recalculations would be necessary. This approach preserves the legal principles presently operating, but drastically simplifies the current situation by eliminating the now complex and prolonged administrative procedures.

N. EFFECTIVE DATES

The proposed legislative changes described in sections B, C, D, E, F, G, H, I, J, and K, all of which relate to changes in qualification requirements under section 6166, would apply to estates of decedents dying after December 31, 1981.

The changes in the acceleration rules, section L, would apply to dispositions and withdrawals made after December 31, 1981, even if the election under section 6166 or section 6166A applied to decedents dying before January 1, 1982.

The provisions relating to judicial review, section A, generally would apply to estates of decedents dying after December 31, 1981, except that controversies involving dispositions and withdrawals made after December 31, 1981 would be subject to judicial review even if the election under section 6166 or section 6166A applied to decedents dying before January 1, 1982.

Finally, the proposed change involving the deductibility of interest as an administration expense, section M, generally would apply to decedents dying after December 31, 1981. However, in order to eliminate the complex procedures prescribed by the Revenue Service with respect to the deductibility of interest for decedents dying before January 1, 1982, a transitional rule would permit such estates to elect to utilize the new interest deduction provision for the post-1981 term of the section 6166 or section 6166A payout period.

FOOTNOTES

[1] Unless otherwise indicated, all references are to the Internal Revenue Code of 1954, as amended, and the Treasury Regulations promulgated thereunder.

[2] A recent report by the Comptroller General of the United States recommended that section 6166 should be utilized exclusively if a tax preference for farm estates is to be preserved. "Special Estate Tax Provisions For Farmers Should Be Simplified To Achieve Fair Distribution of Benefits." General Accounting Office, September 30, 1981.

[3] Congress acted expeditiously in an analogous situation involving the jurisdiction of the Tax Court. See Public Law 96-596, "Chapter 42 Second Tier Tax Correction Act of 1980."

[4] Section 7482(c)(4); 28 U.S.C. section 1912; Rule 38 of the Federal Rules of Appellate Procedure. In addition, the Internal Revenue Service could impose penalties pursuant to section 6653 in the event an underpayment of taxes was due to negligence, intentional disregard of rules and regulations (but without intent to defraud), or fraud. The underpayment would be equal to the total amount of taxes which the taxpayer defers in the case of a qualification dispute and the unpaid balance of deferred taxes in the case of an acceleration dispute.

[5] Section 7485(a); rule 192 and forms 9-12 of the Rules of Practice and Procedure of the United Tax Court. By comparison, prior to the time the Tax Court reaches its decision, the taxpayer must continue to make installment payments under section 6166.

[6] Thus, there would be a disposition for acceleration purposes where the estate disposed of the stock in the holding company or the holding company disposed of the stock of the active subsidiary.

[7] This proposal would not expand or contract the investment asset exception contained in the regulations (Treas. Regs. § 20.6166A-2(c)); the exception would not apply at the holding company level but would apply at the active subsidiary level. However, the exception would be modified, as described in section F, to deny its application to capital contributions which are not used by the partnership or corporation in carrying on the trade or business of such entity.

[8] To prevent deathbed transactions, the indebtedness would have to have been in existence for at least 1 year prior to death or the date of the buyout. In addition, under the acceleration provisions, the note would no longer qualify as a closely held business interest as follows: (i) at such time as the stock or partner relationship was completely terminated; (ii) at such time as the note became readily tradeable within the meaning of section 453(f)(5); or (iii) at such time as the closely held business was acquired by a corporation, such corporation assumed or guaranteed the note, and the stock of such corporation was readily tradeable.

[9] The total value of the business would be determined by treating the note as a liability of the corporation or partnership.

[10] This result already prevails under section 2032A, where special use valuation is available for assets leased to a related partnership or corporation carrying on a trade or business. See section 2032A(g) and Unpublished Letter Ruling No. 8206009 (May 21, 1980).

[11] Thus, under the acceleration provisions, the leased assets would no longer qualify as a closely held business interest at such time as the stock or partner relationship was terminated.

[12] See sections 318(a)(2)(A) and (3)(A); 554(a) (1) and (2); 707(b) (1) and (2); 1239(c)(1)(B); and 1563(e)(2).

[13] See sections 267(b)(2); 318(a)(2)(C) and (3)(C); 554(a)(1); 1239(c)(1)(A); and 1563(e)(4).

[14] If this change is made, a corresponding change in the numerical test for partnerships would be necessary. In addition, if the permitted number of shareholders for a subchapter S corporation is increased to 35 as recently proposed by S. 2350 and H.R. 6055, similar changes should be made to section 6166.

[15] The numerical qualification test contains safeguards (specifically in the entity attribution rule) to assure that the total number of direct and indirect owners of a corporation or partnership are taken into account. Accordingly, no additional safeguards are needed in this area when the aggregation rule is expanded to include the numerical qualification test.

[16] An existing owner or employee would be defined as a person who was an owner or employee during the period beginning 1 year prior to the decedent's death and ending on the date of the buyout. In addition, in order to assure that the decedent has a continuing relationship to the closely held business, a note received pursuant to a "cross purchase" agreement only would qualify for the acceleration exception if the business guaranteed the note.

[17] If a closely held business is acquired by a corporation after the buyout agreement is implemented, such corporation assumes or guarantees the buyout note, and the stock of such corporation is readily tradeable, acceleration then would be proper. Acceleration also would occur if the buyout note itself becomes readily tradeable for any reason within the meaning of section 453(f)(5). With respect to a predeath buyout arrangement as well as indebtedness combined with the appropriate equity position, acceleration also should apply in the same circumstances.

[18] Section 303(c) applies to all reorganizations. (See Treas. Reg. § 1.303-2(d)). Moreover, section 303 was amended by section 422(b) of the Economic Recovery Tax Act of 1981 (Public Law 97-34) in order to coordinate those provisions with section 6166. H.R. Rep. No. 201, 97th Cong., 1st Sess. 181 (1981).

[19] The executor could retain the option to treat the interest expense as an income tax deduction, in which event the interest rate would not be reduced because the interest still would be deductible for income tax purposes. Alternatively, no income or estate tax deduction could be available and the reduced interest rate therefore would be mandatory.

By Mr. HELMS (by request):

S. 2482. A bill to repeal that paragraph of the act of March 4, 1913, that designates 10 percent of all national forest receipts for the construction of roads and trails on the national forests (37 Stat. 843, as amended; 16 U.S.C. 501); to the Committee on Agriculture, Nutrition, and Forestry.

NATIONAL FOREST LEGISLATION

● Mr. HELMS. Mr. President, at the request of the Secretary of Agriculture, John Block, I introduce a bill to repeal that paragraph of the act of March 4, 1913 (16 U.S.C. 501), that requires the 10 percent of all moneys received from activities on the national forests during each fiscal year shall be available for construction and maintenance of roads and trails on national forests in those States from which the receipts were derived.

To make these funds available they still must be appropriated; this requires that an estimate be made of the anticipated national forest receipts 2 years in advance of the fiscal year that they will be received. This estimate then must be included as a part of the overall appropriation process. Since, it is difficult to predict receipts with the needed degree of accuracy for budget purposes a road construction program partially dependent on these funds may be adversely affected when estimates exceed actual receipts. Supplemental appropriations may become necessary to maintain the originally budgeted program level.

It is the belief of the Secretary of Agriculture that the purpose of the paragraph in the 1913 act would be better served if the forest road construction program were financed entirely through the appropriations process, and the earmarking of national forest receipts for this purpose eliminated.

Mr. President, I ask unanimous consent that the transmittal letter from the Secretary of Agriculture as well as the bill be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

Department of Agriculture,
Office of the Secretary,
Washington, D.C., March 19, 1982.

Hon. George Bush,
President of the Senate,
Washington, D.C.

Dear Mr. President: Transmitted herewith, for the consideration of Congress, is a draft bill "To repeal that paragraph of the

Act of March 4, 1913, as amended, that designates 10 percent of all National Forest receipts for the construction of roads and trails on the National Forests (37 Stat. 843)."

The Department of Agriculture recommends introduction and enactment of the draft bill.

The proposed legislation would repeal a paragraph of the Act of March 4, 1913 (37 Stat. 843, as amended; 16 U.S.C. 501). This paragraph requires that 10 percent of all moneys received from activities on the National Forests during each fiscal year shall be available for construction and maintenance of roads and trails on National Forests in those States from which the receipts were derived.

To make these funds available they still must be appropriated. This requires that an estimate be made of the anticipated National Forest receipts 2 years in advance of the fiscal year that they will be received. This estimate then must be included as a part of the overall appropriation process. It is difficult to predict receipts with the needed degree of accuracy for budget purposes. A road construction program partially dependent on these funds may be adversely affected when estimates exceed actual receipts. Supplemental appropriations may become necessary to maintain the orginally budgeted program level. The bulk of the National Forest road construction program appears in the Forest Service budget under two other items: (1) an annual appropriation for forest road construction; and (2) a permanent appropriation from a working fund for timber purchaser roads constructed by the Forest Service. As a practical budgetary procedure, the 10 percent road fund is merged with the first item.

We believe that the purpose of the paragraph in the 1913 Act would be better served if the forest road construction program were financed entirely through the appropriation process, and the earmarking of National Forest receipts for this purpose eliminated.

The proposed legislation would not require additional budget outlays by the Federal Government. Its enactment would have no significant effect upon the quality of the human environment.

The Office of Management and Budget advises that there is no objection to the presentation of this proposed legislation from the standpoint of the Administration's program.

A similar letter is being sent to the Speaker of the House of Representatives.

Sincerely,

John R. Block, *Secretary.*

S. 2482

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in order to insure that the construction of roads and trails on the lands of the National Forests proceed in an orderly and efficient manner, that paragraph of the Act of March 4, 1913, as amended, requiring that 10 percent of all moneys received from the national forests during each fiscal year shall be available for the construction and maintenance of roads and trails within the National Forests in States from which such proceeds are derived (37 Stat. 843, as amended; 16 U.S.C. 501), is hereby repealed.●

By Mr. RIEGLE (for himself, Mr. Cranston, and Mr. Dodd):

S. 2483. A bill to limit certain authorities under the National Housing Act; to the Committee on Banking, Housing, and Urban Affairs.

MORTGAGE PROTECTION LEGISLATION

● Mr. RIEGLE. Mr. President, I am today introducing legislation to protect the FHA mortgage insurance and GNMA mortgage backed securities (MBS) programs from the administration's proposed reductions in their commitment ceilings. These reductions would be ill-timed and ill-advised during this deep housing crisis. My legislation would maintain these programs during the next fiscal year at the levels approved for fiscal year 1982.

The FHA insurance and GNMA-MBS programs have been extremely important to the Nation's homebuyers and housing industry for many years. They have provided more open access to mortgage credit and to homeownership. They have contributed substantially over the last 40 years to the steady growth in the proportion of homeowners. Together, these programs have been invaluable in making us the best housed country in the world.

The FHA insurance programs are particularly important for moderate to middle income people and for first time homebuyers. They assure a reliable source of fixed rate financing with low downpayment requirements.

The GNMA-MBS program guarantees securities backed by pools of mortgages, which lenders issue to raise additional funds for mortgage lending.

Mr. President, it should be noted that both of these programs accomplish their purposes without cost to the Federal Treasury. Their costs are fully financed by user fees. Private institutions and private investment funds carry out program activities. In fact, the Government Accounting Office asserts that the FHA insurance programs reduce Federal borrowing in the private markets because the fees for the programs paid into the FHA insurance fund are invested in U.S. Treasury instruments.

The administration plans to reduce the FHA mortgage insurance commitment ceiling to $35 billion in fiscal year 1983 from the fiscal year 1982 level of $40 billion, while the GNMA-MBS would be cut back to $38.4 billion in commitments for fiscal year 1983 compared to $68.25 billion in fiscal year 1982.

The administration's proposals could not have come at a worse time. With the housing industry reeling from high interest rates, and housing markets closed to all but a few, the administration's proposals would restrict the availability of favorable mortgage financing even further. These proposed reductions signal to the housing industry and to the home buying public that the administration has decided to let the housing industry continue to flounder and housing markets to remain closed.

My legislation would retain the fiscal year 1982 commitment levels. I want to emphasize that these are insurance commitment levels, not Federal expenditures. This bill would also require the Secretary to notify the Congress when the commitment ceilings are approached, to give Congress ample time to raise them if conditions warrant.

The FHA and GNMA insurance programs are essential to the recovery of the housing industry. Emergency housing legislation to stimulate housing production, recently adopted by the Senate Banking Committee, is expected to boost production by as much as 50 percent above the current level. That will create heavy additional demand for FHA insured mortgages and for the GNMA-MBS program. The recovery we hope will follow this stimulus will require still more FHA financing. The administration's ceilings are insufficient to accommodate the stimulus program and sustain a broader recovery.

The higher ceilings that would be authorized by my bill are needed to maintain Federal support for homeownership and better housing conditions. They are needed to meet the growing demands for housing from the increasing number of people who are reaching home buying age and forming families.

Mr. President, my legislation would help assure that adequate home financing will become available. I urge its adoption.

Mr. President, I ask unanimous consent that the bill be printed at this point in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2483

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 306(g) of the National Housing Act is amended by adding at the end thereof the following:

"(3) During fiscal year 1983, the Association may not enter into commitments to issue guarantees under this subsection in an aggregate amount in excess of $68,250,000,000.".

(b) Section 531 of the National Housing Act is amended—

(1) by inserting "(a)" after "Sec. 531"; and

(2) by adding at the end thereof the following:

"(b) During fiscal year 1983, the Secretary may not enter into commitments to insure loans and mortgages under this Act with an aggregate principal amount in excess of $40,000,000,000.".

(c) The Secretary shall notify Congress whenever the cumulative fiscal year commitments issued under the Federal Housing Administration mortgage insurance programs or the Government National Mortgage Association Mortgage-Backed Security program exceed a pro rata share of the total year-to-date commitment authority during any quarter of the fiscal year. However, no limitation is imposed, by virtue of this section, on the cumulative quarterly commitments authorized to be issued by the Federal Housing Administration or the Government National Mortgage Association, except pursuant to the total commitment limitations imposed by the Appropriations Act. This notification shall be made within thirty days after the end of any quarter affected by this provision.●

By Mr. QUAYLE (for himself and Mr. Tsongas):

S. 2484. A bill to amend the Agricultural Act of 1949 to repeal the price support program for the 1982 through 1985 crops of sugar; to the Committee on Agriculture, Nutrition, and Forestry.

REPEAL OF SUGAR PROGRAM

Mr. QUAYLE. Mr. President, just 8 months ago, Mr. Tsongas and I proposed an amendment to the 1981 farm bill to eliminate the sugar program. At that time we argued that the sugar program would raise the consumer price of sugar, expose the U.S. Treasury to unneeded outlays, and disrupt our foreign policy in the Caribbean. Unfortunately, our warnings were not heeded and the sugar program is now law. Unfortunately for consumers, taxpayers, and our trading partners, our warnings are now coming true. Mr. President, there was never a pressing economic or social need for the sugar program. Now that the program is threatening to raise sugar prices even higher, to add to Federal deficits, and to disrupt our relations with Latin America, I believe the time has come to recognize our mistake. Mr. Tsongas and I are introducing a bill to repeal the sugar price program altogether.

Mr. President, the USDA and the administration are now considering imposing quotas on imported sugar. They have been forced into this corner because the world price of sugar has dropped to 9 cents per pound, and they can no longer keep the price of imported sugar high enough to prevent eventual forfeitures of sugar to the CCC. Import duties are at their maximum of 2.8 cents, and import fees are limited to one-half the ad valorem price, currently amounting to a little over 4 cents per pound. According to USDA calculations, sugar prices must be kept above 19 cents per pound in order to avoid purchases by the CCC. This support price simply cannot be maintained in the current world market conditions. Furthermore, analysts are projecting another bumper crop this year—which will keep world prices low. One reason for the overproduction is that the 4-year price support program encourages marginal producers to grow. So it appears that unless quotas are imposed we face the prospect of the U.S. Government making huge purchases of sugar. The CCC has already placed over 600,000 tons of sugar under loan since the program was inaugurated early this year. It would be pure guesswork to estimate the extent of eventual losses to the Treasury if sugar were forfeited, but it is a certainty that the Federal budget cannot tolerate further deficit spending.

Mr. President, even without imposing quotas on imports, the sugar program has had a tremendous impact on consumers. Each 1 cent increase in the price of sugar costs the American consumer about $300 million. The import duties and fees now in effect will thus cost Americans well over $2 billion this year alone. If quotas are imposed, prices will increase another 3 cents a pound, translating into an additional $1 billion price increase. At a time when recession, unemployment, and high interest rates have imposed austerity on all Americans, such needless and inflationary price increases are intolerable.

Mr. President, the use of import quotas to protect American sugar growers also presents an extremely serious threat to our international trading system and to our relations with the Central and South American nations which are among our major suppliers of sugar. In times of recession in the world economy, there is always a tendency to protect domestic producers against foreign competition. The current recession is no exception to this rule. American producers of both agricultural commodities and manufactured goods have seen their markets eroded by the increasing value of the dollar in exchange markets, by decreased demand, and by foreign subsidies of domestic products. Although we must be firm in protecting American interests against unfair competition, I believe our guiding principle should be the preservation of the free trade system which has been painstakingly developed over the past 40 years. I do not think I need to remind anyone that the United States has a huge balance of trade in agricultural products. Last year our surplus amounted to over $23 billion.

Mr. President, in the past few months the United States has been forced to exert a good deal of pressure on the European Economic Community and on Japan to keep them from imposing new restrictions on imports of American agricultural products. We have consistently upheld the principles of free trade and scrupulous adherence to the General Agreement on Tariffs and Trade. Mr. President, the use of import quotas on sugar would clearly contradict these principles and undermine our negotiating position. How can we ask the EEC and Japan to open their markets while we are closing ours? Although the legal status of import quotas is cloudy, it is possible that they are a violation of GATT. It is clear, however, that import quotas on sugar would violate the spirit of GATT and other international trade arrangements such as those under the International Sugar Organization.

In addition to undermining the free trade system, the use of quotas would do serious damage to our relations with sugar exporting nations. Mr. President, this administration and this Congress have devoted a great deal of effort and resources to improving relations with Central and South American countries. A major part of this effort, which is symbolized by the Caribbean Basin initiative, is designed to help stabilize the precarious economies of these nations.

In October 1981, the U.S. State Department made the following comments on the effect of the sugar program on our relations with Caribbean Basin nations:

> The answer to your inquiry is simple—the effect would be severe. The Administration is firmly committed to establishing a Caribbean Basin development program designed to reverse the economic and political decline of those countries. Improved economic and social conditions are crucial to their political stability and ability to resist subversion. A sugar program would undercut the President's commitment. . . . The Caribbean Basin would not be the only affected region. The U.S. is the world's largest sugar importer; thus, sugar support legislation would have major implications for other sugar exporting countries of strategic and economic importance to the U.S., including Brazil, the Philippines, Argentina, Thailand and Australia.

The sugar program alone damages the economies of our trading partners by encouraging marginal producers in the United States, by encouraging the market penetration of lower-priced sweetener substitutes, and thus reducing both the quantity and the price of foreign sugar. Many Caribbean Basin countries are highly dependent on their currency earnings from sugar. Sugar represents 40 to 50 percent of exports from the Dominican Republic, 30 percent from Guyana, 27 percent from Barbados, and 16 percent from Panama. The sugar industry in the Dominican Republic sells 98 percent of its $500 million crop to the United States, provides 85,000 jobs, and indirectly employs 500,000 of the nation's 5 million citizens.

The use of import quotas will only exacerbate the problems caused by the sugar program in the delicate economies of Caribbean Basin countries. Many of these nations have already expressed their concern about the impact of quotas on employment and economic growth in their countries. Quotas would also affect the economies of Brazil, Australia, Argentina, the Philippines, Thailand, Guatemala, Swaziland, and Colombia.

Mr. President, we cannot allow the sugar program to undermine the President's Caribbean Basin initiative. We cannot allow the sugar program to

cause economic disruption in the Caribbean. We cannot allow the sugar program to threaten the international trading system which is so beneficial to American agriculture. We cannot allow the sugar program to add to the Federal deficit. Most importantly, we cannot continue to punish the American consumer by raising the price of sugar even further. I call on my colleagues to support the principles of free trade and free market prices by eliminating the costly and counterproductive sugar program.

● Mr. TSONGAS. Mr. President, I join my colleague, Senator Quayle, in introducing a bill that would repeal the sugar price support system, title IX of the Agriculture and Food Act of 1981. Last year on September 17, Senator Quayle and I sponsored an amendment that would have deleted the sugar provisions from the so-called farm bill. That amendment did not pass and, unfortunately, the strong objections we had to that legislation have recently proved warranted.

We were concerned a year ago that a continued and chronic drop in the world price of sugar could force the Government to purchase thousands of tons of forfeited sugar from farmers at guaranteed price. The price of sugar has dropped 30 percent since January 1. Now the price is about 9 cents a pound and the farm bill guarantees farmers a price of 16.75 cents a pound. The complex fee schedule governing imported sugar is no longer sufficient to protect domestically produced sugar and the administration is exploring alternatives.

Last September, we warned that sinking prices migh spur the administration toward the kind of protectionist measures that would hurt consumers and impair our relations with other sugar producing nations.

Now, in fact, the administration is considering strict import quotas on foreign sugar. If those quotas are imposed, the cost of sugar and products that require sugar, will certainly increase. The loser will be the consumer. And our relations with the other sugar producing nations, many of them close allies, will surely suffer. These nations account for half the sugar consumed in this country.

Mr. President, when I spoke against this provision last September, the world price of sugar was averaging 14 cents a pound. A new price support program for sugar was unappealing at a time when drastic budget cuts were being made in the programs that serve the poor.

Now that sugar is averaging 9 cents a pound and we are facing budget deficits approaching $200 billion, price supports for sugar are even less appealing to me. If we do not repeal title IX of the Agriculture and Food Act of 1981, the Government's choices are bleak. By the administration's own estimates, loan forfeitures could result in budget hemorrhage this year of $200 million. If instead we impose import quotas and force consumers to pay as much as $1 billion a year more for sugar, we will anger several of our allies.

Mr. President, price supports for sugar were a bad idea last September. They are a bad idea now. We can avoid the costly mistakes of this statute by repealing this section of the agriculture bill immediately. It is the practical thing to do. It is the ethical thing to do. It is the cost-effective thing to do.

I urge my colleagues to join us in this effort and to join us at once. Not to do so is to perpetuate a lamentable and unnecessary cost to the Government and to the consumer.●

By Mr. STAFFORD (for himself, Mr. Baker, Mr. Thurmond, Mr. Randolph, Mr. Chafee, Mr. Mitchell, Mr. Gorton, Mr. Baucus, Mr. Tsongas, Mr. Danforth, Mr. Abdnor, Mr. DeConcini, Mr. Ford, Mr. Eagleton, Mr. Lugar, Mr. Rudman, Mr. Weicker, Mr. Sarbanes, Mr. Murkowski, Mr. Sasser, Mr. Pell, Mr. D'Amato, Mr. Mathias, Mr. Quayle, Mr. Jackson, Mr. Exon, Mr. Durenberger, Mr. Roth, Mr. Chiles, Mr. Pryor, Mr. Matsunaga, Mr. Dixon, Mr. Cranston, Mr. Bumpers, and Mr. Robert C. Byrd):

S.J. Res. 195. Joint resolution designating the week of May 2 through May 9, 1982, as "National Clean Air Week"; considered and passed.

(The remarks of Mr. Stafford on this legislation appear elsewhere in today's Record.)

ADDITIONAL COSPONSORS

S. 1215

At the request of Mr. Proxmire, the Senator from Hawaii (Mr. Matsunaga) was added as a cosponsor of S. 1215, a bill to clarify the circumstances under which territorial provisions in licenses to distribute and sell trademarked malt beverage products are lawful under the antitrust laws.

S. 1444

At the request of Mr. Thurmond, the Senator from Washington (Mr. Gorton) was added as a cosponsor of S. 1444, a bill to authorize the Administrator of General Services to donate to State and local governments certain Federal personal property loaned to them for civil defense use, and for other purposes.

S. 1691

At the request of Mrs. Hawkins, the Senator from California (Mr. Cranston) was added as a cosponsor of S. 1691, a bill to amend the Federal Reserve Act with respect to the terms of the Board of Governors of the Federal Reserve System, and for other purposes.

S. 2147

At the request of Mr. DeConcini, the Senator from Idaho (Mr. Symms) was added as a cosponsor of S. 2147, a bill to require amendment of the Internal Revenue Code of 1954 to provide a simple income tax with low marginal rates and to require the Secretary of the Treasury to propose legislation to establish such an income tax.

S. 2174

At the request of Mr. Thurmond, the Senator from Minnesota (Mr. Boschwitz) was added as a cosponsor of S. 2174, a bill to recognize the organization known as American ex-prisoners of war.

S. 2270

At the request of Mr. Lugar, the Senator from North Carolina (Mr. East) was added as a cosponsor of S. 2270, a bill to amend section II of the Social Security Act to provide generally that benefits thereunder may be paid to aliens only after they have been lawfully admitted to the United States for permanent residence, and to impose further restriction on the right of any alien in a foreign country to receive such benefits.

S. 2335

At the request of Mr. Weicker, the Senator from Florida (Mr. Chiles), and the Senator from North Dakota (Mr. Burdick) were added as cosponsors of S. 2335, a bill to amend the Internal Revenue Code of 1954 to provide that any small issue which is part of a multiple lot shall meet the requirements of the small issue exemption.

S. 2356

At the request of Mr. Hart, the Senator from Hawaii (Mr. Inouye), and the Senator from Massachusetts (Mr. Tsongas) were added as cosponsors of S. 2356, a bill to authorize negotiations directed toward opening foreign markets to U.S. exports of high technology products, and for other purposes.

S. 2362

At the request of Mr. Armstrong, the Senator from Utah (Mr. Garn) was added as a cosponsor of S. 2362, a bill to abolish the Synthetic Fuels Corporation.

S.2372

At the request of Mr. Hatfield, the Senator from Mississippi (Mr. Stennis) was added as a cosponsor of S. 2372, a bill to affirm the intrinsic value of all human life, to recognize the humanity of unborn children, and to insure that the Federal Government not participate in or support abortions.

S. 2455

At the request of Mr. Heinz, the Senator from Tennessee (Mr. Sasser), and the Senator from Missouri (Mr. Danforth) were added as cosponsors of S. 2455, a bill to extend the targeted jobs tax credit.

SENATE JOINT RESOLUTION 175

At the request of Mr. Kasten, the Senator from Alaska (Mr. Stevens), the Senator from Hawaii (Mr. Inouye), the Senator from Kentucky (Mr. Huddleston), the Senator from North Dakota (Mr. Burdick), and the Senator from Connecticut (Mr. Weicker) were added as cosponsors of Senate Joint Resolution 175, a joint resolution authorizing and requesting the President to proclaim "National Junior Bowling Championship Week."

SENATE JOINT RESOLUTION 183

At the request of Mr. Specter, the Senator from Michigan (Mr. Levin), and the Senator from Minnesota (Mr. Durenberger) were added as cosponsors of Senate Joint Resolution 183, a joint resolution to authorize and request the President to issue a proclamation designating October 19 through October 25, 1982, as "Lupus Awareness Week."

SENATE CONCURRENT RESOLUTION 60

At the request of Mr. Pressler, the Senator from Georgia (Mr. Mattingly) was added as a cosponsor of Senate Concurrent Resolution 60, a concurrent resolution disapproving the Federal Trade Commission trade regulation rule relating to the sale of used motor vehicles.

SENATE CONCURRENT RESOLUTION 81

At the request of Mr. Specter, the Senator from California (Mr. Cranston) was added as a cosponsor of Senate Concurrent Resolution 81, a concurrent resolution to express the sense of the Congress that the President should promptly hold a summit with leaders of the Soviet Union to reduce the risks of nuclear war and to seek control and reduction of nuclear weapons.

SENATE CONCURRENT RESOLUTION 82

At the request of Mrs. Hawkins, the Senator from West Virginia (Mr. Randolph) was added as a cosponsor of Senate Concurrent Resolution 82, a concurrent resolution expressing the sense of the Congress that the people of the United States should observe the month of May 1982 as Older Americans Month.

SENATE RESOLUTION 262

At the request of Mr. Leahy, the Senator from Missouri (Mr. Eagleton), the Senator from Nebraska (Mr. Zorinsky), the Senator from North Dakota (Mr. Burdick), the Senator from Wisconsin (Mr. Kasten), and the Senator from Nebraska (Mr. Exon) were added as cosponsors of Senate Resolution 262, a resolution to express the sense of the U.S. Senate support for energy conservation programs.

SENATE RESOLUTION 270

At the request of Mr. Huddleston, the Senator from Indiana (Mr. Lugar) was added as a cosponsor of Senate Resolution 270, a resolution relating to the "Great Friendship Run."

SENATE RESOLUTION 340

At the request of Mr. Robert C. Byrd, the Senator from Rhode Island (Mr. Chafee) was added as a cosponsor of the Senate Resolution 340, a resolution to express the sense of the Senate that no action be taken to terminate or otherwise weaken the community service employment program under title V of the Older Americans Act of 1965.

SENATE CONCURRENT RESOLUTION 89—CONCURRENT RESOLUTION RELATIVE TO ARSON RESEARCH AND TRAINING

Mr. GLENN (for himself, Mr. Tsongas, Mr. Sarbanes, Mr. Biden, Mr. Riegle, Mr. Moynihan, Mr. Cannon, Mr. Lugar, Mr. Bradley, Mr. Exon, Mr. Melcher, Mr. Kennedy, Mr. Heflin, Mr. Leahy, Mr. Zorinsky, and Mr. Jackson) submitted the following concurrent resolution; which was referred to the Committee on Commerce, Science, and Transportation:

S. Con. Res. 89

Whereas the United States Fire Administration was established in 1974 to reduce significantly the unacceptable high rate of death, injury and property loss in the United States within the next generation;

Whereas annually fire claims nearly eight thousand lives in the United States and injures another three hundred thousand Americans and constitutes a major burden affecting interstate commerce;

Whereas annually arson claims nearly one thousand lives in the United States and injures ten thousand Americans.

Whereas the anti-arson and fire safety programs of the United States Fire Administration are vital components to a national program of arson and fire prevention, detection and control; and

Whereas the United States Fire Administration must continue to reinforce and support the arson and fire prevention, detection, training and control activities of state and local governments; Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring) that it is the sense of the Congress that the United States Fire Administration should continue its arson research and training mission and its assistance to the anti-arson and fire safety efforts of states and localities; and be it further

Resolved That Congress continue support of the United States Fire Administration, as recommended in the report of the National Commission on Fire Prevention and Control entitled "America Burning", and most recently affirmed by the Joint Council of the National Fire Service Organizations on March 1, 1982.

Mr. GLENN. Mr. President, I am submitting a concurrent resolution today which will express the sense of the Congress that the U.S. Fire Administration should continue its arson research and training mission and its assistance to the antiarson and fire safety efforts of States and localities. Unfortunately, the administration's proposal to "zero fund" the agency makes it necessary for me to submit this resolution.

I thank my colleagues who have cosponsored the resolution, as well as those who have offered their support, and I invite other Senators to join us in support of this measure. I am pleased that a similar resolution, House Concurrent Resolution 288, has been submitted in the House of Representatives and has been favorably reported by the House Committee on Science and Technology.

The aim of the resolution is also supported by the Joint Council of the National Fire Service Organizations, the International Association of Fire Fighters, the International Association of Fire Chiefs and the National Volunteer Fire Council. These organizations strongly oppose the administration's proposal. On March 1, 1982, the Joint Council of the National Fire Service Organizations adopted the following resolution:

> That the Joint Council strongly supports the continued funding of the United States Fire Administration in fiscal year 1983 at a minimum level of 8.5 million dollars. Further, that all member organizations of the Joint Council mount an immediate campaign to convey this strong support to the fire service, the Congress, the officials of the Federal Emergency Management Agency and the Administration.

Arson in the United States:

Represents the highest rate of arson in the world;

Has become this Nation's fastest growing crime, quadrupling in the last 10 years and increasing tenfold in dollar losses;

Represents 25 percent of all fires and also 25 percent of your fire insurance premiums;

Kills 1,000 people annually;

Injures as many as 10,000 more;

Causes direct property losses of at least $1.3 billion; and

Results in indirect losses estimated at up to $15 billion.

Each year, fire in the United States: kills 8,000 people, injures as many as 300,000 persons, causes direct property losses in excess of $5 billion, and results in indirect losses estimated at $21 billion.

The Fire Administration was created in an effort to reduce the country's fire death toll and devastating losses to property. The Fire Administration was given a mandate to develop a national strategy to combat arson, including antiarson research and training assistance to States and localities in arson prevention, detection and control, see Public Law 95-422, 1978.

The Fire Administration has been very successful in fulfilling its antiarson role, especially in its research activities. Under the agency's technical assistance program, as many as 300 State and local task forces have been established, including the Las Vegas-Clark County Task Force which

helped to solve within 24 hours the highly publicized Hilton Hotel arson fire.

In the area of research, the agency developed the arson information management system (AIMS). This system is used to identify arson early warning patterns so that intervention strategies can be designed and implemented. For example, In Phoenix, Ariz., AIMS was successfully utilized to help apprehend and convict an arsonist who was responsible for 29 arson fires and $2.5 million in losses. AIMS was also utilized in Boston, Mass., to help apprehend and convict a ring of 33 arsonists.

The agency established a juvenile fire setter counseling program which operates in 48 communities in 19 States. Juveniles are responsible for approximately half of the incendiary fires in this country. The counseling programs in Bolingbrook, Ill., and Upper Arlington, a suburb of Columbus, Ohio, illustrate the success of the program in reducing recidivism. After counseling, 107 out of 110 juveniles apprehended for setting fires in Bolingbrook set no more fires. In the Upper Arlington program, which is located in my home State, 349 out of 360 juvenile fire setters set no more fires after receiving counseling.

The agency has also established a number of other successful antiarson programs, including the arson resource center, which published the "Arson Control Guide for Volunteer Fire Departments" and the "Arson Resource Exchange Bulletin," and the "Arson Shield" Outreach training program of the National Fire Academy. In addition, the Fire Administration has developed many successful fire safety programs in such areas as public education assistance, firefighter safety, residential sprinklers, smoke detectors, fire emergency and medical services and major fire investigations.

From its fiscal year 1981 budget of $11.5 million, funding for the Fire Administration has been effectively reduced to approximately $4 million for the current fiscal year. This includes a reduction in the agency's arson prevention and control budget from $656,000 in fiscal year 1981 to $170,000 for the current fiscal year. Of course, for fiscal year 1983, the proposed funding level is zero.

On April 21, 1982, the Committee on Governmental Affairs held a hearing on the proposed reorganization of the Fire Administration. The Director of the Federal Emergency Management Agency, Louis O. Giuffrida, as well as representatives from the previously mentioned fire service organizations, testified at the hearing. I had the opportunity to participate in this hearing, which was chaired by my distinguished colleague, Senator Roth.

I came away from the hearing more convinced than ever that the zero funding proposal is shortsighted and unsound.

First, the proposal circumvents the requirements of the law, the Fire Prevention and Control Act of 1974, as amended, expressed the clear intent of Congress to have a Fire Administration with a separate and distinct identity and mission. Instead of proposing legislation to eliminate the statutory authority for the Fire Administration or to reorganize it, the proposal to "zero fund" the agency is an attempt to end run this requirement. Such an attempt is tantamount to eliminating the agency and therefore thwarts the will of the people and Congress which created the agency. The proposal would also circumvent the normal procedures that are followed in connection with plans to reorganize a Federal agency.

Second, the proposal would undermine the effectiveness of the programs of the Fire Administration. The programs that would survive under the proposal would be fragmented and scattered among various Federal agencies. For example, the training and education programs would be shifted to the National Fire Academy and the National Bureau of Standards would perform basic research on fire protection.

No one Federal agency would take over the agency's antiarson programs, and many programs would be lost. In fact, in his testimony at the April 21 hearing on behalf of the Administration, Mr. Giuffrida contended that:

> Solutions to the arson problem can be addressed by the introduction of low-cost computer support.

This contention is totally lacking in foundation and is contrary to testimony and evidence which has been brought out in many congressional hearings conducted over a span of several years, some of which I personally chaired. The contention also evidences a lack of understanding and appreciation of the magnitude and complexity of the arson problem.

The proposal would also abandon the Fire Administration's role of coordinating Federal antiarson and fire safety efforts. In his testimony before the Committee on Appropriations, Subcommittee on HUD-Independent Agencies, on April 1, 1982, Mr. Giuffrida stated that:

> The U.S. Fire Administration will no longer play a coordinating role in the Nation's fire prevention and control programs.

In the past, the agency provided the Federal focus to coordinate a national strategy to combat arson. The administration now proposes to shift the Federal fire focus to the Fire Academy. In light of the above, it is unclear as to exactly what this proposal means. In any event, the Fire Academy does not have the expertise, organizational structure or budget to take on any significant functions beyond education and training. Unlike the Fire Administration, the academy would not have an administrator who could exercise the independence and leadership that was mandated by the 1974 act. The academy is simply a training facility located 75 miles outside of Washington, D.C. Moreover, its budget was reduced by 12 percent in fiscal year 1982.

Third, the justification for the proposal is specious.

The administration contends that its proposal will help reduce the size and costs of multiple Federal agencies involved in State and local programs. To appreciate the folly of this contention, one needs only to compare the fiscal year 1982 budget of the Fire Administration with FEMA's fiscal year 1983 budget request of nearly $1 billion in outlays. The meager $8 million budget of the Fire Administration pales in comparison to this staggering sum. Rather than reducing its size, the administration has proposed an increase in FEMA's budget of $141.6 million in outlays and of 207 permanent positions. The Fire Administration has a mere 35 staff positions. Further, the agency's fiscal year 1982 arson prevention and control budget was only $170,000.

A large portion of the increase, $119.1 million, would go to civil defense, under which the nuclear attack preparedness program is funded. I am concerned that the administration may be trading off a successful, ongoing program to save lives in order to prepare for a remote contingency in the hope of surviving the unthinkable.

In the April 21 hearing, Mr. Giuffrida suggested that cost savings could be attained through the implementation of better management procedures at the Fire Academy. However, he was unable to provide any details or information to support this contention, nor could he explain why such cost saving measures could not be implemented within the fire administration.

Finally, the administration's proposal is based on the notion that arson and fire safety is the responsibility of the States and localities. During the April 1 hearing before the Appropriations Subcommittee, Mr. Giuffrida stated that:

> The Federal Assistance formerly provided by the U.S. Fire Administration should be replaced by State and local government, the private sector and fire service organizations.

While arson and fire safety are State and local problems, the willingness of the administration to abandon its responsibility to assist them ignores two salient facts. First, State and localities are ill-equipped to deal with these problems, especially the crime of arson. This point was stressed in the April 21 hearing by the fire service witnesses and has been made over and over again during the last several years. Second, although successful, the Fire Administration has not met its goal to reduce by one-half the Nation's loss of life from unwarranted fire and to achieve significant reductions in property and nonfatal human injury due to fire. In his testimony at the April 21 hearing, Harold A. Schaitberger, the representative of the International Association of Fire Fighters, stated that:

> We think it quite facetious to suggest that the American fire problem has been corrected to the point to justify the elimination of the U.S. Fire Administration and the essential Federal fire program it represents.

Mr. President, I hope that the Committee on Commerce, Science, and Transportation, to which this resolution will be referred, will give the resolution prompt consideration. I also hope that the Committee on Governmental Affairs and the Committee on Appropriations and its Subcommittee on HUD-Independent Agencies will take a hard look at the administration's proposal and help us to continue the antiarson and fire safety programs of the Fire Administration.

I ask unanimous consent that the testimony of Chief E. Stanley Hawkins, president of the International Association of Fire Chiefs, before the Senate Governmental Affairs Committee on April 21, 1982, be included in the RECORD.

There being no objection, the testimony was ordered to be printed in the Record, as follows:

TESTIMONY BEFORE THE SENATE GOVERNMENT AFFAIRS COMMITTEE ON REORGANIZATION OF THE U.S. FIRE ADMINISTRATION

Mr. Chairman, my name is E. Stanley Hawkins, Fire Chief of Tulsa, Oklahoma and President of the International Association of Fire Chiefs (IAFC). I appear before you today representing the nation's fire chiefs, both career and volunteer, who are responsible for directing local governments' fire prevention and control activities, emergency medical service, and emergency response to natural and man-made hazards.

Organized in 1873, the International Association of Fire Chiefs has long recognized that the fire problem can overwhelm the capabilities of local fire departments. The history of tragic fires and disasters has convinced our members that a collective and cooperative effort on the part of local, state and federal governments is necessary to combat the fire problem as well as other disasters.

Mr. Chairman, the nation's fire chiefs, the entire fire service community and the U.S. Congress have worked for many years to create and maintain a federal focus on the nation's fire problem. Yet, today we are faced with the elimination of the fire administration.

The President's fiscal 1983 budget message addressed the U.S. Fire Administration. It stated: "The goal of this program has been to reduce by 50% the nation's loss of life from unwanted fire and to achieve significant reductions in property and nonfatal human injury due to fire by the year 2000. This program has improved the cost-effectiveness of the various fire protection services. Due to the significant decrease in loss of life and property due to fire and the increased efforts of the private sector, this program will be discontinued in 1983. However, the efforts of the National Fire Academy will continue to provide training to state and local fire officers and officials."

I do not believe that a significant decrease in life and property losses has, in fact, occurred. Indeed, the significant indirect losses associated with fire will continue to have a negative impact on our nation's economic recovery by putting individuals out of work and reducing the tax base.

And, I do not believe that the private sector will pick up the important programmatic, research and development, and data collection activities conducted by the U.S. Fire Administration.

The following summary of the 1980 National Fire Experience Survey conducted by the National Fire Protection Association (NFPA) and supported by the U.S. Fire Administration paints a grim picture of the national fire problem: 6,505 civilians were killed as a result of fires in the United States; 30,200 civilians were injured as a result of fire in the United States; 770 civilians died as a result of incendiary fires; 134 fire fighters were killed in the line of duty; fires across the United States accounted for an estimated $6,254,000,000 in property loss; Property loss in residential fires alone accounted for an estimated $3,042,000,000 damage; indirect losses from fire accounted for an estimated $15,000,000,000; and fire departments across the United States attended 2,988,000 fires.

I believe that the nation's fire problem continues to be serious and deserves federal involvement. I believe the following points are appropriate for a federal fire focus.

The nation's fire problem demands a separate and indentifiable agency within the federal government which will commit its total resources to assisting the existing fire protection community to serve the public needs and interest on a day-to-day basis.

The public interest can be served best only if fire is recognized as a continually occurring problem. The day-to-day aspect of this problem, its magnitude and its effects are vastly different from the problem of intermittent disaster.

It is essential that a national focus on fire not only be maintained and strengthened, but that it not be diffused or subordinated to the disaster aspects of any new agency.

The National Fire Academy must not be subordinated to any other part of the agency's programs. The fire programs should receive the highest degree of priority, in keeping with the continuing magnitude of the fire problem and the large continually operating constituency of approximately two million fire service personnel. These persons include fire personnel, thousands of building officials, architects, engineers and hundreds of educators who teach the fire sciences. Through the academy and its system, new and transferrable technology, results of research and sound practices would be spread nationwide.

The fire technology programs must be continued with concentration on solving current problems. An example of a project of vital importance and promise that has already been initiated is the development of the "protective envelope" for fire fighters.

The national fire focus must deal directly with, and be responsive to, the state and local fire protection community. Regionalization of this fire focus will decrease its ability to deal with the daily fire protection needs in a cost-effective manner.

There is a potential decrease of emphasis on fire safety and prevention with respect to the small fire incident which could occur in a major disaster-oriented agency. It must be recognized fully that it is the home that is cumulatively the most dangerous to human life. Residential fires claim more than 6,000 persons annually. These fires are not spectacular and often property losses are low. Nevertheless, it is the homeowner and individual family that suffers most and more often from fire. Private residences are at the heart of the fire problem. The priorities needed here are vastly different from those required for a potential hurricane. These priorities must be kept in proper perspective.

Full recognition should be given to the fact that in any disaster there is always an immediate involvement of the fire service, even when fire is not involved directly. The fire service of the United States has two million members which are capable of immediate mobilization. They also constitute the nation's primary rescue service. For these reasons, the role of the fire service must be preserved.

Since the creation of the U.S. Fire Administration, the IAFC has enjoyed the opportunity to work closely with the fire administration and the national fire academy. This relationship has been one of mutual support for the benefit of the fire service. We believe it is essential that dialogue be maintained between the fire service and the U.S. Fire Administration and FEMA.

The members of the IAFC, therefore, believe that the U.S. Fire Administration and the National Fire Academy should remain a major and distinct element within the Federal Emergency Management Agency. We feel that a strong organizational relationship is necessary between the Federal Emergency Management Agency and the U.S. Fire Administration to mitigate the fire problem effectively. We feel that the U.S. Fire Administration should be funded to assist and supplement local efforts for fire prevention and control. The U.S. Fire Administration must assist the fire service by providing technical and financial assistance to help us do our job more effectively, but not act as a supervisory or controlling federal agency intruding into the affairs of local government.

The U.S. Fire Administration has developed many programs that are of assistance to fire departments. A few of these programs are: National fire incident reporting system (NFIRS); fire department manning study; municipal fire insurance; major fire investigations; fire in the U.S. data; in-depth fire investigations; residential sprinklers; smoke detectors—technology evaluation; code administration and enforcement program; fire fighter safety and health; automatic remote residential alarm systems (ARRAS); Federal and industrial applications; interagency coordination; National Bureau of Standards; arson prevention and control; public education assistance; emergency medical services; smoke detector; emergency responder; fire and emergency service master planning; operation Dixieland; and hazardous materials.

The IAFC has been engaged for many years in activities to define clearly the legitimate federal role in local fire protection and disaster response. During the 1960s, the members of the IAFC adopted resolutions approving civil defense plans for the fire service; supported creation of a division of fire technology in the Commerce Department and federal fire spokesman; supported

federal funds for fire research and staff and command schools; and, supported civil defense proposals for national nuclear fire leadership training.

In the area of federal legislation, the IAFC was active in the passage of the Fire Research and Safety Act of 1968 which established the National Commission on Fire Prevention and Control; supported passage of the Federal Fire Protection and Control Act of 1974; participated in the selection of the National Fire Academy site in Emmitsburg, Maryland; supported the transfer of the United States Fire Administration to the Federal Emergency Management Agency; and continuously engaged in efforts to secure adequate funding for the United States Fire Administration.

From this perspective of involvement with federal programs, the membership of the IAFC is convinced that the United States Fire Administration and the National Fire Academy have made significant progress in addressing the national fire problem. The IAFC supports the existing U.S. Fire Administration programs and any effort to reduce these programs is unacceptable to the members of the IAFC.

In 1978, our former president, Chief John L. Swindle, appeared before this committee to support President Carter's Reorganization Plan No. 3. At that time, and I might add, after long and deliberate negotiations within the fire service and with Carter administration staff members, the members of the International Association of fire Chiefs supported the reorganization effort because we felt it would benefit the fire service. This conclusion was based on the following reasons:

1. To provide a separate and identifiable federal agency which would commit its total resources to assist state and local fire protection efforts in dealing with the nation's fire problem.
2. To assure that the national focus on fire would be strengthened and not diffused or subordinated to disaster-related activities.
3. To assure that the agency would be responsive to, and deal directly with, the state and local fire protection community.
4. To establish a National Fire Academy and related system to provide direct assistance to state, local and college fire training and educational programs; and, a quality outreach program to the fire community.
5. To assure that the agency would maintain emphasis on fire safety and prevention.
6. To assure that fire research and technology would concentrate on current fire problems.
7. To assure that the agency would not have regulatory capabilities with the power to intervene in the affairs of state and local government.
8. To assure that the agency would preserve the role of the fire service and would continue the dialogue with the fire service in matters of mutual concern.

Mr. Chairman, in working with the President's Reorganization Project Team, we were assured that the transition of the fire program to the new agency would in no way inhibit the integrity, focus, mission and effectiveness, or the authorities and responsibilities of the fire administration as identified in Public Law 93-498. I believe that your committee expressed similar concerns and received the same assurance. With this in mind, the International Association of Fire Chiefs fully endorsed and supported the proposed reorganization plan.

In early 1981, Chief Jack Lee, then chairman of the Joint Council of National Fire Service Organizations (JCNFSO), developed a position paper regarding the relationship between the fire service community and the Federal Emergency Management Agency. I believe that several points are worth mentioning again: "Fire prevention and control is accepted as a local responsibility. The U.S. Fire Administration (USFA) was created by Congress at the urging of the American fire service to provide a critical, coordinating, cost effective linkage among all federal, state, local and private agencies and organizations responsible for fire prevention and control. This is still, and should continue to be, the primary function of the USFA."

Typically, the fire service is the first public agency trained to respond and mitigate natural and man-made disasters. Because of this, the Joint Council of National Fire Service Organizations recognized and endorsed the USFA as the primary agency in the Federal Emergency Management Agency (FEMA) responsible for the coordination of all federal resources for comprehensive emergency planning, response and control.

In taking this position, the Council did so with the firm resolve that the principles and objectives listed below would be maintained.

1. The Carter Administration would support FEMA, the USFA and the National Fire Academy.
2. The Administration would assure the continued integrity, focus and effectiveness of the fire program authorized in Public Law 93-498.
3. The Administration would maintain The USFA's authorities, responsibilities and organizational structure pursuant to Public Law 93-498 and the President's Reorganization Plan No. 3 of 1978.
4. All authorities, responsibilities, programs and funding commitments of the USFA remain a distinct component within FEMA.
5. The USFA's primary responsibility be to carry out all aspects of the Fire Prevention and Control Act of 1974 and that it be directed by an Administrator for Fire at an Executive IV level, reporting directly to the Director of FEMA.
6. All authorities and functions of the USFA be assigned to the USFA Administrator, other than such normally centralized support functions as administrative and computer services, legal affairs, accounting, finances and payroll.
7. Funding authorizations for the USFA continue to be committed solely for its use.
8. The continuation of the National Fire Academy's focus on professional development for fire service personnel and others engaged in comprehensive emergency planning pursuant to Public Law 93-498. The Joint Council considered the National Fire Academy an essential component of the U.S. Fire Administration's mission. Further, the Council considered it imperative that the campus at Emmitsburg, Maryland, continue to be identified as the National Fire Academy under the direction of the fire administration.

Recently, comprehensive emergency management and emergency first responder have become part of the vocabulary of emergency organizations and FEMA. But the reality of comprehensive emergency management and emergency first responders are not new to the fire service. The nation's fire service historically has been the first to respond to emergency situations threatening life or property, including technological or natural disasters, and the consequences of terrorism. Therefore, the nation's fire service, serving as an emergency first responder, is the primary operational constituency of the Federal Emergency Management Agency, as well as the U.S. Fire Administration.

With the President's interest in civil defense and crisis relocation planning, I believe that it is in the best interest of the nation to have a well-organized and operationally efficient fire service. The nation's fire departments have the organization, training, personnel, equipment and communications systems to respond to large-scale disasters. When an emergency incident occurs, large or small, the fire service is called upon to handle the emergency response.

It seems, therefore, somewhat inconsistent for the administration to call for increased efforts in civil defense, and, at the same time, call for the elimination of the fire administration. Clearly, the fire service and the U.S. Fire Administration have a significant role to play in the response and recovery from a natural or nuclear disaster.

With our involvement over the years in the establishment of the U.S. Fire Administration under Public Law 93-498 and the creation of the Federal Emergency Management Agency under PRP No. 3 of 1978, two points are clear: The intent of the U.S. Congress was to have a U.S. Fire Administration and National Fire Academy with their own identity and mission and the nation's fire service, approximately 1.5-2 million persons, supported the establishment and maintenance of the U.S. Fire Administration and the National Fire Academy.

Now it appears that individuals in the current administration who have little or no experience in fire protection and emergency services have decided to use the budget as a tool, and the fiscal crisis as an excuse, to override the clear intent of Congress and a very large fire service community.

On May 4, 1973, the National Commission on Fire Prevention and Control released its report America Burning. This report was based on approximately two years of effort by fire service professionals, college professors, the media and members of Congress. I believe that findings are still valid and the recommendations sound. This important work should *NOT* be overlooked during the debate to restore funding for the U.S. Fire Administration. Certainly, the fire problem is as severe now, if not worse, than at the time of this publication.

Mr. Chairman, the members of the International Association of Fire Chiefs urge your committee to seek restoration of funding for the U.S. Fire Administration and to assure adequate funding for the National Fire Academy.

Thank you.

AMENDMENTS SUBMITTED FOR PRINTING

DEPARTMENT OF DEFENSE AUTHORIZATION, 1983

AMENDMENT NO. 1397

(Ordered to be printed.)

Mr. SPECTER (for himself and Mr. DIXON) proposed an amendment to the bill (S. 2248) to authorize appropriations for fiscal year 1983 for procurement, for research, development, test, and evaluation, and for operation and maintenance for the Armed Forces, to prescribe personnel strengths for the Armed Forces and for civilian personnel of the Department of Defense, and for other purposes.

AMENDMENT NO. 1398

(Ordered to be printed.)

Mr. TOWER proposed an amendment to the amendment (No. 1397) proposed by Mr. Specter (for himself and Mr. Dixon) to the bill S. 2248, supra.

NOTICE OF HEARINGS

SUBCOMMITTEE ON TAXATION AND DEBT MANAGEMENT AND SUBCOMMITTEE ON SAVINGS, PENSIONS, AND INVESTMENT POLICY

Mr. PACKWOOD. Mr. President, the Subcommittee on Taxation and Debt Management and the Subcommittee on Savings, Pensions, and Investment Policy of the Senate Finance Committee will hold a joint hearing on Friday, May 7, 1982, at 9 a.m. to consider S. 2214. Immediately following the joint hearing, the Subcommittee on Taxation and Debt Management will hold a hearing on S. 2281 and S. 1928.

The purpose of this statement is to briefly explain the issues raised by the bills scheduled. This may help in charting the progress of tax legislation before the Taxation Subcommittee. It also helps assure greater public awareness of tax amendments coming before hearings.

A synopsis of the bills scheduled follows:

S. 2214, the Savings and Investment Incentives Act, introduced by Senators Schmitt, Packwood, Symms, Grassley, and Mattingly would phase out over 4 years the interest-paid deduction for consumer credit. Interest paid on consumer credit would not include investment interest and interest paid on home mortgages, auto loans, higher education loans, or indebtedness incurred in carrying on a trade or business. The percentage of tax exempt net interest income would be expanded from 15 percent to 25 percent. Dividend income would also become eligible for the 25 percent exemption. The effective date is July 1, 1982.

S. 2281, the Technical Education Act, introduced by Senator Danforth, would provide that contributions of technological equipment to primary and secondary schools would be treated the same as contributions of scientific equipment for research and experimentation to colleges. The bill would also provide for a temporary raising of the maximum allowable charitable contribution from 10 percent to 30 percent of a corporation's taxable income.

This bill would benefit Apple Computer, Inc. and other manufacturers with adequate production capacity or inventories to make large contributions of inventory in a single tax year.

S. 1928, the M.D.L. 235 Settlement Discounts Tax Act, introduced by Senators Danforth and Harry F. Byrd, Jr., would exclude from income amounts attributable to discounts of price reductions provided under agreements settling litigation involving the Westinghouse Electric Corp.'s contracts to supply uranium to 39 utilities.

SUBCOMMITTEE ON INTERGOVERNMENTAL RELATIONS

Mr. DURENBERGER. Mr. President, I would like to announce that the Subcommittee on Intergovernmental Relations, Committee on Governmental Affairs, has scheduled an oversight hearing on Block Grant Implementation.

The hearing will be conducted at 9:30 a.m. on May 5 in room 4232 Dirksen Senate Office Building. Those wishing to submit written statements to be included in the printed record of the hearing should send five copies to Ruth M. Doerflein, Clerk, Subcommittee on Intergovernmental Relations, room 507 Carroll Arms Building, Washington, D.C. 20510

For further information on the hearing, you may contact Jimmie Powell of the subcommittee staff at 224-4718.

AUTHORITY FOR COMMITTEES TO MEET

SELECT COMMITTEE ON INTELLIGENCE

Mr. BAKER. Mr. President, I ask unanimous consent that the Intelligence Committee be authorized to meet during the session of the Senate at 10 a.m. on Wednesday, May 5, to hold a closed hearing on classified intelligence matters.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I ask unanimous consent that the Intelligence Committee be authorized to meet during the session of the Senate at 2 p.m. on Wednesday, May 5, to hold a closed meeting to receive a briefing on intelligence matters.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON ENVIRONMENTAL POLLUTION

Mr. BAKER. Mr. President, I ask unanimous consent that the Subcommittee on Environmental Pollution of the Committee on Environment and Public Works be authorized to meet during the session of the Senate on Wednesday, May 5, at 2 p.m., to continue its markup of authorizations for the Endangered Species Act; the Resource Conservation and Recovery Act; the Marine Protection, Research and Sanctuaries Act; and the Federal Water Pollution Control Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON FEDERAL EXPENDITURES, RESEARCH, AND RULES

Mr. BAKER. Mr. President, I ask unanimous consent that the Subcommittee on Federal Expenditures, Research, and Rules, of the Governmental Affairs Committee, be authorized to meet during the session of the Senate at 2 p.m. on Wednesday, May 5, to consider proposed legislation on the uniform Federal procurement Systems.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON INTERGOVERNMENTAL RELATIONS

Mr. BAKER. Mr. President, I ask unanimous consent that the Subcommittee on Intergovernmental Relations of the Committee on Governmental Affairs be authorized to meet during the session of the Senate on Wednesday, May 5, at 9:30 a.m., to hold an oversight hearing on block grant implementation.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON CRIMINAL LAW

Mr. BAKER. Mr. President, I ask unanimous consent that the Subcommittee on Criminal Law, of the Judiciary Committee, be authorized to meet during the session of the Senate at 10 a.m. on Wednesday, May 5, to discuss the gun control issue.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON INVESTIGATIONS

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate Permanent Subcommittee on Investigations, of the Governmental Affairs Committee, be authorized to meet during the session of the Senate at 9:30 a.m. on Wednesday, May 5, to hold an oversight hearing on the transfer of U.S. high technology to the Soviet Union and Soviet bloc nations.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate Permanent Subcommittee on Investigations, of the Governmental Affairs Committee, be authorized to meet during the session of the Senate at 9:30 a.m. on Thursday, May 6, to hold an oversight hearing on the transfer of U.S. high technology to the Soviet Union and Soviet bloc nations.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. BAKER. Mr. President, I ask unanimous consent that the Agriculture Committee be authorized to meet during the session of the Senate at 10 a.m. on Wednesday, May 5, to hold a full committee markup on S. 2314, a bill to authorize funding levels for loan programs administered by the Farmer's Home Administration; to

consider S. 2351, a bill to implement the International Carriage of Perishable Foodstuffs Treaty; and to consider amending the food for peace program.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

THE COMPETITION IN CONTRACTING ACT

● Mr. COHEN. Mr. President, in February, I introduced the Competition in Contracting Act of 1982 (S. 2127), which would provide new procedures to expand the use of competition in Government contracting and impose greater restrictions on the awarding of noncompetitive contracts. I am pleased to have Senators Roth, Levin, Mitchell, and Proxmire as cosponsors of this legislation.

I shall bring to the attention of my colleagues some recent reports, including a new General Accounting Office report entitled, "Less Sole-Source, More Competition Needed on Federal Civil Agencies' Contracting," which emphasize the need for more competition in Government contracting.

The Federal Government spends almost one-fifth of its total annual budget on the direct purchase of goods and services from the private sector. In fiscal 1981, these contracts totaled over $134 billion. Despite the emphasis in the procurement statutes on competition through formal advertising, more than half of the contracts awarded by Government agencies are negotiated noncompetitively.

Although competition may not be available for some Government contracts, GAO found that many sole-source contracts could have been competed. According to its April 1982 report, which examined six civil agencies' sole-source contract awards totaling $538.1 million, competition was feasible on an estimated 40 percent of the awards. Similarly, a July 1981 GAO report entitled, "DOD Loses Many Competitive Procurement Opportunities," found that the Defense department failed to obtain available competition in awarding $289 million in the fiscal 1979 contracts sampled by the GAO.

The underlying reasons provided by GAO for this over reliance on sole-source contracts apply to DOD and civilian procurements. The GAO reports found that contracting officers in the departments and agencies under review were guilty of poor procurement planning and failed to follow proper contracting procedures.

Inadequate planning was a recurring issue at the "hurry-up spending" hearings held in the 96th Congress before the Senate Governmental Affairs Subcommittee on Oversight of Government Management. The subcommittee found that sole-source contracts often mask what are procrastinated policy decisions. The subcommittee also found, as did GAO, that contracting officers in the Defense Department and the civil agencies often made little, if any, effort to conduct market research—that is, publicize notices of prospective awards in the Commerce Business Daily (CBD)—before awarding sole-source contracts.

Since the hearings, the subcommittee has received two new Inspector General reports from the Departments of Agriculture (USDA) and Energy (DOE) on fiscal 1980 hurry-up spending. The USDA report found that time pressures at yearend curtailed competitive contracting in many cases. The Inspector General criticized procurement officials for using the justification of expiring funds in order to eliminate or shortcut phases in the procurement process—especially obtaining competition. According to the USDA report, 37 procurements totaling approximately $8 million were awarded at yearend through an abbreviated procurement process.

The DOE report found that yearend spending, coupled with compressed leadtimes for processing, led to a generally rushed atmosphere in which contracts were inadequately reviewed and insufficiently competed. Of those DOE procurements in which competition was feasible, only 59 percent were awarded competitively in fiscal 1980, a decline from 82 percent in fiscal 1979.

GAO's recommendations for improving competition in Government contracting, as set forth in the April 1982 report, are incorporated into S. 2127. First, GAO recommends that criteria must be met to justify sole-source procurement. Our legislation would reduce the proportion of noncompetitive contracts by shifting the emphasis from having to justify negotiated contracts, as is the practice in the present statutes, to having to justify noncompetitive contracts. These new restrictions will help insure that Government agencies award sole-source contracts only when they are truly warranted.

GAO's second recommendation would require a market search—which includes a preaward notice in CBD—for competitive sources before approving a sole-source justification, unless specified conditions are met. As a further check on unnecessary sole-source contracting, S. 2127 would require that agencies, once they have determined that a noncompetitive contract is justified, make one last attempt to obtain competition through a procurement notice. In the event that a contracting officer knows of only one source for a particular goods or service, the procurement notice flushes out the marketplace to find other potential competitors. The legislation also provides for the necessary exceptions to the procurement notice requirement.

The third major GAO recommendation would require a written justification for each sole-source award over $10,000 to document the facts and circumstances of the contract. S. 2127 requires executive agencies to establish and maintain an identifiable file or list of all noncompetitive procurements, by fiscal year, which designates the contractor, the articles obtained, the dollar value, the justification for using noncompetitive procedures, and the name of the contracting officer for each procurement.

In light of this new evidence, I am particularly pleased that the Governmental Affairs Subcommittee on Federal Expenditures, chaired by Senator Danforth, has scheduled a series of hearings this month to consider legislative proposals, including the Competition in Contracting Act, to improve Government contracting procedures. S. 2127 sets forth a workable solution to the sole-source problem, and I urge my colleagues to support this important legislation.●

VOTING RIGHTS ACT

● Mr. CHILES. Mr. President, on April 24 of this year, the U.S. Catholic Conference convened the Southern Regional Voting Rights Conference, in Orlando, Fla. This conference was held to bring before the public eye the important issues surrounding the Voting Rights Act.

Mr. President, I submit for the Record the text of my address to the delegates at the Southern Regional Voting Rights Conference.

The address follows:

Address of Senator Lawton Chiles to the Southern Regional Voting Rights Conference

I am honored to be here this afternoon and to speak before the Southern Regional Voting Rights Conference.

Let me thank you for the thoughtfulness of your invitation to speak about a subject that is of grave concern to all of us here in this room, as well as to millions of other Americans. Of course, I'm referring to the proposed legislation extending the Voting Rights Act.

I think it's essential that we have these kind of public sessions to explore the real issues surrounding the Act, and to rally support for the Act. I applaud the U.S. Catholic Conference for having taken the initiative to bring the Voting Rights Act before the public eye. Minority citizens just don't have the resources to publicize this cause—the cause for equality in the electoral process.

That kind of publicity is so important these days. We've almost hit the point where lobbying has become the 4th branch of our government. There are political action committees, and industry lobby groups, and single-issue lobbying organizations, and all of these groups have a lot to say about what bills are passed or defeated. This is the case at the State level, and the pressure is even greater at the Federal level. And in this flurry of lobbying activity, it is easy to see how the interests of the poor and the defenseless could get trampled upon. You people here today are to be commended for the work you have done to make the cries of the poor and the disadvantaged and the forgotten something more than just faint voices crying out in the wilderness.

And I think those cries for justice and human dignity must be heard. The United States must be responsive to the needs of those not able to stand up for themselves. So again, let me commend the U.S. Catholic Conference and all other religious and morally-conscious groups for safeguarding the compassion of our society, and, as this Conference does, for preserving the integrity of our democracy.

It is said that the Constitution of the United States is color blind. That it neither knows nor tolerates classes among citizens. But we know all too well that the principles of our country do not always translate into the practices of our country. You can look at history and see the constant struggle America has fought to bring together principle and practice. That struggle has never been easy, and many needed reforms in our system of government have come only after protracted and bitter battles. But as time has passed, our democracy has steadily evolved into the highest and most civil form of government ever known to mankind. But the process of assuring the benefits of the Constitution to each and every citizen is a continuing battle.

None of us can claim to be free unless all of us are. And freedom comes only when the Constitutional rights granted each and every citizen are fully protected and can be freely exercised.

We are presently at a crucial juncture in the evolution of the right to vote in America. This crossroad at which we stand is monumental because it represents the last impediment in each and every adult citizen's free exercise of the franchise. We all know that the right to vote freely for the candidate of one's choice is the cornerstone of a democratic society. And as the Supreme Court pointed out in 1964 in the historic Reynolds against Sims case, any restrictions on that right strike at the heart of representative government. The Court summarized what 200 years of our democracy has made quite clear: the right to vote is fundamental because it is preservative of all rights.

This is the case because our sovereignty itself is conditioned on the belief that government is of the people, by the people, and for the people. No right is more precious in a free country than that of having a voice in the election of those who make the laws under which we all must live. All of the other freedoms and rights due a citizen are meaningless and, in fact, illusory, if the right to vote in inhibited or abridged. The Supreme Court doesn't need to tell us that. The President doesn't need to tell us that. And Congress doesn't need to tell us that. Our Constitution tells us that.

We look at history and we see that the right to vote has been laden with restrictions. Every attempt to free up the right to vote has involved a bitter, and sometimes bloody battle. The Fifteenth Amendment to the Constitution was adopted so that the right to vote would not be abridged or denied to black men. The Nineteenth Amendment was adopted so that right to vote would not be denied to women. This meant that now the right to vote was no longer a privilege of a select few, but was a right accorded to each male and female citizen of any race or color or creed.

However, it is not enough just to give men rights. They have to be able to use those rights. If they can't then the act of granting them rights is just a cruel hoax and nothing more. And so a struggle has ensued since the mid 19th century to remove the restrictions on the exercise of voting rights. This State can be proud that one of its representatives, Senator Spessard Holland, fought courageously for 18 years and finally succeeded in getting the Twenty-fourth Amendment passed. That amendment prohibited the poll tax, a device which was effectively undermining black participation at the polls.

But there were other problems besides poll taxes. A wall stood between registered voters and unregistered voters, and many States were not going to let that wall crumble without a fight. Statutes and ordinances were passed that looked innocent, but in application ended up denying blacks the chance to vote. There were literacy tests—some given orally, that were being used to prevent black participation in elections. There were property requirements and registration requirements. In some States, a black person had to have a white person come to registration desks to vouch for the black person's identity. Blacks in other States were required to give a reasonable interpretation of the State constitution. For example, the question that was asked black registrants in Virginia was "what clauses of the present Virginia Constitution were derived from the Magna Carta?" One black, when asked that question, responded, "I don't know, unless it was the clause that said no negro can vote in this Commonwealth." And the sum total of all of this was that blacks, although having the right to vote, were not voting. Some couldn't meet the registration requirements. Others realized that their voting in the face of all this prejudice would be futile.

And while civil rights bills were enacted in the late 1950's and early 1960's, they provided only judicial remedy which, while helpful, was relief too little, too late. Blacks were not enjoying first-class citizenship, because their voice in their government was being muffled. The mainspring of our representative government, the right of all citizens to participate on an equal basis in the government under which they live, was running dry. The bloodshed at Selma in 1965 pointed to the awful fact that once again, principle and practices were far apart.

The Voting Rights Act thus came into being to bridge that gap. And it was an immediate success story. From 1965 to 1967, the number of blacks registered to vote in seven Southern States almost doubled, from 29.3 percent to 51.1 percent of those eligible. In the next 10 years, over a million more blacks in the south registered to vote. And under its protection, blacks continue to register and vote in record number.

One cannot question the importance this historic piece of civil rights legislation has had in the evolution of our democracy. As I stand here before you today, I share with you my firm conviction that if our democracy is going to continue to be a rising and not a setting sun, then the Voting Rights Act must be extended. It must be extended until the last trace of discrimination in the electoral process is wiped away, no matter where it may lie or how it got there. I long for the day when there is no need for the Voting Rights Act. But that day simply has not yet come.

Minority citizens now have the right to vote. Great progress has been made to remove the restrictions on that right. But we must go further. We must make sure that their vote, once cast, is not diluted or debased. The Fourteenth Amendment to the Constitution guarantees that one man's vote be given the same weight as another man's vote. Blacks and other minorities must be allowed to participate in the affairs of government so that elected officials will be mindful of their interests. As President Kennedy once said, "In a free society, those with the power to govern are necessarily responsive to those with the right to vote."

Well, we have witnessed the wisdom of those words. The black voter has become an important political force in our political process, and our representative government has become a more democratic body because of it. In Florida, for example, the number of elected black officials has risen from 15 in 1965 to over 125 today. But even better, the Act and its aftermath have promoted a spirit of participation among blacks that is helping make elected officials truly responsive to all of their constituents. That is a democracy evolving into an even higher form of civil stewardship, and that process must continue.

Since I am a cosponsor of the extension of the Voting Rights Act, I have heard from many people on both sides of the issue. I will admit there has been a good bit of opposition to the Voting Rights Act, both back in 1965 and up to this day. The organizers of this Conference know this better than anyone. But when you look back at the development of the right to vote, you will see that there was stiff opposition at every turn. You can go all the way back to the days of the king, to when the nobles forced him to allow them to participate. That's back at Runnymede, and the Magna Carta. Then people who possessed freehold interests in land were brought into the governing process. And then all white men were allowed to vote. And then black men, and then women were allowed to vote. At each stage when the right to vote was considered for expansion, there was strong opposition. The opponents' arguments were at times very persuasive, and these people had no doubts about the issue. They felt they were right. Well, we can look back at history and see that they weren't right. We can look back and see that our country's government has been enriched each time the right to vote has been extended to new classes of people. The Voting Rights Act perfects our political process by ensuring that every citizen's vote counts as much as the next. The Voting Rights Act unites the people of this country by ensuring full participation in the electoral process.

I think the foundations of the democratic process were laid by bringing more and more people into the governing process. If we believe the majority of people, properly informed, will make the right decision, why should we want to exclude any citizen? Until there are no more barriers to full participation in the electoral process for minority citizens, this country will need the Voting Rights Act. I am committed to that principle, and I will stay committed to that principle as long as I am in office. When the clerk of the Senate calls the roll on Senate bill 1992 to extend the coverage of the Voting Rights Act, I will respond, without hesitation, with a resounding yea.●

POSSIBLE STRATEGIES FOR IMPROVING OUR NAVAL FORCES

● Mr. TOWER. Mr. President, as we today proceed with consideration of this authorization bill for fiscal year 1983, we will hear considerable rhetoric about possible strategies for improving our naval forces. A central issue will likely involve the need for additional *Nimitz*-class carriers.

Mr. President, there is a lesson in the requirements for force projection to be learned from the unfolding crisis in the Falkland Islands. Surely those of us responsible for the provision of adequate defense capability must see and understand the constraints which are imposed by neglected modernization needs.

The need for adequate naval capability is the subject of two editorial page articles in today's Wall Street Journal. The articles should be required reading for all of us entering upon debate on the subject of defense procurement.

Mr. President, I ask that these two articles, entitled "Ruling the Waves" and "Could the U.S. Sealift Handle a Crisis?" be included in the Record.

The articles follow:

[From the Wall Street Journal, May 4, 1982]

Ruling the Waves

It's an opportune coincidence that the Senate this week is taking up the administration's Defense Authorization Bill at the same time that the British Navy is engaged in a fight with Argentina. The Falkland Islands episode is a classic example of the need to maintain strong general purposes forces, even in this nuclear-weapons age, and illustrates the danger of letting your conventional military capabilities languish.

There are significant ironies in Britain's attempt to retake those small, sheep-herding islands in the South Atlantic. The British are giving a splendid account of themselves, yet the wonder is that there should be any sort of contest between Britian's Navy and Argentina's. Because of years of retrenchment in defense spending, the United Kingdom finds projecting its power a chancy proposition against even a third-rate aggressor.

The British sent two small aircraft carriers, one of which has already been sold to Australia. These carriers, armed with jump-jets of limited range, cannot adequately protect themselves against land-based aircraft and are carefully staying east of the Falklands and out of range of planes flown from the Argentine mainland. The great mystery of the engagement is why the Argentines didn't extend the runway of the Falklands airport to base fighters there; this obvious step would have vastly multiplied the British difficulties. And when the British wanted to take out the airfield, they had to call on an aging Vulcan bomber, scheduled to be retired in six months. If the Argentines had waited longer, there would have been only one carrier and no Vulcans.

Even more to the point, if you have adequate forces, you often don't have to use them. Back in the 1960s, the British Navy had five large-deck carriers, and found no need to deal with military attacks on far-flung vestiges of empire. Former British Prime Minister James Callaghan said in an ABC interview Sunday that in 1977 Argentina also threatened to take the islands, but was forced to back down; in 1977 the Royal Navy was far stronger than today. Indeed, it can scarcely be mere coincidence that the Argentine invasion followed on the heels of Mrs. Thatcher's decision to cut the navy, retaining expensive nuclear-missile submarines but reducing the general purpose fleet by half.

On Capitol Hill this week, the Senate will consider whether to follow the British example. In the defense authorization debate, Sen. Gary Hart will offer his well publicized amendment to "streamline" the Navy. This means scuttling the two large-deck carriers the administration proposed, and substituting carriers like the ones the British are sailing off the Falklands.

The real issue in the big-carrier versus small-carrier debate is precisely that illustrated in the Falklands. If you plan ever to operate against land-based aircraft, you need the big carriers. The small carriers aren't in any event small enough to hide from modern target acquisition, and can't survive attacks by Soviet cruise missiles or Backfire bombers.

On the other hand, the Nimitz-class carriers are the Navy's least sinkable ships. These vessels are protected by six concentric rings of defenses, including F-14 fighters, surface-to-air missiles and radar-controlled guns that can put up a "wall of steel" to stop incoming missiles or aircraft. Moreover, the ships are so large and well-armored they can take a hit and continue to operate in battle. In 1969, for instance, an explosion equivalent to six Soviet anti-ship missiles wrecked the flight deck of the Enterprise, but flights were able to resume in a few hours. The larger ships also have greater redundancy in case some catapults, elevators or arresting wires are knocked out.

The Falklands affair is a timely reminder in many ways. A nuclear deterrent does not eliminate the need for strong conventional forces; Britain does not find its Polaris submarines particularly helpful. Conventional forces are needed to deter smaller conflicts, as a strong Royal Navy once deterred invasion of the Falklands. When conflict does erupt, you are likely to have to send carriers to face land-based aircraft. Unless you are lucky enough to have your objective just out of air range or have foes that neglect their runways, you are going to need the real aircraft carriers the administration has proposed.

[From the Wall Street Journal, May 4, 1982]

Could the U.S. Sealift Handle a Crisis?

(By Daniel S. Mariaschin)

Just as one thought we'd entered the space age, the Falklands crisis has awakened us to the important role naval forces still play in strategic conflicts. Sea power—which includes the vital component of carrier-based aircraft—allows a nation to project its forces and influence to those areas essential to its interests. The USSR has recognized this and has acted accordingly. It has embarked over the last decade on an aggressive program of lining up bases and friendly allies—big and small—along vital sea routes while at the same time modernizing its own naval forces.

In this context, the Falkland Islands conflict underscores the severe problems the U.S. military would confront if faced with a similar situation in the Persian Gulf or some other distant point.

The extended lines of communication for British forces—8,000 nautical miles—have tested the Royal Navy's ability to project men and materiel great distances, for what may be a lengthy period of time in the event of a prolonged blockade of the Falklands.

Though well-trained and well-armed, the Royal Navy is but a shell (or "hull") of its former self. The number of surface vessels in its fleet has shrunk drastically in recent years and in the process, its sealift capability has also been reduced. In organizing the flotilla for action in the Falklands, the British have relied heavily on the merchant marine, bringing into service over two dozen vessels for use as supply ships, minesweepers and for transporting heavy weapons such as tanks and even Harrier jump jets. The luxury liner Canberra was pressed into service in the first few days of the crisis to carry a force of over 2,000 Royal Marines and paratroopers. Yesterday, the giant liner QE2 was requisitioned.

LONG SEA ROUTES

How would the U.S. fare under similar circumstances? Potential trouble spots abound far from our shores. Unlike the Soviet Union, which either borders on, or has established naval facilities in close proximity to possible areas of confrontation, the U.S. must project its forces over long sea routes.

Creating a Rapid Deployment Force, composed of units from the Army, Navy, Air Force and Marine Corps to respond quickly to crises abroad is a strategic plus for the U.S. in the eyes of Pentagon military planners. But a Rapid Deployment Force, to be truly effective, must have the back-up ability to be resupplied and the knowledge that reinforcements are on the way.

The establishment of U.S. military "facilities" in such places as Somalia, Kenya and Oman are an important step toward establishing an American resupply and refueling presence in the Persian Gulf and Southwest Asian regions. But Somalia and Kenya are a significant distance from potential Middle East theaters of conflict. And potential instability in those countries, along with Third-World political sensitivities there, create serious doubts about the long-term value of these sites as jumping-off points or resupply stations for U.S. troops in the event of an emergency. The closest we come to a permanent base is on the vulnerable Diego Garcia atoll, 2,500 nautical miles from the Straits of Hormuz—still too far for an effective immediate response to hostilities.

Indeed, every international crisis to which the U.S. would have to respond would require us to move troops, materiel and fuel by sea: the North Atlantic, South Atlantic, southern Africa, the Caribbean, the Pacific and the aforementioned Persian Gulf. The Soviets, recognizing our disadvantage in this regard, are already doing their best to extend their influence to key maritime "choke points":

A series of Cuban-backed revolutions in Central America threatens the Panama Canal and Caribbean area, through which moves shipping vital to our economy. The Soviet naval presence in Cuba is substantial and poses an on-going threat to shipping lanes.

The same advantageous Soviet positioning holds on either side of the Cape route around southern Africa—through Soviet surrogates (and refueling and resupply rights) in Angola in the South Atlantic and in Mozambique in the Indian Ocean. The Cape route, through which passes the bulk of Western Europe's oil and the West's supply of strategic metals and minerals, has been further threatened by Soviet backing for the Southwest Africa People's Organization (SWAPO), which seeks to take power in Namibia, thus giving the USSR a naval window on the South Atlantic.

In Northern Europe, the Soviets have built a mobile, well-armed Baltic Fleet, with an amphibious capability geared to a takeover of the strategic Kiel and Mecklenberg Bays, and the neutralization of NATO allies Demark and Norway.

Other choke points haven't been ignored by the Soviets. Their naval presence in South Yemen affords access to the Bab el Mandeb Straits at the mouth of the Red Sea and proximity to the Straits of Hormuz. A Soviet naval base on the Dahlak Islands off Ethiopia puts the USSR a short hop from the Saudi mainland.

This has all been accompanied by a major build-up of Soviet naval power. Traditionally the Russian fleet has been a mechanism for defending the homeland. Today it is capable of projecting power and forces at great distances. Technologically, the Soviet Navy has entered the age of sophisticated warfare; aircraft carriers are joining a fleet that includes dozens of nuclear powered and armed submarines.

There is no logical reason for the USSR to develop a naval force of this size. Its allies and lines of communication to most potential theaters of confrontation with the West are overland. No reason other than to position itself to interdict U.S. use of the world's sea lanes and our ability to defend both our allies and our national interests.

Responding to this challenge, the Reagan administration has proposed increasing our fleet from its present strength of 450 vessels to 600. Two new aircraft carriers—bringing the total to 15—hundreds of new fighter planes and other advanced items are being requested in the new budget. Proponents of the budget maintain that as our defense needs have changed in going from a one-and-a-half war strategy to the possibility of firefights in any number of trouble spots, the Navy ought to be prepared for any eventuality.

In that case, and with the Falklands situation in mind, it is imperative that our sealift capability be bolstered. With the precipitous decline of the merchant marine, the Navy has but a limited number of vessels on which to rely in an emergency for supply and transport assignments. Naval officials estimate that some 90% of our cargo during wartime will go by sea, yet the Maritime Sealift Command (which has 60 ships under its control) can call upon only half as many merchant ships as it did only 15 years ago during the Vietnam war and but a sixth of the number available in the Korean war.

A NATO agreement would free up to 400 European cargo ships for U.S. use during hostilities in Europe. But that arrangement is of no use if trouble breaks out elsewhere.

Many of the ships in the National Defense Reserve Fleet are of World War II vintage and would take two to three months to prepare for deployment. There are 27 newer ships in a category called the Ready Reserve Force that the Navy and the Maritime Administration maintain could be ready in five to 10 days. But these ships are equal in number to those needed by the British in the first two weeks of the Falklands crisis. Problems in the Persian Gulf would surely require additional vessels—quickly.

PREPOSITIONING SHIPS

One way around this problem is the use of prepositioning ships which carry food, equipment and fuel that can "marry up" with troops from the Rapid Deployment Force. Thirteen ships of the type are already in the Indian Ocean for use by a U.S. Marine brigade and other military units. Other ships of this type are on order by the Navy. In the absence of U.S. bases in strategic areas, the prepositioning ship is a necessity, but is by no means a substitute for a permanent U.S. presence. The return of a strong U.S. merchant marine would add significantly to our abilities but that is for the long term.

In the meantime, the U.S. is playing catch-up and the hour is late. Until our airlift capability drastically improves, we'll depend on the seas to move men and arms. As the Falklands have taught us, we can't be prepared enough. Placing a priority on our sealift capability must be a national imperative.●

ENERGY RESEARCH

● Mr. LEAHY. Mr. President, on December 10, 1981, Chairman HATFIELD and I joined in a letter to all Senators asking that they cosponsor a sense-of-the-Senate resolution reaffirming the commitment of the Senate to support Federal programs which increase energy efficiency through research and development, information programs, and the weatherization of the homes of low-income citizens.

We took that step because press reports indicated that the administration would present an energy conservation budget for 1983 which would be just 7 percent of the funds appropriated by Congress for 1982. In the Department of Energy Organization Act, the Energy Conservation and Policy Act, the Energy Conservation and Production Act and in the Department of Energy authorization enacted as part of the first concurrent budget resolution, Congress mandated that there be a strong and effective Federal energy conservation program.

Congress established this policy because our energy security requires reduction of oil imports from the Middle East. Congress also determined that the very large potential for energy conservation would not be realized without Federal programs which provide weatherization assistance for those without adequate financial resources, information programs for homeowners and small businesses who lack sufficient information to respond effectively to higher prices, and research and development which would otherwise not be financed by the private sector. We were concerned that the level of funding proposed by the administration cannot fund viable programs which will achieve these objectives.

We were also concerned that, by requesting funding for energy conservation which is far below the levels Congress is certain to support, the administration would force reductions in the Department of Energy fossil energy program and other essential programs at the Department of the Interior.

The conviction that Federal energy conservation efforts are essential was so widely held that, just 5 days later, we introduced the resolution with the support of a third of the Senate. Those Senators cosponsoring this resolution represented the entire political spectrum in both parties. Unfortunately, the President chose to ignore that strong bipartisan statement of support for these essential energy conservation programs. The budget presented was exactly as the press had reported it. Energy conservation programs were cut over 90 percent.

Many of my colleagues held back from cosponsoring the resolution initially because they wanted to give the administration a chance to state its case.

We have now had a half-dozen hearings in both the House and the Senate on the fiscal year 1983 energy conservation budget.

I questioned Secretary of Energy Edwards closely before the Interior Subcommittee of the Senate Appropriations Committee on why the administration had decided to destroy these cost-effective energy conservation programs.

I pointed out to him that his own board of independent expert advisers—the Energy Research Advisory Board—had proposed increasing energy conservation programs—not cutting them by 90 percent. He shrugged and responded that he does not always take his advisers' advice.

I read him letters from elderly Vermonters—not bureaucrats or contractors—testifying to the effectiveness of the home energy audit program. He said he was not even familiar with the program.

Frankly, I was appalled. And I know that a number of my colleagues on both sides of the aisle have had similar experiences in questioning Secretary Edwards and Assistant Secretary Trible.

Thus, it is no coincidence that today I am proud to announce that a majority of the U.S. Senate has cosponsored this resolution. The administration has been completely unable to justify these budget cuts. The majority cosponsorship of this resolution means that the administration has completely failed to make its case and that the Senate will reject its efforts to abolish our national energy conservation efforts.

I have attached to my statement the names of new cosponsors in addition to those original cosponsors and those added on March 10, 1982. I ask that the names be printed in the RECORD.

I look forward to working with my colleagues to translate the commitment represented by this resolution into an effective, aggressive national energy conservation program at the Department of Energy.

The names follow:

COSPONSORS—S. RES. 262

Senators: Leahy, Hatfield, Huddleston, Jackson, Stafford, Percy, Cohen, Durenberger, Bumpers, Rudman.

Tsongas, Chafee, Bradley, D'Amato, Levin, Gorton, Dodd, Heinz, Kennedy, Mitchell.

Pell, Baucus, Ford, Melcher, Stennis, Inouye, Cranston, Sarbanes, Biden, Pryor.

Weicker, Wallop, Hart, Riegle, Moynihan, Matsunaga, Sasser, Metzenbaum, Randolph, Dixon.

Hollings, Boschwitz, Proxmire, Glenn, Specter, Byrd (W. Va.), DeConcini.

New cosponsors: Exon, Eagleton, Zorinsky, Burdick, Kasten.●

EXXON PULLOUT A BLOW TO SYNFUELS INDUSTRY

● Mr. HUDDLESTON. Mr. President, over the weekend, we saw a striking example of the hazards of a purely economic approach to energy policy. The pullout of Exxon from the Colony oil shale project is a serious blow to the synfuels industry and is, I fear, symptomatic of the problems currently afflicting major synthetic fuels endeavors. High interest rates, falling oil prices and the loss of the sense of urgency for energy independence have all combined to make synthetic fuels ventures less attractive for the short term.

Exxon withdrew from the Colony project not because of technical difficulties, not because the extraction of oil would not work, but simply because it no longer believed it could sell the shale oil produced at an acceptable price. This is a perfectly understandable decision for Exxon to make. But it is a tragic decision for our country.

This country needs synthetic fuels and the energy independence they can bring us. Our continued dependence on foreign oil remains a drain on our economy and a serious threat to our national security. Our sources of oil are no more stable than they were when the Arab oil embargo was imposed almost 10 years ago, and our economy is no more prepared to withstand the shocks that a future oil interruption would bring.

Yet, the Reagan administration, through their actions, tells us that oil imports are no longer a problem. President Reagan's budget proposes to terminate a multitude of synthetic fuels projects and take fossil energy funding down to closeout levels. A handful of others in Congress would go even further and abolish the Synthetic Fuels Corporation—the only remaining vehicle for substantial Government assistance to synthetic fuels development. If this country needs synthetic fuels, they say, let the private sector develop them.

Unfortunately, however, there are overriding factors involved that private industry is not likely to consider. We cannot expect private industry to factor into their investment decisions the costs of continued oil dependence in terms of unemployment, inflation, and diminished national security. But these are factors that responsible Government has to consider.

Government should also consider the substantial contribution to economic growth that can be gained through synthetic fuels development. In testimony before the Senate Finance Committee, Michael S. Koleda, President of the National Council on Synthetic Fuels Production, submitted a summary developed by the Fluor Corp. on the economic growth induced by the construction and operation of a synthetic fuels plant.

The summary lists the resource requirements—labor, materials, and equipment—for a 50,000-barrel-per-day plant. It provides estimates of the number of technical and construction personnel require to design, engineer, build and operate the plant, as well as a listing of the materials and equipment which go into its construction. The summary addresses only those demands directly associated with the plant itself. It does not include additional personnel or material requirements necessary for the supporting infrastructure.

As Mr. Koleda pointed out, when viewed from the perspective of the depressed home and domestic automobile industries these requirements become significant:

> The steel requirements for a single synthetic fuels plant represent the equivalent of 270,000 automobiles or nearly 5 percent of total 1981 United States production. To put it another way, this is equal to about twice the steel production lost in 1981 due to the decline in U.S. automobile production.
>
> The concrete and lumber requirements for a single synthetic fuels plant represent the equivalent of enough new homes to make up nearly 10 percent of the decline in new housing starts in 1980 and 1981.

We still need Government support for energy technologies where the costs and risks of commercial demonstration are higher than private industry will or is able to pay. I am convinced of that, the Exxon decision bolsters my conviction, and the administration has offered no proof to the contrary.

I ask that the Fluor Corp.'s summary and the article "Exxon Pullout a Blow to Synfuels Industry," by Martha M. Hamilton in the May 4 Washington Post be included in the RECORD.

The material follows:

Resource requirements for a single commercial synthetic fuels plants[1]

Labor:	
Peak home office engineering	2,000
Peak construction	15,000
Operating	2,400
Materials:	
Rebar (pounds)	[2] 55,000,000
Structural steel (tons)	[2] 80,000
Plate Steel (for vessels and tanks) (tons)	[2] 150,000
Concrete (cubic yards)	[3] 475,000
Pipe (tons)	30,000
Wire (feet)	[4] 20,000,000
Lumber (board feet)	[5] 250,000,000
Equipment items:	
Reactors, columns, and drums	1,300
Heat exchangers	1,300
Fired heaters, boilers, and flares	50
Compressors and generators	100
Pumps	1,600
Material handling equipment	1,300
Total major equipment items	5,650

[1] Approximately 50,000 barrel per day of liquid fuels from coal.

[2] Enough steel to build 270,000 automobiles.

[3] Enough concrete to build 12,000 homes.

[4] 4,000 miles of wire.

[5] Enough lumber to build 17,000 homes.

[From the Washington Post, May 4, 1982]

EXXON PULLOUT A BLOW TO SYNFUELS INDUSTRY

(By Martha M. Hamilton)

The synthetic fuels industry—once a major front in the energy independence effort—was struck a crippling blow over the weekend by Exxon's decision to pull out of the Colony Oil Shale project.

Only two years ago in a radically different world of lower construction costs and higher oil prices, a more optimistic Exxon spent $300 million to buy Atlantic Richfield Co's 60 percent interest in the massive Colorado project, designed to produce petroleum products from oil-bearing rock.

And only two months ago, Exxon chief executive officer Clifford C. Garvin Jr. told a meeting of securities analysts that the company's interest in shale oil "remains particularly strong." But Exxon dropped out Sunday because it no longer believed it could sell the shale oil products at an acceptable price. Exxon is obliged to buy the 40 percent share of the project held by its partner, Tosco Corp., for $380 million.

Besides killing off the centerpiece of the nation's synfuels effort, the Exxon decision was a crystal clear sign of how fast the energy verities of the recent past have been stood on their heads.

Where once oil prices appeared to be headed into the stratosphere, they are instead declining. Where profits threatened to embarrass oil company officials, their firms are now sustaining modest losses. Where drilling was fast and furious, rigs are now being abandoned in some areas. Where once thousands turned out to greet the dawn of Sun Day and at the promise of solar energy era, the faithful gathered yesterday in a more subdued mood to attack cutbacks in the solar budget.

Only a few skirmishes are still being fought in the battle for energy independence once deemed the moral equivalent of war.

Synfuels is just one example of how things have changed. Less than two years ago, Congress passed the Energy Security Act of 1980, creating the U.S. Synthetic Fuels Corp. and launching what was to be "public-private cooperation at a scale unmatched in peace time," as an industry leader put it.

"We believe that a synthetic fuels industry is vital to the economic and defense well-being of our nation, and we will continue to encourage the private sector to proceed with their plans to develop such an industry," Edward Noble, the chairman of the SFC said yesterday, sounding the old battle cry. Two of three pilot plants aided by the synfuels program, the Great Plains coal gasification project in North Dakota and the only remaining oil shale project, Union Oil's shale project at Parachute Creek, Colo., are still intact.

Noble and congressional supporters of the synthetic fuels industry said the Exxon decision underlines the need for an entity such as the SFC to support synfuels projects when economic incentives fade away. But analysts said that the demise of the Exxon-Tosco project will mean more difficulties in finding private financial backing for the five synthetic fuel projects now contending to federal support.

"This really casts further doubt on the viability of synthetic fuels to make any real contribution to our immediate energy needs," said Robert L. Roach, director of the Environmental Policy Institute, a group that has been critical of projects supported by the SFC.

The death of the Tosco project followed a series of other developments that underline how concerns about replacing the nation's dependence on oil have become less urgent.

Last week, the sponsors of the proposed Alaska natural gas pipeline announced that the $43 billion project would be delayed for two years because of their failure to line up the needed financing.

In the same week, the $11 billion Alsands project in Canada bit the dust when financing could not be worked out. That project had been designed to produce oil from huge tar sands deposits in Alberta.

The oil crisis has been replaced with an oil glut that has sent prices falling dramatically. Official sales prices of internationally traded oil have fallen from $34.18 on Jan. 1, 1982 to $33.34 at the end of April and spot prices have been running $4 to $5 a barrel below contract prices. Although there are signs that the drop in prices may be at an end, many forecasters expect prices to stabilize rather than to head back up.

In response to that decline in prices, the frantic rush to find new oil sources has abated somewhat; the number of drilling rigs operating in the United States as of late March was down 20 percent from the number operating three months before. The number of active seismic exploration crews in the United States, a figure that predicts future drilling activity, has also declined each month since last September.

Still another major change is the shift, at least in rhetoric, away from government engineering of the nation's energy policies to a hands off policy accompanied by deep cuts in federal funding for new energy techologies. Solar energy supporters said yesterday that the Reagan administration has undermined solar by plans to cut the solar budget 88 percent.

"The only gain I know of that the White House has not dismantled is the solar collectors on the White House," said Solar Lobby director Richard Munson.

In the background of this shift are voices warning that the energy situation could turn again without notice, leaving the nation facing another energy crisis.

"I'm not at all comfortable with the perception that there is no problem and we can all relax because it's all gone away. I don't think it has," said Senate Energy and Natural Resouces Chairman James A. McClure (R-Idaho). McClure has hammered away at the need for preparedness in a advance of another supply crisis and been a supporter of syntheitc fuels development. "Sometime we're going to again face the fact of the vulnerability of the United States to a supply that is too much based on imported oil."

"What's good for Exxon is not necessarily what's good for the country," House Majority Leader Rep. James C. Wright Jr. (D-Tex.) said yesterday. "Exxon may not need synthetic fuels production, but the country does if it is to be protected from future supply interruptions."

DR. DAVID B. COOKE, JR.

● Mr. HELMS. Mr. President, a distinguished North Carolinian, Dr. David B. Cooke, Jr., died last month following a remarkable career that was cut distressingly short by his death.

The Durham Academy of Medicine, Dentistry, and Pharmacy adopted a resolution on April 24 which was a tribute to the service rendered by Dr. Cooke.

Mr. President, I ask that the text of this resolution be printed in the RECORD.

The resolution follows:

RESOLUTION

Whereas Dr. David Bennett Cooke, Jr. faithfully administered to the medical needs of the Durham Black Community in accordance with the "Oath of Maimonides"—". . . Thy eternal providence has appointed me to watch over the life and health of Thy creatures . . . ",

Whereas Through his unselfish service rendered to those in need, Dr. David Bennett Cooke, Jr., did fulfill an essential order of the "Oath of Hippocrates"—"I will use that regimen which according to my ability and judgment shall be for the welfare of the sick,"

Whereas Dr. David Bennett Cooke, Jr.'s devotion to the welfare of people even in the face of his own illness epitomized the writings of another "Beloved Physician"—Luke who noted, "We are unprofitable servants: we have done that which was our duty to do" (Luke 17:10),

Whereas Dr. David Bennett Cooke, Jr. dutifully provided leadership and service to his community, his colleagues and his family via his example and his good works which have been felt by all of those whose lives he touched in birth, in sickness, in health, in joy and in sorrow through his unwavering commitment which was felt at Lincoln Hospital, shared with the Durham Academy of Medicine, Dentistry and Pharmacy, and will be missed by all of those who knew him: Now, therefore, be it

Resolved, That the membership of the Durham Academy of Medicine, Dentistry and Pharmacy recognizes by this resolution to his family and members of the Durham Community, the silent martyrs of our people such as David Bennett Cooke, Jr., M.D. whose daily efforts enhance the lives of all people; and be it further

Resolved, That the example of Dr. David Bennett Cooke, Jr. shall be cited for other physicians and students of medicine in the records of our organization, the Old North State Medical Society, the National Medical Association and the American Medical Association; and be it further

Resolved, That copies of this resolution shall be sent to the Durham City Council, the North Carolina State Legislature, and the United States' Congressional Record for entry of this outstanding American onto the rolls of those who have fulfilled a promise and served us well.●

KOREA AND THE UNITED STATES

Mr. KENNEDY. Mr. President, 1982 marks the 100th anniversary—a century of friendship between the people of the United States and the people of Korea. Through this century our two nations have developed deep mutual respect and admiration for each other.

During the long period of harsh Japanese rule in Korea, Koreans saw American missionaries share the hardships of the time. During the Korean war, Koreans saw Americans dying to protect the freedom of Korea. In the 1960's the United States spoke out against the abuses of Syngman Rhee and later our Government opposed the coup by Gen. Park Chung Hee. Donald Ranard, writing recently in the New York Times, recalled "the South Korean public's warm reaction to our identification with their aspirations for democratic rule."

It is a great tragedy of our time that this "warm" feeling and the "feeling of trust and kinship," which Mr. Ranard recalls, is rapidly dissipating as a result of insensitive policies and action in Washington. Despite extensive U.S assistance and support of the Republic of Korea our Government has all too often sat back silently as one military regime after another instituted repressive measures and undertook brutal attacks against its own people. Democratic principles have been corrupted to such an extent that the Korean Government's claims of democratic progress are widely perceived to be the farce that they are. Worst of all the most fundamental of human rights have been compromised, and Koreans today do not enjoy the freedoms for which America stands in its Bill of Rights and for which Americans fought and died in the Korean war.

The voices from Washington that once spoke out so forcefully for democracy and the rights of life, liberty and the pursuit of happiness are now scarcely heard. Vice President BUSH, in his speech recently before the Korean National Assembly, made only passing reference to democracy in Korea but he implicitly noted the problem saying that the United States supported President Chun's philosophy of "a new era * * * (with) a freer, more abundant, and democratic society."

But the Vice President did not note that since President Chun made his remarks in Washington 1 year ago, there has been negligible progress in

this direction. Indeed, there is no reference in the Vice President's speech to the continued detention of political figures, the imprisonment under harsh conditions of political and human rights leaders, the deprecation of political, press, and labor freedoms, and the Government's ongoing repression of individual liberties and human rights.

Mr. President, I continue to believe that the Republic of Korea can and should become a model of democracy and freedom in Northeast Asia. It should stand in bold contrast to the totalitarianism and brutal repression in North Korea—where at least 105,000 people are reported to be held in forced labor camps for ideological reasons. Therefore, I urge the administration to consider carefully our historic position in Korea as a defender of democracy and human rights and to reorient our policies to strongly encourage our South Korean friends and allies to restore democracy and full respect for human rights and freedoms.

I ask to have printed in the RECORD the April 26 article by Donald L. Ranard entitled "In South Korea, Smoke of Anti-Americanism," and an April 11 article by Henry Scott Stokes also appearing in the New York Times.

The articles follow:

IN SOUTH KOREA, SMOKE OF ANTI-AMERICANISM

(By Donald L. Ranard)

WASHINGTON.—For years as Pentagon spokesmen sought to justify defense budgets on Capitol Hill, they would point with pride to South Korea as the one country ever ready to accept American troops. Now with the burning of the American Cultural Center in Pusan on March 18, the United States is confronted with anti-Americanism unparalled in the 100 years since if opened diplomatic relations with Korea.

The tragedy is that this bitter display of anger has occurred in the Asian country where Americans have been most widely admired and respected. Hardships shared by American missionaries during the long, harsh Japanese occupation earned for them an affection that still continues. American troops' sacrifices during the Korean War added to that strong feeling of trust and kinship. During the student uprising against President Syngman Rhee in April 1960, young Koreans went out of their way to protect Americans and their property. They were responding to the American Embassy's sensitive call for "a settlement of justifiable grievances toward which the demonstrations are directed." In an unusual action, that same embassy's leaders a year later publicly opposed Gen. Park Chung Hee's coup. I was a member of the staff, and still recall the South Korean public's warm reaction to our identification with their aspirations for democratic rule.

Today, a new generation of Koreans sees America through increasingly critical eyes—understandably. Eighteen years of support for the late General Park's rule, and equally lavish assistance to his successor, Gen. Chun Doo Hwan, has eroded America's image. However much the Reagan Administration seeks to justify General Chun's 1981 visit to Washington as part of a deal to save the opposition leader Kim Dae Jung from execution, it was the first of many signs of tolerance of repressive government that young Koreans noted.

Not that there was all that much substance in the Carter Administration's human rights policy toward South Korea, laudable though it was toward other countries. The State Department's reluctance to seek prompt progress toward democratic reform after the assassination of Mr. Park in October 1979, and its unwillingness to intervene in the butchery accompanying civil rebellion in Kwangju in May 1980, left a legacy of distrust and suspicion. More recently, Washington's continuing reliance on quiet diplomacy to reverse the unjust sentencing of Kim Dae Jung for alleged sedition, in contrast to its forceful all-out public outcry and sanctions against Poland, does little to dispel South Koreans' skepticism about American evenhandedness.

The status of human rights in South Korea is no better today than in December 1979 when General Chun unlawfully took over. According to the North American Coalition for Human Rights in Korea, the recent large-scale amnesty left most political prisoners in jail. Professors and journalists are still being dismissed over issues of academic and press freedom, and college students continue to be expelled because of opposition to the Government.

Now that Washington is urging Seoul to increase its contribution to the living standards of American troops in South Korea, the State Department might well pause to think about where our policies are leading. Washington's concern for the welfare of our forces in South Korea, in contrast to our silence regarding South Koreans' rights, will come to be seen as yet another example of callous American self-interest. Already there is a growing feeling among Korean intellectuals and students that our military is there more to protect our investments and trade (South Korea is the America's No. 11 trading partner) than to defend their freedom.

The inevitable result, anti-Americanism, is also looming elsewhere in the Pacific. "It was not so long ago that American arms were seen as something noble and liberating by Filipinos," says a letter from a prominent church leader in the Philippines to one in America. "For us then, the American soldier was a civilized, trusted warrior—our liberator! Our youth no longer see America in a liberating role but as one who arms our soldiers to kill their fellow Filipinos."

Washington will err badly if it ascribes the arson in Pusan to Communist motivations as Seoul now seeks to do. South Korean dissidents are not "spoiled brats," as our Ambassador, Richard L. Walker, is reported to have said. We should try to understand what they are trying to tell us. Then we might begin to adjust our policies to reflect the traditions and values of freedom that once brought us much great respect from our Korean friends.

NORTH KOREA IS SAID TO HOLD 105,000

(By Henry Scott Stokes)

SEOUL, SOUTH KOREA, April 10.—South Korean Intelligence officials say at least 105,000 North Koreans are being held in camps for ideological offenders.

The existence of the camps, long suspected by intelligence officials, was disclosed in recent interviews here with three North Korean defectors and with high-ranking officials of the South Korean Agency for National Security Planning, formerly the Korean Central Intelligence Agency.

Until recently, the intelligence officials said, it was difficult to check the existence of the camps. But now, with the aid of the defectors from North Korea, and with information that is believed to derive from American aerial reconnaissance, eight major camps for political offenders have been located, according to experts in Seoul, in addition to 25 separate conventional prisons for ordinary criminals.

South Korea also has forced labor camps, which Seoul officials said held more than 3,200 people late last year. However, according to political dissidents, only a minority of the internees are political prisoners.

APRIL CELEBRATION SET

The disclosures about the camps come as North Korea prepares huge celebrations to mark the 70th birthday of its leader, Kim Il Sung, next Thursday. Intelligence officials here insisted that they were not trying to overshadow that event. The disclosures, they said, followed years of efforts to confirm the presence of the camps.

In an interview at the national security agency's headquarters in Seoul, a high official said: "Our hope is that by showing the truth about North Korea, including the camps, we will broaden international knowledge about society there, paving a way for reunification in the long run."

American officials here declined to confirm the camps' existence, saying they had "no knowledge" of aerial photos of the facilities. But diplomats here believe that such places exist and are used to bolster President Kim's authority. He has ruled North Korea since it was founded in 1948.

The three defectors are Kim Yong Joon, who fled to the South in January; Kang Hyung Soon, who left North Korea in 1979, and Shin Young Man, a former North Korean agent in Japan who defected there in 1977. They told of their experiences at a joint interview at a Seoul hotel.

Mr. Kim, 30 years old, said that he had repaired farm implements in Onsung County, in North Hamgyong Province, near the Chinese border. He said that several times in 1978 he entered a large camp there for political offenders to repair equipment during a government campaign to "reclaim" lost land. Intelligence officials said that the camp was the largest of the eight and probably held about 27,000 people.

Mr. Kim said that he had first become aware of the camp in 1962, when as a teenager he explored the vicinity to search for tree bark to make string. "There were high fences, notices saying 'keep out' and 'danger,'" he said. "Everyone in the locality knew about the place. It was no secret that it held 'ideological criminals.'"

Intelligence officials said at a separate briefing that a second camp, holding about 20,000 prisoners, was in nearby Hoeryon County. They said other camps were in Kyongson County, which is also in North Hamgyong Province, with 15,000 prisoners; at Yodongmyon in South Hamgyong Province, with 13,000 captives, and in Chongpyong County in the same province, with 10,000 prisoners. Two camps in North Pyongyang Province hold 5,000 and 15,000 prisoners and a third in Chagang Province holds an undetermined number, according to the officials.

105,000 PRISONERS "MINIMUM"

"About 105,000 is the minimum figure we came with up for the total in the camps," said a high official in charge of North

Korean affairs at the security agency, "but there may be more and there may be other camps. We can't be sure yet."

None of the three defectors interviewed had been held in a camp. But Mr. Shin, 57, said that he was taken to Chuulli in North Hamgyong Province on a tour in the spring of 1972 to see a camp, shortly before he was smuggled into Japan as an agent. He said the visit was apparently a warning of what could happen if he failed in his mission.

Mr. Shin said that he got a close look at prisoners and buildings at the Chuulli camp.

FORMER AGENT IN NORTH KOREA

"They were not normal homes but wretched huts, half cave and half home," he said. "It was early spring, a bit cold. The people's clothes were really ragged, with flesh showing through the holes. They were very pallid, scrawny and miserable."

He said he had left his wife and six children in North Korea and presumed that they were now interned in a camp. "When I think about them I want to cry," he said, breaking into tears.

Mr. Kang, 26, said he had been trained as an agent of the North Korean State Political Security Department and had been responsible for tracking down people suspected of holding views contrary to the principles of the North Korean Workers Party. He said he had studied at the political security department of Kim Il Sung University in Pyongyang, the North Korean capital.●

ORDERS FOR WEDNESDAY

ORDER FOR RECESS UNTIL 9:30 A.M. TOMORROW

Mr. BAKER. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 9:30 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF CERTAIN SENATORS TOMORROW

Mr. BAKER. Mr. President, I ask unanimous consent that after the recognition of the two leaders under the standing order, the following Senators be recognized on special orders of not to exceed 15 minutes each: Senators LEAHY, EAGLETON, RANDOLPH, WALLOP, and SPECTER, in that order.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I also ask unanimous consent that on tomorrow, the distinguished Senator from West Virginia, the minority leader (Mr. ROBERT C. BYRD), be granted a special order of not to exceed 15 minutes. That is the sixth of a sequence of special orders.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ROUTINE MORNING BUSINESS TOMORROW

Mr. BAKER. I ask unanimous consent, Mr. President, that after the execution of the special orders there be a period for the transaction of routine morning business to extend not past 11:30 a.m., in which Senators may speak for not more than 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. BAKER. Mr. President, on tomorrow the Senate will convene at 9:30 a.m., pursuant to an order for recess today. After the recognition of the two leaders under the standing order, six Senators will be recognized on special orders of not to exceed 15 minutes each.

After the execution of the special orders, there will be a brief period for the transaction of routine morning business, not to extend past 11:30 a.m., in which Senators may speak for not more than 5 minutes each.

At the expiration of the time for the transaction of routine morning business, the Senate will resume consideration of the pending business, that is to say, S. 2248, the Department of Defense authorization bill, on which a second-degree amendment offered by the Senator from Texas to the Specter amendment will be the pending question.

Mr. President, tomorrow will be a regular day, absent extraordinary circumstances, and the Senate will not be asked to stay past approximately 6 p.m. Senators are reminded, however, that Thursday is our regular late evening, and I do anticipate a late session on Thursday.

If this bill is not finished by Thursday evening, the Senate will be in session on Friday.

I reiterate: If we do not finish the Department of Defense authorization bill on Thursday evening, the Senate will be in session on Friday of this week.

RECESS UNTIL 9:30 A.M. TOMORROW

Mr. BAKER. Mr. President, if there is not further business to be transacted by the Senate this evening, I move, in accordance with the order previously entered, that the Senate now stand in recess until 9:30 a.m. tomorrow.

The motion was agreed to; and at 6:07 p.m., the Senate recessed until tomorrow, Wednesday, May 5, 1982, at 9:30 a.m.

CONFIRMATION

Executive nomination confirmed by the Senate May 4, 1982:

DEPARTMENT OF JUSTICE

William S. Price, of Oklahoma, to be U.S. attorney for the western district of Oklahoma for the term of 4 years.

HOUSE OF REPRESENTATIVES—*Tuesday, May 4, 1982*

The House met at 12 o'clock noon.

The Very Reverend Mathias Doyle, president, St. Bonaventure University, St. Bonaventure, N.Y., offered the following prayer:

Let us pray.

We, the followers of Francis of Assisi and your coworkers in struggling for a better society, send greetings and peace and this message.

Keep a clear eye toward life's end. Do not forget your purpose and destiny as God's creature. What you are in His sight is what you are and nothing more. Do not let worldly cares and anxieties or the pressures of office blot out the divine life within you or the voice of God's Spirit guiding you in your great task of leading humanity to wholeness. If you open yourself to God and His plan printed deeply in your heart, God will open himself to you.

Remember that when you leave this Earth, you can take with you nothing that you have received—fading symbols of honor, trappings of power—only what you have given: A full heart enriched by honest service, love, sacrifice, and courage.

Embrace the God of us all and His Word wherever it surfaces. Imitate His preference for the poor and the powerless. Enter into His plan of liberating all peoples from everything that oppresses them and obstructs their development as human beings. Do not grow tired of working for peace among all people.

Help remove unjust social structures and patterns of exploitation. Uphold the rights and dignity of the human person. Foster the creation of a society where human life is cherished and where all peoples of the planet can enjoy its gifts, which God created for all, in a spirit of love and justice and equality. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

THE VERY REVEREND MATHIAS DOYLE, OFM

(Mr. LUNDINE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LUNDINE. Mr. Speaker, it is my great delight to welcome my friend and constituent, Rev. Mathias Doyle, who is the 17th president of St. Bonaventure University, the only Franciscan university in North America, to our Chamber today to act as visiting chaplain. He has taught political science. He is an alumnus of Notre Dame and Siena College. Under his aegis St. Bonaventure has developed a new field of study called peace studies. This is particularly appropriate for the Franciscan friars, because they have long been devoted to maintaining peace throughout the world.

Mr. HOWARD. Mr. Speaker, will the gentleman yield?

Mr. LUNDINE. I yield to our only alumnus of St. Bonaventure University, the distinguished gentleman from New Jersey.

Mr. HOWARD. I thank the gentleman for yielding.

Mr. Speaker, as the only Member of the House who is an alumnus of St. Bonaventure University, I wish to welcome the words of my colleague, the gentleman from New York, and to join with him in welcoming Father Mathias here and to say through him to Father Mathias how much I appreciate the wonderful years that I had, on this, the 30th anniversary of my graduation from St. Bonaventure, and to thank him, the fellow clergy and the professors who gave me 4 years of such valued leadership, as they are continuing to do to this day.

PRIVATE CALENDAR

The SPEAKER. This is the day for the call of the Private Calendar. The Clerk will call the first individual bill on the Private Calendar.

REMEDIOS R. ALCUDIA, CHRISTOPHER, EZRA, VERMILLION, AND PERISTELLO ALCUDIA

The Clerk called the bill (H.R. 1547) for the relief of Remedios R. Alcudia, Christopher, Ezra, Vermillion, and Peristello Alcudia.

Mr. SENSENBRENNER. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

LASZLO REVESZ

The Clerk called the bill (H.R. 1352) for the relief of Laszlo Revesz.

Mr. SENSENBRENNER. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

SHINJI ONIKI

The Clerk called the bill (H.R. 1826) for the relief of Shinji Oniki.

There being no objection, the Clerk read the bill, as follows:

H.R. 1826

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Shinji Oniki shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper officer to deduct one number from the total number of immigrant visas and conditional entries which are made available to natives of the country of the alien's birth under section 203(a) of the Immigration and Nationality Act or, if applicable, from the total number of such visas and entries which are made available to such natives under section 202(e) of such Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JENNIFER FERRER

The Clerk called the bill (H.R. 1830) for the relief of Jennifer Ferrer.

Mr. SENSENBRENNER. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The SPEAKER. This concludes the call of the Private Calendar.

CONGRESS SHOULD REJECT EDUCATION CUTS

(Mr. PEYSER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PEYSER. Mr. Speaker, yesterday Secretary of Education Bell said the administration was being too generous with student aid, and he charged that many of us who are traveling around the country were merely misleading students into thinking they had a problem.

☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Mr. Speaker, let us look at the facts very briefly.

Under guaranteed student loan programs, the administration is cutting $1.5 billion, and eliminating all graduate students; under the Pell grant program they are cutting $800 million; under the supplemental opportunity grant program, they are eliminating all the money; under the national direct student loan program, they are eliminating all the money; under the student incentive program, they are eliminating all the money; under work study, they are eliminating $150 million.

Mr. Speaker, I think not only do myself and the majority of the Members of this Congress have reason to be, as he said, near hysterical, student and college leaders all over this country share that opinion. Let us do something about it and reject the administration education cuts.

EXPRESSION OF THANKS TO JAPAN FOR OFFERING TO TREAT AMERICAN VETERAN

(Mr. GORE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GORE. Mr. Speaker, I take this occasion to express my thanks to the nation of Japan for agreeing yesterday to offer treatment for one of my constituents, John Smitherman, who was the victim of two atomic bomb blast tests near Bikini Atoll when he was stationed on the U.S.S. *Allen M. Sumner.* Immediately after the two tests in which John participated, he began experiencing symptoms which have now resulted in the amputation of both his legs, and his left hand is now swollen to five times the normal size. Medical evidence indicates that it is indeed related to his intense exposure. The Veterans' Administration has refused to give him compensation. The National Naval Medical Center has refused to give him treatment. But the Radiation Research Foundation in Hiroshima, Japan, agreed yesterday to provide treatment to this American veteran, and I would like to thank Japan for doing so.

RATIFICATION OF SALT II

(Mr. DOWNEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DOWNEY. Mr. Speaker, today Congressmen Leach and Aspin and I will introduce a House joint resolution ratifying SALT II as an executive agreement by majority vote of both Houses. I urge all my colleagues to cosponsor this resolution, which should be as noncontroversial as apple pie.

Whatever arguments were offered against SALT II in 1979 and 1980 have evaporated under the test of time. Those who once described it as "fatally flawed" are now in power in the executive branch, and they are observing SALT II to the letter and hoping the Russians continue to do the same.

The arguments for SALT II are overwhelming. I will cite only a few: It will limit the number of ICBM warheads the Russians can throw at us; it will make rapid silo reload impossible; it will force the Soviets to retire a block of strategic weapons capable of killing 67 million Americans; it will recover some of the prestige we are now losing in Europe and around the world; it will make it easier to move on to more comprehensive arms control.

SALT II is the only strategic arms control package that is completely negotiated, signed, and ready to go. Let us stop messing around and get on with it.

HEAR US: NUCLEAR WAR HURTS TOO MUCH

(Mr. WOLPE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WOLPE. Mr. Speaker, this week, throughout the city of Washington, billboards will be appearing on street corners and on rooftops proclaiming the imminent danger of nuclear war. The message contained in those billboards is very simple. They say, "Hear us. Nuclear war hurts too much."

These billboards have been erected in Washington by hundreds of my constituents from Kalamazoo, Mich. Paid for by concerned congregations of faith, by professional societies, by community organizations and by families throughout Kalamazoo. The billboards send an urgent message from the grassroots of American politics to those who occupy these Halls of Congress and to the occupant in the White House.

The billboards hope to convey the message that something must be done to address the growing problem of the world's destabilizing nuclear arsenal. In erecting these billboards, the people of Kalamazoo have accomplished two things. First, they have shown us that the public is once again far ahead of the politicians in their understanding of the urgent need to do something about the nuclear arms race; and, second, they have sent us an urgent and timely warning that we must heed: Simply, that nuclear war hurts too much.

Mr. Speaker, the time for a nuclear freeze is now.

THE LATE HONORABLE LEO W. O'BRIEN

(Mr. STRATTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STRATTON. Mr. Speaker, I take this time to advise the House that our former colleague, the Honorable Leo W. O'Brien, from Albany, N.Y., a Member of this House from 1951 to 1966, passed away in Albany last night.

Leo O'Brien was one of the most respected Members of this Chamber. When he served here he had been a distinguished newspaperman in Albany for many years, covering Governor Roosevelt, Governor Lehman, and Governor Dewey. He came here as a Congressman after he had received wide recognition as a television commentator in Schenectady. In this body Leo O'Brien achieved what is a rare distinction, being referred to as a "Congressman's Congressman." Leo O'Brien was one of the few people in the House at the time who, when he rose to make remarks from the well, was actually listened to by his colleagues. That, as we all know, does not happen too frequently. But Leo O'Brien's colleagues knew that when he spoke, he spoke from knowledge and commonsense.

Mr. ADDABBO. Mr. Speaker, will the gentleman yield?

Mr. STRATTON. I yield to my distinguished friend, the gentleman from New York.

Mr. ADDABBO. I thank the gentleman for yielding.

Mr. Speaker, I join the gentleman in this moment of remembrance of a great legislator, a great American, a great journalist.

I was privileged, when I first came here in 1960, to have an office adjoining Leo, and he was a great inspiration to me and a great mentor in those days. We will revere his great memory.

Mr. STRATTON. I thank the gentleman from New York (Mr. Addabbo) for his comments.

Mr. Speaker, as you yourself will remember, Leo O'Brien's greatest legislative achievement here was his fathering the two most recent States of the Union, Alaska and Hawaii. Congressman O'Brien chaired the subcommittee which put the enabling legislation through the Congress in both cases. It is an accomplishment which few Members, if any, can match.

We will miss Leo O'Brien's good commonsense, and to his widow Mabel and his family we extend our deepest sympathy.

GENERAL LEAVE

Mr. STRATTON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the life, character, and public service of the late Honorable Leo W. O'Brien.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

NATIONAL TELECOMMUNICATIONS POLICY

(Mr. JOHNSTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. JOHNSTON. Mr. Speaker, once again I feel compelled to rise in opposition to a misguided effort to update our national telecommunications policy. I label the effort misguided because the more I read through the bill, the more convinced I am that the guiding principle in drafting the measure was to design legislation that would severely handicap A.T. & T. and the Bell System.

For more than 10 years the Bell System has stood ready to offer the public advanced mobile phone service. It is a service that is sorely needed. It is a service that is much in demand. It is a service that is a product of Bell System technology. Following a protracted proceeding, the FCC last December established ground rules for cellular communications systems. Under those rules, two cellular systems would be permitted per market—one allocated to wireline telephone carriers, one for radio common carriers.

H.R. 5158, the Telecommunications Act of 1982, would prohibit the FCC from giving preference to wireline carriers for cellular radio. The local Bell telephone companies, whose future viability has been so much an issue since terms of the A.T. & T.-Justice Department agreement were announced, could conceivably be barred by the bill from the mobile phone market. Rather than being granted an allocation that is a natural extension of the provision of local telephone service, the local telephone companies would be forced into a "crapshoot" to decide who can and cannot service the mobile telephone market. That despite the fact that except for the Bell System only Japan has demonstrated the technological capability necessary to serve the cellular communications market.

In the name of competition, proponents of H.R. 5158 seek to deny local Bell companies a market it has long been ready to serve and which would enhance its future viability. And at the same time, those proponents delay public availability of a service that has already been delayed too long.

Mr. Speaker, while previous congressional attempts to revise the Nation's communications policy have been characterized as "Bell bills," I think the correct characterization for this piece of legislation is "bad bill." We should await the final resolution of telecommunications issues currently before the court, then set out to revise the communications laws in a fair-handed way.

LEGISLATION DESIGNED TO HELP MAXIMIZE USE OF FARM PROGRAM

(Mrs. SMITH of Nebraska asked and was given permission to address the House for 1 minute and to revise and extend her remarks and include extraneous matter.)

Mrs. SMITH of Nebraska. Mr. Speaker, I have introduced legislation designed to help maximize use of our farm program. This new legislation, H.R. 6255, mandates that the Secretary of Agriculture make direct or guaranteed loans to producers who demonstrate need for additional grain storage space.

Agriculture commodity prices are so low that last year's crop has not moved into the marketing channels yet. USDA's April 1 grain stocks report shows that corn onhand totals a record high of 129 million metric tons, up 27 percent from last year. Wheat stocks are shown at 1.55 billion bushels, up 17 percent from last year. The United States has a grain glut that makes the much-heralded oil glut look trivial in comparison.

USDA and industry figures show strong indications that an additional 500 million bushels of grain could enter into the 3-year, farmer-held reserve program. The reserve program, designed to hold grain off the market during depressed times, has had a stabilizing effect on our wheat markets even in the face of increased stocks.

Our problem is that facilities for storing this abundant grain supply are very limited. Many commercial elevators in the Midwest are full to capacity or are not receiving reserve grain so as to have room for the oncoming wheat crop. Also, onfarm storage is jammed with last year's crop. Traditionally the USDA/ASCS program helped to finance construction of additional storage. Now the program has been administratively cut off.

I want to emphasize at this point that the farm storage facility loan program, be it direct or guaranteed loans, will not result in any additional outlays and may in fact save on Government price-support payments. The direct loans are paid back at the cost of money to the Government plus a servicing fee, and guaranteed loans would be negotiated between commercial lenders and the borrower on the commercial lenders' terms. I also want to say that the default rate on these loans is less than 1 percent.

H.R. 6255 increases the aggregate amount of producers' outstanding facility loan balance from $50,000 in 1 year to $100,000 in 2 years—using 2 years' crop production as the basis for eligibility. My bill also increases the loan term from 5 years to 7 years so as to utilize leasing arrangements in conjunction with a loan or loan guarantee.

Mr. Speaker, this is not a handout. Producers pay loans back with interest, and guarantees do not require any Treasury outlay with the farm program signup certain to exceed 80 percent, use of the 3-year grain reserve program is sure to be heavy. Farmers need proper tools in order to use the reserve program to protect their prices and to become less dependent upon volatile international markets. Help me reinstate the farm storage facility loan program by cosponsoring H.R. 6255.

□ 1215

THE ONLY SENSIBLE BUDGET COURSE

(Mr. DREIER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DREIER. Mr. Speaker, last summer, Congress passed the largest tax cut in American history. Not surprisingly, this tax relief package was welcomed by an American public which was sick and tired of being overtaxed and which was continually disgusted at the prospect of paying for more and more ill-conceived and mismanaged Government programs.

Now, less than a year later, we are hearing cries from the Democrats to repeal this tax relief measure. Drawing on years of New Deal economic experience, the Democrats would have us do away with the tax cuts and return to a policy of higher levels of Federal spending. The Democrats would have us abandon President Reagan's program—before it has really had a chance to take effect—and instead, would substitute the tried and untrue policy of tax, tax, tax, spend, spend, spend.

Well, Mr. Speaker, this sort of policy has not worked in the last 30 years and it will not work in the next 30. The American people are no longer willing to give the Federal Government free run of their wallets.

If we really want to revitalize the economy, if we really want to lower interest rates, then we must further reduce Federal spending while retaining the tax cuts. This is the only sensible course which has been offered.

A BASIC PHILOSOPHICAL DIFFERENCE ON THE BUDGET

(Mr. LEWIS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEWIS. Mr. Speaker, last week the President went the extra mile in an effort to overcome the budget stalemate. Following the budget compromise falling apart, the Speaker put his finger on the fundamental problem involved. He said the difficulty was a basic philosophical difference between the Speaker and the Democratic leadership and the Reagan administration. Nothing could be more important for the American public to understand than that.

Indeed, the leadership of this House is entirely out of touch with not just the Reagan administration, but the American public, Democratic and Republican alike, for it was Americans last year, Democrats and Republicans, who called for a reduction in Government spending, who called for fewer taxes and called for a new leadership on the part of America.

The fundamental problem is the agenda called Tip-O'Nomics, which is business as usual. Fundamentally, that means more taxes, more spending, and less defense.

Tip O'Nomics 1983-85

[As revealed in current budget negotiations; billions of dollars]

More taxes:	
Increased revenues sought by:	
Democrats	145
Republicans	110
More spending:	
Changes in nonmilitary spending sought by:	
Democrats	26.1
Republicans	−6.9
Less defense:	
Cuts in military growth sought by:	
Democrats	33
Republicans	23

Today I am asking for a special order tomorrow to ask each of you to join with me to discuss in detail the policies of Tip-O'Nomics, so that the American public can truly understand the difference between the leadership of this House and their concern about our future.

AMERICAN AGRICULTURE

(Mr. CRAIG asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CRAIG. Mr. Speaker, the American economy is currently in a very dangerous situation, and the agriculture sector is definitely no exception. Being a farmer and rancher, I can recognize the challenges facing the family-size operator.

However, I cannot believe the American farmer wants a huge bailout from the Federal Government. What the American farmers wants is reasonable interest rates, the opportunity to compete in an equitable way with the world markets, and a Congress which will get a handle on the budget and their continuing spending policies of the last 20 years.

Even with the negative factors existing in 1982, there are many positive aspects. For a moment, let us compare the situation of just a year ago. A year ago, the prime interest rate was at 20.5 percent. Today it is 16 percent—still too high, but down. What does this mean to the farmer? It means that if he borrows $100,000 for operating capital, it will cost him $4,000 to $5,000 less in expenses this year.

A year ago, inflation was running well over 10 percent per year. The rate is less than 5 percent for 1982. The farmer's imputs for such items as fertilizer and fuel are down. For the first time in many years, farmers will not have to plan into their operating budget an additional 10 to 15 percent over the 1981 budget to cover the increasing costs of farming.

I realize there are a number of farmers in financial straits and that some of them will not be farming this year or next. But, I cannot think for a minute that the American farmers want huge Federal subsidies, massive deficits, or Government handouts to alleviate the short-term problems.

Farmers, along with a large proportion of the American public, said via the ballot box in 1980: "We wanted less Government and less spending." I am not convinced the situation has changed in 1982.

What farmers and others are saying is that we need a stable monetary and fiscal policy with expanded markets for our products. Mr. Speaker, if this Congress will act with courage, I believe these objectives can be achieved.

DEDICATION OF PERRY PERCEPTION PARK

(Mr. REGULA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. REGULA. Mr. Speaker, this past weekend I participated in a unique dedication that is worthy of special attention.

Thanks to 7 years of dedicated efforts by three women's groups in Stark County, Ohio, a lovely park for the handicapped became a part of a caring community in the 16th District.

Because the Perry Women's Club, Richville Woman's Club, and Perry Junior Woman's Club cared, this barrier-free facility on the shores of Sippo Lake will stand as a living and growing testimony to the handicapped that they live in a community that is concerned for their welfare and interested in their happiness.

A special tribute is due Marilyn Simpson who was the sparkplug that motivated club members, their families, service clubs, and community volunteers to give of their time, money, and labor to make Perry Perception Park a reality.

Mr. Speaker, this project is an excellent example of voluntarism at its best, as called for by President Reagan.

A FREEZE ON FEDERAL SPENDING

(Mr. SMITH of Oregon asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SMITH of Oregon. Mr. Speaker, 3 months ago this week I circulated a "Dear Colleague" recommending that all Federal spending be frozen at the 1982 level. It was an idea that I hoped would help build a concensus behind a workable and fair budget proposal.

Three months have passed since then and various other avenues for budget negotiation have been exhausted. Once again, Mr. Speaker, I would like to recommend that Congress consider an across-the-board freeze on Federal spending for two reasons:

First, it is fair. A freeze on spending would treat everyone equally.

Second, a freeze on Federal spending is politically possible because this Congress has already agreed to the fiscal year 1982 budget levels.

It is time to end the partisan strife and to provide the leadership that Americans deserve and must have for our economy to survive and prosper.

I ask your support for a budget freeze.

THE PLIGHT OF INDOCHINESE REFUGEES AND CUBAN-HAITIAN ENTRANTS

(Mr. LOWRY of Washington asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LOWRY of Washington. Mr. Speaker, almost immediately 130,000 people in this country who are Indochinese refugees and Cuban-Haitian entrants are going to be cut off from any cash and medical support. It is an emergency of the most dire situation. These 130,000 people have no other program to go to. They are not eligible for two-parent AFDC because they are in States that do not have two-parent AFDC.

They are not eligible for general assistance, because they are in States that do not have general assistance.

We are going to see in the next month 130,000 people, who are people like Mung tribesmen and Ming tribesmen, who fought with us in Cambodia and Laos, who have been here for over 18 months, but not 36 months, and have all their support cut off.

We have an urgent emergency appropriations bill coming before this House. I do not know how the leadership of this House can bring up an urgent emergency appropriations bill and have these people in the most dire straits you can ever imagine not have that addressed.

I hope that we will find the compassion to do something about that. I urge this House to include emergency

assistance for the people noted here in the urgent supplemental appropriations bill scheduled for floor action this week.

ANDRE BARTHOLO EUBANKS

Mr. MAZZOLI. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 1681) for the relief of Andre Bartholo Eubanks, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, line 5, strike out "101(b)(1)(F)" and insert "101(b)(1)(E)".

Page 1, lines 8 and 9, strike out ", pursuant to section 204 of the Act".

The SPEAKER pro tempore (Mr. ALEXANDER). Is there objection to the request of the gentleman from Kentucky?

Mr. WOLF. Mr. Speaker, reserving the right to object, may I ask, Has this been cleared with the minority?

Mr. MAZZOLI. Mr. Speaker, if the gentleman will yield, it has been cleared with the minority. It is a very simple change. The Senate amendment permits a petition to be filed by the parents of this young 5-year-old child in order to enable him to become a permanent resident-alien and it conforms to current changes, recent changes, made in the regulations of the Immigration and Naturalization Act; but we have cleared this with the minority.

Mr. WOLF. Mr. Speaker, I thank the gentleman for his response, and I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

A motion to reconsider was laid on the table.

NORTHERN PACIFIC HALIBUT ACT OF 1982

Mr. BREAUX. Mr. Speaker, I ask unanimous consent that the Committee on Merchant Marine and Fisheries be discharged from further consideration of the Senate bill (S. 2244) to give effect to the Protocol Amending the Convention for the Preservation of the Halibut Fishery of the Northern Pacific Ocean and Bering Sea, signed at Washington, March 29, 1979, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

Mr. FORSYTHE. Mr. Speaker, reserving the right to object, I do so to enable my chairman to explain the procedure in which we are involved here.

Mr. BREAUX. Mr. Speaker, will the gentleman yield?

Mr. FORSYTHE. I yield to the gentleman from Louisiana.

Mr. BREAUX. Mr. Speaker, the purpose of the bill before us, S. 2244, is to amend existing U.S. law so that it will conform with the agreements made between the United States and Canada concerning the halibut fishery of the Northern Pacific Ocean and Bering Sea.

The North Pacific Halibut Fishery exists predominantly on the Continental Shelf off the coasts of Washington, British Columbia, and Alaska. The halibut itself is a slow growing and maturing fish, attaining great age and size. As a result of the biology of the species, a level of fishing effort even slightly above that which would achieve the maximum sustainable yield will result in a yield far lower than the maximum. Furthermore, the demand for, and the value of, the halibut has continually encouraged increased effort in this fishery. As a result, the fishery has a history of over exploitation culminating in a present yield of one-third of historical levels and an open season of approximately 2 weeks.

In 1923, the North Pacific Halibut Fishery first came under United States-Canadian joint management authority as a result of a bilateral treaty. This convention was amended in 1931, 1937, and 1953. The principal objective of the 1953 convention was to jointly manage, via the International Pacific Halibut Commission, the halibut resource for the purpose of developing the halibut stocks to those levels which would achieve and maintain the maximum sustainable yield from the fishery.

Following the passage of the Fishery Conservation and Management Act (FCMA) in 1976, the United States was required to reevaluate its participation in the 1953 convention. Section 202(b) of the FCMA requires the Secretary of State, in cooperation with the Secretary of Commerce, to initiate the renegotiation or termination of those existing treaties which relate to fisheries in the fishery conservation zone (FCZ) and which, in any manner, are inconsistent with the purposes, policies or provisions of the act. Pursuant to this reevaluation, a number of inconsistencies between the 1953 convention and the FCMA were discovered due to FCMA requirements: First, that foreign fishing vessels have U.S. permits on board while in the U.S. FCZ; second, that foreign fishing vessels be subject to the enforcement authority of the United States in the FCZ; and third, that fisheries resources under the exclusive jurisdiction of the United States be managed to achieve and maintain the optimum yield from each fishery. Nevertheless, it was recognized that there were benefits to be gained from continued cooperation between the United States and Canada in research and management of the halibut resource. Furthermore, accommodations were necessary to secure a new agreement with Canada for the continuation of a sound halibut management program and these included provisions which were not entirely consistent with the terms of Governing International Fishery Agreements (GIFA's) as defined in the FCMA. Therefore, in 1979, the United States and Canada ratified the Protocol Amending the Convention for the Preservation of the Halibut Fishery of the Northern Pacific Ocean and Bering Sea.

In July 1981 the State Department submitted draft legislation implementing the new agreement. In November 1981, Congressmen JONES, SNYDER, FORSYTHE, and myself introduced a modified bill, H.R. 5074; and in March, the Senate Commerce Committee reported a similar bill, S. 2244. The Senate bill, introduced and amended by Mr. PACKWOOD, was passed by the Senate on April 22, 1982. Each of the bills:

Provide for the United States to be represented on the International Pacific Halibut Commission by three Commissioners appointed by the President;

Provide that the Secretary of State may accept regulatory recommendations made by the Commission;

Give the Secretary of Commerce general responsibility to carry out the terms of the convention and to implement necessary regulations. Such regulations, applicable to nationals or vessels of the United States, may be in addition to regulations adopted by the Commission, but may not be in conflict with them. To allow for the possibility that limited entry may be imposed on U.S. vessels in the halibut fishery, the act allows such privileges to be allocated between various U.S. fishermen, but requires that any such allocation be consistent with the standards specified in the FCMA;

Make it unlawful for any person subject to the jurisdiction of the United States to violate any provisions of the convention or the act;

Prohibit any foreign fishing vessel from engaging in fishing for halibut in the U.S. FCZ unless such fishing is authorized by the convention;

Provide for civil and criminal penalties for violations;

Provide for enforcement of the act by the Secretary of Commerce and the Commandant of the Coast Guard;

Authorize the appropriation of such sums as may be necessary to carry out the convention and the act; and

Repeal the Northern Pacific Halibut Act of 1937, as amended.

The Senate version differs from H.R. 5074 in some minor detailed aspects. These changes to the House bill appear, in all respects, to be positive and constructive. Of particular note, however, is the Senate provision which provides an important exemption from a limited entry scheme, if one is to be instituted, for Alaskan Natives fishing for halibut in the Bering Sea north of 56 degrees latitude. The rationale for this exemption is that these fishermen, particularly those on the Pribilof Islands, have traditionally relied on a subsistence halibut fishery. Because their catches are never recorded, they would not be eligible to fish for halibut under a limited entry scheme based on criteria which considers historical catch. These fishermen have only very recently begun to catch halibut commercially and desire to develop an industry from which they can better support themselves economically. Historically, these fishermen have been greatly dependent on Federal economic aid. The U.S. delegation to the International Pacific Halibut Commission has recommended that the North Pacific Fishery Management Council (NPFMC) allow these fishermen a 3-year grace period from any limited entry scheme so that they might have the opportunity to develop a commercial halibut fishery. The Canadians, the NPFMC, and the Governor of Alaska all support this concept. Other commercial halibut fishermen have voiced no opposition. The Subcommittee on Fisheries and Wildlife Conservation, which I chair, finds that this provision is entirely acceptable and strongly endorses the favorable consideration of this bill. It is important that we act today so that the North Pacific Fishery Management Council will have the ability to exercise its management authority prior to the start of the 1982 halibut season on May 11. With regard to this, it should be perfectly clear that the proposed legislation does not institute, endorse or oppose, a limited entry system or any other management option available to the Council.

Mr. FORSYTHE. Mr. Speaker, I thank the gentleman for his explanation, and I withdraw my reservation of objection.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 2244

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Northern Pacific Halibut Act of 1982".

Sec. 2. As used in this Act the term:

(a) "Convention" means the Convention between the United States of America and Canada for the Preservation of the Halibut Fishery of the Northern Pacific Ocean and Bering Sea, signed at Ottawa, Canada on March 2, 1953, as amended by the Protocol Amending the Convention, signed at Washington March 29, 1979, and includes the regulations promulgated thereunder.

(b) "Commission" means the International Pacific Halibut Commission provided for by article III of the Convention.

(c) "Fishery conservation zone" means the fishery conservation zone of the United States established by section 101 of the Magnuson Fishery Conservation and Management Act of 1976 (16 U.S.C. 1801 et seq.).

(d) "Convention waters" means the maritime areas off the west coast of the United States and Canada described in article I of the Convention.

(e) "Halibut" means fish of the species Hippoglossus stenolepis inhabiting Convention waters.

(f) "Fishing vessel" means—

(1) any vessel engaged in catching fish in Convention waters or in processing or transporting fish loaded in Convention waters;

(2) any vessel outfitted to engage in any activity described in paragraph 1; or

(3) any vessel in normal support of any vessel described in paragraph (1) or (2).

(g) "Secretary" means the Secretary of Commerce.

Sec. 3. (a) The United States shall be represented on the Commission by three United States Commissioners to be appointed by the President and to serve at his pleasure. The Commissioners shall receive no compensation for their services as Commissioners. Each United States Commissioner shall be appointed for a term of office not to exceed 2 years, but is eligible for reappointment. Any United States Commissioner may be appointed for a term of less than 2 years if such appointment is necessary to ensure that the terms of office of not more than two Commissioners will expire in any 1 year. A vacancy among the United States Commissioners shall be filled by the President in the manner in which the original appointment was made, but any Commissioner appointed to fill a vacancy occurring before the expiration of the term for which the Commissioner's predecessor was appointed shall be appointed only for the remainder of such term. Of the Commissioners—

(1) one shall be an official of the National Oceanic and Atmospheric Administration; and

(2) two shall be knowledgeable or experienced concerning the Northern Pacific halibut fishery; of these, one shall be a resident of Alaska and the other shall be a nonresident of Alaska. Of the three commissioners described in paragraphs (1) and (2), one shall be a voting member of the North Pacific Fishery Management Council.

(3) Commissioners shall not be considered Federal employees except for the purposes of injury compensation or tort claims liability as provided in section 8101 of title 5, United States Code, et seq. and section 2671 of title 28, United States Code, et seq. Section 3(a) shall take effect on the 90th day after the date of enactment of the Act.

(b) The Secretary of State, in consultation with the Secretary, may designate from time to time alternate United States Commissioners to the Commission. An Alternate United States Commissioner may exercise, at any meeting of the Commission, all powers and duties of a United States Commissioner in the absence of a duly designated Commissioner for whatever reason. The number of such alternate United States Commissioners that may be designated for any such meeting shall be limited to the number of authorized United States Commissioners that will not be present.

Sec. 4. The Secretary of State, with the concurrence of the Secretary, may accept or reject, on behalf of the United States, recommendations made by the Commission in accordance with article III of the Convention and paragraphs 14 and 15 of the annex to the Convention.

Sec. 5. (a) The Secretary shall have general responsibility to carry out the Convention and this Act.

(b) In fulfilling this responsibility, the Secretary—

(1) shall, in consultation with the Secretary of the department in which the Coast Guard is operating, adopt such regulations as may be necessary to carry out the purposes and objectives of the Convention and this Act; and

(2) may, with the concurrence of the Secretary of State, cooperate with the duly authorized officials of the Government of Canada.

(c) The Regional Fishery Management Council having authority for the geographic area concerned may develop regulations governing the United States portion of Convention waters, including limited access regulations, applicable to nationals or vessels of the United States, or both, which are in addition to, and not in conflict with regulations adopted by the Commission. Such regulations shall only be implemented with the approval of the Secretary, shall not discriminate between residents of different States, and shall be consistent with the limited entry criteria set forth in section 303(b)(6) of the Magnuson Fishery Conservation and Management Act. If it becomes necessary to allocate or assign halibut fishing privileges among various United States fishermen, such allocation shall be fair and equitable to all such fishermen, based upon the rights and obligations in existing Federal law, reasonably calculated to promote conservation, and carried out in such manner that no particular individual, corporation, or other entity acquires an excessive share of the halibut fishing privileges: *Provided,* That the Regional Council may provide for the rural coastal villages of Alaska the opportunity to establish a commercial halibut fishery in areas in the Bering Sea to the north of 56 degrees north latitude during a three year development period.

Sec. 6. Any agency of the Federal Government is authorized upon request of the Commission, to cooperate in the conduct of scientific and other programs, and to furnish on a reimbursable basis, facilities and personnel for the purposes of assisting the Commission in carrying out its duties under the Convention. Such agency may accept reimbursement from the Commission.

Sec. 7. It is unlawful—

(a) for any person subject to the jurisdiction of the United States—

(1) to violate any provision of the Convention, this Act or any regulation adopted under this Act;

(2) to refuse to permit any enforcement officer to board a fishing vessel subject to such person's control for purposes of conducting any search or inspection in connection with the enforcement of the Convention, this Act or any regulation adopted under this Act;

(3) to forcibly assault, resist, oppose, impede, intimidate or interfere with any enforcement officer in the conduct of any search or inspection described in paragraph (2);

(4) to resist a lawful arrest or detention for any act prohibited by this section;

(5) to ship, transport, offer for sale, sell, purchase, import, export or have custody, control or possession of, any fish taken or retained in violation of the Convention, this Act, or any regulation adopted under this Act; or

(6) to interfere with, delay or prevent, by any means, the apprehension, arrest or detention of another person, knowing that such person has committed any act prohibited by this section.

(b) for any foreign fishing vessel, and for the owner or operator of any foreign fishing vessel, to engage in fishing for halibut in the fishery conservation zone, unless such fishing is authorized by, and conducted in accordance with the Convention, this Act and regulations adopted under this Act.

Sec. 8. (a) Any person who is found by the Secretary, after notice and opportunity for a hearing in accordance with section 554 of title 5, United States Code, to have committed an act prohibited by section 7 shall be liable to the United States for a civil penalty. The amount of the civil penalty shall not exceed $25,000 for each violation. Each day of a continuing violation shall constitute a separate offense. The amount of such civil penalty shall be assessed by the Secretary, or his designee, by written notice. In determining the amount of such penalty, the Secretary shall take into account the nature, circumstances, extent, and gravity of the prohibited acts committed and, with respect to the violation, the degree of culpability, and history of prior offenses, ability to pay, and such other matters as justice may require.

(b) Any person against whom a civil penalty is assessed under subsection (a) may obtain review thereof in the appropriate court of the United States by filing a notice of appeal in such court within 30 days from the date of such order and by simultaneously sending a copy of such notice by certified mail to the Secretary and the Attorney General. The Secretary shall promptly file in such court a certified copy of the record upon which such violation was found or such penalty imposed, in accordance with rules prescribed pursuant to section 2112 of title 28, United States Code. The findings and order of the Secretary shall be set aside by such court if they are not found to be supported by substantial evidence, as provided in section 706(2) of title 5, United States Code.

(c) If any person fails to pay an assessment of a civil penalty after it has become a final and unappealable order, or after the appropriate court has entered final judgment in favor of the Secretary, the Secretary shall refer the matter to the Attorney General of the United States, who shall recover the amount assessed in any appropriate district court of the United States. In such action, the validity and appropriateness of the final order imposing the civil penalty shall not be subject to review.

(d) The Secretary may compromise, modify, or remit, with or without conditions, any civil penalty which is subject to imposition or which has been imposed under this section.

Sec. 9. (a) A person is guilty of any offense if he commits an act prohibited by section 7(a) (2), (3), (4), or (6); or section 7(b).

(b) Any offense described in subsection (a) is punishable by a fine of not more than $50,000 or imprisonment for not more than 6 months, or both; except that if in the commission of any offense the person uses a dangerous weapon, engages in conduct that causes bodily injury to any officer authorized to enforce the provisions of this Act, or places any such officer in fear of imminent bodily injury the offense is punishable by a fine of not more than $100,000, or imprisonment for not more than 10 years or both.

(c) There is Federal jurisdiction over any offense described in this section.

Sec. 10. (a) Any fishing vessel (including its fishing gear, furniture, appurtenances, stores, and cargo) used, and any fish taken or retained, in any manner, in connection with or as a result of the commission of any act prohibited by section 7 shall be subject to forfeiture to the United States. All or part of such vessel may, and all such fish shall, be forfeited to the United States pursuant to a civil proceeding under this section.

(b) Any district court of the United States shall have jurisdiction, upon application by the Attorney General on behalf of the United States, to order any forfeiture authorized under subsection (a) and any action provided for under subsection (d).

(c) If a judgment is entered for the United States in a civil forfeiture proceeding under this section, the Attorney General may seize any property or other interest declared forfeited to the United States, which has not previously been seized pursuant to this Act or for which security has not previously been obtained under subsection (d). The provisions of the customs laws relating to—

(1) the disposition of forfeited property;

(2) the proceeds from the sale of forfeited property;

(3) the remission or mitigation of forfeitures; and

(4) the compromise of claims;

shall apply to any forfeiture ordered, and to any case in which forfeiture is alleged to be authorized, under this section, unless such provisions are inconsistent with the purposes, policy, and provisions of this Act. The duties and powers imposed upon the Commissioner of Customs or other persons under such provisions shall, with respect to this Act, be performed by officers or other persons designated for such purpose by the Secretary.

(d)(1) Any officer authorized to serve any process in rem which is issued by a court having jurisdiction under section 11(d) shall—

(A) stay the execution of such process; or

(B) discharge any fish seized pursuant to such process;

upon the receipt of a satisfactory bond or other security from any person claiming such property. Such bond or other security shall be conditioned upon such person delivering such property to the appropriate court upon order therefor, without any impairment of its value, or paying the monetary value of such property pursuant to an order of such court. Judgment shall be recoverable on such bond or other security against both the principal and any sureties in the event that any condition thereof is breached, as determined by such court.

(2) Any fish seized pursuant to this Act may be disposed of pursuant to the order of a court of competent jurisdiction or, if perishable, in a manner prescribed by regulations of the Secretary or the Secretary of the department in which the Coast Guard is operating.

(e) For purposes of this section, it shall be a rebuttable presumption that all fish found on board a fishing vessel which is seized in connection with an act prohibited by section 7 were taken or retained in violation of the Convention and this Act.

Sec. 11. (a) The Convention, this Act, and any regulation adopted under this Act, shall be enforced by the Secretary and the Secretary of the department in which the Coast Guard is operating. Such Secretaries may, by agreement, on a reimbursable basis or otherwise, utilize the personnel, services, equipment (including aircraft and vessels), and facilities of any other Federal agency, and of any State agency, in the performance of such duties.

(b) Any officer who is authorized by the Secretary, the Secretary of the department in which the Coast Guard is operating, or the head of any Federal or State agency which has entered into an agreement with such Secretaries under subsection (a) to enforce the Convention, this Act or any regulation adopted under this Act may—

(1) with or without a warrant or other process—

(A) arrest any person, if he has reasonable cause to believe that such person has committed an act prohibited by section 7;

(B) board, and search or inspect, any fishing vessel which is subject to this Act;

(C) at reasonable times enter, and search or inspect, shoreside facilities in which fish taken subject to this Act are processed, packed or held;

(D) seize any fishing vessel (together with its fishing gear, furniture, appurtenances, stores, and cargo) used or employed in, or with respect to which it reasonably appears that such vessel was used or employed in, an act prohibited by section 7;

(E) seize any fish (wherever found) taken or retained in the course of an act prohibited by section 7, or the proceeds of the sale of such fish; and

(F) seize any other evidence related to an act prohibited by section 7;

(2) execute any warrant or other process issued by any court of competent jurisdiction; and

(3) exercise any other lawful authority.

(c) If any officer authorized to enforce this Act (as provided for in this section) finds that a fishing vessel is operating or has been operated in the commission of an act prohibited by section 7, such officer may, in accordance with regulations issued jointly by the Secretary and the Secertary of the department in which the Coast Guard is operating, issue a citation to the owner or operator of such vessel in lieu of proceeding under subsection (b). If a permit has been issued pursuant to this Act for such vessel, such officer shall note the issuance of any citation under this subsection, including the date thereof and the reason therefor, on the permit. The Secretary shall maintain a record of all citations issued pursuant to this subsection.

(d) The district courts of the United States shall have exclusive jurisdiction over any case or controversy arising under this Act. Any such court may, at any time—

(1) enter restraining orders or prohibitions;

(2) issue warrants, process in rem or other process;

(3) prescribe and accept satisfactory bonds or other security; and

(4) take such other actions as are in the interest of justice.

(e) When requested by the appropriate authorities of Canada, officers or employees of the Coast Guard, the National Oceanic and Atmospheric Administration or any other agency of the United States may be directed to attend as a witness, and to produce such available records and files or duly certified copies thereof as may be necessary for the prosecution in Canada of any violation of the Convention or any Canadian law relating to the enforcement thereof.

(f)(1) In cooperation with such other agencies as may be appropriate, the Secretary may conduct or cause to be conducted such law enforcement investigations as are deemed necessary to carry out the purposes of this Act.

(2) For the purpose of all investigations which, in the opinion of the Secretary, are necessary and proper for the enforcement of this Act, the Secretary or any officer designated by him is empowered to administer oaths and affirmations, subpena witnesses, take evidence, and require the production of any books, papers, or other documents which the Secretary deems relevant or material to the inquiry. Such attendance of witnesses and the production of such documentary evidence may be required from any place in the United States at any designated place or hearing.

(3) Process of the Secretary may be served by anyone duly authorized by him either—

(A) by delivering a copy thereof to the individual to be served, or to a member of the partnership to be served, or the President, Secretary, or other executive officer or a director of the corporation to be served; or the agent designated for service of process;

(B) by leaving a copy thereof at the residence or the principal office or place of business of such individual, partnership, or corporation; or

(C) by mailing a copy thereof by registered or certified mail addressed to such individual, partnership, or corporation at his or its residence or principal office or place of business. The verified return by the individual so serving such complaint, order, or other process setting forth the manner of service shall be proof of same, and the returned post office receipt for such complaint, order, or other process mailed by registered or certified mail shall be proof of the service of the same.

Sec. 12. There is hereby authorized to be appropriated for fiscal year 1983 and beyond, such sums as may be necessary for carrying out the Convention and this Act, including—

(a) necessary travel expenses of the United States Commissioners or alternate Commissioners; and

(b) the United States share of the joint expenses of the Commission: *Provided*, That the Commissioners shall not, with respect to commitments concerning the United States share of the joint expenses of the Commission, be subject to section 262(b) of title 22, United States Code, insofar as it limits the authority of United States representatives to international organizations with respect to such commitments.

Sec. 13. There are hereby authorized to be appropriated such sums as may be necessary for the Secretary of State to provide for fiscal year 1983 and beyond, by contract, grant, or otherwise, facilities for office and any other necessary space for the Commission. Such facilities shall be located on or near the campus of the University of Washington in the State of Washington and shall be provided without regard to the cost-sharing provisions in the Convention.

Sec. 14. The Northern Pacific Halibut Act of 1937, as amended (50 Stat. 325, 67 Stat. 494, 79 Stat. 902), is repealed as of the ninetieth day after the date of enactment of this Act.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 5 of rule I, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordererd, or on which the vote is objected to under clause 4 of rule XV.

Such rollcall votes, if postponed, will be taken on Wednesday, May 5, 1982.

DEBT COLLECTION ACT OF 1982

Mr. ROSTENKOWSKI. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4613) to increase the efficiency of Government-wide efforts to collect debts owed the United States and to provide additional procedures for the collection of debts owed the United States, as amended.

The Clerk read as follows:

H.R. 4613

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Debt Collection Act of 1982"

SEC. 2. SCREENING POTENTIAL DEBTORS.

(a) Disclosure to Federal Lending Agency That Applicant Has Tax Delinquent Account.—Paragraph (3) of section 6103(l) of the Internal Revenue Code of 1954 is amended to read as follows:

"(3) Disclosure that applicant for federal loan has tax delinquent account.—

"(A) In general.—Upon written request, the Secretary may disclose to the head of the Federal agency administering any included Federal loan program whether or not an applicant for a loan under such program has a tax delinquent account.

"(B) Restriction of disclosure.—Any disclosure under subparagraph (A) shall be made only for the purpose of and to the extent necessary in, determining the creditworthiness of the applicant for the loan in question.

"(C) Included federal loan program defined.—For purposes of this paragraph, the term 'included Federal loan program' means any program—

"(i) under which the United States or a Federal agency makes, guarantees, or insures loans, and

"(ii) with respect to which there is in effect a determination by the Director of the Office of Management and Budget (which has been published in the Federal Register) that the application of this paragraph to such program will substantially prevent or reduce future delinquencies under such program."

(b) Requirement That Applicant Furnish Taxpayer Identifying Number.—

(1) In general.—Each Federal agency administering an included Federal loan program shall require any person applying for a loan under such program to furnish such person's taxpayer identifying number.

(2) Definitions.—For purposes of this subsection—

(A) Included federal loan program.—The term "included Federal loan program" has the meaning given to such term by subparagraph (C) of section 6103(l)(3) of the Internal Revenue Code of 1954.

(B) Taxpayer indentifying number.—The term "taxpayer identifying number" has the meaning given to such term by section 6109 of such Code.

(c) Technical Amendments.—

(1) Clause (i) of section 6103(p)(3)(C) of such Code is amended by striking out "(l)(3) or (6)" and inserting in lieu thereof "(l)(6)".

(2) Paragraph (4) of section 6103(p) of such Code is amended—

(A) by striking out "(l)(1), (2)," in the matter preceding subparagraph (A) and inserting in lieu thereof "(l)(1), (2), (3),",

(B) by striking out "(l)(3), (6)," and inserting in lieu thereof "(l)(6),", and

(C) by striking out "(l) (1), (2), or (5), or (o)(1), the commission described in subsection (l)(3)" in subparagraph (F)(ii) and inserting in lieu thereof "(l) (1), (2), (3), or (5), or (o)(1),".

(d) Effective Date.—The amendments made by this section shall apply in the case of loan applications made after September 30, 1982.

SEC. 3. DISCLOSURE OF MAILING ADDRESS TO THIRD PARTIES FOR PURPOSES OF COLLECTING FEDERAL CLAIMS.

(a) General Rule.—Paragraph (2) of section 6103(m) of the Internal Revenue Code of 1954 (relating to disclosure of taxpayer identity information for purposes of collecting Federal claims) is amended to read as follows:

"(2) Federal claims.—Upon written request by the head of any Federal agency, the Secretary may disclose the mailing address of a taxpayer for use only by officers, employees, or agents of such agency for the purpose of locating such taxpayer in order to collect or compromise a Federal claim against such taxpayer in accordance with section 3 of the Federal Claims Collection Act of 1966."

(b) Safeguards.—Paragraph (4) of section 6103(p) of such Code (relating to safeguards) is amended by adding at the end thereof the following new sentence: "In the case of any agency which receives any mailing address under subsection(m) (2) or (4) and which discloses any such mailing address to any agent, this paragraph shall apply to such agency and each such agent (except that, in the case of an agent, any report to the Secretary or other action with respect to the Secretary shall be made or taken through such agency)."

(c) Technical Amendments.—

(1) Paragraph (3) of section 6103(a) of such Code is amended by striking out "subsection (m)(4)(B)" and inserting in lieu thereof "paragraph (2) or (4)(B) of subsection (m)".

(2) Paragraph (2) of section 7213(a) of such Code (relating to unauthorized disclosure of information) is amended by striking out "(m)(4)" and inserting in lieu thereof "(m) (2) or (4)".

(d) Effective Date.—The amendments made by this section shall take effect on the date of the enactment of this Act.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Illinois (Mr. Rostenkowski) will be recognized for 20 minutes, and the gentleman from

New York (Mr. Conable) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Illinois (Mr. Rostenkowski).

GENERAL LEAVE

Mr. ROSTENKOWSKI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill, H.R. 4613, presently under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentlemen from Illinois?

There was no objection.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 4613, the Debt Collection Act of 1982, is intended to increase the efficiency of Government-wide efforts to collect debts owed to the United States and to improve the procedures for the collection of those debts. This bill as favorably reported by the Committee on Ways and Means is essentially the same as the bill previously introduced by Mr. Conable last year. However, the committee agreed to several changes which clarify certain provisions of the original bill and which extend certain procedural safeguards.

The amount of overdue and uncollected debts owed to the Federal Government is quite substantial. According to the administration, an estimated $218 billion was owed to the Government on September 30, 1981. Of that amount, an estimated $33 billion was either delinquent or in default, and over $1 billion in bad debts are being written off annually.

Mr. Speaker, I share many of the concerns expressed by the administration in the area of Federal debt collection. I agree that existing tools should be refined in order to better enable Federal agencies to reduce the magnitude of delinquent debts owed to them. The bill contains two provisions intended to accomplish that purpose. These provisions deal with the screening of potential debtors and the disclosure of taxpayers' mailing addresses to Federal agencies and their agents for purposes of collecting Federal claims.

SCREENING POTENTIAL DEBTORS

The bill generally permits the head of a Federal agency to ask the Internal Revenue Service whether or not an applicant for a Federal loan has a tax delinquent account. This procedure will be available to agencies that administer loan programs with respect to which the Office of Management and Budget has determined that the disclosure of this information will substantially prevent or reduce future program delinquencies.

The committee determined that this disclosure should be made only when an individual has a tax delinquent account because it is at that point that the taxpayer has a fixed and certain amount of tax liability and has been provided adequate notice of that liability. In the case of individual taxpayers, a tax delinquent account generally is established if a taxpayer does not pay tax within 4 or 5 months after assessments and after four notices have been sent.

USE OF TAXPAYER IDENTIFYING NUMBERS

Federal agencies administering these designated loan programs may require a loan applicant to furnish his taxpayer identifying number. (For an individual, this is the social security number.) This will better enable the agency to verify the identify of the loan applicant and will facilitate the agency's efforts to determine from the IRS whether the loan applicant has a tax delinquent account. Further, it will enable the agency to obtain a current address from the IRS should it need to do so in the future to collect a delinquent debt.

DISCLOSURE OF TAXPAYERS' MAILING ADDRESSES TO AGENTS OF FEDERAL AGENCIES

Finally, the bill permits the IRS to disclose taxpayers' mailing addresses to Federal agencies and their agents only for Federal debt collection purposes. This will allow Federal agencies to use agents in a more effective manner. The bill subjects any unauthorized redisclosure by these personnel to present law penalties and requires Federal agencies and their agents to fully safeguard the addresses disclosed.

Mr. Speaker, I urge immediate passage of H.R. 4613.

□ 1230

Mr. CONABLE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I also rise in support of H.R. 4613, the Debt Collection Act of 1982. I thank my friend and leader from Illinois (Mr. Rostenkowski) for having moved this measure. It is very similar to one that I sponsored last year, and I think the clarifications he has put in the bill in changing it are entirely appropriate.

The bill is an important part of a legislative package designed to facilitate the collection of at least a half a billion dollars annually which is owed to the Federal Government. Equally important, this legislation will facilitate development of a Federal management procedure to manage programs with as little waste and slippage as possible. It is astonishing to me, the sloppiness in the past of our handling of overdue debts owed the Government. In some cases, they simply do not maintain accounts receivable, and it is very difficult to find out how much was owed.

This legislation was developed as a result of a lengthy bipartisan project going back several years. In 1978, a series of GAO reports indicated that improvements were needed in recording, billing, and collecting accounts receivable. The next year, the Senate Appropriations Committee held a special hearing to review ways Federal agencies could improve their debt collection practices. In response to the issues raised by the GAO and the Senate hearings, in March 1979, OMB required each agency to review its procedures for collecting accounts receivable. Later that year, the OMB financial priorities program was established, and debt collection was targeted as one of the nine key financial improvement areas.

These OMB reviews showed that the debt collection problems were both complex and serious, and that an in-depth, thorough, agency-by-agency review of credit management and debt collection practices was needed. This review was undertaken, and a lengthy report on debt collection was issued by OMB in January 1981, which called for a number of changes, including legislation of the type before us today.

H.R. 4613 in its present form makes three modest changes in current law which will help Federal agencies to do a better job in administering programs which involved potential indebtedness.

First, the bill permits heads of Federal agencies to screen applicants for Federal loans to determine whether they have a tax delinquent account, to determine whether the applicants are creditworthy.

Second, the bill would permit Federal agencies that administer certain Federal loan programs to require applicants to furnish their taxpayer identifying numbers. These numbers usually are the applicant's social security numbers. This provision will enable agencies to verify applicant's identities and will help later if it becomes necessary, to locate individuals to deal with indebtedness.

Under present law, heads of agencies may get IRS mailing addresses of taxpayers for use in collecting or compromising Federal claims. The bill would permit the agency heads to redisclose IRS addresses to agents who have contracted to do the actual work of collecting delinquent accounts. It is the committee's understanding that when these addresses are disclosed to a consumer reporting agency, the disclosure will be made only for the purpose of allowing the preparation of a commercial credit report on the taxpayer for use by the Federal agency trying to collect the debt.

The bill provides that the stringent safeguards and penalties that now apply to the information contained on tax returns will also apply to IRS mailing addresses.

At the end of last year, over $200 billion in debt was outstanding. I must say that I do not have any great confidence in our management when I hear the range was somewhere between $218 billion and $239 billion, but there is agreement that there was at least $33 billion delinquent.

Now, Mr. Speaker, just as all taxpayers are going to be interested in paying their taxes only if they are actually assured that their fellow taxpayers pay their taxes, so nobody is going to want to pay back the Federal Government for a past due debt unless they are sure that we have a rigid and fair and enforcible process available under our procedures. I must say that a lot of this benefit is going to be derived from management changes and not from this legislation. However, the legislation makes a modest addition to the opportunities for collection that the Government needs.

To the extent that millions of dollars can be collected which are owed to the Federal Government, amounts which are not in dispute, some pressure on the budget can be relieved. This bill will help accomplish that purpose, and I urge its passage.

Mr. JEFFORDS. Mr. Speaker, will the gentleman yield?

Mr. CONABLE. I yield to the gentleman from Vermont.

Mr. JEFFORDS. Mr. Speaker, I certainly want to commend the gentleman from New York and the committee for the excellent work they have done on this bill. It is a significant step forward. As the gentleman knows, I have been working in this area. I think there is still a lot to be done, but I think this is a great step forward at a time when we really need to bring this kind of management to bear. I want to associate myself with the remarks of the gentleman.

Mr. Speaker, improved Federal Government debt collection is an issue that I have been interested in for a long time. Consideration of this legislation before us today could not be more timely, for it is an important piece of a debt collection package which can help us bring the record projected deficits for this year and next down to acceptable levels.

The magnitude of the Federal Government's outstanding debt problem is astounding. Of the $218 billion owed to Uncle Sam, $33 billion is delinquent or in default at agencies and departments across the full breadth of the Government. This figure comprises more than $20 billion in unpaid taxes and at least $9 billion in overdue loans and other debts. Another $8 billion is in some form of rescheduled status because of borrowers' inability to pay. Over $1 billion in bad debts are being written off each year, and it is estimated that an additional $8 billion will be written off over the next several years.

In fiscal year 1979, the delinquency rate in 5 of the 10 leading Federal lending agencies ranged from 60 percent to an astonishing 97 percent. For example, at the end of fiscal 1979, $1.4 billion in receivables was delinquent at the Department of Agriculture, $2.2 billion at the Department of Education, and $1.9 billion at the Department of Health and Human Services.

In fiscal 1979, the Federal Government wrote off $1.5 billion as uncollectible bad debts. The cost to the American taxpayer of carrying defaulted debt is staggering—roughly $3 billion annually. Unless Congress acts expeditiously to end this debt forgiveness spree, uncollectibles stand to grow by leaps and bounds with larger Federal budgets.

Perhaps the most critical aspect of this mounting debt problem is Government indifference. Loan program directors have been the last of the big-time spenders, almost solely concerned with lobbying for increased appropriations and disbursing money, and assigning a very low priority to repayment enforcement. As former Comptroller General Elmer Staats has said, agency heads have been operating on the principle that "It is more fun to give money away than to take it back."

Public awareness of waste, fraud, and abuse in Washington is growing, and we will be held accountable if corrective measures are not put into place. Candidate Ronald Reagan made this issue a familiar one on the campaign trail. The General Accounting Office (GAO) has released a spate of reports over the years categorizing the vast numbers of ways the Government has been squandering taxpayer money. And certainly waste and improved administration of programs has been focused on as part of the revolutionary changes we have seen in the budget process recently. With worthwhile social programs cut back sharply and with more spending curtailments in the offing, Members have been asking themselves, and rightly so, if waste should not be eliminated before the well whetted budget ax cuts too deeply in programs for the needy.

I believe the Congress is making headway on this front. The House passed H.R. 2811 on May 18, 1981. This legislation provides one very useful tool in the battle for efficacious Federal collection of outstanding debts. Referral of the names of delinquent debtors to credit bureaus is extremely cost effective. It will insure that those who consider reneging on their commitments to the United States know that they run the risk of being denied credit cards and loans. In New Jersey, where the condition of all student loans is made known to credit bureaus, student defaults have been relatively low.

Certainly the administration is to be commended for zeroing in on debt collection as part of its second round of spending and revenue proposals. H.R. 4613 brings to the House floor a major component of the administration's debt collection plan. Under this bill Federal departments and agencies would be required to get taxpayer identification numbers from applicants for credit under certain Federal loan programs. It allows the Internal Revenue Service (IRS) to disclose to other Federal agencies whether a Federal loan applicant has a delinquent tax account. Finally, it would permit the IRS to disclose mailing addresses of taxpayers to agents, as well as the officers and employees, of Federal agencies for use in tracking down taxpayers who owe Uncle Sam money.

It should be noted that H.R. 4613 was amended by Chairman ROSTENKOWSKI during markup, and that some of the substitute language is not as strong as the original. For example, the Rostenkowski substitute limits the requirement to get taxpayer identification numbers from loan applicants to Federal loan programs under which the United States makes, guarantees or insures loans. Not included are income assistance, food stamp, and other benefit programs where there is a possibility of overpayments and duplicate and erroneous payments. Moreover, the original Conable language required furnishing of social security numbers rather than taxpayer identifying numbers. In most instances, these numbers are one and the same, but some Federal loan programs, such as the repatriation loan program, are focused on Americans not likely to have taxpayer identification numbers.

Further, the amended section of H.R. 4613 concerning the screening of potential debtors is limited to tax delinquent accounts (TDA's). TDA's represent only 72 percent of all outstanding tax liabilities. Roughly $5.7 billion in unpaid taxes is excluded from screening. The original Conable bill would have allowed disclosure of all $20.5 billion in outstanding and overdue taxes.

Overall, this is a good bill, and I am hopeful that where stronger language is needed, it can be inserted in conference with the Senate.

It should be noted that several other pieces of a sound debt collection improvement plan need to be put in place. The Judiciary Committee has pending before it bills dealing with service of summons, protection of Federal debt collectors, statutes of limitations, and interest and penalties on nontax debts. The Post Office and Civil Service Committee will be tackling a salary offset or garnishment bill.

Finally, I would like to turn briefly to my own bill, H.R. 2543, the Debt Collection Improvement Act of 1981. This legislation currently has 97 cosponsors and has much in common with all the other measures I have heretofore mentioned. Title I is similar to H.R. 2811, passed by the House, and title II has been largely implemented by the U.S. Office of Education.

But, most importantly, I think, my bill addresses a debt collection procedure which other measures sidestep, and this procedure could prove to be the most effective of all debt collection tools. In short, the Debt Collection Improvement Act would permit the referral of defaulted Federal loans to the IRS for offsetting against tax refunds, as a last resort collection effort.

This is a controversial concept. The IRS has traditionally opposed it as a distraction from its mission of sound tax administration. The Ways and Means Committee has opposed it on the grounds that it might adversely affect compliance among taxpayers, and that it would require additional IRS funding at a time when all Federal agencies are being required to cut back operations as part of the overall effort to reduce Federal spending.

I do not argue that the IRS would not need additional staff to perform this function, and my bill provides for that. But the principle point is that the additional revenues that would accrue to the Treasury as a result of offset collection would more than pay for these new staff positions. This was the conclusion of a 1979 GAO report.

The Service is gaining experience in this area as a result of changes made in the budget reconciliation bill relating to collection of delinquent child support payments, and I do not think the transition to a broader offset program would be overly difficult.

Moreover, I do not think the American people will react negatively to the proposal if it is explained to them. It will be clear that refunds will be withheld only from individuals who are past due in their payments to the Federal Government, and who have resisted all other Government collection efforts, which have been exhausted. In other words, we are going after persons who have violated their repayment pledges and are, as a result, costing the honest taxpayer money. Clearly, this is not an unreasonable approach, especially when due process safeguards are provided, and my bill provides them.

The GAO report, FGMSD-79-19, "The Government Can Collect Many Delinquent Debts by Keeping Federal Tax Refunds as Offsets," was released on March 9, 1979. The study concluded that many Government claims currently being written off because they are not large enough to warrant recovery through legal action or other conventional methods could be efficiently collected by:

> Transferring the uncollectible receivable balances to IRS for matching against subsequent tax refunds. In cases where an individual or firm owes the Government money, the applicable tax refund would be reduced by this amount.

In order to evaluate the feasibility of offsets, GAO provided the IRS with data on 613 outstanding Government receivables valued at $431,309. The IRS determined that $153,583, or 36 percent, could be collected through tax refund offsets within 2 years' time, and that additional amounts could be recovered in subsequent years.

Of the $153,583, $98,932 was from joint returns. GAO recognized that the IRS can offset individual debts against joint returns only to the extent that the debtor in question has an interest in the refund. However, in most cases, the debtor will have a significant interest in the joint refund.

GAO pointed out in its report that the Federal Government's right to collect delinquent debts through tax refund offsets is strongly supported by statutes and court decisions, and that offsets would not result in the illegal disclosure of any individual tax return data.

Accordingly, I hope the House will take a long and careful look at tax refund offsets as an extremely effective debt collection tool. Using GAO's figures, we could expect to take in more than a third of the $33 billion delinquent or in default, or more than $11 billion, in the 2 years after implementation of an offset program. Five and one half billion dollars a year is not a bad return.

Perhaps, if the child support collection program proves an inadequate basis for a fully reasoned evaluation of offsetting, we would want to move to a pilot program. But clearly, this is a plan that will greatly assist us in closing the budget gap in the near term and in balancing the Federal budget.

In closing, Mr. Speaker, I want to commend the gentleman from New York (Mr. CONABLE) for his yeoman's work on this important legislation, and the chairman of the committee, Mr. ROSTENKOWSKI, for bringing it to the floor. I urge the House to suspend the rules and pass H.R. 4613.

Thank you very much, Mr. Speaker.

Mr. CONABLE. I thank the gentleman very much.

Mr. HORTON. Mr. Speaker, will the gentleman yield?

Mr. CONABLE. I yield to the gentleman from New York.

Mr. HORTON. Mr. Speaker, I am happy to have the opportunity to rise in support of H.R. 4613, the Debt Collection Act of 1982.

This act is part of a comprehensive debt collection proposal submitted to the Congress by the President. One element, H.R. 2811, which would facilitate the reporting of delinquent Federal debts to credit bureaus, was reported out of the Government Operations Committee and passed by the House on May 18 of last year. A major part of this comprehensive proposal has now been reported by the Ways and Means Committee and is before us for consideration today.

This legislation, if passed, will assist Government agencies in their debt collection efforts, by requiring debtors to provide their taxpayer's identification number when applying for Federal credit and by allowing IRS to provide addresses to other Federal agencies in attempting to find delinquent debtors. This legislation should help prevent the accumulation of delinquent debt by providing agencies with the information needed to keep track of their debtors.

The Ways and Means Committee, under the leadership of its chairman, Mr. ROSTENKOWSKI, and its ranking Republican, Mr. CONABLE is to be commended for its consideration and action on this legislation.

Mr. Speaker, as I mentioned earlier, this is part of a comprehensive package of legislation that the House must act on to give the President the authority he needs to collect debts owed to the Federal Government. It is my hope that the Congress will soon complete action on the entire package so that the Government can accelerate its efforts to collect delinquent debts.

When the President submitted his budget proposals for fiscal 1983, he noted that, as of September 30, 1981, there was an estimated $33 billion owed to the Government which was either delinquent or in default. Over $1 billion in bad debts are, according to the President, being written off each year.

We cannot continue to allow these debts to go unpaid. This legislation and the other pieces of legislation related to it will give the President the tools he needs to obtain moneys rightfully owed the Government.

Mr. Speaker, this bill before us is important, and I urge its adoption.

Mr. CONABLE. I thank the gentleman. I know he has made contributions to the operation of the Government through the Government Operations Committee, and I think his effort is a valuable one.

Mr. Speaker, I now yield 5 minutes to the gentleman from Illinois (Mr. MCCLORY).

Mr. McCLORY. Mr. Speaker, our Federal Government is the world's largest and most generous lender. After studying several GAO reports, the President's debt collection project, and having some personal knowledge of this subject, I am convinced that Uncle Sam is also the world's most careless lender. Therefore, I rise in strong support of H.R. 4613, a bill to improve the efficiency of Federal debt collection. Let me hasten to add that this has been a bipartisan effort all the way. The Judiciary Committee has been assigned another portion of this debt collection package, and I am sure that we will respond in the same spirit.

Roughly, $214 billion is owed the Federal Government today. Of that amount, $33 billion is delinquent. Interest liability to the Federal Government in carrying this delinquent debt is more than $5 billion a year. I remind my colleagues that it is not millions we are talking about, but billions. These mind-boggling sums increase the tax burden, enlarge the Federal deficit and put upward pressure on interest rates.

Collection efforts on the part of most agencies is a virtual bureaucratic nightmare. Ironically, Federal law acts as a roadblock to meaningful attempts at collection. This is compounded by a growing relaxed attitude toward the moral obligation to repay one's just debts, particularly when the Federal Government is the creditor.

Under current law, the Federal Government does not have available to it the collection tools now granted to creditors in the private sector. Presently, Federal agencies cannot notify credit bureaus for failure to pay just debts; they cannot use private sector collection expertise; they fail even to impose interest penalties for late payment. Federal agencies are unable to institute policies and procedures that are part of normal efficient private business practices.

Delinquency is actually encouraged under the present system. What incentive is there to pay when a debtor can take the money he would otherwise return to the Federal Government and invest it at prevailing interest rates without any interest penalty from the Government? Clever financial advisors have encouraged such strategies. Moreover, a debtor does not have to worry about his credit rating for failure to pay; and if he avoids payment for 6 years, the statute of limitations gets him off the hook altogether. Word is out that Uncle Sam is a soft touch. More borrowers scoff at the notion that one has a moral obligation to pay one's just debts. On almost anybody's list the duty to repay the Federal Government gets the lowest priority.

This legislation, Mr. Speaker, is not directed at poor people. Any professional debt collector will tell you that the poor simply do not have the money, and efforts to collect are not economically feasible. Even partial recoveries are usually not worth the effort or time. On the other hand, this bill is directed at the middle class and persons in the upper socioeconomic brackets who deliberately avoid the payment of their just debts owed to the Government.

This legislation, then, paves the way for establishing an efficient and manageable system of accounts receivable, yet keeping all the elements of privacy protection and due process for the borrower. Such collection efforts are still subject to the Fair Credit Reporting Act, Fair Debt Collection Practices Act, and the Privacy Act, as well as all relevant State and local laws. Finally, the Federal agency officer responsible will still have summary authority to negotiate, compromise, litigate, or discharge a debt.

Mr. Speaker, let us put Federal efforts to collect just debts on an equal footing with private sector efforts, and firmly support H.R. 4613 and its companion legislation assigned to other committees. I urge my colleagues to support H.R. 4613 today and to vote for all the companion bills when they come to the floor.

Mr. Speaker, let me just remind the Members that in October I had asked the chairman of the subcommittee in the Judiciary Committee that the companion bill, H.R. 4614, would get an early hearing. It has not yet been heard, but I am hopeful that the action we are taking today will also encourage the Judiciary Committee to act. I urge my colleagues to support H.R. 4613 today, and then vote for all the companion bills when they come to the floor later on.

Mr. CONABLE. Mr. Speaker, I yield myself an additional 2 minutes.

I would like to thank the gentleman from Illinois for his comments, and to note what he said about the companion piece, H.R. 4614. I think his support of the measure now before us is significant, and I trust that the Judiciary Committee will move. Although it is a modest bill, it is part of the link that would help us deal with overdue collections owed the Federal Government.

Mr. McCLORY. Mr. Speaker, if the gentleman will yield, what it would do would be to permit, for one thing, the Federal agencies to engage private commercial agencies which have an expertise in this field, and to utilize the private sector talent we have, and likewise, would make other changes which can facilitate the processing and the litigation enabling the Federal Government to secure a better result in proceedings against those who wilfully and knowingly avoid paying their debts to the Federal Government.

Mr. CONABLE. I thank the gentleman for his clarification, and say that with appropriate safeguards certain measures should go forward.

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I would like to add in closing, Mr. Speaker, that thanks should be given to the gentleman from Vermont (Mr. Jeffords) for his interest in this measure and for the lining up of cosponsors and the generation of the interest that has brought us to this moment of passage.

Mr. JEFFORDS. Mr. Speaker, I thank the gentleman from New York (Mr. Conable).

Mr. CONABLE. Mr. Speaker, I yield back the balance of my time.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. Stratton). The question is on the motion offered by the gentleman from Illinois (Mr. Rostenkowski) that the House suspend the rules and pass the bill, H.R. 4613, as amended.

The question was taken.

Mr. ROSTENKOWSKI. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to the provisions of clause 5 of rule I and the Chair's prior announcement, further proceedings on this motion will be postponed.

EXPRESSING SENSE OF THE CONGRESS ON OCCASION OF CENTENNIAL OF ESTABLISHMENT OF DIPLOMATIC RELATIONS BETWEEN THE UNITED STATES AND KOREA

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate concurrent resolution (S. Con. Res. 84) expressing the sense of the Congress on the occasion of the centennial of the establishment of diplomatic relations between the United States and Korea, and ask for its immediate consideration in the House.

The Clerk read the title of the Senate concurrent resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The Clerk read the Senate concurrent resolution, as follows:

S. Con. Res. 84

Whereas this treaty provided for the formal opening of diplomatic relations between the two countries;

Whereas the American and Korean people have during the past century strengthened the cultural, commercial, and security bonds that unite them;

Whereas Americans sacrificed their lives in assisting the Korean people to defend their freedom against aggression and Koreans fought side by side with Americans in Vietnam; and

Whereas dedication to the principles of freedom and democracy is the basis of the continued strength and friendship of the United States and Korea: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the Congress hereby—

(1) considers the one-hundredth anniversary of the establishment of diplomatic relations between the United States and Korea as an occasion of special historic significance; and

(2) communicates to the National Assembly of the Republic of Korea and to the people of Korea the wishes of the United States Congress and the American people for a peaceful and prosperous future.

The SPEAKER pro tempore. The gentleman from Wisconsin (Mr. Zablocki) is recognized for 1 hour.

Mr. ZABLOCKI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of Senate Concurrent Resolution 84, expressing the sense of the Congress on the occasion of the centennial of the establishment of diplomatic relations between the United States and Korea.

The concurrent resolution now under consideration simply recognizes the fact that this coming May 22, 1982, will mark the 100th anniversary of the establishment of formal diplomatic relations between the United States and the Republic of Korea. The resolution which passed the Senate last Thursday states the sense of Congress that this centennial is an occasion of special historic significance and communicates to Korea the wishes of the American Congress and people for a peaceful and prosperous future.

The treaty signed between the United States and the "Kingdom of Chosen"—the name for Korea in the last century—was signed May 22, 1882 and holds particular historic significance since it was the first international treaty negotiated by the Koreans and set a standard for subsequent treaties Korea negotiated with other nations. The treaty therefore played a role in furthering Korean independence. It established trade and diplomatic relations which have prospered in the subsequent years. Trade relations have grown to the degree that today Korea can be counted among the top 10 trading partners of the United States.

Nor can we forget the importance of United States-Korean relations in preserving Korean independence and promoting peace and security in Northeast Asia. Koreans and Americans have fought together and died together on battlefields in defense against aggression.

In the original treaty of 1882, article I stated that there shall be "perpetual peace and friendship" between the United States and Korea. It is appropriate that this May—100 years after those words were written—we recall and reaffirm this noble commitment and goal as we look ahead to the next hundreds of years of friendly and productive relations.

Mr. Speaker, I urge the adoption of Senate Concurrent Resolution 84.

Mr. Speaker, I yield one-half of my time to the gentleman from Michigan (Mr. Broomfield).

The SPEAKER pro tempore. The gentleman from Michigan (Mr. Broomfield) is recognized for 30 minutes.

Mr. BROOMFIELD. Mr. Speaker, I thank the chairman of our Committee on Foreign Affairs, the gentleman from Wisconsin (Mr. Zablocki), for yielding me this time, and I join him in support of this resolution (S. Con. Res. 84) expressing the sense of the Congress on the occasion of the centennial of the establishment of diplomatic relations between the United States and Korea. Our two people have had a long history of cooperation and goodwill. Our ties have been tested in war, and have been found solid and true. Thousands of Americans fought side-by-side with Korean patriots against Communist aggression in the 1950's, and Korean soldiers assisted our own efforts years later in Vietnam.

In times of peace, trade between the two of us has flourished, and exchanges of culture, art, science, and education have further solidified our bond.

Today, our commitment to an independent and free Korea is as strong as ever. As we mark this centennial in our relations, I am optimistic that our past cooperation and achievements will serve to guide us wisely in the future, and that our two peoples will maintain a sense of friendship that will last another 100 years.

Mr. McCLORY. Mr. Speaker, will the gentleman yield?

Mr. BROOMFIELD. I yield to the gentleman from Illinois.

Mr. McCLORY. Mr. Speaker, I thank the gentleman for yielding, and I want to join also in support of this Senate concurrent resolution and to commend the President and other officials of the Government of Korea on maintaining solid relations with our country.

The Vice President of the United States was recently in Korea to extend greetings and good wishes on behalf of our Nation, and I believe that an official delegation of representatives from this Nation, including the gentleman who now occupies the Speaker's chair, the gentleman from New York (Mr. Stratton), will be visiting Korea on May 22 as part of the official party extending congratulations and our cordial good wishes to the representatives of the Korean Government.

Mr. Speaker, this is an occasion for rejoicing, it seems to me, and for taking note of the long and cordial relations that have existed between our two countries.

Mr. Speaker, from a purely personal standpoint I have enjoyed close relations with many Members of the Korean Parliament. These relations have developed during official visits to Korea and at numerous conferences of the Inter-Parliamentary Union—an organization of parliamentary representatives of which both of our governments are longtime and active members. In expressing congratulations to our friends in Korea and in rejoicing that we have benefited from 100 years of cordial diplomatic relations, I rise in support of this concurrent resolution (S. Con. Res. 84).

Mr. BROOMFIELD. Mr. Speaker, I reserve the balance of my time.

Mr. ZABLOCKI. Mr. Speaker, I move the previous question on the Senate concurrent resolution.

The previous question was ordered.

The Senate concurrent resolution was concurred in.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the Senate concurrent resolution just concurred in.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

SENSE OF THE HOUSE WITH RESPECT TO THE FALKLAND ISLANDS

Mr. ZABLOCKI. Mr. Speaker, I move to suspend the rules and agree to the resolution (H. Res. 441) with respect to the Falkland Islands, as amended.

The Clerk read as follows:

H. Res. 441

Whereas international law and the charter of the United Nations call for the peaceful settlement of international conflicts;

Whereas in defiance of this principle, Argentina has invaded and occupied the Falkland Islands;

Whereas the United Nations Security Council has called for the immediate cessation of hostilities, the immediate withdrawal of the Argentinian forces, and a diplomatic solution to the differences between the two countries;

Whereas Great Britain is a loyal ally that has stood by the United States during the Iranian hostage crisis and numerous other disputes;

Whereas the outbreak of hostilities between Britain and Argentina has adverse consequences for the peace and stability of both the hemisphere and the world;

Whereas the United States has undertaken an exhaustive good faith effort to mediate the conflict; and

Whereas this effort has not yet succeeded in reaching an agreement to end the conflict: Now, therefore, be it

Resolved, That it is the sense of the House of Representatives that—

(1) in compliance with United Nations Security Council Resolution 502, Argentina should withdraw its forces from the Falkland Islands; and

(2) if the efforts to resolve the conflict through peaceful means fail, the United States should provide full diplomatic support to Great Britain in its efforts to uphold the rule of law.

The SPEAKER pro tempore. Is a second demanded?

Mr. BROOMFIELD. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Wisconsin (Mr. Zablocki) will be recognized for 20 minutes, and the gentleman from Michigan (Mr. Broomfield) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Wisconsin (Mr. Zablocki).

Mr. ZABLOCKI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of House Resolution 441, as amended, a resolution regarding the Falkland Islands.

Let me explain that one clause in the committee reported resolution was placed out of order, so the amendment at the desk reorders the resolved clause in order to clarify the policy recommendations. At the outset, I commend my colleague, Mr. Solarz, for his initiative in introducing the resolution.

The purpose of House Resolution 441 is direct and simple. In keeping with U.N. Security Council Resolution 502, it declares that Argentina should withdraw its forces from the Falkland Islands. It further stipulates that if efforts fail to resolve the dispute peacefully, the United States should provide full diplomatic support to Great Britain.

The tragic controversy over the Falkland/Malvinas Islands places the United States in an unenviable position. We find ourselves caught between the interests of Great Britain, one of our closest and oldest allies, and Argentina, a major nation in Latin America. Jeopardized in the process are important U.S. foreign policy achievements in Latin America made since the signing of the Panama Canal Treaties.

Through the untiring efforts of Secretary of State Haig the United States has offered its good offices to resolve the dispute. We have responsibly and impartially pursued every reasonable option.

Despite those efforts, the crisis is close to erupting into a full-scale war. We have tried negotiations. We have tried mediation. It is now time for Congress to declare itself full square behind international law and against the use of force to resolve international disputes. That is the position recommended last Thursday by the Foreign Affairs Committee and the position announced by Secretary Haig on Friday.

Mr. Speaker, Great Britain is a staunch ally of the United States. It has approached this crisis with restraint. It is incumbent on the House to declare that Argentina's seizure of the Falkland Islands was illegal. That is what House Resolution 441 does. It simply calls upon the United States to offer diplomatic support to Great Britain.

It is also important to emphasize what the resolution does not do. Above all, and I stress this fact, it is not intended to suggest or imply that the United States should become directly involved in any military activity concerning the dispute.

With those clarifications and stated purposes clearly established and understood, I reiterate my support for House Resolution 441.

Mr. BROOMFIELD. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I support House Resolution 441, believing that since negotiations have been unsuccessful, it is our obligation to support the United Kingdom against the Argentine invasion of the Falkland Islands. While discussions were underway, with the United States acting as an intermediary, it was appropriate, and indeed vital, that we maintained our role as an honest broker. Our role was undertaken with the endorsement of the United Kingdom and the acceptance of Argentina. To have gone beyond our U.N. Security Council vote against the invasion and occupation of the Falklands by Argentina, would have been counterproductive in our role as mediator and would have jeopardized the talks from the start. I commend President Reagan and Secretary Haig for their diligent efforts to forestall further conflict between the parties.

But the time has come for a clear statement of our position and for an acknowledgment of our belief that aggression must never be rewarded. Since Argentina has refused to modify its rigid position that sovereignty of the Falklands is not subject to discussion, we must stand beside the United Kingdom in this ordeal.

The Argentine invasion was contrary to accepted international law and in violation of the United Nations Charter. The nature of their action has earned them condemnation from the family of nations. On the other hand, Great Britain's efforts to seek a peaceful compromise to the conflict have won the respect of all civilized people.

We must be clear on the issues. We are not discussing the respective historic claims of the United Kingdom and Argentina over the Falkland Islands. The issues concern the use of force to settle disputes and the right of self-determination for the people of the Falklands. The Argentine invasion must not be condoned. The unprovoked attack on British territory was a flagrant violation of Argentina's international obligations. They must be held accountable. Failure to do so would legitimize similar actions in a host of international disputes, many of them in Latin America, but others in the Middle East, Asia, and Africa.

The second point concerns the self-determination of the people residing in the Falklands. Surely their interests are central to the matter. They have previously rejected a change of sovereignty from the United Kingdom to Argentina, and I believe that their political wishes must be respected and supported.

I support this resolution and encourage my colleagues to do likewise. The issue is one of principle. To falter in defense of the principles involved, is to risk future conflicts and the loss of allies worldwide.

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Mr. ZABLOCKI. Mr. Speaker, I yield such time as he may consume to the gentleman from New York (Mr. Solarz).

Mr. SOLARZ. Mr. Speaker, I want to take this opportunity to thank the distinguished chairman of the Foreign Affairs Committee, the gentleman from Wisconsin (Mr. Zablocki) not only for his kind words about my own role in bringing this resolution before the House, but for the strong support which he gave it both in committee and on the floor.

I also want to extend my appreciation to the distinguished ranking minority member of the committee, the gentleman from Michigan (Mr. Broomfield) for his willingness to have us consider this resolution in the Foreign Affairs Committee last week, and for the strong support he has just expressed for it on the floor today.

I think all of us recognize that it would have been impossible for the United States to serve both as a mediator and as a cheerleader at one and the same time with respect to this conflict. So long as it appeared as if there might be a possibility of achieving a peaceful resolution of the conflict between Great Britain and Argentina over the Falkland Islands, there was everything to be said for the effort which was undertaken by Secretary Haig, supported by President Reagan, to see if a way could be found to negotiate the differences between these two countries so as to avoid the outbreak of hostilities in the South Atlantic.

Now that those efforts appear to have reached a dead end, however, the time has clearly come for us to reaffirm our support for Great Britain in this dispute.

There is, after all, a very important principle at stake here, and that is the extent to which international disputes should be resolved by peaceful rather than by violent means. The effort on the part of Argentina to occupy the Falkland Islands represents a clear breach of that very important international principle. And I think all of us would agree that the preservation of that principle will bear significantly on our hopes for the preservation of peace throughout the world.

Consequently, it seems to me we really had no alternative but to make it very clear that if and when negotiations failed that we should provide Great Britain with our full diplomatic support at this critical moment.

As the chairman and distinguished ranking minority members of the committee have pointed out, this resolution does not address the issue of sovereignty. That is a matter on which both countries have differing interpretations and very strongly held feelings. But whatever their views on the issue of sovereignty may be, there is and can be no justification for a resort to force as a way of resolving the differences between them.

Above and beyond the issue immediately involved here, however, is the whole question of our relationship to the countries involved. It seemed to the great majority of those of us on the Foreign Affairs Committee that given the support which we have received from Great Britain in a whole series of international crises, from World War II through the hostage crisis in Iran, that the very least we could do was to stand by our British friends at this very difficult moment for them.

By comparison, from World War II through the hostage crisis in Iran, we frequently have received only grudging support at the very best from Argentina, and we have often met with their outright opposition.

In addition, I do not think it is at all irrelevant that we have in Great Britain a democracy which shares our values and beliefs in the same principles upon which our own Republic was founded, whereas in Argentina we have a military dictatorship based on principles which are antithetical to our own.

Finally, I think there was also a widespread feeling on the part of the members of our committee that it was important for us to demonstrate that we stand beside our friends when they need us, in the same sense that we have asked them to stand beside us when we needed them.

So this resolution is designed to make it clear that we believe Argentina should comply with Security Council Resolution 502 calling for the withdrawal of their forces from the Falkland Islands and, failing that, that the United States should provide Great Britain with its full diplomatic support.

I think the adoption of this resolution in our committee last week was very helpful in sending a signal to the British people that they could, at the end of the day, count on the United States to support them. Its adoption today will further reinforce the policy of our own administration, as stated by Secretary Haig a few days ago, which I think very forthrightly put us on the side of the British.

Mr. SEIBERLING. Mr. Speaker, will the gentleman yield?

Mr. SOLARZ. I am happy to yield to my very good friend, the gentleman from Ohio (Mr. Seiberling).

Mr. SEIBERLING. I want to commend the gentleman for sponsoring this resolution and for the excellent statement he has just made.

There is no doubt, and there should not at any time have been any doubt, but what in a crisis like this the United States would side with Great Britain, our oldest and our most faithful ally, and the mother country of our democracy, particularly when they are engaged in an effort to repel an armed aggression that has been condemned by the United Nations Security Council and the aggression itself was committed by a military dictatorship whose Nazi trappings are repugnant to any freedom-loving country.

I must say, however, I would hope we could move beyond this and move to a more affirmative resolution of this problem.

I realize that support for Great Britain is very important in making it clear that Argentina's aggression is not going to be tolerated by the United States. But it seems to me that we ought to try to figure out some way to resolve this without any further loss of life.

The gentleman from New York (Mr. Bingham), I understand, has drafted a resolution, and I was happy to help in putting it together, which would urge both Britain and Argentina to withdraw their forces from the Falklands and submit the question of sovereignty over the Falkland Islands to the World Court. That way nobody loses face because they are agreeing to abide by the law, it gives time for passions to cool by postponing the sovereignty issue, and it enables the Court itself to resolve that question, which is the proper forum to do so.

Mr. SOLARZ. I thank the gentleman not only for the support he has expressed for the resolution, but for his very creative suggestion as a way of resolving this dispute.

I think this is an appropriate issue for reference to the International Court of Justice and hopefully that might provide a basis through which Great Britain and Argentina could cease hostilities and permit the differences between them to be resolved through this process of international adjudication.

I would simply add that, as the former Foreign Secretary of Great Britain, the Right Honorable Gentleman, Mr. David Owens, said on the floor of the House of Commons a short while ago, as between the fire brigade and the fire, there can be no neutrality. In this case, it is quite clear which country is the fire brigade and which country set the fire. I am glad that the United States has at last made its position clear on this dispute.

Mr. BROOMFIELD. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. Gilman).

Mr. GILMAN. Mr. Speaker, I rise in support of this resolution. I would like to commend the gentleman from New York (Mr. Solarz) for bringing the resolution to the floor, as well as our distinguished chairman, the gentleman from Wisconsin (Mr. Zablocki) and our ranking minority member, the gentleman from Michigan (Mr. Broomfield) for giving us the opportunity to express ourselves with regard to the Falkland Islands dispute.

Mr. Speaker, I would first like to express my full support and commendation for the manner in which President Reagan and Secretary of State Haig have responded to this most serious crisis. By agreeing to act as an honest broker, the administration left no stone unturned in its tireless effort to find a peaceful solution. Now that those efforts have been rejected by Argentina, the United States has no choice but to stand firmly beside our historic ally, the United Kingdom and against aggression.

The United States has not nor should it take sides on the historic sovereignty claims involved over the Falkland Islands. The issue before us is one of aggression and the use of force to settle such disputes and the right of self-determination for the islands' inhabitants. The Argentine invasion must not be allowed to succeed. Such an unprovoked attack is clearly a violation of international law and, if left unchallenged, would legitimize and encourage similar responses elsewhere.

The resolution before us supports United Nations Security Council Resolution 502, that calls upon Argentina to withdraw its forces. Furthermore, it indicates that if efforts to resolve the conflict through peaceful means fail, that the United States should provide full diplomatic support to Great Britain in its efforts to uphold the rule of law.

The issue is clear. Argentina cannot be rewarded for aggression. I, therefore, support House Resolution 441 and urge my colleagues to join in that support.

Mr. ZABLOCKI. Mr. Speaker, I yield 4 minutes to the gentleman from Texas, Mr. Kiki de la Garza.

Mr. de la GARZA. Mr. Speaker, it is regrettable, of course, that we find ourselves in a situation where two of our friends have come to the unyielding position that they had to resort to arms. I think that all of us regret very much that there is armed warfare anyplace in the world, friend or foe, and especially those of us who have children of military age, and we wonder if we were to be involved what the situation would be—or if what we do have today could link us to an eventual involvement.

So, without taking any sides on the issue, but, rather, to be eminently fair, which I think is the responsibility of our institution, the gentleman from New York, my distinguished colleague and chairman of the subcommittee, said he did not mention, or did not want to interfere with, the actual case of jurisdiction of the territory and I think that we would be derelict if we were not to voice some opinion as to why the issue came, regrettably, to the situation in which we find it today.

I read a statement which was submitted to the special committee on the situation by the Representative of Argentina, Dr. Jose Maria Ruda, which gives some explanation as to the reason and the cause why Argentina felt that they had a right to this territory.

Without making any attempt at judging the right or the wrong, I think that it would be proper for us to insert this in the RECORD so that all Members may be apprised as to why the move was taken by Argentina.

The statement referred to follows:

MALVINAS ISLANDS

(Statement by the Representative of Argentina, His Excellency Dr. Jose Maria Ruda, before the Subcommittee III of the Special Committee on the situation with regard to the implementation of the declaration on the granting of independence to colonial countries and peoples, New York, Sept. 9, 1964).

Mr. President: The Argentine Delegation must first thank the members of this Sub-Committee III for vouchsafing us the opportunity of making known our position regarding the problem of the Malvinas Islands.

We come to this Sub-Committee to reaffirm again the irrenounceable and imprescriptible rights of the Argentine Republic, to the Malvinas Islands. The Malvinas are a part of the Territory of Argentina, illegally occupied by Great Britain since 1833, following upon an act of force which deprived our country of the possession of the Archipelago. Thereupon, Great Britain then imposed a colonial regime on the area.

Since that time, since 1833, the Argentine Republic has required redress for this outrage suffered, from Great Britain. In the course of these 131 years, we have never consented—and will never consent—to have part of our national territory wrested from us by an illegal and untenable act.

We come to this Sub-Committee to restate our rights to the Malvinas to the International Community, strengthened as we are by the will and the unanimous feelings of the Argentine people, and by a sound and unbroken position of protest at the outrage maintained by all Argentine Governments that have succeeded one another since 1833.

Our intention is to persuade the International community that the islands in question are an integral part of Argentine territory and that Great Britain's moral and legal duty is to restore them to their true owner, thereby setting the principle of the sovereignty and territorial integrity of states on a sure footing of peaceful international relations. This will fulfill the generous purposes implicit in Resolution 1514 (XV), and thus a long-awaited act of justice will have been rendered.

England is today the possessor of the Malvinas Islands, solely thanks to an arbitrary and unilateral acts of force. The Argentine authorities settled in the Island were expelled by the British fleet. Legally speaking, this act of force cannot generate nor create any right, and, politically speaking, the events of 1833 were only another aspect of the imperialist policies that the European powers developed for America, Africa and Asia during the XIXth Century. The Malvinas may, perhaps, be considered one of the most outstanding symbols of this fortunately outmoded policy. Under the threats of its guns, the British fleet evicted a peaceful and active Argentine population that was exercising the legitimate rights that the Argentine Republic possessed as the Heir of Spain.

Prior to 1833, the English had never effectively possessed *the totality of the Malvinas Archipelago.* In 1766, they merely founded a fort of Port Egmont on one islet called Saunders Isle. In 1774, they voluntarily abandoned it and only 59 years later they appeared, in order to oust violently the Argentine population and thus set up their sole claim.

But the history of the Malvinas does not begin in 1833—nor even in 1765. Quite the contrary, these islands were the concern of the Chancelleries of Europe many years earlier, and a number of diplomatic incidents had taken place in the XVIIIth Century that touched upon them.

In order to gauge the illegality of the British act of 1833, the previous events have to be examined—events that are not recounted in document A/AC.109/L.98/Add. 2, which this Sub-Committee had before it, but which surely prove the wantonness of the act committed in 1833.

We shall not go into a study of the question of the discoverer of the Malvinas Islands. Documentation published at the time shows conclusively that the Islands were discovered by Spanish navigators. In Spanish maps and charts of the beginning of the XVIth Century, the Islands already appeared. The first map is that of Pedro Reinel (1522-23) which shows an archipelago situated on the parallel 53°55′ latitude South. Then there is the work of Diego Rivero, Principal Cartographer to Charles V who inserted the islands in the Castiglione (1526-27), Salviati (1526-27) and Rivero (1527) maps and also in two charts of 1529. Then come the Maps of Yslario de Santa Cruz of 1541, the Planisphere of Sebastian Gaboto of 1544, the Map of Diego Gutierrez of 1561 and that of Bartolome Olives of 1562 among others. It is to Esteban Gomez, of the Expedition of Magallanes in 1520, that the discovery of the archipelago must be attributed. The area was also sailed by Simon de Alcazaba in 1534 and Alonso de Camargo in 1540. All these were pilots of Spanish ships, sailing towards the Straits of Magellan, also discovered by Spain and one of the bases for its claims over the islands as being adjacent to the said straits. Sarmiento de Gamboa, in 1580, took symbolic possession of the Straits in keeping with the usage of the times, and in 1584, founded a settlement.

The Dutch navigator, Sebald de Weert, in his log book for 24 January 1600, stated that he had sighted the Islands. The British contend that in 1592 John Davis, and in 1594 Richard Hawkins had discovered the Archipelago, but the truth of the matter is that the English cartography of the period does not show the islands, nor does there exist any proof that will substantiate the hypothetical discoveries.

Basically, until the middle of the XVIIIth Century, knowledge of the existence of the Islands was not certain in London, and at times they were confused with some imaginary Islands called The Pepys, which shows the degree of ignorance of the period. It was then, in 1748, that on the suggestion of Admiral Anson, England decided to send an expedition to "discover" and settle the Malvinas and Pepys Islands. Great Britain consulted Spain and in view of the latter's objections, desisted from the plan. I should like to quote here the instructions received by the British Representative regarding the communication to be made to the Spanish Court in Madrid: "Since there is no intention of making settlement in any of the afore-mentioned islands and since His Majesty's corvettes wish neither to make nor touch any part of the Spanish coast, His Majesty fails to understand how this project can in any way cause objections from Madrid". The first matter that was aired in this original diplomatic skirmish over the islands was whether the British had any right to enter the regions.

The acts of consultation of 1749, addressed to the Spanish Court, are a clear proof of England's recognition of the rights of Spain over the islands and the coasts of South America, in areas where British ships could neither sail nor trade, much less give themselves to occupation.

We shall not mention the rights granted to Spain by virtue of the Papal Bulls *Inter Coetera and Dudum si Quidem* or of their validity erga omnes, nor the Treaty of Tordesillas between Spain and Portugal, in our defense of the position that we have stated, but we shall speak of the treaties between England and Spain.

The Peace Treaty of 1604 between Spain and England, returned matters and rights to the *Status quo ante bellum* nullyfying anything that might have been obtained prior to the signature, including the so-called English discovery. Later, in the Treaty of Madrid of 1670, it was agreed that Great Britain would retain all the lands, islands, colonies and dominions she possessed in America; but this recognition of British sovereignty in North America was accompanied by a counter-recognition, whereby in another clause it was stated that "the subjects of Great Britain would not direct their trade to, nor sail in, ports or places which His Catholic Majesty possesses in the abovementioned Indies, nor will they trade with them". Furthermore, the Treaty of Madrid of 1713 established that "His Britannic Majesty has agreed to issue the most stringent prohibitions and threatened with the most strict penalties, so that no subject or ship of the English Nation shall dare to sail to the Southern Sea nor traffic in any other part of the Spanish Indies". This provision which prohibited sailing and trading by Great Britain in areas not open to traffic at the end of the XVIIth Century was again ratified in 1713 in the Treaty of Utrecht.

Therefore, in 1749, when Great Britain tried to send the first expedition, she could not have considered the Malvinas Islands *res unlius*, and therefore open to appropriation.

In February 1764 there occurred the first essay at colonisation and then it was by a French sailor, Louis Antoine de Bougainville, who founded Port Louis in the Eastern Malvina in the name of the King of France.

Spain considered this settlement an encroachment of her rights and started negotiations with Paris to obtain handing-over of the French settlement. England then dispatched a clandestine expedition which in 1766 founded Port Egmont on Saunders Island, which is near Western Malvina, close to a place that Bougainville had christened Port de la Croisade.

In the meantime, Spain formally protested to the French Government and her rights of dominion were recognized. King Louis XV ordered Bougainville to hand over Port Louis on the compensatory payment of all expenses incurred in. The transfer was solemnly performed in a ceremony held on 1 April 1767 in Port Louis itself, thus recognizing the legal rights of the Spanish Crown to these Islands. Previously, the Government had issued a Royal Bill dated 4 October 1766 which declared the Islands to be dependencies of the Captaincy General of Buenos Aires, and Don Felipe Ruiz Puente was designated Governor. The Spanish were thus left in possession of the Port, whose name was changed to Port Soledad with Spanish settlers about and a military establishment located.

On Saunders Isle, however, there was still the small British garrison of Port Egmont which had been set up in 1766. At the time of the transfer of Port Louis by France to Spain, the British had been silent and made no reservations regarding their presumed sovereignty. Once here difficulties with France were solved, Spain turned her attention to Port Egmont, and the British garrison was evicted from Saunders Isle by the Spanish forces of the Rio de la Plata Fleet under the command of the Governor of Buenos Aires, Buccarelli, on 10 June 1770. Spain had thus reacted clearly and categorically in the face of both intruders and ensured respect for her sovereign rights, since the French had withdrawn after diplomatic pressure and the British after force had been exercised. Britian, however, felt that her honour had been impugned by the use of force against Port Egmont and presented a claim at the Court of Madrid.

The diplomatic negotiations—in which France also participated, were long and involved and a solution was finally arrived at on 22 Janaury 1771. Spain's ambassador to London, Prince de Masserano, declared that his Sovereign "disapproves the aforementioned violent enterprise and binds himself to reestablish matters as they were prior to the episode", adding that "the restoration to His Britannic Majesty of the Port and Fort called Egmont, cannot and must not in any way affect the question of prior sovereign rights over the Malvinas Islands". This declaration was accepted by the Government of His Britannic Majesty on the same day, and under Lord Rochfort's signature, it was stated that His Britannic Majesty would consider the declaration of the Prince of Masserano, with the entrie fulfilment of the agreement by His Catholic Majesty as adequate redress for the affront done to the Crown of Great Britain. From this diplomatic act, there stands out, first and outmost, the *acceptance* of the Spanish declaration, an acceptance which does not contain any rejection of the express reservation on the part of Spain, regarding sovereignty over the Islands. Great Britain's silence in the light of such an express, and written, reservation, can only be interpreted in its true form, namely, as an acceptance which, furthermore, is borne out by the original title of the British document, which is not called a "Counter-Declaration", as Lord Palmerston called it in 1834, but "Acceptance", according to the Official Edition of the State Papers of 1771.

We must also point out that in all the documentation covering these diplomatic negotiations, and in all the final papers, mention is only made of the restoration of Port Egmont to the *status quo ante,* but not of the Malvinas Islands in general, which latter area, however, was clearly included in the express declaration regarding Spanish sovereignty. Furthermore, while the negotiations were taking place, and uninterruptedly after it was restored by France, Port Soledad was occupied by the Spanish without Great Britain's making the slightest move nor reservation. What is more, as can be seen in the papers covering the restoration of Port Egmont, it is specified that the United Kingdom receives it from hands of the "Commissioner General of His Catholic Majesty in Port Soledad". Both owners found themselves face to face and respected one another for three years, but those whose rights were more legitimate had to prevail.

On May 22, 1774, the English voluntarily abandoned Saunders Isle, which at the time the British called Falkland Island (in the singular). The English, on leaving the Island, left behind a metal plate reading:—"BE IT KNOWN TO ALL NATIONS THAT FALKLAND's ISLAND WITH THIS PORT . . .". And we must point out that Falkland's Island is mentioned in the possessive singular, which, linked to the British acceptance of the fact of the Spanish possession of Puerto Soledad, proves that the English claims were limited—during their stay in Port Egmont—exclusively to this settlement and not to the entire archipelago.

Fifty-nine years were to elapse before the English returned to the Malvinas and the only title they were able to show in 1833 was this metal plate which had been removed by the Spanish and taken to Buenos Aires. Great Britain's astounding claim in 1833 was based on a presumed possession in the form of a metal plate, which was contrary to international law of the period which required, as proof and condition of dominion, effective possession.

We do not wish to go into the discussion that has lured so many scholars, namely the existence of a secret pact between the British and Spanish Crowns regarding the honourable redress in the form of the restoration of Port Egmont, and its subsequent abandonment by the British, but the English silence on the Spanish reservation regarding the Malvinas Islands is significant, as is also the fact that the British quitted these Islands almost immediately on the Spanish transfer. The truth of the matter Mr. Chairman, what we can be sure of, is that the British only stayed in the island for three years after the return of Port Egmont and that they did not go back until 1833. Fifty-nine years elapsed, during which, with no protest whatever from Great Britain, the islands remained in the possession of Spain first, and then of Argentina, which Governments exercised all prerogatives not only in Port Soledad, but in the entire Archipelago and the neighbouring seas, with the consent of the British Crown.

Spain exercised all sorts of acts of dominion over the Malvinas Islands until the Revolution of May 1810, which was the beginning of Argentine independence.

In 1776 she created the Vice-Royalty of the Rio de la Plata, including the abovementioned islands which belonged to the Governorship of Buenos Aires—and England said nothing.

In 1777, all buildings and installations of Port Egmont were razed in order to avoid awakening the cupidity of ships flying other flags—and England still said nothing.

The Spanish Government named numerous and successive Governors of the Islands between 1774 and 1811 who exercised uninterrupted authority over them and their neighbouring seas—and still England said nothing.

England's silence over the Malvinas between 1774 and 1829 confirms her recognition of Spanish rights and her desire not to return to the Archipelago.

Not only did Spain exercise effective possession between 1774 and 1811, but Great Britain did not bring to bear any rights over Port Egmont in the different instruments dated around the end of the XVIIIth Century and dealing with territorial questions, although she had complete and public knowledge of the sovereign occupation of the Archipelago by Spain. Thus, in the 1783 Peace Treaty of Versailles, at the end of the North American War of Independence, there was a ratification of the previous stipulations of 1670, 1713 and others that prohibited the English from sailing in the Southern Seas. Even further, the conflict that was motivated by England's trying to found a settlement on Nootka Sound, on the West Coast of Canada, led to the signing of the Saint Lawrence Convention of 1790. This agreement granted freedom of navigation to the British in the Pacific on three conditions: The First, that this navigation would not be a pretext for illegal trading with Spanish dominions, it being prohibited within "ten maritime leagues from any coasts already occupied by Spain"; and second, that there be free trade between the settlements founded in the North Pacific since 1789 and those subsequently to be set up, and finally, article 7 of the convention established that "It has also been agreed, regarding both the Eastern and Western coasts of South America, and its adjacent Islands, that the respective subjects shall in the future make no settlements in those parts of the coasts situated South of the said coasts and of the adjacent islands already occupied by Spain".

This agreement did away with the contention that there were closed seas on the East or West coasts of America. But the British right to establish colonies was only recognized regarding the coasts of North America; with regard to other areas, the Spanish Crown only acknowledged mere fishing rights, and the parties bound themselves not to establish new colonies in the South Atlantic or Pacific, and what existed would remain in status quo. This was precisely the interpretation given by Great Britain to the Nootka Sound Convention signed after the incident on the Canadian frontier in 1826 between Great Britain and the United States.

When, in the 1790 Convention, Great Britain recognized the status quo existing in the South of America, she was thereby giving the definitive legal proof of her lack of grounds upon which to base her claims to set up settlements of any permanence in the Malvinas. It is, by the same token, one of the grounds for the Argentine claims over the islands of the South. The English had no right to people the South of the coasts or Islands already occupied by Spain, that is to say, including the South of the Malvinas and of Puerto Deseado in the Patagonia. Regarding the Malvinas themselves, there had been a renunciation of any rights England might have contended, for the commitment was not to settle any place already occupied by Spain, aside from not sailing within 10 leagues of the coast.

In one word, gentlemen, after Great Britain's voluntary abandonment of Port Egmont in 1774, Spain was left as unchallenged and unchallengeable Mistress of the Malvinas Islands, and as such, she exercised absolute sovereignty over them, she occupied them, she designated authorities of them, without the slightest protest on the part of Great Britain. International instruments of the nature of those I have just cited were signed, which even reaffirmed Spain's rights, and these were the rights that the Argentine Republic inherited in 1810.

The process of Argentine independence was a long and painful one. Its armies travelled over half of America, helping in the independence of the sister countries, and this struggle was carried on without outside help and at the cost of great sacrifices. Yet, in 1820, the Government of the Argentine Republic sent the frigate "Heroina" to the Malvinas. Don David Jewett, commanding the ship, notified vessels in Malvinas waters of the Argentine laws regulating sealing and fishing in the area and informed them that trespassers would be sent to Buenos Aires to stand trial. Furthermore, in a solemn ceremony, he took formal possession of the islands that belonged to Argentina as the Heir of Spain. There was no opposition to the statement of Argentine rights over the archipelago, nor was any claim raised against it, despite the fact that the communication was published in newspapers in the United States and elsewhere.

In 1823 the Government of Buenos Aires designated Don Pablo Areguati Governor of the Malvinas Islands.

That same year, the government granted lands and also the rights of exploitation of wild cattle on the islands and of fishing on the Western Malvina, to Don Jorge Pacheco and Don Luis Vernet. An expedition took out the supplies needed for the new settlement, but it only prospered partially, due to climatic conditions which were unfavourable. In January 1828, the concessionies again sent groups of families and these managed to remain.

The colonizing enterprise in the archipelago gained ground in the course of subsequent expeditions which took men, supplies and animals to Port Soledad.

In 1828, a decree was signed granting Vernet concessions in Eastern Malvina and, in its desires to encourage the economic development of the archipelago, the Government of Buenos Aires declared the settlement exempt from all taxes excepting those required to ensure the upkeep of the local authorities.

At no time did England object to the Argentine settlement of the Malvinas, despite the fact that extremely important legal acts had taken place between the two countries, such as the signing of the Treaty of Friendship, Trade and Navigation of February 1825. This instrument does not contain any British reservation whatever on Malvinas Islands, and despite the action of the Commander of the "Heroina" in 1820 and other acts that the Government had carried out and authorized touching the Islands.

The settlement established under the protection of laws of the Government of Buenos Aires had prospered and was in good condition in 1829.

This being the case, on 10 June of that same year, 1829, the Government of Buenos Aires created the Political and Military Commandancy of the Malvinas Islands, located in Port Soledad, and whose competence included all the islands adjacent to Cape Horn on the Atlantic side. The same Mr. Luis Vernet was named Commandant.

It was then, in the heyday of the expansionist eagerness of Great Britain, that the English interest in the Archipelago was awakened, an interest that was nothing but the renewal of its old aspirations of possessing lands in the South Atlantic. That had been the intention that had led Great Britain to invade Buenos Aires in both 1806 and 1807, being violently repulsed by the population both times. She has also occupied the Cape of Good Hope on the southernmost tip of Africa in 1806 and which served as a spearhead for later expansion. In 1815 she took Saint Helena and in 1816 the Isle of Tristan da Cunha.

The expansionist ambitions in the South Atlantic were again resumed by the British Admiralty, which hungered for a naval station on the strategic route, via Cape Horn, to Australia and the South Pacific, where Britain's aspirations had to compete with another European power.

Commercial interests linked with the fishing wealth also moved her and these were all tied in with her strategic desires to own a base in the South Atlantic.

Impelled by these interests, Great Britain decided to protest against the establishment of the Political and Military Commandancy. On 10 November 1829 she made her claim, stating that the Argentine Government had assumed "an authority that is incompatible with the Sovereign Rights of His Britannic Majesty over the Islands".

Here, a brief parenthesis should be made in order to recall some of the salient facts. In 1776, England had clandestinely founded a fort and a port of Egmont on the Isle of Sounders. In 1770, the English were forced out by the Spanish fleet. In 1771 they again occupied Port Egmont, following upon reparation offered by Spain, with the corresponding reservation of sovereignty. In 1774, three years after the transfer, the British voluntarily abandoned Port Egmont and from then on, from 1772 until 1829, for over half a century, they made neither protest nor claims on the Spanish and later Argentine occupations. The truth of the matter is that during all that time, Great Britain was not interested in the Malvinas, and she only became so and turned her eyes to them when they played a part in her plans of imperial expansion. The archipelago assumed great importance for colonial navigation.

There are, in point of fact, two situations, that are independent of one another, namely a) The XVIIIth Century incident that ended for Great Britain with her withdrawal from the Islands, and b) a totally new situation, in 1829, determined by strategic factors connected with her access to her possessions in the Pacific which were threatened at the time and her fishing and sealing interests.

But it was not only the British ambitions and interests that came into play. The United States also showed an interest in protecting the sealing activities of her nationals, off the Malvinas coasts. When Vernet endeavoured to implement Argentine legislation relating to fishing, and held up three North American vessels, another powerful country came into the picture.

On May 31, 1831 the North American Corvette Lexington appeared before Port Soledad—she flew the French flag and carried signals asking for pilots and headed for the wharf. Thus the American sailors managed to land, destroyed the settlement and committed other acts of violence. The reason for this act was the rejection by the Argentine Government of a claim by the North American Consul whereby he sought the immediate return of one of the still detained fishing vessels. He also wanted the Politico-Military Commandant of the Malvinas to stop any intervention in the activities of the United States citizens in the area. The Lexington incident provoked a diplomatic clash between Argentina and the United States, which wound up with a virtual breaking off of diplomatic relations between the two countries.

During his stay in Buenos Aires, the representative of the United States established close relationship with the Chargé d'Affaires of Great Britain and their talks, which are documented in the correspondence published by their respective countries, shows that at a given moment, the interests of these two powerful states united in order to oust a young and weak country from the Malvinas Islands.

In 1832, for the third time, Argentina returned to settle in Puerto Soledad, and a new Civil and Military Governor was designated.

But the British die was cast: the British Admiralty instructed Captain Onslow to set sail for the Malvinas, and on January 3, 1833, the corvette Clio appeared off Puerto Soledad. A small Argentine vessel, the Sarandi was riding at anchor. The English captain insisted that the Argentine detachment withdraw. The difference in numbers allowed of no possible fight and added to that was the element of surprise.

The Argentine leader replied to the order by saying that "he held Great Britain responsible for the outrage and the violation of the respect due to the Republic, and its rights that were being assaulted by force—as blind as it was irresponsible" and added that "he was withdrawing, but that he refused to lower his flag".

The British thereupon lowered the Argentine flag and by force, occupied Port Soledad. Thus, by plunder, another chapter of colonial history was written. Almost all the Argentine inhabitants of the islands were then evicted.

On January 3, 1833, almost 60 years after the voluntary withdrawal of 1774, the British committed the act of force in Port Soledad in the Island of Eastern Malvina. In a place where they had never been. Any by the next year, they had occupied the entire Archipelago.

What I have just described is an act that is simple and easy to understand. In 1833, Great Britain, having no right on her side, could only resort to force in order to occupy the Islands. And the situation has not changed since that time: Force is still the cornerstone of Britain's presence in the Archipelago.

At the beginning of this statement we said that this act of force, this arbitrary and unilateral act was never and shall never be consented to by the Argentine Republic, and we added that it cannot generate nor create any rights for Great Britain.

But the Argentine reaction was not long in coming. The population of Buenos Aires gave vent to its indignation at the incident and in the Islands themselves, the rest of the settlers who resisted the invaders, were taken and sent to London for trial under different pretexts and never returned. On January 15, the Government protested to the British Chargé d'Affaires in Buenos Aires, who replied that he lacked instructions.

On the 22nd January the protest was reiterated and the English Minister renewed his passive stand. In the meantime, the Minister Manuel V. Maza notified the American Foreign Offices of the events in a circular. The reply of Brazil is worthy of mention, for that country instructed its Minister in Great Britain to offer to his Argentine colleague in London "the most frank and diligent cooperation to ensure success to his endeavours". Bolivia also replied that she would be among the first countries "to seek reparations for such a dire outrage".

On 24 April 1833, the Argentine representative in London, Don Manuel Moreno, on instruction from Buenos Aires, presented a note of protest to His Britannic Majesty's Government, which he reiterated on June 17, in a lengthy and documented protest memorandum. Viscount Palmerston replied on 8 January 1834 contending that the rights of Great Britain "were based on the original discovery and subsequent occupation of the said Islands", arguments which Moreno rejected on 29 December 1834.

Since then, whenever possible, the Argentine Republic has repeated its protests at the act of force and illegal occupation.

Gentlemen: The Argentine Republic was a recently independent country, lacking in the material means of the great powers of the period, yet it reacted with determination at the outrage suffered. Protests were raised a few days after the plunder of Port Soledad. Taking into account the distances and the difficulties through which the country was going, more speed could not have been expected. The outrage caused a wave of indignation all over the country and that feeling of protest still imbues the Argentines today.

Mr. Chairman, in the course of the last 131 years, we have never ceased to clamour to the deaf ears of Great Britain for the restoration of the Islands which are ours. Today, a new hope is offered the Argentine Republic, a hope we may find the understanding and the support of the United Nations, one of whose noblest purposes is to end the colonial era all over the world.

The colonialist policies of that period have an outstanding example in the case of the Malvinas Islands.

At that time, advantage was taken of a country that was in the throes of organization and struggling, as are many new countries in Africa and Asia today, to achieve political and economic progress.

We defended ourselves on the strength of our dignity and of law, but we had no means to offer resistance. Our friends, the new nations of Latin America, also in the midst of their own formation, could only tender us their moral support for they shared our material weakness. Nor was there, then, an international forum to which we might carry our complaint and the European Concert was apportioning the world and its spheres of influence according to its own interests. It was not the age of justice—it was the age when the Great Powers used force and Great Britain acted in the Malvinas in keeping with the habits of the day.

According to Lord Palmerston's note, Great Britain contended in 1834 that "the discovery and subsequent occupation" constituted the source of her rights, and added that these rights were given an additional sanction by the fact that Spain had restored the Port of Egmont to Great Britain in 1771.

As far as the discovery is concerned, we have seen that if anyone first sighted the Malvinas, it was the Spanish navigators. Apart from the historical facts, the legal problem must be examined in the light of the moment when the problem was born and we must bear in mind the fact that since the end of the XVIth Century, international law provided that for the acquisition of *res nulius* territories, occupation was necessary, and it prevailed over discovery which only offers preliminary and precarious rights and titles. This title—called inchoate title—had to be affirmed by means of effective occupation; in the XVIIIth Century neither discovery nor fictitious or symbolic occupation sufficed.

Regarding occupation, it can in no way be termed, firstly, "subsequent" to discovery since the first English sailor who is supposed to have sighted the Islands, according to the British themselves was Davis in 1592, and it was only 174 years later, that is, in 1766 that the English settled in Port Egmont. The presence of the English, challenged by the Spanish, was only in a location called Port Egmont, and lasted between 1766 and 1774, with the protests of Spain and the resulting events and voluntary abandonment. The first effective occupation was that of France in 1764, which recognized the rights of Spain, restoring the settlement to her, whereby the effective Spanish occupation antedates the British presence. The latter continued during the eight years when the English were in Port Egmont and afterwards. It has been correctly stated that the English occupation only showed negative facets: it was illegal—since it violated existing treaties; it was clandestine, that is, it was kept secret until the Spanish found out about it; it was belated, because it took place after the effective occupation of the French who handed it over to Spain; it was challenged, because Spain resisted it and made an express reservation in its regard; it was partial, because it only applied to Port Egmont whilst Spain possessed Port Soledad and the entire Archipelago; it was fleeting, for it only lasted eight years; it was precarious, for after 1774 it was no more. On the other hand, while the Spanish occupation preceded the English, it coexisted with it without disturbance and outlasted the abandonment by England. The 1833 British arguments only serve to cloak a clear fact: the use of arms against a new nation that possessed the Islands by virtue of its rights as the Heir to Spain, rights which were unchallengeable.

Gentlemen, in one hundred and thirty three years, we have been unable to evict Great Britain from the position into which she entrenched herself by force. But times have changed and today we are witnessing the twilight of colonialism, which is why British presence in the islands is an anachronism and must be eliminated. The days are gone forever when a young nation lacks voice and decision in international affairs. In the course of its entire history, my country has opposed this way of handling international relations, and we have constantly given proof of our sense of responsibility and our willingness to settle our international disputes peacefully. Almost the entire length of the Argentine frontiers were established by arbitration, without our even having resorted to violence to settle territorial problems.

Furthermore, in 1933, in the VIIth American International Conference in Montevideo, the American States set forth a fundamental doctrine of American law when they stated that "The Contracting States set forth as a definitive norm of conduct their specific obligation not to recognize territorial acquisitions or special advantages obtained by force, whether this be by the use of arms, by threatening diplomatic representations or by any other coercive measures. The territory of States is inviolable and cannot be the object of military occupation or of other measures of force imposed by another State, whether it be directly or indirectly, for any reason or even of a temporary nature".

Convinced of this, we signed the Charter of the United Nations in 1945 not only as a peace-keeping machinery and to ensure international peace and security, but also as a system whereby to find just solutions to international problems, and especially those that emanated from the colonial system. Even at the San Francisco Conference, the Argentine made an express reservation regarding our country's rights over the Malvinas Islands.

From the inception of this Organization, Argentina was well aware of the importance of Art. 73e of the Charter. As soon as ever Great Britain began to supply information on the Malvinas, the Argentine Republic informed the United Nations—as it had so often in the past—of its rights of sovereignty over the territory. And thus, through the General Assembly, Argentina yearly reminded the organization of its rights, and stated that the information supplied by the United Kingdom on the Malvinas Islands, the Georgias and the South Sandwich in no way affected Argentine sovereignty over these territories, that the occupation by Britain was due to an act of force, never accepted by the Argentine Government and that it reaffirms its imprescriptible and inalienable rights. At the same time, in the Organization of American States, my country has advocated an end to colonial situations in America.

The Xth Inter-American Conference of Caracas in 1954 adopted Resolution 96 on Colonies and Territories occupied in America, and declared "that it is the will of the peoples of America that an end be put to colonialism maintained against the will of the peoples and also the occupation of territories". It proclaimed also "the solidarity of the American Republics with the just claims of the Peoples of America regarding territories occupied by extra-continental countries", and, finally, it repudiated "the use of force in the perpetuation of colonial systems and the occupation of territories in America".

After 1955, the United Nations was renewed by the admission of new Members, especially of those that emerged from the process of de-colonization imposed on the European powers by the new political structure of the world. Thus, a new perspective was created in our over one-hundred-year-old claim for the Islands.

When in 1960, with our support, there was adopted the now historic Resolution 1514 (XV), "Declaration on the Granting of Independence to Colonial Countries and Peoples", the process of decolonization all over the world took on a new impetus.

Clearly, clamly and constructively, our country supported and will support this process of decolonization which is taking place today with the help of the United Nations. We ourselves being a product of a similar process of independence—which we achieved by our own means—we are consistent with our historical tradition and determined supporters of the elimination of the colonial system. Thus, we wholeheartedly voted in favour of the additional resolutions to 1514(XV), that is, Resolutions 1654 (XVI), 1810(XVII) and 1956(XVIII).

Today, this Sub-Committee III of the Committee of 24 is to take up the question of the Malvinas Islands.

The Malvinas Islands are in a different situation from that of the classical colonial case. De facto and de jure, they belonged to the Argentine Republic in 1833 and were governed by Argentine authorities and occupied by Argentine settlers. These authorities and these settlers were evicted by violence and not allowed to remain in the territory. On the contrary, there were replaced, during those 131 years of usurpation, by a colonial administration and a population of British origin. Today the population amounts to 2172 souls, and it is periodically renewed to a large extent by means of a constant turn-over: thus in 1962, 411 persons left and 268 arrived; in 1961, 326 left and 244 arrived; in 1960, it was 292 that left and 224 who arrived. This shows that it is basically a temporary population that occupies the land and one that cannot be used by the colonial power in order to claim the right to apply the principle of self-determination.

Our Government holds, and has thus stated it to successive General Assemblies that this principle of self-determination of peoples, as set forth in Article 1, paragraph 2 of the Charter, must, in these exceptional cases, be taken in the light of the circumstances which condition its exercise.

Therefore, we consider that the principle of self-determination would be ill-applied in cases where part of the territory of an independent state has been wrested—against the will of its inhabitants—by an act of force, by a third State, as is the case in the Malvinas Islands, without there being any subsequent international agreement to validate the *de facto* situation and where, on the contrary, the aggrieved state has constantly protested the situation. These facts are specifically aggrevated when the existing population has been ousted by this act of force and fluctuating groups of nationals of the occupying power supplanted them.

Furthermore, the indiscriminate application of the principle of self-determination to a territory so sparsely populated by nationals of the colonial power, would place the fate of this territory in the hands of the power that has settled there by force, thus violating the most elementary rules of international law and morality.

The basic principle of self-determination should not be used in order to transform an illegal possession into full sovereignty under the mantle of protection which would be given by the United Nations.

This strict interpretation of the principle of self-determination is specifically based upon Resolution 1514(XV), whose main aim should not be forgotten, namely: to end colonialism in all its forms.

After recognizing the principle of self-determination, the Preamble of that Resolution states that the people of the world "ardently desire the end of colonialism in all its manifestations". It also adds that "all peoples have an inalienable right to complete freedom, the exercise of their sovereignty and the integrity of their national territory".

Article 2 of the Declaration reaffirms the principle whereby "All peoples have the right to self-determination; by virtue of that right they freely determine their political status and freely pursue their economic, social and cultural development".

But this article is conditioned by article 6, for it clearly states that "Any attempt aimed at the partial or total disruption of the national unity and the territorial integrity of a country is incompatible with the purposes and principles of the Charter of the United Nations". In its article 7, while reaffirming the above, it goes on to state that "All States shall observe faithfully and strictly the provisions of the Charter of the United Nations, the Universal Declaration of Human Rights and the present Declaration on the basis of equality, non-interference in the internal affairs of all States, and respect for the sovereign rights of all peoples and their territorial integrity".

The purposes of the Resolution—as its wording makes manifest—is quite in keeping with the true interpretation of the principle of self-determination insofar as the Malvinas Islands are concerned. Colonialism in all its manifestations must be brought to an end; national unity and territorial integrity must be respected in the implementation of the Declaration. It shall not be used to justify the outrages perpetrated in the past against newly independent countries.

Resolution 1654 (XVI), pursuant to which this Special Committee was established, stresses this fact when in its Preamble it states the deep concern on the part of the Assembly that "contrary to the provisions of paragraph 6 of the Declaration, acts aimed at the partial or total disruption of national unity and territorial integrity are still being carried out in certain countries in the process of decolonization".

The American Regional Organization adopted a resolution at its Xth Foreign Ministers' Conference setting forth "the need for extra-continental countries having colonies in the territories of America, speedily to conclude the measures defined according to the terms of the Charter of the United Nations in order to allow the respective peoples fully to exercise their right to self-determination, in order once and for all to eliminate colonialism from America". But bearing particularly in mind the situation of states whose territorial unity and integrity are affected by foreign occupation, this same resolution went on to state that it "does not refer to territories under litigation or the subject of claims between extra-continental countries and some countries of the hemisphere". This resolution was also transmitted to the United Nations.

The future of these islands, separated from the Argentine Republic, would be both illogical and unreal. Geographically they are close to our Patagonian coasts, they enjoy the same climate and have a similar economy to our own south-lands. They are part of our own continental shelf, which, by International Law and since the Geneva Conventions of 1958, belongs in all rights to the coastal State.

Their economic development on stable basis is linked to that of the Argentine Republic with which they at present have neither communication nor direct maritime trade because of the prevailing situation.

Furthermore, if we carefully analyze the same document submitted by the Secretariat of the United Nations on the strength exclusively of the information supplied by the British, we note how the colonial system manifests itself in the economic side of the life of the Islands. Ownership of the land is virtually in the hands of the Falkland Islands Company Limited, among whose Board of Directors—located in London—figure members of the British Parliament. This Company—which we have no compunction in labelling monopolistic—owns 1,230,000 acres of the best land, in outright freehold, and on them three hundred thousand sheep graze. The next largest landowner is the British Crown with 56,500 acres. The company, and its subsidiaries, control all the export and import trade. It also holds the wool monopoly which is the main source of wealth of the Islands.

British domination of the Malvinas Islands is not only contrary to the Charter of the United Nations, but it also creates a sterile situation in a territory which could enjoy a greater economic boom if linked to its natural and legal owners. Proof positive of this is the fact that the statistics for 1912 show that there were 2,295 inhabitants in the Malvinas Islands and that since that time the population has remained stagnant. According to a census taken on 16 March 1962, 2,172 souls live in the Islands. It is the only human family in America that instead of increasing, shrinks.

Gentlemen: the United Kingdom has no right to continue in the Islands, nor does the spirit of our day allow of it.

In concluding this statement, may I sum up the view of the Argentine Government, which reflects the feelings of its entire people:

1. The Argentine Republic decidedly claims the restoration of its territorial integrity by means of the return of the Malvinas, South Georgias and South Sandwich Islands which were wrested from her by force by the United Kingdom. This is the only solution that justice prescribes. Respectful of fundamental human rights and of the obligations flowing from the Charter of the United Nations, the Argentine Republic will bear well in mind the welfare and the material interests of the present inhabitants of the Malvinas Islands. Together with men of all races and creeds the world over, under the protection of the guarantees granted by our constitution, they will be able to integrate themselves in the life of the Nation.

2. The Argentine Republic, however, will not agree to having the principle of self-determination vitiated by seeing it applied in order to consolidate situations flowing from colonial anachronisms, to the detriment of its legitimate rights of sovereignty over the Islands.

The outrage of 1833 entitles us to require the United Kingdom to consider this dispute realistically and with the required far-sightedness; thus will Great Britain have again applied its undisputed political wisdom.

In the Atlantic Charter, on 14 August 1941, Churchill and Roosevelt both declared that they wished to see restored to nations their sovereign rights and their independence to the people who had lost their rights by force.

I can assure you, gentlemen, that Latin America is determinedly united in its decision to wipe out the last vestiges of colonialism that still exist in the Hemisphere.

Thank you, Mr. Chairman.

Mr. de la GARZA. I think it is very often the case that sometimes we do not understand historical aggrievements of people that last for hundreds of years, dealing with pride and dignity of a people and of a nation. Many of the areas of this country have suffered through that. I use as an example, the fact that in the beginning of President Kennedy's term as President, we reinstated the discussion related to a part of Mexico called El Chamizal. The course of the river, the

Rio Grande changed, and a part of Mexico was left on the U.S. side.

□ 1315

After the case had gone to arbitration, we just neglected the decision of the arbitration board. But thanks to President Kennedy and to President Johnson, the country of the United States exercised its prerogative to return the jurisdiction to Mexico and I wish that other countries of the world would do likewise and follow our example and do equity and justice to historical wrongs of ages past. Mr. Speaker, it is our responsibility to see that justice is done to all concerned.

Mr. BROOMFIELD. Mr. Speaker, I yield 3 minutes to the gentleman from Iowa (Mr. Leach), a member of the committee.

Mr. LEACH of Iowa. Mr. Speaker, I rise in support of the important resolution before us today.

It is imperative that the Congress make clear that the American people stand united behind Great Britain in the tragic struggle developing over the Falkland Islands. We all hoped that armed conflict could be avoided. Secretary Haig's skillful and energetic effort to facilitate a peaceful settlement is to be commended. That effort probably required a certain degree of evenhandedness. Now that Argentine intransigence has made it clear that such an approach will not work, the administration's decision to come out in full diplomatic support of Britain is entirely appropriate.

The views of a distinguished Member of the other body notwithstanding, the notion that the United States had any real choice but to back Great Britain in this dispute is dangerously superficial. Regardless of the validity of competing claims of sovereignty, Argentina by seizing the islands by force has marked itself as the clear aggressor in this case. The United States had no choice but to make it absolutely clear that the use of force to solve international territorial disputes will not be tolerated.

There are other profoundly important reasons for offering full diplomatic support to Great Britain. In terms of right and wrong, American foreign policy will seldom go astray if it is premised on support for the principle of self-determination. As John Stuart Mill once said:

> One hardly knows what any division of the human race should be free to do if not to determine with which of the various collective bodies they choose to associate.

At issue in the Falklands is not decolonialism but recolonialism. The principle at stake is whether small numbers of people in small places in the world can determine their own destiny. Argentina's claims to sovereignty over the Falklands are historical in nature, dating most recently to 1833. These claims thus predate the entry of California to the Union and carry dubious legal validity today. The main test of international law to be applied on the sovereignty issue is not that of historicism but that of self-determination. It is the British who have assured the 1,800 people of the islands that through a plebiscite they may determine their own destiny. It is the Argentine military junta which through the use of force is denying this prospect.

Finally, strict considerations of national interest dictate that we support Britain in this struggle. Solidarity in the Western Hemisphere is important, but in a strategic sense it cannot be compared to the vital need for solidarity with the most steadfast member of NATO, our premier security alliance.

The aforementioned Member of the other body, in casting the sole vote against a resolution similar to the one we are now considering, asserted that we have a vital need for the support of the Argentine junta in preventing the spread of Communist influence in Central America. This is hogwash. That we must rely in any significant way upon military dictatorships of the type now in power in Argentina to help preserve democracy in El Salvador or elsewhere shows the bankruptcy of our policy in Central America. Too often that policy seems to be premised upon the profoundly mistaken notion that it is possible to fight Communist totalitarianism with equally despotic regimes of another stripe.

It would be tragic if a dispute in a remote corner of the South Atlantic provoked by a corrupt regime with flagging domestic popularity should lead to severe strains in our most crucial collective security system embracing the North Atlantic. The longstanding bonds of mutual support that linked us in World War I and World War II with Britain simply cannot be jeopardized for a military government like that in power in Argentina.

For all of these reasons, it is profoundly important that we approve this resolution demonstrating solidarity with Great Britain. The sanctions against Argentina announced by the administration last Friday coupled with offers of materiel support to Britain should make it clear to Argentina's leaders that refusal to withdraw their invasion forces from the Falklands is a policy that will lead only to international isolation and bloodshed.

If the Argentines nonetheless persist in their intransigence, it may be necessary to consider going beyond the measures announced to date and to join Great Britain and her European and Commonwealth allies by curtailing Argentine exports to the United States. Economic sanctions are an imperfect response to political problems, but solidarity with our allies may demand no less of us if this crisis continues. If we cannot support our closest ally with minimal economic sanctions on an issue in which international law is so profoundly on Britain's side, our European allies will inevitably ask whether we can be depended upon in a NATO security context.

We all hope that further bloodshed can be averted. If Argentina persists in its present course, however, Great Britain deserves our full diplomatic support, as called for in the resolution. For reasons of right, reasons of alliance, and reasons of heritage, we must be a United States behind a United Kingdom.

Finally, Mr. Speaker, issues of right and judgment aside, there are certain lessons for our Government and the world community in this conflict.

First, much as it may be desirable, it is not always possible to fence sit on important issues of the day even when choosing sides in a no-win proposition.

In this case the prides and prestige of leaders in two governments are at stake and it is not inconceivable that after the initial outpouring of patriotic concerns, the preparations to use force on both sides will inevitably lead to actions that may in the final measure prove to be liabilities for both governments. Internal support for both governments may be jeopardized and that two governments friendly to the United States—albeit, one a democracy and one a rightist military dictatorship—may fall. Whether or not this occurs, the liabilities of the Falklands crisis to America are very great, especially as they relate to our hemispheric relations. It cannot be stressed enough that our peculiarly American heritage and relations with our neighbors to the South will and are being stretched to a profound degree because of our carefully considered tilt to Great Britain: Neverthless, a pro-British stance is the only appropriate position for America to take. Much as we might have preferred not to take a stand, we have no choice except to do so. As Dante wrote:

> The hottest circles of hell are reserved for those who in a time of moral crisis maintain their neutrality.

Second, despite our preception that Britain's international legal position is sound, there are concerns in America about the appropriateness of levels of response. Clearly there has seldom been a more unnecessary war, and friends of Britain and Argentina urge today those tactics of restraint which hold the greatest prospect for a negotiated settlement. Here, the oft-quoted advice of the British military strategist Liddell Hart is relevant:

> Keep strong, if possible. In any case, keep cool. Have unlimited patience. Never corner an opponent, and always assist him to save his face. Put yourself in his shoes—so as to see things through his eyes. Avoid self-righteousness like the devil—nothing is so self-blinding.

Third, there are lessons for the United States and Britain about a foreign policy disproportionately premised on arms sales. Ironically, our closest ally is being opposed by weapons systems supplied to the Argentine military by ourselves and by the British. Perhaps the world would be a safer place if foreign aid programs were more oriented to economic than arms assistance.

Fourth, the conflict over the Falklands underlines the lack of adequate institutions available for conflict resolution in the world. The U.N. in New York and the International Court of Justice in The Hague would appear to be the logical places where differences between these two great countries should be brought. Yet, neither of these institutions were prepared to act immediately—partly because there was not a joint British-Argentine desire to submit to neutral third-party arbitration, partly because a number of countries in the world, including the United States, have been conducting a foreign policy having the effect of undercutting rather than building up respect for international institutions. It is ironic that today we want the U.N. to play a greater role in this truly important dispute involving questions of international law and rights of the seas, but that just last week the United States culminated a year and a half of negative diplomacy by voting "no" on a Law of the Sea Treaty which would have bolstered international law on two-thirds of the Earth's surface, including the South Atlantic. It is also ironic that while we are turning more toward unilateral diplomacy, we are seeking in this crisis international interventions for peace.

Somehow the world has to understand that beyond the immediacy of this dispute is the problem it underlines: How to resolve conflicts without resort to force. Clearly, new policies of all the great and lesser powers of the world are demanded.

Mr. BROOMFIELD. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin (Mr. Roth), a member of the Committee on Foreign Affairs.

Mr. ROTH. Mr. Speaker, first of all, I want to join with my colleagues in commending Secretary Haig for his exceptional efforts. He worked long and hard to avert war in the South Atlantic. He did his utmost to mediate in an honest and fair manner.

In regard, however, to the specific resolution which we are debating today, I have serious reservations. When this resolution was considered last week by the Foreign Affairs Committee, I spoke against it. At that time, I felt that the resolution was premature. I did not believe that the United States should be coming out in favor of one side or the other, for to do so undercut Secretary Haig's role as an impartial, unbiased mediator.

Since our debate in committee last week, the situation has changed. Secretary Haig, after exhausting every possible alternative, gave up his attempt to mediate this dispute. Subsequently, President Reagan announced that henceforth American support would be given to the British.

In committee, I have frequently argued that in foreign affairs, politics must stop at the water's edge. I feel that Congress must stand behind the President once he has enunciated a specific foreign policy, and in this case, although I admit some reluctance, I again stand with the President.

That being said, I do feel that I should take this opportunity to state my own opinion. In this case, it is my view that no matter what happens, the United States is going to come out the loser.

Our Nation has a long history of close ties with Great Britain. We have fought together in two world wars to preserve a democratic way of life in the face of aggression. Since 1945, Britain has stood by the United States in our unending struggle to resist the imperialistic and expansionistic activities of the Soviet Union.

During the past 30 years, the United States has not been as close to the governments which have ruled in Argentina as we have been with the governments of Britain. The people of Argentina have suffered under innumerable repressive regimes, from which the United States has quite justifiably tried to distance itself. In recent years, however, the situation in Argentina has begun to change for the better. We have witnessed some liberalization in that nation. Our hopes have been that these trends will continue, leading to an eventual institution of a democratic and free government in that nation. I sincerely hope that this resolution—and our support for Great Britain—will not be misunderstood by the people of Argentina. I hope that they will recognize that our action is not directed against the people of Argentina but is intended to demonstrate our firm support for the rule of law and the right of peoples to determine for themselves the type of government under which they désire to live.

I also think that it is important for us to remember that the United States is part of the Western Hemisphere. Ever since the administration of President Roosevelt, our Nation has made a determined effort to try and live as a good neighbor with our fellow nations of this hemisphere. I therefore hope that the nations of Latin America will not misunderstand the message which we are trying to convey through this resolution. We are not returning to a 19th-century type of prointerventionist policy. We have not abandoned our longstanding committment to the Monroe Doctrine. We are not acting in support of colonialism.

In conclusion, Mr. Speaker, I would like to end my remarks by stating my firm conviction that from this war in the South Atlantic, all of the parties are going to lose, but the United States is going to lose the most of all. No matter what happens, America is going to lose a valuable friend. By passage of this resolution, I think that it is clear which friend that that is going to be. I truly regret that this type of situation—through no fault of our own—has arisen. I again commend Secretary Haig for what he tried to do, and wish every success to those third parties who have now taken up the quest of trying to bring peace once more to the South Atlantic.

Mr. BROOMFIELD. Mr. Speaker, I yield 3 minutes to the gentleman for Arizona (Mr. Rudd).

Mr. RUDD. Mr. Speaker, I stand in strong opposition to this amendment, a measure that I perceive as doing nothing to lessen the hostilities now occurring at the Falkland Islands.

I would just like to review for a minute this resolution on the floor, which I strongly oppose.

Argentina did have a prior claim to the islands and needs them as a wedge and anchor for its other claims in offshore areas from its own country.

Might makes right, I suppose, as it has in past centuries. When the British Imperial Fleet established itself at the Falklands in 1833, it did so with a just need in the British eyes because they needed to protect naval passage and commerce around the Horn and around South America. That was understandable. But that situation, that need does not exist now.

The British no longer need that passage and those sealanes' protection. And they do not have the strength to do it anyway unless they rely on the United States.

We see from time to time some of the colonies of the British Empire around the world where their generals sit as advisers to the governments that have been installed. Yet, Britain does not have the strength nor the ability to provide the means for defense for those countries. They simply call upon the United States to pick their chestnuts out of the fire, to defend them.

The reason our Nation is pulling their chestnuts out of the fire is because the Imperial British Navy once had a large colonial empire to pay its bills. But it no longer has that. Now England expects us—the United States of America—to pay for what was once its own responsibility.

And maybe that is understandable because it was pointed out that Britain is a mother country—in a sense—because we have many descendants from America. But then, we have many descendants from other countries all over the world as well.

The truth of the matter is that Britain did have information that the Argentines felt strongly about the questions of sovereignty of the islands; that they intended to do something about it a month or so before the incident occurred. And Britain certainly knew about these strong feelings months and years prior to that. Great Britain has released numerous colonies and overseas holdings because they no longer have the wherewithal to retain them. The Malvinas, or Falklands, are a burden to Britain and the effort to negotiate their release to Argentina should have been made long ago.

Effort after effort was made by Argentina to do something about this situation and the British ignored it. It is now known that Argentina intended to establish its claim to the islands by going in at least a month before they actually did, as I pointed out. The British still did nothing. Whether the United States had this information or not—we still did nothing. Great Britain, knowing that Argentina intended to establish its dominion over the Falklands after long unsuccessful efforts to negotiate an arrangement by Argentina and after rebuffs from Great Britain, simply waited for Argentina to move. Then Britain declared that a war-like effort had been started to obtain world sympathy and sympathy of the United States. Britain simply retaliated with a true warlike effort such as sinking the cruiser *General Belgrano*. That sinking took place outside Britain's declared safety zone making it almost impossible for true negotiations to continue.

This action has caused great concern around the world because we as allies and friends are wasting our largess and resources when we should be concentrating them against our common enemy—the Soviet Union.

But we are not doing that. Now we are being asked by Britain to use our resources against a friend and in their behalf.

The Argentines have a sound basis for what they did. They do need this anchor to protect their own interests, not only in Latin America, but against Britain which no longer needs the territory.

The point of the matter is just this: I have talked to other leaders and people in positions of responsibility in and out of Latin America who have indicated to me that Latin American countries are going to stand by Argentina. That puts us in a position of supporting Great Britain against all of the nations of Latin America. We really need the support and understanding of these nations—in our hemisphere.

I have talked with responsible officials and heads of state throughout this hemisphere. I have advised them to put a halt to this attitude of "Anglo against Latin" and their reference to us being the "colossus of the north." We are brothers in the Western Hemisphere, we must stick together, for if we do not we will all be separately destroyed. With the cause for concern in Latin America—in Central America and in the Caribbean—where we are asking these countries for greater support—and they want to do that, they want to reestablish friendly ties—we are doing ourselves a tremendous disservice by getting involved in this tragedy.

Instead we should be taking a stronger stance toward bringing these two countries back together to solve the problem at hand.

The American and entire hemispheric future is at stake here, and should not be underestimated. I strongly urge my colleagues to oppose this resolution, and instead urge continuation of our Nation's strenuous efforts to bring resolve to this dispute, to urge the heads of state in Argentina and London to see reason and settle this affair.

Mr. BROOMFIELD. Mr. Speaker, I yield 2 minutes to the gentleman from Nebraska (Mr. Bereuter).

Mr. BEREUTER. Mr. Speaker, I do not object to the specific language of the resolution, nor do I object to the intent of the introducer, as I understand it. But I regret the fact that the resolution is offered, because I think it is unnecessary and that, unfortunately, it will be misconstrued by Latin Americans in this hemisphere.

I certainly want to commend the administration and Secretary Haig for the negotiating role that they played. It was crucial. It is important. It is a role we should play. I find it difficult to come up here and add my lonely words in this debate because they may in fact be misconstrued.

The British have been staunch allies. They have approached this situation with restraint. Indeed, we all hope that we do not have any increased hostilities beyond what has already happened. On the other hand, we have Argentina. The South Americans themselves frequently say because Argentina has flirted with fascism, because it has repression in its government, that they are the least lovable of their South American neighbors. And my personal sympathies indeed are with the British, with the United Kingdom, in this respect. More importantly, international law is, in my judgment, on their side. But I am very much afraid that the Latin Americans, as the gentleman from Arizona has said, will see this as something more than what is offered in the resolution itself. They have always thought that we are preponderantly oriented toward Europe, that we are preponderantly oriented toward Anglos. And this, I am afraid, will send the wrong message.

If my words here can help clarify that point, that this should not be taken beyond what we are dealing within the resolution specifically, that there are no hidden messages in it, then perhaps my words are worth something here today. I think that this country has to realize that, increasingly, the future of the United States is going to be tied to the Western Hemisphere and that we must bend over backwards to try to build good relationships with the Latin Americans. I am not sure that this resolution is headed in that direction. I do hope that we have some clarification by my comments and others, as we proceed here today.

□ 1330

Mr. BROOMFIELD. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. Paul).

Mr. PAUL. Mr. Speaker, I rise to express my opposition to House Resolution 441. Taking sides in the dispute over the Falkland Islands does not serve America's interest and can lead to more involvement and great danger.

Mr. Speaker, in the Falkland Islands, America's foreign policy has once again gotten tangled in its own conflicting commitments. The NATO alliance commits us to the defense of Great Britain, and the Rio Treaty commits us to defending Argentina. These treaty commitments demonstrate so clearly how entangling alliances work to the detriment of the people of the United States. Fulfilling treaty obligations becomes impossible and the prime responsibility of defending our people becomes secondary to foreign involvements.

Thanks to NATO, we spend well over $100 billion per year subsidizing the defenses of wealthy Europeans. Our relations with Argentina have been more restrained, but we have still managed to help them finance the purchase of $200 million in military hardware over the last 30 years. The Argentine submarine disabled off South Georgia is American, and their only aircraft carrier is also American. The cruiser disabled is also American.

I have spoken to the people in my district. They say: "stay out of this conflict, it's none of our business." But there are those in the State Department who have suggested setting up a Sinai-style U.S. peacekeeping force. This would be sheer folly, putting American boys between two warring factions, both using our weapons, is a sure-fire way of getting some of them killed, and of guaranteeing an ongoing, costly, foreign commitment.

It is time we scrapped the foreign policy of treaties and interventionism, and began concentrating on the sorry state of our own defenses.

Our foreign policy should be that of nonintervention and armed neutrality. Grover Cleveland understood this when he said:

> It is the policy of peace suitable to our interests. It is the policy of neutrality, rejecting any share in foreign brawls and ambitions on other continents, and repelling their intrusion here. It is the policy of Monroe and of Washington and Jefferson: Peace, commerce, and honest friendship with all nations; entangling alliances with none.

We should disapprove this resolution not because doing so would be best for Argentina but because doing so would be best for America.

Mr. BROOMFIELD. Mr. Speaker, I have no further requests for time.

Mr. ZABLOCKI. Mr. Speaker, I yield the remaining 3 minutes of my time to the gentleman from Kansas (Mr. GLICKMAN).

Mr. GLICKMAN. Mr. Speaker, I support this resolution. The issue is aggression. Aggression is wrong. The United States should not be on the side of aggression. I think the resolution reflects that perhaps this crisis in the Falkland Islands will cause us to reflect on our ability both as a member of the nations of the world and as the strongest Nation in the world to resolve potentially devastating world conflicts in a way that avoids violence, particularly in the nuclear age that we are currently in.

It seems to me, Mr. Speaker, that now is the time for us in America to develop an institution which trains people in conflict mediation techniques in a worldwide sense that will add to the power of the United States, add to our military powers, in a way so as to prevent these conflicts from happening.

Along with 110 other Members of this House I introduced legislation to establish an Academy of Peace and Conflict Resolution which would have as its basic purpose the ability to train people, to give skills to people, to resolving conflicts throughout the rest of the world without resorting to violence.

Gen. Omar Bradley once said, "We know much about waging war, but very little about waging peace."

It seems to me that we have two nations in this world in a scenario that looks a bit like the mouse that roared that could eventually involve this world in a major worldwide confrontation. Both of these nations either have or have the potential to have nuclear weapons. There must be some additional way for our Nation to help to resolve these kinds of problems before they erupt into a worldwide crisis.

I think Secretary Haig has done a pretty good job in trying to mediate the crisis. But it looks to me institutionally we in America can lead the way through the world in not only having the strongest defense in the world but having the strongest peacemaking capability of the world, and that would be to have an Academy of Peace that could show the rest of the world that we Americans are not only interested in having the best airplanes, the best missiles and the best ships in the world, but also the best peacemaking capability in the world.

● Mr. GOLDWATER. Mr. Speaker, I rise today in support of House Resolution 441, which calls upon Argentina to withdraw from the Falkland Islands in compliance with the U.N. Security Council Resolution 502 of April 3. The tragic situation in the South Atlantic is a no-win situation for everyone involved, the United States included.

At the outset I want to commend our Secretary of State, Hon. Alexander Haig, for his efforts to resolve the conflict between Great Britain and Argentina over the Falkland Islands' sovereignty in a peaceful and diplomatic fashion. He has exhibited rare diligence during this time of international tension.

I also would like to say that I strongly support the administration's decision to side with Britain in this continuing dispute over Argentina's summary occupation of the islands. Most Western nations are in agreement that Argentina seriously overstepped herself by invading the islands a month ago. In spite of the recent Organization of American States' resolution, I think there may even be substantial unacknowledged South American recognition that Argentina's action was hostile, unwarranted, and, in reality, a thinly disguised means of distracting attention from the tottering Argentine economy and rising dissatisfaction with the Galtieri regime.

Britain is our staunchest ally. In large part, our roots are her roots. Our two nations' commonality of language, experience, and purpose are unique. In many ways, we owe Great Britain for our democratic freedoms and way of life. In a substantially different context, we owe Argentina the loyalty we would extend any of our Western Hemisphere allies and, because of her firmly anti-Communist and anti-Marxist stance, probably preferential treatment. This is the quandary in which we now find ourselves. As we all know, the Inter-American Treaty of Reciprocal Assistance—commonly known as the Rio Treaty—which commits us as a signatory to defend Argentina against aggression from without the North and South American Continents, complicates this situation even further.

However, one fact remains indisputably clear. Argentina invaded the islands with no notice or expression of intent. I can see no compelling reason why we should side with an aggressor nation in this type of dispute. To me, the terms of the Rio Treaty do not bind us in this situation. British defense of colonial possessions against overt aggression does not constitute "outside aggression" as outlined in the treaty. Again, Britain is the United States' closest ally. I believe that diplomatic and moral commitment requires us to side with our British allies in, first, pursuing every avenue for a negotiated settlement to this crisis; and second, providing full diplomatic support in Great Britain's attempt to regain control of the Falklands.●

● Mr. MOFFETT. Mr. Speaker, I am pleased that Congress is at last acting to show its support for Great Britain and her efforts to beat back Argentine aggression in the Falklands Islands. By passing this resolution, House Resolution 441, we can make a strong statement to Britain, Argentina, and the world that we will not turn our backs on outrageous violations of international law.

There is no doubt in my mind that Argentine Dictator Leopoldo Galtieri made a grave miscalculation in assuming that the British—and the world—would stand idly by while the Argentine Army invaded the Falklands. This campaign of "liberation" from British colonial rule would, if allowed, subject the 1,800 Falklanders to the brutal, tyrannical rule of the Galtieri regime. Further, it would set a dangerous precedent which could effect border disputes between Venezuela and Guyana, Guatemala, and Belize, and other Latin American nations. Most importantly, however, the Argentine move was highly illegal. Such disregard for international law should not be permitted, as long as the civilized world can act to uphold the law.

The future of the war over the Falkland Islands is now uncertain. The possibility of Soviet support for Argentina—one of her closest trading partners in the West—looms ominously on the horizon. Nevertheless, I applaud the Reagan administration for alining with the side of justice and international law in the Falklands dispute, and I urge the Congress to follow suit by passing House Resolution 441.●

● Mr. BIAGGI. Mr. Speaker, I rise with some reservations about this pending resolution. My strongest concern is that with the passage of this resolution we are all but abandoning the position that this matter can still be resolved diplomatically.

Secretary of State Haig in my judgment embarked upon a most sensible course of action with his so-called shuttle diplomacy between London and Buenos Aires. His objective was to demonstrate in dramatic fashion that the United States was prepared to assume the role of an honest broker.

The Haig initiative has not succeeded yet—but neither has it been a total failure. There is no reason why the outbreak of hostilities should be the cause of the United States to abandon

the Haig initiative or any other effort to bring about a peaceful resolution.

House Resolution 441 removes the United States from the "honest broker" category. It calls for Argentina to withdraw its forces from the Falkland Islands and that the United States should provide "diplomatic support to Great Britain in the event of armed conflict." I challenge both of those provisions especially the latter. If we are to provide diplomatic support it should be for both sides to achieve a political and peaceful solution before this crisis escalates into a full scale global conflict.

I would prefer to see this body debate and vote for a resolution which would call for an end to all hostilities and would also call upon the United Nations to seize the diplomatic initiative which was so effectively begun by Secretary Haig.

There is wrong on both sides in this dispute. Aggression does not need to be fed with more aggression. I call upon my colleagues in the House to support the peaceful diplomatic approach. This will not be our course if we pass this resolution today.

Based on early indications—Great Britain is in the superior position militarily. Yet as in the case of Northern Ireland—nothing will be accomplished with a mere military victory. If the issue of the future sovereignty of the Falklands is to be resolved—it must be done through painstaking negotiations under the auspices of the United Nations not by virtue of which side has more brawn and bravado.

Almost 20 years ago Congress adopted another seemingly innocuous resolution such as the one before us today. That was the Gulf of Tonkin resolution which historians point to as the catalyst which immersed our Nation in the losing tragedy of Vietnam. It is sometimes said that history repeats itself. As it concerns the Falkland Islands and this resolution let us hope this adage is wrong.●

● Mr. DAN DANIEL. Mr. Speaker, events of the past few days have made more convincing than ever the rightness of the position we have taken with respect to the Falkland Islands. To have done otherwise would fly in the face of all we have believed and professed since World War II.

Argentine aggression had to be challenged and it has been done without rancor and with firmness. The United Kingdom has responded with well-ordered action that has always left open the door to further negotiation—once the Argentine troops are withdrawn from the Falklands.

This series of events has occurred since the issuance of my weekly newsletter last week, but I wish to request permission to place this at this point in the RECORD, because it states my firm conviction that U.S. policy had to come down on the side of morality and I am pleased that it did.

The article follows:

CAPITOL COMMENTS

When most people learned of the Argentine invasion of the Falkland Islands, the first reaction was disbelief; it was just incredible that Argentina would risk war by such action.

The second reaction was puzzlement, followed by a trip to the World Atlas. Few people knew, up until a month ago, where the Falkland Islands were, and even fewer cared. This latter attitude is one we are all well advised to abandon.

For this group of islands, where the sheep outnumber the people by better than 360-to-1, may find its way into the history books for reasons vastly different from its past role as provisioner to sailing vessels and present one as provider of meat and fiber to a more advanced world.

Why should we care about what happens in the Falklands? There are a number of reasons—economic, political, and military.

Should fighting in that area become intensified and prolonged, it could well drag into it other nations of Latin America. In point of fact, when the UN Security Council adopted a pro-British resolution by a 10–1 vote on April 3, only Panama sided with Argentina. In the event Panama escalates its support and closes the Canal—an action which could well be taken, now that we have given up the Canal—this would divert around Cape Horn most shipping which had previously traveled that route. Nor is the Canal immune to closure by a guerrilla attack.

Then there is the matter of the effect of British involvement in the South Atlantic on its other military commitments. The British fleet plays a major role in NATO's North Atlantic defense and its equipment and manpower resources, already stretched thin, would be even further degraded. The United Kingdom is also a contributor to the Western naval presence in the Indian Ocean.

The Argentine action, regardless of its outcome, has already set a dangerous precedent. This is by no means the only place in the world where more than one nation claims sovereignty over some parcel of land. In Latin America, Chile and Argentina have quarreled for years over ownership of three islands off the tip of South America. Bolivia and Chile continue to dispute certain territory which separates them.

Finally, depending on too many factors to explore here and now, there is always the possibility, in today's perilous world, that the Soviet Union will see an opportunity to fish once more in troubled waters. After all, the sealanes of the South Atlantic carry the bulk of the strategic materials upon which our economy depends.

What should the role of the United States be? First, to the fullest extent and as long as practicable, we should serve as intermediator between the parties. A negotiated solution would be preferable to everyone to a military solution, and both parties at present welcome the United States in this effort.

Secondly, if negotiations fail, we should offer to the United Kingdom our moral support in the community of nations, and if the need be should follow the lead of the European Community by imposing economic sanctions. The British have not asked for military support, and so long as the engagement remains between the principals, there is no reason why they should.

The Administration has taken a statesman-like position in its efforts to settle peacefully the Falkland Islands dispute, and I pray that these efforts will be fruitful.

In the event diplomacy fails, we have a moral obligation to support the United Kingdom, our friend and ally of longstanding.

Hopefully, we will not shirk our responsibility.●

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Wisconsin (Mr. ZABLOCKI) that the House suspend the rules and agree to the resolution, House Resolution 441, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the resolution, as amended, was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on House Resolution 441, as amended, with respect to the Falkland/Malvinas Islands.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF S. 146, AUTHORIZING INTERIOR SECRETARY TO ASSIST IN PRESERVATION OF HISTORIC CAMDEN, S.C.

Mr. BOLLING, from the Committee on Rules, submitted a privileged report (Rept. No. 97-498) on the resolution (H. Res. 448) providing for the consideration of the Senate bill (S. 146) to authorize the Secretary of the Interior to assist in the preservation of historic Camden in the State of South Carolina, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 5539, AMENDING AND SUPPLEMENTING RECLAMATION LAWS

Mr. BOLLING, from the Committee on Rules, submitted a privileged report (Rept. No. 97-499) on the resolution (H. Res. 449) providing for the consideration of the bill (H.R. 5539) to amend and supplement the Federal reclamation laws, and for other purposes, which was referred to the House Calendar and ordered to be printed.

EXPRESSING SENSE OF THE HOUSE OF REPRESENTATIVES WITH RESPECT TO UNJUST IMPRISONMENT OF BENEDICT SCOTT BY THE SOVIET UNION

Mr. BONKER. Mr. Speaker, I move to suspend the rules and agree to the resolution (H. Res. 200), expressing the sense of the House of Representatives with respect to the unjust imprisonment of Benedict Scott (Vytautas Skuodis) by the Government of the Soviet Union.

The Clerk read as follows:

H. Res. 200

Whereas Benedict Scott (Vytautas Skuodis) was born on March 21, 1929, in Chicago, Illinois, and is by right of birth a citizen of the United States;

Whereas Benedict Scott and his parents emigrated in 1930 from the United States to the independent Republic of Lithuania, which in June 1940 was illegally invaded and forcibly annexed by the Soviet Union;

Whereas Benedict Scott is a highly respected scientist who has served on the faculty of the University of Vilnius as a lecturer in hydrology and geological engineering, and who was a founder of an environmental protection group in Lithuania;

Whereas Benedict Scott, who has been an astute observer of the injustices in Soviet life and of the anti-Lithuanian policies of the Government of the Soviet Union, fully supported the work of the Lithuanian national and religious movements by writing a manuscript entitled "Spiritual Genocide in Lithuania", by assisting in the work of the Catholic Committee for the Defense of Believers' Rights in Lithuania, and by joining the Lithuanian Helsinki Group;

Whereas in a letter to President Jimmy Carter, dated November 28, 1979, Benedict Scott states that he considers himself a citizen of the United States, and assured the President that he remains committed to the defense of human rights and the principles of the United States and Lithuania;

Whereas Benedict Scott was arrested in his home on January 9, 1980, tried, and sentenced on December 22, 1980, to seven years in a hard labor camp and five years in internal exile for alleged anti-Soviet agitation and propaganda, a sentence that he is currently serving in a Soviet prison camp in Mordovian A.S.S.R., in the Soviet Union;

Whereas on June 15, 1981, Benedict Scott began a hunger strike to protest violations of human rights and spiritual genocide by Soviet authorities;

Whereas the United States has never recognized the illegal occupation and forced annexation of Lithuania by the Soviet Union;

Whereas it is the responsibility of the United States to protect, defend, and support its citizens who are illegally held captive by foreign governments, as it has recently done with respect to Americans held by the Governments of Vietnam and the Islamic Republic of Iran; and

Whereas the Congress has repeatedly expressed its support for the right of self-determination for Lithuania: Now, therefore, be it

Resolved, That it is the sense of the House of Representatives that the President of the United States should—

(1) express to the Government of the Soviet Union the deep concern and opposition of the United States with respect to the unjust imprisonment of Benedict Scott (Vytautas Skuodis) by such Government; and

(2) take every appropriate action to secure the release from prison of this American citizen and the emigration of Benedict Scott and his family from the Soviet Union to a country of their choice.

Sec. 2. The Clerk of the House shall transmit copies of this resolution to the President of the United States, the Secretary of State of the United States, the United States Ambassador to the United Nations, the Chairman of the Presidium of the Supreme Soviet, the Soviet Ambassador to the United States, Benedict Scott and his family (or an appropriate representative), and the Lithuanian Helsinki Group.

The **SPEAKER** pro tempore (Mr. GLICKMAN). Pursuant to the rule, a second is not required on this motion.

The gentleman from Washington (Mr. BONKER) will be recognized for 20 minutes, and the gentleman from Iowa (Mr. LEACH) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Washington (Mr. BONKER).

Mr. BONKER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the House is today considering five resolutions relating to human rights in the Soviet Union which the Subcommittee on Human Rights and International Organizations considered in February and the full Committee on Foreign Affairs considered on April 1.

Mr. Speaker, I ask unanimous consent, that, just for explanation purposes, all five resolutions be considered en bloc.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. BONKER. Mr. Speaker, I would like to thank the chairman of the full Foreign Affairs Committee, the gentleman from Wisconsin, Mr. CLEMENT ZABLOCKI, for his timely consideration of these important resolutions. I would also thank the ranking minority member of the subcommittee on Human Rights and International Organizations, the gentleman from Iowa, Mr. JIM LEACH, for his continued support on this and other human rights issues.

Four of the five resolutions we are considering today identify specific human rights cases, and call upon the Soviet Union to take action in each instance. The fifth resolution is a general statement of concern about Soviet violations of human rights in the Ukraine.

House Resolution 200, sponsored by the gentleman from Pennsylvania (Mr. DOUGHERTY) expresses the sense of the House of Representatives with respect to the unjust imprisonment of Benedict Scott by the Government of the Soviet Union.

Mr. Speaker, we have a second resolution, (H. Con. Res. 205) sponsored by the gentleman from New Jersey (Mr. DWYER) which expresses the sense of the Congress with respect to violations of human rights by the Soviet Union in the Ukraine.

A third resolution sponsored by our colleague, the gentleman from Illinois (Mr. DERWINSKI), House Concurrent Resolution 218, expresses the sense of the Congress with repect to the imprisonment and treatment by the Soviet Union of Mart Niklus.

A fourth resolution sponsored by the gentleman from New York (Mr. GREEN), House Joint Resolution 230, expresses the sense of the Congress that the U.S.S.R. should allow Dr. Semyon Gluzman and his family to emigrate to Israel.

And finally, Mr. Speaker, House Resolution 269, sponsored by the gentleman from New Jersey (Mr. SMITH), expresses the sense of the Congress that the U.S.S.R. should grant Yuli Kosharovsky the right to emigrate from the Soviet Union to Israel.

Each of these resolutions is a reminder of continued Soviet violations of their obligations under the universal declaration on human rights and the Helsinki Final Act. Passage of these resolutions is an opportunity for those who can speak freely in the United States to make representation on behalf of those who are silenced in the Soviet Union.

The Committee on Foreign Affairs has received executive branch comments on each of the resolutions, which found them to be entirely consistent with the administration's policy in each instance.

Mr. Speaker, I would like to notify the House of Representatives at this time that the subcommittee working in concert with the chairman of the full Foreign Affairs Committee will be looking at ways in which we can expedite action on these resolutions in the future.

The subcommittee has been overwhelmed with a number of resolutions concerning specific human rights cases, all of which have obvious merits. However, we will have to devise a more efficient procedure in which both the subcommittee and the full committee, as well as the full House, can take up consideration and action on these various resolutions.

So hopefully by the opening of the next session of Congress we will have an established proper procedure which we can follow in the future.

Mr. Speaker, I especially urge my colleagues to vote favorably on the five resolutions that have been presented.

Mr. LEACH of Iowa. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would like to express my appreciation to the gentleman from Washington (Mr. BONKER) for his leadership on the entire range of human rights issues, but particularly

to express my appreciation for his cooperation on these five resolutions, four of which are principally sponsored by members of the minority.

Mr. Speaker, I rise first in support of House Concurrent Resolution 200, a resolution expressing the sense of the House with respect to the unjust imprisonment of Benedict Scott by the Government of the Soviet Union.

Today, Benedict Scott is serving a 7-year sentence in a hard labor camp in the Soviet Union for alleged anti-Soviet agitation and propaganda. However, unlike so many others who have suffered the same harsh and unjust fate, Benedict Scott has claim to U.S. citizenship. After being born in the United States, he went, with his parents, to live in Lithuania. There, he became a highly respected hydrologist and a strong supporter of Lithuanian national and religious movements, becoming in 1979, a member of the Lithuanian Helsinki Group.

The resolution before us today calls on the President of the United States to express to the Soviet authorities our opposition to their imprisonment of Benedict Scott and to seek his release so that he and his family may emigrate to a country of their choice.

I am pleased to note the administration has assured us that the operative sections of House Resolution 200 are "consistent with U.S. policy." The administration has also reaffirmed that the United States regards "Mr. Scott as a U.S. citizen by reason of his birth in the United States." U.S. officials have sought and been refused consular access to Mr. Scott, in spite of the rights guaranteed to Mr. Scott, as a U.S. citizen, under the U.S.-U.S.S.R. Consular Convention.

Mr. Speaker, I urge my colleagues to give this resolution their unanimous and bipartisan support.

Mr. Speaker, I further rise in support of House Concurrent Resolution 205, a resolution expressing the sense of the Congress with respect to violations of human rights by the Soviet Union in the Ukraine. This resolution would call on the President to proclaim November 9, 1982, as a day honoring the Ukrainian Helsinki Group.

The State Department has reported that "virtually the entire membership of the Ukrainian Helsinki Monitoring Group has been unjustly subjected to harassment, false arrest, imprisonment, exile or psychiatric incarceration." The administration has consistently deplored such Soviet policies in the international forum at Madrid as well as through diplomatic channels. The adoption of the resolution before us would thrust new weight behind such ongoing efforts by the United States to press Soviet authorities to respect the human rights of the people of the Ukraine. Soviet repression, especially as demonstrated against Helsinki Group members, raises serious doubts about the validity and credibility of international commitments made by the Soviet Union and thus contributes to overall East-West tension.

Mr. Speaker, I urge my colleagues to give this resolution their full support as a demonstration to Soviet authorities of the solidarity of the people of the United States with the courageous freedom-loving people of the Ukraine.

Mr. Speaker, I further rise in support of House Concurrent Resolution 218, a resolution expressing the sense of the Congress with respect to the imprisonment and treatment by the Soviet Government of Mart Niklus. As the ranking minority member of the Subcommittee on Human Rights and as a cosponsor of this resolution, I want to pay special tribute to the gentleman from Illinois (Mr. DERWINSKI) for introducing this legislation and for bringing to the attention of the Members of this House the plight of Mart Niklus, an Estonian zoologist and biologist, who has suffered much for his principled and tireless advocacy of human rights. Unfortunately, the gentleman from Illinois is in the hospital at this moment and cannot be on the floor to speak personally on behalf of his resolution. His statement, however, is being submitted in writing for the record.

House Concurrent Resolution 218 calls on the administration to continue to express U.S. opposition to Mart Niklus' imprisonment and to urge Soviet authorities to give him medical care, release him, and permit him to emigrate to Sweden.

The State Department has informed us that this resolution is "totally consistent with the aim and tenor of U.S. policy with regard to Soviet violations of human rights in the Baltic countries." Last July, at the Madrid Conference, the head of the U.S. delegation, Max Kampelman, raised the case of Mart Niklus as one of the prime examples of Soviet noncompliance with the spirit of Helsinki.

Mr. Speaker, the passage of this resolution will make profoundly clear to Soviet authorities that the United States will never turn a blind eye to such violations of human rights. I urge the adoption of the resolution.

Mr. Speaker, I further rise in support of House Joint Resolution 230, calling on the Soviet Union to release Dr. Gluzman from prison and permit him and his family to emigrate to Israel. I want to thank the chairman of the Subcommittee on Human Rights and the chairman of the Foreign Affairs Committee for expediting consideration of this resolution and also to thank the gentleman from New York (Mr. GREEN) for introducing this legislation and for his diligent and tireless efforts on behalf of Dr. Gluzman and his family. No doubt the Gluzmans derive much moral sustenance from the knowledge that efforts on their behalf are being expended by those in the West, like Mr. GREEN who keep their memory alive.

Dr. Gluzman, a physician with impressive psychiatric training and a national reputation in the Soviet Union, refused to cooperate with the KGB in certifying human rights advocates as mentally ill and subsequently was arrested on charges of being a Zionist propagandist and an anti-Soviet agitator. He has nearly completed his formal sentence and we are hopeful that the Soviets, after releasing him, will then permit him and his family to leave the Soviet Union. In recognition of the talent and courage of this man, the American Psychiatric Association, in May 1980, awarded Dr. Gluzman the APA's highest honor, the title of Distinguished Fellowship. It is tragic that the Soviet authorities refuse to similarly acknowledge the courage and talent of one of their own citizens.

I am pleased to note that the administration has assured us that the operative section of the resolution is "wholly consistent with present U.S. policy." The Department of State has also stated:

> We deplore the imprisonment of this brave man for his efforts on behalf of those incarcerated in Soviet mental institutions for political rather than psychological reasons . . . H.J. Res. 230 may serve to reaffirm to the Soviet Government the deep concern of all branches of the U.S. Government for these basic rights and for those whose rights are being violated.

Mr. Speaker, this is a critical time for Dr. Gluzman and his family as we await his release and subsequent decisions on their right emigrate. I urge the unanimous support of this House for the adoption of House Joint Resolution 230 as a clear and unmistakable signal to the Soviet authorities that we are undivided in our support for Dr. Gluzman and his family.

Mr. Speaker, finally I rise in support of House Resolution 269, a resolution calling upon the Soviet Union to permit the emigration of Yuli Kosharovsky and his family to Israel.

Again, I want to thank the chairman of the Subcommittee on Human Rights and the chairman of the Foreign Affairs Committee for moving quickly on this resolution. The gentleman from New Jersey (Mr. SMITH) also deserves recognition for his steady leadership in this House on issues of human rights in the Soviet Union.

The resolution before us calls on the Soviet authorities to respect various international human rights agreements and to permit the Kosharovsky family to emigrate to Israel. This action becomes all the more urgent in light of the dramatic cutbacks over recent months in the number of Jews permitted to leave the Soviet Union. In Yuli Kosharovsky's case, even his basic right of freedom of religion has been violated by Soviet threats of imprisonment if he—as one of Moscow's leading Hebrew teachers—continues to teach.

Mr. Speaker, I urge my colleagues to give this measure their strong support.

Mr. WYLIE. Mr. Speaker, will the gentleman yield?

Mr. LEACH of Iowa. I yield to the gentleman from Ohio.

(By unanimous consent, Mr. WYLIE was allowed to speak out of order.)

FEDERAL BUDGET IMPASSE

Mr. WYLIE. Mr. Speaker, since President Reagan made his address to the Nation on Thursday evening concerning the Federal budget, I have received many messages from my constituents. The vast majority of these messages urge Congress to lay aside partisan interests and work with the administration in shaping a budget compromise that will control the growth of Federal spending, continue the policy of tax relief, and reduce the projected deficits which have kept interest rates at exorbitant levels. Their views—which I share—are expressed succinctly in an editorial, entitled "Federal Budget Impasse," which appeared in today's Columbus Citizen-Journal. So that my colleagues may consider this viewpoint, I am submitting the text of the editorial for the RECORD:

FEDERAL BUDGET IMPASSE

It remains to be seen whether Americans will respond to President Reagan's plea to make their voices heard in support of his budget program, as they did last year. The Democrats are betting they won't.

A nationwide poll taken shortly before the breakdown in talks between the president and Democratic leaders reported that those polled backed Congress by 58 percent to 35 percent and wanted Reagan to drop his policy of cuts in taxes and social spending.

We find that disturbing. The Democrats' so-called compromise budget is largely a return to the inflationary higher spending, higher taxing, perpetual deficit budgets of the past that brought our economy to its distressed state.

President Reagan went more that halfway to meet the Democrats. But they rejected his offer to cut $80 billion in non-defense spending over the next three years and refused to split the $35-billion difference between his proposal and theirs.

If they had accepted this offer, the federal deficit in 1985 would have come down to $44 billion instead of ballooning to $233 billion, as projected, the president said.

We are leery of those numbers. But a compromise would have started a declining trend in the deficits and would have encouraged the financial markets to begin lowering the interest rates that are strangling our economy.

The Democrats also rejected Reagan's bid to delay for three months his third-year 10 percent tax cut, scheduled for July 1983, in exchange for a similar delay in Social Security cost of living increases.

It was a huge concession on Reagan's part; and it would have cost the Democrats nothing since inflation is coming down so fast any cost of living increase next year may be minimal.

The public should demand that Congress reach a budget compromise with the administration.

If the confusion and uncertainty continue into the summer, the recession the country is struggling to whip could become worse. If it does, irresponsible congressmen would bear considerable blame.

Mr. LEACH of Iowa. Mr. Speaker, I have no further requests for time on the specific resolutions before us.

Mr. BONKER. Mr. Speaker, I yield 2 minutes to the sponsor of the resolution (H. Con. Res. 205), the gentleman from New Jersey (Mr. DWYER).

Mr. DWYER. Mr. Speaker, I am proud to be the sponsor of this resolution and I would like to take this opportunity to thank the chairman of the subcommittee, the gentleman from Washington (Mr. BONKER) and the ranking minority member, the gentleman from Iowa (Mr. LEACH), and the resolution's 76 cosponsors for their help in bringing this measure to the floor of the House.

House Concurrent Resolution 205 pays tribute to those members of the Ukrainian Helsinki Monitoring Group, who, despite unrelenting attempts by the Soviets to silence them, refuse to give in.

In fact, their numbers have grown since those 10 Ukrainians first met more than 5 years ago to organize their opposition to Soviet repression and denial of their basic rights.

The Soviets do not like to be reminded of their Helsinki promises and have, not surprisingly, been fierce in their persecution of the Helsinki monitors through systematic harassment, imprisonment, and exile.

Yet in the face of all this oppression, these Ukrainian dissidents are still getting their message across, sustained by the support of their fellow countrymen.

With passage of House Concurrent Resolution 205, we can signal our support for the Ukrainian struggle for justice and focus world attention on Soviet noncompliance with the Helsinki accords.

The Ukrainian Helsinki Monitoring Group poses a constant compelling threat to Soviet totalitarianism. The United States should support them in their courageous efforts.

Mr. BONKER. Mr. Speaker, I yield 3 minutes to the gentleman from New York (Mr. PEYSER).

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Mr. PEYSER. Mr. Speaker, first of all, I want to thank the gentleman from Washington for bringing this resolution to the floor and appreciate this opportunity to talk briefly on it.

In a very allied way, Mr. Speaker, what I am going to discuss in these few minutes is the problem being created by the Soviet Union dealing with a young man named Walter Polovchak, who is presently in the United States and under the protection of the U.S. Government. This 14-year-old Ukrainian boy has chosen to stay in our country for very specific reasons. These reasons relate to religious freedom that he can enjoy here, that he has been denied in the Soviet Union, the ability to carry out a life that is free under an educational system that is affording him opportunities to choose studies of his own accord and being free, Mr. Speaker, from the frankly inhumane treatment that would be facing him if he should be returned to the Soviet Union.

The United States has granted asylum to this individual at this time. The Justice Department has issued a departure control order that will prevent him from being taken from this country without his express permission as long as he has opportunities left before the Federal courts.

Mr. Speaker, the reason I have asked for this time is that this young man is in a very unique situation in that his father who had returned to the Soviet Union has now come back to this country to testify that this young man should be forced to return because the situations in the Soviet Union, as his father put it, were so much better than they are in the United States and that the opportunities for him there are so great.

Well, Mr. Speaker, we know what the facts are. We know what this very resolution speaks of is the inhumane treatment and the problems of those who are in the Soviet Union.

So I have asked, Mr. Speaker, at this time, to again highlight the case of this young man, Walter Polovchak, who is truly seeking to establish a life in the free world as an American and I am proud of the actions that our Government has taken to this time.

I trust that if need be in the future we will continue our resolve in protecting this young man and keeping him here in the United States.

Mr. LEACH of Iowa. Mr. Speaker, I yield such time as he may consume, to the gentleman from New York (Mr. GREEN), who is the chief sponsor of the resolution regarding Dr. Semyon Gluzman.

Mr. GREEN. Mr. Speaker, I thank the gentleman from Iowa for yielding and I would also like to thank him for his leadership and also thank the gentleman from Washington (Mr. BONKER) for his leadership in bringing this resolution (H.J. Res. 230) to the House floor.

The case of Dr. Semyon Gluzman, Mr. Speaker, is both one that is unusual in some respects and all too usual in other respects. The usual aspect of it, of course, is that Dr. Gluzman, for reasons which in this country we would consider a perfectly normal expression of human freedom, has been sentenced to 7 years in prison, that prison term now completed, and 3 years in internal exile, that term ending 1 week from today, on May 11. He has been denied, at least to this point, the opportunity to emigrate to Israel as he wishes, to join relatives there. This, of course, is in violation of the Helsinki agreements. This, as I say, is an all too usual occurrence in the Soviet Union. What I think is unusual about Dr. Gluzman's case is that although Dr. Gluzman is Jewish, the activities which originally led him into the coils of the KGB did not relate to the cause of the Jewish dissidents in the Soviet Union, but rather occurred because Dr. Gluzman, who is a psychiatrist, refused to cooperate with the KGB in providing psychiatric testimony against non-Jewish Ukrainian Nationalists whom the KGB wished to incarcerate in mental institutions.

I think this shows the range of human rights concerns in the Soviet Union, and the fact that this is not just a Jewish problem, but is a problem of many groups within the Soviet Union who seek the self-expression that is denied them by a dictatorial Soviet regime.

For this reason, I wish to express my appreciation to my 84 colleagues who have joined me in sponsoring this resolution and to urge that the House adopt this resolution.

Mr. Speaker, I have a more lengthy statement concerning Dr. Gluzman, and ask that it be included in the RECORD at this point.

Mr. Speaker, thank you for the opportunity to speak today in support of Soviet Prisoner of Conscience Dr. Semyon Gluzman's wish to emigrate with his family to Israel.

I would first like to thank the more than 80 Members who cosponsored and lent their strong support to House Joint Resolution 230. My thanks also go to the Foreign Affairs Subcommittee on Human Rights and International Organizations and its distinguished chairman, the gentleman from Washington (Mr. BONKER), for their speedy consideration of this most urgent case. I also deeply appreciate the full committee's expeditious passage of this resolution.

I introduced similar legislation in both the 95th and 96th Congresses, and feel that I have come to know Dr. Gluzman personally over the years. As my "adopted" Prisoner of Conscience, Dr. Gluzman has been to me a model of personal dignity and courage. I am honored to have the opportunity to play a part in working toward his freedom by introducing legislation calling attention to his plight and aiding his release and emigration with his family to Israel.

Dr. Gluzman's case goes back to October 19, 1972, when he was found guilty of "anti-Soviet agitation and propaganda" and sentenced to 7 years in a labor camp and 3 years in exile. A trained and talented psychiatrist, Gluzman was tried because he refused to cooperate with the KGB in branding dissidents as psychotics and wrote an article contesting the official diagnosis of leading dissident Gen. Pyotr Grigorenko as insane. Dr. Gluzman's sentence will expire this month, which makes consideration of this resolution all the more imperative.

The cause of Gluzman's imprisonment was his unwillingness to betray his personal and professional code of ethics. Born to a family of doctors in the Ukraine, Gluzman studied psychiatry and medicine at the Kiev Medical Institute and graduated from there in 1968. After a few years in practice, he was offered a very good position at the Dniepropetrovsk Special Psychiatric Hospital. He refused the post because he knew political prisoners there received treatment as a form of punishment, saying, "Psychiatry is a branch of medicine and not of penal law." In 1971, he wrote "A Forensic-Psychiatric Diagnosis in the Case of Grigorenko in Absentia," which charged that General Grigorenko's confinement in a mental institution was only because of his beliefs, not because he was insane, as the Soviet authorities claimed. The general was released, thanks in large part to Gluzman's efforts, the same year that the doctor was imprisoned. Gluzman also wrote several samizdat articles condemning the Soviets' psychiatric abuses. For these crimes, Gluzman was arrested in May of 1972, tried in an empty classroom, and sentenced to 7 years of hard labor and 3 years in exile.

Throughout his imprisonment, Dr. Gluzman has continued his profession and human rights activism. Vladimir Bukovsky coauthored a book for dissidents advising them how to avoid classification as psychotic. In 1978, Dr. Gluzman wrote an article in the psychiatric state of many Prisoners of Conscience, which he calls "Fear of Freedom." This article was published this January in the American Journal of Psychiatry. Concern for Dr. Gluzman in the medical community is high. Two years ago, at the annual meeting of the American Psychiatric Association, he was awarded the APA's highest honor, the title of Distinguished Fellowship. Several thousand psychiatrists, mental health workers and physicians have signed protest petitions on his behalf, and continue to press his cause at every opportunity.

While in prison, Dr. Gluzman strictly refused to recant, and led several hunger strikes to protest prison camp conditions. He led a month-long fast in May 1974, which ended in his being put into solitary confinement in a punishment cell. During the time he was in the cell, his ailing father traveled 2,000 miles from Kiev to see him, and was turned away. In the fall of that year, Semyon Gluzman wrote to his parents, apparently responding to their suggestion that he recant. He wrote:

> . . . When the temperature was minus 58 degrees Fahrenheit, I was forced to lie down in the snow at night, guarded by a German shepherd straining at the leash, "just in case"? This is the basis of my values. Therefore, there will be no compromise. Would you . . . conscientious and honest people, and doctors, have approved of such a recantation? No you would not have. . . . I am happy, despite everything I have to endure. I say this even though declaring a hunger-strike is the only means available to me and my comrades . . . for demonstrating our human dignity to all the thugs around us.

In this letter, Gluzman expresses moral and physical courage that represent one of the human spirit's finer moments.

As I pointed out earlier, Gluzman is due to be released this month, so that the timing for consideration of this resolution is critical. His personal circumstances also make our swift action necessary. Recently, Dr. Gluzman spoke on the telephone with one of his most active advocates in the United States, Dr. Margrit Wreschner Rustow of New York City. Dr. Gluzman reported that KGB agents had told him that he would never be allowed to leave the country. In the past, it has been an unwritten tradition that once a dissident serves a sentence, he or she is allowed to emigrate. However, this general rule has not held recently. For example, Ida Nudel was recently released from exile and allowed to return to Moscow, but she has been told by officials at the Ministry of Internal Affairs that her emigration to Israel is unlikely. This is probably part of the disturbing trend of increasing harassment of the Soviet Jewish community and plummeting rates of emigration.

Another major complicating circumstance is the fact that the former husband of Dr. Gluzman's wife is challenging her custody of their child. The argument on which his challenge rests is that Irina Gluzman married a dissident, and is therefore unfit to care for a child. Though this is patently false, a civil suit of this nature could prevent the Gluzmans' departure from the U.S.S.R. We must see to it that this family is not broken up by Soviet human rights abuses.

I am pleased that the timing of this bill coincides with Dr. Gluzman's scheduled release. Despite the KGB's threats, we must insure that Dr. Gluzman is released and permitted to emigrate with his family to Israel. Our unanimous outrage over the Soviets' treatment of this brave man and his family must reach the Soviets and persuade them that the U.S. Government will not countenance their abuse.

Mr. Speaker, thank you for allowing me to speak out on Dr. Gluzman's behalf. I hope all my colleagues will join me in supporting this brave man and his right under international law to emigrate with his family to Israel.

Mr. LEACH of Iowa. Mr. Speaker, I yield 7 minutes to the gentleman from New Jersey (Mr. Smith) to talk about the resolution referring to Yuli Kosharovsky, which he has introduced.

Mr. SMITH of New Jersey. Mr. Speaker, despite our problems, we in the United States are very fortunate. Fortunate because we possess a multitude of rights—civil, political, and religious—that we often take for granted. We practice our religion freely. We say what we want. We do not fear a knock at the door in the middle of the night.

Over the past 6 months, emigration of Jews from the Soviet Union has virtually ceased. Since the Soviets began an effective form of emigration over 10 years ago, more than 250,000 Jews have left the Soviet Union with Israeli visas. The emigration of Jews reached its peak in 1979 when 51,000 were granted exit visas. Thus, the sharp decline in recent months represents a tragic low in Jewish emigration.

It is most unfortunate, Mr. Speaker, that the Soviet authorities have once again adopted a very comprehensive and restrictive policy in regard to Jewish families who wish to emigrate to Israel, either to gain religious freedom, or merely to be reunited with their families. This policy has included the harassment of applicants by the Soviets.

Mr. Speaker, there are many Jews who wish to leave the Soviet Union; some estimate the number to be in the hundreds of thousands. Today we discuss the plight of just one of these individuals, my friend Yuli Kosharovsy.

Mr. Speaker, when I introduced House Resolution 269 in November, I did so after hearing about Yuli from two of my constituents: Mr. Ernestine Urken and Rabbi Gary Charlestein. Then, in January of this year, I travelled to the Soviet Union, where I met Yuli and his young family. Like myself, Yuli has a wife and small children. But unlike me, Yuli is not free to speak or live his life as he chooses. While in the Soviet Union, I developed a close personal friendship with Yuli Kosharovsky. My wife Marie and I pray for him daily.

Mr. Speaker, President Andrew Jackson once declared, "One man, with right on his side, is a majority." I believe that sums up Yuli Kosharovsky.

The facts of his case are plain and stark:

Yuli Kosharovsky is one of the leading and most well-known figures in the large Jewish community in the Soviet Union. As a teacher of Hebrew and Jewish culture in Moscow, he has been the constant target of harassment by the KGB and other Soviet officials.

Mr. Speaker, Yuli is one of the most remarkable men I have ever had the opportunity to meet. He is devoted to his wife and children, his community, and his religion. He is devoted to the basic fundamental principles of freedom of thought, conscience, religion, and emigration that he believes he is entitled to as a human being.

Although he lives in constant fear, Mr. Speaker, Yuli Kosharovsky does not live afraid. The terror of KGB interrogations have become an unwelcomed norm in his lifestyle. He has, however, learned to cope with their harassment.

During one of the meetings I had with Yuli and his family in their small Moscow apartment, I showed them some pictures I had brought along with me from New Jersey. Yuli came across the picture of myself with President Reagan and Vice President Bush. He eagerly asked me if he could have it. When I gave it to him, he proudly placed the picture on top of his bookcase. Then Yuli said, "The next time the KGB comes, this will be the first thing they'll take."

Mr. Speaker, despite the fact that the Soviets have treated Yuli harshly and have inflicted great pain and hardship upon both he and his family, Yuli does not—I repeat, does not engage in tirades against the Soviets. In Moscow, I talked with Yuli for hours, and found a man who was gentle yet firm, loving, forgiving, and in no way given to acrimonious outbursts. His personal discipline and compassion for his oppressor makes his plight all the more compelling.

This, then Mr. Speaker, is Yuli Kosharovsky. A brave, courageous man who has quietly fought the Soviet Government for over a decade in his attempt to gain emigration to Israel for himself and his family, where he can practice the faith of his choice freely and without fear of harassment.

But, Mr. Speaker, challenging the Soviet Government is not an easy thing to do when you are a Jew in Moscow. Since Yuli first applied for emigration in April of 1971, he has not had an easy time.

Soon after applying for his exit visa, Yuli began to experience a series of problems which, unfortunately, continue through today. He lost his job as a radio electronics engineer, and has been forced to take on odd jobs to support his family.

Yet Yuli remains proud, Mr. Speaker, and he will not accept charity from his friends, both in the Soviet Union and abroad. And his struggle continues.

On occasion, he has been placed under "House Arrest," spent time in jail on trumped-up charges, and taken away from his family without being given any type of explanation.

Mr. Speaker, over the past 11 years, Yuli has had his home searched on many occasions, and such searches have increased over the past months. He has had his books and religious materials confiscated, and his family suffer through harassment.

Mr. Speaker, by any reckoning, Yuli Kosharovsky and his family have been the victims of a premediated policy of persecution—a policy aimed at demoralizing the Kosharovsky family, at preventing this family from practicing their religious beliefs.

This sort of persecution is completely unacceptable. It is abhorent to the principles of international law which the Soviet Union has been a signatory to: the United Nations Declaration on Human Rights, the Helsinki final act, and to the Soviet's own constitution.

Mr. Speaker, we cannot be silent in this matter. As President Abraham Lincoln said: "To sin by silence when they should protest makes cowards of men."

I want to thank and applaud 96 of my colleagues who took the initiative to cosponsor my resolution. It shows that we are concerned, and it shows Yuli that we care.

The passage of this resolution will send a message to the Soviet leaders. Each time we speak out, each time we express our opinion, we insure that the Soviets know—and know only too well—that religious persecution is unacceptable to us.

Like Moses in the Book of Exodus, Mr. Speaker, passage of House Resolution 269 proclaims, "You shall surely let this people go."

Yuli Kosharovsky, although one of many, is a very special person. And he is not asking for all that much—just freedom. Every human being deserves at least that much.

Mr. LEACH of Iowa. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio (Mr. Weber).

Mr. WEBER of Ohio. Mr. Speaker, once again in this House we are raising our voices to call attention to human rights violations in the Soviet Union.

I want to commend the various gentlemen for their excellent efforts in presenting these several resolutions on behalf of freedom of emigration for Prisoners of Conscience in the Soviet Union.

As the chief cosponsor of House Resolution 269, I was early involved in the individual effort on behalf of Yuli Kosharovsky; but this is just one effort. We must be aware that daily there are any number of Yuli Kosharovskys, Benedict Scotts, Mart Nikluses, and Semyon Gluzmans. Americans are not the only ones who desire liberty. Just as we enjoy the freedoms of this country, so do those who desire to emigrate from the Soviet Union to escape oppression.

As an original member of the 97th class on Soviet Jewry, I believe that we must impress upon the Soviet oppressors that we will not stand mute while men wait in jail who have the right to

be free under the Soviet Constitution and the Helsinki accords.

It is our responsibility to tell the story for those who cannot speak for themselves.

Mr. LEACH of Iowa. Mr. Speaker, I yield 2 minutes to the gentleman from Virginia (Mr. Wolf).

Mr. WOLF. Mr. Speaker, I rise in strong support of all these resolutions. I would like to speak specifically on House Resolution 269.

I have been extremely impressed with hard work that the gentleman from New Jersey (Mr. Smith) has done, the time that he spent and the effort that he made on this cause which I think is very, very important. I just want to take the opportunity to commend the gentleman from New Jersey (Mr. Smith) for the effort he has made.

Mr. Speaker, Yuli Kosharovsky is one of hundreds of thousands of Jews who wish to emigrate from the Soviet Union, but who are unable to.

As one of Moscow's leading Hebrew teachers, Yuli has fought the Soviet Government to protect the right of freedom—a right guaranteed to Yuli by the Soviet's participation as a signatory to the United Nations Declaration on Human Rights, the Helsinki Declaration, and the Constitution of the Soviet Union. These rights have been denied to Yuli Kosharovsky.

Yuli Kosharovsky is under constant fear and harassment by the KGB and other Soviet officials. Since he was first refused the right to emigrate to Israel 11 years ago, he has been arrested on several occasions, placed under "house arrest," and has had his apartment searched and his religious materials confiscated.

Mr. Speaker, I commend my colleague from New Jersey, Chris Smith, for his help in aiding Yuli Kosharovsky. I commend him for traveling to the Soviet Union to meet Yuli personally, and for his leadership, determination and skill in promoting global human rights.

Mr. LEACH of Iowa. Mr. Speaker, I yield 2 minutes to the gentleman from Nebraska (Mr. Daub).

□ 1400

Mr. DAUB. Mr. Speaker, I thank my colleague, the gentleman from Iowa, (Mr. Leach) for this 2 minutes.

I, too, want to rise and just speak briefly with respect to House Resolution 269, and to commend my colleague, the gentleman from New Jersey, Chris Smith, for his diligent effort on behalf of the case of Yuli Kosharovsky and his family.

Mr. Speaker, the case of Yuli Kosharovsky and his family is but one example of the continued abuse of human rights in the Soviet Union. Abuses that have gone on for so long and are so comprehensive in nature that there exists in many countries a kind of apathy to them. The nature of the human condition is such that we often find it easier to react to a single, isolated case of abuse than to a systematic denial of basic human rights.

Moreover, there is a tendency to treat the abuses that occur in the Soviet Union less contemptuously because they are conducted by a great power. In smaller, less influential countries similar or lesser abuses are often the cause of great indignation and action by lovers of freedom. This is a sorry and inexcusable state of affairs that I and I know others in this body deplore and it is our obligation to shed light as well as the Nation's and the world's attention on the situation in the Soviet Union.

The incandescent bravery of Mr. Kosharovsky and others like him stands as an example of the sacrifices necessary to seek freedom in many parts of the world. Their examples are all the more striking when viewed in the context of their environment. They seek freedom in the most sophisticated and advanced totalitarian nation in the history of the world. A country where freedom and its adherents are sought out and extinguished to a degree and an ability unknown in previous centuries.

It is a testimony to the faith and spirit of Mr. Kosharovsky that he has prevailed to this point. And he has prevailed. No amount of harassment, economic deprivation or other punishment wielded by the Soviet State can deny the fact that he stands today in the hearts and minds of free men and women as a survivor. One whose beliefs are invulnerable to the power of the modern tyrannical state.

A man once remarked that freedom was so strong, that its roots were so deep that even if the influence of the Soviet State covered the world like a blanket of concrete that 1 day soon thereafter a blade of grass would grow up through a crack in the concrete of tyranny.

Mr. Speaker, thankfully we have not yet reached the day where the influence of the Soviet State covers this world. But the example of Mr. Kosharovsky demonstrates that freedom is not extinguishable regardless of the power directed at it. That eventually it will prevail if for no other reason than its spirit is infinite and the resolve of the tyrant is not.

Let us take this occasion here today to draw light to the case of Mr. Kosharovsky in the hopes that that light will provide nourishment to him and others. But let it also remind those of us who serve in this House that it is this Nation that stands between the free world and those who would seek to destroy it. What we say and do here today and in the days to come will have much to do with the final victory of one side.

Thankfully the example of Mr. Kosharovsky brings to our attention the seriousness of our challenge. In the years to come we may look back and see that it was his plight and that of other Soviet citizens that helped the West to steel itself against the Soviet threat. In the final chapter of this great struggle we may just find that his efforts accomplished far more than was evident at the time. We may find instead that the Kosharovskys brought about the awareness and the resolve that allowed freedom to triumph.

● Mr. ZABLOCKI. Mr. Speaker, I rise in support of the five human rights resolutions before the House today:

House Resolution 200, expressing the sense of the House of Representatives with respect to the unjust imprisonment of Benedict Scott by the Government of the Soviet Union;

House Concurrent Resolution 205, expressing the sense of Congress with respect to violations of human rights by the Soviet Union in the Ukraine, as amended;

House Concurrent Resolution 218, expressing the sense of Congress with respect to the treatment by the Government of the Soviet Union of Mart Niklus, as amended;

House Joint Resolution 230, imploring the U.S.S.R. to allow Dr. Semyon Gluzman and family to emigrate to Israel; and

House Resolution 269, calling upon the U.S.S.R. to permit the emigration of Yuli Kosharovsky and his immediate family to Israel, as amended.

The five resolutions now before us present further examples of the Soviet Union's violations of human rights of its citizens. Four of the measures highlight the cases of specific individuals confronted by particularly egregious violations of their fundamental rights. The other resolution addresses the abridgement of the rights of the Ukrainian people by the Soviets and urges recognition of a special day honoring that group.

The first of the resolutions (House Resolution 200) details the plight of Benedict Scott, an American-born person, who as a child emigrated with his parents to Lithuania, before that land was illegally annexed by the Soviet Union. Scott, a highly respected scientist, is presently incarcerated in a Soviet prison camp for dissident activities supporting Lithuanian national and religious groups. In a 1979 letter to President Carter, Benedict Scott wrote that he considers himself to be a U.S. citizen, and that he remains committed to human rights principles. House Resolution 200, urges the Soviet Union to release Scott and enable him and his family to emigrate.

The next resolution (House Concurrent Resolution 205) concerns the human rights violations of Ukrainian citizens who are continually persecuted and imprisoned by the Soviets. The resolutions calls for the release of the incarcerated Ukrainians and calls for proclaiming November 9, 1982, as a day to honor the sixth anniversary of the establishment of the Ukrainian public group to promote the implementation of the Helsinki accords.

Third is House Concurrent Resolution 218, regarding the situation of Mart Niklus, renowned biologist, zoologist, and language teacher barred from professional activities, because of his efforts to champion the cause of the Baltic nations. The Baltic human rights has endured abusive treatment by the Soviets for 22 years. Niklus has been denied permission to emigrate to Sweden, and is currently languishing in a Soviet labor camp, in need of medical attention.

The focus of House Joint Resolution 230 is on Dr. Semyon Gluzman, a prominent psychiatrist who refused to bend to KGB pressures to certify human rights proponents as mentally ill. Dr. Gluzman who is now serving a prison sentence, would like to join relatives in Israel, with his family.

The final resolution (House Resolution 269) deals with the case of Yuli Kosharovsky, an electronics engineer fired from his job because of an expressed desire to emigrate to Israel. Subsequently, Kosharovsky began conducting Hebrew classes for other similarly unemployed electronics engineers, and has now been threatened by the KGB for these activities. The resolution urges that he too be released and that he and his family be permitted to emigrate to Israel.

Three of the resolutions—House Concurrent Resolution 205, House Concurrent Resolution 218, and House Resolution 269—have technical amendments which were approved by the Foreign Affairs Committee when it agreed unanimously to report the five resolutions, on April 1. I urge the adoption of all five of the aforementioned resolutions.

Mr. Speaker, there is an additional, related matter which I would like to address. Lately, there has been some criticism about the number of human rights resolutions brought before the House this year. As a practical matter, the Foreign Affairs Committee is presently seeking a means by which similar measures would be considered under a more consolidated system, in the future. Proposals are currently being considered which will streamline procedures and will soon be worked out amongst the Subcommittees and the full committee. One possibility might be to have a single day each year on which such measures would be voted on in the House. A new procedure will likely be implemented at the beginning of the next Congress.

Mr. Speaker, I urge the adoption of House Resolution 200; House Concurrent Resolution 205, as amended; House Concurrent Resolution 218, as amended; House Joint Resolution 230; and House Resolution 269, as amended.●

● Mr. BROOMFIELD. Mr. Speaker, I support House Resolution 200, expressing the sense of the House of Representatives with respect to the unjust imprisonment of Benedict Scott (Vytautas Skuodis) by the Government of the Soviet Union.

Benedict Scott is a U.S. citizen by birth, and as such, is entitled to emigrate from the Soviet Union to a country of his choice. His illegal imprisonment by Soviet authorities is contrary to international law, and in violation to the Helsinki Final Act. Not only have the Soviets violated Benedict Scott's personal rights, but they have done so in territory which is not part of the Soviet Union—namely Lithuania. Lithuania was illegally invaded by the Soviet Union in June 1940, and remains illegally occupied by the Soviet Union today.

I join with my colleagues in demanding Benedict Scott's release from Soviet prison and the Soviet Government's acknowledgment of his right to emigrate.●

● Mr. GOLDWATER. Mr. Speaker, Congress repeatedly has expressed its firm opposition to the Soviet Union's chronic denial of basic human rights to many of its citizens. In line with our great concern, I rise in support of the resolutions before us today.

It is clear that the intents of the 1975 Helsinki Final Act and other human rights accords, to which the Soviet Union is signatory, were to allow freer movement of families across Soviet borders and a greater respect for its citizens' basic freedoms. However, as we well know, Soviet Jews and dissidents have little or no chance of emigrating and are threatened, persecuted and imprisoned for the religious or political beliefs. Benedict Scott, Mart Niklus, Dr. Semyon Gluzman, Yuli Kosharovsky, and many other dissidents like them, are but a few examples of individuals imprisoned for expressing anti-Soviet beliefs or, in some cases, imprisoned for simply observing the tenets of their religion. In any case, the families of these dissidents, labeled "refuseniks," are not free to emigrate and escape this political injustice. For these individuals and the many others who share in this suffering, we must continue to urge the Soviet Union to honor their international commitments with respect to human rights.●

● Ms. FERRARO. Mr. Speaker, Benedict Scott, or Vytautas Skuodis, is an American citizen who embodies the finest ideals of American citizenship. His efforts on behalf of human rights in his adopted homeland of Lithuania are in the finest tradition of defense of individual freedoms.

Predictably, the Soviet Union responded to Benedict Scott's protests against the gross injustices of Soviet policy in Lithuania by arresting him. Scott was sentenced to 7 years in a hard labor camp and 5 years in internal exile on charges of anti-Soviet agitation and propaganda. He was sentenced in December 1980 and is currently serving his sentence in a Soviet prison camp.

Benedict Scott's only "crime" was to expect the Soviet Government to live up to its obligations under the Final Act of the Conference on Security and Cooperation in Europe (the Helsinki accords). His activities in supporting the work of Lithuanian national and religious movements by assisting the Catholic Committee for the Defense of Believers' Rights in Lithuania and in joining the Lithuanian Helsinki Group can only be regarded as crimes in a system that has no respect for truth and freedom.

I strongly support House Resolution 200, which expresses the sense of the House that the President should inform the Soviet Government of the opposition of the United States to the unjust imprisonment of Benedict Scott, and that the President should take every appropriate action to secure the release from prison of this American citizen so he will be allowed to emigrate to the country of his choice.

Mr. Speaker, I would also like to take this opportunity to express my support for House Concurrent Resolution 205, which expresses the sense of the House of Representatives in opposition to human rights violations in the Ukraine.

On August 1, 1975, the Soviet Union joined 34 other countries in signing the Final Act of the Conference on Security and Cooperation in Europe in Helsinki, commonly known as the Helsinki accords. To monitor Soviet compliance with the Helsinki accords, a group calling itself the Ukrainian Public Group To Promote the Implementation of the Helsinki accords was born.

The Ukrainian Public Group has, in the 5 years plus that it has existed, solidly documented a continuous record of Soviet violations not only of the Helsinki accords, but also of the Soviet Constitution, the United Nations Charter, and the Universal Declaration of Human Rights.

The Soviet response to efforts of the Ukrainian citizens who are lawfully engaged in asking their government for protection of human rights in the Ukraine has been flagrant persecution and frequent imprisonment.

This resolution, proclaims November 9, 1981, the fifth anniversary of the establishment of the Ukrainian Public Group, as a day honoring that group, and calls on the Soviet Union to release the jailed members of the group and to cease its persecution of human rights champions in the Ukraine. It is critically important that we in the United States continue to express our solidarity with the effort for individual freedom in the Ukraine, and I am proud to be a part of that effort.

We also are considering today two resolutions, House Concurrent Resolution 218 and House Joint Resolution 230, calling on the Soviet Union to permit the emigration of two men who have been leaders in the fight for an end to Soviet oppression.

Mart Niklus is an Estonian scientist who has been denied permission to work in his profession as a biologist and zoologist and has been dismissed from his job as a language teacher because of his attempts to promote Soviet compliance with the Helsinki accords in Estonia and all the Baltic countries.

For 22 years Mart Niklus has been harassed by Soviet authorities. During that time he has been arrested numerous times, most recently in January 1981 when he was sentenced to 10 years imprisonment for writing and circulating materials related to the trial of the chairman of the Lithuanian Helsinki group. Among his "crimes" was the fact that he had listened to the Voice of America.

House Concurrent Resolution 218 calls on the President to urge the Soviet Government to release Mart Niklus from prison and provide him with proper medical care, as he has fallen into ill health while in prison. The resolution further demands that the Soviets allow Mart Niklus emigrate to Sweden, which they have repeatedly refused to allow him to do.

Perhaps most importantly, the resolution calls on the President to inform the Soviet Government that it will be U.S. policy in evaluating its relations with other countries, to take into account the extent to which such countries honor their commitments under international law, especially with regard to human rights. We must take all appropriate actions to let the Soviets know we will not acquiesce in further violations of the human rights of peoples in countries the Soviets have illegally occupied or in the Soviet Union itself.

The second resolution calling upon the Soviets to allow a champion of human rights to emigrate to the land of his choice deals with Dr. Semyon Gluzman. Doctor Gluzman's "crime" was his refusal to cooperate with the KGB in certifying human rights advocates as mentally ill, which is a standard KGB tactic in dealing with political prisoners.

While the KGB certainly was able to find other doctors to cooperate in their dirty work, their inability to force Doctor Gluzman to assist them was particularly damaging because of his widespread reputation as an outstanding psychiatric doctor.

For his adherence, Doctor Gluzman has been rewarded in typical Soviet fashion. He was arrested on charges of being a Zionist propagandist and an anti-Soviet agitator, found guilty, and sentenced to 7 years in prison and 3 years in internal exile.

House Joint Resolution 230 calls upon the Soviets to release Doctor Gluzman from prison and to grant him and his family to emigrate to Israel, where he has relatives who have invited him.

The final measure I would like to comment on is House Resolution 269, which I have cosponsored. House Resolution 289 calls upon the Soviet Union to permit the emigration of Yuli Kosharovsky and his immediate family to Israel.

In just one more example of what has become an all too familiar story, Yuli Kosharovsky lost his job as a radio electronics engineer when his employers found out his wish to emigrate to Israel. Since 1975, Kosharovsky has taught a seminar for unemployed engineers—all of whom are unemployed only because of their desire to leave the Soviet Union for Israel. He has continued the seminars in the face of KGB threats of imprisonment, and he is also one of Moscow's leading teachers of Hebrew.

As a result of his teaching activities, the KGB recently raided the Kosharovsky home, confiscating Yuli's typewriter and teaching materials.

The Kosharovsky family now lives in constant fear of further and more severe attacks by the KGB. I urge all my colleagues to support House Resolution 269, which puts the House on record in support of the freedom of the Kosharovsky family to emigrate, and calls upon the Soviet Union to cease its persecution of individuals seeking to emigrate, and to cease its denial of basic religious, civil, and human rights to Soviet Jews.●

● Mr. DERWINSKI. Mr. Speaker, I join in expressing my support for House Resolution 200, which condemns the unjust imprisonment of Benedict Scott, an American citizen, sentenced to hard labor by Soviet authorities.

Benedict Scott, also known by his Lithuanian name Vytautas Skoudis, was born the son of Peter Scott Skoudis and Elizabeth Markevicius on March 21, 1929 in Chicago, Ill., birth certificate number 13870. He was also baptized at Our Lady of Vilna Church, 2327 West 23d Place, Chicago, Ill., all of which is fully documented. In the 1930's Scott returned to Lithuania; however, following the aftermath of World War II and the illegal Soviet occupation of Lithuania, Scott had been denied his U.S. citizenship.

Skoudis, a geologist, was arrested in January 1980, for working with the Catholic Committee for the Defense of Believer's Rights in Lithuania, and for expressing his protest of the illegal Soviet occupation of Lithuania. He is now serving a 7 year sentence since December 1980, in a remote Soviet prison camp in Mordovskaja, U.S.S.R.

As a member of the Lithuanian Helsinki Group, Skoudis appealed to Soviet authorities for full implementation of human rights guaranteed by the Soviet constitution; however, this appeal was denied. Skoudis was then dismissed from his faculty post at Vilnus University for supposed "amoral conduct." Finally, this was followed by his full arrest in 1980, and then sentencing to 7 years of hard labor for anti-Soviet agitation and propaganda.

This blatant and callous manner used by the Soviets to repress religious beliefs and human rights guaranteed by their nonfunctioning constitution is just another example of the massive failings of communism in the U.S.S.R. The Soviets' complete disregard of Skoudis' American citizenship show clearly the unwillingness of the Soviets to deal honestly within the framework of the Helsinki accords and will only make a mockery of any further negotiations involving false promises to individual rights.

It is time to call the bluff of the Soviet Union and put an end to their excellent propaganda, which is openly exposed by the number of imprisoned dissidents like Benedict Scott serving sentences throughout Siberia.

I regret that a recent accident keeps me from being on the floor today.●

● Mr. FISH. Mr. Speaker, when a U.S. citizen is held against his will in a foreign country, it is our duty and responsibility to do our utmost to seek his release. In the case of Benedict Scott, the subject of House Resolution 200, we in the Congress should demand that this American citizen be permitted to return to his homeland.

Benedict Scott, an American born of Lithuanian parents in 1929, was 1 year old when his family moved to Lithuania in 1930. Ten years later, Lithuania was invaded and occupied by the Soviet Union. The United States has always refused to recognize this illegal annexation. Each year, Members of Congress, on Lithuanian Independence Day, strongly condemn the Soviet attack on Lithuania.

Benedict Scott has been active in the movement for religious freedom and independence in Lithuania for many years. As a scientist, geologist, and teacher at the University of Vilnius, Scott became a leader on behalf of basic rights in Lithuania. For his actions, the Soviet authorities arrested him and charged him with anti-Soviet agitation and propaganda. Benedict Scott is now in prison, serving 7 years hard labor.

Mr. Speaker, I am outraged at this treatment of an American citizen. The Soviet Union is a party to several international accords which guarantee basic rights such as free emigration, civil, and political rights. Surely one of these most basic rights is the freedom to return to the land of one's birth. The persecution, harassment, conviction, and sentencing of Benedict Scott makes a mockery of the Soviet Union's signature on the universal declaration of human rights and the international covenant on civil and political rights.

All of our voices must be raised in protest of this mistreatment of one of this country's citizens. I will continue to speak out on behalf of Benedict Scott until he is released from prison. As a member of the Ad Hoc Committee on the Baltic States and the Ukraine, I am committed to human rights in Lithuania and the return to that country of its proud and noble heritage. The release of Benedict Scott would be a positive step in that direction.●

● Mr. SMITH of New Jersey. Mr. Speaker, once again we find ourselves dealing with the tragic situation that exists in the Baltic States and the Ukraine, tragedy brought about by Soviet occupation and ruthless domination of these nations.

Neither the Ukraine nor the nations of Latvia, Lithuania, and Estonia ever voted—in a free election—to join the Soviet Union. Each of these four countries established its independence when the Russian Empire collapsed in 1917. Despite promises to the contrary Moscow subverted Ukrainian independence by internal revolt and direct invasion, so that in 1920 the Ukraine was totally absorbed into the new Communist state. The Baltic States kept their freedom until 1940, when Stalin annexed them as part of his infamous bargain with Hitler.

Murder, deportations, torture, and imprisonment have been the fate of the Ukrainian and Baltic peoples. The native cultures and religion have been savagely assaulted. Efforts have been made—are being made, at this time—to totally destroy the character of these countries, to demolish their national identity.

It is even worse when we contemplate the fact that Benedict Scott, an American citizen, is being held in a Soviet prison, and that our officials in the Soviet Union are not even allowed to see him. Mr. Scott is still an American national, though he has not lived in this country since he was a child, and under clearly defined international law our Embassy staff has the right and duty to assist him. I have always held that we must protect the legitimate rights of our fellow countrymen in all parts of the world, because citizenship is the most precious right our free society possesses. With this feeling in mind I support the passage of House Resolution 200, and I urge our State Department to do everything possible to assist Benedict Scott.

We are also considering House Concurrent Resolution 205, dealing with Soviet violations of human rights in the Ukraine. For six decades and more the Soviets have attacked the rights of the Ukrainian people. As exponents of the rights of all nations to live in peace under governments of their free choice, we Americans have a duty to protest whenever there is a violation of this great principle of self-determination. The Ukraine is a glaring example of the violation of fundamental human rights. Again and again we should proclaim to the entire world our friendship for the enslaved Ukrainians, and again and again we should assert this belief: Someday, the Ukraine will be free.

Finally, we are considering House Concurrent Resolution 218 protesting the arrest and inhumane treatment accorded Estonian human rights activist Mart Niklus. Last year we of this House also protested what has been done to this man, consigned to a slave labor camp. The treatment of Mart Niklus is a microcosm of the treatment accorded the Estonian nation by the Soviet authorities.

I expect the House to act quickly and unanimously in passing these resolutions. We can do no less. For our shining example of freedom and liberty must illumine the globe, must reach out in the gloom of dictators and totalitarians to reassure all the peoples of the world that we are a true friend to them.

Mr. Speaker, I have spoken on these matters before. I will speak again. I believe no one can be silent in the face of massive violations of human liberty. The entire Soviet state—the total Soviet system—is the greatest existing negation of all that we stand for and believe. We should protest this now—we should continue to protest this until the force of liberty asserts itself throughout all the lands of the Soviet Union, until freedom has been won by all the peoples of the Soviet Union.

With our protests, we show ourselves again to be the heirs of the founders of this great Nation, who intended us to be an example to the world.●

● Mr. BIAGGI. Mr. Speaker, I rise in full support of the pending resolution expressing the concern of the House of Representatives about the imprisonment of Benedict Scott and urging his safe release and safe emigration.

It is regrettable that there is even a need for these types of resolutions for all they seek are rights which should and are granted by most civilized governments. The Benedict Scott case is a classic illustration of how the Soviet Union operates. Benedict Scott is a U.S. citizen who emigrated from the United States to Lithuania in 1930. In recent years he had become an outspoken supporter of human rights in Lithuania which is under Soviet control. Soviet policy in simplest fashion is he who disagrees is imprisoned and so it has been for Benedict Scott since 1980.

The Soviet Union has regressed in its commitment to basic human rights which only began to surface with their signature of the Helsinki accords in 1975. Today life in the Soviet Union is as harsh as ever. Emigration among Soviet Jews is at a record low. Internal debate and dissent on almost any topic has been silenced. The uncertainties within the Soviet Government caused by the precarious health of President Brezhnev has created great apprehension within and outside of the U.S.S.R.

Resolutions of this type are vital in reaffirming this Congress commitment to the preservation of basic human rights around the world. For us to ignore the problems people face in the Soviet Union is to sanction these activities. This we should not and must not do for fear that the Soviets will only make life that much more miserable for people such as Benedict Scott.●

● Mr. CORRADA. Mr. Speaker, I rise in support of House Resolution 200, a resolution expressing the concern of the House of Representatives about the imprisonment of Benedict Scott.

Mr. Scott is a U.S. citizen who has lived in Lithuania since 1950. He was imprisoned in December 1980 for his activities on behalf of Lithuanian human rights.

I urge my colleagues to unanimously approve this resolution so that our strong voice of concern is recorded on behalf of the Lithuanian people.●

● Mr. DOUGHERTY. Mr. Speaker, I am very pleased today that the House of Representatives is considering House Resolution 200, as well as several other human rights measures. It clearly shows that the concern in the U.S. Congress for human rights violations in the Soviet Union will continue unabated.

As many of you may already know, House Resolution 200 expresses the sense of the House of Representatives with respect to the unjust imprisonment of Benedict Scott by the Government of the Soviet Union. Benedict Scott, also known as Vytautas Skuodis, was born in the United States in 1929 and moved to Lithuania with his family 1 year later. Unfortunately, Lithuania was invaded and annexed by the Soviet Union in 1940 with the Skuodis family still present there. Skuodis went on to become an expert in the fields of hydrogeology and geological engineering. He also found himself increasingly involved with Lithuanian human rights.

In November of 1979, the home of Skuodis was searched and several damaging writings were discovered by security police. These writings detailed

what Skuodis called the "spiritual genocide" taking place throughout the state. During the months of November and December, he joined the Lithuanian Helsinki Group; was interrogated at length by police, sent a human rights letter to President Brezhnev, lost his faculty position at the university, and sent a very important letter to then-President Jimmy Carter. The letter to Carter stated his intention to "always remain faithful to the principles of the defense of human rights, by the same token defending the honor of the land of my birth, the United States of America." Vytautas Skuodis was then arrested in January of 1980.

The State Department has said that since his arrest, U.S. officials in Moscow have requested visits with Skuodis because of his American citizenship. Each request has been denied. Today, Vytautas Skuodis still suffers in a strict regimen camp, serving a 7-year sentence that is to be followed by 5 years of internal exile.

Now it is up to the House of Representatives to help this man and his family. Last July, my colleague Brian Donnelly and myself sent a letter to President Brezhnev in support of Mr. Skuodis, in our capacity as cochairmen of the Ad Hoc Congressional Committee on the Baltic States and Ukraine. The letter was cosigned by 42 Members of Congress. In it, we protested the imprisonment of Skuodis, and asked for his release on the grounds of common decency. It appears common decency did not appeal to Mr. Brezhnev, for Skuodis was not released.

In August, the Commission on Security and Cooperation in Europe held a hearing and covered the Skuodis case. A representative from the State Department reiterated our Government's position that Mr. Skuodis has done nothing to relinquish his U.S. citizenship. The Commission heard how American delegates to the Madrid Conference on Security and Cooperation in Europe raised the issue with the Soviet Union, but to no avail. It certainly was reassuring, however, to see our Government's concern for this man.

As a matter of fact, the State Department sent Chairman Zablocki its official comments on House Resolution 200 in September. I was pleased to hear they found the operative portions of the measure consistent with U.S. policy. The request for Presidential action would, in their words:

> Underscore the seriousness with which the U.S. Government views the circumstances of Mr. Scott's arrest, the validity of his claim to U.S. citizenship, and the improper behavior of Soviet authorities in denying consular access to Mr. Scott.

Later in September, the full Senate passed S. 198, which is similar to House Resolution 200. It was approved by a voice vote on the 22d of that month, indicating the noncontroversial nature of the measure. As I mentioned earlier, any further action on this matter is up to the House of Representatives. I ask for your support of House Resolution 200 today so that Congress can send this measure to the President.●

Mr. LEACH of Iowa. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. BONKER. Mr. Speaker, I have no further requests for time on House Resolution 200.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Washington (Mr. Bonker) that the House suspend the rules and agree to the resolution, House Resolution 200.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the resolution was agreed to.

A motion to reconsider was laid on the table.

EXPRESSING SENSE OF CONGRESS WITH RESPECT TO VIOLATIONS OF HUMAN RIGHTS BY THE SOVIET UNION IN THE UKRAINE

Mr. BONKER. Mr. Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 205) expressing the sense of the Congress with respect to violations of human rights by the Soviet Union in the Ukraine, as amended.

The Clerk read as follows:

H. Con. Res. 205

Whereas on August 1, 1975, the Soviet Union and thirty-four other countries, including the United States and Canada, signed the Final Act of the Conference on Security and Cooperation in Europe in Helsinki, Finland;

Whereas the Final Act raised the expectations of Soviet citizens of greater observance by the Soviet Union of human rights, and in order to monitor that observance, the Ukrainian Public Group To Promote the Implementation of the Helsinki Accords was formed on November 9, 1976, in Kiev, the Ukraine;

Whereas it is well documented that the Soviet Union continues to violate the human rights provisions of the Helsinki accords, as well as the Soviet Constitution, the United Nations Charter, and the Universal Declaration of Human Rights, by denying to the citizens of the Ukraine rights of national identity and basic human rights in every walk of life;

Whereas the Soviet Union flagrantly persecutes and imprisons the citizens of the Ukraine who are lawfully engaged in asking their government for the institution of national and human rights in the Ukraine; and

Whereas the continued violations by the Soviet Union of human rights, and in particular its persecution of the members of the Ukrainian Helsinki Monitoring Group, are factors that contribute to tensions between the East and West and create doubts about the validity of the international commitments of the Soviet Union: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that the President should—

(1) proclaim November 9, 1982, the sixth anniversary of the establishment of the Ukrainian Public Group To Promote the Implementation of the Helsinki Accords, as a day honoring that group; and

(2) ask the Soviet Union to release the incarcerated members of the Ukrainian Helsinki Monitoring Group, and to cease the persecution and the imprisonment of those citizens in the Ukraine asking for the institution of national, civil, and individual rights in accordance with the Soviet Constitution, the United Nations Charter, the Universal Declaration of Human Rights, and the Helsinki accords.

The SPEAKER pro tempore. Is a second demanded?

Mr. LEACH of Iowa. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Washington (Mr. Bonker) will be recognized for 20 minutes, and the gentleman from Iowa (Mr. Leach) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Washington (Mr. Bonker).

● Mr. BROOMFIELD. Mr. Speaker, I support House Concurrent Resolution 205, expressing the sense of Congress with respect to violations of human rights by the Soviet Union in the Ukraine.

By signing the Helsinki Final Act in 1975, the Soviet Union made a pledge to allow the free expression of human rights within its territory. Since that time, the Soviets have flagrantly and consistently violated their commitment. Rather than fostering human rights, the Soviets have imprisoned those that have monitored such activity. The Soviets have not relaxed their totalitarian regulations, as they are obligated to do under the agreement, and they have continued to pursue the same oppressive tactics that have been the mainstay of Soviet communism since the Bolshevik Revolution.

I proudly join with my colleagues in supporting this resolution. We must hold the Soviet Union accountable for its behavior, and we must drive home the message that we fully expect the Soviet Union to abide by its international obligations. We will accept no double standards.

And above all, we shall challenge those who believe that governments are beyond the law. It is the people who have the rights. Government authority is derived only from the consent of the governed.●

● Mr. CORRADA. Mr. Speaker, the Soviet Union's continued violation of its citizens' human rights is a matter of concern to all freedom-loving people.

This resolution expresses the concern of the Congress over the continued violations of human rights by the Soviet Union in the Ukraine. It asks the Soviet authorities to cease their persecution of Ukrainian citizens seeking their rights under the Helsinski accords. This resolution also asks the President to commemorate on November 9, 1982, the sixth anniversary of the establishment of the Ukrainian Public Group to promote the implementation of the Helsinski accords.

I urge my colleagues to unanimously approve this resolution encouraging the Ukrainian people and reminding them that they are not alone in their struggle.●

● Mr. DERWINSKI. Mr. Speaker, I support House Concurrent Resolution 205, expressing the sense of Congress in the case of Soviet violation of human freedoms in the Ukraine.

Ukrainians, as much as any people in the world, cherish freedom and understand the meaning of its loss. This is possibly so because freedom has been denied to them through so much of their history. In this century the people of the Ukraine have suffered under both Communist and Nazi tyranny. They continue to yearn for freedom as they bear the burden of totalitarianism under the rule of the Kremlin.

Yet the Ukrainian national spirit and the love of freedom remain so strong that the Soviet rulers of this captive nation are unable to completely conquer them; the Ukrainian people are determined to retain their cultural and national identity. Their quest for freedom is still alive although it suffers untold hardship.

The Ukraine is the largest national territory in the Soviet bloc, other than Russia itself. It has rich agricultural lands and abundant industrial assets.

Moreover, the Ukrainian people have a distinct language and literature and deep religious convictions. It is for these reasons that the Soviet leaders have striven so greatly to break the famed Ukrainian national spirit. They are the most numerous of the non-Russian peoples within the U.S.S.R.

The Kremlin's policies in the Ukraine includes both civil and religious persecution. Among other crimes it has inflicted on the Ukraine, the Soviets have attempted to physically destroy the Ukrainian Christian churches. The Ukrainian Orthodox and Catholic Churches have been repressed and almost totally crushed.

The Soviet repression in a nation of more than 45 million persons clearly violates the most basic human freedoms. We must do whatever we can to focus American and world opinion on this fact; raise it in international fora; emphasize its consequences; and provide some small uplift to the spirit of the valiant Ukrainian people and their hope for the future.

I regret that a recent accident keeps me from the floor today.●

● Mr. BIAGGI. Mr. Speaker, I rise to express my wholehearted support for House Concurrent Resolution 205 expressing congressional concern about continued violations of human rights by the Soviet Union in the Ukraine.

Once again this Congress must convey its opposition to the continuing practices of the Soviet Union in depriving their citizens and those of their satellites in Eastern Europe of the basic human rights and dignities which so many other millions of people in the world routinely enjoy. These include the right to emigrate, freedom of religion, of assembly, of speech, and the like.

Another key element of this resolution which I fully support is the provision which calls on the President to commemorate the establishment of the Ukrainian Public Group To Promote the Implementation of the Helsinki Accords scheduled for November 9, 1982. This group has been in the forefront of the struggle to get the Soviet Union to respect the rights of the people of the Ukraine to those provisions contained in the Helsinki accords.

The passage of this resolution today will show our solidarity with the brave people of the Ukraine who refuse to submit to the oppression of communism. It will also be a signal to the Ukrainian-American community of this Nation that we will never waver in our commitment to fighting communism wherever it exists.●

● Mr. FISH. Mr. Speaker, the Helsinki accords represent an international recognition of the importance of basic rights for all citizens of the signatory countries. The Soviet Union signed in Helsinki the Final Act on Security and Cooperation in Europe, and since then has refused to live up to its provisions.

Every one of the resolutions being considered by the House of Representatives today stems from the violation of the Helsinki accords by the Soviet Government. Perhaps none is more representative of the U.S.S.R.'s failure to abide by its agreement at Helsinki than House Concurrent Resolution 205.

This resolution condemns Soviet violations of human rights in the Ukraine. The suffering of the Ukrainian people at the hands of the Soviet Government has since the Bolshevik victory in 1920 been of enormous consequences. The Ukrainian people have been denied their right to freedom, justice, and self-determination. They remain fiercely independent and have taken many courageous steps toward regaining their cultural and political autonomy.

Among the bold actions taken by Ukrainian citizens was the founding of the Helsinki Monitoring Group in 1976. These individuals, most of whom are today serving terms in prison or exile, decided to promote compliance by the Soviet Government with the humanitarian provisions of the Helsinki Final Act. Groups in many Soviet Republics were formed, but the fate of the Ukrainian Monitoring Group stands out as a willful and active violation of the Helsinki accords.

It is ironic, but not surprising, that those persons who sought information on violations of the Helsinki accords themselves became the victims of Soviet persecution. A few examples of the fates of some of the founders of the Helsinki Monitoring Group demonstrate the clear plan of the Soviet Government to ignore the terms of the Final Act.

On November 9, 1976, 10 repressed and persecuted Ukrainians wrote a declaration announcing the founding of the public group to promote the implementation of the Helsinki accords. The group leader, Mykola Rudenko, along with Oleksiy Thyky, were arrested within 3 months. Soon after, the youngest members of the group, Myroslav Marynovych and Mykola Matusevych, were also arrested. On July 1, 1977, Rudenko was sentenced to 7 years and Thyky to 10 years in strict regimen prison camp. Both received 5 years internal exile. On March 29, 1978, Marynovych and Matusevych received 7 years in prison and 5 in internal exile. All four were convicted of "anti-Soviet agitation and propaganda." A fifth member, Levko Lukyanenko, received a sentence of 10 years in special regimen camp and 5 years internal exile on July 20, 1978.

Ukrainians who have joined the Helsinki Monitoring Group since 1976 have been singled out for repeated questioning of their activities, and have suffered continuous harassment in their human rights efforts. One founding member, Oksana Meshko, survived the Beria concentration camp in 1955, and at the age of 77, is undergoing repeated, lengthy interrogation sessions for her membership in the Ukrainian Monitoring Group. Her heart condition led to the need for emergency treatment at one of these grueling sessions.

Mr. Speaker, House Concurrent Resolution 205 commemorates the fifth anniversary of the founding of the Helsinki Monitoring Group. As its members continue to suffer at the hands of Soviet authorities in their attempts to lead the fight for human rights in the Ukraine, I pledge my support for these brave people.

As a member of the Ad Hoc Committee on the Baltic States and the Ukraine, I believe the Congress must make every effort to seek the release of the imprisoned members of the Helsinki Monitoring Group and the reestablishment of an independent Ukraine.●

Mr. BONKER. Mr. Speaker, the discussion has already occurred on the resolution before the House, so I have no further requests for time.

Mr. LEACH of Iowa. Mr. Speaker, I also have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Washington (Mr. BONKER) that the House suspend the rules and agree to the concurrent resolution (H. Con. Res. 205), as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the concurrent resolution, as amended, was agreed to.

A motion to reconsider was laid on the table.

EXPRESSING SENSE OF THE CONGRESS WITH RESPECT TO TREATMENT BY THE SOVIET UNION OF MART NIKLUS

Mr. BONKER. Mr. Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 218) expressing the sense of the Congress with respect to the imprisonment and treatment by the Government of the Soviet Union of Mart Niklus, and for other purposes, as amended.

The Clerk read as follows:

H. CON. RES. 218

Whereas the Universal Declaration of Human Rights and the International Covenant on Civil and Political Rights guarantee to all individuals the right to freedom of thought, conscience, and religion, the right to hold opinions without interference, the right to freedom of expression, and the right to emigrate;

Whereas the Final Act of the Conference on Security and Cooperation in Europe (the Helsinki accords) commits the signatory countries to respect individual rights and fundamental freedoms, in particular to "deal in a positive and humanitarian spirit" with the applications of persons wishing to emigrate to rejoin relatives;

Whereas the Soviet Union signed the Helsinki accords and has ratified the International Covenant on Civil and Political Rights;

Whereas Mart Niklus, and Estonian scientist, has not been permitted to work in his profession as a biologist and zoologist and has been dismissed from his job as a language teacher because of his attempts to promote in the Baltic countries Soviet compliance with the Helsinki accords;

Whereas Mart Niklus has been harassed by Soviet Authorities for twenty-two years, arrested numerous times, imprisoned, and refused permission to emigrate to Sweden;

Whereas in January 1981, Mart Nikius was sentenced to imprisonment for ten years for writing and circulating materials related to, among other things, the Molotov-Ribbentrop Pact and the trial of the chairman of the Lithuanian Helsinki Group and others, and for listening to the Voice of America;

Whereas Mart Niklus is a prominent scientist and linguist, a translator of scientific works and a writer, and is a leading Baltic human rights activist; and

Whereas Mart Niklus is in ill health in a special regime labor camp and is in need of immediate medical attention: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that the President, acting directly or through the Secretary of State, should—

(1) continue to express at every suitable opportunity and in the strongest terms the opposition of the United States Government to the imprisonment and treatment of Mart Niklus; and

(2) urge the Government of the Soviet Union to—

(A) release Mart Niklus from imprisonment and provide him with proper medical care, and

(B) permit Mart Niklus to emigrate to Sweden to join a relative there in accordance with the Final Act of the Conference on Security and Cooperation in Europe, the Universal Declaration of Human Rights, and the International Covenant on Civil and Political Rights; and

(3) inform the Government of the Soviet Union that the Government of the United States, in evaluating its relations with other countries, will take into account the extent to which such countries honor their commitments under international law, especially commitments with respect to the protection of human rights.

SEC. 2. The Clerk of the House shall transmit a copy of this concurrent resolution to the President with the request that he further transmit such copy to the Ambassador of the Union of Soviet Socialist Republics to the United States.

The SPEAKER pro tempore. Is a second demanded?

Mr. LEACH of Iowa. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was not objection.

The SPEAKER pro tempore. The gentleman from Washington (Mr. BONKER) will be recognized for 20 minutes, and the gentleman from Iowa (Mr. LEACH) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Washington (Mr. BONKER).

● Mr. BROOMFIELD. Mr. Speaker, I support House Concurrent Resolution 218, expressing the sense of the Congress with respect to the imprisonment and treatment by the Soviet Union of Mart Niklus.

Mr. Niklus is an Estonian scientist and human rights supporter who has been imprisoned by Soviet authorities for defending the activities of groups engaged in monitoring Soviet compliance with the Helsinki Final Act. Mr. Niklus is in ill health and requires immediate medical attention. Not only should he be granted such care, but he should be allowed to emigrate from the Soviet Union in accordance with the Helsinki Final Act.

Soviet repression against Mr. Niklus is in violation of international law and the solemn obligations agreed upon by the Soviet Government.

By supporting this resolution, the Congress is reminding the Soviet Union that the world is watching their activities and will hold them accountable for their illegal actions.●

● Mr. CORRADA. Mr. Speaker, this resolution expresses the support of the Congress on behalf of the release of Mart Niklus from a Soviet prison and in his being allowed to emigrate to Sweden.

Mr. Niklus, a scientist and human rights activist, began a 10-year prison sentence in January 1981. He has also been imprisoned intermittently by Soviet authorities for 22 years.

I urge the Soviet authorities to release Mr. Niklus from prison and allow him to emigrate to freedom in Sweden. I ask my colleagues to join me in this effort.●

● Mr. DERWINSKI. Mr. Speaker, House Concurrent Resolution 218 is a measure intended to help a prisoner of conscience in the Soviet Union. This resolution protests Soviet mistreatment of Mart Niklus, an Estonian human rights leader.

Mart Niklus has been harassed by Soviet authorities for 22 years, arrested numerous times, imprisoned, and refused permission to emigrate. A scientist, he has not been permitted to work in his profession and has been dismissed from his job as a language teacher because of his attempts to promote in the Baltic countries Soviet compliance with the Helsinki accords.

Niklus was sentenced to 10 years in prison, well over a year ago, for writing and circulating materials related to, among other things, the Molotov-Ribbentrop Pact and the trial of human rights activists, and for listening to the Voice of America. A prominent scientist and linguist, he is a leading Baltic human rights advocate. In ill health in a special regime labor camp, Nikius is in need of immediate medical attention.

The Universal Declaration of Human Rights and the International Covenant on Civil and Political Rights guarantee to all individuals the right to freedom of thought, conscience, and religion, plus the right to hold opinions without interference, the right to freedom of expression, and the right to emigrate. Moreover, the Final Act of the Conference on Security and Cooperation in Europe (the Helsinki accords) commits the signatory countries to respect individual rights and fundamental freedoms.

The resolution expresses the sense of the Congress that the Government "continue to express at every suitable opportunity and in the strongest terms the opposition of the U.S. Government to the imprisonment and treatment of Niklus." It urges his release from prison, proper medical care, and permission to emigrate to Sweden to join a relative. It is also the purpose of the resolution that the Government of the Soviet Union be informed that the United States in evaluating its relations with other countries, will take into account the extent to which such countries honor their commitments under international law, especially commitments with respect to the protection of human rights.

I urge that you join me and my many cosponsors in passing House Concurrent Resolution 218.

I also request unanimous consent to place in the RECORD an appeal from Elfriede Niklus, Mart Niklus' mother, on behalf of her son.

SAVE MY SON

(By Elfriede Niklus)

The following appeal for Mart Niklus, written by his mother, Elfriede Niklus, appeared in Freedom Appeals (publication of the Center for Appeals for Freedom, Freedom House), Issue No. 11, September-October 1981. It was transmitted by the Council and the Relief Centre for Estonian Prisoners of Conscience, located in Stockholm, Sweden. The appeal was translated by Juta Ristsoo and was dated April 11, 1981. It is excerpted below:

I appeal to you in despair from this land of troubles—Soviet-occupied Estonia—with a prayer to help save the life of our son, the dissident Mart Niklus. On orders from Moscow, Niklus received an illegal and undeserved sentence of ten years in a special regime labor camp, plus five years of internal exile, from the Estonian Supreme Court in Tallinn on January 8, 1981. This is essentially a disguised death sentence, because our government fears dissidents and does not discriminate in choosing weapons against them.

In making this decision, the Supreme Court declared that Mart Niklus is a repeat offender who is extremely dangerous to the Soviet regime, because of the following accusations:

1. Mart Niklus interprets the 1975 Helsinki Accords in his own way and acts in an anti-Soviet manner.
2. He uses his knowledge of foreign languages to listen to foreign broadcasts and communicate with foreigners by telephone and mail.
3. His friend and sympathizer has been Academician Andrei Sakharov, even before Dr. Sakharov was exiled to Gorky.
4. His favorite authors are Alexander Solzhenitsyn and the world-famous scholar Nikolai Vavilov, who was brutally and illegally executed in 1943 in Saratov by the NKVD [secret police, now called the KGB] and was posthumously rehabilitated.
5. He dared sign his name to the Baltic Appeal which demanded that the independence of the Baltic States be restored by nullifying the Molotov-Ribbentrop Pact and removing Russian troops and the Russian administration from Estonia.
6. He dared write a protest on the occasion of the Soviet occupation of Afghanistan and to send it to Moscow.
7. He favored a boycott of the Moscow Olympics.
8. All this conforms Mart Niklus's irreconcilable incompatibility with Moscow's occupation of Estonia. He discussed his opinion with compatriots and influenced them to have anti-Soviet sentiments, which result in unpleasant disturbances against the prevailing order.

On January 26, Niklus was sent in poor health on a long trip from Tallinn through Leningrad to the East. When we asked the transit commander if Mart could be left behind this time because of his illness, and be placed in an interim hospital for treatment, the commander told us he could make no changes. Consequently, Niklus, exhausted from illness and his hunger strike, was stuffed into a railroad car. His condition became so serious on the way that in the beginning of February, he was hospitalized in Leningrad. The news came from Mart that on February 10, he had been in Sverdlovsk. From there he started being shuffled back and forth by railroad, without any sort of medical attention or help, between camps 36 and 35, between Perm and Tyumen. He was threatened with being sent further and further away (until he "dies by himself"). None of the camps in this area want to accept a sick person, and certainly not a person that has to be put in the hospital for treatment. On February 12, the commander of the special-regime labor camp in Perm notified that Mart Niklus had reached his destination: Perm Labor Camp No. 36.

On March 17, Mart Niklus wrote about the lack of medical treatment and about his generally ill feeling, because of his continuing hunger strike. He asked everyone who learns of his situation to appeal to world public opinion to rebuke the executioners and reveal the disguised death sentences that they have given to unfortunate and helpless prisoners. This is important, because here in our country no lawyer, no appeal will sway those programmed by Moscow: who is not with us, we will destroy. We will not kill them. But we will torture them until the anti-Soviet type of person dies by himself. In order to receive some information about my son's condition, we have continually sent appeals and telegrams, but to this day, they have remained unanswered and have only worsened our forebodings.

Mart was forced to seek legal help from far away, because those at home, worried about their careers, would have nothing to do with his quest for justice. Vaht and Laus did not want to take father's appeal at all to be forwarded to Kabin, since it contained unpleasant statements, like the one about Investigator Eerik Vallimae, who, on the day of Mart's arrest had said to him on the way to prison: "These doors will never open to you again!" There was also KGB Captain Ants Otsa's declaration: "We can do whatever we want." The appeal, nevertheless, did remain on Kabin's desk. But this appeal for Mart to be released and allowed to leave the Soviet Union will hardly be fulfilled, because the conspiracy has decided that Mart must "die by himself," without anyone being charged with his death. It is a form of poorly concealed terror.●

Mr. BONKER. Mr. Speaker, I have no further requests for time on House Concurrent Resolution 218.

Mr. LEACH of Iowa. Mr. Speaker, I have no further requests for time on House Resolution 218, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Washington (Mr. BONKER) that the House suspend the rules and agree to the concurrent resolution (H. Con. Res. 218), as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the concurrent resolution, as amended, was agreed to.

A motion to reconsider was laid on the table.

IMPLORING U.S.S.R. TO ALLOW DR. SEMYON GLUZMAN AND FAMILY TO EMIGRATE TO ISRAEL

Mr. BONKER. Mr. Speaker, I move to suspend the rules and pass the joint resolution (H.J. Res. 230) imploring the Union of Soviet Socialist Republics to allow Dr. Semyon Gluzman and his family to emigrate to Israel.

The Clerk read as follows:

H.J. RES. 230

Whereas the reputation of Doctor Semyon Gluzman as a physician of outstanding psychiatric medical ability spread throughout the Soviet Union to the consternation of Soviet leaders;

Whereas Doctor Gluzman refused to cooperate with the KGB in certifying human rights advocates as mentally ill;

Whereas, subsequently, the doctor was arrested on charges of being a Zionist propagandist and an anti-Soviet agitator and found guilty and sentenced to prison for seven years, to be followed by three years in exile on October 19, 1972;

Whereas Doctor Gluzman's family received an invitation to join relatives in Israel; and

Whereas, for humanitarian and medical reasons, Doctor Semyon Gluzman should be freed from exile and allowed to emigrate with his family to the State of Israel; Now therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That President Leonid Brezhnev of the Union of Soviet Socialist Republics authorize the immediate release of Doctor Semyon Gluzman from exile and grant permission for him and his family to emigrate to Israel; and be it further

Resolved, That a copy of this resolution be forwarded to the Secretary of State of the United States of America for conveyance to President Leonid Brezhnev of the Union of Soviet Socialist Republics.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Washington (Mr. BONKER) will be recognized for 20 minutes, and the gentleman from Iowa (Mr. LEACH) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Washington (Mr. BONKER).

● Mr. CORRADA. Mr. Speaker, this resolution urges Soviet authorities to allow Dr. Semyon Gluzman to emigrate with his family to Israel.

Dr. Gluzman, a noted physician, has been imprisoned because of his refusal to cooperate with the KGB in certifying human rights advocates as mentally ill. In so doing, Dr. Gluzman virtually assured that he would in turn be punished for upholding the sacred trust of his patients. In 1972, Dr. Gluzman was sentenced to prison term of 7

years to be followed by 3 years in exile.

I ask my colleagues to join me in urging the Soviet Union to allow Dr. Gluzman and his family to emigrate to Israel.●

● Mr. DERWINSKI. Mr. Speaker, it is especially important for us in the Congress to make public appeals to the Soviet Union so that they are aware of the concern that we have for the fundamental freedoms of thought, conscience, religions, and political beliefs, which they ignore.

In this regard, I wish to express my support for House Joint Resolution 230 and House Resolution 269, which show our interest in Dr. Semyon Gluzman and in Yuli Kosharovsky, and in their efforts to emigrate to Israel.

Dr. Semyon Gluzman and his family greatly desire to leave the Soviet Union to live in Israel. Dr. Gluzman, an outstanding psychiatrist, refused to cooperate with the KGB in certifying human rights advocates as mentally ill.

He was arrested on charges of being a Zionist propagandist and an anti-Soviet agitator. He has been imprisoned since 1972 for a 10-year term, but Dr. Gluzman remains incarcerated and his family continues to be denied an exit visa.

Yuli Kosharovsky lost his job as a radio electronics engineer because of his desire to leave the Soviet Union for Israel. His family has been the constant target of harassment; and Yuli and his wife have been denied employment opportunities.

In both cases, the Soviet authorities have violated the United Nations International Covenant on Civil and Political Rights, the Final Act of the Conference on Security and Cooperation in Europe, the Charter of the United Nations, and the Universal Declaration of Human Rights.

It is my hope that our support of these two important resolutions will strenghten the U.S. resolve to assist the thousands of Soviet Jews, who like Dr. Semyon Gluzman and Yuli Kosharovsky, have been illegally denied their right to emigrate to Israel and remain separated from their friends and families by political boundaries. Attention must continue to be directed to the inequities of the Soviet emigration system so as to improve the conditions of Dr. Gluzman and Mr. Kosharovsky, and the many other Jewish refuseniks who are subjected to constant harassment and unfounded criminal charges.

Therefore, although I could not be on the floor today because of a recent accident, I pledge my support for these two resolutions.●

● Mr. FISH. Mr. Speaker, many Soviet Jewish prisoners of conscience have withstood harassment, persecution, and imprisonment for standing up for their beliefs and for setting an inspirational example for others to follow. This is most evident in the case of Dr. Semyon Gluzman, a distinguished Soviet psychiatrist who stood up to the KGB over 10 years ago by refusing to cooperate with them by declaring that human rights activists were mentally ill.

Dr. Gluzman demonstrated extraordinary courage and conviction both before and after his arrest and imprisonment. He wrote a manual for other dissidents to help them object to being classified as mentally disturbed which was distributed despite his being in jail. Dr. Gluzman has continued his active protest of Soviet human rights policies over his 7 years of imprisonment and his 3 years of exile by going on hunger strikes on behalf of fellow prisoners, and by withstanding numerous occasions of solitary confinement.

Like many Soviet citizens who seek to exercise their basic rights to emigrate, Dr. Gluzman has been denied the opportunity to practice his profession. The medical community of the United States has nonetheless recognized his skill as a psychiatrist, and in May of 1980 Dr. Gluzman was awarded the American Psychiatric Assocation's highest honor, the title of distinguished fellowship. It would be a rewarding experience for everyone concerned with Dr. Gluzman's plight for him to be released and receive this award in person.

Dr. Gluzman should be released this year. His family has already received an invitation to join relatives in Israel. President Brezhnev should permit Dr. Gluzman to emigrate with his family immediately upon his release from exile. Our work will not be complete until Dr. Gluzman is free to live and practice his profession without fear of persecution.

I congratulate my good friend, the gentleman from New York (Mr. GREEN) for sponsoring this important resolution. I also thank the Committee on Foreign Affairs for bringing House Joint Resolution 230 to the floor to allow Members the opportunity to express their support for Dr. Semyon Gluzman.●

● Mr. BROOMFIELD. Mr. Speaker, I support House Joint Resolution 230 imploring the Soviet Union to allow Dr. Semyon Gluzman and his family to emigrate to Israel. Dr. Gluzman is a leading medical physician and has been persecuted because he has refused to cooperate with the KGB in certifying human rights advocates as mentally ill.

Once again the Soviet Union is disregarding its international obligations, including the Helsinki Final Act. We cannot allow the Soviets to play a double standard in the human rights field. We must hold them accountable for their illegal actions.

The Soviets should immediately release Dr. Gluzman and allow him and his family to emigrate.●

Mr. BONKER. Mr. Speaker, I have no further requests for time on House Joint Resolution 230.

Mr. LEACH of Iowa. Mr. Speaker, I also have no further requests for time on House Joint Resolution 230, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Washington (Mr. BONKER) that the House suspend the rules and pass the joint resolution, House Joint Resolution 230.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the joint resolution was passed.

A motion to reconsider was laid on the table.

CALLING UPON THE U.S.S.R. TO PERMIT EMIGRATION OF YULI KOSHAROVSKY AND HIS IMMEDIATE FAMILY TO ISRAEL

Mr. BONKER. Mr. Speaker, I move to suspend the rules and agree to the resolution (H. Res. 269) calling upon the Union of Soviet Socialist Republics to permit the emigration of Yuli Kosharovsky and his immediate family to Israel, as amended.

The Clerk read as follows:

H. RES. 269

Whereas Yuli Kosharovsky lost his job as a radio electronics engineer when his employers found out his wish to emigrate to Israel, forcing him to support his family by taking odd jobs since April of 1971; and

Whereas Yuli Kosharovsky is one of Moscow's leading Hebrew teachers, having a regular class of over thirty students, and since 1975, has been teaching a seminar for unemployed engineers—unemployed only because of their desire to leave the Soviet Union for Israel; and

Whereas Yuli Kosharovsky has been threatened with imprisonment by the KGB if he continued to conduct these seminars, which he courageously has, and

Whereas Yuli Kosharovsky's wife, Inna Kosharovsky, studied mathematics at Moscow State University, but has been unable to find a job within here field because of her wish to emigrate; and

Whereas Yuli Kosharovsky's fourteen-year-old son, Mikhail Kosharovsky, has been the constant target of bullying by his classmates, being called dirty Jew by them on several occasions; and

Whereas Yuli Kosharovsky and his family have been the constant target of harassment by their community; and

Whereas the situation of Yuli Kosharovsky is becoming rapidly more severe after the recent raid on the Kosharovsky home by KGB officials, in which Yuli Kosharovsky's typewriter and teaching materials were confiscated; and

Whereas there is a significant difference between dissidents and Jewish activists in the Soviet Union, as dissidents are people who are trying to change the internal structure of the Soviet Union, whereas the Jewish activists are only trying to leave the Soviet Union; and

Whereas the rights of freedom of thought, conscience, expression of religion, and emigration are guaranteed to all Soviet citizens, including the Soviet Jews, under the Soviet Constitution; and

Whereas the persecution of Yuli Kosharovsky and his family also violates the rights of freedom of thought, conscience, expression of religion, and emigration which the Soviet Union has committed itself to observe under various international instruments, including the International Covenant on Civil and Political Rights, the Final Act of the Conference on Security and Cooperation in Europe, and the Declaration on the Elimination of Religious Intolerance; and

Whereas Yuli Kosharovsky and his family continue to live in the Soviet Union in constant fear of their lives: Now, therefore, be it

Resolved, That the House of Representatives hereby condemns the treatment of Yuli Kosharovsky and his immediate family by the Government of the Soviet Union.

SEC. 2. It is the sense of the House that—

(1) the President of the United States should express to the Government of the Soviet Union the deep concern and opposition of the United States with respect to the refusal to permit the emigration of Yuli Kosharovsky and his family to Israel;

(2) the Government of the Soviet Union should comply with its obligations under the International Covenant on Civil and Political Rights, the Final Act of the Conference on Security and Cooperation in Europe, the Universal Declaration of Human Rights, and the Constitution of the Union of Soviet Socialist Republics, by permitting Yuli Kosharovsky, his wife, Inna, and their son Mikhail, to emigrate to Israel; and

(3) the Government of the Soviet Union should immediately cease its persecution of individuals seeking to emigrate from the Soviet Union, and its denial on basic religious, civil, and human rights to the Jews living in the Soviet Union.

SEC. 3. The Clerk of the House shall transmit copies of this resolution to the Soviet Ambassador to the United States, to the Chairman of the Presidium of the Supreme Soviet, and to Mr. Yuli Kosharovsky.

AMENDMENTS TO HOUSE RESOLUTION 269

Beginning on page 2, strike out the seventh and eighth paragraphs on that page and insert in lieu thereof the following:

Whereas the rights of freedom of thought, conscience, expression of religion, and emigration are guaranteed to all Soviet citizens, including the Soviet Jews, under the Soviet Constitution; and

Whereas the persecution of Yuli Kosharovsky and his family also violates the rights of freedom of thought, conscience, expression of religion, and emigration which the Soviet Union has committed itself to observe under various international instruments, including the International Covenant on Civil and Political Rights, the Final Act of the Conference on Security and Cooperation in Europe, and the Declaration on the Elimination of Religious Intolerance; and

Page 3, line 11, strike out "commitments under the United Nations" and insert in lieu thereof "obligations under the"; and in line 14, strike out "the Charter of the United Nations,".

The SPEAKER pro tempore. Is a second demanded?

Mr. LEACH of Iowa. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Washington (Mr. Bonker) will be recognized for 20 minutes, and the gentleman from Iowa (Mr. Leach) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Washington (Mr. Bonker).

● Mr. BARNES. Mr. Speaker, I am pleased to have the opportunity today to support House Resolution 269, introduced in the House on behalf of Yuli Kosharovsky and his family.Yuli Kosharovsky, a radio electronics engineer and one of Moscow's leading Hebrew teachers, has been a Soviet refusenik for 11 years. He and his family continue to wait for the Soviet authorities to honor their human and constitutional right to emigrate. Yuli Kosharovsky and his wife, Inna, have been unable to find work in their professional fields and Soviet authorities have tethered the life of the Kosharovskys' teenage son, Mikhail. For all these years the Kosharovskys have lived with the systematic harassment of the KGB and, most recently, a search of their home during which Soviet authorities confiscated all Hebrew and English materials, including personal letters.

The Kosharovskys have lived with the condemnation of their government, they have endured the painful life of being ostracized and restricted in their own homeland, and, in pursuit of freedom, they have found oppression. They know the hard truth that the Soviet freedoms they seek exist in Soviet and internationally recognized legal documents, but not in the living world.

Soviet authorities, after 11 years, must finally do what is right. They must recognize the Kosharovskys' right to emigrate and give them the freedom to leave the Soviet Union for Israel.

The world protests the Soviet Government's increasingly restrictive emigration policy. The dwindling numbers of Soviet Jews allowed to emigrate is a testimony to the ferocity with which Soviet authorities insist on a policy of injustice.

The Soviet Government must heed the protests of the free world. In the United States, we value the principles of freedom of religion, of thought and conscience—we live by them and for them. The Soviet Government claims that it also honors these principles, but it has failed to demonstrate that claim in the case of Yuli Kosharovsky and his family, and thousands of others. Yuli Kosharovsky, admired "teacher of teachers," has waited long enough. House Resolution 269 expresses the sense of the Congress that the Soviet Union permit the Kosharovskys to emigrate to Israel and that the Soviet Government cease its intolerable practice of systematic persecution and denial of basic rights to Soviet Jews.

Today, we call upon the Soviet Union to free the Kosharovsky family—the inviolability of human rights and the universal cause of freedom demand it.●

● Mr. CORRADA. Mr. Speaker, it is a telling sign of the repression that exists in the Soviet Union that they punish its citizens that seek a better life by emigrating to another country. The Soviet authorities think that by harassing and ostracizing its citizens that wish to emigrate, they will deter others from requesting exit visas. However, this tactic has not worked.

Yuli Kosharovsky, a leading Hebrew teacher in Moscow, was fired from his job as a radio electronics engineer when he applied to emigrate to Israel. Since then, Mr. Kosharovsky and his family have been victimized by the KGB.

I urge my colleagues to join me in calling upon the Soviet Union to immediately cease its persecution of individuals seeking to emigrate and to halt its denial of religious, civil and human rights to Soviet Jews.●

● Mr. FISH. Mr. Speaker, I join my colleagues today in support of House Resolution 269. This important resolution calls upon the Soviet Union to permit the emigration of Yuli Kosharovsky and his family to Israel.

The history of Yuli Kosharovsky's efforts to emigrate echo those of many Soviet Jews. In 1971, Yuli lost his job as a radio electronics engineer after his employers learned of his desire to emigrate to Israel. His wife, Inna, has been unable to find employment in her field, mathematics, following her studies at Moscow State University. As Viktor Brailovsky held seminars for refusniks who held jobs as scientists, so has Yuli Kosharovsky held seminars in his home for unemployed engineers who wish to emigrate. Yuli has also been teaching Hebrew in an attempt to continue the traditions of Jewish faith and culture in the Soviet Union. For this, his home has been searched, he has been constantly harassed, and his books and typewriter have been confiscated.

Mr. Speaker, I am afraid that Yuli Kosharovsky's fate has been foreshadowed by the internal exile of Viktor Brailovsky last year. We cannot be silent when the ultimate decision on Yuli's fate is being made. In order to prevent further persecution of Yuli Kosharovsky and his family, I join in condemning the treatment of Yuli Kosharovsky and demand that the Soviet Union permit his family to emigrate to Israel.

Although no formal charges have been brought against Yuli, there is every reason to believe Soviet authorities will take action, perhaps in the near future. It is imperative that Soviet President Brezhnev and those responsible for the Soviet Union's outrageous emigration policies know of the concern of the many Members of Congress who support the Kosharovsky family.

I congratulate my colleagues, the gentleman from New Jersey (Mr. Smith) and the gentleman from Ohio (Mr. Weber) for sponsoring House Resolution 269, and I thank the Committee on Foreign Affairs for bringing this vital resolution to the floor.

Let us all hope that the passage of House Resolution 269 and our continuing vigilance on behalf of Yuli Kosharovsky and his family enable them to leave the Soviet Union and live free from persecution and fear in Israel.●

● Mr. BROOMFIELD. Mr. Speaker, House Resolution 269, calling upon the Soviet Union to permit the emigration of Yuli Kosharovsky and his immediate family to Israel.

Mr. Kosharovsky has committed no crime in the Soviet Union. Yet he and his family are constantly harassed by Soviet authorities for merely wanting to leave the Soviet Union and to practice his Jewish faith. The Soviet Government has denied him the right to emigrate, they have denied him the right to continue working in the Soviet Union, and they have confiscated his property.

The Soviet action against Mr. Kosharovsky and his family is contrary to the Soviet Government's obligations under the Helsinki Final Act, the Universal Declaration of Human Rights, and the United Nations Covenant on Civil and Political Rights.

I strongly endorse this resolution. It is vitally important for all those under Communist oppression that the Soviet Union be made to adhere to its commitments.●

● Mr. McCOLLUM. Mr. Speaker, I rise in support of House Resolution 269 to express my desire that the Soviet Union cease the harassment of Yuli Kosharovsky and his family and allow them to emigrate to Israel. Government officials in the Soviet Union have made it clear that they disapprove of Yuli's teaching of Hebrew and of his desire to leave the U.S.S.R. To me, that is reason enough to allow the Kosharovsky family to continue their life in a country which welcomes them, their religion and their profession.

I commend Congressman Chris Smith for bringing the plight of this individual and his family to national attention and urge the adoption of this humanitarian effort.●

Mr. BONKER. Mr. Speaker, I have no further requests for time on the resolution before the House.

Mr. LEACH of Iowa. Mr. Speaker, I also have no further requests for time on the resolution, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Washington (Mr. Bonker) that the House suspend the rules and pass the resolution (H. Res. 269), as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the resolution, as amended, was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. BONKER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on all five resolutions just considered and passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

WHO BEGAN THE CRISIS IN AGRICULTURE?

(Mr. DAUB asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DAUB. Mr. Speaker, we are here today discussing the current crisis in agriculture. Lest we forget, I would like to take a moment to raise a few simple facts.

Farmers today are suffering under the outrageous interest rates created by years of deficit spending; interest rates that struck a crescendo under the Carter administration.

Only under this administration are we seeing a concerted effort to bring under control the haphazard deficit spending which brought on this economic crisis.

Farmers today have yet to recover from the effects of the grain embargo; again, brought on by the Carter administration.

Only under the current administration have we seen increased efforts to restore normalcy to foreign trade.

Under previous administrations we saw bumper crops and no concerted effort to balance production with consumption.

Only under this administration have we seen the implementation of a voluntary acreage reduction program, with, may I remind you, record signup rates of over 80 percent.

Ladies and gentlemen, I suggest that you study the record before pointing fingers. No, all is not well in the heartland of America. But finally, the problems are being addressed in a positive and comprehensive way.

REQUEST FOR PERMISSION TO DISCHARGE COMMITTEE ON THE JUDICIARY FROM FURTHER CONSIDERATION OF HOUSE JOINT RESOLUTION 350 AND FOR RESOLUTION TO BE REPORTED TO THE FLOOR WITHIN 10 LEGISLATIVE DAYS

Mr. WALKER. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary be discharged from all further consideration of the resolution (H.J. Res. 350) and the bill be reported to the floor for consideration within 10 legislative days.

The SPEAKER pro tempore. The Chair declines to recognize the gentleman for that purpose at this point.

PARLIAMENTARY INQUIRY

Mr. WALKER. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state his parliamentary inquiry.

Mr. WALKER. Mr. Speaker, is this not a similar kind of request to the one that was used some weeks ago in order to pass the doubling of the pay on outside earnings for a Member of Congress?

The SPEAKER pro tempore. The gentleman must state a parliamentary inquiry. The gentleman has just been advised that the Chair will not exercise his discretion to recognize the gentleman at this point.

Mr. WALKER. I am propounding a parliamentary inquiry as to whether or not the procedure being used by the gentleman is not a legitimate procedure, given the fact that it is similar to a procedure used to double the outside earnings of Members of Congress in a time just previous to this, about 2 months ago?

The SPEAKER pro tempore. The Chair feels bound by the policy enunciated by the Speaker last year, and will not entertain a unanimous-consent request to bring up such a measure without an assurance of agreement between the majority and minority leadership and the committee concerned, and the Chair is not aware of any such arrangement having been made. So the Chair will not entertain such a request at this time.

Mr. WALKER. I thank the Chair.

ORDER OF BUSINESS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Tennessee (Mr. Jones) is recognized for 60 minutes.

Mr. ALEXANDER. Mr. Speaker, I ask unanimous consent to precede the special orders of the House heretofore scheduled and to begin the special order proceedings today with my special order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

CRUSADE OF PEACEFUL OUTRAGE

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. ALEXANDER) is recognized for 1 hour.

GENERAL LEAVE

Mr. **ALEXANDER**. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of my special order today.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. **ALEXANDER**. Mr. Speaker, amid all the bad news about the farm economy, one man has become a symbol of the despair that farmers feel. That man is Wayne Cryts of Missouri, who defies court orders to protect his property and was ordered to jail in Russellville, Ark.

Cryts has said, with his actions, by taking his grain from an elevator when that grain was considered the asset of the elevator in a bankruptcy case last year, and by refusing to tell the court last week who helped him remove that grain, what many farmers are feeling throughout America and across this great land today: that the circumstances facing farmers are frightening and uncertain, and that the future is grim.

I respect the strength of this man's conviction. Cryts' imprisonment is a symbol that the farmers are beginning what one newspaper has called "a crusade of peaceful outrage."

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It is sad that this man's personal sacrifice will be that which will awaken many to the hard times facing our farmers today. Just today, the rural electric cooperatives met in the Halls of Congress, and one of the pamphlets that they are handing out to Members and to interested citizens is entitled, "Hard Times in Rural America."

We are exploring many of the issues relating to the farm economy today. Limited time does not permit us to discuss each and every problem that need to be addressed. I mentioned Mr. Cryts as an illustration of the multitude of problems facing the agricultural community. In every aspect of the agricultural scene there is a difference this year—in the grim, tight-lipped expressions of farmers as they watch expensive farm machinery pulverizing the Earth for planting. Fear of the future is found on their faces, and the faces of the farm community as well as all others outside the agricultural sector who realize the significance of what they are seeing.

Most writeoff 1982 as a year in which they will be lucky to hold their own. The farmer has always played against high odds of the weather and of other circumstances, but this year the odds are greater, stacked against them by the administration's policies that are keeping interest rates high, therefore, increasing the cost of production and choking off exports by an overvaluation of the dollar, which prices U.S. farm products out of the world market.

Farm income, when adjusted to inflation, is currently at its lowest level since 1932. The U.S. Department of Agriculture estimates 1981 receipts at $147.7 billion, 4.6 percent above 1980. But, production expenses were estimated at 8.5 higher than 1980. Over the past decade, farm production costs have risen on the average about 2½ times, compared with an average increase in farm prices received for products of about 2⅓ times.

The outlook for this year is that it will be worse than any single year since the Great Depression. The good news is that some production costs are expected to moderate. The bad news is that since cash receipts are flat, even a modest increase will leave farm income lower.

Net farm income is expected to fall to $14 billion in 1982, according to a Snittker Associates study.

As a further indication of the ills of the farm economy, let me point out that 1980 and 1981 were the first years since 1933 and 1934 that there were back to back years when production costs were more than the farmer earned.

The administration continues to predict economic recovery. Economists say it will not come or will be short lived if interest rates remain high. The farmer has no control over an economy that is stagnant because of the effects of high interest rates. The administration does.

The major driving force behind the high interest rates is the current policy mix of extremely high and rising deficits and a very tight money policy.

I will go into some avenues of correction to control interest rates later, but first let me mention some of the current situations facing farmers and the subsequent impact that high interest rates are having.

Surplus crop supplies, depressed commodity prices, and ballooning Federal deficits prompted the USDA in January to request that farmers voluntarily restrict 1982 plantings of feed grains, wheat, cotton, and—for the first time—rice.

Good weather and other incentives to produce grain have resulted in 1981-82 world grain being up over year ago levels. Last fall the increase in planting did not seem excessive because beginning reserves were low. Reduced crops elsewhere in the world provoked optimism for exports.

Since the harvest, however, market prices for grain have reflected pessimism rather than optimism. Why?

First. The persistence of high interest rates has caused the cost of holding grain to escalate. If the farmer cannot sell the crop and pay off his loan, interest costs build. Because of this buyers are delaying purchases until needed for use—and the producer is the one stuck with footing the bill for storage.

Second. Also storage costs are being transferred to the U.S. farmer by our traditional buyers who are having storage problems of their own due to the glut on the market.

An example is the current situation with South Korea. Korea has not honored its commitment to buy 500,000 metric tons of rice this crop year and is forcing the American farmer and American taxpayer to pick up the tab for storage, which by all rights it should be paying.

Third. There are other factors hurting our export trade: Economic problems in Poland have affected the ability of other Eastern European countries to obtain credit to finance grain imports and the U.S. dollar has remained strong throughout much of the 1981-82 marketing year, making U.S. grain relatively expensive for importers, Chase Econometrics reports in its annual U.S. Food and Agriculture Forecast and Analysis.

Total meat and poultry production rose 1.5 percent in 1981, a rate of increase which was too great to support livestock prices at 1980 levels in the face of weak consumer demand and inflating farm to retail marketing margins.

Declining producer prices combined with sharply higher feed costs to cause livestock producers the most severe loss situation since the grain price runups of 1973-74, Chase Econometrics reports.

Losses have been so unremitting that the inventory of cattle on feed was at its lowest in January of 1982 since 1975. the cattle industry risks entering into a liquidation and hog producers have cut herds by 9 percent. There is not a viable option of borrowing to sustain operations until the situation improves. Interest rates are too high.

Despite and outlook for sharply lowered feed prices in 1982, the continuing recession will make it another very difficult year for livestock producers as the recession limits prices, profits, and cash receipts.

Large supplies of farm commodities and weak demand due to world recession will constrain any significant advance in farm prices and farm income in 1982. Under these circumstances, even ebbing inflation will cause farm income to fall again in 1982 unless action is taken to stem high-interest rates and to stimulate exportation.

Total farm cash receipts are expected to approximate $144 billion this year, less than 1 percent above 1981. Not only will total 1982 cash receipts fall in constant dollars, but even a small advance in production expenses will result in further decline in current net income, analysts for Chase Econometrics say.

Every 1-percent increase in production expenses—and remember production costs have risen 8.5 percent already in 1981—will result in a decline of $1.5 billion in net farm income. In addition to the 8.5-percent increase in production costs for 1981, another increase of 3 to 4 percent is expected in 1982. Realized net income is forecast by USDA to fall to $14 billion this year, the lowest since the Depression.

The farmer is not sitting comfortably in the White House trying out new economic theory. He is the bottom line. He knows firsthand the results of high-interest rates—skyrocketing farm debt, increased farm sales, liquidations of assets to pay off loans, bankruptcies and foreclosures.

The old saying "he bought the farm" is taking on almost a literal correlation to the figurative allusion to death. The farm, as we know it, is approaching a death due to a bad case of Reaganitis.

Interest rates are so high many farmers cannot repay their debts. Here is what has happened:

The national rate of delinquency on Farmers Home Administration loans was placed at 58 percent in a January quarterly report of the FmHA. It has since been revised downwardly to 33 percent to include payments made in the month of January, but that still reflects a significant increase over the figure of 24 percent delinquent during the same time period a year earlier.

The delinquency rate is as high as 80 percent in Texas. In Arkansas it stands at 64 percent.

The USDA estimated the Nation's 2.4 million farmers were $194.5 billion in debt on January 1, 1982—that was more than double the debt of 1975.

Into 1982 farmers were taking advantage of increasing land values to underwrite debt, but they now face greater and greater debt as a result. Farmers are unable, in many instances, to sell their crops because of the oversupply situation. They, therefore, cannot repay their loans and get out from under high interest costs.

In 5 months time, from the beginning of the fiscal year to the end of February, the FmHA recorded 1,315 voluntary liquidations; 1,315 farmers grew discouraged with their farming and got out in just 5 months time. In the entire year of 1980, only 127 voluntary liquidations were recorded. Some of the increase in the figures is due to a change in the recording system and to the increased volume of loans, but the actual increase in voluntary liquidations is still astounding.

During the same 5 months, the FmHA foreclosed on 543 farmers. In all of 1980 the FmHA foreclosed on only 133 farmers. Again, some of the difference is due to a new recording method, but FmHA statisticians agree there has been a substantial rise in the number of foreclosures.

Farm debt has more than tripled between 1965 and 1980, going from $53.6 billion to $174.5 billion, USDA figures show. It rose to $175 billion in 1981 and is rapidly approaching $200 billion now.

It is said that farmers live poor and die rich. Well, there was a time when land values were rising at or above the rate of inflation and that conclusion could have been supported.

Now farmland values are static and in some cases in decline. The ongressional Research Service reported in 1981 that the real returns to farming in the past decade have been about half in the form of real capital gains on land and equipment rather than crops and livestock.

It is obvious, then, that during this period farmers have not had adequate cash income from livestock and crops to meet all their needs. In order to continue, they have cashed in on the land values by borrowing against the equity in their land. The practice of refinancing and borrowing against the equity in land have come to an end. In 1980, land values failed to keep up with inflation for the first time.

The result is that the huge farm debt built up in the past decade cannot be amortized by the overwhelming majority of farmers at today's farm prices and interest rates.

In the last 2 years high interest rates and low farm income have combined to cause the most severe reduction in farm equity, when adjusted for inflation, since 1940.

The continuing increase in the cost of production and low commodity prices, combined with finally stabilized farm real estate values and high interest rates have lead to a serious deterioration in cash flow in the farm sector.

Agriculture is in the midst of a transition unlike anything we have seen during this last half century. Because it is such a capital intensive economic activity, its vulnerability to today's high interest rates has created a ballooning debt.

If farmland prices begin to tumble under the pressures of the Reagan administration and the economic pressure cooker, the huge debt will drag thousands of farmers down. The interest on farm mortgages today consumes about 19 percent of the income from farm crops.

Donald Wilkinson, Governor of the Farm Credit Administration, calculates that every 1 percent increase in interest rates lowers net farm income by 10 percent.

The Farmers Home Administration has increasingly come to supplant the role of commercial banks in farm lending. FmHA's share of farm debt has increased more than fourfold since 1977. At the same time, small rural banks have stopped financing agricultural production. The financial crunch of low prices and high interest, reinforced by weather-related disasters in many areas, has put an unprecedented number of farmers on the brink of bankruptcy. It is the link of high farm debt and high interest rates which promises to wreck agriculture.

Because interest rates and farm debt are the central core problems facing the farmer, efforts to reduce interest rates must be the central theme of any recovery program. Interest expenses now account for 11 percent of total farm production costs, up from 10 percent last year.

Interest rates, as they continue to push production costs up, also make the holding of inventory more and more expensive. Farmers who could hold their grain off the market in hopes of higher prices later now cannot economically do so because the interest costs which accumulate far exceed any possible appreciation in the value of the crop. The same phenomenon is true for dealers, exporters, and foreign buyers as well. They cannot afford to keep their money tied up in owning or storing grain. As a result their needs are filled on a piecemeal basis and this further depresses prices.

Interest rates are being kept high as a result of the huge deficits, not due to the rate of inflation. Because agriculture is so capital intensive, farmers have no choice but to borrow, whatever the cost, if they are to make a crop. While businesses may have the luxury of borrowing only to finance expansion or acquisition, farmers must borrow to operate on a daily basis and to feed their families. The stark reality is that the FmHA is helping to feed thousands of farm families who may be unable to repay their indebtedness under current conditions.

The New York Times recently made a statement that places the responsibility for economic policy, including monetary policy, were it properly belongs—on the President and not on the Federal Reserve Board. The Times article makes this point:

> During the last half-century there has been no single instance in which the Federal Reserve policy has long been at odds with the wishes of the administration.

Some farmers are under the mistaken impression that the solution to the problem is simple for Congress—legislate lower interest rates and increase farm prices. Interest rates can be affected by congressional action, but the situation now is that Congress is being blocked from dealing with that problem by President Reagan and the Federal Reserve Board.

Legislation may be enacted which will affect farm prices, but those measures must have the total balance of the economic picture in mind.

There are two basic options for Congress to consider in bringing aid to the farmer. One of the two options is two sided. This is the supply/demand issue. Congress can pass legislation that has the effect of reducing supply or increasing demand. The Department of Agriculture has approached the problem from the reduction of supply angle by its call for the voluntary set aside program announced this year.

The other side of the issue is to increase demand and that involves strengthening the export market. It is this approach that the U.S. Government has neglected. The future of agriculture lies in the development of foreign trade. The one most pressing need is stimulating foreign trade is better enforcement of trade agreements on the part of the U.S. State Department and U.S. Department of Agriculture. I will give more attention to this point—which I believe is a major one—later on.

For now, let me return to the second option available to Congress to affect the farm economy situation. That option is to take action to bring down the high interest rates, which are having the single most devastating effect on farm income.

I have introduced a bill that would require the President to meet with the directors of the Federal Reserve Board to develop monetary policy that will bring down the interest rate.

What I am proposing is a beginning point. A change in monetary policy alone will not bring down interest rates. But that action combined with a reduction in the deficit will bring results.

That brings me to the second front of the administration's resistance to efforts to do something about high interest rates. Mr. Reagan, who espoused the balanced budget so eloquently as a candidate, has proposed to give us the biggest deficits ever. His projection at the beginning of the year was that the 1982 deficit would be 91.5 billion. Last week administration officials confirmed it will be more like $180 billion.

In 1984, the year Mr. Reagan was to balance the budget, the administration now says the deficit will be $215 billion. Even those who initially supported Mr. Reagan's economic theories are having second thoughts about the leadership he is offering. The Business Roundtable recently told the President that deficits still matter and that the President's budget leaves deficits so high there is no way to prevent increasing interest rates.

And without interest rates dropping, the Business Roundtable said, there will be no reasonable recovery in the economy before the fourth quarter.

Mr. President, the fourth quarter is too late for farmers and farm communities.

Despite all the voices telling the President to compromise—voices that the President once listened to—he remained inflexible on key budget negotiation items. There was some speculation during the budget discussions that the President was bluffing in order to get as much of his program as he could. He was not bluffing. He was inflexible.

The President did not have a lack of proposals to choose from. The proposals for reducing the deficit have been numerous and each new idea was rejected almost as soon as it was offered.

Last year I proposed to delay the tax cuts until the budget was balanced in H.R. 4523. This year that idea is one of many championed even by Republicans.

When the House was debating the budget in May 1981, I offered an alternative to the Reagan budget. During the debate on the budget, it was clear to me that the President's tax cut plan would produce huge revenue losses leading to record deficits. I proposed a plan to balance the Federal budget after fiscal 1984. My amendment would have enacted the President's proposed tax cut, but would have delayed its effect without increasing spending until the budget was balanced.

The amendment lacked support then. But my theory that the tax cut plan would lead to record deficits was confirmed when the spokesman for the President in discussions with congressional leaders acknowledged that the prospect of projected deficits over the next 3 years are as follows:

	Billion
1983	$182
1984	216
1985	233
Total	631

ESTIMATED BUDGET EFFECTS OF H.R. 4523

[In billions of dollars]

	Fiscal year—				
	1982	1983	1984	1985	1986
Projected outlays	720.0	753.1	[1] 797.1	[1] 844.0	912.0
Projected receipts—current law	654.9	698.1	[1] 748.1	[1] 811.1	859.9
Estimated deficit	−65.1	−55.0	−49.0	32.9	−52.1
Estimated budget effects of H.R. 4523 on the deficit	−65.1	−30.8	+1.9	(2)	(2)

[1] Projected outlays as reflected in 1982 Budget Revisions, OMB, March 1981.

[2] Deficit/surplus projections for fiscal years 1985 and 1986 cannot be estimated due to changed economic assumptions occasioned by the effects of the deferral.

Source: Congressional Budget Office, using OMB projections for outlays and receipts with CBO economic assumptions.

Perhaps the urgency of the situation is not clear to the President. Perhaps Mr. Reagan does not know that projections for farm income are so disheartening that Secretary Block has discontinued publication of them.

Even though Secretary Block has stopped printing the department's monthly farm income forecasts, we know that USDA envisions a substantial drop in farm income.

So what information does President Reagan and Secretary Block offer the farmer? Last month Reagan told farm editors weather will still be a major factor in determining when prices will make a turnaround.

Block has acknowledged that bad weather in the 1982 crop year may be the quickest antidote for farmers facing the fourth consecutive year of falling income.

Some who do not understand the complexities of agribusiness maintain that our farmers overproduce and cause prices for their commodities to go down and are, in essence, the root of their own problem.

The situation is not so simple.

This country's 1981 agricultural trade surplus of roughly $27 billion offset almost half the country's petroleum deficit.

It is not only a moral obligation farmers have to produce food and fiber to export to those countries which do not produce enough for their own population, but it is also an obligation of support for the Nation's economy.

The American economy is in a crisis today which is unprecedented in the post-World War II era. The administration's economic program, dominated by monetarism or high interest rates, has shoved the American farm economy into deep depression and is choking off any prospect of overall economic recovery.

Tight monetary policies here and abroad are weakening many national economies, particularly our own. Weakened economies produce greater political pressure for economic practices damaging to world trade including our critical agricultural trade. There is a danger that the gains of expanded trade and international commerce which many of us in Congress have fought for will be lost to greater protectionism.

There is also a danger that thousands of farmers will be forced into bankruptcy by low farm prices, high interest rates and high debts. While the administration seems vaguely aware of the problem, the economic policies of the President and political decisions made by the Government are making solutions more difficult.

At the same time, the threats to our own export industries are rising, due

largely to increased use of export subsidies by our competitors in Europe and in Japan and by the failure of countries such as Korea to honor commitments to mitigate damage to U.S. farmers. It is critical that we address these threats to our vital agricultural trade sector.

U.S. farm exports have expanded tenfold in value in the past two decades and have doubled in volume. In the 1970's alone, more than one-quarter of a billion people were born and the various nations of the world have increased their efforts to improve the diets of their citizens.

One result of population increases and economic growth around the world has been a dramatic increase in the world's food demands. The farmers of America have been producing to meet that demand. They have captured almost 80 percent of the world's trade in corn, more than 90 percent of the world's trade in soybeans, and more than 40 percent of the world's trade in wheat, and 25 percent of the world's trade in rice. U.S. farm exports rose in value from under $10 billion to more than $40 billion between 1970 and 1980 (USDA/FAS, the U.S. Agricultural Trade Book).

Nonetheless, our farmers who depend so heavily on exports to produce the price levels adequate to allow them to continue face the hostile action of foreign competitors, foreign governments, and in too many cases, the damaging actions of their own government. The result is that today, the farm economy is threatened by a disaster which is largely the product of governmental policies, not of the farmer's making.

I see the farmer's problems vis a vis international trade as follows:

One, our allies and trading partners often depart from the commitments they have made to the United States, in effect discriminating against U.S. producers and exporters and costing them millions of dollars annually.

Two, the U.S. Government, or at least departments within the Government, often fail to recognize the need to protect our farmers by demanding strict adherence to the rules and obligations of international trade.

These factors, plus the administration's program of high interest rates, which make our exports more expensive, due to the overvaluation of the dollar in foreign exchange, are basic underlying causes of the farm malaise. Vigorous defense of the agricultural trade interests of Americans and more realistic economic policies to lower interest rates are essential. The administration's program is failing on all accounts.

Another concern I have is that, despite the farmer's success in investing and producing for world markets, the rest of the American economy has not. The result for a decade has been continuing trade deficits which measure the difference between what we sell and what we buy. These deficits have increased so dramatically to a point that deficits of trade up to $30 billion annually have become commonplace and apparently acceptable.

Deficits of trade, like budget deficits, accumulate and have serious economic effects that our people have experienced in the form of inflation. They also measure the transfer of wealth from the United States to other countries, thus contributing to the relative decline in our standard of living. We have not taken measures to reduce the deficits and we are now paying the price.

Inflation factors into both production and consumption in ways that the economists do not fully understand. This explains part of the difficulty that governments have in controlling the money supply and containing inflation without creating a massive recession, as we now have.

For instance, in the farm economy, inflation has continually eroded the benefits of expanded agricultural production continually driving production costs up faster than farm gate prices paid to farmers. I draw your attention to this graph which shows the widening gap between prices paid and prices received by the farmer. Now that this condition has been linked to the monitaristic policies of the current administration, as it has for almost 2 years, the combination has been deadly for agriculture.

The resulting structure of farm debt which has accumulated, pushed ever higher by low prices and high production costs, can be broken by larger exports of the farm surpluses now accumulating and by aggressive measures on the part of the Government to protect U.S. agricultural trade interests. Instead, the administration has chosen to break farmers through high interest rates.

The success of U.S. export efforts depends in large part on the United States and its allies maintaining the integrity of international trade agreements both multilateral and bilateral. I refer to such agreements as the General Agreement on Tariffs and Trade (GATT), the subsidies code negotiated in the Tokyo round of multilateral trade negotiations, the bilateral trade agreements we have with the U.S.S.R. and China, and special commitments to mitigate damage to U.S. farmers, such as the Korean commitment to purchase 1981 crop U.S. rice. I will return to these in a few minutes.

The major implications of the situation are clear. For our economy to prosper we must do a better job at foreign trade in order to maintain our market shares and prevent the contraction of world trade due to the world recession and foreign protectionism. Our Government must adopt and pursue policies which help, rather than harm, the farmer. U.S. agriculture is one industry which has done a good job and has produced a positive trade balance for the past decade. Our agricultural exports have surged dramatically since 1970 and reached a total of 163 million tons in 1981 worth $43 billion (USDA/FAS). U.S. farm exports have now captured a commanding share of world trade in certain key commodities, particularly corn, wheat, rice, and soybeans.

Farm exports are expected to drop to $42 billion in dollar value this year from the $43 billion in 1981.

We cannot be complacent about this. Even as U.S. farm exports have increased, our overall trade picture has remained bleak. The cumulative effect of trade deficits during the past 10 years has been extremely destructive to our economy and has been felt by the public in the form of inflation. The U.S. merchandise trade deficit, calculated on a balance of payments basis, was almost $26 billion in 1980 and almost $28 billion in 1981. Comparable trade deficits are projected for 1982. Cumulative trade deficits in the last 5 years are equivalent in size to the projected Federal deficit for fiscal year 1983. Add to this the projected end of the growth for agricultural exports and I think you will see the magnitude of the problem.

Our trading partners have not been inactive during this period. They have clearly outpaced us in industrial trade and they are aggressively challenging our agricultural trade predominance. We cannot rest on the achievements of the past or assume that our competitors will stand still. The tremendous investments by farmers, agribusinessmen and exporters in expanding to serve a world market will require more vigorous action by the Government of the United States in the face of unfair trade practices by our competitors which threaten those investments.

More must be done to insure that we protect our farm products from unfair trade practices by our competitors. Recent administrations, including this one have been remiss in this regard. Some of the current trade disputes involving agriculture dramatically indicate this.

The common agricultural policy (CAP) has been in existence throughout the 25-year history of the EEC. However, it has never been more burdensome than now for those who must pay for the distortions of trade it produces. Nor has it ever been more threatening to the future growth of agricultural exports by the United

States than now. The primary reason for the renewed threat from the EEC is the huge surplus of various agricultural commodities which has been built up by the high price supports of the CAP. We must challenge the increasing use of export subsidies by the EEC to move those surpluses into third country markets to the disadvantage of U.S. exports. In particular, U.S. exports of wheat, wheat flour, and frozen poultry are now threatened by the aggressive use of export subsidies by the EC. As those subsidized exports have crowded American suppliers out of our traditional markets, ever larger surpluses have built up in the United States, depressing prices even more here. EC export subsidies on wheat and flour sales have cost U.S. wheat producers at least 50 cents per bushel, which has added $400 million to the cost of the wheat price support program (New York Times, March 28, 1982, "U.S. and European Farmers at War Again").

The administration has stated its determination to challenge EC export subsidies through the procedures of GATT, the General Agreement on Tariffs and Trade.

I appreciate the administration's apparent conviction, which has been stated on numerous occasions by Ambassador Brock and Secretary Block, but more vigorous action must be taken. Mechanisms exist which can and should be used, including the GATT subsidies code which was negotiated as part of the Tokyo round of trade talks in 1979.

The administration should vigorously push complaints which have been filed against the EC by the U.S. flour and poultry industries under section 301 of the Trade Act of 1974. These complaints, now under study by the U.S. Trade Representative, clearly indicate that the United States has lost market shares to EC export subsidy practices.

If these measures using traditional GATT procedures prove to be unsatisfactory the United States must consider the tactic of fighting fire with fire. We have not used export subsidies for a decade or more, but the 1981 farm bill does authorize export subsidies to counter dumping of subsidized agricultural commodities by our competitors. Of course, this would be an expensive countermeasure and should be considered only as a last resort. However, the administration should not shrink from retaliation if all else fails. The gravity of the threat from growing exports by the EC, using subsidies, requires that we not exclude any available weapon.

Congress already has before it other legislative remedies that deserve serious consideration as a means of establishing reciprocity in trade where it is currently lacking.

U.S. newspapers reported a couple of weekends ago that Japanese farmers protested Vice President Bush's arrival in Japan and the demands by the United States for greater access to Japanese markets. Conversely, our American farmers have been particularly quiet, despite the widespread use of unfair trade practices by the Japanese against U.S. agricultural interests, particularly in view of the harm done to one group—the U.S. rice farmer. The American rice farmer has suffered. The American rice farmer has paid the price for the failure of the U.S. Government to insist that our trade partners meet their commitments.

In view of our major trade imbalance with Japan and in view of the serious damage done by the Japanese to the U.S. rice industry, I am not at all sympathetic to the complaints of Japanese farmers. The stalling tactics of the Japanese against greater access for U.S. citrus, beef, tobacco, plywood, are totally unsatisfactory.

In fact, there are 22 quotas on various agricultural imports in Japan. These effectively protect Japanese farmers from foreign competition. These quotas, combined with absurdly high price supports, produce conditions that have led to vast overproduction of rice in Japan.

Let me briefly describe what Japan and Korea have done to the U.S. rice industry and to U.S. rice farmers, many of whom are my constituents.

Japan supports its rice farmers at prices four to five times higher than the world market price. In 1979, Japanese rice farmers were paid $1,500 per ton for rice that sold on the world market for $300 to $400 per ton. The result was that there was a 7-million-metric-ton surplus of rice on hand in Japan by 1979.

When Japan began a program in 1979 to reduce this surplus by dumping it into world markets at subsidized prices, Korea turned to Japan for rice. Korea had historically been a market for U.S. rice exports, beginning with Public Law 480 and eventually evolving into a commercial market. U.S. taxpayers and U.S. rice farmers had invested billions of dollars in producing rice and in making it available to Korea over the years.

Yet, these two good friends and allies got together on the sale and purchase of up to 2 million tons of subsidized rice for delivery in 1981 and 1982, displacing an equal amount of American rice that could have gone to Korea.

The result has been a disaster of immense consequences for the U.S. rice industry. There is enough blame to go around among the three countries involved, Japan for producing the rice and dumping it, Korea for purchasing it and for delaying in purchasing 500,000 tons of U.S. rice from the 1981 crop as partial mitigation for the damage, and the U.S. Government for acquiescing in the sale of the rice to Korea, despite the GATT subsidies code and the obligation to protect U.S. interests.

The situation was the subject of recent hearings before the Agriculture Committee's Subcommittee on Cotton, Rice and Sugar. I also raised this issue with Secretary Haig when he appeared before the Appropriations Subcommittee on State, Justice, and Commerce. I would like to include correspondence regarding this issue in the RECORD.

The bottom line for our rice producers is that they have lost at least $400 million on the 1981 crop production. Korea still has not bought all of the 500,000 tons of rice and the marketing year ends in July. The U.S. Treasury has paid out $22 million in deficiency payments on the 1981 crop and faces the prospect of paying out $100 million on the 1982 crop.

All of this could have been avoided by more vigorous defense of rice farmers by the U.S. Government, particularly the State Department.

Let me quote from a letter sent by Don Tilton, a constituent of mine who is a farmer:

> While the government is typically the last place a farmer wants to turn to for help, they are precisely the culprits who created these contracts and commitments between producers, governments and world markets. They've stimulated and nurtured this thing for their own internal political gain. Now it's time for them to respond to the concerns of their producers at home and hold up their end of this contract.

I have always believed the good Lord helps those who help themselves. It is ridiculous to await bad weather, as Mr. Reagan and Mr. Block are content to do, to correct some of the problems facing the farmer.

This administration is asking us to let the livelihood of our farmers—and our farm communities—hang in the balance of the weather. "When Farmers are Hurting, Small Towns Feel the Pain," was a recent headline in the New York Times. It illustrates how pervasive the current farm economy problem is.

The article follows:

[From the New York Times, Apr. 11, 1982]

WHEN FARMERS ARE HURTING, SMALL TOWNS FEEL THE PAIN

(By Seth S. King)

JEFFERSON, IOWA.—As the farmers in Greene County go, so goes the town of Jefferson. And as the agricultural recession deepens, so does the gloom in this once-prosperous central Iowa community that sits among some of the most productive land in the world.

Carbon copies of Jefferson (population 5,000) may be found in every farm state in the union. There is the familiar courthouse in the central square surrounded by small businesses, the primary retail outlets for the county. There are two full-service banks, farm implement and automobile dealers, a seed and fertilizer dealer, and six small industries, five of which make farm equipment and supplies and are thus dependent on the farmers.

A BUMPER CROP OF DEBTS

After last summer's wheat and corn crops broke all records, grain storage facilities all over the Middle West and South filled up. Exports, which make the difference between profit and loss for grain farmers, have lagged and farm prices for everything except hogs have been sliding downward for the past eight months.

With interest rate still at painful levels, Greene County's farmers are deeply in debt and having difficulty borrowing anything more. They are buying only what they must have to live and plant another crop, and the small businesses that supply them are feeling the recession even more than are many of their farmers.

The numbers for Jefferson and Greene County illustrate that squeeze. Today, the dollar value of the county's corn and soybeans is about $13.8 million less that it was at this time last year. This means that the 12,000 or so people who live in the county and shop in Jefferson each have $1,150 less to spend.

In normally bustling times about 450 workers have been carried on the payrolls of Jefferson's small plants. Since Mid-December the total has been only 250. The unemployment insurance rolls for Greene County have increased by 147 percent over a year ago.

The story is much the same in farm communities throughout the country. In Moultrie, Ga., for instance, the gross from local business activity has dropped 10 percent in a year and so far only one new tractor had been sold to a farmer in Colquitt County this spring. In the largely rural Seventh Congressional District of northwest Minnesota, the unemployment rate was higher than the national rate (currently 9 percent) for the first time since the end of World War II.

In Hutchinson, Kan., a larger wheat and feed grain processing center, the Cessna Fluid Power Division, a unit of the Cessna Aircraft Company that makes hydraulic parts for farm machinery, has had to furlough 1,400 workers from its normal work force of 2,800. A recent survey by The Des Moines Register and Tribune showed that during the past 12 months one out of every five households in this state had been struck by unemployment.

SKID-PROOF NO MORE

Although there are no special designations for farm trading centers, their merchants would be included among the 26,800 businesses that Dunn and Bradstreet expects will fail during 1982, the highest number since the late days of the 1960–61 recession, when 17,075 went under. Kansas has suffered the largest increase in business failures, up 92 percent from last year.

Such troubled times are unfamiliar to most of these communities. During the last deep recession in 1974 and 1975, industrial areas of the nation suffered most of all. Grain exports were at record high levels and wheat and corn sold for twice today's prices; there was no recession down on the farm.

"Until this winter, we thought we were recession-proof," said Roger Rinderknecht, president of Jefferson's Brinton State Bank, "We're finding out today that we aren't. Only two small enterprises in Jefferson have actually closed shop. But since the beginning of winter the local banks have had to call in five farmer loans. Mr. Rinderknecht noted that this was only a small fraction of the total number of farms in Greene County. But he said there were many other farms where the debt against the land was more than $1,500 an acre.

"That's really something to worry about," he said "There is nothing we can see to indicate any big improvement in grain prices. We're having to charge even our best customers 17.5 to 18 percent interest. That means a lot of farmers are on mighty thin edges."

In addition to contributing to the slowdown in farmer buying, high interest rates were also hurting small merchants, most of whom must take out short-term loans to maintain their inventories.

Sales volume at Durlam and Durlam Clothiers, Jefferson's largest, has been almost as high as before, though farmer customers were buying about a third less than usual, David Durlam, the manager, said.

"Our biggest problem is the cost of doing business," he added. "We not only have to pay those high interest rates, but we've had the worst winter that I can ever remember. Our utility bills have more than doubled."

Jefferson's businessmen aren't sure about whom to blame. This has been Ronald Reagan country, and many Jeffersonians would prefer not to fault him. They know that the sharp drop in farm prices was caused by phenomenally large crops and a drop in exports. Like the leading economists, they can't agree on what is holding up the interest rates, and most of them are frightened at the prospects of massive Federal deficits.

But most disturbing of all, said Doug McDermott, president of the Home State Bank, was the prospect of no improvement in small-town economies for at least a year and maybe longer. "With as much grain as we've got in these elevators there's not much chance of the kind of rise in farm prices we need," he said. "And so much of the money in banks in this area is tied up in high interest certificates of deposits that we can't see the interest rates falling very far any time soon in the farm areas, even if they drop some in the city banks.

Although there are not special designations for farm trading centers, their merchants would be among the 28,600 businesses that Dun & Bradstreet expect will fail in 1982, the highest number of such business failures since the 1960–61 recession.

Mr. Reagan and Mr. Block are telling these people to—look to the weather for relief.

There are few Members in this Congress that understand the plight of the farmer more than our distinguished majority leader from Texas, who represents farmers in that great State, and whose concern for the plight of the farmer has been demonstrated time and time again as he has debated the issues and represented their interests in the U.S. Congress. I see that he stands now and seeks recognition in order to address this important issue, and I yield to the distinguished majority leader, the gentleman from Texas (Mr. WRIGHT).

Mr. WRIGHT. Mr. Speaker, I commend the distinguished gentleman from Arkansas, the deputy whip, for his vision in having taken this special order in order tc call attention to the plight of America's farmers.

The situation of America's farms is a crisis. While some of us represent essentially city districts, the well-being of our constituents is inseparable from that of American agriculture. William Jennings Bryan once said:

> If you were to destroy the cities and leave the farms, the cities would spring up again like new. But, destroy the farms, and grass will grow in the streets of every city in America.

Those who have talked with me, and their numbers are legion, representing the farm community of my own and other States, tell me that they cannot remember a time since the depths of the Great Depression when the farmers' plight was a more desperate one. Caught in a vise between low crop prices and insufferably high interest rates, many farmers have reached the point where they are just inches away from having their homes and their farms foreclosed. In fact, we have had a greater rate of foreclosures in these last few weeks than this country has suffered at any time since the Great Depression.

Many farmers have come to me to tell me that they live on land which, for a couple of generations, has been debt free until the last 2 or 3 years. Now, it is mortgaged to the hilt.

In addition to the problems described by the gentleman from Arkansas, this year for the first time in a great many, land prices themselves have failed to keep pace with the cost of money. The farmer who has been borrowing against the hope of a good year, no longer is able to do that in many cases. The local banker who has been accepting the escalation in land values as justification for extending credit to that smitten farm family now has reached a point where he can no longer justify it. I am told that the Farmers Home Administration administrators have been told to foreclose on a great many farm loans.

Each time that happens, each time a farm gate swings closed on rusty hinges, another family goes out to join the swelling ranks of unemployed in this country, and by that little degree the dream of the family farm in this country suffers another death. And so, I associate myself with the remarks of my friend from Arkansas, the distinguished deputy whip of the House. He deserves our commendation for the leadership he demonstrates in bringing to our attention the truly desperate plight of the American farmer, particularly the family farmer. We must seek all ways possible in which we can arrest this crisis before its proportions become irreversible.

Mr. ALEXANDER. I thank the majority leader, and I yield now to the distinguished gentleman from Massachusetts (Mr. O'NEILL), the Speaker of the House.

Mr. O'NEILL. Mr. Speaker, I thank the gentleman.

I want to congratulate Mr. ALEXANDER and those who are concerned with this special order today. There has not been anything like the plight of the American farmer since the Great Depression.

I represent Boston and the urban Boston area. A few years ago, I went to South Dakota for 5 days and I took one of my sons with me. The urban Congressman visits the farm. We stayed in a different farmhouse every night. We came to appreciate the trials, the problems and hard work the farmer faces every day—up before daybreak and working until after sundown—and all he has at the end, for the most part, is the equity in his land.

I doubt if America truly appreciates the family farmer. JIM WRIGHT was speaking about statements that have been made concerning the farmer. I can recall 30 years ago, when I first came to Congress, in a debate on agricultural matters, John McCormick said, "As goes the economy of the American farmer, so goes the economy of America."

I looked into the statement. Massachusetts is a great candy manufacturing State, and about 50 percent of the candy that was manufactured in Massachusetts went on to the farmlands and to the farmers in America. We are great rope manufacturers. I found that next to the trucker, the farmer uses more rope than any other group. We produce wire and I found that the farmer uses more of our product of wire than any other group. And so this section of the Nation does impact fundamentally on the economy of the rest of the Nation.

My heart goes out to the farmer.

I thank the gentleman. I hope we can work together here in the Congress to respond to their plight.

Mr. ALEXANDER. I thank the gentleman from Massachusetts.

Mr. Speaker, I yield to the gentleman from Texas (Mr. DE LA GARZA), chairman of the House Agriculture Committee.

Mr. DE LA GARZA. Mr. Speaker, I thank the gentleman from Arkansas and congratulate him for his effort in organizing this session this afternoon, and all of the other Members who will address this very critical issue in our country. I specifically wish to commend and thank very much the Speaker for his interest; the majority leader for his interest in assisting us and trying to bring the plight of rural America to the attention which it merits at this time.

I want to be brief, Mr. Speaker, but I do want to say at the outset that we may disagree on the number of things in this House, but I think there is one point on which all of us, regardless of party, can agree; many farmers are in trouble today.

Mr. Speaker, we, the American people, are the best fed people in the world. We, the American people, get all of what we consume at the table at home, for less of our disposable income than is spent by any other people in the world, perhaps in the history of the world. Perhaps the one exception would be a very small subsist- ance area.

We provide this great service, Mr. Speaker, for two reasons: One, is that our farmers have the capability, the technical capability, and the personal resistance to withstand failure and loss and acts of God and interference from government—and to doggedly go on and produce. The world is not buying our manufactured goods. It is not buying our calculators or radios or televisions or cars. People abroad are buying primarily what we produce on farms. That is the only area in which we, the great, powerful United States of America, now compete with other nations in the world—only in what that farmer produces.

I know that people out there in urban America have problems of income specifically at this time, but those problems are compounded for the farmer many times when you, the people of the United States, buy in the supermarkets or in the grocery stores something which the newspaper advertises as a bargain for you today.

You do that without realizing many times that the bargain which allows you to feed your family for less of your disposable income than almost any other people in the world, is because the farmer sold it for less than it cost him to produce it.

So when they talk about subsidies, the biggest provider of subsidies for the American people is the American farmer who produces and delivers to the marketplace, many times below the cost of production.

Many of these farmers, as I said, are in trouble today.

This does not mean that all farmers are going broke. There have been some welcome trends in some areas. For example, the price of hogs and cattle today is up from the depressed levels of the past, and I am glad to see that some producers are finally reporting profits again. In my own home district, we have many fine, efficient producers of fruits and vegetables—and while they have been hit by high interest rates and rising costs, they have not suffered as much from the continuing price depression which has hit grains and some other products.

Even in the depressed segments of agriculture, there are some farmers who bought their land before the explosion of recent years in land and interest costs and production costs—and these farmers are not suffering as much as many others.

But for a great many farmers, in many parts of the country, the last 2 years have been disasters, and the best forecasts we can get indicate that this year may be worse.

According to USDA estimates, net farm income—figured without inventory adjustment—was $27.4 billion in 1979. Preliminary estimates indicate the figure was down to $21.9 billion in 1980 and down again to about $19 billion in 1981.

As far as 1982 is concerned, I cannot tell you anything official. As many Members know, the Agriculture Department has eliminated the preliminary income forecasts which it normally makes at this time of the year. The Department tells us that information available at this point in the year is too sketchy and subject to change to permit a sound projection. So there will be no 1982 forecast from the USDA until September.

Unofficially, however, experts at the USDA are predicting that net farm income this year will be down to somewhere between $14 and $18 billion. One respected private economic forecasting service, Chase Econometrics, is predicting a net income level of $15.5 billion for this year.

The seriousness of the decline in farm income is made more apparent when these estimates are adjusted for inflation. In constant (1967) dollars, realized net farm income fell to $6.3 billion in 1981, compared with $11 billion in 1979 and an average of $10.2 billion in the 3 years prior to 1981. Based on unofficial USDA estimates, 1982 net farm income in constant dollars would range between $5 and $6 billion.

The adjusted figures for 1981 and 1982 represent the lowest level of net farm income in constant dollars since 1932. They are $1 to $2 billion lower than the estimate for farm income in 1977, the last major crisis year for agriculture.

The farm income situation in 1977 and 1978 was serious enough to encourge thousands of farmers to descend on Washington, D.C., in tractorcades. By all accounts, the crisis affecting agriculture in some areas is even more serious today.

As far as USDA is concerned, all they will say on the record about 1982 is that things look bad. Here is the statement which the USDA has just published in the April issue of its Agricultural Outlook summary:

> Farmers' net cash income will likely remain at a reduced level for the third consecutive year. With gains in cash receipts being drained away by increasing cash expenses in the past few years, farmers have had to adjust to declining net cash incomes. They have taken on more debt and delayed purchases of capital items. This slowdown has also hurt farm machinery dealers and manufacturers, and other input suppliers.

I am sorry that we have to look to economists outside the Government for estimates on what is happening in American agriculture. We have all heard charges that while USDA says it cut out farm income forecasts because information at this time of year is too uncertain, the real reason is that USDA does not want to publicize some very discouraging figures.

Maybe it is time to get at the facts in this matter. Last week, I joined Mr. SIMON of Illinois in introducing H.R. 6177, a bill which would require the USDA to return to its traditional practice of publishing farm income estimates on a monthly basis.

We intend to hold hearings on this bill in the Committee on Agriculture as soon as practical. The USDA can give us their explanation, in detail, for abandoning farm income forecasts and we can hear from independent experts and others who are qualified to talk about the problems of making and using farm income forecasts. That way, we can lay out all the facts and make an informed decision on whether to direct the USDA to restore the traditional forecasts.

There is no disagreement, as I said, that 1982 will be a year of economic stress for many American farmers. If we can agree on that, I think we should be able to agree that we should be doing everything practical to help farmers pull themselves out of the economic ditch. That includes doing something about an export credit revolving fund, which this Congress authorized but which the administration will not yet help us to fund.

Action on farm exports is important to American farmers because prices for many of our major commodities are tied closely to conditions in export markets. More than 1 out of every 4 acres of corn we plant is grown for the overseas market. More than 1 out of every 2 acres of wheat, soybeans, cotton, and rice is produced for export. What that means is that we need a strong overseas market if we expect American farmers to get decent returns on high-volume production. And the export market this year has been lagging for several reasons.

One problem is that with American supplies as big as they are, many of our foreign customers are buying on a hand-to-mouth basis. They are letting the United States carry their inventories for them.

Another problem is the fact that the dollar has strengthened this year in relation to many foreign currencies. As a result, every bushel of wheat, corn, or soybeans becomes more expensive to the foreign buyer—even without any price change in dollars. And with the whole world economy sluggish, the effect of what amounts to higher costs for importers has been to take another bite out of our prospective sales.

The net result is that USDA is forecasting that the value of farm exports may decline slightly this year. Even with a small decline, our export business is a tremendous asset to agriculture and the national economy. But any decline under today's conditions in agriculture is bad news for farm income.

Now I want to touch briefly on another set of problems which are of great importance to agriculture.

Today's economic problems are serious. But they are not the only issues that concern American agriculture and its future.

We do not see many screaming headlines about the problems of science and regulation. Partly this is because the news media tends to report the things that happen—and in the field of science and regulation, the real problem too often is something that does not happen.

If a combination of redtape and excess regulation discourages the development and marketing of some useful new animal health product, it is usually not news. No television crew is going to take pictures of a product that is not being made and used. But the lack of that new product may be more important than a lot of things that do happen. It may be responsible for keeping production costs higher than they need to be, and it may be responsible for keeping food supplies more expensive than they need to be.

In recent years this problem has been creeping up on American agriculture. The reasons are not hard to find. The Government, and in some cases the Congress, has been concentrating during recent years on safety—and there is nothing wrong with that. Nobody wants to run unnecessary risks with the health of the American public. But somehow, in the concentration on safety, we seem to have forgotten that we must also have some balance. We must somehow make it possible for researchers to develop and bring into use the products we need to keep agriculture growing.

Let me give you one example. Last year, I am told, 15 new animal health products were approved in Great Britain—a country which also puts great stress on protecting health. Do you know how many new animal health products were approved last year in this country for livestock use? The answer is: Just one.

What is happening in the animal health field is also a matter of concern in other areas.

There is no simple and easy answer to these problems. We must continue to make sure that we do not permit any needless danger to public health. But within that framework, we should be looking for effective ways to bring scientific judgment and modern technology to bear in our regulatory programs. We should keep in mind that Government policy should not only promote safety—it should also promote efforts to bring our people an expanding supply of food at a reasonable cost.

Also, Mr. Speaker, we should remember that research in all of the areas of agriculture is one of the most important of all the responsibilities facing our Government, our land grant universities, and the many other public and private research agencies.

We know that population here and around the world is going to continue to grow in the years and decades ahead. We know that this will force us to find better ways to produce more food without destroying our natural resource base. These are, in the long run, questions of life and death. The only place these questions can be answered is in the scientific laboratory and the agricultural experiment station. No matter what else we do in farm policy, we must maintain an effective research program.

In conclusion, Mr. Speaker, let me say that no situation has cried out for our attention since the Great Depression as much as the plight of rural America.

We cannot, we must not, fail our people.

Mr. Speaker, I very respectfully disagree with those who insist that there is a free market for agricultural products. There is not. The closest thing to a free market existed up to 1929 and it was this which led to bringing down farmers—and with them the entire Nation—into depression.

Mr. Speaker, this could happen again, and even though the number of farmers is now small in comparison to the total population, it is estimated that at least 30 to 35 million people would be brought down if we have an economic collapse of our farm sector. Can the Nation, can the world, sustain such a loss? I submit to you that we cannot. Those of us who speak here today do so because we sincerely think that our actions can prevent this eventual disaster.

I do not know what we can do. We still have to address the issues, but certainly we cannot as a responsible Congress sit here and do nothing except to say that "things will be better, the marketplace will respond." That is a fallacy which was proven wrong in the crash of 1929. We cannot stand by and say that things will be right. A few farmers who have withstood that blow will hang in there, but there are those who need our assistance.

Mr. Speaker, it is for that reason that I join with the gentleman from Arkansas (Mr. ALEXANDER) and with others who will be here today. We cannot and we must not fail rural

America when it needs us the most, and that is now.

Mr. Speaker, I thank the gentleman for yielding.

Mr. ALEXANDER. Mr. Speaker. I thank the gentleman from Texas (Mr. DE LA GARZA) for his contribution.

● **Mr JONES** of Tennessee. Mr. Speaker, U.S. agriculture is in a highly depressed state and this is especially true in my home State of Tennessee. The latest USDA statistics paint a very grim picture. Estimated net farm income in this country in 1980 was about $20 billion. USDA's preliminary estimate for 1981 is $23 billion, but that small increase is extremely deceptive because it was due to an inventory buildup. On a cash basis, net farm income actually fell between 1980 and 1981. In short, the farm earnings picture for 1980 and 1981 was extremely depressed—in real terms, the lowest since the Great Depression. Sadly, there is no realistic prospect for an agricultural recovery in 1982. Indeed, many people are now forecasting net farm income to dip below $14 billion this year. If it does, today's farm crisis will become tomorrow's farm nightmare.

In my own State of Tennessee, net farm income declined by 75 percent from 1979 to 1980, from $373 million to $93 million. Although crop yields recovered in 1981, prices declined such that gross farm income fell slightly, while production expenses continued on a steep upward spiral.

Tennessee's most important farm products are soybeans and cattle. Tennessee farmers received an average price of $7.88 per bushel for their 1980 soybean crop. At the end of 1981, soybeans were selling for only $6.08 per bushel. Our farmers sold beef cattle in 1980 for an average price of $52 per hundredweight. Last month, they were receiving just over $45 per hundredweight.

While prices received for farm products are dropping, the American farmer's cost of production continues to increase at a startling pace. Especially dramatic is the rise in the farmer's cost of credit, which now constitutes 13 percent of his total production costs. Country bankers in January 1974 charged about 12 percent in interest for production loans; 7 years later, it was 17 percent, an increase of 42 percent. Interest rates charged by the institutions of the cooperative farm credit system have also increased. Interest rates charged by Federal land banks in the fourth farm credit district, which comprises the States of Tennessee, Kentucky, Ohio, and Indiana, increased from 9 percent in December 1975 to 11.75 percent in December 1981. While still below the rates charged by commercial banks, current land bank rates are now 30.6 percent higher than they were 7 years ago.

Accompanying this rise in interest rates is the increase in the amount of total farm debt. Total farm debt grew by an estimated $20 billion during 1981, to $194.7 billion, an increase of 11.5 percent for the year. If the pace of new debt assumption is maintained, total farm debt outstanding will exceed $200 billion this year. This is a dramatic increase in total farm debt. As recently as January 1, 1976, total farm debt was approximately $90 billion. So American farmers are now paying substantially more in interest to pay off an increasing amount of farm debt.

It is sometimes said that, while farm debt has increased in recent years, agriculture's aggregate debt-to-asset ratio is only 17 percent, which is low when compared to other industries. Unfortunately, this 17-percent figure does not provide a true indication of the state many farmers find themselves in today. The ratio of total debt-to-farm income this year will probably exceed 13 to 1, compared to a ratio of less than 3 to 1 in 1973. What is more, the debt-to-asset ratio of the 500,000 to 600,000 commercial farmers with annual sales in excess of $40,000 is estimated to be almost double that of agriculture as a whole; and many commercial farmers have debt-to-asset ratios that are quadruple the national average.

The severe economic stress being experienced by U.S. farmers today is starting to show up more and more in the credit quality of the American agricultural lending institutions. Take, for example, the credit quality of the cooperative farm credit system. These institutions are well known in the financial community for maintaining credit quality at an exceptionally high level. Today, the overall credit quality of farm credit institutions remains good, but there are significant signs of deterioration. In the production credit system, there has been a steady and significant deterioration in credit quality since 1979. From 1979 to 1981, the amount of problem PCA loans increased from about $1.7 billion to nearly $3 billion. The amount of vulnerable loans jumped from $68 to $178 million in the same period, and the amount of loss loans more than tripled from $29 million to $95 million. In the fourth farm credit district alone, the amount of loss loans increased during the 3-year period from $14.5 million to $44.7 million. Unless there is an unexpected and major improvement in economic conditions, there will be an unprecedented increase in problem, vulnerable, and loss loans this year and an even more dramatic increase in 1983.

During this session of Congress, my Agriculture Subcommittee on Conservation, Credit, and Rural Development held 4 days of oversight hearings during which we heard from USDA officials and literally dozens of agricultural producers and agribusinessmen about the lending and servicing policies of the Farmers Home Administration. These hearings have been extremely useful in helping to understand the problems now facing the borrowers in FmHA's loan programs as the number of delinquencies and foreclosures have grown to shocking proportions in the past year.

By the same token, I believe our hearings have gone a long way toward a better understanding of the difficult problems facing the Farmers Home Administration as it has seen the quality of its credit portfolio deteriorate over the past couple of years. While I believe the subcommittee's hearings have contributed greatly to dispelling some of the worst horror stories about the actions of the FmHA, we have also uncovered several disturbing new policies in this administration which would seem to indicate that the agency is not employing all its best efforts to work with all its borrowers to find roads out of this difficult period.

To me, one of the most disturbing elements of President Reagan's new budget request is the apparent lack of any acknowledgment that a crisis truly exists in American agriculture today. For example, when you look at the budget request for the agricultural credit insurance fund, you will find that the 1983 request is less than one-half of the actual loan obligations in 1981. This is largely due to two factors: The 1983 budget calls for a cap on the authorization for natural disaster loans, and it does not provide for an extension of the economic emergency loan program. It is beyond me to understand how anyone can propose a reduction in FmHA loan authority of more than 50 percent over the past 2 years when it should be apparent to everybody that our credit situation is measurably worse today than in 1981.

What can be done in this time of crisis for American agriculture? The private and public sector can play important roles by continuing to provide service to their borrowers. If the borrower experiencing stress is a good manager of a fundamentally sound operation, the lender should be prepared to go the extra mile and display forbearance in dealing with him. This is especially true of the farm credit system, which has a long and proud history of service to American agriculture. My plea is that the farm credit system should continue to go the extra mile in dealing with its farmer members. In the past, PCA's and FLB's have stood by farmers so long as there was a reasonable chance of recovery from distressed circumstances. It is of crucial importance that these cooperative lending institutions, and all other commercial lenders, as well as the

Farmers Home Administration, use all the tools available to assist producers who are experiencing temporary difficulties. All lenders committed to American agriculture must employ prudent forbearance in these troubled times.

Mr. Speaker, the American family farmer is today facing the worst economic situation in recent history. Net farm income has dropped drastically, and is reaching the levels that farmers faced during the Great Depression.

Many farmers are unable to obtain operating loans, or any other kind of credit; nor have they been able to pay off last year's debts. Many farmers have already gone broke, or are about to go broke.

I did not support the 1981 farm bill because it was a woefully inadequate bill which will not protect our Nation's farmers against farm disasters. What we need is an emergency farm program, and we need it now.

One of the brighter spots in recent years has been the enactment of the Federal Crop Insurance Act of 1980. In my opinion, this is one of our better programs for disaster protection for our Nation's farmers.

However, I will reject any attempts to make the crop insurance program a cure-all for all that is lacking in the present administration's farm program. The crop insurance program may be an adequate substitute for the disaster payments program, but it is not an adequate substitute for all of the excellent farm programs that have been enacted since the Great Depression. Crop insurance is a workable program for the protection of our Nation's farmers against droughts, hail, and other natural disasters.

I know there are many problems with the crop insurance program. The premiums are too high, and the yields are too low for some farmers to get adequate coverage. Moreover, in the current depressed state of the farm economy, many farmers cannot afford to pay any premium for crop insurance.

While many farmers cannot afford it, they should have some kind of crop insurance policy. The simple fact is, most farmers cannot afford a drought or hail loss. Even with a good crop, farmers lose money because of low commodity prices. An uninsured drought loss would put many farmers out of business. The crop insurance policy can be used as loan collateral. This feature alone can help justify otherwise difficult credit requests. If the farmer carries multiperil crop insurance equal to outstanding short-term debts, crop losses would not prevent repayment of the loan.

While the portion of the premium that the farmer must pay is high in some parts of the country, that premium has about a 30-percent Federal subsidy built in. In addition, the entire portion the farmer pays is deductible for tax purposes. Crop insurance can help to give year-to-year income stability that most farmers want and need. And, the multiperil crop insurance program can help to return some predictability to farming.

I am aware that the private insurance sector did not get geared-up as fast as it could have to play its role in delivering the program in 1981. This was due to several factors, not the least of which was change in administration which came almost immediately after the passage of the 1980 act. Naturally, there were new policies to be initiated by the new officials in charge of the program, and there was a settling-in period before the various delivery systems were fully on track.

Further uncertainty has been created by the recent reorganization and change in personnel at the Federal Crop Insurance Corporation. I hope these changes prove to be good ones. I am willing to support the administration as long as it demonstrates that it will make the program work for farmers. I believe the Federal Crop Insurance Corporation deserves a chance to get this program online. But I will resist any efforts to make the crop insurance program an answer to the need for the Reagan administration to provide real relief to the Nation's farmers. While the crop insurance program is an effective financial management tool for the farmer, it does not hold the solution to every possible financial problem that the farmer is experiencing today.

I have high hopes for the Federal crop insurance program, but it has to be a program that insures farmers against natural disasters at a cost they can afford. I believe that the law we enacted in 1980 gives the administration adequate tools to do the job for the Nation's farmers.

My agriculture Subcommittee on Conservation, Credit, and Rural Development will continue to look very closely at the program to see that it does work, and that it serves the farmer. Congress designed the Federal Crop Insurance Act of 1980 to be a farmer program—not an insurance industry program. It is this standard that we will plan to hold the administration to.●

Mr. ALEXANDER. Mr. Speaker, I now yield to the chairman of the Committee on Appropriations and the chairman of the Agriculture Subcommittee of the Appropriations Committee, the gentleman from Mississippi (Mr. WHITTEN).

Mr. WHITTEN. Mr. Speaker, may I thank my neighbor and colleague from across the river, the gentleman from Arkansas (Mr. ALEXANDER). I have the district just across the Mississippi River from him. We have common problems, and I am mighty glad to see him take this special order. I also want to thank our Speaker, our majority leader, the chairman of our Agriculture Committee, the gentleman from Tennessee (Mr. JONES), as well as others, in calling this problem to the attention of the Members.

As the Members know, I have been chairman of the Agriculture Subcommittee of the Appropriations Committee for many, many years, and I have an advantage over many people. I would not call it a "great depression," I would call it a "terrible depression." When I was a 21-year-old youngster in the Mississippi Legislature, I was on the Ways and Means Committee, and we did everything in the world we could to help. You could drive 100 miles in any direction of my hometown and you would not find anybody who owned his land; it had been lost to the insurance companies or to the Government or to somebody else. The same thing was true throughout the United States.

What I see in the United States and what is going on around us today is so similar to what preceded the Depression that it is frightening.

As chairman of the Appropriations Committee, I have done what I could. In law we learn that sometimes there is a right without a remedy, but in my experience in Congress I think we should not only point out what is wrong but offer a remedy. I hope that my colleagues who are here will listen to this and that those who are not here will read it.

Let me tell the Members what the hearings before our committee on which we have spent weeks and weeks each year show. These are facts that must be faced up to if we are going to correct this situation and protect the national economy.

As to the American farmer, these are facts that we need to realize, as shown by our official records.

FACTS WE MUST FACE UP TO

American farmers are more than $200 billion in debt. Interest rates range from 15 to 20 percent. The number of those engaged in agriculture is less than 4 percent, freeing the other 96 percent to do other things that are essential to our way of life, including processing of agricultural commodities.

According to official figures, the minimum investment required to establish a family-sized farm ranges from $400,000 for a winter wheat farm up to $1,000,000 for a cotton-soybean farm.

Agriculture as an industry is bigger than the auto, steel, and housing industries combined. Agriculture is the biggest industry and employer in our country, and the farmer is in the worst trouble since the Depression.

Since 1945, after World War II, the farmer's share of the consumer dollar has dropped from 51 percent to 31 percent last year while, of course, labor and industry's share has increased from 49 to 69 percent for the same period.

How has the farmer made it? By volume, which depends on exporting the production from 2 out of every 5 acres. And yet the 1981 farm bill restricts exports. For if we do not offer competitively either pricewise or creditwise, we do not sell, as proved by history.

Our greatest danger today is foreclosure of farm loans, which depresses the value of farmland and farm equipment. The Federal Government has largely held up foreclosure of Farmers Home loans. However, the Government has no control over foreclosure by the Production Credit Associations or private lenders. The value of collateral to support the $200 billion indebtedness is reduced by forced sales which could leave many, many farmers in a bankrupt situation next year.

Thus we must relate the farmer's prices to his cost, see that volume and price exceed cost, and that he maintains foreign markets.

We must remove restrictions on the Commodity Credit Corporation so it can use its existing authority to make loans and to sell or barter competitively in world markets. I have introduced today a bill which would lift these restrictions on our ability to sell or barter competitively and assure farmers that they will receive enough to cover their cost with a reasonable profit.

I will read my bill:

H.J. Res. 473

Whereas, agricultural exports are essential to the well-being of the American economy; and whereas, farm income, which is at the lowest level in 50 years, is dependent upon exports; and whereas, restrictions on exports deprive the American economy of needed foreign exchange and the farmer of reasonable prices, including his profit:

Be it Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding any other provision of law, any and all restrictions on the use of export or other authorities granted under the Charter of the Commodity Credit Corporation are hereby removed, and the Secretary of Agriculture shall increase target price and loan rates to more nearly reflect normal cost of production with a reasonable expectation of profit.

An increase in farm prices will hardly be noticed in prices to the consumer, but an increase is essential if we are to avoid farm bankruptcies on a tremendous scale.

Let us remember that if the farmer goes down, the rest of us, whatever our business, goes down, too.

With the United States pleading for world support, we need to supply food to a hungry world for what it can pay instead of paying our farmers not to produce. If we produce beyond domestic needs, we must not hold such production off world markets and away from those in need. Too often we provide guns when we should provide food.

What we really need is to have the history of the last Depression be required reading by all Government officials, and certainly by those who deal with agriculture, so that we may prevent a reoccurrence of what happened before. Truly this is a case of an ounce of prevention being worth a pound of cure.

H.R. 6157

Mr. Speaker, I would like to digress for a moment, because what I have to say is related here. On April 26 this year, a few days ago, I introduced H.R. 6157 dealing with the housing industry and dealing with our overall economic situation, and I would like to read pertinent parts of that bill. May I say that I also wrote to the General Accounting Office and asked for a study of the points I made.

The bill reads:

For an additional amount to conduct a thorough analysis of existing Federal policies, and their effect on home construction and other building, and to submit plans to revive the Nation's housing industry and the logging of timber and the lumber industry, and thus contribute to the overall economic recovery, $1,000,000.

In addition to that, I also provide in this bill that they make a study of the Nation's monetary and fiscal policies, "including those of the Federal Reserve System, and submit plans designed to lower interest rates, devoting special attention to the effect of the Federal Reserve System's restrictive monetary policies on present and future economic growth, $1,000,000."

So, Mr. Speaker, what I am doing here is, I have introduced a resolution today to help the farmer. I have also asked the General Accounting Office to help in these other two areas, and I have the supplemental bill pending. So I say that this is not a right without a cure or without a remedy. We are faced with a serious situation, and now is the time to get busy on it and prevent a repetition of what ruined this country for 10 years after the crash of 1929.

Mr. ALEXANDER. Mr. Speaker, I thank the gentleman from Mississippi (Mr. WHITTEN).

● Mr. KASTENMEIER. Mr. Speaker, as incredible as it may seem in this enlightened day and age, top officials of the U.S. Department of Agriculture have apparently launched a campaign to try and convince leaders of rural electric systems and consumers that the level of interest rates they pay on their loans is of little consequence.

They are telling rural audiences that the impact of high interest rates is minimal on operating costs and electric rates, though studies by rural electric cooperatives themselves show the impact is devastating, accounting for as much as 50 percent of overall operating costs to rural electric systems. Now mind you, these officials are making these statements at the same time President Reagan is decrying high interest as a bugaboo of his economic program. I wish the administration and its spokesmen would get their position straight.

One has to wonder what the motive is of the USDA crowd in taking the position, insofar as the REA loan program is concerned, that it is virtually a patriotic duty of REA borrowers to pay higher interest rates for their capital requirements—especially when it is already an established fact that they pay the highest interest rates overall of any segment of the utility industry.

Are they that far out of touch with rural America? Or is it simply a tactic, their latest ploy in what has become a relentless effort on the administration's part to weaken and eventually destroy the rural electrification program—a program that pays its way and more in every sense of the word?

Mr. Speaker, Douglas E. Eikelman, manager of the Columbus Rural Electric Cooperative of Columbus, Wis., in my congressional district, wrote to the REA's Charles Weaver, Director of Electric Loans and Management Division, on April 12, 1982. He set forth in precise terms what the impact of high interest rates means to his cooperative. His letter to Mr. Weaver follows:

DEAR MR. WEAVER: This letter is in response to R.E.A.'s proposal to change or revise the loan criteria. We are totally opposed to any revision of the loan criteria that will increase the percentage of outside financing and increase the interest rates on that portion of the R.E.A. loans. The criteria for determining the basis for a concurrent loan does not reflect the cooperative's ability to provide high quality electric service to the members at rates that are within a reasonable range of competitiveness.

It is totally unreasonable to assume that an increase in the interest rate will have little or no effect on the financial position of the cooperative and ultimately on the rates paid by the members. The following is an analysis of the budget presented to the Board of Directors of this cooperative for 1982:

		Percent of revenue
Total revenue	$2,341,800	100.0
Purchased power	1,412,500	60.3
Depreciation	162,350	6.9
Interest	190,570	8.2
Taxes	74,810	3.2
Other operating expense	495,830	21.2
Margins	5,740	.2
		100.0

Needless to say, it was necessary to increase the rates to provide an acceptable margin level. The point is, however, that any increase in the interest rates will reduce the 21.2 percent of revenue that is available to pay the operations, maintenance, member services, billing and general administration expenses.

This all comes at a time when energy sales are decreasing rather than increasing and larger expenditures are required to rebuild the system due primarily to the fact that our first section of line was energized in 1937. It is now necessary to replace the original poles and other equipment at 1982 prices.

This proposed change also comes at a time when the cost of wholesale power purchased by this cooperative is projected to increase 80.8 percent by 1987 or only five years in the future.

These are not easy times for the small rural electric system and the question is how many dollars are available to operate the system after deducting the non-controllable expenses including wholesale power, interest, depreciation, and taxes. In our case, that figure is 21.2¢ out of every revenue dollar to pay all of the operating expenses and in most cases, we have very little control over the future trends of operating expenses.

We believe that the rural systems more than accept their share of the responsibility to reduce the dependence on the availability of loan funds and from the Federal Government by agreeing to an extensive freeze on the level of loan funds from both the insured and guaranteed programs during the past several years.

It is a truism that the overall economy of this nation is determined largely by the strength or weakness of the agricultural economy. A strong agricultural economy will build and maintain a strong nation and world economy. We now have a depressed farm economy. A dependable supply of electric energy at rates farmers can afford to pay will help rebuild and maintain a strong agricultural and rural economy.

Sincerely,

D. E. EIKELMAN,
Manager.●

Mr. SMITH of Iowa. Mr. Speaker, will the gentleman yield?

Mr. ALEXANDER. I yield to the gentleman from Iowa.

Mr. SMITH of Iowa. Mr. Speaker, I want to commend the gentleman from Arkansas (Mr. ALEXANDER) for bringing this matter up and for helping to point out how serious this situation is.

I just want to make a few comments to supplement what the gentleman from Arkansas (Mr. ALEXANDER), the gentleman from Mississippi (Mr. WHITTEN), and others have already said.

Ordinarily when some industry gets into trouble, or some group gets into trouble, they usually say, "Well, they are not efficient" or "they haven't increased their productivity enough." Here we are talking about the group of people in the United States that has increased their productivity more than any other group there is. Part of their problem indeed is because their productivity has increased so greatly that they have been able to produce so much more than we can find markets for readily enough.

In addition to that, some always say this: The usual excuse is, "Well, their labor costs are too high." Here we are talking about people whose labor is their own labor primarily. So that cannot be used as an excuse. Here are people who work more than 40 hours a week. They work long hours. They have great productivity. They are trying to earn a living with their own labor, and still they face some problems at the present time that are very serious, and they are producing those basic commodities which are so important to the United States.

In addition to that, I do want to mention that other things seem to be running against agriculture at the present time. We have mergers and acquisitions going on in industry. The processors that buy the products are able to combine together and to get some leverage, and at the very time when we need the leverage the greatest in the agricultural economy, last year the administration's farm bill was passed which reduced the support that they needed at the very time.

The only thing they have got going right now in the grain area is the reserve program which was not dependent upon that law that was passed last year. It was a part of the permanent law. So we have a group here that is very much in need of some sympathetic understanding, as other people are in many instances, but even more so this is a group that is very highly productive and that works very, very hard, and that is providing basic commodities so important to us in earning our export dollars for the United States.

Mr. Speaker, I commend the gentleman from Arkansas (Mr. ALEXANDER) for bringing these matters up at this time.

Mr. ALEXANDER. Mr. Speaker, I thank the gentleman from Iowa (Mr. SMITH).

Mr. GLICKMAN. Mr. Speaker, will the gentleman yield?

Mr. ALEXANDER. I yield to the gentleman from Kansas.

Mr. GLICKMAN. Mr. Speaker, I want to commend the gentleman from Arkansas (Mr. ALEXANDER) for requesting this special order.

There is no question that agriculture is America's backbone. The last time that backbone was broken was in the 1930's, and the repercussions were devastating. That was the beginning of the Great Depression.

That backbone is now severely fractured, and it needs remedial attention. I think several of us in the House will do something to provide that remedial attention in the next few weeks.

Mr. Speaker, there has been a lot of talk about the farm depression lately. Unfortunately, there have been all too few solutions put forward. The farm bill approved last year certainly will not do the trick. Now, a group of farm State Members have been taking a hard look at that farm bill to see what can be done to improve upon it, to make it workable in these desperate economic times. Tomorrow, the "Farm Repair Bill of 1982" will be introduced. As one of the Members who has worked to fashion this bill, I think it is a good basis for making the needed improvements in a cost-effective manner. It is the beginning of action, instead of just talk about this problem.

The crisis in farm areas is simple. The prices farmers are receiving today are only slightly higher than what they were getting in 1976. Production costs, however, have doubled, and in some cases tripled or quadrupled. Not surprisingly, that has left farmers in the worst cost-price squeeze since the bleak times of the 1930's.

The "farm repair bill" proposes a two-pronged response. First, it aims to curb overproduction. Second, it is designed to spur demand for U.S. farm products abroad. Taken together, those two approaches should give farmers a fighting chance for survival. It does not give them a guarantee, but it does give them a chance. At the same time, the bill is designed to handle the problem in such a way as to reduce costly Federal deficiency payments, thereby reducing outlays of tax dollars.

This crisis in farm areas is terribly destructive both from the perspective of individual farmers and from a national perspective. It could easily cause us to lose a whole generation of farmers in this country. The cost-price squeeze coupled with soaring interest rates are making it extremely difficult for young people to enter farming. At the same time, they are leaving more and more active farmers, many of whom are highly leveraged, with no option but to go out of business. The same conditions are encouraging older farmers to give up and retire.

In fact, farmers today are more concerned about interest rates and possible bankruptcies than they are about weather conditions and crop plans. That is not the kind of environment that is good for them, nor is it good for the Nation.

Agriculture is America's backbone. The last time that backbone broke—in the 1930's—the repercussions were devastating. That was the beginning of the Great Depression in America. That backbone is severely fractured; it needs quick remedial attention. If we do not act decisively to repair the damage that has already been done, we will all need to accept the fact that all Americans will ultimately bear the burden and feel the impact. It will be felt in supermarkets as prices go up and supplies drop. It will be felt in our balance of trade. It will be felt in the financial community as farm loans go unpaid. It will be felt in labor markets as jobs in businesses supporting agriculture disappear.

In short this is not just a problem for rural areas, it is an American problem. I call on all Members of this House—from urban and rural areas alike—to join together to strengthen our national backbone. The "Farm Repair Act" can help start the process. I hope we do not wait until it is too late.

Mr. ALEXANDER. Mr. Speaker, I thank the gentleman from Kansas (Mr. GLICKMAN).

Mr. SHARP. Mr. Speaker, will the gentleman yield?

Mr. ALEXANDER. I yield to the gentleman from Indiana.

Mr. SHARP. Mr. Speaker, I applaud the gentleman from Arkansas (Mr. ALEXANDER) for organizing this special order because I think it is critically important that we help the American public, the American media, and our colleagues from the urban areas of this country understand just how serious the problem is this year in agriculture.

We have many of the farmers in my area who have come to see me and others in the various small communities I represent and who tell me the situation is the worst that they can remember, certainly since the Depression.

My concern is that we are particularly going to see a number of our smaller farmers and our younger farmers go under at a time when we really want to be sure that we are bringing new blood into our farming communities.

The problem is very obvious. They face a cost squeeze. Costs are going up while the prices they have been getting for their production have been going down. One of the critical factors, of course, has been the extremely high interest rates that have hit hard this spring as people have tried to refinance and have tried to borrow to get into the fields to plant.

Frankly, I think many of us, the gentleman from Arkansas included, were fighting for things over the last several years that would have warded off some of the situations that we are facing today. We certainly had a budget last year that we were supporting on this side of the aisle that would have meant less deficit this year, and that deficit has been partly responsible for these high interest rates. Certainly many of us have opposed embargoes, whether they come from Democratic or Republican Presidents, and the threat of embargoes that sometimes have the same effect of putting a cloud over the marketplace.

Certainly many of those of us from Indiana were pressing our Farmers Home Administration very heavily to move rapidly on disaster loans, because in our area our farmers were not only faced with the nationwide problem of the cost squeeze but some of them had a disastrous situation last year when the rain kept them out of the fields altogether.

We also were pressing very hard last year—and I am sorry we were not successful—to get a far fairer farm bill for our midwestern farmers, and I am afraid the limitations in that bill are going to show up this fall when the help really will be needed.

But despite the failure of being able to bring about some actions that, I think, would have paid off this year, we can still take action this year, and we must. It is critically important that we bring down that Federal deficit and show that there is going to be progress on that over the next several years so that the interest rates will come down. That is critical to farming, it is critical to automobiles, and it is critical to housing in this country.

□ 1445

Certainly we ought to be putting the funds into a program—it will not take a lot of funds—to help push our exports abroad, export credits.

Third, we have to address this broader and tougher question of what other countries are doing to keep our agricultural products out of their markets and to push their products on to the world market, creating an unfair competitive situation.

Exports of agricultural products have to be recognized beyond the farm community as important to this Nation's economy. They are not only important to the farmers in Indiana and elsewhere in this country, they are important for us to be able to pay for that imported oil, a subject, because of my committee assignments, I spend a lot of time addressing.

We would not be able to pay for this unfortunate dependency on oil if it were not for the fact that we are exporting something, and the most important thing we are exporting is agricultural products.

So I hope that we are going to see action in this assembly very quickly on the budget question to help reduce interest rates, and we are going to see action I hope to see to it that we fund the program of export credits to help push our agricultural products.

Third, we are going to see action by the administration and by the Congress to address the inequities in trade rules internationally which affect agriculture and other things.

The farmers in my area certainly do not ask for or want a free ride. They expect and do work hard. They expect to compete and they do compete. But they certainly do want a fair chance, and where we can we must provide it.

I thank the gentleman.

Mr. ALEXANDER. I thank the gentleman for his participation.

Mr. DORGAN of North Dakota. Mr. Speaker, will the gentleman yield?

Mr. ALEXANDER. I now yield to the gentleman from North Dakota (Mr. DORGAN).

Mr. DORGAN of North Dakota. I want to thank the gentleman from Arkansas for his leadership in bringing this issue to the floor of the House in this special order.

We had a fellow from North Dakota who was a U.S. Senator for many, many years. His name was Bill Langer. They referred to him affectionately as "Wild Bill" Langer.

Back in the 1930's Bill Langer was Governor of the State of North Dakota, during the depths of the Depression. There were so many farms that were being foreclosed upon by financial institutions that Mr. Langer—then Governor—called out the National Guard and refused to let the banks go in and foreclose on those family farms.

Needless to say, Bill Langer was a political hero of sorts back in those days. He has been dead now for 20 years, and they say there are still some folks who write in his name at election time in North Dakota.

What he did was demonstrate what leadership is needed in times like this when the family farmer faces so many troubles. You need some folks who are willing to stand up and fight and fight hard.

We just came out of a committee hearing this morning over in the Agriculture Committee. We did something that was not as dramatic as surrounding the farms with the National Guard, but we did something that was nonetheless important. We tacked on to the Farmers Home Administration bill a provision that would defer foreclosures on certain kinds of family-sized farms that are not able to make it these days. With this provision, a farmer that has a Farmers Home Administration loan, who has gotten into some real serious trouble, can get help. He is in financial trouble, not because he is a bad farmer or she is a bad farmer, but because of low prices and high interest rates.

To the farmer who has demonstrated good management, and who has gotten in financial straits because of low farm prices and high interest rates, this amendment says, "Wait, let us give that farmer a chance to get over this rough spot, and let us just give him some time."

This is not charity, a handout, or welfare. He would have to pay it back. But let us give him some time.

In a 22-year period, using real dollars, income in the farm sector of this country has decreased 44 percent. Name one industry that can withstand a 44-percent erosion in their revenue without facing near bankruptcy. That is precisely what is happening in the farm economy today.

We have the spectacle of people here in Washington saying what the farmer really needs to do is operate in a free market. That all sounds good. It sounds interesting and it sounds appealing. But the fact is the same administration that suggests the family

farmer out there subject himself or herself to the free market has the Secretary of State hip deep in attempts to interfere with the free market. Alexander Haig seems interested in threatening most anybody who is willing to listen that if you do not behave the way America wants you to believe we are going to cut off your food exports; we are going to suspend negotiations in wheat talks, or we are going to do this or we are going to do that.

The fact is that this administration, through the State Department, is involved in a very detailed way in trying to erode and to injure the free market that they suggest the farmer ought to operate in.

On the other hand, we have the spectacle of the Federal Reserve Board attempting to keep interest rates high month after month. So farmers are beset on the one hand with high interest rate policies of the Federal Reserve Board and, on the other hand, with interruptions to that free market to which Alexander Haig and the others refer. Farmers are told by these same folks, "No, you go ahead and operate in the free market that we created for you."

I am telling my colleagues the family farmers cannot operate in a market like that. As long as this Government wants to claim national security reasons for interrupting the free market flow, and for getting involved in trade, or for saying to the Soviets in the grain talks that we will not export grain when the Soviet Union invaded Poland, then I think the farmers deserves protection by basic price supports so that they have a chance to make it.

Again, we are not talking about a handout, or welfare, or charity. We are talking about basic, minimum price supports that give our farmers a fair price for their food.

Why is it that farm prices decrease and grocery prices increase? That is what has happened in the last 7 years.

It seems to me that both the farmers and the consumers are getting the worst end of the deal—low prices at the farm, high prices at the supermarket. I think it is something that Congress ought to be concerned about.

What are we paying the bill for? The bill certainly is not to restore economic health to the farm community, because we do not have economic health in the farm community. We have some of the most difficult and desperate times out there in the farm community that we have had since the 1930's.

I have a chart that shows what has happened to exports, and I think that demonstrates as clearly as anything we can use as to what has happened to our markets.

Not since pre-1977 have we had a year in which the change in dollar value of total agricultural exports has actually decreased.

I am not suggesting that this is the fault of this administration or a previous administration. I am just saying that unless we have a healthy export market for our products we are not going to have a fair price.

Last year we had one of the most significant harvests in the Northern Hemisphere we have ever had. In order to maintain a price for the product we grow, we have to have good, strong export demand.

Where are the priorities here in Washington? The priorities are not to ship food to people who are hungry. The priorities are to ship tanks to dictators who want them. We passed a foreign aid bill on this floor that represented something like a 30-percent increase over the previous foreign aid bill. The bill included military equipment for the dictators of Pakistan, Sudan, Turkey.

They say that we cannot afford enough money for the Food for Peace program to feed people who are hungry. That is just nonsense. There are 45,000 young children under the age of 5 who today will die because they do not have enough to eat in this world; 45,000 of them will die because they do not have enough to eat. We have a tremendous surplus of agricultural products because we have the most efficient food producing machine that this world has ever seen.

Why can we not get the food from those who produce it to those who need it in a way that gives those who produce it a fair return on their investment?

It is because this country does not seem to have the will to do that, and because this Congress does not seem to have the will to fight to make sure that our farmers get a fair deal.

Just a couple of points. The F-18 Navy fighter plane last year, it was announced, had a $8.2 million cost overrun on the project. Just that cost overrun on that one Navy jet fighter plane project is equal to 7 years' appropriations for the Food for Peace program.

It seems to me that if we took a good look at our foreign aid program, and if we took a look at some of the cost overruns in the military, we could transfer those overruns into the value of export commodities which we grow so abundantly in this country to the people in this world who so desperately need it. We could make a whole lot more friends for this country around the world, and we would also do something very, very good for our agricultural community in helping to create demand around the world for our products.

We have put in place a farm crisis group, and we are trying to make a change in the basic farm program that has been written into the law by the 1981 session. The bill that passed the House, called the farm bill, was a very controversial bill. I voted against it. I make no apologies for that. I did not come to Congress to vote yes on bad legislation. I just did not come to Congress to submit to that sort of thing.

I came here to fight for good legislation for family farmers. We need to improve the farm bill that was passed last year, because it was not enough. I said so then and I say so now, and so do many other Members of this House.

Farmers are not making it under that farm bill; they are just not making it.

More and more and more farmers are holding auction sales today and next week, next month, because they cannot make it. So what do we do about that?

It seems to me we have to put together a task force, as we have done here in the House, to develop an approach that gives us some good legislation, that gives farmers a chance to make it. That is what we are going to introduce and will be discussing here in the House of Representatives in the next couple of weeks.

We have tried very hard to get the attention of the President on farm issues. As Members of this House know, I and my colleague from South Dakota, Congressman DASCHLE, and a number of others, about 42 Members of the House of Representatives, have been asking the President for a meeting on farm issues since January. The President has said he is not able to do that. When asked at a national press conference whether he was willing to meet with farm Members, the President said, "Well, sure. It is just that we apparently have not been able to work out a schedule."

Clearly he had not been appraised of the request of the meeting by 40-some Members of the House.

We continued our request, and then it was determined that the administration's answer was "No," that the answer, in fact, was that they just do not have time down there to meet. They have had time to meet with the gymnastics team from Europe and with the hockey all-star team, but they have not had time to meet with 40 Members of Congress to talk about the crisis facing agriculture in this country today.

I think that really spells out one of our troubles in the House of Representatives and the other body. We cannot pass good, important, and necessary farm legislation unless we have support of this President and this administration. We have got to put pressure on this administration to give us that support.

I would like to just finish by talking about two people I have met recently. One was a 31-year-old farmer. At one of my farm forums in North Dakota, I met a young person who stood 6 feet 4 inches, probably 240 pounds—a big healthy farm fellow. When he stood up to talk about his farm situation, he had tears running down his cheeks. He told the 125 people who were at that farm forum that he had held his auction the previous month, and he was not able to make it. He said, "We are not people who go out on weekend nights just to have a good time. We stay at home. We work hard. I am a good farmer. I have been working at it for 5 years." He said, "The farm I am involved in is a farm that my grandfather had, the farm that my father had, and I am not able to make it. It is because prices are too low and interest rates are too high, and I am going to have to go out of business, it looks like." And he said, "I will tell you something. If I have to leave that farm, I am going to leave America."

I met another fellow and his wife. The fellow was 29 years old and his wife was 27 years old. They spent 5 years trying to build a family farm, and were up to their neck in debt. They were able to get a hold of a good, small, family farm, buy a few dairy cows and try to make it. What is happening? The Farmers Home Administrtation is saying to them, "Look, we are not going to go with you anymore. You are going to have to sell out." These two are good farmers. I checked with some of the neighbors, and they are good operators. They do not horse around. They do not go to town every night. They work hard. They know farming. They are a good young couple. They are the kind of people that we want on our future family farms in this country.

But today those folks and many farmers like them all across this country are having to post auction sales notices in the local cafes. Those folks are saying that we cannot make it any longer and that somebody is going to foreclose, or somebody told us that "we are not going to go with you for another 6 months." That is the kind of family farmer we are losing. When we lose those kinds of farmers, we lose the investment in America's farming future. If we lose that kind of investment, this country's economy is going to be in serious troubles for years and years to come.

Our task is to find out how we can give those folks a chance, and how we can help them over this trouble spot. If we do not, this country will have lost a very treasured resource.

I want to commend the gentleman and the other folks who are involved in this special order. I think it is critically important.

Mr. ALEXANDER. I thank the gentleman from North Dakota. Before the gentleman leaves I would like to ask him to pick up his chart again so that I may emphasize a point.

I appreciate very much the leadership the gentleman has provided in this Nation and especially in the field of farm policy and addressing the concerns and the plight of the farmer.

As I see the chart the gentleman holds in his right hand, it shows a dramatic decrease in the value of U.S. exports from the previous years, 1981 from 1980, and 1982 from 1981. I know the gentleman is an astute and accomplished economist.

□ 1500

Would you explain the reason for the drop in 1982 as it relates to the administration's economic policy?

Mr. DORGAN of North Dakota. I think there are a number of reasons. No. 1, the revolving export credit fund has not been implemented. Second, and probably most importantly, this country and this world are in a recession. It is in a recession for a couple of reasons. Very simply, our President told us last year that if we passed the tax program and if we passed those spending plans, we were going to unleash a spurt of economic growth that has been unprecedented in our history. The fact is, you cannot have the largest military buildup in the history of this country and at the same time have the deepest tax cut and expect the mathematics to come out to a balanced budget. It does not. At the same time, you have high interest rates that are desired to cause a slowdown in the economy. Well, we have slowed it down. It is not a trick to cool off a car if it is overheated. You just stop it, pull it off the road. It will cool off. That is exactly what has happened to our economy. We have pushed this country and also this world into a recession. And, as a result of that recession, we have a dampening demand for our export products. So you get hit both ways on the farm. No. 1, that recession has caused a tremendous price depression for farm products; No. 2, it is caused partly because the exports, and the demand for exports, the 1970's, stop that growth and begin to recede. We have had a real dollar value decrease in export sales. And we have to get that back. It is not that we do not have money to do these things. God knows we have got enough money around here to give a dramatic increase in foreign aid. We have much of it in military aid. We have got enough money around here to pass tax loopholes so big that you can drive columns of trucks through them. These loopholes reward all the wrong things in this economy, but yet we do not have enough money to provide a farm program that gives basic minimum price supports to the family farmer who grows grain, raises livestock, and who represents the health of this Nation. This is fundamentally wrong.

Mr. ANTHONY. Mr. Chairman, will the gentleman yield?

Mr. ALEXANDER. I yield to the gentleman from Arkansas.

Mr. ANTHONY. I thank my colleague, the gentleman from Arkansas, for yielding.

I would like to enter into the colloquy at this point. I intend to introduce further remarks into the RECORD as part of this special order, but since the gentleman was talking about the cause for that red line going below, I think there is another factor that is there that is often misinterpreted, and that is, simply, the aggravation of prime interest rates in the United States. When you have high interest rates in the United States, you have not an undervalued dollar, but you have an overvalued dollar. So at a time when the volume of agricultural products is growing, you have our foreign buyers capable of purchasing less in real terms because of the overstated value of the dollar, due to the high interest rates in the United States. So at a time when you can look at a chart and see the volume is going up, the net real return in spendable dollars to the farmer is going down because of this additional cost. That is another reason that we must at all costs get these high interest rates down. It will help the farmer not only in exports, but it will also help him in his cost of production problems. I think the gentleman should be commended for bringing that chart forward so that the public can be educated on an additional factor over and above what we all know when we go to the bank to borrow money, we know it from a personal standpoint. Sometimes we do not know how it tracks through the entire world economy, and the gentleman has very clearly demonstrated that point.

Mr. Speaker, the National Rural Electric Cooperatives are meeting this week and many are in attendance here today. It is particularly appropriate when we discuss the farm economy to remember the great contribution of the REA Cooperatives to the standard of living in rural areas.

With much of our Nation's farm area today in the grip of a serious dollar bind that calls forth dark memories of 1933, and what we then called the "farm-led, farm-fed depression," it is essential that Congress acts to protect the REA loan funds from those who would unwisely cut them.

Net farm income, adjusted for inflation, was a thin $8 billion in 1981, a gloomy reminder of the $6 billion figure we saw in 1933. Farm prices last year were measured at 60 percent of parity, a close parallel to the 59 percent of 1933.

Today's farmers stagger under a burden of debt whose interest costs alone each year soak up nearly a full year's farm income, and this income is expected to drop another 25 percent this year.

As this farm and rural platform for our economy sinks into economic trouble that may well be catastrophic for all of us, we see another move by the administration to choke off the dollars of financing that are absolutely essential for a major source of rural power supply.

The proposed fiscal year 1983 budget offered by the administration would squeeze Rural Electrification Administration loans to their lowest level since 1976. In the electric power sector which historically has been markedly capital intensive, this would strand nearly 1,000 user-owned rural electric cooperatives more than $1 billion short of their anticipated need for borrowed dollars.

This would force these nonprofit systems to the open market for borrowed money—if, indeed, they would find it available to them there—and would build into their already high rates the added costs of increased interest expense.

Mr. Speaker, we simply must not permit added burdens of cost—particularly unnecessary burdens—to be laid on this already struggling rural economy. Increased borrowing costs will mean increased electric rates for rural consumers, igniting one more inflationary expense for 25 million rural people who already pay substantially more for electric service than their urban neighbors.

The Federal Government does not subsidize rural electric systems in their effort to maintain an adequate service for member-owners at reasonably economical rates. The impressive tax benefit subsidies already granted to investor-owned electric utilities suggests that similar support to rural American might well be justified.

I suggest now, however, that we do not add to the grave troubles of our rural population by pushing them toward higher interest costs and oppressive electric bills.

REA loan programs which serve these member-owned systems do not add to the Federal budget, nor do they require added tax dollars from our citizens. They simply represent the people's government helping the people's rural electric service to borrow at reasonably favorable rates.

It never has been enough to claim that this Government is of and by the people. The botton line is that it must be for the people, too.

I urge, Mr. Speaker, that Members of this body hold fast to that fundamental purpose by insisting that we permit no artificial barrier between 25 million rural people and the level of off-budget REA loan funds that will help them to help themselves.

Mr. Speaker, the economy of Arkansas is suffering terribly from the current economic depression in agriculture, forestry, and housing. These industries are the very foundation of the entire State's economy and I have seen no signs of the beginning of a recovery.

The current outlook is for a third consecutive year of very low net farm income, with many farmers certain to go out of business in view of their indebtedness. Many more, perhaps the majority, will be more deeply in debt by the end of this year and their long-term survival will be in doubt.

I am convinced that 1982 will be the most critical year yet for agriculture. Our farmers could begin a recovery leading to prosperity, due to world demand from food and fiber products. Or it could be a year in which more farmers go bankrupt than at any time since the Depression of the 1930's.

In either case, it will not be just farmers who are affected. The jobs and income produced by and from our farms, fields, and forests extend far beyond the basic producer. In my State we have a $20 billion a year economy. According to recent research done by the Arkansas Industrial Research and Extension Center in Little Rock, 20 percent of the State's earned income is a direct result of the agricultural and forestry industries. Any economic stress in these industries shows up immediately in the unemployment statistics and income data. Official unemployment in Arkansas was 12.3 percent in the most recent monthly statistics. However, in many countries where farming and forestry predominate, the unemployment levels exceed 20 percent.

At this critical time, people who are not directly involved in agriculture should reflect on what a great resource we have in our highly productive farm economy. Our farmers feed all Americans and millions more around the world. Because they are producing for a world economy, the current worldwide economic recession affects them more directly in terms of income than most other Americans.

The average American spends only about 16 percent of his income on food, far lower than anywhere else in the world. Yet, the farmer's share of the money spent by consumers has been shrinking for years. On the average, farmers receive only slightly more than 36 cents of each dollar spent on food. Food is the greatest bargain in America but those who produce it face few economic rewards for their labors.

The causes of the farmer's dilemma are many and complex. Cost of production, due to inflation, have run ahead of increases in commodity prices for most of the last decade. After the temporary boom of the early 1970's ended, farm income began to lag. Only in 1979 was there any temporary improvement in farm income.

However, in the last 2 years, the bottom has dropped out of farm income. In 1980, there was a massive drought that totally destroyed crops in my State and many others. In 1981, a good harvest occurred but prices declined each month during the entire year, and farmers again found themselves with little or nothing to show for their efforts. Almost all suffered a net reduction in their equity situation.

I have secured some data prepared by Schnittker Associates, an agricultural consulting firm here in Washington. The 1982 farm income prospects in current dollars and adjusted for inflation are incredibly disastrous. As can be seen, they estimate net farm income in a range of $14 to $16 billion. In terms of purchasing power, 1982 will be the worst year for farmers since 1933. The purchasing power in 1967 dollars may be no more than $5 billion. That is only one-third of the level of 1979, adjusted for inflation.

I ask unanimous consent to place that data in the RECORD.

These statistics are revealing but they do not convey the message as well as that which farmers have been telling me for months. In January and February, I held several meetings with farmers in my district. Their outcry of anguish over low prices, high production costs and high interest rates was unanimous. Almost to a man, they are prepared to reduce production if there is any prospect of receiving a fair price for it.

Many of us tried to persuade the administration last year that the situation was grim in rural America and that a farm bill was needed that provided more assistance to farmers. Our protests fell on deaf ears as the administration's farm proposals were rammed through Congress with few opportunities for compromise.

The result is that there is not adequate protection for farmers at this time of crisis, the worse since the 1930's. An entire generation of farmers and thousands of small communities around the Nation are in peril.

The administration's economic program, brought forward with such fanfare last year, is proving to be a colossal failure. The reduction in demand it has generated, combined with the large harvest last year, has contributed to a high build up of farm commodities and depressed prices.

FARM INCOME

Year	Gross income			Production expenses	Net farm income	
	Total [1]	Cash receipts			Current dollars	1967 dollars
		Livestock	Crops			
1974	98.3	41.4	51.1	72.2	26.1	17.7
1975	100.3	43.0	45.1	75.9	24.5	15.2
1976	101.8	46.1	48.7	83.1	18.7	11.0
1977	108.7	47.6	48.7	90.3	18.4	10.2
1978	127.5	59.2	53.7	101.1	26.5	13.5
1979	151.9	68.5	63.4	119.2	32.7	15.1
1980	150.5	67.4	59.0	130.7	19.9	8.1
1981	164.7	63.8	73.9	141.7	23.0	8.4
1982 (estimate)	158.0	70.0	69.0	143.0	19–26	4.8–5.5

[1] Cash marketing receipts and inventory adjustments plus Government payments, other farm cash income and emergency money furnished by farms.

Source: Schnittker Associates.

SOLUTIONS

The Farmers of America are well aware of the conditions I have cited and that other Members are referring to: They are looking to us for solutions to these problems. We need a program to salvage the American farm economy.

While I do not have all the answers, I do believe that there are areas where we can begin to make changes which will improve the situation. I will now comment on a few.

REDUCE EXCESS OF SUPPLY

In simplest terms, we have an excess of supply over demand for farm commodities. We must reduce the former and increase the latter. We must move more products into domestic and foreign markets. We must remove acreage from production.

The Secretary's acreage reduction program announced in January, is a good start. However, the incentives to reduce production are limited and marginal.

I believe we need to take even more land out of production. This is one recommendation many farmers made to me. However, farmers want to know that their neighbors will reduce as well. A paid diversion program should be announced by the Secretary under the authority of the 1981 farm bill. The price and farm income outlook demand it.

RAISE LOAN AND TARGET LEVELS

The Secretary also has authority under the 1981 farm bill to raise loan levels to provide more realistic support to farm prices. If the Secretary would take more land out of production and get prices up, the reduced supply would prevent more commodities from entering the CCC loan program. Costs to the Government could be kept down while farmers could get a price for their products which could allow them to stay in business.

MAKE MORE LOANS AVAILABLE TO FARMERS AT REDUCED INTEREST RATES

The Democrats in Congress fought hard last year to save the Farmer's Home Administration—FmHA—economic emergency loan program. The administration and the Republicans fought just as hard to kill it.

A standoff or compromise resulted in which the Secretary of Agriculture was authorized to lend up to $600 million to financially hard-pressed farmers, if he chose to do so. Apparently, he does not think there is a need because he has not chosen to do so.

EXPAND AGRICULTURAL EXPORTS

Farmers produce for world markets, but the administration's economic program is strangling farm exports. High interest rates have produced overvaluation of the dollar, making our exports so expensive for foreign buyers that they cannot afford to purchase as much.

In the 1981 farm bill, Congress authorized the creation of an Export Credit Revolving Fund as part of the Commodity Credit Corporation at USDA. The fund could operate to finance the export sale or farm commodities where countries currently lack the ready cash to buy. When they repay those loans, the proceeds or principal and interest could go back into the fund to be used again. I propose that Congress provide funding for this program and I urge the administration to support it.

REDUCE INTEREST RATES

Finally, Mr. Speaker, I will come back to what so many other of my colleagues have mentioned today—high interest rates. While lower interest rates will not necessarily mean higher farm prices, at least the farmer's costs of production would be reduced. Unless the Congress and the administration can resolve the current budget impasse, I fear that interest rates will remain high and their insidious destruction of the American economy, including the farm economy, will continue.

Mr. ALEXANDER. I appreciate the contribution of the gentleman from Arkansas.

Mr. OBERSTAR. Mr. Speaker, will the gentleman yield?

Mr. ALEXANDER. I yield to the gentleman from Minnesota.

Mr. OBERSTAR. I thank the gentleman for yielding, and I especially compliment him on organizing this special order. The gentleman is always forward-looking and ahead of the times and on top of the current issues. This is one of the most pressing and urgent current issues facing this Congress and the country, and that is the crisis on the farm.

I heard the gentleman from North Dakota a moment ago refer to town meetings that he has held in his area. I have done the same over the last 4 months, and over and over again you hear from people working in rural America about a farm-led depression, and it is particularly hard hitting when it comes from those oldtimers who have lived through, as farmers, those dark days prior to and through the Depression of the 1930's.

So I rise today to speak on behalf of the farmers in my district who feel that they are on the brink of disaster, that they see little hope for the future. And not only those who are actually in farming, but indeed the entire farm community, those who are in small businesses in rural areas, those who service the farms, those whose businesses depend on agriculture, have asked me to carry a message to the Congress and to the administration; and the message is that which has been repeated here this afternoon by others, that high interest rates, high production costs and low prices to the farmer, and an inadequate—to be very charitable—an inadequate farm bill have put the American farmer in a very poor financial position.

Farmers in our State are going broke at record levels. In Minnesota, 50 percent of farmers holding Farm Home Administration loans, operating loans, are in delinquency. Nationwide, the figure is 58 percent. And they are in delinquency not because they are not good farmers—because they are good farmers. As the gentleman from North Dakota said, they are putting in 17 hours a day, they are working 7 days a week. Some of them are even subsidizing their farms by working in nonfarm employment just so they can keep the farm going, because they want to stay in farming. But their problem is caused by the economy and by this farm bill that we passed last December. An implement dealer summed up the effect of last year's farm bill on the rest of the rural economy with this one statement "Two dollar corn and 20 percent interest rates don't buy tractors."

This year we have been treated to the extraordinary spectacle of a Department of Agriculture that does not want farmers or the public to know how bad things are. The order went out some time ago to stop publishing net farm income figures because they looked so bad. The reason, according to the USDA, is: Well, things are changing, and we do not want these figures to come out at this time. So they are going to publish them later this year. Well, that is sticking your head in the sand.

Net farm income for the first 2 months of this year on an annualized basis will be lower than it was in 1931, at the outset of the Depression. Farmers understand that and they are scared. And that is only the tip of the iceberg. The balance of 1982 will be worse than the first quarter of this year and all of 1981. It is getting to be a little like the Russian economy—not as good as last year, but better than next year.

I have seen some estimates that an additional 120,000 farmers could lose their farms if the recession continues for the balance of 1982. The administration's response? Well, it borders on neglect. The administration's agricultural policy seems to be to tell the farmers that they are getting rich as a result of Government supports, while the Department of Agriculture is telling us that farmers face lean economic prospects through 1982. The overall farm outlook, they said, is not very promising.

The President said, in response to questions about the conditions on rural America, that he is going to do all he can to help Farmers Home Administration borrowers stay in farming. And yet the administration's 1983 budget indicates that doing all it can to help farmers stay in business means reducing the number of delinquent borrowers in FmHA programs by 20 percent, and forcing them out of farming.

We in Congress have an opportunity and a responsibility to act and to act within the next couple of weeks, because we are right at the outset of planting season. In some areas they are already into it, but in my area of the country, the ice is just off of the lakes and farmers are just being able to get into their land. And now is the time that we have got to act if we mean to stay in the food business and in the export business.

Consumers have to recognize that a prospering American agriculture is in the consumers' best interest. If they complain about food prices now, what are they going to do when they have got only a handful of corporations running America's farms?

I was very pleased to hear the report from the gentleman from North Dakota that action on the deferral of farm home loan foreclosures has been taken by the committee this morning. I think that is an important first step. It is part of a bill, H.R. 5711, which I recently introduced.

I have also introduced additional legislation which will help alleviate the current economic crisis facing rural America. The bill, H.R. 6048, has three major provisions:

First, it sets the Commodity Credit Corporation loan rate for wheat at $4.30 and for corn at $3.10 a bushel. The loan program included in the 1981 farm bill is clearly inadequate. The current wheat support levels are more than $1.50 below the cost of production, while the current corn support levels are approximately $0.50 below the cost of production.

Second, it directs the Secretary of Agriculture immediately upon enactment of this act, to make loans available to farmers under the already authorized economic emergency loan program. The administration has repeatedly refused to release the $600 million available in economic emergency loan funds despite the current credit crisis faced by farmers.

Third, it requires the Secretary of Agriculture during the 1-year period beginning on the date of its enactment, to permit the deferral of the payment of principal and interest on, and foreclosure of, outstanding loans made under laws administered by the FmHA to farmers who are already experiencing temporary economic hardships.

Again, I want to say how pleased I am that the House Agriculture Committee has acted on the deferral proposal—it is absolutely vital to farmers. Failure to enact authority for a moratorium on farm foreclosures will lead to the continuing financial ruin of small family farmers, implement dealers, bankers, and small businessmen who are already carrying the burden of the downturn of the Nation's economy and who will face increasing pressures with the worsening of both the farm and national economy.

Mr. Speaker, the current rural economic crisis should not surprise the Members of this House; they knew or should have known that the 1981 farm bill failed to address the critical economic problems facing American farmers. Members knowingly approved a bad farm bill on the thin excuse that the President would not sign a better one. It is unlikely that the House will soon reconsider and rewrite the entire farm bill.

Farmers cannot wait for Congress to repent and reconsider that law. They need emergency relief, and they need it soon or it will be too late to save thousands of farms from financial collapse.

Mr. Speaker, I believe this legislation represents a solid first step toward bringing some stability to the farming sector of our economy. I urge my colleagues to act favorably and quickly on H.R. 6048.

□ 1510

Mr. ALEXANDER. I thank the gentleman for his contribution and there are many Members here who wish to contribute. I am advised by the timekeeper that my time is about up but the special order will continue under the order permitting the gentleman from North Dakota to proceed for 1 hour following the conclusion of my time.

I think in conclusion what I would like to say is that one point that has been made here today, over and over again by those Members who are participating is illustrated on this graph, that is to my right here, that shows that since 1979, the prices paid by farmers, in the way of cost of production, have consistently risen, whereas the prices received by farmers for their products has fluctuated up and down but has progressively declined during that same period of time, widening the gap between the cost of production and the prices received for products grown and produced by farmers.

It graphically illustrates the information which we have that over the last decade the cost of production has increased for the American farmer by about 2½ times, whereas the prices received for the products produced by the farmers have only increased about 2⅓ times.

Within that differential thousands of farm families have been forced off of the farm and tens of thousands of bankruptcies are pending in the bankruptcy courts of America, and I appreciate very much those of my colleagues who have come here today to press their concern to take action in a positive way that will address the concerns of the American farmer.

CRISIS IN AGRICULTURE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Dakota (Mr. DORGAN) is recognized for 60 minutes.

Mr. DORGAN of North Dakota. Mr. Speaker, we have a good number of Members who would like to participate and I would like to enter into the RECORD just a couple of statistics. I will be very brief.

I mentioned earlier that in the Agriculture Committee this morning we were talking about FmHA loan deferrals, that is, the proceedings used by the Farmers Home Administration to foreclose on a client or a borrower. Some statistics I used this morning illustrate how serious the situation is.

There is something called an acceleration notice, and I think it means what it says. If you are borrowing money from a bank or from the Farmers Home Administration to be accelerated means what it says—they accelerate the terms of the loan.

I want to provide you with a statistic with respect to the acceleration notice.

A Department of Agriculture spokesman told our committee earlier that there were about 600 acceleration notices sent out from October 1981 to December 1981 by the Farmers Home Administration. Six hundred. That came from Mr. Naylor of USDA, before the full Agriculture Committee.

As of March 31, 1982, there were 2,078 acceleration notices sent out. That is a 250-percent increase between February 1 and March 31 in acceleration notices.

There is another thing called servicing by the Farmers Home Administration, and if I ever get serviced, I guess, in any capacity with respect to creditors, I hope it is not the way the Farmers Home Administration services.

Some of that servicing suggests that if you do not do it their way you have got 3 months or 6 months left on the farm.

We hear these stories all of the time. We had a USDA report, dated March 31, 1982, stating that 5,137 servicing letters were sent out in the month of March. That compares with 2,074 sent out in the month of February. The fact is that we have nearly doubled the number of servicing letters in the month of March from the previous month. All of the statistics that deal with the industry of agriculture and with family farming show that we are headed toward very, very serious trouble. The farmers are in the worst financial trouble they have been in since the 1930's. The people who will speak today on this special order will document that crisis step by step.

I would be glad to recognize the gentleman from Texas (Mr. HIGHTOWER).

Mr. HIGHTOWER. Mr. Speaker, I want to express my appreciation to the gentleman from North Dakota for arranging a special order. It comes at a very good time. We are in a very serious crisis in agriculture.

Over the past few days we have heard several speeches on the problems. These are very real problems and they do not affect just the farmers in the rural areas.

I represent 37 counties in northwest Texas, and agriculture is the No. 1 business. But every once in a while someone will say to me, "Congressman, why do you always talk about agriculture?"

Well, I do not always talk about agriculture, but it is very important that those of us who represent the rural areas do speak out because there is a vast number of people that do not think that there is any problem at all and that everything is going along just fine and they are still able to go to the grocery store and get things that they want.

There were two articles in the financial pages of the Washington Post just today dealing with major corporations that are in trouble.

Now these companies have been laying off employees, freezing salaries, changing executives, everything that they can do to keep from going under. A large part of the business of each company described in the news stories today is the manufacture and sale of farm implements. The fact that the farmer cannot make money hurts the entire economy. It hurts the urban areas as well as the rural areas. The small towns that depend on the economics of agriculture are in very serious trouble.

The farmers and ranchers of this country provide the most economical food supply of any country in the world. There are several things that all of us who represent rural areas are very keenly aware of that the American people must consider.

Seventeen percent of each person's income is spent on food. Other countries spend a much higher percentage. Grocery store shelves here stay full with a wide variety of choices of good food. In many countries the shelves are bare. There is no food at any price.

Through research, progressive farming practices, total family involvement in an 18-hour workday, 7 days a week, farm productivity has increased at a very high rate. Lack of productivity is one factor that has caused inflation.

Agricultural exports have provided a positive aspect in our balance-of-payment programs, reaching $45 billion in sales. Over one-third of what we produce goes into world markets.

The farmer is also a consumer. Agriculture spends in the neighborhood of $86 billion each year for goods and services to produce the crops and livestock needed. Agriculture is the Nation's largest industry with assets of over $1 trillion, equal to three-fourths of the capital assets of all manufacturing corporations in this country. As many as 17 million people are employed in some form in the farm and in the supermarket.

The reason I have listed all of these facts is to show again that it is important to every one of our constituents to keep in mind the fact that the farmer, regardless of where he may be in the near small town in Iowa or Illinois, or in the Panhandle of Texas, is in business. Net farm income is at depression levels. It is so bad, as has already been pointed out here today, the U.S. Department of Agriculture has stopped estimating what net farm income will be in 1982.

Farmers are farming every acre of land they can in order to try to stay in business. Farm income was $32 billion in 1979 compared to $14 to $18 billion in 1982. Many will not be in business this summer.

As the gentleman from North Dakota pointed out, many have received notices that they are not going to continue to be financed. There will be around 400 farmers that receive their financing from Farmers Home Administration that have not been able to get funding for 1982 in my congressional district.

Those letters that it was indicated were sent out last fall, several hundred of them went out to farmers in my district.

In January of this year the Farmers Home caseload was 80-percent delinquent in my district. Businesses in towns of my district are hurting just as much as the farmer.

So many times people have commented on the fact, when we talk about a farmer going out of business, there is going to be a certain number of businessmen going out of business, and there are a number of poor operators or people who are negligent and do not handle their business properly. We are not talking about those people. They left farming last year or year before or several years ago. We are talking now about people who are good farmers, who work hard, who have done their very best in every way they know how and are victims of the system.

□ 1520

When the Secretary of Agriculture appeared in Lubbock, Tex., this past winter, he talked about the need for the economy to turn around and for interest rates to go down, and we would certainly say "amen" to that. I agree, but like one farmer said that night, "The interest rate would not bother me if I did not have that principal to worry about."

We have tried to answer all of our problems with exports. It has not worked. We must have the exports, but we must also have a price. It is not to our advantage to work our soil past the point of usefulness. We can get a price if the Federal Government will start doing a better job making sure that the world market is a fair and open marketplace.

I voted against the farm bill as you did last year, because it did not speak to all the farmers real problems. I also voted against it because it is going to be a very expensive bill if there are not some changes made.

The changes that we propose to make very soon will not be budget-busting changes, but changes that will seriously and directly affect the economics of the agriculture producer.

A farm bill does not have to be a budget buster. There has to be the realization that there is a problem. Witnesses before the Agriculture and Related Agencies Subcommittee of the Committee on Appropriations from the U.S. Department of Agriculture have acted like things will get better all by themselves—they will not.

We have even had it suggested that the best thing that could happen for farm prices would be bad weather in other parts of the world. Well, how ridiculous. There are problems in almost every area of agriculture. In addition, we have special problems in almost every area that agriculture and the Federal Government come into contact, crop insurance, cotton grading, and grain inspection, and so forth.

Legislation will be introduced this week, as we have already mentioned, by a group of Congressmen of which I am a part that feel we must make some changes. We each feel that we cannot sit still and watch so vital a part of our national structure go down the drain.

The bill is reasonable. It comes within the budget constraints that are a part of our overall problems. It has been drafted with great care. Look at it with an open mind. Come talk to one of the cosponsors about it. I sincerely believe it will provide some help to the farmer and protect the taxpayer at the same time. The speeches you heard here today make it clear that this problem is shared by all.

You remember the many farmers that filled the Halls of this Capitol in 1978-79. The reason that you do not see them today is that many of them are not farming anymore. They are out of the business.

There is going to be a lot of farmland that will lay idle in my district because there is not anyone that has the money to put in a crop. That means it will be either June of 1983 or the fall of 1983 before that land will produce a crop. This is a dangerous game.

If we are going to be a strong nation, we must be strong economically as well as in military might. If we fail to protect our source of food and fiber, all of the planes and tanks and military might in the world cannot feed us.

I thank the gentleman again for setting up this special order here this afternoon.

Mr. DORGAN of North Dakota. Well, I thank the gentleman from Texas for those remarks. One of the points that the gentleman made that I think so often is a part of the discussion in this Chamber is what will happen to the consumers costs in the grocery store if we give the farmer a decent price. Well, we have a chart that shows that of the food dollar, farmers receive 39 cents. The value of the farm product and the food dollar is only 39 cents; 61 percent goes somewhere else.

Now, I remember people saying that if we ever get to $5 wheat, a loaf of bread is going to cost $1. Well, we got the $5 wheat. You can buy a loaf of bread for 40 cents.

Then the price of wheat plunged to $3.50 a bushel and now you can find a loaf of bread for $1. The fact is there are wrappers on loaves of bread that are worth more than the wheat in a loaf of bread.

The farmer gets a very small part of the cost of that loaf of bread. We can give the farmers in this country a decent price without injuring the consumers of America. I think it is in the consumers' best interest to see a healthy, vibrant, strong, farm economy that is able to produce good quality food and export it all around the world in addition to taking care of the food needs of the people in this country.

People in this country buy the highest quality food for the lowest percent of the disposable income of any major nation in this world. That is something we all ought to remember.

Mr. Speaker, I yield to the gentleman from Oklahoma (Mr. SYNAR).

Mr. SYNAR. Mr. Speaker, I would like to thank the gentleman from North Dakota and also the other Members who have been working today to bring a focus of attention on this farm crisis that faces our country.

During the debate on the farm bill a few months ago, many of us expressed our fears of an impending depression in the farm economy. We wanted strong price-support provisions in the farm bill that would help our farmers avert this crisis. Well, we did not get the strong farm bill. At the time it was passed, I said it was a blueprint for disaster and we have not averted the crisis that we all predicted.

Since we did not heed the early warnings, let us see where we are right now. Basically, farmers have been faced with rising production costs and declining crop prices. In 1981 a bumper crop and reduced exports led to a monthly fall in commodity prices, the first time that has happened since the Great Depression. By the end of 1981, crop prices were 13 percent lower than they were in 1980.

At the same time, production costs continued to rise. Farmers have had to pay more for fertilizer, seed, and fuel, and are under pressure due to high interest rates. After a steep climb in 1980, costs rose another 10 percent in 1981.

The parity ratio, which is that ratio between prices received by farmers and prices they pay, is now about 56 percent, the lowest since April of 1933. Prices received by farmers are now 10 percent below 1 year ago, while prices paid by farmers are 4 percent higher that 1 year ago. As a result, farm income is down and farm debt is up.

Net farm income is projected to fall to about $14 billion in 1982. In 1979, it was about $27 billion. That is a 50-percent drop in 3 years.

Farm debt has tripled since 1973. In 1973, each dollar of farm income supported $2 in debt; now each dollar of farm income supports $12 in debt.

That is what we are. Now, what have we done about it?

Well, first, we passed an inadequate farm bill that did not provide enough income support for our farmers. In that farm bill, we left the use of most farm programs up to the discretion of the Secretary of Agriculture.

This administration and this Secretary of Agriculture have chosen not to implement many of these programs. Their solution is to let the economic recovery program solve the farm problems. If the farm community had the time to wait for this economic recovery program to work, which is supposedly right around the corner, I would say fine. They do not have the time to wait, however.

Farmers are facing a severe crisis in my own State of Oklahoma. When I talk to my farmers, they tell me we could have farm bankruptcies running as high as 20 percent this year in Oklahoma. Listen to some of these figures from my State of Oklahoma. Delinquent farm loan numbers are up exceeding the national averages.

Delinquency rates for farm ownership loans are running at 14 percent in Oklahoma, compared to 12 percent nationally.

For operating loans, State delinquencies are 34 percent, compared to a national average of 28 percent.

Our Secretary of Agriculture, Secretary Block, has stated that what we need is to "wean" people away from Federal farm programs. I quote from the Secretary when he said, "like pigs crying * * * they can't stay in the trough forever." This implies to me, a person who has been in agriculture all his life, that only the marginal farmers are going bankrupt. Well, that is not the case in Oklahoma and it is easy to make my point with the following example. A family in my district who have been farming for years, who were named the "Rogers County Farm Family of the Year," that same farm family is no longer in agriculture. They could not afford to farm and they decided to sell. This hard-working, productive farm family is being driven away from the farm because they cannot make a profit. We cannot afford to lose, my friends, these types of individuals in agribusiness.

Now, the Farm Crisis Group has come up with an innovative, constructive method of providing help to our American farmers. To prop up prices, we have decided to control supply rather than face budget problems by raising price supports.

The set-aside provision in this bill will cut back on deficiency payments and probably save money in the long run.

To help promote exports, also to stimulate prices, we have made a statement in support of the use of the export revolving fund.

To help farmers during this depression, we have mandated the use of the economic emergency loan program.

To help stimulate construction of on-farm storage facilities during this storage shortfall, we have set up a guaranteed loan program to supplement the current direct loan program.

Now, Congress made a statement in support of these programs when it authorized them in the farm bill. The Secretary has chosen not to impose these needed programs. We believe the time is now to implement these programs.

Now, this bill is not a panacea for all farm programs. There will be parts of it that you will agree with and there will be parts of it that you will disagree with, but it is a good base for us to start. More than anything, farmers need some light at the end of the tunnel. Right now they are losing hope.

□ 1530

Farmers are a tough breed. They work 7 days a week to make a living, always facing the uncertainty of bad weather and other factors out of their control. All we need is to provide that hope and they will provide all the hard work to make a living as they always have in the past.

I urge my colleagues to support this legislation.

I might close, if I could, with a quote that I have used many times in the 20 years I have been involved in public speaking as a 4-H'er and a person involved in agribusiness. It is a quote from William Jennings Bryan in his famous "Cross of Gold" speech, and I think it is as applicable today as the day that William Jennings Bryan stated it. It goes like this:

> Destroy our cities and they will spring up again as if by magic. But destroy our farms and the grass will grow in every city in this country.

I commend the gentleman, and I commend my colleagues for their concern.

Too often around here we deal and act out of fear. In the 2 months that I have been involved with this fine group of rural Congressmen, I think we have dealt out of compassion, concern, understanding, and hope. I hope this is the beginning of that hope for the American farmer.

Mr. DORGAN of North Dakota. Mr. Speaker, I appreciate the contribution the gentleman from Oklahoma has made to this important discussion.

Mr. Speaker, I now yield to another Member from Oklahoma, the gentleman from Oklahoma (Mr. McCurdy).

Mr. McCURDY. I thank the gentleman from North Dakota for using some of his valuable time to yield to me, and I would like to congratulate my colleague from Oklahoma for his fine statement.

Mr. Speaker, I am anxious to join with my colleagues today in discussing the farm crisis because indeed, we are running out of time.

It has become obvious during the current recession that farmers, particularly small- and medium-sized producers, are unable to pass through a period of high interest rates and low returns like other segments of the economy. That is specifically why this Congress must lend more than rhetoric to the immediate problems that threaten the very existence of our farmers.

In my own State of Oklahoma, a recent study showed that big farms are getting bigger, the number of part-time farmers who have to work at other jobs is increasing and the traditional backbone of the State's agriculture—the midsize family farms—are rapidly declining in number.

These trends have accelerated in the last 3 years because of the brutal cost-price squeeze on farmers. The 1981 farm bill, which I voted against, did little to improve the situation. In fact, it may have speeded the demise of many Oklahoma farmers.

However, the most serious threat to farming in Oklahoma remains high interest and production costs. Huge deficits crowd out private credit and keep interest rates at record levels. Farmers are forced to borrow more money, usually against the equity value they have built up in their farms—a value that stays just ahead of inflation.

What results is that more and more of a farm family's income goes to pay debts and there is little left for them to live on.

Whatever this Congress can do in the way of deferring foreclosures on rural Government loans, financing promotion of our agricultural products abroad and ultimately, reducing the Federal budget deficit, will help the farmer survive this critical time.

Mr. Speaker, the mail in my office alone is enough to convince me that several sectors of our economy are in trouble and I do not mean to slight their significance with my comments here today. However, the future of America's food source is not only important to my State's economy—it is crucial to our survival and the survival of the world. That cannot be understated.

Mr. DORGAN of North Dakota. I thank the gentleman from Oklahoma (Mr. McCurdy) for his statement.

Mr. DYSON. Mr. Speaker, will the gentleman yield?

Mr. DORGAN of North Dakota. I would be glad to yield to the gentleman from Maryland.

Mr. DYSON. I thank the gentleman from North Dakota for yielding. Both he and the previous speakers have done a commendable job in bringing to our attention the grave situation our farmers are facing today.

Mr. Speaker, we read constantly stories on the front pages of the newspapers, and on the radio, about the condition of the Nation's housing and automobile industries. What is not well known is that agriculture is suffering even more.

Ten years ago net farm income in this country was $28 billion. This year the projected level is expected to fall as low as $13.6 billion, the lowest it has been since the 1930's and the depression.

I had the opportunity recently to speak with a number of farmers in Wicomico County, Maryland, many of whom remember that depression. Some of them told me the situation today for farmers is very much what it was then. They said basically that farmers are just hanging on, just buying time.

Earlier today I listened to our colleague, the gentleman from Arkansas (Mr. Alexander), refer to a brochure which was provided by the National Rural Electric Cooperatives Association, called "Hard Times in Rural America." I commend the gentleman from Arkansas for making reference to this fine brochure and I would like to read a paragraph from this brochure.

They refer to budget cuts to the Rural Electrification Administration. As indicated such cuts could not come at a worse time. Agricultural areas served by REA borrowers are more economically distressed than at any time since 1933. USDA reports that the Farmers Home Administration foreclosed on 2,334 farm loans and recorded an additional 1,270 bankruptcies through November of 1981. Business failures in the rural areas and small towns which are closely tied to a healthy agricultural economy are also increasing rapidly.

Let me give you some brief statistics I received today from our Maryland Farm Bureau.

Farm production costs have more than doubled over the last 10 years. The cost of tractors, has doubled since 1975. In 1975 the approximate cost of a tractor used by a Maryland farmer was about $22,000. In 1982 that price is $45,000. The price of combines has doubled since 1975. In 1975 the approximate cost of a combine was around $40,000. Today, in 1982, that price is about $75,000. The cost of fertilizer has more than doubled. We all know about interest rates. Short-term borrowing which many of our farmers and small businessmen must do is around 16 percent.

On the other hand, when we look at net farm income, for the American farmer, we find that it is about one-half of what it was in the early 1970's.

Corn, in 1975, was $3 a bushel. Today it is $2.50 a bushel. The decline is even more significant when you consider the adjustment for inflation.

I have a chart here I would like to display.

SHARE OF AFTER-TAX INCOME SPENT ON FOOD

	Percent
United States	19
Netherlands	21
Sweden	21
Canada	22
Belgium	23
United Kingdom	23
South Africa	23
Finland	25
France	26
Denmark	28

Source: U.S. Department of Agriculture.

As mentioned the net farm income is on the decline. If we look at the share of after-tax income which is spent on food by the American people, and compare it with all the other industrialized countries listed here, from the Netherlands to South Africa to Denmark, we can see the small percentage which Americans pay. I think this is impressive but we must remember that our farmers are only receiving $2.50 for a bushel of corn which was $3.00 in 1975.

Mr. Speaker, as the gentleman from Minnesota (Mr. Oberstar) has indicated, the time to act is now. We must act now to save farming for our Nation and our future.

I thank the gentleman from North Dakota for allowing me this time to speak.

Mr. DORGAN of North Dakota. I thank the gentleman from Maryland for that statement.

Mr. ECKART. Mr. Speaker, will the gentleman yield?

Mr. DORGAN of North Dakota. I would be glad to yield to my collegue, the gentleman from Ohio.

Mr. ECKART. Thank you very much.

I applaud the gentleman's concern and consideration is debating this very important issue before the American people today.

Mr. Speaker, ladies and gentlemen of the House, what the farmers of America need is a jobs policy. What the Congress of the United States ought to be giving the highest priority to is creation of jobs.

It might sound funny to mention jobs when we are talking about the problems that the American farmer is facing. But very simply American farmers are consumers. As the American farming industry progresses, so does the rail industry which moves the grain and the feed from the farms, and so does the rail industry in my district. And so the farming industry of this country progresses, so does the river traffic and the barge traffic increase.

Both the rail and the barge traffic have been substantially off and thereby dramatically affected in their net profits the past several years.

Farmers are consumers. They buy trucks, they buy cars, they buy tractors, they buy farm implements, they buy washing machines, they buy dryers, they buy furniture. And yet when the farming income continues to decline, so does the demand for the other products, products that are produced in the major metropolitan areas of this country.

Therefore, as farming income declines, so is the decline of the major industries in the major metropolitan areas further exacerbating a most difficult situation.

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Farmers consume energy. Yes, not only do us in the Northeast and Midwest suffer from exhorbitant energy costs, incremental increases in the cost of gasoline and fuel oil, but farmers have witnessed a dramatic increase in the cost of running their greenhouses, powering their tractors, and taking care of the vast amount of complicated machinery necessary for modern day agricultural development. The cost of energy has crippled the farming industry just as much as it has crippled senior citizens living in the central area.

Of course, interest rates, Mr. Speaker, have been adequately discussed. The same interest rate that has brought about a record number of small business failures, the same interest rate that has decimated the housing industry, the same high interest rate that has decimated the auto industry, that has put thousands of steel workers, thousands of other small business people on the streets, has absolutely crippled the agricultural industry as well.

Coal, energy provision, transportation, manufacturing, and indeed, farming, yes, all integral parts of the recovery of the American economy, and all integral parts which have had the most disastrous results of the face of the misguided Reagan administration policies.

Now, Mr. Speaker, the problems of the farmers are not exclusively limited to the rural areas of this country. The problems of the farmer are the same problems that are felt in urban, central city America, suburban America; indeed yes, from every shore to every shore of this country. In the face of the statistics, the Reagan administration turns a blank face, a deaf ear. Yes, while the auto industry burns, while the farming industry fails, the Reagan administration continues to fiddle.

Mr. Speaker, our farmers need more than misguided wishes and fragile hopes. They need a constructive, compassionate policy that cares. One of the major metropolitan daily newspapers in my district recently published a very, very sincere and well-thought-out article entitled, "Survival Is Harder on Ohio Farm."

This article is an indepth analysis of the plight of Ohio farmers. I will insert this article in the Record at this point to further help illustrate to all of my colleagues, and indeed to all Americans throughout the country, that as the plight of the agricultural industry goes, so goes auto workers, so goes steel workers, so goes the building trades. Indeed, we have to quickly recognize that our economy is a fragile one, and indeed all Americans everywhere are deeply touched by what occurs.

I commend the gentleman for his efforts, and I am pleased to be a part of it.

Mr. Speaker, the article from the Plain Dealer of April 20, 1982, follows:

SURVIVAL IS HARDER ON OHIO FARM

(By John Fuller)

Ohio farmers such as Lee Oswalt are sowing seeds of despair, instead of feverishly planting food crops this spring.

"It's getting to a question of survival for many farmers in Ohio," said Oswalt, a Richland County grain and cattle farmer.

A combination of poor crop yields, low prices and rising debts put farmers in a dilemma as they approached planting time.

Many farmers like Oswalt are simply planting less, but many may not plant at all.

Ohio farmers are in their worst financial position in 25 years and possibly since the Great Depression, said C. William Swank, vice president of the Ohio Farm Bureau Federation.

John Stackhouse, director of the Ohio Department of Agriculture, provided a grim outlook:

Farm income last year was estimated at $3.4 billion, a decline of nearly $800,000 from the year before.

As many as 2,000 Ohio farmers—four times the usual number—will either go bankrupt or be forced to sell in the next year.

Nearly a fourth of the farm machinery dealers in the state are expected to close or be sold this year due to lack of sales. A number of grain elevator operations are also in serious trouble.

Farmers nationwide have been in a pinch as prices have dropped on most commodities, particularly corn. Most Midwest states, except Ohio, had bumper corn crops last year.

With less income, many farmers have gone deeper in debt, and these days the interest rates on loans is still steep. Many private and government lenders are much stricter on loaning money to farmers, and some farmers in Ohio and elsewhere are being turned down for credit.

Bad weather in Ohio brought about 96 bushels of corn to the acre last year, compared with the normal 115 bushels per acre.

Corn prices fell last year from $3.50 a bushel to $2.50 a bushel and Ohio farmers had less of it than others in neighboring states to sell.

Oswalt said he would plant 10 percent less corn this year and 15 percent less wheat on his 500-acre farm.

"Many farmers are facing a losing proposition," Oswalt said. "It might cost more to produce the corn than we will get for it."

"We've got some of the best farmers in the country looking seriously at going out of business. Some of them gross several million dollars a year," Swank said.

The slump in Ohio farming could also have two long-term effects that could contribute to higher food prices.

When they are in a slump, farmers plant less the next year or sell their livestock. That often leads to a shortage which can translate to higher consumer prices.

Often when a farm is sold, its new owner may not continue farming. The growing loss of prime cropland has been a serious problem in Ohio, which has lost thousands of acres of prime land in the last decade.

The agricultural area southwest of Columbus hurt most by the bad weather might be where most of the farm closings are expected to occur.

Many farmers had been used to getting extra income by working second jobs at factories. With many of those plants closed or on scaled down operations, those opportunities are drying up.

Farmers are not going to get a lot of help from the state or federal government.

The state is in the midst of a budget crisis of its own and the state agriculture department has cut back a number of programs, some of which help farmers and consumers.

The Reagan administration said it recognized that farmers were in financial trouble, but expected that when the economic recovery got into full swing, farm income would improve.

A top U.S. Agriculture Department official acknowledged last Thursday that farm liquidations were skyrocketing in some areas of the country because of insurmountable debts, severely depressed prices and high interest rates.

Undersecretary of Agriculture Frank Naylor, who oversees USDA's Farmers Home Administration, said that while more farm borrowers than normal were delinquent, the problem was not a national one.

Because of that, Naylor told the Senate Agriculture credit subcommittee that a mandated moratorium on repayment of USDA farm loans would not solve the overall credit problem as some congressmen have proposed and a House Agriculture subcommittee has endorsed.

He said a moratorium on repayment of Farmers Home Administration loans, which account for 10 percent to 15 percent of all farm credit, would be unfair to the vast majority of farm borrowers who repay their loans on time, both to the federal government and commercial creditors.

Overall, Naylor said; the long-term picture for U.S. farmers was strong, noting that half the nation's producers had no debt at all.

He said the FmHA, USDA's credit arm, was working with private lenders to help those farmers who were not in a credit squeeze, but had the capability to continue farming and eventually stabilize their finances.

In Ohio, however, the Farmers Home Administration has been agonizingly slow in getting loans processed for farmers.

Another source of help has been the federal acreage set-aside program in which farmers receive a certain amount of money for not planting 10% of their acreage. The signup for that program ended Friday. Swank said he was encouraging farmers to get into it, advice that the bureau usually only gives reluctantly.

State Rep. Eugene Branstool, D-1, of Utica, is a farmer and said he noticed that even established farmers were in financial trouble.

"No one appears safe," Branstool said. He said he knew of one farmer who sold his beef cattle herd and invested the money in the stock market.

Another farmer in the Columbus area who had no problem getting money last year to finance his spring planting and equipment was turned down this year, Branstool said.

One of the few bright spots this year could be a new grain deal with the Soviet Union, according to Swank. But Swank said farmers feared it could boomerang if the federal government decided to impose another embargo, as it did in 1980 over the Russian invasion of Afghanistan.

Swank said some help should be coming from the government for farmers. "If the government can bail out companies like Lockheed and Chrysler, surely they ought to be able to help the American farmer."

Mr. DORGAN of North Dakota. I thank the gentleman from Ohio for that contribution. I think that he has indicated the relationship of urban America to rural America and the importance of farming to some of the industrial areas of this country.

I think it is important to point out just briefly that this is not a partisan issue. I do not want to lay all of the problems of the American farmer at the doorstep of President Reagan or this administration. I think the farm economy is still staggering from the embargo President Carter put on farm products. I think that is true, but I think it has also been beset with problems because of Alexander Haig. Haig suspends grain talks, uses chicanery in butter sales to New Zealand, and just gets hip deep in all of these negotiations with foreign governments on who we are going to sell agricultural products to.

But the important point is this: The President asked for a chance to govern in this country. He got that chance, and he was elected. The question is, what is the President's policy to deal with the agricultural problems in this country? The answer to that is, the President says through his spokesman that our policy is to plant fence row to fence row and that somehow the free market will take over; somehow that will resolve all of our problems. And, at the same time, we have a Secretary of State who interferes with the export markets, and a Director of the Office of Management and Budget who is crouched off at the side of the Chamber in an anteroom and directs the farm debate on that side of the aisle.

The fact is, people who know about farming are not in control in this administration in dealing with farm problems. That is the difficulty.

I want to underscore one point. It is not that we do not have enough money to deal with farm problems. There is money around here. There was money around here when the administration asked this Congress to pass a foreign aid bill 30 percent above the previous foreign aid bill. This Congress says, "We will pay, we will pay."

There was money when the previous administration asked Congress, "Let us bail out Chrysler." And the people in Washington said, "We will pay."

And then there was money when Poland said, "We cannot pay our debts to the American banks and to the financial institutions of some $70 million interest."

The President says, "We will pay, we will pay."

When it comes to the family farmer and the question of whether that farmer is going to keep that yard light on and keep doing chores, when that farmer needs some time and some help to stay alive economically, those voices are distant and are refusing to say, "We will pay, we will pay."

Paying does not mean charity; it does not mean welfare; it does not mean a giveaway. It simply means that this country will commit ourselves to the kind of farm program that many countries have provided their farmers. Why is it that a tremendous import fee is imposed on a bushel of wheat when it hits the Japanese shores? It is because the Japanese want to protect their farmers and have a farm program that gives their farmers more support then we give our farmers, and that tariff acts as a shock absorber. When a bushel of American wheat hits that shore they have a tariff that is attached to it and it is because Japan cares about its farmers. Why is it they have a tariff in West Germany? It is for the same reason.

The fact is, this country does not deal with its family farmers, the most efficient food producers in the world, in the same way that many other countries deal with theirs. We ought to give our farmers a chance to make it; just a chance to make it, that is all they want.

Mr. HANCE. Mr. Speaker, will the gentleman yield?

Mr. DORGAN of North Dakota. I will be happy to yield to the gentleman from Texas.

Mr. HANCE. First of all, Mr. Speaker, I would like to thank the gentleman for his remarks. I think one thing he pointed out was so correct. Many of the colleagues on the other side, and also President Reagan, ran on the policy of, "Let us get the Government off the farmer's back," but the biggest problem is the State Department. They want to get the farmer in a position of, they say, completely free enterprise, and yet the State Department continues to manipulate farm prices and farm policy. If you look at what has happened not only in this administration but in prior administrations, the State Department has had more to do with our farm policy than the Agriculture Department. They have an Asian desk, and an African desk, but I just wish they had an American desk at the State Department that would look after the farmers.

Some of the actions that have been taken in the last couple of years really show the concern has been directed more to other areas instead of looking after the real asset that we have in this country, and that asset comes back to the resources we are able to grow; that our farmers have been able to produce; and they have been able to sell to the world.

We are sitting here in the United States with less than 5 percent of the population. Less than 3 percent of that population is made up of farmers, and that is one of the problems we have. The farmers have done such a good job in producing, they have such small numbers, that really the number of people that represent farming districts is probably less than 80 people in this Congress. So, you come back to how do we solve the problem?

First of all, we have to solve the problem with the help of Members of Congress that represent areas where there are consumers, because the best friend the American consumer has is the American farmer. We have been subsidizing the consumer in this country for the last 20 years. You can go back to 1965 and the farm bill passed then, and every farm bill passed since then is a subsidy of the American consumer. That is fine, but at the same time we have to look after the farming situation and the farmer. Otherwise, we are going to kill the goose that laid the golden egg.

If you will compare the disposable income that is used to buy food and fiber in this country, about 19 percent, with other countries, you get up as high as 58 percent, but 19 cents out of every dollar in this country is used to buy food. There is no other country that has anything comparable.

We are not going to be able to keep it unless we do something about the crisis we are in. Something the gentleman has been working on, and I appreciate his work, is the farm crisis group that we have organized. This farm crisis group is going to be introducing a new farm bill. The new farm bill will save the Government money. The President wants to try to cut down on deficit spending. He can adopt this farm bill and go with it, and he can save the Government money. It will definitely be a step in the right direction.

The other thing the White House has got to do is call a White House Conference on Agriculture. If the gentleman will recall, last year in the House agriculture bill we passed, I had an amendment that established a White House Conference on Agriculture.

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It went to the Senate, and in the conference committee, the White House conference was deleted from the bill. But later the chairman of the committee, the Agriculture Committee in the other body, plus the chairman in this body, signed a letter to the President asking him to call for a White House Conference on Agriculture, No. 1, to publicize the plight of the American farmer at this time, and, No. 2, to come up with long-range policies so that we can utilize agriculture to the best of our benefit.

I think we are going to have to do these things because you see it and I see it: There are farm sales day in and day out in my district. Over 90 percent of the FmHA loans in my district are delinquent. That tells us that these are farmers who have always made good money until the last 2 or 3 years, and they are just broke now.

One of the best friends I had while I was in high school had a farm sale the other day. It came about after he had gone through a farming year of having 80 bushels an acre of wheat, 9,500 pounds on corn, and almost 2 bales per acre on cotton, and he lacked $114,000 being able to pay off the bank and he is out of farming. I talked to him the day after the farm sale, and he said it was like going to an all-day funeral, "you just sit there and see everything that you worked for for the last 15 years go under."

The biggest problem we have is that we are going to lose those farmers between the ages of the early twenties and the late forties. That is a group that we are not going to replace, because once they get into another business they are not going to come back into farming. So this is a real crisis that is happening in this country, and we are in the middle of a depression.

The reason the United Auto Workers are having so many people who cannot get jobs is that companies like John Deere, International Harvester, Case, and others are not building any more tractors. The manufacturing process is breaking down, and the farmers are not paying any taxes.

For us to ever balance the budget we are going to have to get the farm sector into the situation that they will pay taxes and will be able to spend money and buy equipment. Otherwise we face a real disaster that will be comparable, if not worse, than the one in the 1930's.

Mr. DORGAN of North Dakota. Mr. Speaker, if I can comment on what the gentleman said, I think the gentleman made an important point about the farm crisis. It is important to underscore here to everybody who is concerned about farming that we are not only interested in complaining about the situation facing the farmer today or outlining the deficit situation facing the farmer, but it is incumbent on us to try to figure out what to do about it.

I have been working with the gentleman from South Dakota, the gentleman from Texas, and others. About 15 of us have been working on something called the Farm Crisis Act of 1982. We have been working several weeks, trying to put together something that we think can work to help farm families in this country. It may not be the best thing in the world. It may not pass, but if it does not pass, it will not be because we did not try. We think our responsibility is to try, to try very hard to see if we can improve the situation of the farmer in this country.

The Farm Crisis Act of 1982, which is outlined in this paper, will be described in some detail here during this and subsequent special orders. It is important to suggest that we are not people who are only interested in analyzing the troubles or criticizing someone; what we want to do is to propose some positive solutions to try to get this rural economy back on sound track again.

Mr. HANCE. Mr. Speaker, I think that is exactly right. One thing I would point out is that we are going to fight for this bill all the way. We are going to force it and try to pass it. If we do not, we will try to come up with some other answer.

What we want the people to know and what we want the farmers in this country to know is that we are not giving up, and we do not want them to give up. They face dire circumstances, we know that, and we hope the rest of the Nation will recognize it.

Mr. Speaker, I thank the gentleman from North Dakota (Mr. DORGAN), and I appreciate the efforts of the gentleman from Arkansas (Mr. ALEXANDER) for putting this together.

Mr. DORGAN of North Dakota. Mr. Speaker, the gentleman from Texas (Mr. HANCE) is right. We are going to fight hard to try to improve the situation with the Farm Crisis Act. If this does not work, we will do something else. I would much rather be criticized for trying to do something than for neglecting our responsibility. I think many other Members who come from the Farm Belt feel exactly the same way.

Mr. Speaker, we have a responsibility to push and push hard for improvement these days. We can improve things. We want to deal with these markets, we intend to deal with production problems, and we want to do something to boost the price that the family farmer receives. I think it is very important for us to push and pursue this kind of effort.

The Farm Crisis Act of 1982 will be discussed in some detail by the gentleman from South Dakota and others, so I will not go into it at this point. I think we are embarking in the next few days on a very important venture for the farmers of this country.

Mr. SHAMANSKY. Mr. Speaker, will the gentleman yield?

Mr. DORGAN of North Dakota. I yield to the gentleman from Ohio.

Mr. SHAMANSKY. Mr. Speaker, I am glad to have the opportunity to speak today on the state of the agricultural economy, and would like to thank my distinguished colleague from North Dakota for providing that opportunity. I only wish the news were not so bad. The message I am receiving from the farmers in my district is that the farm economy has not been this bad since the Depression of the 1930's.

Let us look at the figures. At the end of 1981, farmers in the United States had $19.9 billion in cash assets against $194.4 billion in outstanding debts. That is more than double the debt of 1975. In the same period, farm expenses have risen from $75.9 billion in 1975 to $141.5 billion in 1981. Net farm income in 1975 stood at $24.5 billion. Last year, it was $22.9 billion.

Net farm income is down for the fifth year in a row. In 1981 the index of prices received by farmers did not rise for a full 12 months—this has not happened since 1933. Agricultural parity is at 56 percent, the lowest since 1933. Initial projections by the U.S. Department of Agriculture for 1982 indicate that net farm income may drop an estimated $4.4 billion to $14.5 billion this year.

In short, costs are up and income is down. As a result, 1980 and 1981 are the first time since 1933 and 1934 that we have had back-to-back years in which the cost of production on the farm is more than the farmer's revenue. The word "depression" is spoken frequently in the farm community these days.

In Ohio, my home State, net farm income dropped over 40 percent between 1979 and 1980. Ohio's net farm income for 1981 is projected to drop at least another $125 million.

Farmers have responded to this difficult situation by borrowing more and more, using their land as collateral. However, now the price on farmland is dropping, and farmers are unable to obtain credit from the banks or the farm credit system. Without credit, the farmer cannot plant in the spring. Bankruptcy is widespread.

From October 1, 1981, to January 31, 1982, the Farmers Home Administration has 871 voluntary liquidations, meaning the farmers sold out to satisfy debts. FHA foreclosed on an additional 421 farms during that 4-month period. During all of 1980, FHA had only 127 voluntary liquidations and 133 foreclosures. The national rate of delinquency on payments on loans from the Farmers Home Administration is now at 58 percent, the highest in memory.

Of course, these failures in the farm economy have a significant impact on the national economy. One farmer raises enough food to feed himself and 67 other people, 1 out of every 3 acres of farm produce is exported. In 1980, farm exports reached $45 billion.

Federal programs exist to help farmers cope with economic adversity. One such program is the economic emergency loan program which provides credit assistance to farmers unable to obtain sufficient credit from normal sources. With the 1981 farm bill, Congress extended the economic emergency loan program through September 1982. The bill did not provide additional funding, but simply extends the authority to make emergency loans to a limit of $600 million.

Though funds are currently available, the Secretary of Agricultue has not released them. On March 18, 1982, I wrote to Secretary Block urging him to release these important funds. His response, that new regulations are being developed, is grossly inadequate.

In Ohio, the problems facing the rural economy have been exacerbated by the unfortunate manner in which the Farmers Home Administration's Ohio office processed rural housing loan applications. Last year, poor FHA administrative practices in Ohio cost the State $9 million in rural housing funds which were turned back to the Federal Government for use in other States. Still more is in jeopardy this year, if the processing of applications for 502 housing funds is not improved. Ohio's FmHA has $92.4 million it can authorize for rural home loans this year, but has obligated only $18.4 million so far.

I have recommended six specific changes in administrative procedures to the director of the Farmers Home Administration Ohio office which should improve the processing procedure and insure that rural housing construction in Ohio receives a much-needed boost.

We in Congress must come to the aid of the ailing farm economy. Funds which are available to help farmers cope with economic adversity must be released. The farm economy is the backbone of the national economy. As such, it deserves our support during these trying economic times.

Mr. DORGAN of North Dakota. Mr. Speaker, I appreciate the contribution the gentleman from Ohio (Mr. SHAMANSKY) has made on these issues.

These are issues that affect not only the rural areas of America but also the urban areas of America, and the participation in this special order and the one preceding it by Members who come not only from the Farm Belt but also from some of the bigger cities of America underscores the fact that this problem is a problem that relates to every sector of this country, and I appreciate this fact.

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Mr. SHAMANSKY. I appreciate the fact that the gentleman has noted my district is primarily urban. But we rest on the farm economy. We have learned that from the Depression.

Mr. WILLIAMS of Montana. Mr. Speaker, will the gentleman yield?

Mr. DORGAN of North Dakota. I am happy to yield to the agricultural expert from not the export State of Montana, Congressman WILLIAMS.

Mr. WILLIAMS of Montana. I appreciate the gentleman yielding. There is not enough export and sometimes I think not enough experts from Montana, but I appreciate the gentleman's comments.

The other day I was looking at a major national newspaper and I came across this headline, "Who Will Farm the Land if the Banks Take Over?"

That question was asked in a recent headline in the Christian Science Monitor, and it points up the real and frightening possibility facing this country. Who will farm the land? Who will grow the food? The banks? The Federal Reserve Board?

We are not just facing a farm crisis. I think we are facing a food crisis. Our food producers are the most efficient and productive segment of our industrial economy, but they have reached the end of the road. They have tied a knot. They are hanging on.

However, the men and women on the American farm cannot persevere. They face higher costs of production, staggering debt, lower prices, and an overall decline in their financial health. It may force them off the farm.

Our grocers cannot make milk magically appear on their shelves each morning without someone feeding and milking the cow. Our bakers cannot bake those loaves of bread for our lunchtime sandwiches without someone harvesting the wheat. The steak on your dinner plate tonight would not be there unless the farmer had planned for the calf 3 years earlier.

The American consumer has become conditioned to expect the abundance and diversity of our supermarket shelves. We take for granted the availability of reasonably priced, health-giving food.

But remember, that package of corn flakes started its trip to that supermarket shelf when the farmer planted the seed in his Nebraska cornfield. That Big Mac started its trip when the calf was born in Wyoming and the wheat was planted in Montana.

When the farmers in Nebraska, Wyoming, Montana, and the other great farm States leave the farm, the corn flakes, the Big Macs and all of the other food to which America has become accustomed will become scarce, scarce indeed.

Sometimes, I think all too often, we Americans live with myths, and today we do not like to talk about depressions. But there is a myth about the Great Depression which we ought to discuss. The myth is that the New Deal and F. D. R. saved the banks. The truth is that the New Deal and F. D. R. saved the farmers, and those who live on the land, those who live closest to the land, and they in turn saved the banks.

If today's recession deepens, if it deepens with those who live closest to the land, it will create a black hole, an economic black hole which, like the black hole of the Great Depression, will suck in the bankers, the money merchants, the money markets, and those who live off those who live off the land, and then it will become, as the last Depression, almost irreversible.

So if we are to keep the corn flakes and the Big Macs coming, if we are to prevent the chaos of economic collapse and another depression, we must, we must protect those who live off the land.

I thank the gentleman from North Dakota (Mr. DORGAN) and the gentleman from Arkansas (Mr. ALEXANDER). We appreciate their leadership in this effort to try to draw attention to the great problem that faces those who live off the land today.

I thank the gentleman for his leadership.

Mr. DORGAN. of North Dakota. I want to thank the gentleman from Montana for that statement.

We have had a long and thorough discussion about family farming today and we come from similar parts of the country.

I have had a chance, as I am sure the gentleman has, to fly over the State of North Dakota and parts of the State of Montana at night, and if you look out of the windows of a light airplane you can see more yard lights than you ever believed was possible in our States. They are very sparsely populated States. All those yard lights represent the economic blood vessel that keeps the small towns alive, the towns you come from and the towns that I come from, towns like Regent, N. Dak.

I grew up in a town of 300 people, actually on the outskirts of the town, and that town is kept alive by the yard lights that represent those family farms.

Then I went to graduate school out of State in a State where they have corporate farming. You could go and stand in places in that State and look as far as the eye can see and you can see corporate farms.

In this country there are things like a farmers' Coors Beer, there is the farmers' Tenneco, farmers' Union Carbide, but in my State there is Farmer Olson, Farmer Johnson, or Farmer Christiansen. Down in the south central parts there is Farmer Schmidt, Farmer Schmultz, and Farmer Smythe. Those farmers have yard lights. Those are family farmers, and those are the folks that keep the rural life still alive. Those are the folks that keep the small towns operating and alive and vibrant.

If we lose that kind of farming in this country, we lose something that is more than just a business. We lose a lifestyle.

Somebody is going to own that land and somebody is going to produce on that land. Even if there is an auction sale of a family farm, that land is going to be farmed, and that land will produce.

But the difference is whether that land is producing for a family farmer or a large out-of-State landowner. A large corporate farm producer is a substantial difference for the kind of lifestyle that we both know.

We have not just farm legislation dealing with support prices to be concerned about, but a whole host of rules and regulations and other things that farmers are faced with.

I had a fellow stand up at a town meeting I had a while back who was a farmer. He said:

> You know, we went into the grocery store and we bought a chicken.

And he said:

> My wife took the chicken home and put it in a pot. She was going to boil it up and boiled that chicken in a pot, and when she got through we didn't know whether we had chicken or chicken soup because the chicken didn't leave the farm with that kind of water in it.

The same is true with the farmer telling me about the quality of the grain that went from the farm to the grain elevator, the exporter, and then was sent to Japan. When it hits the shores of Japan, or China, or some foreign nation that purchases American export agricultural products, a good, clean bushel of grain which has left the farm in North Dakota, in some cases ends up hitting a foreign port with crushed glass, crushed stones, dirt, added to that product.

We have archaic rules and regulations that in some cases are injuring the reputation that this American farmer has for producing a good, quality food product.

Someplace something is happening in between. In the case of grain it is because we have archaic standards for grading that grain and we have an archaic standard for allowing dockage that should not be there in that shippage.

In the case of the chicken, that farmer also talked about ham and said that the ham did not leave the farm that way. The farmer gets buffeted by all sorts of regulations and laws that in many ways injure the family farmer in this country.

All the farmer wants, I think, is a fair chance. If we do not give that farmer a fair chance, as I and some other speakers have said, we are going to injure something far more precious than just an economic unit that the family farmer represents. We are going to injure a way of life that is very, very special to this country.

Mr. WILLIAMS of Montana. I thank the gentleman.

□ 1610

THE FARM ECONOMY

The SPEAKER pro tempore (Mr. ALEXANDER). Under a previous order of the House, the gentleman from Iowa (Mr. BEDELL) is recognized for 60 minutes.

Mr. BEDELL. Mr. Speaker, Members of Congress and, more importantly, citizens of this great land of ours: I think it is important for the people of this Nation to know what has happened here in the Congress over the past year, and I would like to start by telling everyone exactly what happened with the farm bill that we passed recently.

After many, many hours of deliberation, the Committee on Agriculture of the House of Representatives came forth with what a number of us thought was a pretty decent farm bill. We passed that farm bill, and then we went to conference with the Senate, to confer with them on a bill which at least many of us thought was not a very good farm bill.

The people should be well aware that that was not a conference between the Representatives representing the House of Representatives and those representing the Senate. That was clearly a conference between those representing the House of Representatives and those representing the present administration. The present administration absolutely insisted all through those negotiations that we should take the worst possible provisions we could, in every case, as we discussed that farm bill.

Their problem was that if we passed the House bill, according to their figures, it would cost some $6 billion more over the period of the total period of the bill, which was a 4-year bill but which actually covered some 5 years.

I was able to get the figures from the Department of Agriculture in regard to their projections of what farm prices would be whether we had the House bill or whether we had the Senate bill. According to their projections, which I pointed out to them, the farm income, just for feed grains, just for corn and other feed grains over the period of that bill, according to their projections would be $9 billion lower under the bill that they were insisting that we accept here in the Congress, and the bill which, through their insistence, did indeed come through and become a law, even though many, many, many of us voted against that legislation.

It is certainly my contention that if we are trying to balance the budget, the loss of revenue which we are going to sustain by passing a weak farm bill is going to greatly exceed the $1½ billion per year that the administration projected that we would save by passing a poor farm bill.

One of the concerns that many of us had had to do with the set-aside provisions in that bill, and now we have the administration very gleeful that we have some 80 percent of the people who have signed up for that set-aside. Well, let me tell you, that 80-percent signup does not mean one darn thing. The situation in that legislation is that anybody can sign up. You are a darn fool if you do not sign up, whether you are going to participate or not. Because if you sign up, and then you have bad weather or poor crops, then you can go ahead and participate in it and, in effect, get free insurance; whereas, at a later date, when farmers have to determine whether or not they are truly going to participate in the program we have a completely different situation.

I have just returned from meeting with my farmers all across my district, and I can tell you what they project for actual participation in my area, which would be one of the areas where we would normally expect some of the highest participation in such a set-aside program. They project that actual participation will be something on the order of 30 percent rather than 80 percent.

This calls for each farmer to set aside 10 percent of his land. If 30 percent of the farmers participate, that means that we could have a 3-percent reduction in actual farm production, provided they indeed set aside land which was equivalent or better than the average of their farmland. I think it is recognized that that is not going to be the case.

So what we are talking about is a farm set-aside program to try to bring production down into control, in which the amount of land taken out of production will be way, way, way less than the changes that we get according to the weather that we experience.

I spoke to a group this noon about our farm problems, and we had a question-and-answer period. One of the questions that was asked of me was: If you could do two things, what would be the two things that you would propose should be done in order to help our farm economy? And I said: The two things that I would propose would be, first of all, we go back and correct the farm bill that we passed; that we institute a set-aside program which would indeed do something to get our production and usage into balance so we do not build bigger and bigger and bigger surpluses to hold over the heads not only of our farmers but of our whole Nation.

And I told them a second thing I would do does not necessarily have so much to do directly with the farm program but the second thing I would do would be to have the Congress go back and have the courage to address the great big deficits that we face as a result of the President's proposal in regard to tax cuts and budget that we passed this last year. I hope people realize that we are talking about a $180 billion deficit unless we make some changes. And unless we make some definite changes, so we can actually show that those deficits are going to start to decline, then we can tell our farmers that they can look forward to continued high interest rates that are going to continue to be a serious, serious, serious problem throughout all of agriculture.

Mr. ALEXANDER. Mr. Speaker, will the gentleman yield?

Mr. BEDELL. I yield to the gentleman from Arkansas.

Mr. ALEXANDER. I thank the gentleman for yielding.

Mr. Speaker, I appreciate the statements which the gentleman has made concerning the cost of production and especially the high interest rates caused by the mounting deficits resulting from the current economic policy.

I had the opportunity to address the question of interest rates during my statement in the first hour of this special order this evening. But there is one matter which I did not have the opportunity to address, which has been referred to today, but which I believe needs some additional emphasis; and that is the matter of export trade.

Our allies and trading partners often depart from their commitments that they have made to the United States, in effect discriminating against U.S. farmers and producers and exporters, and costing them millions of dollars annually.

The U.S. Government, or at least departments within the Government, such as the Department of Agriculture and the Department of State, oftentimes fail to recognize the need to represent our farmers' interests by insisting upon compliance to the rules and regulations of international trade.

I can think of a situation just this year that might be worth using to illustrate this point. The rice farmers of America have a surplus of their product. Last year they produced an abundant rice harvest. One of the commitments that was made by one of our allies, South Korea, to those farmers would purchase up to 500,000 tons of that rice if the departments of our Government would insist upon its compliance. Talks have ensued since last January, and I had occasion myself to meet with His Excellency, the Ambassador of South Korea, Mr. Lew, on February 26, during which I made reference to the rice dumping by Japan in 1980 to Korea. During this dumping situation our Government sat idly by and permitted the Japanese to dump subsidized rice onto the world market, selling that rice to Korea at prices far below the world market, even though both Japan and Korea had agreed to the General Agreements on Tariffs and Trade, they were signators of the Food and Agriculture Organization principles of surplus disposal, and both are parties to the MTN, all three treaties establishing the rules and regulations for international trade.

But our Government does not insist upon the compliance by our trading partners to those rules and regulations and, as a result, our producers, be they farmers, be they auto makers, be they in the electronic business or the steel manufacturing business, get left out in the cold. I think that we are seeing a coalition of dissatisfied American producers in the field of agriculture, in steel, in automobile manufacturing, in electronics, beginning to coalesce together in dissatisfaction of the unfair trade practices that we have observed our trading partners practice during the last number of years.

□ 1620

I brought the matter of failure of compliance by Korea to the attention of our Secretary of State, Mr. Haig, in March, during an executive session, during which I asked the Secretary if he would bring the matter to the attention of the President and to his counterpart in Korea during his visit there in April.

He assured me that he would and I received a letter on April 29, which I will put in the Record, to illustrate this point, from Mr. Moore, the Assistant Secretary for Congressional Relations, during which he assured me that proper contacts will be made through proper channels with proper officials.

The letter follows:

Department of State,
Washington, D.C., April 23, 1982.

Hon. William V. Alexander, Jr.,
House of Representatives.

Dear Mr. Alexander: During Secretary Haig's appearance before the House Appropriations Subcommittee on March 23, you reviewed your concerns about Korea's rice purchases. Secretary Haig asked me to outline our recent efforts to persuade Korea to purchase and ship its 1981 crop California rice promptly. Acting under fully coordinated instructions our Embassy in Seoul has continued to emphasize the U.S. position with appropriate Korean officials. Officers of the Bureau of East Asian and Pacific Affairs have made similar representations in their regular discussions with Korean Embassy Officers here. Assistant Secretary, John Holdridge, emphasized to Ambassador Lew on April 14 that the rice should be purchased and shipped promptly.

The latest information from Seoul indicates that the Korean National Assembly Rice Review Committee has completed its deliberations and forwarded its recommendations to the Government. The Korean government, is negotiating with a number of U.S. exporters and we expect the contracting process to be completed shortly.

With cordial regards,
Sincerely,

Powell A. Moore,
Assistant Secretary for Congressional Relations.

A typical bureaucratize that explains any sort of business as usual by any Department of the Federal Government.

So trying again to bring the attention of the failure of Koreans to live up to their commitment to purchase the 500,000 tons of rice from the United States, I asked the Vice President, George Bush, if he would bring the matter to the attention of the South Koreans during his recent visit there and I have a copy of a letter which I signed together with other members of the Export Task Force in the House which I will place in the Record:

Congress of the United States,
April 21, 1982.

Hon. George Bush,
Vice President of the United States, The White House, Washington, D.C.

Dear Mr. Vice President: We are informed that you will be making an official State visit to the Republic of Korea this weekend.

This letter is to request that you make a forceful and direct representation to President Chun and other Korean officials regarding the commitment Korea made in 1981 to purchase 500,000 metric tons of U.S. origin rice. This commitment was made as partial mitigation of the harm done to U.S. rice growers by the purchase of almost one million tons of subsidized Japanese rice by Korea in 1980. That rice has suplanted commercial rice exports from the U.S. to Korea for the past two years, doing irreparable damage.

In the fall of 1980, the U.S. provided an emergency exception to the U.S.-Japan rice agreement permitting Japan to sell subsidized rice to Korea. Korea was suffering from a severe rice shortage at that time. In turn, Korea committed itself to purchase 200,000 metric tons of southern rice from the 1980 crop, the balance of the available California rice from the 1980 crop, and 500,000 metric tons of rice from the 1981 crop to be delivered during the 1981-1982 crop year.

There have been numerous delays in fulfilling the last part of that commitment and the 1981 marketing year ends on July 31, 1982. The U.S. Department of Agriculture and the U.S. Department of State have testified that it is the position of the U.S. government that Korea must purchase and ship 500,000 metric tons of U.S. rice by the end of August. The Koreans have agreed with this interpretation.

Nonetheless, despite periodic assurances to the U.S. rice industry, to the U.S. government, and to other interested parties, the Koreans have not fulfilled their commitment. The costs to the U.S. rice farmer in terms of lower prices and to the U.S. taxpayer in terms of costs to the Treasury are staggering. Rice farmers have lost an estimated $400 million this year as a result of this fiasco and are projected to again lose this much or more next year, due to depressed prices. The Treasury paid out $22 million in deficiency payments on the 1981 rice crop and USDA projections indicate that government expenditures may rise to exceed $100 million on the 1982 crop, due to deficiency payments.

We are asking that you intercede with President Chun to end the delays and financial losses to Americans by having the Republic of Korea purchase the rice now and begin shipment. No additional delays can be acceptable.

This single goal, if it can be achieved on a timely basis, will go far to restore the confidence of U.S. rice growers that the U.S. government will act to protect their interests. If the impasse is allowed to continue, it will appear that the U.S. government does not insist on the adherence of foreign governments to their trade agreements and international commitments. The long-term ramifications of that would be disastrous for all Americans.

Sincerely,
Officers of the Export Task Force,
Don Bonker,
Chairman.
Les AuCoin,
First Vice Chairman.
Bill Frenzel,
Second Vice Chairman.
Bill Alexander,
Secretary.

I come to learn that during the Vice President's visit that the matter was not discussed during his discussions with officials in Korea and that at most the matter of the Korean rice sale may have been discussed at a lower level.

Here is one example of where the sale of a large volume of a product will mean dollars and cents to the American rice farmer, to the producer. However, both the Secretary of State and the Vice President are too busy to attend to this matter because of other matters of pressing concern.

Certainly the Secretary of State has matters of important concern other than trade relations between our country and Korea. Most certainly the Vice President has many things on his agenda. But it seems that the Secretary of State, the Vice President and even the President never have time for trade matters that are important to the producers of this Nation. It makes the difference between winning and losing in the contest of international trade in competing for the international markets, for the international dollar that means so much to our economy or that could mean so much to our economy if our representatives in the highest councils of Government would take it upon themselves to discuss these matters.

Time and time again we see examples of how the Secretary of State, the Vice President, and even the President himself do not have time to deal with such mundane matters that are important to the American farmer, to the steelworker, to the electronic industry, and to the automobile manufacturer.

Mr. BEDELL. I think it should again be pointed out that there are some 42 of us who for literally weeks have been trying to get an appointment with the President of the United States to try to point out to him the magnitude of the farm problem as it exists today and try to simply inform him of the seriousness of the problem.

The President had refused to meet with us.

It is my contention that if you are going to lead a great Nation such as ours, you certainly should at least be open to try to listen to what the problems are and be informed on those problems and it is very, very disappointing to me that we have found that sort of problem existing.

Mr. ALEXANDER. I think the gentleman is entirely correct. It seems as though our policymakers have time for international policy, but they do not have time for international trade.

I am not condemning the State Department, as it is so easy for some Members to do, because I know the difficulties that they have in addressing the important issues that confront them.

But it seems that while they have time to address the matters of policy, they do not have time on their agenda to discuss matters of trade.

It seems that it is condescending for them to grubble in the matters of dollar and cents of trade, of agriculture, of issues that make the economy go. I think this is an attitude that must be changed and I think that discussions of this type during special orders focusing attention on the gravity of the situation in the agricultural community are ways that we can bring attention to those representative of our Government in the Department of State and Agriculture to deal more forcefully with the subject of international trade.

I heard earlier today one of our colleagues, I think it was the gentleman from Texas (Mr. Hance) refer to the fact that he would like to see an American desk at the Department of State. I have not heard that reference made before. But it illustrates the lack of concern that we observe day after day by representatives of the State Department on matters of agriculture and trade that are so important and vital to the producers of this Nation.

I thank the gentleman from Iowa for yielding to me on this important matter.

Mr. BEDELL. I thank the gentleman. If I might, I would like to point out the graph that we have here clearly shows the situation as far as farm income is concerned. We should point out to everyone that according to a Chase Econometrics study the realized net farm income from farming in current dollars was $27.4 billion in 1979. That dropped to $21.9 billion in 1980. It dropped further to $19 billion in 1981, and the projections at this time for the Department of Agriculture for net farm income for 1982 is from $14 billion to $18 billion, a still further decline in net farm income again this year.

If you take real farm income adjusted for inflation, we find the problem is even worse. We find that we had $11 billion in 1979, dropping to $6.3 billion in 1981, and a projection of between $5 billion and $6 billion in 1982.

That means that from 1979 to 1982 that real farm income in terms of real dollars will have declined by roughly 50 percent. It will be roughly half in 1982 what we had in 1979, a period of only 3 years.

We might ask ourselves why this has occurred? I think there are a great many reasons. One of the problems I think it is agreed has to do with the embargoes we have faced from time to time.

I have served here for some 7½ years and I have lived through two big embargoes, one instituted by President

Ford and one instituted by President Carter. Each time there were great excuses as to why those embargoes were instituted. Again as we came through this Polish crisis the question was whether or not we were going to have another embargo and nobody ever stood up and said, "Don't worry, we won't have an embargo this time." So at least that concern existed among all of our trading partners at that time.

□ 1630

Now we are assured that we will not have an embargo unless it is a very serious situation and unless we embargo everything, not just farm products.

I say to you that if you are a customer that is depending upon the United States for part of your food and want your food, it gives you little solace to say that we are not just going to embargo farm products, we are going to embargo everything else as well if we have an embargo.

I think we need to realize that we have a real job today in reestablishing this great country of ours as a reliable supplier of agricultural products and a reliable supplier of some of the food that the various nations of the world need so urgently.

Some of the other speakers previously have mentioned problems with their farmers. The gentleman from Oklahoma mentioned the fact that one of his farmers who had been a "Farmer of the Year" had to sell out and go out of farming because of the current situation.

The gentleman from Texas gave a similar illustration.

I want to tell you, it is not just Texas and Oklahoma where these problems exist.

It bothered me tremendously as I met with a farming couple in my district who had received honors for the great job they had done in farming and who had been recognized for their great achievements as farmers. They had started with very little, had worked for years and years and had built up not only a decent farm enterprise, but a great reputation as examples of what good farmers should be and they showed me their statement and they showed me very clearly where unless there is a change, they simply are not going to be able to continue to operate as farmers.

The problem they were in was not just the economic problem and the fact that that gentleman at his age is going to have a very difficult time finding other work and providing for his family, the problem goes all the way to the psyche of those people who have been recognized as successful people, contributing to our society and now, not because of the fact they have done anything different, but because of this that you see right here on this graph, that they are probably going to have to say that they are failures now in our society and they are going to have to sell out or declare bankruptcy and are no longer going to be able to continue in this farming operation wherein they have been recognized as some of the most successful farmers of our whole country.

Then I hit those people who say, "Look, you should operate farming just like you do other businesses and you should let those that are qualified and are capable survive and we should have the survival of the fittest with free enterprise," and so on.

I understand that. I have been a businessman myself and I understand how business works, but I would point out one major difference which is frequently missed by some of our people who do not understand farming quite so well and that is when you are in business, whether you are building automobiles or whether you are building washing machines or whatever else it may be, when you find your market decline, you simply reduce your production in order to see that your supply and demand stay somewhere near in balance; but when you are a farmer and you own 160 acres of land and you have a big investment in that land, you have two choices. You can go out and plant your crops on the land or you can sit at home and not plant crops on the land. Those are your two choices. The farmer knows that he has got those overhead costs, that he has got the taxes and he knows very well that if he does not go out and plant his crops on that land and do the best job he possibly can to grow all that he can from that land, he is going to go broke. That is his choice. The other choice is to go out and plant the land and do the best he can with the land that he has.

He does not have that freedom that that manufacturer of washing machines or automobiles or whatever else it may be to simply cutback his production because the demand is not there sufficiently; so the multitude of small family farmers that we have across our country simply are going to do all they can to produce all they can, unless we have some Government program that enables them to work together somehow so that we control that production and so we stop building these mountains of surplus that plague our whole agricultural economy today.

Many of us feel that the farm bill that we passed recently simply was insufficient in its efforts to try to bring about that control. Many of us at this time are trying to write a new change in the farm bill for 1983 that we believe would move forward to try to do that without a heavy drain upon the Treasury; but I hope that all of us will realize that we are not talking just about a farm problem or a problem to farmers. We are talking about the problem for our country. We have seen it in the previous depression that when the farming economy went down, it was not long until all the rest of the economy came along with it.

I hope that everybody realizes that we are already in rural America seeing small business after small business in our small communities have to go out of business simply because of the recession that we face in agriculture. If that recession continues and if it deepens, as it may well happen under current policy and we find that the financial institutions are stuck with a whole lot of bad loans that cannot be repaid, and we find that affecting our financial institutions all across the country, it is not going to be just the farmers that we are going to be talking about that are suffering.

I say to you it is going to be our entire Nation. We can go ahead and we can spend more billions and billions of dollars building more and more bombs and bombers and this sort of thing, but you know, maybe we better be a little concerned about whether we are going to have the type of a society that we really should try so hard to protect, because I submit that unless we spend some of our money and some of our attention in trying to keep a healthy economy, that it makes little sense to try to build more and more bombs to protect it.

Mr. Speaker, I yield to the gentlewoman from New York (Ms. Ferraro).

Ms. FERRARO. Mr. Speaker, I thank the gentleman for yielding.

I would first like to commend the gentleman for taking up this special order to discuss the plight of America's farmers.

Obviously, as a representative from New York City, I do not have as much daily contact with the problems of our Nation's farmers as the Members from rural areas have; but I have had some exposure to their problems and I have some observations from the other side of the track.

Last November at the invitation of the Rural Electric Administration and my colleague, the gentleman from South Dakota (Mr. Daschle), and I visited South Dakota to learn about REA and how that State's farmers were doing. When I returned, I joined Tom in a special order to discuss my trip.

What I said that day was that I was amazed by the basic similarities of the problems facing the people of South Dakota and the people of Queens. Particularly, I learned, though not at all to my surprise, that interest rates are the killer for family farmers in South Dakota, just as they are for young people attempting to buy a home or open a small business in Queens, New York City.

Just coincidentally, it happened that today one of the REA officials who was very helpful during my stay in

South Dakota, Virgil Herriot, was in Washington and dropped by to say hello. What he had to say amounted to a lot of bad news about South Dakota's economy—it seems that the Reagan economic recovery has so far brought only bad news, along with the high interest rates that the gentleman mentioned before.

One of the points we discussed was the drop in food prices. This past Saturday, I had the privilege of making the Democratic response to President Reagan's Saturday radio address.

One of the points the President made in his address was that he heard from a woman who received social security and who was congratulating him for his program's success in moderating food prices.

In my response, I noted that the biggest factor in keeping food prices from rising was the great weather that led to bumper crops last year, and not any Government policies. Furthermore, I noted that it was those same bumper crops, combined with sky-high interest rates, that were squeezing farm families and forcing them off their farms.

My talk with Virgil today reinforced those arguments. He told me that the only reason consumers are enjoying lower prices at the market today is because there is such a surplus of goods and food in storage. The glut of supply forces prices down as demand diminishes and farmers are unable to get a better price for their crops.

At the same time, farmers cannot borrow from banks because the banks are afraid further good crops will prevent the farmers from making any money. In fact, what Virgil told me was that only farmers who have been around long enough to pay off their mortgages and who have little or no overhead are even surviving.

What is happening to others? Well, they are being forced to sell off part of their land to raise money to keep going and the problem is compounded in terms of its impact on the region's economy, because when the farmer sells his land, he also sells off the equipment he uses on that land and the result then is a glut of used equipment on the market, which makes it more difficult for the farmers selling it, but also puts a severe squeeze on new equipment dealers, who cannot compete with the prices on used equipment. In fact, Virgil told me there are "going-out-of-business" sales every other week at farm equipment dealers in eastern South Dakota. It is amazing how the domino effect has really begun.

Further proof of the dire situation facing many farmers can be found on the pages of the Sioux Falls Sunday newpaper. The President is fond of referring out-of-work Americans to the help wanted ads, even though it has been demonstrated time and time again that those ads are not useful for unskilled or untrained workers.

The news in the Sunday paper in Sioux Falls is that the number of farm auction sales is up to about 70 to 75 a week, compared to a normal rate of 25 to 30 normally. The message is clear, and it is grim: farmers cannot make a go of it and they are forced to sell their farms at auction, and it is not just in South Dakota. Recent reports are that foreclosures on farms in Minnesota are up 300 percent this year over last.

In the face of these desperate conditions, the Reagan administration has responded by cutting programs that benefit farmers. They have accepted the $850 million figure for REA loans as a ceiling rather than a floor; as a result, farmers will be forced to borrow from other sources and pay interest rates of 14 percent and up, rather than 5 percent.

Again, if they are paying more for electricity, they are going to be paying more to run their machinery and that will add to the cost of the production of their crops, which again will create a problem in trying to sell them.

□ 1640

Another administration move is to limit the availability of Federal financing bank funds for generation and transmission of electric power. While FFB financing costs farmers 14 percent, it still saves them several points over financing they would get on their own, if they were able to get any at all.

The most important thing I learned during my trip to South Dakota in November was the interdependency of our Nation's urban and rural sectors. While consumers in Queens want food prices they can afford, they know their long-term interests are not served when farm prices drop so low that farmers are forced out of business and the Nation's food production is concentrated into fewer and fewer hands.

At the same time, I must take issue with some of the views expressed by some of my colleagues during this discussion and the prior special order obtained by our colleague from Arkansas. I especially want to disagree with the idea, embodied in the William Jennings Bryan quote, that we do not need to worry about our cities crumbling, because they will somehow magically rebuild themselves.

As a representative from the greatest city in the world, and one which only 7 years ago was on the verge of bankruptcy, I want to say to all my colleagues from rural America, "don't think you can make it without us." As we face our Nation's economic difficulties, we had better understand that either we are going to make it together or we are going to sink together.

The interdependency I spoke of earlier cannot be demonstrated more clearly than in the area of the production and consumption of food. If farm prices go so low that farmers are forced out of business, consumers do not benefit. But it is equally true that if urban economy is not kept strong, there will be no market for farm products, and everybody loses.

So the message I bring from New York City is this: There is nothing in it for me to worry about the farmers of rural America except a concern for what is necessary for this Nation, and what is important to this Nation is that the economy survive. Maybe there is nothing in it for the farmers of America to worry about the people from New York except that very same thing, that as a Nation we need each other.

We had better recognize each other's problems, and make some effort to help each other or we are all going to be in trouble.

I thank the gentleman for yielding.

Mr. BEDELL. I thank the gentlewoman. I think she has made a very, very compelling point. I am so appreciative that she has come to make that point, and that point clearly is that we are not simply a group of individual special interests, but that we are a nation, a whole nation, and that we better worry as people from agricultural areas about New York City, just as New York City better be concerned about the problems of South Dakota and Iowa and other rural areas.

Our colleague from New York could not have shown her concern any more than to be here for this special order. I know she has been out to the rural area of South Dakota simply to learn for herself about those problems.

I have had two urban Members from the New York City area visit my district so that they might be more aware of it. I have visited the New York City area with another Member of Congress to try to learn about their problems.

I only wish that all the Members of the House would follow the tremendous example the gentlewomen has set, not only by what she has actually done, but by what she has said here as well. And surely all of us better realize that we are one Nation, indivisible, as we say, and that the problems of one area are really the problems of another as well.

I am deeply grateful for the gentlewoman's contribution.

Ms. FERRARO. I thank the gentleman.

Mr. BEDELL. Mr. Speaker, I yield back the balance of my time.

GRAVITY OF FARM SITUATION TODAY

The SPEAKER pro tempore. Under a previous order of the House, the gen-

tleman from South Dakota (Mr. DASCHLE) is recognized for 60 minutes.

Mr. DASCHLE. Mr. Speaker, I do not intend to take the full hour's time, but I have found the colloquy this afternoon to be invaluable.

I believe that is is absolutely essential, as we begin to prepare within this body to correct the tremendous depression we find within the farm economy today, that we make all the Members aware of the gravity of the situation. They must also understand how serious the situation is across the land—not just in feed grains and wheat, not just in livestock, not just in dairy, but in every sector within the farm economy.

It is my understanding that the national news media recognizes how difficult this situation is, and is focusing their attention in many of these areas. I think it is to their credit and certainly at long last to the credit of American agriculture that they are getting the message out.

We have talked about some very grim statistics this afternoon. As we look upon the chart today, I think I would be remiss if I did not add that these statistics, while very grave, they really do not tell the whole story. Those statistics, of course, are the worst that we have seen in perhaps 50 years, in terms of income, in terms of the exodus in farm numbers off the family farm, and in terms of what little price they are getting for the products that they are currently receiving.

I think one of the most graphic demonstrations of how serious the situation is was given to me just this morning. Leroy Schecher is the manager of one of the rural electrics in South Dakota, and his office contracted with the South Dakota Press Association Clipping Bureau for the last 45 days. During that time, the Clipping Bureau was directed to find and to retrieve every one of the auction sales by date within the State of South Dakota during that 45-day period. The Clipping Bureau was then directed to send the clippings of every one of the auctions, the announcements for those auctions, to the Bison Rural Electric Association office, whereby, upon receipt of those clippings, they were put into the form of a scrapbook. I have before the body this scrapbook right now.

They began on March 13, and they ended this project on April 27, 45 days. I have before the body by date each one of those clippings, beginning on March 13, and they are just incredible. This scrapbook contains 320 farm auctions within the State of South Dakota, a State, mind you, that only has 680,000 people, a fourth of which represent our farm population.

Day after day—March 20, Ed and Doris Satterness from Bryant. March 27, Lanny and Valine Hutzebos, the owners of a farm outside of Pipestone. April 13, James and Rose Watenbach, Springfield. April 14, Merlin Adal, Parker. March 22, a land auction outside of the Sioux Falls area by Martin and Eileen Nelson.

All told, this document represents all of the auctions in a 45-day period in South Dakota—March 13 to April 27, 320 farm auctions. That comes to 6.8 farm auctions per day.

So what we find as we look across those statistics is that the human element here is even more dramatic. So many people are being forced off the farm and having to look for a new livelihood. It is all so similar to what the conditions were in the Great Depression of 1929 through 1939.

So the message in agriculture today is depression. It is not a recession, it is not a temporary downswing, but a downright bona fide depression.

I do not think there is another time in the State history of South Dakota where we can point to 320 auctions in a 45-day period.

☐ 1650

I think we have to recognize how serious this situation is. I think that if we look to farm income alone, we can demonstrate why this farm auction sale is going on. The impact on agriculture in South Dakota is severe. I think we have to recognize that agriculture, not only in South Dakota but in this land, is the largest industry that this country has—the largest industry. When we find that industry, as we do now, in the depths of a depression, we need not wonder why the ripple effect has had the same impact throughout our economy today.

I think again, as we take out the special orders this afternoon, it would be foolish for us to talk about how serious the situation is without offering some substantive way in which we can bring ourselves out of the depths of this depression. Rhetoric alone is not going to solve the problem. Simply citing statistics or talking about the impact these statistics have on individuals is not going to solve the problem. Rather, I think it is important that we commit ourselves to act. So it is that a number of us in the last couple of months have felt it imperative that we begin to try to make this Congress respond. We want a call to action in response to the great depression we find in agriculture in 1982.

The Farm Crisis Group was organized specifically for that purpose. It represents many of those farm State Congressmen who have recognized for some time the gravity of the situation, and know how imperative it is that the Congress respond as quickly as possible in a very substantive fashion. The Farm Crisis Group has been meeting now for the better part of the last 3 months in an effort to deal with this situation in a substantive way through the legislative process. We have worked day in and day out now for a 3-month period. We have met with farm leaders, met with Members of Congress, met with experts, met with staff, to find a way in which, without breaking the budget, without expanding it beyond the budgetary limitations imposed by this Congress, we can offer some meaningful response, some substantive legislative response to the problem we see here today.

So it is that the Farm Crisis Group, after deliberating now for sometime, has come up with what I think is a far more substantive response, a far more meaningful response, that what was offered to us in the farm bill passed last year. The Farm Crisis Act of 1982 is that response.

The Farm Crisis Group will be introducing this legislation tomorrow, and I believe that we can look to this legislation with great pride. The act shows that we are finally responding to the problems that we have outlined today, as it will offer a comprehensive answer to the problems that we face. First, it will provide a diversion of 5 percent of the acreage now under planting this year. This 5-percent diversion in 1982 would lessen the demands on the Federal budget. It is far cheaper to avoid production of additional units of commodities that are already in surplus supply, than to make payments, price supports, storage or otherwise after the commodities have been produced.

In addition, the effect of reducing supplies will stimulate price, and thus reduce required target price. Because of the late date of the 1982 season, the signup would be open until the end of this certification period. Haying and grazing would also be available to farmers who have already planted. The level of diversion payments would be $1.25 for corn per bushel, $2 for wheat per bushel, $2.20 per hundredweight of rice, and 20 cents per pound for cotton. These would be calculated by taking into account production times the acreage diverted, equal to 5 percent of historically planted acres.

The second provision in our Farm Crisis Act of 1982 would require a nationwide referendum to be held in July, on whether farmers will lay aside 15 percent of their cropland for conservation purposes. Not included in the referendum would be crop acres under marketing order or allotment. An affirmative vote by 55 percent of the farmers participating would be required for approval.

If the referendum passed, loan rates would be increased by 10 percent. A failure to comply with the referendum provisions would mean denial of access to farm programs for 3 years. If the referendum, under this legislation should be defeated, the Secretary of Agriculture would be required to establish a voluntary set-aside program

when carryovers reached a certain level. For wheat, if domestic carryovers grew to more than 5 percent of the world wheat utilization, a minimum 15-percent acreage set-aside program would be implemented, and farmers would receive a 5-percent loan increase.

Farmers would also have the option to set aside 30 percent of the previous year's planting in return for a 15-percent increase in the wheat grown. The set-aside acreage would be devoted to haying and grazing.

If feed grains for domestic carryover grew to more than 18 percent of total domestic and export use, a minimum 15-percent set-aside program would be implemented, and farmers would receive a 5-percent loan rate increase.

Farmers would also have the option to set aside 25 percent of the previous year's planting in return for a 10-percent increase in loan rate.

For cotton, if the domestic carryover stock of upland cotton exceeded 4.2 million bales, the Secretary of Agriculture would provide for a minimum of 15 percent set-aside, and farmers would receive an increase of 10 percent on loan rates. Farmers would have the option to set aside 25 percent of their acreage, in which case the loan rate would be increased by 20 percent. One billion dollars would be made available through the agricultural credit revolving fund in a sense of the Congress resolution we include in this legislation. A Government loan guarantee program of up to $250 million in loans for construction of on-the-farm storage facilities would be included, and the use of economic emergency loan programs would be mandated, retaining the current $600 million cap.

We would call for a White House—I will reiterate here—we will call for, through this legislation, a White House Conference on Agriculture, a crisis conference, I might add, to provide a forum for in-depth and long-range examination of the agricultural crisis we face today.

Finally, we are going to direct the Secretary of Agriculture to survey and expedite the bartering of U.S. Government-owned commodities for strategic minerals.

We are facing a crisis, there can be no doubt. We are facing a crisis across the board when it comes to agriculture, and I urge the Congress, I urge the Members of this body, I urge the respective committees who are deeply concerned about the situation we face today to respond to this call to action, to respond by cosponsoring this legislation.

I might add, Mr. Speaker, that this is a bipartisan response. We have had a number of Republicans as well as Democrats who recognize the imperative need to change the current farm policy by joining us in this legislation.

Mr. ALEXANDER. Mr. Speaker, will the gentleman yield?

Mr. DASCHLE. I yield to the gentleman from Arkansas.

Mr. ALEXANDER. Mr. Speaker, I thank the gentleman for yielding, and I wish to compliment the gentleman for the forethought and leadership that he has provided in the farm sector of our Nation.

As I reflect upon the debate that ensues today on the so-called battle of the budget, and recall the words of some of the farmers who came to Washington last year during the debate, when the President's proposals on his economic policy were being debated, I would think that the President would be well advised to listen to some of the advice that the farmers offer.

Last year, the farmers were saying that it did not make any sense to cut taxes, which would contribute.to a deficit and therefore raise interest rates. This year, we just have figures that have been compiled by the Congressional Budget Office that project a deficit from 1982 through 1985 of $662 billion. Additional data reveals that the cost of the tax cut last year was $471 billion, and if we just add the increases in defense of $314.5 billion, we see very quickly why the President has been unable to fulfull his commitment to balance the budget by fiscal year 1984.

Those words of admonition about the huge deficits first came from the farmers of America who said that it did not make sense to cut taxes, to build up defense, and expect to balance the budget.

☐ 1700

They knew the impact of high interest rates on their increased cost of production.

It has been said that the overall gross cost of credit to farmers is about 16 percent, whereas it should be somewhere around 8 or 9 percent. The 6 or 7 percent increase in the interest costs, in the cost of credit, have caused tens of thousands of farmers to operate in the red in 1982 instead of operating at a profit.

I would hope that when the economists at the White House figure out what they are going to do to make a midcourse correction, that they will listen to the admonitions of the farmers who add 2 and 2 and get 4 instead of 22.

I thank the gentleman for yielding.

Mr. DASCHLE. I thank the gentleman from Arkansas for his very succinct comments in that regard.

We have all had our differences with the administration and I think I have been vocally critical of the past administration. But I find total exasperation among farmers. Their only response to the desperate situation they find themselves in this year, their only response from the Secretary of Agriculture, their only response from the administration or the OMB is to wait it out, and that somehow by waiting it out it is all going to get better. The farmers are crying out desperately.

Obviously, the auction sales that I mentioned a moment ago demonstrate the desperate straits that they find themselves in.

As was so eloquently pointed out by the gentleman from New York, we find a direct relationship between the devastation in the economy in urban areas and the economic situation as well. The farmers want to be heard. They want to be heard as quickly and as responsibly as we can provide some kind of a substantive and meaningful program which represents a change in the policy that we have this year.

The gentleman from New York made some mention of the fact that the REA program, too, is feeling the impact of the administration's policy. We had an excellent hearing today regarding just how serious the situation is with rural electrification and the programs that we have in the REA system now.

Mr. Speaker, since its enactment in 1936, the rural electrification program has enjoyed bipartisan support. To me, that fact is powerful testimony of a program that is recognized worldwide as one of the finest examples ever of Government and its people working together to enhance the lives of its citizenry.

Nor has time diminished one iota the need to continue the REA loan program at levels sufficient to meet the requirements of rural electric cooperatives and their consumer-owners. In fact, just the opposite is true. That is why it is disappointing to observe the efforts of the administration, since the day it came into office, to weaken and destroy the rural electrification program. Every recommendation they have made would result in sharply higher operating costs for rural electric systems and consequently in increased electric bills to rural consumers. I must voice my concern over the callous attitude toward rural Americans on the part of those who administer the Federal program at the U.S. Department of Agriculture. You cannot escape this conclusion—particularly if you measure their performance in handling REA loan matters over the past 15 months in office.

I regret to say that their record to date is one of ignoring congressional intent, of imposing new and arbitrary restrictions on borrowers, of preaching to rural electric leaders on what they deem to be their moral responsibility to pay higher interest rates for their loans. And this is at a time when rural electric systems are paying an average rate of interest higher than either the power companies or municipally owned systems. And also at a time when rural electric consumers are paying an average of 12 percent more for their electricity nationwide than their city cousins.

Fairness does not appear to be a criterion for the USDA's administration of the rural electrification program. Unfortunately, it has been characterized by narrowness of interpretation, foot dragging, even harassment. I offer a case in point involving Grand Electric Cooperative in Bison, S. Dak. This rural electric cooperative serves a very sparsely settled area of my State. As a matter of fact, if you take out the range wells, its consumer density is 0.88 consumers per mile of line.

Early in April, a devastating snow and ice storm swept through the area, wiping out a substantial part of the co-op's system—about 1,300 poles and other equipment were destroyed. Obviously, that system with only 1,918 members is in deep trouble.

In 1981, as you know, Congress amended the REA Act and gave the REA Administrator the authority to make disaster loans at his discretion to rural electric systems at from 2-percent to 5-percent interest. If there ever was a situation in which a co-op qualified for a disaster loan it is this one. And the co-op applied to REA for such a loan a few weeks ago. What they got from REA was the runaround. But this story can be told better by the co-op itself, Mr. Speaker and I would like to read into the record the exchange of letters that has taken place between Grand Electric and REA:

GRAND ELECTRIC COOPERATIVE, INC.,
Bison, S. Dak., April 22, 1982.

Mr. HAROLD V. HUNTER,
Administrator, Rural Electrification Administration, U.S. Department of Agriculture, Washington, D.C.

DEAR MR. HUNTER: We have your letter of April 16, 1982 denying our request for a Section 12 deferment to join CFC. From your letter, we conclude that your decision was based on the erroneous assumption that the option you outlined for meeting our equity investments in CFC was better for the cooperative than deferment. This is not the case.

When we were informed by REA that we would have to borrow 10 percent of our loan needs from a supplemental lender, we undertook an in-depth analysis with the help of our auditors, CFC and the Bank for Cooperatives to determine which way was best. The conclusion of that study beyond any doubt was that it was best for us to go to CFC and pay the twelve years of delinquent capital term certificates plus interest penalty by means of a deferment of principal payments to REA as provided for in REA Bulletin 20-20.

Since our request for a deferment was made, we have suffered a major spring storm in which we lost 1,300 poles. Other major damage was inflicted on the system including many lines that are out-of-sag and must be resagged, several hundred miles of poles to straighten, broken strands in aluminum conductor which are fraying and causing outages which may require stringing new conductor, pulled anchors, loose guys and so on. Our original estimate of damage was $750,000 and it now looks like it may run considerably higher.

Our last requisition used up all of our remaining distribution loan funds. Actually there was a shortage of loan funds for this purpose of $46,873.

We respectfully renew our request for a deferment of principal payments under Section 12 of the REA Act. This request is in the best interests of the members of our cooperative and we believe it is in accord with the intent of REA Bulletin 20-20.

Sincerely,

LEROY D. SCHECHER,
General Manager.

U.S. DEPARTMENT OF AGRICULTURE,
RURAL ELECTRIFICATION ADMINISTRATION,
Washington, D.C., April 16, 1982.

Mr. LEROY D. SCHECHER,
Manager, Grand Electric Cooperative, Inc., Bison, S. Dak.

DEAR MR. SCHECHER: This is in response to your request for REA approval of a Section 12 deferment of principal repayments on outstanding loans to provide the funding for equity investments in the National Rural Utilities Cooperative Finance Corporation (CFC).

As indicated in REA Bulletin 20-20, deferment of principal repayments will be considered based on need and on the amount and timing of the required commitments to be made to a supplemental lender. Optional payment plans are available from CFC. One option is the payment of the membership fee and the first year CTC requirement, plus premium and late payment interest, and issuance of non-interest bearing notes for subsequent payments. This plan would be more advantageous to the cooperative than using the Section 12 deferment for the full amount of CTC's up front. For this reason, Grand Electric's request for a Section 12 deferment is not approved.

As requested in your letter of March 24, 1982, Mr. William E. Davis, Director, Distribution Systems Division, will be the REA representative participating in the April 22-23 meeting in Dickinson with the cooperatives who may be involved in providing electric service to oil production facilities. He will be accompanied by Mr. Clifford Smith, Operations Field Representative.

Sincerely,

HAROLD V. HUNTER,
Administrator.

GRAND ELECTRIC COOPERATIVE, INC.,
Bison, S. Dak., April 8, 1982.

Mr. ORVEL E. JOHNSON,
Manager, North Central Area—Electric, Rural Electrification Administration, U.S. Department of Agriculture, Washington, D.C.

DEAR MR. JOHNSON: On Tuesday of last week, our system suffered substantial damage from a spring snow and ice storm. In all we lost about 1,300 poles, a number of transformers, conductor, guy wires, anchors and other items. We have all of the farms, ranches and missile sites back on, but do have about 300 poles left to set on range well services. Our estimated cost of damage is $750,000 to $1,000,000.

In 1981 the REA Act, Section 305(b) was amended giving the Administrator the sole discretion to make disaster loans to rural electric systems who suffer a disaster at 2 percent to 5 percent. We believe that we should qualify for a 2 percent loan under this provision and want to know what we need to do to apply. Also what documentation will be necessary.

In discussing this with you last week, you indicated that REA did not feel a disaster loan was necessary because our rates are lower than our neighbors and our power costs are more favorable than some. Along with that, the system is (or was) in good shape and service is good. These conditions exist because of a lot of years of careful planning and hard work. Is it your intent to penalize us for that?

There are other things we feel should be considered. Grand Electric has one of the lowest densities among the rural electric cooperatives. At the end of 1981 we had 1.09 consumers or services per mile of line. That includes 1,354 services to range wells. If we take them out, our density drops to .88 consumers per mile of line. We only have 1.918 members. Our investment per service is $3,820.00, but our investment per member if $7,787.00. When we talk about investment, we really need to do it on a per member basis, since they are the ones that are going to pay the bill.

Our system covers some of the most difficult terrain in the country, spread over almost 10,000 square miles of area. The storm has inflicted a lot of damage to the system that we still have to deal with. As an example, we are having trouble with frays on aluminum conductor. How are we going to detect and correct this situation? Will we have to replace a lot of conductor? These questions are yet to be answered. There is also a lot of conductor out of sag and poles to straighten. These are expensive programs. In the interests of continuity of service, we feel that a system inventory is going to be necessary. The estimated cost of that is $150,000.00. After that we have to go out and do the work at a cost that is impossible to estimate at this point, but it is fair to say that it will be expensive. An important question here is—can the costs of this inventory be capitalized?

There is no doubt that our rates will have to go up substantially because of the storm. By any test, it was a disaster and the members are going to pay for it for a long time to come. We do not believe that tests for deciding whether or not we are eligible for a disaster loan should be based on the past, but rather on the future. The economy is in tough shape in rural America and more so in our area than in others because we have had two years of drought. Perkins County was just yesterday designated as a disaster area for the 1981 crop year. These things all need to be considered.

You indicated last week that REA wanted to include the capital costs of the storm repair in our pending loan application. We do not want to do this, because that is not what the loan is for. The law says that the Administrator has the power to make discretionary loans in cases of disaster. If Grand does not qualify, few, if any would. We do not believe that is what Congress intended.

We are enclosing a copy of a board resolution asking the Grand be considered for a disaster loan. We look forward to hearing from you.

Sincerely,

LEROY D. SCHECHER,
General Manager.

GRAND ELECTRIC COOPERATIVE, INC., BISON, S. DAK.—RESOLUTION

The following is an excerpt from the minutes of the special board meeting held on April 8, 1982:

Be it resolved that the Board of Directors of Grand Electric Cooperative, Inc. does request that the Rural Electrification Administration make a 2 percent disaster loan to our Cooperative under Section 305(b) of the REA Act to cover the capital costs of the ice storm disaster which occurred on March 30, 1982.

Mr. Speaker, as we look across the REA's loan program, as we look across the wheat and feed grain program, as we look across virtually every element within the farm sector today, we are finding a very disturbing sign. This sign is of growing negligence on the part of the administration. It is also a sign of unwillingness on the part of the Department of Agriculture to deal with this situation as it should be dealt with, and to recognize the great depression we find ourselves in in agriculture today.

This is a serious situation that needs more than rhetoric. It is a situation that needs effective and substantive legislative response. It is a situation which I hope this Congress will act upon at the very earliest date. We must insure that we turn this depression around, that we can bring a health and vitality to the American agricultural sector once again, and in so doing help bring about economic recovery throughout the land.

● Mr. COELHO. Mr. Speaker, recently the Secretary of Agriculture was in my congressional district trying to find support for my opponent before the election this November. He spent most of his time speaking out in support of the President's budget cuts at USDA. The Secretary, who is a Midwest hog farmer, said that there is a lot of squealing from the special farm interests that are getting chopped in the budget process. He called for a time of commonsense and boasted that his hired hands on his hog farm could do a better job in Washington than some of the Washington economists. The Secretary offered to have his farmhands exchange places with the Washington economists—so the Government could be straightened out. The problem with that, he pointed out, is that the economists would be wrecking the farms if that exchange happened.

Now, Mr. Speaker, I have been in Washington for about 17 years and I have seen several Secretaries of Agriculture come and go. I have observed one strong Secretary of Agriculture and I have watched many weak Secretaries of Agriculture.

The current economic crisis that has hit hard in American farms across the Nation is not just an imaginary crisis dreamed up by economists. And it is unfortunate that the current Secretary of Agriculture feels that this situation is contrived.

It is apparent to me that this administration's top agricultural official, the Secretary of Agriculture, is unable to comprehend the devastating effect his President's recession has had on this Nation's farm community. It is no wonder that agriculture has a weak voice in this administration. I hope that all hog farmers and other agricultural producers around the country can live through the current economic crunch, until we can get one particular hog farmer back on his farm—for the sake of U.S. agriculture.●

● Mr. LONG of Louisiana. Mr. Speaker, I want to thank my colleagues for setting aside this time to discuss the effect of today's economic conditions on the American farm.

If we do nothing else today, we will have accomplished a great deal by drawing attention to the fact that there is a critical situation developing in American agriculture, and that there are dramatic differences in the ability of today's farmers to cope with the uncertainties that go along with the business of farming.

There are many reasons for the new unpredictability in the farming sector. The structure of agriculture is one factor. There are fewer farmers farming, and they tend to specialize rather than spread the risk over a variety of commodities. Farmers are notoriously a hard-working and productive group. As technology improved and the potential of the acreage increased, farmers grew more dependent on overseas markets to purchase their supply and keep the price at reasonable levels.

The economy in general has a degree of control over farmers that was not foreseen in past years. Inflation has greatly increased the cost of farm inputs, such as equipment, fuel, and fertilizer. As interest rates soared, this added to the cost of farm inputs. A related side effect has been the rise in land values, which dramatically increased the equity of farmers over the past decade and provided the impetus to borrow money to cover the cost of inflated materials and to expand farming operations.

As farmers grew gradually more dependent upon forces which are beyond their control, their vulnerability grew in direct proportion. As a consequence, we stand now at the brink of one of the most critical periods in farm history. People who live in farm communities look at our current national recession as a depression. That is not far from the truth.

Farm income is as low as it has been since the 1930's. While there are those who brush this fact aside with the comment that there are fewer farmers around to share that income, this begs the issue. The fact is that the stability of farm income we enjoyed in the 1950's and 1960's is gone. The 1970's witnessed the most serious swings in farm income since the Second World War. The 1973 high of $33 billion has never been matched, and recently plummeted to $22.9 billion in 1981. Income this year is expected to drop to $16 billion.

Much of this change can be traced to the unpredictability of world markets, which are much more changeable than our own.

I was interested to see a reader of Time's article on the American farmer comment that something must be awry when farmers who used to pray for rain, now pray for plagues and droughts in the world. I don't suppose that reader would feel any more confident to know that many farmers are looking at the British blockade of the Falkland Islands as a break for the grain markets.

But apart from the question of reliable export markets, one of the most alarming new trends sweeping agriculture communities is the growth of the total farm debt. My district is no exception. Over the past few months, Congress has debated the depth and severity of the credit crisis in our agriculture community. Recently the Joint Economic Committee Subcommittee on Agriculture heard from five Secretaries of Agriculture, including the present one. All expressed some degree of concern over the prospect of an increasing farm debt. The present leadership at the Department of Agriculture maintains there are sufficient resources to cover the credit demands of farmers this year, and that there is no danger of mass bankruptcies and foreclosures. In fact, the Secretary currently holds $600 million in emergency economic loans in abeyance because he feels there is no need to release the funds.

But those of us who represent rural districts see another picture. We hear calls of distress from farm implement dealers, from farm suppliers and seed dealers. We see growing unrest among farmers about their ability to sustain the additional debt they need to stay in business. Unlike other businessmen who may delay investment decisions if the economy is weak, farmers must borrow each year to put their crops in the ground.

People are hurting in our rural, agriculture communities. And as we have experienced in the past, their voices get muted in the distance. Everyone knows what devastation inflation and interest rates have brought on the automobile, steel and construction industries. But inflation and interest rates are taking a silent toll, too, around the farms of this country. The difference is that agriculture is the Nation's number one business; the Nation's number one employer; and the strength upon which our country wields its economic and political strength abroad.

Interest rates have a direct relation to total farm income. Were it not for the high rates, farm income would have been substantially greater than it was in 1981. Billions in farm income is shifting from the income side of the farmers ledger to the payment side because of high interest rates. Last year, USDA estimates that farmers paid as much in interest as they had in total net income.

In my own district, which stretches through central Louisiana, the situation alarms me greatly. Perhaps the difference between the view USDA has, and the picture I have is merely a matter of time. It is true that the local FmHA probably will be able to cover loans needed to keep farmers in my district in business this year. The question is whether farmers will be eligible to borrow it. Borrowers no longer have any borrowing capacity. They have extended themselves to such a degree that they no longer have any equity.

FmHA in my district this year will be making loans just to get the crops in the field. The only security against those loans will be the future crops, since all other equity is already committed. Chances are that FmHA already holds the mortgage on the house and on the land. If a farmer goes out of business, he loses it all. And there is no unemployment compensation for farmers. A conservative estimate of the number of troubled farmers in my district in Louisiana is 40 percent. That is not 40 percent of outstanding loans, that is 40 percent of all farms.

Under current economic conditions, FmHA is no longer able to make loans—other than crop loans—to farmers. If a farmer owes something on a tractor or a cane cutter, he once was eligible for an equipment loan to help out with the payments. Now, with that flexibility gone, we are seeing some real catch-22 situations.

Right now, I am working with a farm family in Avoyelles Parish who is double-cropping to make ends meet. They can secure a loan to put the soybeans in the ground. But they can't get an equipment loan to finish off the last installment loan on the tractor—without which they cannot harvest the beans. What this means to the farmer is devastating. In this case, they will probably have to go out of business. What it means for the farm implement dealers and other farm suppliers who provide economic stability to our small towns is serious, too. Farm implement sales are down between 25 and 50 percent this year. Seed is down about 20 percent, and fertilizer down about 26 percent.

Credit for larger farmers is not easy either. Many banks are not lending, or if they are lending, are insisting farmers sign up for the USDA "reduced acreage" program. Recently the President of the fifth farm credit district estimated that the production credit associations in our regions will turn away 8 percent of their members this year. He estimated that an additional 24 percent of the PCA farmers would be turned away from PCA credit in 1983.

When applications for credit are turned away from PCA's these farmers will look first to the FmHA for credit assistance, and many will be disappointed, FmHA is not only saturated in its loan volume, but has regulations that limit its resources to family-size farms. Most farmers of the size that qualify for PCA credit will not qualify for FmHA credit due to the family farm rule.

This shift in the loan market from PCA's to FmHA has already begun. As economic conditions grow more severe, farmers are forced to compete among each other for scarce credit resources. This competition brings a polarization among different sizes, ages and categories of farmers. That is a hostility I do not want to see develop in my area.

The question is what can be done to alleviate the pressures and create the climate in which agriculture can once again become a profitable enterprise. I believe most people would agree that encouraging the growth of farm indebtedness is not a solution in the long run. If the farmers from my district could be here today, I think they would tell you the key is a fair price which, like all other businesses in the world, they interpret as being the true value of their product, plus a profit. Just how we arrive at that goal is debateable.

But in the short run, we need the emergency legislation now making its way through the House Agriculture Committee. It would allow farmers some time to catch up on delinquent loan payments, and, under certain conditions, allow a moratorium on foreclosures.

In the long term, we need to get our economy under control and get the interest rates back down. Most of all, we need to get the Federal deficit down. Periods of sharp economic downturn undermine the very foundation of American agriculture and threaten both prices farmers can expect for their product as well as their export markets. When deficits run high, the Government is forced to the market to borrow in competition with everyone else. We already know of OMB's proposal to crowd PCA's from the bond market if the competition gets rough. There simply must be a better way than to balance the Federal budget on the backs of the American farmer. I will be doing my best to work with the members of the Agriculture Committee and the farm crisis group to achieve lasting solutions.●

● Mr. DERRICK. Mr. Speaker, I would like to thank my colleagues who have reserved this time today to discuss the crisis in the U.S. farm economy. I would also commend my colleagues who are taking advantage of this special order to debate the plight of the American farmer: For, whether their perspective be urban or rural, the health of the agricultural sector is of paramount concern to all Americans.

Over the last several months, I have met regularly, both in Washington and in South Carolina, with members of the farming community. Most recently, I have met with groups of peach and apple farmers in South Carolina who have been nearly devastated by the freezing temperatures experienced in the Southeast in late March and early April. The Governor of South Carolina has requested that 5 of the 10 counties in my congressional district receive declarations of natural disaster due to the crop losses, in some cases up to 100 percent, experienced by farmers because of the cold weather. And to help indicate the impact of this situation, I would note that the State of South Carolina is the second leading producer of peaches; second only to the State of California.

The problem this year has been freezing temperatures. Last year, 5 of the 10 counties I represent were declared disaster areas because of drought. While the fate of nature is not a phenomenon over which we may exercise control, I offer the foregoing as background so that my colleagues might understand the variety of adverse factors impacting on farmers, and specifically, farmers in the Southeast.

Mr. Speaker, over the last several months, a wide variety of my colleagues from both sides of the aisle and different regions of the Nation have taken to the well of the House to bemoan high interest rates. I understand and sympathize with these expressions of concern. The interest rate levels we have been experiencing have had a devastating impact on our economy, and I can think of only a few domestic industries that rely as heavily on credit as does the agricultural sector. The operation of a farm is intrinsically tied to reasonable and available credit—a tie that has grown increasingly strong with the modernization of farming operations.

Agriculture is now a capital-intensive enterprise. Not only must farmers secure credit for normal farm operations—the only method to conduct annual farming operations—but they must also obtain credit to finance the purchase of capital equipment to keep them competitive. The farmer, therefore, is doubly taxed by high interest rates.

In addition to the drain on farm income caused by high interest rates, low commodity prices over the last several years have dealt a harsh blow to farmers. It is one of the ironies of agricultural economics that when the agricultural sector as a whole has a good year, individual farmers often suffer losses. Increasingly efficient farming operations produce higher crop yields, which in turn place downward pressures on prices—farmers are caught in the classic cost/price squeeze. In many cases, farm income is simply not covering the costs of production.

Low commodity prices may appear as a boon to consumers, but that would be a shortsighted analysis. Low commodity prices, and their resultant impact on farm income, will eventually force many marginal but efficient farming operations out of business. The links between agricultural producers, processors and consumers must be emphasized and understood. Agricultural producers must earn an income sufficient to cover their production costs and to provide them with a livelihood. And agricultural consumers must continue to be afforded a high quality product at reasonable cost.

Mr. Speaker, the current interest levels have had a profound impact on our Nation, and nowhere is this more evident than in the agricultural community. To attack interest rates, we must address the size of the deficits contained in the budget proposed by the administration. Limiting the size of the deficits in next year's budget, and equally important, showing a decline in future year's deficits is an integral step the Congress must take to improve the economic climate and lower interest rates. It is clear to me that $100 billion deficits each year for the next several years are not acceptable. We must move expeditiously and decisively on the budget, and equity must prevail.

The problems experienced by the farming community relating to commodity prices can be attacked from two ends: Reasonable production controls and the development of new markets. Mr. Speaker, I am presently cosponsoring legislation which would, in effect, make the USDA crop set-aside program a mandatory program. I would urge my colleagues in the House to join in backing this legislation. The voluntary set-aside program announced by Secretary Block came to late to allow many farmers to participate, and because it is a voluntary program, it really lacks the ability to meaningfully affect production.

An equally promising approach to the supply problem is the development of new markets for the sale of U.S. agricultural products, and the greatest potential for new markets lies in exports. New export markets can and must be encouraged—and the Federal Government must understand the profound impact that any disruption in these markets will have on agricultural producers.

Mr. Speaker, I have outlined some of the problems besetting the agricultural sector and some of the steps we can take to address them. Most importantly, we must continue the dialogue we have had today, for as I noted at the opening of my remarks, the health and viability of the agricultural sector is of paramount concern to all Americans.●

● Mr. BOWEN. Mr. Speaker, agriculture is America's biggest industry and our largest employer, responsible for over 23 million jobs in this Nation. Agriculture accounts for approximately 20 percent of America's gross national product and provided this Nation with a $27 billion agricultural balance of trade surplus last year, helping to reduce our overall trade deficit. The American farmer is by far the most efficient in the entire world, producing enough food and fiber for 70 others. In the Soviet Union, by contrast, each farmer produces enough for seven others.

Over the last 20 years U.S. farm productivity has tripled, while, by contrast, nonfarm productivity has increased 1.8 times over the same period. Very sadly, however, America's farmers have not in recent years benefited from this striking increase in productivity, and, in fact, real farm income has fallen far more steeply than nonfarm income, as prices have fallen in the marketplace more rapidly and cost of production had increased more sharply than for other American producers.

This year's worldwide bumper harvest, coupled with high interest rates, a worldwide recession, and the strength of the dollar abroad—with consequently greater export marketing difficulties—have pushed real farm income down to its lowest level since the Great Depression in the 1930's, which, as we are painfully aware had its roots in the farm depression of the 1920's.

In short, Mr. Speaker, this is clearly the worst of times for American agriculture. Unless a dramatic turnaround occurs, I would describe the future of American agriculture in one word—disastrous.

Mr. Speaker, there are many ways in which the plight of the American farmer could be improved. First, in an effort to reduce overproduction and thereby enhance prices, a paid diversion would more effectively restrict acreage than the present voluntary acreage reduction program. It is my belief that acreage reduction is the only effective way to get prices up for farmers, since a sharp escalation of loan levels would stimulate production abroad and damage our markets, and steep increases in target prices would still be subject to payment limitations, so that neither one of these devices could actually create the profits needed by farmers.

For those who say that a return to the allotment system linked with very high parity loan levels would solve the problem, I can only say that we tried that system over a period of many years and despite our best efforts the Government ended up acquiring massive quantities of surplus commodities at great costs to the taxpayers. For these reasons, I believe that other acreage reduction methods are more realistic alternatives for enhancing prices.

Given the composition of the Congress, with almost nine-tenths of the Members of the House representing urban and suburban districts, I see no way that the votes could be found to raise loan levels to a point that would guarantee a profit for farmers.

Accepting the fact that our first goal must be to get prices to a profitable level, our second goal must be to find markets for those products, and this will increasingly be abroad, where more than one-half of our products are now marketed. Consequently, the administration should take all actions necessary to expand exports, such as supporting the export credit revolving fund, providing more extensive use of guaranteed export credits, and expanding the import-export bank from manufactured products to agriculture. Although the Reagan administration seems to be philosophically opposed to Government credit of any kind, guaranteed or otherwise, in the export field we face a situation in which our competitors do not always play the game by our rules, and, in fact, their governments are far more actively involved than ours in promoting the sales of their agricultural products.

One of the major contributions our administration can make is to avoid using agricultural products as tools of foreign policy, through embargoes and threats of embargoes. Saber-rattling about cutoffs of agricultural exports may serve some foreign policy goal, but there is no reason American farmers alone should be asked to make the sacrifice of financing economic sanctions against other nations.

In addition, immediate relief can be provided many of our farmers by releasing the FmHA economic emergency funds which have already been authorized and appropriated to the administration, and the FmHA could place a temporary moratorium on foreclosures during this period of agricultural crisis which has been created by adverse weather and market conditions.

Present legislation already on the statute books gives the administration all the authority it needs to moderate the downward pressure on prices as well as to provide both short-term and long-term assistance to our farmers. Unfortunately, the administration has so far shown little willingness to utilize the authority provided by the Congress.

Mr. Speaker, the farmers of our Nation do not want to be supported by the taxpayers of America. They only want to make a living in the marketplace, and I believe that if this administration commits itself to achieving a level of prices which will produce an adequate income for our farmers at the same time it provides fair prices for consumers, then we can have a reasonable and stable program which will avoid many of the price fluctuations we have seen which have been a great disservice to both farmers and consumers.●

U.S. SKI ASSOCIATION LOBBYING EFFORT BACKFIRES IN 11TH DISTRICT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, I am deeply proud to represent the 11th District of Illinois because the people of that district are not swayed by high-pressure lobbing tactics, but instead prefer to make up their own minds on the issues.

This is particularly true with regard to the Olympic commemorative coin issue. The people of my district want an Olympic coin program, but they want a program that will turn the profits over to our Olympic athletes. And they want the coins sold directly by the U.S. Mint instead of through a middleman operation that will siphon off a bulk of the profits.

From the letters, phone calls, and telegrams that I have received from people in the 11th District, they overwhelmingly support my legislation which calls for the minting of two silver dollar coins and a $10 gold piece to be offered in proof and uncirculated specimens directly to the public by the U.S. Mint. Ten dollars from each of the silver dollars and $50 from each of the gold coins would be turned over to the U.S. Olympic Committee and the Los Angeles Olympic Organizing Committee.

My constituents strongly oppose another plan which would call for the minting of 17 coins to be sold by private marketers at a cost of about $5,000 a set. The General Accounting Office estimates that for every $25 raised under that proposal, only $5.40 would be turned over to the athletes.

The U.S. Ski Association apparently does not know the residents of the 11th District very well. Recently that organization sent a letter to skiers who live in my district. The letter, signed by Nancy J. Ingalsbee, director of government relations for the U.S. Ski Association, tells skiers in my district that they should contact me asking that I support the private marketing of the coins and forget about my own bill. The letter points out, incorrectly, that my bill uses Government funds, while the rival bill uses public funds. According to the General Accounting Office, my bill would result in no expenditure of Federal funds while the rival bill would result in lost revenue to the taxpayer of $210 million.

The U.S. Ski Association also includes a step-by-step program telling my constituents how they can exert pressure on me.

Perhaps the U.S. Ski Association thought its slick lobbying efforts would dazzle my constituents into a case of snow blindness and get them to ignore the facts, but it has not worked that way.

This week I received a letter from Mr. Thomas Doloughty who lives in my congressional district. Mr. Doloughty is not taken in by the downhill efforts of the Ski Association. In part he writes:

> I support your position. . . . The purpose of this letter is to let you know that there are voters in the 11th Congressional District who feel that you're doing the right thing. In an era of budget cuts in every social program, I find it amazing that a private interest group is so worried about supplying money to see what country has the best ski team in the Olympics.

I applaud Mr. Doloughty for his refusal to be misled by a classic snow job. Perhaps if the U.S. Ski Association was willing to tell the truth to my constituents it might get a better response.

Because of its sincerity, I am enclosing as part of my remarks the letter that I received from Mr. Doloughty. I am sure that the constituents of every Member of this House would support my position if they were told the truth. But as long as there are groups such as the U.S. Ski Association which wants to control the minds of its members, it will be very difficult for the truth to win out.

The letter follows:

> MAY 3,1982.
>
> DEAR CONGRESSMAN: I would like to let you know I support your position on H.R. 6058, the Olympic Coin Act. I would also like you to know I'm an avid skier and a member of the United States Ski Association which sent the attached letter to me.
>
> In recent weeks the media and private interest groups have attacked your stand on this issue. The purpose of this letter is to let you know that there are voters in the 11th Congressional District who feel that you are doing the right thing.
>
> In an era of budget cuts in every social program I find it amazing that a private interest group is so worried about supplying money to see what country has the best ski team in the Olympics.
>
> Yours respectfully,
>
> THOMAS DOLOUGHTY.●

FERRARO RESPONSE TO REAGAN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. COELHO) is recognized for 5 minutes.

● Mr. COELHO. Mr. Speaker, I rise to commend one of our colleagues for displaying qualities in increasingly short supply during this era of the Great Communicator.

On Saturday, the American people witnessed the latest in a long line of artful dodges, as the President eagerly took credit for policies endorsed long before his election, while refusing to accept responsibility for the faults of his own policies.

We can expect the President to continue blaming Congress for the failure of the program he urged on us last year, while at the same time declaring that his program is already working. Fortunately, Mr. Speaker, this great evasion was not unchallenged last Saturday, and we can thank our distinguished colleague from New York for that.

Mr. Speaker, as the gentlelady from New York pointed out last Saturday, the President's assertion that his program is working is a fantasy that flies in the face of the facts. In the absence of forthcoming statements from the administration, I commend to you and all my colleagues her response to the President as a much needed example of the clarity, honesty, and responsibility the American people deserve from their Government.

DEMOCRATIC RESPONSE TO PRESIDENT REAGAN'S RADIO MESSAGE

WASHINGTON, D.C.—Good afternoon, I'm New York Congresswoman Geraldine Ferraro, and I have been asked by the Democratic Party to respond to President Reagan's message today.

The picture of the economy that the President painted in his address is not one I recognize either from my work in Washington or in talking to my constituents. The notion that his economic program is working simply does not jibe with the real numbers.

I'm sure the President is sincere and wants his program to work. We all want a return to economic prosperity. But the notion that things are improving and that recovery is around the corner is a cruel illusion, the image of an oasis held out to millions of Americans lost in an economic desert that is the result of Reaganomics.

The President mentioned several examples of good economic tidings which he said his economic program has brought about.

The President is attempting to take credit for the decline in gasoline prices when that is directly the result of the glut of oil on world markets. Like anything else, when the supply of oil goes up, the price goes down. Unless the President is calling the shots for OPEC, it's hard to understand how he can take credit for lower oil prices.

As for lower food prices, we owe them to good weather and big crops, not to any government policies, and they are the falling prices that are creating great hardship for our nation's farmers.

As for the increase in personal savings the President mentioned, what he failed to tell you is that his budget deficit will force the federal government to borrow enormous sums, which means the increased savings will go to pay off the deficit rather than go for investment and new jobs.

We are in a very serious situation. Despite the President's promises of recovery when Congress passed his economic program last

year, enormous Reagan deficits have kept interest rates high and our economy on the skids.

Unemployment is at its highest rate since World War II with almost ten million Americans out of work—more than at any time since the Great Depression. Mortgage interest rates of 17½ percent are depressing the housing industry and keeping young families from buying their first homes or purchasing a small business. And speaking of small businesses, their plight is equally devastating. 6,205 companies failed during the first 14 weeks of this year, eight months into the so-called Reagan Economic Recovery.

On our nation's farms, the story is the same. Real farm income is at its lowest level since the Depression. Almost half of all Federal farm loans are delinquent, as falling prices and high interest rates squeeze farm families.

These difficulties all stem from high interest rates, and the experts say high interest rates are caused by high federal deficits. The deficit for the current fiscal year will top $100 billion. In 1984, the year the President promised us a balanced budget, the deficit will be $216 billion. Now, the President is trying to escape responsibility for his failure to keep that campaign promise. His enormous tax cuts—and excessive defense spending—have created these deficits. But instead of owning up to that fact, the President is now hiding behind a call for a Constitutional amendment to balance the budget.

The President says his program needs more time, but a train heading over a cliff doesn't need more time, it needs a change of direction.

He believes nobody is truly hurt by his program. He says his cuts in Aid to Families with Dependent Children will only affect the non-needy, but seventy percent of the program's recipients are children.

He says his food stamp cuts will only eliminate fraud and waste, but ninety percent of elderly recipients over the age of 65 will lose part of their benefits.

The President says we must be fair to all our people. And I agree. But if you take a close look at the program and tax cuts enacted last year, families with incomes of less than $10,000 lost $240. Families with incomes of between ten thousand and 20 thousand dollars got a net gain of $220, and families with an income of $80,000 enjoyed a windfall of slightly over $15,000. Now that's just not fair.

As Democrats, we are willing to seek bipartisan solutions to the budget and economic crises. But there are some principles we will not surrender.

We will not trade social security cuts to get tax increases for wealthy Americans and corporations.

We will not force families to remortgage their homes to make up for lost federal student loans.

And we will not go along with an economic program that has put our people out of work while giving tax breaks to the rich and cutting programs that help middle class and poor Americans.

We can solve our problems if we work together * * * if we understand each other's problems. The wealthy few must be concerned about the many who are not wealthy, because if prosperity is not shared, it will soon exist for none.

The Democrats in Congress are united. Urban Members are protesting the Administration's proposed shut-off of emergency loans to farmers. Northeast and Southwest Members have shared concerns over deteriorating big city infrastructures, as New York and Albuquerque, Boston and New Orleans grapple with similar problems. Male members are joining women members in protesting budget cuts that are absolutely unfair to poor and elderly women, and policies that deny working women equal economic opportunities.

Liberals have joined conservatives in seeking to reduce the deficit and balance the budget—but we all agree it is not going to be on the backs of the poor, the elderly, the middle class, workers and students.

The President has asked you to write to Members of Congress in support of his budget policies. I ask you to write to the President with just one message be fair, Mr. President, be fair.●

LEGISLATION TO REDUCE THE OUTRAGEOUS DAIRY PRICE SUPPORT PROGRAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. FRANK) is recognized for 10 minutes.

● Mr. FRANK. Mr. Speaker, today I am introducing legislation which would scale back the price support level for milk, a program which will cost the American taxpayer an estimated $2.2 billion this year—more then eight times the cost of only 3 years ago and almost 50 percent more than. the cost estimated for the program when we passed the farm bill last year.

The problems in the dairy program persist despite the passage of the Agriculture and Food Act of 1981, which reduced the support price over the next 4 years. The conferees for that legislation are to be commended for their attempt to cut back on this bloated program, the support level for which has gotten totally out of control in the prior two farm bills. However, it is clear that further reductions in this program must be made.

Overproduction in the dairy industry continues to be its most pressing problem—a problem which is exacerbated, not controlled, by Federal policy. Currently, milk production for the year is estimated to 135.5 billion pounds, which is an increase of 3 percent over 1981, 5 percent over 1980, and 9 percent over 1979. The total number of cows, and the productivity per cow, have also been growing. At the same time, demand for milk and milk products has remained essentially flat recently. The result is the Federal Government now buys about 10 percent of all milk being produced—an enormous waste of taxpayers money.

Dairy farmers, assured of generous and increasing support prices for the next 3½ years, have simply not moved to cut their production. Unless and until they get the message that Federal Goverment will not continue to subsidize their overproduction, there will be little incentive for them to cut back.

For this reason, I am introducing a bill which would give the Secretary of Agriculture discretion to reduce the support price from $13.10 per hundredweight to $11.10 and to hold it there until September 30, 1985, if he saw the need to do so. The Secretary could also raise the minimum price above $11.10 if conditions warranted; that is, if production and the resulting costs to the Government were substantially reduced. Also repealed are the confusing and, I believe, unrealistic triggering mechanisms in the present dairy program which allow the Secretary to increase the support price as a percentage of parity.

Mr. Speaker, this bill would give the administration the ability and flexibility to reduce this unnecessary and expensive program by sending a clear message to our Nation's dairy farmers that overproduction will no longer be tolerated. At the same time, by maintaining a price support program which can be adjusted, at the Secretary's discretion, to reflect market conditions, we would not be cutting the dairy farmer off from all Federal support. I urge my colleagues, and particularly the members of the Agriculture Committee, to consider this legislation carefully.●

THE EQUITY TAX ACT OF 1982

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. DOWNEY) is recognized for 5 minutes.

● Mr. DOWNEY. Mr. Speaker, swift and responsible action is necessary to restore the Nation's economic health and assure that burdens and benefits are shared equitably.

As a vital first step toward economic recovery, balance, and fair shares, I am today proposing a comprehensive package of tax changes and reforms. These measures will undo in large measure the worst inequities of last year's tax legislation and recapture sufficient revenues to fight recession, maintain essential public investments and protections, reduce the deficit, and permit a lowering of interest rates.

It is called Equity Tax Act of 1982.

The Reagan administration's Economic Recovery Tax Act 1981 was an ill conceived hodgepodge of loopholes and giveaways for big business and individuals with high incomes. The great majority of the Nation's taxpayers were shortchanged and the economy severely damaged. The act has not brought about economic recovery, but rapidly deepening recession. It has not generated any of the promised supply-side effects of more jobs, investment, and lower deficits claimed by its proponents. It has failed the most fundamental tests of sound tax policy: to raise adequate revenues to meet national needs and a fair sharing of the responsibility for financing those needs.

The time has come to redirect the tax structure to meet these tests.

The President's tax program has been given more than ample time, and the evidence of its failure is overwhelming. Most of the big business tax cuts were retroactive to January 1, 1981; key tax cuts for the wealthiest individuals were backdated to June of last year and payroll withholding reductions of 5 percent began in October.

Yet, despite these actual effects and the fact that the Reagan program was geared to expectations we are in the midst of a deep recession that began 6 months after President Reagan took office and has been worsening ever since. There are more than 9.9 million workers unemployed—more jobless Americans than at any time since the Great Depression and even the most optimistic forecasters expect worse.

Towering interest rates have decimated the housing and durable good markets, discouraged investment in plant and equipment, and smothered the ability of households with modest incomes to save. Mortgage rates still hover around the 15 percent they averaged last year, and the prime lending rate, which averaged almost 19 percent in 1981 still remains at an intolerable 16.5 percent—despite the depressed levels of economic activity and price level reduction.

Real gross national product fell nearly 4 percent in the first quarter of this year after declining 4.5 percent in the final quarter of 1981. The Nation's output has shrunk in three of the last five quarters. Industrial output of the Nation's factories, mines, and utilities has fallen in 7 out of the last 8 months. We are now utilizing only 71 percent of our manufacturing capacity.

I am convinced that costs and inequities of the Reagan tax cuts are principal impediments to economic growth and full employment. They have created projected budget deficits far larger than anticipated and are preventing vital reductions in interest rates.

Unless the course of Reaganomics is reversed, the economic and social ills we are currently suffering—ills inflicted by shoestring public budgets financed by unfair tax cuts—could fester and grow into a full-fledged depression.

We must change directions now.

The AFL-CIO Executive Council outlined a comprehensive alternative to the economic policies of the Reagan administration at their Bal Harbour, Fla., meeting earlier this year. That multifaceted proposal included means for dealing with the Reagan recession through job-creating programs, reinvigoration of our industrial base, and methods for relieving the suffering of unemployment victims. The Equity Tax Act, which I am introducing today, incorporates the principal tax policy suggestions of the AFL-CIO which, in my judgment, add up to a reasonable and responsible package of basic tax reforms and measures that will reverse some of the worst aspects of the Reagan program.

A key proposal in my package is to cap the 1982 and 1983 individual tax cuts at $700 per family. This will put back a substantial element of fairness to the tax system. The cap will have little or no effect on most families earning $40,000 or less, and will recoup about $28 billion of badly needed revenues.

I also propose to end the much abused buying selling of excess tax credits through the leasing provisions of ERTA. The leasing provision has already proven itself as a wasteful and inefficient means to deal with troubled firms or industries and other methods must be found.

The revenue loss due to the leasing provisions will reach $7 billion by the end of fiscal 1983, and will cost $8.5 billion annually by 1986. The prime beneficiaries will continue to be large and profitable corporations.

I also propose to reduce the investment tax credit—the single most costly business tax preference—to its former 7-percent level. In view of the depreciation giveaways of the accelerated cost recovery system enacted last August, there is not justification for maintaining this provision, which is costing taxpayers over $7 billion annually.

The Equity Tax Act will enable the Federal Government to put into place the kinds of policies we need to set the economy on the right track. It will help make possible necessary investments in the public infrastructure—highways, bridges, mass transit, railroads, and other facilities—human capital investments through jobs and training programs, revitalization of the housing industry—particularly for low- and moderate-income housing—rebuilding of the Nation's industrial sector, and extension of unemployment insurance benefits to protect the long-term jobless, victimized by recession.

The bill does not pretend to address the full array of problems and side effects embodied in the Economic Recovery Tax Act. It does not, for example, deal directly with the ERTA accelerated depreciation system and take on the full job of replacing ACRS with a system that accurately reflects the cost, usage, and taxability of capital assets. We recognize that the ACRS also creates serious revenue losses in many States and localities that have tax systems that conform to Federal law definitions. Similarly, we are concerned about the problems that might be faced by some troubled firms as a result of ending safe harbor leasing. We will work to resolve issues such as those in the final legislation.

In addition to the legislation we are proposing today, at such time as a firm figure is reached with regard to defense spending needs, we intend to propose a fair surtax on corporate and individual incomes to assure that any necessary increases in defense are paid for through the tax structure and equitably—not through further cuts in social programs.

A copy of the bill, along with a section-by-section summary and a series of revenue estimates, follows:

THE EQUITY TAX ACT (SECTION-BY-SECTION SUMMARY)

I. INDIVIDUAL INCOME TAX PROVISIONS

1. *Individual tax rate reductions.*—The individual tax rates for calendar years 1982 to 1983 would be adjusted so that the tax reductions resulting from the 1981 tax rate cuts are limited to $700 in 1982 and $1,400 in 1983 ($350 and $700, respectively, for married persons filing separate returns.)

2. *Indexing.*—The indexing for inflation of the income tax brackets, personal exemption, and zero bracket amount (standard deduction), enacted in the 1981 tax bill, would be repealed.

3. *Capital gains.*—The percentage of long-term capital gains included in taxable income would be increased from 40 percent to 50 percent, effective for gains realized after June 30, 1982. This would establish a maximum tax rate on capital gains of 35 percent for 1982 and 1983 and 25 percent thereafter.

II. ESTATE AND GIFT TAX PROVISIONS

1. *Carryover basis.*—The carryover basis provisions enacted in 1976 and repealed in 1980, would be restored for persons dying after December 31, 1982. Under present law, when a person inherits property, the basis of the assets, from which he computes depreciation and gain or loss, equals the fair market value of the asset at time of death (or on the alternate valuation date if elected on the decedent's estate tax return). As a result, any appreciation during the decedent's lifetime permanently escapes income taxation. Under carryover basis, the heir would use as his basis the basis of the asset in the hands of the decedent. However, taxpayers would be given a "fresh-start" under which the basis with respect to a decedent's property would be no lower than the fair market value of the assets on December 31, 1976.

2. *Unified credit.*—Under the estate and gift taxes, the unified credit provides the equivalent of an exemption from the estate and gift taxes. The 1981 tax bill raised this exemption equivalent from $175,625 to $600,000, phased in over 6 years. These increases in the unified credit would be repealed.

3. *Maximum estate and gift tax rate.*—The 1981 tax bill reduced the maximum estate tax rate from 70 percent to 50 percent, phased in over 4 years. This reduction, which only benefits estates valued over $2.7 million, would be repealed.

4. *Exclusion for pensions and insurance.*—The estate tax exclusion for annuities would be capped at $500,000, for decedents dying after December 31, 1982.

III. WINDFALL PROFIT TAX PROVISION

1. *Repeal of 1981 windfall profit tax cuts.*—The 1981 tax bill made three major reductions in the windfall profit tax. It reduced the tax rate on newly discovered oil from 30 percent to 15 percent, phased in over 5 years; it exempted stripper oil produced by independent producers; and it provided an exemption for royalty owners of up to 2 barrels per day in 1982-84 and 3 barrels per day thereafter. These windfall profit tax reductions would be repealed for oil produced after December 31, 1982.

IV. BUSINESS TAX PROVISIONS

1. *Leasing.*—The safe-harbor leasing provisions of the 1981 tax cuts, which enable taxpayers to use paper transactions to, in effect, buy and sell tax benefits, would be repealed effective February 20, 1982. However, leasing would be retained for mass transit commuting equipment.

2. *Foreign tax credit.*—The foreign tax credit would be repealed, effective in 1983. Taxpayers would be allowed to deduct these payments instead of claiming tax credits.

3. *Deferral on foreign income.*—Multinational corporations would be taxed currently on income from foreign subsidiaries, effective in 1983.

4. *DISC.*—The tax deferral provisions for domestic international sales corporations (DISC) would be repealed, effective in 1983. Previously deferred DISC income would be recaptured over a 10-year period.

5. *Reduction in investment credit.*—In order to scale back capital cost recovery provisions so that they are less generous than writing off the full cost of assets in the year the assets are placed in service (expensing), the investment tax credit would be reduced from 10 percent to 7 percent (from 6 percent to 4 percent for assets in the 3-year ACRS class), effective in 1983.

6. *Limitation of graduated corporate tax rates to small corporations.*—Under present law, reduced tax rates apply to the first $100,000 of corporate taxable income. These low rates are available to large and small corporations. The bill would adjust corporate tax rates in order to phase out the tax reduction from the graduated rates as a corporation's taxable income rises from $100,000 to $200,000, effective in 1983.

7. *Percentage depletion.*—Percentage depletion on oil and gas wells would be repealed, effective in 1983.

8. *Intangible drilling costs.*—Taxpayers would not be allowed to expense intangible drilling costs on productive wells, effective in 1983.

ESTIMATED REVENUE EFFECTS OF SELECTED PROPOSALS

[Requested by Mr. Downey; in billions of dollars]

	Fiscal year—					
	1982	1983	1984	1985	1986	1987
I. Individual income tax provisions:						
1. Cap the 1982 and 1983 individual tax cuts at $700 per family	5.9	12.6	9.2			
2. Repeal indexing provisions				9.8	25.6	42.9
3. Include 50 percent of long-term capital gains in taxable income	([1])	1.2	2.5	2.5	2.6	2.8
II. Estate and gift tax provisions:						
1. Carryover of basis		.1	.2	.2	.3	.4
2. Unified credit		1.1	2.0	2.8	3.8	4.5
3. Maximum estate and gift tax rate		.2	.4	.6	.9	1.2
4. Exclusion for pensions and insurance		1	1	1	1	.1
III. Windfall profit tax provision:						
1. Repeal oil provisions enacted by ERTA		.9	1.3	1.5	1.8	1.9
IV. Business tax provisions:						
1. Repeal the leasing provisions enacted by ERTA	1.0	2.9	4.6	6.5	8.6	10.6
2. Repeal foreign tax credit [2]		3.2	6.5	7.1	7.4	8.2
3. Repeal deferral on foreign income [3]		2.8	6.0	6.6	7.1	7.7
4. Repeal DISC (with 10-yr. recapture)		.5	2.0	3.0	3.0	3.1
5. Reduce regular investment tax credit rate to 7 percent		3.6	8.1	9.4	10.8	12.3
6. Limit graduated rates to small corporations [4]		.9	1.9	2.0	2.0	2.0
7. Repeal percentage depletion on oil and gas		.8	1.5	1.7	2.0	2.1
8. Amortize IDC's over 10 yr		3.5	7.7	8.4	9.0	9.6
Total	6.9	34.4	54.0	62.2	85.0	109.4

[1] Less than $50,000,000.

[2] Assuming that deferral has been repealed and that there is no behavioral change.

[3] Assuming that foreign tax credit has been repealed and that there is no behavioral change.

[4] Corporations with less than $200,000 of taxable income.

A BILL TO AMEND SECTION 103(b)(6) OF THE INTERNAL REVENUE CODE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. LAFALCE) is recognized for 30 minutes.

Mr. LAFALCE. Mr. Speaker, I am introducing legislation today to reverse an IRS ruling that cripples local economic development programs. The legislation would do that by amending the Internal Revenue Code to protect the tax-exempt status of multiple-lot issues of small issue industrial revenue bonds.

As all of us are well aware, the Internal Revenue Service issued Revenue Ruling 81-216 on August 24, 1981, and subsequently published a rulemaking notice on October 8, 1981. These measures effectively eliminated the tax-exempt status of multiple lots of small issue industrial revenues bonds of less than $1 million. Such issues, where the bonds are pooled and sold as one, are more commonly known as umbrella or composite issues. These IRS rulings reversed a 12-year-standing interpretation of the Internal Revenue Code which provided tax exemptions for umbrella or composite bonds. As a result of last August's ruling, these bonds are virtually nonexistent in today's financial markets.

On the heels of IRS's actions, I and a number of my colleagues wrote the Secretary of the Treasury, Donald Regan, urging that Revenue Ruling 81-216 be rescinded. Several bills were also introduced to delay the application of the IRS's ruling to allow Congress to consider the whole IDB issue. Finally, after IRS failed to respond, Congress amended the continuing appropriations resolution to prohibit IRS from using its funds to enforce the ruling and proposed regulations. The problem is that while our action may have prevented enforcement of the IRS rulings for the time being, it did not eliminate the problem caused by the revenue ruling.

Nevertheless, despite the spirit, intent, and letter of our law, IRS has remained steadfast, refusing to reexamine their rulings or restore the tax-exempt status of umbrella bonds. In fact, IRS has become even more strident, interpreting our amendment so as not to grant even some limited form of transitional relief or "grandfathering" of projects already being processed when the ruling became effective. Consequently, many projects that would have been consummated are now on hold or have been canceled.

As if this were not enough to cripple small issue IDB's, on February 26, 1982, the Department of the Treasury released its "General and Technical Explanations of Tax Revisions and Improved Collection and Enforcement Proposals." This document details the President's revenue-enhancing measures announced in his State of the Union address and fiscal year 1983 budget. One of the President's proposals would add eight new restrictions to the tax-exempt status of IDB's. The administration projects that this measure alone will produce approximately $7 billion in additional tax revenues over the next 5 years. However, I fear the effect of all these proposals is to unduly restrict the use of IDB's for critical small business financings, or appropriate urban development.

Mr. Speaker, industrial revenue bonds have become a controversial issue, and Congress certainly faces a dilemma. admittedly, there have been some abuses in the use of IDB financing. Most of us agree that some constructive changes are necessary to tighten the law to prevent further abuses. However, the administration's rulings and proposals to date appear to go far beyond constructive reform of the IDB tax laws. They could be the death knell for industrial revenue bond financing.

Nevertheless, IDB's are an important financing tool in our local and national economies. When properly used, these tax-exempt bonds have helped create, expand, and save businesses and jobs. They have also provided an important opportunity for small businesses and farmers to compete for financing in both the public and private sectors. In my own State of New York alone, the $1.3 billion in bonds issued for industrial and commercial startups and expansion over the past 11 years have been directly responsible for over 80,000 jobs. In my own congressional district, the Erie County Industrial

Development Agency (ECIDA) authorized $63.4 million in IDB's in 1981 for 26 business expansion projects which are expected to create approximately 900 new jobs. These are not isolated examples. For years, small issue IDB's have assisted thousands of businesses to grow and expand, creating new jobs and bolstering local economies.

As we meet today, we face the most serious economic crisis since the Great Depression. Small businesses are paying 10 to 12 percentage points above the inflation rate on their bank loans, the highest interest rates since before World War II.

In addition, business failures are running at near Depression levels, and the current rate of failure is higher than at any time since 1932. Business failures have almost doubled in the past year. We can expect over 25,000 businesses—mostly small businesses—to fail this year.

These devastating facts clearly show that now is not the time to cut off or restrict an important source of affordable capital for small businesses. Instead, we should be exploring ways to funnel more low-cost financing to our small businesses for expansion and development. After all, small businesses constitute more than 98 percent of all nonfarm businesses in the United States. They furnish 58 percent of total U.S. business employment, and provide the livelihood for over 100 million Americans. Most importantly, small businesses create more jobs than any other sector of our economy.

Mr. Speaker, small businesses are the hope for America's future. They can provide the impetus our economy demands, but they need affordable capital to expand our commercial and industrial base and create jobs. Our economy will not improve with policies that straitjacket productive programs such as IDB's.

At a time when we read about and encourage creative financing in the housing industry, a major creative financing effort in the business sector faces extinction. At a time when small businesses have virtually no access to capital at reasonable interest rates, we are offered proposals to limit a program which provides that essential capital investment. At a time when the administration decries Federal loan and financing programs, a truly effective, non-Federal effort faces ruin. I submit that our small businesses, our communities, and our economic well-being simply cannot tolerate elimination or significant diminution of industrial revenue bonds.

However, the crux of the current dilemma we face with IDB financing lies with revenue ruling 81-216. While we should consider appropriate reforms, this ruling looms on the horizon, ready to rear its head at the end of this fiscal year unless we act. The only effective legal remedy to counteract revenue ruling 81-216 is to amend existing law to clearly establish the tax-exempt status of umbrella IDB's once and for all.

The legislation I am introducing today is a companion to S. 2335, which has been introduced in the other House by a bipartisan group of 16 Senators. It amends section 103(b)(6) of the Internal Revenue Code of 1954 to provide that any small issue IDB which is part of multiple lot or umbrella issue will meet the tax-exempt requirements of the small issue exemption. This should clarify the law and bring umbrella bonds back to life. I urge my colleagues to support this legislation.

FALKLAND/MALVINAS ISLANDS CRISIS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. CONYERS) is recognized for 60 minutes.

Mr. CONYERS. Mr. Speaker, on Thursday, April 29, the Foreign Affairs Committee reported a measure that was taken up by the House today in the form of House Resolution 441 which said that it is the sense of the House of Representatives that Argentina should withdraw its forces from the Falkland Islands, and if the efforts to resolve the conflict through peaceful means fail, the United States should provide full diplomatic support to Great Britain in its effort to uphold the rule of law.

I read that to mean that we have gone on record as supporting Great Britain in whatever actions it wishes to undertake to restore British hegemony over the Falkland Islands. Since they are now in armed conflict, the expectation is that that conflict will escalate and this resolution, in effect, places the House on record as affirming whatever armed action the British nation chooses to pursue, irrespective of the merits and the repercussions for the United States and the world community.

In other words, if this resolution can be construed in any way to sanction retaliatory violence on the part of Great Britain, I believe that it is untenable and is not in keeping with the views of the majority of the Members of the House of Representatives.

Further, I suggest that it must be repudiated immediately.

The procedure surrounding the passage of this resolution is most interesting. A number of members of the committee failed to be notified that it was being taken under discussion. There were no hearings.

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There was a brief meeting with the distinguished Secretary of State. There were about 15 members present in the committee when it was passed, which is more than were on the floor during the debate of this measure today.

So I would like to suggest that these territorial disputes, of which there are 15 pending, in a nuclear age, pose an incredible threat to world peace and security, for the simple reason that if Britain increases its attack around the Falkland Islands dispute, they may well unite the rest of the Latin American countries, which could then move into a full-scale war in which the superpowers would become unavoidably involved.

So I suggest that what we need to consider—and I have heard little or no discussion of it—is the necessity for international procedures to resolve this and other territorial disputes that are now outstanding.

Mr. Speaker, I urge that we reconsider this preemptory resolution that was passed today, and I include an essay that further details my strong continuing objections over the passage of this resolution.

Mr. Speaker, I have to take issue with the manner in which the House today by a voice vote under suspension approved House Resolution 441 with respect to the Falkland Islands. They key language of that resolution states:

> That, in compliance with the United Nations Security Council Resolution 502, it is the sense of the House of Representatives that Argentina should withdraw its forces from the Falkland Islands and, if the efforts to resolve the conflict through peaceful means fail, the United States should provide full diplomatic support to Great Britain in its effort to uphold the rule of law.

As I read this resolution, this body is going on record as supporting Great Britain in whatever actions it wishes to undertake to restore British hegemony over the Falkland Islands. Since armed conflict already has occurred over the islands in recent days, and the expectation is that the conflict will escalate, this resolution, in effect, places the House on record as affirming whatever armed action the British pursue, irrespective of the merits and the repercussions for the United States and the world community. This is untenable if this resolution can be construed to in any way sanction retaliatory violence on the part of Great Britain, we must immediately repudiate House Resolution 441.

The British action of yesterday, which resulted in the sinking of an Argentinian cruiser and the loss of 900 lives, brings suddenly and sharply into focus the possibility of major blocs of nations being drawn directly into the conflict. The sophistication of the weaponry that may be deployed raises serious questions about the containment of the crisis. The entire fabric of hemispheric relations, which the United States has worked long and hard to improve, is another serious

consequence that has to be carefully weighed.

House Resolution 441, as I understand it, was not the result of serious study, hearings, and debate. On the contrary, the House Foreign Affairs Committee has not held a single hearing on the Falkland Islands crisis. The briefings by the Secretary of State were, indeed, held behind closed doors. Last Thursday, the 29th of April, the full committee approved the resolution by voice vote, and some of my colleagues do not recall having received proper notice of that vote. I am told that fewer than a majority of committee members were present for that vote. A copy of the resolution was distributed only yesterday, and today with little discussion and not even a quorum of Members present, I am informed that fewer than a dozen Members were present on the floor, the House approved the resolution. I believe it is safe to characterize this action as a fait accompli, and certainly as an action the ramifications of which were hardly addressed in this body.

The Falkland/Malvinas Islands crisis raises a far more complex set of questions than House Resolution 441 comprehends. The Falkland Islands dispute, after all, is not the only territorial dispute that threatens world peace. Gibraltar, seized by Great Britain in 1704, is currently the subject of negotiations with Spain. The former Spanish colonial territory of Africa's Western Sahara is being fought over by Morocco and the Algerian-backed Polisario Front. Venezuela claims two-thirds of Guyana, the former British colony now an independent state. Guatemala currently is locked in a 150-year-old dispute with Britain over the newly independent nation of Belize, which 1,800 British soldiers still watch over. The Japanese claim territory occupied by the Soviet Union, and the People's Republic of China claims vast territories now within the boundaries of the Soviet Union.

The issue of territorial disputes has assumed in this nuclear age a far greater danger to world peace than was heretofore the case. For example, in regard to the Falklands, Britain is a nuclear power and has nuclear weapons in place off the coast of Argentina. Argentina already operates a number of nuclear reactors and is expected to join the nuclear club with a few years.

I would submit that unless we find soon a set of international procedures and an international agency for settling territorial disputes, the world stands the risk of getting embroiled in an endless series of conflicts, each one of which has the potential for escalating into full-scale global armed conflict.

The question of sovereignty over the Falkland Islands has been a matter of open dispute between Argentina and Great Britain since 1964. In 1965 the U.N. Decolonization Commission directed both nations to negotiate a peaceful settlement. These negotiations have taken place sporadically over the past 18 years, yet the major issues were never settled. The British apparently did not dispute the Argentine claim to ultimate sovereignty. When the Spanish withdrew from the Falklands in 1811, they provided that their former territory would be transferred to the Argentines upon their independence, which occurred in 1816. In 1820 Argentina raised its flag on the islands only to be later expelled by an American warship protecting U.S. commercial interests and later by a British force in 1832.

The British in recent years gave every appearance of seeking to work out a settlement that would establish initially some type of joint control, and later phasing out their own presence. Except for some 1,800 Falkland islanders, who exerted pressure on the British Government to maintain control, the Argentines had reason to expect the British to move toward a resolution of the territorial issue.

I am not in a position to pass judgment on the rights and wrongs in the present dispute. I am, however, able to assert that the issue presented in the Falkland Islands dispute is very much an international issue, that must be settled by some international procedure. The United States had exhausted its mediation effort. Its subsequent decision to support the British and make available its military facilities in the South Atlantic to British planes and ships certainly discredited the U.S. claim to a mediatory role.

The U.N. Security Council on April 3, 1982, approved Resolution 502 calling for a cessation of hostilities between Britain and Argentina and Argentina's troop withdrawal from the Falklands. My understanding is that Argentina was willing to withdraw pending a final settlement, but was unwilling to relinquish its position of ultimate sovereignty over the islands. Unfortunately, before enough time elapsed for that resolution to take effect, the British fleet already surrounded the islands, and the British began to carry out their military plans, first to reoccupy the island of South Georgia, next to damage the airstrips on the Falklands, and then to enforce their blockade, which culminated yesterday in the sinking of the Argentine cruiser, which happened to be situated near to, but outside of, the British-stipulated blockade zone.

Events have gotten out of control. Time is short. There is the possibility not only of further military escalation, but also of the entry of other nations into the dispute.

I suggest that the House reconsider its preemptory vote today on House Resolution 441. There are far more facets to this dispute, and certainly far greater repercussions to the outcome, than that resolution contemplates. I would recommend that the House pass a second and contrary resolution urging the President to call upon the British to cease hostilities immediately, to urge a cooling off period and to call upon both nations to return to the United Nations Security Council for further debate.

Until we explore all the international procedures and agencies for peaceful conflict resolution, I believe we are not in a position to support one side or the other.

NET WORTH GUARANTEE ACT

The SPEAKER pro tempore (Mr. BEDELL). Under a previous order of the House, the gentleman from Rhode Island (Mr. ST GERMAIN) is recognized for 5 minutes.

Mr. ST GERMAIN. Mr. Speaker, today I am introducing along with 23 cosponsors revised legislation to assist the home mortgage lending industry. As you know, last February I introduced the Home Mortgage Capital Stability Act. During March the Subcommittee on Housing Community Development conducted extensive hearings on that bill. The revised legislation responds to concerns raised by the witnesses and to concerns over the budget impact of the original bill. On the latter point, the new bill provides for a program of net worth guarantees which will avoid cash outlays. For the information of the Members I include a summary of the revised bill following my remarks:

NET WORTH GUARANTEE ACT

The Act would establish a program to guarantee the net worth of qualifying depository institutions—savings and loans, mutual savings banks, commercial banks, and credit unions. The program would be administered by the Federal Home Loan Bank Board, the Federal Deposit Insurance Corporation, and the National Credit Union Administration Board. Any guarantees provided pursuant to the Act would be backed by a Net Worth Guarantee Account established in the Treasury and would be subject to an $8.5 billion guarantee limit. The Act would provide that the full faith and credit of the United States stands behind the obligation to pay any guarantee which has to be honored and authorizes the appropriation of any sums for this program, subject to the $8.5 billion guarantee limit, without restriction as to fiscal year.

The FHLBB, the FDIC, and the NCUA Board would determine institution eligibility in accordance with the criteria specified in the Act and would be required to consult with the appropriate State supervisory agency if the institution being considered for eligibility is a State chartered institution. Institutions could be considered for eligibility if they have either Federal or State deposit insurance.

For an institution to qualify the agencies would have to find that the institution:

Has a net worth below 2% of assets;

Has suffered earnings losses for at least two consecutive quarters and that such losses are not the result of speculation in futures or forward contracts, of management attempts to qualify their institution for assistance, or of excessive operating expenses;

Has loan portfolio at least 20 percent of which is in residential real estate or securities backed by residential real estate;

Shows a need for assistance and has reasonable prospects of long-term viability; and

Agrees to comply with commitments required by the agencies and the Act.

The conditions for receiving assistance include, but are not limited to, the responsibility to:

Retire the guarantees of net worth;

Provide reports to the agencies on its financial condition and its lending practices at such intervals as the agencies may require;

Earmark, for as long as a guarantee of net worth is outstanding, at least 60 percent of its net new deposits (defined as deposits less interest and dividends credited with withdrawals) to the issuance of mortgages for one-to-four residences or coop or condo units, such mortgages to be at or below FHA mortgage loan amount ceilings: An institution would have the option to comply with up to half of this mortgage requirement by purchasing securities backed by mortgages as defined above that are issued after the date the institution first receives a guarantee of net worth.

Each qualified institution would receive guarantees sufficient to bring its net worth up to a 2 percent of assets level and to maintain that level for a period not to exceed 2 years. After the expiration of that 2 year period further guarantees may be provided only if the agency determines that the losses necessitating a further guarantee are the result of general economic conditions rather than management decisions.

The Act provides that the guarantees shall be considered net worth for statutory and regulatory purposes; that an institution which has a stock form of ownership may not pay dividends on that stock so long as it has outstanding guarantees; and that an institution which has outstanding guarantees may not pay any state or local tax that is based on deposits rather than on the profit or loss of the institution. In the event an institution which has outstanding guarantees is merged or acquired by another firm, the guarantees may be transferred to the surviving entity in the discretion of the agency.

Should an institution which has outstanding guarantees be liquidated, the Secretary of the Treasury would pay to the receiver of such institution the amount of the guarantees outstanding. This is the only time that cash would exchange hands under this program. Since the legislation is designed to restore public and investor confidence in institutions receiving assistance and to assure an adequate deposit on borrowing glow to institutions from the public and investors, the government would have a claim on the liquidated assets of the institution after all deposits, certificates of deposit, and debt obligations are paid. If the Federal government were to take any higher position, potential lenders, such as investment houses and money center financial institutions, many of which deposit or lend millions of dollars to individual institutions, would not be willing to undertake the risk involved in lending to these institutions. This is essential to improving the vitality of these institutions in the future.

In order to provide an orderly implementation of the Act, the agencies are directed to issue regulations within 30 days of the date of enactment of the Net Worth Guarantee Act. Those regulations would define terms to be used in the program, describe the criteria to be used in determining eligibility, and specify the conditions which would be imposed on institutions receiving guarantees. To assure that Congressional intent is carried out and to provide Congressional oversight of the program, the agencies are required to provide to each House of the Congress detailed quarterly reports on each guarantee provided by the agencies and the General Accounting Office is directed to conduct an audit of each guarantee transaction and of the Net Worth Guarantee Account in the Treasury on a semiannual basis.

The Act would take effect upon enactment and authority to issue guarantees of net worth would cease at the end of Fiscal Year 1984.

NEWSPAPERS, A CRITIQUE

(Mr. PRICE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. PRICE. Mr. Speaker, the number of newspapers and the readership is decreasing in the United States. Still the importance of newspapers is very great and therefore the professionalism being followed by the journalists in carrying out their work is very important.

Many of us have formed opinions on how well the journalists do their job and the principles they are following. A statement on these matters by a former member of the journalism profession has recently become available which frankly discusses and attacks some of the principles which are being followed by journalists. It is a very sobering critique which warrants our attention.

The statement I refer to is by Mr. Kurt M. Luedtke, former executive editor of the Detroit Free Press. It was reported in the Sunday, May 2, 1982, issue of the Washington Post. I am including this article at the end of my remarks for the ready reference of all of my colleagues.

[From the Washington Post, May 2, 1982]

NEWSPAPERS: THE ARROGANCE OF MEDIOCRITY

(By Kurt M. Luedtke)

(Last week, the American Newspaper Publishers Association met in San Francisco, and Kurt Luedtke, the former executive editor of the Detroit Free Press who wrote the screenplay for "Absence of Malice," which is critical of journalism, addressed those powers behind the presses. The following is an adaptation of his speech.)

I'll need your help with this question: How many of you really believe that the public is really capable of making important decisions for this society?

Okay. Then let me ask you this: Are you willing to put your definition of the role of the press to a popular vote? Will you let your readers decide how useful you really are? Let the public will determine the extent of your rights and privileges?

Because if you won't, what do we do to protect ourselves against an institution grown so powerful and become so undisciplined that we are defenseless against your ability to affect our lives?

On your discretionary judgments hang reputations and careers, jail sentences and stock prices, Broadway shows and water rates. You are the mechanism of reward and punishment, the arbiter of right and wrong, the roving eye of daily judgment. You no longer shape public opinion, you have supplanted it. There are good men and women who will not stand for office, concerned that you will find their flaws or invent them. Many people who have dealt with you wish that they had not. You are capricious and unpredictable, you are fearsome and you are feared because there is never any way to know whether this time you will be fair and accurate or whether you will not. And there is virtually nothing that we can do about it.

So how do you think the referendum will go on *Times v. Sullivan*?

[In *Times v. Sullivan*, the Supreme Court held that under the First and 14th amendments to the Constitution, a public official can win a libel suit only if he can prove that a newspaper knew that the defamatory statement it printed about him was false or printed it with reckless disregard of its truth or falsity. This rule has since been extended to statements concerning "public figures" who are not public officials. Its effect is to make it very difficult for a public person to win a libel suit.]

Joint operating agreements?

[Joint operating agreements, which enjoy an exemption from the antitrust laws, allow a failing newspaper to share business and production facilities with a more successful competitor in the same city rather than cease publication.]

Reportial privilege before the grand jury?

[Many journalists feel that the First Amendment allows reporters to refuse to testify before a grand jury on any of their newsgathering activities. Usually, only doctors, lawyers and clergymen have analogous privileges.]

Prior restraint of the publication of government secrets?

[The Supreme Court in its Pentagon Papers decision made it very difficult for the government to prevent the publication of secret government information.]

Premature disclosure of criminal investigations?

Publication of the names of juveniles and rape victims?

The right to make use of stolen documents?

To violate the law in pursuit of a story?

If you lost that vote—if it were the law that damages would be awarded whenever false publication caused injury, if the anonymous source would speak only with the knowledge that his identity might one day be revealed, if it were left to the courts to weigh the societal value of publishing a fact against the societal cost of doing so—would the *people* be worse off? There's a risk, certainly, but is a corrupt judge more dangerous than a reckless newspaper? What if a man *does* have a right to confront his accusers? What if it *ought* to be against the law to publish the plans for a hydrogen bomb?

If you lost that vote, would America be less free? Are we more free than Britain, France, the Scandinavian countries? Their *press* is less free—they have already decided every question on your ballot and elected to restrict—but their citizens are every bit as free as we are. The near-absolute freedom which you enjoy is *not* essential to a functioning democracy: Every society in the

world has found it useful to exert a greater measure of control than we do.

They can do it, you know, the mob out there. It's not likely, thank the Lord, but there is nothing in our law to prevent public regulation of the American press if enough Americans get het up about it. I wouldn't endorse any constitutional conventions if I were you.

For the record, I happen to think that the First Amendment is far too important ever to be allowed to become a public question. But you are pushing awfully hard.

You seem to be oblivious of the fact that any expansion of your rights necessarily results in a constriction of mine. And you badly underestimate how naked we feel and how resentful we are now that it is clear that we have no remedy for inaccuracy.

Times v. Sullivan was a very bad case and, as a matter of heresy, let me say that I think it made very bad law. If public discussion cannot survive without libel, then it ought not to survive at all. As a matter of fairness, there is just nothing wrong with paying compensation to someone who can show falsity and damage. The burden on the press was not at all excessive; the "chilling effect" which the threat of libel action posed chilled exactly what it was supposed to.

Times v. Sullivan and the subsequent decisions which flowed from it swept away 500 years of libel law and, however damaging the new law has been to the poor souls who are wrongfully accused, it has been equally damaging to the press. It is simply too easy to get it wrong these days, to let the professional leaker find his way into print in the cloak of the usually reliable source. Under the burden of *stare decisis* [the legal principle of abiding by prior decisions and applying their principles in future cases] the court itself has been wrestling with *Times v. Sullivan* for almost 20 years and has made a hash of it so you still don't know where you stand.

And *Times v. Sullivan* was sufficiently incredible as a guidepost of public policy that it badly muddied the water as to just how sacrosanct our already free and already unfettered press ought to be. If it encouraged you to think too well of yourselves, and I think it did, the fault can at least be shared with the high court.

Times v. Sullivan was a gift but your reaction has not been a graceful one. Now you are forever inventing new rights and privileges for yourselves the assertion of which is so insolent that you apparently feel compelled—as I certainly would—to wrap them in the robes of some imaginary public duty and claim that you are acting on my behalf.

If I am indeed involved, then I would like you to do a little less for me. But of course I'm not. Your claims of privilege have nothing to do with any societal obligation because you have no societal obligation: that is the essence of what the First Amendment is all about.

Meantime, we have bred a whole generation of newspaper people who without apparent difficulty hold simultaneously in their heads the notions that they are armed with a mandate from the public and are accountable to no one save you. You ride whichever horse suits you in the situation until eventually you are persuaded that whatever you choose to do with your newspaper is somehow done in the service of the Republic. The press is full of itself these days, and frequently, it is simply full of it.

There is no such thing as the public's right to know. You made that up, taking care not to specify what it was that the public had a right to know. The public knows whatever you choose to tell it, no more, no less. If the public did have a right to know, it would then have something to say about what it is you choose to call news. At which point, bring on the first Amendment, Charlie, these guys aree trying to tell me what to print.

Neither does it make much sense for you tell me that you are, self-appointed, my watchdog. If I could get you to say who the senior administration official is who sounds so much like my secretary of state or if I could get you to squeal on the creep whose salary I pay who's running around leaking grand jury information, I would be somewhat more persuaded that you are watching what I want you to watch. But you aren't and you don't have to. The First Amendment says so.

Your rhetoric notwithstanding, there are a lot of things the First Amendment does not say. It does not say that the freedom to print means that we are obligated to make it easy for you to gather news, which is what your access argument comes to, and it sure as hell does not say that a journalist—whoever and whatever that is—does not have to talk to a grand jury. It is inconceivable to me that you do not see the violence that such a position, if maintained, would do to the most basic individual rights of our citizens. Its promulgation mades a mockery of the role you claim as defender of the democracy.

The publication of a newspaper is in itself a pretentious act: It should come with a daily apology. We are met instead with your firm insistence that you must be uncontrolled so that you can perform—unbidden—an essential public service which is so essential that the people for whom it is being performed must not be allowed to control it. That is wonderfully circular but not very endearing. Such thinking must inevitably lead to arrogance, and it has.

By a reasonable standard, the American daily print press turns in a performance that is simply competent. It is highly motivated, usually well intentioned, frequently accurate, occasionally useful. And every now and then, when it combines with the moral indignation for which it is notorious a correct perception of what it is that's really relevant to those it swears to serve, it is then, in those instances, a prime mover in the betterment of the society. I'd give it a B and vote to keep it.

But your continued claims to special privilege and your rigorous refusal to acknowledge that you do a difficult job imperfectly require that we measure your performance against a much higher standard. It is then clear that while you may be good and useful, you're not that good and useful. You're asking for more than you're entitled to.

Your shortcomings would be more tolerable if we had a sense that you were willing to listen but you do not suffer your critics gladly and surely not with humility.

There is, of course, the fact that you own the presses, which has raised a question in some minds about who will have the last word in any discussion of your virtues.

I think it is fair to say that you are disinclined to listen to any complainant who seems to have an ax to grind, a category which of course includes most of those who make news regularly and so are in a good position to have an opinion.

It seems to be your notion that any criticism which springs from one who seeks the readers' favor is somehow polluted at the source. The dismissal of all politicians, bureaucrats, businessmen, judges and police chiefs seems to me somewhat preemptory, but I must admit that it does control the size of the crowd. That leaves only the little guys and it is an article of faith among you that the lay public simply cannot understand what news is, how a newspaper works and why newspapers sometimes do things which hurt people.

Your dismissal of your critics is not very subtle, but it is certainly efficient. The silence which results may be soothing but it is easily mistaken for approval. It is a personal opinion of mine that reporters really don't realize how inaccurate they are simply because they assume, as I must say I would, that a story is correct until someone complains. Left out of that equation are all of those who don't want to make waves, or who are afraid of offending you, or who don't know how, or who cool down and don't bother, or who are brushed off by whoever answers the phone. Call your city desk anonymously some time and see if you like the feeling.

If reports of your rectitude are somewhat exaggerated, what about your utility? Are you really an essential part of our lives? I think you can go to the marketplace for an answer to that.

Were you in fact as useful as you sometimes claim to be, a grateful nation would reward you with circulation penetration beyond the security analysts' wildest dreams. The fact, of course, is that circulation has not kept pace with population growth in almost 40 years. We don't need you quite as much as you tell us we do.

You are editing newspapers for people as you think they ought to be, not as they are. They ought to be interested in the daily processes of the multiple governments which serve them, but they aren't. They ought to be following what's going on in the United Nations, but they don't. They ought to keep particular track of what their congressman is up to, but they won't.

They are largely apathetic about their roles as citizens, defeated by their apparent inability to make their governments respond to their wishes. You can reach them with news of war and Social Security and not much else.

You can justify your abundant and rather overstaffed coverage of America's political processes philosophically, but you cannot do it as a matter of reader appetite. It continues because you believe in it, because you've always done it that way and because it is, relatively speaking, cheap.

In every governmental building in the land, Monday through Friday, some tax-supported something or other is staging an event for you to cover with whoever happens to be available. It looks like news, it feels like news and nobody reads it. Creating detailed information which the reader can actually use is substantially more costly in both time and newsprint.

Event-centered news which the reader in fact acts upon is almost nonexistent: If an event has appeal, its appeal is that of entertainment. Man bites dog is an entertaining event; so is dog bites man if either creature is somehow special. Too much news offers neither entertainment nor opportunity.

It is awkward and very nearly cynical for me to say out loud that news isn't news unless it's entertaining but that, I think, is a fact of the marketplace. One interesting thing about television is that it takes its customer exactly as he is. The TV people don't like it either, but they live with it and they reach a lot more people than we do.

My time is gone. It's not my place to give advice but since that didn't bother me 20 minutes ago, I guess it won't inhibit me now.

Lower your voices. Be useful. I'll respect your rights if you'll respect mine.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. Benjamin (at the request of Mr. Wright), for May 3, 4, and 5, on account of a death in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Member (at the request of Mr. Wolf) to revise and extend his remarks and include extraneous material:)

Mr. Lewis, for 60 minutes, on May 5.

(The following Members (at the request of Mr. Bonker) to revise and extend their remarks and include extraneous material:)

Mr. Phillip Burton, for 10 minutes, today.

Mr. Gonzalez, for 15 minutes, today.

Mr. Annunzio, for 5 minutes, today.

Mr. Coelho, for 5 minutes, today.

Mr. Frank, for 10 minutes, today.

Mr. Downey, for 5 minutes, today.

Mr. LaFalce, for 30 minutes, today.

Mr. Conyers, for 60 minutes, today.

(The following Member (at the request of Mr. Conyers) to revise and extend his remarks and include extraneous material:)

Mr. St Germain, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Alexander, to include extraneous material with his remarks on his special order today, notwithstanding the fact that it exceeds two pages of the Record and is estimated by the Public Printer to cost approximately $1,666 or more.

(The following Members (at the request of Mr. Wolf) and to include extraneous matter:)

Mr. Carman.
Mr. McGrath.
Mr. McDade in three instances.
Mr. Michel in two instances.
Mr. Green.
Mr. Gunderson.
Mr. McKinney in two instances.
Mr. Erlenborn.
Mr. Williams of Ohio.
Mr. Roth.
Mr. Paul.
Mr. Napier in three instances.
Mr. Edwards of Oklahoma.
Mrs. Smith of Nebraska.
Mr. Pursell.
Mr. Wolf.
Mr. Lowery of California.

(The following Members (at the request of Mr. Bonker) and to include extraneous matter:)

Mr. Yatron.
Mr. Bowen.
Mr. Edwards of California in two instances.
Mr. de la Garza in 10 instances.
Mr. Mineta in three instances.
Mr. Gore in two instances.
Mr. LaFalce.
Mr. Corrada.
Mr. Frank.
Mr. Rosenthal.
Mr. Miller of California.
Mr. Bonior of Michigan.
Mr. Solarz.
Mr. Moffett.
Mr. Rodino.
Mr. Bonker.
Mr. Mazzoli.
Mr. Yates in two instances.
Mr. Ford of Michigan.

ENROLLED BILLS SIGNED

Mr. HAWKINS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 1624. An act for the relief of Theresa Macam Alcalen;

H.R. 1796. An act for the relief of Jacobo Cosio-Franco;

H.R. 1977. An act for the relief of Maria Gloria (Joy) C. Villa; and

H.R. 3478. An act for the relief of Mrs. Haruko Kubota Smith.

ADJOURNMENT

Mr. CONYERS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 14 minutes p.m.), the House adjourned until tomorrow, Wednesday, May 5, 1982, at 3 p.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3841. A letter from the Adjutant General, Veterans of Foreign Wars, transmitting the proceedings of the 82d National Convention of the Veterans of Foreign Wars, pursuant to section 8 of the act of May 28, 1936 (H. Doc. No. 97-174); to the Committee on Armed Services and ordered to be printed.

3842. A letter from the Secretary of Labor, transmitting a report on the number of cases reviewed and the number of exemplary rehabilitation certificates issued during calendar year 1981, pursuant to section 6(f) of Public Law 90-83; to the Committee on Armed Services.

3843. A letter from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to amend title 10, United States Code, to provide for revisions in the entitlement to, and the adjustment of, retired or retainer pay for members of the Armed Forces; to the Committee on Armed Services.

3844. A letter from the Board of Directors, Pension Benefit Guaranty Corporation, transmitting a draft of proposed legislation to amend the Employee Retirement Security Act of 1974 for the purpose of modifying the obligation of the Pension Benefit Guaranty Corporation to establish a supplemental program to reimburse multiemployer plans for uncollectible withdrawal liability; to the Committee on Education and Labor.

3845. A letter from the Secretary of Health and Human Services, transmitting the semiannual report of the Office of the Inspector General on the Office of Community Services, pursuant to Public Law 95-452; to the Committee on Education and Labor.

3846. A letter from the Assistant Secretary of State (Congressional Relations), transmitting a report that a substantial violation by Argentina of agreements governing the sale of defense articles furnished under the foreign milit-ry sales program, pursuant to section 3(c)(2) of the Arms Export Control Act; to the Committee on Foreign Affairs.

3847. A letter from the Assistant Secretary of State (Congressional Relations), transmitting a report on political contributions by Ambassador-designate Robert Anderson, and members of his family, pursuant to section 304(b)(2) of Public Law 96-465; to the Committee on Foreign Affairs.

3848. A letter from the Acting Director, Defense Security Assistance Agency, transmitting a list of additional defense articles, services, and training furnished by the Department of Defense to El Salvador, pursuant to section 506(b)(2) of the Foreign Assistance Act of 1961, as amended, and under the authority of Presidential Determination No. 82-5; to the Committee on Foreign Affairs.

3849. A letter from the Executive Director, Neighborhood Reinvestment Corporation, transmitting a report on the Corporation's activities under the Freedom of Information Act during calendar year 1981, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3850. A letter from the Secretary of Energy, transmitting a report on the geothermal reservoir insurance, pursuant to section 621 of Public Law 96-294; jointly, to the Committees on Interior and Insular Affairs and Energy and Commerce.

3851. A letter from the Secretary of Transportation, transmitting the seventh annual report of the Department's activities related to administration of the Deepwater Port Act of 1974, for the fiscal year October 1, 1970, through September 30, 1981, pursuant to 33 U.S.C. 1519; jointly, to the Committees on Merchant Marine and Fisheries and Public Works and Transportation.

3852. A letter from the Special Assistant, Office of the Secretary of Defense, transmitting a report on Defense Department procurement from small and other business firms for October 1981 through January 1982, pursuant to section 10(d) of the Small Business Act, as amended; to the Committee on Small Business.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DERRICK: Committee on Rules. House Resolution 448. Resolution providing for the consideration of S. 146, a bill to authorize the Secretary of the Interior to assist in the preservation of historic Camden in the State of South Carolina, and for other purposes (Rept. No. 97-498). Referred to the House Calendar.

Mr. LONG of Louisiana: Committee on Rules. House Resolution 449. Resolution providing for the consideration of H.R. 5539, to amend and supplement the Federal reclamation laws, and for other purposes (Rept. No. 97-499). Referred to the House Calendar.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 4861. A bill to provide for the conservation, rehabilitation, and improvement of natural and cultural resources located on public or Indian lands, and for other purposes; with amendments (Rept. No. 97-500, Pt. I). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. SWIFT:

H.R. 6256. A bill to authorize appropriations for the Federal Election Commission for fiscal year 1983; to the Committee on House Administration.

By Mr. DOWNEY (for himself and Mr. Shannon):

H.R. 6257. A bill to amend the Internal Revenue Code of 1954 to limit the reductions in individual income taxes to $700 in 1982 and an additional $700 in 1983, and to further increase Federal revenues through tax reform; to the Committee on Ways and Means.

By Mr. FLORIO (for himself, Mr. Scheuer, Ms. Mikulski, and Mr. Santini):

H.R. 6258. A bill to authorize funds for fiscal year 1983 for carrying out the International Travel Act of 1961; to the Committee on Energy and Commerce.

By Mr. FRANK:

H.R. 6259. A bill to amend the Agricultural Act of 1949 to reduce the level at which the Secretary of Agriculture is required to support the price of milk; to the Committee on Agriculture.

By Mr. KASTENMEIER (for himself, Mr. Brooks, Mrs. Schroeder, Mr. Frank, Mr. Railsback, Mr. Sawyer, and Mr. Butler):

H.R. 6260. A bill to authorize appropriations to the Patent and Trademark Office in the Department of Commerce, and for other purposes; to the Committee on the Judiciary.

By Mr. LaFALCE:

H.R. 6261. A bill to amend the Internal Revenue Code of 1954 to provide that any small issue which is part of a multiple lot shall meet the requirements of the small issue exemption; to the Committee on Ways and Means.

By Mr. EDWARDS of California (for himself, Mr. Hyde, Mr. Mineta, and Mr. McCloskey):

H.R. 6262. A bill to authorize the Attorney General to issue certificates of review applicable under the antitrust laws with respect to joint research and development programs; to the Committee on the Judiciary.

By Mr. LEWIS:

H.R. 6263. A bill to amend the joint resolution codifying the rules and customs pertaining to the display and use of the U.S. flag to establish the appropriate placement of flags displayed at building entrances; to the Committee on the Judiciary.

By Mr. LOWRY of Washington (for himself, Mr. Pritchard, Mr. Dicks, Mr. Swift, and Mr. Weaver):

H.R. 6264. A bill to withdraw from mineral leasing certain public lands in the Mount Baker-Snoqualmie National Forest in the State of Washington; to the Committee on Interior and Insular Affairs.

By Mr. MILLER of Ohio:

H.R. 6265. A bill to amend provisions of Public Law 97-51 which provide for the permanent appropriation of funds for pay for Members of Congress; to the Committee on Appropriations.

By Mr. PETRI:

H.R. 6266. A bill to provide for the operation of facilities for the collection of information concerning fraud, waste, or abuse in the expenditure of Federal funds, and to require, as a condition of the receipt of such funds, the protection from reprisal of contributors of such information, and for other purposes; to the Committee on Government Operations.

By Mr. ST GERMAIN (for himself, Mr. Reuss, Mr. Minish, Mr. Annunzio, Mr. Mitchell of Maryland, Mr. Fauntroy, Mr. Blanchard, Mr. Hubbard, Mr. LaFalce,, Mr. D'Amours, Ms. Oakar, Mr. Mattox, Mr. Vento, Mr. Barnard, Mr. Garcia, Mr. Schumer, Mr. Hoyer, Mr. McKinney, Mr. Moffett, Mr. Ottinger, Mr. Murphy, Mr. AuCoin, Mr. Howard, Mr. Pepper, and Mr. Ford of Michigan):

H.R. 6267. A bill to revitalize the housing industry by strengthening the financial stability of home mortgage lending institutions and insuring the availability of home mortgage loans; to the Committee on Banking, Finance and Urban Affairs.

By Mr. SCHEUER:

H.R. 6268. A bill to remove the column 1 rate of duty on certain small toy and novelty items; to the Committee on Ways and Means.

By Mrs. SMITH of Nebraska:

H.R. 6269. A bill to establish objective criteria and procedures for closing and consolidating weather stations; to the Committee on Science and Technology.

By Mr. SOLOMON:

H.R. 6270. A bill to authorize the Secretary of the Interior to enter into a cooperative agreement to maintain the gravesite of Samuel "Uncle Sam" Wilson and to erect and maintain tablets or markers at such gravesite in commemoration of the progenitor of the national symbol of the United States; to the Committee on Interior and Insular Affairs.

By Mr. STANGELAND:

H.R. 6271. A bill to settle claims relating to certain allotted Indian lands of the White Earth Indian Reservation, quiet titles to such lands, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. WALGREN (for himself and Mr. Brown of California):

H.R. 6272. A bill to amend the Earthquake Hazards Reduction Act of 1977 to extend authorization of appropriations, and for other purposes; jointly, to the Committees on Science and Technology and Interior and Insular Affairs.

By Mr. WHITTEN:

H.J. Res. 473. Joint resolution to increase farm income and expand agricultural exports; jointly, to the Committees on Agriculture and Foreign Affairs.

By Mr. DOWNEY (for himself, Mr. Leach of Iowa, Mr. Aspin, Mr. Moffett, Mr. Oberstar, Mr. Lehman, Mr. Forsythe, Mr. Ford of Tennessee, Mr. Obey, Mr. AuCoin, Mr. Moakley, Mr. Stark, Mr. Gephardt, Mr. Wolpe, Mr. Peyser, Mr. Pepper, Mr. Beilenson, Mr. Dwyer, Mr. Rostenkowski, Mr. Lowry of Washington, Mr. Panetta, Mr. Coelho, Mr. Rosenthal, Mr. Ratchford, Mr. Reuss, Mr. Hamilton, Mr. Phillip Burton, Mr. Dorgan of North Dakota, Mrs. Schroeder, Mr. Roybal, Mr. Schumer, Mr. Annunzio, Mr. Miller of California, Mr. John L. Burton, Mr. Lundine, Mr. Edwards of California, Mr. Hall of Ohio, and Mr. Holland):

H.J. Res. 474. Joint resolution to provide for U.S. ratification of the SALT II agreement; to the Committee on Foreign Affairs.

By Mr. EDWARDS of Oklahoma:

H.J. Res. 475. Joint resolution designating the week beginning June 20, 1982, as "National Softball Week"; to the Committee on Post Office and Civil Service.

By Mr. LENT:

H.J. Res. 476. Joint resolution calling for a mutual and verifiable freeze and reduction in nuclear weapons; to the Committee on Foreign Affairs.

By Mr. DREIER:

H. Con. Res. 326. Concurrent resolution expressing the sense of the Congress that the Economic Recovery Tax Act of 1981 should not now be substantially amended and that every effort must be made to reduce the national deficit by ending excessive Federal spending; to the Committee on Ways and Means.

By Mr. CONABLE:

H. Res. 450. Resolution providing for the consideration of the resolution (H.J. Res. 350) proposing an amendment to the Constitution altering Federal budget procedures; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

368. By the SPEAKER: Memorial of the Legislature of the State of Hawaii, relative to the establishment of a U.S. Agricultural Cooperative Service branch office in Hawaii; to the Committee on Agriculture.

369. Also, memorial of the Legislature of the State of Hawaii, relative to the Caribbean Basin Economic Recovery Act; jointly, to the Committees on Ways and Means and Foreign Affairs.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

[Omitted from the Congressional Record of Mar. 18, 1982]

H. Res. 371: Mr. Bonior of Michigan, Mr. Gunderson, Mr. Hughes, Mr. Lantos, Mr.

Moakley, Mr. Murphy, Mr. Murtha, Mr. Pursell, Mr. Sabo, Mr. Sawyer, Mr. St Germain, Mr. Walgren, Mr. Weaver, Mr. Weber of Ohio, and Mr. Wolpe.

[Submitted May 4, 1982]

H.R. 18: Mr. Downey.

H.R. 429: Mr. Weber of Ohio.

H.R. 1919: Mr. Mavroules.

H.R. 1932: Mr. Seiberling.

H.R. 2372: Mr. Carman, Mr. Courter, Mr. Pepper, Mr. Jeffords, Mr. William J. Coyne, Mr. McDonald, Mr. Nelson, Mr. Bonior of Michigan, Mr. Hutto, and Mr. Stenholm.

H.R. 3269: Mr. Donnelly, Mr. Nelligan, Mr. Hansen of Idaho, Mr. McHugh, Mr. Courter, Mr. Boland, Mr. Rinaldo, Mr. Foglietta, Mr. Rahall, Mr. Emerson, Mr. Ertel, Mr. Evans of Indiana, Mr. Brown of Ohio, Mr. Stratton, Mr. Moakley, Mr. Williams of Montana, Mr. Blanchard, and Mr. Pashayan.

H.R. 3600: Mr. Hughes.

H.R. 3607: Mr. Goodling and Mr. Mavroules.

H.R. 3904: Mr. Roemer, Mr. Seiberling, Mr. Mitchell of Maryland, Mr. Edgar, Mr. Mollohan, Mr. Dingell, Mr. Butler, Mr. Gingrich, Mr. Crockett, Mr. Yates, Mr. Coughlin, Mr. Roberts of South Dakota, Mr. Bedell, and Mr. Hertel.

H.R. 3973: Mr. Albosta, Mr. Leland, Mr. Derwinski, Mr. Rinaldo, Mr. Addabbo, Mr. Alexander, Mr. Akaka, Mr. Andrews, Mr. Annunzio, Mr. Anthony, Mr. Aspin, Mr. Atkinson, Mr. AuCoin, Mr. Bafalis, Mr. Bailey of Pennsylvania, Mr. Barnard, Mr. Barnes, Mr. Beard, Mr. Bedell, Mr. Benedict, Mr. Benjamin, Mr. Bennett, Mr. Bereuter, Mr. Bethune, Mr. Bevill, Mr. Bingham, Mr. Blanchard, Mrs. Boggs, Mr. Boland, Mr. Boner of Tennessee, Mr. Bonior of Michigan, Mrs. Bouquard, Mr. Bowen, Mr. Brodhead, Mr. Brooks, Mr. Broomfield, Mr. Brown of California, Mr. Broyhill, Mr. John L. Burton, Mr. Butler, Mr. Campbell, Mr. Carney, Mr. Chappell, Mr. Chappie, Mrs. Chisholm, Mr. Clay, Mr. Clinger, Mr. Coats, Mr. Coelho, Mrs. Collins of Illinois, Mr. Conyers, Mr. Corcoran, Mr. Corrada, Mr. Crockett, Mr. Coughlin, Mr. Courter, Mr. James K. Coyne, Mr. D'Amours, Mr. Daschle, Mr. Daub, Mr. Davis, Mr. de la Garza, Mr. Dellums, Mr. de Lugo, Mr. DeNardis, Mr. Derrick, Mr. Dicks, Mr. Dixon, Mr. Donnelly, Mr. Dorgan of North Dakota, Mr. Dougherty, Mr. Dowdy, Mr. Downey, Mr. Dreier, Mr. Duncan, Mr. Dwyer, Mr. Dymally, Mr. Dyson, Mr. Early, Mr. Edgar, Mr. Edwards of California, Mr. Edwards of Alabama, Mr. Emerson, Mr. Emery, Mr. English, Mr. Erdahl, Mr. Erlenborn, Mr. Ertel, Mr. Evans of Iowa, Mr. Evans of Indiana, Mr. Evans of Delaware, Mr. Fary, Mr. Fascell, Mr. Fauntroy, Mr. Fazio, Mrs. Fenwick, Ms. Fiedler, Mr. Fish, Mr. Florio, Mr. Foglietta, Mr. Foley, Mr. Ford of Tennessee, Mr. Forsythe, Mr. Fowler, Mr. Frank, Mr. Frenzel, Mr. Frost, Mr. Fuqua, Mr. Garcia, Mr. Gejdenson, Mr. Gephardt, Mr. Gibbons, Mr. Gilman, Mr. Gingrich, Mr. Ginn, Mr. Glickman, Mr. Gonzalez, Mr. Gradison, Mr. Gray, Mr. Green, Mr. Gregg, Mr. Grisham, Mr. Guarini, Mr. Gunderson, Mr. Hagedorn, Mr. Hammerschmidt, Mr. Hansen of Idaho, Mr. Harkin, Mr. Hawkins, Mrs. Heckler, Mr. Heftel, Mr. Hendon, Mr. Hightower, Mr. Hiler, Mr. Hillis, Mr. Holland, Mr. Hollenbeck, Mr. Horton, Mr. Howard, Mr. Hoyer, Mr. Huckaby, Mr. Hughes, Mr. Hunter, Mr. Hutto, Mr. Hyde, Mr. Ireland, Mr. Jacobs, Mr. Jeffords, Mr. Jenkins, Mr. Johnston, Mr. Jones of Tennessee, Mr. Jones of Oklahoma, Mr. Jones of North Carolina, Mr. Kastenmeier, Mr. Kazen, Mrs. Kennelly, Mr. Kildee, Mr. Kogovsek, Mr. Kramer, Mr. LaFalce, Mr. Lagomarsino, Mr. Lantos, Mr. Leach of Iowa, Mr. LeBoutillier, Mr. Lee, Mr. Lehman, Mr. Lent, Mr. Loeffler, Mr. Long of Maryland, Mr. Long of Louisiana, Mr. Lowery of California, Mr. Lowry of Washington, Mr. Lujan, Mr. Lundine, Mr. Lungren, Mr. Markey, Mr. Marks, Mr. Martin of North Carolina, Mrs. Martin of Illinois, Mr. Matsui, Mr. Mavroules, Mr. Mazzoli, Mr. McCollum, Mr. McCurdy, Mr. McDade, Mr. McEwen, Mr. McHugh, Mr. McKinney, Mr. Mica, Ms. Mikulski, Mr. Mineta, Mr. Minish, Mr. Mitchell of New York, Mr. Mitchell of Maryland, Mr. Moakley, Mr. Moffett, Mr. Molinari, Mr. Mollohan, Mr. Montgomery, Mr. Moore, Mr. Mottl, Mr. Murphy, Mr. Murtha, Mr. Neal, Mr. Nelson, Mr. Nelligan, Mr. Nowak, Mr. Oberstar, Mr. Ottinger, Mr. Panetta, Mr. Parris, Mr. Pashayan, Mr. Perkins, Mr. Petri, Mr. Peyser, Mr. Porter, Mr. Price, Mr. Pritchard, Mr. Pursell, Mr. Railsback, Mr. Rangel, Mr. Regula, Mr. Reuss, Mr. Richmond, Mr. Ritter, Mr. Roberts of South Dakota, Mr. Roberts of Kansas, Mr. Rodino, Mr. Roe, Mr. Roemer, Mr. Rosenthal, Mr. Roth, Mrs. Roukema, Mr. Roybal, Mr. Russo, Mr. Sabo, Mr. St Germain, Mr. Santini, Mr. Savage, Mr. Sawyer, Mr. Scheuer, Mrs. Schroeder, Mr. Schumer, Mr. Shamansky, Mr. Shumway, Mr. Seiberling, Mr. Siljander, Mr. Sensenbrenner, Mr. Shannon, Mr. Shelby, Mr. Skeen, Mr. Skelton, Mr. Simon, Mr. Smith of New Jersey, Mr. Smith of Oregon, Mr. Smith of Pennsylvania, Mr. Smith of Iowa, Mrs. Snowe, Mr. Solarz, Mr. Solomon, Mr. Stangeland, Mr. Stark, Mr. Stenholm, Mr. Stokes, Mr. Studds, Mr. Sunia, Mr. Synar, Mr. Tauke, Mr. Taylor, Mr. Thomas, Mr. Traxler, Mr. Vento, Mr. Walgren, Mr Walker, Mr. Washington, Mr. Weaver, Mr. Weber of Minnesota, Mr. Whitehurst, Mr. Whittaker, Mr. Williams of Ohio, Mr. Williams of Montana, Mr. Wilson, Mr. Winn, Mr. Wirth, Mr. Wolf, Mr. Wolpe, Mr. Won Pat Mr. Wortley, Mr. Wyden, Mr. Yates, Mr. Yatron, Mr. Young of Florida, Mr. Young of Missouri, Mr. Zablocki, and Mr. Zeferetti.

H.R. 4147: Mr. Murphy, Mr. Mollohan, Mr. Daschle, and Mr. Roth.

H.R. 4449: Mr. Goldwater.

H.R. 4484: Mr. Erdahl and Mr. Jacobs.

H.R. 4535: Mr. Gray.

H.R. 4861: Mr. Dicks.

H.R. 5133: Mrs. Bouquard, Mr. Weaver, Mr. Roemer, Mr. Kastenmeier, and Mr. Leach of Iowa.

H.R. 5380: Mr. Kazen, Mr. Marriott, Mr. Paul, and Mr. Dunn.

H.R. 5414: Mr. Courter and Mr. Smith of Oregon.

H.R. 5497: Mr. Bliley.

H.R. 5510: Mr. Gregg.

H.R. 5535: Mr. Moffett.

H.R. 5572: Mr. Simon and Mr. Pepper.

H.R. 5729: Mr. Wirth.

H.R. 5731: Mr. Gejdenson.

H.R. 5782: Mrs. Schroeder and Mr. Hendon.

H.R. 5820: Mr. Mineta, Mr. Patterson, Mr. Downey, Mr. John L. Burton, Mr. Phillip Burton, Mr. Weaver, and Mr. Biaggi.

H.R. 5872: Mr. Railsback.

H.R. 5911: Mr. Brown of California, Ms. Mikulski, Mr. Schumer, Mr. Weaver, Mr. Bafalis, Mr. Williams of Montana, Mr. Lantos, Mr. Roe, and Mrs. Collins of Illinois.

H.R. 5963: Mr. Mitchell of Maryland.

H.R. 5987: Mr. Frost, Mr. Rosenthal, and Mr. Hertel.

H.R. 5993: Mr. Barnard.

H.R. 5995: Mr. Rodino, Mr. Rahall, Mr. Richmond, Mr. Hughes, Mr. Dicks, Mr. Santini, Mr. Mitchell of New York, Mr. Moakley, Mr. Leland, and Mr. Fascell.

H.R. 6053: Mr. Roberts of South Dakota.

H.R. 6082: Mr. Kindness, Mr. Latta, Mr. Dannemeyer, Mr. Forsythe, Mr. Bafalis, Mr. Roberts of South Dakota, Mr. Butler, Mr. Stump, and Mr. Daub.

H.R. 6183: Mr. O'Brien, Mr. Hubbard, Mr. Leach of Iowa, Mr. Santini, Mr. Markey, Mr. Matsui, Mr. Fauntroy, Mr. Weaver, Mr. Hutto, Mr. Solarz, Mr. Wortley, Mr. Forsythe, Mr. Rosenthal, Mr. Dwyer, Mr. Clay, Mrs. Boggs, Mr. Frank, Mr. Dellums, Mr. Gingrich, Mr. McDade, and Mr. Murphy.

H.R. 6201: Mr. Bevill, Mr. McDade, Mr. Won Pat, Mrs. Byron, Mr. Hatcher, and Mr. Mollohan.

H.J. Res. 102: Mr. Shuster, Mr. Hopkins, Mr. Quillen, and Mr. Dorgan of North Dakota.

H.J. Res. 172: Mr. Dwyer, Mr. Dowdy, and Mr. Ford of Tennessee.

H.J. Res. 355: Mr. Foglietta, Mr. Murphy, Mr. Mottl, Mr. Addabbo, Mr. Porter, Mr. Erdahl, Mr. LaFalce, Mr. Hughes, Mr. Frank, Mr. Fish, Mr. Mitchell of Maryland, Mrs. Collins of Illinois, Mr. Roe, Mr. Davis, and Ms. Ferraro.

H.J. Res. 363: Mr. Jeffries.

H.J. Res. 415: Mr. Mitchell of New York and Mr. Shumway.

H.J. Res. 431: Mr. Schumer and Mr. Bowen.

H.J. Res. 434: Mr. Annunzio and Mr. Coughlin.

H. Con. Res. 222: Mrs. Roukema.

H. Con. Res. 278: Mr. Nelligan, Mr. Conyers, Mr. Hatcher, Mr. Anthony, Mr. Miller of Ohio, Mrs. Byron, Mr. McCollum, Mr. Benjamin, Mr. Ertel, Mr. Ritter, Mr. Mottl, Mr. Bonker, Mr. Zablocki, Mr. Leath of Texas, Mr. Zeferetti, Mr. Bennett, Mr. Peyser, Mr. Lundine, Mr. Huckaby, and Mr. Hollenbeck.

H. Con. Res. 280: Mr. Savage, Mrs. Schroeder, Mr. Brown of California, and Mrs. Chisholm.

H. Con. Res. 283: Mr. Bonior of Michigan and Mr. Hendon.

H. Con. Res. 289: Mr. William J. Coyne and Mr. Johnston.

H. Con. Res. 298: Mrs. Heckler.

H. Con. Res. 322: Mr. Peyser, Mr. Yatron, Mr. Findley, Mr. Conte, and Mr. Livingston.

H. Res. 406: Mrs. Heckler.

PETITIONS, ETC.

Under clause 1 of rule XXII,

419. The SPEAKER presented a petition of the Standing Committee on Aging, Assembly of New York, Albany, N.Y., relative to budget cuts; which was referred jointly to the Committees on Education and Labor, Energy and Commerce, and Ways and Means.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 5539

By Mr. BEDELL:

—Strike all of section 208, page 18, and insert in lieu thereof the following new section:

Notwithstanding any other provision of law, no water from any Federal reclamation project, the construction of which is less than 10 per centum completed as of September 30, 1982, as determined by the Secretary of the Interior, shall be delivered within ten years from the date of completion of such project to any water user for the irrigation of any basic agricultural commodity, as defined in section 408(c) of the Agricultural Act of 1949 (7 U.S.C. 1428(c)), or any amendment thereof, if the total supply of such commodity for the marketing year in which the bulk of the crop would normally be marketed is in excess of the normal supply, as defined in section 301(b)(10) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1301(b)(10), as amended, unless the Secretary of Agriculture calls for an increase in production of such commodity in the interest of national security.

By Mr. KILDEE:

(Pursuant to clause 6 of rule XXIII, Mr. Kildee submits the following amendments to H.R. 5539:)

—Page 20, strike out lines 10 through 15.

—Page 7, strike out lines 9 through 22 and insert in lieu thereof the following:

Sec. 104. Notwithstanding any other provision of this Act, the Secretary may enter into a contract which provides for the delivery of project water to any corporation having more than eighteen individual shareholders only at a price which is full cost of all the project water delivered for use on lands in excess of 160 acres owned or leased by it: *Provided, however,* That the Secretary may enter into a contract which provides for the delivery of project water to any such corporation which was not receiving, or had not received, project water on or before October 1, 1981, only at a price which is full cost as herein defined of all the project water delivered for use on lands owned or leased by it: *Provided further,* That any such corporation shall, in any event, be subject to the restrictions contained in section 102.

H.R. 5922

By Mr. EVANS of Delaware:

—Page 7, after line 18, insert the following:

HOMEBUYERS ASSISTANCE FUND

For an amount to establish the "Homebuyers Assistance Fund" in the Treasury of the United States to be administered by the Secretary of Housing and Urban Development for the purpose of encouraging the production and sales of housing, $2,000,000,000, which amount shall remain available until expended and shall be transferred to such Fund from appropriations made available to, and to be obligated in fiscal year 1982 by, the United States Synthetic Fuels Corporation from the Energy Security Reserve established under the heading "Alternative Fuels Production" in Public Law 96-126. Of such amount, $1,000,000,000 shall be made available, not later than September 30, 1982, as assistance to State and local housing agencies who agree to use the assistance to reduce mortgage interest rates to affordable levels for persons purchasing single-family residences pursuant to mortgages financed with the proceeds of a qualified mortgage bond or qualified veterans' mortgage bond (within the meaning of section 103A of the Internal Revenue Code of 1954) issued after the date of enactment of this Act; such assistance shall be made available in accordance with regulations which are issued by the Secretary of Housing and Urban Development (after consultation with the Secretary of the Treasury and appropriate committees of Congress) and which provide a fair and balanced geographic distribution of the assistance (notwithstanding any other provision of law regarding States without mortgage revenue bond authority), terms and conditions of the repayment by State and local agencies of the assistance, limits on the amount of the assistance which may be used for administrative costs by such agencies, and other terms and conditions deemed necessary by the Secretary. The remaining $1,000,000,000 of such amount in the Homebuyers Assistance Fund created herein shall be made available, not later than September 30, 1982, in accordance with the following paragraphs:

(1) The Secretary of Housing and Urban Development (hereinafter referred to under this heading as the "Secretary") shall make commitments to enter into and enter into contracts to make periodic assistance payments on behalf of homeowners (including owners of manufactured homes and individual units in a cooperative or condominium project) to mortgagees or other lenders holding mortgages, loans, or advances of credit which meet the requirements of the program described in this paragraph (1) and the following numbered paragraphs. The Secretary may establish criteria, terms and conditions which are consistent with the other provisions of this program and relate to homeowners and mortgages, loans, or advances of credit assisted under such program.

(2) In entering into contracts, the Secretary shall give a priority to mortgagors and other borrowers who, as determined by the Secretary, have not owned dwelling units within the preceding three years.

(3) The aggregate amount of payments made per annum pursuant to the contracts shall not exceed $200,000,000.

(4) Payments pursuant to the contracts may be made only on behalf of a homeowner who satisfied eligibility requirements relating to creditworthiness as may be prescribed by the Secretary and who—

(A)(i) is a mortgagor under a mortgage which meets the requirements of paragraph (11), or (ii) is the original owner of a new manufactured home consisting of two or more modules and a lot on which the manufactured home is situated, where insurance under section 2 of the National Housing Act covering the loan, advance of credit, or purchase of an obligation representing such loan or advance of credit to finance the purchase of such manufactured home and lot has been granted to the lender making such loan, advance of credit, or purchase of an obligation; and

(B) has a family income, at the time of initial occupancy, which does not exceed 130 per centum of the area median income (with adjustments for smaller and larger families, unusually high or low median family income, or other factors), as determined by the Secretary.

(5) Assistance payments to a mortgagee or other lender by the Secretary on behalf of a mortgagor shall be made only during such time as the homeowner shall continue to occupy the property which secures the mortgage, loan, or advance of credit. The Secretary may, where a mortgage insured under the National Housing Act has been assigned to the Secretary, continue making such assistance payments.

(6) The amount of the assistance payments made with respect to a mortgage, loan, or advance of credit shall not at any time exceed the lesser of—

(A) the difference between the amount of the monthly payment for principal, interest, and the mortgage or loan insurance premium which the mortgagor or other borrower is obligated to pay under the mortgage, loan, or advance of credit, and the monthly payment for principal and interest which the mortgagor or other borrower would be obligated to pay if the mortgage, loan, or advance of credit were to bear interest at the rate of 11 per centum per annum; and

(B) the difference between the amount of the monthly payment for principal, interest, and the mortgage or loan insurance premium which the mortgagor or other borrower is obligated to pay under the mortgage, loan, or advance of credit during its first year, and the monthly payment for principal and interest which the mortgagor or other borrower would be obligated to pay if the mortgage, loan, or advance of credit were to bear interest at a rate four percentage points less than the rate specified in the mortgage or loan;

except that the Secretary shall, in any case, require the homeowner to pay at least 25 per centum of the homeowner's income with respect to the principal, interest, and mortgage or loan insurance premium.

(7) The Secretary may include in the payment to the mortgagee or other lender such amount, in addition to the amount computed under paragraph (6), as the Secretary deems appropriate to reimburse the mortgagee or other lender for its reasonable and necessary expenses in handling the mortgage, loan, or advance of credit.

(8)(A) Except as provided in subparagraph (B) of this paragraph (8), the duration of a contract entered into with the budget authority provided herein shall be 5 years.

(B) In the case of any homeowner who, as determined by the Secretary, is unable to assume full payments required by the mortgage, loan, or advance of credit after the number of years specified in subparagraph (A) of this paragraph (8), the Secretary shall, by utilizing the fund described in the succeeding sentence, enter into a contract to provide continued assistance on behalf of the homeowner. There is hereby created a fund into which there shall be deposited (i) all amounts recaptured pursuant to paragraph (13), and (ii) any authority to make payments which was committed for use in a contract but was unused because the mortgage, loan, or advance of credit was refinanced or payments under the contract were terminated or suspended for other reasons before the original termination date of the contract. Amounts in the fund not needed for current operations shall be invested in direct obligations of the United States or obligations guaranteed by the United States.

(9) The sale price of, or other consideration paid in connection with, the purchase by the homeowner of the property with respect to which assistance payments are to be made shall not be greater then the appraised value of the property, as determined by the Secretary.

(10) Not more than 20 per centum of the total number of units with respect to which assistance is approved may be made on behalf of owners of manufactured homes.

(11) To be eligible for such assistance, a mortgagor, other than an owner of a manufactured home, must have a mortgage which—

(A) is insured under the National Housing Act, guaranteed under chapter 37 of title 38 of the United States Code, guaranteed under title V of the Housing Act of 1949, insured or guaranteed by qualified private insurers as determined by the Secretary, or the outstanding principal balance of which does not exceed 80 per centum of the value of the property securing the mortgages;

(B) has been made to, and is held by, a mortgagee approved by the Secretary as responsible and able to service the mortgage properly;

(C) is secured by a one-family dwelling the construction of which began no earlier than one year prior to the date of enactment of this Act and which has never been sold other than to the mortgagor;

(D) involves a principal residence which meets energy conservation standards equivalent to or greater than those prescribed by the Secretary for newly constructed one- to four-family houses insured under title II of the National Housing Act;

(E) involves a principal amount which does not exceed the applicable amount which may be insured in the area under section 203(b) of the National Housing Act;

(F) except as provided in paragraph (13), permits the mortgagor to prepay the principal amount at any time without penalty;

(G) has a fixed rate of interest;

(H) has maturity and amortization provisions satisfactory to the Secretary; and

(I) is executed by a mortgagor who shall have paid in cash or its equivalent, on account of the property, at least an amount equal to 3 per centum of the Secretary's estimate of the cost of acquisition.

For purposes of this paragraph (11), the term "mortgage" means, in the case of an individual unit in a condominium or cooperative project, a first lien or first mortgage described in section 203(n)(2)(A) or 234(b) of the National Housing Act, and for purposes of subparagraph (D) of this paragraph (11), the Secretary may accept a certification from the mortgagor that the energy conservation requirements of such subparagraph have been met.

(12) The Secretary shall develop and utilize a system to allocate assistance made available under this single-family homeownership program in a manner which assures a reasonable distribution of such assistance among the various regions of the country and which takes into consideration such factors as population, relative decline in building permits, and the need for increased housing production.

(13) Upon the disposition by the homeowner of any property assisted, or where the homeowner rents the property for a period longer than one year, the Secretary shall provide for the recapture of an amount equal to the lesser of (A) the amount of assistance actually received, other than any amount provided under paragraph (7), or (B) an amount at least equal to 50 per centum of the net appreciation of the property, as determined by the Secretary. The term "net appreciation of the property" means any increase in the value of the property over the original purchase price, less the reasonable costs of sale and the reasonable costs of improvements made to the property. In providing for such recapture, the Secretary shall include incentives for the homeowner to maintain the property in a marketable condition. Notwithstanding any other provision of law, any such assistance shall constitute a debt secured by the property to the extent that the Secretary provides for such recapture. Amounts recaptured shall be deposited in the fund described in paragraph (8)(B) and utilized for the purposes described therein.

(14) The Secretary shall make allocations and begin to issue commitments to enter into contracts pursuant to the authority provided herein not later than 30 days after the enactment of this Act.

(15) Procedures shall be adopted by the Secretary for annual recertification of the homeowner's income for the purpose of adjusting the amount of such assistance payments within the limits of the formula described in paragraph (6).

By Mr. LOWRY of Washington:

—Page 3, immediately after line 15, insert the following:

SOCIAL SECURITY ADMINISTRATION

REFUGEE ASSISTANCE

For an additional amount for "Refugee assistance", $39,000,000, to be available only for cash and medical assistance: *Provided*, That funds appropriated or otherwise made available for fiscal year 1982 for refugee assistance and domestic assistance for Cuban and Haitian entrants may be obligated or expended only in accordance with regulations in effect on March 11, 1982.

—Page 7, after line 18, insert the following:

HOMEBUYERS ASSISTANCE FUND

For an amount to establish the "Homebuyers Assistance Fund" in the Treasury of the United States to be administered by the Secretary of Housing and Urban Development for the purpose of encouraging the production and sales of housing, $2,000,000,000, which amount shall remain available until expended and shall be transferred to such Fund from appropriations made available to, and to be obligated in fiscal year 1982 by, the United States Synthetic Fuels Corporation from the Energy Security Reserve established under the heading "Alternative Fuels Production" in Public Law 96-126. Of such amount, $1,000,000,000 shall be made available, not later than September 30, 1982, as assistance to State and local housing agencies who agree to use the assistance to reduce mortgage interest rates to affordable levels for persons purchasing single-family residences pursuant to mortgages financed with the proceeds of a qualified mortgage bond or qualified veterans' mortgage bond (within the meaning of section 103A of the Internal Revenue Code of 1954) issued after the date of enactment of this Act; such assistance shall be made available in accordance with regulations which are issued by the Secretary of Housing and Urban Development (after consultation with the Secretary of the Treasury and appropriate committees of Congress) and which provide a fair and balanced geographic distribution of the assistance (notwithstanding any other provision of law regarding States without mortgage revenue bond authority), terms and conditions of the repayment by State and local agencies of the assistance, limits on the amount of the assistance which may be used for administrative costs by such agencies, and other terms and conditions deemed necessary by the Secretary. The remaining $1,000,000,000 of such amount in the Homebuyers Assistance Fund created herein shall be made available, not later than September 30, 1982, in accordance with the following paragraphs:

(1) The Secretary of Housing and Urban Development (hereafter referred to under this heading as the "Secretary") shall make commitments to enter into and enter into contracts to make periodic assistance payments on behalf of homeowners (including owners of manufactured homes and individual units in a cooperative or condominium project) to mortgagees or other lenders holding mortgages, loans, or advances of credit which meet the requirements of the program described in this paragraph (1) and the following numbered paragraphs. The Secretary may establish criteria, terms, and conditions which are consistent with the other provisions of this program and relate to homeowners and mortgages, loans, or advances of credit assisted under such program.

(2) In entering into contracts, the Secretary shall give a priority to mortgagors and other borrowers who, as determined by the Secretary, have not owned dwelling units within the preceding three years.

(3) The aggregate amount of payments made per annum pursuant to the contracts shall not exceed $200,000,000.

(4) Payments pursuant to the contracts may be made only on behalf of a homeowner who satisfies eligibility requirements relating to creditworthiness as may be prescribed by the Secretary and who—

(A)(i) is a mortgagor under a mortgage which meets the requirements of paragraph (11), or (ii) is the original owner of a new manufactured home consisting of two or more modules and a lot on which the manufactured home is situated, where insurance under section 2 of the National Housing Act covering the loan, advance of credit, or purchase of an obligation representing such loan or advance of credit to finance the purchase of such manufactured home and lot has been granted to the lender making such loan, advance of credit, or purchase of an obligation; and

(B) has a family income, at the time of initial occupancy, which does not exceed 130 per centum of the area median income (with adjustments for smaller and larger families, usually high or low median family income, or other factors), as determined by the Secretary.

(5) Assistance payments to a mortgagee or other lender by the Secretary on behalf of a mortgagor shall be made only during such time as the homeowner shall continue to occupy the property which secures the mortgage, loan, or advance of credit. The Secretary may, where a mortgage insured under the National Housing Act has been assigned to the Secretary, continue making such assistance payments.

(6) the amount of the assistance payments made with respect to a mortgage, loan, or advance of credit shall not at any time exceed the lesser of—

(A) the difference between the amount of the monthly payment for principal, interest, and the mortgage or loan insurance premium which the mortgagor or other borrower is obligated to pay under the mortgage, loan, or advance of credit, and the monthly payment for principal and interest which the mortgagor or other borrower would be obligated to pay if the mortgage, loan, or advance of credit were to bear interest at the rate of 11 per centum per annum; and

(B) the difference between the amount of the monthly payment for principal, interest, and the mortgage or loan insurance premium which the mortgagor or other borrower is obligated to pay under the mortgage, loan, or advance of credit during its first year, and the monthly payment for principal and interest which the mortgagor or

other borrower would be obligated to pay if the mortgage, loan, or advance of credit were to bear interest at a rate four percentage points less than the rate specified in the mortgage or loan;

except that the Secretary shall, in any case, require the homeowner to pay at least 25 per centum of the homeowner's income with respect to the principal, interest, and mortgage or loan insurance premium.

(7) The Secretary may include in the payment to the mortgagee or other lender such amount, in addition to the amount computed under paragraph (6), as the Secretary deems appropriate to reimburse the mortgagee or other lender for its reasonable and necessary expenses in handling the mortgage, loan, or advance of credit.

(8)(A) Except as provided in subparagraph (B) of this paragraph (8), the duration of a contract entered into with the budget authority provided herein shall be 5 years.

(B) In the case of any homeowner who, as determined by the Secretary, is unable to assume full payments required by the mortgage, loan, or advance of credit after the number of years specified in subparagraph (A) of this paragraph (8), the Secretary shall, by utilizing the fund described in the succeeding sentence, enter into a contract to provide continued assistance on behalf of the homeowner. There is hereby created a fund into which there shall be deposited (i) all amounts recaptured pursuant to paragraph (13), and (ii) any authority to make payments which was committed for use in a contract but was unused because the mortgage, loan, or advance of credit was refinanced or payments under the contract were terminated or suspended for other reasons before the original termination date of the contract. Amounts in the fund not needed for current operations shall be invested in direct obligations of the United States or obligations guaranteed by the United States.

(9) The sale price of, or other consideration paid in connection with, the purchase by the homeowner of the property with respect to which assistance payments are to be made shall not be greater than the appraised value of the property, as determined by the Secretary.

(10) Not more than 20 per centum of the total number of units with respect to which assistance is approved may be made on behalf of owners of manufactured homes.

(11) To be eligible for such assistance, a mortgagor, other than an owner of a manufactured home, must have a mortgage which—

(A) is insured under the National Housing Act, guaranteed under chapter 37 of title 38 of the United States Code, guaranteed under title V of the Housing Act of 1949, insured or guaranteed by qualified private insurers as determined by the Secretary, or the outstanding principal balance of which does not exceed 80 per centum of the value of the property securing the mortgages;

(B) has been made to, and is held by, a mortgagee approved by the Secretary as responsible and able to service the mortgage properly;

(C) is secured by a one-family dwelling the construction of which began no earlier than one year prior to the date of enactment of this Act and which has never been sold other than to the mortgagor;

(D) involves a principal residence which meets energy conservation standards equivalent to or greater than those prescribed by the Secretary for newly constructed one- to four-family houses insured under title II of the National Housing Act;

(E) involves a principal amount which does not exceed the applicable amount which may be insured in the area under section 203(b) of the National Housing Act;

(F) except as provided in paragraph (13), permits the mortgagor to prepay the principal amount at any time without penalty;

(G) has a fixed rate of interest;

(H) has maturity and amortization provisions satisfactory to the Secretary; and

(I) is executed by a mortgagor who shall have paid in cash or its equivalent, on account of the property, at least an amount equal to 3 per centum of the Secretary's estimate of the cost of acquisition.

For purposes of this paragraph (11), the term "mortgage" means, in the case of an individual unit in a condominium or cooperative project, a first lien or first mortgage described in section 203(n)(2)(A) or 234(b) of the National Housing Act, and for purposes of subparagraph (D) of this paragraph (11), the Secretary may accept a certification from the mortgagor that the energy conservation requirements of such subparagraph have been met.

(12) The Secretary shall develop and utilize a system to allocate assistance made available under this single-family homeownership program in a manner which assures a reasonable distribution of such assistance among the various regions of the country and which takes into consideration such factors as population, relative decline in building permits, and the need for increased housing production.

(13) Upon the disposition by the homeowner of any property assisted, or where the homeowner rents the property for a period longer than one year, the Secretary shall provide for the recapture of an amount equal to the lesser of (A) the amount of assistance actually received, other than any amount provided under paragraph (7), or (B) an amount at least equal to 50 per centum of the net appreciation of the property, as determined by the Secretary. The term "net appreciation of the property" means any increase in the value of the property over the original purchase price, less the reasonable costs of sale and the reasonable costs of improvements made to the property. In providing for such recapture, the Secretary shall include incentives for the homeowner to maintain the property in a marketable condition. Notwithstanding any other provision of law, any such assistance shall constitute a debt secured by the property to the extent that the Secretary provides for such recapture. Amounts recaptured shall be deposited in the fund described in paragraph (8)(B) and utilized for the purposes described therein.

(14) The Secretary shall make allocations and begin to issue commitments to enter into contracts pursuant to the authority provided herein not later than 30 days after the enactment of this Act.

(15) Procedures shall be adopted by the Secretary for annual recertification of the homeowner's income for the purpose of adjusting the amount of such assistance payments within the limits of the formula described in paragraph (6).

EXTENSIONS OF REMARKS

AMERICAN LUNG ASSOCIATION REPORTS ON RESPIRATORY DISEASE OF COAL WORKERS

HON. JOHN N. ERLENBORN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 4, 1982

● Mr. ERLENBORN. Mr. Speaker, since its enactment in 1969 as title IV of the Coal Mine Health and Safety Act, I have been a critic of the black lung program. My disenchantment stems in part from the program's failure to assure that compensation is paid only in cases of total disability or death due to coal workers' pneumoconiosis. In fact, according to the GAO, in 88.5 percent of the Social Security Administration black lung cases and 84 percent of the Labor Department cases, benefits were awarded without adequate medical evidence of black lung or disability due to black lung. Moreover, concluded the GAO, this was not contrary to the law. Thus, the black lung program provides nothing more than a pension for coal miners and their survivors in the guise of an occupational disease compensation program.

This cynical use of occupational disease has been accomplished through a disregard of the medical basis of coal workers' pneumoconiosis.

It is the law which has presumed that any pulmonary impairment coupled with 10 years' work in the mines constitutes black lung.

It is the law which, until the 1981 Black Lung Act amendments, prohibited rereading of a positive X-ray.

It is still the policy, if not the law, that a claim for totally disabling black lung cannot be denied on the basis of a negative X-ray.

Now the American Lung Association and its medical section, the American Thoracic Society, have reviewed the medical issues relating to coal workers' pneumoconiosis. Their findings support what I have been saying for years, based on other medical evaluations of coal workers' pneumoconiosis, namely:

Not every coal miner with a pulmonary impairment has black lung, and it is possible to sort out the cases of these other symptoms;

Not everyone with black lung is disabled;

Disabling black lung is diagnosable by X-ray and, thus, a claim for total disablility can be denied on the basis of a negative X-ray;

The X-ray is instrumental in diagnosing black lung, so rereading of an X-ray should not be prohibited; and

Compensation laws need to distinguish between impairment and disability, and it is the latter on which a compensation determination should be based.

I hope my colleagues find the ALA's discussion useful in evaluating the current shortcomings in the black lung program and as a guide to judging other occupational disease legislation.

REPORT ON RESPIRATORY DISEASE OF COAL WORKERS BY AN AD HOC WORKING GROUP OF THE AMERICAN THORACIC SOCIETY

INTRODUCTION

The American Lung Association and its medical section, the American Thoracic Society, are pleased to provide this position summary on selected medical issues dealing with respiratory health effects which may be associated with coal dust exposure. Our organizations have in the past provided input into the Federal legislative process which compensates workers who are judged to have coal dust exposure-related disease. In this brief summary statement we have elected to focus on several issues of concern to our community. The first deals with the definition and diagnosis of coal workers' pneumoconiosis, the second the relationship between coal dust exposure and chronic airways obstruction, and finally the assessment of functional impairment and disability in coal miners and the determination of attributability of their occupation. We are gratified that recent reports of the National Institute for Occupational Safety and Health (NIOSH) and the College of American Pathologists have helped to provide the basis for a consensus among medical experts in this field. We are also pleased that the recent amendment passed by the Senate (S. 1922) for the Black Lung Benefits Revenue Act of 1977 includes the provision that the Secretaries of Labor and Health and Human Services "shall undertake a study of current medical methods for the diagnosis of pneumoconiosis and of the nature and extent of impairment and disability that are attributable to the existence of both simple and complicated pneumoconiosis." We are hopeful that the biomedical community expert in this area will be provided full opportunity to participate in these deliberations and assist in the preparation of the report to the Congress mandated by this amendment. This summary statement has been prepared by an ad hoc working group of the American Thoracic Society [1] appointed by the President and expresses views recently adopted by the American Lung Association.

DEFINITION AND DIAGNOSIS OF COAL WORKERS' PNEUMOCONIOSIS

Coal workers' pneumoconiosis (CWP) results from the inhalation and deposition in the lung of respirable coal mine dust. The lung tissue reaction to the dust may produce coal macules, coal nodules, or progressive massive fibrosis (PMF). These relatively specific pathologic changes, along with any consequent physiologic abnormalities, constitute coal workers' pneumoconiosis (1, 2). Clearly, these histopathologic changes may precede radiographic evidence of CWP, but it should be emphasized that, particularly during the stage of pre-radiographic abnormality, no pulmonary functional changes due to CWP can be anticipated. Substantial support for this conclusion stems from the repeated findings that even in categories 1 and 2 of simple CWP (determined by X-ray) clinically significant pulmonary functional abnormalities are absent. while histopathologic changes can therefore be said to be more sensitive and specific for the disagnosis of CWP, impairment and disability are not a consequence of these early morpholog- ic changes. Since lung biopsy is very rarely indicated in this or other occupational lung disorders, the chest radiograph is ordinarily the only definitive method for diagnosing the presence of CWP in life. We feel therefore that heavy, if not exclusive, reliance must be placed on the proper reading of a technically satisfactory chest X-ray film in order to establish the diagnosis of CWP in actively employed or retired miners. It therefore follows that denial of a compensation claim may very well appropriately be based on a negative chest X-ray film, and that there will be frequent circumstances when re-reading of chest films is desirable to enhance the validity of the assessment for pneumoconiosis. Once a diagnosis of CWP is established, generally on the basis of radiographic evidence, impairment and disability should be determined as discussed below.

RELATIONSHIP OF OBSTRUCTIVE AIRWAY DISEASE TO CWP

The occurrence of symptoms of cough, sputum, shortness of breath, wheezing, pain in the chest or weight loss in a coal miner cannot automatically be assumed to be arising from CWP or necessarily a consequence of coal mining exposure. Coal miners, like other individuals, smoke cigarettes, inherit the predisposition to develop allergies and asthma, are exposed to air pollution, may contract respiratory infections and develop lung cancer. Since the lungs have relatively few, stereotyped ways of manifesting symptoms that are due to a wide variety of causes, diseases of diverse origins may be present with the same pulmonary symptoms. It is usually possible by careful inquiry, physical examination, and appropriate pulmonary function tests to sort out the causes for these common symptoms. It is, therefore, necessary to discuss what, if any, relationship there is between naturally occurring conditions that may produce the same symptoms as CWP and an individual's occupational exposure in coal mining.

Chronic bronchitis is a respiratory disease defined by the American Thoracic Society (3) as "a condition characterized by the presence of cough and phlegm on most days for at least three months of the year, for at least two consecutive years, and not due to localized disease such as tuberculosis, pneumonia, cancer, or bronchiectasis." Epidemiological studies have shown that the most important single factor associated with chronic bronchitis is cigarette smoking. While other conditions such as climate and industrial exposure may also contribute, these contributions may not be detectable unless only non-smokers are studied (4). The Medical Research Council of Great Britain concluded in 1966 (5) with particular reference to the coal mining industry, that "on present evidence, intensity of dust exposure does not appear to be a very significant factor in determining the prevalence of bronchitis in this group of workers." Since then, a large epidemiological study by the British National Coal Board (6) found a significant relationship between dust exposure and prevalence of bronchitis. A further study by Hankinson et al. (7) using ventilatory tests detected only slight reductions in airflow among non-smoking miners who had symptoms of bronchitis. They coined the term industrial bronchitis to call attention to the contribution of occupational dust exposure to the condition. The phenomenon of industrial bronchitis is not restricted to the coal mining industry. It has been reported among steel workers, textile workers, gold miners, and cement workers (8). The important points about industrial bronchitis are: 1: it has an insignificant clinical effect upon ventilatory function (9) and, 2: that the effects of smoking on ventilatory function are quite significant, causing impairment to be from two to ten times greater among smokers than among non-smoking bronchitics (7).

Focal emphysema is a minimally destructive process associated with the coal macule especially occurring in the higher categories of simple CWP (10). Its presence is associated with minor unevenness in the distribution of inspired air within the gas exchange parts of the lungs. Focal emphysema does not affect the ventilatory function of the lung as detected by usual spirometric pulmonary function test (11).

One group in Wales (12) claimed that a disabling form of centrilobular emphysema was more common at autopsy among coal miners that non-miners, but their study was severely criticized on the grounds that the population was not representative of all miners, having included only miners who had received compensation, and because it included subjects with complicated pneumoconiosis in whom it is common to find reduced ventilatory function. Extensive studies of non-smoking, living miners in the United States (11) have been unable to detect the ventilatory and diffusion impairments that are characteristic of diffuse, centrilobular emphysema. Thus, it can be concluded at the present time that there is no evidence that simple CWP or coal mining per se leads to the development of disabling emphysema in the absence of progressive massive fibrosis (PMF).

Asthma is a disease characterized by an increased responsiveness of the trachea and bronchi to various stimuli. It is manifested by a widespread narrowing of the airways that changes in severity either spontaneously or as a result of therapy (3). The fact that a miner develops bronchospasm upon exposure to the coal mine atmosphere does not mean the miner is allergic to coal dust. There is no evidence that coal dust is capable of acting as a true allergen. On the other hand, one study (13) showed that exposure to large concentrations of coal dust (15-20 mg per M^3) did induce a mild bronchospasm in normal subjects. Such dust concentrations are no longer encountered in U.S. mines. Airway obstruction in a miner with asthma will be responsive to medication, thus differentiating it from centrilobular, diffuse emphysema and from the minimal alteration in airflow seen in industrial bronchitis.

The best current perspective on the relative importance of dust and cigarette smoking in causation of obstructive airways disease is provided by a recent article by Elmes (14). It reviewed extensive data from studies of coal miners, slate quarry workers, iron and steel workers, and those working with asbestos. Dr. Elmes concluded, "The evidence is scanty and in many instances unreliable. But it indicates that although dust may cause symptoms of bronchitis in young men, these symptoms may persist but are unlikely to cause serious airways obstruction or premature aging of the lung (emphysema). In most cases, smoking is the main cause of bronchitic symptoms in all age groups and may lead to airways obstruction and emphysema. Age, by itself, representing the general environment, is less important than smoking but is usually more important than dust in causing disability." We therefore conclude that in the absence of radiographic or histologic evidence of CWP it is inappropriate to conclude that airways obstruction is primarily due to coal dust exposure.

IMPAIRMENT AND DISABILITY

With respect to the question of disability resulting from coal workers' pneumoconiosis (CWP), we believe it is mandatory to distinguish between the terms impairment and disability. Impairment is purely a medical condition reflecting a functional abnormality whose presence and severity should be assessed by an appropriately trained physician. Impairment is always a basic consideration in the evaluation of disability. Disability, on the other hand, is a term which indicates the total effect of impairment upon an individual and is affected by such diverse factors as age, sex, education, energy requirements of the specific occupation, and the economic and social environment. We would recommend that the criteria for impairment and disability be equally applicable under law to all those who suffer from occupational lung diseases such as CWP, asbestosis, silicosis, etc. We would also recommend that disability should be determined by highly qualified professionals from the fields of law, education and economics as well as the health sciences.

Although the current "Standards for Determining Coal Miners' Total Disability or Death Due to Pneumoconiosis" as published in the Federal Register of February 29, 1980, (20 CFR Part 718) represent a considerable improvement over prior "interim regulations" in the specific criteria to be used for determining functional impairment (i.e., ventilatory function tests and arterial blood gas values), they are generally too lenient. Specifically, we would recommend the use of values for the results of certain ventilatory function tests (i.e., FEV_1, FVC) recently recommended by the American Thoracic Society [2] rather than those incorporated in the standards referred to above. Further, the arterial blood gas tables in the new regulations, although improved by accounting for altitude, still do not take age into consideration and thereby also are too inclusive. Our recommendation would be that the Department of Labor adopt the system for evaluation of impairment/disability as described in the statement referred to above. We believe that the adoption of such a system will result in considerable cost saving, a rational and comprehensive approach to the problem and general acceptance by the pulmonary community.

In our view the handling of "black lung" disability claims by the Social Security Administration (SSA) and by the Department of Labor prior to the new "permanent regulations" has been poor, to say the least. The General Accounting Office (GAO) in its report of July 28, 1980, found in a random sample of cases adjudicated by the SSA "that in 88.5 percent of cases" awarded benefits, "medical evidence was not adequate to establish disability or death from CWP"! The GAO in its report of January 19, 1982 found essentially the same results in a study of cases handled by the Department of Labor. At present we have no information on which to base an opinion with regard to cases being adjudicated with the new "permanent regulations."

Finally, it would be our judgment that the definition of total disability used by the SSA for the population at large should not be used under the "Black Lung" Act on the basis that it refers to disability to perform any gainful employment and thereby is far too restrictive. We have no quarrel with the goal of the "Black Lung" legislation to compensate those coal workers who are truly disabled from performing their usual work as a result of their occupational lung disease.

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COMMERCIALIZATION OF LANDSAT IS NOT A GOOD IDEA

HON. RAYMOND J. McGRATH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 4, 1982

● Mr. McGRATH. Mr. Speaker, as you may know, the White House Cabinet Council on Commerce and Trade has been considering a plan for the transfer of the Nation's satellite system to the private sector. The Council recently decided to recommend to the President that meteorological satellites not be commercialized, but proposed three alternatives for the commercialization of Landsat. I have very strong reservations about any plan to transfer the Landsat operations to the private sector.

In response to an editorial in Aviation Week and Space Technology, Dr. Robin Welch wrote the following letter to the editor which I believe summarizes quite well the arguments against the commercialization of Landsat:

> [From Aviation Week and Space Technology, Apr. 26, 1982]
>
> LANDSAT OWNERSHIP
>
> That remote sensing from space has been shown to be profitable is hardly the question (AW&ST APR. 5, p. 11). Landsats 1, 2 and 3 have returned benefits to the American public as well as the world many magnitudes over program costs. So did the USS New Jersey in "fighting the world's evil forces," but to say the New Jersey should now be turned over to private industry to "show a profit" is not good economics much less good diplomacy.
>
> Three factors are clear from my involvement continuously in the Landsat program as a research and development scientist and data user from the start.
>
> Foreign competition (French Spot and Japanese Earth resource satellite) will jump into the breach left by the U.S.'s termination of its Landsat program and take the leadership permanently, for there is a very real demand for Earth mapping data from space, and those programs will fill the data needs. Landsat, by any standards, is a first-step effort that, given another decade of development, could truly be mapping the "heartbeat" of the Earth.
>
> Replacing science and technology as a national goal with the philosophy of "Let's make everyone secure and happy whether he works or not" will see the decline and fall of the U.S. as a global power. Because productive labor is the ultimate commodity, the destructiveness to our economy of perhaps one-third of every dollar going to people not in any way tied to the producing of goods will ultimately destroy us. Landsat is science and technology at its best and to say we can't afford Landsat because our social benefit programs are taking too much of the budget is bad national economic policy.
>
> Selling of Landsat film, paper and tape data may never show a profit. To judge the effectiveness of a national asset and international trust on that basis while ignoring the benefits returned from smart people using the data is also bad economics.
>
> The Landsat program is a candidate for being the most profitable single government venture ever, as it has produced great tangible benefits in man's use and management of Earth resources. To drop government support for an Earth resource satellite program is, in my view, short-sighted and destructive to the stature and future of the U.S. in space science and technology as well as political integrity.
>
> ROBIN I. WELCH, Ph. D.,
> *President, Airview Specialists Corp., Mountain View, Calif.*●

SUPPORT FOR THE DEFENSE INDUSTRIAL BASE REVITALIZATION ACT, H.R. 5540

HON. STEWART B. McKINNEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 4, 1982

● Mr. McKINNEY. Mr. Speaker, recently a trade magazine published an editorial questioning our national policy concerning critical materials. I agree with much that the author had to say regarding our vulnerability caused by continued dependence on foreign sources for metals and materials vital to our national security.

For years our Government and its various agencies have failed to pursue a consistent and coherent policy regarding the development of needed critical materials and their stockpiling.

Toward the conclusion of the editorial reference is made to a bill to step up production of critical materials for national defense purposes. That bill which JIM BLANCHARD and I coauthored is H.R. 5540, the Defense Industrial Base Revitalization Act. The legislation enjoys strong support throughout the private sector. Also, it has been cosponsored by 68 Members. The list is an impressive commingling of Republicans and Democrats, liberals, and conservatives, but above all concerned Americans who want to stop the deterioration of this country's defense industrial base. Information is available for those who have not yet cosponsored the bill.

The closing paragraphs of this article make an excellent point which I would like to share with my colleagues:

> Now I don't know the ins and outs, or rights or wrongs of all of these bills relating to critical materials. But I do know that nothing much is happening. Everything is either standing still or going backwards.
>
> This is confusing in view of the magnitude of the problem at hand.
>
> All this is going on, though, while the Administration is fighting for the biggest defense budget in our history.
>
> *Question.* How do you support a massive defense buildup without the critical materials needed to back it up?
>
> You can't. And we can't wait much longer for President Reagan and Congress to take action, either.

In private conversations I have had with several people in the administration who are involved with H.R. 5540 strong support is given to our approach. However, OMB is having difficulty with the funds involved.

That is understandable and appreciated by all the cosponsors. But to paraphrase the above quotation: How do you support funding a massive defense buildup without the domestic capacity and capability needed to meet those demands? And without that domestic ability where will the hundreds of billions for defense programs the administration proposes to spend end up—in foreign countries and foreign companies?

The Economic Stabilization Subcommittee reported favorably H.R. 5540 to the full Banking Committee by a vote of 19 to 3. Later this week the bill is to be considered by the full committee. A majority of the committee have cosponsored the proposal so I am hoping we can expedite consideration in the House. At that time I urge my colleagues to answer the issue raised by this editorial and to show that they do not have much longer to wait for Congress to act on this matter of vital concern.

Mr. Speaker, for the information of my colleagues, I insert the complete editorial from the April 5, 1982, issue of Iron Age.

> DEFENSE FORWARD! MINERALS BACKWARD! HOW'S THAT AGAIN?
>
> This is an issue that leaves me both confused and worried.
>
> What I'm talking about is the current state of national policy regarding critical materials. Now if I knew what the policy is I'd be happy to tell you.
>
> But I'm not sure anybody knows.
>
> For example, Interior Secretary James G. Watt—on national TV, no less—said he would ask Congress to bar exploration and drilling on about 100 million acres of Federal wilderness lands for the rest of this century.
>
> On the same show, though, he said that if an "urgent national need" cropped up, then the President, with the approval of Congress, could reopen the wilderness area for needed materials.
>
> So, in one fell swoop Secretary Watt managed to: Anger those who want to develop our mineral resources, rile up environmentalists who want to keep the wilderness wild no matter what, and leave people like me wondering what's going on.
>
> Needless to say, this is all rather confusing.
>
> How do you reconcile, on one hand, talk about a potential "urgent national need"—and, on the other hand, recommend taking a critical materials supply source out of action until the year 2000?
>
> This worries me, because I believe that an urgent national need exists now to develop critical materials sources.
>
>
>
> After all, we live in an increasingly hostile world and a good deal of the materials Mr. Watt is talking about—oil, chrome and platinum, for example—are not exactly in stable or friendly hands.
>
> So much for the current, incoherent government policy stance on the development of needed citical materials.
>
> But the current confusion on minerals policy doesn't end in that wilderness.
>
> Another issue centers on the creation of a minerals council to coordinate policies among various agencies of the Federal government.
>
> Several bills have been introduced to this end in Congress and, as far as their passage goes, they seem to be at a dead end.
>
> The same thing goes for policies on the stockpiling of critical materials.
>
> Legislation to determine the quantity of strategic materials to go into the national stockpile to fill future emergency needs is floating around in limbo with the chances of passage ranging from zero to none.
>
> Finally, a bill to step up production of critical materials is fighting for funds to carry out its mission. this is not a dead dodo yet, but the Administration seems opposed to it.
>
> Now I don't know the ins and outs, or rights or wrongs of all of these bills relating to critical materials. But I do know that nothing much is happening. Everything is either standing still or going backwards.
>
> This is confusing in view of the magnitude of the problem at hand.
>
> All this is going on though, while the Administration is fighting for the biggest defense budget in our history.
>
> Question: How do you support a massive defense buildup without the critical materials needed to back it up?
>
> You can't. And we can't wait much longer for President Reagan and Congress to take action, either.

MICHIGAN TECHNOLOGY COUNCIL BRINGS DA VINCI TO ANN ARBOR

HON. CARL D. PURSELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 4, 1982

● Mr. PURSELL. Mr. Speaker, I do not think it is often that business, industry, the arts, the community, as well as a great university, join forces to promote a cause. This is fortunately the case in my Michigan district. I wish to commend to your attention certain events that will assuredly highlight Michigan's vast potential as a high technology center. I need not elaborate here on the desperate state of economic affairs in my home State; our unemployment rate is the highest in the Nation; our factories and businesses are suffering tremendously. Now an effort is being made through the Michigan Technology Council, a group dedicated to diversifying and strengthening Michigan's economic structure, to reverse this trend by widening our base of technology and thus prevent to the greatest extent possible a reoccurence of what Michigan is experiencing today.

The pivotal point of the Michigan Technology Council's efforts this year involves a Renaissance man whose age was a prelude to modern technology. It is not far fetched to use a 15th-century master's contributions to his society as a way to foster a new Renaissance of industrial development in Michigan. Leonardo da Vinci is the man; his technical works the inspiration for our effort.

Perhaps no man in history has contributed more in inventiveness and pure genius than Leonardo. His paintings are immortal, his scientific curiosity unmatched.

This genius will be manifest at the University of Michigan Museum of Art, May 8 through June 13 with the exhibit of original works by Leonardo and a number of three-dimensional models that embody this great master's experiments in the physical sciences, including automation, aerodynamics, and automobiles. By drawing a correlation between his works of the 15th century and their modern-day applications, Michigan is in a dramatic fashion pointing to itself as a place worthy of consideration for advanced technology because its cultural environment matches its other considerable resources—among them a plentiful water supply, skilled labor, and a university system of great academic stature.

Special recognition goes to the Bechtel Power Corp., whose Ann Arbor Power Division was the moving force to bring the exhibit to Michigan; to the IBM Corp. for providing the models; to the Michigan Technology Council for its sponsorship; and to the University of Michigan which has contributed its time and talented staff to making the exhibit a reality.

I am confident you will agree that Michigan is not a dying State, and that what the Michigan Technology Council is attempting is evidence that while our labors may be stifled by the deep recession we are feeling, our brains remain hard at work our hopes for the future as incandescent and optimistic as ever.●

FATHER BYRON: "THE COLLAR DOESN'T GET IN MY WAY"

HON. JOSEPH M. McDADE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 4, 1982

● Mr. McDADE. Mr. Speaker, the newly appointed president of Washington, D.C.'s Catholic University is coming from Scranton, Pa., where he has been held in the highest regard not only as an educator, but as a farseeing and industrious community leader. This man, Rev. William J. Byron, S.J., is described from the view of those who have been his friends and neighbors in recent articles in the Scranton newspapers which will be of interest to everyone involved and concerned with higher education in the Nation's Capital.

In editorials, the Scranton Times said that Father Byron's appointment was "a splendid tribute" and joined "his many admirers in wishing him well," and the Scranton Tribune described his appointment as "a singular honor" and extended to him "best wishes for continued success in a service dedicated to God, to humanity, and to education."

News articles in both papers reminded readers of the many career achievements of Father Byron and listed the improvements for which he will long be remembered at the University of Scranton where he has been president since 1975. But they went on, at still greater length, to reflect on his many other activities in the community.

The Tribune cited his service as a director of the Economic Development Council of Northeastern Pennsylvania and the Northeastern Bank of Pennsylvania. It went on to refer to his service as a director of the United Way of Lackawanna County, Pennsylvania Blue Shield, and the Scranton Community Medical Center. It recalls that he was cited by the William Penn Committee in 1980 as a "Distinguished Pennsylvanian."

In the Times, an article by Francis T. DeAndrea explained how Father Byron "has made a point of showing anyone who is interested that a man who wears clerical robes doesn't have to dissociate himself from society." That article continued, in part:

> No area, however, appears to have drawn more personal input from him than has his home for the past seven years—Scranton, a city of 90,000 people attempting to revive itself from a debilitating dirty coal-town image.
>
> Three years after taking over the reins at the University of Scranton, the seventh largest of 28 Jesuit colleges in the nation, then he added another role to his repertoire of service when he was named to the board of directors of Northeastern Bank of Pennsylvania, one of the largest banking institutions in Northeastern Pennsylvania.
>
> At no other time in its history had a member of the clergy been named to the bank's board. But he wasn't just another "member of the clergy." His training was as an economist and he had an intense interest in unemployment and industrial development.
>
> When asked at the time of his appointment whether his priestly collar might get in the way of some bank discussion that, otherwise, might range a little more freely, Father Byron responded: "I suppose you would have to put that question to other directors. The collar does not get in my way and I see no evidence that it impedes any of the others. Nor should it. There is nothing bad about money, loans, investments or banks in themselves. Power can always be abused, but without power, good cannot be achieved."

His interest in Scranton preceded his role as president of the University of Scranton, the largest college in the northeast region of the commonwealth.

From 1956 to 1958, he was a mathematics teacher at the Scranton Preparatory School. It didn't take too long for people to realize that the young Jesuit scholastic was interested in doing more than just spending time as a high school teacher in Scranton. He became involved in the city's problems and its fight for a new image. In fact, he received his master's degree from St. Louis University after submitting a thesis entitled, "Scranton's Efforts to Attract Industry."●

REPRESENTATIVE McGRATH SPEAKS AT HOLOCAUST COMMEMORATION

HON. JOHN LeBOUTILLIER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 4, 1982

● Mr. LeBOUTILLIER. Mr. Speaker, on April 20, my friend and colleague, Representative Raymond McGrath, addressed a Holocaust Remembrance Day gathering, sponsored by Second Generation of Long Island.

I commend the attached article, describing Mr. McGrath's remarks and the poignant comments of a Holocaust survivor, Mel Berger, to my colleagues' attention. The lesson of the Holocaust is clear. Those who forget history are condemned to repeat it.

[From the Jewish World/Long Island Jewish Press, Apr. 30-May 6, 1982]

Survivor: Where Were the Righteous People?

(By Stewart Ain)

In what was billed as Long Island's first outdoor ecumenical observance of Yom Hashoah, Holocaust Remembrance Day, 300 persons attended a rally in Cedarhurst Park to remember again the horrors of that unforgettable period 40 years ago.

Rep. Raymond J. McGrath, (R-Valley Stream) told the crowd that during his trip to Israel last summer he visited Holocaust memorials and found that they were the "most poignant and unforgettable moments since I became a Congressman. And to think that this tragedy happened since I have been alive gives it more impact—the fact that it could happen in a modern society."

Referring to the recently released Moynihan poll that found that most New Yorkers were against military aid for Israel (see accompanying articles in this paper), McGrath said he found the poll "most distressing." He said he believes that the poll may indicate that New Yorkers are forgetting the Holocaust at a time when "we should be remembering."

"It is a crime unique in the annals of human history," McGrath said. "It was an incredible criminal enterprise that was organized by the state to kill every Jew everywhere in Europe."

Listening to his remarks were members of Second Generation of Long Island, which sponsored the event. On hand were the band and chorus of Lawrence High School and the choir of the Brandeis School in Lawrence, each of which performed during the 90-minute program.

LASHED OUT AT FREE WORLD

A survivor, Mel Berger, 54, of Oceanside, began his remarks to the audience by saying: "Much to the horror of many, I have survived and they can go to hell." He used the occasion to lash out at the free world for not stopping the Nazi death machine and said that no one must be allowed to forget what happened.

Berger said that he was living with his parents and three brothers in Hungary when the Nazis took over and began to make Hungarian officials "act like Nazis . . . The persecution of the Jewish people was all around us and it became worse and worse." He told of one incident in which a Nazi machine gunner opened fire and indiscriminately shot and killed those Jews who were in the line of fire.

The Jews of his village were rounded up one morning and after being placed in a "staging area where people were disoriented and life seemed helpless," they were herded into cattle cars—100 to a car.

"It was a little car and we were on our way without food or water and standing room only," he recalled. "Can you imagine how it looked after a week? Can you imagine how my father, who was 54, and my mother, who was 44, felt?

"And then suddenly the train stopped and I was separated from my mother and father and three brothers and I was never to see them again," Berger continued. "I was taken to the left to work and they were taken to the gas chambers. And I bet those who placed them in the gas chambers are still alive today, thanks to the free world, which I call accessories to the crime."

In the camp, Berger said, he was "tatooed, they stripped me of my name, dignity and identity. I was branded."

Berger said he was soon taken to Auschwitz and he said he could see the "chimneys and people in the thousands who were brought in. But I couldn't say anything to them. I was out of reach, and they were heading straight for the chimneys. And I kept asking, 'Where the hell are the righteous people of the world?' "

Berger asked also why the world "is still trying to forget and in some instances to deny it. This world stood by and did nothing until it was too late."

"A gathering of this kind should be carried out every year to let all people know of these dangers so that it should never happen again," he added.

PROFIT FROM INDUSTRY OF DEATH

In his remarks, McGrath said also that the Nazis' actions against the Jews were not "subjugation but outright slaughter." And German corporations "actually profited from this industry of death. Companies competed to build the ovens. And some were even concerned with the profitability of the concentration camps."

McGrath pointed out that one firm was set up opposite Auschwitz to extract everything saleable form bodies of Jewish victims. Gold filings in teeth were removed and the ashes of the victims were sold as fertilizer.

Throughout the war, the German death camps attempted to find the cheapest method of killing Jews. By using an inexpensive gas, the Germans found they could kill their victims at a cost of 1.5 cents per person. But that still wasn't good enough, McGrath noted.

"By the end of the war, orders were given to place children directly into the ovens and into open pits," he said.

The entire German bureaucracy was involved in the extermination process, he noted, from the "churches and health ministries which supplied birth records to define and isolate Jews, to the government travel bureaus which coordinated schedules and billing procedures for the railroads which carried the victims to their deaths."

DIRE WARNING

Looking over the crowd of youngsters and adults, McGrath said the "curse of the Holocaust is a dire warning. It could not have happened without a diminution of religion. Only in a modern society could anti-Semitism lead to extinction. And men who could murder during the day could be loving fathers at night."

McGrath said that the Germans justified their actions by shifting the blame to others. Adolf Eichmann, for instance, supervised the murder of countless Jews but could later say that he "never killed a single person." Those who passed along the orders claimed that they did not know what was really happening and those who "carried out the extermination said they were only following orders."

It is hoped, McGrath said, that by "studying the Holocaust it will immunize modern man against the desires of the 20th century that led to this monstrous annihilation . . . Failure to remember the past makes repetition more likely. By remembering the excesses of the Nazi era, we can remember the need for checks and balances. Human rights must be protected within the law . . .

"The moral landscape of human reality has been altered by the Holocaust but the acceleration of technology and nuclear weapons now threaten human existence. By focusing on the dangers of a technological and bureaucratic society, a study of the Holocaust and its implications can encourage a renewal of commitment to sanity and humanity. We must remember the Holocaust because it may be our only means of survival," McGrath added.●

THE ACCOMPLISHMENT OF THE KENHORST VOLUNTEER FIRE COMPANY NO. 1

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 4, 1982

● Mr. YATRON. Mr. Speaker, It is my privilege to bring to the attention of my colleagues in the U.S. Congress, the accomplishments of the Kenhorst Volunteer Fire Company, No. 1, who will be celebrating the 50th anniversary of the Borough of Kenhorst, the 50th anniversary of the Kenhorst Fire Company and the housing of their new 1980 Pierce Mini Pumper on May 22, 1982.

The Kenhorst Volunteer Fire Company, No. 1, enjoys the wholehearted support of the community it serves and not only works to protect the lives and property of the citizens of Kenhorst, but has unceasingly contributed time and effort on various projects to benefit their neighbors and friends.

In 1973, the Kenhorst Fire Company began building a new fire station. In 1977 they purchased a Pierce 1,000 gallon per minute pumper and in 1980, they acquired a new 1980 Pierce Mini Pumper.

The members of this excellent company underline every day, the community spirit of aiding one another, which is the very foundation of our country. The Kenhorst Fire Company is planning an anniversary celebration and parade on May 22. I know my colleagues will join me in paying tribute to the Kenhorst Volunteer Fire Company, No. 1, and the citizens of the Borough of Kenhorst and will wish them many more years of continued success. It is my hope that their excellent example of what can be accomplished continues to underline the importance of aiding those in need.

Firefighters dedicate themselves 24 hours a day to protecting our lives, our homes, our businesses, and our places of worship. They participate in one of the Nation's most hazardous occupations and we owe them a great debt of gratitude. I would like to extend to the Kenhorst firefighters, a personal note of thanks, for their continued daily demonstration of their high degree of concern and dedication to the public safety and welfare.●

BETA SIGMA PHI

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 4, 1982

● Mr. MINETA. Mr. Speaker, it gives me great pleasure to rise today on behalf of Congressman Leon Panetta and myself, to salute Beta Sigma Phi, an international organization for women which has for over 50 years offered opportunities for friendship, for cultural appreciation, and for community service. The membership of this organization now totals over 250,000, spread through 35 nations. More than 75,000 of these members reside in my State of California. Beta Sigma Phi has nearly 12,000 chapters, most of which meet twice each month to conduct business and carry out a cultural program.

The Greek letters in the organization's name stand for the words "life," "learning," and "friendship." Beta Sigma Phi has lived up to its name through its philanthropic community service work. It has, for example, provided financial assistance to the National Cystic Fibrosis Research Foundation, the Sidney Farber Cancer Institute, Girlstown USA, the National Multiple Sclerosis Society, the Toronto Sick Children's Hospital, the Magnolia Speech School for the Deaf, the Mid-America Heart Institute of St. Luke's Hospital, the Arthritis Society, and Literacy House. The organization also provides scholarships for college students.

In the last year alone Beta Sigma Phi has made donations to these and other worthy causes totaling over $1 million.

On May 13, Beta Sigma Phi in California will hold its 42d annual convention in Monterey. Mr. Speaker, Mr. Panetta and I ask you to join us and all our colleagues in the House of Representatives in paying tribute to this outstanding organization which has done so much for the community for the past half century.●

ROUNDING UP THE USUAL SUSPECTS

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 4, 1982

● Mr. EDWARDS of California. Mr. Speaker, in nine metropolitan areas across the country, the Immigration and Naturalization Service last week conducted raids on some 300 businesses suspected of employing undocumented workers. INS claims that over 5,000 alleged illegal aliens were arrested.

In commenting on the raids, Ira Glasser, executive director of the American Civil Liberties Union, and John Shattuck, the ACLU's legislative director stated, "This is discrimination pure and simple, not the evenhanded application of the law required by the Constitution's equal protection guarantee." I agree. It is clear that the INS agents singled out Hispanic workers, and in some cases reportedly arrested all Hispanic employees.

The raids were supposedly undertaken to remove illegal workers from high paying jobs which could then be filled by unemployed Americans. But, even if every one of the jobs now vacant were filled by an American citizen, what effect would it have on our unemployment rate of over 9 percent? In the words of Mr. Glasser and Mr. Shattuck, it is clear that the "administration is playing with people's rights to score a public relations victory." The American people should not fall for it.

An excellent editorial exploring this point appeared in the San Jose Mercury on April 30, 1982. I commend the article to the attention of my colleagues. The article follows:

[From the San Jose Mercury, Apr. 30, 1982]

Rounding Up the Usual Suspects

The U.S. Immigration and Naturalization Service calls it "Operation Jobs." Its critics in the Hispanic community think it ought to be called "Operation Scapegoat." From what we've seen, we're inclined to label it "Operation Snow Job."

Since Monday hundreds of INS and Border Patrol inspectors have been swooping down on food processing plants, hotels, factories and other businesses across the country, checking IDs of workers and taking suspected illegal aliens into custody. INS spokesmen say they expect as many as 5,000 illegals to be rounded up in the week-long operation.

The stated purpose is to nab illegals who are holding "high-paying" jobs—i.e., jobs that pay more than the $3.35-an-hour minimum wage—which unemployed Americans presumably would be eager to take.

Even if every job opening created by "Operation Jobs" is filled by an American citizen, collaring a few thousand illegal alien workers obviously won't make much of a dent in an unemployment total of 10 million. But a lot of the jobs will simply be taken by other illegal aliens. And a lot of the aliens rounded up this week will undoubtedly slip right back through the sieve-like border almost as soon as they get off the bus in Tijuana.

So what's the point of the exercise? Beats us—unless the INS and Border Patrol are trying to create the impression that they're doing something about the illegal alien problem.

Many Hispanics, including the 100,000-member League of United Latin American Citizens, see a more sinister motive. The Reagan administration, they charge, is trying to make illegal aliens, particularly Hispanic aliens, the scapegoat for the economic woes brought on by its own mistakes.

Guessing people's motives is a tricky business, and we're not about to attempt it here. Let it suffice to say that, whatever the intent, the effect of "Operation Jobs" is to encourage the belief that illegal aliens are the cause of America's unemployment problems. And that belief is wrong—dangerously wrong.

The unemployment rate in this country is hovering near 10 percent for a whole bunch of complicated reasons—high interest rates, imported cars, budget deficits, aging industrial plants, a collapsing real estate market. These things may or may not have been caused by Ronald Reagan's economic policies; they clearly were not caused by garment workers in Chicago or chicken-pluckers in Petaluma.

In times of severe economic and psychological stress, Americans always have a tendency to dump the blame on some vague, alien entity—Wall Street, or The Trusts, or Reds, or "those foreigners who come here and take jobs away from Americans." A government policy that unintentionally encourages that tendency, that fosters simplistic thinking and feeds xenophobia and bigotry, is stupid and irresponsible. A government policy that does so intentionally is criminal.●

SAMPLE OF STUDENT OPINION

HON. JOSEPH M. McDADE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 4, 1982

● Mr. McDADE. Mr. Speaker, Members of Congress are not unaccustomed to hearing from students and sometimes from a whole school class whose teacher has introduced them to the fact that they can and should write their Representative in Congress about their concerns and problems. In doing so, of course, they learn something about a citizen's rights and responsibilities in a representative government.

While such letters are generally of primary value to the Member of Congress who represents the student constituents involved, they may occasionally be of broader interest. This is the case, I believe, with a group of letters I recently received from 7-year-old and 8-year-old students at Blossburg Elementary School in Tioga County, Pa. I would therefore like to share them with my colleagues.

The letters are brief, and read as follows:

"My name is Amy Johnson . . . Can you make a rule to tell the big kids on the bus to quit picking on us and quit writing on the seat? Will you also help me by lowering the prices?"

"My name is Christy McNeal . . . People don't have enough money to buy something they need a lot. Could you please help? (Like for school or food plus clothes or even shelter.)"

"My name is Benjamin Randise . . . I am worried about the taxes. I want you to lower the taxes. I want you to lower the taxes to one hundred dollars."

"My name is Juanita Seeley . . . I am worried about some people wrote on the school wall Monday night. Some good person called the police. I want you to stop it. Will you please try to do it?"

"My name is Christine Kreger . . . I am not worried about anything. I think you are doing terrific."

"My name is Theresa Bickham . . . I am worried about the taxes and my Dad's work at the mines. They say that he will not be working there. Please do something about it."

"My name is Lennie Yoder. . . . I am worried about the pollution and people who throw our their garbage in other people's yards. I am sick of it so please do something about it."

"My name is Holly Bartlett . . . I am worried about the telephone bills. Is their anything congress can do about it please?"

"My name is Melissa Carlson . . . I am worried about *Taxes!!!* Because I cannot get any more fruit bars! I want you to do something about this!"

"My name is Billie-Jo Beck . . . I am worried about people writing on the wall with paint. Will you please make a rule saying don't write on the walls?"

"My name is Amy Smith. I am worried about my Grampa. He works at (a grocery store). The bosses had a meeting. They might close it down. They are changing fifteen minute coffee breaks to ten minute coffee breaks. Will you please help me?"

"My name is Eric McNeal . . . Can you cut down the taxes because my mom and dad do not have much money? Please cut down taxes."

"My name is Mark Peguignot . . . I am worried about all of the fires. Could you help?"

"My name is Melinda Barrett . . . I'm worried about criminals. Can you stop them? Please help."

"My name is Gary McNeal . . . I am worried about littering. Please help stop littering."

"My name is Mark Knapp. I think you are doing a good job."

"My name is Lyle Cloos . . . . I am worried about pollution. Try and do something about it please."

"My name is Benji Morley . . . I am worried about the high food prices. I wish you could lower the prices."

"My name is Wendy Bellinger . . . I'm worried about taxes. Is there something you can do to make them lower? I hope there is something you can do about it."

"My name is Mike Aumick . . . I am worried about all the fires."

"My name is Jennifer Wincey . . . I'm worried about all of the murders. Can you see if you can do anything about it? Thank you!"

"My name is Travis Makley . . . I am worried about my Grammom. My Grammom had a hardatack last night. My dad came to pick me up. I weant to get my clothes. I saw my grammom on the floor . . . We took my grammom to the hospital. And now she's out of the hospital"

As with all samples of opinion, some interpretation of responses is necessary. My tabulation of the problems cited in this sample is as follows: Taxes—five, pollution and littering—three, prices—two, Jobs—two, graffiti—two, crime—two, fires—two, bullies—one, telephone bills—one, and other—two.●

BLACK HERITAGE DAY PARADE

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 4, 1982

● Mr. RODINO. Mr. Speaker, my home city of Newark will continue one of its proudest traditions this Sunday afternoon, May 9, when thousands of citizens will march in the annual Black Heritage Day Parade.

I will be proud to join with "Mother" Nellie Grier, the parade's grand marshal, and many others in marching through the streets of our city to honor the rich cultural heritage of America's black people. This year's parade celebrates the contributions of black women to our country, and the selection of the 82-year-old Mother Grier as the grand marshal is an outstanding reminder of the many roles that black women play in building better communities. As the founder and director of the Emmanuel Senior Citizens Day Care Center, she has offered comfort and healing to our city's elderly; and as organizer of the Newark Senior Citizens Council and a member of the board of the anti-poverty agency, United Community Corp., she has been an activist for positive social change. She is a leader who serves as an example to black women everywhere.

Mother Grier will be joined on Sunday by 11 other black women from my district who have distinguished themselves as leaders in the cause for social justice. They are Dr. E. Alma Flagg, Newark's first black female principal; Trish Morris, director of the Newark Day Center; State senator Wynona Lipman; Dr. May Burch, founder of the Leaguers, Inc.; former municipal court judge Golden E. Johnson; Betty Austin, founder of Neo-Fight, Inc.; Essex County Register Larrie Stalks; community activist Elizabeth Beaman; Essex County Democratic committeewoman Queen E. James; Amelia Steward, owner of Steward's Restaurant; and Doris E. Green, placement advisor at Essex County College.

These dedicated individuals follow in the footsteps of countless black women who have enriched our Nation's culture over the course of the past 206 years. In education, we, of course, look to Mary McLeod Bethune as a model; in literature, Gwendolyn Brooks comes to mind as one of America's finest, most beautiful and relevant, poets; in medicine, Dr. Mary Chinn toiled for a lifetime to improve medical services in Harlem and Dr. Jane Wright of New York is dedicating her life to cancer research; in the arts, black women have overwhelmed us with their brilliance in music, with such names as Marian Anderson, Leontyne Price, Aretha Franklin, Billie Holiday, Ella Fitzgerald, Diana Ross, Sarah Vaughn, Dionne Warwick, and Lena Horne; and in the theatre, Cicely Tyson serves as an outstanding example to young blacks, as does Althea Gibson in the sports field. I had the good fortune of serving in the Congress with one of the most eloquent and dedicated stateswomen ever to serve our country, Barbara Jordan of Texas.

In this full tradition of black womanhood, the Newark Black Heritage Day Parade will honor America's black women past and present. I know that the parade's chairman Kurt Culbreath, has worked very hard to make the parade a success. Connie Woodruff of Essex County College will be mistress of ceremonies, and Judy Miller of Seton Hall University will give the address. I will be honored to join them in this magnificent tribute.●

COSPONSORSHIP OF H.R. 6143: A BILL TO STOP DUMPING IN THE SOUND

HON. JOHN LeBOUTILLIER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 4, 1982

● Mr. LEBOUTILLIER. Mr. Speaker, yesterday I was pleased to join with my fellow colleagues from Long Island in cosponsoring H.R. 6143, which will stop all present and future dumping of dredged waste in Long Island Sound.

This bill is necessary because the U.S. Army Corps of Engineers recently

ruled in favor of various permits for dumping of dredged materials. This was a wrong decision. I strongly opposed this decision in these pages when it was announced, and I have stated my objections to this potentially ruinous act time and time again in the areas that have the most to lose by its occurence.

The bill which I support seeks to amend the Clean Water Act and the Ocean Dumping Act to close all dumping sites, prohibit future Long Island Sound dumping sites, and establish a Federal commission to study alternatives to dumping off the shoreline of the sound.

While the first two parts of the bill are vital and worthy legal remedies to halt this environmentally dangerous policy, the third proposal will help us learn from the mistakes of the past and enable us to prevent their recurrence. The convening of a special panel, made up of tristate representatives from various environmental agencies, will report back to the corps and to Congress about ways to better dispose of dredge material so that its toxicity will not jeopardize our beloved Long Island Sound.

The present dumping policies must be stopped. Future dangerous dumping policies must never leave the drawing board. The future must treat Long Island Sound with care, and we can start this future effort with strong, remedial actions today.●

PROPOSED CUTBACKS IN AID TO NEW YORK MEDICAL STUDENTS SEVERE

HON. BILL GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 4, 1982

● Mr. GREEN. Mr. Speaker, the issue of proposed phaseouts by the administration of some federally supported student loan programs has elicited massive constituent concern to every Member of Congress.

Recently I received a letter from the Associated Medical Schools of New York, an organization composed of the 13 medical schools in the State of New York, expressing grave concerns about proposed cutbacks in programs of aid to medical students. The letter noted that the State of New York has 7,000 medical students enrolled in its schools, that about 80 percent of them are New York residents, and that our State provides about 10 percent of the medical education in the entire Nation.

I believe it would be useful for my colleagues to read this letter. It would aid them in understanding the impact of the proposed cutbacks on medical students and their families, particularly on those families which are in the low- or medium-income range. I ask that the attached letter be inserted in the CONGRESSIONAL RECORD.

ASSOCIATED MEDICAL SCHOOLS
OF NEW YORK,
New York, N.Y., April 2, 1982.

Hon. BILL GREEN,
Longworth House Office Building,
Washington, D.C.

DEAR CONGRESSMAN GREEN: I am writing on behalf of the 13 medical schools in the State of New York—nine private and four state supported—to bring to your attention the potentially devastating impact in New York of the proposed elimination of the Guaranteed Student Loan for graduate and professional students. I realize that much has been said and written about this concern, but I felt it important to underscore some of the particularly significant facets of the problem. New York, with some 7,000 medical students enrolled in its schools, about 80 percent of them New York residents, provides about ten percent of the medical education in the entire country. Thus, the brunt of the impact of elimination of the GSL for medical students will certainly be felt right in this state.

The key issue from our perspective is the fact that this proposed step would virtually deny the opportunity for a medical career to the children of middle and lower income families. New York's nine private schools already contribute more than $5 million a year from their own endowment and other non-government sources for student financial assistance.

Nonetheless, if the GSL and, eventually, the Health Professions Student Loans and National Direct Student Loans are eliminated, both HEAL and ALAS would require such enormous paybacks that it would effectively eliminate most low and middle income students. Opportunities for medical careers, then, would be determined by who can pay rather than who is qualified. This situation would also influence the kind of specialties young physicians would select as well as the areas in which they would set up practice.

As an example of this impact, I would like to share with you briefly some data from two of our member institutions, Albany Medical College and Mt. Sinai School of Medicine.

At Albany Medical College, the estimated total cost of the student of attending four years of medical school is $82,807. For a student whose parents are in the $25,000 to $35,000 income range, the student might be expected to contribute about $3,400, the family might contribute $14,000, and Albany Medical College would contribute scholarship assistance of about $3,400, leaving a net financial need of $62,000.

If the GSL is eliminated, and if the student thus has to rely on HEAL loans, which until recently carried an interest rate of 19 per cent, and the ALAS loan at 14 per cent, supplemented by a small NDSL loan, the gross cumulative payback for that student over a 10-year period would be roughly $410,844.

As another example, Mt. Sinai did an analysis of the impact of the Administration's proposals on it students from middle and low income families. The study revealed that 30 per cent of students receiving financial aid from Mt. Sinai are from families with total gross incomes of less than $18,000; 50 per cent from families earning less than $24,000, and 67 per cent from families with incomes under $30,000.

The Mt. Sinai analysis showed that if a low or middle income student was forced to borrow $8,000 a year under ALAS, the likelihood is that he or she would be unable to meet interest payments during school, thus facing an added burden of compound interest surcharges. This student, upon entering his or her first year of loan repayment, would be required to begin making monthly payments of $969. Currently, monthly net take home pay for a house staff physician is $1,050.

The New York deans feel that this issue is of paramount importance. Few issues in recent years have the potential for such a damaging effect on medical education.

We urge you to support the continued availability of Guaranteed Student Loans for graduate and professional education and the preservation of the HPSL and NDSL programs, all of which provide essential loan money for our students.

I would be happy to discuss our concerns with you at any time.

Very truly yours,
EPHRAIM FRIEDMAN, M.D.
President.●

PERSONAL EXPLANATION

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 4, 1982

● Mr. MAZZOLI. Mr. Speaker, I was unavoidably absent on Thursday, April 29, 1982. Had I been present, I would have voted:

"Aye" on rollcall No. 54, House Resolution 438, the rule under which H.R. 3208, the Reclamation Safety of Dams Act amendments, was considered;

"Aye" on rollcall No. 55, an amendment to H.R. 3208 to provide for reimbursement of the costs of safety modifications; and

"Aye" on rollcall No. 56, final passage of H.R. 3208, the Reclamation Safety of Dams Act amendments.●

WASHINGTON STATE SPEAKS OUT FOR WILDERNESS

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 4, 1982

● Mr. BONKER. Mr. Speaker, Washington State residents do not want oil and natural gas exploration to mar the State's wilderness areas.

They turned out in impressive numbers on April 16 to give that message during a House Public Lands Subcommittee field hearing in Seattle, and they served notice that there are many committed defenders of Alpine Lakes, Glacier Peak, the Pasayten, and all the other congressionally designated wilderness areas in the State.

I agree. These areas should be left alone. I have cosponsored House Resolution 427, which expresses the commitment of the House to wilderness preservation and protection. I also submitted testimony for the hearing in Seattle. The text follows:

KEEP THE DRILLERS OUT

I am reminded today of past thoughts about Wilderness in Washington State.

"The Enchantment Lakes are so beautiful and popular and fragile that backpackers may love them to death." And, "If anyone takes mining equipment into the Alpine Lakes, I know 1,000 people who will go in and remove it."

The counsel on the Enchantments came from a Forest Service supervisor testifying before this committee in 1976. The occasion was a hearing on the bill that eventually established the Alpine Lakes Wilderness Area and—or so we though then—protected those magnificent wildlands forever.

The man with the 1,000 friends of the Alpine Lakes is a constituent who lives in Olympia. He has learned in recent weeks just how fragile the protection of even our most special wilderness places may be.

Both know the wonder and the uniqueness of the Alpine Lakes and the Enchantment Lakes. And their concerns highlight the larger mess into which Interior Secretary James Watt and other zealous appointees of the Reagan Administration have now plunged us all. In their single-minded pursuit of oil and natural gas production, the costs to other resources seemingly do not matter.

A Wilderness Area is among the last places, not the first, where the search for oil, natural gas and other minerals should threaten Nature's environment. That is the intent of Congress, and that has been the policy of four presidential administrations. If Mr. Watt and his people persist, Congress must stop them.

Congressman Phil Burton and I have introduced H.R. 5282, which simply bans oil and gas leasing in designated wilderness areas. I look forward to working with you and other members of the committee to take any action that proves necessary to give Alpine Lakes, the Enchantments and all the other units of the Wilderness System the protection they deserve.

As you know, this Administration's zeal for oil and gas exploration is unfortunately not limited to wilderness areas. In one of the more inexplicable and ill-advised actions I have known the agency to take, the Bureau of Land Management recently issued five exploration leases in the Green River and Cedar River watersheds. Two million people in Seattle and Tacoma depend upon those drainages for drinking water. The Administration is apparently reconsidering the issuance of the leases. That is good news; I hope that the committee need not be further involved.

Establishing a Wilderness Area is rarely a simple or easy task. Resource tradeoffs and conflicts can be costly and complex. Overall, however, the existing Wilderness System is not large. Twenty-five million acres have been set aside in the contiguous 48 states. About 1.5 million acres are within Washington State. Saying "No" to oil and gas exploration on these lands leaves 98.7 percent of the 48 states and 96.5 percent of Washington unaffected. I do not believe that is an unreasonable situation.●

CONGRESSIONAL VIGIL FOR SOVIET JEWRY: ISAK SHKOLNIK

HON. ANTHONY TOBY MOFFETT

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 4, 1982

● Mr. MOFFETT. Mr. Speaker, I would like to take this opportunity to call to the attention of my colleagues the plight of Isak Shkolnik, a refusenik and former prisoner of conscience who is seeking permission to emigrate from the Soviet Union.

Isak first sought exit visas for himself and his family 10 years ago. As a result of his desire to emigrate, Isak was arrested in July 1972, allegedly for treason. It was charged that he had collected classified information which he planned to pass on to enemies of the Soviet Union. Although no evidence was found to substantiate the charges, Isak was sentenced to 7 years in a Soviet prison camp. During that time, his wife Feiga and daughter Luiza were permitted to emigrate to Israel. They are now living in Jerusalem, waiting to be reunited with their beloved Isak.

Since his release from prison nearly 3 years ago, Isak has continued his brave struggle to emigrate to Israel. Separated from his family for nearly 10 years, he seeks only to enjoy those rights guaranteed by the Helsinki accords, which the Soviet Union has signed. By denying Isak his right to emigrate to join his family, Soviet officials are guilty of a blatant violation of these accords.

On July 16 of last year, I had the good fortune of speaking with Isak, who now lives in Vinnitza, Ukraine, by telephone. Because the line appeared to be tapped, Isak was very guarded in what he said. Nevertheless, the desperation and despair came across loud and clear, in spite of the bad connection. The support and concern of his wife and others, and the hope that he may one day be reunited with his family, seem to be the only things that keep him going.

It is hard for those of us who live in this country to imagine the emotional and psychological suffering of long-term refuseniks such as Isak. Separated from his family, harassed by Soviet officials, and isolated socially, Isak is but one of many victims of the Soviet Union's inhumane, anti-Semitic policies toward emigration and cultural expression.

I urge my colleagues to speak out, in a loud and clear voice, against the deplorable treatment of Soviet Jews. The courageous fight of Isak Shkolnik and thousands of other Jewish refuseniks—a fight to retain their dignity and to resist the conformist pressures of the Soviet state—deserves our respect and our utmost support.●

A TRIBUTE TO NATHAN SHAPELL

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 4, 1982

● Mr. MINETA. Mr. Speaker, it gives me great pleasure to rise today in honor of Nathan Shapell, winner of this year's Brotherhood Award conferred by the Santa Clara County Region of the National Conference of Christians and Jews. Apart from his very successful career as the founder of Shapell Industries, developing real estate throughout California, Nathan Shapell has followed a long path of public service which has earned him the respect of citizens everywhere in the State.

Nathan Shapell's contributions of his time and energy to public activities has been to the benefit of many causes: Education, public health, shelter, human rights and efficiency in government. Since 1973 he has been a member of the board of councilors of the school of medicine at the University of Southern California, and since 1976 he has been a member of the Board of Trustees of the University of Santa Clara. He has also served on the Advisory Council of the President's Commission on the Holocaust and as chairman of the State's task force on affordable housing. Perhaps his most prestigious service has been as a member and then as chairman of California's Commission on State Government Organization and Economy. To all these activities, Nathan Shapell has brought dedication and vision, in quantities more than sufficient for him to earn the honor of receiving the 1982 Brotherhood Award from the Santa Clara County Region of the National Conference of Christians and Jews.

Mr. Speaker, I ask you and all the Members of the House of Representatives to join me in paying tribute to Nathan Shapell, a valued citizen of the State of California.●

ANTITRUST DOUBLE STANDARDS

HON. STEVE GUNDERSON

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 4, 1982

● Mr. GUNDERSON. Mr. Speaker, the foundation on which our legal system and every business transaction is baded is something called "certainty." However, the inconsistent and arbitrary antitrust actions of the Antitrust Division of the Justice Department are eroding that foundation.

Last October, the Antitrust Division blocked a merger between the country's sixth largest brewer, Heileman, and the country's fourth largest brewer, Schlitz. The merger would have rescued the financially-troubled Schlitz firm and allowed it to remain as a Wisconsin-based industry.

The Heileman-Schlitz combination would have had a 15.2-percent share of the national market by 1981 standards, in comparison to the 28-percent share held by Anheuser-Busch and the 21-percent share held by Miller. Nevertheless, the Justice Department refused to approve the merger.

At the same time, however, horizontal mergers of multibillion dollar energy companies went unrestrained by the Department.

Mr. Speaker, last November I wrote to the Attorney General pointing out this apparent inconsistency on the part of the Antitrust Division. I was not alone in my criticism.

An editorial in the Economist on October 31, 1981, called the Justice Department action "inexplicable" and noted that the Antitrust Division clearly drew the line in the wrong place in stopping the Heileman-Schlitz merger.

In response to my letter, Assistant Attorney General William Baxter cited several factors that the Division considered in its action, the most important of which was the fact that a Heileman-Schlitz merger would cause an "anti-competitive" increased competition ratio in the Midwest.

On April 16, 1982, the Justice Department gave tentative approval to a merger between the country's seventh largest brewer, Stroh, and Schlitz. By 1981 standards, the Stroh-Schlitz combination would have a 12.9-percent share of the national market—similar to that of the disapproved Heileman-Schlitz merger.

Accordingly, at first glance it is difficult to understand why one merger was unacceptable and another was approved. This is particularly true in terms of concentration ratios since Stroh is a Detroit-based company with substantial sales in the Midwest. This preliminary analysis yields an obvious conclusion that the Stroh-Schlitz merger approval was but another glaring example of arbitrary and inconsistent action on the part of the Antitrust Division.

A closer analysis discloses that the merger is also ill-advised. The simple facts are that a Stroh-Schlitz merger will result in a debt-to-capitalization ratio of over 80 percent. This will leave Stroh financially unable to engage in the marketing and promotion campaigns necessary to compete with the industry giants—Anheuser-Busch and Miller.

This can only result in even greater domination by the two major brewers than that which presently exists. This is most effectively pointed out in an April 26, 1982 editorial in Barron's that is highly critical of the Division's obvious double standard.

Mr. Speaker, it is simply time for the Justice Department to establish and consistently enforce reasonable antitrust regulations. As a nation that prides itself on our system of jurisprudence, we can demand no less than that.

There is more at stake here that the economic survival of a couple of brewing companies. Indeed, the whole future of the American brewing industry as well as the equitable administration of justice will be determined by the actions of the Justice Department in this case.

That is why it is so vital that the Antitrust Divison treat similar situations similarly. If a Heileman-Schlitz merger is unacceptable, a Stroh-Schlitz merger must also be unacceptable.

Because of these concerns, Mr. Speaker, I am writing to Attorney General Smith asking him to immediately reverse the Justice Department's tentative approval of the Stroh-Schlitz merger. I am also writing to the chairman and ranking member of the House Judiciary Committee urging their prompt review of this matter as well. I encourage my colleagues to join in these efforts to guarantee a consistent and appropriate antitrust policy for our country.●

ONE REPORT ON THE STATE OF THE FOURTH ESTATE

HON. JOSEPH M. McDADE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 4, 1982

● Mr. McDADE. Mr. Speaker, we repeatedly hear concern expressed about the state of newspapers and journalism in America today. I have a brief report from Scranton, Pa., which will be of interest to all who respect the importance of a strong and healthy fourth estate.

The Scranton Newspaper Guild, Local 177, recently resumed what had long been a traditional affair—its annual newswriters' dinner.

More than 300 people jammed the ballroom where the affair was held, as both the Scranton Times and the Scranton Tribune reported.

The Tribune continued:

> Several writers for our fair city's two leading newspapers (the name of the other one escapes me) penned, rather poisonously, the entertainment for the Guild's dinner. They intended to slay, flay, and lay down the local luminaries and colleagues in attendance. They succeeded.

The Times continued:

> The guild, comprised of members of the editorial departments of the Scranton Times and the Sunday Times and the Scrantonian-Tribune, and the circulation department of the Scrantonian-Tribune, honored Mayor James Barrett McNulty as "Newsmaker of the Year" and two of its members for meritorious service.

What these reports do not reveal to anyone not familiar with Scranton was pointed out at the banquet by Mayor McNulty. "I am proud that Scranton is one of only a few cities that have two competing, privately owned newspapers," he said.

In a city of 90,000 there are two daily newspapers, each independent, each owned by a local family, each vigorously reporting the news as it sees it, and each staffed by reporters and editors working in the finest tradition of American journalism.

Scranton's fourth estate is unusual in another way. The Scranton Newswriters' Union, Local 177 of the National Newspaper Guild, has been in continuous operation as a union for longer than most, if not all, other local newswriters' unions in the country.

The recent Scranton Newswriters' dinner, which I had the good fortune to be able to attend, brought together in fellowship journalists who at all other times are in unrelenting competition. Throughout the evening, the journalist's proverbial irreverence and healthy skepticism was evident at every moment. Freedom of the press—and freedom of speech—is very much alive in Scranton, Pa.●

A SPEECH BY SPEAKER THOMAS P. O'NEILL, JR.

HON. SIDNEY R. YATES

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 4, 1982

● Mr. YATES. Mr. Speaker, I was honored to attend the impressive and moving "Days of Remembrance" ceremony for the victims of the Holocaust that was held in the Capitol rotunda on April 20. The Speaker of the House made a most eloquent speech on that occasion, and I include his remarks in the RECORD so that everyone will have the opportunity to read this very thoughtful statement:

REMARKS BY SPEAKER THOMAS P. O'NEILL, JR.

Chairman Wiesel, Senator STEVENS, Council Members and Friends.

Speaking about the Holocaust is always difficult. There is a sense that anything anyone can say about millions of people being put to death must be inadequate. But there is also a sense that something must be said in the name of the past and the future. We must testify to the Holocaust in order to reaffirm our insistent belief in the sacredness of human life and in the strength of values.

The Holocaust stands as a unique event in the unique history of the Jewish people. It also stands as an event in the history of modern man—who can turn civilization into a weapon for its own destruction.

We mourn the destruction of Eastern European Jewry—as a people and as a culture of learning and piety. We also mourn man, who is capable of destroying others and all that gives life meaning.

All of us who cherish the sanctity and dignity of human life and the grandeur of a people's culture, must recall the souls of those whose lives were so cruelly destroyed. We must commit ourselves to maintaining their culture, so that our lives may be enriched and their memory cherished.

It is my privilege to welcome all of you to this magnificent room in formal recognition of our national commitment to see a museum and a living memorial to all victims of the Holocaust established. The Act of Congress which created the Council and the Joint Resolution which enabled this ceremony to take place are steps which this Congress has unanimously taken, in furtherance of the commitment. We look forward to the Holocaust Museum and Memorial which will be among this nation's most vital contributions to the ennoblement of the human spirit.

The Holocaust challenges us to mourn each individual who was reduced to ashes—as individuals, not as the numbers which the Nazis tried to make them. The Holocaust declares the necessity everywhere and always to defend each human life and to uphold its sanctity.

We must learn from the past, not only to remember, as the Bible suggests, "to destroy the spirit of evil", but also to envision a time to come when, as the Prophet Isaiah says: "They shall not hurt nor destroy in all My Holy Mountain." Thank you.●

ADDRESS BY HON. PETER W. RODINO, JR.

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 4, 1982

● Mr. EDWARDS of California. Mr. Speaker, the distinguished chairman of the House Committee on the Judiciary recently addressed the West Virginia Bar Association at their annual meeting in Parkersburg, W. Va. He took the opportunity to talk to the assembed lawyers and jurists on the role of lawyers in our society and also addressed the present dangers to our established system of separation of powers created by the bills which would limit or deny the Federal courts jurisdiction on certain issues.

I commend it to all, lawyers and nonlawyers alike. The text follows:

ADDRESS BY HON. PETER W. RODINO, JR. TO WEST VIRGINIA BAR ASSOCIATION

Eight years ago our nation faced a constitutional crisis. It was during the bleakest days of Watergate . . . the time of the impeachment proceeding against President Nixon.

Not only was the fate of a President at stake but, much more important, our system of constitutional government and its survival—was at stake! For what was being tested was the durability of the fundamental principles on which our nation was founded . . . the principles that ours is a government of laws, not of men . . . that no man is above the law.

We survived that crisis . . . and in so doing we proved our unshakeable commitment to those principles . . . and, while the crisis was brought on in large measure by lawyers in the service of a lawyer-president—it was also in great measure averted and resolved responsibly and without partisanship by lawyers—for they were also lawyers who served as members of the House Judiciary Committee.

But those were sad times for us lawyers. Our reputation was at an all-time low. We were viewed with cynicism, distrust and disrespect. The noble history of our profession . . . and the great principles of justice we had advocated over the centuries . . . were forgotten.

Forgotten, too, was that historic event when lawyers had seized the occasion of a petty squabble between a tyrannical king and a collection of greedy barons to establish the great principle of the Magna Carta: that the king, like his subjects, is under God and the law.

It was forgotten that lawyers—such as Jefferson, Adams, Madison, Patrick Henry—had articulated—and then fought for—the fundamental precept of the American Revolution . . . the then-radical notion that sovereignty resides in the people.

It was forgotten that lawyers had devised new procedures and created new institutions to achieve ethical imperatives ever since governments began.

Today, the legal profession has recovered to some extent from the dismal image, and the taint and stigma of Watergate. It recovered because the vast, majority of lawyers continue to demonstrate their willingness and ability to shoulder the social, ethical, and legal responsibilities the vast majority of lawyers have always borne—the aberration of Watergate aside.

It has recovered by doing those things that lawyers by education and experience are best equipped to do: acting as ardent advocates of the principle that the law is supreme—that it serves as the foundation for governments—respecting and upholding the law and seeking earnestly to provide equal access to justice for all citizens . . . especially for the poor and the powerless who need our system of justice more than any others to protect them from institutions that would take advantage of them economically, socially, and politically.

Lawyers have not only served as the eloquent and ardent advocates of the importance of the principle of law—but they have served this nation with distinction as the principal architects of the law and as guardians of the political process at all levels of government. Sadly, our efforts and talents have not been universally appreciated . . . long before Watergate . . . Plato would have banished us from his Republic. A Shakespearian solution for some ills of the time would have been to kill us all off. Edmund Burke, in describing the reasons for troubles with the colonies, said: "In no country perhaps in the world is the law so general a study . . . this study renders men acute, inquisitive, dexterous, prompt in attack, ready in defense, full of resources . . . they augur misgovernment at a distance, and snuff the approach of tyranny in every tainted breeze."

No matter these criticisms, lawyers since Hammurabi have served as the conscience of mankind, giving expression in rules—and bearing witness by our conduct—to the highest ethical aspirations of civilization.

But if we are to continue to faithfully fulfill the obligations of our professions then we must seek to protect the integrity of our Constitutional system. We must do this to preserve the principle of separation of power—to keep our system intact. We must ever be alert for the tainted breeze . . . and now is a time for us to sniff the air and to speak out.

Yes, we survived a Constitutional crisis eight years ago . . . but now, I fear, another crisis approaches, one which in the words of David Brink, President of the American Bar Association, "Could be the most serious constitutional crisis since our great civil war."

I speak, of course, of the current series of attacks in Congress on the Constitution . . . the legislative attack that would limit the jurisdiction of the Federal courts . . . and to put it bluntly, strip the Federal courts of the power to enforce the law.

There are presently more than 30 bills in the current Congress which would deny the Federal courts jurisdiction over the issues of abortion, school prayer, and school desegregation.

This attack on our court system is cause for serious concern to many—liberals and conservatives alike. Four former attorneys general have denounced it, although the present one has not. Three former solicitors general have done likewise.

Robert Bork, a former solicitor general, with conservative credentials, appointed by President Reagan to the Appellate Court Bench, has labeled these bills in Congressional testimony as "unwise and probably unconstitutional."

Senator Barry Goldwater, the vintage conservative who has fallen into disfavor with the so-called new right because of his crusty defense of Constitutional principles, has assailed these bills as assaults on the doctrine of separation of powers and on the independence of the courts.

What I consider the most telling rejection of all of this attack on the courts is the recent unanimous declaration by the Chief Justices of the Supreme Courts of all the 50 states strongly denouncing these bills.

Those in Congress who support this reckless court-stripping ploy seem to think that the state courts, under this legislation, would feel free to disregard the Supreme Court rulings on these issues.

The states' Chief Justices found this apparent assumption insulting. Their unanimous resolution scornfully rejected the notion that they would not carry out their sworn duty to defend the Constitution. They branded the court-stripping idea "a hazardous experiment with the nation's judicial system."

Some persons argue that the exceptions clause of Article III of the Constitution gives Congress this power to regulate the jurisdiction of the courts. But most scholars, including many who oppose abortion, busing and the ban on school prayer, contend—as one once put it—that the Founding Fathers did not intend "to authorize exceptions which engulf the rule" that establishes court jurisdication. They argue further that Congressional power under the exceptions clause is also limited by other Constitutional provisions, such as the due process and equal protection guarantees.

I agree with them. I do not believe that Congress has the power under Article III to strip the Supreme Court of its essential role of reviewing the constitutionality of state laws and state acts. In addition—and it is no denigration of the state courts to say this—these bills, which would rely on the individual state courts to determine finally constitutional law, could create a hodge-podge of decisions—in violation of the equal protection principles of the Constitution.

But, if these proposals were to be enacted into law and then pass Constitutional muster—which I cannot conceive—the precedent it would establish would be disastrous. No longer would there be a single interpretation of the meaning of the Constitution. And, if Congress could ultimately control the issues the Federal courts could address, Constitutional rights would seem ultimately to depend on which factions control the Congress.

Today's critics are extremely dissatisfied with the court's rulings on abortion, busing, and prayer. If they can erase unpopular rulings by court-stripping, where might tomorrow's critics attack? What Constitutional rights might then evaporate? Individual freedoms could be voided by a majority of Congress. Would not our sacred Bill of Rights be vulnerable to such attacks? Freedom of speech? Freedom of press? Freedom of religion? And what protection would there be for those who hold a minority view. Anything other than the view of the majority at a given time could be suppressed by Congress.

The Constitution is a flexible document. But it must not become one that can be made subject to the passions or emotions of the times or bent by the will of a mere legislative majority. While there may be some of us who may disagree with the courts' position on some constitutional issues, simple majorities in Congress—with the approval of a President—have no right to abolish or lessen the Constitutional rights of our citizens as determined by the courts. A legislative majority has no right to subvert the Constitution and tear apart the fabric of our system. The Constitution wisely provides for a Constitutional amendment process deliberately made difficult by the Founding Fathers. If one wants the Constitution changed, that is the proper process to employ.

Our system of justice is a global marvel. The availability of the courts to assist the least among us is an attribute of our society that makes our nation special. The courts are the institution to which our people can turn when they are without resources to open other doors. Indeed, Tocqueville pronounced American courts as "the most powerful barriers that have been devised against the tyranny of political assemblies." We must not destroy those barriers.

Added impetus for this hostility toward the Judiciary, for this assault on our legal system, comes from the dissatisfaction of some, including the Administration, with what they perceive to be unwarranted judicial activism in matters they would leave to the legislatures. The Attorney General, although taking no position on this legislation despite my requests on behalf of the Judiciary Committee, for his views, has called for "judicial self-restraint." He has insisted that Judges should not substitute their policy judgments for those of elected officials.

In our past, however, complaint courts have approved and endorsed laws and concepts which denied basic rights. By doing so, they helped create circumstances that took extensive efforts by many segments of society, including the Judiciary, to correct.

Many question whether the courts have the competence and resources to run mental hospitals, prisons, schools, or welfare departments—to be the problem-solvers for all society. Well, to be sure judges have no desire to run prison systems and school systems and all the rest. They don't want to be wardens or superintendents. Nor are they "social engineers" imported from some alien community. They are homegrown folks who had thrust upon them because of their judicial roles controversial cases involving Constitutional principles that required vindication. In these cases, the courts have moved to fill voids created by default or failure by the executive or the legislature to respond to the demand for the protection of individual rights. The courts cannot decline jurisdiction where the law—by accident or by design—is unclear, and where questions of serious denials of Constitutional rights are at issue. Yes, it is true that the Judiciary has at times been compelled to assume legislative and executive obligations because the political branches—through intent, ineptness, or insensitivity—have avoided the risks these obligations impose.

Of course, we must not look to the courts to solve all our disputes. Courts need not be the only forum where justice is administered but courts have had an awesome role thrust upon them, and they must continue to be the forum to which aggrieved citizens can look for resolution of disputes and for interpretation and clarification of the principles of the law. Our courts must continue to be the guarantors of basic Constitutional rights, if our system of shared power is to endure.

What good is a right without a remedy to guarantee that right? If we take away the courts' power to interpret the Constitution and order compliance with that interpretation, we will soon be left at the mercy of transitory legislative majorities. There would be no rights without the consent of Congress. That is indeed a prescription for destruction of our Constitutional system of government.

Learned Hand once said that justice is "the tolerable accommodation of conflicting interests in our society." We cannot reach that tolerable accommodation by letting mere legislative majorities attempt to undermine the courts and nullify the Constitution as the supreme law of the land.

The present stategy being pursued in the Congress by these court limitation proposals is inherently dangerous. I ask your support as lawyers—as vigorous and articulate defenders of our legal system and as guardians of our Constitution—I ask you to speak out against this strategy—through resolutions by your bar associations, through the media, through your Senators and Representatives. I ask you, as lawyers, to explain, to speak out against this move that could threaten our nation's stability by provoking a conflict between the courts and the Congress . . . I ask that you help convince our fellow citizens once again that the real security of this nation lies in the integrity of its institutions and the informed confidence of its people.

Our Constitutional system of government has withstood the test of two centuries. We have found in crises that, if we adhere to the law, if we adhere to the principles of our Constitution, if we follow our Constitutional mandate, our system works. The system has withstood the test of time. Let us not tamper with it.

John Stuart Mill counseled that "Everyone who receives the protection of society owes a return for the benefit." I believe this . . . and I believe that the legal profession, whose primary role has been that of guarantor and protector of the basic rights in our society, should be the zealous first line of defense against assaults on those rights.

In pursuance of that role let us leave the Constitution as unimpaired as it was left to us.●

24-HOUR ORCHESTRA PLAY-A-THON

HON. FRANK R. WOLF

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 4, 1982

● Mr. WOLF. Mr. Speaker, I would like to commend the joint efforts of South Lakes and Herndon High Schools for making it possible for their orchestras to travel to Endicott, N.Y., as part of an exchange concert program. This tour was made possible by a 24-hour orchestra play-a-thon which began at 6 p.m., Friday, March 26 through 6 p.m., Saturday, March 27. The combined orchestra trip to Endicott took place on April 29, and I wanted to congratulate all those involved in this effort for the success of this goodwill trip. We are all proud of your talent and the determined efforts that made this tour a reality. All those associated with the play-a-thon deserve great credit for reaching this goal. This is an example of community spirit and involvement at its best.●

NORTH SHORE HOSPITAL AIDS THE DEAF

HON. JOHN LeBOUTILLIER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 4, 1982

● Mr. LeBOUTILLIER. Mr. Speaker, I am pleased to represent a congressional district that is uniquely rich in both facilities and enlightenment for and toward the treatment of the handicapped.

The Sixth Congressional District of New York boasts the world-famous Helen Keller National Center, as well as the Human Resources Center. Some of the finest educational programs for the handicapped thrive in this area.

North Shore University Hospital is a pioneering medical facility that has also expanded community health facilities and teaching programs as well as their new edition of a special telephone for the deaf.

North Shore has installed an instrument, known as a TTY (for teletypewriter) which gives the deaf in the community a way to communicate with the hospital 24 hours a day. Needless to say, this is a vital and innovative program.

The March edition of North Shore University Hospital's Newsletter contains an excellent and informative description of their new TTY program, and I wish to share this story with my colleagues:

SPECIAL PHONE: HELPING THE DEAF COMMUNICATE

Deaf individuals and those whose speech is so impaired that they cannot use the regular telephone system now have a new way of communicating with hospital personnel 24 hours a day. North Shore has just installed a special instrument, known as a TTY (for teletypewriter). It enables those with communication disorders to call for help in emergencies, to arrange appointments or request information. Calls can be made to and from the hospital via printed messages rather than by voice.

"Having the TTY or a similar device, called a TDD, removes a barrier to communicating, especially when help is needed quickly," said Barbara Steinberg, Chief of Audiology. "The deaf have the same needs as people who can hear and now they can have equal access to medical and health care. The deaf and speech impaired are entering a new era of independence," she added, and "we are proud to serve them."

A deaf person who owns, or has access to a TTY or TDD, can call the hospital's special telephone number—516-627-3449—and the unit in the Telephone Room is answered and activated by an operator to receive and send messages. This number will be printed in the International Telephone Directory for the Deaf and other specialized publications that serve deaf and speech impaired persons. A portable second device will be available later this year for use by inpatients.

To place a TTY call, a person picks up the receiver and puts it into the rubber cups of the acoustic coupler at the top of the machine and dials the number. When the phone is answered a two-way "typed conversation" is transmitted through the phone by tonal beeps. The message can be seen simultaneously by both parties on an electronic display and printed on paper for further reference.

Last September North Shore and the Mill Neck Manor Lutheran School for the Deaf signed an agreement for the hospital to provide health services to the school's 185 students. "Installing the TTY device was a logical extension of this outreach activity," commented Maureen Dwyer, Administration, who helped to arrange the affiliation and placement of the TTYs.

"All deaf and speech-disordered individuals with access to a TTY or TDD can use the hospital's number for assistance. Now, they too can experience the same satisfaction of instant communication and information-gathering as the hearing population".

It is ironic that Alexander Graham Bell, who described himself as "a teacher of the deaf", invented the telephone to help his deaf wife communicate. Until the advent of microelectronics that enabled the development of today's TTYs, telephones were only ironic, sad reminders to the deaf of their invisible handicap, their inability to communicate with hearing people. Mr. Bell is most likely smiling now.●

IS THERE NO PROTECTION FOR THE CONSUMER?

HON. ALBERT GORE, JR.

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 4, 1982

● Mr. GORE. Mr. Speaker, the following incident, albeit anecdotal, is clear indication that budget cuts enacted last year have cut into the muscle of government agencies charged with protecting the public interest. The lesson here is that budget cuts are affecting our citizens in ways that can be tragic for the individuals involved.

IS THERE NO PROTECTION FOR THE CONSUMER?

To the EDITOR:

Monday night, April 28, due to wet weather our basement had a moldy smell. My daughter had bought one of the small novelty lamps which supposedly had come with an incense type oil to use in it to act as a deodorizer.

My daughter went to sleep and the lamp burned all night emitting almost invisible particles of carbon—much like carbon black—and when I awoke the next morning I felt like I wasn't going to wake up. When I finally got out of bed I started coughing.

I don't know if these type of lamps can kill you or not but people should be warned if they do cause what happened to me. I called the state department of air pollution and told them my problem. They referred me to the state department of consumer affairs. Guess what? They gave me to a WATTS line number and I got the Consumer Product Safety Commission in Washington, D.C. Guess what? The lady told me that the Reagan Administration had cut their budget and they had to move and they were so disorganized that she could not take my report over the phone.

Is the government not going to protect the public from such a possible death causing device as what I have just experienced with a novelty lamp?

WILLIAM R. GIBBS.●

WISCONSIN GREEN THUMB

HON. TOBY ROTH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 4, 1982

● Mr. ROTH. Mr. Speaker, the Green Thumb and senior aides programs, threatened with elimination in the coming fiscal year, is absolutely essential to the people of my congressional district, and indeed, to the people of the entire Nation. Recently, Green Thumb participants throughout the State of Wisconsin were polled to determine the economic effects of cutting this program. I think my colleagues should look closely at the results of this survey and then determine that the senior aides and Green Thumb programs will stay put in 1983.

Consider these facts:

WISCONSIN GREEN THUMB

(By John Kmosena)

During the last 2 months a series of 12 workshops for workers were held within the state. A survey was conducted at each of these sessions as to the economic status and need of workers; 615 workers were surveyed; 92 workers or 15% of the group have no income except their Green Thumb earnings; 448 workers or 78% of the group felt that their retirement income was not sufficient to carry them if they lost their Green Thumb employment; 12 workers or 2% of the group are presently receiving S.S.I. (Supplemental Social Security). The average annual income of a worker before Green Thumb employment is $3,137.00 for a family of one and $4,800.000 for a family of two.

Following are facts to consider if funding for the program is terminated in the state of Wisconsin:

718 older workers would be out of a job with the loss of $2,342,000.00 in wages.

A loss of $151,837.00 annually paid into Social Security by workers.

A loss of $33,855.00 in federal withholding paid by workers.

A loss of $7,323.00 in state withholding paid by workers.

A loss of 174 workers in schools and libraries.

A loss of 19 workers in health departments and other health facilities.

A loss of 67 workers in senior citizens centers.

A loss of 120 workers in nutrition centers.

A loss of 71 workers in parks and forestry departments.

A loss of 164 workers in public works and transportation projects.

A loss of 119 jobs in the field of housing, home rehabilitation, environment, social services and employment assistance.

None of these workers displace any employee in any of the jobs they do—but rather provide services which probably would otherwise not be offered in the community—something to think about.●

HEAD START PARENTS APPEAL FOR PROGRAM

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 4, 1982

● Mr. MILLER of California. Mr. Speaker, I continue to get letters from Head Start parents who both testify to the ways in which this program has dramatically improved their lives and those of their children, and express their concerns about Head Start's future. We know that Head Start works; that Head Start is cost effective.

And yet, even today, it serves only 25 percent of the eligible children, and faces substantial erosion from inflation and cutbacks in supportive services like CETA, title XX, child care food, and medicaid. We need to listen to the parents of Head Start children and keep this exemplary program working. Another letter from a Head Start parent follows:

You wonder what Head Start is all about. It's parents that care. People that want to learn. People that unite and help each other. Kids that need help and want to learn. Teachers that teach and care. Staff and secretaries that spend endless hours to make the program work. Put this all together and this makes Head Start. I'm a parent that is very happy to have been a part of Head Start.

HEAD START PARENT.

NEW HAVEN, CONN.●

SHE WAS GLAD SHE HAD HER GUN

HON. CARLOS J. MOORHEAD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 4, 1982

● Mr. MOORHEAD. Mr. Speaker, particularily now when the American people have experienced a tremendous increase in the amount of violent crime and the gun control debate has again surfaced with renewed controversy, the following article will prove of great interest to my colleagues.

This article, written by Elinor Dufy, appeared recently in the Los Angeles Times and describes her frightening encounter with an armed burglar in her Los Angeles apartment.

Awakened by her dog barking, she went to investigate the cause of the late night disturbance. Ms. Dufy was able to surprise the burglar and hold him at gun point until police arrived.

Ms. Dufy's experience suggests there are often sides of the handgun issue which are overlooked in the heat of debate. The article follows:

[From the Los Angeles Times, May 29, 1981]

THE DOG BARKED, AND SUDDENLY SHE WAS GLAD SHE HAD HER GUN

(By Elinor Dufy)

My gnawing guilt about owning a handgun faded as quickly as the determination on the face of the burglar as soon as he noticed the blue-steel Smith and Wesson .38-caliber revolver in my hand.

The young man, armed with an ice pick, had forced his way into my apartment and was waiting for me—even though he had heard me come down the stairs and had had time to get out.

When he saw the gun, the burglar became a sweet young boy pleading for forgiveness. After all, he was only a youngster, he only wanted a couple of dollars, he had never been in trouble before, wouldn't I please let him go—and, oh, please, please, don't call the police.

I wondered how courteous he would have been if I had come downstairs empty-handed, with just my tiny poodle at my heels.

As he stood in front of me, pulling nervously at his white gardening gloves, I thought of how the night had begun.

I had been at a Filmex reception hoping to meet a producer or director who might be interested in reading my script. But there were only animators and cartoonists there, and I found myself fading fast, so I drove quickly home for some much-needed sleep.

Less than two hours later my dog woke me with his loud barking. I was so angry that I scolded him harshly and was ready to spank him. He cuddles up next to me in a tight little ball as if asking for protection. He kept on barking, not toward the window, but into the apartment. I became fully alert when I saw that my cat was on the balcony, also looking warily into the apartment.

I knew that I would have to investigate if I was to get any sleep at all.

I turned on my bedroom light, all the time talking reassuringly to my dog. "What's wrong? What do you hear?" He jumped with pleasure when I got up and started down the stairs.

Suddenly I stopped. Why, I still do not know. I turned back and got the gun that I was embarrassed even to admit owning. As if hiding it from myself, I hid it behind the folds of my white flannel gown.

Midway down the stairs I stopped. The television and everything else in the living room were in order, the front door was securely locked, all the cabinets in the kitchen were still closed, the downstairs bathroom seemed empty. I could not see the sliding glass door at the rear of the apartment.

"Go get it. What are you after?" I asked the little creature. He looked at me, wagged his tail and sat down. He was not going to move. I walked him through the downstairs to prove that nothing was wrong.

There he was, in the bathroom, a shadowy 6-foot figure with the shiny weapon in his hand. Fortunately, I was barefoot; he had not heard me approach. He was startled and that gave me enough time to step back and raise the revolver.

"It's cocked. All I have to do is pull the trigger. Don't move."

His larcenous or lethal plans seemed to disappear in one deflating gasp. He was not going to take any chances with his life. I would not have to shoot him.

"Please let me go. All I want is a couple of dollars.

The kitchen light was on.

"Please don't call the police."

The telephone was in my left hand.

"Please let me go."

Go where, I thought. To the next apartment. One with no dog to wake anyone. One where guns were not present.

The phone rang twice before the business-like voice came on. "Lennox sheriff's office." A torrent of words burst from my mouth.

"Ma'am, we can't understand you." I took a deep, steadying breath and said slowly, "There is a burglar in my apartment. He is five feet away from me. I have a gun on him." Then there was a jumble of activity from their end of the line.

A woman with a low soothing voice got on the line. "Where is the suspect?—Make him lie on the floor.—Whatever you do, don't hang up.—A car is on its way.—The officers are looking for your apartment.—How can they get in?"

All this time the young burglar was using the technique taught in so many rape-prevention classes, mine included. He was trying to engage me in pleasant, distracting conversation about me, about my apartment, about my dog, about where he lived. And wouldn't I put down the gun, at least quit pointing it at him?

My hand was shaking so badly that I was sure he was afraid it would go off accidentally. But that gun was making the difference between a standoff and what? (Betty, a woman in my rape-prevention class, had been raped while her assailant held an ice pick in her ear. Myrna had found someone in her apartment and had been knocked unconscious and robbed. Sandy had cowered in her locked bathroom hoping someone would come home before the intruder found her. And another woman had leaped from her second-floor window onto the asphalt below to escape her surprise visitor.)

I rested the telephone between my ear and shoulder and used my left hand to steady the gun.

As he talked I visualized a red glow around him. (Perhaps I was preparing myself in case I had to shoot.) That thought collided with the memory of signing a petition to ban handguns, of planning to sell my gun. I had never been able to understand why I had purchased the damned thing. I had even been embarrassed when I became a near-perfect marksman at the practice range. I was so against killing that I had almost ended a long relationship when my friend crushed a spider against his office wall.

I quickly pushed away all these thoughts and focused my attention on every move my uninvited guest might make or even think of making.

A light appeared through the front window. "We've found the place."

Two streaks of blue came over the back fence and into my apartment. My vision suddenly collapsed to a narrow tunnel. I saw the handcuffs go on the "suspect." I saw my hand holding the gun toward the earth outside the back door, I saw another hand gently show me how to uncock the gun.

I heard voices praising me for how well I had handled the situation. (What choice did I have?) I heard the young man objecting. He was only trying to show the officer where he was hiding his knife. (That too?) And I heard the officers complimenting me on my choice of gun.

There followed icy silence and icier thoughts. What would this fledgling gun-control advocate have done without the gun? What if I had bent to my landlord's wishes and gotten rid of my dog?

It was not until the sky turned a pale gray-blue that I was able to sleep again. When I woke I decided to go back to the gun range and practice.●

THE ROAD TO DEMOCRACY IN NICARAGUA

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 4, 1982

● Mr. FRANK. Mr. Speaker, since the revolution in Nicaragua 2 years ago, our hopes for the establishment of a truly democratic Government have been eroding. The promises for fair and equitable reforms have given way to a regime in which freedom of the press is not guaranteed and violations of human rights are all too frequent.

Allen Weinstein, the able historian and professor at Georgetown University and executive editor of The Washington Quarterly, recently returned from Nicaragua where he sampled an impressive cross section of Nicaraguan political opinion. He concludes in an article which appeared in the New York Times that while the Sandinist record has been disappointing, a combination of economic and political pressure could encourage free elections there.

Democratic pluralism in Nicaragua should be the mainstay of U.S. foreign policy toward that country. Allen Weinstein has written an insightful piece that deserves the attention of my colleagues. With a thoughtful and coordinated foreign policy, it may not be too late to guide Nicaragua away from dictatorship.

The article follows:

SANDINIST PLURALISM?

(By Allen Weinstein)

WASHINGTON—The Sandinists who led the overthrow of Anastasia Somoza Debayle took power promising free elections and a rapid transition to pluralist democracy. Since taking control of Nicaragua, however, they have ignored these promises in favor of consolidating power by increasingly arbitrary means. The distinction between the Sandinists' promise and performance, however, appears to have escaped the Socialist International, which recently praised the regime for its "commitment" to pluralism and democracy. Such praise is ill-deserved. Yet there remains a fragile hope for democracy if the Sandinists can be induced to honor their commitment to free elections.

In March, I accompanied a delegation of United States journalists who visited Nicaragua and met with a cross-section of pro-Sandinist figures, opposition leaders, and independent print and radio journalists. We concluded that, in most respects, the Sandinists had violated their often reiterated promises to guarantee political pluralism and development of democratic institutions.

They rule by decree under a state of emergency backed by military force. The one independent newspaper, La Prensa, has been forced to close eight times in the last two years because of Government harassment, and all private radio stations have been shut. Opponents of the Government have been harassed, jailed, and assaulted by Sandinist-sponsored mobs. Cuban-style neighborhood committees monitor political dissent, families included.

But a democratic opposition remains. I met with a variety of the regime's chief adversaries: La Prensa editors, independent radio broadcasters, moderate revolutionaries excluded from the junta, human rights activists, business spokesmen, and church officials. Most had participated in the "national liberation" struggle. All consider themselves democratic revolutionaries and legitimate claimants to a share of influence in the Government. None wishes to return to a rightist dictatorship, and they have publicly condemned all efforts to destabilize the Sandinist regime militarily from outside the country. Virtually every opponent of the Sandinists to whom I spoke urged that the United States terminate covert support—if it exists—for anti-Sandinist bands dominated by Somoza National Guard holdovers that conduct border raids.

Instead, they favor clarification of United States policy toward Nicaragua, proposing that, as in El Salvador, its nexus become an effort to bolster the prospects for a nonmilitary, political solution acceptable to most Nicaraguans. To assist in achieving such a solution, democratic opposition leaders favor, among other things, a substantial increase in overt financial help and support from Washington and Latin-American democracies to church groups, non-Sandinist political forces, private-sector economic organizations, and the embattled remnants of the independent press.

Those now waging the difficult struggle against Sandinist one-party rule argue that democracy—periled—has not already been lost. More pointedly, it has been either forgotten or written off by democrats in Western countries—the Socialist International, for example, which should be its champions. Friends of a genuinely pluralistic, democratic Nicaragua should use every available channel of publicity and diplomacy, while there is still time, to demand internationally supervised free elections, this year if possible but in any case not delayed until 1985 under the Sandinist plan. By then, assuming that the Government's assault on dissent and democratic opposition continues and accelerates, the results will prove depressingly predictable.

Why should the Sandinists risk possible rejection this year in the electoral process? Some opposition figures offered these threads of an argument: Groups like the Socialist International and Latin-American leaders like President José López Portillo of Mexico retain some influence over the regime's policies. This could be exerted, under threat of withdrawing economic help and moral support, in favor of early free elections. The Sandinists remain dependent upon private-sector management of the economy, and fear a sudden exodus of businessmen and professionals committed to the democratic electoral process. Finally, the United States could link resumption of major financial assistance to Nicaragua to verifiable political commitments from the junta.

Could all of these carrots and sticks combined reverse the drift toward dictatorship? Possibly not at this late stage. But whatever the chances, the demand for free elections would be a litmus test of the Sandinists' professed commitment to democratic pluralism and, as such, would honor the United States' obligation to Nicaragua's beleaguered democrats.●

THE DEDICATION OF THE JESSE H. HARMON SHEPHERD HILL APARTMENTS

HON. GREGORY W. CARMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 4, 1982

● Mr. CARMAN. Mr. Speaker, on Saturday, May 1, the town of Oyster Bay, Long Island, conducted the formal dedication of the Jesse H. Harmon Shepherd Hill Apartments. These dedication ceremonies bestowed a well-deserved honor on one of Long Island's most outstanding and selfless public servants.

For the past 15 years, Jesse Harmon has been the driving force and spiritual motivation for one of the most significant efforts to develop low-income apartment housing for senior citizens on Long Island. Jesse Harmon has worked tirelessly to insure that senior citizens on fixed income would have available to them the kind of housing that would provide adequate, safe, and comfortable surroundings in which to enjoy the fullness of life.

Jesse Harmon has served as a commissioner and now is the chairman of the Town of Oyster Bay Housing Authority. In these capacities on the housing authority, Mr. Harmon has gained a well-deserved reputation for his insight, thoughtfulness, fortitude, and, most especially, caring.

Today, because of his remarkable efforts and devotion to the people of Long Island, the town of Oyster Bay has over 700 modern housing units situated on nine sites spread throughout the town area. These units will stand as a permanent monument to a man of great energy, talent, and imagination.

I am proud, Mr. Speaker, to bring the name of Mr. Jesse H. Harmon before the U.S. Congress. And I am truly gratified that his fellow citizens on Long Island have chosen to honor him through the dedication of this newest $6 million apartment complex in his name.●

ARMENIAN HOLOCAUST

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 4, 1982

● Mr. MICHEL. Mr. Speaker, a few days ago I received an extraordinary letter from Ambassador Sukru Elekdag, Turkish Ambassador to the United States. I use the word "extraordinary" because in all my time in Congress, over a quarter of a century, I have never received a letter from the Ambassador of a foreign nation implying that remarks I had made on the floor of the House might indirectly be responsible for terrorist actions.

But no other interpretation of the Ambassador's letter is possible. After writing of the tragic murder of the Turkish Counsel General in Los Angeles by terrorists, Ambassador Elekdag states:

> Mr. Michell (sic), I do hope that you will assess the probable implications of your statement on the terrorists' murderous actions and on the expansion of terrorist acts in the United States.

If the Ambassador is suggesting or implying that my remarks in the CONGRESSIONAL RECORD on April 28, 1981, condemning the Turkish massacre of the Armenians in 1915, enflamed or inspired the terrorist murderers of the Turkish Counsel General, I can only say that I am astounded.

I am truly sorry that this unacceptable allegation had to come from someone representing Turkey, a NATO ally, a nation with whom we have strong ties of mutual interest and friendship.

So that I may put the Turkish Ambassador's mind at rest, let me state that the murder of the Turkish Counsel General was a despicable, cowardly act of terrorism and that those responsible for it deserve the full penalty of the law. But to suggest that Americans of Armenian ancestry and other Americans who also condemn the genocide carried out against the Armenians in 1915 condone or in any way have contributed to this horrible act is beyond reason.

Just to make certain the Turkish Ambassador understands that I still hold to my views on the Armenian slaughter by the Turks I am going to insert into the RECORD at this point the remarks I made on April 28, 1982:

Mr. MICHEL. Mr. Speaker, one of the most chilling and coldblooded sentences ever uttered in this century was said by Adolf Hitler as he prepared his campaign of genocide against European Jewry. Asked if world opinion would not be against him, he replied, "Who still talks nowadays about the extermination of the Armenians?"

Hitler was unfortunately correct in his assessment of Western civilization's inability—or unwillingness—to remember the first genocide of this century. April 24 marks the 66th anniversary of the planned and systematic massacre of Armenians of the Ottoman Turkish Empire.

This is how the Encyclopedia Britannica describes that terrible moment in world history:

"The greatest single disaster in the history of the Armenians came with the outbreak of World War I. In 1915 the Young Turk government regarding the Turkish Armenians, despite pledges of loyalty, as a dangerous foreign element with friends among the enemies who had launched the Dardanelles campaign and with cousins in the Russian army on their eastern front, resolved to deport the whole Armenian population of about 1,750,000 to Syria and Mesopotamia.

The chances of survival in these ill-prepared desert regions were slight: it was a death sentence, a "final solution" that Adolf Hitler was to emulate consciously in Germany."

This summary does not, of course, even hint at the documented atrocities committed against innocent human beings during this extermination. "Starving Armenians" became a phrase that was on everyone's lips for a few years. But, as Hitler later pointed out, people forget. The attempt to eliminate the entire Armenian population of Turkey was forgotten. Hitler was betting on the same kind of historic amnesia, brought about by ignorance and laziness, when he went about his own campaign of calculated slaughter of innocent civilians against the Jews and the Poles and others.

Today the ideological fanaticism that led to the slaughter of the Armenians and the Jews still exists in the world. Ask the Cambodians; and the boat people; ask the survivors of the Soviet gulag.

We owe it not only to the memory of the Armenians but to our children and to their children to make certain we never forget that such things have happened, and that such things can happen again unless we are vigilant.

TURKISH EMBASSY,
Washington, D.C., April 20, 1982.

Hon. ROBERT MICHEL,
U.S. House of Representatives
Washington, D.C.

DEAR MR. MICHEL, in view of the statement you made at the Congress last year in April regarding the Armenian allegations, I thought I should write to you since you may be requested to make a similar statement this year.

Since your statement last year, certain preoccupying and tragic developments have taken place in the United States. In fact, an extensive campaign of defamation, violence and terror has been initiated by Armenian extremists against all things Turkish, Turkish-Americans and friends of Turkey.

I am not going to enumerate here all the harassments and threats that the Turkish community, Turkish diplomats and Turkish diplomatic missions have been subjected to. But, I would like to bring to your attention the dastardly assassination of Kemal Arikan, Turkish Consul General at Los Angeles last January. He was the third Turkish diplomat to have been murdered in Los Angeles. In 1973, Turkish Consul General Baydar and Deputy Consul General Demir were shot to death by an Armenian. During the ensuing period, seventeen Turkish diplomats or members of their immediate families were murdered in different parts of the world by Armenian terrorist organizations. In other words, the chain of killing and shedding of innocent blood that was initiated in the United States has, after claiming so many victims, come full circle. The latest assassination in Los Angeles is evidence that Armenian extremists have been emboldened and seem to have found fertile ground in the United States for their murderous activities. Only a few weeks ago, the office of the Turkish Honorary Consul in Boston was bombed.

Last week, in Ottawa, another Turkish diplomat because a victim of Armenian terrorists. ASALA, an avowedly Marxist-Leninist organization, claimed responsibility for this heinous attack. This organization also murdered Turkish diplomats in Europe, in collaboration with another Armenian terrorist organization, the Justice Commandos of the Armenian Genocide, which claimed responsibility for the Los Angeles assassination of Consul General Arikan.

I would like to bring to your attention what Undersecretary of Defense Fred C. Ikle, in Senate Committee testimony only a few weeks ago on March 11, 1982, had to say about ASALA and Armenian terrorism:

". . . one of the most dangerous and most neglected of all terrorist movements, the Armenian Secret Army for the Liberation of Armenia (ASALA), has formally announced that its strategy is to gain control of the eastern third of Turkey, to 'free' it, so called, from the Turkish Government, and to unite it with the Armenian Soviet Socialist Republic. This is an area of the world which is of course critically important for the eastern Mediterranean and the southern region of NATO. It is also critical for Egypt and Israel and the rest of the Middle East.

"It does not matter very much whether the Armenian Secret Army is directly commanded by Moscow. It is an efficient and brutal executor of the murder of innocent civilians. It has intimidated governments allied with Turkey and law-abiding Armenian communities as well. If it were to be successful in its aim it would lead directly to the expansion of the Soviet Union. Perhaps more than any other terrorist movement it illustrates the irrelevance of some of the issues that have preoccupied the debate in the West on terrorism. Whether the Armenian terrorist movement is acting on its own, or under Moscow's direction, if it succeeds, it will come down to the same thing."

All this is clear evidence that some Armenian terrorist groups running after illusory goals, and some manipulated by Marxist-Leninist organizations, yet both espousing the same ominous goals, are using the United States as a springboard to serve hostile interests. In the same testimony, Undersecretary Ikle stated:

". . . even if terrorists 'armies' are not directed from Moscow, their acts may lead to the expansion of Soviet influence and control, and indeed in some cases they aim precisely at destabilizing a government, allied or otherwise associated with the United States, at detaching it from the open Western World and forcing it into the closed Soviet orbit."

Consequently, it would be a big mistake to dissociate Turkish Consul General's murder in Los Angeles or Turkish Commercial Counsellor's shooting in Ottowa from the acts of terrorism to which General Dozier and Charles Ray, the American Military Attache in Paris, were subjected. These and other recent terrorist acts are related and part of a larger phenomenon, and of an integral plan to weaken and subvert the societies of the Free World.

Armenian extremists and their supporters justify their criminal actions on the pretext of avenging misrepresented events which took place during World War I. What took place was a complex tragedy which claimed Turkish as well as Armenian lives. Indeed, it was a civil war within a global war stemming from an armed uprising of the Armenian minority at a time when the Ottoman state was fighting for survival during World War I. Many more Turks than Armenians perished. At the instigation of Tsarist Russia, radical Armenian insurgents sought by force of arms to establish an exclusively Armenian state in an area that was predominantly Turkish. The ensuing hostilities, together with famine and epidemics, claimed a heavy toll on both sides.

Armenian extremists conveniently forget the historical realities which render their allegations baseless. But what grievance, however zealously nurtured, can possibly justify the murder of innocent human beings today for events which occurred before their birth.

Mr. Michell, I do hope that you will assess the probable implications of your statement on the terrorists' murderous actions and on the expansion of terrorist acts in the United States. I also hope that you will take into consideration, as was pointed out by Dr. Ikle, the hideous schemes which are behind these terrorist organizations.

Sincerely,
SUKRU ELEKDAG,
Ambassador.●

A TRIBUTE TO MR. GLENN PENISTEN

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 4, 1982

● Mr. MINETA. Mr. Speaker, it gives me great pleasure to rise today in honor of a man who has become a symbol in my district of selfless giving to others. Mr. Glenn Penisten is chairman of board and chief executive officer of American Microsystems, Inc., and as such he has had a long history as one of Santa Clara County's leading industrialists. But today he is to be honored for more than just a successful career, for the National Conference of Christians and Jews in Santa Clara County has chosen him to receive its 1982 Community Service Award.

Glenn Penisten has been active in various public service groups in Santa Clara County, but he has been deeply involved with the United Way in the last few years. In 1979 he served an exceptionally vigorous and successful term as campaign chairman for the local United Way, and he has continued since then to serve as an advisor to the organization. Glenn Penisten has also served on the executive board of the Sanata Clara County Manufacturing Group, which is a nonprofit public interest body working with government agencies to solve many of the urban problems facing a rapidly growing metropolitan region. He has been an energetic participant in programs aimed at solving a variety of public service problems relating to local needs for housing, transportation and clean water.

Mr. Speaker, I ask you and all the Members of the House of Representatives to join me in expressing our tribute to Glenn Penisten, recipient of this year's Community Service Award from the Santa Clara County Region of the National Conference of Christians and Jews.●

LOW SODIUM DIET A SURPRISE

HON. ALBERT GORE, JR.

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 4, 1982

● Mr. GORE. Mr. Speaker, the article which follows was published in the April 20, 1982 edition of The Tennessean, and addresses a subject that is of vital public interest. Sodium content labeling is urgently needed by one-fourth to one-third of our population, individuals who suffer from hypertension, and would be of benefit to all Americans in pursuing a healthier diet. I commend this article to the attention of my colleagues.

LOW SODIUM DIET A SURPRISE

(By Deborah Diggons)

The young doctor told me I would have to go on a low-sodium diet and take a pill every day for the rest of my life.

It sounded like something that happened to other people.

"Surely, you're mistaken," I said, suspiciously. "That sounds like treatment for high blood pressure. You just said that I have inner ear trouble."

"That's right," he said. "Too much salt in your diet is causing a buildup of fluid in there, complicating the problem you have. The symptoms are like those people with hypertension experience—vertigo (dizziness), headaches, and noises in the ear, which in your case is affecting your hearing.

"Low-sodium diets are recommended for a variety of problems."

High blood pressure, which affects one-fourth of the American population; heart disease, the country's number one killer; kidney disease, and even swelling during pregnancy are some of the general categories of maladies for which physicians prescribe a reduced salt—sodium chloride—intake.

He gave me a list of foods to avoid, told me about the diet sections in the grocery stores which carry low-salt products, and sent me out into a world without pickles, potato chips, or pizza.

A trip to the grocery store on the way home with the bad news confirmed my most dreaded fear—how do you know how much salt or sodium is in anything? Can after can of peas, corn, tomatoes, and soup simply listed salt as an ingredient, but did not indicate how much salt.

Referring to the list of foods to avoid as I searched each row for something I could eat, I read "no commercially-baked goods, no instant gelatins or chocolate pudding, no cheeses . . ."

"No cheeses!" I said aloud. Is there life without cheese?

And how much salt could chocolate pudding have? It doesn's taste salty.

The list continued: "No canned fruits which have been peeled with lye, no quick cooking cereals, no carbonated drinks . . ."

Leaving the store with a bag of fresh, carrots and apples, I wondered how long I could exist.

My next stop was the book-store where I found a paperback book listing the sodium content of over 2,500 brand name products and basic foods.

Comparisons between brands showed striking differences. Turning to one of my all time favorites—blueberry muffins—I found that one Duncan Hines brand muffin contains 183 milligrams of the deadly sodium, while a Morton brand has only 65.

Even subtly different variations of the same food produced under the same label can be misleading. One tablespoon of Wish-Bone French Salad Dressing has 83 milligrams of sodium, but the calorie watcher using the same amount of Wish-Bone Low-Calorie French Dressing gets 161 milligrams. The Wish-Bone Garlic French has 310 milligrams. Goodbye french dressing.

The book explained that certain fruit juices are fortified with sodium ascorbate, otherwise known as one form of Vitamin C. Other surprises were the preservatives—sodium benzoate, sodium nitrite, to name a few of the more commonly used ones—and the monosodium glutamate in many prepared foods.

These additives are listed in the table of ingredients on most foods, so it would be easy enough to avoid them, but the salt was a different matter.

Salt, salt, everywhere, and not a thing to eat.

Another book on survival without salt recommended that foods which listed salt as one of the first three ingredients should be avoided, but even this can be dangerous for the person on a severely restricted diet.

The matter of sodium content labeling is currently under investigation by several branches of government. Rep. Albert Gore, Jr., who is the author of a bill pending in the legislature, has suggested mandatory labeling for prepared or canned foods containing more than 35 milligrams of sodium.

"The sodium content should be marked on all processed and canned foods governed by the Food, Drug, and Cosmetic Act," Gore said. "Some packagers are voluntarily labeling products for sodium content, but mandatory labeling may be the only way some will comply."

Gore indicated that pressure from the food industry is a factor in the slow change in regulation.

"The packagers cite cost as a major objection to the labeling requirement, but they frequently change the labels for other reasons," the senator said. "To include the sodium content would be minimal."

The "Sodium Bill," which is still before the Health and Environment Subcommittee of the House Energy and Commerce Committee, has 79 co-sponsors in the house, but is coming under fire from industry lobbyist and the likelihood of passage is questionable.

Currently, only the foods in the grocery's diet section, which includes low-cal, low-sugar, low-salt and other types of dietary products, indicate the sodium content, although some of the regular General Foods, General Mills, and Birds Eye products are now being labeled for sodium.

Health food stores have several low-salt products including mayonnaise, ketchup, mustard, salad dressings, nuts, crackers and potato chips.

Low-sodium white bread is found in the frozen food section of most stores. Campbell's soups come in the low-sodium variety, as Peter Pan Peanut Butter, and a few other recognized name brands.

They usually cost anywhere from one-third to over twice as much as their salt-laden counterparts, but they can be found or ordered in most supermarkets. The selection is severely limited.

That, however, is not the main problem. Finding something that tastes good is what is difficult. After using salt as a primary flavor enhancer for any length of time, most ex-salt addicts will try anything to spice up all the fresh vegetables and meats which constitute the major portion of their diets.

Lemon, garlic, tabasco sauce, and other spices still do not taste salty.

The salt substitutes are a noble attempt, but the side effects of too much potassium and fumaric acid which are found in most, are something to consider. Many people will dump twice as much of the substitute on dinner as they would ordinary salt.

Only the initiated know how painful the blisters on your lips and tongue can be after an overdose of potassium and fumaric acid.

Only other low-sodium converts know the agony of withdrawal. The first few days are novel. Then you become a raw nerve, staring pitifully at people eating bacon and eggs in

restaurants, dreaming of sauerkraut and pickles. You become so obsessed with what you can't eat the new gourmet vistas the shaker of the salt habit can find don't seem significant.

After a depressing "cold-turkey" experience trying to quit the salt habit all at once, (during which time my husband had difficulty understanding why he got so many affectionate kisses when he ate Dorito Corn Chips), I learned from one doctor that gradual withdrawal may ultimately be most effective.

His recommendations for a successful breakaway begin with simply rinsing canned vegetables before cooking and eliminating salt during cooking.

The next step is to take the salt off the table. If a salt substitute is used, it must be sparingly. Get in the habit of saying, "please pass the fumaric acid," and the novelty wears off.

Try using lemon on green beans and other green vegetables.

My suggestions begin with avoiding pizza commercials on television. Next, don't go to your mother-in-law's for Sunday dinner for the first few weeks you are on the diet.

Find friends who are also on the diet to exchange no-salt recipes with and just to eat dinner with—misery loves company.●

A TRIBUTE TO JACK GREGOR

HON. LYLE WILLIAMS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 4, 1982

● Mr. WILLIAMS of Ohio. Mr. Speaker, I rise to pay tribute to Jack Gregor, Americanism officer for Benevolent and Protective Order of Elks Lodge No. 295 in Warren, Ohio.

Under Mr. Gregor's guidance, Lodge 295 has taken second place in Americanism among all the Elks lodges in the country for two out of the last 3 years. No other person deserves more credit for this achievement than Jack Gregor, even though the efforts of other Lodge 295 members have been considerable.

In addition to his community service through the Elks, Mr. Gregor has also received many commendations from other organizations for his support of their efforts and for his work in helping others.

He has been commended by the Ohio State Senate for his work with disabled veterans and has been accorded the Distinguished Service Award by the Disabled American Veterans Trumbull Chapter No. 11. Other commendations have been issued to Mr. Gregor from the Trumbull County (Ohio) Children Services Board, the Trumbull County Amvets, the Lions Club and the U.S. Air Force Recruiting Service.

Mr. Gregor's unselfish efforts on the part of his fellow citizens is truly remarkable. I commend him as an example of what being a good American is all about.●

MAYOR KOCH CALLS FOR NUCLEAR FREEZE

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 4, 1982

● Mr. ROSENTHAL. Mr. Speaker, last week, our former colleague, New York Mayor Edward I. Koch, took the lead among big city mayors to call for an immediate freeze on further deployment of nuclear weapons and an absolute restriction on the manufacture of biological and chemical weapons. Mayor Koch's words were straightforward and concise: We need a complete, verifiable, and urgent end to the nuclear madness because we can no longer live with the fear of destruction. His approach is simple and compelling: Immediate United States-Soviet negotiations, a 1-year freeze on deployments, and verifiable, mutual cuts in nuclear arsenals.

Those of us in Congress would do well to heed Mayor Koch's call. He provides a workable way to assure our survival. More importantly, we know Mayor Koch as someone who will perceive and absorb the public concern. He is a pragmatist and a realist. His announcement must be seen as a signal that the people of this Nation demand action—real action—to reverse the arms race that is taking us to the edge of civilization.

I urge all my colleagues to read Mayor Koch's remarks.

Statement by Mayor Koch follows:

STATEMENT BY MAYOR EDWARD I. KOCH

Hundreds of thousands of concerned Americans will come to New York City on June 12 to demonstrate peacefully against the horrors of nuclear war. All New Yorkers share this dread of a nuclear holocaust, and welcome these people of conscience by proclaiming June a month of Reflection on Nuclear Sanity.

I call upon President Reagan and Chairman Brezhnev to engage in serious strategic weapons negotiations immediately. While the United States or the Soviet Union might have superiority in one or another element in the mix of nuclear forces, there still exists an overall nuclear balance that assures mutual destruction in case of an attack, and therefore deters a war conceived on the basis of a perceived unilateral advantage in nuclear weapons.

Substantial selective nuclear arms cuts by the superpowers to lower levels of equality can reverse the current dangerous arms race, while still insuring mutual security at reduced levels of threat and instability. I share with Admiral Hyman Rickover and Ambassador George Kennan the belief that we currently have adequate nuclear weapons to balance Soviet strategic forces. Therefore, as evidence of good faith in these negotiations, both sides should freeze further deployment of strategic nuclear weapons deployments for one year, while more permanent solutions are sought.

It is morally repugnant to me to see precious economic and human resources wasted on an unbridled nuclear arms race. I also believe that one cause of the economic and spiritual crisis that grips both East and West lies in the long shadow of despair cast by the possibility of accidental, gradually escalated or planned extinction of the human race. I further call on the Soviets to cease immediately their use of chemical warfare in Asia. To continue these inhumane acts will only revive arms competition in another area that is anti-civilization. And I call on the United Nations to include in the battle for nuclear disarmament another call—a call for an absolute, 100 percent verifiable restriction on the manufacture, storage and use of biological and chemical weapons.

Beyond the problem of a superpower arms race is the equally dangerous threat of nuclear arms proliferation. Russians and Americans have a strong interest in preventing nuclear armaments from spreading to many nations, and I call for the prompt reopening of discussions on curbing nuclear proliferation. Despite my opposition to the policies of the Soviet Union, I am convinced that it will serve the interests of the whole world for a meeting to be scheduled as soon as possible between Chairman Brezhnev and President Reagan. We need not love each other to know that we either survive together or die together.

My record of distrust and distaste for the Soviet regime—invaders of Afghanistan, oppressors of Poland, Czechoslovakia, Hungary and the Baltic states, and gross violators of the human rights of Soviet Jews, Christians and intellectuals—is clear. I further believe that the ideological and political competition between the superpowers will continue. Nevertheless, in the vital area of nuclear horror weapons there is a mutual fear for survival, as well as economic and spiritual need, which make significant agreements possible and urgent.

We must not base agreements with Marxist-Leninists on trust or friendship. Agreements must be highly specific, rooted in mutual interests and independently verifiable by both sides. Such national technical means currently exist in space satellites and off-border monitoring stations. They must be supplemented, if necessary, by on-site technical verification. Current nuclear weapons and measuring technologies allow both sides to monitor arms agreements, but a major technical breakthrough and new deployments could make independent verification less reliable and doom the possibilities for nuclear arms control. Therefore, immediate negotiations, a one-year freeze on deployments, and substantial cuts in both sides' nuclear arsenals to lower levels of parity that can be independently verified are critical.

It is with these serious considerations and feelings that New Yorkers welcome people of conscience for their peaceful demonstrations against nuclear war and I officially proclaim June a month of Reflection on Nuclear Sanity.●

THE HORROR IN VIETNAM

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 4, 1982

● Mr. MICHEL. Mr. Speaker, the horror in Vietnam continues. Those in the United States who did all they could to undermine the non-Communist governments of South Vietnam and whose sermons on the immorality of the American commitment in Vietnam received such widespread publicity are silent about what have helped to bring about. What is happening in Vietnam today is as bad as what happened in many of the death camps of Nazi Germany. But those who could speak for hours on the alleged abuses of previous governments in Vietnam are content to watch torture, both physical and psychological, visited upon innocent human beings. The hypocrisy of these people is astounding—but it is not surprising.

At this point I wish to insert in the RECORD, "Vietnam's Postwar Hell" by Ginetta Sagan, from Newsweek, May 3, 1982.

[From Newsweek, May 3, 1982]

VIETNAM'S POSTWAR HELL

(By Ginetta Sagan)

April 30, 1982, marks the seventh anniversary of the end of American involvement in that prolonged, nightmarish event, the war in Vietnam. Few events in the twentieth century have so shaken and divided the American people. As a dark shadow of the past, it lingers in the conscience of the Congress, the media and the public. As a "lesson," it colors our lives, our perception of ourselves, and it is affecting our decision-making process in international affairs.

Americans and Vietnamese are no longer dying amid the temples of Hué or in the jungle of the Mekong Delta. But tens of thousands of Vietnamese from all professions and religious persuasions are languishing in a vast nationwide network of prisons and "re-education" camps.

Human rights in Vietnam is not a new concern to me. During the years before 1975 I met with representatives of the National Liberation Front who told me of their great concern for human rights in South Vietnam. Where are these leaders today, and where are my colleagues in the peace movement who had so strongly protested political repression by the Thieu regime? While some have continued to speak out against violence and repression in Vietnam, many have remained silent. Others have even defended repression in Vietnam as a "humane alternative" to the blood bath that was predicted by the CIA.

TAKEOVER

But few in the peace movement believed that such a blood bath would occur with a communist takeover in South Vietnam, and many believed in the strong verbal commitment made by the NLF leaders to human rights in South Vietnam. From the time it was founded in 1960, the NLF presented itself as if its members were genuine civil libertarians arguing for the right of dissent, along with other democratic freedoms, for the South Vietnamese people.

In 1973 the Paris Peace Agreement was signed, establishing a framework for the eventual reunification of Vietnam, based on national reconciliation. Article 11 of this treaty ensured the South Vietnamese such rights as freedom of speech, press, movement and organization and freedom from reprisal for collaborating with one side or the other during the war. Article 11 was widely praised by leaders of the NLF and North Vietnam—until April 30, 1975.

Immediately upon taking control of the South at that time, the new regime proceeded to tear up Article 11 by banning all noncommunist political parties and organizations, placing severe restrictions on religious groups, launching a campaign to destroy the "neocolonialist" culture of the South and throwing hundreds of thousands of Vietnamese into re-education camps. Political prisoners in Vietnam fall into two basic categories: (1) former government officials, leaders of political parties and army officers arrested in June 1975 for having occupied positions of authority under the previous regime, and (2) writers, religious leaders, intellectuals and other dissidents who have been arrested in subsequent years. Both categories of imprisonment directly violate Article 11.

No one knows how many political prisoners there are in Vietnam today, but estimates suggest there are more than 100,000. Most of them are detained in re-education camps, which are so labeled because the inmates are subjected to mandatory "confessions," political indoctrination and forced labor. The length of their detention depends on the degree to which they reform.

During the last three years friends and I have interviewed several hundred former prisoners, read newspaper articles on the camps as well as various reports of Amnesty International, and have studied official statements from the Vietnamese Government and its press on the re-education camps. The picture that emerges is one of severe hardship, where prisoners are kept on a starvation diet, overworked and harshly punished for minor infractions of camp rules. We know of cases where prisoners have been beaten to death, confined to dark cells or in ditches dug around the perimeters of the camps and executed for attempted escape. A common form of punishment is confinement to the CONNEX boxes—air-freight containers that were left behind by the United States in 1975. The boxes vary in size; some are made of wood and others of metal. In a CONNEX box 4 feet high and 4 feet wide, for example, several prisoners would be confined with their feet shackled, and allowed only one bowl of rice and water a day. "It reminded me of the pictures I saw of Nazi camp inmates after World War II," said a physician we interviewed who witnessed the release of four prisoners who had been confined to a CONNEX box for one month. None of them survived. Prisoners condemned to such punishment have often committed suicide.

RIGHTS

Today there is no talk in Vietnam about human rights—only about the "dictatorship of the proletariat" and the need to suppress dissidents. Today Vietnamese authorities make a false distinction between political and civil rights on the one hand and economic and social rights on the other—as if a government which denies its people the right of dissent is therefore more likely to give them more food or a better education.

Some well-meaning "friends" have told me that it is moral arrogance to criticize the Hanoi government in view of the suffering caused to the Vietnamese people by American military intervention. I disagree. When we are faced with the knowledge that innocent human beings are being destroyed in order to radically change a society, it would be immoral to remain silent.

For me, personally, to remain silent would mean betraying all of my co-workers in the Resistance movement of World War II who perished in the torture rooms of the SS and the Gestapo or in the death camp of Mauthausen. It was their sacrifice which, together with deaths of millions of Jews, Christians of all denominations and various minority groups, made possible the unaminmous adoption of the United Nations Universal Declaration of Human Rights on Dec. 10, 1948.

People all over the world who campaigned for peace and human rights in Vietnam should look at Vietnam again—and consider that their task is not yet over.

(Sagan is a longtime volunteer worker in the field of human rights.)●

STATEMENT OF HON. BALTASAR CORRADA OF PUERTO RICO

HON. BALTASAR CORRADA

OF PUERTO RICO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 4, 1982

● Mr. CORRADA. Mr. Speaker, since last week we were celebrating the National Volunteers Week, I would like to make a brief note to recognize and honor the outstanding work and contribution that millions of largely invisible groups are doing to this Nation.

Volunteers have become a major labor force in the United States, they are men and women who are out there everyday helping their neighbors and ours without salary nor payment and often without recognition of any kind.

Volunteer work is absolutely essential to our society, they save our taxpayers an enormous amount of money by performing services which the Government would otherwise have to provide. They represent the spirit of private initiative and self-reliance on specially important trends in a society which today is recognizing the limits of government.

Very quietly and with little recognition an estimated 40 million unselfish individuals in this country contribute around $11 billion to this Nation measured in time and services. But its vital influence extends to virtually every aspect of our society—health, education, social services, culture, religion, the arts and other.

But, the volunteers' contribution cannot be measured and should not be measured in time and money alone, we must also measure it in terms of the value system it represents; a sense of caring and a heartfelt motivation to make the world just a little bit better.

I would like also to encourage all my colleagues to support and cosponsor H.R. 4309 and 768, the volunteer mileage bill, introduced by Congresswoman BARBARA A. MIKULSKI. The passage of this bill is a matter of justice to this group of heroes of our society whom as Government and profitmaking organizations has been affected by inflation.

In these days in which the American people are suffering one of the largest cutbacks in Government programs and that thousands of Government programs providing essential services to million of Americans have been eliminated, the passage of these two bills is of vital importance to assure the continuity and perservation of the millions of volunteers and charitable organizations who feel this void and it would demonstrate to the American people that the Federal Government officials recognizes the importance of voluntarism as an essential positive component of our society.

THE LOSS OF WILLIAM V. McMILLAN

HON. JOHN L. NAPIER

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 4, 1982

● Mr. NAPIER. Mr. Speaker, South Carolina recently lost one of its outstanding citizens with the passing of William V. McMillan, Sr.

I had known Billy McMillan since becoming involved in politics. He was one of the special people held in highest esteem by all factions of political, economic and social life. Billy McMillan came from a distinguished family of the Pee Dee area of South Carolina and added great distinction to that family. He was an agricultural leader. He was a leader in the church. He was a friend and counselor to those in his community.

I was particularly pleased that Billy McMillan was able to serve on my Agricultural Advisory Committee, and he brought to this committee a wealth of knowledge as a result of the many experiences he had had as a participant in farm credit and agricultural activities. South Carolina and the Nation are both a greater and better place because Billy McMillan lived and served among us.

Mr. Speaker, I ask that the obituary notice which appeared in the State newspaper, an editorial from the Mullins Enterprise, a letter to the editor from his good friend, Lacy Edwards, Jr., and finally, the eulogy prepared by his pastor, Rev. George Ganey, be inserted in the RECORD as a fitting memorial to a man who lived his life as a good man and a Christian man, committed to his neighbors and to his community. We shall all miss him.

BILLY McMILLAN, TOBACCO FARMER DIES THURSDAY

William Vandyke McMillan, Sr., 60, died Thursday in the Mullins hospital after an illness of several months.

Born in Mullins, he was the son of the late George Reaves McMillan and Sallie Reams McMillan. He was a life elder and trustee of the Mullins Presbyterian Church.

Mr. McMillan was a gradutate of the University of South Carolina with a bachelor's degree in civil engineering. He served as captain of the 1943 football team and was elected by his teammates for the "Most Valuable Player Award". He also won the Jacobs Blocking trophy for the state of South Carolina. A Navy veteran of World War II, he served as executive officer of a ship that saw duty in the Atlantic and Pacific.

Mr. McMillan was currently serving as chairman of the Mullins School District No. 2 board of trustees. He was also a member and past chairman of the Marion-Mullins Vocational Education board, and was a past chairman of the Mullins Hospital Board of Trustees.

Mr. McMillan was the senior partner and general manager of McMillan Brothers Farms of Mullins. He was active in many farm organizations and was currently serving as chairman of the board of directors of Carolina Production Credit Association of Marion and Dillon. He was member and former chairman of the board of the Farm Credit Banks of Columbia and the Federal Land Bank of Mullins. He was a member of the Clemson Unversity Fertilizer and Tobacco Advisory Committee and formerly served on the Governor's Agricultural Study and Advisory Committee.

Funeral services were held Saturday morning from the sanctuary of the Mullins Presbyterian Church, conducted by his pastor, the Rev. George F. Ganey, Jr. Burial followed in McMillan Cemetary, directed by Meares Funeral Home.

Serving as active pallbearers were Lyde Huggins, Carl Huggins, Arch McMillan, Jr., John P. McMillan, Johnny McMillan and David Stucky.

Surviving are his widow, Mrs. Martha Gibson McMillan; four sons, Van McMillan, Jr., Sam McMillan, Gilbert McMillan and George McMillan, all of Mullins and three grandsons. He is also survived by six brothers, Russell, Douglas, Rene and Paul McMillan, all of Mullins, Joseph J. McMillan of North Myrtle Beach and the Reverend Neil M. McMillan of Charlotte, N.C.

[An editorial from the Mullins Enterprise]

BILLY McMILLAN

The measure and worth of a man's life are not tallied in the number of years he has lived. This is eminently true of Billy Mac McMillan, whose untimely death in the prime of life takes from the scene one who lived life to its fullest, leaving contributions that will influence for many years.

In the realm of agriculture, he was an outstanding leader; in the realm of education he served unstintingly; in the realm of community life, he was an example to be emulated; in the realm of spiritual activity, he was influential leader in his church; in family devotion he was unexcelled. His attributes of character will long be remembered by those who worked with him, shared those days when the great shadow of disease hovered over him, and hold fast to the memories of a true "Southern Gentleman".

LETTER TO THE EDITOR

Dear Editor: Enclosed you will find a tribute to a man that I was extremely proud to have known. I have never attempted to put my feelings into words before. If you see fit to use them, fine! If you do not, then you know the high respect that I held him in!

Sincerely,

LACY EDWARDS, Jr.

A TRIBUTE TO A MAN

God, with all his infinite wisdom, designed and created a world for man to live on and enjoy. A true world of plenty. A most important part of this world is God's laws and rules for living. Many men, in their stupidity, have attempted to make mockery of these laws and rules, thinking that real happiness and enjoyment can only be obtained by breaking them. Misery and unhappiness always becomes their constant companion. Some men are wise enough to live in harmony with these laws and rules; thereby creating a world of personal happiness for themselves and all whose lives they touch. I was fortunate to have known such a man. One who emulated all the qualities of manhood, physical, mental, moral, and spiritual. I shared some of his moments of happiness. I shared some of his moments of sadness. In neither, did I ever fail to see his faith and belief not shine. Those moments are gone, his presence will be missed, in his office, in the tobacco fields with the people he loved, on the warehouse floors, in the organizations that meant so much to him, in his church, and in his home. And in my heart, I love you "Billy Mac."

A FRIEND.

THE WORSHIP OF GOD IN HONOR OF WILLIAM VANDYKE McMILLAN, SR.

"Paul, an apostle of Jesus Christ by the will of God, and Timothy our brother, unto the church of God which is at Corinth, with all the saints which are in all Achaia: Grace be to you and peace from the Lord Jesus Christ. Blessed be God even the Father of our Lord Jesus Christ, the Father of mercies, and the God of all comfort; Who comforteth us in all our tribulation, that we may be able to comfort them which are in any trouble, by the comfort wherewith we ourselves are comforted of God."—II Corinthians 1:1–4

Today we are gathered to worship God and to honor Billy McMillan. I suppose that if a Christian had a choice of departing this life it would be at the Easter Season, the Season of Victory in the Resurrection.

When we realize that God loved His people so much that He gave His only Son to die, then to overcome the grave through the Resurrection, we may say with the Apostle Paul, "For I reckon that the sufferings of this present time are not worthy to be compared with the glory which shall be revealed in us . . ." The risen Lord Jesus Christ is our hope, our comfort, and our assurance. Billy McMillan loved the Lord and His church and he believed in a Resurrected Saviour!

What can be said about a man whose eulogy is already carved in each of our hearts and minds? He was tirelessly involved in business, education, civic affairs, and the church. Because of this dedicated involvement, he was held in highest esteem by his friends and associates. He believed in hard work and in each person carrying his own load. His untiring strength exerted in behalf of his fellow man and his loving devotion heaped upon his family are examples for us all to emulate. His competitive spirit and his desire for success as an athlete never waned in his struggle to attain his goals, in life. He never evaded a challenge but met it head-on. Defeat was not a word in his vocabulary. His stature of character and strong will never hindered his gentle affection for those about him. Seldom does a man pass our way whose death will be felt so keenly as a personal loss for so many.

Today is a difficult day for us all. Our hearts are heavy; questions fill our minds; we grope for words in what seems to be an impossible situation. Truly, if we were left in our human dilemma alone, it is impossible and rather hopeless! But today, I would like to hold before you two great truths from God's Word—"hope and comfort," a real "living hope" in a living Saviour and the "comfort of God" for all of life and especially for a time such as this.

First, this "living hope" provides assurance. The Apostle Paul felt something of our dilemma in I Corinthians 15:19, "If in this life only we have hope in Christ, we are of all men most miserable." If our acceptance of the Lord Jesus Christ and even our hope in Him is for this life only, we are indeed most miserable. But "hope" in the Christian life finds its reality in Easter, in the Resurrection of the Lord Jesus Christ from the dead. Peter states it for us in I Peter 1:3, "Blessed be the God and Father of our Lord Jesus Christ, which according to his abundant mercy hath begotten us again unto a lively hope by the resurrection of Jesus Christ from the dead." Without this reality and assurance it is indeed a sad state of affairs that chance and luck have dealt us. But the Lord Jesus transformed death into life. Our temporary absence is resolved in an eternal existence for all of God's people. It is this "living hope" in the Living Christ today that gives meaning and reality to the Christian life and Victory over death. "Because He Lives" we too shall live. This then, is our hope, our assurance, and our sure word from God.

Then there is "God's comfort." Our passage in II Corinthians 1:1-4 declares this to us. There is more to life than we see on the human level. There is the spiritual level. We do not walk away from this church or the grave defeated even by death. As a Christian, Billy Mac is not so defeated, nor shall we be.

As God's people in the strength and comfort of the Lord, life must go on. Billy Mac believed in this Lord of comfort and he would commend Him to you today. He was not a perfect man and he would not want me to suggest that he was: however, he was a Christian, believing in the Lord Jesus Christ, struggling to grow more in His likeness. He would want you, his friends and family, to do the same through deeper commitment to God, even in this most difficult experience.

Our challenge, therefore, is not to look back at what might have been, but to look forward to what will yet be, by the grace of God, and to meet the challenge. Our question is not "if" God will comfort us but if we will be comforted by God and His Word.

Billy McMillan knows that comfort and the reality of the Christian's hope. Thus, he would say to us with the Apostle Paul, "What shall we then say to these things? If God be for us, who can be against us?" Amen.●

SAVING LIVES—AND DETROIT

HON. CHARLES E. SCHUMER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 4, 1982

● Mr. SCHUMER. Mr. Speaker, the following New York Times editorial discusses an important role that the Congress can play in saving thousands of American lives and in making a significant contribution to the auto industry. Protecting the safety of all citizens and enhancing the future of the car industry is a responsibility that Congress cannot ignore.

SAVING LIVES—AND DETROIT

(By Peter Possell)

"It's too easy a solution to say, 'Make cars safer.' Believe me, if we could do it, we would."—Roger Maugh, Ford Motor Company safety chief.

Who can work up an honest rage over the auto industry these days? Detroit is in the middle of a depression and it's just not the American way to hit someone when he's down. But a reluctance to criticize may not be in the industry's best interests. As cars are downsized, the highway death count will probably rise dramatically. And if Big Auto's lack of interest in safety continues, it may prove to be as lethal to industry profits as it is to motorists.

Detroit lives by axioms. One of them is Safety Doesn't Sell. Ford tried it once, flogging the virtues of padded dashes in its ads and waiting for customers to flood in. It didn't work. People seemed to prefer Chevys and Dodges, with bathing beauties on the hoods and fins on the tails.

Cars got safer anyway because Congress insisted. The Motor Vehicle Safety Act of 1966 required seat belts, better brakes and door catches and other gadgets designed to protect soft flesh from hard metal. But the auto makers have managed repeatedly to fend off the most important safety improvement, insisting that automatic airbag restraints weren't worth the cost. And Government interest in safety has since declined.

The Reagan Administration and a lot of conservatives in Congress believe that safety is a personal matter. Government should educate: the National Highway Safety Administration plans to spend $7 million explaining the virtues of seat belts. If urban cowboys still want to ride bareback, though, it's their business.

As conservative rhetoric the argument gets good marks; as conservative philosophy it rates a D minus. People may have a right to risk their own lives, but they have no right to take similar risks with their children's lives. Besides, those who kill or maim themselves typically rely on society to clean up the mess. Roughly half the medical and welfare costs of auto accidents are borne by others in the form of Government assistance or higher insurance premiums.

The bigger irony, though, is not that a conservative Government is denying the rigorous conservative position. It's that American auto makers, reeling from their failure to anticipate the demand for small cars, now seem to be ignoring the potential impact of the small-car revolution on the marketability of safety.

Today's small car is inherently more dangerous than yesterday's living room on wheels. Tomorrow's mini-cars will be more so. These tiny 1,200-cc runabouts are already the hottest selling vehicles in Japan, and industry analysts expect similar success when they are introduced into the American market, probably in 1984.

The Japanese have given no hint about how they might deal with the safety problem, but they are clearly sensitive to the issue in the wake of crash tests showing Japanese cars to be more dangerous than their American and European competition. They may well decide to include airbags as standard equipment.

Is Detroit in for another costly shock from Tokyo? Nobody knows. What is clear, though, is that airbags could save thousands of lives each year, and that the best protection against another Japanese marketing coup would be a Government rule forcing all auto makers to equip their minis with airbags. By accepting the airbag, the life Big Auto saves may be its own.●

PEACE FOR ISRAEL

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 4, 1982

● Mr. MAZZOLI. Mr. Speaker, for the past few weeks the world's attention has been riveted on the South Atlantic, where two nations seem engaged in full-scale war. This situation is serious and deserving of all our efforts—and prayers. But, it should not divert our attention from the Middle East, where an historic milestone on the road to peace was passed on April 25.

It was on April 25 that Israel formally turned over to Egypt the last occupied part of the Sinai Peninsula pursuant to the Camp David accords. All should applaud brave Israel for seeing this difficult—and heart wrenching—task through in the name of peace. And, it is peace the Israeli people desire and richly deserve.

There are, indeed, many sad reminders of the Holocaust. But, there are positive reminders as well. One is the existence of the State of Israel.

This strong and proud and free democratic nation was created by those who survived the Holocaust and who pledged never to permit another such blot on humanity to recur.

The road to a lasting peace in the Middle East is a long and difficult one. But the last few weeks' events show that with determination and patience peace can—and will—be achieved.●

REAGAN ADMINISTRATION'S CUTBACKS IN STUDENT AID

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 4, 1982

● Mr. FORD of Michigan. Mr. Speaker, today's Washington Post reports that Secretary of Education Terrel Bell yesterday stated that students are being misled about the impact of the Reagan administration's cutbacks in student aid. Unfortunately, it is Secretary Bell who is being misled, or being forced to mislead.

I have known Secretary Bell for quite some time, and I am disappointed that he is being asked to support positions that cannot be supported by facts. I lament the fact that his professionalism is being compromised in an effort to advocate half-truths and factual distortions.

The fact of the matter is that the President's fiscal 1983 budget, and his

student aid proposals, clearly reflect the Reagan administration's intent to end Federal responsibility in higher education.

In his statement yesterday, Secretary Bell seemed to turn his back on and forget the President's 1983 student aid proposals. Maybe that is because he realizes that every Member of Congress concerned about Federal student aid programs has already rejected those proposals. But, it is those proposals that have students concerned. Those are the proposals they are worried about. let me give you some examples of what those proposals would do.

In Pell grants, a program which currently serves needy students from families with incomes of approximately $25,000 and below, the administration has proposed to eliminate approximately 1 million students from eligibility, while at the same time reducing the maximum award for the neediest. Secretary Bell does not mention that fact, while also conveniently forgetting that last year the administration eliminated social security educational benefits, an elimination of over $2 billion a year that must be made up somehow. But with cuts in all other student aid programs, I am at a loss to understand how it will be made up.

Secretary Bell fails to mention that the administration has proposed eliminating the supplemental educational opportunity grant programs, the national direct student loan program, and Federal payments to the State student incentive grant program. If these programs were eliminated, more than 1 million fewer awards would be made.

And the administration would cut $130 million from the college-work study program, thus providing 250,000 fewer work-study jobs. How this administration could cut a program which reflects the foundation of the conservative work ethic philosophy is beyond me.

Thus, the facts are these: Pell grants—a cut of $879 million—1 million fewer awards; SEOG—all funding eliminated—500,000 fewer awards; SSIG—all funding eliminated—300,000 fewer awards; NDSL—all funding eliminated—215,000 fewer awards; and CWS—a cut of $130 million—250,000 fewer awards.

If cuts of this magnitude are not emasculating the student aid programs, I would like Secretary Bell to tell me what he means by emasculation.

As for the guaranteed student loan program, the regulations announced yesterday by Secretary Bell reflect changes made in the program last year by the Congress, not the administration. In fact, the Congress rejected the administration's proposal last year because it was so severe that it probably would have completely stopped the guaranteed student loan program.

And their proposals this year are just as bad. Secretary Bell should not be surprised that reporters failed to note that 600,000 to 700,000 graduate students eliminated from GSL eligibility would be shifted into a new program for a good reason. For all intents and purposes, this new 14-percent loan program does not exist for graduate students. Hardly any States have implemented it. In fact, every analysis we have received in Congress indicates that it will not be operating this fall.

The reality of the administration's GSL proposals is that approximately 1 million students will no longer be eligible for loans.

I would like to point out to the Secretary and the President that they cannot have it both ways. Just a few months ago they were proudly announcing all the cutbacks they were proposing in student aid programs. Now they are upset that these cutbacks are being felt by students. If you cut programs, people lose. Telling students that is not misleading. But it is misleading to tell the American people that you can cut programs and not hurt people. The administration has cut student aid programs. And now they have to live with the reality of those cuts.●

MARTIAL LAW IN POLAND IS REVOLTING TO MANY

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 4, 1982

● Mr. BIAGGI. Mr. Speaker, yesterday in the streets of Warsaw thousands of Polish citizens marched in visible defiance of the authorities to protest the continuation of martial law. Many observers placed great significance in the demonstration because it has helped to remove the perception which the Polish Government has been trying to advance—that martial law has been accepted by the people of Poland.

Nothing could be farther from the truth. The intensity of feelings demonstrated by the protesters combined with the reaction of the police and Government leaves one with the distinct impression that martial law is as indefensible today as it was on December 13 when it was ruthlessly imposed over the lives of the people of Poland.

Apparently the Soviet Union—the masterminds behind martial law in Poland—does not learn from history. In all areas where they have directly or indirectly sought to impose their rule it has been met with strong and sustained resistance. All one has to do is think of Hungary or Czechoslovakia and most recently Afghanistan to illustrate this point. The only difference with Poland is that the puppet government led by General Jaruzelski is the one learning the hard lesson.

Where communism is imposed—it will be opposed. Communism as a political philosophy is deficient and morally bankrupt.

Poland's demonstrations were called by opponents of the Government to commemorate May 3 the anniversary of the Polish Constitution. Yet in reality—the demonstrations were called to show to the world that the Solidarity movement has not been silenced due to martial law. The Solidarity reform movement led by the now-interned Lech Walesa had embarked upon an ambitious initiative to bring about unheard of reforms and freedoms in the various trade unions which operate in Poland. The degree of success they enjoyed in Poland began to stir others in Eastern Europe much to the chagrin of the Soviet Union. Hence it came as little surprise when the Polish Government imposed martial law and suspended the activities of Solidarity. Yet the spirit of Solidarity is as strong today as it was before martial law—only reemphasizing the point that coercion does not produce consensus.

The United States should view with great concern the developments in Poland of the past several days. We must be vigilant in our support of the legitimate goals of Solidarity and steadfast in our opposition to any greater degree of Soviet involvement. Finally, we should never underestimate the freedom-loving spirit of the Polish people who through their ongoing resistance to martial law show the world that while they may have to live under Communist rule—they will never submit to its doctrine in their hearts.●

A NATIONAL "PIE-IN-THE-SKY" ACADEMY?

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 4, 1982

● Mr. PAUL. Mr. Speaker, the proponents of a "National Peace Academy" believe they have discovered the ultimate panacea, but I am afraid it is no better than an expensive placebo, and it may even be worse. Let us take a look at the claims made by Milton Mapes, director of the National Peace Academy Campaign:

> There is now a science—tested and proved in actual practice—that can help make war obsolete . . . this science can be taught, learned, and applied—anywhere in the world.
>
> So—what are we waiting for?

What indeed? This is the crudest, crassest sort of hucksterism I have ever come across. Sheer flummery. I, for one, would not buy a used car from Mr. Mapes.

But there is more:

> Imagine a world at peace. No more war, no more revolutions, no more terrorism, no more sending our sons and grandsons off to slaughter one another. Imagine a world in which the threat of nuclear annihilation no longer exists. Imagine what a world this could be!
>
> An impossible dream? Not any longer. . . . We have within our grasp an alternative method of resolving human conflict. . . ."

I wonder if there's a "money-back guarantee"? And, do we get a set of free steak knives?

Mr. Mapes is soliciting private contributions for his lobbying efforts on behalf of the proposed academy. I have nothing against that. Indeed, the academy itself should be funded, if at all, by private, rather than public, funds, (caveat emptor). After all, private mediators who do their jobs well are paid handsomely.

However, many of my colleagues here in the House have now cosponsored H.R. 5088, which would do two extremely irresponsible things:

First, it would appropriate millions of tax dollars for a purpose which lies wholly outside the constitutional mandate of Congress.

Second, it would provide official sanction, and thereby, authority, to a dubious approach to some very serious and longstanding human problems. I urge all of my colleagues to give this matter a second thought.

The late John Ashbrook was a paragon of sound judgment and good sense. He served on the commission which studied the Peace Academy proposal extensively. His "Dissenting Views," from the commission report are absolutely essential reading. I highly commend his cogent analysis, which is printed below.

Let me just say this: If there is a bona fide academic discipline of "conflict resolution," let it compete freely with the traditional studies of diplomacy, history, politics, et cetera. For the Federal Government to elevate one specific approach to the study of conflict to official status would be to trample academic freedom underfoot. Let us not be taken in by the claim that this new discipline is "scientific," that is just one more aspect of the hucksterism.

A vote against H.R. 5088 is a vote in favor of academic freedom. The study of peace and conflict resolution should be left in private hands where it will prosper if fruitful, or succumb to other studies if it yields no definitive results.

John Ashbrook's comments follow:

[From: To Establish the U.S. Academy of Peace: Report of the Commission, 1981]

DISSENTING VIEWS OF COMMISSIONER JOHN ASHBROOK

Peace is like health in the limited sense that everyone is for it. If "peace learning" (to use the Commission majority's phrase) were like health learning, the case for a new Federal agency analogous to the National Institutes of Health would be persuasive. But it is not.

There is no consensus among scholars, even among those who support the concept of a Federal Peace Academy, on whether peace research is now or ever will be a coherent and rigorous academic discipline. Professor Kenneth Boulding wrote in 1978 that the field is still in the first phase of a new discipline: it has a bibliography, and you can give an examination in it. In the second phase, according to Professor Boulding, "the intellectual ferment has produced a moderately homogenous brew which can be summarized in a textbook. The conflict and peace studies discipline . . . has not yet reached this stage, but I would expect it to do so in the next ten years."

The Commission majority makes no such prediction, but it argues:

". . . that peace studies is a distinct and definable field of learning for three reasons: it has a literature, courses of study, and professional organizations; it has well-defined assumptions and definitions, and a variety of research methodologies; and it has a strong applied component in the practice of conflict intervention."

By those standards, "health" has been a distinct field of learning for most of the last millenium, including the centuries when the average encounter between the average doctor and the average patient was as likely to shorten the latter's life as to lengthen it. So are astrology, Lysenkoism, and Keynesian economics.

But an academic field which wants to have an official government agency of its very own should be held to higher standards. It should demonstrate the kind of conceptual solidity and compelling explanatory power which irresistibly command the attention and transform the thinking habits of scholars in related or competing fields. It should prove beyond reasonable doubt that it is more than a passing fad.

Peace learning has not yet done this. It may never do so. But some 80 colleges and universities currently have departments of peace studies or conflict resolution; we do not need a new Federal agency to give peace studies a chance.

The Commission's staff has mentioned its concern that an official Peace Academy might be "too close to the government to ask the hard questions such an institution should ask." The Commission majority apparently believes that it is possible to solve this problem, but I do not. By its very nature it is impossible to solve.

Peace is inseparable from justice, and justice is inseparable from morality. Sometimes it is impossible to secure justice without conflict, and that means that some conflicts are desirable. The best outcome for some conflicts is not compromise or arbitration, but a clearcut victory for the side that deserves to win.

Unless a Peace Academy confines itself to trivia, it will have to make judgments about which conflicts are desirable, which not. Such judgments are inescapably value-laden; as the Commission majority observes, "questions of ethics and values are central, not peripheral, to peace inquiries." But the formulation of values is not a proper activity for a government agency. Government-formulated values are almost always warped values: bent by the pressures of special interests and ideologues.

What would those pressures be? As a practical matter, the danger of an official Peace Academy's being unduly influenced by the selfish interests of, say, the Joint Chiefs of Staff is rather small. Given the ideological predilections of most "peace studies" professionals, it is more likely that the Academy would become a sounding board for the antinationalist, accommodationist views which are increasingly unpopular among American taxpayers. (The Commission proposal increases this danger by allowing the Academy to receive and spend funds from private organizations.) But the dilemma is unavoidable: if a government Peace Academy exists, it will either force citizens to subsidize the promotion of beliefs they disagree with, or allow research decisions to be swayed by popular pressures. The only way out of this dilemma is to leave the frontiers of controversial research in the private sector, which is where they belong in a free society.

Judging by the Commission's hearing record, most proponents of an official Peace Academy seem to believe that the United States should have a government agency which views the world, not from the perspective of American values and interests, but with the sort of pseudo-cosmopolitan outlook that prevails at places like the United Nations. Embedded in this outlook are a number of tacit premises:

"Ideologies, except for so-called 'colonialism,' are mostly benign or unimportant. In any case, ideology can be defused by neutral expertise.

"The chief barrier to worldwide progress is Western arrogance and selfishness.

"'Nationalism' is a bad thing, except in the Third World.

"Power politics is inherently immoral, at least when used by the West.

"It is more important to 'resolve' conflicts than to win them, except for selected conflicts in places like southern Africa.

"There is no irreconcilable conflict of values between the United States and the Soviet Union."

So much for some of their major premises.

The type of thinking which is based on these premises has been with us for a long time. It was stated as ably as it can be by Zbigniew Brzezinski, who wrote in 1970 that "Today the old framework of international politics . . . with their spheres of influences, military alliances between nation-states, the fiction of sovereignty, doctrinal conflicts arising from 19th-century crisis is clearly no longer compatible with reality." For the last four years, this view was the dominant one in our foreign policy. The results are plain for all to see.

In March 1980, the staff of this Commission produced a "Design Paper" which allows further insight into the pro-Peace Academy philosophy. On page 6 of this document, the writers state that "when conflict resolution or conflict management is taken to mean pacification, delay, placation . . . of the status quo, justice is not served and often more violence is apt to occur." With all due respect to my fellow Commissioners and to our staff, I must say that this statement is pure malarkey. It reflects a naive view of historical change, which is all too common among modern liberals confronted by revolutionaries who believe in dialectical materialism.

In the real world, the status quo is often the least violent, least unjust choice available—as it was in Indochina, Ethiopia, and Iran. There is often a lot to be said for "delay," especially when the changes being delayed are nasty, and difficult to reverse.

On page 7 of this document there appears another passage worth pausing to consider. The writers opine that:

"Inflation, unemployment, and the limits of resources, combined with poverty, racial discrimination, the problems of social services delivery, equal educational opportunity, consumer and environmental protection, and prison conditions are among the conditions which have resulted in an increase in the number of conflicts to almost unmanageable proportions. The degree to which society deals with such disputes in creative, just, and direct ways may affect future levels of social violence."

The fascinating thing about this passage is the way it manages to be both selective and expansive at the same time. Why do the writers not include on their list of "conditions" such items as high taxes, zero-growth economics, regulatory strangulation, street crime, pornography, race/sex quotas, and forced busing? Why do they include only those problems which are thought by some (usually the liberals) to require more Federal activism rather than less? The list's selectivity pinpoints one of the fundamental problems with any government research academy: it will not bite the hand that feeds it.

On the other hand, why do the writers lump together so many different kinds of disagreements which one human being might have with another? There is no particularly good reason to do so unless one believes that conflict is unnatural to the human condition and can be banished through some exotic new blend of therapeutic and managerial techniques. Since this belief is totally founded on hope rather than experience, each of us is free to accept or reject it. I reject it.

The most frequent argument I have heard in favor of an official Peace Academy is also the most exasperating. It goes like this: the government spends a lot of money on the military, but relatively little on peace. If we really care about peace, we should give it a bigger share of the Federal budget.

Aside from the fact that this argument implicitly denies that our military spending is at least intended to help keep the peace, it reflects a fundamental misunderstanding as to who "we" are. "We," the American people, are not identical to the national government. We pursue many important and diverse goals through means other than Federal programs; in some areas, like education, we have learned the hard way that Federal programs do more to strangle than to promote creativity and progress.

If dollars are the measure, consider that in 1978 Americans spent more than $337 billion in international trade and tourism: three times the size of that year's defense budget. Most of that sum represented "spending for peace," and it was spent a lot more efficiently than it would have been under any conceivable government program.

If Peace Academy proponents really believe that the Federal government should have a monopoly on peace—or should stop having a monopoly on war—they should say so. If not, they should drop this whole line of argument. I am glad to see that the majority report does not use this argument; I wish it had explicitly repudiated it.

While I would be known as a hawk, not a dove in the modern concept of those terms, peace and pursuit of peaceful goals would be uppermost in my conscience. We all want peace. Americans have no apologies to make for our 200 year history when compared to any other nations in history. Most of us follow the thesis set out by John Adams who said something to the effect that he studied war so his sons could study politics and so his grandsons could study poetry and the classics.

The Commission majority has tried to anchor its proposal in the American heritage by citing numerous proposals, from the 1790's to the present, for an official "peace office" or "department of peace" in the Federal bureaucracy. (The 1783 quotation from George Washington is grotesquely distorted: Washington was actually recommending a peacetime militia, not a peace agency in the sense conveyed by the majority report.) All these proposals have had one striking element in common: they have always been rejected, no matter what faction or party was in power. Benjamin Banneker's 1792 essay actually lamented that neither the victorious Federalist not the anti-Federalist opposition seemed interested in the idea. Despite frequent repetition, the proposal has never been accepted by the mainstream of American political thinking.

A common thread seemed to go through the thinking of most of the individuals and groups who favor this Peace Academy. Indeed, one of the phenomena of this postwar era has been the fear that liberals seem to have about American power. I have no fear of American power because it is my sincere belief that it will continue to be exercised for good. History shows that power has always existed and someone has always had it—like it or not. There are no vacuums and with modern technology we will no longer have the safety margin of time and distance.

The only question we really have to ask ourselves is whether it is better for us to continue to possess the power to be the leader in the world to use it for principles which we clearly espouse or to relinquish that power to other forces who surely would not use it for the lofty goals and ideals which have been the American dream and the American reality. There is a guilt feeling among many Americans of the liberal persuasion who think we are too strong, too rich, too powerful. Some even argue, therefore, too dangerous to world peace. I cannot agree with them. The real dangers to world peace come from other quarters.

I cannot agree that Congress should embark on the Peace Academy route envisioned by my fellow commissioners. Years ago it became apparent to me that we should have some Freedom Academy, a place where Americanism can be taught and courses on communism made available to teachers, scholars, and other interested citizens. I would favor that before we embark on the course cited in this report. Even in a Freedom Academy, I would have difficulty in advocating the model set out by my fellow commissioners. I just can't trust Federal prime responsibility for such a venture, whether it be in the climate of a Carter or a Reagan administration.

If Congress should be so foolish as to create a Federal Peace Academy and even if it became a forum wherein its one foreign policy philosophy were identical to my own, I still would not welcome any such official favoritism. But more likely, the Peace Academy would soon become a haven for our Andrew Youngs, Ramsey Clarks, and others who believe that the way to make peace with the assorted ayatollahs and other titled bandits of today's world is to grovel.

The irony is that this "new" idea has already had its chance, has already been thoroughly tested and explored. For the last four years, an official Federal agency was dedicated to this very philosophy and embarked on this very experiment: the White House.●

PROPOSITION 13 AND THE CONSERVATIVE OPPORTUNITY SOCIETY

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 4, 1982

● Mr. GINGRICH. Mr. Speaker, what are the lessons we should learn from Proposition 13? The chairman of the College Republicans of Georgia, Ralph Reed, recently wrote an article about that. Ralph is a junior in the College of Arts and Sciences at the University of Georgia, and I wanted my colleagues to see his clear statement of the lessons we should learn:

RETURN POWER TO THE PEOPLE

(By Ralph Reed)

Whatever happened to Proposition 13?

Almost four years ago, it was passed by a two-to-one margin and property taxes for California homeowners were slashed by almost two-thirds.

Californians had watched helplessly as taxes on their households skyrocketed during the 1970s. By 1978, the average family was paying a $2000 government bounty to the government just in order to live in their own home!

To pay the high taxes, most families were forced to sacrifice in other vital areas: health care, savings for future plans and hopes of a college education for their children.

Many were even forced to sell their homes to pay off the government.

Nevertheless, liberal Democrats campaigned feverishly against the tax cut. Governor Jerry Brown called Proposition 13 a "consumer fraud." Liberal economists called it a false political gimmick that would destroy California's economy and deprive its citizens of essential services.

The voters ignored the liberals. They wanted to keep their homes.

And four years later, it is clear that the critics who adamantly defended the liberal welfare state were wrong.

There were temporary and transitional dislocations. Over 100,000 state and local government jobs were eliminated as a result of Proposition 13.

But the tax cut stimulated the creation of 552,000 new private sector jobs for any temporary displaced government workers.

Essential services like police and fire protection have been preserved and even upgraded. Many local governments have also privatized social services and garbage collection. Predictably, private and charitable organizations are providing better service more efficiently.

Most important, families and homeowners are once again financially secure. They are free from the confiscatory taxes that nearly destroyed their hopes for the future.

UCLA economist David Schulman readily admits his error: "I was one who predicted that California would fall into the ocean if the voters said 'yes' to Proposition 13. I waited after the election for the earthquake, and it didn't happen."

What did happen is what always occurs when taxes are cut and government quits trying to solve our problems for us.

California's economy has enjoyed explosive growth and rediscovered its job creating capacity. Personal income and creation of jobs now exceed the national average.

But the success of Proposition 13 is more than just a reaffirmation of the historical success of cutting taxes.

It is a prototypical transition from the liberal welfare state, with its confiscatory taxes and big government, to a conservative, opportunity society.

California voters demanded a conservative opportunity society long before the widely misunderstood Laffer curve became a household word.

Indeed, it is disturbing that the issue of tax relief has subsequently been clouded by an academic discussion of rival economic theories.

People don't care about economic theories. They just want to be allowed to keep what they earn.

Therefore, the compelling reason for cutting taxes is to shift power away from the liberal welfare state and back to the people where it belongs.

Such was the guiding spirit behind the fight for Proposition 13. It is this spirit that America must recapture as a nation.

The conservative opportunity society is based on the fundamental belief that people know how to spend their earnings better than the government does.

That is one belief that Californians—and all Americans—can find hope in.●

FOR NAZI SURVIVORS LATE REUNION

HON. MICKEY EDWARDS

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 4, 1982

● Mr. EDWARDS of Oklahoma. Mr. Speaker, in this spring season of renewal and remembrance it is indeed appropriate to recognize a miraculous event that took place three short months ago.

On January 30, of this year, after 39 years of separation, Harry "Chaim" Nagelsztajn and Manya Nagelsztajn Kornblit, brother and sister, were reunited in Newcastle-upon-Tyne, England. The reunion provided a fairy tale ending to nearly four decades of anguish and heartache for these two survivors of the Holocaust, each of whom lived half a lifetime believing the other had perished in Hitler's concentration camps.

On May 8, Harry Nagelsztajn and his wife, Cecilia, will arrive in Washington from their home in Newcastle to visit his new-found sister and her husband Majir—also a survivor—who reside in Ponca City, Okla. It will be the Nagelsztajns first visit to the United States, a trip no less marked by joy than was the Kornblits journey to England earlier this year, as illustrated in the press coverage of that reunion.

As that reunion, this trip is an occasion for the world to salute and to celebrate because that which was lost is now found. It is an affirmation of hope to people everywhere and a resounding blow to the expounders of despair.

Welcome, Harry and Cecilia. Welcome to life and to the United States.

Mr. Speaker, for the further information of my colleagues I insert in the RECORD at this point two newspaper articles concerning these survivors of the Holocaust:

[From the New York Times, Jan. 30, 1982]

FOR NAZI SURVIVORS, LATE REUNION

(By David Shribman)

WASHINGTON, Jan. 29.—Manya Nagelsztajn ran in one direction; her brother, Chaim, ran in the other. It was 1943 and a Gestapo squad had suddenly burst onto the streets of the Jewish ghetto of Hrubieszow, Poland.

Today, 39 years later, Manya Nagelsztajn, a survivor of Auschwitz, is flying to England. Her name is Manya Kornblit now and she is traveling to meet the brother who, until this week, she assumed had died in the Nazi Holocaust.

"I never thought I'd see him again," said Mrs. Kornblit, who settled with her husband, also a concentration camp survivor, in Ponca City, Okla.

Mrs. Kornblit, who now wears a Kennedy half-dollar and a Star of David around her neck, gave up her last hopes of finding her brother when she first arrived at Auschwitz in 1944. Another concentration camp prisoner told her that he had been taken away, presumably to his death.

JUST AN OFFHAND REMARK

Like many of the events that determined who would live and who would die in the concentration camps of Hitler's Europe, this impending reunion of brother and sister was a matter of caprice. It began, as did so many reunions in the first days after the end of the war, with an offhand remark made in the company of other survivors.

Early this month Mrs. Kornblit was sitting at a table in Haifa, remembering the war years. She reflected on the fact, as she saw it then, that she was the only one of her immediate family of nine to survive.

Then one of her cousins told her that he had received a letter from her brother in 1945.

"The day they opened up the electric fence and let me go out from the camp was the best thing that ever happened to me," said Mrs. Kornblit, who is 57 years old. "Finding out that Chaim was alive was the second best thing."

ASSIST FROM BRITISH EMBASSY

This weekend's reunion took nearly four decades to occur but, once under way, was arranged in less than a week. Within days her son Michael, a television producer here, had gone to the British Embassy and had located Chaim Nagelsztajn, in Newcastle.

She and her brother parted from the rest of their family in October 1942, hiding from the Nazis before being sent, along with thousands of others, on a journey from camp to camp through Europe. When she was told in Auschwitz that her brother had been sent away, she was sure he had perished.

"I figured he went to the gas chamber or the ovens," she said in an interview. "I was sure he was not alive."

In truth, her brother had been transferred out of Auschwitz and had moved through a number of camps before being liberated by American troops in Austria.

"I didn't think anyone survived," he said in a telephone interview from England today. "I knew that my parents, one brother and three sisters, had been shot. I thought the rest had died, too. I thought I was the only one who lived."

LIBERATED BY RUSSIAN TROOPS

Mrs. Kornblit remained in Auschwitz for six months and then was taken to another camp in Czechoslovakia, liberated by Russian troops in May 1945. Then she returned to Hrubieszow.

"I was hoping that maybe it was all a bad dream—that everyone would be there, the house, the family, everyone looking through the window waiting for me," she said. "It didn't happen that way. There was no one there."

She married Meyer Kornblit, her childhood sweetheart, and together they moved to the United States in 1950. Mr. Kornblit worked in a machine shop and a lumber yard before buying his own drive-in restaurant. Eventually he began an independent oil company.

Mrs. Kornblit has had a series of long trans-Atlantic telephone conversations with her brother in the short time since he was located. "I didn't recognize the voice. It's been so long," she said. "He has a British accent. He sounded so much older. Then I realized that he was older than he used to be." Chaim Nagelsztajn is 55 years old.

Her brother, a self-employed builder with four children and four grandchildren, plans a big reunion celebration.

[From the Sunday Times, Jan. 31, 1982]

ALIVE AND HAPPY: HARRY'S SISTER FROM AUSCHWITZ

(By Chris Tighe)

The last time Harry Nagelsztajn saw his sister Manya was in a Nazi concentration camp 39 years ago. But yesterday at Newcastle airport a short greeting in Polish was all that was needed to bridge the years.

For the two survivors of Auschwitz the impossible had happened. And words, particularly in their adopted language of English, could not describe how they felt.

Harry and Manya, who were born in Hrubieszow in Poland, were separated at Auschwitz. The last attempt by Harry to contact his sister was when he left food for her with another inmate. Until a few days ago each thought the other was among the millions of Jews who perished in the holocaust.

After being released by the Americans, Harry, now 56, came to England and made a new life on Tyneside, where he is a building contractor. He married an Englishwoman and raised their two sons and two daughters in Newcastle.

His sister, originally called Matel, emigrated after the war to Oklahoma with her Polish sweetheart, Meyer Kornblit, also a survivor of the concentration camp. Like Harry, they prospered, married and raised a family. Then their son Mike researching for a book about the Nagelszthan's history, became convinced his uncle was still alive.

Last month Manya, 58, and her husband visited a cousin in Israel and, when they were talking about members of the family who had been Auschwitz victims, the cousin suddenly recalled that he had heard from Harry after the war. He remembered the letter had said something about Newcastle.

That set Manya on the trail for her lost brother—and she found his name in the Newcastle telephone book.

Yesterday, just days after a transAtlantic phone call to Harry's home brought confirmation, brother and sister hugged each other in an emotional reunion at Newcastle airport.

All Harry's children and grandchildren were at the airport to greet their new-found relations. Manya flew in from Oklahoma, accompanied by here husband and Mike and his wife. The press was there in force too, ensuring that a moment of private happiness became a very public occassion. But brother and sister preserved a little privacy by their words of Polish before breaking into English.

The family held a champagne reception at the airport's hotel. "We have 40 years to catch up on," said Harry "All my life I thought I had no family."●

THE BANKS SQUEEZE ON SMALL BUSINESS

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 4, 1982

● Mr. LAFALCE. Mr. Speaker, we all know how small businesses are suffering today because of record high interest rates and sharply declining income. We see the grim results in business failure figures which are at the highest level since 1932, the nadir of the Great Depression.

Now we learn that small businesses are being squeezed even further as a growing number of banks have stopped lending to them. As we all know, small businesses rely almost exclusively on bank borrowing for capital. Any diminution in the amount of bank money available to small business has a devastating impact. This disturbing trend is highlighted in an article that appeared in the New York Times business section of April 25, 1982.

The article, written by Robert A. Bennett, reports that—

> Banks have been charging small business higher interest rates than big business. They have been raising the fees they charge for their services far beyond the general rise in prices. And some banks have been turning their backs on small business customers of many years.

The article continues:

> What's more, many small banks, themselves small businesses, are being gobbled up by bigger banks. As a result, the banks have been shedding the personal relationships that gave a small bank confidence in its borrowers.

Banks cannot allow this trend to continue. We rely on small businesses to produce the innovations that keep our economy productive and competitive. We rely on small businesses to create the millions of new jobs essential for putting our people back to work. The Nation's 15 million small businesses employ half of our work force, contribute half of the private gross national product, and constitute 98 percent of all American businesses.

How can we achieve a long-hoped-for economic recovery if we have a capital-starved small business sector? The simple answer is that we cannot. We cannot allow our small businesses to be squeezed any further financially and expect to see our economy rebound from the current deep recession.

The House Small Business Oversight Subcommittee, which I chair, held hearings last month on small businesses' borrowing problems. We examined how small businesses are being crowded out of bank lending by large corporations and high interest rates. We also focused on the Small Business Administration's guaranteed loan program and the important role it plays in making capital available to small business in the current economic climate.

It is not too much to say that the SBA-guaranteed loan program provides an essential safety net for small business. Unfortunately, the Reagan administration has proposed deep cuts in the SBA-guaranteed loan program that will effectively eliminate it as an aid to small business. These cuts come as loan guarantees are needed even more today to induce banks to lend to small businesses.

Following is the Times article:

HOW THE BANKS ARE SQUEEZING SMALL BUSINESS

(By Robert A. Bennett)

Many of the country's small businesses are recounting experiences similar to that of Utility Industries of Somerdale, N.J.

"If we borrow, it's two or three percentage points above the prime rate, while big companies borrow well below the prime," said Wiley J. Pickett, owner of the $500,000-a-year company, which makes devices to pull cables through conduits. "Not that I'm complaining about what big business gets. It's what small business doesn't get," Mr. Pickett added.

Then there's the kind of experience of another small company, Accurate Inventory Services in New York recounts. The company, which does inventory accounting for client retailers, had been doing business with the Chase Manhattan Bank for almost 20 years. But then Chase told the company to take its business elsewhere.

"They said they couldn't make enough money on a $25,000 loan," said Arnold S. Gerber, the Accurate Inventory's president. "They made no bones about it, they literally told me to go to another bank," Mr. Gerber said.

The Government says that of the 11 million businesses in the United States, 10.8 million are categorized as small, with fewer than 500 employees. They are called the backbone of the American economy, with good reason.

According to the Small Business Administration, these companies have generated more than half of the new product and service innovations developed since World War II. In addition, they employ about 50 million people, or half the nation's work force. Most of them rely on the nation's banks to provide them with the means to grow and the funds to ease them through the shoals of the economy's cycles.

Of late, many of these companies have found those relationships becoming increasingly uncomfortable. The banks have been charging small business higher interest rates than big business. They have been raising the fees they charge for their services far beyond the general rise of prices. And some banks have been turning their backs on their small-business customers of many years.

What's more, many small banks, themselves small businesses, are being gobbled up by bigger banks. As a result, the banks have been shedding the personal relationships that gave a small bank confidence in its borrowers.

The banks, for their part, say they have little choice. They note that many small banks have been forced to merge into larger banks because their costs were running far ahead of their small-town fees. At the same time, the small banks' own cost of money—what they pay on their deposits—has been soaring to keep deposits from fleeing town to high-yield money market funds and the like. No longer, therefore, can a small bank and a small business remain insulated from economic trends beyond their local community.

For their part, the banks say that dealing with small business is more time consuming, more costly and riskier than dealing with a General Electric or I.B.M. Banks contend they must either charge enough to cover their costs to make a profit, or shun business with small companies entirely, and different banks have taken different courses. The Bankers Trust Company, for example, has nearly stopped dealing with very small enterprises—mom and pop stores and the like. Others, by contrast, have geared up for this kind of business and are eagerly courting it.

"It's a very profitable marketplace for us," said Robert I. Lipp, senior executive vice president of the Chemical Bank, which has been particularly aggressive in seeking the business of small companies.

Courted or not, the credit situation at many small companies appears to be nearing a critical point—and for some bankrupt businesses, that point already has been reached. The fear, according to Milton D. Stewart, editor of Inc., a magazine for small business and head of the Small Business Administration under President Carter, is that the number of small-company bankruptcies will continue to soar as a result of the recession and high interest rates. New businesses have been forming at a health rate in recent years—but they have been collapsing at record rates as well.

According to the Small Business Administration, only one out of every three new companies with fewer than 20 workers survive more than four years, and fewer than one out of 10 survive a decade.

"Small business needs credit in place of equity," Mr. Stewart said. "How far can you stretch the rubber band?

High interest rates are a major problem, but a greater problem is the mere availability of credit, Mr. Stewart continued. And this problem is getting worse as small banks, which account for two-thirds of all credit to small business, are being swallowed by bigger banks.

To the average small-business man, the situation is confusing as well as difficult. He sees one bank raising rates and wooing him, and another pushing him out the door.

Jackie Kleiner, for example, an attorney in Atlanta who is suing several banks on behalf of small business, claims that by raising their fees "banks are showing they don't want these customers." But Mr. Kleiner also accuses the banks of charging small concerns so much that "the small: business community is subsidizing the big-business community."

Interviews with small companies around the United States turned up numerous complaints, but banks, citing the confidentiality of their relationships, usually would not discuss their relations with specific customers.

Many of the businessmen interviewed said that money isn't everything, even when it comes to banking. Often a businessman's relationship with his bank takes on a personal tone, making the small-business men reluctant to switch accounts.

Paul Heerema, chairman of the Heerema Company, a food-equipment distribution and refrigeration business in Haledon, N.J., recalled how his relationship changed after his local bank was taken over by a bigger bank—which he won't name, he said, because "I owe them money."

"It's not like it used to be," Mr. Heerema said. "We've just become a number," he said. "It's very impersonal. The people who make the decisions are 20 miles away.

The Heerema Company has sales of between $4 million and $5 million a year, and usually has about $30,000 in credit outstanding, paying a rate of one to one and a half percentage points above prime. "It has been worse in the past," he said.

In dealing with big banks, small businessmen complain of a lack of understanding. William H. Kelly, president of Bank and Office Interiors Inc. of Seattle, contends that the failure of the Seattle-First National Bank to comprehend his business was the reason his company switched its business to the First Interstate Bank of Washington.

Citing a study by the Stanford Research Institute, Mr. Kelly contended that his industry was rapidly expanding and changing. "We no longer can be a mom-and-pop type operation," he said. His company now has annual sales of about $20 million, and has been growing at a yearly rate of 15 to 20 percent, Mr. Kelly said.

At the same time, Mr. Kelly added, the basic character of his business is changing. The price of the employee work stations that he sells has soared to about $3,500 per unit, from only $500 to $700 five years ago. "That means we need more credit," he said.

Seattle-First National was unwilling to finance "what was mainly our in-process inventory," Mr. Kelly continued. Thus, he moved the company's account. Now, Mr. Kelly added, his credit needs are met—at one and a half percentage points above prime.

Mr. Pickett of Utility Industries, like many other small-business men, contends that "banks will only lend when you don't need it."

One of Mr. Pickett's biggest complaints is the difficulty he has in getting short-term loans so that he can get large discounts on materials by paying early. Too often, he said, his bank will not go along.

Mr. Pickett said he might consider going to an accounts-receivable or factoring company, which would lend against the security of either the goods produced or the purchasers' promises to pay. But he said such companies charge interest rates and fees that are so high they wipe out any potential benefits. Even with their high rates, banks still offer the lowest rates available to small business.

Meanwhile, bankers contend that it often takes a lot more time and effort to determine the creditworthiness of a small business than of a major corporation, and that often a lot more paperwork is involved, especially if the loan is guaranteed by the Small Business Administration.

In addition, the income earned on a small-business loan, even at a high rate, is tiny compared with that earned on a big loan. For example, if the prime rate is 16½ percent, and a bank makes a $50 million loan to a major company at two percentage points below the prime, the bank's annual gross annual income from that loan would be $7.25 million. But the gross income from a $100,000 loan at three percentage points above the prime would be only $19,500. Assuming that the cost of funds to the banks was 2½ percentage points below the prime, the net pretax yield to the bank on the big loan would have been $250,000, and on the small loan, $5,500. Yet, it might have taken more time and substantially more risk to make the $100,000 loan than it did to make the $50 million loan.

At the same time, banks are finding that the cost of services as well as loans have been rising, and, contend they have not been charging enough for nonlending services. Thus, there have been sharp increases in many fees.

Citibank is typical. Over the last three years, it has doubled many of the fees it charges the smallest of its business borrowers. If a company deposits a check in its Citibank account and the check bounces, Citibank charges the company $3, up from $1.50 three years ago. Similarly, it has doubled the charge for a stop-payment order, to $6 from $3; it has doubled the fee for each night deposit, to $1, from 50 cents; it has increased the penalty for overdrawn accounts to $7 from $5, and it has raised the price for each roll of wrapped coins to 10 cents, from 6 cents—a high price for retailers, for example, that do a heavy cash business.

But a company may not have to pay any such fees if it can maintain a high enough balance in its checking account. At Citibank, as long as a business keeps at least $1,000 on deposit, it gets a 15-cent credit for each $100, up from 10 cents in 1979. Thus, if the company's balance is large enough, it would not have to pay any direct fees for the services it uses.

The deposits are useful to banks because they are interest-free, and banks can make substantial profits by reinvesting them.

Without such balances, small companies, the banks contend, are expensive to service and the cost of servicing them has to be met either with interest-free balances or direct fees.

It appears that a major problem in the relationships between small-business men and their bankers is that these entrepreneurs do not fit easily into the corporate modes established by the banks. Banks like to set up neat categories so that they can mass produce financial services.

The banks expect them to maintain records similar to those of major corporations—a practice that most small-business men say they cannot do. What they want are personal relationships in which the banker understands the basics of the business.

Some banks in trying to build their small-business divisions, seem to be doing just the opposite of what the small-business men say they need.

Carl Gustavson, senior vice president in charge of Chase Manhattan's community bank division, said that last year the bank set up a special unit to deal with loan applications from small businesses. The applications are gathered at branches and sent to the special unit for approval.

"We recognize that small companies don't have the same kind of financial statements that big corporations do and that's why we set up the special unit, to concentrate our expertise," Mr. Gustavson said. But by moving the loan-application-approval process beyond the branches, it also separates the function from the businessman. Those banks that have efficiently geared up their small-business activities are enthusiastic about the field because, done properly, it can be more lucrative than lending to bigger companies with more bargaining power.

More than most banks, Chemical seems to have adjusted to the needs of small businesses.

"It all depends on personal relationships at the branch level," said Mr. Lipp. "It's a very personal sell."

Unlike most other large banks, Chemical's branch managers have the authority to make loans of up to $100,000 and they are paid bonuses for generating such business.

According to Mr. Lipp, this policy has more than doubled its small-business checking account deposits over the last five years, to $1.3 billion, from $800 million. If Chemical invested that extra $700 million of interest-free deposits at prime, now 16½ percent, it would increase the bank's pretax earnings by more than $115 million—significant even for a $45 billion institution.

BUILDING BANKING RELATIONSHIPS

Alan I. Rubin, owner of RCI Discount Appliances, which operates two stores on the Upper West Side of Manhattan, says he needs to build a close relationship with the banker who must decide on his loans. He says he needs someone who can understand his business. "I've been fighting with Citibank for years, and finally I'm getting somewhere," Mr. Rubin said. "I'm building a track record."

Mr. Rubin is one of the thousands upon thousands of small-business men who feel squeezed, but not necessarily ignored, by banks they've used for years.

A major problem facing Mr. Rubin is whether he can believe bankers who say they want his business. For example, Mr. Rubin said Chemical Bank had been courting his business aggressively for three years and, "from what they say, they seem to be more tuned in to the needs of the smaller business than Citibank."

But in actual practice, there remains some doubt. For each of the last three years, Mr. Rubin said he has had the opportunity to buy a number of air conditioners at an unusually low price—all he needed was the money. To Mr. Rubin, sales of the air conditioners "were virtually guaranteed" because of the hot weather and the price at which he could resell them.

Citibank saw it differently, however, and declined to lend RCI the money without collateral.

"In my discussions with Chemical, they said, 'We would help you in that kind of a situation,'" Mr. Rubin said. But, he continued, Chemical said it would make the loan only if it got all RCI's business, including its checking account, charge-card servicing and,

most important, a loan that RCI had from Citibank that was guaranteed by the Small Business Administration.

Chemical said, however, that it could not go to the S.B.A. merely to take a loan away from another bank, but that RCI would have to increase the loan. Until last year, Mr. Rubin was reluctant to do so, he said, because he would have had to have paid a 1 percent fee on the entire loan amount.

Last year, however, he agreed to switch to Chemical so long as the loan was approved. But Chemical never approved it, he said. And the reason at that time was not clear.

Earlier this year, Mr. Rubin returned to Chemical and discussed a non-S.B.A. loan, on which he would not have had to pay the 1 percent fee. RCI would have used the Chemical loan to repay the Citibank loan. "I was turned down again on the basis that Chemical doesn't take a loan away from another bank," Mr. Rubin said. Thus, Mr. Rubin is still struggling with Citibank. "I've had four loan officers in the last one and a half years and every time somebody else came in, I had to start all over," Mr. Rubin said.

But Mr. Rubin remains confident. "By next year," he said, "Citibank will understand me."

Big banks are wary of lending to small businesses because of:

Lower profits

How profits on small business loans compare with big business loans:	*Percent*
Higher	33
Lower	44
The same	17

Bigger losses

How write-offs of loans to small businesses compared with loans to big-businesses within the last year:	*Percent*
Higher	61
Lower	18
The same	15

Higher costs

How administrative costs of loans to small business compare with loans to big business, per dollar of loan:	*Percent*
Higher	95
Lower	4
The same	1

And they charge more for services.

Besides changing higher rates for loans, banks are raising other fees.

CITIBANK RATES TO SMALL BUSINESSES

	1979	1982
Overdrafts	$5.00	$7.00
Depositing a bad check	1.50	3.00
Stop payment order	3.00	6.00
Wrapped coins, per roll	.06	.10
Night deposits	.50	1.00
Cashing payroll checks per check	.45	.75

Source: Small Business Administration.●

THE ELDERLY

HON. BILL LOWERY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 4, 1982

● Mr. LOWERY of California. Mr. Speaker, young people often display wisdom beyond their years as illustrated in the following essays concerning the elderly, written by San Diego city school sixth grade students.

I applaud these students' efforts and call the attention of my colleagues to their fine work.

The San Diego essay contests follow:

CITY SCHOOLS—SIXTH GRADERS

[From San Diego Essay Contest, 1981]

FIRST, THE ELDERLY

(By Osmond A. Lindo, Phoebe Hearst School)

Old age can mean hardship or it can mean pride in one's past achievement. In every elderly person's mind there is wisdom. Wisdom of the past and wisdom of the present. They are both very important. But wisdom of the past corrects the mistakes of mankind while wisdom of the present may still have the mistakes of the past.

Now we ask ourselves, where can we get the teaching of the past? Then we give ourselves to computers. We say, "Computers, find our past," but everybody knows that there is nothing better than the human brain.

So the answer is hidden in the elderly and that is the answer for our job market because the elderly have learned from the past mistakes.

Now we ask ourselves, what should we do with the elderly? The answer is to put them back to work. The jobs that would be good for the elderly are: teacher or teacher's aide because they have had experience; ambassador or interpreter for they can learn another language quicker. In the physical world some are still capable of driving a truck.

But we must remember their health because some of them may be capable of doing two hours a day while others may be capable of doing three days a week.

I would like to see this happen for the good of the nation and the good of the elderly person. We must be working to develop a meaningful way to reemploy the elderly. There is an excessive amount of elderly people ready to work.

HONORABLE MENTION: WHAT WE SHOULD DO TO HELP ELDERLY PEOPLE

(By Todd Allen, Halecrest Elementary School)

Elderly people play a big role in our society. Some do jobs like babysitting and janitors. Other jobs are a little harder like lawyers and doctors, but most elderly people don't have any jobs at all. Old people have had the most experience in life. A lot of them are retired. They visit their grandchildren, read books and magazines, watch TV (though some don't like it at all), do arts and crafts, draw or sketch, take pictures and write books.

Some are involved in games such as golf, tennis, horseshoes, shuffle board, lawn bowling, checkers, bridge and cribbage.

There is a very high percentage of people over 65 who are retired or out of a job. Most old people are capable of one job or another that interests them. If competent and willing, perhaps the government would allow them to keep working. Everyone is good at something. Individuals should re-explore all of their possible talents and try to match them with available jobs.

They need to be self-confident; they need to feel important; they need a sense of worth and a sense of well-being. Old people should get a lot of respect from younger people. We should give them a lot of attention and acknowledge the special abilities they have.

HONORABLE MENTION: THE WHITE HOUSE CONFERENCE ON AGING

(By Laura Zucconi, Phoebe Hearst Elementary School)

The White House Conference on Aging has been brought to my attention. The conference is posing many questions about the senior citizens of our nation. Work and income are two important matters. Older people who would like to find work are restrained from their talents because of age. In large corporations workers are replaced with younger people for more speed and strength.

Older people's incomes are slowly deteriorating as prices and inflation go up. Hopefully these problems will be solved. The growing population of older people is demanding more and more every year.

Social Security is one problem with their income. Some people rely only upon social security. Senior citizens are the foundation of America. We should treat them better because of this. More and more they are told to retire at sixty-five or higher. This causes even more problems. In Japan the old are respected as the wise. We just shuffle the old people into special "Old People Homes." The government gives little support to these people. I know that this meeting will not solve all the problems but it should give some solutions for the near future. Let's hope this will be a stepping stone for the future.●

A BILL TO ESTABLISH OBJECTIVE CRITERIA AND PROCEDURES FOR CLOSING AND CONSOLIDATING WEATHER STATIONS

HON. VIRGINIA SMITH

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 4, 1982

● Mrs. SMITH of Nebraska. Mr. Speaker, because the executive branch has attempted to close at least 72 weather service stations over the past 5 fiscal years and because the Congress has refused adamantly to close any of them so far, I am today introducing a bill designed to establish objective criteria and procedures for closing and consolidating weather stations.

The purpose of the bill is not necessarily to close weather stations, but to prevent this issue from again becoming the cause of perennial uproar over which stations are to be closed first.

This bill is patterned directly upon the system the Congress adopted in 1977 for closing, consolidating, and opening new post offices. All of us remember when the mere whisper of changing Postal Service caused such furor in Washington that an impasse resulted.

Since passage of postal reforms, a total of 279 post offices have been closed, consolidated, or converted to community operation. Although the subject of post offices continues to be of deep and genuine concern, the fact is that the new system works without causing nearly as much anguish as formerly.

This bill would have the same effect with respect to the weather stations. Perhaps some should be closed, but I submit that Washington headquarters policymakers and scientists should not be the only ones to decide whether weather data provided in specific communities, such as in my State in Valentine, Nebr., is vital for saving the lives and property of the community. I submit that Washington policymakers do not really know which stations should be closed because there are no criteria except to select those stations that are most undermanned and underequipped. There is no test of need, no formal taking into account of outside experts, no public hearings, no proper notice. My bill would provide all these, and force the Government to take the views of the affected public directly and formally into consideration in determining which stations to close or consolidate or open.

The text of my bill follow:

H.R. 6269

A bill to establish objective criteria and procedures for closing and consolidating weather stations

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Section 1. The Secretary of Commerce (hereinafter in this Act referred to as the "Secretary") in making a determination as to the necessity for the closing or consolidation of any weather service office, shall provide adequate notice of his intention to close or consolidate such weather service office at least 60 days prior to the proposed date of such closing or consolidation to persons served by such weather service office to ensure that such persons will have an opportunity to present their views.

Sec. 2. (a) The Secretary, in making a determination whether or not to close or consolidate a weather service office, shall consider—

(1) the effect of such closing or consolidation on the community served by such weather service office;

(2) the effect of such closing or consolidation on employees of the National Weather Service employed at such office;

(3) the economic savings to the National Weather Service resulting from such closing or consolidation; and

(4) such other factors as the National Weather Service determines are necessary.

(b) In making a determination under subsection (a) the Secretary may hold such hearings as he deems necessary.

Sec. 3. Any determination of the Secretary to close or consolidate a weather service office shall be in writing and shall include the findings of the Secretary with respect to the considerations required to be made under section 2. Such determination and finding shall be made available to persons served by such weather service office.

Sec. 4. The Secretary shall take no action to close or consolidate a weather service office until 60 days after his written determination is made available to persons served by such weather service office.

Sec. 5. A determination of the Secretary to close or consolidate any weather service office may be appealed by any person served by such weather service office to the Federal Committee for Meteorological Services and Supporting Research (hereinafter in this Act referred to as the "Committee") within 30 days after such determination is made available to such person under section 3. The Committee shall review such determination on the basis of the record before the Secretary in the making of such determination. The Committee shall make a determination based upon such review no later than 120 days after receiving any apppeal under this section. The Committee shall set aside any determination, findings, and conclusions found to be—

(1) arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with the law;

(2) without observance of procedure required by law; or

(3) unsupported by substantial evidence on the record.

The Committee may afffirm the determination of the Secretary or order that the entire matter be returned for further consideration, but the Committee may not modify the determination of the Secretary. The Committee may suspend the effectiveness of the determination of the Secretary until the final disposition of the appeal.●

SENATE—*Wednesday, May 5, 1982*

(Legislative day of Tuesday, April 13, 1982)

The Senate met at 9:30 a.m., on the expiration of the recess, and was called to order by the President pro tempore (Mr. Thurmond).

PRAYER

The Chaplain, the Reverend Richard C. Halverson, LL.D., D.D., offered the following prayer:

Let us pray.

Our Father in Heaven, our hearts are heavy this morning. We see around us a very troubled world: International tensions in many places and within our borders growing distrust, cynicism, and anger. We recall the words of General MacArthur: "Military alliances, leagues of nations, all in turn have failed, leaving the only path to be by the crucible of war. The utter destructiveness of war now blots out that alternative. We have had our last chance! If we do not devise some more equitable system, Armageddon will be at our door! The problem is basically theological and involves a spiritual recrudescence * * *."

Lord of history and the nations, may we in this critical hour remember the spiritual roots from which our Nation grew. As our fathers before us in times of trouble turned to Thee, may we do likewise in humility, repentance and trust. Through Jesus Christ the Lord. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The majority leader is recognized.

Mr. BAKER. I thank the Chair.

THE JOURNAL

Mr. BAKER. Mr. President, I ask unanimous consent that the Journal of the proceedings of the Senate be approved to date.

The PRESIDENT pro tempore. Without objection, it is so ordered.

SENATE SCHEDULE

Mr. BAKER. Mr. President, after the recognition of the two leaders under the standing order, there are special orders in favor of six Senators for not to exceed 15 minutes each.

After the execution of the special orders there will be a period for the transaction of routine morning business to extend not past 11:30 a.m. in which Senators may speak for not more than 5 minutes each.

After the expiration of the time for transaction of routine morning business, the Senate will resume consideration of the pending business, which is the Department of Defense authorization bill, S. 2248.

I anticipate that the Senate will be in session until approximately 6 p.m. today.

Once again, Mr. President, may I say for the benefit of all of those who may hear or read these remarks that they should be on notice that Thursday will almost surely be a late evening. Thursday is our regular late night.

If we finish the DOD authorization bill on Thursday evening, and that now appears unlikely, then I will not ask the Senate to remain in session on Friday.

While the Senate has not been in session on Fridays for much of this year so far, Senators should be on notice that the leadership will request the Senate to convene on Friday morning for the purpose of further consideration of the Department of Defense authorization bill.

Mr. President, I have no further need for my time under the standing order. I was advised by the distinguished minority leader on last evening before the recess of the Senate over until today that the Senator from West Virginia (Mr. Robert C. Byrd) would not require the time allocated to him under the special order and that he wished to assign that time to the control of the distinguished senior Senator from West Virginia (Mr. Randolph).

I ask unanimous consent that the time allocated to the minority leader as described be transferred to the control of the senior Senator from West Virginia (Mr. Randolph).

The PRESIDING OFFICER (Mr. Warner). Without objection, it is so ordered.

Mr. RANDOLPH. I thank the majority leader very much.

Mr. President, I wish to be completely cooperative with the majority leader and the minority leader. I do understand our colleague from Wisconsin, Senator Proxmire, wishes a moment.

Mr. BAKER. Mr. President, the Senator from West Virginia is always cooperative. There is not a man in the Chamber who does that more regularly and with greater grace and skill than does the Senator from West Virginia.

Mr. President, I ask unanimous consent that the time allocated to the minority leader under the standing order be reserved for his further disposition during the course of this day.

The PRESIDING OFFICER. Without objection, it is so ordered.

(Later the following occurred:)

Mr. BAKER. Mr. President, I ask unanimous consent that the order for special orders be changed to recognize the distinguished Senator from West Virginia first, and to follow on in sequence thereafter as heretofore arranged.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I ask unanimous consent that at the conclusion of the remarks by the distinguished Senator from West Virginia that the distinguished Senator from Washington (Mr. Jackson) may be recognized on leader time, and that at the conclusion of his remarks, which now will be charged to me, that I be permitted to reserve the remainder of my leader time remaining until such time as the distinguished minority leader may utilize the time reserved for his use.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RANDOLPH. I know Senator Jackson as well as myself and others who knew Mr. Kaiser and wanted to speak of him appreciate the action of the majority leader.

(Conclusion of later proceedings.)

Mr. BAKER. Mr. President, I am prepared to yield to the Senator from Wisconsin. I see the Senator seeking recognition. Does he wish time?

Mr. PROXMIRE. I shall be very grateful for 2 minutes of the time of the Senator.

Mr. BAKER. I yield 2 minutes to the Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I thank the majority leader.

IS LIMITED NUCLEAR WAR A VIABLE STRATEGY?

Mr. PROXMIRE. Mr. President, over the past couple of weeks I have daily discussed a study by the CATO Institute by Katz and Osdoby of the consequences of a limited nuclear strike against the United States.

Today I bring to the attention of the Senate the conclusion of the study on whether such a limited nuclear war would constitute a viable strategy. Here is the way the study puts it:

> Would these effects be acceptable? Would events in the post-attack situation be controllable? Remember the critical criterion for acceptability, and thus control, is the perception that a benign military-oriented attack has taken place.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Since the point of comparison would be the pre-attack world, not a full scale nuclear war, it is unlikely that a limited nuclear attack would be perceived as benign. Instead, the effects are likely to be perceived as catastrophic and threatening. As a result, the attacked nation may be even more resistant to negotiating a resolution of whatever crisis triggered the attack.

In reality, the subtle differentiation made by military strategists between counterforce (military) and countervalue (economic/human) attacks may be politically, as well as militarily, meaningless.

WARSAW GHETTO UPRISING MARKED

Mr. PROXMIRE. Mr. President, April 19 was the 39th anniversary of the Warsaw ghetto uprising in which approximately 90,000 Jews were killed or captured by the Nazis. The ghetto revolt against Nazi occupation lasted 3 weeks.

According to the Boston Globe's April 20 edition, about 800 Poles gathered to observe the anniversary. The ceremony at the ghetto monument was brief and low key. Solemn drum rolls beat as eight wreaths were laid at the bronze monument by city officials, representatives of the Defense Ministry, and Jewish organizations.

An editorial in the official army newspaper Zolnierz Wolnowsci proclaimed:

> The fate of the Jewish community is an inseparable part of Polish history, the armed struggle in the Warsaw ghetto is an integral part of the struggle and martyrdom of the Polish nation, and the assistance to those who were doomed to destruction is a fine chapter of heroism and humanitarianism.

Mr. President, almost all of Poland's 3 million Jews died in World War II, victims of Hitler's "final solution." Recently, accusations of revived anti-Semitism in Poland have been made. I maintain that we must ratify the Genocide Treaty now, before yet another case of genocide is committed in the world. Eighty-five nations recognize that genocide is a matter of international as well as domestic concern. It is time for the United States to become a party to a treaty which declares genocide a crime punishable under international law.

During the five sets of Senate Foreign Relations Committee hearings held over the past 30 years, the value of the treaty has been attested to by scores of experts, including former Ambassador to the United Nations Charles Yost, former Associate Supreme Court Justice Arthur Goldberg, and several representatives of the American Bar Association. I call on my distinguished colleagues to ratify the Genocide Treaty now.

I thank the majority leader and I yield the floor.

RECOGNITION OF SENATOR RANDOLPH

The PRESIDING OFFICER. Under the previous order, the Senator from West Virginia (Mr. RANDOLPH) is recognized for not to exceed 15 minutes.

Mr. RANDOLPH. Mr. President, I ask unanimous consent that statements which will be made by other Senators on this same subject be printed in the RECORD following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

HENRY J. KAISER

Mr. RANDOLPH. Mr. President, we are now approaching another commemorative date which is very important to many Americans. We often recognize dates in the lives of public officials and private citizens. It is appropriate that we pause in this Chamber and remember a truly good and great man, a gallant leader who was born 100 years ago in this country. May 9 will mark the 100th anniversary of the birth of Henry J. Kaiser. His influence endures today as it endured at the time of his death 15 years ago. It will be felt throughout the country and even in many parts of the world for decades to come. Among those who read the record of Senate proceedings for today I hope there will be many younger people included who will read these words I speak for Henry J. Kaiser. I note that there are a number of younger people and school children in the gallery at this time. It is my hope also that these remarks will be understood by many who did not have the privilege, as I had, of knowing and working with him over a period of time.

I go from this Chamber to Ravenswood, W. Va. It is the month of May 1955. Henry J. Kaiser had come to that little community because he had selected it as the site for a Kaiser aluminum plant. In essence, he said as he announced the location of the plant that there were many sites that he could have used. There were areas with rivers perhaps deeper than the Ohio and places with valleys that were wider. But he came because he was a believer in the people of Ravenswood and Jackson County—people who wanted to cooperate, who would work together. I shall always cherish the memory of that evening in 1955.

Henry Kaiser's humanity, and his genius touched millions. He was a 20th century pioneer who managed to move mountains and erect them, and who at the same time enhanced the dignity and happiness of his fellow man.

There are words to describe him—humanitarian, industrialist, master-builder, but I feel I pay him the highest tribute in saying, above all else, he was a truly honorable man, who had the courage, the confidence, and the ability to meet the challenge of his dreams.

Mr. Kaiser was a large man, in stature, in talent, and in conscience. We know a man by his deeds, and Henry J. Kaiser's deeds, in size and number, are momentous. He changed the shape of our country not only by building dams, and bridges, and factories, which he did and did well, but by building people. His capacity to motivate, to inspire self-confidence in those who worked for him and with him enabled him to accomplish the feats for which he is famed.

Mr. Kaiser started from scratch. His father was a shoemaker, his mother a practical nurse, and he left school at the age of 12 to supplement the family's income. By the time he was 30 he had started a roadpaving business in the Pacific Northwest. He was an innovator. He found new ways to use the burgeoning technology of the time. He put rubber tires on wheelbarrows and increased production and worker morale. He hitched road scrapers to tractors instead of horses and finished jobs in record time.

He moved into dam construction with a group of heavy construction contractors—and helped build the giant dams—Hoover, Bonneville, and Grand Coulee. And, during the Second World War, he raised civilian armies of shipbuilders and set production records in building ships. He helped give our Nation the military equipment and the industrial spirit we needed for victory. His yards produced 27 percent of the total deadweight tonnage of the U.S. Maritime Commission's construction program, and all in record time.

But more remarkable than the giant dams and the speed with which he turned out ships, was his social conscience. He believed, and I quote Mr. Kaiser himself, that "any enterprise lives and grows in direct relation to the spirit of the people who compose it." He nurtured his workers' spirits. At Grand Coulee Dam, he established a prepaid health care program for workers and their families. He did this at a time when health care was not looked upon as a right, but as a privilege of the few who could afford it. This plan, Kaiser-Permanente, is now the world's largest privately sponsored medical care program, with over 4 million members.

After the war he turned his prodigious energies to reconverting the Nation's economy to peacetime production and prosperity. Believing that the function of the industrialist was to serve society, not to subject society to his service, he developed industries that were designed to raise the standard of living of all the American people. He set up a new aluminum producer, expanded his wartime steel mill, ventured into both automobile production and the new industry of

television, and established a huge residential community in the State of Hawaii.

Just as important as the ventures themselves was their demonstration of how labor and management can work harmoniously and fruitfully together if, as he said, "We work together, we shall win together."

His accomplishments loom large, but certainly no larger than the dreams and the visions of this man himself.

Henry J. Kaiser believed in his fellow person. In his words, "All these spiritual values within men—unconquerable forces like faith, will, vision, are what make deserts bloom, new industries rise and mankind move forward."

Yes, he was a great leader. It was his unconquerable faith, will, and vision that helped this Nation and mankind move forward.

Now, I give this closing thought. I spoke earlier of that night in May 1955. There alongside the Ohio River this man was announcing that a plant would be constructed. He quietly looked at everyone, this man of industry and business, and he said, "In each one of us there is the spark of God." Most people perhaps were not thinking that a man at such a meeting would make such remarks. He went on to say that this was something in which he believed very, very much.

He was coming to be with people and to work with people. This was his final quote by a poet unnamed:

> I sought to hear the voice of God
> And climbed the topmost steeple.
> But God declared "Go down again,
> I dwell among the people."

Henry Kaiser was a man of God, he dwelt among people. He helped people.

Now, as we commemorate the 100th anniversary of his birth in this Chamber and throughout America, and certainly on the west coast in programs later this week, we shall not pause just with nostalgia but with a memory that a great leader whose deeds should be recalled.

Mr. President, it is a privilege to join with Senators JACKSON and CHAFEE who are now in the Chamber, and with Senators LONG and MATSUNAGA in presenting this recognition of the accomplishments and life of Henry J. Kaiser. I ask unanimous consent on behalf of these Senators and myself that a biographical document on Mr. Kaiser be printed in the RECORD.

There being no objection, the document was ordered to be printed in the RECORD, as follows:

HENRY J. KAISER

Henry J. (John) Kaiser, born on May 9, 1882, was an industrialist with world-wide interests, a builder, and a founder of hospitals and a medical care program.

As an industrialist, Henry Kaiser was the founder of the affiliated Kaiser Companies. As a builder, he constructed roads,. dams, tunnels. ships and a dozen industries in a half-century. As the founder of a medical care program, he worked with partnerships of physicians, built hospitals and clinics, established a nursing school, and contributed to medical education.

Henry J. Kaiser was born on May 9, 1882 in a white frame farmhouse at Sprout Brook, New York, one of four children of Francis J. Kaiser, a shoemaker, and Mary Yops Kaiser, a practical nurse, both immigrants from Germany. He died in Honolulu, Hawaii, on August 24, 1967.

YOUNG KAISER BUILDS PHOTOGRAPHY BUSINESS

He left school at 13 to take a job at $1.50 a week as a cash boy in a drygoods store at Utica in upstate New York, and boosted his income by taking photographs after working hours. Despite lack of formal education, he always was learning. His restless, driving spirit was constantly seeking new ways of doing things. Later, the same drive challenged his managers, engineers, and other employees in daring projects and new ventures.

Young Henry Kaiser traveled as a photographic salesman in upper New York. At Lake Placid, New York, he offered a Mr. Brownell, owner of a photographic shop, to work for nothing on condition that if he doubled the business in a year, he would receive a half interest. He trebled the business, became a junior partner at 22, bought out the business a year later and added new stores at Daytona Beach and Miami, Florida, and Nassau. Outside his first store he placed a prophetic sign: "Meet the Man With a Smile".

BUILDING CAREER STARTS IN WEST

Deciding to stake his future with the West, he moved to Spokane, Washington, in 1906 and was hired by a hardware company, later becoming sales manager. He went into construction in 1912 as a salesman and manager of road paving contracts in Washington and British Columbia.

It was in 1914 that he established his first company—Henry J. Kaiser Company, Ltd.—at Vancouver, B.C., and the first job was to pave a road two miles long in the Canadian city. He was then 32.

During the next seven years, he continued road paving work in Washington, Idaho and British Columbia and created a new way of doing the job by replacing mules with machinery. Doing jobs in better and faster new ways became a Kaiser trademark, and he saved his men many back-breaking hours by putting pneumatic tires on wheelbarrows and diesel engines in bulldozers.

He won his first job in California by jumping off a moving train. He wanted to bid on the job of building a 30-mile road between Red Bluff and Redding in northern California, but the train didn't stop at Redding. When it slowed down to drop off the mail, Henry Kaiser jumped off. He won the contract and in 1921 established his headquarters in Oakland, where it continues today in the Kaiser Center.

On this first California job, Henry Kaiser demonstrated another of his trademarks—speed. At that time the average progress for paving a road was two miles a month. Henry Kaiser tied five scrapers to a tractor, instead of one to a team of horses, and completed one mile every week.

He moved into the sand and gravel business in 1923 while he was paving a road between Livermore and Pleasanton in California. The aggregate plant developed into one of the largest producers of aggregates in northern California. It was also Henry Kaiser's start in the business of mining and processing raw materials.

A CUBAN HIGHWAY LED TO WESTERN DAMS

The year 1927 was a turning point in Henry Kaiser's career when he went to Cuba to build a 200-mile, 500-bridge highway. It was a huge project for the young contractor, and the principle of teamwork learned on this job guided his future work. He conceived the joint venture concept that led to partnerships and associations of contractors for cooperative construction of projects too large for a single builder.

In Cuba, Henry Kaiser realized that a growing organization must develop its management from within itself. He went into the business of hiring young talent and training his future leaders—"building people" as he described it.

The Thirties was the era of the big dams—first Hoover, 726 feet high, then Bonneville and Grand Coulee on the Columbia River. Hoover Dam was constructed by a joint venture combine called Six Companies, Inc., of which Henry Kaiser was elected chairman of the executive committee. The dam was built in four years—two years ahead of schedule.

While the dams were being built, Kaiser's men were building piers for the world's longest bridge—the San Francisco-Oakland Bay Bridge, levees on the Mississippi River and pipelines in Kansas, Texas, Oklahoma, Arizona and Montana. Up to the start of World War II, Kaiser and associated firms built some 1,000 projects totaling $383 million.

Another dam started Henry Kaiser in his industrial era. Although he had no cement plant, he successfully bid to supply six million barrels of cement to build Shasta Dam in northern California at a saving of $1,683,866 under the next lowest bid. With the contract in hand, he built a cement plant at Permanente, California, in only seven months from start of construction to production. He also supplied 11 million tons of aggregates for the dam, and built a nine and one-half mile conveyor belt—then the world's longest—to transport the material through the mountains.

Today, Kaiser Cement Corporation is the largest cement company in the West.

SHIPBUILDING WINS WORLDWIDE RECOGNITION

In 1940 when the Allies desperately needed ships, Britain called on the Kaiser "know-how" at marshalling men and materials and contracted for Kaiser to build shipyards and 30 cargo ships. Thus began the shipbuilding program that won world-wide recognition.

At the peak of the shipbuilding era, Henry Kaiser and his associates operated 58 shipways at seven yards that built 1,490 ships during World War II—roughly 30 percent of the American production of merchant shipping in this period—plus 50 small aircraft carriers. The Kaiser shipyards established a reputation for speed, averaging one new ship a day and an aircraft carrier per week.

On November 15, 1942, the Robert E. Peary was launched—4 days and 15 hours after the keel was laid. The ship was complete with bath towels and sharpened pencils in the chart room. The Kaiser streamlined, mass production of ships was based on prefabrication of major units and assembly line fitting of the parts into the whole.

During World War II, Henry Kaiser also managed the largest artillery shell operation in the U.S. He built and operated two magnesium plants for the production of the light metal and "goop", the magnesium incendiary. He supplied all the bulk cement used by the United States to construct Pacific fortifications. He operated an aircraft and aircraft parts manufacturing plant, and joined with Howard Hughes in the development of the famous "Spruce Goose", a huge wooden flying ship that was proposed to replace and supplement Liberty ships in transporting troops and military supplies.

One acute problem for the World War II shipbuilder was the availability of steel ship plate in the West, so Henry Kaiser built his own steel plant at Fontana in southern California—the first fully rounded steel plant in the Western United States.

POSTWAR PERIOD LAUNCHES KAISER'S GREATEST GROWTH

During the war, Henry Kaiser looked to the future and studied the postwar needs. He was convinced that four essentials would be in great demand—metals, building materials, homes and automobiles. He anticipated a growth period needing steel, cement and sand and gravel, and he also saw promise in another material—aluminum.

In 1946, Henry Kaiser entered the aluminum business by leasing surplus plants from the War Assets Administration. Industry sources claimed that "aluminum will be running out of our ears"—so great had been the war-time expansion of capacity. One "expert" report listed 16 reasons why Kaiser's entry into aluminum was doomed to failure.

Within five years, Henry Kaiser and his team of energetic young managers were producing and marketing more aluminum than the entire U.S. annual output up to 1937, and in its first 20 years Kaiser Aluminum was destined to expand its capacity to approximately five times that pre-war level. How it was accomplished has been called one of America's greatest industrial success stories. Kaiser's constant search for new ideas anticipated the need for this light metal that would jump to 47 pounds per capita in 1966 from only 10 pounds in 1946.

MANUFACTURE OF AUTOMOBILES BECOMES WORLDWIDE

Believing his men, who produced ships faster and at lower cost than ever before, could make a contribution in the postwar production of automobiles, Henry Kaiser formed the Kaiser-Frazer Corporation in 1945. Starting from scratch, the auto manufacturing plant at Willow Run, Michigan, led the industry in producing the first all-new car since 1941. Pioneering the postwar styling, the new company overcame terrific shortages of materials in its first full year of operations. It produced its own engines, its own bodies, its own steering gears; it built a new dealer organization, and broke all records in the history of the industry for number of new cars produced by a starting company in a new plant.

Automobile manufacturing in the postwar period was an exceedingly competitive business. After 10 years of passenger car production in which 750,000 Kaiser cars rolled off the assembly line, Henry Kaiser withdrew from the passenger car market in the United States and concentrated on the production of the famous four-wheel-drive "Jeep" utility vehicles in this country and overseas. In the early Fifties, he started complete manufacturing facilities of motor vehicles in South America, establishing Willys-Overland do Brasil and Industrias Kaiser Argentina.

After moving to Hawaii in 1955, Henry Kaiser directly supervised the building of the 1,146-room Hawaiian Village Hotel (sold to Hilton); the Kaiser Foundation Medical Center; a $13½ million cement plant; radio and television broadcasting facilities (also sold), and the new community of Hawaii-Kai at Honolulu for an ultimate population of 60,000 residents.

Kaiser Broadcasting Corporation, which grew out of the Hawaiian facilities, developed UHF television stations in Detroit, Philadelphia, Boston, southern California, San Francisco and Cleveland, and FM radio stations in San Francisco and Boston.

HEALTH PLAN KAISER'S FAVORITE PROJECT

Closest to Henry Kaiser's heart has been the founding of the world's largest private initiative system of hospitals and prepaid medical care, the Kaiser-Permanente Medical Care Program.

Kaiser's opportunity to pioneer in health care financing and delivery came five decades ago when he was building pipelines and dams far removed from hospitals and doctors. The Medical Care Program evolved from the need to provide workers and their families with health care in remote areas of the west. The program was extended to shipyard workers during the war, and, by public demand, was subsequently opened to community enrollment.

AWARDS ACCLAIM HENRY KAISER'S ACHIEVEMENTS

Honorary doctorate degrees conferred upon Henry Kaiser include: Hobart College, Washington State College, Montana College of Mineral Science and Technology, University of Nevada, Marshall College, St. Mary's College and University of California.

He has been decorated with France's Legion of Honor, Chevalier. Awards include the New Orleans' Cunningham Award for contributions to advancement of Latin America; International Broadcast Free Enterprise Award, as "distinguished citizen exemplifying that free enterprise is the true foundation of a free world"; Humanitarian Distinguished Community Service Award of International Association of Machinists; Success Unlimited Philosophy of American Achievement Award; Jewish War Veterans of the U.S.A. Medal of Merit for "contribution to human relations in industry"; American Society of Travel Agents Award; and City of Oakland and Alameda County, California, Kaiser Day and Award for "inspiring contribution to community progress and growth".

Mr. JACKSON. Mr. President, I am honored to speak for the people of Washington in commemoration of the 100th anniversary of Henry J. Kaiser's birth.

A man of diverse interests and accomplishments, Mr. Kaiser left an enduring mark on the Pacific Northwest and its social and economic development. He started his business career as a small contractor in my native city of Everett, Wash. He built dams—Bonneville and Grand Coulee; he built ships at Vancouver and Portland; and he formed what was to become Kaiser Aluminum & Chemical Corp., at Spokane and Tacoma.

Each was a major undertaking; each had a major impact. But perhaps most significant was the establishment of the Kaiser-Permanente Medical Care Program, which had its genesis at Grand Coulee. In 1938, Mr. Kaiser was one of a group of contractors awarded the construction contract for the second phase of this giant dam. He was concerned about the lack of medical care for the thousands of workers who, with their families, were living at the remote damsite. He and his son, Edgar, who was born in Everett, enlisted the aid of Dr. Sidney Garfield, who had pioneered a prepaid health-care program for workers in another remote area of the West.

The Kaisers and Dr. Garfield created a similar program for the workers and their families at Grand Coulee. Thus, the prototype for the Kaiser-Permanente Medical Care Program came to life.

Later, when Mr. Kaiser started building ships to help the allied effort during World War II, he provided health care to his shipyard workers in Washington, Oregon, and California. At the peak of wartime ship production, the plan served the health-care needs of over 200,000 members.

One of the first hospitals in the system, which now includes 30 medical centers, was a 70-bed facility built in Vancouver during the war. The plan was opened to the general public when the war ended, and membership in the Kaiser-Permanente program today stands at more than 4 million.

The shipbuilding industry was an important component of the industrialization of the Northwest, drawing thousands of people to the area from all over the Nation. At the war's end, Henry Kaiser continued his commitment to Northwest development by entering into the aluminum business. He leased the Government-owned Mead and Trentwood aluminum plants in 1946 and in 1947 purchased the Tacoma reduction plant.

Skeptics claimed the Nation had no need for the aluminum production Mr. Kaiser was proposing. One "expert" report listed 16 reasons why Kaiser's entry into aluminum was doomed to failure. However, within 5 years, Kaiser Aluminum was producing and selling more aluminum than the entire U.S. annual output up to 1937.

Henry Kaiser was among the first to recognize the fantastic potential of the Pacific Northwest and to immerse himself in its development. He had no interest in being an observer; he was a doer—a man who regarded problems as opportunities and dreams as blueprints for accomplishment.

We the people of the Pacific Northwest—and many others in this and other countries—benefited from his vision, his optimism, and his boundless energy and sense of purpose.

Mr. President, I yield the floor.

Mr. CHAFEE addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. Mr. President, May 9 marks the 100th anniversary of the birth of an extraordinary American, as has been outlined already by the distinguished senior Senators from West

Virginia and from the State of Washington. Henry Kaiser was a man whose industrial and humanitarian endeavors benefited not only the people of this country, but people around the world.

The industrial, construction, and production accomplishments etched under Mr. Kaiser's name are numerous and diverse. But he did much more—such as extending medical care to the average man through the tools of private enterprise; providing this Nation a large portion of the military equipment and industrial spirit she needed during World War II; showing the world how U.S. money, men, and materials can work in full partnership with citizens of other countries; and inspiring youth to pursue their dreams and develop their full potential.

At this time, I would like to briefly focus on Henry Kaiser's industrial achievements during the Second World War—achievements that helped set this Nation's pace for victory.

It all started back in the late 1930's when Henry Kaiser, sponsoring an industrial consortium called the Six Companies, won a contract to provide Britain with 60 merchant vessels. Shipyards were opened in Richmond, Calif., and Portland, Oreg., to complete the work. With the U.S. mobilization came emergency U.S. shipbuilding programs and soon there were seven Kaiser-managed shipyards in California, Oregon, Washington, and in my own State of Rhode Island, where the Walsh-Kaiser yard was established.

In order to produce ships at the fast pace required for the war, Kaiser shipyards scrapped traditional building methods. Welding techniques largely replaced riveting—and this was a very dramatic departure from the established way of building ships—ships were prefabricated, sections were built and then assembled, and the yards became efficient assembly lines.

The Kaiser spirit and organization paid off in time and production. The first Liberty ship was completed in a record 226 days. But that record was quickly broken. Mr. President, listen to this extraordinary achievement: one ship, the *Robert E. Peary,* was constructed in 4 days and 15 hours—a complete Liberty ship was built in 4 days and 15 hours. There was nothing there in the way and 4 days and 15 hours later the ship was launched and ready to go. This record has never been approached since. At the height of World War II, vessels were being launched by the Kaiser shipyard at the rate of one per day.

Despite this pace, torpedo attacks were sinking the ships faster than they could be built. So the Navy turned to Mr. Kaiser to take on the task of building 50 small aircraft carriers. These baby flat tops, as they were called, were designed to lead convoys through submarine packs as well as protect them from air attacks. They established an amazing escort and combat record, prompting Sir Winston Churchill to declare that they turned the tide in the battle of the North Atlantic.

By his efforts, Henry Kaiser demonstrated that this country could achieve a level of industrial production not believed possible. Kaiser ships—of which there were about 1,500—were built in two-thirds of the time and at 25 percent less cost to the Government than the average of other shipyards.

While Henry Kaiser is rightfully remembered by many people for many reasons, I believe that his achievements during those war years—the enviable production records that his companies established—are particularly important for us to recall.

Thus, it is with great pride that I join in the commemoration of the 100th anniversary of the birth of this extraordinary American.

Mr. LONG. Mr. President, I wish to pay tribute to a man who was truly one of this century's most extraordinary industrial figures: Henry J. Kaiser.

May 9 marks the 100th anniversary of the birth of this remarkable man who has left the fruits of his labors throughout the world and especially in my State of Louisiana. At the time of his death in 1967, the various enterprises built on his dreams and aspirations were turning out nearly 300 different products and services in 190 plants and facilities located in 41 countries.

When Mr. Kaiser entered the aluminum business in Louisiana in 1946, he had 350 employees running a small plant in Baton Rouge where bauxite ore could be converted into alumina. Since that time, his aluminum company has built plants in Chalmette, Gramercy, and Norco, and today his aluminum plants and operations in Louisiana represent that corporation's largest employee base anywhere in the world.

But Henry Kaiser was more than an industrialist. He is described as a man larger than life who crammed many worthwhile lifetimes into his allotted years. Yet he had a singleness of purpose that enabled him to concentrate unswervingly on each of his hundreds of projects in his relentless drive to fill mankind's needs.

This is especially apparent in Louisiana, whose people and communities have reaped particular benefit from Henry Kaiser's legacy of building together. The employees of his aluminum company follow in his tradition of being vital community forces. They are deeply involved in working with and helping guide community, civic, and governmental endeavors.

A prime example of this company and community involvement was in 1965 when floodwaters caused by Hurricane Betsy devastated much of St. Bernard Parish. Following the hurricane, people from the Chalmette Works provided full-scale emergency relief, rescue assistance, clothing, food, medical aid, and shelter to some 4,000 people whose homes were flooded. These 4,000 neighbors are not likely to forget how one company's people followed in the spirit of their founder.

Kaiser Aluminum's economic impact on Louisiana is significant and has played a large role in Louisiana's healthy industrial climate. One example of this is the daily processes of oceangoing carriers which bring bauxite from the Kaiser operations on the island of Jamaica to Kaiser Aluminum plants at Baton Rouge and Gramercy. This "building together" approach with Jamaica is based on a full partnership with the people and government. Its success has resulted in lucrative trade for my State, and jobs, economic diversification, and foreign exchange earnings for Jamaica.

Henry Kaiser was an innovator, a visionary, a humanitarian, and one of the great industrial leaders who loomed larger than the enterprises they created. His presence is still felt in the State of Louisiana and throughout the world, and I am honored to speak for the people of Louisiana in commemorating the 100th anniversary of this great leader's birth.

Mr. MATSUNAGA. Mr. President, I am happy to join my dear friend, the senior Senator from West Virginia, (Mr. Randolph,) and others in honoring the memory of Henry J. Kaiser on the 100th anniversary of his birth.

Mr. Kaiser spent his last decade living and working in Hawaii, having gone to the islands in 1955 at the age of 71. Most men would have long completed their life's work by that age. Not so with Mr. Kaiser. In the evening of his life, he launched a whole new career, bringing about a new dawn in Hawaii's history at a time when Hawaii had not yet achieved the status of statehood.

I was privileged to befriend Mr. Kaiser in those days and he shared with me the secret of his success.

"Ever since my 28th birthday," he said, "I have never slept for more than 4 hours a day, I learned from my mother that if one values his life, he must value his time, for time is the stuff life is made of."

Henry J. Kaiser visualized Hawaii's natural potential as a vacation paradise long before most, and his vision bridged the barrier to equal opportunity then in place in Hawaii to include island residents of oriental and Polynesian descent. His strong confidence in himself and in those around him spurred all involved on to greater achievements.

Mr. Kaiser believed in Hawaii. His interest stimulated the economic and real estate development of the 1950's and 1960's. He personally supervised the building of the 1,146 room Hawaiian Village Hotel, the Kaiser-Permanente Medical Center, a $13.5 million cement plant, and radio and television broadcasting facilities. He also developed the huge residential community of Hawaii-Kai, often overseeing the construction crews as the project manager on site.

Today, the Kaiser Foundation Health Plan has over 120,000 members in Hawaii, and the Kaiser cement plant is now the largest in the islands. They are living memorials to Henry J. Kaiser. His love for mankind, his faith and his determination continue to inspire us. His dreams were on a grand scale, reaching beyond the present into the future. As his late son, Edgar, once said, "He made us play above our heads." The people of the Aloha State of Hawaii are richer and enjoy a quality of life because he lived and worked with us.

RECOGNITION OF SENATOR EAGLETON

The PRESIDING OFFICER. Under the previous order, the Senator from Missouri (Mr. Eagleton) is recognized for not to exceed 15 minutes.

S. 2486—WAYNE CRYTS' ORDEAL

Mr. EAGLETON. Mr. President, I want to bring to my colleagues' attention a very unfortunate situation that arose late last week in a Federal court in Little Rock, Ark.

A Missouri farmer, Wayne Cryts, was found to be in contempt of court and thrown in jail. The incarceration of Mr. Cryts, Mr. President, is the direct result of his efforts to bring to the attention of this body and the Nation the gross injustice that occurs to farmers who find themselves caught up in a grain warehouse bankruptcy.

Almost 2 years ago, Mr. Cryts and several other farmers who had simply contracted to store their grain in a local warehouse in Ristine, Mo., and who had valid warehouse receipts for their grain, suddenly found that in the eyes of the Federal Bankruptcy Court, the grain they had stored was not their grain at all, but an asset of the grain warehouse company to be attached by the court, held and used for settlement of all outstanding debts of that grain company.

Mr. President, as Mr. Cryts once explained the situation to me, it is as if you or I parked our car in a local garage only to come back later to find that the garage had gone bankrupt and the court had impounded the car as an asset of the garage. Except in Mr. Cryts' case, what was taken away from him was not merely his mode of transportation but virtually his whole year's production of soybeans.

Mr. Cryts reacted, as you might expect, with complete horror and resentment. With the help of his fellow farmers and acting contrary to the bankruptcy court's direction, Mr. Cryts removed an amount of soybeans from the warehouse in question equal to the amount for which he had warehouse receipts.

The contempt citation for which he has now been thrown in jail results from Mr. Cryts' refusal to name his accomplices for the court. Further, it appears that the judge will next turn to Mr. Cryts' wife and father in an attempt to get the information he seeks, and it appears that they, too, may eventually end up in jail.

Mr. President, I do not condone the actions Mr. Cryts took in this matter. But he is an honest man with an honest grievance. He is fighting desperately against an injustice that exists in our current laws. He is fighting to protect a basic property right that all Americans share.

The Senate has, on three separate occasions, passed legislation which would take a step toward correcting current bankruptcy laws. That legislation, unfortunately, is still languishing in the House Judiciary Committee. It is incumbent on the Congress to correct the inequity of the current bankruptcy law by giving final approval to this legislation as soon as possible.

In my opinion, Mr. President, simply amending the bankruptcy laws will not adequately protect farmers. Therefore, I am today introducing legislation which would go one step further. It authorizes the Secretary of Agriculture to purchase from any producer who finds himself caught up in a bankruptcy situation the quantity of grain such producer has stored in a bankrupt warehouse facility. Our agricultural marketing system is, in great part, built on the validity of the warehouse receipt and its reliability as proof of grain ownership. My legislation will strengthen the validity of that document for the farmer at least in the eyes of the Secretary of Agriculture by allowing the farmer to get the cash value of his grain out of a bankrupt warehouse.

Since under my proposal the Federal Government would be party to the bankruptcy settlement, the eventual cost of this amendment to the Federal Government would be modest. There is no question that the Federal Government can afford to wait out the bankruptcy proceedings far better than any individual farmer.

I call on the Agriculture Committee to take swift action on this proposal. As a result of the current depressed economic state of the American agricultural sector, the problem of warehouse bankruptcies is only likely to get worse in the near future.

I offered this bill in amendment form during consideration of the 1981 farm bill. Having been persuaded by my colleagues that there was little support for such a measure at that time, I withdrew the amendment. It is clear now that further action is necessary so that the Wayne Cryts' case is not repeated.

I ask unanimous consent that the text of the bill be made a part of the Record at this point along with recent editorials regarding the Cryts' case from the St. Louis Post-Dispatch and the Hannibal Courier-Post.

There being no objection, the bill and editorials were ordered to be printed in the Record, as follows:

S. 2486

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Agriculture and Food Act of 1981 is amended by inserting after section 1122 a new section as follows:

"AUTHORITY OF THE SECRETARY OF AGRICULTURE TO PURCHASE STORED COMMODITIES FROM PRODUCERS UNDER CERTAIN CIRCUMSTANCES

"Sec. 1123. (a) In any case in which a warehouse licensed under the United States Warehouse Act, or licensed under a State law comparable to such Act, as determined by the Secretary of Agriculture—

"(1) has filed a voluntary petition in bankruptcy,

"(2) has had an involuntary petition in bankruptcy, filed against it, or

"(3) is unable to release commodities in the possession of such warehouse because such warehouse has instituted, or has had instituted against it, under a State law proceedings relating to financial insolvency, the secretary may, at the request of a producer, purchase from such producer the quantity of any agricultural commodity stored by such producer in such warehouse if such commodity was produced by such producer and such producer has a valid warehouse receipt (or other valid document of title or ownership defined in regulations prescribed by the Secretary) for such commodity.

"(b) The price which the Secretary shall pay any producer under subsection (a) for any agricultural commodity shall be based upon the prevailing market price for the commodity on the day on which the petition in bankruptcy referred to in subsection (a) was filed or the day on which proceedings were instituted under State law, as the case may be, minus applicable storage charges.

"(c) If the Secretary purchases, pursuant to the authority of this section, any quantity of an agricultural commodity stored in a warehouse referred to in subsection (a) by a producer described in such subsection, the United States shall be subrogated to any right or claim that such producer or such producer's personal representative, successor, dependents, or survivors may have against such warehouse with respect to the commodity purchased by the Secretary.

"(d) The Secretary shall carry out the provisions of this section through the Commodity Credit Corporation.

"(e) The Secretary shall issue regulations to carry out this section not later than ninety days after the date of the enactment of this section."

[From the St. Louis Post-Dispatch, May 2, 1982]

Wayne Cryts' Ordeal

The jailing of Wayne Cryts for contempt of court may have been legal. But the summary treatment of the Puxico, Mo., farmer was not justice.

It is arbitrary punishment and retribution that Federal Bankruptcy Judge Charles Baker of Little Rock has been dealing out to Wayne Cryts, his family and his friends.

The ordeal began when an Arkansas-based chain of grain elevators went into bankruptcy and Wayne Cryts learned that the grain he had stored at an elevator near New Madrid, Mo., could not be removed and might be sold to meet the elevator's debts. His situation was analogous to a traveler who leaves his automobile in an airport parking lot only to return to find it on the auction block to settle debts run up by the parking lot owner.

Subsequently, farmer Cryts and a large group of his friends went beyond the law. They defied federal marshals and removed 31,000 bushels of grain from the elevator. However, when the matter was brought before a federal grand jury in St. Louis, the grand jury refused to hand down an indictment.

What is taking place in Judge Baker's Little Rock courtroom is a civil case that is designed to protect the interests of all the creditors of the bankrupt elevator chain. In an effort to identify all those who had a hand in removing the grain from the bankrupt elevator, and presumably make them jointly liable, Judge Baker has tried to force Wayne Cryts, his wife, his father and two other farmers to identify the others by granting them immunity from criminal prosecution.

Wayne Cryts was the first to refuse; and for doing so, Judge Baker has found him guilty of contempt of court and ordered him jailed for an indeterminate sentence. Apparently, everything the judge has done is technically within the law. But it is not just. It is harsh and excessive and wholly unnecessary to protect the legitimate interests of others—including other farmers—caught up in the elevator bankruptcy.

[From the Hannibal Courier-Post, Apr. 30, 1982]

Cryts Victim of the System

Puxico farmer Wayne Cryts is in jail today, a victim of the system he trusted to earn him a worker's living.

Cryts attracted nationwide attention last year when he removed his 31,000 bushels of soybeans from a Bernie grain elevator that had gone bankrupt. A federal judge had ordered the grain placed into receivership and sold to meet the elevator's debts. Cryts acted before the federal order could go through.

But is was for civil contempt that Cryts was jailed Wednesday when at a federal hearing in Arkansas he refused to answer the judge's questions about who helped him remove his grain. He has been imprisoned indefinitely in a jail in Russellville, Ark., and his wife, father and two others could be jailed too, if they continue to refuse to answer similar questions.

Before the James Brothers elevator in Bernie went bankrupt, Cryts was just a soybean farmer trying to make his investment in agriculture pay off. He took out an operating loan with a government agriculture service using the stored grain as collateral, so when the grain elevator went bankrupt Cryts risked defaulting on the loan as well as losing thousands of dollars worth of beans.

When the ordeal began, Cryts assumed that his warehouse receipts served as proof of ownership of the grain. Yet by some legal technicality, the bankruptcy judge was enabled to overrule the receipts and move to enact the sale of Cryts' hard earned harvest to help pay the James brothers' debts. Cryts saw what was happening, and stepped in to block it.

Crysts admittedly risked it all when he took the law into his own hands and removed his grain—selling it at a notably lower price per bushel than when it was seized by the government. But he did what any other man would do when facing the alternative of watching the government take possession of his property to pay another's debts.

When Cryts was in Hannibal in February speaking for the American Agriculture Movement, he was realistic about his chances of going to jail over the incident, but he remained stalwart in his convictions about doing what he felt was right. "It's something I accepted before I ever started the fight—I was willing to lose it all," he said. It looks as though he could.

Technicality may allow it, but something is amiss when the man who seeks to pay his debts goes to jail while the ones who defaulted in their business dealings go free.

What a shameful comment on the workings of the judicial process that a man like Cryts can be forced behind bars for trying to protect his investment and a way of life that is risky enough these days without the ultimate government intrusion.

By some kink in the system, Wayne Cryts and his family have been penalized for the delinquency of others. The question we have to ask is: If it can happen to Cryts, can it also happen to us?

RECOGNITION OF SENATOR LEAHY

The PRESIDING OFFICER. Under the previous order, the Senator from Vermont (Mr. Leahy) is recognized for not to exceed 15 minutes.

S. 2485—INNOVATIVE FARMING ACT OF 1982

Mr. LEAHY. Mr. President, I am introducing today a bill which, I think, may be one of the few positive and hopeful proposals in American agriculture this year, besides that of the distinguished Senator from Missouri, of course. There can be no doubt that our farmers are going through hard times. Farm income is low, production costs are high—and getting higher. Old programs are being abandoned, as are many of our Nation's farms. It is a time for a reassessment, for a critical analysis of the way we have always done things on the farm.

One area of great promise springs forth from our past, the proud independent tradition in farming which protected the land and respected self-sufficiency. This tradition has its home in Vermont, and I think it is time that the rest of the country caught on to it.

I am referring to the sensible farming practices of the past—crop rotation, intercropping, nonchemical pest, disease, and weed control. I am talking about what, in recent years, we have called "organic farming."

Mr. President, the Department of Agriculture issued a "Report and Recommendations on Organic Farming" in July of 1980 which indicated the practical potential of organic practices. According to recent testimony by the Director of Science and Education at the Department of Agriculture, there has been great interest in the report, with over 38,000 requests for copies, and it has been translated into three foreign languages. I ask unanimous consent that this Department of Agriculture testimony by made a part of the Congressional Record following my statement.

The PRESIDING OFFICER. Without objection, it is so ordered. (See exhibit 1.)

Mr. LEAHY. Mr. President, the growing interest in the cost-effectiveness of organic farming practices underscores the need for basic information in this area. I believe my bill will take advantage of the sizable amount of experience that we have had in Vermont and all over the country on our organic farms. It will test out the value of organic farming techniques to conventional farmers who are increasingly concerned about the high cost of energy, chemical fertilizers, and pesticides. There is a lot to be learned by all of us on new methods of soil improvement, production diversification, erosion control, and disease control.

This bill will establish a volunteer network of farmers who have had experience in the use of innovative organic farming techniques. These volunteers will provide farmer-to-farmer assistance working through the Agriculture Extension Service.

In addition to the volunteer effort, Mr. President, this bill authorizes research at six land-grant colleges to test the usefulness of organic farming practices for conventional farmers. I am convinced that there is a real future for transitional farming—for farmers who want to move away from chemical dependence—and this research will provide important information on the cost-effectiveness of crop rotation, the role of organic matter in soil productivity and erosion control, and the effectiveness of nonchemical weed, insect, and disease control.

Many farmers, looking for a more inexpensive and sustainable method of production, are interested in having information on these new alternative techniques. There is a need for practical demonstrations of proven research in this area as well as farmer-to-farmer advice on the merits of organic farming practices.

Mr. President, if we are to make progress in developing a truly independent American agriculture, independent from foreign energy or uncertain chemical supplies, the time to start is now. I urge my colleagues to join with me in this positive effort to provide new, self-sufficient techniques and opportunities for our farmers.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2485

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Innovative Farming Act of 1982".

PURPOSE

SEC. 2. It is the purpose of this Act to facilitate and promote the scientific investigation and understanding of methods of organic farming and to assists family farmers and other producers to use methods of organic farming to replace conventional chemical-intensive methods of farming. The purpose of this Act shall be achieved in a manner consistent with the family farm provisions of section 102 of the Food and Agriculture Act of 1977, as amended by the Agriculture and Food Act of 1981.

DEFINITIONS

SEC. 3. For purposes of this Act—

(1) the term "cooperative extension services" means the organizations established at the land-grant colleges and universities under the Smith-Lever Act of May 8, 1914 (38 Stat. 372-374, as amended; 7 U.S.C. 341-349), and section 209(b) of the Act of October 26, 1974 (88 Stat. 1428, as amended; D.C. Code, sec. 31-1719(b));

(2) the term "extension" means the informal education programs conducted in the States in cooperation with the Department of Agriculture;

(3) the term "land-grant colleges and universities" means those institutions eligible to receive funds under the Act of July 2, 1862 (12 Stat. 503-505, as amended: 7 U.S.C. 301-305, 307 and 308), or the Act of August 30, 1890 (26 Stat. 417-419, as amended; 7 U.S.C. 321-326 and 328), including the Tuskegee Institute;

(4) the term "Secretary" means the Secretary of Agriculture; and

(5) the term "organic farming" means a production system that avoids or largely excludes the use of synthetically compounded fertilizers, pesticides, growth regulators, and livestock feed additives. To the maximum extent feasible, organic farming systems rely upon crop rotation, crop residues, animal manures, legumes, green manures, off-farm organic wastes, mechanical cultivation, mineral-bearing rocks, and aspects of biological pest control to maintain soil productivity and tilth, to supply plant nutrients, and to control insects, weeds and other pests.

VOLUNTEER PROGRAM

SEC. 4. (a) The Secretary shall recruit, select, train and use volunteers who have expertise in organic farming to advise family farmers and other producers who wish to make a transition to organic farming methods.

(b) While performing activities authorized under subsection (a) of this section, a volunteer shall not be considered a Federal employee except for the purposes of sections 2671 through 2680 of title 28, United States Code (relating to compensation for injury).

(c) The Secretary may reimburse volunteers only for such necessary out-of-pocket expenses incident to their provision of services under this Act as the Secretary may prescribe and, while they are providing such services away from their homes or regular places of business, for travel expenses (including per diem in lieu of subsistence) as authorized under section 5703 of title 5, United States Code, for individuals serving without pay.

(d) The Secretary shall make available to volunteers, at local offices of the Cooperative Extension Service, office facilities, supplies, materials, and other related services that the Secretary deems appropriate to assist volunteers in performing activities authorized under this subsection (a) of this section.

PILOT PROJECTS

SEC. 5. (a) The Secretary shall establish six pilot projects (taking into consideration the report and recommendations on organic farming made by United States Department of Agriculture in July 1980, and giving particular emphasis to implications for the family farm) to—

(1) develop and present scientific information on legume-based crop rotation, green manure crops, animal manures, soil acidity and liming in relation to nutrient release, intercropping, the use of organic matter to improve soil productivity and for erosion control, and nonchemical weed, insect, and disease control; and

(2) investigate soil, crop, weed, and insect management problems inherent in making the transition from conventional chemical-intensive methods of farming to methods of organic farming.

(b) The pilot programs established under subsection (a) of this section shall be carried out through agreements with six land-grant colleges or universities, each located in and representing a different geographical region of the United States.

ADDITIONAL DUTIES OF SECRETARY WITH RESPECT TO ORGANIC FARMING

SEC. 6. (a) The Secretary shall—

(1) assist land-grant colleges and universities in designing pilot extension projects to serve specific regional organic farming needs;

(2) by January 1, 1984, make available to the public, through local offices of the Cooperative Extension Service, existing information on organic farming, including, but not limited to, information on the items set forth in section 5(a)(1) of this Act;

(3) make available to the public; through local offices of the Cooperative Extension Service, information developed through implementation of the pilot projects established under section 5(a) of this Act;

(4) obtain and maintain demographic information regarding procedures engaged in organic farming;

(5) identify problems and needs of family farmers and other producers engaged in organic farming, with respect to information, support, and incentive programs related to organic farming;

(6) identify marketing and distribution problems and needs of producers engaged in organic farming who operate family farms; and

(7) identify public policy issues that relate to or affect organic farming.

(b) The Secretary may designate the Assistant Secretary of Agriculture who performs the duties necessary to carry out the National Agricultural Research, Extension, and Teaching Policy Act of 1977 to perform to the Secretary's functions under this section.

REPORT TO CONGRESS

SEC. 7. The Secretary shall submit to Congress by December 31 of each year—

(1) a report on the volunteer program established under section 4 of this Act; and

(2) a report describing the activities and projects related to organic farming research and extension in which the Department of Agriculture participated in each fiscal year, and including proposals for legislation and funding necessary to address needs indentified in the report.

AUTHORIZATION OF APPROPRIATIONS FOR RESEARCH ACTIVITIES

SEC. 8. Section 1463(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3311(a)) is amended by inserting "and for the purpose of carrying out research activities under the Innovative Farming Act of 1982," immediately before "$505,000,000".

EFFECTIVE DATE

SEC. 9. This Act shall become effective October 1, 1983.

EXHIBIT NO. 1

STATEMENT OF DR. ANSON R. BERTRAND

Mr. Chairman and Members of the Subcommittee, it is a pleasure to appear before you today. I am accompanied by Dr. Garth Youngberg, a member of the Science and Education Policy and Coordination Staff. Since the publication of the "USDA Report and Recommendations on Organic Farming" in July of 1980, Dr. Youngberg has devoted a majority of his time and effort to providing liaison and lines of communication between the Department, universities, organic farmers, organic producer groups, agricultural policymakers and scientists, and conventional farmers who are now beginning to evidence some interest in the broad topic of alternative agriculture. As you pointed out, Mr. Chairman, in your letter of March 22 to Secretary Block, there is a great deal of interest throughout the United States, and in many other countries, in the topic of organic farming. The 1980 USDA Report on organic farming has been widely distributed. It has also been translated into three foreign languages. Dr. Youngberg and I are delighted to have this opportunity to discuss the Department's ongoing activities in this area and to answer any questions that you may have about these activities or our future plans.

Let me begin my testimony with a brief review of our activities related to organic farming since the publication of the 1980 USDA Report. I will then relate these efforts to your questions regarding how a USDA research program in the area of organic farming might contribute to the needs of conventional agriculture. My formal remarks will conclude with a brief statement regarding our progress in responding to Section 1402, subpart (10)(D)(v) of Title XIV of the 1981 farm bill.

First, I will highlight our policy, organizational and planning efforts in this area. As I mentioned earlier, Dr. Garth Youngberg was appointd on June 1, 1980, as the Science and Education Coordinator for organic

farming. The establishment of a coordinator position was called for in the USDA Report. A focal point for coordination and planning within Science and Education was necessary to respond adequately to the diverse interest around the country in organic agriculture.

Since the summer of 1980, much of Dr. Youngberg's effort has been devoted to responding to requests for information (roughly 2,000 written requests and countless telephone calls), and invitations to speak to various producer, university, government, and professional organizations and to two international organic farming symposia about organic farming and the Department's plans.

Our coordination and planning activities have not been totally reactive in nature. For example, during the summer of 1980, a 10-member "Organic Farming Coordinating Committee," composed of USDA scientists and other specialists, was appointed. Dr. Youngberg chairs that Committee. We have also worked closely with local officials in organizing four regional conferences on organic farming during 1980. These locally conceived and hosted conferences were held at Durham, New Hampshire; Sacramento, California; Seattle, Washington; and Lincoln, Nebraska; primarily for the purpose of discussing the content and implications of the USDA Report. In all cases, the audience consisted primarily of university-based agricultural scientists and extension workers, as well as a sprinkling of State officials, producer organizations, and government agency representatives. As a result of this effort, we learned a great deal about the opportunities and obstacles associated with the development of a coordinated program of organic farming research and education. These conferences were, for the most part, dispassionate and objective discussions of legitimate scientific questions revolving around organic farming.

Partly as a result of these conferences, our Coordinating Committee is now in the process of developing a long-range plan for research and education in biological farming. In addition to that effort, Dr. Youngberg is developing a section on alternative agriculture for the Agricultural Research Service long-range strategic plan. Dr. Youngberg has authored or co-authored several scientific papers on organic farming. Co-authors with Dr. Youngberg are Dr. Robert I. Papendick, ARS Soil Scientist and Research Leader at Washington State University, and Chairman of the USDA Study Team on Organic Farming; Dr. James F. Farr, Chief, Biological Waste Management and Organic Resources Laboratory, Beltsville, Maryland; and Professor Frederick H. Buttel of Cornell University.

As result of these and other experiences, including the knowledge gained during the research and preparation of the 1980 USDA Report, we now feel that we have a much clearer understanding of the potential contributions (and limitations) of organic farming systems research for U.S. agriculture. I will now briefly summarize some of the more important potential contributions.

1. REDUCED OPERATING COSTS

Because organic farming either avoid or largely exclude the use of energy intensive agrichemicals in their farming operations, these aspects of their production costs are considerably lower than those associated with conventional farming systems which often rely heavily upon such inputs. Although the legume based crop rotations which are found on most organic farms do reduce the acreage available for cash crops such as corn and soybeans, the net farm income resulting from reduced input costs is quite often comparable to the net income of conventional farmers. As the costs of energy intensive production inputs continue to rise in the future, we suspect that more and more farmers will be interested in the potential role of various organic type technologies in helping them reduce the costs of production. Recently, for example, the organizers of the University of Nebraska's August 1981 Organic Agriculture Field Day were astonished that approximately 110 of the 150 persons who attended that event were conventional farmers who were interested in how organic farming concepts and technologies might be incorporated into their farming operations to help lower production costs.

2. EROSION CONTROL

As the costs of conventional erosion control technologies rise, certain soil erosion control benefits associated with organic farming practices may become increasingly attractive to the conventional farming community. For example, organic farmers utilize such effective soil erosion control methods as grass, legume, and small grain crops in their crop rotation systems thus reducing the percentage of erosion-prone row crops in their cropping systems. Organic farming systems also emphasize the use of green manure and cover crops, the application of animal manure and other organic materials, and tillage methods that keep crop residues and organic matter near the soil surface. These practices help reduce soil erosion and increase water infiltration.

3. ENVIRONMENTAL PROTECTION

There is continuing concern about the adverse effects on environmental quality caused by increased soil erosion, plant nutrient and pesticide runoff, and the leaching of these materials into underground water supplies. Organic agriculture may offer at least partial solutions to some of these problems. For example, improved soil physical characteristics and increased microbial activity caused by high levels of soil microbes and soil organic matter, not only reduce soil erosion, they also decrease nutrient and pesticide runoff. Potential pollution hazards caused by excessive fertilization are minimized under organic farming fertility management which is characterized by the use of nutrient sources (e.g., animal manures, green manures, cover crops, crop rotations, etc.) that, when properly managed, are less susceptible to loss, through runoff and leaching, even when applied in large amounts. Reduced exposure to chemical pesticides may also enhance human and animal health.

4. INDEPENDENCE AND SUSTAINABILITY

There is increasing concern about the long-term sustainability and security of our food and fiber production system. While soil erosion, decreasing soil fertility, and high cost petroleum based agrichemicals are the most frequently mentioned concerns, it is perhaps the uncertainty of petroleum supplies that poses the most serious threat, at least in the short-term, to conventional methods of agricultural production. The spectre of an OPEC-type cartel in control of such vital crop nutrient sources as phosphorous and potassium is also disquieting. In this regard, the largely self-sustaining nutrient recycling systems typical of organic agriculture may offer a measure of independence to the American farmer while simultaneously contributing to the long-term sustainability of the American food supply.

Despite these potential advantages, it is clear that most American farmers, particularly in the short-term, will continue to rely heavily upon conventional methods of food and fiber production. There is a host of reasons for this, many of which are discussed in the USDA Report. In general, the major obstacles to the wide-scale adoption of organic farming methods revolve around the issues of farm structure and the financial and entrepreneurial situations of the individual farmer.

You asked about the research activities that the Department has begun, or intends to initiate, in response to Section 1402, subpart (10)(D)(v) of Title XIV of the 1981 farm bill. While no interdisciplinary research projects have been started since the passage of the farm bill, we do have several ongoing programs that relate to the needs of organic systems. A few examples of those programs are the effects of nitrogen cycling and utilization on crop production, the use of municipal organic wastes on croplands, the effects of soil fertility and soil tilth on the production of economic crops, the use of animal manures as a source of plant nutrients, the development of pest resistant plants, biological pest control techniques, and the effects of organic matter on the growth and survival of soil borne plant pathogens.

When the Nation is experiencing economic problems as it does now, there is even more reason to exercise management restraint in initiating or expanding new activities such as organic farming. We have underway an organic farming planning effort. Until our planning efforts are complete, it would be difficult and perhaps premature to launch any major new projects. Also, it should be noted that Dr. Youngberg's staff duties and responsibilities have been expanded in recent months due to a major reduction in the size of the Science and Education Program coordination staff. He is now addressing a broader range of Science and Education issues. He will still be devoting approximately one-half of his time to efforts in the area of organic agriculture. This will, however, reduce our planning and coordination capacity in this area.

I am glad to report that we recently did begin a project designed to inventory and assess existing extension materials and other research reports that have some relevance to the informational needs of organic farmers. This project was made possible by a grant from The Brice Institute, a private, nonprofit research and education foundation in Pennsylvania devoted to the advancement of alternative agriculture.

Mr. Chairman, this concludes my prepared statement. Dr. Youngberg and I will be pleased to answer any questions you may have.

Mr. LEAHY. Mr. President, I ask that my bill be appropriately referred.

The PRESIDING OFFICER. Without objection, the bill will be received and appropriately referred.

Mr. LEAHY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. WALLOP. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

THE DEFENSE INTELLIGENCE AGENCY PERSONNEL MANAGEMENT IMPROVEMENT ACT OF 1982

Mr. **WALLOP.** Mr. President, on behalf of the Senate Select Committee on Intelligence I am sending an original bill to the desk entitled "The Defense Intelligence Agency Personnel Management Improvement Act of 1982," and I ask unanimous consent that the Senate proceed to the immediate consideration of this bill.

The **PRESIDING OFFICER.** The clerk will state the bill by title.

The assistant legislative clerk read as follows:

A bill (S. 2488) to strengthen and improve the management of civilian personnel within the Defense Intelligence Agency.

The **PRESIDING OFFICER.** The Chair inquires is there objection to the unanimous-consent request?

Mr. **ROBERT C. BYRD.** Mr. President, there is no objection.

The Senate proceeded to the consideration of the bill which was deemed to have been read the second time by title.

Mr. **WALLOP.** Mr. President, on behalf of the Select Committee on Intelligence I am today reporting to the Senate an original bill, the Defense Intelligence Agency Personnel Management Improvement Act of 1982. The purpose of this bill is to strengthen and improve the management of civilian personnel within the Defense Intelligence Agency.

The provisions of this bill were enacted last year by the Senate as part of title VI of S. 1127, the Intelligence Authorization Act for Fiscal Year 1982. Unfortunately, the House version of the Intelligence Authorization Act for Fiscal Year 1982 contained no similar provisions; and the conference committee deleted these portions of title VI of S. 1127 because the House conferees insisted that the proposals required further consideration by appropriate House committees.

These provisions are designed to give DIA the same flexibility on personnel matters that is currently available to the CIA and NSA under applicable statutes. This is accomplished by exempting DIA from standard civil service classification provisions and certain disclosure requirements, and by authorizing the Secretary of Defense to terminate the employment of DIA civilian personnel when necessary or advisable in the interests of the United States.

The Intelligence Committee stated in its report last May, and reiterates in the report on this bill, that DIA has been significantly handicapped in its ability to recruit and reward outstanding analysts and other intelligence specialists and otherwise to operate an equally effective civilian personnel system. If the benefits of "competitive analysis," a concept which both the administration and the select committee strongly support, are to be realized, it is imperative that DIA have analytical capabilities comparable to its sister agencies.

The Select Committee on Intelligence believes that this bill will enhance DIA's capabilities to attract and retain high-quality personnel in competition with other intelligence agencies. It will provide much needed personnel management flexibility in establishing civilian positions, compensating personnel based on individual capabilities, and insuring timely availability of high-quality personnel to meet intelligence requirements as the need arises. By exempting DIA from certain Government-wide disclosure requirements, the personnel system will function in a more effective manner that protects national security information. Finally, DIA will be able to make better use of authorized manpower with the authority given the Secretary of Defense to terminate employees whose performance is determined to be unacceptable.

In combination with the provisions already enacted in the Intelligence Authorization Act for Fiscal Year 1982, this bill will correct the statutory imbalance among personnel systems of principal agencies in the intelligence community. The Select Committee on Intelligence strongly urges the Senate's support in prompt enactment of this important legislation.

The **PRESIDING OFFICER.** The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time and passed as follows:

S. 2488

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Defense Intelligence Agency Personnel Management Improvement Act of 1982."

SEC. 2. (a) Chapter 83 of title 10, United States Code, is amended by adding at the end thereof the following new section:

"§ 1604. Civilian personnel management

"(a) The Secretary of Defense may, without regard to the provisions of title 5 relating to the establishment of (and appointment to) positions in the civil service—

"(1) establish such positions for civilian officers and employees in the Defense Intelligence Agency as may be necessary to carry out the functions of such Agency, and

"(2) appoint individuals to such positions.

"(b) The Secretary of Defense shall fix the rates of basic pay for positions established under subsection (a) in relation to the rates of basic pay contained in the General Schedule under section 5332 of title 5 for positions subject to such Schedule which have corresponding levels of duties and responsibilities. Except for positions in the Senior Defense Intelligence Executive Service, no officer or employee of the Defense Intelligence Agency may be paid basic compensation at a rate in excess of the highest rate of basic pay contained in such General Schedule.

"(c) The Secretary of Defense is authorized, consistent with section 5341 of title 5, to adopt such provisions of such title as provide for prevailing rate systems of basic pay and to apply such provisions to positions in or under which the Defense Intelligence Agency may employ individuals described by section 5342(a)(A) of such title.

"(d) In addition to the basic compensation payable under subsection (b), officers and employees of the Defense Intelligence Agency who are citizens or nationals of the United States may be granted compensation, in accordance with regulations prescribed by the Secretary of Defense, not in excess of an allowance authorized to be paid by section 5041(a) of title 5 for employees whose rates of basic pay are fixed by statute.

"(e) Nothing in this section or any other law may be construed to require the disclosure of the organization or any function of the Defense Intelligence Agency or of the names, titles, salaries, or number of the persons employed by such Agency, except for information required by the Congress in its consideration of legislation to authorize appropriations or appropriate funds for the Defense Intelligence Agency and except for information required to be disclosed pursuant to section 501 of the National Security Act of 1947.

"(f)(1) Notwithstanding any other provision of law, the Secretary of Defense may terminate the employment of any civilian officer or employee of the Defense Intelligence Agency whenever he deems such termination necessary or advisable in the interests of the United States.

"(2) Any termination of employment under this subsection shall not affect the right of the officer or employee involved to seek or accept employment with any other department or agency of the United States if he is declared eligible for such employment by the Office of Personnel Management.

"(3) The Secretary of Defense may delegate authority under this subsection only to the Deputy Secretary of Defense and the Director of the Defense Intelligence Agency. An action to terminate any civilian officer or employee by either such officer shall be appealable to the Secretary of Defense.".

(b) The table of sections at the beginning of chapter 83 of title 10, United States Code, is amended by adding after the item relating to section 1603 the following new item: "1604. Civilian personnel management.".

Mr. **WALLOP.** Mr. President, I move to reconsider the vote by which the bill was passed, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. **WALLOP.** Mr. President, I ask unanimous consent that a general statement and a section-by-section analysis of the bill be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

GENERAL STATEMENT

During its hearings on the Intelligence Authorization Act for Fiscal Year 1982, the Select Committee considered the personnel management systems of three major components of the United States Intelligence Community—CIA, the National Security Agency, and the Defense Intelligence Agency—and their impact on the quality of intelligence analysis. It was evident from this review that the Defense Intelligence Agency does not have the same flexibility currently available to the CIA and NSA under applicable statutes. As a consequence, DIA has been significantly handicapped in its ability to recruit and reward outstanding analysts and other intelligence specialists and otherwise to operate an equally effective civilian personnel system. If the benefits of "competitive analysis," a concept which both the Administration and the Select Committee strongly support, are to be realized, it is imperative that DIA have analytical capabilities comparable to its sister agencies.

To respond to this problem, the Select Committee included in S. 1127, the Intelligence Authorization Act for FY 1982 as reported by the Committee on May 6, 1981, specific provisions for the improvement of DIA personnel management. These provisions were subsequently approved by the Governmental Affairs and Armed Services Committees and were included in S. 1127 as passed by the Senate. However, the comparable House bill, H.R. 3454, contained no such provisions. The Conference Report on the Intelligence Authorization Act for FY 1982 adopted some of the DIA personnel management provisions of the Senate bill, but omitted several important aspects. The Joint Explanatory Statement of the Committee of Conference stated, "The conferees agreed not to include the other portions of the Senate amendment but agreed that these proposals deserve the scrutiny of regular hearings and consultation among all committees of appropriate jurisdiction."

This bill carries forward the recommendation of the Conference Committee and contains the DIA personnel management provisions from S. 1127 that were not included in the Intelligence Authorization Act for fiscal year 1982 as enacted. The bill exempts DIA from classification provisions of civil service laws, establishes rates of compensation for DIA employees, exempts DIA from certain government-wide disclosure laws, and gives authority to the Secretary of Defense to terminate the employment of any DIA civilian employee if he deems it advisable in the interests of the United States.

The U.S. intelligence system is unique and complex and by its nature dictates unusual personnel management processes in order to attain maximum effectiveness. The analysis of foreign intelligence requires a wide variety and combination of academic disciplines and skills. DIA must be able to compete effectively in the job market for these skills and offer rewarding career prospects to retain personnel. Intelligence personnel management systems also need to be flexible to adjust to changing intelligence interests as driven by a dynamic world environment. Further, the protection of highly classified information is of paramount importance. The ability to meet security requirements and minimize the risk of compromise of dedicated intelligence personnel must be an important feature of the personnel management system. These factors have long been recognized in the personnel systems established for both CIA and NSA which, along with DIA, make up a triumvirate of national level intelligence agencies that compete for similar personnel and must have similar personnel management system flexibilities. By maintaining personnel program balance among these agencies pursuing their respective missions, the intelligence community can best satisfy U.S. intelligence consumer needs.

CIA conducts its personnel program under its enabling statutory authority, which allows CIA to develop and operate a personnel management system tailored to its needs. CIA operates without overview by the Office of Personnel Management, and CIA has its own procedures for determining qualifications and pay. CIA management can exercise greater prerogatives for termination of employees. The National Security Agency also has a flexible system which by statute operates differently from other Defense Department elements that function under Office of Personnel Management policies. Like CIA, NSA has its own procedures for determining qualifications and pay and has special termination authority peculiar to its needs.

The Defense Intelligence Agency should be able to operate its personnel management system on an equal footing with its two sister intelligence agencies. Today, DIA operates under policies and procedures prescribed by the Office of Personnel Management. Fundamentally, these policies and procedures involve three basic concepts. They are (1) competitive, (2) excepted, and (3) political appointed for certain executive level and supporting positions. The competitive system is restrictive in its application and applies to most federal positions. The excepted system, commonly referred to as Schedule A or excepted service, is somewhat less restrictive but still administered under common guidelines and procedures issued by OPM. DIA operates under the excepted service authorities delegated by OPM. Excepted authority grants DIA some flexibility with respect to hiring and removal of employees. However, the excepted service authority does not permit the internal prerogatives under which CIA and NSA operate.

DIA must function under the general personnel administrative procedures, principally with respect to job classification, applicable to most of the rest of the government service. DIA removal authority under the excepted service, while somewhat less cumbersome than the competitive system, still provides for external appeal in cases involving preference eligibles. The public nature of the DIA personnel system also imposes constraints which adversely affect its operations. The true nature and importance of key civilian assignments must be given such high levels of security classification that is often difficult to present requirements to reviewing officials who do not possess required access authority. Accordingly, to present and justify grade level and position descriptions in an unclassified manner may result in a failure to adequately understand the true nature and scope of the assignment. The public disclosure of personnel information can also expose employees to increased risk of compromise. Therefore, as with CIA and NSA, the Defense Intelligence Agency should be exempted from statutory requirements involving disclosure of organizational, functional, and personnel matters which require protection in the interest of national security.

The Select Committee believes that this bill would enhance DIA's capabilities to attract and retain high quality personnel in competition with other intelligence agencies. Flexibility to establish additional civilian executive positions would permit the Agency to develop and retain adequate in-house expertise on the broad geographical and topical intelligence interests needed to meet growing intelligence requirements. Classification authority would be granted to permit establishment of compensation based on individual capabilities and to ensure timely assignment and utilization of high quality personnel to meet changing emphasis in intelligence interests. By exempting DIA from certain government-wide disclosure requirements the personnel system could function more effectively and ensure essential protection of national security information. Finally, DIA would achieve maximum utilization of authorized manpower through enhanced and simplified authority for termination of employees determined to be unacceptable. In combination with the provisions already enacted in the Intelligence Authorization Act for fiscal year 1982, this bill would correct the statutory imbalance among personnel systems in the intelligence community.

As stated in the Select Committee's report on S. 1127 (S.Rept. No. 95-97, p. 20), DIA indicates that the additional costs resulting from this bill are estimated to be relatively small and will be absorbed within authorized appropriation levels. It is anticipated that such costs will be offset by efficiencies to be realized by relief from current cumbersome procedures.

SECTIONAL ANALYSIS

The bill amends chapter 83 of title 10, United Stated Code by adding a new section 1604 on "Civilian Personnel Management." Chapter 83 of title 10 is entitled "Defense Intelligence Agency Civilian Personnel" and contains the provisions on the Defense Intelligence Senior Executive Service and DIA merit pay system enacted as Title VII of the Intelligence Authorization Act for fiscal year 1982.

Subsections (a) through (d) of the new section 1604 would authorize the Secretary of Defense to establish a flexible personnel management system for those personnel not in the Defense Intelligence Senior Executive Service. Salaries and pay would be fixed in relation to the General Schedule and Wage Grade (prevailing rate) system. A flexible classification system would be established which would incorporate the concepts of both position classification and rank in the person. The system would be structured to permit assignment, movement, and career development without cumbersome classification and related administrative procedures. These flexibilities would permit DIA to rapidly deploy and focus its best talent to vital intelligence areas.

Subsection (a) authorizes the Secretary of Defense to establish civilian positions in the Defense Intelligence Agency and to appoint individuals to such positions, without regard to civil service requirements. Subsection (b) authorizes the Secretary of Defense to fix pay for positions established under subsection (a) in relation to the General Schedule (GS) rates. Subsection (c) authorizes a prevailing rate system of basic compensation for positions in or under which the Agency may employ individuals in a trade, craft, or manual labor occupation. Subsection (d) authorizes additional compensation for employees stationed outside the continental

United States or in Alaska at rates not to exceed those authorized by 5 U.S.C. 5941(a).

Subsection (e) permits DIA to withhold disclosure of information on its organization, function, and personnel appointed except for information required by Congress to accomplish normal functions. Under this provision the Secretary of Defense, or his designee, would establish systems similar to the CIA and NSA to preclude disclosure of organizations, functional, and personnel data and information through general administrative reporting systems. At the same time, this provision ensures that necessary information will continue to be made available for effective Congressional oversight under section 501 of the National Security Act of 1947, as amended (50 U.S.C. 413). This authority is intended to reduce the potential for compromise of sensitive information and to permit DIA to include security compartmented data and information in a variety of personnel and organizational records and documents for more accurate description and evaluation.

Subsection (f) authorizes the Secretary of Defense to terminate employment of any civilian officer or employee of DIA whenever he deems such termination necessary or advisable in the interests of the United States. Termination authority may be delegated only to the Deputy Secretary of Defense and the Director, Defense Intelligence Agency. Termination action would be appealable to the Secretary of Defense. This provision is intended to permit timely and responsive removal of unsatisfactory or unacceptable personnel while preserving basic due process. The intelligence environment requires unusually high standards of conduct and performance to ensure the accuracy and reliability of intelligence products. Tolerance of marginal performance is necessarily low. The flexibilities granted by this provision would relieve DIA from the external public review procedures to which preference eligible members would otherwise be entitled upon appeal to the Merit Systems Protection Board. The DIA system, however, would provide strict safeguards to assure internal appeal to the Secretary of Defense thereby ensuring equity and consistency.

Mr. WALLOP. Mr. President, I thank the Chair and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. SPECTER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. MATTINGLY). Without objection, it is so ordered.

S. 2489—ANTITRUST ENFORCEMENT FAIR DISPOSITIONS ACT OF 1982

Mr. SPECTER. Mr. President, I am today introducing the Antitrust Enforcement Fair Dispositions Act of 1982.

This legislation is intended to amend the Tunney Act to close two gaping loopholes in protection of the public's interest in competition afforded by our Nation's antitrust laws. This bill requires that dismissal of Government antitrust suits and modification of consent judgments be considered by the court after first being submitted for public comment.

The need for this legislation was amply demonstrated by the Antitrust Division's actions on January 8, 1982. That day, Assistant Attorney General Baxter dispatched Government attorneys to dismiss, within a matter of hours, the two largest antitrust cases ever filed and pursued in this country—the A.T. & T. and IBM cases—and to restructure the consent decree which has served as the cornerstone of our telecommunications industry for the last 25 years.

The A.T. & T. litigation had been pending for 7 years. The Government had completed presentation of its case in chief and the trial court judge had denied defendants' motion to dismiss, concluding:

> The testimony and the documentary evidence adduced by the Government demonstrated that the Bell System has violated the antitrust laws in a number of ways over a lengthy period of time.

At the time the Antitrust Division's Chief sought to dismiss the case by filing a simple stipulation of dismissal agreed to by A.T. & T., only 3 weeks of trial testimony remained to be heard before submission of the case to the court. The trial judge had committed himself to considering the matter expeditiously and his mastery of an enormously complex record is evidenced by his earlier rulings and subsequent conduct.

In testimony before the Senate Committee on the Judiciary on January 25, 1982, Assistant Attorney General Baxter argued that under current law he was free to dismiss the case without any court approval, without any avenue for public scrutiny or comment, and without any avenue for review or appeal.

The IBM case, filed 13 years ago in the waning hours of a former administration, was pursued by three other administrations, both Republican and Democratic, at enormous public expense. Although the Government's case had survived defendant's efforts to have the case dismissed by the court and was only 4 months away from submission to the judge, the Assistant Attorney General terminated the litigation over the objections of his IBM trial staff.

The court has questioned the decision to dismiss the IBM case. Judge Edelstein commented on March 2, 1982, that from the date the court was first informed of the dismissal of the IBM case, the court "has been concerned that the Department of Justice may not have acted in the best interests of the public." He opined, however, that: "[T]here was little the court could do. By voluntarily dismissing the case the Department and IBM circumvented judicial review and the procedural safeguards of the Tunney Act."

Since that statement, the question whether the Tunney Act governs dismissals of antitrust actions has been raised in the IBM case and in the Mercedes-Benz case, currently pending in the northern district of California. Our introduction of this bill is not intended to affect those matters in any way. Whether or not Assistant Attorney General Baxter is correct in his reading of the Tunney Act, we believe its provisions should encompass dismissals. Passage of this legislation will forestall additional litigation on this point and resolve the question once and for all.

In the Western Electric case, which was pending in the courts of the third circuit, the Department of Justice and A.T. & T. agreed to resolve that litigation by private agreement and proposed a substitute for the governing decree, which had been entered in 1956 following 7 previous years of litigation. Three days after this substitute was filed, the court accepted the parties' invitation to act, and following a brief opportunity for argument by only the parties who drafted the modification, the court approved the settlement.

Assistant Attorney General Baxter recognized that not adopting Tunney Act procedures in connection with the modification of the 1956 final judgment in the Western Electric litigation would have been "an abuse of discretion," and as a matter of his own judgment has agreed to follow Tunney Act-like procedures.

Mr. Baxter has taken the position that by its terms the Federal antitrust laws' provisions for public notice, comment, and court review of proposed antitrust settlements do not apply to voluntary dismissals of public antitrust enforcement cases or to modifications of consent judgments governing in such cases. Indeed, had it not been for the tenacity and measured approach of Judge Harold H. Greene of the U.S. District Court for the District of Columbia in his handling of his judicial responsibilities in the disposition of the A.T. & T. case all these matters might have been disposed of in short order.

The Tunney Act-like proceedings taking place in connection with the proposed divestiture of A.T. & T. serve as an example of the public interest and importance of our providing such a procedure. Should anyone have any doubt on this score let them only consult the public comments received by the Government on the proposed divestiture and the Government's responses. These comments should have been published in today's Federal Register. Their actual publication awaits resolution of a Government application to the court to be allowed to publish, synopses, because the public participation, interest, and comments are so extensive.

It is my personal view that the authority to dismiss major antitrust actions should not be vested in a single individual no matter how competent, principled and perceptive the current possessor of such power may be. The Tunney Act provides for public notice and participation in a court proceeding to consider whether disposition in the nature of a consent decree of a Government antitrust enforcement action is in the public interest. So, too, I submit should the public interest be considered before such an action is disposed of by stipulation of dismissal.

To accomplish this purpose this bill creates an express exception from the voluntary dismissal provisions of Federal rule of civil procedure 41(a)(1) and provides that a Government antitrust enforcement action shall not be dismissed except upon order of the court. This provision is consistent with Federal Rule 41(a)(2), which governs the voluntary dismissals of such civil matters as class actions and with rule 48 of the Federal rules of criminal procedure, which requires leave of court before dismissal of a Federal criminal indictment, information, or complaint.

This legislation will also invest with statutory authority the requirement that modification of consent decrees in Government antitrust enforcement cases be entitled to the same review stature as the order amended. It is fitting that the need for this legislation has become all too apparent from recent efforts to dispose of Bell System litigation. The consent judgment entered in 1956 in the Western Electric case served as a key example of the need for establishing Tunney Act procedures to protect the public interest in connection with that form of disposition of Government antitrust enforcement actions.

Public confidence in our Government's antitrust enforcement effort is a prerequisite to effectiveness. The public interest in the integrity of judicial proceedings incident to the disposition of public antitrust enforcement litigation requires that the Congress and the judiciary lend their support and each contribute to the process, each in its own sphere of authority. More importantly, public disclosure and opportunity for interested parties to participate in advance of the ultimate disposition of major Government antitrust activity provides the public itself with a fair opportunity to be heard on issues of great personal and public importance.

I believe this legislation especially timely in the present climate where many sense a weakening of our resolve to enforce our antitrust laws vigorously. The Antitrust Division has announced that it is engaged in a review of outstanding consent decrees and court orders to determine whether they should be abandoned or revised. The Department has been involved in over 1,200 antitrust judgments since the Sherman Act was passed in 1890. Determinations whether current consent decrees "hinder competition" are matters of vital public concern and are entitled to a full airing of all points of view.

The Antitrust Division has likewise announced its intentions to intervene on the side of the defendants to roll back holdings concerning matters of vertical restraints of trade and has publicly stated its dissatisfaction with the Robinson-Patman Act. Further, the Antitrust Division announced long ago its intention to revise the Government's merger guidelines, although, no proposal for change has been forthcoming. If the Antitrust Division wishes to change our antitrust laws and believes it has good grounds to do so, it should come and persuade the Congress of the wisdom and necessity for revision.

Similarly, we submit that when the Antitrust Division wishes to reverse its course in antitrust litigation, invested as such cases are with the public interest, the Division should do so openly and establish a record to justify the change in position.

● Mr. METZENBAUM. Mr. President, I am pleased to join with Senator SPECTER in cosponsoring the Antitrust Enforcement Fair Dispositions Act of 1982. With this legislation, we hope to gain some measure of assurance that our Federal antitrust officials will consider the views of the consumers and businesses that are affected by the dismissal of antitrust cases and the modification of existing consent judgements.

As the Senator from Pennsylvania has so ably pointed out, the administration officials in charge of the Antitrust Division of the Department of Justice have recently attempted to dismiss unilaterally the two biggest Government antitrust cases ever filed. It has only been conscientious action by the judges responsible for those cases that has prevented these cases from being swept under the rug without public scrutiny or comment. This bill would prevent this type of arrogant behavior in the future by requiring that attempts to dismiss cases or modify judgments be held up to the light of public comment in the same manner that proposed consent decrees are under current law. If this legislation had been in effect at the time of the Justic Department's actions in the IBM and A.T. & T. cases, Judges Edelstein and Greene would not be in the difficult position of having to act to protect the public interest on their own motion without the benefit of a clear statement from Congress that the public interest must always be considered in this type of situation.

Mr. President, in light of the statements by the head of the Antitrust Division—Mr. Baxter—that he does not intend to enforce the laws that Congress has enacted, but rather, the laws that he thinks are in line with his pet economic theories, we must have assurance that the public will know of his actions and have an opportunity to affect those actions. This legislation is one positive step in achieving this assurance.●

Mr. SPECTER. Mr. President, I ask unanimous consent that the full text of the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2489

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION. 1. This bill may be cited as the "Antitrust Enforcement Fair Dispositions Act of 1982.".

SEC. 2. Section 5 of the Act entitled "An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes", approved October 15, 1914 (15 U.S.C. 16), is amended by redesignating subset (i) as (k) and by striking subsections (b) through (h) and inserting in lieu there of the following:

"(b) Any civil proceeding brought by or on behalf of the United States under the antitrust laws may be terminated only upon order of the Court before which such action is pending.

(c) In civil proceedings brought by or on behalf of the United States under the antitrust laws, any motion for dismissal made by the United States or any proposal for entry of consent judgment submitted by the United States shall be filed with the district court before which such action is pending at least sixty days prior to the entry of an order of dismissal upon such motion or to the effective date of such consent judgment. Any written comments relating to such motion for dismissal or proposal for consent judgment and any responses by the United States thereto, shall also be filed with such district court and published by the United States in the Federal Register within such sixty-day period. Copies of such motion or proposal and any other materials and documents which the United States considered determinative in formulating such motion or proposal, shall also be made available to the public at the district court and in such other district as the court may subsequently direct. Simultaneously with the filing of such motion or proposal, unless otherwise instructed by the court, the United States shall file with the district court, publish in the Federal Register, and thereafter furnish to any person upon request, a competitive impact statement which shall recite—

(A) with respect to a motion for dismissal:

(1) the nature and purpose of the proceeding;

(2) a description of the practices or events giving rise to the alleged violation of the antitrust laws;

(3) an explanation of the motion for dismissal including the circumstances giving rise to such motion;

(4) the remedies available to potential private plaintiffs damaged by the alleged viola-

tion in the event that such motion for dismissal is entered in such proceeding; and

(5) a description and evaluation of the alternatives to such motion actually considered by the United States.

(B) with respect to a proposal for entry of consent judgment:

(1) the nature and purpose of the proceeding;

(2) a description of the practices or events giving rise to the alleged violation of the antitrust laws;

(3) an explanation of the proposal for a consent judgment, including an explanation of any provision contained therein, relief to be obtained thereby, and the anticipated effects on competition of such relief;

(4) the remedies available to potential private plaintiffs damaged by the alleged violation in the event that such proposal for the consent judgment is entered in such proceeding;

(5) a description of the procedures available for modification of such proposal; and

(6) a description and evaluation of alternatives to such proposal considered by the United States.

(d) Any proposal for modification of a judgment entered in any civil proceeding brought by or on behalf of the United States under the antitrust laws shall be filed with the district court in which such judgment was entered and shall be published by the United States in the Federal Register at least sixty days prior to the effective date of such modification. Any written comments relating to such proposal and any responses by the United States thereto, shall also be filed with such district court and published by the United States in the Federal Register within such sixty-day period. Copies of such proposal and any other materials and documents which the United States considered determinative in formulating such proposal, shall also be made available to the public at the district court and in such other districts as the court may subsequently direct. Simultaneously with the filing of such proposal, unless otherwise instructed by the court, the United States shall file with the district court, publish in the Federal Register, and thereafter furnish to any person upon request, a competitive impact statement which shall recite—

(1) the nature and purpose of the proceeding;

(2) a description of the practices or events giving rise to the alleged violation of the antitrust laws and a description of the factors which led to the entry of the judgment to be modified;

(3) an explanation of the proposal for modification including an explanation of any unusual circumstances giving rise to such proposal or any provision contained therein, relief to be obtained thereby, and the anticipated effects on competition of such relief;

(4) a description of the procedures available for modification of such proposal; and

(5) a description and evaluation of alternatives to such proposal actually considered by the United States.

(e) Whenever a motion for dismissal, a proposal for entry of consent judgment, or a proposal for modification of a judgment is filed, the United States shall also cause to be published in newspapers of general circulation in the district in which the motion or proposal is pending, in the District of Columbia, and in such other districts as the court may direct—

(1) a summary of the terms of such motion for dismissal, proposal for entry of consent judgment or proposal for modification of judgment;

(2) a summary of the competitive impact statement filed under subsection (c) or (d); and

(3) a list of the materials and documents under subsection (c) or (d) which the United States shall make available for purposes of meaningful public comment, and the place where such materials and documents are available for public inspection. Such publication shall commence at least sixty days prior to the entry of an order of dismissal or prior to the effective date of the consent judgment or modification and shall be made for seven days over a period of two weeks.

(f) During the sixty-day period as specified in subsections (c) or (d) of this section, and such additional time as the United States may request and the court may grant, the United States shall receive and consider any written comments relating to the motion for dismissal, proposal for consent judgment, or proposal for modification. The Attorney General or his designee shall establish procedures to carry out the provisions of this subsection, but such sixty-day time period shall not be shortened except by order of the district court upon a showing that (1) extraordinary circumstances require such shortening and (2) such shortening is not adverse to the public interest. At the close of the period during which such comments may be received, the United States shall file with the district court and cause to be published in the Federal Register a response to such comments.

(g) Before entering any order for dismissal upon motion by the United States or any consent judgment proposed by the United States, the court shall determine that the entry of such order or judgment or modification is in the public interest. For the purpose of such determination, the court may consider—

(1) the competitive impact of such dismissal, consent judgment or modification, including termination of alleged violations, provisions for enforcement and modification, duration or relief sought, anticipated effects of alternative remedies actually considered, and any other considerations bearing upon the adequacy of such result;

(2) the impact of entry of such order, consent judgment or modification upon the public generally and individuals alleging specific injury from the violations set forth in the complaint including consideration of the public benefit, if any, to be derived from a determination of the issues at trial.

(h) In making its determination under subsection (g), the court may—

(1) take testimony of Government officials or experts or such other expert witnesses, upon motion of any party or participant or upon its own motion, as the court may deem appropriate;

(2) appoint a special master and such outside consultants or expert witnesses as the court may deem appropriate; and request and obtain the views, evaluations, or advice of any individual, group or agency of government with respect to any aspects of the proposed order, judgment or modification, or the effect of such order, judgment or modification, in such manner as the court deems appropriate;

(3) authorize full or limited participation in proceedings before the court by interested persons or agencies, including appearances by amicus curiae, intervention as a party pursuant to the Federal Rules of Civil Procedure, examination of witnesses or documentary materials, or participation in any other manner and extent which serves the public interest as the court may deem appropriate;

(4) review any comments including any objections filed with the United States under subsection (f) concerning the proposed order judgment, or modification and the responses of the United States to such comments and objections; and

(5) take such other action in the public interest as the court may deem appropriate.

(i) Not later than ten days following the date of the filing of any motion for dismissal, proposal for a consent judgment, or proposal for modification, each defendant shall file with the district court a description of any and all written or oral communications by or on behalf of such defendant, or other person, with any officer or employee of the United States concerning or relevant to such motion, proposal, or modification except that any such communications made by counsel of record alone with only the Attorney General or the employees of the Department of Justice shall be excluded from the requirements of this subsection. Prior to the entry of any order of dismissal, consent judgment or modification of judgment pursuant to the antitrust laws, each defendant shall certify to the district court that the requirements of this subsection have been complied with and that such filing is a true and complete description of such communications known to the defendant or which the defendant reasonably should have known.

(j) Proceedings before the district court under subsections (g) and (h) and the competitive impact statement filed under subsections (c) or (d), shall not be admissible against any defendant in any action or proceeding brought by any other party against such defendant under the antitrust laws or by the United States under section 4A of this Act nor constitute a basis for the introduction of the consent judgment or the modification as prima facie evidence against such defendant in any such action or proceeding."

HARRY A. STRAUSSER III, EAGLE SCOUT

Mr. SPECTER. Mr. President, an Eagle Scout, Mr. Harry A. Strausser III, of Elysburg, Pa., recently addressed both houses of the State Legislature of the Commonwealth of Pennsylvania, and in the course of those remarks made certain comments that I think are worthy of inclusion in our own Congressional Record, especially since they are so succinct.

Mr. Strausser has a very distinguished record as an Eagle Scout, plus the recipient of three Eagle Palms, achievements which are very difficult for those of us who have been engaged in Scouting.

He has received citations from the Veterans of Foreign Wars, the American Legion, various local governmental agencies, the Valley Forge National Freedom Foundation, the Rotary, the Kiwanis, the Chamber of Commerce, and the AFL–CIO, as well as Reader's Digest and the Pennsylvania Senate.

Mr. President, he had previously been invited to be a guest at the White House and to issue a report to the

Nation and to Congress. Obviously, Mr. President, there is no comparable procedure for Mr. Strausser to address the U.S. Senate as such procedure is permissible under the practices of the Commonwealth of Pennsylvania, so I ask unanimous consent at this time that Mr. Strausser's remarks be printed in the Record.

There being no objection, the remarks were ordered to be printed in the Record, as follows:

Address by Harry A. Strausser III, Eagle Scout

Thank you very much. I am deeply honored to have the opportunity to address such a distinguished group of individuals on this, the eve of the 72d Anniversary of the Scouting Movement, 72 years of devotion to youth, growth and advancement, learning and understanding. Over 7 decades of progress—the development of the Philmont Scout Reservation in New Mexico, a hiking and backpacking haven for Scouting enthusiasts; and the conception of national and international jamborees where thousands of Scouts and Scouters gather to exchange ideas and cultures. In 1910 we had several hundred members in the Scouting movement; today, in 1982, over 4 million. It is indeed a realization of a dream for Lord Baden-Powell, founder of the Scouting movement, for Scouting has turned into one of the largest youth organizations in the United States and in the world.

I have often compared Scouting to that of a tree, a tree whose foundation, whose roots are in American soil, and whose basis is the freedoms and liberties we joyfully share. The trunk of this tree, its main strength, its support, is found in that of the volunteer. Those willing to give freely of their time and energies towards the betterment of the youth of our Nation. The volunteer. Over 37 million people working an average 9 hours per week, more than 17 billion hours a year, or an estimated $34 billion worth of time. An intricate part of our society.

This tree, this trunk, branches off into many, many areas. From the basics of camping and hiking to the high technology of aeronautics and electronics, no matter what the interest of a youth, you can find it in the Scouting program. And this is a special feature of Scouting, for Scouting is indeed for everyone, whether you are 8 or 98 years old, there is a place for you. Whether you are red or yellow, black or white, Protestant, Catholic or Jewish, wealthy or poor, physically normal or physically handicapped, mentally brilliant or mentally retarded, there is indeed a place for you within Scouting. But there is a question: Is there a place for Scouting within you?

One of my favorite quotes: "Life is God's gift to you, but what you do with that life is your gift to God." Now with scouting in mind, would you like to make that a small gift or a large gift? Would you like to give a little or a lot? My philosophy is, make that gift as big as you can, wrap it with sincerity, tie it up with devotion, and top it off with a bow of service to mankind. For there is indeed no greater gift than service to your fellow man, than by being a volunteer, donating your time and energy. Wilfred T. Grenfell once said that, "Real joy comes not from ease or riches or from the praise of men, but from doing something worthwhile." Perhaps being a volunteer, helping the youth of America.

But what if there were no volunteers? Enter with me for a moment into a future America, an America with no Salvation Army, with no Red Cross, with no Rotary, with no Kiwanis and no Jaycees, and with no Scouting program. At the hospital, the children's wing holds no clowns, no laughter. The blind listen for a voice that never comes. Wheelchairs never move. The flowers on church altars wither and die. No more cubbing, Scouting, or exploring. Children in day-care nurseries lift their arms, but there is no one to hold them in love. The future is indeed quite grim without the volunteer.

Kahlil Gibran best described the need of the volunteer, an individual, by an organization when he wrote, "You have helped me in my work and in myself, and I have helped you in your work and in yourself. And I am grateful to heaven for this you and me."

I have talked about the physical aspects of Scouting, how its roots are in American soil and our freedoms and liberties, how the volunteer is the main support and strength of the organization. I have talked of leaders and members and in physical encampments. But there is something often misunderstood by those not directly involved with the Scouting movement. It is something we refer to as the spirit of Scouting. The spirit of Scouting. To some the spirit may be the satisfaction when a young Cub Scout comes up to you and says, thank you, for a task in which you have helped him. To others, it might be the heartwarming chill when the Star-Spangled-Banner is played. Yet to others, it may be the tear that rolls down your cheek as a Scout attains the rank of Eagle, the highest rank in Scouting, after he has worked with you for many years.

Scouting has been good to me and I have tried my best to be good to Scouting. As I look back, I notice that there is a force that has followed me throughout my Scouting career. It greeted me when I entered Cub Scouting; it stood proudly beside me when I became an Eagle; it waved freely atop the highest mountain I struggled to climb in Philmont, and it stood magnificently as I gazed upon it in the Oval Office of the White House. It is, in fact, to me the spirit of scouting; it is the symbol of our Nation; it is the American flag. For without this flag we would not have a Nation; without this Nation we would lose our precious freedoms and liberties, and without these freedoms and liberties, the roots of Scouting—the Scouting movement—could never exist. This is the spirit of Scouting. This is my flag, this is your flag, but most importantly, this is our flag. It is indeed the key to the future of the Scouting movement.

Wendell Willkie, a great American freedom fighter, once said, "I believe in America because in it we are free because we have, great dreams, and because we have, the opportunity to make those dreams come true." Lord Baden-Powell's dream has certainly become a reality, a genuine dream come true.

But the ultimate test of Scouting's effectiveness takes place in early adulthood after years of growth, learning, and achievement, when a Scouter like myself standing before you today reaches an important realization when he says, Mr. Speaker and Honorable members of the House of Representatives of Pennsylvania, this is my country, and I am proud to be an American. Thank you.

Mr. SPECTER. Mr. President, I thank the Chair and I yield the floor.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. There will now be a period for the transaction of routine morning business not to extend past 11:30 a.m., during which Senators may speak for 5 minutes each.

A BETTER ARMY

Mr. HARRY F. BYRD, JR. Mr. President, the Richmond Times Dispatch published an excellent editorial on Monday, April 26, captioned "A Better Army." The editorial deals at some length with the improvements which have been made in the Army in the past 18 months, and it points out the effectiveness and the ability of the Secretary of the Army, John O. Marsh, Jr.

As the distinguished Presiding Officer, my colleague from Virginia, Senator Warner, knows so well, Secretary Marsh has had an outstanding career—first in representing the Seventh Congressional District in the House of Representatives, then as a special counselor to President Ford, and now as the Secretary of the Army.

The Times Dispatch says this—and I will read just one paragraph and subsequently will ask that the entire editorial be printed in the Record.

Mr. Marsh is not solely responsible for all of the improvements, of course, but he is entitled to a major share of the credit. The leadership of a man of his qualities seems to be exactly what the Army needs at this critical point. In this distinguished Virginian are combined characteristics that superbly qualify him for the post he occupies: an understanding of military science, a deep commitment to a strong national defense and a resolute dedication to the principles of efficient and economical management in governmental affairs.

Mr. President, I ask unanimous consent that the editorial be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

[From the Richmond Times Dispatch, Apr. 26, 1982]

A Better Army

When John O. Marsh Jr. took over as secretary of the Army in 1981, he assumed responsibility for an organization that appeared to be suffering badly from a severe affliction of the "Three Ds": Declining enlistments, Deteriorating morale and Drug abuse. The Army seemed to be trapped in a spiritual Valley Forge, and many informed people worried about its ability to respond effectively to a major enemy assault.

Conditions are better today. Volunteerism is proving increasingly successful in producing the quality of recruits the Army needs to sustain its strength. Re-enlistments are up, morale is rising. Discipline is stronger and training is tougher. Drug abuse, a scourge that threatens every segment of American society, remains a serious problem but the Army is trying hard to combat it.

Mr. Marsh is not solely responsible for all of the improvements, of course, but he is entitled to a major share of the credit. The leadership of a man of his qualities seems to be exactly what the Army needs at this critical point. In this distinguished Virginian are combined characteristics that superbly qualify him for the post he occupies: an understanding of military science, a deep commitment to a strong national defense and a resolute dedication to the principles of efficient and economical management in governmental affairs.

Mr. Marsh honed his views on the whetstone of experience in conservative politics. For four terms, he ably served Virginia's Seventh Congressional District in the House of Representatives, making a mark there as an effective—and conservative—member of the House Appropriations Committee. He served Vice President Gerald Ford as assistant for national security affairs and President Ford as a White House counselor with Cabinet rank. Meanwhile, he maintained his interest in military affairs, which began with his entry into the Army in 1944 and included service as an officer in the Army Reserve and in the Virginia National Guard.

Secretary Marsh knows that despite the United States' awesome nuclear strength—or perhaps because of the awesome nuclear strength that both the United States and Russia possess—this nation needs a strong conventional Army. And it is his aim, he assured us in a recent interview, to provide that kind of Army as economically as possible.

The American people should be immensely pleased with the progress he has made. Consider:

The educational level of recruits is rising. Fears that the Army is attracting mostly semiliterates who are barely able to decipher instructions for erecting a pup tent must give way to the reality that 80 percent of today's volunteers are high school graduates. The number of recruits in the Army's "mental category IV," the lowest classification it will accept, dropped from 52 percent in 1980 to 31 percent in 1982. Of course, a high school diploma does not guarantee intellectual acuity but it must be accepted as presumptive evidence that the holder is capable of coping with the ordinary complexities an enlisted man is likely to face. During World War II, Mr. Marsh notes, no more than 38 percent of the Army's enlisted men were high school graduates.

Morale, discipline and training, all interrelated, are improving significantly. Several factors are responsible for this. Under Mr. Marsh's leadership, the Army is intensifying its efforts to raise the quality of life for soldiers—and their families—without turning them into fops. Soldiers stay together longer as units, and some, involved in an experimental program called COHORT (for cohesion, operational readines and training), remain together throughout their first enlistments. Family needs and problems, especially housing are receiving increasing attention from the Army leadership. Several changes, all designed to produce tougher and more disciplined troops, have been made in training methods and policies.

The National Guard and the Army Reserve are being strengthened. Secretary Marsh considers them to be essential segments in what he calls the "total Army," so he has been deeply interested in increasing their enlistments, strengthening their training and improving overall conditions. As of last October, the regular Army included 782,809 soldiers, the National Guard membership totaled 379,715 and the Army Reserve's strength stood at 220,364.

Mr. Marsh does not pretend that the Army has solved all of its problems. More improvements are needed, especially in the critical area of sustenance. The Army's ability to keep its units supplied with spare parts, fuel and ammunition is alarmingly limited by a number of deficiencies in its support system. He is concerned, too, about the drug problem. And he believes that the quality of housing for American military families in Europe is far too low.

But today's Army, he is convinced, is an army of "good, tough soldiers." He is determined to make it better and tougher, not to embellish his own reputation as a military administrator but to lessen the chances of war. The stronger the United States' conventional armed forces, the less tempting it will be for an adversary to engage in aggressive experiments that could escalate to nuclear warfare. To the extent that he can contribute to the development of a strong American Army, then, Secretary Marsh feels that he is reducing the chance of nuclear conflict. His contributions, so far, have been notable; we are glad he's there.

THE U.S. EMBASSY IN MOSCOW

Mr. HARRY F. BYRD, JR. Mr. President, I invite the attention of the Senate to page 7794 of the April 27, 1982, issue of the Congressional Record. I believe this indicates rather dramatically the way our Government spends money.

During the consideration of the foreign missions legislation, I directed an inquiry to the distinguished chairman of the Committee on Foreign Relations, Mr. Percy. I asked the chairman what is estimated to be the cost of building the new U.S. Embassy in Moscow, Russia. The chairman of the Foreign Relations Committee responded that the total cost would be $130 million and that $18 million in contracts have been let to date.

In other parts of our colloquy, the chairman of the committee indicated that there are problems involved in the building of that Embassy in Moscow and it is anticipated that it will be some 3½ years before the Embassy is completed.

My purpose in speaking today is to make again a part of the Record the fact that the United States plans to spend $130 million to build an Embassy in Moscow, Russia. My guess is that it will be substantially greater than that by the time it is finished.

Mr. DIXON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS BETWEEN 12 NOON AND 2 P.M. TODAY

Mr. BAKER. Mr. President, usually, Senators on both sides of the aisle caucus between the hours of 12 noon and 2 p.m. on Tuesdays. This week, Members on this side held their regular weekly caucus on Tuesday, and Members on the other side will have their caucus today, Wednesday.

In deference to the requirement that Members on the Democratic side will wish to attend that caucus, I ask unanimous consent that the Senate stand in recess between 12 noon and 2 p.m. today.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. The time for morning business has expired.

DEPARTMENT OF DEFENSE AUTHORIZATION, 1983

Mr. TOWER. Mr. President, what is the pending business?

The PRESIDING OFFICER. The clerk will report the pending business.

The bill clerk read as follows:

> A bill (S. 2248) to authorize appropriations for fiscal year 1983 for procurement, for research, development, test, and evaluation, and for operation and maintenance for the Armed Forces, to prescribe personnel strengths for the Armed Forces and for civilian personnel of the Department of Defense, and for other purposes.

AMENDMENT NO. 1398 TO AMENDMENT NO. 1397

The PRESIDING OFFICER. The pending question is the amendment by the Senator from Texas to the amendment of the Senator from Pennsylvania.

Mr. TOWER. Mr. President, I believe the distinguished chairman of the Foreign Relations Committee set forth some excellent reasons yesterday why the Specter amendment should be defeated.

No hearings have been held on this matter to give the administration an opportunity to comment on the effect that an amendment of this kind might have on the negotiating position of the President in the highly difficult business of trying to achieve arms reduction.

The amendment by the Senator from Pennsylvania and cosponsored by the Senator from Illinois ignores the

fact that President Reagan has expressed his interest in meeting with President Brezhnev in June. President Brezhnev is the one who has declined to initiate summit meetings between the two leaders promptly.

The amendment further suggests a willingness on the part of the Senate to interfere in and undercut the administration's initiatives aimed at preparing and tabling, in an orderly fashion, a sound strategic arms reduction negotiating position.

Senator Specter has indicated that the adoption of the strategic force modernization program last year by Congress, an action which some Senators will seek to reverse in the course of the consideration of this bill, is sufficient evidence of U.S. resolve to induce the U.S.S.R. to negotiate. I can assure him that it is not.

The amendment fosters the notion that the simple act of negotiating, especially impatiently, will somehow represent a meaningful reduction in the danger posed by Soviet force to U.S. national security.

What is more, the amendment implies in the attached "Dear Colleague" letter and the letter from the President that this act of entering into negotiation, when coupled with a "minimal deterrence" view of our present strategic capabilities, should permit us to avoid having to build up our nuclear forces, thanks to arms control.

This implication is naive and is dangerously misleading.

The impact of an amendment such as this is to reduce the likelihood of our being able to negotiate from strength and to achieve a treaty providing genuine arms reduction. Only such a treaty holds any real prospect for removing the specter and threat of nuclear war from the human race.

Mr. President, there also seems to be the inherent suggestion, a suggestion that I am sure its sponsors did not intend, that Congress assumes that Soviet values, that Soviet goals and objectives, are the same as ours and that the Soviet leadership is motivated equally by goodwill as are the leaders of the United States. Such is not the case. The pattern of Soviet provocation and aggression since World War II is clear.

Let us not forget, it was the United States that began to demobilize and disarm after World War II. It was not until some 2 or 3 years later that the United States began to rearm again when faced with a threat posed by the Soviet Union. It was the maintenance and upgrading of vast wartime armed forces and its violation of the Yalta accords and its other provocative acts that necessitated a return to a significant military capability on the part of the United States.

It is obvious the United States does not have a first-strike policy or a first-strike mentality.

Let me remind everyone that, at a time when the United States possessed the power to obliterate the Soviet Union with nuclear weapons, at a time when we possessed the power to win a war against the Soviet Union very quickly because of vast military superiority as represented by strategic nuclear weapons, even in the face of severe provocation, it was the United States that acted with restraint.

To suggest now that we are embarking upon a first-strike policy when the Soviet Union is at least equally and, by many accounts, superior to the United States in strategic nuclear capability, is not a reasonable suggestion.

The Soviets do not fear a first strike from the United States. They keep their offensive weapons systems on at lower readiness levels than we do. It is obvious that they are not worried about having to use those weapons in response to a first strike from the United States.

I have offered an amendment to this amendment which I believe puts the whole issue in proper context. In my amendment, the Soviet leadership is appropriately held accountable for failing to respond positively to President Reagan's request for a summit meeting at the United Nations in June.

The floor debate on my substitute amendment, in which I am joined by Senator Warner, chairman of the Strategic and Theater Nuclear Forces Subcommittee of the Armed Services Committee, reflects that its sponsors are under no illusion that neither the adoption of this amendment nor the actual initiation of talks between the United States and U.S.S.R. will measurably improve our national security posture or lessen the need for strategic force modernization.

The Senate should be recorded as supporting a sensible, patient, and tough-minded approach to arms control negotiations with the Soviet Union.

Senator Specter's inference that President Reagan—as the great communicator—will charm the Soviet leadership out of its capabilities to wage nuclear war is not supportable, based on the history of our negotiations with the Soviet Union.

When I was a monitor of the SALT II talks in Geneva, I had a short conversation with Dr. Aleksandr Shchukin, the scientific adviser to Vladimir Semenov, who was the Soviet negotiator. He was a man who influenced the Soviet negotiating position.

I said: "Dr. Shchukin, we have unilaterally given up the B-1. What are you prepared to do in return?"

And this wily, old Russian looked at me and said:

"Senator, I am neither a pacifist nor a philanthropist."

That is the Soviet mentality to which we must address ourselves.

President Reagan's charm, powerful though it may be, might have considerable influence on free people in a free society. I do not think it will influence the hard-eyed men in the Kremlin who have developed an enormous offensive capability that they intend to use to assert their influence over this world.

Now, if Soviet arms were purely defensive and if ours were merely offensive, there would be some rationale for supporting the amendment offered by my two distinguished colleagues, but that is not the case. We are in a defensive configuration, and without any provocation from the West, the Soviet Union in the past few years has embarked on the construction of a mighty offensive war machine, one that is driving toward the capability of fighting a global war—and winning it. That is their objective.

Why else would they need a military capability far beyond anything required to defend the Soviet homeland?

In my view, sensible, persistent negotiations on a balanced and well-thought-through nuclear arms control proposal, fully supported by an effective nuclear deterrent, is the only hope we can have for achieving meaningful reductions in threatening Soviet capabilities.

Therefore, Mr. President, I urge the adoption of the Warner-Tower amendment.

Mr. HARRY F. BYRD, JR. and Mr. SPECTER addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia is recognized.

Mr. HARRY F. BYRD, JR. Mr. President, I note that the hour of 12 o'clock is approaching. The Senate is supposed to recess at that time. I ask unanimous consent that I might be permitted to speak for 5 minutes prior to the recess.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARRY F. BYRD, JR. Mr. President, I commend the distinguished Senator from Texas for his eloquent address to the Senate this morning. I think he has accurately and appropriately summarized the magnitude of the Soviet buildup over the past decade.

In debating the 1983 defense authorization bill it is important, I think, that we bear in mind two points:

First, during the decade of the 1970's, Russia embarked on the most massive military buildup in world history. That has just been amplified on by the distinguished Senator from Texas, Mr. Tower.

Second, and concurrently, the United States failed to keep pace and thus our military force declined in relative terms.

Last year, the Reagan administration recommended action, which the Congress took, to turn around this decline. Now, the 1983 authorization bill presents a further strong enhancement of our military capability.

I am convinced that a strong national defense is vital to our Nation's security; I am equally convinced that a strong defense structure on the part of the United States is the best assurance toward the maintenance of world peace.

The defense authorization bill now before the Senate was considered carefully by the Armed Services Committee. There were a multitude of hearings on virtually every aspect of the legislation.

In a bill of this magnitude, obviously no individual Senator would agree with every aspect. Taken as a whole, however, I believe it to be sound and will be in the Nation's best interest.

In discussing this defense authorization bill, I must be frank to say that a strong national defense structure must be considered in the overall context of the Nation's economy. A strong defense and a strong economy both—both—are needed if we are to insure our own security and a peaceful world. In the long run, we cannot maintain a strong defense unless we have a soundly based economy.

For that reason, I feel that in considering the total budget of the United States we cannot exempt from close examination the defense budget. I feel there is inefficiency in the Department of Defense just as there is in every department of Government. The Armed Services Committee has been alert to this in considering defense requirements.

While the committee has done a good job, I do not personally rule out the possibility of some further reductions. As much as I favor and support a strong defense, I nevertheless am deeply concerned at the magnitude of the Federal Government's projected deficits. Deficits of this magnitude can play havoc with our economy which in turn will jeopardize our military buildup.

So while I support in general the defense authorization bill and commend the Armed Services Committee for its work, I shall not be blind to the fact that there may be other economies that can be achieved in the defense bill. I shall consider any such proposals on a case-by-case basis.

In conclusion, let me commend the chairman, Senator Tower, and the ranking Democratic member and former chairman, Senator Stennis, for their leadership.

Mr. WARNER. Mr. President, I ask unanimous consent that the hour for recessing be delayed for a period no longer than 5 minutes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. WARNER. Mr. President, I would like to join in those commending the distinguished Senator from Pennsylvania for the initiative he has taken today. I hope I am not being presumptuous when I say that every Member of the U.S. Senate philosophically seeks the same goals as the distinguished Senator from Pennsylvania addresses in his resolution.

I have had the opportunity to be on both sides of this type of situation. As the Senator may recall, I was Secretary of the Navy at the time the SALT I preparation took place. I was actually in Moscow as a member of the SALT I delegation at the time our President signed that historic agreement. Further, I participated in a number of working sessions that took place in the years preceding the execution of that document, and which, coincidentally, the 10th anniversary is this month, May 25, the document having been signed on May 25, 1972.

I recall today quite vividly the care and the meticulous attention that must be devoted to all of the preparations and the importance of timing. It is, in my judgment, not possible for those of us in the legislative branch to be fully aware of the various sensitivities and the difficulties that are carefully weighed and evaluated by the executive branch.

Under our Constitution, the President of the United States is the chief architect of our foreign policy and Commander in Chief of the Armed Forces. In those capacities, he has to take the initiative with respect to the negotiations and the timing of such talks as are referred to in the resolution of the distinguished Senator from Pennsylvania.

Coincidentally, with SALT I, I was negotiating with the Soviets, on behalf of the U.S. Navy, the Incidents at Sea Agreement, which was executed the day before SALT I. While that agreement was indeed of a lesser magnitude, it, nevertheless, involved extensive negotiations over a period of 18 months with my counterparts in the Soviet Union, Admiral Gorchkov being the principal spokesman for the Soviet Union during the course of the negotiations for that agreement. He ultimately was the signatory for the Soviet Union, as I was the signatory and principal author of the document for the United States.

But again it is that breadth of experience that enables me to have an appreciation of the sensitivities that are now confronting our President with respect to the timing of the forthcoming talks.

The distinguished Senator from Texas has outlined, in a like manner, his views, based on lengthy experience here as a Member of the U.S. Senate during the negotiations for SALT I, of how it is important for the President, whomever he may be, of which ever party, to have the support of the legislature, but the fine line in which the legislature must give its backing and then leave to the judgment of the executive branch the question of timing.

It is for that reason, and the reasons brought forth by my distinguished colleagues during this colloquy, that perhaps the Senator from Pennsylvania will reconsider the advisability of his resolution at this time.

Mr. TOWER. Mr. President, I ask unanimous consent that, when the Senate resumes its session at 2 o'clock, the Senator from Pennsylvania be recognized. It was not my intention to hog the floor until the time of the recess. I apologize to the sponsors of the amendment for having done so.

Therefore, I think it appropriate and I do ask unanimous consent that on the resumption of our business at 2 o'clock the Senator from Pennsylvania be recognized.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. SPECTER. Mr. President, I appreciate the comments of the distinguished Senator from Texas. I have no problem about waiting in turn until 2 o'clock. I shall be prepared to proceed at that time.

RECESS UNTIL 2 P.M.

Mr. TOWER. Mr. President, I move, in accordance with the previous order, that the Senate stand in recess until 2 o'clock.

The motion was agreed to; and, at 12:09 p.m., the Senate recessed until 2 p.m.; whereupon, the Senate reassembled, when called to order by the Presiding Officer (Mr. Specter).

Mr. TOWER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. SPECTER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. Hayakawa). Without objection, it is so ordered.

Under the previous order, the Senator from Pennsylvania is recognized.

Mr. SPECTER. Mr. President, the time has come for a return to the consideration of the Department of Defense authorization bill and under the proceedings immediately before the noon recess, it was to be my opportunity to respond to some of the comments which have been made.

The response by the distinguished Senator from Texas (Mr. Tower) demonstrates to me that he and others are unaware of the sense of the amendment which I, along with Senator Dixon, offered yesterday.

The provision is as follows:

> It is the sense of the Congress that the President should, at the earliest possible date, act to convene a summit meeting with leaders of the Government of the Union of Soviet Socialist Republics for the purpose of seeking to reduce the risk that nuclear war would occur from any cause and to establish a means for better controlling the use of, and reducing the stocks of, nuclear weapons.

That is the substance, pure and simple. When the distinguished Senator from Texas states that there is a suggestion that the United States will embark on a first strike, that is not to be found anywhere in the text of the amendment or in anything which has been said on behalf of the amendment. When the Senator from Texas said yesterday that what is suggested is that the United States is responsible for the arms race in the first place, that, again, is totally out of context with the amendment or with anything that has been said in support of the amendment. When the distinguished Senator from Texas argues that the amendment will interfere and undercut the President, that is simply at variance with the facts.

What this amendment does, simply stated, is to encourage President Reagan to go forward with what he has expressed on a number of occasions. He had said in the course of his campaign that he would seek to initiate a summit conference at an early date. There have been a couple of statements made by the White House that such a summit was within the contemplation of the President of the United States.

When the reports emanated on Monday from the White House that there were no plans presently to proceed with those summit discussions, as reported in the Washington Post of yesterday, a reference which I made in my presentation yesterday, it seemed appropriate that we move forward with the sense of the Senate to encourage such a summit meeting.

The text of the Washington Post article is supported similarly by the New York Times of Tuesday, May 4, 1982, which is headlined "'No Decision' by President Reagan on Parley With President Brezhnev."

I ask unanimous consent that that article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

"NO DECISION" BY REAGAN ON PARLEY WITH BREZHNEV

(By Hedrick Smith)

> Washington, May 2.—The Reagan Administration has stepped up consideration of a full-fledged summit meeting in October between President Reagan and Leonid I. Brezhnev, but the President has made "no decision" so far, top Administration officials said today.
>
> These officials said that the pros and cons of a Reagan-Brezhnev meeting in either Austria or Ireland this fall had been weighed in internal Government memos. Contrary to a report published in The Washington Post, officials said, the issue has not yet gone to President Reagan for decision or been discussed with Ambassador Anatoly F. Dobrynin of the Soviet Union.
>
> Senior officials reported that most of the President's high-level foreign policy advisers favored an informal Reagan-Brezhnev get-together but were dubious about a formal summit meeting.
>
> The Administration's cautious attitude was conveyed by Dean Fischer, the State Department spokesman, in response to questions about a Washington Post report today that President Reagan "will accept" a Soviet proposal for a well-prepared October summit meeting.
>
> "We will carefully consider this possibility in the light of events and the substance of our bilateral dialogue with the Soviet Union in the coming months," Mr. Fischer replied.
>
> "President Reagan has made it clear that our longstanding criteria for a formal summit meeting remain in place—that is, it would have to be carefully prepared, would have to be justified by the overall state of our relations at the time, and hold reasonable prospects for positive results," Fischer said. "There are currently no specific preparations for such a meeting."
>
> Moreover, he added, "there's no agreement" with Moscow on a full summit session.
>
> On April 5, President Reagan suggested the idea of an informal get-together with Mr. Brezhnev in late June at a disarmament conference to be held at the United Nations. Mr. Reagan said he thought it would be well if he and I had a talk." But the President and other officials treated this as less than a fullfledged summit conference.
>
> SOVIET LEADERSHIP UNCERTAIN
>
> The White House reasoning is that a Reagan-Brezhnev encounter would impart some momentum to arms control talks, ease East-West tensions at a time when the Soviet leadership may be about to undergo a change, and calm public nervousness about talk of limited nuclear warfare, without inviting public expectations of a major breakthrough on arms control, Poland or other important issues.
>
> On April 17, Mr. Brezhnev responded with his own proposal to Tass, the Soviet press agency, for a more formal meeting in October. Privately, Soviet diplomats said Moscow was worried that Mr. Reagan has made his move more for domestic political purposes than out of hope for serious negotiations.
>
> Top Administration officials said today that the Kremlin had not followed up the Tass interview with any formal proposal through diplomatic channels.
>
> Some White House officials suspect that Moscow wanted to deflect Mr. Reagan's initiative for an informal meeting, possibly to give the 75-year-old Soviet leader time to recuperate from health problems that caused him to be hospitalized on March 25.

Mr. SPECTER. It was in the context of the earlier pronouncements of intention to proceed, coupled with the statements earlier this week that there was no present plan to proceed, that this amendment was offered. But it certainly could not be categorized fairly, in my judgment, as interference or in any way an undercutting of the President's activity. Similarly, the response of the Secretary of State, which I introduced into the Record yesterday, dated April 28, suggests that a Senate statement would be entirely consistent with what the Department of State is doing.

When the distinguished Senator from Texas says that there is a need for a patient, tough-minded approach, I agree completely.

When the distinguished Senator from Texas says that President Reagan's charm may not be enough, it would certainly have to be supplemented by the tough-mindedness which we have seen evidenced from our distinguished President. But the ability of President Reagan as a communicator and as a tough advocate is not to be lost sight of. It is a very important element in such summit talks. While charm in and of itself may not be sufficient, there is no substitute for charm, and it is certainly an asset, as the President has demonstrated in his negotiations with foreign leaders, as well as with the leadership of Congress.

When the distinguished Senator from Texas says that there should be a "sensible, persistent negotiating posture, fully supported by nuclear deterrent"—that may not be his precise statement but those are the words as nearly as I could write them down—that is something that I agree with.

As indicated earlier, I voted in support of the B-1 and the MX, and I am prepared at the appropriate time to support a very substantial Department of Defense authorization bill at the present time. That is, in the language of the distinguished Senator from Texas, the nuclear deterrent. But that must be coupled, in my judgment, with the first part of his sentence, which is, "a sensible, persistent negotiating posture." That is what I seek to promote in the amendment which is now at the desk.

Mr. TOWER. Will the Senator yield for a question?

Mr. SPECTER. Yes.

Mr. TOWER. Does the Senator feel that the President has now adopted a sensible, persistent negotiating posture?

Mr. SPECTER. I think he has adopted a sensible approach.

Mr. TOWER. Then why should we urge an approach on him which, according to the administration, is counterproductive for what they seek to do?

Mr. SPECTER. Because even though the President has a sensible approach, there may be some sensible comments in the U.S. Senate. We may have some constructive suggestions to offer. If it were plain that the summit meeting were to proceed, this is an amendment for which I would not call for immediate action. But my own view of what is happening is that there is an intention to move forward with the summit talks, but there is some possibility that it may not happen or there is some possibility that they will be delayed. It seems to me, when the Senate is being called upon to vote a very substantial Department of Defense authorization bill, after having taken substantial advice from the executive branch, that it is appropriate for the Senate to say, "Mr. President, we suggest that the summit talk be held at the earliest practicable time."

Mr. TOWER. In other words, even though the Soviets are engaged in activities or actions that militate against the advice of the President going to a summit immediately, the Senator would still insist that the President go anyway?

Mr. SPECTER. I would not insist on the President going for a summit if the Soviets were engaged in such activities. But my own view is that it is reasonable at the present time to proceed with a summit. When the distinguished Senator from Texas said in his remarks earlier in the day that I mistook the Soviet's goals and objectives as being the same as those of the United States, again the distinguished Senator from Texas is not accurately stating or interpreting my position. My belief that the Soviets may well be interested in summit talks and nuclear arms reduction is because of the power of the United States, because of the tenacity and the determination which President Reagan has brought to the scene, and because of the Department of Defense authorization bill of last year.

I say that after having taken the time to visit Edwards Air Force Base and personally take a look at the B-1 bomber; to visit Grand Forks, N. Dak., in February of this year and observe Minuteman missiles; to visit the Strategic Air Command and have a first-hand look at our capability there; to visit the nuclear submarines in Charleston, S.C., and observe those submarines with, as is well known in the public media, 16 missiles which can be projected, each with 10 warheads, and each warhead with four to five times the power which was unleashed at Hiroshima.

So it is not necessary to accuse the Soviet Union of the same goals and objectives the United States has in order to say that the Soviet Union has good reason to sit down at summit talks and to negotiate on nuclear arms.

Mr. TOWER. Let me ask the Senator this question. First, let me say that, of course, I have visited Edwards. I am well familiar with what our B-52's can do and what the Minuteman can do, which has not been fully authorized yet but which is a conditional authorization. I am familiar with what the Trident can do. In fact, has the Senator from Pennsylvania had a look at what the Soviets can do? In fact, they are building a nuclear capability much faster than we are, and even though our nuclear capability is formidable, in fact we may be at the point now where in a short few years the Soviets can overwhelm our retaliatory capability.

The Senator says that he is convinced that we can wreak destruction on Soviet industries, on Soviet cities, and all that sort of thing. That sounds like the old discredited doctrine of mutual assured destruction. Does the Senator from Pennsylvania still think that is a valid doctrine?

Mr. SPECTER. I did not hear the Senator.

Mr. TOWER. The doctrine of mutual assured destruction, the MAD doctrine. Does the Senator believe that is still a valid doctrine?

Mr. SPECTER. I believe we have sufficient capability to inflict sufficient destruction on the Soviet Union so that there is good reason for the Soviet Union to engage in summit talks and in bargaining on arms reduction.

Mr. TOWER. In other words, the Senator does think the MAD doctrine is still valid?

Mr. SPECTER. I am not prepared to adopt anybody's doctrine. I am prepared to answer the Senator's questions.

Mr. TOWER. It is not just anybody's doctrine. This was established doctrine for years, mutual and assured destruction, that if we simply had the capability to destroy Soviet cities, that would deter a first strike against us. Most of the military and technical communities, the diplomatic communities, the last administration and this administration no longer cling to the doctrine of mutual assured destruction. I just want to ask the Senator from Pennsylvania if he does because implicit in what he says is acceptance that the doctrine of mutual assured destruction is still a valid doctrine.

Mr. SPECTER. I have not relied upon anything which is implicit. That is something the distinguished Senator from Texas comes to repeatedly. I am being very explicit as to what I advocate. A doctrine of mutual assured destruction does not have specification or meaning for me in and of itself.

I have said, and will repeat, that the course of the United States——

Mr. TOWER. If the Senator will yield——

Mr. SPECTER. I will not yield in the middle of a sentence. I will yield when I finish the sentence.

In my judgment, we have sufficient force from what I have seen, from what I have read, and from what I have studied so that there is good reason for the Soviets to be very concerned about the power of the United States, so that we need not rely on their good intentions or their good will to bring them to the summit talks.

Mr. TOWER. Let me read the Senator's own words. "Whatever increases in vulnerability may occur later in the decade, our Minuteman missiles and B-52 bombers can still reliably wreak sufficient destruction on Soviet industries, cities, and military bases to deter a Soviet preemptive strike."

That is the doctrine of mutual assured destruction which, as I say, has already been discredited.

Now, does the Senator believe that if the Soviets launched a first strike against us, we would have sufficient urgent hard target kill capability to prevent them from launching yet another attack against us?

Mr. SPECTER. Mr. President, I am not in a position to render an opinion on that.

Mr. TOWER. Well, if the Senator is not in a position to render an opinion on it, how can he offer an amendment on it?

Mr. SPECTER. I am not finished, Mr. President.

The statement I read had the B-52's, the Minutemen, and the submarines. I believe that, in terms of a strike potential there, it is sufficient to bring the Soviets to the bargaining table, with good reason for them to appear there.

Mr. TOWER. Mr. President, let me ask the Senator a specific question about this. He talks about the B-52's that we have. Does the Senator know how long it takes a B-52 to arrive on target in the Soviet Union from a base in the United States?

Mr. SPECTER. No, Mr. President.

Mr. TOWER. It takes several hours. Does it occur to the Senator that in that period of time, the Soviets could launch yet a second strike against us?

Mr. SPECTER. Yes, Mr. President, that does occur to me. Yes, I do know it takes several hours.

Mr. TOWER. And he would hold us hostage to that so we would have time to use the B-52's.

Mr. SPECTER. I am not finished with my answer, Mr. President.

I do know in terms of generalization that it takes several hours. I do not consider that knowing how long it takes B-52's to get there. I do know the approximate length of time it takes a Minuteman missile to traverse the distance from North Dakota to the Soviet Union and the approximate time it takes a missile from a submarine to arrive there.

Mr. President, I fail to see the relevance of that kind of material to the issue as to whether we have sufficient force to make the Soviets serious about negotiating.

Mr. TOWER. Mr. President, the Senator has introduced this. Therefore, he obviously thinks it is relevant. Let me ask the Senator this question:

Does the Senator believe that, in a first strike, the Soviets would leave us a sufficient number of Minuteman III's in a second strike to destroy all of their offensive capability so there would be no third strike against us?

Mr. SPECTER. Mr. President, I am not prepared to make the response

there, nor do I see the relevance of that to the issue.

Mr. TOWER. Mr. President, the Senator brought in the question of our ability to deter, so it is very relevant. In the Senator's letter, he says we have the B-1, the MX coming on line, then he says Minutemen and B-52's could still reliably wreak sufficient destruction of Soviet industry.

The Senator is the one who made it relevant, so he should be able to defend the position that what we have in the way of B-52 capability and survivable intercontinental ballistic missile capability and submarine-launched ballistic missile capability provides an adequate deterrent. He is the one who has made it relevant here, not me.

Mr. SPECTER. It is relevant on the issue of deterrence, Mr. President, to deter a Soviet first strike. When we become engaged in a question as to what a response would be from a first strike or a second strike or a third strike, there, I believe, we are engaging in issues which are too speculative for anyone really to know.

Mr. TOWER. The Senator said it is speculative. Then he must admit that his own words are speculative when they say that this is an adequate deterrent. If the Soviets do destroy 90 percent of our land-based missile force, it occurs to me they could then say to us, "Do not launch a retaliatory strike against us or we will launch yet another strike against you that will level your cities."

What would the Senator do in that situation if he were President?

Mr. SPECTER. Mr. President, I think the distinguished Senator from Texas is not correct in suggesting that the Soviets can destroy a sufficient quantity of our nuclear force to make retaliation irrelevant for their consideration. We have a sufficient nuclear force in the B-52's which is not subject to destruction. We have a very substantial nuclear force in our submarine capability which is not subject to destruction. So I reject the distinguished Senator's contention or suggestion that the Soviets could cause such destruction of our force as to be unconcerned about retaliation.

Mr. TOWER. The point I am making, Mr. President, is that the Senator, again, is embracing the doctrine of mutual assured destruction, discredited by the previous administration and discredited by this one. In fact. what he is saying is that if the Soviets launch a first strike, they would launch it against our defensive weapons capability. They would launch it against our land-based missiles. If they did that, our option, given that vulnerability, would be to retaliate against their cities.

Once having done that, they would say, "All right, if you use your retaliation against our cities, we would use ours against yours."

What is the Senator prepared to do: Go ahead and retaliate and destroy Russian cities if faced with certainty that American cities are going to be destroyed in the next exchange? Is the Senator prepared to do that?

Mr. SPECTER. Mr. President, I think the distinguished Senator from Texas has lost sight of what the issue is.

Mr. TOWER. I do not think I have, Mr. President.

Mr. SPECTER. The issue is whether the United States has sufficient nuclear force to make it worth the while of the Soviet Union to sit down at a summit talk. That is not just the opinion of the Senator from Pennsylvania. That has been the expressed and considered opinion of the President of the United States, who has said, while as a candidate, that having studied the issue at tremendous length, as is known to the distinguished Senator from Texas, he thought summit talks were advisable. That is a statement which the President of the United States has made in the course of the past several weeks.

Mr. President, the issue is, does the Soviet Union have sufficient motivation to come to the summit talks, not what will the complex possibilities be in attack 1, retaliation; attack 2, retaliation; and so forth.

Mr. TOWER. The Senator from Pennsylvania has introduced the issue of deterrence here. Again I read what he says: "Our Minuteman missiles and B-52 bombers can still reliably wreak sufficient destruction on Soviet industry, cities"—that is the mutual assured destruction doctrine.

How reliable might they be if there were overhead bursts on our airfield from submarine-launched ballistic missiles that put our B-52 out of commission—which is a long-time response, anyway—and when they have knocked out 90 percent of our urgent hard target kill capability, when open testimony 2 years ago, before the Armed Services Committee and the Foreign Relations Committee, showed or held that the Soviets, by 1982, could destroy 90 percent of our urgent hard target kill capability.

Would the Senator care to explain that paragraph?

Mr. SPECTER. The Senator from Texas again conveniently overlooks the power of the nuclear submarines.

Mr. TOWER. I am not overlooking anything, Mr. President. I am asking about the paragraph where the Senator said, "We can still reliably wreak destruction on Soviet cities, industries and bases." That is what the Senator said.

Mr. SPECTER. That is what I said.

Mr. TOWER. How do you communicate with a submarine in that situation? How do you get a response out of a submarine?

Mr. SPECTER. We have methods of communicating with submarines. That is what I said, not only in the context of the Minuteman and B-52's.

Mr. TOWER. How do we communicate with a B-52, I ask the Senator?

Mr. SPECTER. If I may be permitted to finish, Mr. President.

Mr. TOWER. Mr. President, let the Senator go ahead and finish.

Mr. SPECTER. I know we have methods of communicating with B-52's as well as with our submarine force. I come back to our most important point, that this is a digression and a red herring.

Mr. TOWER. Mr. President, if it is a red herring, why did he put the red herring in his letter?

Mr. SPECTER. The real issue here, if I may be permitted to finish—I do not interrupt the distinguished Senator from Texas when he is speaking—the real issue here is whether there is sufficient motivation for the Soviets to come to the bargaining table. That is the issue where the Senator from Texas starts. The business about the specifics as to our capability to retaliate after a first wave is not responsive to what we are really talking about.

Mr. TOWER. One of the key issues is not simply getting to the negotiating table but what we can accomplish when we get there. Coming to the table does not mean anything if there is no prospect of accomplishing anything.

The Senator from Pennsylvania is maintaining that we can accomplish something because of the reliability of our B-52's and our Minuteman missiles to destroy Soviet cities and industry.

I submit to the Senator that that is not reliable, that that statement is in error.

The Senator said we can communicate with our submarines, but how do we communicate with them? They have to surface. Does not the Senator know that, that you cannot automatically communicate with a submarine deeply submerged? If the Russians start missiles flying at the United States, how do we communicate with those subs to get an urgent response? If we cannot get an urgent response, the Soviets might be prompted to launch a second strike against us unless we surrender, holding our cities hostage.

Would the Senator care to comment on that possibility?

Mr. SPECTER. I should be pleased to.

The fact of the matter is that messages can be communicated to the submarines without the necessity of the submarines surfacing.

Mr. TOWER. How?

Mr. SPECTER. Through our communications system. I have been briefed on our communications system and I am advised——

Mr. TOWER. What does that do?

Mr. SPECTER. And I am advised that it is possible——

Mr. TOWER. What does that do to the most valuable asset a submarine has? What is the most valuable asset a submarine has?

Mr. SPECTER. If I may finish. May I finish?

Mr. TOWER. Yes.

Mr. SPECTER. I thank the Senator. It is possible for the submarines to have a communication without surfacing.

Mr. TOWER. Yes, it is.

Mr. SPECTER. A few moments ago the Senator said that it was not possible for the submarine to receive a communication without surfacing.

Mr. TOWER. But when he does it without surfacing, what does he give up? What does he give up? His most valuable asset. And what is that? His indetectability.

Mr. SPECTER. I think that the Senator from Texas is performing a great disservice to the forcefulness of our submarine fleet in suggesting that they are unable to receive——

Mr. TOWER. No, the Senator is not.

Mr. SPECTER [continuing]. Communications—if I may finish—in suggesting that they are unable to receive communications and are unable to carry out their mission without being detected. That simply is contrary to the fact.

Mr. TOWER. Is the Senator prepared to support that with information for the RECORD? Is the Senator saying that they do not have to trail a wire just beneath the surface?

Mr. SPECTER. I am saying that it is possible to communicate without being detected, according to the information which has been provided to me. I received that briefing last month when I visited the nuclear submarine base in Charleston, S.C.

But again I come back to the point that the real issue is being obscured here in a grand way by the Senator from Texas, because it is not just the Senator from Pennsylvania who is suggesting that it is realistic to have summit talks. Yesterday I introduced into the RECORD a letter from the Secretary of State dated April 28, 1982, which I think is worth rereading. It reads as follows:

> Thank you for sending the text of your Sense of the Senate Resolution calling for a summit meeting on nuclear arms reduction.
>
> The President and I fully share your concern about the danger of nuclear war. A meeting with President Brezhnev can contribute to reducing that danger.

Note that it is not just the Senator from Pennsylvania who believes that a meeting with President Brezhnev can contribute to reducing that danger but includes the Secretary of State.

The Secretary of State goes on:

> And President Reagan has expressed his desire to meet with the Soviet leader in June in the context of the United Nations Special Session on Disarmament.

Note again that it is not just the Senator from Pennsylvania and the Secretary of State but the President of the United States who thinks it is realistic to meet with the President of the Soviet Union.

The Secretary of State continues:

> Even though President Brezhnev responded by suggesting a meeting in the fall, President Reagan hopes that it will still be possible to meet in June as he proposed.
>
> We recognize, however, that ensuring peace is not the work of a single meeting. Peace requires the determination to maintain a balance of power. It requires detailed preparation and patient negotiation. It requires restraint in foreign policy. We intend to meet these standards. The problem we face has been Soviet unwillingness to match our restraint.
>
> The President is committed to achieving meaningful reductions in nuclear arms. Preparations for strategic arms negotiations are now in their final stages, and we expect to begin talks with the Soviets as soon as conditions permit.

So that when the Secretary of State considers the factors, and he is knowledgeable about them, as is the distinguished Senator from Texas, he thinks it is a realistic and timely thing to do.

Then he continues:

> Negotiations on intermediate-range nuclear forces took place between November 1981 and March of this year, and they will reconvene on May 20. We are also discussing important arms control issues in the Mutual and Balanced Force Reduction talks, the United Nations Committee on Disarmament, and the standing Consultative Commission established under the SALT I agreements. We hope what this ongoing dialogue will succeed in achieving genuine arms reductions and in lessening the risk of war.

He continues, but I shall not go on at this point. It is plain in the response by the Secretary of State that there is nothing said which is in opposition to the resolution which I have introduced here yesterday identical in form and in substance, and there are none of the concerns which the Secretary of State sees and which have been expressed by the Senator from Texas.

Mr. TOWER. The fact is the administration opposes the amendment and opposes it very strongly. Is it the suggestion of the Senator from Pennsylvania that, regardless of what the administration position is, he intends to press on with it, even if the administration opposes it for reasons that it might undermine the bargaining position the administration has? Is he prepared to press on with it even in the absence of hearings, even in the absence of giving the administration an opportunity to present its case to the appropriate committee, the Foreign Relations Committee?

Mr. SPECTER. If I thought that this amendment would undermine what the administration was doing, I would not proceed with it, nor would I have proposed it. When the distinguished Senator from Texas tells me that the administration opposes it, I recollect a matter which came to the floor just a few weeks ago from the distinguished Senator from Idaho (Mr. SYMMS), and there was considerable confusion as to what the administration's position was on that, dealing with the Cuban issue. It seems to me that it is appropriate in the suggestive context of this amendment for the Senate to come forward and to express its view to the executive branch.

Mr. TOWER. Is the Senator saying that if we obtain a positive statement from the administration that they oppose this amendment, he will withdraw it?

Mr. SPECTER. No; I am not saying that. I said that if I thought this amendment undermined what the administration was trying to do, undermined U.S. foreign policy, I would withdraw it.

Mr. TOWER. Then, the Senator would press it without giving the administration an opportunity to testify before an appropriate committee as to why they felt it might undermine their position? He would press on with it, anyway.

Mr. SPECTER. I have written to the President on April 14. I have written to the Secretary of State, and he has responded, in no way suggesting what the Senator from Texas has said. I have received no response from the Secretary of Defense or from the National Security Advisor.

This is not a matter which, in my judgment, requires extended hearings. The issue of a summit talk has been widely considered, it has been widely debated, it has been endorsed in part by the President, and it is one on which I think the Senate can move forward to a judgment without hearings.

Mr. TOWER. So the Senator is saying that even if the administration made a statement to the effect that they felt it might undermine the administration's negotiating position, the Senator would press forward with it, in the absence of any opportunity for the administration to present its cases before an appropriate committee of the Senate. Is that correct?

Mr. SPECTER. I am available to discuss the matter with the administration. I am available to hear why a conclusion would be drawn that this would undermine in any material way the negotiations with the Soviet Union. I am prepared to maintain an open mind if some good reason is given for that proposition.

I did not introduce this precipitately yesterday. It was the subject of a communication, to repeat, of April 14, and then again of April 19.

I believe that this matter is very much on the mind not only of the Senator from Pennsylvania and the U.S. Senate but also on the minds of the people of the United States. I believe it is a matter which should be the subject of an expression of opinion by the Senate on the Department of Defense authorization bill.

Mr. TOWER. I suggest to the Senator that Secretary Haig is scheduled to testify before the Senate Foreign Relations Committee, on the whole issue of arms control, on Tuesday at 9:30. It is my understanding that the Senator from Pennsylvania, himself, is scheduled to testify before the committee.

Would it not be wiser for the Senator from Pennsylvania to withhold this and, if he is not satisfied by the testimony of the administration or the action of the Foreign Relations Committee, to offer this as an amendment to the appropriate vehicle—namely, something that comes from the Foreign Relations Committee, which has jurisdiction over this matter?

Mr. SPECTER. I disagree directly that this is an inappropriate vehicle for this amendment.

I am being asked, as is the Senate, to vote on a Department of Defense authorization bill in excess of $200 billion, and an enormous part of that $200 billion is going to be directed toward nuclear weapons. Another enormous part of that $200 billion is going to be directed to weapons that are related to a nuclear strike force.

I believe it is appropriate for the Senate to say to the executive branch: "Start talks. It is not inconsistent with acquiring strength. We agree that the United States should agree to acquire strength, but start to talk."

I think it is directly relevant, directly germane, and should be considered at this time.

Mr. WARNER. Mr. President, has the Senator yielded the floor?

Mr. SPECTER. No.

Mr. WARNER. Will the Senator yield for a question?

Mr. SPECTER. I yield.

Mr. WARNER. During my first years in the Senate, we were discussing the SALT I agreement. As the Foreign Relations Committee was working on the hearings in the context of reporting it to the floor, and so forth, the tragedy of Afghanistan developed.

Subsequently, it was the judgment of the President of the United States to pull that treaty back, in view of the complexity of the international situation, by virtue of the unlawful and illegal activities of the Soviet Union in Afghanistan.

I mention that as a chapter in what we refer to as—and I am certain the distinguished Senator from Pennsylvania is familiar with the term—linkage.

Now the whole world is awestruck over the problem we have in the Falkland Islands. The President and the Secretary of State, in what I believe is a very diligent and proper manner, have done what they can to bring the power and influence of this Nation to bear, to try to resolve that tragedy in peaceful manner.

I raise these points because, if the Senator would provide an opportunity for consultations with the Secretary of State, or during the course of the hearing, it may well be that there are ramifications under the doctrine of linkage which would make it ill advised for the Senate this afternoon to place on record its opinion with respect to the Senator's resolution.

My question, then, is: Has the Senator from Pennsylvania taken into consideration the really abnormal circumstances that the world is witnessing right now in the Falkland Islands and all the ramifications that might flow from that, as it bears on a further communication of this type from Senate to the world with respect to the negotiations?

These things are delicate. It is difficult for me, within the confines of classified material, and so forth, to discuss that here, but I am sure the Senator understands the point of my question.

Mr. SPECTER. I thank the distinguished Senator from Virginia for the question.

Yes; I have taken into account, to the best of my ability, the situation in the Falklands. It is my view that it is always possible to find some reason not to do something. I think there doubtless was good reason not to proceed with the SALT II talks after the Soviets invaded Afghanistan in December 1979. But I do not see any cogent reason at this time not to proceed with the summit talks which have been suggested broadly, far beyond the recommendation of the Senator from Pennsylvania.

Mr. WARNER. The distinguished Senator from Texas suggested that possibly next Tuesday, on the occasion of the testimony of the Secretary of State, the Foreign Relations Committee might permit the distinguished Senator from Pennsylvania to participate in that hearing and to address to the Secretary the propriety of having such a resolution acted upon by the Senate at this time.

I am not suggesting that I have any specific knowledge on the situation of linkage as it relates to the Senator's resolution, but I do raise this as one possibility.

It seems to me that a matter of 3 or 4 days would not be that important. The Senator could then attach his resolution to a resolution that I presume the Foreign Relations Committee will report, possibly the Jackson-Warner resolution or a modification thereof, or another, in the context of the overall discussion of the freeze—the very important freeze subject. That would be an appropriate vehicle, and I anticipate that that will be forthcoming shortly.

Mr. SPECTER. I believe that the amendment which is now before the Senate is capable of being decided by the Senate at this time.

Mr. WARNER. The Senator means the resolution.

Mr. SPECTER. It is in the form of an amendment. It is an amendment.

I say that because this amendment does not purport to tell the President what to do, as does the Kennedy-Hatfield amendment, which talks about freeze. This makes only a suggestion. It does not set any date. It calls for a summit at the earliest practical time, and I think that is a matter which is subject to being decided at the present time by the Senate.

Mr. President, I wish to modify my amendment by accepting the amendment thereto, offered by Senator TOWER, and I request the yeas and nays on the amendment as modified.

The PRESIDING OFFICER. The amendment is so modified.

The amendment (No. 1397) as modified by amendment No. 1398, is as follows:

> At the end of the bill add the following:
>
> SEC. . (a) The Congress finds that—
>
> (1) a general nuclear war could cause the death or mutilation of hundreds of millions of people;
>
> (2) the damage that a general nuclear war would cause to the environment would be of unknown, unimaginable, and unprecedented kinds and degree;
>
> (3) many survivors of a general nuclear war would, after suffering extraordinary agony, die of radiation poisoning, disease, overexposure to the elements, starvation, or similar causes;
>
> (4) the probability of the occurrence of a general nuclear war would increase vastly and, perhaps, uncontrollably if any government initiates major hostilities or the use of nuclear weapons, regardless of the circumstances;
>
> (5) the recent development of nuclear weapons that are capable of destroying the nuclear weapons of rival nations increases the likelihood of a preemptive nuclear strike;
>
> (6) the governments of many nations already have nuclear weapons, and the governments of many more nations may soon develop or otherwise be able to acquire nuclear weapons;
>
> (7) even a local or regional armed conflict or terrorist incident could escalate into a conflict involving the superpowers and leading to general nuclear war; and
>
> (8) launched missiles carrying nuclear weapons, including those launched in error or by accident, cannot be recalled from proceeding to and devastating preassigned targets.
>
> (b) It is the sense of the Congress that the President of the Union of Soviet Socialist Republics should, at the earliest possible date, respond to any invitation extended to him by the President of the United States of America to attend a summit meeting to reduce the risk that nuclear war could occur from any cause and to establish a means for better controlling the use of, and reducing the stocks of, nuclear weapons.

The PRESIDING OFFICER. Is there a sufficient second to the request for the yeas and nays?

Mr. WARNER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. Is there a sufficient second?

There is not a sufficient second.

The Senator from Virginia.

Mr. TOWER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. SPECTER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Is there objection?

Mr. TOWER. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

The assistant legislative clerk resumed the call of the roll.

Mr. DIXON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. TOWER. I object.

The PRESIDING OFFICER. Objection is heard.

The assistant legislative clerk resumed the call of the roll.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TOWER. Mr. President, I move to table the amendment of the Senator from Pennsylvania.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DIXON. Mr. President, now that the Senator from Texas has offered a motion to table, is the form of the amendment of the Senator from Pennsylvania with the amendment of the Senator from Texas, as well, under consideration at this time.

The PRESIDING OFFICER. The Senator from Illinois is out of order debating a motion to table.

Mr. WARNER. Mr. President, we are awaiting the decision of the Chair with respect to the yeas and nays.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas to lay on the table the amendment of the Senator from Pennsylvania.

There is no debate on the motion to table.

Mr. DIXON. Mr. President, I demand the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

Mr. TOWER. Regular order.

The PRESIDING OFFICER. There is not a sufficient second.

The question is on agreeing to the motion of the Senator from Texas.

The PRESIDING OFFICER. Those in favor of the motion will stand and be counted. Those in favor of the motion to table will stand and be counted.

Mr. DIXON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. JACKSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SPECTER. Mr. President, reserving the right to object, I just want to be sure that we come right back to——

The PRESIDING OFFICER. The Senator may not reserve the right to object to calling off the quorum.

Is there objection?

Mr. SPECTER. I object.

Mr. JACKSON. Mr. President, I will protect the Senator. I am going to make a unanimous-consent request.

The PRESIDING OFFICER. The Senator from Washington is recognized.

Mr. JACKSON. I ask unanimous consent that I may call up my unprinted amendment, which is at the desk, with the understanding that upon completion——

The PRESIDING OFFICER. The Senator is advised that the quorum call is still in progress.

Mr. JACKSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Is there objection?

Mr. TOWER. Will the Senator yield to me?

Mr. JACKSON. Yes, I yield.

Mr. TOWER. Mr. President, I ask unanimous consent——

The PRESIDING OFFICER. Is there objection to the Senator's request to call off the quorum?

Without objection, it is so ordered.

Mr. TOWER. Mr. President, I ask unanimous consent that the amendment of the Senator from Pennsylvania be temporarily set-aside for the purpose of taking up a noncontroverial amendment to be offered by the Senator from Washington; that on the completion of action on that amendment, the Senate immediately return to consideration of the amendment offered by the Senator from Pennsylvania.

The PRESIDING OFFICER. Is there objection?

The Chair hears none, and it is so ordered.

The Senator from Washington is recognized.

UP AMENDMENT NO. 904

(Purpose: To increase the amount that may be paid to certain members of the uniformed services in settlement of claims for damaged or lost personal property incident to service in a foreign country during the evacuation of personnel from and the hostage crisis in Iran)

Mr. JACKSON. Mr. President, I call up an amendment for myself and Senator NUNN, which is unprinted and at the desk, designed to correct certain deficiencies in the law regarding adequate compensation for members of our Armed Forces for property lost in Iran in 1979 and 1980.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Washington (Mr. JACKSON), for himself and Mr. NUNN, proposes an unprinted amendment numbered 904.

Mr. JACKSON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill add the following new section:

MILITARY PERSONNEL CLAIMS RESULTING FROM IRANIAN CRISIS

SEC. —. Section 9 of the Military Personnel and Civilian Employees' Claims Act of 1964 (31 U.S.C. 243a) is amended—

(1) by inserting a comma and "subject to subsection (f)," after "shall" in the second sentence of subsection (d); and

(2) by adding at the end thereof the following new subsection:

"(f)(1) In the case of any claim against the United States made under subsection (a) by any individual for damage to, or loss of, personal property in a foreign country after December 30, 1978, and before January 22, 1981, that was incident to the service of such individual as a member of the uniformed services, the Secretary concerned may settle and pay an amount determined under paragraph (2).

"(2)(A) For the purposes of paragraph (1), the Secretary may, subject to subparagraph (B), pay not more than $55,000.

"(B) In the case of lost personal property that any individual described in paragraph (1)—

"(i) appropriately and reasonably owned and possessed in the foreign country considering his official representational duties and responsibilities; and

"(ii) reasonably did not remove from the place where it was lost or did not have an opportunity to remove from such place,

as determined by the head of the agency concerned, such head of the agency may pay to the individual an amount equal to the excess (if any) of the documented full replacement cost of such lost personal property over the total amount of compensation payments available to the individual from all other sources with respect to such lost property."

Mr. JACKSON. Mr. President, I offer an amendment for myself and Senator NUNN, designed to correct certain deficiencies in the law regarding adequate compensation for members

of our armed services for property lost in Iran in 1979 and 1980.

Specifically, my amendment would raise the existing statutory ceiling from $40,000 to $55,000 for damage or loss of personal property incurred between the beginning of 1979, when the first evacuation of official U.S. personnel in Iran occurred, and January 1981, when the U.S. hostages left Iran. The amendment also gives the Secretary of Defense authority to provide additional compensation to members of the armed services—not limited by the table of maximum allowances and the table of depreciation or the $55,000 ceiling—for loss of property which was purchased for the purpose of performing representational duties or other official responsibilities.

Mr. President, the Military Personnel and Civilian Employees Claim Act, as amended, adequately covers most of the claims which were submitted in connection with the evacuation of official U.S. Government personnel during the Iran situation. I understand, however, that 14 members of our Armed Forces who have filed claims under the act have claims which have been adjudicated at amounts in excess of the current ceiling of $40,000. These amounts vary from $55,000 to amounts just over the $40,000 ceiling. These, it must be emphasized, represent validated claims in which the claims submitted were adjusted by taking into account the standard tables of maximum allowance and depreciation.

As we know all too well, Iran was increasingly becoming unstable during the late 1970's and because the opportunity to purchase locally items for personal use was increasingly limited, official American personnel had to bring many, if not most, of these items over to Iran with them. The situation there was so risky that insurance for these items was not available, and when these individuals and their families were forced to leave the country, many left only with a suitcase or two, leaving the rest of their belongings behind.

The amount left behind varied according to the length of intended duty in Iran, the degree of official reponsibilities to be performed, and the size of one's family. The Government has an obligation to compensate its employees fully for the documented value of personal property lost in this kind of a situation. I think it is unfair, Mr. President, that some individuals, whose claims have been validated in excess of $40,000 and who had a reasonable amount of property in Iran without a reasonable opportunity to remove and protect it from loss, should have to bear this financial loss. I might add that this point of view was shared by the President's Commission on Hostage Compensation which recommended an increase in the property claims ceiling for those who were taken hostage on November 4, 1979. My amendment broadens this recommendation to include all members of the armed services—I understand there are no validated claims to date among Department of State personnel in excess of $40,000—who lost property during the turbulent days, starting in early 1979 and ending the day our hostages were released 2 years later, in Iran.

The second part of my amendment gives the Secretary of Defense authority to exceed the compensation ceiling if necessary in order to compensate those very few individuals who purchased property and belongings of a personal nature in order to fulfill representational duties and social obligations related to official business.

Mr. President, I understand there are only a few Department of Defense personnel—perhaps three of four—who fall into this category. These individuals with attaché duties had heavy entertainment obligations and responsibilities. Simply put, they acquired property which they would not have ordinarily purchased but for their special representational duties. These individuals who acquired this property because of their official U.S. Government responsibilities in Iran should be compensated up to the full documented value of personal property lost and should not be limited by the table of maximum allowances, table of depreciation used to adjudicate claims under the act, or by the $55,000 ceiling for property falling into this category. It would be an injustice for these individuals to take a considerable financial loss for property and personal belongings which were purchased primarily in order to fulfill representational responsibilities for the U.S. Government in Iran.

Mr. President, I believe my amendment corrects the problems I have just discussed. It corrects what I see to be inadequate compensation for certain Department of Defense personnel in Iran, and I urge its adoption.

Mr. President, the merit of this amendment is quite clear. We had several military personnel who submitted claims; and, under the statute, they were not given full compensation for the property loss. They have, of course, established and validated claims beyond the present limit on repayment. A very small number of other personnel with representational duties lost personal property which they had acquired because of their specialized duties. They would be compensated to the full documented replacement cost for such property under my amendment.

Mr. TOWER. Mr. President, will the Senator yield?

Mr. JACKSON. I yield.

Mr. TOWER. Mr. President, on behalf of the committee, I am prepared to accept the amendment.

I commend Senator JACKSON, Senator NUNN, and others who joined in the amendment for addressing themselves to what I would call an oversight, not an intended punishment of those people who served us so well.

I have discussed the matter with the distinguished Senator from Mississippi, the ranking minority member of the committee, and he has authorized me to say, in his absence, that he accepts the amendment. Therefore, we are prepared to accept the amendment.

Mr. JACKSON. I thank the distinguished chairman of the committee.

I have no further comments, Mr. President; I think we should vote.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the amendment of the Senator from Washington.

The amendment (UP No. 904) was agreed to.

Mr. JACKSON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. TOWER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. JACKSON. Mr. President, I thank the distinguished chairman of the committee for his cooperation.

Mr. TOWER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TOWER. Mr. President, I withdraw my motion to table.

The PRESIDING OFFICER. The Senator has that right. The motion is withdrawn.

AMENDMENT NO. 1397, AS FURTHER MODIFIED

Mr. SPECTER. Mr. President, I send an amendment to the desk in the form of a substitute.

Mr. TOWER. Mr. President, will the Senator yield?

Mr. SPECTER. I yield.

Mr. TOWER. I understood that he intended to modify his existing amendment. Is that his intent?

Mr. SPECTER. That is.

The PRESIDING OFFICER. The Senator has the right to modify his amendment. The amendment is so modified.

The amendment, as modified, is as follows:

At the end of the bill add the following:

Sec. . (a) The Congress finds that—

(1) a general nuclear war could cause the death or mutilation of hundreds of millions of people;

(2) the damage that a general nuclear war would cause to the environment would be of unknown, unimaginable, and unprecedented kinds and degree;

(3) many survivors of a general nuclear war would, after suffering extraordinary agony, die of radiation poisoning, disease, overexposure to the elements, starvation, or similar causes;

(4) the probability of the occurrence of a general nuclear war would increase vastly and, perhaps, uncontrollably if any government initiates major hostilities or the use of nuclear weapons, regardless of the circumstances;

(5) the recent development of nuclear weapons that are capable of destroying the nuclear weapons of rival nations increases the likelihood of a preemptive nuclear strike;

(6) the governments of many nations already have nuclear weapons, and the governments of many more nations may soon develop or otherwise be able to acquire nuclear weapons;

(7) even a local or regional armed conflict or terrorist incident could escalate into a conflict involving the superpowers and leading to general nuclear war; and

(8) launched missiles carrying nuclear weapons, including those launched in error or by accident, cannot be recalled from proceeding to and devastating preassigned targets.

(b) It is the sense of the Congress that the President should, at the earliest possible date, act to convene a summit meeting with leaders of the Government of the Union of Soviet Socialist Republics for the purpose of seeking to reduce the risk that nuclear war would occur from any cause and to establish a means for better controlling the use of, and reducing the stocks of, nuclear weapons.

(c) It is the further sense of the Congress that the President of the Union of Soviet Socialist Republics should, at the earliest possible date, respond to any invitation extended to him by the President of the United States of America to attend a summit meeting to reduce the risk that nuclear war could occur from any cause and to establish a means for better controlling the use of, and reducing the stocks of, nuclear weapons.

TIME LIMITATION AGREEMENT—AMENDMENT NO. 1397, AS FURTHER MODIFIED

Mr. TOWER. Mr. President, I ask unanimous consent that the pending amendment be temporarily laid aside, and that tomorrow when the Senate resumes consideration of S. 2248, the amendment of the Senator from Pennsylvania will become the pending business; that there will be a time limit of 1 hour of debate on the amendment, equally divided between the proposer of the amendment and the manager of the bill; further, that there be a time limitation of 30 minutes on any amendment thereto, to be equally divided between the proposer of such amendment and the Senator from Pennsylvania (Mr. Specter).

The PRESIDING OFFICER. Is there objection?

Mr. COHEN. Reserving the right to object, is it still in order, Mr. President, to file a motion on this particular amendment?

The PRESIDING OFFICER. To request what?

Mr. COHEN. Would it be in order to offer a motion to table the new amended Specter proposal?

Mr. TOWER. If I may respond, the motion to table would be in order only after the time for debate had expired. A tabling motion would not foreclose the time agreement prior to that.

The PRESIDING OFFICER. The distinguished Senator from Texas is correct. Is there objection?

Mr. TOWER. Mr. President, I further add that the Senate will resume consideration of the bill at 10:30 tomorrow morning, at which time the amendment would become the pending business.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. WARNER. Mr. President, I wish to thank the distinguished chairman of the Armed Services Committee, the distinguished Senator from Illinois, and the distinguished Senator from Pennsylvania for working out this compromise, which I believe is in the best interests of the Senate and the United States.

Mr. DIXON. Mr. President, I am authorized to say that the agreement has been cleared on this side with the minority leader and with the manager of the bill. The distinguished Senator from Texas and the distinguished Senator from Virginia are both thanked for their accommodation.

Mr. SPECTER. Mr. President, I wish to thank the distinguished Senator from Virginia for his skill in arranging this current arrangement, the distinguished Senator from Texas, and the distinguished Senator from Illinois for his support of the agreement.

Mr. TOWER. Mr. President, what the Senator from Pennsylvania and the Senator from Illinois have just said is the fact that I am just a patsy, an easy touch around here. I understand that everyone knows what a good guy I am. [Laughter.]

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. GOLDWATER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GOLDWATER. Mr. President, I ask unanimous consent that my aide, Mr. Sharon, be granted the privilege of the floor during the consideration of the pending legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GOLDWATER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. GLENN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 905

(Purpose: To prohibit the use of operation and maintenance funds for maintenance of POMCUS sites under construction)

Mr. GLENN. Mr. President, I send an unprinted amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Ohio (Mr. Glenn) for himself and Mr. Sasser, proposes an unprinted amendment numbered 905:

Mr. GLENN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 21, line 19, strike out "$18,774,275,000" and insert in lieu thereof "$18,742,275,000".

On page 23, between lines 18 and 19, insert the following new section:

PROHIBITION OF MAINTENANCE OF POMCUS SITES

Sec. 304. None of the funds appropriated under this title may be obligated or expended for maintenance of the sites which—

(1) are to be used for the storage of prepositioned overseas materiel configured to unit sets; and

(2) are under construction on the date of enactment of this Act.

Mr. GLENN. Mr. President, this amendment to the fiscal 1983 defense authorization legislation requires our European NATO allies to increase their share of the burden of the alliance's responsibilities. It will ultimately reduce U.S. defense outlays by approximately $200 million a year, if we put the full package into consideration. What I am proposing today is only $32 million of that $200 million per year.

Mr. President, the basis for this is that NATO has refused to share some of the greater financial burden, to share the load, for what we do on behalf of the alliance.

At NATO meetings, which the distinguished floor manager of the bill and I attended in Munich earlier this year, we saw our NATO allies digging in their heels at even considering getting any of their considerations outside of the NATO geographic area itself, even though what we are being forced to pick up much of the load for responsibilities around the world that benefit the NATO nations, the European nations, perhaps even more than

they benefit us. That is the reason for this particular amendment.

Mr. President, central to this issue is the U.S. commitment to provide 10 divisions to the European command within 10 days of the announcement of mobilization in NATO. Four of these divisions are permanently stationed in West Germany, while the remaining six are garrisoned in the United States.

To more rapidly move our six "Stateside" divisions in a crisis, we are building storage areas in Europe for heavy combat equipment such as tanks, artillery, and trucks. Our divisions would then be able to leave their weapons in the United States and move mostly personnel to Europe. There, these forces would receive the combat equipment now stored in warehouses, thus saving time and considerable investment in air and sealift. The heavy equipment left in the United States could then be issued to activated National Guard and Reserve units.

Maintaining this equipment storage in Europe is costly. Temperature- and climate-controlled warehouses are required, as well as a large work force, to insure that the weapons, vehicles, and communications gear will be ready at a moment's notice.

It is this cost of maintenance that I believe our European NATO allies should assume in full. And these maintenance costs for storage sites still under construction are the funds my amendment will eliminate from this year's defense authorization. When all storage sites are completed and a steady-state operation is underway, the United States will have to pay estimated maintenance costs of about $200 million per year.

It is only fitting that our European allies assume this burden. The United States has put American lives and resources at risk in the Persian Gulf-Indian Ocean region. We have taken up this task to protect our vital interests, as well as the security of our friends in the Middle East. But we have also acted to protect the interests of Western Europe as well. Through the Straits of Hormuz—arguably the energy jugular of the industrialized free world—flow 53 percent of Europe's oil imports, but only 20 percent of those imports of the United States. We are increasingly involved in protecting critical geography where the economies of Western Europe could literally be devastated by the Soviet Union without firing a shot in Central Europe itself.

The growth of Soviet military power, coupled with economic difficulties we are experiencing, convince me that we have reached the point where we can no longer afford business as usual within the NATO alliance. We have substantial disagreements about the threats posed to our collective and individual interests and doubts about the equitable shares of burdens to be borne. These disagreements must be resolved. For unless they are, we cannot hope to strengthen the alliance—and it is an alliance worth saving.

NATO is more than a simple military pact. It is an expression of our resolve to remain free people. Just as we cannot allow that resolve to slacken, neither can we allow our alliance to deteriorate. But it will deteriorate unless we begin to take steps to recognize the new realities that confront us and to act to readjust the burdens we all must shoulder in our common defense.

Mr. President, we have had statements on this floor in recent months about the possibility of moving back to a consideration of the Mansfield amendment, which would require withdrawal of all American forces from Europe. I do not want to see that happen. I would be against that action. But if we are to prevent more serious consideration of exactly that type activity, it seems to me that we will have to ask NATO to share more of the burden, as we share more of the burden on a worldwide basis, particularly in the Persian Gulf, which benefits the NATO nations, which includes areas contiguous to the NATO geographical area.

On both sides of the Atlantic, democratic governments are wrestling with the question, How much should we spend on defense? Obviously, there can be no static answer to that question—for it depends on the size of the threat we are seeking to deflect at any given moment in history. That is why I am so deeply concerned. Because today it seems to me that NATO nations are not basing their defense requirements on their vital interests, but instead are seeking to justify military spending decisions on grounds that fluctuate between the ridiculous and the absurd.

Throughout the member nations of NATO, vocal political elements insist that defense spending ought to be weighed and judged against what we are able to spend on social programs. The implication of this demand is that military spending is merely a sop to a special interest constituency of generals, admirals, and defense contractors, and that military budgets ought not to exceed what is spent on social welfare programs.

The development of a rational defense policy is further hampered today by government officials who would cut defense spending solely in order to reduce budget deficits—solely for that purpose. Those afflicted with a "balance sheet" mentality cannot see that there lurks beyond their national boundaries a threat far greater than unbalanced budgets.

But perhaps this is not surprising. After all, we are taught in the Book of Solomon that there is "nothing new under the Sun." Indeed, history shows that today's intellectual myopia about defense is hardly novel. During America's first Constitution Convention in 1787, for example, one of the delegates wanted to make it law that America's Army would forever be limited to 5,000 men. George Washington, the Presiding Officer, turned to another delegate and whispered:

> Amend the motion to provide that no foreign enemy shall invade the United States with more than 3,000 soldiers at any one time.

In my judgment, what is needed today in the capitals of the free world is the kind of commonsense displayed by George Washington almost 200 years ago. Washington knew—even if we seem to have forgotten—that the first standard against which we must build and maintain our defenses is the size of the threat we are facing.

We cannot benefit from balanced budgets if we are subjugated from abroad. We cannot prosper if we are deprived of critical raw materials. And we cannot survive unless we remember that the most important social service a democracy owes to all of its citizens is to keep them free from oppression.

It is fashionable in some circles to deride military power. Some say that military forces are no longer relevant; that military forces can no longer influence international events. Some of this thinking springs from an earnest and well-meaning desire to rid the world of the scourge of war. Some of it doubtlessly comes from those who see military spending as a threat to social welfare. But whatever its origins, this kind of thinking is at best naive. At worst, it could lead us into the very conflicts we hope to avoid.

Military power does have its uses. And foremost of them has been deterring the Soviet Union from armed aggression. But as the Soviet Union has increased its military forces in relation to the United States and NATO, we have seen an alarming shift in the Kremlin's foreign policy—a shift toward a brazen adventurism that we must counter by improving our own defenses. This rush of events has been sobering:

The 1978 Soviet-engineered coup in Afghanistan and, more recently in that country, a frightening willingness to use the Red army outside Eastern Europe in a brutal and totally unjustified invasion.

The Soviet proxy warfare that has turned Cuba into a nation of Marxist mercenaries. Soviet-equipped Cuban surrogates have fought in Angola, Zaire, Ethiopia, Somalia and, perhaps most menacingly, in South Yemen at the very edges of the Saudi Arabian oilfields.

We see the presence of Red army combat units in Cuba.

The growing number of Soviet troops on the disputed islands just north of Japan.

The Soviet-backed Vietnamese invasion of Cambodia and the grim evidence of Soviet-directed bacteriological warfare against resistance elements both in Cambodia and Laos.

There is the Soviet naval buildup in the Indian Ocean—a buildup that places Russian warships astride the free world's vital oil supply lines into the Persian Gulf.

Soviets and Cubans are encouraging and supporting armed violence in Central America.

And while we have yet to see Soviet tanks in the streets of Warsaw, only the foolish believe that the terror now gripping Poland could exist without Soviet complicity and encouragement.

In the face of these moves, we seem incapable of effective, concerted action. I see three major reasons for this paralysis.

The first major cause of our inaction lies in the fact that the locale of Soviet advances fits the indirect strategy so clearly described by B. H. Liddell-Hart. NATO is waking each day to find itself increasingly threatened by yet another Soviet move in areas outside the European arena—areas in which our traditional patterns of thinking do not prepare us to respond in any meaningful way.

Our energy supply lines and critical materials are more threatened now than ever before. The economies of Western Europe, Japan, and the United States could literally be devastated without a shot being fired at the Fulda Gap.

While most of us appreciate the vulnerability of our energy supply lines, we know less about our dependency on critical raw materials. We in the United States consider some 90 materials to be of strategic importance. We are only self-sufficient in two minerals, molybdenum and magnesium. But we have virtually no U.S. sources for four of the most critical—chromium, cobalt, manganese, and platinum. In our F-100 jet engines, for example, we need 1,485 pounds of chromium for each engine. The same kind of dependency exists across the board for our industrial base and for the industrial base of the rest of the free world, including, of course, Western Europe.

The Soviet Union can now threaten resources that are absolutely necessary to us and to our European allies. Indeed, if one looks at the map and plots those areas in Africa where the Soviets have made their moves with surrogate forces, we will find an ominous alinement with the sources of those vital materials.

Second, the nature of the Soviet arms buildup has squarely challenged the alliance where it is most vulnerable. For too many years, we have relied on nuclear weapons to deter Soviet aggression. But with the advent of strategic parity and with our theater nuclear forces now neutralized, the burden of deterrence and, God forbid, war fighting has fallen on our conventional forces. For the domestic reasons I have outlined above, those conventional forces are now inadequate to meet the threat posed by the Soviets and their allies.

Third and finally, we have been immobilized by the Soviet resort to surrogate forces. The thousands of Cubans in Nicaragua, Angola, and Ethiopia, obscure the Kremlin's hand, as do the divisions of Vietnamese in Cambodia. Soviet aggression concealed, perhaps, but Soviet aggression nonetheless. For the self-deceiving and the Kremlin apologists, however, the facade of warfare by proxy offers a convenient excuse for minimizing the Soviet threat—and for continuing to conduct business as usual.

The growth of Soviet military power, coupled with economic difficulties we are experiencing, convince me that we have reached the point where we can no longer afford "business as usual" within the NATO alliance. We have substantial disagreements about the threats posed to our collective and individual interests and doubts about the equitable shares of burdens to be borne. These disagreements must be resolved. For, unless they are, we cannot hope to strengthen the alliance—and it is an alliance worth saving.

I think that for NATO to insist continually upon just keeping their interests in the NATO geographical area, while we expand our interests that are there, which are as important for NATO as for ourselves, is not realistic, when they take that myopic view of burden sharing.

The amendment I propose today puts the administration on notice and our NATO allies on notice that adjustments must be made wherein our friends in Europe must bear more of their share of the burden of the costs of the defense of the alliance.

This amendment does not interfere with the operation of the four POMCUS sites already completed and filled with equipment. This amendment does not slow construction of the new POMCUS sites, for funding for this construction has already been appropriated. But this amendment does say that the new sites will not go into operation unless alternative funding is negotiated for their day-to-day operation and maintenance.

NATO is more than a simple military pact. It is an expression of our resolve to remain free people. Just as we cannot allow that resolve to slacken, neither can we allow our alliance to deteriorate. But it will deteriorate unless we begin to take steps to recognize the new realities that confront us and to act to readjust the burdens we all must shoulder in our common defense.

Mr. President, it is only fair to ask our NATO allies not to share the expense of construction of the POMCUS sites but, actually, just to pick up the maintenance of those sites which happen to be in their areas. The amendment I have sent to the desk involves only sites 5 and 6. It does not include all the POMCUS sites.

POMCUS stands for pre-positioned overseas materiel configured to unit sites. It is basically the pre-positioning of this material for our people to fly in and use this in case of an emergency in the European area.

In an effort to push our NATO allies to expand their myopic vision outside the NATO area, I think it is important to adopt this amendment.

I will be glad to have the comments of the distinguished floor manager of the bill.

Mr. TOWER. Mr. President, I think the objective of the Senator from Ohio is not at issue. I believe there is pretty general agreement that our allies in NATO Europe need to assume a greater share of the burden of common defense. So I say at the outset that I agree with the objective of the Senator from Ohio.

However, the Senator from Ohio has chosen the worst possible vehicle to try to accomplish that, because what he is advocating here is unilateral abrogation of something that was negotiated at the behest of and for the benefit of the United States.

If the amendment of the Senator from Ohio is adopted, it means abrogation of that agreement by the United States, renegotiation by breaking into the infrastructure of funding the whole business of operational costs. There are no operational costs for anything paid by NATO infrastructure funds now.

So I believe that if that were renegotiated, we would probably see the British and the Canadians, and perhaps others, coming in to say, "Well, wait a minute. We want our operational costs paid for, too."

First of all, this amendment, if adopted, would alter the commitments on pre-positioning three additional divisions that the United States made in NATO's long-term defense program adopted by the alliance in 1978.

The United States agreed at that time—we agreed—to pay the cost that this amendment seeks to delete. So we are going back on an agreement and giving it the scrap-of-paper treatment. We do not care what we agreed to before. We do not like some things they are doing now so we are going to unilaterally abrogate that agreement.

It would, as I noted, require NATO to renegotiate a new definition of what programs could be funded by the infrastructure program.

I might note that all decisions on infrastructure funding must be unanimous by the 13 participating nations.

So this amendment would, in essence, undo two international agreements.

Second, the programs the amendment attacks are ones for which the alliance has explicitly altered the funding responsibilities to reduce the cost to the United States in the first place.

Although our GNP represents about half of the NATO total, the U.S. official cost share of the infrastructure program now stands at 27.4 percent, which is down from over 43 percent in earlier years. In other words, our relative contribution has come down.

This relatively smaller share for the United States was agreed to originally by the allies as a burden-sharing measure.

So in an effort to get the allies to do more the Senator from Ohio is attacking an agreement that was arrived at by our allies in an effort to reduce the American portion of the burden.

In 1979 the alliance agreed to institute a reinforcement support category in the infrastructure program principally for the provision of previously ineligible facilities for storage of U.S. POMCUS ammunition and war reserve material. In essence, the infrastructure program has already been substantially altered to reduce the burdens on this country.

Most troubling about the amendment is its negative impact on two highly important and successful programs, the POMCUS division sets 5 and 6 and the NATO infrastructure program. Sets 5 and 6 are a key element of our program to enhance rapid reinforcement.

Would it not be tragic if we got into a dust-up over there and because we had refused to fund the operational costs, the sets would not be there for troops we would have to deploy over there?

The infrastructure program provides substantially greater benefits for U.S. forces than could be expected from the size of the U.S. contribution. The U.S. cost share is 27 percent. By comparison, 50 percent of the expenditures in the next several years will be in support of U.S. forces. That is 50 percent for the period of 1980 to 1984 as opposed to about 41 percent for the years 1972 through 1976.

So I think that the amendment of the Senator from Ohio places two extremely important and beneficial programs at risk. The amendment is ill-advised, and I hope that it will be defeated.

Again, the objective is not at issue. I agree on the objective. I cannot think of a worse means that the Senator from Ohio could have selected to try to achieve that objective.

Mr. MATHIAS. Mr. President, I normally find myself in agreement with the Senator from Ohio on a broad range of issues and I agree with the Senator from Ohio today on the reasoning that has brought him to propose this amendment.

I wish to see a greater share of the burden of defense of the West borne by other nations and I think strong arguments, both in equity and in practical terms, can be made for that proposition, and I support the Senator from Ohio in advancing that as a goal and in seeking a way to achieve it.

But I am afraid that I cannot support this amendment because I think it is seeking to do the right thing in the wrong way. There is a real question of principle, I think, which is presented to us by this amendment, and that is whether the way to deal with allies and friends is by taking punitive action against them. Human nature being sometimes the contrary thing that it is, we might defeat our very effort to get allies to be more cooperative and more helpful by taking action which they would view as punishing them, and I think that just in ordinary terms of negotiations, dealing with people as equals, as friends, to take a punitive action could be counterproductive.

I think there is an analogy in American life that might be useful to draw upon because we have laws in this country which prohibit discrimination in the school systems. Those laws are basically enacted for the benefit of schoolchildren. Sometimes there is failure to enforce the law on the part of the local school authorities and so the remedy is to cut off the Federal assistance to those schools. And who gets hurt if the schools have to close? It is the very children that the laws were enacted to protect who are hurt.

So the better process and the process upon which we usually rely in the domestic arena is to negotiate, to cajole, and to order, but to try to avoid the cutoff which is a punitive action and hurts the very people that are trying to be helped and that should be helped.

I think that this is really something that has to do with the basic character of human nature. Therefore, I have to believe that this is the wrong way to go about it.

Therefore, much as I applaud the Senator from Ohio for raising this as an issue and for stating the goal, I regret to say that I will have to oppose the amendment.

Mr. GLENN. Mr. President, I think what we are attempting to do here in getting better burden-sharing is something that our European allies better listen to and listen to very, very carefully because they have not moved to really share the burden.

I know that, as the distinguished floor manager of the bill said, there has been some earlier reduction in the sharing of the expense in the construction at least of this infrastructure and these areas that we are talking about today and that our proportion of that has been reduced from some 40 percent down to 27 percent. I appreciate that. I think that, however, is a drop in the bucket compared to what we should be expecting from our NATO allies.

At the meeting of the Wehrkunde that we went to earlier this year, we found there that no less a personage than the German Defense Minister himself was there talking about how they would absolutely refuse to move any consideration or have any consideration for anything that went on outside the specific NATO geographic limit itself.

We talk about better burden-sharing for some of those things that could affect NATO and could just as well bring that down as an attack across Europe, which would be brought down by means such as supplies cutoff, oil cutoff, resources cutoff. They were not responsive to that.

They do not agree with that. They do not see that as the real threat that we see it and yet we are committed enough to that kind of concern that we are in fact building naval strength, we are building all sorts of forces, we are building a rapid deployment force that can go in and protect some of those areas in the Mideast that are more vital to Europe and NATO than they really are to us.

And I think our NATO allies should also be aware that this is not just a passing concern in this country. It was one thing to have the Mansfield amendment brought up for consideration some years ago, it is quite another when the distinguished majority whip of the U.S. Senate, Senator STEVENS, of Alaska, who is certainly no back-bencher in our Senate, makes statements on the Senate floor that perhaps we should bring out that Mansfield amendment again; that perhaps we should withdraw all of our forces from Europe, let NATO get along on its own since they are not willing to share more of the burden. So I think our NATO allies have to consider this very, very carefully.

I recall all too well on the Senate floor just last fall, when we were in fact withdrawing one of our carriers from the Persian Gulf—carriers that are more vital to European oil supplies than they are to American oil supplies—and for the lack of $76 million, steaming time operating money, we withdrew that carrier from the Persian Gulf. I thought that was a mistake at that time. I lost that amendment on the floor. I thought it was a mistake and I still do.

It is decisions such as that that our NATO allies better be considering when they hold back on assuming a greater load in NATO, as we go to huge, new expenditures for naval strength and for NATO forces and for rapid deployment forces and all the other things we are doing in refurbishing our military in this country, as we view the Soviet threat from our perspective here. I might add, Mr. President, sometimes I think our perspective of that is so different from our European allies that I wonder what the future of the Alliance really is.

I think most Americans are still willing to support the NATO, still want to see our forces committed to NATO, see that it is in our best interest and Europe's best interest, but they also want to see Europe assuming a larger portion of that burden.

And it was that that I addressed with this amendment, where we would cut back only $32 million. That would not be in the construction sites, but in the maintenance of those sites after they were built.

I appreciate the remarks of the distinguished floor manager of the bill and the fact that some of these costs have already been reduced, but I would also submit that I think they could be reduced further and that NATO could take a greater load of particularly this pre-positioning of materiel that is so important to American forces.

Mr. TOWER. Will the Senator yield for a question?

Mr. GLENN. Certainly.

Mr. TOWER. Let us get the issue straight here. Nobody disagrees that NATO should do more. I think that is not at issue. We all agree they should do more. We are defending their interests in the Southwest Pacific.

But in asking them to do more, should we try to force them to do more by abrogating an agreement entered into by the United States at our behest and in our interest? I suggest that we should not.

In fact, in that the determination of how infrastructured funds could be spent would have to be agreed to by 13 nations, that means the whole issue of operating costs would have to be raised in the North Atlantic Council and then the British might come—the British might want some help in the British Army for their pre-positioning. After all, they have got some troops now in the South Atlantic. The Canadians also have forces over there. So you introduce a new factor and that is bringing operating cost into NATO infrastructure and the NATO infrastructure funding is for capital costs only and for the purpose of capital goods and real estate and this has already been purchased through infrastructure funds.

Mr. HUMPHREY addressed the Chair.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. HUMPHREY. Mr. President, I would like to address this amendment in my capacity as chairman of the Subcommittee on Preparedness because the amendment applies to the O. & M. budget over which the Subcommittee on Preparedness has jurisdiction, as well as the broader area of preparedness in general, and to be sure this amendment also goes to the matter of preparedness.

The Senator from Ohio is certainly right. We must find a way to induce our allies to spend more on defense. And I certainly will join with him in finding ways to do it. But I suggest that this amendment is not one that will accomplish the purpose.

The Senator from Ohio would induce our allies to pick up $31 million in operations and maintenance expenses for POMCUS sites 5 and 6. Indeed, in his letter to his colleagues, the Senator from Ohio states that his amendment will "require our European NATO allies to increase their share of the burden," and so on.

Well, of course, nothing that we do in the way of legislation can require or will require our allies to do anything. And as the Senator from Texas, the distinguished chairman of the Armed Services Committee, has pointed out, passage of this amendment would abrogate an agreement entered into by the United States with its allies.

Mr. President, this $31 million would be spent primarily on preparing equipment for shipment to POMCUS sites 5 and 6. Those sites have been purchased and constructed already according to our agreements with our allies in which they supported the bulk of the expense for that stage of the site. The next stage is to begin shipping equipment. Of course, the third and final stage, you might say, is to maintain that equipment once it is on site.

The $31 million addressed by this amendment does not affect the first category, nor the third and last category, but that intermediate category—preparing equipment for POMCUS sites 5 and 6 in the Netherlands. Passage of this amendment would delete those funds and would delay for at least 1 year these necessary preparations to bill POMCUS sites 5 and 6. So those programs could be set back for at least 1 year, which would directly affect readiness.

Now whose cause are we hurting here if not our own? In the event that our troops had to mobilize to Europe and fall upon those pre-positioned weapons stored at some six sites, although the fifth and sixth sites are just beginning to be filled, it would be obviously to our disadvantage and perhaps tragic, likely tragic, disadvantage if those weapons were not there.

We have made the commitment to pre-position weapons. That is part of our fundamental strategy. Changing that is one thing as a formal decision, but to take a step that would make it impossible to carry out that strategy is another thing. Yet that is what this amendment would do in practical effect. Its intention is noble—I support the intention—but the practical effect is something completely different. Mr. President. It would reduce our preparedness by making it impossible this year to go forward with the filling of those sites.

Those who are familiar with the shortages of equipment and supplies in the European theater must be very, very concerned with any further delay in the filling of these sites. I join the chairman of the committee in urging our colleagues to defeat this amendment.

Mr. COHEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Maine.

Mr. COHEN. Mr. President, I had the opportunity to join the Senator from Ohio and the Senator from Texas at the conference in Munich last February. At that time, I joined with the Senator from Ohio in trying to convey to our European friends the rising discontent in the United States with respect to what is perceived to be a lack of equitable burden-sharing of resources among our countries.

At that time, I pointed out, for example, that many people in this country are concerned that the United States is trying to spend something like 7 percent of its GNP for defense and that they wonder why the NATO countries average less than 4 percent. Canada, for example, averages less than 2 percent and Japan less than 1 percent.

I also had occasion to call to their attention an observation by Mr. Leonard Sullivan, who wrote in last October's issue of the Armed Forces Journal that:

> It is simply preposterous to assume that the United States, with less than 28 percent of the population of the OECD—that is the Organization for Economic Cooperation and Development—and less than 35 percent of their GNP should be providing as much as 40 percent of their active military manpower and almost 70 percent of their defense expenditures.

I believe there is rising concern about this apparent disparity in terms of obligations, commitments, and respective abilities.

I, too, was concerned about Dr. Apel's comments when he said that he welcomed the United States back to its worldwide commitments and global power, that he welcomed the creation of the Rapid Deployment Force, provided, of course, that the creation and deployment of the RDF did not jeopardize any troop levels currently committed to Europe.

I was also equally offended by the notion that Dr. Apel advanced—a notion shared by most if not all of the European countries—that NATO should not be concerned with areas beyond its geographical boundaries, notwithstanding the fact that there are vulnerabilities well beyond its boundaries that are just as seriously in jeopardy as a thrust across the central front.

But I was also interested in the debate on Senator GLENN's amendment. I thought of the passage—it is found in "Murder in the Cathedral," if memory serves me correctly—where it is said that one should not succumb to that final treason to do the right thing for the wrong reason. I think that particular statement should be rephrased, that we should not succumb to that final treason to do the wrong thing for the right reason.

I think the Senator from Ohio has suggested the right reason, that we have to persuade our allies to change their spending habits to bring them more in line with their capabilities. But it would be doing the wrong thing for that right reason, and the wrong thing is to offer this amendment to reduce our commitment, an executive commitment, I might add. I think there is adequate concern that this body should be trying to change executive agreements through the legislative process after we made that commitment—for the same reason that I think the Senator from Alaska is wrong in suggesting that we pull out our troops to punish the Europeans for going ahead with the Yamal pipeline. I think I am as strongly opposed to the construction of the Yamal pipeline as anyone in this body. I think the Europeans are making a fundamental mistake in going forward with the construction of that pipeline.

I have said it on a number of occasions before, and I repeat it here, that I think unless they change their ways, they will find they are walking toward the Berlin wall with their eyes closed, and if they continue to do that they will be behind the Berlin wall with their hands up.

Having said all of that, I do not believe what we should do is to seek to punish them for agreeing to go forward with the Yamal pipeline by pulling our troops out. That is not the answer. Every time they do something inconsistent with what we believe, we threaten to pull the troops out. What I think we have to do is to come to some sort of understanding with our European friends, that the United States simply does not have the resources or manpower to project forces to the other parts of the world, such as the Persian Gulf, and to defend Europe at present levels at the same time. We are deceiving ourselves and our allies if we think we can use the same forces intended for defense in NATO to be part of the Rapid Deployment Force for the Persian Gulf area. What we have to do is come to a reasoned and well-balanced understanding. We have to have a reordering, we have to have a redefinition of the responsibilities of having to defend Europe, as well as other areas which are seen to be equally of vital interest.

So it is with that spirit that I rise in opposition to the amendment of the Senator from Ohio, not because I do not think he is correct in trying to send a signal to the Europeans that they have to do more. I would join him in other efforts. I think, for example, we ought to prepare them for the future, saying we might have to reduce our commitments in Europe over a period of time, not out of pique, not in a spirit of being punitive, but realizing that they have a greater opportunity of making up manpower responsibilities then do we.

If we have to reduce those forces to put them in the Persian Gulf, they, without extending their forces beyond the confines of Germany, would have the opportunity to pick up and fill the gap resulting from the redeployment of those troops. That should not be done out of punishment for building a pipeline or for failure to reach a 3-percent defense share or not. It should be done on a basis of reaching a reassessment of what our capabilities really are. I think if we approach our European friends on that basis and say we simply do not have the manpower, the money, or the ability to do everything, then we can persuade them that they must do more. But I think what we do here is succumb to that final treason of doing the wrong thing for the right reason.

So I would rise in opposition and suggest that there has to be a better way. In future negotiations, if the Senator from Ohio wishes, in an executive position sometime in the future, to negotiate agreements with our NATO allies from a position at 1600 Pennsylvania Avenue, that may be the way to go. That may be the way to go, from 1600 Pennsylvania Avenue, to negotiate those commitments and keep those commitments. But it seems to me to be a fundamentally bad thing to do to proceed here on the Senate floor and to break a commitment that was made by this country which will only result in hardship to the NATO effort itself.

I commend the Senator from Ohio for his concern about the lack of enough allied support and enough contribution to our effort, but this is the wrong vehicle to achieve the right end.

Mr. GLENN. Mr. President, I appreciate the comments and the concern about safety. Let me refer to the concern which has been expressed by each speaker today, the concern that our NATO allies become more close. That is the message I am exactly trying to send with this amendment that I offer. I submit that I am somewhat shocked when the German Defense Minister came out so strongly and unequivocally against any NATO interest outside the NATO geographical area. He made no bones about it.

It is no wonder to me that we then have people in this country wondering what we are doing. We are picking up tens upon tens of billions of dollars of expense supposedly to help protect our NATO allies, to guarantee their oil supplies in the Persian Gulf and other resources from around the world that all the industrial nations are dependent upon. Yet, there are these very, very strong statements that, "We will absolutely not consider anything outside the NATO area as being of NATO interest."

We see the bigger picture and the bigger threat than they do. I submit that they can be brought down every bit as much by resources cut off, including that oil, as much as by the pipeline taking oil across the plains of Europe.

It does concern me that we would be breaking a commitment. It also concerns me that the things that we have been doing in NATO have not led them to greater support, and that we even find the majority whip in the Senate rising and saying that we should even seriously consider withdrawal from NATO. If that does not send a message to NATO, I do not know what will.

It was pursuant to that same kind of concern that I do not want to see expanded and acted upon by this Senate that I was proposing what is really a comparatively small reduction here but which I put forward to send a message once again to our NATO allies that if they expect that American public interest is not watching what is going on, is not watching the fact that NATO is not picking up their fair share of the burden, then some day it may well result in exactly what the distinguished Senator from Alaska proposed, and that was an American withdrawal from NATO. I do not want to see that happen.

Yet we do not see a response from our NATO allies. We do not see them moving to move their interests out, to help us as we pick up more of the load around the world. That is the reason I proposed this message. I hope that these words will somehow get through the embassies to our NATO allies as expressed back home because the longer they dig in their heels, the more they are going to build a case for not just a $32 or $34 million cutback in the Yamal site, but the more they are running the risk that there will be a serious effort made in this country to withdraw from NATO one of these days or to seriously curtail our interests in NATO to the extent they have been expressed for the last several decades.

It was in that spirit that I introduced this amendment.

Mr. COHEN. Will the Senator yield?

Mr. GLENN. Certainly, I yield, Mr. President.

Mr. COHEN. Mr. President, I share exactly the sentiments expressed here. The Senator expressed them well in that conference. I would not be immodest enough to offer my own remarks which I made at that time, because the chairman of the Armed Services Committee might have characterized them as being a bit too truculent for our NATO allies. I think the Senator may recall I was equally appalled by Dr. Apel's statement concerning their unwillingness to put us beyond NATO's geographical boundaries and the fact that the youth of Germany today are concerned about moral issues. The Senator will recall I suggested to Herr Apel that perhaps he should send German youth to talk to the people of Afghanistan, who are being crushed by Soviet troops; perhaps they should go to Cambodia or Laos and inhale some of the yellow rain; or perhaps they should go talk to the people of Poland, then come back and talk about moral values when dealing with the Soviet Union.

I think, at that time, I expressed the concern the Senator articulated earlier today. So there is no disagreement about that.

Mr. President, I should like to work with the Senator in the future, as I have in the past, to devise a way in which we cannot only get their attention, but get more action from our allies. I have simply come to the conclusion that this particular bill with this amendment would not do that. I think it would be more harmful and would not produce the result the Senator wants.

I, like him, do not want to see our troops pulled out of Europe to punish our NATO allies. We might end up punishing ourselves. I made some particularly strong statements. I was quoted in a magazine in a different context as having said that if NATO should ever reject TNF, simply flatly reject it, we probably would see Mike Mansfield's portrait taken down from the wall in that other room and marched down the center aisle of the U.S. Senate. I think sentiment might be exactly that a year from now, should that eventually take place.

I, like the Senator from Ohio, do not want to see that take place. I do not support the Senator from Alaska in trying to punish the allies for going forward with the pipeline from Russia, particularly since this country is unwilling to suspend its shipments of wheat to the Soviet Union. We are not in a position to lecture the allies for wanting to draw gas from the Soviet Union while we insist on feeding Soviet troops. With this measure of inconsistency on the part of the United States, I do not think it is productive to pull out a stick and try to whack the allies with the threat that we are going to pull our troops out if they go forward with the pipeline. That perhaps is to do the right thing for the wrong reason.

That is, perhaps, going to get their attention, but there is a bigger threat than the one simply across the central European line. That jugular vein is out in the Persian Gulf, as I said in the meeting, naked, pulsating, and vulnerable to attack. They are acting like ostriches. It is a sort of Maginot line mentality they have developed, that all they have to do to remain safe is protect that central line when, as a matter of fact, they are vulnerable in many, many other parts of the world.

Mr. President, I share the sentiment of the Senator from Ohio, but I do not agree with the objective or the means of getting to that objective.

Mr. GLENN. Mr. President, I thank the Senator from Maine for his comments. I remember very vividly his comments at the meeting. I think the distinguished floor manager of the bill might not want those remarks put in the Record today, although I found those remarks very good and very much in agreement with my own view of things at that particular meeting.

Mr. COHEN. If the Senator will yield, Mr. President, they are contained in the report I just filed with the Senator from Texas.

Mr. TOWER. Mr. President, I did not know the remarks were down in print to be transcribed or read. I shall be delighted to put them in the Record.

I might say, Mr. President, for the benefit of my distinguished friend from Maine, the problem is that my remarks to the distinguished defense minister of the Federal Republic of Germany were no less truculent than his.

Mr. GLENN. I thank the distinguished floor manager for his comments.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator from Ohio yield?

Mr. GLENN. Certainly, Mr. President.

Mr. HARRY F. BYRD, JR. Mr. President, I commend the distinguished Senator from Ohio for the amendment which he has presented. I agree wholeheartedly with the objective which the Senator from Ohio is seeking to achieve. I recognize also the importance of the argument made by the distinguished chairman of the Committee on Armed Services. I think the Senator from Ohio has rendered the Senate and the United States a service in presenting this amendment for discussion today, because I think it is important that our European allies realize that the American Congress and the American people, I believe, are deeply concerned as to whether our allies are really doing their full part in this very important organization which we call NATO.

Mr. GLENN. Mr. President, I thank the distinguished Senator from Virginia for his usual excellent remarks. I know he shares our concern that NATO share a larger percentage of the burden than they do.

Mr. President, I hope we have sent a little message today to our NATO allies. I hope they pay attention to this. I think they are going to hear more about it in the future because, unless they come forward in the future with a better share, we are going to see a movement against NATO in this country that goes beyond anything we have seen in the past decade. We are going to find less willingness that we make very real sacrifices in this country, with the economic situation we are in. We are certainly going to expect NATO to make similar sacrifices, which we have not seen them making up to now.

I think the more we can push them in this regard, the better off we will be. I think we can send this message, too, that that is the only way we are going to prevent a very serious attempt by someone on this floor truly to withdraw the United States from NATO. The remarks made on this floor a couple of months ago to that effect were not made in jest.

While I do not think we are at the point where there would be any major support for withdrawal, unless we see better burden-sharing in NATO, with the interests that we see as common with NATO, and as long as NATO insists on sticking solely with what happens within the NATO boundary, as though their threat did not come from anywhere else but across the borders with the Soviet Union or the Warsaw Pact nations, as long as they do not broaden their interests and other mutual interests that we have with them in other places, they are running the danger of great disenchantment setting in and maybe a real proposal to reduce our forces in NATO or perhaps even withdraw them.

With that, Mr. President, and with the remarks that have been made here today, I hope we have sent a message and one of concern. No one today has quarreled with the objective. With that idea in mind, Mr. President, I withdraw the amendment.

The amendment (UP 905) was withdrawn.

Mr. TOWER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The following proceedings relating to UP Amendment No. 907 occurred later in the day during the consideration of UP Amendment No. 906 and are printed at this point in the Record for purposes of continuity:)

Mr. QUAYLE. Mr. President, I ask unanimous consent that my amendment be temporarily set aside so that we may entertain an amendment of the Senator from Arizona and furthermore that when we return, after the amendment of the Senator from Arizona that the pending amendment before the Senate be the amendment of the Senator from Indiana concerning the overseas schools within the Department of Defense.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 907

(Purpose: To make adjustments to certain authorizations for classified programs and to correct an error in tabulation)

Mr. GOLDWATER. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Arizona (Mr. Goldwater) proposes unprinted amendment numbered 907.

Mr. GOLDWATER. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 15, line 8, strike out "$17,792,900,000" and insert in lieu thereof "$17,787,800,000".

On page 15, line 13, strike out "$5,370,800,000" and insert in lieu thereof "$5,338,800,000".

On page 15, line 14, strike out "$5,753,100,000" and insert in lieu thereof "$5,747,100,000".

On page 16, line 7, strike out "$878,184,000" and insert in lieu thereof "$867,184,000".

On page 19, line 16, strike out "$10,745,543,000" and insert in lieu thereof "$10,803,343,000".

On page 19, line 17, strike out "$2,302,184,000" and insert in lieu thereof "$2,300,484,000".

On page 21, line 19, strike out "$18,774,275,000" and insert in lieu thereof "$18,772,775,000".

On page 22, line 5, strike out "$5,896,910,000" and insert in lieu thereof "$5,896,410,000".

On page 19, line 18, strike out "60,000" and insert in lieu thereof "60,000,000".

Mr. GOLDWATER. Mr. President, if the amendment is agreed to, I ask unanimous consent that the bill as amended by this amendment be treated as original text for the purpose of further amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GOLDWATER. Mr. President, this is in the nature of a technical amendment that must be made to the bill every year. I ask unanimous consent for its immediate approval.

The PRESIDING OFFICER. Is there further debate?

Mr. TOWER. Mr. President, this matter has been cleared on both sides. It is my understanding it has been cleared with the distinguished ranking minority member of the Intelligence Committee, Mr. Moynihan. I have discussed it with the distinguished Senator from Mississippi, Mr. Stennis, the ranking member of the Armed Services Committee, and we are prepared to accept the amendment.

I yield to the Senator from Mississippi.

Mr. STENNIS. We are agreeable, Mr. President, to the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Arizona (Mr. Goldwater).

The amendment (UP No. 907) was agreed to.

Mr. TOWER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. GOLDWATER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

(Conclusion of proceedings that occurred later in the day.)

UP AMENDMENT NO. 906

(Subsequently numbered Amendment No. 1400.)

(Purpose: To retain the Defense Dependents' Education System in the Department of Defense)

Mr. QUAYLE. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Indiana (Mr. Quayle) proposes an unprinted amendment numbered 906.

Mr. QUAYLE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill, add the following:

DEFENSE DEPENDENTS' EDUCATION SYSTEM

Sec.—. (a)(1)(A) Sections 202(e), 208, 302, 401(f), 419(a)(2), and 503(a)(2) of the Department of Education Organization Act (20 U.S.C. 3412(e), 3418, 3442, 3461(f), 3479(a)(2), and 3503(a)(2)) are repealed.

(B) The items relating to sections 208 and 302 in the table of contents of such Act are repealed.

(2) The second sentence of section 414(b) of such Act (20 U.S.C. 3474(b)) is amended by striking out "302,".

(b)(1) Section 1402 of the Defense Dependents' Education Act of 1978 (20 U.S.C. 921) is amended by adding at the end thereof the following new subsection:

"(c)(1) In carrying out subsections (a) and (b), the Secretary of Defense may request the Secretary of Education to furnish to the Secretary of Defense information, advice, and technical support concerning educational programs and practices.

"(2) The Secretary of Education may furnish to the Secretary of Defense any information, advice, and technical support requested under paragraph (1).".

(2) The second sentence of section 1410 (b) of such Act (20 U.S.C. 928(b)) is amended by striking out "The Secretary of Education, in consultation with the Secretary of Defense," and inserting in lieu thereof "The Secretary of Defense".

(3)(A) Subsection (a) of section 1411 of such Act (20 U.S.C. 929) is amended to read as follows:

"(a)(1) There is established in the Department of Defense an Advisory Council on Dependents' Education (hereinafter in this section referred to as the 'Council'). The Council shall be composed of—

"(A) the Assistant Secretary of Defense for Manpower, Reserve Affairs, and Logistics (hereinafter in this section referred to as the 'Assistant Secretary'), who shall be the chairman of the Council;

"(B) twelve individuals, appointed by the Assistant Secretary, who have demonstrated an interest in the field of primary or secondary education and who shall include representatives of professional employee organizations, school administrators, sponsors of students enrolled in the defense dependents' education system, and one student enrolled in such system; and

"(C) representatives from overseas military commands and from educational organizations as designated by the Assistant Secretary.

"(2) The Director shall be the Executive Secretary of the Council.".

(B) Subsection (b)(1) of such section is amended by striking out "Secretary of Education" and inserting in lieu thereof "Assistant Secretary".

(C) Subsection (c) of such section is amended—

(i) by striking out "four times" in the first sentence and inserting in lieu thereof "once".

(ii) by striking out clauses (2) and (4);

(iii) by redesignating clauses (3) and (5) as clauses (2) and (3), respectively; and

(iv) by striking out "Secretary of Education" in clause (3) (as redesignated by clause (iii) of this subparagraph) and inserting in lieu thereof "Assistant Secretary".

(4) Section 1412 of such Act (20 U.S.C. 930) is repealed.

(c) Section 5316 of title 5, United States Code, is amended by striking out "Administrator of Education for Overseas Dependents, Department of Education.".

Mr. QUAYLE. Mr. President, this is a very simple amendment. It would retain the overseas schools that are presently within the Department of Defense and would keep them in the Department of Defense. A few years ago, Congress created the Department of Education, and in that Department of Education measure was the transfer of the overseas schools to the Department of Education by May of 1983.

Mr. President, the Department of Defense is on record as supporting the status quo, that being that it be retained in the Department of Defense. The Department of Education is on record as supporting that the transfer to the Department of Education not take effect in May of 1983. The amendment would have the simple effect of maintaining the status quo in the Department of Defense dependents' schools.

Currently, these schools are managed by the Department of Defense. The legislation enacted by Congress at the time of the creation of the Department of Education would transfer these schools to the Department of Education by May of 1983. That transfer, in my opinion, would be a grievous mistake, and we cannot allow it to take place.

The Department of Defense dependents' schools have a long history of association with the Department of Defense. The dependents' school system dates back to the early 1800's, when the U.S. Army moved a large number of troops and their families westward to establish posts along America's isolated frontiers. At that time, Congress authorized funds to set up schools at western Army posts.

Much later, after World War II, it became clear that American troops and their families would continue to be stationed abroad. In order to provide American style education for the military dependents, the individual services established their own elementary and secondary schools around the world in 1946. The individual military services operated these schools until 1976. At the time, Congress mandated that the schools then operated by individual military services be consolidated and placed within the Department of Defense, to establish one cohesive, uniform school system.

The DODDS organization was formed from that mandate, and it became a field activity in the Office of the Secretary of Defense.

Today, DODDS enrolls more than 132,000 students in grades K through 12, in 273 schools located in more than 20 foreign countries.

It is estimated that DODDS is the 11th largest school system in our Nation. The DODDS schools are accredited by the North Central Association of Colleges and Schools, an American School Commission which conducts onsite reviews every 5 years.

DODDS faculty numbers over 9,000 professional educators. These are highly qualified American teachers who are recruited to live overseas and teach in the DODDS schools on a long-term basis. This system has provided a large measure of educational stability to a highly transient military population. DODDS students achieve higher scholastic aptitude test scores on the average than those stateside counterparts. Because they are academically competitive they also receive a relatively fair share of scholarships, grants, and academic awards. Last year, two DODDS students were selected as Presidential scholars.

As a separate DOD activity, the DODDS schools are centralized with respect to administration and curriculum, and thus a student's transfer from a European school to a Pacific school, for example, results in very little disruption in the educational process. From top to bottom, the DODDS schools are administered, staffed, and operated by professional civilian educators, although the military forces provide important services in that support role.

Parents are able to have a voice in school policies through local education advisory committees established for each DODDS schools. Teachers additionally participate in these committees which are designed to give parents and teachers an opportunity to make recommendations to administrators regarding school matters in the military community overseas. Furthermore, the Department of Defense regularly convenes a national advisory council composed of educators, administrators, and parents who provide policy recommendations at the agency level.

Mr. President, I would like to outline four compelling reasons for the acceptance of this amendment:

First, the DODDS schools are now providing a quality education, first and foremost, to military dependents, meeting and even exceeding congressional expectations which were set forth in the charter legislation. There is little likelihood that the Department of Education plans and philosophies will significantly improve upon DODDS successes. The defense schools have established a good record for efficiency, sound management, educational quality, and acceptance by the military community. There are simply no compelling reasons to justify the turbulence and gross inefficiencies which would inevitably accompany a major transfer of control.

Second, defense planning and coordination on a worldwide basis requires a high degree of flexibility because of continuous changes in troop concentrations. These plans, involving forces restationing on a large scale, must also take into account family movements and change in dependent educational facilities. Under the present structure a close, coordinated relationship exists between DODDS educators and the military services to facilitate these force movements. Military readiness and efficiency would necessarily be impaired if the defense schools were transferred out of the DOD structure.

There is great concern in our Nation at this time for the voluntary army and its effectiveness. We have struggled to build opportunities for the men and women who join our Armed Forces to educate themselves and their families, to have a pride in their work, and to build a better life for themselves. The Department of Defense overseas schools are a part of these opportunities we provide our military personnel and their families. We cannot allow the administrative morass that would be created by making a change now in the DOD schools interfere with the success of our volunteer army.

Third, retention of the defense schools within DOD is also in keeping with modern educational philosophy calling for more local control of schools. Operation of the DOD schools by a separate Federal education agency would result in a concentration of school authority far removed from practical daily experience. Futhermore, it might be sorely tempting to use the defense schools as a testing ground for inventive or untried educational theories developed by the Department of Education.

Mr. President, what reason could there possibly be behind the plan to move DODDS schools to the Department of Education? I believe I have an idea or perhaps a rationalization. There are over 9,000 professional educators—teachers and administrators—within the DODDS faculty. There are only 5,500 employees in all of the Department of Education today, and that number is dropping coming down and not going up. The implication is very clear.

This happens to be a bureaucratic fight between two cabinet level departments. The Department of Education is seeking to more than double its number of employees just for the sake of numbers and for the sake of saying that they have the legitimacy of being a cabinet level department. To me, this is not justification enough for the administrative nightmare we are about to enter.

Mr. President, as I pointed out, the Secretary of Education, Secretary Bell, and the Secretary of Defense, Secretary Weinberger, both support the idea that the schools should remain in the Department of Defense.

There is no dispute in this administration. The only dispute is when and how are we going to correct an error that was made in the creation of the department or the creation of the Department of Education.

Mr. GOLDWATER. Mr. President, will the Senator from Indiana yield to me?

Mr. QUAYLE. I am more than happy to yield to my friend from Arizona.

Mr. GOLDWATER. I thank my friend.

I wish to be included as a cosponsor of the amendment of the Senator from Indiana.

Mr. QUAYLE. Mr. President, I ask unanimous consent that the Senator from Arizona (Mr. Goldwater) be added as a cosponsor to my amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GOLDWATER. I thank my friend.

Mr. QUAYLE. Mr. President, as I said, the reason that perhaps the overseas schools were transferred to the Department of Education in the first place was because they needed to play the numbers game. As I pointed out, we only have 5,500 employees in the Department of Education. We have 9,000 professional educators, teachers and administrators now within the overseas faculty. When we created the Department of Education, we had to have some reason to have a Cabinet level agency and to have some bodies to put into it.

Well, it is easy to see that overseas schools deal with education. There is nothing tricky about that. In fact, they do. The point is, it will be very disruptive to our personnel. It will be very disruptive to the education of these people that everybody is concerned about, the education of the children of our overseas personnel. And so, Mr. President, I think that it is certainly overdue that we correct a mistake that was made.

Fourth, Mr. President, I can see only unavoidable complications should the DODDS schools be transferred to the Department of Education. Transfer of the Defense schools will introduce a duality of control which will result in unnecessary complexities in school operations. The cost of operating the schools will therefore increase significantly because of delays, inefficiencies, and confusion arising out of responding to two masters. These adverse effects are unavoidable and will continue indefinitely because of the blurring of normal lines of authority and responsibility within the schools.

Further, the transfer of the Defense school teachers would raise questions involving status of forces agreements with our NATO Allies. Under the terms of the NATO SOFA, the defense teachers, as DOD employees, are afforded special protections and advantages, only so long as they are actually employed by the Department of Defense. A transfer of their employment to the Department of Education could easily generate skepticism and questions by our allies which might result in a loss of these host nation benefits.

Mr. President, I would only say in conclusion that this amendment is supported by the administration, and by every department within the administration. I have in my possession letters from the Secretary of Defense supporting the retention of DODDS schools within the Department of Defense. My amendment has been developed as a product of coordination between the Departments of Defense, the Department of Education and the Office of Management and Budget.

Mr. President, I ask unanimous consent that a letter from the Secretary of Defense be printed in the Record at this point.

There being no objection, the letter was ordered to be printed in the Record, as follows:

The Secretary of Defense,
Washington, D.C., January 6, 1982.

Hon. Dan Quayle,
U.S. Senate,
Washington, D.C.

Dear Senator: This is in response to your letter of November 23 requesting my views regarding the transfer of the Department of Defense Dependents Schools to the Department of Education pursuant to Public Law 96-88. I am in agreement with your belief that the Dependents Schools should remain within the Department of Defense. Accordingly, I support strongly legislation which would repeal the transfer provisions of Public Law 96-88. I believe that early enactment of such legislation is needed in order to clarify the status of the Dependents Schools.

Since the Advisory Council is established by law under the Department of Education, Secretary Bell appointed the members and convened its first meeting during the period December 2-4. However, the question of which Department will fund this and subsequent meetings of the Advisory Council is still being discussed.

Your interest in the Dependents Schools is greatly appreciated.

Sincerely,

Caspar W. Weinberger.

Mr. QUAYLE. Finally, Mr. President, the American Federation of Teachers has long supported retention of DODDS within the Department of Defense. The retention of these schools within DOD has been supported by the American Federation of Teachers and by the 23,000 members of the European Congress of American Parents, Teachers and Students.

Mr. President, at this time I yield to the distinguished Senator from Iowa, Senator Jepsen.

The PRESIDING OFFICER (Mr. Schmitt). The Senator from Iowa.

Mr. JEPSEN. Mr. President, I rise in support of the Quayle amendment on DOD dependent schools. As chairman of the Manpower and Personnel Subcommittee of the Armed Services Committee, we have studied this. I would suggest that the principal purpose of the proposed amendment is to rescind those provisions in the Department of Education Organization Act which require the transfer of the Department of Defense schools to the Education Department by no later than May 5, 1983. That is my understanding of the amendment.

The overseas dependents schools, currently operated by the Department of Defense, are located on military installations in 20 foreign countries and enroll approximately 136,000 children from kindergarten through high school. These schools are modeled after public schools in the United States and provide a sound education to dependents of Department of Defense personnel, allowing them to reenter American schools with relative ease after a lengthy overseas tour.

The Department of Defense schools are accredited by the North Central Association of Colleges and Schools, an American commission on schools, and overseas students consistently achieve scholastic aptitude test scores which compare favorably to scores achieved in American public schools. It is not likely that a transfer of the defense schools to another Federal agency would significantly improve upon these successes.

Following a careful review of the transfer requirements, and after consulting with the Secretary of Education, the Secretary of Defense has concluded that the overseas dependents schools should continue to be operated by his Department. Numerous economic, administrative, and military considerations strongly argue against a transfer of the defense schools to the Education Department.

First, the transfer is likely to create problems from a fiscal standpoint. For example, the Department of Defense schools are currently supported by finance and payroll offices operated by the Army, Navy, and Air Force as an addition to the existing military mission. These fiscal offices will not be transferred, and it will necessary for the gaining agency to establish a separate financial management system to service the overseas schools. This new system would be costly and inefficient, requiring hundreds of additional employees to assume tasks now being handled by the military services.

Furthermore, the Education Department would have to assume many "hidden costs" which are difficult to ascertain because they arise out of essential services now provided by local military commanders on a nonreimbursing basis. These services include communications, mail delivery, shipment of supplies, contracting assistance, and physical security. The Education Department would have to assume many of these responsibilities or provide budget support for them if the schools are placed under the exclusive jurisdiction of that agency.

Second, experience has shown that a division of authority between two Departments clearly erodes efficiency in overall management. Yet this would be a result if the defense schools are transferred to the Department of Education. For example, the Department to Education Organization Act (Public Law No. 96-88) currently provides in sections 401(f) and 419(a)(2) that school personnel will continue to be treated as Department of Defense employees for certain purposes following the transfer. These provisions will lead to confusion in many instances with respect to administrative authority governing the employees' activities.

Finally, the fiscal and administrative issues discussed above are matched by the important considerations of military effectiveness. The defense schools are an integral and coordinated part of the total defense support structure, and school policies now incorporate many unique military considerations arising out of mission, operational, and morale requirements. The intangible but sensitive working relationship between educators, school policymakers, and military commanders would be lost upon a transfer of the schools to another Federal agency and could not be replaced by a series of interagency agreements or memoranda. Such a loss would hamper the military's efficiency in responding to defense commitments which may involve the transfers and education of dependents.

For these reasons I urge my colleagues to support this most important amendment offered by my colleague Senator QUAYLE.

I thank the Senator for yielding.

Mr. QUAYLE. I thank the distinguished Senator from Iowa. He is the chairman of the Manpower Subcommittee and knows exactly the problems that would be created.

● Mr. ROTH. Mr. President, I rise to oppose the amendment of the distinguished Senator from Indiana. This amendment would prevent the transfer of the Overseas Schools for Dependent Children from the Department of Defense to the Department of Education. This transfer is required by Public Law 96–88, the Department of Education Organization Act.

My concerns with this amendment are both substantive and procedural in nature. I hope that after the Senate has had the opportunity to hear the two sides of this issue that it will move swiftly and decisively to defeat the proposed amendment.

Section 302 of the Department of Education Organization Act requires that the responsibility for the operation of the Overseas Schools for Military Dependents (DODDS) be transferred from the Secretary of Defense to the Secretary of Education no later than 3 years after the creation of the Department of Education. By law this transfer must be completed by May 4, 1983.

The decision to approve this transfer of responsibility was made unanimously by the Committee on Governmental Affairs after holding 1 full day of hearings on the issue during its debate over the Department of Education Organization Act. In the course of the committee consideration, the transfer received the support of virtually all of the interested parties, including the overseas school administrators, the Overseas Education Association, the European Congress of Parents, Teachers, and Students, and the Department of Defense. The Overseas Education Association, I might point out, holds exclusive recognition for the 7,000 DOD teachers.

Now why did the proposed transfer gain such broad support? I think that the reasons are quite clear. Let me begin by saying that the overseas schools represent a sizable undertaking. In school year 1980–81, the DODDS school system consisted of 10,904 staff, 270 schools located in 20 countries, and 135,624 students. In fiscal year 1981, the total estimated cost of operating the schools, including construction and procurement costs, was $414 million. If the DOD overseas school system were located in the continental United States it would rank as the Nation's 12th largest elementary and secondary school system.

One can reasonably ask what link a school system has with the Department of Defense. These schools do not have any direct relationship to the Nation's defense preparedness. They do not teach subjects or skills related to the military. In short, the schools are not tied to the mission of the Defense Department. Rather, the purpose of these schools is strictly to educate the dependents of our military personnel overseas.

Because the task of these schools is one of education, they far more logically belong in the Federal level department charged with educational responsibilities. Once in the DOE the overseas schools will have complete and direct access to the best educational resources and the most desirable teaching techniques that our Nation can offer. The schools will be brought out of their current isolation in DOD and into the mainstream of our education system. This relationship not only will improve the quality of education overseas, but also smooth the transition of students who alternate between overseas schools and schools here at home.

Of equal importance is the fact that this transfer will provide a legislative base for these overseas schools to operate from, rather than the past practice of authorization solely by the congressional appropriations committees. This legislative base will help to insure greater continuity and planning certainty for the administrators of the overseas schools.

For all of these substantive reasons the transfer of the Defense Department overseas schools should proceed as legislated. Beyond these points, however, Mr. President, I have procedural concerns with this amendment. The proposal would negate a reorganization proposal considered and unanimously accepted by the Committee on Governmental Affairs. Because it is a reorganization it is clearly within the jurisdiction of the committee. Yet the proposed amendment has not been the subject of reconsideration or approval by the members of the committee.

The amendment therefore is highly irregular in its approach to reorganization, and I urge that it be defeated on these procedural grounds as well.

Mr. QUAYLE. Mr. President, I yield the floor.

Mr. TOWER. Mr. President, I suggest the absence of a quorum.

Mr. BAKER. Will the Senator withhold on that?

Mr. TOWER. Yes.

ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, if no other Senator wishes to speak further on the pending measure, I ask unanimous consent that there now be a period for the transaction of routine morning business, to extend not past the hour of 6:30 p.m., during which Senators may speak.

The PRESIDING OFFICER. Without objection, it is so ordered.

What is the will of the Senate?

Mr. BAKER addressed the Chair.

The PRESIDING OFFICER. The Senator from Tennessee.

ORDER FOR STAR PRINT—REPORT NO. 97-334

Mr. BAKER. Mr. President, I believe this has been cleared on both sides. A number of clerical and typographical errors were made in the printing of the report on H.R. 2160, Report No. 97–334. In order to correct the errors, I ask unanimous consent that the Senate report be star printed, and I send the corrections to the desk.

The PRESIDING OFFICER. Without objection it is so ordered.

THE CALENDAR

Mr. BAKER. Mr. President, there are certain items on today's calendar which have been cleared for action by unanimous consent on this side. I will inquire of the distinguished minority leader if he is in a position to consider three items on the Legislative Calendar, to wit, Calendar Order No. 455, S. 907; Calendar Order No. 483, S. 2154; and Calendar Order No. 484, H.R. 2160.

Mr. ROBERT C. BYRD. Mr. President, those items have been cleared.

Mr. BAKER. Mr. President, I ask that the Chair lay before the Senate the three items just identified.

PENALTIES FOR CRIMES AGAINST CERTAIN PUBLIC OFFICIALS

The Senate proceeded to consider the bill (S. 907) to amend section 351 of chapter 18 of title 18 of the United States Code to include Cabinet officers, and for other purposes, which had been reported from the Committee on the Judiciary with an amendment to strike all after the enacting clause, and insert the following:

That (a) subsection (a) of section 351 of title 18, United States Code, is amended to read as follows:

"(a) Whoever kills any individual who is a Member of Congress or a Member-of-Congress-elect, a member of the executive branch of the Government which is the head of a department listed in section 101 of title 5 or the second ranking official in such department, or a Justice of the United States, as defined in section 451 of title 28, or a person nominated to be a Justice of the United States, during the pendency of such nomination, shall be punished as provided by sections 1111 and 1112 of this title.".

(b) The section heading for section 351 of such title is amended to read as follows:

"§ 351. Congressional, Cabinet, and Supreme Court assassination, kidnaping, and assault; penalties".

(c) In the table of sections of chapter 18 of such title amend the item relating to section 351 to read as follows:

"351. Congressional, Cabinet, and Supreme Court assassination, kidnaping, and assault; penalties.".

(d) The chapter analysis of chapter 18 of such title is amended to read as follows:

"CHAPTER 18—CONGRESSIONAL, CABINET, AND SUPREME COURT ASSASSINATION, KIDNAPING, AND ASSAULT".

(e) The table of contents to "Part I—Crimes" of title 18 is amended by striking out the chapter reference to chapter 18 and inserting in lieu thereof the following:

"18. Congressional, Cabinet, and Supreme Court assassination, kidnaping, and assault .... 351".

(f) Paragraph (1)(c) of section 2516 is amended by striking out the parenthetical phrase following "or section 351" and inserting in lieu thereof the following: "(violations with respect to congressional, Cabinet, or Supreme Court assassinations, kidnaping, and assault)".

Sec. 2. (a) Subsection (a) of section 1751 of title 18, United States Code, is amended to read as follows:

"(a) Whoever kills (1) any individual who is the President of the United States, the President-elect, the Vice President, or, if there is no Vice President, the officer next in the order of succession to the Office of the President of the United States, the Vice President-elect, or any person who is acting as President under the Constitution and laws of the United States, or (2) any person employed in the Executive Office of the President or in the Office of the Vice President authorized to receive an annual rate of pay equal to that which applies for positions at level II of the Executive Schedule, shall be punished as provided by sections 1111 and 1112 of this title.".

(b) Subsection (e) of section 1751 of such title is amended to read as follows:

"(e) Whoever assaults any person designated in subsection (a)(1) shall be fined not more than $10,000, or imprisoned not more than ten years, or both. Whoever assaults any person designated in subsection (a)(2) shall be fined not more than $5,000, or imprisoned not more than one year, or both; and if personal injury results, shall be fined not more than $10,000, or imprisoned not more than ten years, or both.".

(c) Subsection (g) of section 1751 of such title is amended by deleting "this section" and inserting in lieu thereof "subsection (a)(1)".

(d) The section heading for section 1751 of such title is amended to read as follows:

"§ 1751. Presidential and Presidential staff assassination, kidnaping, and assault; penalties".

(e) In the table of sections of chapter 84 of such title amend the item relating to section 1751 to read as follows:

"1751. Presidential and Presidential staff assassination, kidnaping, and assault; penalties.".

(f) The chapter analysis of chapter 84 of such title is amended to read as follows:

"CHAPTER 84—PRESIDENTIAL AND PRESIDENTIAL STAFF ASSASSINATION, KIDNAPING, AND ASSAULT".

(g) The table of contents to "Part I—Crimes" of title 18 is amended by striking out the chapter reference to chapter 84 and inserting in lieu thereof the following:

"84. Presidential and Presidential staff assassination, kidnaping, and assault .... 1751".

(h) Paragraph (1)(c) of section 2518 of such title is amended by striking out the parenthetical phrase following "section 1751" and inserting in lieu thereof "(Presidential and Presidential staff assassination, kidnaping, and assault; penalties)".

The title was amended so as to read:

Amend the title so as to read: "A bill to amend sections 351 and 1751 of title 18 of the United States Code to provide penalties for crimes against Cabinet officers, Supreme Court Justices, and Presidential staff members, and for other purposes.".

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

TRANSFER OF CERTAIN FEDERAL LANDS

The Senate proceeded to consider the bill (S. 2154) to require the Secretary of Agriculture to convey a reversionary interest held by the United States in certain lands located in Christian County, Ky., to the Shy Flat Tabernacle Cemetery, Inc., Christian County, Ky., which had been reported from the Committee on Agriculture, Nutrition, and Forestry with an amendment:

On page 2, strike line 1, through and including line 18, and insert the following:

That, with respect to 1.52 acres of land in Christian County, Kentucky, described in section 2 of this Act, the Secretary of Agriculture, on behalf of the United States, shall release the Commonwealth of Kentucky, without consideration, from the condition contained in a deed dated July 9, 1954, between the United States and the Commonwealth of Kentucky granting certain lands in Christian County, Kentucky, of which the described lands are a part, that requires that the lands so granted be used for public purposes and provides for a reversion of such land to the United States if at any time it ceases to be so used: *Provided*, That such release shall in no way affect the interest of the United States in coal, oil, gas, and other minerals (not outstanding or reserved in third parties) reserved by the United States in the described lands: *Provided further*, That such release shall be applicable so long as the described lands are used exclusively for cemetery purposes.

So as to make the bill read:

S. 2154

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, with respect to 1.52 acres of land in Christian County, Kentucky, described in section 2 of this Act, the Secretary of Agriculture, on behalf of the United States, shall release the Commonwealth of Kentucky, without consideration, from the condition contained in a deed dated July 9, 1954, between the United States and the Commonwealth of Kentucky granting certain lands in Christian County, Kentucky, of which the described lands are a part, that requires that the lands so granted be used for public purposes and provides for a reversion of such land to the United States if at any time it ceases to be so used: *Provided*, That such release shall in no way affect the interests of the United States in coal, oil, gas, and other minerals (not outstanding or reserved in third parties) reserved by the United States in the described lands: *Provided further*, That such release shall be applicable so long as the described lands are used exclusively for cemetery purposes.

Sec. 2. The 1.52 acre tract described in section 1 lies on the west side of Kentucky Highway numbered 109, touching the Tabernacle Church and Cemetery on the west side, and is more particularly described as follows: Beginning at an iron pipe on the west side of an old road the same being the north east corner of the Tabernacle Cemetery property; thence, north 78 degrees and 30 minutes east, and in line with the north side of the above mentioned cemetery 237.90 feet to an iron pipe in the right-of-way line of Kentucky Highway numbered 109; thence, in line with the right-of-way line of the highway south 54 degrees 45 minutes east 292.80 feet to an iron pipe in the right-of-way line of Kentucky Highway numbered 109; thence, south 78 degrees 00 minutes west and in line with the south side of the Tabernacle Cemetery property 384.60 feet to a concrete monument the same being the south east corner of the cemetery property; thence, north 25 degrees 30 minutes west and in line with the east side of said cemetery 211.03 feet to an iron pipe, the same being the place of the beginning.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read:

A bill to direct the Secretary of Agriculture to release a revisionary interest held by the United States in certain lands located in Christian County, Kentucky, so that such lands may be used for cemetery purposes.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the bill (S. 2154) passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

POTATO RESEARCH AND PROMOTION ACT AMENDMENTS OF 1982

The Senate proceeded to consider the bill (H.R. 2160) to amend the Potato Research and Promotion Act, which had been reported from the Committee on Agriculture, Nutrition, and Forestry with an amendment at the end of the bill, add the following:

STRENGTHENING THE FARM ECONOMY

SEC. 5. (a) It is the sense of Congress that the President should work with the Board of Governors of the Federal Reserve System in implementing policies that will, as soon as practicable, reduce the rate of interest farmers must pay to obtain credit for necessary production items.

(b) It is further the sense of Congress, with full recognition that inflation rates that affect farm production costs are declining and that efforts have already been made by the Administration to improve conditions in the farm economy, that the President and the Secretary of Agriculture should use the broad authorities vested in them by Congress to take expeditious action to strengthen commodity prices received by farmers and provide credit assistance to farmers, with particular attention to be given to the following possible courses of action:

(1) an increased effort to encourage farmers to participate in the recently announced voluntary reduced acreage programs for the 1982 crops of wheat, feed grains, upland cotton, and rice that are designed to avoid the adverse economic effects of excessive production of these commodities;

(2) the early consideration and announcement of the terms and conditions of the commodity programs for the 1983 crops;

(3) as a complement to any reduced acreage program, the implementation of a voluntary paid land diversion program in 1983 for producers of wheat, feed grains, upland cotton, and rice, if necessary;

(4) recognizing that loan rates and target prices for the 1982 crops have been announced, the establishment of price support loan rates for the 1983 crops of wheat, feed grains, and rice at levels higher than those announced for the 1982 crops, so as to provide more adequate price protection to farmers;

(5) the active pursuit of an aggressive export development program directed toward opening new markets for United States agricultural commodities using all the authorities available to them, including the Commodity Credit Corporation Charter Act and the Agricultural Trade Act of 1978, recognizing the efforts already made by the Administration to expand United States export sales of agricultural products by means of—

(A) a 12-per centum increase in the budget for foreign market development programs of the Foreign Agricultural Service;

(B) a $2,500,000,000 budget for the export credit guarantee program;

(C) meetings between the Secretary of Agriculture and foreign government officials of equivalent rank (i) to affirm the United States position as a reliable supplier, and (ii) to encourage officials in major markets to reduce their use of export subsidies and other unfair trade practices that reduce the United States share of trade with third country markets and to reduce import restrictions; and

(D) proposed increases in the programs under title I of Public Law 480;

(6) with full recognition that officials of the Department of Agriculture have indicated that the total forced liquidations of farm operations in 1982 (as a result of delinquencies in repayment of Farmers Home Administration farm loans) will not exceed 1 per centum of all farmers holding Farmers Home Administration farm loans nor substantially exceed the previous year's level—

(A) provision for deferrals on repayment and foregoing foreclosures whenever practicable, of Farmers Home Administration farm loans for borrowers who can show that (i) they are not now able to meet their debt obligations without unduly impairing their ability to meet essential farm needs (including family subsistence) due to circumstances beyond their control (based on the individual circumstances of the borrower) and (ii) they will have the ability to repay their loans once the deferral period is over (with any such deferral to be for such period of time as the Secretary deems necessary based on the borrower's individual circumstances); and

(B) permitting such farm borrowers to obtain reamortization or rescheduling of their loans to provide equitable repayment terms (including an interest charge at the original rate established for the loan) consistent with their farm and financial condition; and

(7) the use of the Secretary's discretionary authority to implement the economic emergency loan program when existing farm operating loan program funds have been exhausted.

(c) It is further the sense of Congress that the President, in nominating persons for positions on the Board of Governors of the Federal Reserve System that will become open in 1982, should ensure that agricultural interests are provided fair representation on the Board.

The amendment was agreed to.

Mr. **HUDDLESTON**. Mr. President, H.R. 2160 will make amendments to the Potato Research and Promotion Act to facilitate the operation of the producer-supported potato research and promotion program. The bill also contains provisions that express the sense of Congress that the President and the Secretary of Agriculture should take certain actions to strengthen the farm economy.

The provisions of the bill relating to the potato research and promotion program are necessary to insure that the program continues to operate effectively. The provisions relating to the farm economy address the critical need for quick action to aid our Nation's hard-pressed farmers. I urge my colleagues to join me in voting for the bill.

POTATO RESEARCH AND PROMOTION

Mr. PRESIDENT. The potato research and promotion program is supported by assessments levied on potato producers, based on the amount of potatoes they produce. The rate of assessment under current law has not been revised since the Potato Research and Promotion Act was enacted in 1971. H.R. 2160 will increase the maximum rate of assessment that may be charged producers, to take into account inflation in the costs of potato research and promotion activities since 1971.

This change in the law is supported by the potato industry. Also, before any change in the assessment rate authorized by this legislation could go into effect, it must be approved by potato producers in a national referendum.

H.R. 2160 provides for the inclusion of persons representing the public on the board that governs the operations of the potato research and promotion plan. Participation on the board by persons representing the public will insure that more diverse points of view are presented when the board formulates and implements research and promotion activities.

The bill provides for the reimbursement of the Department of Agriculture for costs it incurs in holding referendums and in administering the program. In addition, it will amend the enforcement provisions of the Potato Research and Promotion Act to provide the Secretary of Agriculture more flexibility in enforcing the provisions of the act. The administration proposed these modifications of current law to reduce the taxpayer-cost and improve the management of the potato research and promotion program.

Mr. President, the Committee on Agriculture, Nutrition, and Forestry unanimously adopted the amendments to the Potato Research and Promotion Act made by H.R. 2160. They make sound improvements to an important program and should be approved by the Senate.

STRENGTHENING THE FARM ECONOMY

In the markup of H.R. 2160 by the Agriculture Committee, I proposed that the committee amend the House-passed bill to urge the administration to act immediately to help our Nation's farmers deal with the serious economic and financial problems they now face.

The committee agreed to my suggestion and has sent to the Senate, as part of H.R. 2160, new provisions that express the sense of Congress that the President and Secretary of Agriculture should use the tools Congress has already given them to bolster the troubled farm economy.

In 1980, real farm income, adjusted for inflation, dipped below $10 billion for the first time since the early 1930's. In 1981, increased costs of production (including interest charges), weak commodity prices, and failure to achieve anticipated increases in agricultural exports resulted in a second consecutive year of extraordinarily low farm income.

So far in 1982, Mr. President, commodity prices have continued to slide downward. Barring major modifications of current agricultural policy, real farm income in 1982 is expected

to be even lower than it was in 1980 or 1981. Without action and if present projections prove to be accurate, farmers will experience, in 1982, the lowest real farm income since the Department of Agriculture began making such estimates in the early part of this century.

The last time farmers experienced 3 consecutive years of such low income was in the midst of the Great Depression, when thousands of farm operators were forced out of business. Just as in the 1930's, many farmers today are confronting the prospect of liquidation either because they cannot pay their bills, or because they simply cannot continue to operate at a loss.

As agriculture falters, related industries, such as the farm machinery industry, and the economies of rural communities, are being adversely affected. A recent survey of American Bankers Association member banks concluded that local rural economies have been broadly affected by low farm income, and that there is a recession in rural areas directly related to the farm income problem.

In addition to the emergency created by plummeting farm income, a financial emergency exists for the many farmers in need of credit. Because modern agriculture is highly capital-intensive, farmers are being devastated by high interest rates and the inability to obtain operating credit.

Some farm credit districts have indicated that close to 10 percent of the farmers who borrowed from production credit associations last year are being turned down for loans this year. These farmers are being sent to the Farmers Home Administration; but, there, they are being told they cannot get a loan because it is Farmers Home Administration policy to accommodate present borrowers first.

Borrowers from commercial lenders are also facing problems. The survey of American Bankers Association member banks found that lack of significant improvement in farm income will result in a substantial increase in foreclosures or forced sales by late 1982 or early 1983, and that there is the potential for an extremely serious problem because 85 percent of the banks reported delinquencies in their farm loan portfolios.

H.R. 2160 calls on the President to work with the Federal Reserve System in implementing policies that will, as soon as practicable, reduce the rate of interest farmers must pay to obtain credit for necessary production items. Further, the amendment calls on the President, in nominating persons for positions on the Federal Reserve Board that will come open in 1982, to insure that agricultural interests are provided fair representation on the Board.

Perhaps more than any other factor, Mr. President, high interest rates are responsible for the credit problems of U.S. farmers. Certainly, lower interest rates are essential to a successful economic recovery and the continued survival of our family farms. The President must take steps, using his authority and influence with respect to policymaking by the Federal Reserve System, to resolve the critical interest rate problem facing farmers.

H.R. 2160 also urges the administration to modify the farm programs to deal with the worsening farm situation.

Congress has already provided the President and Secretary of Agriculture with broad authorities in this regard under the farm bill and related legislation. They already have the authority they need to stabilize commodity prices and insure that farmers have adequate credit to continue production.

So far, the administration has not chosen to use its authorities, and the downward slide in the agricultural economy continues unabated.

H.R. 2160 will serve to notify the executive branch that Congress is expecting it to use the tools given it to deal with the special problems now confronting U.S. farmers.

H.R. 2160 calls on the administration to consider the use of paid land diversion programs in 1983 for producers of wheat, feed grains, upland cotton, and rice. Clearly, this will be necessary if the dismal picture for agriculture does not improve this year.

I strongly believe that the Federal farm programs should be fiscally responsible, and I am cognizant that diversion programs will involve Federal outlays. However, the diversion programs, by strengthening market prices, will substantially reduce outlays for target price payments. Stronger market prices will also offset the outlays for the diversion programs by reducing price support loan activity, lessening the likelihood of farmers defaulting on their price support loans, and reducing the amount of grain moving into the farmer-held reserve, which entails both higher price support loan rates and storage payments.

H.R. 2160 calls on the administration to consider establishing price support loan rates for the 1983 crops of wheat, feed grains, and rice at levels higher than those established for 1982. Experience has shown that, generally, price support loan rates set a floor for market prices. If commodity prices remain at depressed levels, higher loan rates clearly will be needed in 1983.

Another element in the strategy to strengthen farm income is increased exports. Unfortunately, Mr. President, it now appears that we will experience a reduction in the value of our agricultural exports this fiscal year for the first time in over a decade.

H.R. 2160 calls on the administration to actively pursue an aggressive export development program directed toward opening new markets for U.S. agricultural commodities. I strongly support this provision.

With respect to the farm credit crisis, H.R. 2160 calls on the administration to provide for deferrals of repayment, and to forego foreclosures whenever practicable, of Farmers Home Administration loans to qualified borrowers, as authorized by law. It also urges the administration to use its discretionary authority to implement the economic emergency loan program when existing funds for farm operating loans have been exhausted.

It is imperative that the administration adopt the deferral and foreclosure policies—and the related reamortization and rescheduling policies—outlined in H.R. 2160.

At the beginning of this year, more than 50 percent of all Farmers Home Administration farm loans were delinquent.

Without revisions of its loan repayment policy, many of these Farmers Home Administration delinquent borrowers will be faced with the prospect of liquidation or foreclosure.

The 1981 farm bill extended, until September 30, 1982, the authority for the Secretary of Agriculture to make economic emergency loans under the emergency agricultural credit adjustment act of 1978.

Under the economic emergency loan program, the Secretary makes insured loans to qualified farmers who cannot get credit elsewhere due to economic stresses, such as a general tightening of agricultural credit or an unfavorable relationship between production costs and prices received for agricultural commodities. The loans bear an interest rate that reflects the cost of money to the Government.

With the extension made by the 1981 farm bill, the Secretary could make up to $600 million in economic emergency loans in fiscal year 1982. The funds for those loans would come from repayments of outstanding economic emergency loans; and, therefore, the program would not involve new budget expenditures.

FURTHER ACTION WILL HELP

Mr. President, on April 5, several other Members of the Senate joined me in letters to President Reagan and Secretary of Agriculture Block suggesting a course of remedial action very similar to that spelled out in H.R. 2160.

Our April 5 letters also recommended several specific actions in addition to those contained in H.R. 2160, which will provide, I believe, a more responsive recovery program for U.S. agriculture. I ask unanimous consent that the text of those letters be printed in the Record at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered. (See exhibit 1.)

Mr. HUDDLESTON. Mr. President, specifically, in our April 5 letters, we called on the administration to implement voluntary paid diversion programs for producers of wheat, feed grains, upland cotton, and rice in 1982; and to establish the price support loan rates for the 1982 crops of wheat, feed grains, and rice at levels, significantly higher than those previously announced, that will provide more adequate price protection for farmers. We also stated that the economic emergency insured loan program should be implemented across the Nation immediately.

These recommendations were also included in the additional views on H.R. 2160 that the Democratic members of the Agriculture Committee filed when the committee reported the bill to the Senate.

These additional actions will aid in revitalizing the farm economy; and should receive bipartisan support in the Senate. In this regard, I note that, recently, Senator Thurmond informed the Senate of a number of recommendations made by the House of Representatives of the State of South Carolina that are the same or very similar to those made in our April 5 letters and the additional views. Senator Thurmond asked that those recommendations be given careful consideration.

With respect to the need for a diversion program in 1982 to strengthen commodity prices, actions taken by the administration so far to eliminate excessive oversupplies of wheat, feed grains, upland cotton, and rice do not go far enough. The administration has put in place only a requirement that farmers reduce their acreage planted to these commodities as a condition of qualifying for participation in government loan and target price programs. Because struggling farmers will need every possible dollar of income they can obtain from their farm operations to meet their pressing financial obligations, many may elect, ultimately, to forego participation in the loan and target price programs in order to achieve maximum production.

The most recent figures on sign-up for the 1982 reduced-acreage program, released after the committee report on H.R. 2160 was filed, show that a substantial number of farmers have, preliminarily, signed up to participate in the programs. However, because sign-up in no way obligates a farmer to comply with the acreage reduction goal, it can be expected that, as has happened in the past, some of those who have already signed up will drop out of the program and go to full production.

Mr. President, unless more is done to encourage financially hard-pressed farmers to limit production, we will most likely see very large crop harvests again this year, almost certainly guaranteeing a continuation of price-depressing oversupplies of commodities.

It is generally acknowledged that a voluntary paid land diversion program will be the only effective way to limit excessive production. In this regard, I note that the American Farm Bureau Federation recently indicated that it favors implementation of paid diversion programs in 1982 for wheat and feed grains.

Increased price support loan rates for the 1982 crops of wheat, feed grains, and rice are needed to address the serious problems that producers of these commodities now face. Currently, market prices for wheat, corn, and grain sorghum are hovering right around the loan level. The market price for rice has slid downward precipitously over the last year, and, if that trend continues, will fall to the announced loan level. Also, it is most likely that, without action, the prices for these commodities will not start moving upward, away from the loan level, in the foreseeable future.

The primary problem with the current price support loan rates for these commodities is that they are set at levels that, for many farmers, do not cover costs of production. Unless action is taken to raise the loan rates and, thus, bolster market prices, it would be simply a matter of time before many farmers who specialize in these commodities go broke producing crops that cost more to grow than what they can be sold for.

Increased loan rates to stabilize market prices at levels more closely related to costs of production, in conjunction with the diversion programs (which will bring supply back into better balance with demand, further strengthening market prices), will go far to reverse the deterioration in the agricultural economy caused by low farm income this year.

The economic emergency loan program should be implemented immediately because many farmers do not have access to the regular operating loan program.

Farmers Home Administration officials acknowledge that several States have notified the national office that they are out of regular operating loan funds or expect to run out soon. One State has requested an additional $20 million in operating loan funds. However, the national office has only $10 million in operating loan fund reserves.

Also, Farmers Home Administration officials state that it is administration policy that loans be made primarily to present borrowers. The financial situation of thousands of farmers who do not presently have Farmers Home Administration loans had deteriorated so much that they can no longer borrow from the farm credit system or commercial lenders. These borrowers, who cannot get credit elsewhere, are being turned away from the Farmers Home Administration in many States because they have not been Farmers Home Administration borrowers in the past. Ironically, the farmers being turned away are individuals who most likely could return to commercial credit sources at some future date if they could acquire emergency credit for this year's crop.

CONCLUSION

Mr. President, at his March 22 meeting with agricultural leaders of Congress, President Reagan made a commitment to stand behind farmers during their time of special need. I commend the President for recognizing the importance of agriculture to the national economy and the seriousness of the problems farmers face.

I strongly urge the President to honor his commitment and provide the leadership necessary to revitalize the depressed farm economy.

The recommendations in H.R. 2160 provide the President with a fiscally sound means of providing assistance to farmers; and its enactment will send him a clear message that Congress expects the administration to act quickly and decisively on this matter.

I urge the Senate to approve this bill.

Also, I urge the President and Secretary of Agriculture to give serious consideration to providing additional help to our Nation's hard-pressed farmers by taking the further actions recommended in the April 5 letters and the additional views to the committee report.

Exhibit 1

U.S. Senate,
Committee on Agriculture,
Nutrition, and Forestry,
Washington, D.C., April 5, 1982.

The President,
The White House, Washington, D.C.

Dear Mr. President: Thank you for taking time out of your busy schedule to meet with me on March 22, 1982, to discuss the Administration's policy on agricultural exports and other topics related to the overall condition of American agriculture.

After the meeting, I conveyed to the other Democratic members of the Committee on Agriculture, Nutrition, and Forestry your request for recommendations on agricultural policy. You indicated that the recommendations should be submitted to Secretary Block. Enclosed is a copy of our letter to the Secretary detailing our recommendations.

Sincerely,

Walter D. Huddleston.

U.S. Senate,
Committee on Agriculture,
Nutrition, and Forestry,
Washington, D.C., April 5, 1982.

Hon. John R. Block,
Secretary of Agriculture, Washington, D.C.

Dear Secretary Block: We are pleased to provide you our recommendations on agriculture policy which the President requested at the March 22 White House meeting with Congressional leaders on agricultural matters. Senator Huddleston was, as you know, a participant at the meeting with the President and conveyed the President's request to the other Democratic members of the Committee on Agriculture, Nutrition, and Forestry.

First, we note that the Administration has yet to establish a policy on sales of agricultural commodities to the Soviet Union. What is the policy of this Administration? More specifically, when will new negotiations begin on extension of the long-term sales agreement. We are of the opinion that the United States cannot reestablish its position as a reliable supplier while our policy toward the Soviet Union remains undefined.

Second, we note that the President's budget request contains no funding for the export credit revolving fund authorized by the Agriculture and Food Act of 1981. Funding for this program would stimulate exports and thereby increase farm income, and would, in all likelihood, reduce the need for other government assistance for hard-pressed farmers. We urge the Administration to support emergency legislation to implement the revolving fund at a level of not less than $250 million annually.

Third, our overseas humanitarian food assistance programs would be a logical means of using the current large stocks of U.S. agricultural commodities. The budget submission for fiscal year 1983 projects only 1.5 million metric tons (grain equivalent basis) of shipments under title II of Public Law 480. Congress has specified a minimum of 1.7 million tons of shipments under title II and this minimum should be met. We also urge you to explore new programs to increase food shipments in addition to those under Public Law 480.

We note that the World Food Council is considering a country-owned reserve plan directed toward enabling low-income countries to purchase U.S. grains through the International Monetary Fund. This plan provides for the immediate purchase of U.S. grains to be stored by the developing country until use. Such a plan may often new opportunities for using our agricultural abundance.

Fourth, we recommend that the President and you use the broad discretionary authorities available to immediately stabilize farm prices and provide credit assistance to farmers. Specifically, we recommend the following actions: The implementation of a voluntary paid land diversion program in 1982 for producers of wheat, feed grains, upland cotton, and rice; the establishment of price support loan rates for the 1982 crops of wheat, feed grains, and rice at levels, significantly higher than those previously announced, that will provide more adequate price protection to farmers; with respect to farmers who, through no fault of their own, are temporarily unable to meet their debt obligations on Farmers Home Administration farm loans—(a) permitting them to defer making repayments on the loans; and (b) permitting borrowers to reamortize or reschedule their loans at not more than the original interest rate; and (4) the immediate nationwide implementation of the FmHA economic emergency insured loan program.

In our judgment, these actions are necessary to revitalize the farm economy. Given the President's resolve to stand behind this Nation's farmers in their time of special need, we would hope that you will find support for these actions at the White House.

Sincerely,

Edward Zorinsky, John Melcher,
David Pryor, David L. Boren, Walter D.
Huddleston, Patrick J. Leahy, Alan J.
Dixon, Howell Heflin.

CONGRESSIONAL CONCERN FOR THE FARM ECONOMY

Mr. DOLE. I would like to address the sense of the Senate amendment added during consideration by the Committee on Agriculture to the Potato Act.

I agree with several of the provisions proposed by Senator Huddleston's bill as altered by the committee. The committee bill addresses the export issue which I am very concerned about. We have far too much grain and we need to find a market for it. That is why I'm very hopeful our talks later this month with the Russians in Paris will generate more grain sales. They have told us they will be a reliable buyer if we will be a reliable supplier. I have said for a long time that farmers need to make a profit and they would rather see it come from the marketplace than from the Government.

I am in opposition to placing a moratorium on FmHA loans. The administration has already announced a lenient lending policy in 1982 that essentially prevents any increase in Government-induced foreclosures.

Mr. President, during these past months of budget discussions, I have stated that a healthy national economy will be the best cure for our farm economy. Therefore, we need to be fiscally prudent in any initiative we undertake. I was hopeful we would come to a compromise in our recent negotiations. President Reagan came ready to negotiate in all of the major areas including defense and the third year of the tax cuts. It is too bad the Speaker of the House was not in the same negotiating mood. By the end of the session, we were only $25 billion apart on a $425 billion budget.

Mr. HELMS. Mr. President, today the Senate is considering H.R. 2160, to amend the Potato Research and Promotion Act and to express the sense of Congress regarding the strengthening of the farm economy.

First, I shall briefly describe the proposed amendments to the Potato Research and Promotion Act. These amendments do several things, but most importantly, they allow potato farmers to finance their own research and promotion program. The potato farm pays for the program through assessments or check-offs. While check-offs are now in effect, the potato farmers believe more money is needed, particularly since there has not been an increase in the check-off since 1971.

H.R. 2160 increases the rate of assessment levied on potatoes. It is an increase on which farmers, themselves, will vote and they will pay the Government for conducting the referendum on the increased assessment.

The amendments to the Potato Research and Promotion Act are reasonable amendments and I urge their adoption.

Second, this legislation expresses the need for farm price and credit assistance, suggests possible courses of action, and recognizes the actions and efforts undertaken by the administration to strengthen the farm economy.

Mr. President, I believe it must be strengthened in the marketplace, as do President Reagan and Secretary Block. That is the reason that farm exports and mechanisms using market forces have received such emphasis from this administration. The President and the Secretary are well aware that a strong, healthy, prosperous agriculture will generate economic growth which will benefit our entire Nation.

THE 1981 FARM BILL IS WORKING

Mr. President, I feel it is important to review the importance of agriculture, the challenges now facing farmers, and the efforts being made for the farm sector by this administration.

Agriculture—the total food and fiber system—is a driving force in the economy of the Nation and the world.

Farmers make up only about 3 percent of the national labor force, but their activities generate a huge ripple through much of the total economy.

In 1980, economic activities generated by agriculture contributed nearly $533 billion to the Gross National Product (GNP). That was slightly more than 20 percent of the total GNP, which exceeded $2.6 trillion.

The tremendously large agriculture-related contribution to the GNP came about because each farm dollar (as measured by consumer purchases and exports) generated $2.30 in gross business. This is what economists call the "multiplier" effect of agriculture dollars.

There are 3.3 million workers engaged in farm production. The labor force that supplies and supports them, however, is more than six times as large, totaling 20.4 million.

This means the agricultural industry is the nation's largest employer. It provides jobs for 23.7 million people—nearly 23 percent of the total available work force of 104.7 million.

Farm-produced goods account for 19 percent of U.S. export earnings from all products.

In 1981, the Nation's agricultural exports totaled nearly $44 billion and agricultural imports were $17.4 billion. Thus, agriculture's net contribution to the U.S. balance of payments was $26.6 billion. In nonagricultural trade, the United States last year incurred a deficit of more than $60 billion. Agriculture reduced the overall trade deficit to $33.4 billion.

Oil is the most costly U.S. import item, but there are many others. They incude automobiles, cameras and electronic goods from Japan, wines from Europe, coffee, sugar, and bananas from Latin America, diamonds from Africa, and thousands of additional products from all over the globe.

Corn and soybeans are the leading American farm exports. About one-third of all cultivated U.S. cropland is used to produce raw commodities for export.

Total agricultural exports in 1981 generated jobs for approximately 1.2 million American workers.

However, U.S. farmers are now facing their third consecutive year of low farm income. Many family farmers are in a severe cash flow and price-cost squeeze today. Young, highly leveraged farmers are particularly vulnerable, but even established farmers are not immune. Farm operating credit has been generally available, at least for well-situated borrowers, but it is quite costly.

Mr. President high interest rates are an increasing concern to American farmers. According to USDA, farmers paid $18.9 billion in short- and long-term interest during 1981. From 1975 to 1980, this figure increased from $6.4 to $15.8 billion. Since 1975, the percentage of total farm production expenses, which interest comprises, has risen from 8.4 percent to 13.3 percent.

As agriculture has become more capital-intensive over the years, it becomes increasingly sensitive to high interest rates on farm debt.

Interest rates are one element of the Nation's credit and monetary affairs, for which the Federal Reserve System is responsible. Broad supervisory powers are vested in the Board of Governors, composed of seven members appointed by the President by and with the advise and consent of the Senate. The Board's principal duties consist of exerting an influence over credit conditions and supervising the Federal Reserve Banks and member banks.

The farm economy is still suffering from high interest rates, inflation, and the grain embargo of January 4, 1980. Exports have been constrained by the sluggish world economy, large world crop supplies, and weak foreign currencies relative to the dollar.

President Reagan and Secretary of Agriculture John R. Block have taken a number of actions to strengthen the farm economy, including changes in commodity programs, aggressive export market development, and improvements in the tax code.

The Economic Recovery Tax Act of 1981 will help reduce the tax burden of American farmers. The act implements a 3-year income tax reduction program and broadens tax-management tools for farm operators. These include allowance of the 10-percent investment tax credit and 5-year depreciation on farm machinery and eligible livestock. Single-purpose farm structures will be eligible for 5-year depreciation, and multipurpose farm structures 15 years.

The act also lightens the estate and inheritance tax burden on farm families. It provides for an unlimited marital deduction for widows and widowers, an increase in the estate tax exemption from $175,000 to $600,000 over 5 years, and a reduction in the top estate and gift tax rate from 70 percent to 50 percent by 1985.

Administratively, the Secretary of Agriculture has placed increased emphasis on agricultural research as a long-term means of enhancing farm productivity and profitability. Further, he has strengthened the system of providing information to farmers by establishing the Extension Service, Agricultural Cooperative Service, and Cooperative State Research Service, at full agency status.

There was increased recognition of the importance of the livestock sector and competitive marketing by restoring the Packers and Stockyards Administration as an independent agency within USDA.

More practical, farmer-oriented leadership has been implemented at the Department of Agriculture by placing active farmers, and those with strong farm backgrounds, in management positions.

The Department increased dairy use, reduced Government-owned surpluses, and helped needy families through the program of distributing cheese through States, churches, and private volunteer groups.

An expanded crop insurance program has been made available to farmers, with Government sharing the cost but emphasizing delivery through the private sector. This program will cover a wider range of losses on more crops in larger areas than ever before.

The President's economic program has helped to reduce inflation and cut the spiraling increases in farm costs. This year, production expenses are expected to climb 3 to 6 percent which would be the smallest annual increase since 1975.

As of February 1982, farm production expenses were 4 percent above the previous year. This compares to the same time period in 1979, when farm costs were up 16 percent, four times the current rate of increase.

Farmers who do not have adequate on-farm storage capacity received attention through the National Farm Storage Facility Conference conducted by USDA. This involved leading farm storage manufacturers, lending institutions, and leasing companies in an effort to develop more creative means for financing farm storage facilities through the private sector.

Mr. President, there has been a strong emphasis on expanding markets and strengthening prices through international trade. On April 24, 1981, President Reagan lifted the grain embargo to the Soviet Union which had been imposed January 4, 1980.

On March 22, 1982, President Reagan expressed his long-term policy on farm exports, including three essential priorities: First, no restrictions will be imposed on the exportation of farm products because of rising domestic prices; second, farm exports will not be used as an instrument of foreign policy except in extreme situations and as part of a broader embargo; and third, world markets must be freed of trade barriers and unfair trade practices.

The Department of Agriculture has pursued an aggressive trade policy, by sending trade teams around the world to promote sales of U.S. farm products. The Secretary of Agriculture has been a personal emissary to several regions of the world, meeting with officials of equivalent rank and indicating the importance which he attaches to international trade.

USDA has proposed a 12-percent increase in funding for the foreign market development program and recommended that agricultural export credit guarantees be maintained at $2.5 billion, the highest level in history.

The administration has actively pursued a reduction in trade barriers. Through the General Agreement on Tariffs and Trade, the United States in challenging the European Community's open-ended use of export subsidies on certain agricultural products, which have been unfairly used to gain an inequitable share of world trade. Similarly, the Japanese have been urged to reduce their nontariff trade barriers.

The Department has organized and coordinated a unified Government-wide effort toward this objective, including USDA, the State Department, and the Department of Commerce.

In terms of domestic financing, the Farmers Home Administration has initiated the "new full-time family farmer and rancher development project" on a pilot basis to provide volunteer, private sector assistance to beginning farmers.

Due to current economic conditions in agriculture, the Department has brought together representatives of commercial banks, the Farm Credit Administration, and FmHA so as to coordinate policies on farm financing.

In the current year, farm operating loan funds for the Farmers Home Administration have been increased. Beyond that, the Department has indicated that discretionary authority for the economic emergency loan program will be used if existing FmHA farmer program funds are exhausted.

The Congress has also provided broad authorities for the President and the Secretary of Agriculture to take administrative actions on farm commodity programs. In the Agriculture and Food Act of 1981 (Public Law 97-98), the Secretary is authorized to offer a set-aside, acreage reduction program, or paid land diversion when supplies are judged to be excessive. Along with many other provisions, the act set minimum price support loan rates for major commodities and extends for 1 year authority for the Farmers Home Administration to offer the economic emergency loan program.

On January 29, Secretary Block announced acreage reduction programs for the 1982 crops of wheat, feed grains, upland cotton, and rice. Producers who comply will be eligible for Government price support loans and target price protection. The Secretary also announced that eligible wheat and feed grain producers would be allowed immediate entry into the farmer-owned reserve, for which they could receive a higher loan level and a 26½ cents per bushel storage payment.

For the past 2 years, grain entering the farmer-owned reserve has been eligible for a higher loan than the regular price support loan rate. For the 1980 and 1981 crops, the difference between the regular and reserve loans was maintained at 30 cents for wheat and 15 cents for corn.

For 1982 crops, however, Secretary Block announced a higher differential of 45 cents for wheat and 35 cents for corn. This premium per bushel should encourage additional participation in the program and provide more cash flow to farmers.

In addition, the program is less complicated and not as restrictive as the programs of previous years. Offsetting compliance—between farms—and cross-compliance—between crops—will not be a requirement in 1982. Furthermore, normal crop acreages, national program acreages, allocation factors, and voluntary reduction provisions will not apply.

The real test of a farm program, however, is the response it receives from farmers. In this case, the response could hardly have been more favorable.

Nationwide, signup for the program has achieved the highest level in recent memory. Over 79 percent of the eligible crop acreage has been enrolled in the program for the next crop year. Signup levels vary from crop to crop, including 74 percent for corn and grain sorghum and 71 percent for barley and oats.

Wheat acreage signup is even higher, with 83.95 percent enrolled. Upland cotton and rice acreage reached signup levels of over 90 percent each. As USDA processes those forms which were received just before the enrollment deadline, the final figures could be even higher.

Such strong signup reflects both the distressed state of the farm economy currently, and the fact that the Secretary selected a good mix of program incentive to encourage farmers to participate.

Although the percentage enrolled is not necessarily the same percentage that will ultimately comply, it is a good indicator that the USDA did an excellent job of informing and encouraging farmers toward utilizing the program.

This voluntary program is a "self-help" measure for farmers which will use market forces to strengthen prices. This program and the other actions by the President and the Secretary of Agriculture are intended to enhance the American farmer.

We believe, however, that there is need for further action on the farm economy. Under the leadership of Senator Howard Baker, a group of Senators met with Secretary Block on April 29 to discuss further initiatives.

Mr. President, I ask unanimous consent that a copy of our letter to Secretary Block be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

U.S. Senate, Committee on Agriculture, Nutrition, and Forestry,
Washington, D.C., April 29, 1982.

Hon. John R. Block,
Secretary, Department of Agriculture,
Washington, D.C.

Dear Mr. Secretary: Your efforts to strengthen farm prices through promotion of exports and the implementation of a reduced acreage program are commendable. We remain very concerned, however, about the current distressed state of the farm economy, and we have been exploring possible initiatives which should help improve prices of agricultural products.

We urge you to take two immediate actions on farm programs to assist the agricultural economy, and we want to work with you in developing other measures that address the underlying problem of weak demand and excess supply.

First, we hope you will state your intent to announce 1983 commodity programs at the earliest possible date, but no later than July 31, 1982 for winter crops and October 31, 1982 for spring crops. Early announcement of program details will allow farmers the maximum flexibility to plan for the next crop year.

We recognize that, in some years, the Department of Agriculture will need a later announcement date so as to gather further information before designing farm programs. In 1982, however, we believe that there is already ample evidence of an oversupply of crops which early announcement of programs will help remedy.

Second, additional on-farm storage is needed to accommodate the 1982 production and avoid forced selling and dumping of grain, which would further depress prices and increases Government costs. The "Grain Stocks In All Positions" report published by USDA on April 22 indicates that stocks of grains and oilseeds are higher than a year ago for almost all crops. Due to these large inventories, storage capacity is not adequate and additional storage is needed to both house the 1982 crops and encourage orderly marketing of grain.

More storage would encourage producers to participate in the reduced acreage program so as to qualify for price support loans and the farmer-owned reserve. In order for more storage to be built in time for the fall crops, however, USDA financing for additional storage should be made available to complement your initiative to encourage private sector financing.

Therefore, we urge you to use existing authority to implement the farm storage facility loan program as soon as possible.

We share your view that Government actions in agriculture and throughout the economy must be fiscally sound. The actions we propose will meet this test. Farm storage facility loans are repaid to the Government with interest, and the history of repayment is very good. An early program announcement will incur no additional cost to the taxpayer at all.

Further initiatives on which we wish to work with you are designed to strengthen farm prices and will ultimately result in reduced Government deficiency payments, thus providing savings to the taxpayer.

We hope that a bipartisan effort could be forged within the constraints of the budget to help remedy low farm prices and strengthen the agricultural economy. We greatly appreciate your prompt consideration of these measures and we look forward to working with you.

Sincerely,

Jesse Helms, *Chairman.*
Howard H. Baker, Jr.
Thad Cochran.
Bob Dole.
Pete Domenici.

The PRESIDING OFFICER. The question is on the engrossment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

The title was amended so as to read:

An Act to amend the Potato Research and Promotion Act and to express the sense of Congress regarding the strengthening of the farm economy.

Mr. BAKER. Mr. President, I am pleased that the Senate today agreed to the Potato Research and Promotion Act Amendments of 1982. The Senate Agriculture Committee is to be commended for not our only addressing the issue of this one commodity, but also for expressing its position on methods for strengthening the farm economy in general.

I am deeply concerned by the current situation facing our Nation's farmers. There is little doubt that farming is the foundation of this Nation's economy, and as such, faces severe repercussions during times of economic downturns.

There are no easy answers to the farmers' dilemma, as there are no easy answers to strengthening the Nation's economy. As the committee notes in its amendment to the potato bill, bringing inflation and interest rates down will have the greatest impact on net farm income.

In addition, Mr. President, increased export market development is essential to continued high productivity in farm goods. Agriculture continues to be a strong component of our merchandise exports account, contributing nearly one-fifth of this Nation's export earnings in 1981. I commend the Agriculture Committee leadership and the Secretary of Agriculture for vigorously supporting increased farm exports.

Many factors have placed farmers in a tight credit situation. I hear from farmers in Tennessee who are not sure that they can continue their operations due to a lack of affordable credit. I am pleased that the committee has focused on this issue in its statement and has encouraged the Agriculture Secretary to continue a policy of leniency on farm credit negotiations.

Mr. President, the difficulties facing our farmers are real and should not be subject to partisan debate. I commend the chairman of the Agriculture Committee for working with his committee members in drafting their views on the farm economy. I certainly plan to work with the chairman, the committee, the administration, and other farm representatives to insure that steps continue to be taken to assist the farming community.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the bill (H.R. 2160) passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

COAST GUARD AUTHORIZATION ACT FOR 1983 AND 1984

Mr. BAKER. Mr. President, there is another item cleared on this side, Calendar Order No. 513, S. 2252. Is the distinguished minority leader in a position to agree to that?

Mr. ROBERT C. BYRD. Yes, Mr. President, that has been cleared on this side.

Mr. BAKER. Mr. President, I ask that the Senate consider the bill.

The Senate proceeded to consider the bill (S. 2252) to authorize appropriations for the Coast Guard for fiscal years 1983 and 1984, and for other purposes which had been reported from the Committee on Commerce, Science, and Transportation with amendments:

On page 6, line 16, strike "Section 391(a)(19) of title 46, United States Code,", and insert "Section 4417(a)(19) of the Revised Statutes of the United States (46 U.S.C. 391a(19)";

On page 6, after line 18, add the following:

SEC. 9. TECHNICAL AMENDMENTS.

(a) The table of contents for chapter 3 of title 14 of the United States Code is amended by adding at the end thereof the following:

"52. Vice admirals, continuity of grade.".

(b) The table of contents of chapter 11 of title 14 of the United States Code is amended by amending the item relating to section 368 to read as follows:

"[368. repealed.]".

So as to make the bill read:

S. 2252

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Coast Guard Authorization Act for 1983 and 1984".

SEC. 2. AUTHORIZED APPROPRIATIONS.

Funds are authorized to be appropriated for fiscal years 1983 and 1984 as follows:

(a) For the operation and maintenance of the Coast Guard, including expenses related to the Capehart housing debt reduction, $1,700,000,000 for fiscal year 1983 and $2,000,000,000 for fiscal year 1984.

(b) For the acquisition, construction, rebuilding, and improvement of aids to navigation, shore facilities, vessels, and aircraft, including equipment related thereto $550,000,000 for fiscal year 1983 and $650,000,000 for fiscal year 1984.

(c) For research, development, test, and evaluation, $29,000,000 in fiscal year 1983 and $32,000,000 in fiscal year 1984, of which sufficient funds shall be made available to continue in operation a Coast Guard research and development center through the end of the 1984 fiscal year.

(d) For retired pay including the payment of obligations therefor otherwise chargeable to lapsed appropriations for this purpose, and payments under the Retired Serviceman's Family Protection and Survivor Benefit Plans, and for payments for medical care of retired personnel and their dependents under the Dependents Medical Care Act, $336,000,000 is authorized for fiscal year 1983 and $396,000,000 is authorized for fiscal year 1984.

SEC 3. PERSONNEL.

(a) MILITARY.—The Coast Guard is authorized an end-of-year strength for active duty personnel of 41,500 in fiscal years 1983 and 1984. This end-of-year strength shall not include members of the Ready Reserve called to active duty under the authority of section 712 of title 14, United States Code.

(b) CIVILIAN.—Notwithstanding any other provision of law, the fiscal 1983 and 1984 end-of-year civilian personnel strength of the Coast Guard shall be at least 5,484.

SEC. 4. MILITARY STUDENT TRAINING.

For fiscal years 1983 and 1984, the Coast Guard is authorized average military student training loads as follows:

(a) For recruit and special training, 3,660 student years.

(b) For flight training, 118 student years, a proviso being that more in-flight training hours be used on actual patrols, thus increasing the total Coast Guard patrol capacity.

(c) For professional training in military and civilian institutions, 655 student years.

(d) For officer acquisition, 1,038 student years.

SEC. 5. DELEGATION OF AIDS TO NAVIGATION RESPONSIBILITIES.

(a) Section 81 of title 14, United States Code, is amended by adding at the end thereof the following: "The Coast Guard may establish, maintain, and operate aids to maritime navigation under paragraph (1) of this section by contract with any person, public body, or instrumentality.".

(b) Section 84 of title 14, United States Code, is amended by inserting after the first sentence the following: "The preceding sentence shall not apply to any person, public body, or instrumentality acting pursuant to a contract under section 81 of this title or pursuant to authority obtained under section 83 of this title.".

(c) Not later than one year after the date of enactment of this Act, the Secretary of the department in which the Coast Guard is operating shall submit a report to the Congress evaluating—

(1) the exercise by contract of the authority of the Coast Guard under section 81 of title 14, United States Code, to establish, maintain, and operate aids to navigation, including a discussion of any problems involved in exercising such authority by contract, the reasons for exercising or failing to exercise such authority by contract in particular areas, and the feasibility of expanding the exercise of such authority by contract; and

(2) the advantages and disadvantages of increasing the ratio of civilian to military employees assigned to the establishment, maintenance, and operation of aids to navigation on the inland waterways of the United States.

SEC. 6. AVAILABILITY OF INSPECTION RECORDS.

The Act entitled "An Act to constitute a Bureau of Navigation in the Treasury Department", enacted July 5, 1884 (23 Stat. 118), is amended by adding at the end of section 8 (as added by section 9 of Public Law 97-136) the following new subsection:

"(d) In any case in which an inspection or examination is delegated under subsection (a) to the American Bureau of Shipping, or similar American classification society, or agent thereof, such Bureau, society, or agent, as the case may be, shall maintain within the United States complete files of all information derived from or necessarily connected with such inspection or examination and shall permit access to such files at all reasonable times to the Coast Guard or any agent designated in writing by the Coast Guard.".

SEC. 7. MILITARY PERSONNEL MANAGEMENT.

Title 14, United States Code, is amended as follows:

(a) Chapter 3 is amended by adding the following new section after section 51:

"§ 52. Vice admirals, continuity of grade

The continuity of an officer's precedence on the active duty promotion list, date of rank, grade, pay, and allowances as a vice admiral shall not be interrupted by the termination of an appointment for the purpose of reappointment to another position as a vice admiral.".

(b) Section 368 is repealed.

(c) Section 93 is amended by—

(1) deleting the final word "and" from subsection (p);

(2) deleting the period at the end of subsection (q) and substituting "; and"; and

(3) adding the following new subsection:

"(r) provide medical and dental care for personnel entitled thereto by law or regulation, including care in private facilities.".

SEC. 8. ELIMINATION OF REPORTS.

(a) Subsections (e) and (f) of section 475 of title 14, United States Code, are repealed.

(b) Section 4417a(19) of the Revised Statutes of the United States (46 U.S.C. 391a(19)) is repealed.

SEC. 9. TECHNICAL AMENDMENTS.

(a) The table of contents for chapter 3 of title 14 of the United States Code is amended by adding at the end thereof the following:

"52. Vice admirals, continuity of grade.".

(b) The table of contents for chapter 11 of title 14 of the United States Code is amended by amending the item relating to section 368 to read as follows:

"[368. Repealed.]".

The committee amendments were agreed to.

UP AMENDMENT NO. 908

(Purpose: Authorize additional amounts for employee benefits authorized by law)

Mr. BAKER. Mr. President, I send to the desk an amendment on behalf of the Senator from Oregon (Mr. PACKWOOD) and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Tennessee (Mr. BAKER), for Mr. PACKWOOD, proposes an unprinted amendment numbered 908.

On page 2, line 7, strike "1984." and insert in lieu thereof the following: "1984, and such additional amounts for each such year as may be necessary for increases in salary, pay, and other employee benefits authorized by law."

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (UP No. 908) was agreed to.

● **Mr. PACKWOOD.** Mr. President, the Commerce Committee is pleased to present to the Senate S. 2252, the Coast Guard Reauthorization Act of 1983 and 1984. This bill is yet another confirmation of the strong support which the Coast Guard has earned in the Senate.

The Coast Guard is overworked, underequipped, and undermanned, yet it saves thousands of lives and millions of dollars of property each year. The Coast Guard deserves adequate funding to perform its vital missions.

I sincerely hope that the Appropriations Committees, as well as the administration provide the necessary level of funding authorized by S. 2252. The Commerce Committee recommends that the Senate approve S. 2252, and I urge its prompt passage.●

Mr. HOLLINGS. Mr. President, for years I have fought, with many of my colleagues, for a reasonable level of funding for the Coast Guard. Today we have before us the Coast Guard authorization bill, S. 2252, which has recently been favorably reported by the Committee on Commerce, Science, and Transportation. I urge my colleagues to join with the chairman of the committee, Senator PACKWOOD, and the ranking minority member, Senator CANNON, in supporting the authorization levels that are in this bill. While these levels reflect only the bare minimum that we should be considering, it is a step in the right direction and has my full support.

As you know, Mr. President, the Coast Guard has been nickled and dimed to death over the years, so that when the President's across-the-board 4-percent cut was applied to the fiscal year 1982 budget, the Coast Guard was faced with difficult options—either try to run vessels, aircraft, maintenance, and other activities even further below the necessary manpower levels, or finally face the need to close facilities, ground aircraft, tie up vessels, and the like. We are all well aware of the action which the Coast Guard reluctantly took, and of the emergency supplemental appropriation bill which I introduced in January of this year, which I still intend to see passed with the help of 34 cosponsors and other commitments of support. But we are far from being out of the woods, We need S. 2252 to be able to provide the budget authority necessary just to keep operations and equipment procurement going in the Coast Guard for the next 2 fiscal years. We have still been forced to go along with the closing or reduction of close to 100 facilities already due to reductions in the fiscal year 1982 budget. If we do not pass the authorization levels proposed in S. 2252, there will be no opportunity next year to pass whatever appropriations may be necessary to keep more of the same from happening.

Without the Coast Guard as a viable operating force along our coasts and at sea, we stand little chance of saving the lives of our mariners, safeguarding the fishery resources in our waters from eager foreign fishing interests, controlling the flood of illegal drugs that is inundating our shore areas along the South Atlantic and gulf coasts, or bolstering our national security in time of war.

It is my hope that as a result of the hearings held in the Commerce and Appropriations Committees this year, along with the hearings held in the House, we have laid to rest those misguided, misinformed, and groundless notions in the administration that the proper course is to reduce the Coast Guard to a small, "civilianized," and useless force.

Passage of S. 2252 is the right step to take. I urge my colleagues to join me in support of this measure.

Mr. CANNON. Mr. President, as a longtime supporter of an adequate budget for the U.S. Coast Guard, I am pleased to join Senator PACKWOOD in urging favorable Senate action on S. 2252, which sets authorization limits for Coast Guard appropriations for fiscal years 1983 and 1984. This bill reflects the Commerce Committee's firmly held belief that the administration's formal budget proposal for this efficiently run, multimission organization is far below the level warranted by the public interest.

In the area of operating expenses, we have been assured that the administration is working on an upward revision of its fiscal year 1983 budget estimates. This revision was promised over a month ago, but we have yet to see it. In the meantime, our committee has held hearings on S. 2252 and received repeated testimony that funding for operations and maintenance must be increased over the administration's recommendation to keep up necessary services. The fiscal year 1983 authorization level of $1,700 million contained in S. 2252 is a bare minimum; training and maintenance that should have been accomplished long ago will have to be postponed for another year.

Already this year, budgetary limitations have led to the closing of roughly 100 facilities from coast to coast. As our authorization report strongly advocates, a substantial supplemental appropriation for operating expenses will be needed for this fiscal year to prevent further cutbacks. A failure to provide such a supplemental is likely to mean that lives and property will be lost, fishery resources will be taken illegally from our waters by foreign fishermen, and the seaborne flood of drugs into this country will rise unchecked.

S. 2252 also reflects the Commerce Committee's continued view that more funding must be provided for capital improvements. Annual capital budgets in the neighborhood of $700 million or more a year are needed to rebuild and modernize vessel and aircraft fleets and shore facilities. Our concern for overall Federal spending limits has kept our authorization levels down for the next 2 fiscal years, but we flatly reject the administration's approach, which is to ignore the deteriorated condition of the Coast Guard's capital plant. The General Accounting Office has ruled that administration unwillingness to spend the bulk of capital appropriations allotted for this fiscal year constituted a deferral of $216.5 million. The Congress—in its appropriation and authorization actions—has made its intent clear; the executive branch must carry out that mandate and commit the appropriated funds to the necessary capital improvements.

Mr. President, I sincerely hope that when the revised budget estimates finally arrive, the administration's figures will reflect support of its own "Roles and Missions Study." That study, the product of a year's intense evaluation of the Coast Guard missions and a blueprint for the next 20 years, was submitted to Congress on March 31, 1982 and essentially endorses the current multimission approach to Coast Guard services.

During the study effort there were some within the administration who were pressing for the "civilianization" of the Coast Guard and urging that the overall personnel strength be cut by more than half. Fortunately, this attempt to radically change the agency was overcome by officials who possess expert knowledge of the agency's importance to national security.

The final version of the "Roles and Missions Study" recognizes the Coast Guard's military functions, as well as its many other key services—from saving lives and property at sea, to guarding our shores from invading drug smugglers. S. 2252's authorizations for fiscal years 1983 and 1984 call for funding that will take the Coast Guard a modest step or two toward achieving the mission goals stated in the study.

The PRESIDENT OFFICER. The question is on the engrossment and the third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 2252

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Coast Guard Authorization Act for 1983 and 1984".

SEC. 2. AUTHORIZED APPROPRIATIONS.

Funds are authorized to be appropriated for fiscal years 1983 and 1984 as follows:

(a) For the operation and maintenance of the Coast Guard, including expenses related to the Capehart housing debt reduction, $1,700,000,000 for fiscal year 1983 and $2,000,000,000 for fiscal year 1984 and such additional amounts for each such year as may be necessary for increases in salary, pay, and other employee benefits authorized by law.

(b) For the acquisition, construction, rebuilding, and improvement of aids to navigation, shore facilities, vessels, and aircraft, including equipment related thereto $550,000,000 for fiscal year 1983 and $650,000,000 for fiscal year 1984.

(c) For research, development, test, and evaluation, $29,000,000 in fiscal year 1983 and $32,000,000 in fiscal year 1984, of which sufficient funds shall be made available to continue in operation a Coast Guard research and devlopment center through the end of the 1984 fiscal year.

(d) For retired pay including the payment of obligations therefor otherwise chargeable to lapsed appropriations for this purpose, and payments under the Retired Serviceman's Family Protection and Survivor Benefit Plans, and for payments for medical care of retired personnel and their dependents under the Dependents Medical Care Act, $338,000,000 is authorized for fiscal year 1983 and $396,000,000 is authorized for fiscal year 1984.

SEC. 3. PERSONNEL.

(a) MILITARY.—The Coast Guard is authorized an end-of-year strength for active duty personnel of 41,500 in fiscal years 1983 and 1984. This end-of-year strength shall not include members of the Ready Reserve called to active duty under the authority of section 712 of title 14, United States Code.

(b) CIVILIAN.—Notwithstanding any other provision of law, the fiscal 1983 and 1984 end-of-year civilian personnel strength of the Coast Guard shall be at least 5,484.

SEC. 4 MILITARY STUDENT TRAINING.

For fiscal years 1983 and 1984, the Coast Guard is authorized average military student training loads as follows:

(a) For recruit and special training, 3,660 student years.

(b) For flight training, 118 student years, a proviso being that more in-flight training hours be used on actual patrols, thus increasing the total coast Guard patrol capacity.

(c) For professional training in military and civilian institutions, 655 student years.

(d) For officer acquisition, 1,038 student years.

SEC. 5. DELEGATION OF AIDS TO NAVIGATION RESPONSIBILITIES.

(a) Section 81 of title 14, United States Code, is amended by adding at the end thereof the following: "The Coast Guard may establish, maintain, and operate aids to maritime navigation under paragraph (1) of this section by contract with any person, public body, or instrumentality.".

(b) Section 84 of title 14, United States Code, is amended by inserting after the first sentence the following: "The preceding sentence shall not apply to any person, public body, or instrumentality acting pursuant to a contract under section 81 of this title or pursuant to authority obtained under section 83 of this title.".

(c) Not later than one year after the date of enactment of this Act, the Secretary of the department in which the Coast Guard is operating shall submit a report to the Congress evaluating—

(1) the exercise by contract of the authority of the Coast Guard under section 81 of title 14, United States Code, to establish, maintain, and operate aids to navigation, including a discussion of any problems involved in exercising such authority by contract, the reasons for exercising or failing to exercise such authority by contract in particular areas, and the feasibility of expanding the exercise of such authority by contract; and

(2) the advantages and disadvantages of increasing the ratio of civilian to military employees assigned to the establishment, maintenance, and operation of aids to navigation on the inland waterways of the United States.

SEC. 6. AVAILABILITY OF INSPECTION RECORDS.

The Act entitled "An Act to constitute a Bureau of Navigation in the Treasury Department", enacted July 5, 1884 (23 Stat. 118), is amended by adding at the end of section 8 (as added by section 9 of Public Law 97-136) the following new subsection:

"(d) In any case in which an inspection or examination is delegated under subsection (a) to the American Bureau of Shipping, or similar American classification society, or agent thereof, such Bureau, society, or agent, as the case may be, shall maintain within the United States complete files of all information derived from or necessarily connected with such inspection or examination and shall permit access to such files at all reasonable times to the Coast Guard or any agent designated in writing by Coast Guard."

SEC. 7. MILITARY PERSONNEL MANAGEMENT.

Title 14, United States Code, is amended as follows:

(a) Chapter 3 is amended by adding the following new section after section 51:

"§ 52. Vice admirals, continuity of grade

The continuity of an officer's precedence on the active duty promotion list, date of rank, grade, pay, and allowances as a vice admiral shall not be interrupted by the termination of an appointment for the purpose of reappointment to another position as a vice admiral.".

(b) Section 388 is repealed.

(c) Section 93 is amended by—

(1) deleting the final word "and" from subsection (p);

(2) deleting the period at the end of subsection (q) and substituting "; and"; and

(3) adding the following new subsection:

"(r) provide medical and dental care for personnel entitled thereto by law or regulation, including care in private facilities.".

SEC. 8. ELIMINATION OF REPORTS.

(a) Subsections (e) and (f) of section 475 of title 14, United States Code, are repealed.

(b) Section 4417a(19) of the Revised Statutes of the United States (46 U.S.C. 391a(1)) is repealed.

SEC. 9. TECHNICAL AMENDMENTS.

(a) The table of contents for chapter 3 of title 14 of the United States Code is amended by adding at the end thereof the following:

"52. Vice admirals, continuity of grade.".

(b) The table of contents for chapter 11 of title 14 of the United States Code is amended by amending the item relating to section 388 to read as follows:

"[388. Repealed.]"

Mr. BAKER. Mr. President, I move to reconsider the vote by which the bill (S. 2252) passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

NATIONAL THEATER WEEK

Mr. BAKER. Mr. President, another measure cleared on this side for action by unanimous consent is Calendar Order No. 525 (S.J. Res. 131).

Mr. ROBERT C. BYRD. Mr. President, that has been cleared on this side of the aisle.

The PRESIDING OFFICER. The joint resolution will be stated by title.

The legislative clerk read as follows:

A joint resolution (Senate Joint Resolution 131) designating "National Theatre Week."

Without objection, the Senate proceeded to consider the joint resolution.

UP AMENDMENT 909

Purpose: To Redesignate the Week of June 14-20, 1982 to June 7-13, 1982 as "National Theatre Week"

Mr. ROBERT C. BYRD. On behalf of Mr. Exon, Mr. President, I send an amendment to the desk and ask that it be considered.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from West Virginia (Mr. Robert C. Byrd) for Mr. Exon, proposes an unprinted amendment numbered 909.

On page 2, line 3 strike out "June 14 through 20, 1982" and insert in lieu thereof "June through 13, 1982".

The amendment was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and the third reading of the joint resolution.

The joint resolution (S.J. Res. 131) was ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. RES. 131

Whereas many Americans have devoted much time and energy for advancing the cause of theatre; and

Whereas the theatres of America have pioneered the way for many performers and have given them their start in vaudeville and stage; and

Whereas theatre is brought to Americans through high schools, colleges, and community theatre groups as well as through professional acting companies; and

Whereas citizens of America have been called upon to support the theatre arts in the Nation's interest; and

Whereas many individuals and organizations are hailing the strength and vitality of the theatres of America: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of June 14 through 20, 1982, shall be proclaimed "National Theatre Week" throughout the country, and all citizens are urged to support this effort with assistance to theatres throughout the country.

Mr. BAKER. I move to reconsider the vote by which the joint resolution (S.J. Res. 131) was agreed to.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

THE CALENDAR

Mr. BAKER. Mr. President, there are four other items cleared, and that will conclude the items cleared on this side.

Mr. President, I refer to Calendar Orders numbered 526, 527, 528, and 529. I inquire of the minority leader if he is in a position to consider those items at this time.

Mr. ROBERT C. BYRD. Mr. President, those items have been cleared on this side.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the Calendar Orders referred to.

NATIONAL P.O.W.-M.I.A. RECOGNITION DAY

The joint resolution (S.J. Res. 160) to designate July 9, 1982, as "National P.O.W.-M.I.A. Recognition Day", was considered.

Mr. HAYAKAWA. Mr. President, Senate Concurrent Resolution 160, which we are about to pass, designates July 9 of this year as "National P.O.W.-M.I.A. Recognition Day." Although the intent of the day is to honor P.O.W.-M.I.A.'s from all conflicts, we will no doubt remember foremost our servicemen who are still missing in action from the war in Southeast Asia.

It has been 9 years since the signing of the peace accords in Paris which brought about the end of the Vietnam war. But the war has not ended for the families of 2,500 Americans who remain unaccounted for. These families still do not know the fate of their loved ones. They just want to know what happened to their sons, to their daddies and to their loved ones—and we do not know. So we must continue our search.

I am pleased with the efforts made recently by the administration. However, I believe that we must continue our pursuit of this tragic situation until we have a full accounting of our servicemen—an accounting we all so earnestly desire. Mr. President, I am committed to this cause, as I know many of my colleagues are, and I intend to submit a resolution soon which expresses the sense of Congress urging the President to do all he can to achieve this end. I do hope my colleagues will support me in this effort.

Finally, Mr. President, there are over 90,000 Americans from other conflicts whose fate are still unknown. It is both fitting and proper that our Nation pay tribute to those who have so valiantly defended the values we espouse. We must not forget them.

Thank you, Mr. President.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. RES. 160

Whereas the United States has fought in many wars;

Whereas thousands of Americans who served in such wars were captured by the enemy or are missing in action;

Whereas many American prisoners of war were subjected to brutal and inhuman treatment by their enemy captors in violation of international codes and customs for the treatment of prisoners of war and many such prisoners of war died from such treatment;

Whereas it is uncertain whether those Americans missing in action are alive or dead and such uncertainty has caused their families to suffer acute hardship; and

Whereas the sacrifices of American prisoners of war and Americans missing in action and their families are deserving of national recognition: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That July 9, 1982, is designated as "National P.O.W.-M.I.A. Recognition Day", and the President of the United States is authorized to issue a proclamation calling upon the people of the United States to observe such day with appropriate ceremonies and activities.

NATIONAL SNOWMOBILING MONTH

The joint resolution (S.J. Res. 182) to designate January 1983 as "National Snowmobiling Month," was considered.

Mr. LEAHY. Mr. President, I am pleased today to have the Senate consider Senate Joint Resolution 182, requesting the President to proclaim the month of January 1983 as "National Snowmobiling Month."

Spring has finally arrived, and we are all glad of it. The winter of 1981–82 was a hard, long winter with record snows affecting millions of Americans.

In my State of Vermont, and in other States across the Northern Tier, these snows brought increased opportunities to engage in outdoor recreation and to revel in the winter beauty. At the same time, winter storms brought isolation, depleted supplies of fuel and food, and resulted in accidents and emergencies brought on by adverse weather conditions.

I refer to the winter that has just departed because of the role that snowmobiles played in these disparate sides of winter. While the snowmobile is a source of recreation and pleasure for over 20 million Americans, the snowmobile also plays a crucial role in assisting those who are snowbound and are in danger or discomfort. By sponsoring this resolution, I hope to recognize the expanding role of the snowmobile in the lives of millions of Americans during the winter months.

Mr. President, snowmobiles are best known as a source of recreation for millions of Americans, young and old alike and of varied physical ability, who would otherwise be housebound during the long winter months. In the past few years hundreds of clubs have been formed and extensive networks of trails have been constructed and maintained. Two dozen national parks have determined that snowmobiling plays an integral part in their philosophy that Americans should "see, sense, and enjoy" their spectacular beauty, and have permitted snowmobiles to travel on their snow-covered roadways.

Another facet of the growing popularity of snowmobiling is its contribution to the tourist industries of many communities. In my own State of Vermont, almost $30 million is generated each year through snowmobiles—one for every four Vermont families—registered in the State, with these registration fees contributing over $200,000 to the State coffers.

Well-organized and concerned snowmobilers also help save the lives of plane crash victims, hikers, and cross-country skiers. We saw many such examples this winter on the nightly news as snowmobilers came to the rescue of highway travelers stranded by blizzard conditions. Each year snowmobilers are credited with saving the lives of thousands of people throughout Canada and the United States.

Mr. President, now that the cold and snow of winter have finally left us, we should take a moment to recognize the growing role of the snowmobile in local economies and in the lives of millions of families across the country. For these reasons, I am proud to vote for this resolution and to urge my colleagues to join me in this effort to proclaim January 1983 as "National Snowmobiling Month."

The joint resolution (S. J. Res. 182) was ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. Res. 182

Whereas snowmobiling is a popular form of recreation for millions of Americans.

Whereas snowmobiling has contributed significantly to the quality of life of snowbelt residents;

Whereas snowmobile clubs and many individual snowmobilers have often volunteered their skills and services in emergency situations, performing rescue operations for accident victims, lost hunters, hikers, skiers, and highway travelers;

Whereas snowmobile clubs and many individual snowmobilers promote tourism in winter States, thereby increasing employment, strengthening local economies, and providing revenues to the States;

Whereas Federal, State, and local governments and programs should encourage adequate opportunities for snowmobiling and other activities which contribute to the quality of life of snowbelt residents and visitors: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President of the United States is hereby authorized and requested to issue a proclamation designating the Month of January 1983, "National Snowmobiling Month".

Mr. BAKER. Mr. President, I move to reconsider the vote by which the joint resolution was agreed to.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MISSING CHILDREN DAY

The joint resolution (S.J. Res. 189) to authorize and request the President to designate May 25, 1982, as Missing Children Day, was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. Res. 189

Whereas on May 25, 1979, six-year-old Etan Patz disappeared from his home in New York City and is still missing;

Whereas over one million eight hundred thousand children disappear from home annually;

Whereas children who are missing from home and are not living in a family environment are frequently the victims of sexual and physical exploitation;

Whereas an estimated 60 per centum of missing children are sexually abused while away from home;

Whereas the search for missing children is frequently a low priority investigation in many law enforcement agencies;

Whereas efforts between Federal and local law enforcement agencies in child abduction cases are usually uncoordinated, haphazard, and ineffective; and

Whereas the problem of the missing child has been plagued by misinformation and there is a need to increase public understanding and awareness of this problem: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President of the United States is authorized and requested to issue a proclamation designating May 25, 1982, as "Missing Children Day", and calling upon all Government agencies and the people of the United States to observe the day with appropriate ceremonies, programs, and activities.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the joint resolution was agreed to.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

OLDER AMERICANS MONTH

The concurrent resolution (S. Con. Res. 82) expressing the sense of the Congress that the people of the United States should observe the month of May 1982 as Older Americans Month, was considered and agreed to.

The preamble was agreed to.

The concurrent resolution, and the preamble, are as follows:

S. Con. Res. 82

Whereas older Americans have contributed many years of service to their families, their communities, and the Nation;

Whereas the population of the United States is comprised of a large percentage of older Americans representing a wealth of knowledge and experience;

Whereas acknowledgment should be given to older Americans for the contributions they continue to make to their communities and the Nation; and

Whereas many States and communities provide such acknowledgment of older Americans during the month of May: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That, in recognition of—

(1) the designation of the month of May 1982, as "Older Americans Month" by the President of the United States, and

(2) the repeated expression by the Congress of its appreciation and respect for the achievements of older Americans and its desire that these Americans continue to play an active role in the life of the Nation, it is the sense of the Congress that the people of the United States should observe Older Americans Month with appropriate programs, ceremonies, and activities.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the joint resolution was agreed to.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

JOINT REFERRAL OF S. 2237

Mr. BAKER. Mr. President, I believe this has been cleared. I ask unanimous consent that S. 2237 be jointly referred to the Committee on Finance and the Committee on Foreign Relations, provided that the Foreign Relations Committee is authorized to consider only title 2 of the bill, and the Committee on Finance is authorized to consider titles 1, 2, 3, and 4 of the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, one final request and then another item which will exhaust my list of items to consider this evening.

OFFICIAL RECOGNITION GRANTED TO THE INTERNATIONAL BALLET COMPETITION

Mr. BAKER. Mr. President, I ask unanimous consent that the Committee on Labor and Human Resources be discharged from further consideration of House Joint Resolution 361, a resolution to grant official recognition to the International Ballet Competition, and I ask for its immediate consideration.

The PRESIDING OFFICER. The joint resolution will be stated by title.

The assistant legislative clerk read as follows:

A joint resolution (H.J. Res. 361) to grant official recognition to the International Ballet Competition.

Without objection, the Senate proceeded to consider the joint resolution.

Mr. COCHRAN. Mr. President, I am very pleased that the Committee on Labor and Human Resources has reported my resolution, Senate Joint Resolution 127, which grants official recognition to the International Ballet Competition and its participants.

This summer our country will again host this prestigious event which honors excellence in human achievement and fosters international friendship. Dancers, choreographers, and teachers from all over the world will gather in Jackson, Miss., June 20 to July 24, to compete in what has been termed the "Olympics of Dance."

The House of Representatives has passed an identical resolution, House Joint Resolution 361. Since I support the quick adoption of this measure, I

urge my colleagues to join me in recognizing the International Ballet Competition and the outstanding achievements of its participants by supporting the immediate consideration and adoption of the House passed version, House Joint Resolution 361.

The joint resolution was ordered to a third reading, read the third time, and passed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the joint resolution was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I move that Calendar Order No. 537, Senate Joint Resolution 127, the Senate companion bill, be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STENNIS. Mr. President, if my colleague will yield, I want to thank him for bringing up this matter.

Mr. BAKER. I thank the distinguished Senator from Mississippi.

EXECUTIVE CALENDAR

Mr. BAKER. Mr. President, there are certain items on today's Executive Calendar which have been cleared for action on this side by unanimous consent. I refer to Calendar Order No. 736, under the Department of Justice, the nomination of Salvatore R. Martoche, of New York, to be U.S. attorney, and the nominations appearing under Executive Office of the President on page 3, Merit Systems Protection Board, and the single nomination of the Department of Justice under new reports.

Mr. ROBERT C. BYRD. Mr. President, the minority is prepared to proceed with the nominations under Calendar orders numbered 736, 738, and 739.

Mr. BAKER. I thank the minority leader.

EXECUTIVE SESSION

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate go into executive session now to consider the nominations just identified by the minority leader.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report the nominations.

DEPARTMENT OF JUSTICE

The legislative clerk read the nomination of Salvatore R. Martoche, of New York, to be U.S. attorney for the western district of New York.

● Mr. ANDREWS. Mr. President, I would like to take this opportunity to compliment the Justice Department for their selection of Salvatore Martoche for U.S. district attorney in the western district of New York. Salvatore is a graduate of the University of North Dakota and will undoubtedly bring western justice to western New York. Men of his caliber are the type that will add stature to the Department of Justice and provide fair and equitable treatment to residents of that area.

My congratulations to Salvatore.●

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nomination was agreed to.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

EXECUTIVE OFFICE OF THE PRESIDENT

The legislative clerk read the nomination of Peter Otto Murphy, of the District of Columbia, for the rank of ambassador during his tenure of service as U.S. negotiator on textile matters.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nomination was agreed to.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MERIT SYSTEMS PROTECTION BOARD

The legislative clerk read the nomination of Herbert E. Ellingwood, of California, to be a member of the Merit Systems Protection Board.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nomination was agreed to.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I ask unanimous consent that the President be immediately notified that the Senate has given its consent to these nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate now return to legislative session.

There being no objection, the Senate resumed the consideration of legislative business.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

PRESIDENTIAL APPROVALS

A message from the President of the United States reported that on May 4, 1982, he had approved and signed the following bills:

S. 266. An act to amend title 38, United States Code, to promote greater sharing of health care resources between the Veterans' Administration and the Department of Defense and to direct the Secretary of Defense and the Administrator of Veterans' Affairs to plan for the provision of health care by the Veterans' Administration during periods of war or national emergency to members of the Armed Forces on active duty; and for other purposes.

S. 1093. An act for the relief of Sandra Reyes Pellecer.

MESSAGES FROM THE HOUSE

At 2:01 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House agrees to the amendments of the Senate to the bill (H.R. 1681) for the relief of Andre Bartholo Eubanks.

The message also announced that the House has passed the following bill, without amendment:

S. 2244. An act to give effect to the Protocol Amending the Convention for the Preservation of the Halibut Fishery of the Northern Pacific Ocean and Bering Sea, signed at Washington, March 29, 1979.

The message further announced that the House has agreed to the following concurrent resolution, without amendment:

S. Con. Res. 84. Concurrent resolution expressing the sense of the Congress on the occasion of the centennial of the establishment of diplomatic relations between the United States and Korea.

The message also announced that the House has passed the following bill and joint resolution, in which it requests the concurrence of the Senate:

H.R. 1826. An act for the relief of Shinji Oniki; and

H.J. Res. 230. Joint resolution imploring the Union of Soviet Socialist Republics to allow Doctor Semyon Gluzman and his family to emigrate to Israel.

The message further announced that the House has agreed to the following concurrent resolutions, in which it requests the concurrence of the Senate:

H. Con. Res. 205. Concurrent resolution expressing the sense of the Congress with respect to violations of human rights by the Soviet Union in the Ukraine; and

H. Con. Res. 218. Concurrent resolution expressing the sense of the Congress with respect to the imprisonment and treatment by the Government of the Soviet Union of Mart Niklus, and for other purposes.

ENROLLED BILL SIGNED

At 4:10 p.m., a message from the House of Representatives, delivered by Mr. Berry, announced that the Speaker has signed the following enrolled bill:

H.R. 1681. An act for the relief of Andre Bartholo Eubanks.

The enrolled bill was subsequently signed by the President pro tempore (Mr. Thurmond).

HOUSE MEASURES REFERRED

The following bill and joint resolution were read the first and second times by unanimous consent, and referred as follows:

H.R. 1826. An act for the relief of Shinji Oniki; to the Committee on the Judiciary.

H.J. Res. 230. Joint resolution imploring the Union of Soviet Socialist Republics to allow Doctor Semyon Gluzman and his family to emigrate to Israel; to the Committee on Foreign Relations.

HOUSE CONCURRENT RESOLUTIONS REFERRED

The following concurrent resolutions were read, and referred as follows:

H. Con. Res. 205. Concurrent resolution expressing the sense of the Congress with respect to violations of human rights by the Soviet Union in the Ukraine; to the Committee on Foreign Relations.

H. Con. Res. 218. Concurrent resolution expressing the sense of the Congress with respect to the imprisonment and treatment by the Government of the Soviet Union of Mart Niklus, and for other purposes; to the Committee on Foreign Relations.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. THURMOND, from the Committee on the Judiciary, without amendment:

S.J. Res. 161. Joint resolution to designate the week commencing with the fourth Monday in June 1982 as "National NCO/Petty Officer Week".

By Mr. WALLOP (for Mr. Goldwater), from the Select Committee on Intelligence, without amendment:

S. 2487. An original bill to authorize appropriations for the fiscal year 1983 for intelligence activities of the U.S. Government, for the Intelligence Community staff, and for the Central Intelligence Agency Retirement and Disability System, and for other purposes (Rept. No. 97-379).

S. 2488. An original bill to strengthen and improve the management of civilian personnel within the Defense Intelligence Agency (Rept. No. 97-380); considered and passed.

By Mr. WALLOP (for Mr. Goldwater), from the Select Committee on Intelligence, without amendment:

S. Res. 384. An original resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to consideration of title IV of S. 2487 which authorizes supplemental appropriations for fiscal year 1982 for intelligence activities of the United States; referred to the Committee on the Budget.

By Mr. PACKWOOD, from the Committee on Commerce, Science, and Transportation, with an amendment in the nature of a substitute:

S. 1657. A bill entitled the "Uniform Science and Technology Research and Development Utilization Act" (with additional and minority views) (Rept. No. 97-381).

By Mr. PACKWOOD, from the Committee on Commerce, Science, and Transportation, without amendment:

S. 2261. A bill to authorize funds for the U.S. Travel and Tourism Administration for fiscal year 1983 (Rept. No. 97-382).

By Mr. GARN, from the Committee on Banking, Housing, and Urban Affairs:

Report entitled "First Monetary Policy Report for 1982" (Rept. No. 97-383).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. HATCH, from the Committee on Labor and Human Resources:

Clarence Thomas, of Maryland, to be a Member of the Equal Employment Opportunity Commission for a term expiring July 1, 1986.

The above nomination was reported from the Committee on Labor and Human Resources with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. LEAHY:

S. 2485. A bill to require the Secretary of Agriculture to establish a network of volunteers to assist in making available information and advice on organic agriculture for family farms and other agricultural enterprises, to establish pilot projects to carry-out research and education activities involving organic farming, and to perform certain other functions relating to organic farming, with special emphasis on family farms; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. EAGLETON:

S. 2486. A bill to authorize the Secretary of Agriculture to purchase stored commodities from producers under certain circumstances; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. WALLOP (for Mr. Goldwater), from the Select Committee on Intelligence:

S. 2487. An original bill to authorize appropriations for the fiscal year 1983 for intelligence activities of the U.S. Government, for the Intelligence Community staff, and for the Central Intelligence Agency Retirement and Disability System, and for other purposes; placed on the calendar.

By Mr. WALLOP (for Mr. Goldwater), from the Select Committee on Intelligence:

S. 2488. An original bill to strengthen and improve the management of civilian personnel within the Defense Intelligence Agency; considered and passed.

By Mr. SPECTER (for himself and Mr. Metzenbaum):

S. 2489. A bill to amend Public Law 93-528, the Antitrust Procedures and Penalties Act; to the Committee on the Judiciary.

By Mr. GARN (by request):

S. 2490. A bill to authorize the formation of a bank securities affiliate to deal in, underwrite and purchase Government and municipal securities, to sponsor and manage investment companies and underwrite the securities thereof, to authorize bank holding companies to engage in activities of a financial nature, insurance underwriting and brokerage, real estate development or brokerage, to amend section 23A of the Federal Reserve Act and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. FORD:

S. 2491. A bill for the relief of Augustine Tit-Fong Chan and Cecily Jy-Jy Chan; to the Committee on the Judiciary.

By Mr. CANNON (for himself and Mr. Laxalt):

S. 2492. A bill to transfer administration of certain lands in California and Nevada to the Bureau of Land Management; to the Committee on Energy and Natural Resources.

By Mr. DOLE (for himself, Mr. Cochran, Mr. Andrews, Mr. Jepsen, Mr. Boschwitz, and Mr. Danforth):

S. 2493. A bill to amend the Food Stamp Act of 1977 to reform the food stamp program, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. ABDNOR (for himself, Mr. Stafford, Mr. Moynihan, and Mr. Randolph):

S. 2494. A bill to authorize support for an ongoing program of water resources research; to the Committee on Environment and Public Works.

By Mr. THURMOND (by request):

S. 2495. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968; to the Committee on the Judiciary.

By Mr. GARN (for himself and Mr. D'Amato) (by request):

S. 2496. A bill to amend the Securities Exchange Act of 1934 to allow the Commission to accept reimbursement for travel, subsistence, and other necessary expenses incurred by members and employees in attending conferences; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. HEINZ:

S. 2497. A bill to promote the principles of free and fair trade, and for other purposes; to the Committee on Finance.

By Mr. MATSUNAGA (for himself and Mr. Durenberger):

S. 2498. A bill to amend the Internal Revenue Code of 1954 to provide that certain indebtedness incurred by educational organizations in acquiring or improving real property shall not be treated as acquisition indebtness for purposes of the tax on unrelated business taxable income; to the Committee on Finance.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. WALLOP (for Mr. Goldwater), from the Select Committee on Intelligence:

S. Res. 384. An original resolution waiving section 420(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 2487 which authorizes supplemental appropriations for fiscal year 1982 for intelligence activities of the United States; to the Committee on the Budget.

By Mr. SASSER:

S. Res. 385. A resolution expressing the sense of the Senate that the access of any veteran to hospital, nursing home, and domiciliary care and medical treatment furnished by the Veterans' Administration should not be reduced; to the Committee on Foreign Relations.

By Mrs. HAWKINS (for herself, Mr. Quayle, Mr. Abdnor, Mr. Bumpers, Mr. Hatch, Mr. Heflin, Mr. Durenberger, Mr. DeConcini, Mr. Denton, Mr. Mattingly, Mr. Dixon, Mr. Humphrey, Mr. Symms, Mr. Kasten, Mr. Garn, Mr. Schmitt, Mr. Bentsen, and Mr. Moynihan):

S. Con. Res. 90. Concurrent resolution to express the sense of the Congress that the President is urged to promote a declaration by the United Nations of an International Year Against Drug Abuse; to the Committee on Foreign Relations.

By Mr. HEINZ (for himself, Mr. Riegle, Mr. Bentsen, and Mr. D'Amato):

S. Con. Res. 91. Concurrent resolution to call upon the President to invite the Small Business Administration to participate in the Cabinet Council on Economic Affairs; to the Committee on Governmental Affairs.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. LEAHY:

S. 2485. A bill to require the Secretary of Agriculture to establish a network of volunteers to assist in making available information and advice on organic agriculture for family farms and other agricultural enterprises, to establish pilot projects to carry out research and education activities involving organic farming, and to perform certain other functions relating to organic farming, with special emphasis on family farms; to the Committee on Agriculture, Nutrition, and Forestry.

(The remarks of Mr. Leahy on this legislation appear earlier in today's Record.)

By Mr. EAGLETON:

S. 2486. A bill to authorize the Secretary of Agriculture to purchase stored commodities from producers under certain circumstances; to the Committee on Agriculture, Nutrition, and Forestry.

(The remarks of Mr. Eagleton on this legislation appear earlier in today's Record.)

By Mr. WALLOP (for Mr. Goldwater), from the Select Committee on Intelligence:

S. 2487. An original bill to authorize appropriations for the fiscal year 1983 for intelligence activities of the U.S. Government, for the intelligence community staff, and for the Central Intelligence Agency retirement and disability system, and for other purposes; placed on the calendar.

S. 2488. An original bill to strengthen and improve the management of civilian personnel within the Defense Intelligence Agency; considered and passed.

(The remarks of Mr. Wallop on this legislation appear earlier in today's Record.)

By Mr. SPECTER (for himself and Mr. Metzenbaum):

S. 2489. A bill to amend Public Law 93-528, the Antitrust Procedures and Penalties Act; to the Committee on the Judiciary.

(The remarks of Mr. Specter on this legislation appear earlier in today's Record.)

By Mr. GARN (by request):

S. 2490. A bill to authorize the formation of a bank securities affiliate to deal in, underwrite and purchase Government and municipal securities, to sponsor and manage investment companies and underwrite the securities thereof, to authorize bank holding companies to engage in activities of a financial nature, incurance underwriting and brokerage, real estate development or brokerage, to amend section 23A of the Federal Reserve Act, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

BANK HOLDING COMPANY DEREGULATION ACT OF 1982

● Mr. GARN. Mr. President, I am today introducing, at the request of Secretary of the Treasury Donald T. Regan, a bill entitled the "Bank Holding Company Deregulation Act of 1982." The bill would amend various provisions of Federal banking and securities laws in order to expand, through bank holding companies, the range of activities which may be engaged in by bank-related organizations.

Secretary Regan first discussed this proposal during hearings of the Banking Committee in October 1981, on S. 1720, the Financial Institutions Restructuring Services Act of 1981. Title III of S. 1720 would amend the Glass-Steagall Act to permit commercial banks to underwrite municipal revenue bonds, and to authorize depository institutions generally to operate, manage, and distribute shares in investment companies. The Bank Holding Company Deregulation Act of 1982 is a suggested alternative approach to title III, and would, one, generally make expanded securities activities of depository institutions eligible activities only for a bank securities affiliate of a bank holding company, and, two, expand substantially the range of financial services which could be provided by bank holding companies.

Secretary Regan's proposal was discussed by many witnesses during the committee's hearings in October. In addition, those aspects of the proposal involving securities activities were the subject of hearings of the Subcommittee on Securities in February 1982, during which the proposal was compared with comparable amendments to the Glass-Steagall Act proposed in S. 1720.

Mr. President, I remain unconvinced that the bank securities affiliate requirements in Secretary Regan's proposal are necessary or appropriate at this time, as a condition to the changes in the Glass-Steagall Act contemplated by S. 1720. However, the proposed Bank Holding Company Deregulation Act, both in its treatment of securities activities and in its expansion of other permissible financial activities of bank holding companies, represents a thoughtful approach to further banking deregulation.

I ask unanimous consent that the text of the bill, together with Secretary Regan's letter transmitting the bill and a section-by-section analysis furnished by the Treasury Department, be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

S. 2490

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

Section 1. This Act may be cited as the "Bank Holding Company Deregulation Act of 1982".

AMENDMENTS TO THE BANKING ACT OF 1933

Sec. 2. Section 20 of the Banking Act of 1933, as amended (12 U.S.C. 377), is hereby amended by adding the following new paragraph at the end of the first paragraph of such section: "Notwithstanding any other provision of this section, a member bank may be affiliated in any manner described in subsection (b) of section 221a of this title with a bank securities affiliate as defined in Section 2(j) of the Bank Holding Company Act of 1956, as amended (12 U.S.C. 1841(j).".

Sec. 3. Section 16 of the Banking Act of 1933, as amended (12 U.S.C. 24 (Seventh)), is hereby amended by adding the following at the end of such section: "Notwithstanding any other provision of this paragraph, any eligible association may acquire capital stock of any bank securities affiliate as defined in Section 2(j) of the Bank Holding Company Act of 1956, as amended (12 U.S.C. 1841(j)). An "eligible association" is any bank that has assets of less than $100,000,000, and that is not controlled by a bank holding company, as such terms are defined in Section 2(a) of the Bank Holding Company Act of 1956, as amended (12 U.S.C. 1841(a)). An association shall cease to be an eligible association one year after (a) its assets exceed $100 million at the end of three consecutive fiscal quarters, or (b) a bank holding company acquires control of such association. No eligible association that acquires capital stock of a bank securities affiliate shall, after one year from the date on which any such bank securities affiliate first engages in any of the activities authorized under Section 4(c)(15)(iii) of the Bank Holding Company Act of 1956, as amended (12 U.S.C. 1843(c)(15)(iii)), engage in the United States in any of the activities authorized under such Section 4(c)(15)(iii)) of in any of the following activities authorized pursuant to this section: dealing in and underwriting obligations of the United States, general obligations of any state of the United States, of any political subdivision thereof and other obligations listed in this section and purchasing and selling securities and stock as agent. For purposes of the preceding sentence, the Board of Governors of the Federal Reserve System shall prescribe rules and regulations determining those securities and securities-related activities in which such eligible association may not engage.".

Sec. 4. Section 32 of the Banking Act of 1933, as amended (12 U.S.C. 78), is hereby amended by adding the following sentence at the end of the first paragraph of such section:

"Notwithstanding any other provision of this section, an officer, director, or employee of any member bank may serve at the same time as an officer, director or employee of any of its bank securities affiliates. The term 'bank securities affiliates' shall have the meaning ascribed to it in Section 2(j) of the Bank Holding Company Act of 1956, as amended (12 U.S.C. 1841(j)).".

AMENDMENTS TO THE SECURITIES EXCHANGE ACT

Sec. 5. Subparagraphs (i), (ii) and (iii) of paragraph (34)(A) of subsection 3(a) of the Securities Exchange Act of 1934, as amended (15 U.S.C. 78c(a)(34)(A)), are each hereby amended by inserting immediately before the semicolons at the end thereof, the words, "other than a bank securities affiliate as defined in Section 2(j) of the Bank Holding Company Act of 1956, as amended (12 U.S.C. 1841(j)).".

Sec. 6. Paragraph (b)(1) of Section 15B of the Securities Exchange Act of 1934, as amended (15 U.S.C. 78o-4(b)(1)), is hereby amended by striking the words "subsidiaries" in parts (B) and (C) thereof and replacing it by the word, "affiliates".

AMENDMENTS TO THE BANK HOLDING COMPANY ACT

Sec. 7. Section 2 of the Bank Holding Company Act of 1956, as amended (12 U.S.C. 1841), is hereby amended by adding the following new paragraph (j) after paragraph (i) of such section: "The term 'bank securities affiliate' means any corporation that (a) is engaged in the United States in one or more of the activities authorized pursuant to subsection 4(c)(15) of this Act, and (b) is a broker or dealer within the meaning of the Securities Exchange Act of 1934, as amended (15 U.S.C. 78c(a) (4) and (5)), or an investment adviser within the meaning of the Investment Advisers Act of 1940, as amended (15 U.S.C. 80b–2(11)). A corporation engaged in any such activities shall be deemed to be a bank securities affiliate only so long as it is owned or controlled by a bank holding company or an eligible bank as defined in Section 16 of the Banking Act of 1933, as amended (12 U.S.C. 24 (Seventh)).".

Sec. 8. Subsection 4(c)(8) of the Bank Holding Company Act of 1956, as amended (12 U.S.C. 1843(c)(8)), is hereby amended by deleting the period at the end of the first sentence of such subsection and inserting, "except for those activities the Board has determined to be of a financial nature pursuant to subsection 4(c)(14) of this Act and activities authorized pursuant to subsections 4(c)(16) and 4(c)(17) of this Act.".

Sec. 9. Subsection 4(c) of the Bank Holding Company Act of 1956, as amended (12 U.S.C. 1843(c)), is hereby amended by adding a new paragraph (14) to read as follows:

"(14) shares of any company engaged in any of the activities the Board has determined to be of a financial nature. A bank holding company seeking to engage, either de novo or by the acquisition, in whole or in part, of a going concern, in one or more activities which are of a financial nature as defined pursuant hereto shall provide the Board with sixty days' prior written notice, unless the board determines that lesser or no notice is to be required with respect to particular activities: *Provided*, That no notice will be required in the event that a bank holding company opens de novo offices or changes the location of offices from which an activity previously engaged in is offered. The notice to the Board shall contain the following information: (A) the identity of the bank holding company, (B) a description of the activity or activities to be engaged in and, if such bank holding company proposes to engage in such activity or activities through the acquisition, in whole or in part, of a going concern, the identity of such concern, and (C) a copy of any filing pursuant to Section 7A of the Clayton Act (15 U.S.C. 18A). Unless the Board within such sixty-day notice period disapproves the proposed activity or acquisition, or extends for another thirty days the period during which such disapproval may issue, the bank holding company providing such notice may proceed with the transaction. The Board shall issue a notice of disapproval only if the proposed activities do not constitute an activity or activities authorized by this subsection or it has received insufficient information to make such determination or in its judgment any material information is substantially inaccurate, and shall by order set forth the reasons for such disapproval. The Board shall, within one hundred eighty days of enactment of this Act, promulgate regulations to permit bank holding companies to engage in activities of a financial nature, subject only to the foregoing notice requirements. Such activities shall include (i) making or acquiring extensions of credit, (ii) operating an industrial bank, Morris Plan bank or industrial loan company as authorized under State law, (iii) servicing loans or extensions of credit for any person, (iv) acting as an investment or financial advisor, (v) leasing personal or real property, (vi) selling money orders, travelers checks and U.S. savings bonds, and (vii) such additional activities of a financial nature as will maximize competition between bank holding companies and other firms engaging in such activities. In defining an activity of a financial nature, the Board shall give primary consideration to securing for the public the benefits of increased competition between bank holding companies and other firms engaged in activities of a financial nature. The Board shall from time to time revise its regulations under this section in order to promote the expansion of such competition. No activity, however, shall be authorized or permitted pursuant to the provisions of this paragraph of a kind described in paragraphs (15), (16) or (17) of this subsection, or which is prohibited under sections 16 (12 U.S.C. 24) and 20 (12 U.S.C. 377) of the Banking Act of 1933, as amended.".

Sec. 10. Subsection 4(c) of the Bank Holding Company Act of 1956, as amended (12 U.S.C. 1843(c)), is hereby amended by adding a new subsection (15) as follows:

"(15) shares of any bank securities affiliate engaged in activities in accordance with the limitations contained in this subsection:

"(i) No bank holding company that establishes or acquires any bank securities affiliate pursuant to this subsection shall, after one year from the date on which any such bank securities affiliate first engages in any of the activities authorized under paragraph (iii) of this subsection, permit any bank controlled by such bank holding company to engage in the United States in any of the activities authorized under such paragraph (iii) of this subsection or any of the following activities, which are authorized pursuant to paragraph Seventh of section 5136 of the Revised Statutes of the United States, as amended (12 U.S.C. 24): dealing in and underwriting obligations of the United States, general obligations of any State of the United States or any political subdivision thereof and other obligations listed in paragraph Seventh of 12 U.S.C. 24 and purchasing and selling securities and stock as agent. For purposes of the preceding sentence, the Board of Governors of the Federal Reserve System shall prescribe rules and regulations determining those securities activities and securities-related activities in which such bank may not engage.

"(ii) Any bank securities affiliate may conduct any securities or securities-related activity that a bank is not prohibited from conducting. The provisions of this paragraph shall not affect the authority of any bank affiliated with a bank securities affiliate from performing such securities or securities-related activities, other than those activities listed in paragraph (i).

"(iii) In addition to the activities referred to in paragraphs (i) and (ii) of this subsection, such bank securities affiliate may—

"(A) deal in and underwrite all obligations issued or guaranteed by or on behalf of a state or any political subdivision thereof or any agency or instrumentality of either of the foregoing (except industrial development bonds as defined in Section 103(b)(2) of the Internal Revenue Code of 1954, as amended);

"(B) organize, sponsor, operate, and control an investment company, as such term is defined in section 3 of the Investment Company Act of 1940, as amended;

"(C) render investment advice to an investment company described in paragraph (B);

"(D) underwrite, distribute, and sell securities of any investment company, as such term is defined in section 3 of the Investment Company Act 1940, as amended;".

(iv) In addition to the activities referred to in paragraphs (i), (ii) and (iii) of this subsection, such bank securities affiliate may deal in and distribute commercial paper and other obligations of its affiliated bank holding company and other subsidiaries thereof and deal in and distribute certificates of deposit and bankers' acceptances of any bank, including bank subsidiaries of its affiliated bank holding company.

Sec. 11. Subsection 4(c) of the Bank Holding Company Act of 1956, as amended (12 U.S.C. 1643(c)), is hereby amended by adding new paragraph (16) to read as follows: "(16) shares of any company engaged in the activities of insurance underwriting and brokerage;".

Sec. 12. Subsection 4(c) of the Bank Holding Company Act of 1956, as amended (12 U.S.C. 1843(c)), is hereby amended by adding new paragraph (17) to read as follows:

"(17) shares of any company engaged in the activities of real estate investment, development or brokerage.".

Sec. 13. Subsection 5(c) of the Bank Holding Company Act, as amended (12 U.S.C. 1844(c)), is hereby amended to read as follows:

"(c) The Board from time to time may require reports of a bank holding company under oath to keep the Board informed as to whether such holding company has complied with the provisions of this chapter and such regulations and orders issued thereunder. The Board may further require separate reports from subsidiaries of bank holding companies consisting of: (1) for companies subject to the reporting requirements of section 17 of the Securities Exchange Act of 1934 (15 U.S.C 78q), the same information required to be submitted to the Securities and Exchange Commission under such section (and the rules and regulations thereunder) at the same time such information is so submitted; and (2) for all other companies, the same information as would be required to be submitted under section 13 of the Securities Exchange Act of 1934 (15 U.S.C. 78m) (and the rules and regulations thereunder) by companies subject to the reporting requirements of such Act which are engaged in the same or similar lines of business, not more frequently than quarterly. The Board may make examinations of each bank holding company and each subsidiary thereof, the cost of which shall be assessed against, and paid by, such holding company, provided that an examination of a nonbank subsidiary of a bank holding company shall be limited to operations of such subsidiary affecting the affairs of any subsidiary bank of such bank holding company. Notwithstanding any other provision of this section, such examination or the reporting requirements shall not be so limited if the Board makes a finding that the financial condition of the subsidiary is likely to have a materially adverse effect on the safety and soundness of the bank subsidiary. The Board shall, as far as possible, use the reports of examinations made by the Comptroller of the Currency, the Federal Deposit Insurance Corporation or the appropriate State supervisory or regulatory authority for purposes of this section.".

AMENDMENTS TO THE FEDERAL RESERVE ACT

Sec. 14. Section 23A of the Federal Reserve Act (12 U.S.C. 371c) is amended to read as follows:

"Sec. 23A(a) Restrictions on Transactions With Affiliates.—

"(1) A member bank and its subsidiaries may engage in a covered transaction or a financial assistance transaction only if such transaction is made on terms and under circumstances, including credit standards, substantially the same as, or not less favorable to such bank or such subsidiary than those prevailing at the time for comparable transactions with or involving other nonaffiliated companies or, in the absence of comparable transactions, those that in good faith would be offered to, or would apply to nonaffiliated companies;

"(2) A member bank and its subsidiaries may engage in a financial assistance transaction with an affiliate only if, upon consummation of such transaction—

"(A) in the case of any affiliate, the aggregate amount of all such financial assistance transactions then outstanding in favor of such affiliate will not exceed 10 per centum of the capital stock actually paid-in and unimpaired and unimpaired surplus of the member bank; and

"(B) in the case of all affiliates, the aggregate amount of all financial assistance transactions then outstanding in favor of all such affiliates will not exceed 20 per centum of the capital stock actually paid-in and unimpaired and unimpaired surplus of the member bank.

"(3) A member bank and its subsidiaries may not purchase a low-quality asset from any affiliate unless the bank or such subsidiary, pursuant to an independent credit evaluation, committed itself to purchase such asset prior to the time such asset was acquired by the affiliate.

"(4) A member bank and its affiliates may not purchase as fiduciary any securities or other assets from any affiliate unless lawfully authorized by the instrument creating the fiduciary relationship, by court order or by local law.

"(5) A member bank and its affiliates may not publish any advertisement suggesting that the member bank shall in any way be responsible for the obligations of its affiliates.

"(6) A member bank and its subsidiaries, whether acting as principal or fiduciary, shall not knowingly purchase or otherwise acquire, during the existence of any underwriting or selling syndicate, any security a principal underwriter of which is an affiliate or subsidiary of such member bank.

"(7) For purposes of this section, any transaction by a member bank with any person shall be deemed to be a transaction with an affiliate of such member bank to the extent that the proceeds of the transaction are used for the benefit of, or transferred to, such affiliate.

"(8) Nothing in this section shall affect the operations of any provision of the Investment Company Act of 1940.

"(b) Definitions.—For the purpose of this section—

"(1) the term 'affiliate' with respect to a member bank means—

"(A)(i) any person controlling, controlled by or under common control with a member bank, including any company (a) that is controlled directly or indirectly, by trust or otherwise, by or for the benefit of shareholders who beneficially or otherwise control, directly or indirectly, by trust or otherwise, the member bank or any company that controls the member bank; or (b) in which a majority of its directors or trustees constitute a majority of the persons holding any such office with the member bank or any company that controls the member bank;

"(ii) any company that the Board determines by regulation or order to have a relationship with the member bank or any subsidiary or affiliate of the member bank, such that judgments by the member bank or its subsidiary, with respect to transactions with such company, may be affected by the relationship to the detriment of the member bank or its subsidiary;

"(iii)(a) any investment company with respect to which the member bank or any affiliate thereof is an investment adviser as defined in Section 2(a)(20) of the Investment Company Act of 1940 (15 U.S.C. 80–2 (a)(20) or (b) any real estate investment trust or similar entity that is sponsored and advised on a contractual basis by the member bank or any subsidiary or affiliate of the member bank;

"(B) The term 'affiliate' shall not include:

"(i) any subsidiary of a member bank other than (a) a bank, (b) a bank securities affiliate as described in Section 2(j) of the Bank Holding Company Act of 1956, as amended (12 U.S.C. 1841(j)), or (c) a company described in subsection (b)(1)(A)(ii) above.

"(ii) any company where control results from the exercise of rights arising out of a bona fide debt previously contracted, but only for the period of time specifically authorized under applicable State or Federal law or regulation or in the absence of such law or regulation for a period of two years from the date of the exercise of such rights or the effective date of this Act, whichever date is later, subject, upon application for good cause shown, to authorization by the Board for extensions of time for not more than one year at a time, but such extensions in the aggregate shall not exceed three years;

"(2) The term 'bank' includes State bank, National bank, banking association and trust company, and does not include a company in the capital stock of which a national banking association is authorized to invest pursuant to Section 25 of this title (12 U.S.C. 601 thru 604a) or a subsidiary of such company or a company organized under Section 25(a) of this title (12 U.S.C. 611 thru 632) or a subsidiary of such company;

"(3) The term 'company' means a corporation, partnership, business trust, association or similar organization. Unless specifically excluded, the term 'company' includes a 'member bank' and a 'bank';

"(4)(A) a company or shareholder shall be deemed to have control over another company if—

"(i) such company or shareholder, directly, or indirectly, or acting through one or more other persons owns, controls, or has power to vote 25 per centum or more of any class of voting securities of the other company;

"(ii) such company or shareholder controls in any manner the election of a majority of the directors or trustees of the other company; or

"(iii) the Board determines, after notice and opportunity for hearing, that such company or shareholder, directly or indirectly, exercises a controlling influence over the management or policies of the other company;

"(B) notwithstanding any other provision of this subsection, no company shall be deemed to own or control another company by virtue of its ownership or control of shares in a fiduciary capacity, but shares shall not be deemed to be owned or controlled in a fiduciary capacity if the company owning or controlling such shares has sole discretionary authority to exercise voting rights with respect thereto, or if the company owning or controlling such shares is a business trust;

"(5) the term 'covered transaction' means—

"(A) the purchase of securities or other assets from an affiliate, other than as described in subsection (b)(6)(C) below;

"(B) the sale of securities or other assets, including assets subject to an agreement to repurchase, to an affiliate;

"(C) the payment of money or furnishing of services to an affiliate, under a contract, a lease or otherwise;

"(D) any transaction in which an affiliate acts as agent or broker or receives a fee for its services to the member bank or to any other person;

"(E) any transaction or series of transactions with a third party; (i) if an affiliate has a financial interest in the third party or (ii) if an affiliate is a participant in such transaction or series of transactions;

"(6) the term 'financial assistance transaction' means—

"(A) the loan or extension of credit to an affiliate;

"(B) the purchase of or an investment in securities of an affiliate;

"(C) the purchase of securities or other assets, subject to an agreement to repurchase, from an affiliate;

"(D) the issuance of an acceptance, guarantee, or letter of credit, including an endorsement or a standby letter of credit to, or on behalf of, an affiliate;

"(7) the term 'low-quality asset' means an asset that falls in any one or more of the following categories:

"(A) an asset of an obligor which has had an obligation classified as 'substandard', 'doubtful', or 'loss' or treated as 'other loans especially mentioned' in any current report of examination prepared by either a Federal or State supervisory agency;

"(B) an asset in a nonaccrual status;

"(C) an asset on which principal or interest payments are more than thirty days past due; or

"(D) an asset whose terms have been renegotiated or compromised due to the financial condition of the obligor.

"(8) the term 'person' shall mean a natural person or a company.

"(9) the term 'security' means a 'security' as defined in the Securities Exchange Act of 1934, as amended (15 U.S.C. 78c(10)).

"(10) the term 'subsidiary' with respect to a specified person means a company that is controlled by such specified person;

"(11) The term 'principal underwriter' means any underwriter who, in connection with a primary distribution of securities, (A) is in privity of contract with the issuer of an affiliated person of the issuer; (B) acting alone or in concert with one or more persons, initiates or directs the formation of an underwriting syndicate; or (C) is allowed a rate of gross commission, spread, or other profit greater than the rate allowed another underwriter participating in the distribution.

"(c) EXEMPTIONS.—The provisions of this section shall not be applicable to—

"(1) any transaction, except for the purchase of a low-quality asset, by the member bank with a bank—

"(A) which controls 80 per centum or more of the voting shares of the member bank;

"(B) in which the member bank controls 80 per centum or more of the voting shares; or

"(C) in which 80 per centum or more of the voting shares are controlled by the company that controls 80 per centum or more of the voting shares of the member bank;

"(2) making noninterest bearing deposits in an affiliated bank;

"(3) giving immediate credit to an affiliate bank for uncollected items received in the ordinary course of business;

"(4) engaging in any financial assistance transaction within the meaning of paragraph (b)(6) where the obligation to the member bank or its subsidiary is fully secured by a segregated deposit account or by obligations of the United States or its agencies or obligations fully guaranteed by the United States or its agencies as to principal and interest; *Provided, however,* That such loan or extension of credit shall nevertheless be subject to the standards set forth in subsection (a)(1);

"(5) purchasing securities of any company of the kind described in section 4(c)(1) of the Bank Holding Company Act of 1956; and

"(6) purchasing or selling assets or services having a readily identifiable and publicly available market price and purchased or sold at that market price.

"(d) SECURITY FOR CERTAIN TRANSACTIONS WITH AFFILIATES.—

"(1) Each financial assistance transaction shall be secured at the time of the transaction by collateral (or, in the case of a financial assistance transaction within the meaning of paragraph (b)(6)(C), by securities or other assets) having a market value equal to—

"(A) 100 per centum of the amount of such financial assistance transaction if the collateral (or, in the case of a financial assistance transaction within the meaning of paragraph (6)(C), if the securities or other assets) is composed of a segregated deposit account or obligations of the United States or its agencies or obligations fully guaranteed by the United States or its agencies as to principal and interest, or notes, drafts, bills of exchange or bankers' acceptances that are eligible for rediscount or repurchase by the Federal Reserve Banks;

"(B) 110 per centum of the amount of such financial assistance transaction if the collateral (or, in the case of a financial assistance transaction within the meaning of paragraph (6)(C), if the securities or other assets) is composed of obligations of any State or political subdivision of any State;

"(C) 120 per centum of the amount of such financial assistance transaction if the collateral (or, in the case of a financial assistance transaction within the meaning of paragraph (6)(C), if the securities or other assets) is composed of other debt instruments, including receivables; or

"(D) 130 per centum of the amount of such financial assistance transaction if the collateral (or, in the case of a financial assistance transaction within the meaning of paragraph (6)(C), if the securities or other assets) is composed of stock, leases, or other real or personal property.

"(2) Any such collateral that is subsequently retired or amortized shall be replaced by additional eligible collateral where needed to keep the percentage of the collateral value relative to the amount of the outstanding loan or extension of credit, guarantee, acceptance, or letter of credit equal to the minimum percentage required at the inception of the transaction.

"(3) A low-quality asset shall not be acceptable as collateral for a loan or extension of credit to, or guarantee, acceptance, or letter of credit issued to, or on behalf of, an affiliate.

"(4) The securities of an affiliate of the member bank shall not be acceptable as collateral for a loan or extension of credit to, or guarantee, acceptance, or letter of credit issued to, or on behalf of, that affiliate or any other affiliate of the member bank.

"(5) The collateral requirements of this paragraph shall not be applicable to an acceptance that is already fully secured either by attached documents or by other property having an ascertainable market value that is involved in the transaction.

"(e) RULEMAKING AND ADDITIONAL EXEMPTIONS.—

"(1) The Board may prescribe, by regulation or order, limitations or other requirements as to any transaction with any company in which the member bank or a bank affiliate of the member bank owns, directly or indirectly, a minority equity interest other than in a fiduciary capacity, and may issue such further regulations and orders, including definitions consistent with this section, as may be necessary to administer and carry out the purposes of this section and to prevent evasion thereof.

"(2) The Board may, at its discretion, by regulation or order exempt transactions or relationships from the requirements of this section if it finds such exemptions to be in the public interest and consistent with the purposes of this section.

"(f) TRANSITIONAL RULES.—

"Section 23A of the Federal Reserve Act, as amended by this section, shall apply to any transaction entered into after the date of enactment of this Act, except for transactions which are the subject of a binding written contract or commitment entered into on or before , 1982, and except that any renewal of a participation loan outstanding on , 1982, to a company that becomes an affiliate as a result of the enactment of this Act, or any participation loan to such an affiliate emanating from the renewal of a binding written contract or commitment outstanding on , 1982 shall not be subject to the collateral requirement of this Act.".

AMENDMENT TO THE FEDERAL DEPOSIT INSURANCE ACT

SEC. 15. Subsection 8(b)(3) of the Federal Deposit Insurance Act, as amended (12 U.S.C. 1818(b)(3)), is hereby amended by inserting the following clause after the second comma in such subsection: "to the extent that such subsidiary shall engage in any action which may affect the safety and soundness of any bank which is directly or indirectly owned or controlled by such bank holding company or otherwise violate any banking law, rule, regulation or order,".

AMENDMENTS TO THE INVESTMENT COMPANY ACT OF 1940

SEC. 16. (a) Subsection 17(f) of the Investment Company Act of 1940, as amended (15 U.S.C. 80a-1717(f)), is hereby amended by adding after the words "unit investment trusts": "*Provided, however,* That it shall be unlawful for a registered management company which is organized, sponsored, operated or controlled by, or which receives investment advice from, any bank securities affiliate, as defined in Section 2(j) of the Bank Holding Company Act of 1956, as amended (12 U.S.C. 1841(j)), to place and maintain its securities and similar investments in the custody of a bank which is affiliated with such bank securities affiliate.".

(b) Subsection 26(a)(1) of the Investment Company Act of 1940, as amended (15 U.S.C. 80a-26(a)(1)), is hereby amended by adding after the words "so published);": *Provided, however,* That it shall be unlawful for such trust indenture, agreement of custodianship, or other instrument to designate as trustee or custodian any bank which is affiliated with a bank securities affiliate, as defined in the Bank Holding Company Act of 1956, as amended (12 U.S.C. 1841(j)), which organizes, sponsors, operates or controls such registered unit investment trust.".

(c) Subsection 27(c)(2) of the Investment Company Act of 1940, as amended (15 U.S.C. 80a-27(c)(2)), is hereby amended by adding after the words "trust indentures of unit investment trusts": "*Provided, however,* That it shall be unlawful to deposit such proceeds with any bank which is affiliated with a bank securities affiliate, as defined in Section 2 (j) of the Bank Holding Company Act of 1956 as amended (12 U.S.C. 1841(j)), which organizes, sponsors, operates, controls or renders investment advice to such registered investment company.".

AMENDMENTS TO 1970 BANK HOLDING COMPANY ACT AMENDMENTS

SEC. 17. Subsection 106(b) of the Bank Holding Company Act Amendments of 1970 (12 U.S.C. 1972(1)) is hereby amended by deleting "A bank shall not" at the beginning of such subsection and inserting in lieu thereof the following: "No bank or any subsidiary of a bank holding company shall".

THE SECRETARY OF THE TREASURY,
Washington, D.C., April 20, 1982.

Hon. JAKE GARN,
Chairman, Committee on Banking, Housing and Urban Affairs, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Enclosed is a revised version of the Bank Holding Company Deregulation Act of 1982.

I greatly appreciate your willingness to introduce this for the Administration and look forward to continuing to work with you to provide appropriate deregulation of our financial institutions.

With best wishes.

Sincerely,

DONALD T. REGAN.

BANK HOLDING COMPANY DEREGULATION ACT OF 1982

SECTION-BY-SECTION ANALYSIS

Section 1

Title: Bank Holding Company Deregulation Act of 1982.

Section 2

Section 2 would amend section 20 of the Glass-Steagall Act (12 U.S.C. § 377) to allow a member bank to be affiliated with a bank securities affiliate (defined in Section 7 of the bill). Under current law, (i) banks are permitted to deal in an underwrite government obligations, general obligations of municipalities and, subject to limitations on amount, some municipal revenue bonds, and (ii) a member bank is prohibited from affiliating with any organization engaged principally in the issue, flotation, underwriting, public sale, or distribution at wholesale or retail or through syndicate participation of stocks, bonds, debentures, notes or other securities. As set forth in section 10 of the bill, a bank securities affiliate would be permitted to engage in some but not all of these activities. Specifically, a bank securities affiliate is empowered to deal in and underwrite municipal revenue bonds, to sponsor and manage investment companies and to underwrite the securities thereof, to conduct a government and municipal securities business, to engage in securities brokerage transactions, and to engage in other securities-related activities that a bank is not prohibited from conducting.

Although section 20 of the Glass-Steagall Act does not apply to nonmember banks, section 4 of the Bank Holding Company Act has been applied to prohibit an affiliation with a securities firm by the nonmember banks in a bank holding company. Section 10 of the bill would amend the Bank Holding Company Act to allow all bank holding companies to acquire shares of a bank securities affiliate.

Section 3

Section 3 would amend section 16 of the Glass-Steagall Act (specifically 12 U.S.C. § 24 (Seventh)) to allow any eligible association to acquire the stock of a bank securities affiliate. The term "eligible association" means any bank with assets of less than $100 million and which is not controlled by a bank holding company. However, a grace period is provided so that a bank may remain eligible to retain its securities affiliate until one year after (1) its assets exceed $100 million at the end of three consecutive fiscal quarters or (2) it is acquired by a bank holding company.

Under current law, a member bank is prohibited from purchasing for its own account the stock of any corporation, except as specifically permitted in section 24 (Seventh) or by other provisions of law or regulation.[1] The purpose of this provision is to allow an eligible association to establish a bank securities affiliate as a subsidiary of the bank without organizing a bank holding company, and is designed to minimize the administrative and financial burden on an eligible association that is not a part of a holding company system.

Section 3 would further require any eligible association establishing or acquiring a bank securities affiliate to transfer to such affiliate all of the following activities, which are authorized pursuant to 12 U.S.C. § 24 (Seventh), no later than one year after the bank securities affiliate has commenced business in the United States: dealing in and underwriting obligations of the United States, general obligations of any state or local government and other obligations listed in 12 U.S.C. § 24 (Seventh), and engaging in securities brokerage transactions. Further, an association would be prohibited from offering investment advisory services to an investment company sponsored by the association's securities affiliate. Such advisory services could only be provided by the securities affiliate or by a nonaffiliated company. Investment advisory services to investment companies not so sponsored may, however, continue to be offered by the eligible association, or by its securities affiliate, to the extent permitted by law. The Federal Reserve Board would be required to prescribe rules and regulations determining those securities and securities-related activities that must be transferred. It is intended, however, that in the area of brokerage transactions, only the securities affiliate would be permitted to offer securities brokerage services for customers. The bank securities affiliate would be able to perform all of the securities activities which are permitted to banks under current law, including the authority of its affiliated bank (however far that authority now extends) to act "as agent" in the purchase and sale of securities and stock. Thus, the fact that the bank's authority would be assumed by the bank securities affiliate does not expand the authority of the bank securities affiliate beyond the authority banks now have under current law to engage in such agency transactions solely upon the order and for the account of customers. However, it should be noted that banks (as an adjunct to their authority to deal in certain securities) apparently have the authority to broker these securities, including municipal general obligation bonds and certain revenue bonds. When bank securities affiliates acquire the authority to deal in revenue bonds, they will also have unrestricted authority to act as brokers of these securities even though banks—because they do not have authority to deal in most revenue bonds—have brokerage authority limited to "transactions solely upon the order and for the account of customers." Traditional bank services such as securities custodian activities do not constitute securities brokerage services, and it is intended that such services may continue to be conducted in the eligible association to the extent permitted by law.

Unlike the bank, the bank securities affiliate would be allowed to deal in and underwrite obligations without regard to percentage limitations provided in 12 U.S.C. § 24 (Seventh). Pursuant to separate authorization, the bank securities affiliate would be permitted to deal in and distribute commercial paper and other obligations of its parent bank and subsidiaries and deal in and distribute certificates of deposit, bankers' acceptances and other obligations of any bank. However, the bank securities affiliate which is a subsidiary of an eligible association would be treated as an affiliate for purposes of 12 U.S.C. § 371c, the restrictions on transactions with affiliates.

Section 4

Section 4 would amend section 32 of the Glass-Steagall Act (12 U.S.C. § 78) to allow an officer, director or employee of any member bank to serve at the same time as an officer, director or employee of its bank securities affiliate or bank securities affiliates, as the case may be. This section would allow such joint service between an eligible bank and its bank securities affiliate or between a bank holding company and its securities affiliate. Existing restrictions would continue to apply to prevent serving as an officer, director or employee of an unrelated bank securities affiliate.

Section 5

Section 5 would amend the definition of "appropriate regulatory agency" in the Securities Exchange Act so that the Securities and Exchange Commission would become the appropriate regulatory agency for purposes of enforcing a bank securities affiliate's compliance with the statutory and regulatory requirements governing transactions in municipal securities. Under current law the relevant banking agencies enforce a bank's compliance with MSRB rules and the MSRB rules must be approved by the SEC.

It should be noted that the bank supervisory agencies would retain enforcement authority: (1) over bank securities activities prior to the mandatory transfer of certain securities activities to the bank securities affiliate, (2) over bank securities activities that are not transferred to the bank securities affiliate within the one-year transitional period, and (3) over the securities activities of banks that do not establish or become affiliated with a bank securities affiliate.

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[1] The bill does not amend 12 U.S.C. § 335 which imposes limitations on state member banks dealing in investment securities. Accordingly, state member banks would remain subject to the limitations of 12 U.S.C. § 24 (Seventh), with respect to their dealing in investment securities and stock. The bill also does not amend 12 U.S.C. § 378 which prohibits investment bankers from taking deposits. It should be noted, however, that the prohibition on investment bankers taking deposits would not be violated by the deposit taking activities of a bank affiliated with a bank securities affiliate, because a bank and its securities affiliate are separate legal entities.

Section 6

Section 6 would amend section 15B of the Securities Exchange Act, which establishes the composition of the Municipal Securities Rulemaking Board. The bill would make clear that representatives of a bank securities affiliate may be included among the members of the MSRB that are presently selected from bank municipal securities dealers. Conversely, the bill would also make clear that representatives of a bank securities affiliate may not be included among the members of the MSRB currently selected from brokers, dealers, or municipal security dealers. The bill would thus provide bank securities affiliates with representation on the MSRB equivalent to that enjoyed by other municipal securities dealers and bankers.

Section 7

Section 7 would amend the definitional section of the Bank Holding Company Act to include a definition of the term "bank securities affiliate". The term "bank securities affiliate" means any corporation engaged in the United States in one or more of the activities authorized under section 10 of the bill, if it is owned or controlled by a bank holding company or an eligible association. A bank securities affiliate would be a broker or dealer within the meaning of the Securities Exchange Act of 1934 or an investment adviser within the meaning of the Investment Advisers Act of 1940. It is intended that a bank securities affiliate be subject to the same regulation as a securities firm engaging is similar activities but which is not affiliated with a bank. A bank securities affiliate would function as a member of the securities industry to the extent permitted by its authorized activities, and would be eligible for membership in the National Association of Securities Dealers and the Securities Investor Protection Corporation.

Section 8

Section 8 would amend subsection 4(c)(8) of the Bank Holding Company Act to exclude from coverage under subsection 4(c)(8) activities determined by the Federal Reserve Board to be of a financial nature or activities involving insurance and real estate. Specific authorization for bank holding companies to engage in activities determined by the Board to be of a financial nature is provided in new subsection 4(c)(14) of the Bank Holding Company Act. Thus, the Federal Reserve Board would retain authority under subsection 4(c)(8) to promulgate regulations pertaining to activities that are "so closely related to banking or managing or controlling banks as to be a proper incident thereto," except for those activities authorized under sections 9 (financial services), 11 (insurance), and 12 (real estate) of the bill. Under the Board's current procedures, the activities that satisfy the "closely-related" criteria would continue to require Board approval before the activity could be commenced.

Section 9

Section 9 would amend section (4)(c) of the Bank Holding Company Act by adding a new exemption to the general prohibition against nonbanking activities specifically to permit a bank holding company to engage in activities of a financial nature. The Federal Reserve Board is directed to develop regulations (within 180 days of enactment of the bill) defining which activities are of a financial nature. The statute specifies that the following are to be considered within the meaning of the term: making or acquiring extensions credit, operating an industrial bank, Morris Plan Bank or industrial loan company as authorized under State law, servicing loans or extensions of credit for any person, acting as an investment or financial adviser, leasing personal or real property and selling money orders, travelers checks or U.S. Savings Bonds. In addition, the Board is authorized to permit additional activities and in so doing is to give primary consideration to public benefits that would result from increased competition between bank holding companies and other firms offering services of a financial nature. The Board, however, is specifically prohibited from authorizing activities pursuant to the provisions of this section of a kind described in sections 10, 11 or 12 of the bill, or which are prohibited under sections 18 (12 U.S.C. § 24) and 20 (12 U.S.C. § 377) of the Glass-Steagall Act, as amended by this bill.

It is recognized that dramatic changes are taking place in the financial services industry. Distinctions that have previously existed between banking and non-banking services are becoming increasingly outmoded. Nondepository institutions now offer services that compete with traditional banking services. Nonbanking diversified firms such as Sears, Roebuck and Co., Merrill Lynch & Co., and American Express are rapidly approaching the point where they can offer one-stop financial shopping. The evolving financial needs of businesses and individuals are making traditional forms or regulation obsolete. In recognition of these changes, it is intended that the Federal Reserve Board define "activities of a financial nature" expansively and in such a manner as to enable bank holding companies to offer a range of service which will compete with other companies not regulated to the same extent as banks and bank holding companies.

Section 9 would also require any bank holding company seeking to engage in activities of a financial nature first to notify the Federal Reserve Board and to provide the Board with (i) a description of the activity to be offered, (ii) the identity of any going concern to be acquired to conduct the activity, and (iii) a copy of any filing pursuant to section 7A of the Clayton Act. The Board would have the authority, within the statutory time period of 60 days (which can be extended by the Board for an additional 30 days in order to seek additional information), to disapprove the proposed activity, but only on the grounds that (1) the activity does not constitute an activity of a financial nature under the definition prescribed by the Board, (2) the Board has received insufficient information to make such determination or (3) in the Board's judgment any material information submitted is substantially inaccurate. The reasons for any disapproval issued by the Board must be set forth by order. In all events, antitrust law would continue to apply.

Section 10

Section 10 would add a new exemption to section 4(c) of the Bank Holding Company Act to permit bank holding companies to engage in certain securities activities. A bank holding company is permitted to establish a bank securities affiliate or to acquire an existing securities firm the activities of which, upon acquisition, would be limited to those activities authorized to be performed by a bank securities affiliate. More than one bank securities affiliate may be established or acquired. The bank securities affiliate must be organized as a corporation.

Subsection (i) would require any bank subsidiary of a bank holding company that has a bank securities affiliate to transfer certain securties activities to such affiliate. Such activities would include all of the following which are authorized pursuant to 12 U.S.C. § 24 (Seventh): dealing in and underwriting obligations of the United States, general obligations of any state or local government and other obligations listed in 12 U.S.C. § 24 (Seventh) and engaging in securities brokerage transactions. Further, any such bank would be prohibited from offering investment advisory services to an investment company sponsored by the bank's securities affiliate. Such advisory services could only be provided by the securities affiliate or by a nonaffiliated company. Investment advisory services to companies not so sponsored may, however, continue to be offered by the bank or by the bank securities affiliate to the extent permitted by law. The Federal Reserve Board would be required to prescribe rules and regulations determining those securities and securities-related activities that must be transferred.

It is intended, however, that in the case of brokerage transactions, only the securities affiliate would be permitted to offer securities brokerage services to customers. The bank securities affiliate would be able to perform all of the securities activities which are permitted to banks under current law, including the authority of its affiliated bank (however far that authority now extends) to act "as agent" in the purchase and sale of securities and stock. Thus, the fact that the bank's authority would be assumed by the bank securities affiliate does not expand the authority of the bank securities affiliate beyond the authority banks now have under existing law to engage in such agency transactions solely upon the order and for the account of customers. However, it should be noted that banks (as an adjunct to their authority to deal in certain securities) apparently have the authority to broker these securities, including municipal general obligation bonds and certain revenue bonds. When bank securities affiliates acquire the authority to deal in revenue bonds, they will also have unrestricted authority to act as brokers of these securities even though banks—because they do not have authority to deal in most revenue bonds—have brokerage authority limited to "transactions solely upon the order and for the account of customers." Services such as securities custodian services do not constitute securities brokerage activities, and it is intended that such services may continue to be conducted by any bank to the extent permitted by law. The bill would not require any bank to transfer activities in accordance with subsection (i) until the expiration of one year from the date on which its bank securities affiliate begins offering services in the United States under subsection (iii).

Subsection (ii) would allow a bank securities affiliate to conduct any securities or securities-related activity which a bank is not prohibited from conducting. This subsection would also make clear that, apart from the activities required to be transferred under subsection (i), any bank that is affiliated with a bank securities affiliate may continue to perform securities or securities-related activities which are not otherwise prohibited. Accordingly, any such bank may continue to purchase investment securities for its own account.

Subsection (iii) would allow a bank securities affiliate (1) to deal in and underwrite all state and municipal general obligations and revenue bonds (except industrial development bonds), (2) to sponsor and manage an investment company, (3) to render investment advice to an investment company sponsored by the securities affiliate, (4) to underwrite, distribute, or sell securities of any investment company. The bill would not place any restrictions on the type of investment company a bank securities affiliate may sponsor, or to which it may furnish services.

Subsection (iv) would allow a bank securities affiliate to deal in and distribute commercial paper and other obligations of its affiliated bank holding company and subsidiaries and deal in and distribute certificates of deposit and bankers' acceptances of any bank, including bank subsidiaries of its affiliated bank holding company. As discussed in section 3, subsection (iv) would provide analogous authority for a bank securities affiliate of an eligible association.

Section 11

Section 11 would add a new exemption to section 4(c) of the Bank Holding Company Act to permit bank holding companies to engage in insurance underwriting and brokerage. There are no limitations in the bill on the extent to which a bank holding company may engage in such activities provided that they are conducted through a subsidiary. Insurance activities now authorized under section 4(c)(8) of the Bank Holding Company Act would be among the insurance activities permitted under this new section. In addition, there are no prior approval or prior notice requirements before insurance activities may be engaged in by a bank holding company.

Section 12

Section 12 would add a new exemption to section 4(c) of the Bank Holding Company Act to permit bank holding companies to engage in real estate investment, development or brokerage. Real estate activities now authorized under section 4(c)(8) of the Bank Holding Company Act would be among the real estate activities permitted under this new section. There are no limitations in the bill on the extent to which bank holding company subsidiaries may engage in real estate activities, nor are there any prior approval or prior notice requirements.

Section 13

Section 13 would amend the Bank Holding Company Act to limit, under most circumstances, the Federal Reserve Board's authority (1) to require nonbanking subsidiaries of bank holding companies to submit reports regarding compliance with the provisions of the Bank Holding Company Act, and (2) to conduct examinations of such subsidiaries. Under current law, the Board has the broad authority to require reports and conduct examinations, with the only limitation being that the Board is required, as far as possible, to use examination reports of the appropriate federal or state bank supervisory agency.

Section 13 would impose restrictions on the types of reports that may normally be required of such nonbanking subsidiaries and the frequency with which such reports may be required. Except upon a finding of a materially adverse effect upon an affiliated bank, the Federal Reserve Board would only be authorized to require nonbanking subsidiaries of a bank holding company to submit, not more than quarterly, the same information submitted to the Securities and Exchange Commission under section 17 (for companies engaged in the securities business) and which would be submitted by reporting companies engaged in a similar business under section 13 of the Securities Exchange Act of 1934. The bill would also limit, under most circumstances, the authority of the Federal Reserve Board to conduct examinations of nonbank subsidiaries of a bank holding company, limited it to activities that affect the affairs of any affiliated bank. If, however, the Board makes a finding that the financial condition of a subsidiary of the bank holding company is likely to have a materially adverse effect on the safety and soundness of the bank, the Board would have the authority to conduct a complete examination of the relevant subsidiary and to require the submission of more extensive reports.

Section 13 would leave unchanged the Federal Reserve Board's authority under existing law to require reports and conduct examinations of the bank holding company itself, and the authority of bank regulatory agencies to conduct examinations of subsidiaries of the bank. The section would, however, extend the requirement that the Board, as far as possible, use the examination reports of the appropriate federal or state bank supervisory agency. Section 13 would now require the Board, whenever possible, to make use of the examination reports of any state supervisory agency (whether or not a bank supervisory agency).

Section 14

Section 14 would amend section 23A of the Federal Reserve Act (12 U.S.C. § 371c) to modify the restrictions which are now imposed on transactions between a bank and its affiliates. The section would (i) allow a member bank and its subsidiaries to engage in a "covered transaction" or a "financial assistance transaction" with an affiliate only if the transactions are made on substantially the same terms and under substantially the same circumstances, including credit standards, as those prevailing at the time for comparable transactions with other nonaffiliated companies or, in the absence of comparable transactions, those that in good faith would be offered to, or would apply to nonaffiliated companies; (ii) impose limitations on the amount of financial assistance transactions between a member bank and an affiliate, and between a member bank and all its affiliates, (iii) prohibit a member bank and its subsidiaries from purchasing a low-quality asset from any affiliate unless the bank or subsidiary, pursuant to an independent credit evaluation, committed itself to purchase the asset prior to the time the asset was acquired by the affiliate; (iv) prohibit a member bank and its affiliates from purchasing as fiduciary any securities or other assets from an affiliate, unless such purchases are lawfully authorized by the instrument creating the relationship, by court order, or by the law of the jurisdiction under which the trust is administered; (v) prohibit a member bank and its affiliates from publishing any advertisement suggesting that the member bank shall in any way be responsible for the obligations of its affiliates; (vi) prohibit a member bank and its subsidiaries whether acting as principal or fiduciary, from knowingly purchasing or otherwise acquiring, during the existence of any underwriting or selling syndicate, any obligation a principal underwriter of which is an affiliate or subsidiary of the member bank. The bill would also make it clear that nothing in this section is intended to affect the operations of any provisions of the Investment Company Act of 1940.

The term "affiliate" is defined in terms of a control relationship, and specifically includes an investment company with respect to which a bank or its affiliate is an investment adviser and a real estate investment trust that is sponsored and advised by a bank or its affiliates. The term "covered transaction" means generally (i) the purchase of securities or other assets, except those subject to a repurchase agreement; (ii) the sale of securities or other assets including assets to an agreement to repurchase, to an affiliate; (iii) the payment of money or furnishing of services to an affiliate, under a contract, a lease or otherwise; (iv) any transaction in which an affiliate acts as agent or broker or receives a fee for its services to the member bank or to any other person; (v) any transaction or series of transactions with a third party if an affiliate has a financial interest in the third party or if an affiliate is a participant. The term "financial assistance transaction" means (i) a loan or extension of credit to an affiliate; (ii) a purchase or an investment in securities of an affiliate; (iii) a purchase of securities or other assets subject to an agreement to repurchase from an affiliate; or (iv) the issuance of an acceptance, guarantee, or letter of credit, including an endorsement or standby letter of credit to or on behalf of, an affiliate. The term "low-quality asset" means generally (i) an asset of an obligor which has had an obligation that has been classified in any current bank examination report, whether of the member bank or any other bank; (ii) an asset in a nonaccrual status; (iii) an asset on which principal or interest payments are more than thirty days past due; or (iv) an asset whose terms have been renegotiated or compromised due to the deteriorating financial condition of the obligor.

The section would also require that each financial assistance transaction be secured at the time of the transaction by collateral (or, in the case of a repurchase agreement, by securities or other assets) equal to between 100 to 130 percent of the amount of the transaction. The collateral requirement would vary depending on the type of collateral pledged.

Except for the purchase of a low-quality asset, transactions between the member bank and any other bank in which the bank holding company has at least 80% control would be exempt from the provisions of this section. This exemption is provided because both institutions are insured by the FDIC and examined. In the case of all other affiliates, exemptions from the limitations are provided for (i) loans or extensions of credit to any affiliate that are fully secured by obligations of the United States or its agencies or obligations fully guaranteed by the United States as to principal and interest (such transactions must nevertheless be made on essentially an arms' length basis), and (ii) the purchase or sale of assets or services having a readily identifiable and publicly available market price and purchased or sold at that market price. Complete exemptions are provided for non-interest bearing deposits in affiliated banks and the granting of immediate credit to an affiliated bank for uncollected items received in the ordinary course of business.

The section would also grant the Federal Reserve Board rulemaking authority to carry out the purposes of this section and to prevent evasion thereof, in addition to the authority to exempt transactions or relationships from the requirements of this section if it finds such exemptions to be in the public interest and consistent with the purposes of this section.

Section 15

Section 15 would amend the Federal Deposit Insurance Act to limit the enforcement authority (specifically the cease and desist authority) of the Federal Reserve Board over nonbanking subsidiaries of a bank holding company to activities affecting the safety and soundness of any bank which is directly or indirectly owned or controlled by such bank holding company or otherwise violate any banking law, rule, regulation or order. It is the intent of the section that the Board limit its cease and desist authority over nonbanking subsidiaries to activities or practices of such subusifiaries that directly affect the affiliated bank. Except as they affect the bank, the activities of nonbank subsidiaries would be regulated by whatever federal or state authority has jurisdiction over such activities. Under current law, a cease and desist order may be issued for unsafe or unsound banking practices or for violations of "an applicable law, rule, regulation or order . . . ."

Section 16

Section 16 would amend the Investment Company Act of 1940 to prohibit an investment company affiliated with a bank securities affiliate from: (1) placing or maintaining its securities or similar investments in the custody of a bank affiliated with such bank securities affiliate; (2) designating any such bank as trustee or custodian, or (3) depositing designated proceeds with any such bank.

Section 17

Section 17 would amend 12 U.S.C. § 1972 to extend the prohibitions on the tying arrangements in that section to nonbanking subsidiaries of the bank holding company. Under current law, only a bank is prohibited from providing services or extending credit subject to the condition that the customer obtain additional services from the bank, its bank holding company, or any of the holding company's subsidiaries. The bill would extend this prohibition to any subsidiary of a bank holding company. The bill would thus prohibit any subsidiary of a bank holding company, including all of those engaged in new activities authorized under this bill, from engaging in such tying arrangements.●

By Mr. CANNON (for himself and Mr. LAXALT):

S. 2492. A bill to transfer administration of certain lands in California and Nevada to the Bureau of Land Management; to the Committee on Energy and Natural Resources.

RELIEF OF EL CAPITAN MINING CO.

Mr. CANNON. Mr. President, I introduce a bill for myself and my distinguished colleague, Senator LAXALT, to provide for the relief of El Capitan Mining Co.

This company is the successor in interest to a mining claim existing within the boundaries of the Death Valley National Monument. These claims were in place and appropriate assessment work requirements had been complied with until 1976, when the Mining in the Parks Act, Public Law 94-429, was passed. However, the Department of the Interior has not recognized the transfer of the interest of the previous mining company to the present holder of the claims.

This mineral ore body exists on the extreme western edge of the Monument and is in no way visible from the Monument proper. Nor would its development in any way interfere with the purpose for which the Monument was created.

In this time of increasing dependence on foreign sources of many of our important mineral requirements, it is important that extensive domestic mineral deposits be brought into production. This policy will not only relieve this Nation's dependence on foreign sources of important minerals but will help put our unemployed back to work.

The company has exhausted its administrative remedies. The Department of the Interior feels bound by its investigation of the case to deny the request of the company. Thus, it is necessary for the Congress to consider the merits of the company's claim. I believe the answer should be in the affirmative for this company to go forward.

By Mr. DOLE (for himself, Mr. COCHRAN, Mr. ANDREWS, Mr. JEPSEN, Mr. BOSCHWITZ, and Mr. DANFORTH):

S. 2493. A bill to amend the Food Stamp Act of 1977 to reform the food stamp program, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

FOOD STAMP REFORM ACT OF 1982

Mr. DOLE. Mr. President, during the farm bill conference last year, Congress decided to reauthorize the food stamp program for only 1 year. Once again, this year, we are faced with the issue of how much cost savings can be achieved without unfairly impacting upon needy, low-income Americans. On the other side, we need to do everything we possibly can to enhance program administration and reduce the high error rates that some States consistently demonstrate. I believe that the legislation which I am introducing today, the Food Stamp Reform Act of 1982, provides reasonable and appropriate answers to both of these issues that we are facing. Despite the large amount of savings achieved last year, the state of the national economy requires that further savings be made in the Federal budget. It is imperative that we lower the projected record deficits we face in the next few years, and the food stamp program must contribute its fair share. However, I emphasize the word "fair."

COST SAVINGS

Last year, the Congress achieved about $2.3 billion in food stamp savings, exceeding the savings target established in the President's budget by over $700 million. Program eligibility was limited to the President's definition of "truly needy" and significant other economies were achieved by delaying cost-of-living adjustments, freezing deductions, prorating initial benefits and a variety of other measures. Given the extent of these reductions and those made in other means-tested programs, I do not believe that we should make massive reductions again this year. Still, a significant amount of savings can occur without imposing hardship.

The Food Stamp Reform Act of 1982 would cut food stamp costs by about 5 to 6 percent in fiscal year 1983, or over $700 million. In the next 3 years, total savings would be over $2 billion. Most of the savings would occur from scaling back the cost-of-living adjustment (COLA) in the next 2 years, delaying the update of the standard and excess shelter/dependent care deductions, modifying the household definition, limiting the use of standard utility allowances, and significantly tightening the current sanctions on States with high error rates in administration. This last proposal will be discussed in greater detail below. The largest savings in fiscal year 1983 and fiscal year 1984 would come from a COLA proposal similar to the one I extended as a compromise during the farm bill conference last year. Essentially this proposal would leave food stamp recipients 3 months further behind inflation than they would be under current law in fiscal year 1983, 2 months further behind in fiscal year 1984, and 1 month further behind in fiscal year 1985. By fiscal year 1986, the proposal would return them to where they would be under current law, as far as the adjustment of the thrifty food plan is concerned.

This proposal is an attempt to put food stamps on a more equal footing with other Federal programs. I anticipate that some modification in COLA's of other programs will occur as part of the overall effort this year to slow the growth of Government spending. I believe that, in this context, this is a moderate and justifiable proposal.

I am concerned, however, about other savings proposals included in S. 2352 and in the administration bill (S. 2392). Both of these bills would achieve large savings from proposals that would cut benefits from nearly all participants, including the elderly and disabled. Proposals to raise the benefit reduction rate and to permanently freeze deductions result in an immediate loss of purchasing power across the board. They are qualitatively different types of proposals from those enacted last year which were aimed at targeting benefits more efficiently.

I am equally concerned about proposals that would curtail benefits going to the working poor. Here there is not only the tremendously important issue of work incentives but also that of equity. I believe it is only fair

that those who work should have an incentive to do so. Further reductions in benefits going to the working poor, such as cutting the work expense deduction or significantly lowering eligibility limits, would jeopardize this principle.

Finally, on the issue of benefit reductions, I would like to express a special concern for elderly and disabled households. I am told that concern over the sufficiency of benefits for elderly and disabled persons was a common theme expressed by State and local food stamp administrators across the country in their responses to Agriculture Committee Chairman HELMS' request for their views on reauthorization of the food stamp program. These letters, which generally advocated a tightening of the program in other areas, stressed the inability of elderly and disabled households to augment their income like other households. I believe we must exercise great caution before enacting any proposal that would have a disproportionate effect upon the elderly and disabled—such as eliminating the minimum benefit and counting energy assistance against food stamp benefits. An estimated 40 percent of all households receiving energy assistance are elderly.

I ask unanimous consent that two of the letters sent to Chairman HELMS concerning benefits for elderly and disabled persons be included in the RECORD.

The being no objection, the letters were ordered to be printed in the RECORD, as follows:

DEPARTMENT OF SOCIAL SERVICES,
Urbanna, Va., February 2, 1982.
Re Upcoming Food Stamp Legislation.
Hon. JESSE HELMS,
Committee on Agriculture, Nutrition and Forestry, Washington, D.C. 20510

DEAR SIRS: We have received correspondence dated January 26, 1982 from William L. Lukhard, Commissioner of the Virginia State Department of Welfare, regarding forthcoming changes in food stamp legislation.

This agency's staff has discussed the food stamp program and we offer the following suggestions:

1. In an effort to reduce fraud, food stamp eligibility workers and the director feel that there should be an approved position in the locality for a person whose total responsibility is the investigation of fraud whether it be food stamps, ADC or medicaid. This person may be one who carries the responsibility for a planning district or for several counties. We feel individual food stamp workers have all they can possibly do to take and process applications without investigating and preparing for court cases.

2. The total staff feels that the food stamp program is helping substantially the ADC clients. However, we do feel that the elderly come up short. They have to go through so much paper work only to receive a mere $10 worth of food stamps. These persons are on limited and fixed incomes and cannot, because of age and health, get out and make extra income. Persons over age 60 should have special treatment.

We hope the above comments will be helpful.

Sincerely,
(Mrs.) KATHRYN F. FITCHETT,
Director.

DEPARTMENT OF PUBLIC WELFARE,
Ravenna, Ohio, February 4, 1982.
Senator JESSE HELMS,
Chairman, Committee on Agriculture, Nutrition, and Forestry, Washington, D.C.

DEAR SENATOR HELMS: A copy of your letter dated January 7, 1982, to Kenneth B. Creasy the director of the Ohio Department of Public Welfare was forwarded to this agency for any responses that we would care to make. Listed below are those changes which we feel would be beneficial to the Food Stamp Program.

1. Persons with no available income should be recertified on a monthly basis only.

2. All persons living in the same household should have to apply and be certified together with the following exceptions:

A. A household member who is 60 years of age or older could apply separately or

B. A household member who is disabled.

3. Disability would be verified by receipt of any disability payment to include but not limited to SSI, Social Security, disability veterans benefits, and civil service disability benefits. This will enable these people to take advantage of the more liberal deductions regarding shelter costs and medical expenses.

4. The medical deductions should be enlarged to allow recipients to have their full medical costs deducted from their gross income. A large number of our elderly and disabled recipients would benefit greatly if these deductions were allowed.

5. The full amount of verified taxes should be deducted from the gross income rather than the current ceiling of 18 percent.

6. Recipients who voluntarily quit their jobs during their certification period should also be subjected to the two month ineligibility sanction as are those new applicants who are applying for food stamps.

7. In instances where the application has been denied for failure to provide adequate verification the applicant should have to make a totally new application. Currently the applicant can come back within a 30 day period from the date of denial and have his eligibility determined on his previous application.

8. The current regulation requiring the contacting of applicants to reschedule their appointments when they fail to show for an interview should be rescinded. This additional contact necessitates extra administrative costs as evidenced by the amount of money currently needed to mail letters. If the client misses the appointment, it should be his responsibility to contact the agency.

Thank you for your consideration of these comments.

Sincerely,
RUSSELL E. JOHNSON,
Income Maintenance Chief.
SUSAN HOGUE,
Food Stamp Supervisor.

PROGRAM ADMINISTRATION

Mr. DOLE. Mr. President, if I were asked to identify one concern that should outweigh virtually all other concerns in the consideration of food stamp legislation this year, it would be the need for program stability. In the past 5 years, there have been five major pieces of food stamp legislation enacted. Administrators at the Federal, State, and local levels have been overwhelmed with the constant changes required by recent legislation. It is nearly impossible for these people, who are often understaffed and experience high staff turnover, to keep up with the retraining and paperwork required when Congress rewrites significant portions of this already complex program every year.

There is little question in my mind that high error rates in the food stamp program are at least in part attributable to the constant policy changes in this program. I ask unanimous consent that a copy of a letter from the director of human services for North Dakota to Senator HELMS on this subject be included in the RECORD at this point in my statement.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF HUMAN SERVICES,
Bismarck, N. Dak., January 13, 1982.
Senator JESSE HELMS,
Chairman, U.S. Senate Committee on Agriculture, Nutrition, and Forestry, Russell Senate Office Building, Washington, D.C.

DEAR SENATOR HELMS: This is in response to your letter of January 7, 1982, requesting further suggestions for food stamp reform.

Senator Helms, what is desperately needed in the food stamp program at this time is stability of law and regulation, not constant program changes by both Congress and the Administration. We have, because implementation regulations to be issued by the U.S. Department of Agriculture are still pending, yet to implement some portions of both the food stamp amendment of 1980 and the Omnibus Budget Reconciliation Act of 1981. Additionally, changes to be produced by food stamp legislation signed into law in December, 1981, are forthcoming.

The food stamp program is suffering badly because of the constant program upheaval caused by the seemingly endless string of changes being produced in Washington. This can be most graphically illustrated by the food stamp quality control error rate in North Dakota, traditionally one of the lower error rate states. For the reporting period of October, 1980, through March, 1981, a time of relatively few and minor program changes, our combined error rate was 6.91 percent. For the April, 1981, through September, 1981 period, a time of numerous and rapid program changes, our error rate increased dramatically, to 9.9 percent.

It is very plainly evident that the recent constant stream of program changes is much more costly in North Dakota than are the abuses those changes are intended to correct. We therefore implore program stability, not further program change.

Sincerely,
DALE MOUG,
Attorney at Law,
Director of Human Services.

Mr. DOLE. Mr. President, similar sentiments were expressed at the March 29, 1982 food stamp hearing in the Agriculture Committee, in which another State administrator called for a 1-year moratorium on all program changes. He stated:

> A program which is in a continuous state of flux has no stability, is extremely difficult, and costly to administer, is inherently error-prone, as well as confusing to both the clients and the workers . . . it would be beneficial to put a moratorium on all program changes for at least one year.

The speaker was Mr. Acel Martelle of Nevada, whose 3.65 percent error rate for overissuance and ineligibility is the lowest in the Nation. This was not someone who had failed to perform his job and was looking to make Congress a scapegoat for his problems.

I believe that the most important legislative changes needed to combat fraud and assure program accountability have already been enacted in recent years. Last year, along with Senators Cochran and Leahy, I introduced the Food Stamp Accountability Act of 1981. Most of this was enacted into law. It is now a matter of getting these provisions implemented, and having sufficient time and resources at the State and local level to make this program work. Whatever changes we now make in the program should be directed toward simplifying administration and providing greater flexibility at the State and local level. We should avoid adding new requirements, if at all possible.

CATEGORICAL ELIGIBILITY

To this end, I am proposing a few changes that are widely supported by State and local administrators. I propose categorical or automatic eligibility for "pure" AFDC households—households where all members are AFDC recipients. Because of changes enacted in the AFDC program last year, virtually every pure AFDC household is eligible for food stamps. Enactment of categorical eligibility would save administrative costs by obviating the need for caseworkers to apply the separate food stamp resources test to these households.

EXPEDITED SERVICE

To ease workloads and curb abuse, I propose that eligibility for expedited service be significantly tightened, along the lines of the provision in the Senate-passed bill (S. 1007) last year. Income and assets tests would be made very strict and food stamp agencies would have up to 5 days to provide assistance. Special protections for migrants would remain.

PROMPT REDUCTION OR TERMINATION OF BENEFITS

I also recommend enactment of another provision included in S. 1007 last year. This would save food stamp agencies time and postage costs by eliminating the need for a separate notice of adverse action if an agency has received a clear, written notice from a client that indicates a reduction or termination of benefits should occur.

UTILITY ALLOWANCES

On other issues, I have modified the approach recommended in the Helms' bill in order to reduce administrative burdens and avoid costly errors. S. 2352 would require all States to use actual utility expenses, rather than a standard utility allowance, in determining eligibility for the excess shelter deduction. I propose instead that use of actual expenses should be made a State option. However, I do recommend that use of the standard allowance be tightened so that certain clients who are unlikely to incur significant utility expenses must itemize their costs.

The use of itemized deductions has been one of the most error-prone and time-consuming procedures in the administration of the food stamp program. States unanimously favor the use of standardized deductions wherever possible. I believe my proposal represents a good, middle ground between current policy and moving to itemization of all utility costs. It addresses the major problems in utilizing the standard allowance, without unduly increasing administrative cost and effort.

JOB SEARCH

On the issue of job search at application, I am also recommending a State option rather than a requirement. Job search at application may make sense in some areas but not in others, depending upon the state of the local economy. Persuasive testimony on March 29, 1982, from Mr. Noble Kheder, deputy director of the Michigan Department of Social Services, indicated that the 14.6-percent unemployment rate in Michigan makes job search at application senseless in many areas of the State. It would lead to needless paperwork and a drain in valuable staff time.

ACCOUNTABILITY AND ISSUANCE

Consistent with the theme of program simplicity, the Food Stamp Reform Act of 1982 includes several proposals that have the potential to greatly increase program accountability without mandating a great deal of additional effort from administrators. These proposals can be found in sections 301, 304, 402, 404, 501, 502, 503, 504, and 602 of the bill.

Among these, section 504 may represent the first step toward a dramatic improvement in accountability. This provision would authorize the Secretary to mandate alternative issuance systems in areas where he believes it would improve program integrity and save costs. By this provision, I intend to allow the Secretary to aggressively move forward in applying computer technology to the food stamp program.

In recent months I have become aware of several highly successful programs which reduce inaccurate or duplicate issuance of benefits through the use of computerized credit card systems. The potential of these systems seems unlimited. Already they have been substituted for systems utilizing the cumbersome ATP—authorization to participate—cards to issue benefits. Some time in the future, we may have a system where each household utilizes a so-called smart card in the supermarket. This would eliminate the need for coupons altogether and achieve tremendous savings.

At this point, since this technology is still in the developmental stage, I am not proposing any specific requirements for its use. My proposal will assure, however, that the Secretary has ample authority to impose requirements on States where he sees fit.

ERROR RATE SANCTIONS

One of the most important and controversial issues addressed by legislative proposals this year is that of sanctioning States for errors in administration of the food stamp program. These proposals have important implications for the entire issue of federalism. They could cause a significant change in the cost burdens of the Federal Government vis-a-vis States and localities. And, they could have a significant effect on the quality of the relationship among these entities—in determining whether an adversarial or a cooperative relationship will exist.

In my view, the error rate in the food stamp program is unacceptably high. For the latest available period, October 1980 to March 1981, the combined error rate for ineligibility and overissuance was 10.6 percent. This amounts to a huge loss of taxpayers' money.

I acknowledge that not all the fault for this high error rate rests with State and local governments. I have already alluded to my belief that constant program changes undermine efficient administration. In addition, the food stamp program has a much larger caseload with life circumstances that are in a greater state of flux than most other social welfare programs. There are more people in and out of work than in programs like SSI, and their income and eligibility factors are more difficult to ascertain. The food stamp program is also more sensitive to economic conditions than other programs, which, in years like this one, can strain the capacities of local welfare departments.

Yet, even considering these factors, it seems clear that the error rate in the food stamp program can and must be brought down. The wide disparity in State performance suggests that some States could be doing a far better job. I believe that the enactment of sanctions based on tough but realistic error rate goals would bring better State performance and achieve significant savings. I have designed such a

proposal after consulting officials who have had vast experience at the Federal and State levels in operating the AFDC and food stamp programs.

Essentially, my proposal would give States 3 years to reach a 5-percent payment error goal for overissuance and ineligibility. Each State would be required to meet a 9-percent error rate goal for fiscal year 1983, a 7-percent error rate goal for fiscal year 1984, and the final goal in fiscal year 1985 would be an error rate of 5 percent. States that currently have unusually high error rates would be required to come one-third of the way toward the 5-percent goal in 1983, two-thirds of the way toward this goal in 1984, and reach a 5-percent error rate in 1985. Any State not reaching the targets for the respective years would be subject to a sanction, and it is the expectation of the Senator from Kansas that the Secretary will not hesitate to impose the sanctions unless States have exceptionally good cause for not reaching the target.

As an incentive for outstanding performance, I would retain a feature of current law that rewards States for achieving an error rate, including underpayments, under the specified level. It should also be noted that I do not propose to sanction States dollar for dollar for every error above their goal in any given year. I have set the sanction at a level sufficient to spur State activity without depleting the very resources needed to perform the job adequately.

My choice of the 5-percent goal is somewhat arbitrary and could be modified in the future. At this point, I do not believe a tougher goal is appropriate. It is my understanding that the current error rate in the federally administered SSI program is slightly over 5 percent, excluding disability determinations. Since I believe SSI is an easier program to administer than food stamps, I do not believe that States should be held to a tighter performance standard than the Federal Government can meet.

I would stress that my proposal is aimed at reducing errors, not in imposing part of the cost of the food stamp program on the States. The bulk of the significant savings expected from my proposal would come from lower error rates—not sanctions.

I do not believe that the error rate sanction proposals put forth by the administration and Senator Helms are realistic. Both would establish a zero percent error rate as the goal in this program, but under different schedules. S. 2352 would make States liable for all errors next year. The administration would phase down to zero in 3 years.

Under both of these approaches, States would be liable for hundreds of millions of dollars in sanctions starting next year and continuing every year thereafter. What these bills really do is transfer a portion of the costs of the food stamp program to State and local government. It would take an extraordinary effort for every State to lower its error rate to 5 percent. A zero percent error rate is impossible in a program of this size and complexity.

Aside from the fundamental issue of where States and localities would get the money to pay large sanctions, I believe that the imposition of unrealistic error rate targets could prove to be counterproductive to the basic purpose of the sanction system—to reduce errors in food stamp administration. And, I also believe that an unduly harsh sanction system may end up saving fewer Federal dollars than one that sets achievable goals.

In a July 18, 1980, report on fiscal sanctions attached to the quality control system in the AFDC program, the General Accounting Office said the following:

> Fiscal sanctions create an adversary relationship between the Federal Government and the States at a time when a cooperative effort is needed to reduce errors. Using the quality control system as the basis for sanctions limits the system's value as a means for improving payment processes.
>
> Because a high error rate will result in sanctions, there is an incentive to identify fewer errors. To be most effective, the quality control system should identify as many errors as possible.

Thus instead of spurring greater corrective action, sanctions can result in States either hiding their errors or putting their energy into fighting the sanction policy rather than improving programs. When the goals are so unrealistic that States will face huge sanctions no matter how much effort is made to improve administrative performance. A State may well conclude that investing money in administration is not worth the effort. As the AFDC experience in the mid-1970's indicates, State resources may be devoted to litigation instead.

Protracted litigation between the States and Federal Government would be most unfortunate. Not only might litigation delay the collection of sanctions indefinitely, but it may sour the cooperative relationship needed to operate programs with the greatest efficiency.

And even if litigation does not delay or obstruct the sanctions, I wonder how much money will ever actually be collected from the States. Just this year, the administration shrank from collecting less than $20 million from States under the current error rate sanction system. If the pressures were great this year to waive these relatively small sanctions for 14 States, the pressures will no doubt be enormous to waive hundreds of millions of dollars in sanctions to be imposed on virtually all States.

Because of their radical nature, I do not believe that the States will view the error rate sanctions of the administration and Senators Helms as credible proposals. When push comes to shove, especially with an election year every other year, the sanctions will probably never be collected. Proposing a zero percent error rate makes for good politics but bad results.

I believe that my proposal would bring the desired result. It has enough bite so that States will take notice. Yet, it has realistic enough goals so that States will know they will receive a return for their efforts. And, by acknowledging that not all errors are the States' fault, I believe it is more likely to lead to a cooperative effort on their part.

OTHER BILL PROVISIONS

There are two additional provisions of the bill that I would like to address before concluding. The first concerns coordination of the timing of the food stamp COLA with that of other Federal programs, like social security, SSI, railroad retirement, and veterans' pensions. The second concerns the length of reauthorization and the spending ceiling on the program.

Last year, the timing of the food stamp COLA was changed from January 1 to October 1 of each year. October 1 was chosen in anticipation of changing the COLA for social security and other programs to October 1 as well. Since this change did not occur, the lack of coordination in timing creates special problems for elderly and disabled households. When these households receive their social security or SSI COLA on July 1, their food stamp allotments are reduced by an amount equal to 30 to 45 percent of the COLA they just received. However, when the food stamp program is adjusted for inflation on October 1, their food stamps are raised again.

In order to avoid the disheartening effect on elderly and disabled people of having much of their social security and SSI COLA evaporate in a food stamp loss and avoid making State agencies adjust food stamp benefits for virtually all elderly and disabled households twice in a 3-month period, I am proposing that July COLA increases in Federal programs not be counted against food stamps until October 1. As of October 1, State agencies can make one adjustment in food stamp benefits to reflect increases in food stamps and other Federal programs.

It is the understanding of the Senator from Kansas that the Senator from Montana, Mr. Melcher, has introduced a separate bill which would accomplish this same kind of coordination. I commend the Senator from Montana for his concern on this issue and for bringing this problem to our attention last fall during the farm bill conference.

THE CAP

The Food Stamp Reform Act of 1982 would reauthorize the program for 3 years and eliminate the spending ceiling. I believe it is important to have a 3-year reauthorization in order to continue the traditional coordination with the farm bill. Especially since no administration proposal to turn back the food stamp program to the States is expected soon, it seems logical to extend the program for 3 years. As I mentioned before, we cannot continue to rewrite the law every year. If a viable federalism proposal is put forth before the 3 years are up, we can always consider it at that time.

I have proposed elimination of the spending ceiling because I believe there is no need for it. The program has been limited to the truly needy, waste and fat have been trimmed, and program costs are more a function of the unemployment and inflation rates than anything else. If there were some way to establish a spending ceiling that factored in changes in unemployment and inflation, I would support it. However, I do not believe a flat spending cap is appropriate. No one can predict the economy with any assurance, as this year certainly proves. To limit food stamp expenditures in times of economic downturn makes as little sense to me as freezing unemployment compensation expenditures when the unemployment rate is rising. I think it is time we removed the cap so that our neediest citizens will know that when times are tough, the Government will not let them go hungry.

I ask unanimous consent that a USDA table providing information on food stamp households be included in the RECORD at the close of my remarks.

I ask unanimous consent that a section-by-section summary of this legislation be printed in the RECORD previous to the language of the bill itself.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

FOOD STAMP BACKGROUND INFORMATION

WHO RECEIVES FOOD STAMPS?

22 million persons in nearly 8 million households receive food stamps.

Most are persons who cannot work. Half are children. 78% are either children, elderly or disabled persons, or single parent heads of households.

One-third of all food stamp households contain one or more persons receiving Social Security or Supplemental Security Income (SSI).

Food stamp households have an average gross income of $325 a month and average cash assets of $66 while they receive food stamps.

Food stamp households have average gross incomes below $300 a month. Over 90% have gross incomes below the poverty line. Over half have no liquid assets and half do not own a car or other vehicle.

HOW LARGE ARE FOOD STAMP BENEFITS?

Food stamp benefits now average 43 cents per person per meal.

Food stamp benefits are based on the cost of the Thrifty Food Plan, the least expensive food plan developed by the Agriculture Department. The Department's latest surveys show that five of every six families whose food expenditures are at the same dollar level as the Thrifty Food Plan fail to obtain the Recommended Daily Allowances for the basic nutrients.

WHAT HAPPENED TO THE FOOD STAMP PROGRAM LAST YEAR?

The program was cut substantially. Reductions in food stamp benefits exceeded $2 billion in FY 1982 and total nearly $7 billion for the three year period from FY 1982-1984.

Due to the cuts, about 1 million persons are being terminated from the program, and nearly all others (including the poorest families) are receiving smaller benefits than they would have under prior law.

Most of the savings came from reduced benefits for households with gross incomes below the poverty line.

Data on food stamp households is from official USDA surveys and studies.

CHARACTERISTICS OF FOOD STAMP HOUSEHOLDS

The majority of households participating in the program are very poor.

The average net monthly income per food stamp household is $326 (the annual equivalent of $3,912)

About half of all households have incomes of less than $300 per month (the annual equivalent of $3,600)

Food stamp households also tend to have few assets.

75 percent own no countable assets and 98 percent have assets of $1,500 or less

29 percent of food stamp households own homes, compared to 67 percent of all other households.

Nearly two-thirds of food stamp households do not own a car or other vehicle.

Elderly households are more likely than younger households to own homes or to have larger amounts of liquid assets.

Benefits provided by the program currently average 44 cents per person per meal.

Nearly three-quarters of food stamp recipients are children, the elderly and single parents who are heads of households.

Recent changes in food stamp law have reduced the number of persons eligible for the program by over 7 million.

The Food Stamp Act of 1977 reduced the number of eligible persons by 3.5 million.

The Food Stamp Act Amendments of 1979, 1980 and 1981 reduced the number of persons eligible for the program by another 4.2 million.

The number of students in the Food Stamp Program was reduced significantly as a result of the 1980 amendments to the law. Students now represent two-tenths of one percent of the food stamp caseload, or 47,000 persons.

FOOD STAMP REFORM ACT OF 1982

(Section-by-Section Summary)

TITLE I—DEFINITIONS

Section 101. Households

Requires that all related persons who live together be considered as a food stamp household, regardless of whether they purchase food and prepare meals together, unless one of the related persons is elderly or disabled. Where the elderly or disabled are involved, the current practice of determining household status according to whether persons purchase food or prepare meals together would be retained.

Section 102. Thrifty food plan adjustments

Requires that the Thrifty Food Plan adjustment made in October, 1982 be based on food prices through the previous March. The October, 1983 adjustment would be based on food prices through the previous April. The October, 1984 adjustment would be based on food prices through the previous May. In 1985 and all succeeding years, the October adjustment would be based on food prices through the previous June. Under current law adjustments in all years—starting in 1982—are based on food prices through the previous June.

TITLE II—ELIGIBLE HOUSEHOLDS

Section 201. Income standards of eligibility

Provides that households without an elderly or disabled person must meet both a 100% of poverty net income test and a 130% of poverty gross income test. Currently, these households must meet only a 130% of poverty gross income limit, and this allows a small number of households with net income above the poverty line to participate. This provision would eliminate such households.

Section 202. Coordination of cost-of-living adjustments

Requires that cost-of-living adjustments provided on July 1 in Social Security and other federal programs not be counted against food stamp benefits until October 1, when the cost-of-living adjustment to the Thrifty Food Plan is made.

Section 203. Adjustment of deductions

Delays the next inflation adjustment of the standard and shelter deductions from July 1, 1983, to October 1, 1983, to make them consistent with the timing of the Thrifty Food Plan adjustment.

Section 204. Standard utility allowances

Provides that States may use actual utility expenses or a standard utility allowance in computing eligibility for the excess shelter expense deduction. Households that (1) do not incur a heating or cooling expense of (2) live in centrally metered public housing units and are billed only for excess utility charges would not be eligible for the standard utility allowance. States would not be required to vary standard utility allowances within a year to reflect seasonal variations in utility costs.

Section 205. Financial resources

Adds to the list of resources that must be counted in determining eligibility: any pension funds or retirement accounts (including individual retirement accounts) accessible to the household, regardless of whether there is a penalty for early withdrawal.

Section 206. Categorical eligibility

Establishes categorical eligibility for AFDC households in which all members of the household are AFDC participants.

TITLE III—ELIGIBILITY DISQUALIFICATIONS

Section 301. Fraud penalties

Provides that the income and financial resources of a person suspended from the program due to fraud be included in the income and financial resources of his or her household in determining the value of the household's allotment.

Section 302. Reporting requirements

Allows the Secretary, at the request of a State, to waive certain provisions of the law relating to periodic reporting to permit the State to establish requirements that are similar to those established in the AFDC program in that State. The waiver could not

apply to certain protections in the law for migrants and households composed of elderly or disabled households.

Section 303. Expanded job search

Establishes State option to require job search at the time of application for benefits.

Section 304. Period of ineligibility

Increases from sixty to ninety days the disqualification period for households voluntarily quitting a job.

Section 305. Parents and caretakers of children

Requires that a second parent in a household register for work when the youngest child reaches age 12.

TITLE IV—VALUE OF ALLOTMENT

Section 401. Prorated benefits

Eliminates prorated benefits of less than $10 in initial month.

Section 402. Noncompliance with other programs

Prohibits food stamp households from receiving an increase in benefits as the result of a reduction in income from another program due to a penalty for fraud or intentional misrepresentation.

TITLE V—ADMINISTRATION

Section 501. Expedited coupon issuance

Limits expedited service to households with less than $100 in assets and $85 in monthly income. Includes special protections for migrants and seasonal farmworkers. Allows States up to five days to provide expedited benefits and requires verification of income and cash resources to the maximum extent practicable.

Section 502. Prompt reduction or termination of benefits

Permits a State agency to take immediate action to reduce or terminate benefits if the agency receives clear, written information from the household that indicates such a benefit reduction or termination is required.

Section 503. Cashed-out programs

Authorizes the Secretary to require States that have "cashed out" a portion of their caseload to match the benefit rolls of their cashed-out program with their Food Stamp Program to determine if there is duplicate participation.

Section 504. Issuance procedures

Authorizes the Secretary to require State agencies to institute new or modified procedures for the issuance of food stamps if he finds it would improve program integrity and save money

TITLE VI—COLLECTION AND DISPOSITION OF CLAIMS

Section 601. Claims collection procedure

Specifies that in cases where there has been an overpayment due to fraud or intentional misrepresentation, an allotment reduction must occur if a household has not chosen a repayment plan within 30 days after a demand for repayment has been made.

Section 602. Food stamp intercept of unemployment benefits

Permits States to establish systems for intercepting unemployment compensation benefits from certain households that owe uncollected overpayments in the Food Stamp Program.

TITLE VII—ADMINISTRATIVE COST SHARING AND QUALITY CONTROLS ALTERNATIVE MEANS OF COLLECTING OVERISSUANCES

Section 701. State share of recoveries

Allows State agencies to retain 50 percent of the funds collected from the interception of unemployment benefits.

Section 702. Error rate reduction system

Sets targets for error reduction by States and imposes sanctions for States failing to meet the targets. All states would be required to lower their error rates to 5% or less by FY 1985. During FY 1983 and FY 1984, interim error rate targets would be set which would require steady error rate reduction toward the goal of getting error rates down to 5% by FY 1985. States failing to achieve their error rate target in any year would lose a portion of the Federal share of their State food stamp administrative costs.The greater the amount by which the state's error rate exceeds the target, the larger the share of administrative funds that the state would lose. An incentive feature would be retained for States achieving exceptionally low error rates.

TITLE VI—AUTHORIZATION FOR APPROPRIATIONS

Section 801. authorization

Extends authorization for the Food Stamp Program through September 30, 1985, consistent with the Farm Bill. Removes funding ceiling. Provides a separate funding authorization for the Puerto Rico block grant, consistent with the Omnibus Budget Reconciliation Act of 1981.

TITLE VII—MISCELLANEOUS

Section 901. Rounding down

Requires that the Thrifty Food Plan, the standard and shelter deductions, and individual household benefit computations all be rounded down to the nearest whole dollar. In rounding down the Thrifty Food Plan, allotments for all household sizes would be based on the unrounded value of the Thrifty Food Plan for a household of four, and then the resulting allotments for all household sizes would be rounded down. This assures that households of all sizes are treated equitably and that allotments for all household sizes are rounded down once.

Section 902. Studies

Eliminates requirement for studies that have already been completed by USDA on the following subjects: improving the asset standards; the effect of eliminating the purchase requirement; recovering food stamp benefits from households whose calendar year income was more than twice the income poverty guidelines; and the basis for indexing the Food Stamp Program.

TITLE VIII—EFFECTIVE DATES

Section 1001. Effective dates

Provides that changes in this bill would be effective upon enactment and should be implemented as quickly as possible, taking into account the need for orderly implementation.

S. 2493

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE; TABLE OF CONTENTS

SECTION 1. (a) This Act may be cited as the "Food Stamp Reform Act of 1982".

(b) The table of contents for this Act is as follows:

TABLE OF CONTENTS

Sec. 1. Short title; table of contents.
Sec. 2. References to the Food Stamp Act of 1977.

TITLE I—DEFINITIONS

Sec. 101. Households.
Sec. 102. Thrifty food plan adjustments.

TITLE II—ELIGIBLE HOUSEHOLDS

Sec. 201. Income standards of eligibility.
Sec. 202. Coordination of cost-of-living adjustments.
Sec. 203. Adjustment of deductions.
Sec. 204. Standard utility allowances.
Sec. 205. Financial resources.
Sec. 206. Categorical eligibility.

TITLE III—ELIGIBILITY DISQUALIFICATIONS

Sec. 301. Fraud penalties.
Sec. 302. Reporting requirements.
Sec. 303. Expanded job search.
Sec. 304. Period of ineligibility.
Sec. 305. Parents and caretakers of children.

TITLE IV—VALUE OF ALLOTMENT

Sec. 401. Prorated benefits.
Sec. 402. Noncompliance with other programs.

TITLE V—ADMINISTRATION

Sec. 501. Expedited coupon issuance.
Sec. 502. Prompt reduction or termination of benefits.
Sec. 503. Cashed-out programs.
Sec. 504. Issuance procedures.

TITLE VI—COLLECTION AND DISPOSITION OF CLAIMS

Sec. 601. Claims collection procedure.
Sec. 602. Food stamp intercept of unemployment benefits.

TITLE VII—ADMINISTRATIVE COST-SHARING AND QUALITY CONTROLS

Sec. 701. State share of recoveries.
Sec. 702. Error rate reduction system.

TITLE VIII—AUTHORIZATION FOR APPROPRIATIONS

Sec. 801. Authorization.

TITLE IX—MISCELLANEOUS

Sec. 901. Rounding down.
Sec. 902. Studies.

TITLE X—EFFECTIVE DATES

Sec. 1001. Effective dates.

REFERENCES TO THE FOOD STAMP ACT OF 1977

SEC. 2. Except as otherwise specifically provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.).

TITLE I—DEFINITIONS

HOUSEHOLDS

SEC. 101. The first sentence of section 3 (i) (7 U.S.C. 2012(i)) is amended—

(1) by striking out "parents and children" and inserting in lieu thereof "related individuals"; and

(2) by striking out "the parents" and inserting in lieu thereof "the related individuals".

THRIFTY FOOD PLAN ADJUSTMENTS

SEC. 102. The second sentence of section 3 (o) (7 U.S.C. 2012(o)) is amended by striking out "(6)" and all that follows through "twelve months ending the preceding June 30" and inserting in lieu thereof: "(6) on October 1, 1982, adjust the cost of such diet to the nearest dollar increment to reflect changes in the cost of the thrifty food plan for the eighteen months ending March 31, 1982, (7) on October 1, 1983, adjust the cost of such diet to the nearest dollar increment to reflect changes in the cost of the thrifty food plan for the thirteen months ending April 30, 1983, (8) on October 1, 1984, adjust the cost of such diet to the nearest dollar increment to reflect changes in the cost of the thrifty food plan for the thirteen months ending May 31, 1984, (9) on October 1, 1985, adjust the cost of such diet to the nearest dollar increment to reflect changes in the cost of the thrifty food plan for the thirteen months ending June 30, 1985, and (10) on each October 1 thereafter, adjust the cost of such diet to the nearest dollar increment to reflect changes in the cost of the thrifty food plan for the twelve months ending the preceding June 30."

TITLE II—ELIGIBLE HOUSEHOLDS

INCOME STANDARDS OF ELIGIBILITY

SEC. 201. (a) Subsection (c) of section 5 (7 U.S.C. 2014(c)) is amended to read as follows:

"(c) The income standards of eligibility shall provide that no household shall be eligible for participation in the food stamp program unless—

"(1) the household's income, after the exclusions and deductions described in subsections (d) and (e), does not exceed 100 per centum of the poverty line, as defined in section 673(2) of the Community Services Block Grant Act, for the forty-eight contiguous States and the District of Columbia, Alaska, Hawaii, the Virgin Islands of the United States, and Guam, respectively, except that in no event shall the standards of eligibility for the Virgin Islands of the United States or Guam exceed those in the forty-eight contiguous States; and

"(2) for a household that does not contain a member who is sixty years of age or over or a member who receives supplemental security income benefits under title XVI of the Social Security Act or disability or blindness payments under title I, II, X, XIV, or XVI of the Social Security Act, the household's income, after the exclusions described in subsection (d) but before the deductions described in subsection (e), does not exceed 130 per centum of such poverty line.".

(b) The first sentence of section 5(e) (7 U.S.C. 2014(e)) is amended by striking out "for households described in subsection (c)(1) and determining benefit levels only for all other households" and inserting in lieu thereof "pursuant to subsection (c)(1)".

COORDINATION OF COST-OF-LIVING ADJUSTMENTS

SEC. 202. Section 5(d) (7 U.S.C. 2014(d)) is amended—

(1) at the end of clause (10), by striking out "and"; and

(2) by adding before the period at the end thereof the following: ", and (12) through September 30 of any fiscal year, any increase in income attributable to a cost-of-living adjustment made on or after July 1 of such fiscal year under titles II or XVI of the Social Security Act, section 3(a)(1) of the Railroad Retirement Act of 1974 (45 U.S.C. 231b(a)(1)), or section 3112 of title 38, United States Code, if the household was certified as eligible to participate in the food stamp program or received an allotment in the month immediately preceding the adjustment".

ADJUSTMENT OF DEDUCTIONS

SEC. 203. Section 5(e) (7 U.S.C. 2014(e)) is amended—

(1) in clause (1) of the second sentence, by striking out "July 1, 1983" and inserting in lieu thereof "October 1, 1983"; and

(2) in subclause (i) of the proviso of clause (2) of the fourth sentence, by striking out "July 1, 1983" and inserting in lieu thereof "October 1, 1983".

STANDARD UTILITY ALLOWANCES

SEC. 204. Section 5(e) (7 U.S.C. 2014(e)) is amended by inserting after the fourth sentence the following new sentence: "In computing the excess shelter expense deduction under clause (2) of the preceding sentence, a State agency may use a standard utility allowance in accordance with the regulations prescribing the allowance in effect on April 1, 1982 (7 CFR 273.9(d)(6)), except that—

"(A) a State agency may use an allowance which does not fluctuate within a year to reflect seasonal variations; and

"(B) an allowance may not be used for a household that—

"(i) does not incur a heating or cooling expense; or

"(ii) does incur a heating or cooling expense but is located in a public housing unit which has central utility meters and charges households, with regard to such expense, only for excess utility costs.".

FINANCIAL RESOURCES

SEC. 205. The second sentence of section 5(g) (7 U.S.C. 2014(g)) is amended—

(1) by striking out "and" after "vacation purposes,"; and

(2) by inserting after "$4,500," the following: "and, regardless of whether there is a penalty for early withdrawal, any savings or retirement accounts (including individual accounts) and the cash value of any pensions accessible to the household,".

CATEGORICAL ELIGIBILITY

SEC. 206. (a) Section 5 (7 U.S.C. 2014) is amended by adding at the end thereof the following new subsection:

"(j) Notwithstanding subsections (a) through (i), a household in which all members of the household receive benefits under a State plan approved under part A of title IV of the Social Security Act shall be considered to have complied with the income and resource requirements prescribed under subsections (c) and (g).".

(b) The first sentence of section 5(e) (7 U.S.C. 2014(e)), as amended by section 201(b) of this Act, is amended—

(1) by inserting "for all households (except households described in subsection (j))" after "levels"; and

(2) by inserting "and for purposes of determining benefit levels only for households described in subsection (j)" after "subsection (c)(1)".

TITLE III—ELIGIBILITY DISQUALIFICATIONS

FRAUD PENALTIES

SEC. 301. The second sentence of section 6(b)(1) (7 U.S.C. 2015(b)(1)) is amended to read as follows: "During the period of ineligibility, the income and financial resources of the ineligible person shall be included in the income and financial resources of the household of the ineligibile person for the purpose of determining the value of the household's allotment.".

REPORTING REQUIREMENTS

SEC. 302. Section 6(c) (7 U.S.C. 2015(c)) is amended by adding at the end thereof the following new paragraph:

"(5) The Secretary is authorized, upon the request of a State agency, to waive any provisions of the subsection (except the provisions of the first sentence of paragraph (1) which relate to households which are not required to file periodic reports) to the extent necessary to permit the State agency to establish periodic reporting requirements for purposes of this Act which are similar to the periodic reporting requirements established under the State plan approved under title IV-A of the Social Security Act in that State.".

EXPANDED JOB SEARCH

SEC. 303. Clause (ii) of section 6(d)(1) (7 U.S.C. 2015(d)(1)) is amended by inserting ", which may, at the option of the State agency, include a requirement that such reporting and inquiry commence at the time of application for assistance" after "Secretary".

PERIOD OF INELIGIBILITY

SEC. 304. The proviso in clause (iii) of section 6(d)(1) (7 U.S.C. 2015(d)(1)) is amended by striking out "sixty days" and inserting in lieu thereof "ninety days".

PARENTS AND CARETAKERS OF CHILDREN

SEC. 305. Clause (C) of section 6(d)(2) (7 U.S.C. 2015(d)(2)(C)) is amended by inserting "under age twelve" after "child".

TITLE IV—VALUE OF ALLOTMENT

PRORATED BENEFITS

SEC. 401. The first sentence of section 8(c) (7 U.S.C. 2017(c)) is amended by inserting before the period at the end thereof the following: ", except that, a State agency may not issue an allotment for the initial month or period to any household if the value of the allotment which the household would otherwise be eligible to receive under this subsection is less than $10".

NONCOMPLIANCE WITH OTHER PROGRAMS

SEC. 402. Section 8 (7 U.S.C. 2017) is amended by adding at the end thereof the following new subsection:

"(d) A household against which a penalty has been imposed for fraud or misrepresentation in connection with a Federal, State, or local law relating to welfare or a public assistance program may not, for the duration of the penalty, receive an increased allotment as the result of a decrease in the household's income (as determined under section 5 (d) and (e)) to the extent that the decrease is the result of such penalty.".

TITLE V—ADMINISTRATION

EXPEDITED COUPON ISSUANCE

SEC. 501. Paragraph (9) of section 11(e) (7 U.S.C. 2020(e)(9)) is amended to read as follows:

"(9) that the State agency shall—

"(A) provide coupons no later than five days after the date of application to any household which—

"(i)(I) has gross income that is less than $85 per month; or

"(II) is a destitute migrant or a seasonal farmworker household; and

"(ii) has liquid resources that do not exceed $100; and

"(B) to the extent practicable, verify the income and resources of the household prior to issuance of coupons to the household.".

PROMPT REDUCTION OR TERMINATION OF BENEFITS

SEC. 502. Section 11(e)(10) (7 U.S.C. 2020 (e)(10)) is amended by inserting before the semicolon the following: ", except that in any case in which the State agency receives from the household a written statement containing information that clearly requires a reduction or termination of the household's benefits, the State agency may act immediately to reduce or terminate the household's benefits and may provide notice of its action to the household as late as the

date on which the action becomes effective".

CASHED-OUT PROGRAMS

SEC. 503. Section 11 (7 U.S.C. 2020) is amended by adding at the end thereof the following new subsection:

"(n) The Secretary may require a State agency to conduct verification and implement other measures, where necessary, to assure that an individual does not receive both coupons and benefits or payments referred to in section 6(g) or both coupons and assistance provided in lieu of coupons under section 17(b)(1).".

ISSUANCE PROCEDURES

SEC. 504. Section 11 (7 U.S.C. 2020) (as amended by section 503 of this Act) is amended by adding at the end thereof the following new subsection:

"(o) The Secretary may require a State agency to implement new or modified procedures to issue coupons which are in conformance with this Act and which the Secretary finds would improve program integrity and be cost-effective.".

TITLE VI—COLLECTION AND DISPOSITION OF CLAIMS

CLAIMS COLLECTION PROCEDURE

SEC. 601. The second sentence of section 13(b)(1) (7 U.S.C. 2022(b)(1)) is amended by inserting "within thirty days of a demand for an election" after "election".

FOOD STAMP INTERCEPT OF UNEMPLOYMENT BENEFITS

SEC. 602. (a) Section 13 (7 U.S.C. 2022) is amended by adding at the end thereof the following new subsection:

"(c)(1) A State agency may determine on a periodic basis, from information supplied pursuant to section 508 of the Unemployment Compensation Amendments of 1976 (29 U.S.C. 49b and 42 U.S.C. 603a), whether any individuals receiving compensation under the State's unemployment compensation law (including amounts payable pursuant to an agreement under a Federal unemployment compensation law) has received an uncollected overissuance.

"(2) A State agency may recover an uncollected overissuance—

"(A) through an agreement with the individual described in paragraph (1), to have specified amounts withheld from compensation otherwise payable to the individual and by submitting a copy of the agreement to the State agency administering the unemployment compensation law, or

"(B) in the absence of an agreement, by obtaining a writ, order, summons, or other similar process in the nature of garnishment from a court of competent jurisdiction to require the withholding of amounts from the compensation.

"(3) As used in this subsection, the term 'uncollected overissuance' means the amount of an overissuance of coupons, as determined under subsection (b)(1), which has not been recovered pursuant to subsection (b).".

(b)(1) Section 11(e) (7 U.S.C. 2020(e)) is amended—

(A) at the end of paragraph (20), by striking out "and"; and

(B) by adding at the end thereof the following new paragraph:

"(22) at the option of the State, for procedures necessary to obtain payment of uncollected overissuance of coupons from unemployment benefits pursuant to section 13 (c); and".

(2)(A) Section 303(d) of the Social Security Act (42 U.S.C. 503(d)) is amended—

(i) by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively; and

(ii) by inserting after paragraph (1) the following new paragraph:

"(2)(A) The State agency charged with the administration of the State law—

"(i) may require each new applicant for unemployment compensation to disclose whether or not the applicant has received an uncollected overissuance (as defined in section 13(c)(3) of the Food Stamp Act of 1977 (7 U.S.C. 2022(c)(3)) of food stamp coupons,

"(ii) may notify the State agency (as defined in section 3 (m) of such act (7 U.S.C. 2012 (m)) to which the uncollected overissuance is owed that the applicant has been determined to be eligible for unemployment compensation if the applicant discloses under clause (i) that the applicant owes an uncollected overissuance and the applicant is determined to be so eligible,

"(iii) may deduct and withhold from any unemployment compensation otherwise payable to an individual—

"(I) the amount specified by the individual to the State agency to be deducted and withheld under this clause,

"(II) the amount (if any) determined pursuant to an agreement submitted to the State agency under section 13 (c) (2) (A) of the Food Stamp Act of 1977 (7 U.S.C. 2022 (c)(2)(A)), or

"(III) any amount otherwise deducted and withheld from the unemployment compensation pursuant to section 13 (c)(2)(B) of such Act (7 U.S.C. 2022 (c)(2)(B)), and

"(iv) shall pay any amount deducted and withheld under clause (iii) to the appropriate food stamp State agency.

"(B) Any amount deducted and withheld under subparagraph (A)(iii) shall for all purposes be treated as if it were paid to the individual as unemployment compensation and paid by the individual to the State agency to which the uncollected overissuance is owed as repayment of the individual's uncollected overissuance.

"(C) For purposes of this paragraph, the term 'unemployment compensation' means any compensation payable under the State law (including amounts payable pursuant to an agreement under a Federal unemployment compensation law).

"(D) A State agency to which the uncollected overissuance is owed shall reimburse the State agency charged with the administration of the State unemployment compensation law for the administrative costs incurred by the State agency under this paragraph which are attributable to repayment of uncollected overissuance to the State agency to which the uncollected overissuance is owed.".

(B) Section 303 (d)(3) of the Social Security Act (as redesignated by subparagraph (A)) is amended by striking out "paragraph (1)" and inserting in lieu thereof "paragraph (1) or (2)".

TITLE VII—ADMINISTRATIVE COST-SHARING AND QUALITY CONTROLS

STATE SHARE OF RECOVERIES

SEC. 701. The proviso of the first sentence of section 16 (a) (7 U.S.C. 2025 (a)) is amended by striking out "section 13 (b) (1) of this Act" and inserting in lieu thereof "subsections (b)(1) and (c) of section 13".

ERROR RATE REDUCTION SYSTEM

SEC. 702. (a) Section 16 (7 U.S.C. 2025) is amended—

(1) by amending subsection (c) to read as follows:

"(c) The Secretary is authorized to adjust a State agency's federally funded share of administrative costs pursuant to subsection (a), other than the costs already shared in excess of 50 per centum under the proviso in the first sentence of subsection (a) or under subsection (g), by increasing such share to 60 per centum of all such administrative costs in the case of a State agency which has—

"(1) a payment error rate as defined in subsection (d)(1) which, when added to the total percentage of all allotments underissued to eligible households by the State agency, is less than 5 per centum; and

"(2) a rate of invalid decisions in denying eligibility which is less than a nationwide percentage which the secretary determines to be reasonable.";

(2) by striking out subsections (d), (e), and (g) and redesignating subsections (f), (h), and (i) as subsections (e), (f), and (g), respectively; and

(3) by inserting after subsection (c) the following new subsection:

"(d)(1) As used in this subsection, the term 'payment error rate' means the total percentage of all allotments issued in a fiscal year by a State agency which are either—

"(A) issued to households which fail to meet basic program eligibility requirements; or

"(B) overissued to eligible households.

"(2)(A) The Secretary shall institute an error rate reduction program under which, if a State agency's payment error rate exceeds—

"(i) 9 per centum for fiscal year 1983,

"(ii) 7 per centum for fiscal year 1984, or

"(iii) 5 per centum for fiscal year 1985 or any fiscal year thereafter,

then the Secretary shall, other than for good cause shown or as provided in subparagraph (B), reduce the State agency's federally funded share of administrative costs provided pursuant to subsection (a), other than the costs already shared in excess of 50 per centum under the proviso in the first sentence of subsection (a) or under subsection (g), by the amounts required under paragraph (3).

"(B) the Secretary may not reduce a State agency's federally funded share of administrative costs pursuant to subparagraph (A)—

"(i) on the basis of the State agency's payment error rate for fiscal year 1983, if such payment error rate represents a reduction from the State agency's payment error rate for the period beginning on October 1, 1980, and ending on March 31, 1981, of at least 33.3 per centum of the difference between the State agency's payment error rate for such period and 5 per centum; or

"(ii) on the basis of the State agency's payment error rate for fiscal year 1984, if such payment error rate represents a reduction from the State agency's payment error rate for the period beginning on October 1, 1980, and ending on March 31, 1981, of at least 66.7 per centum of the difference between the State agency's payment error rate for such period and 5 per centum.

"(3)(A) The Secretary shall reduce a State agency's federally funded share of administrative costs, except as provided in subparagraph (B), by—

"(i) 5 per centum for each per centum or fraction thereof that the State agency's payment error rate exceeds the maximun payment error rate allowed for the fiscal year under paragraph (2); and

"(ii) if the State agency's payment error rate exceeds the maximum payment error rate allowed for the fiscal year under paragraph (2) by more than 3 per centum, an additional 5 per centum (for a total of 10 per centum) for each per centum or fraction thereof that the State agency's payment error rate exceeds the maximum payment error rate allowed for the fiscal year under paragraph (2) by more than 3 per centum.

"(B) The Secretary may not reduce a State agency's federally funded share of administrative costs for a fiscal year by an amount that exceeds the product of multiplying—

"(i) the per centum by which the State agency's payment error rate exceeds the maximum payment error rate allowed for the fiscal year under paragraph (2); by

"(ii) the total dollar value of all coupons issued by the State agency during the fiscal year.

"(4) The Secretary may require a State agency to report any factors which the Secretary considers necessary to determine the appropriate level of a State agency's federally funded share of administrative costs under this subsection. If a State agency fails to meet the reporting requirements established by the Secretary, the Secretary shall base the determination on all pertinent information available to the Secretary.

"(5) If the Secretary reduces a State agency's federally funded share of administrative costs under this subsection, the State may seek administrative and judicial review of the action pursuant to section 14.".

(b)(1) Section 11 (7 U.S.C. 2020) is amended—

(A) in the first sentence of subsection (e)(2), by striking out "subsection (i) of this section" and inserting in lieu thereof "subsection (h) of this section";

(B) in subsection (e)(3)—

(i) by striking out "subsections (h) and (i) of section 16" and inserting in lieu thereof "section 16(e)"; and

(ii) by striking out "quality control program" and inserting in lieu thereof "error rate reduction program"; and

(C) by striking out subsection (h) and redesignating subsections (i) through (m) as subsections (h) through (l), respectively.

(2) The first sentence of section 18(e) (7 U.S.C. 2027(e)) is amended by striking out "sections 7(f), 11 (g) and (h), 13(b), and 16(g)" and inserting in lieu thereof "sections 7(f), 11(g), and 13(b)".

(c) The amendments made by this section shall become effective on October 1, 1982.

TITLE VIII—AUTHORIZATION FOR APPROPRIATIONS

AUTHORIZATION

Sec. 801. Section 18(a) (7 U.S.C. 2027(a)) is amended—

(1) in the first sentence—

(A) by inserting "sections 1 through 18 and 20 of" after "provisions of";

(B) by striking out "and" after "September 30, 1981;"; and

(C) by inserting "; and such funds as are necessary for the fiscal years ending September 30, 1983, September 30, 1984, and September 30, 1985" before the period at the end thereof; and

(2) by adding at the end thereof the following new paragraph:

"(3) To carry out the provisions of section 19 of this Act, there are hereby authorized to be appropriated $825,000,000 for each of the fiscal years ending September 30, 1983, September 30, 1984, and September 30, 1985.".

TITLE IX—MISCELLANEOUS

ROUNDING DOWN

Sec. 901. (a) The second sentence of section 3(o) (7 U.S.C. 2012(o)) (as amended by section 102 of this Act) is amended—

(1) in clause (1), by inserting "(based on the unrounded cost of such diet)" after "adjustments"; and

(2) in clauses (6) through (10), by striking out "nearest dollar increment" each place it appears and inserting in lieu thereof "nearest lower dollar increment for each household size".

(b) Section 5(e) (7 U.S.C. 2014(e)) is amended—

(1) in the second sentence, by striking out "nearest $5 increment" each place it appears and inserting in lieu thereof "nearest lower dollar increment"; and

(2) in the proviso of clause (2) of the fourth sentence, by striking out "nearest $5 increment" each place it appears and inserting in lieu thereof "nearest lower dollar increment".

(c) The first sentence of section 8(a) (7 U.S.C. 2017(a)) is amended by inserting "lower" after "nearest".

STUDIES

Sec. 902. (a) The second sentence of section 5(g) (7 U.S.C. 2014(g)) is amended—

(1) by striking out "(1)" after "shall"; and

(2) by striking out ", and (2)" and all that follows through "1978".

(b) Section 8(a) (7 U.S.C. 2017(a)) is amended by striking out the second sentence.

(c) Section 17 (7 U.S.C. 2026) is amended by striking out subsections (d) and (e) and redesignating subsection (f) as subsection (d).

TITLE X— EFFECTIVE DATES

EFFECTIVE DATES

Sec. 1001. (a) Except as provided in section 702(c) of this Act, the amendments made by this Act shall become effective on the date of enactment of this Act.

(b)(1) Section 117 of the Omnibus Budget Reconciliation Act of 1981 (7 U.S.C. 2012 note) is amended by inserting "upon the date of enactment of this Act" after "effective".

(2) Section 1338 of the Food Stamp and Commodities Distribution Amendments of 1981 (7 U.S.C. 2012 note) is amended by inserting "upon the date of enactment of this Act and implemented" after "effective".

By Mr. ABDNOR (for himself, Mr. Stafford, Mr. Moynihan, and Mr. Randolph):

S. 2494. A bill to authorize support for an ongoing program of water resources research; to the Committee on Environment and Public Works.

WATER RESOURCES RESEARCH ACT OF 1982

● Mr. ABDNOR. Mr. President, on May 15 of last year, the Committee on Environment and Public Works reported S. 1095 to the Senate. While I believe that S. 1095 provides an important and responsible approach toward several difficult water resources issues, the bill attracted controversy far beyond its actual scope or intent.

S. 1095 contains three essential components:

Creation of a new national board to assist the Congress, the executive branch, and the States in coordinating water resources project policy at the Federal level.

A new effort to assist the States in planning their own water resources activities.

A new water resources research effort, one that would better target research efforts than the program now in effect.

Congressional inaction on this important bill undermines the sound development of our Nation's water resources.

It is fair to say that the controversy over S. 1095 centers on title I, that portion of the bill establishing a "National Board of Water Policy." Other titles of S. 1095 appear far less controversial. Certainly, that is true of title III, which promotes water resources research. Title III authorizes a continued Federal responsibility for a water resources research program, operated through our fine land-grant universities. The Senate Committee on Environment and Public Works set aside specific funds for this program in its fiscal year 1983 recommendations to the Budget Committee, as well as in the reconciliation law a year ago.

To make every effort to assure a favorable resolution in the effort to continue a water research program (and possibly a solution to the other issues in S. 1095), I am today introducing new legislation. This bill is essentially identical to title III of S. 1095. I am very pleased that the distinguished Senator from Vermont, the chairman of the Committee on Environment and Public Works (Mr. Stafford) has agreed to cosponsor the bill, as well as the distinguished Senator from New York (Mr. Moynihan) and the distinguished Senator from West Virginia (Mr. Randolph).

I would hope that the Committee on Environment and Public Works will be able to act favorably on this new bill within the next week. Mr. President, I ask unanimous consent that a copy of the bill be printed at this point in the Record, together with the appropriate portions of the committee's report on S. 1095 that explained the research portions of that bill.

There being no objection, the material was ordered to be printed in the Record, as follows:

S. 2494

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act shall be cited as the "Water Resources Research Act of 1982."

Sec. 2. The Congress finds and declares that—

(a) The existence of an adequate supply of water of good quality for the production of materials and energy for the Nation's needs and for the efficient use of the Nation's energy and water resources is essential to national economic stability and growth, and to the well-being of the people;

(b) There is an increasing threat of impairment to the quantity and quality of surface and groundwater resources;

(c) The Nation's capabilities for technological assessment and planning and for policy formulation for water resurces must be strengthened at the Federal, State, and local governmental levels;

(d) There should be a continuing national investment in water and related research and technology commensurate with growing national needs;

(e) It is necessary to provide for the research and development of technology for the conversion of saline and other impaired waters to a quality suitable for municipal, industrial, agricultural, recreational, and other beneficial uses; and,

(f) The pool of scientists, engineers, and technicians trained in fields related to water resources constitutes an invaluable natural resource which should be increased, fully utilized, and regularly replenished.

Sec. 3. It is the purpose of this Act to assist the Nation and the States in augmenting their water resources science and technology as a way to—

(a) Assure supplies of water, sufficient in quantity and quality, to meet the Nation's expanding needs for the production of food, materials, and energy;

(b) Identify and find practical solutions to the Nation's water and water resources related problems, particularly those problems related to impaired water quality;

(c) Promote the interest of State and local governments as well as private industry in research and the development of technology that will reclaim waste water and to convert saline and other impaired waters to waters suitable for municipal, industrial, agricultural, recreational, and other beneficial uses; and

(d) Coordinate more effectively the Nation's water resources research programs.

Sec. 4. (a) The Secretary of the Interior (hereinafter referred to as the "Secretary") is authorized and directed to assist the work of any water resources research and technology institute, center, or equivalent agency (hereinafter referred to as the 'institute') established in the States in accordance with the terms of subsection (f) of this section.

(b) Each designated institute shall—

(1) have responsibility for planning, conducting, and/or arranging for competent research in relation to water resources, including investigations and experiments of either a basic or practical nature, or both; to promote the dissemination and application of the results of these efforts; and to provide for the training of scientists and engineers through such research, investigations, and experiments, and

(2) cooperate closely with other colleges and universities in the State that have demonstrated capabilities for research, information dissemination, and graduate training in order to develop a statewide program designed to resolve State and regional water and related land problems. Such institute shall also cooperate closely with regional consortia, as may be designated by the Secretary to increase the effectiveness of the institutes and for the purpose of regional coordination.

(c) Prior to the receipt each fiscal year of funds authorized by subsection (e) of this section, each institute shall submit to the Secretary for his approval a water research program that includes assurances, satisfactory to the Secretary, that such program was developed in close consultation and collaboration with the director of that State's department of water resources, or similar agency, and other leading water resources officials with the State including interested members of the public. The program described in the preceding sentence shall include plans to promote research, training, information dissemination, and other activities meeting the needs of the State and Nation, and encourage regional cooperation among institutes in research into areas of water management, development, and conservation that have a regional or national character.

(d) From the sums appropriated pursuant to subsection (e) of this section, the Secretary shall make grants to each designated institute to be matched on a basis of no less than one non-Federal dollar for every Federal dollar during the fiscal years ending September 30, 1983, and September 30, 1984, one and one-half non-Federal dollars for each Federal dollar during the fiscal years ending September 30, 1985, and September 30, 1986, and two non-Federal dollars for each Federal dollar during the fiscal year ending September 30, 1987.

(e) There is hereby authorized to be appropriated to the Secretary for the purpose of carrying out this section the sum of $8,100,000 during each of the fiscal years ending September 30, 1983, through September 30, 1987.

(f) For the purpose of this section, an institute may be established at one college or university in each State, which was established in accordance with the Act approved July 2, 1862 (12 Stat. 503; 7 U.S.C. 301ff), entitled "An Act donating public lands to the several States and territories which may provide colleges for the benefit of agriculture and the mechanic arts' or some other institution designated by act of the legislature of the State concerned: *Provided* That (1) if there is more than one such college or university in a State established in accordance with said Act of July 2, 1862, funds under this section shall, in the absence of a designation to the contrary by act of the legislature of the State, be paid to the one such college or university designated by the Governor of the State to receive the same, subject to the office's determination that such college or university has or may reasonably be expected to have the capability of doing effective work under this title; (2) two or more States may cooperate in the designation of a single institute or regional institute, in which event the sums otherwise allocated to institutes in each of the cooperating States shall be paid to such regional institute.

Sec. 5(a)(1) In addition to the grants authorized by section 4 of this Act, the Secretary is authorized to make grants, on a dollar-for-dollar matching basis, to the institutes established pursuant to section 4 of this Act, as well as other qualified educational institutions, private foundations, private firms, individuals, and agencies or local or State government for research concerning any aspect of a water-related problem which the Secretary may deem to be in the national interest, including the operation of test facilities.

(2) In cases where the Secretary determines, according to criteria established by him, that research under this section is of a basic nature which would not otherwise be undertaken, the Secretary may approve grants under this section on a matching requirement other than that specified in paragraph (1) of this

(b) Each application for a grant pursuant to this section shall state the nature of the project to be undertaken, the period during which it will be pursued, the qualifications of the personnel who will direct and conduct it, the importance of the project to the Nation as well as to the region and State concerned, its relation to other known research projects previously or currently being pursued, and the extent to which it will provide an opportunity for the training of water resources scientists. No grant shall be made under this section except for a project approved by the Secretary, and all grants shall be made upon the basis of the merit of the project and the need for the knowledge it is expected to produce when completed.

(c) The sum of $13,000,000 is authorized to be appropriated to the Secretary for the purposes of grants under this section, as well as for administration of grants under this section and grants to the institutes under section 4 of this Act for each of the fiscal years ending September 30, 1983, through September 30, 1987.

Sec. 6. The type of research to be undertaken under the authority of section 5 of this Act and to be encouraged by the institutes established under section 4 of this Act shall include, without being limited to:

(a) Aspects of the hydrologic cycle;

(b) Supply and demand for water;

(c) Demineralization of saline and other impaired waters;

(d) Conservation and best use of available supplies of water and methods of increasing such supplies;

(e) Water reuse;

(f) Depletion and degradation of ground water supplies;

(g) Improvements in the productivity of water when used for agricultural and commercial purposes;

(h) The economic, legal, engineering, social, recreational, biological, geographic, ecological, and other aspects of water problems;

(i) scientific information dissemination activities, including identifying, assembling, and interpreting the results of scientific and engineering research on water resources problems; and

(j) Providing means for improved communication of research results, having due regard for the varying conditions and needs for the respective States and regions.

Sec. 7. Notwithstanding any other provision of law, the Secretary shall be governed by the provisions of sections 9 and 10 of the Federal Nonnuclear Energy, Research, and Development Act of 1974 (Public Law 93-577; 88 Stat. 1887, 1891; 42 U.S.C. 5908-5909) with respect to patent policy and to the definition of title to, and licensing of inventions made or conceived in the course of, or under any contract or grant pursuant to this title; *Provided, however,* That subsections (l) and (n) of section 9 of such Act shall not apply to this Act: and *Provided further,* That, subject to the patent policy of section 408, all research or development contracted for, sponsored, cosponsored, or authorized under authority of this title, shall be provided in such manner that all information, data, and know-how, regardless of their nature or mediums, resulting from such research and development will (with such exceptions and limitations, if any, as the Secretary may find to be necessary in the interest of national defense) be usefully available for practice by the general public.

Sec. 8. (a) Public Law 95-467 is repealed.

(b) Rules and regulations issued, prior to the date of enactment of this Act, under the authority of Public Law 95-467 shall remain in full force and effect under this Act until superseded by new rules and regulations promulgated under this Act.

EXCERPTS FROM SENATE REPORT 97-120

TITLE III

The Committee rejected a transition to an identical, competitive approach for the funding of the 54 State water resources research institutes. Instead, it adopted an approach designed to eliminate the weaker institutes by a requirement for increasing for the non-Federal match. In the initial two years of this program, the match will be one-to-one. In fiscal year 1984, the State research institutes will be required to provide a 3-to-2 match for Federal assistance; in fiscal year 1985 the match will be 2-to-1.

A strictly competitive approach might favor the larger State universities and States. By contrast, a rising level of the non-Federal share should allow all States to continue to receive this support, if the State or the university increases its share of the costs of administering a program and the institute. It must be noted that the non-Federal share for each institute must be in cash, not in-kind contribution.

The Committee recognizes the opportunity to improve the general quality of research work on water. By increasing the non-Federal contribution, and requiring that such contribution be in cash, States and universities not seriously committed to an effective water research program will no longer be able to depend solely on Federal funding for their research institutes.

This bill provides a two-year transition period to enable the State water departments and the institutes to work with their State legislatures to augment their present efforts. After that, the less effective programs in both categories will lose Federal support. The cost of such an approach to the Federal taxpayer is small relative to the benefits of a more selective program.

This bill also encourages greater regional cooperation among the water institutes, as well as among the States. While the States are a very effective tool in the national effort to improve the utilization of our water resources, we can strengthen that approach when the States work together to manage their water resources on a regional basis.

Title III also authorizes a general water research program open to any competent scientific group. This recognizes the need to continue a strong Federal presence in the development of improved technologies for desalting brackish and other mineralized waters. Improvements in desalting technology offer a great opportunity for improving the quality of water that is pumped from underground aquifers for use in households, industry, and agriculture.

Under present law, the basic water research program, and the program focused on saline water problems, are funded separately. This legislation combines funding in order to assure the Office greater flexibility. It is, of course, expected that saline water research will continue to receive significant attention under the program authorized by title III. While that support may include the financing of small, pilot-plants, the bill includes no authority for demonstration plants.

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TITLE III—WATER RESOURCES RESEARCH

Section 301. This title establishes a new approach to the Federal water resources research programs. The present program of grants for all institutes will be changed to require increased non-Federal financial commitments. Initially, the Office is authorized to grant $150,000 to each of the 54 state water research institutes during fiscal year 1982 and fiscal year 1983. During these two years, Federal funds must be matched on a one-to-one basis by non-Federal funds. In fiscal year 1984, the non-Federal match increases to 1.5-to-1; in fiscal year 1985 it again increases to 2-to-1. These grants can be made only after an institute submits a water research program, with assurances that the program was developed in close coordination with that State's department of water resources.

Section 302 authorizes $12,000,000 annually for specific water research grants, to be available to any qualified group or individual—State institutes, as well as other universities, corporations, river basin commissions, and foundations. Specific research grants will be awarded on a competitive basis, and must be matched on a one-to-one basis by non-Federal funds. The Director of the Office may adjust the matching requirement for basic research which might otherwise not be undertaken.

This section includes language that is quite broad in allowing grants for research in a wide variety of water problems. This section is designed to be broad. It does not simply encourage work on a practical application for such items as improved irrigation efficiency, no matter how valuable that may prove. The section is designed also to encourage the most basic types of research on water, research that may someday produce dramatic gains in human knowledge.

Section 303 specifies the type of research, from desalting to conservation, that will be eligible for a section 302 grant and to be encouraged under the section 301 programs.

Section 304 contains the requirement that institutes can only be established at a land-grant university. There can be only one institute per State.

Section 305 states that information developed under a section 301 or 302 grant be available to all.●

By Mr. THURMOND (by request):

S. 2495. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968; to the Committee on the Judiciary.

JUSTICE SYSTEM IMPROVEMENT AMENDMENTS

Mr. THURMOND. Mr. President, today, I am introducing legislation at the request of the administration which adds several amendments to the Omnibus Crime Control and Safe Streets Act of 1968.

Section 816 is amended to provide that the 1-year report described in section 816(a) shall not be prepared for any fiscal year in which funds were not appropriated for parts D, E, F, and G of the act. In addition, the 3-year report described in section 816(c) shall not be prepared for any 3-year period in which funds were not appropriated for parts D, E, F, and G of the act in each year.

Section 827(a) is amended to assure that inmates injured in the the course of certified prison industry enhancement programs are compensated for their loss, and to remove any inferences that a State must accept the role of "employer" of its inmates.

Section 827(b) is amended to exempt goods produced under a certified prison industry enhancement program from the revised Hawes-Cooper Act, 49 U.S.C. 11507. This exemption will permit those goods to be marketed in every State, thereby inducing both State and private industry participation in the program.

Section 1301 is amended to permit LEAA grantees and subgrantees to take title to personal property purchases with LEAA grant funds if they certify the property will be used for criminal justice purposes. If they do not so certify, title will vest in the State Criminal Justice Council, which must seek to have it used for such purposes elsewhere in the State prior to using it or disposing of it in any other manner.

Mr. President, I ask unanimous consent that the executive communication from the Department of Justice expressing the position of the administration and a copy of the bill be printed in the RECORD.

There being no objection, the bill and letter were ordered to be printed in the RECORD, as follows:

S. 2495

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Justice System Improvement Amendments of 1981."

SEC. 2. Title I of the Omnibus Crime Control and Safe Streets Act of 1968 is amended as follows:

(a) Section 816 is amended by adding the following new paragraph:

"(f) The Administrator of the Law Enforcement Assistance Administration shall not prepare the report required by section 816(a) for any fiscal year in which funds were not appropriated for parts D, E, F, and G, of this title. The Administrator shall not prepare the report required by section 816(b) for any three year period in which funds were not appropriated for parts, D, E, F, and G in each year."

(b) Section 827(a) is amended by deleting subsection (2) and substituting the following:

"(2) are entitled to compensation for injury sustained in the course of participation in these projects;"

(c) Section 827(b) is amended by adding the following sentence at the end thereof:

"The second sentence of Section 11507 of Title 49 is amended by adding after the word 'use' the following:

', or to commodities produced by a project designated by the Administrator of LEAA under Section 1761(c) of title 18, United States Code'."

(d) Section 1301 is amended by adding the following new paragraph:

"(1) Notwithstanding any other provision of law, title to all expendable and nonexpendable personal property purchased with funds made available under this title shall vest in the criminal justice agency or nonprofit organization that purchased the property if it certifies to the appropriate State criminal justice council, or its successor agency, that it will use the property for

criminal justice purposes. If such certification is not made, title to the property shall vest in the State criminal justice council, or its successor agency, which shall seek to have it used for criminal justice purposes elsewhere in the State prior to using it or disposing of it in any other manner."

U.S. DEPARTMENT OF JUSTICE,
OFFICE OF LEGISLATIVE AFFAIRS,
Washington, D.C., August 31, 1981.
The VICE PRESIDENT,
U.S. Senate,
Washington, D.C.

DEAR MR. VICE PRESIDENT: I am forwarding for your consideration a legislative proposal that would make several amendments to the Omnibus Crime Control and Safe Streets Act.

The proposed bill would facilitate the efforts of the Law Enforcement Assistance Administration (LEAA) and the Office of Justice Assistance, Research, and Statistics (OJARS) to terminate their program functions in an orderly manner. It would also remove several impediments to the success of the LEAA Prison Industry Enhancement program authorized by the Justice System Improvement Act, Pub. L. 96-157 (JSIA). That program is not dependent on continued funding for LEAA grants.

As you know, the FY 1981 appropriation for the Department of Justice allocates no criminal justice program funds to either LEAA or OJARS. The President's budget proposal for FY 1982 would also authorize no grant funds for LEAA or OJARS.

The Department of Justice has prepared, and is executing, a plan to conclude LEAA and OJARS program activities. A crucial feature of the LEAA/OJARS plan is the Department's intention to assure that every dollar of LEAA and OJARS assistance already awarded is expended in accordance with Federal cost and audit standards. In light of the steadily decreasing workforce at LEAA and OJARS it is imperative that remaining employees be permitted to devote themselves to achievement of that goal. Those sections of the Crime Control Act that require LEAA and OJARS employees to perform functions that have become less important in light of the Administration's budget plans should, therefore, be amended. The proposal accordingly includes an amendment to the Crime Control Act that would free LEAA staff of the obligation to prepare the detailed one-year and three-year reports required by the Act.

Another amendment to the Crime Control Act would permit LEAA recipients to retain title to personal property purchased with grant funds if they certify that the property will be used for criminal justice purposes. If they do not so certify, title will pass to the State Criminal Justice Council, which must seek to have it used for criminal justice purposes elsewhere in the State prior to disposing of it in any other manner. This amendment will avoid two less desirable results possible under Office of Management and Budget Circulars No. A-102 and A-110: (1) continued use by the grantee for non-criminal justice purposes; or (2) return of the property or its cash value to LEAA.

The final two proposed amendments would significantly enhance LEAA's ability to sponsor a successful "Prison Industry Enhancement" program under the Crime Control Act. The 1979 amendments to the Act authorized the Administrator of LEAA to certify up to seven pilot projects for the development of meaningful prison industry programs. In order to induce prison and private industry participation in the program, the Act offered an exemption from two Federal statutory restrictions on the sale and transportation of prison-made goods. The first of our two proposed amendments would also exempt the goods produced under this program from the revised Hawes-Cooper Act, 49 U.S.C. 11507, which, in essence, permits a State to keep goods made in an out-of-state prison from crossing its borders. This exemption would permit unrestricted national marketing of these goods, and accordingly offer both private industry and state corrections systems a significant economic inducement to operate meaningful and diverse prison industry programs.

The second amendment would eliminate the requirement that states participating in prison industries programs afford inmates workman's compensation and other "employment"-related protections. These requirements have proven to be a disincentive to several state correction departments who, by state law or policy, cannot accept the role of "employer" of their inmates. In order to rectify this problem, and to retain the protection of the Act intended to afford to inmates injured "on the job," our amendment would require a participating State to afford inmates "compensation for injury sustained in the course of participation" in the project.

I recommend prompt and favorable consideration of the attached technical amendments.

The Office of Management and Budget has advised that there is no objection to the submission of this legislation from the standpoint of the Administration's program, and that its enactment would be consistent with the Administration's objectives.

Sincerely,

ROBERT A. MCCONNELL,
Assistant Attorney General,
Office of Legislative Affairs.

By Mr. GARN (for himself and Mr. D'AMATO) (by request):

S. 2496. A bill to amend the Securities Exchange Act of 1934 to allow the Commission to accept reimbursement for travel, subsistence, and other necessary expenses incurred by members and employees in attending conferences; to the Committee on Banking, Housing, and Urban Affairs.

REIMBURSEMENT FOR CERTAIN EXPENSES OF SECURITIES AND EXCHANGE COMMISSION MEMBERS

● Mr. GARN. Mr. President, I am introducing today, for myself and Senator D'AMATO, by request, a bill which would amend the Securities Exchange Act of 1934 to enable the Securities and Exchange Commission to accept reimbursement for travel and subsistence expenses incurred by SEC members or employees under certain circumstances.

I ask unanimous consent that the text of the bill, together with a copy of a letter from SEC Chairman Shad transmitting the proposal and a brief analysis prepared by the SEC, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2496

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4 of the Securities Exchange Act of 1934 (15 U.S.C. 78d) is amended by adding at the end thereof the following new subsection:

"(c) In accordance with regulations which the Commission shall prescribe to prevent conflicts of interest, the Commission may accept payment and reimbursement, in cash or in kind, from non-Federal agencies, organizations, and individuals for travel, subsistence, and other necessary expenses incurred by Commission members and employees in attending meetings and conferences concerning the functions or activities of the Commission. Any payment or reimbursement accepted will be credited to the appropriated funds of the Commission. The amount of travel, subsistence, and other necessary expenses for members and employees paid or reimbursed under this subsection may exceed *per diem* amounts established in official travel regulations, but the Commission may include in its regulations under this subsection a limitation on such amount.".

SECURITIES & EXCHANGE COMMISSION,
Washington, D.C., December 22, 1981.
Hon. JAKE GARN,
Chairman, Senate Committee on Banking, Housing, and Urban Affairs, Washington, D.C.

DEAR CHAIRMAN GARN: I am pleased to transmit, on behalf of the Securities and Exchange Commission, the attached legislative proposal, which would amend the Securities Exchange Act of 1934. The legislation the Commission is proposing would permit the Securities and Exchange Commission to accept, under circumstances carefully tailored to avoid conflicts of interest, payments and reimbursements which defray the cost of travel and subsistence incurred when Commission members or employees attend non-federally sponsored meetings concerned with the functions or activities of the Commission.

The proper administration of the federal securities laws and the rules thereunder depends, in large part, on the existence of an informed industry, securities bar and public. The Commission has, over the last 45 years, found that a particularly effective means to achieve this goal is for Commission members and employees to participate in and attend meetings and conferences which focus on developments and emerging trends in securities regulation and related topics. In most instances, such participation and attendance have been in the form of Commission officials speaking at such programs. The existing constraints on accepting such reimbursement, coupled with the restrictions on the size of the Commission's travel budget, have compelled members of the Commission to limit their participation in educational and similar programs aimed at examining the federal securities laws and their impact.

Sponsoring organizations are often willing to pay the actual expenses of Commission members and employees invited to participate in meetings and conferences of an educational nature. While Commission employees may often accept such offers, an interpretation of the federal conflict of interest laws by the Comptroller General prohibits acceptance by Commissioners in most instances. The Comptroller General, however, has determined that when an agency has the authority to accept the reimbursement as a gift to the agency, it may be accepted regardless of whether an officer or employee of the agency is involved. While a number of federal entities currently have such authority, the Commission does not.

Giving the Commission such authority would permit Commissioners to continue to engage in educational functions, while placing the burden of the cost of such participation appropriately on its primary beneficiaries, those who constitute the audiences. Moreover, as described in the attached legislative proposal, the circumstances under which such reimbursement would be accepted by the Commission would be carefully tailored to avoid any real or apparent conflicts of interest.

The views expressed here and in the accompanying materials are those of the Commission, and do not necessarily represent the views of the President. These materials are being simultaneously submitted to the Office of Management and Budget. We will inform you of any advice received from that Office concerning the relationship of these materials to the program of the Administration.

Sincerely,

JOHN S. R. SHAD.

ANALYSIS

This bill would amend the Securities Exchange Act of 1934 to give the Commission the authority to accept, on behalf of the agency, payment and reimbursement for travel and subsistence expenses actually incurred by Commission members or employees in connection with their attendance and participation at conferences and meetings concerned with the functions or activities of the Commission. This amendment is intended to permit the Commission to accept such reimbursement under circumstances which the Comptroller General has deemed consistent with the Federal conflict of interest laws and which are in accord with the Commission's own regulations prohibiting actual or apparent conflicts.

Reimbursement for travel and subsistence expenses actually incurred by members and employees of the commission in connection with attendance at and participation in educational meetings can now, under certain circumstances, be accepted directly by the member or employee involved. While employees of the Commission generally can accept such reimbursement, members of the Commission are severely limited in the number of circumstances in which they can accept reimbursement. As a result, on many occasions, travel by members of the Commission must be paid for from the Commission's appropriated funds or from a member's personal funds. This amendment is intended to shift the responsibility for accepting reimbursement from the individual member or employee of the Commission to the Commission itself. This would permit acceptance of reimbursement for expenses of both members and employees under the same terms.

The Comptroller General has ruled that travel and subsistence expenses for government officers or employees traveling on official travel orders must be paid by the employing agency from appropriated funds.[1] If the agency has the authority to accept gifts, the agency may accept a gift of travel and subsistence expenses, in cash or in kind, without receiving an improper augmentation of its budget.[2] In turn, reimbursement to the officer or employee comes from the agency in accordance with existing travel regulations.[3]

In accordance with the Comptroller General's ruling this amendment provides that payments and reimbursements accepted by the Commission will be credited to the agency's appropriated funds, and to that extent, augment the agency's authorization. Further, payments and reimbursements would be paid directly to the agency. Members and employees would travel on official orders from the Commission and would be reimbursed by the Commission in accordance with federal travel regulations.

However, the Commission believes that when members and employees are participants in meetings and conferences, they are often not at liberty to make their own accommodations, such arrangements being made by the sponsor organization. Per diem amounts are generally not sufficient to pay the usual accommodation expenses at meetings and conferences. Accordingly, the Commission believes it is appropriate that existing per diem regulations not apply when travel and subsistence expenses are reimbursed to the Commission. The amendment, therefore, provides that travel and subsistence expenses for Commission members and employees, which are paid by non-federal entities, would not be limited by the per diem regulations of official government travel regulations.

The amendment requires the Commission to adopt or maintain regulations which will prevent real or apparent conflicts of interest in situations where reimbursement for travel and subsistence expenses by Commission members and employees is accepted from non-federal entities.●

By Mr. HEINZ:

S. 2497. A bill to promote the principles of free and fair trade, and for other purposes; to the Committee on Finance.

OMNIBUS TRADE ACT OF 1982

● Mr. HEINZ. Mr. President, the multilateral trade negotiations (MTN) and the Trade Agreements Act of 1979 that grew out of it represent a watershed in the development of American trade policy. That law is the culmination of years of negotiation and extensive work by the administration, the Congress, and many private sector parties. I supported that bill at the time it passed, and I support it now. It was a legitimate and constructive effort to update our international trade rules and conform U.S. law to them.

Nevertheless, in the intervening 2½ years several difficulties have become apparent which require additional congressional action. These can be placed in three categories:

First, problems left untouched by the MTN;

Second, problems caused by the MTN or unexpected developments that have occurred; and

Third, new trade problems that have developed despite the MTN and Trade Agreements Act of 1979.

UNTOUCHED PROBLEMS

In this category there are two—how to handle unfair trade practices by nonmarket economies and what to do about a safeguards code.

The nonmarket economy problem is one I have discussed before, and it is the subject of previous legislation I have introduced—S. 958. The bill I am introducing today includes the text of S. 958 as title IV.

In my view consideration of the nonmarket economy problem is particularly important due to the growing complexity of our trade relations with Socialist economies. Increased trade has produced more unfair trade practice cases involving nonmarket economies and consequently more dissatisfaction with present law. Most of it is based on one fundamental deficiency—the concept of dumping—sales at less than fair value—is inherently a free-market concept. It is useful only to the extent that costs and prices in an economy are real, so that a fair value can be determined. With rare exceptions, these conditions do not exist in a nonmarket economy, and our law has become seriously contorted in an effort to deal logically with this fundamental inconsistency.

Since 1978, U.S. administrative regulations have attempted to cope with these problems through the use of the comparable economy concept. In this approach, a free-market country at a comparable stage of economic development with the nonmarket country is selected and the price of a like article in that economy (or the constructed value of the article—what it would cost to produce it) is used to make the comparison.

This concept, however, is flawed in several important respects, notably in its two basic assumptions that a simple and accurate basis exists for determining when economies are at comparable stages of development and that comparable overall levels of development—assuming such can be determined—mean comparable levels within a particular industry. For example, when a country has targeted a particular industry for rapid development in order to stimulate its export sector, the level of development in that industry is likely to be greater than the economy as a whole, thus making industry specific comparisons based on aggregate national analyses highly misleading.

Title IV of the bill (and S. 958) seeks to deal with this problem by replacing both section 406 of the Trade Act of 1974 and the nonmarket sections of the Antidumping Act with a new system based on the principles of treating nonmarket economies as much like Western economies as possible and of providing a fairer and more

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[1] 36 Comp. Gen. 268 (1956).

[2] 46 Comp. Gen. 689 (1970).

[3] Id. at 690–691.

certain means of determining whether an unfair practice has occurred.

Let me emphasize this latter point—GAO studies and other evidence presented to Congress in different contexts makes clear that uncertainty is one of the major deterrents to trade. One of the biggest drawbacks of present law is the uncertainty that the investigatory process creates for both parties in a dispute.

In title IV, an interested party could file a complaint against a nonmarket economy alleging artificial pricing. Procedures and time limits for the ensuing investigation are the same as in a countervailing duty investigation.

During the course of the investigation, the Commerce Department would consult with the nonmarket economy's government and solicit from it information that would enable the Department to determine dumping or the presence of a subsidy subject to the standards of current law for free-market economies.

If, in the Department's judgment, sufficient, verifiable information is provided to permit the case to be treated as a normal antidumping or countervailing duty case, then the Department shall do so, moving the investigation to the appropriate track at the same point in time, and applying the injury test as appropriate if the nonmarket economy in question has signed the relevant code. Of course, the provisions of those statutes permitting suspension of the investigation would also apply, as would all other provisions of current law.

In those cases where the nonmarket economy will not or cannot provide the necessary information, preventing the complaint from being handled in a normal way, a different standard would be employed. That standard would define artificial pricing as sales below the price of the lowest average price free-market producer with appropriate adjustments. Even in this case, however, the petition would be treated pursuant to the timeframes and procedures applicable to countervailing duty investigations in existing law. In short, the current concept of a section 406, which in many ways parallels section 201, would cease to exist, and instead the section would be redesigned to deal with unfair trade practices by nonmarket economies rather than simple market disruption. The latter could be handled through existing escape clause procedures under section 201 of the Trade Act of 1974. This approach is more consistent with the division in current law between fair and unfair trade practice relief provisions and is intended to conform to that division.

In my judgment, we have tried to create with this approach a carrot and stick mechanism that will encourage nonmarket economies to cooperate with our Government in investigating the allegations in petitions filed against them and to adjust their economies in a way that will permit such cooperation to take place. Every opportunity is presented to treat these countries in these cases precisely as all other nations are treated under our laws, even to the extension of the injury test in appropriate cases. This represents a "liberalizing" of present law; while at the same time the alternative "lowest average price free market producer" test provides a certainty and administrative ease of determination absent in present regulations.

SAFEGUARDS

The safeguards problem is also a complex one. Agreement has not been reached on a code, and dissatisfaction with the present situation lingers.

For my own part, I have long been bothered by the way our law operates. Sections 201-203 of the Trade Act of 1974 provide an escape clause mechanism whereby industries injured by imports can seek relief. The relief is designed to be temporary and only sufficient to give the impacted industry time—a "breathing space"—to adjust to competitive circumstances. The preparation of an adjustment plan is increasingly becoming an important part of the escape clause process.

The chief flaws in the process, in my judgment, are the interagency process that considers the International Trade Commission's recommendation, and the sorry record of the most recent administrations, particularly the last one, in accepting ITC recommendations. The Commission is the independent body best equipped to objectively and accurately render a judgment and make recommendations in these matters. I believe it is the intent of Congress that adherence to the ITC recommendation be the rule rather than the exception it has been for at least the past 5 years. During the Carter administration, for example, the ITC recommended relief in 17 of 28 escape clause cases. In none of those the President took the recommended action, although in nine he did take some action.

In part this was the President's fault; in part the fault of an interagency review process which is characterized by most participants taking a predetermined position that rarely changes from case to case. That forces the brokering of a compromise which is invariably unrelated to the merits of the case and usually inadequate because it is incomplete. As a result the industry gets less protection or "leakier" protection that it deserves or needs, and thus does not have the proper climate for adjustment. Its failure thus becomes a self-fulfilling prediction for the opponents of relief who use that to fight a renewal or revision. Not surprisingly, there have been very few successful cases of adjustment. Specialty steel is the one that comes to mind.

The inadequacy of the process requires some reform: a closer relationship between the ITC's recommended relief and the relief actually implemented, and an appropriate standard of injury and causation that can actually be met.

My bill would meet both those objectives. If enacted, the President would be required in all but exceptional cases to follow the ITC's recommendations. He could disagree with the Commission and implement a different relief plan (or no relief) only if both Houses of Congress approved his alternative. This would give the President the flexibility he needs to deviate from the Commission's recommendation if the national interest so dictated, but it would insure that such deviations were the exception rather than the rule. Moreover, if the President did recommend an alternative to the Congress, he would have to certify that it also ameliorated the injury to the same degree as the Commission's recommendation.

With respect to the injury test, my bill would conform it to the same standard of material injury presently used in dumping and countervailing duty cases, and it would conform the "causation" standard—the necessary link between imports and injury to the level provided in the trade adjustment assistance program. These changes will make the escape clause process more effective and will promote more genuine adjustment.

Over the long term, of course, the Congress should also turn its attention to the more complex problem of encouraging meaningful economic adjustment domestically. One of the innovative approaches that deserves serious consideration is the idea that in return for full implementation of a strong import relief program, labor and management in the affected industry should get together on an adjustment plan for the industry. While I believe such relief is something industry is entitled to under our law, it makes sound economic sense to encourage an affected sector to evaluate critically its own situation and to work together—labor and management—to improve its competitive position. In some cases that might imply concessions from one side to the other. In other cases, such as are occurring with the mushroom industry now, it implies only a careful appraisal of what future directions are likely to be profitable, and it has led in that case to the introduction of domestic marketing order legislation by Senator SPECTER, Congressman SCHULZE, and myself.

Let me clear, Mr. President, that I am not now advocating such a comprehensive adjustment program, and it is not a part of this bill. I do intend, however, to give it further study.

PROBLEMS CAUSED BY THE MTN

In this category there are two issues involving the Subsidies Code and our antidumping law.

SUBSIDIES CODE AND SIGNATORY COMMITMENTS

The centerpiece of the MTN was a new Subsidies Code which defined the term "subsidy" more clearly and specifically permitted signatories to take action against subsidized imports if they were injuring the domestic industry.

This effort to impose greater discipline over subsidies is of tremendous importance to the international economic system. Export subsidies distort the free market system by permitting a country to maintain or increase production and employment through artificially low prices, with the Government making up the losses. Over the long term this practice seriously damages an economy by draining Government resources into relatively unproductive sectors and distorting comparative advantages at the expense of competitive sectors. Over the short term, however, such practices permit a hard-pressed Government to maintain employment and effectively export its economic problems to other nations, most often the United States, which has historically had the most open trading system.

A classic example of this problem has been the European Community's steel industry. For years a number of EC nations, notably Great Britain, France, and Italy, have subsidized production to maintain employment in the face of growing uncompetitiveness. Last year British steel loss $1.3 billion; yet it continues in operation thanks to Government payments. The EC has recognized this problem in steel and has begun a politically painful series of actions to rationale the industry by reducing it to its most productive parts. It has not yet recognized the problem in agriculture despite the growing cost of subsidies. Last year the EC's common agricultural policy cost over $11 billion in support payments, 70 percent of their budget, much of which has been financed through a variable levy on imported agricultural products, including those of the United States.

Both the last administration and the current one have condemned susidies and promised aggressive enforcement of our trade laws against them. Clearly, as the freest trader, we have the most to gain, in principle and in reality, through the reduction of others' subsidy practices.

Unfortunately, inflation, large energy bills, slowing development, and the need for hard currency to finance growing debt burdens have encouraged a growth in subsidies practices among developing nations who have not yet signed the Subsidies Code and created serious difficulties for our efforts to obtain more signatures to the Code, and thereby more discipline over subsidies.

Signing the Code has a major benefit for lesser developed countries (LDC's)—the application of an injury standard. Under our laws our obligation to provide countervailing (compensating) duties against subsidized products if they are injuring our industry extends only to countries that have signed the Code or which have accepted equivalent bilateral obligations. Other countries will have such duties imposed simply upon a finding that their products are subsidized. Since many LDC's export here in quantities presently too small to sustain an injury finding, whether or not the injury test is applied to their products is of great importance in determining the outcome of the case.

That is our leverage in obtaining meaningful commitments to end subsidies, and it is fair to say LDC's often begin to express an interest in signing the Code when there is a complaint against them in the United States, because such accession would give them the injury test in the United States in that case. This has happened in the cases of Pakistan (apparel), India (apparel, manhole covers, and fasteners), and Australia and New Zealand (lamb).

Unfortunately, our leverage in such cases to obtain a real commitment not to use subsidies is being squandered by an inconsistent policy inherited from the last administration. Every set of commitments we have obtained has been different, and most have fallen far short of the standard the administration indicated it would adhere to when the MTN was being completed.

At that time, USTR officials promised that the United States would not accept LDC Code signatures unless the country agreed: One, not to expand the range of subsidized products for export beyond those covered at the time of accession; two, not to raise the level of export subsidy; three, not to introduce new export subsidies; and four, to provide a timetable for phasing out existing export subsidies.

The fourth commitment—the phase-out timetable—is the most important and also the most difficult to obtain, because it demands a rollback from present practice.

It is here that our policy has fallen short. In the case of Pakistan the Carter administration accepted a more modest commitment. Subsequently, the Reagan administration accepted a similarly inadequate agreement with India. In the Reagan administration, the other commitments we have obtained have continued to differ from each other. The result is a policy which: One, does not meet the promised standard; two, exposes us to GATT charges of discrimination; and three, does not further our goal of reducing subsidies. Ambassador Brock in his testimony before the International Trade Subcommittee on February 11 admitted the inadequacy of the Indian and Pakistan commitments and the support of the administration for our original commitments policy as I have outlined it above.

To remedy those problems, I recently introduced S. 1511 which would put into law the four commitments listed above and require that our Government obtain them before granting the injury test. The text of that bill is included in this bill as title IV.

DUMPING

The Trade Agreements Act of 1979 amended and significantly changed the Antidumping Act and our countervailing duty law, but they did not solve all the attendant problems those statutes created. Indeed, subsequent practice with the law has suggested a number of areas that have simply not worked smoothly. While a number of needed changes will be reserved for later legislation, two are of sufficient importance to be included in this omnibus legislation.

The first proposed change relates to the calculation of exchange rates in determining dumping. As long as the system functioned with fixed exchange rates, this was no problem. When rates began to float, their variation over time could often eliminate dumping margins—or create them where none existed previously.

Charles Carlisle, vice president of St. Joe Minerals Corp., testified on this point on behalf of the group of 33 before the Trade Subcommittee of the Ways and Means Committee on December 16, 1981:

> The system of "pegged" exchange rates under the Bretton Woods Agreement was abandoned in 1973 in favor of a system of floating exchange rates. This has created serious distortions in the administration of the antidumping law which is based on the use of quarterly exchange rates (announced by the Federal Reserve at the beginning of each quarter) to compare the foreign producer's home market price to its export price to the U.S. market. That approach only works, however, when exchange rates are reasonably stable over the period of an antidumping investigation.
>
> Recognizing this problem, the Commerce Department has adopted a rule to negate any dumping margin which is caused soley by exchange rate fluctuations (19 CFR 35.26(b)). This is a sensible rule, except for one thing. It is entirely one-sided; it only applies where the foreign producer is adversely affected. There is no corresponding adjustment where the use of quarterly exchange rates adversely affects the American industry concerned. It appears that a statutory amendment is necessary to prevent the continued unfair skewing of the exchange rate adjustment rule against domestic industry and labor.

This section of the omnibus bill makes the necessary amendment.

DOWNSTREAM DUMPING

The phrase "downstream dumping" refers to the existence of two-tiered pricing for parts, components and raw materials used in the production of products imported into the United States. To illustrate:

A steel mill in Japan sells steel to U.S. metal fabricators at $100 per unit. It also sells the same steel to Japanese metal fabricators at $80 per unit. The Japanese fabricators in turn export their finished products to the U.S. market at a $20 per unit advantage on their raw material costs.

Such international price discrimination is obviously an unfair trade practice which the present antidumping provisions cannot redress. In this illustration the $80 price for steel would be a dumping price if the steel were exported to the United States directly. However, the Japanese steel mill is able to dump steel in the U.S. market through the Japanese metal fabricators, even though it could not export the steel directly to the U.S. market at $80 per unit without incurring antidumping duties.

The problem of "downstream dumping" is real, as documented during the September 10, 1981, hearing on industrial fasteners before the International Trade Commission. There, information supplied by Japanese fastener manufacturers showed that the price they paid for steel wire rod was substantially below the published U.S. trigger price for such wire rod. I ask unanimous consent that that table be printed at this point in the Record.

There being no objection, the table was ordered to be printed in the Record, as follows:

COMPARISON OF ANNEALED WIRE ROD PRICES IN JAPAN WITH TRIGGER PRICES

	Cost of carbon steel wire rod in Japan for selected Japanese fasterner manufacturers [1]		Trigger price for wire rod (AISI No C1018 with annealing extras,[3] Dollars/MT	Differential (percent)
	Yen/KG	Dollars/MT [2]		
1980:				
1st quarter	78.8	323.56	405	20.1
2d quarter	85.5	367.44	[4] 430	14.5
3d quarter	85.5	388.50	[4] 430	9.7
4th quarter	85.5	405.85	455	10.8
1981:				
1st quarter	85.5	415.92	451	7.8
2d quarter	85.5	388.64	472	17.7
3d quarter	85.5	371.09	472	21.4

[1] Source Prehearing brief of Fasteners Institute of Japan, table 8

[2] Yen price converted to dollar based on following exchange rates Dollar = 243.54, 1st quarter 1980; 232.69, 2d quarter 1980; 220.08, 3d quarter 1980; 210.67, 4th quarter 1980; 205.57, 1st quarter 1981; 220.00, 2d quarter 1981; and 230.4, Aug. 25, 1981. Source: IMF (except Aug. 25, 1981, rate from Wall Street Journal)

[3] Price for 7/32 in. to 23/64 in. diameter wire rod, F.O.B. Japanese port. This is lowest priced size in AISI No. C1018 category. C1018 is lowest priced category of 3 most commonly used categories of wire rod in fastener manufacturing. Source. Commerce Department.

[4] TPM suspended in 2d and 3d quarters 1980. Figures are an average of 1st quarter 1980 and 4th quarter 1980 trigger prices with annealing extras.

Mr. HEINZ. Mr. President, an amendment to prevent such downstream dumping is clearly needed. The incidence of downstream dumping adversely affects the domestic steel industry by reducing the demand for domestic steel mill products by displacing domestic production among a major customer group—U.S. metal fabricators. The second amendment in this title of the omnibus bill will clarify that such practices could be reached through the Anti-Dumping Act.

NEW PROBLEMS DEVELOPED SINCE THE MTN

Mr. President, just as the MTN did not solve all problems, neither did it anticipate all problems. In fact, in the past 2 years we have become increasingly sensitive to changes in our trade relationship with certain of the more successful developing countries and with our developed country trading partners.

With respect to developing countries, it is becoming increasingly clear that our GSP program is providing the lion's share of its benefits to countries that are no longer truly developing.

After more than 5 years of operation, there is considerable question as to whether the GSP program fully meets the intent of Congress. It has become apparent that GSP is helping most the countries which need it least—those which have developed the most, in areas where they need it the least, and that it helps least the lesser developed nations who need it most.

In 1979, Taiwan, Hong Kong, and Korea accounted for 50 percent of all GSP imports, and Brazil and Mexico for another 20 percent. With these five countries taking up 70 percent of GSP imports, little benefit from the program goes to the other 130 lesser-developed countries. It is also clear that the GSP program is failing to graduate the most advanced developing countries when the volume of their exports makes clear they are now fully competitive in particular economic sectors.

The distribution of GSP benefits among developing countries has been uneven. Those high-income beneficiaries which are the United States main trading partners also are the major beneficiaries of the U.S. scheme.

To deal more effectively with the need to encourage trade with the poorest countries, Senator Moynihan, and I have introduced S. 1150, which would distribute GSP benefits more equitably. This proposal was initially suggested by LICIT, the Labor Industry Coalition for International Trade and introduced by Senator Moynihan and myself in a different form in 1980 (S. 3201). This title is identical to S. 1150. Its major provision provides for an indexing/graduation system based on country and standard industrial classification (SIC) codes. Under the bill, a country would no longer receive GSP benefits for a product sector if its exports to the United States in that sector exceeded $250 million in 1 year—this figure to be indexed as in present law. The term "product sector" is defined as the appropriate two-digit SIC code, which is referred to in the SIC manual as a "major group."

Classification by this means would eliminate GSP treatment for the advanced sectors of an economy which are internationally competitive, yet retain GSP eligibility for a nation for other sectors of its economy, thus retaining intact the principle that the benefit of duty-free importation should be concentrated in areas that are not yet able to compete with industrial economies on equal terms.

It is important to note at this point that the graduation concept does not, by itself, necessarily lead to reductions in imports of the graduated products. If one examines product categories for the top seven suppliers which were graduated by the existing competitive need formula in 1978, one finds that in those categories those countries' imports still grew by 6.5 percent per year from 1977 to 1979, despite the graduation.

At the same time, however, imports of those products from other developing countries over the same period increased 23.3 percent per year. The obvious conclusion is that graduation can, indeed, lead to the focusing of benefits on the poorer nations because it "makes room" for LDC imports currently crowded out by imports from the more advanced developing nations. This proposal would carry this concept further.

One of the other serious problems with the present GSP system is the difficulty of removing items because of import sensitivity. Although a number of the most import-sensitive products are excluded from GSP by statute, many others are not, and it has become apparent that the administration seldom deletes an article from the GSP list because of import sensitivity. The administration's last two lists make some progress in that direction, but in my judgment it is not enough, and I am not convinced it will be sustained.

OTHER PROVISIONS

Present law provides for exclusion from GSP articles that are subject to a section 201 import relief action of a section 232 national security action. This legislation expands these exclusions by adding to them articles subject to outstanding countervailing or antidumping duties. That circumstance would occur after a final injury finding and after a final finding of either dumping or a subsidy, as the case may be. This further limitation would make clear our commitment to enforcing our law against unfair trade practices and to make sure that such enforcement is well coordinated with overall trade policy.

Otherwise, we face the circumstance where countervailing duties might be imposed on a subsidized product entering the United States at the same time the U.S. Trade Representative is deciding to provide duty-free treatment for the same article. The GSP system is designed to provide benefits for developing countries, and within certain limits the United States is prepared to absorb increased imports at some risk of injury to domestic industries.

It goes too far, however, to suggest that our policy should extend to accepting imports that are the product of unfair trade practices by others. Products which are dumped or subsidized—and which are injuring American producers—have no place in a true free trade system and should be attacked at every opportunity. If we are ever going to have an established set of rules for the international marketplace, we must insist on full adherence to existing rules, however inadequate they may be, even on the part of developing nations just entering into international competition. While the industrialized states should temper their protectionist responses to imports that are competitive in order to encourage further LDC development, they should nonetheless insist on firm standards with respect to unfairly traded goods. This bill meets that standard.

Second, this title also contains a provision permitting the President to withdraw GSP benefits if a country "imposes unjustifiable, unreasonable, or discriminatory trade related restrictions or requirements as conditions on investment." This language is an effort to attack the performance requirement problem which is also the subject of the next title.

I would also note that this title contains language establishing a petition procedure permitting interested private parties to seek removal of GSP benefits because performance requirements have been imposed. This process, while insuring the appropriate degree of discretion for the administering authority, also guarantees petitioners a definite answer within 90 days, preventing the Government from simply "swallowing" the petition and never providing a substantive response.

The petition procedure also applies to section 3 of the title which adds a provision containing some additional factors the President must consider in deciding whether or not to limit or withdraw the duty-free treatment provided by the GSP program. These factors include a judgment as to the import sensitivity of the article in question based on:

First, growth in the import penetration ratio of all imports of that article; second, declines in employment in the United States connected with the production of like or directly competitive articles; third, the volume of imports of directly competitive articles; fourth, the fact that the article in question is like or directly competitive with articles already excluded from GSP treatment under section 503; and fifth, any other relevant factors. In addition, if the President finds that the conditions in first and second above exist in an industry with very small domestic production compared to imports, then he could continue the GSP benefit only if he found it in the national economic interest to do so.

The purpose of this provision is to tie the program more closely to actual economic conditions in the United States and to insure the problems of import-impacted industries are fully considered. Rather than simply exclude more products by statute, as was done when the program was created in the Trade Act of 1974, we are adding these import sensitivity criteria to insure that that question is adequately considered by the administration in a manner which gives them the flexibility to adjust to changing economic conditions.

It is also worth noting that these changes, particularly the SIC code provision, are additions to the current program, not substitutes for it.

Mr. President, after 6 years' experience with the generalized system of preferences, it is time for an overhaul. The Carter administration proposed some procedural changes which the Reagan administration has begun to implement without additional legislation. In my judgment that is not enough. A complete reevaluation of the GSP program is needed to determine how it can best meet the needs of lesser developed countries, and how we can avoid having all the benefits of the program consumed by the more developed countries.

This is not to suggest that the latter countries no longer need our support or asssistance. Rather it suggests that the GSP program, conceived for LDC's, is not the proper place for support to the relatively advanced newly industrializing countries (NIC's).

RECIPROCITY

Mr. President, the final title of my omnibus bill is identical to S. 2071, the reciprocal market access legislation I introduced on February 4. Rather than explain it in detail, I would refer interested parties to my statement introducing the bill in the CONGRESSIONAL RECORD of February 4, 1982. In addition, I ask that a copy of a factsheet explaining the bill be printed at this point in the RECORD.

There being no objection, the factsheet was ordered to be printed in the RECORD, as follows:

SENATOR HEINZ' RECIPROCAL MARKET ACCESS LEGISLATION

This legislation clarifies the President's current authority and gives him new authority to deal with problems of reciprocal market access or discriminatory treatment of U.S. goods, services, or investment abroad. It is an amendment to section 301 of the Trade Act of 1974.

HOW IT WORKS

Present law

Section 301 creates a process whereby private parties, or the President on his own initiative, can make a complaint about other nations' violations of the General Agreement on Tariffs and Trade (GATT) rules or the GATT's various codes, or other discriminatory actions, and seek redress, first through the GATT consultation/dispute settlement process and ultimately through direct retaliation.

Under the law an interested private party could file a petition (or the President could directly initiate a case), which the U.S. Trade Representative (USTR) would then have 45 days to consider and either accept or reject.

If accepted, an investigation into the allegations is begun, and GATT consultations are requested simultaneously. If the consultations do not resolve the matter and a GATT issue is involved, then USTR would initiate GATT dispute settlement proceedings, which could last from 6 months to more than one year, depending on the nature of the case.

At the conclusion of the proceedings, the USTR mades a recommendation to the President, who then has three weeks to decide what action to take. While a recommendation and a Presidential decision are mandatory, there is no requirement that either be positive, and there is no Congressional override.

Permissible actions include suspending or withdrawing existing trade agreement concessions or imposing duties, fees, or restrictions on the goods or services of the country in question.

Proposed bill

The legislation would make the following changes in the present procedures:

(1) In addition to GATT and code violations and "discriminatory" actions, the bill clarifies that non-reciprocal market access or non-national treatment are grounds for a complaint and Presidential action, whether they involve a GATT violation or not. (National treatment means treating foreign entities operating in one's country in a manner equivalent to the way comparable domestic entities are treated).

(2) In addition to initiation of a case through petition or Presidential request, the bill would also permit it by resolution of the Ways and Means or Finance Committee.

(3) With respect to cases involving reciprocity or national treatment, the President is given specific additional authority in addition to the general retaliatory authority in present law. The new authority includes:

(a) Specific authorization to engage in bilateral or multilateral negotiations to resolve the problems;

(b) Adjusting government procurement policies;

(c) Instructing the U.S. directors of the World Bank and the IMF to oppose loans or other assistance from countries not providing reciprocal market access or national treatment;

(d) Requesting specific federal regulatory agencies, including bank regulators, to take reciprocity issues into account when considering applications from foreign entities;

(e) Proposing "mirror image" legislation to impose equivalent restrictions, which would be considered by Congress under "fast track" procedures'

(f) Specific authorization to take any other action he determines appropriate.

(4) In these cases the President is also given the option of not using the GATT consultation/dispute settlement process, though it would be open to him. If he chose not to go to the GATT, the USTR recommendation to the President would be due one month after the case was initiated.

(5) Midway through the GATT process (no later than 120 days after the initiation of the case) the President would be required to make public a list of actions he is considering in the event the GATT process fails.

(6) Specific authorization is also provided to negotiate an international agreement on direct investment.

REASONS FOR CHANGE

This bill is intended to clarify, focus, and in some respects expand existing law, without removing either its discretionary base or its centralization in the Executive Office of the President.

The practices that could be subject to complaint, while sometimes blatant cases of discrimination, are also sometimes simply representative of the development of different cultural or economic practices that cannot be easily removed. As a matter of policy, the President should be encouraged to negotiate our differences on these matters rather than be required simply to retaliate. He should be given maximum flexibility to conduct such negotiations along with adequate leverage to obtain results: and control of this process, because of its delicacy, should be centralized in his office rather than throughout the various agencies.

This bill meets that standard by:

(1) Clarifying present law to include specific references to reciprocal market access and national treatment as principles the President can act to maintain or promote;

(2) Clarifying present law to insure that it applies to goods, services, and investment;

(3) Focusing attention on reciprocity/national treatment issues through specific references to them in the statute and through the special procedures and authorities created for them;

(4) Providing new retaliatory authority in the form of provisions on federal procurement policies, "mirror image" legislation using expedited procedures, and Presidential requests to regulatory agencies;

(5) Increasing our negotiating leverage through the requirement that retaliatory actions under consideration by made public midway through the GATT process;

(6) Broadening the base of the law by permitting Congress, by committee resolution, to file a complaint.

NEED FOR THE BILL

The bill is necessary because:

(1) It is not sufficiently clear in existing law that non-GATT violations involving reciprocity or national treatment are proper subjects for a 301 inquiry. Examples of probable non-GATT issues are the Canadian energy policy, the Canadian foreign investment review process (FIRA), and investment-related performance requirements generally, including equity ownership limits, and forced licensing or research and development transfers. The GATT process, of course, would also not be applicable, even in the case of a violation, to cases involving countries that do not belong to the GATT, like Mexico.

(2) Barriers to investment are not adequately reachable under current law, nor does the President have authority to retaliate against investment in this country.

(3) The President lacks explicit negotiating authority to deal with these matters on a bilateral basis.

(4) Presidential retaliatory authority in present law is not sufficiently clear, and there are few precedents to provide guidelines.

(5) Present law contains no authorization to begin negotiations on an International Investment Code.

Mr. HEINZ. Mr. President, a hearing was held on this bill and Senator DANFORTH's similar proposal (S. 2094) on March 24. Based on administration testimony at that time, there is some feeling that a single compromise bill can be developed. I am skeptical about the likelihood of an adequate bill being developed under those circumstances and would suggest that the administration's reluctance to accept some of the provisions of our bills is based in part on a misunderstanding of our objectives. I recently had occasion to speak to that point at the Chamber of Commerce's International Forum on March 17. I ask, Mr. President, that an excerpt from that speech appear at this point in the RECORD.

There being no objection, the excerpt was ordered printed in the RECORD, as follows:

In 1979 the Japanese announced they were relaxing their foreign investment laws, but their individual ministries retained authority to impose restrictions on foreign investment in Japanese companies if, among other things, national security would be affected. Thus far national security has been used to restrict investment in a cosmetic/pharmaceutical company and a silk cocoon producer.

There are many more examples that are public knowledge—beef and citrus quotas and laborious testing requirements in Japan. Restrictions on transborder data flows in Europe. Canada's energy program. They all demonstrate that the basic principles of an open world trading system are being deeply and dangerously undermined. It may be the exception in the United States, but protectionism is the rule elsewhere in the world.

Congress has noticed and has been the first to react. Senator Jack Danforth of Missouri and I have both introduced reciprocal market access bills which will be the subject of a hearing next week. Congressmen Frenzel, Jones and Conable have introduced a similar bill on the House side.

Our bills are intended to provide the President with broad discretionary authority and flexible new tools to attack trade barriers. They do not force action. They do not require automatic sector-by-sector retaliation. They are intended to open others' doors, not shut ours. They will do so by giving the President the means to translate tough talk into tough action. As the nation with the most open developed economy in the world, there is little in the way of remaining barriers for us to barter with. Our leverage with those who want trade to be a one-way expressway to U.S. markets is our open market. We should demand a two-way street, and threatening to slow the traffic down is our best leverage.

There are those who say that reciprocity amounts to a denial of the most-favored-nation principle, that it "bilateralizes" trade. In my judgment, reciprocity means free trade and open markets not just for the U.S. but for all nations.

In thumbnail sketch, that is what reciprocity is all about—providing leverage and a means to use it in order to expand open markets.

Mr. HEINZ. Mr. President, in my judgment, Mr. President, reciprocal market access legislation is not a response to economic difficulties at home, but rather to changing international trading conditions. Many nations are literally shutting their trade doors and launching policies of mercantilism. We cannot defend free market principles through rhetoric alone. We must also act aggressively to further our principles—for the good of our economy as well as that of the world trading system.

It is the objective of this bill to provide a better foundation for this more aggressive effort. Some of its provisions have been introduced previously. In fact some, like titles IV and V have already been the subject of hearings. Other sections hopefully soon will be, because it is the enactment of the entire bill, not just pieces of it that will give us a coherent trade policy capable of helping to restore America's competitive position.

Mr. President, I ask that the text of the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2497

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Omnibus Trade Act of 1982".

SEC. 2. FINDINGS; STATEMENT OF POLICY; PRESIDENTIAL ACTION.

(a) FINDINGS. —The Congress finds that—

(1) a free and open international trading system is of vital importance in the achievement of world economic growth and prosperity;

(2) world free trade is increasingly endangered by a variety of nontariff barriers and discriminatory restrictions and requirements imposed by a growing number of countries as presumed aids to development or perceived solutions to domestic economic or political problems;

(3) such nontariff barriers and discriminatory restrictions and requirements are proliferating in number, diversity, and complexity, and have replaced tariffs as the chief obstacle to free trade;

(4) the growth of these practices has been inconsistent with the most-favored-nation principle and seriously threatens that principle;

(5) as a nation with one of the most open trading systems, the United States is harmed more than other nations by these discriminatory practices;

(6) it is in our national interest to use our market power to fight the growth of these barriers, restrictions, and requirements, to reinvigorate the most-favored-nation principle, and to thereby promote free trade; and

(7) achievement of free trade may demand the use of tactics which by themselves limit trade in the short term, but which in the long term will effectively encourage other nations to remove their barriers and open their markets.

(b) Statement of Policy.—

(1) In general.—It is the policy of the United States to promote the principles of free and fair trade, and to fight other nation's trade barriers and discriminatory restrictions and requirements, both of which are deemed to be in the political and economic interests of both the United States and other nations participating in the international economic system.

(2) Definitions.—For purposes of paragraph (1)—

(A) the term "free trade" means the operation of an international economic system in accordance with free market principles, including adherence to the principles of comparative advantage and the avoidance of government intervention, either in the form of benefits (such as subsidies to domestic industries) or restrictions (such as quotas on foreign products), and

(B) the term "fair trade" means adherence to the principles of equity and reciprocity in international economic relations.

(c) Presidential Action.—To further the principles enumerated in subsection (b), the President is encouraged to—

(1) pursue further multilateral efforts to reduce tariffs and eliminate quotas and other nontariff barriers;

(2) pursue to their successful conclusion negotiations on development of a more comprehensive safeguard procedure which takes into account all forms of import restraints countries use in response to injurious competition or the threat of such competition;

(3) begin negotiations to broaden multilateral rules on unfair trade practices to include practices presently not covered, such as export subsidies;

(4) facilitate further negotiations and encourage the end of subsidy practices by other nations through aggressive enforcement of United States law;

(5) utilize section 301 of the Trade Act of 1974 (19 U.S.C. 2411) to bring unfair trade practices to the attention of any country committing such practices and to any country with respect to which the General Agreement on Tariffs and Trade applies between such country and the United States and to take retaliatory reciprocal actions if necessary to help end such practices;

(6) facilitate the reduction of unfair trade practices by proposing legislation or taking action pursuant to section 301 of the Trade Act of 1974 to impose reciprocal restrictions on offending countries;

(7) begin efforts to obtain multilateral agreements on trade in services and an international agreement limiting performance and investment requirements that may be imposed as a condition of doing business in a country;

(8) promote the adoption of international fair labor standards and of public petition and confrontation procedures in the General Agreement on Tariffs and Trade; and

(9) pursue the revision of articles of the General Agreement on Tariffs and Trade with respect to the treatment of border adjustments for internal taxes to redress the disadvantage to countries relying primarily on direct rather than indirect taxes for revenue needs.

TITLE I—IMPORT SAFEGUARDS

SEC. 101. MODIFICATION OF IMPORT INJURY STANDARDS.

(a) Standards for Import Injury Determination.—Paragraph (1) of section 201(b) of the Trade Act of 1974 (19 U.S.C. 2251(b)) is amended to read as follows:

"(b)(1) Upon the request of the President or the United States Trade Representative, upon resolution of either the Committee on Ways and Means of the House of Representatives or the Committee on Finance of the Senate, upon its own motion, or upon the filing of a petition under subsection (a)(1), the Commission shall promptly make an investigation to determine whether an article is being imported into the United States in such increased quantities as to contribute importantly to material injury, or the threat thereof, to the domestic industry producing an article like or directly competitive with the imported article.".

(b) Definitions and Application of Standards.—

(1) Material injury.—Paragraph (2) of section 201(b) of the Trade Act of 1974 (19 U.S.C. 2251(b)) is amended to read as follows:

"(2) For purposes of this chapter, the term 'material injury' means harm which is not inconsequential, immaterial, or unimportant, and shall be determined by the Commission in accordance with section 771(7) of the Tariff Act of 1930 (19 U.S.C. 1677(7)) (without regard to subparagraph (E)(i) thereof).".

(2) Contribute importantly.—Paragraph (4) of section 201(b) of the Trade Act of 1974 (19 U.S.C. 2251(b)) is amended to read as follows:

"(4) For purposes of this chapter, the term 'contribute importantly' means a cause which is important but not necessarily more important than any other cause.".

(c) Recommendation of Commission in Cases of Material Injury.—Paragraph (1) of section 201(d) of the Trade Act of 1974 (19 U.S.C. 2251(d)(1)) is amended to read as follows:

"(d)(1) The Commission shall report to the President its findings under subsection (b) and the basis therefor and shall include in each report any dissenting or separate views. If the Commission finds with respect to any article, as a result of its investigation, the material injury or threat thereof described in subsection (b), it shall recommend to the President those actions (for a period of time not to exceed five years) necessary to prevent or remedy material injury or the threat thereof to the industry in question and to facilitate the orderly adjustment to new competitive conditions by the industry in question, including—

"(A) an increase in, or imposition of, any duty on the article causing or threatening to cause material injury to such industry;

"(B) the imposition of a tariff-rate quota on such article;

"(C) a modification of, or imposition of, any quantitative restriction on the import into the United States of such article;

"(D) the negotiating of orderly marketing agreements with foreign countries limiting the export from foreign countries and the import into the United States of such articles;

"(E) the provision of adjustment assistance; or

"(F) any combination of such actions,

and shall include such findings or recommendation in its report to the President. The Commission shall furnish to the President a transcript of the hearings and any briefs which were submitted in connection with each investigation.".

SEC. 102. PRESIDENTIAL ACTIONS.

(a) Providing of Import Relief.—Section 203 of the Trade Act of 1974 (19 U.S.C. 2253) is amended to read as follows:

"SEC. 203. IMPORT RELIEF.

"(a)(1) If the President proclaims the import relief recommended by the Commission, or announces his intention to negotiate one or more orderly marketing agreements pursuant to the Commission's recommendation, the President shall on the date such proclamation is made transmit to Congress a document setting forth the action he is taking under this section.

"(2) If, on the basis of advice received under section 202(b), the President determines that the provision of the import relief recommended by the Commission is not in the national economic interest of the United States and that there are alternative recommendations which offset the material injury or threat thereof to the industry to the same extent to which the Commission's recommendations offset such injury or threat thereof, the President shall transmit to Congress a document which sets forth—

"(A) such determination,

"(B) the reasons why providing the import relief recommended by the Commission is not in the national economic interest, and

"(C) information with respect to—

"(i) What actions (other than adjustment assistance programs immediately available) the President proposes to take to help the industry overcome material injury or threat thereof and the workers to find productive employment, and

"(ii) how such actions will overcome such material injury or threat thereof to the same extent as the Commission's recommendations.

"(b)(1) If the President requests under subsection (a)(2) that no action be taken or that the President be authorized to take action which differs from the action recommended by the Commission under section 201(d)(1), such request shall take effect as provided in paragraph (2) if, within the 30-day period following the date on which the document referred to in subsection (a)(1) is transmitted to the Congress, both Houses of Congress adopt, by an affirmative vote of a majority of the Members of each House present and voting, a concurrent resolution approving the action proposed by the President.

"(2) If the President requests the Congress to authorize action which differs from the action recommended by the Commission, the President shall, on the thirty-first day after the submission of such recommendation—

"(A) proclaim the actions recommended by the Commission under section 201(d) if Congress fails to adopt a resolution under paragraph (1), or

"(B) take the action recommended by him if the Congress has adopted the resolution under paragraph (1).

"(c) No proclamation pursuant to subsection (a) or (b) shall be made increasing a rate of duty to (or imposing) a rate which is more than 50 percent ad valorem above the rate (if any) existing at the time of the proclamation.

"(d)(1) If the import relief provided under this section is one or more orderly marketing agreements under section 201 (d) (1) (D) or (F), import relief shall be proclaimed and take effect within 90 days after the import relief determination date.

"(2) If the President proclaims the import relief provided for in section 201 (d) (1) (A), (B), (C), (E), or (F), he may, after such relief takes effect, negotiate orderly marketing agreements with foreign countries, and may, after such agreements take effect, suspend or terminate, in whole or in part, such import relief.

"(3) If the President negotiates one or more orderly marketing agreements under section 201 (d) (1) (D) or (F) and such agreements do not continue to be effective, he may, consistent with the limitations contained in subsection (g), provide import relief under section 201 (d) (1) (A), (B), (C), or (E).

"(4) For purposes of this subsection, the term 'import relief determination date' means the date of the President's action under subsection (a) (1) or (2).

"(e)(1) For purposes of subsections (a) and (b), the suspension of item 806.30 or 807.00 of the Tariff Schedules of the United States with respect to an article shall be treated as an increase in duty.

"(2) For purposes of subsections (a) and (b), the suspension of the designation of any article as an eligible article for purposes of title V shall be treated as an increase in duty.

"(3) No proclamation providing for a suspension referred to in paragraph (1) with respect to any article shall be made under subsection (a) or (b) unless the Commission, in addition to making an affirmative determination with respect to such article under section 201(b), determines in the course of its investigation under section 201(b) that the material injury (or threat thereof) to the domestic industry producing a like or directly competitive article (and with respect to which imports contributed importantly) results from the application of item 806.30 or item 807.00.

"(4) No proclamation which provides solely for a suspension referred to in paragraph (2) with respect to any article shall be made under subsection (a) or (b) unless the Commission, in addition to making an affirmative determination with respect to such article under section 201 (b), determines in the course of its investigation under section 201 (b) that the material injury (or threat thereof) to the domestic industry producing a like or directly competitive article (and with respect to which imports contributed importantly) results from the designation for the article as an eligible article for the purposes of title V.

"(f) (1) The President shall by regulations provide for the efficient and fair administration of any quantitative restriction proclaimed under this section.

"(2) In order to carry out an agreement concluded under this section, the President is authorized to prescribe regulations governing the entry or withdrawal from warehouse of articles covered by such agreement. In addition, in order to carry out any agreement concluded under this section with one or more countries accounting for a major part of United States imports of the article covered by such agreements, including imports into a major geographic area of the United States, the President is authorized to issue regulations governing the entry or withdrawal from warehouse of like articles which are the product of countries not parties to such agreement.

"(3) Regulations prescribed under this subsection shall, to the extent practicable and consistent with efficient and fair administration, insure against inequitable sharing of imports by a relatively small number of the larger importers.

"(g) (1) Any import relief provided pursuant to this section shall, unless renewed pursuant to paragraph (3), terminate no later than the close of the day which is 5 years after the day on which import relief with respect to the article in question first took effect pursuant to this section.

"(2) To the extent feasible, any import relief provided pursuant to this section for a period of more than 3 years shall be phased down during the period of such relief, with the first reduction of relief taking effect no later than the close of the day which is 3 years after the day on which such relief first took effect.

"(3) Any import relief provided pursuant to this section or section 351 or 352 of the Trade Expansion Act of 1962 must be extended by the President, at a level of relief no greater than the level in effect immediately before such an extension, for one 3-year period if the President received such a recommendation from the Commission pursuant to subsection (h)(2) or (h)(3).

"(4) Any import relief provided pursuant to this section may be reduced or terminated by the President when he determines, after taking into account the advice received from the Commission under subsection (h)(2) and after seeking advice of the Secretary of Commerce and the Secretary of Labor, that such reduction or termination is in the national interest.

"(5) For purposes of this subsection and subsection (h), the import relief provided in the case of an orderly marketing agreement shall be the level of relief contemplated by such agreement.

"(h)(1) So long as any import relief provided pursuant to this section or section 351 or 352 of the Trade Expansion Act of 1962 remains in effect, the Commission shall keep under review developments with respect to the industry concerned (including the progress and specific efforts made by the firms in the industry concerned to adjust to import competition) and upon request of the President shall make reports to the President concerning such developments.

"(2) Upon request of the President or upon its own motion, the Commission shall advise the President of its judgment as to the probable economic effect on the industry concerned of the extension, reduction, or termination of the import relief provided pursuant to this section.

"(3) Upon petition on behalf of the industry concerned, filed with the Commission not earlier than the date which is 9 months, and not later than the date which is 6 months, before the date any import relief provided pursuant to this section or section 351 or 352 of the Trade Expansion Act of 1962 is to terminate by reason of the expiration of the initial period therefor, the Commission shall advise the President of its judgment as to the probable economic effect on such industry of such termination.

"(4) In advising the President under paragraph (2) or (3) as to the probable economic effect on the industry concerned, the Commission shall take into account all economic factors which it considers relevant, including the considerations taken into account under section 771(7) of the Tariff Act of 1930 and the progress and specific efforts made by the industry concerned to adjust to import competition.

"(5) Advice by the Commission under paragraph (2) or (3) shall be given on the basis of an investigation during the course of which the Commission shall hold a hearing at which interested persons shall be given a reasonable opportunity to be present, to produce evidence, and to be heard.

"(6) In advising the President under paragraph (2) or (3), the Commission shall make recommendations to the President with respect to the extensions (and levels), reductions and terminations described in subsection (g) (3) or (4).

"(i) No investigation for the purposes of section 201 shall be made with respect to an article which has received import relief under this section unless 2 years have elapsed since the last day on which import relief was provided with respect to such article pursuant to this section.

"(j)(1) Actions by the President pursuant to this section may be taken without regard to the provisions of section 126(a) of this Act but only after consideration of the relation of such actions to the international obligations of the United States.

"(2) If the Commission treats as the domestic industry production located in a major geographic area of the United States under section 201(b)(3)(C), then the President shall take into account the geographic concentration of domestic production and of imports in that area in providing import relief, if any, which may include actions authorized under paragraph (1).".

(b) Conforming Amendments.—

(1) So much of section 202(a) of the Trade Act of 1974 (19 U.S.C. 2252(a)) as precedes paragraph (1)(B) thereof is amended to read as follows:

"(a) Within 30 days (15 days in the case of a supplemental report under subsection (c)) after receiving a report from the Commission containing an affirmative finding under section 201(b) that increased imports have contributed importantly to material injury or the threat thereof with respect to an industry, the President—

"(1)(A) shall take the action provided in paragraph (1) or (2) of section 203(a);".

(2) Section 202 of the Trade Act of 1974 (19 U.S.C. 2252) is amended by striking out subsection (b) and redesignating subsections (c) and (d) as subsections (b) and (c), respectively.

(3) Subsection (b) of section 202 of the Trade Act of 1974 (19 U.S.C. 2252(c)), as redesignated by paragraph (2), is amended—

(A) by striking out so much of such subsection as precedes paragraph (1) and inserting in lieu thereof the following:

"(b) In determining whether to recommend to the Congress pursuant to section 203(a)(2) that no import relief be provided or that import relief other than that recommended by the Commission be provided, the President shall take into account—"; and

(B) by inserting ", including its importance in meeting national security requirements" after "economy" in paragraph (3).

(4) Subsection (c) of section 202 of such Act, as so redesignated, is amended by striking out "30" and inserting in lieu thereof "15".

(5) Paragraph (6) of section 201(b) of the Trade Act of 1974 (19 U.S.C. 2251(b)(6)) is amended by inserting "or under section 203(h)(5)" after "subsection".

SEC. 103. EFFECTIVE DATE.

The amendments made by this title shall apply with respect to findings and recommendations of the United States International Trade Commission under sections 201, 202, and 203 of the Trade Act of 1974 which are transmitted to the President after the date of the enactment of this Act.

TITLE II—ANTIDUMPING PROVISIONS

SEC. 201. FLUCTUATIONS IN EXCHANGE RATES.

Subparagraph (B) of section 773(a)(4) of the Tariff Act of 1930 (19 U.S.C. 1677b(a)(4)) is amended by inserting ", including any fluctuations in exchange rates" after "sale".

SEC. 202. COMPONENT MATERIALS.

(a) In General.—Section 773(a)(2) of the Tariff Act of 1930 (19 U.S.C. 1677b(a)(2)) is amended to read as follows:

"(2) Use of constructed value.—

"(A) In general.—If the administering authority determines that the foreign market value of imported merchandise cannot be determined under paragraph (1) (A), then, notwithstanding paragraph (1)(B), the foreign market value of the merchandise may be the constructed value of that merchandise, as determined under subsection (e).

"(B) Materials.—If the administering authority determines that the cost of any material of the merchandise under investigation to the foreign producer is unreasonable, the foreign market value of the merchandise under investigation shall be the constructed value as determined under subsection (e). For the purpose of this subparagraph—

"(i) the cost of any material shall be deemed unreasonable if its manufacture, production, or sale is subsidized, and

"(ii) material shall be treated as subsidized if it was purchased at a preferential price (determined after adjustment for differences in circumstances of sale as provided in paragraph (4)).".

(b) Conforming Amendment.—Subparagraph (A) of section 773(e)(1) of the Tariff Act of 1930 (19 U.S.C. 1677b(e)(1)) is amended to read as follows:

"(A) the cost of—

"(i) materials, except that such cost shall—

"(I) include the amount of any preference or other subsidy described in subsection (a)(2)(B), and

"(II) not include any internal tax which is applicable in the country of exportation directly to such materials or their disposition but which is remitted or refunded upon the exportation of the article in the production of which such materials are used, and

"(ii) fabrication or other processing of any kind employed in producing such or similar merchandise, at a time preceding the date of exportation of the merchandise under consideration which would ordinarily permit the production of that particular merchandise in the ordinary course of business;".

TITLE III—SUBSIDIES

SEC. 301. DEFINITION OF COUNTRY UNDER THE AGREEMENT.

Section 701 of the Tariff Act of 1930 (19 U.S.C. 1671) is amended by redesignating subsection (c) as subsection (e) and by inserting after subsection (b) the following new subsections:

"(c) Limitation on Acceptance Concerning Developing Countries.—Notwithstanding subsection (b) or any action previously taken to designate a country as a country under the Agreement, no country shall be so designated until it has committed itself under the General Agreement on Tariffs and Trade to eliminate its export subsidies promptly; except that in the case of any country which is a beneficiary developing country under section 502 of the Trade Act of 1974, such country may be so designated if, in lieu of such commitment, such country agrees—

"(1) not to increase the number of product classes receiving export subsidies;

"(2) not to introduce new export subsidies;

"(3) not to increase the amount of existing export subsidies; and

"(4) to a timetable, agreed to by the United States, for reducing and eventually eliminating completely export subsidies, except that such elimination shall be immediate for any class of products which the International Trade Commission, after referral by the President, determines is already competitive in the United States market and would be competitive in the absence of export subsidies.

For purposes of determining the competitiveness of any class of products, the International Trade Commission, at the request of the President, shall conduct an investigation and shall determine and report to the President not later than sixty days after receiving his request, whether the class of products is already competitive in the United States market and would be competitive in the absence of export subsidies.

"(d) Review of Determinations.—In the case of a beneficiary developing country which enters into an agreement under subsection (c), the President shall review the current status of, and compliance with, such agreement at least once during each twelve-month period following the date on which the agreement becomes effective. Upon determining that any such country has introduced export subsidies inconsistent with such agreement, the President shall promptly revoke the designation of such country as a country under the Agreement. If, within twelve months after the International Trade Commission has made a negative injury determination pursuant to sections 703(a) or 705(b) of this Act, the President revokes the designation under this section of a country as a country under the Agreement, the determinations of the Commission with regard to imports from such country which were the subject of such injury determination shall be deemed null and void and the administering authority shall issue a countervailing duty order.".

TITLE IV—NONMARKET ECONOMIES

SEC. 401. CREATION OF ARTIFICIAL PRICING INVESTIGATION REMEDY.

(a) Amendment of Section 406.—Section 406 of the Trade Act of 1974 (19 U.S.C. 2436) is amended to read as follows:

"SEC. 406. ARTIFICIAL PRICING.

"(a) If the administering authority determines that, with respect to imports of an article which is the product of a nonmarket economy country, there is artificial pricing with respect to an article produced by a domestic industry, then there shall be imposed upon such merchandise a duty, in addition to any other duty imposed, in the amount necessary to offset the amount of such artificial pricing.

"(b)(1) A proceeding under this section shall be commenced by the administering authority upon—

"(A) the filing of a petition by an interested party described in section 771 (9) of the Tariff Act of 1930 on behalf of an industry which alleges the elements necessary for the imposition of the duty imposed by subsection (a), and which is accompanied by information reasonably available to the petitioner supporting the allegations,

"(B) the request of the President or the United States Trade Representative,

"(C) resolution of the Committee on Ways and Means of the House of Representatives or the Committee on Finance of the Senate, or

"(D) its own motion.

"(2) In the case of a proceeding commenced by petition, the petitioner shall file a copy of the petition with the Commission on the same day as it is filed with the administering authority. In the case of a proceeding commenced under subparagraph (B), (C), or (D) of paragraph (1), the administering authority shall notify the Commission and transmit to it a copy of the request, resolution, or motion on the same day as it is received or agreed to by the administering authority.

"(3) Under regulations prescribed by the administering authority, and except as otherwise provided by this section, the artificial pricing investigation shall be conducted on the same schedule, with preliminary and final determinations, and subject to suspension and termination of suspension, as if it were a countervailing duty investigation under subtitle A of title VII of the Tariff Act of 1930.

"(4) Except as provided in subsection (c)(2), the administering authority shall not initiate an artificial pricing investigation pursuant to a petition filed by an entity with respect to the artificial pricing of an article from a nonmarket economy country with respect to which that entity has filed a petition for a countervailing duty or antidumping duty investigation under section 303 of title VII of the Tariff Act of 1930 if—

"(A) the countervailing duty or antidumping duty proceeding is in process, or

"(B) a countervailing duty or antidumping duty is in effect with respect to such article.

"(5) Within 7 days after a final determination, the administering authority shall publish an artificial pricing duty order which—

"(A) directs customs officers to assess an artificial pricing duty in the amount necessary to offset the amount of such artificial pricing within 6 months after the date on which the administering authority receives satisfactory information upon which the assessment may be based, but in no event later than 12 months after the end of the annual accounting period of the manufacturer or exporter within which the merchandise is entered, or withdrawn from warehouse, for consumption,

"(B) includes a description of the class or kind of merchandise to which it applies, in such detail as the administering authority deems necessary, and

"(C) requires the deposit of estimated artificial pricing duties pending liquidation of entries of merchandise at the same time as estimated normal customs duties on that merchandise are deposited.

"(6)(A) Entries of the merchandise subject to the artificial pricing duty order the liquidation of which has been suspended shall be subject to the imposition of artificial pricing duties under subsection (a).

"(B) Merchandise subject to an artificial pricing duty order which is entered, or withdrawn from warehouse, for consumption on or after the date of publication of notice of the final determination shall be subject to the imposition of artificial pricing duties, and the administering authority shall release any bond or other security, and refund any cash deposit made, to secure the payment of artificial pricing duties with respect to entries of the merchandise entered, or withdrawn from warehouse, for consumption before that date.

"(C) For purposes of this section, all provisions of subtitle A of title VII of the Tariff Act of 1930 which apply with respect to the assessment and collection of countervailing duties shall apply with respect to the assessment and collection of the artificial pricing duty.

"(c)(1)(A) Except as provided in subparagraph (B), whenever a nonmarket economy country which is the producer of an article which is the subject of an artificial pricing investigation under this section furnishes verifiable information to the administering authority in connection with such investigation which is sufficient, in the judgment of the administering authority, to permit the investigation to be conducted as a countervailing duty investigation or an antidumping duty investigation, the administering authority shall treat the investigation as if it had been commenced as a countervailing duty or antidumping duty investigation, whichever is appropriate. Whenever the administering authority determines that an artificial pricing investigation will be treated as a countervailing duty or antidumping duty investigation, the administering authority shall—

"(i) terminate the investigation as an artificial pricing investigation and begin to conduct the investigation as a countervailing duty or antidumping duty investigation at the same point in time as that at which the investigation would have been had it been commenced as such an investigation, and

"(ii) notify the petitioner, the President, the Trade Representative, or the committee of the determination, as appropriate.

"(B) In the case of a nonmarket economy country which is not a party to the Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade (relating to antidumping measures), if an artificial pricing investigation is treated as an antidumping duty investigation under paragraph (1), such investigation (and any other action in connection with such investigation) shall be conducted without regard to whether an industry is injured or to whether the establishment of an industry is materially retarded.

"(2) Whenever a nonmarket economy country which is the producer of an article which is the subject of a countervailing duty or antidumping duty investigation does not furnish verifiable information to the administering authority in connection with such investigation which is sufficient, in the judgment of the administering authority, to permit the investigation to be conducted as a countervailing duty investigation or an antidumping duty investigation, the administering authority shall treat the investigation as if it had been commenced under this section. Whenever the administering authority determines that a countervailing duty or antidumping duty investigation will be treated as an artificial pricing investigation, the administering authority shall—

"(A) terminate the investigation as a countervailing duty or antidumping duty investigation and begin to conduct the investigation as an artificial pricing investigation at the same point in time as that at which the investigation would have been had it been commenced as such as investigation, and

"(B) notify the petitioner, the President, the Trade Representative, or the committee of the determination, as appropriate.

"(d) For purposes of this section—

"(1) The term 'nonmarket economy country' means any country the economy of which, as determined by the administering authority, operates on principles other than those of a free market to an extent that sales or offers of sale of merchandise in that country or to countries other than the United States do not reflect the fair value of the merchandise.

"(2) Artificial pricing exists whenever an article, like an article produced by such domestic industry, is imported directly or indirectly from a nonmarket economy country or countries at a price below the lowest free-market price of like articles.

"(3) The lowest free-market price of like articles is the lowest average price, adjusted for differences in quantity, level of trade, duties or other factors required to ensure comparability, charged for like articles in this country by any producer or aggregate of producers from an appropriate free-market country, including the United States, which, as determined by the administering authority, produces a sufficient quantity of like articles for the administering authority to determine a representative price.

"(4) The term 'like article' means an article which is like, or in the absence of like, most similar in characteristics and uses with the article subject to an investigation under this section.

"(5) A country is an appropriate free-market country with respect to an article alleged to be disruptive if—

"(A) the country is not a nonmarket economy country within the meaning of this section,

"(B) no preliminary or final determination has been made under title VII (or, if applicable, section 303) of the Tariff Act of 1930 that a subsidy, bounty, or grant is being provided with respect to like articles from that country, and

"(C) no preliminary or final determination has been made under subtitle B of title VII of the Tariff Act of 1930 that like articles from that country are being, or are likely to be, sold in the United States at less than fair value.

"(6) The term 'domestic industry' means an industry producing an article in whole or in part in the United States, including any territory or possession of the United States.

"(7) The term 'administering authority' has the meaning given such term by section 771(1) of the Tariff Act of 1930.

"(8) The term 'Commission' means the United States International Trade Commission.".

(b) Technical and Conforming Amendments.—

(1) Subsection (c) of section 773 of the Tariff Act of 1930 (19 U.S.C. 1677b(c)) is hereby repealed.

(2) Subsection (f) of section 303 of the Tariff Act of 1930 (19 U.S.C. 1303(f)) and subsection (c) of section 701 of such Act (19 U.S.C. 1671(c)) are each amended—

(A) by inserting "(1)" before "For", and

(B) by inserting at the end thereof the following new paragraph:

"(2) For provisions of law applicable in the case of a product of a nonmarket economy country, see section 405 of the Trade Act of 1974 (19 U.S.C. 2436).".

(3) Section 731 of the Tariff Act of 1930 (19 U.S.C. 1673) is amended—

(A) by inserting "(a) In General.—" before "If", and

(B) by adding at the end thereof the following new subsection:

"(b) Cross Reference.—

"For provisions of law applicable in the case of a product of a nonmarket economy country, see section 406 of the Trade Act of 1974 (19 U.S.C. 2436).".

(c) Clerical Amendment.—The table of contents for the Trade Act of 1974 is amended by striking out the item relating to section 406 and inserting in lieu thereof the following new item:

"Sec. 406. Artificial pricing.".

SEC. 402. EFFECTIVE DATE.

The amendments made by this title shall apply with respect to petitions filed, requests made, and resolutions adopted after the date of the enactment of this Act.

TITLE V—GENERALIZED SYSTEM OF PREFERENCES

SEC. 501. BENEFICIARY DEVELOPING COUNTRIES.

Section 504 of the Trade Act of 1974 (19 U.S.C. 2464) is amended—

(1) by redesignating subsections (d) and (e) as subsections (i) and (j), respectively;

(2) by striking out paragraph (3) of subsection (c); and

(3) by adding immediately after subsection (c) the following new subsections:

"(d) Whenever the President determines that the United States has imported from any country (directly or indirectly) during a calendar year a quantity of articles within any two-digit import product standard industrial classification (as defined by the Bureau of the Census in its most recently issued publication on U.S. Foreign Trade Statistics Classifications and Cross Classifications which correlate the Tariff Schedules of the United States Annotated with the import product standard industrial classifications) having an appraised value in excess of an amount which bears the same ratio to $250,000,000, as the gross national product of the United States for the preceding calendar year, as determined by the Department of Commerce, bears to the gross national product of the United States for calendar year 1980, then, not later than 90 days after the close of the calendar year in which such imports occurred, such country shall no longer be treated as a beneficiary developing country with respect to all articles within such two-digit product classification. The Bureau of the Census shall annually tabulate and release the date needed to implement this section.

"(e) For purposes of subsections (c) and (d), the term 'country' does not include an association of countries which is treated as one country under section 502(a)(3), but does include a country which is a member of any such association.

"(f) Whenever the importation of any merchandise from any country is the subject of an affirmative final determination by the United States International Trade Commission under section 303, 705, or 735 of the Tariff Act of 1930, such merchandise from that country shall not be eligible for duty-free treatment under this title during the period in which any duties imposed on that merchandise under section 303, 706, or 736 of such Act are in effect.

"(g) Whenever the importation of any merchandise from any country is the subject of an affirmative determination by the United States International Trade Commission under section 201(b) of the Trade Act of 1974 (19 U.S.C. 2251(b)), such merchandise shall not be eligible for duty-free treatment under this title during the five-year period after such determination or the period during which import relief under section 203 is in effect, whichever is greater.

"(h) No duty-free treatment under this section shall be granted in the case of any article if any like or directly competitive article is otherwise denied duty-free treatment pursuant to a statutory requirement or administrative determination.".

SEC. 502. CERTAIN UNREASONABLE ACTIONS, ETC.

(a) In General.—Subsection (b) of section 502 of the Trade Act of 1974 (19 U.S.C. 2462(b)) is amended—

(1) by striking out "and" at the end of paragraph (6),

(2) by striking out the period at the end of paragraph (7) and inserting in lieu thereof "; and",

(3) by inserting immediately after paragraph (7) the following new paragraph:

"(8) if such country—

"(A) imposes unjustifiable, unreasonable, or discriminatory trade-related restrictions or requirements as conditions on investment which directly or indirectly burden or restrict the commerce of the United States, or

"(B) otherwise imposes unjustifiable, unreasonable, or discriminatory restrictions on foreign investment.", and

(4) by adding at the end thereof the following new sentence: "Notwithstanding the provisions of paragraph (8), the President may limit the restrictions under such paragraph with respect to the eligibility of a country to be designated as a beneficiary developing country to particular sectors, industries, or articles.".

(b) Conforming Amendment.—The last sentence of section 502(b) of the Trade Act of 1974 (19 U.S.C. 2462(b)) as in effect before the amendment made by subsection (a)(4), is amended by striking out "and (7)" and inserting in lieu thereof "(7), and (8)".

SEC. 503. SUSPENSION OF DUTY-FREE TREATMENT.

Subsection (a) of section 504 of the Trade Act of 1974 (12 U.S.C. 2464(a)) is amended to read as follows:

"(a)(1) The President may withdraw, suspend, or limit the application of the duty-free treatment accorded under section 501; except that no rate of duty may be established in respect of any article pursuant to this section other than the rate which would apply but for this subchapter.

"(2)(A) In taking any action under this subsection, the President shall consider the factors set forth in sections 501 and 502(c).

"(B) In making a determination under paragraph (1) as to whether an article should be continued to be designated as a duty-free article (whether such determination is made on the President's own initiative or pursuant to a complaint filed under paragraph (3)), the President shall determine whether continued designation of an article is appropriate in light of the import sensitivity of that article due to any of the following—

"(i) a significant level of import penetration of such article from all countries measured by the ratio of the physical quantity of such imports to their production in the United States,

"(ii) a high level of import penetration of such article from all countries measured in its physical quantity,

"(iii) a decline in employment in the United States in connection with the production of such article or similar articles, of like or directly competitive articles, or of the component parts of such articles,

"(iv) the physical quantity or value of imports of like or directly competitive articles or components from all countries (whether or not excluded from duty-free treatment),

"(v) the fact that such article is like or directly competitive with an article or articles already excluded from duty-free treatment pursuant to section 503 or a Presidential determination under this section, and

"(vi) any other factors that are relevant to this determination.

"(C) If the President finds that the conditions referred to in clauses (i) or (ii) and (iii) of subparagraph (B) are present in a domestic industry the production of which is disproportionately small in relation to the total volume of duty-free imports of like or directly competitive products, the President shall authorize the continued designation of such product for duty-free treatment only if he finds it is in the national economic interest.

"(3)(A) Any interested party may file a complaint with the United States Trade Representative alleging that—

"(i) as a result of changed circumstances, a beneficiary developing country should be barred from designation under section 502 (b), or

"(ii) the factors referred to in paragraph (2)(B) justify limiting the application of duty-free treatment with respect to particular sectors, industries, or articles.

"(B) Within 90 days after receipt of such complaint—

"(i) the Trade Representative shall—

"(I) conduct a review to determine the validity of such complaint,

"(II) upon request of the complainant, hold public hearings on the complaint, and

"(III) make a recommendation to the President with respect to such complaint, and

"(ii) the President shall make a determination under paragraph (1) (without regard to the requirements of section 502(a)(2)) with respect to the country or the article and transmit such determination to Congress, including a statement of his reasons for such a determination and the determination (if any) required under paragraph (2)(C).

"(C) The Trade Representative shall—

"(i) issue regulations with respect to the filing of complaints and the conduct of reviews and hearings under this paragraph, and

"(ii) report to the Congress on July 1 and January 1 of each year with respect to all reviews and hearings conducted during the preceding 6-month period.".

TITLE VI—RECIPROCAL MARKET ACCESS

SEC. 601. FINDINGS; STATEMENT OF PURPOSE.

(a) Findings.—

(1) Trade in services.—The Congress finds that—

(A) trade in services (including banking and other financial services, insurance, information and data processing, communications, transportation, advertising, shipping, construction and engineering, and entertainment) is becoming an increasingly important part of the United States economy;

(B) many nations, for various reasons, are increasingly erecting nontariff barriers to the import of United States and other foreign goods and services;

(C) such barriers include, but are not limited to, national monopolies, personnel restrictions, discriminatory restrictions on licensing and foreign exchange, local content requirements, local investment requirements, minimum export requirements, local equity participation requirements, discriminatory health, safety, or environmental standards, restrictions on the flow of information, restrictions on the repatriation of funds or profits, discriminatory tax policies, and other discriminatory restrictions on, or requirements of, foreign entities operating in the host country;

(D) the effect of such barriers has been to discriminate against imported goods and services and to provide for trade on a nonreciprocal basis; and

(E) such discrimination—

(i) results in a less open trading system and a distortion of the market system, and

(ii) works to the disadvantage of all countries, particularly countries (including the United States) which adhere to a free market system.

(2) International investment.—The Congress further finds that—

(A) international investment flows should not be restricted or impaired by uneconomic or artificial barriers or restrictions which exist in many developed and developing countries;

(B) uneconomic and artificial barriers to direct investments, or restrictions on such investments, cause inefficiencies in the international production and distribution process which result in increased costs of production of goods and services to the consumers of the world;

(C) such barriers and restrictions should be removed to enhance the benefit to both investors and consumers of the limited resources available for international direct investment;

(D) arbitrary and nontransparent investment review procedures (other than with respect to certain industries critical to a nation's security interests), and unreasonable or otherwise arbitrary limitations on foreign currency exchange by non-nationals, adversely affect foreign direct investment by nationals or citizens of the United States;

(E) the consumers and producers of the world would benefit by the development of an effective multilateral agreement (under the auspices of the General Agreement on Tariffs and Trade) which limits unreasonable, discriminatory or burdensome restrictions on foreign direct investments;

(F) multilateral negotiations on such a multilateral agreement, under the authority vested in the President by section 102 of the Trade Act of 1974, should be concluded as soon as practicable; and

(G) Such an agreement should, to the extent possible, guarantee reciprocal direct investment access among the developed countries of the world and in no event provide less than national treatment for foreign direct investors in developed or developing countries.

(b) Purpose.—It is the purpose of this title to foster—

(1) adherence to the principles of the existing international trading system, and

(2) the operation and development of a free and open international trading and investment system, by promoting the principles of reciprocity and national treatment through multilateral and unilateral means.

SEC. 602. AMENDMENT TO THE TRADE ACT OF 1974.

(a) Amendments to Section 301.—

(1) Determinations requiring action.—Section 301(a) of the Trade Act of 1974 (19 U.S.C. 2411(a)) is amended—

(A) by striking out "or" at the end of paragraph (1);

(B) by inserting before the semicolon at the end of paragraph (2) (B) thereof the following: ", including restrictions on direct investments by citizens or nationals of the United States";

(C) by inserting "or" at the end of paragraph (2);

(D) by inserting immediately after paragraph (2) the following new paragraph:

"(3) to establish or further the principles of national treatment or reciprocal market access with respect to United States goods (including agricultural products), services, and foreign direct investment by nationals or citizens of the United States;" and

(E) by striking out "or services" in the last sentence thereof and inserting in lieu thereof the following: ", services, or direct investments".

(2) Other action.—Section 301(b) of the Trade Act of 1974 (19 U.S.C. 2411(b)) is amended—

(A) by striking out "and" at the end of paragraph (1);

(B) by inserting "or direct investment in the United States by nationals" after the word "services" in paragraph (2);

(C) by striking out the period at the end of paragraph (2) and inserting a simicolon; and

(D) by inserting at the end thereof the following:

"(3) with respect to subsection (a)(3), also—

" (A) enter into bilateral or multilateral negotiations to further such principles;

"(B) adjust Government procurement policies and practices to provide for procurement from nations which provide reciprocal market access to comparable United States producers, but only if such procurement is consistent with the provisions of the Code on Government Procurement or similar bilateral arrangements;

"(C) instruct the United States directors of the International Bank for Reconstruction and Development and the International Monetary Fund to vote against loans or other assistance from their respective institutions to countries which do not adhere generally to principles of national treatment and market access;

"(D) request Federal regulatory agencies (including the Civil Aeronautics Board, Office of the Comptroller of the Currency, Federal Communications Commission, Federal Reserve Board, Interstate Commerce Commission, Federal Maritime Commission, and Federal Energy Regulatory Commission) to consider (if such consideration would not violate any multilateral agreement) a country's adherence to principles of national treatment and reciprocal market access in making any decision or taking any action with respect to an application or request from such country or nationals of such country; or

"(E) propose legislation which would impose equivalent restrictions or requirements within the United States on goods or services from countries that do not adhere to the principles of national treatment or reciprocal market access, such legislation to be treated as an implementing bill pursuant to the provisions of section 151 of the Trade Act of 1974 (19 U.S.C. 2191); and

"(4) take any other action which the President determines appropriate, including action to obtain the elimination of such unjustifiable, unreasonable, or discriminatory barriers or restrictions on foreign direct investment by citizens or nationals of the United States.".

(3) Presidential procedures.—Section 301(c) of the Trade Act of 1974 (19 U.S.C. 2411(C)) is amended by inserting "resolution or" before "petition" in the first sentence of paragraph (1) thereof.

(4) Definitions.—Section 301(d) of the Trade Act of 1974 (19 U.S.C. 2411(d)) is amended—

4(A) by inserting before the period at the end of paragraph (1) thereof the following: "and foreign direct investment by citizens or nationals of the United States"; and

(B) by adding at the end thereof the following new paragraph:

"(3) Definition of national treatment.—For purposes of this section, the term 'national treatment' means the treatment by a government of foreign investment or foreign establishments operating within its borders in the same manner as domestic investment or comparable domestic establishments are treated.".

(b) Amendments to Section 302.—

(1) Filing of resolutions by committees of congress.—Section 302(a) of the Trade Act of 1974 (19 U.S.C. 2412(a)) is amended by inserting ", or the Committee on Ways and Means of the House of Representatives or the Committee on Finance of the Senate may file with the Trade Representative a resolution,".

(2) Conforming amendments.—

(A) Section 302 of the Trade Act of 1974 (19 U.S.C. 2412) is amended—

(i) by inserting "or resolution" after "petition" each place it appears in the last sentence of subsection (a), subsection (b), and the heading for subsection (a),

(ii) by inserting "or Committee" after "petitioner" each place it appears, and

(iii) by inserting "or resolutions" after "petitions" in the section heading and the heading for subsection (b).

(B) The table of sections for chapter 1 of the table of contents of the Trade Act of 1974 is amended by inserting "or resolutions" after "Petitions" in the item relating to section 302.

(c) Amendments to Section 303.—

(1) No consultation, etc. in certain cases.—Section 303 of the Trade Act of 1974 (19 U.S.C. 2413) is amended by adding at the end thereof the following new sentence: "This section shall not apply to an affirmative determination described in section 301(a)(3).".

(2) Resolutions.—Section 303 of the Trade Act of 1974 (19 U.S.C. 2413) is amended—

(A) by inserting "or resolution" after "petition" each place it appears; and

(B) by inserting ", the appropriate committee of Congress," after "petitioner".

(d) Amendments to Section 304.—

(1) Recommendations.—Section 304 of the Trade Act of 1974 (19 U.S.C. 2414) is amended—

(A) by striking out "or" at the end of subparagraph (C); and

(B) by striking out subparagraph (D) and inserting in lieu thereof the following new subparagraphs:

"(D) 1 month in the case of a petition involving allegations which relate to section 301(a)(3) in which the President has not requested consultations or initiated proceedings; or

"(E) 12 months after the date of the investigation initiation in any case not described in subparagraph (A), (B), (C), or (D).".

(2) Resolutions and recommendations of the president.—Section 304 of the Trade Act of 1974 (19 U.S.C. 2414) is amended—

(A) by inserting "or resolution" after "petition" the first place it appears in subsection (a)(1) thereof; and

(B) by adding at the end of subsection (a) the following new paragraph:

"(4) Legislative recommendations of president.—Notwithstanding any other provision of this chapter, the President shall within 120 days after an affirmative determination is made under section 302(b) with respect to a petition or resolution or a decision by the President to take action under section 301(c), make preliminary recommendations to the House of Representatives and to the Senate with respect to what alternative actions the President is considering under this chapter to the extent that any consultation or dispute settlement procedure provided under this chapter does not result, in his judgment, in the enforcement of such rights as the United States may have under any trade agreement or the elimination of any unjustifiable, unreasonable, or discriminatory burden or restriction on the commerce of the United States. Notice of such alternatives shall be published in the Federal Register."

(C) by striking out "or service" each place it appears in subsection (b) and inserting in lieu thereof the following: ", service, or direct investment".

SEC. 603. MULTILATERAL NEGOTIATIONS ON RESTRICTIONS ON FOREIGN DIRECT INVESTMENT

Section 102(b) of the Trade Act of 1974 (19 U.S.C. 2112(b)) is amended by inserting "(including any restrictions on foreign direct investment)" after "United States" the first place it appears.

By Mr. MATSUNAGA (for himself and Mr. Durenberger):

S. 2498. A bill to amend the Internal Revenue Code of 1954 to provide that certain indebtedness incurred by educational organizations in acquiring or improving real property shall not be treated as acquisition indebtedness for purposes of the tax on unrelated business taxable income; to the Committee on Finance.

TAXABLE INCOME OF EDUCATIONAL INSTITUTIONS

Mr. MATSUNAGA. Mr. President, I am today introducing with the Senator from Minnesota (Mr. Durenberger) a bill to correct an inequity under existing law. This inequity has hampered the endowment growth of all colleges, universities, and schools; it has precluded these educational institutions from investing in debt-financed real estate.

PRESENT LAW

When a tax-exempt organization borrows money to buy real estate or any property, it may incur a tax. If the property is substantially related to the organization's exempt purpose—such as a new dormitory to house students enrolled at a college—there is no adverse tax effect. But if the property is acquired for investment, and is unrelated to the organization's exempt purpose, the organization is subject to a penalty tax.

That penalty tax is imposed on a percentage of the net investment income from the property. This percentage represents the ratio of the outstanding mortgage to the cost basis of the property. The penalty tax thus applies to property bought with borrowed funds. It also may apply to gifts and bequests of property which the tax exempt organization takes subject to an outstanding mortgage or debt under certain circumstances.

BACKGROUND OF PRESENT LAW

A variation of this penalty tax was applied to certain exempt organizations in 1950, when the tax was imposed on rental income from debt-financed real property. In 1969 Congress expanded the tax to apply to all exempt organizations and to all debt-financed property unrelated to the organization's exempt functions.

The 1969 Tax Reform Act addressed tax sham transactions. An operating business in such a transaction could convert ordinary income into long-term capital gains by way of an intermediary exempt organization. The exempt organization would eventually acquire the operating business assets with little or no payment of its own funds. In effect, the tax benefits provided through the use of the exempt organization paid for the acquisition.

For example, a business would sell its operating assets to a university on a deferred payment basis. The university would be obligated to make payment only out of earnings from the assets. The university would then lease the assets to a new company formed by the original business. The company's rental payments to the university would equal the university's contract payment to the business on the deferred purchase.

As a result of this transaction, the business earnings from the operating assets become deductible as rental payments to the university. The university returns the earnings to the business in the form of more favorably taxed, long-term capital gains, thus paying off the purchase cost of the business asset. An inflated price or an open end price for the property also provides the business with a significantly higher return before actual ownership passes to the university.

The 1969 Tax Reform Act ended this type of sham transaction by imposing the penalty tax on debt-financed income.

1980 EXCEPTION FOR PENSION TRUSTS

The 1969 Tax Reform Act had succeeded in controlling the acquisition of businesses by exempt organization utilizing their tax-free status. But the penalty tax also has prevented legitimate investments in debt-financed real estate, thus hampering investment diversification by exempt organizations.

The Senate Finance Committee examined this restriction in 1980 and approved a special rule for tax-exempt pension plans. The 1980 Miscellaneous Revenue Act created an exception from the penalty tax for a pension plan's purchase of mortgaged real estate. To prevent the pre-1969 abuses from recurring, the legislation imposed certain safeguards:

First. The purchase price has to be a fixed amount and not open ended.

Second. The debt payment cannot be contingent on earnings from the property.

Third. The property cannot be leased back to the seller or to a party related to the seller.

Fourth. The property cannot be leased back to certain persons disqualified under the pension provisions.

Fifth. The property cannot be financed by a nonrecourse loan from a party either related to the seller or related to a person disqualified under the pension laws, if the loan is subordinate or if the loan carries less than the going interest rate.

This exception applied only to tax exempt employees pension trusts.

PROPOSAL

Educational institutions, like pension plans earlier, have been deterred by the penalty tax from investing in debt-financed real estate. Colleges and schools have the same need to diversify their investments and maximize their investment income. That need has increased because of Federal program cuts and rising costs. But these schools are unable to buy significant real estate on a cash basis without any borrowing.

The proposed bill would extend the present exception for pension plans to educational organizations, including colleges and schools. The same safeguard applicable to pension trusts would apply to foreclose abuse by educational organizations.

CONCLUSION

The proposed remedial change is one of the most important changes we can make to help colleges, universities, and private elementary and secondary schools to meet the added financial burdens imposed by the Federal Government. I urge the Senate to consider the merits of this proposal and to enact the measure.

ADDITIONAL COSPONSORS

S. 1813

At the request of Mr. Hatch, the Senator from South Carolina (Mr. Thurmond) was added as a cosponsor of S. 1813, a bill to amend the Internal Revenue Code of 1954 to provide tax incentives for the training of skilled workers in critical industries which have a labor shortage.

S. 2210

At the request of Mr. Roth, the Senator from Alaska (Mr. Murkowski) was added as a cosponsor of S. 2210, a bill to amend the Commodity Exchange Act, to reduce fraud and improve the administration of such act, and for other purposes.

S. 2219

At the request of Mr. Durenberger, the Senator from Indiana (Mr. Quayle) was added as a cosponsor of S. 2219, a bill to cancel all bonds issued by the Saint Lawrence Seaway Development Corporation.

S. 2225

At the request of Mr. Baucus, the Senator from Arizona (Mr. Goldwater), the Senator from Rhode Island (Mr. Pell), the Senator from Mississippi (Mr. Cochran), and the Senator from Oklahoma (Mr. Boren) were added as cosponsors of S. 2225, a bill to amend the Internal Revenue Code of 1954 to remove certain limitations on charitable contributions of certain items.

S. 2252

At the request of Mr. Packwood, the Senator from Rhode Island (Mr. Pell) was added as a cosponsor of S. 2252, a bill to authorize appropriations for the Coast Guard for fiscal years 1983 and 1984 and for other purposes.

S. 2267

At the request of Mr. Heinz, the Senator from Iowa (Mr. Grassley) was added as a cosponsor of S. 2267, a bill to amend the Internal Revenue Code of 1954 to allow the Secretary of the Treasury to waive the interest penalty for failure to pay estimated income tax, for elderly and retired persons, in certain situations.

S. 2300

At the request of Mr. Ford, The Senator from Ohio (Mr. Glenn) was added as a cosponsor of S. 2300, a bill to establish domestic content requirements for motor vehicles sold in the United States, and for other purposes.

S. 2335

At the request of Mr. Weicker, the Senator from New Mexico (Mr. Schmitt) was added as a cosponsor of S. 2335, a bill to amend the Internal Revenue Code of 1954 to provide that any small issue which is part of a multiple lot shall meet the requirements of the small issue exemption.

S. 2353

At the request of Mr. Chafee, the Senator from Louisiana (Mr. Johnston) was added as a cosponsor of S. 2353, a bill entitled "The Life Insurance Taxation Act of 1982."

S. 2369

At the request of Mr. Dole, the Senator from Arizona (Mr. DeConcini) was added as a cosponsor of S. 2369, a bill to amend the Internal Revenue Act of 1954 to clarify the standards used for determining whether individuals are not employees for purposes of the employment taxes, and for other purposes.

S. 2459

At the request of Mr. Weicker, his name was withdrawn as a cosponsor of S. 2459, a bill to strengthen certain national resources, facilities, and services for deaf-blind individuals and other handicapped individuals, and for other purposes.

SENATE JOINT RESOLUTION 58

At the request of Mr. Hatch, the Senator from New Jersey (Mr. Brady) was added as a cosponsor of Senate Joint Resolution 58, a joint resolution proposing an amendment to the Constitution altering Federal fiscal decisionmaking procedures.

SENATE JOINT RESOLUTION 131

At the request of Mr. Exon, the Senator from Wisconsin (Mr. Kasten), and the Senator from Utah (Mr. Hatch) were added as cosponsors of Senate Joint Resolution 131, a joint resolution designating "National Theater Week."

SENATE JOINT RESOLUTION 153

At the request of Mr. Riegle, the Senator from New York (Mr. D'Amato), and the Senator from Louisiana (Mr. Johnston) were added as cosponsors of Senate Joint Resolution 153, a joint resolution designating "Baltic Freedom Day."

SENATE JOINT RESOLUTION 160

At the request of Mr. Hayakawa, the Senator from Maine (Mr. Mitchell) was added as a cosponsor of Senate Joint Resolution 160, a joint resolution to designate July 9, 1982, as "National P.O.W.-M.I.A. Recognition Day."

SENATE JOINT RESOLUTION 161

At the request of Mr. Thurmond, the Senator from Oklahoma (Mr. Nickles), the Senator from Alabama (Mr. Denton), the Senator from Florida (Mrs. Hawkins), the Senator from Maryland (Mr. Mathias), and the Senator from Indiana (Mr. Quayle) were added as cosponsors of Senate Joint Resolution 161, a joint resolution to designate the week commencing with the fourth Monday in June 1982 as "National NCO/Petty Officer Week."

SENATE JOINT RESOLUTION 162

At the request of Mr. Roth, the Senator from California (Mr. Cranston), and the Senator from Illinois (Mr. Percy) were added as cosponsors of Senate Joint Resolution 162, a joint resolution to authorize and request the President to designate the week of June 20 through June 27, 1982, as "National Safety in the Workplace Week."

SENATE CONCURRENT RESOLUTION 73

At the request of Mr. Heinz, the Senator from Nevada (Mr. Cannon) was added as a cosponsor of Senate Concurrent Resolution 73, a concurrent resolution to condemn the Iranian persecution of the Bahai community.

SENATE CONCURRENT RESOLUTION 82

At the request of Mrs. Hawkins, the Senator from Louisiana (Mr. Long) was added as a cosponsor of Senate Concurrent Resolution 82, a concurrent resolution expressing the sense of the Congress that the people of the United States should observe the month of May 1982 as "Older Americans Month."

AMENDMENT NO. 1333

At the request of Mr. Mathias, the Senator from Georgia (Mr. Nunn), the Senator from South Dakota (Mr. Pressler), and the Senator from North Dakota (Mr. Andrews) were added as cosponsors of amendment No. 1333 intended to be proposed to S. 1758, a bill to amend title 17 of the United States Code to exempt the private noncommercial recording of copyrighted works on video recorders from copyright infringement.

AMENDMENT NO. 1370

At the request of Mr. Heinz, the Senator from Arkansas (Mr. Bumpers), the Senator from New Hampshire (Mr. Humphrey), and the Senator from North Carolina (Mr. Helms) were added as cosponsors of amendment No. 1370 intended to be proposed to S. 2237, a bill to promote economic revitalization and facilitate expansion of economic opportunity in the Caribbean Basin region.

SENATE CONCURRENT RESOLUTION 90—CONCURRENT RESOLUTION RELATING TO AN INTERNATIONAL YEAR AGAINST DRUG ABUSE

Mrs. HAWKINS (for herself, Mr. Quayle, Mr. Bumpers, Mr. Abdnor, Mr. Hatch, Mr. Durenberger, Mr. Heflin, Mr. DeConcini, Mr. Denton, Mr. Mattingly, Mr. Dixon, Mr. Humphrey, Mr. Symms, Mr. Kasten, Mr. Garn, Mr. Schmitt, Mr. Bentsen, and Mr. Moynihan) submitted the following concurrent resolution; which was referred to the Committee on Foreign Relations:

S. Con. Res. 90

Whereas the problem of drug abuse continues to worsen in most parts of the world;

Whereas the number of drug abusers has risen and abuse has spread geographically;

Whereas the number, variety, and potency of illicitly used narcotics, drugs, and psychotropic substances have increased;

Whereas illicit production has expanded and trafficking flourishes; and

Whereas a declaration by the United Nations of an International Year Against Drug Abuse would serve as a catalyst for interest and action at all international levels involving families, communities, neighborhoods, schools, religious institutions, and public, private, and voluntary associations: Now, therefore, be it

Resolved, That it is the sense of the Congress that the President is urged to promote a declaration by the United Nations of an International Year Against Drug Abuse.

Sec. 2. The Secretary of the Senate shall transmit copies of this resolution to the President.

AN INTERNATIONAL YEAR AGAINST DRUG ABUSE

● Mrs. HAWKINS. Mr. President, despite the international community's efforts to date, drug abuse throughout most of the world has not decreased. On the contrary, it has spread and the situation continues to deteriorate. Its most tragic victims include adolescents and children. Geographically, more and more countries are afflicted, both developing and developed. Furthermore, drugs of greater potency are more widely available and are consumed in more hazardous ways.

Although some progress has been made in the past to reduce the flow of illicit drugs into this country, drug abuse remains one of our Nation's most serious and vexing domestic problems. One need only focus on New York City and south Florida to see the violence and human wreckage that this pernicious drug traffic can produce.

One recent study by the Department of Justice found that a group of 243 addicts committed 500,000 crimes over an 11-year period. Trafficking in illicit drugs is unfortunately one of this country's largest businesses. Only one corporation in the entire world, Exxon, has greater gross revenues, though even Exxon's profits pale before those earned by the tax-free illegal drug industry. The retail value of illegal drug sales in this country totaled more than $79 billion in 1980—up 22 percent from the previous year.

Because over 90 percent of the illegal drugs used in the United States are produced abroad, it is vital that we promote aggressive international drug enforcement.

To focus attention and stimulate such action, I am submitting this concurrent resolution urging the President to promote adoption of a U.N. resolution declaring an International Year Against Drug Abuse. Adoption of such a resolution will enhance worldwide awareness of the tragic scope of drug abuse and trigger a wide range of national and international actions. The Drug Enforcement Administration has long regarded international drug eradication as the most effective means of fighting U.S. drug abuse. Since a U.N. declaration will mobilize world opinion against countries which fail to take responsible action to thwart exportation of illegal narcotics, it could produce substantial benefits here at home without cost to the taxpayer.

I am pleased to inform my Senate colleagues that today Congressman Tom Railsback, the ranking minority member of the House Select Committee on Narcotics, will submit the House companion to this Senate concurrent resolution. Throughout his long and distinguished career, Congressman Railsback has effectively led parents, educators, community leaders, and policymakers in fighting drug abuse and narcotic trafficking. Through his hard work, action and attention has been focused on the international tragedy of drug abuse. It is a special privilege to have Congressman Railsback as the sponsor of the House version of this concurrent resolution.●

● Mr. HUMPHREY. Mr. President, I rise to cosponsor and express my unequivocal support for the concurrent resolution asking the President to promote a United Nations International Year Against Drug Abuse.

In my role as chairman of the Subcommittee on Alcoholism and Drug Abuse, I have been repeatedly exposed to the devastation and heartbreak drug abuse causes our society. Truly this problem is one of the most important we face today and one that requires a cooperative effort at all levels: international, national, State, local, and individual. The problem of drug abuse has penetrated into every level of society and affects us all directly or indirectly, and it is only through the cooperation and dedication of all levels of government and public and private groups that we will be able to bring it under control.

One of the most troubling manifestations of our drug problem is the widespread use of marihuana by our young people. Although the most recent annual high school senior survey released in February by the National Institute on Drug Abuse shows a most welcome downward trend in the daily use of marihuana by high school seniors, the fact remains that millions of America's youth are seeking a solution to their problems through the use of drugs. Indeed the United States has a greater proportion of its youth using drugs than any industrialized nation in the world. As Mrs. Reagan has so aptly stated, this Nation faces the danger of losing a whole generation of its youth to drug abuse.

We are all aware that drug abuse by the young often interferes with school and other activities and results in family stress and alienation. Recently at a subcommittee hearing on the health and educational effects of marihuana on youth, we heard testimony from research scientists and clinicians that regular marihuana use adversely affects the functioning of the lungs, and may have detrimental effects on the reproductive system, the immune response, and the cardiovascular system. Educators testified that marihuana use leads to impairment of the memory function and a lack of motivation which significantly interfere with classroom performance and the educational process. Clearly more research is needed, but the early indications of adverse health and educational effects are frightening indeed.

Equally frightening is the impact of drugs on crime in this country. Drug abuse is an expensive habit which often leads the abuser to crime in order to maintain it. In addition, the enormous profits resulting from drug sales has lead to a booming illegal drug trafficking industry, with violent crime inevitably connected with drug smuggling.

The amounts of illegal drugs annually smuggled into this country are almost impossible to comprehend. For 1980 the Drug Enforcement Administration estimates that 40 to 48 metric tons of cocaine, 10,200 to 15,000 metric tons of marihuana, and 3.6 to 4.3 metric tons of heroin entered this country illegally, resulting in a $68.5 to $90 billion illegal drug industry. Enormous sums of money are spent each year in law enforcement efforts to stem the tide of this international drug trade. In spite of this significant dedication of resources, indications are that we are fighting a losing battle against the drug smugglers.

Obviously our country is not alone in the struggle against the ravages of drug abuse which has become a worldwide problem. We have in the past collaborated with Turkey, Mexico, Colombia and many other countries in an attempt to cut off the supply of drugs at their source. This cooperative international effort must be continued and intensified if we are to succeed.

Declaration of a United Nations International Year Against Drug Abuse will contribute greatly to a renewed campaign against drug abuse. It will serve as a catalyst to stimulate innovative cooperative efforts to use against the smugglers who are preying on our young people and profiting from this illegal trafficking. Furthermore it will stress the importance the member nations place on the problem of drug abuse and the need for a united approach to solve this most destructive problem. I urge my colleagues to join me in supporting this concurrent resolution.●

● Mr. MATTINGLY. Mr. President, there is a war being fought in our Nation and throughout most of the world today. As in all wars, many of those who are fighting die. Others, often innocent victims, are injured or maimed for life. While the battles escalate around us, however, those of us who have the power, and the responsibility, to do something about the war, have turned our attention to other things.

The war I am speaking about is the war on illegal drugs. The adversary is formidable, but not invincible. We can win the war, I believe, but we must first acknowledge the conflict for what it is. Then we must dedicate ourselves to winning it.

My distinguished colleague from Florida, Mrs. Hawkins, is submitting a concurrent resolution today to urge the President to promote a United Nations "International Year Against Drug Abuse." As a cosponsor of the concurrent resolution, and member of the Senate Drug Enforcement Caucus, I urge your active support of both the resolution and the international war on illegal drugs.

We in America are proud of the advances we have seen in medical science in recent years. We should be. For most Americans the quality of life is improving and the length of life is increasing. Many diseases have been virtually eradicated from our midst. But a great tragedy underlies our "progress." Each year, more of this country's young people are falling prey to illegal drugs. The death rate among the Nation's youth aged 15 to 24 is higher than it was 20 years ago. Drugs are one reason. This pernicious enemy increases the number of accidents and suicides among youth, contributes to crime, and rips apart the lives of friends, families, and even whole communities. The Drug Enforcement Agency contends that one of the most effective and least costly methods of fighting drug abuse in the United States is to eliminate the problem on an international level. Over 90 percent of the illegal drugs used in this country are produced in other countries. In order to curb the production and stop the flow of drugs into our country, we need the help of other nations.

I believe it is the right of every citizen of the Nation and the world to have the opportunity to participate in stemming the tide of this ever-increasing problem. But before we can expect the support of those citizens, we must call their attention to the pervasiveness of the "war." I implore each of you to exercise your duty to inform our citizenry, and to express your own dedication to defeating the foe, by joining Senator Hawkins, myself, and the 16 other colleagues who have cosponsored the concurrent resolution in supporting the "International Year Against Drug Abuse."●

SENATE CONCURRENT RESOLUTION 91—CONCURRENT RESOLUTION RELATING TO PLACING THE SMALL BUSINESS ADVISOR ON THE CABINET COUNCIL ON ECONOMIC AFFAIRS

Mr. HEINZ (for himself, Mr. Riegle, Mr. Bentsen, and Mr. D'Amato) submitted the following concurrent resolution; which was referred to the Committee on Governmental Affairs:

S. Con. Res. 91

Whereas, small business is considered to be one of the most productive sectors of our economy—comprising 97 percent of the total American businesses, employing over half of the current U.S. labor force and offering 90 percent of all new jobs in this country;

Whereas, small business represents nearly half of the total Gross National Product and controls approximately 50 percent of all business assets;

Whereas, small business tends to be highly susceptible to the fluctuations of overall economic activity;

Whereas, current high interest rates cause severe cash flow problems for small businesses;

Whereas, small business bankruptcies are at record high levels since the depression;

Whereas, small business is the greatest source of innovative productivity—accounting for at least half of all major innovations;

Whereas, the future of our economy will depend a great deal on the viability of small businesses; and

Whereas, the Cabinet Council on Economic Affairs is the principle advisory body to the President on economic, fiscal and monetary policies; therefore be it

Resolved by the Senate (the House of Representatives concurring), That the President invite the Administrator of the Small Business Administration to participate fully in the meetings of the Cabinet Council on Economic Affairs.

● Mr. HEINZ. Mr. President, as we all know next week is National Small Business Week. A week dedicated to the recognition of small business entrepreneurs and their vital role in our society; a week devoted to a discussion of the unique problems of small businesses and the vital contributions they will make to an economic recovery and to this Nation's sustained economic health.

In recognition of the importance of small businesses, the Senate recently elevated the Select Small Business Committee to the status of a full committee. Under the careful stewardship of its distinguished Chairman, Senator Lowell Weicker, the Small Business Committee has provided the full Senate with advice and insight that is critical to our shaping of intelligent and realistic economic and regulatory policies that foster instead of discourage small business.

As one gentleman who runs his own small business said to me "We are not coming to the Government for a handout, we have come to Washington to get your hand out of our pocket, and to get your shackles off our feet." Small business is part of America's solutions not our problems.

The concurrent resolution I am submitting today calls upon the President to invite the Small Business Administrator to participate fully in the Cabinet Council on Economic Affairs. I believe that the advice provided to the President by this important group cannot be completed without a firm understanding of the needs and viewpoints of small business.

Mr. President, I am sure that my distinguished colleagues in the House and Senate understand the importance of this measure and I look forward to their support and cosponsorship.●

● Mr. RIEGLE. Mr. President, National Small Business Week is an appropriate time to again recognize the contributions of small businesses to our national economy. The scope and importance of small business activity within the economy is so great it is difficult to define or measure with any degree of precision, however, it is well known that small businesses cut across the full range of activities in our economy and constitute a vital productive resource.

I am pleased to join Senator Heinz as a cosponsor of this Senate concurrent resolution urging the President to invite the Administrator of the Small Business Administration to participate fully in the meetings of the Cabinet Council on Economic Affairs. This measure reaffirms the critical role that small business plays in our economic system and the necessity of keeping the President and his advisers fully apprised of the needs and concerns of small businesses.

I firmly believe that the future health and vitality of the economy will depend in large measure upon the economic performance of the small business. As the climate for business improves and the public and community leaders look to business for solutions to national problems, I believe it is necessary for the Congress to give evidence of renewed support for the activities of business in general and small businesses in particular and I urge all Senators to lend their support to the resolution.●

SENATE RESOLUTION 384—ORIGINAL RESOLUTION WAIVING CONGRESSIONAL BUDGET ACT

Mr. WALLOP (for Mr. Goldwater), from the Select Committee on Intelligence, reported the following original resolution; which was referred to the Committee on the Budget:

S. Res. 384

Resolved, That pursuant to Section 402(c) of the Congressional Budget Act of 1974, the provisions of Section 402(a) of such Act are waived with respect to consideration of Title IV of S. 2487, which authorizes supplemental appropriations for Fiscal Year 1982 for intelligence activities of the United States.

Such a waiver is necessary because Title IV of S. 2487 authorizes supplemental appropriations for Fiscal Year 1982. Compliance with Section 402(a) of the Congressional Budget Act of 1974 was not possible by May 15, 1981, because the amount of supplemental appropriations for Fiscal Year 1982 for intelligence activities of the United States was not known at that time.

SENATE RESOLUTION 385—RESOLUTION RELATING TO ACCESS TO VETERANS' ADMINISTRATION FACILITIES

Mr. SASSER submitted the following resolution; which was referred to the Committee on Veterans' Affairs:

S. Res. 385

Whereas the people of the United States have a longstanding responsibility to provide the best medical benefits and services possible to veterans;

Whereas the availability of such medical benefits and services to veterans is a measure of the moral commitment of the people of the United States to those who have served the United States in times of war or national emergency;

Whereas the Administrator of Veterans' Affairs has publicly stated that the Veterans' Administration plans to furnish hospital, nursing home, and domiciliary care and medical treatment only to veterans with service-connected disabilities regardless of the eligibility of other veterans to receive such care and treatment under applicable law;

Whereas the Administrator of Veterans' Affairs has considered proposals to impose a requirement that only veterans who are 72 years of age or older be furnished such care and treatment by the Veterans' Administration; and

Whereas such plans and proposals emphasize cost-saving concerns over the obligation to honor the debt that the United States owes veterans: Now, therefore, be it

Resolved, That it is the sense of the Senate that no legislative or administrative change should be made in the current policies and practices of the Veterans' Administration if such change would reduce the access of any veteran to hospital, nursing home, and domiciliary care and medical treatment furnished by the Veterans' Administration.

● Mr. SASSER. Mr. President, I rise today to offer a sense of the Senate resolution that guarantees access to any Veterans' Administration health care facility.

I am saddened by the reasons which compel me to bring this matter before the Senate. Over the last few months it has become clear that the longstanding debt our Nation owes to its veterans is about to be reconsidered, reevaluated, and drastically reduced.

Recent comments to the press by Veterans' Administrator, Mr. Robert P. Nimmo, indicate that he may feel that our national obligation to our veterans who have served our country faithfully is no longer a moral duty for us to uphold. Rather, the Administration apparently views veterans services as nothing more than a social welfare program to be subject to the cost-cutting whims of antiveteran bureaucrats in the Office of Management and Budget.

Mr. Nimmo has on several occasions expressed this antiveteran attitude. Before the House Veterans' Affairs Committee in February he said he was "not convinced" of the Government's obligation to provide medical care to veterans for whom military service was "little more than an inconvenience." Furthermore, he characterized VA medical care as "free medical care," and states that "people have an obligation to serve their country and are not necessarily entitled thereby to a permanent social welfare system."

Mr. President, we are all well aware of the fact that increasing numbers of older veterans are eligible for, and in need of VA medical care services. These veterans will soon be expecting their country to live up to the commitment made to them long ago: "To care for him who shall have borne battle, and for his widow, and his orphan."

Presently, the average age of our 12.4 million World War II veterans is 61 years of age. From 1980 to 1985 the number of veterans 65 and over, and thus eligible for medical care from the VA, will double, from 2.2 to 4.1 million. by 1990 there may be an estimated 7 million veterans of eligible age. We must be ready to serve the medical needs of these veterans.

Yes, our veterans are graying, and they expect to receive what they rightfully deserve. And I believe that the Administration should supply these services and not change eligibility rules after Veterans have served our country.

Mr. President, I believe that the American people feel that this Nation owes a commitment to its veterans. They have served to protect our way of life. And we most certainly owe our veterans the best services we can provide. We have 21 million World War II, Korean war, and Vietnam-era veterans who were ready to risk their very lives for our country. We would diminish their sacrifices for our Nation if we now plan to scale back or ration veterans' services.

On January 11 of this year the Associated Press carried an interview with VA Administrator Nimmo in which he stated that the VA may change the age of medical treatment eligibility from 65 to 70. In this story carried across the country, the Administrator responded to the objections from veterans and veterans' organizations that such a change would bring about, by saying:

> What is to be recognized by those people . . . is that there are more words in the dictionary than "more, more, more." At some point they're going to have to decide what benefits are most important to them and which can be cut.

The VA Administrator, in effect, turns his back on aging veterans and suggests that they may simply have to wait another 5 years for VA services. Mr. President, many of our veterans simply cannot afford to wait that long. They need immediate VA care, and they should receive such care.

Administrator Nimmo's subsequent remarks and actions have confirmed the doubts and fears of those who had reservations about his willingness to place a priority on veterans benefits and services as opposed to past cutting efforts at the expense of veterans. The outcry which followed Mr. Nimmo's remarks in January did not prevent the Administrator from continuing to push for VA cuts. In February in an interview in the Baltimore Evening Sun, the Administrator indicated that the VA will soon propose this elimination of health care eligibility for veterans age 65. Characterizing the VA as something of a "sacred cow," he went on to propose other ways to save money at the expense of those men and women who have served in time of national emergency. Again, he justifies such benefit-cutting measures on the grounds of the "gigantic surge" in the number of aging veterans. Along with raising the age requirement, Mr. Nimmo mentioned the introduction of a means test which would effectively bar VA help for many veterans. But even more reprehensible was his suggestion to simply ration resources, that is, "maybe not provide enough doctors and facilities to meet the demand."

Beyond these statements, Mr. Nimmo has also taken action that adversely affects future medical care for our veterans. The decision to delay all VA medical construction projects planned for fiscal year 1984 and beyond severely damages our future capacity for VA medical care.

This VA "revalidation" of the 5-year plan mandated by Congress is delaying previously approved hospital projects, and jeopardizing the very existence of the VA health care system.

These actions suggest that the VA is not aggressively seeking a solution to the hospital shortage which will soon face an aging veteran population. This action creates further pressure on VA medical care, which can be used later to justify the drastic action suggested by the Administrator.

Mr. President, the irony of any VA proposals to raise the age limit for medical care lies in the real possibility that it will result in no cost-saving at all, and maybe an increase in spending in other pertinent medical care programs. Statistics reveal that at least half of the entire veterans population does not approach the VA for any benefit, during their lifetime, with the exception of a VA housing guaranty loan. The patient population of the VA hospital system is only about 10 percent—the poorest 10 percent. Veterans who would lose eligibility through changes in VA medical care would in all likelihood, turn to the Medicare System and thereby put increasing pressure on this program.

Mr. President. my resolution identifies a most serious problem at the VA—the attitudes and actions of the leadership of the VA which are denying needed services to our veterans.

Those who have devoted a part of their lives in service to our country are now being asked to wait—wait for the medical care they have long been promised and which they deserve. Today I ask my fellow Senators to join with me in cosponsoring Senate Resolution 385 which calls on the VA Administrator to fulfill his solemn obligation to provide VA medical care to all veterans who are eligible for such care.●

AMENDMENTS SUBMITTED FOR PRINTING

DEPARTMENT OF DEFENSE AUTHORIZATION, 1983

AMENDMENT NO. 1399

(Ordered to be printed and to lie on the table.)

Mr. GORTON (for himself, Mr. SASSER, and Mr. CHILES) submitted an amendment intended to be proposed by them to the bill (S. 2248) to authorize appropriations for fiscal year 1983 for procurement, for research, development, test, and evaluation, and for operation and maintenance for the Armed Forces, to prescribe personnel strengths for the Armed Forces and for civilian personnel of the Department of Defense, and for other purposes.

AMENDMENT NO. 1400

(Ordered to be printed.)

Mr. QUAYLE (for himself and Mr. GOLDWATER) proposed an amendment to the bill S. 2248, supra.

VOTING RIGHTS ACT AMENDMENTS

AMENDMENT NOS. 1401 THROUGH 1440

(Ordered to be printed and to lie on the table)

Mr. HELMS submitted 40 amendments intended to be proposed by him to the bill (H.R. 3112) to amend the Voting Rights Act of 1965 to extend the effect of certain provisions, and for other purposes.

REMOVAL OF CERTAIN COUNTIES FROM PRECLEARANCE REQUIREMENTS

● Mr. HELMS. Mr. President, today I am submitting amendments to H.R. 3112 and S. 1992, bills to extend the provisions of the Voting Rights Act of 1965. As my colleagues are aware, H.R. 3112 passed the House of Representatives on October 5, 1981, and is now on the Senate calendar and therefore ready to be called up and considered by the full Senate at any time. S. 1992, the Voting Rights Act extension bill sponsored by Senators DOLE, KENNEDY, and MATHIAS was reported by the Senate Judiciary Committee yesterday.

The measures that I am submitting today as amendments to H.R. 3112 and S. 1992 would remove 40 North Carolina counties from the onerous preclearance requirements of section 5 of the Voting Rights Act. These counties were swept into coverage by the act because they administered literacy tests once upon a time, and the original Voting Rights Act treated such tests as presumptive evidence of discrimination. After 17 years and 3 extensions of the "temporary" preclearance provisions, these 40 counties must still comply with the preclearance requirements of the Voting Rights Act, despite their exemplary

record of protecting the voting rights of all their citizens.

Mr. President, there are three reasons why these amendments are needed. First, they would recognize the excellent record of the 40 North Carolina counties and would reward them for that excellent record. Second, H.R. 3112 and the proposed Dole-Kennedy-Mathias bill have such unrealistically stringent bailout standards that these counties would probably never be able to achieve bailout. (In addition, if the existing law were extended for 10 years or longer, the 40 covered North Carolina counties would have to wait until it expires before they could attempt to achieve bailout). Finally, literacy tests have been banned nationwide by the permanent provisions of the Voting Rights Act and such tests have not been used in North Carolina counties for years.

EXPLANATION OF PRECLEARANCE

The Voting Rights Act of 1964 contains permanent provisions of general applicability that include broad prohibitions against denial or abridgement of voting rights on the basis of race. The act also includes special provisions that were intended to be a temporary response to the low minority voter participation in the 1964 Presidental elections. The States targeted under the original triggering formula of the act were, in fact, those that supported Senator GOLDWATER in the 1964 election.

The act requires jurisdictions covered by its special provisions to submit all proposed changes in their voting laws and procedures to the Federal Government for approval. This is referred to as section 5 preclearance. The most frequently used form of preclearance requires a covered jurisdiction to submit a proposed change to the Attorney General. If the Attorney General does not object to the change within 60 days, it may then be implemented. The alternative is for the jurisdiction to bring, in the U.S. District Court of the District of Columbia, an action for a declaratory judgment that the change does not have the purpose and will not have the effect of denying voting rights on account of race or membership in a language minority group. The burden of compliance with section 5 preclearance is expensive and time consuming. The State of Texas computed that 1 year's compliance with the Voting Rights Act cost taxpayers of Texas at least $100,000 and required more than 35,000 hours of work.

Because the Supreme Court has broadly interpreted the scope of the preclearance provisions, covered jurisdictions must submit to the Justice Department all changes in voting laws and procedures that alter things "in even a minor way." Among such changes are relocation of polling places; modifications in registration requirements and procedures; and alterations in candidate qualifications, ballot organization, voting methods, and precinct organization.

Many of the most controversial aspects of the act have centered upon the obligation of covered jurisdictions to submit to the Federal Government for approval such matters as redistricting, annexation, incorporation, or consolidation or division of political and voting units. Such submissions have been required on the ground that the right to register and vote also entails the right to cast an "effective" vote. The meaning of this concept has been a major source of controversy. Many observers argue persuasively that the preclearance provisions of the Voting Rights Act are now administered as an affirmative action program for minority politicans seeking elected office.

In the March 1982 issue of Commentary magazine, Dr. Walter Berns of the American Enterprise Institute describes the operations of the preclearance provisions in the city of Rome, Ga., as follows:

> Rome, Georgia, had a commission form of government, the commissioners being elected on an at-large basis and by a plurality of the vote. (As the Supreme Court noted, "literally thousands of municipalities and other local government units throughout the nation" have such a system.) In 1966, the state of Georgia enacted new laws affecting municipal governance, among them one providing for election of commissioners by majority vote. Since Georgia was covered by section 5 of the Voting Rights Act, it had to "pre-clear" this electoral change with the Attorney General.
>
> He refused his approval and Rome went to court. The trial court found no discriminatory purpose in the new law, but it ruled against the city because the law was discriminatory in effect. As the Supreme Court repeated in its affirmance of the lower court's decision, the law would deprive "Negro voters of the opportunity to elect a candidate of their choice," by which it meant, a candidate of their own race. More precisely, the city had not proved that the new law would not have the effect of depriving Negro voters of the opportunity to elect a Negro candidate.

Mr. President, in the city of Rome case, there was in fact, as the U.S. district court noted at length, no evidence of any discrimination in the city for nearly two decades, and the city nevertheless lost the case. The city of Rome lost its case solely because no member of a minority group had been elected to office.

I am concerned that Congress and the courts have lost sight of the original goal of the Voting Rights Act. It was intended simply to prohibit the denial or abridgement of voting rights on the basis of race with respect to access to the polls and the opportunity to vote. The preclearance provisions of the act were intended to be only a temporary extraordinary response to the low minority voter participation that was said to be the result of unfair literacy tests. Now that literacy tests have been permanently suspended in every State, what is the reason for continuing section 5 preclearance?

PERMANENT PROVISIONS ARE AN EFFECTIVE GUARANTEE OF VOTING RIGHTS

Congress has ample power to protect the rights of citizens to vote without resorting to the unconstitutional device it has adopted in section 5. In fact, other provisions of the Voting Rights Act include a perfectly adequate basis for Federal intervention in protecting the rights of citizens to vote.

Although these permanent provisions have received almost no attention in the debate over H.R. 3112 or the Dole-Kennedy-Mathias bill, they have nevertheless been instrumental in expansion of the suffrage. As Assistant Attorney General William Bradford Reynolds has testified, the Attorney General's section 5 authority to call for the use of Federal examiners has been highly effective in eliminating obstacles to voter registration by blacks.

Even if jurisdictions such as North Carolina's 40 covered counties are removed from the onerous preclearance requirements of section 5, the highly effective permanent provisions would remain in place as a perfectly adequate guarantee of voting rights.

NORTH CAROLINA'S EXCELLENT 17-YEAR RECORD ON VOTING RIGHTS

The amendments that I am introducing today to S. 1992 and H.R. 3112 would remove from the preclearance requirements all of the North Carolina counties that are currently covered. All but one of these counties were covered by the 1965 Voting Rights Act, not because they had discriminated against black voters, but simply because they had at one time administered literacy tests, which the act treats as presumptive evidence of discrimination.

One other county, Jackson, was covered because its Cherokee Indians constituted a language minority and it had either low registration or low voter turnout in a Presidential election. Not one shred of evidence has been introduced either in the House or Senate Judiciary Committees that any of these counties has actually discriminated against minority voters.

In many other regions of the country registration and voting statistics for minorities are not as favorable as they are in North Carolina. According to statistics from the Bureau of the Census for the year 1980, 49.2 percent of blacks in North Carolina were registered to vote while, for example, only 43.6 percent of blacks in Massachusetts were registered to vote.

The conclusion to be drawn from these statistics is that North Carolina has made great progress in providing the opportunity for blacks to register while other noncovered States like

Massachusetts have an even greater need to improve the registration rates for black citizens.

A survey of legal actions taken by the Department of Justice with regard to voting rights in North Carolina indicates that North Carolina's record during the past 17 years has been excellent. The Justice Department has never filed suit against the State of North Carolina or against any of its counties for voting rights violations in the past 17 years.

In addition, there have been very few legal actions by the Justice Department involving North Carolina under the section 5 preclearance provision. According to the statistics supplied by the Department to the Senate Judiciary Subcommittee on the Constitution, there have been 695 objections interposed against voting changes in covered States between 1965 and December 31, 1981. Only 22 of these objections have been interposed against changes by the State of North Carolina or covered jurisdictions in North Carolina. Other States have had many more objections interposed.

The 22 objections interposed against voting changes in North Carolina represent a miniscule proportion of the total 1,428 voting changes that have been submitted by the State and its covered jurisdictions between 1965 and September 1981. In fact, these objections were interposed against fewer than 2 percent of the voting changes that have been submitted.

ONLY NINE NORTH CAROLINA COUNTIES HAVE HAD OBJECTIONS INTERPOSED AGAINST THEIR VOTING CHANGES

A sum of 9 of the 22 objections were interposed against voting changes by the State of North Carolina, and the remaining objections involved only nine of the covered counties in North Carolina. In the case of two of the nine counties, Craven and Edgecombe, the objections were withdrawn by the Justice Department within about 1 year of having been filed and were not counted by the Department in total number of objections. The Justice Department's testimony lists only the one county, Robeson, as having litigated an objection, and the post-objection action of another county, Washington, is not specified.

The other counties, Martin, Pasquotank, Scotland, Rockingham, and Pitt, complied without litigation or new submission.

The types of changes by the counties to which the Justice Department objected are the types of innocuous changes adopted every year by noncovered jurisdictions throughout the country. Officials in these nine counties, almost without exception, have not even been accused by the Justice Department of in any way interfering with the right to register to vote.

Instead, the record of these nine covered counties suggests that the accusations have focused more on the issue of the right to cast an "effective" vote in methods of election and in districts that are perceived as more advantageous for minority candidates seeking to win elective office.

THIRTY-ONE OF NORTH CAROLINA'S COVERED COUNTIES HAVE NEVER BEEN SUBJECTED TO ANY LEGAL ACTION BY THE JUSTICE DEPARTMENT WITH REGARD TO VOTING RIGHTS

There are 31 covered counties in North Carolina that have been subject to the preclearance requirement for 17 years—except Jackson County which was covered in 1975—and for all of these 17 years, not a single objection has been interposed against any of more than 1,000 voting changes. The 31 counties are as follows: Anson, Beaufort, Bertie, Bladen, Camden, Caswell, Chowan, Cleveland, Cumberland, Franklin, Gaston, Gates, Granville, Greene, Guilford, Halifax, Harnett, Hertford, Hoke, Jackson, Lee, Lenior, Nash, Northampton, Onslow, Perquimans, Person, Union, Vance, Wayne, and Wilson.

Why must these 31 counties remain covered after 17 years with their record on voting rights is at least as good as the record of any counties in other regions of the country? Is it fair to subject counties of the State of North Carolina to the burdens of Federal regulation of electoral changes that are not imposed on counties in other States whose records on voting rights have not even equaled North Carolina's in the past 17 years? Can a Senator from any other State say that his State's record on protecting voting rights is so much better over the past 17 years than the record of these 31 counties, or that his State merits better treatment than is merited by these 31 counties in North Carolina?

Does it not violate the principle of equality among the States for these 31 counties of North Carolina to be subjected to discriminatory Federal intervention when their record over the past 17 years is as good or better in protecting voting rights than the records of hundreds of counties in States not covered by the preclearance provisions?

This discrimination that continues against North Carolina counties after 17 years is especially unfair because the formula for preclearance coverage was arbitrary and overbroad. In fact, most of the North Carolina counties never should have been covered in the first place.

CONGRESS SHOULD ACT TO REMOVE THESE COUNTIES FROM COVERAGE SINCE EXPENSIVE BAILOUT LITIGATION IS NOT A REASONABLE ALTERNATIVE AND THE DOLE-KENNEDY-MATHIAS BILL, IF ENACTED, WOULD FORECLOSE ALMOST ALL HOPE OF BAILOUT

No doubt there are those who think that Congress should not exercise its legislative discretion to remove North Carolina's counties from coverage since the Voting Rights Act allows covered jurisdictions to seek "bailout" from coverage by litigation in court. This alternative of judicial bailout is not, however, readily available as a practical form of relief for North Carolina's counties.

In the first place, H.R. 3112, like the Dole-Kennedy-Mathias bill, imposes new bailout standards that are so unrealistic and stringent that no jurisdiction now covered will ever be able to accomplish a bailout. In fact, under the Dole-Kennedy-Mathias bill, bailout would depend on circumstances that the jurisdictions cannot control.

For example, its bailout standards would bar bailout during the pendency of any action alleging denial of the right to vote. Clearly, litigious parties could rely on this part of the Dole-Kennedy-Mathias bill to preclude a covered jurisdiction from bailout without any local control whatsoever.

Moreover, it would bar bailout if, during the previous 10-year period, either the Attorney General or a court had ordered the appointment of Federal examiners. The use of Federal examiners is by its very nature an extraordinary use of power beyond local control.

There is no appeal nor review of the decision of the Attorney General to appoint Federal examiners. There are also several other aspects of the proposed Dole-Kennedy-Mathias bill that would operate to prevent covered jurisdictions from ever bailing out.

Even under the bailout standards of current law, only 22 counties across the country—18 in the State of Maine alone—have been able to bail out of coverage by demonstrating that a literacy test or other device that they employed prior to 1965 had never been used for the purpose or never had the effect of discriminating against protected minorities.

Only those counties with negligible percentages of minorities have ever been able to satisfy this burden to the satisfaction of the District of Columbia District Court. There is no effective means by which those jurisdictions currently covered by the act can demonstrate this absence of discriminatory purpose or effect in their voting tests or devices prior to the passage of the act.

In Virginia, for example, although the court found that the State had never used its literacy test for discriminatory purposes, it concluded nevertheless that a history of segregation in its school system had a discriminatory effect on the ability of minorities to satisfy State literacy standards.

Furthermore, the costs of undertaking bailout litigation might be so great as to be prohibitive for most counties that are already suffering under strained budgets. In preclearance litigation that involved similar amounts of time and expense, the city of Rome, Ga., incurred about $250,000 in expenses and the city of Richmond, Va., incurred about $750,000 in expenses.

The prohibitive cost of any litigation together with the excessively stringent standards for judicial bailout demonstrate that judicial bailout is not available in practical terms as an alternative to Congress exercising its legislative judgment to remove North Carolina's law-abiding counties from coverage.

CONCLUSION

Justice Hugo Black, dissenting in *South Carolina* v. *Katzenbach*, 383 U.S. 301, 359 (1966) argued that:

> (C)ertainly if all the provisions of our Constitution which limit the power of the Federal Government and reserve other power to the States are to mean anything, they mean at least that the States have power to pass laws . . . without first sending their officials hundreds of miles away to beg federal authorities to approve them.

By prohibiting the States from enacting legislation without the consent of Federal authorities, section 5 of the Voting Rights Act actually provides for a congressional veto of State laws, a power that was considered and specifically rejected by the Founding Fathers in 1787. Justice Black concluded:

> The judicial power to invalidate a law in a case or controversy after the law has become effective is a long way from the power to prevent a State from passing a law. I cannot agree with the Court that Congress, denied a power in itself to veto a state law, can delegate this same power to the Attorney General or the District Court for the District of Columbia. 383 U.S. at 361.

Justice Black argued that section 5 of the Voting Rights Act reduced the States to "little more than conquered provinces." *Id.* at 360.

In light of these serious constitutional concerns about the preclearance requirement, and in light of North Carolina's excellent record on voting rights for the past 17 years, commonsense dictates that North Carolina's counties must be freed from the preclearance requirement. The same legislative discretion that originally included North Carolina's counties as covered jurisdictions should now be used to remove them from coverage.

The governments of North Carolina's counties have never and will never pose a greater threat to voting rights than the governments of counties in other regions of our Nation. It would be baseless and vindictive regional prejudice to argue otherwise in the face of overwhelming statistics demonstrating North Carolina's excellent record. If voting rights are ever threatened in North Carolina, the permanent provisions in the Voting Rights Act that apply nationwide would be more than adequate to protect the right to register and have access to the polls.

Former Senator Sam Ervin from North Carolina charged that the Voting Rights Act's "overriding defect * * * (was) that it degrades certain States and subdivisions to the point where they are denied fundamental rights * * *." I hope that Senators from States that have not been subjected to this degradation will respond in good faith to my request for relief from the onerous burden that my State's counties have borne for an unnecessarily long time, and I hope that the fundamental rights of my State and its subdivisions might once again be restored.

Mr President, I ask unanimous consent that the amendments be printed in the Record.

There being no objection, the amendments were ordered to be printed in the Record, as follows:

Amendment No. 1401

On page 8, between lines 17 and 18, insert the following new section:

Sec. 3. The Voting Rights Act of 1965 is amended by inserting after section 5 the following new section:

"Sec. 5A. Notwithstanding any other provision of this Act, sections 4 and 5 of this Act shall not apply to the county of Anson in the State of North Carolina.".

On page 8, line 18, strike out "Sec. 3" and insert in lieu thereof "Sec. 4".

On page 8, line 21, strike out "Sec. 4" and insert in lieu thereof "Sec. 5".

On page 9, line 3, strike out "Sec. 5" and insert in lieu thereof "Sec. 6".

Amendment No. 1402

On page 8, between lines 17 and 18, insert the following new section:

Sec. 3. The Voting Rights Act of 1965 is amended by inserting after section 5 the following new section:

"Sec. 5A. Notwithstanding any other provision of this Act, sections 4 and 5 of this Act shall not apply to the county of Beaufort in the State of North Carolina.".

On page 8, line 18, strike out "Sec. 3" and insert in lieu thereof "Sec. 4".

On page 8, line 21, strike out "Sec. 4" and insert in lieu thereof "Sec. 5".

On page 9, line 3, strike out "Sec. 5" and insert in lieu thereof "Sec. 6".

Amendment No. 1403

On page 8, between lines 17 and 18, insert the following new section:

Sec. 3. The Voting Rights Act of 1965 is amended by inserting after section 5 the following new section:

"Sec. 5A. Notwithstanding any other provision of this Act, sections 4 and 5 of this Act shall not apply to the county of Bertie in the State of North Carolina.".

On page 8, line 18, strike out "Sec. 3" and insert in lieu thereof "Sec. 4".

On page 8, line 21, strike out "Sec. 4" and insert in lieu thereof "Sec. 5".

On page 9, line 3, strike out "Sec. 5" and insert in lieu thereof "Sec. 6".

Amendment No. 1404

On page 8, between lines 17 and 18, insert the following new section:

Sec. 3. The Voting Rights Act of 1965 is amended by inserting after section 5 the following new section:

"Sec. 5A. Notwithstanding any other provision of this Act, sections 4 and 5 of this Act shall not apply to the county of Bertie in the State of North Carolina.".

On page 8, line 18, strike out "Sec. 3" and insert in lieu thereof "Sec. 4".

On page 8, line 21, strike out "Sec. 4" and insert in lieu thereof "Sec. 5".

On page 9, line 3, strike out "Sec. 5" and insert in lieu thereof "Sec. 6".

Amendment No. 1405

On page 8, between lines 17 and 18, insert the following new section:

Sec. 3. The Voting Rights Act of 1965 is amended by inserting after section 5 the following new section:

"Sec. 5A. Notwithstanding any other provision of this Act, sections 4 and 5 of this Act shall not apply to the county of Camden in the State of North Carolina.".

On page 8, line 18, strike out "Sec. 3" and insert in lieu thereof "Sec. 4".

On page 2, line 21, strike out "Sec. 4" and insert in lieu thereof "Sec. 5'

On page 9, line 3, strike out "Sec. 5" and insert in lieu thereof "Sec. 6".

Amendment No. 1406

On page 8, between lines 17 and 18, insert the following new section:

Sec. 3. The Voting Rights Act of 1965 is amended by inserting after section 5 the following new section:

"Sec. 5A. Notwithstanding any other provision of this Act, sections 4 and 5 of this Act shall not apply to the county of Caswell in the State of North Carolina.".

On page 8, line 18, strike out "Sec. 3" and insert in lieu thereof "Sec. 4".

On page 8, line 21, strike out "Sec. 4" and insert in lieu thereof "Sec. 5".

On page 9, line 3, strike out "Sec. 5" and insert in lieu thereof "Sec. 6".

Amendment No. 1407

On page 8, between lines 17 and 18, insert the following new section:

Sec. 3. The Voting Rights Act of 1965 is amended by inserting after section 5 the following new section:

"Sec. 5A. Notwithstanding any other provision of this Act, sections 4 and 5 of this Act shall not apply to the county of Chowan in the State of North Carolina.".

On page 8, line 18, strike out "Sec. 3" and insert in lieu thereof "Sec. 4".

On page 8, line 21, strike out "Sec. 4" and insert in lieu thereof "Sec. 5".

On page 9, line 3, strike out "Sec. 5" and insert in lieu thereof "Sec. 6".

Amendment No. 1408

On page 8, between lines 17 and 18, insert the following new section:

Sec. 3. The Voting Rights Act of 1965 is amended by inserting after section 5 the following new section:

"Sec. 5A. Notwithstanding any other provision of this Act, sections 4 and 5 of this Act shall not apply to the county of Cleveland in the State of North Carolina.".

On page 8, line 18, strike out "Sec. 3" and insert in lieu thereof "Sec. 4".

On page 8, line 21, strike out "Sec. 4" and insert in lieu thereof "Sec. 5".

On page 9, line 3, strike out "Sec. 5" and insert in lieu thereof "Sec. 6".

Amendment No. 1409

On page 8, between lines 17 and 18, insert the following new section:

Sec. 3. The Voting Rights Act of 1965 is amended by inserting after section 5 the following new section:

"Sec. 5A. Notwithstanding any other provision of this Act, sections 4 and 5 of this Act shall not apply to the county of Craven in the State of North Carolina.".

On page 8, line 18, strike out "Sec. 3" and insert in lieu thereof "Sec. 4".

On page 8, line 21, strike out "Sec. 4" and insert in lieu thereof "Sec. 5".

On page 9, line 3, strike out "Sec. 5" and insert in lieu thereof "Sec. 6".

Amendment No. 1410

On page 8, between lines 17 and 18, insert the following new section:

Sec. 3. The Voting Rights Act of 1965 is amended by inserting after section 5 the following new section:

"Sec. 5A. Notwithstanding any other provision of this Act, sections 4 and 5 of this Act shall not apply to the county of Cumberland in the State of North Carolina.".

On page 8, line 18, strike out "Sec. 3" and insert in lieu thereof "Sec. 4".

On page 8, line 21, strike out "Sec. 4" and insert in lieu thereof "Sec. 5".

On page 9, line 3, strike out "Sec. 5" and insert in lieu thereof "Sec, 6".

Amendment No. 1411

On page 8, between lines 17 and 18, insert the following new section:

Sec. 3. The Voting Rights Act of 1965 is amended by inserting after section 5 the following new section:

"Sec. 5A. Notwithstanding any other provision of this Act, sections 4 and 5 of this Act shall not apply to the county of Edgecombe in the State of North Carolina.".

On page 8, line 18, strike out "Sec. 3." and insert in lieu thereof "Sec. 4".

On page 8, line 21, strike out "Sec. 4" and insert in lieu thereof "Sec. 5".

On page 9, line 3, strike out "Sec. 5" and insert in lieu thereof "Sec. 6".

Amendment No. 1412

On page 8, between lines 17 and 18, insert the following new section:

Sec. 3. The Voting Rights Act of 1956 is amended by inserting after section 5 the following new section:

"Sec. 5A. Notwithstanding any other provision of this Act, sections 4 and 5 of this Act shall not apply to the county of Franklin in the State of North Carolina.".

On page 8, line 18, strike out "Sec. 3" and insert in lieu thereof "Sec. 4".

On page 8, line 21, strike out "Sec. 4" and insert in lieu thereof "Sec. 5".

On page 9, line 3, strike out "Sec. 5" and insert in lieu thereof "Sec. 6".

Amendment No. 1413

On page 8, between lines 17 and 18, insert the following new section:

Sec. 3. The Voting Rights Act of 1965 is amended by inserting after section 5 the following new section:

"Sec. 5A. Notwithstanding any other provision of this Act, sections 4 and 5 of this Act shall not apply to the county of Gaston in the State of North Carolina.".

On page 8, line 18, strike out "Sec. 3" and insert in lieu thereof "Sec. 4".

On page 8, line 21, strike out "Sec. 4" and insert in lieu thereof "Sec. 5".

On page 9, line 3, strike out "Sec. 5" and insert in lieu thereof "Sec. 6".

Amendment No. 1414

On page 8, between lines 17 and 18, insert the following new section:

Sec. 3. The Voting Rights Act of 1965 is amended by inserting after section 5 the following new section:

"Sec. 5A. Notwithstanding any other provision of this Act, sections 4 and 5 of this Act shall not apply to the county of Gates in the State of North Carolina.".

On page 8, line 18, strike out "Sec. 3" and insert in lieu thereof "Sec. 4".

On page 8, line 21, strike out "Sec. 4" and insert in lieu thereof "Sec. 5".

On page 9, line 3, strike out "Sec. 5" and insert in lieu thereof "Sec. 6".

Amendment No. 1415

On page 8, between lines 17 and 18, insert the following new section:

Sec. 3. The Voting Rights Act of 1965 is amended by inserting after section 5 the following new section:

"Sec. 5A. Notwithstanding any other provision of this Act, sections 4 and 5 of this Act shall not apply to the county of Granville in the State of North Carolina.".

On page 8, line 18, strike out "Sec. 3" and insert in lieu thereof "Sec. 4".

On page 8, line 21, strike out "Sec. 4" and insert in lieu thereof "Sec. 5".

On page 9, line 3, strike out "Sec. 5" and insert in lieu thereof "Sec. 6".

Amendment No. 1416

On page 8, between lines 17 and 18, insert the following new section:

Sec. 3. The Voting Rights Act of 1965 is amended by inserting after section 5 the following new section:

"Sec. 5A. Notwithstanding any other provision of this Act, sections 4 and 5 of this Act shall not apply to the county of Greene in the State of North Carolina.".

On page 8, line 18, strike out "Sec. 3" and insert in lieu thereof "Sec. 4".

On page 8, line 21, strike out "Sec. 4" and insert in lieu thereof "Sec. 5".

On page 9, line 3, strike out "Sec. 5" and insert in lieu thereof "Sec. 6".

Amendment No. 1417

On page 8, between lines 17 and 18, insert the following new section:

Sec. 3. The Voting Rights Act of 1965 is amended by inserting after section 5 the following new section:

"Sec. 5A. Notwithstanding any other provision of this Act, sections 4 and 5 of this Act shall not apply to the county of Guilford in the State of North Carolina.".

On page 8, line 18, strike out "Sec. 3" and insert in lieu thereof "Sec. 4".

On page 8, line 21, strike out "Sec. 4" and insert in lieu thereof "Sec. 5".

On page 9, line 3, strike out "Sec. 5" and insert in lieu thereof "Sec. 6".

Amendment No 1418

On page 8, between lines 17 and 18, insert the following new section:

Sec. 3. The Voting Rights Act of 1965 is amended by inserting after section 5 the following new section:

"Sec. 5A. Notwithstanding any other provision of this Act, sections 4 and 5 of this Act shall not apply to the county of Halifax in the State of North Carolina.".

On page 8, line 18, strike out "Sec. 3" and insert in lieu thereof "Sec. 4".

On page 8, line 21, strike out "Sec. 4" and insert in lieu thereof "Sec. 5".

On page 9, line 3, strike out "Sec. 5" and insert in lieu thereof "Sec. 6".

Amendment No. 1419

On page 8, between lines 17 and 18, insert the following new section:

Sec. 3. The Voting Rights Act of 1965 is amended by inserting after section 5 the following new section:

"Sec. 5A. Notwithstanding any other provision of this Act, sections 4 and 5 of this Act shall not apply to the county of Harnett in the State of North Carolina.".

On page 8, line 18, strike out "Sec. 3" and insert in lieu thereof "Sec. 4".

On page 8, line 21, strike out "Sec. 4" and insert in lieu thereof "Sec. 5".

On page 9, line 3, strike out "Sec. 5" and insert in lieu thereof "Sec. 6".

Amendment No. 1420

On page 8, between lines 17 and 18, insert the following new section:

Sec. 3. The Voting Rights Act of 1965 is amended by inserting after section 5 the following new section:

"Sec. 5A. Notwithstanding any other provision of this Act, sections 4 and 5 of this Act shall not apply to the county of Hertford in the State of North Carolina.".

On page 8, line 18, strike out "Sec. 3" and insert in lieu thereof "Sec. 4".

On page 8, line 21, strike out "Sec. 4" and insert in lieu thereof "Sec. 5".

On page 9, line 3, strike out "Sec. 5" and insert in lieu thereof "Sec. 6".

Amendment No. 1421

On page 8, between lines 17 and 18, insert the following new section:

Sec. 3. The Voting Rights Act of 1965 is amended by inserting after section 5 the following new section:

"Sec. 5A. Notwithstanding any other provision of this Act, sections 4 and 5 of this Act shall not apply to the county of Hoke in the State of North Carolina.".

On page 8, line 18, strike out "Sec. 3" and insert in lieu thereof "Sec. 4".

On page 8, line 21, strike out "Sec. 4" and insert in lieu thereof "Sec. 5".

On page 9, line 3, strike out "Sec. 5" and insert in lieu thereof "Sec. 6".

Amendment No. 1422

On page 8, between lines 17 and 18, insert the following new section:

Sec. 3. The Voting Rights Act of 1965 is amended by inserting after section 5 the following new section:

"Sec. 5A. Notwithstanding any other provision of this Act, sections 4 and 5 of this Act shall not apply to the county of Jackson in the State of North Carolina.".

On page 8, line 18, strike out "Sec. 3" and insert in lieu thereof "Sec. 4".

On page 8, line 21, strike out "Sec. 4" and insert in lieu thereof "Sec. 5".

On page 9, line 3, strike out "Sec. 5" and insert in lieu thereof "Sec. 6".

Amendment No. 1423

On page 8, between lines 17 and 18, insert the following new section:

Sec. 3. The Voting Rights Act of 1965 is amended by inserting after section 5 the following new section:

"Sec. 5A. Notwithstanding any other provision of this Act, sections 4 and 5 of this Act shall not apply to the county of Lee in the State of North Carolina.".

On page 8, line 18, strike out "Sec. 3" and insert in lieu thereof "Sec. 4".

On page 8, line 21, strike out "Sec. 4" and insert in lieu thereof "Sec. 5".

On page 9, line 3, strike out "Sec. 5" and insert in lieu thereof "Sec. 6".

Amendment No. 1424

On page 8, between lines 17 and 18, insert the following new section:

Sec. 3. The Voting Rights Act of 1965 is amended by inserting after section 5 the following new section:

"Sec. 5A. Notwithstanding any other provision of this Act, sections 4 and 5 of this Act shall not apply to the county of Lenoir in the State of North Carolina.".

On page 8, line 18, strike out "Sec. 3" and insert in lieu thereof "Sec. 4".

On page 8, line 21, strike out "Sec. 4" and insert in lieu thereof "Sec. 5".

On page 9, line 3, strike out "Sec. 5" and insert in lieu thereof "Sec. 6".

Amendment No. 1425

On page 8, between lines 17 and 18, insert the following new section:

Sec. 3. The Voting Rights Act of 1965 is amended by inserting after section 5 the following new section:

"Sec. 5A. Notwithstanding any other provision of this Act, sections 4 and 5 of this Act shall not apply to the county of Martin in the State of North Carolina.".

On page 8, line 18, strike out "Sec. 3" and insert in lieu thereof "Sec. 4".

On page 8, line 21, strike out "Sec. 4" and insert in lieu thereof "Sec. 5".

On page 9, line 3, strike out "Sec. 5" and insert in lieu thereof "Sec. 6".

Amendment No. 1426

On page 8, between lines 17 and 18, insert the following new section:

Sec. 3. The Voting Rights Act of 1965 is amended by inserting after section 5 the following new section:

"Sec. 5A. Notwithstanding any other provision of this Act, sections 4 and 5 of this Act shall not apply to the county of Martin in the State of North Carolina.".

On page 8, line 18, strike out "Sec. 3" and insert in lieu thereof "Sec. 4".

On page 8, line 21, strike out "Sec. 4" and insert in lieu thereof "Sec. 5".

On page 9, line 3, strike out "Sec. 5" and insert in lieu thereof "Sec. 6".

Amendment No. 1427

On page 8, between lines 17 and 18, insert the following new section:

Sec. 3. The Voting Rights Act of 1965 is amended by inserting after section 5 the following new section:

"Sec. 5A. Notwithstanding any other provision of this Act, sections 4 and 5 of this Act shall not apply to the county of Northampton in the State of North Carolina.".

On page 8, line 18, strike out "Sec. 3" and insert in lieu thereof "Sec. 4".

On page 8, line 21, strike out "Sec. 4" and insert in lieu thereof "Sec. 5".

On page 9, line 3, strike out "Sec. 5" and insert in lieu thereof "Sec. 6".

Amendment No. 1428

On page 8, between lines 17 and 18, insert the following new section:

Sec. 3. The Voting Rights Act of 1965 is amended by inserting after section 5 the following new section:

"Sec. 5A. Notwithstanding any other provision of this Act, sections 4 and 5 of this Act shall not apply to the county of Onslow in the State of North Carolina.".

On page 8, line 18, strike out "Sec. 3" and insert in lieu thereof "Sec. 4".

On page 8, line 21, strike out "Sec. 4" and insert in lieu thereof "Sec. 5".

On page 9, line 3, strike out "Sec. 5" and insert in lieu thereof "Sec. 6".

Amendment No. 1429

On page 8, between lines 17 and 18, insert the following new section:

Sec. 3. The Voting Rights Act of 1965 is amended by inserting after section 5 the following new section:

"Sec. 5A. Notwithstanding any other provision of this Act, sections 4 and 5 of this Act shall not apply to the county of Pasquotank in the State of North Carolina.".

On page 8, line 18, strike out "Sec. 3" and insert in lieu thereof "Sec. 4".

On page 8, line 21, strike out "Sec. 4" and insert in lieu thereof "Sec. 5".

On page 9, line 3, strike out "Sec. 5" and insert in lieu thereof "Sec. 6".

Amendment No. 1430

On page 8, between lines 17 and 18, insert the following new section:

Sec. 3. The Voting Rights Act of 1965 is amended by inserting after section 5 the following new section:

"Sec. 5A. Notwithstanding any other provision of this Act, sections 4 and 5 of this Act shall not apply to the county of Perquimans in the State of North Carolina.".

On page 8, line 18, strike out "Sec. 3" and insert in lieu thereof "Sec. 4".

On page 8, line 21, strike out "Sec. 4" and insert in lieu thereof "Sec. 5".

On page 9, line 3, strike out "Sec. 5" and insert in lieu thereof "Sec. 6".

Amendment No. 1431

On page 8, between lines 17 and 18, insert the following new section:

Sec. 3. The Voting Rights Act of 1965 is amended by inserting after section 5 the following new section:

"Sec. 5A. Notwithstanding any other provision of this Act, sections 4 and 5 of this Act shall not apply to the county of Person in the State of North Carolina.".

On page 8, line 18, strike out "Sec. 3" and insert in lieu thereof "Sec. 4".

On page 8, line 21, strike out "Sec. 4" and insert in lieu thereof "Sec. 5".

On page 9, line 3, strike out "Sec. 5" and insert in lieu thereof "Sec. 6".

Amendment No. 1432

On page 8, between lines 17 and 18, insert the following new section:

Sec. 3. The Voting Rights Act of 1965 is amended by inserting after section 5 the following new section:

"Sec. 5A. Notwithstanding any other provision of this Act, sections 4 and 5 of this Act shall not apply to the county of Pitt in the State of North Carolina.".

On page 8, line 18, strike out "Sec. 3" and insert in lieu thereof "Sec. 4".

On page 8, line 21, strike out "Sec. 4" and insert in lieu thereof "Sec. 5".

On page 9, line 3, strike out "Sec. 5" and insert in lieu thereof "Sec. 6".

Amendment No. 1433

On page 8, between lines 17 and 18, insert the following new section:

Sec. 3. The Voting Rights Act of 1965 is amended by inserting after section 5 the following new section:

"Sec. 5A. Notwithstanding any other provision of this Act, sections 4 and 5 of this Act shall not apply to the county of Robeson in the State of North Carolina.".

On page 8, line 18, strike out "Sec. 3" and insert in lieu thereof "Sec. 4".

On page 8, line 21, strike out "Sec. 4" and insert in lieu thereof "Sec. 5".

On page 9, line 3, strike out "Sec. 5" and insert in lieu thereof "Sec. 6".

Amendment No. 1434

On page 8, between lines 17 and 18, insert the following new section:

Sec. 3. The Voting Rights Act of 1965 is amended by inserting after section 5 the following new section:

"Sec. 5A. Notwithstanding any other provision of this Act, sections 4 and 5 of this Act shall not apply to the county of Rockingham in the State of North Carolina.".

On page 8, line 18, strike out "Sec. 3" and insert in lieu thereof "Sec. 4".

On page 8, line 21, strike out "Sec. 4" and insert in lieu thereof "Sec. 5".

On page 9, line 3, strike out "Sec. 5" and insert in lieu thereof "Sec. 6".

Amendment No. 1435

On page 8, between lines 17 and 18, insert the following new section:

Sec. 3. The Voting Rights Act of 1965 is amended by inserting after section 5 the following new section:

Sec. 5A Notwithstanding any other provision of this Act, sections 4 and 5 of this Act shall not apply to the county of Scotland in the State of North Carolina.".

On page 8, line 18, strike out "Sec. 3" and insert in lieu thereof "Sec. 4".

On page 8, line 21, strike out "Sec. 4" and insert in lieu thereof "Sec. 5".

On page 9, line 3, strike out "Sec. 5" and insert in lieu thereof "Sec. 6".

Amendment No. 1436

On page 8, between lines 17 and 18, insert the following new section:

Sec. 3. The Voting Rights Act of 1965 is amended by inserting after section 5 the following new section:

"Sec. 5A. Notwithstanding any other provision of this Act, sections 4 and 5 of this Act shall not apply to the county of Union in the State of North Carolina.".

On page 8, line 18, strike out "Sec. 3" and insert in lieu thereof "Sec. 5".

On page 8, line 21, strike out "Sec. 4" and insert in lieu thereof "Sec. 5".

On page 9, line 3, strike out "Sec. 5" and insert in lieu thereof "Sec. 6.".

Amendment No. 1437

On page 8, between lines 17 and 18, insert the following new section:

Sec. 3. The Voting Rights Act of 1965 is amended by inserting after section 5 the following new section:

"Sec. 5A. Notwithstanding any other provision of this Act, sections 4 and 5 of this Act shall not apply to the county of Vance in the State of North Carolina.".

On page 8, line 18, strike out "Sec. 3" and insert in lieu thereof "Sec. 4".

On page 8, line 21, strike out "Sec. 4" and insert in lieu thereof "Sec. 5".

On page 9, line 3, strike out "Sec. 5" and insert in lieu thereof "Sec. 6".

Amendment No. 1438

On page 8, between lines 17 and 18, insert the following new section:

Sec. 3. The Voting Rights Act of 1965 is amended by inserting after section 5 the following new section:

"Sec. 5A. Notwithstanding any other provision of this Act, sections 4 and 5 of this Act shall not apply to the county of Washington in the State of North Carolina.".

On page 8, line 18, strike out "Sec. 3" and insert in lieu thereof "Sec. 4".

On page 8, line 21, strike out "Sec. 4" and insert in lieu thereof "Sec. 5".

On page 9, line 3, strike out "Sec. 5" and insert in lieu thereof "Sec. 6".

Amendment No. 1439

On page 8, between lines 17 and 18, insert the following new section:

Sec. 3. The Voting Rights Act of 1965 is amended by inserting after section 5 the following new section:

"Sec. 5A. Notwithstanding any other provision of this Act, sections 4 and 5 of this Act shall not apply to the county of Wayne in the State of North Carolina.".

On page 8 line 18, strike out "Sec. 3" and insert in lieu thereof "Sec. 4".

On page 8, line 21, strike out "Sec. 4" and insert in lieu thereof "Sec. 5".

On page 9, line 3, strike out "Sec. 5" and insert in lieu thereof "Sec. 6".

Amendment No. 1440

On page 8, between lines 17 and 18, insert the following new section:

Sec. 3. The Voting Rights Act of 1965 is amended by inserting after section 5 the following new section:

"Sec. 5A. Notwithstanding any other provision of this Act, sections 4 and 5 of this Act shall not apply to the county of Wilson in the State of North Carolina.".

On page 8, line 18, strike out "Sec. 3" and insert in lieu thereof "Sec. 4".

On page 8, line 21, strike out "Sec. 4" and insert in lieu thereof "Sec. 5".

On page 9, line 3, strike out "Sec. 5" and insert in lieu thereof "Sec. 6".●

NOTICES OF HEARINGS

COMMITTEE ON RULES AND ADMINISTRATION

Mr. MATHIAS. Mr. President, I wish to announce that the Committee on Rules and Administration will hold a meeting on Thursday, May 13, 1982, at 9:30 a.m., in room 301, Russell Senate Office Building, to consider a number of pending legislative and administrative business items.

The committee will mark up an original bill authorizing appropriations for the Federal Election Commission for fiscal year 1983. A hearing on the FEC's 1983 budget request of $9.88 million was held on April 22, 1982.

The committee also plans to mark up three bills relating to the Smithsonian Institution. S. 2102 would authorize construction for a new museum for Eastern and African art under the park area bounded by the Smithsonian "Castle," the Freer Gallery, the Arts and Industries Building, and Independence Avenue. S. 2390 reauthorizes the National Museum Act, under which the Smithsonian Institution makes grants for the improvement of museum operations. This bill authorizes appropriations of $782,000 for fiscal year 1983 and appropriations of such sums as may be necessary for fiscal years 1984 and 1985. The third bill, S. 2391, would adjust the rate of interest paid on funds of the Smithsonian Institution deposited with the U.S. Treasury. Currently, funds earn interest at the rate of 6 percent. This bill would provide for interest to be based on the average market yield on similar obligations of the United States. The Rules Committee held hearings on these bills on April 20, 1982.

For further information regarding this meeting, please call Rules Committee staff on x40278.

SUBCOMMITTEE ON ENERGY AND MINERAL RESOURCES

Mr. WARNER. Mr. President, I would like to announce for the information of the Senate and the public that S. 2481, to provide for the reinstatement and validation of U.S. oil and gas lease No. W61985, has been added to the agenda of the Subcommittee on Energy and Mineral Resources hearing scheduled for Friday, May 7, beginning at 9:30 a.m. in room 3110 of the Dirksen Senate Office Building.

For further information regarding this hearing, you may wish to contact Mr. Roger Sindelar of the subcommittee staff at 224-4236.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. McCLURE. Mr. President, I would like to announce for the information of the Senate and the public the scheduling of a public hearing before the Committee on Energy and Natural Resources to consider S. 1844, the Coal Distribution and Utilization Act of 1981. This hearing, which will be held on Thursday, May 20, beginning at 10 a.m., is a continuation of the hearing scheduled for Monday, May 10 at 10 a.m. The hearing will be held in room 3110 of the Dirksen Senate Office Building.

Those wishing to testify or who wish to submit written statements for the hearing record should write to the Committee on Energy and Natural Resources, room 3104, Dirksen Senate Office Building, Washington, D.C. 20510.

For further information regarding this hearing you may wish to contact Mr. Gary Ellsworth of the committee staff at 224-7146.

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON ENVIRONMENTAL POLLUTION

Mr. SPECTER. Mr. President, I ask unanimous consent that the Subcommittee on Environmental Pollution of the Committee on Environment and Public Works be authorized to meet during the session of the Senate on Wednesday, May 5, at 10 a.m., to hold a markup of authorizations for the Endangered Species Act; the Resource Conservation and Recovery Act; the Marine Protection, Research, and Sanctuaries Act; and the Federal Water Pollution Control Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. SPECTER. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Wednesday, May 5, at 2 p.m., to hold a hearing to consider the nomination of Beverly Ledbetter, of Rhode Island, to be Assistant Attorney General for the Office of Research Statistics and Special Projects at the Department of Justice.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON IMMIGRATION AND REFUGEE POLICY

Mr. BAKER. Mr. President, I ask unanimous consent that the Subcommittee on Immigration and Refugee Policy of the Committee on the Judiciary be authorized to meet during the session of the Senate on Thursday, May 6, at 2:30 p.m., to hold a hearing on the markup of S. 2222, the Immigration Reform and Control Act of 1982.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. BAKER. Mr. President, I ask unanimous consent that the Committee on Environment and Public Works be authorized to meet during the session of the Senate on Thursday, May 6, at 2 p.m., to hold a hearing on the nomination of James K. Asselstine, to be a member of the Nuclear Regulatory Commission.

The PRESIDING OFFICER. Without objection, it is so ordered.

PERMANENT SUBCOMMITTEE ON INVESTIGATIONS

Mr. BAKER. Mr. President, I ask unanimous consent that the Permanent Subcommittee on Investigations, of the Governmental Affairs Committee, be authorized to meet during the session of the Senate at 9:30 a.m. on Thursday, May 6, to hold an oversight hearing on the transfer of U.S. high technology to the Soviet Union and Soviet bloc nations.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

TODAY IS "CINCO DE MAYO"

● Mr. DOLE. Mr. President, for our neighbors and friends in Mexico, today marks a proud national holiday—Cinco de Mayo—which we join them in celebrating once again this year.

We are fortunate to have an occasion such as this one to recall the brave and noble history of our southern neighbors. We are also fortunate to have an occasion to commemorate our close relationship with Mexico, with whom we share so many interests and such deep friendship and admiration.

It is especially at turbulent moments like the present, Mr. President, that we value anew our partnership with the people of Mexico and that we look

toward building an ever closer and more fruitful tie with them, in order to strengthen mutual confidence and insure enduring peace and friendship throughout our continent and our hemisphere.

I call on all Americans to join me in congratulating Mexico and its people on this historic anniversary, and in encouraging cooperation between our two countries in every field of endeavor as we face the future together.●

TO THE PARAS NOMINATION BOARD OF THE LEGAL SERVICES CORPORATION

● Mr. BIDEN. Mr. President, there is a recent glaring example of the nomination for Federal service of an individual manifestly unqualified for the position for which he is being considered.

George E. Paras, an attorney from Sacramento, Calif., has been nominated by President Reagan for the Legal Services Corporation Board. The Legal Services Corporation Board oversees a Federal agency which assists low-income citizens seeking redress or protection in the courts.

Not long ago, Mr. Paras wrote a letter to a Hispanic who had been nominated for the California Supreme Court. The letter read:

> Your problem is that you feel it your obligation to be a professional Mexican rather than a lawyer. Thus you must remain true to the ideals consistently tossed about by leaders of the so-called Mexican movement.
>
> You must ever champion the "oppressed", meaning those who so designate themselves, such as criminals, handicapped, welfare recipients, demonstrators, "minorities" and miscellaneous other have-nots.

Later, when the propriety of these remarks was questioned, he sought to clarify them, and said:

> There are such things as professional blacks, professional Greeks, professional Dagos, professional Jews, people who put their ethnic origin ahead of everything else. That's what I meant.

This country was built by individuals of different ethnic background. Many have become distinguished businessmen, physicians, public servants; millions of others have enriched this Nation daily through their individual work as well as through the cultural diversity which they bring to American society. They are the tangible expression of the basic liberties described in the Constitution, and have given life to that document's ideals not only by respecting its provisions but assuring its vibrancy by exemplifying the principle that a democracy is strong only when a diversity of beliefs and values can live and flourish in harmony.

Mr. Paras' remarks demonstrate a complete lack of appreciation for and sensitivity to this tradition.

Any man who can comfortably use ethnic slurs in the course of his conversation or who demeans the cultural and ethnic diversity of our population is not suitable for Federal service. I would hope that in the future the administration will screen its nominees more carefully so that important positions such as that for which Mr. Paras had been nominated will be held by individuals of high quality.●

BRIAN ROSS—A "COMER" ON THE GO

● Mr. GRASSLEY. Mr. President, years ago, when I was a professor at Charles City College in Iowa, a young student named Brian Ross particularly captured my attention. Even as a very young man, Brian exhibited qualities of intellect, initiative and will which marked him as a "comer," as they say these days.

Although destined for a successful future as a globe-trotting journalist for NBC, Brian's debut in the profession was far from glamorous. Breaking away from studies on weekends, he would catch a bus to Waterloo, where he served as an anchorman for KWWL-Television. Between newscasts, he regularly caught a few winks on a couch at the station—a preview of many long nights to come in his persistent search for news in the world around him.

Last weekend, two American journalists were themselves newsmakers, as they made a daring escape from a plane seized by gun-toting hijackers in Honduras. One of those journalists was Brian Ross, whose grit, as evidenced years ago, prodded his plunge for freedom when the frustration and desperation of his captors reached a dangerous peak. Gambling on his captors' lust for media coverage, he had previously offered to remain their captive, if only they would free other hostages. Rebuffed in his attempt to assure the safety of others, Ross made his own break from the grip of those whose selfish ends were sought at immense danger and cost to others.

I particularly celebrate Brian Ross' commendable performance in crisis, not only because I once invested my own energy in him, but because even as a very young man he was himself a challenge and inspiration to me. His own brush with death illustrates the risks taken by those who serve as global eyes and ears for the rest of us, assuring that the most parochial citizens of the globe can gain an inside view of the cataclysmic developments of their world.

For his professionalism, initiative, drive, and courage, I salute Brian Ross, who, I am proud to say, shares the spotlight with such notables as President Ronald Reagan and NBC Vice President Tom Pettit, who made their media debuts in that wonderful slice of the Midwest called Iowa.●

EXPORT TRADING COMPANY LEGISLATION MOVES FORWARD IN HOUSE

● Mr. HEINZ. Mr. President, there are two recent developments of considerable significance to export trading company legislation that are worth noting.

First, on April 29, the House Foreign Affairs Committee ordered exported H.R. 1799, Congressman Don Bonker's ETC bill. The committee had previously substituted the text of H.R. 6016, Congressman St Germain's bill containing export trading company banking provisions, for title I of H.R. 1799. Thus the Foreign Affairs Committee is the first House committee to report trading company legislation.

Second, the House Banking Committee held its first day of hearings on H.R. 6016, Chairman St Germain's legislation, on April 22. I understand further hearings are planned for May. I commend Chairman St Germain for his timely leadership on this legislation, and I look foward to the committee's further consideration of the bill.

One of the statements presented at the hearing was particularly good, Mr. President, and I want to bring it to Senator's attention. It is the statement by Larry Fox, of the National Association of Manufacturers, which provides an exceptionally comprehensive analysis of the export trading company concept and of H.R. 6016. I ask the text of that statement be printed at this point in Record.

The text of the statement follows:

Statement of Lawrence A. Fox

Mr. Chairman, members of the Subcommittee, I am Lawrence A. Fox, vice president for international economic affairs of the National Association of Manufacturers. Our manufacturing and banking members span the gamut of commercial activity related to manufactured goods. Our manufacturing members account for approximately 80 percent of U.S. industrial output and 85 percent of U.S. industrial jobs.

We are grateful for the opportunity to testify today because we feel strongly that the export trading company concept and the Bank Export Service Act, H.R. 6016, which you, Mr. Chairman, have introduced, can contribute significantly toward an improvement in the international trade position of the United States.

U.S. TRADE PERFORMANCE

The 1970's were years of frustration and disappointment for our country insofar as international trade is concerned. We ran our first trade deficit of the 20th Century in 1971 and with the exception of 1975 have been in deficit every year since. The upturn in 1975 was an anomaly. A recession here at home cut our import demand while the economies of Europe were in a happier phase of the business cycle. The result was one trade surplus in a decade of deficits. The public was for a while under the false impression that our trade deficits were due almost entirely to the dramatic increases in oil prices achieved by OPEC in 1973-74 and then again, even more dramatically, in 1979.

In the past few years, however, it has become evident that our problems are more fundamental. They cannot be explained by OPEC actions alone, Germany and Japan, for example, are both more dependent upon foreign oil imports than the United States. Germany imports approximately 60 percent of the primary energy products she uses and Japan imports 90 percent of hers. Yet these countries have managed to pay their energy import bills, indeed, they have consistently managed surpluses in their trade accounts during the period in which the United States has been in deficit. They have done so in part by displacing American-made manufactured goods in the markets of the world, including of course in the largest single slice of the world market, the United States.

In many ways, they and some of our other rivals have proven themselves better exporters than we. That is part of the explanation for the drop in our share of the world market for manufactured goods. From 18.4 percent in 1970, it went to 16.4 percent in 1980. This also explains why, though exports as a percentage of U.S. GNP have increased over the past decade, imports have increased even faster. Exports went from 4.3 percent in 1970 to 7.8 percent in 1981, but imports went from 4.1 percent to almost 9 percent, 9.4 percent on a cost, insurance and freight basis in the same period.

WHY WE NEED TRAINING COMPANIES

I would be the last to assert that all of these developments can be traced to the fact that our trading partners have been better able to utilize international trading companies. But it is true that many of them have. Trading companies have contributed more to the enhanced international competitiveness of rival trading nations than they have to our own. This in large measure is due to the fact that trading companies have been more restricted here than in other countries and less able to assist small and medium sized firms to export.

It concerns us that less than 1 percent of U.S. firms account for more than 80 percent of U.S. exports. Statistics like this are worrisome for two reasons. First they mean that U.S. firms and the U.S. economy as a whole are not reaping the full benefit of the potential market for their products; many are simply ignoring that portion of their market that lies outside the United States. Second, such statistics suggest that many U.S. companies, by not exporting, are remaining dangerously unaware of the growing competitive strength of foreign companies that may one day challenge them in the United States. We are all familiar with cases in which this has happened. In a sentence, one has to meet the competition to stay ahead of it or even keep abreast of it.

Export trading companies have the potential of making the barriers to exporting less expensive to potential exporters, thereby making the export market an attractive one for a larger segment of American industry.

It has been said more than once that the export trading company legislation will not solve the trade problem. That is true, but it is important to realize both what exports do for our economy as a whole and what ETCs can do for exports.

According to a recently released Commerce Department survey, one out of every seven manufacturing jobs in America is related to exports. From 1977 through 1980, U.S. private sector employment directly related to the export of manufactured goods increased by 47 percent. Rephrased, exports accounted for 1.5 million or 30 percent of the 5.2 million private sector jobs created in that period.

State-by-state analyses are also impressive. In Rhode Island, 83 percent of the net increase in private sector jobs created in the 1977–80 period derived from export sales; in New York, 85 percent; in Wisconsin, 52 percent.

I am sure the Chairman is familiar with the New England Congressional Institute's survey on export trading companies. This suggested that ETCs would increase New England exports by $500 million within 5 years of the passage of ETC legislation. Further work by Chase Econometrics suggests that the figure for New England might be as high as $2.5 billion and that in 5 years, ETC legislation could account for 280,000 to 340,000 new jobs nationwide, increase GNP by $27 to $55 billion, and reduce the Federal deficit by $11 to $12 billion.

Personally, I am quite skeptical of estimates of this kind. I do not think one can reliably predict the magnitude of the effect that legislation such as this can have. I am, however, confident that that effect will more than justify the changes in the law that we are discussing today.

It is for these reasons that NAM has consistently supported export trading company legislation since the introduction of the first export trading company bill in 1979. We believe that to be truly successful export trading company legislation will need to address limitations, inhibitions and uncertainties associated with export trading companies in both the banking and antitrust areas.

BANKING PROVISIONS

However much we would like to see modifications in both areas of law in a single package, we appreciate that each of the committees of the House to which the general subject of export trading companies has been referred has its own special responsibilities. We have submitted to the responsible subcommittee of the Judiciary Committee a statement outlining our views on the antitrust issues that are part of the general problem of how one goes about making export trading companies more attractive business enterprises. I shall confine myself today to a discussion of the banking issues, specifically those raised by the Chairman's bill, H.R. 6016. I would begin with the observation that the introduction of this bill, H.R. 6016, has given considerable legislative momentum to the export trading company concept. If export trading company legislation is signed into law this year, and we very much hope it will be, it will be largely due to your leadership, Mr. Chairman.

The problem inherent in this or any legislation is to create law appropriate to the goals to be accomplished. If the creation of a legal environment more conducive to the growth of export trading companies is the goal, as we believe it should be, then H.R. 6016 is certainly a useful and appropriate legislative tool. We believe, though, that some modification would make it a better one.

The core objective of this bill and of the Senate Export Trading Company Act is an increase in the number of firms, especially small and medium sized firms, involved in exporting and by extension an increase in U.S. exports overall. This being so, it is thoroughly understandable that the bill should limit its definition of export trading companies to entities whose operations are confined "exclusively" to export activity. Understandable as it may be, we think it is a mistake. As we understand it, the legislation is not about selling agents or even separate selling companies, it is about trading companies. Traders are not manufacturers—under this legislation they are not allowed to be—and many will need to buy as well as sell abroad if they are to thrive.

It is probably not the nature of our society to produce the very large trading companies that are responsible for so much of Japan's trade. Still, to some extent, the Japanese models have fueled the idea that the United States can and should do better in exploiting export trading companies. It is therefore worth remembering that the nine largest Japanese trading companies or sogo shosha are responsible for roughly 50 percent of all Japanese trade, not just exports. Indeed, they handle approximately 10 percent of U.S. exports.

With these considerations in mind, we would suggest that a slightly less restrictive definition of "export trading company" in H.R. 6016 would make it a better bill. As you know, some of the legislative proposals in this area define export trading companies as organizations "operated principally for the purpose of . . . exporting goods and services produced in the United States." The merit of this approach is that it keeps within the statute the sense of purpose it ought to have without denying the trading companies of the future the freedoms essential to their success.

Conceptually, this provision is different from other aspects of the bill we would like to discuss because it relates directly to the character of the trading company rather than the operations of those banking organizations that can be expected to invest in trading companies.

It is of course for the banking community to provide technical advice respecting those aspects of H.R. 6016 that directly affect banking practice. I have already explained the stake that American manufacturing has in this legislation. It is obvious to us that it will only be a success if it enjoys the support of the banking community, both in its legislative phase and in practice. Thus, as representatives of American manufacturers, we cannot be indifferent to the way in which the banking interests are likely to view the bill in the months and years ahead.

We believe they will welcome the proposal to increase the proportion of their funds that depository institutions may invest in bankers' acceptances from the current 50 percent of capital and surplus to 150 percent or 200 percent with the approval of the Federal Reserve. We appreciate that this change in the limits associated with the amount of resources that banks can devote to bankers acceptances relates to the use of these instruments in domestic as well as international commerce. The ability to finance exports is now often the determining factor in the ability to export at all. Bankers' acceptances are not the solution to our export finance problems, but to the extent that this change expands the credit available for export finance, it is welcome. It should be especially welcome for the small and medium sized companies that the export trading company concept is designed to serve.

Another feature of H.R. 6016, one more central to export trading companies, deals with the quantity and character of the investments made possible by this legislation. Many bank holding companies, concerned about the risks of export trading companies, may well refrain from investing unless they can do so under terms which give them control over the ETC. The ability of bank holding companies to own rather than simply

invest in export trading companies is, therefore, critical to the success of this legislation as a part of America's export policy. We were pleased to have our reading of H.R. 6016 confirmed in the section-by-section analysis that accompanied the Chairman's letter inviting us to appear today. This analysis explains that under Section 2 of H.R. 6016, "Export trading companies could be owned wholly or in part by one or more bank holding companies or by one of more Edge Act corporations."

There are, however, other policies implicit in the language of H.R. 6016 that I hope the Committee will consider further. These relate to:

1. The services export trading companies are authorized to carry out;

2. The relative size of the investments permitted by the legislation;

3. The names that may be used by export trading companies; and

4. The character of the regulatory control.

Let me deal with each of them in turn.

Whereas, the Senate bill, S. 734, includes insurance among the services that can be performed by export trading companies, H.R. 6016 does not. We do not fully understand why this change has been made. It has long been the view of those who support the export trading company idea that the more nearly an export trading company could approximate a one-stop, comprehensive export service, the more valuable it would be to American exporters. This is the principal reason for our belief that insurance should be among the export services in which ETCs are allowed to engage. The other advantage of an insurance provision, of course, is that it makes ETCs more attractive investments for banking organizations, that is bank holding companies and Edge Act corporations. As I have said already, it is because we believe that banks can make an important contribution to export trading companies and so to exports that we would like to see the ETC option made as attractive to banks as prudence will permit.

As for the limits on the amounts banks may invest in or lend to ETCs it is an area in which differences were bound to arise. Mindful that the Federal government support though the Economic Development Administration and Small Business Administration contributions to ETCs, contemplated in other versions of the legislation, is not likely to be forthcoming, at least not in the foreseeable future, we hope that the Committee will be as generous as it can be in providing scope for bank holding company and Edge Act coporation financing of ETCs. Fruitful investments and increased exports would flow from the enactment of H.R. 6016 in its present form. A good deal can be done with investments equal to the 5 percent of the capital and surplus of bank holding companies (25 percent for Edge Act corporations). A formula like the 5 percent formula of S. 734 that permitted these banking organizations to lend a percentage of their capital and surplus to the ETCs in which they have invested would nevertheless be preferable.

A related but separate matter has to do with the restrictions on lending to affiliates, the so-called 23A restrictions, which are a part of H.R. 6016. Insofar as these relate to bank holding companies, we have no comment on them. Our understanding, however, is that H.R. 6016 extends these limitations to wholly owned Edge Act subsidiaries, which heretofore have been exempt from 23A restrictions. Such a restriction would have the anomalous and undesirable effect of limiting the flow of capital to those Edge Act subsidaries that are export trading companies. We hope the Committee will not single out the ETC holdings of Edge Act corporations in this way.

As to the other issues mentioned, we favor allowing ETCs that are subsidiaries of banking organizations to use names similar to those of their parent companies. Also, there is something to be said for allowing banking organizations to invest in ETCs without the explicit approval of the Board of Governors of the Federal Reserve so long as those investments are below some reasonable threshold. Yet on balance it is not our judgment that the decisions on these points are critical to the value of the bill.

The same characterization may perhaps also be true of the most fundamental difference between H.R. 6016 and S. 734 passed by the Senate just a year ago. Still this difference deserves comment. The Senate bill offers many different kinds of banking entities the opportunity to invest in export trading companies. H.R. 6016 on the other hand permits only bank holding companies and Edge Act corporations to make these kinds of investments. NAM has supported the approach of the Senate bill for the past three years, and that bill continues to express our preferences in this area.

Let me be clear: H.R. 6016 is in our view an extremely important bill whose passage would clearly enhance our nation's international competitiveness.

It would be a better bill if fewer banks were excluded from participation in export trading companies. We appreciate that it may be the judgment of the Subcommittee that the strength of the banking system as a whole requires that small banks, those without holding companies or Edge Act corporations, refrain from direct participation in ETCs. If that is the case, we wonder whether it might not still be possible to allow the smaller banks to invest indirectly in ETCs through bankers' banks.

Again, I should like to thank the Chairman and the Subcommittee for this opportunity to testify and to express our sincere appreciation for the leadership you, Mr. Chairman, have shown in moving this important legislation forward at this time.●

BALANCED BUDGET AMENDMENT

● **Mr. MITCHELL.** Mr. President, the subject of an amendment to the Constitution requiring a balanced Federal budget is receiving an increasing amount of attention. Indeed, it now seems likely that such a measure may be brought to the Senate floor during the current Congress.

I share with many Members of Congress a strong desire to balance the budget. In fact, probably the greatest criticism of President Reagan's budget proposal is its failure to move fast enough toward a balanced budget. Yet I am concerned that a constitutional amendment may not be the best way to accomplish this goal. Three newspaper columns that have appeared recently articulate the problems that such an amendment must deal with.

The first is an editorial from the Wall Street Journal. The second is an article written by Rudy Penner in the New York Times. Mr. Penner is a distinguished economist at the American Enterprise Institute who served in President Ford's Office of Management and Budget. The third is a column by James J. Kilpatrick, who is a noted conservative columnist.

Each of these articles offers insights into this issue. I recommend them to my colleagues and ask that they be included in the Record.

[From the Wall Street Journal, Mar. 29, 1982]

Constitutional Cop-Out

The current deficit panic in Congress is generating a surge of support for a balanced budget/tax limitation amendment now before the Senate and House. The proposed constitutional amendment, as embodied in Joint Resolution 58, would require Congress to adopt a balanced budget and taxes would, in effect, be indexed to the prior year's economic growth. A three-fifths vote would be required to spend more than the government takes in.

The amendment has 52 sponsors in the Senate and the White House has been making noises that it might climb on the bandwagon. A powerful group of conservative Republicans and Democrats in the House wants to force an up-or-down vote on the amendment as their condition for approving any increase in the debt ceiling.

There is considerable appeal to such an amendment, and we think it deserves more careful consideration than the out-of-hand dismissal it has been receiving in some liberal quarters. Its proponents, including Milton Friedman and such taxpayer groups as the National Tax Limitation Committee and the National Taxpayers Union, make a powerful argument that such a measure would greatly strengthen the ability of the budget process to withstand the special interests.

Moreover, they argue, adoption by the Congress of such an amendment, even though it might take several more years to gain approval of the requisite three-fourths of the states, would signal the markets that we are finally getting serious about restoring fiscal discipline. Interest rates would start to move down; economic recovery would begin. And congressional action would forestall the current grass-roots effort to call a constitutional convention for the same purpose, which might prove difficult to control. Some 31 states have already approved a convention and the upper houses of two more have agreed; a total of 34 is needed to force a convention.

We have no burning desire to see the Constitution thrown open to the tender mercies of the political process if Congress fails to act. But frankly we are doubtful such a convention would ever take place; that 34th state is always a tough one to sell, and there will inevitable be second thoughts from the first 33. We also have serious reservations about Joint Resolution 58 itself.

For one thing, we doubt that passing a law can fix the situation. Although the joint resolution includes language intended to prevent Congress from spending off-budget what it wouldn't be allowed to spend on-budget, that would be a lot easier said than done. We feel confident that our ever-inventive legislators would have little difficulty finding ways to impose costs on society if it's in their electoral interests to do so. Increased regulation and mandates on other political jurisdictions might be the price of pro forma budget balance at the federal level.

And while the experience of the last several decades leads us to sympathize with the notion that Congress could use a little budgetary restraining, we are loath to tamper with the formulas established by the Founders. They possessed a wise grasp of broader and even longer-range political concerns in apportioning power the way they did. The draft passed by only one vote before World War II; we must be careful not to paralyze ourselves by making it too difficult for our representatives to act.

Lastly, what happens under such an amendment if Congress simply decides to evade its obligations? Will some judge order the Senators and Representatives arrested? It is a sound principle to avoid making laws that cannot be readily enforced.

It's not inconceivable that our objections could be overcome. But we fear that many congressional supporters of a balanced budget/tax limitation amendment are simply engaging in a game of constitutional cop-out. Such an amendment would probably take at least four or five years to get on the books and another few years to be phased in. By then most of our current legislators will be departed from the scene. Meanwhile, they will feel free to conduct business as usual. We doubt this prospect will greatly reassure the markets.

We also think the notion of a budget-balancing amendment does injustice to the electorate, which is discovering ways of its own to hold down spending and limit taxes. That is what the 1980 election was largely about. Ronald Reagan and the 1981 Congress have already indexed taxes, for all practical purposes, and the pressure of prospective deficits is finally forcing Congress to consider controlling the uncontrollables. So far, it's mainly talk, but that's a healthy step forward from last fall, when President Reagan's effort to raise the Social Security issue was so peremptorily rebuffed.

So in our view the political system shows signs of working in the right direction. We could probably live with a balanced budget amendment that was coupled with substantial progress in getting current spending under control without jeopardizing tax relief. But it would be a shame if a balanced budget amendment became a vehicle for relieving the pressure on Congress to act. We are confident that those who think they can pull the wool over the voters' eyes this fall with such cosmetic tactics will meet the same rough treatment at the polls that many of their colleagues received in 1980.

[From the New York Times, Mar. 28, 1982]

The Nonsense Amendment

(By Rudolph G. Penner)

In the near future Congress might, with the support of the Administration, propose a constitutional amendment to the states that appears to require a balanced budget.

At first sight, it would seem extremely ironic for the very same Congress and Administration, who collaborated last summer to enact policies leading to record-breaking long-run deficits, to now propose amending the Constitution to impose spending, tax and deficit constraints.

The irony quickly disappears, however, upon closer examination. The favored amendment, Senate Joint resolution 58, is so fraught with loopholes that is imposes little restraint. Its main effect is to allow politicians to go firmly on record in favor of the concept of a balanced budget while continuing to allocate society's resources however they please.

The amendment does not actually require a balanced budget. It says that the Congress, prior the the beginning of a fiscal year—which, incidentally, can be redefined however the Congress wishes—must adopt a "statement" of receipts and outlays in which outlays are no greater than receipts.

A deficit can be approved by a three-fifths majority. The most meaningful provision requires a majority of the entire membership of the House and Senate to approve percentage increases in receipts greater than the prior year's increase in national income, but even this provision raises problems because "national income" is a statistical concept that is frequently revised and redefined.

It is, of course, easy to adopt such a statement. As recently as last December, Congress adopted a statement telling us that fiscal year 1982 outlays would be $695 billion, receipts $658 billion, and the deficit $38 billion. Recently the Congressional Budget Office estimated that actual outlays will approximate $740 billion and the deficit $109 billion.

Perhaps the Supreme court should have declared that the absurd economic forecast used for the December budget estimates was unconstitutional, but a lawyer might have trouble with that concept.

The amendment also states that "the Congress and the President shall ensure that actual outlays do not exceed the outlays set forth in such statement." That sounds serious. But never fear, the committee report on the amendment emasculates that strong language by saying, "There is no intention to alter the division and separation of powers now characteristic of the relationship between the Congress and the President." If the drafters of the amendment had really been serious, they would have given the President impoundment power and pressured him to use it whenever the amendment required it.

As it now stands, the amendment is likely to lead to an impasse. Optimistic outlay estimates will be adopted and when the estimating error becomes obvious, it will frequently be impossible either to muster a Congressional majority to cut outlays or to muster the three-fifths majority necessary to sanctify a deficit. The only important result will be that the Constitution is demeaned.

A more meaningful amendment could easily be drafted. But I believe that would do more harm than good. It would pressure Congress and the President into using nonbudget tools to capture economic resources. Even the proposed amendment might have the same result to the extent that tax burdens are restrained.

Regulations, government-sponsored, privately owned corporations and other devices can be used to re-allocate resources as effectively as spending and taxation. As such activities escape the modicum of control imposed by current budget processes, they are more likely to run wild.

President Richard M. Nixon once proposed an enormously expensive health insurance plan implemented largely outside the budget. It used regulations to force private sector provisions of a publicly designed insurance plan. Luckily, that never passed.

However, serious problems arose in New York State when politicians felt pressured to circumvent constitutional constraints. Constitutional restraints on the budget—and the state has made such provisions—played some role in the creation of independent agencies such as the Urban Development Corporation, which subsequently ran amok and then collapsed financially.

Constitutional restraints also encouraged the adoption of dubious accounting practices by New York City, which later suffered a near bankruptcy, and resulted in the invention of moral obligation bonds that turned our not to be so moral.

A common excuse for Congressional action on a constitutional amendment is that 31 of the required 34 states have passed a call for a constitutional convention that would meet to formulate a balanced budget amendment. Many fear that such a convention would do much mischief and would perhaps feel free to propose amendments totally unrelated to the budget.

Lawyers vigorously debate how such a convention would be organized and whether it could be restricted to consider only a balanced budget amendment. But it is often forgotten that there is an ultimate constraint on such a convention. Its work would have to be ratified by 38 states.

While a call for a convention would create much uncertainty. I cannot help but believe that if the convention provoked a well-publicized, informed debate on public control, the results would be more sensible and effective than S.J. 58.

I do believe that our political system contains a bias toward higher levels of spending and deficits than the vast majority of the populace desires. But I doubt that the Constitution can practically be used as a remedy any more than it could be used to prevent the consumption of alcoholic beverages.

However, if constitutional remedies are sought, they should be in the area of enhancing the President's control of the budget. Presumably, the President, who represents the whole nation, is somewhat less vulnerable to special interest pressures than the Representatives and Senators who represent more limited geographical areas and economic interests.

We might, therefore, consider reforms providing the President with impoundment and item veto powers, something that the present Congress is unlikely to contemplate, because it would reduce their power more than does S.J. 58.

Although S.J. 58 may be a horrible idea whose time has come, it did sneak up on us because few experts took it seriously. Perhaps, a more vigorous debate will yet prevent the Congress from making a terrible mistake.

[From the Washington Star, June 2, 1981]

Balanced Budget Proposal Simply Wouldn't Work

(By James J. Kilpatrick)

The road to hell, so the maxim reminds us, is paved with good intentions. The Senate Judiciary Committee has taken off down that road in a cloud of commendable motives.

The committee has proposed a constitutional amendment to compel adoption of balanced federal budgets. The proposal is preposterous.

The committee's intention, to repeat, is altogether sound. If there is a prime cause of the inflation that afflicts our economy, it lies in the inability of successive Congresses to control federal spending. Only twice in the past 50 years has Congress achieved a small surplus. The accumulating deficits now approach one trillion dollars. Money

pours out of the Treasury at the rate of two billion dollars a day, or $22,000 a second.

Almost no one questions the desirability, as a general proposition of balanced budgets. John Randolph of Roanoke long ago proclaimed what he termed "the philosopher's stone, of sound fiscal management: "It is pay as you go, sir! Pay as you go!" But no parliamentary masters ever have devised a mechanism for making Randolph's rule enforceable.

The Senate committee's pending effort follows in this futile tradition. Section One of the proposed amendment directs Congress prior to each fiscal year to adopt "a statement of receipts and outlays for that year in which total outlays are no greater than total receipts." Any schoolboy with a tally stick could run up such a statement in a moment. All that is required is that one conjure up a list of revenues, $700 billion, and in a parallel column a list of outlays, $700 billion. So much for the statement.

A WAIVER, OF COURSE

The proposed amendment continues by saying that "the Congress may amend such statement." Precisely so. If an invitation to dishonest budgeting were engraved by Tiffany's, it could not convey a clearer meaning. In particular exigencies, by a three-fifths vote in each house, Congress could waive the limitation.

In its second section, the amendment would command that total receipts for a given fiscal year "shall not increase by a rate greater than the rate of increase in national income in the last calendar year ending before such fiscal year." The provision is gauzier even than "privileges and immunities" or "due process of law." The "national income" is a work of statistical guesswork. The "rate of increase" in this fictional compiliation is thus illusory. Whatever these conjectures might be, they would require that anticipated revenues for the fiscal year that ends Sept. 30 1990, be linked to the "national income" in the calendar year 1988. This is nonsense.

The third section says that Congress may waive the whole idea of a balanced budget whenever a declaration of war is in effect.

A MIND-BOGGLER

Section Four boggles the mind. "The Congress may not require that the States engage in additional activities without compensation equal to the additional costs." What state activities are "additional" activities? And what does this have to do with a balanced federal budget?

A fifth section attempts to define "total receipts." A sixth section would make the amendment effective in the second fiscal year following ratification.

I do not mean to be overly critical, but a constitutional amendment without effective means of enforcement is a nullity. It carries no more weight than a resolution endorsing safe driving. Simply to declare that the budget shall be balanced is to echo Glendower's famous boast that he could summon spirits from the vasty deep. "Why, so can I," says Hotspur, "or so can any man, but will they come when you do call for them?"

Over the years I suppose I have scrutinized 50 versions of a balanced budget amendment. Politically speaking, the effective versions are not feasible, and the feasible versions are not effective. I am impelled to the conclusion that the only remedy for fiscal extravagance is to elect frugal people to the Congress. To paraphrase Justice Stone's famous observation on the Supreme Court, the only check upon the spending power is the members' own sense of self-restraint.

The laudable characteristic is a rare and feeble quality in Congress, but it offers a better hope than the flawed proposal now heading for the Senate floor.●

THE 70TH ANNIVERSARY OF HADASSAH

● Mr. HEINZ. Mr. President, February 12 marked the 70th anniversary of Hadassah, the Women's Zionist Organization of America. Hadassah is the largest women's voluntary organization in the United States, with 370,000 members, and it has a long and distinguished record of humanitarian service, particularly in the fields of health and education.

Hadassah founded and maintains the Hadassah-Hebrew University Medical Center in Jersualem. This center and its facilities has served thousands of individuals without regard to race, religion, or nationality. Hadassah has also been active in medical service and training in this country.

It is appropriate that on May 20 a ceremony will be held commemorating Hadassah's anniversary at the White House. The President has long praised the American volunteer spirit and this organization provides a perfect example of that spirit. I would like to welcome the national board of Hadassah to Washington and congratulate its members on this momentous occasion.●

S. 2353—LIFE INSURANCE TAXATION ACT OF 1982

● Mr. GRASSLEY. Mr. President, earlier this week I cosponsored Senator **Chafee**'s and Senator **Bentsen**'s life insurance taxation proposal, the so-called stopgap proposal. This support comes with two caveats.

First, my cosponsorship is conditioned on the ability of S. 2353 to raise the amount of money industry representatives have stated it should raise—$1 billion in 1982 and $1.4 billion in 1983. Second, it is important to me that this legislation should be sunsetted in 2 years. It might make sense to consider the outright repeal of modified coinsurance, and subject the rest of the provision to a 2-year sunset. This would guarantee achieving a good compromise that will be a more permanent solution to the problem beyond the next 2 years.

The entire life insurance industry deserves great praise for this legislation. With growing budget deficits and the increased likelihood that some revenue increases will be necessary, it is the only industry to come forward with a countermeasure which raises some revenue when faced with the loss of a tax benefit. The industry has worked to develop a cohesive position on a short-term solution to address the shortcomings of the 1959 law. It has come forward with a measure which increases its taxes. Many industries are facing the loss of beneficial tax treatment—the life insurance industry is alone in saying more than "don't tax me." The entire industry has done an admirable job in devising and presenting this compromise. We in Congess appreciate your efforts.●

PRELIMINARY NOTIFICATION PROPOSED ARMS SALES

● Mr. PERCY. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $50 million or, in the case of major defense equipment as defined in the act, those in excess of $14 million. Upon receipt of such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sales shall be sent to the chairman of the Foreign Relations Committee.

Pursuant to an informal understanding, the Department of Defense has agreed to provide the committee with a preliminary notification 20 days before transmittal of the official notification. The official notification will be printed in the Record in accordance with previous practice.

I wish to inform Members of the Senate that such a notification was received on April 26, 1982.

Interested Senators may inquire as to the details of this preliminary notification at the offices of the Committee on Foreign Relations, room 4229, Dirksen Building.

The notification follows:

Defense Security
Assistance Agency,
Washington, D.C., April 23, 1982.

In reply refer to: I-00781/82ct.

Dr. Hans Binnendijk,
Professional Staff Member, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

Dear Dr. Binnendijk: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a European country for major defense equipment tentatively estimated to cost in excess of $14 million.

Sincerely,

James H. Ahmann,
Lieutenant General, USAF, Director,
Defense Security Assistance Agency.●

PROPOSED ARMS SALES

● Mr. PERCY. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $50 million or, in the case of major defense equipment as defined in the act, those in excess of $14 million. Upon such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulated that, in the Senate, the notification of proposed sales shall be sent to the chairman of the Foreign Relations Committee.

In keeping with the committee's intention to see that such information is immediately available to the full Senate, I ask to have printed in the RECORD at this point the notifications which have been received. The classified annexes referred to in the covering letters are available to Senators in the office of the Foreign Relations Committee, room 4229, Dirksen Building.

The notifications follow:

DEFENSE SECURITY
ASSISTANCE AGENCY,
Washington, D.C., April 19, 1982.
In reply refer to I-00441/82ct.

Hon. CHARLES H. PERCY,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 82-52 and under separate cover the classified annex thereto. This Transmittal concerns the Department of the Army's proposed Letter of Offer to Saudi Arabia for defense articles and services estimated to cost $22 million. Shortly after this letter is delivered to your office, we plan to notify the news media of the unclassified portion of this Transmittal.

Sincerely,

JAMES H. AHMANN,
Director.

TRANSMITTAL No. 82-52

Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b) of the Arms Export Control Act

(i) Prospective Purchaser: Saudi Arabia.

(ii) Total Estimated Value:

	Millions
Major defense equipment [1]	$17
Other	5
Total	22

[1] As defined in section 47(6) of the Arms Export Control Act.

(iii) Description of articles or services offered: A quantity of 2,010 Improved-TOW anti-armor missiles.

(iv) Military department: Army (VDW).

(v) Sales commission, fee, etc., paid, offered, or agreed to be paid: None.

(vi) Sensitivity of technology contained in the defense articles or defense services proposed to be sold: See annex under separate cover.

(vii) Section 28 report: Case not included in section 28 report.

(viii) Date report delivered to Congress: 19 Apr. 1982.

POLICY JUSTIFICATION

SAUDI ARABIA—IMPROVED-TOW MISSILES

The Government of Saudi Arabia has requested the purchase of 2,010 Improved-TOW (I-TOW) anti-armor missiles at an estimated cost of $22 million.

This sale is consistent with the stated U.S. policy of assisting other nations to provide for their own defense by allowing the transfer of reasonable amounts of defense articles and services. It will demonstrate the continuing willingness of the U.S. to support Saudi Arabia which is an important force for moderation in the region.

The I-TOW missiles will be used to maintain war reserve stock levels and will support the modernization of the Saudi Arabian Land Forces (SALF) by enhancing its anti-armor capability. The SALF will have no difficulty in absorbing these items.

The sale of this equipment and support will not affect the basic military balance in the region.

The prime contractor will be the Hughes Aircraft Company of Canoga Park, California.

Implementation of this sale will not require the assignment of any additional U.S. Government or contractor personnel to Saudi Arabia.

There will be no adverse impact on U.S. defense readiness as a result of this sale.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., April 19, 1982.
In reply refer to: I-20058/82.

Hon. CHARLES H. PERCY,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 82-53 and under separate cover the classified annex thereto. This Transmittal concerns the Department of the Air Force's proposed Letter of Offer to Bahrain for defense articles and services estimated to cost $114 million. Shortly after this letter is delivered to your office, we plan to notify the news media of the unclassified portion of this Transmittal.

Sincerely,

JAMES H. AHMANN,
Director.

TRANSMITTAL No. 82-53

Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b) of the Arms Export Control Act

(i) Prospective purchaser: Bahrain.

(ii) Total estimated value:

	Millions
Major Defense Equipment [1]	$75
Other	39
Total	114

[1] As defined in section 47(6) of the Arms Export Control Act.

(iii) Description of articles or services offered: Four F-5E and two F-5F aircraft with associated support equipment, spare parts, 60 AIM-9P-3 air-to-air missiles, training, and technical services.

(iv) Military department: Air Force (SAA).

(v) Sales commission, fee, etc., paid, offered, or agreed to be paid:

(vi) Sensitivity of technology contained in the defense articles or defense services proposed to be sold: See annex under separate cover.

(vii) Section 28 report: Case not included in section 28 report.

(viii) Date report delivered to Congress: 19 April 1982.

POLICY JUSTIFICATION

BAHRAIN—F-5E AND F-5F AIRCRAFT

The Government of Bahrain has requested the purchase of four F-5E and two F-5F aircraft and associated support equipment, spare parts, 60 AIM-9P-3 air-to-air missiles, training, and technical services at an estimated cost of $114 million.

This sale is consistent with the U.S. policy of assisting other nations to provide for their own defense and security by the transfer of reasonable amount and types of military equipment. Bahrain, although a small nation in the increasingly volatile Persian Gulf area, is a member of the recently created Gulf Cooperation Council and seeks a modest defense establishment within this context. A moderate voice in the region, Bahrain is a long-time friend of the United States and allows the U.S. Navy access to facilities in the country.

The aircraft will be used by the Bahrain Defense Force to enhance its air arm. It will provide the country with a modest airborne air defense capability to supplement its ground air defense systems.

The sale of this equipment and support will not affect the basic military balance in the region.

The prime contractor will be the Northrop Corporation of Hawthorne, California.

Implementation of this sale will require the assignment of ten U.S. Government personnel and three U.S. contractor representatives to Bahrain for two years.

There will be no adverse impact on U.S. defense readiness as a result of this sale.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., April 26, 1982.
In reply refer to I-12515/81ct.

Hon. CHARLES H. PERCY,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 82-56 and under separate cover the classified annex thereto. This Transmittal concerns the Department of the Navy's proposed Letter of Offer to Egypt for defense articles and services estimated to cost $34 million. Shortly after this letter is delivered to your office, we plan to notify the news media of the unclassified portion of this Transmittal.

Sincerely,

JAMES H. AHMANN,
Director.

TRANSMITTAL No. 82-56

Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b) of the Arms Export Control Act

(i) Prospective purchaser: Egypt.

(ii) Total estimate value:

	Millions
Major defense equipment [1]	$23
Other	11
Total	34

[1] As defined in section 47(6) of the Arms Export Control Act.

(iii) Description of articles or services offered: Three hundred AIM-9L Sidewinder air-to-air missiles with 30 training missiles, repair parts, and support equipment.

(iv) Military department: Navy (AAD).

(v) Sales commission, fee, etc., paid, offered, or agreed to be paid: None.

(vi) Sensitivity of technology contained in the defense articles or defense services proposed to be sold: See annex under separate cover.

(vii) Section 28 report: Included in report for quarter ending 31 December 1981.

(viii) Date report delivered to Congress: 26 Apr. 1982.

POLICY JUSTIFICATION

ARAB REPUBLIC OF EGYPT—AIM-9L SIDEWINDER MISSILES

The Government of Egypt has requested the purchase of 300 AIM-9L Sidewinder air-to-air missiles with 30 training missiles, repair parts, and support equipment at an estimated cost of $34 million.

This proposed sale will contribute significantly to U.S. foreign policy and national security objectives by helping to increase the security of a friendly country of vital interest to the United States.

The Government of Egypt will use the AIM-9L Sidewinder missiles on Egyptian Air Force (EAF) F-16 aircraft already being procured. The missile has the capability of a head-on attack against high speed hostile aircraft, enhancing the ability of the EAF to deter or destroy attacking aircraft before they can reach vital areas of the country. EAF personnel will be able to absorb this missile into the inventory inasmuch as they already operate and maintain earlier AIM-9 series missiles.

The sale of this equipment and support will not affect the basic military balance in the region. Israel has purchased the AIM-9L missile and Saudi Arabia is considering a similar purchase.

The prime contractor will be either the Raytheon Company of Lowell, Massachusetts, or Aeronutronic Ford of Newport Beach, California.

Implementation of this sale will not require the assignment to Egypt of any additional U.S. Government personnel. Two contractor representatives will be required in Egypt for a period of two years.

There will be no adverse impact on U.S. defense readiness as a result of this sale.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., April 26, 1982.

In reply refer to I-00921/82ct.

Hon. CHARLES H. PERCY,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 82-58 and under separate cover the classified annex thereto. This Transmittal concerns the Department of the Air Force's proposed Letter of Offer to Israel for defense articles and services estimated to cost $510 million. Shortly after this letter is delivered to your office, we plan to notify the news media of the unclassified portion of this Transmittal.

Sincerely,

JAMES AHMANN,
Director.

TRANSMITTAL No. 82-58

Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b) of the Arms Export Control Act

(i) Prospective purchaser: Israel.

(ii) Total estimated value:

	Millions
Major defense equipment [1]	$342
Other	168
Total	510

[1] As defined in Section 47(6) of the Arms Export Control Act.

(iii) Description of articles or services offered: Eleven F-15 aircraft with 11 sets (22 tanks) of conformal fuel tanks, six spare F-100 engines, associated support equipment, test equipment, depot level repair, and future releasable engineering changes for these and previously purchased F-15 aircraft.

(iv) Military department: Air Force (SNP).

(v) Sales commission, fee, etc., paid, offered, or agreed to be paid: None.

(vi) Sensitivity of technology contained in the defense articles or defense services proposed to be sold: See Annex under separate cover.

(vii) Section 28 report: Included in report for quarter ending 30 September 1981.

(viii) Date report delivered to Congress: 26 Apr. 1982.

POLICY JUSTIFICATION

ISRAEL—F-15 AIRCRAFT

The Government of Israel has requested the purchase of 11 F-15 aircraft with 11 sets (22 tanks) of conformal fuel tanks, six spare F-100 engines, associated support equipment, test equipment, depot level repairs, and future releasable engineering changes for these and previously purchased F-15 aircraft at an estimated cost of $510 million.

This proposed sale is consistent with the United States policy of ensuring that Israel has the means to defend itself within secure borders should it become necessary.

The Israeli Air Force is capable of absorbing these additional F-15 aircraft with only minimal training on particular differences caused by engineering changes which have occurred since its previous purchase of this aircraft.

The sale of this equipment and support will not affect the basic military balance in the region.

The prime contractor will be the McDonnell Douglas Corporation of St. Louis, Missouri.

Implementation of this sale may require the assignment of five contractor representatives to Israel for approximately two years.

There will be no adverse impact on U.S. defense readiness as a result of this sale.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., April 22, 1982.
In reply refer to I-20067/82.

Hon. CHARLES H. PERCY,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 82-60 and under separate cover the classified annex thereto. This Transmittal concerns the Department of the Air Force's proposed Letter of Offer to Morocco for defense articles and services estimated to cost $29 million. Shortly after this letter is delivered to your office, we plan to notify the news media of the unclassified portion of this Transmittal.

Sincerely,

WALTER B. LIGON,
Acting Director.

TRANSMITTAL No. 82-60

Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b) of the Arms Export Control Act

(i) Prospective purchaser: Morocco.

(ii) Total estimated value:

	Millions
Major defense equipment [1]	$26
Other	3
Total	29

[1] As defined in section 47(6) of the Arms Export Control Act.

(iii) Description of articles or services offered: Three hundred eighty-one AGM-65B Maverick air-to-ground missiles.

(iv) Military department: Air Force (ACI).

(v) Sales commission, fee, etc., paid, offered, or agreed to be paid: None.

(vi) Sensitivity of technology contained in the defense articles or defense services proposed to be sold: See annex under separate cover.

(vii) Section 28 report: Included in report for quarter ending 31 March 1982.

(viii) Date report delivered to Congress: 29 Apr. 1982.

POLICY JUSTIFICATION

MOROCCO—MAVERICK MISSILES

The Government of Morocco has requested the purchase of 381 AGM-65B Maverick air-to-ground missiles at an estimated cost of $29 million.

The sale will further U.S. foreign policy objectives by demonstrating that the U.S. remains willing to support, as it has in the past, the legitimate defense needs of Morocco, a staunchly anti-communist, strategically located country which has generally played a moderate, pro-Western role in Africa and the Middle East on issues important to U.S. national interest.

The sale of this equipment and support will not affect the basic military balance in the region.

The prime contractor will be the Hughes Aircraft Company of Tucson, Arizona.

Implementation of this sale will not require the assignment of any additional U.S. Government or contractor personnel to Morocco.

There will be no adverse impact on U.S. defense readiness as a result of this sale.●

DONALD F. O'MALLEY

● Mr. GLENN. Mr. President, I congratulate Donald F. O'Malley, a citizen of my home State and president of Local 4304 of the Communications Workers of America, AFL-CIO, on his retirement after 30 years of service with Ohio Bell and nearly that long with his union.

Don O'Malley has had a different kind of success. He retires not rich in material possessions, but with a world of wealth in service to his fellow man. He has served in many capacities in his union, starting a quarter of a century ago as a job steward. His dedication and real spirit of service have been recognized through the years by the 1,100 members of his local. He was elected president a decade ago and has effectively led that local through calm and storm.

Local 4304 includes skilled technicians, building service workers, and clerical workers. Don has remained in building service, retiring as a skilled building mechanic. He has conducted himself on the principle that an injury to one is an injury to all who must earn their living with daily toil.

Don O'Malley has helped to make policy in a democratic and forward-looking union. He has served as a delegate to the annual CWA convention many times. He has stood up for that which he felt was right and his stand has always been based on principle.

Service for Don has meant more than the union, although that has been his greatest love. He has worked for a better community, a better Ohio, and a better America. His work has included community service, participation in local, State, and National get-out-the-vote campaigns and getting Americans to exercise their birthright at the polls.

I salute Don O'Malley with pride. His is an example of good citizenship, of the real American way. He deserves the commendation of all of us. He has earned rest and the good life. He walks into retirement with the knowledge that his life has been a contribution to this Nation that will endure.●

A BETTER DEAL FOR FEDERAL WORKERS

● Mr. **MATHIAS.** Mr. President, for some time now we in Congress have wrestled with the challenge of how best to handle the rising cost of pension programs. It is an onerous task, as any change in retirement benefits affects those who can least afford reduced income.

I speak today primarily of the Federal retirement program. I am opposed to singling out Federal retirees from all the rest of the economy to bear the brunt of efforts to balance the budget. I do believe, however, that in this time of fiscal constraint and back and forth budget debate, we must take up the challenge to reexamine the system with an eye to putting it on a sound footing.

The distinguished chairman of the Governmental Affairs Subcommittee on Civil Service has worked earnestly and diligently at finding fair and equitable means of dealing with this issue. It is apparent that the Senator from Alaska (Mr. STEVENS) has his heart in this matter, and that the struggle to find a secure foundation for the Federal pension system has been slippery indeed.

On Saturday, the Washington Post commended the efforts of the chairman, and I believe this editorial merits serious attention and contemplation. I ask that the editorial be printed in the RECORD.

The editorial follows:

[From the Washington Post, May 1, 1982]

A BETTER DEAL FOR FEDERAL WORKERS

Federal employee groups have reacted so negatively to a federal pension redesign proposed by Sen. Ted Stevens of Alaska, chairman of the civil service subcommittee, that Stevens has decided to delay introduction of the bill. The senator is right in his belief that the press of budget business is unlikely to allow thoughtful consideration of the measure this year, but employee groups should use the delay to reconsider whether their opposition is really in the best interest of their members.

Federal pensions, as everyone knows, are a terrific deal—for those who finally get them. But some facts about the system are not widely advertised by its defenders. One is that the system is so weighted in favor of the relatively few federal workers who work continuously for the federal government until retirement that 75 percent of contributors receive little or no return on their contributions. The system treats relatively short-term workers so unfairly that federal laws controlling private pensions would prevent a private employer from operating such a plan.

Another little-discussed fact is that federal pensions have become a large and growing burden on the general taxpayer. It has been years since 7 percent of the salary contributed by workers and the matching amount from employing agencies covered system costs. Total retirement costs have now reached 36.5 percent of payroll, considerably higher than the cost of private-sector plans. The retirement system is not currently in trouble because tax-payers have been willing to cover the extra costs, but as the system's liabilities grow, younger workers should worry whether that willingness will go on.

The proposed system would allow current workers to keep their present coverage. New workers would be covered by a private-sector type retirement plan—financed completely by the government—built on top of Social Security coverage. The plan would provide equal or superior benefits to any worker who spends a full 40-year career in government. Workers, moreover, would no longer be locked into their jobs by fear of losing retirement benefits. Anyone leaving government after five years' service could take with him full benefits—including government contributions and accrued interest. Workers would also benefit from the superior disability coverage provided by Social Security as well as the assurance that their benefits were fully funded and beyond the reach of the voters' whim.

Federal workers are right to be skeptical about attempts to erode their benefits. But they are not right to oppose blindly any change that is not a simple augmentation in benefits. It is true that some workers would lose from the change—particularly those who now retire early and reap windfall Social Security benefits from relatively few years of private-sector work. But that is a reform that is likely to be made in any case. The Stevens plan is the result of many years of study, and it is a good deal for most federal workers.●

NUCLEAR WASTE AND THE STATES

● Mr. **BAUCUS.** Mr. President, with the passage of the National Nuclear Waste Policy Act, the Senate turned its back on the legitimate and proper interests of the States in the siting of nuclear waste disposal facilities.

As now written, the Senate version of the act gives States only marginal participation in the siting process. The selection of a site for nuclear waste disposal is made by the Federal Government. States are notified after that decision is made.

If State review uncovers serious problems with the site selection, an objection can halt the development of the facility. That, however, is the last handle the States have on the process.

A finding by the President that the development is in the "national interest" is all that is required to override the State objection. The President's decision can be countermanded only by the positive action of one House of Congress.

The "national interest" clearly plays a role in these decisions. Indeed, the "national interest" is the motivation behind S. 1662, the National Nuclear Waste Policy Act. However, consistent with our form of government, I believe State interest deserves greater consideration when we are asking specific States to bear the brunt of this policy.

At the very least, States deserve the type of hearing provided under the proposal offered by the Senator from Nevada, Mr. CANNON. This amendment would have required that both Houses of Congress and the President concur that siting was so clearly in the national interest that State objections must be overriden.

Fortunately, I do not argue from a position of naked self-interest. Initial inventories and reports discount the likelihood that Montana will be considered for any long-term nuclear waste storage. Imagine, however, the burden this legislation puts on States with minimal population and high potential as a waste facility site.

In short, the burden of proof for upholding a State's objection to the Federal siting decision might rest on a single State's three- or four-person congressional delegation. Facing off with the State would be the entire U.S. Department of Energy and the Office of the President. Such a contest is grossly unfair and fails to recognize the legitimate interests of the States.

I cannot argue with the need and the desirability for a national nuclear waste policy. In the years since the initial operation of a nuclear powerplant in 1957, spent fuel and radioactive waste has grown by leaps and bounds. Today, 74 operating nuclear powerplants produce waste that must be disposed of in a rational and permanent fashion.

Nonetheless, I cannot support the provision of this proposal that strong arms States into serving as disposal sites regardless of their objections. I am hopeful that our colleagues in the House will support the two-House override concept. Further consideration must be given to State involvement in these decisions which will affect all of us for generations to come.●

COMMENTS BY SENATOR PELL ON VALUE OF CAREER FOREIGN SERVICE OFFICERS

● Mr. **MATHIAS.** Mr. President, on April 28, the Senate Foreign Relations Committee held a hearing on S. 1886, a bill to limit to 15 percent the number of U.S. chiefs of diplomatic missions drawn from outside the career Foreign Service. The committee is fortunate to have as a member the only former career Foreign Service officer ever to serve in the Senate. CLAIBORNE PELL adds a valuable dimension to committee consideration of Foreign Service matters, a unique perspective gained from an intimate knowledge of the Foreign Service system.

In a Los Angeles Times editorial on April 21, Senator PELL offered some thoughtful comments on a White House official's recent remarks questioning the value of career Foreign Service officers. I ask that Senator PELL's editorial be printed in the RECORD.

The editorial follows:

GOOD DIPLOMATS DON'T GROW ON POLITICAL PLUM TREES

(By Claiborne Pell)

To judge by comments made on April 7 by the White House personnel director, E. Pendleton James, the problem with American diplomacy is that there are too many career Foreign Service officers serving as ambassadors abroad. According to this thesis, career diplomats suffer from chronic deficiencies: They don't have direct access to the President or to his top advisers and, as professional diplomats, they are small-minded bureaucrats who represent only themselves and are fit only to tend to the minutiae of embassy operations.

Having thus consigned the career Foreign Service to the role of diplomatic hewers of wood and carriers of water, James went on to say: "The question is not whether we have too many political appointees. We don't have enough. I fight in every case for a political appointee instead of a career officer if the political appointee is qualified." Judging by the vast majority of non-career nominees who have come before the Senate Foreign Relations Committee, a very easy standard of competence is applied.

As the only former career Foreign Service officer ever to sit in the Senate and as one who has personally known outstanding career diplomats such as George F. Kennan and Charles E. Bohlen and the late Llewellyn E. Thompson and W. Walton Butterworth, I consider the White House's attitude toward career diplomats not only demeaning but dangerous. In these perilous times it is essential that our country be represented abroad by the best and most experienced talent available. For the most part, that talent resides in the career Foreign Service; and to deny that this talent exists will only ensure that our brightest young people will reject careers in the Foreign Service.

This is not to say that there is no place for non-career ambassadors. John Kenneth Galbraith, Donald H. Rumsfeld and the late David K. E. Bruce were excellent noncareer ambassadors, as are Arthur F. Burns and Mike Mansfield today. The point, however, is that a non-career ambassador should have clearly demonstrated talents and experience that compare favorably with the rigorous training and extensive on-the-job experience of professional diplomats.

James' allegation that career diplomats are fit only to "carry out the minutiae, the day-to-day operations of the embassy that ambassadors don't bother with" is simply not true. More often than not, a non-career ambassador is educated by the embassy's career staff, which ensures that he commits a minimum of gaffes, guides him through the language barrier and generally props him up and makes him look good.

To consider access to the inner circle of the White House the primary criterion for appointment as an ambassador is to suggest that our foreign relations are conducted on the basis of personal connections. Would a keen analysis of a foreign situation or a cogent policy recommendation be ignored unless the ambassador communicating it is a friend of Ronald Reagan or on a first-name basis with presidential counselor Ed Meese?

If political appointees are needed to improve the quality of U.S. diplomacy, why should we limit the benefits from the downgrading of career personnel to the State Department? Why not appoint advertising executives to serve as generals and admirals? Why not place washing-machine manufacturers in the top echelons of the Federal Bureau of Investigation? Why not assign soap salesmen as chiefs of Central Intelligence Agency stations abroad? Wouldn't their access to the White House inner circle improve our military preparedness, promote more effective crime control and ensure that the President is fully aware of what the Soviets are up to?

If adding more political appointees is the key to improving our diplomacy, why not unleash an army of corporate cronies, political party functionaries and assorted ideologues to carry out the President's policies at all levels of government? Why not, indeed, do away with the concept of a career government service and bring back the spoils system?

ISRAEL'S SACRIFICE FOR PEACE MUST BE SUPPORTED

● Mr. **SASSER.** Mr. President, as world attention is drawn to the South Atlantic in hope of a peaceful resolution to the conflict between Great Britain and Argentina, events of great importance to world peace are taking place in the Middle East and in the United Nations. Israel's withdrawal from the Sinai peninsula, and the successful deterrence of a move to downgrade Israel's status in the United Nations, made the last week in April of 1982 a critical juncture in the path toward realization of the Camp David accords.

Israel's agreement to abandon homes, farms, hospitals, schools, whole towns, military bases, oil fields—every shred of its presence on land that is sacred to its people in history and myth—is nothing short of extraordinary. In delivering on that promise, as a painful and heroic commitment to the peace process, Israeli soldiers had to use force on their own countrymen. The sight of the settlers at Yamit being forcibly evacuated by young men and women in uniform who share their ancient culture and traditions, was a wrenching one. Most of us can only imagine the trauma associated with that event for Jews in Israel and around the world. The Sinai withdrawal nearly coincides with this week's celebration of Israel's 34th year of independence. This is a dramatic and ironic reminder of her determination to live in peaceful coexistence with her Arab neighbors.

The Israeli sacrifice in terms of strategic security and economic cost is equally significant. In withdrawing from the Sinai peninsula, Israel abandons high-ground, early-warning stations that cannot be duplicated in the Negev Desert. In pulling back from the peninsula, Israel loses much of her ability to help keep the Straits of Tiran open at the entrance to the Red Sea, her vital water link to the Mediterranean through the Suez Canal to the north, and the Arabian Sea and Indian Ocean to the south. In leaving the Sinai, Israel dismantled two of the most advanced air bases in the world, where equipment and superior training had led to the renowned excellence of the Israeli Air Force. In consolidating ammunition dumps, logistics centers and military distribution installations in greatly reduced geographic space in the Negev Desert, Israel's vulnerability to air attack is greatly increased. In abandoning oil fields that she brought into production, Israel is also sacrificing plans of energy independence and near-term economic stability. The cost of this entire operation, in current cost, property loss, and loss of anticipated revenues, is in the tens of billions of dollars.

Mr. President, it is imperative that this historic act in the cause of peace be met with corresponding commitments by all parties to the Middle East peace process. One of the most immediate and effective actions available to the United States is a strengthening of the review process for the sale of advanced military hardware for the entire region, with a view toward slowing the rapid regionwide arms escalation. Unfortunately, the administration seems to be pursuing the opposite course in proposing sale after sale of highly sophisticated combat-capable equipment to the chief opponents of the Camp David peace process. There has also been a dangerous relaxation in the U.S. Government's official commitment to combating terrorism, through the removal of Iraq from the formal list of countries supporting international terrorism and an easing of the regulations on the sale of large aircraft to Syria and South Yemen. In attempting to find any rational basis for these moves, I am reminded of the theme of campaign 1980 that pointed to antiterrorism, rather than human rights, as the proper first priority of the U.S. Government. How the relaxation of restrictions on the sale of military-capable aircraft to three of the most terrorist-oriented regimes in the Middle East is going to contribute to the antiterrorist goals of this administration is painfully unclear.

There has been, however, at least a temporarily heartening response by the administration to the outcry raised by Congress on, for example, the proposed export license for the sale of at least six L–100 cargo transport planes to Iraq. On April 30, the day the license was to be granted, an indefinite delay in consideration of the sale was announced. It was acknowledged that the delay was in large measure a response to the strong opposition put forth by 16 of my colleagues and myself in a letter to President Reagan. This is as it should be, Mr. President, for I believe the Congress has a necessary and important oversight role in these matters. That role becomes increasingly important when the administration in power seems bent on undermining perhaps the most vital peace process ever formulated for the strife-ridden Middle East.

In an earlier instance, the administration was persuaded—again, through the efforts of those of us in the Senate who expressed opposition—to withdraw a proposed sale of advanced F–16 fighter aircraft and Hawk mobile missiles to Jordan. I understand that proposal is now being substantially modified.

I doubt that we have seen the last of these proposals to arm belligerent Arab States with the best military equipment the United States has to offer. It is my hope, in light of both the recent successful Senate initiatives and the tremendous sacrifice of Israel for the peace process, that a more moderate policy will ensue. We need a policy that will slow the Middle East arms race, a policy of eradicating terrorism in the region. We need a policy geared for peace, a policy that will guide the governments and people of the Middle East toward a secure and productive future.●

SENIOR EMPLOYMENT PROGRAM

● Mr. BAUCUS. Mr. President, the Senior Community Services Employment Program (SCSEP), authorized under title V of the Older Americans Act, has been threatened with elimination in President Reagan's proposed budget for fiscal year 1983.

I fail to understand why we should eliminate such a successful program. Thousands of hardworking, productive older Americans are able to share their experience and skills with others in their community through this program. If it is terminated, these low-income senior citizens would be forced to rely instead on increased public assistance, such as food stamps and welfare. Besides being demeaning, this would probably cost more than simply continuing the program.

I am a cosponsor of Senate Resolution 340, introduced by our distinguished leader, Senator Robert Byrd. This resolution expresses the sense of the Senate that no action should be taken to terminate or otherwise weaken the Community Service Employment Program under title V. This resolution is currently cosponsored by 31 Members of this body, and I urge all my colleagues to give this issue serious consideration.

Mr. President, I recently received a report from the director of the Montana Green Thumb program, which is part of SCSEP. I am impressed by the achievements that have been made through this program, and I would like to share some examples with my colleagues, and I ask that they be printed in the Record.

The material follows:

Worker Profile

Heart Butte is an isolated community on the blackfeet Indian Reservation in north-central Montana. There is no industry there to provide jobs, especially for the elderly. Such was the case for Daniel Bull Plume, Jr., age 63, until a Green Thumb project was developed for him.

Daniel worked from 1941 to 1960 for the railroad as a section worker. From 1977 to 1979 he delivered wood to elderly residents in the area and for 9 months in 1981 he was a host at the Senior Center in Heart Butte under the CETA program. But his true skills and abilities were lying dormant until Green Thumb Area Supervisor, Dale Munyon set the wheels in motion for a project at the heart Butte Elementary School. He was assigned to teach Blackfeet history and culture to the students.

Daniel combines his personal knowledge of the history of the tribe and his artistic abilities to bring a unique experience to the youngsters. He also teaches the students their native language.

School officials were pleased with Daniel's work and have hired him onto their payroll effective April 1, 1982. The success of the project with Heart Butte School might lead to further projects involving unsubsidized placements in the future.

PROJECT PROFILE

Pioneer Town—Scobey, Montana. Who knows of its existence? Everyone in this small town near the Canadian border knew about it but no one thought of it when Area Supervisor, Byron Erickson, was inquiring with local officials about possible Green Thumb projects. Byron spotted the group of buildings one night after work when he was driving around town. He was eventually placed in contact with Lawrence Utech, Vice-President of the Daniels County Museum Association.

Pioneer Town was started about twenty years ago by local residents to preserve the heritage of the area. Located on 20 acres, the Town consists of numerous buildings, various pieces of old-time farm machinery, cars, and hundreds of antiques and artifacts—all donated by area residents. The Museum Association raises money for the operation and restoration of Pioneer Town by charging admittance, from membership dues, donations, and from shows held in the old Rex Theater located at the site. But their money and manpower were simply not enough to keep restoration work in pace with donations. Even so, there was some hesitation about utilizing a crew of Green Thumb workers. But not for long.

Edwin Carlson, 71, Ted Flateland, 70, and Aime Carrier, 76, came to the job and convinced the Museum Association that they had the skill and determination to really get with the mountain of work that needs to be done at Pioneer Town. They worked on the theater and sided the building that houses old tractors. They emptied an old granary and converted it into a workshop for themselves. Recently they finished restoring a covered wagon.

The Museum Association has plenty of work lined up for the crew. They want the men to utilize their mechanical skills in restoring the old machinery to running condition. Most of the buildings, which include a saloon, gas station, doctor and dentist offices, grocery store, and a church, need repairs and painting. Many will then need to be furnished with the appropriate antiques and artifacts. Showcases and antiques need to be restored.

The Museum Association is enthusiastic about the work being done by the crew. It may very well mean increased revenues for the Association as Canadian visitors and local residents continue to exhibit a high amount of interest in Pioneer Town.

WORKER PROFILE

Gene Knoke, Green Thumb worker, was honored in 1981 by the Livingston Chamber of Commerce as Park County Father of the Year. He was 85 years old at the time. A veteran of World War I, he is a recipient of the Distinguished Service Cross. He is an advocate and volunteer for Boy Scouts. In his spare time, he visits people in the nursing home.

Gene moved to Montana in 1911 with his family. His work history includes farming, construction, railroad, sheepherding, and working on cattle ranches. When he retired in 1961, he went to work for the Park Hotel in Livingston for five years.

Since becoming employed by Green Thumb in December, 1980 Gene has worked on a variety of assignments. He started out as a crew foreperson on a park crew and then worked at the Fairgrounds on another crew. Gene tried the job of dispatcher for the Tele-Care/Dial-a-Ride program but that job did not work out for him or the host agency for reasons beyond his control. (The host agency could not provide him with a telephone and place to work outside his home and infrequent illness disrupted the program.)

Always willing to accept new challenges, Gene is now an assistant to the Director of the Danforth Gallery. His duties include managing the gallery in the absence of the

Director, greeting visitors, and setting up displays.

The Danforth Gallery is an exhibit and market place for the many artists of the area. It also offers the Livingston community instruction in painting, dancing, drama, and other forms of art and culture. Gene helps to promote the Gallery and its functions. His receptionist and sales abilities are enhanced by his knowledge of Livingston and its history. He brings warmth and friendliness to the pleasant surroundings of the Danforth Gallery.

[From the Powder River Examiner, February 1982]

Sharin' Our Mail

Dear Editor: July 13, 1981, I was contacted and talked to by one of the Green Thumb directors. I learned from that conversation that the program, called the Green Thumb, was out to give aid and assistance to people sixty-five years old and over.

The wages, small. The hours, limited. The job they lined up for me was a job I thought I would like, but I didn't. I was to work at the Nursing Home, talking to old people, trying to cheer them up, bring back old memories and things like that. But, I couldn't do it. After a few weeks I found that I could not stand to see old people that I had known for over sixty-five years lying there before me and slowly dying.

It was no fault of the Green Thumb program, but I quit. It was not the job for me. The Green Thumb program understood my feelings. They knew that I myself was an old man.

My boss, Byron C. Erkickson, came and talked to me and let me talk to him. We weren't talking about a job at all. We just talked and talked, but I know now that he heard every word I said.

Then he left to go back to Clyde Park. I thought my Green Thumb days were over. But oh no, as I idly rattled on while we were talking, he was able to see into my past and find out without me knowing it what I loved to do.

The next thing I knew, he had lined up work for me painting signs for the 4-H Clubs, and reading poetry and teaching art at the grade school. To me it has been a wonderful experience. The teachers have all been kind and sweet to me. Mrs. Ballard, the elementary principal, was most kind and considerate. I feel that I am getting more help than the children. It is a wonderful thing for me to walk the streets of Broadus and have some woman come up to me and say, "Oh Hugh, I can't thank you enough for the way you have got my little second grade girl to start liking poetry".

That means a lot to me. It is my opinion that the money the Green Thumb dishes out for the old people in this program is not the main thing. The thing that is important is to let the old men and women come out and be seen, heard and honored.

When an old man of my age can no longer stack thousand bales of hay or ride a fierce bucking bronco anymore, that does not mean that he should get out the old rocking chair and rock the rest of his life away.

There are still jobs floating around in our modern society that nobody could do a better job of working it than some old man or old woman. If they still have good minds and healthy bodies, they can do much. There are old stories to tell, old songs to sing, memories that can never be gathered except by the long years of living, that a lot of the old people have gathered. They are priceless.

The program called the Green Thumb, as far as I am concerned, is doing a lot to bring this out.

Sincerely,

Hubert C. Rumph.●

LABOR SITUATION IN THE PHILIPPINES

● Mr. KENNEDY. Mr. President, on Tuesday, April 25, I met with Father Edgar S. Saguinsin, a priest and union leader from the Philippines. He described for me the difficult conditions under which the members of his National Federation of Sugar Workers live. Workers in the sugar mill at Central Azucarera de La Carlota (CAC) have been denied a bonus mandated by President Marcos and upheld by the Supreme Court. Instead of complying, the company has harassed the workers and even taken action that resulted, at one point, in the arrest of women and children as well as the workers who had gathered for a previously arranged peaceful meeting with company representatives.

All to often we hear of such actions against workers—actions which deny them the right to collectively organize and peacefully bargain for improved conditions. American labor can well remember the long struggle of the past and the continued efforts of the present to improve the lot of the worker, and we can join in support of workers in other countries like the Philippines.

The situation in the Philippines is particularly difficult where fundamental rights are too often denied or violated. I would urge the Government of the Philippines to come to the aid of its workers and use its power to protect workers' rights and help workers obtain what is due to them under the law. Failure to do so will only alienate the workers from the Government and strengthen those forces in the Philippines and the world at large which are so opposed to the basic freedoms to which our Nation is committed throughout the world.

Mr. President, I would like to call the attention of my colleagues to two recent articles on this situation in the Philippines. The first is an article by Jim Stackpole of the National Catholic News Service entitled, "Filipino Priest Sees Homeland As Another El Salvador." The second is an article from the newsletter Sugar World, March 1982, "NFSW Seeks Solidarity for Key Strike." I ask to have these two articles printed in the Record.

The articles follow:

[From the National Catholic News Service]

Filipino Priest Sees Homeland as Another El Salvador

(By Jim Stackpoole)

Detroit (NC)—A visiting Filipino priest warned in Detroit that his homeland may become another El Salvador.

The seeds of unrest are the same in El Salvador and the Philippines, Maryknoll Father Edgar S. Saguinsin said.

The 47-year-old priest was in Detroit to speak about a union which he helped found in the Philippines, the National Federation of Sugar Workers.

"The same signs are there, the same problems," said Father Saguinsin, noting parallels in the histories, economies, foreign exploitation and strategic positions of the Philippines and El Salvador.

"We have the same historical exploitation, first by Spain and then by the United States and now by transnational corporations," he added.

He also said the Philippines, like Central American Countries, are mainly farmlands held by a few owners while the rest of the population lives on starvation wages.

To illustrate exploitation the priest gave a chronology of events in the current strike by the sugar workers' union against a sugar company.

He said that the union had asked the company to observe the law and pay the 13th-month wage that President Ferdinand Marcos has mandated in 1975 for all workers earning less than 1,000 pesos a month ($125). After a three-day strike the company agreed. But after the factory reopened, according to Father Saguinsin, the company reneged on the 13th-month wage.

The priest said the union continued to observe proper channels of appeal. Both the Labor Ministry and the Supreme Court, in a preliminary decision, issued decisions favoring the workers. But the company stalled, Father Saguinsin said, claiming it would wait for the final Supreme Court decision.

Last Dec. 15, he said, the court's final decision supported the union, but the company still delayed.

Then on Jan. 2, according to Father Saguinsin, the company presented the union with a telegram from a local office of the Labor Ministry reversing the central labor office decision and stating that the Supreme Court verdict did not apply to the company.

On Jan. 28 the 1,200 workers struck again. Then on Feb. 19 the regional ministry "without due process," the priest said, declared the strike illegal.

The next day, he said, troops broke up picket lines at the plant and on the following day troops invaded the homes of workers and dragged them to the factories to force them to operate the machinery. The priest added that the workers refused.

"The workers were legally demanding the implementation of the decree of Marcos that was intended to ameliorate the suffering of the workers," Father Saguinsin said.

"The military did not intervene to force the mill owners to implement the decree of the court. But one telegram from one regional office of the Labor Ministry decrees the strike illegal. No wonder rebels are multiplying," he added.

NFSW Seeks Solidarity for Key Strike: Company Court Case "Stuck in the Mud"

A second blitzkrieg labour strike by some 1,200 members of the National Federation of Sugar Workers (NFSW), the bargaining unit at Central Azucarera de La Carlota (CAC) has paralyzed milling operations since January 28. The strike (which was still going on at press time) is over management refusal to pay the mandatory 13th month bonus, as stipulated in a strike agreement signed on last Nov. 30th. (See Sugar World, Dec. 81)

An NFSW spokesperson called the strike a key "showdown" for two reasons. First, if the workers succeed in getting their 13th month bonus, it will serve as a precedent for other workers in similar circumstances throughout the Philippines. Second, the move by Elizalde & Co., the employers, to deny the workers their contractually agreed bonus comes as the culmination of a long series of maneuvers over the last 8 years to discredit and break the union.

The striking workers were in high spirits on Feb. 18th, after union lawyers were able to win postponement of the company's petition to have the strike declared illegal. Moreover lawyers for the May First Movement (an independent labour federation) have filed suit in the courts to have the present strike-control legislation declared unconstitutional. It denies the right to strike to workers in "vital industries", with virtually every industry (including sugar) being considered vital. NFSW Chairman Ed Saguinsin declared, "The company's case against us is stuck in the mud."

However, the NFSW continues to appeal for international support. (See below) In other Philippine news Sugar World has learned that the lockout of 125 plantation workers at Hacienda Jesusa I, which had begun on Oct. 25th, has recently been settled in the worker's favour. Thanks to all who contributed to the successful solidarity appeal.

MORE BACKGROUND ON LA CARLOTA STRIKE

The present strike is a sequel of the former 38-hour strike by the same workers of CAC, which was settled last November 30th when Elizalde & Co., and the NFSW reached a compromise agreement, which provided for most of the demands of the labour union. With regard to the mandatory 13th month pay, however, the agreement stipulates that: "The parties agreed to abide by the final decision of the Supreme Court in any case involving the 13th Month Pay Law if it is clearly held that the employer is liable to pay the 13th Month Pay separate and distinct from the bonuses already given."

MARCOPPER LOSES IN THE COURTS

The Supreme Court in its Marcopper Mining case decision handed down on June 11, 1981 ruled that workers receiving a basic monthly salary of less than one thousand pesos (about one hundred twenty US dollars) are entitled to the 13th-month pay provided for under the Presidential Decree No. 851, which should be considered separate and distinct from any bonuses required by a collective bargaining agreement between the union and the company. However, Marcopper Mining later asked the court to reconsider its decision.

On December 15, 1981, the Supreme Court finally affirmed its decision on June 11 of the same year.

MINISTRY OF LABOUR VS. THE WORKERS

But when the union members demanded implementation of the mandatory 13th month pay during a labour-management council conference on January 8 between CAC and NFSW, the CAC management lawyers and the regional director of the Ministry of Labour and Employment (MOLE) presented them with the telegram of Blas Ople, MOLE Minister, which in effect said the final decision of the Supreme Court on the question of the 13th month pay did not apply to Central Azucarera de La Carlota! Twenty days after, on January 28, 1,200 members of the National Federation of Sugar Workers (NFSW) staged their current strike.

SOLIDARITY

1. Send telegrams and messages to President Ferdinand E. Marcos, Malacanang Palace, Manila, Philippines urging him to heed the striking La Carlota sugar mill workers' demand that his decree and Supreme Court's ruling on the 13th month pay be complied with immediately in order to ameliorate the living conditions of the sugar workers;

2. Send financial assistance either direct to the National Federation of Sugar Workers (NFSW), 6 Amapola Street, Bacolod City, Philippines, with telephone number 2-64-40, or send it through your organization.●

NEW MEDICAL CENTER IN GRAND BLANC, MICH.

● Mr. REIGLE. Mr. President, a new medical facility will soon be dedicated in Grand Blanc, Mich. under the direction of Dr. Shawky A. Hassan and his wife Dr. Erika E. Hassan. The new center will have a full complement of medical specialists, outpatient services, and emergency treatment facilities. In addition, it will have an asthma clinic for treatment, care, and education of asthmatics and their families.

While the dedication of a new medical center in a small community is noteworthy, this event has particular significance for the citizens of Grand Blanc. The center, and particularly the asthma clinic will be devoted to the memory of a special patient, and are the result of heartfelt sharing between a mother who suffered the loss of her son to asthma, and a physician who witnessed the pain of inadequacy of being unable to relieve, and ultimately to save a child.

Dr. Hassan can trace the motivation for the asthma clinic to a letter that Michelle Utter wrote to him shortly after the death of Timothy Michael Secord on April 20, 1979. In that communication, Mrs. Utter raised painful questions, that led to Dr. Hassan's drive to create the special asthma clinic. His wish, and that of all of us is that this clinic will provide the rapid treatment that is so critical to limit the progression of asthma.

This clinic is a living memory of Timothy, and it will give hope to all-children who must suffer from the tragedy of asthma.●

ORDER FOR RECESS UNTIL 9:15 A.M. TOMORROW

Mr. BAKER. Mr. President, I ask unanimous consent that, when the Senate completes its business today, it stand in recesss until the hour of 9:15 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR THE RECOGNITION OF CERTAIN SENATORS ON TOMORROW

Mr. BAKER. Mr. President, I ask unanimous consent that after the recognition of the two leaders under the standing order, the following Senators be recognized on special orders of not to exceed 15 minutes each: the distinguished President pro tem, the Senator from South Carolina (Mr. THURMOND), the distinguished Senator from Oklahoma (Mr. NICKLES), the distinguished Senator from West Virginia, the minority leader (Mr. ROBERT C. BYRD), and the Senator from Wisconsin (Mr. KASTEN).

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR REDUCTION IN LEADERSHIP TIME ON TOMORROW

Mr. BAKER. Mr. President, I ask unanimous consent that on tomorrow the time allocated to the two leaders under the standing order be reduced to 50 percent of that provided.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. BAKER. Mr. President, on tomorrow, the Senate will convene at 9:15 a.m.

After the recognition of the two leaders under the standing order, according to the order entered this evening, we have provided for the recognition of certain Senators on special orders.

After the execution of the special orders, there will be a brief period for the transaction of routine morning business to be provided for at that time—assuming that that can be done and still comply with another order entered today which provides for resumption of the consideration of the Department of Defense authorization bill at 10:30 a.m., at which time the Tower second-degree amendment to the Specter amendment as modified will be the pending question.

Mr. President, I anticipate that the Senate will be in late tomorrow evening, to do as much work as possible on the Department of Defense authorization bill. I fully anticipate and expect a session of the Senate on Friday.

I have no further business to transact. If the minority leader has nothing further he wishes to address, I am prepared to ask the Senate to recess.

RECESS UNTIL 9:15 A.M. TOMORROW

Mr. BAKER. Mr. President, I move, in accordance with the order previously entered, that the Senate stand in recess until 9:15 a.m. tomorrow.

The motion was agreed to; and at 6:30 p.m. the Senate recessed until tomorrow, Thursday, May 6, 1982, at 9:15 a.m.

NOMINATIONS

Executive nominations received by the Senate May 5, 1982:

THE JUDICIARY

A. J. McNamara, of Louisiana, to be U.S. district judge for the eastern district of Louisiana vice Edward J. Boyle, Sr., retired.

John W. Potter, of Ohio, to be U.S. district judge for the northern district of Ohio, vice William K. Thomas, retired.

John A. Terry, of the District of Columbia, to be an associate judge of the District of Columbia Court of Appeals for the term of 15 years, vice Stanley S. Harris.

IN THE MARINE CORPS

The following-named officers of the Marine Corps Reserve for transfer into the regular Marine Corps under the provisions of title 10, United States Code, section 5572:

Major

Amos, J. F.
Capiito, J. W.
Dupree, F. W.
Graham, J. L.
Larson, M. J.
McDermott, T. H.
Murphy, D. M.

Captain

Anzur, J. T.
Banigan, B. H., II
Becker, C. R.
Belanger, L. L.
Bell, C. R., Jr.
Blanche, J. F.
Brown, S. F.
Bull, J. E.
Bush, R. V., Jr.
Chapman, M. W., Jr.
Ciaravino, W. J.
Cook, W. H.
Courtnage, D. G
Durda, J. N.
Duva, M.
Engvall, W. O.
Erick, R. D.
Evans, Jr., J. N.
Gallagher, J. T.
Gallo, W. V.
Gambill, T. L.
Gomez, D. A.
Granger, R. W.
Groves, W. L.
Grundy, D. E.
Hamilton, W. A.
Hansen, B. C.
Harmon, H. M.
Haskell, T. L.
Hayhurst, T. E.
Heath, M. L.
Herman, P. C.
Hessler, W. G.
Hill J. T.
Hills, Jr., W. W.
Jepsen, N. W.
Johnson, C. L.
Jones, E. A.
Kimlick, M. F.
Lazisky, R. R.
Legear, A. B.
Macak, W. C.
Manley, R. S.
Mann, D. W.
Mariney, C.
Maxey, A. B.
Mazzara, A. F.
McMullen, B. G.
Miller, R. L.
Miller, T. J.
Mills, Jr., S. E.
Murgo, J. B.
Murray, W. A.
Myers, H. H.
Norquist, S. W.
Nourie, R. J.
Ohlman, Jr., G. G.
Ortega, J. G.
Palm, E. F.
Parkhurst, P. S.
Paul, S. H.
Paulger, J. B.
Poggi, W. L.
Ramsey, D. L.
Rawson, G. L.
Rhoads, G. D.
Rickert, R. R.
Robinson, J. R.
Samad, R. L.
Schroeder, D. A.
Seaberg, J. P.
Short, J. S., Jr.
Shutters, R. W.
Sirmons, R. B.
Sprute, T. A.
Stark, K. A.
Stephens, D. A.
Stockwell, A. D.
Svetahor, N. P.
Tuggle, F. L.
Turner, J. T.
Vansaghi, R. L.
Verzera, D. M.
Walker, W. C., III
Whitman, R. S.
Wiggins, W. C.
Wills, R. L.

Lieutenant

Adams, J. R.
Albo, M. C.
Alonzo, J. I.
Arinello, D. M.
Arnold, D. G.
Ayala, J. G.
Bachand, N. K.
Barker, M. J.
Bartch, R. O., Jr.
Bean, R. D.
Becker, K. L.
Belcher, R. W.
Bell, R. H.
Bennett, W. S.
Benning, R. F., Jr.
Berg, S.R.
Bibeau, G.J.
Biederman, J. E.
Blakney, W. S.
Blanc, M. J.
Bode, K. D.
Bodnar, R. R.
Bond, K. D.
Bro, T. L.
Brown, J. L.
Brown, II, J. R.
Broxterman C.
Bruder, IV, J. A.
Brygider, P. A.
Bumgarner, W. N.
Burns, K. P.
Bush, M. M.
Caldwell, G. W.
Cali, V. M.
Callahan, Jr., W. H.
Campbell, S. J.
Cassel, Jr., J. D.
Charette, J. M.
Chestnut, Jr., M. B.
Clifford, K. M.
Cody, E. A.
Coney, R. J.
Conti, E. K.
Conway, S. F.
Coogan, C. J.
Copeland, A. D.
Cote, S. R.
Cramer, M. T.
Cribbs, C. M.
Csaszi, J.
Dale, T. L.
Daniels, Jr., E. T.
Deneke, T. P.
Dobbs, M. C.
Douglas, G. S.
Dupre, P. J.
Dwiggins, W. O.
Edwards, L. P.
Farrell, D. A.
Fazio, A. P.
Fedyna, J. M.
Feeley, S. P.
Fernald, S. W.
Ferri, R. A.
Fielder, Jr., E.
Figueroa, J. A.
Flake, N. W.
Fleming, A. P.
Forand, S. L.
Fowler, G. A.
Fox, IV, R. B.
Freeman, J. S.
French, K. M.
Galie, M. L.
Garrett, L. E.
Gasiliunas, R. P.
Greenfield, D. L.
Green, H. S.
Habel, J. X.
Hansen, K. E.
Hardy, W. E.
Haslam, A. M.
Hawkins, M. B.
Hawkins, S. D.
Heiland, D.E.
Hensel, R. B.
Herman, D. C.
Hernandez, M.
Hill, S. L.
Hinerman, III, O. H.
Holdeman, M. W.
Holmes, W. J.
Honeycutt, G.
Howard, T. B.
Hudson, Jr., F. S.
Hunt, R. F.
Iandoli, J. P.
Imhof, Jr., H. E.
Jackson, M. J.
Jackson, R. W.
Jagodka, D. J.
Johnson, C. B.
Johnson, D. P.
Jones, C. A.
Jones, W. C.
Joslin, R. E.
Junge, L. J.
Kelley, J. L.
Kesselring, B. G.
Kilbride, C. J.
Klatt, III, E. H.
Kooistra, A. R.
Kurtzhalts, M. W.
Kvigne, K. W.
Lambertsen, G. A.
Layton, R. E.
Leahy, K. M.
Ledford, L. A.
Leiford, D. L.
Leonard, T. E.
Longero, R. D.
Lovejoy, Jr., J. D.
Lyles, K. C.
MacKinnon, P. C.
Madruga, M. D.
Malcolm, D. S.
Martin, J. P.
McCarthy, K. J.
McGarry, T. J.
McGill, Jr., T. J.
McGrath, T. J.
McHugh, D. R.
McMannis, M. D.
McMillan, B. L.
Menah, M. J.
Meyeraan, D. R.
Miller, R. J.
Miller, W. K.
Mitchell, S. M.
Monti, M.
Moore, C. N.
Morgan, D. D.
Mudd, D. H.
Mumley, Jr., S. A.
Murphy, M. R.
Nelson, Jr., R. R.
Nelson, S. L.
Nester, D. M.
Numrich, Jr., P. W.
O'Bermueller, G. P.
O'Brien, Jr., E. P.
O'Dom, D. P.
O'Keeffe, D. J.
O'Reilly, T. P.
Pane, M. L.
Pann, S. J.
Papagolos, G. E.
Parker, W. H.
Pena, J. L.
Pence, Jr., S. J.
Pfaender, W. C.
Phillips, T. A.
Pittelkow, D. T.
Placey, M. W.
Power, W. C.
Price, D. W.
Putnam, R. W.
Quinlan, W. J.
Rand, A. J.
Ray, J. S.
Reeves, J. D.
Reineberg, M. F.
Ringlee, N. R.
Robinson, R. C.
Rodriguez, D.
Rohletter, J. B.
Rollins, K. S.
Sankey, J. M.
Savage, R. J.
Scallon, H. J.
Schmitt, M. H.
Schmidt, S. A.
Schwartz, III, R. E.
Selwell, K. A.
Sessions, M. G.
Sharp, D. G.
Sherwood, G. A.
Shoemaker, B.
Shutt, D. H.
Siller, M. G.
Simmian, D. S.
Simmons, G. W.
Simmons, R. W.
Slagel, Jr., E. K.
Smith, G. W.
Smith, H. N.
Smith, J. L.
Smith, M. J.
Smith, N. J.
Smithberg, F. M.
Sneed, J. W.
Spears, R. A.
Speer, J. L.
Spurrier, D. T.
Staples, E. L.
Stephens, M. W.
Stinger, P. K.
Stoler, G. M.
Stooksbury, W. T.
Sullivan, H. K.
Swenson, W. C.
Talleri, P. J.
Tarbutton, W. R.
Texidor, Jr., J. L.
Thompson, D. G.
Thorson, T. L.
Travers, D. L.
Turano, J. J.
Turner, R. L.
Valero, L. A.
Vancamp, E. J.
Veyna, S. E.
Voorhees, R. S.
Walrath, R. J.
Watson, D. M.
Webb, J. R.
Wells, T. C.
Wendall, III, A. J.
White, R. D.
Wiedel, K. B.
Wilder, M.
Williams, C.
Wilson, T. P.
Wisecarver, III, W. H.
Womack, G. L.
Wood, S. A.
Wright, K. J.
Wright, S. L.
Yaron, Jr., G. D.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 5, 1982:

EXECUTIVE OFFICE OF THE PRESIDENT

Peter Otto Murphy, of the District of Columbia, for the rank of Ambassador during his tenure of service as U.S. Negotiator on Textile Matters.

The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

MERIT SYSTEMS PROTECTION BOARD

Herbert E. Ellingwood, of California, to be a Member of the Merit Systems Protection Board for the remainder of the term expiring March 1, 1986.

DEPARTMENT OF JUSTICE

Salvatore R. Martoche, of New York, to be U.S. attorney for the western district of New York for the term of 4 years.

HOUSE OF REPRESENTATIVES—*Wednesday, May 5, 1982*

The House met at 3 p.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Almighty God, we thank You that in spite of the dangers and struggles of our times, there are those individuals and communities who have dedicated themselves to do justice and serve the needy. For those who feed the hungry, shelter the homeless, comfort the troubled, and seek to heal both body and soul, we offer our praise and appreciation. Teach us, O God, that by serving those about us, we serve You, and by being messengers of peace, we truly become the people You wish us to be. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed bills and a joint resolution of the following titles in which the concurrence of the House is requested:

S. 79. An act for the relief of Joseph Y. Quijano, his wife Marichu Larrazabal Quijano, and his son Franz Joseph Quijano and daughters Marie Estrella Quijano and Milche Marenjone Quijano;

S. 1662. An act to establish a limited program for Federal storage of spent fuel from civilian nuclear powerplants, to set forth a Federal policy, initiate a program, and establish a national schedule for the disposal of nuclear waste from civilian activities, and for other purposes;

S. 2488. An act to strengthen and improve the management of civilian personnel within the Defense Intelligence Agency;

S.J. Res. 195. Joint resolution designating the week of May 2, 1982, through May 8, 1982, as "National Clean Air Week."

PUT A BRAKE ON AUTO THEFT

(Mr. MOTTL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOTTL. Mr. Speaker, today I am introducing legislation designed to curb the national auto theft epidemic which costs the American public almost $4 billion per year. Every 28 seconds, a vehicle is stolen somewhere in the United States. The problem goes beyond the joyriding teenager out for a good time. Professional auto theft rings operate on an interstate and even an international level. Consumers are being duped to believe the vehicles they are buying are good used cars, when in fact they are rebuilt salvage vehicles which are unreliable and unsafe. In addition, the increasing number of car thefts drives up auto insurance fees for everyone.

My Motor Vehicle Title and Inspection Act would establish national vehicle titling and inspection standards for the States to comply with in order to promote traffic safety and deter theft. The sale of extensively damaged or dismantled motor vehicles, along with the titles of those vehicles, provides professional criminals with the tools necessary to commit insurance fraud, motor vehicle theft, and related crimes. Uniform State title laws will make these scams much more difficult to execute. I urge you to support this legislation and put the professional car theft rings out of business.

THE QUESTION OF SOVEREIGNTY OVER FALKLAND ISLANDS

(Mr. BINGHAM asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BINGHAM. Mr. Speaker, in the last few days, the Falkland Islands dispute has assumed tragic proportions with heavy casualties. At the heart of this dispute is the question of the sovereignty over the Falkland Islands. That seems to be the one issued that the efforts of the Secretary of State to achieve a peaceful settlement foundered on.

We have an institution which is established under the United Nations Charter to resolve just such disputes as this in the International Court of Justice. Prime Minister Thatcher of Great Britain has stated that if Argentina would be willing to submit the issue of sovereignty over the Falkland or Malvinas Islands to the International Court of Justice, Great Britain would give serious consideration to such a referral. Therefore, I am introducing today, with several cosponsors, a concurrent resolution which would state it to be the sense of the Congress that the President should seek agreement by the Government of Argentina and the Government of Great Britain to refer the issue of sovereignty over the Falkland Islands, the Malvinas, to the International Court of Justice for resolution.

FARM CRISIS ACT OF 1982

(Mr. HIGHTOWER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HIGHTOWER. Mr. Speaker, Representatives from both parties have addressed this House about the problems in agriculture. While there has been the usual amount of finger pointing as to the blame, my concern is to solve the problem. Legislation is being introduced today that, if passed and signed into law, will allow the American farmers to chart their own course and solve their own problems.

The Farm Crisis Act of 1982 is the product of several weeks of hard work by Members of Congress that feel that we must not just sit back and wait for things to get better.

The bill will take the decisions of production adjustment out of politics and tie them to supply and demand.

The bill provides, through a nationwide vote, for farmers to make the decision if there should be a reduction in the crop acreage of 15 percent to remove marginal lands from production and conserve the soil.

The bill underlines the belief of Congress that export credit needs are not being met and it is hurting our national economy and our balance of payments.

The bill will, in addition to helping the taxpayers, save $899 million over the current law.

This bill is a positive step to correct a problem that grows every day. Each farmer that goes broke hurts our Nation. If we will pass this legislation, the markets will take care of the problems because every one will know what the farm policy is going to be in the next year. Adjustments in acreage are determined by the supply of grain. If a farmer is willing to lay additional land out of production, the loan available will be higher.

This legislation, if enacted, will slow the overproduction, allow the land to rebuild and be ready to meet the needs of this country and the world for future years. If we are to remain strong, if we are to remain free, our ability to feed ourselves is a matter of highest priority.

SMALL BUSINESS INNOVATION DEVELOPMENT ACT

(Mr. GORE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Mr. GORE. Mr. Speaker, I rise to briefly discuss the Small Business Innovation Development Act (H.R. 4326) and express my support for it. It will soon be coming before this body.

In the last decade, our Nation's growth in manufacturing productivity has been exceeded by Japan, France, and West Germany. We have got to find ways to reverse our declining rate of productivity and stimulate innovation.

The Science and Technology Subcommittee on Investigations and Oversight, which I chair, has held extensive hearings on innovation, and I have been impressed, as has been my colleague, the gentleman from Pennsylvania (Mr. WALKER) by the contributions made by small, high-technology firms. These companies have contributed significant innovations in many diverse fields, from genetic engineering to microelectronics, and they have done so in a cost-effective manner.

H.R. 4326 will encourage greater participation by these small, innovative firms in Federal research. It is patterned after the highly successful National Science Foundation program. The key to its success is the coupling of Federal research with private follow-on financing for commercialization of the research. In its first solicitation, NSF expended $5.3 million in funds, and the firms receiving this money have secured over $40 million in private follow-on financing. These are impressive figures that serve as dramatic proof of the positive impact this bill can have on our economy. I strongly support it, and I urge my colleagues to do the same when it comes before us.

THE SMALL BUSINESS INNOVATION DEVELOPMENT ACT

(Mr. SCHEUER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHEUER. Mr. Speaker, I rise today to voice my strong support for a farsighted measure sponsored by our worthy colleague, JOHN LAFALCE.

This bill, the Small Business Innovation Development Act, properly addresses our need for technological and productive advances in the Nation's economy to improve its position in world markets.

Small, high technology firms have made major contributions and are clearly one of the most innovative sectors of our economy.

Small firms have shown expertise in diverse fields of endeavor including genetic engineering, microelectronics, robotics, scientific and industrial measuring devices, and communications, to name but a few.

These small firms also use R. & D. moneys more cost-effectively as the total cost per R. & D. scientist or engineer in small firms is one-half as much as it is in firms having more than 1,000 employees.

This is particularly important during this period of constraints on Federal expenditures.

Every effort should be made to promote involvement of these small, innovative companies in Federal agency research.

I am pleased to state that H.R. 4326 does that.

It is patterned after the highly successful NSF small business innovation research program with which I am very familiar.

The bill also allows each agency to select its own research topics to insure that any research being conducted is consistent with its particular mission.

H.R. 4326 has attracted a large number of cosponsors, reflecting strong bipartisan support.

This bill is a positive effort to reverse our declining rates of productivity and innovation and I find that a compelling reason to support it.

I urge my colleagues to give this measure the careful consideration it merits.

THE SMALL BUSINESS INNOVATION ACT

(Mr. VOLKMER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. VOLKMER. Mr. Speaker, I rise today in support of H.R. 4326, the Small Business Innovation Act. Although unintentional, the door to Federal research dollars is now largely shut to the small business research community. This is particularly troubling after considering the number of major innovations which have resulted from the research and development efforts of independent inventors and small organizations. For the record, these include: Penicillin, the jet engine, xerography, automatic transmissions, the vacuum tube, and the list goes on and on. Of these few inventions that I have mentioned, it is evident that our lives have been enriched through everyday use of these products. More importantly, however, is the increased quality of life that has resulted for our constituents who have found job opportunities as these innovations were developed and marketed.

A National Science Foundation study showed that small firms produce more innovations per research dollar than medium- and large-size firms. Based on this fact, we must encourage Federal agencies to direct a fair share of their research dollars toward small business research firms and this is precisely the intent of the Small Business Innovation Act. Not only will small firms receive the opportunity to compete on an equal basis for Federal R. & D. dollars, but our society will benefit from the new technology that results. I urge my colleagues to support this bill.

THE FARM CRISIS ACT

(Mr. SYNAR asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SYNAR. Mr. Speaker, I join with my other colleagues today in introducing the Farm Crisis Act, and I ask for serious consideration from our other Members within the body.

Williams Jennings Bryan, in his famous "Cross of Gold" speech made a statement that was as applicable today as it was when he said it. He said:

> Destroy our cities, and they will spring up again as if by magic. But destroy our farms, and the grass will grow in every city in this country.

We are in a depression in agriculture and agribusiness today, and the Farm Crisis Act, which is introduced today, is an effort by us and the Members in the House, a bipartisan effort, to deal with the serious problems of the pending bankruptcies and depression in American agriculture.

I ask my colleagues to review it with careful consideration, and together we can give the hope at the end of the tunnel that American agriculture deserves.

BUSINESS FAILURES

(Mr. MITCHELL of Maryland asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MITCHELL of Maryland. Mr. Speaker, the level of business failures, as measured by Dun & Bradstreet, has risen to the highest level since 1932. During the first 16 weeks of 1982, Dun & Bradstreet reported 7,170 business failures—56 percent higher than a similar period in 1981 and 125 percent higher than in 1980.

If the current rate of business failures continues for the remainder of 1982, over 23,000 businesses will fail. That is 5,000 more than in 1981 and 11,000 more than in 1980.

The chart illustrates the dramatic rise in failure rates for comparable 4-week periods in 1980, 1981, and 1982.

Unfortunately, the chart reveals only the tip of the iceberg. Dun & Bradstreet only reports failures of firms listed with them. Although over 90 percent of the businesses listed are small by SBA standards, millions of other small businesses are not listed. As a consequence, thousands of small business failures are not recorded by Dun & Bradstreet.

● The administration's policies have pushed thousands of small businesses out of business. The lives, dreams, and hard work of thousands of small business owners and their families have been unnecessarily and cruelly disrupted. Tens of thousands of small business employees have been put out of work.

There are now thousands more businesses in precarious financial shape. A continuation of current policies will force many out of business. The administration keeps saying they did not come to Washington to raise taxes. I assume they did not come to Washington to preside over the destruction of thousands of small businesses. If not, then the administration must cooperate to reduce future deficits and thereby reduce destructively high interest rates.

□ 1515

HIGH INTEREST RATES MUST COME DOWN

(Mr. WRIGHT asked and was given permission to address the House for 1 minute.)

Mr. WRIGHT. Mr. Speaker, I take this time to comment further on the chart that was displayed by the gentleman from Maryland (Mr. Mitchell). The chart simply catalogs those small business failures that have been identified by Dun & Bradstreet.

As the gentleman from Maryland has pointed out there are many, many others in various small businesses which are not recorded in Dun & Bradstreet. Counting only those that are recorded, we recognize, as Dun & Bradstreet has recognized, that this amounts to the very highest rate of business failures in the United States since the year 1932, and that is indeed an alarming prospect.

Surely the overwhelming reason for this preponderant rate of business failure this year, 125 percent above the level of 2 years ago, is the sustained high level of interest rates that are suffocating small business.

For the years 1960 until 1978, small business people were paying an average of 4 percentage points above the inflation rate in the interest rates that they paid. They could sustain that and stay in business.

This year, however, they have been paying consistently 14 percentage points above the Consumer Price Index, a rate of real interest which is at least three times higher than that rate of interest which they customarily have had to pay. They cannot do that and endure. As a consequence, we see this rate of business failures, which I fear will continue until somehow the Federal Reserve Board is prevailed upon to do those things necessary to bring interest rates back to a livable level and to keep them there.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF HOUSE RESOLUTION 371

Mr. McDONALD. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor of House Resolution 371, expressing the sense of the House of Representatives that the Federal Energy Regulatory Commission should take no action to accelerate the decontrol of wellhead natural gas prices.

My name was listed in error by those who compiled the cosponsorship list.

The SPEAKER pro tempore (Mr. Alexander). Is there objection to the request of the gentleman from Georgia?

There was no objection.

URGENT SUPPLEMENTAL FOR FISCAL YEAR 1982

(Mr. CONTE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CONTE. Mr. Speaker, it has been 43 days since the Committee on Appropriations reported the urgent supplemental for fiscal year 1982.

For 43 days, the majority leadership has been unable or unwilling to bring this legislation before the House.

For 43 days, we have seen the funding for important programs reduced to the point of exhaustion.

It is important that the House and the American people know the consequences of this deplorable inaction.

Without this supplemental, on May 14, the Department of Health and Human Services will be forced to furlough all of its 924 inspectors—people who fight waste, fraud, and abuse—for 82 working days.

Without this supplemental, the guaranteed student loan program has a balance of less than $800,000, and when that is used up in a week or two, a 16-percent penalty, compounded on a daily basis, will have to be paid on all outstanding bills.

Without this supplemental, 2,700 personnel in the Employment and Training Administration received furlough notices this week.

Without this supplemental, the Bureau of Labor Statistics and the Employment Standards Administration will furlough an additional 5,821 people this week.

Without this supplemental, over two-thirds of the States and over 600 projects are virtually without funds. EPA officials estimate that each month of delay increases project cost by two-thirds of 1 percent.

Without this supplemental, the Coast Guard may have to close or terminate 31 search and rescue stations around the country, seven vessels, nine search and rescue aircraft, three air stations, four vessel traffic systems—which will cripple the drug interdiction program, and reduce search and rescue operations at the height of the boating season.

By delaying action on this supplemental, the majority leadership delays action on the provision which cuts off aid to Cuba and the PLO through the United Nations.

By delaying action on the supplemental for the Tax Court, a backlog of 47,000 cases continues, and the taxpayers will pay 20-percent interest on tax bills being appealed which are part of that backlog.

Mr. Speaker, the wheels are falling off, one at a time; in order to spare disaster, let us get off of dead center and go to work.

WHEN IS CONGRESS GOING TO GO TO WORK?

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, picking up on the comments of the gentleman from Massachusetts, my understanding is that the urgent supplemental appropriations has once again been pulled from consideration. The reason obviously has something to do with the Evans-Corcoran housing initiative amendment. In other words, those on our side who would like to do something in the area of housing are being shut off from their initiative because it does not allow credit for some Democratic majority Members.

Mr. Speaker, this practice of running the House with tactics of delay, procrastination, and confrontation, and confusion has to stop. When in the name of Sam Rayburn are we going to get to work here? I am reaching the end of my rope and I know most of my Members reached the end of theirs a long time ago.

This urgent supplemental has got to move. The funding is critical. Further delay can only further aggravate problems we already have. Is that what you want, Mr. Speaker?

I am sorry the gentleman does not know where his votes are. I am not altogether sure I know where mine are. However, at some point in time we either have to square off here on the floor or get together and get some of these questions resolved.

TAX FREEDOM DAY

(Mr. CRAIG asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CRAIG. Mr. Speaker, today is tax freedom day. From January 1 until today, May 5, every dollar that working Idahoans and Americans earned went directly to satisfy tax obligations to all units of government: Federal, State, and local.

That is not a very encouraging statistic. It is hard to comprehend that we have had to work for 4 months and 5 days just to pay our tax obligations.

Now, here is some good news. Tax freedom day came 3 days earlier this year than it did last year. Why?

The Economic Recovery Tax Act of 1981, enacted last summer by this Congress, accounts for this year's 3-day relief for taxpayers. As more of the Reagan tax reduction program comes into effect over the next 2 years, tax freedom day will move even closer to the date on which Americans traditionally file their 1040's with Uncle Sam. Think about that the next time somebody tells you we should abandon the 1982 and 1983 tax cuts.

SOCIAL SECURITY STUDENT BENEFITS

(Mr. O'BRIEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. O'BRIEN. Mr. Speaker, the May 1 cutoff date for students to be eligible for social security benefits is unrealistic and unfair. The law requires this year's high school senior to be enrolled in and attending college full time by that date. May 1 is unrealistic because the vast majority of high schools do not end the school year until late May or sometime in June.

Obviously high school seniors cannot attend college full time and high school full time simultaneously. Must they drop out of high school in their senior year and enter college? May 1 is unfair because there are only a few students who would be able to pull off such a questionable manipulation of the rules generally governing college entrance requirements. In very few cases would a senior be allowed to enter college full time without his or her high school diploma. There are undoubtedly some that would find a way to bend the rules to make it work.

In fairness to those young people who have been under the impression that promised benefits would be forthcoming, we should extend the cutoff to the more realistic date of October 1.

IMPORT QUOTAS ON SUGAR CONTRADICT OUR PHILOSOPHY OF FREE TRADE

(Mr. PAUL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PAUL. Mr. Speaker, the recently announced decision by the Reagan administration to impose quotas on imported sugar is extremely disappointing, and it will be very harmful to the American people. The supposed "justification" for the quotas is as follows: The administration and Congress had previously agreed to prop up domestic sugar prices artificially, at a projected cost of $200 million, if the price set in the market was below a certain specified level. The effect of the quotas will be to drive sugar prices up, so the Government will be relieved of this potential financial liability.

Supporters of the quotas claim that they will save the Government money and thus be beneficial. But that begs the question. Beneficial to whom? Certainly not to American consumers, who will be forced to pay higher prices—a hidden tax. Only a special interest group—the domestic sugar growers—will profit. But they will do so at the expense of everyone else.

Moreover, the claim that the Government's projected savings justify the quotas simply ignores the root problem; namely, why does the Government run price support programs at all? Instead of imposing a new wrong to try to cure the problem created by an old wrong, why not just get rid of the original problem? Why not just end all price supports once and for all?

This idea of "helping" farmers by imposing quotas is the same philosophy that led Roosevelt to plow under potatoes and kill baby chickens "to get prices up." It was a tragically wrong approach then, and it is just as wrong today. Free trade—not tariffs or quotas or any other form of protectionism—brings maximum freedom and prosperity.

Sadly, many of the most outspoken opponents of sugar quotas will be the same people who routinely defend quotas and price supports for other products. And many of the people who will defend the sugar quotas would feel differently if the product were steel or textiles. Unfortunately, many politicians' positions seem to derive from the area in which they live and the products that are produced there rather than any understanding of or belief in the free market.

The decision to impose quotas on imported sugar is a tragic departure from the Reagan administration's professed support of free trade. We should support the free market and voluntary free trade because it is right. Happily for all of us, it also brings the best economic results. To depart from free trade is to sacrifice the American people to the narrow interests of politically influential groups. I encourage my colleagues to reconsider this issue carefully, and not only to oppose these new quotas, but to put an end to the price support systems that begat them.

FRAUD AND WASTE IN GOVERNMENT CONTRACTS SHOULD BE REPORTED

(Mr. PETRI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PETRI. Mr. Speaker, yesterday I introduced a bill to encourage employees of firms who do business with the Federal Government to report the fraud and waste they see in the handling of Government contracts.

The people who work for Government contractors are often in a good position to save the taxpayers' money by pointing out instances of waste and fraud.

This bill would require Government contractors to inform their employees of the various Government fraud hotlines currently in use. The bill would also authorize Federal agencies to give to these industry whistleblowers cash awards based on a percentage of the money that is saved.

The bill prevents employers from retaliating against workers who expose fraud. A person who believes he was fired for that reason can appeal to the Government which can then order the employee's reinstatement or require the company to give him backpay.

Employers are protected against frivolous complaints and they are free to take personnel actions for other reasons.

URGENT SUPPLEMENTAL APPROPRIATIONS BILL AGAIN PULLED FROM SCHEDULE

(Mr. EVANS of Delaware asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. EVANS of Delaware. Mr. Speaker, I had hoped, along with many of my colleagues, that we would consider today H.R. 5922, the urgent supplemental appropriations bill. However, for the fourth time, it has been pulled from the schedule at the last minute.

Mr. Speaker, is it really urgent, as urgent as it was 5 weeks ago when it was first pulled? Or, has the urgent supplemental become the semi-urgent or quasi-urgent supplemental?

Are student loans for the coming school year, or funds to help the Coast Guard stem the flow of illicit drugs, or any of the other vital provisions of this bill, not still urgent?

As my colleagues know, I intend to offer an amendment together with the gentleman from Illinois (Mr. Corcoran) that will provide some urgently needed assistance to our Nation's housing industry—an industry that impacts on millions of Americans across the entire country.

The American people are tired of excuses—they want action. We do not have to wait for a major compromise on the entire budget. What we have to do is get down to the business at hand: Bring up the urgent supplemental, Mr. Speaker, so the Evans-Corcoran amendment to help people buy homes can be considered.

□ 1530

THE TELECOMMUNICATIONS ACT OF 1982

(Mr. JOHNSTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. JOHNSTON. Mr. Speaker, in recent days I have been discussing H.R. 5158, the Telecommunications Act of 1982, and I wish to do so again today. The importance of this measure cannot be overestimated. However, enactment of it in its present form would be a serious mistake.

Among the many deficiences of the bill are provisions having to do with long-distance telephone service. H.R. 5158 would prohibit A.T. & T. from bypassing the local exchange companies in the delivery of long-distance messages. As with so many other aspects of the bill, this is special A.T. & T. clause and competing long-distance carriers would be under no such prohibition. In fact, many competing carriers and large users are already bypassing the local exchange and this restriction simply offers further encouragement to do so. If the issue is operating company viability, as supporters of H.R. 5158 would have us believe, why not a bypass restriction that is universally applied?

Now, for those long-distance carriers that do not bypass the local exchange, the bill prescribes a system of access charges to be paid for the use of local facilities. However, not until several years after enactment of the legislation would the competing long-distance carriers be required to pay the full cost of such access. In the interim, customers using A.T. & T.'s long-distance service would subsidize the access charges of the competing carriers.

Thus, the bill offers a two-pronged approach to siphoning off A.T. & T.'s long-distance business. Where feasible, competing long-distance companies can avoid access charges altogether by bypassing the local exchange. Where not feasible, those companies pay only a portion of the cost of access, with the remainder picked up by customers of A.T. & T.

Mr. Speaker, I can see no justification for so severely handicapping the company that is primarily responsible for giving this country a telephone system that is the envy of the world. I favor competition in telecommunications products and services, but competitors ought to earn their share of the market, rather than having Congress allocate a share for them.

By the way, Mr. Speaker, some of these competitors, which supporters of H.R. 5158 are trying to protect from A.T. & T., seem to be doing quite well for themselves. For example, MCI Communications Corp. reported that profits quadrupled in the last fiscal year, according to a story in today's Washington Post. Yet this company, and others, would be subsidized for its access to local facilities in part by customers of A.T. & T.

Now tell me Mr. Speaker, who is hurt and who is helped by H.R. 5158?

SMALL BUSINESS BANKRUPTCIES

(Mr. LUNGREN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LUNGREN. Mr. Speaker, just a little bit earlier some Members on the other side of the aisle got up and pointed to figures on bankruptcies. They bemoaned the fact that we are having an ever-accelerating number of bankruptcies, and said that we ought to do something.

Well, Mr. Speaker, I have a question. Do they think that those small businesses that are on the verge of bankruptcy, would be helped by canceling the third year of the tax cut that is scheduled to come into effect? Do those Members think that perhaps they would be assisted by the recommendation made by the Speaker's representative during the negotiations to basically double the social security tax differential paid by the self-employed person, primarily small business people?

We heard several months ago people complaining about the administration's original plans on closing some Coast Guard operations. The administration reconsidered and now supports supplemental funding for the Coast Guard.

Now we are being denied an opportunity for an urgent supplemental. Is it now not important to have those Coast Guard facilities open?

We have heard the claim from the other side that the student loan program is in trouble. Is it going to be helped by the fact that we will not have an urgent supplemental here that will pay for that program?

Mr. Speaker, we have had complaints about the terrible situation in our housing industry. We now have a couple of Members that have come up with a very good idea for transferring some money from the Synthetic Fuel Corporation to the housing programs in the private sector. But we do not have the opportunity to vote on it.

If you disagree with this approach, Mr. Speaker, you ought to get out of the way and allow us to act toward solving some of these problems.

IS THE DEMOCRAT LEADERSHIP PLAYING POLITICS?

(Mr. CORCORAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CORCORAN. Mr. Speaker, I note with interest that the so-called urgent supplemental appropriations bill has once again been pulled by you and the other Members of the Democratic leadership here in the House of Representatives. As you will remember, Mr. Speaker, it has been scheduled for consideration since prior to the Easter district work period and was unexpectedly taken off the calendar the day that we were to consider this urgent matter.

Mr. Speaker, that was 5 weeks ago. Now, once again, we are informed that what had been scheduled for some time to be considered today will not be considered until perhaps next week.

Mr. Speaker, why are you preventing the individual Members of the House of Representatives from debating and meeting our responsibilities to the people of this country with regard to this supplemental appropriations measure with needed funds for housing, student aid, wastewater treatment, among other important Government programs which are running out of money during this fiscal year?

Mr. Speaker, I am now serving in my 6th year in the Congress of the United States, and perhaps that is causing my increasing cynicism on this matter. However, it appears to me that while we have some basic problems in this country, many of which have been caused by ill-advised Government policies which need to be revised or eliminated, you would rather talk about these problems and point the finger of blame about these problems than address them.

Mr. Speaker, we are in the 5th month of this 2d session of the 97th Congress, and we have done little or nothing. Could it be that you are quarterbacking a congressional stall until after the elections in November so as to try to make maximum political hay for your political party rather than let us address the problems confronting our country?

Mr. Speaker, I hope this is not the case. And in particular, I would hope we could take up the urgent supplemental bill, not only to consider its recommendations but also the amendment I have proposed along with my colleague from Delaware (Mr. EVANS) to address a twofold problem: First, the boondoggle over at the Synthetic Fuels Corporation; and second, the need to give the housing industry an emergency shot in the arm.

Mr. Speaker, when you and your colleagues pulled the urgent supplemental today, you took sides. You took the side of big oil and high technology. To other Americans you said, in effect, "let them eat syncrude." Let them move to Parachute, Colo., and work on an oil shale project private industry will not support.

I say you have done the American people a terrible wrong. And I intend to do all I can to make sure they know about it.

PROFITS HIT NEW LOW, BUT SURPASSED BY INTEREST INCOME

(Mr. REGULA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. REGULA. Mr. Speaker, I take this opportunity to share with my colleagues some disturbing economic news. According to a new report by a unit of Goldman Sachs, profits as a proportion of national income have not only hit a new postwar low, but have, for the first time ever, been surpassed by interest income.

It is normal for profits to decline during a recession, but the severity of the drop during the current recession is indeed alarming. No less alarming is the dramatic rise in interest income—which, of course, represents payments from debtors to lenders.

The current recession is unusual in that the decline in economic activity has not been accompanied by an associated drop in interest rates. High interest rates have caused a redirection of capital into liquid assets. The result is that interest income has increased markedly as a proportion of national income, alongside the remarkably broad-based drop in corporate profits.

The declines in profits—not to mention major losses of many companies—do not bode well for economic recovery because, traditionally, new investment in this country is financed largely by retained earnings.

The other main source of investment funds, in addition to retained earnings—private savings—will be swamped by future budget deficits unless we can adopt a credible fiscal policy embodied in a budget that dictates dramatic reductions in the deficits.

Mr. Speaker, these observations simply add to the numerous reasons for this Congress to produce a credible bipartisan budget. It is now time for Congress to exercise its constitutional mandate and produce a budget that will point toward economic recovery.

THE SUGAR BILL

(Mr. PEYSER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PEYSER. Mr. Speaker, just 5 months ago President Reagan threw his personal support and personal weight behind the sugar bill. He said it was necessary for the sugar industry in this country and the sugar farmers. Five months later, yesterday, the President announced that he was going to place quotas on all sugar coming into this country. In other words he was junking the sugar bill that he supported. He is going to move the price of sugar 4 cents above the loan level, which means that $1,200,000,000 is going to be paid by the American consumers.

Mr. Speaker, at the first opportunity, I am going to be introducing on this floor, either by amendment or bill, a bill to eliminate the sugar program once again. This House has voted to do it every time in the last 5 or 6 years that it could have a straight up or down vote on it. I am convinced it will do it again.

Let us get rid of this phony program and let us give our own consumers a break.

AMERICANIZING THE TAX CUT

(Mr. HUNTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HUNTER. Mr. Speaker, today I am introducing the Buy-American Tax Act. This bill is designed to spur domestic productivity and create jobs for American workers by focusing business tax cuts on American plants and equipment.

It is clearly not in the best interest of the United States to allow a business to depreciate a piece of equipment bought from a foreign corporation at the same rate that it would if that equipment was manufactured here at home.

It is for this reason that I have introduced a tax reform package which would:

Deny the benefits of the investment tax credit and the accelerated cost recovery incentives to foreign-made equipment;

Encourage the revitalization of our domestic industrial base, by extending the investment tax credit to cover new buildings used for business purposes; and

Eliminate current tax deferral provisions which allow income made by foreign subsidiaries of American companies to remain sheltered as long as that capital is not returned to the United States.

If we are truly serious about the creation of American jobs then we must have a Tax Code which encourages the utilization of goods produced in this country.

URGENT SUPPLEMENTAL APPROPRIATION AGAIN DELAYED

(Mr. GREEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GREEN. Mr. Speaker, I want to join my colleagues who have expressed their concern at the decision of the Democratic leadership to delay once again the urgent supplemental appropriation.

This bill contains major construction programs, the wastewater treatment program, and housing program, which could be a real shot in the arm and help deal with our unemployment program.

Mr. Speaker, I just want to associate myself with the remarks a few minutes ago of the gentleman from Massachusetts (Mr. CONTE) and the gentleman from Illinois (Mr. MICHEL) and express my disappointment and consternation that the Democratic leadership has chosen to delay once again House consideration of H.R. 5922, the urgent supplemental appropriation for the current fiscal year.

All of us are tiring of the inability on the other side of the aisle to pull together and get this bill moving. This is a truly urgent bill and we should not tarry further. I have been pushing for literally months now to enact the $2.4 billion we need for the wastewater treatment construction grants.

The bill that we on the Appropriations Committee produced would also maintain public housing programs at the level assumed in the fiscal year 1982 appropriations act and assure construction of approximately 50,000 units of new section 8 housing currently in the pipeline. I might add that these provisions came from the HUD Subcommittee, of which I am the ranking minority member.

At a time of unemployment, it is shocking that the Democratic leadership in this House is delaying these important construction programs.

Also of great importance to people around the country, the bill appropriates an additional $1.3 billion to fund fully the guaranteed student loan program through the end of this fiscal year.

I just want the American people to realize that there are many of us on this side who have worked hard to put this legislation together and that we are just as frustrated as they are by the continual delays of the Democratic leadership. I hope that this bill will be brought up tomorrow and we can move ahead with these critical programs.

Mr. Speaker, I yield to the gentleman from Massachusetts (Mr. CONTE).

Mr. CONTE. Mr. Speaker, I want to put this entire letter in the RECORD.

> The administration supports passage of a supplemental bill that contains only—only those supplemental appropriations that are urgently required to maintain necessary agency operations. Therefore, the administration opposes extraneous amendments to the bill, including housing stimulus programs and other bailout plans that are not related to our request for urgent supplemental appropriations. If extraneous matters are added, it would be difficult to rec-

ommend that the President approve the supplemental bill should it reach his desk.

DAVID A. STOCKMAN.

Now, if these people want to vote down the previous question and add on their housing amendment, they ought to be responsible for 10,000 people being RIF'd; let them be responsible.

The letter follows:

EXECUTIVE OFFICE OF THE PRESIDENT, OFFICE OF MANAGEMENT AND BUDGET,
Washington, D.C., May 4, 1982.

Hon. ROBERT H. MICHEL,
House of Representatives,
Washington, D.C.

DEAR BOB: I understand that the House will begin consideration tomorrow of the Urgent Supplemental and Appropriations Bill (H.R. 5922). During consideration of the bill we understand various amendments will be offered which would expand the scope of the legislation. The Administration supports passage of a supplemental bill that contains only those supplemental appropriations that are urgently required to maintain necessary agency operations. Therefore, the Administration opposes extraneous amendments to the bill, including housing stimulus programs and other bailout plans that are not related to our request for urgent supplemental appropriations. If extraneous matters are added, it would be difficult to recommend that the President approve the supplemental bill should it reach his desk.

Sincerely,

DAVID A. STOCKMAN.

HIGH INTEREST RATES, A REPLY TO THE MAJORITY LEADER

(Mr. WALKER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WALKER. Mr. Speaker, we had a very interesting argument a few minutes ago from the majority leader in defense of the Democratic program for small business. He argued that one of the successes of the Democratic economic program was that the gap between interest rates and inflation was much narrower.

Think for a moment what that means, Mr. Speaker. That means that what he is doing is bragging about inflation, because the reason why the gap was narrowed was because inflation was higher.

I think that gives us a pretty good perception of what the Democratic economic package is always about: More and more inflation to cost the American people more and more.

URGING A "NO" VOTE ON RULE ON H.R. 5922, URGENT SUPPLEMENTAL APPROPRIATION

(Mrs. SCHNEIDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHNEIDER. Mr. Speaker, when the House considers the rule for consideration of H.R. 5922, the urgent supplemental appropriation, I strongly urge a "no" vote.

Defeat of the rule will open the door to an amendment which will go a long way to provide relief for the beleaguered housing industry. The Evans-Corcoran amendment is a chance for this body to do something about the single most depressed sector of our economy.

H.R. 5922 is a good, urgently needed infusion of funds to several important areas, such as education assistance and sewer construction. But we can make it a complete package by addressing housing, and it can be done without appropriating a single dollar in new funds. I urge a "no" vote on the rule.

SMALL BUSINESS INNOVATION DEVELOPMENT ACT

(Mrs. HECKLER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. HECKLER. Mr. Speaker, the Small Business Innovation Development Act will make a major contribution toward tapping the resources of small high-technology companies. This will benefit both Federal agencies and the country at large. The National Science Foundation reported that small companies are 24 times as innovative per R. & D. dollar as large companies and 4 times as innovative per dollar as medium-sized companies. You would think that this kind of a record would drum up a growing percentage of Government contracts.

Unfortunately, the small business share of prime research and development contracts over $10,000 is declining. Between fiscal years 1980 and 1981, it fell from 7 to 6 percent. The Office of Federal Procurement Policy estimated that small business received only around 3.5 percent of total Federal R. & D. grants, contracts, and cooperative agreements despite their below average completion costs and their impressive record of R. & D. related innovation.

By awarding prime contracts through a solicitation-based program, small business innovation research programs will tap this innovative potential in a way that subcontracting projects for small companies never can. The full capabilities of subcontractors are limited by tight restrictions often issued by prime contractors. Subcontractors cannot fully exercise their creative and managerial ability in the service of the Federal Government under a subcontract.

H.R. 4326 will help us insure that a vital national resource, the small high-technology company, is made an adequate part of our Federal R. & D. efforts.

□ 1545

DEBT COLLECTION ACT OF 1982

The SPEAKER pro tempore. The pending business is the question of suspending the rules and passing the bill, H.R. 4613, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Illinois (Mr. Rostenkowski) that the House suspend the rules and pass the bill, H.R. 4613, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 402, nays 3, answered "present" 1, not voting 26, as follows:

[Roll No. 57]

YEAS—402

Addabbo
Akaka
Albosta
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Archer
Aspin
Atkinson
Badham
Bafalis
Bailey (MO)
Bailey (PA)
Barnard
Barnes
Beard
Bedell
Beilenson
Benedict
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Bliley
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown (CA)
Brown (CO)
Broyhill
Burgener
Burton, Phillip
Butler
Byron
Campbell
Carman
Carney
Chappell
Chappie
Cheney
Chisholm
Clausen
Clay
Clinger
Coats
Coelho
Coleman
Collins (IL)
Collins (TX)
Conable
Conte
Corcoran
Coughlin
Coyne, William
Craig
Crane, Daniel
Crane, Philip
Crockett
D'Amours
Daniel, Dan
Daniel, R. W.
Dannemeyer
Daschle
Daub
Davis
de la Garza
Deckard
Dellums
DeNardis
Derrick
Dickinson
Dicks
Dingell
Dixon
Donnelly
Dorgan
Dougherty
Dowdy
Downey
Dreier
Duncan
Dunn
Dwyer
Dymally
Dyson
Early
Eckart
Edgar
Edwards (AL)
Edwards (CA)
Edwards (OK)
Emerson
Emery
English
Erdahl
Erlenborn
Ertel
Evans (DE)
Evans (GA)
Evans (IA)
Fary
Fascell
Fazio
Fenwick
Ferraro
Fiedler
Fields
Findley
Fithian
Flippo
Florio
Foley
Ford (MI)
Ford (TN)
Forsythe
Fountain
Fowler
Frank
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gejdenson
Gephardt
Gibbons
Gilman
Gingrich
Glickman
Gonzalez
Goodling
Gore
Gradison
Gramm
Gray
Green
Gregg
Guarini
Gunderson
Hagedorn
Hall (OH)
Hall, Ralph
Hall, Sam
Hamilton
Hammerschmidt
Hansen (ID)
Hansen (UT)
Harkin
Hatcher
Hawkins
Heckler
Hefner
Heftel
Hendon
Hertel
Hightower
Hiler
Hillis
Holland
Hollenbeck
Holt
Hopkins
Horton
Howard
Hoyer
Hubbard
Huckaby
Hughes
Hunter
Hutto
Hyde
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Johnston
Jones (NC)
Jones (OK)
Jones (TN)
Kastenmeier
Kazen
Kemp
Kennelly
Kildee
Kogovsek
Kramer
LaFalce
Lagomarsino

Lantos
Latta
Leach
Leath
LeBoutillier
Lee
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Loeffler
Long (LA)
Long (MD)
Lott
Lowery (CA)
Lowry (WA)
Lujan
Luken
Lundine
Lungren
Madigan
Markey
Marlenee
Marriott
Martin (IL)
Martin (NC)
Martin (NY)
Matsui
Mattox
Mavroules
Mazzoli
McClory
McCloskey
McCollum
McCurdy
McDade
McDonald
McEwen
McGrath
McHugh
McKinney
Mica
Michel
Mikulski
Miller (CA)
Miller (OH)
Mineta
Minish
Mitchell (MD)
Mitchell (NY)
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead
Morrison
Mottl
Murphy
Myers
Napier
Natcher
Neal
Nelligan
Nelson
Nichols
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Oxley
Panetta
Parris
Pashayan
Patman
Patterson
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Porter
Price
Pritchard
Pursell
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Roberts (KS)
Roberts (SD)
Robinson
Rodino
Roe
Roemer
Rogers
Rose
Rosenthal
Rostenkowski
Roth
Roukema
Rousselot
Roybal
Rudd
Russo
Sabo
Santini
Sawyer
Scheuer
Schneider
Schroeder
Schulze
Schumer
Seiberling
Sensenbrenner
Shamansky
Shannon
Sharp
Shaw
Shelby
Shumway
Shuster
Siljander
Simon
Skeen
Skelton
Smith (AL)
Smith (IA)
Smith (NE)
Smith (NJ)
Smith (OR)
Snowe
Snyder
Solarz
Solomon
Spence
St Germain
Stangeland
Stark
Staton
Stenholm
Stokes
Stratton
Studds
Stump
Swift
Synar
Tauke
Taylor
Thomas
Traxler
Trible
Udall
Vander Jagt
Vento
Volkmer
Walgren
Walker
Wampler
Washington
Watkins
Waxman
Weaver
Weber (MN)
Weber (OH)
White
Whitehurst
Whitley
Whittaker
Whitten
Williams (MT)
Williams (OH)
Winn
Wirth
Wolf
Wolpe
Wortley
Wright
Wyden
Wylie
Yates
Yatron
Young (FL)
Young (MO)
Zablocki
Zeferetti

NAYS—3

Conyers
Paul
Weiss

ANSWERED "PRESENT"—1

Savage

NOT VOTING—26

AuCoin
Benjamin
Blanchard
Brown (OH)
Burton, John
Courter
Coyne, James
Derwinski
Dornan
Evans (IN)
Fish
Foglietta
Ginn
Goldwater
Grisham
Hance
Hartnett
Kindness
Marks
Molinari
Murtha
Smith (PA)
Stanton
Tauzin
Wilson
Young (AK)

□ 1600

Mr. JEFFRIES and Mr. EDWARDS of Oklahoma changed their votes from "nay" to "yea."

Mr. SAVAGE changed his vote from "yea" to "present."

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. TAUZIN. Mr. Speaker, I wish to have the Record reflect that had I been present for rollcall 57 on H.R. 4613, I would have cast an affirmative vote on that bill.

FEDERAL RECLAMATION LAWS AMENDMENTS

Mr. LONG of Louisiana. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 449 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 449

Resolved, That upon the adoption of this resolution it shall be in order, sections 401(a) and 402(a) of the Congressional Budget Act of 1974 (Public Law 93-344) to the contrary notwithstanding, to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5539) to amend and supplement the Federal reclamation laws, and for other purposes, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interior and Insular Affairs, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Interior and Insular Affairs now printed in the bill as an original bill for the purpose of amendment under the five-minute rule, and said amendment shall be read for amendment by titles instead of by sections. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore. The gentleman from Louisiana (Mr. Long) is recognized for 1 hour.

Mr. LONG of Louisiana. Mr. Speaker, I yield the customary 30 minutes to the distinguished gentleman from Tennessee (Mr. Quillen) for the purpose of debate only, pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 449 provides for the consideration of H.R. 5539, a bill amending and supplementing the Federal reclamation laws, and for other purposes.

The resolution provides for an open rule with 2 hours of general debate, equally divided between the chairman and ranking minority member of the Committee on Interior and Insular Affairs. The first reading of the bill will be dispensed with by this rule.

It provides for the consideration of the amendment in the nature of a substitute as an original bill for purposes of amendment under the 5-minute rule. The bill will be read for amendment by titles rather than by sections. The rule further provides for one motion to recommit, with or without instructions.

Two waivers of the Congressional Budget Act are provided by this rule for points of order against the bill. H.R. 5539, as introduced, authorizes the enactment of new budget authority in violation of the May 15 deadline of section 402(a). It also provides new contract authority in violation of the limitation of section 401(a) that new contract or borrowing authority may be effective for a fiscal year only to the extent of provisions in appropriations acts. The committee amendment cures these violations of the Budget Act. The Rules Committee included waivers on the recommendation of Chairman Jones of the Budget Committee. His letter is submitted herewith for the Record:

COMMITEE ON THE BUDGET,
Washington, D.C., May 3, 1982.

Hon. RICHARD BOLLING,
Chairman, House Rules Committee, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: I understand that the Committee on Rules will soon consider H.R. 5539, Federal Reclamation Law Amendments to amend and supplement the Federal reclamation laws and for other purposes. As introduced, the bill would be subject to points of order under Section 402(a) and Section 401(a) of the Congressional Budget Act.

Section 402(a) of the Budget Act provides that it shall not be in order to consider any bill which authorizes the enactment of new budget authority for a fiscal year unless that bill has been reported on or before May 15 preceding the beginning of such fiscal year.

The bill, as introduced, authorizes the enactment of new budget authority. Since the bill would become effective upon enactment (Fiscal Year 1982), and since it was not reported on or before May 15, 1981, it would be subject to a point or order under Section 402(a) of the Budget Act.

Section 401(a) of the Budget Act provides that it shall not be in order to consider any bill which provides new contract or new borrowing authority unless that bill also provides that such new spending authority is to be effective for any fiscal year only to such extent or in such amounts as are provided in appropriation Acts.

Various provisions of H.R. 5539 would provide contract authority for the Secretary of the Interior to enter into contracts for delivery of project waters. Since these provisions fail to limit the availability of such contract authority the bill would be subject to a point of order under Section 401(a) of the Budget Act.

However, I am advised that in mark-up the Committee on Interior and Insular Affairs adopted an amendment making any new authorizations contained in the bill effective October 1, 1982 and limiting any contract authority to amounts provided in advance in appropriation acts, thereby curing the existing Budget Act violations. Since a point of order would still lie against the introduced bill, it will be necessary to waive Sections 401(a) and 402(a) in order to permit consideration of the bill.

In view of the fact that the Committee amendment completely cures the Budget Act violations, I have no objection to technical waivers of Sections 401(a) and 402(a) to permit consideration of the bill and the Committee amendment.

With best wishes,

Sincerely,

James R. Jones,
Chairman.

Mr. Speaker, the Federal reclamation program was begun in 1902 in order to encourage settlement and cultivation of the arid public lands in the West. The program has evolved as a vast water resource development program serving reclamation farms with an annual crop value of $7 billion. Its applications and interpretations are varied, complex, and ambiguous. The program presently provides for water from a Federal reclamation project to be supplied to up to 160 acres of irrigable land in a single ownership. Present interpretation permits water delivery to 320 acres owned by a married couple.

Chairman Udall tells us that the reclamation program is in need of modernization in order to accommodate the range of family farms that currently exists in the West and to permit efficient profitable farming by a family unit. The Committee on Interior and Insular Affairs presents in H.R. 5539, as reported, an effort at compromise. The bill was reported by a voice vote with broad bipartisan support in the committee.

H.R. 5539 revised the program and introduces a new system for pricing the delivery of water. The number of acres under single ownership benefiting from the reclamation program is changed by the bill from 160 to 960 acres per family. The residence requirement, which has been erratically enforced, is eliminated. A two-tiered pricing system is set up, whereby larger operators, who lease lands in excess of 960 acres, will have to pay a full cost rate that recaptures the interest on the construction financing of the reclamation project. The small farmer, with 960 acres or less, will continue to receive the benefit of subsidized water. The full cost rate is intended to invoke marketplace regulation of the amount of acreage that can receive reclamation project water.

Mr. Speaker, the open rule provided by House Resolution 449 affords ample opportunity for the House to work its will on this controversial legislation. I urge my colleagues to support the resolution so that we can proceed to the consideration of needed modifications of the reclamation program.

□ 1615

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may use.

Mr. Speaker, the distinguished gentleman from Louisiana (Mr. Long) has ably described the provisions of the resolution and the bill itself. The bill is merely an update of the 1902 Reclamation Act.

Needless to say, work has been going on for the past 6 years to hammer out legislation that would be agreeable to the various interests involved in the Reclamation Act. I believe that they have hammered out a satisfactory solution. I believe that the existing law needs to be updated. I would urge my colleagues to support the adoption of the rule and to support the bill when it is debated on the floor of the House.

Mr. Speaker, I have no requests for time, and I reserve the balance of my time.

Mr. LONG of Louisiana. Mr. Speaker, I have no requests for time, and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. EMERY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 393, nays 5, not voting 34, as follows:

[Roll No. 58]

YEAS—393

Addabbo
Akaka
Albosta
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Archer
Aspin
Atkinson
Badham
Bafalis
Bailey (MO)
Bailey (PA)
Barnard
Barnes
Beard
Bedell
Beilenson
Benedict
Bennett
Bereuter
Bethune
Bevill
Bingham
Bliley
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown (CA)
Broyhill
Burgener
Burton, Phillip
Butler
Byron
Campbell
Carman
Carney
Chappell
Chappie
Cheney
Chisholm
Clausen
Clay
Clinger
Coats
Coelho
Coleman
Collins (IL)
Collins (TX)
Conable
Conte
Conyers
Corcoran
Coughlin
Coyne, William
Craig
Crane, Daniel
Crane, Philip
Crockett
D'Amours
Daniel, Dan
Daniel, R. W.
Dannemeyer
Daschle
Daub
Davis
de la Garza
Deckard
Dellums
DeNardis
Derrick
Dicks
Dingell
Dixon
Donnelly
Dorgan
Dougherty
Dowdy
Downey
Dreier
Duncan
Dunn
Dwyer
Dymally
Dyson
Early
Eckart
Edwards (CA)
Edwards (OK)
Emerson
Emery
English
Erdahl
Erlenborn
Evans (DE)
Evans (GA)
Evans (IA)
Fary
Fascell
Fazio
Fenwick
Ferraro
Fiedler
Fields
Findley
Fithian
Flippo
Florio
Foley
Ford (MI)
Ford (TN)
Forsythe
Fountain
Fowler
Frank
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gejdenson
Gephardt
Gibbons
Gilman
Gingrich
Glickman
Gonzalez
Goodling
Gore
Gradison
Gramm
Gray
Green
Gregg
Guarini
Gunderson
Hagedorn
Hall (OH)
Hall, Ralph
Hall, Sam
Hamilton
Hammerschmidt
Hansen (ID)
Hansen (UT)
Harkin
Hatcher
Hawkins
Heckler
Hefner
Heftel
Hendon
Hertel
Hightower
Hiler
Hillis
Hollenbeck
Holt
Hopkins
Horton
Howard
Hoyer
Hubbard
Huckaby
Hughes
Hunter
Hutto
Hyde
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Johnston
Jones (NC)
Jones (OK)
Jones (TN)
Kastenmeier
Kazen
Kemp
Kennelly
Kindness
Kogovsek
Kramer
LaFalce
Lagomarsino
Lantos
Latta
Leach
Leath
LeBoutillier
Lee
Lehman
Leland
Lent
Levitas
Lewis
Loeffler
Long (LA)
Long (MD)
Lott
Lowery (CA)
Lowry (WA)
Lujan
Luken
Lundine
Lungren
Madigan
Markey
Marlenee
Marriott
Martin (IL)
Martin (NC)
Martin (NY)
Matsui
Mattox
Mavroules
Mazzoli
McClory
McCloskey
McCollum
McCurdy
McDade
McDonald
McEwen
McGrath
McHugh
McKinney
Mica
Mikulski
Miller (CA)
Miller (OH)
Mineta
Minish
Mitchell (MD)
Mitchell (NY)
Moakley
Moffett
Molinari
Mollohan
Montgomery
Moore
Moorhead
Mottl
Murphy
Myers
Napier
Natcher
Neal
Nelligan
Nelson
Nichols
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Oxley
Panetta
Parris
Pashayan
Patman
Patterson
Paul
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Porter
Price
Pritchard
Pursell
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Richmond
Rinaldo
Ritter
Roberts (KS)
Roberts (SD)
Robinson
Rodino
Roe
Roemer
Rogers
Rosenthal
Rostenkowski
Roth
Roukema
Rousselot
Roybal
Rudd
Russo
Sabo
Santini
Savage
Sawyer
Scheuer
Schneider
Schroeder
Schulze
Schumer
Sensenbrenner
Shamansky
Shannon
Sharp
Shaw
Shelby
Shumway
Shuster
Siljander
Simon
Skeen
Skelton
Smith (AL)
Smith (IA)
Smith (NE)
Smith (NJ)
Smith (OR)
Snowe
Snyder
Solarz
Solomon
Spence
St Germain
Stangeland
Stark
Staton
Stenholm
Stokes
Stratton
Studds
Stump
Swift
Synar
Tauke
Tauzin
Taylor
Thomas
Traxler
Trible
Udall
Vander Jagt
Vento
Volkmer
Walgren
Walker
Wampler
Washington
Watkins
Weaver
Weber (MN)
Weber (OH)

Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams (MT)
Williams (OH)
Winn
Wirth
Wolf
Wolpe
Wortley
Wright
Wyden
Wylie
Yatron
Young (FL)
Young (MO)
Zablocki
Zeferetti

NAYS—5

Brown (CO)
Dickinson
Edgar
Kildee
Yates

NOT VOTING—34

AuCoin
Benjamin
Biaggi
Blanchard
Brown (OH)
Burton, John
Courter
Coyne, James
Derwinski
Dornan
Edwards (AL)
Ertel
Evans (IN)
Fish
Foglietta
Ginn
Goldwater
Grisham
Hance
Hartnett
Holland
Livingston
Marks
Michel
Morrison
Murtha
Rhodes
Rose
Seiberling
Smith (PA)
Stanton
Waxman
Wilson
Young (AK)

□ 1630

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. KAZEN. Mr. Speaker, pursuant to House Resolution 449, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5539) to amend and supplement the Federal reclamation laws, and for other purposes.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas (Mr. Kazen).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 5539, with Mr. Fowler in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from Texas (Mr. Kazen) will be recognized for 1 hour, and the gentleman from California (Mr. Clausen) will be recognized for 1 hour.

The Chair recognizes the gentleman from Texas (Mr. Kazen).

Mr. KAZEN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the Federal reclamation program was begun with the enactment of the Reclamation Act of 1902. The law was an outgrowth of the earlier Homestead Act and the Desert Land Act. It established a program for Federal financial assistance for water resource development projects necessary for the irrigation of arid and semiarid lands in the West.

The program has grown into a major water resource development program. Although irrigation of lands for farming is its principal purpose, multipurpose projects also provide hydroelectric power, flood control, water for municipal and industrial purposes and recreational facilities.

Approximately 146,000 individual farms receive water from Federal projects. Many of these receive a full water supply while others receive supplemental water. These farms produce crops valued at almost $7 billion each year.

The 1902 act placed a limit of 160 acres on the quantity of irrigable land in a single ownership to which Federal irrigation water could be supplied. The provision has been interpreted to allow the delivery of water to 320 acres of land owned jointly by a husband and wife. The original act also required that the person owning the lands which would receive water be a resident on or near that land.

Most of the cost of construction of these reclamation projects is repaid to the United States through revenues from sales of water for municipal and industrial purposes, through the marketing of power produced by the projects and also by the irrigators. The irrigators are required to form an organization under State law, generally an irrigation district, which has the power to enter into contracts with the Secretary and to levy and collect taxes. The district then enters into a contract with the Secretary agreeing to repay that portion of the construction costs of the project which are properly allocable to irrigation. The repayment is to take place over a stated period of time, generally 40 years. Interest is not charged by the Federal Government upon this repayment obligation.

Mr. Chairman, the reclamation program has been administered without substantial change in the basic law for 80 years. As a result, it has been left to those who are charged with the administration of the program and the courts to interpret the law to meet specific situations not directly addressed in the law and to resolve conflicts when they have arisen. Over such a long period of time there have obviously been differing interpretations of the law. More importantly, however, there have been interpretations upon which the irrigators have relied for many years. For example, the law has been interpreted to allow the delivery of water to lands leased by an irrigator from another, even though the total lands held in such a farming operation may exceed 160 acres. In other words, there are situations in which a farmer owns no more than 160 acres but irrigates an additional number of acres which he leases. This could cover several hundred acres, but the Department has considered the operation to be within the law.

In reliance upon these administrative interpretations, very substantial investments have been made in farming operations which are in excess of 160 acres.

Earlier, I mentioned the requirement that the irrigators repay to the United States that portion of the project construction costs which are allocable to irrigation. Interest is not charged upon this obligation and the Secretary is required, in determining the repayment obligation of the irrigators, to take into account their ability to pay. This can and has resulted in a reduction of the total obligation in some cases. To the extent that there is not an interest charge on the repayment obligation and to the extent that it is reduced, the irrigators do receive a subsidy. That subsidy is intended to and does encourage farmers to make the required investment in the land and machinery which constitute the farm operation. That subsidy is intended to and does result in lower production costs which are passed on to consumers in the form of lower prices. That subsidy has resulted in making otherwise unproductive land productive. And, may I point out, it is only one of the literally hundreds of subsidies which the Congress has conferred upon all segments of our economy over many years.

In 1977, a Federal court mandated the Secretary of the Interior to promulgate new regulations for the enforcement of the reclamation law. In response, the Secretary proposed regulations which would require a strict enforcement of all of the requirements of the law and which, in a number of critical ways, would have reversed decades of administrative interpretations upon which the irrigators had relied. The regulations have not yet been finalized only because another Federal court determined that the Secretary must fully comply with all of the requirements of the National Environmental Policy Act before finalizing the regulations and that work has not yet been completed.

Understandably, the irrigators, in confusion and frustration, turned to the Congress in the hope and expectation of clarifying their position and creating certainty where it does not now exist.

Against this background, Mr. Chairman, let me explain how H.R. 5539 addresses and resolves the basic issues.

First, the bill makes it clear that residency shall not be a condition for the receipt of water from a Federal reclamation project.

In 1902, the Nation was literally in the horse and buggy days. However, in today's world of the automobile, many farmers who are actively engaged day by day in a farming operation do not live on the land. They may live in a city or town, close to schools and shopping centers some miles from the farm, yet work on the farm every working day of the year. While the residency requirement may have seemed valid in 1902 to make certain that those receiving the benefits of the program would be the persons who actually worked the land, the requirement is no longer valid.

Furthermore, the Department has never enforced a residency requirement and to do so now would be disruptive, to say the least.

Second, the limitation on the amount of land owned by any person eligible to receive water from a project is increased from 160 to 960 acres, or its equivalent in acreage of less productive capability. The increase would only apply as to new contracts entered into between the Secretary and a district, as to any district which hereafter receives additional or supplemental benefits, and as to districts which have an existing contract and elect to have their contract amended to enable them to take advantage of the new acreage limitations, or to individuals in such districts who wish to come under the new provisions of the law even though the district does not make such an election. I might say that we would like to have been able to make all of the requirements of the new law automatically applicable to all existing contracts. However, to do this would be to unilaterally impose upon a district an increased repayment obligation beyond that provided in the existing contract.

I would point out, Mr. Chairman, that the definition of "person" in H.R. 5539 includes an individual, his or her spouse, and other dependents within the meaning of the Internal Revenue Code. Essentially, this means that the ownership limitation applies in such a way that the total of land owned by a family which is eligible to receive water would be 960 acres. Under present law, it has been possible for a husband to own 160 acres, the wife to own 160 acres, and each of the children in a family to own a like amount of land, with each parcel being eligible to receive water. This would not be the situation under H.R. 5539 in those districts which become subject to its provisions.

In providing for an increase in the acreage limitation, the committee recognized that 160 acres of land is simply not sufficient, except in very isolated cases, to support a viable farming operation in today's economy. While a farmer today has available to him better and more efficient machinery, that machinery is also very expensive. Labor costs are far above those of 80 years ago, or even 20 years ago. In order to produce better crops and to preserve the land, a farmer today must use chemicals and fertilizers which were unknown at the time the reclamation program was initiated and which also increase operational costs.

The acreage limitation increase contained in H.R. 5539 has the support of the administration. The same limitation on ownership was also supported by the previous administration, although the then Secretary of the Interior did not fully support those provisions of earlier bills which would have permitted the delivery of water to additional leased lands.

A third major provision of the bill, Mr. Chairman, establishes a limitation on the subsidy which I have discussed.

While our bill would permit a farm operation to exceed 960 acres by permitting an operator to lease additional lands to which water might be delivered, in return for this benefit, the district in which the lands are located, or an individual who elects to come under the provisions of the new law, would be required to agree to an increase in the construction cost repayment obligation which is attributable to the additional lands over and above 960 acres and which would be farmed as a part of the operation. Interest would be charged as to that part of the repayment obligation on the remaining balance due and the obligation would be computed without regard to the farmer's ability to pay. This would substantially reduce the subsidy as to any remaining repayment obligation in the existing districts and as to the repayment obligation in any new district.

I should point out, Mr. Chairman, that the irrigators also are required to pay the operation and maintenance costs of the project. The bill requires that these costs be calculated annually and modified as necessary to insure that the Government receives the full return of all money it has expended for operation and maintenance costs related to irrigation.

Small, family-type corporations conducting operations in those districts which elect to receive the benefits of the new law would be treated in the same manner as an individual, as would a larger corporation which was actually receiving project water on or before October 1, 1981. However, in the case of the larger corporation which had not received project water prior to October 1, 1981, the subsidy would be eliminated in its entirety.

The bill also mandates water conservation and, for the first time, would impose civil penalties for the violation of the reclamation laws.

Mr. Chairman, consideration of H.R. 5539 by the House today represents the culmination of almost 6 years of work by our committee—first through oversight hearings and then through extensive legislative hearings and markup sessions in both the 96th Congress and in the present Congress. It is a bipartisan product.

□ 1645

May I pause here, Mr. Chairman, to commend my counterpart on the subcommittee, the distinguished gentleman from California (Mr. CLAUSEN), for his tremendous help in seeing to it that this product has come to the floor today. He did outstanding work on this bill and contributed much to its provisions. And also to the ranking member of the full Committee on Interior and Insular Affairs, the distinguished gentleman from New Mexico (Mr. LUJAN), for his dedication to this work which is before us today.

Mr. Chairman, I could cite every single member of the entire committee for his contribution, without skipping a single one, with special emphasis and special consideration and gratitude going to the distinguished gentleman from Arizona (Mr. UDALL) for his guidance in this operation. His work, and the work of all Members on both sides of the aisle, has been tireless. They have worked diligently for the last 4 years to see to it that this product is before us today.

And, last, Mr. Chairman, but certainly not least, let me pay my respects and extend my gratitude to the staff of our committee. Without their able assistance and without their patience we would not be here today and we would not have this bill before us. So I say to the staff on both the majority and the minority side: You have my heartfelt thanks.

We are not, Mr. Chairman, beginning a new program. We are dealing with one which has evolved over a period of 80 years. During all of that time, there have been some abuses, as there are in any program of this nature. But, also, during that long period, there have been substantial investments made in labor, as well as in money, by persons who in good faith have relied upon the representations of their Government. They must be treated fairly, as must the Government itself. H.R. 5539 is a fair bill and I urge its support.

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. KAZEN. I yield to the distinguished gentleman from Texas.

Mr. WHITE. I thank the gentleman for yielding.

Mr. Chairman, I want to compliment the gentleman in the well for a monumental job, the chairman (Mr. UDALL), the gentleman from California (Mr. CLAUSEN), and the gentleman from New Mexico (Mr. LUJAN), in an effort to resolve equitably a problem that has been goading a large section of this country.

I have an irrigation and reclamation district in my area, in my congressional district and those adjoining my district, and this problem has been a barrier to clarification of their position. The gentleman has arrived at a realistic and fair solution, and I think it is a task that should be appreciated by all of the country, and I am sure the gentleman will receive the gratitude, as will the other Members who worked on it, of those who have been having this obstacle in their path of verification of their position and in farming.

Mr. KAZEN. I thank my colleague for his generous words. I appreciate them.

Mr. CLAUSEN. Mr. Chairman, I yield myself such time as I may consume.

□ 1700

Mr. Chairman, as the ranking minority member of the Water and Power Resources Subcommittee, I have been involved in this effort to modernize reclamation law extending over the years, that particular law having first passed in 1902; as has been stated by so many of my colleagues who have preceded me here in the well, this particular reform is in fact long overdue.

I agree with the chairman of our subcommittee, the gentleman from Texas (Mr. KAZEN), with whom I have worked very closely in this process, as well as others, to say that H.R. 5539 is the product of some 4 to 6 years of hard work and effort, and I certainly want to concur in his comments in which he made reference to the very noble and extraordinarily professional effort put forth by the professional staff members of our Water and Power Resources Subcommittee.

I have seen professionals over the years, but when I think of the man-hours they put into this effort, all of the way through the hearings process, the dialog and the discussions, I think that all of us would suggest that these people are truly professionals in the best sense of the word.

In addition to that, the working relationship that I have enjoyed with our chairman, the gentleman from Texas (Mr. KAZEN) has been excellent. He can best be described as an individual who has been extraordinarily steady, stable, positive, and firm in his resolve to bring out a good product; most importantly of all, he conducted himself in a fair manner that did credit to the committee as well as to himself as an individual.

Here is a chairman who is a great chairman because he lets the committee work its will. All the way through the discussion and dialog and the amending process, this individual, serving as our subcommittee chairman, went that extra mile to make certain that every individual on that committee had an opportunity to present their case in a fair manner.

So I certainly want to commend him as well as the outstanding leadership role of the chairman, the gentleman from Arizona (Mr. UDALL).

I also want to take just a brief moment to extend my appreciation to the ranking minority member of the full committee, the gentleman from New Mexico (Mr. LUJAN), because as the Members know, the gentleman from New Mexico (Mr. LUJAN), himself, put together and authored the original bill that was the framework or the backdrop of this legislation. I believe commendatory remarks also need to be directed toward my friend, the gentleman from California (Mr. PASHAYAN). This gentleman who is a truly professional lawyer, has not only represented his own constituency in the central valley of California, but all the way through this process he has also literally served as a technical adviser to many of us because of his extraordinary knowledge of water and reclamation law. And so the committee has greatly benefited by his contributions.

And as the chairman said, we could extend that to most of the members of the committee because there was a great bipartisan effort and I think it could be said that H.R. 5539 is as close to a bipartisan, consensus bill as is possible to attain under the circumstances. It comes after numerous hearings both here and in the impacted, Western reclamation States. The feeling among those directly involved in reclamation was almost unanimous that the law requires revision.

Mr. Chairman, my principal concern and my principal objective in reclamation reform has been to preserve the family farm unit. A lot of people talk about doing something for the family farm. This legislation does something specifically for the retention and the building of that family farm.

Obviously, the acreage limitation set in 1902 is, and has been, inadequate for the economic farm circumstances of 1982. The hope of the committee is that upward revision of the acreage limitation will enhance the economic viability and productivity of the modern family farm, and I place emphasis on the word, "modern," family farm.

Anybody who attended those hearings could see a measure of success as a result of the testimony presented by people who started out from scratch from a small family farm unit and then as a family unit they built up to and including a corporate family structure.

Well, upward revision of the acreage limitation is clearly required to increase farm efficiency and to justify the substantial, capital investment for equipment and machinery required for anybody who wants to remain competitive as a farmer or to become a farmer for the first time.

There has been and remains a great deal of uncertainty and ambiguity in the existing reclamation law. Too much has been left in that gray area. For example, existing law, if we do not change it, is silent on leasing. It neither specifically prohibits it nor expressly authorizes it.

So I agree with the other sponsors that that bill will serve in a positive fashion to clarify that and other important issues in reclamation farming.

It will also serve to validate some of the past practices of both reclamation administrators and responsible farmers who have acted and planned in reasonable reliance upon such practices.

The bill also repeals any residency requirements in recognition of today's practicalities.

Because of modern methods of transportation which did not exist 80 years ago, many of those actively engaged on a daily basis in a farming operation live many miles from the farm. Others receive—and this is a very key point—others receive through inheritance such lands that are maintained and operated by members of the deceased's family although some of those persons may not reside on or near the land.

Still others who are elderly may wish to retire to the city after living a lifetime on a farm and leave the land to their children to operate. But they clearly would want to protect their own vested interests in that particular property and so this legislation goes a long way toward relieving the burden of concern that many of the people had who are in that particular category.

Mr. Chairman, the bill also sets the record straight once and for all and makes clear that those Corps of Engineer projects not specifically designated by the Congress as part of a Federal reclamation project should not be covered by the acreage limitation or other provisions of Federal reclamation law.

In my view, this provision rectifies a situation which the Congress never intended and which probably should never have happened to begin with. It will also prevent the application of reclamation law to States outside the West. Wherever there is a flood control project or a corps project throughout the country, they live under the potential threat of having to have some sort of interpretation by which they actually could be subject to reclamation law; including the acreage limitation. This bill prevents that.

Mr. Chairman, due to the higher prices under the full cost pricing provisions of the bill, I expect that more will be recovered for the Treasury than will be expended from it for the increased administrative duties of the Department of the Interior. In other words, even though the Congressional Budget Office says the costs are impossible to estimate, I expect this bill to result in a net gain to the Treasury.

Mr. Chairman, the reclamation program is critical to the 17 Western States and will continue to have a very significant impact on the agricultural economy of the Nation as a whole.

I would hope that my colleagues would consider this bill on the merits in terms of whether it is good for the country as a whole, good for the family farmer, and not on a regional or East-versus-West basis. I believe H.R. 5539 as reported out of subcommittee and the full Committee on Interior, and as it appears today, is in the national interest and is worthy of your support.

The administration, in a letter to the Speaker, indicated their support for the legislation without reservation and I would like to read that for the benefit of my colleagues:

> Dear Mr. Speaker: We understand that the House of Representatives will soon consider passage of H.R. 5539, a bill to amend and supplement the Federal reclamation laws, and for other purposes. The Administration recognizes the need for reclamation reform legislation and strongly supports Congressional efforts to achieve this needed reform. The Administration supports H.R. 5539 and will continue to work with conferees to complete work on this legislation.

And finally, the Office of Management and Budget has advised that there is no objection to the presentation of this report from the standpoint of the administration's program.

Mr. Chairman, I strongly urge my colleagues to support this legislation and give it the kind of consideration that I think is long overdue.

Mr. PASHAYAN. Mr. Chairman, will the gentleman yield?

Mr. CLAUSEN. I yield to the gentleman from California.

Mr. PASHAYAN. I want to thank the gentleman for his kind words and to let this body know and let the committee know the gentleman himself, as the well's steady hand and wisdom, played a leading role as the bill progressed through the various stages in the committee and he should be recognized and commended for it.

Mr. CLAUSEN. I thank the gentleman very much.

Mr. WEAVER. Mr. Chairman, H.R. 5539 is the product of a well-financed campaign of a small but very wealthy group of agribusiness interests, multimillionaires and corporations. It is a bald-faced antifamily farm package of direct subsidies to the richest of America's agribusiness interests.

Ninety-six percent of all of America's farms receiving Bureau of Reclamation water are less than the 640 acres allowed under the present administration policy. Yet fewer than 3 percent of all reclamation farm operators receive nearly a third of all reclamation land in violation of the current 1902 law. H.R. 5539 would legitimatize this abuse of public trust and investment.

Not since the Great Depression has American agriculture faced conditions like those today. Small farmers are being devastated; the evidence is the rash of bankruptcies, foreclosures and farm auctions that are occurring all over the Nation.

Yet the benefits of H.R. 5539 flow directly to the very largest and richest of all farm operators. (See list attached of the largest landowners who would receive benefits under the bill.) Taking the average gross crop value per acre in California, where the lion's share of the benefits would flow, $830, and multiplying it by the allowable acreage which could receive this subsidized water, 960 acres, the yearly income for a farm of that size would be nearly $800,000. That stands in marked contrast to the better than 80 percent of all U.S. farms whose gross income is less than $50,000 a year.

How can Congress justify a fat subsidy to the richest agribusiness concerns in the Nation when the rest of the Nation's farmers are facing ruin? How is this possible when we are now considering a bill entitled the "Farm Crisis Act of 1982"?

The so-called full-pricing provisions of the bill are anything but. The Interior Committee tells us that the increase in revenues the bill will bring on account of full pricing of water will be a mere $3 million, while the CBO says that we could get $16 billion from full pricing.

Another section of the bill ends the requirement that the owners live on or near their farms, opening the way for absentee landlords and speculators to share in the subsidy.

One of the worst giveaways in the bill is the exclusion of Army Corps of Engineers projects from reclamation law coverage. This will allow the Nation's largest cotton grower, J. G. Boswell Co., to continue to receive Federal subsidies.

Ninety-seven percent of the farms in the Western States are in compliance with the 1902 reclamation law as it now stands. It is the corporate and agribusiness firms that are the ones in violation of that law and who are pushing this bill through Congress. This must not be allowed to happen. Make them give up excess acreage now getting reclamation water and comply with the old law.

It is time to end the constant pressures on family farms to bow to the forces of economic concentration and monopoly.

The backbone of America's agriculture is the small farm and we must act now to protect it.

LIST OF LANDOWNERS RECEIVING BENEFITS FROM H.R. 5539 IN CALIFORNIA

Owner	Acres	Project
J. G. Boswell Co.	88,212	Kings River.
	21,036	Kern River.
	23,980	Westlands.
	133,228	
Southern Pacific Land Co. (Southern Pacific R.R.)	106,680	Westlands.
Tenneco West, Inc.	64,941	Kern River.
Salyer Land Co.	29,060	Kings River.
Standard Oil Co.	11,593	Westlands.
Chevron USA, Inc.	13,014	Kings River.
Southlake Farms, Inc.	26,816	Kings River.
Westlake Farms, Inc.	19,817	Kings River.
Superior Farming Co. (Superior Oil Co.)	22,581	Kern River.

Mr. KAZEN. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from California (Mr. MILLER), whose tremendous contribution to this effort made it possible to have this bill here this afternoon.

Mr. MILLER of California. Mr. Chairman, it is a rather historic moment at which this legislation is brought to the floor of the Congress. There have been years of controversy and haggling over the final design of this legislation, who would benefit from Government subsidies and who would not, who would be able to receive project water, and for how many acres.

This program has a long history. Federal reclamation was begun in 1902. It was begun when the landowners came to the Congress and struck a deal. If the Federal Government would use its credit, use its resources and its finances to develop water resources to irrigate the arid lands of the West, then those farmers after receiving the subsidies and benefits of this program for a period of time would make that land available to small farmers who desired to get into agriculture.

That was their promise. And they also promised that the projects would be repaid entirely by the beneficiaries.

The justification for reclamation over the last years has been that this program would foster small family farmers in the West, and that that worthy goal justified the substantial subsidy in this program and the tremendous Federal investment that was made.

Back in 1959, one of our former colleagues, Mr. Sisk, acknowledged that this fostering of small farms was the real goal of reclamation. "It is inevitable that under the impact of the reclamation laws these lands will break down into family size units which are cultivated by individual owners and their families," Representative Sisk said. The program has worked well. In fact the deserts have bloomed. Over 74 percent of the current farming operations, despite weak enforcement of the law, are under 160 acres and 97 percent of the farms will be under the new limitation 960 acres in this bill.

Yet, a problem has become apparent, and that is that 3 percent of the ownerships control 30 percent of the land in this program. Now some of those large farmers seek to break the faith with the bargain that they made with the people of the United States and with the U.S. Congress. They want to retain the subsidy, and the land, and the water, and the profits—all these benefits the reclamation program promised the small farmer—for themselves. We have got to review the goals of this legislation today in the 1980's and compare that with what was intended in the past, and I think that is what this legislation does. This legislation does alter the goals of the program because it permits larger growers to participate as they have participated for decades because of weak enforcement of current law. We will allow larger farmers to participate, but we will not allow them to receive the Federal subsidies that were promised to their predecessors on the theory that the long-term beneficiaries of these projects would be small, family farmers.

This legislation adds new goals that are as significant to the 1980's as small farming was to the original planners in 1902. It adds the goals of water and energy conservation, the encouragement of alternative energy technologies such as drip irrigation which uses 1 percent of the water of open-furrow irrigation, laser levels, moisture testing, the use of pipelines rather than open ditches, and lined instead of unlined canals.

Currently the GAO tells us that we may be wasting as much as 50 percent of the irrigation water because of poor delivery, irrigation, and management techniques. This bill makes the conservation and the efficient use of water resources central goals of the reclamation program for the first time in the program's 80-year history. It does that by eliminating the unwarranted subsidies to large growers and by requiring cost accountability in water-project authorizations.

Certainly, this bill contains flaws. The acreage limitations in the bill are not ones that I personally favored. But by establishing that water conservation and recovery of subsidies from large growers are now central requirements of the reclamation program, we have drafted legislation which is a program which recognizes the changing needs of the people of this country and which is responsive to the need for appropriate resource management and the end of unjustified subsidies for the well to do who have too long postured as the independent, rugged farmers, while lining their pockets with subsidies intended for the family grower.

I have made some very great concessions in this legislation. In the past, I strongly opposed efforts to merely liberalize the acreage limitation. Over 6 years ago, when this debate first began, I declared my thorough opposition to any legislation which failed to address the need to eliminate unwarranted subsidies. But this legislation is as far as I can go. If there is any attempt to weaken with this legislation, to ramrod the Senate committee's proposal down the throats of the House in a conference committee, they will simply find out that many of us who have walked a great distance to meet the compromise of this legislation will no longer be able to participate. As was said yesterday in the Rules Committee hearing, such a violation of good faith would assure the defeat of this legislation for this session of Congress. We are here to improve and broaden the reclamation program, not to emasculate it and call it reform. I, for one, will not participate in that charade; in fact, I would gladly lead the effort to kill any legislation which weakens the bill before us today.

So I think that for those who are truly concerned about the use of water in the United States, who have been properly concerned about how this resource has been allocated in the past, whether or not we have managed it in the most efficient fashion, those who have been concerned about whether or not wealthy landowners have been the recipients of subsidies or not, can look to this piece of legislation as a real piece of reform. With the vigorous enforcement intended by our committee, it will encourage more efficient use of water in the future. In fact, it will require a much more realistic cost-benefit analysis for projects in the future which will require an abandonment of the budgetary wizardry by which white elephants have long been transformed into sacred cows in the Congress.

To achieve these goals, it is vital that the maximum number of irrigators be included under the terms of this act. To that end, the committee will require application of the new pricing provisions whenever contracts are signed, amended or extended, and will permit individuals to elect to come under the new law even if the district of which they are members refuses to do so.

Wherever and whenever possible, the Department of the Interior should use the provisions of this act and the reclamation laws to recover more fully for the taxpayers of the United States the costs of these projects.

Great potential for cost recovery exists. In California, where many of the larger farms which will be affected by the full cost recovery section are situated, repayment contracts currently exist only for $500 million out of a total of $2.7 billion attributable to irrigation, providing the Secretary with a great opportunity to assure that the provisions of this law are widely applied.

The legislation creates a two-tiered pricing policy, but requires changes in the calculation of water and repayment rates for all farmers regardless of farm size. While subsidies, in the form of the ability to pay discount and interest-free repayment of construction costs, would continue for farm operations of less than 960 acres, these irrigators will also be affected by the pricing reforms of H.R. 5539.

The bill requires full payment and the annual recalculation of operation and maintenance charges for water service for all irrigators, regardless of farm size. Although the Bureau of Reclamation currently calculates these costs on an annual basis, O. & M. charges have frequently been frozen in long-term contracts. Thus, in some areas farmers pay $3.50 an acre-foot or less for water which costs the Government many times that amount to deliver, despite the irrigator's much greater payment capacity.

Farmers operating more than 960 acreas would not only repay full O. & M. charges, but would lose the ability to pay discount, and would be required to pay interest on remaining unpaid construction costs. Large farms would therefore be eligible to participate in the program, but would be denied the substantial financial subsidies intended for smaller farmers.

The Secretary should use the opportunity of the new law to correct serious abuses in the calculation of ability to pay which result in unjustified subsidies. In its report of May 23, 1975, "More Effective Procedures Are Needed for Establishing Payment Terms and Development Periods for Irrigation Projects," GAO called for the revision of the Bureau's methods for calculating ability to pay. According to GAO, the Bureau frequently calculates ability to pay on the basis of the 320-acre farm allowed by current law, even in the case of farms much larger than 320 acres. Since the larger farm may be more profitable than the smaller farm, the larger farmers would enjoy an unjustified subsidy if his ability to pay were calculated on the 320-acre basis. Moreover, GAO noted, current practice allows the Bureau to reduce payment obligations based on a reduction in an irrigator's payment ability, but does not permit the Government to require larger payments when the irrigator's profits improve.

Ability to pay, for farmers with fewer than 960 acres to whom the discount is available in the future, should be calculated on accurate estimates of payment capacity based on a farm's true size and profitability in order to assure a fair return to the Government and to minimize unwarranted subsidization. Similarly, a farm with more than 960 acres would not be eligible for an ability-to-pay discount at all for acreage above 960. However, that additional acreage must be considered when determining the true ability of that farmer to pay for his eligible 960 acres.

Large-scale irrigators would lose the ability to pay discount entirely, and would be compelled to pay interest on all remaining capital costs. The intent of this requirement is to remove taxpayer subsidies from farms with acreage in excess of 960 acres.

Forgiven interest payments has long been the most costly subsidy in the reclamation program. Recent studies by the General Accounting Office have documented the staggering scope of these subsidies, and challenged the rationale for them.

When these interest subsidies were authorized for irrigation users at the turn of the century, they were considered well-affordable because interest rates were very low, GAO noted last year. With today's high interest rates, more and more tax dollars are needed to provide interest-free financing for irrigators.

In the case of just three projects studied—Oroville-Tonasket, Tualatin, and Lakeview, Tex.—the interest subsidy will exceed $660 million. In another major study last year, GAO found that taxpayers will subsidize between 92 and 97 percent of six projects studied.

There is no intent by the committee, nor certainly on my part as author of these pricing reforms, to extract usurious repayment from irrigators. Rather, the legislative intent of these reforms is to eliminate unjustified and unintentional subsidies from those who can afford to pay benefits they receive, thereby stimulating improved management and more-efficient use of water resources.

Realistic water pricing will help to achieve these goals. Over a decade ago, the National Water Commission reviewed pricing policies in California and concluded that "a sharp boost in water-use efficiency and declines in consumption occurred after significant increases in price."

A decade later, the Department of Agriculture issued its report on the Nation's farms, "A Time To Choose," which endorsed legislation to allow more realistic pricing of water. Like energy, as long as water's price is not reflective of its value in use, conservation will be inadequate.

Potential savings from enhanced prices will be substantial. An Interior Department study in 1979 found that water is used at 40 percent efficiency when priced between $1 and $3. With a price increase to $10 an acre-foot, efficiency was improved by 50 percent. More realistic pricing of water in comparably arid areas has promoted the extensive use of water conservation technology. In Israel, twice as much crop is produced with the same amount of water we consume in the West. For example, high technology systems like drip irrigation are used to grow even row crops like cotton.

Realistic water pricing creates the economic incentive for technological innovation, whereas excessive subsidization encourages reliance on traditional wasteful methods. Much of our reclamation water is still delivered through unlined ditches, one of the major reasons that only half the water, according to GAO, is ever used on the crops for which it was intended.

Farmers can afford higher prices. In California, adjacent farms often receive water from two separate sources. Those receiving Federal, subsidized water pay as little as $3.50 an acre-foot while those receiving State project water, which is far less subsidized, are paying $22 to $29. Because of the fixed price contracts, moreover, the Federal customers will still pay $3.50 in 1990 while State project costs will have risen to $61-$70 an acre-foot.

Obviously, State project customers survive economically with the higher price. USDA economists Harry Ayer and Paul Hoyt found that higher prices resulted in reduced consumption, substantial water savings, and higher profits for irrigators. Ayer and Hoyt concluded that increasing water prices in Arizona from very low (50 cents per acre-inch) to medium high ($2 to $5 per acre-inch) would result in a 6-inch saving per acre, or a projectwide reduction of 3 percent. That volume of water, equivalent to 144,000 acre-feet, could provide water service to the entire city of Tucson for 2 years.

Moreover, Ayer and Hoyt concluded, farmers' profits could rise by 1 to 2 percent, even accounting for reduction in crop yields.

Lastly, it appears probable that the two-tiered pricing system embodied in H.R. 5539 may provide a greater stimulus to small farms than the legislative promise of the original reclamation laws. The continuation of the subsidy for smaller farms, according to a recent study by the University of California (Davis), hold more promise than for assuring the continuation of small farms in the reclamation program than the administrative or statutory mandates.

The original intent of the reclamation program, according to its chief sponsor, was to create an irrigation system which would impose no burden on the taxpayers of the country. It is evident that the reclamation program of 1982 imposes phenomenal burdens on the taxpayers. It is therefore essential, as we modify the law to satisfy the concerns of irrigators, that we also include long overdue reforms to mitigate the concerns of the taxpayers who have inadvertently assumed most of the repayment obligations of this program.

It would be fiscally irresponsible to alter the reclamation program without requiring those water pricing reforms. Without these reforms, how would we explain to those suffering substantial reductions in essential services, due to budgetary restrictions, that some of the wealthiest and most profitable corporations are to continue to receive subsidies from taxpayers?

How would we explain to farmers in the Midwest, the South, and other nonreclamation States that we use taxpayers' money to underwrite the profligate misuse of resources by competitors in the West?

How could we explain to an elderly citizen in New England whose energy assistance program is under assault, or to a commuter whose gasoline bills are astronomic that deregulation is a good policy when the oil companies sell gasoline and home heating oil, but that elimination of subsidies is not a good policy when we sell the taxpayers' water to the oil companies and other large-scale farming interests in the West?

There is no rationale. Regional equity, fiscal policy, responsible resource management and the goals of the reclamation program not only require the water pricing provisions included in the bill, but compel the Secretary of the Interior to utilize every method at his disposal to insure that these pricing guidelines are imposed as rigorously and as broadly as possible.

Mr. Chairman, this legislation has been a long time in coming to the floor of the House. The Members deserve a chance to vote on it. The reclamation farmers, most of whom comply with the law today, deserve to know what laws and regulations they must survive under. The taxpayers deserve to be relieved of the unconscionable burden of subsidizing those who can well afford to pay for the benefits they receive from the Government, and an amendment by the committee to improve on the pricing formula, as recommended by GAO, will hopefully be accepted tomorrow to insure even further that this bill ends unjustified benefits to those who can afford to pay.

With passage of this legislation, we turn the reclamation program to address the great questions of the remainder of this century—resource management and fiscal soundness—while retaining the original commitment to providing special aid to the small farmers who are the backbone of our country.

Mr. CLAUSEN. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Wyoming (Mr. Cheney).

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Mr. CHENEY. Mr. Chairman, I thank the gentleman for yielding.

I rise, Mr. Chairman, as chairman of the House Republican Policy Committee.

I have asked to revise and extend my remarks and to include in the Record at this point the statement adopted by the committee unanimously supporting the passage of H.R. 5539.

> The House Republican Policy Committee supports passage of H.R. 5539, legislation that would bring federal water reclamation laws into line with national needs for the remainder of this century, and beyond.
>
> Water—its wise use and conservation—is one of the most pressing issues looming on the national horizon. And nowhere are those questions of greater importance and concern than in the 17 western states affected by irrigation projects made possible under the federal Reclamation Act of 1902. The gross value of crops produced from such reclamation farms now approaches $7 billion a year, a significant share of our nation's vital agricultural industry and the nation's economic health.
>
> The 1902 Act made federally-subsidized water available for farm irrigation projects. Recent court decisions, however, have made it clear that this 80-year-old statute no longer fully meets the needs of American agriculture and consumers. The law is badly in need of revision to insure sound farming, water conservation and economic policies in the face of growing agricultural demand. H.R. 5539, the product of extensive work by the House Committee on Interior and Insular Affairs, makes those needed changes.
>
> The bill is the result of compromise between both sides of the House Committee on Interior and Insular Affairs. When H.R. 5539 was voted out of Committee by voice, only one Democrat voted against it, and no Republican.
>
> Thus H.R. 5539 should be viewed as what it is, a bipartisan effort.
>
> In the interests of meeting the nation's and world's food and fiber needs in the coming decades, and in interests of the wise and efficient conservation of our country's precious water resources, the House Republican Policy Committee supports passage of H.R. 5539.

Mr. Chairman, as a member of the Interior Committee, and someone who has watched and been involved in this debate for the last 4 years of my service in this House, I feel very strongly that we have after a great deal of effort by all the interested parties arrived at what is a good bill, a true, fair, bipartisan compromise, that does fundamentally reform where reform is needed, and it makes clear that we finally at last are going to adopt our basic reclamation law to the modern circumstances of the 20th century; so I would strongly urge its passage.

Mr. KAZEN. Mr. Chairman, I yield such time as he may consume to the distinguished gentleman from California (Mr. Coelho), whose expertise and willingness to compromise on very difficult issues has helped the committee achieve what we have achieved in the form of the bill we have.

Mr. COELHO. Mr. Chairman, I would just like to compliment the gentleman from Texas (Mr. Kazen) for the tremendous leadership that he and the gentleman from New Mexico (Mr. Lujan) provided to the subcommittee and to our full committee in trying to make sure that all of us operated in an attitude of fairness and cooperativeness so that we could come up with this legislation that made sense for all the parties involved.

I also would like to compliment the gentleman from California (Mr. Clausen) and the gentleman from Arizona (Mr. Udall) in working with us to make sure that we could accomplish these things.

I particularly want to single out the gentleman from California (Mr. Miller) for his attitude of cooperation and his effort to try to work out some of these very difficult problems that have existed for many, many years.

Mr. Chairman, I rise today to urge my colleagues to vote in support of H.R. 5539, a sorely needed measure to reform the outmoded reclamation laws. Before I explain the rationale for support of this measure, I would like to commend the leadership of both the House Subcommittee on Water and Power Resources, the Honorable Abraham Kazen and Don Clausen, and the full Interior Committee, the Honorable Mo Udall and Manuel Lujan. This issue, after more than a half dozen years of often bitter debate, is now on the eve of resolution. From great diversity of opinion, these two gentlemen have wrought cohesion. H.R. 5539 represents a carefully constructed—artfully fashioned—compromise between these once diverse interests. I would urge my colleagues to consider the fragile nature of this legislation, and to reject attempts to alter what the committee has brought forth.

The Reclamation Act was passed in 1902 in response to pressures to stimulate the economic development of the West—economic development that would be contingent upon the availability of sufficient amounts of water. As was stated by Elwood Mead, one of the best known Commissioners of Reclamation, at the Trans-Mississippi Commercial Congress in Houston in 1900:

> The potentials of irrigation are, however, to be measured not alone by the possible extent of the agricultural industry, but by the development of other resources which they will make feasible. The best and largest use of the grazing lands, the utilization of the forest, the development of mines and quarries and the maintenance of railroads and commerce in the western half of the United States, all hinge upon the control and use of the streams in connection with the fundamental industry of agriculture.

Evidence that the West was crying for economic development was abundant. The East was becoming crowded and the westward migration was under way and intensifying. Jobs and industry were necessary in the West. There was an increasing demand for port and railroad facilities to expand trade with Asia. The political leaders of the Western States and territories were pressing the Federal Government for new opportunities for expanded commerce. Earlier legislation—Desert Land Act and the Carey Act among others—had not done the job. Pressure mounted for Government development of the major irrigation resources in the West.

Shortly after the passage of the act, however, certain pitfalls were discovered in the initial plan. For example, the residency requirement was relaxed to clarify that a farmer could live as much as 50 miles away from his farm—a considerable distance in those days.

In the nearly 80 years to follow, a great many changes have taken place, with economies of scale, and rural lifestyles changing considerably. It is time to address these changes—to bring the reclamation laws and policies in conformance with these fiscal realities.

Although this legislation has usually been discussed in terms of how it affects large farmers, the small farmers of the West also have a large stake in this legislation.

For the small farmer, the bill is important because it preserves his freedom to farm when and where he wants, to live where he wants, to expand if he is so inclined, and to leave his farm to his children.

There are those who believe that reclamation farmers should have to meet some kind of a participation test in order to get reclamation water. A participation test would require that landowners be involved in the day-to-day decisionmaking on the farm and that they derive a significant percentage of their income from farming. This would mean that a small farmer who relied to any degree on off-farm income—either the husband's or the wife's—would be ineligible to receive water from a reclamation project. This requirement would not make sense in our current economic state in which many, many small farmers must supplement their farm income by working at off-farm jobs. A participation requirement would work a hardship primarily on small farmers, not large ones.

This would also have an adverse effect on farmers who want to leave their land to their children. The children in all likelihood have their own families and their own careers and in most cases are living away from their parents' farm. A participation requirement would require the children to get back into farming—whether or not the farm was big enough to support all the children and their families.

Although most farms in the West are small, the freedom of reclamation farmers to own more than 160 acres if they want is important. Up to now, if they wanted to expand above 160 acres, they either had to have more children or do so on the basis of leased land. Under this bill, they can begin to acquire additional land if that suits their family's objectives. Ownership of land is important in the face of financial adversity after bad crop years.

And, of course, the specific provision that residency is not required of reclamation farmers is important to small farmers and to many older people who have moved off their ranches and are relying on rental income to provide a part of their retirement. Most knowledgeable attorneys do not believe that residency is a requirement of present law, but the official position of the Department of the Interior since the Andrus years has been that residency is required. This bill makes it clear that such is not the case.

It would seem that a discussion of the California situation is warranted because there has been confusion about the state of affairs there.

I would like to clarify a generally held misconception about enforcement of the 160-acre limitation. While many mistakenly believe the myth that this limitation has not been enforced, or has been ignored in California, the fact is that because of inordinate political pressure put on administrators of the reclamation laws in California for more than 30 years, the acreage limitations have been enforced in California. I would ask unanimous consent to insert in the record of this proceeding, a copy of a compilation of Bureau of Reclamation statistics regarding compliance with reclamation law, and I would like to point out the fact that the Westlands Water District, often singled out for criticism as it is the largest reclamation district, is not listed as having lands illegally receiving project water.

Despite the early refusal of some of the major factors in the Westlands Water District to put their excess lands under recordable contract, they ultimately decided that it was in their best interest to put their farming lands under contract and have done so.

More land has been placed under recordable contract, and more excess lands have been sold, in the Westlands Water District than the combined total of all lands placed under contract and sold since the inception of the reclamation program.

Compliance with the limits on ownership of land in reclamation districts has given rise to leasing as a means of farming economically feasible units. As was pointed out in the Tulare Lake decision of 1976:

> In the Central Valley project, where almost complete compliance with the excess land laws has been attained, many individual landowners have leased their lands to individual operators. It has been said that farming of a number of separately owned tracts by a single operator may become the Reclamation equivalent of the condominium in the apartment house ownership operation.

While H.R. 5539 would clarify that farmers have the right to lease farmlands, it would also make clear the fact that the operator would have to—for the first time—pay full cost for all lands leased in excess of the farm operation size of 960 acres. I should mention that an increase from 160 acres to 960 acres is not a sixfold increase even though it looks that way. The present limitation is based on 160 acres per person, but the 960 acres would be per family of farming unit. Thus, a family of six under the present law will not gain anything under the new law if the ownership limitation is increased to 960 acres per family.

The bill contains provisions to enhance the credit opportunities for new farmers. It does this by building into the law certain provisions which make farm purchase and operating loans less risky for lending institutions. This will have the effect of making credit more easily obtainable from institutions of the farm credit system as well as from commercial banks and insurance companies.

The bill will clarify that irrigation waters which were developed at no cost to the United States and which have been commingled in project works, are not to be considered as project waters, as long as the commingling does not interfere with conveyance of the project water and does not require an increase in the capacity of the project. Existing practice of the Bureau of Reclamation will also be preserved in regard to exchanged waters.

This concludes the overview of the importance of the bill I wish to present. The struggle to reform this 80-year-old law should be brought to a close. H.R. 5539 is a compromise measure—a measure enjoying the support of Representatives from both sides of the aisles. Let us take the steps today to lay this controversy to rest. Let us take the steps today to bring reclamation law in conformance with the economic realities of farming in the eighties and beyond. I urge your vote in support of H.R. 5539. At this point I include the following:

State	Without deducting acres exempted by Andrus	After deducting acres exempted by Andrus
Idaho	32,555	19,881
Oregon	19,056	4,388
Wyoming	18,098	16,970
Texas	[1] 14,373	2,203
Montana	14,157	11,192
California	10,943	10,943
Washington	7,424	7,424
Nebraska	7,153	7,153
New Mexico	[1] 5,636	2,002
Arizona	4,536	4,536
South Dakota	4,470	4,470
Colorado	3,287	3,287
Oklahoma	2,853	2,853
Utah	1,327	1,327
Nevada	1,144	1,144
North Dakota	61	61
Kansas	0	0
Total	147,073	99,834

[1] A 1976 report by the Bureau of Reclamation shows 7,436 ineligible acres being served in New Mexico and 22,637 ineligible acres being served in Texas.

Arizona

District:	*Acres*
Wellton-Mohawk	1,104
Yuma Mesa	1,608
North Gila	488
Salt River	1,356
Total	4,536

Colorado

District:	*Acres*
Uncompagre	1,391
Collbran	420
Garfield gravity	48
Orchard Mesa	128
Casper-Alcona	305
Purgatoire	995
Total	3,287

California

District:	*Acres*
Foothill WD	94
Panoche WD	153
Sunflower WD	949
Elder Creek WD	821
Coachella Valley WD	3,329
Canal Water Rentals	4,070
Tule Lake I.D	1,527
Total	10,943

Idaho

District:	*Acres*
Farmers Co-op	160
Namp & Meridian	22
Pioneer I.D	436
Black Canyon No. 2 I.D	788
Mann Creek I.D	250
Michaud Flats I.D	1,324
Westside Canal Co	334
North Side Canal Co	10,954
A&B I.D	639
Idaho I.D	947
Milner Low Lift I.D	1,385
New Sweden I.D	899
Progressive I.D	1,542
Woodville Canal Co	20
Gem I.D	168
Ridgeview I.D	13
Twin Falls Canal Co	[1] 12,674
Total	32,555

[1] Districts exempt under Andrus letters.

Montana

District:	*Acres*
Bitter Root I.D.	59
Frenchtown I.D.	707
Huntley I.D.	48
Intake I.D.	90
Glasgow I.D.	1,429
Malta I.D.	4,929
Fort Belknap I.D.	750
Harlem I.D.	1,298
Greenfields I.D.	1,882
Lwr Yellowstone No. 1	[1] 2,193
Lwr Yellowstone No. 2	[1] 183
Zurich I.D.	[1] 589
Total	14,157

[1] Districts exempt under Andrus letters.

Nebraska

District:	*Acres*
Bridgeport I.D.	897
Mitchell	1,913
Northport I.D.	1,459
Pathfinder I.D.	1,337
Bostwick I.D.	143
H-RW	558
Farwell I.D.	432
Sargent I.D	414
Total	7,153

Nevada

District:	*Acres*
Truckee-Carson	1,144

North Dakota

District:	*Acres*
Burford-Trenton	61

New Mexico

District:	*Acres*
Carlsbad I.D.	1,607
Vermejo Conservancy	395
Elephant Butte	[1] 3,384
Total	5,636

[1] Districts exempt under Andrus letters.

Oklahoma

District	*Acres*
Lugert-Altus	2,853

Oregon

District:	*Acres*
Ochocho I.D.	30
North Unit I.D.	61
North Bd. of Cont.	498
Medford I.D.	1,280
Tualitin I.D.	648
West Extension	1,676
Klamath Basin Improve. Dist.	195
Ady Dist. Improve. Dist.	[1] 275
Langell Valley I.D.	[1] 3,460
Individual contracts	[1] 7,170
Malin I.D.	[1] 41
Pine Grove I.D.	[1] 34
Midland Dist. Imp. Co.	[1] 11
Plena Dist. Imp. Co.	[1] 34
Horsefly I.D.	[1] 3,643
Total	19,056

[1] Districts exempt under Andrus letters.

South Dakota

District	*Acres*
Belle Fourche I.D.	4,283
Angostura I.D.	187
Total	4,470

Texas

District:	*Acres*
Reeves Co. W.D.	2,203
EL Paso Imp. Dist.	[1] 12,170
Total.	14,373

[1] Districts exempt under Andrus letters.

Utah

District:	*Acres*
Strawberry Valley	459
Weber Basin	414
Weber River	434
"Other"	20
Total.	1,327

Washington

District:	*Acres*
Columbia East	242
Columbia South	1,086
Quincy I.D.	2,460
Kittitas I.D.	740
Roza I.D.	744
Sunnyside Valley I.D.	1,402
Grandview I.D.	239
Well License program	511
Total.	7,424

Wyoming

District:	*Acres*
Eden I.D.	651
Heart Mountain	794
Bluff I.D.	1,088
Hanover I.D.	3,167
LeClair-Ricerton	313
Riverton Valley	1,497
Highland Bluff	2,987
Upper Bluff	216
Midvale	1,351
Goshen	4,749
Shoshone I.D.	[1] 1.128
"Other"	157
Total.	18,098

[1] Districts exempt under Andrus letters.

Mr. CLAUSEN. Mr. Chairman, I yield 7 minutes to the distinguished gentleman from New Mexico (Mr. LUJAN), who is the ranking Republican member on the full committee, and has really been a champion of the reclamation reform legislation from the outset. When we switched hats, he became the ranking member on the full committee, where previously he had been the ranking minority member of the Water and Power Subcommittee; but he has done yeoman work, and I think that he will be recognized as a champion of reclamation reform.

Mr. LUJAN. Mr. Chairman, I rise in support of the bill and urge my colleagues on both sides of the aisle to resist prolonged debate so we can bring it to a quick vote and pass it today. Here is why:

First, every single issue involved in this very complicated subject has been debated down to its finest point during the many years that our committee has had it under consideration. There is not a single section—not a single sentence—in this bill that has not been argued, agonized, reworded, reworked, amended, and amended again in subcommittee, full committee, and in many informal meetings between Representatives of opposing factions. If ever there was a bill that epitomized the highest and best form of committee give and take, of individual and group compromise, H.R. 5539 is that bill.

As it lies before you, H.R. 5539 represents virtually an art form of the legislative process. Change any portion of it and you will find yourself involved in a serious unraveling of an entire skein of compromises that have been arrived at by your colleagues from 17 Western States. And I will remind you that only those 17 Western States are involved in this legislation.

So my first reason in asking you to support the bill is that it is the product of many years of study, hearings, debate, and compromise by our committee. Tinkering with amendments here on the floor could kill the bill.

Second, my second reason is more important than the first. I urge you to pass the bill because the hundreds of thousands of farmers and farm family members who will be directly affected by the bill not only need this legislation, but they demand that this Congress give them the legislative relief that has been refused them by two previous Congresses.

And let me get one point straight from the outset: The need for this bill does not stem from anything the farmers themselves have done. It stems from the failure of previous Congresses to modernize the 1902 Reclamation Act and bring its provisions into consonance with the realities of 20th century farming. It stems from the fact that, over the past 80 years, many of the changes that should have been made by the Congress were, instead, made by the executive branch through administrative practices.

Just, for instance, consider the single issue of the residency requirement. This is only one out of scores of issues involved in this bill, but it points up why the farmers demand legislative relief this year.

The 1902 Reclamation Act, which was patterned forcefully after the post-Civil War Homestead Act, gave the farmer the right to receive federally delivered water to 160 acres of land. The idea was to complete the settlement of Western lands by inducing families to move to, and farm the arid and semiarid lands that had not been taken up under the Homestead laws. For this reason, it required the farmer, as a condition of receiving water, to live "on or in the neighborhood of" the land to which water was delivered.

But within 20 years after the 1902 act was passed, the automobile and tractor had revolutionized American farm life. The car permitted the farmer to live closer to town and drive back and forth to his farm while the tractor made up the difference in time and cost. By 1923, the Congress recognized that there was no longer any public interest to be served by forcing the farmer and his family to live "on or in the neighborhood of" the farm. So when the Reclamation Act was given a legislative facelift in 1923, the residency requirement was left out.

And to this day, every administration, Republican or Democrat, has assumed that omission to mean that Congress intended to repeal the residency requirement. And no administration, Republican or Democrat, has attempted to enforce any residency requirement during the 49 years since the 1923 act.

But 5 or 6 years ago, as the result of a suit brought by a California group calling itself "Land for People," a Federal court held that Congress had not repealed the residency requirement. The court held, among other things, that the residency requirement of the 1902 act is still in force, and it ordered the Secretary of the Interior to promulgate regulations for its enforcement.

The then Secretary of the Interior, Cecil Andrus, drew up a set of regulations which required all of the farm families who had moved into town to move back to the farm or lose their rights to reclamation water.

Those regulations would also set up a national lottery, under which privately owned lands belonging to Western farmers would be handed over to lucky holders for a fraction of their actual value. But that is another issue altogether.

All in all, it is small wonder that the Congress has been deluged with demands from farmers that the law be changed so as to nullify those devastating regulations.

In the final analysis what we have attempted to do in this bill is to increase the size of the family farm from 160 acres to 960 acres, in recognition of the fact that with the advent of the tractor and with costs of farming, the 160-acre limit of the year 1902 is no longer practical. The other feature is that anyone who wants to farm over 960 acres must pay the full cost of water.

The Congress should have modernized the 1902 act years ago, after they obviously served their purpose. Having failed to act in the past, we must act today and pass this bill which has been so carefully worked out by the Committee on Interior and Insular Affairs.

Mr. KAZEN. Mr. Chairman, I yield 4 minutes to the gentleman from Pennsylvania (Mr. Edgar).

Mr. EDGAR. Mr. Chairman, I do not plan to take very much time under general debate to go into the details of three amendments which I plan to offer.

I know that the legislation that has been discussed has been very delicately crafted, as most legislation around here is delicately crafted.

I think there are some major reforms provided within this legislation and I commend those on both sides of the House for their extended work in looking at the problems that have occurred since 1902 in trying to make that major change that is necessary in this legislation.

I will at the appropriate time offer three amendments, one dealing with strengthening the water conservation provisions of the legislation; one dealing with the deauthorization process, bringing it into some compliance with what is presently being done by the Army Corps of Engineers in deauthorizing legislation, and one dealing with a very complicated section of the bill which may go unnoticed by some, but has a great deal of interest to many people who may, in fact, not understand the provision. That is on page 17 of the legislation. It is the provision titled section 206, "Waiver of Sovereign Immunity."

I wonder if I could get the attention of the chairman and the ranking Republican on the committee to explain as succinctly as possible what those few lines of public law, in fact, do. This is section 206. Just let me read the first sentence:

> Sec. 206. Consent is given to join the United States as a necessary party defendant in any suit to adjudicate, confirm, validate, or decree the contractual rights of a contracting entity and the United States regarding any contract executed pursuant to the Federal reclamation laws.

I wonder if someone cold enlighten the House as to what this particular section of the legislation means.

Mr. KAZEN. Mr. Chairman, will the gentleman yield?

Mr. EDGAR. I yield to the gentleman from Texas.

Mr. KAZEN. Let me as best I can try to explain it, and I will have some of my other colleagues join in if they wish.

The irrigators strongly urged upon the committee a provision to be placed in the bill which would have validated all of the written representations made to them by any departmental official and would have validated all contract provisions in any contract they had entered into with the Government. The committee felt that such a blanket validation provision would be wrong. However, the committee did recognize that, in some instances, the contracting district and the people in it might have valid arguments which ought to be considered in the proper forum. For this reason, the committee approved an amendment which does no more than give the irrigation districts and their members access to the courts. It is simply a matter of making certain that the districts, or individuals who have a contract, may have their day in court. In making these contracts, the Government is acting in a proprietorial capacity and not in a sovereign capacity and there is no reason why it should be permitted to defeat a valid claim by pleading sovereign immunity.

Mr. MILLER of California. Mr. Chairman, will the gentleman yield?

Mr. EDGAR. I yield to the gentleman from California.

Mr. MILLER of California. I think the explanation of the chairman of the subcommittee is correct. Originally there was an attempt to come in and just provide for blanket validation of a lot of conditions that I personally could not accept, that I felt we were, in effect, putting the stamp of approval of the Congress of the United States on a lot of actions that were, in fact, in dispute. Honorable people on both sides dispute the facts; but by the same token, this is a program that, unfortunately, in its entire history has had a rather checkered past of interpretations by people in white hats and people in black hats.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. KAZEN. Mr. Chairman, I yield 2 additional minutes to the gentleman from Pennsylvania.

Mr. EDGAR. I yield to the gentleman from California.

Mr. MILLER of California. People have relied on those representations. In some cases those representations were made within the scope of the authority of the governmental official making them. In some cases I suspect that they were not.

An awful lot hinges on the outcome. We did not think that, given the involvement by the Government in many of these controversies, that the Government should then be able to walk away; so we said that we are not going to validate these. We are not going to give you language to validate these; but by the same token we are going to provide you access to the court to adjudicate these matters; so if they want to sue, fine, go into court and sue; but the Government cannot hide from those lawsuits.

Mr. EDGAR. Let me ask two quick additional questions since my time is limited, and I am sorry, I say to the ranking Republican, for not yielding—but two additional questions.

First, what would happen if we struck this provision from the bill?

Second, are there any court suits presently pending that would be impacted by this particular provision?

☐ 1730

I think you would have to say probably without doubt there are some cases that would be impacted if it were struck. I do not happen to know what they are, but let me say the reason that I think the best justification for not striking it is that I am not convinced, as one who has been an advocate on the side of the Government, that the Government comes to these controversies with clean hands, so to speak.

So for the Government now to invoke sovereign immunity at this point, given a lot of representations that have been made in documentations that have been spread out over the last 50 years, I just simply think it would be unfair to provide this as a shield against what may be some very legitimate claims.

I do not necessarily agree with all claims that would or would not be made, but I do not think that the Government ought to simply be able to prevent these people from exercising their rights.

Mr. CLAUSEN. Mr. Chairman, will the gentleman yield?

Mr. EDGAR. I yield to the ranking Republican.

Mr. CLAUSEN. Mr. Chairman, I will just make a very quick followup.

It was presented to me as simply allowing the farmers to actually sue the Federal Government when and where necessary to actually clarify their rights under reclamation law. That was the understanding I had, and I think it has been pretty well verified by the comments made by the distinguished gentleman.

Mr. EDGAR. Are there any major court battles that will be altered or impacted by this language?

Mr. CLAUSEN. I do not know of any.

Mr. PASHAYAN. Mr. Chairman, will the gentleman yield?

Mr. EDGAR. I yield to the gentleman from California.

Mr. PASHAYAN. I should stick my neck out and say none I am aware of. Also, I should like to say that the main people who will take advantage of this are the very, very small farmers in the northwestern tier. They are the ones that have had problems with the Government, letters and that sort of thing, and the question is: Did the letters constitute a legal holding out to the farmers the reclamation law will or will not apply if and when the farmers in fact relied on the holding out of the Government?

This is the kind of thing the committee felt would be best tested case by case.

Mr. EDGAR. I thank the gentleman for his comments.

I do have an amendment to strike this provision. We are not going to get to the amending process, it looks like, tonight. We will have a few hours to look at the details.

I appreciate the gentleman's contribution, and I yield back the balance of my time.

Mr. CLAUSEN. Mr. Chairman, I yield 1 minute to the gentleman from California (Mr. Lagomarsino), a member of the committee.

Mr. LAGOMARSINO. I thank the gentleman for yielding me this time.

Mr. Chairman, I rise in support of H.R. 5539, which amends and supplements the Federal water reclamation laws.

I think we would all agree that farming methods have changed dramatically during the past 80 years. Revision of the Reclamation Act of 1902 is badly needed, to remove the uncertainty and confusion surrounding the act and subsequent amendments and court decisions, and to address the needs of modern agriculture.

Mr. Speaker, one of the most pressing issues in our Nation today is the efficient use and conservation of water. H.R. 5539 is a sound bipartisan effort by the House Interior and Insular Affairs Committee to insure the conservation of this precious natural resource, while, at the same time, meeting the growing agricultural demands of the Nation and the world.

The increase in the acreage limitation for Federal reclamation water for irrigation from 160 acres to 960 acres, appropriately modernizes the act to recognize the economics of larger scale farming.

Requiring full cost for reclamation water used in excess of the acreage limitation will not be an exorbitant burden on the larger scale farmers, since it will be consistent with the cost of the reclamation project at the time of its construction.

The repeal of the residency requirement is appropriate in light of the lack of its enforcement for decades.

Finally, the equivalency provision will help to equalize the productivity of class 2, 3, and 4 lands with class I lands.

H.R. 5539 is the product of several years of diligent work by the Interior Committee members, with the involvement and input of numerous interested parties. It is a good, fair, and reasonable solution, with broad-based support, which will lay to rest the controversial issues which have been looming over these water projects for a number of years.

I strongly urge all of my colleagues to join me in supporting this legislation.

Mr. CLAUSEN. Mr. Chairman, I yield 4 minutes to the very distinguished gentleman from Oregon (Mr. Smith) who worked diligently on the committee.

Mr. SMITH of Oregon. I thank my colleague for yielding this time to me.

Mr. Chairman, it is frequently said that the reason for modernizing the Reclamation Act of 1902 is to bring it into line with present day agricultural practices—and that is true.

The 1902 act served its purpose when enacted as providing a means for encouraging settlers to develop an agricultural base in the arid regions of the West. Reclamation law has certainly had an impact on the economies of the 17 Western States affected by irrigation projects made possible under the 1902 act. In fact, the gross value of crops produced from these irrigated farms is now approximately $7 billion a year. There is actually only a small percentage of land covered by irrigation projects; however, the land is incredibly productive and is responsible for about 10 percent of this Nation's agricultural production. These projects serve several purposes in addition to meeting a growing agricultural demand which include the management of river basins, hydroelectric projects, recreation for the public, and adequate water supplies to municipal and industrial users.

The law is in need of revision and has been for a number of years. Several provisions have been sufficiently and fairly addressed in the bill such as acreage limitation, full-cost pricing, and residency requirements. I believe the bill, as reported out of the Committee on Interior and Insular Affairs, contains, for the most part, provisions establishing an equitable relationship between the Federal Government and the farms receiving benefits from the irrigation projects.

There are some additional reasons why I believe the 1902 act needs to be reformed which I would like to touch on. The first of these is the need to cure hundreds—perhaps thousands—of technical violations of the existing reclamation law. Because of these technical violations, many farms in the 17 Western States are ineligible to receive water from Federal reclamation projects even though they may be well under the acreage limitations.

Let me give you an example.

Under the existing law, a landowner who owned more than 160 acres is not eligible to receive water for more than 160 acres. If he sells the excess land to one of his neighbors, the new owner of that land may be ineligible to get water on his newly acquired land if he paid a price that had not been approved by the Secretary of the Interior. For the past several years, land in many of the reclamation states has been bought and sold without regard to the "price-approval" feature of reclamation law. One of the purposes of this new law is to wipe the slate clean on these situations and to say that any farmer who owns no more than 960 acres is eligible to get water. In other words, we want to "cure" a lot of these technical violations.

Another problem dealt with by this bill is to make clear that all landowners or irrigation districts which have paid off their repayment obligations are free of acreage limitations. In many cases irrigation districts and individuals have received letters or certificates from Secretaries of the Interior saying they had paid off their repayment obligations and their lands are therefore free of acreage limitations. As a result of Federal court cases, the validity of these letters and certificates has been thrown into doubt.

We intend, by this bill—under section 203(a)—to make clear that these cases where repayment has been made are free and clear of acreage limitations. We also believe that our action will validate certificates and letters issued by Secretaries of the Interior in the past saying that because of repayments completed, acreage limitations no longer apply. These certificates and letters have been issued to cover lands in irrigation districts in Texas, New Mexico, Oregon, Idaho, Montana, and Wyoming and possibly other States as well.

I urge passage of this legislation. It is badly needed throughout the West and it would send a clear signal to the agricultural community that the United States stands by its word.

Mr. CLAUSEN. Mr. Chairman, I yield 2 minutes to the gentleman from California (Mr. Pashayan).

Mr. PASHAYAN. I thank the gentleman for yielding.

Mr. Chairman, let me begin by saying I have enjoyed working with my colleagues on the committee, the leadership shown by the gentleman from California (Mr. Clausen), the gentleman from New Mexico (Mr. Lujan), who was the author of the bill originally that got this whole thing going, my colleagues on the other side of the aisle, Chairman Udall, Chairman Kazen.

I should like to point out that Mr. Miller has played a leading role in this. He is the principal proponent and author of the full-cost concept that appears in the bill, and that was one of the key elements that was able to bring the two sides together on this with the very interesting and philosophic differences that exist.

Mr. Chairman, you have before you a mighty compromise on an act that was passed eight decades ago. It is, from my point of view, not a perfect piece of legislation; yet, in the spirit of compromise, I support the bill, and urge my colleagues to vote "aye." I do not believe in theory that there is sufficient justification to apply acreage limitation, or for that matter necessarily a different cost structure, relative to the use of reclamation water, any more than to limit the commercial or the economic uses of other facilities financed by Federal moneys, such as highways, airports, seaports, and canals.

The social critics of the 1902 act derived their criticism from a belief that the main purpose of the act was social rather than economic. So it is they say that there is an inherent limitation on the number of acres a farmer can lease in the 1902 act, even though the act and its progency are silent on the question of leasing. So it is they say, even in today's modern world, that a farmer and his family must literally reside on the land in order to receive reclamation water, even though the 1926 act is silent on the question of residency and even though under the Homestead Act of 1862, a landowner once having gained fee simple absolute is at liberty to dispose of his land in the traditional manner long established in British and American law custom.

Mr. Chairman, the points of view of the social criticism of the 1902 act are arguable if in fact the act was social legislation. But I do not accept that the 1902 act was social legislation. But it is, as I say, not social legislation and it is economic and even expansionist in nature.

Mr. Chairman, let us review the history of the 1902 act, which I am sure shall make clear that the primary purpose and character of the 1902 act, far from social, was economic and expansionist.

HISTORY OF THE RECLAMATION ACT OF 1902

Certainly no one can read the history of the Bureau of Reclamation covering the depression years, the World War II era, and the post-World War II reindustrialization period, without agreeing that the Reclamation Act has evolved into a multipurpose industrial, agricultural, and municipal program. Nevertheless, there is a certain commitment to the past, which causes many people to feel that the program should be reestablished to what they perceive to have been its original purposes—even though they were not present at the time and their perceptions may not conform to reality.

It is thus necessary to understand what the original purposes really were. Unfortunately, much of the discussion and debate in recent years had been shaped to create the impression that the Reclamation Act was a social program.

Is there any historical evidence to justify a conclusion that there was an underlying motivation for the act relating to some national purpose of creating family size farms? Rather, if there is a recurring theme, it is the importance of creating new opportunities for homemaking and homebuilding to satisfy the needs of homeseekers. Some of the people who have appeared before congressional committees in the last few years—and many of the political and social scientists who serve as their gurus—have gratuitously translated "homeseekers" to mean "farm-seekers" and "homebuilders" to mean "farmbuilders," and "homeowners" to mean "farmers." These are faulty translations of words that had clear meanings in the latter days of the 19th century and still have the same meanings today. The meanings have been mistranslated in latter day writings to make them fit the particular social or political motivations of the writers.

It is true, of course, that in the years when we were largely an agrarian nation, being a homeowner not uncommonly meant being a farmer. However, terms of the push for a national reclamation program during the closing decades of the last century, the homeowning farmer was important because of the contribution he could make to economic development in the West, and not because of the desirability of the "family farm" as a social unit in some grand conception of American society.

In support of this proposition, I would offer a number of quotations.

The first is from a publication titled the "History of Public Land Law Development." It was prepared for the Public Land Law Review Commission in 1968 and it described the Reclamation Act of 1902 as "the greatest victory of the western states in securing to them the benefits of the economic exploitation of the public lands."

The man who many authorities believe to have been more responsible than any other for the passage of the Reclamation Act was George Hebard Maxwell, a lawyer from San Francisco who later settled in Phoenix.

Maxwell was a tireless worker and traveled throughout the country in support of a national irrigation program. In an appearance before the Trans-Mississippi Commerical Congress in Wichita, Kans., in 1899, he said that the West, if irrigated, would support "a dense and prosperous population greater in numbers that the entire population of the whole United States today." He went on to say:

> The enormous opportunities for increased home markets for our manufacturers and opportunity for home seekers which its reclamation would create, would make it worth the while of every manufacturer who wants markets, every wage earner who wants work, and every merchant who wants trade, every transportation company that wants traffic, and every man in America who wants a home on the land. . . .

Two years later, at a convention in Cripple Creek, Colo., Mr. Maxwell again held forth in support of a resolution urging support for a national reclamation program, saying that the resolution was the result of an article which had appeared in the Chicago Tribune "a week ago last Sunday," which would have been July 7, 1901.

An examination of the Tribune files discloses that the article in question was a glowing account of the future of the West under irrigation, based largely on an interview with J. J. Hill, president of the Great Northern Railroad. Mr. Hill talked about U.S. domination of the trade with Asia. Said the Tribune:

> Mr. Hill insists that the building up of such a trade will depend in great measure upon the development of the agricultural resources of the Pacific slope. To develop this he says that government aid in building irrigating canals will be necessary. Grain and flour will be the prime articles of export to the Orient.
>
> The execution of this work (irrigation) is the one thing needed to give the United States the domination of the Pacific Ocean commerce and the supremacy of the world's trade.
>
> People regard with amazement the present rapid growth of wealth in the United States, but this will be comparative poverty when with 20,000,000 people on the Pacific slope engaged in raising grain and manufacturing flour for the Orient, we can dispatch large freighters daily from each of the Pacific ports loaded with the manufactured goods of the Eastern factories, the cotton of the South, and the food products of the mountain valleys. Then a river of wealth will be turned into the United States, which will put to shame the visions of the wildest dreamers.
>
> While it (irrigation) would make homes for a multitude of settlers, the greatest benefits would come to the manufacturer of the eastern and middle western states and their employees, and to the cotton raisers and spinners of the south.

Frederick H. Newell, who later was to become the first head of the reclamation service, declared in a convention speech in 1899:

> The most important problem that can come to any body of public men, commercial or otherwise, in the West, is that of the increased utilization and development of the vacant lands both in public and private ownership. Before this question most of the other matters sink into comparative insignificance, for without an increase in population and productive capacity, the West cannot continue to furnish a market for the manufacturer or a field of operation for the varied industries of the country. The utilization of the vast extent of vacant land is not something which should be left to the farmer; it is pre-eminently a matter for the business man, whether concerned in manufacturing, transportation, or in handling the products of others. In fact, the farmer, as such, has least concern with the development of the varied resources of the vast West. . . . To the merchant, however, the matter is entirely different.

Having advanced the position that the Reclamation Act was motivated by economic, rather than social objectives, there remains yet a problem of how to deal with the many references in the public discussion and official debate over the Reclamation Act which relate to "monopolists" and "speculators" and the need to keep Western lands out of the hands of "corporations."

Without in any sense trying to dispute this issue, let me try to highlight briefly for you what these issues were all about in the context of the conditions of that time.

First of all, it was recognized at the time that the earlier programs for the disposition of public lands in the West had largely been failures, and that the programs had led to widespread abuses by speculators, particularly the Desert Land Act of 1877 and the Carey Act of 1894, as well as the Homestead Acts and other Federal legislation opening up the public lands.

It was entirely consistent that proponents of western irrigation should be against letting land fall into the hands of speculators. It was not to the advantage of the Western States and territories to let public lands come under the control of those who would let the lands remain idle. This would not result in economic activity based on production. The Western States and territories had no interest in those who would make no investment of their own capital and labor but would rather seek to benefit from the appreciation in land values, which results from the investment of others. The States and territories wanted the land developed and put into production. The West wanted the increased population that would result from development, because commerce and trade would result.

There is an excellent discussion of the role of the family farm in the context of Western development in a study prepared by Harry Hogan for the National Water Commission in 1972. The study itself dealt with acreage limitations and it has a great chapter on the family farm titled "The Farmer and the Agrarian Myth."

Briefly, the study makes the point that while the Jeffersonian concept of an agrarian society has been used as the basis for legislative and political rhetoric since the early days of the Republic, the vision of the agrarian society has had little relationship to reality.

"If it ever had reality," Hogan wrote, "it ended with the time of the Revolution."

The farmer, Hogan concludes in the study, is and always has been basically an entrepreneur. Though his first needs were for himself and his family, his aim always was to produce more than he needed so he could sell his excess in the marketplace. As an entrepreneur, the farmer as he actually was, was considerably different from the mythical family farmer of song and story.

Nevertheless, the mythic family farm provided justification for a long series of Federal actions beginning in the middle of the 19th century. Though the mythical family farm provided the justification for the actions, the actions themselves were designed to meet the needs of the farmer as an entrepreneur. The study notes, for instance, that under the Homestead Act, the settler, once he had title to the land, could sell it for any purpose he chose. In the case of reclamation law, the actions failed to match the rhetoric because although the Congress imposed a limitation on ownership, it did not impose other conditions which would have assured that the projects were peopled by families and families only, living on and operating the farms. Even the residency requirements was interpreted soon after enactment in 1910 to mean within 50 miles—no trivial distance in those days—and when the act was restructured in 1926 the residency requirement itself was dropped.

Says the Hogan study:

> Examination of the legislative history allows the selection of language of Congressmen and Senators to prove or disprove a Congressional intent to define a 'family farm' as having certain characteristics of ownership, operation and residence.
>
> *The legislative history is conclusive, however, only if it is examined with a preconceived conclusion.* [Emphasis added.]

The National Water Commission study makes the point that if Congress had intended to bring about family farming without regard to "free market considerations," then it would have imposed—in addition to an ownership limitation—a restriction on the character of the operation; that is, by a family and family residence. The residency requirement, the study says, was "imprecise" and in any event was "soon abandoned both in program administration and in subsequent legislation."

Says the Hogan study:

> The problem then becomes one of penetrating Congressional rhetoric about the "family farm" to establish whether Congress intended to help the intrepreneurial farmer whose operation was only incidentally a family farm, or only the mythic family farm. *The problem can be solved by looking at what Congress did as distinguished from what Senators and Representatives said.* [Emphasis added.]

The conlusions of Hogan's scholarly analysis stand in stark contrast to the words of the regulations proposed by the Department of the Interior, which refer to the amount of land "under the control of any one person" rather than "ownership" and which speak loftily of the purposes of the act as being:

First, to provide opportunity for a maximum number of farms on the land, and for deserving individuals to get a start in farming.

Second, to distribute widely the benefits of federally subsidized reclamation projects.

Third, to promote the owner-operated family farms.

Fourth, to preclude the accrual of speculative gain in the disposition of reclamation-benefited land.

Given the unreliability of congressional rhetoric as an indicator of what is actually occurring in a congressional enactment, it is helpful to look beyond the Congress and assess the mood of the constituency to which Congress was responding.

An illuminating view is provided by a reading of the contemporary newspaper accounts and the actual record of the hearings of a select committee of the U.S. Senate which travelled 14,000 miles throughout the West in 1889, gathering information about the desirability of and the need for the irrigation of the arid and semiarid West.

Usually traveling in a special train, the committee began its labors in St. Paul, Minn., on August 1, 1889. From there the select committee went to Sioux Falls and Huron, S. Dak.; Jamestown and Bismarck, N. Dak.; Glendive, Miles City, Billings, Bozeman, Helena, Butte, and Missoula, Mont.; North Yakima, Ellensburg, and Walla Walla, Wash.; The Dalles and Baker, Oreg.; Boise, Idaho; Salt Lake City, Utah; Carson City, Nev.; San Francisco, Tulare, Bakersfield, Los Angeles, San Bernardino, Riverside, Santa Ana, and San Diego, Calif.; Yuma, Phoenix, and Tucson, Ariz.; El Paso, Pecos, and Fort Worth, Tex.; Santa Fe and Las Cruces, N. Mex.; Dodge City and Garden, Kans.; Pueblo, Colorado Springs, Denver, Fort Collins, and Greeley, Colo.; Cheyenne, Wyo.; and Ogalalla, Nebr.; where they finished their work on September 19, 1889.

Wherever the committee went, it was accorded an almost royal welcome—although in Colorado Springs the welcoming party arrived late and the visiting Senators caught a streetcar to the Antlers Hotel, where they conducted their hearing in its bridal suite. Throughout its travels, the committee was provided with abundant information about what the impact of irrigation should be on the productivity of the land and what irrigation should do in the way of increasing land values. The family farm was largely ignored.

There was intense interest in the committee's subject. On Friday, August 23, 1889, the San Francisco Chronicle carried 74 columns on irrigation, no less. It covered not only irrigation in the United States but throughout the world.

In an editorial on the same day, the Chronicle said of the extraordinary amount of space devoted to irrigation:

> No fancy picture has been drawn, no gaudy or glittering colors have been used, but plain and simple facts have been stated, which must commend themselves to the consideration of all who are concerned for the future of our common country. We stand upon the threshhold of a great era of development, and if the article in question shall serve to attract attention to one of the most important of all national topics, the Chronicle will feel that it is well repaid for its labor.

Further insights into the the reasons for the passage of the Reclamation Act can be gained by a reading of the annals of the Trans-Mississippi Commercial Congress and the National Irrigation Congress in the latter years of the 19th century. The National Congress was founded in Salt Lake City on September 15, 16, and 17, 1891. A reading of the proceedings of that and subsequent sessions of the Irrigation Congress makes it clear that economic development of the West was the objective of reclamation. The National Irrigation Congess voted initially to ask the Federal Government to cede the federally owned lands in each State to the States, so that they might be sold and the funds used by the States for irrigation development. The Irrigation Congress in the ensuing years abandoned its request for cession of the Federal lands to the States and adopted a different course—Federal construction of irrigation projects. The important thing was to get economic development started and the National Irrigation Congress did not much care how this was to be brought about. They were flexible in outlook.

Elwood Mead, who later was to play a leading role in reclamation and is one of the best known of the Commissioners of Reclamation, told the Trans-Mississippi Commercial Congress in Houston in 1900:

> The potentials of irrigation are, however, to be measured not alone by the possible extent of the agricultural industry, but by the development of other resources which they will make feasible. The best and largest use of the grazing lands, the utilization of the forest, the development of mines and quarries *and the maintenance of railroads and commerce in the western half of the United States*, all hinge upon the control and use of the streams in connection with the fundamental industry of agriculture. Since irrigation is essential to agriculture and the arid states, the extent and character of its development must surely measure the superstructure to be built upon that foundation. [Emphasis added.]

The Trans-Mississippi Commercial Congress, at the aforementioned convention in Cripple Creek, adopted a resolution calling for the reclamation of arid lands, and included as its justification:

> The settlement of these arid lands would create new population in the West, and new home markets for our American manufacturers and merchants with marvelous rapidity, and would stimulate prosperity in every section of the country and among all classes of the American people.
>
> The development of agriculture on irrigable lands of the West would greatly stimulate mining and the construction of new transportation facilities, and increase the home demand for the products of the western farmers in the mining regions of the West.
>
> The countless millions of Asia would absorb all of the surplus of the ordinary farm products of the irrigated lands of the West, so that any competition between the farmers of the West and farmers of the East would be absolutely impossible.

The program favored by the Trans-Mississippi Commercial Congress was to bring water to the land, which would be made available for settlers "who will go upon the land and build their homes there, thus opening up opportunities for millions now homeless, and giving to everyone who wants it a chance to get a home on the land, thereby creating a dense population in the arid region, which will enormously increase the home markets for the products of all eastern factories and contribute to the general prosperity of the entire country."

On March 28, 1902, the Arizona Gazette carried an article with a Washington dateline which said:

> George H. Maxwell, executive chairman of the National Irrigation Association, has returned to Washington after an absence of several weeks in the West. The change in public sentiment throughout the eastern states in the last two years in favor of national irrigation, which has found marked expression in the present session of Congress, is conceded to be largely due to the work of this national association, *a majority of which represent the largest commercial and manufacturing concerns in the country.* [Emphasis added]

In a later paragraph, Mr. Maxwell is quoted:

> The whole strength of the irrigation movement in the East, and the reason for its remarkable growth, *has been the confidence of the business interest of the East that it was a movement which was really and genuinely proposing to make opportunities for settlers and create dense populations and make new markets*, and that men who wanted to build homes would have the benefit of the opportunities created by the government appropriations. [Emphasis added.]

After the passage of the Reclamation Act of 1902, the Trans-Mississippi Commercial Congress met in St. Paul. At that meeting, W. H. Wooldridge of Hinsdale, Mont., discussed the pitfalls confronting the West if sectional rivalries developed over which reclamation projects should be built first. He urged the delegates to the Commercial Congress to take a tolerant view of the interest of easterners in setting the priorities. He said:

> The passage of the irrigation bill *was secured largely through the efforts of the eastern business men and manufacturers* and through the National Irrigation Association, of which most of these business men and manufacturers are members. It is safe to say that without the aid of this association, no irrigation legislation would have been possible. It was their fight and they won it. This being the case, is it not safe to leave the manner of the inauguration of the work to the same source? *Montana people are interested in the fullest possible development of the entire Western country.* It matters not to us what particular section or locality is recognized first. [Emphasis added.]

Evidence that the West was crying for economic development was abundant. The East was becoming crowded and the westward migration was underway and intensifying. Jobs and industry were necessary in the West. There was an increasing demand for port and railroad facilities to expand trade with Asia. The political leaders of the Western States and territories were pressing the Federal Government for new opportunities for expanded commerce. Earlier legislation—Desert Land Act and the Carey Act, among others—had not done the job. Pressure mounted for Government development of the major irrigation resources in the West. It was the railroads who were pushing the irrigation legislation, said the opponents.

There is no disagreement that there were many and repeated expressions of concern over absentee ownership and speculation. But those words, as used in the closing years of the 19th century, had an entirely different meaning than they do today. The concern then was that absentee owners would retard western development by reaping where they had not sown. Today, the criticism of "absentee owners and speculators," which in fact are largely nonexistent, is that they are too eager to expand economic development.

One example of the problems caused by speculators was cited by Elwood Mead, who was territorial engineer for the Wyoming Territory, when he appeared before the Senate select committee in Cheyenne on September 17, 1889. He said:

> Unfortunately, the building of large canals to furnish water to the settlers on public lands gives rise to a condition of affairs which, while well understood here, is apparently not appreciated elsewhere. Before the canal is built, these lands are valuable only for grazing purposes, which value in most cases does not exceed 50 cents per acre.
>
> The construction of a canal, however, carries with it the assurance of their reclamation, enhancing their value to that of farming land, so that without the purchase of a water right or without the owner of those lands having in any way contributed to their improvement, their value is increased at a low estimate from $5 to $15 per acre. This unearned increment is due entirely to the expenditure and efforts of the ditch company which expects its return from the rentals of water to the settlers on the lands thus made susceptible of cultivation. If therefore all filings under the ditch were made by persons expecting to become cultivators of the soil, and who would at once become users of the water, no harm would come.
>
> Unfortunately, however, our land laws make possible an entirely different result. This increase in value resulting from the construction of the ditch is a rich field for the speculator. Parties having no desire or intention of becoming farmers can through the Pre-Emption Law, the Homestead Law, and the Timber Culture Law obtain possession of 480 acres of this land without having to rent a gallon of water from the ditch company or in any way contribute to its maintenance or advantage. By the expenditure of 25 cents an acre, they can in the same way obtain a three years' option on 640 acres additional by desert entry. Thus it is that over 1,000 acres of land are withdrawn from honest settlement and the speculator or entryman is in a position to blackmail the ditch company as it is only by its buying him out and disposing of the land to bona fide farmers that it can derive any income from the water supply.
>
> This situation of affairs has made it impossible in this territory to construct large ditches simply as common carriers of water. The success of the enterprise makes it necessary that the lands should at once be brought under cultivation, and to accomplish this there must be some control over their settlement. This neither the ditch company nor the authorities can attempt at present.

In other instances, a company would go out and develop an irrigation system—with private capital and watered stock—in expectation that they could then sell the land to settlers at high prices and sell or "rent" the water to them. Most of these speculative ventures went broke because either the people who bought land were not willing to endure the rigors of an agricultural life or they were ill-equipped to do so even if they had the spirit. Water "rents" are still a part of the jargon of irrigation in the West.

Speculation in public lands was not limited to eastern syndicates, Wall Street bankers, or any of the other assorted competitors of that or any other age. Individuals and families did the same thing. Many families claimed two or more separate parcels of land, farmed the one and held the other in the expectation that it should appreciate in value and bring a handsome profit when it was sold. Others claimed multiple parcels under different laws and then sold one or more parcels in order to raise the capital to develop the other.

For someone interested in a challenging intellectual assignment, an effort to rewrite the history of the Reclamation Act of 1902 in such a way that it will support the sociological objectives of the 1980's may have a certain allure, but the fact is that there is scant evidence of any clear direction from the Congress about what the specific "intent" was.

Here is President Theodore Roosevelt's celebrated declaration on reclamation law and settlement:

> *The reclamation and settlement of the arid lands will enrich every portion of our country, just as the settlement of the Ohio and Mississippi valleys brought prosperity to the Atlantic states. The increased demand for manufactured articles will stimulate industrial production, while wider home markets and the trade of Asia will consume the larger food supplies and effectually prevent Western competition with Eastern agriculture. Indeed, the products of irrigation will be consumed chiefly in upbuilding local centers of mining and other industries, which would otherwise not come into existence at all.* Our people as a whole will profit, for successful home making is but another name for the upbuilding of the nation. [Emphasis added.]

Rather than being narrow in scope, as some would have it, President Roosevelt's concerns were sweeping and reflected the truly national character of the new irrigation program.

And in a report to the Congress in November of 1902, reporting on the first few months of work under the Reclamation Act of 1902, the Director of the U.S. Geological Survey said (with clairvoyant insight):

> The law is so general in its terms that its success or failure may be said to rest almost wholly upon its administration. Congress has practically committed the whole matter to the Secretary of the Interior, and a volume might be, and probably at some time will be, written regarding the almost innumerable details which are not touched upon in the law.

In short, the 1902 act looks upon the farmer and his family as an economic and not a social unit, so to speak.

Thus the whole line of argument that the 1902 act requires a limitation on leasing is without historical foundation. The pricing structure in the bill, requiring a higher price for water to be paid by farmers operating farms larger than 960 acres, is an offshoot of that line of argument. Since the 1902 act was silent on leasing, I prefer to think that the due process clause of the U.S. Constitution bars any limitation on leasing, which the critics have so long suggested was inherent in the 1902 act.

CORPS OF ENGINEERS EXEMPTION

Let us now turn our attention to a particular part of the bill, section 202, which exempts projects constructed by the Army Corps of Engineers from the application of reclamation law, with certain exceptions. The Kings River in California, especially, has drawn the criticism of social reformers, and indeed is the subject of a lawsuit even to this day. But a review of the history of the 1944 Flood Control Act clearly reveals that reclamation law was never intended to be applied to the Kings River, or the Kern, Tule, and Kaweah Rivers.

Mr. Chairman, let us now turn to the history of the 1944 Flood Control Act in respect to reclamation and the Tulare Lake case.

Section 202 of the committee bill exempts without exception all projects constructed and operated by the U.S. Army Corps of Engineers under the 1944 Flood Control Act, from reclamation law.

The purpose of the corps exemption is to clarify that merely because a dam and reservoir built and operated by the corps has an irrigation function; it is not for that reason alone subject to Federal reclamation law. Instead, reclamation law can only apply lawfully under any one of two criteria: First, explicit statutory language designates the project as reclamation; or second, in addition to project works constructed by the corps, the Secretary of the Interior has provided works for an agricultural water supply.

The corps exemption was installed to clarify the existing law that was confused by the Ninth Circuit in *United States* v. *Tulare Lake Canal Company.* 535 F. 2d 1093 (9th Cir. 1976). Tulare Lake misconstrued congressional intent of the Flood Control Act of 1944 and the plain statutory language of section 8 to conclude that all or any corps projects having an irrigation function are, without more, subject to reclamation law.

The 1944 Flood Control Act in generic language authorized some 90 flood control projects, all across the United States.

In so doing, Congress created a class of equals in each and every project.

Thus Tulare Lake's application of reclamation law to corps projects must obtain not only throughout the ninth circuit (California, Washington, Idaho, Oregon, Nevada, Arizona, Montana, Alaska, Hawaii, and Guam) but also must serve as highest precedent throughout the United States, a subject of a writ of mandamus privately initiated.

At present, however, Tulare Lake is a test case, and the party at bar is the landowners of the Tulare Lake basin, a 200,000-acre land-locked flood plain into which the Kings River finally empties. Thus in particular, the Court applied reclamation law to all lands supplied with water from the Kings River, on which the corps has constructed and operates the Pine Flat Dam.

Both House and Senate committees received detailed testimony and written submissions regarding the specially adverse impact of reclamation law's application to both the large and small landowners on the Kings River.

In the last Congress, the full House committee rejected two amendments offered during markup to exclude Kings River from the corps exemption first by implicit then by explicit reference. The committee's rejection of the amendments was grounded principally on constitutional grounds, making it unnecessary to restate during markup all of the numerous factual and equitable grounds contained in the hearing record. The amendments would have violated:

First. Due process and equal protection concepts under the fifth amendment; and

Second. Article 1, section 9's prohibition against the enactment of bills of attainder.

The committee's action to keep the Kings River in the general corps exemption is discussed as follows:

I. Factual and Equitable Justification,

II. Constitutional Bar to the Exclusion of Kings River; and

III. Legislative History of Section 8 of the Flood Control Act of 1944.

IV. Letter from former Secretary of the Interior, Cecil D. Andrus, to Hon. Morris K. Udall, recommending that the Kings River be granted an exemption from reclamation law, of November 19, 1980.

V. Chart showing recent flooding in Tulare Lake Basin.

The principles discussed apply not only to any attempt to exclude the Kings River from the Corps exemption, but as well as the Kern, Tule, and Kaweah Rivers, or any other selected group from the general class of projects created by the 1944 Flood Control Act.

Confronted with a general Corps exemption that does not legislatively apply to one or a few among a class of equals, it is most likely that the courts would either strike down the exceptions or strike down the general exemption itself.

I. FACTUAL AND EQUITABLF JUSTIFICATION

OUTLINE

I. The 1944 House Flood Control Committee Report made clear the Kings River landowners' understanding that if the Corps built the dam, reclamation law would not apply:

"Local (Kings River) interests are so strongly in opposition to a project built under reclamation law that they have stated that rather than have the project built by the Bureau of Reclamation they prefer no federal project at all."

2. Under the long-standing reclamation law principle of "payout", the repayment in full of allocated construction cost would cause acreage limitations to be permanently removed:

A. Kings River landowners relied in good faith on the repeated written assurances by the Interior Department (copies of which are appended) that "payout" would occur upon repayment, including the written official representations of:

The Interior Department's Secretary on November 2, 1950; March 2, 1954; and July 12, 1957.

The Commissioner of the Bureau of Reclamation on January 18, 1952 and November 9, 1952.

The Assistant Interior Secretary on May 5, 1954 and May 19, 1954.

The Interior Solicitor on August 9, 1957 and January 3, 1961.

B. The history of the Federal government's assertions of the validity of payout has been traced over half a century in a lengthy and detailed legal memorandum included in the hearing record;

C. Repayment eliminates the so-called "Federal subsidy" justifying acreage limitations under reclamation law; and

D. Twenty-two of the twenty-eight Kings River water districts have fully repaid a sum in excess of $12 million.

3. Because Kings River, like other Corps projects, has none of the fundamental reclamation characteristics, the application of reclamation law produces practical absurdities:

A. The project did not supplement nor did it add new water to the existing water supply;

B. The project did not irrigate arid or semi-arid lands, since the area was fully developed agriculturally long before the project was authorized;

C. The project did not bring additional public or private lands into irrigation;

D. The project did not add or improve any water distribution works, because an efficient and privately owned distribution system, built at a cost to private interests of almost twice the project cost, was operational before the project;

E. The landowners' water rights were perfected before the project was authorized, and are the same as the water rights under California State law which the June 16, 1980, Supreme Court landmark decision in *Bryant* v. *Yellen* (No. 79-421), the so-called Imperial Valley case, held to be so superior as to render acreage limitations inapplicable to the Imperial Valley's pure reclamation project;

F. The project was built as a flood control project but nonetheless, frequent serious flooding still occurs;

G. The project's irrigation functions are incidental; and

H. The Federal government owns no water or water rights of the Kings River.

4. The application of reclamation law in Kings River would be detrimental to all landowners, large and small:

A. Landowners owning excess acreage, the Ninth Circuit conceded in Tulare Lake, can choose not to use the storage and controlled water release services of the project, by-pass the dam, and by their so taking their water "free-flow", reclamation law will not attach;

B. If forced to choose, the large landowners will take their water "free-flow" to avoid reclamation law and the need to sell their land;

C. Without the large landowners' water to carry small landowners' water downstream during the dry months in the growing season, the small landowners will have more serious water loss through water seepage and evaporation, and, therefore, the important water conservation needs of all landowners on the Kings River will be defeated;

D. The surface water lost by small landowners because of "free-flow" will require them to undertake the expensive pumping of water from the underground supply, which is already dangerously low;

E. Because the large landowners, particularly in the Tulare Lake Basin, can store their "free-flow" water on their lands, the small landowners least able to bear the resulting financial burden will be the far more injured parties; and

F. The Water interests of Kings River's 20,000 large and small landowners are, therefore, mutually dependent, and all seek relief through the exemption.

6. The California State Legislature Joint Resolution passed in July, 1979, by a nearly unanimous combined vote of 112-2, petitioned the Congress to grant Kings River a reclamation law exemption (a copy of the full resolution is appended), the conclusion states:

"Resolved by the Assembly and Senate of the State of California, jointly, That the Legislature of the State of California respectfully memorializes the President and the Congress of the United States to enact legislation to specifically exempt the Kings River service area from the provisions of reclamation law. . . ."

II. CONSTITUTIONAL BAR TO THE EXCLUSION OF KINGS RIVER

Legislation that should exclude from the Corps exemption the Kings River, or other California Corps projects on the Kern, Kaweah or Tule Rivers, or legislation that attaches special conditions on the landowners for according them relief, while providing an unconditional and full exemption to all other similar Corps projects in other states that have an irrigation function, would be unconstitutional on its face. These would be unequal treatment of a selected member of a class of equals. Thus in a bill that should single out Kings River or the other California Corps project for special adverse treatment would violate:

(1) The Fifth Amendment guarantees of Due Process and equal protection, since such discriminatory legislative action is unreasonable, arbitrary, and capricious by its denial of equal treatment to equals; and

(2) Article I, Section 9's prohibition against the enactment of Bills of Attainder, because the exclusion in this context constitutes a legislative punishment by (a) interfering with property rights, (b) failing to further a lawful nonpunitive legislative purpose, and (c) implementing the proponents of the amendment's sole intent to punish identifiable parties.

1. Fifth Amendment Due Process and Equal Protection.—During the full Committee mark-up last Congress amendments to exclude Kings River from the Corps exemption were rejected principally on the grounds that they were unconstitutional and, therefore, unlawful. As the Supreme Court has long recognized, the guarantee of Due Process "secure(s) equality of law in the sense that it makes a required minimum of protection . . . which the legislature may not withhold." *Truax* v. *Corrigan*, 257 U.S. 312, 332, (1921). The Supreme Court has recognized that the Fifth Amendment guarantees equality to equals, in effect, equal protection. *See, Weinberger* v. *Wisenfeld*, 420 U.S. 636, 638 n. 2 (1975). Since the Flood Control Act of 1944 and subsequent flood control enactments authorized numerous Corps projects in other states with irrigation functions, including the Kings River Corps project, the law establishes a class of equals. Denial of reform to only one or a few of the projects in this class is a patent denial of equal treatment.

In *United States* v. *Tulare Lake Canal Company*, 535 F. 2d 1092 (9th Cir. 1976), the Ninth Circuit Court of Appeals held under Section 8 that *all* Corps projects having an irrigation function and created under the 1944 Flood Control Act are a class of equals, thereby necessitating the application of Reclamation Law to all:

"[The third sentence of Section 8] provides that *all* dams operated under the direction of the Secretary [of the Army] are to be utilized for irrigation only in conformity with the section, *i.e.*, under the reclamation laws; thus bringing under those laws dams for which no additional irrigation facilities are required." *Id.* at 1116.

The third sentence of Section 8 provides:

"Dams and reservoirs operated under the direction of the Secretary of the Army may be utilized after December 22, 1944, for irrigation purposes only in conformity with the provisions of this section, but the foregoing requirement shall not prejudice lawful uses now existing. *Provided*, That this section shall not apply to any dam or reservoir heretofore constructed in whole or in part by the Army engineers, which provided conservation storage of water for irrigation purposes." 43 U.S.C., sec. 390.

The Court's interpretation of Section 8 clearly pronounces a rule of general application, and not one applicable merely to Kings River or other California Corps projects alone.

Moreover, a significant analogy can be drawn between the discriminatory treatment of the four California Corps projects in last Congress' Senate version, S. 14, and the attempted amendment to the bill to deny Kings River equal treatment to all other Corps projects, and the legislation held unconstitutional by the Supreme Court in *Cotting* v. *Goddard*, 183 U.S. 79 (1901). In *Cotting*, the Supreme Court held that a state legislative enactment purporting to regulate a particular class of business, but in operation restricting by regulation only one company in the class, was unconstitutional as a violation of equal protection. The Court found that the legislation in question did not simply affect different companies differently in its indirect results. Nor was the classification based upon inherent differences in the character of the businesses. Rather, the legislation was unlawful as a positive and direct discrimination between persons engaged in the same class of business. *Id.* at 114-15.

While congress has the power to distinguish between competing interests in legislation in order to achieve broad public policy goals, the prerogative is limited by the Due Process Clause of the Fifth Amendment. Due Process secures equal treatment for equals under law, and it requires that the means selected to achieve a lawful legislative goal must have a real and substantial relation to the constitutional object sought to be obtained. that standard is not and cannot be met here since neither the legislative goal nor the means selected are lawful. No Congressional finding of fact or statement of purpose for reforming reclamation law has been, or can be, advanced to justify singling out the small and large Kings River landowners for a denial of the relief accorded to all other similar, flood control project landowners. Rather, the evidence developed during extensive congressional hearings suggests simply the reverse. Hence, any attempt to discriminate against the Kings River landowners should constitute the unreasonable, aribitrary and capricious legislation that the courts would be required to overturn.

2. *Bill of Attainder Under Article I, Section 9.*—Legislation that excludes Kings River or other California projects from the Corps exemption by name or description constitutes legislative punishment violative of the constitutional prohibition against Bills of Attainder in Article I, Section 9: "No bill of Attainder or ex post facto law shall be passed". Over one hundred years ago the Supreme Court described a Bill of Attainder as legislative punishment without a judicial trial. *Cummings* v. *Missouri*, 71 U.S. (4 Wall.) 277, 323 (1867). More recently, the Supreme Court in 1965 defined it to mean "legislative punishment, of any form or severity, of specifically designated persons or groups". *United States* v. *Brown*, 381 U.S. 437, 447 (1965). The punishment can be civil or criminal in nature.

If the following two elements are present, the law must be struck as a violation of the Bill of Attainder clause: First, isolation of a defined individual or group; and second, imposition of a type of punishment contemplated by the clause. *Nixon* v. *General Services Administration*, 433 U.S. 425, 469 (1977). Punishment may be recognized under any one of the following three tests: (1) historical experience; (2) function; and (3) legislative motive. *Id.* at 473-83.

The amendments to exclude Kings River by implicit or explicit reference satisfy the first essential element of a Bill of Attainder that the victim be clearly identified. The second essential element of punishment within the meaning of the clause, as articulated in *Nixon*, is satisfied under all three tests.

The historical experience test looks to past legislative abuses of power in the United States and England, including punitive confiscation of property by a sovereign. "A statutory enactment that imposes any of these (traditional property right) sanctions on named or indentifiable individuals would be immediately suspect". *Id.* at 173. The water rights to the Kings River were fully vested and perfected under California state law by private parties before the project was authorized. Acreage limitations, residency requirements and the anti-speculation provisions of reclamation law selectively applied constitute an unlawful interference with judicially recognized property rights in water of both large and small landowners. *See, California* v. *United States*, 438, U.S. 645, 670-673 (1978).

Under the functional test, the inquiry is "whether the law under challenge, viewed in terms of the type and severity of burdens imposed, reasonably can be said to further nonpunitive legislative purposes." 433 U.S. at 475-76. In view of the discriminatory treatment between projects included and excluded from the Corps exemption, without a showing of factual justification on the record, this test is fully met. Moreover, the record is practically uncontradicted as to the factual and equitable justification for an exemption. The amendment's proponents stated no substantive basis in the nature of a non-punitive legislative purpose.

The motivational test "inquir[es] whether the legislative record evinces a congressional intent to punish". 433 U.S. at 478. The record clearly reflects a motivation on the part of the amendments' proponents to prevent certain large landowners in the Tulare Lake Basin from gaining any benefit from the Corps exemption remedy, in full disregard of the factual and equitable circumstances, particularly in regard to small landowners. It is tainted as retaliatory in all respects. The punitive motivation is only heightened by the representations on the hearing record on behalf of small landowners that they will be the most serious victims of the proponents' stated large landowner targets because of the Kings River's natural physical characteristics, including the water supply damage which "free flow" would cause, the resulting further reduction in the precious ground water supply and the economic unfeasibility of farming on a small scale in the Tulare Lake Basin owning to flooding.

LEGISLATIVE HISTORY OF SECTION 8 OF THE FLOOD CONTROL ACT OF 1944

The legislative history of the Flood Control Act of 1944 was repeatedly asserted by critics as grounds that Kings River should be denied reclamation law relief. The factual and equitable grounds for supporting remedial legislation for Kings River go almost wholly uncontradicted.

The critics have relied upon the fallacious reasoning of the legislative history interpretations stated by the Ninth Circuit Court of Appeals in *United States* v. *Tulare Lake Canal Company* and those advanced by the Interior Department in the course of congressional hearings.

Listed below are the principal assertions of legislative purpose and intent made by the Ninth Circuit and stated therein is a brief corrective explanation.

1. *The Hill-Overton Colloquy.*—The Ninth Circuit places great reliance upon the Hill-Overton colloquy during the Senate Debate on the reference version of the Flood Control Act:

"Mr. HILL. There still seems to be confusion on the part of some Senators with reference to the application of reclamation laws in regard to some of these projects.

"I heard the distinguished senior Senator from Louisiana, when the bill was under consideration, and I think he made it very clear. However, I wish to ask this question: Is it not a fact that section 8 of this bill, as agreed to in conference, makes some reclamation laws applicable to the handling of irrigation water of any of the projects, including California projects, where it is found that irrigation may be carried out? I ask the Senator in charge of the bill whether it is not a fact that the President wanted the California project in this bill constructed under the Bureau of Reclamation so that the water policies would conform to reclamation law?

"Mr. OVERTON. The Senator is correct with respect to the projects in the so-called Central Valley of California. The President wrote me and the chairman of the subcommittee in this regard. However, in view of the fact that the Senate amendment made not only the California projects but all such projects subject to irrigation laws, and in view of the fact that the House concurred in this action by agreeing to Section 8 of the Senate bill, I am sure that the President will feel that we have met the problem that he raised. Section 8 of the bill clearly places reclamation uses of water from these projects under the Secretary of the Interior and under the applicable reclamation laws. No project in this bill which may include irrigation features is exempted from the reclamation laws.

"Mr. HILL. I thank the Senator.

"Mr. OVERTON. The Senate amendment made not only the California projects, but all such projects subject to the irrigation law. In view of the fact the House concurred in that action by agreeing to Section 8 of the bill, I am sure the Senator from Alabama will feel that we have met the question which he has raised. As I stated a while ago, Section 8 of the bill clearly places reclamation uses of waters from all projects authorized in this bill under the Secretary of the Interior, and under the applicable reclamation laws." 90 Cong. Rec. 9264 (1944).

As a preliminary matter, it is necessary to point out that this colloquy was "staged", and for that reason it must be discounted. *See*, Nutting, *The Planned Colloquy—What now?*, 46 A.B.A.J. 93 (1960). The colloquy took place after the Senate had completed its consideration of Section 8, and was apparently instigated by the Administration. However, even here Senator Overton remained convinced, as he was at other stages of the debates, that the Interior Department's administration of reclamation law under Section 8 was limited to "surplus water", and in this way, vested water rights would not be interfered with.

If the Hill-Overton colloquy is to be relied upon at all, it must be for the propositions that (a) Section 8 was intended to be applicable to all Corps projects authorized by the 1944 Act; and (b) that "reclamation uses", meaning "surplus water", should be subject to the reclamation law jurisdiction of the Interior Department. He did not intend that vested water rights should be impaired. By the term "surplus water" he meant water made available by the project to which there was no vested right under state law. This is the only meaning which comports with the Members' understandings, sprinkled thoughout the debates, that vested water rights would not be interfered with, a legal concept which Western State Members were plainly aware, but more importantly, of which they were very protective.

"Surplus water" was under the Interior Department's jurisdiction, as Senator Overton understood the operation of Section 8 in the Senate version:

"Of course, the Senate will understand that, insofar as irrigation is concerned, all *surplus water* which can be used for irrigation is turned over to the Department of the Interior, and the method of irrigation and the operation of the irrigation works are under the control of the Department of the Interior." 90 Cong. Rec. 8625 (italic added).

Senator Overton associated "reclamation use" with Bureau of Reclamation jurisdiction, so that projects having predominant "reclamation uses" would be build by the Bureau, and those not having dominant "reclamation uses" would be built by the Corps under the inter-agency pack resolving the Corps-Bureau rift. To the extent of "surplus water", then, a Corps project would have a "reclamation use". Consider, the above with the following statement by Senator Overton in an exchange with Senator Murray:

"In the joint report submitted as a result of a conference and agreement between the Bureau of Reclamation and the Army engineers that policy has been carried out, and the reservoirs in which the predominant interest is conservation, irrigation, and reclamation are to be under the control of the Bureau of Reclamation and the Department of the Interior. Those in which navigation and flood control predominate are to be under the control and operation of the Army engineers. I think what the President has said is fair, and that policy is the one which is being pursued." 90 Cong. Rec. 8625.

"Surplus water" was defined in the course of House debates on a section related to the House version of Section 8. Congressman Whittington, Chairman of the House Flood Control Committee which reported out the Flood Control Bill, was questioned by Congressman Chenoweth:

"Mr. CHENOWETH. Will the gentleman define the word "surplus" used in Section 4 in referring to *surplus water?* In the West we have the doctrine of appropriation, for all water in a stream is appropriated. I anticipated a flood-control project where that water would be stored temporarily. *It would not be surplus water. It is appropriated for irrigation purposes. The gentleman does not mean to interfere with any appropriated water?*

"Mr. WHITTINGTON. No. I would think that this had primary reference to reservoirs for flood control. My general judgment, in answer to the gentleman's question, is that practically all of that water is surplus, and that may be disposed of, if the reservoir is for flood control." 90 Cong. Rec. 4125 (italic added).

Congressman Chenoweth subsequently stated:

"Mr. CHENOWETH. The gentleman from Nebraska is a recognized authority on irrigation law. He comes from an irrigation State. I would like to ask a question or two in order to clear up a couple of paragraphs here. The first is in respect to Section 4 where the Secretary of War is authorized to sell *surplus water.* What is the gentleman's observation as to *surplus water?* In our area all water has been appropriated, including floodwaters. They will be temporarily captured and placed in reserve, but would not be subject to sale. They belong to the appropriators who have already complied with statutes in appropriating it.

"Mr. CURTIS. It would be my opinion that water appropriated for irrigation is not *surplus water.*" 90 Cong. Rec. 4133. (italic added).

The Senate adopted the Committee amendment of Section 8, as proposed by Senator Overton, stated by him to be word for word as recommended by Interior Secretary Ickes, 90 Cong. Rec. 8550, as provided in relevant part:

"Dams and reservoirs operated under the direction of the Secretary of War may be utilized hereafter for irrigation purposes only in conformity with the provisions of this section, but the foregoing requirement shall not prejudice lawful uses now existing." 90 Cong. Rec. 8552.

The relevant language of section 8 as enacted provides:

"Dams and reservoirs operated under the direction of the Secretary of War may be utilized hereafter for irrigation purposes only in conformity with the provisions of this section, but the foregoing requirement shall not prejudice lawful uses now existing. Flood Control Act, ch. 665, § 8.58 Stat. 891 (1944) (current version at 43 U.S.C.A. § 390 (1979))."

The only mention of Section 8 during the Senate floor consideration of the Conference version was the staged Hill-Overton colloquy. The understanding in the Senate was clear: Corps dams and reserviors were subject to reclamation law only as to "surplus water". If the conference version changed that, it was not brought to the Senate's attention. The Conference Report language was cloudy on the essential "surplus water" issue.

"Amendment No. 17: This amendment of the Senate replaces Section 8 of the House approved bill with certain modified language substantially as required by the Secretary of the Interior and constitutes Section 8 of the Senate approved bill. The Senate language will provide for more effective administration in relation to the various technical features of the Federal reclamation law. It establishes a procedure for the utilization of multiple-purpose projects for irrigation purposes when the Secretary of War determines upon recommendations of the Secretary of the Interior that a project operated under the direction of the Secretary of War may be utilized for irrigation purposes." H.R. Rep. No. 2051, 78th Cong. 2d Sess. 7 (1944).

The Administration's tactics were transparent. The Senate version of Section 8 was advanced, argued, and explained by Commerce Committee Chairman Overton. It was Senator Overton himself who asserted the "surplus water" argument. It was also Senator Overton who explained that the Senate version was word for word that of Interior Secretary Ickes. The Conference Committee report states that its version was substantially as requested by Secretary Ickes. This must, of course, cause the drafter's intent to be discounted. The rule stated by Sutherland, and explained more fully in part 2 below, would make reliance on the Secretary's intent impermissible.

2. *Reliance Upon the Administration's Written Correspondence.*—The Ninth Circuit placed great weight on the presumption that the Administration's interpretation and intent in drafting Section 8 was, a fortiore, adopted by the Congress. The *Tulare Lake* opinion's legislative history, 535 F.2d at 1098-1118, repeatedly cites and quotes the written correspondence to the Congress over the signatures of President Roosevelt and Interior Secretary Ickes. The Court states that these writings, in addition to those of Commissioner Bashore of the Bureau of Reclamation, were looked to to determine that acreage limitations were applicable to Kings River. *Id.* at 1099

The Court's strong reliance on these writings was erroneous. The Administration does not make law; the Congress does. The use of extra-legislative source materials expressing the views of the draftsmen has no binding legal force. As an exception to the general rule, weight can be properly attached to the drafter's views only if those views were clearly and prominently conveyed to the Congress during consideration of the bill, provided that there is reason to believe from the record that (1) the legislators' understanding of the bill was influenced by the drafter's communicated views and (2) the communication was so visible to the Members that the drafter's intent was understood in the context of the statutory language. 2A Sutherland, *Statutes and Statutory Construction* §48.12 (4th ed. 1973). These elements were not met.

The letters regarding acreage limitations and residency requirements, or any other limitations under reclamation law, were not a matter of debate at the time the letters were introduced into the record, or read. There is no basis whatsoever to conclude that the Members were fully informed or plainly understood the reclamation implications of Section 8. The debates make clear that the Members believed that vested water rights would remain intact and unencumbered. There is totally absent any evidence that the Members believed anything other than that if reclamation law were to be applicable to a Corps dam, it would be to "surplus water" or "reclamation water" only. This is the only interpretation that comports with the repeatedly expressed concerns for the possibility which vested water rights would be interfered with and the assurances by spokesmen for the bill that they would not. See, e.g., 90 Cong. Rec. 4125, 4141, 8428, 8616-17.

Interior Secretary Ickes was intent on making a record in order to shape legislative history. If for no other reason, his views, and those of President Roosevelt, were orchestrated to undo the fatal failure of their effort over a period of years to have all projects in the San Joaquin Valley, like the Central Valley of California built and operated by the Bureau. They failed in that attempt. Senator Bailey stated of Secretary Ickes: "He is clearly a partisan in matters of this type, and I believe I am safe in saying that he is something of a crusader. The judgment of partisans and crusaders is

always to be respected . . . but *they are not, by any means to be trusted.*" 90 Cong. Rec. 8316 (italic added).

3. *The Kings River Amendment.*—The *Tulare Lake* decision states that on the Senate floor a final attempt was made to bar the application of acreage limitations to the California projects authorized by the 1944 Act but that they were unsuccessful. 535 F.2d at 1108.

The Ninth Circuit is in error. There was no specific amendment offered to exempt Kings River, or the Kern, Kaweah, and Tule River projects, from the acreage limitations. The only possibly relevant amendments were those offered by Senator O'Mahoney and Senator Murray, but they are not on point.

Senator O'Mahoney offered an amendment to authorize the Secretary of the Army, the Corps, to make contracts for the use of "surplus water". 90 Cong. Rec. 8548. He also offered an amendment to Section 8 so that it "shall not apply to any dam or reservoir heretofore or *hereafter* constructed which supplements locally operated irrigation systems or other locally operated water facilities. . . ." 90 Cong. Rec. 8550. The amendments were not voted on. The amendments were referred to the Committee on Irrigation and Reclamation without objection. 90 Cong. Rec. 8850.

The other error is more apparent. It is a fact that Senator Murray offered an amendment to delete from the bill the Corps projects for the Kings, Kern, Kaweah, and Tule Rivers, not to save those projects from Section 8, but rather so that they could be "planned, designed, constructed, operated, and maintained as an integral part of the Central Valley project by the Bureau of Reclamation in accordance with established policies of the Bureau of Reclamation." 90 Cong. Rec. 8622-8623. This was a Roosevelt Administration inspired amendment and it was rejected. The Roosevelt Administration had consistently failed heretofore to have the projects for the four rivers included in the Central Valley project, a pure Bureau of Reclamation undertaking.

It is important to point out that in response to Senator Murray's defeated amendments, a victory and not a loss for Kings River, Senator Overton restated his understanding of "surplus water" in the context of Section 8:

"The able junior Senator from Montana has made considerable comment in reference to the Sacramento and San Joaquin Rivers and the Central Valley, in California. The principle to which I have just referred was carried out in respect to the projects contained in the bill which were authorized for those streams. The testimony shows, I think rather conclusively, that the projects herein authorized to be constructed by the Army engineers are some in which flood control predominates over irrigation. Of course, the Senate will understand that, insofar as irrigation is concerned, *all surplus water* which can be used for irrigation is turned over to the Department of the Interior, and the method of irrigation and the operation of the irrigation works are under the control of the Department of the Interior.

* * * * *

"Mr. President, the Assistant Chief of Engineers, as well as all the engineers who appeared before our committee, stated that they had absolutely no objections whatsoever to the irrigation and power amendments which were suggested by the Secretary of the Interior. They were similar to those suggested by the Senator from Montana, and were subsequently incorporated in the pending bill. The engineers stated that they were perfectly willing to turn over to the Department of the Interior control of the power generated for distribution, and were perfectly willing to turnover to the Bureau of Reclamation the distribution of *all surplus water* held back by the dams constructed by them, for distribution of which would come under the reclamation law, or would follow whatever method Congress might determine upon." 90 Cong. Rec. 8625 (italic added).

It deserves noting that the Supreme Court, in recently reversing the Ninth Circuit in the Imperial Valley decision, *Bryant* v. *Yellen*, No. 79-421 (S. Ct. June 16, 1980) stated that:

"[S]tatements by the opponents of a bill and failure to enact suggested amendments, although they have some weight, are not the most reliable indications of congressional intention. *Ernest & Ernest* v. *Hochfelder*, 425 U.S. 185, 204, N.24 (1976); *Red Lion Broadcasting* Co. v. *FCC*, 395 U.S. 367, 381-382, N.11 (1969). *Bryant*, Slip op. at 23."

4. *Section 8 Was Doomed At the Outset.*—Section 8 was born in several different versions, confusing technical water law terminology with the result that the inequities caused over the years now require this Congress' clarification.

Senator Bankhead, Chairman of the Committee on Irrigation and Reclamation gave a forceful warning to the serious implications of wedding reclamation law to a flood control bill through Section 8:

"If we proceed to enact legislation in this important field by this sort of method, by what might be called a rider to a flood-control program, without any hearing, without any consideration by the committee which has complete jurisdiction on the subject, *I submit to the friends of the principle of the irrigation and reclamation laws that they are entering upon a most dangerous proceeding and one which may sooner or later lead to the wreckage of the entire reclamation program.*" 90 Cong Rec. 8549 (emphasis added).

Senator Bankhead's prophecy was apparently correct.

5. *The Kings River Corps Project's Predominant Purpose.*—The Corps study, which laid the basis for the Kings River Project, judged flood control to be the dominant purpose of the dam. H. Doc. No. 630, 76th Cong., 3d Sess. 9 (1940). In considering authorization of Corps projects, including Kings River, the Senate floor manager for the Flood Control Act of 1944 recognized that Corps projects principally protected against floods, 90 Cong. Rec. 8625. Even today, the law authorizing the construction of dams under the Flood Control Act requires that flood control purposes predominate. 33 U.S.C. §§701, 701a.

Discussion of the Kings River Issue.—The Ninth Circuit states that both the Administration and the Kings River's views were exhaustively considered. The debates and reports do not support that statement. There is almost total lack of discussion of acreage limitations in particular. It is also true that both sides did not exhaustively state their case. Because the Corps was to build the project, Kings River did not anticipate reclamation law problems. In addition, all the Kings River water interests had vested before 1944, so that "surplus water" uses did not pose a problem. Indeed, no Kings River spokesman was necessary nor was one needed for all other California Corps projects. The Kings, Kern, Kaweah and Tule River projects did not require a member's active lobby; the only active lobby which existed was the one confined to Administration written correspondence. In effect, the Administration's attempt to write legislative history was self-serving and without legal significance.

7. *Contrasting language.* Subsection 202(a)(1) excepts the Corps exemption from projects that have ". . . by Federal statute explicitly been designated, made a part of, or integrated with a Federal reclamation project. . . ."

In stark contrast to the language of Section 8 relied upon by the Ninth Circuit, is Section 203 of the Flood Control Act of 1962 (P.L. 87-874, 76 Stat. 1173), applying reclamation law to the New Melones Project constructed by the Corps under the 1944 Flood Control Act:

"The New Melones project . . . is hereby modified substantially . . . *Provided*, That upon completion of construction of the dam and powerplant by the Corps of Engineers, the *project shall become an integral part of the Central Valley project and be operated and maintained by the Secretary of the Interior pursuant to the Federal reclamation laws.* . . . [Emphasis added.]

No statutory language even coming close to this exists in respect to the Kings River; certainly not Section 8. The contrasting language of the 1944 and the 1962 Flood Control Acts clearly shows Congress' intention to apply Reclamation law in the latter, and not in the former, case.

IV. LETTER FROM FORMER SECRETARY OF THE INTERIOR, CECIL D. ANDRUS, TO THE HONORABLE MORRIS K. UDALL, RECOMMENDING THAT THE KINGS RIVER BE GRANTED AN EXEMPTION FROM RECLAMATION LAW, OF NOVEMBER 19, 1980

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., November 19, 1980.

Hon. MORRIS K. UDALL,
Chairman, Committee on Interior and Insular Affairs, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: Your letter of September 30 pertaining to H.R. 6520, the Reclamation Reform Act of 1980, has been held at my desk awaiting an indication that Congress would act on this needed legislation before adjournment. It now appears that the House may well resolve the issue so permit me to respond to the Army Corps' provision of the bill.

Although we oppose the blanket exemption sought by some interests, I have revised our position with regards to the Kings River region in California. This is a unique area and difficult to understand unless you have actually visited the entire project as both you and I have done.

I have concluded that in the Tulare Lake Basin small-scale farming is not economically feasible. The high risk of economic loss is a practical and unavoidable obstacle for which there is no remedy now or in the foreseeable future. Only large farming operations can financially sustain the high costs of diverting the flood waters into selected large tracts of land divided into cells (and have the land to do so). The costs of having this acreage underwater for long periods of time and the financial loss of the crops in the flooded areas are financial risks which can only be offset against other profitable operations. Without large farms in Tulare Lake, large amounts of acreage would not be in agricultural production, and that would in no way further the purposes and goals of the reclamation program.

Based upon additional and confirmed information, we have made two significant factual findings which compel us to support application of a Corps exemption of Kings River.

First, almost 200,000 of the total 1.1 million acres irrigated from the Kings River are located in a flood plain known as Tulare Lake Basin. Despite the construction of the Pine Flat Dam for flood control purposes, this basin continues to be inundated by massive flooding every few years. There is also more frequent and serious flooding between the large flood years, such as this year when there were large crop areas inundated.

Second, in the remaining 80 percent of the area irrigated from the Kings River outside the Tulare Lake Basin, there are over 46,000 nonexcess ownerships that are in farming operations similar to those in most other areas in the Central Valley Project where family farming predominates.

There are 868 owners of excess land in the Kings River service area with the largest in the Tulare Lake Basin where almost one-half of the excess land is situated. These lands are in farm operations which could operate on a "run of the river" schedule and be exempt from Reclamation law, but such a procedure would impair the productivity of the small farm operations that are upstream of the Tulare Lake Basin.

I, therefore, support the exemption of the lands in the Kings River area receiving water from the Corps of Engineers Pine Flat Dam from acreage limitation. To do otherwise would be irresponsible and would most likely jeopardize the many small operators to get at a few large operators.

Sincerely,

CECIL D. ANDRUS,
Secretary of the Interior.

V. CHART SHOWING RECENT FLOODING IN TULARE LAKE BASIN

[Chart not printed in RECORD.]

Mr. Chairman, I urge this House to vote in favor of the bill, as this legislation represents the fairest compromise between two radically different points of view as is practicably possible.

The 1902 act and its progeny were important players in manifest destiny, but it is high time that they be put in their proper resting place in history by this bill, by this Congress, by this Nation which so thoroughly depends on the final product of the land served by reclamation water—food and fiber.

The 1902 act and the 1926 act especially have served this Nation well. Let the 1982 act usher in a new era of prosperity for all.

Mr. KAZEN. Mr. Chairman, will the gentleman yield?

Mr. PASHAYAN. I will be glad to yield to the distinguished chairman of the subcommittee, the gentleman from Texas.

Mr. KAZEN. Mr. Chairman, let me take this opportunity as chairman of the subcommittee to thank the gentleman and express my appreciation to him for the wonderful cooperation which he gave me, as chairman, and the entire committee.

The gentleman's expertise was invaluable. He attended the meetings faithfully, and for that I am very grateful.

Mr. PASHAYAN. Mr. Chairman, your leadership was exemplary. I appreciate your kind remarks.

Mr. MILLER of California. Mr. Chairman, will the gentleman yield?

Mr. PASHAYAN. I yield to the gentleman from California.

Mr. MILLER of California. Mr. Chairman, I also want to join in the remarks of my chairman, and first of all thank the gentleman for his kind remarks on my participation. But let it be known that he has been working for several years now recognizing the tremendous clashes of philosophic views that surround this issue to try to bring people together, and I would have to say that without his participation, it is highly unlikely that we would be here today.

I think that all of us who have been involved in this recognized divergent views of our constituents on this issue, and nevertheless I think we have provided what, in fact, is really a reform piece of legislation.

Mr. PASHAYAN. I appreciate the kind words of my colleague and I reflect the same sentiments to him and to the work he has done.

Mr. CLAUSEN. Mr. Chairman, will the gentleman yield?

Mr. PASHAYAN. I yield to the gentlemen from California.

Mr. CLAUSEN. Mr. Chairman, I just asked the gentleman to yield so that I can add my comments to both the gentleman in the well, Mr. PASHAYAN, and to Mr. MILLER.

They developed a very constructive dialog. At times we had some heated exchanges, but it always ended up as a very constructive dialog and a debate during the course of the deliberation on the legislation. I think it will be recognized that all the way through this process, clearly the gentleman in the well and the gentleman from California (Mr. MILLER) really did yeoman work in terms of utilizing their great legal talents.

Mr. PASHAYAN. I thank my colleague, the distinguished ranking member.

Mr. KAZEN. Mr. Chairman, if the gentleman from California has no more requests for time, I yield such time as he may consume to the distinguished chairman of the full Committee on Interior and Insular Affairs, the gentleman from Arizona (Mr. UDALL) who, as I have previously said, without his leadership it would have been very difficult for us to have reached the compromises and the agreements that are embodied in this bill.

Mr. UDALL. Mr. Chairman, I have been an observer of the House for a long time now. One of the satisfying things about serving on the Committee on Interior and Insular Affairs has been the bipartisan approach we have to most problems, less of the combative arguments that are heard in some of the other committees.

It is true, as so many have said here this afternoon, that we had statesmanship and fairness on both sides of the aisle which enabled us to put together this compromise bill.

The gentleman from Texas (Mr. KAZEN) does not have many reclamation projects in his area or many Indians, for that matter. And yet he has been the leader this year in three major pieces of legislation coming out of the subcommittee.

GEORGE MILLER of California made this whole thing possible by knocking some heads together and talking sense to all of us.

The gentleman from California, Mr. COELHO, and Mr. PASHAYAN, our friend DON CLAUSEN, who brings a great deal of expertise and fairness to this job, and Mr. LUJAN, have also performed exceptional service in helping us put this together.

It took us about 100 years to start on the east coast and to develop America and to settle it. As the development pattern went west, we ran out of land where the Almighty delivered the water you needed for farms. Somewhere in the tier of States, the Dakotas and Nebraska, and Kansas, the patterns shift and there is not enough reliable water from rainfall.

We soon learned if we were going to settle the West and have farming and have a productive country, we were going to have to bring water to the land.

So it was that the 1902 act was enacted as a follow-on to the Homestead Act which has given away millions and millions of acres of publicly owned land to people who would get on the land and work the land and build their homes. And it was a good program. And the reclamation program which extended this idea to the arid States was a good program.

We started out in 1902, as someone said today, with the idea that the 160 acres was a pretty good farm, and it was. A family could live on that.

But times have changed and the country has to change with them. And so we tried these last 5 or 6 years to modernize this act. In fact, I have talked to half-a-dozen Interior Secretaries in my years here. All of them wanted to do it. It seemed insoluble. There were just too many contentious people involved, and interests, and we could not bring it together.

This year in 1982 I think we are going to finally modernize this law and end the confusion and conflict we have had about it.

☐ 1745

Let me say something before we close this debate today to my good friends from the so-called Snow Belt, the Northern States in America. Some

of them have offered amendments and will offer amendments on similar legislation. I hate to see our country regionalized, and regional splits and fights develop, and we have tried to write a piece of legislation here which is fair to the whole country.

It is said by some that there is a subsidy here in this whole Bureau of Reclamation program. We are taxing people in one part of our country to build dams and canals in other parts of our country. It is true, there is a deliberate subsidy to promote the family farm. That is what the 1902 act was all about, to make the desert bloom.

Phoenix, in my State, is one of the major cities in America. There is simply no excuse for a town as big as Phoenix except for one thing: Theodore Roosevelt said, "Let's dam that Salt River and build some canals," and I suspect they take out of Phoenix every week in income taxes from people who would not be there except for that water project, an amount equal to the entire cost of the project.

But we did say in the reclamation law, we said something important. We said, "Yes, there are going to be subsidies here, but they ought to go to farmers, to families, and not to big corporations."

That is the charge that is made over and over again, with some basis that we are all concerned about. We talk about how much repayment we should have, what formula we should have. By and large, a similar function has been performed by the Corps of Engineers in the central and eastern parts of our country, and there has never been any repayment in most of those projects.

As a young boy, when I first started to read the weekly news magazines in the little farm town where I grew up, every spring one would see great floods in Illinois, Missouri, Kansas, Louisiana, and Arkansas. The spring flood was a regular news story, with people out with sandbags like we saw this year in Indiana, and places trying to stop the floods. We do not read that anymore. We do not read those stories in 1982 along the Mississippi and Missouri Rivers at least, where the Corps of Engineers had built these dams which, at public expense, we paid taxes for to see that those lands were not flooded, that farmlands were not destroyed, that communities were not washed out. We ended up in many parts of the East and the Middle West and the TVA region with big dams which provided recreation, provided water supply for our communities, provided for fish and wildlife, and all these other values.

This made us a better and stronger, more prosperous Nation. This was not money wasted. This was money to build up our land and settle America and make it a better country. We never attempted to send a bill to folks in Moline or Memphis, or Keokuk, or Kansas City saying, "Please remit, our dikes and flood control measures have saved you hundreds of millions of dollars."

This was an investment in national productivity. But in the national dialog for the last four or five decades we have had this big conflict that centers largely on the big corporations in America posing as barefoot family farms, getting heavily subsidized water to earn huge profits, largely in California and Arizona and some of the other reclamation States. As I say, these questions have been valid in some cases. There have been big corporations farming several thousand acres and making a lot of money with subsidized water paid for in part by the taxpayers from all over the country.

These abuses needed correction. That is what this bill is all about, in large part. There were abuses, and they should be stopped, and it needs correction. This bill does this job. It does not go as far as some would like, including myself, I suspect, but it is a solid compromise, a bipartisan compromise, and meets the test of ending the abuses and bringing fairness to this program.

It has been mentioned before today, but let me just lay it on the Members one time again, we have changed in this bill from 160 acres as a standard family farm, arbitrarily set, changed it to 960 acres in a day of tractors, big machinery and equipment, and crops that need a lot of land to grow economically. So, 97 percent of all the farms served by Bureau of Reclamation water will be under 960 acres. Write that down: 97 percent of all the farms will be under this new size we legislate for family farms, so we have taken care of most of the farms as far as abuses are concerned.

The other 3 percent of the farms receiving reclamation water have 31 percent of the land, and that is one of the major things we are trying to correct. That is wrong. We concede it. It has been the basis of this legislation, and we get at these 3 percent in two ways. In the first place, we are going to apply the law, and the Secretary will now know he has to stop. They have 10 years to divest themselves of the excess land. This will now be enforced, and the arguments about it will be settled by this legislation. Ten years from now, we will not have anybody over the 960-acre limitation, and so that is done.

I wanted to leave in the RECORD, if I can, a correction on two other points. Yesterday we were asked in the Rules Committee, and will probably get some argument tomorrow, that we were proceeding without the Congressional Budget Office estimate that is required under the rules before we take a bill to the floor. A letter was delivered to me today, dated May 4, from the Director of the Congressional Budget Office. I will put it in the RECORD as the official statement of the Director. The question of cost was raised. I will not read all of it at this time, but just this one point:

> Receipts to the Federal Government from the sale of irrigation water would be affected by this bill as a result of the full cost pricing provisions for water delivered to excess acreages.

The Director says:

> If the full cost of water delivery were received on 325,000 acres (25 percent of the acres identified above), at an average additional payment of $30–$40 per acre, the additional annual receipts to the Federal Government resulting from the full cost provisions of the bill would approach $10-$13 million per year.

The letter says that there could be some small addition to the administrative cost as we get this new system in operation, but this is not a revenue reducer, it is a revenue gainer. This is not costing the taxpayer money, and I hope my colleagues listening in and getting ready to vote on this tomorrow will keep that in mind. We do not cost the taxpayer; indeed, we should get additional money for the taxpayers as a result of this legislation.

Second, we had a good deal of debate, and again last week on another important bill, the Safety of Dams Act, which is critically important, as this act is. The administration had sent up a message that they were against that bill, and I understand behind the rail I think there was an impression around that the administration is also against this bill because it happens to deal with the same subject. I have a letter from the Acting Secretary of the Interior to the Speaker, dated May 5, which I will also put in the RECORD. In part, it says:

> The Administration recognizes the need for reclamation reform legislation and strongly supports congressional efforts to achieve this needed reform. The Administration supports H.R. 5539 and will continue to work with conferees to complete work on this legislation.

So I think, Mr. Chairman, that we bring a meritorious piece of legislation to the committee. I trust that the committee and the House will adopt it and approve it tomorrow.

Mr. Chairman, the letters follow:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, D.C., May 4, 1982.

Hon. MORRIS K. UDALL,
Chairman, Committee on Interior and Insular Affairs, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to Section 403 of the Congressional Budget Act of 1974, the Congressional Budget Office has reviewed H.R. 5539, a bill to amend and supplement the Federal reclamation laws and for other purposes, as ordered reported by the House Committee on Interior and Insular Affairs, March 15, 1982.

Under existing federal reclamation law, individual holdings of lands eligible for irrigation water are limited to 160 acres, and lands in excess of the limit must be disposed of by landholders within a suitable period of time. Although the limitation has not been aggressively enforced by the Bureau of Reclamation, the majority of landholders are in compliance with the law. There is no limit on the acreage allowed for water delivery to leased lands.

Title I of H.R. 5539 gives water districts the choice of continuing existing practices or renegotiating contracts under a new two-tier pricing plan. Under this new plan, a farmer can receive irrigation water at the current "subsidized" rate for a total of 960 acres of Class I lands (or its equivalent for less productive land), whether the lands are owned or leased, and can receive water at the "full cost" price defined in the bill for any additional lands. Under this provision, lands owned in excess of the 960 acre limit must still be placed under recordable contract to be sold. Individual farmers in districts which do not elect the two-tier plan can make an arrangement to do this on their own.

Title II of the bill eliminates the present residency requirement and exempts from acreage limitations certain lands, including those in water districts which have repaid contractual obligations or are served by Corps of Engineers projects. In addition, it authorizes the imposition of civil penalties for noncompliance and establishes hearing procedures for parties who are fined.

Proposed regulations implementing current law were published on August 25, 1977, by the Department of the Interior. These regulations reflect the Bureau's intention to strictly enforce existing law regarding acreage limitations. (If the Congress does not enact this or a similar bill, the proposd regulations are expected to go into effect by fiscal year 1983.) H.R. 5539 will affect both outlays incurred by the Bureau of Reclamation for administration and enforcement and revenues generated by the sale of reclamation water. It is expected that there will be small additional costs associated with contract renegotiations resulting from H.R. 5539. However, total administrative costs expected as a result of enactment of this bill are expected to be slightly less than under the proposed regulations, because under this bill the acreage limitation is increased, many districts are exempted from this limitation, and the current residency requirement is removed. (Such savings are unlikely to be more than $1 million per year.)

Receipts to the federal government from the sale of irrigation water would be affected by this bill as a result of the full cost pricing provisions for water delivered to excess acreages. However, because the bill allows water districts to continue existing practices until contracts are renegotiated (either to take advantage of the provisions of H.R. 5539, or for other reasons), it is impossible to estimate what the budget impact of the full cost pricing provisions will be. Using only the criterion of the size of farm opertions, and excluding Imperial Valley acreage, it appears that no more than 1.3 million acres might be subject to full cost pricing (based on the December 1980 Westwide Report). However, much of this land is served by Corps of Engineers projects or is otherwise exempted by H.R. 5539 from the full cost pricing provisions. In addition, only a small proportion of the eligible acreage might be expected to become subject to the full cost pricing provisions, because the water districts most likely to amend contracts would be those where most operations are under 960 acres.

If the full cost of water delivery were received on 325,000 acres (25 percent of the acres identified above), at an average additinal payment of $30-$40 per acre, the additional annual receipts to the federal government resulting from the full cost provisions of the bill would approach $10-$13 million per year.

Sincerely,

ALICE M. RIVLIN,
Director.

U.S. DEPARTMENT OF THE INTERIOR,
Washington, D.C., May 5, 1982.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: We understand that the House of Representatives will soon consider passage of H.R. 5539, a bill "To amend and supplement the Federal reclamation laws, and for other purposes."

The Administration recognizes the need for reclamation reform legislation and strongly supports Congressional efforts to achieve this needed reform. The Administration supports H.R. 5539 and will continue to work with conferees to complete work on this legislation.

The Office of Management and Budget has advised that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely,

DONALD PAUL HODEL,
Acting Secretary.

Mr. PASHAYAN. Mr. Chairman, will the gentleman yield?

Mr. UDALL. I yield.

Mr. PASHAYAN. Mr. Chairman, I just wanted to compliment the chairman once again for steering a steady course through waters that were turbulent and sometimes troubled, and simply to ask that it be clearly understood that when the chairman mentioned the acreage limitation in terms of ownership coming up from 160 acres to 960 acres, that our colleagues understand exactly what that means; that as the law stands now it is 160 per individual, so that if one had a family of 10 or 15 people, each of those persons individually could own 160 acres and they could have a combined operation in the case of 10 people of 1,600 acres; whereas the 960-acre limit is a limitation on a family unit, so that no family can own more than 960 acres regardless of size. There is that very important condition.

Mr. UDALL. The gentleman makes a very important point, and he has many times in the course of this legislation kept us straight on the details. It was artificial and ridiculous. I own a farm here and I have six children; you have one across the street, and you are childless.

Mr. PASHAYAN. I am also wifeless, Mr. Chairman.

Mr. UDALL. Right, and I get five times the size of farm that you get. So, it should not depend on the number of children. We ought to have a standard family farm unit. The gentleman has helped us get that.

Mr. PASHAYAN. That is what this bill does.

Mr. CLAUSEN. Mr. Chairman, will the gentleman yield?

Mr. UDALL. I yield to the gentleman from California.

Mr. CLAUSEN. Mr. Chairman, I just wanted to state for the record that I, too, have a copy of this letter the gentleman referred to in his remarks, from the Congressional Budget Office. Not only do we concur in the remarks that were contained in the letter itself, but also to verify the basic thrust of the gentleman's remarks where, as I said in my opening remarks, we would have a net gain for the Treasury as contrasted to the current situation where there is a net loss.

I want to compliment the gentleman for his leadership.

Mr. UDALL. I thank the gentleman.

● Mr. SHUMWAY. Mr. Chairman, I rise in support of H.R. 5539, a bill to amend and supplement Federal reclamation laws. This bill addresses one of the most successful programs ever undertaken by the Federal Government—the construction of federally funded irrigation projects. Ever since this program was enacted in 1902, huge tracts of previously unproductive land have converted into fertile acreage. Currently, there are about 150 reclamation projects which irrigate some 12 million acres of private land, or what amounts to approximately 20 percent of the total irrigated cropland in the West. Even though these projects cover only 1 percent of the Nation's farmland, they account for about 10 percent of America's farm production. This translates into a total crop value of $7.4 billion in 1980, at least half of which is produced in my home State of California.

As successful as this program has been, the 1902 Reclamation Act that authorizes the administration of these projects is woefully outdated. As you are well aware, one of this act's major provisions was to restrict the delivery of Federal irrigation water to 160 acres for an individual farmer. The inclusion of this restriction for the purposes of preserving the family farm is certainly a laudable goal and one that I fully support. However, changes in agriculture technology have allowed the family farm to grow in size since the 140-acre average farm that prevailed in 1902. Today, the average family farm is at least three times as large. The bill before us today reflects this trend toward larger farms and if enacted, would bring 97 percent of all Federal irrigated farms into compliance with the proposed 960-acre limitation. The remaining 3 percent which accounts for 30 percent of the total Federal project land would be required to pay full cost for water delivered above the bill's acreage limitation. Thus, while cutting subsidies for the larger agribusinesses, H.R. 5539 still supports the individual family farm

while at the same time recognizing that it has grown larger over the years.

Another aspect of this bill is that it would direct the Department of the Interior to make annual contract adjustments to reflect changes in project operation and maintenance costs. Under present law, O. & M. costs are fixed over the life of the contract and often do not represent actual costs. This provision, in conjunction with the proposed full cost charge for water delivered in excess of the 960-acre limitation, will significantly enhance Treasury revenues—an especially important consideration at a time of severe fiscal restraints.

Mr. SPEAKER, failure to adopt this bill would make a shambles of the reclamation program as currently consitituted under the 1902 act. The time is long past for reform of this outdated law. I urge my colleagues to join with me in support of H.R. 5539.●

Mr. CLAUSEN. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

Mr. KAZEN. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

The CHAIRMAN. All time has expired. Pursuant to the rule, the Clerk will now read by title the substitute committee amendment recommended by the Committee on Interior and Insular Affairs now printed in the reported bill as an original bill for the purpose of amendment.

The Clerk read as follows:

H.R. 5539

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act shall amend and supplement the Act of June 17, 1902, and Acts supplementary thereto and amendatory thereof (43 U.S. 371).

DEFINITIONS

SEC. 2. As used in this Act, the term—

(a) "Secretary" shall mean the Secretary of the Interior;

(b) "Federal reclamation laws" shall mean the Act of June 17, 1902 (43 U.S.C. 371), and all Acts amendatory or supplementary thereto;

(c) "person" shall mean any individual, including his or her spouse, and including other dependents thereof within the meaning of the Internal Revenue Code (26 U.S.C. 152), who is a citizen of the United States or a resident alien thereof, or any partnership or association of such individuals organized under State law, or a domestic corporation which is not a member of an affiliated group and which does not have more than eighteen individual shareholders;

(d) "project" shall mean any reclamation or irrigation project, including incidental features thereof, authorized by the Federal reclamation laws, or constructed by the United States pursuant to such laws, or in connection with which there is a repayment contract executed by the United States pursuant to such laws, or any project constructed by the Secretary through the Bureau of Reclamation for the reclamation of lands;

(e) "project water" shall mean water developed or furnished by or through federally financed facilities for a Federal reclamation project as authorized by Congress and which is made available for agricultural purposes pursuant to a contract with the Secretary;

(f) "district" shall mean any conservancy district, irrigation district, or other organization which is established under State law and which has capacity to enter into contracts with the United States pursuant to the Federal reclamation laws;

(g) "contract" shall mean any contract between the United States and a district providing for the payment of construction charges to the United States and normal operation, maintenance, and replacement costs pursuant to the Federal reclamation laws or any water service contract;

(h) "recordable contract" shall mean a contract between the Secretary and a landowner in writing capable of being recorded under State law providing for the sale or dispositon of lands held in excess of the acreage limitations of the Federal reclamation laws including this Act; and

(i) "full cost" shall mean an annual rate as determined by the Secretary, that shall amortize the construction costs properly allocable to irrigation facilities in service, less payments, over such periods as may be required under reclamation law or applicable contract provisions, with interest. The interest rate used pursuant to this Act shall be determined by the Secretary of the Treasury on the basis of the average yield obtained by the Treasury upon its marketable public obligations sold during the fiscal year in which the expenditures by the United States were or are made, and which are neither due nor callable for redemption for fifteen years from date of issue, and by adjusting such average rate to the nearest one-eighth of 1 per centum: *Provided,* That normal operation, maintenance and replacement charges will be collected in addition to the full cost charge.

Mr. KAZEN (during the reading). Mr. Chairman, I ask unanimous consent that sections 1 and 2 be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. KAZEN. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. MILLER of California) having assumed the Chair, Mr. FOWLER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 5539) to amend and supplement the Federal reclamation laws, and for other purposes, had come to no resolution thereon.

GENERAL LEAVE

Mr. KAZEN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to extend their remarks, and to insert extraneous material, on the bill just under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

COMMUNICATION FROM THE HONORABLE GUY VANDER JAGT, MEMBER OF CONGRESS

The SPEAKER pro tempore laid before the House the following communication from the Honorable GUY VANDER JAGT, Member of Congress:

WASHINGTON, D.C., *May 3, 1982.*

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: In accordance with the provisions of House Rule L(50), No. 5, this is to inform you that I have partially complied with a subpoena and notice of deposition in *Rose Hall Ltd., et al.* v. *Chase Manhattan Overseas Corporation and Holiday Inns, Inc.,* Civil Action No. 79-182 (District of Delaware), notice of which was laid before the House on March 24, 1982.

Pursuant to the provisions of House Rule L(50), No. 4, I determined that a portion of the documents sought by subpoena and in my possession evidencing communications between my office and various parties to the litigation, and between my office and agencies of the United States Government were material and relevant, and that compliance would be consistent with the rights and privileges of the House. Also pursuant to the provisions of House Rule L(50) No. 4, I have determined that certain documents in my possession are privileged and that my testimony in this case is neither material and relevant nor consistent with the rights and privileges of the House.

Sincerely,

GUY VANDER JAGT,
Member of Congress.

ANOTHER WASTE OF TAXPAYERS' MONEY

(Mr. ERTEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks and to include extraneous material:)

Mr. ERTEL. Mr. Speaker, I rise today to indicate that I have written a letter to Robert P. Nimmo, Administrator of the Veterans' Administration, concerning media reports alleging abuse by him of the public law concerning the prerequisites of his office. The reports indicate that he spent $46,000 on remodeling of his office, $8,000 for a bathroom for his office, and is leasing a 1982 Buick Electra for $7,250 a year.

I have had the occasion in the past to amend the HUD and Independent Agencies bill which makes it a violation of the law to expend moneys for personal chauffeurs, cooks, or cars which get less than 22 miles per gallon under EPA standards.

I have directed this letter to Mr. Nimmo asking him to explain how he had been able to justify these expenditures, especially in view of the President's admonition that the executive branch should not spend moneys on the remodeling of their offices.

I am also going to address that to the President of the United States and try to find out the exact cause of this waste of taxpayers' money.

The letter read as follows:

Washington, D.C., *May 5, 1982.*

Robert P. Nimmo,
Administrator, Veterans' Administration,
Washington, D.C.

Dear Mr. Nimmo: I am disturbed by media reports alleging abuse, if not outright violation of public law, of the perquisites of your office. Specifically, reports are that you have spent $46,416 on the remodeling of your office (a figure which includes more than $8,000 for just the bathroom), are leasing a 1982 Buick Electra for $7,250 per year and are using a federally paid driver to chauffeur you between home and work.

That the individual charged with the responsibility of meeting this nation's obligations to its veterans would spend taxpayer dollars extravagantly for office remodeling and chauffeured transportation between home and work is appalling. It is particularly appalling that you would take such action during the fiscal year the President's budget curtailed veterans educational, dental and burial benefits and during a period when the President is proposing to cut veterans entitlement programs by $234 million—cuts which, in my opinion, will fall most heavily on the most deserving of our veterans, those with service-connected disabilities.

These allegations demand a response. Therefore, I am requesting the following information:

1. an item-by-item breakdown of the cost of remodeling your office, including the cost of in-house labor performed by federal employees or employees of firms contracted to the federal government. How do you justify this expenditure in light of President Reagan's admonition that top officials of his Administration "set an example by avoiding unnecessary expenditures in setting up their personal offices?"

2. justification of the use of a federally-leased vehicle for transportation to and from your home in light of Public Law 97-101, Section 406, which specifies "None of the funds provided in this Act to any department or agency may be expended for the transportation of any officer or employee of such department or agency between his domicile and his place of employment, * * *"

3. justification of the expenditure of federal funds for a 1982 Buick Electra in light of Public Law 97-101, Section 415, which I authored, specifying "None of the funds provided in this Act to any department or agency shall be obligated or expended to procure passenger automobiles as defined in 15 U.S.C. 2001 with an EPA estimated miles per gallon average of less than 22 miles per gallon." Details are to include whether remittance for this automobile occurs monthly.

4. justification for a federally paid driver or chauffeur in light of Public Law 97-101, Section 414, which I also authored, specifying ". . . none of the funds provided in this Act to any department or agency shall be obligated or expended to provide a personal cook, chauffeur, or other personal servants to any officer or employee of such department or agency." Details are to include your driver's annual salary and overtime compensation.

Finally, I also would appreciate knowing if you have any additional plans for remodeling in progress, have the benefit of a private dining room, or have any other personal servant on your payroll.

Because of the seriousness of the allegations and your apparent lack of sensitivity to the President's desire to set an appropriate government image for the American public, I would urge your immediate response.

Sincerely,

Allen E. Ertel,
Member of Congress.

CUTS IN STUDENT ASSISTANCE PROGRAMS

(Mr. BONER of Tennessee asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. BONER of Tennessee. Mr. Speaker, today I am placing into the Record just one of the hundreds of letters I have received from students during the few months since the administration announced that it was seeking to cut back and eliminate many student financial assistance programs. This letter was sent to me by Mrs. Jacquelyn N. Poen of Nashville, Tenn., and serves as a poignant example of the reasons such student aid programs exist.

At a time when this country is facing a future with problems growing greater in complexity, we as a nation should be tearing down the barriers which inhibit those who would better themselves through education. For many of these individuals, education is the only bootstraps by which they will be able to lift themselves up to more productive lives.

For those who would dismantle our educational assistance programs—to stop this investment in America's future—I commend to you Mrs. Poen's letter in which she so eloquently expresses the human side of the questions my colleagues and I must face when we address the issue of cuts in student assistance programs:

Hon. Bill Boner,
Member of Congress,
Cannon House Office Building,
Washington, D.C.

Dear Mr. Boner: I am writing because of my great concern over the proposed student aid cuts for 1983-84. If the massive student aid cuts are passed, thousands of students will be unable to continue their education. As you know, higher education is essential in order to obtain employment in any occupation except unskilled labor. This is one reason for so much unemployment. The majority of jobs which are available require more education than the average person has, and employers are just not willing to train a person who does not have at least an Associate Degree.

I am female, over forty, and a former high school drop-out. I know what it is like to work long hours (sometimes 16 per day) for poverty wages in order to help support four children. My husband, who has only a high school diploma, has worked on the same job for 17 years and earns $6,500 annually. In 1967 I had the good fortune to obtain my high school equivalency diploma. This enabled me to get an office job for minimum wage, which at that time was $1.60 per hour. I became an L.P.N. in 1972 which increased my earnings to $2.65 per hour. In the summer of 1980 I was earning $4.45 per hour working in a local Plasma Center.

I enrolled as a part-time evening student at Volunteer State College in the summer of 1979. I was encouraged by one of the teacher's to apply for a BEOG, which I received in the fall of 1980 through the spring of 1981. I have been a full-time student since that time. I was told that I was not eligible for another grant in the fall of 1981, however, I did receive a student loan through the school. I will graduate in June of 1982 with an Associate of Science Degree in General Business Administration. I hope to find work in an administrative capacity so that I can earn a livable salary.

The point I wish to make is, people who have little, or no, formal education can not contribute very much to society. On behalf of the thousands of students who will not be financially able to continue their education if these massive student aid cuts are passed, I ask that you consider the benefits that higher education provides. An investment in education will not only benefit these students, it will benefit their families, their state, and their nation.

Sincerely,

Jacquelyn N. Poen,
Nashville, Tenn.

THE NEED FOR NEW U.S. INDUSTRIAL OBJECTIVES

(Mr. SEIBERLING asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SEIBERLING. Mr. Speaker, the United Nations Association of the U.S.A. a private, nonprofit organization, recently issued a report on what our Government's industrial objectives should be.

The association's industrial objectives panel, comprised of 26 outstanding business, labor, and academic leaders, chose not to focus on economic planning or identifying sunset and sunrise industries, since similar efforts have ended in conflict and frustration in the past. Instead, the panel identified basic, long-term industrial objectives. From these they derived intermediate goals, which in turn clarified appropriate short-term policies. Finally, the panel examined Government policies which it considered useful and needed.

The panel was particularly interested in determining whether it is possible, within our system of government, to devise machinery or procedures for considering objections for economic activity without endangering decentralized competition, a fundamental tenet of our economic system.

The five industrial objectives which the panel identified are:

First, strengthening U.S. competitiveness at home and abroad;

Second, insuring national and economic security;

Third, achieving general price stability;

Fourth, promoting full employment; and

Fifth, enhancing the quality of life.

The four intermediate goals which link these objectives with specific policy recommendations are:

First, improving productivity;

Second, controlling inflation;

Third, establishing adjustment mechanisms; and

Fourth, encouraging the wise use of limited resources.

The panel recommended the following set of principles as guidelines for the development and implementation of a system of American industrial objectives:

First, the overriding industrial objective is to insure a strong economic base that will contribute to the quality of life of Americans and will promote a higher standard of living.

Second, when formulating broad economic goals and setting priorities, the Executive Office and Congress should give greater emphasis to the need for policies that will encourage the systematic rejuvenation of U.S. industry and will help to maintain an economic base critical to a strong economy and to national security.

Third, Government policies should promote a long-term, stable economic environment, assuring maximum employment and a climate favorable to industrial growth.

Fourth, sectoral and functional policies are essential to the attainment of industrial objectives. Micro policies should be devised that are consistent with macro goals, but Government should not attempt to identify winner or loser industries.

Fifth, through incentives and disincentives, Government policies geared toward industry will inevitably shift the allocation of resources within and among sectors. Insofar as practical, such policies should be designed so that they stimulate productive investment, rather than encouraging nonproductive uses of resources.

Sixth, governmental policies geared to the industrial sector will also shift the allocation of resources between or among income groups, but insofar as possible, they should be designed so that they do not result in a less equitable distribution of wealth or income.

Seventh, there should be a general governmental review of policies regulating the activities of U.S. industry in order to make them more coherent and consistent with one another and with the objectives outlined in this statement.

Eighth, human resources policies should focus on creating a highly trainable pool of entrants into the labor force and also on training the currently unemployed. A serious effort should be made at the high school level to insure that graduates are equipped with the basic learning skills that will enable them to absorb specific job skill training. In addition, technical studies should be encouraged at the post-secondary school level. Finally, specific job skill training programs should be expanded so that they promote labor's efficiency and mobility.

Ninth, in formulating a competition policy, policymakers should focus on both the international and the domestic dimensions of competition. Policies that insure that U.S. firms are competitive in domestic markets—not only with each other but with foreign firms located or selling in the United States—will do much to advance the international competitiveness of American firms.

Tenth, an active and highly competent trade office, which strongly represents the interests of the United States in the general agreement on tariffs and trade (GATT) and in other international organizations, which keeps exporters abreast of opportunities in international markets, and which exerts its influence to keep international markets open, should be maintained. Trade policies geared toward U.S. industrial objectives should not encourage beggar-thy-neighbor policies, but should counteract the adverse effects of the industrial policies of foreign governments on U.S. industry.

Eleventh, policies related to industrial objectives should be designed in such a way that both savings and investment are encouraged. While savings are of limited economic value if they do not result in more investment, investment itself will be limited if savings do not increase.

Twelfth, advisory committees composed of Government officials working in concert with labor, business, and public leaders would contribute to the efficacy of the policymaking process by integrating the objectives of each sector into the overall assessment of policy. Such committees would serve as a valuable information network and would significantly contribute to the consensus-building process that is crucial to the establishment of industrial objectives.

Mr. Speaker, MIT economist Lester Thurow has said that our economy is suffering from a thousand cuts and the solution will require a thousand Band-Aids. The principles which the UNA-USA report has provided will serve as a useful touchstone when debating those solutions.

I was particularly gratified to recognize that legislation I have introduced responds to a great many of the recommendations of the panel. My bill, the Productivity Incentive Act of 1982, is designed to encourage productivity, full employment, long-term savings, and price stability. It accomplishes these objectives by encouraging employers and employees to adopt a two-tier wage structure: a base wage and a periodic bonus based on corporate profits or cost savings. Such a wage structure, which predominates in Japan, gives workers a stake in the company's performance and thus a reason to look for ways to increase productivity and profits. It also gives the company a way to avoid laying workers off during adverse business conditions and a way to reduce wage inflation, one of the most persistent problems facing our economy. Finally, a substantial bonus would encourage workers to save, a benefit to themselves and to the economy generally.

PRESERVE TAX CUTS—CUT SPENDING

(Mr. RUDD asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. RUDD. Mr. Speaker, the Tax Foundation tells us that today is the day in which the average taxpayer finishes paying off taxes out of his or her paycheck for the year and starts earning real income.

I mention this only because of the very real possibility that those long-deserved tax cuts we passed last year will be tampered with.

In no way will our economy be benefited by dropping or watering down the first real tax cut for Americans in decades. In fact, I believe that any substantial raise in taxes will only prolong this recession and continue the suicidal spending path Congress has been nourishing for some 40 years.

We all know the solution to the budget problems. That is to curtail the taxpayer-consumption habit of this body and put some controls on these so-called entitlements which are eating up our private economy.

Budget deficits should not be cured by picking the taxpayers' pocketbooks. Deficits are the fault of Congress. It is our responsibility to control spending since we are the body that votes and approves a final budget.

I encourage you to read the Wall Street Journal editorial published today, "Deficit Shortfall," which I ask be printed after my remarks.

[From the Wall Street Journal, May 5, 1982]

DEFICIT SHORTFALL?

With the collapse last week of the Reagan-O'Neill budget compromise, the talk turns again to deficits. The budget stalemate, we are assured, can only mean bad news for the economy and the financial markets. In particular, the failure to reduce the "monster" deficits predicted for fiscal '83 and beyond will keep interest rates high and foreshorten any recovery from recession.

Now, big deficits are not good for the economy. But neither are high taxes, which a lot of born-again politicians are offering as the cure for the deficits. And before we tie ourselves into knots over estimates of what the deficit will be in fiscal '83, '84 or '85, we ought to notice that no one knows what the deficit will be in fiscal 1982, which is already half over.

Thus the administration's own original deficit forecast of $45 billion for fiscal 1982 has now become $99 billion. Democrats and liberal Republicans, who have suddenly discovered the political uses of deficit panic after decades of ignoring the red ink their programs produced, predict $105 billion to $115 billion.

Yet actual results in the first half show that the deficit is running only slightly ahead of last year. In fact, in the first five months, it was running at the astonishingly low annual rate of about $57 billion, about the same as the total 1981 deficit, despite the current recession.

FEDERAL RECEIPTS, OUTLAYS, AND DEFICITS

[In billions]

	Receipts	Percent change prior yr.	Outlays	Percent change prior yr.	Deficit/surplus
1981:					
Oct	45.5	17.0	63.6	13.0	(18.1)
Nov	44.3	13.0	54.9	14.4	(10.6)
Dec	57.4	17.4	76.9	36.8	(19.5)
1982:					
Jan	55.3	5.9	45.9	−22.3	9.3
Feb	43.0	46.7	57.8	−20.3	(14.8)
Mar	45.3	1.5	63.5	17.0	(18.3)
6 mos., 1982: total	289.6	11.1	361.5	11.0	(71.9)
6 mos., 1981: total	260.6		325.8		(65.2)
FY 1981: total	599.3		657.2		(57.9)

Source: U.S. Treasury and Lionel D. Edie Economics. Figures may not add due to rounding off.

The causes of this "deficit shortfall" are hotly disputed. Most mainstream economists think it was due to special factors that will reverse themselves in the second half. In particular they cite prompter payments of corporate tax liabilities due to a higher penalty for late returns, and slower-than-expected defense spending caused by inability of the Pentagon and other agencies to shovel the money out the door fast enough. The March figures seem to indicate just such a reversion to form.

But others think we may be seeing some longer lasting supply-side effects. Milton Ezrati of Manufacturers Hanover, for example, theorizes that people in high marginal tax brackets have been encouraged by the tax reductions and decline in inflation to shift from tangibles into interest-bearing securities and funds, thus broadening the tax base. That would be just the sort of thing supply-siders would have predicted.

And, ironically, the spending hold-down may reflect the very failure of Congress to produce a budget. Operating hand-to-mouth on the basis of continuing resolutions may be having just the desired restraining effect on the federal bureaucracy. There are worse ways to do business, though this method also tends to prevent a reordering of priorities between, say, social and defense spending.

Last, we remember the spending shortfalls of the mid-70s. The technicians told us then that it couldn't be happening, but it was. The seeming inability of the government to spend its allotted funds back then has never been fully explained, but this makes us all the more reluctant to dismiss out of hand the possibility of a deficit shortfall this year. There are more things in this world than the standard economic models ever dreamed of.

A high deficit for 1982 may yet materialize, though it will require a flat economy and a near-astronomical gap between receipts and outlays in the second half. Alan Greenspan, chairman of the Council of Economic Advisers under President Ford, says he sees nothing in the March or preliminary April figures to indicate that the trend has yet reversed itself, though he cautions against reading too much into that.

The real point is that nobody knows how 1982 will turn out. Yet the politicians are continuing to try to scare the pants off everybody about 1983, 1984 and 1985 with numbers plucked more or less from thin air. Their real aim, of course, is to force the President off his tax cuts. Their professed anguish about deficits is largely a political convenience. Nobody seriously believes that higher taxes will benefit the economy or reduce the deficit. We tried that route before with massive increases in taxes during the 1970s. At the end of the decade we were deeper in the hole than ever.

Deficits are bad, but they shouldn't be the only focus of economic policy. Even more important is whether fiscal and monetary policies are moving in the right direction. If they are, the deficits will take care of themselves. The deficit shortfall of the first half, despite the recession, is a powerful reminder that the numbers game now going on in Washington and the press should be taken with a large grain of salt.

INTRODUCTION OF JOINT RESEARCH ACT OF 1982

(Mr. EDWARDS of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. EDWARDS of California. Mr. Speaker, the gentleman from Illinois, Mr. HYDE, and my two colleagues from California, Mr. MINETA and Mr. McCLOSKEY and I have introduced H.R. 6262, the Joint Research Act of 1982.

The purpose of this legislation is to clear away unnecessary antitrust uncertainty that may deter efficiency-enhancing joint research and development undertakings by firms in the United States. Joint research undertakings can avoid needless repetition of basic research and increase the return on available research dollars. Indeed, with the path cleared for appropriate joint activities, firms will have an incentive to increase total investment in research and development and undertake research projects that they could not finance on their own.

Many of our industries are faced with ever more sophisticated foreign competition. Leadership in these industries requires not only that firms stay on top of the latest technological developments; they must forge ahead with new discoveries of their own. Many of the foreign competitors of American firms benefit from Government research or other subsidies not available to finance the research of our own companies.

This legislation will grant no Government subsidy. Nor will it create any antitrust immunity. It simply will create a certification mechanism whereby the Department of Justice can examine in advance proposed joint research and development activity and certify appropriate activity against public or private antitrust exposure. If the certificate is erroneously issued, or if subsequent antitrust violations are uncovered, the Department may, after appropriate notice to the joint researchers, lift the certificate and restore full antitrust protections. Even during the period of certification, injured private persons could still obtain actual damages if they could establish violations of the antitrust laws.

An anomaly in our antitrust laws is that firms with a relatively small market share that could lawfully merge under our current merger guidelines may be fearful of undertaking joint research and development activities. Such joint undertaking among competitors could be viewed under some judicial holdings as per se violations of the Sherman Act, notwithstanding the freedom of such firms to take the ultimate merger step.

In some cases where the cost of basic research is high, a joint undertaking may offer the only opportunity for firms to undertake the research. In such cases, procompetitive results may attain from the venture even though the total size of the firms exceeds merger guidelines. Here again, uncertainty as to antitrust exposure could deter firms from undertaking such a cooperative venture.

The antitrust division has tried in recent years to clarify some of the uncertainties by issuing an "Antitrust Guide Concerning Research Joint Ventures" in November 1980. While this guide has provided constructive counsel for some firms, it can provide no assurance of how courts may ultimately interpret the antitrust laws in private antitrust suits, which today constitute over 90 percent of the antitrust suits filed in this country.

The Joint Research Act will allow the Justice Department to put its guide to work in a way that will provide concrete assurance to businessmen not only as to the department's views, but also how those views will hold up in potential private litigation. It will eliminate the harassment potential of private treble damage litigation without granting any antitrust immunity or undercutting the protections afforded by sound antitrust policy. Through this balanced legislation, we hope that we will take a small but significant step to encourage efficiency-enhancing joint research and development that can enhance the long-run competitive position of domestic firms.

JOHN LAWLER LEAVES HOUSE FINANCE OFFICE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. FAZIO) is recognized for 10 minutes.

● Mr. FAZIO. Mr. Speaker, the House of Representatives is—unfortunately—losing one of its top staff members. John Lawler, who has been chief of the Finance Office under the Office of the Clerk, is leaving Capitol Hill to accept a position with the Washington public relations firm of Gray & Co.

I wish to bring John's departure to the attention of the House and to offer him our best wishes. We regret to see him leave this position and we commend him for his service and hard work for the House, its Members, committee, and other offices.

I have particular knowledge of John's service in my position as chairman of the Subcommittee on Legislative Branch Appropriations. John has appeared before that subcommittee several times with representatives of the Clerk's Office to present budget testimony on House operations.

John came to Capitol Hill from Montana where he was raised in the town of Baker. He graduated from St. John's University of Minnesota with degrees in economics and accounting. He subsequently became a certified public accountant. He began his service with the U.S. General Accounting Office in 1971. In 1972 he began his career with the House of Representatives accepting the assistant chief position in Office Equipment Service under the Clerk, who was then the Honorable W. Pat Jennings. He was responsible as the top assistant to the chief for a multimillion-dollar program of equipment leasing and purchase and other administrative responsibilities in serving the House.

At age 24, John was appointed to head the House Office Supply Service, where new inventory systems and warehouse operations were established. Self-service was promoted as that office became one of the largest office supply operations in the area.

Within a year, the Clerk of the House selected John to head the entire financial operations of the House. At age 25, he was the youngest person to be appointed to that position. He has been directly responsible for budgeting and accounting of all House funds which exceed $400 million annually, auditing of accounts, disbursing funds and administering health benefits, retirement, life insurance, and other related employee programs.

I would like to summarize, briefly, some of the significant developments in the finance office during John's tenure as chief. Working with the Clerk's staff, House Information Systems, the Committee on House Administration, and our Subcommittee on Appropriations, John has:

Developed a highly competent professional staff providing nonpartisan professional services.

Supervised, during his tenure, a responsive, flexible computerized financial management system to replace a manual accounting and check-writing system. Today, technical functions from voucher processing to production of financial disclosure documents are expeditiously and accurately produced. These new systems have responded to many financial reforms and regulatory changes. Today, House disbursements are among the fastest in the Federal Government.

Managed proper fiscal and accurate forecasting of financial requirements which allowed budget requests to remain as low as possible. Budget estimates in most of the last 7 years have been within 2 to 3 percent of actual expenditures.

Prepared the budget estimates for the House and assisted the Clerk in testimony before the Legislative Branch Appropriations Subcommittee.

Mr. Speaker, John served under the supervision of the present Clerk, the Honorable Edmund L. Henshaw, Jr., who is to be commended for keeping John Lawler in his important position as long as possible.

We wish John and his wife, Joan, well in their new undertaking.●

● Mr. CLAUSEN. Mr. Speaker, I wish to take this opportunity to join with the members of the Congressional Flying Club in bidding farewell to one of our most dedicated and spirited members, John E. Lawler.

Our organization, comprised of Senators, Congressmen, and Capitol Hill staffers, is "one of a kind" on the Hill. Over its 20 year history, the Congressional Flying Club (CFC) has promoted education and advancement in general aviation in the Congress, in addition to allowing its members to enjoy one of life's most pleasing experiences: flight. John, in his capacities as treasurer and later as executive director of the club, has made many outstanding contributions to our organization through his creative genius and finely honed financial management skills.

John Lawler came to Capitol Hill from Montana, where he was raised in the town of Baker. After graduating from St. John's University with degrees in economics and accounting, he began his service with the U.S. General Accounting Office in 1971 as a certified public accountant. In 1972 he accepted the assistant chief position in Office Equipment Service with the House of Representatives, and from this position rose rapidly within the ranks of administrative service in the House, selected at age 25 by the Clerk of the House to head the entire financial operations of the House. John was the youngest person ever to be appointed to this position. He has been directly responsible for the budgeting and accounting of all House funds, which exceed $400 million annually, auditing of accounts, disbursing funds and administering health benefits, retirement, life insurance, and other related employee programs.

Those who have worked with John would be quick to recall his industriousness and his achievements in the area of financial reforms and regulatory changes, resulting in House budget estimates that have been within 2 to 3 percent of actual expenditures, and fast and accurate action in the production of financial disclosure documents and disbursements. I could go into greater detail concerning the accomplishments of this talented young man, but it will suffice to say that we value highly the contributions he has made to the U.S. Congress in his professional capacity.

However, it has been outside of this capacity that I and the membership of the Congressional Flying Club have come to know John Lawler and appreciate the spirit and enthusiasm he brings to the organizations of which he is a part. John has devoted hundreds of hours of management to the club, restructuring its financial organization, adding more aircraft to the fleet, and building up memberships. Serving as executive director from 1976 to 1980, he holds today an advisory position with the club. Interested aviators continue to earn their pilot's certificates under the flying programs he implemented.

John will be leaving Capitol Hill in the near future to accept a position with Gray & Co., a Washington, D.C., public relations firm. On behalf of the Congressional Flying Club and the Members of the House, I would like to wish John continued success in his future endeavors, and happiness to both he and his wife Joan in the years ahead.●

● Mr. MARLENEE. Mr. Speaker, I am especially proud to give recognition to the accomplishments of Montana's own "Red Baron."

Whether it is a small atoll in the Atlantic Ocean or a small amiss in the expenditure of the office, it has not escaped the eagle eye of the "Red Baron."

I find it indeed an accomplishment worthy of great proclamation when a lad from a small, windswept town captures for himself the title of House Finance Office Chief.

As an innovative, responsible, and creative accounting genius he has—at his young age—been sought out by many a congressional office for advice and counsel. I myself have depended on his advice a number of times.

I will miss John at the stick. He and Joni were and still are true friends.●

● **Mr. WILLIAMS** of Montana. I am pleased to participate today in this special order in honor of a fellow Montanan, John Lawler. All we Montanans on the Hill are particularly proud of John's fine service to this House. John and his staff in the House Finance Office are accessible, hard-working, and competent. John's leadership has resulted in effective and consistent assistance to Members of Congress. I congratulate John on his new venture and wish him every success. We'll miss him, but I'm confident that he leaves behind a fine-tuned operation that will continue his tradition of high-quality service.●

● **Mr. DASCHLE.** A very close friend, and valued employee of the House, is leaving the Hill to enter private business. While I am happy for him in his new position, which will certainly enhance his career, I am saddened that he is leaving, and the House will be the poorer for it.

John Lawler began his service in the House a decade ago in the Clerk's office serving as assistant chief in the Office of Equipment Service. At age 24, he was appointed head of the House Stationery Room where many of the innovations he began are still used today. Within a year John was selected by the Clerk of the House to head the entire financial operation of the House. At age 25 he was the youngest ever to hold this important position.

Those of us who serve in Congress, or work in the House, can really appreciate the chore John had. He dealt with a budget which now exceeds $400 million annually. Not only payrolls for Members and staff, but insurance benefits and other employee packages were controlled by John's office.

During his tenure as head of the House Financial Office, John developed a professional staff providing nonpartisan professional services. The House financial system is among the most efficient in the Federal Government.

Members and staff of the House will miss a truly dedicated and competent employee. I will miss a good friend who has provided my office with great service and without whose guidance and aid I would never have obtained my pilots license. The love of flying was just one more link in a chain of friendship I have formed with John Lawler over the past several years.●

□ 1800

GENERAL LEAVE

Mr. KILDEE. Mr. Speaker, I ask unanimous consent that all Members be permitted to extend their remarks and to include therein extraneous material on the subject of the special order speech today by the gentleman from California (Mr. Fazio).

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

THE EFFECTS OF "TIPONOMICS"

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from California (Mr. Lewis) is recognized for 60 minutes.

Mr. LEWIS. Mr. Speaker, I would point out to my colleagues that I have seldom taken time on the floor by way of a special order. But it occurred to me last week, as the American public was watching the House struggle with our budget crisis and as President Reagan, after waiting for several months for the leadership of this House to respond regarding his proposals for a budget, went the extra mile in an effort to compromise, only to have that budget compromise fall apart. The country was left in a stalemate and in a circumstance that absolutely undermines our ability to turn about our economy—and then as the Speaker, when discussing the matter with the press, indicated that the real reason for the stalemate was a fundamental philosophical difference between himself and President Reagan and his administration—it seemed to me it was about time that some of us came before the American public to talk about our problems as they really are.

As a practical fact of life, the American public in the last election finally had had enough of "business as usual." They rifled a message by way their ballot boxes and told us in the Congress that it was time to get off that 25-year pattern of spending and spending and more spending and a rate of growth of Government that had gotten to the point where literally Uncle Sam needed to go on a diet. The American public told this Congress that no longer could we afford to be moving down that path toward more than a trillion dollar national debt.

We have reached a point where there is a good deal of talk about a $125 billion deficit for a single year. The figures range between $90 and $180 billion, depending on which statistician is talking.

The public recognizes the heart of the problem. The fact is that just the interest on that national debt costs us nearly that entire $125 billion. Without the interest on that national debt, we would have a balanced budget with President Reagan's program of last year.

I think it is about time that the American public join with us and ask this one question: If indeed the leadership of this House does not agree with the Reagan proposals for the 1983 budget, for 1984 and 1985, then they have a grave responsibility to come before all of us and give us a clear picture of their alternative. What is their alternative?

Their alternative is very simple. It is to once again go back to their "business as usual"—that is, more spending at the Federal level, more taxes, and less defense.

For lack of a better term, I thought it would be worthwhile to call that "Tip O'nomics," for that is their proposal, to proceed on the same path that has taken us to the point where we face economic crisis.

Let us go back a bit and take a look at a few of the facts that are a part of recent history. It is significant for us to remember that in 1976, when the majority party in this House, the Democrats led by the same leadership had control of the House of Representatives and the Senate, but not the Presidency at that point the interest rate was only 6.35 percent, compared to a high 4 years later of almost 21½ percent after they controlled both houses and the Presidency.

It is critical for us to understand that when Jimmy Carter was elected President, the consumer price index was at 5.8 percent and it rose all the way to a high of 13.5 percent at the end of his administration. The deficit pattern continued, the economy began to go on the rocks, and as a result of it the money markets expressed their lack of trust in the kind of leadership we were experiencing in this House. That pushed interest rates, to that 21½ percent high. Then there was a change in 1980. The President suggested we begin a modern-day revolution.

He suggested the following steps: First of all, we must get on a path that would put our economic house in order, and the way to begin is to recognize what every American family understands, You cannot overspend your income year in and year out without eventually having to pay the piper. As a practical fact of life, the President recognized that time was running out, and the first step that is necessary to turn that corner is to begin to trim back the rate at which Government had been growing. So President Reagan took the Jimmy Carter proposals for 1982 and trimmed program after program.

I think it is important for all of us to recognize that in virtually every one of those instances where he was cutting back it was not a matter of cutting the actual dollars spent on those programs the year before; it simply reduced the growth on the part of many of those programs that had been around and were exploding to higher levels each fiscal year.

The reductions were an effort to begin to bring responsibility to our spending patterns.

Now, at another level the President suggested that the people were fed up with unnecessary redtape and unnecessary regulation at the national level. The President himself imposed absolutely astonishing changes in those agencies where he has direct executive control. He eliminated some 3,000 pages of redtape that were unnecessary and represented new regulations. The President literally, with his own pencil, began to turn the corner on regulatory reform.

Mr. and Mrs. America can tell us, if we have not been listening, that when they go down to a big Government office when they have got a problem, too often the person across the desk wants to treat them like a number. It is regulation, impersonality, big government, not caring about people but just caring about their own programs.

The President was saying that it is about time that "Uncle" went on a diet.

Another part of the revolution was to suggest that we actually ought to begin or that we actually could begin going in a direction whereby we took less and less of the average American's take-home pay for paying the bills of Government. Virtually the President sponsored an economic program that cut tax rates across the board over a 3-year period for every American family.

The point was this: Historically, around Congress we have enjoyed just before election time increasing a program here or there, giving a new kind of wrinkle to any number of general category aid programs, and then we decide, even though the benefits are going to be sent out before election time, that there is no way to pay for that now.

The President said, "Nonsense. From this point on the Federal Government is going to have to pay for it first." In the past we had gotten used to giving some kind of a tax break just before the election as well. It is easy enough to give a tax break, say, to some industry, for instance, in depreciation, and then the following year, after election, if you think you do not have enough revenue, to go in and eliminate that tax break because there are not too many constituents actually affected.

The Reagan program reduced taxes for 35 million American families, and indeed in the future, with marginal tax rates in place, it is going to be very difficult for Democrats or others to increase those taxes again.

So at this point in time the leadership is attempting to eliminate that income tax break for all Americans before it really is felt out there. Last year there was a little piece of it, one and one-fourth percent, that few could even begin to feel in actual disposable income. But they want to eliminate the future before it is in place because they know they will have a revolution on their hands if they try to raise taxes once the people get the tax break in their pockets.

Tip O'nomics is designed to communicate to the average citizen what the goals of Democratic economic policies actually are, but we must be willing to ask this question: Why does this leadership insist upon continuing down the path of "business as usual?" It is simple. It is because the leadership of this House believes that every problem must be solved by a new Government program or a bigger Government program. They actually believe it. Philosophically, if you believe that, then you probably will be supporting that kind of a pattern of government.

If you do not believe that, then you must recognize this: The leadership of the House—and I believe even including the Speaker—while they are very sincere, is composed of Democrats who are out of contact with the broad cross section of the American public, Democrats and Republicans alike. The Democrats in my district do not want more government. The Democrats in my district are convinced that they are taxed enough—if not too much. Indeed the Democrats in my district believe that it is long overdue for America to lead in the world and to lead from a position of strength, not to be in a position of having less defense. More spending, higher taxes, less defense, that is Tip O'nomics. That is "business as usual."

Mr. Speaker, last week the President came before us once again when the compromise fell apart. He asked each and every one of us to communicate our concerns to Members of the House. The reason that that message was most important is because of the reality that all 435 Members of this House are running for reelection every 2 years. The time to begin to communicate to them about this coming election is right now.

□ 1815

It is also fundamental to realize that we are in a circumstance at the moment that may very well be the turning in the crossroads. As of this moment we are living with the reality that nobody said it was going to be easy. When you have been on a path of 40 years of terrible economic policies, of overspending, of causing our children and grandchildren to be indebted for much of their lifetime, it is not easy to turn that around and there is bound to be some pain that is a part of it.

But just as important, on the other side of that, is the fact that there are so many things happening out there that will make a difference. There is beginning to develop a softening of interest rates in the money markets. I personally am convinced that we are just on the edge of pushing those high interest rates down. It is basic for Americans to realize this.

We had a high of 21.5 percent, and those were the interest rates when President Reagan came into office. Today they are approximately 16.5 percent. That is better but not good enough, but there is evidence that the pressures are on to begin to move those rates down.

Do my colleagues remember a year ago? None of us could hardly talk about another thing besides the inflation rate. The best kept secret in the world is that inflation is no longer a problem. The inflation rate at this point for the first 3 months of this year are running at an annual rate of 1 percent, a huge reduction in the inflation, as a result of sound economic policies beginning to be put into place.

Above and beyond that, it is fundamental for us to realize that there is new money flowing out there in the private marketplace which will provide tremendous opportunities for new investment, new productivity, and for jobs.

Nobody said it was going to be easy. It takes time for those programs to begin to have an impact.

But next, I think it is basic for us to understand that the major roadblock at this moment to allowing those interest rates to really begin to decline is the fact that the money markets and others are waiting for us to demonstrate that we actually are going to come to a compromise that makes sense out of the 1983 budget. A compromise that says that we can work together, and the Democrats and the Republicans alike want to move in the direction of making sense out of our budget so in turn our economy can respond.

It is my view there are at least some of those within the leadership of this House, those Democrats who are not in touch with the American public, the registered voter out there, Democrat or Republican, leaders in this House who actually do not want to see a compromise. They want to see a stalemate continued because some actually cynically believe that if you leave the economy in chaos then come November that means extra victories for the majority party in this House, extra victories that will allow them to continue the kind of control they have had for over 25 years, extra victories that will allow them to continue business as usual.

Remember, Uncle needs a diet and Tip O'nomics means business as usual, more Government spending, more taxes, and less defense.

● **Mrs. HOLT.** Mr. Speaker, we have had months of partisan fighting devoted to casting blame for the economic mess we are in.

The American people are sick of the partisan posturing and want us to get on with the business of correcting the problem.

I want to remind the House that we are legislators, and our business is to achieve the compromises necessary to establish public policy.

Do not tell me that compromise is impossible on the budget, that we are so rigidly set in ideological molds that we cannot exercise the constitutional responsibility of Congress to establish fiscal policy.

We all know that high interest rates are wrecking our economy. We all know that interest rates are staying high because the financial markets are frightened by the monstrous budget deficits and the enormous Federal borrowing required to finance them.

Under the circumstances, we know that painful spending cuts are required. We also know that some kinds of tax increases are necessary to increase revenues.

The President is right when he says that congressional extravagance in prior years has caused the budget to run out of control and depress our economy. The Speaker is right when he claims that many of the programs we have created are just and compassionate efforts to help the less fortunate in our population. We all know of the need to rebuild our national defenses, but with prudent regard for what is necessary and affordable.

Surely, as we consider the hundreds of Federal programs in a budget exceeding $700 billion, there are many areas where substantial savings can be achieved by legislators with the will to achieve them.

Surely, in a vast and complicated tax code there are areas where we can raise more revenues without imposing unfair burdens on the productive work, savings, and investments of our citizens.

Mr. Speaker, the economic condition of our country is very serious, and I hope we will not waste much more time with partisan political attacks on each other in this House.

The fiscal policy of the National Government is the responsibility of Congress. Let us concentrate on that responsibility instead of indulging in politics as usual. The economic security of our country is at stake.●

GENERAL LEAVE

Mr. LEWIS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of this special order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

TURKEY IS VITAL TO THE SECURITY OF THE WEST

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. FINDLEY) is recognized for 30 minutes.

● **Mr. FINDLEY.** Mr. Speaker, "Vital to the security of the West." We hear these words so often that, after a time, they begin to sound hollow. Let me try, though, to make Turkey's importance to the West just as vivid and precise as I can.

Turkey's role in NATO is supposedly common knowledge. But again, is it? For example, how many realize that, at a time of growing resource constraints across Europe, the Turks still supply the largest land force army of any of our NATO allies? Of course, this army is—in large part because of our embargo—an extremely obsolescent one; yet its great intrinsic potential remains.

Turkey's ability to bottle up Soviet ships in the Dardanelles and to detect and intercept Soviet bombers headed toward the Mediterranean could decisively affect the outcome of a war in Europe. Just by having radar warning of attack from Soviet planes flying over Turkey, our 6th Fleet can take defensive measures capable of making the difference between life and death for our men in the U.S. 6th Fleet.

At a time when fears continue to mount over the prospect and consequences of a nuclear war, United States support for Turkish conventional forces actually helps to lower the nuclear threshold by allowing frontline NATO conventional forces to deteriorate further.

Of course, our problem's and Turkey's importance go far beyond NATO's southern flank. Though we sometimes—for the sake of convenience—divide the world into artificially distinct areas, history teaches us a different lesson. When Europe was attacked in World War II, we had to concern ourselves immediately with protecting our oil supplies in the Middle East. The next time around the sequence may be different. But regardless of sequence, a vital connection remains between the Eastern Mediterranean and the Persian Gulf. That connection should remain uppermost in our minds.

If we were to scan a map at this moment—looking eastward from the Mediterranean across the Red Sea, toward the Persian Gulf—we would be struck by one vivid fact: Our strategic interests increase at the very point that our military infrastructure and assets begin to decline. Where oil exists, we have little force to protect it; and next door to the oil lies the Soviet Union.

For the hard reality is that Turkey—one of the few other Western States to fight beside us in Korea—sits directly adjacent to Soviet invasion routes into the Persian Gulf and into Iran. By strengthening Turkey, especially in its eastern provinces—far away from Aegean; by improving Turkish bases and infrastructure next door to vulnerable Soviet supply lines into the Persian Gulf; we send a distinctly powerful—if quiet—deterrent signal to the Soviet Union.

And look at what is happening in this very region today. Iraq is crumbling under pressure from Iran. The Soviets fuel the conflict on both sides. Syria strikes a deal with Iran that further threatens moderate states in the region. Libya—directly across the sea from Turkey—becomes, along with Syria, a storehouse for sophisticated Soviet arms. And the young, radical mullahs of Iran eradicate the senior, conservative clergy of the country and strike deals for power with the Communist supported Tudeh party. Meanwhile, we talk of reducing aid to Turkey—our one bridgehead to the region as if we were divorced from all reality.

If the Falklands crisis has proven anything—tragic as that crisis is—it is that great powers sometimes have to protect their interests against aggression on short notice. For this, friendly states near the source of trouble, can make all the difference in the world. This country is not so rich in friends that we can continue to kick the few we do have so hard in the teeth.

The Turks, of course, are one of the very few NATO allies to recognize and acknowledge—despite pressure from the Soviets beamed daily into Turkey—that they can play a role in the defense of Western interests outside NATO: territorial boundaries. But how we can expect the Turks to expose themselves to risks on our behalf, if we take no risks for them; if we have no stake in their future; if we show ourselves unwilling to help them meet their most basic defense needs.

A look at the same map, however, suggests an answer to our dilemma—an answer this administration and the last had not the courage to recognize: Work more actively to support Turkey—the West's bridgehead to the Persian Gulf.

It is alarming to realize that the Soviets and their Eastern block clients have spent more in the last few years—well over a billion—in trying to destabilize Turkey through terrorism than the West has spent in trying to strengthen Turkey's defense forces.

Terrorism is a tragic problem which Turkey and individual Turkish citizens have repeatedly faced these past years. Just last night the honorary Turkish consul in Boston was murdered. A group called the Justice Commandos for the Armenian Genocide claimed responsibility. In February of this year, the same group claimed responsibility for the tragic assassination of the Turkish consul general in Los Angeles, Kemal Arikan. It is deplorable that such acts of terrorism and murder occur on U.S. soil.

In closing, I would like to review briefly the significant progress made

in United States-Turkish relations since Congress lifted the arms embargo in 1978. Turkey reopened U.S. bases on Turkish soil including critical intelligence bases which are used to verify strategic weapons agreements between the United States and the Soviet Union. Turkey and the United States have concluded a military base agreement and a prisoner exchange agreement. In addition, Turkey facilitated the return of Greece to the integrated military structure of NATO by accepting the formula for Greece's return. And Turkey has withdrawn more than 10,000 troops from Cyprus since 1978.

Turkey supports the intercommunal talks on Cyprus conducted by the Greek-Cypriot and Turkish-Cypriot communities under the auspices of the United Nations. While progress in these talks has not occurred at the rate we would like to see, the Turkish-Cypriot and Greek-Cypriot communities recently met with U.N. Secretary General Perez de Cuellar and agreed to meet twice weekly rather than once a week to step up pressure on themselves to make more progress. The Turkish side has proposed a map showing territorial changes and arrangements which they termed an opening offer and a negotiating position. I believe that Turkey is supporting the intercommunal talks in good faith. As a friend of Turkey and Greece and Cyprus, the United States should support these negotiations and encourage all the parties to them to strive to reach a just and fair agreement on Cyprus.

Mr. Speaker, I ask 5 days for Members to revise and extend their remarks.●

● **Mr. LAGOMARSINO.** Mr. Speaker, I wish to commend the gentleman from Illinois (Mr. FINDLEY) for his initiative in bringing this special order on Turkey before this body.

I believe it is imperative that we once again emphasize the vital role Turkey plays in the NATO alliance and the importance to the United States in maintaining close, friendly ties with the nation that bridges the East and the West. It serves no purpose trying to create divisiveness within the Atlantic alliance by suggesting we should support one nation against another within that alliance. The United States values our Turkish allies just as we value our Greek allies, because of our relationship with both of those nations, we must use our good will to help forge a solution to the problems confronting those two nations. We can only make a positive contribution by maintaining the respect Turkey and Greece have for the United States. So, it is vital that we not give the appearance of favoring one side over the other.

Turkey's importance to the United States and the Western alliance cannot be underestimated. Since the Soviet invasion in Afghanistan and the instability in Iran, Turkey remains as a significant source of strength in countering Soviet influence in the Middle East and Southwest Asia. The experience and Islamic heritage of the Turkish people combined with their Westward-looking leadership offer invaluable insights in understanding the trends and aspirations of that region. It would be extremely shortsighted of us to overlook that resource. As the situation in Iran and the Persian Gulf becomes more confusing and potentially more dangerous, it becomes all that much more important to support Turkey politically and militarily.

The takeover by the Turkish generals in 1980 did not represent a destruction of the democratic ideals of that nation. It saved it from the chaos and anarchy that had prevailed during the preceding years which promised only the collapse of the entire democratic system in Turkey.

The Turkish people overwhelmingly support the efforts to restore law and order, to revitalize the economy, to curb the political violence, and to reform the political environment. A Consultative Assembly was convened in October to draft a new constitution, which is to be completed by this summer. There will be a referendum in November and general elections a year later.

It is in U.S. interests to encourage and support the Turkish Government's efforts to carry out their timetable to restore full democracy to that nation. We must recognize the valuable role Turkey plays in the Western alliance and the great extent to which we rely on that nation in preserving our eastern flank.●

● **Mr. PRITCHARD.** Mr. Speaker, the more confused and dangerous the situation becomes in the Persian Gulf, the more important it is to recognize the political and military importance of Turkey. And now is such a time. We are witnessing a heating up of the Iran-Iraq war, which could throw the Iraqi domestic situation into turmoil. There are indications of growing Iranian cooperation with Syria, which could have broader ramifications for Middle East peace and stability.

Within Iran, the younger, more radical mullahs, possibly in coordination with the increasingly significant Communist Party, are toppling the more moderate of the ruling elements. Where this will lead is unclear. But its implications for U.S. interests are disturbing. And, of course, the tragic Soviet occupation of Afghanistan and the oppression of the Afghan people continue.

Turkey, which borders Syria, Iraq, Iran, and the Soviet Union, therefore, obviously remains a key country in the region. Indeed, the importance of Turkey to the Middle East has already been amply demonstrated during the October 1973 war, when military installations in Turkey detected the passage of Soviet nuclear warheads through the Dardanelles en route to Syria or Egypt and the mobilization of paratroopers at Soviet bases. This early detection permitted a timely U.S. response that averted a deeper Soviet involvement in the conflict with all its consequences. The Soviets, knowing their supply lines over and around Turkey could be cut, abandoned their plans.

In addition to recognizing the strategic importance of Turkey, however, it is important to note today that the current military government in Turkey is taking steps to restore that country to democracy. General Evren has announced a timetable for a return to full democracy. A Consultative Assembly was convened last October to draft a new constitution. This constitution is to be completed by the end of the summer; a referendum on the constitution will be held in November 1982; and general elections will occur in the fall of 1983. We all look forward to the restoration of full democracy in Turkey.

And we all continue to hope for a just and fair settlement on Cyprus. The Greek and Turkish Cypriot communities recently met with U.N. Secretary General Perez de Cuellar and both agreed to increase their negotiation sessions to twice weekly in order to step up self-imposed pressure for greater progress in the talks. The United Nations welcomed this development and so should we as a way of encouraging greater movement to solve this difficult problem. It is the U.S. ability to work cooperatively and positively with all the parties involved in the Cyprus situation—the Cypriots themselves, Greece, and Turkey—that will permit the achievement of an agreement on Cyprus.●

● **Mr. DAN DANIEL.** Mr. Speaker, when the history of this century is written, there will be other, more spectacular, tragedies reported but none will be sadder than the current situation in Cyprus.

The Cyprus problem has caused untold suffering to both Greek and Turkish Cypriots. The body of reporting on the situation there has lent itself more to emotionalism than reason and has become the stuff from which legends are made but not always the basis for rational actions.

Eight years have passed since the 1974 coup by the Greeks with the intention of annexation in violation of the 1960 international agreement. Turkey, as a guarantor of that agreement, felt compelled to intervene to preserve the independence of Cyprus and to protect the Turkish Cypriots.

Turkey and Greece have been friends of long standing for the United

States, and one might say, as in individual relationships, when friends fall out, the wise man takes no side. But there is a difference here. Over the years since World War II, Turkey has remained a staunch and steadfast ally of the United States, a responsible NATO ally, and a welcome trading partner. Greece, on the other hand and especially in recent years, has been a sometime friend—on our side when they saw advantage, but never completely closing the door to the Soviet Union. Indeed, the notion that the Cyprus problem be "internationalized" was a Soviet initiative, despite the fact that a majority of nations in the United Nations including all in the Western alliance, with the exception of Greece, support the intercommunal talks.

Nor is Greece displaying the attitude of a partner in other areas. Early last month, Peter R. Osborne, petty officer second class, was arrested while on leave in Greece due essentially to an inability to understand the plainclothes policeman who stopped him. The petty officer has been sentenced to 15 months in jail for resisting arrest and assault on a police officer. This is the third time in a matter of weeks such harsh sentences have been handed out, and I agree with others who feel this is politically motivated, since the sentences far exceed the severity of the crime. This is one more indication of the Greek disinclination to cooperate with NATO partners.

Since 1974, a degree of tranquility has prevailed on Cyprus. But while Turkey continues to safeguard the independence of the Cyprus Republic, Greece works to undermine its independent status. Turkey has pledged that its forces will be withdrawn as soon as an amicable settlement is negotiated.

If Greece is sincere in its efforts to seek solutions to the issues that mar its relations with Turkey, such readiness is deeply concealed and its existence a matter of guesswork. It is imperative to all parties concerned, particularly the NATO alliance, that peace and tranquility be restored to Cyprus.●

GENERAL LEAVE

Mr. SMITH of Oregon. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include therein extraneous material on the subject of the special order today by the gentleman from Illinois (Mr. FINDLEY).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oregon?

There was no objection.

NO MORE TOSCOS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. CORCORAN) is recognized for 10 minutes.

● Mr. CORCORAN. Mr. Speaker, we are very lucky that the Colony oil shale project was controlled by a majority partner who was not federally subsidized. Exxon had its own money at risk, not the Federal Government's. And Exxon said going forward with the Colony oil shale project now makes no sense at all.

Compare Exxon's performance with TOSCO, which would have had 75 percent of its costs in the Colony project picked up by the Federal Government. Just 2 days before Exxon pulled the plug, TOSCO took out a full page ad in the Wall Street Journal portraying the Colony project as the best thing since latex. Consider what TOSCO said:

> The Colony project is under excellent control. In 2 years of actual field construction, costs and progress have met expectations.

Was TOSCO telling us they expected that the Colony project would cost $5 to $6 billion as Exxon now estimates? That they expected Exxon would make basic design changes going to the very concept of the project, as Exxon has done?

I could go on, but the most damning part of all is that this project, according to Chairman Noble of the SFC, is the best managed, best designed project of all the synfuels projects now in the works. What do we have to look forward to? This project was not controlled by a federally propped-up partner. We may not be so lucky the next time.

If we do nothing else in response to what happened to the Colony project, we at least ought to take steps to minimize the taxpayers' exposure to damage from future flights of fancy by synthetic fuel project sponsors on the Federal dole. Today I introduced a sense of the House resolution to make sure that the amounts of Federal money put at risk for the Colony oil shale project are not put at risk again.

Sections 151 and 152—particularly 152(c)—of the Energy Security Act and section 105(c) of the Defense Production Act, as well as the floor debate on the Energy Security Act, all indicate that Congress did not want the SFC to have two cracks at the billions of dollars it was authorized to use in assisting synthetic fuel projects. Despite these expressions of congressional intent, the SFC has taken the position that it may be entitled to use again the funding authority freed up by the collapse of the Colony project.

There must be no question about the disposition of this billion dollar authority. I hope my colleagues will join with me in protecting American taxpayers from another synfuel star like Colony.●

BOB CULLISON HAS RETIRED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. HAMMERSCHMIDT) is recognized for 10 minutes.

● Mr. HAMMERSCHMIDT. Mr. Speaker, Robert "Bob" Cullison has announced his retirement from the minority professional staff of the House Committee on Veterans' Affairs. His leaving creates a void that will be difficult to fill.

Mr. Cullison has over 40 years of government service. He served in the U.S. Army in World War II. Thereafter he worked for the Veterans' Administration in Cincinnati, Ohio, as an educational specialist for 6 years while also attaining his law degree. During the fifties he was a special agent of the Federal Bureau of Investigation, specializing in cases involving interstate theft, white slavery, and extortion. While with the FBI he received several commendations and citations.

Mr. Cullison then returned to the Veterans' Administration where he had a number of executive assignments. Ultimately, he was the individual in VA central office who was responsible for checking for accuracy and uniformity in disability cases. He was the acknowledged expert in this very intricate field until his first retirement on January 1, 1975.

We were then able to persuade Bob to come to work with our committee as a reemployed annuitant. In these last 7 years his performance has been exemplary in every way. He has a vast knowledge of veterans law and procedures that has served the committee well. We will surely miss him but we wish he and Mrs. Cullison the very best in their retirement years.●

SAN FRANCISCO'S MISSION NEIGHBORHOOD HEALTH CENTER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. PHILLIP BURTON) is recognized for 10 minutes.

● Mr. PHILLIP BURTON. Mr. Speaker, community-based health clinics are under attack throughout the Nation and the future of the Mission Neighborhood Health Center in my district is in jeopardy.

The Mission Neighborhood Health Center was designed as a comprehensive health care center. It provides family-oriented medical services for more than 40,000 people. Many of these people do not speak any English, including recent immigrants to this country.

As a direct result of Federal budget reductions, the center's services have been seriously reduced. They have been forced to see fewer patients and to increase waiting time for appointments. Under these circumstances, it is

difficult for the center to meet the minimum health care needs of the community.

This reduction in services is yet another tragedy resulting from the Reagan administration's draconian budget cuts.

I would like to include in the RECORD a statement prepared by the Friends of the Mission Neighborhood Health Center. The statement follows:

COMMUNITY HEALTH CENTER SERVICES IN THE CITY AND COUNTY OF SAN FRANCISCO

In San Francisco, the Mission Neighborhood Health Center provides vital, high quality, low cost primary health care services to the Greater Mission District and San Francisco community at large. The center currently serves more than 40,000 individuals (over 17,000 families) of which the majority have incomes that fall at or below the federal poverty threshold. Mission Neighborhood Health Center is part of the national community health center network and programs like this one should continue to be funded for the following reasons:

Community health center provide the first-line access route to the overall health care delivery system for a very large clientele. This clientele consists of both whites and minority group members who may be indigent, but not eligible for medicare or medicaid, legal immigrants and aliens who have just arrived; those residents who speak little or no English; and those persons covered by medicare and medicaid. Most of these individuals find community health center programs to be far more accessible and in many cases the only accessible place, for obtaining primary health care.

Community health centers provide needed care at the time of greatest urgency. Community health centers are a vital resource in helping refugees and immigrants become settled and productive members of society. The time that they need help most urgently is when they first arrive, often with poor health due to malnutrition, lack of preventive health care, etc. Failure to treat these conditions can lead to a serious health problem later. Once these immigrants receive needed care, and work their way into the mainstream of American society they frequently transfer to the mainstream private medical sector for their health care.

The cost of services provided through community health centers is competitive with other providers. In terms of direct costs, community health centers are competitive. When[1] the nature of the clientele is considered (i.e., a more difficult population to service, suffering from poorer health in general), the low costs per patient visit are even more impressive. Furthermore, patient loads have increased sharply without commensurate increases in staff and with a high inflation rate.

Community health centers are held accountable to the clients served through mandated community control; to the funding sources through a rigorous programmatic and fiscal reporting system; to other providers through linkages; and to elected officials who vote on program authorizations and appropriations for these programs. Community health centers have been responsive to this close scrutiny by implementing cost containment and quality assurance procedures that have reduced the cost of services provided without lessening the quality of care.

Community health centers are effective means of controlling the cost of health care. They emphasize preventive health services. They provide primary health care before expensive hospitalization occurs. They provide an alternative to the misuse of expensively maintained emergency room services. They demonstrate that health care costs can be contained by emphasizing preventive and primary health care.

Community health centers contribute to the communities that they serve. They provide jobs to local residents, and they interact economically with other local business. They provide a model for orderly participation of the members of a local community in developing and managing a needed service. They generate referrals to the private sector for specialty services. They deliver health care services to portions of the community who have traditionally been medically underserved. They are important cultural bridges contributing to the assimilation of immigrants into American society. CHC forms an important part of the currently existing Community Health Care Delivery System.

MISSION NEIGHBORHOOD HEALTH CENTER (MNHC)

Clientele: This Center has been providing bi-lingual, bi-cultural health care services to residents of the greater Mission District and Hispanic Community at-large since 1967. Eighty-five percent of the patients are Hispanic origin particulary from Mexico, Central and South America. The predominant population in the catchment area is Latino, with significant numbers of other White, Black, Filipino, and Indo-Chinese clients. The majority of these patients are unable to communicate their medical problems or symptoms in the English language, and rely upon the unique bi-lingual, bi-cultural nature of the MNHC program to meet their needs.

The center currently serves more than 40,000 individuals (over 17,000 families) of which 56 percent have incomes that fall at or below the federal poverty threshold. The number of patients served has increased dramatically in recent years from a total of 25,000 annual patient visits in 1972 to the current estimated 55,000 per year.

Cost/services data	1980	1981
Number of patients registered	37,000	40,000
Average number of individuals registered per month	250	300
Number of encounters generated	50,000	55,000
Cost per M.D. encounter	$31	$24
Number of staff	83	80
Percentage of administrative costs	18	16
M.D. productivity level (patient visits per M.D. per year)	4,700	4,700
Annual ongoing operating budget	$2,586,663	$2,782,605

Trends: At present, 300 new patients are registered monthly. The patient load will continue to increase due to language and cultural access problems; the influx of immigrants from Central and south America, Asia, etc; and the absence of healty care entitlement or suitable reimbursement mechanisms to pay for services provided.

The most recent financial management information shows primary care visits cost $12.00 each; the cost per medical encounter is $24.00 each; and overall administrative cost for the program is at 16 percent. These costs will be further reduced through implementation of improved management and delivery systems. The average cost per medical user in 1980 was a modest $93.00.●

FARM CRISIS ACT OF 1982

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from South Dakota (Mr. DASCHLE) is recognized for 5 minutes.

● Mr. DASCHLE. Mr. Speaker, I am, today, along with Mr. HANCE and other colleagues, introducing the Farm Crisis Act of 1982. This legislation is our response to the depression level economic condition of agriculture and is also our response to the inaction of the administration to deal aggressively in trying to improve the agricultural economy.

All the statistics point to the parallels between 1982 and the Depression years. As in the 1930's, when farm parity plummeted, parity has dropped more than 30 points to 58 percent and is getting worse.

As in the 1930's, when farm income plummeted to $120 billion, farm income has declined 39 percent in the last 2 years while an additional 25 percent decline is forecast in 1982 to a nearly identical level.

While merely 30 years ago, farm debt was only $12 billion, it is now $180 billion—eight times higher than net farm income.

As in the 1930's, when tens of thousands of farmers were forced off the farm, the weekly toll in 1982 stands at more than 1,100.

USDA reports on the number of FmHA loans delinquent, and the number of borrowers delinquent are also ominous. FmHA's quarterly report of January 1, 1982, says that 35 percent of farm ownership loans, 58 percent of farm operating loans, 59 percent of disaster emergency loans and 59 percent of economic emergency loans are delinquent. The March 31, 1982, FmHA Farm Loan Status Report indicates that 30 percent of FmHA borrowers are delinquent. So far this fiscal year, FmHA reports that they have sent out 23,602 servicing letters—these are letters to farmers who are having difficulty repaying their loans. And FmHA, after sending out about 600 acceleration notices—notices which tell a farmer to pay up his entire loan immediately or be sold out—from October 1981 through December 1981, has now mailed out 2,978 such notices as of March 31, 1982.

And on a very personal level, I have a notebook which contains 45 days of auction clippings from South Dakota newspapers. These auction notices cover March 13, 1982, to April 27, 1982, and in that very short time, 320 farm auctions took place in South Dakota.

All this goes to show that we need some action to help the farm economy. We need to get our production in line with market demands in order to get our prices up. FmHA needs to do everything possible to keep farmers on the land. In conjunction with that, I would like to mention a separate piece of legislation that Congressman DORGAN and I have sponsored and which has now been approved by the full House Agriculture Committee as part of the Farmers Home Administration programs reauthorization bill (H.R. 5831). This bill says that a farmer, if he or she meets these criteria, is entitled to a deferral on his or her loan. In order to be eligible for a deferral, the farmer could be no larger than a family-size farmer, his inability to pay would have to be due to economic circumstances beyond his control, and he would have to be a good manager and would need to have a reasonable chance for repayment after the deferral period ended. I think this is a reasonable approach to dealing with a severe problem among FmHA borrowers.

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[1] CHC user cost per year in 1978 was $96 compared to $155 for a Medicaid user, and $172 for the average U.S. citizen.

Source: Bureau of Community Health Services; Medicaid State Tables; and National Health Expenditures.

The legislation also calls for FmHA to set out clear regulations and procedures regarding notification of deferral and other servicing remedies, something which now is a hodgepodge of statute and regulation. It is obvious from talking with many farmers and attorneys who represent farmers, that producers are often not aware of options available to them when they become delinquent, when FmHA sends a letter telling a farmer to sell his machinery, or when an acceleration notice is received. FmHA needs to let farmers know as soon as they get in any economic difficulty what various options are available. We do not want to have people in the situation of having only a couple days to try to seek legal advice before his farm is sold. Under this legislation, FmHA is also required to set out clear appeal procedures regarding denial of deferral and other servicing remedies.

The above-mentioned deferral legislation and the Farm Crisis Act of 1982 address some of the major problems of agriculture today. I include for the RECORD a summary of the Farm Crisis Act of 1982 and a copy of the bill. Please note in the last section of the summary that the Congressional Budget Office estimates that due to the amount of land taken out of production, and a corresponding reduction in deficiency payment and storage costs, our bill saves $899 million over the current farm bill.

PROVISIONS OF THE FARM CRISIS ACT OF 1982

The Farm Crisis Act of 1982 offers these specific provisions to deal reasonably, and within bounds of prudent federal spending constraints, with the problems posed by today's depressed agricultural economy:

1. Producers of feed grains, wheat, cotton, and rice who have already signed up to participate in the existing 1982 diversion program would have the additional option of diverting another 5 per cent of their acreage and being paid for that diversion. This would lessen demands on the federal budget, since it is cheaper to avoid producing additional units of commodities that are already in surplus supply, rather than making payments—price supports, storage, or otherwise—after the commodities have been produced.

In addition, the effect of reduced supplies would stimulate prices, thus reducing required target prices. And because of the late date in the 1982 season, the sign-up would be open until the end of the certification period. Haying and grazing would also be available to those farmers who have already planted.

The levels of diversion payments would be: Corn $1.25 per bushel; Wheat $2 per bushel; Rice $2.20 per hundredweight; Cotton 20¢ per pound. These would be calculated thus: Normal production x acreage diverted (equal to 5 percent of historically planted acres.)

2. A nationwide referendum would be held in July on whether farmers will lay aside 15 percent of their crop land for conservation purposes. Not included in the referendum would be crop acres under marketing order or allotment. An affirmative vote by 55 per cent of the farmers participating would be required for approval. If the referendum passed, loan rates would increase by 10 per cent. Failure to comply with the referendum provisions would mean denial of access to farm programs for three years.

3. If the referendum should be defeated, the Secretary of Agriculture would be required to establish a voluntary set-aside program when carryover reached certain levels:

For wheat, if domestic carryover grew to more than 5 per cent of world wheat utilization, a minimum 15 per cent acreage set-aside program would be implemented, and farmers would receive a 5 per cent loan rate increase. Farmers would also have the option to set aside 30 per cent of the previous year's plantings in return for a 15 per cent increase in the wheat loan. The set-aside acreage could be devoted to haying and grazing.

For feed grains, if domestic carryover grew to more than 18 per cent of total domestic and export use, a minimum 15 per cent set-aside program would be implemented, and farmers would receive a 5 per cent loan rate increase. Farmers also would have the option to set aside 25 per cent of the previous year's plantings in return for a 10 per cent increase in the loan rate.

For cotton, if total domestic carryover stocks of upland cotton at the end of the marketing year exceeded 4.2 mission bales, the Secretary of Agriculture would provide for a minimum 15 per cent set-aside, and farmers would receive an increase of 10 per cent in loan rates. Farmers would have the option to set aside 25 per cent of acreage, in which case the loan rate would be increased by 20 per cent.

4. It would be expressed as the sense of Congress that one billion dollars should be made available for the Agricultural Credit Revolving Fund, and expressed also as the sense of Congress that the Administration should take immediate action to begin negotiations with the government of the U.S.S.R. for a multi-year trade agreement.

5. The government would guarantee up to $250 million in loans for construction of on-farm storage facilities. This would make storage available for 500–600 million bushels of grain.

6. Use of the Economic Emergency Loan Program would be mandated, retaining the current $600 million cap. The program would be extended until September 30, 1983, and the cap on loan size would be lowered from $400,000 to $200,000.

7. The President would be directed to call a White House Conference on Agriculture to provide a forum for in-depth and long-range examination of agriculture's problems, solutions, and future potential.

8. The Secretary of Agriculture would be directed to survey and expedite bartering of U.S. government-owned agricultural commodities for strategic materials.

COST

The Congressional Budget Office estimates that because of the amount of land taken out of production, deficiency payments and storage costs will decrease and less grain will be redeemed, thereby saving $899 million over four years. This is a saving over the current law.●

RHODE ISLAND COMMEMORATIVE COIN SCANDAL SHOULD SERVE AS A WARNING

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● **Mr. ANNUNZIO.** Mr. Speaker, I have frequently stated my opposition to the private marketing of Olympic commemorative coins as called for in H.R. 6058. Unfortunately, the history of commemorative coinage in the United States is riddled with many glaring examples of the fraud and scandal that seems to go hand in hand with the private marketing of commemorative coins. While I have no particular desire to assume the role of the doomsday prophet, I think that we would be wise to heed Santayana's warning before it is too late. It is for this reason that I call your attention to the scandal surrounding the striking of half dollars to commemorate the tercentenary of the founding of Rhode Island.

On May 2, 1935, the Congress authorized the striking of 50,000 silver half dollars to commemorate the tercentenary of the founding of Rhode Island by Roger Williams. The coins were to be turned over to the Rhode Island and Providence Plantations Tercentenary Committee with the proceeds from the sale going to finance statewide celebrations of this event. The first 20,000 coins were to be struck at the Philadelphia Mint, with the remaining 30,000 to follow from Denver and San Francisco. The first sets were made available on March 5, 1936.

As it turned out, March 5, 1936, was a very confusing day. The Tercentenary Committee had received its first batch of coins and began to distribute them. When the committee turned 6,750 coins over to a Providence coin dealer, they were informed that this dealer had already received over 11,500 orders from all 48 States, Canada, and various foreign concerns. In an effort to fulfill these orders, the committee reduced the allocations to

other area dealers. This Providence dealer also had to purchase coins back from local recipients. According to the committee's treasurer, Arthur L. Philbrick, approximately 45,000 of the total issue were sold by noon, and the entire supply was depleted later that day.

In the meantime, the committee had been accepting mail orders from collectors since the previous November. When these orders could not be filled, the committee sent the collectors back their money, saying that all of the coins had been sold to Rhode Island natives. Rather than returning the original money orders and checks, the committee drafted new checks drawn on a Providence bank. Many consider it highly probable that the coin collectors' money had been used as a means of getting the coins from the mint.

At first glance, it appears that this commemorative coin program was a huge success since the demand seems to have far outweighed the supply. Unfortunately, it is not that simple, for many people became skeptical over the subsequent weeks and months. The coins were never advertised for sale by the Tercentenary Committee. In addition, there were only five members of the American Numismatic Association in the entire State of Rhode Island. The Providence coin dealer who received the 6,750 coins and supposedly exhausted his supply, immediately raised his prices from the original $1.50 to $7.50 and then to $9, a 500-percent increase.

Although no one knows where all of the coins went, we do know where they did not go: To the coin collectors who ordered them at the original price.

Lest you wonder, this was not an isolated case. There are numerous other similar examples of price fixing and improper coin distribution.

On March 13, 1937, in an article entitled "Money on the Make," the Saturday Evening Post called the minting of commemorative coins a racket. It then went on to say that:

> Commemoratives are coined to sell to collectors. Congress knows it; the lucky folks who finance celebrations, monuments and what not from their sale know it . . Collectors are beginning to realize that they can't have privately sold coins and keep their hobby too.

It is clear that everyone knew that the coin collecting community represented a huge section of the potential market for the sale of any commemorative coin. Yet, the private marketing of the coins only harmed coin collectors because of the abuse in pricing and distribution.

The situation got so bad that Congressman John J. Cochran of Missouri took the floor of the House on July 29, 1937, to introduce legislation that would prohibit the striking of commemorative coins. After discussing the Rhode Island situation, he said:

> . . . there are many more cases that can be cited showing beyond question where the coins were issued and distributed, not for the purpose of really commemorating an event, but for the purpose, not only to defray the cost of the celebrations, but to enable coin distributors to practically fleece the public.

And the most upsetting fact to Congressman Cochran was this:

> . . . appalling extent to which the coins have been exploited for private gain. . . When coins are gathered up by dealers and offered at such absurd premiums, the profits do not go to the organizations but to the individual merchants.

Thus, not only did the private marketing of these coins adversely affect the purchasers, it also took extreme advantage of the intended beneficiaries. It seems that the only ones who ever won were the marketers themselves.

Currently, there are two different proposals before this Congress designed to commemorate the 1984 Summer Olympics and raise money for our athletes through the sale of commemorative coins. H.R. 6058 calls for the coins to be sold to the public through private marketers. Under my bill, H.R. 6158, the coins would be sold directly to the public by the U.S. Mint, thereby avoiding the middleman and the scandal. We now must choose between these bills. Given the fact that scandals, like the one in Rhode Island, seem to erupt whenever private marketers are involved, I see no reason to approve that approach. Yet, for some reason, the proponents of H.R. 6058 seem bent on courting disaster by ignoring the lessons of history. In my mind, one mistake is one too many. The least that we can do is learn from one, thereby avoiding another.●

ARTURO VILLANUEVA RAMIREZ WINS WINTHROP ROCKEFELLER AWARD FOR DISTINGUISHED RURAL SERVICE

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. DE LA GARZA) is recognized for 30 minutes.

● **Mr. DE LA GARZA.** Mr. Speaker, this evening will be a very special one for me. One of my valued constituents, Arturo Villanueva Ramirez of Alamo, Tex., is being presented with a check for winning the Winthrop Rockefeller Award for Distinguished Rural Service. I plan to attend the ceremony at the U.S. Botanic Garden Conservatory during which he will receive the prestigious $10,000 award named after the late Governor of Arkansas because it was my privilege to have nominated Mr. Ramirez for this honor.

Mr. Ramirez is a former migrant farmworker who catalyzed community support to form a nonprofit water supply corporation which today serves thousands of people in the colonias of the lower Rio Grande Valley, mainly migrant and seasonal farmworkers and their families.

Although Military Highway Water Supply Corp. brought safe drinking water to the homes of many of the needy, there are still many areas of south Texas today without drinking water, and many other water supply corporations have come to me for help in securing water for a thirsty valley.

But the story of Military Highway Water Supply Corp., is a story about a group of people with a very big dream and very little money who overcame enormous obstacles to achieve that dream.

With your permission, Mr. Speaker, I submit the nominating petition which I sent to the National Rural Center, the nonprofit agency which handles the selection of award recipients, so my colleagues can read about this remarkable young man and his people:

WINTHROP ROCKEFELLER AWARD FOR DISTINGUISHED RURAL SERVICE NOMINATING FORM

NOMINEE'S WORK EXPERIENCE

Migrant and seasonal farmworker from 1956 (at the age of 8) through 1964 and intermittently through 1967

Teachers Aide, Youth Program Consultant and Visual Aids Coordinator for various public schools in lower Rio Grande Valley of Texas, 1969 and 1970.

Project Director, Youth Development Program for Colonias del Valle, a community based nonprofit organization operating in the rural areas of Hidalgo County and Cameron County, Texas. Advocacy work of the program led to the establishment of two community recreation parks and the completion of a major survey of need for potable water services for rural residents, 1970 and 1971.

Teacher Supervisor and Lead Instructor, manpower program sponsored by Colonias del Valle. Supervised seven instructors and taught in a program preparing 130 adults, mostly farmworkers, to find better jobs and get a college education, 1972.

Director of Field Operations, Colonias del Valle. Led community organizing efforts and negotiations with public officials to improve public services such as potable water supply, storm drainage, roads and school bus service, in very low income, Chicano settlements known as "colonias", where there was no available potable water supply, 1973 and 1974.

Manager, Military Highway Water Supply Corporation, 1974 through present.

PROJECT OR PROGRAM DESCRIPTION

Mr. Arturo Ramirez helped organize the Military Highway Water Supply Corporation (MHWSC) and has led the group from the point when it first hired a staff in 1974. Throughout, Mr. Ramirez has had the responsibility for providing MHWSC's overall leadership and direction. This includes organization work involved in signing up member-customers, overseeing the professional engineering work involved in the design of facilities, obtaining all the necessary permits, clearances and approvals from local, state and federal agencies, overseeing the operation and maintenance of the facilities after they were built and initiating new, related projects such as the development of wastewater facilities and the development of a commercial and industrial tract of land near the geographic center of MHWSC's service area.

Here is the story of MHWSC's creation and accomplishments from the viewpoint of the organization:

"The Military Highway Water Supply Corporation serves an area generally consisting of the southern portions of Hidalgo and Cameron Counties in the Lower Rio Grande Valley of Texas. The area is bounded by U.S. Route 83 on the north, U.S. Route 281 on the west, the Rio Grande River on the south and the City of Brownsville on the east.

The principal road through the area is the east-west spur of U.S. Route 281, known locally as the "Military Highway." The road got its name in the days when it served as the major communications link among U.S. military installations along the Mexican border.

A number of small, rural communities are located on or near the Military Highway. They contain from several dozen to several hundred families each. They are generally referred to by the Spanish term "colonias," roughly translated as neighborhoods.

Though individually small, collectively the colonias of the lower Valley (including those outside the MHWSC service area) house over 10 percent of the region's population. Many were established a century and more ago by the first settlers moving north from locations in what is now central and northeastern Mexico. Others have grown up recently as housing subdivisions, created to provide less expensive homesites than those in the Valley's cities.

The colonias are not incorporated municipalities under Texas law. The local governmental unit is the county. The county governments do not provide any water supply or wastewater disposal services.

The predominant living conditions in the colonias are poverty and blight. The residents have very limited incomes. The largest single group of colonias workers consists of migrant or seasonal farmworkers. The lower Rio Grande Valley is the largest single "home base" area of migrant farmworkers in the entire United States.

Housing conditions are generally substandard. Until MHWSC built water supply facilities into these communities several years ago, they had no public utility services other than electricity. As a result, neither public programs nor commercial lenders could finance the development of standard housing.

The Military Highway Water Supply Corporation is a nonprofit utility corporation. Under its articles of Incorporation and By-Laws, it is organized as a cooperative—its utility customers are its members with the power to elect its Board of Directors on the standard one person-one vote basis. It is the largest cooperative venture controlled by low-income people in the lower Rio Grande Valley, and probably one of the largest in the country.

MHWSC was originally organized in 1970 and formally incorporated in 1971. It was established for the specific purpose of bringing the first reliable, public supply of potable water to the residents of the colonias. In addition to bring a precondition of any housing or economic development in the area, such a water supply was necessary to alleviate the serious health problems caused by waterborne diseases associated with the shallow wells used by many colonia residents and the contamination of water hauled by others from such unsanitary sources as irrigation ditches.

After several years of organizing work, MHWSC sought and obtained financing commitments from the U.S. Economic Development Administration and the U.S. Farmers Home Administration. These commitments—a $600,000 grant from EDA and a $1,890,000 loan from FmHA—enabled MHWSC to build its initial water supply facilities.

These facilities were completed late in 1977. They included two water treatment plants, three 100,000 gallon elevated storage tanks, one ground level booster tank, 145 miles of pipe and a small administrative and maintenance facility in Relampago, a colonia located on the Military Highway. Some 2,100 families received water from these facilities.

Since that time MHWSC has obtained an additional $2,300,000 in financing from EDA and FmHA and constructed additional facilities, increasing the capacity of the system and bringing the total number of MHWSC member-customers to over 4,000.

Building upon its proven record in community development (and under Mr. Ramirez' leadership) MHWSC has expanded its activities by:

Drawing up plans for the first wastewater systems designed for the larger of the colonias within the MHWSC area.

Assisting in housing development by helping MHWSC member-customers with basic home repairs and exploring the use of self-help techniques for new home construction.

Facilitating the development of a small industrial site adjacent to an international bridge in the central portion of the MHWSC service area.

IMPORTANCE

Over 4,000 very low income, predominantly migrant and seasonal farmworker families, totally approximately 22,000 people, in over 25 rural communities, have received safe, reliable drinking water services for the first time through the rural water supply cooperative which Mr. Ramirez helped to create. The process of creating the system has led to a change in the national rules governing the water-sewer programs of the U.S. Farmers Home Administration, and policy changes and proposed reforms in FmHA, the U.S. Economic Development Administration and the U.S. Environmental Protection Agency programs financing the construction of rural water or wastewater systems, as well as setting a national model for the organization of a large-scale rural water supply system providing services to very low income people at rates they can afford.

HOW IS IT FUNDED?

Operation and maintenance costs are met from the sale of water to MHWSC's member-customers. Construction financing has been obtained principally from the programs of Farmers Home Administration and the Economic Development Administration. Funding for other aspects of MHWSC's development work has been obtained from other public sector programs, including those of the U.S. Department of Housing and Urban Development, the U.S. Community Services Administration, the Texas Department of Community Affairs, and employment and training and anti-poverty programs administered by Cameron and Hidalgo Counties, and from private sector agencies including the Campaign for Human Development of the U.S. Catholic Conference, the Self-Development of People program of the United Presbyterian Church and the Texas District of the Lutheran Church-Missouri Synod.

LEADERSHIP

In what way or ways have rural people and/or communities benefited from the nominee's contribution?

Approximately 22,000 people in 25 rural communities in the lower Rio Grade Valley of Texas have thus far obtained potable drinking water services for the first time through the organization and construction of the Military Highway Water Supply Corporation's system, led by Mr. Ramirez. The people receiving the water service are also owners of the system, though MHWSC's structure as a utility cooperative. The availability of water supply services, at rates which the low-income residents of these communities can afford, is an essential precondition for housing improvement activity, new housing construction and the creation of new businesses and jobs in these areas.

MHWSC's example has served as a focal point for efforts at both state and federal levels to make policy changes in the programs which provide financial support for the construction of rural water and wastewater facilities. In its efforts to obtain financing from FmHA for the second stage of the construction of its water facilities, MHWSC was confronted with an interpretation of FmHA regulations that threatened to deny MHWSC any FmHA grant assistance on the grounds that its user rates were not as high as those of other water supply corporations, even though MHWSC customers could not afford higher rates. Mr. Ramirez led the effort to persuade FmHA to make a change in its permanent regulations permitting the Administrator of FmHA to waive the rules involved and approve grant financing at maximum legal FmHA terms for water-sewer systems serving very low-income communities.

In addition to this change which has been made in FmHA policy, Mr. Ramirez has focused national attention on other policy changes needed in the rules governing federal programs administered by FmHA, EPA and EDA, such as:

The need for special attention to the availability of utility services in unincorporated rural areas immediately adjacent to municipalities (called extra-territorial jurisdiction or ETJ in some states).

The need to require applicants for federal funding to set "membership" or "connection" fees imposed on new customers hooking into a utility systems; lines at levels which low income people can afford.

The need to identify low-income and minority group population concentrations on maps of projected service areas for facilities proposed for federal assistance in order to insure that such areas are not bypassed in the construction of federally-aided facilities.

The need to make changes in the enabling legislation for EPA's wastewater treatment works construction grants program to permit nonprofit organizations direct access to federal financing in rural areas where local public bodies are unable or unwilling to development of necessary wastewater systems.

Beyond the immediate result of the program or project, what distinguishes the nominee's leadership?

Mr. Ramirez has a proven ability to establish and maintain effective relationships with people at all levels involved in the delivery of rural utility services. He has been effective as a community organizer and leader, working one-on-one, with small groups and with communitywide organizations in small, low-income rural communities. He has been effective in dealing with property owners, in personally obtaining hundreds of easements to enable the MHWSC water lines to cross private land. He has been effective in dealing with local and state governments in obtaining the scores of permits and clearances required to enable the development of the system to proceed. And he has been effective in dealing with federal financing agencies, up to and including the Cabinet and subCabinet level leadership within the Department of Agriculture and Department of Commerce, as well as the Congressional delegation representing the lower Rio Grande Valley. His ability to make and keep long-term friends at all these essential levels involved in rural water supply issues has been crucial to the development of the MHWSC system and its accomplishments.

INNOVATION

MHWSC was built, in an organization and development sense, through a "grass roots" approach, largely initiated and led by present and former migrant farmworkers. Mr. Ramirez, the leader in that effort, is himself a former migrant worker, whose early education came in the migrant stream from the lower Valley of Texas, through Colorado and into Montana following the sugar beet and other crops.

The conventional approach to the development of rural water supply systems is to depend entirely upon public agencies to initiate, build and own the facilities involved, with the leadership supplied by highly educated professionals, such as consulting engineers.

MHWSC's system was not and could not have been built that way. The organizing work involved required an ability to relate directly to the low-income, Spanish-speaking families in the "colonias." The work in obtaining the clearances and approvals necessary to build the system required time and persistence that could not have been reimbursed at standard professional rates. In Texas, with laws and a tradition that have made county governments relatively weak with respect to the development of water and wastewater facilities, public bodies are not the customary vehicles for the establishment of water and wastewater systems. The ability to attract and retain the interest of agency officials at the national level is not common among leaders of local community based groups.

OBSTACLES AND HARDSHIPS

1. MHWSC had to be organized and develop its initial water supply system without any previously established source of operating or administrative funds. MHWSC was a new system. It was started without any funds. The federal programs to which it turned for support finance only construction, not administrative costs. Mr. Ramirez successfully overcame this obstacle by stimulating volunteer work in the individual communities to sign up MHWSC member-customers and by raising small sums through private and public agencies such as church groups and local employment and training programs. The fact that this was done is unusual enough. What made it almost unique, nationally, in the MHWSC case, was the scale of the system being developed—one that would serve several thousand households, not just several dozen.

2. MHWSC had to persuade federal financing agencies that it could repay a loan of $1,890,000 despite the fact that a significant proportion of its customers are migrant farmworkers who are away from the area for several months of the year and whose incomes are very low. Mr. Ramirez successfully overcame this obstacle through his personal persistence and persuasive abilities and an unwavering insistence that the federal agencies must provide enough grant, rather than loan, support to enable the MHWSC user rate structure to be fixed at levels low-income customers could afford.

3. MHWSC had to persuade federal agencies to set aside both published regulations and unwritten "rules of thumb" as part of the process of approving necessary funding for the construction of MHWSC facilities. Mr. Ramirez successfully overcame this obstacle through his persistence and ability to appeal to top agency leaders on the grounds that the unwritten and written agency rules conflicted directly with accomplishing the national objectives of the programs.

4. MHWSC had to establish a capability, without increasing the rates imposed on its low-income customers, to initiate new projects within its service area to bring better housing and more jobs to the people who live there. Mr. Ramirez has successfully overcome this obstacle by attracting support from programs not normally involved with rural utility system development, such as HUD's Neighborhood Self-Help Development program. This has given MHWSC the capability to stimulate housing improvement, design wastewater facilities and begin to develop a commercial and industrial tract of land near the geographic center of MHWSC's service area.

Additional examples of the obstacles confronted and overcome by MHWSC are described in other sections of this nomination.●

IN CONGRESS' COURT NOW

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. William J. Coyne) is recognized for 5 minutes.

● Mr. WILLIAM J. COYNE. Mr. Speaker, Representative Henry Reuss has provided the American people some sage economic advice during his many years in Congress, as a member and chairman of the House Banking Committee, and as chairman this year of the Joint Economic Committee.

The administration and Members of Congress would do well to consider the suggestions offered by Representative Reuss in the May 2, 1982, Washington Post. Congress has a responsibility to break the budget stalemate by enacting a budget ceiling/tax measure, Representative Reuss reminds us. The administration has a responsibility to approve it—even if such a measure is not completely to its liking. If necessary, Congress should draw upon the example of King John at Runnymede. We can force the administration to come to grips with it here and now. In the process, we must direct the Federal Reserve not to frustrate efforts to reduce the deficit by maintaining economically stifling interest rates.

I would like to share with my colleagues the column by Representative Reuss, "In Congress' Court Now."

The column follows:

[From the Washington Post, May 2, 1982]

In Congress' Court Now

(Henry S. Reuss)

Early this week, President Reagan told a cheering U.S. Chamber of Commerce that any tampering with the July 1, 1983, tax measure was non-negotiable and last week, the day the House Banking Committee respectfully requested a moderate relaxation of the Federal Reserve's 5.5 percent monetary range ceiling, Chairman Paul Volcker told the Women's Economic Forum in New York that the Fed would persist in its present target ceiling no matter how much the deficit was brought under control.

Both Reagan and Volcker go out of their way to enforce each other's fetishes. Reagan has consistently cheered to the echo Volcker's over-tight money, even when it precipitated the recession last summer. Volcker, for his part, gratuitously observed to the ladies in New York that $90 billion or so could be lopped from the 1983 budget deficit without laying a finger on the president's July 1, 1983, tax measure—unfortunately, failing to specify how this miracle is to be achieved.

So here we are—stalemate on the first budget resolution, due on May 15, a debt ceiling extension also imminent, an economy and a society increasingly threatened, the world in turmoil and waiting for some sign that the United States has found its soul.

The president won't do it, the Federal Reserve won't do it. Where, under our constitutional system, is there strength to be found?

Congress has been my life work, and I have a great love for the old institution. It was for such a day as this, that we in Congress are called to the kingdom. In the impasse that lies ahead, Congress has a right and a duty to act for the public good. Here's how.

Let Congress, in its upcoming first budget and debt ceiling measures, present to Reagan the needed increase in the debt ceiling, with a rider providing for the repeal of the July 1, 1983, tax measure.

I know that the president has said, paraphrasing old Mayor Crump of Memphis, that Mr. Crump won't 'low no easy riders here. But as he sits in the Rose Garden contemplating whether to sign the debt ceiling/tax measure, he will have to face certain harsh realities.

If he vetoes, even though Congress fails to override, Congress may be in no mood to pass any debt ceiling legislation whatever if it contains no responsible way of ending the escalation of the debt. The president must know that large numbers of his own party are proclaiming that they will vote against such a naked piercing of the debt ceiling. Many Democrats, though for different reasons, would join them.

As the nation contemplates Mr. Reagan in the weeks ahead, he may not find it so easy to bring the nation to a halt by a veto and then try to blame it on Congress. And as soon as the debt ceiling/tax legislation is signed, the first budget resolution, which would then in good conscience direct the Federal Reserve to do its part and not frustrate the deficit-lowering process by tightening money further, can be finalized.

So all hinges on Ronald Reagan. But how could he be induced to sign a bill he doesn't like, even though the future of the nation is at stake? Is there any precedent in history for a ruler to sign into law a charter of which he disapproves?

Yes, there is a goodly precedent, one whose anniversary we shall all be celebrating on June 15. In 1215 the barons of England, frustrated at a ruler who combined great personal charm with a maximum of selfishness and obstinacy, came to King John at Runnymede, bearing the Magna Carta. King John signed, though he immediately, as a historian reports, "threw himself upon the ground in a fit of impotent rage, gnawing at sticks and hats of straw."

As with King John so with King Ron. Let the barons of Congress present to him, not a Runnymede, but in the rose Garden, a 1982 Magna Carta of Fiscal and Monetary Responsibility. Let the process of getting the legislation in place be a model on Congressional art and industry. Let the president's signature, which I hope he can give, go forth as a sign of a new national unity and a determination to let common sense triumph over dogma.●

NEED FOR EXTENDED BENEFITS TO REFUGEES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington (Mr. Lowry) is recognized for 10 minutes.

Mr. LOWRY of Washington. Mr. Speaker, I would like to take a few minutes of the House's time to talk about a very serious problem, that of approximately 130,000 refugees in this country who as of the first of April were, by regulation of the Office of Refugee Relocation, cut off from all of their cash and medical grants.

These 130,000 people I am referring to are not eligible for other programs within the States that they live to provide them with any basic necessities of life. That is because these people I am referring to live in States that do not have two-parent AFDC programs or States that do not have a general assistance program.

What does that mean? The 130,000 I am referring to are families, most of them are Hmong tribesmen and Ming tribesmen that fought with the United States in Laos and Cambodia, that came here as political refugees as a result of that action and now, because of administrative changes, find themselves in the saddest and most serious of all states.

What the change is is that the Refugee Act of 1980 says that the U.S. Government will provide up to 36 months of cash and medical aid to refugees that came into this country. The Office of Refugee Relocation changed that 36 months to 18 months. So if you had been here longer than 18 months, the changing of that period of time means that that cash and medical assistance which you had been living on, the entire thing you had been living on was cut off the first of April.

I assume one of the reasons behind that action was that 18 months, for a lot of people, would be enough time to assimilate into our society and in our economy and have a chance to find a job. But, of course, right now the economic situation in this country does not make it very easy to find a job for a lot of skilled laborers, for a lot of woodworkers. If you happen to be in the States of Oregon and Washington, such as I am, where our unemployment is 12.9 percent, official, the simple fact of the matter is that while I think there is some sense in the philosophy that after 18 months it should be possible for somebody to find a job, that at least at this time that situation really is not relevant.

So these people simply find themselves with no support at all.

I am taking this time because I have been trying to figure out a way that this Congress would make a supplemental appropriation to restore back to the 36-month category that existed before this regulatory action by the Office of Refugee Relocation.

I am trying, I have been trying to get the attention of the leadership of this House to say we have people who are in this country and who are starving to death. Little kids are writing letters, are writing letters saying "What are we going to do?"

We are hung up in this procedural process deal that we cannot find a way to get an amendment on to a supplemental appropriation bill because we cannot get a rule to have an amendment on the floor.

I went to the Rules Committee and I asked the Rules Committee for a rule so that on the floor we could bring this subject up, and show some compassion for these people. But, no, we cannot do that because of the procedures.

I understand the problem with an amendment on the floor to an appropriations bill and I understand the wisdom behind that traditional position because obviously if we allow amendments on the floor to appropriation bills the Christmas tree problem is terrible, it just goes on and on and on. I understand that.

But there are times that we have to be willing to say let us address a clear emergency that is here. I implore the Members of this House to sometime in the next couple of weeks join with me to find a way that we can get an appropriation to recognize the needs of these people. I am confident we can do that, but I am taking this time just to try to bring that to everybody's attention.

I will again tomorrow and next week and in the future weeks be attempting to find a way to get that action before us.

People say, "Well, Lowry, you have those refugees in Seattle." Well, let me tell you, there are 10,000 in the State of Washington. There are 120,000 in the rest of the country. It is something that must be addressed.

I appreciate the time of the House to try and draw this to your attention, and I yield back the balance of my time.

FARM CRISIS ACT OF 1982

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oklahoma (Mr. English) is recognized for 5 minutes.

● Mr. ENGLISH. Mr. Speaker, today we are introducing the Farm Crisis Act of 1982. This country, this administration, and Congress can no longer take a wait and see attitude about current farm policy. Americans must recognize and face up to the economic crisis now shrouding our Nation's farmers and rural communities. We must render immediate assistance to the farm economy before commodity and land prices slide irreversibly low, forcing many producers off the farm and posing a serious threat to consumers in the long run.

Mr. Speaker, farm income is at an all-time low. Not since the depths of the Depression have farmers received so little for so much. Economic projections for 1982 farm income look so bleak that USDA officials refuse to officially report them. Privately, however, USDA estimates that 1982 farm income will slide to a level between $13 and $18 billion, down from $24 billion in 1981.

Crops which cannot sell at or above cost force even the most efficient farmers into hard times. On January 1, 1982, the national farm debt totaled a historic high of $194 billion. Unfortunately, the Food and Agriculture Act of 1981 has not provided the necessary assistance to help farmers pull through these rough times. Neither has President Reagan nor USDA policy provided much hope. President Reagan has repeatedly refused to meet with congressional representatives from farm districts. USDA has tightened credit policies and unexplainably delayed allocation of funds earmarked for emergency economic assistance.

Farmers need immediate legislative assistance aimed at stabilizing crop and land prices. As a rule of thumb, a good farm program should enable farmers to make a fair profit while costing the taxpayers nothing. I believe that provisions included in the Farm Crisis Act of 1982 will do just this. Specifically, this bill will encourage and assist farmers to conserve resources, control production, stabilize prices, secure stable markets, and most importantly, it will enable farmers to stay in business.

I believe it is particularly important that farmers have a reliable acreage conservation and set-aside program. Farmers must know ahead of planting season what the farm program is going to be so they can make decisions and preparations for the next year. I believe that the wheat and crop set-aside provisions in this bill will provide farmers with an opportunity to stabilize supplies and control their own economic destiny. Decisions as important as crop acreage amounts should not be left up to the discretion of any one person. This bill will provide farmers a mechanism to achieve a price in the marketplace by requiring a voluntary acreage conservation and set-aside program mandated when levels of domestic carryover reach 5 percent of world consumption. By responding to huge carryovers, farmers can avoid overproduction which results in low farm income and high Government support payments. The Farm Crisis Act of 1982 will not cost taxpayers. It will in fact generate a savings of $899 million above the current law during the next 4 years.

Mr. Speaker, we are not presenting this bill as a miracle cure-all. We are presenting it and supporting it in an attempt to avert a crisis in American agriculture and the loss of thousands of this Nation's family farmers. Ultimately, it will be the consumers of this country who will pay if this crisis is not averted.●

CINCO DE MAYO

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. Rousselot) is recognized for 5 minutes.

Mr. ROUSSELOT. Mr. Speaker, today many of my constituents and friends are celebrating Cinco de Mayo, a day which symbolizes the proud heritage of the Mexican-American community in many parts of our country, but especially southern California.

Contrary to popular belief, this day is not just the Mexican independence day. That day comes in September. Instead, this is the day that Mexico celebrates her coming of age and, frankly, just plain freedom.

The early half of the 19th century was not an easy time for the new Republic of Mexico. Internal fighting, coups, and minor revolutions bankrupt the nation. By 1860 Mexico had defaulted on payments to many of her European creditors. With the United States caught up in a civil war, and unable to enforce the Monroe Doctrine, French troops landed with the goal of establishing a European-based monarchy in Mexico which would protect their monetary interests.

Maximilian, the Archduke of Austria, was installed as the "emperor" and surrounded by foreign advisers. It did not take long for the Mexican people to organize against this activity.

On May 5, 1862, a small volunteer force of Mexican patriots, under the leadership of one of their generals, and many of the leaders, defeated a French force three times its size at the town of Puebla. This forced the French force back to the coast to regroup. Although the foreign force later returned and succeeded in establishing their goal, the battle of Cinco de Mayo remains for the Mexican people, and for many of us in this country, a symbol of Mexican valor in the face of superior odds, of profound love for their homeland and culture, and of the indominatable Mexican spirit of freedom.

Today in my district, as there has been for the past week, there will be singing and dancing, parades, music, and so forth, celebrating the love and pride of the Mexican culture and heritage which has become so much of our southern California tradition and added so much to our country.

I wish my colleagues and constitutents a very happy Cinco de Mayo.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Smith of Oregon) to revise and extend their remarks and include extraneous material:)

Mr. Findley, for 30 minutes, today.

Mr. Corcoran, for 10 minutes, today.

Mr. Hammerschmidt, for 10 minutes, today.

Mr. Latta, for 60 minutes, May 11, 1982.

Mr. Miller of Ohio, for 60 minutes, May 11, 1982.

Mr. Smith of Oregon, for 60 minutes, May 12, 1982.

(The following Members (at the request of Mr. Kildee) to revise and extend their remarks and include extraneous material:)

Mr. Reuss, for 20 minutes, today.

Mr. Phillip Burton, for 10 minutes, today.

Mr. Daschle, for 5 minutes, today.

Mr. Gonzalez, for 15 minutes, today.

Mr. Annunzio, for 5 minutes, today.

Mr. Coelho, for 5 minutes, today.

Mr. de la Garza, for 30 minutes, today.

Mr. William J. Coyne, for 5 minutes, today.

Mr. Lowry of Washington, for 10 minutes, today.

Mr. English, for 5 minutes, today.

Mrs. Collins of Illinois, for 60 minutes, on May 6, 1982.

Mr. Rousselot, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. Smith of Oregon) and to include extraneous matter:)

Mr. Findley.

Mr. Lowery of California.

Mr. Lent.

Mr. Young of Alaska.

Mr. Rousselot.

Mr. Dougherty.

Mr. Hammerschmidt.

Mr. Petri.

Mr. Marlenee.

Mr. Dannemeyer.

Mr. Madigan.

Mr. Clinger.

Mr. Young of Florida in 10 instances.

Mr. Fish.

Mr. Railsback.

Mr. Snyder.

Mr. Lee.

Mr. McCloskey.

Mr. Gingrich.

Mr. Dreier in two instances.

Mr. Lujan.

Mrs. Heckler.

Mr. Jeffords.

Mr. Lagomarsino in two instances.

Mrs. Fenwick.

Mr. Hopkins.

(The following Members (at the request of Mr. Kildee) and to include extraneous matter:)

Mr. Downey.

Mr. Reuss.

Mr. Blanchard.

Mr. Santini in two instances.

Mr. Ford of Michigan.

Mr. William J. Coyne in two instances.

Mr. St Germain.

Mr. Hamilton.

Mr. Gejdenson.

Mr. Obey in five instances.

Mr. Murtha.

Mr. Roe.

Mr. Ertel in three instances.

Mr. Moffett.

Mr. de Lugo.

Mr. Seiberling in 10 instances.

Mr. Fascell.

Mr. Mazzoli in five instances.

Mr. Florio.

Mr. Shelby.

Mr. Lundine.

Mr. Applegate in two instances.

Mr. Udall.

Mr. Fary in two instances.

Mr. Coelho.

Mr. Hubbard.

Mr. Mottl.

Mr. LaFalce.

Mr. Edgar.

Mr. Long of Maryland in three instances.

Mr. Donnelly.

Mr. Ratchford.

Mr. Dwyer.

Mr. Mineta in two instances.

Mr. Roybal.

SENATE BILL AND JOINT RESOLUTION REFERRED

A bill and a joint resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 79. An act for the relief of Joseph Y. Quijano, his wife Marichu Larrazabal Quijano, and his son Franz Joseph Quilljano and daughters Marie Estrella Quijano and Milche Marenjone Quijano; to the Committee on the Judiciary.

S.J. Res. 195. Joint resolution designating the week of May 2, 1982, through May 8, 1982, as "National Clean Air Week"; to the Committee on Post Office and Civil Service.

ENROLLED BILLS SIGNED

Mrs. HAWKINS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker.

H.R. 1681. An act for the relief of Andre Bartholo Eubanks.

ADJOURNMENT

Mr. LOWRY of Washington. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 30 minutes p.m.), the House adjourned until tomorrow, Thursday, May 6, 1982, at 11 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3853. A letter from the Acting Director, Defense Security Assistance Agency, transmitting a report on the impact on the Department of the Army's proposed sale of certain defense equipment and services to Greece (Transmittal No. 82-51), pursuant to section 813 of Public Law 94-106; to the Committee on Armed Services.

3854. A letter from the Chairman, District of Columbia Retirement Board, transmitting the second annual report of the District of Columbia Retirement Board, pursuant to Public Law 96-122; to the Committee on the District of Columbia.

3855. A letter from the Chairman, National Commission on Libraries and Information Science, transmitting the 10th annual report of the Commission, pursuant to section 5(a)(7) of Public Law 91-345, as amended; to the Committee on Education and Labor.

3856. A letter from the Secretary of Energy, transmitting a report to the President and the Congress on the size of the strategic petroleum reserve, pursuant to section 1037, Public Law 97-35; to the Committee on Energy and Commerce.

3857. A letter from the Acting Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to offer to sell certain defense articles and services to Greece (Transmittal No. 82-51), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

3858. A letter from the Commissioner of the Bureau of Reclamation, Department of the Interior, transmitting a report on the proposed modification of the Lahontan Dam, Newlands project, Nevada, pursuant to section 5 of Public Law 95-578; to the Committee on Interior and Insular Affairs.

3859. A letter from the Deputy Executive Director, American Chemical Society, transmitting the annual report and audit of the organization for calendar year 1981, pursuant to Public Law 88-504; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FUQUA: Committee on Science and Technology. H.R. 5726. A bill to authorize appropriations to the Secretary of Commerce for the programs of the National Bureau of Standards for fiscal year 1983 and for other purposes; with amendments (Rept. No. 97-501). Referred to the Committee of the Whole House on the State of the Union.

Mr. FUQUA: Committee on Science and Technology. H.R. 5890. A bill to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes; with amendments (Rept. No. 97-502). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. WIRTH:

H.R. 6273. A bill to amend the National Traffic and Motor Vehicle Safety Act of 1966 and the Motor Vehicle Information and Cost Savings Act to authorize appropriations for fiscal years 1983, 1984, and 1985, and for other purposes; to the Committee on Energy and Commerce.

By Mr. DASCHLE (for himself, Mr. Hance, Mr. Jones of Tennessee, Mr. Harkin, Mr. Albosta, Mr. Bedell, Mr. Dorgan of North Dakota, Mr. English, Mr. Glickman, Mr. Gunderson, Mr. Hightower, Mr. Leath of Texas, Mr. Marlenee, Mr. McCurdy, Mr. Panetta, Mr. Roberts of Kansas, Mr. Rose, Mr. Skelton, Mr. Stangeland, Mr. Stenholm, Mr. Synar, Mrs. Smith of Nebraska, Mr. Williams of Montana, and Mr. de la Garza):

H.R. 6274. A bill to require the Secretary of Agriculture to make land diversion payments for the 1982 crops of wheat, feed grains, cotton, and rice to establish acreage limitation programs for the 1983 through 1985 crops of wheat, feed grains, and cotton if producers approve such programs or if carryovers of such crops reach certain levels, and for other purposes; to the Committee on Agriculture.

By Mr. DREIER:

H.R. 6275. A bill to change permanently the business of the U.S. Assay Office at San Francisco to the business of a mint, and to redesignate such assay office as the Mint of the United States at San Francisco; to the Committee on Banking, Finance and Urban Affairs.

By Mr. DYMALLY (for himself, Mr. Dellums, Mr. Fauntroy, Mr. McKinney, and Mr. Bliley):

H.R. 6276. A bill to amend the District of Columbia Self-Government and Governmental Reorganization Act to allow the issuance of revenue bonds to finance college and university programs which provide student educational loans; to the Committee on the District of Columbia.

By Mrs. HECKLER:

H.R. 6277. A bill to provide for the replacement of the Brightman Street Bridge, Fall River, Mass.; to the Committee on Public Works and Transportation.

By Mr. HOLLAND (for himself and Mr. Martin of North Carolina):

H.R. 6278. A bill to apply duty-free treatment to tetra amino biphenyl; to the Committee on Ways and Means.

By Mr. HUNTER (for himself and Mr. Dreier):

H.R. 6279. A bill to amend the Internal Revenue Code of 1954 to deny certain tax benefits to imported machinery and equipment, and for other purposes; to the Committee on Ways and Means.

By Mr. JENKINS:

H.R. 6280. A bill to amend the International Coffee Agreement Act of 1980; to the Committee on Ways and Means.

H.R. 6281. A bill to amend the act implementing the International Sugar Agreement, 1977; to the Committee on Ways and Means.

By Mr. LEACH of Iowa:

H.R. 6282. A bill to repeal the provisions enacted in the Economic Recovery Tax Act of 1981 which extended the credit against the windfall profit tax on domestic crude oil for royalty owners, which reduced the rate of such tax on newly discovered oil, and which exempted from such tax independent producer stripper well oil; to the Committee on Ways and Means.

By Mr. MADIGAN (for himself, Mr. Lent, and Mr. Lee):

H.R. 6283. A bill to amend the National Traffic and Motor Vehicle Safety Act of 1966 to promote motor vehicle safety by establishing information disclosure and certification requirements applicable to the sale of certain used motor vehicles; to the Committee on Energy and Commerce.

By Mr. MATTOX:

H.R. 6284. A bill to require the Secretary of Transportation to prescribe regulations prohibiting the smoking of tobacco on commercial aircraft; to the Committee on Public Works and Transportation.

By Mr. MOTTL (for himself and Mr. Solomon):

H.R. 6285. A bill to require the National Highway Traffic Safety Administration to provide for the establishment by States of motor vehicle title and inspection requirements in order to promote traffic safety and deter motor vehicle theft, and for other purposes; to the Committee on Energy and Commerce.

By Mr. MOTTL (for himself, Mr. Montgomery, Mr. Hammerschmidt, Mr. Edwards of California, Mr. Edgar, Mr. Leath of Texas, Mr. Boner of Tennessee, Mr. Mica, Mr. Daschle, Mr. Gramm, Mr. Murphy, Mr. Dorgan of North Dakota, Mr. Won Pat, Mrs. Heckler, Mr. Wylie, Mr. Hillis, Mr. Sawyer, Mr. McEwen, Mr. Dunn, Mr. Smith of New Jersey, Mr. Smith of Alabama, Mr. Napier, and Mr. Nelligan):

H.R. 6286. A bill to amend title 38, United States Code, to authorize the Administrator of Veterans' Affairs to provide that Veterans' Administration nurses who work two 12-hour regularly scheduled tours of duty

over a weekend shall be considered to have worked a full basic workweek, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. MURPHY:

H.R. 6287. A bill to amend title 18, United States Code, to strengthen provisions of such title designed to protect children against sexual exploitation; to the Committee on the Judiciary.

By Mr. PEPPER (for himself, Mr. Barnes, Mr. Erdahl, Mr. Fauntroy, Mr. Frank, Mr. Mitchell of Maryland, and Mr. Stanton of Ohio):

H.R. 6288. A bill to amend section 202 of the Housing Act of 1959 with respect to making loans under such section for innovative projects for the handicapped; to the Committee on Banking, Finance and Urban Affairs.

By Mrs. SCHNEIDER (for herself and Mr. Scheuer):

H.R. 6289. A bill to provide for the establishment of a Federal program of research and development with respect to indoor air pollution; jointly, to the Committees on Energy and Commerce and Science and Technology.

By Mr. SEIBERLING:

H.R. 6290. A bill to increase authorizations of appropriations for land acquisition for Voyageurs National Park, Cape Cod National Seashore, Cape Lookout National Seashore, and Sleeping Bear Dunes National Lakeshore; to the Committee on Interior and Insular Affairs.

By Mr. WAXMAN (for himself, Mr. Sensenbrenner, Mr. Yates, Mr. Bingham, Mr. Fauntroy, Mr. Moffett, Mr. Fascell, Mr. Foglietta, Mr. Lantos, Mr. Mitchell of Maryland, Mr. Garcia, Mr. Lehman, Mr. Lowry of Washington, Mr. Whitehurst, Mr. Miller of California, Mr. Edgar, Mr. Frost, Mr. DeNardis, Mr. Traxler, Mr. Hughes, Mr. Scheuer, Mr. Frank, Mr. Weiss, Mr. Dwyer, Mr. Gray, Mr. Vento, Mr. Barnes, Mr. AuCoin, Mr. Roe, Ms. Mikulski, Mr. Schumer, Mrs. Collins of Illinois, Mr. Simon, and Mr. Pepper):

H.R. 6291. A bill to amend title XVI of the Social Security Act to provide that reparations received by Holocaust survivors under the German Federal compensation law shall not be considered income for purposes of determining an individual's eligibility for supplemental security income benefits or the amount of such benefits; to the Committee on Ways and Means.

By Mr. WON PAT:

H.R. 6292. A bill to increase the amount of attorney fees payable in certain cases relating to claims to land on Guam and to extend the statute of limitations for such claims; to the Committee on Interior and Insular Affairs.

H.R. 6293. A bill to increase the amount of attorney fees payable in certain cases relating to claims to land on Guam and to extend the statute of limitations for such claims; to the Committee on Interior and Insular Affairs.

By Mr. McDONALD:

H.J. Res. 477. Joint resolution proposing an amendment to the Constitution of the United States relative to force and effect of treaties; to the Committee on the Judiciary.

By Mr. BAILEY of Pennsylvania:

H. Con. Res. 327. Concurrent resolution to protect the lobbying rights of veterans' organizations; to the Committee on Ways and Means.

By Mr. BINGHAM (for himself, Mr. Seiberling, Mr. Pritchard, Mr. Findley, Mr. Fascell, Mr. Solarz, and Mr. Wolpe):

H. Con. Res. 328. Concurrent resolution urging referral of the issue of sovereignty over the Falkland Islands (the Malvinas) to the International Court of Justice; to the Committee on Foreign Affairs.

By Mr. JACOBS:

H. Con. Res. 329. Concurrent resolution expressing the sense of the Congress with respect to the use of amounts from the Treasury for refurnishing or improvement of the executive residence at the White House; to the Committee on Public Works and Transportation.

By Mrs. KENNELLY (for herself and Mr. Frank):

H. Con. Res. 330. Concurrent resolution expressing the sense of the Congress with respect to the Soviet Union's obligations under international law to allow Ida Nudel to emigrate to Israel, and for other purposes; to the Committee on Foreign Affairs.

By Mr. RAILSBACK (for himself, Mr. Beard, Mr. Gilman, Mr. Coughlin, Mr. Dornan of California, Mr. DeNardis, Mr. Oxley, Mr. Stark, Mr. English, Mr. Scheuer, Mr. Matsui, Mr. Hyde, Mr. Fascell, Ms. Mikulski, Mr. Hutto, Mr. Rinaldo, Mr. Rangel, and Mr. Shaw):

H. Con. Res. 331. Concurrent resolution urging the President to promote a declaration by the United Nations of an International Year Against Drug Abuse; to the Committee on Foreign Affairs.

By Mr. CORCORAN:

H. Res. 451. Resolution expressing the sense of the House of Representatives that amounts used for the loan guarantee to the Oil Shale Corporation (Tosco) for the Colony oil shale project shall not be recommitted by the U.S. Synthetic Fuels Corporation for any purpose; to the Committee on Banking, Finance and Urban Affairs.

By Mr. ERTEL (for himself, Mr. Murphy, Mr. Bailey of Pennsylvania, Mr. Edgar, Mr. Nelligan, Mr. Gaydos, Mr. Walgren, Mr. Yatron, Mr. William J. Coyne, Mr. Atkinson, Mr. Foglietta, and Mr. Smith of Pennsylvania):

H. Res. 452. Resolution expressing the sense of the House of Representatives that the Secretary of the Interior should use moneys from the abandoned mine reclamation fund to carry out a vigorous program to extinguish the mine fire in Centralia, Pa.; to the Committee on Interior and Insular Affairs.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 217: Mr. Wolpe.

H.R. 767: Mr. Minish.

H.R. 768: Mr. Clay.

H.R. 1595: Mr. Bonior of Michigan.

H.R. 1648: Mr. Huckaby.

H.R. 1711: Mr. Bereuter and Mr. Martin of North Carolina.

H.R. 2347: Mr. Beard.

H.R. 2417: Mr. Minish and Mr. Hughes.

H.R. 2832: Mr. Foglietta.

H.R. 2936: Mr. Duncan.

H.R. 3035: Mr. Gingrich.

H.R. 3117: Mr. Mineta, Mr. Mitchell of New York, Mrs. Kennelly, and Mr. Roe.

H.R. 3921: Mr. Mitchell of New York.

H.R. 4147: Mr. Bailey of Pennsylvania, Mr. Murtha, and Mr. Walgren.

H.R. 4340: Mr. Miller of Ohio.

H.R. 4399: Mr. Jenkins, Mr. Jeffries, and Mr. Mineta.

H.R. 4454: Mrs. Martin of Illinois, Mr. Biaggi, Mr. McGrath, Mr. Shamansky, Mr. Robert W. Daniel, Jr., Mr. Rogers, Mr. Wirth, Mr. Wilson, Mr. Foley, Ms. Mikulski, Mr. Hertel, Mr. Gejdenson, Mr. English, Mr. Hagedorn, Mr. Conyers, Mr. Wortley, Mr. Broomfield, Mr. Derwinski, Mr. Oberstar, Mr. Quillen, Mr. Emerson, Mr. Synar, Mrs. Collins of Illinois, Mr. Hutto, and Mr. Ireland.

H.R. 4510: Mr. Sharp.

H.R. 4550: Mr. Donnelly.

H.R. 4773: Mr. Martin of New York, Mr. Goldwater, Mr. Wirth, and Mr. Hopkins.

H.R. 5193: Mr. Dowdy and Mr. Bingham.

H.R. 5242: Mr. Badham, Mrs. Bouquard, Mr. deLugo, Mr. Huckaby, Mr. Spence, and Mr. Gunderson.

H.R. 5268: Mr. Wortley, Mr. Gunderson, and Mr. Evans of Iowa.

H.R. 5272: Mr. Whittaker.

H.R. 5322: Mr. Gingrich.

H.R. 5324: Mr. Dannemeyer and Ms. Mikulski.

H.R. 5404: Mr. Dreier and Mr. Paul.

H.R. 5617: Mr. Pritchard.

H.R. 5649: Mrs. Holt.

H.R. 5689: Mr. Tauke and Mr. Winn.

H.R. 5705: Mr. Beilenson, Mr. Blanchard, Mr. Brown of California, Mr. Evans of Indiana, Mr. Gingrich, Mr. Gore, Mr. Leland, Mr. Ratchford, Mr. Simon, and Mr. Stangeland.

H.R. 5717: Mr. Rahall and Mr. Gramm.

H.R. 5718: Mr. Dyson, Mr. Mavroules and Mr. de Lugo.

H.R. 5818: Mrs. Chisholm, Mr. Corcoran, Mr. Dowdy, Mr. Dwyer, Mr. Edgar, Mr. Fauntroy, Mr. Florio, Mr. Ford of Michigan, Mr. Hughes, Mr. Mitchell of Maryland, and Mr. Roemer.

H.R. 5834: Mr. LaFalce, Mr. Ottinger, Mr. Yatron, and Mr. Hefner.

H.R. 5846: Mr. Hammerschmidt, Mr. Edwards of California, Mr. Edgar, Mr. Leath of Texas, Mr. Boner of Tennessee, Mr. Mica, Mr. Daschle, Mr. Gramm, Mr. Murphy, Mr. Dorgan of North Dakota, Mr. Won Pat, Mrs. Heckler, Mr. Wylie, Mr. Hillis, Mr. Sawyer, Mr. McEwen, Mr. Smith of New Jersey, Mr. Smith of Alabama, Mr. Napier, and Mr. Nelligan.

H.R. 5894: Mr. Gejdenson, Mr. Ratchford, and Mr. DeNardis.

H.R. 5950: Mr. Schumer, Mr. Waxman, Mr. Lowry of Washington, Mr. Pease, Mr. Kildee, and Mr. Dyson.

H.R. 6011: Mr. Smith of Alabama.

H.R. 6077: Mr. Lantos, Mr. Fascell, Mr. Murphy, Mr. Biaggi, Mr. Stark, and Mr. Mollohan.

H.R. 6085: Mr. Dicks and Mr. Coughlin.

H.R. 6105: Mr. Fary, Mr. Pepper, Mr. Dan Daniel, Mr. Courter, Mr. Gray, Mr. Sunia, Mr. Foglietta, Mr. Daub, Mr. Barnard, Mr. LeBoutillier, and Mr. Bethune.

H.R. 6134: Mr. Hammerschmidt and Mr. McDonald.

H.R. 6136: Mr. Gingrich, Mr. Kindness, Mr. Nelligan, Mr. Walgren, Mr. Anderson, Mr. Bedell, Mr. Coats, Mr. Evans of Delaware, Mrs. Martin of Illinois, Mr. Murphy, Mr. Kogovsek, Mr. Mottl, Mr. Bafalis, Mr. Edgar, Mr. Solomon, Mr. Bereuter, Mr. Craig, Mr. Daschle, Mr. Collins of Texas, and Mr. Lundine.

H.R. 6170: Mr. Mineta, Mr. Marriott, and Mr. Daschle.

H.R. 6254: Mr. Scheuer.

H.J. Res. 323: Mr. Santini, Mr. Dornan of California, Mr. Wolf, Mr. Dorgan of North Dakota, Mr. Barnes, Mr. Derwinski, and Mr. Corrada.

H.J. Res. 350: Mr. Broyhill, Mr. Ralph M. Hall, Mr. Gramm, Mr. Leath of Texas, Mr. Hunter, Mr. Edwards of Oklahoma, Mr. Shaw, Mr. Pursell, Mr. Brinkley, Mr. McCloskey, Mr. Martin of New York, Mrs. Bouquard, Mr. Hatcher, Mr. Skelton, Mr. White, Mr. Montgomery, Mr. Staton of West Virginia, Mr. Hagedorn, and Mr. Quillen.

H.J. Res. 359: Mr. Bereuter, Mr. Duncan, Mr. Hoyer, Mr. Hunter, Mr. McCollum, Mr. Marriott, Ms. Oakar, Mr. Skelton, Mr. Tauke, and Mrs. Schneider.

H.J. Res. 411: Mr. Barnes, Mr. Benjamin, Mr. Coats, Mr. Dan Daniel, Mr. Daub, Mr. Dixon, Mr. English, Mr. Frost, Mr. Gingrich, Mr. Sam B. Hall, Jr., Mr. Hutto, Mr. Lantos, Mr. Livingston, Mr. Markey, Mr. LeBoutillier, Mr. Moore, Mr. O'Brien, Mr. Oberstar, Mr. Peyser, Mr. Reuss, Mr. Roemer, Mrs. Roukema, Mr. Shumway, Mr. Weaver, Mr. Winn, Mr. Vento, and Mr. McClory.

H.J. Res. 416: Mr. Guarini, Mr. Duncan, Mr. Lantos, Mr. Solarz, Mr. Derrick, Mr. Hoyer, Mr. Reuss, Mr. Walker, Mr. Dornan of California, Mr. Mazzoli, Mr. Mica, Mr. Dunn, Mr. Myers, Mr. Hopkins, Mr. Hamilton, Mr. de la Garza, Mr. Savage, Mr. Hertel, Mr. Leland, Mr. Long of Maryland, Mr. Brown of Colorado, Mr. Leach of Iowa, Mr. Loeffler, Mr. Lott, Mr. Martin of New York, Mr. Rousselot, Mr. Staton of West Virginia, Mr. McGrath, Mr. Roberts of Kansas, Mr. Skeen, Mr. Burgener, Mr. Napier, Mr. McClory, Mr. Quillen, Mr. Brown of Ohio, Mr. Ottinger, Mr. Gramm, and Mr. Shelby.

H.J. Res. 417: Mr. Price, Mr. Gray, Mr. Jacobs, Mr. Bliley, Mr. Nowak, Mr. Traxler, Mr. Kemp, Mr. Evans of Delaware, Mr. Dornan of California, Mr. Addabbo, Mr. Alexander, Mr. Moore, Mr. Donnelly, Mr. Bowen, Mr. Howard, Mr. Hefner, Mr. Breaux, Mr. Lagomarsino, Mr. Emery, Mr. Corcoran, Mr. Ginn, Mr. Beilenson, Mrs. Bouquard, Mr. Burgener, Mr. Russo, Mr. Fauntroy, Mr. Gradison, Mr. Markey, Ms. Oakar, Mr. Mollohan, Mr. Stanton of Ohio, and Mr. Tauzin.

H.J. Res. 444: Mr. Edwards of Oklahoma, Mr. Martin of New York, Mr. Shumway, Mr. Dannemeyer, Mr. Weber of Minnesota, Mr. O'Brien, Mr. Quillen, Mr. Goodling, Mr. Hamilton, Mr. Addabbo, Mr. Regula, Mr. Morrison, Mr. Taylor, Mr. Bafalis, Mr. Vander Jagt, Mr. Young of Florida, Mr. Siljander, Mr. Atkinson, Mr. Coleman, Mr. Robert W. Daniel, Jr., Ms. Fiedler, Mr. Tauke, Mr. Wirth, Mr. Hansen of Idaho, and Mr. Myers.

H.J. Res. 452: Mr. McCurdy, Mrs. Martin of Illinois, Mr. Foglietta, Mr. Emerson, Mr. Glickman, Mr. Whitehurst, Mr. Roemer, Mr. Frenzel, Mr. Hatcher, Mr. Mineta, Mr. Forsythe, Mr. Fazio, Mr. Breaux, Mr. Anthony, Mr. Bowen, Mr. Lowry of Washington, Mr. Robert W. Daniel Jr., Mr. Bedell, Mr. Skelton, Mr. Zablocki, Mr. O'Brien, Mr. Lantos, Mr. Daniel B. Crane, Mr. Railsback, Mr. Tauke, Mr. Whittaker, and Mr. Bereuter.

H.J. Res. 459: Mr. Goldwater, Mr. White, Mr. Roe, Mr. Young of Alaska, Mr. Gradison, Mr. Napier, Mr. Udall, Mr. Waxman, Mr. McCloskey, Mr. Martin of New York, Mr. Leach of Iowa, and Mr. Brown of California.

H.J. Res. 468: Mr. Derwinski, Mrs. Holt, Mr. Corrada, Mr. Gingrich, Mr. Horton, Mr. Marriott, Mr. Lantos, Mr. Forsythe, Mr. Fazio, Mr. Oberstar, Mr. Hutto, Mr. Frenzel, Mr. Hoyer, and Mr. Daub.

H. Con. Res. 318: Mr. Weaver, Mr. Kindness, Mr. Roe, Mr. Ritter, Mr. Hatcher, Mr. Lungren, Mr. Fary, Mr. Sawyer, Mr. Shamansky, Mr. Yatron, Mr. Scheuer, Mr. Dwyer, Mr. Hopkins, Mr. Oberstar, Mr. John L. Burton, Mr. Evans of Delaware, Mr. Green, Mr. Erdahl, Mr. Derrick, Mr. Broyhill, Mr. LeBoutillier, Mr. Zeferetti, Mr. Parris, Mr. Donnelly, Mr. Martin of New York, Mrs. Fenwick, Mr. Regula, Mr. Pritchard, Mr. Daub, Mr. Hightower, Mr. Hefner, Mr. Ireland, Mr. Savage, Mr. Jeffries, Mr. Rogers, Mr. Coats, Mr. Lantos, Mr. Addabbo, Mr. Stark, Mr. Fascell, Mr. Long, of Maryland, Mr. William J. Coyne, Mr. Gephardt, Mr. Forsythe, Mr. Stump, Mr. Chappell, Mr. Dan Daniel, Mr. Miller of Ohio, Mr. Oxley, Mr. Synar, Mr. Montgomery, Mr. Findley, Mr. Molinari, Mr. Annunzio, Mr. Green, Mr. Stenholm, Mr. Richmond, Mr. Rosenthal, Mr. Gaydos, Mr. McDade, Mr. Dowdy, Mr. Mazzoli, Mr. Burgener, Mr. Frenzel, Mr. Frost, Mr. Wirth, Mr. O'Brien, Mr. Benjamin, Mr. Sunia, Mr. Rangel, Mr. Markey, Mr. Winn, Mr. Frank, Mr. Barnard, and Mr. Mavroules.

H. Res. 394: Mr. Hopkins and Mr. Dicks.

H. Res. 403: Mr. Dwyer, Mr. Heftel, Mr. Savage, Ms. Ferraro, Mr. Guarini, Mr. Simon, Mr. Shamansky, Mr. Edgar, Mr. Eckart, Mr. Davis, Mr. Wirth, and Mr. Mavroules.

H. Res. 427: Mr. Bennett, Mr. Bereuter, Mr. Peyser, Mrs. Chisholm, Mr. Matsui, Mr. John L. Burton, Mr. Ford of Tennessee, Mr. Pease, Mr. Fascell, Mr. Wyden, Mrs. Fenwick, Mr. Downey, Mr. Green, Mr. Scheuer, Mr. Clay, Mr. Addabbo, Mr. Mavroules, Mr. Dellums, Mrs. Kennelly, Mr. Gingrich, Mr. Brown of California, Mr. Wolpe, and Mr. Florio.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H. Res. 371: Mr. McDonald.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

420. By the SPEAKER: Petition of the Associated Students of the University of Washington Board of Control, Seattle, Wash., relative to the proposed Federal financial aid programs; to the Committee on Education and Labor.

421. Also, petition of the Board of Selectmen, Sharon, Mass., relative to a Federal jobs with peace budget; jointly, to the Committees on Armed Services, Education and Labor, Energy and Commerce, and Public Works and Transportation.

422. Also, petition of Rockford Township, Winnebago County, Ill., relative to a mutual nuclear weapons freeze with the Soviet Union; jointly, to the Committees on Foreign Affairs and Armed Services.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 5539

By Mr. EDGAR:

(To the committee amendment (in the nature of a substitute) to H.R. 5539.)

—Page 11, strike out line 17 and all that follows thereafter through line 23, and insert in lieu thereof the following:

WATER CONSERVATION

Sec. 109. (a) Each repayment contract or water service contract entered into or amended subsequent to the date of enactment of this Act by the Secretary or his designee pursuant to Federal reclamation laws or the Water Supply Act of 1958, as amended (43 U.S.C. sec. 390b), shall require the non-Federal party entering into such contract to develop and implement a water conservation program. This section shall apply to all such contracts regardless of their duration or any other prior contracts entered into by the Secretary or his designee.

(b) For purposes of this section, a water conservation program shall—

(1) apply to all uses of water which is provided from, or conveyed through, Federally constructed or Federally financed facilities;

(2) contain definite goals;

(3) include loss reduction measures and demand management practices which ensure that the available water supply is used in an economically efficient and environmentally sensitive manner;

(4) contain time schedules for meeting program goals and delineate actions to be taken by the Secretary or his designee in the event such schedules are not met; and

(5) provide for review and modification of the plan at not-to-exceed five-year intervals.

(c) When a district has been reported by a state agricultural or natural resource agency, within the state in which the district is located, to be wasting irrigation water, the Secretary is directed to add a surcharge of $2 per acre-foot of water delivered to said district. Funds received as a result of such surcharge shall be used by the Secretary to establish and implement a water efficiency improvement program for the said district to eliminate the waste of water. Such surcharge shall last for a minimum of one year and may be discontinued after one year if the Secretary finds that the waste of water by said district has been substantially eliminated.

—Page 17, line 12, strike out section 206 and redesignate subsequent sections accordingly.

—Page 26, after line 5, insert the following new title:

TITLE III—RECLAMATION PROJECT DEAUTHORIZATION

Sec. 301. As soon as practicable after the date of enactment of this title and at least once each year thereafter, the Secretary of the Interior, shall review and submit to Congress a list of those Reclamation projects, or any separable features thereof, and feasibility studies which have been authorized for a period of at least eight years without any Congressional appropriations within the last eight years. Each project and study so listed shall be accompanied by the recommendation of the Commissioner of Reclamation regarding deauthorization, together with his reasons for such recommendation. Prior to the submission of such list to the Congress, the Secretary of the Interior shall obtain the views of interested Federal departments, agencies, and instrumentalities, and of the Governor of each State wherein such project or study would be located, which views shall be furnished

within sixty days after being requested by the Secretary and which shall accompany the list submitted to Congress. Prior to the submission of such list to Congress, the Secretary of the Interior shall notify each Senator in whose State, and each Member of the House of Representatives in whose district, a project or study (including any part thereof) on such list would be located.

Sec. 302. Such list shall be delivered to both Houses on the same day and to each House while it is in session. A project or study on such list shall not be authorized at the end of the first period of ninety calendar days of continuous session of Congress after the date such list is delivered to it unless between the date of delivery and the end of such ninety-day period, either the Committee on Interior and Insular Affairs of the House of Representatives or the Committee on Energy and Natural Resources of the Senate adopts a resolution stating that such project or study shall continue to be authorized. For the purposes of this section, continuity of session is broken only by an adjournment of Congress sine die, and the days on which either House is not in session, because of an adjournment of more than three days to a day certain are excluded in the computation of the ninety-day period. The provisions of this section shall not apply to any project or study contained in a list submitted to the Congress within ninety days preceding the date of adjournment sine die of any session of Congress.

Sec. 303. The requirements of section 301 shall not be applicable to any project or study which has been included in a resolution adopted pursuant to section 302 until three years after the date of adoption of such resolution.

Sec. 304. The Secretary of the Interior shall, on request by resolution of the Committee on Energy and Natural Resources of the Senate or the Committee on Interior and Insular Affairs of the House of Representatives, review authorized projects and studies for inclusion in the list provided for in section 301 of this section. If any project or study so reviewed is not included in any of the first three lists submitted to the Congress after the date of the resolution directing its review, a report on the review together with the reasons for not recommending deauthorization, shall be submitted to the Committee on Energy and Natural Resources of the Senate and the Committee on Interior and Insular Affairs of the House of Representatives not later than the date of the third list submitted to Congress after the date of such resolution.

By Mr. EMERY:

(To the committee amendment)

—Page 6, line 5 strike the words "nine hundred and sixty" and insert in lieu thereof: "six hundred and forty".

Page 6, line 13 strike the words "nine hundred and sixty" and insert in lieu thereof: "six hundred and forty".

Page 6, line 20 strike the words "nine hundred and sixty" and insert in lieu thereof: "six hundred and forty".

Page 19, line 7 strike the words "nine hundred and sixty" and insert in lieu thereof: "six hundred and forty".

—Page 12, strike section 202 and renumber succeeding sections accordingly.

H.R. 5922

By Mr. GREEN:

—Page 12, after line 21 insert the following new section:

Sec. 204. Any institution of higher education specifically identified in the conference report on the Education Amendments of 1980 (96-1337, p. 161) as an institution which should be recognized as a developing institution eligible for assistance from funds available under title III of the Higher Education Act of 1965, shall be treated as an eligible institution for such purpose for fiscal year 1982.

H. R. 6030

By Mr. HOLLENBECK:

—Page 5, strike out lines 8 and 9.

EXTENSIONS OF REMARKS

ROHM & HAAS CO., EMPLOYEES WIN PRESIDENT'S VOLUNTEER ACTION AWARD

HON. CHARLES F. DOUGHERTY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. DOUGHERTY. Mr. Speaker, I am very pleased and quite proud to inform the House of Representatives that employees of the Rohm & Hass Co., have won the President's Volunteer Action Award. This honor was bestowed on local 61 of the International Union of Operating Engineers, Philadelphia, and its shop steward Richard Taylor, who recruited members to build physical therapy equipment for the city's Easter Seal Rehabilitation Center.

I recently visited the Rohm & Haas chemical plant in my district where Richie Taylor works. Both the company and Richie, along with all the members of local 61, ought to be very proud of this achievement. Because of their efforts, more than 2,000 Philadelphia-area handicapped children will benefit from the use of the rehabilitative equipment. These dedicated people deserve our thanks and congratulations.

Mr. Speaker, at this point in the RECORD I include the following:

THE WHITE HOUSE,
Washington, D.C., April 2, 1982.

DEAR FRIENDS: Today in America we have an unprecedented opportunity to renew the tradition of neighbor helping neighbor which made this nation great. Through acts of concern and compassion, we can rekindle the spirit of generous giving in our people and bring a personal message to the lonely, the needy and the forgotten that help and care are never far away. In so doing, we can demonstrate to the world that the social system which is most humane and most effective in meeting its members' needs is one which fosters both freedom and responsibility.

Throughout our nation's history, Americans have selflessly extended a helping hand to their neighbors in times of trouble and crisis. The energy expended by our citizens in these direct problem-solving activities is indispensable to the goal of maintaining and improving the quality of life available to all Americans.

My Administration is seeking ways, both new and old, to encourage voluntary action and private initiative and to ensure that these efforts receive the recognition they deserve. We must make the cause of voluntary service to our fellow citizens and our communities part of our daily lives, engaging the unique talents and resources of each individual at a new level of cooperation.

The President's Volunteer Action Awards Program is an excellent example of the public and private sectors working in partnership to meet human needs. I salute Action and Volunteer: The National Center for Citizens Involvement for their joint leadership on this vital program. The ongoing work accomplished by this year's award winners is a reflection of the contribution so many Americans make every day. In honor of these award winners, and of all those who labor with unheralded perseverance, I am proud to invite all Americans to join in appreciation and celebration.

RONALD REAGAN.

THE PRESIDENT'S VOLUNTEER ACTION AWARDS

The President's Volunteer Action Awards Program has been created to call public attention to the contributions of our nation's volunteers and to demonstrate what can be accomplished through voluntary action.

The 1982 President's Awards are co-sponsored by Volunteer: The National Center for Citizen Involvement, a private, nonprofit organization, and Action, the federal agency for volunteer service, with program management responsibility resting with Volunteer. In keeping with the President's call for greater private sector initiatives, funding for the program has come from private foundations and corporations.

Awards are made in the following categories: jobs, health, material resources, education, recreation and the environment, public safety, arts and humanities, with additional awards for special corporate volunteer efforts. The awards, sterling silver medallions especially created by Tiffany and Co. and contributed by Avon Products, are presented to the recipients by the President at a special White House ceremony.

Over 2,300 nominations were received from local, regional and national voluntary organizations, corporations and labor unions, civic and neighborhood groups, fraternal organizations and from Action's regional and state offices and its programs and grantees. Additional requests for nominations were generated by announcement of the program in news stories, by syndicated columnists and public service announcements on major radio networks. Nominations came from all 50 states, the District of Columbia and Puerto Rico.

Members of the National Voluntary Service Advisory Council private citizens appointed by the President to advise Action on policy and program, served as the final judges for the 1982 President's Volunteer Action Awards.

The President's Volunteer Action Awards is not a one-year program. Rather, it is a continuing annual effort to celebrate the American spirit of volunteering and citizen involvement.

LOCAL 61 OF THE INTERNATIONAL UNION OF OPERATING ENGINEERS, EMPLOYEES OF ROHM & HAAS CO.

Motivated by the good health of his own children and concerned about helping those children less fortunate, Richard Taylor responded to a news release requesting assistance in developing and building physical therapy equipment for the Philadelphia Easter Seal Rehabilitation Center.

Mr. Taylor, an employee of Rohm & Haas Company, an international specialty chemical business, and the shop steward of Local 61, recruited other union members to support this cause. Thirty-five other union members agreed to apply their carpentry skills and to provide the manpower necessary to build the needed equipment.

Mr. Taylor enlisted the support of the Rohm & Haas Company to provide the use of the plant's facilities in building the items and to allocate the funds necessary to buy all materials. It was his intention that no costs be incurred by the Easter Seal Society. All equipment was built on the union members' own free time.

Fifty-eight pieces of equipment—professionally built for strength and safety with a total value of approximately $3,000—have resulted from the project. More important than the financial savings to the Easter Seal Society, however, is the impact of the equipment on the children at the Rehabilitation Center. The rehabilitative equipment enables these handicapped children, aged 2 through 8, to become more independent and to better reach their own full potential. Norma Portnoy, director of the Rehabilitation Center, estimates that more than 2,000 children will benefit from the efforts of these volunteers.●

PHIL FRATTI

HON. ALLEN E. ERTEL

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. ERTEL. Mr. Speaker, I rise to introduce my colleagues to Phil Fratti of Hershey, Pa.

I do so because as practitioners of the art of politics, I think we can benefit from Phil Fratti's methods. Specifically, I am reminded of an incident at College Park, Pa., in the not too distant past.

Penn State's Nittany Lions were scheduled to meet Nebraska's Corn Huskers on the gridiron. As is the custom, a delegation from Hershey, including Phil Fratti, attended the game. During the game's tailgating preliminaries, Phil Fratti was discovered in the Corn Husker camp enjoying warm beverage and good conversation.

In Nittany Lion country, less traitorous actions have ruined many a politician's career. Not so Phil Fratti's; when confronted about his transgression, Phil intrepidly explained, "They're Corn Huskers now, but next year they might be Hershey voters."

In today's vernacular, Phil Fratti is a politician willing to go the extra mile; clearly, in a team of politicians, Phil Fratti is the lead horse. During his 50 years as a Hershey resident, Phil has served as: President of the Milton Hershey School Alumni Association, president of the Lower Dauphin County Baseball League (5 years), president of the Hershey American Legion Social Club, president of the Hershey VFW Memorial Home Association, president of the Dauphin County Tax Collectors Association, president of the Hershey Italian Lodge, director and steward of the Hershey Marching Club, commander of the Hershey Veterans of Foreign Wars, Derry Township Assessor, and Derry Township Tax Collector.

This impressive listing does not exhaust Phil Fratti's career of public and community service. Phil, a veteran of World War II, also served as the senior vice commander of the Hershey Veterans of Foreign Wars before being elected its present commander. He is a past trustee and officer of the Hershey Volunteer Fire Company and remains an active member of the company. He continues to be active in the Dauphin County Fireman's Association, the Knights of Columbus, the Hershey Italian Lodge, the Hershey American Legion, the Grand Lodge of the Harrisburg Sons of Italy, the Middletown Elks Lodge, the Elizabethtown Moose Lodge, the Valley Trust Bank Advisory Board, and St. Joan of Arc Catholic Church.

I think, too, the family of Phil Fratti should be recognized. Phil is married to Jennie A. Piebani of Hershey. Together they are rightfully proud of their one son, seven daughters and four grandchildren.

Mr. Speaker, in closing, I am reminded of Mark Twain's observation that "* * * human nature is all alike; * * * we like to know what the big people are doing, so we can envy the * * *." Phil Fratti is one of the world's "big people" and as we can see, he has been doing and continues to do a lot.●

NONSENSE ABOUT GOLD

HON. HENRY S. REUSS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. REUSS. Mr. Speaker, there follows an excellent statement by Prof. Milton Friedman which appeared in Newsweek Magazine of May 10, 1982, entitled "Nonsense About Gold."

NONSENSE ABOUT GOLD

During the silver agitation of the 1880's and 1890s, legislation was introduced into Congress requiring the U.S. Treasury to buy all the silver offered at the market price. The law was never enacted but it did provide me with a favorite exam question.

The question: "What would the market price of silver have been if that law had been enacted and rigidly adhered to?" The correct answer: Infinity. If there is an unlimited demand at an unspecified price then the price too will be unlimited. In practice, of course, the purchase of silver would have been terminated as the absurdity of the commitment became evident.

The Commission . . . I tell this tale because it is directly relevant to a recommendation adopted by the Gold Commission and contained in its recently released report: "We favor Treasury issue of gold bullion coins of specified weights . . . to be manufactured from its existing stock of gold and to be sold at a small markup over the market value of the gold content . . . Furthermore, we recommend that the coins shall be exempt from capital gains taxes and that the coins shall be exempt from sales taxes." (Incidentally, this is the only one of the commission's eleven recommendations that calls for any change in the status quo.)

Omit the words "a small markup over" and the first sentence repeats the silver fallacy except for sales instead of purchases. What would the market price be if the Treasury were to offer to sell an unlimited amount of gold (in the form of coins) at "market value"? Answer: Whatever price would be low enough to exhaust the Treasury's stock of gold. The offer simply consists of a thinly concealed auction of the entire stock over an indefinite period.

Consider the situation at the beginning of Treasury coin sales. Whatever the initial market price for gold, it could not subsequently rise because purchasers could always turn to the Treasury. But then other suppliers could get customers only by offering to sell at a lower price. This downward ratchet would in principle end only when the Treasury's gold stock was enhausted. In practice, this process would not be carried to its logical end. The frictions and delays involved in minting gold bullion into coins would slow it, and a sufficiently large "small markup over the market value" could restrict the quantity demanded to any desired extent. Finally, if it came to that, the law would be repealed when it became manifest what its effect would be.

Since I do not believe that the storage of gold should be a nationalized industry, or, indeed, a function of government at all, I have long favored auctioning off our gold stock to the highest bidder. However, the decision to do so should be made openly and explicitly, not by subterfuge.

The Gold Commission's recommendation that the coins minted by the Treasury—and presumably only such coins—be exempt from capital gains and sales taxes could give them a marked advantage over gold coins now being marketed by private domestic mints and foreign governments, thereby assuring the Treasury a monopoly—though this, too, is an activity that I believe could better be left to the free market. If the recommendations were rigidly adhered to, the monopoly would be temporary, lasting only until the gold stock was exhausted. However, a well-chosen markup could slow the rate of depletion of the gold stock to any desired extent.

The fallacy embodies in the commission's recommendations is not a profound secret. It was pointed out by the commission's own staff, as well as by outside observers, most notably by the American Institute for Economic Research, which has long been a strong advocate of a gold standard.

. . . Flunks: It is hard to reconstruct the mixed motives that led a majority of the eminent members of the Gold Commission to endorse such economic nonsense. When the silver agitation produced actual legislation requiring silver purchases, the laws specified a maximum amount that would be purchased each month. Similarly, the Gold Commission could have made a sensible recommendation—albeit one that I would not favor—by specifying limits on the amount to be coined.

Even before the commission reported, several measures had already been introduced into Congress embodying the same fallacy: Senators Steve Symms and Jesse Helm's Free Market Gold Coinage Act and Rep. Larry Craig's Free Market Silver Dollar Act. They will not be enacted, but at least they will provide future teachers of economics with some good exam questions.●

BUY-AMERICAN DEPRECIATION TAX ACT

HON. DUNCAN HUNTER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. HUNTER. Mr. Speaker, today I introduced a Buy-American Depreciation Tax Act, an amendment to the Economic Recovery Tax Act of 1981. This bill will allow millions of Americans to stay on the job in beleaguered American industries.

There is general agreement that bold action is required to expand American industry. The administration, to its credit, has articulated an approach which includes the reduction of tax disincentives and the creation of productivity stimulants. However, the administration's major emphasis has been placed on substantial reductions in tax burdens on income from capital investments by accelerating depreciation deductions.

Depreciable property is now allocated to one of four classes with recovery periods of 3, 5, 10, and 15 years. Other business provisions of the act include: Increased investment credits for expenditures to rehabilitate older nonresidential structures, a temporary tax credit for certain increased research and development expenditures, and a 6-percent investment tax credit for 3-year equipment, while the 10-percent credit is retained for other eligible equipment.

The magnitude of the corporate tax reduction resulting from accelerated cost recovery schedule (ACRS) is quite substantial. In 1987, the corporate income tax cut resulting from ACRS will equal $50 billion and will be roughly equivalent to that which would result in a decrease in the corporate rate from the present 46 percent to 30 percent.

The Tax Act significantly reduces the tax burden on income from depreciable investments. Both the acceleration of depreciation deductions and, for some equipment, an increase in the investment tax credit will increase the after-tax rate of return on investment. This increased return, other things remaining the same, will tend to in-

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● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

crease the level of investment above what it otherwise would have been.

While the business tax reductions provided by the Tax Act will significantly lower tax rates on corporate profits and considerably restrict the future growth in corporate tax revenues, they will not necessarily stimulate production of domestic physical plants and U.S. based jobs for American citizens.

My bill simply requires that U.S. industry, in order to take advantage of the new accelerated depreciation schedule, must buy only U.S. manufactured depreciation recovery property. The bill provides that, if foreign recovery property is purchased by U.S. businesses, they will be able to depreciate it only at a rate four times slower than the 1981 Tax Act's accelerated schedule. In short, this bill limits accelerated depreciation to U.S. made property only.

In addition, my bill permits the use of the investment tax credit on new business buildings, as opposed to the current law which limits the credit to rehabilitation of existing structures. This should help the building trades by providing jobs and should also assist in the construction of new, modern physical plants for American industry.

Last, this bill eliminates the deferral of taxable income earned abroad by subsidiaries of American companies. We need to favor the domestic manufacture of goods and services in order to provide American jobs. Because of the favorable tax changes in the Economic Recovery Tax Act of 1981, deferral of tax on an American company's foreign subsidary is no longer needed or desired.

I believe that this bill greatly discourages foreign manufacturers and encourages American business to follow the example of those companies who are already using American workers to rebuild America's productivity.

This legislation should provide enormous benefits for the American economy because it will help stem the financial losses of the trade deficit. This deficit is caused, in part, because countries that refuse to share our open market policy are selling their products in the United States while preventing American business from selling products in their countries. To counteract this "closed market," we need to insure that American industry refurbishes itself with American made hardware by granting favorable depreciation schedules on American products.

I believe that this bill is critical in this time of high interest rates which have virtually crippled our industries' efforts to rebuild—a rebuilding effort that is crucial to the American way of life. Our manufacturing industry is simply too large a part of our American economic foundation for Congress to leave it to the mercy of foreign manufacturers whose countries' closed markets unfairly injure American industry. Without counterbalancing this injury by favoring American manufacturers' products through accelerated depreciation, America's manufacturing base will be built with foreign imported hardware. This defeats the goals of rebuilding American industry and domestic job creation.

It is my hope that you will join with me in sponsoring this important measure.●

IMPLEMENTATION OF THE HALIBUT CONVENTION

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. YOUNG of Alaska. Mr. Speaker, yesterday the House agreed to pass S. 2244, a bill which would implement the 1979 Halibut Convention between the United States and Canada.

Due to other official commitments, I was unable to be present when this bill was taken up by the House. I, therefore, enclose my remarks on the bill at this point in the Record.

Remarks in Support of S. 2244, a Bill To Implement the United States/Canada Halibut Convention

Mr. Speaker, I rise in strong support of S. 2244, a bill which would implement the Halibut Convention signed by the U.S. and Canada in 1979.

The halibut fishery in the waters off the State of Alaska is very important to the fishermen in my State. For many years, Alaskan fishermen had to compete with Canadian fishermen who were also allowed to fish in U.S. waters. The 1979 Convention ended that competition by providing for a phase-out of Canadian fishing. To date, the Convention has been complied with on a voluntary basis; however, it needs to be formally implemented by law. This bill will do so.

I would like to call your attention to one section of the bill which has raised some concerns among some fishermen in Alaska. Section 5(c) allows the Regional Fishery Management Councils who have jurisdiction over the waters concerned to propose a limited access system for the halibut fishery. Such a system would have to comply with certain guidelines set forth in Section 303(b)(6) of the Magnuson Fishery Conservation and Management Act. If the system did not meet these guidelines, it could not be approved by the Secretary of Commerce.

Some fishermen in Alaska are worried that the North Pacific Fishery Management Council will adopt one particular form of access limitation. I think it should be made clear that the Congress is not endorsing any particular system. In fact, the Congress is not even proposing that a limited access system be established. Rather, it is the intent of this body that the Council look fully and fairly at all management systems that might be proposed, including those that do not involve access limitation. Further, it is our intent that the Secretary insure that the guidelines mentioned above are followed. All fishermen will have the right to propose management schemes to the Council, with the expectation that those schemes be carefully considered.

I would also like to make clear for the record that it is not my usual policy to agree to move a bill on the Floor without an opportunity for public input through Subcommittee and Committee hearings. However, we are faced with a problem: the 1982 halibut season starts on May 11th. If we do not pass a bill prior to that season, we will greatly delay the ability of the Regional Fishery Management Councils to establish a management system. Thus, at the request of the North Pacific Fishery Management Council, the United Fishermen of Alaska, the Alaska Longline Fishermen's Association, the Pacific Seafood Processors Association, and other fishing industry groups, I have agreed to the expedited passage of this bill.

Mr. Speaker, I urge that we pass this legislation today so that both the fish and the fishermen can benefit.●

ZIPPO LIGHTERS—50 YEARS AND GLOWING STRONGER

HON. WILLIAM F. CLINGER, JR.

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. CLINGER. Mr. Speaker, this year, the Zippo Manufacturing Co., producer of the classic Zippo windproof lighter, celebrates its 50th anniversary of service. From its beginnings in a small Pennsylvania garage, Zippo has dedicated itself to the ideals upon which great institutions prosper: quality, integrity, and service. During the last half century, Zippo has expanded and developed becoming a model of responsible American industry.

Back in 1932, the Zippo lighter was designed by George G. Blaisdell in Bradford, Pa. Refashioning a clumsy but useful Austrian lighter, Blaisdell created an attractive lighter that was easy to handle. Except for improvements in the flint wheel and advances in case finishes, Blaisdell's original Zippo remains basically unchanged today. Some things are done best as they were in the past. Today, the Zippo lighter is manufactured with the same care and attention to detail—pride in producing a good product—and willingness to back it up that represents the legacy of George Blaisdell.

Zippo lighters achieved a place in American history during World War II when George Blaisdell arranged to produce them for the post-exchanges. Ernie Pyle, a famed war correspondent, was said to have written his shortest war story on a Zippo lighter in 1945. Pyle, while on board the U.S.S. *Cabot*, was being pressed by a young officer to reveal the ship's destination. He borrowed the officer's lighter and scratched into its side a single word: "Tokyo." The announcement of the

first all-out attack on Japan was signaled throughout the ship on a Zippo lighter.

Zippo has grown impressively over the last five decades. Its operations have expanded nationally and internationally through a wide network of sales representatives and additions to its physical plant. Furthermore, Zippo has broadened its line to include a pocket knife, a letter opener, a key holder, a money clip knife, a magnifier, a pillbox, an all-purpose knife, and a golf ball. All of these products are covered, just like the Zippo lighter, by a guarantee stating they will "work always or Zippo fixes them free." (Even the golf ball is guaranteed playable for 180 holes.)

A hometown company that remains in Bradford, Pa., Zippo owes a great deal of its growth and success to the hard work of its loyal employees. In times that have seen controversy over productivity and worker recognition, Zippo takes pride in its high degree of company morale and low turnover rate. Building on a foundation of mutual goals, the company and its workers have created an exemplary success story.

Zippo sees the 1980's as a decade of opportunity and a return to the values that produced the finest products and technology in history. Though its 50th anniversary is a milestone to be admired. Zippo anxiously awaits the years ahead as another golden opportunity to serve in the American business community.●

NATIONAL PARK LAND ACQUISITION AUTHORIZATIONS

HON. JOHN F. SEIBERLING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. SEIBERLING. Mr. Speaker, I am today introducing legislation requested by the administration to amend the ceiling on authorizations for appropriations for land acquisition at three units of the national park system: Sleeping Bear Dunes National Lakeshore, Mich.; Cape Lookout National Seashore, N.C.; and Cape Cod National Seashore, Mass. Also included is a provision, supported by the administration, to amend the land acquisition ceiling for the Voyageurs National Park.

The legislation is necessary due to the fact that the Department of the Interior's fiscal 1983 budget request for the National Park Service includes funds for these areas in excess of the authorized ceiling.

In order to facilitate consideration of these matters, I have combined the legislation into one bill, the provisions of which are identical to those requested by the administration.●

CENTRALIA MINE FIRE RESOLUTION

HON. ALLEN E. ERTEL

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. ERTEL. Mr. Speaker, today some of my colleagues from Pennsylvania and I have introduced a House resolution expressing the sense of the House of Representatives that the Secretary of the Interior should use moneys from the Abandoned Mine Reclamation Fund to carry out a vigorous program to extinguish the mine fire at Centralia, Pa.

The mine fire at Centralia has burned unabated for 20 years. Today it poses a hazard to the health, safety, and welfare of the people living in and around Centralia. Last year a young boy, while playing in his grandmother's backyard, fell into a hole made by the mine fire. Luckily, he grabbed onto the exposed roots of a tree and was able to be pulled out. On another occasion, the former mayor of Centralia was overcome by fumes from the fire seeping through his basement. He had to be rushed to the hospital. Hot spots have been detected under a main road holding the potential of new vents collapsing the highway. The fire appears to be nearing buried natural gas lines serving people in the town.

The Congress recognized that mine fires pose serious hazards to the public and that Federal assistance was appropriate. Consequently, Congress provided the Secretary of the Interior with the authority under the Surface Mining Control and Reclamation Act and funds from the Abandoned Mine Reclamation Fund, to take steps to put out mine fires.

On several occasions I have written to Interior Secretary Watt urging him to take effective steps to deal with this serious problem. His responses have been to defer action to the State. The State, not having achieved primacy, cannot undertake any meaningful program. The Centralia mine fire is a perfect case when the Secretary of the Interior should step in and put out the fire. However, unless we light our own fire under Mr. Watt, it seems clear he will continue to shirk his responsibility.

That is the purpose of this resolution: to spur the Secretary to use the authority and funds at his disposal to put out the Centralia mine fire. I urge my colleagues to join me in cosponsoring this resolution.

The language of the resolution follows:

Whereas the mine fire in Centralia, Pennsylvania, has burned unabated for 20 years;

Whereas the continuing presence of the fire is a threat to the public health, safety, and welfare in Centralia, Brynsville, and surrounding areas; and

Whereas the Secretary of the Interior has authority under title IV of the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1231-1243) to use moneys from the Abandoned Mine Reclamation Fund to extinguish the fire; Now, therefore, be it

Resolved, That it is the sense of the House of Representatives that the Secretary of the Interior should use moneys from the Abandoned Mine Reclamation Fund under title IV of the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1231-1243) to carry out a vigorous program to extinguish the mine fire in Centralia, Pennsylvania.●

SPACE RACE

HON. DON FUQUA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. FUQUA. Mr. Speaker, as we try to sort out our priorities for the United States during the coming weeks and months and even years of budgetary decisions there is an obvious wish to reduce expenditures wherever possible; to reject bold programs leading to a stellar future in favor of timid responses to a troubled present.

Like most Members of this House, I, too, stand for austerity and a rational fiscal policy. So do the residents of the Second District of Florida who I am honored to represent and the people of Florida.

However, I believe this editiorial from the Florida Times-Union of Jacksonville, a conservative newspaper covering much of north Florida, succinctly states a case for pursuing the bold course in space which I have also sensed in talks with my own constituents and from others around the country who talk to me and write to me about our future.

[From the Florida Times-Union, Apr. 18, 1982]

Space-Race Question Changes From "Can We" to "Will We"

Russia launched *Sputnik I* and the U.S. gasped.

Next *Sputnik II* circled the earth.

Lunik II hit the moon and *Lunik III*, launched only a month later, photographed the far side of the moon.

Then Senate Majority Leader Lyndon B. Johnson, D-Texas, charged that the U.S. space effort lacked "coordinated authority." He ordered an investigation by his Senate Committee on Aeronautical and Space Sciences.

Two weeks later Rep. Overton Brooks, D-La., announced extensive hearings in his House Committee of Science and Astronautics to find out why we were "lagging" so badly in space.

Senator Stuart Symington, D-Mo., at the time a presidential hopeful, chimed in that the United States was "doing a second-rate, second-best job" in space development.

That brief recount is background to the comment by soon-to-be-retiring Christopher

> C. Kraft Jr., director of the Johnson Space Center.
>
> Back when President John F. Kennedy first proposed a moon landing, Kraft was still struggling to figure out how to merely send an American into orbit.
>
> Kraft recalls:
>
> "I said, 'That guy's lost his mind.' That (a moon landing) was beyond my comprehension."
>
> Kraft went on to point out how he feels today:
>
> "You could name almost anything today and I'd say, 'Let's give it a try.' That's the real legacy of Apollo—not that we landed a man on the moon, but that we learned that if we set our minds to doing something we could do it.
>
> "It was a very profound lesson for this country."
>
> Kraft concedes that—his personal enthusiasm notwithstanding—there is still one distinct parallel between then—when we were "losing" the space duel—and today when we are the acknowledged leader.
>
> Back then, as the congressional probes mentioned above went on to find out, it was not a lack of ability, on the part of the nation's scientific community but rather of will, of desire, of determination.
>
> As for today, Kraft says:
>
> "It's unfortunate we [he explained that by 'we' he meant national attitude] are not willing to be a little more aggressive in space, both from a commercial and a defense point of view.
>
> "We somehow need to leap from the present concepts we have and decide what we need to do to checkmate those who would destroy us.
>
> "[With determined effort] we could be there a lot sooner than we believe."
>
> What Kraft is saying is very true. The big question behind any such challenge as the moon landing now would be not "can we" but "will we."●

STRATEGIC ARMS CONTROL

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. HAMILTON. Mr. Speaker, the debate about strategic arms control is acquiring an increasingly high profile. I would like to share with my colleagues an article that appeared in yesterday's Boston Globe entitled "On-Target Arms Control." It concerns a proposal made by a member of our Intelligence Committee.

The article reads as follows:

> ON-TARGET ARMS CONTROL
>
> A couple of weeks ago in Moscow, members of a visiting American delegation were mystified when high-level Soviets asked about an American arms-control plan drafted by Rep. Albert Gore of Tennessee. Most of the Americans hadn't the faintest idea what the Soviets were talking about.
>
> The Gore plan, published in the Congressional Record on March 22, is a "technical" proposal, based on a detailed study of specific weapons systems and the dangers they present. Compared with the broad-brush simplicities of schemes such as the "freeze," Gore's plan may have trouble attracting attention. For those who are thinking about the practical realities of arms control, however, Gore's proposed strategy is must reading. Experts in the field are likely to find it a more serious idea than the freeze.
>
> Whereas the freeze is, technically, a blunderbuss, the Gore plan is a sharpshooter's rifle. It takes precise aim at the particular weapons systems that are widely regarded as the most dangerous because their characteristics could upset the nuclear balance between the United States and the Soviet Union.
>
> The Reagan Administration's "window of vulnerability" argument stems from the development of a nasty, new generation of "counterforce" nuclear weapons that have begun to come on line. These missiles combine precise accuracy, large numbers of warheads and very fast arrival time in a way that places intense pressure on strategists on both sides to keep deterrent forces on a hair-trigger alert lest they be destroyed by an adversary's disarming first strike. Healthy respect for the other side's deterrent turns into unhealthy fear, perhaps coupled with the temptation to shoot first.
>
> For the moment the Soviets have a theoretical edge because they have a larger number of super-accurate warheads already deployed. In a few years, however, the equation will run strongly in the other direction. Over 70 percent of the Soviet deterrent is based on land where it is and will continue to be, vulnerable to attack. The coming generation of the US submarine based missiles, the Trident 2, or D5, will be just as accurate as Soviet land-based missiles; and because these will continue to be hidden beneath the seas, and thus virtually invulnerable, the Soviets will soon face a much greater theoretical threat than the United States faces now.
>
> These counterforce weapons are the engine driving the current strategic arms race. The shifting arguments to build the MX missile and shuttle it between gopher holes in the West, along with the new flock of cockamamie schemes to shoot down incoming warheads with rockets or laser beams in outer space, are all a direct result of the felt need to keep land-based missiles safe from a counterforce attack.
>
> Gore's plan would do that. It would put an immediate stop to the "MIRVing" of weapons—adding multiple warheads in such numbers that the other side's launchers can be individually targeted. It would also restrict further refinements in accuracy. An early moratorium of this sort would represent a heavy frost, if not a freeze, on the arms race.
>
> During this pause, synchronized reductions in the most threatening weapons held by each side would be negotiated. By the early 1990s, neither side would have any basis for fearing a disabling counterforce strike. Any new missiles built to replace those becoming obsolete would be small, capable only of carrying single warheads. That wouldn't create an ideal world, but it would lead to a much safer one.
>
> Arms control specialists are starting to take notice of Gore's proposal. Asked for comment a week ago, a Democratic Senate staff expert replied he had barely heard of the plan and had not read it. A few hours later he called back saying, "This is the best piece of work I've seen out of the House in 13 years."
>
> Reagan Administration arms negotiators Paul Nitze and Eugene Rostow, both celebrated hawks, are reportedly interested in the Gore plan. When the same item turns up on reading lists of the Kremlin, the White House and the loyal opposition, it's worth a look by everyone else.●

WAC ANNIVERSARY

HON. BILL LOWERY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. LOWERY of California. Mr. Speaker, 40 years ago, Oveta Culp Hobby said, in addressing the members of the first officer candidate class of the Women's Army Auxiliary Corps (WAAC):

> May 14th is a date already written into the history books of tomorrow. Long established precedents of military tradition have given way to pressing need—you are the first women to serve. Never forget it—you have a debt and a date. A debt to democracy; a date with destiny.

On May 14, 1982, former members of the Women's Army Corps (WAC), formerly known as the WAAC, will celebrate the 40th anniversary of the founding of the corps. The WAC has probably fought as many battles for survival as any army in history. Although they did not resort to armed conflict and last-ditch bayonet stands, the WAC's struggle for recognition and the right to serve can be regarded as one of the finest examples of military achievement.

With the surrender of Japan following closely upon the cessation of hostilities in Europe, it seemed that women and the WAC were no longer needed. In August 1945, enlistments in the WAC closed, and by May 1946, the strength of the corps had dropped from more than 99,000 to 21,500. By summer of 1948, WAC personnel totaled 6,500 on active duty.

Fortunately, Mr. Speaker, Congress passed necessary legislation to prevent the WAC from disbanding in 1948. The Women's Armed Services Integration Act of 1948 gave servicewomen equal status with men, except that women would not be assigned to combat duties. The act further stipulated that women in the Armed Forces would enjoy the same privileges, security, and retirement benefits as men of corresponding grades; the same opportunity to attend service schools for training in the occupations appropriate to them; and equal chance for promotion.

Since 1948, many changes occurred in the Women's Army Corps as a result of the elimination of the draft, the women's liberation movement, and the WAC expansion campaign conducted in the 1970's. By an act of Congress, signed by President Gerald Ford in October 1975, the U.S. Military Academy at West Point, N.Y., was opened to women. In addition, combined basic training was initiated in the fall of 1977. Today, as they have for the past 40 years, women in the Army are meeting their "debt to democracy" with honor, and are keeping that "date with destiny" with pride and dignity.

I join my colleagues in the House in congratulations to and admiration for the courageous women who boldly served in the Women's Army Corps. In the words of Mrs. Oswald Lord, WAC National Civilian Advisory Committee chairman in 1945:

> These women were pioneers. Many of us wondered if the American sense of adventure and steadfastness had died with their grandmothers * * *. I know now that the American woman of today can take it as her grandmother did. With her sense of humor unimpaired, she has pioneered in a new field and has done her job well.●

CHRYSLER CORP.

HON. JAMES J. BLANCHARD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. BLANCHARD. Mr. Speaker, in the fall of 1979 the House Banking Committee's Subcommittee on Economic Stabilization initiated legislation to assist the ailing Chrysler Corp. When we took up the legislation, many people said it was a hopeless cause, and that the corporation would not make it.

Well, it is now 2½ years later, and I am happy to report that Chrysler remains America's third largest car company with renewed hopes for the future.

On April 22 of this year, the Subcommittee on Economic Stabilization conducted an oversight hearing to get a firsthand report from the corporation and the Loan Guarantee Board on just how the company is doing and what its prospects for the future are. Our witnesses were able to report to us that through the joint contributions of Government, business, and labor, which the loan guarantee program represents, Chrysler today is leaner, but stronger, than it was 2½ years ago. This accomplishment is manifested by the company's increased market share by 1 percent, its increased total dollar and unit sales, a cut in its break-even point to half the 1979 level, a cut of $1.2 billion in after-tax losses, an increase in its net worth and cash and marketable securities, improvement in its debt-equity ratio, and elimination of its total bank debt through a debt restructuring program. If the economy improves in the second half of this year, Chrysler expects a profit for 1982.

This is a truly remarkable achievement, Mr. Speaker, particularly in today's economic climate. It is due in large measure to the heroic efforts of Chrysler's "family" of workers, dealers, and suppliers, and to the company's management under the leadership of its chairman, Mr. Lee Iacocca. I would like to share with my colleagues Mr. Iacocca's statement at the April 22 hearing so they can know in more detail just how much Chrysler has accomplished.

The statement follows:

> STATEMENT BY L. A. IACOCCA, CHAIRMAN OF THE BOARD, CHRYSLER CORP.
>
> Mr. Chairman, I appreciate this opportunity to appear before your Commmittee to give you a sort of status report on what we've done (or tried to do) over these last, very long 2½ years since I first appeared before Congress.
>
> The decision which was made here two and a half years ago—to form a tripartite coalition of government, management, and labor to solve a severe national problem—was a good decision for America. I would like to express our gratitude for your support and your confidence.
>
> I would also like to report that we are in good shape, and getting better by the day.
>
> My first appearance before this Committee took place 31 months ago. I don't mind telling you that it has been 31 months of sheer hell. However, the fact remains that if we had not gone through those fires of hell, 600,000 American workers would not have jobs now, and they would not have a secure future. The results have been worth the effort.
>
> To put our performance in perspective, it might be useful to go back to 31 months ago and remind ourselves where the economy stood and what problems we all faced at that time.
>
> Things were tough. There was great concern that Chrysler would never survive the recession then underway, even with the help of loan guarantees. The GNP had, after all, risen by only 4.1 percent in the third quarter of 1979. The annualized rate of domestic new-car sales was only 8.4 million units. Unemployment was at 5.8 percent. And the prime interest rate was slowly climbing to the 12 percent level.
>
> No wonder some members of Congress were worried. But looking back, those now seem like the good old days.
>
> Let's look at what's happened since then. The GNP hs just fallen 4.5 percent for the second straight quarter. The rate of domestic new-car sales has fallen to an average rate of 5.3 million units, the lowest level since 1958. Unemployment is at 9 percent, with more people out of work than at any time since the Great Depression. And thanks to a monetary policy established by the Fed to singlehandedly break the back of inflation (on the backs of cars and houses), the prime rate is now at 16.5 percent and showing no signs of coming down.
>
> In my personal judgment, the day of infamy was October 6, 1979, when the decision was made to allow interest rates to float up and down like a yo-yo. We all became Friday watchers of the M-1B, and we had a lot to watch. The fact is that monetary policy has not been tried, and it has failed. We ought to face up to that fact.
>
> For 200 years the prime rate never hit 12 percent. From 1935 to 1947 it didn't move at all. But it has gone up and down 75 times since October 6, 1979.
>
> How does a businessman make a commitment to a long-term loan, or a consumer on a 4-year car payment or a 30-year mortgage, with that kind of volatility?
>
> I believe it fair to point out that during this incredible period of national economic stagnation, in which the federal government incidentally has missed nearly all of its economic targets, we at Chrysler have fulfilled the commitments we made to the Congress two and a half years ago. The only targets we missed were the ones based on economic assumptions for inflation and interest rates—both beyond our control.
>
> Here is a quick summary of what we have achieved so far:
>
> We have a new management team made up of aggressive, and talented automobile men that I would not trade for any in the business.
>
> We have streamlined our white collar staff from 40,000 to 21,000, for a savings of $1.2 billion in total salaries.
>
> The UAW represented workers made substantial and historic concessions to help cut costs and make us competitive again. Our employees did what had to be done to save the company. They set a pattern. They started a landslide that's growing to the point that it may well save all of American industry.
>
> We have cut our breakeven point to half the level of 1979.
>
> We cut our after-tax losses in 1981 by $1.2 billion from our losses in 1980.
>
> We eliminated our total bank debt of $1.3 billion through a debt restructuring program. We have essentially no more bank debt.
>
> We increased our net worth to $800 million compared to $300 million at the end of 1980.
>
> We have increased our cash and marketable securities to an all-time record high of $900 million, including $336 million from the sale of Chrysler Defense.
>
> We have improved our debt-equity ratio from 6.1 to 2.5.
>
> We have increased our fleet average fuel economy to 28 miles per gallon, double the level of 1974, and now the best in the industry.
>
> We have sold, closed, or consolidated 20 obsolete plants, while totally renovating our assembly and power train plants with state-of-the-art technology.
>
> We have improved our quality to the point that we can now offer the most comprehensive warranty in the industry—for 5 years or 50,000 miles: protection on the power train, protection against body rust, and free scheduled maintenance—for all our domestic automobiles.
>
> We increased our unit sales over 1980 by 60,000 vehicles, led by our K-Cars which represents the most successful new cars in Chrysler's history.
>
> We increased our market share by 1.0 percentage point, and we were the only domestic manufacturer to increase sales in 1981—up 11 percent.
>
> We increased our total dollar sales by $1.6 billion over 1980.
>
> We are streamlining our operation by reducing our total parts count from 53,000 in 1981 to 37,000 in 1984 despite the addition of all-new lines of cars and a front-wheel-drive van-wagon which will be unique in the industry.
>
> We have reestablished our position in the truck market, with a total penetration of 10 percent.
>
> We are number one among U.S. companies in Mexico, and we have been number two in Canada for 5 of the last 7 months.
>
> We have strengthened our international links. We have a 15 percent equity ownership in Peugeot and a 15 percent share in

Mitsubishi Motors. We are working with both to develop new vehicles and new power trains.

We have 90 percent of our automobile offerings in the new technology of front-wheel drive. In two years, all of our car lines will be front-wheel drive—the first domestic car company to achieve that goal.

Based on an assumption that the economy will recover in the second half of this year, we project a profit for 1982 in the range of $150 million.

Finally, we have provided an enormous economic contribution—a return on investment, if you will—to the people of America. Since the Loan Guarantee Act was passed, we have paid wages and fringes to our employees of over $6 billion. We have bought over $10 billion of goods and services from over 16,000 suppliers, who in turn have helped keep hundreds of thousands of their suppliers in business. Chrysler has paid corporate taxes of $420 million. And our employees have paid state, local, and federal taxes of $41.2 billion—which, by the way, is the exact amount of guaranteed funds Chrysler has borrowed under the Loan Guarantee Act of 1979.

That would have been a good performance if the economic conditions of 31 months ago had continued as expected. Under the increasingly adverse conditions which have prevailed since then, the record our people compiled has been truly outstanding.

It stands as evidence that the workers and the management of Chrysler have fulfilled their promises to the nation. And it stands as evidence that the Chrysler Loan Guarantee Act of 1979 was sound economic policy. All of you here should take full credit. At least those who voted for it!

Now you may not want to take credit for the other $409 billion of federal loans and loan guarantees that were already outstanding when we first came to town in the fall of 1979. And you may not even know that the grand total has since climbed to $475 billion of guaranteed loans outstanding.

But everybody knows about Chrysler. For some reason—maybe because we are big, because we sell a very visible product, because we are outspoken—we are considered special. And we've had special attention.

We've lived through the slings and arrows of countless editorial writers and cartoonists who simply were not about to forgive us for having the nerve to ask for the same helping hand extended to thousands of others before us.

Try as we might, we still can't seem to get the news media to understand that we did not get a bail-out in the form of a gift or a grant of $1.2 billion in a brown paper bag delivered on my desk. We borrowed that money from private sources and we're paying high interest on it. On the last drawdown of $400 million, we are paying 14.9 percent interest.

Everybody is getting their money's worth, and everybody is protected. The federal government protected itself against an immediate one-year loss to the GNP of $2.7 billion, as calculated by the Treasury Department, if Chrysler had failed. The federal government has collateral and first call on $2.4 billion of assets to secure its position as a guarantor. It also has 14.4 million warrants for the purchase of Chrysler stock to compensate it for its risk, even though the law didn't call for it.

Finally, the Loan Guarantee Board is taking a full one percent fee at a cost to us of $12 million per year, double the minimum amount set by Congress.

I would like to suggest that the fee ought to be half of that. Six million a year would cover the budgeted expenses of the Loan Guarantee Board this year five times over. I have already made this suggestion to the Loan Board in writing, and I would like to make it formally at a meeting of the full Board. Unfortunately, there has yet to be a meeting of the Board since the new Administration took office 15 months ago.

I tell you all this by way of illustrating that there are still a lot of people—in this Congress, in the Administration, in the press—who continue to be ideologically opposed to what took place in the fall of 1979, who continue to repeat the myths and stereotypes that we heard in this very Committee during the debate on Chrysler, and who still wish we would just all go away and leave them alone.

Well, we're not going to ask for any more help for Chrysler, but we're not going to go away either. I wish I could afford to be so ideological. We at Chrysler were in a position in which we had to be practical, and the Congress joined with us in a great bipartisan effort to devise a practical solution which carried the House by a vote of 2 to 1. It shows it can be done.

From everything I can determine, it's time for another bipartisan effort to be practical again.

I said, when I testified here before, that Chrysler was on the leading edge of all the suffering that had resulted from the nation's economic and regulatory policies. I said that Ford and GM would be right behind us in reflecting the severity of the problem. I said that if we did not get on with a practical national program to restore the health and strength of our great industries, we were going to see permanent damage done to our industrial base, and to the hopes of those Americans who want the opportunity to improve themselves through the benefits of a good job.

I'm sorry to say that I was right. This nation now faces its biggest economic crisis since the Great Depression. And I believe it's time to take some practical action.

First—We have to get interest rates down, through a bipartisan program to cut the budget deficit in half. Take a five percent cut in defense, match it dollar for dollar with a cut in other social programs, add the revenue from a surtax on imported oil, and you have a $55 billion reduction in the deficit. The prime rate will drop. Consenting adults will engage in commerce again. And revenues will rise.

Second—Grant a $1500 personal investment tax credit to the buyer of any new car that gets over 25 miles per gallon. That will increase car sales by one million units a year, put 250,000 Americans back to work, and save a billion gallons of gasoline a year.

Third—We've got to get serious again about an energy policy. Slap a surtax on imported oil or an excise tax on gasoline at the pump, and send a message to the American consumer that the days of conservation are not over, big cars are not back to stay, and that gas is not there to be guzzled again.

Finally—This nation must face up to the fact that the Japanese auto makers have an unfair tax and trade advantage which is denying hundreds of thousands of Americans a fair shot at a job. The United States of America loses $1,750 of taxes on every Japanese car sold in this country, a portion of it the result of a Japanese tax policy which allows a Toyota to be sold for less in Washington, D.C. than it sells for in Tokyo. And we have an imbalance of trade of a neat $15 billion a year.

That's not fair trade, and the American people know it. They have a basic sense of fair play that simply will not allow it to continue, and I suggest that we listen to them before it's too late.

I know that legislation has been introduced or proposed covering every one of these courses of action. I know that some people question the specific numbers contained in these proposals. Well, the numbers are not cast in concrete, but the concepts are right. They will work. And I know the difficulties of gaining a consensus. But I believe it's time to get practical again, and to be bipartisan about it.

Time is running out on the American automobile industry and on the people you represent. I urge the Congress to set aside politics and ideology, as it did in the Chrysler case, and give serious consideration to the economic potential represented by these proposals.

Chrysler is in good shape, thanks to you and to a lot of hard working people across the country. With any small improvement in the economy, we could make sweet music in your ears and the ears of the workers of America. It's time to get the entire economy back in shape, so we can fulfill that promise as well.

Thank you, Mr. Chairman, and members of the Committee.●

SALUTE TO RHODE ISLAND WINNER, VOICE OF DEMOCRACY AWARD

HON. FERNAND J. ST GERMAIN

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 27, 1982

● Mr. ST GERMAIN. Mr. Speaker, I am including in today's RECORD the award-winning speech delivered by Linda M. Jackson of Pawtucket, R.I., for which she was declared the Rhode Island winner in the 1982 Voice of Democracy Scholarship Award contest, sponsored by the Veterans of Foreign Wars of the United States. I am pleased to have the opportunity to salute Ms. Jackson, an outstanding and promising student. I am sure in the years to come she will be successful in her college and career endeavors.

Building America Together. If I were to expound upon the phrase "building America together," I could very well make a literal comparison with the construction of a house.

Our forefathers chose this new, undeveloped land as their home, just as a young couple may choose a plot of land for their dreamhouse. Cautiously, the advantages are weighed, and in the case of our nation, the many dangers and risks were also scrutinized.

As in the early traditional days of building a house, when friends and neighbors would come from miles around to help break the soil, so we followed in the same pattern. The Pilgrims came from overseas bringing experience and precious skills to the groundbreaking ceremony of our country. Whence the primary task of physical labor had been dealt with, our next step was to tend to the development of a government which would be lead by the people and for the people in a fair and democratic way.

The success of our nation soon expanded around the world and our beaches were transformed into endless welcome mats for the oppressed and frustrated of less fortunate lands. Although the vast majority lacked economically, they were found abundant in culture, spirit and determination. Soon the population grew rapidly, and as in a similar domestic situation, an addition was deemed necessary for our house. Thus, the pioneering stage came into view.

Opening a new frontier was neither an easy nor a fearless task. Men and Women from all over left whatever they possessed so they may take part in the unfolding of yet another portion of our unexplored territory. Courage and determination were essential characteristics when breaking into the unknown, and so these qualities descended into the generations that followed. At times when it became necessary to defend our country from outside forces, these traits bloomed in our citizens. Pride, honor and dignity were carried with them as they defended our rights as a free creative people.

In showing our strength, we have ensconced ourselves a position above the rest. Strength, I refer to not only in a physical manner, but also one of ethics. Forceful displays come only as a last resort, when logic and reason are no longer acknowledged. Therefore we established ourselves as worldwide peacemakers, gaining universal respect.

As our nation thrived, so did our unquenchable thirst for knowledge. Not a stone has been left unturned as our most brilliant Americans have delved into the unknown. We have been accredited with having put the first man on the moon; astronomers forever exploring mysterious galaxies; and scientists striving for the cures of debilitating diseases.

Together, we broke the soil.

Together, we developed a foundation.

Together, we have expanded the regions of our house.

Together, we have made our house a home by adding to it culture, history, and respectability.

On a house, there will ultimately be placed a roof. On our country, however, a roof would never be built for it would serve only to stifle us.

No man, shall ever have the ability to repress this great nation. Our desire to search for the unknown, to strive for perfection, to reach for knowledge, and to grow so that we may live as one, will never be satisfied. Nor will man ever have the power to prevent us from doing in the future what we have been doing so successfully for the past two hundred and five (205) years, and that is "Building America Together."●

TRIBUTE TO AUTO RACING PIONEER MIKE CARUSO

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. LENT. Mr. Speaker, I rise to call to the attention of my colleagues an event of considerable historic interest taking place this month in the community of Hicksville, Nassau County, N.Y., in the Fourth Congressional District of Long Island, which I have the honor to represent.

On May 15, the Hicksville Gregory Museum is opening a unique and colorful exhibition of auto racing memorabilia, honoring the outstanding career of Mike Caruso of Hicksville, who won national recognition for his superlative efforts in automotive engineering and auto racing over five decades. Mike Caruso built and operated many championship racing cars; in the process, winning a nationwide reputation as a masterful and innovative designer, builder, and sponsor of racing cars.

Mike's life and career offer a great example of ability, grit, and determination in overcoming severe challenges. Forced to quit school at age 13 when his father died, Mike put his natural mechanical ability to work and won speedy success as an auto mechanic. So successful was he, in fact, that in 1922, though just 23 years old, Mike opened his own garage in Hicksville. Five years later, Mike bought his first racing car, and in 1929, started building his own auto racers. In 1935, Mike Caruso captured national racing attention with the very first midget auto racer he built. His engineering talents transformed an eight-cylinder Bugatti engine into a four-cylinder engine conforming to midget racing specifications, which won the 1937 National Auto Racing Circuit championship, with Ernie Gessel as driver.

Not content with this outstanding achievement, Mike Caruso turned his talents to the Offenhauser engine, perhaps the most famous of all racing car engines. In 1938, the "Offy"-powered Caruso No. 5 racer won the AAA Midget championship, and won the 1941 American Racing Car Driver Club championship.

When midget auto racing resumed after World War II, perhaps the most famed of all Caruso-built racers—the Black Deuce—took to the tracks, and won top honors in races across the country. In 1948, teamed with another Caruso racer—No. 3—the two Caruso products won first place in 91 out of 106 races.

Always an innovator, and always safety-conscious, Mike Caruso put the first roll cage on a midget car, inaugurated the safety throttle pullup, and installed safety chains on radius rods to protect against tie rod breakage.

Through the years, Mike's wife, Rose, and his sons, Louis and Mike, Jr., aided in the efforts of the Caruso racing team, which also included a number of famous drivers. Although Mike Caruso's expanding business interests drew more and more of his time, he kept running race cars and dabbling with experiments on them well into the 1970's. In 1978, Mike Caruso was elected to the Hall of Fame of the Eastern Old Timers Auto Racing Club—the first carowner so honored. Mike retained his tremendous interest in auto racing until his death early this year at age 82 ended his remarkable career.

Mr. Speaker, on May 15th, members of Mike Caruso's family, together with many of his friends and admirers, will gather at the Hicksville Gregory Museum for a program of reminiscence and fellowship opening the Mike Caruso exhibit. Among the many items of memorabilia from the Caruso era will be the famed midget racer, the Black Deuce. The exhibition will continue until Labor Day, and is expected to attract racing car fans from all over the country.

Mr. Speaker, I know my colleagues will join me in saluting the memory of Mike Caruso—a truly outstanding American, whose life and career typify the dedication, determination, inspiration, and ability which helped mold our Nation into greatness. Our congratulations, too, to the Hicksville Gregory Museum and the committee honoring Mike Caruso for their work in developing this exceptional exhibition. May it bring new understanding of Mike Caruso's great talents.●

INTRODUCTION OF NHTSA FUND ACT

HON. TIMOTHY E. WIRTH

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. WIRTH. Mr. Speaker, today I am introducing the Motor Vehicle Safety and Cost Savings Authorization Act, which will authorize funds for the National Highway Traffic Safety Administration (NHTSA) through 1985.

This past year has been one of transition for NHTSA. Instead of pursuing an aggressive safety program we have witnessed the rescission of several important and cost-effective safety and consumer programs. Therefore, with the introduction of this bill I am hoping to reiterate the congressional intent that created the agency: In 1966 when Congress established NHTSA, it unequivocably mandated that NHTSA establish a coherent safety program in order to reduce the appalling carnage on our Nation's highways.

While NHTSA safety programs have been responsible for saving hundreds of thousands of lives during the last decade, the agency's role at this juncture is even more critical. With cars getting smaller, it has been estimated that more than 70,000 Americans will die each year in automobile accidents unless major safety improvements are made. NHTSA must not take this mission lightly. In terms of both lives and dollars the NHTSA statute remains one of the most important health and safety laws we have.

I am hopeful that after passage of this legislation, NHTSA will realize the priority the Congress places on highway safety and will again begin to make some real effort toward reducing the automobile death toll. I believe that the President's budget request is adequate to continue NHTSA's mandate to save lives. However, I am deeply concerned about where priorities are placed in the agency. For example, we must not retreat from technological solutions in favor of modifying the behavior of drivers. This approach has failed over and over again. Additionally, NHTSA must continue to provide Americans with meaningful information about the cars they drive, as Congress envisioned when we passed the Motor Vehicle Information and Costs Savings Act. I will be working with Chairman Benjamin, of the Appropriations Subcommittee and with our counterparts in the Senate in insuring the NHTSA carry out its congressional mandate.

In addition to funding for activities under the National Traffic and Vehicle Safety Act and the Cost Savings Act, this bill includes a provision to clarify the rights of States in enforcing safety standards that are identical to Federal standards.●

FOSSIL R. & D. DEFERRALS

HON. ALLEN E. ERTEL

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. ERTEL. Mr. Speaker, I applaud the actions of the House in rejecting the President's request to defer funds for fossil energy research and development from fiscal year 1982 to 1983. Not only would such a deferral seriously compromise important research efforts currently underway, the real intent of the President's request is to terminate virtually all fossil energy research and development programs.

Subsequent to the issuance of the fiscal year 1983 budget requests, the administration realized that it has not requested sufficient funds to cover the termination costs of fossil R. & D. programs. The deferral request was a veiled attempt by the administration to have enough money to pay for all closeout costs so it could finish gutting fossil research.

The fallacy of this administration undertaking is obvious when we look at the specific projects which would have suffered deferrals. The pressurized fluidized bed-combined cycle pilot plant is one of the most promising new technologies for utility coal combustion. This project offers the potential of significant increases in coal combustion efficiencies while dramatically reducing the emissions from burning coal. This project would be killed by the administration.

Also slated for deferrals were the Bi-Gas pilot plant and the eastern shale development programs. The Bi-Gas plant is a fully integrated downstream gas cleanup system designed to provide information of general application for gasification systems. The eastern shale development program focuses needed attention on the important potential of this Nation's Eastern Devonian shale deposits which, with a little more development, can offer new natural gas supplies.

Other important research areas hit by the deferral request include: advanced combustion technologies, the liquid phase methanol process development unit, magnetohydrodynamics, and the fixed-bed gasifiers at Morgantown, W. Va., and Grand Forks, N. Dak. The list of promising fossil energy research which the administration would scrap goes on and on.

This administration has made a decision to forfeit our Nation's future energy security by terminating these and many other programs. The House is to be commended for rejecting the President's request.●

WOULD WAR WITH GAS MEAN HOLOCAUST?

HON. SAM GEJDENSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. GEJDENSON. Mr. Speaker, Congress will shortly be considering the fiscal year 1983 defense budget. In that budget, the administration has requested funding for the renewed production on lethal binary chemical weapons. Hearings on the chemical warfare weapons program are being held today and tomorrow in the Senate Appropriations Committee. One of the witnesses to be heard today is Dr. Matthew Meselson, the Nation's leading expert on chemical weapons. In light of the ongoing debate on nerve gas, I would like to share with my colleagues an interview of Dr. Meselson and Gen. Niles J. Fulwyler that appeared recently in the New York Times.

The article reads as follows:

WOULD WAR WITH GAS MEAN HOLOCAUST?

(By Richard Halloran and Caroline Rand Herron)

Should the United States produce new binary chemical weapons? The question is scheduled for debate in the Senate this week when Senator Mark O. Hatfield, Republican of Oregon, holds hearings in the Appropriations Committee and amendments to the Pentagon's authorization bill are offered on the floor. The Administration would like a go-ahead, and has asked for $32 million to develop the new munitions, which consist of two nonlethal components that are packaged separately and combine to form a toxic agent only after a shell or bomb is in flight. The amount is relatively small as military budgets go. But the question itself is highly charged. The Week in Review asked Maj. Gen. Niles J. Fulwyler, director of the Nuclear and Chemical Directorate, Department of the Army, and Matthew Meselson, professor of biochemistry at Harvard University, to talk about the pros and cons. Excerpts of their discussion with Richard Halloran, a correspondent in The Time's Washington bureau, and Caroline Rand Herron, an editor of The Review, follow.)

Question. Do we need more, better or any chemical munitions, and why now?

Mr. Meselson. General Fulwyler and I agree we have to assume the Soviet Union poses a major chemical threat. Where we begin to disagree is in the response. In my opinion, the response which the Army has recommended and which the President has endorsed is dangerous and wrong.

This follows from a unique characteristic of chemical weapons. The military advantage against a sophisticated opponent is simply to force the other side into their protective equipment (and) decrease tempo. This has two important consequences. The munitions requirement is very small.

The other thing, though, about chemicals is that they selectively exterminate civilians. A civilian goes down into his cellar, the way civilians do to avoid high explosive fire—he's going down into his gas chamber. Quite aside from the moral implications of that, that means that if you're thinking about alliance warfare on somebody else's real estate, mainly Europe, those people aren't going to let their soldiers use chemical weapons in their defense.

General Fulwyler. Unfortunately, civilians have been subjected to the violence of war in every war we've ever had. Now that is not good, but it has occurred.

Mr. Meselson. We need to look at these things more quantitatively. You can calculate the ratio of military deaths to civilian deaths under various kinds of scenarios. With chemicals, you might end up killing 20 civilians for every soldier; with high explosives, far, far less. Even in tactical war in Europe, the ratio would be less.

General Fulwyler. The first reason that we want the retaliatory capability is, of course, to deter use. But, secondly, if the adversary uses chemical and forces us into protective clothing, if we do not have the capability to force him into protective clothing, then we're fighting with one or one and a half arms tied behind our backs.

Mr. Meselson. We already have many more than enough artillery shells (containing chemical weapons) to accomplish the objective which General Fulwyler and I have been discussing. They are not deteriorating, contrary to a myth that is prevalent; they are not obsolescing, contrary to a second myth.

General Fulwyler. Perhaps the agent deterioration itself is not all that great—except it does occur. (But) we have containerized today over a thousand different types of artillery munition that have been leaking.

There's another type of deterioration. The M-55 rocket, we don't have a delivery system for; the rocket launcher is no longer in inventory. We have a sizable part of our stockpile in the 105-millimeter howitzer, which is rapidly being phased out of the Army inventory.

Q. Are binaries the most efficient addition, in terms of storage, transport, battlefield use?

General Fulwyler. We believe so, particularly on production, storage and transport. We never join the second chemical precursor until in the operational site, which means that that round, for all practical purposes, is safe up until the time it is finally loaded. And those various compounds themselves are relatively non-toxic. The diforal that will be used in the 155, as an example, is not as toxic as tear gas. And we believe, based on over 2,500 test firings of the 155, that the binary concept will be just as effective as the current unitary rounds.

Mr. Meselson. There has never been a single test firing in the present configuration. You can't test one thing by testing another.

General Fulwyler. Well, the configuration wasn't that much different. (And) we do not need live testing because we can do all the necessary testing in a laboratory environment with modern technology.

Mr. Meselson. General, you know that we want to resume testing. I'm all for it, I think we should. To issue untested munitions to the troops is wrong.

But let me talk about the need for them, not whether they're any good. You are participating in the perpetuation of a harmful confusion. Do you know that all of our nerve gas (in) artillery ammunition is today classified Code A? Code A means, and I quote, that "fully meet all military characteristics, issuable without limit or restriction." The only way you could generate a bigger requirement would be to assume a long war in which all our allies are also using nerve agent at a high rate.

THE DETERIORATION FACTOR

General Fulwyler. You do not have access to——

Mr. Meselson. Yes, I do, I've written a classified report on the stockpile (in January 1981). And it's gone up, not down, since then.

General Fulwyler. Still, I have concern about you making statements concerning the status of our stockpile, when I believe, Professor, you do not have timely information.

Mr. Meselson. Can you refer me—because names of documents are always unclassified as names—to a single existing document saying that the stockpile of munitions are deteriorating at such a rate that in a few years we won't have any?

General Fulwyler. I don't know if there's a study or not, but the information that I have would lead me to say unless we do something, by the end of this century we will have unilaterally disarmed.

Q. Mr. Meselson, what would be your formula for acquiring sufficient deterrent?

Mr. Meselson. There are two parts to that. The first is protection in defense. We have a good protective suit, and a better one is coming along. We have a mask which is somewhat maligned; whether a better one is coming along I don't know.

But where we fail is troop training, except for certain specialty units like the 82nd Airborne. I talked to a colonel from the 82nd Airborne; he says that his men relish the chemical suits. But most soldiers are not practiced in the equipment to the extent they should be.

As far as our deterrent stockpile is concerned, if we press ahead with what I consider to be these useless weapons, which are complicated, almost four times bulkier to ship, 10 percent heavier to ship——

General Fulwyler. That's wrong! We can (ship) almost twice as many of the binary rounds as we can a unitary round.

Mr. Meselson. General, the numbers you're talking about refer to not having the fuse or the cannister (and packing materials).

General Fulwyler. That's correct, you're not shipping both at the same time. In the interests of safety, we would not plan to ship them on the same aircraft.

But my point is that if we overemphasize chemical weapons, which we are on the verge of doing, then two very bad things could happen.

First, there is already on the agenda of the German Social Democratic Party a resolution to withdraw the stocks there. They're the only stocks which are ready to use. This resolution is provoked by apprehension that we are going to overemphasize chemical weapons. The other great danger in overemphasizing the chemical weapons is that if they are ever used against us, our second strike by definition has got to be a lot less effective. Because anyone who would use them first against us is going to prewarn all their forces to protect themselves. Whereas the first strike on us has a chance of catching us by surprise.

Therefore, to the extent that we advertise that we're going to make very much more than we already have on hand, which is a lot, we risk propagating the view that we are unlikely to use our nuclear weapons ever. This undermines the deterrent to war itself.

General Fulwyler. Professor, I think you're really stretching the rationale on that one.

Let me hit just a couple of things.

We have done some tests last year with soldiers with the protective clothing on, for instance, in tanks, and the time by which we had to get them out of the suit or risk a health hazard to them was about 40 minutes.

About the overemphasis on chemical—well, on the defensive side we're paying the price for an underemphasis for a number of years. We can and must make improvements. Over and above that, though, I still maintain that the best way to deter the Soviets' use of chemical agent is for us to have a credible retaliatory capability. That means one in being, one that constitutes a threat and one that he knows that we can hold him at risk at. And the current stockpile does not offer that.

Mr. Meselson. Even if the wearing of this equipment, which I believe has had its burden exaggerated, is a burden, that just means that the objective of having these munitions is to force the other side into such equipment. We have at present far more than enough to do that.

The intent to produce another type which is not needed and which has not been tested in live form in the field is likely to do more to enrage our allies—we're not doing us a particle of military good. Besides that, binary is complicated to assemble in the field.

General Fulwyler. That is not true, Professor! It's a very simple weapon to assemble in the field. Two to three minutes at the most.

Mr. Meselson. I agree that it can be assembled in the field, the piece time rate is probably an underestimate—but no commander prefers to have to do that.

Q. To close, let's talk about something that takes more than three minutes or 20 years, apparently, and that's the chemical warfare treaty, and the now apparently abandoned push for a total ban. How does our current posture help or hurt that endeavor?

General Fulwyler. Well, of course that's one of our points, too. We believe that what we're doing with the binary program is probably going to give us the best leverage at the negotiation table.

INCENTIVES TO NEGOTIATION

We have been sitting at the table with the Russians since 1977, and during that time we have seen little or no progress at all. And at the same time, we believe that the Soviets have gone forward and continued to improve their posture. There has been no incentive for them to make any meaningful proposals or agreements.

Mr. Meselson. I can't evaluate that, because that is a psychological question. But I can say something about the negotiations. It depends on how you look at the record (as to) whether it represented progress. And I wouldn't dogmatically assert one or the other. We have agreed with the Soviets—and we announced in July three years ago in a joint communiqué with them—we agreed on the principle of on-site international challenge inspection. But that's not good enough for us.

We're the ones who cut off these talks. We should resume them. Whether or not we could get agreement on the kind of verification that's needed, I don't presume to know. We should just keep trying.

Quite aside from the fact that millions of Europeans are at risk of dying in any large-scale chemical war in Europe, the military implications of that have gone unappreciated. You cannot fight an alliance war with allies who won't use the weapon. It's dreaming to think that they will allow their troops to use it.

THE RETALIATION BOOMERANG

General Fulwyler. We got to live with the facts of the day, and the facts are that the Soviets are the best equipped nation in the world to wage chemical warfare. If the conflict is forced upon them, I would be willing to wager that anyone, including our allies, will be more than happy to accept that as part of the deterrent, if not to have it as a retaliatory capability if it is used on them.

Mr. Meselson. I strongly disagree. If we could imagine the war happening in New Jersey——

General Fulwyler. Do you think our allies would prefer for us to cross the nuclear threshold first as a counter to the Soviet use of chemical weapons?

Mr. Meselson. At the point where the Europeans see millions of their civilians dying that they would advocate that we not defend them anymore—which we hope they wouldn't do. That's exactly what chemicals might achieve, because it puts them in a position where the continuation of that war would involve a catastrophe of strategic proportions for them due to chemical losses.

General Fulwyler. If we cross the nuclear threshold, that is going to be a catastrophe of greater immensity.

Mr. Meselson. Yes, but I think that chemicals can bring that on.●

COPPER IN TROUBLE

HON. JIM SANTINI

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. SANTINI. Mr. Speaker, the U.S. copper industry is in trouble. The current economic recession is taking its toll on copper producers. Prices are the lowest they have been in 30 years and no less than five copper sites are on the verge of permanently shutting down. Under current conditions copper producers cannot possibly operate at a profit.

Copper is important. Not only is it critical to defense and U.S. industry overall, but the copper industry also provides an important source of employment and economic activity. Copper is usually mined and smelted in remote areas where there are few jobs available outside the copper industry. When a mine or smelter is shutdown, the result is usually economic disaster for the locality where the copper operations are lost.

The following article, which appeared in the Las Vegas Review Journal on April 18, 1982, is illustrative of the problems casued by the ailing copper industry. I urge all Members to read this article:

RECESSION HITS COPPER MINES

DOUGLAS, ARIZ.—Even during the Depression, Phelps Dodge Corp. ran its copper smelter in this border city 10 days a month. But then last week a recession caught up with the company, and all Arizona will feel the result.

The company announced on Wednesday it was suspending operations at its mines and smelters in Douglas, Ajo and Morenci, along with its Hildalgo, N.M., operation. In all, 3,800 workers will be jobless at least through June 1, with 3,200 of them in Arizona.

Unemployment in the nation's largest copper-producing state will jump 0.5 percent, to at least 7.8 percent as a result of the 3,200 layoffs at the Arizona facilities, officials say.

State revenues are expected to drop between $1 million and $4 million, and legislators are trying to cut the state budget while also considering plans to boost unemployment benefits.

Gov. Bruce Babbitt ordered that special unemployment centers be set up in the mining towns. The company has said the furloughs will be extended if the copper market remains depressed.

There were signs it was coming. For two months, workers at Phelps Dodge copper mines have been on four-day weeks because copper prices are at their lowest level in 30 years.

State experts estimate 80 percent of Arizona's 24,000 miners are laid off or working shortened hours. Most work in the state's copper mines, and Phelps Dodge was the biggest employer.

U.S. Sen. Dennis DeConcini, D-Ariz., has suggested the federal government purchase $1.5 billion in copper for the national stockpile to stimulate production.

Meanwhile, workers began assessing their ability to last out the shutdown, the first by Phelps Dodge for economic reasons since 1932.

"I got some savings, but I don't know how far they will go. I guess I'll just cross my fingers and hope they'll open up again in June," said Manuel Amarillas, a Douglas repairman with 26 years in Phelps Dodge service.

Ben F. Williams, Jr., mayor of this town of 13,000, also was crossing his fingers.

"You look down the road and you know that the copper industry can't recover until the auto industry does, and the home and general construction," Williams said. Douglas already had been hit hard by Mexico's peso devaluation, he said, and the company said months ago it was moving its western headquarters to Phoenix.

Elsewhere, the news was also bad.

"You can say goodbye to Greenlee County," said Dan Anderson, senior economist in the Arizona Department of Economic Security. "The mine (at Morenci) is just about the sole employer."

Greenlee County administrator David Perkins said the company probably provides, directly or indirectly, 90 percent of the personal income of Greenlee's 4,275 wage and salary workers.

At Morenci, an unincorporated Greenlee community of about 4,500 near the New Mexico border, Roy Faulkner said he may have to close the bowling alley he has managed for 10 years. He said business depended greatly on company teams in leagues.

In Clifton, the Greenlee County seat, Mayor Thomas B. Aguilar called the future bleak. Municipal employees already were on a four-day week because of economic conditions.

At Ajo, essentially a company town of about 5,100 in the desert 130 miles west of Tucson, restaurant owner Rose Doyle said she may have to let some help go and shorten business hours.

Phelps Dodge spokesman Jack Ladd said that in addition to state unemployment benefits—a maximum $95 a week for 26 weeks—furloughed employees are entitled to a company supplemental unemployment benefit of $50 a week for 26 weeks and, thereafter, $90 weekly for 26 more weeks. Legislators were considering boosting state aid to $130 a week.

Phelps Dodge said it would "work out some kind of arrangement" so idled workers living in company-owned housing at Ajo and Morenci can stay in their homes. Company-owned stores in the towns will extend credit, it said.

Legislative leaders estimated state revenues will drop by $1 million to as much as $4 million. They agreed to work toward cutting $10 million from the proposed 1983 budget of $1.65 billion, which already had been trimmed 10 percent.●

SHOULD THE UNITED STATES GO FOR A FIRST STRIKE AGAINST SOVIET WEAPONS?

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. BROWN of California. Mr. Speaker, as we continue to debate the balance of nuclear power, it is important that we keep in mind the policies and philosophies behind deploying various nuclear weapons systems.

One of the arguments in favor of a major nuclear weapons buildup by the United States is the fear of a window of vulnerability, open to a Soviet first strike. Most observers know that with the current nuclear triad deployed by the United States, only our land-based missiles are theoretically vulnerable. The same cannot be said for the Soviet nuclear weapons, which are primarily land based.

Our greatest fear is a nuclear war. Our stated objective is deterrence. The United States wants to deter a nuclear war and believes the Soviets must never have a first-strike capability for deterrence to work. I agree with this.

Unfortunately, few in the United States seem to realize that the Soviet Union has legitimate fears about U.S. efforts to develop a first-strike capability against them. If we should develop such a system, combined with our refusal to renounce the first use of nuclear weapons, the Soviets fear we will use that capability.

Mr. Speaker, we must understand the causes of the arms race and we must understand how others perceive our actions. The truth is the United States is striving to develop a first-strike capability. The Soviet response is unpredictable, but most likely, it will lead to an even more dangerous situation than we have at present.

A recent article from Science magazine described how the United States moves toward a first-strike capability. I wish to insert this article in the RECORD at this time.

[From Science, May 7, 1982]

PENTAGON MOVES TOWARD FIRST-STRIKE CAPABILITY

(By R. Jeffrey Smith)

"Early this year, the U.S. land-based force of nuclear missiles became vulnerable—on paper—to destruction in a preemptive attack by the Soviet Union, which deployed highly accurate SS–18 and SS–19 missiles. A three-part response to this threat has been crafted by the United States. A new missile, the MX, is to be constructed and tested next year. The new missile is to be hidden in order to protect it from attack. And the missile will have a capability that matches the Soviet's new missiles: the capability to destroy missiles on the other side.

"Previous articles in this series explored why U.S. officials became alarmed about missile vulnerability and where the MX missile might be hidden. This article explores the impact of the MX's counter-military capabilities on prospects for arms control."

The Reagan Administration, in justifying its request for a tremendous buildup of nuclear weapons, has put forth the idea that the Soviets cannot be brought to the bargaining table unless they feel threatened. The idea is embodied in plans to build weapons with a "first-strike" capability, which could eliminate the ability of the Soviet Union to retaliate effectively after an attack by the United States.

This move toward a first-strike capability, which hits at the heart of the traditional concept of deterrence, is intended to force the Soviets into reducing their arsenal of weapons. But it might instead cause the Soviets to engage in their own military buildup. It could also result in the adoption of a so-called damage-limiting strategy by the Soviets, an attempt to reduce the effects of a U.S. attack by striking first during a tense international crisis.

The risk was created by the Administration's decision to construct a series of weapons accurate enough to destroy virtually any Soviet weapons. At the forefront is the MX, a new intercontinental ballistic missile. Each of the 1000 or so warheads to be deployed atop the MX is capable of destroying Soviet missiles, weapons depots, and military command posts. Another highly lethal missile is the Trident II, to be based on submarines. A third such weapon is the Pershing II, which under present plans is to be deployed in Europe next year. This weapon can destroy in a matter of minutes any military targets in Eastern Europe or western regions of the Soviet Union.

Of these, only the Trident II was initially approved by President Reagan; the others were authorized by his predecessors. The existing (but comparatively small) force of Minuteman missiles also has the capability to destroy Soviet military targets. In this sense, the United States has been moving toward the acquisition of a threatening first-strike capability for some time. Reagan's contribution has been to approve of this acquisition, and to accelerate it.

Administration officials give several reasons for this acceleration. One is that only by severely threatening the Soviet Union can a reasonable accommodation on nuclear arms be reached at the negotiating table. As Secretary of State Alexander Haig said recently, it is "unrealistic to believe that the Soviet Union will agree to reduce the most threatening element of its force structure, its heavy, multi-warheaded intercontinental missiles, unless it is persuaded that otherwise the United States will respond by deploying comparable systems itself."

A second purpose is to deter a limited nuclear attack by the Soviets. A credible deterrent, Haig says, "depends on having forces which are flexible enough to respond to a broad spectrum of threats so that whatever the circumstances and whatever the level of conflict, the Soviets never have an incentive to launch." He says that "if we are to deter the Soviet Union, we must put at risk those things, including their military capabilities, which they value most." In short, were the Soviets to begin a "limited" nuclear exchange, the United States would be able to wipe out anything remaining in the Russian arsenal.

The problem with such a plan is that it looks suspiciously like preparation for a U.S. first strike. And this is exactly what the Soviets have concluded. In a recent book, Whence the Threat to Peace, the Soviet Ministry of Defense surveyed U.S. plans for highly accurate weapons and concluded, "the politico-military leadership of the United States considers [these weapons] to be the means of delivering a preemptive nuclear strike." The MX, it says, "is intended for hardened targets, that is, delivering a 'nuclear knockout.'" The Trident II "will have the same combat capability as the MX ICBM, that is, it will be a first-strike weapon." The ministry claims that "in Pentagon thinking, surprise attacks with high-accuracy Pershing II missiles on the Soviet Union's strategic weapons would reduce the impact of a retaliatory blow against the U.S.A. in the event of aggression against the U.S.S.R."

Although this viewpoint could be dismissed as mere propaganda, a broad range of American sources hold a view identical to the Soviets'. Foremost among them may be General Lewis Allen, the Air Force Chief of Staff, who has testified that "it is not one of our objectives that it (the MX) have a counterforce first-strike capability. However, due to the rather small number of very large ICBM's which the Soviets have, it has proven difficult for us to eliminate a first-strike capability from MX. So, although it is not one of our goals, it is a fact that the MX program will have some first-strike capability."

By this, Allen means that the MX, in combination with the existing accurate Minuteman missiles, could destroy the bulk of the Soviet land-based missile force, all of its submarines in port, all of its hardened communication posts, and the bulk of its bomber force, trapped on the ground. What would be left, according to the calculations of Senator Mark Hatfield (R-Ore.) and others, is roughly 3 to 5 percent of the Soviet arsenal, on submarines at sea. And some of these submarines could be vulnerable to destruction by U.S. hunter-killer submarines and other weapons in the U.S. arsenal.

Henry Trofimenko, an official with the Soviet Institute of U.S.A. and Canadian Studies, recently wrote that "one may ask, in these circumstances, what are the guarantees for the opponent that the U.S. will show restraint, that the American strike will be only retaliatory rather than preventive? Upon what can the opposite side count?"

There are several potential Soviet reactions to this threat. One, advanced by officials in both the Carter and Reagan Administrations, is that the Soviets will attempt to deploy their land-based missiles in such a way that they would not be vulnerable to a first strike. Although this would undoubtedly result in a more stable international climate, it seems an unprofitable path to tread, given that the United States has been struggling with the same goal for its own missiles for several decades, and has yet to achieve any success.

A second possibility, according to officials from both Administrations, is that the Soviets could become interested in some form of ballistic missile defense. This, too, seems unlikely, as neither side is close to the development of a system that would actually defeat the other's threat.

A third possibility is that the Soviets will indeed be led to the bargaining table, possibly because of the cost involved in achievement of the first two options. Richard DeLauer, the Pentagon's top scientist, says that "what we're trying to do is dictate their investment strategy. That's the whole idea. Then maybe they'll sit down and take the President seriously and talk about reducing the numbers, which is the whole damn purpose of the exercise, to create a deterrent that will lead to some kind of arms reduction. Right now, there's no incentive for the Soviets to have an arms reduction."

What DeLauer and other Administration officials do not mention is a further potential Soviet response, which would be the least expensive from their point of view and clearly the most worrisome to the United States. The Soviets might, in response to U.S. acquisition of a first-strike capability, simply decide to launch their own missiles on warning of an attack from the United States. This possibility was described in the 1982 annual report of the Arms Control and Disarmament Agency, which was prepared under the Carter Administration but was omitted from the 1983 document prepared by Reagan appointees. "This could pose the most risk to crisis stability," the Carter document said, "because it could increase the chances of an accidental nuclear exchange and higher levels of destruction." Herbert Scoville, the president of the Arms Control Association, believes that this is one of the major risks of the weapons buildup proposed by President Reagan. R. James Woolsey, a former undersecretary of the Navy, says that the Trident II missile alone "incrementally tends to foster Soviet consideration of a launch-on-warning strategy."

Others say that the Soviets are inclined even now to launch first during a crisis. Dimitri Simes, a Soviet scholar at Johns Hopkins University, recently wrote that "the abundant Soviet military literature proves beyond doubt that, should nuclear war look imminent, Moscow may be prepared to launch-on-warning and to make every effort to reduce its own losses and to inflict the greatest possible damage on the enemy." The acquisition of a realistic first-strike capability by the United States might only exaggerate this tendency, as the Soviets themselves have pointed out.

Roger Wilkins, a senior fellow with the Joint Center for Political Studies in Washington, recently visited the Soviet Union, where he spoke with a former member of their negotiating team in the SALT talks. Wilkins, reading from his notes, said that the official delivered roughly the following warning: "The U.S.S.R. can't match the United States missile for missile. We can't do it economically. But we don't have to be a mirror. We will have to respond. The more you have in counterforce capability, the more there is a danger that the other side will build up and go to a launch-on-warning, with the computer element stepped up and the human element reduced. And of course, that's more dangerous."

U.S. officials can rightly point out that the Soviets have played hard and well at the counterforce game as well. It is the ability of their highly accurate SS–18 and SS–19 missiles to destroy roughly a third of the United States retaliatory capability that led, in part, to the development of the MX. But, as noted by Gerard Smith, chairman of the U.S. negotiating team for SALT I, this is not a circumstance where two wrong actions produce the right outcome. U.S. and Soviet vulnerabilities to a preemptive attack are not the same. The Soviets have fewer bombers and submarines on alert than the United States does, making them relatively more susceptible to surprise attack. The Soviets also have more of their missiles situated on land (75 percent as against 22 percent for the United States), where they could be more easily attacked.

The likelihood of an adverse, destabilizing Soviet response will be determined not by how the U.S. weapons buildup is presented to the American public, but by how it is viewed by the Soviet leadership. As acknowledged by the Reagan Administration's report on arms control, the question is "whether the Soviets interpret our overall strategic program as representing primarily an escalation of the threat to their strategic forces or recognize the new program's clear emphasis on retaliatory capability." It seems clear that the Soviets have chosen the former, and the consequences—as yet unannounced—could be extremely dangerous.●

EDUCATION INVESTMENT IN HIGH TECHNOLOGY

HON. GILLIS W. LONG

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. LONG of Louisiana. Mr. Speaker, the U.S. economy is already in the midst of an electronics revolution that will affect tens of millions of jobs during the decade of the 1980's. To make the most of that revolution, to seize the opportunities and limit the costs of economic adjustment, we will have to make a broad-based commitment to investment in America's single most important resource—our people.

Continuing education will become a way of life in hundreds of thousands of factories and offices as new technology comes on stream. The list of new devices on the market is already impressive—robots, worldwide telecommunications equipment, word processors, computer aided design and manufacturing systems, and home computers.

We will have to make similar adjustments in the classrooms in America. When the American student graduates from high school, he or she should have a solid grounding in language, science, and basic mathematics. The average student will need a command of the English sentence and sense of familiarity with the computer.

In a recently published article in the Wall Street Journal, Apple Computers and perhaps a number of other companies may step into the current void by donating hundreds of millions of dollars worth of basic computer equipment to the Nation's schools. The Apple program is not all altruism—they need adjustment in the tax laws to make the program feasible and they have an eye on building the future market for their own products. But what is startling about the Apple proposal is not that there may be something in it for them—that is how a free market usually works. It is the presence of a long-term vision that clearly foresees the meshing of private and public interests.

The story told by the Wall Street Journal also contains a warning for the country. The cofounder of Apple, a 27-year-old entrepreneur by the name of Steve Jobs, had been pushing the idea of enlarging the limits on corporate deductions for donations to educational institutions. Quite by accident, he found himself seated next to Representative Stark on a plane trip. The two struck up a conversation and the upshot was the introduction of Mr. Stark's Technology Education Act of 1982 which would make the changes in the law Mr. Jobs has suggested.

The good news is that two of the right people got together. The disturbing news is that it all happened by accident. What the country needs is a long-term vision of where we are going and what kind of investments we need to get there. Neither serendipity nor lightning strikes twice in the same spot.

Apple Wants a Big Tax Break So It Can Give One of Its Computers to Every Public School

(By Leonard M. Apcar and Marilyn Chase)

Washington.—If Congress approves, there could be an Apple in every schoolhouse in the country.

Not the kind polished for the teacher, but the sleek, expensive and hot-selling Apple II personal computer that has caught the fancy of high-tech buffs everywhere. Apple Computer Inc., based in Cupertino, Calif., wants to give one to each of the nation's more than 83,000 public elementary and secondary schools.

The idea amounts to a giveaway of at least $200 million on Apple's part, based on the $2,495 retail price of the computer and related equipment, instruction manuals and shipping costs. But Apple wants some compensation from Congress, first, namely a tax break of nearly $20 million. Without it, says Apple's chairman, Steven Jobs, "we'd go broke."

To make the trade-off possible, Congress must change the law. A company now can take a deduction for such a donation only if the company gives away carefully defined "scientific equipment" to colleges and universities strictly for research purposes. Computers given to lower-level schools aren't considered deductible.

PITCHING THE IDEA

So Mr. Jobs, Apple's 27-year-old cofounder and a computer-literacy zealot, has been pushing the idea on Capitol Hill and with just about any politician who will listen. By chance, he recently sat next to Rep. Fortney "Pete" Stark, a California Democrat, on a plane ride. The two got to talking, and Mr. Stark gave him his card. Mr. Jobs followed up with a telephone pitch for his idea and a quick lesson on how the law would have to be changed. "He was way ahead of me in terms of what was needed in legislation," Mr. Stark says.

Now Mr. Stark is a sponsor of the "Technology Act of 1982," which would change tax law the way Apple wants. "I think it's a great idea," the Congressman declares. The $20 million or so Apple estimates the government stands to lose in taxes doesn't bother Mr. Stark, despite Washington's big budget deficits. In an era of spending cuts for schools and social programs, he says, "we're getting a lot of bang for our buck."

Of course, Apple would get a lot of bang, too. In one stroke, Mr. Jobs and his colleagues figure there could be Apples in classrooms everywhere. Computer makers are jockeying for position in the potentially lucrative education market, and Apple hopes its ploy would keep it in front of the pack. Sales to schools will more than triple by 1985 from about $150 million last year, estimates Grant S. Bushee, vice president of Dataquest Inc., an A.C. Nielsen unit.

THE MARKETING ANGLE

"The idea hasn't escaped us," says Gregory Smith, Apple's educational marketing director, that the giveaway could yield "terrific multiples in future years" that would far exceed the value of the original gift.

For one thing, a school might like its Apple enough to decide to buy more. "Our experience shows that where a school buys one or two computers in one budget year, they'll typically buy three or four in the next," Mr. Smith says. In addition, "students influence their parents to buy," he adds. "Maybe dad was thinking of buying a microcomputer anyway; kids help choose."

Apple's Mr. Jobs doesn't say much about the marketing angle. He makes appeal in terms of a broader problem. "We're undersupplying engineers by a factor of three to one. U.S. kids have to take less math than Japanese or Russian kids. We're really blowing it." He adds: "Computer science is going to be very important for these kids. Human capital is as important to high technology industry as physical capital."

Mr. Stark's bill would allow Apple to make its entire donation in one year by raising temporarily the current ceiling on the size of such a deduction to 30% of a company's taxable income from 10%. The bill also would broaden existing law to include computers and giveaways to schools below the college level. Apple hopes other computer makers will join in once the law is broadened, although a spokesman says whether they do or not, Apple is committed to putting a computer in every public school.

Special-purpose tax bills aren't uncommon. But Apple officials seem a little surprised at how quickly their idea has found support on Capitol Hill. "It's not that hard to do this," says Michael Rashkin, Apple's director of taxes.

Still, politicians frequently get nervous about how others see specially tailored bills. "What's your story going to say?" an assistant to a Senator who is considering introducing a companion measure asked a reporter. Mr. Stark is careful to note that the law already contains certain restrictions so that companies can't inflate the amount of a deduction or "dump junk they can't sell to beat us out of a few bucks."

The bill requires that the donated equipment be unused and in the company's inventory no longer than two years. Moreover, the deduction is calculated by adding the manufacturing cost to one-half the difference between it and Apple II's retail price, and that total can't be more than double the company's cost to make the equipment.

Mr. Stark's bill already has 41 cosponsors, but whether it will pass a Congress preoccupied with huge budget deficits and the notion of raising taxes isn't clear. "It's a hard time to get something like this passed," concedes Apple's Mr. Rashkin. "I don't think it's impossible, but it would have been easier last year."

RESERVED COMPETITORS

Meanwhile, some of Apple's competitors are reserving their options about joining the computer giveaway.

Charles Phillips, senior vice president of Tandy Corp.'s Radio Shack unit, says: "I think Apple people are honorable people, but it can't be as charitable as it sounds. It's a little incredible that a company doing a half billion dollars in business would try to give away $200 to $300 million." In the fiscal year ended Sept. 25, Apple had earnings of $39.4 million, or 70 cents a share, on sales of $334.8 million.

Mr. Phillips, who contends Radio Shack is No. 1 in the educational market, explains the company already has its own program

of grants to schools. Radio Shack hasn't decided whether it would take advantage of the Stark bill, he addes. "The decision is up to our board."

Mr. Jobs believes that Apple's competitors are sure to join in. "It really is something for nothing, and I think the private sector will respond gallantly," he says.

In fact, he reports, "one competitor swears he isn't going to let a generation of kids grow up looking at our logo."●

A PALESTINIAN APPEAL FOR UNDERSTANDING AND JUSTICE

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. FINDLEY. Mr. Speaker, Israel's withdrawal from the Sinai on April 25 can only be described as one of those rare and historic moments in history when mankind was able to make a significant and measurable step toward peace. It was even more remarkable in that it occurred despite: Deep misgivings on the part of some Israelis; the tragic assassination of President Sadat who, with Prime Minister Begin, made it possible; unceasing turmoil in Lebanon; and the illegal annexation by Israel of the Golan Heights.

Moreover, the withdrawal from Sinai proves that Israel can and will withdraw from occupied territories. This should give hope to Palestinians who live on the West Bank and Gaza and now feel the tremendous frustration of having their right to self-expression, economic advance, and self-determination denied by Israel without any Palestinian participation in basic political processes.

A difficult situation exists in the West Bank. I believe that it is now just a matter of time before the hunger for peace between Israelis and Palestinians becomes so consuming that they will be willing to make the compromises necessary to come to an agreement and achieve peace and mutual recognition. But unfortunately, at the same time, the frustration in the West Bank and Gaza is growing, at once making peace more urgent and yet more difficult to attain. The construction of new Israeli settlements, the expropriation by the Israeli Government of land traditionally farmed and owned by Palestinians, military censorship, curfews, imprisonment, demonstrations that all too often turn violent—all of this has become a part of the daily lives of Palestinians and Israelis, who both now seem to be trapped. Unless a monumental effort is made to reconcile growing Israeli-Palestinian differences, they could grow so wide as to make eventual peace unobtainable.

If Americans hope to promote peace, it is important to attempt to understand the views of the Palestinian people and their willingness to live in peace with Israel. Therefore, I would like to call to the attention of my colleagues a statement prepared by the major political Palestinian leadership on the West Bank and Gaza—including most mayors and leaders of religious, educational, and professional organizations. This is their statement. It is intended to show the impact of the Israeli occupation on the daily lives of Palestinians in the West Bank and Gaza as seen from their eyes. It is a compelling and grim document that everyone should read. It will make ever more understandable the urgent need for a peace settlement that will reconcile Israelis and Palestinians and insure justice for all parties in the Middle East.

To the American People From the Palestinian People Under Israeli Occupation in the West Bank, Jerusalem, and Gaza: an Appeal for Understanding and Justice

THE VIEW FROM PALESTINE

We are the Palestinians from Palestine. There are 4.4 million of us.

Up until 1948, Palestinians lived and worked in Palestine. Palestinians carried a Palestinian passport. Palestinians have a Palestinian flag. Palestinian children read about their history and sang Palestinian songs. The first line of the Palestinian national anthem:

"Biladi, Biladi, Biladi.
Biladi laki hubbi wa fuadi"
(My country, my country, my country.
My country I give to you my love and my heart.)

Today, a Palestinian living on the West Bank and Gaza can get arrested for singing that song. Our song. He can get arrested for waving the Palestinian flag. Our flag. Israeli military occupation is an iron fist of military troops, military governors, and military orders. In the past 15 years, since 1967 when Israeli military occupation began, there have been over 850 military orders issued.

We Palestinians understand that Americans also have an interest in our region. Perhaps paramount is your concern for peace, security and stability in the Middle East. We share with you that desire.

However, stability can not be achieved by a repressive military rule over people who are determined to preserve their identity and unity in their land of birth. Both Israeli policy and practices contradict its claim for peace and security. The Palestinians will not yield to suppression, oppression, or intimadation. Israel's desperate attempts to do so will only invite instability and jeopordize everyone's hopes for peace and security.

The situation in the Israeli occupied Palestinian territory is serious. In contravention of the Geneva Convention and international law, Israel, the occupying power has:

ADDED NEW OR ENLARGED SETTLEMENTS

Before Begin, there were 30 illegal settlements. Today, East Jerusalem alone has 12 illegal settlements with 60,000 Israeli residents. The West Bank has 85 illegal settlements with a population of 30,000; the Golan Heights has 30 settlements with a population of 6,000; and Gaza has 30 illegal settlements with a population of 1,500. In 1981 alone 17 new settlements were erected in the West Bank, 3 in Gaza and 4 in the Syrian Golan Heights.

EXPROPRIATED LAND

Today, of the total land surface of mandated Palestine (1948), the indigenous Palestinian population hold 19 percent, while the Israelis have accumulated 81 percent. 42 percent of the West Bank land has been confiscated. East Jerusalem, with an estimated Palestinian population of 100,000 people, was illegally annexed in June 1980. In December 1981, the Syrian Golan Heights was annexed entirely. The population there has been on strike ever since.

RESTRICTED ECONOMIC PROSPERITY AND DEVELOPMENT

As a predominantly agricultural society, we make a living off our land. Water, more precious than oil in an arid region, is diverted to Israeli settlements. Thousands of acres of banana, citrus, olives, apricots and peaches were lost. The industrial sector has been severely hampered as the occupation authories have banned any economic assistance from the Arab world and have limited economic assistance from American and international humanitarian organizations, including UNWRA, UNDP, UNESCO, and WHO.

DESTROYED FAMILY HOMES AND BUSINESSES

In the past 15 years, more than 1,260 homes have been demolished and bulldozed. In 1981, at least 23 homes were destroyed and three others were sealed up for "security" reasons. The housing associations were prevented from acting. The average dwelling houses 15 family members; the number of homeless is much higher. Scores of businesses were marked, then welded shut in Gaza.

RESTRICTED FREEDOM OF MOVEMENT

Travel prohibitions and restrictions, extended curfews, road blocks, stops, searches and house arrests are part of our everyday life. Color-coded license plates and photo cards are assigned to all Palestinians and required for identification and military purposes. During 1981 alone, curfews were imposed on 15 towns, villages and refugee camps for periods ranging from 2-23 days; the affected population was over half a million inhabitants. Local leaders are regularly placed under house or town arrest for extended periods of time.

DETAINED AND TORTURED PRISONERS

Since the beginning of occupation, approximately 200,000 security prisoners and detainees have passed through Israeli prisons. That's nearly 20 percent of all inhabitants of the occupied territories. Throughout 1981, there were approximately 3,000 Palestinian political prisoners incarcerated. There were over 40 instances of torture reported in the Israeli press itself.

Subhuman prison conditions and Israeli torture practices used in interrogation to obtain confessions have been reported by: Amnesty International, The International Commission of Jurists, The Sunday Times, the Christian Science Monitor, The National Lawyers Guild, The Swiss League for Human Rights, The Israeli League for Human and Civil Rights, the U.N. Human Rights Commission, The U.N. Special Committee for Investigating Israeli Practices Affecting Human Rights of the Population of the Occupied Territories, and the U.S. Department of State.

ARRESTED AND DEPORTED PROMINENT FIGURES AND PALESTINIAN LEADERS

In the first ten years of occupation (Sept. 1977), the Israelis had deported 1,560 leaders—religious heads, doctors, lawyers, heads of municipalities, pharmacists, engineers, union workers, academicians and students. The president of Bir Zeit University was expelled. In 1980, the elected Mayors of Hebron and Halhoul were deported. In 1981, another two Mayors were severely crippled in an assassination attempt.

CURTAILED ACADEMIC FREEDOM

On July 6, 1980, the Israeli authorities issued Military Order No. 854. The main features of this order are: All institutions of higher education now fall under the jurisdiction of the military authorities. All academic institutions are considered to be operating under a temporary license and are required to apply to the military authorities for the annual renewal of the licnese. (In October 1980, Bir Zeit Universitry, Al Najah College and Bethlehem University were informed by the military authorities that their licenses had expired). All individuals are obliged to obtain written approval from the military authorities before joining any academic institution, either as a student or as a faculty member. This college admissions procedure via military authorities applies to local residents as well as foreigners.

All texts, lesson plans and academic courses must be approved by the military authorities. Approximately 3,000 books have been banned from distribution in the territories by the military censor. Included are a biography of Abraham Lincoln, Alexander the Great, Christopher Marlow, Shakespeare, and Orwell's classic, *1984*.

CENSORING THE PRESS

Al-Fajr, the only English-language weekly bringing news directly from the Occupied Territories, was banned from publishing for several weeks last year. Its editor, Ma'moun el-Sayed, along with the editors of Al-Sha'ab, and Al-Tali'a, who all live in Ramallah, are forbidden indefinitely to travel any where in the West Bank, including Jerusalem where their offices are located. Israeli military censors, wielding unlimited authority, routinely cut a quarter of the materials submitted for publication. Many Palestinian journalist have been imprisoned, deported, or placed under house or town arrest. Threats against the Palestinian press have filtered down even to the local newspaper boy who attempts to sell the papers. Over the past years, dozens of young boys have been attacked.

VIOLATED INDIVIDUAL FREEDOM OF EXPRESSION

We are Palestinians. We are proud of our Palestinian people. We are proud of our cultural heritage and history. Proud of our country. Palestine.

Our Palestinian pride is something no one can suppress without fear of response—not even the Israeli military forces of occupation.

Our flag is the flag of Palestine. When it was raised recently on a West Bank campus, the university president along with several hundred students were arrested.

The colors of our flag are red, white, green and black. Palestinian artists are prohibited from using those colors because the Israeli military authorities find them 'offensive' and a 'threat' to security. In September 1980, the Israeli occupation authorities closed Gallery '79, the only permanent art gallery in the West Bank. Our young poets suffer the same fate. Last year, a 15-year old girl from Tulkarm on the West Bank was arrested and detained for possessing a collection of her own poems. Her crime: she used the word Palestine.

These practices do not occur occasionally, but daily. They are not incidental. They are the essence of a policy designed to fragment Palestinian unity, isolate Palestinian towns and villages from each other, and our leaders from the people. Our resistance constitutes the absolute rejection of the so-called Israeli Autonomy Plan which attempts to deceive World Opinion by claiming to substitute Military Rule with Civilian Rule. This attempted deception is a total mockery and travesty of human rights and would permit no true representation or sovereignty. No self government with respect to legislative power, judicial procedures, security or water and land rights would result.

The Palestinians desire peace, security, and stability for the Occupied Territory as well as for the whole Middle East.

Israeli occupation forces must withdraw from the West Bank, Jerusalem and Gaza. This is essential to normalization of the region and to the exercise of our inalienable human and national rights.

Our internationally recognized representative must be the active participant in any and all endeavors that discuss the fate of the Palestinians. We urge the American government to talk with our representative, and opt for the political advantage instead of military solution.

Military, economic and political support to the occupying power must be stopped. The 1,300,000 Palestinian people of the West Bank and Gaza have been under Israeli Military Occupation since 1967. Increasingly, brutal violations of human rights against the Christian and Muslim Palestinians are being conducted with U.S. military equipment in the name of "Preventive Security". The total U.S. aid to Israel between 1948 and 1981 has exceeded $40 billion.

The Palestinian people appeal to the American people in the name of the American Declaration of rights to stand with us today as you have stood before—for the right of men and women to live in peace and freedom and to self-determination.

We urge you to direct your State and national representative to take back control of your Middle East policy from the Israeli militarists and to develop an even-handed policy toward the Middle East, mindful of the American peoples' commitment to human rights, justice and freedom.

Among the drafters and sponsors of this message:

Mayor of Gaza, Rashad Shawwa
Mayor of El Bira, Ibrahim Tawil
Mayor of Oalqiliya, Amin Nasr
Mayor of Ramallah, Karim Khalaf
Mayor of Tulkarm, Hilmi Hannoun
Mayor of Anabta, Walid Hamdallah
Mayor of Duba, Mohamd M. Amr
Mayor of Beit Jala, Farah Al Araj
Elected Mayor of Jerico, Member of Municipal Council, Jamil o Nasser
Last vice-Mayor of Jerusalem, Amin Saleh Majaj
Mayor of Nablus, Bassam Shaka
Mayor of Bethlehem, Elias Freij
Rev. Faik Haddad, Anglican Archbishop, Bishop of Jerusalem
Chairman of the Union of Charitable Societies of Jerusalem, Dr. Amin Al-Khatib
President of the West Bank Society of Engineers, Ibrahim Dakkak
Chairman of the West Bank Society of Agricultural Engineers and Veterinarians
President of the West Bank Committee of Jurists
Representative of the Women of Jerusalem Society, Aminah Al Husseini
Last Director of Education for the Jerusalem District, H. Haydar
Director of Waqf and Islamic Affairs for Jerusalem, Hasan Tahboub
Mufty of Jerusalem and President of High Muslim Council, Saad Edin Al Alami
Representative of the Anglican Community-Church of England, Jerusalem, Samia Khoury
Representative of the Roman Catholic Community of Jerusalem, Yusef Khoury
Representative of the Greek Orthodox Community of Jerusalem, Zuhdi Al Hashweh
Representative of Beir Zeit University, Acting Chairman of the Board of Directors, Mohamad Saidi
Society of Women, Ramallah
Representative of the Faculty of Science, Jerusalem College of Science, Said Al Adin
Society of Pharmacists, West Bank and Jerusalem
Society of Women, Nablus District, Yusrah Salah
Society of Women, Jenin District, Adalat Metar
Society of Women, Jericho District, Ayshah Tijani
President of Detainees and Political Prisoners and Families Association, Khalil Abu Zayyad
Representative of the Society of Women, Bethlehem, Lydia Al Araj
President of the West Bank Society of Dentists, M. Naser Eddin
Chair, Gaza Lawyers Union, Abu Rahmah
President of the University Graduates Association, Hebron, Adib Qaisi
Representative of the Palestine Women's Association, Hebron, Yusra Shawar
President of Hebron University, Dr. Kharouf
The Gaza Society of Engineers
President of the West Bank Higher Education Society, Gabi Baramki
Representative of the Greek Catholic Community, Jerusalem
The Central Committee of the Red Crescent Society, West Bank, Gaza, and Jerusalem
The Faculty of Theology, University of Jerusalem
Representative of the Chamber of Commerce of Jerusalem, Fayek Barakat
The Gaza Medical Society
The Gaza Chamber of Commerce
Chair, Israeli League for Human Rights, Israel Shahak
Felicia Langer, Lawyer, Human Rights Activist
President of Al Najah University, Nablus, Munthir Salah
President of the West Bank and Jerusalem Medical Society, Dr. Samir Katbeh
The Student Council of Bethlehem University ●

WASTE AND ABUSE INFORMATION COLLECTION ACT

HON. THOMAS E. PETRI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. PETRI. Mr. Speaker, yesterday I introduced H.R. 6266, the Waste and Abuse Information Collection Act (WAICA). The purpose of this bill is to encourage employees of Government contractors and State and local governments to report waste, fraud,

and abuse in the handling of Federal funds and to protect these employees from reprisals by their employers.

THE PROBLEM OF WASTE AND INEFFICIENCY

Those of us in Congress are not strangers to the problem of waste and inefficiency. We work very hard at designing programs and choosing systems only to feel later that our efforts have gone down the drain because the money we appropriated simply did not go where it was supposed to go.

We have made some progress in reducing this problem. The Inspector General Act of 1978 and the Civil Service Reform Act were both good innovations, and we are benefiting from them. The administration is also to be lauded for the efforts of the President's Council on Integrity and Efficiency, located in the Office of Management and Budget.

Despite these efforts, we could still use more information. We order audits by the GAO and others, but we also need to be more in touch with the day-to-day handling of these Federal dollars so that we can insure that the dollars will not be wasted.

THE OPPORTUNITY

Waste, fraud, and abuse rarely occur without someone's being aware of it. Many times, only the perpetrators will know about a scheme, but often others, particularly fellow employees, will suspect that something fishy is going on. While the natural inclination of these employees might be to report wrongdoing, they may decline to do so because the conspirators, who are often superiors or may enjoy their support, are in a position to take reprisals. An important resource in the battle against fraud thus goes unharnessed. Similarly, even an employee who notices simple waste may be reluctant to antagonize superiors by reporting it if he has nothing to gain.

Only three things are needed to take advantage of this opportunity. First, employees must know how to report this information, and the information channel must be safe for the employee and efficient for the Government. The second requirement is that the employee have some protection from reprisal in the event his identity is discovered. The third requirement is that there be incentive awards to encourage reporting. While many will act out of civic duty, others may be spurred by the possibility of a reward. The awards will also help those for whom the protections may be inadequate. The awards should be available to all individuals, not just employees, since anyone may have information to contribute.

DESCRIPTION OF WAICA

1. INFORMATION AND INVESTIGATION CHANNELS

WAICA's first step is to expand upon existing resources to provide and publicize channels for reporting such information. The various hotlines already in existence are a good channel for reporting such information, and the Inspectors General are doing a fine job pursuing leads, but some coordination is needed. For instance, a recent study of the Civil Service system indicates that a key factor in motivating employees to report information is the availability of a later confirmation that the lead is being pursued. WAICA accordingly instructs OMB to insure that such confirmations are available. WAICA also authorizes OMB to prescribe regulations under which the Inspectors General can enter into cooperative agreements with appropriate State agencies. The bill also requires recipients of Federal funds to inform their employees of their rights under this legislation. This notice requirement is designed to be as inexpensive as possible, and it can help the employer by clearly designating which work is and is not covered by the protections. Finally, WAICA instructs the Inspectors General to maintain the anonymity of the contributors of information in pursuing leads.

2. PROTECTIONS FROM REPRISALS

WAICA's second step is to prevent superiors from taking reprisals against employees who provide information. Of course, many investigations can and will be carried out so that the employer is unable to pinpoint the initial contributor of the lead. Protection will obviously be unnecessary in such a case. Some leads, however, cannot be pursued without notifying the employer, and the employer may be able to conclude that a particular lead could only have originated from a certain source. Many employers will be pleased to know about fraud on the part of their employees, but some managers may be tempted to take reprisals against sources of such information. WAICA provides a remedy for any employee who has been unfairly victimized because of a good-faith disclosure.

The remedy is in the form of an administrative action subject to the normal procedures of judicial review. This approach is the least expensive and the most convenient from the perspective of the employee, employer, and agency. Hopefully, the agency will be able to induce a settlement in the course of its initial review of the employee's complaint. The formal remedies available to the agency and the court include reinstatement of position, rank, and duties, backpay, and other equitable relief. Of course, existing law provides that criminal immunity can be granted to a conspirator in an appropriate case.

Unfortunately, reinstatement may not be practicable in some cases: Once a mid- or upper-level manager loses the respect of his fellow leadership, the confidence so essential to his position may be very difficult to restore. If this individual is unable to gain an equivalent position elsewhere and if the employer is unwilling to reinstate him, WAICA requires the employer to make up the difference between what the employee once had and what he can now get. In addition to making the employee whole, this approach will present a significant deterrent to the Government contractor who would consider making a reprisal in the first place.

Hopefully, a situation will be fostered where the company itself will encourage the reporting of such information. Indeed, several large corporations, such as IBM and Allied Corp., have already implemented such programs voluntarily. Moreover, this approach can be seen as a step toward the quality work circle which has been such a success for the Japanese.

It should be stressed that WAICA does not leave the employer a captive of the whims of a disgruntled employee. These protections are not available to the employee unless he acts in good faith: Frivolous complaints do not trigger any rights. Also, WAICA leaves an employer free in any case to take any personnel action which has an independent justification and is not a retaliation. This is a reasonable balance of the interests of the employer and employee.

3. INCENTIVE AWARDS

WAICA's final step is to provide for a system of awards to these employees and other individuals so that they will have some positive incentive to report wrongdoing or waste. The awards are discretionary and are limited by the projected savings. The maximum award is a certain percentage of the savings, but this percentage declines as the savings get larger. A major factor to be taken into account when making these awards is the encouragement of other contributors of information. Another purpose is to help individuals whose protections may be inadequate. However, suffering reprisal is not a prerequisite to receiving an award. Since the purpose is to encourage the flow of information, individuals who are not covered employees are also eligible for these awards.

ANALYSIS

Inevitably, this program will have certain costs. Additional phone operators will have to be hired to receive leads, more investigators will be needed to pursue worthwhile information, and more attorneys will be used to recover the proceeds of fraud.

In effect, we have a choice: We either pay a certain amount for fraud and waste, or we pay a smaller amount to reduce them. From a cost-benefit perspective, we should spend money on reducing fraud until each dollar in prevention brings in only a dollar in fraud reduction. Wiping out all fraud would be prohibitively expensive, but this proposal comes nowhere near that point. What this proposal seeks to do is to made good use of a most valuable resource, namely virtue-minded citizens. Certainly no one should be penalized for trying to save the taxpayers money, but that is exactly the consequence of refusing to enact this legislation.

The purpose of this bill is not to get recipients of Federal funds. Indeed, to the extent the public believes its tax dollars are being spent effectively, these worthwhile programs will enjoy more of the support they deserve.

In some particular cases, the returns will not justify the costs. WAICA contemplates many such situations. For instance, only contractors doing more than $150,000 worth of business with the Federal Government—$50,000 in the case of some medical programs—are covered. This threshold is not trivial. In fiscal year 1980, only 2.5 percent of all Federal procurement actions involved $10,000 or more, but these actions accounted for 90 percent of the total procurement expenditures. Small businesses thus will not receive harsher treatment under this bill. In addition, programs conducted by State and local governments with either block grants or funds from general revenue sharing are exempted altogether. There may be other cases where the returns will not justify the costs. I would appreciate being informed of these cases so narrow exclusions could be drafted.

H.R. —

A bill to provide for the operation of facilities for the collection of information concerning fraud, waste, or abuse in the expenditure of Federal funds, and to require, as a condition of the receipt of such funds, the protection from reprisal of contributors of such information, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Waste and Abuse Information Collection Act".

Sec. 2. The Director of the Office of Management and Budget shall provide for the operation of toll-free telephone facilities for the collection of information concerning fraud, waste, or abuse by any direct recipient of Federal funds under any contract, grant or loan application, or cooperative agreement. Such facilities shall, in accordance with regulations prescribed by the Director, be operated in a manner to assure that—

(1) complaints regarding such fraud, waste, or abuse by Federal contractors are promptly referred to the Inspector General or other appropriate official of the Federal agency responsible for the supervision of the contract;

(2) in making such referrals, the identities of individuals providing such information who request confidentiality are protected;

(3) individuals providing such information are notified of their rights under section 3 of this Act and of the opportunities for incentive awards under section 5 of this Act and are informed of any progress made in the investigation of their complaint.

Sec. 3. (a) In accordance with regulations prescribed by the Director of the Office of Management and Budget, each contract, grant and loan application, and cooperative agreement which is subject to the requirements of this section shall include the following representations and stipulations:

(1) that the direct recipient of Federal funds under such contract, application, or agreement (A) will not take any adverse personnel action with respect to any employee as a reprisal for providing, in good faith, information concerning fraud, waste, or abuse in the expenditure of such funds to any Federal officer or employee (or to an officer or employee of a State agency operating under a cooperative agreement in accordance with section 4), and (B) will not take any other action to infringe on the rights of employees with respect to conduct protected by this Act;

(2) that the direct recipient will place a notice, in a prominent location and in a form approved by the Director of the Office of Management and Budget—

(A) of the nature and extent of employee rights and remedies under this section and of the identity of the activities conducted with funds subject to this section,

(B) of the awards which may be available under section 5 of this Act, and

(C) of appropriate methods by which employees may provide information to any Federal officer or employee (or to an officer or employee of a State agency or instrumentality operating under a cooperative agreement in accordance with section 4) concerning fraud, waste, or abuse in a manner that protects the rights and privileges of the employee, including the constitutional privilege against self-incrimination;

(3) that the direct recipient will, if found by the responsible Federal agency to have violated paragraph (1) of this subsection, take such affirmative action as such agency may determine to be appropriate on the basis of harm suffered by the employee as a consequence of the violation, including reinstatement or hiring of an employee, with or without back pay, restoration of seniority or other rights, proper consideration for promotion, or other equitable relief, and payment of reasonable attorney's fees or other costs of obtaining relief;

(4) that the direct recipient will pay, if found by the responsible Federal agency to have violated paragraph (1) of this subsection, and if that agency determines that relief under paragraph (3) of this subsection is not appropriate, such damages as the agency may establish in lieu of or in addition to such relief; and

(5) that the direct recipient will require of any indirect recipient under any contract, grant or loan application, or cooperative agreement which is subject to the requirements of this section, compliance (in the same manner as a direct recipient) with the requirements of paragraphs (1), (2), (3), and (4).

(b)(1) The head of each Federal agency shall provide for the receipt and prompt investigation of complaints regarding adverse personnel and other actions in violation of the stipulations and representations made pursuant to subsection (a), and shall institute proceedings on any complaint for which there is reasonable cause to believe the allegations demonstrate such a violation. In designating a hearing officer for such a proceeding, the head of such agency shall ensure that the officer is independent and impartial and has not been involved in the operations to which the complaint relates.

(2) In any such action so instituted before an agency on a complaint—

(A) alleging a violation of the stipulations and representations required by subsection (a);

(B) containing or accompanied by a showing that the complainant provided, in good faith, information to a Federal officer or employee concerning fraud, waste, or abuse in the expenditure of Federal funds under a contract, grant or loan application, or cooperative agreement; and

(C) alleging that the complainant suffered some form of adverse personnel action as a consequence,

the agency shall find that such a violation occurred except to the extent that the agency determines that such personnel action (i) was not adverse, (ii)(I) was the result of some other legitimate purpose, and (II) was not a reprisal or retaliation for the action of the complainant in providing such information, or (iii) that the information was provided by the complainant without a reasonable belief that it was evidence of such fraud, waste, or abuse.

(3) Agency actions taken pursuant to proceedings under this subsection shall be reviewable in accordance with chapter 7 of title 5, United States Code.

(c) To the extent practicable, agency proceedings on complaints under this section shall be conducted at agency offices and in a manner convenient to the complaining employee.

(d)(1) A contract, grant application, or cooperative agreement is subject to this section if any non-Federal party to the contract, application, or agreement will receive more than $150,000 in any calendar year directly or indirectly from the Federal Government.

(2) A loan application is subject to this section if any non-Federal party to the application will receive a loan or loans from the Federal Government of more than $150,000 in any calendar year or a loan or loans guaranteed or insured by the Federal Government in any calendar year the total principal amount of which is more than $150,000.

(3) A grant application or cooperative agreement under title XVIII or XIX of the Social Security Act is subject to this section if any non-Federal party to the application or agreement will receive more than $50,000 in any calendar year directly or indirectly from the Federal Government.

(4) No grant application or cooperative agreement under any of the following provisions of law is subject to this section:

(A) the State and Local Fiscal Assistance Act of 1972;

(B) title I of the Housing and Community Development Act of 1974;

(C) chapter 2 of the Education Consolidation and Improvement Act of 1981;

(D) title XIX of the Public Health Service Act;

(E) title V of the Social Security Act;

(F) title XX of the Social Security Act; and

(G) the Low-Income Home Energy Assistance Act of 1981.

Sec. 4. (a) In accordance with guidelines prescribed by the Director of the Office of Management and Budget, the head of a Federal agency may enter into cooperative agreements with appropriate agencies and instrumentalities of State governments to provide for State assistance in the collection and initial investigation of (1) information concerning fraud, waste, and abuse, and (2)

complaints regarding adverse personnel and other actions in violation of the stipulations and representations made by the State government pursuant to section 3(a).

(b) Such agreements shall provide that information collected pursuant to subsection (a) (1) concerning fraud, waste, or abuse shall be provided by the State agency or instrumentality to the Inspector General or other appropriate official of the Federal agency concerned.

(c) Such agreements may provide that the State agency or instrumentality will institute proceedings on any such complaint for which there is reasonable cause to believe the allegations demonstrate such a violation. In designating a hearing officer for such a proceeding, the head of such agency or instrumentality shall ensure that the officer is independent and impartial and has not been involved in the operations to which the complaint relates. The findings of such hearing officer shall be transmitted to the Federal agency concerned, together with a record of the proceedings. If the Federal agency determines that the findings were made in accordance with section 3(b)(2), the Federal agency shall issue an order requiring such relief under section 3(a) (3) or (4) as may be appropriate in accordance with such findings.

(d) Such agreements may also provide for the rendering of recommendations of employees by the State agency or instrumentality for awards under section 5.

Sec. 5. (a)(1) The head of a Federal agency, upon the advice or after consultation with the Inspector General of such agency (or any other agency employee designated under subsection (b)), may pay a cash award to any individual (other than a Federal employee in the course of his regular duties) whose disclosure of fraud, waste, or abuse to the agency has resulted in cost savings for the agency. The amount of an award under this section shall be determined by the head of the agency on the basis of the factors in paragraph (2), but may not exceed the lesser of $500,000 or an amount equal to the sum of—

(A) 10 percent of the first $500,000,

(B) 5 percent of the next $4,500,000, and

(C) 3 percent of any additional amount,

of the agency's cost savings which the head of the agency, after consultation with the Inspector General of the agency (or other employee designated under subsection (b)), determines to be the total savings attributable to the employee's disclosure. For purposes of the preceding sentence, the head of the agency may take into account agency cost savings projected for subsequent fiscal years which will be attributable to such disclosure, but shall discount such future savings to their present value at 12 percent per annum.

(2) In establishing the amount of any award under paragraph (1), the head of the Federal agency shall take into account the importance of the information provided, the risk to the safety or welfare of the individual who provided the information, the need to provide an incentive to other individuals to take similar risks to provide such information, the degree of complicity of the informant in the fraud, waste, or abuse concerned, and the extent to which the informant is normally responsible for discovering and disclosing such conduct, but no proof of suffering as a consequence of taking such a risk shall be required.

(b) In the case of any Federal agency for which there is no Inspector General, the head of the agency shall, for purposes of this section, designate an agency employee who has responsibility for the supervision of audits and investigations of funds expended by that agency.

(c)(1) The head of the Federal agency shall submit to the Comptroller General documentation substantiating any award made under this section.

(2) The Comptroller General shall, from time to time, review awards made under this section and procedures used in making such awards to verify the cost savings for which the awards were made.

(d) For purposes of this section, the term "Federal funds recipient" means any recipient of funds from the Federal Government under any contract, grant or loan application, or cooperative agreement which is subject to this Act (as provided in section 3(d)).

Sec. 6. This Act shall take effect at the beginning of the first calendar quarter which begins more than 90 days after the date of enactment of this Act.●

MAINTAINING VIABLE WATER TRANSPORTATION

HON. WILLIAM J. COYNE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. WILLIAM J. COYNE. Mr. Speaker, the growth of coal production to ease American dependence on foreign oil and to increase U.S. coal exports to help our shaky trade balance are among the few good signs on today's economic landscape. Our record in these respects, however, is not as good as it could be due to neglect of our waterway transportation system. Barges carry a substantial portion of our coal from the mines to electric utilities, to industrial plants, and to ports for overseas shipment.

Stephen G. Young of Consolidation Coal Co., in a Pittsburgh Business Journal article, details this vital relationship between coal and barge transport. He also points to the Federal responsibility for improving outmoded and deteriorated locks and dams that now impede much waterway traffic. For this reason, I commend his remarks, which follow, to my colleagues.

STEPHEN G. YOUNG: FEDERAL FUNDING URGED FOR INLAND WATERWAYS OPERATIONS AND MAINTENANCE

(Pittsburgh's rivers—and the locks and dams which make them navigable—are among the area's most valuable resources. And Pittsburgh has a rich supply of another valuable resource—coal. Coal and the rivers seemed to have been destined for each other. Coal comprises about 65 percent of the total freight traffic moving through the Port of Pittsburgh, the busiest inland port in the country. And the rivers are the cheap- est available way to move coal over long distances.

(It is no wonder, then, that coal producers are concerned about the state of the rivers and the subpar condition of locks, dams and river terminals locally as well as nationally. During recent hearings by the U.S. House Subcommittee on Water Resources, Stephen G. Young, vice president for government affairs for Consolidation Coal Co. and vice chairman of the National Coal Association's government relations committee, testified about the association's concerns.

(The following is an excerpt from Young's testimony.)

Certain locks and dams at several locations on the Monongahela, Allegheny and Ohio rivers and others of our nation's inland waterways system are not adequate to handle present and projected traffic and some locks are in serious need of repair. Thus, the replacement of selected locks and dams is necessary in order to upgrade and expand waterways transportation capacity and levels of service.

The National Coal Association recognizes that the inland waterways system has had, and continues to have, a basic function in enhancing our national security. Further, we know firsthand that for coal—as well as for many other bulk commodities also of great significance to our national economy—the inland waterways system furnishes efficient, reliable and reasonably priced transportation. And inland waterways transportation causes little, if any, disruption to the communities through which frequent, high-volume, long-haul interstate shipments must pass, whether enroute to domestic destinations or to deep-draft ports involved in coastal and overseas shipments. Therefore, NCA believes the federal government has a critical role to play in the continued development and maintenance of the inland waterway system.

Unfortunately, a five-year lapse in funding of inland waterways improvements has seriously impaired the safety, capacity and efficiency of inland waterways, including the Ohio, Monongahela, Mississippi, Kanawha and Warrior rivers. Early improvements are considered essential on these waterways:

First, to arrest deterioration of the inland waterways transportation system.

Second, to expedite construction of selected lock and dam replacements in order to accommodate increased shipments of coal to domestic and overseas destinations.

Third, to develop and maintain an effective inland waterways transportation alternative to the railroads, thereby assuring effective competition which keeps rates reasonable and services adequate through the stimulus of market forces in the transportation section of our economy.

The average age of the 184 principal lock and dam installations is now 40 years and some have been in service more than 70 years. Without needed replacement and rehabilitation of inadequate and deteriorated locks and dam installations, preliminary findings of the National Waterways Study indicate that projected traffic at a number of installations will reach or exceed their practical capacity in the 1980s and 1990s. This will be a serious blow to the movement of coal, which now represents about 30 percent of total tonnage on the inland waterways system—a figure that is forecast to grow to about 50 percent by the turn of the century.

Safe, efficient and reliable inland waterways transportation utilizing the navigable rivers and intracoastal waterways system of our nation is of growing importance to the greater use of coal, our nation's most abundant energy resource. For many decades, coal has been carried in large quantities on the inland waterways system, including the Monongahela and Ohio rivers. This remains the case today, as shown by the 150 million tons of coal that moves annually on the inland waterways, not including the Great Lakes. The inland waterways system carries about one ton out of every five tons of coal produced in the United States for part of the journey from mines to electric utilities, industrial plants and deep-draft ports—the principal domestic terminations for inland movements of America's coal.

NCA forecasts U.S. coal production to increase to a record 880 million tons this year, up nearly 10 percent from the strike-depressed level of 802 million tons in 1981 and up almost 7 percent from 1980. Rapid growth in overseas steam coal shipments, which excludes shipments to Canada, is forecast by NCA to increase from the record 33 million tons last year to 37 million tons, 12 percent more, in 1982.

Accompanying this growth in coal production will be substantial increases in the demand for competitive, longhaul, inland transportation services furnished by both rail and water carriers. And we expect coal transportation demands to continue to rise in future years as America's coal finds expanding markets here and abroad. The National Waterways Study in preliminary findings forecasts waterborne coal traffic to grow at a rate of 3.5 percent annually through the turn of the century.

The Ohio River and its key Upper Ohio Basin tributaries, particularly the Monongahela and the Kanawha rivers, together with the Mississippi and the Warrior rivers, are especially important now for movement of coal produced in the eastern, central and western coal-producing states. The Ohio River system itself now carries more than 100 million tons of coal each year. And even though navigable waterways in some instances are well outside of the immediate area in which coal is mined, the advantages furnished by waterways transportation cause coal shipments originated by other transport modes—including railroads—to be carried to inland ports and transloaded onto barges so as to realize the benefits of waterways transportation.

As the demand for America's coal grows here and in the world market, waterways transportation will have an increasingly important role in providing basic transportation capacity as well as viable competition with the railroads for the movement of coal. The railroads now carry about 550 million tons of coal a year, and they too will be called upon to provide substantially higher amounts of transportation service required to ship coal from mines to domestic user destinations and to deep-draft port terminals in the years ahead.

Both water and rail carriers have the capability of providing effective coal transportation service by virtue of state-of-the-art technology in water and rail transportation systems. Railroad unit trains carry 10 to 15 thousand tons of coal per train set and bargetows typically carry 20,000 to 25,000 tons of coal per movement, and as much as 60,000 tons per movement on the lower Mississippi River. Thus, their proven efficiencies and the associated economies of scale due to large-volume characteristics of water and rail shipments make water and rail carriers competitive where navigable waterways exist.

NCA considers such competition for the movement of coal to be a critical factor in keeping delivered prices of coal reasonable and thereby in enabling coal to capture a full share of the market for energy in the U.S. and overseas.

To ensure that water carriers can continue to compete effectively with railroads where navigation in possible, the Congress should act without further delay to authorize and fund critical inland waterways projects. These are required to expand capacity and level of service at several locks and dam installations, including overall rehabilitation or replacement of obsolete and deteriorating structures and related equipment utilized in lockage operations.

If such improvements are not authorized in a short time and construction does not proceed on an expeditious schedule for a selective program of lock and dam replacement and modernization, we stand to lose the vital economies and competition now provided by the inland waterways system for the movement of coal and other bulk commodities.

The stagnation in authorization and funding now characterized by the five-year hiatus in action on inland waterways improvement legislation must not be permitted to last any longer if we are to preserve the strategic soundness of the inland waterways system and its availability as the demand for competitive, cost-effective, energy-efficient transportation of bulk commodities grows in future years.

Some important funding that should be utilized in a timely manner to upgrade the system as intended under provisions of the Inland Waterways Revenue Act of 1978 exists in the Inland Waterway Trust Fund. Receipts to the trust fund are reported to be $21.6 million in fiscal year 1981 and an estimated $64.7 million in fiscal year 1982. And the income is expected to grow to more than $100 million per year by fiscal year 1988 under present law.

There have been no appropriations from the trust fund as yet. The revenues now held in the trust fund, we believe, should be utilized for critical navigation projects on inland waterways. Needs are known, project justifications have been demonstrated, and now project engineering, design and construction should be placed on an expedited implementation schedule so that the benefits attributable to critical improvement projects are not lost because of inability to use the trust fund in an effective manner.

For example, for more than a decade the Corps of Engineers has recognized that Lock and Dam Nos. 7 and 8 in the Monongahela River should be replaced. The locks were built in 1926 and are rapidly deteriorating, creating safety hazards and increasing maintenance-related delays. In addition, the lock chambers are so small—56 feet by 360 feet—that they are inadequate to handle modern barge traffic with the result that bottlenecks and prolonged delays are the norm rather than the exception.

In 1972, the Corps of Engineers recommended replacing Lock and Dam 7 at a new site (Grays Landing) 2.8 miles downstream from the existing site, and replacing Lock 8 at the existing site (Point Marion). The report recommended that the new locks be constructed to dimensions of 84 feet by 720 feet to better provide for existing and proposed navigation. The Secretary of the Army subsequently approved these projects.

In fiscal years 1975, 1976 and 1977, Congress appropriated funds for the Corps to proceed with the advanced engineering and design work on these projects. Since that time, however, work has been suspended on these projects pending specific authorization.

Two bills that would specifically authorize the replacement of Lock and Dam Nos. 7 and 8 were introduced in Congress last year. The House bill, HR 3619, sponsored by Congressmen Gaydos, Mollohan, Murphy, Bailey, Benedict, Atkinson, Marks and Staton, has been referred to the subcommittee. On the Senate side, Senators Heinz, Randolph, Glenn, Specter, Byrd and Ford have sponsored S. 1188 which would authorize the replacement of Lock and Dam Nos. 7 and 8 and the Gallipolis Lock and Dam on the Ohio River.

I strongly urge the Committee to support HR 3619 and the replacement of the likewise inadequate Gallipolis Lock as an important step in enhancing the economic well-being of the communities in this area.

In addition, NCA urges the prompt replacement of the Winfield Lock and Dam on the Kanawha River and the Oliver Lock and Dam on the Warrior River as well as the addition of a second 110 feet by 1,200 feet chamber at Lock and Dam No. 26 near Alton, Ill. on the Mississippi. All these locations, we believe, should be given priority attention because they are serious bottlenecks on the inland waterways system which are hampering the highest and best use of the entire system for movements of coal and other bulk commodities.

Locally, we are encouraged by the recent media accounts that the Army Corps of Engineers has reappraised how they might best reduce their operation and maintenance costs. Originally, we were faced with a complete shutdown of the Allegheny River and three locks on the Monongahela, with reduced operating hours on the remaining Monongahela locks and the five Ohio River locks closest to Pittburgh, and with the abhorrent spectre of deferred maintenance at some facilities. Now that the Corps has been able to forward an acceptable 1983 budget to Capitol Hill, we trust that Congress will agree that the recommended operation and maintenance funds are necessary to maintain the present inland waterway system.

NCA has considered recommendations advanced by the secretary of transportation on behalf of the administration with regard to implementation of cost recovery on the inland waterways system. Last month the NCA Board of Directors adopted the following position:

The nation's inland waterway system provides a transportation network which is vital to the national economy and our national security.

NCA believes the federal government has a critical role to play in the continued development and maintenance of this national arterial network.

NCA opposes the concept of full cost recovery for operation and maintenance and capital improvements of inland waterways.

Any increases in waterway user charges should: help cover navigation costs only; be phased in over a period of years; be applied on a system-wide basis as a fuel tax and not on a ton-mile basis; and be tied to the accelerated development and improvement of critical inland waterway projects.

In summary, NCA is most cognizant of the high value to the security and economy of our nation which can be directly attributed to a sound inland waterways system.

We believe that at a few points on this vital, arterial transportation network, Congress must act now to arrest deterioration and to upgrade capacity and service levels. Notwithstanding these observations, NCA considers that the concept of full recovery of operation and maintenance and capital improvement costs from commercial traffic is wrong because it ignores the fact that a sound inland waterways system benefits the

entire nation, not only the users of the waterways.

NCA also opposes changing from the present systemwide fuel tax to a new, cumbersome ton-miles fee procedure which would be applied in part on a segment-specific basis and in part, systemwide. Such a procedure would be unnecessarily complicated to administer and enforce and would require a whole new bureaucratic set-up to collect information on cargo movements which is not adequately reported at present.

A systemwide fuel tax, on the other hand, is easy to administer and enforce and the necessary administrative procedures are already in place. In addition, the fuel tax approach encourages the most fuel efficient tow configurations and increases the economic incentive to contract backhaul cargoes which permit the most efficient use of the inland waterway system.●

LOCAL CONTENT LEGISLATION NEEDED

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. FORD of Michigan. Mr. Speaker, the domestic automobile industry is a tragic mirror of the recession that is threatening our economic future. This single most important industry in the United States, to which one of six American workers owe their jobs either directly or indirectly, has not suffered such a severe economic tailspin since the Great Depression.

Sadly, while the current economic recession has worsened this industry's plight, it is not directly responsible for the decline. The reasons for that are manifold and complex, revolving around foreign imports. The consequence is that the car manufacturers and the millions of U.S. workers who depend on them for employment are feeling the pain of this recession much more severely than most other Americans.

And it seems clear, due to the pivotal role of the industry to the total economy, that we cannot expect a meaningful recovery from the recession until we treat the ailment that afflicts this industrial giant.

Before getting into specific recommendations, it is important to understand the role of this industry in our domestic economic affairs.

In 1981, even after 2 years of depressed sales and a flood of imports, autos employed about 2.2 million workers. The industry consumes 21 percent of all the steel used in this country, 50 percent of the malleable iron, 34 percent of the zinc, 12 percent of the primary aluminum, 13 percent of the copper and 60 percent of the synthetic rubber.

The automobile, moreover, is the most important element in the Nation's passenger transportation system. Auto travel accounts for more than 80 percent of all intercity passenger miles and approximately 95 percent of all travel within cities.

Despite its importance to the American economy, the past several years have seen a tremendous decline in auto industry sales, production and employment. At a time when the U.S. economy has been plunged into a recession, the auto industry has undertaken a massive and costly retooling program, and a flood of Japanese auto imports has reached our shores in unprecedented numbers. Between 1978 and 1981, imports from Japan jumped 37 percent for cars and 33 percent for trucks.

The impact of these imports should not be underestimated. In January 1982, 31 percent of all the cars sold in the United States were imports, and American car sales and production dropped to the lowest levels in two decades.

The rate of capacity utilization in the U.S. auto industry was an astonishing 43.6 percent, the lowest of any industry since the Government first began measuring utilization rates.

In human terms, the impact of this industry's depression is catastrophic. A quarter of a million auto workers are on indefinite layoff, and more than 750,000 auto-related jobs have been lost. In a single Michigan county, Wayne, more than 100,000 auto-related jobs have disappeared since 1978, and more are lost each month. The Federal Government lost $25 billion in tax revenues and payments to the unemployed in each of the last 2 years. The number of Michigan families receiving general assistance has tripled since 1978.

Steps must be taken quickly to preserve this vital industry. Now, during its retooling to produce small, fuel-efficient, front-wheel-drive vehicles, the auto industry is at its most vulnerable stage and import competition is most damaging.

The effect of auto imports is not limited to the damage they do to the American auto industry. The average Federal, State, and local tax revenue foregone each time an import substitutes for a domestic car is more than $1,700. At a time of cutbacks in Government at all levels because of serious budget problems, we can ill afford the billions of dollars of revenues we are losing because of auto imports.

The most sensible approach advanced so far to deal with the import problem is the domestic content legislation, which I am proud to cosponsor. H.R. 5133, the major content bill in the House of Representatives, is simple in concept. it would require that an auto company selling a specific number of cars in the United States guarantee that a certain percentage of the value of labor and components in those cars originate in North America. By 1985 the requirements would be:

Local content

	Percent
Less than 100,000 sales	0
Over 100,000 sales	25
Over 150,000 sales	50
Over 200,000 sales	75
Over 500,000 sales	90

The penalty for failing to comply is simple: The next year, the firm would be allowed to import only 75 percent of the vehicles and parts it imported the year before.

The benefits of the content bill are numerous. First, because it would force foreign manufacturers to produce their vehicles in the United States, H.R. 5133 would increase plant and equipment investments and greatly improve the financial position of the American parts industry. Many communities would benefit from these new investments and the construction industry would be an immediate gainer.

Doug Fraser, president of the UAW, has testified that H.R. 5133 would ultimately stimulate the creation of 868,000 jobs in vehicle manufacture and parts production, reversing the trend toward employment loss that has been accelerating in the last 3 years.

The huge U.S. trade deficit with Japan would be greatly reduced. The deficit is expected to approach $20 billion in 1982, more than half of it resulting from Japanese auto imports.

Moreover, as Business Week pointed out in an editorial last year, the domestic content approach is the least damaging to U.S. consumers who would continue to have a full range of choices, and the Japanese auto manufacturers, who would not be shut out of the lucrative American market. In addition, as Business Week stated:

> Another point in favor of the requirement is that it would have the free market to decide which U.S. suppliers got the Japanese parts business. Hot competitive bidding would put a premium on efficiency and reliability of products. The requirement, therefore, would not provide a shelter for incompetent, high-cost operations—as a tariff would. And it would not protect companies that yielded to union pressure and conceded overgenerous wage and benefit increases. The competing company that held the line on labor costs would be able to carry off the business.

Passage of this proposal would be an enormous help in pulling us out of the present economic quagmire.

No one has to be reminded that our economy is in serious trouble. We are sinking deeper every day. The so-called supply-side economic game plan of this administration has failed miserably.

Unemployment is over the 9-percent mark and is climbing. It is much higher than this when we take into account those who have grown discouraged and dropped out of the job market.

In Michigan the rate is 16 percent and there are, in real numbers, more people unemployed than there were during the Great Depression.

President Reagan promised to reduce inflation while cutting taxes 25 percent over 3 years. This was supposed to stimulate the economy.

It has not. By creating the largest deficit in history, and guaranteeing continued high interest rates, it has instead depressed the economy. And as long as interest rates remain high, as any businessman will tell you, the recession will worsen.

The two industries hit hardest by these high interest rates are autos and housing—the backbone of the U.S. economy.

There are ways to turn this economy around. The President, however, clings stubbornly to his discredited economic theories. Reagan says if it is not broken, do not fix it. But it is now apparent that the economy is broken and indeed does need fixing. The first priority is to reduce the budget deficits without destroying the social gains we have made over the last half century.

To accomplish this we propose:

Deferring the 1983 installment of the tax cut. The Congressional Budget Office says that this will result in about $37 billion in additional revenues. It would also signal the financial community that the Government is serious about reducing the deficit and lead to the reduction of interest rates.

Reduce the growth of defense spending, not cut military spending. This means that spending will continue to increase, but at a slower rate until interest rates comes down. Just a 3-percent reduction in growth would result in savings of more than $25 billion from the 1984 budget and provide more assurance to the lenders that the Government is serious about reducing the size of the deficit.

Moderate monetary policy. This would mean some kind of accommodation between the administration and the Federal Reserve Board—a tradeoff with the Federal Reserve Board easing the tight money policy and lowering real interest rates in return for adjustments in the tax cut and defense spending.

There are some other things we can do:

Place a maximum deduction of $5,000 a year on home mortgage interest.

Tighten the preferential treatment of capital gains.

Eliminate giveaway tax benefits to the oil and gas industries.

Moves such as these could save the Federal Government billions of dollars and would go a long way toward taking some of the pain out of balancing the budget on the shoulders of American workers.

At the same time, there is the urgent need to provide special help for autos and housing.

In place of the administration's housing plan, which proposes virtually no new subsidized housing, Democrats in the House have put forth a plan to promote $17 billion worth of new construction and housing rehabilitation. It would stimulate subsidized housing construction through tax-exempt bonds and one-time grant loans, giving the construction industry a much-needed boost.

Combined with these remedies, the proposed domestic content legislation for the auto industry would have a buoyant effect.

It is not that remedies to cure this economic malady have not been put forward. The problem is that they are being ignored.

We can afford to dally no longer. I, for one, do not want to wake up some morning to find that we have plunged into depression.

But I think that possibility, as horrible as it sounds, is real if we fail to take measures to protect this country's single most important industry at a time when our economy is already teetering on the brink of disaster.

The first priority, of course, is to turn around the national economy. There can be no recovery for the auto industry until the national recession created by administration blindness and naivete, is behind us.●

EIGHT VIETMAN VETS WHO CAME OUT WINNERS

HON. JOHN PAUL HAMMERSCHMIDT

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. HAMMERSCHMIDT. Mr. Speaker, a recent article in U.S. News & World Report tells about eight Vietnam veterans who have adjusted well from their military experiences and who are now in the mainstream of society. The story indicates that the stereotyped Vietnam-era veteran that we often read about may be vastly overplayed and that the majority of them are well adjusted individuals who are making significant contributions to their communities, to their country and to other Vietnam veterans who may have had difficulties when they returned home from the divisive Vietnam war.

I commend the article to my colleagues and insert it in the RECORD:

[From U.S. News & World Report, Mar. 29, 1982]

EIGHT VIETNAM VETS WHO CAME OUT WINNERS

(By Wendell S. Merick)

They've succeeded despite great adversity—blindness, crippling wounds, deep public hostility. Now they help less fortunate war buddies make it.

No other veterans in U.S. history have endured the kind of hostility that confronted the GI's who came home from Vietnam, yet most have slipped into the mainstream of American society and today lead productive lives.

The passage has not been easy, and thousands more are still struggling to find their way. But the picture is changing significantly. What is happening is that large numbers of successful vets, those who have found their niche, are assisting in a widening effort to help others do the same.

All across the country these Vietnam veterans are banding together in a variety of groups to give aid and comfort to one another. At least 24 such organizations have sprung up, including one—the Vietnam Veterans Leadership Program—launched by the federal government.

In many of the programs, vets offer practical advice about how to get jobs and start businesses. In some, disabled ex-servicemen work with others handicapped by war wounds. All are equally intent on blasting the stereotype of the Vietnam veteran as a person with deep emotional problems.

"The time has come for the public to be made aware that many of us are much more successful socially, politically and economically than the derelict so often stereotyped by the media," comments William C. Stensland, a former marine who heads a veterans' program in Texas.

"It is very important to recognize that more than 80 percent of the Vietnam veterans, even with enormous difficulties, have come home and made the successful transition to civilian life," asserts Thomas W. Pauken, an Army veteran who heads the federal ACTION program. "I have been distressed to see veterans portrayed as losers, fools or dope addicts."

Among the hundreds of thousands of successful veterans are these eight who now are working to help their less fortunate Vietnam War comrades find their place in America—

HELPING OTHERS "GOOD FOR ME"

John D. Baines was at loose ends when he arrived home after two tours in Vietnam as an officer in the Navy Seabees. Today he is a pillar of the San Antonio establishment, owner of a real-estate-development firm with an annual business volume of more than 25 million dollars.

"People were very rude to us, very antimilitary," says Baines of his unsettling return to Texas in 1970. "There was no one to talk to about it. I was bitter. My reaction to those long-haired hippies was abrasive."

Baines, who played football at the University of Texas until sidelined by injuries, returned to college after his discharge from the Navy. He did not stay long. "I just couldn't concentrate on my studies," he says. "After four years it was hard to get back in the groove again."

Baines, now 36, quit college, then worked for construction and real-estate-brokerage interests in Texas. Ten years ago he opened his own business.

He feels that the image of the Vietnam veteran as a drug addict and criminal has made it difficult for many to win acceptance in civilian life. Especially harmful, says Baines, were reports that 60,000 or more veterans wound up in state prisons.

"They are talking about Vietnam-era veterans," says Baines. "*Era* is the key word. Only 13,000 are Vietnam War veterans, out

of 2½ million who served in Vietnam. That is less than half of 1 percent. Not much."

Baines recently began helping out in the Vietnam Veterans Leadership Program, a federal project that got under way in six cities last year and is being financed for three years with a modest 6 million dollars in federal funds. The goal is for the program to expand to 50 cities by 1984, when it is to become privately operated and financed.

So far, says Baines, his value to other veterans has been mainly as a sounding board. "We get together, and it does a lot of good for guys to get things off their chests," says the ex-Navy man. "I can immediately relate to them. It's going to do a lot of good for me, too."

"I'M GLAD I SERVED"

John F. Nash, Jr., 35, doubts that he would have wound up as a key congressional aide if the war had not intervened in his life.

"I turned over a new leaf in the Marine Corps," says the former platoon commander. "I hadn't been living up to my family's expectations, and life had been easy—sort of Camelot. It wasn't until the Marines that I realized we have a meritocracy society. A glib tongue isn't enough. I went back to school with a vengeance."

Nash, chief counsel of the Senate's Subcommittee on Regulatory Reform, went to Vietnam with reservations about the war but came back convinced he had done the right thing. "I'm so glad I served," he says. "I came back, and my conscience is clean."

But his stint in Vietnam earned him heavy criticism from some quarters. At one school where Nash tried to enroll, he recalls,"an assistant dean of admissions told me, 'We are not really partial to hired killers here.' "

Nash graduated from another school, the University of California, and then entered Georgetown University's Law School. While studying in Washington, he was offered a part-time job with Senator Paul Laxalt (R-Nev.), who later arranged for the subcommittee job.

In his spare time, Nash counsels Washington-area veterans on their troubles. He is hopeful that enough successful veterans will catch the spirit to make a difference. "Anybody who waits for the federal government to improve his lot is going to have a long wait," says Nash.

WE FEEL ESTRANGED

Richard Eilert, director of a veterans' project in Chicago, knows what it is to need a helping hand. Severely wounded in Vietnam, he has undergone 37 major operations in 13 years.

Eilert, 34, was a Marine enlisted man when a grenade blast ripped off most of his left leg, shattered his right one, broke both arms and caused other injuries. As he lay wounded, a North Vietnamese soldier shot him in the leg.

Once Eilert was up and about, he says, many people treated him with a puzzling indifference. "I found everything changed," says Eilert. "I couldn't get a date. Friends were not unfriendly—just cool."

He tried twice to return to college but quit because he felt out of place. "I always felt they were looking at me like I was John Wayne with cartridge belts hanging all over me," recalls Eilert. "There was no one to talk to."

Eilert eventually went to work for the Union Oil Company in California and wrote a book—soon to be published, he says—about his hospital experiences. He took over last year as director of the Vietnam Veterans Leadership Program in Chicago.

The program, he says, is vital to Vietnam vets because, for the first time, it gives them a place where they can discuss among themselves the feelings of alienation and disappointment that many have.

"Most Vietnam veterans don't belong to any organization," explains Eilert. "We feel estranged. I got tired of going to an American Legion club, for example, and getting bawled out at the bar for losing the war and for not knowing what combat really is."

SCALING THE HEIGHTS

Charles O'Brien, who lost a leg in Vietnam, was once cautioned not to try college because amputees have trouble climbing stairs. Last summer, the former Army Ranger was among eight handicapped persons who scaled the heights of Mount Rainier.

The Philadelphia lawyer's aim in the climb, hard enough for someone with both legs, was to demonstrate the worth of injured veterans and other disabled persons. It would, he thought, help build confidence and self-esteem.

O'Brien, 35, accepts no limitations as a result of his own injury. He has even learned to ski again. "I'm an amputee, and often that troubles me," he says. "It is hard to walk on an artifcial leg, and yet I had to because I couldn't allow my disability to interfere."

O'Brien, who says his younger brother performed alternative service as a conscientious objector during the war, feels too many who served in Vietnam have wasted time feeling sorry for themselves. "They nurtured each other's bitterness," he says. "I hate to call it self-pity, but that's what it was."

He concedes, however, that the public failed to give Vietnam veterans the measure of understanding and gratitude they had a right to expect from their countrymen.

In his own case, says O'Brien, some friends and acquaintances ended up feeling threatened by his war experience. "There was a degree of hostility because I hadn't taken the easy way out," he recalls. "So it was kind of an embarrassment to them."

O'Brien now does volunteer counseling in a veterans' program in Philadelphia. Through such efforts, he says, "we hope to help get jobs, help them start small businesses. That's what is needed."

STRAIGHT TALK ABOUT VETERANS

Street-level experience has taught Max Patterson that his fellow Vietnam veterans are no likelier to end up in jail than anyone else.

Patterson, 37, is police chief in Windsor, Conn., the only black ever to hold the post. Before that he was chief in Albion, Mich., and a campus policeman at Michigan State University.

The Vietnam veteran, says Patterson, is no special threat to society. But what is a problem, he argues, are public attitudes toward those who fought in the conflict. "People think veterans carry the guilt for the war rather than the government," says the former Army intelligence officer.

"I would be very hesitant to say the war, the year's experience in Vietnam, did anyone in," commented Patterson. "They would have been on that track before they ever went over there.

"Twelve months' negative experience in Vietnam was the final thrust that pushed them over."

In this, Patterson is supported by major studies that show little basis for the perception of Vietnam vets as troubled individuals, unable to fit into society. One federal survey finds fewer than 5 percent of all state-prison inmates ever served in Indochina. Still another survey indicates that 90 percent of vets 25 and older are employed. What's more, those who went to Vietnam are making more use of federal education benefits than have the veterans of earlier wars.

Patterson himself came out of Vietnam determined to improve himself. A college dropout before joining the Army, the Detroit native worked his way through Michigan State after his discharge, earning a degree in political science.

Now that he has settled into the job in Windsor, he is helping out in Vietnam veterans' groups. "I look at it from the standpoint of receiving a request to help someone like an old fraternity brother," says Patterson. "If there's something I can do, I am willing to make the effort."

DROPOUT WITH A DOCTORATE

There was a time, says Kip Becker, when he tried to hide from potential employers that he had piloted an Army combat helicopter in Vietnam.

Becker, 34, believes that most employers do not identify with the veterans of Vietnam the way they did with soldiers who fought in other wars. Thus, he reports, "I kept Vietnam off my résumé at first, and it kind of hurt to do that."

Now marketing-and-development director at Wilmington College in Delaware, Becker wants to see the day when all Vietnam veterans can do as he did and "get out of the closet." That is one of his goals as a volunteer worker in a veterans' group in Wilmington.

"I am not a joiner, but what I like about this program is that the people involved are able to get along," reports Becker.

He makes the point that "this organization cares about the ideas of veterans, what they have to say and what they need."

Becker, a college dropout before joining the Army, earned two master's degrees and a doctorate after his discharge from the service.

"In flight school and then Vietnam, I learned discipline," says Becker. "I learned that anyone has the intelligence to get where they want to go. I learned to persevere, and Vietnam focused me in a direction. It gave me the feeling that I could do it."

WINNING OVER BLINDNESS

Blinded by a booby trap and with little formal education, David L. Huffman found life especially hard after his tour in Vietnam as a Marine rifleman.

"When I first come back I was kind of wild," relates Huffman, 33, whose youth included eight years in an orphanage. "In 1970 I was in a car accident and broke both shoulders and my spine. I was two months flat on my back and another two months in a brace. I floundered for a couple of years, looking for unskilled employment, but I couldn't nail things down.

Huffman's salvation turned out to be the source of much of his childhood misery—school. After learning Braille, he completed high school, then earned two undergraduate degrees and a law degree from the Delaware Law School. He would like to carve out a career in international law.

Once the bar examinations are behind Huffman, he intends to devote most of his spare time to helping other disabled vets—and to working toward a black belt in judo.

"I WANT TO HELP OTHERS"

Luis Sanz, a Cuban refugee, paid for his U.S. citizenship the hard way—with an 11-month stint as an Army combat medic in Vietnam.

Sanz, now 37, returned from Vietnam proud of what he had done for his adopted homeland. That's why he was shocked to find not all Americans were as pleased.

"Those were the years of antiwar demonstrations," says Sanz, who is today a faculty member at Georgetown University's Medical School.

"It was very frustrating for me. I kept very quiet about my service in Vietnam," he admits.

Although Sanz knew only a smattering of English when he returned to America, he zipped through college in three years, graduating at the top of his class, and then earned a medical degree at Georgetown University.

The unrelenting grind of medical school, says Sanz, plus his determination to do well, kept him from feeling the isolation that has troubled other Vietnam vets. "All I did was read and study," he says. "I put all my energies into my books.

"I'm not in the dumps," asserts Sanz. "I never was. I need no help, but I want to help others. That is the main point, getting people together, making contact with other veterans and helping them.●

EQUITY TAX ACT

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. DOWNEY. Mr. Speaker, yesterday I introduced H.R. 6257, the Equity Tax Act. Because of the interest this bill has created among my colleagues I include the text in the Record:

H.R. 6257

A bill to amend the Internal Revenue Code of 1954 to limit the reductions in individual income taxes to $700 in 1982 and an additional $700 in 1983, and to further increase Federal revenues through tax reform

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE, ETC.

(a) Short Title.—This Act may be cited as the "Tax Equity Act of 1982"

(b) Amendment of 1954 Code.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1954.

(c) Table of Contents.—

Sec. 1. Short title; etc.

TITLE I—PROVISIONS PRIMARILY AFFECTING INDIVIDUALS

Sec. 101. Limitation on reduction in individual income tax for 1982 and 1983.

Sec. 102. Repeal of indexation of individual income tax and of deduction for personal exemptions.

Sec. 103. Deduction for net capital gain limited to 50 percent.

TITLE II—PROVISIONS PRIMARILY AFFECTING BUSINESSES

Subtitle A—Lower Corporate Income Tax Rates Only Apply to Small Corporations

Sec. 201. Lower corporate income tax rates only apply to small corporations.

Subtitle B—Repeal of Special Leasing Rules

Sec. 211. Repeal of special leasing rules.

Subtitle C—Credits

Sec. 221. Regular percentage of investment tax credit reduced to 7 percent.

Sec. 222. Repeal of foreign tax credit.

Subtitle D—Provisions Relating to Oil and Gas

Sec. 231. Termination of certain changes in crude oil windfall profit tax made by Economic Recovery Tax Act of 1981.

Sec. 232. Repeal of percentage depletion for oil and gas wells.

Sec. 233. Repeal of option to deduct intangible drilling and development costs.

Subtitle E—Treatment of Foreign Income

Sec. 241. Repeal of tax exemption for a DISC.

Sec. 242. Taxation of undistributed profits of foreign corporations.

TITLE III—ESTATE AND GIFT TAX PROVISIONS

Sec. 301. Restoration of carryover basis for death.

Sec. 302. Repeal of increase in unified credit and of reduction in maximum rates of tax.

Sec. 303. $500,000 limitation on estate tax exclusion for annuities.

TITLE I—PROVISIONS PRIMARILY AFFECTING INDIVIDUALS

SEC. 101. LIMITATION ON REDUCTION IN INDIVIDUAL INCOME TAX FOR 1982 AND 1983.

(a) Repeal of 1982 and 1983 Tables.—Subsections (a), (b), (c), (d), and (e) of section 1 (relating to tax imposed on individuals) are each amended by striking out the tables contained in paragraphs (1) and (2) and inserting in lieu thereof "The applicable table prescribed under subsection (g)."

(b) Reduction in Individual Income Tax Limited to $700 for 1982 and $1,400 for 1983.—Section 1 is amended by adding at the end thereof the following new subsection:

"(g) Secretary to Prescribe Tables for 1982 and 1983.—

"(1) In general.—Not later than 30 days after the date of the enactment of this subsection, the Secretary shall prescribe—

"(A) tables which shall apply to taxable years beginning in 1982, and

"(B) tables which shall apply to taxable years beginning in 1983.

"(2) Method of prescribing tables.—Each table prescribed under paragraph (1) for a taxable year shall be the same as the corresponding table for such year enacted by the Economic Recovery Tax Act ot 1981; except that—

"(A) the maximum amount of reduction in tax liability under such table as compared to the corresponding table for taxable years beginning in 1981 shall be—

"(i) $700 in the case of taxable years beginning in 1982, and

"(ii) $1,400 in the case of taxable years beginning in 1983, and

"(B) the portion of such table which is not the same as the corresponding table enacted by the Economic Recovery Tax Act of 1981 shall consist of the rate brackets of the corresponding table for taxable years beginning in 1981, with proper adjustments in the amounts of tax liability.

In the case of any table for married individuals filing separate returns, '$350' and '$700' shall be substituted for '$700' and '$1,400', respectively, in subparagraph (A)."

(c) Technical Amendments.—

(1) Restoration of maximum tax on personal service income and of prior law computation of alternative mimimum tax, etc.—Paragraph (1) of section 101(f) of the Economic Recovery Tax Act of 1981 (relating to effective dates) is amended to read as follows:

"(1) Amendments other than withholding amendments.—

"(A) In general.—The amendments made by subsection (a) and paragraph (3) of subsection (d) shall apply to taxable years beginning after December 31, 1981.

"(B) Maxitax, alternative minimum tax, personal holding company tax.—The amendments made by subsection (c) and paragraphs (1) and (2) of subsection (d) shall apply to taxable years beginning after December 31, 1983.

(2) Maximum rate on capital gain.—Subparagraph (B) of section 102(c)(1) of the Economic Recovery Tax Act of 1981 is amended by inserting ", and before January 1, 1982" after "June 9, 1981".

(3) Withholding changes.—Paragraph (3) of section 3402(a) (relating to changes made by section 101 of the Economic Recovery Tax Act of 1981) is amended by adding at the end thereof the following new sentence: "Notwithstanding subparagraph (B), the Secretary shall take into account the amendments made by section 101 of the Tax Equity Act of 1982."

(d) Effective Dates.—

(1) In general.—Except as provided in paragraph (2), the amendments made by this Act shall apply to taxable years beginning after December 31, 1981.

(2) Withholding amendment.—The amendment made by paragraph (3) of subsection (c) shall apply to remuneration paid after the 30th day after the date of the enactment of this Act.

SEC. 102. REPEAL OF INDEXATION OF INDIVIDUAL INCOME TAX AND OF DEDUCTIONS FOR PERSONAL EXEMPTIONS.

(a) In General.—Section 104 of the Economic Recovery Tax Act of 1981, and the amendments made by such section, are hereby repealed.

(b) Effective Date.—The Internal Revenue Code of 1954 shall be applied as if section 104 of the Economic Recovery Tax Act of 1981 had never been enacted.

SEC. 103. DEDUCTION FOR NET CAPITAL GAIN LIMITED TO 50 PERCENT.

(a) In General.—Subsection (a) of section 1202 (relating to deduction for capital gain) is amended by striking out "60 percent" and inserting in lieu thereof "50 percent".

(b) Transitional Rule.—Subsection (c) of section 1202 is amended to read as follows:

"(c) Transitional Rule.—If for any taxable year ending after June 30, 1982, and beginning before July 1, 1983, a taxpayer other than a corporation has a net capital gain, the deduction under subsection (a) shall be the sum of—

"(1) 50 percent of the lesser of—

"(A) the net capital gain for the taxable year, or

"(B) the net capital gain taking into account only gain or loss properly taken into account for the portion of the taxable year after June 30, 1982, plus

"(2) 60 percent of the excess of—

"(A) the net capital gain for the taxable year, over

"(B) the amount of net capital gain taken into account under paragraph (1)."

(c) Special Rule for Passthru Entities.—In applying section 1202(c)(1)(B) of the Internal Revenue Code of 1954 with respect to any passthru entity, rules similar to the rules of section 102(d) of the Economic Recovery Tax Act of 1981 shall apply.

(d) Technical Amendment.—Subparagraph (B) of section 170(e)(1) (relating to charitable deduction for contributions of capital gain property) is amended by striking out "40 percent" and inserting in lieu thereof "50 percent".

(e) Effective Date.—

(1) In general.—The amendments made by subsections (a) and (b) shall apply to taxable years ending after June 30, 1982.

(2) Charitable contributions.—The amendment made by subsection (d) shall apply to contributions made after June 30, 1982.

TITLE II—PROVISIONS PRIMARILY AFFECTING BUSINESSES

Subtitle A—Lower Corporate Income Tax Rates Only Apply to Small Corporations

SEC. 201. LOWER CORPORATE INCOME TAX RATES ONLY APPLY TO SMALL CORPORATIONS.

(a) In General.—Subsection (a) of section 11 (relating to tax imposed on corporations) is amended to read as follows:

"(a) In General.—A tax is hereby imposed for each taxable year on the taxable income of every corporation. The tax shall consist of a normal tax computed under subsection (b) and a surtax computed under subsection (c)."

(b) 19 Percent Surtax.—Section 11 is amended by redesignating subsection (c) as subsection (d) and by inserting after subsection (b) the following new subsection:

"(c) Surtax.—The surtax is 19.25 percent of the amount by which the taxable income for the taxable year exceeds $100,000 but does not exceed $200,000."

(c) Technical Amendment.—So much of subsection (b) of section 11 as precedes paragraph (1) thereof is amended to read as follows:

"(b) Normal Tax.—The normal tax shall be the sum of—".

(d) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 1982.

Subtitle B—Repeal of Special Leasing Rules

SEC. 211. REPEAL OF SPECIAL LEASING RULES.

(a) General Rule.—Paragraph (8) of section 168(f) (relating to special rule for leases) is amended by redesignating subparagraph (H) as subparagraph (I) and by inserting after subparagraph (G) the following new subparagraph:

"(H) Termination.—

"(i) In general.—Subparagraph (A) shall not apply to any agreement entered into on or after February 19, 1982.

"(ii) Mass commuting vehicles.—Clause (i) shall not apply to the extent the agreement involves a qualified mass commuting vehicle (as defined in section 103(b)(9))."

(b) Effective Date.—The amendment made by subsection (a) shall apply with respect to agreements entered into on or after February 19, 1982.

Subtitle C—Credits

SEC. 221. REGULAR PERCENTAGE OF INVESTMENT TAX CREDIT REDUCED TO 7 PERCENT.

(a) In General.—Subparagraph (B) of section 46(a)(2) (defining regular percentage) is amended by striking out "10 percent" and inserting in lieu thereof "7 percent".

(b) Effective Date.—

(1) In general.—Except as provided by paragraph (2), the amendment made by subsection (a) shall apply to periods after December 31, 1982, under rules similar to the rules of section 48(m) of the Internal Revenue Code of 1954.

(2) Binding contracts.—The amendment made by subsection (a) shall not apply to property constructed, reconstructed, erected, or acquired pursuant to a contract which was, on June 30, 1982, and at all times thereafter, binding on the taxpayer.

SEC. 222. REPEAL OF FOREIGN TAX CREDIT.

(a) In General.—Subsection (a) of section 901 (relating to taxes of foreign countries and of possessions of United States) is amended by striking out "If the taxpayer chooses" and inserting in lieu thereof "In the case of a taxable year beginning before January 1, 1982, if the taxpayer chooses".

(b) Carryovers.—Notwithstanding the last sentence of subsection (c) of section 904 of the Internal Revenue Code of 1954, in the case of a carryover under such subsection to a taxable year beginning after December 31, 1982, the amount of taxes deemed paid or accrued in such a year under such subsection shall be allowed as a deduction for such year.

Subtitle D—Provisions Relating to Oil and Gas

SEC. 231. TERMINATION OF CERTAIN CHANGES IN CRUDE OIL WINDFALL PROFIT TAX MADE BY ECONOMIC RECOVERY TAX ACT OF 1981.

(a) Termination of Exemption for Royalty Oil.—

(1) In general.—Subsection (b) of section 4991 (defining exempt oil) is amended by striking out paragraph (5), by redesignating paragraph (6) as paragraph (5), and by adding "and" at the end of paragraph (4).

(2) Subsection (f) of section 4994 (defining exempt royalty oil) is hereby repealed.

(3) Paragraph (9) of section 4995(a) (relating to adjustments to withholding) is hereby repealed.

(b) Restoration of 30 Percent Tax on Newly Discovered Oil.—Paragraph (3) of section 4987(b) (defining applicable percentage) is amended to read as follows:

"(3) Tier 3 oil.—The applicable percentage for tier 3 oil is 30 percent."

(c) Termination of Exemption for Certain Stripper Well Oil.—

(1) In general.—Subsection (b) of section 4991 (defining exempt oil), as amended by subsection (a), is amended by striking out paragraph (5), by striking out ", and" at the end of paragraph (4) and inserting in lieu thereof a period, and by adding "and" at the end of paragraph (3).

(2) Subsection (g) of section 4994 (defining exempt stripper well oil) is hereby repealed.

(3) Technical amendment.—Paragraph (2) of section 4992(c) (defining independent producer amount) is amended by striking out the last sentence.

(d) Effective Date.—The amendments made by this section shall apply to oil removed from the premises after December 31, 1982.

SEC. 232. REPEAL OF PERCENTAGE DEPLETION FOR OIL AND GAS WELLS.

(a) General Rule.—Section 613A (relating to percentage depletion) is hereby repealed.

(b) Effective Date.—The repeal made by subsection (a) shall apply to taxable years beginning after December 31, 1982.

SEC. 233. REPEAL OF OPTION TO DEDUCT INTANGIBLE DRILLING AND DEVELOPMENT COSTS.

(a) General Rule.—Subsection (c) of section 263 (relating to intangible drilling and development costs in the case of oil and gas wells and geothermal wells) is hereby repealed.

(b) Effective Date.—The repeal made by subsection (a) shall apply to taxable years beginning after December 31, 1982.

Subtitle E—Treatment of Foreign Income

SEC. 241. REPEAL OF THE TAX EXEMPTION FOR A DISC

(a) Section 991 (relating to tax exemption of a DISC) is amended by adding at the end thereof the following: "This section shall not apply to any taxable year beginning after December 31, 1982."

(b) Section 992(a) (relating to definition of DISC) is amended by adding at the end thereof the following new paragraph:

"(4) Termination.—No corporation shall be treated as a DISC for any taxable year beginning after December 31, 1982."

(c) Section 995(b)(2) (relating to deemed distributions upon DISC disqualification) is amended by adding at the end thereof the following new subparagraph:

"(C) A corporation which, by reason of the provisions of section 992(a)(4), is a former DISC, for its first taxable year beginning after December 31, 1982, shall be treated, for purposes of this paragraph, as having failed to satisfy the conditions of section 992(a)(1) for such taxable year."

SEC. 242. TAXATION OF UNDISTRIBUTED PROFITS OF FOREIGN CORPORATIONS.

(a) General Rule.—Part III of subchapter N of chapter 1 (relating to income from sources without the United States) is amended by adding at the end thereof the following new subpart:

"Subpart H—Undistributed Profits of Controlled Foreign Corporations

"SEC. 987. AMOUNTS INCLUDED IN GROSS INCOME OF UNITED STATES SHAREHOLDERS.

"(a) Amounts Included.—

"(1) In general.—If a foreign corporation is a controlled foreign corporation (as defined in section 957) for an uninterrupted period of 30 days or more during any taxable year, every person who is a United States shareholder (as defined in section 951(b)) of such corporation who owns (within the meaning of section 958) stock in such corporation on the last day in such year on which such corporation is a controlled foreign corporation shall include in his gross income, for his taxable year in which or with which such taxable year of the corporation ends, his pro rata share of the corporation's earnings and profits for such year.

"(2) Pro rata share of earnings and profits.—A United States shareholder's pro rata share referred to in paragraph (1) is the amount—

"(A) which would have been distributed with respect to the stock which such shareholder owns (within the meaning of section 958) in such corporation if on the last day, in its taxable year, on which the corporation is a controlled foreign corporation it had distributed pro rata to its shareholders an amount (i) which bears the same ratio to its earnings and profits for the taxable year, as (ii) the part of such year during which the corporation is a controlled foreign corporation bears to the entire year, reduced by

"(B) an amount (i) which bears the same ratio to the earnings and profits of such corporation for the taxable year, as (ii) the part of such year described in subparagraph (A)(ii) during which such shareholder did not own (within the meaning of section 958) such stock bears to the entire year.

"(b) Earnings and Profits.—For purposes of this subpart, under regulations prescribed by the Secretary, the earnings and profits of any foreign corporation, and the deficit in earnings and profits of any foreign corporation, for any taxable year—

"(1) except as provided in section 312(m)(3), shall be determined according to rules substantially similar to those applicable to domestic corporations,

"(2) shall be appropriately adjusted for deficits in earnings and profits of such corporations for any prior taxable year beginning after December 31, 1982,

"(3) shall not include any item of income which is effectively connected with the conduct by such corporation of a trade or business within the United States unless such item is exempt from taxation (or is subject to a reduced rate of tax) pursuant to a treaty obligation of the United States, and

"(4) shall not include any amount of earnings and profits which could not have been distributed by such corporation because of currency or other restrictions or limitations imposed under the laws of any foreign country.

"(c) Coordination With Election of a Foreign Investment Company To Distribute Income.—A United States shareholder who, for his taxable year, is a qualified shareholder (within the meaning of section 1247(c)) of a foreign investment company with respect to which an election under section 1247 is in effect shall not be required to include in gross income, for such taxable year, any amount under subsection (a) with respect to such company.

"(d) Coordination With Foreign Personal Holding Company Provisions.—In the case of a United States shareholder who, for his taxable year, is subject to tax under section 551(b) (relating to foreign personal holding company income included in gross income of United States shareholders) on income of a controlled foreign corporation, the amount required to be included in gross income by such shareholder under subsection (a) with respect to such company shall be reduced by the amount included in gross income by such shareholder under section 551(b).

"(e) Adjustments and Foreign Tax Credits.—Under regulations prescribed by the Secretary—

"(1) Adjustments to the basis of stock on account of earnings and profits taxed under subsection (a) shall be made in the manner provided in section 961 (relating to increases and reductions in basis on account of the income tax treatment of subpart F income);

"(2) Elimination of double taxation of previously taxed earnings and profits when distributed shall be made in the manner provided in section 959 (relating to exclusion from gross income of previously taxed subpart F income); and

"(3) Corporations shall be deemed to have paid income, war profits, and excess profits taxes paid (or deemed paid) by foreign corporations to a foreign country or possession of the United States in accordance with the special rules set forth in section 960."

(b) Termination of Subpart F.—Section 951 (relating to taxation of subpart F income) is amended by adding at the end thereof the following new subsection:

"(e) Taxable Years Beginning After December 31, 1982.—No amount shall be required to be included in the gross income of a United States shareholder under subsection (a) (other than paragraph (1)(A)(ii) of such subsection) with respect to a taxable year of a controlled foreign corporation beginning after December 31, 1982."

(c) Technical Amendment.—Section 1248(d)(1) (relating to treatment of gain on sale of stock in certain foreign corporations) is amended by striking out "under section 951" each time it appears and inserting in lieu thereof "under section 951 or 987", and by striking out "under section 959" and inserting in lieu thereof "under section 959 or 987(e)(2)".

(d) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 1982.

TITLE III—ESTATE AND GIFT TAX PROVISIONS

SEC. 301. RESTORATION OF CARRYOVER BASIS FOR DEATH.

Part III of subchaper O of chapter 1 (relating to basis rules) is amended by redesignating section 1023 as section 1024 and by inserting after section 1022 the section 1023 which was in effect before the enactment of Public Law 96-223, except that such section shall only apply to decedent's dying after December 31, 1982.

SEC. 302. REPEAL OF INCREASE IN UNIFIED CREDIT AND OF REDUCTION IN MAXIMUM RATES OF TAX.

(a) In General.—Sections 401 and 402 of the Economic Recovery Tax Act of 1981, and the amendments made by such sections, are hereby repealed.

(b) Effective Date.—The Internal Revenue Code of 1954 shall be applied as if section 401 and 402 of the Economic Recovery Tax Act of 1981 had never been enacted.

SEC. 303. $500,000 LIMITATION ON ESTATE TAX EXCLUSION FOR ANNUITIES.

(a) In General.—Subsection (c) of section 2039 (relating to exemption of annuities under certain trusts and plans) is amended by inserting "not in excess of $500,000" after "subsection (f))".

(b) Effective Date.—The amendment made by subsection (a) shall apply to estates of decedents dying after December 31, 1982.●

MILFORD MILL SENIOR HIGH SCHOOL

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. LONG of Maryland. Mr. Speaker, on Thursday, May 6, 1982, 122 young men and women from Milford Mill Senior High School, Pikesville, Md., will journey to Washington for a firsthand look at their Nation's Capital.

These students, accompanied by Mr. Bill Zepp, Miss Elaine Stumpf, Mrs. Jean Walker, Mrs. Helen Walker, and Mrs. Gerry Spangler, will visit the Bureau of Printing and Engraving, the Supreme Court, and the Smithsonian Institutions. They will also tour the Capitol.

I am delighted these students have taken the opportunity to visit with us and I hope their interest in our Nation's political process will continue.

Students who will visit us Thursday are: Joann Ballard, Katrenia Brewer, Amy Douglas, Teresa Garner, Sandra Kennedy, Amy Klaff, Lisa Law, Thandiwa Moody, Demitria Scott, Lauri Scott, Tonya Smith, Cynthia Spangler, Kimberly Buchanan, Patty Cooper, Estella Dawson, Fran Downs, Anglela Johnson, Sonya Turner, LaVonne Walker, Carmen Williams, Orlando Wilson, Cathy Aldridge, Kevin Bass, Tresa Brandon, Robin Brown, Shelly Bundy, Lisa Cox, Alvin Crawley, Lisa Crocetti, Cynthia Dorsey, Judy Eccleston, Ellen Finnegan, Ellen Frizzell, Tanya Gadson, Hugo Jackson, Laurie Linville, Cory Lowry, Valerie Register, Karen Robinson, Rick Samuel, Therese Sisco, Shanel Scott, Susan Scott, Shari Walker, Joy Ward, LaNae Williams, Lisa Woodhouse, Monica Brockman, Donna Brown, Lisa Bush, Riley Cradle, Karen Christie, Bobbi Clark, LaWanda Conaway, Zina Cooper, Carl Easley, Phyllis Ervin, Rena Farmer, Senora Goins, Robin Gould, Kim Greene, Nancy Haas, Earl Jackson, Dwight James, Deric Jordan, Evelyn Lumpkins, Curtis Pullen, Al Pride, Katrice Royster, Randy Scroggins, Kimberly Snowden, Harold Sanders.●

VOLUNTARISM

HON. GENE SNYDER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. SNYDER. Mr. Speaker, America has always been a caring country. A country in which citizens worked together to make life better for all, from the frontier days when neighbors would get together at a barn raising, from Philadelphia, where Benjamin Franklin pioneered the use of voluntary organizations to establish the Nation's first public libraries, fire departments, and to pave the streets to make the community a better place for all.

In fact, in the early days of this Nation, it was this tendency of Americans to work together in a voluntary spirit of community that impressed foreign visitors more than our governmental institutions or the productivity of our business and industry.

That same spirit of voluntarism is still alive today—and I know of no place where it is exemplified any better than Ludlow, Ky., where, this month, on May 12, the Ludlow Life

Squad will celebrate its 50th anniversary.

As the oldest life squad in northern Kentucky, the Ludlow Life Squad has compiled a glowing record of achievement. That record is particularly noteworthy because the Ludlow Life Squad is a totally voluntary organization, organized and maintained by citizens of Ludlow—neighbors helping neighbors.

As was pointed out in a Kentucky State Senate proclamation honoring the life squad unit:

> This department has never turned down anyone in need, offering its precious time and efforts. It has gone beyond the call-of-duty by raising money to buy its own equipment, necessities, and providing gasoline to power its vehicles. Its members, on their own, have sought education in the field of life sustaining measures to better provide for the victims they serve.

For 50 years, members of the Ludlow Life Squad have been making their community a better, safer place to live—and those 50 years provide poignant testimony to the strength of the same community spirit and volunteer spirit today which made this country so unique, 200 years ago.●

UNIVERSITY OF MIAMI SCHOOL OF LAW HONOREES

HON. DANTE B. FASCELL

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. FASCELL. Mr. Speaker, I am pleased to have the opportunity to recognize the newest members of the Society of Wig and Robe, the highest legal honor society at the University of Miami School of Law. I am especially pleased to note that two of these members, Tom and Amy Lehman, are the son and daughter-in-law of our colleague and my good friend, Bill Lehman. I am sure that Bill is extremely proud of Tom and Amy's accomplishments at the law school and joins me in extending our sincerest congratulations to the following students for their outstanding scholastic achievements:

Wig and Robe

The Society of Wig and Robe is the highest legal honor society at the University of Miami School of Law. The Society exists to promote and foster high scholarship and extracurricular participation in the University of Miami School of Law, and to promulgate the principles of moral and ethical character requisite to the profession of law. Selection for membership in the Society honors those students who, by their outstanding scholarship and participation in extracurricular activities, have made a notable contribution to the progress, growth, and high repute of the University of Miami School of Law.

The members of the Society extend congratulations to its newest members:

William Barry Blum, Mark J. Buhler, Philip J. Cole, David S. Garbett, Nancy P. Gordon, Burt S. Hellman, Laurel Myerson Isicoff, Arnold M. Jaffee, Gary M. Held, Marianne Hurd, Amy Lehman, Tom Lehman, Michael Magaril, Kathleen Mahoney, Steven A. McLaughlin, Christine L. Mendoza, Steven R. Parson, Sharon Quinn, David K. Robbins, Laurie Rosen, Alan Sackrin, David Simon, Darlene Stosik, Donna Aronson Zukoff.●

THE NUCLEAR WEAPONS FREEZE: DON'T FIGHT CITY HALL

HON. WILLIAM J. COYNE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. WILLIAM J. COYNE. Mr. Speaker, the nuclear weapons policy of this country is now on the national agenda. The reason? The people put it there. Their fears about quick and total destruction, encouraged in part by the saber rattling of the current administration, have forced a national reexamination of our nuclear strategy.

The recent congressional debate on a United States-Soviet nuclear weapons freeze comes not as a result of congressional committee hearing or a high budget media campaign. Congress is considering the issue because citizens have acted, in numerous forums across the land, to bring this issue to the fore.

The city council of Pittsburgh, the legislative body on which I had the pleasure to serve prior to my election to Congress, has called for the initiation of negotiations for a mutually verifiable nuclear arms freeze between the United States and the Soviet Union. In so doing, Pittsburgh becomes the first major city to petition the Congress on the nuclear freeze. I am confident that popular referendums in a number of localities this fall will result in many more petitions.

Each of us, at one time or another, has pondered the possibility of nuclear destruction. That prospect has been a central part of the lives of those who came of age after World War II. Intimidated perhaps by the sheer enormity of the consequences of nuclear war, many of us chose to put the idea somewhere in the back of our minds.

We have been forced to consider the prospect of nuclear war with more alarm as a result of recent talk of "nuclear warning shots" and of a "survivable" nuclear war. While the reasons for the current surge of interest in nuclear policy may be discouraging, there is reason for hope in view of the tremendous interest shown thus far in the nuclear freeze campaign.

Mr. Speaker, there is an old maxim in American politics: "You can't fight city hall." I hope this proves to be the case for this Congress when it comes to the nuclear freeze resolution adopted by the Pittsburgh City Council. I want to share with my colleagues the text of that resolution.

The resolution follows:

Resolution No. 340

Whereas, on March 30, 1982, the City Council of Pittsburgh held a hearing on the effects of a nuclear attack upon the City; and

Whereas, the unanimous opinion of physicians who testified was that a nuclear attack would destroy the City and immediately kill or seriously injure most of its citizens; and

Whereas, radioactive fallout and other environmental effects would contaminate or destroy the air, food, water and other life-sustaining resources in a wide area surrounding Pittsburgh and thereby lead to radiation sickness, malnutrition and epidemic infectious disease in survivors for months following attack; and

Whereas, medical facilities and personnel would be helpless to aid the overwhelming numbers of ill and injured immediately and in the months after attack; because hospitals, health workers and supplies would be destroyed both in Pittsburgh and, simultaneously, in the numerous other U.S. cities; and

Whereas, nuclear war is mutually suicidal for participants, and portrayal of it as winnable or survivable in any degree is dangerous because it fosters false complacency and obscures the catastrophic consequences of nuclear attack: Now, therefore, be it

RESOLVED, That this Council urges President Reagan and Pittsburgh's federal legislators to initiate negotiations between the United States and the Soviet Union and other nuclear powers to mutually and immediately freeze development of additional nuclear weapons and to mutually and eventually dismantle all nuclear arsenals, for the future of mankind.●

A TRIBUTE TO DANA RENEE MORALES

HON. MANUEL LUJAN, JR.

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. LUJAN. Mr. Speaker, I would like to take this opportunity to share with my distinguished colleagues the winning speech from the State of New Mexico as entered in the Veterans of Foreign Wars' Voice of Democracy contest. Dana Renee Morales of Albuquerque, N. Mex., had the privilege and honor of winning the contest in New Mexico and I believe my colleagues will appreciate the theme of the speech, "Building America Together." We should be proud of our young Americans, and I beleive that this young woman is a very good example.

1981-82 VFW Voice of Democracy Scholarship Program New Mexico Winner—Dana R. Morales

Building America Together, that is the topic of the Voice of Democracy Orator contest this year. When I heard the topic the first thing to enter my mind was the vision of a building. Of course, my meanings were a little confused but then I began to define my building. A strong, sturdy foundation was the beginning. Resting on this foundation were the bricks, held together with mortar to make it durable. The building is a beautiful one, classical in design, modern in its structural strengths! My building protects those inside against the storms and ravages of the outside world.

Once my building was complete in my mind, I tried relating this image to our topic. Building America Together: building, the making of; America, a country; together, in cooperation. We are making a country in cooperation. The great sturdy foundation of this building is America and her Constitution, our Constitution. The first architect of our America very carefully drew plans, chose the finest materials and laid a foundation that has been able to hold upon its solid base two centuries of conflicts, disasters, strife and a glorious, proud people. A people who have become the bricks of my building. You, I, and our neighbors are the basis of America, the bricks. Each, a single brick, by itself nothing, but together with thousands of others a brick wall that stands as a tribute and a pillar of strength for our country, America. The people of America are her walls because they have explored her, tamed her, helped to preserve her, and have made her name synonymous with freedom, with glory, with beauty and with home. A home for all who need her. My building is truly a grand monument.

Yet, one very important aspect has been forgotten and without it my building will tumble to the ground in a cloud of dust. I have forgotten the mortar which holds the bricks to the foundation and the bricks to each other. Each past experience like mortar on the bricks has brought us together. The blood, sweat and tears of thousands of Americans is the mortar of my building.

American pioneers—soldiers—scientist among others have all in some way given of themselves to help the mortar create a bond between us that is impenetrable. The wars, the depression, the loss of some of our great leaders brought us tragedy, still our building has stood strong. Even when bits of mortar fall and bricks loosen from neglect, the building, America, revitalizes herself with the knowledge of our natural and human resources, with the knowledge of individuality and freedom for all, with the knowledge of a people who came and still come to America because they are drawn here by a compelling need. The need for freedom, for opportunity, for the love of a nation's ideals. America is that nation.

Resting on the foundation and held in by the bricks and mortar are the ideals that make America. These ideals make up and fill the many rooms of my building. Rooms which have no locks, no doors so that they are forever open, then all people may freely enter and share in the wealth and glory and pride and beauty of this building, this America.

We have from the first few to the millions of today built an America strong in her structural simplicity. We will, each of us, continue to build her together for America is not just a building or a monument but a home and perhaps the home of the world.●

GEORGE TRAIN RETIRES

HON. GARY A. LEE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. LEE. Mr. Speaker, colleagues, I wish to take the opportunity today to bring to your attention the retirement of a man whom few of you have met. There are constitutents, though, in every one of your congressional districts who are familiar with his work and they have been richly rewarded because of the acquaintance.

His name is George Train and this weekend I will take great pride in joining many of his friends, neighbors, and associates in honoring George as he retires from the position of president of the Finger Lakes Association (FLA) in my home State of New York. It is a position that he has held for 22 years.

I venture to say that those of my colleagues in this House who hail from the most distant reaches of our Nation have heard about the Finger Lakes, a rich and beautiful land of hills and glacier-formed lakes, agriculture, and industry which has attracted visitors from throughout the world. Many have chosen to stay to make this area their home. Most came because of the enthusiasm of George Train in his leadership position.

Since 1960 when Mr. Train assumed the job of FLA president, the already well-established organization has flourished. The association itself is the oldest regional tourism promotional agency in the country, started in 1919, and today the largest of its kind serving New York State. Though it was well footed with 356 members when Mr. Train became president, today it holds nearly 1,900 members. Its budget has multiplied to 10 times that of 1960; its publications have multiplied by more than 4 times and today those publications reach almost three-quarters of a million readers.

The association itself, in Mr. Train's tenure, has become a highly respected and admired voice in national tourism circles and within the industry itself. Its current executive director, Mr. Conrad T. Tunney, is familiar to many of you in this Chamber as a representative on the National Tourism and Travel Advisory Board created by Congress just last year.

It is obvious to you by now that George Train is a dynamic leader, an organizer, and an important figure in the lives of my constituents and those in my neighboring districts. But there is more—possibly more revealing—information which you should know about the man who has dedicated these last 22 years to the well-being of the Finger Lakes area of New York State.

The job was a second career for George Train.

In 1960, at the age of 68, he accepted election to the Finger Lakes Association presidency after retiring from the position of city manager of the city of Auburn, N.Y. Since then he has worked tirelessly on behalf of the region. His success is evident where ever in the Finger Lakes one may travel. He has helped to create an association which has more economic impact on the upstate area than any other single business. He has done the work which has brought literally millions of dollars to our region. And he has done it entirely as a volunteer. There is not now and has never been a salary associated with the position of association president. When he toured the U.S. travel and tourism shows at the age of 80, he was not salaried for the hours he spent on his feet or on his job.

Colleagues, I believe that George Train—today 90 years of age—represents the finest in American spirit. I will have the opportunity to personally congratulate, and thank him, for his work. I ask you today to join with me in the recognition due for such an outstanding career of service to the betterment of his neighbors. The thanks of this Nation are extended to George today.

Thank you for this opportunity.●

HOUSE RESOLUTION 8

HON. DOUGLAS APPLEGATE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. APPLEGATE. Mr. Speaker, the U.S. court system is at it again. John Hinkley, now on trial for attempting to assassinate the President of the United States, now after more than a year since the shooting is now being tried after having been medically determined to be sane. But the judge, the Honorable Barrington D. Parker of the U.S. district court in the District of Columbia, says that the prosecution must now legally prove beyond a reasonable doubt that Hinkley is sane, adding that the defense will not be burdened by having to prove insanity.

What kind of twisted judicial logic is that? Here we have a man who tried to kill the President and wounded three other people, yet a high-powered law firm argues he was insane at the time of the shooting and Judge Parker tells the prosecution to prove him wrong. Remember House Joint Resolution 8?●

MARYLAND'S SECOND CONGRESSIONAL DISTRICT POLL

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. LONG of Maryland. Mr. Speaker, more than 21,000 residents of Maryland's Second Congressional District responded to my districtwide questionaire.

Although many of my constituents voiced continued support and affection for the President, there is growing doubt about his policies. Almost 60 percent said they are not better off now than a year ago; only 4 in 10 thought the President is doing a good job.

People are most concerned about their economic outlook. They want lower interest rates and are concerned about their social security retirement benefits.

Some comments:

> I'm 64 years old, not in good health, but I have to work part time to make ends meet. Prices, taxes, etc, keep rising. All my savings are gone due to doctors' and hospital bills. Now there are rumors that Social Security will be frozen. Please do something.
>
> My pay raises have not kept up with inflation.
>
> I work full time and part time to make ends meet. Only the strong survive.
>
> It's hard to believe that a single person making my salary—$25,000—has to count pennies. Working just to make ends meet is not an American dream.
>
> Please vote against any reduction in Social Security benefits or any attempt to reduce cost-of-living increases.

Nine out of ten want Congress to make sure their social security benefits are protected. Younger workers are especially concerned that social security will not be around by the time they are ready to retire.

I have fought for many years to protect the retirement benefits of America's workers. I shall continue my fight to preserve the integrity of the social security system and to insure that everyone rightfully entitled to benefits receives them.

Eighty-six percent of those replying said interest rates must be lowered to help the housing, auto and steel industries. One typical comment:

> Interest rates are killing our country. I can't afford a home for my wife and child.

Lower interest rates are a must for a healthier economy. Reducing our national debt is essential to lowering interest rates. I have sponsored a resolution calling for the Federal Government to operate under a balanced budget except in times of national emergency, and to provide for systematic repayment of our national debt.

Aside from their wallets, residents of Baltimore County are worried about crime. Nine in ten agreed we need to crack down on crime nationwide.

"Improve the courts, make the criminal pay for his crime so we can walk the streets again. We are prisoners in our homes," said one.

I am sponsoring the Justice Assistance Act of 1981 to provide Federal seed money toward improving local criminal justice systems, including victim and witness assistance, juvenile crime prevention, career criminal prosecution, "Sting" operations, and antiarson activities. My bill has already won approval of the House Judiciary Committee. It now awaits House and Senate floor action. When asked about defense and foreign affairs issues, my constituents clearly want an America with muscle—not fat—in her defense. Almost 7 in 10 agreed we should continue our military buildup, but many had reservations.

> The build-up should be continued, but in a lesser degree in order to slow down the deficit spending and work toward a balanced budget.
>
> Our defense must be strong and we need to continue military buildup. However, what Reagan suggests is too great.

Sixty-two percent thought we should stop selling grain to the Soviets. The same number felt we should continue our defense of Europe through NATO. Commenting on both questions, one man said:

> It does not make sense to feed our so-called enemy. We should continue our defense of Europe only if they start doing their part—back us against our enemy.
>
> We should go back to Carter's idea of helping foreign countries help themselves with tools, food, medicine, etc.

I agree entirely. As Chairman of the Appropriations Subcommittee on Foreign Operations, I have been working to redirect our foreign assistance program by opposing military aid to poor countries and to push for capital-saving technology to help the poor help themselves instead of depending on handouts from the U.S. taxpayers.

The questionnaire and results follow:

SUMMARY OF 1982 QUESTIONNAIRE

[Second Congressional District of Maryland]

	Yes	No	Not sure
YOU—Are you better off now than a year ago?	33%	56%	11%
PRESIDENT REAGAN—Is he doing a good job?	46%	47%	7%
DEFENSE—Continue military buildup?	69%	28%	3%
RUSSIA—Stop grain to Soviets?	62%	33%	5%
NATO—Continue US defense of Europe?	62%	32%	6%
INTEREST—Lower rates to help housing, auto and steel?	86%	10%	4%
TAXES—Raise taxes on tobacco, alcohol and gasoline?	62%	33%	5%
SOCIAL PROGRAMS—Turn back to states?	57%	37%	6%
SOCIAL SECURITY—Maintain retirement benefits?	91%	7%	2%
CRIME—Launch nationwide crackdown?	90%	7%	3%
POSTAL SERVICE—Is it getting better?	16%	75%	9%

HUNGER FOR JOBS

HON. DAVID R. OBEY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. OBEY. Mr. Speaker, Members of Congress are often told by the administration and others that there are plenty of jobs available for people if they would just look for them. That may be true where some people come from, but where I come from people are used to working and feel humiliated when they do not have the opportunity.

Existing national policy is keeping 10 million people unemployed. If any Member believes that most of these people would not accept a job if they could find one, I invite them to read the article which I am submitting for the RECORD at this time. This story, which appeared in the Superior, Wis., Evening Telegram on April 27, 1982, tells of 1,100 people who were applying for 85 jobs over a 5-day period at the Superior, Wis., Job Service Office.

This Government had better quit singing "Prosperity Is Just Around the Corner" and start adopting policies that make it possible to start turning that corner and do it now.

1,100 SEEK EMPLOYMENT AT INN HERE

(By Deb Krieg)

Over 1,100 people applied for 85 jobs in five days. Not a surprising turnout says Jacquie Coleman, Wisconsin Job Service district director in Superior, especially in these recessionary times.

Nor is it surprising considering unemployment in Douglas County hovered around 11.4 percent in February. Last month's unemployment figures were not available, but Coleman believes that they could be "significantly" higher than the previous mark.

What was surprising was that wages were of little significance to the applicants who flocked to the Tower Avenue office, sometimes by the dozens to apply for employment with the Radison Inn & Yacht Club, located on Barker's Island and scheduled to open May 28.

Due to this company's policy no wages were advertised or discussed at the screening sessions which began last Monday. What Coleman would say was that the company had done a wage survey in the area and they were "comparable if not better," to other positions.

"People are more interested in finding employment right now than with wages," Coleman emphasized.

Even employes in her office—those who specialize in job placement, had first-hand experience last month in an employment search when cutbacks left four people out of work.

Those extra bodies would have made a difference in the 22-person operation last week, Coleman explained. "I even had to conduct interviews. It was hectic at times but we squeaked by," she said.

Applicants interviewed for positions ranging from waiter-waitresses to barmaids-bartenders to housekeeping supervisor, maintenance and reservation personnel.

Coleman said the interviews resembled the ones conducted when 1,000 people applied for work at Prange's when the Mariner Mall began its operation over a year ago. "That was a recessionary time, too," she said, adding that she doesn't foresee this type of interviewing again . . . for some time.

Because of the response, the Job Service officials were no longer accepting appointments for interviews for Radison employment Monday. By Wednesday they are expected to complete the preliminary interviews.

"We have the job orders and the necessary qualifications. Mainly what we were responsible for was the recruiting of applicants and their screening. Those who meet the qualifications will be notified and will be interviewed toward the end of next week by Radison officials here."

While there will be about 1,000 disappointed people, Coleman points out their time was not "lost."

"Their (applicants) names will remain in our files which will entitle them to other jobs as they become available. The Radison interviewing process has been great for updating our files," she said.●

AID TO POLAND

HON. JOHN G. FARY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. FARY. Mr. Speaker, May 3 was the anniversary of the Polish Constitution of 1791. It was a time when the Polish people's cherished dream of independence and freedom was realized. Today, the situation in Poland is very grim. Peaceful demonstrations in support of the Solidarity Union have been harshly put down by the government. Thousands of Polish citizens have been jailed and put in detention. The economy remains in a state of shambles. I am calling on the President, along with several of my colleagues, to cancel all postal fees on packages containing food, medicine, and clothing.

Enclosed is a copy of a letter that I am sending to the President asking for his assistance. I am extending the deadline before mailing this letter. If other Members would like to cosign, please contact my office.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C.

President RONALD REAGAN,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: It has been over four months since the imposition of martial law in Poland. The Polish people have suffered through a long hard winter, experiencing severe shortages in food, clothing, and medicine. In addition, the Polish government has raised food and fuel prices ranging from 300 to 500 percent.

Since the suspension of all food aid to Poland on December 17, 1981, the only American supplies reaching the Polish people have been through private and volunteer agencies. Representatives of CARE and Catholic Relief Services have pointed out that the impact of the shortages has been borne by the most vulnerable groups in the population (aged, children, and the sick). They further claim that this assistance is getting to those most in need, and not the government. But, this aid is only a small portion of what is needed to help alleviate this severe problem.

Mr. President, we urge you to recommend to the Postmaster General the cancellation or reduction of all postal fees for packages containing food, medicine, and clothing mailed to Poland. This action will enable Americans to help the Poles while bypassing the Polish government.

May 3 is the celebration of the Polish Constitution Day of 1791. This is the day when all free Poles celebrate to show their unswerving dedication to the principles of freedom, justice, equality, and individual liberty. It would only be fitting for us today, in 1982, to show our Solidarity with the Polish people through the cancellation of postal fees for aid packages to Poland.

Sincerely yours,

JOHN G. FARY,
Member of Congress.●

FARM BUREAU OPPOSES SMALL BUSINESS INNOVATION ACT

HON. PAUL N. McCLOSKEY, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. McCLOSKEY. Mr. Speaker, the American Farm Bureau Federation, representing 3 million families nationwide, has announced its opposition to the Small Business Innovation Act (H.R. 4236). Their letter follows:

AMERICAN FARM BUREAU FEDERATION,
Washington, D.C., May 3, 1982.

Hon. PAUL McCLOSKEY,
U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN McCLOSKEY: We understand that the House of Representatives may begin consideration of H.R. 4326, the Small Business Innovation Act, in early May. As you know, the bill requires federal agencies, including the U.S. Department of Agriculture, to allocate three percent of their research funds to small businesses.

Farm Bureau opposes H.R. 4326 because the allocation of three percent of USDA formula funds to small business firms to conduct research is not the most appropriate way to promote the well-being of small research firms or to stimulate agricultural productivity.

The allocation requirement would negate the small increases in formula funding recently received by the USDA. In addition, the number of small firms specializing in agricultural research is limited. A diversion of USDA research funds to them could mean exceptionally large contract awards without necessarily increasing the quantity or quality of agriculture research.

Farm Bureau asks you to consider the effects of the bill and to oppose it because it provides no real benefit to either the small business or the agricultural communities.

Sincerely,

JOHN C. DATT,
Secretary and Director,
Washington Office.●

FALL RIVER RECOGNITION DINNER MAY 5, SPONSORED BY CHAMBER OF COMMERCE

HON. MARGARET M. HECKLER

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mrs. HECKLER. Mr. Speaker, the Fall River Chamber of Commerce this evening will recognize with an awards dinner seven outstanding citizens who have given years of professional and volunteer service to their fellow men, women, and children. We are in a time, Mr. Speaker, when the services provided by such unselfish contributors to the public welfare are in greater demand. Therefore, it is all the more important that such invaluable service be suitably recognized and honored. Mr. Speaker, the seven of whom I speak are: Fred Dolan, retired assistant sports editor of the Fall River Herald-News; Helen Chatterton, currently labor secretary for the United Way; Marjorie Kenney, former head nurse of obstetrical services at New Haven Hospital; Margot Cottrell, president and art director of the Merimtime Museum; Jim Rogers, owner of Rogers Cigar Store in Fall River; Robert Karam, vice president of Feitelberg Agency Insurance and Karam Insurance Agency; and William Shea, chief armorer of the Brockton Armory. Mr. Speaker, the list of their services and accomplishments are so long, so varied I will simply submit the attached articles from the Fall River Herald News and the Brockton Enterprise into the CONGRESSIONAL RECORD. After all, their deeds have always—and will continue to speak for themselves.

[From the Fall River, Mass., Herald News, Mar. 27, 1982]

CHAMBER OF COMMERCE TO HONOR SIX OUTSTANDING CITIZENS

The Greater Fall River Area Chamber of Commerce will honor seven outstanding citizens with a Recognition Dinner Awards night on May 5 at the Venus deMilo.

Otto A. Wahlrab, chairman of the awards committee said, "The recognition is being presented to these people who have dedicated their time to community involvement."

Chosen for the award are Fred Dolan, Helen Chatterton, James Rogers, Marjorie Kenney, Bill Shea, Margot Cottrell and Robert Karam.

Dolan retired from The Herald News in 1971 after 45-years of service. He entered journalism in 1926 as a general assignment reporter after having served for some time as a baseball scorer for the sports department of the Evening Herald. For many years he covered Durfee High School sports. His last 20-years at the The Herald News were spent as assistant sports editor.

As a sports writer, he encouraged and aided groups and individuals involved in presenting sports events of all types.

He has been actively involved in the United Way, Wartime Civil Defense and was president of the First Friday Club. His

sports activities include director of the city little league and the Twilight league, St. Anne's Junior baseball league, Scholarship City baseball league, Young Robins baseball team, organized the baseball Pony league, a member of the Durfee Boosters, and helped the late Michael Brien, superintendent of the North Burial Grounds, organize the amateur baseball league for 18-years-olds and younger.

Dolan has been the director of Toys for Tots, The Herald News and Slade bowling leagues, the Boys' Club, the Fall River Senior Citizens Center, officer of council of the Knights of Columbus, chairman of the Boy Scouts at Sacred Heart parish and a member of the Niagara Neighborhood Association.

Helen Chatterton is currently the labor secretary for the United Way and was with the International Ladies Garment Workers Union for 19-years, serving as union member and chairlady on the executive board. She is on the Professional Advisory Board of the District Nursing Association, a delegate to the labor council of the Musicians' Union and assistant treasurer of People, Inc. She is also a volunteer at the Chamber of Commerce and Corrigan Mental Health Center.

Chatterton donates her free time to transporting patients to the Retina Clinic at Mass. General Hospital, Boston Childrens' Hospital and the dialysis clinic in Providence. She also assists elders with social security and helps people obtain food, assistance, housing and work.

A graduate of Connecticut College and Yale University Graduate School of Nursing, Marjorie Kenney has been a Clinical Instructor of Surgery, Gynecology and Obstetrics at Yale, head nurse of Obstetrical Service at New Haven Hospital and instructor of Orthopaedic Nursing at the Truesdale Hospital School of Nursing.

She has served as president of the PTA of the Christian School of Greater Fall River, the Choir Guild of the Church of the Ascension, Bristol South Women's Auxiliary to Massachusetts Medical Society, the Women's Club of Fall River, the Ninth Street Day Nursery, Inc. and the president and founder of the Friends of the Fall River Symphony Orchestra. Kenney was also the founder and chairman of the Diversionary Activities Volunteer Program at Charlton Memorial Hospital from 1973 to 1981 and a volunteer at Truesdale Hospital for 22-years.

Margot Cottrell, a Swansea resident, is the president and art director of the Marine Museum, one of the coordinators of the Vera Cruz stops in Fall River, vice-president and director of the Friends of the Bluffs in Swansea, a member of the Advisory Committee of the Heritage Park Steering Committee, director of the Home for the Aged, the Women's Board of Truesdale Hospital and the Fall River Arts Council.

Cottrell has served on the board of the Animal Rescue League, Friends Academy PTA, Gardner School PTA, the Old Colony Youth Committee, the Youth Fellowship Program, and the Junior League. Graduating in 1972 from SMU with high honors, Cottrell has taught in Providence and Dartmouth schools.

Jim Rogers is owner of the Rogers' Cigar Store in Fall River. He is one of the founders of Big Brothers of Fall River, chairman and founder of Christmas in Fall River, president of the Miss Massachusetts Scholarship Pageant, coordinator of the March of Dimes Superwalk, president of the Citizens Scholarship Foundation, past chairman of the Fall River Easter Seals, past coordinator of the Area Save the Bay and past president of the Fall River Jaycees.

Rogers is a graduate of Providence College and Boston College.

Robert Karam, a graduate of SMU, is vice-president of Feitelberg Agency Insurance and Karam Insurance Agency, Inc. He has been with the Fall River Trust Co. and a teacher in the Fall River school system. He is a member of the National Association of Life Underwriters, a charter member of the Bristol County Estate Planning Council, chairman of the Fall River Industrial Development Commission, the Private Industry Council and former chairman of the Fall River Planning Board.

He is also a member of the Fall River Regional Task Force, Fall River Industrial Finance Authority, Massachusetts State Heritage Park Committee, SMU Foundation President's Club, board of directors of the Bank of New England and president of JOBS for Fall River, Inc.

Bill "Shifty" Shea, chief armorer of the Brockton Armory, has been very active in sports for many years. He was a team member of the Sts. Peter and Paul, Maplewood and Legion leagues. After lettering for the Coyle Warriors, he was semi-pro in the Blackstone Valley League and coached for the Fall River Legion baseball team and the Federal Little League. In 1979, he was freshmen coach at Connolly. Shea was the founder the National Guard Junior Basketball League, serving as coach for three years and director for 10-years.

A National Guard veteran in the rank of sergeant major, he is training director of the noncommissioned officers in the Academy of the 211th Artillery Batallion

SHEA TO BE HONORED AT CHAMBER DINNER

Bill Shea, chief armorer of the Brockton Armory, will be honored along with six other area residents on May 5, at the 14th annual Recognition Dinner of the Greater Fall River Chamber of Commerce, at the Venus de Milo Restaurant.

Shea is sergeant major in the National Guard and is training director for non-commissioned officers in the 211th Field Artillery Battalion.

Active in sports for many years, he played for SS Peter and Paul in the Maplewood League and also for American Legion baseball. He was a standout at Coyle High School and went on to play semi-pro ball in the Blackstone Valley League. He also coached for the American Legion and for the Federal Little League.

In 1979, he was freshmen coach at Bishop Connolly High School. He was founder of the National Guard Junior Basketball League, serving as coach for three years and director of 10 years.

The Recognition Dinner will honor, in addition, Helen Chatterton, Margot Cottrell, Fred Dolan, Robert Karam, Marjorie Kenney and James Rogers.●

WETIP

HON. DAVID DREIER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. DREIER. Mr. Speaker, one thing on which we all can agree is that skyrocketing crime rates have become one of this Nation's most persistent and alarming problems. One need only turn to one's neighbor or family to discover yet another victim of fraud, theft, assault, or worse. But rather than frighten you with stories and statistics with which I'm sure you are all familiar, I would like to call to your attention one organization that is fighting back—and winning. WeTIP, a crime prevention program based on law enforcement and community cooperation, celebrates this year its 10th anniversary of outstanding service to the State of California.

Founded in February 1972 by retired Los Angeles County sheriff's deputy, Bill Brownell, WeTIP, standing for West End turn in pushers, began as an attack on drug traffic. Citizens with information on drug activity were urged to call WeTIP's number and relay their message to specially trained volunteer operators. Pertinent information would then be immediately conveyed to police, fire, and sheriff's departments, U.S. Customs, DEA, IRS, and Postal Inspection Services. What differentiates WeTIP from other citizen activist groups, however, is that all informants remain completely anonymous; operators instruct callers not to give their names, assigning them instead a code name and number. In this way, citizens may contribute to the safety of their community without fear of criminal revenge or reprisal.

Community response to WeTIP's policy of dedicated law enforcement and confidentiality has been nothing less than enthusiastic. In 10 years, enforcement officials have used WeTIP information in over 3,400 arrests, leading to over 1,500 convictions, confiscated over 49 million dollars' worth of illegal, dangerous drugs and narcotics, and recovered $1,700,000 in stolen property.

So great was its success in cleaning up West End drug traffic that in 1977, WeTIP expanded its services to encompass a war on all major crime. The results speak for themselves: In less than 5 years, WeTIP information has aided in over 36 murder arrests, and over 290 successful apprehensions of criminals committing robbery, burglary, fraud, rape, assault, and auto theft. Its arson program alone has resulted in 81 arrests and 49 convictions, involving $10 million of arson damage.

Assistant Director Miriam Eckert feels the key to WeTIP's success lies in total community involvement. West End citizens, working on a volunteer basis, gave over 350,000 hours of their time during the last year alone. Few organizations embody the true spirit of voluntarism as WeTIP does; few can claim its rate of success in providing all citizens with a real and invaluable service, that of protecting their property, their families, and even their lives.

In 1981, the media joined this crime prevention effort when KABC-TV Los Angeles and WeTIP together established Eyewitness Anonymous. On May 2, 1982, ABC ran the first in a series of programs called "Counterattack: Crime in America," based on crimes solved by calls to WeTIP. At the same time, WeTIP is going national in scope, with a nationwide hotline operating 24 hours a day. Assisting in publicizing this new program will be Actor George Kennedy, national honorary chairman for 1982-83.

President Reagan has praised WeTIP as a "shining example of true community involvement." I hope you will join us in offering the many thousands of WeTIP volunteers our grateful congratulations for a job very well done.●

SMALL BUSINESS INNOVATION RESEARCH ACT

HON. STAN LUNDINE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. LUNDINE. Mr. Speaker, in the near future the House will consider H.R. 4326, the small business innovation research bill. This bill, which already has been approved by the Senate and is endorsed by the President, establishes a small business R. & D., set-aside in Federal agencies with research budgets that exceed $100 million. The set-aside program designed in the bill is modeled after successful programs underway at the National Science Foundation and Department of Defense that provide a three-phase approach to determining the feasibility of an idea and developing it to a point where commercialization can occur in the private sector.

This bill is being challenged in the House by those who fear that this program will do damage to our ability to conduct basic research. As a member of the House Science and Technology Committee, I reject that notion. The program that will be administered under this bill is both flexible and directly applicable to the conduct of both basic and applied research in mission-oriented agencies. Even if it were not, an examination of the funding patterns of the top five R. & D. agencies reflect that the money for the set-aside could be taken solely out of applied research funds if the agency so desires.

I intend to support passage of this legislation in the House for the following reasons:

Innovation, that is, our ability to take the results of basic research and technology development and diffuse them though our society has been failing in recent years. Because innovation is important to bringing down inflation, improving productivity, and stimulating economic growth, we must reverse this trend.

One of the most significant influences the Federal Government has on innovation is through R. & D. policy. Small businesses have been found to be as much as 24 times as innovative as large firms, yet they receive only 3.5 percent of total Federal R. & D. funding.

Because small firms are more innovative, a greater reliance on their talents by the Federal Government can result in reduced costs for equal or superior research results connected to the missions of our Federal agencies.

The National Science Foundation program on which this set-aside is based is flexible enough to permit the agencies to determine their own priorities for small business funding. This program will not handicap in any way the efforts of Federal agencies to conduct high-quality basic research.

Agencies have been reluctant to initiate efforts to increase small business involvement in their research programs. Therefore, a small, but meaningful set-aside is needed to set a meaningful program in motion.

Look forward to debating these conclusions which I have reached after examining testimony before the Science and Technology Committee during the forthcoming debate on this issue in the House.●

DULANEY SENIOR HIGH SCHOOL

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. LONG of Maryland. Mr. Speaker, on Wednesday, May 5, 1982, 154 young men and women from Dulaney Senior High School, Timonium, Md., journeyed to Washington for a firsthand look at their Nation's Capital.

These students, accompanied by Dr. Maynard Keadle, Mr. Anthony Capezio, Mr. Robert Webster, and Mr. James McNamara, toured the Capitol and observed committee hearings on their own.

I am delighted these students have taken the opportunity to visit with us and I hope their interest in our Nation's political process will continue.

Students visiting us Wednesday are: Kathie Ahearn, Linda Amrhine, Susan Anderson, David Arsenault, Jane Arthur, David Ashe, Ron Barrans, Ernie Bradbeck, Mike Armstrong, Joe Aversa, John Anderson, Tammi Bennett, Nathan Bollck, Karen Bonner, Maribeth Bowden, Debbie Budzynski, Linda Borsetti, Leo Bittner, David Benson, Jeff Baranco, Kim Buffington, Mark Conklin, Scott Engles, Beth Slotke, Sue Zuidema, Teri Thomas, Sherry Hood, John DeFelice, Dave Deuterman, Michael Dudek, Brian Edgar, Caryl Edington, Debbie Ehman, Pam DeHaven, Debbie Domojych, Anne Darres, Joann Tweed, Anthony Terosa, Laurie Rider, Laurie Holthaus, Karen Barger, Kathleen Straub, Joyce Croft, Laura Flanaga, Cheryl Falk, Susan Crooks, Mike Espendieri, Colter Wickmeyer, Steve Christ, Darla Deardorff, Kym Lucero, Kim Gardner, Tim Tarplay, David Underwood, Patti Durmoweiz, Walter Reckord, Karen Hollenbaugh, Susan Fisher, Tammy Flater, Rob Fleischmann, Brian Garver, Debbie Gier, Elizabeth Gallentine, Jeff Forwood, Mike Goodall, Milton Glasser, Brooke Kuhl, Susan Grandizio, Kim Scott, John Fraser, James Grane, Richard Gray, Claire Hall, Bob Hallet, Nancy Green, Susan Heisler, Amy Harper, Laurie Hammond, Cynthia Cox, Mark Hooker, Beth Isenock, Rick Jedlicka, David Kates, Priscilla Johnson, Greg Im, John Kane.

Jackie King, Paul Langrehr, Matt Mann, Sheryl Kocha, David Kim, Cindy Krol, Kojii Kubota, Kequan Luu, Janet Lyon, Kim Lyons, Susan MacKenjie, Tim Martin, Michelle McLain, Greg Hoffmaster, Brian Michael, Ann Macedo, Susan Macedo, Doug Myers, Kathy Mendel, Alycia Murray, Anne McNeil, Ron Milstead, Joe Neubauer, Lee Pasquale, Katie Payne, Te Person, Karen Plath, Lee Michael, Farda Nodjomian, Joan Over, John Pezzulla, Lisa Perrera, Tracey Nozemack, Chip Powderly, Mary Quananta, Dawn Regula, Bob Richardson, Stacey Roberts, Edward Russell, Karen Scharfe, Brenda Shaffer, Michael Pipitone, John Ryder, Dianne Sichau, David Smith, Tracey Smith, Danna Starkey, Paul Roop, Andrea Smyth, Cari Speno, Robert Sichau, Steve Rayner, Kevin Twit, Cathy Tyer, Olga Valanos, Richard Wagner, Trung Tien, John Toomey, Sarabeth Whedbee, William Taylor, Jamie Watson, David Wesley, Hans Wittelsberger, Anne Wolfe, Kent Wyckoff, Jenni Woody, Terry Will, and Lori Thomassen.●

RAMP FUNDING

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. MURTHA. Mr. Speaker, as Congress talks about urgent spending priorities, I want to talk about one not included in this bill—Rural Abandoned Mine Program (RAMP) funding.

For the information of the Members, I have an amendment prepared to provide an additional $40 million in this fiscal year for RAMP funding. As

a member of the Interior Appropriations Subcommittee, I will be offering amendments for this and further funding during the markup of the budget for next year, if it is not included this year.

Now, while many of the people in Washington may not consider the use of RAMP funds to be urgent, I want to report that in Pennsylvania's 12th Congressional District, the need is urgent.

These funds are created by a coal tax of 35 cents per ton on strip-mined coal and 15 cents per ton on deep-mined coal. Some 20 percent of the payments are eligible for use in the RAMP program. At the present time, though, those funds are not being spent. In Somerset County, coal operators have contributed almost $3.7 million to the fund. Yet we have $1.5 million worth of projects ready to go, and another $3.5 million are in the planning stage. We cannot go ahead, however, because of a lack of funds.

In Armstrong County, we have $983,379 worth of projects ready to go. Again, we lack the funds to get it done.

Now, just what are we talking about with these funds? We are talking about reclaiming valuable land that has long been abandoned by coal mine operators. They are eyesores—and very often they are distinct hazards. The Soil Conservation Service has received over 1,800 high-priority applications for reclamation assistance. They have had since October 1, 1981, 51 priority 1 projects with the needed reclamation of 100 percent ready for contracting. However, contracting funds have not been available. We would need $18 million to handle these priorities. Furthermore, nationwide, we have over 182 projects at a cost of $58 million that are more than 50 percent planned and can be funded if the money is made available through the appropriations process.

It is important to note that we are also talking here about putting people to work on these projects. At a time when unemployment is rising across the Nation, it is ridiculous that we do not spend this available money to create jobs as well as public improvements.

Now, many people may say, what is the difference? Why does it matter if we delay some of these projects? Well, let me answer this:

Ugly, and often dangerous abandoned land remains untouched;

Taxes paid by coal operators remain unused;

Unspent money gathers no interest for the Government; in fact, we have already lost about $13.5 million in interest that could have been used;

Inflation reduces the buying power of the funds, 10 to 14 percent less reclamation can be purchased each year for the same amount of money;

RAMP applicants become discouraged, lose interest, and we may lose the opportunity to reclaim the land.

I plan, Mr. Chairman, to continue my efforts to make sure the importance of this program is realized, and that the funding is made available. It should be a priority for our rural areas. It will help the economy; it will help the community. I plan to continue to explore every possible way to free more of these funds for use in Pennsylvania and the 12th Congressional District. I will definitely be offering budget amendments during the markup for next year, and still hold hope that we can free some funds before that time. This program is being overlooked by Congress; it is important; it is vital for our coal mining area. I will continue to pursue its full use.●

KEEP THE TAX BREAKS FOR THE LITTLE MAN

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. GINGRICH. Mr. Speaker, R. Emmett Tyrrell had a column in the May 3 Washington Post that does an excellent job of exposing a big untruth.

That big untruth is that the liberal leadership of this body cares about poor Americans and has a program to make them better off. In reality, says Mr. Tyrrell, the leadership seeks to do nothing this year, while interest rates sizzle and the housing industry burns, and hopes the President gets the blame in November. Then a more liberal House will come back in 1983 to, as Tyrrell says, "inflate the currency, buy off more voters, and allow taxes to rise."

Let me say a word about taxes. The President must not be led astray from the fundamentals of his tax cut program. He must continue to turn a deaf ear to the siren songs of the media and the leadership that chant: get rid of the 1983 tax cut. I want to assure President Reagan right now that enough Members will support him on a veto of any budget that undoes or delays that 1983 tax cut.

That tax cut, and the one 2 months from now, are vital to the working families of this country. In the Washington Post of April 23, Thomas Edsall made mincemeat of the charge that the remaining Reagan tax breaks are primarily for the rich. Said Edsall:

> [F]rom another vantage point, the Democrats' position would appear to be significantly unfair to the working and middle class constituents they want to protect. Because the 1981 tax bill immediately reduced the top rate on unearned income from 70 to 50 percent, and the capital gains tax rate from 28 to 20 percent, the very rich have already gotten most of the benefits they can expect from the legislation.
>
> For those earning $200,000 of more annually, repeal of the 10 percent tax rate cut scheduled to go into effect July 1, 1983, would mean the loss of only 5 percent of all their likely tax breaks under the legislation. For everyone else, however, repeal of the third year would represent a loss of 32 to 40 percent of the breaks.

Let us face facts: The individual income tax rate cuts are not a significant contributor to Federal deficits, so tampering with them won't make much of a dent in the deficit trend.

The real cause of present and future deficits is first, uncontrolled Federal spending and second, the recession. President Reagan wants to further reduce spending, and his tax cut program will reduce personal income tax rates 20 percent in the next 14 months—the best conceivable medicine for a sluggish economy.

What does the leadership want to do, given that objective reality? When we can get them to say anything at all, they, first, ignore the need to cut spending and second, say we should undo or dilute the coming income tax cuts.

This ought to prove beyond the shadow of a doubt that the leadership does not know what they are doing—or, if they do know, that the American people cannot afford to let them get away with it.

Mr. Tyrrell's Washington Post column follows:

[From the Washington Post, May 3, 1982]

TIP O'NEILL WEEPS FOR ORPHANS

(By R. Emmett Tyrrell)

I have long considered those who disparage our president for his Hollywood roots supremely obtuse. Every American pol is, *au fond*, an artist in false face, or he is no pol at all. An aspiring statesman might be brave, bold, and brilliant. He might also be abounding in Christian charity and all the desiderata glorified by the masters of your local mental health association, but unless he can actually demonstrate these personal treasures he might as well be a sausage.

Last Wednesday Ronald Reagan was not the only actor sitting in the ornate President's Room of the Senate discussing a budget compromise. There was also the Hon. Thomas P. (Tip) O'Neill, who, had he not been engaged in the political arts to these last four decades, might very well have become a Shakespearean player of the first rank. What a rumpled and roisterous Falstaff he would make! Trimmed down and cross-gartered, he would make a splendid Malvolio; and with suitable alterations he is the Constable Dogberry! Watching him profess his solicitude for the poor and the lame and the halt reminds the theatergoer that here is one of the great greasepaint moralizers of all time.

The illustrious Speaker blubbers that the Reagan administration is thrusting orphans and cripples into the cold. He laments the cruelties of their budget cuts. He does not reveal that the budget for fiscal 1983 is an estimated $38.1 billion more rotund than fiscal 1982; or that the budget for fiscal 1982 will probably expand in real terms by at least 5 percent over fiscal 1981 with the growth in non-defense roaring along, gouging a record 17.4 percent of the GNP, up from 15.9 percent in fiscal 1979.

He does not reveal that the Reagan administration is cutting only the rate of budgetary growth that he and his spendthrift colleagues built into the budget by passing idiotic laws that enjoin the government to pay more and higher benefits whether the funds are available or not and whether the taxpayers have approved or not.

He pretends to be totally ignorant of one of Washington's most appalling realities, namely: the growth of the federal budget is wholly out of control, insulated from the will of the American people by a Keystone Cops guard of liberal Democrats and old-time pork barrelers who have no intention of cutting it back.

With great flourishes of emotion the illustrious Speaker is explaining how he has saved the little fellow from the Reagan budget cuts. He is not explaining that he also wants to deny the little fellow the pleasure of the third round of the Reagan tax cuts. Even with the present round of Reagan tax cuts, taxes went up 15.8 percent in the last calendar year. But the Speaker wants more tax revenue and he wants it from the very same little fellow whom he claims to protect. Bear in mind that the Democratic leadership through the Brodhead Amendment has already lowered the top tax rate on the highest personal incomes from 70 percent to 50 percent. As Rep. Jack Kemp is pointing out, the Reagan cuts will merely preserve a tax cut for the ordinary American, the fellow earning less than $60,000. Only a player of consummate skill could claim as the Speaker did last week that this final Reagan tax cut is a "program of giving billion-dollar tax cuts to the rich."

Yet the Speaker's most breathtaking bit of theater is his insistence that he wanted a budget compromise. Actually all the accommodation came from the president, as he backed off on his tax policies and his budget cuts and his defense increases. The entitlement programs were hardly touched. All the Hon. O'Neill will agree to is more spending and heavier taxes. If the president does not yield the Speaker will gladly sit back and watch the economy stumble along until the fall elections when he will blame the economy on the president and hope for more Democratic seats. Then he can return to his age-old policies of inflating the currency, buying off more voters, and allowing taxes to rise.

Nonetheless, the Speaker did do the republic some good last week. By sticking so stubbornly to the profligate policies of the past he saved the president from doing dreadful damage to the administration's own policies. The president's willingness to do violence to his own program of tax and budget cuts was an amazing spectacle. It showed how deeply influenced he now is by the pragmatic Republicans. They believe they can stay in power by ingratiating themselves to the big spenders. Once again, the pragmatic Republicans have been proved wrong.●

EHLERS GENERAL STORE CELEBRATES 120TH ANNIVERSARY

HON. DOUGLAS APPLEGATE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. APPLEGATE. Mr. Speaker, during this past weekend—on May 1, 1982, to be specific—the Ehlers General Store, located in my congressional district of Zoarville, Ohio, celebrated its 120th anniversary in business, certainly an achievement for any business, large or small. In order to familiarize my colleagues with this history-rich event, I include in the CONGRESSIONAL RECORD a description of the general store's part as written by Mrs. Sterling (Emma) Stone, the wife of one of the past owners of the store. I hope that the Members of the House will take the time to read this very interesting historical account.

HIGHLIGHTS OF THE HISTORY OF EHLERS GENERAL STORE, ZOARVILLE, OHIO (1862-1982) 120TH ANNIVERSARY

(By Mrs. Sterling (Emma) Stone)

Charles Ehlers, a member of the Separatist Society of Zoar, was made overseer of their land and industries in Sandy and Fairfield Townships near One Leg Creek. In 1862 he became Station Agent and established the Ehlers General Store across the tracks from the new station. The original village, laid out in 1854 had been known as "Fairfield" until the station was built. Then it was called "Zoar Station" until the time of the division of the Zoar Society when it was renamed Zoarville. During this time, Ehlers also became Postmaster; the post office being located in the store until May 1979. He and his family received the store as their share when the Separatist Society disbanded in 1898.

The Zoar Society also operated their Cheese House—Cow Barns, Ice House, and a large furnace in the Zoar Station Area.

Robert and Howard Stone, brothers, took over the responsibility of helping operate the general store at a very early age, and became the next owners. Ray Stone, their brother, has been a pillar in the managment of the store for over 50 years. He retired in 1979.

During this time before the turn of the century, the Stone brothers operated two smaller outlets of Ehlers General Store for several years in the mining towns of neaby Johnstown and New England. Food and merchandise from the store in Zoarville was transported to these areas via horse and wagon. These nearby stores flourished until the mines were closed.

The town was moved to higher ground across One Leg Creek when in the 1930's the Muskinghum Watershed Conservancy District took over much of this land. Robert and Howard Stone then purchased the old flour mill owned and operated by the Separatists of Zoar in the early days and moved it to its present site along Route 800 in new Zoarville.

Every board and beam in the Zoar Flour Mill was numbered as it was being dismantled and moved. Two teams of horses pulling a longwagon was used to move this dismantled flour mill to its present location. These beams were then placed intact and reconstructed as the present General Store. The store is 3 floors high plus a full basement. The shape of the building and the inside are a duplicate of the original Zoar Flour Mill. An old Tuscarawas County Atlas shows the Zoar Flour Mill and the similarity of Ehlers Store.

Sterling Stone, son of Robert Stone began working in the store at a very young age. After two years in the military service during World War II, he continued working there with his father and two uncles. After the death of his father in 1953, Sterling continued the partnership with his uncle, Howard Stone. After the death of Howard Stone in 1969, David Stone, son of Sterling Stone, became an employee of the store after having completed his army service during the Vietnam War. Timothy Stone, another son of Sterling Stone, has been an employee also and returned after two years of service with the United States Navy. The store was incorporated in 1976.

Since the death of Sterling Stone in 1979, the store has been operated by his sons David and Timothy and son-in-law Raymond Nist.●

EXPRESSING SENSE OF HOUSE OF REPRESENTATIVES CONCERNING SOLIDARITY SUNDAY

HON. MARGARET M. HECKLER

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mrs. HECKLER. Mr. Speaker, we observed Solidarity Sunday on May 2. For 11 years, the Greater Council on Soviet Jewry has sponsored this event, where thousands of Americans of all faiths march and rally in support of the Soviet Union's 3 million oppressed Jews. Again this year we are showing our solidarity with these people who, denied the freedom to observe their religion at home, are further denied the choice of emigration to a place of freedom.

This year, our collective voice must be firmer and more insistent, for this year has seen fewer and fewer Jews granted permission to leave. From a 1979 peak of 51,320, the 1981 emigration total has slipped to only 9,447. February 1982 saw just 283 Jews allowed to leave the Soviet Union, as compared to 3,827 during the same month in 1979. And so, as we call upon the Government of the Soviet Union to honor its international commitments—the Helsinki Final Act and the universal declaration of human rights—we must do so with an added urgency on behalf of all those waiting for permission to leave.

Sadly, emigration is not the only problem faced by the Soviet Jewish community. The heightened persecution, the growing incidence of officially sanctioned anti-Semitism, the increase in arrests of Jewish citizens—all of these demonstrate the absence of religious freedom of Jews within the Soviet Union. Schoolchildren are

taunted, families are harassed, Hebrew and Jewish culture classes are disrupted. Anti-Zionist propaganda is on the rise, and merely expressing the desire to go to Israel is grounds for dismissal from any position of responsibility. It is also used as as reason for denial of employment.

Solidarity Sunday again provides an expression of the determination of freedom-loving people of all faiths and nationalities that the Jews of the Soviet Union will not be forgotten. We will not let the Government of the Soviet Union forget either—that their own constitution forbids such treatment of its citizens. We will maintain the pressure and continue to speak out for the basic human rights denied these 3 million Jews.●

DEFICITS

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington report for May 5, 1982, in the CONGRESSIONAL RECORD:

DEFICITS

Members of Congress are asking themselves, why projected deficits in the federal budget are soaring. The deficits are expected to increase steadily for the foreseeable future, even after economic recovery, unless present taxing and spending policies change.

A year ago, President Reagan proposed a federal budget with a deficit of $23 billion in 1983 and a balance in 1984. Today, he reports that the deficit for the latter year, without drastic measures to "keep the lid on", will soar to $182 billion. The budget negotiators on both sides in Congress have accepted that figure as reliable even though it represents an increase of $25 billion from a figure in use just two months ago. Expenditures will probably climb from $742 billion this year to $1,013 billion by 1985, but tax revenues will climb much more slowly due to huge tax cuts in the works and to sluggish economic growth. Revenues are estimated to rise from $623 billion this year to $780 billion by 1985, making the deficit $233 billion in that year. What disturbs members of Congress is not just the unprecedented size of the deficits, but also the fact that the deficits are mushrooming. They know that without some progress in bringing the deficits down, the economy is likely either to remain in recession or to become highly inflationary again once economic growth picks up.

The first point is to acknowledge that no one really has a thorough knowledge of how the economy works and how it interacts with the federal budget. There are, however, several generally accepted reasons for the grim news on deficits. Unrealistic assumptions about what would happen in the economy account for some of the gap between projected and actual deficits. Every administration wants to look good, so its budget projections are optimistic. The optimism is not dishonest since economic forecasting is a complex and inexact science, but the result is that the initial deficit projections are invariably low. It is also true that small inaccuracies in budget projections of employment, growth, and inflation in the economy can lead to enormous mistakes in the budget figures. Another reason for the gap is the recession. Because of it, unemployment has been higher and government revenues lower. Since the recession has persisted longer than anyone expected, projected revenues have fallen even further. Cost reductions in the federal budget have been less than anticipated, but government outlays have been more. The major areas where additional future outlays are seen are social programs, military programs, and interest payments. The lower inflation rate of the past year has also contributed to the budget imbalance because a slowdown in inflation reduces the receipts of government more readily than it reduces the spending. But even with these plausible explanations of the problem, members of Congress are still shaking their heads. They have seen the deficit figures climb week after week, regularly exceeding the best guesses of the experts only a few weeks before.

This year's struggle with the budget has put us in a position I would not have thought it possible to occupy just a few years ago. So strong has the growth in the deficit been that we now hear that $100 billion in red ink (which is the goal sought by the budget negotiators) will be considered evidence of budgetary restraint and fiscal integrity. Thus, the reality is that without major adjustments to both the taxing and spending sides of the budget, the deficit will be out of control. A shortfall of more than $300 billion in 1986 is not unrealistic. Most members of Congress would agree that the economy cannot tolerate such fiscal excess on the part of the federal government.

The deficit figures lie at the heart of the budget negotiations now going on in Washington. While every member of Congress agrees that the size of the deficit should be reduced, there is wide disagreement on whether to achieve that reduction on the spending side, the taxing side, or both sides of the budget. Some legislators want to trim the deficits by cutting domestic programs. Other legislators want to accomplish the same goal by reducing military spending. Still others argue that raising taxes is the only way to get the federal government's books back in order. Unfortunately, many of these legislators tend to allow deficits if the deficits are for what they consider to be worthwhile purposes.

I believe that Congress has developed an unfortunate tolerance for unbalanced budgets. It must rid itself of that tolerance as soon as possible. I do not subscribe to the view, now quite fashionable among some of the experts, that deficits do not matter. Deficits do matter in several important ways. They drive up the operating cost of government because interest on the debt must be paid. They breed additional deficits by boosting the interest payments on each successive deficit. They spur inflation by increasing demand in the economy. They raise interest rates because public sector borrowing crowds out private sector borrowing, making credit more costly for everyone. The task of financing the deficit drains away private savings, pushes up interest rates, and drags down the economy.

Despite the problems and deep differences, the budget negotiators must "hang in there" and keep negotiating to produce a budget with a greatly reduced deficit this year and steadily declining deficits in future years. If the President and Congress fail to find a compromise which clears the way for a lower deficit and puts the budget on the path toward balance, our economic difficulties will not be resolved. The President and Congress must continue to try to break the impasse into which they have fallen.

I do not think that the American people expect miracles. If we produced a balanced, credible plan which progressively cut the deficits and strengthened key sectors of the economy over time, they would be satisfied.●

COUNCIL OF JEWISH FEDERATIONS

HON. HAMILTON FISH, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. FISH. Mr. Speaker, the Council of Jewish Federations held its quarterly meeting in Washington, April 22-25, 1982. The council, which is celebrating its 50th anniversary, represents more than 185 Jewish federations in communities throughout the country. These federations and their beneficiary agencies provide a wide array of health, education, and social services to the needy. At their recent meeting the board of directors adopted several resolutions which express the council's concern about our Nation's public social policy. I urge my colleagues to take note of these resolutions from a vital sector of our society voluntary agencies.

RESOLUTIONS APPROVED BY THE BOARD OF DIRECTORS OF THE COUNCIL OF JEWISH FEDERATIONS, INC., APRIL 25, 1982

In November 1980 the CJF General Assembly adopted a resolution stating that "an unfair portion of the burden of our economic situation should not be imposed on that portion of the population least able to bear it—the poor, the aged, the unemployed and minorities."

This position was reaffirmed by the CJF Board in April 1981 and again at the General Assembly in November 1981.

One year later, after the enactment of federal budget reductions of more than $35 billion for human services and the elimination of many programs targeted to the needs of the poor, the disabled, the aged and children, it is evident that these cutbacks have indeed hit hardest at poor and near-poor families and individuals. Millions of American citizens already have fallen through the promised "social safety net" and many more are hanging by a thread. Our Federations are now faced with increased requests for basic life-sustaining assistance: food, energy assistance for heating bills, medical care.

These service cutbacks come at a time when the general economy is in a deep recession and unemployment is at record high levels. As a result, Federations and their beneficiary agencies are seeing once productive, middle-income wage earners in need of job retraining and placement assistance. Yet federal funds for these programs were drastically reduced last year.

Federations and CJF have special roles to play. We must work at many levels and in many capacities to try to prevent a further unraveling of our social fabric; to provide assistance to those in need of help; and to maximize the resources in our own community in order to fulfill our role as a compassionate and just people.

To that end, the Public Social Policy Committee recommended and the Board of Directors approved the following resolutions:

RESOLUTION TO PUBLIC OFFICIALS

The Council of Jewish Federations, speaking on behalf of community-wide organizations in 185 Jewish communities throughout the United States, expressed its deep concern about the impact of federal budget cuts on millions of individuals and families in our nation. These Americans, who are bearing a disproportionate share of the reductions in federal funding, have seen their hopes and aspirations frustrated.

The Council of Jewish Federations firmly opposes any additional cutbacks in those human service programs that provide a lifeline to the neediest in our society. The poor, the working poor, the elderly, children, and the handicapped are already bearing an unfair portion of the burden of the budget reductions enacted last year. We urge those entrusted with social policy to act with compassion and justice and reverse the devastating impact of the current economic situation.

One of this nation's priorities has been, and must continue to be, to assist its citizens to be as productive as possible, to allow each individual to achieve his or her potential, and to provide adequate funding and programs for those who are unable to provide for themselves.

Federations have identified persons about whom they have the greatest concern. They are the aged, the children, the unemployed, single parent families, and families with marginal income. They have indicated that the following major programs, already cut and endangered by further cuts, have created the greatest problems for these people: social services block grant, medicaid, nutrition programs for the elderly and children, employment and training programs, rent subsidies for the elderly, food stamps, education programs.

It has been demonstrated over the last year that the voluntary sector cannot effectively replace cutbacks of such magnitude in public support.

Faced with the economic realities of the past eighteen months and the stresses they place on the social fabric of our country, we urge that there be a reversal of the policies that have brought about this continued erosion of human and social services.

RESOLUTION FOR FEDERATIONS

The Board of Directors of the Council of Jewish Federations recognizes the severity of the impact of present federal budget reductions and is concerned about the devastating effects of further reductions. Federations have identified persons about whom they have great concern. They are the aged, the children, the unemployed, single parent families and families with marginal income. They have indicated that the following major programs, already cut and endangered by further cuts, have created the greatest problems for these people: medicaid, social services block grant, nutrition programs for the elderly and children, employment and training programs, rent subsidies for the elderly, food stamps and education programs.

Federations and their beneficiary agencies must study and share the facts about current and future effects of budget reductions so that the Jewish community can more effectively meet its responsibility.

As citizens and Federation leaders we have a responsibility to keep our public officials and opinion-makers informed about the impact of public policies on specific human costs. This is especially true when we have expert knowledge based on our close relationship to human service programs.

Actions by several Federations working together and state-wide associations of Federations have proved to be very effective. We urge Federations to join state-wide coalitions where they exist and to consider establishing a state presence where they do not.

Federations should work closely with their Community Relations Councils in social action programs.

Federations should seek out other appropriate community and religious organizations that are providing or concerned with human services and join in coalition with them.

Federations should consider advocacy on behalf of these goals a matter of high priority and should share their experiences with other Federations and the Council.●

INTERNATIONAL YEAR AGAINST DRUG ABUSE

HON. TOM RAILSBACK

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. RAILSBACK. Mr. Speaker, today I am introducing a concurrent resolution with other members of the Select Committee on Narcotics Abuse and Control that would urge the President to promote a United Nations International Year Against Drug Abuse. My colleague, Senator PAULA HAWKINS who has formed a Senate Drug Caucus is introducing the resolution in the Senate. I would like to commend her efforts in the Senate to promote awareness of the drug problem and programs to fight it.

We are aware of the drug problem in this Nation. In 1980 over 40 metric tons of cocaine were imported into this Nation and 11,000 metric tons of marihuana. It has been estimated that over $79 billion in illegal drugs are sold annually. But the drug problem is not limited to this Nation alone. Over 90 percent of illegal drugs are produced abroad and drug abuse throughout other nations in the world has not decreased. Through efforts of this administration and the Vice President's task force there has been progress in the reduction of the flow of drugs. However, drug abuse remains one of our Nation's most serious and vexing domestic problems. Unfortunately many of the victims of this situation are adolescents and children.

This resolution will hopefully serve as a catalyst to enhance the awareness of the drug problem and stimulate international action. I urge my colleagues to support this resolution and efforts on every level to fight illegal drugs nationally and internationally.●

DO WE HAVE A NATIONAL ENVIRONMENTAL POLICY?

HON. WILLIAM R. RATCHFORD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. RATCHFORD. Mr. Speaker, 12 years after the first Earth Day, a national day of concern for the environment, serious questions are once more being raised about our commitment to clean air, clean water, protection of people from hazardous wastes and protection of plants and animals from endangerment or extinction.

Some of these questions were poignantly raised in a column which recently appeared in the Hartford Courant. Its author, Doug Costle, is a former administrator of the Environmental Protection Agency and commissioner of environmental protection for my own State of Connecticut.

Mr. Costle's remarks follow:

ENVIRONMENTAL POLICY: WANDERING IN THE DARK

(By Douglas M. Costle)

As the 12th anniversary of Earth Day arrives today and I ponder the current state of our environmental policy, I am reminded of a 19th-century botanist named Thomas Nuttall.

While a competent enough botanist, Nuttall suffered from one problem—he kept getting lost. In fact being lost was not an occasional problem with poor Nuttall. It could almost be called routine.

On one expedition, a search party was organized when he failed to return to camp. As they approached Nuttall, however, he assumed the worst: an Indian war party. Naturally he tried to escape. As he ran, so did his rescuers. They ran faster. So did he. Three days later, after forging streams and blundering through underbrush, Nuttall, having traveled in a circle, accidentally stumbled on his camp. When the exhausted rescue party finally caught up with him, they were, to paraphrase Queen Victoria, not amused.

I'm afraid that, like Nuttall, our national environmental policy has not only managed in the past year to get itself lost, but has transformed distracted wandering about from an occupational hazard to a primary occupation.

The current secretary of the interior, James Watt, shows an unprecedented indifference to the real mandate of his position: the preservation of our natural heritage for generations yet to come.

At the Environmental Protection Agency, draconian budget cuts will reduce research by two-thirds and turn enforcement, as one observer puts it, into a velvet glove beneath a velvet glove. The result is that the professional staff it has taken a decade to hire and train is being systematically driven out. Never has there been such a hemorrhage of good people from EPA as there is occurring right now.

The dollar figures show that EPA will be cut in half just as its workload doubles as a result of all the programs, enacted in the '70s and now reaching the critical point of implementation.

The tragedy of all this is that, in the dozen years since the first Earth Day, we have seen solid progress. We created a working institution, EPA, which, having attracted thousands of dedicated and extraordinarily skilled people, was progressively improving the quality of our air and water.

All of this was accomplished during six successive bipartisan Congresses and under three administrations, two Republican and one Democratic, none of which ever allowed partisan politics to enter into the administration of our environmental laws.

Is the Reagan administration turning its back on conservation because it is receiving a new set of signals from the people? I think not. Indeed, there is incontrovertible evidence that this is not at all the wish of the American people. Far from unconcern about the environment (and even further from a desire to destroy the EPA) the American people overwhelmingly support strong environmental programs. Testifying before Congress last October, pollster Louis Harris said that ". . . not a single major segment of the public wants the environmental laws made less strict," and that "this message on the deep desire on the part of the American people to battle pollution is one of the most overwhelming and clearest we have ever recorded in our 25 years of surveying public opinion."

These attitudes are rooted in 12 years of growth in environmental awareness. On the first Earth Day, only a handful of people knew the meaning of the word "ecology." Today, any schoolchild can define it. Environmental protection—by which we mean the husbanding of our natural resources for long-term gain rather than shortsighted squandering—has become a permanent part of our political value system.

Nevertheless, the dichotomy between the expressed desires of the American people and the response of its current leadership indicates that something more than common sense persuasion—or even evangelism—may be required in the years ahead. Some environmentalists believe that political action is the answer for the '80s.

In Connecticut, a group called "ELECT" is devoting itself to the support of General Assembly candidates with a demonstrated concern for conservation issues. Similar groups are forming across the country. This new grassroots, or "green vote" movement, as it has been dubbed, gives renewed zest to the environmental movement at a critical time. It tells us that all is not lost, that the environmental movement, unlike poor botanist Nuttall, is capable of finding its bearings and is, indeed, already on its way back to its original vigor.●

CALL TO CONSCIENCE VIGIL

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. MAZZOLI. Mr. Speaker, for the past few years I have taken part in the congressional call to conscience vigil in an attempt to draw attention to the plight of Soviet Jews and other prisoners of conscience who are seeking freedom and emigration from the Soviet Union.

Let me just say, Mr. Speaker, how proud I am of my hometown of Louisville, Ky., for opening its doors to those who have been able to leave the Soviet Union. Since 1973 some 432 Soviet Jews have come to Louisville, where the Jewish community's American resettlement program has won national recognition for its success in helping these people adjust to their new lives in America.

It is unfortunate, Mr. Speaker, that between 1979 and 1981 the number of exit visas granted to Soviet Jews has dropped by 82 percent. In particular, I am concerned about the plight of the Yakov Beilin family.

Yakov Beilin is a forestry technician who lives in a small Jewish community in Tula. Most of his family, eight aunts an uncles who previously lived in Vilna, were exterminated with their young children during Worl War II.

In 1973, Mr. Beilin's father died after a long illness. Before he died, his last stated wish was that his family move to Israel where his only sister resided. This request the widow Beilin decided to fulfill.

Yakov Beilin's mother was granted permission to emigrate to Israel, but Yakov Beilin, his wife, and two children were refused. Despite her age and frailty, Yakov Beilin's mother decided to make the move.

His mother remains most distressed by being separated from her family. She writes:

> I have but one desire. I beg you to help me bring my son and his family to Israel. The few years that I have left to live I would like to spend together with him.

Mr. Speaker, as one of many concerned Members participating in this year's vigil, I hope the Soviet Union will exhibit respect for basic human rights and privileges, as guaranteed under the Soviet Constitution and the Helsinki accords, and reunite the Beilin family and other Soviet families in similar circumstances.●

SPENDING IS THE PROBLEM

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. HUBBARD. Mr. Speaker, the Kentucky New Era, Hopkinsville, Ky., one of the largest daily newspapers in my district, said in a recent editorial that the Government's money problems are the result of the excessive spending practices of Congress. The editorial, which was sent to me by Dr. George S. Beard of Hopkinsville, is very appropriate during these discussions on the 1983 budget. I believe the editorial should be shared with my colleagues and I wish to do so at this time. The editorial follows:

> Many in Congress are using their criticisms of President Reagan's projected budget deficit to hide from their obvious responsibility to reduce federal spending.
>
> Even top congressional leaders from the president's own party have announced their alarm over the projected deficit and warned him Congress wouldn't stand for it.
>
> But Sen. Bob Dole didn't offer to help by cutting off federal funds to Kansas wheat farmers, and Sen. Jesse Helms didn't suggest an end to subsidies for tobacco farmers in North Carolina.
>
> We aren't suggesting these steps, either. We are suggesting that Congress, which has the final responsibility for balancing the budget, has shown little inclination to do as much in recent history.
>
> Amiable as always, the president advised his worried cohorts that Congress would have "running room" to work down the deficit.
>
> But later clarification of the president's position makes clear that running room does not include tax increases or defense cuts.
>
> There still is great public support for the Reagan program, although the outcry from other elected officials inevitably is causing many to waver.
>
> And it's fair to say that the president has not responded adequately to his critics who blame the enormous new deficits on his increased defense spending and tax cuts.
>
> Martin Feldstein, professor of economics at Harvard University and president of the National Bureau of Economic Research, offers a convincing response to those critics.
>
> Dr. Feldstein recently wrote, ". . . it would be wrong to say that the . . . deficit figure is due to a massive cut in personal tax rates. The 25 percent reduction . . . will be just enough to prevent bracket creep from raising the share of income that is taken in taxes.
>
> "It would also be wrong to say that the prospective deficit is due to a major rise in defense spending since the 7 percent a year real increase . . . would raise defense spending only from 5.5 percent of GNP in 1980 to 6.5 percent in 1984."
>
> Feldstein vigorously opposes canceling personal tax cuts or increasing other taxes now because this would reduce pressure on Congress to hack away at unnecessary government spending.
>
> The Reagan scenario for licking the deficit problem—and it is a serious problem—calls for an economic upturn later this year.
>
> He has pointed out that a drop of 1 percent in unemployment would shave $25 billion from the deficit.
>
> We continue to believe the president's theory should be given a chance to work before Congress returns to the same old way of doing things.
>
> The government's money problems are the result of spending too much, not collecting too little.●

CLEAN AIR IS GOOD BUSINESS

HON. JAMES M. JEFFORDS

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● **Mr. JEFFORDS.** Mr. Speaker, as the debate over the reauthorization of the Clean Air Act continues in Congress, I believe it is important for all Members to keep in mind the popularity of this law throughout this country. Moreover, those who argue that economics dictate a need to weaken the act should bear in mind that clean air is important to a sound economy in many areas. My State of Vermont is a clear example of this and some in the business community have broken with their national counterparts who support the so-called dirty air bill, H.R. 5252. The following editorial from the Brattleboro Reformer indicates that many Vermonters recognize that clean air is good business.

VERMONT AND CLEAN AIR

Sam Lloyd is businessman. But his recent record as a Vermont legislator is what makes him important on the public scene. As a member of the Vermont House and chairman of its Natural Resources Committee, Lloyd took many stands that led to the protection of Vermont's environment, from the bottle bill to Act 250.

His environmental work and his bow ties came to symbolize the man of integrity from Weston.

Now Lloyd has taken another stand. He angrily quit the Vermont State Chamber of Commerce this month because of an environmental stand the chamber would not take.

Following the example of the U.S. Chamber of Commerce, the Vermont chamber is supporting a bill which would amend—and weaken—the federal Clean Air Act. The wayward bill is endorsed by the Reagan administration. The state chamber also has been promoting a state bill which would authorize interstate advertisers to place directional signs on Vermont's highways.

"It just dumbfounds me, "Lloyd said in quitting the state chamber. "I don't see how they can do these things."

He said the directional signs, which would point motorists to ski areas and other Vermont attractions, could weaken the state's roadside billboard law for off-premise sites.

As for the Reagan-endorsed, "Clean Air Act", someone with Lloyd's environmental interests could not stomach a measure which could, in his view significantly weaken environmental controls—especially when such an act could adversely affect Vermont.

In his resignation letter to the state chamber, Lloyd said the amended bill could, if made law, be "devastating to our natural environment—and thus, in the long run, to our business community."

In that vein, Senator Robert Stafford, R-Vt. said the proposed act fails to meet the problem of acid rain born from midwestern factories and coal plants. The pollutants drift northward and eastward and, falling earthward, kill lakes in Canada and the northeastern United States, including in Windham County.

Senator Stafford, the chairman of the Senate's Environment and Public Works Committee, has chosen to think of his state first and Reagan politics second by opposing the act. A man of integrity in his own right, Stafford calls it the "dirty air bill."

Senator Stafford thus went against his party and his president to oppose a measure he thinks is harmful for Vermont.

For the same reason, Lloyd quit an oranization that has obviously benefits for him as a businessman.

Those are acts of integrity and leadership. But in going along with Reagan-endorsed "dirty air bill," the Vermont chamber is supporting a measure that could harm both the state's beauty and its business in the long run.

That's not leadership. It's just blindly endorsing the Reagan administration.●

SEXUAL ASSAULT

HON. JIM SANTINI

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● **Mr. SANTINI.** Mr. Speaker, I am appalled by the unprecedented increase in sexual offenses in the United States, and I would like to share with my colleagues an article which recently appeared in the Las Vegas Review-Journal. The views of Florence McClure—head of the Las Vegas Rape Crisis Center—which are found therein, shed light on the growing problem for my State and for the Nation.

I would like to draw attention to the fact that in this Nation, there is a rape on the average of every 7 minutes. In my own State of Nevada there has been a 28-percent increase in reported offenses of sexual assault within a year. Steps must be taken to reduce drastically the number of acts of this nature, which can cause humiliation and distress in the lives of those offended.

[From the Las Vegas Review-Journal, Nov. 1, 1981]

INDECENT EXPOSURE CASES ON INCREASE IN LAS VEGAS

(By Richard Cornett)

In the early 1970s, "streaking" was the "in" thing to do.

On college campuses, subways and live television talk shows, brazen men and women stripped down and "flashed" through crowds in a naughty, yet devilishly humorous display.

It appears the social phenomenon is making a comeback, at least in Las Vegas, but the act carries its traditional labels—"gross lewdness" and "indecent exposure"—and it's nothing to be laughed at. It is turning into a serious problem, according to local authorities.

"This town is getting sick," said one Metropolitan policeman after a recent incident.

This week a woman reported that a man pulled up alongside her car at a Las Vegas intersection, exposed himself out the car window and masturbated in front of her.

When police captured a Cuban who was found to be a repeat offender, police said, he was arrested and hauled into court last week. He had masturbated in front of three small children at "Fantasy Park."

According to police records, there has been a 40 percent increase over last year in indecent exposure cases. Last month, 15 were reported.

The question arises: Is the individual who engages in such an act considered dangerous and prone to violence? Or is he on par with a voyeur, exhibitionist or peeping Tom?

Florence McClure heads the Las Vegas Rape Crisis Center and is considered by many people to be a local authority on sex crimes. She lectures at area high schools about rape, indecent exposure and other sexual offenses.

"These types of individuals gain sexual satisfaction from their lewd sex acts in front of strangers," McClure said. "It's equal to a sexual climax when they hear women and children scream when they are seen naked.

"Usually the flasher doesn't have a good relationship with his peers or is unable to cultivate a lasting relationship with the opposite sex."

McClure said that typical flashers are not known to commit rape or other forms of violence. On the contrary, they feel sexually inferior. They are just attempting to achieve sexual pleasure in their own perverted way.

She warns the worse thing a victim can do is laugh.

"They use the act as a way to gain sexual fulfillment. When someone outright laughs at him he can easily be thrown into a state of turmoil and depression."

Of the 15 cases reported last month, according to police reports, five involved Hispanic males.

"We don't know if it's their culture or what. But Hispanics are reported as the top offenders in this category," one policeman said. "They are really committing a disproportionate amount of this type of crime."

McClure said Hispanics deal with such a crime in their own countries by deadly warfare with the family of the offender. Thus the matter is resolved through the family unit and seldom is learned by outsiders.

However, many Hispanic women living in the United States are realizing police take care of such matters and turn the crime over to the proper authorities. The bottom line? There's more Hispanics committing crimes of indecent exposure because more of them are being reported, McClure said.

According to Sgt. John Somolovich of Metro's sexual assault detail, a flasher typically hangs out in local parks and schools, but he may show up in empty parking lots at shopping centers or outside department stores.

He warns victims of this crime should not attempt to apprehend the suspect but ignore him, get a description and inform police.

MILITARY OPPRESSION IN POLAND CONDEMNED

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● **Mr. ZABLOCKI.** Mr. Speaker, the repression in Poland continues despite the token release of some of the thousands of internees who have been held

without charge by the Communist military regime since they were seized on December 13, 1981. During the months that have elapsed, the suffering people of Poland have never been far from the minds and hearts of the American people.

Mr. Speaker, in the past 12 months hundreds of thousands of food parcels have been delivered to those most in need through the cooperative efforts of private relief organizations and the Catholic Church in Poland. Moreover, public demonstrations and gatherings throughout our Nation have offered expressions of support for the cause of human rights in Poland, accompanied by condemnations of the Soviet-endorsed military rule which has pitted Pole against Pole.

Mr. Speaker, because they represent the thoughts of millions of our citizens, I would like to share with our colleagues just two of the many resolutions I have received, one from a national organization, the American Council of Polish Cultural Clubs, and the other from the Pulaski Council in my own district:

Whereas, the American Council of Polish Cultural Clubs, a national association of Americans of Polish descent, is dedicated to the goal of promoting a better understanding of Poland's rich cultural heritage, liberal tradition and commitment to freedom and,

Whereas, the military dictatorship inflicted upon the Polish nation on December 13, 1981 under pressure of the Soviet Union is stifling free expression, denying academic freedom, imposing total censorship, prohibiting communication and is in every way thwarting the will of the Polish people in violation of the United Nation's Declaration On Human Rights as well as the Helsinki Accords, be it

Resolved, That the American Council of Polish Cultural Clubs condemns the Soviet-inspired military takeover of Poland, the suppression of Solidarnosc, the jailing of its leaders, the denial of democratic processes and freedom of assembly and what is, in fact, a total subjugation of the Polish nation.

The Council commends the actions of the United States government and those of its allies in condemning the renewed enslavement of the Polish people.

The Council cautions however against what appears to be a tendency toward allowing the unfortunate present situation in Poland to become a status quo. It urges therefore that the United States maintain a firm commitment to the freedom of the Polish people.

RESOLUTION

We, the Polish Americans of Milwaukee, Wisconsin, representing various civic, veterans, religious, and cultural organizations, gather here today at Kosciuszko Park, under the auspices of the Pulaski Council, to pay tribute to the Polish Constitution on its 191st Anniversary of May 3, 1791.

We hereby adopt the following resolution:

Whereas, This progressive Constitution emboded the new ideas of justice, democracy and freedom;

Whereas, Poland became one of the first pioneers of the important components of modern, true democracy declaring the fundamental principle that all power in free society is derived from the will of the people;

Whereas, The imperialistic neighbors from the West and East for centuries have forced the Polish freedom-loving people to live in slavery.

Whereas, Since the adoption of the Constitution all Poland's generations took up arms in struggles to resist foreign occupation and to restore free and independent Poland;

Whereas, After 36 years of Red oppression the Solidarity Movement won from the regime some freedom which soon has been destroyed by the imposition of Martial Law and a wave of brutal repression;

Whereas, Once again brave people of Poland have been imprisoned by the military junta, which attacked all patriotic segments of their own nation;

Whereas, the Jaruzelski junta continues to violate the Helsinki Accords and the United Nations Covenant on Human Rights;

Therefore be it resolved:

1. We condemn the Soviet Union for instigating its puppet Polish Military Communist regime;

2. We thank President Reagan, the American Labor Union and all American people for their support of the Polish Solidarity Movement and the self-determination of the Polish nation;

3. We appeal to our government:

To impose more effective total economic sanctions against Soviet Russia; total trade and credits embargos,

To bring the Polish crisis before the Security Council of the United Nations,

To demand the restoration of all full rights for the Polish "Solidarity" Labor Union,

To demand that Martial Law be revoked and all Solidarity leaders with Lech Walesa be freed as the first step to deal with Jaruzelski's regime.

4. We appeal from Milwaukee to the entire American nation for mobilization of its moral and spiritual forces for the decisive struggle against communism, Soviet imperialism and its agents who enslaved Central-East Europe.

Communism is attacking us relentlessly with psychological, political and economic weapons.

In this mortal contest every American must become a soldier of liberty.●

TORRES: MARXIST-LENINIST PRINCIPLES GUIDE FLSN

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● **Mr. LAGOMARSINO.** Mr. Speaker, the following statement by a member of the general staff of the Sandinista Peoples Army in Nicaragua is further evidence of the Marxist-Leninist ideology of the Sandinista regime in Nicaragua.

TORRES: MARXIST-LENINIST PRINCIPLES GUIDE FLSN

The 112th birthday of Vladimir Ilich Lenin was commemorated at the Jose Benito Escobar workers federation last night.

The event was headed by Brigade Commander Hugo Torres, member of the General Staff of the Sandinist Peoples Army; Soviet Ambassador German Shlyapnikov; Socorro Galan, president of the Nicaraguan Association of Friends of the Socialist Countries; and the members of the Executive Committee of the Nicaraguan Labor Coordination Organization, as well as delegates from the diplomatic corps of the socialist countries accredited to our country.

In greeting the birth of the leader of the working class, Galan stressed the importance of integrating the peoples to the efforts for peace, friendship and solidarity as set by Lenin's fruitful life.

In his speech, Shlyanpnikov referred to the giant boost that the October Revolution, led by Lenin, gave to the peoples of the world. He said that the winds of the revolutions and the Leninist ideas continue to blow the sails of social progress and the hopes of humankind are based on them.

In the final part of his speech, the Soviet ambassador emphasized that his government, faithful to the Leninist postulates for peaceful coexistence, recently proposed a summit between Ronald Reagan and Leonid Brezhnev. This meeting, he added, could be held in Switzerland or Finland this year to discuss the problems of disarmament but this proposal has not received an answer from the White House yet.

Meanwhile Torres said: The principles of Marxism-Leninism, wisely applied to the reality of our society, guided the revolutionary actions of the FSLN, the Nicaraguan people's vanguard, to the victory over the dictatorship. Through Lenin, Torres continued, we learned of a different world as explained by Carlos Fonseca and German Pomares. Lenin said that the people needed a vanguard in order to succeed and the Nicaraguan people succeeded because they had the FSLN which knew how to interpret the people's will and their best aspirations and how to study the relationship between the oppressors and the oppressed, he noted.

Torres stressed that the Nicaraguan vanguard, through Sandino and Fonesca, knew how to apply the principles of the international revolution by adjusting them, in a creative manner, with the country's reality. He also emphasized that the existence of the Soviet Union and the socialist sphere have prevented imperialism from unleashing all its aggressive potential in the world.

He concluded by saying that it is not possible to talk about the defense of the revolution if it is not carried out through the joint action of workers, students and peasants as prescribed in the Leninist doctrine.●

NASA SALUTES CAMDEN, N.J. STUDENTS

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● **Mr. FLORIO.** Mr. Speaker, I would like to join the National Aeronautics and Space Administration in honoring some of my constituents from the city of Camden.

I am pleased that NASA has honored my request to send an astronaut, Lt. Col. Guion S. Bluford, Jr., this May 10, to the city's two high schools as a tribute to the students who have built an experiment that will probably go into space aboard the Shuttle later this year. If all goes according to plan, the students, and the scientific community, will find out whether a weightless environment has any effect on the social structure of a colony of living creatures, namely carpenter ants.

NASA deemed this experiment significant because we have never sent an entire colony of creatures into space before. Observing how the ants react to a prolonged weightless state might provide information useful to future human space colonists.

The educational program under which the experiment was developed is called Orbit '81, and it has already provided some very useful information.

It has shown that the private sector, with a relatively small investment, can help the school systems in its communities. In this case, RCA Corp., will pay the $10,000 fee to get the experiment aboard the Shuttle.

Since this program started 4 years ago, the company's engineers from nearby plants have lectured the students, answered their questions and exposed them to the work-a-day world of engineering.

The South Jersey Chamber of Commerce, another representative of the private sector, assisted the school district with a grant to develop an enriched 4-year science curriculum for the Orbit '81 students.

As a result, the program has achieved its primary objective—that of interesting minority students in science. Enrollments in courses such as chemistry and physics have risen. The teachers say this is due in large part to the interest created by Orbit '81.

Several of the Orbit '81 students who will be graduating this June have changed their college plans to pursue science careers.

There has been another important result, too, and I would like to quote one of the students in summarizing it.

"I think this program has given the city a positive outlook as to what its students can do," said Lorenzo Holloway, a senior at Camden High. "When you go to an urban high school, people tend to look mostly at athletics. But this has given them a chance to look at the academic side."

I would like to add that the success of these students has given anyone looking at urben schools a chance to look at the bright side.

Mr. Speaker, for the benefit of my colleagues, I would like to request that the following material be entered into the RECORD.

PROPOSED AGENDA: LT. COL. GUION S. BLUFORD, JR., MAY 10, 1982, CAMDEN, N.J.

Time	Place/event	Person responsible
9:00 a.m.	Camden City Hall, Key to city, meet city officials.	Mayor Primas.
10:00 a.m.	Woodrow Wilson H.S., meet principal school officials.	R. Gottschall, principal.
10:25 a.m.	Assembly WWHS, Student presentation, remarks by Lt. Col. Bluford.	N. Timpanelli, Orbit '81 coordinator.
11:05 a.m.	Q. & A. with students, tour of lab and view experiment.	Do.
Noon	Lunch, WWHS	Do.
1:00 p.m.	Arrive Camden H.S. meet principal, other school officials.	R. Cream, principal.
1:30 p.m.	Assembly CHS, student presentation, remarks by Lt. Col. Bluford.	F. Reiss, Orbit '81 coordinator.
2:00 p.m.	Q. & A. with students, tour of lab and view experiment.	Do.
3:00 p.m.	Press conference CHS, Lt. Col. Bluford, RCA, school and city officials.	D. Shore, RCA coordinator.
6:30 p.m.	Reception	Do.
7:00 p.m.	Dinner	Do.
8:00 p.m.	Lt. Col. Bluford's speech (general topic)	Do.

Point of contact: T. N. Chavis, (609) 338-6308, assistant coordinator, RCA.

FACT SHEET: ORBIT '81

GENERAL DESCRIPTION

Orbit '81 was conceived in November 1977, at a meeting between NASA officials and community leaders in the Philadelphia region.

Mrs. Riletta Cream, principal of Camden High School, said there was a need for a program to interest minority students in science. Irving K. Kessler, an RCA executive vice president, offered to pay NASA's $10,000 fee to get a student-built experiment into one of the space shuttle's "getaway special" canisters.

In January of 1978, the Camden School board approved the concept. Mr. Kessler appointed David Shore, RCA Division Vice President of Business Development, as coordinator of a program to provide technical and financial assistance to Camden and Woodrow Wilson high schools.

Mr. Shore dubbed the program Orbit '81, anticipating three years of science training that would culminate in a completed experiment.

In May of 1979 a group of students from both schools selected an ant colony as the subject for their experiment because ants have an observable social structure, and for other reasons: 1) ants have hard external skeletons capable of withstanding the force of launch; 2) ants have a life cycle which allows for observation of births and deaths in weightlessness.

To record their data, students decided to train video and movie cameras on the ant colony during the planned one-week mission of the space shuttle.

GETAWAY SPECIAL PROGRAM

The small "getaway special" payloads which NASA accepts for voyages on the space shuttle, are handled on a space-available basis, generally in a first-come, first-served sequence.

The five-cubic-foot canister (about the size of a 30-gallon trashcan) must not draw upon the shuttle's services beyond three on-off controls operated by an astronaut.

The GAS program, as it is called, was created to encourage use of space by researchers from industry and the general public, foster enthusiasm about space among the young, and generally increase knowledge of space.

Users must pay a fee and meet NASA's safety and a scientific requirements.

Approximately 300 companies, schools and individuals have reserved GAS payloads for future shuttle missions.

Many of the experiments will test the possibility of using the low gravity of space to improve industrial processes and materials. Others, such as the Orbit '81 experiment, seek results on the effect of weightlessness on organisms.

CONDITIONS

Before implementing a program, RCA and school district officials agreed on several conditions:

(1) The experiment had to be significant. It could not be a cause for ridicule because it was too elementary.

(2) A minimum of three years of enriched science courses would be necessary.

(3) The experiment had to be a team effort, rather than the work of one student because the team approach is closer to how problems are solved in industry.

(4) As much as possible, the student-body of both schools had to be involved. Thus, journalism students published an Orbit '81 newsletter. Industrial arts students assisted in fabrication and assembly and art students promoted the project with posters. When Dr. Robert Frosch, NASA administrator, visited the schools, home economics students prepared a special "space meal," and the music department played a "space concert." Also, the dramatics department put on a "space skit." The choir sang an Orbit '81 song.

(5) Student interest should be enhanced by lectures, field trips, assemblies and other means.

CURRICULA

Both Camden and Woodrow Wilson high schools have a core group of about 15 Orbit '81 students. In addition, students from journalism, industrial arts, and art curricula have been active participants in the program.

All Orbit '81 students have taken "space science" courses (one each year) developed by the faculty and administrators from both schools.

Space science covers such topics as the space environment, the space shuttle, and the shuttle's "getaway special" program.

At Camden High School, teachers and administrators selected Orbit '81 students in their freshman year, based on previous abilities in science and mathematics. Students who accepted were expected to participate in Orbit '81 for four years. They took space science each year and worked on one of the experiment's three teams—computer, ants or engineering design.

The computer team developed flow charts for a microprocessor to control the experiment's cameras, lights and other equipment. Another group studied the ants to observe their behavior and discover the conditions needed to keep them alive during the experiment. A third team developed a design to place all the equipment within the NASA canister, which is about the size of a 30-gallon trashcan.

At Woodrow Wilson High School, participation in Orbit '81 was left open to volunteers, regardless of previous academic achievement. Interested students could participate for any number of years, according to Mr. Nick Timpanelli, the program's adviser. Some students, he said, chose to participate for only one year. Others have remained in the program for four years.

EXPERIMENT

The ants will be placed in a specially designed farm that has a wooden frame and non-glare plexiglass.

An RCA consumer-grade video camera and a movie camera, each powered by their own batteries will be used to record the activities of the ants. These cameras, and a fluorescent light will be controlled by an RCA microprocessor. The video camera will record lift off and immediate weightless activities, and the super 8mm camera will photograph the ants periodically.

The video camera will be connected to a recorder in the canister. The individual frames of the movie film will provide still pictures of the ant colony.

The ants will be kept at a temperature between 75 and 85 degrees. If the canister gets too hot or cold a rod, which is connected to a temperature sensor and controlled by a solenoid, will be raised to touch the canister lid, transferring heat. A fan, also controlled by the microprocessor, will circulate air when necessary.

The students chose an ant colony for their experiment because it has an observable social structure that might be affected by prolonged weightlessness, information that might help future human space colonists. During the scheduled one-week shuttle mission, some ant eggs probably will hatch, while other ants die. Such observations might provide more insights into the affect of weightlessness.

RCA'S ROLE

RCA will pay NASA's $10,000 fee to get the Orbit '81 experiment into a "getaway special" canister.

Engineers from plants and the staff of RCA's Government Systems Division have lectured students on computers, computer software, amateur radio satellite terminals, and electronic test equipment.

Students have taken several field trips to RCA plants in southern New Jersey (Princeton, Camden and Moorestown).

The division's engineers have served on an advisory committee for the students' design of the experiment. In addition, the division has donated more than $300,000 worth of surplus electronic test equipment to both high schools.●

IN SUPPORT OF SOLIDARITY SUNDAY FOR SOVIET JEWRY

HON. MILLICENT FENWICK

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mrs. FENWICK. Mr. Speaker, last Sunday, May 2, was celebrated around the United States as Solidarity Sunday for Soviet Jewry. I would like to take this occasion to speak out in support of Soviet Jews and all Soviet people who want to emigrate from the Soviet Union or practice their religion with the freedom we in the United States take for granted.

In 1979, 51,320 exit visas were granted to Soviet Jews. In 1981, the number fell to 9,447. Besides the drastic decrease in the number of exit visas granted, we can only guess at the number denied. The Soviet Union is filled with prisoners of conscience, refusenik scientists, and victims of religious harassment.

Soviet Jews are not accorded even the basic human right to practice their religion. They are under the constant threat of harassment by the security forces who break into private homes, disrupting families, confiscating property, threatening physical harm, and arresting specifically those Jews involved in the study of Hebrew.

If the Soviet Union were truly devoted to its proclaimed ideals of freedom and equality there would be no need to threaten its own citizens with reprisals, physical harm, and even jailing, simply for exercising their basic human right to practice their religion. There would be no need for the erection of barriers to freedom of emigration. Unfortunately, the Soviet Union is not devoted to these proclaimed ideals. Unfortunately, the concept of freedom has long ago been forgotten by the Soviet leadership. Unfortunately, it is the people of the Soviet Union, like Soviet Jews, who are forced to suffer from this repressive system.

We in the United States, who have these cherished freedoms must never take them for granted, but must exercise those freedoms on behalf of others, like Soviet Jews. To all those Jews who suffer from the repression that is such a central part of Soviet Government, may I wish you freedom from that oppression, the opportunity to practice your faith in peace, the opportunity to emigrate, and finally, Shalom.●

TAX FREEDOM DAY

HON. LARRY J. HOPKINS

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. HOPKINS. Mr. Speaker, today, May 5, 1982, is Tax Freedom Day. For the first day this year, American workers have worked enough this calendar year to pay their portion of the national tax bill, and they are now working for themselves.

This year, Tax Freedom Day falls 3 days earlier than last year. I am pleased with this improvement, which is small, but it represents an improvement, nonetheless. I am proud to have contributed to this tiny liberation of hard-working Americans through my vote for the Economic Recovery Act, and my efforts to trim inflation. As a result of the tax cut which went into effect last October 1 and the much lower rate of inflation this year, each of us now has 3 additional days per year we can truly call our own—3 days during which our efforts are devoted toward achieving our own financial goals, not enriching Uncle Sam.

It is ironic that Tax Freedom Day this year should occur amidst talk of repealing the individual tax reductions. The President and those of us who believe the tax cut is needed to boost the economy do not want to tamper with the 10-percent tax cuts that are supposed to go into effect in July of both 1982 and 1983. But, the big spenders who depend on big taxes want to delay or take away these tax cuts.

I find this very curious. If the big spenders are successful in delaying or cutting out the second- and third-year tax cuts, they will be hurting the very people they are claiming to help—the poor and the middle income taxpayers. Last year, only a 5-percent tax cut was implemented—and it was in October, so it actually only amounted to a 1¼-percent cut. But the result was actually a net increase in taxes after social security taxes went up in January. So, middle and lower income people did not get much benefit from the first year of the tax cut.

That is why it was installed as a phased-in, 3-year tax cut package. I intend to back the President in his refusal to take away these tax cuts—and, from the messages I have received back home this week, most people agree that these tax cuts should remain in place. I will oppose any attempt to repeal the tax reductions now in law. It is my firm hope that, in the very near future, we will celebrate Tax Freedom Day well before May Day. American workers will than have something truly worth celebrating.●

CINCO DE MAYO—A DAY OF GLORY

HON. JOHN G. FARY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. FARY. Mr. Speaker, today is May 5, Cinco de Mayo, which is celebrated by Mexicans and Mexican Americans as the beginning of a revolution against foreign domination. It is the anniversary of the 1862 Battle of Puebla, in which Mexican forces against overwhelming odds defeated French invaders. The battle itself was not of great military importance since the victory represented only a temporary setback for the French troops; it nevertheless appealed to the imagination of the Mexicans and gave them the moral confidence they needed to win victory in the long run. May 5, a national holiday in Mexico, is therefore celebrated with festivities by Mexicans both at home and in the foreign countries.

To the people of Mexico, the Battle of Cinco de Mayo symbolizes the defeat of the French empire in their nation. The defenders of Puebla are honored as champions of Mexican freedom, self-determination and independence. Those who fought on the 5th of May personify the ideal of devoted and sacrificial love for country, as they chose to pit themselves aganist fatal odds rather than support those of their countrymen who sought to deliver Mexico into the hands of a foreign invader.

In Puebla, the Mexicans for the first time took a stand against the invaders and succeeded without foreign assistance of any kind in soundly beating a superiorly trained and equipped army. Thus, Cinco de Mayo became a symbol of the victory of the human spirit over all military odds, and demonstrated that unity could be achieved among a people that had been torn with internal dissension for almost half a century. The drama that unfolded at Puebla is the source of a strong sense of national consciousness and national pride among the Mexican people.

Today, the Battle of Cinco de Mayo remains for the Mexican people a revered symbol of Mexican valor in the face of superior odds, of the profound love of Mexicans for their homeland, and of the indomitable Mexican spirit. Mr. Speaker, we must all join in celebrating this great anniversary of Mexican valor.●

CONGRESSIONAL SALUTE TO THE HONORABLE MARC THOMAS FINN OF WAYNE, N.J., "PAUL HARRIS FELLOW," ROTARY CLUB OF WAYNE

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. ROE. Mr. Speaker, on Wednesday, May 12, the residents of my hometown of Wayne, Eighth Congressional District, and State of New Jersey will join together with our fellow Rotarians in testimony to an outstanding community leader, distinguished citizen, and good friend, the Honorable Marc Thomas Finn of Wayne, N.J., whose standards of excellence throughout his lifetime have earned him the most highly coveted honor of being chosen the "Paul Harris Fellow" of the Rotary Club of Wayne—the highest award that Rotary can bestow upon any of its members. In recognition of Tom's esteem among the officers and members of the Rotary Club, they have declared May 12 as M. Thomas Finn Day. I know that you and our colleagues here in the Congress will want to join with me in extending our heartiest congratulations to Tom Finn and share the pride of his good wife Eva and daughter Bernadette in applauding this milestone of achievement in his most illustrious and rewarding lifetime of fulfillment and purpose.

The Rotary Club of Wayne is one of our Nation's most prestigious affiliates of Rotary International whose motto: "We make a living by what we get—we make a life by what we give"—"service above self"—and their good deeds in helping others, young and adults alike, have served to inspire all of us. Tom Finn has by his example and lifetime of dedication to these same true American ideals personified exemplary leadership in his outstanding responsible service to our people.

Mr. Speaker, our "Paul Harris Fellow" Tom was born in Passaic, N.J., attended local schools, and is a graduate of St. Johns Cathedral High School, Paterson, N.J. He received his B.A. degree from Fordham University and his M.S. degree from Rutgers, the State university.

We are deeply appreciative of his service to our country in the armed services. He attended Fort Benning Officers Candidates School and served as captain in the infantry in the European Theater of Operations, World War II. He is now captain (ret.) of the Reserve Infantry.

Mr. Speaker, we are especially proud of Tom's compassion, dedication, and untiring efforts on behalf of our young people as a highly respected educator in the Paterson school system, and particularly his outstanding public service over the years on the Paterson Board of Education.

His personal commitment to the economic, social, and cultural enhancement of our community has been a way of life for him. His business acumen and expertise has enabled him to achieve success in the business community. His is president of Finns Mobile Home Park and continues to vigorously pursue his leadership endeavors in the mobile home industry with Finns Mobile Home Sales and Shamrock Mobile Units.

Some of his additional affiliations with professional and civic organizations and in public service to our people include:

Wayne Township Board of Adjustment,
Wayne Township Council,
Rotary International,
Wayne Elks,
Wayne American Legion, Veterans of Foreign Wars, Disabled Veterans,
Wayne Knights of Columbus,
Director—Saints and Sinners—Lou Costello Fund,
American Irish Historical Society,
Irish American Cultural Society,
Parish Council—Holy Cross—Wayne, and
Wayne Chamber of Commerce.

Mr. Speaker, all of us who have had the good fortune to know Tom applaud his many accomplishments which have truly enriched our community, State, and Nation. It is a great pleasure to call your attention to this distinguished gentleman and seek this national recognition of all of his good deeds. I know you will want to join with the Rotary Club of Wayne, N.J., in honoring our good friend Tom as an outstanding citizen and great American. We do indeed salute the Wayne Rotary Club's "Paul Harris Fellow"—the Honorable Marc Thomas Finn.●

SALUTE TO CINCO DE MAYO

HON. WILLIAM E. DANNEMEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. DANNEMEYER. Mr. Speaker, today is a special day in the hearts and minds of Mexican Americans and all freedom-loving people. For 120 years ago today on May 5, 1862, Mexican Gen. Ignacio Zaragosa led a well-armed and well-equipped army to meet a French assault on the Mexican capital. After a daylong battle, Napoleon III's army was turned away.

This festive day of Cinco de Mayo is a celebration of patriotism, love of country, and independence for the Mexican people. Parades, readings from literature and history, and all types of cultural events will help to bring life to this celebration all across our Southwest as well as in our neighbor to the south. Since we share the basic values of liberty and individual accomplishment, all freedom-loving peoples have good reason to pause in thankfulness for God's blessings and to rejoice in the independence and freedom we enjoy.

So, Mr. Speaker, I wanted to take this moment to salute the festive occasion of Cinco de Mayo, our Mexican-American community, and the cause of freedom for all people.●

ABINGTON HIGH SCHOOL: THE "MARCHING CHAMPIONS"

HON. BRIAN J. DONNELLY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. DONNELLY. Mr. Speaker, the "marching champions" of Abington High School have consistently brought honor and distinction to their school, their town, and to Massachusetts. This outstanding high school band has just won yet another prestigious band competition, placing first in the 1982 Cherry Blossom Festival Parade here in our Nation's Capital.

To those of us who know the Abington High School band, their victory came as no surprise. Their talent, teamwork, and dedication have earned

them many honors and an international reputation.

Four years ago, the band won first place at the International Blossom Festival at Niagara Falls, Canada. In 1978, they also carried first place honors in the Massachusetts Marching and Field Show Competition.

In 1979, Abington rose to the top of the 125 high school bands competing in the Shenandoah Apple Blossom Festival in Winchester, Va., taking first place in the concert and color guard competitions and second place in the parade competition. That year, they also won first prize in the Massachusetts high school marching band parade competition, class A, and the New England marching and parade championship. The band successfully defended its Massachusetts title in 1980.

At last year's International Band Festival in Toronto, Canada, the Abington High School band won first place honors for best band front and best drum major. In October, the band carried top honors among Massachusetts competitors at the Music Bowl band competition, conducted at the University of Massachusetts.

The victory in the 1982 Cherry Blossom Festival Parade marked the second time the Abington High School band has won this important event. Abington carried top honors in 1977, when the band was made up of a completely different group of students.

As the marching champions braved torrential rains to perform their best for the thousands of people from throughout the United States and the world who lined Constitution Avenue, one commentator remarked that they looked like a rainbow that had fallen out of the sky.

Band director Paul K. Smith and each of the 183 members of the Abington High School band and auxiliary is a source of great pride to Abington and to all of Massachusetts.

To any of my colleagues in this House who doubts that the younger generation exhibits the virtues of discipline and hard work, or who begins to despair about "the kids today," I offer an invitation to Abington, Mass. to meet the fine young men and women who constitute the marching champions.●

WILMINGTON COORDINATING COUNCIL TO HONOR OUTGOING OFFICERS

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. ANDERSON. Mr. Speaker, on Wednesday, May 12 the Wilmington (California) Coordinating Council will hold its annual installation and awards luncheon. Part of the luncheon will be devoted to honoring the council's outgoing officers. The retiring officers this year are president, Frank Pacino, M.D.; vice president for programs, Joyce Dixon; and vice president for publicity, Norman Schultz.

Dr. Pacino brought to his term in office a wealth of experience in the medical field as well as a tradition of demonstrated caring for his community. Dr. Pacino received his M.D. from the University of California's College of Medicine in 1962, and supplemented that with a master's degree in public health from Loma Linda University in 1971. He has served as a district health officer with the Harbor/Torrance District of Los Angeles County's Department of Health Services. In 1975 he was elected president of the American Association of Public Health Physicians. He is president-elect of the California Chapter of the Public Health Physicians Association and served as president of the California Chapter in 1970. He has just recently completed a year as president of the Physicians Association of Los Angeles County.

Joyce Dixon also has a long personal history of community contribution. After receiving a B.S. in social work from Bluffton College in Ohio in 1962, Ms. Dixon went on to obtain in 1964 a B.S. in elementary education from Central State University in Ohio. In 1969, she received a M. Ed. in counseling and guidance. In the years following her formal education, Ms. Dixon has provided her skills to several community organizations across the country, including the Welfare Department of Montgomery County in Ohio, the Springfield Massachusetts Welfare Department, the Grand Forks Air Force Base school in North Dakota, the Mills Lawn Elementary School in yellow Springs, Ohio, the Central State University in Wilberforce, Ohio, the United Way's Neighborhood Youth Corps of Los Angeles, and the Neighborhood Youth Association of Los Angeles.

Ms. Dixon is an active member of such organizations as the American Personnel and Guidance Association, the Coordinating Council of Carson and San Pedro as well as Wilmington, the Alpha Kappa Alpha Sorority, Inc., and Kappa Delta Pi.

Norman Schultz, head counselor at the Banning Carson Community Adult School, has likewise made a significant contribution to his community, particularly in the field of adult education. Mr. Schultz has devoted his educational career to insuring that his adult students receive the best possible counseling. Adult education is an often-overlooked portion of our Nation's total education and Mr. Schultz's contribution has not been insignificant. His dedication is underscored by his service as president of the Adult Educators' Association of Los Angeles, and president of the Los Angeles Adult School Counselors' Association. On the State level he has served as both treasurer and president of the California Adult and Continuing Education Counselors' Association.

Mr. Speaker, these three have obviously made important and admirable contributions to their community, and I, along with my wife, Lee, would like to commend them for their service and wish each of them many happy years in the future.●

GI BILL VERSUS EDUCATION GRANTS

HON. BOB EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. EDGAR. Mr. Speaker, last week I introduced H.R. 6190, legislation amending title 38, United States Code, exempting GI bill education benefits received by a veteran or eligible survivor from the eligibility criteria for Federal education assistance.

Prior to enactment of the Omnibus Budget Reconciliation Act of 1981, previous law assessed GI bill readjustment benefits as income allowing those veterans, especially those attending high-cost schools, to compete on an equal basis with their peers for additional education assistance from the Federal Government. Current law (section 2013 of title 38) continues to exempt or disregard GI bill benefits in determining the needs or qualifications of participants in any public service employment program, job training program, or any other manpower training (or related) program financed in whole or in part with Federal funds. That provision was based on two assumptions:

First, the Vietnam-era GI bill is basically an income assistance allowance, unlike the World War II education program which provided direct education tuition assistance.

Second, historically, all GI bills were designed to provide readjustment assistance in granting benefits to those who have served their country in wartime to help make up for the time, experience, and earning capability which those who did not serve continued to enjoy.

The unique nature of the GI bill led the Congress to exempt these benefits from the eligibility criteria for other Federal assistance programs. Rather than penalize the veteran, his widow, and his orphan further because of this service, and undermine the basic purpose of the program, my bill would expand that provision to include Federal education assistance as well.

Over the past year, the House Veterans Affairs Subcommittee on Education, Training, and Employment, which I chair, has clearly documented the continuing serious readjustment problems encountered by hundreds of thousands of Vietnam-era veterans. This evidence led our subcommittee to recommend and the Congress to approve overwhelmingly Public Law 97-72. The bill provides a 2-year targeted extension of the 10-year delimiting period for certain Vietnam-era veterans to utilize many GI bill education, job training, and vocational assistance courses. At the same time, our subcommittee is well aware of the continuing concern within the Vietnam veteran community for taking advantage of their remaining GI bill entitlement before the end of their original 10-year period or the termination of the program entirely in 1989. In many parts of the country even this assistance is totally inadequate to support the veteran while he is attending a high-cost institution with low Federal or State support.

Last year the Congress was forced to terminate the VA's education loan program, which had originally been designed to help certain veterans attending high-cost schools augment their GI bill benefits. At the same time budget cuts also completely eliminated education assistance under social security for the widows or eligible survivors of those killed in combat, or who died of service-connected causes. The present Federal education loan provision merely places another restriction and another layer of cuts on these deserving Americans.

Mr. Speaker, while H.R. 6190 would amend veterans law covered under title 38, United States Code, the bill is also jointly referred to the House Education and Labor Committee. I would like to thank the Hon. Paul Simon, chairman of the Education and Labor Subcommittee on Post Secondary Education for taking the time to review this legislation and for his interest in scheduling hearings on the matter in upcoming weeks. I urge my colleagues to review these arguments and join me in cosponsoring the legislation.●

IMPROPRIETY OF THE FALKLAND ISLANDS RESOLUTION

HON. EDWARD R. ROYBAL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. ROYBAL. Mr. Speaker, yesterday's passage of House Resolution 441 was anything but a proud moment for the House of Representatives. Although I advocate the withdrawal of Argentine troops from the Falkland Islands, I believe that House Resolution 441 was an ill-timed and ill-considered means of expressing this or any other view regarding the Falkland/Malvinas crisis.

Coming as it did on the heels of the sinking of Argentina's cruiser *General Belgrano*, the vote on House Resolution 441 could be misinterpreted as an expression of our support for Great Britain's attack. Considering the uncertain circumstances surrounding the *Belgrano* incident, I am concerned that the untimely passage of House Resolution 441 could jeopardize a negotiated settlement.

One of the most distressing aspects of the resolution is its commitment to provide "full diplomatic support" to Great Britain in the event that peaceful means fail to end the crisis. Because the term "full diplomatic support" lacks clear definition, it is reminiscent of the 1964 Gulf of Tonkin resolution that was used to justify our involvement in the Vietnam war. I thought that the experience of the Gulf of Tonkin resolution had taught us to be cautious and judicious in our reaction to foreign conflicts. Instead, in our rush to support Great Britain, we forged ahead yesterday without the benefit of a recorded vote to commit ourselves to what may be an untenable position on the Falklands/Malvinas crisis. I only hope that those who were responsible for bulldozing House Resolution 441 through the House fully comprehend its ramifications.●

WIN MUST GET ADEQUATE FUNDING

HON. ANTHONY TOBY MOFFETT

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. MOFFETT. Mr. Speaker, I strongly support the $76.8 million emergency supplemental funding for the work incentive program, more commonly known as WIN. This is one of the most sensible and cost-effective programs we have in the job training area, yet the administration has slashed it drastically, in another of its mean-spirited budget cuts.

The WIN program offers job counseling, job training and job placement services to adults receiving benefits from the aid for dependent children program (AFDC). The goal of WIN is to break the cycle of poverty, by requiring AFDC recipients to participate in the counseling and placement services that WIN offers. Numerous studies have found that WIN does indeed work—that it is able to successfully train and place AFDC recipients in paying jobs, thus getting them off AFDC and into the labor market.

Since this administration has endlessly proclaimed the virtue of work, and constantly derides welfare bums, its budget cuts in a clearly effective program that reduces the welfare roles simply makes no sense. Although the administration had originally requested a fiscal year 1982 funding level of about $320 million for WIN, it agreed with cuts made by the Republican-controlled Senate Appropriations Committee in December 1981 which reduced that sum by the $76.8 million we are being asked to approve today. Meanwhile, the White House, in another of its so-called economy moves, has requested a 22-percent increase in its own operating funds for fiscal year 1983—an increase totaling a staggering $450 million. Perhaps we could avoid increasing the fiscal year 1983 deficit by taking the $76.8 million for WIN out of the $450 million the White House claims it needs, on top of the $2 billion that it is already allocated.

In sum, Mr. Speaker, it is essential that we approve the $76.8 million emergency supplemental for WIN.●

EXPLANATION

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. LaFALCE. Mr. Speaker, in January 1982, Representative Bobbi Fiedler of California indicated that she wished to become a cosponsor of H.R. 4326, the Small Business Innovation Development Act. Unfortunately, her name was inadvertently omitted from the official list of cosponsors of this measure.

I wish at this time, therefore, to note that Representative Fiedler is a supporter of H.R. 4326.●

SOCIAL SECURITY STUDENT BENEFITS

HON. RONALD M. MOTTL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. MOTTL. Mr. Speaker, the termination of social security student benefits as a result of passage of the Omnibus Reconciliation Act last year does a real disservice to the educational system and future productivity of our country. A number of bills have been introduced to rectify this injustice which was done to the children of retired, disabled, and deceased workers who had long been planning for and counting on this financial assistance to put their children through college.

I am the sponsor of H.R. 5193 which calls for the total restoration of the social security student benefit program. However, since the Ways and Means Committee has not yet taken action on any of these bills, I am

asking you to join in a bipartisan move to unite the efforts of the more than 160 sponsors and cosponsors of remedial legislation by lending your support to H.R. 6183. This bill would extend the college enrollment deadline from May 1 to October 1, 1982. We need to consolidate our efforts to insure expeditious passage of legislation that allows this year's high school class the opportunity to complete 4 years of college education with the aid of social security student benefits. Please cosponsor H.R. 6183.●

JOHN E. THURMAN

HON. TONY COELHO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. COELHO. Mr. Speaker, it is an honor for me to rise today to pay tribute to a dear friend and outstanding representative, John E. Thurman, who is retiring from the California State Assembly, when his term expires at the end of this year. John has represented the people of the 27th assembly district for the past 10 years. His career in public service began in 1960 when he was elected to the Board of Education of the Hart-Ransom Union School District. John was then elected to the Stanislaus County Board of Education, where he served until he was elected to the State legislature in 1974.

John Thurman's contributions to the people of California have been recognized in many forms. The County Supervisors Association of California presented him with their President's Award for his concern for county governments; and the Stanislaus County Medical Society has cited him for his outstanding efforts to improve the availability of health care facilities for his constituents. John has been recognized by countless other groups, including the Big Brothers of Greater Modesto, Progress Valley Association of Health Facilities, Stanislaus County Safety Council, Muscular Dystrophy Association, the Boy Scouts, the Planning Agency for the Aging, the Disabled American Veterans, and the American Legion.

As chairman of the assembly agriculture committee, since 1974, he has provided strong leadership and has worked hard to insure fair representation for California agriculture.

John Thurman exemplifies the philosophy that government exists to serve the people. The fine example of public service, which John has provided, serves as a model for all of us in elective office. John will indeed be missed by his friends, colleagues, constituents, and fellow representatives of the people. I would like to wish John and his lovely wife, Julie, health and happiness in the years ahead.●

SOYBEAN RESEARCH ADVISORY INSTITUTE

HON. RICHARD C. SHELBY

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. SHELBY. Mr. Speaker, the soybean is a high-protein commodity and has many varied uses. In fact, the soybean has become the economic superstar of American agriculture. In addition to being the No. 1 cash crop of our Nation, soybeans are also the No. 1 cash export of the United States. This is quite a feat in and of itself when one realizes that our Nation dominates grain exports in the world market. Approximately 60 percent of the total world exports of grain originate in the United States. Last year, approximately $8.6 billion in U.S.-produced soybeans and soybean products greatly contributed to our balance of payments. It is widely recognized that our foreign trade debt would be in total shambles if it were not for U.S. agricultural sales abroad.

Unfortunately, the tremendous rise in soybean production in America has not resulted from increased yields but from expanded acreage. In the past decade, soybean acreage has grown from 42 million acres to 70 million acres. When contrasted with other agricultural commodities, such as corn whose yield per acre has increased from 26 bushels per acre in 1929 to approximately 110 bushels per acre today, average soybean yields have increased only about one-third bushel per acre annually over the last quarter of a century.

Our record of soybean research is not laudable and, in fact, is minuscule relative to outlays for corn and cotton research. Obviously, there is a vital need to find the means to increase soybean yields through expanded research efforts and through grower education. As a result of an amendment to the Agriculture and Food Act of 1981, a task force, known as the Soybean Research Advisory Institute, will be created. This task force should enhance the opportunity for achieving the desired soybean yield breakthrough.

I urge Secretary Block to move expeditously and appoint the 11 members that will comprise the Soybean Research Advisory Institute in order that the task force may begin immediately assessing the effectiveness of the ongoing soybean research programs in the United States. I look forward to the comprehensive report to be submitted by the Advisory Institute no later than March 1, 1983, to the Agriculture Committees of both Chambers of Congress in anticipation of a course of action designed to increase soybean yields.

Mr. Speaker, all of us want what is best for our farmers, our consumers, our taxpayers, and our Nation. I strongly believe that the Soybean Research Advisory Institute meets these objectives.●

HOUSE RESOLUTION 427—WILDERNESS LEASING

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. UDALL. Mr. Speaker, today, I am very pleased and gratified to announce that more than 100 of my colleagues have joined with me and Representative Silvio Conte in cosponsoring our resolution opposing oil and gas leasing in the Nation's wilderness areas.

House Resolution 427 expresses our belief that these areas, and other lands formally recommended for wilderness, should be the last places where we permit mineral leasing. It recognizes that the Wilderness Act of 1964 grants until December 31, 1983 discretionary authority to issue such leases, but points out that previous administrations have chosen not to exercise this authority, and for good reason. It calls on Secretary James Watt to refrain from approving any such leases, but warns that if he does, Congress will take appropriate action to prevent their issuance. Finally, the resolution opposes the imposition of any arbitrary deadlines or artificial restraints on Federal land managers in the consideration of future additions to the national wilderness preservation system.

In the coming weeks, the Interior and Insular Affairs Committee, of which I am chairman, will be addressing the need for legislation in this controversial and important area. This moderate and responsible resolution provides a solid basis on which to begin that consideration.

If you have not had an opportunity to add your name to the growing list of cosponsors to House Resolution 427, I urge you to do so by having your staff contact either Mark Trautwein of my office at x58331, or Missi Tessier with Representative Conte at x55335.

COSPONSORS OF HOUSE RESOLUTION 427 AS OF MAY 5, 1982

Mr. Addabbo, Mr. Akaka, Mr. Barnes, Mr. Bedell, Mr. Beilenson, Mr. Bennett, Mr. Bereuter, Mr. Bingham, Mr. Boland, Mr. Bonior, Mr. Bonker, Mr. Brinkley, Mr. Brodhead, Mr. Brown of California, Mr. John L. Burton.

Mrs. Chisholm, Mr. Clay, Mr. Conte, Mr. Corrada, Mr. D'Amours, Mr. Daschle, Mr. Dellums, Mr. de Lugo, Mr. DeNardis, Mr.

Dicks, Mr. Downey, Mr. Dwyer, Mr. Edgar, Mr. Edwards of California, Mr. Emery, Mr. Evans of Delaware.

Mr. Fascell, Mr. Fauntroy, Mr. Fazio, Mrs. Fenwick, Ms. Ferraro, Mr. Florio, Mr. Foglietta, Mr. Foley, Mr. Ford of Tennessee, Mr. Frank, Mr. Gejdenson, Mr. Gingrich, Mr. Gore, Mr. Gray, Mr. Green, Mr. Harkin, Mr. Hertel, Mr. Howard, Mr. Hughes.

Mr. Jeffords, Mr. Kastenmeier, Mrs. Kennelly, Mr. Kildee, Mr. Long of Maryland, Mr. Lowry of Washington, Mr. Markey, Mr. Matsui, Mr. Mavroules, Mr. Miller of California, Mr. Mineta, Mr. Minish, Mr. Mitchell of Maryland, Mr. Moakley, Mr. Moffett, Mr. Morrison, Mr. Murphy.

Mr. Neal, Mr. Panetta, Mr. Patterson, Mr. Pease, Mr. Peyser, Mr. Porter, Mr. Pritchard, Mr. Ratchford, Mr. Richmond, Mr. Rodino, Mr. Roemer, Mr. Sabo, Mr. Scheuer, Ms. Schneider, Mrs. Schroeder.

Mr. Seiberling, Mr. Shannon, Mr. Solarz, Mr. St Germain, Mr. Stark, Mr. Studds, Mr. Sunia, Mr. Swift, Mr. Udall, Mr. Vento, Mr. Volkmer, Mr. Waxman, Mr. Weaver, Mr. Weiss, Mr. Williams of Montana, Mr. Wirth, Mr. Wolpe, Mr. Won Pat, Mr. Wyden, Mr. Yates.

Total 102.●

A TRIBUTE TO REV. VIRGIL NELSON

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. LAGOMARSINO. Mr. Speaker, I would like to bring to the attention of my colleagues the contributions of my constituent, Rev. Virgil Nelson, of the community of Ventura, Calif.

Rev. Virgil Nelson is the director and founder of Project Understanding, an organization designed to provide aid and assistance to people and bring an end to racism, hunger, oppression, and injustice by building bridges rather than walls between persons and groups. It seeks to do this through its eight basic ongoing programs: "Focus on Food," a program providing food to those in crisis situations—last year it provided food to 1,356 people; "Food Share," a program comprised of 400 volunteers who gather crops left in fields after the harvest and distribute them to the needy—last year it gathered and distributed 346 tons of food; "C.H.O.W.," otherwise known as Anti-Hunger Coalition, which holds conferences on world hunger; "Summer Food Service for Children," which serves over 2,100 lunches and snacks daily to needy children; "How to Get Food and Money: The People's Guide," a booklet that identifies local resource services for the needy; "Ventura County Women's Employment and Education," a function to assist women in locating employment in the private sector, enabling them to get off welfare programs and become self-supporting; "Ventura Walk Against Hunger," raised $15,000 in 1980 in a show of concern for local and world hunger; and "Habitat Housing," to enable low-income families to buy houses interest free at the cost of materials only.

As leader of Project Understanding, Rev. Virgil Nelson demonstrates a deeply felt concern for the welfare of others, and is a tremendous asset to the Ventura community. For his selfless help of many needy people, as well as his inspiring leadership in the battle against all forms of oppression, I ask that my colleagues join me in recognition of this deserving man and the service he is performing.●

CALL TO CONSCIENCE VIGIL 1982: BERNARD AND ZINA SHURAVIETSKY

HON. BERNARD J. DWYER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. DWYER. Mr. Speaker, 1 year ago this month I addressed the Congress in behalf of Bernard and Zina Shuravietsky as part of the Call to Conscience Vigil.

Today, their situation has not changed; in many ways it has worsened, but they still have not abandoned their hope of reunification with family members here in the United States.

It is appropriate today, too, to note the Solidarity Sunday activities May 2 in New York City when thousands of dedicated people gathered in behalf of Soviet Jewish families like the Shuravietskys who suffer daily the loss of basic rights and alienation under Soviet totalitarianism.

For the Shuravietskys that totalitarianism has taken the form of job discrimination, imprisonment, and repeated denials for exit visas to visit Zina's elderly, ailing parents. They all hope fervently to make their family whole once more, despite the unrelenting despair and frustration they must face as refuseniks.

As with so many others who have dared to defy the Soviet state in the name of simple human justice, life for the Shuravietskys and their two children is a constant struggle, reflective of a worsening record of human rights violations in the Soviet Union.

The congressional commitment to Soviet Jews has been traditionally a strong one. We must continue in that fight, so that individuals like Bernard and Zina Shuravietsky can find the peace they so richly deserve.●

A VISIT FROM PIKESVILLE MIDDLE SCHOOL

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. LONG of Maryland. Mr. Speaker, on Thursday, May 6, 1982, 113 young men and women from the Pikesville Middle School, Pikesville, Md., will journey to Washington for a firsthand look at their Nation's Capital.

These students accompanied by their teachers, Cynthia Schulz, Angelina Simpson, Alfred Sanders, Elmer Murray, and Thomas Wilcox, will tour the Capitol, the Smithsonian Institution and other museums.

I am delighted these students are taking the opportunity to visit with us, and hope their interest in our Nation's political process will continue.

Students visiting us Thursday are: Jonathan Abramowitz, Jason Benford, Fioyd Brown, Rodney Crawford, Robert Dodd, Brian Fruman, Jason Glasser, Michael Graham, Brian Green, Jonathan Guth, Daniel Hawtof, Stephen Hettleman, Rudolph Holley, David Jacob, Ira Katz, Sharon Brockington, Gloria Davis, Modupeh Davies, Olga Dean, Michellene Deaouvlt, Sotario Dyson, Karen Garber, Danielle Grzbien, Beth Guggenheim, Tina Hager, Lauren Halle, Karen Hendricks, Dawn Rich, Rodney Monk, Gregg Levin, Pam Hameroff, Kevin McMichael, Russell Murray, Rebecca King, Jennifer Koors, Ami Nash, Carol Kennedy, Shelley Millet, Alisa Kahn, Kelly Kennai, Heather Hoover, Paul Levy, Jon Lever, Ben Meisels, Alan Moskowitz, Jason Kotik, Jon Lefko, John Morrow, Jerry Newberger, Tony Magginson, James Ming, Steven Marks, Aaron Lewitinn, David Kaufman, David Lindenbaum, Charles Kines, Saul Tocker, George Uhler, Jason Vitaliano, Duane Wilkinson, Ethan Yankellow, Thomas Ziegler, Tonya Sturdavant, Teresa Sugar, Amy Talbott, Stacy Thaman, Sara Kim Tossman, Michelle Uhlfelder, Lori Wasserman, Marni Wiener, Claudia Weinstein, Lissa Weiss, Aretha White, Amy Yohe, Demian Seely, Jordan Segall, Anthony Shipley, Walter Smith, Allen Siegel, Andrew Siegel, Alexander Shuster, Adam Smolen, Andrew Stern, Marc Sussman, Donald Rice, Daniel Ritzes, David Robinson, Thayer Robinson, Scott Rodman, Daniel Rosen, Michael Rosenblatt, David Russel, Patrick Russell, Eric Rutkin, Steven Sackey, Richard Scherr, Jason Reed, John Pride, Jeffrey Peres, Carey Newborn, Michael O'Sullivan, Heather Landes, Tracey Laws, Darla Lee, Jessica Lintz, Emily Serpick, Marlo Shavers, Julie Snyder,

Elise Song, Jody Spector, Ayelet Steiman, Rosalie Steinberg, and Julie Stonesifer.●

H.R. 6283—USED MOTOR VEHICLE SAFETY ACT OF 1982

HON. EDWARD R. MADIGAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. MADIGAN. Mr. Speaker, today I am introducing the Used Motor Vehicle Safety Act of 1982, a bill which will promote motor vehicle safety by requiring sellers of used cars to make important information available to consumers regarding the condition and safety of used cars that are offered for sale. Unlike the FTC used car rule, which the Energy and Commerce Committee voted to disapprove this morning, this bill really helps the consumer.

The Used Motor Vehicle Safety Act of 1982, amends title I of the National Traffic and Motor Vehicle Safety Act of 1966, to require all sellers of used cars to perform two simple tasks.

First, the seller must disclose information on the present working condition of certain components of the car. A second provision requires the seller to certify the safe operation of selected components of the car. I would like to briefly elaborate on these important requirements.

Section 126(b) requires the seller to disclose to the consumer safety-related information on the present working condition of the tires, engine, battery, and brakes. For comparative purposes, information on the original performance or operation of each component must also be supplied.

Consumers in the used car market are often unsure of the present operating condition of the used car they are buying. The quality of a car's operation is a key factor in making a purchase decision. Sellers know or can easily discover, at minimal cost, the working condition of the car they are selling. Consumers often do not have access to that information. By requiring the seller to furnish the consumer a written disclosure of the condition of the tires, battery, engine, and brakes, this legislation will provide the consumer with better information, which is otherwise difficult to obtain. With this in hand. A consumer will be able to assess, on his own, the value of the car. As a result, he or she can make a more informed purchasing decision.

Since the present working condition of the tires, battery, engine, and brakes also bears directly on the safety of the vehicle, a consumer will be better informed as to the car's safety.

Section 126(c) of the bill requires the seller to certify in writing that the brake system, headlights, horn, steering system, taillights, and tires are in a safe operating condition—in other words the car is roadworthy. By its very nature, the safety certification will insure the consumer that essential safety components are in good working order. Obviously, this will directly promote the safety of used cars sold in the marketplace.

If a consumer should later find that a certified component was not in a safe operating condition at the time of sale and he notifies the seller within 10 working days of sale, he may request the seller to repair or replace the component. In such a case, the seller may choose instead to rescind the sale and return the buyer's money. This remedy available to the consumer will not only promote the safety of used cars but will also give him the ability to enforce the certification requirement by requesting the seller to repair the car.

This bill gives the consumer a further remedy. If the seller elects to repair the component, rather than rescind the sale, and does not do so within 10 working days, section 126(d) permits the buyer to rescind the contract of sale. This will hasten repair by the seller and give the consumer an effective remedy in the event that a seller cannot or will not repair the car.

Section 126(c) incorporates the safety certification into the contract of sale. Any inconsistent statements contained in the contract will be superseded by the certification. The rights given to the consumer by this bill can then be self-enforced by allowing the consumer to sue a seller for civil damages for breach of contract.

A consumer may waive, at his option, the disclosure and certification requirements of the bill. By allowing a waiver, the consumer is free to bargain down the price of the car, knowing that the car is not certified as to its operating condition. These "as is" sales are common in the marketplace. Often a buyer will pay a low price for a car and will undertake repairs himself. The ability of the consumer to engage in such a sale is preserved in this legislation.

The disclosure and certification requirements of the bill may also be enforced by the chief law enforcement official of a State, on behalf of consumers. In the absence of State enforcement, the Secretary of the Department of Transportation may exercise such authority. Since the State or the consumer himself will be the primary enforcers of the bill's requirements, Federal expense and involvement will be minimal.

Existing State law on the disclosure of information and certification by sellers of used cars will not be superseded by the bill, as long as the State law is equal to or more stringent than the bill's requirements. In this way, State law and authority will be respected.

In summary, Mr. Speaker, the Used Motor Vehicle Safety Act of 1982 is a bill which consumers of used cars need. Its requirements are simple, effective, and involve minimal Federal involvement and expense. For these reasons, I strongly urge all my colleagues to join me as cosponsors of this important legislation.●

LEGISLATION TO REOPEN SAN FRANCISCO MINT

HON. DAVID DREIER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. DREIER. Mr. Speaker, I would like to take this opportunity to introduce legislation to clear up inaccuracies surrounding a fine Government institution which has served this Nation well. I call upon my colleagues to restore the San Francisco assay office to its rightful status as a mint, which, in practice, it has been for over 15 years.

In 1955, San Francisco's coinage operations were shut down after over 100 years of service as a mint due to expansion and modernization of the Denver and Philadelphia Mints. Its services deemed unnecessary, the San Francisco operation was reserved for assay functions. Public Law 87-523, approved July 11, 1962, repealed obsolete laws relating to the mint and changed the San Francisco Mint's designation to that of an assay office.

A critical coin shortage, which developed in the mid-1960's, marked the San Francisco office's return to coin production. Though one section of the Coinage Act of 1965 reiterated the provision on assay functions, it also stated that—

> Until the Secretary of the Treasury determines that the mints of the United States are adequate for the production of ample supplies of coins, its (San Francisco) facilities may be used for the production of coins.

The mint has been producing coins ever since; in 1980 alone, it struck $32,267,900 in dollars and pennies, and over 2 million 1980 proof coin sets.

Correspondence I have received from the numismatically inclined and concerned citizens alike indicates strong feeling in favor of such a change. A southern California newspaper recently exhorted Congress to "restore it officially to the numismatic hall of fame * * * give it back its name as a mint."

In the interest, then, of both numismatic history and the mint's employees, I urge your careful consideration of this legislation.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, May 6, 1982, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

MAY 7

9:00 a.m.

Finance
Taxation and Debt Management Subcommittee
Savings, Pensions and Investment Policy Subcommittee
To hold joint hearings on S. 2214, providing for incentives to increase the rate of personal savings and investment by increasing the percentage of tax exempt net interest income to 25 percent, making dividend income eligible for the 25 percent exemption, changing the enactment date to 1 year earlier, and eliminating the deductibility of consumer interest expense (with certain exceptions) on a gradual basis; to be followed by the Subcommittee on Taxation and Debt Management holding hearings on S. 2281, proposed Technology Education Act, and S. 1928, proposed M.D.L. 235 Settlement Discounts Tax Act of 1981.
2221 Dirksen Building

9:30 a.m.

Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1983 for certain programs which fall within the jurisdiction of the subcommittee.
1114 Dirksen Building

Budget
Business meeting, to continue markup of the first concurrent resolution on the budget for fiscal year 1983, setting forth recommended levels of total budget outlays, Federal revenues, and new budget authority.
6202 Dirksen Building

Energy and Natural Resources
Energy and Mineral Resources Subcommittee
To hold hearings on S. 1877, S. 1908, S. 1909, S. 1941, and S. 2481, bills providing for the reinstatement and validation of certain U.S. oil and gas leases, S. 2095, directing the Secretary of the Interior to issue a certain oil and gas lease, and S. 2146, extending the lease terms of various Federal oil and gas leases.
3110 Dirksen Building

Joint Economic
To hold hearings on the employment/unemployment situation for the month of April.
2128 Rayburn Building

10:00 a.m.

Environment and Public Works
Toxic Substances and Environmental Oversight Subcommittee
Business meeting, to mark up proposed legislation authorizing funds for environmental research and development programs; and other pending business.
4200 Dirksen Building

Labor and Human Resources
Investigations and General Oversight Subcommittee
To hold hearings to examine adverse drug reactions from immunization, Federal efforts in preventive medicine, and characteristics of certain diseases.
4232 Dirksen Building

MAY 10

8:00 a.m.

Appropriations
Legislative Branch Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1983 for activities of the Secretary of the Senate, Sergeant at Arms, Architect of the Capitol, and the Congressional Budget Office.
S-128, Capitol

10:00 a.m.

Commerce, Science, and Transportation
To hold hearings on S. 1929, establishing an Interagency Committee on Smoking and Health to coordinate Federal and private activities to educate the public about the health hazards of smoking.
235 Russell Building

Energy and Natural Resources
To hold hearings on S. 1844, permitting the development of coal pipelines as part of the national energy transportation and distribution system.
3110 Dirksen Building

11:00 a.m.

Environment and Public Works
Business meeting, to consider pending calendar business.
4200 Dirksen Building

1:00 p.m.

Appropriations
Legislative Branch Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1983 for the General Accounting Office, and the Government Printing Office.
S-128, Capitol

2:00 p.m.

Joint Economic
To hold joint hearings with the House Subcommittee on Europe and the Middle East of the Committee on Foreign Affairs on U.S. policy toward the Persian Gulf.
2172 Rayburn Building

MAY 11

8:30 a.m.

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1983 for the National Endowment for the Humanities, National Capital Planning Commission, and the Office of Surface Mining of the Department of the Interior.
1114 Dirksen Building

9:00 a.m.

Commerce, Science, and Transportation
Business meeting, to consider pending calendar business.
235 Russell Building

Governmental Affairs
Permanent Subcommittee on Investigations
To resume hearings on the effectiveness of the Federal Government to enforce export controls, focusing on the transfer of high technology to the Soviet Union and other Warsaw Pact nations.
3302 Dirksen Building

Office of Technology Assessment
The Board, to hold a general business meeting.
H-139, Capitol

9:30 a.m.

Appropriations
State, Justice, Commerce, the Judiciary and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1983 for the Judiciary.
S-146, Capitol

Foreign Relations
To hold hearings on nuclear arms reduction proposals.
4221 Dirksen Building

Governmental Affairs
Intergovernmental Relations Subcommittee
To resume oversight hearings on the implementation of block grants.
357 Russell Building

Labor and Human Resources
To hold oversight hearings on the Department of Labor's investigation of alleged abuses with the International Brotherhood of Boilermakers (Local 154).
4232 Dirksen Building

Labor and Human Resources
Aging, Family and Human Services Subcommittee
To hold hearings on the extended family.
6226 Dirksen Building

10:00 a.m.

Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1983 for the National Institute of Building Sciences, Federal Home Loan Bank Board, and National Credit Union Administration.
1224 Dirksen Building

Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1983 for the Office of Management and Budget.
1318 Dirksen Building

Armed Services
To hear and consider the nomination of General John W. Vessey, Jr., Army of the United States (major general, U.S. Army), to be Chairman of the Joint Chiefs of Staff.
1202 Dirksen Building

Energy and Natural Resources
Business meeting, to consider pending calendar business.
3110 Dirksen Building

Environment and Public Works
Business meeting, to resume consideration of proposed legislation authorizing funds for programs which fall under its legislative jurisdiction.
4200 Dirksen Building

2:00 p.m.

Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1983 for the Agency for International Development, focusing on Latin America regional, Asia regional, Africa regional and the Sahel development programs.
1223 Dirksen Building

Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1983 for programs which fall within the jurisdiction of the subcommittee, receiving testimony from public witnesses.
1318 Dirksen Building

Foreign Relations
To continue hearings on nuclear arms reduction proposals.
4221 Dirksen Building

MAY 12

9:30 a.m.

Banking, Housing, and Urban Affairs
Business meeting, to mark up S.2367 and S.2377, bills authorizing funds through fiscal year 1986 for Federal transit assistance programs of the Urban Mass Transportation Administration, Department of Transportation.
5302 Dirksen Building

Judiciary
To hold hearings on S.675 and S.1530, bills establishing a Commission to study the jurisdiction of Federal and State courts and to make recommendations with respect to revision of Constitution and Federal law.
357 Russell Building

10:00 a.m.

Energy and Natural Resources
Business meeting, to consider pending calendar business.
3110 Dirksen Building

Foreign Relations
To continue hearings on certain nuclear arms reduction proposals.
4221 Dirksen Building

Governmental Affairs
Permanent Subcommittee on Investigations
To continue hearings on the effectiveness of the Federal Government to enforce export controls, focusing on the transfer of high technology to the Soviet Union and other Warsaw Pact nations.
3302 Dirksen Building

Judiciary
Security and Terrorism Subcommittee
To hold hearings on Communist bloc intelligence activities on Capitol Hill.
2228 Dirksen Building

Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To hold oversight hearings on the implementation of guidance and counseling programs of the Department of Education.
4232 Dirksen Building

2:00 p.m.

Foreign Relations
To continue hearings on certain nuclear arms reduction proposals.
4221 Dirksen Building

Governmental Affairs
Intergovernmental Relations Subcommittee
To hold hearings on S. 2386, providing for the establishment of a system to collect data on the geographic distribution of Federal funds, and Office of Management and Budget Circular A-98, relating thereto.
3302 Dirksen Building

Judiciary
To hold hearings on pending nominations.
2228 Dirksen Building

Select Committee to Study Law Enforcement Undercover Activities of Components of the Department of Justice
To hold organizational business meeting.
301 Russell Building

MAY 13

9:00 a.m.

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1983 for territorial affairs of the Department of the Interior.
1114 Dirksen Building

9:30 a.m.

Labor and Human Resources
To resume oversight hearings on the Department of Labor's investigation of alleged abuses within the International Brotherhood of Boilermakers (Local 154).
4232 Dirksen Building

*Labor and Human Resources
Investigations and General Oversight Subcommittee
To hold hearings to examine the increased use of certain drugs, focusing on quaaludes.
5302 Dirksen Building

Small Business
Business meeting, to consider pending calendar business.
424 Russell Building

10:00 a.m.

Environment and Public Works
Business meeting, to resume consideration of proposed legislation authorizing funds for programs which fall under its legislative jurisdiction.
4200 Dirksen Building

Governmental Affairs
Congressional Operations and Oversight Subcommittee
To resume oversight hearings on the use of the Consumer Price Index as a measurement of inflation for the purposes of calculating cost-of-living increases for all indexed programs.
3302 Dirksen Building

1:30 p.m.

Appropriations
Interior and Related Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1983 for territorial affairs of the Department of the Interior.
1114 Dirksen Building

Judiciary
To hold hearings on S. 2419, modifying certain provisions of the venue law to allow cases to be heard in courts where the decision would have greater impact.
2228 Dirksen Building

2:00 p.m.

Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1983 for the Agency for International Development, focusing on the Near East regional and centrally funded programs.
1223 Dirksen Building

Foreign Relations
To hold hearings on the nomination of Robert Anderson, of the District of Columbia, to be Ambassador to the Dominican Republic.
4221 Dirksen Building

Governmental Affairs
Federal Expenditures, Research and Rules Subcommittee
To resume hearings on proposed legislation improving the efficiency of the Federal procurement system.
3302 Dirksen Building

MAY 14

8:00 a.m.

Appropriations
Legislative Branch Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1983 for the Library of Congress, Congressional Research Service, Office of Technology Assessment, and the Copyright Royalty Tribunal.
S-128, Capitol

10:00 a.m.

Finance
International Trade Subcommittee
Taxation and Debt Management Subcommittee
To hold joint hearings on S. 2058 and S. 2051, bills promoting fair international trade practices in the services sector.
2221 Dirksen Building

MAY 18

9:30 a.m.

*Commerce, Science, and Transportation
To hold hearings on the nomination of Heather J. Gradison, of Ohio, to be a member of the Interstate Commerce Commission.
235 Russell Building

*Governmental Affairs
Civil Services, Post Office, and General Services Subcommittee
To hold hearings on S. 46, providing that certain military service, which is covered by social security, be included in the aggregate period of service on which a civil service annuity is based.
3302 Dirksen Building

Labor and Human Resources
To hold hearings on the nominations of Marc Sandstrom, of California, William F. Harvey, of Indiana, and Annie L. Slaughter, of Missouri, each to be a member of the Board of Directors of the Legal Services Corporation.
4232 Dirksen Building

10:00 a.m.

Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1983 for the De-

partment of Housing and Urban Development.

1224 Dirksen Building

Commerce, Science, and Transportation
Aviation Subcommittee

To hold hearings on proposed committee amendments to S. 508, Airport and Airway System Development Act of 1981 (pending on Senate Calendar), extending the funding level through fiscal year 1987 for airport improvement and development programs.

235 Russell Building

Energy and Natural Resources

To hold oversight hearings on Federal property management and disposal.

3110 Dirksen Building

Environment and Public Works

Business meeting, to consider pending calendar business.

4200 Dirksen Building

Select on Indian Affairs

To hold oversight hearings on the implementation of Indian education programs.

6226 Dirksen Building

2:00 p.m.

Appropriations
Foreign Operations Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1983 for the Agency for International Development, focusing on the trade and development program, international disaster assistance, and American schools and hospitals abroad program.

1223 Dirksen Building

MAY 19

9:30 a.m.

Governmental Affairs
Federal Expenditures, Research and Rules Subcommittee

To hold hearings on Senate Joint Resolution 93 and S. 2278, measures reaffirming the policy of relying on the private sector to meet public requirements for goods and services, and Office of Management and Budget Circular A-76, relating to Federal procurement policy.

3302 Dirksen Building

Labor and Human Resources
Labor Subcommittee

To resume oversight hearings to review the Pension Benefit Guaranty Corporation premium rate increases.

4232 Dirksen Building

10:00 a.m.

Appropriations
HUD-Independent Agencies Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1983 for the Department of Housing and Urban Development and the Neighborhood Reinvestment Corporation.

1224 Dirksen Building

Environment and Public Works
Toxic Substances and Environmental Oversight Subcommittee

To resume hearings on S. 1866, revising regulatory procedures relating to safe drinking water requirements, and S. 2131, authorizing funds through fiscal year 1986 for the safe drinking water program.

4200 Dirksen Building

Select on Indian Affairs

To continue oversight hearings on the implementation of Indian education programs.

6226 Dirksen Building

MAY 20

9:30 a.m.

Commerce, Science, and Transportation
Aviation Subcommittee

To hold hearings on S. 1770, authorizing funds to conduct a study to determine the adequacy of certain industry practices and Federal Aviation Administration rules and regulations.

235 Russell Building

Governmental Affairs
Federal Expenditures, Research and Rules Subcommittee

To hold hearings on S. 1782, eliminating percentage retention on Federal Government construction contracts, and S. 1882, improving the effectiveness and fairness of the Federal Government's contractor suspension and debarment programs.

3302 Dirksen Building

10:00 a.m.

Agriculture, Nutrition, and Forestry
Agricultural, Production, Marketing, and Stabilization of Prices Subcommittee

To hold oversight hearings on the implementation of the Federal crop insurance program of the Department of Agriculture.

324 Russell Building

Energy and Natural Resources

To resume hearings on S. 1844, permitting the development of coal pipelines as part of the national energy transportation and distribution system.

3110 Dirksen Building

MAY 21

9:30 a.m.

Energy and Natural Resources
Energy Regulation Subcommittee

To hold hearings on S. 1626, removing the requirement for Federal regulation to allow the competitive market system to establish petroleum pipeline transportation rates while maintaining safeguards to protect the industry and consumers against unlawful discrimination.

3110 Dirksen Building

10:00 a.m.

Agriculture, Nutrition, and Forestry
Agricultural Production, Marketing, and Stabilization of Prices Subcommittee

To continue oversight hearings on the implementation of the Federal crop insurance program of the Department of Agriculture.

324 Russell Building

MAY 24

10:00 a.m.

Appropriations
HUD-Independent Agencies Subcommittee

To receive testimony from public witnesses on proposed budget estimates for fiscal year 1983 for certain programs under the subcommittee's jurisdiction.

1224 Dirksen Building

MAY 25

9:00 a.m.

Governmental Affairs

To hold hearings on the annual report of the Postmaster General.

3302 Dirksen Building

9:30 a.m.

Agriculture, Nutrition, and Forestry
Rural Development, Oversight, and Investigations Subcommittee

To hold oversight hearings to review the energy needs of rural communities.

324 Russell Building

Commerce, Science, and Transportation
Merchant Marine Subcommittee

To hold hearings on S. 2414, providing for jurisdiction over common carriers by water engaging in foreign commerce to and from the United States utilizing ports in nations contiguous to the United States.

235 Russell Building

Energy and Natural Resources
Energy Regulation Subcommittee

To resume hearings on S. 1626, removing the requirement for Federal regulation to allow the competitive market system to establish petroleum pipeline transportation rates while maintaining safeguards to protect the industry and consumers against unlawful discrimination.

3110 Dirksen Building

Governmental Affairs
Oversight of Government Management Subcommittee

To hold oversight hearings on social security disability terminations, focusing on the Social Security Administration's decision to accelerate the required review of disability eligibility, the continuing deficiencies in the system, and the resulting impact on claimants.

1318 Dirksen Building

10:00 a.m.

Appropriations
HUD-Independent Agencies Subcommittee

To receive testimony from public witnesses on proposed budget estimates for fiscal year 1983 for certain programs under the subcommittee's jurisdiction.

1224 Dirksen Building

Environment and Public Works

Business meeting, to consider pending calendar business.

4200 Dirksen Building

Foreign Relations

Business meeting, to mark up certain nuclear arms reduction proposals.

4221 Dirksen Building

MAY 26

9:30 a.m.

Agriculture, Nutrition, and Forestry
Rural Development, Oversight, and Investigations Subcommittee

To continue oversight hearings on the energy needs of rural communities.

324 Russell Building

10:00 a.m.

Environment and Public Works
Toxic Substances and Environmental Oversight Subcommittee

To resume hearings on S. 1866, revising regulatory procedures relating to safe drinking water requirements, and S. 2131, authorizing funds through fiscal year 1986 for the safe drinking water program.

4200 Dirksen Building

Governmental Affairs
Permanent Subcommittee on Investigations

To hold hearings on certain alleged mismanagement practices within the Department of Energy.

3302 Dirksen Building

MAY 27

10:00 a.m.

Governmental Affairs
Permanent Subcommittee on Investigations

To continue hearings on certain alleged mismanagement practices within the Department of Energy.

3302 Dirksen Building

JUNE 8

9:30 a.m.

Banking, Housing, and Urban Affairs
Securities Subcommittee

To resume hearings on S. 1869, S. 1870, S. 1871, and S. 1977, bills revising or repealing certain provisions of the Public Utility Holding Company Act of 1935.

5302 Dirksen Building

JUNE 9

9:30 a.m.

Select on Indian Affairs

To hold hearings on law enforcement problems on Indian reservations including the authority and effectiveness of the Bureau of Indian Affairs police, tribal police, and the Federal Bureau of Investigation, and the quality of U.S. prosecution of criminal offenses.

6226 Dirksen Building

JUNE 10

9:30 a.m.

Banking, Housing, and Urban Affairs
Securities Subcommittee

To resume hearings on S. 1869, S. 1870, S. 1871, and S. 1977, bills revising or repealing certain provisions of the Public Utility Holding Company Act of 1935.

5302 Dirksen Building

JUNE 16

9:30 a.m.

Commerce, Science, and Transportation
Merchant Marine Subcommittee

To hold oversight hearings on Federal Government cargo preference.

235 Russell Building

10:00 a.m.

Environment and Public Works
Environment Pollution Subcommittee

To hold oversight hearings on the implementation of the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (Super Fund).

4200 Dirksen Building

JUNE 17

9:00 a.m.

Select on Indian Affairs

To hold hearings on S. 1735, providing for the use and distribution of funds awarded the Pembina Chippewa Indians in specified dockets of the U.S. Court of Claims.

5110 Dirksen Building

SEPTEMBER 21

10:30 a.m.

Veterans Affairs

To hold hearings to receive American Legion legislative recommendations for fiscal year 1983.

318 Russell Building

CANCELLATIONS

MAY 6

9:30 a.m.

Select on Indian Affairs

Business meeting, to consider pending calendar business.

6226 Dirksen Building

MAY 10

10:00 a.m.

Finance

To hold hearings on the administration's New Federalism proposal.

2221 Dirksen Building

HOUSE OF REPRESENTATIVES—*Thursday, May 6, 1982*

The House met at 11 a.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

On this National Day of Prayer we express our thanksgiving, O God, for the rich blessings that have been bestowed upon our Nation. We praise Your name, O Almighty God, that Your providence has lead us, strengthened us, and nurtured us in years past. As You have created all people in Your image, so You have created us to be filled with Your spirit and do the works of righteousness and peace. As we meet the trials and opportunities of our generation we earnestly pray that You would continue to shower Your blessings upon this Nation and upon all people, that we, being open to Your Word, may continue to build on those spiritual traditions that are our heritage. In Your holy name, we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. LEVITAS. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Chair's approval of the Journal.

The SPEAKER. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker announced that the ayes appear to have it.

Mr. LEVITAS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 352, nays 15, not voting 65, as follows:

[Roll No. 59]

YEAS—352

Addabbo
Albosta
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Archer
Atkinson
Badham
Bafalis
Bailey (MO)
Bailey (PA)
Barnard
Beard
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Bingham
Blanchard
Billey
Boggs
Boland
Bonior
Bonker
Bouquard
Bowen
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown (CA)
Brown (CO)
Broyhill
Burgener
Burton, Phillip
Butler
Byron
Campbell
Carman
Carney
Chappell
Chappie
Clausen
Clinger
Coats
Coelho
Coleman
Collins (IL)
Collins (TX)
Conte
Conyers
Corcoran
Coughlin
Coyne, William
Craig
Crane, Daniel
Crockett
D'Amours
Daniel, Dan
Daniel, R. W.
Dannemeyer
Daschle
Daub
Davis
de la Garza
Deckard
DeNardis
Derrick
Dicks
Dingell
Dixon
Dorgan
Dornan
Dougherty
Dowdy
Downey
Duncan
Dunn
Dwyer
Dymally
Dyson
Eckart
Edgar
Edwards (CA)
Edwards (OK)
Emerson
Emery
English
Erdahl
Erlenborn
Evans (DE)
Evans (GA)
Fary
Fascell
Fazio
Fenwick
Ferraro
Fiedler
Fields
Findley
Fish
Fithian
Flippo
Florio
Foley
Ford (TN)
Fountain
Fowler
Frenzel
Frost
Fuqua
Gaydos
Gephardt
Gilman
Gingrich
Glickman
Gonzalez
Gore
Gradison
Gramm
Gray
Green
Gregg
Guarini
Gunderson
Hagedorn
Hall (OH)
Hall, Ralph
Hall, Sam
Hamilton
Hammerschmidt
Hance
Hansen (ID)
Hansen (UT)
Hartnett
Hawkins
Heckler
Hefner
Heftel
Hendon
Hertel
Hightower
Hiler
Hillis
Holland
Hollenbeck
Holt
Hopkins
Horton
Howard
Hoyer
Hubbard
Huckaby
Hughes
Hunter
Hutto
Hyde
Ireland
Jeffords
Jeffries
Jenkins
Johnston
Jones (OK)
Kastenmeier
Kazen
Kennelly
Kildee
Kindness
Kogovsek
Kramer
LaFalce
Lagomarsino
Lantos
Leach
Leath
LeBoutillier
Lee
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Loeffler
Long (LA)
Long (MD)
Lowery (CA)
Lowry (WA)
Lujan
Luken
Lundine
Lungren
Madigan
Markey
Marlenee
Marriott
Martin (NC)
Martin (NY)
Matsui
Mavroules
Mazzoli
McClory
McCloskey
McCollum
McCurdy
McDade
McEwen
McGrath
McHugh
McKinney
Mica
Mikulski
Mineta
Minish
Mitchell (NY)
Moakley
Moffett
Molinari
Montgomery
Moore
Moorhead
Morrison
Mottl
Murphy
Myers
Napier
Natcher
Neal
Nelligan
Nelson
Nichols
Nowak
Oakar
Oberstar
Obey
Oxley
Parris
Pashayan
Patman
Patterson
Paul
Pease
Pepper
Perkins
Peyser
Pickle
Porter
Price
Pritchard
Pursell
Quillen
Rahall
Railsback
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Roberts (KS)
Roberts (SD)
Robinson
Rodino
Roe
Rogers
Rosenthal
Rostenkowski
Roth
Roukema
Rousselot
Rudd
Russo
Sawyer
Scheuer
Schneider
Schulze
Schumer
Seiberling
Sensenbrenner
Shamansky
Shannon
Sharp
Shaw
Shelby
Shumway
Shuster
Simon
Skeen
Skelton
Smith (AL)
Smith (IA)
Smith (NE)
Smith (NJ)
Smith (OR)
Snowe
Snyder
Solarz
Solomon
Spence
St Germain
Stangeland
Stark
Staton
Stenholm
Stokes
Stratton
Studds
Stump
Swift
Synar
Tauke
Tauzin
Taylor
Thomas
Traxler
Udall
Vento
Volkmer
Walgren
Wampler
Watkins
Waxman
Weaver
Weber (MN)
Weber (OH)
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Winn
Wirth
Wolf
Wolpe
Wortley
Wright
Wyden
Wylie
Yatron
Young (FL)
Young (MO)
Zablocki
Zeferetti

NAYS—15

Barnes
Clay
Dickinson
Forsythe
Gejdenson
Goodling
Harkin
Jacobs
Miller (OH)
Mitchell (MD)
Roemer
Sabo
Schroeder
Walker
Yates

NOT VOTING—65

Akaka
Aspin
AuCoin
Benedict
Biaggi
Bolling
Boner
Brown (OH)
Burton, John
Cheney
Chisholm
Conable
Courter
Coyne, James
Crane, Philip
Dellums
Derwinski
Donnelly
Dreier
Early
Edwards (AL)
Ertel
Evans (IA)
Evans (IN)
Foglietta
Ford (MI)
Frank
Garcia
Gibbons
Ginn
Goldwater
Grisham
Hatcher
Jones (NC)
Jones (TN)
Kemp
Latta
Lott
Marks
Martin (IL)
Mattox
McDonald
Michel
Miller (CA)
Mollohan
Murtha
O'Brien
Ottinger
Panetta
Petri
Rangel
Rose
Roybal
Santini
Savage
Siljander
Smith (PA)
Stanton
Trible
Vander Jagt
Washington
Williams (MT)
Williams (OH)
Wilson
Young (AK)

☐ 1115

So the Journal was approved.

The result of the vote was announced as above recorded.

SUNDRY MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Chirdon, one of his secretaries, who also informed the House that on April 28, 1982, the President approved and signed a joint resolution of the House of the following title:

April 28, 1982:

H.J. Res. 448. Joint resolution to authorize and request the President to issue a proclamation designating April 25 through May 2, 1982, as "Jewish Heritage Week."

☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H.J. Res. 361. Joint resolution to grant official recognition to the international ballet competition.

The message also announced that the Senate had passed joint resolutions and a concurrent resolution of the following titles, in which the concurrence of the House is requested:

S.J. Res. 131. Joint resolution designating "National Theatre Week";

S.J. Res. 160. Joint resolution to designate July 9, 1982, as "National P.O.W.-M.I.A. Recognition Day";

S.J. Res. 182. Joint resolution to designate January 1983 as "National Snowmobiling Month";

S.J. Res. 189. Joint resolution to authorize and request the President to designate May 25, 1982, as "Missing Children Day"; and

S. Con. Res. 82. Concurrent resolution expressing the sense of the Congress that the people of the United States should observe the month of May 1982 as Older Americans Month.

PERMISSION FOR COMMITTEE ON FOREIGN AFFAIRS TO SIT TODAY DURING DEBATE AND CONSIDERATION OF LEGISLATION

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent that the Committee on Foreign Affairs be granted permission to sit during the debate and consideration of legislation this afternoon.

The SPEAKER pro tempore (Mr. Brown of California). Is there objection to the request of the gentleman from Wisconsin?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, can the gentleman assure us that there will be no markup of any important legislation, or is the committee just having hearings?

Mr. ZABLOCKI. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Wisconsin.

Mr. ZABLOCKI. We are in the markup stage. As the gentleman from California knows, all authorizing committees must complete their consideration and markup of authorizing legislation by May 15, and if we are going to meet that deadline, I would hope the gentleman would not object.

Mr. ROUSSELOT. Further reserving the right to object, as the distinguished chairman knows, this legislation is very important that we are bringing up here today because we have been told so.

Is the gentleman sure he wants his members to miss all of this important debate?

Mr. ZABLOCKI. I am sure that the members of the Foreign Affairs Committee will not miss much of this important debate even if they do not stay in the committee.

Mr. ROUSSELOT. I see.

On the basis of that explanation, Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

CLEAN AIR ACT

(Mr. EDWARDS of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. EDWARDS of California. Mr. Speaker, it is my pleasure to join with my distinguished colleagues today in voicing our strong support for an extension of the Clean Air Act. I want to be quite clear here in stating my total objection to H.R. 5252, a bill which would roll back hard-won protections for public health and which ignores the overwhelming public desire for strict smog control.

Every public opinion poll indicates the public's strong support for tougher regulations to combat pollution. A Harris poll released earlier this week showed that 83 percent of the public support a stronger Clean Air Act. Yet, H.R. 5252 will freeze or reverse the progress we, as a Nation, have made toward clean, healthy air over the past decade.

My colleague from southern California, Henry Waxman, has led the fight for cleaner air. He has attempted to streamline some of the more cumbersome provisions of the act, while extending the act's protection to include pollution from acid rain and hazardous pollutants. His efforts deserve our thanks and our support.

The Clean Air Act is not only sound environmental policy but sound economic policy and should not be relaxed, as some suggest. It would be a disservice to our country and a hypocrisy of the House of Representatives to attempt to portray H.R. 5252 as anything else than it really is, the Dirty Air Act of 1982.

MOTHER'S DAY

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, as everyone knows, this weekend is Mother's Day and I want to just focus on a couple of things.

So often we forget why Mother's Day was started. It was started by a woman named Anna Jarvis, and the reason she started it was she was very concerned that we, as adult children, forgot about the plight of our elderly parents. It has since gotten blown up and expanded in many ways. The commercialization now focuses us much more on "wants" than on "needs" of our mothers. Her desire was we use the day to focus on needs.

Today, almost 40 women's groups released a study of the needs of women and how they have not been addressed in the Reagan budget. It is called "Inequity of Sacrifice: The Impact of the Reagan Budget on Women." The report focused on how women and children were the ones who bore the heaviest brunt of the last Reagan budget cuts and we hope that people will read the report and the next budget will be much fairer.

I hope every Member gets a copy of the analysis of the Reagan budget. It is excellent and it is very, very well documented.

We must work to have Government focus on needs and not wants. Cards and chocolates will not sweeten up the neglect of women in the budget again this year.

I also think everyone who is a parent in America today has to be agonizing for the parents in Argentina and the parents in Great Britain who are looking once again at how the world's political processes have failed and their young 18-year-olds are being sent off to war. Let us pray for a cease-fire and an end to the watery deaths.

WHITE HOUSE IS BACK TO POLITICS AS USUAL

(Mr. FROST asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FROST. Mr. Speaker, the White House is back to politics as usual. Two days ago, the President urged his party members forward into a cynical attack on the Democratic opposition. The new strategy is to blame the opposition for the recession, and credit Republicans for progress on inflation. However, the Republicans cannot have it both ways. They cannot claim credit for one aspect of the economy and disavow responsibility for other aspects of the economic situation.

That strategy must have a curious effect on nearly 9 million Americans whose only profit from Reaganomics has been lower priced products to buy with their unemployment benefits.

The public is not interested in this latest, self-serving strategy of the President. There is no interest around the country in electioneering, in cutting political losses, or in blaming Democrats for the failures of fancy economic formulas.

The interest is in results—measured in human terms, not political terms. The interest is in jobs, in affordable housing and automobiles, and in lower deficits.

□ 1130

INTRODUCTION OF NATIONAL CRUDE OIL PROFIT-SHARING ACT OF 1982

(Mr. WOLPE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WOLPE. Mr. Speaker, today, I and Congresswoman Claudine Schneider, together with our colleagues Bob Edgar, Jim Jeffords, Jim Oberstar, and Mary Rose Oakar, are introducing "The National Crude Oil Profit-Sharing Act of 1982."

While the product of a northeast-midwest coalition task force, we believe that this legislation will have as much significance and appeal for a California or a Georgia as for a Michigan or a Rhode Island.

The central premise of our bill is that the basic energy resources of this country—oil, coal, and natural gas—should be viewed as American resources, and that the benefits derived from the taxation of these resources should be enjoyed by all of America, not just by the petroleum industry or by those States who, by geological chance, find these resources within their borders.

Our legislation addresses simultaneously three of the most critical problems confronting the American economy. First, it would generate substantial new Federal revenues to reduce the soaring Federal deficits by establishing a National Crude Oil Profit-Sharing Tax.

Second, 25 percent of the revenue from the new tax would be used to establish an economic development and energy block grant program to revitalize our aging industrial base, assist local government in restoring infrastructure systems, and encourage energy-efficiency improvements and the utilization of renewable energy technologies.

Third, it would attack the growing fiscal disparities between a handful of States that are net energy producers and the vast majority of States that are net energy consumers.

We hope that this legislation will be considered very seriously by the Members of this body. A fuller explanation of the bill will shortly appear in the Congressional Record.

THE HOUSING STIMULUS BILL

(Mr. PATTERSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PATTERSON. Mr. Speaker, next week it appears that the Members of this House will have an opportunity to cast their votes for a 1982 housing stimulus bill. I wish to take this opportunity to commend the leadership for its efforts in cutting through the procedural jungle in an effort to make this happen.

I wish also to commend my colleagues on the other side of the aisle, without whom this could not have been achieved.

I wish to commend the Housing Subcommittee, which by a 23-to-4 vote has approved the legislation in question.

The fact of this cooperation from the leadership, from the other side of the aisle and from the Housing Subcommittee on a bipartisan basis has come about because of the great urgency and need for housing. This will be our one chance to give the economic recovery stimulus we must have this year. The need for housing is now. Thousands of families will be able to achieve the American dream of homeownership. Approximately 140,000 jobs will be created—jobs urgently needed in an industry with over 20 percent unemployment.

The housing industry infrastructure that has to be there to build needed homes—one-half of whom are near going out of business today—will be revitalized by these efforts. The housing stimulus bill is needed right now to provide more housing, more jobs, and economic recovery. The $1 billion for this year will generate $950,000,000 new Federal revenues, and build 75,000 new homes for waiting American families who will be able to buy because of this act.

We need the support of all Members of this House to cast their votes next week for the 1982 housing stimulus bill. It may be our first and last chance to achieve the kind of housing legislation our American economy needs this fiscal year.

EXXON ABANDONS COLONY OIL SHALE PROJECT IN COLORADO

(Mr. KOGOVSEK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KOGOVSEK. Mr. Speaker, by now we are all aware of the recent decision by the Exxon Corp. to abandon its activities on the colony oil shale project in Colorado. This came as a complete surprise and shock to most of us. We are not seeing the light at the end of our energy tunnel. Nor is all well in Camelot, as I was told during my recent trip to the shale tracts. The cooperative effort between industry and Government that was hailed as a necessity in 1979 is no longer seen, and this recent event is a clear demonstration that industry cannot mitigate the impacts and develop the technology alone. We cannot afford to be lulled back to sleep in our fight for energy independence. Otherwise, the "boom" and "bust" will be with us for a long, long time.

Now that everyone is analyzing the situation, we hear a lot about how much Tosco will make and Exxon will lose. But will anyone take the time to analyze the fact that this country is still dependent on foreign oil? Will anyone make a concerted effort to ease the "bust" in Colorado, or help see that this does not happen again in our country?

Let us face it, nuclear, solar, and synfuels are in trouble, and our national commitment to these developments, particularly synfuels, still makes sense. Government must play an active and progressive role. Because if it does not, our children's children will be seeing the same "boom" and "bust" that we have just witnessed. And the sad thing is that we will still be dependent on foreign oil.

WORLD CUP CHAMPIONS

(Mr. WEBER of Ohio asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WEBER of Ohio. Mr. Speaker, it is my pleasure to speak about a U.S. victory over Russia in athletic combat.

We all remember the excitement and pride we shared 2 years ago when the U.S. hockey team beat the Soviet Union and went on to win the gold medal in the 1980 Winter Olympics.

As those who will be watching network television on Saturday will know, similar heroics recently occurred in my home district of Toledo, Ohio, where the U.S. wrestling team defeated a tough Soviet team and captured the 10th annual World Cup of International Wrestling.

I salute the U.S. coach, Dan Gable, and all of the wrestlers and assistant coaches of the U.S. team for their fine victory and strong spirit, the result of long hours of hard work and discipline. The new World Cup champions deserve our recognition as worthy representatives of the United States in this international competition.

APPALLING LACK OF LEADERSHIP ON URGENT SUPPLEMENTAL APPROPRIATION

(Mr. LIVINGSTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LIVINGSTON. Mr. Speaker, the lack of leadership evidenced by the failure to bring the urgent supplemental appropriation bill up for consideration is appalling. We must allow this Chamber to work its will.

Yesterday, the gentleman from Massachusetts (Mr. Conte) informed this body of the consequences that will follow if we do not act on this bill immediately. The failure to allow this body to do its duty and meet the responsibilities of Congress constitutes gross negligence. In the process, the

safety of millions of inhabitants of the lower Mississippi River region is imperiled.

Mr. Speaker, the urgent supplemental appropriation bill contains $17 million for the Coast Guard, a portion of which will enable the Coast Guard to reopen three very important vessel traffic system stations in New York, San Francisco, and New Orleans.

The VTS station in New Orleans assists in marine traffic monitoring and traffic control for the entire lower Mississippi River from Baton Rouge to the Gulf of Mexico. This area includes hundreds of miles of tributaries as well as the intercoastal waterway. If we do not act before next Monday, May 10, the remaining personnel currently on standby at the New Orleans VTS station will be transferred to other duties. The Coast Guard assures me that once this occurs it would take at least 6 months for the VTS station to reach a 45-percent level of operational capability once funding is restored after May 10.

To reach 100 percent operational capability will take an entire year. The Coast Guard has already delayed these impending transfers once, and without some sign of action from this body they will not grant another delay.

By keeping this station closed we continue to subject residents of this region to the possibility of grave environmental danger, and even bodily injury. Since the VTS station was put on standby last March 15, we have already experienced a collision resulting in a 4,000-gallon oilspill in the Mississippi River, the prime drinking water source for millions of people.

Over 167 million tons of cargo carried by 14,000 vessels pass through the lower Mississippi River and its tributaries annually. A large amount of tonnage that passes through these waters is of hazardous nature because of the numerous petrochemical plants that are located along the river.

Mr. Speaker, allow this body to work its will. Do not hold American citizens, and the vital services upon which they depend, hostage to a congressional procedural fight over which they have no control.

NATIONAL ORCHESTRA WEEK

(Mr. REGULA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. REGULA. Mr. Speaker, we will soon be considering House Joint Resolution 375, a resolution to designate the week beginning June 13, 1982, as "National Orchestra Week."

This is a just and fitting tribute to our Nation's 1,572 symphony and chamber orchestras. We are fortunate indeed to have not only the largest number of orchestras in the world, but also some of the finest.

In addition to providing entertainment and inspiration through their performances, America's orchestras provide their communities with a broad range of services such as education programs, regional and national tours, free park concerts, small ensemble performances, and other special activities.

Last year, as a result of these activities, more than 23 million Americans attended orchestra concerts, and millions more heard performances on radio, television, records, and tapes. This interest and support is great commentary on our Nation and an indication of the importance placed on the broad dissemination of culture.

Herbert Spencer, the philosopher said, "Architecture, sculpture, painting, music and poetry, may truly be called the effervescence of civilized life." But, "Music," he added, "must take rank as the highest of the fine arts—as the one which, more than any other, ministers to human welfare."

I urge all of my colleagues to support this tribute to our Nation's symphony and chamber orchestras.

ATTEMPT TO TORPEDO EVANS-CORCORAN AMENDMENT ON HOUSING LEGISLATION

(Mr. CORCORAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CORCORAN. Mr. Speaker, according to rumors which I heard late yesterday and an article which appeared in this morning's Washington Post, I understand that you and the majority leader, Jim Wright, have engineered an agreement which would torpedo the so-called Evans-Corcoran amendment in favor of housing legislation to be introduced by members of the Democratic Party.

Mr. Speaker, after more than 5 weeks of trying to get consideration of our housing amendment, which would transfer funds from the Synthetic Fuels Corporation for housing purposes to the Department of Housing and Urban Development, you probably think I am outraged by this news.

Mr. Speaker, you are wrong. I am simply disappointed in your leadership, but not surprised.

Mr. Speaker, I do not quarrel with the proposed housing amendment as I understand it, except in one fundamental respect—the source of funds. I think the source of money for the emergency housing initiatives ought to come from the already authorized and appropriated funds of the Synthetic Fuels Corporation. And I would hope that when the Rules Committee meets to reconsider its position on the rule for the urgent supplemental appropriations bill, as a matter of fairness you would give us the opportunity to offer our amendment in order that the House of Representatives can decide whether we put new funds into housing programs or use already appropriated money from the Synthetic Fuels Corporation.

NATIONAL DAY OF PRAYER

(Mr. STANGELAND asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STANGELAND. Mr. Speaker, it is appropriate for us to take a few moments to note that this has been proclaimed National Day of Prayer by President Reagan.

One of the first actions of the Continental Congress in 1774 was to proclaim the first Thursday in May as a day for fasting and public prayer across the entire Thirteen Colonies.

When the Continental Congress met, the first question they debated was, "Shall we begin with prayer?"

The question was hotly debated. Then, as now, the Congress was filled with men of strongly held opinions.

Finally, Sam Adams, who was the "father of the American Revolution," arose and said:

> I am not a bigot. I am willing to listen to a prayer from any gentleman of piety and virtue, if he is also a friend of our country.

His statement of tolerance and respect settled the debate. A clergyman was quickly sent for, and he became the first Chaplain of the American Congress.

Later the Delegates to the Continental Congress decided that it would be a positive step to proclaim a day of prayer for all the people of the Thirteen Colonies.

Proclamations were issued in words that ring true to followers of the Christian, Jewish, Muslim, Hindu, Buddhist and other world faiths. On the first Thursday in May in the year 1775, the men and women who were to fight in our war for independence gathered together in public prayer.

The resultant public celebration set a tone for religious tolerance and respect that has been preserved in this country. The sense of spiritual unity which was created has guided our Republic through times of trouble during the past 207 years.

Our practice as a nation praying together, relating faith and events, has created bonds of tolerance that have prevented the violent religious conflicts which periodically wrack other countries.

In the fall, we all offer thanksgiving for the fruits of the harvest and the blessings which have been showered upon this country. In the spring, it is appropriate that we offer a day of prayer to rededicate ourselves and our

Nation to the ideals and principles which hold us together.

EVANS-CORCORAN HOUSING INITIATIVE GIVES MEMBERS A REAL CHOICE

(Mr. EVANS of Delaware asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. EVANS of Delaware. Mr. Speaker, lately I have stood in this well and asked you to schedule the urgent supplemental, so that I could offer an amendment to assist our hard-pressed housing industry, and help Americans buy homes.

The amendment I intended to offer with the gentleman from Illinois (Mr. Corcoran) would have transferred funds from the Synfuels Corporation, which subsidizes major oil companies, and put it into a program to stimulate our housing industry—an industry that impacts on millions of people across the country.

Our plan attracted so many of my colleagues on the other side of the aisle that the majority leadership figured they needed their own approach.

Typically, their new plan will simply appropriate new funds to put into housing assistance. This approach from the born-again budget balancers in the House leadership adds to the deficit and does not reduce subsidies to Mobil, Tenneco, and the rest.

Mr. Speaker, the Evans-Corcoran housing initiative gives Members a real choice—subsidizing big oil, or helping Americans buy homes. I urge my colleagues to reject budget-busting bailouts that will only worsen the already bloated deficit and push up interest rates; and support our initiative by defeating the previous question on the rule for the urgent supplemental.

NATIONAL NURSES RECOGNITION DAY

(Mr. LUJAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LUJAN. Mr. Speaker, last year I introduced a bill which became law, declaring today May 6, 1982, as National Nurses Recognition Day. On this day, across the country ceremonies and events are being held to commemorate the tens of thousands of people who are engaged in this necessary and dedicated profession.

One week from today the Vice President will honor America's nurses with a ceremony in his office. Participating will be Mrs. Carol Lewis, a nurse from Albuquerque, N. Mex., who initiated the concept of a National Nurses Recognition Day, also Mrs. Barbara Nichols of Madison, Wis., who is the president of the American Nursing Association, and Brig. Gen. Hazel W. Johnson, Chief of the Army Nursing Corps, who will represent the thousands of Army, Navy, and Air Force nurses who have served so valiantly throughout our history.

The nursing profession plays a major role in our health care industry in their ability to provide medical services in concert with the physician and in many instances reduce cost by freeing physicians's time. The nursing profession has been significant in helping us to provide quality health care at reasonable cost to the general public.

I have just recovered from a minor surgical operation and can attest to the first class professionalism of these very important people.

It is fitting that we honor these dedicated men and women who are and have been a major part of the finest medical system in the world.

Mr. Speaker, I ask my collegues to join with me today in saluting these fine people on National Nurses Recognition Day.

ACID RAIN

(Mr. GREGG asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GREGG. Mr. Speaker, last night and yesterday in New Hampshire the rain fell. It was a rain which had an acidity level of approximately 4.1. That is just a little bit higher than orange juice. The effect of that acid rain is that it is killing the aquatic life in New Hampshire.

Studies have shown it is not only killing the aquatic life in New Hampshire. It is killing the aquatic life in Canada. Close to 10,000 lakes in Canada have been identified as dead. Close to 2,000 lakes in northern New England and New York are identified as dead.

Furthermore, a recent study by a major forest products corporation in Canada concluded, that as a result of acid precipitation, we have seen a significant reduction in forest growth. There is also the distinct possibility that acid precipitation is affecting the growth agricultural products.

Further, we know for a fact that we are having to treat the reservoirs in New England in order to neutralize the acidity of those lakes so they will not impact adversely the health of New England citizenry.

The National Academy of Sciences, the foremost force in American science, has concluded that the overwhelming circumstantial evidence points out that acid rain is related to emissions from utility plants in the Midwest.

We must move, and we must move positively, on the issue of acid rain. I think the time has come for this Congress to stop giving the issue lip service and to address it with tough language in the Clean Air Act.

PRESERVE THE CLEAN AIR ACT

(Mr. DeNARDIS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.

Mr. DeNARDIS. Mr. Speaker, Clean Air Week gives us the opportunity to recognize the accomplishments of the single most effective piece of environmental legislation ever passed. The Clean Air Act of 1970 is a successful and popular law which has made our Nation a cleaner and healthier place to live.

We must not rest on our laurels, however. We have had a great start but must continue to fight to maintain and improve the quality of our country's air. As a cosponsor of House Resolution 252, the "Commitment to the Clean Air Act Resolution of the 97th Congress," I strongly encourage the Energy and Commerce Committee to report a bill that will maintain the spirit of the original clean air legislation. Rather than retreat and ignore over a decade of progress, we must preserve the Clean Air Act where it has worked well, simplify it where it has been unduly complex, and strengthen it in areas we have failed to address in the past.

In deliberating over the details of this vital issue, we must keep in mind that the quality of life of future generations in our great country depends on the action we take now. Let the celebration of Clean Air Week start us on our course of providing a healthy tomorrow for our children.

SHELL GAME ON HOUSING AID

(Mr. ALEXANDER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ALEXANDER. Mr. Speaker, I would hope that the members of the press who are covering the progress on the Evans-Corcoran housing bill will report the fact that the alleged funds that are to be transferred from the Synfuels Corporation are simply budget authority funds. On the surface, it appears from this action that efforts are being made to transfer funds that already exist from the Synfuels Corporation to assist the ailing housing industry when, in effect, no funds have been appropriated for outlays, which means that the $1 to $2 billion which would be appropriated under Evans-Corcoran would add that much to the deficit. There is, therefore, no money available for this transfer, and what we actually have here is a shell game to try to confuse the public.

I would hope that the members of the press who are following this shell game will look under the shell to see what is there in order that the public might be advised.

PRESIDENT HAS NO MANDATE FROM SENIOR CITIZENS

(Mr. AKAKA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. AKAKA. Mr. Speaker, last Thursday, April 29, I was asked to speak to a group of senior citizens from my district. I spoke to a group of approximately 3,000 seniors gathered together in Hilo on the big island of Hawaii. These elderly citizens were concerned about the prospect of what Reaganomics will do to them and to the quality of their lives. These seniors told me that they were very happy with the programs which were designed and implemented for them. These senior citizens came to meet with me in Hilo to let me know that the policies of the Reagan administration spell economic and social disaster for them.

Present at that meeting were panelists and experts who spoke to problems faced by senior citizens both across this Nation and in Hawaii. Housing, medicare, legal aid services, and the future of social security were some of the issues discussed during that 2-day session.

Before I left that meeting, I was presented with a petition of over 3,000 signatures. I was asked to deliver that scroll personally to the President of the United States. I was asked to let the President know that the senior citizens of Hawaii are concerned about their welfare under his program of "economic recovery." I was asked to represent the will and views of my constituents. I was asked to bring proof positive to the President that he does not have the mandate of the 3,000 seniors from Hawaii who signed that petition. Being a Democrat, I doubt that the President will see me. Nonetheless, I want to share this petition with you.

This is what the petition said:

Petition to the President

As members of Society, we, the undersigned, have come to recognize that adequate income, health care, housing, and other staples of life will be available to older people only if a national effort is maintained in mobilizing resources. Over the past 45 years, we have steadily worked toward the achievement of this national effort to meet basic needs for survival.

The elderly know what it takes to survive having endured the crash of 1929, and the depression that followed, having fought World War II, and having supported successive generations through wars, revolutions, and recessions. We knew the deprivations of the aged prior to the social legislation that gave hope to the elderly and served as a catalyst for the development of the Social Security, Medicare, Medicaid, Food Stamps, Legal Services, Older Americans Act, Housing, and other vital programs.

We now see these programs dwindle away as you try to get your FY 1982-83 budget proposal passed. We are losing hope for a future that we had always looked forward to. We, therefore, urge you to reconsider your proposed budget plan which will, in effect, reduce income maintenance, Social Security, and human service programs which we truly need.

Mr. Speaker, I urge my colleagues to listen to the voice of my people when the President's budget is considered. We cannot, and should not, sacrifice the very welfare of our Nation's elderly population on the altar of political expediency.

I urge my colleagues to make sure that we do not abandon our Nation's elderly in an effort to reduce the size of our deficit. To abandon our senior citizens would be unforgivable.

CROPS SUFFERING FROM AIR POLLUTION

(Mr. BEDELL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BEDELL. Mr. Speaker, as the Energy and Commerce Committee resumes markup of the amendments to the Clean Air Act I wanted to bring to the attention of my colleagues the mounting evidence indicating that crop yields are suffering as a result of air pollution. In the view of one study done by the National Academy of Sciences, air pollution is considered "an unwitting constraint on agricultural production efficiency."

Specifically, a recent study by the National Crop Loss Assessement Network, a research program funded in part by the U.S. Environmental Protection Agency, showed that ozone alone is cutting the yield of corn, wheat, soybeans; and peanuts by about $3.1 billion annually—a tenth of the total value of these four crops. Furthermore, the loss could be even greater if other pollutants were included in this study.

This finding is but one of a number of studies that point to the need for a strong Clean Air Act that addresses ambient air quality standards. Discussion addressing the present regulations for ambient air quality standards often consider the economic and social implications of the act but seldom is the economic and social implications of another industry—agriculture—discussed.

I urge my colleagues to review the Library of Congress issue brief "Agriculture: Impact of Air Pollution." This brief raises the issue of air pollution as it affects agriculture and is critical as we continue to address the reauthorization of the Clean Air Act.

PRIVILEGES OF THE HOUSE—PROVIDING FOR CONSIDERATION OF H.R. 5922, URGENT SUPPLEMENTAL APPROPRIATIONS, 1982

Mr. LOTT. Mr. Speaker, I rise to a question of privilege.

Mr. Speaker, pursuant to clause 4(c) of House rule XI, I call up House Resolution 415 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 415

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5922) making urgent supplemental appropriations for the fiscal year ending September 30, 1982, and for other purposes, and the provisions of section 311(a) of the Congressional Budget Act of 1974. (Public Law 93-344) are hereby waived only against the initial consideration of said bill in the House: *Provided, however,* That it shall be in order, when each of the following paragraphs of the bill is read, and before debate thereon or amendment thereto, to make a point of order that the paragraph contains new budget authority for fiscal year 1982 which would cause the appropriate level of total new budget authority or total budget outlays set forth in the second concurrent resolution on the budget for fiscal year 1982 (S. Con. Res. 50) to be exceeded in a manner which would be proscribed by section 311(a) of the Congressional Budget Act if such paragraph were considered as a separate bill, and if the Chair sustains any such point of order the paragraph in question shall be stricken from the bill without further action of the House: page 4, lines 1 through 4 ("Special Institutions-Howard University"); page 4, lines 5 through 12 ("Related Agencies—Action—Operating Expenses, Domestic Programs"); page 10, lines 1 through 9 ("Bureau of Alcohol, Tobacco and Firearms—Salaries and Expenses"); page 11, lines 3 through 6 ("Department of Commerce—General Administration—Salaries and Expenses"); page 11, lines 7 through 12 ("Economic Development Administration—Salaries and Expenses (Transfer of Funds)"); and page 11, lines 13 through 16 ("National Oceanic and Atmospheric Administration—Operations, Research, and Facilities"). During the consideration of said bill, all points of order against the following provisions in said bill for failure to comply with the provisions of clauses 2 and 6 of rule XXI are hereby waived: beginning on page 2, lines 4 through 10; beginning on page 2, lines 11 through 17; beginning on page 2, lines 18 through 24; beginning on page 3, lines 8 through 15; beginning on page 4, line 16 through page 7, line 10; beginning on page 7, lines 11 through 18; beginning on page 7, line 20 through page 8, line 8; beginning on page 9, lines 3 through 6; beginning on page 9, lines 12 through 16; beginning on page 10, lines 10 through 13; and beginning on page 12, lines 12 through 21.

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The SPEAKER. The gentleman from Mississippi is recognized for 1 hour.

Mr. LOTT. Mr. Speaker, I yield, for the purposes of debate only, the usual 30 minutes to a majority member of the Rules Committee should the majority choose to use its time, but reserve to myself the balance of that time not used by the majority.

Pending that, I yield myself such time as I may consume.

Mr. LOTT. Mr. Speaker, I have invoked this rarely used procedure because of the critical nature of the funding included within the urgent supplemental appropriations bill and the need to proceed to its consideration without further delay.

It has been more than 6 weeks since the Appropriations Committee reported the urgent supplemental for fiscal year 1982. During these 6 weeks, the majority leadership has repeatedly delayed its consideration, while the funding for many critical programs has been almost exhausted. The consequences of further delay would be disastrous. Without immediate action on this supplemental, thousands of personnel will be laid off, the guaranteed student loan program will shortly run out of money, and other critical functions will cease, including the processing of sorely needed social security checks.

Mr. Speaker, House Resolution 415 provides for consideration of the urgent supplemental appropriations in the Committee of the Whole under the 5-minute rule with general debate to be determined by unanimous consent prior to resolving into the committee.

The rule reported by the Rules Committee waives section 311 of the Budget Act for certain provisions of the bill. Points of order against paragraphs in the bill which are not protected under the rule will be in order prior to debate on such paragraphs. If the Chair sustains points of order against these provisions, they will be stricken from the bill without further House action.

(Note.—Section 311 of the Budget Act prohibits the consideration of any bill, resolution, or amendment which provides new budget authority or outlays which exceed the ceilings established in the current budget resolution.)

The rule also waives clause 2 (which prohibits unauthorized appropriations and legislation on general appropriations bills) and clause 6 (which prohibits reappropriations of funds) of Rule 21 against certain provisions in the bill.

While the rule waives points of order against provisions in the bill itself, it does not restrict nor does it prohibit amendments. Therefore, H.R. 5922 will be considered under the general rules of the House applicable to appropriations bill, effectively limiting the types of amendment which may be offered. There will be an effort to defeat the previous question on the rule in order to allow an amendment to the bill which would otherwise not be in order.

Mr. Speaker, I regret that use of this procedure has been necessary but it is time that we got to work around here. This legislation is indeed urgently needed, and we can no longer afford to delay its consideration merely because it is convenient to the majority leadership.

Mr. Speaker, I now yield 5 minutes to the distinguished gentleman from Delaware (Mr. Evans), for the purposes of debate only.

Mr. EVANS of Delaware. Mr. Speaker, I thank the gentleman for yielding. I rise in opposition to ordering the previous question on the rule.

Mr. Speaker, I am delighted that the gentleman from Mississippi (Mr. Lott) has brought this rule to the floor of the House, because I do believe that the urgent supplemental appropriations for fiscal year 1982 are in fact urgent. I was beginning to wonder whether they were quasi-urgent, or semi-urgent or not so urgent, but they are urgent.

I think all of us agree on this, but there is something else that we need to do in terms of urgency; that is, to get this economy of ours moving, to give people an opportunity for jobs. One industry in America that affects the economy probably more than any other industry is the housing industry. It is in dire need of assistance.

We need to provide some assistance to the housing industry, generating American jobs, without hurting other industries and without increasing the interest rates and aggravating the already seriously bloated Federal deficit. So, the gentleman from Illinois (Mr. Corcoran) and I came up with an idea about 6 or 7 weeks ago. We propose to transfer already authorized and appropriated funds from the Synfuels Corporation, which subsidizes some of our most successful major national energy companies, and transfer those funds to assist the home buyer and the homebuilder and the realtor, and tens of thousands of craftsmen and small business people all over America.

Mr. Speaker, the initiative we are going to make will assist housing now. It may be too late to provide assistance in the fall of 1982 or in 1983. The program we have will provide immediate assistance, start homebuilding, put tens of thousands of Americans back to work, and get this economy moving again.

I thank the gentleman from Mississippi very much for yielding. I would like to point out one thing further in connection with our initiative. That is, this funding will be used in conjunction with the mortgage revenue bond program that in many areas of our country is already in place, ready to go. Anything else that we do, Mr. Speaker, requires time, and we do not have the luxury of that time.

I thank the gentleman for yielding.

Mr. LOTT. Mr. Speaker, I yield 3 minutes to the gentleman from Illinois (Mr. Corcoran).

Mr. CORCORAN. Mr. Speaker, I rise in opposition to ordering the previous question on the rule.

Mr. CORCORAN. Mr. Speaker, I appreciate the fact that the gentleman from Mississippi has yielded time, and I particularly appreciate the fact that under these very difficult circumstances he has resorted to this quite infrequently used opportunity to protect our rights.

Mr. Speaker, in a sense, in this joint effort with my friend from Delaware (Mr. Evans) I have been something like the producer in a play; and that is that it has been my responsibility to find the funds for the financing of the housing initiative which Mr. Evans, the gentleman from Delaware, has been pursuing for quite some time. I also want to acknowledge the fine hand of our colleague from Ohio (Mr. Brown) in helping to draft our amendment. Without his help, our housing assistance would not be able to benefit States, such as Ohio, which for various reasons do not have mortgage revenue bond authority.

In order to put this into perspective, let me just say that in these days of budget crisis that we, in order to face our responsibilities and to protect the interests of this country, ought to be making a very urgent effort to find places where we can cut back on spending by the Federal Government. And I cannot think of a better target for that kind of revision or potential elimination than the boondoggle known as the Synthetic Fuels Corporation.

Mr. Speaker, to put the matter in some perspective, you will recall that we passed that legislation in the throes of a great stampede. In fact, not only was the Congress stampeding itself into the Synthetic Fuels Corporation, but business and industry as well. At that time, then President Carter had come down from Camp David. He talked about the malaise in this country. Everybody was looking for something positive to do, and all of a sudden this idea about Synthetic Fuels Corporation developed. It started here in the House. The Banking Committee was involved, the Education and Labor Committee was involved, the Interstate and Foreign Commerce Committee was involved, and it started as a $3 billion demonstration program. But, when it came back from the other body, Mr. Speaker, it had a price tag of $88 billion because they really wanted to do something positive and, of course, politicians love to give the appearance of doing something positive.

Mr. Speaker, I think times have changed. I think we need to tighten down on the budget of the U.S. Government, and I think secondly, that we ought to look realistically at the world energy condition as we find it today. In this country, because of a change in Federal energy policy long overdue, we now have domestic oil production up.

We now have people employing the most efficient ways to use energy. Conservation is up. In fact, as the Wall Street Journal pointed out just days ago on its front page, our demand for energy has been falling faster than any forecaster could predict. And this is not just the soft demand of a recession: it is the 10 years of structural changes in the way we use energy. We are, in other words, far more efficient in our use of oil than we can show data for. Another reason is that alternative energies are more in use.

One of the goals of the Synthetic Fuels Corporation was that by 1992 we would back out 2 million barrels of foreign oil from the OPEC cartel.

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Mr. Speaker, since we decided wisely to get the Government out of the business of controlling the price of oil and get the Government out of the business of allocating the distribution of oil in this country, in 18 months we have achieved that objective already. We have backed out 2 million barrels of crude oil. We don't need to commit $88 billion of taxpayer money to the Synthetic Fuels Corporation.

The SPEAKER. The time of the gentleman from Illinois (Mr. Corcoran) has expired.

Mr. LOTT. Mr. Speaker, I have time remaining, but I would be happy to yield to the distinguished chairman of the Rules Committee if he would like some time. I do want to reserve the balance of my time, and I am yielding for the purposes of debate only. I would be pleased to yield to the gentleman.

Mr. BOLLING. Mr. Speaker, may I inquire, does the gentleman yield the usual 30 minutes?

Mr. LOTT. I yield the usual 30 minutes to the gentleman from Missouri (Mr. Bolling), for the purpose of debate only, yes, Mr. Speaker.

Mr. BOLLING. Well, Mr. Speaker, that is the first courtesy that the gentleman has shown on the floor of the House today. I have been here a long time, and this is the first time I have seen this done. I do not mean bringing up a rule after the time has passed, but it is the first time in my experience that I ever saw any member of the committee bring up anything without warning the chairman.

I heard about this when somebody called my office. I do not know whether any of you care about process or fairness after this particular effort—this may be a declaration of war for all I know—but I would like you to understand that so far as I know, not only in terms of my own experience, which is relatively extensive, but also in terms of anything that I know about the events that took place in the Rules Committee prior to my serving on it—and those events cover quite a few decades—this is the first time in American history that this particular tactic has been employed.

I have, as a member of the Rules Committee, and more recently as the chairman of the Rules Committee, tried to operate on a principle which I think is enormously important, both for the minority and the majority, and that principle is that on process, never surprise. I have tried to see to it that everybody is warned so they may deal intelligently and judiciously with whatever comes up. I do not expect to serve in this place very much longer; which I regret in some ways, although it is a matter of my own choice, but I do not expect to forget this.

Now, I would think it would be very smart for those of you who elected Bob Michel to the position of minority leader to listen carefully to his views of fairness, which are, I think, quite like my own.

There is no real problem in handling this problem that the gentleman has presented us. It just is terribly important to understand that if we are going to go through the rest of this year, which is bound to be difficult and ugly, we should know early on as to how we are going to do it. It does not seem to me intelligent to start out the key part of the year this way.

In the process of coming over here as quickly as I could when I learned of this particular approach, I happened by a happy coincidence to come over with the chairman of the Appropriations Committee, and I learned from him that he had just sent me a letter, which I had not received until I got here, dealing with this problem and asking for a new hearing on a new rule.

I do not know whether any of the Members are aware of what went on during committee consideration of this rule and the difficulty that we had—and I talk about a difficulty that was bipartisan, even multipartisan—as between the Appropriations Committee, the Budget Committee, and the Rules Committee. We dealt with a very, very intricate problem, and we tried to deal with it in a way that was fair to the administration, to the Republican minority, and to the majority. The proposal from the chairman of the Appropriations Committee is for a new rule which would include a good many of the things that were not given waivers in the old rule, things originally proposed by the Appropriations Committee. It would also include some language that would deal with the problem of the housing question in an orderly fashion.

I do not really know whether I say it strongly enough. It was not only what was done in the rule, but it was the implication of the proposal on housing that makes it so difficult for us to deal with the whole situation in a time of grave concern about deficits, when the administration is making it very clear now—as they made it clear last night, I guess—that it is equally concerned about the problem of deficits and after the gentleman from Mississippi and I have spent a very substantial amount of time in 13 meetings that preceded the meeting between the President and the Speaker, if we are going to have some kind of guerrilla warfare going on to make points for one or two Members, it is terribly important that we know it.

We have a process that we must commit ourselves to. We have to do something on an urgent basis about the level of deficits. We have to do something that is as nearly a bipartisan effort as can be made. The first one has failed, and it seems to me that there ought to be a little pause to take thought about this before we really get into the substance.

This is one of the most complicated rules that was ever presented to the House. It would be somewhat simplified if we get through this matter and get back to having a new rule.

Mr. Speaker, I am going to stop and reserve the balance of my time in the hope that we will not have to carry on the charade which bodes very ill for the process in this institution. This is a very serious matter, and I hope there will be a little pause for some consultation on it. I reserve the balance of my time.

Mr. LOTT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the distinguished minority leader, Mr. Michel, was mentined. I would like to point out that he supports this rule, he is not for defeating the previous question, and he is in that position because he feels as I do that the urgent supplemental appropriations bill has been delayed an inordinate amount of time.

The procedure that has been used is a rule of the House. It is a legitimate rule. It has been used in the past. The rule is there, and it is one that was written, as I understand, for a very good reason, and that was to prevent the majority of this House from delaying the business of the House indefinitely.

Mr. BOLLING. Mr. Speaker, will the gentleman yield?

Mr. LOTT. I will yield in just 1 minute.

Mr. Speaker, this procedure has been used, as the gentleman knows, as late as September 1980, involving legislation on the National Visitors Center. So it is not an unprecedented procedure. The rule is there for a good reason, and we are trying to move the rule on the urgent supplemental reported from the Rules Committee, complicated though it may be, because it has been pending here for weeks.

Mr. BOLLING. Mr. Speaker, will the gentleman yield?

Mr. LOTT. I will be glad to yield to the chairman of the committee.

Mr. BOLLING. Mr. Speaker, I did not raise any question about the rule. I know the rule. I have even considered using it. I may have used it; I have forgotten.

I am just talking about what passes for common courtesy in an institution like this. That is the point that I am making. I am not talking about the rule. Of course, I know the rule.

But that is not the point. I have said repeatedly as chairman of the Rules Committee and as a member, I have always attempted to see to it that members were not surprised. I am not affronted as an individual. I can play as rough a game of surprise as anybody in town. What I am suggesting is that I do not believe that it makes any sense on whatever day this is—and this is the 6th of May—to set the tone of guerrilla fighting in this institution.

Mr. LOTT. Mr. Speaker, if I could reclaim my time, what about the common courtesy of allowing Members to be heard and to present their case, even though we may not agree with them? We felt very strongly that some Members who had a legitimate proposal were going to be cut off from opportunity by going back to the Rules Committee after the Rules Committee had already considered this issue.

Mr. Speaker, I yield now to the gentleman from Massachusetts.

Mr. BOLLING. Mr. Speaker, if the gentleman will yield, the gentleman asked a question. What about that question? Did the gentleman not ask a question of me?

Mr. LOTT. I yield to the gentleman from Missouri for a further response.

Mr. BOLLING. Mr. Speaker, the answer to that, very simply, is that the Members came up after the matter had been reported, as far as I know, without having brought it up in the Appropriations Committee and asked for a particular waiver. That waiver was not granted by the Rules Committee. The only way they could get at that waiver after the Rules Committee reported what it did was by voting down the previous question. That is the simple explanation. They were using a somewhat unusual process.

But the point I am making, I do not believe, has been answered. The point I am making is this: Is this the introduction of months of guerrilla warfare, or what are we up to?

Mr. LOTT. Mr. Speaker, I yield 3 minutes to the gentleman from Massachusetts (Mr. Conte), for the purpose of debate only.

Mr. CONTE. Mr. Speaker, I do not want to get into this guerrilla warfare, but I will tell you one thing: The public out there is laughing at this Congress.

Here we have the financial world looking at this Congress to see if they can put their house in order, and we are acting like guerrillas. Here they are arguing that they want to take a billion from synfuels over here for housing and the Democrats want a billion dollars for housing out of the general revenue. What do we think the American public thinks of us? I am against the Evans proposal, and I told him so. I told him last week, the gentleman from Delaware (Mr. Evans), not to meddle in our bill. "Leave it alone." I said, "I'll tell you why. The executive branch has told me they are going to veto this bill if we add any amendments." I am not going into the merits of either amendment at this time.

They are going to veto this bill if we add anything onto it.

Do you know what you are doing? The Democrats are upping the ante. Both of you are wrong. I will tell you what you are doing. You are doing a disservice to this country; you are doing a disservice to the Treasury; you are doing a disservice to thousands and thousands of people who will be RIF'd if this urgent supplemental is not passed.

Mr. SMITH of Iowa. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I will be glad to yield to my good friend, the gentleman from Iowa.

Mr. SMITH of Iowa. Mr. Speaker, I think the gentleman makes a good point. This is a terrible rule that the Rules Committee reported. It is a bad rule, the worst I have ever seen in 23 years, but what they propose to substitute for it is equally bad.

Mr. CONTE. Mr. Speaker, I agree with the gentleman.

Mr. SMITH of Iowa. We ought to have a whole new rule.

Mr. CONTE. I will vote for the rule; I will ask everyone to vote for the previous question.

Everybody wants to have their day in court. They want their cake, and they want to eat it, too. Rome is burning and they are playing their fiddles. This is not the place nor the time to put a housing bill in, whether it is a Republican housing bill or whether it is a Democratic housing bill.

Let us pass a clean bill here, let the Senate pass a clean bill, and let us stop these thousands and thousands of people that are going to be RIF'd.

Mr. WRIGHT. Mr. Speaker, will the gentleman yield?

Mr. CONTE. We have $1,300 million in here for student loans. My good chairman Bill Natcher and I worked hard to get $1,300 million for student loans. They are going down the drain.

Mr. LOTT. Mr. Speaker, I will be glad to yield 2 additional minutes to the gentleman from Massachusetts (Mr. Conte), who is doing such a great job. I yield that time for debate purposes only.

Mr. WRIGHT. Mr. Speaker, if the gentleman will yield, I am not exactly clear, because of the confusion over the parliamentary situation, as to the upcoming vote. Is the gentleman from Massachusetts asking a vote for the previous question or against the previous question?

Mr. CONTE. No, I am going to vote for the previous question. I am for the rule, I am for a clean bill, but I am against putting this housing in here.

I have got a letter in the Congressional Record from Mr. Stockman saying that he is recommending a veto if a housing provision is put into this bill.

Now, do you realize what you are doing? You Members from Florida or California, you have Coast Guard stations. They are going to close them down unless we pass this bill. The Coast Guard may have to close 31 search and rescue stations around the country, seven vessels, nine search and rescue aircraft, three air stations, and four vessel traffic systems, which will cripple the drug interdiction program in Florida and reduce search and rescue operations at the height of the boating season. And here you are, fiddling around wanting to put your little pet project in here.

I say, lay off. Let us pass it. Let us pass the supplemental and leave it alone.

Mr. SMITH of Iowa. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Iowa.

Mr. SMITH of Iowa. But if we pass this rule that is proposed, Mr. Speaker, we will also close down some fruit frost recognition and weather stations and a number of little things that are terribly important. The rule itself is bad, too.

Mr. CONTE. Mr. Speaker, the gentleman from Iowa is right. But you know what we are going to do. Those little things work both ways. We have a pay supplemental that we have to pass and we can add many of these projects. I am sure the gentleman from Mississippi (Mr. Whitten) will take the floor and tell us that within 4 weeks we will have a pay supplemental. You could put housing amendments on that bill. I say, leave this bill alone.

Mr. SHAW. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Florida.

Mr. SHAW. Mr. Speaker, I would like to recognize and associate myself with the gentleman's remarks with regard to the urgency of the situation we do have in Florida

The President's task force is finally making significant gains, and for the first time in this decade we can say in Florida that we have the "druggies" on the run. We can say that we have

brought the import of drugs down to a trickle, and if we do not get some supplemental appropriation, which is so important and is contained in this bill and must survive, all of the processes we have to go through and all the efforts will be for naught.

☐ 1230

We are winning this battle. We have finally got this thing on the run and it is imperative that we support this rule and that we support the bill.

Mr. CONTE. Let me give you some other figures. If we do not pass this and have it signed by May 14, 924 inspectors in the Health and Human Services Department who fight waste, fraud, and abuse will be furloughed for 82 working days. Without this supplemental, 2,700 personnel in the Employment and Training Administration will receive furlough notices Monday of next week. Without this supplemental the Bureau of Labor Statistics and the Employment Standards Administration will furlough 5,621 people this week.

Mr. BOLLING. Mr. Speaker, I yield myself such time as I may consume.

I have just asked the ranking minority member of the committee to read the letter that I just received from the chairman of the Appropriations Committee. Depending somewhat on his reaction to that, although I am sure he is not going to like the last paragraph, I think my present plan is to support the previous question and see if we can win on that rather sensible proposal. Then if we succeed, proceed to vote on the rule, of course, and adopt the rule, but with the understanding that we are not going to function under that rule today.

I have the letter from the chairman of the Appropriations Committee which would put into the rule, or which proposes to put into the rule all of the items that were left out in the previous confusion that I tried to describe, so that all of the items that were not made in order, in effect, would be included. In other words, everything that came from the Appropriations Committee would then be included in the new rule.

I do not want to mislead my colleagues at all. There would be a new provision that deals with housing.

Mr. MYERS. Will the gentleman yield?

Mr. BOLLING. I will be glad to yield.

Mr. MYERS. I wonder if the gentleman might not share with the entire House the contents of this letter? It is a little unfair to talk about a letter we have not seen.

Mr. BOLLING. I will be glad to in a moment. The only copy I have is in the hands of the minority leader, and I will be glad to have him read it.

Mr. MYERS. I think that it would be well if somebody read the letter.

Mr. BOLLING. I have difficulty because of the speed of the proceedings.

Ms. FIEDLER. Will the gentleman yield?

Mr. BOLLING. I am delighted to yield to the gentlewoman from California.

Ms. FIEDLER. I am grateful to the Rules Committee for the fact that they did not include the $48 million for the Coast Guard station, but I am interested in knowing, as a member of the Budget Committee, how many additional dollars the gentleman is talking about including in the next bill.

Mr. BOLLING. I have to be a little rough about this. I think the chairman of the committee told me it was about $30 million and someone else told me it would be about $40 million of those items that were not given waivers. Then, beyond that, on the housing matter, what I have in the letter from the chairman is rather unspecific. It says, "* * * from $500 million to $1 billion." But it would be in that order. It would be perhaps as much as $1.4 billion. I think no more than that, or perhaps no more than $540 million.

Ms. FIEDLER. Will there be an opportunity for the Members to review the additional appropriations, to actually see a copy of that?

Mr. BOLLING. Hopefully, if the process I suggest, which is passing this rule and not using it, coming in with a new rule which then includes the other things that I mentioned in general, Members would have a normal amount of time.

Presumably the Appropriations Committee would come to the Rules Committee perhaps on Tuesday, and if we reported out a rule on that same day, it would be available to come up the next day.

Ms. FIEDLER. I thank the gentleman very much.

Mr. BOLLING. That would be my intention.

Mr. SMITH of Iowa. Mr. Speaker, will the gentleman yield?

Mr. BOLLING. I am delighted to yield to the gentleman.

Mr. SMITH of Iowa. I fully support what the gentleman is now doing. I very much object to that rule. But all we are talking about is something like $33 million. There is nothing to keep the members from reducing something else $33 million in a $4 billion bill if they think the amount is too much.

So I fully support what the gentleman is now doing.

Mr. BOLLING. I repeat. I want to be sure people understand that what I am suggesting is that I am going to seek votes to vote for the previous question. Then I am going to seek votes to pass the rule. But I do not intend the matter to go beyond that.

I understand that there will be full cooperation from the chairman of the Appropriations Committee.

Then I will convene the Rules Committee early next week to follow his suggestion, which includes granting waivers for other items in the urgent supplemental bill, and will add, I gather, approximately $33 million. That is the closest I can come to a precise figures plus an amount for housing, which will be somewhere between a half billion and a billion.

That rule will then be brought up, and we will operate under that rule.

Mr. WHITTEN. Mr. Speaker, will the gentleman yield?

Mr. BOLLING. I am delighted to yield to my distinguished friend.

Mr. WHITTEN. I have listened to my colleague, the chairman of the Rules Committee, and I assure him that we have and will continue to cooperate fully.

May I digress one moment and say that our Committee on Appropriations has tried to cooperate with our President. Last year our supplemental bill embraced $14.3 billion out of the $15.1 billion in restraint requested by the administration.

We have a country that needs action and we cannot afford to let this problem delay some much needed supplementals. I know that we may have differences between the House and the other body and between the legislative and the executive. Goodness knows we have problems but now is a time for us to move ahead.

I have sent the letter to the chairman of the Rules Committee and I meant every word of it. I acknowledged in the letter that I understood other Members were seeking to include other items, and in my opinion, were going to try to include them in this bill.

So let us vote on this resolution and go ahead as the Chairman has suggested with another meeting of the Rules Committee. It is too important to delay any longer the $1.3 billion for student loans, the $2.4 billion for sewer grants and the funding for the Coast Guard and the weather stations.

Let us pull together and get something done. You might win, we might win but the country would lose if we delay any further.

Mr. BOLLING. Would the gentleman permit me to read the letter?

May I inquire, Mr. Speaker, how much time I have?

The SPEAKER pro tempore (Mr. Foley). The gentleman from Missouri has 17 minutes remaining.

Mr. BOLLING. I will read the letter. It is addressed to me.

House of Representatives,
Washington, D.C., May 5, 1982.

Hon. Richard Bolling,
Chairman, Committee on Rules, House of Representatives, Washington, D.C.

Dear Mr. Chairman: It is my understanding that the Rules Committee may be asked to meet to consider modifications to the rule reported for consideration of H.R. 5922, the Urgent Supplemental Appropriation Bill.

As you know, the rule does not extend the so-called section 311 waiver to the conference report. Recognizing the propensity of the Senate to amend appropriation bills, we feel that this situation could place the House conferees in an awkward negotiating position. I do not believe we have been placed in this position heretofore.

Additionally, the rule reported protects most of the paragraphs in the bill from points of order under section 311 of the Budget Act. It does not, however, protect six items recommended by the Appropriations Committee totaling some $30 million of the $4.9 billion in the bill. As I mentioned to you, some of our Members are concerned that these items in which they are interested will be stricken and added back by the Senate leaving them on the spot.

Apparently, the Rules Committee may be asked to provide special waivers to allow an amendment for a program in the range of $500 million to $1 billion not recommended by the Appropriations Committee, not requested by the Administration, and not authorized. Considering the few items in the Committee bill involving a relatively small amount of money not protected by the present rule, the disadvantage in which the House conferees could be placed, and the lapse of time since the rule was reported with no action on a revised budget resolution, perhaps these items might also be reconsidered.

I recognize the difficult position confronting all of us but I felt I should share these thoughts with you. Best regards.

Sincerely,

Jamie Whitten, *Chairman.*

Mr. CORCORAN. Mr. Speaker, will the gentleman yield?

Mr. BOLLING. I yield to the gentleman from Illinois.

Mr. CORCORAN. I appreciate the fact that the chairman of the Rules Committee has yielded. I just have one question.

There has been reference to the housing initiative which may be proffered next week or at some future point. This concerns me because I think there has really been a question concerning consideration of this urgent supplemental now for over 5 weeks and that is in connection with this new housing initiative that may be a part of the urgent supplemental bill.

Are we talking about a new authorization of $1 billion? Are we talking about a new appropriation of $1 billion? Or will this come from already appropriated funds?

Mr. WHITTEN. Will the gentleman yield to me?

Mr. BOLLING. I yield to the gentleman from Mississippi.

Mr. WHITTEN. If the gentleman followed the letter which I wrote to the chairman of the Rules Committee, I merely stated that it was my understanding that this matter would possibly come up. Not being the author of such amendment, I do not know what it would contain or how it would come up, but I am sure any new rule would include a presentation by the Rules Committee as to what is intended.

What I said was I understood that this rule would be modified to include such a provision. But I do not have knowledge about just how it would be worded or what is involved. But I did acknowledge that was in line with what was going to be requested, which I did understand to be the truth.

Mr. CORCORAN. I wonder if the chairman would indulge me for one further question?

Mr. BOLLING. I will be glad to.

Mr. CORCORAN. I thank the distinguished chairman and the gentleman from Missouri.

I think most of us are aware that what we are talking about here is legislation that has been considered by the Committee on Banking, Finance and Urban Affairs of this House. We are talking about a new authorization from general revenues.

There has not been an authorization up to this point. There has not been an appropriation. So since we are talking about the fiscal year 1982 budget, what we are going to do, if we adopt that kind of recommendation, particularly with the restrictions that I fear there would be, where we would not be given the opportunity to consider perhaps transferring the financing for the program from the Synthetic Fuels Corporation, that that would be an added expense to the Federal budget for fiscal year 1982.

I think that is a question that the House of Representatives ought to be able to resolve rather than the leadership in and of itself.

I wonder what kind of protection might we have in the future rule and what kind of financing are we going to have for this program.

Mr. BOLLING. Given the gentleman's real delicacy about his concern for the protection of this rule, I am sort of at a loss to know how I would proceed on that. My guess is we will proceed in a reasonable process which would include perhaps an authorizing bill that authorized a billion extra money, new money, and having passed that, perhaps under suspension, that we might then have in the rule on the appropriations bill a provision that would make in order some part of that $1 billion.

In so doing, we would have accomplished the gentleman's objective, I take it, but not in exactly the way the gentleman sought to achieve it.

Mr. CORCORAN. I appreciate the delicacy of the gentleman's comments. It would, I think, as the gentleman has expressed it, achieve the objective of providing assistance for housing. But surely not in the way in which it ought to be financed from the standpoint of the gentleman from Illinois.

I thank the gentleman.

Mr. LEWIS. Mr. Speaker, will the gentleman yield?

Mr. BOLLING. I am glad to yield to the gentleman from California.

Mr. LEWIS. I thank the chairman for yielding.

I have been listening to this debate with great care and I must say I was moved by the chairman's comments concerning problems around the House regarding procedure, the suggestion that we might be getting into an unusual kind of warfare here and, frankly, I would be very disturbed to see us move in that direction.

I have not been here long enough to know as much as the gentleman does about procedure. But I have had a good deal of experience with politics, and I think I can recognize politics when I see it.

The Rules Committee, if I am not mistaken, and the public does not really know this, has approximately 11 members of the majority party of the House and 5 members of the minority party. It is, in my recollection, a matter of fact that on the 22d of March my office received a call indicating that we had an urgent meeting of the full Committee on Appropriations the following morning. I learned that the reason for the meeting was that we had a supplemental appropriation that was extremely urgent. It was extremely urgent because of the fact that there were virtually thousands of jobs on the line. We would run out of money if we did not pass the supplemental. We would have to RIF employees that we really need, that there was a pool of money involving student loans out there that was going to go dry unless we moved that bill on the 23d of March. This had been languishing before that in the policy process.

It is also my understanding that just after that meeting on the 23d it was learned that two of the gentlemen of the minority who were not able to affect the Rules Committee because of those numbers, wanted to do something about the housing problem.

□ 1245

They suggested that because we had $14.6 billion in the synfuels program, largely designed to help big oil companies, it would not be a bad idea to take $1 billion of those dollars out, make them available for lower cost loans, to get stimulation behind our housing problem.

When it was learned that there was a good deal of sympathy for such thought, rather than taking the money out of general revenues, to take the money from big oil, the leadership, who does control the Rules Committee but does not control all of the House, the leadership scrabbled around, and we have been sitting for 3 weeks now while that urgency moves forward.

And today, finally, when my colleague from the Rules Committee, frustrated by those numbers he deals with constantly, said, "We are not going to allow the minority to be

kicked around any more, we are not going to allow the American people to be kicked around——"

Mr. BOLLING. Will the gentleman pause for a moment on my time?

Mr. LEWIS. They brought forth this resolution.

Mr. BOLLING. Will the gentleman pause for a moment on my time? This is my time. Your side has time, and I think I have been reasonably generous with my time. But I would hope you would wind up your question soon.

Mr. LEWIS. I will be glad to get to my question in just a moment. But it is important for me to make sure that I am operating on the right premise.

It seems to me that it is clear that politics is involved here.

Mr. BOLLING. Let me say to the gentleman——

Mr. LEWIS. It became clear this morning, when my colleague from——

Mr. BOLLING. Could I answer the gentleman's question?

Mr. LEWIS. I have not asked the question yet, Mr. Chairman.

Mr. BOLLING. My patience and my time are running out.

Mr. LEWIS. I will be just a moment.

When my colleague from California (Mr. Patterson) for whom I have the greatest respect, particularly I respect his sense for politics, announced his program for housing——

Mr. BOLLING. Mr. Speaker, I refuse to yield further.

The SPEAKER. The gentleman from Missouri (Mr. Bolling) does not yield to the gentleman from California any further.

Mr. LEWIS. I thank the gentleman.

The SPEAKER. The gentleman from Missouri has the time.

Mrs. SMITH of Nebraska. Mr. Speaker, will the gentleman yield?

Mr. BOLLING. Mr. Speaker, before I yield to the gentlewoman from Nebraska, I would like to make this comment: I am perfectly capable of raising the ante on this, in terms of why we have had some delays in this Congress. We will debate that at great length at a later time. It has something to do with that great program of the President of last year and its effect on the economy this year, but I do not intend to pursue it.

The delay in the institution was largely caused by an effort initiated by the administration to seek to come to a bipartisan conclusion of the budget problem.

I said the other night what I feel today, that it is terribly important that we end up doing something about the budget problem. I think we better lower the level of partisanship on that subject until we are sure that together we have not destroyed the economy of the country.

So I would like very much to accept the fact that this is political, but accept also the fact that it is very important to try to deal with it in a reasonably civilized fashion. It is an enormously difficult situation. I can get as political or more political than anybody I have ever seen around here, but I do not believe we are going to have the solution this year unless we work together, whether we like it or not. And that being the case, I am trying to deescalate this problem and come up with a solution that will give you an opportunity to express yourself, to vote and see what you can win, but at least know what you are doing.

That is about all I am trying to get done.

Mr. Speaker, I am delighted to yield to the gentlewoman from Nebraska.

Mrs. SMITH of Nebraska. I thank the gentleman for yielding.

Did I understand correctly that when the rule is reconsidered, it will include consideration of the $33 million that were not protected under the current rule and which left out the $2 million for weather stations on which my distinguished colleague from Iowa stated the Subcommittee on Commerce, Justice, State, and Judiciary had many hours of hearings and which are extremely crucial and important.

Mr. BOLLING. My memory is that there are 38 weather stations involved, and I think it is very important to a great many Members. I have every intention, if I can prevail in the Rules Committee, of including that item.

Mrs. SMITH of Nebraska. I thank the gentleman.

Mr. LOTT. Mr. Speaker, I yield 5 minutes to the distinguished minority leader, the gentleman from Illinois (Mr. Michel).

Mr. MICHEL. I thank the gentleman for yielding.

Mr. Speaker, my objective is to move the supplemental. It has been alluded as to how urgent it was and still is, and that it ought to be moved along.

The gentleman from Mississippi (Mr. Lott) was perfectly within his rights under the rules of the House to take the action that he did today. That is his prerogative.

Yesterday, in my 1-minute address to the House, I expressed concern that we were again delaying the urgent supplemental, for what reason I was not altogether sure except that I had known earlier that the two gentlemen, Mr. Evans of Delaware and Mr. Corcoran of Illinois, had a housing initiative requiring no additional revenues, but simply taking $1 billion of the $15 billion from synfuels allocations for use as a housing initiative. That was a very simple kind of thing to do. It did not require any further unbalancing of the budget, since synfuels is not going anywhere, and it at least would do something in a positive way. But I cautioned them to the extent that if you voted down the previous question for your one item, there may very well be other items added to that, and you run that risk. And I had to tell them, quite frankly, that if it was anything over and above what the Appropriations Committee, under the direction of the gentleman from Mississippi and the gentleman from Massachusetts (Mr. Conte), in dollars was agreed to, the President might very well have to veto it, and that would include whatever might happen in the other body.

So I do not want any illusion about the fact that there can be some give here. There cannot be. I want to see the urgent supplemental moved. I regret that, frankly, it was delayed for the sake of whatever credit there might have been attained from a housing initiative. But I think we better get back to the main thrust of what the urgent supplemental is all about and vote up the previous question, get on with consideration of the supplemental, and then pass it, without all of this additional emoluments, or whatever.

Mr. CONTE. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Massachusetts.

Mr. CONTE. Mr. Speaker, the gentleman is absolutely right. I think what I said in the well of the House has fallen on deaf ears. This urgent supplemental should be acted upon by this House without the Evans amendment, without the Democrats amendment. It should be sent over to the Senate.

The gentleman has been on the Appropriations Committee as long as I have, 24 years, and the gentleman knows what those fellows on the other side are going to do. They will up the ante. They are not going to sit back and take a half a billion or a billion. They will put the Lugar bill in. And then we get a veto, we are going to close these Coast Guard stations in California, in Florida, we are going to RIF about 10,000 people. Let us act like responsible legislators, adopt the rule and take it up today. We have had more damn time off in this Congress, we have broken every record in the history books. Let us do it today. Where the hell are we going?

Mr. MICHEL. I thank the gentleman for his contribution.

I want to refer to that last paragraph of the chairman's letter to the chairman of the Rules Committee—that does concern me a little bit—in which the gentleman says "apparently the Rules Committee may be asked to provide special waivers to allow an amendment for a program in the range of a half billion to a billion."

Now, that, to me, suggests there is something there in the wings that we cannot buy, the President cannot buy downtown. I would prefer to stick with the original rule that foreclosed that possibility.

Mr. CORCORAN. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Illinois.

Mr. CORCORAN. I thank my friend, the gentleman from Illinois, for yielding.

Mr. Speaker, let me just ask one question, and that is: In conjunction with the so-called Evans-Corcoran amendment, has not the administration—and I do not know the current circumstances—but up to this point has not the administration taken a neutral position on that particular amendment?

Mr. MICHEL. Yes; that is true.

Mr. WHITTEN. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Mississippi.

Mr. WHITTEN. Mr. Speaker, may I say to my colleague, the minority leader—and I appreciate my relationship with him through the years, and his statement, too—I put that paragraph in the letter, based on information which came from Members on his side of the aisle whose names I shall not call; I enjoy my relationship with them. But I was advised by Members on your side of the aisle that the problem had been worked out so that a program on housing would be considered by the Rules Committee. That being true, and not knowing how such an amendment would be written, I did think I should call the situation to the attention of the chairman of the Rules Committee in the letter along with these other matters.

Again I had been advised that it would be included from Members on your side.

Mr. MICHEL. I thank the gentleman.

Mr. BOLLING. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. Patterson).

Mr. PATTERSON. I thank the gentleman for yielding.

Mr. Speaker, I think the discussion here shows that there is not only an urgency to pass a supplemental appropriations bill but also an appropriation is needed to meet the housing crisis.

The Evans-Corcoran proposal is for $1 billion. It is a mortgage revenue bond subsidy. It would take a minimum of 90 days to put into place. It returns no revenue to the Treasury, and it takes from the synfuels area budget authority only. There is no outlay. Without budget outlay you cannot build one house with it.

The Patterson-AuCoin proposal, which I hope will be considered next week, is also a $1 billion program. It is mortgage rate assistance. It can be implemented in 30 days. It has a recapture provision and it will provide revenues to the U.S. Treasury that will more than pay for itself.

Keep in mind that we have to have real budget outlays in 1982 in order to have housing built this summer to keep the building industry alive, to employ building trades workers, and to make affordable housing available, which altogether will pay its own way as it stimulates the economy all over this great Nation.

Mr. LOTT. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. Green) for debate purposes only.

Mr. GREEN. I thank the gentleman from Mississippi for yielding to me and for his initiative this afternoon.

I would simply like to point out to the Members, as the ranking minority member of the HUD and Independent Agencies Appropriations Subcommittee, that any delay on this bill is holding up some very important construction money. There is $2.4 billion in waste water treatment appropriations in this urgent supplemental. That could certainly be a shot in the arm for the construction business. Over 30 States are having their projects grind to a halt. There are 110,000 units of housing in this bill, 78,000 units of section 8, and another 32,000 units of unsubsidized housing that would be helped by additional tandem funds.

I strongly urge Members on both sides of the aisle: Do not load this bill up like a Christmas tree and head for a veto; do not delay the bill. We can give this economy an important shot in the arm now in housing and in other construction areas if we move ahead with the bill. Do not delay. Let us take it up today and get it on its way. This could be very important for our economy.

Mr. BOLLING. Mr. Speaker, I yield 5 minutes to the distinguished majority leader the gentleman from Texas (Mr. Wright).

Mr. WRIGHT. Mr. Speaker, it is somewhat difficult to view the present situation in a dispassionate way, but let us try to do that. Let us try to be reasoned and calm.

The gentleman from Mississippi (Mr. Lott) is within his rights under the rules to bring up this matter. He does, however, violate the tradition that has been unbroken for the 28 years that I have observed this House. I have never seen this done before. I am told by the gentleman from Missouri (Mr. Bolling), who has been here for 34 years, that he has never seen it done before.

Let us try to follow orderly procedure. I believe the gentleman from Mississippi was aware of the fact that we already had scheduled this bill for consideration on the House floor next week. We planned to have it then. We still do.

I urge you to vote for the previous question and vote for the rule, on the understanding that has been described to you by the chairman of our Rules Committee, Mr. Bolling, in order that we may have orderly procedure and may all understand exactly what we are doing when we do it.

Let me say just a couple of things about the proposal that has been advertised as the so-called Evans-Corcoran amendment. It is confusing to say the least. When Mr. Evans speaks, the gentleman from Delaware, one gets the impression he wants to help housing. When Mr. Corcoran speaks, I get the impression he wants to kill the synthetic fuels program of the country. You cannot really do both.

In fact, I want to correct one glaring misrepresentation. It is incorrect to believe that you can follow the proposal suggested by Mr. Evans and Mr. Corcoran, without adding exactly that amount of money to the deficit this year. Every penny that is transferred from the Synthetic Fuels Corporation to give out in interest subsidies will add to the deficit. If it is a $2 billion bill, you would be adding $2 billion to the deficit. The Evans-Corcoran ploy is deceptive if it masquerades under any other presumption. I simply ask that you know what you are doing if you support it. If you want to do that, it is all right. If you want to do away with the synthetic fuels programs, if you believe that our energy problems are all over, if you think that what happened to us twice in the last decade cannot happen again, that there no longer could be long queues lined up at gasoline stations or that we are not any longer at the mercy of the Arabs, if you want to kill that program and stop our long-range efforts to make ourselves energy independent, just know what you are doing.

And you would not be helping the deficit situation at all by pretending that you were simply transferring moneys already appropriated. Those synthetic-fuel moneys were not earmarked for outlays this year, not one penny of them. I have a letter here from the Synthetic Fuels Corporation. It makes that point clear. Every single penny included in the so-called Corcoran-Evans proposition would add to this year's deficit, every penny of it. Not a penny of it is earmarked for outlay this year otherwise than if their proposal were adopted. So if it is a $2-billion proposal, it would be adding $2 billion to the deficit.

The next thing I want to say is, contrary to one suggestion that I have heard on the floor, that there is a position, apparently, by the administration. I hold in my hand a letter dated May 4 to the Honorable Robert Michel, signed by David A. Stockman, May 4, 2 days ago, in which he said:

> The administration opposes extraneous amendments to the bill, including housing stimulus programs not related to our request for urgent supplemental appropriation.

I am sure the administration's opposition is based upon what I have just said, that it would add to the deficit.

So let us know what we are doing. I support the move of the gentleman from Missouri. I think all Members of the House have the responsibility to support the chairman of the Rules Committee under orderly procedures. Vote for the previous question, vote for the rule, if you will, and then let us do this in the regular, orderly process by which this House can act to address these urgent supplemental questions, including the urgency of the housing needs of this country.

□ 1300

Mr. CORCORAN. Mr. Speaker, will the gentleman yield?

Mr. WRIGHT. I yield back the balance of my time.

The SPEAKER. The gentleman has 3 minutes remaining.

Mr. LOTT. Mr. Speaker, did I understand the Chair to say 2 or 3 minutes?

The SPEAKER. Three minutes.

Mr. LOTT. Mr. Speaker, I yield 2 minutes to the distinguished gentlewoman from New Jersey (Mrs. Roukema).

Mrs. ROUKEMA. Mr. Speaker, I do not know whether the American people and the Speaker or the Members of this body are confused now about the status of this motion? I seem to sense there is agreement about moving the previous question, but I want to reiterate the plea that I made last week and have made over and over again. And we have all heard from constituents in our districts and the only way we can reiterate that plea is again to ask the chairmen of the Rules Committee and the Appropriations Committee to move the urgent supplemental—and I am referring to the fact that the students and their parents are being held hostage to this urgent supplemental.

Students are not able to apply for their loans. Time is running out. The State of New Jersey is not processing loans and not even giving out applications.

Those States that are processing loans are actually charging the Government 16-percent interest on the loan applications that are being made.

I must ask my colleagues, and both of the chairmen, please move the urgent supplemental. The students desperately need this help. We are now in May and the funds are running out. We are disrupting the educational plans of thousands, if not millions of students for the next school year.

Mr. LOTT. Mr. Speaker, may I ask, how much time do I have remaining?

The SPEAKER. The gentleman has 1 minute remaining.

Mr. LOTT. Total?

The SPEAKER. The gentleman is correct.

Mr. LOTT. My Speaker, I think we need to make a couple of very important final points.

Make no mistake about it. For my colleagues who would like an opportunity to vote on the Evans-Corcoran initiative, this is apparently going to be the only opportunity.

I want to emphasize that both the chairman of the Rules Committee and the distinguished majority leader are saying the same thing as the minority leader. They are urging a vote for the previous question and for the rule to consider the bill under an orderly procedure.

Mr. EVANS of Delaware. Mr. Speaker, will the gentleman yield?

Mr. LOTT. I yield to the gentleman from Delaware.

Mr. EVANS of Delaware. I thank the gentleman for yielding.

I want to ask the gentleman a question. I think the choice is fairly clear.

Does a yes vote continue subsidies for major energy companies and a no vote on the previous question provide some assistance to home buyers and homebuilders and small business people all over the country?

Mr. LOTT. Mr. Speaker, we need to recognize that there is a serious problem here. This is an urgent supplemental appropriations bill. If we do what the Rules Committee is apparently now talking about, it will go back up to the Rules Committee. If we do not take it up today, they will add $500 million to $1 billion in a housing initiative and the Senate will up the ante. We may very likely have a veto and no housing initiative and no urgent supplemental.

Mr. CORCORAN. Mr. Speaker, will the gentleman yield?

Mr. LOTT. I yield to the gentleman from Illinois.

Mr. CORCORAN. I think the gentleman makes a good point.

● Mr. BROWN of Ohio. Mr. Speaker, I commend the leadership of Congressmen Corcoran and Evans in attempting to accomplish two important goals. The first would provide immediate assistance to the housing industry. The second would scale back a Synthetic Fuels Corporation bloated by the congressional spending hysteria of 1980.

By linking these two goals, the Corcoran-Evans amendment would provide fiscally responsible housing assistance. This assistance would be available not only to States with preexisting revenue mortgage bond programs but to States like Ohio which, at present, have no such programs. I thank the gentlemen from Illinois and Delaware for working with me to assure that Ohio could benefit from their efforts.

Ohio has a State constitution which does not presently authorize mortgage revenue bonds. I drafted a proposal to provide that Ohio and three other States, would still get their fair share. The Secretary of Housing and Urban Development would be required to provide another means to distribute Ohio's share to Ohio builders and home buyers. I thank my colleagues for helping me help Ohioans who want their own fair share of the American dream.

I have been and continue to be a supporter of a synthetic fuels program. But especially in these times of record unemployment and high interest rates, I think it makes eminent good sense to take a small portion of the $15 billion in funds remaining to the Synthetic Fuels Corporation and to use that money to help Americans purchase houses, and thereby aid the construction industry and workers in that industry who have been among the most seriously affected by this recession.

Particularly when I hear that the Synthetic Fuels Corporation now plans to claim the funds released as a result of the collapse of the TOSCO project and to use those funds again, I see that all my worst fears about this wonderful Synfuel Corporation created by the Energy Security Act are coming true.

It truly is acting as a sui generis "Jack the Ripper."

When the Democratic leadership brought the Energy Security Act back from conference with a price tag of $90 billion—yes, $90 billion—higher than the House-passed $3 billion bill, I objected. I predicted that a worthwhile seed program had been corrupted in conference. The primary authors of the bill promised this House that the synthetic fuels fund would not be a revolving fund. It would be a one-time sum from which every agreement would be subtracted. I quote from the Congressional Record of the day this House adopted the conference report:

> Mr. Moorhead of Pennsylvania. Mr. Speaker, the gentleman from Ohio (Mr. Brown), has made a number of criticisms of S. 932 today and in a previous "Dear Colleague" letter, and I would like to reply to them.
>
> He refers to the Corporation as "legally undefined." I think the Corporation is quite legally defined within the many pages of the very legislation before us. The idea may be difficult to fully comprehend, but this is a new one-of-a-kind Federal entity for a special purpose and with a set lifetime.
>
> Now when the gentleman refers to $20 billion and then an additional $68 billion as if these were sums of money the U.S. Government is actually going to spend, I must respectully disagree. These sums represent mostly private capital which will be generated into synthetic fuels development through the use of various Federal guarantees.
>
> These sums will be spent only if everything completely fails, but with the skyrocketing prices of foreign oil I think that is hardly likely or even a possibility.
>
> The $20 billion authorization is contained in this bill but it is subject to the appropriations process. The sum really is a set-aside

in the unlikely event the program is a total failure and we cannot even recover a nickel of our investment. However, as each contract or guarantee is made, the amount of money is deducted from the total authorization dollar-for-dollar to the maximum liability and cannot be used again. In effect, it is a bookkeeping scorecard.

Mr. Speaker, the Synthetic Fuels Corporation is attempting to do what the authors promised they could not do. If the TOSCO funds are released to the Synthetic Fuels Corporation instead of being returned to the Treasury as provided by the letter and spirit of the act, then we were truly "had" by those who would spend billion after billion without reason.

For the Democratic leadership to defend this synthetic fuels program—every penny of this program—while professing such concern about the deficit is the worst kind of hypocrisy. The same brand of hypocrisy with which the original legislation was corrupted.

I have been spending a great deal of time with the people of Ohio. I know how they would vote given the choice between $1 billion from synfuels and $1 billion for housing. I, for one, will vote as their representative, not as the representative of "Big Oil" and those who want to milk the Synthetic Fuels Corporation sacred cow for every drop they can get.

We would have left $13.9 billion for synthetic fuels development by transferring $1 billion to housing. Mr. Speaker—remember—that is $10.9 billion more than in our original synfuels program bill before the Senate and the majority leader ganged up on the taxpayers in conference.●

● Mr. WOLF. Mr. Speaker, I rise in opposition to the motion ordering the previous question.

I oppose the previous question motion because we have the opportunity today to discuss and approve a home buyers' assistance amendment which will give a much-needed signal to the American people that we are serious about getting this country moving again. In the past, the housing, building, construction, and associated industries have played key roles in boosting the Nation's economy and I believe they can be a motivating force now. We must seize this opportunity to restore the country's faith and hope in the American dream—homeownership.

Most of my colleagues are faced with the same recession crunches with which I am faced in the 10th District of Virginia. One result of this economic slump is unemployment, especially in the area of building and construction.

Ideally, the Congress should act to restore fiscal responsibility by bringing Government spending down, the deficit down, and high interest rates down. This would restore productivity to our land and prosperity to our people. As we have seen, however, interest rates have remained high, the deficit has blossomed, and we, in Congress, continue to let Government spending control us; we do not control it. As long as this trend continues, we can expect further economic hardships and a prolonged recession.

We must act now to stimulate areas of the economy which have the potential for increasing our Nation's productivity.

I urge my colleagues to vote "no" on the motion on the previous question for the rule on H.R. 5922, the Urgent Supplemental appropriations, and join me in voting "yes" on the home buyers' assistance amendment. We can take a positive step today in turning the economy around through this action.●

● Mrs. SCHNEIDER. Mr. Speaker, it is my intention to vote "no" on ordering the previous question on House Resolution 415, the rule for consideration of H.R. 5922, the urgent supplemental appropriations bill, and I urge my colleagues to do likewise.

My "no" vote is not to delay consideration of H.R. 5922, which contains vitally needed funds for education assistance, sewer construction grants, and other governmental functions. In my opinion, the failure to consider this bill in a more timely fashion has led to uncertainty on the part of students and their parents as well as by local and Federal officials. I urge the leadership to relent and bring this bill up at once.

At the same time, Mr. Speaker, I believe that House consideration must be under an open rule. Traditionally, we have considered appropriations bills under open rules allowing for appropriate amendments—and in this case, the Evans-Corcoran amendment could not be more appropriate. Our housing industry is in a state of depression. Interest rates in excess of 16 percent continue to plague those desiring to purchase a home, and the Evans-Corcoran amendment will provide relief. The funds to be provided are already appropriated, and let us not play a shell game with the budget authority/outlays argument. The funds designated by the Evans-Corcoran amendment have already been appropriated to the Synthetic Fuels Corporation for use as loan guarantees. Proponents of the rule—and those who would deny relief to the housing industry and to home buyers—argue that new funds are needed rather than those previously appropriated to the SFC since the Evans-Corcoran amendment would not, in their opinion, save any new outlays.

Well, permit me, Mr. Speaker, to use an analogy. Just because you have money in a savings account and go out to borrow money does not mean the savings will never be used. To so argue would be specious and beside the point. The plain fact is that the leadership's plan would add to the deficit, and the Evans-Corcoran amendment would not involve appropriation of a single, solitary new cent. The leadership's plan means borrowing more money, and the Evans-Corcoran plan means allocating already committed funds more effectively.

Let us get the housing industry out of its depression. Let us let home buyers purchase homes at reasonable interest rates. Let us put life into the guaranteed student loan program and Pell grants. Let us get needed sewer funds out and put them to work.

Mr. Speaker, I urge my colleagues to vote "no" on the previous question and I urge the leadership to get this bill to the floor, without any more unnecessary delay. The country is waiting for badly needed funds for these programs. The choice is between leaving funds which can be spared with big oil companies or allocating them more effectively and quickly for the housing industry.●

The SPEAKER. All time has expired.

Mr. LOTT. Mr. Speaker, I move the previous question on the resolution.

The SPEAKER. The question is on ordering the previous question.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. EVANS of Delaware. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 240, nays 158, not voting 34, as follows:

[Roll No. 60]

YEAS—240

Addabbo
Akaka
Albosta
Alexander
Anderson
Annunzio
Anthony
Applegate
Aspin
Bailey (PA)
Barnes
Bedell
Beilenson
Benjamin
Bennett
Bevill
Bingham
Blanchard
Boggs
Boland
Bolling
Bonior
Bonker
Bouquard
Bowen
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown (CA)
Burton, Phillip

Byron
Chappell
Cheney
Clay
Clinger
Coelho
Collins (IL)
Conable
Conte
Conyers
Coyne, William
Crockett
D'Amours
Daschle
de la Garza
Dellums
Derrick
Dickinson
Dicks
Dingell
Dixon
Dorgan
Dowdy
Downey
Dwyer
Dymally
Dyson
Early
Eckart
Edgar
Edwards (CA)
Edwards (OK)

English
Evans (GA)
Fary
Fascell
Fazio
Ferraro
Fiedler
Fithian
Flippo
Florio
Foley
Ford (MI)
Ford (TN)
Fountain
Fowler
Frost
Fuqua
Garcia
Gaydos
Gejdenson
Gephardt
Gibbons
Glickman
Gonzalez
Gore
Gramm
Gray
Green
Guarini
Hall (OH)
Hall, Sam
Hamilton

Hance
Harkin
Hawkins
Hefner
Heftel
Hertel
Hightower
Holland
Howard
Hoyer
Hubbard
Hughes
Hutto
Ireland
Jenkins
Jones (NC)
Jones (OK)
Kastenmeier
Kennelly
Kildee
Kindness
Kogovsek
LaFalce
Lantos
Leath
Lehman
Leland
Levitas
Livingston
Long (LA)
Long (MD)
Lott
Lowry (WA)
Luken
Lundine
Markey
Matsui
Mavroules
Mazzoli
McClory
McCloskey
McCurdy
McDade
McHugh
McKinney
Mica
Michel
Mikulski

Miller (CA)
Mineta
Minish
Mitchell (MD)
Moakley
Moffett
Mollohan
Montgomery
Mottl
Murphy
Myers
Natcher
Nichols
Nowak
Oakar
Oberstar
Obey
Ottinger
Oxley
Panetta
Pashayan
Patman
Patterson
Pease
Pepper
Perkins
Peyser
Pickle
Price
Rahall
Rangel
Ratchford
Reuss
Rhodes
Richmond
Rinaldo
Roberts (KS)
Roberts (SD)
Robinson
Rodino
Roe
Roemer
Rose
Rosenthal
Rostenkowski
Roukema
Roybal
Rudd

Russo
Sabo
Savage
Sawyer
Scheuer
Schroeder
Schumer
Seiberling
Shamansky
Shannon
Sharp
Shaw
Shelby
Simon
Skelton
Smith (IA)
Smith (NE)
Solarz
St Germain
Stark
Stenholm
Stokes
Stratton
Studds
Swift
Synar
Tauzin
Udall
Vento
Volkmer
Walgren
Washington
Watkins
Waxman
Weiss
White
Whitehurst
Whitley
Whitten
Williams (MT)
Wright
Wyden
Wylie
Yates
Yatron
Young (MO)
Zablocki
Zeferetti

NAYS—158

Andrews
Archer
Atkinson
Badham
Bafalis
Bailey (MO)
Beard
Benedict
Bereuter
Bethune
Bliley
Brown (CO)
Brown (OH)
Broyhill
Burgener
Butler
Campbell
Carman
Carney
Chappie
Clausen
Coats
Coleman
Collins (TX)
Corcoran
Coughlin
Courter
Craig
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Dannemeyer
Daub
Davis
Deckard
DeNardis
Dornan
Duncan
Dunn
Edwards (AL)
Emerson
Emery
Erdahl
Erlenborn

Evans (DE)
Fenwick
Fields
Findley
Fish
Forsythe
Frenzel
Gilman
Gingrich
Goodling
Gradison
Gregg
Gunderson
Hagedorn
Hall, Ralph
Hammerschmidt
Hansen (ID)
Hansen (UT)
Hartnett
Heckler
Hendon
Hiler
Hillis
Hollenbeck
Holt
Hopkins
Horton
Huckaby
Hunter
Hyde
Jacobs
Jeffords
Jeffries
Johnston
Kazen
Kramer
Lagomarsino
Latta
Leach
LeBoutillier
Lee
Lent
Lewis
Loeffler
Lowery (CA)

Lujan
Lungren
Madigan
Marlenee
Marriott
Martin (IL)
Martin (NC)
Martin (NY)
McCollum
McDonald
McEwen
McGrath
Miller (OH)
Mitchell (NY)
Molinari
Moore
Moorhead
Morrison
Napier
Neal
Nelligan
O'Brien
Parris
Paul
Petri
Porter
Pritchard
Pursell
Quillen
Railsback
Regula
Ritter
Rogers
Roth
Rousselot
Schneider
Schulze
Sensenbrenner
Shumway
Shuster
Skeen
Smith (AL)
Smith (NJ)
Smith (OR)
Snowe

Snyder
Solomon
Spence
Stangeland
Staton
Stump
Tauke
Taylor

Thomas
Traxler
Trible
Walker
Wampler
Weaver
Weber (OH)
Whittaker

Winn
Wirth
Wolf
Wolpe
Wortley
Young (AK)
Young (FL)

NOT VOTING—34

AuCoin
Barnard
Biaggi
Boner
Burton, John
Chisholm
Coyne, James
Derwinski
Donnelly
Dougherty
Dreier
Ertel

Evans (IA)
Evans (IN)
Foglietta
Frank
Ginn
Goldwater
Grisham
Hatcher
Jones (TN)
Kemp
Marks
Mattox

Murtha
Nelson
Santini
Siljander
Smith (PA)
Stanton
Vander Jagt
Weber (MN)
Williams (OH)
Wilson

□ 1315

Messrs. SNYDER, MARRIOTT, PRITCHARD, THOMAS, MOORE, RALPH M. HALL, LATTA, REGULA, and SAVAGE changed their votes from "yea" to "nay."

Ms. MIKULSKI changed her vote from "nay" to "yea."

So the previous question was ordered.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. CORCORAN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 338, nays 54, not voting 40, as follows:

[Roll No. 61]

YEAS—338

Addabbo
Akaka
Albosta
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Atkinson
Bailey (PA)
Barnes
Beard
Bedell
Beilenson
Benedict
Benjamin
Bennett
Bereuter
Bevill
Bingham
Blanchard
Bliley
Boggs
Boland
Bolling
Bonior
Bonker
Bouquard
Bowen
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown (CA)
Brown (OH)
Burgener
Burton, Phillip

Byron
Campbell
Carman
Carney
Chappell
Chappie
Cheney
Clausen
Clinger
Coats
Coelho
Coleman
Collins (IL)
Conable
Conte
Conyers
Corcoran
Courter
Coyne, William
Crockett
D'Amours
Daniel, R. W.
Daschle
Daub
Davis
de la Garza
Dellums
DeNardis
Derrick
Dicks
Dingell
Dixon
Dorgan
Downey
Duncan
Dunn
Dwyer
Dymally
Dyson

Early
Eckart
Edgar
Edwards (CA)
Edwards (OK)
Emerson
Emery
English
Erlenborn
Evans (DE)
Evans (GA)
Fary
Fascell
Fazio
Fenwick
Ferraro
Fiedler
Findley
Fish
Fithian
Flippo
Florio
Foley
Ford (MI)
Ford (TN)
Fountain
Fowler
Frost
Fuqua
Garcia
Gaydos
Gejdenson
Gephardt
Gibbons
Gilman
Glickman
Gonzalez
Gore
Gradison

Gramm
Gray
Green
Guarini
Gunderson
Hall (OH)
Hall, Ralph
Hall, Sam
Hamilton
Hammerschmidt
Hance
Hansen (UT)
Harkin
Hartnett
Hawkins
Heckler
Hefner
Heftel
Hendon
Hertel
Hightower
Hiler
Hillis
Holland
Hollenbeck
Horton
Howard
Hoyer
Hubbard
Huckaby
Hughes
Hunter
Hutto
Hyde
Ireland
Jacobs
Jeffords
Jenkins
Jones (NC)
Jones (OK)
Kastenmeier
Kazen
Kennelly
Kildee
Kindness
Kogovsek
LaFalce
Lagomarsino
Lantos
Latta
Leach
Leath
LeBoutillier
Lee
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Loeffler
Long (LA)
Long (MD)
Lott
Lowery (CA)
Lowry (WA)
Luken
Lundine
Lungren
Markey
Marlenee
Marriott
Martin (NC)
Martin (NY)

Matsui
Mavroules
Mazzoli
McClory
McCloskey
McCurdy
McDade
McEwen
McGrath
McHugh
McKinney
Mica
Michel
Mikulski
Miller (CA)
Miller (OH)
Mineta
Minish
Mitchell (MD)
Mitchell (NY)
Moakley
Moffett
Molinari
Mollohan
Montgomery
Mottl
Murphy
Myers
Napier
Natcher
Neal
Nelligan
Nelson
Nichols
Nowak
O'Brien
Oakar
Obey
Ottinger
Oxley
Panetta
Parris
Pashayan
Patman
Patterson
Pease
Pepper
Perkins
Peyser
Pickle
Porter
Price
Pritchard
Pursell
Quillen
Rahall
Railsback
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Roberts (KS)
Roberts (SD)
Robinson
Rodino
Roe
Roemer
Rogers
Rosenthal
Rostenkowski
Roth

Roukema
Roybal
Rudd
Russo
Sabo
Savage
Sawyer
Scheuer
Schneider
Schulze
Schumer
Seiberling
Sensenbrenner
Shamansky
Shannon
Sharp
Shaw
Shelby
Simon
Skeen
Skelton
Smith (IA)
Smith (NE)
Snowe
Solarz
Solomon
Spence
St Germain
Stark
Staton
Stenholm
Stokes
Stratton
Studds
Swift
Synar
Tauke
Tauzin
Taylor
Thomas
Traxler
Trible
Udall
Vento
Volkmer
Walgren
Wampler
Washington
Watkins
Waxman
Weaver
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams (MT)
Williams (OH)
Winn
Wirth
Wolf
Wolpe
Wortley
Wright
Wyden
Wylie
Yates
Yatron
Young (AK)
Young (FL)
Zablocki
Zeferetti

NAYS—54

Archer
Badham
Bailey (MO)
Bethune
Brown (CO)
Broyhill
Butler
Collins (TX)
Coughlin
Craig
Crane, Daniel
Crane, Philip
Daniel, Dan
Dannemeyer
Deckard
Dickinson
Dornan
Edwards (AL)

Erdahl
Fields
Forsythe
Frenzel
Gingrich
Goodling
Gregg
Hagedorn
Hansen (ID)
Holt
Hopkins
Jeffries
Johnston
Kramer
Lujan
Madigan
Martin (IL)
McCollum

McDonald
Moore
Moorhead
Morrison
Paul
Petri
Rousselot
Schroeder
Shumway
Shuster
Smith (AL)
Smith (NJ)
Smith (OR)
Snyder
Stangeland
Stump
Walker
Weber (OH)

NOT VOTING—40

Aspin
AuCoin
Bafalis
Barnard
Biaggi
Boner
Burton, John
Chisholm
Clay
Coyne, James
Derwinski
Donnelly
Dougherty
Dowdy
Dreier
Ertel
Evans (IA)
Evans (IN)
Foglietta
Frank
Ginn
Goldwater
Grisham
Hatcher
Jones (TN)
Kemp
Marks
Mattox
Murtha
Oberstar
Rangel
Rose
Santini
Siljander
Smith (PA)
Stanton
Vander Jagt
Weber (MN)
Wilson
Young (MO)

☐ 1330

Mr. CLAUSEN changed his vote from "nay" to "yea."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. LOTT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the resolution just agreed to.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

APPOINTMENT AS MEMBERS OF U.S. GROUP OF NORTH ATLANTIC ASSEMBLY

The SPEAKER. Pursuant to the provisions of section 1, Public Law 689, 84th Congress, as amended, the Chair appoints as members of the U.S. Group of the North Atlantic Assembly to be held May 27 to June 1, 1982, in Madeira, Portugal, the following Members on the part of the House:

Mr. Phillip Burton of California, chairman;

Mr. Hamilton of Indiana, vice chairman;

Mr. Brooks of Texas;
Mr. Annunzio of Illinois;
Mr. Rose of North Carolina;
Mr. Garcia of New York;
Ms. Oakar of Ohio;
Mr. Rosenthal of New York;
Mr. Broomfield of Michigan;
Mr. Whitehurst of Virginia;
Mr. Burgener of California; and
Mr. Roth of Wisconsin.

PERMISSION FOR SUBCOMMITTEE ON THE PANAMA CANAL/OUTER CONTINENTAL SHELF OF COMMITTEE ON MERCHANT MARINE AND FISHERIES TO SIT TODAY DURING 5-MINUTE RULE

Mr. JONES of North Carolina. Mr. Speaker, I ask unanimous consent that the Subcommittee on the Panama Canal and Outer Continental Shelf of the Committee on Merchant Marine and Fisheries be permitted to meet this afternoon while the House is operating under the 5-minute rule.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

Mr. WALKER. Mr. Speaker, reserving the right to object, I reserve the right to object to ask the gentleman whether or not this has been cleared with the minority.

Mr. JONES of North Carolina. To the best of my knowledge, it has, sir.

Mr. WALKER. The ranking member agreed with this request?

Mr. JONES of North Carolina. I have heard no objection.

Mr. LENT. If the gentleman will yield, I am the ranking minority member on the subcommittee. We have no objection to the bill coming up this afternoon.

Mr. WALKER. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

FEDERAL RECLAMATION LAWS AMENDMENTS

Mr. KAZEN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 5539) to amend and supplement the Federal reclamation laws, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Texas (Mr. Kazen).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 5539, with Mr. Fowler in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the committee rose on Wednesday, May 5, 1982, sections 1 and 2 of the committee amendment in the nature of a substitute had been considered as having been read and open to amendment at any point.

Are there any amendments to sections 1 or 2?

AMENDMENT OFFERED BY MR. KAZEN

Mr. KAZEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Kazen: Page 4, line 6, strike all that follows the period through the colon on line 14 and insert in lieu thereof: "The interest rates used pursuant to this Act shall be determined by the Secretary of the Treasury on the basis of the weighted average yield of all publicly held, interest bearing, marketable issues sold during the fiscal year in which the expenditures by the United States were or are made, but shall not be less than five per centum per annum:".

Mr. KAZEN. Mr. Chairman, this amendment incorporates suggestions made by the General Accounting Office with respect to the interest rate used in the full cost formula. This amendment will perfect the full cost formula so that it will more accurately reflect the actual cost to the Government for constructing these water projects.

The formula, as it presently reads, would utilize the average yields obtained by the Treasury upon its marketable public obligations which are neither due nor callable for redemption for 15 years from date of issue.

This amendment would require that the Secretary of the Treasury use the weighted average yield of all publicly held, interest-bearing, marketable issues sold during the fiscal year in which the expenditures by the United States were or are made.

The General Accounting Office pointed out to us that, in some years, the Treasury Department does not sell 15-year bonds. Furthermore, by weighting the average yields of all the bonds (long-term and short-term) sold during the fiscal year in which expenditures were or are made, we will more accurately reflect the actual cost to the Government for constructing these projects.

Finally, this amendment would place a floor on the interest rate so that in no case could it be less than 5 percent per year. Without this floor, the interest rate for some projects could be in the 2- to 3-percent range because when those projects were built in the 1930's and 1940's, interest rates were quite low.

☐ 1345

Mr. Chairman, I urge adoption of the amendment.

Mr. CLAUSEN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, as I understand it, this amendment was drafted to satisfy the concerns of the Government Accounting Office, and so I see no reason to oppose it. In fact, it may very well serve, as the chairman has stated, to clarify the full cost definition which will help in the revenue generating process under the bill. So, I do support the amendment.

But, I would also like to engage in a colloquy and ask some questions of the chairman with regard to that particular provision. The first question is, Does this interest rate apply to all past project construction costs, or is it intended to apply only prospectively to new projects yet to be funded or authorized?

Mr. KAZEN. Will the gentleman yield?

Mr. CLAUSEN. I will be happy to yield.

Mr. KAZEN. Yes. The interest rate is applied to all of the remaining construction costs on projects which have been completed. That is, to the balance due. It applies to all of the construction costs on projects yet to be funded or authorized.

Mr. CLAUSEN. Would this mean, then, that in a calculation for the cost of water to a recipient, that the calculation will be adjusted each year based upon the formula contained in the gentleman's amendment? In other words, will the average weighted yield for each year determine the interest rate for that year on all costs to water recipients under the bill? Could this also apply on a yearly basis to repayment contract provisions for project construction, or will that repayment rate remain constant under the terms of a repayment contract?

Mr. KAZEN. The interest rate is the weighted average of interest rates for the year in which the expenditure was made by the Government. It remains constant as to the particular amount expended in that year. For example, if $5 million were spent in 1977 and $10 million in 1978, the interest rate would be computed for 1977 and applied on the $5 million and the rate would be computed on the $10 million for 1978. That rate would be charged on each of those amounts over the balance due on that particular year's expenditure, over the remaining life of the repayment contract.

The principal amount repayable will remain constant. Please note that the formula provides for amortization.

I can give the gentleman an analogy:

If a developer were to build three different buildings over a period of 3 years, one each year, financed by the same lender, he might borrow a certain amount the first year to build the first building. The lender would compute the interest on that amount over the life of the loan according to the prevailing rate for that year. He would do the same for the additional amounts borrowed in the second and third year. The total amount borrowed might be $300,000 but there would be a different interest rate charge on the first hundred thousand, and on the next hundred thousand and so on, according to the prevailing rate in each of the years in which the money was advanced.

The only difference here is as to projects which have already been completed and upon which some repayment has been made. Interest would not be charged on the amount which has been repaid, but only on the balance of the contract obligation. The Secretary will prorate the amounts already paid back to each of the years in which the construction money was actually spent.

I hope that answers the gentleman's question.

Mr. CLAUSEN. I thank the gentleman for that clarifying legislative history on his amendment.

Mr. Chairman, I support the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. Kazen).

The amendment was agreed to.

The CHAIRMAN. If there are no further amendments to sections 1 and 2, the Clerk will read.

The Clerk read as follows:

TITLE I

NEW AND AMENDED CONTRACTS

Sec. 101. (a) The provisions of this title shall be applicable to any district which:

(1) enters into a contract with the Secretary subsequent to the effective date of this Act;

(2) has an existing contract with the Secretary which is amended to enable the district to receive supplemental or additional benefits not previously authorized by law.

(b) Any district or individual which has an existing contract with the Secretary as of the effective date of this Act may, within two years of such date, make a written request to the Secretary for his approval that such contract be amended only to conform with the provisions of this title: Provided, That the Secretary shall extend the period in which to file the request if the request cannot be made due to circumstances beyond the control of the district. If the Secretary determines that the proposed amendments would conform with the provisions of this title, he shall consider the contract so amended for purposes of this Act. Such an amendment shall be binding upon the district or individual and the Secretary for the duration of such contract.

(c) In the absence of an amendment to a contract approved by a district or a request therefore, as provided in subparagraphs (a) and (b) of this Section, a person may elect to be brought under the provisions of this title by executing an election in a form approved by the Secretary to comply with this title. The district shall thereupon deliver project water to and collect from such persons, for the credit of the United States, the additional charges required by this title and assignable to the person making the election.

LIMITATION ON OWNERSHIP

Sec. 102. No project water shall be delivered by the Secretary pursuant to a contract, or contracts, for the irrigation of lands in private ownership, whether situated in one or more districts, which exceed nine hundred and sixty acres of class I land or its equivalent.

PRICING

Sec. 103. (a) Notwithstanding any other provision of law or contract to the contrary, the Secretary shall not enter into any contract with a district which provides for the delivery of project water, nor shall he deliver project water to lands held by any person whether as the owner thereof or as a tenant, in excess of nine hundred and sixty acres of class I land or its equivalent, in the aggregate, whether situated in one or more districts at a price which is other than the full cost thereof as defined herein: *Provided*, That any contract entered into pursuant to this subsection shall contain a provision requiring that the full price which shall be charged for project water delivered to lands held by any person in excess of nine hundred and sixty acres, as provided by this Act, shall be paid only by that person, and shall not be assigned, either wholly or in part, to any other person.

(b) The Secretary may enter into a contract with a district which provides for the delivery of project water to any person for land held by such person as the owner thereof or as a tenant, not in excess of nine hundred and sixty acres of class I land or its equivalent, in the aggregate, whether situated in one or more districts, at a price to be fixed by him pursuant to the Federal reclamation laws in effect prior to the effective date of this Act or, in the case of an amended contract, upon the terms and conditions established by such contract prior to the date of its amendment.

CORPORATIONS

Sec. 104. Notwithstanding the provisions of this title or any other provisions of this Act, a corporation having more than eighteen individual shareholders shall be treated as a person under the provisions of section 103 only if such corporation was receiving, or had received, project water on or before October 1, 1981: *Provided, however*, That the Secretary may enter into a contract which provides for the delivery of project water to any such corporation which was not receiving, or had not received, project water on or before October 1, 1981, only at a price which is full cost as herein defined of all of the project water delivered for use on lands owned or leased by it: *Provided further*, That any such corporation shall, in any event, be subject to the restrictions contained in section 102.

CERTIFICATION

Sec. 105. As a condition to the receipt of project water for the irrigation of lands in a district which becomes subject to the provisions of this title, each landowner and lessee within such district shall furnish the district, in a form prescribed by the Secretary, a certificate that they are in compliance with the provisions of this Act. The Secretary may require any lessee to submit to him, for his examination, a complete copy of any such lease executed by each of the parties thereto.

EQUIVALENCY

Sec. 106. Upon the request of any district, the acreage limitations imposed by this title shall apply to the irrigable lands classified within such district by the Secretary as having class I productive potential or the equivalent thereof in larger acreage of less productive potential, as determined by the Secretary, taking into account all factors which significantly affect productivity, including but not limited to topography, soil characteristics, length of growing season, elevation, adequacy of water supply, and crop adaptability.

Sec. 107. (a) Project water made available in the operation of reclamation project facilities constructed after the enactment of this Act may not be delivered for use in the irrigation of lands held in excess of the ownership limitations imposed by the Federal reclamation laws, including this Act, unless and until the owners thereof shall have executed a recordable contract with the Secretary requiring the disposal of their interest in such excess lands within a reasonable time. Such reasonable time shall be established by the Secretary, but shall not exceed ten years after the recordable contract is executed by the Secretary in accordance with the terms and conditions required by the Federal reclamation laws generally.

(b) Lands held in excess of the ownership limitations imposed by the Federal reclamation laws, including this Act, which, on the date of enactment of this Act, are receiving delivery of project water made available by the operation of existing reclamation project facilities may continue to receive such deliveries only—

(1) if the disposal of the owner's interest in such lands is required by an existing recordable contract with the Secretary, or

(2) if the owners of such lands have requested that a recordable contract be executed by the Secretary.

(c) All recordable contracts covering excess land sales shall provide that a power of attorney shall vest in the Secretary to sell any excess lands not disposed of by the owners thereof within the period of time specified in the contracts. In the exercise of that power, the Secretary shall sell such lands through an impartial selection process only to qualified purchasers according to such reasonable rules and regulations as he may establish: *Provided*, That the Secretary shall recover for the owner the fair market value of the land, unrelated to project water deliveries plus the current fair market value of any improvements thereon.

(d) Excess lands which are hereafter disposed of in compliance with any provision of the Federal reclamation laws, or this Act, may be considered eligible to receive project water made available through the operation of project facilities only—

(1) if they are held by nonexcess owners under this title or any other applicable provision of the Federal reclamation laws; and

(2) if their title is burdened by a covenant prohibiting their sale, for a period of ten years after their original disposal to comply with the Federal reclamation laws or title I of this Act, for values exceeding the sum of the value of the newly added improvements and the value of the land as increased by market appreciation unrelated to the delivery of project water. Upon expiration of the terms of such covenant, the title to such lands shall be freed of the burden of any limitation on subsequent sale values which might otherwise be imposed by the operation of section 423e of title 43, United States Code.

OPERATION AND MAINTENANCE COSTS

Sec. 108. (a) Notwithstanding any other provision of this title, the price of project water delivered by the Secretary pursuant to a contract with a district shall be at least sufficient to recover all operation and maintenance charges which the district is obligated to pay to the United States.

(b) Whenever a district enters into a contract or requests that its contract be amended pursuant to this title and each year thereafter, the Secretary shall calculate such operation and maintenance charges and shall modify the price of project water delivered under the contract as necessary to reflect any changes in such costs by amending the district's contract accordingly.

(c) This section shall not apply to districts which operate and maintain project facilities and finance the operation and maintenance thereof from non-Federal funds.

WATER CONSERVATION

Sec. 109. Each contract entered into or amended pursuant to this title shall require the district to develop and implement an effective water conservation program which shall contain definite goals, appropriate water conservation measures, and time schedules for meeting the water conservation objectives.

Mr. KAZEN (during the reading). Mr. Chairman, I ask unanimous consent that title I be considered as read, printed in the Record, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

AMENDMENT OFFERED BY MR. KILDEE

Mr. KILDEE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Kildee: Page 7, strike out lines 9 through 22 and insert in lieu thereof the following:

Sec. 104. Notwithstanding any other provision of this Act, the Secretary may enter into a contract which provides for the delivery of project water to any corporation having more than eighteen individual shareholders only at a price which is full cost of all the project water delivered for use on lands in excess of 160 acres owned or leased by it: *Provided, however*, That the Secretary may enter into a contract which provides for the delivery of project water to any such corporation which was not receiving, or had not received, project water on or before October 1, 1981, only at a price which is full cost as herein defined of all the project water delivered for use on lands owned or leased by it: *Provided further*, That any such corporation shall, in any event, be subject to the restrictions contained in section 102.

Mr. KILDEE (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. KILDEE. Mr. Chairman, we were told yesterday that this bill was written with great diligence by very capable men, and it certainly has. They tell us also that the bill has been so fine tuned that except for the last amendment, it could not bear any amendments. But those who put the bill together, as we all know, like any other group, did not ascend Mount Sinai to bring this bill to us. For the most part, these men are from the 17 States that receive the water, and they certainly have a very understandable bias.

But, I think we have to have a national imprint on this bill, because the cost of this water is paid for by people of all the 50 States. The bill that I seek to amend would really legalize that which the court has declared to be illegal. It is a very modest amendment—perhaps too modest—but one that I feel ought to pass.

Under the bill which we have before us, corporations of more than 18 shareholders currently receiving reclamation water would be required to pay full cost for all acres over 960 acres. My amendment merely says that such corporations will pay full cost for all acres over 160. That is the amount set in the 1902 law that we have been discussing, which the court says has been violated. We are really talking about 800 acres of subsidized water which they have been getting beyond the limits of that 1902 law, and we are not talking about family farms. We are talking about large corporate farms.

Just for example, the J. G. Boswell Corp., which farms about 24,600 acres of land covered by this bill in westlands, is not a small corporation. It has sales of $160 million, according to the 1982 Dun & Bradstreet Directory. Southern Pacific Land Co., which is a subsidiary of the Southern Pacific Railroad, has about 106,000 acres in westlands. The agricultural economist, Phil Leveen, estimates that the subsidy to that company was worth about $100 million in 1975.

The gross profits of the Southern Pacific in 1 year was $2.8 billion—not a small family farm.

Now, the 1902 bill was originally enacted to encourage family farms. We should not really be in the business of subsidizing large, profitable corporations.

According to the Department of Interior acreage limitation environmental impact statement, only 516 out of a total of 47,638 reclamation farms are operated by corporations with 10 shareholders or more. That is 1.1 percent operated by those with 10 shareholders or more. Since my amendment gives 18 as a number of shareholders, it would affect less than 1.1 percent of the farms.

Every one of these farms is operated by an absentee operator who lives more than 50 miles from the farm. I think that some of the spirit of the 1902 law should be retained. We merely are saying that they will pay full cost for additional 800 acres for reclamation.

Mr. PASHAYAN. Mr. Chairman, will the gentleman yield?

Mr. KILDEE. I will be glad to yield.

Mr. PASHAYAN. Is the gentleman aware of what a recordable contract is?

Mr. KILDEE. Yes, I am.

Mr. PASHAYAN. Is the gentleman aware that Southern Pacific's land is under recordable contract?

Mr. KILDEE. I am aware of that.

Mr. PASHAYAN. Would the gentleman explain to the Members what a recordable contract is, or would he like me to do it?

Mr. KILDEE. A contract to sell the land.

Mr. PASHAYAN. That is right, so that when the gentleman says Southern Pacific has that land, and the other corporations the gentleman mentioned, the gentleman failed to mention that that land is under

recordable contract under the Secretary, to be divested.

Mr. KILDEE. Yes.

Mr. PASHAYAN. Well, I wish the gentleman had mentioned that, because it paints the picture in an entirely different color.

Mr. KILDEE. How many acres will they have after divestiture?

Mr. PASHAYAN. No more than 960. Is the gentleman aware of the testimony of former Secretary Cecil Andrus 2 years ago on this very subject?

Mr. KILDEE. I was not on the committee at that time.

Mr. PASHAYAN. May I inform the gentleman and inform the other members of the committee that Secretary Andrus said that the corporations to which the gentleman has alluded were in compliance with the law?

Mr. KILDEE. That is a matter that the court may dispute.

Mr. KAZEN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, a similar amendment was considered by the committee and rejected. In drafting this legislation, the committee gave very careful consideration to the question of corporation ownerships and corporate operations on lands within Federal reclamation projects.

As approved by the committee, the bill would permit corporations to own land eligible to receive water under the same limitations applied to an individual, or a family unit, 960 acres. Corporations which have more than 18 individual shareholders and which were not receiving project water on or before October 1, 1981, would be required to pay full cost for all of the land which they may own or operate in a project. Those larger corporations which were actually engaged in a farming operation and receiving water on or before October 1, 1981, would receive water for the first 960 acres they farm at the existing rate, but would be required to pay the higher full cost for any lands farmed in excess of 960 acres, the same as an individual. They are, so to speak, grandfathered in.

Mr. Chairman, the committee took the action it did in regard to corporations for good reason.

Once again, we were faced with the fact that the Department had interpreted the reclamation law almost from the very day it was enacted, 80 years ago, to permit corporate farming and to permit corporations, regardless of size, to be treated in the same manner as any individual.

In reliance on the years of administrative interpretations which permitted corporate operations and permitted leasing, substantial investments have been made by some corporations having more than 18 shareholders in farming operations.

The amendment would change the rules under which the program has been administered for many years and would retroactively penalize corporations which have, in good faith, relied upon the interpretations of those who are assigned the responsibility to administer the law.

Under the circumstances, I believe the committee has done the best that can be done.

□ 1400

Mr. LUJAN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I will tell the gentleman from Michigan (Mr. Kildee), the author of the amendment, that I have a certain amount of sympathy with what he is attempting to do here. As a matter of fact, I am one who believes that everybody should pay the full cost of water for all the acreage. However, I think that companies that are now operating these farms do have contracts for receiving water; they do have those recordable contracts as the gentleman from California mentioned, and they are as a matter of fact in compliance with the law.

So I see no reason to create a distinction between some of them just because they are small or they are big. If we are going to charge the full cost of water for everyone, I might join the gentleman in such an amendment, but to discriminate against someone just because of size certainly is not a fair thing to do.

We often grandfather situations that exist, and in this particular case we have said, "Well, if you were complying with the law, then you will continue to receive that same amount of water that everybody else does."

So, Mr. Chairman, I think the amendment is highly discriminatory because it discriminates against someone just because they happen to be big, and I do not think that is the way we ought to move in legislating.

Mr. PASHAYAN. Mr. Chairman, will the gentleman yield?

Mr. LUJAN. I am happy to yield to the gentleman from California.

Mr. PASHAYAN. Mr. Chairman, I am constrained to observe that at least some of the corporations mentioned by the author of this amendment are not exactly as large as Chrysler Corp., which I believe received quite a helping hand from the Federal Government in the gentleman's home State.

Mr. VENTO. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I think that my colleague, the gentleman from Michigan (Mr. Kildee) offers a good amendment to this particular proposal, and I rise in support of it.

If we look at the history of reclamation law, we see that one of its primary purposes was the promotion of the family farm unit. This amendment strengthens the family farm by assuring that the benefits of reclamation go to the family farmer and not large corporations, as presently permitted in parts of this particular bill.

The number of family farm operations affected by this amendment, with the number of reclamation aspects, is less than 1.1 percent of all reclamation farms. We are talking about a distinct minority, one that achieves a tremendous windfall benefit under the legislation as crafted by the committee.

The Federal Government should not be in the business of subsidizing large profitable corporations, but that is exactly what will happen if the committee bill is allowed to stand as it is. It is well known that large corporations in the past have assembled huge parcels of reclamation land. While the committee bill makes a small effort to recover Federal costs on a large percentage of these vast acreages, it falls far short of the goals of reclamation law by allowing existing farm corporations, regardless of size or profitability, to receive an unqualified subsidy of Federal water on the first 960 acres of corporation farmland.

By putting a limit on the size of corporations that receive subsidized reclamation water, the Kildee amendment, this first amendment, is helping to insure that it is the family farmer who will receive the benefits of reclamation, as, I believe, was originally intended by the authors.

I think that some of the authors here today have already categorized this as a bailout for these particular industries. I think we ought to face up to the fact that it does go back and change the initial intent. Simply because rules and regulations were put into effect over a period of years that circumvent the policy that was expressed by this Congress is no reason for us to go back now and try to place a mantle of legality over those particular contracts, and that is exactly what is happening in this particular measure. It is a compromise brought to its lowest common denominator that modifies court decisions and that modifies the intent of what this law is supposed to be addressed to. We have held extensive hearings. I served for 6 years on the committee, and I was involved in that subcommittee initially in 1977 and 1978 when the court was coming forth with rulings regarding this particular issue, and all this measure H.R. 5539 is an attempt by this Congress to frustrate the implementation of the proper policy that was established with regard to this policy and throw a mantle of legality over the rules and regulations, that have circumvented the intent of the original reclamation law and subsequent amendments.

Mr. KILDEE. Mr. Chairman, will the gentleman yield?

Mr. VENTO. I yield to the gentleman from Michigan.

Mr. KILDEE. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, the gentleman from California (Mr. Pashayan) indicated one company of the companies I mentioned that had recordable contracts on its acres.

May I point out to the gentleman another clarification, that under the recordable contract they have 10 years in which to dispose of that property. In that 10 years they will receive millions of dollars, many millions of dollars of subsidized water paid for by the taxpayers of this country.

Mr. PASHAYAN Mr. Chairman, I am not so sure of that.

Mr. VENTO. Mr. Chairman, I did not yield to the gentleman. I am yielding to the gentleman from Michigan (Mr. Kildee). If the gentleman wants me to yield to him, I will do so after the gentleman from Michigan completes his statement.

Mr. KILDEE. Also, Mr. Chairman, the figure, 18, was not thought of by me. It was mentioned by the gentleman from New Mexico (Mr. Lujan), who said that is discriminatory, but the figure was taken from the very bill that these gentleman brought to us, saying it was such a fine tuned bill.

This number, 18, is the number they arrived at, looking at how to treat new corporations after October 1.

So I will go along with accepting the number, 18. They did not find it discriminatory, nor do I.

Mr. PASHAYAN. Mr. Chairman, will the gentleman yield?

Mr. VENTO. I yield to the gentleman from California.

Mr. PASHAYAN. Mr. Chairman, the 10-year period of recordable contracts is something that has been long established, and it is deemed to be an equitable measure because it does involve divestment, after all, of private property.

In fact, the leasing of this land from some of these corporations the gentleman mentioned is the very device by which people not now farming in that area are able to come in. A young farming family may well not be able to afford to purchase the land, so they must lease the land in order for them to have some time to accumulate enough capital and then to purchase. So the recordable contracting system has worked very well for small family farms.

Mr. VENTO. Mr. Chairman, if I may reclaim my time, the gentleman from California (Mr. Pashayan) would have us believe that the only solution to this particular problem is to let Boswell and other large corporations hold that land for an extra 10 years after circumventing the process for many years.

I submit to this committee that if that is the best solution we can come up with, if the best solution is to provide a windfall to these corporations so we can help the little farmers, there ought to be another way that we can set up a financing mechanism that would deal with this particular problem. But that is not what is being proposed here. What is being proposed is to continue the injustices and to continue the circumvention of the law that has existed in the past.

Mr. Chairman, I urge that the Members vote aye on the Kildee amendment.

The CHAIRMAN. The time of the gentleman from Minnesota (Mr. Vento) has expired.

(On request of Mr. Pashayan, and by unanimous consent, Mr. Vento was allowed to proceed for 2 additional minutes.)

Mr. PASHAYAN. Mr. Chairman, will the gentleman yield?

Mr. VENTO. I yield to the gentleman from California.

Mr. PASHAYAN. Mr. Chairman, the gentleman, I am afraid, is coloring the whole issue with a paint that is not accurately disposed.

Once again, no less a critic of the whole reclamation system than former Secretary Cecil D. Andrus stated this in committee: In answering the question, are all these corporations mentioned and others in compliance with the law? His answer was, "Yes, they are in compliance with the law."

I am sure the gentleman would not want to leave the impression that heretofore they were out of compliance.

Mr. VENTO. Mr. Chairman, if I may reclaim my time, let me say that if they were in compliance with the law as such, it would not be necessary for us to bring up the type of amendment we are bringing up to resolve what is obviously an uncertainty with regard to the rules and regulations that have been developed.

I think all of us understand what the intent of the law was as initially passed. There have been subsequent rulings which have the force and effect of law, and Secretary Andrus was forced to suggest that they were in compliance with those, but I think that the end result has been a circumvention of what the intent of that law was. Court cases, I believe, have established various precedents that indicated inconsistencies with the initial law.

I think what we are doing here is trying to resolve it. I think the committee should receive some credit for trying to do that, but I just think it ought to be done on the basis of equity. I do not think that awarding the extra acreage, as has been done here in terms of the 800 acres for corporations, is right, and as to the 10-year expression that the gentleman gives as the only mechanism that we can use to get the little farmers in by giving the big corporations 10 more years of low-cost water, I think that is inappropriate. That is the point that I make.

Mr. COELHO. Mr. Chairman, will the gentleman yield?

Mr. VENTO. I yield to my friend, the gentleman from California (Mr. Coelho), a member of the committee.

Mr. COELHO. Mr. Chariman, I thank the gentleman from Minnesota (Mr. Vento).

First, I would like to say, when the gentleman talks of circumvention of the law, I do not know of anybody, including the gentleman in the well, who can give us a specific example of where anybody involved circumvented the law.

The CHAIRMAN. The time of the gentleman from Minnesota (Mr. Vento) has again expired.

(On request of Mr. Coelho, and by unanimous consent, Mr. Vento was allowed to proceed for 2 additional minutes.)

Mr. COELHO. Mr. Chairman, will the gentleman yield further?

Mr. VENTO. I yield to the gentleman from California.

Mr. COELHO. Mr. Chairman, as I say, I do not know of any circumstance where any individual in this particular area the gentleman is referring to has been in violation of the law or has circumvented the law.

Secretary Andrus was no supporter of the program, but he could not come up with any such instance, nor could any of the people who have fought the program.

Now, I am one of those who have tried to bring some order out of this whole chaos that has existed here, but the only way we can do it is if we deal with it in a very intelligent manner and in a low-key manner and try to deal with the facts. We have done that, and the subcommittee has done a great job in trying to put something together that makes sense.

Mr. Chairman, I do not want my colleagues on this side of the aisle to feel that there has been circumvention or violation of the law. That has not existed, and I am opposed to the gentleman's characterization.

Mr. VENTO. Mr. Chairman, the gentleman knows what a low-key personality I am.

Mr. KILDEE. Mr. Chairman, will the gentleman yield?

Mr. VENTO. I yield to the gentleman from Michigan.

Mr. KILDEE. Mr. Chairman, I want to repeat that we are talking in my amendment about 800 acres for which the companies will have to pay the full price of the water. Certainly 800 acres of cost is not going to bankrupt Southern Pacific or the Boswell Co. We are only talking about 800 acres. If they pay full price, they can have well over the restricted acreage. Taking the difference between 160 in my amendment and the 960 in your bill amounts to only 800 acres. Certainly they can pay the cost of those 800 acres.

Mr. PASHAYAN. Mr. Chairman, will the gentleman yield?

Mr. VENTO. I yield to the gentleman from California.

Mr. PASHAYAN. Mr. Chairman, the committee injected the idea of a two-track system and made a policy decision that the acreage did apply in all cases, and the gentleman is suggesting that we bring back to life a two-track system. I am afraid that is apt to open up to further problems.

Mr. VENTO. Mr. Chairman, if I may reclaim my time, the gentleman is suggesting that we treat corporations different than we treat a small operation or partnership. I think that is consistent with the policy that should be followed. I think the 800-acre windfall is not necessary. I think there are other adequate provisions in this bill which characterize it and deal with the problem and the compromise. I do not think this is one.

Mr. Chairman, I ask for an aye vote on the Kildee amendment, and I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan (Mr. Kildee).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. KILDEE. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present. Pursuant to the provisions of clause 2 of rule XXIII, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device, if ordered, will be taken on the pending question following the quorum call. Members will record their presence by electronic device.

The call was taken by electronic device.

The following Members responded to their names:

[Roll No. 62]

Akaka
Albosta
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Atkinson
Badham
Bailey (MO)
Bailey (PA)
Barnes
Bedell
Beilenson
Benedict
Benjamin
Bennett
Bereuter
Bethune
Bevill
Bingham
Blanchard
Bliley
Boggs
Bonker
Bouquard
Bowen
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown (CA)
Brown (CO)
Burgener
Burton, Phillip
Butler
Byron
Campbell
Carman
Carney
Chappell
Chappie
Cheney
Clausen
Clinger
Coats
Coelho
Coleman
Collins (TX)
Conable
Conte
Conyers
Corcoran
Coughlin
Courter
Coyne, William
Craig
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Dannemeyer
Daschle
Daub
Davis
de la Garza
Deckard
Dellums
DeNardis
Derrick
Dickinson
Dicks
Dingell
Dixon
Dorgan
Downey
Duncan
Dunn
Dwyer
Dymally
Dyson
Early
Eckart
Edgar
Edwards (AL)
Edwards (CA)
Edwards (OK)
Emerson
Emery
English
Erdahl
Erlenborn
Evans (DE)
Fary
Fascell
Fazio
Fenwick
Ferraro
Fiedler
Fields
Findley
Fish
Fithian
Flippo
Florio
Foley
Ford (MI)
Ford (TN)
Forsythe
Fountain
Fowler
Frenzel
Fuqua
Garcia
Gejdenson
Gephardt
Gilman
Gingrich
Glickman
Gonzalez
Goodling
Gore
Gradison
Gramm
Gray
Green
Gregg
Guarini
Gunderson
Hagedorn
Hall (OH)
Hall, Ralph
Hall, Sam
Hamilton
Hammerschmidt
Hance
Hansen (ID)
Hansen (UT)
Harkin
Hartnett
Hawkins
Heckler
Hefner
Heftel
Hendon
Hertel
Hightower
Hiler
Hillis
Hollenbeck
Holt
Hopkins
Howard
Hoyer
Hubbard
Huckaby
Hughes
Hunter
Hutto
Hyde
Ireland
Jeffords
Jeffries
Jenkins
Johnston
Jones (OK)
Kastenmeier
Kazen
Kennelly
Kildee
Kindness
Kogovsek
Kramer
LaFalce
Lagomarsino
Lantos
Latta
Leach
Leath
LeBoutillier
Lee
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Loeffler
Long (LA)
Long (MD)
Lott
Lowery (CA)
Lowry (WA)
Lujan
Luken
Lundine
Madigan
Markey
Marlenee
Marriott
Martin (IL)
Martin (NC)
Matsui
Mavroules
Mazzoli
McClory
McCloskey
McCollum
McCurdy
McDade
McEwen
McGrath
McHugh
McKinney
Mica
Michel
Mikulski
Miller (CA)
Miller (OH)
Mineta
Minish
Mitchell (MD)
Moakley
Moffett
Molinari
Mollohan
Montgomery
Moore
Moorhead
Morrison
Mottl
Murphy
Myers
Napier
Natcher
Neal
Nelligan
Nelson
Nowak
O'Brien
Oakar
Oberstar
Ottinger
Oxley
Panetta
Parris
Pashayan
Patman
Patterson
Paul
Pease
Pepper
Perkins
Petri
Pickle
Porter
Price
Pritchard
Pursell
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Richmond
Rinaldo
Ritter
Roberts (KS)
Roberts (SD)
Robinson
Rodino
Roe
Rogers
Rosenthal
Rostenkowski
Roth
Roukema
Roybal
Rudd
Russo
Sabo
Savage
Sawyer
Scheuer
Schneider
Schroeder
Schulze
Schumer
Seiberling
Sensenbrenner
Shannon
Sharp
Shaw
Shelby
Shumway
Simon
Skeen
Skelton
Smith (AL)
Smith (IA)
Smith (NE)
Smith (NJ)
Smith (OR)
Snowe
Snyder
Solarz
Solomon
Spence
St Germain
Stangeland
Stark
Staton
Stenholm
Stokes
Stratton
Studds
Stump
Swift
Synar
Tauke
Tauzin
Taylor
Thomas
Traxler
Udall
Vento
Volkmer
Walgren
Walker
Wampler
Washington
Watkins
Weaver
Weber (MN)
Weber (OH)
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams (MT)
Williams (OH)
Winn
Wirth
Wolf
Wolpe
Wortley
Wyden
Wylie
Yates
Yatron
Young (AK)
Young (FL)
Zablocki
Zeferetti

□ 1430

The CHAIRMAN. Three hundred and sixty Members have answered to their names, a quorum is present, and the Committee will resume its business.

RECORDED VOTE

The CHAIRMAN. The pending business is the demand of the gentleman from Michigan (Mr. Kildee) for a recorded vote.

A recorded vote was ordered.

The CHAIRMAN. The Chair advises the Members that this is a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 220, noes 160, not voting 52, as follows:

[Roll No. 63]

AYES—220

Addabbo
Akaka
Albosta
Annunzio
Applegate
Atkinson
Bailey (PA)
Barnes
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bingham
Blanchard
Boland
Brodhead
Brown (CO)
Brown (OH)
Burton, Phillip
Byron
Carman
Carney
Chappell
Clinger
Coats
Collins (IL)
Collins (TX)
Conte
Conyers
Coughlin
Dannemeyer
Daschle
Daub
Davis
Deckard
Dellums
DeNardis
Derrick
Dingell
Dorgan
Downey
Dunn
Dwyer
Dymally
Dyson
Early
Eckart
Edgar
Edwards (CA)
Emery
English
Erdahl
Evans (DE)
Fary
Fenwick
Fields
Findley
Fish
Fithian
Florio
Ford (MI)
Ford (TN)
Fuqua
Garcia
Gaydos
Gejdenson
Gephardt
Gibbons
Gilman
Gingrich
Goodling
Gramm
Gray
Green
Gregg
Guarini
Gunderson
Hagedorn
Hall (OH)
Hall, Ralph
Hamilton
Hance
Harkin
Hartnett
Heckler
Heftel
Hertel
Hightower
Hiler
Hollenbeck
Hoyer
Hughes
Ireland
Jacobs
Jeffords
Jenkins
Johnston
Kastenmeier
Kennelly
Kildee
LaFalce
Lantos
Latta
Leach
LeBoutillier
Lee
Lehman
Lent
Levitas
Long (MD)
Lundine
Madigan
Markey
Martin (NY)
Mavroules
McCurdy
McDade
McDonald
McEwen
McGrath
McHugh
McKinney
Mica
Mikulski
Miller (CA)
Miller (OH)
Minish
Mitchell (MD)
Moakley
Moffett
Molinari
Mottl
Murphy
Natcher
Neal
Nelligan
Nowak
Oakar
Oberstar
Obey
Ottinger
Oxley
Parris
Patman
Patterson
Paul
Pease
Perkins
Petri
Price
Pursell
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Richmond
Rinaldo
Ritter
Rodino
Roe
Roemer
Rogers
Rosenthal
Rostenkowski
Roth
Roukema
Roybal
Russo
Sabo
Savage
Sawyer
Scheuer
Schneider
Schroeder
Schulze
Schumer
Seiberling
Sensenbrenner
Shannon
Sharp
Shuster
Simon
Smith (AL)
Smith (IA)
Smith (NE)
Smith (NJ)
Snowe
Solarz
Solomon
St Germain
Stangeland
Stark
Stenholm
Stokes
Studds
Tauke
Traxler
Vento
Volkmer
Walker
Washington

Watkins
Waxman
Weaver
Weber (MN)
Weber (OH)
Weiss
Williams (OH)
Wirth
Wolf
Wolpe
Wortley
Wyden
Yates
Yatron
Zablocki
Zeferetti

NOES—160

Alexander
Anderson
Andrews
Anthony
Archer
Badham
Bailey (MO)
Benedict
Bethune
Bevill
Bliley
Boggs
Bonker
Bouquard
Bowen
Breaux
Brinkley
Brooks
Broomfield
Brown (CA)
Broyhill
Burgener
Butler
Campbell
Chappie
Cheney
Clausen
Coelho
Coleman
Conable
Corcoran
Courter
Coyne, William
Craig
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
de la Garza
Dickinson
Dicks
Dixon
Dornan
Duncan
Edwards (AL)
Edwards (OK)
Emerson
Erlenborn
Fascell
Fazio
Ferraro
Fiedler
Flippo
Foley
Forsythe
Fountain
Fowler
Frenzel
Frost
Glickman
Gonzalez
Gore
Gradison
Hall, Sam
Hammerschmidt
Hansen (ID)
Hansen (UT)
Hawkins
Hefner
Hendon
Hillis
Holt
Hopkins
Howard
Hubbard
Huckaby
Hunter
Hyde
Jeffries
Jones (OK)
Kazen
Kindness
Kogovsek
Kramer
Lagomarsino
Leath
Leland
Lewis
Livingston
Loeffler
Long (LA)
Lott
Lowery (CA)
Lowry (WA)
Lujan
Luken
Lungren
Marlenee
Marriott
Martin (IL)
Martin (NC)
Matsui
Mazzoli
McClory
McCloskey
McCollum
Michel
Mineta
Mollohan
Montgomery
Moore
Moorhead
Morrison
Myers
Napier
Nelson
Nichols
O'Brien
Panetta
Pashayan
Pepper
Pickle
Porter
Pritchard
Quillen
Roberts (KS)
Roberts (SD)
Robinson
Rudd
Shaw
Shelby
Shumway
Skeen
Skelton
Smith (OR)
Snyder
Spence
Staton
Stratton
Stump
Swift
Synar
Tauzin
Taylor
Thomas
Trible
Udall
Walgren
Wampler
White
Whitehurst
Whitley
Whittaker
Whitten
Williams (MT)
Winn
Wright
Wylie
Young (AK)
Young (FL)

NOT VOTING—52

Aspin
AuCoin
Bafalis
Barnard
Beard
Biaggi
Bolling
Boner
Bonior
Burton, John
Chisholm
Clay
Coyne, James
Crockett
D'Amours
Derwinski
Donnelly
Dougherty
Dowdy
Dreier
Ertel
Evans (GA)
Evans (IA)
Evans (IN)
Foglietta
Frank
Ginn
Goldwater
Grisham
Hatcher
Holland
Horton
Hutto
Jones (NC)
Jones (TN)
Kemp
Marks
Mattox
Mitchell (NY)
Murtha
Peyser
Rhodes
Rose
Rousselot
Santini
Shamansky
Siljander
Smith (PA)
Stanton
Vander Jagt
Wilson
Young (MO)

The Clerk announced the following pair:

On this vote:

Mr. Frank for, with Mr. Santini against.

Mr. GONZALEZ, Mr. WILLIAM J. COYNE, and Mrs. SCHNEIDER changed their votes from "aye" to "no".

Mrs. COLLINS of Illinois, Messrs. GINGRICH, FINDLEY, FUQUA, and NELLIGAN, and Mrs. SCHNEIDER changed their votes from "no" to "aye".

So the amendment was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. EMERY

Mr. EMERY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. Emery: Page 6, line 5 strike the words "nine hundred and sixty" and insert in lieu thereof: "six hundred and forty".
>
> Page 6, line 13 strike the words "nine hundred and sixty" and insert in lieu thereof: "six hundred and forty".
>
> Page 6, line 20 strike the words "nine hundred and sixty" and insert in lieu thereof: "six hundred and forty".
>
> Page 19, line 7 strike the words "nine hundred and sixty" and insert in lieu thereof: "six hundred and forty".

Mr. EMERY (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Maine?

There was no objection.

Mr. EMERY. Mr. Chairman, I am offering this amendment to change the acreage limitation contained in title I of H.R. 5539 from 960 to 640 because it is an unnecessary extension of the current law, and weighs the whole bill in favor of a few large landholders. Present administrative practice allows an extension from the 160-acre limit of 640 acres for a family of four. In addition, the equivalency provisions of the law allow the extension of amounts of acreage that can receive irrigation under the Reclamation Act. A 640-acre limit is therefore not an absolute limit on land available for irrigation, but it is more realistic and does not skew this bill in favor of any particular farm owners.

The facts and data available tell the real story. The Interior Department draft environmental impact statement, issued in December 1980, which addressed the impact of new regulations on western farms, showed that approximately 96 percent of farms under reclamation projects are less than 640 acres in size. If we extend that acreage to 960, the percentage under reclamation becomes only 97 percent. Who, then, are we really serving by changing the acreage limitation to 960 acres? We are serving a few large farms and their owners.

Mr. Speaker, it seems to me that the intent of this act will be shifted away from helping the small farmer if we pass H.R. 5539 as it is presented to us today.

It is important that we keep this law within the bounds of sound farm policy and sound fiscal policy. By setting acreage limitation at 960 acres, we are asking the American taxpayer to subsidize large farming operators. The Interior DEIS showed the subsidy per acre under this law to be about $800 per acre. If we allow the acreage limitation to go to 960 acres, we will be subsidizing about 3 percent of farms eligible under this program to the tune of $1.4 million.

Nowhere has the justification for this extension of acreage limitation been adequately explained, and I am offering my amendment as part of the effort to make this bill a more responsible piece of legislation. Eighty percent of farms in America gross less than $50,000 per year, and it is unfortunate that, after spending so much time discussing the disastrous plight of the farmer, we are asked to approve a bill that skews the benefits of this proposal to favor large farms that have financial resources of their own.

☐ 1445

Mr. LUJAN. Mr. Chairman, will the gentleman yield?

Mr. EMERY. I yield to the gentleman from New Mexico.

Mr. LUJAN. I thank the gentleman for yielding.

I would just like to point out to the gentleman what has happened here. We tried to define what the optimum size of a farm should be for a family to be able to make a living on. There are many studies, one from New Mexico State University, that shows that the size of a farm in order to make a living should be somewhere around 1,000 acres.

The Senate figures call for a family size farm of 1,200 acres. I really believe that what the gentleman is attempting to do, to lower it down to 640 acres, is not an adequate size to really define what the average family size farm ought to be.

I was simply explaining to the gentleman what we attempted to do, to define the size of a farm where a family could make a living. Obviously, the gentleman disagrees that it takes 960 acres, that one could do it on 640, but most of these studies do show that it takes about 1,000 acres.

Mr. EMERY. I thank the gentleman for his comment. My concern and the reason for offering the amendment is that it appears to me that the formula written in the bill does provide a greater subsidy to larger operations and in fact does not provide the incentives for the small farm.

Mr. VENTO. Mr. Chairman, will the gentleman yield?

Mr. EMERY. I yield to the gentleman from Minnesota.

Mr. VENTO. I thank the gentleman for yielding.

I appreciate the gentleman's amendment and I am going to support it. I think that there are a lot of farms in Minnesota and throughout other parts

of the country that get along with a lot less than 640 acres. I think it is just a matter of whether you think you only have to have those with big enough equipment.

As a matter of fact, when we went to California in the area there and saw it we had people come before us and testify it depends on what you plant. If you plant grains, if you plant other things, it takes a considerably smaller area in order to sustain a good operation, a profit operation.

So I think the gentleman's amendment that he makes would still provide for acreage of four times the amount of 160 which was initially intended around the turn of the century. I do not think that considers the quality and type of land and the type of subsidy that is going with it. That is a good and adequate amendment. I think that type of compromise goes light years toward meeting a realistic need in terms of what is adequate. Maybe that is one of the reasons all farmers are going out of business because of this idea. You have to keep growing bigger and bigger and you have to have more and larger equipment.

The CHAIRMAN. The time of the gentleman from Maine (Mr. Emery) has expired.

(At the request of Mr. Vento and by unanimous consent, Mr. Emery was allowed to proceed for 5 additional minutes.)

Mr. VENTO. If the gentleman will yield further, in summary, I comment the gentleman for his amendment. The committee makes an effort and provides six times the land of 160 acres, 960, and I think that four times is adequate in terms of considering the subsidy that we are granting, in terms of Federal reclamation law, in terms of the particular proposal.

So I think the gentleman makes a good effort here and I think it deserves the support of this committee.

Mr. EMERY. I thank the gentleman for his comments and certainly in my part of the country, and I think probably in the gentleman's area as well, farming operations are in fact a great deal smaller than even the 640 figure which my amendment would provide for a limitation.

I think that our strategy ought to be to try to encourage various farm policies that move toward small farming operations because it will provide jobs.

Mr. VENTO. This does not really specify what the size is. It says if you have anything over 640 acres you have to pay the full price in terms of the water. It is a way of accomplishing an end in itself so that the resources can be spread around more.

If the Federal Government has money to provide in these areas is it not responsible to provide other types of agricultural programs not just to load up all the dollars, all the subsidies for one select group that happened to be fortunate enough to end up with all the reclamation land and various projects? That is the point.

This does not set the size. It just says what the value of reclamation is that they can have. If they want it they can have 2,000 acres, but they have to pay the difference in terms of what water costs.

Mr. EMERY. The gentleman is precisely right.

Mr. EDGAR. Mr. Chairman, will the gentleman yield?

Mr. EMERY. I yield to the gentleman from Pennsylvania.

Mr. EDGAR. I thank the gentleman for yielding.

I would just like to compliment the gentleman on his amendment. I think it is a good amendment. I think it sets a more reasonable acreage level to protect the small farmer without having the Federal Government in times of very limited Federal dollars make commitments to the much larger farm.

So I think the gentleman's amendment is a good one. I hope that the House will accept it. I do not think we need a lot of debate on it. It makes a rational approach, particularly in that it is four to six times larger than in existing law.

Mr. EMERY. I thank the gentleman.

Mr. KAZEN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong opposition to the gentleman's amendment which would lower the acreage limitation in the bill from 960 to 640 acres.

The figure in the bill is based upon testimony taken from literally hundreds of witnesses over a period of 6 years.

Even former Secretary of the Interior, Cecil Andrus, a noted environmentalist, agreed that 960 acres would be a proper acreage limitation on the amount of land eligible to receive subsidized water.

The committee found that, in most areas, 960 acres would be required to support a family farming operation, not, Mr. Chairman, a corporate farming operation but a family farming operation.

Mr. Chairman, the investment a farmer must make in an irrigated farming operation is substantial.

For example, you cannot efficiently water or irrigate unleveled land. It must be leveled at a cost of several hundreds of dollars per acre.

There are no rolling hills in an irrigation project. Sprinkler systems, which are frequently employed in the interest of water conservation, do not come cheap.

The water must be pumped from the main canals and, in the case of flood irrigation, ditches and laterals constructed within the farm unit.

And, of course, there is the cost of machinery, which has skyrocketed in recent years, the cost of fuel, of labor, of seed, of fertilizer. On top of all this is the interest the farmer must pay on the investment.

Mr. Chairman, all of these factors were taken into consideration by the committee. The 960-acre limitation is not a figure pulled out of the air. It is a figure supported by facts.

I tell my colleagues that some of the colloquy on the floor here this afternoon reflects the differences in the farming sections of this country.

I ask the gentleman from Maine: What is the gentleman's annual rainfall in Maine and how does it compare to Colorado, to Arizona, to the Western States? What is the comparison of the land area, the irrigable land area in the gentleman's section as compared to the West?

There is logic to what the committee has brought here this afternoon. It is based on fact, and I urge defeat of the amendment.

Mr. CLAUSEN. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, as the distinguished chairman of the subcommittee has very eloquently presented his position, that is the position of the committee. This was discussed in depth in the committee itself. The figure of 960 acres is something that was not pulled out of the air. I will admit it is arbitrary by nature, but it was a figure based upon the hearing records and the testimony that was provided not only in California but also here in Washington.

What we are trying to do is come up with a reasonable consensus of what we thought would help to define a productive unit and add to the viability of that productive unit of a family farm.

When we talk about the equivalency formula, the equivalency formula was specifically incorporated into the act in the legislation so as to give recognition to the variables of productive capacity of the type of soils other than the class 1 lands.

And so, Mr. Chairman, I would strongly urge the rejection of the amendment. You cannot compare. You simply cannot compare the agricultural production potential on an acreage basis of land in Minnesota, in Maine, with those that are in the West.

Mr. KAZEN. Mr. Chairman, will the gentleman yield?

Mr. CLAUSEN. I yield to the gentleman from Texas.

Mr. KAZEN. I thank the gentleman for yielding.

Let me bring this fact to the attention of my colleagues.

The other body has a bill, the companion bill to this one that we are debating today. Does the gentleman know what the acreage limitation in that bill is? It is 1,280 acres in ownership and 2,080 acres in total that pays no subsidy. Compare that to what our committee has brought before us this afternoon.

Mr. CLAUSEN. Mr. Chairman, I urge the rejection of the amendment.

Mr. UDALL. Mr. Chairman, I move to strike the requisite number of words.

Mr. STUMP. Mr. Chairman, will the gentleman yield?

Mr. UDALL. I yield to the gentleman from Arizona.

Mr. STUMP. Mr. Chairman, the amendment we are now considering to reduce acreage limitations from 960 to 640 acres would substantially impact, and could possibly end, many farms which depend on reclamation water for their subsistence and operation.

The size of farm operations is a difficult question. Farm size must be adequate to allow an economic return to its owner. The tremendous increases in the operations associated with farming including equipment, fuel, fertilizers, pesticides, and labor, with absolutely no control over the costs of these items or the price for which the farm product will be sold, requires the farmer to be more efficient and farm more land to spread the costs in order to stay in business.

The committee has worked long and hard to remedy the deficiencies of the 1902 Reclamation Act and to arrive at an acreage figure which is representative of the average farming family. The family farm is not the exception in farming that so many people feel it is. Rather, it is the rule. The 960 acres of the bill is an improvement over the existing 160-acre limitation, which I believe should be repealed altogether.

The success of agriculture does not lie in the redistribution of land or limiting farm size, and I do not believe that was ever the intent of the 1902 act.

I urge my colleagues to vote against this amendment.

Mr. UDALL. Mr. Chairman, I hope the committee will stay with the Interior Committee on this issue and that we can vote shortly, and I think we have a good chance of finishing up here this afternoon at a reasonable time.

Just a couple of quick points, if I can. One hundred and sixty acres, the old figure from 1902, is arbitrary. It could have been 240 or 120 or any figure. It was the judgment of Congress in those days that that was about the right size for the family farm unit, which is what we were trying to promote then and continue supporting now.

The 960 figure was frankly more than I wanted. I think I started out substantially lower than this. We negotiated and debated and had amendments and went back and forth. The 960 figure is about as far as I could go. But I think it is a fair figure. If my colleagues will look at the kind of machinery needed for lettuce and some of these big vegetable crops, if you go to Washington or Oregon or Illinois or Iowa or Kansas, you will see that most farm operations are much bigger than the kind of things we are talking about here.

We have to negotiate on the other side when we go to the conference committee and I think the 960 figure is about right.

I would urge my colleagues to stay with us.

The point has been made, and I reiterate it: This 960 figure is now supported by the Secretary of the Interior—and I am not among his great admirers on much of his policy—but the study that the new administration made came out at 960 acres. Cecil Andrus, who was much closer to my thinking in all of these areas, made a study, and the last administration recommended a bill, and it was 960 acres.

So I think all of us ought to stand together. I think my colleagues ought to give our committee the benefit of the doubt.

Mr. MILLER of California. Mr. Chairman, I move to strike the requisite number of words and I rise in opposition to the amendment.

Mr. Chairman, it is very clear that the figure 960 acres, depending on where you come from in this country, will have different meanings to you.

There are those I suspect—a rather limited number, who, nevertheless, would go back to the existing law of 160 acres, but I do not think that that is realistic. I am not sure that is necessarily good for American agriculture.

The 960-acre figure, as the gentleman from Arizona (Mr. UDALL) has pointed out, is a figure that we have compromised on. It has some basis in fact, based on studies that have been done over the years by lending institutions on how much money they would loan to farmers in some of these areas, on the Department of Agriculture, the Department of the Interior, and those figures are ranged. They have truly ranged from 640 acres to 90. Some people suggested 1,280.

□ 1500

But the committee made this determination and made this determination based upon a trade and the trade was this: that we would grant you 960 acres, but even for those farmers under 960 acres, we were going to change the manner in which they paid for their water. No longer were we going to deliver water to them cheaper than it cost the Federal Government to bring the water to their land. They were going to pay full operation and maintenance. No longer were we going to calculate the ability to pay under a blanket assessment that every farm was 100 or 640, or whatever. We were trying to tell the Department of the Interior they ought to assess the ability to pay based upon the size of the farming operation.

For those people over 960, what we said is that you are going to pay what we have defined as full cost. We have determined that you are going to pay operation and maintenance. You are going to pay the full interest based upon prevailing interest rates at the time that the Federal Government spent the money. That portion which is allocated to you, you are going to pay the full freight. No more are you going to get a subsidy, as has been the situation now, and that was the tradeoff.

The question was to get this program out of the Treasury's pocket, to get it out of the taxpayer's pocket, and the tradeoff was that we would expand the size of the farm to some increment, to 960; but, in fact, it was going to start paying its own way.

I think that that is a fair proposition. I think it is a proper compromise, because we know that there are other benefits. There are benefits in terms of the efficiency with which water is used, the question of whether we will have to build as many projects in the future.

The water conservation that has been involved is the subject of numerous studies, that these pricing changes will bring that about. That was the trade.

We quit subsidizing the project, and we let them farm a few more acres.

I would hate to see that that is undone. I do not think that this is a situation where, if you impose the 640 acres, you send us to conference in a stronger position. Given our situation, you may, in fact, send us to conference in even a weaker situation with the Senate, which has an absolutely unacceptable bill.

I would hope that the House would reject the amendment.

Mr. KAZEN. Mr. Chairman, would the gentleman yield?

Mr. MILLER of California. I yield to my chairman.

Mr. KAZEN. Is it not true that under present law a man and his wife and four children are entitled to 960 acres?

Mr. MILLER of California. That is exactly right. They would be entitled to the full subsidy. Under this provision of the law, that subsidy would be erased.

Mr. PASHAYAN. Mr. Chairman, will the gentleman from California yield?

Mr. MILLER of California. I would be delighted to yield.

Mr. PASHAYAN. I just want to say that the gentleman from California should be commended. This is a subject he has spent a lot of time on. He has compromised from his point of view. I have compromised from my

point of view, because I would come in at a higher acreage if I had my own way.

I urge the committee to adhere to the decision of the Interior Committee. This is a sensitive issue and it is vital to the whole compromise that has been put together here.

Mr. VENTO. Mr. Chairman, I move to strike the requisite number of words.

I rise in support of the amendment.

Mr. Chairman, it is interesting to listen to the concerns about all the problems that California has and its uniqueness in terms of agriculture.

Let me tell you that the litany of concerns that has been expressed so ably by our chairman, the distinguished gentleman from Texas (Mr. KAZEN), are also problems that are affecting family farms across this Nation in terns of high interest rates.

I want to tell you one other factor that they have to depend upon. They have to depend upon that it rains correctly and that is one thing that those in California impacted with this legislation do not have as big a problem. In other words, we are reducing the risk for those in California. When we ask them to reduce the risk by stabilizing prices and commodities in terms of other crops, we find that we are met today repeatedly, and I do not say inappropriately, with limitations.

I am saying to you and I am saying to the others that are uniquely affected, and they are uniquely affected by this reclamation law, that they are going to have to start sharing the burden.

We are not saying that the ideal size is in terms of this. All we are suggesting is that the subsidy ought to go to 640 acres. It ought not to be 6 times 160 acres; that is, 960 acres, the size of what was initially intended in terms of subsidized land was after all 160 acres. We are saying that 4 times is adequate—640 acres. That is enough of a subsidy. Maybe we will have some money left so that we can meet the needs of other farm groups throughout the country.

About the ideal size, I think that is debatable. I can cite sources that say 640 acres is the right size.

The point is that in some of these operations, 960 acres, there are instances in certain parts of California that are covered by this that the incomes approach a million dollars, that people that have 960 acres have incomes of a million dollars.

Now, do you think that that person that is earning that kind of money on a 960-acre plot, that is a millionaire, do you think that he ought to pay his own fair share over 640 acres?

I think the amendment of the gentleman from Maine (Mr. EMERY) suggests that maybe we ought to let those in these high-income areas, pay their fair share.

We have a provision in this bill, incidentally, I call my colleagues' attention to, called equivalency, which permits some adjustment and some temperament of the 960 acres to deal with those acres that are not in that high-production, high-income category.

Mr. MARLENEE. Mr. Chairman, will the gentleman yield?

Mr. VENTO. I yield to my colleague, the gentleman from Montana, the unsubsidized water State of Montana, I might add.

Mr. MARLENEE. I might ask the gentleman from the downtown St. Paul area what the average size of a farm in his area is.

Mr. VENTO. Well, I think the average size in Minnesota probably is about 400 or 500 acres.

Mr. MARLENEE. I see, 400 or 500 acres. What is the average profit off that farm?

Mr. VENTO. I could not quote that. I will tell you this, this year Minnesota farmers are not making any money. This year the farmers in Minnesota, like so many other areas, are losing money. They are going bankrupt. That is why I think it is especially important and it is ludicrous for us to get up here and start saying how much of a subsidy we are going to give to these particular California reclamation farmers, and that is what we are really doing here. We are taking money from one group and giving it to another at low interest rates and all sorts of other advantages that we are giving them. That is what really concerns me in terms of the legislation that we have before us.

I think the 640-acre subsidy is enough. They still get the price supports. They still get all the other benefits, the low interest loans, the commodity supports of course, are important to all of us that come from States that have an agricultural economy. It is just a question of whether this really ought to go as far as it goes.

Mr. MARLENEE. Mr. Chairman, will the gentleman yield further?

Mr. VENTO. I yield to the gentleman from Montana.

Mr. MARLENEE. Well, does the gentleman have any idea what the average size farm in Montana or Wyoming or Idaho is?

Mr. VENTO. I expect in those States they would be significantly larger in those particular areas.

Mr. MARLENEE. Would the gentleman not concede naturally that the profit on those farms is not in excess of what you have from your 500 acres in Minnesota?

Mr. VENTO. Well, let me ask the gentleman, I anticipated the point. On page 8 of the bill, is the gentleman familiar with the equivalency provisions of this particular bill or not?

Mr. MARLENEE. I am acquainted with the equivalency provisions.

Mr. VENTO. Well, does the gentleman understand the purpose of that is to recognize in terms of adjusting size to fit the productivity of various areas.

What this amendment will do is set 640 as the base in terms of where we are going. From there you could work your way up.

I point out again to the gentleman, this amendment does not limit a farm to 640 acres. All it suggests is that that size farm will get the subsidy.

I want to point out that this 640-acre water subsidy does not go to a lot of area farms throughout this country. They do not get water subsidies for acre 1 and I think 640 is enough subsidy for the areas that we are talking about with regard to reclamation, which are in California almost exclusively.

Mr. KAZEN. Mr. Chairman, would the gentleman yield?

Mr. VENTO. I yield to the gentleman from Texas.

Mr. KAZEN. The gentleman understands that this amendment is reducing the subsidy even under the present law, does he not?

Mr. VENTO. Well, I think the present law is one that is subject to interpretation by the gentleman and by myself and by the courts and by the Secretary.

Mr. KAZEN. All right, but let us be fair about it. Each individual member of a family is entitled to 160 acres. A man and his wife and four children, a family unit, would be entitled to 960 and this amendment is reducing it.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

(By unanimous consent, Mr. VENTO was allowed to proceed for 1 additional minute.)

Mr. VENTO. The gentleman makes a good point I guess that we could expand the size of this by the size of the family. I come from a family of eight children, and, therefore, the amendment would discriminate against large families versus small families. Is that the idea? I mean, I do not know what the logic is with respect to this concern.

Mr. KAZEN. Mr. Chairman, will the gentleman yield further?

Mr. VENTO. I yield.

Mr. KAZEN. This bill holds it to 960 per unit, per whole family unit, regardless of how many.

Mr. VENTO. I see the gentleman's point, but I am saying for a family unit that 640 is adequate. I do not know what the size of the family or the family has to do with it. I think it is adequate. I think that is the question.

I urge an aye vote on the amendment.

□ 1510

Mr. PASHAYAN. Mr. Chairman, I move to strike the requisite number of words. Mr. Chairman, I should like simply to pick up on the point made by the esteemed chairman of the subcommittee.

Under the law as it exists today, each individual is entitled to 160 acres, not westwide but per district. That is to say, if the family of the gentleman from Minnesota (Mr. VENTO), 8 children, a mother and a father, 10, each of them could own 160 acres or 1,600 acres total, subsidized, per water district, and that could amount to many tens of thousands of acres throughout the reclamation area.

Mr. VENTO. Mr. Chairman, will the gentleman yield on that point?

Mr. PASHAYAN. I will not yield at this minute. I am not saying you would do it, but you could.

Under the committee bill, instead of saying that each individual can own up to 160 acres and then combination farm as many as possible with subsidized water, a family unit can own no more than 960 throughout the entire West. It seems to me that is a considerable reduction from what the present law is.

I should like to add that the matter of equivalency is entirely irrelevant to the setting of this figure, because equivalency is put in to augment, with less arable land, land that is considered to be fully arable. It is irrelevant in setting this figure. It has no bearing whatsoever.

Mr. VENTO. Mr. Chairman, will the gentleman yield?

Mr. PASHAYAN. I will be glad to yield to the gentleman.

Mr. VENTO. I appreciate the gentleman's pointing that out.

Now, equivalency, in my judgment, is not irrelevant because you are talking about the differences between land. I think there are differences, and clearly, I think that that provision is one that belongs in this legislation, by those who placed it there, to work out the relative values.

The gentleman thinks it is the intent of this law, in other words, that every member of my father's family ought to have 160 acres or does he think it was the intent of the law that a family unit have 160 acres? I think it is the latter. The gentleman thinks it is the former.

So I want to point out to the gentleman as we go to remedy this, I think by giving it four times the size is a very generous subsidy. Indeed it is within our power to redefine the regulations and rules and is in fact what H.R. 5539 is about or attempting to do.

Mr. PASHAYAN. What the gentleman thinks is irrelevant on that point; what I think is irrelevant. What is relevant is what the Department of the Interior thinks and has thought for 80 years, and that is to say that the law provides, the letter of the law provides, that each individual can own 160 acres, and it has been interpreted to mean that 160 acres be owned by the husband, by the wife, and as many children as they have, as many cousins as they have.

I hope the gentleman will agree that this is a reduction of that principle. He may not.

Mr. VENTO. Mr. Chairman, will the gentleman yield?

Mr. PASHAYAN. I will not yield.

The gentleman may not agree that it is a significant enough reduction, but it is a reduction.

Mr. CLAUSEN. Mr. Chairman, will the gentleman yield?

Mr. PASHAYAN. I yield to the gentleman from California.

Mr. CLAUSEN. Mr. Chairman, I might also add, in addition to the 160 acres of ownership, the current law is silent on leasing. So those individuals can actually go out and lease more lands, and this puts a constraint on them by bringing it back to subsidized water for 960 acres per land holding.

Mr. MARLENEE. Mr. Chairman, will the gentleman yield?

Mr. PASHAYAN. I yield to the gentleman from Montana.

Mr. MARLENEE. Mr. Chairman, I hope this amendment is defeated, and I find it amusing that those who rise in support of this amendment have precious little experience in agriculture. The amendment to limit is offered by my good colleague, the gentleman from Maine, which is as far removed from the arid Western States as one can get and still remain in this country.

Yes, granted they have small farms, but they also have a larger profit margin that the western farms, which are more arid, more widely dispersed. We have a problem of distamce. They have the problem of pumping the water. The idea is the arability of the land, the class of land, the amount of water available, the distances traveled that some of the people here that are trying to limit have little or no conception about.

Mr. PASHAYAN. I agree with the gentleman from Montana.

Mr. COELHO. Mr. Chairman, I rise in support of the position taken by the gentleman from California, in the well.

Is the gentleman running out of time, Mr. Chairman?

The CHAIRMAN. The gentleman has 30 seconds remaining.

Mr. COELHO. Mr. Chairman, will the gentleman yield?

Mr. PASHAYAN. I yield to the gentleman from California.

Mr. COELHO. Mr. Chairman, I just think it is rather interesting that everybody in the Western part of this country has finally put together a package that makes sense for the western region—liberals, conservatives, Democrats, Republicans. We put it together, we have moved it through the subcommittee and through the full committee with very little opposition, if any. And then we come to the floor and we have people outside the western region who do not understand agriculture and do not understand the whole issue that is extremely complicated on water law, and so forth, who are now trying to tell us that we should not be able to resolve this problem.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. PASHAYAN was allowed to proceed for 2 additional minutes.)

Mr. COELHO. I would hope that people from other regions would understand that this is a very bipartisan package.

I do not like a lot of the provisions that are in this bill, but neither do people on the other side. We have gotten together in a very honest, working relationship to put something together that makes sense.

There are not many limitations on the program that exists today. This bill provides limitations all over the place, brings some order out of chaos, and yet we have people who do not understand or are unwilling to understand the problems that exist in western agriculture, in western reclamation.

I would just ask that some of those from other regions of the country give us the same consideration that we give to them in many of their regional problems.

Mr. PASHAYAN. For example, does the gentleman from California have in mind some of the special considerations for the costs of home fuel? When we say "special regional consideration," is that the sort of thing the gentleman from California has in mind?

Mr. COELHO. That is one of them, but there are a lot of others.

Mr. PASHAYAN. There are, indeed.

Mr. EDGAR. Mr. Chairman, will the gentleman yield?

Mr. PASHAYAN. I yield to the gentleman from Pennsylvania.

Mr. EDGAR. Mr. Chairman, I would like to speak to the comment the gentleman just made.

Reference has been made to a number of us who live outside of the West. If you want to talk about farming techniques and farming size, I think there are questions to be raised. But I resist and resent the kind of implication that those of us who live outside of a particular region of the country ought not to have comment.

There have been many opportunities that I have had in the well of the House over 8 years to observe Members fighting for their particular issues or projects who have used the same argument, and I have had the opportunity to remind them, as I remind the gentleman, that the people in our part of the country also have to share part of the cost. They pay taxes, too.

Mr. PASHAYAN. Mr. Chairman, if I may regain my time for just a moment, I share the sentiment of the gentleman from Pennsylvania, just as the people in my region have to share the special costs for the provisions of home fuel.

The CHAIRMAN. The time of the gentleman has expired.

(On request of Mr. EDGAR and by unanimous consent, Mr. PASHAYAN was allowed to proceed for 1 additional munute.)

Mr. PASHAYAN. My colleague from California was simply trying to point out this is an issue that is very complicated, it is regional, and it is perfectly understandable that other regions do not have the understanding in depth. And he is quite right when he says that this bill represents a coming together of liberals and conservatives, Republicans and Democrats, and I should hope people outside the West will acknowledge that.

Mr. EMERY. Mr. Chairman, will the gentleman yield?

Mr. PASHAYAN. I yield to the gentleman from Maine.

Mr. EMERY. Mr. Chairman, since I am the one who started this long debate today, I just thought I might make a comment or two about the regional implications of any piece of legislation.

Congress represents the entire country, whether you live in California or Hawaii or Maine, and I do not think that I ought to abdicate my right to comment.

Mr. PASHAYAN. I do not think anybody suggests you do.

Mr. EMERY. I understand the gentleman's comments, and I understand in the heat of debate we all have strong feelings about things.

I compromised, too, because there are other amendments and other concerns that I have that I am not going to address this afternoon, so I can focus my attention on one thing that I am concerned about.

If the tenor of the House of Representatives deteriorates to the point where Members from one part of the country cannot feel free to comment on national policy, I think we better reassess the way we operate.

Mr. PASHAYAN. I have not suggested that.

The CHAIRMAN. The time of the gentleman has again expired.

(By unanimous consent, Mr. PASHAYAN was allowed to proceed for 1 additional minute.)

Mr. PASHAYAN. The gentleman has raised an important point. I am not suggesting, nor shall I suggest, that anyone is not free to comment. I hope the gentleman is not suggesting that I have suggested that.

Mr. EMERY. If the gentleman will yield further, I certainly appreciate the gentleman's comments. I know that he has gone into this debate with great concern for his own area, with very sincere and strong convictions, as I do as well.

I pledge to the gentleman, as I am sure he would pledge to me under the same circumstances, that when our respective States face difficult problems, we will try to help each other out.

Mr. PASHAYAN. I think that is the spirit in which my colleague, the gentleman from California (Mr. COELHO) made his remarks, and I agreed.

One other point, if I may.

The reclamation water goes to land that is dry, a vast desert area. And what it does is to permit men and women to change a desert into a garden. This kind of land does not exist largely on the eastern seaboard, and this natural geographic difference is reason that the committee felt 960 acres was the fairest accommodation.

□ 1520

Mr. EDGAR. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, we have had an active debate on this amendment and on several other amendments, and I just want to commend my colleague from Maine for his last comment and also for this particular amendment.

I think these are national issues, and I think we need a healthy sense of regionalism, and each region of the country ought to look at its particular concerns and its particular needs. But, I think when we bring a bill to the floor we have to recognize that all of us in all regions of the country, setting national policy, have to tone that national policy to meet certain needs for the Nation.

I think there are two words that are important to this debate. The first one is the word "targeting." In times of limited budget expenditures we must target dollars as carefully as possible. The gentleman's amendment is a targeting amendment, to target the limited funds to those smaller farms and those smaller acreages.

I think the second word important to this debate is the word "flexibility." I think there are divisions between regions, and for some time we have supported spending in the neighborhood of 75 cents out of every dollar of Army Corps of Engineers money in the South and West, and spending all our Bureau of Reclamation money in 17 Western States to provide fresh water to farmers.

We will argue in a few moments about whether or not it is Federal water or whether it is Federal subsidy, but in fact the Federal Government is expending large dollars trying to help communities in the South and West, and I think the gentleman is right in offering his amendment to narrow the focus, target it well, and to make it flexible enough so that those in the West and in the South will recognize some of the concerns in our region.

So, I commend the gentleman for his amendment, and I urge favorable consideration.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maine (Mr. EMERY).

The amendment was rejected.

AMENDMENT OFFERED BY MR. EDGAR

Mr. EDGAR. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. EDGAR:

Page 11, strike out line 17 and all that follows thereafter through line 23, and insert in lieu thereof the following:

"WATER CONSERVATION

"SEC. 109.(a) Each repayment contract or water service contract entered into or amended subsequent to the date of enactment of this Act by the Secretary or his designee pursuant to Federal reclamation laws or the Water Supply Act of 1958, as amended (43 U.S.C. sec. 390b), shall require the non-Federal party entering into such contract to develop and implement a water conservation program. This section shall apply to all such contracts regardless of their duration or any other prior contracts entered into by the Secretary or his designee.

"(b) For purposes of this section, a water conservation program shall—

"(1) apply to all uses of water which is provided from, or conveyed through, Federally constructed or Federally financed facilities;

"(2) contain definite goals;

"(3) include loss reduction measures and demand management practices which ensure that the available water supply is used in an economically efficient and environmentally sensitive manner;

"(4) contain time schedules for meeting program goals and delineate actions to be taken by the Secretary or his designee in the event such schedules are not met; and

"(5) provide for review and modification of the plan at not-to-exceed five-year intervals."

(c) When a State agricultural or natural resource agency has found and published a report or document determining that a district within that same state is wasting irrigation water, the Secretary is directed to take appropriate actions, which may include a surcharge on water service.

Mr. EDGAR (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. EDGAR. Mr. Chairman, after a great deal of debate and a great deal of consideration, I am offering an amendment to strengthen the water conservation provisions in this legislation. I hope that I have some agreement from both the majority and minority sides that the language that we are using in this compromise amendment is agreed to by both sides.

Let me share with my colleagues the purpose for offering this amendment. The purpose of this amendment is to strengthen the water conservation provisions of section 109 of the committee bill. Water supply is looming as the next resource crisis facing our country, and I believe that the reclamation program should gear up to stretch existing supplies in a cost-effective manner.

Water conservation programs should become the rule rather than the exception on reclamation projects. During 1980, the Bureau delivered over 30 million acre feet, or nearly 10 trillion gallons of water, for all purposes. We cannot afford to pass over any reasonable opportunity for improving efficiency of this delivery system, as this amendment seeks to do.

The provisions of the amendment differ from the water conservation section in the bill in two important ways:

First, the amendment would require water conservation provisions in new municipal and industrial water supply contracts entered into by the Bureau, as well as irrigation contracts. Similarly, the amendment calls for conservation from all use and covered by a given contract.

Second, the amendment is more flexible than the text of the committee bill in that the amendment would provide for periodic review and modification of the water conservation plan, based upon the district's actual experience and accomplishments, advances in state-of-the-art, and so forth.

Mr. Chairman, we must begin to target our water resource development dollars, both public and private, more effectively. I believe that water conservation can provide our biggest bang for the buck. If the vagaries of the weather over the last 5 years have taught us anything, they have driven home the need to manage our water supplies more creatively.

The amendment responds to this urgent need, and I hope that it can be considered a noncontroversial amendment.

Mr. Chairman, I urge adoption of the amendment.

Now, I have added a paragraph (c), and fine-tuned that paragraph down to one sentence. There was concern that we were asking for a surcharge on the water used, and many people wanted to argue the definition of whether or not the Federal Government had responsibility and in fact owned the water.

Mr. Chairman, we changed the nature and the shape of the amendment in such a way that the Secretary is directed to take appropriate actions, which may include a surcharge on water service when a State agricultural or natural resource agency has found and published a report or documented that a district within that same State is wasting irrigation water.

I would like to draw to the attention of the committee a report that was issued by the California Department of Water Resources, Southern District, entitled "Use of Water for the Imperial Irrigation District."

I know that this project was exempted specifically from law last year, and I think that is unfortunate, but in the contents of this report studying the problems of waste, it does list on page 30 several specific recommendations for improvements, for conservation changes, and for ways that we can deliver water in a much more conservative-minded way.

I urge my colleagues to support this amendment. I have background data that I would like to share with them if they are at all interested. I urge support for this strengthened language.

Mr. CLAUSEN. Mr. Chairman, will the gentleman yield?

Mr. EDGAR. I yield to the gentleman from California.

Mr. CLAUSEN. Mr. Chairman, as I have stated in my discussion with the gentleman, I had some serious reservations about the previous subsection (c). This subsection (c) now has been revised with the modifications that were made on suggestions from the gentleman from California (Mr. Coelho); is that correct?

Mr. EDGAR. That is correct.

Mr. CLAUSEN. So, therefore, while I believe that the provisions in the legislation we now have are more realistically obtainable as well as implementable, I am prepared to go along in a spirit of compromise and accept the gentleman's amendment.

Mr. EDGAR. I thank the gentleman for his support.

Mr. UDALL. Mr. Chairman, will the gentleman yield?

Mr. EDGAR. I yield to the gentleman from Arizona.

Mr. UDALL. Mr. Chairman, I want to say to the gentleman from Pennsylvania that I really agree with what he is trying to do with his amendment and his goal, because we have got to have conservation of water in this country. In my own State, when we authorized the central Arizona project through Congress, we were forced to agree—and I am glad we were—that we would stop overpumping the ground water as a condition of getting new Federal water.

I did have some specific doubts about the wording and composition of this amendment, and I appreciate the changes that were made in subsection (c). I would be prepared to support this amendment with that understanding, if the gentleman would agree with me that under (b)(1), where we talk about applying to all uses of water, that the words "project water," that is intended to mean project water, the irrigation projects we are talking about, and the same change in (c). I think the gentleman intends that.

Mr. EDGAR. The gentleman does intend that.

Mr. UDALL. With that understanding, I will be glad to support the amendment.

Mr. EDGAR. I thank the gentleman for his support.

□ 1530

The CHAIRMAN pro tempore (Mr. Pickle). The question is on the amendment offered by the gentleman from Pennsylvania (Mr. Edgar).

The amendment was agreed to.

The CHAIRMAN pro tempore. Are there any other amendments to title I?

Mr. EDGAR. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I am not prepared to offer an amendment at this time, but I have moved to strike the last word in order to make this explanation.

The first title of the bill deals with the whole issue of full cost. In the 17 Western States the Bureau of Reclamation provides water for irrigation projects to about 11 million acres, and today pending before the House is legislation which contains a provision that will collect the full cost of the water from the water users.

This, of course, is a radical departure from the purpose of the reclamation program. Historically, the amount of water that could be provided to a single farmer was limited—that is an acreage limitation—so that as many farmers as possible would benefit and the benefits would only be provided to working family farmers who lived on their lands. The legislation changes that fundamental purposes by eliminating residency and greatly expanding the acreages permitted to receive federally subsidized water.

The Department of the Interior and the Bureau of Reclamation prepared in the past couple of years the first major studies on reclamation in the West. From the studies we know, for instance, that 97 percent of the farms are less than 960 acres.

That means, from the very start of consideration of full-cost pricing, that 97 percent of the reclamation farms in the West would not be subject to the full-cost provisions of this proposed law. In effect, to begin with, full cost could only apply to a very small percentage of the farms.

However, this small percentage irrigates approximately one-third of the irrigated lands or about 2.5 to 3 million acres.

Obviously, then, according to the new policy contained in this legislation, the full-cost pricing formula would not apply to approximately 8 million acres. But, would the policy then require the application of full-

cost pricing to the remaining 3 million acres. A close examination of the legislation again reveals that certain districts and areas are totally exempt from the law. For instance, in the last Congress, the Imperial Irrigation District was legislatively exempted from the law. That district contrained approximately 500,000 acres.

In this legislation there is a provision totally exempting certain Corps of Engineers projects from any application of this law, notwithstanding a unanimous court ruling that the law should have applied to these western districts where the Federal Government regulates the flow of flood waters and provides irrigation releases. That means, in California, where some of the largest reclamation farms are located, the full-cost pricing will not apply. That means that another 2.2 million acres will be exempt from the pricing provisions.

This unquestionably begs a question. If almost 8 million acres is not subject to the provisions of full cost by definition, and another 2.2 million are exempt, to whom does the full-cost definition apply.

Another way to consider the same issue is to ask the question: What are the anticipated revenues from the enactment of this provision? However, the committee report fails to contain the required CBO estimate. We do not know what it will cost to administer this legislation, nor are we advised of the revenue projections pursuant to this legislation.

It is interesting, however, to review the Senate report on similar legislation. A CBO estimate of the impact of full-cost pricing indicates that, optimistically, as much as a mere $10 to 12 million may be realized.

When all is said and done, we are told it is full cost. We are promised it is full cost. But, in the final analysis, the full-cost formula will produce a mere $1 per acre westwide increase in revenues.

This is hardly full cost. It may be partial full cost. it may be limited full cost. But mostly, it is phony full cost.

Mr. Chairman, I wonder if some member of the committee could answer a couple of questions that relate to this full-funding concept. Is the committee prepared to answer the question of how much revenue they anticipate will be generated? Specifically, the question I would like to ask of the committee is: How much revenue do you anticipate will be generated by the provisions of full cost in title I?

Mr. UDALL. Mr. Chairman, will the gentleman yield to me?

Mr. EDGAR. I yield to the gentleman from Arizona.

Mr. UDALL. Mr. Chairman, in the general debate yesterday I produced a letter which we had received from the Congressional Budget Office relating to the estimated costs of this legislation, and Director Rivlin, as I recall—and I had the letter put in the Congressional Record yesterday in that debate—said that mostly there would be administrative costs. There would be additional administrative costs in putting this new program into operation, but in the last paragraph she says: "If the full cost of water delivery were received on 325,000 acres (25 percent of the acres identified * * *), at an average additional payment of $30 to $40 per acre," she estimated the revenues "would approach $10 to $13 million per year" in additional revenue.

So I make the point again that this bill does not cost; this bill is a revenue-raiser on balance.

Mr. EDGAR. Mr. Chairman, may I ask, how does that work out in terms of per-acre-feet? Does the gentleman know what the cost per acre would be?

Mr. UDALL. I do not have the per-acre-feet. The estimate from the Congressional Budget Office was per acre, per year, and the assumption they were using was in the $30 to $40 range per acre, per year.

So the gentleman would have to make an assumption as to how many times you irrigated and how much each time. It depends on the crops and the soil, and so on.

Mr. EDGAR. Will every farmer in the reclamation program pay the full cost, eliminating the Federal subsidy?

Mr. UDALL. Well, up to 960 acres the subsidy goes to whoever owns the farm under the new rules. Beyond that the theory and the purpose of the bill is that everybody pays.

Mr. EDGAR. There is some indication that only 1 out of 10 farmers would have to pay. Is that the gentleman's impression?

Mr. UDALL. Well, if you start from the point that 97 percent of all the farm units will be under the 960 acres, obviously the majority of the farmers will not pay the full cost. They will be getting the subsidized water, but the 3 percent above that represents 30 or 31 percent of the land.

Mr. EDGAR. Mr. Chairman, I thank the gentleman from Arizona (Mr. Udall) for the answers to those questions.

I have a number of other questions I had intended to ask. I will not, however, take the time of our colleagues to ask the questions, although they do have some significant impact.

I have a shopping list of fairly large and substantial farms that the Bureau of Reclamation claims will probably pay little or no full cost under this particular provision, and I will share that privately with my colleagues.

Mr. Chairman, I thank the Members for their patience at this time.

The CHAIRMAN pro tempore. There being no further amendments to title I, the Clerk will read.

The Clerk read as follows:

TITLE II

RESIDENCY NOT REQUIRED

Sec. 201 Notwithstanding any other provision of law, the receipt of project water pursuant to a contract with the secretary under the Federal reclamation laws, including this Act, shall not be conditioned on residency on or near the lands to which the project water is delivered.

CORPS OF ENGINEERS PROJECTS

Sec. 202. (a) Notwithstanding any other provision of law to the contrary, neither the acreage limitation nor the other provisions of the Federal reclamation laws, including this Act, shall be applicable to landholdings receiving benefits from Federal water resource projects constructed by the United States Army Corps of Engineers, unless—

(1) the project has by Federal statute explicitly been designated, made a part of, or integrated with a Federal reclamation project; or

(2) the Secretary, pursuant to his authority under the Federal reclamation law, has provided project works for the control or conveyance of an agricultural water supply for the lands involved.

(b) Notwithstanding any other provision of this section to the contrary, obligations that require water users, pursuant to contracts with the Secretary, to repay the share of construction cost and to pay the share of the operation and maintenance and contract administrative cost of a Corps of Engineers project which are allocated to conservation storage or irrigation storage shall remain in effect.

APPLICABILITY

Sec. 203. The acreage limitations of section 102 of this Act or the acreage limitations provided in any other provision of the Federal reclamation laws shall not apply to lands in a district—

(a) after the obligation of a district for the repayment of the construction costs of the project facilities used to make project water available for delivery to such lands shall have been discharged by a district (or by a person within the district pursuant to a contract existing on the date of enactment of this Act) by payment of periodic installments throughout a specified contract term, including individual or district accelerated payments where so provided in contracts existing on the date of enactment of this Act: Provided, That the appropriate district with respect to which the contractual repayment obligation shall have been discharged may request, and the Secretary shall provided, a recordable certificate acknowledging that the acreage limitation provisions of the reclamation law no longer apply to such lands;

(b) so long as the lands are held by a trustee, individual or corporate, in a fiduciary capacity for a beneficiary or beneficiaries whose interest in the lands served do not exceed the limits imposed by the Federal reclamation laws or title I of this Act: *Provided*, That the provisions of section 103 of title I shall be applicable to each beneficial interest if the lands are subject to the provisions of title I;

(c) when the lands served receive only a temporary, not to exceed one year, supply made possible as a result of—

(1) an unusually large project water supply not otherwise storable for project purposes; or

(2) infrequent and otherwise unmanaged flood flows of short duration;

(d) acquired by involuntary foreclosure, or similar involuntary process of law, by bona fide conveyance in satisfaction of mortgage, by inheritance, or by devise: *Provided*, that such lands were eligible to receive project water prior to such transfer of title or the mortgaged lands became ineligible to receive water after the mortgage is recorded but before it is acquired by involuntary floreclosure or similar involuntary process of law or by bona fide conveyance in satisfaction of mortgage: *Provided further*, That if, after acquisition, such lands are not qualified under the Federal reclamation laws, including this Act, they shall be furnished temporarily with a project water supply for a period not exceeding five years from the effective date of such an acquisition, delivery of project water thereafter ceasing until the transfer thereof to a landowner qualified under such laws: *Provided further*, That the provisions of section 103 of title I shall be applicable separately to each acquisition under this subsection if the lands are subject to the provisions of title I;

(e) which are isolated tracts found by the Secretary to be economically farmable only if they are included in a larger farming operation but which may, as a result of their inclusion in that operation, cause it to exceed the limitations imposed by the Federal reclamation laws, including this Act; and

(f) the provisions of section 103 of title I herein shall be applicable to the lands described in subsections (e) and (f) of this section if such lands would otherwise be subject to the provisions of section 103 of title I.

RELIGIOUS OR RELIGIOUS CHARITABLE ORGANIZATIONS

SEC. 204. An individual religious or religious charitable entity (including but not limited to a congregation, parish, school, ward, or chapter) which owns, operates, or leases any lands within a district shall be treated as a person under the provisions of this Act, regardless of such entity's affiliation with a central organization or its subjugation to a hierarchical authority of the same faith.

(1) If such individual entity is not the owner of record of any such land, it shall be treated as a person so long as—

(i) said owner of record is a religious or religious charitable organization which is exempt from taxation under section 501 of the Internal Revenue Code of 1954, as amended;

(ii) the agricultural produce and the proceeds of sales of such produce are directly used only for charitable purposes;

(iii) said land is operated by said individual religious or religious charitable entity (including but not limited to a congregation, parish, school, ward, or chapter); and

(iv) no part of the net earnings of such religious or religious charitable organization shall inure to the benefit of any private shareholder or individual.

(2) If the lands operated by such religious or religious charitable organization are otherwise subject to the provisions of title I of this Act, they shall be subject to the provisions of section 103 of this Act.

CONTRACT REQUIRED

SEC. 205. Project water temporarily made available from reclamation facilities in excess of ordinary quantities not otherwise storable for project purposes or at times when such project water would not have been available without the operations of those facilities, may be used for water quality, irrigation, municipal, or industrial purposes only to the extent covered by a contract requiring payment for the use of such project water, executed in accordance with the Reclamation Project Act of 1939, or other applicable provisions of the Federal reclamation laws.

WAIVER OF SOVEREIGN IMMUNITY

SEC. 206. Consent is given to join the United States as a necessary party defendant in any suit to adjudicate, confirm, validate, or decree the contractual rights of a contracting entity and the United States regarding any contract executed pursuant to the Federal reclamation laws. The United States, when a party to any suit, shall be deemed to have waived any right to plead that it is not amenable thereto by reason of its sovereignty, and shall be subject to judgments, orders, and decrees of the court having jurisdiction, and may obtain review thereof, in the same manner and to the same extent as a private individual under like circumstances. Any suit pursuant to this section may be brought in any United States district court in the state in which the land involved is situated.

EXTENSIONS OF TIME UNDER RECORDABLE CONTRACTS

SEC. 207. In the event that the owner of any lands in excess of the acreage limitations of the Federal reclamation laws has heretofore entered into a recordable contract with the Secretary for the disposition of such excess lands and has been prevented from disposing of them because the secretary may have withheld the processing or approval of the disposition of the lands (whether he may have been compelled to do so by court order or for other reasons), the period of time for the disposal of such lands by the owner thereof pursuant to the contract shall be extended from the date on which the Secretary again commences the processing or the approval of the disposition of such lands for a period which shall be equal to the remaining period of time under the recordable contract for the disposal thereof by the owner at the time the decision of the Secretary to withhold the processing or approval of such disposition first became effective.

EXCESS CROP RESTRICTIONS

SEC., 208. Notwithstanding any other provision of law, any restriction prohibiting the delivery of project water for the production of excess basic agricultural commodities in reclamation project service areas shall extend for a period of no longer than ten years after the date of initial authorization of such project.

SMALL RECLAMATION PROJECTS ACT

SEC. 209. Section 5(c) of the act of August 6, 1956, as amended (43 U.S.C. 422e), is further amended to strike therefrom the words "one hundred and sixty" and insert in lieu thereof the words "nine hundred and sixty".

PENALTIES

SEC. 210. (a)(1) Any person, district, or other entity who violates any provision of this Act or the Federal reclamation laws by knowingly accepting project water to which such person is not entitled by reason of the acreage limitation under this Act or the Federal reclamation laws and any other person, district, or other entity who violates any provision of this Act relating to the payment of full cost for project water deliveries to land in a landholding in excess of nine hundred and sixty acres, or who knowingly falsifies any information provided to the Secretary pursuant to this Act, shall be liable to the United States for a civil penalty which is not less than an amount equal to twice the fair market value of the project water delivered to the land involved in violation of any such provision. For purposes of assessing the penalty under this paragraph, the fair market value of such project water shall be determined by taking into consideration the cost of private irrigation, ground water pumping costs, and other factors considered relevant by the Secretary.

(2) Any person, district, or other entity who knowingly violates any provision of this Act or of the Federal reclamation laws, other than any provision referred to in paragraph (1) of this subsection, shall be liable to the United States for a civil penalty in an amount not to exceed $5,000 for each such violation. Each day such a violation continues shall, for purposes of this section, constitue a separate violation.

(3) The Secretary may compromise, modify, or remit, with or without conditions, any civil penalty which may be imposed under this section. The amount of such penalty when finally determined, or the amount agreed upon in compromise, may be deducted from any sums owed by the United States to the person charged.

(b)(1) Any civil penalty for a violation referred to in subsection (a) of this section shall be assessed by the Secretary by an order made after an opportunity for a hearing. Before issuing such an order, the Secretary shall give written notice to the person to be assessed of this intent to issue the order and shall provide him an opportunity to request a hearing on the order, within fifteen days of the date the notice is received.

(2) Any hearing held under paragraph (1) of this subsection shall be conducted in accordance with section 554 of title 5, United States Code. In any such hearing, the Secretary may administer oaths and subpenas for the attendance and the production of relevant papers, books, and documents. In the case of refusal to obey any subpena served upon any person or entity pursuant to this section, the district court of the United States for any district in which such person is found, resides, or transacts business, upon application by the United States and after notice to such person or entity, shall have jurisdiction to issue an order requiring such person or entity to appear and comply with the requirements of the subpena. Any failure to obey such order of the court may be punished by such court as a contempt thereof.

(c) Any person who requested in accordance with subsection (b)(1) of this section a hearing respecting the assessment of a civil penalty and who is aggrieved by an order assessing such penalty may file a petition for judicial review of such order with the United States Court of Appeals for the District of Columbia or the court of appeals of the United states for any circuit in which such person resides or transacts business. Such a petition may be filed within the thirty-day period beginning on the date the order making such assessment was issued. The court shall hear any action under this subsection on the record made before the Secretary and shall sustain the Secretary's order if it is supported by substantial evidence on the record considered as a whole.

(d) If any person fails to pay an assessment of a civil penalty—

(1) after the order making the assessment has become a final order (in the case of a person who does not file a petition for judicial review under subsection (c) of this section); or

(2) after a court in an action brought under subsection (c) of this section has entered a final judgment in favor of the Secretary, the Attorney General may recover the amount assessed (plus interest at currently prevailing rates from the date of the expiration of the thirty-day period referred to in subsection (c) of this section or the date of such final judgment, as the case may be) in any action brought in any appropriate district court of the United States. In any such action, the validity, amount, and the appropriateness of such penalty shall not be subject to review.

ADMINISTRATIVE PROVISIONS

SEC. 211. (a) Nothing in this Act shall repeal or amend any existing statutory exemptions from the acreage limitation provisions of the Federal reclamation laws.

(b) The Secretary may prescribe regulations and shall collect all data necessary to carry out the provisions of this Act and other provisions of the Federal reclamation laws.

(c) Section 3 of the Act of July 7, 1970 (43 U.S.C. 425b) is amended by striking the phrase "for a period not to exceed twenty-five years" following the term "project water".

(d) Any nonexcess land which is acquired into excess status pursuant to involuntary foreclosure or other process of law, conveyance in satisfaction of mortgage, inheritance, or devise, may be sold at its fair market value within five years without regard to any other provision of this Act or of section 46 of the Act entitled "An Act to adjust water rights charges, to grant certain relief on the Federal irrigation projects, and for other purposes." approved May 25, 1926 (43 U.S.C. 423): *Provided*, That if the status of the mortgage land changes from nonexcess to excess after the mortgage is recorded and is subsequently acquired by the lender by involuntary foreclosure or similar involuntary process of law or by bona fide conveyance in satisfaction of the mortgage, such land may be sold at its fair market value: *Provided further*, That nonexcess lands subject to a covenant under section 107(d)(2) of this Act shall be sold for not more than the greater of the current value as determined under section 107(d)(2) of this Act or the amount necessary to satisfy the mortgage, other than a purchase money mortgage which shall be satisfied by sale for not more than the value as determined under section 107(d)(2).

(e) The provisions of any contract entered into prior to October 1, 1981, by the Secretary with a district, which define project or nonproject water, or describe the delivery of project water through nonproject facilities or nonproject water through project facilities to lands within the district, are hereby authorized and validated on the part of the United States.

(f) Effective October 1, 1982, there are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act: Provided, That authority to enter into contracts, to incur obligations, or to make payments under this Act shall be effective only to the extent or in such amounts as are provided in advance in appropriation Acts.

PUBLIC PARTICIPATION

SEC. 212. Section 9 of the Reclamation Project Act of 1939 (43 U.S.C. 485h) is amended by adding at the end the following new subsection:

"(f) No less than sixty days before entering into or amending any repayment contract or any contract for the delivery of project water for irrigation purposes (including any contract for the delivery of surplus or interim project water whose duration is longer than one year) the Secretary shall—

"(1) publish notice of the proposed contract or amendment in newspapers of general circulation in each region and otherwise notify interested parties which may be affected by such contract or amendment, together with information indicating to whom comments or inquiries concerning the proposed actions can be addressed; and

"(2) provide an opportunity for submission of written data, views and arguments, and shall consider all substantive comments so received.".

COORDINATION OF WATER CONSERVATION PROGRAMS

SEC. 213. The Secretary is authorized and directed to enter into memorandums of agreement with those Federal agencies having capability to assist in implementing water conservation measures to assure coordination of ongoing programs. Such memorandums should provide for involvement of non-Federal entities such as States, Indian tribes, and water user organizations to assure full public participation in water conservation efforts.

SEC. 214. The first proviso in the third paragraph of section 1 of the Act of April 4, 1910 (36 Stat. 269, 270), as amended by the Act of August 7, 1946 (60 Stat. 866, 867) is hereby repealed.

SEVERABILITY

SEC. 215. If any provision of this Act or the applicability thereof to any person or circumstances is held invalid, the remainder of this Act and the application of such provision to other persons or circumstances shall not be affected thereby.

Mr. KAZEN (during the reading). Mr. Chairman, I ask unanimous consent that title II be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

AMENDMENT OFFERED BY MR. KAZEN

Mr. KAZEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KAZEN: In section 203, page 15, line 18, strike out "subsections" and insert in lieu thereof "subsection" and in line 19 strike "(f)".

Mr. KAZEN. Mr. Chairman, this is simply a technical amendment. The reference in line 19 to subsection (f) is a reference to a subsection which was deleted from the bill in the committee amendment in the nature of a substitute.

Mr. CLAUSEN. Mr. Chairman, will the gentleman yield?

Mr. KAZEN. I yield to the gentleman from California.

Mr. CLAUSEN. Mr. Chairman, we are prepared to accept this technical amendment.

Mr. KAZEN. Mr. Chairman, let me state further that it is strictly a technical amendment, and it refers to a section that was taken out by the substitute.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Texas (Mr. KAZEN).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. KAZEN

Mr. KAZEN. Mr. Chairman, I offer another amendment.

The Clerk read as follows:

Amendment offered by Mr. KAZEN:

In section 205, page 17, line 6, strike the words "water quality" and the comma following the word "quality".

Line 11, strike the period following the word "laws" and insert thereafter the following ", *Provided, however*, That the Secretary shall have the authority to waive such payments for water described in section 203(c)(2)."

Mr. KAZEN. Mr. Chairman, section 205 of H.R. 5539 provides that—

> Project water temporarily make available from reclamation facilities in excess of ordinary quantities not otherwise storable for project purposes or at times when such project water would not have been available without the operations of those facilities, may be used for water quality, irrigation, municipal, or industrial purposes only to the extent covered by a contract requiring payment for the use of such project water . . .

The amendment would strike the words, "water quality." The requirement is impractical since water quality improvement may benefit a fairly large segment of the public and there is rarely, if ever, any single organization or group of persons who are benefited and might fairly be held liable to pay for the water released for water quality improvement purposes.

The Commissioner of Reclamation advises that the Bureau makes voluntary releases of water from the facilities of central water project in California for the purposes of providing better water quality in the Sacramento-San Juan Delta, and in the words of the amendment, if the words the amendment were to delete were to remain in the bill and become law, the Bureau would no longer be able to do this.

Also the present practice of the Bureau of Reclamation is to release floodwaters free of charge to mitigate possible damage due to flooding downstream. The amendment would preserve the existing practice which is instrumental in preventing damage to both life and property.

Mr. Chairman, the Department of the Interior supports this amendment.

Mr. CLAUSEN. Mr. Chairman, will the gentleman yield?

Mr. KAZEN. I am delighted to yield to the gentleman from California.

Mr. CLAUSEN. Mr. Chairman, I would like to generally associate myself with the remarks of our chairman, the gentleman from Texas (Mr. KAZEN), in support of the amendment because unless it is adopted, the results of leaving the language in, according to the Bureau of Reclamation, could actually be counterproductive in terms of water quality.

Then, finally, if I understand the basic thrust of the amendment, there would be a clear division of responsibility along these lines: That if there is an economic interest in the water, the water user would pay for it, but if there is a water quality interest which is in effect a public interest, then the incremental cost associated with the water quality would be paid for by the Federal Government.

May I ask the gentleman, is that correct?

Mr. KAZEN. Mr. Chairman, that is correct.

Mr. CLAUSEN. Mr. Chairman, I support the amendment.

Mr. KAZEN. Mr. Chairman, I thank the gentleman from California.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Texas (Mr. Kazen).

The amendment was agreed to.

□ 1540

AMENDMENT OFFERED BY MR. BEDELL

Mr. BEDELL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Bedell:

Strike all of section 208, page 18, and insert in lieu thereof the following new section:

Notwithstanding any other provision of law, no water from any Federal reclamation project authorized after the date of enactment of this Act shall be delivered within ten years from the date irrigation water is first made available to construction blocks within such project for the irrigation of any basic agricultural commodity, as defined in section 408(c) of the Agricultural Act of 1949 (7 U.S.C. 1428(c)), or any amendment thereof, if the total supply of such commodity for the marketing year in which the bulk of the crop would be marketed is in excess of the normal supply, as defined, in the case of extra long staple cotton, in section 301 (b)(10)), as amended, and for such other commodities, as defined in section 1107 of the Agriculture and Food Act of 1981 (7 U.S.C. 1310a), unless the Secretary of Agriculture calls for an increase in production of such commodity in the interest of national security.

In addition, notwithstanding any other provision of law, in the case of any Federal reclamation project authorized before the date of enactment of this Act, any restriction prohibiting the delivery of project water for the production of excess basic agricultural commodities shall extend for a period no longer than ten years after the date of the initial authorization of such project.

Mr. BEDELL (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the Record.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. BEDELL. Mr. Chairman, irrigation projects normally carry a clause prohibiting the use of water for such projects to irrigate crops in surplus for a period of 10 years after authorization of the project. This amendment would change the language to provide that such a policy would apply 10 years after first delivery of water from the project.

The purpose of the current practice is to discourage delivery from Federal water projects to grow more crops precisely at the same time as taxpayers are asked to pay those same farmers not to produce such crops.

Unfortunately, large projects frequently do not start delivery of water for at least 10 years after authorization. Small projects may take much less time than large projects.

Mr. KAZEN. Mr. Chairman, will the distinguished gentleman yield?

Mr. BEDELL. I yield to the gentleman from Texas.

Mr. KAZEN. We have had occasion to study the gentleman's amendment and as far as we are concerned we have no objection to it.

Mr. BEDELL. I thank the gentleman.

Mr. CLAUSEN. Mr. Chairman, will the gentleman yield?

Mr. BEDELL. I yield to the gentleman from California.

Mr. CLAUSEN. There is one concern where I think we need to have some clarifying comments from the gentleman in the well. It is my understanding the amendment itself does not apply in any way to any currently authorized project; is that correct?

Mr. BEDELL. That is correct. It applies only to projects that are authorized after the enactment of the bill.

Mr. CLAUSEN. I guess I would ask one further question. We had this 10-year date apply after the date of the initial authorization of the project itself. What is wrong with that?

I think when I saw the gentleman's original amendment he had a 10-year period after the completion of the project, but what is wrong with the committee language?

Mr. BEDELL. I thank the gentleman for his help. The fact of the matter is this amendment has been changed considerably by suggestions from other Members of the House.

The first change that was made was the original amendment said that it would apply to all projects not more than 10 percent completed. That is changed in this amendment so it applies only to projects that are not yet authorized.

The second proposal was that originally the amendment said that it would apply after completion of the project. It was brought to the author's attention that sometimes delivery of water starts prior to the time that the project is completed and, therefore, the wording was changed so that it applies to after the first delivery of water to a construction block grant and would apply then to that area which would seem to be the most fair time of all.

Mr. CLAUSEN. I had some serious reservations, as I stated to the gentleman, about the thrust of his amendment. But I believe, with the assurances, on the basis of this colloquy, and the revisions the gentleman made in the amendment, we are prepared to go along with it.

Mr. MYERS. Mr. Chairman, will the gentleman yield?

Mr. BEDELL. I yield to the gentleman from Indiana.

Mr. MYERS. I thank my colleague for discussing this earlier. But there is one question that has come up in my mind. Does this affect in any way the benefit-cost ratio in considering the feasibility of these programs?

Mr. BEDELL. For future projects?

Mr. MYERS. Yes.

Mr. BEDELL. It indeed may well affect it.

Mr. MYERS. Then I would ask the gentleman, because there might be a time right now when we have a crop in surplus, but because of some catastrophe in the country we might want to change our mind and produce that crop, and it seems like we are locking ourselves into something here where we would not know what we might need in the future.

I think for any current year that I would not disagree with the gentleman, but when we start impacting on the benefit-cost ratio we might be reaching too far.

Mr. BEDELL. Does the gentleman understand that this is the current practice to put into the legislation, authorizing legislation, that it would not be permitted to continue?

Mr. MYERS. There are a lot of current practices that I do not agree with. I think we might be shortsighted. We have already proven that with the energy problem we have in this country.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Iowa (Mr. Bedell).

The amendment was agreed to.

Mr. EDGAR. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I had intended to offer an amendment to strike the waiver of sovereign immunity from the legislation because of some confusion that I had over this particular provision.

I entered into a colloquy with the chairman on this issue yesterday under general debate and I have decided at this time not to offer the amendment.

I do have one question that I would like answered, if I could, just because it has come up several times in discussion. I wonder if someone on the committee could answer this specific question?

Does section 206 impact at all or have any jurisdiction over the Westland Irrigation District court suit that is presently pending?

Mr. KAZEN. Will the gentleman yield?

Mr. EDGAR. I yield to the gentleman from Texas.

Mr. KAZEN. To the best of my information, I am told that it would have no impact on that case.

Mr. EDGAR. The gentleman is suggesting it has absolutely no impact on that case?

Mr. KAZEN. To the best of my knowledge, it does not.

Mr. EDGAR. It is not the gentleman's intention that this provision would cover that?

Mr. KAZEN. No, sir.

Mr. EDGAR. I thank the gentleman for his comments.

I think the record is clear. No one on either side believes it has impact there, so I will not offer the amendment.

Mr. Chairman, the purpose of the amendment I had intended to offer was to strike section 206 of the committee bill in its entirety. Section 206 lays out in bland "legalese" language the circumstances under which the U.S Government may be sued in disputes over reclamation contracts. I am concerned that the committee report is not more forthright in describing the special interest aspect of this provision.

The Westlands Water District of California, the largest irrigation district in the reclamation program, has been receiving water for many years at highly advantageous terms. According to Westlands' interpretation of its own contractual rights, this district is entitled to receive an enormous quantity of water—approximately 1.2 million acre-feet, which is about 390 billion gallons—each year until the year 2008, at today's bargain basement rates.

The Interior Department has acknowledged that these current rates do not even come close to meeting the barest cost to the Federal Government of providing this irrigation service to Westlands. Mr. Chairnnan, even when fully discounted at the current discount rate used by the Water Resources Council, and even assuming that the cost of service to the Government will not go up at all over the next 26 years, the net present value to Westlands of their current contractual arrangement—if upheld by the courts—is some $80 million.

Quite understandably, Mr. Chairman, Interior Departments under both Republican and Democratic administrations have been attempting to use all the legal means at their disposal to strike a better bargain for the taxpayers with the Westlands Water District. Why in the world do we in this body want to jeopardize the Department's ability to do so?

Mr. Chairman, section 206 is a lawyer's fix. It is special interest legislation with a capital "S," to the tune of $80 million of real money. Enactment of this provision would make a mockery of our attempts to put the reclamation program on a sound business footing, while making no significant contribution toward the cause of family farming. Section 206 was neither sought nor recommended by the Reagan administration. However, in light of the chairman's strong assurances that this section 206 does not apply to the Westlands Water District of California, I will not offer my amendment.

AMENDMENT OFFERED BY MR. ERLENBORN

Mr. ERLENBORN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Erlenborn: Page 26, after line 5, insert the following new title:

"TITLE III

"AUDIT COMPLIANCE

"Sec. 301. (a)(1) The Inspector General of the Department of the Interior shall undertake a review of all audit reports prepared by the Department of the Interior since January, 1977, pertaining to Bureau of Reclamation water resource projects, including, but not limited to.

"(A) 'Review of the Central Valley Project—Bureau of Reclamation', January 1978;

"(B) 'Review of Repayment Status of Pick-Sloan Missouri Basin Program and Individually Authorized Projects', July 1978;

"(C) 'Review of Municipal and Industrial Water Activities, Central Valley Project', September 1979;

"(D) 'Review of Colorado River Storage Project and Related Individual Participating Projects', September 1980;

"(E) 'Review of Central Arizona Project, Lower Colorado Region', September 1980;

"(F) 'Review of Selected Economic and Financial Aspects of the Fryingpan—Arkansas Project', August 1980; and

"(G) 'Review of Balance Sheet and Repayment Status as of September 30, 1980, Southern Nevada Water Project', August 1981.

"(2) No later than 90 days after the date of enactment of this Act, the Inspector General shall prepare, and transmit to the Secretary of the Interior, and to the Congress, a list of recommendations based upon the review of audit reports which he has conducted pursuant to paragraph (1) of this subsection.

"(b) No later than 270 days after the date of enactment of this Act, the Secretary of the Interior shall implement all recommendations which have been made by the Inspector General pursuant to paragraph (a)(2) of this section, unless he earlier informs the Committee on Interior and Insular Affairs of the House of Representatives and the Committee on Energy and Natural Resources of the Senate, in writing, of his detailed reasons for not implementing such recommendations."

Mr. ERLENBORN (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. UDALL. Mr. Chairman, I reserve a point of order against the pending Erlenborn amendment.

The CHAIRMAN pro tempore. The gentleman from Arizona (Mr. Udall) reserves a point of order on the amendment.

Mr. ERLENBORN. Mr. Chairman, I have furnished each side of the aisle a copy of the amendment.

Mr. Chairman, the purpose of this statement is to require the Department of the Interior to give careful consideration to the recommendations which the Department's own auditors have been making to remedy the unbusinesslike practices and mismanagement now occurring in the reclamation program. The amendment would direct the Inspector General of the Interior Department to perform a summary review of recent reclamation audits, compile recommendations for departmental action, and submit these recommendations to Congress and to the Secretary within 90 days of the date of enactment of this legislation.

The Secretary, in turn, is directed to implement all such recommendations within 270 days after the date of enactment, or provide the appropriate authorizing committees with a detailed, written report outlining his reasons for failing to do so.

Mr. Chairman, at least seven audits of reclamation project accounts have been completed during the last 5 years by the Office of the Inspector General and its predecessor. Based upon these audits, the Inspector General had this to say in his semiannual report covering the last half of fiscal 1980, and I quote:

> We concluded that substantially more attention is required in the planning and management of all aspects of these projects to assure that the beneficiaries, rather than the general taxpayers, bear the burden for reimbursable water and power costs. This fundamental principle of Reclamation law has not been followed consistently. Consequently, some projects have resulted in substantial subsidies to project beneficiaries through low water and power rates.

Thus, the general taxpayers have been subsidizing these water projects in two ways: First, as a result of the explicit subsidies built into Federal reclamation law; and second, as a result of the planning and management deficiencies on the part of the Bureau of Reclamation.

Regrettably, the most recent semiannual report of the Inspector General chronicles abuses that have yet to be corrected, long after their discovery. For instance, the IG notes that "revenue and repayment prospects for the reimbursable municipal and industrial water function of the Central Valley project are in serious financial trouble now and for the foreseeable future, absent changes in basic operating policies. We projected deficits at the end of the scheduled repayment period of $1.2 billion for M. & I. water operations."

The IG notes that this audit was discussed in his last three semiannual reports. Elsewhere he notes that the audit of the repayment status of the Pick-Sloan Missouri Basin program—which had found that substantial costs would not be repaid to the Federal Treasury until the 22d century—was carried in his last five semiannual reports.

Mr. Chairman, when those of us on the Government Operations Committee framed the Inspector General Act of 1978, we intended to make auditing and financial accountability a higher priority within Federal agencies. Nevertheless, important information has been turned up by these water project audits, and the Department of the Interior has been glacial in its pursuit of remedies. Now it is time to tell the Department to take this responsibility seriously.

I would be delighted to learn of aggressive action to put the reclamation program on a more businesslike basis. Out of concern that such action may not be immediatedly forthcoming, however, I am offering this amendment. Let us put a stop to the bureaucratic shuffling and get some answers on these water project repayment accounts.

I urge the adoption of the amendment.

□ 1550

POINT OF ORDER

The CHAIRMAN pro tempore (Mr. PICKLE). Does the gentleman from Arizona insist on his point of order?

Mr. UDALL. I do, Mr. Chairman, and I make a point of order that the amendment now pending, offered by the gentleman from Illinois, is not germane to the bill.

This bill deals with irrigation policy. It is not so broad as to encompass all aspects of the reclamation program. We are not writing a comprehensive law to govern all features of reclamation projects.

The amendment is clearly not pertinent to irrigation. It places a new duty on the Inspector General that is not now a part of the Reclamation Act of 1902, or any act amending or supplementing any part of that 1902 legislation.

For that reason, I think the amendment is clearly not germane, and I insist on the point of order.

The CHAIRMAN pro tempore. Does the gentleman from Illinois desire to be heard,

Mr. ERLENBORN. Briefly, Mr. Chairman, I would say that, in my opinion, the amendment is germane. The bill before us does address reclamation policy. Part of that is involved in the resolution of these audits that also have to do with reclamation policy and, more importantly, the implementation of that policy.

The Inspector General has already the general duties, as outlined in this amendment. The Inspector General, as a matter of fact, has made audits in the seven cases that are specifically mentioned in the amendment, and that is (A) through (G), the seven particular projects. Some or all of those have been subject to audit, and recommendations have been made.

The duty of the Inspector General is not a new duty. The Inspector General is supposed to make audits and make recommendations. This is no new duty whatsoever. And certainly the duty imposed on the Secretary of the Interior is not new, though the implementation and carrying out of that duty might appear to be new. That is the purpose of the amendment—to see that the duty of the Department of the Interior to respond to audit recommendations by the Inspector General is done in a prompt manner.

The CHAIRMAN pro tempore. The Chair would like to inquire of the gentleman from Illinois if his amendment is limited to irrigation policy and irrigation recommendations?

Mr. ERLENBORN. The answer, Mr. Chairman, is yes.

Reading from the amendment, it says: "* * * pertaining to Bureau of Reclamation water resource projects * * *."

The CHAIRMAN pro tempore. Does the gentleman from Texas (Mr. KAZEN) seek recognition on this point?

Mr. KAZEN. If the Chair would allow me, within the duties of the Department of Reclamation also come water resources, power, and several other elements of energy and not only irrigation; water for municipal and industrial uses, water for recreation, flood control, and many other purposes, many other duties that the Department has besides irrigation.

The CHAIRMAN pro tempore (Mr. PICKLE). The Chair is concerned about the amendment, in that it is not clear what type of recommendations may be implemented as a result of this amendment. If it is a question between auditing power rates as opposed to irrigation rates, that would be a serious question.

But just on the question of germaneness, and accepting the assurances of the gentleman from Illinois, there are provisions in sections 205, 206, 210, and 213 of the bill that might go beyond irrigation policy continued in the reclamation laws. To the extent that this amendment is limited to irrigation recommendations, and since there are diverse provisions in the bill with respect to reclamation policy involving water uses for other than irrigation purposes, the Chair then will rule that the amendment is germane, as a new title, to the committee reported bill as a whole. The Chair overrules the point of order.

Mr. UDALL. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I will speak only briefly. At least I was not aware of this amendment until today, a few moments ago, actually. It may well be that we need an audit or a series of audits, and I do not see how anybody in this day of concern about waste and fraud can be against it.

But why do we pick out these particular ones? Are there others that should be audited? What is the rationale for that? Our committee had no testimony. I would like to have had a little bit of testimony. I would have liked to have had departmental comments about how much it would cost to do these audits, and so on.

The amendment, on page 2, says "* * * the Secretary of the Interior shall implement all recommendations which have been made by the Inspector General * * *" within 270 days or advise the committees why he has not. Those recommendations might cover things that require legislation, change of power rates, all kinds of expenditures. I suggest the purpose of the gentleman's amendment is commendable; but I do not think the Committee ought to accept this amendment at this point.

Mr. ERLENBORN. Mr. Chairman, will the gentleman yield?

Mr. UDALL. I yield to the gentleman from Illinois.

Mr. ERLENBORN. Mr. Chairman, I think the gentleman is laboring under the misapprehension that this requires new audits. If the gentleman will read the first paragraph of the amendment, it says:

> The Inspector General of the Department of the Interior shall undertake a review of all audit reports prepared by the Department of the Interior since January, 1977, pertaining to Bureau of Reclamation. . . .

This does not impose a duty to conduct a new audit. It merely asks the Inspector or directs the Inspector General to review audits already undertaken where recommendations have already been made to the Secretary.

Mr. UDALL. I had noticed that distinction, although I do not think it undercuts my arguments about additional work, additional recommendations have to be implemented promptly, and so on.

Mr. ERLENBORN. If the gentleman will yield, if those reasons exist, all the Secretary of the Interior has to do then is inform the gentleman's committee of those reasons under this amendment.

Mr. UDALL. Well, in the exercise of our oversight authority, I would be glad to look into these things, either through hearings or otherwise, with the Department; but I am a little loath to approve an amendment of this kind at this point, with so little background on it.

Mr. CLAUSEN. Mr. Chairman, will the gentleman yield?

Mr. UDALL. I yield to the gentleman from California.

Mr. CLAUSEN. Mr. Chairman, I do not know whether this would persuade the gentleman from Illinois to withdraw his amendment, but that is what I was going to suggest. I think that, rather than this being a part of this particular bill, I would be inclined to want to support a request to the chairman that he assign the responsibility to the oversight and investigations section of our Interior Committee, to get into the subject matter of which the gentleman from Illinois is attempting to address in his amendment.

I think it would be more in the way of a proper function for the Oversight Committee, because I do not know how far reaching this particular amendment is. I am not personally affected by it. My own congressional district is outside of the areas of concern. But I do believe that he has a right to have his case heard, and I think that if the gentleman could give him the assurances of an Oversight Investigation Committee maybe we could ask him to withdraw the amendment and we could pursue it in further legislation if he is not satisfied.

Mr. UDALL. If the amendment is defeated, I would intend to work with Chairman KAZEN, who has primary jurisdiction, his subcommittee, or any of the other subcommittees, and I would prefer to proceed in that fashion.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Illinois (Mr. ERLENBORN).

The question was taken; and the Chairman pro tempore announced that the noes appeared to have it.

Mr. ERLENBORN. Mr. Chairman, on that I demand a division.

On a division (demanded by Mr. ERLENBORN) there were—ayes 6, noes 16.

Mr. ERLENBORN. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN pro tempore. Evidently a quorum is not present.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

□ 1610

QUORUM CALL VACATED

The CHAIRMAN pro tempore. One hundred Members have responded. A quorum of the Committee of the Whole is present. Pursuant to clause 2, rule XXIII, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

When the point of order of no quorum was called, the House was considering an amendment offered by the gentleman from Illinois (Mr. ERLENBORN).

The Chair recognizes the gentleman from Illinois (Mr. ERLENBORN).

Mr. ERLENBORN. Mr. Chairman, I ask unanimous consent to withdraw my demand for a recorded vote.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Chair recognizes the gentleman from Arizona (Mr. UDALL).

Mr. UDALL. Mr. Chairman, I ask unanimous consent that the Chair vacate the division vote and the voice vote on this pending amendment.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Arizona?

There was no objection.

The CHAIRMAN pro tempore. The voice vote and the division vote are vacated.

The question is on the amendment offered by the gentleman from Illinois (Mr. ERLENBORN).

The amendment was agreed to.

The CHAIRMAN pro tempore. Are there other amendments to title II?

AMENDMENT OFFERED BY MR. KILDEE

Mr. KILDEE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. KILDEE: On page 19, strike all of line 16 and words "and sixty acres," on line 17.

Mr. KILDEE. Mr. Chairman, I have spoken to the chairman of the subcommittee on this. This is a conforming amendment to conform with the amendment previously adopted.

Mr. KAZEN. Mr. Chairman, will the gentleman yield?

Mr. KILDEE. Yes.

Mr. KAZEN. We have looked at the amendment and because of an amendment previously adopted, this amendment should be adopted in order to conform.

Mr. KILDEE. I thank the gentleman.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Michigan (Mr. KILDEE).

The amendment was agreed to.

The CHAIRMAN pro tempore. Are there any other amendments to title II?

AMENDMENT OFFERED BY MR. KILDEE

Mr. KILDEE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. KILDEE; Pursuant to clause 6 of rule XXIII, Mr. KILDEE submits the following amendment to H.R. 5539:
>
> Page 20, strike out lines 10 through 15.

Mr. KILDEE. Mr. Chairman, the bill provides for a penalty for anyone who receives water that he is not entitled to or does not pay the full cost for water or furnishes false information.

Now, these acts are either in law or in fact are done knowingly. For the Secretary to assess the penalty, he has a great deal of discretion already, and in determining the penalty there is a great deal of discretion; so I think to waive the penalty is really to perhaps invite violations. This law has not always been strictly enforced in the past, but I think we should not send a signal that it should not be strictly enforced in the future.

Mr. PASHAYAN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, let me just say, I am not entirely in agreement with the chairman of the committee on this one issue, simply because in his role under this bill the Secretary is more or less made a prosecutor. I think prosecutors need some flexibility in how they make the charge and prosecute it. It is not always an advantage that a prosecutor either has to go all the way or none of the way. It is sometimes better for him to strike some ground in between; but I join with the chairman for the sake of getting this done. I shall not object.

Mr. CLAUSEN. Mr. Chairman, will the gentleman yield?

Mr. PASHAYAN. I will be glad to yield.

Mr. CLAUSEN. Mr. Chairman, this amendment is apparently based on a basic mistrust or suspicion of the Bureau of Reclamation and their administrative personnel. There has been no specific basis for this suspicion articulated. Perhaps the amendment is based on the general feeling that the professionals within the Bureau cannot be trusted, but in my experience I know of no justification for that. I believe Congress should give general policy guidance to the Bureau and then let them do their job.

Mr. Chairman, it may be possible to construe section 210 (a)(1) such that a farmer can violate this law without knowing about it, because the word "knowingly" before the word "violates" was left out on line 14, page 19 of the bill.

On another point, regardless of other concerns I have about this amendment, this bill is supposed to help the family farmer, not make his existence even more complicated. It is just as unreasonable to expect every irrigation farmer to know all of Federal reclamation law based on statutes, regulations, and Solicitor's opinions, as it is to expect every taxpayer to know all of the Internal Revenue Code.

In the bill, the Secretary is tasked with bringing actions for the civil penalties where appropriate. To tell the Secretary he may not waive the civil penalties is like taking away a prosecutor's discretion, which is generally regarded as a bad idea.

I am inclined to go along with the chairman's suggestion, but I want to warn the gentleman, I think we are going to have to address this further in conference, because there are some problems with it.

Mr. UDALL. Mr. Chairman, will the gentleman yield?

Mr. PASHAYAN. I would be glad to yield to the chairman.

Mr. UDALL. I thank the gentleman for his comments.

I want to concur with the gentleman from California (Mr. CLAUSEN) in that we will have some time between now and the conference committee to take a look at the impact of this and perhaps to modify it if that is indicated.

Mr. PASHAYAN. Mr. Chairman, I join the chairman and the gentleman from California (Mr. CLAUSEN) in that feeling.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Michigan (Mr. KILDEE).

The amendment was agreed to.

Mr. HARKIN. Mr. Chairman, I rise in opposition to the bill H.R. 5539. For a piece of legislation that portends to be an omen of water reform in the 1902 Reclamation Act, I find it only fraught with loopholes that benefit the already benefited.

Last year, the Congress passed a farm bill that cut $6 billion in program benefits, reducing the cost of the total program over a 4-year period by one-third. Then this same Congress turns around and wants to provide unlimited benefits, not in cast mind you, but in liquid gold, to a small elite who have farmed the Government for years. It just does not make sense.

These reclamation farmers, and particularly those in the Westlands Water District, have not limited themselves to this liquid gold water subsidy but have been the beneficiaries of other farms programs—many of the largest farms in Westlands have received USDA payments not to grow crops, low yield disaster payments, FHA low-interest loans, and preferences from promotion programs. One of these farmers became somewhat noted when "60 Minutes" did a story on his FmHA loans. He obtained more than $17 million in FmHA 40-year low-interest loans. This same gentleman farms on approximately 20,000 acres served by Federal water projects.

H.R. 5539 is fundamentally unfair. The Agriculture and Food Act of 1981 states:

> The express intent of Congress that no (Agricultural or agriculture-related) program be administered in a manner that will place the family farm operation at an unfair economic disadvantage.

Yet H.R. 5539 would: First, provide unlimited access to taxpayer-subsidized water to some of the Nation's wealthiest farms and corporations; and second, actively encourage the consolidation of farms and agricultural production, and invite absentee investment in farmland, in reclamation areas across the West. In so doing, it makes a mockery of 80 years of legislative mandates and judicial determinations to distribute the benefits of the reclamation program widely to resident family farmers. Consideration of this measure is all the more unfair in this time of widespread financial pressure on farmers across the Nation.

In July 1979, former Secretary of Interior Cecil Andrus provided Congress with a list of the 10 largest farming companies and individuals in the reclamation program. They exist basically in three areas. First, the noted Westlands Water District in California; second, Kings River, Calif.; and third, Kern River, also in California. All of these are found in the San Joaquin Valley.

Who are the farmers in these areas:

SOUTHERN PACIFIC LAND CO.

Southern Pacific is frequently singled out as a major corporation in farming. Though they are not in the farming business directly, the company leases out all of its holdings.

OIL COMPANIES

Several major oil companies are getting federally subsidized water for their farming operations. Standard Oil will tell you that they do not take the surface water provided to the Westlands Water District. That is true. However, they have benefited handsomely from the recharge of the groundwater by the virtue of the Federal Government's success in providing surface water to all of their neighbors. Joining Standard, but taking water directly are Getty Oil, Chevron, USA, Inc., Tenneco, and Superior. Between them they farm more than 100,000 irrigated acres in just three districts in California.

BOSTON RANCH/J. G. BOSWELL CO.

The Boswell operation farms almost 150,000 acres in Westlands, Kings, and Kern, and other districts. Boswell received $1 million set-aside payments from the U.S. Department of Agriculture a decade ago, and was in the middle of the Cotton, Inc. scandal that was uncovered a few years ago.

There are plenty more examples. The bottom line is that all of these farms, and many more are seeking unlimited federally irrigated water—forever. Under the reclamation laws proposed by the pending legislation, the smallest of these reclamation farms would be 960 acres. That farm, unlike a midwest farm, will produce, on the average, $1 million in crop revenues.

The smallest reclamation farm, in other words, will be larger than 97 out of 100 farms in America today—based on income, not acreage. Those same farms want unlimited subsidies from the Bureau of Reclamation. They do not want to pay for the water and have actively fought provisions, even mild ones, that would have increased the price of water.

There is clearly an uneven policy emerging. The Western States are getting these subsidized benefits—extremely large benefits—at the same time that the Midwest farmer is being told to "go to the marketplace."

A vote in opposition to the bill is a vote for the real family farmer.

● **Mr. VENTO.** Mr. Chairman, I rise in opposition to H.R. 5539. At a time when we as Members of Congress are expending a great deal of time and effort in seeking ways to lower budget deficits, I find it unconscionable that this House can consider passing a bill that provides a windfall for a select few through a pirating of the Federal Treasury.

The providing of heavily subsidized water to certain groups of large farmland owners flies in the face of the problems we face with depressed farm prices and the need for continued price supports and set asides. The GAO reported in March 1981 on six irrigation projects and found that not a single one would yield enough crop production to cover the full cost of the water supplied. Irrigators would be repaying less than 10 percent of the Federal Government's actual cost according to the GAO.

The distinguished director of the Congressional Budget Office, Alice Rivlin, testified earlier this year about the contradictions involved in the subsidization of irrigation water. She state that "these subsidies encourage wasteful use of water in regions that may no longer need subsidized development." They also distort farmers decisions about which crops to grow. Market gluts can occur, driving the market values of those commodities downward, in turn prompting the Government to raise values artifically by means of price supports. Under current policy, the Federal Government will invest roughly $3.8 billion from 1983 through 1987 in irrigation facilities. Of this amount, roughly $275 million would be recovered with charges now in place.

H.R. 5539 falls far short of carrying on an important aspect of the 1902 reclamation law, namely the promotion of the family farm. I find it objectionable that this bill would repeal the residency requirement, without offering any alternative. Such action seems destined to promote absentee ownership, to the detriment of the quality of rural life. Further, allowing subsidized water to be received on farms as large as 960 acres goes far beyond the acreage needed to promote an efficient family farm operation. Are we really promoting the family farm when, by the Department of Interior's own estimate, fewer than 3 percent of all reclamation farm operators control nearly a third of all reclamation land?

Both those in favor and those opposed to H.R. 5539 agree that reclamation law needs revisions. If there is going to be a Federal policy of subsidizing irrigation water, benefits should be dispersed to the largest number of people possible, while promoting the small efficient family farm. To validate past abuses in reclamation programs though, as H.R. 5539 does, only serves to dampen the social goals of reclamation law and replace it with economic greed that is unjustified now or at any other time. H.R. 5539 is fraught with the potential for misuse and misrepresentation in the reclamation program. Its passage, especially at a time of tight fiscal restraint would be a disservice to the American taxpayer and a slap in the face to the vast majority of family farmers.●

● **Mr. EDGAR.** Mr. Chairman, the purpose of the amendment I intended to offer is to provide a mechanism for routinely considering the deauthorization of dormant water resource development projects of the Bureau of Reclamation. The structure of the amendment is directly analogous to the language of Section 12 of the Water Resources Development Act of 1974 which applies to projects of the Army Corps of Engineers. Projects that are authorized but not funded by Congress for 8 consecutive years or more are submitted each year on a list to Congress for consideration for deauthorization.

Over an extended period of time, it is not surprising that circumstances change, forecasts go awry, and some water projects do not get built. In the interest of keeping the current construction program tightly focused on today's needs, and in the interest of security and elementary fairness to affected property owners in the project area, we need a mechanism to clean out the deadwood in the billion dollar backlog of authorized, but unfunded reclamation projects.

The only substantive changes from the language of the existing law pertaining to corps projects are as follows. First, the review mechanism covers feasibility studies as well as projects authorized for construction. Second, the proposed language does not extend discretion to the Secretary of the Interior to omit reporting on any dormant reclamation projects, or to unilaterally remove such a project from the deauthorization eligibility list once it is submitted to Congress. And finally, if either of the authorizing committees in the House or Senate adopt a resolution disapproving a deauthorization, such project becomes eligible for relisting if no appropriations are made for 3 additional years.

The 1974 act upon which this amendment is based has wiped scores of dormant Corps of Engineers projects off the books, through a cooperative review process involving the States and the Congress, as well as the executive branch. What is good for the goose is certainly good for the gander in this instance, and I urge the adoption of the amendment.

First, why does the gentleman want to raise the issue of projects on this bill. The bill only considers general reclamation policy, not individual projects. The subject of project deauthorization is an important gap in current reclamation policy. We have a general policy on deauthorization for the Corps of Engineers, and we should have one for the Bureau of Reclamation as well. Thus, it is appropriate to establish this policy in this bill, which makes a number of other important policy changes.

Second, why should we let the executive branch automatically deauthorize projects previously authorized by Congress?

No project is automatically deauthorized. The Interior Department simply submits a list of those projects that have not been funded for 8 years. Either the House Interior Committee or the Senate Energy Committee has ample time—90 days when Congress is in session—to act by simple committee resolution to keep any project authorized.

What about the States? Do not their concerns and wishes count for anything?

The views of the States are certainly important. The amendment requires the Secretary to elicit the views of each affected State, and to include such views in the report accompanying the list of projects that have not been funded for 8 years.

Why does the gentleman want to deauthorize feasibility studies? What is the harm in keeping studies around?

For the same reasons that we have chosen to individually authorize feasibility studies in the first place, rather than just provide authority for the Secretary to study anything.

First, we want the reclamation program to address current needs, not spend money studying projects that someone thought were a good idea decades ago.

Second, we want to take the slack out of the program, and not allow this or other administrations too wide of discretion in spending money on water projects—whether studies or actual construction.

Third, inactive feasibility studies may still be perceived as a lingering threat to private property and natural resource values in the affected area.●

The CHAIRMAN pro tempore. Are there any other amendments to title II?

If not, the question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN pro tempore. Under the rule, the committee rises.

Accordingly the committee rose; and the Speaker pro tempore (Mr. MINISH) having assumed the chair, Mr. PICKLE, Chairman pro tempore of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 5539) to amend and supplement the Federal reclamation laws, and for other purposes, pursuant to House Resolution 449, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

☐ 1620

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the committee amendment in the nature of a substitute adopted by the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. VENTO. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 228, nays 117, answered "present" 1, not voting 86, as follows:

[Roll No. 64]

YEAS—228

Akaka
Albosta
Alexander
Anderson
Andrews
Archer
Badham
Bailey (PA)
Bedell
Beilenson
Benedict
Benjamin
Bennett
Bereuter
Bethune
Bevill
Bliley
Boggs
Boland
Bolling
Bonker
Bouquard
Bowen
Breaux
Brinkley
Brooks
Broomfield

Brown (CA)
Brown (CO)
Brown (OH)
Broyhill
Burgener
Butler
Byron
Campbell
Carman
Carney
Chappell
Chappie
Cheney
Clausen
Coats
Coelho
Coleman
Collins (TX)
Conte
Corcoran
Coyne, William
Craig
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Dannemeyer
Daschle
Daub
Davis
de la Garza
Derrick
Dickinson
Dicks
Dixon
Dornan
Duncan
Dwyer
Dymally
Dyson
Eckart
Edwards (AL)
Edwards (OK)
Emerson
English
Erdahl
Erlenborn
Fary
Fascell
Fazio
Fiedler
Fields
Flippo
Foley
Ford (TN)
Fountain
Fowler
Frenzel
Fuqua
Gejdenson
Gephardt
Gibbons
Glickman
Gonzalez
Gore
Gradison
Gramm
Hagedorn
Hall, Ralph
Hall, Sam
Hammerschmidt
Hansen (ID)
Hansen (UT)
Hartnett
Hawkins
Hefner
Heftel
Hendon
Hightower
Hiler
Hillis
Holt
Hopkins
Howard
Hoyer
Hubbard
Huckaby
Hunter
Hutto
Jeffries
Jenkins
Johnston
Jones (NC)
Jones (OK)
Kazen
Kindness
Kogovsek
Kramer
Lagomarsino
Lantos
Latta
Leath
Leland
Lewis
Livingston
Loeffler
Long (LA)
Long (MD)
Lowery (CA)
Lowry (WA)
Lujan
Lungren
Marlenee
Marriott
Martin (NY)
Matsui
Mazzoli
McCloskey
McCollum
McCurdy
McDonald
Mica
Miller (CA)
Mineta
Minish
Mitchell (MD)
Moakley
Mollohan
Montgomery
Moore
Moorhead
Morrison
Myers
Napier
Natcher
Neal
Nelson
Nichols
Oakar
Panetta
Parris
Pashayan
Patman
Patterson
Pepper
Perkins
Pickle
Porter
Price
Quillen
Railsback
Ratchford
Roberts (KS)
Roberts (SD)
Robinson
Roe
Roemer
Rogers
Rousselot
Rudd
Sabo
Seiberling
Shaw
Shelby
Shuster
Skeen
Skelton
Smith (AL)
Smith (NE)
Smith (NJ)
Snyder
Spence
St Germain
Stangeland
Staton
Stenholm
Stokes
Stump
Swift
Synar
Tauke
Tauzin
Thomas
Udall
Wampler
Watkins
White
Whitehurst
Whitley
Whittaker
Whitten
Williams (MT)
Williams (OH)
Winn
Wolf
Wortley
Wright
Wylie
Young (AK)
Young (FL)
Zablocki

NAYS—117

Annunzio
Applegate
Atkinson
Bailey (MO)
Barnes
Bingham
Blanchard
Bonior
Brodhead
Burton, Phillip
Clinger
Collins (IL)
Conable
Conyers
Coughlin
Deckard
Dellums
Dingell
Dorgan
Dougherty
Downey
Dunn
Edgar
Edwards (CA)
Fenwick
Ferraro
Findley
Fish
Fithian
Florio
Ford (MI)
Forsythe
Frost
Garcia
Gilman
Gingrich
Goodling
Gray
Gregg
Gunderson
Hall (OH)
Hamilton
Hance
Harkin
Heckler
Hertel
Hollenbeck
Hughes
Ireland
Jacobs
Kastenmeier
Kemp
Kennelly
Kildee
LaFalce
LeBoutillier
Lee
Lehman
Levitas
Lundine
Madigan
Markey
Martin (IL)
Martin (NC)
Mavroules
McDade
McGrath
McHugh
Mikulski
Miller (OH)
Moffett
Molinari
Mottl
Nelligan
Nowak
Oberstar
Obey
Ottinger
Oxley
Pease
Petri
Rahall
Rangel
Regula
Reuss
Rinaldo
Ritter
Rodino
Rosenthal
Roth
Roukema
Roybal
Russo
Sawyer
Scheuer
Schroeder
Schumer
Sensenbrenner
Sharp
Solarz
Solomon
Studds
Traxler
Vento
Walgren
Walker
Washington
Waxman
Weaver
Weber (MN)
Weber (OH)
Weiss
Wirth
Wolpe
Wyden
Yates
Yatron

ANSWERED "PRESENT"—1

Holland

NOT VOTING—86

Addabbo
Anthony
Aspin
AuCoin
Bafalis
Barnard
Beard
Biaggi
Boner
Burton, John
Chisholm
Clay
Courter
Coyne, James
Crockett
D'Amours
DeNardis
Derwinski
Donnelly
Dowdy
Dreier
Early
Emery
Ertel
Evans (DE)
Evans (GA)
Evans (IA)
Evans (IN)
Foglietta
Frank
Gaydos
Ginn
Goldwater
Green
Grisham
Guarini
Hatcher
Horton
Hyde
Jeffords
Jones (TN)
Leach
Lent
Lott
Luken
Marks
Mattox
McClory
McEwen
McKinney
Michel
Mitchell (NY)
Murphy
Murtha
O'Brien
Paul
Peyser
Pritchard
Pursell
Rhodes
Richmond
Rose
Rostenkowski
Santini
Savage
Schneider
Schulze
Shamansky
Shannon
Shumway
Siljander
Simon
Smith (IA)
Smith (OR)
Smith (PA)
Snowe
Stanton
Stark
Stratton
Taylor
Trible
Vander Jagt
Volkmer
Wilson
Young (MO)
Zeferetti

☐ 1630

The Clerk announced the following pairs:

On this vote:

Mr. Holland for, with Mr. Stark against.

Mr. Jones of Tennessee for, with Mr. Addabbo against.

Mr. Santini for, with Mr. Zeferetti against.

Mr. Evans of Georgia for, with Mr. Volkmer against.

Mr. Courter for, with Mr. Emery against.

Mr. Dreier for, with Mr. Green against.

Mr. Pritchard for, with Mr. Horton against.

Mr. Rhodes for, with Mr. Lent against.

Mr. Taylor for, with Mrs. Schneider against.

Mr. Trible for, with Mr. Schulze against.

Messrs. BARNES, DOWNEY, YATRON, NELLIGAN, and RINALDO, Mrs. KENNELLY, Mrs. SCHROEDER, Mr. NOWAK, and Mr. LEHMAN changed their votes from "yea" to "nay."

Mr. JOHNSTON changed his vote from "nay" to "yea."

Mr. HOLLAND. Mr. Speaker, I have a live pair with the gentleman from California (Mr. STARK). If he were present he would have voted "nay." I voted "yea." I withdraw my vote and vote "present."

Mr. HOLLAND changed his vote from "yea" to "present."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. KAZEN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore (Mr. HUBBARD). Is there objection to the request of the gentleman from Texas?

There was no objection.

☐ 1640

LEGISLATIVE PROGRAM

(Mr. LOEFFLER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LOEFFLER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute for the purpose of inquiring of the distinguished majority leader what the schedule is for the remainder of the day and for next week.

Mr. WRIGHT. Mr. Speaker, will the distinguished acting minority leader yield?

Mr. LOEFFLER. I yield to the gentleman.

Mr. WRIGHT. I am pleased to advise the gentleman that there is no further legislative business planned for today nor the remainder of this week.

We have a full schedule for next week, however. The two most important items for next week are the emergency housing authorizations, scheduled in a bill which will be brought up on suspension on Tuesday, and the urgent supplemental appropriations scheduled for Wednesday or conceivably, Thursday.

I will recite the remainder of the program.

On Monday we will meet at noon and have at least eight bills which are scheduled for action under a suspension of the rules. I believe the gentleman has the listing of those eight available to him, and those are available to all of the Members.

Any votes required on motions to suspend the rules will be postponed until Tuesday so that there will be no votes on Monday.

On Tuesday we will take up the emergency housing authorization legislation under a motion to suspend the rules, and we will have recorded votes on any of the suspensions debated Monday on which recorded votes have been demanded.

Thereafter, on Tuesday, we will take up the Pre-Trial Services Act, an open rule, 1 hour of general debate, and a bill called the Trails System Act, also an open rule with 1 hour of general debate.

In addition to that we hope on Tuesday to be able to complete action on a bill from the other body, S. 146, establishing the Camden, S.C. Historic Preservation.

Then we meet at 3 p.m. on Wednesday and at 11 o'clock on Thursday and if we meet on Friday, at that hour.

We will take up H.R. 5922, the Urgent Supplemental Appropriation Act, and H.R. 4326, the Small Business Innovation Research Act, subject to the granting of a rule.

Of course, adjournment times will be announced daily, and conference reports could be brought up at any time. Any further program will be announced at a later date.

Mr. LOEFFLER. I wonder if the distinguished majority leader might inform the membership as to what time on Tuesday the first vote might occur, since I would suspect many Members may be returning Tuesday morning.

Mr. WRIGHT. Since the House meets at noon on Tuesday, it is altogether possible that we might get rather quickly to a vote on one or more of the bills scheduled for suspension. Probably not before about 1 o'clock or 12:45 at the earliest, inasmuch as there are 40 minutes of debate allowed for H.R. 6275.

But I would recommend that Members plan to be here as quickly after noon as possible because it is conceivable, even probable, that there will be several votes on suspensions, and particularly the one on the emergency housing authorization bill.

Mr. LOEFFLER. I thank the distinguished majority leader. I would like to pose one final question. Does the gentleman anticipate the House being in session on Friday next?

Mr. WRIGHT. We will not be in session tomorrow. I think it is probable we may be able to finish our legislative business and thus avoid a Friday session next week as well, but I am not in a position to promise that with absolute finality at this point.

Mr. DAUB. Mr. Speaker, will the gentleman yield?

Mr. LOEFFLER. I yield to my friend from Nebraska.

Mr. DAUB. I would like to address a question to the distinguished majority leader. Is the majority leader aware of any vote that has been scheduled when, in fact, the State has been holding its primary so far in this particular year of our 96th session?

Mr. WRIGHT. Will the gentleman yield?

Mr. LOEFFLER. I yield to the gentleman.

Mr. WRIGHT. Yes. That has happened on a number of occasions on Tuesdays. We have had votes. Where it is possible early in the session, I think the gentleman is aware we try to accommodate States, and particularly when there is a date on which a number of States will have primaries coexisting.

However, yes, there is a precedent for going ahead with legislative business, notwithstanding the fact that some States would be having a primary.

If it is possible early in the session, when the legislative schedule is not so crowded, we always try to accommodate.

Mr. DAUB. And the fact that the Nebraska primary is on Tuesday next was considered in determining that the housing vote would be scheduled for this coming Tuesday at noon?

Mr. WRIGHT. I would say to the gentleman that it was not because of the Nebraska primary that we scheduled this legislation. We certainly have no desire to penalize Members from Nebraska and appreciate their desire to be at home. It just simply could not be avoided under the circumstances because of the nature of the emergency supplemental appropriation bill, because of the desire of so many Members to have action taken this week, because of the manifest desire of a great many Members to have some housing action precede the hour of the vote on the emergency supplemental bill, and there just was no way that we could avoid having votes on Tuesday.

Mr. DAUB. I thank the gentleman for his reply, recognizing that we have been so busy around here that we have to do this next Tuesday.

Mr. WRIGHT. I hope that the gentleman is not just worn down to a nub because of the busy schedule.

Mr. WALKER. Mr. Speaker, will the gentleman yield?

Mr. LOEFFLER. I yield to the gentleman from Pennsylvania.

Mr. WALKER. I thank the gentleman for yielding.

This is certainly one of the more ambitious schedules we have had in the course of this year's proceedings. I just have a couple of questions.

The bills for Tuesday indicate open rules, 1 hour of debate. Are those rules that have been previously passed?

Mr. WRIGHT. Will the gentleman yield?

Mr. LOEFFLER. I yield to the gentleman.

Mr. WRIGHT. The rules have not been adopted on the floor. They have been granted by the Rules Committee, and the rules will have to be adopted prior to taking action on the bills.

I am advised that there is no controversy relating to the rules, however, they being open rules and 1 hour of debate.

Mr. WALKER. I noticed that the supplemental appropriations, which last week we called the urgent supplemental appropriations, and I guess it has gotten more urgent this week, but I noticed that it is not mentioned with regard to the rule. Is the rule which we adopted today on the floor going to be the rule under which that bill is considered?

Mr. WRIGHT. I think the gentleman may be aware that there will be another rule which will allow certain additional material to be considered in that urgent, immediate supplemental appropriation bill.

Mr. WALKER. So, in other words, that also would be subject, then, to the rule being granted, as per the schedule; is that correct?

Mr. WRIGHT. Presumably so.

Mr. WALKER. I thank the gentleman very much for yielding.

Mr. WRIGHT. As the gentleman knows, it is always possible to bring appropriation bills up without adopting rules, but in this case I think the gentleman may reasonably conclude that a rule will be offered and adopted.

Mr. BEREUTER. Will the gentleman yield?

Mr. LOEFFLER. I yield to the gentleman from Nebraska.

Mr. BEREUTER. I would like to ask a question of the distinguished majority leader, if he would be willing to entertain it.

I am wandering, since it is consistent with House rules if the majority leader would consider postponing the votes on the suspensions to be heard on Monday until business on Wednesday.

☐ 1650

Indeed, there may not be any suspensions which require a vote, but it would help some of us to be able to address those, those of us from a primary State, if that could be delayed not 1 day, but 2 days, as the House rules allow.

Mr. WRIGHT. Under the rules of the House, we could indeed delay them for one more day. And, as a practical matter, if it is a request made in behalf of the Members from Nebraska, or any other State, if there be other States that hold primaries on Tuesday, I think we could grant that request and hold over all votes on any of those bills, save and except solely for the emergency housing authorization bill which needs to be adopted on Tuesday.

If the gentleman is requesting in behalf of the Nebraska delegation that we postpone any votes ordered on suspensions heard Monday until the first order of business Wednesday, I think we could do that as a courtesy to the gentleman and his colleagues from that State.

Mr. BEREUTER. I thank the gentleman for his answer and for his courtesy. I am not one to delay the vote on the emergency bill at all, but I would request that the majority leader consider and I do make the request that you delay the votes on the supensions to be heard Monday until Wednesday of next week, 2 days later.

Mr. WRIGHT. Very well. In that case, I am sure that the gentleman and his colleagues on his side of the aisle will be considerate, as I will ask my colleagues on my side of the aisle also to be, in not compounding votes unnecessarily or demands for votes, just for the sake of delaying things. If we have a good gentleman's understanding that there will not be any effort just simply to demand a recorded vote on everything that comes up on Monday, I think as a courtesy to the gentleman from Nebraska and his delegation and his great State, we ought to do that; and I will just enter into that kind of a covenant with the gentleman right now.

Mr. BEREUTER. I thank the gentleman for his interstate cooperation. It will not be the part of the Nebraska delegation to encourage additional votes, and we will encourage our colleagues of the same attitude.

Mr. WRIGHT. The gentleman does understand that the agreement does not apply to the emergency housing authorization bill.

Mr. BEREUTER. I understand.

Mr. LOEFFLER. I thank the distinguished majority leader.

Mr. WRIGHT. We may have a vote on the Pretrial Services Act. That is conceivable. I do not know how insistent the authors of that legislation are likely to be. But on the suspensions that will be held on Monday, we can put those off until Wednesday as an accommodation to the delegation from Nebraska.

Mr. LOEFFLER. If the majority leader might also give some consideration to, for instance, delaying the pretrial vote, or the trials system vote, in the event there is not heavy press, in order that Members can get back to make those votes, if the gentleman will at least give consideration to the request, it would be appreciated.

Mr. WRIGHT. If the gentleman will yield for a question—I am not familiar with the airline schedules from Omaha or from Lincoln, or where people come from. What time would people vote and get back here, if they were intent on doing so?

Mr. LOEFFLER. I yield to the gentleman from Nebraska for a response to the majority leader's inquiry.

Mr. BEREUTER. I thank the gentleman for yielding.

Some of us could be back at 12:30. Others simply could not be back that day. So it would accommodate at least one, perhaps two, of the delegation if it could be after 12:30.

Mr. WRIGHT. I thank the gentleman. It is the custom in Nebraska to get up early, I know.

Mr. BEREUTER. There is only one plane, Mr. Majority Leader.

Mr. LOEFFLER. I thank the distinguished majority leader.

PERMISSION FOR ALL COMMITTEES TO HAVE UNTIL 5 P.M. MONDAY, MAY 17, 1982, TO FILE REPORTS

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that all committees have until 5 p.m. on Monday, May 17, 1982, to file reports, and that reports filed by that time be considered to have been filed within the time permitted by section 402(a) of the Congressional Budget Act of 1974 with respect to fiscal year 1983.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

ADJOURNMENT TO MONDAY, MAY 10, 1982

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 12 noon on Monday next.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

E. CLAIBORNE ROBINS: A MAN OF REMARKABLE ACHIEVEMENTS

(Mr. BLILEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BLILEY. Mr. Speaker, I would like to take this opportunity to share with you and our colleagues the remarkable achievements of one of my constituents, a man who has always made the city of Richmond and the Commonwealth of Virginia proud, Mr. E. Claiborne Robins.

In guiding one of America's largest pharmaceutical corporations, A. H. Robins, Co., Inc., Claiborne Robins has put service to his State and country, and, above all, his fellowman, well ahead of material pursuits. His company, under his direction, has devoted untold attention and resources to the eradication of the diseases that plague mankind.

And so it is appropriate that this man, E. Claiborne Robins, will be honored in our home city of Richmond, Va., on June 3 by B'nai B'rith International. For his many years of devotion to the needs of the Richmond community and the Commonwealth of Virginia, Robins will receive B'nai B'rith's Great American Traditions Award.

Even in being so honored; Claiborne Robins will continue the steadfast service and concern that has marked his life. The proceeds from the June 5 dinner in his honor will be used to support B'nai B'rith Hillel Foundations at the University of Richmond, Robins' alma mater, and the five Richmond chapters of the B'nai B'rith Youth Organizations, both of which provide cultural, religious, educational, and social programs for the community.

Previous award winners will gather to honor Claiborne Robins as they have been honored, and, in so doing, highlight his many achievements throughout a long and celebrated career.

Claiborne Robins' successful professional career has spanned half a century, beginning in 1933 when he joined the family pharmaceutical firm. But even before joining the company that was to become his major lifework, Robins had achieved notoriety.

Claiborne Robins attended the University of Richmond, where he graduated Phi Beta Kappa, while excelling in sports. Robins was elected to the University of Richmond Athletic Hall of Fame in 1980, and to the Virginia Sports Hall of Fame in 1979.

Upon graduation from the University of Richmond, Robins successfully completed his degree at the Medical College of Virginia School of Pharmacy. It was then, in 1933, that Claiborne joined A. H. Robins. Shortly thereafter, in 1936, Claiborne became president and chief executive officer of A. H. Robins, and chairman of the board in 1970.

Robins' professional career has been punctuated by numerous awards and recognitions of service. To name but a few, Claiborne Robins has received the "Pharmacist of the Year" award in 1967, and the "Business Leader of the Year" award in 1969.

But by far the most impressive credentials of this man are the myriad awards for service to his fellowmen. It is in this area that Claiborne Robins transcends categorization as a professional and business success and distinguishes himself for time immemorial. By his unswerving attention and devotion to people, he has inspired others like him to help their fellows.

And for this service, Claiborne Robins has been recognized time and again. Robins has always been a leader in the medical, educational, and professional organizations to which be belongs. He serves on the boards of the Crippled Children's Hospital, the University of Richmond, Richmond Memorial Hospital, and countless other cultural and charitable institutions. Among his many awards from the

Commonwealth of Virginia, Claiborne Robins can be the most proud of the "Thomas Jefferson Award for Public Service." And Robins can look with pride to being awarded the Liberty Bell Award from the Richmond Bar Association, the Service to Mankind Award from the Sertoma Clubs, the Jackson Davis Award for Distinguished Service to Higher Education in Virginia from the Virginia Conference of the American Association of University Professors, and the Edward A. Wayne Medal for Distinguished Service from the Virginia Commonwealth University. And no fewer than four colleges have awarded him with honorary degrees.

In short, E. Claiborne Robins, whom I know as a friend, is also an inspiration to me and everyone who knows him. His service to Virginia and to the United States knows no bounds. His contributions to commerce and development have been overshadowed only by his devotion to humanity. Claiborne Robins, while always serving America, has made it more important to serve Americans.

1981 ANNUAL REPORT OF FEDERAL PREVAILING RATE ADVISORY COMMITTEE—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The **SPEAKER** pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Post Office and Civil Service:

(For message, see proceedings of the Senate of today, Thursday, May 6, 1982.)

REPORT OF COMMODITY CREDIT CORPORATION FOR FISCAL YEAR ENDED SEPTEMBER 30, 1981—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The **SPEAKER** pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Agriculture:

(For message, see proceedings of the Senate of today, Thursday, May 6, 1982.)

□ 1700

REPORT WITH RESPECT TO DEVELOPMENTS CONCERNING NATIONAL EMERGENCY WITH RESPECT TO IRAN—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 97-175)

The **SPEAKER** pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Foreign Affairs and ordered to be printed:

(For message, see proceedings of the Senate of today, Thursday, May 6, 1982.)

CLEAN AIR WEEK

(Mr. VENTO asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. VENTO. Mr. Speaker, May 2-9 has been proclaimed as National Clean Air Week by the American Lung Association. I believe this is an appropriate time to focus our attention on the increasingly controversial issues surrounding the reauthorization of the Clean Air Act, and the importance that we not lose sight of the overwhelming support of our friends and constituents back home for keeping the Clean Air Act strong and effective.

In the State of Minnesota alone, strong public support of the Clean Air Act was demonstrated in a petition presented to me with approximately 5,000 signatures of Twin City area residents. I am also proud to tell you that the Minnesota State Legislature took a strong initiative last month when it passed the Acid Rain Reduction Act. I submit a copy of the act for the RECORD and hope that acid rain remedies will be reflected in our future actions with respect to national policy regarding air quality.

I continue to be impressed and astonished by the consistency of the results obtained by poll after poll on the subject of protecting the environment. In the expectation that we will be asked to vote on the changes in the Clean Air Act before this session of Congress is over, I would like to share with you some samplings of results from recent public opinion polls.

A recent poll in the New York Times said that:

> Air pollution was named by nearly a fifth of the public as the most important environmental problem . . . There was two to one support for maintaining current air pollution laws among both Democrats and Republicans, and among union households.

In a February 1982 Newsweek poll, in answer to the question:

> Do you think Federal spending in protecting the environment should be cut further, increased or remain the same?

Forty-four percent said they felt it should be increased, 37 percent said it should remain the same and only 9 percent said environmental protection money should be cut.

The well-known pollster, Louis Harris, in addressing the Environmental Industry Council in March 1982 said:

> Make no mistake about it, there is as strong a mandate from the American people to strictly enforce the Clean Air and Clean Water Acts as any that exists in our society. For example, in just the latest of several tests we have made on this issue, a startlingly high 82-14% majority favors strict or stricter enforcement of the Clean Air Act.

Harris went on to say:

> The American people are willing to make sacrifices in many areas to stop the miseries and ravages of inflation and an economy that is out of joint. But they will not tolerate any reductions in environmental cleanup efforts—and will regard such cuts as threatening the very quality of life in this last quarter of the twentieth century.
>
> While the American people have stongly stated their support of a strong Clean Air Act, it is difficult to follow through with their wishes when the administration has cut back on the enforcement budget for EPA and supports a bill that would substantially alter the original intentions of the Clean Air Act.

I believe these samplings are accurate representations of the kind of results that have been obtained in every major poll taken over the past year. The message is clear: Americans—regardless of political persuasion, economic status or geographical location—oppose weakening the Clean Air Act. I hope you will, too. At this point I include the following:

H.F. No. 1789

Be it enacted by the Legislature of the State of Minnesota:

Section 1. [116.42] [Legislative intent.]

The legislature recognizes that acid deposition substantially resulting from the conduct of commercial and industrial operations, both within and without the state, poses a present and severe danger to the delicate balance of ecological systems within the state, and that the failure to act promptly and decisively to mitigate or eliminate this danger will soon result in untold and irreparable damage to the agricultural, water, forest, fish, and wildlife resources of the state. It is therefore the intent of the legislature in enacting sections 1 to 4 to mitigate or eliminate the acid deposition problem by curbing sources of acid deposition within the state and to support and encourage other states, the federal government, and the province of Ontario in recognizing the dangers of acid deposition and taking steps to mitigate or eliminate it within their own jurisdictions.

Sec. 2. [116.43] [Acid deposition defined.]

As used in sections 1 to 4, "acid deposition" means the wet or dry deposition from the atmosphere of chemical compounds, usually in the form of rain or snow, having the potential to form an aqueous compound with a pH level lower than the level considered normal under natural conditions, or lower than 5.6.

Sec. 3. [116.44] [Sensitive areas; standards.]

Subdivision 1. [List of areas.] By January 1, 1983, the pollution control agency shall publish a preliminary list of countries determined to contain natural resources sensitive to the impacts of acid deposition. Sensitive areas shall be designated on the basis of:

(a) the presence of plants and animal species which are sensitive to acid deposition;

(b) geological information identifying those areas which have insoluble bedrock which is incapable of adequately neutralizing acid deposition; and

(c) existing acid deposition reports and data prepared by the pollution control agency and the federal environmental protection agency. The pollution control agency shall conduct public meetings on the preliminary list of acid deposition sensitive areas. Meetings shall be concluded by March 1, 1983, and a final list published by May 1, 1983. The list shall not be subject to the rulemaking or contested case provisions of chapter 15.

Subd. 2. [Standards.] (a) By January 1, 1985, the agency shall adopt an acid deposition standard for wet plus dry acid deposition in the acid deposition sensitive areas listed pursuant to subdivision 1.

(b) By January 1, 1986, the agency shall adopt an acid deposition control plan to attain and maintain the acid deposition standard adopted under clause (a), addressing sources both inside and outside of the state which emit more than 100 tons of sulphur dioxide per year. The plan shall include an analysis of the estimated compliance costs for facilities emitting sulphur dioxide. Any emission reductions required inside of the state shall be based on the contribution of sources inside of the state to acid deposition in excess of the standard.

(c) By January 1, 1990, sources located inside the state shall be in compliance with the provisions of the acid deposition control plan.

Sec. 4 [116.45] [Reports to the legislature.]

By January 1, 1986, the agency shall submit its acid deposition control plan to the appropriate substantive committees of both houses of the legislature. By January 1, 1987, and each two years thereafter until January 1, 1991, the agency shall submit to the legislative committees a report detailing the reduction of sulphur dioxide needed to meet the requirements of section 3 and the progress which has been made to meet those requirements.

Sec. 5. Minnesota Statutes 1981 Supplement, Section 116C.69, Subdivision 3, is amended to read:

Subd. 3. [Funding; assessment.] The board shall finance its base line studies, general environmental studies, development of criteria, inventory preparation, monitoring of conditions placed on site certificates and construction permits, and all other work, other than specific site and route designation, from an assessment made quarterly, at least 30 days before the start of each quarter, by the board against all utilities. The assessment shall also include an amount sufficient to cover 60 percent of the costs to the pollution control agency of developing the acid deposition control plan required by sections 1 to 4; this amount shall be certified to the board by the executive director of the pollution control agency. Each share shall be determined as follows: (1) the ratio that the annual retail kilowatt-hour sales in the state of each utility bears to the annual total retail kilowatt-hour sales in the state of all such utilities, multiplied by 0.667, plus (2) the ratio that the annual gross revenue from retail kilowatt-hour sales in the state of each utility bears to the annual total gross revenues from retail kilowatt-hour sales in the state of all such utilities, multiplied by 0.333, as determined by the board. The assessment shall be credited to the general fund and shall be paid to the state treasury within 30 days after receipt of the bill, which shall constitute notice of said assessment and demand of payment thereof. The total amount which may be assessed to the several utilities under authority of this subdivision shall not exceed the sum of the annual budget of the board for carrying out the purposes of this subdivision plus 60 percent of the annual budget of the pollution control agency for developing the plan required by sections 1 to 4. The assessment for the second quarter of each fiscal year shall be adjusted to compensate for the amount by which actual expenditures by the board and the pollution control agency for the preceding fiscal year were more or less than the estimated expenditures previously assessed.

Sec. 6. [Appropriation.]

The sum of $81,455 is appropriated from the general fund to the agency for the purposes of this act; for fiscal year 1983, the assessment pursuant to section 5 shall not exceed this amount.

Sec. 7. [Effective date.]

Section 5 is effective June 1, 1982. Sections 1 to 4 are effective July 1, 1982.

□ 1145

CLEAN AIR WEEK

(Mrs. SCHNEIDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks and include extraneous matter.)

Mrs. SCHNEIDER. Mr. Speaker, I think it is appropriate during Clean Air Week to address one of the most important questions the Congress will have to answer as we move toward reauthorization of the Clean Air Act—whether the auto emission standards, one of the great success stories in pollution control, will be kept intact or substantially weakened, as some have proposed.

The importance of the Clean Air Act to public health is made obvious when the health effects of two major pollutants from automobiles—carbon monoxide and nitrogen oxides—are examined. Automobiles account for 40-50 percent of the total NO_x emission nationwide—and about 80 percent of all manmade carbon monoxide released in the United States. We have made real progress in reducing these pollutants by controlling tailpipe emissions from automobiles. The 1 gram per mile NO_x standard has reduced NO_x emissions 76 percent when compared to precontrol vehicles—the 3.4-gram-per-mile-carbon-monoxide standard has reduced CO emissions by 90 percent. All 1981 gasoline powered automobiles were able to meet the NO_x standard, while 70 percent were able to meet the CO standard, with the rest receiving temporary waivers.

Why is it so important to maintain the existing standards? Because both carbon monoxide and NO_x represent a real threat to human health. Carbon monoxide depletes the blood's oxygen supply, which can result in serious damage to the heart, lungs, and nervous system. Studies conducted in the Los Angeles area found that mortality rates increased with concentrations of CO in the atmosphere. People affected with heart disease—one out of every four men over 45 and one out of every seven women—are particularly vulnerable.

While we are debating the economic costs of pollution control, it is important not to lose sight of the fact that the auto emission standards were designed to protect human health from the very real threat posed by air pollutants. Let us keep the auto emission standards intact—they are not expensive, they are working, and they are vital to the public's health. At this point I include the following:

RHODE ISLAND LUNG ASSOCIATION POSITION PAPERS, THE CLEAN AIR ACT—1981

The attached Rhode Island Lung Association (RILA) position papers focus on the key health-related issues currently being debated in the reauthorization process. The content has been guided by an ad hoc advisory group whose membership includes five RILA Board members and representatives from the Audubon Society of Rhode Island, the Conservation Law Foundation of Rhode Island, Ecology Action for Rhode Island, the League of Women Voters of Rhode Island, the Rhode Island Department of Environmental Management's Division of Air and Hazardous Materials, and the Rhode Island Office of Statewide Planning.

INTRODUCTION

The Clean Air Act passed by Congress in 1970 and amended in 1977 is up for reauthorization this year by a Congress committed to reducing Federal regulations and expenditures. Because the Rhode Island Lung Association's primary purpose is the prevention and control of lung disease it is deeply concerned that Congress reauthorize a reasonable, workable Act which will protect the public health from the adverse effects of air pollution. Of special importance is protection of susceptible, high-risk segments of the population. These number some 90 million and include the elderly, persons with heart disease and chronic respiratory diseases such as asthma, emphysema, and bronchitis, children, fetuses and the newborn. Pressure from special interests are jeopardizing the public health provisions of the Act.

The current debate touches on all the major provisions of the Act. Many proposed changes would seriously weaken key elements of the nation's air pollution control efforts. Opponents are using the backdrop of a troubled economy and dwindling energy supplies as excuses to weaken the Act. A review of recent economic and energy studies related to air pollution control does not support their case.

A significant number of proposals pretend to make the Act more workable, but in reality eliminate essential public health and environmental provisions. Among the many groups offering weakening amendments are the: American Paper Institute, Business Roundtable, Chemical Manufacturers Association, Heritage Foundation/Reagan Transition Team, National Association of Counties, and United States Chamber of Commerce. Much of the criticism aimed at the Act is unfounded and, if reflected in legislation, will result in serious regression in air quality and prevent continuing progress in air pollution control.

This paper is the result of the Rhode Island Lung Association's analysis of the key positions that have been published to date. The major business/industrial proposals have been examined as have those of groups working to preserve the integrity of the Act, including the American Lung Association, League of Women Voters of the United States, National Audubon Society, Natural Resources Defense Council, Sierra Club and Northeast States for Coordinated Air Use Management.

RILA has also examined the report by the National Commission on Air Quality (NCAQ) which is an important basis for debate on reauthorization. The NCAQ is a thirteen member commission charged by Congress to analyze the nation's air pollution control policies and programs and to recommend changes.

RILA's long experience in the complexities of air pollution control and its assessment of the current debate confirm that although the Act is one of the most complex laws in the United States, it is due to the complexity of air pollution control itself rather than to poorly constructed legislation. We support streamlining and updating certain provisions but the Clean Air Act should be left largely intact. The basic structure and provisions of the Act aimed at protecting the health of the entire population with a margin of safety should not be changed.

The following pages reflect our conviction that a strong national mandate for clean air must be renewed.

THE ECONOMY AND CLEAN AIR

Issue

Because of the country's serious economic difficulties many people are questioning whether we can afford to continue the pollution control programs established over the last decade. In the area of air pollution control, many are asking such questions as to whether the country can justify its costly investment in air pollution controls and whether it can afford to lose jobs to clean air laws.

Response

To evaluate the legitimacy of such concerns we have reviewed the many studies conducted to assess the costs and benefits of pollution control, especially air pollution control.

Most of the research falls into two categories: that assessing the costs of air pollution damage, and that evaluating the costs of air pollution control programs. Unfortunately, there are a host of methodological problems which prevent valid direct comparisons of costs with benefits. However, despite these difficulties, when the studies are taken as a whole they in no way support the pessimism currently being expressed about the impact of air pollution abatement.

In fact, the data shows that uncontrolled air pollution causes extensive damage in the United States, measured in billions of dollars per year, even at conservative estimates. Some studies suggest that economic benefits of control equal or exceed costs borne by the nation's consumers.

A review of studies examining abatement costs shows that air pollution programs have an insignificant impact on such prime economic indicators as unemployment, the Gross National Product and the Consumer Price Index. Reliable data indicates this low level of impact is expected to continue in the foreseeable future (mid 1980's). At regional and/or local levels, no serious or widespread economic impacts have been documented or are expected.

MOBILE SOURCE REQUIREMENTS

Because cars are major sources of air pollutants, the CAA requires: motor vehicle makers to control new car emissions via the Federal Motor Vehicles Emission Control Program, implementation of auto emissions inspection and maintenance programs and reasonably available transportation control measures; e.g., carpools, vanpools, improvements to bus systems. As with other Clean Air Act measures, there are proposals to modify all of these programs.

While RILA supports certain statutory changes in these programs, we urge Congress to examine the overall impacts of proposed amendments on control of mobile source emissions. What appear to be small changes in the various programs can add up to have serious public health consequences.

The Federal motor vehicle emission control program (FMVECP)

Before explaining RILA's reasoning on specific FMVECP proposals, we must stress our overall conviction of the need for Congress to retain an effective FMVECP. It is the single most effective program for controlling auto and truck emissions. For example, in Rhode Island 40,000 tons of volatile hydrocarbons need to be reduced to meet the ozone standard; 31,374 tons can be controlled in one year by the FMVECP alone. Even major efforts to control stationary source hydrocarbons (HC) are small in comparison; e.g., 7,000 tons of HC's from over a dozen industrial source categories ranging from gasoline terminals and degreasing operations to surface coating. If it were not for the FMVECP, Rhode Island would not be able to meet the ozone or carbon monoxide health standards.

Issue

At present there are proposals to weaken carbon monoxide (CO) tailpipe emission standards on autos; 1984 HC and CO standards for gasoline powered heavy trucks, and the nitrogen oxide (NO_x) standard for all light duty diesels through the 1984 model year. RILA opposes them all.

Responses

The CO auto standard

The association rejects the proposed change in the CO auto emission standard from the currently mandated 3.4 gpm 1981-1982 standard to 7.0 gpm.

Auto makers have already demonstrated their ability to meet the 3.4 gpm CO standard. Almost half of the American cars produced in 1981 meet the 3.4 gpm standard.

The ability of many areas, including Providence, Rhode Island to meet the ambient CO standard is based on the 3.4 gpm limit. Doubling the current limit to 7.0 gpm will push attainment dates beyond the current 1987 target and unnecessarily expose the population in high CO areas.

1984 model year HC and CO standards for gas powered heavy trucks

We do not support the recommendation to weaken standards for gas powered heavy trucks. As more and more autos are replaced with newer cleaner cars, heavy duty gasoline powered trucks will be important contributors to air pollution. The currently mandated HC and CO standards for 1984 gas powered heavy trucks would require application of catalyst technology that has been effectively demonstrated with light duty vehicles. Implementation of these two requirements may be one of the most cost effective ways to further reduce pollution for which technology is readily available.

The statutory NO_x standard for light duty diesels through the 1984 model year

We do not support the proposal to change the NO_x standard from 1.0 to 1.5 gpm. There is a direct relationship between NO_x levels and photochemical smog formation and all reasonably available NO_x controls should be maintained. The currently mandated light duty diesel NO_x standard is attainable without application of unreasonable technology.

II Inspection and maintenance (I/M)

Issue

The current Act requires states to implement inspection and maintenance programs in areas that will not attain ozone or carbon monoxide standards by 1982. A number of groups, including the American Automobile Association and the Reagan Transition Team, have called for deletion of the mandatory requirement for I/M.

Response

The Rhode Island Lung Association strongly opposes this recommendation because I/M is a cost effective, reasonable complement to the Federal Motor Vehicle Emission Control Program (FMVECP). I/M is designed to ensure that cars are being maintained according to manufacturers' specifications while in use. There is abundant evidence nationally and in Rhode Island that in-use vehicles substantially exceed emissions standards because of inadequate engine and/or exhaust control device maintenance. For example, in Rhode Island some 18% of the in-use cars tested fail to meet standards. In addition to unnecessarily polluting the air, these autos are major fuel wasters.

Another proposal for change in I/M programs has been made by the NCAQ. The Commission recommends that I/M programs be required only in urban areas with populations greater than 500,000 where peak 1981 air pollution levels are 50% greater than either the ozone or CO ambient standard, instead of in all areas exceeding the ozone or CO standard as of December 31, 1982. Unfortunately, the NCAQ gives no rationale for its proposed I/M criteria change and offers no information on the proposal's impact relative to meeting ozone or CO standards.

RILA has considered the impact of this proposal on Rhode Island and finds it undesirable. Even though ozone and CO standards are regularly violated in the state, only those autos housed in metropolitan cities and towns would be subject to emissions testing and maintenance. Cars from towns such as Charlestown, Coventry, Cumberland, Narragansett, and South Kingstown would not be required to be inspected for emissions. This would create serious administrative and enforcement problems in a program that is now equitably operating statewide.

Because of these difficulties and the absence of supporting rationale for the NCAQ recommendation, we urge retention of the current criteria for mandatory I/M programs. In addition and of equal importance, we have seen no evidence that current criteria are out of date or unworkable.

III Transportation control measures (TCM's)

Issue

The current Act mandates analysis of such measures (TCM's) as carpooling, vanpooling, bus system improvements and traffic flow improvements for areas that will not attain the ozone and CO standards by 12/31/82. If measures are "reasonably available" they must be included in SIP's. The NCAQ's recommendation for deletion of mandatory TCM's is based on the very small emissions benefits of these control measures.

Response

Detailed TCM analysis in Rhode Island has substantiated that most but not all of the measures have small emissions benefits.

RILA agrees with the overall thrust of the NCAQ recommendation with two important exceptions. First, we view TCM's as important for central business districts and other high traffic density areas with difficult CO problems. Unlike other pollutants, CO is a highly localized problem tied directly to autos; therefore TCM's such as traffic flow improvements or auto restricted zones may be keys to solving CO problems in high vehicular traffic areas. We urge Congress to retain CAA provisions for mandatory TCM's in such areas.

Second, a difficult problem under current law has been to define what is a "reasonably available" measure. Congress should define this and "significant emissions reduction." If significant reductions of vehicular emissions can be realized from certain TCM's, then their implementation should be required.

SKELTON FARM PROGRAM

(Mr. SKELTON asked and was given permission to address the house for 1 minute and to revise and extend his remarks.)

Mr. SKELTON. Mr. Speaker, American agriculture today is facing its greatest crisis since the days of the Great Depression. Real farm income is at its lowest level since the 1930's, prices for most major farm commodities remain low, and interest rates are still unacceptably high. During a recent trip to my congressional district, I stopped by a small-town newspaper office. While there I learned that farm sale announcements in the last 5 months exceeded the total for the previous 5 years.

The situation I found in this one small town in west central Missouri is not unusual. It is a scene that is being repeated in farming communities throughout the State of Missouri, the entire Midwest, even the Nation. Nationwide, farm bankruptices have reached a near 50-year high. It is becoming clear that current farm programs are inadequate to deal effectively with this situation. Thus, I believe it is necessary, Mr. Speaker, that Congress take legislative action to strengthen the farm economy. The following are areas where I believe Congress can act to mitigate the problems posed by today's depressed agricultural economy:

(1) EXPORTS

The Agricultural Export Credit Revolving Fund was authorized in last year's farm bill in an amendment which I consponsored with our colleagues Congressman GLICKMAN and Congressman STENHOLM. It now must be funded so that it can help create new markets for U.S. farm products and expand existing ones. I have introduced H.R. 5776, a bill to provide an initial, partial appropriation of $250 million for the fund. In addition, the administration should begin negotiations toward a multiyear trade agreement with the Soviet Union, and should actively pursue the possibility of bartering U.S. Government-owned agricultural commodities for strategic materials needed for U.S. national defense.

(2) CURB OVERPRODUCTION

Many current farm problems stem from the fact that supply exceeds demand; if this situation continues, the Federal Government will be forced, under current law, to make large price support payments to farmers, and then be faced with the cost of storing this grain. It would be cheaper to avoid producing these commodities that are already in surplus supply. Therefore, I endorse proposals to allow farmers who have already signed up to participate in the existing 1982 diversion program to have the additional option of diverting another 5 percent of their acreage and being paid for that diversion. I encourage the Secretary of Agriculture to closely monitor 1982 production with the idea of using his existing authority to institute a paid diversion for the 1983 crop year if 1982 production figures are high.

(3) ON-FARM STORAGE

A program of direct Government-guaranteed loans for the construction of on-farm grain storage facilities should be reinstated. This program was a sound one which made money for the Government and enabled farmers to construct facilities to manage their surplus commodities more efficiently.

(4) WHITE HOUSE CONFERENCE ON AGRICULTURE

The purpose of this conference would be to study current problems in the agricultural sector of the economy and to develop recommendations for legislation and administrative action regarding short-term and long-term solutions to such problems. This conference would be invaluable in focusing national attention on the plight of U.S. farmers, and in demonstrating to nonfarmers the immense stake they have in preserving a viable farm economy.

(5) CREDIT

The Secretary of Agriculture should activate the economic emergency loan program, and the authority for this program should be extended through the 1983 crop year.

(6) BRUCELLOSIS CONTROL PROGRAM

Livestock producers in my State of Missouri have made great progress toward eliminating this dread livestock disease, through a cooperative Federal-State program. However, proposed Federal budget cuts threaten to set them back. This program should be fully funded or many Missouri cattlemen may well face extreme economic hardship.

(7) GRAIN ELEVATOR BANKRUPTCIES

The bankruptcy laws should be amended to guarantee a farmer's ownership of commodities stored in public warehouses that go bankrupt. The legislation should legitimize the warehouse receipt as a document of title, place holders of warehouse receipts in a priority position, and expedite the distribution of assets to warehouse receipts holders.

(8) AGRICULTURAL CONSERVATION PROGRAM

This program has been the target of penny-wise and pound-foolish budget cutters for years. Congress should continue its tradition of restoring full funding to the ACP program, a program which has made an invaluable contribution to soil conservation practices throughout the years. Soil and water conservation must be a top national priority.

In addition to these recommendations, Mr. Speaker, there are a couple of proposals I want to mention which are definitely not needed:

I am against the proposed Federal animal welfare laws. Congress should reject proposals which move toward establishing Federal standards for the treatment of farm animals. Enactment of any measure of this kind would be unwarranted government interference at it worst. No one cares more for the welfare of his livestock than the producer whose economic livelihood depends on it. He does not need the Government to tell him how to perform this task.

I am also against changing the meat grading standards. The current USDA proposal to loosen meat grading standards should be withdrawn from consideration. It would only result in a loss of confidence in the cattle industry, and in consumers paying more for less.

Mr. Speaker, many of these recommendations, along with some others, are contained in the recently introduced Farm Crisis Act of 1982, legislation which I am pleased to cosponsor. This bill will not solve all of the economic problems plaguing U.S. farmers, but it is a significant step in the right direction and I urge all House Members to give it their full support.

It is important to emphasize, Mr. Speaker, that these recommendations can be enacted even with today's strict budgetary constraints, and that they pose no threat to consumers. For example, the Congressional Budget Office estimates that the Farm Crisis Act of 1982 will result in a total savings in budget outlays of $899 million over a 4-year period. It would accomplish this through decreased deficiency payments and storage costs. If a full $1 billion were appropriated for the Agricultural Export Credit Revolving Fund, the CBO estimates that by its 4th year of operation, the fund alone would be saving the Government $441 million through reduced outlays for commodity programs.

Mr. Speaker, all Americans have a stake in the preservation of a market-oriented farm economy, centered around the owner-operated family farm. Agriculture is the Nation's No. 1 industry and its health is vital to the entire economy. If our family farms are to survive and continue to lead the way in American exports and productivity, we must deal with the problems of high interest rates, low prices, and the preservation of our soil and water resources. To fail to do so risks losing the industry that more than any other has taken our Nation to prominence in the world.

THE CLEAN AIR ACT

(Mr. LUNDINE asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. LUNDINE. Mr. Speaker, in the upcoming weeks, this legislative body will face critical decisions on a critical environmental issue—reauthorization of the Clean Air Act. During the debate on this issue we will be confronted with a choice on the one hand between streamlining our efforts to preserve existing health based standards and goals for controlling emissions from stationary and mobile sources, or on the other hand, relaxing standards and timeframes for achieving and maintaining our clean air goals.

The most often relied upon justification for relaxation of existing clean air standards and goals evolves around the claims by some that environmental regulation has negative impacts on productivity and economic growth. Assertions have been made by some business groups that the Clean Air Act has cost the private sector $16 billion in compliance costs each year, but has only yielded $8 billion in benefits. In addition, the Clean Air Act is often cited as a significant contributor to jobs lost in some of our most depressed industries such as autos and steel.

A close look at existing data and studies to date reveals that these contentions are unfounded. A recently completed review by the public interest economic foundation of the data available on this subject through the Environmental Protection Agency, Bureau of Economic Analysis of the Department of Commerce, U.S. Bureau of the Census, and McGraw Hill led to the following conclusions regarding the aggregate effects of the Clean Air Act on the economy:

First, output has remained essentially unchanged, with only a modest reduction of approximately 0.1 percent per year. When these changes are adjusted to take into account benefits not reflected in market transactions, real output has increased.

Second, unemployment was 0.1 to 0.2 percent lower per year than it would have been without clean air legislation.

Third, prices increased very slightly, from 0.1 to 0.2 percent per year. Considerations of benefits not reflected in market transactions suggests that air pollution controls have had virtually no effect on inflation.

Fourth, labor productivity, as conventionally measured, has been essentially unaffected, with a reduction of less than 1 percent per year reported by the most adverse studies.

Fifth, Clean Air Act benefits have exceeded compliance costs. The most comprehensive survey to date estimates benefits of $21.4 billion, and costs of $17 billion.

Sixth, compliance expenditures by the private sector have remained stable since 1975 in real terms on average less than 3 percent of gross private domestic investment.

On balance, the Clean Air Act has helped us progress toward a healthier, more productive society. We would be making a serious mistake to identify the Clean Air Act as a significant cause of our current economic difficulties, or relaxation of clean air standards as a significant factor in revitalization of our troubled industries. I, together with my colleague Congresswoman SCHNEIDER have begun and will be continuing to circulate a number of dear colleagues in the weeks ahead which explore the economics of the Clean Air Act. I urge you to join us in examining this aspect of this issue carefully. When you do, I think you will find that the Clean Air Act has had a positive impact on innovation, job creation, and economic productivity.

CLEAN AIR WEEK

(Mr. LEWIS asked and was given permission to address the House for 1 minute and to revise and extend his remark.)

Mr. LEWIS. Mr. Speaker, the focus this week on clean air is cause for celebration. We have had the Clean Air Act for 10 years. This act has achieved documented improvement in air quality to the betterment of public health, welfare, and environmental quality. The structure of the act is sound and its impact is clearly evident.

However, there is a sobering aspect of our focus this week as well. All Americans need to be reminded that while Congress is now reviewing the Clean Air Act, strong efforts are now underway to weaken its standards. Americans must continue to place pressure on Congress, reminding their Representatives that they care about the quality of the air they breathe.

During this session, my colleague BRUCE VENTO of Minnesota and I have introduced a major environmental resolution (H. Res. 252) which reaffirms the importance of the Clean Air Act. It specifically expresses the basic commitment of the House of Representatives to the goals and structure of the Clean Air Act as amended in 1977. In addition, it recognizes that modification of either the goals or structure would impair the effectiveness of a landmark statute that has brought remarkable progress in the nationwide effort to reduce air pollution.

There is no question that we cannot allow the impressive gains we have made in our fight against air pollution to be wiped out. Clean air is fundamentally important for the health and well-being of every citizen of the United States. My own involvement in fighting air pollution began when I served as a member of the assembly in California. During my service in the State legislature, I served as chairman of the subcommittee on air quality and successfully authored legislation establishing the south coast air quality management district in southern California.

Since my involvement some years ago, Americans have become even more concerned about the air they breathe. A Louis Harris poll taken last fall found that by 80 to 17 percent, a sizable majority of the public nationwide does not want to see any relaxation in existing Federal regulation of air pollution.

Yet, despite this concern, we still have a tremendous educational job to do. My own district is as heavily impacted by smog as any part of our country. However, we have learned that as people live in polluted air, there is a tendency to get used to it—a tendency which causes us to be unwilling to make some of the personal sacrifices that are necessary if the air is really going to be clean again.

We have made much progress as a result of public pressure placed upon Detroit. The automobile coming off the assembly line today is light-years ahead of that huge gas guzzler of a decade ago. Our next major effort must concentrate upon what happens to that car 6 months later when running untuned on our Nation's highways. It is the major source of air contamination.

Fundamental to the concern over dirty air is the fact that it does and is shortening people's lives. The impact of smog upon people's health should be obvious to everyone. We have a great job to do—developing data, demonstrating the impact upon health, and communicating it to the American people.

WORKING MOTHER'S DAY

The **SPEAKER** pro tempore (Mr. Hubbard). Under a previous order of the House, the gentlewoman from Illinois (Mrs. Collins) is recognized for 60 minutes.

Mrs. **COLLINS** of Illinois. Mr. Speaker, I take this time to mention the fact that I had hoped that today we would be able to consider House Joint Resolution 174, which is the Working Mother's Day resolution that I hoped to have passed.

This resolution will be amended to designate the Sunday before Labor Day, September 5, as just that, "Working Mother's Day." I had hoped it would be done today because I think coming just before this coming Sunday, which is Mother's Day of 1982, it would have served to reinforce and support working women in their endeavors.

The changing social and economic roles of women are in part reflected by the fact that they comprise 42.3 percent of the total labor force and of that amount, 39.7 percent are working mothers. Many of these women are working out of economic necessity to supplement an income, or as in too many cases, to provide the sole family income; approximately 45.1 percent of single women in the work force are heads of their families. Others are working for personal fulfillment outside of the home. The economic impact of the increasing influx of women laborers serves to boost consumer spending, lower wage gains, and to add to the growth in productivity. One cannot deny the extraordinary contributions working women have made and continue to make to our social and economic environment.

Mothers working outside of the home are daily confronted with the responsibilities of their job in addition to the duties required in their other roles as mother and homemaker, and at the end of a long day, they return home to spend many more hours tending to the needs of their family and household, One example of the setbacks women encounter in their jobs is that full-time female workers earn only 64.7 percent of what male workers do in an average week. Another specific problem many working mothers face is finding and affording adequate day care for their young children, a situation which prompted me to introduce H.R. 2387, the Child and Family Development Act, which would promote quality child care programs for all children and their families who need such services and would provide a means of assessing and carrying out these necessary services. It is important that we as policymakers assist in serving the needs of workingwomen and their families.

Mothers whose work focuses upon the upright raising of their children, running errands, preparing meals, working in the home; often assuming household maintenance and repair themselves, and always working to provide the necessary ingredients of a loving family and homelife, are worthy of praise and recognition for their imputed value to society.

The old adage, "A woman's work is never done," has certainly withstood the test of time. There is nothing novel about mothers working in the labor force and at home; they have been doing so for generations.

□ 1710

What is remarkable and worth public recognition, I think, is the proposal, such as House Joint Resolution 174, which I hope will be passed very, very shortly.

● Ms. **FERRARO**. Mr. Speaker, all mothers are working mothers. But those 16 million American women with children under 18 who work outside their homes carry a special burden and make a special contribution to our society. They deserve their own special day of recognition.

This Sunday we will celebrate the traditional Mother's Day with the traditional gifts of flowers and candy. Because women are almost half of the Nation's work force, in many homes this Sunday it will be mom's earnings that make it possible to purchase these gifts. And in 5.6 million households, Mom is the sole support of her family.

Some of our political leaders just do not understand this. One of them is President Ronald Reagan. A month or so ago, the President suggested that unemployment in our Nation is high because of women seeking jobs. He implied that if women would just stay home and look after their families, the record unemployment which his bankrupt economic program has helped to create would somehow just vanish.

It is just not so. The vast majority of women in this country work because they need to work. We all know they are not in it for the high pay. Women still make an average 59 cents for each $1 earned by a man. They do it because they love their families and want to give them the sort of life that only an adequate income can provide. And they do it to survive.

Not only are working mothers helping their families but they are strengthening their country as well. As bad as our economy is at the moment, think how much worse it would have been without the productive labor and tax contribution of the 12 million women who have entered the work force since 1970. Their work has made it possible for their families to buy consumer goods and establish savings for the future which they would otherwise have had to forego.

This joint resolution would grant working mothers the extra recognition they deserve by declaring the Sunday before Labor Day "Working Mother's Day." I am proud to be a cosponsor of this measure and I urge its adoption.●

● Mr. **RANGEL**. Mr. Speaker, it is appropriate that as Mother's Day approaches we honor this Nation's working mothers who contribute to their families' incomes at the same time that they are contributing to the economic well-being of our country.

More than half of American mothers are in the work force. Even mothers with children under 6 are increasingly entering the work place. Most mothers who work do so out of economic necessity, and children whose mothers work live in families that have higher incomes than children of nonworking mothers. One-fourth of all children live in families where the father is unemployed or absent. Working mothers make their contribution to the economy while, at the same time, they bear most of the responsibility for the care of their families.

As we honor these working mothers, we must also ask who is taking care of the children? Do we as a Nation back up our claim to being child centered? What is the present administration doing to guarantee that every American child has access to good child care?

Title XX, the largest single source of federally funded day care, only reaches a fraction of the children who require this service. This program has been severely cut and is targeted for future cuts. Food and health programs that serve the children of working mothers have also been cut and further cuts are projected. An estimated 2 million children receive no supervision after school. Millions of children are in informal, unlicensed centers, where care may be good, or it may be disastrous.

I believe that as we honor the Nation's working mothers, we must commit ourselves to a Federal policy that guarantees that every child whose mother works receives the best possible care at the appropriate cost. We need to know what the needs are and then establish a policy to assure every child an environment that provides adequate food, adequate health and the nurturance that is essential

for good physical, social and intellectual development.●

● Ms. **MIKULSKI**. Mr. Speaker, I am pleased to address my colleagues on the day we declare the Sunday before Labor Day as Working Mother's Day.

Every mother is a working mother whether or not she is being paid wages for what she does. Women worked in the fields of southern Maryland for hundreds of years, planting and harvesting crops, trying to make a little money to feed their families. Immigrant women worked 12 hours a day in the textile mills of New England, and the garment factories of the New York ghettos. American women are working today in the factory, the office, the construction site, and the fast food chain restaurants—then we go home and put in a second shift in the household.

Too often women's work has been unrecognized, unorganized, and underpaid. Women who work outside the home are part of a vicious cycle. Because there is inadequate child care and too little help with family responsibilities, women working outside the home often must leave the paid work force for awhile, or work part time which means losing pension rights and other benefits most workers enjoy.

The work of women has helped to build this country. The most valuable and concrete recognition of women workers will exist when women have average earnings equal to men, and when full-time mothers are not penalized for bearing and raising children.●

● Mr. **SIMON**. Mr. Speaker, I would like to state my support for Senate Joint Resolution 53, which establishes September 6, 1982 as "Working Mothers' Day."

The number of mothers who are employed outside the home has increased rapidly over the last several decades. In 1947, 18.6 percent of women with children under age 18 were in the labor force. By 1980, this percentage had more than tripled, reaching 56.7 percent. For mothers of children under 6 years of age, the increase in labor force participation has been even more dramatic. In 1947, only 12 percent of mothers of preschool children were employed outside the home. By 1980, this percentage had increased fourfold to 46.7 percent. In other words, 6.5 million children under age 6 have mothers who are employed. Furthermore, one-third of these preschoolers have mothers who are single or married to men who earn less than $10,000 per year.

Unfortunately, the availability of quality day care has not kept abreast of this rapid increase in the number of employed mothers, a phenomenon which causes me great concern. According to a national study conducted for the Department of Health and Human Services in 1977, there are 900,000 day care center slots in the Nation. In addition, there are 5.2 million places in family day care homes. An additional 1.6 million children are cared for in their own homes by a relative or nonrelative. This totals approximately 7.8 million day care slots. However, this leaves approximately 5 million children who do not have identifiable child care arrangements. There are at least 1.8 million "latchkey" children who are home alone after school while their parents work. Current estimates suggest that quality day care is not available to approximately 5 million children. Furthermore, the latest Bureau of Census reports show that the numbers of preschoolers will increase significantly over the next 10 years as the baby boom generation moves into the childbearing years. By 1990, 60 percent of mothers of preschool children are expected to be in the labor force, as well as 70 percent of mothers of school age children.

The need for day care is a significant problem. While I am pleased that Congress has set aside a day to honor working mothers, I am saddened that neither the administration nor the Congress is taking steps to address the need for day care. We are currently ignoring the problem, and even worse, the Federal programs which do support day care have been substantially reduced.●

GENERAL LEAVE

Mrs. **COLLINS** of Illinois. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of the resolution just discussed in this special order.

The **SPEAKER** pro tempore. Is there objection to the request of the gentlewomen from Illinois?

There was no objection.

THE SUPPLEMENTAL APPROPRIATIONS BILL

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. Gonzalez), is recognized for 60 minutes.

Mr. **GONZALEZ**. Mr. Speaker, for weeks the House, I guess, as well as the Senate, has been maneuvering over amendments to the supplemental appropriations bill, the amendments being to create a massive new stimulus for the housing industry. Of course, since this originates in the House, most of the outward maneuvering is here at the House level.

There is no question that the housing industry is in trouble. There is no question that it needs help. The trouble is that all the maneuvering by eager would-be rescuers threatens to swamp and sink the lifeboat. Housing needs to be given help, but we must also make certain that what we actually end up doing will result in fact in help, not harm.

The best course of action for the House to take would be to enact the comprehensive housing bill that was approved by the Housing Subcommittee yesterday, of which I have the honor of chairing.

The bill provides an ample stimulus package for home construction. It is a package that employs a proved and ready-to-go mechanism for administering assistance to home buyers. It is a package that has been carefully crafted, a package that will without question do exactly what it sets out to do.

The so-called Evans-Corcoran amendment would not, on the other hand, necessarily prove workable. In the first place, it gives the illusion that no added outlays would be created, which of course is absurd.

Now, this is a central question, because here in the last few years I have witnessed a great erosion in the institutional processes of the parliamentary procedure in the Congress. Whenever anybody does that, whether it is an individual or a collective body, it is, in fact, deluding itself. We are really not serving the public well.

It is the introduction of the image principle now so current in politics, where those contending for political support from the people and using the package approach of the high-priced publicity merchants package the candidacies like soap and other things that are merchandized on TV. The image is created, but images eventually must give way to reality and the image here created up to now with respect to the Evans-Corcoran approach is based on a fallacy and on an illusion and that is that there is no additional outlay called for in their multibillion dollar approach; the reason being that they maintain that all they are asking for is transferring of funds from the so-called Synfuel or Synthetic Fuels Corporation financial setup both as to budgetary authority and what we call budgetary outlay, or more importantly, what they call appropriations; but merely transferring the money does not mean that it has no effect on what they define as budgetary outlays. Of course, it does.

The funds available to the corporation represent guaranteed funds. Taking the money and using it for a quick stimulus package results in added outlays of a considerable size. This perhaps explains why the administration itself, the present administration, is opposed to the Evans-Corcoran approach.

The illusion that no economic consequences result from this transformation may be convenient, but it is, nevertheless, an illusion.

Using this approach is merely a back-door way of crippling the Synthetic Fuels Corporation on the one hand, and it is an unfair, as well as unwise tactic, on the other hand.

Furthermore, the Evans-Corcoran approach involves a requirement that the Secretary of HUD set up and have in operation a unique billion dollar-plus subsidy program to work in tandem with State housing finance agencies.

Now, there is no question that those of us familiar with the workings of housing programs, both on the Federal level as well as State levels, know that this is doubtful that it could be done within the time envisioned in this emergency approach. If the housing industry needs help right now in fiscal year 1982, that is, there is a better way to do it. That better way is through legislation that I am offering together with the chairman of the full Committee on banking, the gentleman from Rhode Island (Mr. St Germain) in the form of H.R. 6294.

The emergency stimulus needs of the housing industry are taken care of by H.R. 6294 without destroying, as the Evans-Corcoran approach does, the comprehensive program that is needed for the overall needs of the housing industry and the people of this country.

H.R. 6294, what is more, has already been heard, approved and voted out of the committee and the subcommittee. It will create a billion dollar stimulus for housing construction starts immediately. It can be in place and in operation without delay. It embraces a maximum amount that the industry could absorb within the remaining months of this fiscal year, without doing what the administration obviously fears and that is setting off again the inflationary pressures beyond those limits that the administration so proudly boasts as having been responsible for thus far this year.

In every respect, the bill meets the present emergency more effectively than the Evans-Corcoran bill. At the same time, this stimulus program would mesh smoothly with the stimulus created in the comprehensive housing bill, H.R. 6296, so that at the end of the fiscal year we would have in being a stimulus program that would be carried out in the fiscal year 1983, providing $3½ billion to help for new home construction.

In short, the program I am offering not only meets the present emergency, but results in far more total assistance for housing.

More importantly, enactment of my emergency bill, H.R. 6294, as contradistinguished from H.R. 6296, will enable the Congress to move ahead without doing violence to the essential overall housing policy that must be enacted.

□ 1720

We cannot in good conscience enact a program in the form of the Evans-Corcoran amendment that grants $2 billion in subsidies for the middle-income citizens of the country and a segment only of the country, while killing help for the overwhelming majority of the citizens of the country.

That is what the practical effect of the Evans-Corcoran approach would be. It would shove aside the people who need the help the most, the majority, in the name of rescuing an industry that would, ironically enough, ultimately receive far greater benefits through the enactment of the program I am recommending in these two bills.

Let us use good sense and proceed in a dispassionate manner. Let us use the clear line of reason by acting in two steps, and acting in accord and in concert with the generally accepted procedures of the House. Let us use a regular authorizing and appropriation process.

What we are calling for is a two-step process. First, enactment of H.R. 6294, a $1 billion emergency housing stimulus program for fiscal year 1982. This is immediate, ample, and more than ample help for housing in timely fashion which can realistically be utilized without incurring the risk of these inflationary pressures that so much effort and sacrifice has been poured into trying to curb.

Second, enactment of H.R. 6296, the comprehensive housing bill for fiscal year 1983, a bill that will continue and carry through additional housing stimulus efforts, efforts that in total will far exceed anything envisioned in the tunnel-vision Evans-Corcoran amendment. It will be more effective. It will start work immediately, not 4, 5, 6 months from now.

The Congress for many years followed a comprehensive approach in housing legislation, and that is what we must do now. If we fail to follow a comprehensive approach, the housing industry will suffer, and what is more important, millions of innocent citizens will see their housing situation dramatically deteriorate and worsen.

We have to think not just about the immediate demands of an insistent and rather aggressive lobby organization, but about the needs of the country. The Evan-Corcoran suggestion answer the demand of the lobby, but only at the cost of the real interests of the country and the overwhelming majority of the citizens therein.

The comprehensive housing bill provides assistance for the construction of rental housing through a new and flexible subsidy program. This new approach enjoys the support of both sides, or the majority, overwhelming majority of the committee of jurisdiction, and is a great improvement over the old section 8 multifamily assistance program.

The bill provides for assisted housing in rural areas, and for continuation of programs to assist Indian housing authorities. It is indeed and in fact the all-American housing bill of 1982.

The bill provides adequate operating subsidies for the Nation's low-rent public housing, for continuation of the FHA insurance program, for continuation of the secondary mortgage market operations of Fannie Mae and Ginnie Mae. Every one of these provisions is needed to insure that we have housing that is affordable for the poor, the middle, and every single major segment of American society alike, and to insure that the housing industry can return to health.

More than this is needed, of course. A stimulus program alone will do no good, nor will even a comprehensive housing program work well unless we have a healthy thrift industry, which is the aim of another bill approved by the House Banking Committee and its Financial Institutions Subcommittee by our distinguished chairman of the full committee, Mr. St Germain.

In addition to all of that, we must have lower interest rates, but I think my record in that respect, and the efforts in that direction, span almost 16 years of effort here. So my colleagues can see what a nettlesome situation that problem is. But it also has to be eventually resolved.

We cannot rescue housing by embracing just one element of a sensible program. We cannot help housing by grasping at on single straw. We have to see the problem for what it is. It is an interrelated, complex set or series of situations.

Administration hostility to any kind of housing effort at all, not just the hostility to the Evans-Corcoran approach, is one of the things that for one year we have been attempting to overcome, because we feel that the administration's lack of interest in a housing program, an affirmative housing program, is due to it having been overwhelmingly concentrating on the budgetary, on that tunnel-vision approach, where the computer inexorably looks at mathematical figures and not at humans and has been given the targets.

But I think that 1 year later now there has been some thinking reform in this approach and that there will be the realization of what the factual situation is, what the human needs of this country are.

There is not a member of this House who has been back, and I think that everyone this year of necessity has been back, that would not testify to the fact that we have a housing problem, a crisis. There is no question about that.

So that we have to respond in what I would consider sensible, dispassionate, detached, if possible, unemotional, stable form of answer, not a knee-jerk reaction, not a crisis.

And this is a temptation in a stimulus program, that in jumping up we will follow this illusive illusion and end up serving nobody's good interests.

As I said, we have to see it as it actually is, as any thinking Member knows, a series of interrelated problems and situations, very frustrating. The sickness of the thrift industry, the economic malaise. And I am not interested in saying that this was a cause of it, Reaganomics or Jimmy Carter.

My constituents back home give me the impression they do not want to know who is to blame. They want to know what we are doing about it. And this is what we are worrying about.

The more we get together and forget about who is to blame for this, that and the other, and the malaise and the economic system, and say "Look, what can be done at this point," preferably within the traditions and framework of our institutions and our tried and true experiences, which is what we are holding to.

The practices of the House itself offer a course of distinguished contribution to the greatest miracle in the world in 40 years, which was the housing of America through these programs. Nobody questions that Americans are the best housed, though that does not mean that we can be complacent and say we do not have very serious problems, in fact, a crisis. Of course we have. Because this country is not straitjacketed. This is a burgeoning, dynamic people and country. It is on the move every day. It will never subject itself to straitjacketing. And therefore it keeps growing.

We have more people, many millions more, 100 million more than in 1940. But we have had wars, we have had depressions. And yet America was able to devise these programs, spend the money, give them the priority, build homes, fulfill the American dream, which is what has been shattering around our heads here for the last few months, the last couple of years.

Now, I am not interested in saying who is to blame, who is not. That is negative. That is wasting our substance on a fruitless exercise.

But I am intensely interested, and I think every Member I know here has been sober and serious, and I do not know anyone who is not, no matter what our differences are. After all, we have 435 Members. If we cannot even have unanimity with some of us that have been married 40 years with our spouses, we can certainly hardly expect unanimity in a body of 435, and certainly the whole structure of our party approach and all is that it tends to have contention and debate.

□ 1730

Because, out of that nettle of problems and troubles and dangers we pluck this flower of success in achieving the successful programs that house Americans. Here in America in 1940 over 60 percent of the housing stock of this country was deficient, substandard, inadequate, poor housing. One-third were ill-housed, was the language of the President then. Forty years later, in 1980, there were only 6.5 percent. If that is not an achievement, these are programs that obviously worked, so these are what the decisions now are all about.

I have worked hard to bring about a housing program that meets the overall needs of the country. It is a compromise program—and if I were acting only on the basis of my own wishes, the bill would be far different from what it is. But I am not acting for myself alone. I am acting to provide the best program that is possible; a program possible for the greater interests of the greatest number within possibility and the realm of political possibility, a program that meets the basic needs of the country, a program that both sides of the aisle can and do support, and above all that is comprehensive and practical.

We must reject illusory, self-defeating moves such as the Evans bill. What we have to deal with is a problem that is not only urgent, but complex.

The program I am offering and urging is one that takes care of the immediate emergency, offers a complete program for fiscal 1983, and a program that meets all the basic needs we have in housing. It is a sound program, worked out with great effort, and through the cooperation of every member of the Housing Subcommittee.

I urge my colleagues to enact H.R. 6294 when it is offered next week, as the best and clearest way to meet the housing emergency right now, and then later to join me in enacting the comprehensive housing bill that will continue and expand the emergency stimulus program, while at the same time extending and expanding the many other other elements that must go into our national housing effort.

THE DEFICIT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. Dannemeyer) is recognized for 30 minutes.

Mr. DANNEMEYER. Mr. Speaker, the continuing impasse over the fiscal year 1983 budget and determining the course that Federal spending is to take for the next several years is a frustrating and nonproductive experience, the benefits of which we can well do without. Whether you support the President's position, the Speaker's, one of the Senate versions, or one of your own, or none of the above, I am sure we are all agreed on the imperative to act and act quickly. The longer we drag out this process, the worse the fiscal and economic consequences will be.

What we see emanating from the dank recesses of this maze known as the budget process are little more than cascading cobwebs of doubt and deception, like haphazard clues strewn about in an Agatha Christie mystery. The problem is, of course, that nobody can figure out "whodunit." Not even last year, and certainly not in previous years, have we been confronted by such disparity among forecasts of both spending and revenues. Estimates of the fiscal year 1983 deficit vary from $107 to $198 billion—an 85 percent differential—depending upon who you listen to and when, the difference of $91 billion representing a greater amount than the entire Federal budget in 168 of our 195 years (1789-1983), an amount nearly equal to the budget in 1961, the first year of John F. Kennedy's administration. And this is only the difference in the estimated size of the deficit. If indeed the pessimistic projection of $198 billion is realized, that deficit will exceed the entire budget for every year up to 1971. This is not only frightening, it is absurd. It need not happen.

It is high time to stop being intimidated by all the computers at the disposal of all the "experts" who are supposed to know the facts, interpret them, and relate to us their intelligent appraisals. It has become a standing joke that, as soon as one of these "projections" is issued, it is obsolete. They seem to be more a product of wishful thinking, or of willful doom and gloom. It is truly ironic that, in previous years, it was almost a certainty that administration forecasts would be rosy and overly optimistic. We have now come full circle and are bombarded with $200 billion deficits at a time when Treasury statistics do not indicate anything of the sort. Meanwhile, it is sowing confusion and fear among both the financial circles and the citizenry. It is time to stop the nonsense. Nonsense. Webster's New Collegiate Dictionary defines nonsense as: a: words or language having no meaning or conveying no intelligible ideas; b: (1): conduct, language, or an idea that is absurd or contrary to good sense; (2): an instance of absurd action.

Not a few of us would categorize what we have seen thus far in the name of budget "compromises" as lacking intelligible ideas. The deficit—whatever the amount—is singularly absurd and contrary to good sense. And the misdirected meanderings of Congress in meeting the problem has most assuredly been an exercise in absurd action. Nonsense.

I don't believe that the Keystone Kops atmosphere which has thus far permeated the deliberations has in any way displayed or taken into consideration that most elemental of traits found so abundantly in the oft-maligned creature, the "man-in-the-street." Oh, not the occasional man in front of the TV camera being interviewed man in the street." But rather the average Joe, John Q. Public, your constituent and mine, the guy we all see and understand when we watch an old Frank Capra movie (you know the one, he is usually played by Jimmy Stewart). And this trait is common-sense. Oh, he can do some wild and crazy things. But when crunch comes to crunch, he does what is necessary. Plain old horse sense.

Well, this is the same sense which hints that we should come in out of the rain, not walk in front of a speeding bus, and not play footsie with a copperhead. It also manifests itself as that little voice which tells us not to spend more than we have. And, as most of us do, when we occasionally ignore that advice and spend beyond our means, there is that inevitable day of reckoning when the accounts must balance. So it must be with the Federal Government. The American people want a balance budget; 85 percent want further reductions in the budget (Newsweek, March 15, 1982) as opposed to 10 percent who favor increased taxes. They want the haggling and the nitpicking to stop. They realize far better than Congress gives them credit for that deficits fuel high interest rates. And those rates are what is impeding economic recovery.

We in Congress must realize that, if we do not take immediate corrective action, events may shortly be beyond our control. Only three more States need to call for a constitutional convention before we are presented with a fait accompli. And there are many Members who, although they may favor a balanced budget amendment, are uneasy about the prospect of a convention which quite possibly may undertake a few more changes to the Constitution. The alternative, of course, is to support pending legislation, such as Senate Joint Resolution 58 (H.J. Res. 350), which would require that future budgets be balanced. I support this initiative as a means to force Congress to come to grips with fiscal reality.

In the meantime, however, we need to send an unmistakable message to the credit markets and business and finance centers of this country. Rosy pictures and promises would not sell. Threats and intimidation do not wash. Nothing less than a greatly diminished deficit will convince these interests that we mean business. And until then, interest rates will hover menacingly high.

Accordingly, I believe we should consider taking the steps necessary to bring outgo in line with income. The first challenge in this exercise is, of course, to protect estimated revenues. In checking Treasury reports for the past 3 years, one finds a remarkable consistency at the 6-month threshold. For 1979, 1980, and 1981, the 6-month total receipts comprised 43.27, 43.97, and 43.49 percent of the full-year total receipts—for an average of 43.58 percent. Applying this proportion to fiscal year 1982 receipts, we can estimate a total of $664.5 billion for the year; less 2.5 percent to account for the 10-percent tax cut affecting the final quarter of the fiscal year, the net is $647.9 billion. This is a wee tad above the $628.4 billion which the administration forecast on April 9, revised to $623 billion last week.

Of course, like all other methods of computing estimates, this one is fraught with peril as well. Revenue and outlay figures are inextricably tied to economic indicators, if not determined by them at least influenced by them. Consequently, the slightest change in the inflation rate, or unemployment, or GNP, to name a few, can cause considerable variance from initial projections. This accounted for the majority of the administration's increase in expected deficits—high unemployment and interest rates coupled with low productivity.

Conversely, action undertaken to force a major reduction in the deficit will impact upon these same indicators. Federal Reserve Board Chairman Paul Volcker, testifying before the Senate Banking Committee in February, stated that a reduction of $20 billion in the deficit would realize a drop of 2 to 3 points in interest rates. Depending upon the source, it has been estimated that each percentage drop in interest rates would, in turn, result in savings of from $2 to $10 billion in interest paid on the public debt—a savings in spending which counts as decreased outlays. In addition, the psychological as well as material boost that cutting the deficit would have on Wall Street can hardly be termed minimal.

I would therefore seek to trim whatever is necessary from the fiscal year 1983 budget to substantially balance it. This level is now estimated by the administration to be $645 billion. I expect it to be closer to $683 billion. Considering that this occurred during a time of tax cuts and recession, and considering that the average annual increase in revenues for the past 3 years is 11.65 percent, it is not unreasonable to expect a modest increase of 8.11 percent. Thus, receipts total $700.4 billion; less 2.5 percent to account for the second phase of the tax cut (affecting just the final quarter of the year) results in net receipts of $682.9 billion. This is the bottom line. This is the figure which outgo will have to approximate.

To achieve the magnitude of reductions to approximate Federal income, I have compiled a list of 298 cuts totaling $80 billion. To this figure must be added the $48.7 billion in cuts which the administration originally proposed; $128.7 billion in cuts, you have got to be kidding. Not at all. This is not some casual figure flippantly tossed out for a giggle or two. Nor does it originate from some medieval tome found in the Library of Congress under "Hun, Atilla the. Budget-Cutting Made Easy."

Rather, it is the deliberate screening of Federal spending for excess, one-time measures such as freezing entitlements for 1 year, inclusion of part of the President's proposals, and estimated savings based upon revised economic indicators. It should not be overlooked that some of the very enlargements to both budget outlays and projected deficits result from the cause and effect relationship mentioned above: The larger the deficit, the higher the interest rates; the higher the interest rates, the lower productivity and employment.

The cause and effect reverses when deficits are reduced: The lower the deficit, the lower the interest rates; the lower the interest rates, the higher productivity and employment. And so on. So there is considerable leeway here as to how much actually needs to be cut. Much of the projected deficit is composed of interest payments which will automatically decline according to the size of the cut. In addition, lower interest rates and higher employment will materially affect revenues as well as outlays no longer needed.

The following chart indicates the rapid-fire changes which have been made in budget forecasts.

[In billions of dollars and fiscal years]

	(A) Receipts [1]		(B) Outlays [2] [4]		(C) Deficits [3]	
	1982	1983	1982	1983	1982	1983
OMB–February	626.8	666.1	745.0	773.3	−118.2	−107.2
OMB–April	628.4	665.1	749.8	782.8	−121.4	−117.7
OMB–baseline	627.4	647.3	761.1	820.7	−133.7	−173.4
OMB–revised	623.0	645.0	763.2	842.8	−140.2	−197.8
OMB–projection	647.9	682.9	747.5	692.0	−99.6	[5] −9.1

[1] Fiscal year 1981, $599.3 billion.

[2] Fiscal year 1981, $678.2 billion.

[3] Fiscal year 1981, $−78.9 billion.

[4] Includes off-budget (which comes to $10.348 billion in 1983).

[5] If off budget spending were not included, there would be a small surplus.

Whichever figures you choose to accept, do not be alarmed. After all, they are just numbers. Intimidating as they are. Perhaps downright menacing. What we ought to be alarmed about are the consequences from doing nothing to bring column B more in line with column A, and from failing to eliminate column C altogether.

Members are of course free to act according to their requirements and consciences. I ask only that you consider the consequences of failing to curb out-of-control Federal spending and allowing the country to sink deeper into the abyss of red ink and disaster. A recent editorial appearing in the Wall Street Journal, entitled "Deficit Shortfall" discusses the possibilities in greater detail and, at this point, I would like to insert it in the RECORD:

DEFICIT SHORTFALL?

With the collapse last week of the Reagan-O'Neill budget compromise, the talk turns again to deficits. The budget stalemate, we are assured, can only mean bad news for the economy and the financial markets. In particular, the failure to reduce the "monster" deficits predicted for fiscal '83 and beyond will keep interest rates high and foreshorten any recovery from recession.

Now, big deficits are not good for the economy. But neither are high taxes, which a lot of born-again politicians are offering as the cure for the deficits. And before we tie ourselves into knots over estimates of what the deficit will be in fiscal '83, '84 or '85, we ought to notice that no one knows what the deficit will be in fiscal 1982, which is already half over.

Thus the administration's own original deficit forecast of $45 billion for fiscal 1982 has now become $99 billion. Democrats and liberal Republicans, who have suddenly discovered the political uses of deficit panic after decades of ignoring the red ink their programs produced, predict $105 billion to $115 billion.

Yet actual results in the first half show that the deficit is running only slightly ahead of last year. In fact, in the first five months, it was running at the astonishingly low annual rate of about $57 billion, about the same as the total 1981 deficit, despite the current recession.

FEDERAL RECEIPTS, OUTLAYS, AND DEFICITS

[In billions]

	Receipts	Percent change prior yr.	Outlays	Percent change prior yr.	Deficit/surplus
1981:					
Oct	45.5	17.0	63.6	13.0	(18.1)
Nov	44.3	13.0	54.9	14.4	(10.6)
Dec	57.4	17.4	76.9	36.8	(19.5)
1982:					
Jan	55.3	5.9	45.9	−22.3	9.3
Feb	43.0	46.7	57.8	−20.3	(14.8)
Mar	45.3	1.5	63.5	17.0	(18.3)
6 Mos., 1982: Total	289.6	11.1	361.5	11.0	(71.9)
6 Mos., 1981: Total	260.6		325.8		(65.2)
FY 1981: Total	579.3		657.2		(57.9)

Source: U.S. Treasury and Lionel D. Edie Economics. Figures may not add due to rounding off.

The causes of this "deficit shortfall" are hotly disputed. Most mainstream economists think it was due to special factors that will reverse themselves in the second half. In particular they cite prompter payments of corporate tax liabilities due to a higher penalty for late returns, and slower-than-expected defense spending caused by inability of the Pentagon and other agencies to shovel the money out the door fast enough. The March figures seem to indicate just such a reversion to form.

But others think we may be seeing some longer lasting supply-side effects. Milton Ezrati of Manufacturers Hanover, for example, theorizes that people in high marginal tax brackets have been encouraged by the tax reductions and decline in inflation to shift from tangibles into interest-bearing securities and funds, thus broadening the tax base. That would be just the sort of thing supply-siders would have predicted.

And, ironically, the spending hold-down may reflect the very failure of Congress to produce a budget. Operating hand-to-mouth on the basis of continuing resolutions may be having just the desired restraining effect on the federal bureaucracy. There are worse ways to do business, though this method also tends to prevent a reordering of priorities between, say, social and defense spending.

Last, we remember the spending shortfalls of the mid-70s. The technicians told us then that it couldn't be happening, but it was. The seeming inability of the government to spend its allotted funds back then has never been fully explained, but this make us all the more reluctant to dismiss out of hand the possibility of a deficit shortfall this year. There are more things in this world than the standard economic models ever dreamed of.

A high deficit for 1982 may yet materialize, though it will require a flat economy and a near-astronomical gap between receipts and outlays in the second half. Alan Greenspan, chairman of the Council of Economic Advisers under President Ford, says he sees nothing in the March or preliminary April figures to indicate that the trend has yet reversed itself, though he cautions against reading too much into that.

The real point is that nobody knows how 1982 will turn out. Yet the politicians are continuing to try to scare the pants off everybody about 1983, 1984 and 1985 with numbers plucked more or less from thin air. Their real aim, of course, is to force the President off his tax cuts. Their professed anguish about deficits is largely a political convenience. Nobody seriously believes that higher taxes will benefit the economy or reduce the deficit. We tried that route before with massive increases in taxes during the 1970s. At the end of the decade we were deeper in the hole than ever.

Deficits are bad, but they shouldn't be the only focus of economic policy. Even more important is whether fiscal and monetary policies are moving in the right direction. If they are, the deficits will take care of themselves. The deficit shortfall of the first half, despite the recession, is a powerful reminder that the numbers game now going on in Washington and the press should be taken with a large grain of salt.

□ 1740

Mr. DANNEMEYER. The editorial observes that the deficit in this current fiscal year, 1982, which ends September 30, is more likely to be closer to $57 billion than it is to the $99 billion postulated by the administration.

In closing, I think we should ask ourselves one fundamental question which will determine how any of us vote on the issue. Do we philosophically believe that there is a direct or indirect relationship between deficits, inflation, and high interest rates?

If you answer that question no, there is no such direct or indirect evidence to indicate that correlation, you would be inclined to go along with approving this projected deficit of $90 or $60 or $180 or whatever it turns out to be.

But if you believe, as this Member from California does, that there is a direct or indirect relationship between deficits and inflation and high interest costs, then you would come to the conclusion, as I have, that the principal reason preventing economic recovery in this country today is the fiscal irresponsibility of the U.S. Congress, which heretofore has not exhibited the courage to match the outgo with the income.

Some here want to increase the income to match the outgo. This Member from California prefers to cut the spending to match the income.

The irony of all of this is that the American people, by polls, are almost begging us to do this; and why do we not do it? The answer is I do not think we have the courage, the conviction in this institution to do what is necessary because we are too much attuned to the collective impact of special interests who want this spending continued, rather than paying attention to the taxpayers who are paying for it.

I would submit, in closing my remarks, Mr. Speaker, that the most responsible thing we can do in this House in this year of seeming impasse is to present several alternatives on the floor of the House where Members can vote to express the level of spending and the level of deficit they choose to pursue for the next fiscal year. Then we each, if we are seeking reelection to this august body, can campaign in November on how we voted on that issue.

I am not suggesting that one Member should vote different than his constituency on the issue, but I think based on the polls that this Member from California has read that the people of this country just are pleading with us to get our fiscal house in order. I think it would be helpful for the country if we had a national referendum on spending levels and deficit levels through the medium of the Members being able to explain in November how they happened to vote for the spending cuts or against spending cuts.

□ 1750

What better way can we run a democracy than let Members vote on the issue and then let voters evaluate how Members have voted?

I only hope the Rules Committee of this House will permit such a rule for consideration on the floor of the House.

FORTY MILLION AMERICANS NEED LOCAL NIGHTTIME RADIO SERVICE

The SPEAKER pro tempore. Under a previous order of the House, the gen-

tleman from Illinois (Mr. Findley) is recognized for 5 minutes.

● Mr. FINDLEY. Mr. Speaker, licensing of radio broadcast stations is governed by section 309 of the Communications Act of 1934. In general, applicants for broadcast licenses must satisfy the FCC that they are legally, technically, and financially qualified and that operation of the proposed station would be in the public interest. One of the primary considerations in granting applications and assigning broadcast frequencies is to avoid interference with other stations on the same channel.

In AM radio broadcasting, the audio waves are transmitted by groundwaves, which follow the contour of the ground, and at nighttime by skywaves, which dart upward into the atmosphere and are reflected back to Earth by electrical particles in the ionosphere. During daylight, skywave signals are lost, and radio stations rely primarily on groundwaves to transmit broadcasts. At night, skywaves cover tremendous distances and greatly expand the range of radio transmission. But skywaves also cause interference to local stations, and therefore the FCC has forced the small stations off the air. Accordingly, under current FCC rules, roughly one-half of U.S. AM broadcasting stations cease operation from sunset until sunrise to eliminate interference to the skywave service of the remaining stations.

The classification scheme adopted for the 107 U.S. AM radio channels in the late 1930's following passage of the Communications Act of 1934 relied heavily on nighttime skywave transmission to extend radio service to rural areas. The plan provided for 60 clear channels and 41 regional channels. Reliance upon skywave service, however, necessarily required that local service be limted. Thus, only 6 channels were allocated for full-time local use even though the act clearly expresses a preference for local service. Still, such a plan was satisfactory in the 1930's because there was a need to extend quickly nationwide radio service at night and skywave signals appeared to be the fastest, least costly way to do so, notwithstanding the fact that skywave service is very unreliable and causes a great deal of mutual interference.

Technological developments have dramatically changed the nature of broadcasting over the past 50 years. Today, with the much greater degree of sophistication in television and radio broadcasting, communities across the Nation are no longer dependent upon nighttime skywave radio service to bring them the national news and provide entertainment.

They are presented with a myriad of electronic communications capabilities in addition to AM and FM radio broadcasting, ranging from television, translator and cable television interconnected nationally by satellite, microwave radio and landline, and soon broadcasting satellites. These various communications media are vigorously competing for the attention of consumers over vast geographical areas, and they have had to develop program formats with broad national appeal.

Unfortunately, these changes in the nature of broadcasting services have been made at the cost of new programing for local markets with diverse needs and interests. Local communities throughout the United States can enjoy live satellite broadcasts of sports events around the world. Yet, many of these same communities, in which some 40 million Americans live, still have no local nighttime AM service. While presented with a host of national telecommunications services, many Americans still cannot receive adequate local nighttime AM radio service.

The need for such local service is compounded by the recent trend of population migration to rural and nonmetropolitan areas. Between 1970 and 1974 the growth rate in such regions was nearly double that of counties with cities of 25,000 or more people. The 1980 census reveals that this trend has continued. And the people in these communities have demonstrated a decided preference for local AM radio service. Reliance on nationwide nighttime skywave service has decreased markedly in recent years.

Supporting this is a study commissioned by the FCC to determine the extent to which the 25 nationwide class 1-A clear channel radio stations continue to be utilized and relied upon by small towns, and rural areas. One part of the survey studied nighttime radio listening habits in 114 counties in remote "white areas," that is, areas in which there is no good FM reception. According to the FCC standards of engineering, no clear, interference-free AM radio signal could be received in any of these counties except from class 1-A clear channel stations. Nevertheless, the survey revealed that only 25 of the white area counties, or less than 25 percent, reported any listening to class 1-A clear channels stations. The other 89 counties surveyed showed no listening to class 1-A clear channel stations whatsoever.

The study revealed that, notwithstanding poor reception from local radio stations near these remote areas, most of the nighttime radio listening was to stations in the general area. The Arbitron study shows clearly that radio listeners do not rely on the nighttime broadcasts of distant stations, but instead prefer local programing even if there is poor reception.

The conclusion that radio listeners prefer local programing is bolstered by additional findings in the Arbitron report. A second part of the survey studied the daily listenership of the individual class 1-A clear channel stations beyond their "home market" areas. Arbitron collected 159,689 diaries in which radio listeners kept records of the radio stations to which they listened. The average percentage of mentions for class 1-A stations outside the stations' home market areas was only 1.3 percent. Again, as DBA noted, it is apparent that radio listeners prefer to listen to broadcasts of nearby stations.

Noble though it may have been in its origin, the continued protection of nighttime skywave radio service works a travesty upon rural Americans by failing to acknowledge and satisfy their much greater current need and desire for local service. Thus, in granting applications for broadcast licenses, or for the transfer or modification of existing licenses, the Federal Communications Commission should no longer consider the skywave signal of any broadcasting station in determining whether harmful interference will result from the applicant's proposed broadcasting frequency.

The bill I am introducing today directs the Commission to do just that—to assign local stations without regard to potential interference they may cause to the skywave of clear channel stations. Frankly, it is a step long overdue. Since the Arbitron study shows that most people do not listen to the skywave signal anyway, and since present FCC standards prevent over 40 million Americans from listening to their local AM radio station at night, it is time for a change. The bill I am introducing will bring about that change, and I invite my colleagues to join me in cosponsoring it.

Text of bill follows:

H.R. 6306

A bill to amend the Communications Act of 1934, as amended, to prohibit consideration of skywave signals in determining whether to grant an application for a license

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That:

Section 309(a) of title 47 of the United States Code, the Communications Act of 1934, as amended, is amended to read as follows:

"(a) Subject to the provisions of this section, the Commisson shall determine, in the case of each application filed with it to which section 308 of this title applies, whether the public interest, convenience, and necessity will be served by the granting of such application, and if the Commission, upon examination of such application and upon consideration of such other matters as the Commission may officially notice, shall find that public interest, convenience, and necessity would be served by the granting thereof, it shall grant such application. In making a determination whether to grant such application, the Commission shall not consider interference to the skywave signal of any broadcasting station in determining

whether harmful interference will result from the applicant's proposed broadcasting frequency."●

BILL TO ASSIST MILITARY IN ALASKA AND HAWAII

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Alaska (Mr. Young) is recognized for 5 minutes.

● Mr. YOUNG of Alaska. Mr. Speaker, I am introducing legislation today to "provide for the transportation of dependents of members of the uniformed services who are stationed in Alaska and Hawaii and who are in need of medical attention not available in the area where the member is stationed."

The Office of Management and Budget advises me that there is no objection to this proposal from the administration's standpoint. This authority now exists for those in areas outside the United States. The authority was obtained in 1965 with the idea of providing dependents of military personnel the same benefits afforded members of the Foreign Service. The language however limits the provisions of that section to members stationed outside the United States.

The intent of the Foreign Service Act amendments is to pay the expenses of transporting a dependent to a suitable hospital or clinic in the instances where medical facilities are lacking or not adequate. Members of the military stationed in Hawaii and Alaska often do not have the medical facilities to care for certain diseases or problems. Many times people have to be transported from Alaska or Hawaii to centralized care centers in Washington or California. They are not transported by Government aeromedical evacuation when not locally available. Such flights generally operate on a fixed schedule.

Often a patient is released at a time when there is no plane returning to his/her home. They must wait or pay for commercial transportation. This can be a miserable experience for someone just coming out of the hospital and also possibly detrimental to the persons recovery. The other alternative of holding the person in the hospital until such a time that there is a plane available does not make sense either as it ends up costing more than the return flight no doubt.

Another problem results when an emergency arises. Scheduled aeromedical evacuation flights are designed for routine procedures in the specialized care facility at the distant location. When an emergency arises—for example the birth of a premature baby—there is a need for transfer to the specialty center. For those in Alaska, the specialty center would be Madigan Army Medical Center near Fort Lewis, Wash. At the end of 1977 the entire cost of the commercial fare, round trip including the cost of appropriate attendants was a little over $1,000. The same costs for a priority C141 round trip from Fairbanks to Seattle was a little more than $20,000 and for a C130 it was $7,200.

The number of patients involved for the Department of the Army from Alaska to an Army medical facility in the continental United States is about one per month. The actual expenditure is minimal and any cost resulting from this act will be negligible. As you can see from the above figures, money will be saved.

I request my colleagues support of this bill and I look forward to its passage.●

TELECOMMUNICATIONS LEGISLATION

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. Corcoran) is recognized for 10 minutes.

● Mr. CORCORAN. Mr. Speaker, one of the ironies of Washington that I think would amaze most casual observers of the legislative scene is how often we find ourselves debating a bill that purports to do one thing but actually would accomplish just the opposite. One current and good example of this, I think, is the Telecommunications Act of 1982, H.R. 5158, which is currently before the Energy and Commerce Committee after having been approved by the Telecommunications, Consumer Protection and Finance Subcommittee in late March.

As a member of the committee, I am reviewing the bill. The proponents of this legislation claim its approval is essential in order to keep telephone rates from skyrocketing and to maintain the viability of local operating companies throughout the country which will be separated from the Bell System; action is needed, it is said, because of the anticipated approval of the Bell System—Department of Justice antitrust case settlement. Also, they say the intent of the bill is to deregulate the telecommunications industry, making it more vigorous and competitive and further benefiting the American public. Those are all laudable goals.

Yet, the bill reported to the full committee contains many provisions which would cause local telephone rates to be higher than they would be under different policies and, in some instances, higher than in the absence of those provisions. These and other parts of the bill do not appear to promote the health of the local telephone companies. While in many instances the increased regulation proposed by the legislation appears to be necessary, it is not clear that all aspects of the increased regulatory arrangements in the bill are warranted. As an advocate of free and fair competition—another stated aim of the bill—I am dismayed that portions of it seem to grant competitive advantages to certain parties, even at the expense of those paying local phone company bills.

Approval of the bill by the subcommittee by a unanimous vote does not, therefore, indicate to me that committee consideration will be free of controversy. Apparently, improvements can be made.

Illinois has highly urbanized and truly rural areas to be served by telephone. The range of telephone user interests are found among our people. Sizes of local telephone companies vary dramatically. All Bell System components (Western Electric, Bell Laboratories, Teletype Corporation, A.T. & T. Long Lines and Illinois Bell) have facilities in Illinois. Fairness to all who would be affected by changes in the telecommunication environment is thus very important to our State.

Let me cite one matter addressed by the bill at this time, to illustrate how approval of the bill in its present form could have an adverse impact:

I was appalled recently to learn that the Japanese offer the most modern automobile telephone service in the world—the so-called cellular mobile service—in more cities than we do in the United States. Cellular mobile telephone service was developed by the Bell Telephone Laboratories. It was tested for years—quite successfully I might add—in Illinois; the Federal Communications Commission last year gave its approval for the service to be introduced throughout the country. Within 5 years, I am told, this service could be available in 50 or more cities across the land. The bill the committee will consider, though, would force the FCC to reevaluate that order should it believe the pent-up demand for mobile telephone service should be addressed; however, the FCC could not, as it did, decide that local telephone companies are especially suited to operate these systems. This provision of the bill would also further delay the introduction of this service for which thousands of Americans have been clamoring. Is it any wonder that our preeminence in world markets is in jeopardy when we develop a high-technology product and, 10 years later, find ourselves trailing foreign nations in its application because of our own restrictions?

It seems to me that, at a time when America needs to be competitive in world markets, the last thing we need to do is unreasonably impede and restrict our industries, especially one which has the ability to compete worldwide. I am not surprised that so many employees of Bell System facilities in Illinois have been flooding my office with mail opposed to H.R. 5158, given its provisions which would unfairly, unnecessarily, and adversely affect the system. They know what it will do to their jobs; they know what it will do to their ability to compete with foreign firms.

I am certainly among those who believe that Congress should set national communications policy, and I agree that the Communications Act of 1934 which has been guiding us for nearly 50 years needs to be updated. I support fairness in competition and oppose unwarranted regulation, however, and the bill must be improved in those regards. I also advocate insuring the viability of companies providing local telephone service; again, improvements can be made in the bill reported by the subcommittee toward that end. When the Energy and Commerce Committee marks up H.R. 5158, our State's economy and that of our country must be justly treated, as must our citizens. It is my hope that a beneficial bill will be approved this year, but we must get beyond the broad contentions that the bill works only to the advantage of the local telephone service customers and promotes fair competition and look at the specifics to truly assure that these laudable goals are actually reflected in the bill.●

FEDERAL LABOR TROUBLES LOOM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. FORD) is recognized for 10 minutes.

● Mr. FORD of Michigan. Mr. Speaker, evidence is mounting that we in the Federal Government are doing a dismal job of managing the largest labor force in the world.

Unrest is rife. Our best and most qualified people are leaving. In many agencies and departments morale has plummeted. Yet we continue to deceive ourselves into believing that all is well.

We had better start looking at reality.

Last month an independent study of employee relations at the Federal Aviation Administration warned that unless steps are taken to correct serious management problems, a crisis similar to the one that erupted with air traffic controllers last summer is inevitable. The study, commissioned by the FAA and the Department of Transportation, concluded that FAA managers close their eyes to people problems and concentrate on hardware.

Similar conditions are to be found all through the Federal Government. Just this week. Wayne L. Horvitz, a highly respected labor-management consultant and former Director of the Federal Mediation and Conciliation Service, testified before the Investigations Subcommittee of the Post Office and Civil Service Committee.

He described the problem as a fundamental one and warned that if we continue to ignore it we can expect more illegal Federal strikes.

For the edification of colleagues who cling to the myth that Federal workers are pampered, well-paid, and the recipients of overgenerous benefits, I recommend the reading of Mr. Horvitz' views:

STATEMENT OF WAYNE L. HORVITZ

My name is Wayne L. Horvitz, I am a private labor-management consultant, mediator, and arbitrator residing in Washington, D.C. From May 1977, until December 1980, I was Director of the Federal Mediation and Conciliation Service of the U.S. Government. During that period I was directly or indirectly involved in almost all of the major labor disputes that took place in the United States. I have been involved in the labor-management field in one capacity or another for 35 years.

I appreciate the opportunity to appear before this committee and I applaud your interest and concern.

As we all know, thousands of air traffic controllers have been fired for an illegal strike. In addition, the Federal Labor Relations Authority has taken away the union's bargaining rights and it has, for all practical purposes, ceased to exist. The public initially cheered the Government's forthright action but more and more there is a sense that all is not well, that substituting activity for real action is not a sensible long-run strategy.

But the extravaganza is clouding the fact that the problems which produced this regrettable and perhaps avoidable confrontation remain. The issues involved in this strike, including the failure of an employer to adequately recognize employee grievances, will continue to affect public sector managers and public sector unions at all levels of government unless something is done to recognize that there is a fundamental problem in the relationship in this relatively new labor sector. Confrontations not only will continue to arise, but will get worse. It is fairly safe to predict that, without some action by the Federal Government as an employer, there will be, in time, more "illegal" Federal strikes.

Seasoned observers of public sector collective bargaining have been watching the trend toward concerted action by public employees through their unions for some time. Firefighters, the police, hospital workers, and teachers have become the trade union movement's militants. This militancy has produced an increasing number of public sector strikes, often in defiance of State or local law. So Americans in recent months and years have watched with disbelief as firemen on strike have watched houses burn, policemen have picketed their own stations, and school teachers have gone to jail.

What has brought this on? Part stems from the explosive growth of public sector employment. This accelerated the growth of public sector unions. These unions, lacking any collective bargaining experience of their own, sought to adapt the lessons and experience of private sector bargaining. Until recently, the growth of union representation and the uses of the lessons of private sector collective bargaining ran along generally parallel lines. Only the question of whether or not public employees should have the right to strike plagued this new area of collective bargaining.

This is a troublesome issue to many because Americans, including those who have chosen careers in various branches of public service, have always accepted the tradeoff between public sector employment and the private sector. Blue collar and white collar workers in private industry have freedoms that public sector workers do not, such as the right to strike. But there also are risks: the constant threat of large-scale layoffs, and other factors which affect job security is one example.

Indeed, security of the job, a wide range of protective benefits, liberal leave policies (a summer off for teachers), and early and generous retirement policies were and in many cases still are hallmarks of that difference. Public workers willingly accepted responsibility for the continuity of services the public expected of them in return for these rewards. The majority of the states, the Federal Government, and numerous other public jurisdictions put laws on the books barring strikes by their employees.

But in many instances, the laws were and are honored in the breach. And now, for the first time in history, Federal workers are talking militancy and strike. In unions whose names are hardly household words, rumblings of collective unity and militant responses are troubling Federal sector managers. Kenneth Blaylock, President of the largest union of Federal workers, the American Federation of Government Employees, has stated, for example, that Federal workers are going to be militant if only because the older, more passive generation is retiring.

What has changed? The public's perceptions of the rights and duties of its public servants may not have changed, but the public employee's perception of his or her responsibilities to the employer have. This perception has changed because these employees believe that the bargain they struck with the public has been broken—not by them, but by the public and by the public's elected and appointed officials.

On top of the reduction of revenues brought on by taxpayer resistance (Proposition 13 and 2½ are known to everyone) have come severe cuts in Federal assistance. States, cities, hospitals, school boards, and other public service jurisdictions are scurrying to find the necessary economies. Because government is a service industry, and service industries are labor intensive, labor costs are highly visible and, presumably, controllable. So the drive is on to reduce jobs and forgo wages and benefits reinforced by the Administration's steps to cut Federal operating costs and personnel.

Public employees understandably feel threatened and their feeling is that they are the victims of bad faith bargaining. Layoffs of all public workers are the order of the day. The word is out that public jobs are not secure. Health benefits may be cut, pensions may be threatened, even after long years of service.

What can be done? Not much, if we continue to concentrate efforts, emotions, and resources on struggling with the question of who does or does not have the right to strike. The evidence is ample that, absent other alternatives, people will find ways to get attention to their problems whether their grievances are real or imagined—even if this means an "illegal" strike.

And it is no longer sufficient to talk only about alternatives to the strike. Arbitration

of new contracts, mediation, fact finding with or without recommendation, legislative review, and legislative decision-making on crucial issues such as wages have all enjoyed varying degrees of success and failure and will continue to do so when acceptable to the parties. It is not the fault of the mediators, arbitrators, and fact finders if the results of their deliberations do not get to the roots of the problems even if they "solve" the immediate crisis. Public managers and employee organizations are being less than candid with themselves and their constituencies if they lay off their bets on third party dispute mechanisms. In the long run, final resolution procedures are, of course, needed if an alternative to strikes in the public sector is required, but they will not work if that is all that happens in this new world of financial constraint, reorganization of public services, and reductions in personnel. Two minor events with respect to the difficulties with air traffic controllers are instructive in this respect.

In the midst of the crisis last summer Secretary Lewis was asked on the CBS program "Face the Nation" to respond to charges that the Federal Aviation Agency was "a bad boss to work for." He replied, "I think it's probably a legitimate charge. We are not out to make this kind of a problem three or four years from now." On April 29, 1982, the New York Times headlined, "Flight Controllers Say Training Lags." I would like to make that article a part of this record if someone has not already done so.

But for my purpose, the interesting part of the article refers to the problems of morale only in part related to the slow rate at which qualified additional controllers were entering the system. Let me quote from another part of this story.

"STUDY FINDS LOW MORALE

"Interviews this week with controllers at the radar center that regulates air traffic at Los Angeles International Airport and another F.A.A. facility at nearby Palmdale, which guides planes on the "en route" portion of their flights, confirm findings of a study commissioned by the aviation agency and released last month that morale is low among many controllers.

"The report concluded that many of the same kinds of antagonisms between operational controllers and agency management that led to union militancy and last summer's strike were still prevalent, and it warned that unless these problems were corrected they could lead to a confrontation between the agency and the controllers who remained on the job.

"The study asserted that many controllers were convinced that the aviation agency 'has little concern for employees, poor upward communication sensitivity and weak management support systems,' and that management attitudes were regarded as 'centralized, rigid and insensitive.'"

When one talks about the need for early warning systems this may well be the kind of thing we should be talking about. As we saw so dramatically last summer, something was going on. Perhaps something still is. Why aren't we, from all appearances, paying attention? Let me suggest one or two reasons.

Collective bargaining in the Federal sector and particularly the negotiation of contracts with grievance machinery terminating in binding arbitration of disputes arising during the term of the Agreement is a relatively new phenomenon. Attitudes of labor and management are, therefore, less mature than in other areas of private and public life. The experience of the parties is fresh, limited, and often unsophisticated. Unfortunately, Federal sector managers and union officials are repeating many of the earlier mistakes of their private and public sector counterparts. Managers on the whole are uneasy and at times resentful of the presence and apparent power of unions over decision-making, despite the fact that the right of review is part and parcel of the Agreement; unions, on the other hand, feel that they have been given little or no power over the fundamental issues and decisions, particularly in the economic area, that affect their lives. One result is that they build major disputes out of minor issues and major issues go unattended. There is no escape from some of the consequences of this dilemma. Congress is unwilling to give Federal workers the right to strike or to cede decision-making power over wages and benefits to independent arbitration by or through the Federal Services Impasses Panel. Nor is the Congress likely to legislate full collective bargaining, with compulsory arbitration as the end point of the impasse procedure, for other special groups as was done in the Postal Reorganization Act.

Of course, some things can be done to improve present procedures. FMCS is trying to force early entry mediation and to create artificial deadlines in a variety of ways. Coordination with the Panel to improve and refine this has progressed but these things I fear must be listed under the heading of constructive tinkering.

There is a lesson in the recent experience, however, that can be turned to useful advantage. But to do so we must look at the whole of the industrial relations structure in the Federal Government and, for the moment at least, turn away from the popular debates about the right to strike and the viable substitutes for it. We must, in fact, look closely at the crucial issue of day-to-day relations between the parties.

If there is one shining example of the early warning system at work, it can be found in the grievance machinery of the standard labor agreements so common in the private sector. Labor relations history is crowded with examples of the myriad number of ways that this procedure, properly used, can be a communication device, an early warning mechanism of a high order, and a repository and safety valve for a variety of issues that first surface in these procedures. The working relationships that develop and the problems that are managed in this process vary, of course, with the views that the parties have of the mechanism itself. Some treat it rigidly and confine its uses, others treat it liberally and expand its uses. But that is a choice made by the parties, and the procedure is flexible enough to embrace all comers.

In some important instances, the parties have added to this informal/formal process by creating, in addition, ongoing structures for continuing interaction outside of the grievance machinery and outside of the normal collective bargaining process. These labor-management committees, as they are often called, have been established on various levels: an industry, a plant, a company, and, in the public sector, in a city or region. They are enjoying more attention these days as problems of joint survival caused by competition and financial constraint and interest in the quality of working life have increased. The Federal sector is not immune to these pressures.

Sometimes the parties themselves are quite capable of establishing and nurturing such interaction. Other times they seek the help of third parties—mediators and/or consultants. The Congress, in the last session, recognized the need for encouraging this type of activity. The Federal Mediation and Conciliation Service is administering that portion of public law 95-524, the Labor-Management Cooperative Act of 1978.

Particularly because of the absence of other safety valves in the Federal sector, it seems to me that this committee should find ways to encourage the establishment of the mechanisms necessary to encourage this kind of ongoing dialogue. In my judgment this is the only early warning mechanism that can surface problems early enough to allow time for solutions to be fashioned. But to do so requires more than a statement.

Concurrently, the office of Personnel Management must look more closely at the state's or the Government's commitment to collective bargaining. Significant portions of our national labor policy have now been extended by law to cover Federal workers, but those minimal legal requirements can be handled or mishandled in many legal ways. Federal sector managers and Federal sector unions need considerably more education as to the history of this nation's commitment to the institution of collective bargaining. Managers and union officials need much more exposure through training to the techniques that make the institution work. The adversarial relationship can be healthy but it is not the whole story of current industrial relations.

If my analysis of the problems of the public sector generally and of the Federal sector in particular is correct, nothing less than affirmative action by Federal sector managers to bring representatives of their workers into the decision-making process on an ongoing basis will provide both the early warning that is needed and a mechanism for solving the problems before they reach flood stage. If this is done, the unions will have to respond in new ways that will benefit all.●

CLEAN AIR WEEK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. PHILLIP BURTON) is recognized for 5 minutes.

● Mr. PHILLIP BURTON. Mr. Speaker, while citizens around the Nation are observing Clean Air Week this week, Californians have a special stake in defending the Clean Air Act against attack. The legislation now before the House Energy and Commerce Committee would be a disaster for health and the environment in California. The California Air Resources Board predicts it would set back our air quality control program by at least a decade.

This bill would expose the majority of people in our State to polluted air for years to come. It would defy public support for cleaning up our smog problem. It would be a ripoff for California auto consumers. And it would increase the acid rain that threatens to ruin our lakes in the Sierras and can even sting your eyes in the form of Los Angeles "acid fog." I will strenuously oppose such amendments and will instead support strong Clean Air Act amendments such as those proposed by Representative HENRY WAXMAN.

Mr. Speaker, the extreme proposals to gut auto emissions standards under consideration by the committee would especially jeopardize California. By allowing car makers to double tailpipe emissions of nitrogen oxides for cars sold outside of our State, these amendments would put pressure on California to weaken its own strong State standards. Otherwise, such legislation would probably limit the selection of models available in California and make them more expensive. Moreover, it would cut back California's consumer-protecting warranties. Discarding pollution controls that are already in use will not provide the needed relief for the auto industry.

Meanwhile, the nitrogen oxide pollution that will result is the prime source of acid rain in California. State officials report that our rainfall averages 10 to 100 times more acidic than normal, with acid fog in Los Angeles 2,000 times stronger—strong enough to corrode metal.

Despite these problems, California is fortunate that our State has produced the leader of the battle to protect the Clean Air Act in the House, our colleague Representative HENRY WAXMAN. I have cosponsored his moderate and constructive clean air bill and urge my colleagues to follow his lead on amendments.

I am encouraged by recent committee votes refusing to relax air quality in national parks and wildernesses or to rollback deadlines for meeting health standards as much as proposed. I hope these decisions will mark a turning point toward producing a bipartisan bill that is fair to all the American people.●

H.R. 6300, THE TAX COMPLIANCE ACT OF 1982

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ROSTENKOWSKI) is recognized for 10 minutes.

● Mr. ROSTENKOWSKI. Mr. Speaker, today I am introducing the Tax Compliance Act of 1982. Earlier this year Senator DOLE, chairman of the Senate Finance Committee, introduced a similar measure in the Senate, S. 2198, the Taxpayer Compliance Improvement Act of 1982. I commend his efforts in this regard, and I share his belief that in the interest of fairness to the large number of taxpayers who do comply with the tax laws, every effort must be made to insure that our tax system is not undermined by the actions of a few who flaunt or otherwise ignore its rules.

The bill I am introducing today contains many provisions similar to those proposed in S. 2198. In preparing this bill, the provisions of the Senate bill were carefully studied. In many cases, those suggestions were adopted while taking into account comments and recommendations that have been received from the public since the introduction of the Senate bill. The bill that I am introducing today also contains provisions in two major areas—foreign transactions and the illegal sector—that were not included in S. 2198 but are consistent, I believe, with its basic philosophy. Preliminary estimates indicate that the increased revenues under this act could be as high as $3 to $4 billion. Today, I am also announcing that the Committee on Ways and Means will begin hearings on this bill and related legislative proposals on May 18, 1982.

I want to briefly summarize each title of the bill and present the rationale for including these provisions in the bill.

TITLE I: CRIMES, ABUSIVE TAX SHELTERS, FRAUD, ET CETERA

Title I contains a number of provisions designed to deal more effectively with the types of transactions that occur in the course of illegal activities, with abusive tax shelters and tax frauds, and with tax protester activities.

A. ILLEGAL ACTIVITIES

The bill contains provisions which permit a presumption of jeopardy with respect to collecting the tax on cash that is linked to illegal activities or cash that has no known owner. The provisions of present law which provide for expedited administrative and court reviews of any jeopardy assessment by the IRS are retained in full.

The bill also requires that Treasury obligations, State and local tax-exempt bonds, and most private sector debt obligations issued after December 31, 1982, be in registered form. Bearer bonds present serious problems for tax administrators and are often used in illegal activities and to evade Federal taxes. The solution to this problem is to require registration of debt obligations that are generally issued to the public, and the bill takes this approach for newly issued obligations. To reduce the burdens of compliance with this requirement, book entry systems of registration are authorized and most commercial debt will be excluded by exemptions provided for short-term obligations and for obligations not offered to the public. Registration in conjunction with the expanded information reporting requirements included in the bill should substantially close the tax gap with respect to interest payments, obviating the need to institute withholding on such payments.

B. ABUSIVE TAX SHELTERS

A new penalty is established to apply to those promoting or selling abusive tax shelters. In addition, the IRS is authorized to seek an injunction against those persons subject to the penalty. These measures are intended to deter those who organize, promote, and sell tax shelter schemes based on representations of fraudulent tax benefits or of tax benefits that are based on grossly overvalued assets or services. Under present law, the taxpayer who invests in such a scheme may be subject to penalties but the promoter is not.

C. OTHER PENALTY PROVISIONS

The bill also increases the fraud penalty of present law by adding a time sensitive element, based on 50 percent of the interest payable on the underpayment due to fraud.

A new civil penalty is proposed to apply to those who aid, advise, or otherwise participate knowingly in the understatement of the tax liability of another person (including corporations). This penalty is directed to those persons who are not subject to the preparer penalties of present law because they do not prepare the tax return but who are otherwise involved in deliberate understatements of tax.

Finally, a new penalty of $500 will apply for filing a tax return that is frivolous on its face. A growing number of taxpayers annually file returns which fail to disclose any item of income or deduction on the basis of claims that have no legal foundation or which devalue the items of income and deduction based on a "gold standard" computation. These returns pose a serious administrative burden to the IRS and individually may take years to resolve. It is hoped that a flat dollar penalty assessed at the time of filing will discourage this type of tax protest.

D. ADMINISTRATIVE SUMMONS

The bill revises the summons procedures to require a taxpayer who wishes to challenge a summons to begin a proceeding in court within 20 days. Under present law, the taxpayer need only send a letter to the IRS and the third party recordkeeper within 14 days to stay compliance with the summons, and then the IRS must initiate a court action to enforce the summons. A small proportion of taxpayers challenge third party summons presently, but of those who do, the vast majority never appear in court. In this situation, the taxpayer has gained delay in enforcement of the summons, while the IRS has been required to devote resources to the enforcement effort. The change proposed is intended to place a greater initial burden on the taxpayer to challenge the summons, but thereafter the burdens of proof are to remain the same as under present law.

In addition, the bill clarifies the point at which an administrative summons may not be used by the IRS. Under the proposal, the IRS could not use these procedures while a referral to the Justice Department for prosecution is in effect.

TITLE II: INFORMATION REPORTING

Title II contains a number of provisions designed to improve and expand the information reporting system. These changes are essential if information reports are to effectively substitute for withholding on sources of income other than wages. For those situations where no information returns are presently required, delayed effective dates are established to provide adequate startup time. Generally, the first returns would not be filed until January of 1984.

Information returns are required on payments of interest and original issue discount for most existing bearer instruments, including Treasury obligations and corporate debt obligations, as well as for registered instruments (generally required under present law). In addition, information reports are required from brokers and dealers on gross proceeds from certain property transactions, from States on State and local tax refunds, from those making insurance reimbursement payments for casualty and theft losses, from those making certain payments for services in the course of trade or business and from those who sell products to others for direct resale.

Each of these areas represent problems of underreported income or taxpayer error in reporting items of income and expense. Accordingly, a statement is also to be furnished to the taxpayer by the payer.

Provisions are also included to improve the present reporting system by increasing the penalties for failure to file required reports or to provide or supply a required taxpayer identification number. Further, after notice from the IRS, if a taxpayer fails to provide a correct taxpayer identification number, the payer will be required to withhold at a rate of 10 percent until the failure is corrected. In addition, large payers could be required to file on machine readable media. Finally, the bill also contains a provision included in the Senate bill to exempt the reporting requirements and related rules and regulations required or authorized from the provisions of Paperwork Reduction Act of 1980.

TITLE III: WITHHOLDING ON PENSION PAYMENTS

Title III establishes a voluntary withholding system for pension payments similar to that proposed in S. 2198. The administration believes that a more effective withholding system which applies both to annuities and other types of distributions from pension plans will assist taxpayers in better understanding and complying with the tax laws in regard to pension payments and will relieve these taxpayers of estimated tax burdens and penalties. The version of voluntary withholding contained in this bill attempts to address most of the criticisms of these provisions in S. 2198. For example, the bill permits individuals to elect out of withholding on annuities. The election will remain in effect until revoked. The bill also contains ample notice requirements of the rights to elect in or out of withholding and taxpayers are given adequate time in which to make these elections.

The bill also requires the Treasury Department to establish, by regulations, the reporting and recordkeeping requirements that are essential for improving the quality of the information necessary to determine the proper tax treatment of pension distributions and for assuring the availability of such information to participants and the IRS. The bill explicitly recognizes the difficulties of meeting these requirements in certain cases with respect to existing recordkeeping systems and allows a 2-year cleanup period.

Finally, the tax on premature distributions from an IRA is increased from 10 to 15 percent to improve, at current rates of interest, the effectiveness of that tax in discouraging premature withdrawals.

TITLE IV: FOREIGN TRANSACTIONS

Title IV contains provisions deemed necessary to improve tax compliance with regard to foreign transactions. The bill establishes venue in the U.S. District Court for the District of Columbia for enforcement of a summons where the U.S. person is outside of the United States. A number of reporting and filing requirements that apply to foreign personal holding companies, foreign corporations and foreign trusts are simplified and conformed. The bill also revises the penalty that applies under present law to failures to furnish information or file reports.

Finally, the bill contains provisions to govern the treatment of foreign transactions where books, records, and other documentation are not made available to the IRS to substantiate the nature of the transaction. In such cases, foreign payments will be considered income, and items of deduction and credit will be denied. The bill also specifies that when such documents are not made available to the IRS, after notice and request, the documents may not be admitted as evidence in court unless the taxpayer can establish a reasonable cause for failing to supply them earlier. These changes are necessary to address the problem where taxpayers fail or refuse to adequately substantiate foreign transactions that effect their U.S. tax liabilities during administrative proceedings and then appear at the courthouse steps with the records that had been previously requested.

TITLE V: INTEREST PROVISIONS

Title V provides new rules for calculating interest on certain underpayments and overpayments and establishes an interest surcharge on substantial underpayments. With respect to late filed returns, the bill provides that no interest is due on refunds if the IRS pays the refund within 90 days. Presently, the law provides a 45-day grace period for all returns after which interest is payable from the due date of the return; this rule is retained for timely filed returns.

In addition, the time period for computing interest on net operating loss or capital loss carrybacks and credit carrybacks is changed to begin on the due date for filing the return, including extensions granted, rather than from the end of the tax year. Further, no interest will be paid generally until a return is filed in processible form.

The bill also contains an administration proposal to provide for daily compounding of interest on underpayments and overpayments, versus semiannual compounding included in the Senate bill.

Finally, the bill adds a "no fault" penalty equal to 20 percent of the interest payable on the underpayment for substantial understatements of tax. This interest surcharge also differs from the "no fault" penalty on understatements contained in the Senate bill, in that no disclosure requirement is included. A substantial underpayment is defined as one that exceeds the greater of $5,000 or 10 percent of the tax due; in the case of a return where the underpayment is 50 percent or more of the tax due, the dollar threshold would be lowered to $500. The Secretary of the Treasury is allowed to waive this penalty where the taxpayer has a reasonable basis for the understatement and acted in good faith.

TITLE VI: PARTNERSHIP AND SUBCHAPTER S CORPORATION AUDITS

Title VI, subtitle A, contains a number of provisions included at the request of the administration to provide consolidated administrative and judicial proceedings for the determination of partnership items at the partnership level. Subtitle B provides similar rules for the determination of subchapter S corporation items at the corporate level.

A explanation of the provisions of H.R. 6300 follows:

EXPLANATION OF H.R. 6300, THE TAX COMPLIANCE ACT OF 1982—OVERVIEW

The Tax Compliance Act of 1982 would improve compliance with the income tax laws by adopting a number of new provisions which address six specific compliance challenges. First, the bill would discourage willful disregard for the income tax system by criminals, tax shelter promoters, fraudulent tax advisors and tax protestors. Specifically, there would be new provisions allowing the Internal Revenue Service to use jeopardy and termination assessment procedures to tax cash connected with illegal activities. Significant restrictions would be placed on the issuance of bearer debt obligations to the public, thus restricting one medium of exchange in the illegal sector. New civil penalties would be imposed on promoters of abusive tax shelters, persons assisting in the presentation of false tax documents, and persons filing tax protest returns. In addition, taxpayers would be required to assume a greater burden to block third-party recordkeeper summonses.

Second, the information reporting system would be significantly expanded and strengthened. Reporting would be required on accruals of corporate original issue discount and interest on certain bearer instruments, on independent contractors and direct sellers, or certain broker transactions, including barter exchanges, on State and local tax refunds, and on casualty insurance reimbursements. The penalties for failure to comply with information reporting requirements would be increased and a withholding tax would be imposed on persons who fail to supply their taxpayer identification numbers or to supply incorrect numbers.

Third, compliance with respect to pension and annuity payments would be strengthened through improved recordkeeping and reporting and imposition of withholding in the absence of an election by the taxpayer not to have withholding apply.

Fourth, reporting, examination and litigation with respect to tax liability on foreign activities would be streamlined through provisions designed to permit simplification of returns and information statements on such activities, to strengthen the penalties for failure to file required returns and statements, and to assure access to records maintained outside the United States.

Fifth, the rules relating to computation of interest on both underpayments and overpayments of tax would be amended to require compounding, to limit interest payments when taxpayers fail to file returns or claims for refunds or adjustments promptly, and to increase the cost of substantial underpayments.

Finally, the bill would simplify the administration examination of income tax issues arising with respect administrative proceeding with respect to partnerships and subchapter S corporations by providing for a single administrative proceeding with respect to such issues. The bill would also provide for review of the administrative determination in a single judicial proceeding.

TITLE I—CRIMES, ABUSIVE TAX SHELTER, FRAUD, ETC.

Part 1—Treatment of items used in illegal activities

Section 101.—Special Rules With Respect to Certain Cash

In the usual case, the Secretary may not assess and collect a tax deficiency unless he follows certain procedures designed to allow the taxpayer to first contest the existence and amount of the deficiency. These procedures include written notice of deficiency followed by a 90-day period during which time the taxpayer may petition the Tax Court for review of the Secretary's determination. No assessment may be made until after this 90-day period has expired or until after a decision of the Tax Court is final. Jeopardy and termination assessment procedures are provided when the Secretary believes the collection of a tax will be jeopardized by delay. These procedures permit immediate assessment and collection of the tax; that is, the taxpayer is denied the opportunity to contest the liability prior to payment.

Jeopardy assessment

If the Secretary believes that the assessment and collection of a deficiency of income, estate, gift or certain excise taxes will be jeopardized by delay, he may assess such deficiency and demand its immediate payment. Examples of cases in which the Secretary may reasonably believe that collection of a tax is in jeopardy include cases in which the taxpayer intends to conceal himself or his property from the Secretary, remove his property from the United States, or dissipate his property. If after assessment, notice, and demand the taxpayer fails to pay the assessed amount, the Secretary may immediately enforce collection.

The taxpayer is entitled to an expedited review by the Internal Revenue Service of the determination of jeopardy and the reasonableness of the amount assessed. After review by the Internal Revenue Service, the taxpayer is also entitled to a review by the appropriate United States District Court. In the District Court, the Secretary has the burden of proving that the determination of jeopardy was reasonable under the circumstances, while the taxpayer has the burden of proof with respect to the amount assessed. This review procedure is directed only at the reasonableness of the jeopardy assessment and the amount assessed. The District Court's opinion is nonappealable, and is not a determination of the actual existence or amount of any deficiency due from the taxpayer.

The taxpayer is also entitled to a separate review by the District Court or Tax Court of the actual existence of any tax deficiency on which the jeopardy assessment was based.

Termination assessment

When the Secretary finds that the collection of an income tax with respect to the current or immediately preceding taxable year (before the due date of the return for the preceding taxable year, with extensions) is in jeopardy, he may immediately terminate the taxable year, and assess and demand any deficiency he reasonably believes owing with respect to the tax period ending on the date of assessment. The taxpayer is entitled to the same administrative and District Court review of the termination assessment as is the case with jeopardy assessments. The taxpayer is also entitled to normal District Court or Tax Court review of the Secretary's determination that a deficiency for that taxpayer existed. To facilitate this review, the Commissioner must mail a notice of deficiency to the taxpayer within 60 days of the later of the due date of the taxpayer's return for the taxable year of the termination assessment, or the date the taxpayer files such return.

Both the jeopardy and termination assessment procedures require the Secretary to determine that there is a deficiency in tax and that the collection of this deficiency is in jeopardy. These procedures are not, therefore, well suited to cases in which the Secretary has reason to believe that a tax is owing with respect to an amount of property (for example, cash), but cannot determine the proper owner of such property.

The bill would define two cases in which the Secretary could presume that the collection of an amount of income tax is in jeopardy. First, if a person possesses, controls, or deposits, or has recently possessed, controlled, or deposited cash or its equivalent, and the Secretary believes that such cash represents gross receipts from, or funds used in, an illegal activity, then the Secretary will be able to presume for purposes of the jeopardy or termination assessment provisions (1) that the entire amount of the cash is gross income, and (2) that the collection of the tax owing with respect to such gross income is in jeopardy.

Second, if an individual in physical possession of more than $10,000 of cash or its equivalent (cash) denies ownership of the cash and cannot reasonably identify the true owner, then the Secretary will be permitted to presume, for purposes of the jeopardy and termination assessment provisions (1) that the collection of tax on such cash is in jeopardy and (2) that the cash is taxable to a single individual at the 50-percent rate. It is anticipated that the Internal Revenue Service would not assess on the same cash twice. Notices with respect to the assessment and the right to contest the assessment would be given to the person found in possession of the cash; however, the true owner could come forward and challenge the assessment and would be retroactively substituted for the possessor for all purposes as of the date of the original assessment. In addition, the true owner would continue to have the same rights as exist under present law to recover his cash.

The bill would provide that, for purposes of any law requiring reporting of monetary instruments in excess of $5,000, transported between the United States and a point outside the United States an attempt to transport or do certain other acts shall be subject to the same reporting requirements as apply to the act of transporting.

These amendments would be effective on the day after enactment.

Section 102.—Obligations Required To Be Registered

Under present law, the tax status of debt obligations is generally the same regardless of whether the obligation is issued in registered form or in bearer form. However, in the case of certain State and local obligations relating to housing or energy programs, interest on the obligations is exempt from Federal income tax only if the obligation is issued in registered form. Unregistered (bearer) obligations are often used in commercial dealings as effective substitutes for cash. Such obligations may also be used to conceal untaxed income or as a medium of exchange in illegal activities.

The bill would discourage the issuance of bearer instruments to the general public by denying certain tax benefits on such obligations and by prohibiting the issuance of bearer obligations by the Federal Government. Specifically, the Second Liberty Bond Act would be amended to require that every obligation of the United States or any agency or instrumentality thereof must be in registered form. In addition, interest on an obligation of a State or local government would not be exempt from Federal income tax unless the obligation is issued in registered form. In the case of obligations issued by other persons such as corporations, trusts, and partnerships, the issuing entity would not be permitted a deduction for interest paid on any obligation required to be registered which was not in registered form and the holder would not be permitted any loss deduction with respect to such unregistered obligations. For purposes of these new rules, an obligation could be considered issued in registered form if the right to principal and interest is determined by entries on the books of the issuer.

In the case of obligations issued by other than governmental units, registration would be required on all obligations except (1) obligations issued by a natural person, (2) obligations not of a type offered to the public, and (3) obligations with a maturity at issue

of less than one year. Thus, most commercial paper would be exempt from the registration requirements. The Secretary would be given authority to require registration of short-term and non-public obligations if, with respect to specific types of obligations, he determines that such obligations are used frequently to evade Federal taxes.

These new registration requirements would apply to obigations issued after December 31, 1982.

Part II—Abusive tax shelters

Section 111.—Penalty for Promoting Abuse Tax Shelters, et cetera

Present law contains no penalty provision specifically directed at promoters of abusive tax shelters and other abusive tax avoidance schemes. When a promoter sells a tax shelter that is premised on misrepresentations of the tax law, the existence of the investment assets, or the value of property or services, the promoter is not subject to any civil tax penalty unless some action of the promoter is connected with the preparation or presentation of a false or fraudulent return or other document. In such a case, the promoter may incur a civil penalty if his actions constituted return preparation. An injunction against further violation of the return preparer rules could also be sought. If the promoter is not a return preparer, then the only remedy available to the Government is criminal prosecution for aiding, assisting in, procuring, counseling or advising the preparation or presentation of a false or fraudulent return or other document under the internal revenue laws.

The bill would impose a new civil penalty on persons who organize or participate in the sale of abusive tax shelters. An abusive tax shelter is any partnership or other entity, any investment plan or arrangement, or any other plan or arrangement having a purported effect on Federal tax liability in connection with which the person makes or furnishes either (1) a false or fraudulent statement with respect to the allowability of any tax benefit or (2) a gross valuation overstatement (whether or not the accuracy of the statement is disclaimed). A gross valuation overstatement would be a statement of the value of services or property which exceeds 200 percent of the correct value and which is directly related to the amount of any deduction or credit allowable to any shelter participant. The penalty for promoting an abusive tax shelter would be the greater of $1,000 or 10 percent of the gross income derived or to be derived from the activity. If the Internal Revenue Service cannot determine the gross income from an activity for an entire year, it may assess the penalty on a portion of such gross income. The Secretary would be given authority to waive all or part of any penalty resulting from a gross valuation overstatement, when there was a reasonable basis for the valuation and the valuation was made in good faith. The mere existence of an appraisal is not, of itself, sufficient to show either reasonable basis or good faith. As in the case with the civil fraud penalties, the burden of proof in imposing the penalty would be on the Secretary. This penally would be in addition to all other penalties provided for by law and would apply beginning on the day after the date of enactment.

Section 112.—Action to Enjoin Promoters of Abusive Tax Shelters, et cetera

Present law provides that civil action may be brought by the United States to enjoin any person who is an income tax return-preparer from (1) engaging in any conduct subject to penalty under the income tax return preparer provisions or under the criminal tax laws, (2) misrepresenting his qualifications, (3) guaranteeing a refund or credit, or (4) engaging in any other fraudulent or deceptive conduct that substantially interferes with the proper administration of the tax laws. Injunctive relief may be granted by the appropriate United States District Court if the court finds that such relief is appropriate to prevent recurrence of the prohibited conduct.

The bill would permit the United States to seek injunctive relief against any person who has engaged in conduct subject to the penalty for the organization or sale of abusive tax shelters. These actions would be brought in the District Court of the United States for the district in which the promoter resides or has his principal place of business. If a citizen or resident of the United States does not reside in or have a principal place of business in any U.S. judicial district, such citizen or resident would be treated as a resident of the District of Columbia. The amendment would take effect on the day after the date of enactment.

Section 113.—Procedural rules applicable to penalties under sections 6700, 6701, and 6702.

Under present law, the burden of proof is on the Secretary in any proceeding in which the issue is whether an income tax return preparer has willfully attempted to understate the liability for tax of any person (*i.e.,* violated section 6694(b)).

The bill would provide that the burden of proof would be on the Secretary in imposing the tax shelter promoter penalty (sec. 111 of the bill), the civil penalty for assisting in presentation of false documents (sec. 122 of the bill), and the penalty for frivolous returns (sec. 123 of the bill). The deficiency procedures would not apply to any of these penalties. Instead, provision is made for District Court review of the assessment after the taxpayer pays 15 percent of the penalty. This is generally the same procedure used in the return preparer area.

Part III—Fraud, false documents, frivolous returns

Section 121.—Fraud penalty

If any portion of an underpayment of tax is due to fraud, present law imposes a civil penalty (as an addition to tax) equal to 50 percent of the entire underpayment. If part of an underpayment is attributable to negligence or intentional disregard of rules and regulations, the penalty under present law is equal to 5 percent of the entire underpayment plus 50 percent of interest payable on the portion of the underpayment attributable to negligence or intentional disregard of rules and regulations for the period beginning of the last date prescribed for payment of the tax and ending on the date of assessment of the tax.

The bill would increase the civil penalty for an underpayment of tax which is due at least in part to fraud by providing that in addition to the 50 percent penalty on the entire underpayment, there would be a penalty equal to 50 percent of the interest payable on the portion of the underpayment attributable to fraud for the period beginning on the last date prescribed for payment of the tax (without regard to any extension), and ending on the earlier of the date of assessment or the date of payment of the tax. Under the bill, the negligence penalty would not apply when the fraud penalty has been assessed. This increase to the fraud penalty would parallel the increase in the negligence penalty enacted in the Economic Recovery Tax Act of 1981.

The amendment would apply to taxes the last day for payment of which is after the date of enactment.

Section 122.—Penalties for documents understating tax liability

Present law provides a criminal penalty for willfully aiding, assisting in, procuring, counseling, or advising the preparation or presentation of a false or fraudulent return, affidavit, claim or other document under the internal revenue laws. The criminal penalty is a fine of up to $5,000 or 3 years imprisonment, or both. There is no comparable civil penalty on persons who aid or assist in the preparation or presentation of false or fraudulent documents. However, income tax return preparers who willfully understate the liability for tax of any person are subject to a penalty of $500 per return.

The bill would provide for a new civil penalty on any person who aids, assists in, procures, or advises, the preparation or presentation of a return, affidavit, claim or other document under the internal revenue laws which the person knows will likely be used in connection with any matter arising under the tax laws, and which the person knows will (if used) result in an understatement of the tax liability of another person. This penalty, which would be $1,000 for each return or other document ($5,000 in the case of returns and documents relating to the tax of a corporation) could be imposed whether or not the taxpayer knew of the understatements. The burden of proof in imposing the penalty would be on the Secretary. The return preparer penalties would not apply to any person with respect to a return or claim for refund, if the new penalty for documents understating tax is imposed on that person. However, this penalty would apply in addition to all other penalties provided by law. This penalty would apply beginning on the day after the date of enactment.

Section 123.—Penalty for Frivolous Returns

Under present law, a taxpayer who files a protest return (such as one refusing to pay tax because the U.S. is no longer on the gold standard) may be subject to a penalty for failure to file a return. This penalty, however, is measured as a percentage of the underpayment of tax. Thus, if a taxpayer has paid the correct amount of tax through estimated tax or wage withholding, there is no penalty for filing a protest return.

The bill would provide for an assessable penalty of $500 on the filing of any document which purports to be a return of tax if (1) the document does not contain information from which the substantial correctness of the amount of tax shown on the return can be judged or contains information that on its face indicates that the amount of tax shown on the return is substantially incorrect, and (2) such conduct arises from a position taken by the taxpayer on the purported return which is frivolous or from a desire to delay or impede administration of the Federal income tax laws. The penalty would be imposed, therefore, only on purported returns that are patently improper. Since it would be unnecessary to determine the taxpayer's true tax liability before imposing the penalty, the bill would permit immediate assessment of the penalty. Thus, asessment of the penalty would not affect the final tax determination. The deficiency procedures, under which the taxpayer would receive advance notice before assessment would not apply to the penalty. There is, however, provision for district court review of the assessment (se. 113 of the bill). The penalty would be in addition to all other possibilities provided by law and would apply to documents filed after the date of enactment.

Part IV—Administrative summonses

Section 131.—Special Procedures for Third-Party Summonses

Under present law, if an administrative summons is served on a third-party recordkeeper sommoning that person to produce the records of the business transactions or affairs of a person other than the person summoned, then notice of the summons must also be given to the person whose records have been summoned (the taxpayer) within 3 days of the day on which the summons was served. Such notice must be accompanied by a copy of the summons served and must contain directions on how the taxpayer can stay compliance with the summons. For these purposes, a third-party recordkeeper is a bank or similar financial institution, a consumer reporting agency, a credit card company, a brokerage house, an attorney, or an accountant.

The taxpayer can stay compliance with a third-party summons if the taxpayer notifies the recordkeeper in writing within 14 days not to comply with the summons and mails a copy of this notice to the Secretary by registered or certified mail. To enforce the summons after the taxpayer gives notice to the recordkeeper, the Secretary must seek an order of a United States District Court compelling compliance, at which time the third-party recordkeeper or the taxpayer must assert its defenses for noncompliance. No examination of the summoned records can be made until the expiration of the period for notice not to comply or, if such notice is given, until the court authorizes examination.

Under the bill, a taxpayer, who is entitled to notice of the summons and who wishes to prevent compliance by the recordkeeper, would be required to begin a court proceeding to quash the summons within 20 days after notice of the summons was given. When a court proceeding is initiated, the taxpayer would be required to mail (by registered or certified mail) a copy of the petition to the recordkeeper and the Secretary. In the same court proceeding, the Secretary could seek to compel compliance with the summons. The recordkeeper would have the right to intervene in the proceeding to quash the summons, and would be bound by any decision in such proceeding, even if it did not intervene. No examination of the summoned records would be allowed before the close of the twenty-third day after notice of summons was given, or if a proceeding to quash was begun, until the court so ordered. The amendment would apply to summonses served after December 31, 1982.

Section 132.—Duty of Third-Party Recordkeeper

Under present law, a third-party recordkeeper is bound to respond to a valid summons for records relating to a taxpayer unless the taxpayer stays compliance by notifying the recordkeeper not to comply within 14 days of receipt of notice of the summons. A result of this procedure is that a third-party recordkeeper may be hesitant to start assembling the taxpayer's records or to comply with the summons until it is absolutely certain that the taxpayer has not sought to stay compliance.

The bill would require a third-party recordkeeper to proceed to assemble requested records upon receipt of the summons and to be prepared to produce the records on the date specified for their examination. Thus, the recordkeeper would not be permitted to wait until after the 20-day period in which the taxpayer would have the right to seek to quash the summons before assembling the summoned records. After expiration of a 23-day period, the bill would permit the Secretary to certify to the recordkeeper that no proceeding to quash had been initiated. Any recordkeeper who makes a disclosure of records pursuant to a court order or in reliance on the Secretary's certification that no proceeding to quash had been commenced would not be liable to the taxpayer for the disclosure. The provision would take effect on the day after enactment.

Section 133.—Limitation on Use of Administrative Summonses

Present law has been interpreted as permitting the use of administrative summonses by the Internal Revenue Service only for the investigation of civil tax liabilities. Thus, the Supreme Court has ruled that the administrative summons is not available once the Internal Revenue Service has decided to pursue criminal prosecution of the case. The issue of whether the Service has decided to seek criminal prosecution has led to protracted litigation in many summons cases.

The bill would provide a "bright-line" test for determining whether an administrative summons may be used. Such a summons could be used in any inquiry under the internal revenue laws as long as there had been no referral of the case to the Attorney General with a recommendation for criminal prosecution. The ability to use an administrative summons would be revived if the Attorney General notified the Internal Revenue Service that he declines to prosecute or that there has been a final disposition of the criminal proceeding. The amendment would take effect on the day after enactment. Each taxable period or event would be treated separately.

TITLE II—IMPROVED INFORMATION REPORTING

Part 1—Expanded reporting

Section 201.—Transactions Involving Certain Obligations

Under present law, any person making payments of interest, whether as principal or nominee, aggregating $10 or more in a calendar year must file an information return with the Secretary and send an information statement to the interest recipient. Similarly, any corporation which has outstanding any evidence of indebtedness in registered form with respect to which there is $10 or more in original issue discount includible in the gross income of any holder in any calendar year must file a return with the Secretary stating the aggregate amount of the original issue discount so includible and send an information statement to such holder.

For purposes of this reporting requirement, "interest" is defined as interest on evidences of indebtedness of corporations issued in registered form, and to the extent provided for by regulation, interest on corporate bearer obligations of a type offered to the public; interest earned on bank deposits and on amounts paid by various financial institutions; interest paid on certain amounts held by insurance companies; and interest on deposits with stockbrokers and securities dealers. Interest does not include amounts paid on exempt governmental obligations (to the extent provided by regulations), interest paid by or to certain foreign persons, or amounts paid with respect to taxfree covenant bonds for which there is withholding. Likewise, by regulation, no payments of interest to or by the United States, a State, the District of Columbia, a foreign government, or a political subdivision of a State or foreign government, or an international organization need be reported. However, the Secretary is granted authority to require any corporation making a payment of interest, other than interest as defined above, to file such returns as the Secretary may require.

An obligation is "registered" for this purpose if it is registered as to both principal and interest (if any interest is payable) and if it can be transferred only by the surrender of the old instrument and (1) the reissuance of the old instrument to the new holder or, (2) the issuance of a new instrument to the new holder.

The bill would expand both the categories of interest specifically subject to the information reporting requirements and the categories of persons liable to report such interest.

The bill would expand the definition of "interest" for information reporting purposes to include interest on any evidence of indebtedness issued in registered form or of a type offered to the public (other than any evidence of indebtedness with a maturity of less than 1 year, which is held by a corporation). However, interest does not include any amounts paid by any natural persons, in addition to the other exceptions under present law. Also, reporting would be required with respect to State and local obligations issued after December 31, 1982, unless such obligations were issued in registered form.

In addition, the bill would expand the reporting requirement with respect to original issue discount by providing that, for purposes of the information reporting provision, any original issue discount includible in the gross income of any holder of a corporate obligation would be treated as a payment by the corporate issuer of such original issue discount in that calendar year, whether or not the obligation is in registered form. The amount treated as paid would be equal to the entire amount of the original issue discount accruing during the calendar year without reduction for any amortization of the excess of the purchase price of the evidence of indebtedness paid by any transferee over the transferor's adjusted basis. The Secretary would also be authorized to prescribe regulations under which a payor could be required to report interest on a transactional, rather than an aggregate annual basis. Thus, under such regulations, interest or OID on bearer obligations could be reported at maturity.

Finally, the bill would require that any person, including any governmental unit or agency thereof, any corporation, trust, estate, or partnership, but not including any natural person, file such returns as the Secretary may require by regulation, regardless of the amount paid. In addition, the bill would provide that, to the extent provided in regulations, any financial institution, broker, or other person who collects interest for a payee (or acts as a payee's middleman), would be obligated to file any information return and information statement due on the transaction; no other person would have a reporting obligation with respect to any such payment.

This provision would be effective with respect to any amount of interest paid after December 31, 1983.

Section 202.—Returns of Brokers

Present law requires that every person doing business as a broker make a return, when required under regulations issued by the Secretary, showing customer names, and such details regarding profits and losses, and such further information as the Secretary may require. There are, currently no regulations issued under this section.

Under the bill, section 6045 (dealing with information returns by brokers) would be revised.

First, the bill would add a new subsection to require that brokers required to file returns with the Secretary also furnish, on or before January 31 of the calendar year following the calendar year with respect to which the return is filed, a statement to each customer setting forth the broker's name and address and such other information as is required to be shown on the return. This statement would serve to recapitulate for the customer the transactions engaged in by him during the previous calendar year and would aid the customer in filing an accurate income tax return.

Secondly, the bill would define the term "broker," as used in section 6045, to include dealers and any other persons who regularly act as middlemen for profit with respect to transactions in property, as well as barter exchanges. This definition would not include persons, such as wholesalers, who act for their own account.

Finally, it would be anticipated that the Secretary will prescribe new regulations under this section at least with respect to security and commodities brokers and dealers as soon as it is practicable. These regulations would require reporting of gross proceeds, and also may require details regarding profits and losses where appropriate.

This provision would be effective on the date of enactment. However, to assure that the persons affected by the new filing requirements could prepare to comply, the regulations issued under this provision should not take effect until after 1982.

Section 203.—Information Requirements for Payments to Nonemployees

Present law generally requires persons who are engaged in a trade or business to file information returns with respect to payments to other persons, in the course of such trade or business, aggregating $600 or more in the taxable year. This reporting obligation, subject to various exceptions, applies to payments of salaries, wages, commissions, fees, other forms of compensation for services, and other fixed or determinable gains, profits, or income. These information returns generally must contain the name, address, and identification number of the recipient of the payment, and the aggregate amount paid. Persons subject to this reporting requirement must provide the recipient of the payments with a statement showing the payor's name, address, and identification number, and the aggregate amount paid.

The bill would provide a separate reporting requirement for payments to persons who are not employees and would impose a new reporting requirement with respect to certain direct sales. Under the bill, a person engaged in a trade or business who pays amounts in the course of that trade or business to any person (payee) for services performed would have to file with the Internal Revenue Service an information return reporting such payments (and the name, address, and identification number of the payee) if the payments during the calendar year were $600 or more. Also, the payee would have to be furnished with a statement setting forth the name, address, and identification number of the person making the return, and the aggregate amount of the payments.

In addition, the bill would provide a new information reporting requirement for certain direct sellers. The new requirement would apply if a person, in the course of a trade or business, sells products aggregating $600 or more to any buyer engaged in selling such products on a direct-sale basis or selling such products to other persons so engaged. In general, the person making the sale would have to file an information return setting forth the aggregate amount of the sales to the buyer and the name, address, and identification number of the buyer. The buyer would be furnished with a statement setting forth the name, address, and identification number of the seller, and the aggregate amount of sales to the buyer.

A resale of products would be on a direct-sale basis, and, thus, subject to the bill's new information reporting requirements, if the resale is on a buy-sell basis, a deposit-commission basis, or similar basis specified in Treasury regulations, and in a home or otherwise than in a permanent retail establishment. (A transaction would be on a buy-sell basis if the seller is entitled to retain part or all of the difference between the price at which he purchases the product and the price at which he sells the product as his remuneration for the transaction. A transaction would be on a deposit-commission basis if the seller is entitled to retain part or all of the deposit paid by the customer in connection with the transaction as his remuneration for the transaction.)

Failures to comply with these information reporting requirements would be covered generally by penalty provisions present in the Code (and as revised by sections 211-213 of this bill). Specifically, for purposes of the backup withholding provisions (sec. 213) of this bill, any person making a sale on a direct-sale basis would be treated as having made a payment to the buyer equal to the value of the goods sold.

The new information reporting requirements would apply in calendar years beginning after 1982.

Section 204.—State and Local Income Tax Refunds

Refunds of State or local income taxes that were deducted in a previous taxable year are includible in a taxpayer's gross income to the extent the deduction gave rise to a tax benefit. Under present law, there is no requirement that information returns for such refunds be filed with the United States or that refund recipients receive information statements on such refunds during the tax filing season.

The bill would require that information returns for State and local income tax refunds, credits, or offsets aggregating $10 or more, paid to any individual, be filed with the Internal Revenue Service. Such return would report the aggregate amount of any such refund payments, credits or offsets, and the recipient's name and address. It would be anticipated that States and local governments could satisfy such obligations through voluntary information exchange agreements such as those now currently in effect between the United States and several States. A statement with respect to each such return would have to be furnished to the recipient of the refund during January of the calendar year following the calendar year in which the refund is made. This new requirement would apply to refunds, credits, and offsets made after December 31, 1982.

Section 205.—Casualty Reimbursements

Present law allows an individual to deduct personal losses (in excess of $100) sustained during the taxable year that arise from fire, storm, shipwreck, or other casualty, or from theft, if such losses are not compensated for by insurance or otherwise.

Under present law, there is no requirement that persons paying compensation for casualty losses file information returns with respect to such reimbursements with the Service, nor that information statements be furnished to the recipients of the reimbursements.

The bill would subject reimbursements for casualty and theft losses to the general information reporting at source requirements, under section 6041(a). An information return would be required for a reimbursement of $600 or more; likewise, an information statement would be required to be furnished to the recipient of the reimbursement. The provision would be effective for payments made after December 31, 1982.

Part II—Provisions to improve reporting generally

Section 211.—Increased Penalties for Failure To File Information Returns

Present law imposes a penalty on any person who fails to file, on the date prescribed (with extensions), information returns including returns relating to certain information at source involving payments of $600 or more, payments of dividends aggregating $10 or more, payments of patronage dividends aggregating $10 or more, payments of interest aggregating $10 or more, payments of certain fishing boat operators, income tax withheld, or payments of wages in the form of group-term life insurance. The penalty is $10 for each such failure, but the total for all such failures during a calendar year cannot exceed $25,000. The penalty is not imposed if the failure is due to reasonable cause and not to willful neglect.

The bill would increase the penalty for failure to file the information returns noted above to $50 per failure, the total amount for all such penalties for any calendar year not to exceed $50,000. The bill would provide a new penalty for failures due to intentional disregard of the filing requirements. In such circumstances, the penalty would not be less than 10 percent of the aggregate amount of the payments not properly reported. Finally, the bill would expand the category of returns covered by these provisions to include returns for payments to nonemployees and payments to customers by brokers and dealers.

This provision would apply to all returns the due date of which (without regard to extensions) is after December 31, 1982.

Section 212.—Increase in Civil Penalty on Failure To Supply Identifying Numbers

Present law imposes a penalty of $5 per failure on any person who is required by regulations (1) to include his taxpayer identification number (TIN) in any return, statement or document; (2) to furnish his TIN to another person; or (3) to include in any return or statement made with respect to another person the TIN of such other person; and who fails to comply with such requirement at the time prescribed. The penalty is not imposed if the failure is due to reasonable cause. In practice, this penalty is rarely, if ever, imposed.

The bill would increase the $5 penalty to $10 with respect to the TIN requirement, in case (1), and to $50 in cases (2) and (3), above. This would be effective for returns the due date of which (without regard to extensions) is after December 31, 1982.

Section 213.—Extension of Withholding to Certain Payments Where Identifying Number Not Furnished or Inaccurate

Present law imposes a penalty of $5 per failure on any person who is required by regulations to include his taxpayer identification number (TIN) in any return, statement or document, to furnish his TIN to another person, or to include in any return or statement made with respect to another person the TIN of such other person, and who fails to comply with such requirement at the time prescribed. The penalty is not imposed if the failure is due to reasonable cause. Present law does not impose any withholding obligation on any payor making a payment subject to an information reporting requirement based on whether the payor has received a TIN, or a correct TIN, from a payee.

The bill would provide for withholding at source at a tax rate of 10 percent if a taxpayer fails to supply a TIN or supplies an incorrect TIN to another person who must file certain types of information returns with respect to payments to the taxpayer. The types of payments subject to this withholding requirement would include payments of dividends and interest, and payments from brokers and certain dealers. The determination of whether such payments were subject to this withholding requirement would be made without regard to the minimum threshold amounts that apply for purposes of information reporting.

Also, this new withholding provision would apply to payments of rents, salaries, wages, commissions, fees, or other forms of compensation for services and other fixed or determinable gains, profits, or income, and certain payments to independent contractors or by direct-sellers, but only when (1) the aggregate amount of the payments to the payee during the calendar year equals or exceeds $600, (2) the payor was required the preceding year to file an information return for such payee, or (3) the payor was required the preceding year to withhold on such payments to the payee.

Generally, payment of amounts subject to this new withholding provision would be treated as "wages" paid by an employer to an employee and subject to the various provisions applying to collection of income tax at source on wages.

If the TIN is not supplied, the payor-filer would start withholding when any payments are made. If the TIN is incorrect, the payor would start withholding upon notice from the Secretary that the taxpayer has failed to supply the correct TIN. (A copy of such notice would also be required to be mailed to the taxpayer.) Generally, such withholding would continue as long as the taxpayer failed to supply or correct his TIN.

The bill would require the Secretary to provide for exemptions from the backup withholding provisions during periods in which a person is awaiting receipt of an identification number.

This provision would apply to payments made after December 31, 1983.

Section 214.—Information Returns

In general, returns required by the tax laws must be made according to the forms and regulations prescribed by the Secretary. As a general rule, these returns must be in written form except that in certain cases the return may be made by filing the required information on magnetic tape or other medium, provided that the prior consent of the Commissioner is obtained. There is no statutory or regulatory requirement that any particular return be filed on magnetic tape or in other machine-readable form. Under present law, the Internal Revenue Service generally does not refuse to accept, as filed, returns filed by taxpayers in good faith even though the return may not be complete enough for the Commissioner to determine whether or not the amount of tax shown on the return is mathematically accurate. Because such returns cannot be mathematically verified, the Commissioner cannot promptly refund amounts due to taxpayers, thereby incurring needless interest expense to the United States.

The bill would require the Secretary to prescribe regulations providing standards for determining which returns must be filed in machine-readable form. In prescribing these regulations, the Secretary would be required to take into account the cost, among other factors, of the filing requirement to the taxpayer.

Section 215.—Paperwork Reduction

Under present law (Paperwork Reduction Act of 1980), information collection requests must be referred to the Office of Management and Budget for approval. The OMB has taken the position that this requirement applies to Treasury Regulations as well as to tax forms.

Under the bill, the Paperwork Reduction Act of 1980 would not apply to any rule or regulation promulgated under the Internal Revenue Code or to any information collection request that the Secretary determines to be authorized by the Code or by any rule or regulation.

TITLE III—PENSIONS AND OTHER RETIREMENT INCOME

Part I—Withholding provisions

Section 301.—Withholding on Pensions, Annuities, and Certain Other Deferred Income

Present law

Under present law, income tax generally is not required to be withheld from benefits paid under a tax-qualified pension, profit-sharing, or stock bonus plan, under a tax-sheltered annuity program or under an IRA (an individual retirement account or annuity or a U.S. retirement bond). Also, payments under a commercial annuity contract generally are not subject to withholding. Tax is required to be withheld, however, if a voluntary withholding request by the recipient is in effect.

Withholding required

Under the bill, tax would generally be withheld from all designated distributions (the taxable part of payments made from or under a pension, profit-sharing, stock bonus, or annuity plan, a deferred compensation plan where the payments are not otherwise considered wages, an IRA, or a commercial annuity contract). The withholding rate would be determined by the nature of the distribution. Tax would be withheld on periodic payments (typically, annuity payments) as if those payments were wages paid by an employer to an employee for the appropriate payroll period (subject to the usual rules for personal and other exemptions from withholding). It is anticipated that the Secretary of the Treasury would provide guidance to determine the appropriate payroll period. Withholding would not be required with respect to the first three months of periodic payments, although the payor and payee could agree to earlier withholding.

For nonperiodic distributions, tax generally would be withheld at a 10 percent rate. In the case of total distributions under qualified pension, etc., plans (sec. 401(a) or 403(a)), tax would be withheld under special rules designed to reflect the 10-year forward income averaging and capital gains treatment provided for lump sum distributions. It is anticipated that the exclusion for death benefits could be taken into account to the extent provided by Treasury regulations.

Elections

Under the bill, recipients could elect not to have the withholding rules apply. For periodic payments, an election would be effective until revoked. In the case of nonperiodic distributions (including total distributions under qualified plans), an election not to have income tax withheld generally would be required for each such payment. However, the bill would allow a recipient's election to apply to more than one nonperiodic distribution from the same payor to the extent provided by Treasury regulations. For example, regulations could permit an annual election to have no tax withheld from amounts paid from an individual retirement account during a year.

Payors would be required to notify recipients of the right to elect not to have the withholding rules apply. For periodic payments, the notice would be required not earlier than 2 months before the date of the first payment, and not later than the date of the first payment. For purposes of the withholding rules relating to periodic payments, if the payments are suspended (for example, by reason of a retiree's return to the service of the employer), the first periodic payment made after the suspension would be treated as a first periodic payment. In addition, the bill would require that payors of periodic payments notify payees at least once each year of the right to make or revoke the withholding election.

With respect to a nonperiodic distribution, the bill would require the payor to provide notice of the right to elect not to have income tax withheld at the time of the distribution. The bill also would permit Treasury regulations to require earlier notice by the payor in certain cases. For example, unless recipients of lump sum distributions are notified of their rights to elect not to have withholding apply before they receive their distributions, they may be unable to transfer the full amount eligible for a tax-free rollover. In order to prevent this result, it is anticipated that Treasury regulations will require that recipients of total distributions from qualified plans be informed before plan distributions are made of their right not to have withholding apply. In order to provide participants with a reasonable time in which to make this election, it is anticipated that this notice will generally be required to be provided no more than 90 days and no less than 30 days before the time of the distribution.

Coordination with other provisions

The rules of the bill for designated distributions would not apply to amounts paid as wages subject to the usual wage-withholding rules. In addition, the rules of present law for income tax withheld from wages would apply to amounts withheld from designated distributions. With respect to designated distributions, the bill would replace the provisions of present law which permit voluntary withholding on amounts paid as an annuity.

Reports

To improve compliance, the bill would provide for reporting of necessary information by employers, plan administrators, and issuers of insurance or annuity contracts. The reports would include the name, address, taxpayer identification number, and certain other information with respect to each payee who elects not to have the withholding rules apply. As under present law, penalties would apply to any person failing to provide a required report, unless the failure was determined to be due to reasonable cause and not due to willful neglect. The form and manner of reporting would be determined under regulations prescribed by the Secretary of the Treasury.

The bill also would provide a new penalty if the data base needed for reports is not maintained. The penalty would apply whether or not reports are due for the period during which the recordkeeping failure occurs. No penalty would be imposed for failure to meet the recordkeeping rules when the failure is due to reasonable cause and not willful neglect. Also, no penalty would be imposed for a recordkeeping failure that is due to a prior failure with respect to which the penalty has already been imposed or which occurred before 1983. if all reasonable efforts have been made to correct the prior failure.

Effective dates

In general, the withholding rules would apply to designated distributions made after December 31, 1982. For purposes of applying the rules to periodic payments which commenced prior to January 1, 1983, the first periodic payment after December 31, 1982, is considered the first periodic payment made. Thus, no withholding would be required with respect to any periodic payment made before April 1, 1983. The reporting requirements and voluntary withholding rules would be effective on January 1, 1983, and the recordkeeping penalties would be effective on January 1, 1985.

Part II—Provisions relating to individual retirement accounts

Section 311.—Increase in Penalty for Premature Distributions

Present law provides for a 10-percent excise tax on certain early distributions from an IRA, from accumulated deductible employee contributions or from an H.R. 10 plan. Generally, an early distribution is one made before age 59½, unless it is made on account of death or disability.

The bill would increase the rate of the excise tax on early distributions from 10 to 15 percent. The increase would apply to distributions made after December 31, 1982.

Section 312.—Partial Rollovers of IRA Distributions Permitted

Under present law, distributions from an IRA are eligible for tax-free rollover treatment only if the entire amount of the distribution is rolled over to another eligible retirement plan. In contrast, distributions from qualified plans are eligible for tax-free rollover treatment to the extent of an amount so transferred. The bill would allow similar partial rollovers for IRA distributions made after December 31, 1982.

TITLE IV—TRANSACTIONS OUTSIDE THE UNITED STATES

Part I—Access to records

Section 401.—Jurisdiction of Court and Enforcement of Summons in the Case of Persons Residing Outside the United States

Under present law, an administrative summons may be directed to a U.S. person outside the United States. However, it may not be enforceable because section 7604 and other operative sections of the Code fail to specifically confer venue to enforce the summons on a District Court except when a person "resides or may be found" in a judicial district of the United States. Because a U.S. citizen or resident living abroad may not reside in or be found in a judicial district of the United States there may be no district court that can enforce a summons served on such a person.

In these situations, the bill would establish venue for summons enforcement actions involving U.S. citizens or residents living abroad in the United States District Court for the District of Columbia. This would be accomplished by treating a citizen or resident of the United States who does not reside in any U.S. judicial district, and who is not found in any U.S. judicial district, as residing in the District of Columbia for tax purposes relating to jurisdiction of courts and enforcement of summons.

This provision would be effective on the date after the date of enactment.

Section 402.—Treatment of Foreign Transactions With Respect to Which There Are Not Adequate Books and Records

Under present law, in general, the burden of proof in tax matters is on the taxpayer. He is required to submit evidence sufficient to establish his deductions or the tax effects of transactions. Taxpayers have an obligation to maintain adequate books and records, and are required to maintain such books and records as the Secretary requires (section 6001). Special rules require U.S. shareholders of controlled foreign corporations to maintain books and records relating to transactions of those corporations (section 964).

Despite these rules, the Internal Revenue Service has had problems dealing with foreign transactions. These problems have arisen in the context of illegal income as well as legitimate business transactions. For example, one common method employed by U.S. persons to launder drug profits is to carry the cash to a tax haven, deposit it with a small bank, and then have the bank lend the proceeds back to the dealer. The loan is fully documented. The IRS might try to assert a deficiency against the dealer. However, a properly documented phony loan transaction can make such a deficiency difficult to sustain.

At times taxpayers engaged in manipulative transactions overseas can refuse to provide books and records to an IRS agent, or can use delaying tactics in the hope of getting a better settlement. At times they will not produce the documentation until they are in court when it can be difficult to look behind it. Often, tax haven bank or commercial secrecy laws carrying criminal penalties for violation are cited as the reason for failing to produce the requested information. Also, numerous cases have occurred where taxpayers engage in transactions with foreign financial institutions which they claim are not related to them. In fact, they may control the institution or the funds being used.

The bill would generally limit the ability of a taxpayer who has refused to provide items of documentation of foreign transactions requested by the Internal Revenue Service to prove his view of those transactions in the court. This would be accomplished by requiring any court having jurisdiction over the issue to prohibit the introduction by the taxpayer of any foreign-based documentation covered by a document request relating to the item unless that documentation is provided to the Internal Revenue Service within the time provided in the bill.

An exception to the general rule would be provided if the taxpayer establishes to the satisfaction of the court that the failure to provide the documentation as requested was due to reasonable cause. Under the bill, the fact that providing the information violates local law is not reasonable cause. Thus, it is anticipated that it would be more difficult to establish reasonable cause when requested documentation is in a tax haven.

The bill would also create a presumption that any amount received from a foreign jurisdiction is income (rather than, for example, a loan) unless the recipient produces documentary evidence that establishes to the satisfaction of the Internal Revenue Service that the amount is not income. Likewise, there would be a presumption that any tax benefit purporting to arise in a foreign country would be denied unless, on request of the Internal Revenue Service, sufficient documentary evidence were provided to establish the true nature of the transaction.

The bill would establish safeguards so that the taxpayer would have adequate time to produce requested documentation. It is anticipated that the Secretary would extend the time limit where, for example, local procedures which take a relatively short additional period of time can be followed by the taxpayer to obtain the requested documentation. Also, the Commissioner would have to describe the requested information in some detail, and would have to state with specificity the reasons why what has been produced by the taxpayer is not adequate.

The bill would also provide that if the provisions relating to admissibility, the presumption that a foreign item is income, or the denial of a tax benefit, apply to a taxpayer because of a request for information arising out of any trade or business (or other activity) of the taxpayer, then the Secretary may require that the taxpayer maintain documentation for the trade of business in the United States, at a place designated by the Secretary. This provision would not apply if a court determines that the taxpayer's failure to produce the requested information was due to reasonable cause.

This provision would be effective for formal document requests mailed after the date of enactment of this Act.

Part II—Information returns

Section 411.—Penalty for Failure To Furnish Information With Respect to Foreign Corporations

Under present law, a U.S. person who controls a foreign corporation is required to furnish the Internal Revenue Service with tax-related financial and shareholder information concerning the corporation (section 6038(a)). The Secretary is authorized to prescribe regulations setting forth the specific information to be furnished. The penalty for failure to furnish the required information is a 10 percent reduction of the U.S. person's foreign tax credit. Additional five percent reductions are provided for continued failures to file.

Despite complaints about inadequate reporting of transactions of controlled foreign corporations, penalties generally are not imposed under section 6038(b). In part this is because the penalty is complicated. It also may be unduly harsh in some cases.

The bill would simplify the penalty for failure to furnish information with respect to a controlled foreign corporation by adding a fixed dollar penalty for failure to furnish the required information. The penalty would be $1,000 for each failure to furnish information for an accounting period (generally a taxable year) of the foreign corporation. Additional $1,000 penalties would be provided for each 30-day period (or fraction thereof) during which the taxpayer continues to fail to produce the requested information.

The bill would give Internal Revenue Service agents a simple straight-forward penalty to impose where reports with respect to controlled foreign corporations are not filed or are inadequate. However, the potentially significant penalty of a reduction in foreign tax credit would be retained, and could be imposed where the Internal Revenue Service considers it appropriate. In such a case, the amount of the reduction in the foreign tax credit would in turn be reduced by the amount of the fixed dollar penalty imposed.

This provision would be effective for annual accounting periods ending after the date of enactment.

Section 412.—Returns With Respect to Foreign Personal Holding Companies

Under present law, each person who is an officer or director of a foreign personal holding company, and each 50-percent or greater U.S. shareholder of a foreign personal holding company, is required to file certain reports with respect to that corporation (section 6035). The first report is a monthly report of the stock holdings in the corporation. It is due on the 15th day of each month for which a report is required. However, the Secretary is authorized to delay the filing of this report to a due date that is on the 15th day of a later month. By regulations the Secretary has delayed the filing date and required filing after the close of the foreign corporation's taxable year. The second report is a report of the income of the foreign corporation. It must be filed within 60 days after the close of the taxable year of the foreign personal holding company to which it relates.

Today, the Internal Revenue Service requires persons engaging in international transactions, and persons who transfer assets to foreign entities, to file a number of different forms. Often, a person may have to file more than one form covering the same foreign entity for the year. The Internal Revenue Service would like to combine a number of these forms into one and generally require that it be filed after the close of the filer's taxable year. However, the filing dates tied to the date of a transaction for certain reports described below (section 413 of the bill), as well as the filing dates for reporting relating to foreign personal holding companies, make it impossible for these forms to be combined.

The bill would change present law to make it possible for the Internal Revenue Service to include the foreign personal holding company reports in the combined international report. In particular, it would authorize the Commissioner to designate the time when the foreign personal holding company reports and returns must be filed.

In addition, the bill would clarify the information that must be included in a return. The persons required to file the reports would also be clarified. The bill would change present law by placing the reporting obligation on any 10-percent shareholder of a foreign personal holding company as well as officers and directors. Under present law, the shareholder must be a 50-percent shareholder and must be a U.S. person. As under present law, ownership would include both direct and indirect ownership of stock.

Whether or not a person is required to file a return is determined on the date the return is required to be filed. If, on that date, no person would be required to file (because, for example, the corporation has been dissolved) then filing would be required by the persons who were officers, directors or 10-percent shareholders on the last day of the corporation's taxable year for which there was a person required to file.

If more than one person would be required to file, the Commissioner could permit only one of them to file.

This provision would apply to taxable years of the foreign corporation beginning after the date of enactment.

Section 413.—Delay in Date for Filing Certain Returns Relating to Foreign Corporations and Foreign Trusts

Under present law, a return must be filed by U.S. persons who are officers or directors of certain foreign corporations and by U.S. persons who acquire at least a five-percent interest (or an additional 5-percent interest) in a foreign corporation (sec. 6046). The return must be filed within 90 days of the event that triggers the duty to file.

A return must also be filed by certain persons transferring property to a foreign trust, including a grantor or a fiduciary (sec. 6048). Once again, the return must be filed within 90 days of the triggering event, in this case creation of the trust or a transfer to the trust.

As described under the explanation of the foreign personal holding company reporting requirements (section 412 of the bill), the Internal Revenue Service is considering consolidating a number of international reporting forms. The specific reporting dates tied to a triggering event, rather than a taxable year, would make it impossible to include these reports relating to foreign corporations and trusts in the combined report.

The bill authorizes the Commissioner to delay the reporting of the transactions covered by sections 6046 (foreign corporations) and 6048 (foreign trusts) until some date after the 90th date after the transaction. This would give the Commissioner the flexibility needed to include these reports in the combined foreign report.

This provision would apply to returns filed after the date of enactment.

Section 414.—Technical Amendment Relating to Penalty Under Section 905(c)

Under present law, if a foreign tax for which a U.S. foreign tax credit was taken is refunded the taxpayer must notify the Secretary of the refund (section 905(c)). The Secretary then redetermines the taxpayer's tax and notifies the taxpayer of the amount due. Interest on any additional tax does not begin to run until the taxpayer receives the refund of the foreign tax. This rule is in contrast to the general rule for payment of interest which is that interest is imposed on any amount of tax that is due but not paid on the last date prescribed for payment (section 6601).

Section 2(c)(1) of the Act of December 28, 1980 added a sentence to section 905(c) that appears to provide that if a taxpayer does not notify the Commissioner of an adjustment in foreign taxes then interest on an underpayment of tax caused by an adjustment of the taxpayer's foreign taxes paid will begin to run from some point in time before the taxpayer received the refund of the foreign tax. This provision was intended to penalize a taxpayer for failing to notify the Commissioner of a refund of foreign taxes. However, it is ambiguous, and also unnecessary because the same Act that added it also added a penalty to the Code (section 6689) for failure to report a redetermination of foreign tax.

The bill would repeal the last sentence of section 905(c), effective for years to which the Act of December 28, 1980 applies.

TITLE V—COMPUTATION OF INTEREST

Section 501.—Interest To Be Compounded Daily

Under present law, interest payable to or by the United States under the tax law is not compounded.

Under present law, interest payable under the Internal revenue Code would be componded daily. This compounding requirement would apply beginning in 1983 to amounts of interest attributable to periods before 1983 but remaining unpaid as well as all other interest accruing under the internal revenue laws after 1982.

Section 502.—Restrictions On Payment Of Interest On Certain Refunds, etc.

In general, under present law, interest on refunds, credits and offsets runs from the date of overpayment, which is usually the date prescribed for filing the particular return. Further, under present law, if an overpayment of income tax is refunded within 45 days after the last date prescribed for filing the return, or if later, within 45 days after the date the return is filed, no interest is payable on the overpayment. An overpayment resulting from a net operating loss carryback, net capital loss carryback, or credit carryback (including a foreign tax credit carryback) is treated as having occurred at the close of the year in which the carryback arose.

Under the bill, no interest would be paid on a refund claimed on late return if the refund is made within 90 days after the return is filed, if the return is filed after the last date prescribed for filing such return (determined with regard to extensions). Under the bill, for purposes of the payment of interest on overpayments a return would not be treated as filed until it is filed in processible form. Likewise, an overpayment resulting from a net operating loss carryback a net capital loss carryback, or credit carryback (including a foreign tax credit carryback) would be deemed not to have occurred prior to the due date (with extensions) of the return for the year in which the carryback arose. The provisions regarding late returns and processible returns would be effective for returns filed after the 30th day after the date of enactment; the provision regarding interest overpayments due to carrybacks would be applicable to interest accruing after enactment.

Section 503.—Nondeductible Interest Surcharge for Substantial Understatement

Under present law, a penalty is imposed on the failure to pay tax shown or required to be shown on a return, or if any part of any underpayment is due to negligence of intentional disregard of rules and regulations, certain valuation overstatements, or civil fraud. These penalties either are not imposed if the failure is due to reasonable cause, or they require the Service to carry a positive burden or proof. Reasonable reliance on the advice of a tax advisor generally will prevent application of the fraud and negligence penalties.

In 1981, the Congress enacted a "no-fault" penalty on valuation overstatements. Under that penalty, if a taxpayer makes a large error in placing too high a value on property which results in an understatement of tax, then a penalty measured as a percentage of the underpayment resulting from the valuation overstatement is imposed. Although the penalty is imposed without regard to fault, the Secretary may waive all or part of the penalty if there was a reasonable basis for the valuation and it was claimed in good faith.

The bill would provide for a no-fault interest surcharge that would be nondeductible and payable because of any substantial understatement of tax. A substantial understatement would be one that is at least 10 percent of the taxpayer's actual tax liability and $5,000 or at least 50 percent of the actual tax liability and $500. In these cases, there would be an interest surcharge equal to 20 percent of the interest payable with respect to any underpayment due to the understatement. Thus, the interest surcharge would be 4 percent of the underpayment so due per year, based on the current interest rate of 20 percent. This interest surcharge would be collected as an assessable penalty and applied for the period beginning on the last date prescribed for the payment of the tax (without regard to any extensions) and ending on the date of assessment of the tax (or, if earlier, the date of payment of the tax).

The Secretary could waive all or part of the surcharge if the taxpayer showed that there was a reasonable basis for the understatement and that the taxpayer acted in good faith. A waiver might be appropriate, for example, if the taxpayer made a good faith mistake in deciding the proper timing of a deduction. In contrast, a waiver would probably not be appropriate in the case of an understatement arising out of a transaction entered into primarily for tax purposes. In addition, the mere existence of an opinion letter or an appraisal standing alone would not necessarily establish either the reasonable basis for the taxpayer's position or his good faith.

This surcharge would apply to returns due after December 31, 1982. The substantial understatement surcharge would not apply to that portion of an understatement subject to the section 6659 valuation overstatement penalty.

TITLE VI—TAX TREATMENT OF PARTNERSHIP AND SUBCHAPTER S ITEMS

Part I—Partnership items

Sections 601, 602, 603, and 604.—Partnership Audits

Under present law, the determination of each taxpayer's own tax liability is made in proceedings between the Internal Revenue Service and the person whose tax liability is in dispute. Thus, any issues involving the income, deductions, or credits of a partnership are determined separately in litigation or otherwise with each separate partner whose tax liability is affected by partnership items even though the contested issue with respect to partnership items is identical for each partner. Statute of limitations apply at the individual level based on the individual's own return filing. The partnership return filing does not affect the statute of limitations applicable to the partners (except in the case of certain federally registered partnerships).

The administration has requested that its partnership audit proposals be included in the compliance bill. Under their proposal, the tax treatment of items of partnership income, loss, deductions, and credits would be determined at the partnership level in a unified partnership proceeding rather than in separate proceedings with the partners.

Partnerships would continue to file information returns and notify each partner of that partner's share of items of income and loss, etc. Partners generally would be required to file returns consistent with the partnership return or notify the IRS of the inconsistency. Failure to notify would allow the IRS to automatically assess and collect any tax attributable to the inconsistency.

Partners would be given notice of the beginning of a partnership audit proceeding and of the final determination made by the Internal Revenue Service at the audit. Partners with less than a one-percent profits interest in large partnerships would need to form a group having at least a 5-percent interest to receive notices. Partners would have a right to participate in partnership level proceedings.

If the Internal Revenue Service determines that the partnership income was underreported, the partnership would have the right to contest the Internal Revenue Service determination in court. If no litigation were brought on behalf of the partnership, individual partners could not challenge the determination. The partnership may bring such a court action in the Tax Court. Court of claims, or the U.S. District Court for the district where the partnership's principal place of business is located. The partner disignated by the partnership as the "tax matters partner" generally would choose the court of review but other partners could bring suit if the "tax matter partner" failed to do so. Partners generally could not bring separate suits with regard to their own tax liability arising from partnership items but could contest their remaining tax liability under existing law. In the case of suits in the district court or Court of Claims, the party bringing suit on behalf of the partnership must pay the amount of tax by which it's own liability would be increased by the IRS determination. In the case of a suit brought in the Tax Court, no tax could be assessed and collected until after the proceedings were final. Any court decision would be subject to review by appellate courts.

Generally, an additional period of limitations for assessing tax liability attributable to partnership items would apply. The period would be three years from the filing of the partnership return, extended by the pendency of court proceedings, and for one year thereafter. Partners could not separately contest partnership determinations following a court proceeding, except for computational errors in adjusting the partners' tax liability.

The bill would make clear that a foreign partnership must file a U.S. return if any of its partners (limited or general) are U.S. persons. Failure to file a return would result in the disallowance of any loss or credit to any partner. The Secretary would be given authority to waive the reporting requirement in appropriate cases. The bill would also require reporting by a U.S. person who acquires or disposes of an interest in a foreign partnership.

Part II—Subchapter S items

Section 611.—Subchapter S Audits

The bill would provide that the determination of items of subchapter S corporations income and loss would be conducted in a unified proceeding with the corporation rather than with each shareholder individually. Generally, the rules applicable to the proposed partnership audit proceedings would apply to subchapter S audit proceedings. However, because subchapter S corporations are limited as to the number and type of shareholders, the proceedings would not need to be subject to all of the partnership rules (e.g. rules applicable to partnerships with more than 100 partners).●

H.R. 6295, THE CORPORATE TAKEOVER TAX ACT OF 1982

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. STARK) is recognized for 10 minutes.

● Mr. STARK. Mr. Speaker, today I am introducing the Corporate Takeover Tax Act of 1982. The objective of the bill is to make the tax system more nearly neutral with respect to corporate takeovers. The tax system should create neither special benefits from nor impediments to mergers, acquisitions, or reorganizations. Unfortunately, our present tax system creates a motive for takeovers quite apart from any opportunity to improve the utilization of productive assets. When the tax advantages of a takeover become significant it is as if the U.S. Treasury provides a part of the funds used to finance the takeover.

Under the present law, corporate takeovers can be structured to achieve the same tax benefits to the buyer as a direct purchase of assets without incurring the tax consequences to the seller which would occur with a direct sale of assets. In other words, a transaction which is substantively an asset purchase can be structured to achieve avoidance or deferral of depreciation and investment tax credit recapture. The availability of these techniques conflicts with several tenets of sound policy; that is, the tax consequences of a transaction should be based on its substance rather than its form, there should be neutrality of treatment for essentially identical transactions, and taxpayers should not be able indirectly to achieve that which cannot be achieved directly.

Present law also permits nearly unfettered discretion to step up the basis of some of an acquired corporation's assets so as to gain new depreciation deductions and retain for other assets the acquired corporation's favorable tax attributes. The undue degree of selectivity of treatment available under present law is illustrated by the recent U.S. Steel-Marathon takeover. According to some press accounts, a partial liquidation of Marathon would achieve a stepped-up basis for selected assets (the Yates oilfield) and certain other assets, including LIFO inventories (if LIFO recapture is postponed under pending legislation) while, under the consolidated return regulations, there would be no recapture of any unearned investment tax credits and there would be deferral of the tax for recapture gains for intangible drilling costs, depreciation, et cetera. The tax attributes relating to the other assets would continue with the continuing Marathon subsidiary under this scenario. According to one article, there would be as much as $500 million in merger-related tax benefits in the first year with another $400 million in deferred taxes relating to LIFO reserves.

Finally, present law does not adequately deal with tax-motivated takeovers of companies having net operating loss and investment tax credit carryovers. The need for more adequate rules to restrict trafficking in loss companies is greater now because of current economic conditions and because the investment incentives provided by the Economic Recovery Tax Act of 1981, including the accelerated cost recovery and investment tax provisions, will make more companies attractive takeover targets for tax reasons.

The bill would repeal the partial liquidation provisions of present law and, in their place, make it clear that a distribution in redemption of stock would qualify for capital gains treatment to the shareholder to the extent attributable to the termination or distribution of a business conducted for 5 years. However, present exceptions to the requirement that gain be recognized to a corporation distributing appreciated property in a stock redemption would be repealed. In this way, there would be parity of treatment for a case when stock is purchased, and then redeemed with a property distribution, and a case when the property is directly purchased. Moreover, these changes would reduce the unwarranted selectivity available for the treatment of the assets of an acquired corporation. The bill would not affect the present-law rule which permits a corporation to be completely liquidated without recognition of gain. A basis step-up cannot be achieved in such a case without complete recapture. Complete liquidation also results in a termination of the corporation's tax attributes. To protect the requirement that gain be recognized on other stock redemptions, the bill would require gain to be recognized in certain complete liquidations where a target company has spun off or distributed some of its assets to a subsidiary.

The bill deals with liquidations of an acquired subsidiary by repealing the present law provisions under which property distributed to the acquiring corporation receives a stepped-up basis. In its place, the bill would allow an acquiring corporation to elect to treat the acquired corporation as having sold all of its assets in a 12-month liquidation and then reincorporated. As a result of this treatment, there would be depreciation and investment tax credit recapture from the deemed sale and the tax attributes of the "old" company would be extinguished. However, the basis of all assets of the acquired company would be adjusted to reflect the purchase price paid by the acquiring corporation for the stock. To this extent, the tax treatment of the acquisition would be similar to an asset purchase from a company which had elected a 12-month plan of liquidation. Thus, unlike existing law, a stepped-up basis will no longer be available where liquidation of an acquired corporation is postponed for several years after its stock is purchased, yet its favorable tax attributes are available to the acquiring corporation through a consolidated return. This result under existing law is inconsistent with treatment of the acquisition as a purchase of assets. When the election is made, tax attributes of the "old" corporation would no longer be available on the acquiring corporation's consolidated return because the old corporation would be treated as terminated when its stock is acquired. The election would apply to all members of an affiliated group acquired as a result of the stock purchase which become members of an affiliated group with the acquiring company.

The rules I have described are intended to discourage corporate takeovers motivated by unwarranted tax advantages. However, these specific rules are designed to implement an overriding general rule that would be added to existing law by the bill. Under this rule, a step-up in basis of all of a corporation's assets can be achieved under other provisions of existing law, including the consolidated return regulations, only if complete recapture occurs as though the corporation sold all of its assets in a 12-month liquidation; to obtain a step-up of only selected assets, there will be recognition of all gain, including recapture items, with respect to those assets.

The bill would simplify and improve the tax rules dealing with trafficking in net operating loss and credit carryovers. The rules presently applicable, or those adopted under the 1976 Tax Reform Act and scheduled to be effective in 1984, do not adequately deter tax-motivated takeovers of loss companies.

The bill would prescribe uniform continuity of ownership rules for shareholders of a loss company whether a loss company is acquired by purchase, by a corporate reorganization involving the loss company, or in part by a corporate reorganization and in part by a purchase. The presently applicable rule that losses may be carried over in full in a purchase acquisition merely because the trade or business of the loss company is continued would be eliminated. To allow normal shareholder turnover, there would be no reduction of carryovers when there is 60 percent or more continuity of ownership by shareholders of the loss company. In other words, the reductions in carryovers would occur when ownership by those who were shareholders in the loss year falls below 60 percent of a loss company. Uniformly, for purchase acquisitions and reorganizations, the portion of the loss that could be carried forward would be 2½ percent for each percentage point by which the old shareholders retain more than 20 percent of the loss company. The bill completely eliminates carryovers only when the old shareholders' ownership falls below 20 percent to conform with the present law rules under which the attributes of an acquired company are generally usable in full under the consolidated return rules by an acquiring company controlling 80 percent or more of the stock of an acquired company.

Under the bill, losses would be preserved for continued ownership from the taxable year in which the loss was incurred to the taxable year to which the loss would be carried forward. This would be more rational than either present law or the provisions of the 1976 act which arbitrarily compare ownership changes during a 2- or 3-year period ending with the carryover taxable year. Under those rules the test for ownership changes is not made with reference to those who were shareholders when losses were actually sustained. To facilitate the determination of ownership continuity ownership in the loss year and the carryover year would be compared only for shareholders who actually or constructively own 5 percent or more of the company's stock at either time. For this purpose, all small shareholders would be aggregated and treated as a single shareholder. Thus, in the case of a widely held company, the computation and recordkeeping problems attributable to tracing the top 10 or 15 shareholders, as under present law or under the 1976 act provisions, would be alleviated.

In comparison to the 1976 act, the bill would simplify the operating rules by not containing a concept of "participating" stock. Many commentators have indicated that the concept was an unnecessary complexity under the 1976 act.

Under the bill, the changes relating to partial liquidations, stock redemptions, and liquidations of subsidiaries would apply with respect to liquidations and redemptions occurring after August 31, 1982. The changes relating to net operating loss and credit carryovers would apply to acquisitions

and mergers occurring after December 31, 1982.

Mr. Speaker, I believe that it is essential that the Congress strengthen and improve the tax rules applicable to corporate takeovers. The bill I am introducing today would do that in several ways.

The Subcommittee on Select Revenue Measures will hold hearings on this bill and related legislative proposals on May 24, 1982. At that time, I will be most anxious to receive the constructive comments and observations of economists, tax practitioners, and academicians.

An explanation of the provisions of H.R. 6295 follows this statement:

EXPLANATION OF H.R. 6295, THE CORPORATE TAKEOVER TAX ACT OF 1982

TITLE I

1. Present law

Partial liquidations.—If a corporation seeks to acquire assets from a second corporation, a direct purchase results in taxation to the second corporation of any gain realized on the sale. Instead, the acquiring corporation, through a tender offer, may acquire stock of the second corporation and then have it redeemed for the assets. If the redemption qualifies as a partial liquidation, generally requiring a contraction of the second corporation's business, the second corporation pays no tax on the gain except to the extent that prior depreciation, intangible drilling costs, etc., are required to be recaptured. When the acquiring corporation obtains control (80 percent of the second corporation's stock), the acquiring and acquired corporations become eligible to file a consolidated return and the consolidated return regulations make it possible through a partial liquidation to obtain a basis step-up for distributed assets with no gain recognized except that recapture gain (for past depreciation, intangible drilling costs, etc.) is recognized but, under the regulations, deferred while the property remains in the consolidated group. Further, there is no investment tax credit recapture when property is transferred from one member of a consolidated return group to another.

Stock redemptions.—In other cases, gain is generally recognized when a corporation redeems its stock with appreciated property but there are exceptions, two of which are particularly relevant in takeover situations, i.e., a distribution in complete redemption of a 10-percent stockholder and a distribution of a 50-percent owned subsidiary.

2. Statement of problem

The vagueness of the "partial liquidation" concept permits considerable discretion in selecting assets that can be stepped up with favorable tax consequences and without affecting the tax attributes of the distributing corporation. Thus, one problem is undue selectivity. A second problem is avoidance of gain recognition on what is in substance a sale of assets. A third problem is the availability of a basis step-up without current taxation of recapture income and without investment tax credit recapture. (The third problem is dealt with generally under title II of the bill.)

3. Bill provisions

Title I of the bill would repeal the partial liquidation provisions as well as certain exceptions in section 311(d)(2) of present law that permit a corporation selling its subsidiary's stock to escape taxation of the gain. Capital gain treatment would be retained for shareholders who receive property from a trade or business conducted for at least 5 years by the distributing corporation (currently defined as a partial liquidation). In appropriate circumstances, a series of distributions in complete liquidation of a corporation, defined under present law as a partial liquidation, will continue to be treated as a complete liquidation.

Section 336, as amended by the bill, would continue to provide for nonrecognition of gain or loss to a corporation on distributions in complete liquidation. However, if within 5 years of a complete liquidation, either (1) there was a distribution qualifying under section 355 and the liquidating corporation is either the controlled corporation or the distributing corporation, or (2) the liquidating corporation transferred property within such period (other than a de minimis transfer) in a transaction in which gain or loss was not recognized under section 351, gain or loss will be recognized to the liquidating corporation. This gain recognition requirement would not apply, however, to the complete liquidation of a subsidiary in which the basis of distributed assets is carried over to the parent.

4. Effective date

The amendments made by title I of the bill apply to distributions occurring after August 31, 1982.

TITLE II

A. Stock purchase treated as asset purchase

1. Present law

When one corporation purchases 80 percent or more of the stock of a second corporation during a 12-month period and then liquidates it, the transaction is treated as a purchase of assets and basis is stepped up without recognition of any gain but recapture is required for past depreciation, etc. This treatment is available even though the plan of liquidation need not be adopted until 2 years after the qualifying stock purchase and the liquidation need not be completed for an additional 3 years. In the meantime, the acquired company's tax attributes, such as loss and credit carry-forwards, can be used on the acquiring company's consolidated return, and, when liquidated, the acquired company's recapture income can be offset by any losses of the acquiring company.

2. Statement of problem

If the assets were purchased directly, the acquiring company would be unable to avail itself of the purchased company's tax attributes and recapture income taxed to the selling company could not be offset by losses of the acquiring company. Continuation of the acquired corporation's tax treatment in the manner permitted by existing law is inconsistent with treating the transaction as an asset purchase but can go on for as long as the parties wish, up to the 5-year limit.

3. Bill provisions

Section 201 of the bill would replace the provision of existing law with an election treating a purchased subsidiary as if it had sold all its assets when the qualifying stock purchase occurred. Since, as the "old" corporation, it would be considered terminated on such date, its tax attributes would not be available on the purchasing company's consolidated return. Generally, the election would apply to all members of an affiliated group after a qualifying purchase of the stock of the parent corporation. A conforming amendment to existing law would require that all members of an affiliated group be liquidated when any member elects nonrecognition of gain or loss on sales made in the course of a 12-month liquidation. The preceding provisions are designed to restrict selectivity of treatment for particular assets and thereby provide consistent treatment for all assets involved in an acquisition or liquidation.

4. Effective date

The elective provision added by section 201 of the bill applies where the qualifying stock purchase takes place on or after September 1, 1982. The amendment with respect to 12-month liquidations would apply to plans of liquidation adopted on or after September 1, 1982.

B. Toll charge for basis step-up

1. Statement of problem

Taxpayers should not be able to frustrate the objectives of the bill by resort to other provisions of existing law. A principle that the other rules in titles I and II reflect is that the cost for a step-up in basis for an acquired corporation's assets is complete recapture, with no deferral, for investment tax credits, past depreciation, intangible drilling costs, etc. A second principle is that a distribution of assets by an ongoing corporation may result in a basis step-up only if all gain (not merely recapture items) with respect to such assets is recognized.

2. Bill provisions

Section 202 of the bill would state these two principles as explicit rules of law overriding the provisions of existing law, including the consolidated return regulations, to the extent they otherwise would permit avoidance or deferral of recapture or gain recognition. Current recapture will be required when basis is stepped up to the same extent as though the liquidating corporation sold all its assets in a single transaction to which section 337 applies.

3. Effective date

The amendments made by section 202 apply to distributions on and after July 1, 1982.

TITLE III

A. Special limitations on loss and credit carryovers

1. Present law

Present law provisions restricting the carryforward of losses and credits of a corporation after a change in ownership are ineffective. Continuation of the loss company's trade or business after its stock is purchased preserves the carryforwards and, when a loss company is a party to a merger or other reorganization, a minimal retention of ownership by the loss company's shareholders in the surviving corporation may result in retention of carryforwards. The 1976 Tax Reform Act revised these rules but widespread criticism of that provision has led to several postponements of its effective date. Currently, the 1976 revision is scheduled to become effective in 1984.

2. Statement of problem

More effective rules to restrict trafficking in loss companies should be part of any legislation dealing with unwarranted incentives for takeovers. The investment incentives provided by the 1981 Act, particularly the accelerated cost recovery system and investment tax credit provisions, will increase the number of takeover targets with loss carryforwards and excess credits.

3. Bill provisions

Section 301 simplifies the rules, making availability of carryforwards dependent on continued ownership of those who were shareholders in the loss year, unlike existing law or the 1976 revision which measure ownership changes over a limited look-back period from the carryover year.

If loss year shareholders retain a 60-percent interest in the carryout year, carryforwards are unaffected and if their interests fall below 20 percent, carryforwards are eliminated. Carryforwards are reduced by 2.5 percent for each one percentage point by which the loss year shareholders' interests drop below 60 percent. Complete elimination at 20 percent correlates with the point (80-percent ownership) at which tax attributes of an acquired company become fully available to a takeover company on a consolidated return.

The rule applies uniformly whether changes in ownership result from stock purchases, reorganizations, or otherwise (such as a non-pro rata redemption or spin-off), and only changes resulting from death or by gift are expressly excepted.

To facilitate comparison of ownership between the loss year and carryforward year, the rule requires identification only of shareholders whose interests are 5 percent or greater, applying constructive ownership rules. Comparison of the aggregate ownership by shareholders with less than 5 percent interests would be made as if all such shareholders, without identification, constituted a single shareholder.

4. Effective date

The amendments made by section 301 of the bill would apply generally to stock acquisitions and reorganizations occurring on or after January 1, 1983. Transitional rules are provided to integrate the new rules with the provisions of prior law.

B. Reorganizations constituting changes in form

1. Present law

Existing law defines as a reorganization "a mere change in identity, form, or place of organization, however effected" (hereafter described as an "F" reorganization). Existing law also requires that the taxable year of a transferor corporation in a reorganization be closed on the date of transfer and precludes the acquiring corporation from carrying back a post-reorganization loss to a taxable year of the transferor corporation. However, F reorganizations are excepted from these limitations in recognition of the intended scope of such reorganizations as embracing mere formal changes which do not require that the reorganized corporation be viewed as a new entity.

2. Statement of problem

A number of court decisions have expanded the F reorganization definition in recent years to include fusions of active affiliated companies as long as there is sufficient identity of proprietary interest and there is uninterrupted business continuity. One case treated the merger of 123 affiliated corporations as an F reorganization. The exceptions for F reorganizations from the requirements of existing law closing the taxable year of a transferor corporation and restricting loss carrybacks, are not appropriate to fusions of two or more active business corporations.

3. Bill provisions

Section 302 of the bill would limit the F reorganization definition to a mere change in identity, form, or place of organization of a single corporation.

4. Effective date

Section 302 applies to reorganizations taking place on or after September 1, 1982.

VOODOO ENVIRONMENTAL PROTECTION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. WYDEN) is recognized for 5 minutes.

● Mr. WYDEN. Mr. Speaker, in the midst of National Clean Air Week, information has surfaced that once again demonstrates the administration's reluctance to maintain the clean air standards necessary to protect the health of our environment and our people.

A recent internal memo from the EPA Assistant Administrator for Air to the Agency's Administrator, Anne Gorsuch, recommends an administrative change in the way compliance with the ambient carbon monoxide health standard is ascertained.

The proposal would increase from one to five the allowable violations, or exceedances per year of the carbon monoxide standard. The net result from this sleight of hand would be an average increase of 33 percent in the level of carbon monoxide considered healthful in our cities.

We have all heard a lot about voodoo economics.

The EPA's recommended rule change to the carbon monoxide standard is an example of voodoo environmental protection.

Just as voodoo economics claims we can simultaneously cut taxes, hike defense spending and balance the budget, voodoo environmental protection says that by waving a magic wand and shifting some numbers around on paper, we can convince people they are breathing cleaner air.

Well, it simply cannot be done—and, furthermore, the Congress is not going to stand for it being tried.

I cannot help but feel we have all been taken for a ride.

Last August, Anne Gorsuch released 11 principles President Reagan adopted for rewriting the Clean Air Act, including one supporting existing health-based ambient standards.

Many of us were pleasantly surprised at the President's support for current health standards.

The internal EPA memorandum demonstrates that our sense of relief was premature.

Not only does this represent a retrenchment from the President's earlier commitment; it represents a blatant attempt to slip through by rule what the administration knows full well it could not get through Congress.

What we have here is a wolf in sheep's clothing. By burying this relaxation in the health standard in the jargon of exceedances, the ultimate result—the effective average increase in the health-based carbon monoxide (CO) standard by 33 percent—is less apparent.

One thing is sure, however, this change would allow more pollution, especially in areas where most of our population lives and works.

In my own city of Portland, Oreg., where more than 150,000 elderly and young people already suffer from unhealthily high levels of carbon monoxide, this change would relax the standard by 21 percent.

In Medford, Oreg., the situation is worse: an effective 50-percent relaxation in the standard.

Such a relaxation makes attainment of the health standard easier on paper, but it's voodoo to ask Portland and Medford residents to imagine the air is cleaner, when in fact it is dirtier.

In short, we are saying to the States: Behave as if your air is cleaner by ignoring the 5 worst days of pollution.

That is like the NCAA allowing coaches to toss out the five worst grades of each player in calculating whether they meet scholastic eligibility rules.

It is voodoo environmental protection at its best when you simply wave a wand and change the criterion by which you measure who complies and who does not.

Under this method of protection, the number of nonattainment areas for carbon monoxide by the end of 1982 drops from 110 to 39.

Unfortunately, we cannot adjust the level at which adverse health effects occur from breathing carbon monoxide as easily as we can change numbers on a piece of paper.

Nor can wand waving make the air cleaner and people any healthier.

We can do better than voodoo environmental protection.

And we must.

As members of the Energy Committee continue our markup of the Clean Air Act, we are discovering the grounds for compromise are right beneath our feet.

The administration's continued efforts to end run the Congress on such an important matter as a change in the ambient health standard can only disrupt this bipartisan consensus emerging on Clean Air Act amendments.●

POLISH CONSTITUTION DAY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, May 3 is the 191st anniversary of the first democratic Constitution of Poland, and is a time to celebrate and to honor the strong bond between our country and the people of Poland. On Monday, May 10, a "Solidarity Express" special

train will leave Chicago with a shipment of relief supplies for the Polish people. This train is a tribute to Americans of Polish descent who have contributed so generously to this relief effort, and reaffirms our mutual commitment to the universal principles of self-determination and freedom.

The Polish Constitution of 1971, adopted a few years after our own Constitution, stands out not only as one of the great achievements in Polish history, but also as a milestone in the history of mankind. It peacefully transformed, without bloodshed, revolution, or disorder, a repressive government of a select few into a representative government of all the people. This extraordinary document enunciated and echoed many of our own country's most cherished freedoms: liberty, majority rule through elections by secret ballot, religious toleration, and equal justice under the law. What makes this Polish proclamation even more important is that it marked the beginning of democratic advances into central and eastern Europe.

Unfortunately, because of the continual oppression and the partitioning of Poland by its autocratic neighbors, these newly acquired freedoms for the people of Poland were short lived. Nevertheless, the Constitution still maintains its vitality as a beacon of hope in the face of absolutism, tyranny, and repression.

For weeks after the Constitution was approved, celebrations were held in the cities and towns in Poland and expressions of enthusiasm flowed in from all freedom-loving people throughout the world. It is, therefore, fitting that parades should be held in honor of this momentous triumph in the struggle to achieve representative government.

I was proud to join the officers and members of the Polish National Alliance at Chicago's annual Constitution Day parade on May 1, and a copy of the 3-day program in commemoration of Polish Constitution Day follows:

SATURDAY, MAY 1, 1982

Program at reviewing stand, Dearborn and Washington Streets, 12 noon

Welcome: Mrs. Helen M. Szymanowicz, Vice President, Polish National Alliance, General Chairman, Poland's Constitution Day.

National Anthems: Mr. Bogdan Parafinczuk, Accompanied by U.S. 81st Army Band, Fort Sheridan, Illinois.

Parade Narrators: Mrs. Helen M. Szymanowicz and Mrs. Lottie S. Kubiak.

Grand Marshal: Honorable Jane M. Byrne, Mayor, City of Chicago.

Assistant grand marshals: Honorable Eugene Moats, President, Service Employees International Union, AFL-CIO Local 25; and Honorable Bernard Puchalski, President, Iron Workers Dist. Council of Chicago and Area.

Parade coordinator: Larry Rzewski.

Program at Richard J. Daley Center, 1:30 p.m.

Welcome: Mr. Joseph I. Sikora, Commissioner, District 13, Polish National Alliance.

Invocation: Most Reverend Alfred L. Abramowicz, DD, Auxiliary Bishop, Vicar General.

Master of ceremonies: Honorable Aloysius A. Mazewski, President, Polish National Alliance, President, Polish American Congress.

Remarks: Honorable James R. Thompson, Governor, State of Illinois.

Remarks: Honorable Jane M. Byrne, Mayor, City of Chicago.

Principal address: Honorable Charles Z. Wick, Director, U.S. International Communication Agency.

Address: Honorable Jerzy Mohl, Solidarity Union Official.

Benediction: The Right Reverend Joseph K. Zawistowski, Bishop, Western Diocese, Polish National Catholic Church.

SUNDAY, MAY 2, 1982

Assembly for solemn mass: 10:00 a.m.—Holy Trinity School Hall, 1123 Cleaver St.

March to Church: 10:15 a.m.—to Holy Trinity Church, 1118 Noble St.

Solemn mass: 10:30 a.m.—Rev. Casimir Tadla, CR, Pastor, Principal Celebrant: Co-Celebrants—Rev. Zbigniew Gorecki, S. J.; Rev. John Stephen, CR, Homilist—Rev. Zbigniew Gorecki, S.J.; Choir under direction of Mr. Joseph Labuda.

MONDAY, MAY 3, 1982

Wreath laying ceremony: 10:30 a.m.—at General Thaddeus Kosciuszko monument, 13th and Lake Shore Drive.

Executive committee: Helen M. Szymanowicz, Chairman, Roman Kolpacki, Commissioner Dist. 12 PNA; Genevieve Wesolowski, Commissioner Dist. 12 PNA; Joseph I. Sikora, Commissioner Dist. 13 PNA; and Kazimiera Pytel, Commissioner Dist. 13 PNA.

Since the beginning of our country's existence, millions of men, women, and children of Polish ancestry have come to our shores, bringing with them the same spirit of human dignity and freedom embodied in the Polish Constitution of 1791, as well as the rich heritage of their own culture. Their presence and contributions to America have helped shape our country into the great democracy it is today.

Mr. Speaker, I am honored to join Americans of Polish ancestry in my own city of Chicago and all over the country who pause to pay tribute to those who have bravely struggled and sacrificed so much to achieve liberty, and to those who continue today to carry on this same effort against overwhelming odds, with the desire to decide the course of their own destiny. Let us never forget the timeless guiding principle in the 1791 Constitution which states, "All power in civil society should be derived from the will of the people," and let us always be prepared to defend ourselves against those who would deprive us of this most cherished right.●

CONTRACTING OUT UNDER OMB CIRCULAR A-76

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. LEATH) is recognized for 5 minutes.

● Mr. LEATH of Texas. Mr. Speaker, today I am introducing legislation which will limit the Office of Management and Budget's authority to require the Veterans' Administration to convert services performed by Federal employees in VA hospitals to contract.

On April 27, 1982, Chairman G. V. (SONNY) MONTGOMERY of the Committee on Veterans' Affairs Subcommittee on Oversight and Investigations held a hearing concerning an OMB proposed draft revision to their circular A-76, "Policies for Acquiring Commercial or Industrial Products and Services Needed by the Government." This revision proposes drastic measures to dictate conversion to contract for those services with 25 or less employees without requiring cost comparison studies to demonstrate the cost effectiveness of such conversions. The OMB proposal would also mandate that new requirements be satisfied by contracting out without even considering if it would be less expensive to do the work with in-house personnel. Chairman MONTGOMERY invited Mr. Donald E. Sowle, Administrator of the Office of Federal Procurement Policy of OMB, to our hearing to explain the reasons for the proposed revision, which totally ignores the cost comparison process in determining which VA activities should be converted to contract. Mr. Sowle declined to appear, and I can readily understand his reluctance to try to explain such capricious and irresponsible recommendations. Other witnesses at the subcommittee hearing were quick to point out that the proposed revision was an unabashed and flagrant abuse of taxpayers' moneys, and would probably signal the demise of the Federal work force as we know it today. The president of the National Federation of Government Employees, Mr. James Peirce, told us that his organization considered the proposed revision to the circular so onerous to Federal employees that they had requested that Mr. Sowle resign from OMB.

Other committees of the Congress are also concerned with this OMB drive to convert the Federal work force to contract. In my other committee, the Committee on Armed Services, in H.R. 6030, the Department of Defense Authorization Act of 1983, we placed a 1-year moratorium on the performance of cost studied and new contract conversions under OMB circular A-76 during fiscal year 1983.

The Armed Services Committee considered that the contracting out program had gotten out of hand when the Department of Defense, acting on the direction of OMB, submitted its fiscal year 1983 budget request with 17,000 civilian spaces subtracted from the civilian personnel ceiling account in anticipation that conversion of specific functions to performance by a private contractor would prove feasible.

My fellow members of the Committee on Veterans' Affairs and I consider high quality health care for our veterans to be our No. 1 priority. We see this headlong rush to convert VA hospital services to contract by OMB to be a major threat to the quality of medical treatment now being received by this Nation's veterans.

This irresponsible action must be stopped, and the bill that I am introducing today will stop it in the Department of Medicine and Surgery of the Veterans' Administration.

Mr. Speaker, this is not a partisan issue and the bill that I am introducing today is cosponsored by the chairman of the full Committee on Veterans' Affairs, the gentleman from Mississippi (Mr. MONTGOMERY), the ranking minority member of the full committee, the gentleman from Arkansas (Mr. HAMMERSCHMIDT), and 20 other members of the committee. I wanted to make these remarks to my colleagues so they will be aware of the bill. Those of you who would like to join us in cosponsoring this legislation should contact the staff of the Committee on Veterans' Affairs by calling extension 53608. The chairman of the full committee has assured me that my bill will be given consideration, and we hope to include it in a measure that will be before the House by the end of June.●

FARM CRISIS ACT OF 1982

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. ALEXANDER) is recognized for 15 minutes.

● Mr. ALEXANDER. Mr. Speaker, on Tuesday my colleagues and I revealed some of the problems facing our farm communities. A combination of low farm prices and high interest rates are literally suffocating the farm economy, the life of this Nation's economic health.

As the result of the inaction of this administration on farm issues and because of its apparent inability to accept the fact there is a crisis in the farm section, I have joined with my colleagues as a cosponsor of the Farm Crisis Act of 1982.

The problem in the farm economy is basically one that may be addressed in two ways—increasing demand for our products or reducing supply. This bill contains measures to increase demand by encouraging export trade. If approved by Congress this bill will make clear the intention of Congress that $1 billion be made available for the Agricultural Credit Revolving Fund so that export trade financing is available.

This bill also contains measures to reduce supply, at least until export trade can be developed to the point that our farmers may find markets for the commodities their hard work has produced. Farmers would have the option of diverting another 5 percent of their acreage and being compensated for that diversion. This would, in the long run, be less of a drain on the Federal coffers than the existing program because it is cheaper to avoid producing additional commodities than to make payments—price supports, storage or otherwise—after the commodities have been produced.

In the interim period—between the adoption of this bill and the turnaround in the farm economy—the farmer will see more immediate relief through the interim credit financing of the Farmers Home Administration's economic emergency loan program.

The most important thing that can be said about this bill is that it offers assistance to the farmer when he is at his point of greatest need since the depression, but, at the same time, it is estimated to save $899 million over 4 years when compared to the cost of the current administration's farm policy program.

It will do more for less.●

THE UNEMPLOYED WILL NOT BE USING THEIR TAX BREAKS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. WILLIAM J. COYNE) is recognized for 5 minutes.

● Mr. WILLIAM J. COYNE. Mr. Speaker, it appears that calculated, long-term unemployment is an integral part of the administration's economic strategy. This cruel policy is especially unfair if we consider that rewarding the already well-to-do with new tax breaks is another important part of the administration's economic recovery plan.

We should never forget that there are millions of unemployed who do not qualify for the administration's much-ballyhooed tax cut—a tax cut which deepens our Federal deficit, thereby contributing to exorbitant interest rates.

President Ronald Reagan rather callously suggests that those without work should read the Washington Post help wanted section. No matter how many times you read those ads, you will find very few openings for unemployed steelworkers—nor will you find those listings in the Pittsburgh Press or the Pittsburgh Post-Gazette. What does the administration offer Pittsburgh, a city with an area unemployment rate of 10.6 percent? More of the same. High interest rates, inflated military budgets, and a digging-in of the heels in defense of tax breaks for the wealthy.

I would like to share with my colleagues some employment figures which show rather starkly the effect of the Reagan recession on steel industry employment:

EMPLOYMENT OF HOURLY EMPLOYEES IN THE DOMESTIC STEEL INDUSTRY[1]

	1980	1981	1982
January	320,310	291,000	252,000
February	319,271	292,536	
March	317,531	294,648	
April	314,826	298,352	
May	297,824	300,012	
June	276,572	297,625	
July	264,897	296,301	
August	263,620	292,703	
September	268,415	286,000	
October	281,000	225,000	
November	285,000	261,000	
December	288,788	250,000	

[1] American Iron and Steel Institute.

Mr. Speaker, this Congress has a responsibility to aid those citizens thrown out of work as the result of mistaken economic decisions made at the Federal level. Special attention must be given to employees, such as those in the steel and auto industry, whose unemployment seems destined to be long term.

Accordingly, I am today joining my colleague from Tennessee, Representative HAROLD FORD, in sponsoring H.R. 6085, a measure which would provide an additional 13 weeks of unemployment compensation for jobless workers. The situation is so dire that we should consider as well an extension of unemployment benefits by 26 weeks, until we are out of this recession.

I am also pleased to cosponsor H.R. 5284, a measure by Representative DENNIS ECKHART which would correct the mistake Congress made last year in changing the "trigger" mechanism for extending unemployment benefits from a national figure to a State-based figure. If you are a steelworker and your industry is suffering, you should not have to reside in a high-unemployment State in order to receive extended benefits. While this type of calculation may add up over at the Office of Management and Budget, it does not add up to the worker who sees his or her benefits cut off after 26 weeks, with no job to turn to.

Mr. Speaker, the administration may choose to turn its back on the unemployed, but this Congress cannot. I would like to share with my colleagues an article which appeared in today's New York Times which describes what unemployed steelworkers in the Pittsburgh area are doing to help each other. Those of us in Congress need to decide soon what we can do to help them.

The article follows:

STEEL UNION GIVING AWAY FOOD TO JOBLESS WORKERS

HOMESTEAD, PA., May 5.—Laid-off steelworkers lined up for free bread, milk and canned goods today as their union opened a food bank.

Retired members of the United Steelworkers of America volunteered their time to hand out grocery bags filled with canned meat, tuna fish, soup, beans and other staples for those whose unemployment benefits were nearly exhausted.

Union officials said they were prepared to hand out 250 to 300 bags of food today. Distribution will continue once a week until supplies are gone, they said.

Nearly a third of the 7,000 workers at the United States Steel Corporation's Homestead Works have lost their jobs.

"We're talking about feeding people who have nowhere else to go for help," said Mike Stout, a grievance officer for the union. "We want to make sure people at least can get by and at least have soemthing to eat to ride through this crisis."

About two dozen men and women, some accompanied by their children, waited in the hallway of a vacant school in this blue-collar town east of Pittsburgh for the 10 A.M. opening of the food bank.

"We're in a soup line, " said Jim Davis of Homestead, who said he was laid off after 26 years on the job.

"I lose all my manhood to do this," said Mr. Davis, 50 years old, as he carried two bags of groceries for his family. "But what can I do? You have to eat. It's very bad, and it's not getting any better."

The food is being given to union members whose unemployment benefits have expired, to those who are on extented benefits and to heads of households who are out of work.

The food giveaway was financed by a benefit rock concert, raffles and donations at mill gates. The union is planning more concerts and other events to raise funds to keep the food bank going.●

A WAY OUT OF THE BUDGET DEFICIT, HIGH INTEREST RATE IMPASSE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. REUSS) is recognized for 45 minutes.

● Mr. REUSS. Mr. Speaker, there follows a letter which Mr. UDALL, Mr. MILLER, and I sent yesterday to the chairmen of the Committees on the Budget and Ways and Means, Mr. JONES of Oklahoma and Mr. ROSTENKOWSKI.

WASHINGTON, D.C.,
May 5, 1982.

Hon. JAMES JONES,
Chairman, Committee on the Budget, House of Representatives, Washington, D.C.
Hon. DAN ROSTENKOWSKI,
Chairman, Committee on Ways and Means, U.S. House of Representatives, Washington, D.C.

DEAR JIM AND DANNY: With the economy in such bad shape and the President unwilling to make any concessions on taxes or military spending, the Committees on the Budget and on Ways and Means must now assume responsibility for forging an acceptable budget and tax program.

The elements of such a program are widely recognized. We must have a budget which lowers the deficit dramatically from this day forward, until there is a reasonable prospect of budget balance in a few years. We must protect vital social programs, including Social Security. We must allow for an increase in our military forces. And we must improve the fairness of our tax system by undoing many of the excessive tax breaks and loopholes for wealthy individuals and businesses which were enacted last year, as well as continuing to seek out and eliminate excessive, wasteful, unfair and unnecessary tax preferences which have long been on the books.

We expect the Budget Committee will meet this challenge, and produce a program which provides for budget deficits dramatically lower than would occur under current policy assumptions, while doing so more fairly and realistically than the President has proposed in his Budget. At the same time, we expect the Ways and Means Committee to produce a tax package which contributes constructively to reducing the deficit, and which restores some of the progressivity to our tax code which was lost last year in the enactment of Kemp-Roth and other excessive new tax preferences. We offer our support to you in these efforts.

The truth, however, is that these efforts alone are not enough. The purpose of deficit reduction is to permit lower interest rates and so to foster a rapid recovery from the present recession. Actions taken now to lower the deficit in years ahead are definitely needed. But they will not lower interest rates now, and will not foster economic recovery now, unless they are accompanied by an easing of monetary policy now. And the Chairman of the Federal Reserve Board has said, clearly, emphatically and without reservation, that he refuses to change his monetary policies unless Congress orders him to do so.

The Federal Reserve should therefore be instructed in the Budget Resolution to adjust its monetary targets for 1982 in order to assure full recovery and lower interest rates. This measure, taken in conjunction with steps toward fiscal responsibility outlined above, would engender a rapid reduction in the deficit, from two sources: lower interest payments on the national debt, and higher revenues from the more rapid recovery of the economy which would then occur.

With monetary policy during 1982 we have a special problem. For 1981, the Federal Reserve announced that it would try to achieve money growth of between 3 and 6 percent. Instead, it achieved only 2.2 percent money growth for the year. Then, in February 1982, the Federal Reserve announced that the money growth target range for 1982 had been set 2.5 to 5.5 percent from a base that was severely depressed by the failure to attain even the bottom of the 1981 target range.

So far this year, the Federal Reserve has actually permitted money growth of 8.9 percent at an annual rate, which is much more in line with the requirements for economic recovery than the announced targets. But this rate of growth presents its own problems.

If the Federal Reserve decides to stick with its M1 growth targets of 2.5 to 5.5 percent, the fact that money growth has exceeded the upper limit during the first four months means that growth will have to be severely restricted between May and December. For example, to hit a 4 percent money growth rate for 1982—the midpoint of the range—would require less than 1 percent money growth for the rest of this year, much less than the actual growth rate of last year. How could such monetary stringency give us anything but even higher interest rates and continued recession?

On the other hand, the Federal Reserve may decide to let the current rate of money growth continue through the rest of the year. But if the Fed does this without publicly revising upward its monetary target ceiling, it will make a mockery of the requirements of the Humphrey-Hawkins Act. Worse, it will add to the uncertainty that currently prevails in the financial community. The result will be unnecessary upward pressure on interest rates as lenders demand higher uncertainty premiums.

We propose that the 1983 Budget Resolution include instructions to the Federal Reserve to announce new monetary growth targets for the year. One way to do this would be for the Federal Reserve to announce a feasible six-month target beginning July 1, 1982, rebased to the level of the money supply in the second quarter of 1982. Such an action would clearly convey that the Federal Reserve intends only a once-for-all correction, and not a sustained, potentially inflationary increase of the money growth rate.

It would be nice if Congress could reach an agreement with the Federal Reserve without the necessity for a formal congressional instruction. Unfortunately, it appears that this will not be possible. Just late last month, the House Banking Committee, by a vote of 26 to 14, called on the Federal Reserve to agree to link a loosening of its monetary targets to congressional action which reduces the deficit. Federal Reserve Board Chairman Paul A. Volcker rejected the Banking Committee's overture the same day. Accordingly, the Federal Reserve has aligned itself with the intransigence of the Administration, and will have to be dealt with in the same way—by formal instruction in the appropriate format.

The 1975 precedent, H. Con. Res. 133, establishes that an instruction embodied in a Concurrent Resolution of Congress is binding on the Federal Reserve. Therefore, a simple statement of policy in the Budget Resolution, effective when the President signs the tax measure, will suffice:

"The Federal Reserve shall ease its present 5.5 percent monetary growth ceiling, so as to permit full economic recovery and lower interest rates."

There is no need, in our view, to put the Federal Reserve in a straitjacket of congressionally imposed monetary targets or congressionally mandated technical procedures. The Federal Reserve is quite capable of reading, understanding, and acting in response to a general policy directive, and Congress is quite capable of distinguishing compliance from inaction.

In the case of the Administration, a sterner format is necessary. The President has indicated he might veto tax legislation which incorporates significant deficit-closing increases. Therefore, this measure must be adopted in a form which the President would find extremely distasteful to veto. Only one such vehicle is available: the debt ceiling increase, which, like the Budget Resolution, must be enacted within the next few weeks. The Ways and Means Committee thus can attach needed revenue legislation to the debt ceiling extender and report a conglomerate debt-and-taxes bill to the Floor for prompt action. We need not decide at this time what steps would be necessary in the event the President vetoes such a bill.

Prompt action by the Budget and Ways and Means Committees along the lines suggested above provides the best remaining hope of preserving the budget process from destruction and of avoiding a political stalemate which would make economic recovery impossible and imperil the American economy. We are confident that an appeal to the good sense and patriotism of Democrats and Republicans alike can lead to the adoption of a budget on a bipartisan basis if we act now. Success cannot be guaranteed, but the stalemate leaves us no choice but to act.

Sincerely,

MORRIS K. UDALL,
GEORGE MILLER,
HENRY S. REUSS,
Members of Congress.●

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mrs. CHISHOLM (at the request of Mr. WRIGHT) for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. GONZALEZ, for 60 minutes, today.

(The following Members (at the request of Mr. TAUKE) to revise and extend their remarks and extraneous material:)

Mr. DANNEMEYER, for 30 minutes, today.

Mr. FINDLEY, for 5 minutes, today.

Mr. YOUNG of Alaska, for 5 minutes, today.

Mr. CORCORAN, for 10 minutes, today.

Mr. COLEMAN, for 15 minutes on Monday, May 10.

(The following Members (at the request of Mrs. COLLINS of Illinois) to revise and extend their remarks and include extraneous material:)

Mr. FORD of Michigan, for 10 minutes, today.

Mr. PHILLIP BURTON, for 5 minutes, today.

Mr. ROSTENKOWSKI, for 10 minutes, today.

Mr. STARK, for 10 minutes, today.

Mr. WYDEN, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. COELHO, for 5 minutes, today.

Mr. SAVAGE, for 5 minutes, today.

Mr. LEATH of Texas, for 5 minutes, today.

Mr. ALEXANDER, for 15 minutes, today.

Mr. WILLIAM J. COYNE, for 5 minutes, today.

Mr. REUSS, for 45 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. HARKIN, prior to the vote on H.R. 5539 today.

(The following Members (at the request of Mr. TAUKE) and to include extraneous matter:)

Mr. MCGRATH.
Mr. BEARD.
Mr. MCKINNEY.
Mr. WHITEHURST.
Mr. RAILSBACK.
Mrs. SCHNEIDER in four instances.
Mr. ERDAHL.
Mr. SHUMWAY.
Mr. COURTER.
Mr. ERLENBORN.
Mr. PRITCHARD.
Mr. BEREUTER.
Mr. GREEN.
Mr. HOLLENBECK.
Mr. EVANS of Iowa.
Mr. MADIGAN.
Mr. LENT.
Mr. ROBERTS of South Dakota.
Mr. YOUNG of Florida.
Mr. FINDLEY.

(The following Members (at the request of Mrs. COLLINS of Illinois) and to include extraneous matter:)

Mr. OTTINGER in two instances.
Mr. LUKEN.
Mr. FASCELL in three instances.
Mr. WYDEN.
Mr. KILDEE.
Mr. MOTTL.
Mr. AUCOIN.
Mr. MILLER of California.
Mr. BIAGGI.
Mr. WOLPE.
Mr. DOWNEY.
Mr. FARY.
Mr. UDALL.
Mr. SCHUMER.
Mr. PEPPER.
Mr. YATES.
Mr. MINETA.
Mr. STARK.
Mr. FORD of Michigan.
Mr. BONIOR of Michigan.
Mr. SHANNON.
Mr. SIMON in five instances.
Mr. ZEFERETTI.
Mr. WALGREN.
Mr. O'NEILL.
Mr. MCDONALD in five instances.
Mr. BRODHEAD.
Mr. OBERSTAR.
Mr. ROSTENKOWSKI.
Mr. LONG of Maryland.
Mr. EDGAR in two instances.
Mr. RODINO.

SENATE BILL, JOINT AND CONCURRENT RESOLUTIONS REFERRED

A bill, and joint and concurrent resolutions of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 2488. An act to strengthen and improve the management of civilian personnel within the Defense Intelligence Agency; jointly, to the Committees on Armed Services, Post Office and Civil Service, and the Permanent Select Committee on Intelligence.

S.J. Res. 131. Joint resolution designating "National Theatre Week"; to the Committee on Post Office and Civil Service.

S.J. Res. 160. Joint resolution to designate July 9, 1982, as "National P.O.W.-M.I.A. Recognition Day"; to the Committee on Post Office and Civil Service.

S.J. Res. 182. Joint resolution to designate January 1983 as "National Snowmobiling Month"; to the Committee on Post Office and Civil Service.

S.J. Res. 189. Joint resolution to authorize and request the President to designate May 25, 1982, as "Missing Children Day"; to the Committee on Post Office and Civil Service.

S. Con. Res. 82. Concurrent resolution expressing the sense of the Congress that the people of the United States should observe the month of May 1982 as Older Americans Month; to the Committee on Post Office and Civil Service.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 2244. An act to give effect to the Protocol Amending the Convention for the Preservation of the Halibut Fishery of the Northern Pacific Ocean and Bering Sea, signed at Washington, March 29, 1979.

BILLS PRESENTED TO THE PRESIDENT

Mr. HAWKINS, from the Committee on House Administration, reported that that committee did on May 5, 1982, present to the President, for his approval, bills of the House of the following titles:

H.R. 1824. A bill for the relief of Theresa Macam Alcalen;

H.R. 1798. A bill for the relief of Jacobo Cosio-Franco;

H.R. 1977. A bill for the relief of Maria Gloria (Joy) C. Villa; and

H.R. 3478. A bill for the relief of Mrs. Haruko Kuboto Smith.

ADJOURNMENT

Mr. GONZALEZ. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 52 minutes p.m.), under its previous order, the House adjourned until Monday, May 10, 1982, at 12 o'clock noon.

EXPENDITURE REPORTS CONCERNING OFFICIAL FOREIGN TRAVEL

Report of a House committee concerning the foreign currencies and U.S. dollars utilized by it during the first quarter of calendar year 1982 in connection with foreign travel pursuant to Public Law 95-384 is as follows:

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON FOREIGN AFFAIRS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1982

Name of member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Barnes, M. D.	1/3	1/5	Colombia		249.87						249.87
	1/5	1/6	Nicaragua						79.98		79.98
	1/6	1/9	Dominican Republic		225.00						225.00
	1/9	1/12	Haiti		257.50						257.50
	1/12	1/14	Jamaica		194.00						194.00
Military transportation							6,770.40				6,770.40
Barton, D. P.	1/4	1/6	Belgium		196.00		48.19		17.03		261.22
	1/6	1/10	Netherlands		445.00				37.15		482.15
	1/11	1/12	Switzerland		190.00		61.69		9.46		261.15
Military transportation							2,957.15				2,957.15
Bell, W. L.	1/16	1/18	Hong Kong		200.00						200.00
	1/18	1/20	Malaysia		188.00						188.00
	1/20	1/22	Singapore		212.00						212.00
	1/22	1/27	Indonesia		385.00						385.00
	1/27	2/2	Thailand		500.25						500.25
	2/3	2/6	Philippines		375.00						375.00
Commercial transportation							4,167.39				4,167.39
Berdes, G. R.	3/2	3/4/	Belgium		186.00		22.69		82.25		290.94
	3/4	3/7	Poland		291.00		7.21		261.03		559.24
	3/7	3/8	Austria		83.00						83.00
	3/8	3/9	Italy		78.00						78.00
Military transportation							4,348.00				4,348.00
Boyer, R. K.	1/7	1/13	Haiti		560.00						560.00
	1/13	1/15	Dominican Republic		170.00						170.00
	1/15	1/21	Bahamas		864.00						864.00
Commercial transportation							817.00				817.00
Carson, J.	3/14	3/18	Haiti		300.00						300.00
Commercial transportation							539.09				539.09
Chambers, F. M.	1/28	1/31	Costa Rica		174.00						174.00
	1/31	2/2	Nicaragua		184.00				21.77		205.77
	2/2	2/7	Honduras		125.00						125.00
	2/7	2/10	El Salvador		180.00		296.52				476.52
Commercial transportation							944.48				944.48
Chester, J. C.	1/4	1/6	Belgium		196.00		48.19		17.03		261.22
	1/6	1/10	Netherlands		445.00				37.15		482.15
	1/11	1/12	Switzerland		190.00		61.69		9.46		261.15
Military transportation							2,957.15				2,957.15
Crockett, G. W.	1/13	1/16	New Guinea		270.00						270.00
	1/18	1/19	Fiji								
Military transportation							6,716.65				6,716.65
	3/11	3/12	Barbados		207.56						207.56
	3/12	3/15	Grenada		133.00						133.00
	3/16	3/18	Haiti		322.10						322.10
Commercial transportation							1,418.00				1,418.00
Daoust, M. E.	1/4	1/6	Belgium		196.00		48.19		17.03		261.22
	1/6	1/10	Netherlands		445.00				37.15		482.15
	1/11	1/12	Switzerland		190.00		61.69		9.46		261.15
Military transportation							2,957.15				2,957.15
Dornan, R. K.	2/28	3/2	El Salvador		225.00		103.94				328.94
Commercial transportation							654.00				654.00
Erdahl, A.	3/2	3/4	Belgium		186.00		22.69		82.25		290.94
	3/4	3/7	Poland		291.00		7.21		261.03		559.24
	3/7	3/8	Austria		83.00						83.00
	3/8	3/9	Italy		78.00						78.00
Military transportation							4,348.00				4,348.00
Fascell, D. B.	1/4	1/6	Belgium		196.0		48.19		17.03		261.22
	1/6	1/10	Netherlands		445.00				37.15		482.15
	1/11	1/12	Switzerland		190.00		61.69		9.46		261.15
Military transportation							2,957.15				2,957.15
Fatemi, F. S.	3/1	3/4	Switzerland		267.00		682.02				949.02
Commercial transportation							2,572.00				2,572.00
Fortier, A. B.	1/4	1/6	Belgium		196.00		48.19		17.03		261.22
	1/6	1/10	Netherlands		445.00				37.15		482.15
	1/11	1/12	Switzerland		190.00		61.69		9.46		261.15
Military transportation							2,957.15				2,957.15
Fox, J. E.	1/18	1/22	Cuba		375.00		100.00				475.00
Commercial transportation							229.00				229.00
Friedman, E.	1/16	1/18	Hong Kong		200.00						200.00
	1/18	1/20	Malaysia		188.00						188.00
	1/10	1/22	Singapore		212.00						212.00
	1/22	1/27	Indonesia		385.00						385.00
	1/27	2/2	Thailand		587.25						587.25
Commercial transportation							4,391.46				4,391.46
Galey, M. E.	2/26	3/6	Austria		774.00						774.00
							1,220.00				1,220.00
Gilman, B. A.	1/18	1/20	Cuba		249.00		100.0				349.00
Commercial transportation							214.00				214.00
Goodman, M.	1/21	1/22	Hong Kong		100.00						100.00
	1/22	1/27	Indonesia		385.00						385.00
	1/27	2/2	Thailand		500.25						500.25
	2/2	2/8	Philippines		450.00						450.00
	2/8	2/10	Japan		168.50						168.50
Commercial transportation							4,422.00				4,422.00
Grant, J. T.	1/4	1/6	Belgium		196.00		48.19		17.03		261.22
	1/6	1/10	Netherlands		445.00				37.15		482.15
	1/11	1/12	Switzerland		190.00		61.69		9.46		261.15
Military transportation							2,957.15				2,957.15
Grunberg, C. A.	3/23	3/26	England		206.00		17.65				223.65
Commercial transportation							1,828.00				1,828.00
Hyde, H. J.	2/14	2/19	Italy		425.00		706.09				1,131.09
Commercial transportation							3,963.00				3,963.00
Huber, R. T.	3/2	3/4	Belgium		186.00		22.69		82.25		290.94
	3/4	3/7	Poland		291.00		7.21		261.03		559.24
	3/8	3/9	Austria		83.00						83.00
	3/8	3/9	Italy		78.00						78.00
Military transportation							4,348.00				4,348.00
Ingram, G.	1/5	1/12	Domican Republic		525.00						525.00
	1/12	1/13	Antigua		146.00						146.00
	1/14	1/19	Barbados		819.00						819.00
Commercial transportation							1,618.00				1,618.00
Johnson, V. C.	1/3	1/5	Colombia		152.85						152.85

Name of member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
	1/5	1/6	Nicaragua						79.98		79.98
	1/6	1/9	Dominican Republic		225.00						225.00
	1/9	1/12	Haiti		260.00						260.00
	1/12	1/14	Jamaica		194.00						194.00
Military transportation							6,770.40				6,770.40
Kurz, R. J.	1/7	1/13	Haiti		560.00						560.0
	1/13	1/15	Dominican Republic		170.00						170.00
	1/15	1/20	Bahamas		720.00						720.00
Commercial transportation							1,311.00				1,311.00
Lantos, T. P.	1/4	1/6	Belgium		196.00		48.10		17.03		261.22
	1/6	1/10	Netherlands		445.00				37.15		482.15
	1/11	1/12	Switzerland		190.00		61.69		9.46		261.15
Military transportation							2,957.15				2,957.15
Majak, R. R.	1/6	1/12	Dominican Republic		450.00						450.00
	1/12	1/13	Antigua		146.00						146.00
	1/13	1/14	Dominica								
	1/14	1/13	Barbados		819.00						819.00
Commercial transportation							1,171.00				1,171.00
Palmer, E. J.	2/10	2/12	Austria		172.00						172.00
	2/12	2/19	Pakistan		607.00						607.00
Commercial transportation							3,407.00				3,407.00
Perugino, M. R.	1/4	1/6	Belgium		196.00		48.19		17.03		261.22
	1/6	1/10	Netherlands		445.00				37.15		482.15
	1/11	1/12	Switzerland		190.00		61.69		9.46		261.15
Military transportation							2,957.15				2,957.15
Pubillones, L.	1/28	1/31	Costa Rica		210.00						210.00
	1/31	2/2	Nicaragua		172.00				21.77		193.77
	2/2	2/7	Honduras		85.00						85.00
	2/7	2/9	Belize		156.00						156.00
Commercial transportation							944.40				944.40
Rosenthal, B. S.	1/24	1/27	Israel		270.00		333.00				603.00
	1/27	1/30	Greece		225.00				49.67		274.67
Commercial transportation							3,711.00				3,711.00
Schlundt, V. M.	1/7	1/13	Haiti		560.00						560.00
	1/13	1/15	Dominican Republic		130.00						130.00
	1/15	1/21	Bahamas		863.66						863.66
Commercial transportation							867.00				867.00
Schollaert, J. T.	2/10	2/12	Austria		172.00						172.00
	2/12	2/19	Pakistan		607.00						607.00
Commercial transportation							3,407.00				3,407.00
Smeeton, T. R.	1/28	1/31	Costa Rica		195.00						195.00
	1/31	2/2	Nicaragua		154.00				21.77		175.77
	2/2	2/7	Honduras		375.00						375.00
	2/7	2/10	El Salvador		300.00		296.52				596.52
Commercial transportation							879.52				879.52
Winn, L.	1/4	1/6	Belgium		196.00		48.19		17.03		261.22
	1/6	1/10	Netherlands		445.00				37.15		482.15
	1/11	1/12	Switzerland		190.00		61.69		9.46		261.15
Military transportation							2,957.15				2,957.15
Total for 1st quarter											142,009.83

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

CLEMENT J. ZABLOCKI, Chairman.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3860. A letter from Assistant Secretary of the Army (Installations, Logistics and Financial Management), transmitting notice of the Army's decision to convert to contractor performance the guard service activity at Fort Knox, Ky., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

3861. A letter from the Deputy Chief of Naval Material (Contracts and Business Management), transmitting the Navy's semiannual report of research and development contracting actions of $50,000 and over, covering the period October 1, 1981, through March 31, 1982, pursuant to 10 U.S.C. 2357; to the Committee on Armed Services.

3862. A letter from the Chairman, Federal Trade Commission, transmitting the Commission's fourth annual report on its administration of the Fair Debt Collection Practices Act of 1977, pursuant to section 815(a) of the act; to the Committee on Banking, Finance and Urban Affairs.

3863. A letter from the Chairman, Council of the District of Columbia, transmitting D.C. Act 4-182, "District of Columbia Arson Reporting Immunity Act of 1982," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

3864. A letter from the District of Columbia Auditor, transmitting various reports issued by his office, pursuant to section 455 of Public Law 93-198; to the Committee on the District of Columbia.

3865. A letter from the Secretary of Education, transmitting notice of delay in submitting an analysis of the unique educational needs of Guam, the Virgin Islands, American Samoa, the Trust Territories of the Pacific Islands, and the Northern Mariana Islands, as required by section 1204(b) of the Education Amendments of 1980; to the Committee on Education and Labor.

3866. A letter from the Under Secretary of State for Security Assistance, transmitting estimate and justification for annual arms sales program, pursuant to section 25(a) of the Arms Export Control Act; to the Committee on Foreign Affairs.

3867. A letter from the Attorney-Adviser, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on Foreign Affairs.

3868. A letter from the Assistant Secretary of Treasury for Administration, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

3869. A letter from the Chairman, Federal Energy Regulatory Commission, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

3870. A letter from the Executive Director, Pension Benefit Guaranty Corporation, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

3871. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders suspending deportation under the authority of section 244(a)(1) of the Immigration and Nationality Act, together with a list of the persons involved, pursuant to section 244(c) of the act; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. PRICE: Committee on Armed Services. H.R. 6068. A bill to authorize appropriations for fiscal year 1983 for intelligence and intelligence-related activities of the U.S. Government, for the intelligence community staff, for the Central Intelligence Agency retirement and disability system, to authorize supplemental appropriations for fiscal year 1982 for the intelligence and intelligence-related activities of the U.S. Government, and for other purposes (Rept. No. 97-486, Pt. II). Referred to the Committee of the Whole House on the State of the Union.

Mr. HAWKINS: Committee on House Administration. H.R. 6132. A bill to amend section 5590 of the Revised Statutes to provide for adjusting the rate of interest paid on funds of the Smithsonian Institution deposited with the Treasury of the United States as a permanent loan; with amendment (Rept. No. 97-503). Referred to the Committee of the Whole House on the State of the Union.

Mr. SWIFT: Committee on House Administration. H.R. 6256. A bill to authorize appropriations for the Federal Election Commission for fiscal year 1983; with amendment (Rept. No. 97-504). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ST GERMAIN (for himself, Mr. Gonzalez, Mr. Patterson, Mr. AuCoin, Mr. Wylie, and Mr. McKinney):

H.R. 6294. A bill to provide supplemental authorization in order to stimulate the sales and production of housing; to the Committee on Banking, Finance and Urban Affairs.

By Mr. STARK:

H.R. 6295. A bill to amend the Internal Revenue Code of 1954 to reduce the tax incentives for corporate takeovers; to the Committee on Ways and Means.

By Mr. GONZALEZ (for himself, Mr. St Germain, Mr. Fauntroy, Mr. Patterson, Mr. LaFalce, Mr. Blanchard, Mr. Lundine, Ms. Oakar, Mr. Vento, Mr. Garcia, Mr. Lowry of Washington, Mr. Mitchell of Maryland, Mr. Hubbard, Mr. D'Amours, Mr. Schumer, Mr. Frank, Mr. William J. Coyne, and Mr. Hoyer):

H.R. 6296. A bill to amend and extend certain Federal laws which establish housing and community and neighborhood development and preservation programs, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. RODINO:

H.R. 6297. A bill to authorize appropriations to carry out the activities of the Department of Justice for fiscal year 1983, and for other purposes; to the Committee on the Judiciary.

By Mr. ARCHER:

H.R. 6298. A bill to amend title II of the Social Security Act to help eliminate certain improper benefit payments and other abuses (involving claimants who reside in foreign countries) under the old-age, survivors, and disability insurance program, and to provide for crediting the trust funds with the amount of certain uncashed social security benefit checks; to the Committee on Ways and Means.

By Mr. ATKINSON:

H.R. 6299. A bill to amend the Unfair Competition Act of 1916 to provide for further relief in the event of unfair foreign competition; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. ROSTENKOWSKI:

H.R. 6300. A bill to improve compliance with the internal revenue laws; to the Committee on Ways and Means.

By Mr. BIAGGI:

H.R. 6301. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income amounts which are received from a public retirement system and which are attributable to services as a Federal, State, or local policeman and fireman; to the Committee on Ways and Means.

By Mr. BROWN of Ohio (for himself, Mr. Stanton of Ohio, Mr. Kindness, Mr. Williams of Ohio, Mr. Weber of Ohio, Mr. Eckart, and Mr. Oxley):

H.R. 6302. A bill to amend the Federal Property and Administrative Services Act of 1949 to permit the disposal of surplus property to States and local governments for correctional facility use; to the Committee on Government Operations.

By Mr. DUNCAN:

H.R. 6303. A bill to amend the Internal Revenue Code of 1954 to provide income tax simplification and reform; to the Committee on Ways and Means.

By Mr. ECKART:

H.R. 6304. A bill to prohibit the repeal or modification for a period of 3 years of certain regulations of the Federal Highway Administration relating to the maintenance of logs by drivers employed by motor carriers; to the Committee on Public Works and Transportation.

H.R. 6305. A bill to amend the Internal Revenue Code of 1954 to provide employers a nonrefundable tax credit for hiring certain unemployed workers and to provide certain unemployed workers a refundable tax credit for retraining expenses; to the Committee on Ways and Means.

By Mr. FINDLEY:

H.R. 6306. A bill to amend the Communications Act of 1934, as amended, to prohibit consideration of skywave signals in determining whether to grant an application for a license; to the Committee on Energy and Commerce.

By Mr. FLORIO:

H.R. 6307. A bill to amend the Solid Waste Disposal Act to authorize appropriations for the fiscal years 1983 and 1984, and for other purposes; to the Committee on Energy and Commerce.

By Mr. FLORIO (for himself, Mr. Moffett, and Ms. Mikulski):

H.R. 6308. A bill to insure rail safety, provide for the preservation of rail service, transfer responsibility for the Northeast corridor improvement project to Amtrak, and for other purposes; to the Committee on Energy and Commerce.

By Mr. FOGLIETTA:

H.R. 6309. A bill to require prior notification to affected employees and communities of closure and relocation of businesses and to provide job placement assistance to employees affected by closure and relocation of businesses; to the Committee on Education and Labor.

By Mr. FORD of Michigan:

H.R. 6310. A bill to amend title 5, United States Code, to provide for additional premium pay and other changes in personnel law applicable to certain employees of the Federal Aviation Administration in order to assure the prompt return of the Federal air traffic control system to full capacity, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. GEPHARD (for himself, Mr. Conable, Mr. Heftel, and Mr. Hance):

H.R. 6311. A bill to amend the Internal Revenue Code of 1954 to clarify the standards used for determining whether individuals are not employees for purposes of the employment taxes, and for other purposes; to the Committee on Ways and Means.

By Mr. GUARINI (for himself, Mr. Minish, Mr. Waxman, and Mr. Scheuer):

H.R. 6312. A bill to make certain unauthorized ticket resales an offense under title 18 of the United States Code; to the Committee on the Judiciary.

By Mr. HARKIN (for himself, Mr. Coelho, Mr. Erdahl, Mr. Jeffords, Mr. Jones of Tennessee, Mr. Rose, Mr. Stangeland, Mr. Roberts of Kansas, Mr. Stenholm, Mr. Volkmer, Mr. Whitley, and Mr. de la Garza):

H.R. 6313. A bill to assure the production of an adequate supply of pure and wholesome milk to meet the needs of markets of the United States, to assure a reasonable level of returns to dairy farmers and stable prices for milk and dairy products for consumers, to maintain production capacity sufficient to meet anticipated future needs, and for other purposes; to the Committee on Agriculture.

By Mr. HARKIN (for himself, Mr. Coelho, Mr. Hagedorn, Mr. Hatcher, Mr. Jeffords, Mr. Jones of Tennessee, Mr. Rose, Mr. Stangeland, Mr. Volkmer, and Mr. Whitley):

H.R. 6314. A bill to enable milk producers to establish, finance, and carry out a coordinated program of dairy product promotion to improve, maintain, and develop markets for dairy products; to the Committee on Agriculture.

By Mr. LEATH of Texas (for himself, Mr. Montgomery, Mr. Hammerschmidt, Mr. Edwards of California, Mr. Brinkley, Mr. Mottl, Mr. Edgar, Mr. Sam B. Hall, Jr., Mr. Applegate, Mr. Boner of Tennessee, Mr. Shelby, Mr. Mica, Mr. Daschle, Mr. Stump, Mr. Dowdy, Mr. Gramm, Mr. Murphy, Mr. Dorgan of North Dakota, Mr. Won Pat, Mrs. Heckler, Mr. McEwen, Mr. Smith of New Jersey, and Mr. Napier):

H.R. 6315. A bill to amend title 38, United States Code, to enhance the quality of care for veterans in medical facilities operated by the Veterans' Administration by insuring the provision of such care and necessary related services by Federal employees; to the Committee on Veterans' Affairs.

By Mr. MICA:

H.R. 6316. A bill to rescind the tax benefits provided during 1981 to Members of Congress in the form of living expense deductions; to the Committee on Ways and Means.

By Mr. NICHOLS:

H.R. 6317. A bill to revise the manner in which the October 1, 1982, pay increase for members of the uniformed services is to be determined, to make various adjustments in military personnel and compensation programs, and for other purposes; to the Committee on Armed Services.

By Mr. OTTINGER:

H.R. 6318. A bill to prohibit the export and use abroad of certain nuclear technologies and materials; to the Committee on Foreign Affairs.

By Mr. PORTER:

H.R. 6319. A bill to suspend the application of the wage and hour requirements of the Fair Labor Standards Act of 1938 for the employment of full-time students during the summer of 1982; to the Committee on Education and Labor.

By Mr. RATCHFORD:

H.R. 6320. A bill to amend the Social Security Act to provide that the receipts and disbursements of the social security trust funds shall not be included in the totals of the budget of the U.S. Government and to provide improvements in the management of such trust funds; to the Committee on Ways and Means.

By Mr. RINALDO:

H.R. 6321. A bill to prevent and discourage misrepresentations and deceptive omissions of material facts by used vehicle dealers concerning warranty coverage and the mechanical condition of used vehicles; to the Committee on Energy and Commerce.

By Mr. ROYBAL:

H.R. 6322. A bill to amend the Food Stamp Act of 1977 to require that individuals who are elderly or disabled and who live in certain types of group living arrangements be treated as individual households; to the Committee on Agriculture.

By Mr. SCHEUER (for himself, Mr. Blanchard, Mr. Brown of California, Mrs. Schneider, Mr. Walgren, and Mr. White):

H.R. 6323. A bill to authorize appropriations for environmental research, development, and demonstration for the fiscal years 1983 and 1984, and for other purposes; to the Committee on Science and Technology.

H.R. 6324. A bill to authorize appropriations for atmospheric, climatic, and ocean pollution activities of the National Oceanic and Atmospheric Administration for the fiscal years 1983 and 1984, and for other purposes; to the Committee on Science and Technology.

By Mr. SILJANDER:

H.R. 6325. A bill to provide a temporary exemption from certain provisions of the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code of 1954 relating to prohibited transactions for the purchase of certain bonds sold to fund residential mortgages and domestic motor vehicle loans and to provide for interest-reduction payments by the Secretary of Housing and Urban Development to assist with the financing of the purchase of certain residential dwellings and domestic motor vehicles; jointly, to the Committees on Education and Labor, Ways and Means, and Banking, Finance and Urban Affairs.

By Mr. SIMON:

H.R. 6326. A bill to require the Secretary of Labor to conduct a study regarding the establishment and use of a consumer price index for older persons; to the Committee on Education and Labor.

By Mrs. SMITH of Nebraska:

H.R. 6327. A bill to authorize amendments to certain repayment and water service contracts for the Frenchman Unit of the Pick-Sloan Missouri River Basin program; to the Committee on Interior and Insular Affairs.

By Mr. SOLOMON:

H.R. 6328. A bill to amend the Federal Property and Administrative Services Act of 1949 to allow volunteer fire departments and emergency rescue squads to receive donations of Federal surplus personal property; to the Committee on Government Operations.

By Mr. STRATTON (for himself and Mrs. Holt):

H.R. 6329. A bill to authorize appropriations for the Department of Energy for national security programs for fiscal year 1983, and for other purposes; to the Committee on Armed Services.

By Mr. WOLPE (for himself, Mrs. Schneider, Mr. Jeffords, Mr. Edgar, Mr. Oberstar, and Ms. Oakar):

H.R. 6330. A bill to amend the Internal Revenue Code of 1954 to impose a Federal severance tax on crude oil, to provide that the proceeds of such tax be deposited into a trust fund for block grants to States for energy and economic development, and to limit the amount of taxes imposed by States on oil, gas, and coal; jointly, to the Committees on Ways and Means, Energy and Commerce, Public Works and Transportation, and the Judiciary.

By Mr. YOUNG of Alaska:

H.R. 6331. A bill to provide for the transportation of dependents of members of the uniformed services who are stationed in Alaska and Hawaii and who are in need of medical attention not available in the area where the member is stationed; to the Committee on Armed Services.

By Mr. BROWN of Ohio (for himself, Mr. Oxley, Mr. Corcoran, Mr. Sharp, Mr. Traxler, Mr. Dannemeyer, and Mr. Weber of Ohio):

H.J. Res. 478. Joint resolution to designate October 1982 as "National Car Care Month;" to the Committee on Post Office and Civil Service.

By Mrs. FENWICK (for herself, Mr. Emery, and Mrs. Schneider):

H. Con. Res. 332. Concurrent resolution on placing the Small Business Administrator on the Cabinet Council on Economic Affairs; to the Committee on Small Business.

By Mr. FITHIAN:

H. Con. Res. 333. Concurrent resolution expressing the sense of the Congress that the U.S. Government should immediately cease to purchase any Iranian crude oil; to the Committee on Foreign Affairs.

By Mr. JEFFRIES:

H. Con. Res. 334. Concurrent resolution expressing the sense of the Congress that no amnesty should be granted to aliens present illegally in the United States; to the Committee on the Judiciary.

By Mr. WHITEHURST:

H. Con. Res. 335. Concurrent resolution expressing the sense of the Congress with respect to efforts to achieve further cooperation among the member countries of the North Atlantic Treaty Organization (NATO); to the Committee on Foreign Affairs.

By Mr. PICKLE:

H. Res. 453. Resolution authorizing the transfer of original documents of the House of Representatives to the Lyndon Baines Johnson Library; to the Committee on House Administration.

By Mr. EDGAR:

H. Res. 454. Resolution expressing the sense of the House of Representatives that veterans' benefits and entitlements be considered "Veterans Rights"; to the Committee on Veterans' Affairs.

By Mr. MARLENEE (for himself and Mr. English).

H. Res. 455. Resolution expressing the sense of the House with respect to an immediate resumption of negotiations with the Government of the Soviet Union for an extension of the existing long-term grain sales agreement, and for other purposes; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

370. By the SPEAKER: Memorial of the Legislature of the Territory of Guam, relative to the history of Guam's electric utility from its inception to the present; to the Committee on Interior and Insular Affairs.

371. Also, memorial of the Legislature of the State of California, relative to the refugee resettlement programs in California; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. FOWLER:

H.R. 6332. A bill for the relief of Jeannette Hall Robertson; to the Committee on the Judiciary.

By Mr. YOUNG of Florida:

H.R. 6333. A bill for the relief of Nery De Malo; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 808: Mrs. Snowe, Mr. Carman, Mr. Gray, Mr. Atkinson, and Mr. Mollohan.

H.R. 1310: Mrs. Snowe, Mr. Badham, Mr. Beard, Mr. Campbell, Mr. Carney, Mr. James K. Coyne, Mr. Daub, Mr. Dornan of California, Mr. Dougherty, Mr. Duncan, Mr. Erdahl, Mr. Findley, Mr. Forsythe, Mr. Gingrich, Mr. Hartnett, Mr. Hollenbeck, Mr. Horton, Mr. Howard, Mr. Hyde, Mr. Kogovsek, Mr. Lott, Mr. McDade, Mr. Mitchell of New York, Mr. Murphy, Mr. Oberstar, Mr. Ottinger, Mr. Pashayan, Mr. Porter, Mr. Pritchard, Mr. Rahall, Mr. Rinaldo, Mr. Rousselot, Mr. Sawyer, Mrs. Schneider, and Mr. Winn.

H.R. 1918: Mrs. Fenwick.

H.R. 1960: Mr. McHugh.

H.R. 2208: Mr. Seiberling.

H.R. 4147: Mr. Zeferetti, Mr. Stump, Mr. Lagomarsino, and Mr. Ottinger.

H.R. 4158: Mr. Sabo.

H.R. 4786: Mr. Clausen, Mr. Foglietta, and Mr. Porter.

H.R. 4828: Mr. Erdahl, Mr. Lagomarsino, Ms. Mikulski, Mr. Oberstar, Mr. Smith of Iowa, Mr. Weiss, Mr. LeBoutillier, Mr. Hubbard, Mr. Young of Alaska, Mr. D'Amours, Mr. Downey, Mr. Crockett, Mr. Gilman, Mr. Leland, Mr. Gray, and Mr. Lantos.

H.R. 4912: Mrs. Schneider and Mr. Shannon.

H.R. 5067: Mr. Frenzel, Mr. Horton, Mr. Roe, and Mr. Whittaker.

H.R. 5076: Mr. Hawkins.

H.R. 5192: Mr. Bafalis, Mr. Dicks, Mr. Rose, Mr. Sawyer, Mr. Sensenbrenner, and Mr. Wolpe.

H.R. 5338: Mr. LaFalce.

H.R. 5503: Mrs. Holt, Mr. Hoyer, and Mr. Bliley.

H.R. 5575: Mr. Studds and Mr. Richmond.

H.R. 5576: Mr. Horton and Mr. Richmond.

H.R. 5588: Mr. Daub and Mr. Porter.

H.R. 5593: Mr. Fuqua.

H.R. 5687: Mr. Akaka and Mr. Gejdenson.

H.R. 5691: Mr. Foley, Mr. Murphy, Mr. Chappie, Mr. Ford of Michigan, Mr. Traxler, Mr. Won Pat, Mr. Wirth, Mr. Skelton, and Mr. Fascell.

H.R. 5759: Mr. Ford of Tennessee.

H.R. 5762: Mr. Simon, Mr. Leland, Mr. D'Amours, Mr. Shamansky, and Mr. Ottinger.

H.R. 5840: Mr. Foglietta, Mr. Frank, Mr. Jeffords, Mr. de Lugo, and Mr. Bedell.

H.R. 5920: Mr. Roemer, Mr. Rogers, Mr. Philip M. Crane, Mr. McGrath, Mr. Brown of Colorado, Mr. Winn, Mrs. Holt, Mr. Wortley, Mr. Lungren, Mr. English, Mr. Derwinski, Mr. Murphy, Mr. McDonald, Mr. Ireland, and Mr. Barnard.

H.R. 5954: Mr. John L. Burton, Mr. Edgar, and Mr. Murphy.

H.R. 5969: Mr. Pepper, Mr. Oberstar, Mr. Mitchell of Maryland, Mr. Dwyer, Mr. Vento, Mr. Mavroules, Mr. Bonker, Mr. Biaggi, Mr. Frank, Mr. Hughes, and Mrs. Bouquard.

H.R. 5999: Mr. Pepper.

H.R. 6009: Mr. Coats, Mr. Corcoran, Mr. Dougherty, Mr. Hartnett, and Mr. Madigan.

H.R. 6015: Mr. Pepper, Mr. John L. Burton, Mr. Biaggi, Mrs. Bouquard, Mr. Shamansky, Mr. Donnelly, Mr. Conyers, Mr. Roemer, Mr. Sunia, Mr. Murphy, Mr. Hughes, Mr. Winn, Mr. Udall, Mr. Weiss, Mr. Wolf, Mr. Frank, Mr. Courter, Mr. Emery, Mr. LeBoutillier, Mrs. Schroeder, Mr. Rosenthal, Mr. Waxman, Mr. Lehman, Mr. Whittaker, Mrs. Holt, Mr. Ford of Michigan, Mr. Kindness, Mr. Fazio, Mr. Lowry of Washington, Mr. Young of Florida, Mr. DeNardis, Mr. Mineta, Mrs. Collins of Illinois, Mr. Clinger, Mr. Dan Daniel, Mr. Railsback, Mr. Richmond, Mr. Edwards of California, Mr. Wyden, Mr. Akaka, and Mr. Dixon.

H.R. 6058: Mr. Carman, Mr. Lundine, Mr. LaFalce, Mr. Neal, Mr. Dixon, Mr. Burgener, Mr. Blanchard, Mr. Lowry of Washington, Mr. Boner of Tennessee, Mr. Brown of California, Mr. Dreier, Mr. Frank, Mr. Thomas, Mr. Lewis, Mr. McKinney, Mr. Lowery of California, Mr. Parris, Mr. Wortley, Mr. Clausen, and Mr. Rousselot.

H.R. 6085: Mr. William J. Coyne.

H.R. 6087: Mr. Fazio, Mr. Gejdenson, Mr. Edgar, Mr. Weiss, Mr. Bedell, and Mr. Hughes.

H.R. 6100: Mr. Rogers.

H.R. 6143: Mr. LeBoutillier.

H.R. 6159: Mr. Lowery of California.

H.R. 6161: Mrs. Heckler, Mr. Paul, Mr. Long of Maryland, Mr. Porter, Mr. Frank, Mr. Horton, Mr. Annunzio, Mr. Derwinski, Mr. Mitchell of Maryland, Mr. Ritter, Mr. Minish, Mr. McCloskey, Mr. Ottinger, Mr. Edgar, Mr. Smith of New Jersey, Mr. Barnes, Mr. Courter, Mr. Eckart, Mrs. Fenwick, Mr. Green, and Mr. Wortley.

H.R. 6170: Mr. Horton, Mr. Flippo, Mr. Ratchford, Mr. Hagedorn, Mr. Yates, Mr. Mottl, Mr. Murphy, Mr. Whitehurst, Mr. Nelligan, Mr. Rodino, Mr. Frank, Mr. Rosenthal, Mrs. Oakar, Mr. Beilenson, Ms. Mikulski, Mr. Roemer, Mr. Bevill, Mr. Florio, and Mr. Minish.

H.R. 6183: Mr. Morrison, Mr. Frost, Mr. Derwinski, Mr. Daschle, Mr. Florio, Mr. Smith of Iowa, Mr. McGrath, Mr. Dougherty, Mr. Clinger, and Mr. Wright.

H.J. Res. 151: Mr. Philip M. Crane, Mrs. Schroeder, Mrs. Collins of Illinois, and Mr. Evans of Indiana.

H.J. Res. 225: Mr. Campbell, Mr. Montgomery, Mr. Hefner, Mr. Hyde, Mr. Young of Florida, Mr. Roe, Ms. Ferraro, Mr. Albosta, Mr. Ford of Michigan, Mr. Whittaker, Mr. Dunn, Mr. Erdahl, Mr. Markey, Mr. Hutto, Mr. Quillen, Mr. Atkinson, Mr. Biaggi, Mr. Wright, Mr. Spence, Mr. Long of Maryland, Mr. Natcher, Mr. Murtha, Mr. Oxley, Mr. Lott, Mr. McDade, Mr. Dwyer, Mr. James K. Coyne, Mr. Thomas, Mr. Hughes, Mr. Fauntroy, Mr. Horton, Mr. Jones of North Carolina, Mr. Wylie, Mr. Hagedorn, Mr. Udall, Mr. Rose, and Mr. Levitas.

H.J. Res. 363: Mr. O'Brien.

H.J. Res. 386: Mr. Atkinson, Mr. Bafalis, Mr. Bennett, Mr. Daub, Mr. DeNardis, Mr. Edwards of Oklahoma, Mrs. Fiedler, Mr. Hammerschmidt, Mr. Lee, Mr. Markey, Mr. Moorhead, Mr. O'Brien, Mr. Ottinger, Mr. Roberts of South Dakota, Mr. Roe, Mr. Smith of Pennsylvania, Mr. Walgren, Mr. Mottl, Mr. Erdahl, and Mr. Frank.

H.J. Res. 420: Mr. Benedict, Mr. de la Garza, Mr. Dicks, Mr. Daub, Mr. Edgar, Mr. Frost, Mr. Hertel, Mr. Lantos, Mr. Livingston, Mr. Mazzoli, Mr. McClory, Mr. McEwen, Ms. Mikulski, Mr. Porter, Mr. Shaw, Mr. Scheuer, Mr. Simon, Mr. Waxman, and Mr. Yatron.

H.J. Res. 437: Mr. Roberts of Kansas, Mr. Scheuer, Mr. Murphy, Mr. Petri, Mr. Hefner, Mr. Markey, Mr. Jeffries, Mr. Perkins, Mr. Peyser, Mr. Bevill, Mr. Dwyer, Mr. Rahall, Mr. Addabbo, Mr. Williams of Ohio, Mr. Shumway, Mr. Wirth, Mr. Dougherty, Mr. Corrada, Mr. Fazio, Mr. Yatron, Mr. Regula, Mr. Smith of Pennsylvania, Mr. Bingham, Mr. Hertel, Mr. Gray, Mr. Weiss, Mr. Oberstar, Mr. Matsui, Mr. Emerson, Mr. Forsythe, Mr. Kramer, Mr. William J. Coyne, Mr. Ford of Michigan, Mr. Evans of Delaware, Mr. Boland, Mr. Hansen of Idaho, Mr. Daub, Mr. Lee, Mr. Fauntroy, Mr. Mottl, Mr. Hoyer, Mr. Frenzel, Mr. Green, Mr. Fish, Mr. Minish, Mr. Dicks, Mr. Rogers, Mr. Hughes, Mrs. Holt, Mrs. Bouquard, Mr. Corcoran, Mr. Kindness, Mr. Crockett, Mr. Clinger, Mr. Porter, Mr. Hightower, Mr. Waxman, Mr. Sunia, Mr. Ralph M. Hall, Mr. Washington, Mr. Winn, Mr. Rinaldo, Mr. Young of Alaska, Mr. Ford of Tennessee, Mr. Zeferetti, Mr. Morrison, Ms. Oakar, Mr. Young of Florida, Ms. Ferraro, Mr. Vento, Mr. Foglietta, Mr. Ratchford, Mr. Davis, Mr. Gore, Mr. Miller of Ohio, Mr. Mavroules, Mr. Howard, Ms. Mikulski, Mrs. Heckler, Mr. Murtha, Mr. Evans of Delaware, and Mr. Simon.

H.J. Res. 438: Mr. Gore, Mr. Hoyer, Mr. Fish, and Mr. Gray.

H.J. Res. 444: Mr. Stokes, Mr. McCloskey, Mr. Forsythe, Mr. Mottl, Mr. Brown of Colorado, Mr. Nelligan, Mr. Hopkins, Mr. Skelton, Mr. Breaux, Mr. Akaka, Mr. D'Amours, Mr. Smith of Iowa, Mr. Courter, Mr. Mavroules, Mr. Long of Louisiana, Mr. Alexander, Mr. Patterson, Mr. Molinari, Mr. Schumer, Mr. Kindness, Mr. Trible, Mr. Zeferetti, Mr. LaFalce, Mr. Nowak, Mr. de Lugo, Mr. Whittaker, Mr. Hillis, Mr. Railsback, Mr. Moore, Mr. Phillip Burton, Mr. Russo, Mr. Latta, Mr. Anderson, Mr. Butler, Mr. Rogers, Mr. Roberts of South Dakota, Mr. Marlenee, Mr. Emery, Mr. Fountain, Mr. Craig, Mr. Daub, and Mr. Miller of California.

H.J. Res. 451: Mr. Shelby and Mr. Dornan of California.

H.J. Res. 453: Mrs. Byron.

H. Con. Res. 276: Mr. Richmond, Mr. Hughes, Mr. Edwards of California, Mr. Fauntroy, Mr. Mitchell of Maryland, Mr. Edgar, Mr. Ottinger, Mr. Barnes, Mr. Stark, Mr. Frank, Mr. Jeffords, Mr. LaFalce, Mr. Gray, and Mr. Gejdenson.

H. Con. Res. 281: Mr. Smith of New Jersey, Mr. Downey, Mr. Hughes, Mr. Weiss, Ms. Mikulski, Mr. Gore, Mr. Roe, Mr. Solarz, Mr. Washington, Mr. McHugh, Mr. Eckart, Mr. Bedell, Mr. Goodling, Mr. Fazio, Mr. Gray, and Mr. James K. Coyne.

H. Con. Res. 292: Mr. Tauzin, Mr. Oberstar, Mr. Montgomery, Mr. Murphy, Mr. Bonker, Mr. Bowen, Mr. Wirth, Mr. Bevill, Mr. Roth, Mr. Lagomarsino, Mr. Fazio, Ms. Ferraro, Mr. Hatcher, Mr. Rahall, Mr. LaFalce, Mr. Emerson, Mr. Zeferetti, Mr. Gray, Mr. Traxler, and Mr. Mollohan.

H. Con. Res. 297: Mr. Benedict, Mr. Robert W. Daniel, Jr., Mr. Deckard, Mr. Marlenee, Mr. Napier, Mr. Smith of Oregon, Mr. Whittaker, and Mr. Mottl.

H. Con. Res. 312: Mrs. Fenwick.

H. Con. Res. 316: Mr. Ginn and Mr. Derwinski.

H. Con. Res. 322: Mr. Roth and Mr. Bafalis.

H. Res. 367: Mr. Markey, Mr. Beard, Mr. John L. Burton, Mr. Bowen, Mr. Chappell, Mr. Broyhill, Mr. Hopkins, Mr. Biaggi, Mr. Conyers, Mr. Coughlin, Mr. Corrada, Mr. Robert W. Daniel, Jr., Mr. Conte, and Mr. Donnelly.

H. Res. 377: Mr. Bedell, and Mr. Murphy.

H. Res. 422: Mr. Dorgan of North Dakota, Mr. Udall, Mr. Ford of Tennessee, Mr. Patterson, Mr. Dwyer, Mr. Ertel, Mr. Foley, Mr. Dingell, Mr. Pritchard, Mr. Savage, Mr. Gejdenson, Mr. Lantos, Mr. Davis, Mr. John Burton, Mr. Rahall, Mr. Mollohan, Mr. Holland, Mr. Volkmer, Mr. Forsythe, Mr. Stark, Mr. Brown of California, Mr. Jacobs, Mr. Dellums, Ms. Oakar, Mr. Yates, Mr. D'Amours, Mrs. Chisholm, Mr. Evans of Indiana, Mr. Fuqua, Mr. Crockett, Mr. Lundine, Mr. Hoyer, Mr. Mavroules, Mr. Hollenbeck, Mr. AuCoin, Mr. Schumer, Mr. Dymally, Mr. Long of Maryland, Mr. Bonior of Michigan, Mr. Garcia, Mr. Marriott, Mr. Waxman, Mr. Dougherty, Mr. Bedell, Mr. James K. Coyne, Mr. Weber of Minnesota, Mr. McEwen, Mr. Green, Mr. Brown of Colorado, Mr. deLugo, Mr. Gore, Mr. Hertel, Mr. Yatron, Mr. Shamansky, Mr. Vento, Mr. LaFalce, Mr. Rosenthal, Mr. Harkin, Mr. Neal, and Mr. Gray.

H. Res. 426: Mr. Minish.

H. Res. 435: Mr. Jones of North Carolina, Mr. Emerson, Mr. Daschle, Mr. Jeffries, Mr. Hillis, Mr. Kindness, Mr. Hatcher, Mr. O'Brien, Mr. Conyers, Mr. Thomas, and Mr. Corcoran.

PETITIONS, ETC.

Under clause 1 of rule XXII.

423. The SPEAKER presented a petition of the Western College Association, Oakland, Calif., relative to student financial aid; which was referred to the Committee on Education and Labor.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 5922

By Mr. GREEN:

—Page 12, after line 21, insert the following new section:

Sec. 204. Any institution of higher education, specifically cited in the conference report on the Education Amendments of 1980 (Report No. 96-1337) as a unique institution which the conference committee for that legislation intended to be recognized as a developing institution eligible to apply for funds under title III of the Higher Education Act of 1965, shall be treated as an eligible institution for such purpose for fiscal year 1982, notwithstanding section 322(a)(2)(A) of such Act.

SENATE—*Thursday, May 6, 1982*

(Legislative day of Tuesday, April 13, 1982)

The Senate met at 9:15 a.m., on the expiration of the recess, and was called to order by the President pro tempore (Mr. THURMOND).

PRAYER

The Chaplain, the Reverend Richard C. Halverson, LL.D., D.D., offered the following prayer:

Let us pray.

Almighty God, we thank Thee for this National Day of Prayer proclaimed by the President at the request of Congress. May we take it seriously. May the people take it seriously. May the churches take it seriously. Deliver us from perfunctory religious observance today. Keep us from making this simply a "tip the hat to God" day. We are in trouble; the world is in trouble and we need Thy help.

More than 200 times in the past the leadership has called the Nation to prayer in time of crisis. We thank Thee for such a precedent. Help us to be true to that legacy. In our human pride, forbid, Lord, that we should wait until the world blows up in our face before we are willing to humble ourselves to seek Thy face, to turn from our wicked ways and pray. Help us, Lord, before we reach the outer limits of pride and indifference, to call upon Thee, to confess our need, to trust Thee. We make this supplication in the name of Him Who loved us and gave Himself for us. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The majority leader is recognized.

Mr. BAKER. I thank the Chair.

THE JOURNAL

Mr. BAKER. Mr. President, I ask unanimous consent that the Journal of proceedings of the Senate be approved to date.

The PRESIDENT pro tempore. Without objection, it is so ordered.

SENATE SCHEDULE

Mr. BAKER. Mr. President, this morning, after the recognition of the two leaders under an abbreviated time, there will be special orders in favor of four Senators, after which there will be a period for the transaction of routine morning business.

ORDER FOR A PERIOD FOR ROUTINE MORNING BUSINESS

Mr. President, I ask unanimous consent that after the execution of the special orders there be a brief period for the transaction of routine morning business to extend not past the hour of 10:30 a.m. in which Senators may speak for not more than 3 minutes each.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BAKER. I may say, Mr. President, if the full time for the four Senators is utilized, that will leave only moments for morning business and it may be possible later in the day to provide additional time for routine business if Senators so require.

Mr. President, I said on yesterday and the day before that Thursday is our regular late evening and that Senators should be on notice of the possibility of a late session tonight, not extraordinarily late, but past the dinner hour.

I once again urge Senators to make their plans in accordance with that probability.

DEPARTMENT OF DEFENSE AUTHORIZATION BILL

I hope that we can move with dispatch on the Department of Defense authorization bill, and I urge Senators to offer their amendments if indeed they have amendments. If we have not finished tonight, and that appears to be a very dim prospect indeed, then we will be in session tomorrow.

Mr. ROBERT C. BYRD. Mr. President, will the distinguished majority leader yield?

Mr. BAKER. I yield.

Mr. ROBERT C. BYRD. If the Senate is in session tomorrow, does the majority leader expect rollcall votes?

Mr. BAKER. Yes. Mr. President, I would hope for rollcall votes tomorrow. That has not been our practice until now, but I regret to say to the minority leader, my friend, that as we must proceed now with the passage of the DOD authorization bill, as we will perhaps have a budget resolution upcoming soon and other matters of importance, including the Voting Rights Act which I want to schedule as soon as possible, I think it is important that we readjust our schedules to accommodate for that calendar requirement.

Mr. ROBERT C. BYRD. If it should become obvious—and I do not know that it would—at this date that a session on tomorrow will not complete action on the Department of Defense authorization bill would the majority leader still comprehend a meeting on tomorrow?

Mr. BAKER. Mr. President, I really regret to tell the minority leader this, but I would. I feel now that we have to make as much progress as we can on this measure. If we can finish the bill tonight then I would not expect to ask the Senate to be in tomorrow. But I do not really see this in prospect at this time. I would welcome that prospect but I do not see it.

I would expect then to be in session on Friday. Were it not for the fact that we have the budget resolution, we have the Voting Rights Act, we have the third urgent supplemental to deal with when it is received by the Senate from the House of Representatives, I would not do that. But we have the Memorial Day recess facing us at the end of the month and, frankly, I would like to see us extend that Memorial Day recess for a few days, if possible, and if it is possible I would hope to make an announcement on that in the next little while. That, too, would be contingent on how much progress we make on these matters.

But taking all of that into account, I reluctantly came to the judgment it would be necessary to ask the Senate to remain in on Friday and have votes on Friday of this week, even though it might appear that we cannot finish the Department of Defense authorization bill.

THE BUDGET RESOLUTION

Mr. ROBERT C. BYRD. When does the majority leader anticipate the final reporting of the budget resolution from the committee?

Mr. BAKER. I have not yet had that information given to me by the chairman of the Budget Committee. But I will say I have requested the chairman of the Budget Committee to report that resolution as soon as possible, and as soon as we receive it and it qualifies under the rules and statutes I intend to ask the Senate to proceed to its consideration.

Mr. ROBERT C. BYRD. So it is the intention to proceed with the Department of Defense authorization bill until the budget resolution is reported. If the Department of Defense authorization bill has not been completed by that time what would be the leader's intent?

Mr. BAKER. I do not know. The minority leader is putting a question I had not thought to have to deal with because I hope we can finish this bill before we have to take up the budget resolution. But I will have to think about that a little bit.

Mr. ROBERT C. BYRD. The distinguished majority leader and I have privately discussed the possibility of taking down the Department of Defense authorization bill until the budget resolution could come before the Senate first, it being the feeling of most Democrats certainly that the budget resolution should precede action on the Department of Defense authorization bill.

Is the majority leader in a position to indicate what the chances are of our doing that?

Mr. BAKER. Yes.

Mr. President, on yesterday afternoon the distinguished minority leader advised me that there was a feeling on his side of the aisle expressed in caucus, I believe yesterday, that the bill should be deferred, temporarily laid aside—that is, the Department of Defense authorization bill—until we receive the budget resolution.

I indicated to the minority leader at that time that I would depend heavily on the advice of the chairman of the committee, Senator TOWER. I did indeed talk to Senator TOWER yesterday afternoon, as I have reported privately to the minority leader. I do not report any indication that he would be agreeable to that arrangement. I will talk to him again today. Of course, if he were to decide to do that I would acquiesce in his wishes. But as of this moment I cannot say any more.

I would be pleased after we finish this colloquy to speak with the Senator from Texas, the chairman of the committee, and I can assure the minority leader I will do so without trying to affect his prejudgment on that request.

Mr. ROBERT C. BYRD. I can certainly appreciate and do appreciate the situation the majority leader is in. When he is asked by a chairman of a committee to proceed with a bill I can understand the majority leader's leanings toward proceeding because I have experienced the same situation.

I do feel it would have been better if we had had the budget resolution preceding the Department of Defense authorization bill because otherwise it takes a fourth of the budget outside the budget configuration.

Mr. BAKER. The Senator is correct, it does. It is the biggest item in the budget, and that ordinarily would be the way to proceed.

I have to confess to the minority leader though that at the time I made the commitment to Senator TOWER to schedule this matter I was not sure when we were going to get a budget resolution, and I am pleased in the extreme that Senator DOMENICI and the Budget Committee have now reported a resolution or are prepared to do so. That may put a different light on it. So I will talk to the chairman of the Armed Services Committee today, and if there is something further to report I will be happy to give that information to my friend, the minority leader.

Mr. ROBERT C. BYRD. I thank the majority leader.

Mr. BAKER. I thank the minority leader.

ORDER OF BUSINESS

Mr. BAKER. Mr. President, I have used, I am afraid, more than my time allocated to the two leaders, and I yield back the time remaining.

Mr. ROBERT ~~C.~~ BYRD. Mr. President, I ask unanimous consent that the 5 minutes I have be combined with the 15-minute order and that I may reserve that time.

The PRESIDING OFFICER (Mr. DANFORTH). Without objection, it is so ordered.

RECOGNITION OF SENATOR THURMOND

The PRESIDING OFFICER. Under the previous order, the Senator from South Carolina is recognized.

TRIBUTE TO W. CLEMENT STONE ON HIS 80TH BIRTHDAY

Mr. THURMOND. Mr. President, I rise today to pay tribute to a great American, W. Clement Stone, who celebrated his 80th birthday on May 4. He is, Mr. President a man who epitomizes success through hard work and achievement.

Indeed, the name Clement Stone has become synonymous with the word success. He has written several books on the subject and is the publisher of a popular magazine for achievers. His entire life has been dedicated to the proposition that initiative, hard work, and purpose can accomplish anything.

In short, Mr. President, Clement Stone is the kind of American that has made this country strong. He believes that people—when motivated properly—can do great things. His long list of accomplishments stands as a monument to that belief.

He has been the president and director of Combined American Insurance Co., of Dallas, Tex.; the chairman of the board and chief executive officer of the Combined Insurance Co. of America, in Chicago, Ill.; and the president and director of Hearthstone Insurance Co., of Boston, Mass. He was also the head of First National Casualty Co., in Wisconsin.

Clement Stone was also the recipient of the Horatio Alger Award, an honor bestowed only on men and women dedicated to success through hard work and determination.

His success has been shared, however, with his fellow man. Clement Stone has generously supported a broad range of business, humanitarian and political efforts, and his contributions to those groups will endure for generations to come.

On his 80th birthday, Mr. President, Clement Stone can look back on a lifetime of accomplishment, and all of us can look forward to many more years of achievement by this great and patriotic American.

To Clem and his lovely wife, I extend my best wishes for a happy birthday and many happy returns.

Mr. RANDOLPH. Mr. President, we happily use these few minutes at the beginning of another Senate session, to salute a truly good and gallant American—W. Clement Stone.

There are critical concerns Members shall debate this day.

There are men and women in our country who have made contributions not only in the making of money but in building better lives. In the life of W. Clement Stone, as Time magazine has written, he has the Midas touch for making money, a flair for it, "that he is equally skilled in giving it away."

The charities of W. Clement Stone, joined in often by his beloved wife, Jessie, are meaningful. In the United States of America, a youngster eking out a few pennies on the streets of Chicago selling newspapers, has now celebrated his 80th birthday, as the able Senator from South Carolina (Mr. THURMOND) has said. If you were to talk with Mr. Stone by telephone and ask him how he feels, he would respond, "I feel terrific." And he really means it, because he has boundless energy. He has not only substance to his life and works, he also has a constant conviction of the building of a better world. Stone has a brilliant record of leadership.

I call attention to the fact that W. Clement Stone, in the foundation shared by his wife, since 1959 through dedication and understanding, has given gifts in the amount of more than $70 million. They have invested these dollars in the building of a better America, a better world, better boys and girls through youth programs, aid to education and in the rehabilitation of those who have committed acts against the law, helping in so many ways the philanthropies which are the heart of an America. We must continue to be a vital people, concerned not only with our individual strengths, but flowing from us that leadership exemplified by Mr. Stone worldwide as well as his native Chicago area.

By action of the Congress and proclaimed by our President, we again celebrate National Prayer Day. Mr. Stone calls for divine help as he lives a constructive Christian life.

I have known Clement for more than 25 years. He has been an inspiration to me and unnumbered thousands of men and women and the youth of our country. W. Clement Stone, at the age of 80, is going strong.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

AN OUTSTANDING AMERICAN'S BIRTHDAY

Mr. ROBERT C. BYRD. Mr. President, some skeptics today question the American dream. They talk about our complex and difficult times. In what some have called an "age of limits," the doubters often claim that nobody can expect anything but modest success.

To W. Clement Stone, however, bleak thoughts like those are anathema. Clement Stone is an embodiment of the classic American dream. Just as important, almost daily, he sees dozens of men and women "making it"—seeing their own dreams becoming real. And he sees those dreams becoming real, because W. Clement Stone is usually the inspiration behind those same men and women.

Clement Stone is a 20th century phenomenon, but his story is as old as the United States itself. He began selling newspapers on Chicago's South Side at the age of 6. By 16, he had sold his first insurance policy. And by 20, with less than $100, he started his own insurance agency. Today, W. Clement Stone heads one of our country's largest, most successful financial enterprises—the multibillion dollar Combined Insurance Co. of America.

But Clement Stone's horizons are not narrow. He has been an active supporter of the Boys Clubs of America, the National Music Camp and the Interlochen Academy of Fine Arts, and the American Foundation of Religion and Psychiatry. He is an author, publisher, executive, counselor, and friend to other great men, and, above all, an outstanding citizen. On Capitol Hill, we are most indebted to him currently for his help in establishing our own congressional award program.

Clement Stone once wrote, "You become what you think." Certainly, he reflects his own cherished values and dreams—patriotic, accomplished, generous, bold, exact, successful, and visionary. He sets a pace that he has challenged thousands to match through his books, his companies, and his own efforts.

Some weeks ago I had occasion to call Clement Stone on the telephone. I said: "Hello, how are you?"

He said: "I am healthy, happy, and terrific."

That was his response, and that is the kind of outgoing and exuberant reaction that he has, and that I think epitomizes his whole outlook on life. He is just enthusiastic about life.

I call attention to Clement Stone's accomplishments that are great, great because our system is a great system, the kind of system in which he believes.

His birthday was May 4, and I know I speak for many of our colleagues in wishing Mr. Stone a happy birthday and offering him our warm regards for many years to come.

Mr. President, I yield the floor.

Mr. BAKER. Mr. President, I wish to join with the distinguished minority leader in expressing my good wishes to Mr. Stone on the occasion of his birthday. I have had the opportunity in the past 2 days to visit with him and extend those wishes personally, but I wish the Record to show the evidence of my admiration and respect for a great American whose great initiative and example will be long remembered in this Nation and will be a guiding light for this and future generations.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from South Carolina has 7 minutes remaining.

Mr. THURMOND. Mr. President, I yield back my time.

RECOGNITION OF SENATOR NICKLES

The PRESIDING OFFICER. The Senator from Oklahoma is recognized.

NATIONAL DAY OF PRAYER

Mr. NICKLES. Mr. President, today as our country is observing the National Day of Prayer, I want to thank God for the fact that I was fortunate enough to be born and raised as a citizen of the United States of America. And, I want to say that as we observe this special day, I hope we do more than just observe. I hope that as Senators, as Americans—all Americans—we will participate in this National Day of Prayer. It seems that many times we only pray in moments of crisis or when the problems are very, very severe. And when you think about yesterday's activities in the Falkland Islands, we have a lot of reasons for prayer.

While even that crisis alone is sufficient cause to pray, there are others which demand our prayers. I think of the Middle East and the problems that seem to continually go on there. I think of the thousands and thousands of people who have lost their freedom and their lives in Poland and Afghanistan. I think of the political turmoil and problems going on throughout Central America and El Salvador, Honduras, Guatemala, and Nicaragua.

I think of some of the domestic problems that we have. We have 10 million people who are unemployed. We have record interest rates. We have some severe economic problems.

For these concerns and others, we need to seek divine intervention and guidance, because all of these problems seem to be more than what we, as people, are able to cope with. And yet, at the same time we mention needs for which to pray, we should also mention the need to be thankful to God for the fact that as Americans we have so very much.

We live in the greatest and freest country in the history of mankind. We probably eat better than the people of any other country have ever eaten, enjoying even a surplus of food. We have better housing today than at any other time or any place in history. Our health care is better and our education system is better. Indeed, we have quite a lot for which to be thankful.

But, most of all, I think if we were to give a prayer of thanksgiving, it should be for the fact that we are free people; that we have been able to achieve an unlimited or unequaled degree of freedom. When I speak of freedom, I mean personal freedom, economic freedom, and religious freedom. With such an abundance, we might well ask, "What is it that separates us, as Americans? Why are we so fortunate?

We are able to work where we want, worship where we want, and do what we want. We have liberties unequalled anywhere in the history of mankind. What has separated us from all other countries?

I believe that it is because God has blessed America. I think that our forefathers fought for and, in many cases, died to give us a system of government that was really designed to protect those very freedoms that have separated us from all other countries.

Our forefathers stated their objectives very well in 1776 in the Declaration of Independence, when they wrote:

> We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty, and the pursuit of Happiness. That to secure these rights, Governments are instituted among Men . . .

The real reason our Government was instituted was to secure our God-given rights of life and liberty and the pursuit of happiness. For this ideal, our forefathers sacrificed greatly, in many cases, making the supreme sacrifice of laying down their lives so that we could claim these freedoms as our heritage. The abundance that this country enjoys today is a direct result of this heritage—our freedom.

And so today, as we are giving a prayer of thanksgiving, let us be mindful of all of the millions of people that do not have these freedoms and who would give everything and anything that they have to be where we are and what we are: citizens of the United States of America.

For this heritage, I really and truly do believe that it is appropriate, on this National Day of Prayer, that we, as leaders in the Senate, as people in Government, and as American citizens stop to pause and thank God for the blessings that He has bestowed upon us.

Now, there might be some who say, "Well, isn't a National Day of Prayer a violation of the separation of church and state? Surely that shouldn't be done."

I think that this question shows a little bit of ignorance about the history of our country. Our forefathers certainly felt the freedom to acknowledge a Creator in the Declaration of Independence. George Washington publicly prayed for the United States of America, a prayer which I will enter into the record. He said:

> Almighty God:
>
> We make our earnest prayer that Thou wilt keep the United States in Thy holy protection.

Mr. President, I ask unanimous consent that George Washington's prayer for the United States of America be printed in the Record at this point.

There being no objection, the prayer was ordered to be printed in the Record, as follows:

> Prayer for the United States of America
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> Almighty God; we make our earnest prayer that Thou wilt keep the United States in Thy holy protection; that Thou wilt incline the hearts of the citizens to cultivate a spirit of subordination and obedience to government. . . . And finally that Thou wilt most graciously be pleased to dispose us all to do justice, to love mercy and to demean ourselves with that charity, humility and pacific temper of mind which were the characteristics of the Divine Author of our blessed religion, and without a humble immitation of whose example in these things we can never hope to be a happy nation. Grant our supplication, we beseech Thee, through Jesus Christ our Lord. Amen.—George Washington.

Mr. NICKLES. Abraham Lincoln in the Gettysburg Address, at a time of real crisis in our country, said that, "This Nation under God shall have a new birth of freedom."

These and other countless examples clearly show that our forefathers believed in God and continually asked for guidance. I think that we as leaders need to do the same today, not only to solve our problems, but also to acknowledge and thank Him for the many blessings that have been bestowed upon us.

In the last 20 years it seems as if our Government has certainly been moving away from the real concept of God protecting and guiding America. The Supreme Court decision in 1961, the first High Court ruling that came out against voluntary prayer in public schools, provides very clear and convincing evidence of this trend.

This decision banned voluntary prayer during school hours. At that time, 13 States had laws which granted public school students the right to recite the Lord's prayer. Suddenly our U.S. Supreme Court no longer permitted a simple acknowledgment of God in the classroom.

Two years later, in 1963 the Court ruled, that Bible reading would no longer be allowed in our public schools.

In both of these cases, the Supreme Court based their arguments on the first amendment.

Mr. President, I would like to read the appropriate portion of the first amendment. It says:

> Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof . . .

At the time the first amendment was passed, our forefathers knew the serious problems which had resulted in England when the national church was established. Like our forefathers, I do not want our Federal Government involved in supporting a church. However, I do think we must look at the entire first amendment to understand it's true application. This is where the Supreme Court made a real travesty of justice and misinterpreted the first amendment by not taking into consideration the amendment's clause guaranteeing "the free exercise thereof" of religion.

Our courts are telling us, "No, you cannot have voluntary prayer in school." They have effectively gone into every town in the United Sates and said that the U.S. Government is not going to allow this school or that child to say a nondenominational prayer, or post the Ten Commandments, or read a Bible verse. If this is not prohibiting the free exercise of religion, then what is?

I have no desire to impose my religious views on anyone. I just hope and pray that everyone would have the opportunity to exercise the freedom of religion as guaranteed so plainly, so perfectly, I think, in the first amendment, but so grossly misinterpreted by the courts.

Unfortunately, this false view of the first amendment not only continues, but is affirmed and reaffired by recent Supreme Court decisions. A case in point: Almost a year ago a small group of students in Guilderland High School in New York decided to get together in school and pray before class started. The students did not ask for any administrative help or subsidies. All they wanted was a meeting room in the school. What they got was a Federal court ruling that declared voluntary prayer in public schools was unconstitutional, whether or not class was even in session. That decision was recently upheld by the Supreme Court when it turned down an opportunity to examine the case.

It seems further ironic that the High Court ruled in December of 1981 to allow voluntary prayer in public universities. The Court then reasoned that elementary and secondary school students are more impressionable than college students. The inconsistency of these decisions demonstrates a determination to keep parental values outside of school, where impressionable children spend an enormous amount of time.

Supreme Court Justice Potter Stewart best summed up the injustice of the Court's action when he said:

> Schools play such a central role in a child's formation that to not allow any religious exercise in the system is to place religion at an artificial and state-created disadvantage. A refusal to permit religious exercises is not seen as a realization of State neutrality but, rather, as the establishment of a religion of secularism.

Mr. President, if nothing is done to change these decisions or the makeup of the Court, then not only are we barring God from the classroom, but I believe we will see a continued tendency to view government as the almighty, providing the solutions to all of our problems. I think that this would be a mistake that we in leadership would not like to see thrust upon our children.

What can be done? I think something has to be done to restore the fundamental balance that our forefathers sought in the first amendment. And that balance includes both allowing for the free exercise of religion and protection from the establishment of religion. And so, what are our options for restoring this balance?

We can pass a constitutional amendment, an idea I support and call for today, which would reverse the Court's ruling. That is one alternative.

We could follow Senator Helms' proposal and pass legislation that would limit the jurisdiction of the courts under article III, section 2 of the Constitution. I would support that.

Most preferably, however, would be for the Court to reverse their stance on this issue. They have made mistakes in the past. The Dred Scott decision, if you will remember, was certainly a mistake. I believe that mistakes were made in the 1961 and 1963 cases which now need to be reversed. By reviewing a similar case and reversing their ruling, the Supreme Court could restore voluntary prayer in schools, removing the Federal Government's heavy hand from the issue.

Hopefully, this is in the scheme of things to come. If not, we may have to change the makeup of the Court, and hopefully, with such a change, the Court will change its posture on this particular issue.

Personally, I think that this is the solution to a lot of the so-called social issues that we have before us today. Most of these issues only became issues because the Supreme Court misinterpreted the Constitution. I am speaking of abortion, school prayer, and busing.

As Senators, we are sworn to uphold the Constitution, and the Constitution, in the first amendment, says quite plainly that Congress shall not pass a law prohibiting the free exercise of religion.

We have, as our responsibility, the protection of freedom of religion as our forefathers intended.

So whether it be through a constitutional amendment, whether it be through limiting the jurisdiction of the courts, or through a change in the opinion of the Supreme Court, I am hopeful that we really will see some change.

In the interim, we as legislators need to do everything we can possibly do to restore those freedoms. Because to follow the philosophy or, in my opinion, the absurdity of those who oppose such freedom, will mean the continued secularization of our Nation. It would mean the removal of the Senate Chamber's words, "In God We Trust." Certainly we would eventually be prevented from opening the session with Reverend Halverson's prayer, a beautiful prayer. Perhaps our children would have to stop saying the Pledge of Allegiance because it says "One nation under God, with liberty and justice for all."

If we want to separate it all, maybe we ought to take the motto of "In God We Trust" off our dollar bills and coins.

No, Mr. President, I do not think so, because what would be left, except, perhaps, taking Christ out of Christmas. Maybe we should not have Christmas as a Federal holiday because it is a religious holiday.

I think the reasoning of the proponents of this type of secularism is wrong. I hope and I pray that they will examine the issues that are involved and realize that they are wrong.

Mr. President, we are the only country in the world that has, as our national motto, "In God We Trust." I very much trust in God and hope and pray that He will guide our colleagues, guide our President, and guide world leaders throughout.

I hope that He will be able to continue to give us His guidance and His blessing so that in 10 years, 20 years, or even 100 years from now His children and our children will be able to come into this Chamber and say, "I thank God I am an American and we still live in the greatest, the freest, and the most blessed country in the history of mankind."

RECOGNITION OF SENATOR KASTEN

The **PRESIDING OFFICER**. Under the previous order, the Senator from Wisconsin is recognized.

Mr. KASTEN. I thank the Chair.

S. 2499—FEDERAL TRADE COMMISSION REAUTHORIZATION

Mr. KASTEN. Mr. President, I am pleased today to introduce legislation to reauthorize the Federal Trade Commission and make several important changes in the Federal Trade Commission Act.

As Consumer Subcommittee chairman, I chaired 2 days of hearings last July and 2 additional days of hearings in March on oversight and authorization of the FTC. The witnesses at these hearings, members of the Commerce Committee, and many others have had worthwhile ideas for improvements in the FTC's legislative mandate.

Over this period, two bills were introduced in the Senate and referred to our committee: S. 1984, sponsored by Senator McClure, and S. 2221, sponsored by Senator Cannon. These specific legislative proposals have been an especially useful source of guidance.

Mr. President, it has not been an easy task to assimilate this material, determine which proposals are both politically feasible and based solidly in the record, and reduce these proposals to legislative language. In the process of preparing this bill, I have been forced, for one reason or another, to omit certain proposals, both major and minor, that I hope and expect to act on at a more appropriate time.

One such proposal involves recommendations to define by statute the FTC's authority over deceptive advertising. Witnesses at our hearings, including FTC Chairman Miller and representatives of the business community, raised valid concerns about the FTC's track record in deception cases and about the need to address together the FTC's authority over "unfair" and "deceptive" practices.

While I share these concerns, I am troubled by the lack of consensus on this issue and the fact that specific legislative proposals have continued to be revised following our hearing. I believe the interests of the public, the Congress, and the proponents of these deception proposals will be best served by a systematic study of this issue and additional hearings. I hope that, through such study, a consensus could develop on "deception" similar to the consensus that has developed over the course of time on a definition of "unfairness" so that we may consider this issue again promptly in the next Congress.

I have also sought to postpone considering any change in the traditional scope of the FTC's antitrust authority.

Mr. President, as a former small businessman, I am firmly committed to enforcement of our antitrust laws. The market is without doubt our best regulator of business conduct. Yet, in this era of deregulation, it is essential that Government maintain an active antitrust enforcement program to insure that markets remain competitive.

I believe that major proposals to change the FTC's antitrust mission must be approached cautiously and studied carefully. Considering the gravity of the major economic issues confronting Congress and the consumer protection issues to be addressed in connection with the FTC authorization, I believe consideration of these antitrust issues must be deferred.

Mr. President, I believe the bill I am introducing today strikes an appropriate balance in some difficult areas between the interests of consumers and the need for regulatory reform. The reform effort is a continuing one, and I look forward to continued study of these issues. I look forward as well to the Commerce Committee's consideration of this legislation, now scheduled for Tuesday, May 11, and to working with members of the committee and other Senators in this important effort.

Mr. President, I ask unanimous consent that my Federal Trade Commission authorization legislation and an accompanying section-by-section analysis be printed in the Record directly following these remarks.

There being no objection, the material was ordered to be printed in the Record, as follows:

S. 2499

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Trade Commission Amendments Act of 1982".

UNFAIR ACTS OR PRACTICES

Sec. 2. Section 5 of the Federal Trade Commission Act (15 U.S.C. 45) is amended by adding at the end thereof the following:

"(n) For purposes of this section, unfair acts or practices are acts or practices that have caused or are likely to cause substantial injury to consumers which is not reasonably avoidable by consumers themselves and not outweighed by countervailing benefits to consumers or competition".

STATE ACTION

Sec. 3. Section 5 of the Federal Trade Commission Act (15 U.S.C. 45) is amended by adding at the end thereof the following:

"(o) Notwithstanding any other provision of this Act, the Commission shall not find a method of competition to be unfair if, in an action under the Sherman Act of July 2, 1890 (15 U.S.C. 1 et seq.), such method of competition would be held to constitute State action.

"(p)(1) Notwithstanding any other provision of this Act, the Commission shall not use its authority to prohibit unfair or deceptive acts or practices under this section or section 18 to invalidate any State statute or any duly promulgated State agency regulation prescribing the scope of practice of any State-licensed professional.

"(2) For purposes of this subsection—

"(A) "State" means a state, territory, or commonwealth of the United States, or the District of Columbia;

"(B) "State-licensed professional" means any person performing tasks subject to State licensure where the State requires, as a prerequisite to practice in a profession, a post-graduate degree from an accredited institution of higher learning legally authorized or recognized to train members for such practice; and

"(C) "scope of practice" means the permissible duties or tasks which a State-licensed professional is authorized by law to perform, including the education, experience, or training requirements required by State law as a condition of licensure.".

COMPENSATION IN PROCEEDINGS

Sec. 4. Section 18(h) of the Federal Trade Commission Act (15 U.S.C. 57a(h)) is repealed, and subsections (i), (j), and (k) of section 18 are redesignated as subsections (h), (i), and (j), respectively.

MAXIMUM PENALTIES

Sec. 5. (a) Section 5(1) of the Federal Trade Commission Act (15 U.S.C. 45(1)) is amended by adding at the end thereof the following: "Where a final order of the Commission is based upon a finding that acts or practices are unfair or deceptive, the maximum civil penalty for any related series of violations under this subsection shall not exceed $1,000,000.".

(b) Sections 5(m)(1)(A) and 5(m)(1)(B) of the Federal Trade Commission Act (15 U.S.C. 45(m)(1) (A) and (B)) are amended by adding at the end of each provision the following: "The maximum civil penalty for any related series of violations under this subsection shall not exceed $1,000,000.".

KNOWING VIOLATIONS OF CEASE AND DESIST ORDERS

Sec. 6. (a) Section 5(m)(1)(B) of the Federal Trade Commission Act (15 U.S.C. 45(m)(1)(B)) is amended by inserting ", other than a consent order," immediately after "order" the first time it appears therein.

(b) Section 5(m)(2) of the Federal Trade Commission Act (15 U.S.C. 45(m)(2)) is amended by inserting immediately before the period at the end thereof the following: ", and such defendant may seek review of the Commission's determination that the act or practice which formed the basis for the issuance of the cease and desist order is an unfair or deceptive act or practice".

CONGRESSIONAL REVIEW OF RULES

Sec. 7. (a) The Federal Trade Commission Act (15 U.S.C. 41 et seq.) is amended by redesignating sections 24 and 25 as section 25 and 26, respectively, and by inserting after section 23 the following new section:

"CONGRESSIONAL REVIEW OF RULES

"Sec. 24. (a)(1) Notwithstanding any other provision of law, any final rule subject to this section shall be considered a recommendation of the Commission to the Congress and shall have no force and effect as a rule unless such rule has become effective in accordance with this section.

"(2)(A) Notwithstanding any other provision of law, no recommended final rule of the Commission may become effective until the expiration of a period of forty-five days of continuous session of Congress after the date on which the rule is received by the Congress under paragraph (4) of this subsection. If before the expiration of such forty-five-day period, either appropriate committee orders reported or is discharged from consideration of a resolution of disapproval with respect to such rule, such rule may not become effective if within thirty days of continuous session of Congress after the date on which such committee orders reported or is discharged from further consideration of such resolution, one House of Congress agrees to such resolution of disapproval of the rule and within thirty additional days of continuous session of Congress after the date of transmittal of the resolution of disapproval to the other House, such other house agrees to such resolution of disapproval.

"(B) Whenever an appropriate committee reports a resolution of disapproval pursuant to this paragraph, the resolution shall be accompanied by a committee report specifying the reasons for the committee's action.

"(C) Notwithstanding subparagraph (A) of this paragraph, a recommended final rule may become effective at any time after the day on which either House of Congress defeats a resolution of disapproval, and, in the case of the Senate, a motion to reconsider such resolution is disposed of.

"(3)(A) Except as provided in subparagraph (B) of this paragraph, if Congress adjourns sine die at the end of a Congress prior to the expiration of the periods specified in paragraph (2)(A) of this subsection with respect to a recommended final rule, the rule shall not become effective during that Congress. The Commission may transmit such rule at any time after the first day of the following Congress in accordance with paragraph (4) of this subsection, and the periods specified in paragraph (2)(A) of this subsection with respect to any such rule shall begin on the date such rule is transmitted to the Congress.

"(B) If—

"(i) Congress adjourns sine die at the end of a Congress prior to the expiration of the periods specified in paragraph (2)(A) of this subsection with respect to a recommended final rule;

"(ii) the Commission transmits such recommended final rule to the Congress at least forty-five days of continuous session of Congress prior to the day on which Congress adjourns sine die at the end of a Congress; and

"(iii) either House of Congress does not adopt a resolution of disapproval with respect to such recommended final rule prior to the day on which Congress adjourns sine die at the end of a Congress,

such rule may become effective at any time after the day on which Congress adjourns sine die at the end of a Congress.

"(4)(A) On the day on which a recommended final rule is transmitted for publication to the Federal Register, the Commission shall transmit to the Secretary of the Senate and the Clerk of the House of Representatives a copy of the complete text of such recommended final rule and a copy of any other materials transmitted to the Federal Register with such rule.

"(B)(i) If either House of Congress is not in session on the day on which a recommended final rule is transmitted for publication to the Federal Register, the periods specified in paragraph (2)(A) of this subsection with respect to such rule shall begin on the first day thereafter when both Houses of Congress are in session.

"(ii) The Secretary of the Senate and the Clerk of the House of Representatives are authorized to receive recommended final rules and materials transmitted under this paragraph on days when the Senate or the House of Representatives, as the case may be, is not in session.

"(C) On the day on which the Secretary of the Senate and the Clerk of the House of Representatives receive a recommended final rule and the materials transmitted with such rule, the Secretary and the Clerk shall transmit a copy of such rule and such materials to the appropriate committees.

"(b)(1) If a recommended final rule of the Commission is disapproved under this section, the Commission may issue a recommended final rule which relates to the same acts or practices as the disapproved rule. Such recommended final rule—

"(A) shall be based upon—

"(i) the rule making record of the recommended final rule disapproved by the Congress; or

"(ii) such rule making record and the record established in any supplemental rule making proceedings conducted by the Commission in accordance with section 553 of title 5, United States Code, in any case in which the Commission determines that it is necessary to supplement the existing rule making record; and

"(B) may reflect such changes as the Commission considers necessary or appropriate, including such changes as may be appropriate in light of Congressional debate and consideration of the resolution of disapproval with respect to the rule.

"(2) The Commission, after issuing a recommended final rule under this subsection, shall transmit such rule to the Secretary of the Senate and the Clerk of the House of Representatives in accordance with subsection (a) of this section, and such rule shall only become effective in accordance with such subsection.

"(c) Congressional inaction on or rejection of a resolution of disapproval with respect to a recommended final rule shall not be deemed an expression of approval of such rule.

"(d) The provisions of this subsection and subsections (a) (3) and (4), and (b) (2)(B) and (4)(D) of this section, are enacted by Congress—

"(1) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they are deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of resolutions of disapproval; and they supersede other rules only to the extent that they are inconsistent therewith; and

"(2) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner and to the same extent as in the case of any other rule of that House.

"(e) Except as provided in subsection (h) of this section, resolutions of disapproval shall, upon introduction or receipt from the other House of Congress, be immediately referred by the presiding officer of the Senate or the House of Representatives to the appropriate committee of the Senate or the House of Representatives, as the case may be.

"(f)(1)A) Except as provided in subparagraph (B) of this paragraph, if the committee to which a resolution of disapproval has been referred does not report such resolution within thirty days of continuous session of Congress after the date of transmittal to the Congress of the recommended final rule to which such resolution relates, it shall be in order to move to discharge such committee from further consideration of such resolution.

"(B) If the committee to which a resolution of disapproval transmitted from the other House has been referred does not report such resolution within 20 days after the date of transmittal of such resolution from the other House, it shall be in order to move to discharge such committee from further consideration of such resolution.

"(2) Any motion to discharge under paragraph (1) of this subsection must be supported in writing by one-fifth of the Members, duly chosen and sworn, of the House of Congress involved, and is highly privileged in the House and privileged in the

Senate (except that it may not be made after a resolution of disapproval has been reported with respect to the same rule); and debate thereon shall be limited to not more than one hour, the time to be divided in the House of Representatives equally between those favoring and those opposing the motion to discharge and to be divided in the Senate equally between, and controlled, by the majority leader and the minority leader or their designees. An amendment to the motion is not in order.

"(g)(1) Except as provided in paragraphs (2) and (3) of this subsection, consideration of a resolution of disapproval shall be in accord with the rules of the Senate and of the House of Representatives, respectively.

"(2) When a committee has reported or has been discharged from further consideration of a resolution of disapproval, or when the companion resolution from the other House has been placed on the calendar of the first House, it shall be in order, notwithstanding the provisions of rule XXII of the Standing Rules of the Senate or any other rule of the Senate or the House of Representatives, at any time thereafter (even though a previous motion to the same effect has been disagreed to) to move to proceed to the immediate consideration of either such resolution. The motion is highly privileged in the House and privileged in the Senate and is into debatable. An amendment to the motion is not in order.

"(3) Debate on a resolution of disapproval shall be limited to not more than two hours (except that when one House has debated its resolution of disapproval, the companion resolution shall not be debatable), which shall be divided in the House of Representatives equally between those favoring and those opposing the resolution and which shall be divided in the Senate equally between, and controlled, by the majority leader and the minority leader or their designees. A motion further to limit debate is not in order. An amendment to, or motion to recommit, the resolution is not in order. A motion to reconsider shall be in order only on the day on which occurs the vote on adoption of the resolution of disapproval, and shall not be debatable. Any other motions shall be decided without debate.

"(h) If a resolution of disapproval has been ordered reported or discharged from the committee of the House to which it was referred, and that House receives a resolution of disapproval with respect to the same rule from the other House, the resolution of disapproval of the other House shall be placed on the appropriate calendar of the first House. If prior to the disposition of a resolution of disapproval of one House, that House receives the companion resolution of disapproval from the other House, the vote in the first House shall occur on the resolution of disapproval of the other House.

"(i) For purposes of this section—

"(1) continuity of session is broken only by an adjournment sine die at the end of a Congress; and

"(2) the days on which either House is not in session because of an adjournment or recess of more than fifteen days are excluded in the computation of days of continuous session.

"(j) For purposes of this section, the term—

"(1) 'appropriate committee' means either the Committee on Energy and Commerce of the House of Representatives, or the Committee on Commerce, Science and Transportation of the Senate, as the case may be;

"(2) 'Commission' means the Federal Trade Commission;

"(3) 'resolution of disapproval' means a concurrent resolution of the Congress, the matter after the resolving clause of which is as follows: 'That the Congress disapproves the recommended final rule issued by the Federal Trade Commission dealing with the matter of ———, which rule was transmitted to the Congress on ———.", the first blank being filled with the title of the rule and such further description as may be necessary to identify it, and the second blank being filled with the date of transmittal of the rule to the Congress; and

"(4) 'rule' means any rule promulgated by the Commission pursuant to the Federal Trade Commission Act (15 U.S.C. 41 et seq.), other than any rule promulgated under section 18(a)(1)(A) of such Act (15 U.S.C. 57a(a)(1)(A)) and any other interpretive or procedural rule.".

(b)(1) Any interested party may institute such actions in the appropriate district court of the United States, including actions for declaratory judgment, as may be appropriate to construe the constitutionality of section 24 of the Federal Trade Commission Act, as added by subsection (a) of this section. The district court shall immediately certify all questions of the constitutionality of such section 24 to the United States court of appeals for the circuit involved, which shall hear the matter sitting en banc.

(2) Notwithstanding any other provision of law, any decision on a matter certified under paragraph (1) of this subsection shall be reviewable by appeal directly to the Supreme Court of the United States. Such appeal shall be brought not later than 20 days after the decision of the court of appeals.

(3) It shall be the duty of the court of appeals and of the Supreme Court of the United States to advance on the docket and to expedite to the greatest possible extent the disposition of any matter certified under paragraph (1) of this subsection.

(c)(1) The amendmend made by subsection (a) of this section shall take effect on January 1, 1983.

(2) The provisions of section 21 of the Federal Trade Commission Improvements Act of 1980 (15 U.S.C. 57a-1) shall apply to any rule submitted before January 1, 1983, nothwithstanding the time limitation contained in section 21(i) of such Act.

(3) Any rule which is submitted to the Congress by the Federal Trade Commission on or after January 1, 1983, including any rule resubmitted after (A) adoption of a concurrent resolution of disapproval with respect to such rule, or (B) due to adjournment sine die of the Ninety-seventh Congress before expiration of the time for Congressional review specified in section 21 of the Federal Trade Commission Improvements Act of 1980 (15 U.S.C. 57a-1), shall be subject to the provisions of section 24 of the Federal Trade Commission Act, as added by subsection (a) of this section.

AFFIRMATIVE RELIEF

SEC. 8. (a)(1) Unless the Federal Trade Commission has complied with paragraphs (2) and (3) of this subsection, the Commission shall not have any authority to use any funds which are authorized to be appropriated to carry out the Federal Trade Commission Act (15 U.S.C. 41 et seq.) for fiscal year 1983, 1984, or 1985 under section 25 of such Act, as so redesignated in section 7, for the purpose of issuing an order under section 5(b) of such Act which relates to unfair or deceptive acts or practices, and which contains remedial requirements other than a requirement to discontinue the act or practice.

(2) The Commission shall not issue any such order until it has conducted an analysis showing that the potential benefits from such additional relief would outweigh the potential costs.

(3) The Commission shall transmit a copy of any analysis conducted under paragraph (2) of this subsection to the Senate Committee on Commerce, Science and Transportation and the House Energy and Commerce Committee. Such transmittal shall be made within 10 days after the date on which such an order is served.

(b) The requirements of subsection (a) of this section shall not form the basis for any challenge to such an order in any court, without regard to whether the challenge is made as part of or independent of the judicial review of such an order permitted under section 5 of the Federal Trade Commission Act (15 U.S.C. 45).

PREVALENCE OF UNLAWFUL ACTS OR PRACTICES

SEC. 9. Section 18(b) of the Federal Trade Commission Act (15 U.S.C. 57a(b)) is amended by adding at the end thereof the following:

"(3) The Commission shall issue a notice of proposed rulemaking pursuant to paragraph (1)(A) only where it has reason to believe that the unfair or deceptive acts or practices which are the subject of the proposed rulemaking are prevalent. The Commission shall make a determination that unfair or deceptive acts or practices are prevalent under this paragraph only if it has issued cease and desist orders regarding such acts or practices, or any other information available to the Commission indicates a pattern of unfair or deceptive acts or practices.".

EFFECTIVE DATE OF CEASE AND DESIST ORDERS

SEC. 10. (a) Section 5(g)(2) of the Federal Trade Commission Act (15 U.S.C. 45(g)(2)) is amended to read as follows:

"(2) Upon the sixtieth day after such order is served, if a petition for review has been duly filed, except that any such order may be stayed, in whole or in part and subject to such conditions as may be appropriate, by—

"(A) the Commission;

"(B) an appropriate court of appeals of the United States, if (i) a petition for review of such order is pending in such court, and (ii) an application for such a stay was previously submitted to the Commission and the Commission, within the 30-day period beginning on the date the application was received by the Commission, either denied the application or did not grant or deny the application; or

"(C) the Supreme Court, if an applicable petition for certiorari is pending; or".

(b) Section 5(g)(3) of the Federal Trade Commission Act (15 U.S.C. 45(g)(3)) is amended to read as follows:

"(3) For purposes of section 19(a)(2) and section 5(m)(1)(B), if a petition for review of the order of the Commission has been filed—

"(A) upon the expiration of the time allowed for filing a petition for certiorari, if the order of the Commission has been affirmed or the petition for review has been dismissed by the court of appeals and no petition for certiorari has been duly filed;

"(B) upon the denial of a petition for certiorari, if the order of the Commission has been affirmed or the petition for review has been dismissed by the court of appeals; or

"(C) upon the expiration of 30 days from the date of issuance of a mandate of the Supreme Court directing that the order of the Commission be affirmed or the petition for review be dismissed; or".

(c) Section 5 (g)(4) of the Federal Trade Commission Act (15 U.S.C. 45(g)(4)) if amended to read as follows:

"(4) In the case of an order requiring a person, partnership, or corporation to divest itself of stock, other share capital, or assets, if a petition for review of such order of the Commission has been filed—

"(A) upon the expiration of the time allowed for filing a petition for certiorari, if the order of the Commission has been affirmed or the petition for review has been dismissed by the court of appeals and no petition for certiorari has been duly filed;

"(B) upon the denial of a petition for certiorari, if the order of the Commission has been affirmed or the petition for review has been dismissed by the court of appeals; or

"(C) upon the expiration of 30 days from the date of issuance of a mandate of the Supreme Court directing that the order of the Commission be affirmed or the petition for review be dismissed.".

CIVIL INVESTIGATIVE DEMANDS

SEC. 11. (a) Paragraphs (2), (3), and (7) of section 20(a) of the Federal Trade Commission Act (15 U.S.C. 57b-1(a) (2), (3), and (7) are amended by striking "unfair or deceptive acts or practices in or affecting commerce (within the meaning of section 5(a)(1))" and inserting in lieu thereof "act or practice or method of competition declared unlawful by a law administered by the Commission".

(b) Section 20(b) of the Federal Trade Commission Act (15 U.S.C. 57b-1(b)) is amended by striking "unfair or deceptive acts or practices in or affecting commerce (within the meaning of section 5(a)(1))" and inserting in lieu thereof "act or practice or method of competition declared unlawful by a law administered by the Commission".

(c) Section 20(c)(1) of the Federal Trade Commission Act (15 U.S.C. 57b-1(c)) is amended by striking "unfair or deceptive acts or practices in or affecting commerce (within the meaning of section 5(a)(1))" and inserting in lieu thereof "act or practice or method of competition declared unlawful by a law administered by the Commission".

AGRICULTURAL COOPERATIVES

SEC. 12. (a) The Federal Trade Commission shall not have any authority to use any funds which are authorized to be appropriated to carry out the Federal Trade Commission Act (15 U.S.C. 41 et seq.) for fiscal year 1983, 1984, or 1985 under section 25 of such Act, as so redesignated in section 7, for the purpose of conducting any study, investigation, or prosecution of any agricultural cooperative for any conduct which, because of the provisions of the Act entitled "An Act to authorize association of producers of agricultural products", approved February 18, 1922 (7 U.S.C. 291 et seq.), commonly known as the Capper-Volstead Act, is not a violation of any Federal Antitrust Act or the Federal Trade Commission Act (15 U.S.C. 41 et seq.).

(b) The Federal Trade Commission shall not have any authority to use any funds which are authorized to be appropriated to carry out the Federal Trade Commission Act (15 U.S.C. 41 et seq.) for fiscal year 1983, 1984, or 1985 under section 25 of such Act, as so redesignated in section 7, for the purpose of conducting any study or investigation of any agricultural marketing orders.

TRADEMARKS

SEC. 13. The Federal Trade Commission shall not have any authority to use any funds which are authorized to be appropriated to carry out the Federal Trade Commission Act (15 U.S.C. 41 et seq.) for fiscal year 1983, 1984, or 1985 under section 25 of such Act, as so redesignated in section 7, for the purpose of taking any action under section 14 of the Act entitled "An Act to provide for the registration and protection of trademarks used in commerce, to carry out the provisions of certain international conventions, and for other purposes" (15 U.S.C. 1064), commonly referred to as the Lanham Act, with respect to the cancellation of the registration of any mark on the ground that such mark has become the common description name of an article or substance.

COMMERCIAL ADVERTISING

SEC. 14. Section 5(a)(2) of the Federal Trade Commission Act (15 U.S.C. 45(a)(2)) is amended by inserting immediately before the period at the end thereof the following: ": *Provided*, That the Commission shall have no authority under this section or section 18 to prohibit or otherwise regulate any commercial advertising on the basis of a determination by the Commission that such commercial advertising constitutes an unfair act or practice in or affecting commerce.

CREDIT UNIONS

SEC. 15. (a) Section 5(a)(2) of the Federal Trade Commission Act (15 U.S.C. 45(a)(2)) is amended by inserting immediately after "section 18(f)(3)," the following: "Federally insured credit unions described in section 18(f)(4),".

(b)(1) Section 6(a) of the Federal Trade Commission Act (15 U.S.C. 46(a)) is amended by inserting immediately after "section 18(f)(3)," the following: "Federally insured credit unions described in section 18(f)(4),".

(2) Section 6(b) of the Federal Trade Commission Act (15 U.S.C. 46(b)) is amended by inserting immediately after "section 18(f)(3)," the following: "Federally insured credit unions described in section 18(f)(4),".

(3) The second proviso in section 6 of the Federal Trade Commission Act (15 U.S.C. 46) is amended—

(A) by inserting immediately after "section 18(f)(3)," the following: "Federally insured credit unions described in section 18(f)(4) from the Commission's powers defined in clause (b) of this section; and

(B) by inserting immediately after "in business as a savings and loan institution" the following: ", in business as a Federally insured credit union,".

(c)(1) The second sentence of section 18(f)(1) of the Federal Trade Commission Act (15 U.S.C. 57a(f)(1)) is amended by inserting immediately after "paragraph (3))" the following: "and the National Credit Union Administration Board (with respect to Federally insured credit unions described in paragraph (4))".

(2) The last sentence of section 18(f)(1) of the Federal Trade Commission Act (15 U.S.C. 57a(f)(1)) is amended—

(A) by striking "either such Board finds that" and inserting in lieu thereof "any such Board finds that";

(B) by inserting "or Federally insured credit unions described in paragraph (4)," immediately after "paragraph (3)," each place it appears therein; and

(C) by inserting immediately after "with respect to banks" the following: ", savings and loan institutions or Federally insured credit unions".

(3) Section 18(f) of the Federal Trade Commission Act (15 U.S.C. 57a(f)) is amended by redesignating paragraphs (4), (5) and (6) as paragraphs (5), (6) and (7), respectively, and by inserting immediately after paragraph (3) the following:

"(4) Compliance with regulations prescribed under this subsection shall be enforced under section 120 of the Federal Credit Union Act (12 U.S.C. 1786) with respect to Federal credit unions and section 206 of the Federal Credit Union Act (12 U.S.C. 1786) with respect to other insured credit unions.".

AUTHORIZATION OF APPROPRIATIONS

SEC. 16. Section 25 of the Federal Trade Commission Act, as redesignated by section 7 of this Act, is amended—

(1) by striking "and" after "1981, "; and

(2) by inserting immediately before the period at the end thereof the following: "not to exceed $60,838,000 for the fiscal year ending September 30, 1983; not to exceed $55,100,000 for the fiscal year ending September 30, 1984; and not to exceed $54,600,000 for the fiscal year ending September 30, 1985".

EFFECTIVE DATE

SEC. 17. (a) Except as provided in subsection (b) of this section and section 7(c) of this Act, the provisions of this Act shall take effect on the date of enactment of this Act.

(b) The amendments made by sections 2, 3, 8 and 10 of this Act shall apply only with respect to cease and desist orders issued under section 5 of the Federal Trade Commission Act (15 U.S.C. 45), or to rules promulgated under section 18 of the Federal Trade Commission Act (15 U.S.C. 57a), after the date of enactment of this Act. These amendments shall not be construed to affect in any manner a cease and desist order which was issued, or a rule which was promulgated, before the date of enactment of this Act. These amendments shall not be construed to affect in any manner a cease and desist order issued after the date of enactment of this Act, if such order was issued pursuant to remand from a court of appeals or the Supreme Court of an order issued by the Commission prior to the date of enactment of this Act.

SECTION-BY-SECTION ANALYSIS OF FEDERAL TRADE COMMISSION AMENDMENTS OF 1982

SECTION 1—TITLE

The title of this legislation is the Federal Trade Commission Amendments of 1982.

SECTION 2—UNFAIR ACTS OR PRACTICES

This section would add a new subsection to Section 5 of the Federal Trade Commission Act to define unlawful "unfair acts or practices" as acts or practices that have caused or are likely to cause substantial injury to consumers which is not reasonably avoidable by consumers themselves and not outweighed by countervailing benefits to consumers or competition. This definition would circumscribe the Commission's consumer unfairness authority for both rulemakings and case-by-case adjudications.

SECTION 3—STATE ACTION

This section would add two new subsections to Section 5 of the Federal Trade Commission Act to impose new limitations on Commission preemption of state law.

First, with respect to the Commission's antitrust authority the "state action" defense would apply, just as it now does under Sherman Act litigation, to immunize conduct required by the state pursuant to an actively supervised state regulatory scheme.

Second, with respect to the Commission's consumer protection authority, the Commission would be prohibited from invalidating any state statute or any duly promulgated state agency regulation prescribing the permissible scope of practice of any state-licensed professional; including state statutes or regulations prescribing educational, experience, or training regulations for licensure. "State-licensed professional" is defined to mean any person performing tasks subject to state licensure where that state requires a post-graduate degree as a prerequisite to practice.

SECTION 4—COMPENSATION IN PROCEEDINGS

This section would repeal the Commission's authority under Section 18 (h) of the FTC Act to compensate participants in trade regulation rulemakings.

SECTION 5—MAXIMUM PENALTIES

This section would amend Sections 5(l), 5(m)(1)(A), and 5(m)(1)(B) of the FTC Act to place a maximum of $1,000,000 on the total civil penalty that may be imposed under these sections for a related series of violations of a Commission consumer protection order or rule.

SECTION 6—KNOWING VIOLATIONS OF ORDERS

This section would amend Section 5 (m)(1)(B) of the FTC Act (which gives the Commission the authority to go to federal court to seek civil penalties against one company for a knowing violation or an order entered against a different company) to permit the defendant to challenge in court the legal basis for the Commission's prior order, thereby codifying the U.S. District Court decision in *United States* v. *Braswell*. This section would also clarify that only litigated cease and desist orders, not consent agreements may be the basis for a 5(m)(1)(B) civil penalty action.

SECTION 7—CONGRESSIONAL REVIEW OF RULES

This section would revise and extend the expiring authority for two-House Congressional review of Commission trade regulation rules. As modified, the Congressional review process would mirror the veto provisions of S. 1080, the Regulatory Reform Act. The current requirement for expedited court review of the constitutionality of the veto provision would be retained, however.

SECTION 8—AFFIRMATIVE RELIEF

This section would require the Commission, before ordering affirmative remedies (such as corrective advertising) in its consumer protection cases, to conduct an analysis showing the the potential benefits from such additional relief would outweigh the potential costs. The Commission would be required to send this analysis to the House and Senate Commerce Committee. The requirements of this section would not be judicially reviewable, and they would be in effect only for the length of the authorization.

SECTION 9—PREVALENCE

This section would amend Section 18(b) of the FTC Act to provide that the Commission may issue a notice of proposed rulemaking only where it has reason to believe that the challenged conduct is prevalent in the industry.

SECTION 10—EFFECTIVE DATE OF ORDERS

This section would amend Section 5(g) of the FTC Act to end the present requirement for an automatic stay of Commission cease and desist orders pending appeal, and provide instead that Commission orders may be stayed by the Commission itself or by the courts (within their discretion) during the appeal process.

SECTION 11—CIVIL INVESTIGATIVE DEMANDS

This section would extend the "civil investigative demand" document procedures contained in Section 20 of the FTC Act, which now apply to Commission investigations under its consumer protection authority, to investigations concerning any act or practice or method of competition declared unlawful by a law administered by the Commission. Principally, this amendment would have the effect of requiring that Commission antitrust investigations, as well as consumer protection investigations, be conducted pursuant to Section 20.

SECTION 12—AGRICULTURAL COOPERATIVES

This section would extend, for the length of the authorization, the expiring prohibitions on (1) Commission study, investigation, or prosecution of any agricultural cooperative for conduct exempt from antitrust scrutiny by the Capper-Volstead Act, and (2) Commission study or investigation or agricultural marketing orders.

SECTION 13—TRADEMARKS

This section would extend, for the length of the authorization, the expiring prohibition on Commission actions under the Lanham Act to invalidate trademarks.

SECTION 14—COMMERCIAL ADVERTISING

This section would amend Section 5(b) of the FTC Act to prohibit on a permanent basis Commission rulemakings and other cases which prohibit or otherwise regulate commercial advertising on the basis that the advertising constitutes an unfair act or practice.

SECTION 15—CREDIT UNIONS

This section would exempt credit unions from Commission jurisdiction on the same basis that banks and savings and loans are now exempt. Credit unions are regulated by the National Credit Union Administration.

SECTION 16—AUTHORIZATION OF APPROPRIATIONS

This section would reauthorize the Commission for three years at Office of Management and Budget recommended funding levels: $60,838,000 in fiscal year 1983; $55,100,000 in 1984; and $54,600,000 in 1985.

SECTION 17—EFFECTIVE DATE

Unless otherwise provided, this legislation will be effective upon enactment.

SOCIAL AND ECONOMIC EFFECTS OF NUCLEAR WAR

Mr. PROXMIRE. Mr. President, I have been reporting to the Senate on a study by Katz & Osdoby on the social and economic effects of nuclear war. For the last 8 or 10 meetings of the Senate, I have reported on the various effects of a limited nuclear war, a surgical strike, according to these experts.

This morning I should like to get into the consequences of an attack against economic targets and relate this very, very thoughtful and careful study that has been made by two outstanding experts. Here is what they find:

> The test of any effective strategic nuclear deterrent is its ability to answer any "surprise" attack with a counterattack so powerful and destructive that an adversary would face such great damage to its society as to be "unacceptable." Hence, an apparently successful first strike would be a pyrrhic victory at best. Comparing the consequences to society of different levels of nuclear attack, we now consider how much of an arsenal is needed to achieve this goal.
>
> The nature of defining "How much is enough?" has changed with the dramatic increase in warheads attributed to the appearance of multiple independent reentry vehicles (MIRVs) and the parallel development of increased accuracy and reliability of land- and sea-based missiles.
>
> It is now possible to target selectively for maximum damage key components of the U.S. or Soviet economic and urban infrastructure, using only a small proportion of the current nuclear arsenal—for either a first strike or counterattack. The combination of technological advances in weaponry plus the highly integrated nature of technical/industrial societies results in potentially devastating damage from a relatively small attack. To demonstrate this potential, the attacks hypothesized for this consideration use only a fraction of existing nuclear weapons. As already noted, this scenario takes place in the U.S., but there is ample evidence that the Soviet Union would be just as vulnerable—or even more so—to such a disciplined attack.
>
> In our hypothetical scenario, 34 major categories of industry were assumed as targets. Standard Industrial Classification (SIC) codes were used to identify these major categories. The study established the geographical distribution, capacity and location, by plant, of these major industries. The 71 largest metropolitan areas for 1980 were assumed to be the major initial targets, since they contain the largest concentration of the 34 critical industries.
>
> The attacks (designated A-1 the largest to A-4 the smallest) range in size from 800 weapons, with a total destructive power equivalent to about 500 megatons to 400 weapons totaling 150 equivalent megatons. For comparison the Soviet SS-18s (which represent 308 out of approximately 1,600 of the USSR's ICBMs) are estimated to have over 2,400 warheads, each with the destructive power of at least one megaton.
>
> These attacks had two elements: 100(A-4), 200(A-3), 300(A-2) and 500(A-1) one megaton weapons used against the 71 U.S. chief urban centers containing 60 percent of U.S. manufacturing capability; and a second part in which 200-300 smaller 100 kiloton weapons were employed specifically to destroy eight key elements of the economy such as petroleum refining, iron and steel works, nonferrous metals (aluminum, zinc, copper, lead), drugs, electrical distribution products, and engines and turbines, which would reduce these industries to only 2 to 3 percent of their pre-attack capacity. No fallout is produced in these attacks. Selective use of weapons producing fallout would increase the effects described below.
>
> The largest or "reference" attack—A-1—uses 500 one-megaton warheads and 200-300 smaller 100 kiloton warheads. It is based on data developed in a 1970 study entitled "Potential Vulnerabilities Affecting National Survival" prepared for the Army's Office of Civil Defense. The PVANS study assumed a nuclear attack intended to cripple the national economy recovery capabilities of the United States. Its purpose was to determine the number and variety of weapons needed to accomplish this objective.

Mr. President, in subsequent reports to the Senate, I will discuss the casualties and economic effects, the impact on various regions, the selected industries, the effect on the food supply in this country, the energy effects, the medical effects, and other consequences.

NEW TEXTBOOK EXPOSES STUDENTS TO THE CRIME OF GENOCIDE

Mr. PROXMIRE. Mr. President, I need not remind you of the importance of recounting the past. Failure to remember errors of our forebears leaves open the possibility that we may commit those same mistakes.

Over the past 30 years, a plethora of literature on the Holocaust has been published to keep the lessons of that tragedy alive. However, there is no guarantee that most citizens will ever read any of these publications.

Our public school system provides a setting for mandatory exposure to important issues and events. Unfortunately, the history materials in our secondary schools are sorely lacking in their coverage of the Holocaust. For a number of reasons, traditional textbook publishers have eschewed the subject. One publisher wrote:

> The topic probably is regional in localities where there is a strong Jewish community; I suspect that there are a number of things already available for free from various Jewish groups . . . [Anyway,] to me much of this is ghoulish.

"Facing History and Ourselves: Holocaust and Human Behavior," a new textbook geared toward high school classes, fills this vacuum. The approach of the authors is highly humanistic; the book often extends far beyond the factual material to question the students' emotions and perceptions in tense and unusual situations. In so doing, the book shows the student how easily one can lose compassion for others and let him or herself get swept away by a charismatic leader.

Furthermore, the authors explore the growth of anti-Semitism before Hitler ever came to power. This forces the students to question their own prejudices toward cultural groups, including the Jews.

In addition to the Holocaust, the authors present the case of genocide against the Armenians. In this way they are able to place the crime of genocide in a more conceptual framework.

Mr. President, I applaud the authors of this fine work, Margot Stern Strom and William Parsons, for stimulating discussion on and bringing wider understanding to an issue that hurts just to contemplate. By educating a new generation about the crime of genocide, Strom and Parsons are helping to protect cultural groups for years to come. It is the duty of the Senate, as well, to prevent the crime of premeditated mass murder.

Mr. President, to further this objective, I urge the immediate consideration and passage of the Genocide Convention.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BURDICK. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. WALLOP). Without objection, it is so ordered.

RECOGNITION OF SENATOR ROBERT C. BYRD

The PRESIDING OFFICER. Under the previous order, the Senator from West Virginia (Mr. ROBERT C. BYRD) is recognized.

Mr. ROBERT C. BYRD. Mr. President, I yield such time as the Senator from North Dakota needs.

GERIATRIC MEDICINE

Mr. BURDICK. Mr. President, in the reconciliation act passed last year, Congress enacted language authorizing the Federal Government to assist schools of medicine with programs of geriatric medicine. So far, however, this program has not been funded. For fiscal 1983, the administration has not requested any funds for the program, saying that geriatric education would be adequately covered by their programs for primary care physician training.

Mr. President, the Wall Street Journal recently carried an excellent article that illustrates clearly, I think, why this approach is inadequate. The article, by Michael Waldholz, discusses the problems that can be solved when elderly patients are properly diagnosed by physicians with geriatric medical training. It also points out how few of these doctors we now have practicing. The article does not go into detail about the growing number of older people in our society, but the facts are clear: Between 1980 and the year 2030, the total population is expected to grow by over 40 percent, but the elderly population will more than double. And the population over 85, those most likely to need specialized care, will almost triple.

Senate Aging Committee hearings, especially one I held last November in Grand Forks, N. Dak., have made the same points that this article makes—we need to plan for the future and begin training more health professionals in the special needs of the elderly. I recommend the Wall Street Journal article to my colleagues, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SCHOOLS BEGIN TO STRESS NEED FOR SPECIALISTS IN TREATING THE ELDERLY

(By Michael Waldholz)

Walter N. Roman was robust until he reached the age of 85. Then, suddenly, he began to act senile. He was confused, lost his memory and became hostile. His doctor, who had been treating him for a mild heart condition, suggested that he enter a nursing home.

"I was imagining things," Mr. Roman now recalls, nearly two years after his brush with dementia. "My grandchildren tell me I said things I don't remember saying."

In their desperation, Mr. Roman's family sent him to a geriatric clinic at New York's Bellevue Hospital. It is one of the handful of such programs that exist in the U.S. There, Dr. Michael L. Freedman found in Mr. Roman a problem sometimes encountered in elderly heart patients. The heart medicine he was taking wasn't being excreted properly by his kidneys; the high levels of the drug in his body caused a condition mimicking senility. Once taken off the medicine, Mr. Roman returned to normal.

INATTENTIVE TO THE ELDERLY

The treatment Dr. Freedman administered didn't involve a miracle cure, though as far as Mr. Roman and his family are concerned, the recovery was indeed miraculous. And few doctors in America are trained to detect what Dr. Freedman did. Gerontologists, the physicians and other professionals who specialize in the study of old people, say that scandalously little attention is paid to the special problems of the aged. And that is true even though patients over 65 account for one-fourth of hospital stays and for 30 percent of the nation's $220-billion-a-year health bill.

Gerontologists blame the inattention on ignorance and prejudice. "Most doctors just aren't trained to understand the normal process of aging," says Dr. Robert L. Kane, a professor of medicine at the University of California at Los Angeles Medical School. "Normal is often treated like disease," he says, "and disease is often ignored."

Thus, it isn't unusual for the medical problems of the elderly to be incorrectly diagnosed, inadequately treated or completely missed. Drugs, alone and in combination, can create problems such as Mr. Roman experienced, particularly in patients who are being treated for several diseases concurrently. Until recently, there had been scant research on many illnesses common among old people, including dementia and incontinence.

Gerontologists say that untold millions of dollars are spent on inappropriate care. And patients and their families are enduring unnecessary physical discomfort and anguish. At least some of the 1.3 million Americans in nursing homes would not be there if they had access to specialized treatment.

Until a few years ago, there were few special programs to treat the elderly outside of nursing homes, nor were there many specialists in geriatric medicine. Five years ago only a few medical schools offered so much as one course in geriatrics. More than half of them do now, but there still are fewer than 40 geriatricians in the country and only six fellowship programs to train more specialists.

"There's an enormous need for more doctors" schooled in geriatrics, says Dr. Robert N. Butler, who heads the National Institute of Aging and who, in September, will take over the new department of geriatrics at the Mount Sinai School of Medicine in New York. Dr. Butler says that he hears regularly from people with elderly family members. They "like their own doctors," he says, "but feel a need now for something more."

Hospitals, too, have become concerned about burgeoning populations of elderly patients who are well enough to be discharged but too fragile to go home. When patients can't find, or can't afford, skilled nursing facilities, they stay on longer in hospitals.

There is just such a shortage of nursing homes in Rochester, N.Y., where on any given day roughly 240 hospital beds are occupied by aged patients with no place else to go. To break the logjam, Rochester's six hospitals have set up the nation's first citywide geriatric assessment program. A doctor, a nurse and a social worker cooperate to speed the recovery of patients, improve their functioning and get them out of Rochester's hospitals.

But few hospitals employ such expert talent. Mount Sinai Medical Center in Chicago, for instance, for seven months has been trying to hire a geriatrician. Dr. Maurice A. Schwartz, the hospital's chairman of medicine, says that "that's an unusually long time" to be looking fruitlessly for a doctor to fill a position.

The medical profession has been slow to respond to the need for geriatricians, and the need is growing. The population over 65 is expected to reach 30 million by 1990, up from 26 million today. A 1980 Rand Corp. study noted that although 10 percent of the population already is over 65, a poll of practicing physicians found that only 0.2 percent of doctors regarded care of the aged as an important part of their practice.

Much of the felt need for geriatrics training has come from two government actions. In 1976, Congress created the National Institute of Aging, which has promoted the first research programs within nursing homes and has backed university education and research in geriatrics. In 1978, the national Academy of Science's Institute of Medicine, in a study financed by the government, urged the courses in geriatrics be included in every medical-school curriculum. The recommendation has brought about fast growth in such programs.

Despite an increase in interest, people in the field believe that the needs of the elderly won't be served until a new generation of medical students has been educated differently about treating the aged. "I tell my medical students if they want to do something easy, stay out of geriatrics," says Dr. Richard Besdine, a practicing geriatrician and professor of medicine at Harvard Medical School. Caring for the old, he says, requires patience and an acceptance that success with a patient usually means improvement rather than cure.

Students traditionally have been infected early in their training with the idea that treating the chronically sick elderly patient is a no-win undertaking. Dr. Neil Resnick, a young physcian who trained under Dr. Besdine, says that first-year students may see old people as "sweet and venerable, like their grandparents," but after four years of indoctrination "they know that old patients are the worst. They think of them as hypochondriacal, foolish, demented, incontinent, nonresponsive, all-around pains in the neck. 'Who needs this?' they think."

Negative attitudes are reinforced by the sorts of contact medical students have with elderly patients. Dr. Resnick adds: "Students see patients when they are the sickest, when their reserves are depleted. They often are angry or scared, and they are hostile. Students rarely see what can be done for them or experience, the satisfaction of trying."

Dr. Resnick is a graduate of one of only six geriatric fellowship programs in the U.S. each of which is designed to produce teachers of geriatrics. The first of these programs, the one at the Jewish Institute of Geriatric Care on Long Island in New York, began six years ago. The 527-bed facility appears to be a nursing home, but it can boast of accomplishments few nursing homes can match: About one-fourth of its patients eventually are sent home. The program emphasizes rehabilitation of stroke victims, amputees and other debilitated patients.

The Long Island facility is unusual. Nursing homes seldom employ full-time doctors, particularly physicians with specialized training in geriatrics. The institute's founder and medical director Leslie S. Libow, patterned the facility after teaching hospitals, the best of which "attract the brightest doctors, encourage research and provide facilities to teach medical students and young doctors," Dr. Libow says. "I thought, Why can't we do the same in a nursing home?"

BACK TO NORMAL

The institute stresses rehabilitation, getting older patients for whom improvement is possible back to a normal existence. "In geriatrics," Dr. Libow says, "the general rule is that improvement of functioning is everything." Thus, it is not unusual to see even double leg-amputees in their 70s and 80s being encouraged to walk again.

Moritz Nudel, whose broad shoulders and firm handshake make him seem younger than 89, goes each day to the institute's outpatient center, preparing to walk on artificial limbs. He lost one leg several years ago to a circulatory disorder, his remaining leg was removed recently. Asked whether he had considered the possibility of not being able to walk, Mr. Nudel says, "No my wife wants a whole man."

Geriatric care requires more than medicine, involving as it does some attention to the patient's psychic needs and living conditions. And that is why NIA's Dr. Butler believes that "doctors have to come off their high horse and be willing to work within a team of health and social workers. For a geriatrician, these people can be his most important tool." Medical treatment of the aged differs, too.

Diseases manifest themselves differently in older patients, and treatement differ. For example, researchers now know that drug dosages standardized in studies of younger patients often aren't right for old people, particularly for patients who are taking a variety of drugs that interact. And diseases often are misdiagnosed, particularly as senility.

SENILE OR JUST DEPRESSED?

Dr. Jack Rowe, a professor at Harvard Medical School, says that many older patients are thought to be senile, or demented, when in fact they merely are depressed. "While a younger person might say he feels down, an older person who is depressed will act withdrawn, confused, and he'll lose intellectual abilities," Dr. Rowe says. "If correctly diagnosed, this depression can be treated. Instead of being put away in a nursing home, he can be rescued."

Some diseases that commonly affect the old still are largely ignored by medical science. Dr. Rowe says that that is true of incontinence, the loss of bowel and bladder control. The problem, he says, may account for 25 percent of nurses' time in homes and hospitals. "Yet, until recently, all research concerned itself with incontinence in bedwetting children or middle-aged women," he says. If incontinence were better understood and better treated, many people in nursing homes wouldn't be there. "A family can deal with almost anything but incontinence," says Dr. Rowe. It often is the last straw, he says.

Doctors who treat the aged say that one role for the geriatrician is to intervene where medical care is doing as much harm as good. Dr. Frederick Sherman, a geriatrician at New York's Mount Sinai hospital, tells of a recent patient admitted to the hospital unable to walk because of gangrene in two toes. The man, 87, blind, diabetic and deaf, was, nonetheless, independent until he was hospitalized.

Once institutionalized, the man became despondent. He had trouble urinating because he was bedridden. He got bedsores and became constipated. As a result of his discomfort, he became uncooperative. To calm him down, he was given tranquilizers that made him sleepy and obstinate.

Dr. Sherman examined the patient and was able, he says, to improve the man's hearing right away simply by cleaning his ears of impacted wax. He sent home for the man's hearing aid. The next step is to get him walking again.

"The patient, in the condition he's in, is a prime candidate for a nursing home," says Dr. Sherman. The geriatrician's challenge is to get him on his feet and back home instead.

SALVATORE MARTOCHE, U.S. ATTORNEY FOR THE WESTERN DISTRICT OF NEW YORK

Mr. BURDICK. Mr. President, Mr. Salvatore Martoche has been offically approved by the U.S. Senate for the position of U.S. attorney for the western district of New York. I must say that I feel my State of North Dakota deserves some credit for this nomination and the success of this young man, as Mr. Martoche is a graduate of the Law School of the University of North Dakota. Also, his wife, Mary Dee, is from Bismarck, N. Dak., and a graduate of the University of North Dakota. I am certain Mr. Martoche will do an outstanding job as U.S. attorney for the western district of New York. I extend my sincere good wishes on the appointment to Sal, and extend good wishes to Mary Dee and the children.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that I may continue to reserve my time but that the Senate may proceed with morning business if the distinguished majority leader so agrees.

Mr. BAKER. Yes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. There will now be a period for the transaction of routine morning business.

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll. The assistant legislative clerk proceeded to call the roll.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

NATIONAL DAY OF PRAYER

Mr. HEFLIN. Mr. President, as a member of the Washington Committee for the National Day of Prayer, I am enthusiastic about responding to the Presidential proclamation and helping to coordinate a celebration that will clearly pronounce the positive power of prayer.

Thursday evening, May 8, 1982, at the DAR Constitution Hall here in Washington, a rally will be held to celebrate this Day of Prayer. A superb and enlightening program featuring many talented speakers, including our own fine Chaplain, the Reverend Richard C. Halverson, has been planned to entertain those who attend.

More than 200 years ago, our Nation was begun with a large portion of the foundation laid upon the personal religious convictions of the early settlers of this country. Those early Americans believed religion to be a necessary undergirding for a successful structure, so much so that George Washington, in his "Farewell Address" could say:

> Of all the dispositions and habits which lead to political prosperity, religion and morality are indispensable supports.

Paralleling this thought, the next President, John Adams, stated that:

> Statesmen may plan and speculate on liberty, but it is religion and morality alone upon which freedom can securely stand.

Again, religion and morality.

It is vitally important that we keep this advice in mind today, at a time when America's very spiritual heritage is in jeopardy, at a time when we face trying challenges, at home and abroad, economically, defensively and morally. At a time like this, we must remember that "* * * it is religion and morality alone upon which freedom can securely stand."

I have indeed been very pleased to have the opportunity to serve on the Washington Committee for the National Day of Prayer. As the son of a minister, I was raised in a very religious atmosphere, and my parents helped instill in me a strong belief in the power and wisdom of prayer. Ever since, throughout my life, I have often turned to prayer, in times of happiness and stress.

I hope that the National Day of Prayer will be a meaningful experience for millions across America. I hope that it can help, by striking a nerve of the country, and beginning the firming up of our foundation of religion and morality.

In the Bible, Matthew 21: 22 says, "and all things, whatsoever ye shall ask in prayer, believing, ye shall receive." My prayer is that the National Day of Prayer can have a real impact and can help spread a belief in the positive power of prayer, because I believe that America needs both prayer, and to pray.

I invite you to attend the DAR Constitution Hall for the National Day of Prayer rally. I hope many of you will be there, and together we can affirm America's belief in prayer.

After all, as Pope Pius XII said:

> Man is great only when he is kneeling.

U.S. FIRE ADMINISTRATION

Mr. HEFLIN. Mr. President, I am pleased today to express my support for Senate Concurrent Resolution 89 introduced by my distinguished colleague, Senator GLENN. This resolution expresses the sense of the Congress that the U.S. Fire Administration continue its research on arson, and its support for arson and fire prevention programs on the State and local levels.

Because of the rise in deaths and property destruction in the last several years due to arson, it is vitally important that we continue to support the efforts of the U.S. Fire Administration in combating this vicious crime. Nationwide, approximately 1,000 persons are killed annually due to arson, and nearly 10,000 others are injured in these fires. Property losses amount to as much as $1.3 billion, and indirect losses are estimated at over 10 times this amount.

In my own home State of Alabama, there was a 10-percent increase in fires due to arson in 1981 over the previous year. According to statistics gathered in the "Crime in Alabama Report," a total of 1,217 arsons were reported in Alabama last year, which was responsible for property damage of almost $13 million. The statistics include not only structural damage, but also loss of crops and timber. Arson is a malicious and premeditated crime, and we, as a nation, must not tolerate the loss of lives and property due to this criminal act.

If we are to have a coordinated and comprehensive antiarson program in this country, we must continue to support areas of research developed by the U.S. Fire Administration. One important program for which the agency is responsible is the arson information management system (AIMS). AIMS has already been successfully utilized in apprehending and convicting arsonists in some States, and it has great potential for assisting in future arson cases. The agency has also established juvenile "fire setter" counseling programs, which have dramatically reduced the number of second offenders. And the Fire Administration has developed numerous programs in the areas of public education assistance, firefighter safety, fire prevention, and increased public awareness of crimes related to arson. Furthermore, the agency has established the Arson Resource Center, which publishes the Arson Control Guide for Volunteer Fire Departments.

For many years now, I have been deeply concerned over the devastating effects of this crime and the need for public awareness of the tragic losses we face each year. I first introduced legislation on this issue in 1979, and have consistently supported efforts designed to aid in the fight against arson. In light of the successful efforts of the Fire Administration in reducing national fire losses through training, planning, and education, I believe it is imperative that we not withdraw our support of the agency, financially or otherwise.

Mr. President, I strongly believe that this legislation is necessary to continue the efforts in preventing arson and its devastating effects. I urge support of this resolution so that we may achieve these results.

THE COMPLETED CONTRACT METHOD OF ACCOUNTING

Mr. HEFLIN. Mr. President, I speak at this time in opposition to the administration's proposals to eliminate the completed contract method of accounting for multiyear contracts.

The completed contract method of accounting allows a taxpayer to defer reporting income from a contract until that contract is completed and accepted. It also allows the taxpayer to deduct some expenses during the term of the contract. This accounting method is a traditional accounting technique which was first recognized for income tax purposes in regulations published in 1918. However, the administration, in its 1983 tax and budget package, has proposed to eliminate this long-established accounting technique.

For 60 years, the completed contract method of accounting has been recognized as the appropriate accounting method for the construction industry, due to the unique nature and inherent risks that exist in the construction business. These risks include: Working on different sites which are not controlled by the contractors; variable weather and soil conditions for each construction project; a set bid price given before actual costs can be determined; payment retentions by the owner; changes, modifications, or claims during the contract term which require the expenditure of large sums by the contractor before the contractual right to collect from the owner; and intense competition within the construction industry that forces profit margins to be exceedingly small in relation to total gross contract accounts. Because of these risks, profit will generally be known only after the completion of the construction project when the owner has accepted the contract and all claims and disputes have been settled.

Construction firms do not generally have the capital resources of other major industries, and the completed contract method of accounting allows a construction contractor to make full use of interim payments. These payments make up a significant portion of working capital which a contractor uses to run his business. If sufficient liquid assets are not available, the contractor must either default or borrow in an attempt to continue ongoing operations.

As we are all well aware, the construction industry is suffering under the harshest economic conditions in many years. Construction contractors are struggling to survive under 17-percent interest rates in an industry where the unemployment rate is greater than 18 percent. These high interest rates have a devastating impact on the construction industry by constraining construction starts and impairing the cash flow for capital and operation expenses. Placing more restrictions on working captial by imposing a tax on interim contract proceeds, as the administration proposes, will result in further restraining the cash flow needed to pursue new work, and will force the industry to seek more outside financing for their projects. This action, along with the current economic climate, could be the death blow to many marginally financed construction contractors. In turn, the closing of these businesses would only add to the high unemployment rate in this country, and apply further downward pressure on the sagging economy.

Mr. President, the construction industry is one of this country's most important industries, and every American reaps the benefits of its success. Removing this necessary means of reporting income and paying taxes would create a tremendous hardship on an already depressed construction industry. I urge my colleagues to join me in opposing the administration's ill-advised proposals to eliminate the completed contract method of accounting.

CONCLUSION OF MORNING BUSINESS

Mr. TOWER. Mr. President, what is the parliamentary situation?

The PRESIDING OFFICER. Under the previous order, morning business is closed.

DEPARTMENT OF DEFENSE AUTHORIZATION, 1983

The PRESIDING OFFICER. The clerk will state the pending business by title.

The assistant legislative clerk read as follows:

> A bill (S. 2248) to authorize appropriations for fiscal year 1983 for procurement, for research, development, test, and evaluation, and for operation and maintenance for the Armed Forces, to prescribe personnel strengths for the Armed Forces and for civilian personnel of the Department of Defense, and for other purposes.

The Senate resumed consideration of the bill.

(The following proceedings occurred during Mr. Dixon's remarks and are printed at this point in the Record by unanimous consent:)

ORDER TO TEMPORARILY LAY ASIDE S. 2248 UNTIL TUESDAY, MAY 11, 1982

Mr. BAKER. Mr. President, I feel like Chicken Little. I have been probed so many times now about a Friday session and a late session this evening, the most recent time being less than an hour ago, that I am reluctant, even though I feel impelled, to admit that I must now retract virtually everything I said.

Mr. DIXON. That is the mark of a statesman.

[Laughter.]

Mr. BAKER. The distinguished chairman of the Armed Services Committee has indicated to me, I think in a statesmanlike way, that he feels the better part of discretion would be to temporarily lay aside this bill while his committee examines the content of the budget resolution considered by the Budget Committee last evening, and determine how it may impact on this measure. I commend him for that.

I have presented to the distinguished minority leader, and to the chairman of the committee a proposed unanimous-consent request to accomplish the purpose I have described. I will state it now for the consideration of the minority leader, both the chairman and the ranking minority member of the Armed Services Committee, and all Senators.

Mr. President, I ask unanimous consent that at the close of business today S. 2248 be temporarily laid aside and remain in that status until no earlier than Tuesday, May 11, 1982, when it shall be resumed as the pending business whenever the majority leader, after consulting with the minority leader, so indicates.

The PRESIDING OFFICER. Is there objection?

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, and I will not object, I think this conforms with an orderly budget process as laid out in the Budget Reform Act. It seems to me it is far better to consider this piece of legislation following, at least, the reporting of the budget resolution.

I should also think that any changes, any cutbacks, any modifications of the present authorization should be done by the Armed Services Committee, rather than here on the floor, so as to bring that measure in conformity with the budget resolution as nearly as possible. So I think this is an orderly procedure. It has been cleared on this side of the aisle. It has been cleared with Mr. Levin and Mr. Bumpers, who had intended to offer the motion to recommit. I believe this agreement achieves the objective of this motion to recommit.

I compliment the majority leader and I compliment the manager of the bill. I also thank Mr. Stennis for his assistance in the matter. There is no objection.

Mr. TOWER. Mr President, reserving the right to object, and I shall not object, I would simply like to state that we would hope that Senators would offer amendments to the bill today. As a matter of fact, if there are amendments that are pending that would delete money from the bill, it would be nice to act on that right away so that we in the committee would know what kind of adjustments we are going to have to make, if it turns out that we will not have to make as big adjustments on this bill as perhaps originally proposed.

Mr. BAKER. Mr. President, if the Senator would yield, I hope all Members take account of that suggestion from the chairman of the Armed Services Committee. I think not only is it appropriate, but it is unique. I do not believe I have ever heard him before encouraging Members to bring amendments to the floor.

Mr. TOWER. That does not mean I will support those amendments.

Mr. STENNIS. Mr. President, if the Senator will yield, I want to highly commend the three Senators that have worked this out. I think it serves every purpose of sound legislation and avoids some things we could have gotten into that would have been confusing, at least. So I am glad to have the bill move along as it has.

Mr. ROBERT C. BYRD. Mr. President, I again compliment the majority leader, Mr. Tower, and Mr. Stennis. I again say that I think it is better for the Armed Services Committee to have another opportunity to look at this budget and work its will before bringing it back to the floor, especially

if it should precede the budget resolution.

The PRESIDING OFFICER. Is there objection? Without objection, the unanimous-consent request is agreed to.

Mr. BAKER. Mr. President, I thank all Senators. I especially thank the chairman of the Armed Services Committee and the ranking member and the minority leader. It greatly simplified my job to try to schedule the business of the Senate.

While I do not relish the thought of now countermanding the suggestion I made this morning that we will be in late tonight, we will now not be in late tonight. I would expect the Senate to be here until no later than 6 o'clock. And while I had admonished sternly that we would be in on Friday no more than an hour ago, we will not be in session on Friday, absent extraordinary circumstances. And where it produces such a good result, I am happy to eat that crow.

Mr. President, I yield the floor.

Mr. ROBERT C. BYRD. Mr. President, I thank the majority leader for his announcement so that all Senators may be on notice that there will be no session tomorrow.

● Mr. LEVIN. Mr. President, let me begin by expressing my appreciation to Senator Byrd, Senator Baker, and Senators Tower and Stennis for the way in which they have handled this issue.

Since I was prepared, along with Senator Bumpers, to move to recommit this bill, I want to take this opportunity to comment briefly on one issue related to the unanimous-consent agreement. I do not believe that this agreement—or the motion to recommit, if it had been made and adopted—should be seen as setting any kind of precedent relative to the propriety of authorization bills being considered by the Senate prior to the first concurrent budget resolution. While we are now going to put off final decisions on the defense authorization bill in order to allow the Armed Services Committee to renew needed budget cuts, that action is a result of the unique set of circumstances we face this year, and not a judgment about the need for a budget resolution prior to consideration of this bill or any other authorization bill.

We face a unique set of circumstances this year which made it desirable to postpone consideration of this bill until after the Budget Committee had acted. Those circumstances involved huge increases in the deficit and the President's willingness to change his defense recommendations, and the immediacy of the Budget Committee's action—events which took place after the bill was reported to the floor. And now, with the action of the Budget Committee on a lower defense function, it becomes imperative for the Armed Services Committee to use its expertise to find a way to match our defense policy with our growing economic constraints.

So, while this action is not a precedent, it is a wise decision. I want to express my deep appreciation to Senator Bumpers and, again, my thanks to Senators Byrd and Stennis for their help and to Senators Baker and Tower for their cooperation.

(Conclusion of subsequent proceedings.)

Mr. TOWER. Mr. President, what is the controlled time situation?

The PRESIDING OFFICER. There is 1 hour equally divided on the amendment of the Senator from Pennsylvania (Mr. Specter), amendment No. 1397, as amended.

AMENDMENT NO. 1397, AS MODIFIED

Mr. TOWER. Mr. President, I yield such time as he may require to the distinguished chairman of the Committee on Foreign Relations (Mr. Percy).

Mr. PERCY. Mr. President, I thank my distinguised colleague for yielding.

First, let me say once again that I agree with the intent of the amendment of the Senator from Pennsylvania. The principle of it is well-established. There should be a summit. I have said a number of times before that it is inconceivable to me that you would have two buttons in the world, one in Moscow and one in Washington and not have the two people meet together and talk together, the two people who have the power to push those buttons, to not have any possibility of miscalculation.

There is a great deal to be talked about. The President himself has called for a summit meeting and offered to meet with President Brezhnev in New York in June. This was not acceptable to the Soviets for a number of reasons, possibly the health of President Brezhnev himself, so it has been arranged that there will be a meeting, I feel absolutely positive, health permitting, in October.

The President wants this summit. The issue is not then whether there is going to be one. It is just when the summit will be.

My only problem with the amendment is that I simply feel that if this amendment is favorably voted on, it would establish a precedent for the other nine resolutions on arms control that are before the Committee on Foreign Relations. We are having hearings on arms control next week. Secretary Haig will testify on Tuesday. Senator Specter is cordially invited to testify on Wednesday.

I would rather we follow the regular procedure. These resolutions have been referred to the Committee on Foreign Relations. Let us have those hearings and let us take them up in an orderly way and not encumber this particular bill.

The PRESIDING OFFICER. Who yields time?

Mr. SPECTER. Mr. President, I yield 15 minutes to the distinguished Senator from Illinois (Mr. Dixon).

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DIXON. Mr. President, I thank my colleague and friend, the junior Senator from Pennsylvania, for his sponsorship of this amendment. And I thank him for the opportunity to share that sponsorship with him and to spend the last 2 days and this morning in this Chamber discussing an issue that I think is fundamentally important to this country and to the world.

When the Senator came to me, Mr. President, a couple of weeks ago and asked me to cosponsor what at that time was his resolution, I read it and I felt that it reflected the attitude of the overwhelming majority of the people of my State. It clearly did that. While I felt that it was not very strong tea, I was delighted to share his views in the form of that resolution.

When he came to me on Tuesday and said that he would offer that resolution in the form of an amendment to this bill, I was delighted to cooperate. And when I came here on Tuesday and saw this whole matter unfold, I was amazed to find all of the important leaders of the Senate on the other side here in the front row to express a variety of views in opposition to this amendment. It looked like the administration had rolled out onto the floor of this Senate all of its heavy artillery—the chairman of the Foreign Relations Committee, my warm and good friend, the senior Senator from my State, whose views I greatly respect; the chairman of the Armed Services Committee, the Senator from Texas; and my friend, the Senator from Virginia, the chairman of the Strategic Services Subcommittee and a former distinguished Secretary of the Navy.

And I wondered why this administration, which already has evidenced in public places its interest in this matter, would take that position. I read the remarks in the Congressional Record of Tuesday by my warm friend, the senior Senator from my State, with whom I have enjoyed an excellent relationship in this body. And if any other Senators from any other State have a better relationship with their colleague from their own State, I know of none. And so I thought I would want you to hear what he said. I quote from the Congressional Record:

> When you have two buttons in the world, one in Moscow and one in Washington and two men with the power to press them and they have not met, then they ought to meet and talk about the most important single subject that has faced mankind, whether we are going to move in a direction where we might exterminate ourselves.

Now, I am amazed, as a man who served two decades in a legislative body that had a rule of germaneness that was adhered to, that anybody would come to this Chamber and argue a rule of germaneness or argue that something ought not to be considered on a bill on this floor. If there is any place that violates that rule more than this body, including the townhall or city council of the smallest village of America, I do not know of it.

This body has put cost-of-living adjustments for Senators on the black lung bill, so, germaneness is a ridiculous argument against what the Senator from Pennsylvania and I want to do.

My good friend, the respected chairman of the Armed Services Committee, has been talking here for a couple of days, and I have listened to everything he said. And nothing that he said—I say in due respect to him, he is a fine man—had anything to do with what the junior Senator from Pennsylvania and the junior Senator from Illinois, two back-benchers, want to do here.

Let me see what he talked about. He talked about mutual assured destruction, and asked a lot of questions about that.

What does that have to do with having a summit where two leaders talk about the greatest problem in the world today?

He talked about how you communicate with a submarine. I am going to confess in a public place, and I hope the people in my State will not feel too badly about it: I do not know how you communicate with a submarine. But what does it have to do with two great leaders talking?

He suggested at one time that maybe we are crawling to Brezhnev. I will read this amendment in a minute. If it indicates crawling, then it is a new use of the terminology.

Mr. President, sometimes I think we fear very simple language in this place.

Let me tell you what this amendment does, I say to Senators who are listening on their squawkboxes. It has eight paragraphs in it and a final clause.

The Senator from Texas took the eight paragraphs, so we do not have to talk about those eight paragraphs, though there is nobody in the world who would disagree with it. All those eight paragraphs say is that nuclear war is a terrible thing and will bring horrible destruction to the world. Everybody agrees on that and so does the Senator from Texas.

The only thing he disagrees with us about is the final paragraph. He wanted another one, so we took his. We have his in there. The whole issue, as I stand before you this morning, has nothing whatsoever to do with mutual assured destruction, how you communicate with a submarine, whether you crawl to Brezhnev, or a nickle's worth of anything else. It has eight paragraphs everybody agrees with, and the language of the Senator from Texas. This is what we are voting on. Listen to it. I quote it directly, word for word.

> It is the sense of the Congress that the President should, at the earliest possible date, act to convene a summit meeting with leaders of the Government of the Union of Soviet Socialist Republics for the purpose of seeking to reduce the risk that nuclear war would occur from any cause, and to establish a means for better controlling the use of, and reducing the stocks of, nuclear weapons.

That is what it says. That is what it says. It does not have anything to do with first strike options. It does not have anything to do with submarines. It does not have anything to do with anything that has been discussed here for the last couple of days by those who oppose this piece of work. All it says is that this great country wants its great leader to go to Brezhnev on a summit and talk.

It has been suggested here that that may be less than the appropriate thing for our great country. I am amazed to hear that. We are arguing the appropriations for our great military in this country. My colleague, the junior Senator from Pennsylvania, has indicated he voted for the MX. He voted for the B-1. So did I. He indicated he supported the President most of the time. I have seen that record. He certainly has. The junior Senator from Illinois supported the President 56 percent of the time. If the administration is against this, I am amazed. It is the 56 percent that I supported him that I am trying to explain away in my State, not the 44 percent of the time I did not.

But if the administration opposes this, then I do not understand it. I do not understand it.

I want to say this in conclusion: We listen to too much of one another in this Chamber. We put into things more than is in them. We ought to listen to what the people are saying back home.

There is a fine Senator here, the junior Senator from Missouri (Mr. Danforth). Once, before he came to this place, he ran for the Senate and was defeated. He ran against a great institution, the then Senator from Missouri, Stuart Symington, who was a giant in this place. He ran against him and he was defeated in a very, very close election. It was astonishing. No one thought he would get close.

What did he do in the next campaign? He went all over Missouri, to the hamlets, to the small towns, to the big cities, and he said one thing: "I hear you. I hear you. I hear you." And the people of Missouri elected him and he came here because of that, because he heard them.

The people of America are telling us they want to do something about this, not talk about whether there are eight or nine paragraphs, and whether we ought to have it in the committee, or whether it might offend the President. It is simple language and it says a simple thing. It says we want our leader to talk to their leader.

Well, I made my speech. I recognize that all the artillery is out. I suppose my friend, the junior Senator from Pennsylvania, and I will get rolled this morning. I have been in public service a long time and only in this place a short time. I have been rolled a lot of times in my time in politics. One more time will not hurt.

But I want to say we are right. It was my pleasure to associate with a fine, young colleague who had the nerve to come to this place and to tell the truth.

My daddy told me when I started in politics a long time ago that the truth will fit anyplace, and the truth is the people of this country want to do what the junior Senator from Pennsylvania and I are asking the President to do.

I thank my colleague for letting me have the honor to join him in this very decent cause.

Mr. SPECTER addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. Mr. President, I yield myself such time as I may use.

Mr. President, I am very grateful to the distinguished Senator from Illinois (Mr. Dixon) for those stirring comments and for his eloquent manner of expressing some very fundamental truths.

In approaching this amendment which restates a resolution which the distinguished Senator from Illinois and I had introduced on April 19, it was our intention to set forth a very gentle recommendation to the executive branch. It was a gentle recommendation in that it called upon the President to take action to have summit talks with his Soviet counterpart, President Brezhnev.

It was a gentle recommendation because it followed President Reagan's explicit campaign promise when he ran for the Presidency in 1980 to seek an early summit conference. It followed pronouncements which had come from the President and which had come from the Secretary of State and from other officials in the executive branch about the desirability of a summit.

Mr. President, this matter would not have been called forward on the Department of Defense authorization bill in the form of an amendment had it not been for the Monday statement which came out of the White House that there were no plans to proceed with the summit conference. When the distinguished Senator from Illinois (Mr. Percy), the chairman of the Committee on Foreign Relations, says that there is not a question of whether there will be a summit but when there will be a summit, I respectfully say that it is not so clear that there will be a summit. That question has yet to be resolved with finality. It is something that the administration has as an objective. It is something which the administration has spoken about for the future. The timing is of great importance and it is possible to delay an event so long that it ceases to be a matter of when but becomes a matter of whether in fact such a summit will be held. It is my view that there ought to be great and momentous efforts made in this direction and that a gentle recommendation from the Senate is most appropriate.

Mr. President, when the question was raised in debate yesterday and the day before about the possibility of this amendment undermining U.S. foreign policy, I said, and the record will confirm it, that I shall be willing to listen and that I would maintain an open mind if it did appear that there is an undermining of U.S. foreign policy. I do not believe, with all due respect for the executive branch of the Government, that the foreign policy of the United States is the exclusive province of the executive branch. The Senate has a very vital role to play in that foreign policy. The Senate is called upon to ratify treaties; the Senate is called upon to examine foreign relations matters; the Senate is called upon to make appropriations for this bill, the Department of Defense authorization bill. It is my view as a legal matter that the amendment now pending is most germane and most relevant because, simply stated, if this Senator and this body are being asked to vote in favor of in execss of $200 billion for defense, much of it involving nuclear arms, then it is very relevant and very germane for this Senator and this body to express an opinion that, while we agree we must be strong, we make a gentle recommendation to the executive branch that nuclear arms reduction talks be initiated.

Notwithstanding that view, Mr. President, I agreed last night, at the suggestion of the very distinguished Senator from Virginia (Mr. Warner), to listen once again to the executive branch. Yesterday evening, for approximately an hour and 20 minutes, the distinguished Senator from Virginia (Mr. Warner), and I, members of our staffs, and representatives of the Department of State and the National Security Council discussed the matter. I paid close attention to the issues which were raised and gave great deference to our great national leader, President Reagan, and appropriate deference, in my personal judgment, to the role of the President as the leader of my party. At the conclusion of those discussions, I said I would sleep on the matter, and I did. I have reflected on it.

Mr. President, it is my considered judgment that this amendment does not interfere with U.S. foreign policy, but, in fact, promotes it. I say that because, notwithstanding the very substantial efforts of the executive branch on arms control and their sense of importance for a summit, I believe that a statement by the U.S. Senate of our view of the importance of proceeding in that direction will, in fact, strengthen the hand of the President and will, in fact, promote the kinds of preparation and the kinds of activites which will ultimately lead to such a summit.

In the dicussions last night, there was an issue raised about the language of "at the earliest possible date," with the suggestion that that might force the hand of the President. As I have already indicated to the distinguished Senator from Texas and the distinguished Senator from Virginia, I am prepared to modify that language, to delete it and to insert in its place "after appropriate preparation with a goal of achieving concrete results." The language of "appropriate preparation with a goal of achieving concrete results" is, in my view, an amplification of achieving the summit at "the earliest possible date." I do not propose in this amendment to set a date. It is plain on its face that I do not. I believe in appropriate preparations and have said so. I do agree with the concept of having a realistic goal of achieving concrete results. All of that, to me, is equivalent to the language of "at the earliest possible date."

Mr. President, I know the distinguished Senator from Virginia is present to respond and I shall reserve the remainder of my time. I yield the floor.

The PRESIDING OFFICER (Mr. Rudman). The Senator from Virginia is recognized.

Mr. WARNER. Mr. President, I wish to address our side of this issue in a very calm and collected manner. I thank the Senators from Pennsylvania and Illinois for their initiative. As stated by the chairman of the Committee on Foreign Relations, the distinguished senior Senator from Illinois (Mr. Percy), we all join in respecting our colleagues for this initiative.

Mr. President, I say to my colleagues, who will soon be called upon to cast their vote, there comes a time in our careers where we have to place a measure of trust in our colleagues who have been given the responsibility for certain areas of legislation. This particular resolution, in the considered judgment of the leadership of the Senate, and the viewpoints of the leadership are unanimous, properly rests in the domain of the Committee on Foreign Relations.

I am fully aware, as was clearly indicated by the distinguished Senator from Illinois (Mr. Dixon), that procedures of the Senate do allow a measure of this type to be brought up in connection with any legislation. But it is the unanimous judgment of the leadership and the Members of the Senate, while paying respect to the courageous initiative of our two colleagues from Pennyslvania and Illinois, that this resolution not at this time be voted upon favorably.

Again, I call on my colleagues to place a measure of trust in those of us who work in this area.

As was stated by the distinguished Senator from Pennsylvania last night, we went to the White House. In the room occupied by the National Security Council, the Situation Room, we spent 1½ hours with the senior spokesman for the President of the United States on the NSC staff and a senior spokesman for the Department of State, both of whom had consulted with their respective superiors—in the case of the NSC, the President; in the case of the Department of State, the Secretary of State. I found the discussion very informative. We carefully reviewed, in my judgment, every aspect of the resolution at hand. There are several very important reasons that were stated by both the White House staff and the staff of the Department of State as to why this resolution should not be voted on at this particular time.

I am not suggesting, nor has the Senator from Pennsylvania suggested, that those reasons be shared publicly today. Therefore, I call upon my colleagues to, quite frankly, place a measure of trust in my judgment that those reasons are valid, that the Members of the Senate should respect them. Members of the Senate should recognize that the threshold issue is that under the Constitution of the United States the President is the chief architect of the foreign policy, and it is his judgment as expressed by his representative that at this particular moment this particular resolution should not be voted on by the Senate.

Our colleagues have, quite properly, expressed what they perceive to be the will of the people of the United States; namely, that this country with its elected leader, the President, go forth and show a measure of leadership in trying to resolve the seemingly intractable problem of arms control.

Last night we reviewed the history of each of the major summits between the leaders of the Soviet Union and the President of the United States and assessed the results of those summits. I think history has recorded there have been more summits that have been highly successful than those less successful, and the margin of difference between those that were successful and those that were less successful in many respects hinged on the timing.

It seems to me, in fairness to our colleagues, that each one of them would want to have the benefit of the wisdom of the President, the Secretary of State, and others entrusted with the decisionmaking on summit before they want to be recorded with respect to the resolution offered by the Senators from Pennsylvania and Illinois; in other words, to have enjoyed and profited by the wisdom of the history that was shared with us last night.

In conclusion, Mr. President, Members of the Senate, I call upon our colleagues to repose a measure of trust in the leadership of the Senate, particularly the chairman of the Armed Services Committee, whose experience and service in this body spreads over several summit meetings, and the chairman of the Foreign Relations Committee, whose experience, likewise, spreads over the history of these various summit meetings. While we are not at liberty to share those reasons, I am willing to state that, unqualifiedly, I approach this in a totally nonpartisan spirit, a spirit in the best interest of the United States and in a spirit of achieving peace in the world, an integral part of that peace being a resolution of this problem of arms control, indeed, arms reduction, as stated by the President of the United States.

I call on my colleagues again to repose a sense of trust in the leadership of the Senate who are privy to the various reasons as to why at this particular time we should not vote on the resolution by the distinguished Senators from Pennsylvania and Illinois.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. TOWER addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mr. TOWER. I want to reinforce what the distinguished Senator from Illinois, the chairman of the Foreign Relations Committee, said in connection with this matter.

It occurs to me that when the administration strongly opposes an amendment that addresses itself to delicate and difficult matters of negotiation with the Soviet Union, they deserve a hearing. There has been no hearing on this amendment, and we have not had the opportunity to have the administration give testimony to give us an opportunity to make some judgment as to whether or not this adversely impacts on the ability of the administration to successfully negotiate arms reduction.

They apparently believe that this amendment will be counterproductive, and if they believe that, since we all passionately want a reduction in nuclear arms, it seems we should hear them out and give them an opportunity to explain why they believe it would be counterproductive.

I strongly suggest that my distinguished colleagues, who are the cosponsors of this amendment, put it over until next week. We obviously are going to be on this bill on Tuesday, and I imagine, unless some miracle occurs, we will be on it on Wednesday. There is even the possibility we will be on it on Thursday. I pray that we will not be on it on Friday, but I think that it would at least give the days of Tuesday and Wednesday for this amendment to be considered. It seems to me that is the rational and responsible approach.

I do not know why the time urgency of acting on it today rather than, say Tuesday or Wednesday of next week, after the Secretary of State has testified before the Foreign Relations Committee and after the Senator from Pennsylvania himself has testified. This is not an orderly way to do business. The committee system in this Senate is established for a purpose, and that is that we may screen and deliberate on legislation in an intensive way before it is submitted to Senators for consideration on the floor. They are then armed with the findings of the appropriate committee.

Certainly, the Armed Services Committee has not held hearings on this issue because it is not within our jurisdiction to do so. If this amendment were offered to the DOD authorization bill in the House, it would be immediately rejected because it would be out of order; it is not germane. Should this amendment prevail, it would be superfluous because it would be dropped in conference, not because of any reluctance on the part of the Senator from Texas and other members of the Armed Services Committee to try to sustain a Senate position in conference but because a point of order would lie against it in the House.

We have had that problem in conference many times over with amendments that are offered to our bills, not only Armed Services but other committees on which I serve, indeed, every committee in the Senate, I suppose, where we have had to give way to the House because the rule of germaneness applies there.

It seems to me, in the interest of rationally proceeding, in the interest of hearing the administration in a formal way before the appropriate committee, that the cosponsors would be willing to put this measure over until Tuesday or Wednesday, and I urge them to do so and would help try to secure a Senate agreement that would permit them to bring that amendment up, perhaps even at a time certain, next week.

I suggest that in the interest of orderly procedure, in the interest of obtaining the perspective of the administration as to why they view this amendment as being counterproductive to the whole peace process.

I have served in the armed services in one war and as a member of the Armed Services Committee. I have spent a great deal of time in Vietnam with our troops in the field, and I have seen enough of war to know that war is a detestable and repugnant way for men and nations to resolve their differences.

Even conventional war is terrible enough. Nuclear war is almost too terrible to contemplate. I think you will find that in the professional military, those who have seen the most of war are those who are most passionately desirous of avoiding war.

The whole idea behind this enormous arsenal we are trying to fund with this bill is to deter aggression against us, to preserve the peace. We have no offensive designs on anyone. The United States is not an imperious nation. We want to protect our sea lanes, our sources of raw materials, our markets abroad, from the standpoint of the outreach of our foreign policy and the implementation of our military to achieve foreign policy objectives.

So I assure the cosponsors of the amendment that I am as desirous of seeing nuclear arms reduction as they are. It is unthinkable to me that the United States would deliberately start a war. I suggest again that the United States is acting with great restraint in keeping the peace. Since 1955, the Soviet Union has not. That is a fact that weighs heavily on any urgings that may emanate from this body to go to the conference table.

Mr. President, I suggest the absence of a quorum, and I ask unanimous consent that the time consumed be charged to neither side.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TOWER. Mr. President, I yield 3 minutes to the distinguished Senator from South Carolina.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Mr. President, I rise in opposition to the amendment offered by the distinguished Senator from Pennsylvania because it impinges upon the President's prerogative to formulate and conduct foreign policy.

My distinguished colleague from Texas, Chairman JOHN TOWER, argued this point most eloquently in his article, "Congress Versus the President,"

that appeared in a recent issue of Foreign Affairs magazine.

As Chairman TOWER so cogently demonstrated, Congress intrusions into these matters have often resulted in a disjointed and confused foreign policy that alienates or perplexes our allies. This amendment is more of the same.

Furthermore, the devastation that would occur in a nuclear war need not be written in our law. We are fully cognizant of what would happen. We cannot become embroiled in the emotions of the day. Our purpose is to provide this Nation the means necessary to deter aggression in all forms.

It serves no useful purpose to debate what will happen if we fail to do our jobs here.

Mr. President, I urge all my colleagues to join me in rejecting this amendment.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. TOWER. I yield 3 minutes to the Senator from Arizona.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. GOLDWATER. Mr. President, more and more this body is working around the Constitution and in no more dangerous field can the Senate operate than in what we are talking about now.

It has not been many years since we passed the War Powers Act which I think was probably the worst piece of legislation that ever got through this body.

The President is the Commander in Chief of this country, not just the Army, Navy, Marines, and the Air Force. He is the man who determines when this country is going to war. It is his decision. It is his button to push, not ours. And the Founding Fathers very wisely took that prerogative away from us because Congress at that time nearly lost the Revolutionary War through the total lack of knowledge of its Members on the subject of war or diplomacy.

And here we are again arguing about a resolution. It seems innocuous. We want to see the President have a powwow with Brezhnev. That is not our business. We can make an expression that we would like it, but it is the President's prerogative and his only, and I think we are treading on very dangerous grounds when we again repeat the steps that we went through that wound up in the War Powers Act, which, if I were an enemy of the United States, I would welcome with open arms. I would start a war with this country and then I would hire every good Madison Avenue advertising agency to convince Congress that the war was wrong and in 90 days Congress would stop the war and the United States would lose it.

This is the kind—I am not going to use the language I could, but it is the kind of thing that we are doing, doing and doing that is disrupting this country. It is making us look ridiculous in the eyes of the world.

I certainly hope that at the proper time a motion is made to table this matter so that we can get on with the business that we are here to be engaged in, the question of whether or not we are going to defend the United States of America.

The PRESIDING OFFICER. Who yields time?

Mr. TOWER addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mr. TOWER. After some discussion with the cosponsors of the amendment, I believe that an accommodation has been arrived at.

Mr. SPECTER. Mr. President, will the Senator yield?

Mr. TOWER. I yield.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. I thank the Senator from Texas for yielding. I would like to just say one word in brief response to the comments of the distinguished Senator from South Carolina——

Mr. TOWER. Mr. President, will the Senator proceed on his own time?

Mr. SPECTER. Yes—and the distinguished Senator from Arizona that in proposing this amendment the Senator from Pennsylvania is mindful of the primary responsibility of the executive branch for foreign policy.

But the Senator from Pennsylvania is equally mindful of the responsibilities of each U.S. Senator and the U.S. Senate as a body, and that in a time when each of us is being called upon to vote on a very material Department of Defense authorization bill that the Senator from Pennsylvania deems it appropriate, germane, and relevant to at least make the gentle recommendation, as characterized earlier, that the President move toward summit talks.

As indicated by the Senator from Texas, there has been an accommodation reached with respect to the request for deferring the vote on this matter. During the course of the last quorum call I received a telephone call from Secretary of State Haig who requested that the vote not be held today. After some discussion with the Secretary of State I agreed that I would defer seeking a vote on this amendment but would insist, in agreeing to that deferral, that the vote be held as the first order of pending business when this matter is considered on Tuesday next.

The Senator from Texas and the Senator from Virginia have requested that we set it for a time certain at 3 p.m. on Tuesday, and, while that may not be the first order of business, that is acceptable from my point of view. I have consulted with the distinguished Senator from Illinois (Mr. DIXON) and explained in some greater detail to him my conversation with Secretary of State Haig, and the Senator is agreeable as well to this arrangement.

Mr. TOWER. Mr. President, if I may state it this way: Our consent agreement to return to the bill on Tuesday does not specify a time. I would assume that we would return to it probably at 10:30 or 11 o'clock in the morning, subsequent to the recognition of the two leaders and any special orders, return to the bill that is. But there is a probability, too, that we will be in recess from, say, 12:30 until 2, as is normally the case, to accommodate the Republican and Democratic caucuses.

I wonder if we might state the consent agreement this way: that it be made the pending business at 3 p.m. Tuesday next, provided the Senate has returned to the consideration of the bill. If it has not returned to the consideration of the bill at that time it will be the pending business at such time as the Senate returns to the consideration of the bill.

Mr. SPECTER. Under that arrangement if the Senate has not returned to this bill by 3 p.m. on Tuesday, it would be the first order of business when this bill is considered.

Mr. TOWER. That is correct. if we return to it at 4 o'clock, then it would be the first order of business. What we are saying here is it will not come up before 3, and the rationale for that is to permit the Foreign Relations Committee to hold a very important meeting that morning.

Mr. DIXON. Mr. President, will the Senator Yield?

Mr. TOWER. I yield.

Mr. DIXON. Mr. President, reserving the right to object, and I am sure I will not object, I would like to say to the Senator from Texas, the Senator from Virginia, and the Senator from Pennsylvania that I would like to clear that with this side.

Mr. TOWER. I undersand that. We have propounded the agreement, and I have to clear it on our side.

Mr. WARNER. Mr. President, I wish to express my appreciation to both the Senator from Pennsylvania and the Senator from Illinois for their understanding of this matter. Frankly, their action just stated, in my judgment, is an act of statesmanship, and I pay my respect to both of my distinguished colleagues for their willingness to recognize the importance of the issue before the Senate and to recognize this compromise.

The PRESIDING OFFICER. It is my understanding of the Chair that this has not yet been propounded as a unanimous-consent request.

Mr. TOWER. I intend to propound it, and we want to clear it on both sides.

Therefore, Mr. President, I suggest the absence of a quorum, and I ask unanimous consent that the time be charged to neither side.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. Stafford). Without objection, it is so ordered.

Mr. BAKER. Mr. President, it appears that it will take a little while to obtain a unanimous-consent agreement cleared on both sides in respect to the further disposition of the Specter amendment. Rather than burn up a lot of time waiting for that clearance, I ask unanimous consent that the Specter amendment be temporarily laid aside; that the Senate proceed to the consideration of the Quayle amendment, which is the next amendment; with the further understanding that on the disposition of the Quayle amendment, the Specter amendment recur as the pending amendment, at which time I hope to have a unanimous-consent agreement to deal with that measure in a permanent way.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TOWER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. QUAYLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 1400

Mr. QUAYLE. Mr. President, the pending business before the Senate is the amendment I offered yesterday concerning the retention of the Department of Defense dependents' schools within the Department of Defense.

This amendment will simply undo a process that was established in 1978 when we created the Department of Education and transferred the overseas schools to the Department of Education.

One of the issues confronting the military strength and the national security of this country today is the quality of life of our soldiers, their dependents, their spouses, their families; and I believe we would be doing a great disservice and would be harming that quality of life if this transfer were to take place.

I should like to read a few quotations from the present Secretary of Education, Secretary Bell. He is the Secretary who is going to receive the responsbility of managing and operating the Defense school system if we do not change this. This is what the Secretary of Education says:

> The maintenance and operation of this school system is inextricably interwoven with the total Defense operations and to insert a third party into such an interdependent system would result in major inefficiencies. Matters of fiscal control and accountability, personnel relationships, and the logistical support systems necessary to maintain the schools would all have bifurcated policy sources inevitably leading to less than optimum conditions of teaching and learning for 136,000 deserving students.

We are talking about 136,000 students.

The Secretary of Education goes on to say:

> The Department of Education has little experience in dealing with the sensitivities of foreign country relationships with the military forces.

Mr. President, he is absolutely right. The Department of Education does not have any connection with foreign countries. The Department of Defense does; the Department of State does; the Department of Education does not.

The Secretary goes on:

> We are also ill-equipped to instantaneously adjust logistical arrangements in a far-flung school system and to adequately anticipate the urgency of Defense strategic planning and movement.

Mr. President, I point out that I am reading a letter from the Secretary of Education, Secretary Bell. This is an indictment of policy that will take place in May of 1983 unless Congress acts, and I have all reason to believe that Congress will act.

Finally, the Secretary says:

> We are more than willing to lend technical assistance to the Department of Defense in such matters as educational planning, development of instructional programs, evaluating the administration or operation of schools, improving relationships between schools and parents, or in any educationally related areas.

He is offering assistance, but he says: "I do not want the responsibility. I do not want the transfer. I want to maintain the status quo and to keep the overseas schools where they are."

Mr. President, I point out that the statistics show—the statistics being the SAT scores—that the students of overseas schools do better compared with their counterparts in the American public schools. So perhaps we might be able to take some guidance or use the techniques that are being employed by our overseas schools and how they achieve these skills in the current system and transfer some of that expertise and study and learning experience and understanding to our American public schools.

The Secretary of Education is not alone in his support for this amendment. The administration supports it. OMB supports it. The Department of Defense supports it. Many people support it. The people who represent the teachers in the overseas schools support it. Teachers in that school system support it. The parents support it, and I am sure that the children would support it.

That was one of the more disturbing aspects in the whole debate of creating the Department of Education in the first place.

People were more interested in brick and mortar than they were in the education of our children. That should have been the primary concern as we went forward. So today, as we debate this, I hope we will put in primary focus the people whom we are concerned about with this amendment who happen to be the dependents, the school children who are going to school now.

All the testimony we have had shows that if this transfer were to take place their education would be disrupted and it would have a debilitating effect not only on the Department of Defense but on the families and ultimately the children.

The Secretary of Education says he does not want the responsibility. He says it should be left to the Department of Defense.

I hope we do keep in mind that what we are talking about is education for students and our children who are overseas. That has a long, long history of success. That success has come about through a coordinated effort within the Department of Defense, working with the families, working within the military command, the military operations, and there is no good reason at all to see this transfer come about.

Mr. President, if you go back and you read the debate on the creation of the Department of Education, and I was not in this Chamber—I was across the hall—if you go back and read the debate, the reason at that time that they had to have the Department of Defense overseas schools in this Department was to give it some credibility in numbers for creating the Department of Education in the first place. The reason is that 9,000 people are or will be incorporated in this transfer. That more than doubles the present personnel of that Department right now which is going down.

So I can see that the argument was not on its merits. It was simply on its numbers. The argument was not concerned about the education of those 136,000 children who are presently within the military. The argument was we have to create that Department of Education; the only way we are going to be able to legitimately justify that is if in fact we can get 15,000 or 16,000 people in the Department. Otherwise, why create it?

Well, we have created it. This amendment does not do anything about the Department of Education. We can fight that battle another day.

But what this amendment does is to prohibit the transfer of the overseas schools in May 1983 and also, Mr. President, I wish to point out that it was put in as May 1983 for a very obvious reason: When they created this Department of Education there was an obvious concern as to were we doing the right thing? Otherwise, the transfer would have taken place in 1979, 1980, 1981. Why 1983? This thing was created in 1978. The reason it is in 1983 is that there was concern expressed then but in a political rush, going back to a political commitment President Carter made to the National Education Association to get their endorsement, the Department of Education had to be created.

Politics became important, and the education of the children did not. But there was enough political sensitivity to make sure that those overseas schools were not transferred immediately. They waited until May 1983.

It is May 1982. As my good friend, the Senator from Iowa knows, by golly if we do not do something now this transfer is going to take place.

I think we are going to do something now. I do not know what kind of opposition will come from this amendment. I am sure there will be those who will speak in opposition to it with great sincerity, great intelligence, background, and dedication, not only to the Senate but to education in general.

This is not an education issue. This is a Government operation and a structural issue within the Armed Forces of the United States. That is the issue before us.

Anyone who supports this is not dealing with the education issue, per se. We are trying to make sure that the quality of life, the quality of education for these 136,000 schoolchildren remains the best possible.

The Secretary of Education says the best way to do that is to keep it there. The Secretary of Defense says that the best way to do that is to keep it there. The administration says to do that. The people who represent the teachers and parents say to do that. It is a fairly impressive list of people who want to keep this in the Department of Defense.

Mr. JEPSEN. Mr. President, will the Senator yield?

Mr. QUAYLE. I am glad to yield to my friend from Iowa.

Mr. JEPSEN. Mr. President, a letter from those who are opposing this bill states:

> A system this large and important should fall under the responsibility of an education agency rather than a defense agency, whose primary mission is totally unrelated to education.

As chairman of the Subcommittee on Manpower and Personnel I suggest that for many years the leader in education has been the military, whether it be in foreign language schools, college, technical schools, "Join the Service and Learn a Trade," the GI bill, extension courses, continuing education, graduate education, or the great education that students received at West Point, Annapolis, and the Air Force Academy. They were the leaders of the finest education, and we did that in the military long before and somehow managed to get by with the rating of excellent in all these areas before we ever had a Department of Education on the Federal level.

It is obvious—as my distinguished colleague from Indiana has said, "Let us tell it like it is"—the direction for these schools' administration came into being with the establishment of the Department of Education by then-President Carter and the National Education Association which was fulfillment of a campaign promise, and they indeed took the net and reached out and pulled in everything they could to try to not only justify their existence at that time but also to insure that, when the day comes, as it has come, when the people of this country speak out loud and clear as they begin to disassemble this, there would be many obstacles in the way, and hopefully these little odds and ends would be the glue that would hold the Department of Education together and prevent it from being reorganized.

I also point out in the same letter they state:

> The Quayle amendment seeks to amend P.L. 96-88, the Department of Education Organization Act, an issue totally unrelated to the questions of DOD procurement and a matter within the jurisdiction of the Governmental Affairs Committee * * *.

We have many things in the DOD bill, everything from contracting out security to firefighting, to the people who establish laundromats in various bases, and we are not restricted to just exclusively buying weapons systems, and I point out, as the chairman of the Subcommittee on Manpower and Personnel, we have the pay and benefits bill. We are talking about the bonuses for education. We are looking and exploring the possibility of a new GI bill of some sort.

We have continuing education programs for professional people in the services. We look at that.

We held hearings yesterday on our problems with the shortcomings we have in the medical service area and the medical fields of our various Reserve and Active Forces, and we talk a lot about education and schooling there.

I suggest that we are very much involved in the education area and have been for many, many years.

Now, they also state that the administration has submitted no legislation to this body. I would ask them to consider the repeal of section 302 on March 26, 1982, in a letter from the Department of Defense with a proposed bill, and it says "to be enacted by the Senate and the House of Representatives of the United States of America in Congress assembled." It seems to me that is rather clear and decisive evidence that there has been legislation submitted for the consideration of Congress. So I hope that we will not vote on the basis of the Department of Education's PR and smoke screen that they are trying to throw, a rather desperate one, as they are being reorganized on a very intelligent basis and a very sensible basis, I might add, contrary to what some of those who represent that Department would have you believe, that they are going in with a meat ax and chopping it all to pieces. It is being very carefully attended to by a gentleman who was responsible primarily for putting it together in the first place.

It is a very unique situation. I think they are doing it with care, with love, with attention, and with compassion and concern for education.

Before yielding back, Mr. President, I ask unanimous consent that Polly Gault and Bruce Post be granted the privileges of the floor during the debate on S. 2248.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JEPSEN. I now yield back the time and I thank the distinguished Senator from Indiana very much. I commend him for his work on this amendment. It is very key and very important to the morale that we now have existing in the armed services of our country, the men and women who wear the uniform, and wear it proudly.

I commend the Senator for doing everything he can to make sure that this momentum we have going continues. This is a very key part of it because the education of those 136,000 children is very important, and they have been doing very nicely before it was ever transferred in this one big sweep when they created the Department of Education.

I am sure it will continue on its excellent plane with the administration and the responsibility for it left where it ought to be, and that is with the Department of Defense.

Mr. QUAYLE. I thank the Senator from Iowa for his remarks. He is chairman of the Manpower Subcommittee and he knows very well what kind of disruption this would cause to the morale of the troops. He has been very involved in this issue and other issues, and he speaks with firsthand knowledge as to what kind of an effect this would have if we go forward and allow this transfer to take place in May 1983.

Mr. President, I have just received a "Dear Colleague" letter dated May 6,

1982. I ask unanimous consent that the letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

> U.S. SENATE,
> COMMITTEE ON LABOR AND
> HUMAN RESOURCES,
> *Washington, D.C., May 6, 1982.*
>
> DEAR COLLEAGUE: Today, when the Senate considers S. 2248, the Department of Defense Authorization bill, we ask you to join us in opposing Senator Quayle's amendment which prohibits the transfer of authority for the Department of Defense Dependents Schools (DODDS) from the Department of Defense to the Department of Education as required by the Department of Education Organization Act.
>
> As Chairmen of the committees with direct jurisdiction over the structure of the Department of Education and federal education programs, we want you to consider these facts:
>
> First, Congress specifically required the transfer for this reason: the overseas schools have a student enrollment which would make them the 11th largest school district in the U.S. A system this large and important should fall under the responsibility of an education agency rather then a defense agency, whose primary mission is totally unrelated to education.
>
> Second, the Quayle amendment seeks to amend Public Law 96–88, the Department of Education Organization Act, an issue totally unrelated to the questions of DOD procurement and a matter within the jurisdiction of the Governmental Affairs Committee, not the Committee on Armed Services;
>
> Third, the Administration has submitted no legislation to this body asking it to consider the repeal of Section 302 of Public law 96–88, the section which authorizes the transfer of the overseas dependents schools from DOD to ED; and
>
> Fourth, no hearings have been held by the Senate regarding the proposed repeal of the transfer law.
>
> For these important reasons, we ask you to join us in defeating the Quayle amendment to S. 2248.
>
> Sincerely,
>
> ROBERT T. STAFFORD,
> *Chairman, Subcommittee on Education, Arts and Humanities.*
> WILLIAM ROTH, Jr.,
> *Chairman, Committee on Governmental Affairs.*

Mr. QUAYLE. I would like to discuss this "Dear Colleague" letter, Mr. President, and to go through a couple of points. The first point raised says:

> First, Congress specifically required the transfer for this reason: the overseas schools have a student enrollment which would make them the 11th largest school district in the U.S. A system this large and important should fall under the responsibility of an education agency rather than a defense agency, whose primary mission is totally unrelated to education.

Now, Mr. President, as to "totally unrelated to education," they educate 136,000 students. They have been doing this since 1946. The individual services operated these schools until 1976. They have been doing it since that time and we are now in 1982. I do not know how we can say that their primary mission, as far as education is concerned—when you take a section of the overseas schools within the Department of Defense that is their primary mission. Obviously, the Department of Defense is to provide for the national security of this country. Obviously, the Department of Defense is to do that.

How are they going to do it? They are going to do it by getting quality individuals in our Volunteer Army situation, and how are we going to get those people into the service? If we have a good system to provide not only good education for their dependents, but to enhance the quality of life. So, sure, it is not the primary mission of DOD, and nobody is going to argue with that, but it is certainly an area in the Department of Defense where they have great expertise and experience and, furthermore, they have done it with a great deal of efficiency.

I just got back to the SAT scores. The SAT scores of these 136,000 students are better on a comparative basis that those in the public schools here at home.

So I concede as to the letter that, sure, the primary mission of DOD happens to be the national security protection of the country, but how are we going to do it?

Furthermore, I would say that the primary mission of the overseas schools within the Department of Defense is the education of those 136,000 students, and they have been doing that with a great deal of efficiency.

Second, the letter says:

> Second, the Quayle amendment seeks to amend Public Law 96–88, the Department of Education Organization Act, an issue totally unrelated to the questions of DOD procurement and a matter within the jurisdiction of the Governmental Affairs Committee, not the Committee on Armed Services;

I would just like the record to show that a bill that I introduced on July 14, 1981, was referred to the Senate Armed Services Committee. So I do not know how, in fact, we can say that the issue is totally unrelated to the Committee on Armed Services, unless there was some sort of drastic mistake made by the Parliamentarian when it was referred to this committee. It has been referred to the Armed Services Committee.

The third argument is:

> Third, the Administration has submitted no legislation to this body asking it to consider the repeal of Section 302 of Public Law 96–88, the section which authorizes the transfer of the overseas dependents schools from DOD to ED; and

My good friend, the distinguished chairman of the Manpower Subcommittee, Senator JEPSEN, pointed out that as of March 26, 1982, in fact the administration did submit it. Furthermore, I have a letter here from David Stockman, and I will just read part of it:

> As evidenced by the draft bill submitted to Congress by the Defense Department on March 26, 1982, the administration supports the retention of the Defense dependents' overseas school system within that Department. Secretary Weinberger, Secretary Bell, and I support your interest in this regard.

Mr. President, I ask unanimous consent that the letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

> OFFICE OF MANAGEMENT AND BUDGET,
> *Washington, D.C. May 6, 1982.*
>
> Hon. DAN QUAYLE,
> *U.S. Senate,*
> *Washington, D.C.*
>
> DEAR DAN: It is my understanding that you will be offering an amendment to the fiscal year 1983 Defense Authorization bill, S. 2248, to retain the Department of Defense Dependents Overseas Schools in Defense.
>
> As evidenced by the draft bill submitted to Congress by the Defense Department on March 26, 1982, the Administration supports the retention of the Defense Dependents Overseas Schools system within that Department.
>
> Secretary Weinberger, Secretary Bell, and I support your efforts in this regard.
>
> Sincerely,
>
> DAVID A. STOCKMAN,
> *Director.*

Mr. QUAYLE. Mr. President, I think we have to get back to the basic issue, and that basic issue is what are we going to do about the overseas schools? The issue is are we going to transfer them to the Department of Education, which the Secretary of Education does not want, the Secretary of Defense does not want, OMB Director, the administration, do not want; the parents of the students do not want it—at least the representatives of the parents do not want it; representatives of the teachers of the overseas schools do not want this transfer?

Mr. President, I think that passage of this amendment will certainly take care of the problem that was created back in 1978. We all knew it was a problem then, and that is why we put on the 1983 date, 5 years after the creation of this bill, when this transfer is going to take place. We did that for obvious reasons: to give Congress an opportunity to come back and to correct this mistake.

Mr. President, we have that opportunity by the passage of this amendment. I hope that it is passed through overwhelming support because it is the only proper thing to do.

Mr. TOWER. Mr. President, I rise in support of the amendment offered by the distinguished Senator from Indiana to retain control of the Department of Defense dependents schools within the Department of Defense.

In my opinion, transfer of the control of school operations from the Defense Department to Education would be a tragic mistake. It is essential that DOD retain authority over the schools in order to facilitate overall Defense

planning. The Defense schools are an integral and coordinated part of the total Defense support structure, and schools policies now incorporate many unique military considerations arising out of mission, operational, and morale requirements. There is an intangible but important bond between educators, school policymakers, and military commanders that would be lost upon such a transfer. The current system works extremely well, as evidenced by the schools' accreditation and student scores on the scholastic aptitude test.

Finally, I strongly believe that efficiency is clearly eroded when authority for one function is divided between two Federal agencies.

I, therefore, urge the adoption of the Quayle amendment.

Mr. President, we are prepared to bring this to a vote. I understand that Senator ROTH wants to be heard on this matter and the distinguished occupant of the chair wants to be heard. Therefore, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

(Mr. QUAYLE assumed the chair.)

Mr. STAFFORD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STAFFORD. Mr. President, with regret, I find that I must rise to oppose the amendment offered by the distinguished Senator from Indiana (Mr. QUAYLE), who is now presiding. That amendment would prohibit the scheduled transfer of authority for military dependent schools from the Department of Defense to the Department of Education.

Before I detail my specific objections to this amendment, I would like to recall for my colleagues a brief history of the Department of Defense schools (DODDS).

For more than 20 years, DOD overseas schools operated without specific authority. Then, in 1978, as the distinguished Senator from Indiana has pointed out, Congress enacted Public Law 95–561, which gave these schools their first legislative authorization.

At that time, questions were raised regarding whether or not passage of this Defense Dependents' Education Act of 1978 would prejudge any subsequent proposal to include administration of these schools within the responsibilities of a new Department of Education, which was then under consideration.

Answering these concerns, Congressman JOHN ERLENBORN, who offered the overseas dependents' schools amendment in 1978, stated:

> Finally, I would note that this amendment does not prejudice the question of a Department of Education. Although I am opposed to that Department, if the Congress so chooses the schools could be placed in that new Department.

In 1979, Congress exercised its option by providing for the transfer of overseas dependent schools from the DOD to ED in the Department of Education Organization Act, Public Law 96–88. The transfer under Public Law 96–88 is to be achieved within 3 years of the effective date of that law, or, in other words, by May 4, 1983, again, as the Senator from Indiana pointed out.

There were a variety of reasons for promoting this transfer. First, it was felt that education was not the primary mission of DOD. Representatives of DODDS also testified in favor of the transfer. And supporters argued that such a large educational enterprise as the overseas schools, whose student enrollment would make it, as has been pointed out, the 11th largest school district in the United States, should be administered by an educational agency.

Whatever the arguments, pro or con, Congress approved the transfer. Discussions have been held between representatives of the Department of Defense and the Department of Education on the details of the transfer. Also, Secretary Bell, in accordance with the law, has submitted to Congress a plan describing the arrangements necessary to accomplish the transfer and effectively administer the schools.

This amendment represents another attempt by the Department of Defense to endrun the committee system of the Senate. Last year, attempts to ignore requirements in the Omnibus Reconciliation Act affecting impact aid schools were rejected on the floor. This year, DOD is attempting to achieve its ends without submitting its request to the appropriate committee, the Governmental Affairs Committee. I would hope, Mr. President, that our recent complaints about the violence done to the committee process during reconciliation will be fresh in our memories as we consider this proposal.

Therefore, given the requirements of the law, its legislative history, and the discussions and arrangements which have taken place, I ask my colleagues to reject this amendment. In doing so, the Senate will uphold more than just the law: It will uphold the accepted procedures by which the committees of the Senate do business.

Mr. President, I yield the floor.

(Mrs. KASSEBAUM assumed the chair.)

Mr. ROTH addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. ROTH. Madam President, I rise to oppose the amendment of the distinguished Senator from Indiana. This amendment would prevent the transfer of the overseas schools for dependent children from the Department of Defense to the Department of Education. This transfer is required by Public Law 96–88, the Department of Education Organization Act.

My concerns with this amendment are both substantive and procedural in nature. I hope that after the Senate has had the opportunity to hear the two sides of this issue that it will move swiftly and decisively to defeat the proposed amendment.

Section 302 of the Department of Education Organization Act requires that the responsibility for the operation of the overseas schools for military dependents (DODDS) be transferred from the Secretary of Defense to the Secretary of Education no later than 3 years after the creation of the Department of Education. By law this transfer must be completed by May 4, 1983.

The decision to approve this transfer of responsibility was made unanimously by the Committee on Governmental Affairs after holding 1 full day of hearings on the issue during its debate over the Department of Education Organization Act. In the course of the committee consideration, the transfer received the support of virtually all of the interested parties, including the overseas school administrators, the Overseas Education Association, the European Congress of Parents, Teachers, and Students, and the Department of Defense. The Overseas Education Association, I might point out, holds exclusive recognition for the 7,000 DOD teachers.

Now why did the proposed transfer gain such broad support? I think that the reasons are quite clear. Let me begin by saying that the overseas schools represent a sizable undertaking. In school year 1980–81, the DODDS school system consisted of 10,904 staff, 270 schools located in 20 countries, and 135,624 students. In fiscal year 1981, the total estimated cost of operating the schools, including construction and procurement costs, was $414 million. If the DOD overseas school system were located in the continental United States it would rank as the Nation's 12th largest elementary and secondary school system.

One can reasonably ask what link a school system has with the Department of Defense. These schools do not have any direct relationship to the Nation's defense preparedness. They do not teach subjects or skills related to the military. In short, the schools are not tied to the mission of the Defense Department. Rather, the purpose of these schools is strictly to educate the dependents of our military personnel overseas.

Because the task of these schools is one of education, they far more logically belong in the Federal level department charged with educational responsibilities. Once in the DE, the overseas schools will have complete and direct access to the best educational resources and the most desirable teaching techniques that our Nation can offer. The schools will be brought out of their current isolation in DOD and into the mainstream of our education system. This relationship not only will improve the quality of education overseas, but also will smooth the transition of students who alternate between overseas schools and schools here at home.

Of equal importance is the fact that this transfer will provide a legislative base for these overseas schools to operate from, rather than the past practice of authorization solely by the congressional Appropriations Committees. This legislative base will help to insure greater continuity and planning, certainty for the administrators of the overseas schools.

For all of these substantive reasons, the transfer of the Defense Department overseas schools should proceed as legislated. Beyond these points, however, Mr. President, I have procedural concerns with this amendment. The proposal would negate a reorganization proposal considered and unanimously accepted by the Committee on Governmental Affairs. Because it is a reorganization, it is clearly within the jurisdiction of the committee. Yet the proposed amendment has not been the subject of reconsideration or approval by the members of the committee.

The amendment therefore is highly irregular in its approach to reorganization, and I urge that it be defeated on these procedural grounds as well.

Madam President, in the long run we will have better educated, more capable citizens because of this change of authority. I therefore urge my colleagues to defeat this amendment and to let the transfer proceed as legislated.

I yield back the floor.

Mr. QUAYLE. Madam President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is not a sufficient second.

Mr. QUAYLE. I ask for the yeas and nays, Madam President.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. QUAYLE. On the procedure issue, I will point out to my good friend and colleague, it was not referred to the Senate Armed Services Committee. This issue was going to be dealt with when the Department of Education bill was to come before the Senate. There is no chance for the Department of Education bill coming before the Senate now. As far as I am concerned, it is certainly dead this session and maybe in limbo for quite some time.

Second and more importantly is the substance. The substance is, Is this the right thing to do? The answer is yes. The administration supports it. The Defense Department supports it.

I read a letter that was a tremendous indictment by the Secretary of Education on how he could not take care of the transfer that was taking place. They knew in due time that Congress would change its position, and that is why it was not to be completed until 1983.

We ought to be concerned about the quality of life of our troops, the morale of the families, and the 136,000 students, all who support retention with the DOD.

Mr. TOWER. Will the Senator yield?

Mr. QUAYLE. I yield to my distinguished chairman.

Mr. TOWER. There is another factor: What kind of education are our children going to get? The distinguished Senator suggested that under the Department of Defense they would be better educated. I happen to be an educator by trade, a professional educator. I have taught the product of public schools in this country. I happen to know that education programs tend to be adminstered by education administrators who have a great number of courses in education in college, but not much depth, very often, in subject matter. I submit that a program that is run by so-called educationists seldom produces a better education product that a program run by genuine academic intellectuals.

Mr. QUAYLE. I thank the distinguished educator-Senator from the State of Texas, the distinguished chairman of the Armed Services Committee.

I might point out that these 136,000 students that are within that overseas school do better on a comparative basis, on their SAT scores, than do the ones in the American public schools. Obviously, if the Senator wants to talk about the quality of education, the quality of education remains in the overseas schools. There is no need to change it. The Secretary of Education does not want to change it. He does not want to assume this responsibility. I urge my overwhelming endorsement to keep the overseas schools within the Department of Defense.

● Mr. HART. Mr. President, I oppose Senator Quayle's amendment, to prevent the transfer of the overseas schools for dependent children (DODDS) from the Department of Defense to the Department of Education.

These schools, established under the impact aid law, are operated on military bases where public education is not available to the children of military personnel in nearby areas, either because of geographic or financial considerations, or because of legal prohibitions preventing these children from receiving public education.

My opposition to the amendment to prevent the transfer of these schools to the Department of Education results from both procedural and substantive reasons.

We should, first of all, remember that the transfer has been repeatedly approved by this body. Section 302 of the Department of Education Organization Act, Public Law 96—88, requires that the operation of Overseas Schools for Military Dependents be transferred from the Secretary of Defense to the Secretary of Education no later than 3 years after the creation of the Department of Education. The deadline for this transfer is May 4, 1983.

In passing the Reconciliation Act of 1981, the Senate specifically stated that these schools—although funded by DOD—were to be administered by the Secretary of Education. In addition, the body reaffirmed the language contained in the reconciliation bill when it approved Senator Stafford's amendment to the Defense appropriations bill last December.

Moreover, the Governmental Affairs Committee, which has jurisdiction over such Government reorganizations, has not held any hearings on this issue. The Education, Arts, and Humanities Subcommittee, which has jurisdiction over the impact aid program, has not considered the issue in any way—other than to reaffirm that administrative jurisdiction over impact aid schools should remain with DOE.

But the transfer should be opposed not simply because it contradicts repeated judgments of this Chamber. The transfer is also in the best interests of the over 135,000 students enrolled in the 270 DODDS schools in 20 foreign countries.

The function of these schools is not to teach military subjects or skills but to educate the dependents of overseas military personnel. Little overt connection exists between these schools and defense preparedness. It seems logical that the task of educating these students properly belongs with the Federal department charged with the responsibilities for education.

Transferring these schools to DOE would give these students access to the highest quality of education and teaching resources our Nation can give its young people. By bringing these schools into the mainstream of our educational system, the transfer would also ease transition problems faced by students who alternate between schools abroad and schools at home.

The Government Affairs Committee unanimously approved the transfer. The transfer has received the support of almost all of the people affected by the change, including the overseas

school administrators, the Overseas Education Association, the European Congress of Parents, Teachers, and Students, and the Department of Defense.

For these reasons, I hope my colleagues will join me in opposing this amendment so that the transfer can proceed as called for by law.●

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Indiana. The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Wyoming (Mr. Wallop) is necessarily absent.

Mr. ROBERT C. BYRD. I announce that the Senator from California (Mr. Cranston) and the Senator from Arizona (Mr. DeConcini) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 59, nays 38, as follows:

[Rollcall Vote No. 94 Leg.]

YEAS—59

Abdnor
Andrews
Armstrong
Baker
Bentsen
Boren
Brady
Byrd,
 Harry F., Jr.
Chafee
Chiles
Cochran
Cohen
D'Amato
Danforth
Denton
Dole
Domenici
East
Garn
Glenn
Goldwater
Gorton
Grassley
Hatch
Hatfield
Hawkins
Hayakawa
Heinz
Helms
Huddleston
Humphrey
Inouye
Jepsen
Johnston
Kassebaum
Kasten
Laxalt
Levin
Long
Lugar
Mattingly
McClure
Moynihan
Murkowski
Nickles
Packwood
Percy
Pressler
Quayle
Rudman
Schmitt
Simpson
Stennis
Stevens
Symms
Thurmond
Tower
Tsongas
Warner

NAYS—38

Baucus
Biden
Boschwitz
Bradley
Bumpers
Burdick
Byrd, Robert C.
Cannon
Dixon
Dodd
Durenberger
Eagleton
Exon
Ford
Hart
Heflin
Hollings
Jackson
Kennedy
Leahy
Mathias
Matsunaga
Melcher
Metzenbaum
Mitchell
Nunn
Pell
Proxmire
Pryor
Randolph
Riegle
Roth
Sarbanes
Sasser
Specter
Stafford
Weicker
Zorinsky

NOT VOTING—3

Cranston
DeConcini
Wallop

So Mr. Quayle's amendment (No. 1400) was agreed to.

Mr. QUAYLE. Madam President, I move to reconsider the vote by which the amendment was agreed to.

Mr. GORTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UNANIMOUS-CONSENT AGREEMENT—AMENDMENT NO. 1397, AS MODIFIED

Mr. BAKER. Madam President, I understand that the request that I am about to put has been cleared on both sides of the aisle and by the distinguished chairman of the Armed Services Committee and the distinguished ranking minority member. I will state it now for their consideration as well as the consideration of other Senators.

I ask unanimous consent that when the Senate resumes consideration of S. 2248, the Department of Defense authorization bill for fiscal year 1983, the pending amendment be the Specter printed amendment No. 1397, as modified, but no earlier than 3 p.m. on Tuesday, May 11, with debate on the amendment limited to 1 hour, the time to be equally divided between and controlled by the Senator from Texas (Mr. Tower) and the Senator from Pennsylvania (Mr. Specter).

Mr. TOWER. Madam President, reserving the right to object—and I do not intend to object—is their inherent in that unamimous-consent request the temporary laying aside of the amendment today? It is the pending business now. That is not stated in the request.

Mr. BAKER. Madam President, we will have to provide for that, in addition. It would automatically be laid aside when we close business today. But I am perfectly willing to supplement this with the request that the Specter amendment now be temporarily laid aside.

Mr. TOWER. That was the intent of the cosponsors and the managers of the bill.

Mr. BAKER. Madam President, I amend the request to include that request.

I ask unanimous consent that the Senate temporarily lay aside the pending amendment—that is to say, the Specter amendment No. 1397, as modified. I further ask unanimous consent that when the Senate resumes the consideration of S. 2248, the Department of Defense authorization bill, the Specter amendment No. 1397, as modified, then be the pending amendment, but in no event shall that occur prior to 3 p.m. on Tuesday, May 11; and that debate be limited and controlled as prescribed previously.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The text of the agreement follows:

Ordered, That at the hour of 3:00 p.m. on Tuesday, May 11, 1982, if the Senate is considering S. 2248 (Order No. 475), a bill to authorize appropriations for fiscal year 1983 for procurement, for research, development, test, and evaluation, and for operation and maintenance for the Armed Forces, to prescribe personnel strengths for the Armed Forces and for civilian personnel of the Department of Defense, and for other purposes, the amendment proposed by the Senator from Pennsylvania (Mr. Specter), No. 1397, as modified, be resumed with time on the amendment limited to 1 hour, to be equally divided between the sponsor and the manager of the bill, and that time on any second degree amendment thereto be limited to 30 minutes, to be equally divided between the sponsor and the Senator from Pennsylvania.

Ordered further, That the Majority Leader, after consultation with the Minority Leader, may return S. 2248 as the pending business of the Senate whenever he so indicates on Tuesday, May 11, 1982, or thereafter.

Ordered further, That if the Senate proceeds to the consideration of S. 2248 after the hour of 3:00 p.m. on Tuesday, May 11, 1982, the amendment by the Senator from Pennsylvania (Mr. Specter) shall automatically become the pending amendment.

Mr. TOWER. Madam President, I see that the Senator from Maine (Mr. Mitchell) is seeking the floor for the purpose of offering an amendment. I hope he will be recognized.

I ask whether the Senator intends to ask for the yeas and nays on his amendment.

Mr. MITCHELL. I do.

Mr. TOWER. I wish to advise Senators, then, that we will have another rollcall vote. I do not expect this debate to consume more than an hour, unless the Senator from Maine wants to use a geat deal of time. I just want to advise Senators that there will be another record vote, probably in the next hour or so.

Mr. MITCHELL. I will ask for the yeas and nays as soon as I submit the amendment, while Senators are in the Chamber, if the Senator from Texas has no objection.

UP AMENDMENT NO. 910

(Purpose: To prohibit the use of authorized funds to enter into contracts for the performance of firefighting or security functions at military installations or facilities)

Mr. MITCHELL. Madam President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Maine (Mr. Mitchell) proposes an unprinted amendment numbered 910.

Mr. MITCHELL. Madam President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill add the following:

PROHIBITION REGARDING CONTRACTS FOR THE PERFORMANCE OF FIREFIGHTING AND SECURITY FUNCTIONS

Sec. . None of the funds appropriated pursuant to an authorization contained in this Act or any other Act enacted after the date of enactment of this Act may be obligated or expended to enter into any contract for the performance of firefighting functions or security functions at any military installation or facility.

Mr. MITCHELL. I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The yeas and nays were ordered.

Mr. MITCHELL. Madam President, joining me in offering this amendment are Senator Dodd, Senator Jackson, Senator Weicker, Senator Percy, Senator Sarbanes, Senator Pell, and Senator Dixon.

The purpose of the amendment which we now offer is to insure that two functions critical to the effective operation of military installations remain under the direct control of the facilities' commanding officers. The two functions are fire protection and base security. The amendment specifically prohibits any funds authorized in this act or any future act from being used by the Federal Government to enter into contracts with private sector firms for the provision of base firefighting and security services.

The House Committee on Armed Services, in its report on the Defense authorization bill, has called for a 1-year moratorium on all Pentagon contracting out. It has done so because abuses in the program have become evident, not because it disagrees with the fundamental assumption on which the contracting out effort is based. This assumption is, that whenever private sector firms can deliver necessary, quality goods and services at a cost roughly equal to, or lower than, the inhouse delivery cost, without jeopardizing the national interest, such firms should be permitted—indeed encouraged—to do so.

My amendment is not offered in an attempt to challenge this assumption nor to undermine OMB's overall contracting-out policies. In fact, the amendment seeks to insure that the program is not abused or is not used for the wrong purposes.

OMB Circular A-76 governs the contracting-out process. Though, the document focuses on the comparative cost of financing in-house operations and contract operations, it also states that "certain functions are inherently governmental in nature, being so intimately related to the public interest as to mandate performance by Federal employees."

Underlying my amendment is the belief that the safety and security requirements of our military reservations are "intimately related to the public interest," that the maintenance of base security and safety is a function which is "inherently governmental" in nature; and that base firefighters and security personnel should remain under the direct control of the commanding officers of the installations to which they are assigned.

High ranking Pentagon officials do not hold this view, despite the fact that at the installation, command, and higher levels, the dangers of contracting out essential services are frequently recognized. To illustrate this, permit me, Madam President, to read into the Record portions of a one page memorandum to all major Air Force Commands dated March 5, 1982, and signed by Gen. Robert C. Mathis, Air Force Vice Chief of Staff.

General Mathis writes:

> Recent budget decisions as well as the fiscal year 1984 draft Defense Guidance, make it apparent that we will continue to be pressed for substantial contracting—we have been directed to convert 3,000 spaces to contract in fiscal year 1983, and OSD projects an additional 20,000 spaces for fiscal year 1984-88. Unfortunately OMB uses contracting as a way to reduce civilian end strength without having to acknowledge the resultant degradation in defense capability. While we have tried to reverse this attitude, it is evident that civilian end strength considerations are becoming more and more overriding. . . .

Later in the same memorandum, General Mathis writes:

> Since high-level OSD and OMB officials view contracting as a panacea for reducing civilian employment in the federal government, I want you to evaluate the impact future contracting will have on readiness, sustainability, and flexibility in meeting your mission requirements. Our recent world wide A-76 conference, convened to identify contact candidates, reinforces our view that extensive contracting will risk degrading wartime capability. . . .

The Vice Chief of Staff concludes his memorandum with the following warning:

> Unless we change current contract thinking among highest officials, we are slowly going to transition to an efficient peacetime force which cannot respond to wartime commitments—we cannot let that happen. Therefore I request your personal involvement in this critical issue.

Those were the words of the Air Force Vice Chief of Staff 2 months ago.

I suggest that the on-going Pentagon effort aimed at contracting-out base firefighting and security services at military installations around the country is a perfect example of the danger to which the Vice Chief of Staff refers.

Do we want our military bases to be susceptible to security guard and firefighters strikes? A major problem of this type has yet to occur but would certainly be more likely if the Department of Defense is successful in contracting-out firefighting and security services at the 95 additional installations which are now being considered for such a change.

Additional arguments exist for retaining firefighting and security functions under the direct control of base commanding officers. I will briefly cite these arguments by using the case of Portsmouth Naval Shipyard, an industrially funded activity located on the Piscataqua River in Kittery, Maine.

If, as is currently proposed, base firefighting and security functions are contracted-out, the following results would occur:

First, the Shipyard Commander's ability to meet his personal responsibility under article 0732 and 0735 of the United States Navy Regulations regarding safety and physical security of his command would be restricted because personnel performing these functions would no longer be under his command.

Second, responsibilities for security and fire protection would be fragmented for ships in commission while in the shipyard between the shipyard commands, the ship's commanding officer, the security forces contractor, and the fire protection contractor. Depending upon the actual incident, serious questions arise as to who is in charge. Any delay in giving or carrying out an order could result in loss of or serious damage to a Navy ship or loss of life.

Third, the integrity of the nuclear propulsion systems maintained and serviced at Portsmouth could be compromised. The servicing of nuclear-powered combatant ships at Portsmouth necessitates that security and firefighting personnel have specialized training and be operationally integrated with radiological control and other shipyard personnel in case of an emergency or accident involving radioactivity. To have the security and fire protection personnel in such situations not responsible to the Government officials in charge, but to a private business firm, is unacceptable.

Fourth, the mutual support agreements which Portsmouth Naval Shipyard has with local government in Maine and New Hampshire would be undermined. The support which such agreements provide would be lost because local goverments would probably be reluctant to continue such agreements with a private contractor. Furthermore, it is doubtful that a contractor could be required to enter into such agreements.

Fifth, last, the shipyard commander, under a contract guard situation, would be placed in a position of not having direct control over a contract guard even though he would be liable for a contract guard's actions under the Federal Tort Claims Act (28 U.S.C. 2371 et seq.). Portsmouth Naval Shipyard security guards have citizens arrest rights under Federal common law delegated through the shipyard commander's authority to provide for the security of his installation. This direct delegation cannot be extended to non-governmental employees.

Madam President, I cite the example of Kittery's Portsmouth Naval Shipyard because I am familar with its operational mission and the existing contracting out proposals which it faces. I must emphasize, however, that the points I have raised with respect to Portsmouth's situation are not original or exclusive to it. They are, in fact, contained in a communication dated January 20, 1982, to Vice Admiral E.B. Fowler, the Commander of the Naval Sea Systems Command

from that command's Executive Director for Industrial and Facility Management. In other words, the arguments I have just stated here come directly from a memorandum earlier this year from the Executive Director for Industrial and Facility Management of the Naval Sea Systems Command.

Portsmouth's case is not unique. Many of the problems I have cited apply to the many other installations and facilities which are now being examined for possible contracting-out of firefighting and base security functions.

This is a serious problem, but one which can be quickly remedied by legislative action along the lines of my amendment, I urge its adoption by the Senate.

Mr. JEPSEN. Madam President, I rise in opposition to the amendment by my distinguished colleague from Maine. The effect of the amendment would stop ongoing in-house versus contract cost studies involving about 125 activities, 8,000 manpower spaces, and could result in a cost of well over $50 million.

I emphasize that as of today we have 34 actual contracts for firefighting that have been contracted out. They have been contracted out at an estimated $50 million-plus less than the amendment by my distinguished colleague from Maine would effectuate.

I also point out that included in these 34 contracts which are let out and put out on a practical, realistic basis, they include a large number if not the great majority of all our Army ammunition plants.

I suggest that if we had problems with fire prevention we would not have all our Army ammunition plants under these contracts. It would be rather costly and needless to say a little bit exciting to have fires that were not properly handled or prevented at ammunition depots, and for years they have been covered by private contracts.

The proposed amendment would also prevent the Department of Defense from analyzing firefighting base security functions on a case-by-case basis which has always been the case, thereby exempting activities for legitimate national defense reasons which they have always done. Installations which cannot be contracted out for national defense reasons are exempted from the cost-study process.

I would point out at this time that the first consideration in the review process under the Office of Management and Budget circular A-76 is military readiness. If contracts would degrade readiness, the activity is retained in-house.

The initial determination as to applicability of national defense, that is readiness, is made by the installation commander. Each decision is reviewed at successive command levels, and finally by an Assistant Secretary of the military department to insure that military readiness issues are properly considered.

Other activities performed by Government employees are routinely performed by the private sector and are subject to that cost study process to determine the most cost-effective method of operation. The processing includes the conduct of a management study of an in-house activity to produce an organization which can compete equitably with industry.

I would also point out that a blanket prohibition on contracting out of base security and firefighting activities would prevent the Department of Defense from achieving operational efficiencies.

It would cost the taxpayers more money. It would thwart the administration's efforts to reinvigorate the private sector. Contractor performance of firefighting and security has been highly successful at such diverse installations as the Bangor Trident base and almost all Army ammunition depots. The assumption that contracted-out professional firefighters would not have been as effective as civil servants are not borne out by experience. Contracts do contain no-strike clauses, and the Department has contingency plans in the event of strikes.

I point out to you that as far as Government employees, to whom the Senator is referring, and unions of Government employees, tax-supported, dues-paying union members, tax-paid union members, as far as striking, the only strike we have ever had in this area that deals with national security has been PATCO.

A labor dispute in California did not occur when the shipyards were operated by the Navy, and it had no effect on readiness currently.

As I mentioned before, we do have 34 firefighting activities under contract, and in each case the services are satisfied with the contractor's performance.

To date we have had no problems which have been reported.

I appreciate the intent of the amendment of the distinguished Senator from Maine. I understand the support of the large number of workers who are in the area in the shipbuilding yards in his State, I appreciate that. But I would just suggest that we have a national picture to look at, that of the entire country. We have a time here trying to work and bring reality into budgeting. We are trying to reinvigorate the private sector, and to throw roadblocks, yes, and worse, into that, to absolutely prohibit by law the private sector from being able to do business with the Government, which is contrary to every basic economic thing we are trying to do in this Nation at this time, and it is not warranted. I would oppose the amendment and ask my colleagues to do likewise.

I thank the Chair.

Mr. STENNIS. Mr. President, is time controlled?

The PRESIDING OFFICER (Mr. Denton). There is no control of time.

Mr. STENNIS. Well, Mr. President, I seek recognition in favor of the amendment.

The PRESIDING OFFICER. The Senator is recognized.

Mr. STENNIS. Mr. President, this is not a new subject matter with me altogether, but I did not know about the pendency of this amendment and did not know that this question was coming up.

Mr. President, this is a very serious business to have, be it large or small, an operation of our military services concerning security and firefighting where the commanding officer does not have control of the situation and, therefore, cannot be held for total accountability.

I am familiar with a relatively small naval air training station's operation. This amendment deals with the firefighters that are going to meet that plane that is coming down afire; that plane is going to try to land out there on those runways, and it is already afire.

With just a statement of those bare facts, Mr. President, it shows you have to have men who know what they are doing, who have been not only approved by the Navy or whatever branch it is but under accountability to the commanding officers there who are running those training exercises and exercising their own responsibility, their own careers which are at stake.

Now here to come up with an amendment on the floor—I certainly did not know about it myself, and I do not know how much attention this subject matter was given by the committee—but to come up and change here by mandate of law such a far-reaching function as this regarding safety and security, the safety of the crews, the pilots, the planes that are being used, to make that change certainly seems to me as if it should be done only after the most intense and thorough investigation and consideration, if at all.

I know the intentions are good with reference to those who will oppose the amendment. But I very earnestly plead here for further consideration of this subject, and if a change is going to be made after a notice, due notice, and a chance to develop the facts and be heard, why, let it be on some other bill. There will be other opportunities here with other military bills other than appropriation bills, as I recall.

So I hope the Senate will vote for the amendment so as to preclude the facts that I have related here from happening under it.

Mr. President, I respectfully support the amendment and I hope the Senate will.

Mr. JEPSEN. Mr. President, will the Senator yield for a few questions?

Mr. STENNIS. Yes, I yield.

Mr. JEPSEN. I was listening very closely when the Senator was indicating his concern, and I respect it, about how a base commander would not have control. What we are talking about here is this: How much more or less control does the base commander have over civilian Government workers or just plain civilian workers which he contracts for?

I would point again to the fact that the problem we have had has not been with contracted-out civilian workers; our only problems that we have had with any type of control have been, the best example has been, the PATCO union. There was nothing to stop those civilian Government workers from striking. They just went ahead and did it.

So this matter of control by a base commander of civilians, whether they be civilian Government workers on civilian workers that he contracts for, would be an awfully fine line, it seems to me.

Mr. STENNIS. Well, I say control, I mean by that that the man who is the commander of this unit, whatever it is, these people come in there through tests, including civil service tests or something akin to it, and there is an absolute control there before they can be accepted and get in a line of duty there, which has to satisfy that command in order for them to stay there.

I do not know anything about that. The Senator makes some reference about a union or something of that kind getting into it. I do not know anything about that. I had not heard anything about that and cannot believe that they are controlling legislation on the floor on a matter of this kind.

I can see the Senator's point about wanting to save money. But at what expense? What expense in life and safety and security? There is a time when you have to draw the line.

So I hope that the matter can be settled for the time being. If something needs to be done, it can be done after further proof and in-depth hearings.

Mr. TOWER. Mr. President, I reject the notion that nonunion workers will be less diligent than union workers. That has not been our experience in the Sun Belt States at all. As a matter of fact, there are many instances of much higher productivity in the return of the labor dollar in areas where the union labor is not strong than where it is.

I am not saying anything disparaging about union workers. I am just saying that there is nothing to indicate that nonunion workers are less diligent or less likely to do a job than union workers.

The fact is that we have never had an experience of a strike of contracted-out workers, but there have been numerous strikes precipitated over the country by public employees and their unions. And PATCO is a prime example. That had a crippling effect on our air transport in this country for a period of time. We adjusted to it, but it is one of the reasons the airlines are in trouble, because of the PATCO strike.

So it seems to me that perhaps we reduce the likelihood of strikes by contracting out.

I further would suggest, Mr. President, that if we adopt this amendment, it is an exercise in hypocrisy by the Senate. We are continually badgering DOD to save money—save money, avoid cost overruns, get more efficiency in your operations, get rid of waste, fraud, and abuse—then we mandate an additional $50 million or $60 million in expenditures and get nothing more for it.

How are we going to pay that $50 million or $60 million? Well, we can ground a squadron of airplanes. We can tie up a couple of ships before they end their useful service life. We can cut a division. At what price are we going to pay for proscribing and denying the Secretary of Defense the ability to make sound management decisions? And that is what we are talking about.

If we are going to get into the business of micromanagement here in the Congress, we had better be prepared to spend not less but more on defense to pay for the inefficiencies that we ourselves mandate. I hope that the amendment of the Senator from Maine will be rejected.

Mr. MITCHELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Maine.

Mr. MITCHELL. Mr. President, I would like to make just a few brief comments. First, at no time in my remarks did I make any suggestion that this involved union and nonunion. I do not think it has any bearing on the issue. I do not suggest that it has any bearing on the issue. The response to that is a response to an argument that has not been made.

Second, the figure of $50 million to $60 million has been suggested. What is the substantiation? What is the basis for that? No evidence whatsoever has been offered in support of the allegation.

Third, it was suggested that a number of facilities now have contracting-out. That is true. Most of them are Government-owned, contractor-operated facilities in which the entire facility is contracted out. And so whether or not this portion of it—base ssecurity and firefighting—is to be contracted out is a completely irrelevant point with respect to those installations that are now under Government control.

Finally, not one word has been said in response to the statement earlier this year by the Executive Director for Industrial and Facility Management of the Naval Sea Systems Command, the five points which I stated before, and I would be interested in hearing what the response is to that.

The Executive Director said that the commanding officer of the shipyard will be liable for a contract guard's actions under the Federal Court Claims Act even though he has no control over that guard. He cannot delegate his authority to a nongovernmental employee. What is the answer to that contention by the Executive Director of the Naval Sea Systems Command?

That same Executive Director said that the mutual support agreements which shipyards have with local governments would be undermined. What is the answer to that allegation by the Executive Director of the Naval Sea Systems Command?

That same Director has said that a shipyard commander's ability to meet his responsibility under the U.S. Navy regulations regarding safety and physical security of his command would be restricted because the personnel performing these functions would no longer be under his command. What is the answer to that allegation, that statement, that assertion by the Executive Director of the Naval Sea Systems Command?

He also said that responsibilities for security and fire protection would be fragmented for ship's in commission while in the shipyard between the shipyard commands, the ship's commanding officer, the security forces contractor, and the fire protection contractor. He suggested that this would raise serious questions as to who is in charge and any delay in giving or carrying out an order may result in loss of or serious damage to a ship or loss of life. What is the answer to that assertion?

Finally, especially where we are dealing with vessels that are nuclear powered, nuclear propulsion systems, the servicing of those ships would necessitate security, and firefighting personnel have specialized training and be operationally integrated with radiological control and other shipyard personnel in case of an emergency or accident involving radioactivity. The Executive Director of the Naval Sea Systems Command says that to have that situation in which the security and fire protection personnel are not responsible to the naval commander is unacceptable. What is the answer to that assertion?

Five specific assertions to which not one word of response has been made.

The only response that has been made has been an argument about unions and nonunions, which nobody has said anything about. It is the classic strawman argument: Bring up an argument that nobody made, attack that argument, and suggest that is the reason for defeating the amendment.

I ask that a response be made to the arguments that I have made, not to arguments that have not even been raised here on the floor.

Any objective, careful consideration of the amendment would lead to the conclusion that it should be supported. This, as the distinguished Senator from Mississippi said, is a very serious matter to take base security in U.S. military installations, those involving nuclear-powered vessels, as well as others, and turn them over to a private contractor outside the responsibility of the base commander. It is wrong, it is foolish, and it will not save any money. It will do harm to the national security.

Mr. DODD addressed the Chair.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. Mr. President, I rise in strong support of the amendment offered by the junior Senator from Maine (Mr. MITCHELL). I ask unanimous consent to be considered as an original cosponsor of his amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DODD. Mr. President, as everyone knows, this amendment is designed specifically to deal with the two functions of firefighting and base security at our military installations.

Mr. President, I have the honor to represent the submarine base in New London, Conn., where, as the distinguished senior Senator from Mississippi has pointed out, we have a fleet of nuclear-powered submarines, a highly volatile, potentially dangerous situation, where the greatest degree of expertise is absolutely essential to maintain the safety not only of the personnel on that base but, obviously, of the civilian population that surrounds Groton and New London.

So I happen to believe that this amendment is extremely important from a security standpoint as well as a safety standpoint.

The Senator from Maine has correctly pointed out over and over again that he is not opposed, nor am I opposed, nor are those who support this amendment opposed, to all contracting out of functions that can be performed by entities, private contractors, other than governmental personnel. I think there are a number of instances where contracting out makes good sense. If you are going to be able to save some money and do the job more efficiently, then certainly that ought to be done. But it is just as wrong to say that you are going to insist upon contracting out in almost every instance as it is to say you are going to preclude it in every instance.

I happen to believe that this particular amendment is absolutely essential.

It has also been pointed out, Mr. President, that the base commander of a military installation must have direct authority over personnel whose duty it is to protect the base. That is absolutely essential.

He has that unambiguous authority over civilian-military personnel. He would not, however, have the same authority over private contractors.

It was pointed out a moment ago that there was a distinction between union and nonunion workers and the right to strike. It was pointed out by the distinguished chairman of the Armed Services Committee, the Senator from Texas, about the PATCO situation.

No one suggests that the PATCO situation was lawful. It has been declared as an unlawful act.

The distinction, I think, should be made with private contractors who have the right to strike. There would be no recourse at all. There are governmental employees who, in violation of the law, strike. We have a recourse there. When you have a situation with private contractors who are not covered under the same provisions, they could, in fact, strike and we would have no recourse at all. Not only is the possibility of firefighters or security forces to strike in a military installation unacceptable, but the simple fact that a strike is legally possible contains hidden costs in themselves.

Mr. President, faced with this possibility, a base commander must plan for it. Contingency plans must be drawn up and other base personnel must be trained to fill in if the contractor fails to meet his or her commitments. So there are additional costs involved that you have to consider with private contractors in these two instances.

I would also point out the contractors are apt to have higher rates of employee turnover as they seek to keep their costs down, unlike civil service employees who have a vested interest in continuous service to the Government. That is also an important point in terms of cost.

Unfortunately, Mr. President, contracting out on military facilities is often used to circumvent civilian personnel ceilings. In the face of continuing drawdowns of civilian personnel ceilings, military commanders often have no other choice than to contract out important services, and I do believe it is sometimes necessary to contract out. If contracting out can result in substantial savings for some services, there is nothing wrong with it, and it ought to be done. But if it is done to circumvent personnel ceilings, then it is not justified.

I think it is going to end up costing this Government a lot more than has been suggested by those who oppose this amendment.

I would also point out that the services can be contracted out if it is determined that it will cost 10 percent less than to continue the service in-house. Of course, a comparison between in-house and contracting is likely to be between a veteran civil service staff and a newly hired contract work force. Obviously, there will be an immediate cost difference. What happens when the contractor is awarded the contract? Unfortunately, there are few controls on substantial increases in the price of service once the competition has been eliminated.

Though I have been discussing the pitfalls of contracting out in general, it is particularly a bad idea when you are talking about such essential services as firefighting and security.

As I pointed out earlier, the Navy is planning to contract out the firefighting force of the New London submarine base. Those firefighters are a highly trained force, especially trained to deal with fires of high-explosive ordnance and nuclear materials. It is not an ordinary firefighting force. It is a much more serious matter than that. I believe it would be a mistake, Mr. President to allow a contractor with a high turnover rate to deal with these highly specialized fire situations.

Mr. President, I strongly support this amendment. I think it is going to result in a substantial cost saving to the American taxpayer, not to mention, of course, the protection we are going to be afforded in the vital services necessary for our national security.

Mr. President, I yield the floor.

Mr. JEPSEN. Mr. President, I would like to respond and then I hope we would get on with a vote on this amendment.

I refer to the points brought up by my distinguished colleague from Maine.

First of all, let us make one thing very explicit, very clear. That is that we are not advocating contracting out. By contrast, the amendment of the Senator from Maine is advocating absolute prohibition, no latitude, no flexibility, no management discretion at all, and, therefore, inhibiting contracting out.

We are not advocating contracting out. We are saying leave the flexibility in order that people can make intelligent decisions, as I and many of my colleagues happen to believe people engaged in activities outside of Government can do.

I came here with an attitude that it was us or they, unlike some people who happen to have been here a few years. It turns to "we."

I still have firefighting people out in the State of Iowa, with an ordnance depot out there, and I am aware of the International Association of Firefighters. I would point out very quickly that the American Federation of Government Employees and the International Association of Firefighters are the ones who have been supporting and pushing this amendment.

Frankly, I can understand the American Federation of Government Employees and the International Association of Firefighters. But is the International Association of Firefighters asking that the civilian fire departments in some of these areas where they represent them as a union simply cut the economic throats of those folks in those areas when it comes to supporting their fellow national leaders back here, the American Federation of Government Employees? I would hope not.

I would point out, Mr. President, that the question was raised about where do we get this estimate of $50 million. That is based on DOD analyses that if only 50 percent of the planned contracting out for firefighters and basic security functions are completed, $50 million will be saved.

I would ask what indication the Senator has that this is not true, or wherever he gets the figures that state it is not true.

It is absolutely true.

Mr. President, I hope we can come to a quick vote up or down on this. I am convinced that commonsense will prevail. It always does. Commonsense indicates that we are not advocating contracting out. But we are giving the realistic and basic facts of life, to give latitude to those folks who are commanders and otherwise in the area of utilizing the most economic means where national security is concerned.

There has not been one example, not one, where national security or defense has been concerned that they have not handled it properly.

I would also point out that we have a lot of empty bases around this country. There are civilian facilities in local communities that are maybe surrounding these bases. Having this amendment passed would mean that they were going to have to seek out and ship in Government employees again, with a separate organization and so on, kick the local economy right in the teeth, saying that, "Unless you have a special thing, a card that says you are a Government employee, we cannot trust you."

Baloney.

The American people do not believe that. They do not buy that. Let us get on and vote this thing, vote it down, and get onto something else.

Mr. STENNIS. Mr. President, I shall be quite brief.

We are getting in an awful hurry, Mr. President, wanting to vote this amendment down in a few minutes. I have never heard this subject brought up at our Committee on Armed Services in all the time I have been there. It might have been. It was not discussed, as I understand it, this year or any time recently, when I was around. I understand it was not brought up this year.

We talk about saving money, Mr. President. The only way we are going to save any money, as I see this matter, is to have competitive bids. That is the only way. It is the only way to get at it. If we have competitive bids, we are going to be calling for bids every year or every 2 years. It is certainly a major disturbing factor in this field of security and safety, with literally thousands of these special involved pieces of machinery almost in daily use. That adds greatly to the danger.

Mr. President, with great respect to everyone about this matter, let us not make such a major change in the law in this particular field, where there is real danger involved, on the supposition that it is going to save some money. Let us not rush into it—we have plenty of time—until the facts are more developed and we get some additional opinions in here from witnesses who are testifying under their responsibilities. I hope this amendment will pass, Mr. President.

Mr. TOWER. Mr. President, let me point out that it is not the committee that is changing the law. This amendment seeks to change a law that is in existence. That is to say, it seeks to narrowly proscribe the Department of Defense on a management issue. We have held no hearings on it, no hearings at all. It was not brought up in committee. I cannot understand why it was not brought up in committee, but it was not. No interested party that I know of asked the committee to consider it or to hold hearings on it.

I should be delighted to hold a hearing on it if the Senator from Maine wants to withdraw his amendment, because he is the one who is altering the existing situation. If we are going to legislate in an orderly way, we ought to have a committee hearing on this amendment. I hope the Senator from Maine will withdraw his amendment and permit us to do that.

Mr. MITCHELL. Mr. President, I suggest we proceed to vote.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment of the Senator from Maine.

The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Wyoming (Mr. WALLOP) is necessarily absent.

Mr. ROBERT C. BYRD. I announce that the Senator from California (Mr. CRANSTON) and the Senator from Arizona (Mr. DECONCINI) are necessarily absent.

I further announce that, if present and voting, the Senator from Arizona (Mr. DECONCINI) would vote "yea."

The PRESIDING OFFICER. Are there any other Senators in the Chamber who wish to vote or to change their vote?

The result was announced—yeas 50, nays 47—as follows:

[Rollcall Vote No. 95 Leg.]

YEAS—50

Baucus
Bentsen
Biden
Boren
Bradley
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chafee
Chiles
Cochran
Cohen
Dixon
Dodd
Eagleton
Exon
Ford
Hart
Heflin
Heinz
Hollings
Huddleston
Inouye
Jackson
Johnston
Kennedy
Leahy
Levin
Long
Mathias
Matsunaga
Melcher
Metzenbaum
Mitchell
Moynihan
Nunn
Pell
Percy
Pryor
Randolph
Riegle
Roth
Sarbanes
Sasser
Specter
Stennis
Tsongas
Weicker
Zorinsky

NAYS—47

Abdnor
Andrews
Armstrong
Baker
Boschwitz
Brady
Byrd, Harry F., Jr.
D'Amato
Danforth
Denton
Dole
Domenici
Durenberger
East
Garn
Glenn
Goldwater
Gorton
Grassley
Hatch
Hatfield
Hawkins
Hayakawa
Helms
Humphrey
Jepsen
Kassebaum
Kasten
Laxalt
Lugar
Mattingly
McClure
Murkowski
Nickles
Packwood
Pressler
Proxmire
Quayle
Rudman
Schmitt
Simpson
Stafford
Stevens
Symms
Thurmond
Tower
Warner

NOT VOTING—3

Cranston
DeConcini
Wallop

So the amendment (UP No. 910) was agreed to.

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. METZENBAUM. Mr. President, I move to lay that motion on the table.

Mr. TOWER. Mr. President, I ask for the yeas and nays.

THE PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Ohio to lay on the table the motion to reconsider the vote by which the amendment was agreed to.

On this motion, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Wyoming (Mr. WALLOP) is necessarily absent.

Mr. ROBERT C. BYRD. I announce that the Senator from California (Mr. CRANSTON) and the Senator from Arizona (Mr. DECONCINI) are necessarily absent.

I further announce that, if present and voting, the Senator from Arizona (Mr. DECONCINI) would vote "yea."

The PRESIDING OFFICER (Mr. HAYAKAWA). Is there any other Senator wishing to vote?

The result was announced—yeas 50, nays 47, as follows:

[Rollcall Vote No. 96 Leg.]

YEAS—50

Baucus
Bentsen
Biden
Boren
Bradley
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chafee
Chiles
Cochran
Cohen
Dixon
Dodd
Eagleton
Exon
Ford
Hart
Heflin
Heinz
Hollings
Huddleston
Inouye
Jackson
Johnston
Kennedy
Leahy
Levin
Long
Mathias
Matsunaga
Melcher
Metzenbaum
Mitchell
Moynihan
Nunn
Pell
Percy
Pryor
Randolph
Riegle
Roth
Sarbanes
Sasser
Specter
Stennis
Tsongas
Weicker
Zorinsky

NAYS—47

Abdnor
Andrews
Armstrong
Baker
Boschwitz
Brady
Byrd, Harry F., Jr.
D'Amato
Danforth
Denton
Dole
Domenici
Durenberger
East
Garn
Glenn
Goldwater
Gorton
Grassley
Hatch
Hatfield
Hawkins
Hayakawa
Helms
Humphrey
Jepsen
Kassebaum
Kasten
Laxalt
Lugar
Mattingly
McClure
Murkowski
Nickles
Packwood
Pressler
Proxmire
Quayle
Rudman
Schmitt
Simpson
Stafford
Stevens
Symms
Thurmond
Tower
Warner

NOT VOTING—3

Cranston
DeConcini
Wallop

So the motion to lay on the table was agreed to.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

UP AMENDMENT NO. 911

(Subsequently numbered amendment No. 1442)

Mr. MOYNIHAN. Mr. President, I send an unprinted amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from New York (Mr. MOYNIHAN), for himself and Mr. ROBERT C. BYRD, proposes an unprinted amendment numbered 911.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

Mr. TOWER. Mr. President, will the Senator from New York yield?

Mr. MOYNIHAN. I am happy to yield for a question.

Mr. TOWER. There was sort of a gentleman's agreement that the Senator from California and the Senator from Georgia would offer the next amendment. We have been searching out people to offer amendments and they volunteered to come forward. This is one that we do not know about. Of course, the Senator is within his rights gaining the floor. It is one that appears to be nongermane to this bill.

Could the Senator withhold that amendment and let these other gentlemen go ahead?

The PRESIDING OFFICER. Is there objection to dispensing with the further reading of the amendment? Without objection, it is so ordered.

The amendment is as follows:

At the end of the language of the bill proposed to be stricken insert the following:

The Social Security System is vital to the well being of the Nation's elderly, disabled, widows, and orphans, and currently provides benefits to more than 35 million Americans; and

The President on February 19, 1981, promised the American people that Social Security retirement benefits would be exempt from his Administration's federal budget-cutting plan, and be preserved in full, along with an annual cost-of-living increase, as part of the Nation's "safety net" of federal programs; and

On May 20, 1981, by a vote of 96 to 0, the Senate unanimously rejected the President's May 12 plan to make deep and precipitous cuts in Social Security benefits; and

The President on September 24, 1981, said that Social Security benefits were not being cut and that he would soon appoint a Commission to study Social Security financing issues; and

The President on December 16, 1981, established the National Commission on Social Security Reform for the purpose of making recommendations to ensure the fiscal soundness of the Social Security System; and

The National Commission on Social Security Reform is charged with issuing its recommendations by December 31, 1982; and

The Senate on December 15, 1981, passed legislation authorizing inter-fund transfers among three Social Security trust funds to provide that Social Security faces no funding shortage before the Commission's report is issued and before the Congress can fully consider the recommendations. Therefore be it declared

That the May 5, 1982, unfair action of the Senate Budget Committee, supported by the President, calling for an arbitrary $40 billion cut in Social Security benefits over the next three fiscal years is hereby rejected;

Mr. ROBERT C. BYRD addressed the Chair.

The PRESIDING OFFICER. The minority leader.

UP AMENDMENT NO. 912

(Subsequently numbered amendment No. 1443)

Mr. ROBERT C. BYRD. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from West Virginia (Mr. ROBERT C. BYRD), for himself and Mr. MOYNIHAN, proposes an unprinted amendment numbered 912 to unprinted amendment numbered 911.

In lieu of the language proposed to be inserted, insert the following:

The Social Security System is vital to the well being of the Nation's elderly, disabled, widows, and orphans, and currently provides benefits to more than 35 million Americans; and

The President on February 19, 1981, promised the American people that Social Security retirement benefits would be exempt from his Administration's federal budget-cutting plan, and be preserved in full, along with an annual cost-of-living increase, as part of the Nation's "safety net" of federal programs; and

On May 20, 1981, by a vote of 96 to 0, the Senate unanimously rejected the President's May 12 plan to make deep and precipitous cuts in Social Security benefits; and

The President on September 24, 1981, said that Social Security benefits were not being cut and that he would soon appoint a Commission to study Social Security financing issues; and

The President on December 16, 1981, established the National Commission on Social Security Reform for the purpose of making recommendations to ensure the fiscal soundness of the Social Security System; and

The National Commission on Social Security Reform is charged with issuing its recommendations by December 31, 1982; and

The Senate on December 15, 1981, passed legislation authorizing inter-fund transfers among three Social Security trust funds to provide that Social Security faces no funding shortage before the Commission's report is issued and before the Congress can fully consider the recommendations. Therefore be it declared

That the May 5, 1982, unfair action of the Senate Budget Committee, supported by the President, calling for an arbitrary $40 billion cut in Social Security benefits over the next three fiscal years is hereby rejected; and be it further declared

That the Congress shall take no action affecting Social Security until Congress has considered the recommendations of the National Commission on Social Security Reform.

(The name of Mr. RANDOLPH was added as a cosponsor to UP Amendment No. 911 and UP Amendment No. 912, by unanimous consent.)

Several Senators addressed the Chair.

The PRESIDING OFFICER. The minority leader has the floor.

Mr. ROBERT C. BYRD. Mr. President, I would hope that there would be no immediate motion to table the resolution and that there could be a time agreement for debate on the amendments. Of course, at that time, if there were a motion to table, it would be in order.

Mr. TOWER addressed the Chair.

Mr. ROBERT C. BYRD. Mr. President, I do not yield the floor.

Mr. TOWER. I am sorry. I thought the Senator had concluded.

Mr. ROBERT C. BYRD. Mr. President, I wonder if we could get some agreement.

Mr. TOWER. Mr. President, obviously we cannot make such an agreement right now. This, of course, comes up totally as a surprise to everybody. Senator Baker, I am sure, is not aware of it. It is certainly not germane to the bill that we are considering. It is certainly politically inspired. It is a partisan, political resolution, obviously, and is brought up in connection with a DOD authorization bill. It has not relevancy. So I do not think that we can agree to anything at this point. I, therefore, suggest the absence of a quorum.

Mr. ROBERT C. BYRD. Mr. President, I do not yield for that purpose. I still have the floor.

The PRESIDING OFFICER. The minority leader still has the floor.

Mr. ROBERT C. BYRD. Mr. President, I would hope that we could have some agreement whereby there would be some debate on the amendments. It could be 30 minutes, it could be an hour, whatever. But I would not like to see a motion to table entered summarily without any opportunity to discuss the amendments.

So I am willing to suggest the absence of a quorum, with the understanding that I retain the floor once the quorum call has ended, if that is agreeable.

Mr. TOWER. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. TOWER. Mr. President, it seems to me that it would have been an orderly thing for the honorable gentlemen on the other side of the aisle to give us some indication that this was going to come up. Obviously, it was intended to be a surprise. It is, of course, obviously a political ploy and should be recognized as such.

I am not prepared to give the consent agreement that the Senator from West Virginia be recognized once a quorum call has been dispensed with. Therefore, perhaps he could go ahead and hold the floor for a while. He, obviously, would like to filibuster on this issue, and so let him begin.

Mr. ROBERT C. BYRD. I thank the Senator.

Mr. President, this is no filibuster. I think that the attention of the country ought to be called to the fact that the action by the Budget Committee was an action which, at the expense of the older people of the country, would preserve the Kemp-Roth tax scheme. The distinguished Senator from Texas refers to the amendment as a ploy. Of course, many things have been going on recently, and even prior thereto, which could be designated by one side or the other as being political. But certainly the amendment has been offered in accordance with the rules, and in good faith, so I have no apology for having offered the amendment.

Last night, the Senate Budget Committee gave its approval to a budget plan which would mortgage the future of this Nation's social security beneficiaries in order to finance the continuation of a broad and radical experiment called Kemp-Roth. That plan, endorsed by the President, calls for $40 billion in unspecified and arbitrary changes in our Nation's social security system. It is a plan which suffers from the same defects that characterized the President's previous budget proposal—a program which is fundamentally unfair. It does not specify what will be done in respect to the social security system. It simply calls for $40 billion in unspecified and arbitrary changes. I would take that to mean cuts.

Last night's actions by the Republican-controlled Senate Budget Committee demonstrate once again the Kemp-Roth tax cut leaves no program safe, no tax unthinkable, and no promise to the American people secure.

I am not prepared to support $40 billion in unspecified and arbitrary social security cuts.

Just a year ago on May 20, 1981, the Senate overwhelmingly rejected the President's May 12 plan to make deep and precipitous cuts in social security benefits by a vote of 96 to 0. We said then, and we say again today, that we will not stand by and allow social security to be raided in order to reduce the deficits under the President's budget.

Last year the President promised the American people safety nets in social programs, to be exempt from any Federal budget-cutting scheme. These programs included social security retirement benefits, medicare, and veterans' pensions.

Today we find that failure to employ realistic economic and budgetary assumptions at the beginning of Reaganomics has turned the idea of a social safety net, particularly for this Nation's elderly citizens, on its head, and holes are ripping through the safety net.

I am not prepared to see $40 billion in social security benefit cuts over the next 3 fiscal years to finance major tax reductions for this Nation's wealthiest citizens. I am not prepared to see cuts in social security benefits designed purely to reduce the Federal budget deficit.

I am not prepared to see the people of West Virginia who have to depend upon social security suffer cuts in their benefits designed to reduce the Federal budget deficit.

I am not prepared to see the people of West Virginia who have to depend on social security benefits suffer those benefits cut in order to preserve the folly of the Kemp-Roth scheme.

I only wish that my friends on the other side were not prepared to continue theorizing with the economy. The theorizing is now coming home to rest in a dangerous fashion; in the real lives of people. We now appear ready to accept any cut in the social security program by virtue of the action taken by the Budget Committee. But most of us on this side of the aisle do not intend to support that.

Only last May, the Senate overwhelmingly rejected the President's plan of $88 billion in social security benefit cuts over the next 5 years. Also last year, the Senate rejected the administration's plan to reduce by 40 percent the retirement benefits of those individuals who elect to retire at age 62 instead of age 65. That request was for an immediate cut of tremendous dimension. We felt it was unfair, it was precipitous, and cruel. It went against the President's promise that social security would be included in the safety net.

So we in the Senate sent a message that was loud and clear to the administration that such a cut would not be supported by the U.S. Senate. The request were eventually withdrawn.

Last year, five times we on this side of the aisle attempted to preserve social security minimum benefits for retired Americans. The administration's budget would have eliminated the social security retirement benefit this past March. The administration was able to get that package of budget cuts enacted, because it had a clear majority in the Senate and a working majority in the House. It was able to get that legislation enacted.

Five times we on this side of the aisle attempted to preserve that minimum social security payment. Five times we were defeated by a party-line vote until the heat of the kitchen became so intense and the protests from the country so loud, that the President last September went on television asking the Congress to restore the minimum payment, which he himself had requested cut and fought for.

When he did that, our friends on the other side of the aisle joined with us in restoring the minimum social security benefits for retired Americans.

Now we see the Republican Committee on the Budget proposing $40 billion in cuts in the social security program. They do not label them as cuts in the budget. I think, however, that it is very clear that is what it means, even after all the promises that have been made by this administration that social security would be secure.

The President appointed a task force last December and indicated last September when he was on television that he would appoint a task force that would report back by the end of this year, after the election, its recommendation to deal with the social security program.

The President appointed five persons to serve on that task force, the Speaker appointed five persons to serve on that task force, and the distinguished majority leader in the Senate was allowed to appoint five persons. He, in turn, allowed me to pick two of them I selected the distinguished Senator from New York (Mr. Moynihan) the ranking member on the Social Security Subcommittee, and Mr. Lane Kirkland, head of the AFL-CIO. That task force is to report back after the election.

It seems to me that any action dealing with social security prior to the report of the task force would certainly be precipitous and premature.

The pending amendment is an effort to call to the attention the American people and to the elderly community of this Nation that those elderly people are not, indeed, protected by the safety net, as promised by the President.

Mr. MOYNIHAN. Will the distinguished monority leader yield for a question?

Mr. ROBERT C. BYRD. I yield.

Mr. MOYNIHAN. We have heard it said in this Chamber that this amendment comes as a surprise. I wonder if the majority leader would give me his thoughts on the following statement?

On Tuesday of this week, May 4, Mr. Larry Speakes, deputy press secretary to the President, speaking for the President, briefed the press. I now read from the wire service report by Mr. Dean Reynolds of United Press International. The paragraph says:

> "Social Security cuts," he said, "should not be used to balance the budget."

This is a principle that the President's Commission on Social Security Reform has insisted upon. Social security contributions belong to the fund, belong to the people who contributed to that fund for their retirement insurance, for their dependents, should they themselves become disabled or should they die.

Yesterday morning, Mr. President—this is one day after Mr. Speakes' statement—the distinguished chairman of the Committee on the Budget offered a budget proposal—in the morning. It had as an element a line that said, "Social security solvency," which cut from the budget zero money for fiscal 1983—there did not seem to be any need—$3 billion in fiscal 1984, $11 billion in fiscal 1985. That was yesterday morning.

Yesterday evening, at 7 o'clock, the same chairman proposed a new budget that had, if I may say, a quite astonishing line, line No. 9, entitled "Social Security Commission Solvency Recommendations." Mr. President, the Social Security Commission has made no recommendations. From a morning proposal by the chairman to provide $14 billion for these purposes over the next 3 years, in the evening, we had a $40 billion proposal from the chairman: $6 billion in fiscal 1983, $17 billion in fiscal 1984, $17 billion in fiscal 1985. This was within 24 hours of the statement that social security cuts should not be used to balance the budget.

When I asked of the distinguished chairman, was he contemplating increases in social security taxes, "Certainly not" was the reply. Therefore, cuts can be the only possible way to attain the $40 billion.

Mr. President, I ask the minority leader, would that not have come as something of a surprise to him?

Mr. ROBERT C. BYRD. That would come as something of a surprise to me; it absolutely would have.

Mr. MOYNIHAN. We want to be careful about whose honor we question and how we characterize other people's behavior, Mr. President. I do not want to speak of a breach of faith. But has there not been a profound misunderstanding here? Was it not the minority leader's clear understanding, when he had the graciousness to appoint me to the President's Commission, that we were to report at the end of the year, as the President had proposed on September 24 of last year, when he announced his intention to create such a Commission? Was that not the Senator's understanding?

Mr. ROBERT C. BYRD. That was my understanding based on the President's statement made during a nationally television address last September. It was my understanding at the time I designated the name of the distinguished Senator from New York (Mr. Moyhihan) as one of the members of that task force.

Mr. MOYNIHAN. Mr. President, can the leader then give us an explanation, or can he speculate, as to how an agreement could be broken, an agreement reached after much debate on this floor and in the other body and conferences between the two, after some give and take on both sides? It was reached because of the realization that this is an issue that affects the lives of too many Americans—36 million Americans, almost 10 million of them children or dependents—about a third of whom have no other income save social security and most of whom could not be above the poverty level without the social security, which they have earned and to which they are entitled——

Mr. ROBERT C. BYRD. And to which this Government is committed.

Mr. MOYNIHAN. And to which we are committed. How could this commitment be broken by a straight party vote, speaking of political ploys, and the question not arise of a breach of an understanding? That is a painful thing to raise in this body, and it clearly was not the intention by the members of the Committee on the Budget.

I ask the minority leader this: Does he think there might have been a connection between the fact that the President's budget was rejected unanimously by the Committee on the Budget at 3:30 yesterday afternoon, and that this document appeared at 7 o'clock in the evening? Does he think there might have been some connection there?

Mr. ROBERT C. BYRD. Mr. President, I do not think it goes beyond the greatest stretches of the imagination to think there might have been some connection. I was not surprised to see the President's budget voted down. I must say that I was not greatly surprised to see it voted down unanimously.

I think that the distinguished Senator is right. He serves on that committee.

All of a sudden, this proposal emerged in the shank of the afternoon or the darkness of the night that proposes to mortgage the future of 35 million or 34.5 million Americans to keep in place the folly of the third year of the Kempt-Roth tax scheme.

Mr. MOYNIHAN. Does the Senator object to my suggesting that the response was not nearly so much immediate as it was precipitate, that the committee was panicked, and in the course of that panic, it became irresponsible? I do not suggest that any memeber of that committee intended an irresponsible act, but this body having solemnly undertaken not to affect social security benefits until a select commission had reported, it precipitately chose to cut $40 billion in 3 years, having that very morning suggested that, at most, a cut of $14 billion might be in order. Suddenly, $26 billion more was needed.

Would the Senator correct my arithmetic? Would it not be the case that this comes to approximately a benefit reduction of roughly $1,100 for 36 million Americans?

Mr. ROBERT C. BYRD. Mr. President, I should have to depend upon the calculations of the distinguished Senator from New York.

Mr. MOYNIHAN. It cannot be far from that, Mr. President. If it were $1,000, it would be $35 billion. Then another $1,115, and we would be about $40 billion; $40 billion, Mr. President.

The Senator knows we have become very vague about these things. A billion minutes ago, St. Peter was 14 years dead.

Mr. ROBERT C. BYRD. That represents $40 per minute.

Mr. DOLE. Will the Senator yield?

Mr. MOYNIHAN. The minority leader has the floor.

Mr. DOLE. Mr. President, I do not want to interfere with this political charade, but I would like to speak about the facts later on.

Mr. ROBERT C. BYRD. The Senator will have his chance.

The PRESIDING OFFICER. The Senator from West Virginia has the floor. Will he yield to the Senator from Kansas?

Mr. ROBERT C. BYRD. Mr. President, the Senator from Kansas said he did not want me to yield.

Mr. DOLE. Mr. President, I just wanted to suggest that the Senator used that billion-minute example a month ago and some time has passed since then.

Mr. MOYNIHAN. Mr. President, the precise date of St. Peter's demise is a matter of some dispute.

Mr. President, it may be some people's desire to make light of this decision, but there is a social contract in this Nation and social security is one of the most important elements of it. The great majority of our people of working age and their dependents, over 90 percent, are covered by social security. We were shocked, were we not, I ask the minority leader, when, with no notice on May 12, 1981, the President sent us a message which proposed a 40-percent reduction in benefits for persons retiring at age 62 as of January 1 this year? Most persons do retire at age 62. Why? Because they are ill or they have no work.

Mr. President, it was said at the time this was necessary to save the social security funds from extinction.

But, Mr. President, I ask the minority leader, who reads everything, to my astonishment and dismay, as I cannot, if he read the Budget in Brief this year? In the Budget in Brief, which accompanies every large Presidential budget, he will find and I ask him if he remembers this because his memory is photographic, at least with respect to the procedures of this body—that starting on page 8 there is a section, "The Deficit Problem, Its Origins."

Remember, we were told on May 12 it was time to save the social security fund. Now we are talking about the largest peacetime deficit in history. Its origins? The President in his Budget in Brief gives three reasons. First he says:

> In the near term the most important setback to our budgetary timetable is the recession now under way.

It is a recession, a man-made recession, if I may say. The second major factor:

> Widening the deficit projection is interest payments on our trillion-dollar debt.

It is the result of the highest interest, true interest, real interest rates in the history of the United States.

And Mr. President, I ask the leader if he recalls on page 10 the following paragraph:

> The final factor contributing to the worsening of the deficit outlook is that all of the budget savings that we have planned for last year were not actually achieved. Most importantly, our plan to insure the short and long run solvency of social security was discarded by the Congress. In an effort to eliminate the partisanship and facilitate movement toward a constructive solution, our reform proposal has been withdrawn in favor of a bipartisan commission charged with developing a plan.

Mr. President, right there in the Budget in Brief is the third factor accounting for the deficit.

Mr. TOWER. Mr. President, a point of order. I submit that the Senator from New York ask a question.

Mr. MOYNIHAN. Mr. President, I ask the minority leader does he not agree that this statement in the Budget in Brief is not consistent with the proposition that those May 12 cuts were planned purely for the benefit of the solvency of the program itself but, rather, to balance the budget?

The PRESIDING OFFICER. The minority leader has the floor and must yield for a question.

Mr. TOWER. Mr. President, I suggest the Senate rule be enforced that the speaker may yield only for a question.

Mr. MOYNIHAN. Mr. President, parliamentary inquiry. Did I not phrase my statement in the form of a question?

The PRESIDING OFFICER. The Senator from West Virginia has the floor. He must yield only for a question, not for a statement.

Mr. ROBERT C. BYRD. Mr. President, I understand that. Some questions have to be prefaced by a paragraph or so as the premise on which the question is based.

Mr. President, I remember the days when there was no social security and the old folks, if they no longer could work, had to stand at the gates of their children with their hats in hand, and if their children could not take them in, there was nowhere left to go except over the hill to the poorhouse.

I remember the old county poorfarms in the county where I lived. Then there was a President, who was a crippled man, who came to the leadership of this country. His name was Franklin D. Roosevelt. He and a Congress, which was mostly Democratic, enacted the social security program which eliminated those old county poorfarms, the old county poorhouses, and this country entered into a commitment with the people of this country, young and old, that if they paid into the system and became eligible for benefits as a result of their contributions into that system, this Government was committed to make benefit payments upon retirement which were publicly understood.

This Government has kept its commitment to these elderly citizens thus far.

Last year, the administration, after indicating that the social security program was within the safety net, and that the elderly people in this country had nothing to fear, sent up $88 billion in proposed social security cuts to the Congress. Among those cuts was one to which I referred a little earlier, one which said that if an individual elected to retire at age 62, he would get only 55 percent instead of 80 percent of his promised benefits. In any event, the reaction from this body was immediate and it was definite. The administration backed away from that proposal in a hurry.

The Kemp-Roth tax cut was enacted over the objections of many of us on this side of the aisle. We tried to point out the fact that it would result in huge deficits. We took our stand. We tried to tie the third year of the Kemp-Roth cut to the performance of the economy and to the size and the trend of the budget deficits, but we did not have the votes. So the Kemp-Roth tax cut went into effect. We predicted that it would result in huge deficits.

We also said it was unfair in that it was not geared toward the middle and lower income people, but they were the ones who were suffering. The tax cut was oriented toward the very wealthy, and 40 percent of the tax cut went to 5 percent of the taxpayers.

Mr. SASSER. Mr. President, will the minority leader yield for a question?

Mr. ROBERT C. BYRD. Yes, I yield at this time.

Mr. SASSER. Does the minority leader understand that the chairman of the Social Security Subcommittee has said that he would not raise social security taxes to take into consideration this $40 billion cut in funding for social security?

Mr. ROBERT C. BYRD. It has been reported that he has.

Mr. SASSER. That is my information, also, I say to the minority leader.

If we are in a situation in which the chairman of the Social Security Subcommittee is saying that he will not raise social security taxes to cover this $40 billion shortfall, then indeed this would appear to be a $40 billion cut in social security.

Mr. ROBERT C. BYRD. It would appear to be that.

Mr. SASSER. I ask the minority leader this: It is my understanding that there are approximately 35 million recipients of social security benefits presently in this country. Is that accurate or nearly accurate?

Mr. ROBERT C. BYRD. As I understand, more than 35 million.

Mr. SASSER. Using my rudimentary arithmetic—which is not always accurate, I am quick to confess—it appears that a rough calculation would indicate that over the 3-year period, this $40 billion cut would amount to $1,111, on the average, per social security recipient. That is what I get by dividing 36 million into $40 billion.

Is it not also the majority leader's understanding that the President——

Mr. ROBERT C. BYRD. The minority leader.

Mr. SASSER. The minority leader.

Is it not also the minority leader's understanding that the President said just this morning, in effect, that there would be no cut in the cost-of-living adjustment for July, so far as social security recipients are concerned?

Mr. ROBERT C. BYRD. I thought the Senator was referring to something he had said.

Mr. SASSER. The question I propound to the minority leader is this: It is my understanding that this morning the President said there would not be a cut in the upcoming COLA, but what we are faced with is a cut of $40 billion in social security over a 3-year period.

At the present time, it is my understanding that the cost of the COLA, given the increase in the consumer price index over the past 12-month period, would amount to about $13 billion. The point I am getting to and the question I wish to ask the minority leader is this: Is not a cut of $40 billion considerably in excess of the $13 billion that would take into consideration the COLA that we have to deal with this coming year?

Mr. ROBERT C. BYRD. That is correct.

Mr. SASSER. And are we not indeed facing a cut almost three times larger than we would be facing had this cost-of-living adjustment not been scheduled in the past year?

Mr. ROBERT C. BYRD. We would, indeed.

Mr. RIEGLE. Mr. President, will the minority leader yield further at this point?

Mr. ROBERT C. BYRD. For a question only.

Mr. RIEGLE. I intend to pose a question.

I am wondering if the minority leader has had a chance to see what is called here the modified Domenici plan, which is now apparently the Reagan plan, that was presented last night and approved within the Budget Committee on a straight party-line vote by the Republicans. Has the minority leader had a chance yet to see this worksheet?

Mr. ROBERT C. BYRD. I have had a chance to see it.

Mr. RIEGLE. Because I want to inquire of him about two lines on this worksheet that go directly to the amendment he is putting forward here.

If the minority leader has it before him, I want to inquire if he is aware that in the first line, called the Baseline Deficit, there is a major adjustment that has been made which exceeds $100 billion. That item has to do with the fact that the Budget Committee, in conjunction with the Reagan White House, made a decision to treat one function in the budget, the defense function, different from the way it is treating all the other functions. As a result of that different treatment, they have ballooned the defense function over this time period by a figure in excess of $100 billion. That special increase in defense spending is built into this line called the Baseline Deficit.

The reason I inquire about this is that what has happened here is that if one then drops down to the line numbered 9, which the minority leader's amendment addresses—namely, $40 billion in social security cuts—by having this hidden increase up at the top line and then the $40 billion cut lower down on the sheet for social security, in effect what is happening here is that the social security system is being raided.

Mr. ROBERT C. BYRD. Yes.

Mr. RIEGLE. To produce the money to cover this hidden increase in defense spending up at the top line which is buried in the total.

Mr. ROBERT C. BYRD. Yes.

Mr. RIEGLE. So the minority leader has seen that sheet and is aware of that.

The problem, it seems to me, in showing this relationship is that not only is it a dishonest presentation in terms of this budget sheet I hold up here—because it obviously is an exercise in sleight of hand—but also, I think it illustrates exactly what we saw last year—namely, an attempt by the Reagan administration to start to tear the social security system apart, to loot the system, to withdraw the money, to pay for other things in the budget that they think are more important.

I gather, then, that the minority leader has seen this sheet, which shows precisely how this has been done.

I ask one other question: Does the minority leader's sheet show this item No. 9, which contains the $40 billion worth of social security cuts?

Mr. ROBERT C. BYRD. Yes; I see that.

Mr. RIEGLE. Does the minority leader's sheet use the language "Social Security Commission Solvency Recommendations"?

Mr ROBETT C. BYRD. My sheet does show that, yes—"Social Security Commission Solvency Recommendations."

Mr. RIEGLE. The reason I ask that question is that last night, when this sheet was presented, there was amazement in the committee because none of us was aware of the fact that the Social Security Commission had made any recommendations; and, in fact, it has not made any recommendations.

Mr. ROBERT C. BYRD. And is not expected to make any recommendations until after the election.

Mr. RIEGLE. That is exactly right.

The minority leader points out the timing of the election. What is being done here is that this is a time bomb designed to raid and to loot the social security system, but to do it right after the election, not beforehand. They want to make provision for looting it, but they do not want to confess that is what they are doing; and they want to postpone the actual actions until right after the election. I think their obvious intent is that they think somehow they are going to be able to fool people, at least until the election is over.

Mr. ROBERT C. BYRD. What is the question?

Mr. RIEGLE. The question I have is this: I am wondering if it is not appropriate for us to ask that, on this worksheet, this caption be completely changed, because it is misleading. I think it is obviously not an honest portrayal. I believe it should be called "Social Security Cuts." I hope, if the minority leader agrees, we might suggest that it be relabeled and properly labeled just "Social Security Cuts."

Mr. ROBERT C. BYRD. I would personally hope that it would be omitted entirely, but if there is going to be any reference to it, I would hope it would be designated for what it is, because it is not appropriate to refer to the Social Security Commission solvency recommendations when that Commission has made no recommendations and is not scheduled to make any recommendations until after the November election.

So I would say that it is—

Mr. DOLE. Mr. President, will the minority leader yield?

Mr. ROBERT C. BYRD. It is certainly not an accurate statement; and, in fact, it has no place in this table. But if it were labeled "Social Security Cuts," then we would know exactly what is being talked about; and it could not be placed under the pretense of the "recommendations" of a Commission which has not submitted any such recommendations, which has not reported yet, and which will not be reporting until the end of the year as the President stated last September.

Mr. DOLE. Mr. President, will the minority leader yield for a question?

Mr. ROBERT C. BYRD. I yield.

Mr. DOLE. Why not just speed up the Commission's work? We are in a crisis and the minority leader may want to do the responsible thing. He could amend the resolution to mandate that the Commission, of which the Senator from Kansas and the Senator from New York are members—might report on September 1. That way we may not have to delay or reduce the checks next July, when the fund will technically be broke. If we follow the course recommended by the four people speaking—who, incidentally, are running for reelection this year—[Laughter]—the fund will be unable to pay benefits on time.

Mr. ROBERT C. BYRD. Of course, the distinguished Senator from Kansas runs for reelection occasionally, himself, and he is taking quite a leading part in opposition to my own reelection, I might say, to my regret. I hope he would reconsider what he has just said.

Mr. DOLE. About the date?

Mr. ROBERT C. BYRD. No, not about the date.

Mr. DOLE. I think it is a fact that the four people who have spoken are running for reelection. Is that not a fact?

Mr. RIEGLE. If the Senator will yield, it is three of us.

Mr. ROBERT C. BYRD. Yes; that is the fact.

The PRESIDING OFFICER (Mr. CHAFEE). The minority leader has the floor.

Mr. ROBERT C. BYRD. At least, this Senator is running for reelection.

Mr. DOLE. My point is that we should take the politics out of this discussion. Get the Commission to report by September 1, allowing us to study its recommendations before the election, and we might be able to work out some of the system's problems.

Mr. ROBERT C. BYRD. It was the President who proposed the Commission. He proposed it in the September 1981 televised address to the Nation. He proposed the Commission, but waited 3 months before establishing it. He proposed the date when it would report its findings.

Mr. DOLE. I know we have a crisis on our hands that we do not want.

Mr. ROBERT C. BYRD. Why does not the Senator then propose to the President that he get the Commission to report back earlier?

Mr. DOLE. We do not need to do it by September.

Mr. ROBERT C. BYRD. The Senator is on the side of the President.

Mr. DOLE. I am on the right side.

Mr. ROBERT C. BYRD. It is a President of the Senator's party.

When he refers to my reelection, yes, I am running for reelection. So will the Senator one day.

Mr. DOLE. I may not run again.

Mr. ROBERT C. BYRD. That will be his decision, but I am a candidate, as the Senator states. But that has nothing to do with this.

Mr. DOLE. I am sure it does not. But I think, in the event it would have anything to do with it, it would seem to me that the best course to follow would be to get the Commission to report and to report as quickly as possible. We do meet on Monday, May 10, and if we could adopt a resolution here commending the Commission for the outstanding work we have done in the first two meetings and telling us to report to Congress maybe by September 1, we can deal with this crisis. We must deal with this crisis before next July when those people the Senator is concerned about may not receive a check. By taking that course of action, we would be doing a service to everyone.

Mr. ROBERT C. BYRD. The Senator is in much better position than I to explain why the President selected the date himself. I did not select the date. It was the President's recommendation that there be a task force appointed and it was his statement to the Nation last September that he would ask that Commission to report back after the election. He must have had some reason for that.

Unlike my friend from Kansas, I would not assign a political reason for the President's selection of the reporting date. But it was the President who said that the Commission will report back after the election.

Mr. DOLE. Does the Senator object to the President issuing an Executive order to speed up the work of the Commission?

Mr. ROBERT C. BYRD. I want the Commission to complete its work and the President for some good reason of his own I suppose—I would not say it was political—but for some good reason——

Mr. DOLE. I do not think the President has ever done anything political.

Mr. ROBERT C. BYRD. I do not know about that. I am saying that the President selected the date, not the Senator from West Virginia.

Mr. DOLE. But the Senator from West Viginia would not object if he changed the date?

Mr. ROBERT C. BYRD. I am saying the recommendations have not come forth yet. What I am objecting to is the use of that language "Social Security Commission Solvency Recommendations" in this action by the Budget Committee yesterday.

Mr. DOLE. Does the Senator believe——

Mr. ROBERT C. BYRD. Will the Senator let me finish? I will give him a chance to ask all the questions he wants.

Mr. DOLE. We do have jurisdiction of this program in the Finance Committee.

Mr. ROBERT C. BYRD. I have the floor at the moment.

Mr. DOLE. I appreciate that.

Mr. ROBERT C. BYRD. I am trying to answer the Senator's questions.

I object to this line No. 9 "Social Security Commission Solvency Recommendations, $6 billion in 1983, $17 billion 1984, $17 billion in 1985, making a total of $40 billion."

Who knows what the recommendations are? Can the Senator say? I am not asking a question because I am not supposed to do that while I hold the floor. But I ask a rehetorical question: Can anyone say what those recommendations are? Where did the Budget Committee get these figures? Where did the Budget Committee get these figures? I am asking a rehetorical question.

Mr. MOYNIHAN. I will answer it.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I am asking a rehtorical question.

Mr. DOLE. I can inform the Senate that the Budget Committee got them from the Congressional Budget Office. we are going to be about $7 billion short come July 1, 1983.

Under the Senator's plan—which is no action—we will not be able to mail checks to beneficiaries and will have to wait until enough money comes in to mail out the checks or we will have to reduce the checks. I do not think the Senator or any other Senator who spoke this afternoon wants that to happen.

I just checked the Executive order issued by the President. It states that the Commission shall make a report to the President by December 31, 1982. So there is no prohibition to an earlier report. I am certain the Senator from New York will join the Senator from Kansas urging the Commission to report by September 1.

Mr. MOYNIHAN. May I ask a question?

Mr. ROBERT C. BYRD. If I could just say this, then, perhaps it should have been the Congressional Budget Office.

Mr. DOLE. That is a bipartisan group headed by a Democrat.

Mr. ROBERT C. BYRD. According to figures by the Congressional Budget Office, thus and so. This says, if I read—it is plain English—"Social Security Commission Solvency Recommendations." What do we know? What commission has reported back yet? Why is that statement used when the commission has not reported back?

Mr. DOLE. Strike that label out.

Mr. ROBERT C. BYRD. Eliminate the $40 billion?

Mr. DOLE. No; the label.

Mr. ROBERT C. BYRD. I am saying eliminate the $40 billion in the social security cuts.

Mr. DOLE. The Senator from West Virginia does not want to pay the beneficiaries? He does not want the people in West Virginia to get their full checks?

Mr. ROBERT C. BYRD. Exactly, I do.

Mr. DOLE. How does the Senator propose to do it?

Mr. ROBERT C. BYRD. I do not want them to be cut.

Mr. DOLE. How does the Senator propose to pay the benefits—raise taxes? Does he want to raise taxes?

Mr. ROBERT C. BYRD. I proposed to defer the third year of the Kemp-Roth tax scheme that got us into all the trouble anyway.

Mr. DOLE. That is not social security.

Mr. ROBERT C. BYRD. Defer that 3 years.

Mr. DOLE. The Senator from West Virginia voted for it.

Mr. ROBERT C. BYRD. Will the Senator let me finish?

Mr. DOLE. Sure.

Mr. ROBERT C. BYRD. The third year of the Kemp-Roth tax cut if it were deferred would save $76 billion.

Mr. DOLE. The Senator from Michigan also voted for the tax cut.

Will the Senator yield?

Mr. ROBERT C. BYRD. Mr. President, I ask for the regular order. I know what my rights are on the floor.

Mr. DOLE. I am sure the Senator does.

Mr. ROBERT C. BYRD. Mr. President, I ask for the regular order.

The PRESIDING OFFICER. The Senator from West Virginia has the floor and only will yield for a question.

Mr. ROBERT C. BYRD. Mr. President, the Kemp-Roth tax cut, if the third year were deferred, would save $76 billion by 1985. If the tax indexing were deferred, there would be an additional $10 billion saved in 1985.

So there are ways to achieve the goal, the overall goal, that the Budget Committee has attempted to reach, and I commend the chairman of that committee for the effort that he has made to come out with a budget package.

I am simply saying that it was the Kemp-Roth scheme that got us into this great difficulty, to a considerable measure at least. Last year, some of us predicted huge budget deficits down the road if that tax cut went into effect. We said in the beginning it was not fair. It was not fair to the middle income people. It was not fair to the lower income people of this country. Forty percent of the tax cut went to 5 percent of the taxpayers.

And the budget document that the President sent up here to Congress, everyone recognizes, was not credible because it was based on false assumptions. It predicted a $91½ billion budget deficit in 1983, an $83 billion deficit in 1984, and a $72 billion deficit in 1985.

When the truth was known, the more likely deficits are $183 billion in fiscal year 1983, $216 billion in fiscal year 1984, and $233 billion in fiscal year 1985.

So not only is it ROBERT C. BYRD now who is saying that today—I said it last year—many others on this side of the aisle said it last year.

Mr. DOLE. Mr. President, will the Senator yield for a question?

Mr. ROBERT C. BYRD. Not yet. But I will shortly.

Mr. DOLE. I will wait.

Mr. ROBERT C. BYRD. The Senator will not have to wait long.

So what we really see is not only ROBERT C. BYRD who said it last year and the Democrats who said it last year, but today we see the investment community, we see the business community of this country, we see the Business Roundtable, we see the National Association of Manufacturers, we see outside independent financial analysts saying that the Kemp-Roth third year should be deferred.

The President's program is in place. We gave the President everything he asked for. We gave him his budget cuts of $35 billion last year and then another 4 percent across the board in December. We gave him the Kemp-Roth tax cut for 3 years.

I personally asked the President in the Oval Office, when he was talking with me and some other Senators and House Members, if he would be willing to tie the third year of the tax cut to the performance of the economy and to the size and trend of the budget deficits so that if, indeed, we were not on the glidepath toward a balanced budget in 1984—which at the time he said we would be and which at that time he sincerely believed we would be but which he later reversed himself on—then that we tie that third year to the performance of the economy so that we would not exacerbate the budget deficit by piling deficit on top of deficit.

The President did not agree, and I know he was sincere in believing that his plan was the right thing, but he got the whole program. It is in place, and it has not worked. We have heard a lot of talk that we have to wait until the program is in place. We have heard that a long time, but we made the business tax cut retroactive all the way back to the beginning of that last year.

Nobody is quarreling with that. But the administration got the whole thing. It rammed the Kemp-Roth tax scheme through Congress. In addition to that, the administration supported the tight monetary policy, so you have expansive fiscal policy and tight monetary policy here, tight monetary policy which the administration has supported and, as a result, we have had an increase, a great increase, in unemployment; we have high interest rates. We also have these massive prospective deficits which are causing the investment community not to invest, and which are not producing the results that the administration predicted would be produced upon enactment of its supply-side economic policies.

So now we find ourselves in this terrible situation in which we have to take some strong actions in order to bring those budget deficits down.

There are those of us who believe that the actions that ought to be taken to bring the budget deficits down are to defer the third year of the tax cut. We are not saying eliminate it, but defer it until such time as the economy can stand it, and also defer the tax indexing until such time as the economy can stand it; and in connection with a more prudent fiscal policy, also have a less restrictive monetary policy so that interest rates will come down and businesses will invest, and people will be put back to work.

With each increase of 1 percent in unemployment, it costs the Federal Government an additional $25 billion to $30 billion. That is added to the deficit. With each $100 billion added to the deficit we have to also include something like 14 percent on top of that.

So, yes, we would suggest that the way to bring the deficits down is to defer the third year of the Kemp-Roth tax cut, and that the tax indexing be deferred, and that the Pentagon's budget be more carefully scrutinized for reductions—reductions in the proposed increase in defense spending.

It is my understanding that the Defense Department is one of the few agencies of the Government that does not have an Inspector General whose role it is to ferret out waste, fraud, and abuse. Surely there must be some mismanagement, some waste in a budget of that size.

So it seems to me that there are many actions that could be taken to reduce the budget deficits. We all want to work together to see that done. But what we are concerned about is that we not do it on the backs of the old people who have been promised a social security payment, and to which this Government is committed and which agreement we all entered into in good faith.

Now I yield to the distinguished Senator, with my apologies, because he has been waiting; I yield for a question.

Mr. DOLE. I just wanted to verify, if the Senator from West Virginia could respond. I understand there was a motion yesterday to defer the third year of the tax cut, and the Senator from New York voted "No;" the Senator from Tennessee, who has spoken, voted "No," and the Senator from Michigan, who has spoken, voted "No."

I refer to the tax program as Roth-Kemp, in deference to Senator ROTH. I always put ROTH first. If we repeal any of it it is going to be KEMP's half. We'll save ROTH's part.

But I just think the RECORD should indicate that the question is whether or not we take away the working man's tax cut. Maybe there are more people who receive social security than people who work, but I do not think so. There are 115 million people paying into the system, and 36 million people receiving benefits.

My question is if the Senator from West Virginia would be willing maybe to state his program for saving the social security system. The Congress has been under the control of the Democratic Party for a quarter of a century or more. The last Democrat initiative with regard to social security was in 1977. A bill was passed to enact six tax increases for the working people and their employers, small business people in Kansas and West Virginia.

There are still three of those tax increases yet to take effect. I just ask the Senator from West Virginia what he would do if it came July 1983 and we cannot mail out the checks to the recipients of West Virginia because the system is technically broke?

Mr. ROBERT C. BYRD. Well, the Senator is asking an iffy question.

He refers to the years in which the Democrats were in control of Congress. I have often heard that kicked around, but it is conveniently overlooked that the other party has been in control of the White House at least 18 years out of the 30 I have in Congress. I have been on Capitol Hill for 30 years now, and the White House has been in the control of the Republicans for 18 years out of the 30. It is the President who sends up the budget documents.

When I came to the House of Representatives, I came in on the Eisenhower landslide, the opposite party, of course. But Mr. Eisenhower was elected for two terms; then Mr. Nixon, and after Mr. Nixon, of course, who was forced to resign, then Mr. Ford, and now Mr. Reagan for 2 years, so that is 18 years our of the last 30, the 30 years I have been serving here, the Chief Executive of this country has been a member of the other party.

When we talk about how many years Congress has been under the control of the Democrats, let us not forget the other half, that other equal and coordinate branch of the Government, the executive branch, which has been under the control of the Republicans for 18 out of the 30 years I have served. It is like those buckwheat cakes up in Preston County, no matter how thin they are, there are always two sides.

You talk about one side, about the Congress, being in control, but there is the other side. The Executive sends up the budget. We only have one President. He is the leader of the country, and when he tells the elderly community of this country that it is going to be included in the safety net I think the elderly people ought to be able to believe it.

Mr. KENNEDY. Mr. President, will the Senator yield for a question?

Mr. ROBERT C. BYRD. Yes, I will yield for a question.

Mr. KENNEDY. I wonder whether the Senator had the opportunity to see the President on television this morning, when he congratulated the Budget Committee on its work and embraced the position of the committee. All the members of the Democratic Party on the committee rejected that position, but all the members of the Republican Party accepted it. I wonder whether the Senator had any opportunity to see that press conference?

Mr. ROBERT C. BYRD. I did not see the entire press conference. I got in on the last 30 seconds of it, I would say.

Mr. KENNEDY. Would the Senator agree with me that the President has stated time after time that social security recipients will not be hurt by his economic program and his recommendations? Does the Senator remember that? I know the President made that statement on a number of different occasions, and he reiterated that statement again this morning.

Mr. ROBERT C. BYRD. Yes.

Mr. KENNEDY. I wonder whether the Senator feels there is an inconsistency in the President's position. On the one hand, he endorses the proposal of the Budget Committee for a $40 billion cut in social security; on the other hand, he says that social security beneficiaries will not be hurt by his program. Does the Senator see an inconsistency in that?

Mr. ROBERT C. BYRD. Yes.

Mr. KENNEDY. Does the Senator believe that senior citizens all over this country now know that their social security position is going to be imperiled over the next 3 years if this recommendation of the Budget Committee is accepted?

Mr. ROBERT C. BYRD. Yes, I see an inconsistency in that.

Mr. KENNEDY. Does the Senator also believe that the working men and women of this country who paid into the social security system over a lifetime are entitled to rely on the promise of social security? Does the Senator agree that there is a basic, fundamental issue of commitment and trust by the Federal Government that is as old as the establishment of the social security system? Does he agree that the working people of this country and those who represent them in the Congress and Senate of the United States are entitled to rely on the promise made by the Government in social security?

Mr. ROBERT C. BYRD. I would say that is a basic principle of trust. And it is not just the elderly people—not just the elderly people—who are affected by this inconsistency to which the distinguished Senator has referred. It is also the young people of the country. After all, they are having a difficult time making ends meet. At some time in the future, they are going to expect to receive what is committed to them, their just due, from the payments that they will have made over the years into the system. And so it is a fundamental problem of trust in the system.

Mr. DOLE. Will the minority leader yield?

Mr. ROBERT C. BYRD. I will in just a moment.

Mr. KENNEDY. Would the Senator agree with me that the enormously unfair economic policy of this administration has resulted in massive tax cuts for the wealthy, massive budget cuts for the needy, record deficits, record high interest rates, and record unemployment? Does the Senator agree with me that the unfairness and ineffectiveness of the President's economic policy has put the country in this plight? Does he agree that the President is now asking the senior citizens of this Nation, who have worked long and earn their social security benefits in their twilight years, to bail out this administration's inequitable and unfair economic policy?

Mr. ROBERT C. BYRD. I agree with the Senator. One of the things that has caused the problem with the social security program has been the increase in unemployment. There are fewer people now who are paying into the system. In addition to that, there are additional people being forced to retire earlier because of the recession than they otherwise had planned to retire, and this produces a drain on the social security trust funds. So these two forces, working together, have conspired to create problems for the social security program that otherwise would not have occurred.

Mr. KENNEDY. The Senator has been in the Senate a number of years and has ably represented the people of West Virginia. During that time, Democrats and Republican Presidents alike have faced serious economic challenges in seeking to provide economic growth, price stability, and justice. Can the Senator from West Virginia think of any time—any time—since the enactment of the Social Security Act that any President of either party has cut back on this basic pledge to millions of working people and retirees in order to bail out a failed and flawed economic policy? Has any President before now ever acted in this way, to pull the rug out from under our social security recipients? Can the Senator think of any other time, in all the ecomomic exigencies that this country has ever faced, when such a harsh and unfair recommendation has been made? Does the Senator agree that if this program, which has now been embraced by the President and many Members of this body, is accepted then we are basically pulling the rug out from under millions of social security recipients?

Mr. ROBERT C. BYRD. At no time do I recall, and I began my service in the House, I am proud to say, under President Truman. I served 17 days under President Truman. I was sworn in on January 3, 1953, and he served until January 20 of that year. But at no time have I seen or heard any President of either party take that position.

I do recall the man who is now our President, indicating on more than one occasion, his own belief in a voluntary social security system. I must say that I have been somewhat surprised at the inconsistent statements that

have been made regarding the President's position on this matter. I am sure that many elderly citizens in this country have been seriously concerned. Of course, one of the administration's actions that sent the greatest shock wave of fear throughout the elderly community was the statement OMB Director David Stockman made last May, that the most devastative bankruptcy in the history would occur about November 3 of this year because the social security system would no longer be able to send out monthly checks. That is the kind of statement that sent fear through the elderly community.

I might say that the SOS Coalition—Save Our Security—which is composed of approximately 100 organizations, representing between 35 and 40 million people—union movement, the aging, the disabled, and so forth—the executive committee of the SOS Coalition has just met and endorsed the amendment that has been presented here this afternoon by Mr. MOYNIHAN and myself. I want to say that I am glad to have the support of that coalition.

Mr. LONG. Will the Senator yield for a question?

Mr. ROBERT C. BYRD. I promised first I would yield to the Senator from Kansas for a question and then I will yield to the Senator from Louisiana for a question.

Mr. DOLE. Through the minority leader, I would like to ask the Senator from Massachusetts, who just recited a totally analytical, objective, free of any partisanship evaluation of the system, what he might recommend? I think it is one thing for people to stand up here and make speeches about the system, but we have a responsibility that, sooner or later, somebody is going to have to address.

I know some do not want to do that. The Senator from Kansas is not too excited about it. But sooner or later, when all the funds have been used up in the social security system, we are going to have to address the problem. We are going to have to tell the American people, the beneficiaries, that, "Well, we had a great time playing politics with this issue, but we just could not come to grips with it. So we will have to delay your check 15 days while a little money comes in or reduce the benefits."

I say to the Senator from West Virginia that the current level of reserves in the combined trust funds equals barely 2 to 2½ months' benefits. CBO—the Congressional Budget Office, not the Republican Party or the White House—estimates that the $6 billion called for in the budget proposal—and that is assuming continued interfund borrowing—will merely hold reserve levels at 19 percent for 1983 and 15 percent for 1984 and 1985. That is considerably below the reserve on hand today.

So I would just ask the Senator from West Virginia, in as objective way as I can—and I hope the people who have spoken understand that there is a problem. The problem is not going to go away by passing some resolution that might have political impact. The problem is going to be worsened, unfortunately, if we keep indulging in political rhetoric with nobody addressing the problem.

I commend the Budget Committee. I commend Congressman BOLLING and members of the so-called gang of 17 who, for 5 weeks, worked on this problem and others. There were Democrats and Republicans there. Never once was there a partisan word about social security. We tried to find a solution.

I would hope that the Senator from West Virginia would withdraw the present resolution and maybe have just a simple resolution asking the Commission to speed up its work. If he could do that, we would really make some headway.

Mr. ROBERT C. BYRD. Is the Senator asking me a question?

Mr. DOLE. I was just asking for the solution of the Senator to this problem. Senator KENNEDY had a great statement, but no solution. I have not heard a solution yet. I have heard a lot of good political statements. So far everyone who has spoken is a candidate this year.

Mr. ROBERT C. BYRD. Of course, the Senator from Kansas has been relating political statements.

It was the President who requested and established the Commission. The President stated that he wanted an independent commission to perform free from political considerations.

I would say in answer to the question of massive Federal budget deficits, defer the third year of the Roth-Kemp tax cut.

Mr. DOLE. Kemp-Roth.

Mr. ROBERT C. BYRD. That is $76 billion in 3 years.

Mr. DOLE. But the Senator from New York and the Senator from Michigan voted against that yesterday.

Mr. ROBERT C. BYRD. I understand that.

Mr. MOYNIHAN. May I ask a question? Will the Senator yield for a question?

Mr. ROBERT C. BYRD. I promised the Senator from Louisiana to yield to him first, if I may.

Mr. LONG. May I ask the Senator, Has the Senator to his knowledge, had anyone making less than $30,000 a year ask him to cut the social security benefits for these dear old people?

Mr. ROBERT C. BYRD. I have not heard it.

Mr. LONG. Has he had the experience of having some people who make a lot more than $30,000 a year urge him to vote to cut back on social security benefits?

Mr. ROBERT C. BYRD. Yes; I have heard one or two well-to-do people in this country say they would be willing to see a cutback in social security. They apparently did not have any relatives who had to depend on it.

Mr. LONG. Mr. President, may I say to the Senator that the Senator from Louisiana has had the experience of having some very nice people, some very patriotic Americans, people who undoubtedly have the interest of the Nation at heart as the good Lord gives them the light to see it, suggest to the Senator that, "We just must cut these social security benefits or the Nation is going to come to some very unhappy end."

Is the Senator aware of the fact that we just got through cutting taxes for those kinds of people by $750 billion?

Mr. ROBERT C. BYRD. $749 billion.

Mr. LONG. Is the Senator aware also of the fact that these little working people did not get most of the tax cuts? The first $100 billion was pretty much loaded for those who were doing very well indeed.

Is it not true that the ordinary little working person really has not had anything but a 5-percent cut, and he has had his social security tax go up at the same time?

Mr. ROBERT C. BYRD. There is no question about it. It amounts to an increase, as a matter of fact.

Mr. LONG. Can the Senator tell me that his experience is the same as mine? I have not had a working person yet ask me to cut social security.

Mr. ROBERT C. BYRD. No; I do not recall having a working person ask me to do that.

Mr. LONG. In other words, is it true that those who seem to be anxious to cut the social security benefits seem to be very successful people who already enjoy an enormous tax cut? I voted for it. I was happy to do so. I am pleased to see them doing very well indeed. But has the Senator ever asked some of those people the simple questions such as:

> Have you ever been to these nursing homes and seen those dear old people on those beds? Have you ever talked to those desperate souls about their plight and their situation? Have you ever seen the tears in their eyes talking about how tough it is to get by at all?

Has the Senator shared my experience that every time you ask that of these wealthy people if they want to cut social security, they usually do not answer at all, and that is usually the answer, or if they do answer, they say no, they are too busy making money? They do not go through these nursing homes and see these dear old souls who have no more than a $200-a-month check or maybe $300-a-month check, with perhaps $5 left over after they pay expenses.

Mr. ROBERT C. BYRD. Those on social security are worrying about how they are going to pay for their energy bill, their electric bill.

Mr. LONG. Has the Senator had the experience of visiting with people and explaining to them that we had to pass a social security tax some time ago which most Democrats, including the minority leader, voted for, to pay for these social security benefits? Is the Senator familiar with the fact that some of us were accused of voting for the biggest tax increase in history when we voted to come up with the tax money to pay for these benefits?

Mr. ROBERT C. BYRD. Yes; and it took some courage for the Congress to do that.

Mr. LONG. Is the Senator aware of the fact that there were some very good people who voted for it, and went out and faced all the criticism that went with voting for the tax increase?

Mr. ROBERT C. BYRD. Yes; and in the elections they were accused of passing the highest tax increase in the country.

Mr. LONG. Yes, we did.

But some of us, including the minority leader, then the majority leader, assumed the burden of going in there and voting to pay the taxes to fund this program.

Mr. ROBERT C. BYRD. Absolutely, so that this Government could keep its commitment to the old folks of this country.

Mr. LONG. Is it not true that while, of course, the income tax is not being used to finance the social security tax, cannot the Senator look at that situation and see something rather relevant here, that what has been done is that we have been asked to vote for the biggest tax cut in history, with the very wealthy people doing very, very well indeed, and then being told that we cannot afford to take care of these dear old people, that we will have to cut their checks.

Can the Senator see that a dollar is a dollar? If worse came to worse, we could use some of that $750 billion to take care of these dear old people.

Mr. ROBERT C. BYRD. Unquestionably.

Mr. DOLE. Will the Senator yield for a question?

Mr. ROBERT C. BYRD. I promised to yield to the Senator from New York first.

Mr. DOLE. Can I ask one question——

Mr. ROBERT C. BYRD. I ask unanimous consent that I may yield for the purpose of a question, Mr. President.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. I get the feeling here that we are about to fund social security with the general fund. I did not know that was being recommended by the Democrats.

Mr. LONG. This Senator is just saying that we ought to find the money to pay it. That is all I am saying. May I say to the Senator that a dollar in taxes is a dollar in any event. We necessarily cannot ignore the fact that we have had the pleasure of voting $750 billion in tax cuts, and having done all of that should we come in here now and say, "Hold on, we cannot afford to care for these dear old people any more. We just cannot afford that."

Mr. ROBERT C. BYRD. Or, as we heard last year from the Office of Management and Budget: "They can get on welfare."

Mr. LONG. I do not intend to use the income tax money for the social security tax. I would much prefer to pay it with the social security tax. That is how I would prefer to vote. But I could never vote to say that these very pitifully poor people, drawing the minimum social security benefits, should have their benefits cut in the face of penurious circumstances because we in the Congress thought we could not afford to take care of these dear old folks anymore.

Of those making $30,000 or less, I have not had the first one ask me to cut social security, not one of them. I ask myself why is it that it seems to be hurting these wealthy people so much and does not seem to be the same kind of burden to the working people who are paying a much higher percentage of their income to support this program than the people who are complaining?

I would share the view of the Senator from West Virginia that, sure, we must trim wherever we can to balance the budget.

But I hope that we do not scare these dear old people to death that we are going to let their benefits be drastically cut. There are some who do vote to do that, and I, for one, will not do that.

Mr. JOHNSTON. Will the Senator from Louisiana yield for a question?

Mr. ROBERT C. BYRD. Mr. President, I have the floor. I first promised to yield to the distinguished Senator from New York and then I shall yield to the distinguished Senator from Louisiana.

Mr. MOYNIHAN. I thank the minority leader.

Mr. President, with respect to the statement of the distinguished chairman of the Senate Finance Committee about whether the Senator from Louisiana was suggesting using the trust fund money of the social security system, the first thing is to say that there is a now not inconsiderable amount of general revenue funds going into the system. We shall leave that aside. But two things: according to the board of trustees of the Federal old age survivors insurance and disability insurance trust funds, the social security system would require no increase in revenues during the 1980's under the President's budget assumptions. I ask the Senator from West Virginia, is he not aware that by the testimony of the trustees, the President's budget assumptions show the system is solvent during this present 1982?

Mr. ROBERT C. BYRD. That is my understanding.

Mr. MOYNIHAN. That is the statement, Mr. President. The tables are right here for anyone who wishes to examine them.

Mr. ROBERT C. BYRD. The Senator is a member of the Commission, Mr. President, so I am sure he would not say that if it were not true.

Mr. MOYNIHAN. The next point is that almost the first decision the Commission made is that social security revenues should not be used to offset deficits elsewhere in the budget. That is the first decision we made and, given that, it seems to me that action regarding the social security system should await our recommendations, which will be forthcoming.

Mr. ROBERT C. BYRD. Of course, I am not in a position to be aware of that, Mr. President, but I know the Senator from New York is a member of that Commission. I recognize that he speaks with knowledge and accuracy as a member.

Mr. MOYNIHAN. I thank the Senator.

Mr. DOLE. Will the Senator yield for a question?

Mr. ROBERT C. BYRD. Mr. President, I yield to the Senator from Kansas for a question.

Mr. DOLE. Mr. President, it might be good to keep the record straight on this side of the debate and I shall do what I can.

I want the record to indicate that between 1982 and 1991, we are going to collect over $2 trillion in social security taxes from people of all income groups. I guess the question is, are we not taxing people enough already. That is the problem. We are taxing people too much. Many of the young people referred to are paying more in social security taxes than they are paying in income taxes.

I ask the distinguished minority leader if he intends to proceed with this for some additional time or will there be an opportunity for this side to express views. We do not want to violate the procedures of the Senate.

Mr. ROBERT C. BYRD. Mr. President, I do not intend to hold the floor for very long. I am very willing to vote on this immediately or, if it is a tabling motion, it is quite agreeable to me. I would like to see a vote one way or the other, on a tabling motion or up or down on the amendment. I do not insist on an up-or-down vote.

Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. ROBERT C. BYRD. Mr. President.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, may I say further to the distinguished Senator from Kansas that I shall keep the floor for a couple of minutes and then I shall yield it. Does he have a question?

Mr. DOLE. That was my question. I just wanted to know whether I can sit down or must stand up.

Mr. ROBERT C. BYRD. Oh, yes, the Senator may be at ease, Mr. President.

Mr. RIEGLE. Mr. President, would the minority leader care to hold the floor 1 minute longer to respond to a question from me as the Senator from Michigan?

Mr. ROBERT C. BYRD. Yes, Mr. President.

Mr. RIEGLE. In the discussion the Senator has had, either with the President in attendance or his economic advisers present, has he been able to get a sense of why it is that this administration has been attacking social security in one form after the other, literally since they have come to office? Let me make my question very specific.

Last year, it was the minimum benefit under social security, the proposal to eliminate that. As the Senator will remember, I am sure, we got that out here on the floor. We finally succeeded in saving that benefit for some people but not for others.

Mr. ROBERT C. BYRD. Yes.

Mr. RIEGLE. That was the first attempt.

Mr. ROBERT C. BYRD. Yes.

Mr. RIEGLE. Then, Mr. President the attack on the COLA's by this administration. They wanted to change the COLA formula which has been in effect to try to adjust for the cost of living so older people would be able to keep up with these rising costs for health care and food. Does the Senator recall that?

Mr. ROBERT C. BYRD. Yes.

Mr. RIEGLE. Then it was the attack on the early retirements system, Mr. President, the 40-percent reduction and the early retirement benefit for those who have to go out at age 62 because their health is shot or their job has disappeared. Does the Senator recall that attack by this administration?

Mr. ROBERT C. BYRD. I do, Mr. President.

Mr. RIEGLE. Now we have this brand new attack, the $40 billion cut in social security which the President endorsed last night, endorsed again this morning in the Senate Committee on the Budget. And we do not know where those cuts will be made. We do not know who the victims will be. It can be anybody under social security that is going to be the person who has to bear these cuts.

Has the Senator had any way of determining why it is that this administration feels that the social security system has to be targeted time and time again by these assaults?

Mr. ROBERT C. BYRD. No; it is America's most successful and popular domestic program. Mr. President, I yield to the distinguished majority leader without losing my right to the floor for the purpose of his making a unanimous-consent request which has no reference to this particular amendment.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. BAKER. I thank the Senator.

ORDER FOR RECESS TODAY UNTIL MONDAY, MAY 10, 1982

Mr. BAKER. Mr. President, as I announced earlier today, we shall not be in late tonight, since the DOD authorization bill will be automatically taken down at the conclusion of business today under the order entered earlier this morning. I estimate the Senate will be in until approximately 6 p.m. I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 12 noon on Monday next.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, what was the Senator's question?

Mr. RIEGLE. Has the Senator from West Virginia ever seen an occasion where any administration has launched these successive attacks, one after the other, on the entire social security system?

Mr. ROBERT C. BYRD. The answer is no, Mr. President.

Mr. RIEGLE. Has the Senator been able to get any sense of why it is that the social security system seems to be at the top of the hit list of this administration?

Mr. ROBERT C. BYRD. I cannot answer that question, Mr. President.

Mr. MOYNIHAN. Would the distinguished minority leader yield for a question from me?

Mr. ROBERT C. BYRD. Yes.

Mr. MOYNIHAN. Does he think it might be that the social security system is at the top of the list of the programs this administration wishes to debilitate, if not destroy, because the people involved are at the bottom of the American economic system?

Mr. ROBERT C. BYRD. I think that is a reasonable conclusion to draw, Mr. President.

Mr. MOYNIHAN. I thank the Senator.

Mr. ROBERT C. BYRD. Mr. President, social security is one of our most enduring institutions. Its core is a compact between the American Government and its citizens. It will do great danger to this country if we allow social security to become a pawn in the budget process. Arbitrary and sudden cuts of the nature contained in the budget document undermine this compact between the Government and its citizens and make the people wonder if the Government will keep its promises.

Mr. President, I have one other thing to say. That is with reference to the Roth-Kemp plan.

According to the Congressional Budget Office, in 1982 an average family with an income of $10,000 to $20,000 gets $220 in tax breaks. In the same year, a family with an income of $80,000 gets a tax break of $8,430. These figures clearly demonstrate who benefits from the taxcut scheme.

Mr. President, I am going to yield the floor. I thank those who have participated, and I certainly have no desire to keep the distinguished Senator from Kansas from getting the floor any longer. I yield the floor.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. DOLE. I thank the distinguished minority leader, and I appreciate his yielding during the course of debate.

The Senator from Kansas would just like to say that this is just a prelude of what is going to happen, I assume, for the next several months. I hope that sooner or later we will come to grips with the serious economic problem we have in this country. We have deficits staring us in the face of $182 billion in fiscal 1983 and larger deficits in 1984 and 1985. To those who are concerned about these people who get big tax benefits, the Senator from Kansas is happy to announce that we hope to bring to the floor a tax package that will address some of the very concerns that you and this Senator both have. The Senator from Kansas believes that the tax code has been too generous to certain income groups. We will find out how strongly those views are held when it comes to voting on a minimum tax for corporations, which we would like to expand to include individuals. We will see how strongly those views are held when it comes to repealing or modifying safe harbor leasing, when it comes to addressing pension reform, and when it comes to a number of other areas that have been around for a long time in the tax code, long before we heard of the Tax Reduction Act of 1981. This Senator believes these issues should be addressed.

I say, sincerely as I can, that I hope we can increase the $95 million in revenues suggested by the Budget Committee over a 3-year period. That, for the most part, can be done without taking the tax cut away from the working men and women in this country.

Face it. Once that 10-percent tax cut of July 1, 1982, takes place, there will be silence on both sides of the aisle about the next 10-percent cut in July of 1983. If not, we would be saying to the working people in Michigan and Kansas and every other State, "Oh, we are going to take away your tax cut; you are getting too much out of Government. You are not paying enough taxes."

Once the working people start feeling that tax cut, even though it may not be as much as some would like, Roth-Kemp or however you want to refer to it—it is the President's tax program—there will not be enough votes in this Senate to defer the third year. You may be sure that there will be an opportunity. We will make certain that everybody has an opportunity to vote on whether or not they want to take away the working man and the working woman's tax cut due in 1983.

While we stand here and discuss social security—I guess you could call it a discussion, if you use the word loosely—we should also reflect on what we may be doing to the working people in this country if some in the other party have their way about the third year of the tax reduction.

So I hope that as we prepare for a long hot summer and a lot of debate on this and every other issue, we will keep in mind that we do have a real problem in social security. The Senator from New York is aware of that. The Senator from West Virginia is aware of that. The Senator from Kansas is aware of that. It is a problem that is not going to go away.

Last year we did the courageous thing in Congress. I must confess we found all the courage we could and decided that, since we would not do anything we should do, we would authorize borrowing money from the two funds in the program that had a little surplus and put them in the fund that did not have any money.

That is how we approached it last year. The Senator from Kansas voted for that so I am not excluding this Senator.

But come June of 1983, we will have to make another decision. We can still carry on a little interfund borrowing in 1983 but in 1984, which happens to be another election year, there would not be any more money to borrow.

We can stand here all day and point fingers at the White House or at somebody who has long since gone and say we did not address the problem in social security. The problem is we are either going to have to reduce the growth of benefits, increase taxes, fund social security with general revenues, or we are going to have to make some basic structural reforms that are phased in over a period of years.

I might say in that regard that 12 Members of Congress in the so-called Gang of Seventeen who sat around for 13 different meetings are aware of that. As the Senator from Kansas said earlier, there was not one partisan note raised during those 5 weeks of discussion about how we were going to address social security. We know there is a problem. We know we have to change some things. We know that we do not want to raise taxes any more. We know that working people pay too much in taxes now. We know that young people pay more social security taxes in many cases than they pay income taxes. We know we should not fund the system with general revenues. We know we do not have any general revenues. We know the present debt is $1,000,078,900. We know we are going to ask the Senate in 30 days to increase the debt ceiling so the Government can pay its bills.

I am reminded that every time I talk to my mother about social security, she mentions that a lot of people who get it do not need it. But it does not work that way. I think the elderly are the most unselfish people that I know. They understand that they want this system to be here when their children and grandchildren are old enough to receive benefits. We can play the game and try to fool the people about social security, but someone is going to have to address the problem. It is going to be Democrats and Republicans, this Senator hopes, working together.

That is the reason for the Advisory Commission. That is why the Senator from West Virginia placed the Senator from New York on that Commission. That is why the Senator from Tennessee, the majority leader, placed this Senator on the Commission. But I do believe, if we really want to see this problem addressed, we will do our best to speed up the Commission's work. I note the Executive order does not state any deadline. It says by December 31, 1982. And so perhaps the Senator from New York will join the Senator from Kansas on Monday to see if we cannot speed up the process. We can meet more often. We only meet once a month. There is a lot of work being done; the staff is doing a tremendous job. But it seems to me that this problem is one that should be, hopefully, addressed this year.

Mr. MOYNIHAN. Will the Senator yield for a question?

Mr. DOLE. Yes, I yield.

Mr. MOYNIHAN. I want to say, if the Senator will permit an observation, the Commission meets Monday, and I would be more than willing to have this matter discussed when the Commission meets. But might I ask him, in the deliberations of the Gang of Seventeen—as unhappy an appellation as I have recently encountered in American public discourse—was it ever proposed that part of a budget agreement include a $40 billion 3-year reduction in social security payments?

Mr. DOLE. Yes, that was discussed and it was called a solvency test.

Mr. MOYNIHAN. $40 billion?

Mr. DOLE. I would have to check the figures, but that's fairly close.

Mr. MOYNIHAN. Is the Senator not aware—and we are going to work together on this; in the end we are going to solve it or it is not going to be saved—yesterday morning the distinguished chairman of the Budget Committee, responding to the solvency issue and the CBO judgment, included no moneys for fiscal 1983, $3 billion for fiscal 1984, $11 billion for fiscal 1985? That was Mr. Domenici's proposal. Then the President's budget was defeated 20 to zero. Then at 7 o'clock it was a $40 billion social security cut with no consultation, no explanation and, when asked for, none was available except from the distinguished Senator from Colorado, who said that it would not include any tax increases.

That is not the spirit in which we went through conference committee on the Social Security Amendments of 1981, nor has it been the spirit in which we have been meeting as a Commission.

Mr. DOLE. Let me just say I understand that 6, 17, and 17 were figures agreed to by the Congressional Budget Office. I am no longer a member of the Budget Committee, but, whether it says solvency or whatever, we can disregard that. The problem is we are going to have to save it in the Finance Committee——

Mr. MOYNIHAN. Yes.

Mr. DOLE [continuing]. With the help of the distinguished Senator from New York and the Senator from Louisiana and others who have spoken.

I have promised the Senator from Utah that I would yield the floor.

Mr. MOYNIHAN. Might I simply ask the last question?

Mr. DOLE. Yes.

Mr. MOYNIHAN. Surely, there was a considerable recalculation by the Congressional Budget Office between 11 o'clock in the morning and 7 o'clock at night.

Mr. DOLE. They have done that in the past. I assume that they can do that between 11 and 7.

Mr. MOYNIHAN. Under certain kinds of instruction.

Mr. DOLE. I do not know much about the Congressional Budget Office, but the Budget Committee produces reserves of 17 percent of outgo on a fiscal year basis, which is close to 12 percent to 13 percent on a calendar year basis, which is barely enough to send out the checks.

Mr. GARN. Mr. President, will the Senator yield?

Mr. DOLE. I yield the floor.

The PRESIDING OFFICER. (Mr. Warner) The Senator from Utah.

Mr. GARN. Mr. President, I have been here not quite 8 years, but never in that time—and I have heard a great deal of partisan rhetoric come from both sides of the aisle, Democrat and Republican—but I do not think I have ever listened to more blatantly partisan, more blatantly rhetorical baloney than I have listened to today.

I am angry. I am angry at this body. I am angry at Congress—and I do not care which party, Republicans or Democrats—because there are weak-kneed, gutless politicians on both sides who will not face up to the issues or the problems of this economy.

I want to cite a few figures, and I guess I am about as sensitive to high interest rates as anybody, as chairman of the Banking Committee. When I became chairman at the beginning of 1981, the prime rate was 21.5 percent. I guess some here would say that is Ronald Reagan's fault, because he was elected the previous November. The rate was 20 percent around the time he was elected, I guess we can try to blame Ronald Reagan for that too, or Paul Volcker.

Congress loves to find scapegoats, to find somebody else to blame—everybody but ourselves. So let us look at a few facts.

My colleagues are entitled to their own opinions, but they are not entitled to their own facts. Let us not look at Jake Garn facts, or Republican facts, or Ronald Reagan facts—just cold hard facts. You find some rather startling statistics.

It took a 174-year history of this country for the Federal Government to spend $100 billion in 1 year. Do you realize that was 20 years ago, in 1962? John Kennedy was President, and we finally passed the $100 billion mark. That defended the country. It provided for the social welfare programs.

President Kennedy proposed a supply-side tax cut proportionately at that time. It produced more revenue than it lost. Supply-side economics is not new.

It took 174 years to spend the first $100 billion; 9 more years to spend the second $100 billion; 4 more years to spend the third $100 billion.

It just staggers my imagination to think that although I have been here only 7½ years, I was here when Gerald Ford recommended a budget of $295 billion, and we passed $318 billion. So this Senator has been here to see a $300 billion, a $400 billion, a $500 billion, a $600 billion, a $700 billion budget in just 7½ years. But it took 174 years to spend the first $100 billion.

We have a trillion dollar debt. We are refunding a third of it in turning it over at high interest rates because previous administrations, both parties, said, "Interest rates will come down. So let's borrow for short term. Don't get those long-term commitments." Now we have interest on the national debt of $115 billion and rising. Think of that. Twenty years ago, we ran the entire country for $100 billion, and now we are spending more than $115 billion a year for interest.

These are facts, not anybody's opinions; they are just facts. We have an exploding budget. It is out of control. It is like a snowball rolling downhill, gathering speed and size as it goes.

The longer we play partisan politics and refuse to try to slow it down, the problem will get worse. If my Democratic colleagues succeed in this ploy—blame it all on Ronald Reagan, blame it all on Republicans, bumper stickers with "Vote Democratic," "Save Social Security"—I pity them if they win; if they get 40 seats in the House, if they retake the Senate majority and run the committees again and have done nothing about the entitlements. Boy, do I pity those who are in control 2 or 3 years down the road.

I deal with the long-term money managers on a daily basis, and they have been misled over and over again for many years, through several administrations, by Congresses and Presidents who promised to balance the budget. Why should they believe it? It has never come true. There has never been a budget, since I have been here, that has even come close to what anybody recommended at the beginning of the year. But we hear all about these tremendous changes in the Ronald Reagan budget.

Look at any other President's budget. Look at what we did in June 1980. In this body, we passed a first concurrent budget resolution and told the American people, just before the election of 1980, that we were going to have a $200 million surplus. I voted against it, and I got in trouble at home.

A lot people said, "Jake Garn, what's wrong with you? You always said you're for a balanced budget. Now you finally had an opportunity to vote for one and did not."

I said, "If you believe that's a balanced budget, you believe in the tooth fairy."

I voted against it. By September, we were supposed to pass the second budget resolution. We had a lame turkey session of Congress that year. We usually called it "lame duck," but that is too kind. It was a lame "turkey" session. It was the first one in a Presidential election year since 1968.

We came back and lied to the American people again, and said there was going to be a $24 billion deficit. That is what we gave to Ronald Reagan when he became President. And we made sure to extend the debt limit to the end of January, so Ronald Reagan's first action is to raise the debt limit and say he has a $24 billion deficit.

These are all facts, and anybody can check them in the Record. What did we end up with for 1981? We were facing a $70 billion deficit for 1981. The President came in with $14 billion of rescissions and ended up with about $56 billion. I read in the press that Ronald Reagan was responsible for that 1981 deficit, too. He had not even been elected President when we approved that budget, let alone being sworn in, but now we hear that one is his, too. It would have been $14 billion bigger without him. Now we hear that we have huge deficits because of tax cuts. Tax cuts have done it all—we hear—if we just do away with those we will be alright. that is what we have heard, raise taxes and gut the defense budget.

I have never seen so many born again converts to balanced budgets who never voted for them before. But now it is politically popular to vote for them, so now we have born again converts to balanced budgets.

Look at the elements of the Federal budget, and you know where the growth is. It is in the entitlements program. We can demagog it all we want and say we are going to protect those 36 million people, on social security.

There is a heck of a lot more at stake than just balancing the budget. I agree with the statements that have been made about guaranteeing the pensions of those 36 million people and all the millions who will come after.

The matter of solvency has been mentioned here today, too. I was here 4 or 5 years ago and I was here on this floor when it was said that all we had to do was increase social security taxes and it would guarantee the solvency for 75 years. I wonder if I can believe anything I hear on this floor. Not much has come true in the 8 years I have been here. I have heard budget estimates, promises—but it has been just rhetoric, no action.

We are facing a $182 billion deficit, but we are not going to touch social security. I think politicians are generally rather shortsighted, when they fear to even discuss social security.

I have talked to the elderly in my State. They understand the problem and the nature of these budget problems when they are not misled and lied to. I told them, "Nobody is talking about taking away your pension. Nobody is talking about reducing it. But people are only talking about reducing the amount of increase. You won't lose anything you already have." They understand that and it does not really worry them as much.

If you are in the long-term money market, you are making 30-year mortgages, due in the year 2012. People want you to make mortgage loans, and you project your money costs to 1990 and 1995, and beyond, not 1983 and 1984. Those are not out years in the view of long-term money markets. They are next week; they are the day after tomorrow. Money lenders are looking at 1990 and 1995 and the year 2000 to see what the fiscal situation will be. They say, "Those people in the Congress are not doing their job. They can cut this and that and make speeches and maybe even balance the 1983 budget. So what? Until they slow that entitlement snowball so that the long-term borrowing levels are downward, we cannot afford to lower interest rates. There is no way to bring them down."

They are not that stupid to borrow short and lend long and get caught.

The savings and loan industry is on its back. We are going to have 1,000 mergers within the next year because they are losing money because of being tied down with old low interest mortgages.

Some of the best businesses in this country are on the verge of bankruptcy, not the ones that were underfinanced and undercapitalized and poorly managed and failed; those are long since gone. In my State now we are talking about old line third and fourth generation businesses that have been well run that are on the verge of bankruptcy. Many of them have already failed.

We still have 18 percent interest rates. We have record high unemployment. And now we are playing partisan politics for this election.

I think maybe it is time the American people should demand that we forget whether we are Republicans or Democrats and do what is necessary and face up to the arithmetic of those entitlement programs, just the arithmetic. We cannot have 53 percent of the budget, in round numbers, still increasing at 16 percent annually and about 47 percent of it decreasing at 8 percent annually and kid the American people that it is ever going to balance.

We do not even have to take algebra to figure that one out. Even a Senator should be able to figure that gap that will continue to spread and the people who lend money are going to look at that spread and are going to say, "We are not going to lend money at low interest rates."

So when the demagoguery and baloney and partisanship on whichever side it falls; when the administration——

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. GARN. In just a minute. I would love to yield to the Senator from Arizona, but I am too wound up at the moment.

Mr. GOLDWATER. OK.

Mr. GARN. It is just absolutely startling to me. I have six kids and one due in a month. Who is going to explain to me how they are ever going to buy a house? How are they going to do that with these kinds of interest rates? How are they going to qualify? Where are they going to get the money?

But, no, it is more important to make sure we blame Ronald Reagan and Republicans because they have a consistent program of attacking social security and were insensitive to the needs of the elderly. Baloney. I went through a situation with my father dying 11 years ago and my mother running out of money and only having social security to live on. I know what the problem is. We lied to my mother. My sisters and I just simply took care of her checking account and filled in the difference when she overdrafted and did not ever tell her because her pride would not allow her to take the help. I know what it is. I did not come from a rich family.

These people on social security should know we are destroying their system. Apart from the budgetary problems, we are destroying their system, by neglect, and by hiding from the problem. We should quit demagoging it and come to grips with it and have enough political courage to stand up and tell them what the problem is. We have to have the courage to do something about it and demonstrate that we are more concerned about automobile sales in this country and people going back to work and sending the proper signals to the financial markets than caring who gets reelected this fall.

I hope the American people are smart enough to place a plague on both parties if this continues. If these interest rates are still that high I hope they blame every incumbent and say: "You have not done your job. You have let this happen. You built a $1 trillion debt." And when we try to look for scapegoats in Ronald Reagan or Paul Volcker or anyone else, let us look at another fact that is indisputable that no one can argue. The Constitution of the United States is very plain. It says that only Congress can appropriate money. So no President from George Washington to Ronald Reagan has ever spent one dime not appropriated by Congress, not one.

So we can try to blame him, but a President, any President, can only recommend a budget; he can plead, yell, scream, shout, threaten, and veto, but he does not spend one dime that we do not appropriate.

So who are we kidding? We created this problem. We created that $1 trillion debt. We continue to refuse to solve it and it is not Paul Volcker's fault and it is not Ronald Reagan or George Washington or anyone else. We have the power of the purse strings, and that is a fact from which we cannot hide.

So when are we going to face up to it and stop the kind of rhetoric that has been on this floor today looking for a partisan political advantage? Or do we want the $182 billion deficit?

I will guarantee Senators we can do away with Roth-Kemp, we can do away with the whole tax cut, we can raise taxes, we can gut the military—do not worry about the Soviet threat—we can do all of that and we still will not balance the budget until we do something about these automatic index programs. Until we reduce that growth we will still have high interest rates and people will wonder what happened—did we not balance the budget?

There is another factor on the taxes that are ignored, even after the so-called Reagan tax cuts which in reality are not cuts at all; they are reductions in the increase—that is all they are—reductions in the increase. The American people are carrying the highest tax load in the history of this country. More than 23 percent of the gross national product is being taxed away at the national level and when we add State and local government taxation to that it exceeds 40 percent. That is a higher level of taxation than was necessary to finance World War II, when the vast majority of our budget was for military and we had more than 12 million men under arms; more than necessary to finance World War II.

Again the growth in the Federal budget over a 20-year period is astronomical. That is the reason for high interest rates, and as much as I favor a balanced budget there is something else that needs to be considered when we balance the budget. We can do it two ways. We can do it by increasing taxes or reducing expenditures, and by these great massive borrowings we crowd out available venture capital in the private sector; we take money away that would be available for mortgage loans and automobile loans and seed for our farmers to plant their crops in the spring.

We make that unavailable when Government is out competing for $100 billion and financing a $1 trillion debt at high interest rates. It does not matter what the product is. If there is a shortage of it the cost of it goes up. And Government is creating a shortage of money in the private sector.

So, simply balance the budget, and I am in favor of that. But is it that simple? Suppose we increase taxes to do it? What good would a $1.2 trillion balanced budget do for this economy? We would not be borrowing it but we would still be absorbing it from the

private sector. The level at which we balance it is important.

This Senator would rather have an unbalanced budget with Government taking 18 or 19 percent of the gross national product than a balanced budget at 26 or 27 percent. We would have lower interest rates. We would have a more stable economy.

There needs to be more money in the private sector for modernization of plants and equipment. Japanese fingers are not faster than ours. They are not brighter. They are not more intelligent. But they have modern steel plants. They have modern automobile plants. We do not. We have old ones as in my State that are not efficient anymore and need substantial upgrading. But let us not give them the incentive to make that investment. Let us not leave the money with them to put in new blast furnaces, and so on, to modernize their plants to be productively competitive with the Japanese. Let us instead play the game that it is all Ronald Reagan's fault, it is big business' fault. Let us have an adversary relationship with no cooperation. Let us keep holding them down and say the answer to all our problems is cut the military and increase taxes.

It has worked wonderfully the last 30 or 40 years, has it not?

I did not intend to ramble on so long or to sound so cynical, but this Senator is angry. Wherever the shoe fits someone should start wearing it. We should start facing up to the nature of this problem, and again I do not care which side of the aisle faces up to it. There should not even be an aisle on this issue. Let us be honest with the American people. I think we will find they are far ahead of most of this Congress. And then there is something we should do which will never pass but I think it would be one heck of a good idea. We should have a constitutional amendment that limits the President to one 6-year term, limits Senators to two 6-year terms, and limits Representatives to three 4-year terms and then sends us home.

I do not think the Founding Fathers intended that we have professional legislators who spend their whole lives on the banks of the Potomac. George Washington went home. Thomas Jefferson went home. Most of them did. They were part-time legislators giving part of their life to public service. But not today. Now we plan to stay 30 or 40 years.

I think it would be a very good idea. Sure, we would lose some experience. Sure, we would lose some good old boys. But I think that loss would be made up for in a little intestinal fortitude, a little statesmanship. There would be people who did not have to worry about whether they are doing the right political thing but try to do what was right.

But again I repeat if it is not solved, and we still continue to see these businesses drop, I hope there is a plague on everyone who is an incumbent and that they are blamed for not solving the problem.

It is a disgrace to allow interest rates to go on like this. It is a disgrace to allow these good old-line businesses to fail.

I will now yield to the Senator from Arizona before I go on for another half hour.

Mr. GOLDWATER. Mr. President, as a long-time Member of this body I do not think I have ever heard a more honest statement of the truth than what I have just listened to.

I think the American people will be eternally grateful to my friend from Utah for having had the guts to say what is long overdue in this body.

I sat here this afternoon and I listened to the garbage from the other side of this body talking about social security. My friend from Utah talked about arithmetic. About a year ago I asked the head of social security where is this money that the American people have put in, in the form of social security since the middle 1930's? I have been doing it. Where is it? As I recall we were going to send it to Washington, it was going to go into a box someplace, our money, not the Federal money but our money. I do not know how many trillions have been put in.

Nobody in this Government has ever been able to answer the question of mine as to how much money have the American people put into social security and how much money is left.

I have come long ago, nearly 20 years ago, to the idea that this system is going bankrupt. We were warned last year that possibly by October of this year social security would be bankrupt.

I think that is what we have to face, not whether we are going to trim $40 million or $40 billion or $10 billion or whether we are going to increase the taxes on these poor young people graduating from college and going to work at $15,000 to $20,000 a year, and having to pay $2,000 a year in social security.

That is not the question. The question is where is the money? You say that no President has ever spent money, and I want to differ. Presidents, starting with Franklin Roosevelt and Harry Truman and others, have spent the money out of these so-called cigar boxes where your money and my money and the money of all the American people who have paid in on social security is supposed to be.

They have stolen this money. We have not authorized the expenditure. No committee I have ever heard of in this body has ever authorized the spending of a dime on social security. But you find for me $1 in those so-called cigar boxes where our money is supposed to be, and I will do anything the Senator wants to do. I think that is what we have to face up to.

We are broke in social security, and the sooner we level with the American people, tell them that and then devise some way, if we can, to pay them back or pay them what is their own money, not our money but what belongs to them, then we will do them a favor.

I want to again thank my friend from Utah for saying what none of us has had the courage to say. We owe the Senator for it forever.

Mr. GARN. Mr. President, I thank the Senator from Arizona.

Mr. DOLE. I want to commend the distinguished Senator from Utah for the statement he made. I want to get some material into the record with reference to this debate. Do I have the floor?

The PRESIDING OFFICER (Mr. DURENBERGER). Yes, the Senator from Kansas has the floor.

Mr. GARN. The Senator from Georgia asked me to yield and I had already given up the floor.

Mr. DOLE. Mr. President, I yield to the Senator from Georgia for a question.

Mr. MATTINGLY. Mr. President, I thank the Senator from Kansas.

I would like to congratulate the Senator from Utah (Mr. GARN) for the statement he has made. I hope everybody, not only in the gallery and back in the rooms, but I hope everybody in this country will read it in the newspapers and hear it on radio because he has clearly put the problem in this country.

The statements of Senator GARN and Senator GOLDWATER are the reasons why I ran for the U.S. Senate and why I am so glad I am here, because it is time people started laying it down just exactly the way it was.

We are not here to demagog, we are here to solve problems, and what he has so clearly placed in the record today is the problem of our country and the solution to that problem, and it ought to be in the history books.

Anything that can be attributed to solve these problems is in his statement.

I would just like to add one further comment and that is that we all know that we ought to lay demagoguery aside because I am tired of it, too. It is all the entitlement programs, Senator GARN, you are exactly right. They have only been in effect, indexed for what, 7 years, and we have overcompensated for $21 billion in just 4 years by miscalculation. That is something that everybody in this body needs to acknowledge.

I would just like to, in conclusion, again commend the Senator for the fine oratory he has exhibited and the meaningful comments he gave. That is the reason why I am proud to be here and, Senator, I am really proud of you.

Mr. DOLE. Mr. President, I thank the distinguished Senator from Georgia and again commend the Senator from Utah for a statement that needed to be made and was factual.

We cannot change the facts, as the Senator from Utah stated. I would just like to take a few minutes and then I will yield the floor.

I understand there may not be a vote on this today, but just to make the record, because sooner or later the Finance Committee and then the full Senate will have to wrestle with the problem.

I would like to have printed in the Record a story which appeared in the Washington Post of Saturday, February 13, 1982. The headline reads "Survival of Social Security Is Increasingly Doubted by Public." The survey was made by the Washington Post and ABC News opinion on what younger people thought about social security. I ask unanimous consent to have the results printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

[From the Washington Post, Feb. 13, 1982]

Public Increasingly Doubts Survival of Social Security

(By Dan Balz)

Austin.—Coming as it did from a high school senior, the question was a shocker. "Will Social Security be around when we get it?" the student asked the visiting congressman.

"Yes, very definitely," replied Rep. J. J. (Jake) Pickle (D-Tex.) almost reflexively. But then Pickle, who is chairman of the House subcommittee on Social Security, turned the question back on the students. How many of you think Social Security will exist when you retire? he asked.

Pickle was shocked again. Even though he had just assured them that Social Security will last forever, nearly half the students said they did not believe him. The seniors in this government class at Pflugerville High School reflect a deepening public cynicism about the Social Security system that may be far stronger than is generally believed.

Americans do not believe the political promises about Social Security, especially younger Americans who are paying in their contributions now through payroll deductions but do not believe the benefits will be around for them to collect when they retire.

According to a new Washington Post-ABC News opinion survey, an overwhelming number of citizens under the age of 45 think that Social Security will have disappeared by the time they are eligible to receive it. The poll, taken in late January, found that 66 percent of the respondents under 45 believe Social Security won't be there. Among those age 18 to 30, 74 percent are skeptical.

These poll findings, and the comments of other citizens interviewed in sample precincts, are striking because of the depth of cynicism about the reliability of a political commitment that was the heart and soul of the New Deal and has served the elderly for nearly 50 years.

Politicians in Washington have been reluctant to tamper with the basic provisions of Social Security, fearing instant political reprisal from the retired people who are recipients. But, if young and middle-aged citizens now believe that they will be eventually betrayed on Social Security's promises, that sentiment might push the debate toward enactment of long-range reform plans such as a phased reduction of benefit levels in order to insure the system's survival.

Interviews with citizens around the nation reveal an almost nonchalant fatalism about the future of this basic government guarantee. Bob Kulp grew up in Chicago and moved to Texas last year. He is in his mid-20s and works in the cleaning business. Sitting one morning in his home in Houston, he was asked whether he thought he would ever receive Social Security.

"No," Kulp said without hesitation. "I feel every dime I put in, I won't get back. I don't plan on seeing any of it."

There was no passion in his voice, no sense of outrage that the government would not make good its promise to provide him with a retirement income, just an acceptance of a new reality. "It doesn't bother me," he added. "It's just away of life."

Karren Woolf, a Pomona, Calif., housewife, no longer expects to receive Social Security. "But we're investing money," she said recently, "and my husband has a profit-sharing thing at work, and we think that will be ample. But we do think it's a shame that we're putting this money into Social Security and won't get it back."

Kathy Hudak, who works for a brokerage firm in Texas, said: "I think it will be wiped out. We put into it, but I don't think we'll get it back."

The Social Security issue is so volatile politically that public officials won't even broach the subject of the system's demise. Most of them now take it as part of their job to reassure an increasingly skeptical public that government retirement benefits will be protected, seemingly at any price.

"Anybody who stops to think about it knows it's too important to the American people," Rep. Pickle said.

But in their own minds, many Americans are coming to the conclusion that the politicians are wrong, and no amount of official rhetoric from Washington seems likely to change that skepticism in the near future.

"I don't think my husband and I will ever see it," said a middle-aged woman who did not want to be identified. "I don't think my children will either. We're not planning on it anymore."

Ronda Hobbs of Houston shares that cynicism—and more. "I don't think it will exist"—when she retires—"but I think we'll pay in for 10 or 15 years and then it won't be there," she said. "You don't feel like you have any control over it at all."

Washington has done much to undermine the credibility in the system. Recurring "crises" in the Social Security trust fund balances have convinced some people there is no long-term solution to the program's solvency. Other people have been turned off by the continual sparring between the two political parties. Some believe that politicians are as interested in scoring points on one another as in restoring the system to financial health.

"Tip O'Neill wants it to die so he can beat Reagan over the head with it," said Mike Fry, a young political cartoonist in Austin.

The huge tax bill approved by Congress last year has coincidentally undermined confidence in Social Security. A young woman was in a midtown Manhattan bank in early January and found it almost like a carnival midway, with banners and signs urging customers to open the new Individual Retirement Accounts that were authorized by Congress.

When she cynically commented to a middle-aged teller that the exhortation to set up IRAs was really just a ploy for preparing the public for the day Social Security collapses, the teller promptly agreed with her.

The aggressive competition for these new IRA accounts has prompted banks around the country to run newspaper and television ads warning the public that Social Security cannot provide for them in their old age. "Excuse me," says a man with a poor French accent in one ad running in New York. "Can you spare $5.15 for a cup of coffee?" This message has added to the public doubts.

The Post-ABC News poll differed from earlier attempts to measure public attitudes on Social Security in asking people bluntly: "There's been lots of discussion about the financial condition of the Social Security system. Do you think Social Security will exist or not when you retire?" The phrasing of the question is more provocative than many public opinion analysts would like but it reveals the full scope of curbstone skepticism.

"I don't think it will be there," said Becky Helmreich of Houston. "A long time ago I came to the opinion that it wouldn't be there."

Another woman, in her late 40s, initially said, "I hope to believe it will exist." She paused for a moment and then responded, "Not really,"

The poll showed that there is a clear generational link to attitudes toward the future of Social Security. Those 18 to 30 years old are the most pessimistic, followed by those 31 to 44 years old. But a majority of respondents over the age of 45 express faith that the system would exist when they retire. Only 57 percent of those between 45 and 60 believe Social Security will last until their retirement age, compared with 82 percent of those older than 60.

Women are more pessimistic than men, with 64 percent of women saying the system will not survive, compared with 54 percent of men. Broken down racially, the pool showed that 64 percent of blacks have no faith in the future of the system, compared with 58 percent of whites.

The polling was conducted Jan. 22-30, which means half was done before President Reagan's State of the Union address and half afterward.

Of those interviewed before the speech, 58 percent said the system would not exist and 39 percent said it would, a difference of 19 points. After the speech, that margin grew to 27 points, with 61 percent saying they would not receive Social Security and 34 saying they would, suggesting at a minimum that citizens were not reassured by the president's remarks.

Social Security represents perhaps the most lasting promise ever made by the government to the people, and its originator, President Franklin D. Roosevelt, intended to make that compact as binding as possible.

"We put those payroll contributions there so as to give the contributors a legal, moral and political right to collect their pensions . . . ," Roosevelt once said. "With those taxes in there, no damn politician can ever scrap my Social Security program."

Most older Americans—and politicians of every age—still see the program as a legal and moral commitment, but the younger generation that matured on Vietnam and Watergate and saw other solemn promises abandoned is much more skeptical.

The attitude on Social Security may be only one part of an overall distrust of the federal government. Another question in the same Post-ABC poll suggests that younger Americans may be more cynical about other elements of American life that are taken for granted by older generations.

One precept of society is that if you work hard, eventually you will get ahead. Presented with that statement, respondents under the age of 45 are almost evenly split on whether they believe that is true, with 51 percent agreeing and 47 percent disagreeing. Those over 45, however, agreed by a 2-to-1 ratio.

In recent years, the evidence of skepticism about the future of Social Security has grown in proportion to publicity given to the system's financial problems. Congress enacted major payroll tax increases in 1977 in an attempt to shore up the system, but the weak economy already has overrun those changes.

A bipartisan committee is now studying the problem, and sometime next year there will be another major effort to restructure the system, which faces a shortage of funds in the mid-1980s and a long-term deficit of more than $1 trillion.

A CBS-New York Times poll taken last year found that 24 percent of respondents said they had no confidence in the system's ability to provide retirement benefits for them or their spouses, with another 49 percent saying they had only a little confidence.

The same poll showed that 75 percent of respondents between the ages of 25 and 34 said they doubted that the system would provide them with the full benefits to which they were entitled.

Twenty years ago, there were 5 workers for every Social Security recipient. Today there are 3.3 and by the year 2030, it is estimated there will be only 2. That means less revenue per recipient in the system or a greater burden on those of working age.

Compounding the problem is the added life expectancy of retirees. In 1940, the life expectancy of men aged 65 was 12.1 years, but today it is 14.3 years and by the turn of the century it is projected to be 16.4 years. Life expectancy for women has increased even more rapidly. That means retirees will draw money out of the system longer in the next century.

"It's already running out of money," said Tanya Fain of Austin. "By the time I get there, there won't be any money left."

Mr. DOLE. I think this is where we have missed the boat. Citizens under the age of 45 were asked what they think about social security. The poll, taken in late January, found that 66 percent of the respondents under 45 believed social security would not be there when they retire. Among those aged 18 to 30, 74 percent are skeptical. We have certainly added to that skepticism this afternoon. We have had a lot of outstanding Members of this body—up for reelection—march to the floor and say, "Well, President Reagan is trying to gut the social security system." If your are in that age bracket and you are wondering what is happening, I am certain you are distressed to hear that we are trying to gut the social security system.

It just seems to this Senator that we ought to stick to the facts. I know it is difficult. We do not always do it on this side of the aisle, and I do not think it is always done on the other side of the aisle. It is not a requirement in this body that we know the facts. It is not a requirement that we know anything, and that is probably the reason for our success. [Laughter.]

But in any event we are going to have to address the real problem in the next few months.

Again, I cannot be as articulate as the distinguished Senator from Utah, but I have some books here that contain facts. This is a Congressional Research Service summary of the 1982 Social Security Board of Trustees' report. Back in 1950 we had enough money on hand, 138.7 months worth of expenditures, to pay benefits to all the beneficiaries. By 1960 those reserves had shrunk to 22.3 months; by 1965 it was 13; by 1970 it was 11; by 1975 it was 8; by 1980 we were down to 3.5 months. Now we are down to 2.6 months.

Mr. MOYNIHAN. Mr. President, will the Senator from Kansas yield for a question?

Mr. DOLE. Yes.

Mr. MOYNIHAN. Because he is so careful and responsible in these matters.

Mr. DOLE. I read it right out of the book.

Mr. MOYNIHAN. Yes. But in 1950 is it not the case that the social security system as a payment system was 10 years old?

Mr. DOLE. Yes, that is a fact—very good.

Mr. MOYNIHAN. And that it takes time until you have a mature system, and in the early part of any insurance system its reserves build up and then, hopefully, they reach the point where what goes in comes out?

Mr. DOLE. No, I do not quarrel with that. But I would say as late as 1970 we had almost 1 year's worth of benefits in reserve.

Mr. MOYNIHAN. Right.

Mr. DOLE. The system was fairly mature by 1970.

Mr. MOYNIHAN. And in the mid-nineties we expect it to be back up to 2 or 3 years' reserves, because we will have had large demographic changes. Nothing is happening to our system that has not happened to all maturing social insurance systems.

Mr. DOLE. Well, except the Senator from Kansas might say this system may be overmatured. We are about to go too far in that direction, and that is why I think we must stick to the facts.

I do not have any quarrel with those who want to get reelected. Social security is a good issue. If you can make enough people believe, people in New York, Michigan, West Virginia, Tennessee, and Massachusetts, that the Republicans are trying to do in social security, they will probably gain some votes. But I believe the people who are really concerned about the social security program and concerned about their children and their grandchildren realize that we are in trouble. They know we are in trouble.

This system is in trouble, not because of the outstanding efforts of the distinguished Senator from Louisiana, I might add, who did, as he indicated, the responsible thing in 1977 in saying, "OK, if we are going to have benefits, you are going to pay for them."

But that does not suggest, and I do not think the Senator from Louisiana intended to suggest, that we cannot take a look at some basic reforms in the program that do not cut benefits but reduce the rate of growth in certain benefits, phased in over a period of time.

I would say, Mr. President, before I yield, that that is a matter that has been worked on for months and years by the Congressman from Texas, Congressman Pickle, on the House side and by many Members of the Senate, including the distinguished subcommittee chairman, Senator Armstrong of Colorado.

Let me yield first to the Senator from Idaho.

Mr. McCLURE. Mr. President, I thank the Senator for yielding. I just wanted to join in the commendation that was made to the Senator from Utah (Mr. Garn) for the remarks that he made. I think they were eloquent. They were, in my judgment, at least, exactly on the mark about what the problem is in this body and what confronts this country.

I could not help but note an ad that was placed in a local newspaper just the other day, a full-page ad put in by Lone Star Cement, I believe it was. Maybe there were others involved in it. It said that west of the Potomac the country is hurting; the people east of the Potomac have not heard that yet.

I think there are an awful lot of people across this country that are concerned about what is happening to this country, and they are getting tired of politicians playing politics with their future. That is what we have here today.

I think one of the things that the Senator from Kansas might have added to his notation of the problems with respect to the social security system and the decline in the reserve balance that is there, is that in the face of the most massive tax increase in the history of this country designed to finance that structure, which is in place today, which has two other elements that will come in in the future, it will still leave us in the deficit position.

And with respect to the idea that all insurance companies run through a period of deficits or declining balance, that is nonsense. It has no application to the problem that we are confronting in social security today.

And if I have one problem that the people communicate to me about social security, it is precisely what the Senator from Kansas is saying: The old people are afraid that their system is not sound and secure; the young people do not believe it will be when they get around to it. What they expect of all of us is to be responsible enough to adopt a system that is, indeed, secure enough that every one of us on the floor of the Senate and on every platform across this country can say, with utter and complete honesty and candor, that we have done what was necessary to maintain the solvency and the security of that system.

Mr. President, there is not one of us in this Chamber today that can honestly say, without some adjustment of either the benefit level or tax level, that the system is secure. There is no insurance commissioner in any State in this Union that would approve the social security system today on the same basis that they examine the investments people make in buying life insurance.

I know a little about that. I am no expert in it. But I am absolutely confident that what I say is technically, factually correct. I would invite anybody else in this body to tell me that I am wrong and prove it.

Mr. President, I thank the Senator from Kansas for yielding. Again, I say, as far as I am concerned, this is a matter beyond politics. It is also a question, in my judgment, that perhaps we may indeed find that it is good politics to be responsible rather than irresponsible. I thank the Senator for yielding.

Mr. DOLE. I thank the Senator from Idaho. I will yield to the junior Senator from Idaho in just a second.

We probably ought to discuss this until those who spoke earlier have a plan of their own. It may take a week or two; may be longer. It is one thing to stand up and condemn what is happening, but it is another thing to be responsible and advance a plan of your own.

So I would hope that by Tuesday of next week, or Monday, whenever we get back to this resolution, that the other side will have their own plan. Their current plan is to do nothing, obviously, and try to blame it on the President; try to blame the Republicans for acting irresponsibly. But if we do not do something by July of 1983 and the checks cannot go out or the full checks are not paid, then we will really see the reason to act.

I yield to the junior Senator from Idaho.

Mr. SYMMS. I thank the distinguished chairman of the Finance Committee for yielding. I would just like to say, as a member of both the Budget Committee and the Finance Committee, that we have been grappling with this problem all year.

In my State, the big problem is high interest rates. We have a State that is interest rate sensitive. The most irresponsible thing, in my opinion, that this Senate could do would be to state that we are not going to deal with the social security problem, before the Finance Committee even has an opportunity to work on it. The social security program needs our immediate attention.

Mr. President, I ask unanimous consent to have printed in the RECORD a report from the Public Policy Education Fund from Grove City College in Pennsylvania.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

PUBLIC POLICY EDUCATION FUND, INC.,
Grove City, Pa., February 1981.

SPECIAL REPORT No. 10: SOCIAL SECURITY—IS REFORM POSSIBLE?

(By Hans F. Sennholz)[1]

Charitable acts which sooth the human heart, heal painful wounds, and give relief to distress, stay with us forever. To many of its ardent supporters, the Social Security System seems to rest on this pillar of social living. But, unfortunately, they are confusing charity with politics, benevolence with power, and sharing with taking. Thoughts of charity probably never occurred to the founders of the Social Security Systems that have come into existence since the 1880's. The German system, which pointed the way to all others, was born in a play of power that was intended to redirect the allegiance of the working classes from Marxism to nationalism. The American Social Security System, which was one of the last in the Western world, was born as a full-employment measure during the Great Depression. Charity as a benevolent act called for by religious or moral concern, had no part in its inauguration, either.

THE TRANSFER SYSTEM—AN IRONIC FAILURE

But no matter what we may think of the motive powers that gave birth to the Social Security Systems of the past, we cannot deny that today's American version is the greatest political transfer system ever devised. In 1981 it is estimated that the United States Social Security System will pay $135 billion to 19.8 million retired workers, 2.9 million disabled workers and their 13.2 million dependents and survivors. More than 100 million workers and their employers are expected to pay $130 billion in payroll taxes to cover these costs.

Ironically, in most of its endeavors, the transfer state accomplishes the very opposite of what it sets out to achieve. The Social Security System, with all its political intentions, is probably the most spectacular failure of them all. Born during the Great Depression, it was originally intended to be a full-employment measure, as mentioned above. Social security would retire older workers, thereby opening up more jobs for younger workers. But the unemployment problem it was intended to solve, is still with us, with all its urgency and severity. This is so even though Social Security is now received by nearly all senior Americans. So, Social Security has failed utterly as an employment measure. Millions of Americans walking the streets in idleness and dejection are testimony to that.

The System was intended to endow every person with the right to a minimum income upon retirement, lest he should become dependent upon his family and others. But, undoubtedly, it has weakened the will to independence, and has subjected most retirees to dependence upon the discretion and benevolence of politicians.

Politicians determine the conditions of eligibility. They define the concepts of "covered employment," retirement age, limits of earned income, the tax rates on covered workers and employers, ceilings on taxable wages, etc. They define the rights of a covered worker's dependents to additional benefits. In other words, there is not a single phase of our Social Security program that does not depend on the politicians' notions of social justice and economic adequacy.

Though the promise of Social Security to create full-employment has turned out to be a false one, and though Social Security recipients are now dependent upon the impersonal welfare state for sustenance, still Social Security seems to have wide-spread support. Why is Social Security favored by so many?

The Social Security program taxes the professional class in order to support lower-income retirees. But even among the latter, it injures the active and diligent who prefer to continue to work after 65. The laborer, too, loses his right to full monthly benefits if he should earn more than $417. He loses $1.00 in benefits for each additional $2.00 earned over $5,000 per year. In other words, to many workers after 65 it is more profitable to work only part time, merely earning the permissible wage that does not deprive them of their benefits. Many others, especially the unskilled and untrained, do not work at all because the potential labor income is too small when compared with Social Security benefits. In both cases, the System supports and encourages the inactivity of less productive workers with funds that are taken from active professional people. These continue to be taxed, regardless of age, as long as they are rendering services and earning labor incomes.

In 1980, employees were paying taxes on the first $25,900 of wages at a rate of 6.13 percent, amounting to $1,587.67. Bearing in mind that the employer's contributions actually are fringe benefits that are earned by employees, their total tax liabilities amount to $3,175.34. In 1981 and 1982, maximum wages subject to taxation will go up to $29,700 and $31,800 respectively, which means that the maximum tax is scheduled to rise about $3 percent from $3,175.34 in 1980 to $4,261.20 in 1982. In short, the Social Security System is extracting an ever larger share of income from the working population. It redistributes earned income from one social class to another, and thereby breeds hostility and conflict. It encourages idleness rather than fruitful activity, political dependence rather than self-reliance, spending rather than thrift. And, above all, it has incurred a two trillion dollar deficit which it is now loading on the backs of future generations.

NEEDED REFORMS

In the coming years and decades the Social Security System will undergo many changes and alterations. No system can forever live beyond its means and shift an ever growing burden of debt to future generations. Sooner or later the victim generations may resent the shifting and endeavor to lighten their load through realistic reductions in benefits or outright repudiation of inherited tax liabilities via inflation or other default devices.

There can be no genuine reform of the Social Security System until we become aware of the truth of its massive redistribution. To this end the following reforms are offered:

1. *Information to Recipients*—To restore a commonplace truth and realism, every recipient of Social Security benefits should be informed of the nature and source of his benefits. Every check should carry a stub that reveals the dollar amount *contributed* to the System by him and his employer and the cumulative amount of benefits received by him as of that check.

2. *Means Test Applied*—When the total benefits received in retirement by a recipient exceed the contributions made during the productive years, the recipient should undergo a *means test*. A millionaire who has received an amount equal to his contributions should receive no more. A poor retiree who is lacking the means of support should continue to draw his benefits. But they should be truthfully called "Social Security assistance."

3. *Parent and Child*—When Social Security assistance seems to be called for, the children of a retired worker should be given an opportunity to contribute to the support of their parents. As the parents are responsible for their children, so are children responsible for their parents. No Social Security System should eradicate this moral law and Biblical commandment.

4. *Conscientious Objectors*—The System should not violate the religious and moral principles of conscientious objectors. Even in such a vital matter as national defense, American society has always respected the principles of those Americans who refused to bear arms or participate in military service. The same respect should be accorded to all religious and moral objectors to Social Security.

5. *Relief for Young Workers*—To grant relief to the primary victims of the System and abate the frantic shifting of burdens to future generations, we should seek to protect our youth by limiting its losses. To this end it is proposed that no worker should be forced to contribute more than twice the amount he would pay to a private insurer for identical coverage and benefits.

The financial dilemma of the Social Security System is giving rise to numerous reform proposals. Many turn out to be new concoctions of the same old redistribution medicine, prescribing new victims for old beneficiaries. These proposals however, begin with truth and information, which are the seeds for a true reform. Reformation is a work of time. A national institution, however wrong and harmful it may be, cannot be totally changed at once. We must rebuild and regenerate the moral awareness that will slowly bring people to adopt what would offend them if it were introduced by legislation and force.

SOCIAL SECURITY—PUBLIC ASSISTANCE OR EARNED BENEFITS?

Some simply revere Social Security because it was a product of the New Deal. They regard Social Security as an ancient political cow, that is, as sacred. Others cite personal examples to "prove" that Social Security is irreplaceable. "Where would Aunt Lucy be today without Social Security?" they may gravely say.

Nevertheless, the most common argument is more aggressive than these sentiments. Say Social Security recipients, current and future, "I paid in, I contributed, therefore I deserve benefits." Such a statement discloses probably the most common misconception about Social Security. Most recipients apparently sincerely believe that they are drawing out in benefits what they actually paid in from their pay checks. But, of course, the connection between benefits received and former payments is a very weak one.

Simple calculation easily ascertains that many present beneficiaries withdraw in several months what they contributed since the initiation of the System. After they have received the equivalent of their own contribution, the "right" to old-age income obviously constitutes the right to support by the state and ultimately by his taxpaying fellowmen. The term "insurance", in this respect, means public assistance.

A simple example may illustrate the case. Let us assume that a married person who regularly paid his payroll taxes since the initiation of the System retired after twenty years of coverage, on January 1, 1957. Let us also assume that he contributed the maximum payable under the law. From 1937 through 1949, he contributed 1 percent on $3,000 annual income, $30 per year, or a total of $390 in 13 years. In 1950, he paid 1½ percent on $3,000 or $45. From 1951 through 1953, his payment amounted to 1½ percent on $3,600 or $72. In 1955 and 1956, his taxes amounted to 2 percent on $4,200 or a total of $168. Altogether he paid no more than $837 during the first 20 years of coverage. If we add an equal amount of "employer contribution", which actually came out of his pay, his total contribution to the System amounted to $1,674.

In 1957, this payment entitled a retiring couple to receive $162.80 in monthly benefits, which since then have been raised to $516 per month. In other words, in 1957 they received in ten months and eight days the equivalent of their total contributions. His life expectancy, however, amounted to approximately 13 years, hers to 18 years. If they are still alive today, twenty-three years later, they are collecting every three months and eight days what they paid in since the beginning! Their total benefits have exceeded $50,000 on total contributions of $1,674 or 30 times more than they paid in.

Take a more recent example calculated by U.S. News and World Report. Assume that a married person retired on January 1, 1980. His wife also is 65. If he paid the maximum tax since the program started in 1937, Social Security took $11,202.97 in payroll taxes. His employer also paid that sum. He received no interest on his contribution, but he did get a form of life insurance. In the first year of retirement, he will get back in benefits $11,154.90, almost as much as he paid in during the past 43 years. And the benefits will keep coming, probably in higher checks, as long as he lives. He, too, will receive more than he and his employer paid in.

But how is it economically feasible that the Social Security Administration can pay many times more in benefits than it actually receives in contributions? Part of the answer is that for many years it merely extended the compulsory coverage to an ever-widening circle of taxpayers. As long as additional millions of workers were added to the rolls, workers who were taxed but remained ineligible for payments because they had not yet reached retirement age, the means for the beneficiaries' support were secured. But, at the same time, the System created more and more future liabilities in order to stay solvent for the moment. Moreover, both the tax rates and the taxable income of the working population were raised sharply, which managed to yield the revenue needed for current outlays. At the present, payroll taxes again are falling short of the benefits. And, according to the Social Security Administration itself, the actuarial deficit, or unfunded liability, amounts to more than $2.1 trillion, which forebodes much higher payroll taxes in the future.

A TRANSFER SYSTEM BUILDS ON VICTIMS

The Social Security System, as so many other redistribution programs, divides society into two distinct classes—the beneficiaries and the victims. This ominous development should not surprise us. If it is true that the first generation has received a multiple of benefits over its contributions, the following generation must bear the burden of debt and receive less than they pay in. The Social Security System is promoting consumption and benefits for the present generation at the expense of future generations. On a massive scale, it redistributes income and wealth from young taxpayers to the older beneficiaries, so that today the young are victims and the elderly beneficiaries.

Physicians, dentists, attorneys, corporate executives and other professional people, together with independent businessmen, almost invariably belong to the class of victims. This occurs because of the "earnings limits" from age 65 to 72. In spite of their accumulated contributions, workers lose their rights to a portion of their monthly benefits if they continue to earn $417 in monthly fees. Only when they reach an age of 72 are they entitled to their full benefits, even when earning income. It should be obvious that any physician who, at age 65, is on his feet and in possession of his faculties is earning more than $417 per month or $5,000 per year.[2] But how many can expect to live long enough to collect what they paid in during a long professional career.

Mr. SYMMS. Dr. Sennholtz, the author of this report is one of the most distingushed economists in this country. He makes the point in his article and in private correspondence to me that one of the reasons interest rates are so high is the lack of confidence that the financial markets have in Congress. They do not believe that Congress can come to grips with this outflow of funds from the social security program and other programs. He makes that point that 250,000 millionaires now receive social security benefits at a cost of $2,225,000,000 annually.

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[1] Dr. Sennholz is one of the clearest voices of economics today. In more than 400 publications and five books he has discussed all aspects of the American financial and economic dilemma. In public lectures and speeches throughout the country he is continually reaching college youth and professional organizations expounding the virtue of balanced budgets, honest money and individual self-reliance. Since 1956 Hans Sennholz has been Professor of Economics and chairman of the Economics Department at Grove City College, Grove City, Pa. His most recent book (1979) is The Age of Inflation.

[2] Income limits apply only to "earnings". So called unearned income—pensions, dividends, interest on savings, and other investments are not counted.

It is true that the person who lives on $300 or $400 a month needs some help and assistance. I think there is no one in this Senate that wants to take that away from him. I think we have to be realisitic at this point in time. If this resolution that my good friend from New York has offered were to pass this Senate, it would send a signal clear across this country: "No, the Congress is not going to do anything about spending. They are going to print money and borrow money and raise taxes and continue to decimate the economy that is struggling very hard to get back on its feet."

For that reason, I hope that when this comes up again the Senate will table the amendment. I hope that the Budget Committee, the Finance Committee and all of Congress will give the American people an opportunity to have their elected representatives work out a feasible solution to guarantee the security of the retired citizens in the country and also take care of some of these inequities. We can assure fiscal solvency and still guarantee the retirement benefits for those people who need it.

I hope this amendment will be tabled so that the proper committees can work their will. I am sure that the chairman of the Finance Committee, with the help of the distinguished Senator from Louisiana and the rest of us on the committee, including the Senator from New York, is not going to do anything that is going to jeopardize the future of the citizens of this country in any way. We are not going to do anything that is going to take away the checks of these people.

I just hope that all Senators will show statesmanship and table this motion when the time comes so that we can deal with this important problem in a fashion that does not become partisan. We owe the people of this country that much.

If this resolution were given a great deal of credibility and passed, you would see a reversal of what has been happening in the downward trend in interest rates. I think interest rates are heading down. If we pass this budget, we will see interest rates coming down. This will help restore economic activity.

I thank the distinguished chairman of the Finance Committee, the acting floor manager of the bill, for yielding this time.

Mr. DOLE. Mr. President, I ask unanimous consent to yield to the Senator from Rhode Island without yielding my right to the floor. Then I will be happy to answer questions.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHAFEE. Mr. President, the action of the Budget Committee yesterday would cut social security spending by $6 billion in fiscal 1983, $17 billion in fiscal 1984, and $17 billion in fiscal 1985. This would make a total of $40 billion in cuts in the program. The sheer magnitude of the impact of the social security program on the lives of our citizens I believe is known to all of us. Fully 36 million elderly Americans receive benefits from the old age and survivors and disability insurance trust funds each year. For about 60 percent of these people, Mr. President, such payments are at least half of their monthly income. This program is simply essential to the daily well-being of so many of our older citizens.

The Budget Committee's action to cut $40 billion out of the program in the next 3 fiscal years, therefore, takes on special meaning. I believe that we can take a step of this impact only in the light of very careful study, and the recommendations by the National Commission on Social Security Reform, which must report to Congress and the President by December 31 of this year. Specifically, Mr. President, the Commission is charged to review relevant analyses of the current and long-term financial condition of the system, identify problems that threaten its solvency, analyze solutions, and provide appropriate recommendations that will assure "both the financial integrity of the social security system and the provision of appropriate benefits."

Mr. President, I share the deep concern that has been voiced by the chairman of our Finance Committee as to the current condition of the social security fund and the need for us to approach it responsibly. I, for one, as a member of the Finance Committee, am prepard to share in that effort.

It appears that the Budge Committee has prejudged the work and the recommendations of the Commission. The Budget Committee has set a figure of $40 billion which may or may not be the correct figure. I do not believe we should be mandating major changes in the social security system in the context of a debate about the budget. The current deficit-reducing exercise, important as it is, should not drive or force action on the social security system, which, if we are forced to change, should only be the result of a very thorough, careful, nonpartisan study of the short- and long-range demographic and financial factors that influence the system, namely, the study commission that has been created.

I am aware that there is concern that the old age and survivors trust fund will become insolvent on July 1, 1983, unless action is taken that this apprehension is considered a reason to change the system now in the context of the budget debate.

I should point out that the immediate problem of possible insolvency of this trust fund can be corrected by an extension of the interfund borrowing authority contained in Public Law 97-123, which would permit the managing trustee of the funds to borrow from the disability insurance and health insurance trust funds in order to cover any potential shortfall in the old age and survivors trust.

Extending this authority through 1983 would give us the time to consider the financial condition and the appropriate solutions to the problems of the system in an atmosphere less charged by the exigencies of the budget crisis. In short, Mr. President, I am opposed to the action of the Budget Committee. I am pleased that the July 1 cost-of-living adjustment will be paid on time. That is something I have supported for many months.

But I do not believe the Budget Committee in the context of the budget debate should mandate any given amounts of cuts, therefore requiring major changes in the social security system.

Mr. President, I am prepared to join my colleagues, especially the chairman of the Finance Committee and others, who are deeply concerned about the future of this fund. This is a matter that causes us all grave concern.

The chairman of the Finance Committee has cited the lack of confidence in the fund that exists among our younger people. That is a shocking condition, but it is understandable in view of the stories that have appeared about the solvency of the fund.

It is my desire to consider the social security fund solely in the context of the viability of the fund, and with the goal of perpetuating it so it will be there for current beneficiaries and future beneficiaries as well.

Mr. MOYNIHAN. Will the Senator from Rhode Island allow a question? May I do that?

Mr. DOLE. Go ahead.

Mr. MOYNIHAN. I am going to put a hard question to the Senator from Rhode Island. We have heard a lot about responsibility on this floor and about who will face up to the hard political choices. We are yet to find one of those hard political choices. That was when the then-chairman of the Committee on Finance put through the 1977 amendments that provided the revenues that will take this system into the 21st century, and it has been called a political act.

I want to ask the Senator from Rhode Island did he or did he not vote in favor—did he vote for or against that measure?

Mr. CHAFEE. I voted for that measure.

Mr. MOYNIHAN. For that measure. And I heard the speech of the Senator from Utah. Did he vote for or against that measure?

Mr. CHAFEE. You should have asked him that question. [Laughter.]

Mr. MOYNIHAN. He voted against it.

Mr. CHAFEE. You have answered your own question. [Laughter.]

Mr. MOYNIHAN. And the Senator from Idaho has made an historic speech that aroused our friend from Arizona. Did the Senator from Idaho vote for or against that measure? He voted against.

And did the most distinguished Member on this floor, the chairman of the Finance Committee, vote for or against? He voted against.

Mr. DOLE. I may have had a pair. [Laughter.]

Mr. MOYNIHAN. Mr. President, I ask unanimous consent to put the voting record into the RECORD at this point.

There being no objection, the information was ordered to be printed in the RECORD, as follows:

SENATE VOTING RECORD—NO. 631

SOCIAL SECURITY FINANCING

Bill No.: H.R. 9346, "Social Security Amendments of 1977."

Subject: Passage of the bill to restore the social security programs of old age, survivors, and disability insurance to financial soundness in both the short range and long range; to reduce from 72 to 70 the age at which income earned by a social security recipient will not reduce social security benefits; to increase the earnings limitation for recipients aged 65 to 70 to $4,500 in 1978 and to $6,000 in 1979; to provide a $250 college tuition tax credit; and to make certain changes with regard to the Aid to Families with Dependent Children (AFDC) program.

H.R. 9346: Vote Nos. 608, 611-614, 616, 617, 619-631.

Result: Bill passed.

Yeas (42)

Democrats (33 or 77%): Bayh, Burdick, Byrd, Harry F., Jr., Byrd, Robert C., Clark, Cranston, Culver, Durkin, Ford, Glenn, Gravel, Hart, Hathaway, Hollings, Inouye, Jackson, Kennedy, Long, Magnuson, Matsunaga, McIntyre, Melcher, Metzenbaum, Moynihan, Nelson, Pell, Proxmire, Randolph, Riegle, Sarbanes, Stennis, Talmadge, Williams.

Republicans (9 or 37%): Baker, Case, Chafee, Danforth, Javits, Mathias, Stafford, Thurmond, Young.

Nays (25)

Democrats (10 or 23%): Allen, Anderson, Chiles, Church, Eagleton, Haskell, McGovern, Nunn, Stevenson, Stone.

Republicans (15 or 63%): Bellmon, Curtis, Dole, Domenici, Garn, Griffin, Hansen, Laxalt, Lugar, McClure, Roth, Schmitt, Schwieker, Tower, Wallop.

Not Voting (31)

Democrats (18): Abourezk—2, Bentsen—2, Biden—2PN, Bumpers—2AY, Cannon—2, DeConcini—2, Eastland—2, Huddleston—2, Humphrey—2AY, Johnston—2, McClellan—2, Metcalf—2, Morgan—2PN, Muskie—3PN, Ribicoff—PY, Sasser—2AY, Sparkman—2AY, Zorinsky—2.

Republicans (13): Bartlett—2, Brooke—2, Goldwater—2, Hatch—2, Hatfield—2PN, Hayakawa—2, Helms—2PN, Packwood—2, Pearson—2, Percy—2PY, Scott—1, Stevens—2PY, Weicker—2.

Live Pairs (2)

Present and giving: Heinz(PY), Leahy(PY).

Receiving: Biden(PN), Muskie(PN).

General pairs: Hatfield-Stevens, Helms-Percy, Morgan-Ribicoff.

Explanation of absence: 1—Official Business, 2—Necessarily Absent, 3—Illness, 4—Other.

Symbols: AY—Announced Yea, AN—Announced Nay, PY—Paired Yea, PN—Paired Nay.

Analysis of Issue Voted on:

Party Cohesion: Democrats—77%, Republicans—63%.

Measure of Party Support on Issue as Voted on:

For (42): Democrats—33 or 79%, Republicans—9 or 21%.

Against (25): Democrats—10 or 40%, Republicans—15 or 60%.

Prepared and Compiled by Senate Democratic Policy Committee, Robert C. Byrd, Chairman.

MAJOR PROVISIONS

Restores the social security programs of old age, survivors, and disability insurance to financial soundness in both the short range and the long range; reduces from 72 to 70 the age at which income earned by a social security recipient will not reduce social security benefits; increases the earnings limitation for recipients aged 65 to 70 to $4,500 in 1978 and to $6,000 in 1979; provides a $250 college tuition tax credit; and makes certain changes with regard to the Aid to Families with Dependent Children (AFDC) program;

"Decoupling"—Revised benefit formula for future retirees: Makes existing law cost-of-living increase provisions apply only to individuals who are already on the benefit rolls at the time each increase occurs; applies a new automatic adjustment mechanism to the benefit formula for new retirees using wage indexing which will avoid the present overindexing; provides semiannual cost-of-living adjustments for benefits when the inflation rate is 4 percent or greater in a 6 month period;

Increase in amount of earnings subject to employer tax: Raises the base for employer taxes to $50,000 effective 1979 and to $75,000 effective 1985; makes a similar increase under the railroad retirement program;

Increase in amount of earnings subject to employee (or self employment) tax: Increases the amount of annual earnings subject to the employee or self-employment tax by four $600 increases over present law levels up to $30,300 in 1985;

Tax rate increase: Modifies the social security tax rate schedules to bring in additional revenue by increasing the percent paid by employer and employee each from 5.85 percent in 1977 to 7 percent in 1985 to 9.20 percent in the year 2011 and after;

Refund of taxes paid by State and local governments and by nonprofit organizations: Authorizes an appropriation from general revenues to provide State and local governments and nonprofit organizations a 10 percent refund of social security taxes;

Benefits for dependent spouses: Reduces benefits payable under social security to dependent spouses, including surviving spouses, by the amount of any civil service retirement benefit payable to the spouse applicable only to future applicants for social security benefits for spouses;

Modification of earnings limitation: Reduces from 72 to 70 the age at which income earned by a social security recipient will not reduce social security benefits; increases the earnings limitation from $3,000 to $4,500 in 1978 and to $6,000 in 1979; provides that thereafter the earnings limitation level will increase automatically as wage levels rise;

College tuition tax credit: Establishes a refundable tax credit of up to $250 for each dependent attending college, university or higher vocational school full time;

Distribution of social security checks: Requires timely delivery of social security checks when the normal delivery day falls on a weekend or holiday;

Limitation on retroactive social security benefits: Prohibits retroactive reduced benefits in cases involving entitlement before age 65;

State and local welfare costs: Provides $400 million in additional Federal funding of welfare costs as a means of providing fiscal relief to State and local governments for fiscal year 1978, half of which would be distributed to States on the basis of their relative expenditures for aid to families with dependent children (AFDC) and the other half under the general revenue sharing formula;

Earned income disregard: Requires States to disregard the first $60 earned monthly by an individual working full time—$30 if working part-time—plus one-third of the next $300 earned plus one-fifth of amounts earned above this and allows child care expenses, but not other work related expenses, to be deducted before computing an individual's earned income;

Demonstration projects: Broadens and makes more explicit the provision of law relating to State demonstration programs so as to permit States to achieve more efficient and effective use of funds for public assistance, to reduce dependency, and to improve the living conditions and increase the incomes of persons on assistance;

Quality control and incentives to reduce errors: Establishes a program of fiscal incentives as part of the AFDC quality control program to encourage States to reduce errors; provides that States which have dollar error rate of, or reduce their dollar error rates to, less than 4 percent but not more than 3.5 percent of the total expenditures would receive 10 percent of the Federal share of the money saved as compared with Federal costs at a 4 percent payment error rate;

Access to wage information for AFDC verification: Allows States to acquire accurate wage data from earnings information in records maintained by the Social Security Administration and State employment security agencies; and authorizes the Secretary of HEW to establish necessary safeguards against improper disclosure of the information.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. DOLE. Mr. President, I want to thank my colleague for that exchange. It is very constructive.

Mr. McCLURE. Will the Senator yield?

Mr. DOLE. I promised to yield to the Senator from Wyoming, but I will be happy to yield for a moment.

Mr. McCLURE. I just wanted to observe that there are some Members of the Senate who forget. They get confused that decibels and logic are interchangeable. To yell louder or more persuasively does not change the facts any. It may be more entertaining. I am sure that is part of the problem.

People of this country are not expecting such great debaters as they are expecting concrete action from us. I am afraid that sometimes around here late in the day it gets a little boring, and we depart a little from the usual practices of debate on the floor. Some Members sometimes raise their voices in that process because they want to wake up the press gallery.

None of us, of course, would ever care about the press gallery.

Mr. DOLE. They are awake.

Mr. McCLURE. I meant whether or not they are here. I do not want to put them back to sleep. Maybe the Senator from New York will entertain us again and we will wake up the press galleries again just in time for the Senator from Wyoming to make his speech.

Mr. MOYNIHAN. I would be happy to read the voting record again. I can read it very quietly.

Mr. DOLE. I do not want to offend the press. They are not asleep. It is just that what they write puts you to sleep, but we will not go into that.

I do want to yield to the Senator from Wyoming who has a statement.

I would say to my colleagues that I do not believe we will vote on this today. I think the measure ought to be fully discussed for the next several days so that the American people understand we have two courses to follow.

One would be to pass some resolution that might not be meaningful but that would lead the American people to believe that we have somehow addressed the problem in the U.S. Senate. The other would be to discuss fully the real problems of social security, including how young people feel about social security and the fact that 70 percent in the age group from 18 to 30 do not even think there will be a system when they retire because we have not faced up to the problems. Again, I suggest that we cannot all agree on how we do that.

Mr. President, this Senator believes we can make some basic reforms in the program and we believe we shall have bipartisan support for those basic reforms. I hope we keep that in mind as we debate the issue.

I ask unanimous consent that I may yield to the Senator from Wyoming without losing my right to the floor. Then I shall be happy to respond to questions.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Chair recognizes the Senator from Wyoming.

Mr. SIMPSON. Mr. President, I wondered if the Senate might have gotten caught in that windmill of activity there from the arm waving. That is the way we drive windmills in Wyoming, too. I have listened to this debate on the communications system and I want to address just about 4 minutes of remarks to it.

It is interesting to hear the debate as we grapple with this issue of retirements. I know, because I chair the Veterans' Affairs Committee and the problems there are going to be significant with regard to a freeze on compensation and pension. I admire the courage of the Senator from Kansas, the canny Senator from Kansas, who does an extraordinary job in this area.

Mr. President, in those 2 or 3 minutes of remarks of mine in these last weeks and months as I have addressed the issue around the country, wherever I may be, I say to people something rather simple: Let us say that you simply got rid of every Republican left in the U.S. Senate and you got rid of every Republican left in the House of Representatives, and you got rid of the Republican President. What are you then going to tell the American people about who is to blame about social security?

What an extraordinary, larded system it is. There is no slot machine in Nevada that will ever pay off as it will, with all the bars. An extraordinary thing. Here it is: You start in the social security system in 1973, pay the maximum contribution, retire after a full lifetime, and you get it all back in the first 18 months. Is anybody else paying off like that in the country? Show me the plan.

Mr. RIEGLE. Will the Senator yield?

Mr. SIMPSON. No, not at this time, I will not yield. I have a very short period of time, then you can splatter it around.

How about this one? When you pay in 1 buck, you get out 5½ bucks. That is the way the system is weighted now: for every buck in you get out 5½. There were 90 people paying in 40 years ago. Now there are 3.3 paying in and one taking out. In 40 years, there will be two paying in and one taking it out. You really do not have to be a mathematical whiz to figure out where that is going to go.

Do not worry about the old people in social security, worry about the guy who is 30 years old who watches us posture on this issue in this Chamber and says, "What are you guys going to do?"

I had a terribly novel thought about the whole system. Let us take the best pension plan in America, private or public, you name it, or a consensus of that plan. Sweeten it 10 percent and call it the social security system. For then, the very first time in history, for heaven's sake, it will have reflected that you get out something in relation to what you pay in.

People are tired of the posturing and pin the tail and all the things that go on with regard to social security. They simply say, "Why don't you get off your duffs and do something instead of trying to use it as a device to get yourself reelected?"

Thank God for the commonsense of Americans. People, thank heaven, never believe what politicians have to say. I guess that is why the country has survived for 200 years. But I tell you, Mr. President, they can figure this one out. They do not have to be wizards to figure out where this system is going.

It is an absurd and ponderous system, perishing in its own great weight. And when it goes down as we gleefully talk about it in the political process and play political games with it, there will be no more joy in Mudville as there will in New York.

I thank the Chair.

Mr. RIEGLE. Will the Senator, now that he has finished, yield a moment? He raised a question.

Mr. SIMPSON. I do not have the floor.

Mr. DOLE. I am happy to yield for that purpose.

Mr. RIEGLE. I thank the Senator.

Mr. President, I do not want to be contentious with my friend from Wyoming. He asked if there are any other pension plans that pay off faster than the social security system. I think if he will check, he will find that the congressional retirement program pays off faster than the social security system. So there is at least one that I am aware of.

That is something that I think is some cause for embarrassment. There is at least one and it is that one.

Mr. SIMPSON. Mr. President, I ask the Senator from Michigan if he voted to support the pension plan of the U.S. Senate and whether he intends to enjoy the benefits at the conclusion of his tenure here?

Mr. RIEGLE. I can say to the Senator that that pension plan, when it was established, was done long before I came and long before the Senator from Wyoming came. I have no way of knowing what its precise history was in the beginning.

I raised the point because he made an assertion of fact that I think is incorrect. I wanted to add that because I think it corrects the statement made earlier.

Mr. SIMPSON. Mr. President, I still inquire if I may have a response to the latter part of my question as to whether the Senator from Michigan will be enjoying the benefits of that pension plan at the conclusion of his tenure?

Mr. RIEGLE. Well, we shall see if he will or not.

Mr. MOYNIHAN. If the Senator will yield, may I suggest that the Senator from Michigan will be in the body so long he will never have the opportunity to draw a pension. His widow might.

Mr. SIMPSON. Mr. President, I may well not have that opportunity after I

cast my vote in the area of social security.

Mr. RIEGLE. Will the Senator from Kansas yield to me for a brief comment I would like to make on the rest of this issue, or would he prefer that I wait until he yields the floor?

Mr. DOLE. If I may make one other comment, I shall be happy to yield the floor, because I believe we have exhausted this subject, and everyone else, if not ourselves. I think this needs more discussion. In fact, this discussion will be very helpful when we meet Monday afternoon in the Social Security Commission. We will see what the Commission members think of the resolution. Maybe that would be one way.

Perhaps the more responsible approach would be to discuss this at length until those who proposed it come up with the way they intend to deal with social security. Maybe we should speed up the Commission's work.

There are some very basic facts about social security which should be in the record. I shall take just a minute and then yield the floor. The social security cash benefit programs—old age and survivors insurance and disability insurance—spent $145 billion in 1981. Spending on these programs will reach $163 billion this year. Including medicare, social security will spend $200 billion this year.

Benefits are provided on a monthly basis to retired workers and their dependents, disabled workers, and their dependents, and to survivors of deceased workers. All cash benefits are adjusted annually to reflect increases in the Consumer Price Index.

Thirty-six million people of all ages and more than 9 out of 10 of the Nation's elderly receive social security benefits. One-third of the people receiving social security benefits are under 65.

That is the benefit side.

The taxing side is there are 116 million people who pay social security taxes. They are going to pay about $2 trillion in social security taxes over the next decade. Workers pay a tax of 6.7 percent on the first $32,400 of covered earnings, with an equal amount paid by employers. For the self-employed, the rate is 9.35 percent.

As I mentioned earlier: For one-quarter of America's taxpaying households, social security taxes are higher than income taxes. If, as economists argue, workers end up paying the employer's share of the tax in the form of lower wages, 51 percent of taxpaying households pay more to social security than to the IRS.

The earnings base increases annually as average wages in the economy grow. The tax rate will be increased again because of amendments passed in 1977, as previously alluded to, and there are three more social security tax increases coming whether or not we do anything else. There is another tax increase for workers and employers in 1985, another tax increase for workers and employers in 1986, and another tax increase for workers and their employers in 1990.

I conclude today's discussion of this very important issue, very serious issue, very controversial issue, very sensitive issue, by suggesting that this Senator does not consider raising additional taxes on working people, on small business people, or on employers to be a good option. This Senator does not believe that going to general revenues is a good option.

I think we are faced with a set of very difficult choices, but I am convinced that, at the appropriate time, there are enough Republicans and Democrats in this body to make those difficult choices. That is the way it must be done, on a bipartisan basis. I hope, after we discuss this resolution for a few days, it is withdrawn, and we go on about the business of trying to bring down interest rates and lower taxes.

Mr. BAKER addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. BAKER. Mr. President, who has the floor?

Mr. DOLE. I just yielded the floor.

Mr. BAKER. Mr. President, all I want to do is inquire about how much more time we need on this measure. I had indicated earlier that we would conclude about 6 o'clock and perhaps have a brief period for the transaction of routine morning business. I have no desire to abbreviate the remarks that any Senator wishes to make, but I would like to know, as a matter of information.

Mr. MOYNIHAN. Mr. President, may I say that I have introduced a measure and have not yet had the floor to discuss it. I should like to do so for approximately 3 minutes.

Mr. BAKER. I thank the Senator from New York, the Senator from California, and the Senator from Michigan.

Mr. RIEGLE. I wish to speak for probably 4 minutes.

Mr. BAKER. All right. Mr. President, it does appear it will be closer to 6:30 than 6 o'clock, and I will plan to provide a brief time for the transaction of routine morning business.

I yield the floor.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. I thank the Chair.

Mr. President, I think we have had a helpful discussion today, and I am well prepared to have it carry over until Tuesday. But I felt it necessary to suggest that there were charges of partisanship that were not appropriate. In 1977, when the last basic changes in the system were made, 60 percent of the Republican Members of this body voted against those changes. That is not a very strong record of fiscal responsibility. It is not one we need raise, except if it is to be said that there is difficulty in the system, that somehow must be the failure of the Democratic Party. I offer the gentle thought that for generations the Republican Party was haunted by its opposition to social security when it was first proposed. Then it was thought that this opposition had died down. But now it has been brought back, Mr. President. And we hear things said that suggest an unfamiliarity with the principles of the system. We are suddenly hearing about social security for the truly needy. We heard today of a means test; some Members on the opposite side of the aisle suggested that the program should have a means test.

Social security is not a welfare system. It is an insurance system. People obtain their benefits by right. They are entitled to them, hence the term "entitlement."

It is not to be reduced to a question of who is the beneficiary of Government favor. This is an insurance system. It may be that the party that initiated it will in the end have to be the party that preserves it. Certainly that was so 5 years ago when the matter of refinancing came forward.

I would say to the chairman of the Finance Committee, for whom I have the greatest respect, as he must surely be aware, that in the early part of yesterday, when it was proposed to decrease social security benefits by some $14 billion, nobody on the Democratic side raised this issue. It was only when the proposal came back in the evening as $40 billion that we asked what had happened. I think we had a right to ask what had happened because no explanation had been given us, no consultation.

Mr. DOLE. Is the Senator directing a question?

Mr. MOYNIHAN. No; I was saying to the Senator, as a good friend and for whom I have the deepest regard, that he might want to know, when the first proposal from the chairman was presented yesterday morning that there were in effect tax increases, or benefit reductions anticipated at a measure of $14 billion over 3 years, not a word was said on our side of the table. But then at the end of the day, it was $40 billion, without consultation, without explanation. That required our objection, and that is what we have offered today and not more.

I say that it is a strange thing suddenly to hear the social security system depicted in terms that suggest it has never really been absorbed as an idea. It does not require a means test, as one gentleman said today. It is not something that should only go to the truly needy. It is an insurance system.

There are aspects of the social security system from which I hope no one receives any benefit whatever. It is a happy person who never receives medicare, is never in a hospital and a happy person who never receives disability insurance.

Mr. DOLE. Will the Senator yield for one comment about the 1977 vote?

Mr. MOYNIHAN. Yes.

Mr. DOLE. Again, I did not vote for the tax increases in 1977. I think many of us felt that that was a time we should have addressed structural reforms in the system rather than increasing taxes on working people and employers. But that is a different view. We were told if that bill passed we would be in good shape until the year 2030, as I recall. I think that is in the committee report.

Mr. MOYNIHAN. Right.

Mr. DOLE. And here we are 5 years later, three tax increases later for working people and employers, small business people, everybody, and we have further financial difficulty.

Mr. MOYNIHAN. That we do.

Mr. DOLE. We did make one major change, though, in 1977. We decoupled. that was a basic change.

Mr. MOYNIHAN. Correcting a mistake.

Mr. DOLE. That is one this Senator supported in the committee—and a very tough vote, I might add.

But, again, I believe we can find out from the Budget Committee where the additional figures came from. I do know that in this group of 17, where there were 12 Members of Congress, 5 from the Senate and 7 from the House, we discussed the solvency test for social security. We even discussed establishing a commission patterned after the Pay Commission which would determine what the rate of increase should be each year. We discussed it in a number of meetings. As this Senator said earlier, there was never a partisan reference, however. We knew how touchy social security was and is. It is like yelling "fire" in a crowded theater even to mention social security in the Finance Committee.

So certainly I do not quarrel with anybody's right to have a different view. I had a different view in 1977. But I hope we can resolve the real problem, and that is by making basic changes. That cannot be done in the Budget Committee. That must be done in the Senate Finance Committee. The Senator from New York is on both committees and is going to have a very important role to play. I thank the Senator.

Mr. MOYNIHAN. I thank the distinguished chairman.

Mr. President, I believe the Senator from Michigan wishes to speak on the matter but that concludes our particular debate today.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. RIEGLE. Mr. President, I wish to make two points at the conclusion of this debate.

First of all, there are Senators who now serve in the Senate on the other side of the aisle who have gone before committees of Congress and have formally proposed that the social security system be dismantled and abolished. That concept, I think, permeates the thinking of a lot of people in the Reagan administration. I do not know what the President's personal views are on it. I have doubts about it. I have doubts about his belief in the system and about his views as to how necessary the system may be to the country and to the people who have needs it helps meet.

I am convinced in my mind that this administration, through a series of initiatives, is out to dismantle a large part of the social security system.

Other Senators, including those on the floor now—whether or not it be the chairman of the Finance Committee—can say they have a different opinion and do not think that is their purpose. That is fine. That is his view, and he is entitled to it. I am expressing my view.

I am convinced that there are a number of people in this administration who are intent on dismantling as much of social security as they can.

I cite again the effort to eliminate the minimum benefit under social security, the attack last year on COLA, the attack on the COLA adjustments which was carried out in the Senate Budget Committee, the proposal of the administration for the 40-percent reduction in the early retirement benefit, and now the President signing on last night with this unspecified $40 billion cut over the next 3 years in the social security system, to land on whoever it might land on. We do not know who will be hurt. It is unspecified at this point.

It reminds me of the philosophy I heard expressed back in the days of the Vietnam war, when some of the same people who are in this administration were involved in a policy in Vietnam that was characterized at one point by the need to destroy villages in order to save them. I think that is what is happening here. What we are seeing is an effort by a number of people to destroy the social security system in the name of saving it. Whether their motives are correct ones in the sense that they do not mean to have the effect of destroying it, or whether their motives are such that it is their intent to destroy it, as I am convinced it is with some, nevertheless, the effect is the same.

I think that the sustained attacks on social security make it clear that there are those in this administration who, in fact, do want to dismantle and do away with as much of social security as they can.

I think the seniors of this country and those who believe in the social security system and who are not of an age that they are receiving payments from the social security system should inundate Washington—this Congress, this President—with letters as to their feelings about the social security system; because I do not think the President has gotten the message yet and I do not think the leaders of his party have gotten the message yet as to how the people of this country feel about social security.

We have had a lot of commentary today about all the defects of the system, that people in this age group or that age group do not support the social security system. I think what we need is literally thousands and tens of thousands of letters coming to Washington, if that is what it takes, to wake people up to the fact that this program does have broad public support, does meet the needs of people; that it is sound, that it is necessary, that it has to be maintained, that it should not be attacked, that it should not be dismantled, that it should not be taken apart piece by piece

When any Senator comes to the floor and sheds big crocodile tears about the fact that the social security system for some people who have been in it in fact returns more in benefits than a person has paid in over a period of time—and there are other illustrations of people who pay in and never collect a dime—one cannot generalize here in terms of anything that has any real meaning with respect to all the individual cases across the country.

But, rather than come in here and shed big crocodile tears about the meager benefits people receive under social security, if somebody wants to do something about dealing with the abuse of retirement programs, let us deal with the abuses of the congressional retirement program, because the congressional retirement program pays out money far greater when measured against the percentage contributed than does the social security system.

So if somebody wants to come in and talk about the fact that the social security system is too lavish because people get too much in the way of benefits—which I think is nonsense, and I refute that notion—let them come in first to clean up the congressional pension plan. Let us do something about that, and I will help them do it, because I think the congressional pension payments are too lavish and I do not think they are justified.

If you want to talk about a big, unfunded liability, look at the pension liabilities that are building up for Members of Congress. Yes, if we want to

talk about the problem, let us talk about it; but let us talk about it where the problem is far worse, and that is in the pensions that the Members of Congress afford themselves, and where in fact we have lavish public financing.

Talk about general revenue financing: we have plenty of it in the congressional retirement system. If we are going to go after a retirement system, let us start at home. Let us deal with that and put it on a pay-as-you-go basis. Once we have bitten that bullet, let us then go on to the question of people making windfall gains out of social security.

We 100 Senators from the 50 States talk to people in our States all the time, in a variety of situations. I believe I have talked with as many people in my State who are on social security as any other Senator. What I find in hundreds and thousands of cases is that I am talking to citizens in my State who are absolutely living in a destitute-type situation even though they are receiving social security benefits. Social security benefits do not provide any windfall for anybody, for the most part, if we are going to talk about averages across the country.

To suggest that a person who is living alone and receives a benefit of $100 or slightly more, or $200, is an abuse of the financial system and to say that people who have participated over the years and are eligible for payments should not receive benefits of that kind is avoiding the point. I think it is an act of personal and national selfishness.

Some illustrations were given here today by the Senator from Louisiana (Mr. LONG) when he asked who gripes the most about social security. Is it the working person, to use his illustration, who is earning from $30,000 a year, down to the lower income levels? They do not complain about it, because they know how vital it is to keep body and soul alive once a person reaches retirement age.

It would be nice if we had big pension plans across the country that covered every citizen. If the Government were willing to finance private pension plans for every citizen as lavishly as we dip into the Treasury to fund our own pension plan, we would be able to get the job done without social security, but we do not do that.

We practice a double standard around here. Congress is dipping in for a special living expense tax credit this year to the extent of $19,000 a year. It is unjustified, in my view. It is wrong, in my view.

We are in here crying and complaining about the financial stress the country is in and the big deficits, and yet we reach into the pot and grab something for ourselves. That was wrong. I do not see any people coming in here to deal with that inequity. It is a lot easier to come in and tee off on the senior citizens who are covered by social security.

Last year who was it the administration jumped on first—the people getting minimum benefits under social security, 75 percent or so were elderly women living by themselves who are living literally right at the margin of poverty. We finally restored that but not until we brought that issue up on the floor time and time and time again and finally forced the other side to back off on this issue.

When I see the people on the other side of the aisle who are gung-ho to cut another $40 billion out of the social security payments and protections for the next 3 years, when I see them come in here to do something about the congressional pension plan, to do something about undoing the tax break last year, then I will say I see the same standard being applied across the board. But we are not going to see that, and the country does not see it, and that is one of the reasons the country is disillusioned.

So I say let us defend the social security system and let us keep it intact and let us keep these protections intact.

When the vote comes I hope the people in the country will have taken account of what this is all about and the letters and the telephone calls will be coming in here and the colleagues on both sides of the aisle will decide to support this amendment by the minority leader and to put ourselves on record as protecting the benefits that we have committed ourselves in the past to provide for people and for which they have worked over a lifetime and contributing to and which they have a right to depend upon when they reach retirement age.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Kansas,

Mr. DOLE. Mr. President, I do not intend to engage in any further discussion with the distinguished Senator from Michigan. I thank him for his usual objective analysis of the problem.

Mr. RIEGLE. The Senator is quite welcome.

Mr. DOLE. Right; and I expect to hear that same speech at least 20 or 30 more times before the year is out. I just hope that when we get into tax legislation, the Senator from Michigan will be alert to some of the things we want to do as far as taking care of the people he mentioned.

If the Senator from Michigan wants to get into pension reform, that is going to be an issue in the tax bill itself. I assume he has been working on congressional pension reform ever since he arrived. He has been so eloquent about it today. I should think in 6 years he has developed a reform proposal.

But in any event, we do have a problem in social security. That problem is not going to go away simply because of speeches by the Senator from Michigan, although I understand the politics of it. Some of us do have to deal with the problem. We do not have the luxury of simply making speeches, we have to be responsible.

Mr. RIEGLE. Mr. President, will the Senator yield?

Mr. DOLE. About being responsible?

Mr. RIEGLE. Will the Senator yield for a question?

Mr. DOLE. Yes; I yield for a question.

Mr. RIEGLE. Why is it not as appropriate or more appropriate for us to deal with the abuses in our own pension program where it is substantially underfunded, as the Senator knows? The Senator knows that Members of Congress pay very little into the pension plan and get it all back very quickly, and they make a windfall gain over the next period of years and, as a matter of fact, the public is paying for that. Is the Senator willing to move on that first?

Mr. DOLE. First, I want to know the facts.

Mr. RIEGLE. Does the Senator not know the facts? The Senator should know the facts.

Mr. DOLE. This is not a matter the Finance Committee has jurisdiction over.

Mr. RIEGLE. I suggest the Senator take a look at it.

Mr. DOLE. As strongly as the Senator from Michigan feels about it, I am surprised he has not taken care of it by now. If the Senator has any influence at all he certainly would have solved that problem. But it is nice to raise it in a speech that might get a few headlines back home. I understand that.

But some of us have to deal with the social security problem. Some of us cannot just stand up and make endless speeches. We have to solve the problem. We have to solve it because some other people will not. They just make speeches.

If the Senator wants the social security system to go broke in 1983 then we do not do anything. We follow the Senator's plan. But that is not the plan that is responsible. If the Senator does not want the people in Michigan to have checks in 1983 or if he wants them to have delayed or reduced checks we will follow the Riegle plan which is no plan. You just continue to make lot of speeches to make a few headlines and let the people suffer.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. BAKER. Mr. President, I really do not want to interrupt Senators, but I had announced earlier that we were going to quit at 6 p.m. and it is soon going to be 7 p.m.

I still need a brief period for the transaction of routine morning business.

I wonder if we could continue the debate when we take the bill up again next week?

Mr. RIEGLE. Mr. President, will the majority leader yield for just a moment?

Mr. BAKER. Yes.

Mr. RIEGLE. It is only for this point. I will not delay it.

The Senator who just had the floor referred to my remarks as a Riegle plan. That is clearly not the case. I just want the record to show what I am asking for is a continuation of current law. So what I am asking for is the existing plan of the United States of America presently in effect. I am not proposing anything different from that, and I resent the characterization.

I thank the Senator.

The PRESIDING OFFICER. The majority leader.

ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, if no other Senator now seeks recognition to speak on the pending bill or any amendment thereto, I ask unanimous consent that there now be a brief period for the transaction of routine morning business to extend not past the hour of 7 p.m. in which Senators may speak.

The PRESIDING OFFICER. Without objection, it is so ordered.

TRIBUTE TO FORMER U.S. REPRESENTATIVE LEO O'BRIEN

Mr. STEVENS. Mr. President, on Friday, the Nation will pay its respect to Congressman Leo O'Brien who died earlier this week. Alaskans, in particular, remember with special fondness this New York Congressman, who was one of our strongest advocates and leaders in the fight for statehood.

It was more than 20 years ago, when, as chairman of the House Subcommittee on Territorial and Insular Affairs, Leo O'Brien played a key role in laying the groundwork and steering the Alaska statehood bill through Congress. As legal counsel for the Department of the Interior at that time, I had the privilege of working on that bill with this dedicated and fairminded American, who we dubbed the "Quarterback of the Alaska Statehood Act"

Leo O'Brien lived to see Alaska begin to fulfill the promise of greatness he saw in our State. He foresaw that economic benefits from Alaska's natural resources and mineral wealth would flow throughout the entire Nation, but at the same time perceived that the rest of the country would have to help solve the complex problems involved in the development of the Nation's 49th State.

"We have taken to us a new brother but he must be helped as he struggles with the immense new problems of statehood," O'Brien said at the time, adding "But, I am sure, every ounce of help we give Alaska, financial or otherwise, will be repaid in pounds or even tons."

It was not just the future economic benefits for the Nation that motivated Congressman O'Brien; he was equally concerned that the Americans living in the far north territory be treated fairly and equitably as they were admitted into the union.

Leo O'Brien was a man of great humanity and vision. With his death, Alaska lost one of its best friends.

Mr. President, in 1958 when Alaskans came to Congress to seek support for the statehood bill, one of our prominent leaders that helped coordinate the valiant effort was the publisher of the Fairbanks Daily News Miner, Mr. Bill Snedden, a longtime, personal, and dear friend of mine.

I ask unanimous consent that the editorial Mr. Snedden printed in Wednesday's News Miner be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Tribute to Leo O'Brien

Alaska and Alaskans lost a great friend and leader Tuesday with the passing of Leo William O'Brien, 81, in Albany, N.Y.

A newspaper man who was first elected to Congress in 1952 representing the 30th District of New York State, Congressman O'Brien shortly became interested in contributions our then territory of Alaska could make to the United States by admittance as a full-fledged state.

Alaska's then delegate to Congress (and later United States Senate) E.L. "Bob" Bartlett worked closely with Rep. O'Brien when the New York congressman was elected chairman of the Subcommittee on Territorial and Insular Affairs. As chairman, Mr. O'Brien found that he had more control over Alaskan affairs than did Alaska's own delegate, or even Alaska's elected legislators and appointed governor. In addition to delegate Bartlett, a New Orleans businessman, George Lehleitner, who had no personal ax to grind other than being interested in simple justice for Americans living in Alaska, started working closely with a small group of dedicated individuals who felt strongly that our great state of Alaska would make a substantial contribution to our United States when we could be admitted as a state of the union.

An informal, bipartisan dedicated group of Alaska's statehood advocates formed in the nation's capital—all of whom considered partisan politics secondary to the best interests of our country. Included were the then legal counsel for the Department of Interior, Ted Stevens, now Alaska's senior United States senator; and another newspaper man, Secretary of the Interior Fred Seaton. This group along with the elected "Alaska Tennessee Plan Congressional Delegation" of William A. Egan, Ernest Gruening, and Ralph Rivers, worked closely and effectively in laying the groundwork for the political strategy which would result in enactment of the Alaska Statehood bill.

Congressman O'Brien played a very important key role when he introduced the Alaska bill, steered it successfully through committees and later was the general commanding our forces in the House floor fight over enactment of the bill.

Several times previously bills to grant statehood for Alaska had been introduced, but none had passed through the many barriers involved before approval by both houses of Congress. Rep. O'Brien truly made history when he steered the Alaska bill through the House of Representatives. Later his identical bill went through the United States Senate, with no amendments, and received final approval in that body on June 30, 1958.

O'Brien was born in Buffalo, graduated from Niagara University and then moved to Albany, where he spent the next 30 years in journalism, working for a total of 15 newspapers.

Alaskans owe a debt of gratitude to several key people responsible for enactment of the statehood bill. Many important and vital roles were played by various individuals. However, the initial catalyst of the Alaska Statehood movement in the United States House of Representatives was a great American of vision whose dedication and ability set the stage for Alaska to become the 49th state or our Union of States:

Leo William O'Brien earned the respect, admiration and undying gratitude of all Alaskans. He will long be fondly remembered in our 49th state.

COSPONSORSHIP OF SENATE CONCURRENT RESOLUTION 89 IN SUPPORT OF THE U.S. FIRE ADMINISTRATION

Mr. BRADLEY. Mr. President, recently I joined Senator Glenn and 14 other Senators in cosponsoring Senate Concurrent Resolution 89, expressing the sense of the Congress that the U.S. Fire Administration should continue to develop its antiarson and fire safety programs in concert with State and municipal governments.

I have cosponsored this resolution to show my strong disapproval of the administration's proposals in the 1983 fiscal year budget to virtually abolish the U.S. Fire Administration. Minimal funds would be available to continue the National Fire Academy, but no money is proposed for the other research, technology, and management work of the USFA.

Mr. President, the Fire Administration has made important contributions to the public safety in fighting fires. It would be extremely unwise to abolish these programs. I am submitting for the informantion of my colleagues a short factsheet which briefly highlights some of the major accomplishments of the Fire Administration and the agencies which preceded the USFA. The contributions of the agency include the promotion of smoke detectors, the creation of improved firefighter protective clothing, an effective national attack on arson, and the improved collection and dissemination of fire information.

According to the 1980 national fire experience survey, over 6,000 persons were killed and over 30,000 injured as a result of fire in 1980. And, as bad as these statistics are, they do not adequately reflect the great human pain and suffering which continues to plague our Nation. Just a few days ago there were two fires in Hudson County, N.J., that killed 11 children and 5 adults. The story of these fires in Hoboken and Jersey City is just one more grim tragedy in a series of grim tragedies occuring across America. For the thousands of persons who are killed or injured in fires every year, we should not reduce our commitment to the U.S. Fire Administration.

In addition to these great losses in injuries and death, there are staggering economic costs. In 1980 fire caused over $3 billion of damage to residences and over $6 billion in total property loss. For the billions of dollars in property loss due to both general fires and arson, we should not reduce our commitment to the U.S. Fire Administration.

Across this Nation there are thousands of men and women who have made firefighting their profession. Approximately 10,000 professional firefighters live and work in my home State of New Jersey. For these brave individuals who put their lives on the line as part of their jobs, we should not reduce our commitment to the U.S. Fire Administration.

And, Mr. President, in addition to these professionals, there are several hundred thousand firefighters across this Nation and well over 50,000 individuals in New Jersey who not only put their life on the line to fight fires, but they do so on a volunteer basis.

Just 1 week ago in my State 76 volunteer fire companies responded to a series of three fires that swept through the pinelands. Were it not for their efforts, surely the loss of life and property would have been far more severe than it was.

For these extraordinarily courageous men and women who sacrifice much to fight fires as volunteers, we should not reduce our commitment to the U.S. Fire Administration.

In recent years we have made some progress in fighting fires. I ask my fellow Senators and colleagues to support this resolution so that this progress may continue.

I ask unanimous consent to print the factsheet in the Record.

There being no objection, the fact sheet was ordered to be printed in the Record, as follows:

Major Accomplishments of the U.S. Fire Administration and its Predecessors

1. The National Fire Academy, which trains the fire service leaders of tomorrow and develops and distributes state-of-the-art course work for regional, state and local fire training facilities. This year, the academy will have trained more than 15,000 students through its resident and field programs. By training the trainers, the Academy will be able to reach students at a rate of nearly 40,000 per year in 1983 and succeeding years.

2. Increased home use of Smoke Detectors, through development and dissemination of statistics on effectiveness and usage, targeted to particular audiences; reviews and analyses of relevant legislation; and prototype public education materials. When the USFA was formed, smoke detectors were installed in less then 5% of all households, but by 1982, that percentage had risen to well over 50%. The USFA's contribution to broadened use of smoke detectors has included production and promotion of over 50 reports, brochures, fact sheets, articles, prototype posters and decals, sample TV and radio public service announcements, and other materials, all targeted to particular detector issues and particular audiences. The USFA also has stimulated and coordinated smoke detector promotional efforts by dozens of private firms, service organizations, local fire departments and others.

3. An effective, affordable Home Sprinkler System. Two USFA research projects paved the way by assessing the market potential and obstacles to acceptance of home sprinklers, and their potential impact on the more than 4,000 fire fatalities and $2 billion in fire loss that occur in private dwellings each year. Other USFA projects provided the engineering breakthroughs needed to create a viable system. The USFA then organized and coordinated both the successful tests required to show that the system works and the effort to adapt the National Fire Protection Association's 13-D consenus standard to conform to the new technology. Major testing laboratories, such as Underwriters Laboratory and Factory Mutual Research Corporation, have approved for sale at least one company's version of the new system.

4. Improved Firefighter Protective Clothing in an integrated ensemble, proven capable of sharply reducing the current high rates of firefighter fatalities and injuries—160 to 175 deaths and 100,000 injuries per year. The new ensemble provides increased protection and mobility by reducing overall ensemble weight by 40% while adding only 25%-30% to the cost, relative to current gear. The new ensemble also provides better protection against heat, cuts, punctures and impact.

5. Improved Data on National Fire Problem, leading to improved Federal government and private sector decisionmaking and a better, more detailed public understanding of the size and nature of the fire problem. Data from more than 9,000 fire departments in 40 states and the District of Columbia, assembled in the National Fire Incident Reporting System, has been used in major ways by more than 20 companies, the Consumer Product Safety Commission, the Occupational Safety and Health Administration, the Department of Housing and Urban Development and several committees of Congress. The USFA responds to several thousand inquiries a year from federal agencies, the press, researchers, private citizens, private companies, industry associations and standards-setting organizations.

6. Increased State and Local Fire Problem Identification Capability, through participation in the National Fire Incident Report System (NFIRS), which provides greater standardization, sufficient detail for decision-relevant analysis, easy to use computer packages and training in analytic techniques. The USFA has provided hundreds of training sessions and answered tens of thousands of inquiries from state and local government officials. The USFA has documentation on dozens of major uses of USFA data in state and local government decisions, ranging from Washington State legislation on heating devices to a Dallas, Texas ordinance on roofing materials to the sprinklering of a public library in Bensalem Township, Pennsylvania.

7. National Attack on Arson. The USFA has developed and implemented a national strategy for coordinating federal, state and local public and private sector efforts to attack one of the nation's fastest growing crimes, which accounts for more than $1.5 billion a year in direct losses and nearly a quarter of all fires. Starting with the USFA's Report to Congress on Arson, the USFA's program has addressed all but one of the report's 67 recommendations, established Arson Task Forces in more than 250 communities, and initiated a Federal Arson Task Force which coordinates the initiatives of 12 Federal agencies involved in arson. These and other programs have produced significant impacts in many communities—an 18% drop in arson and suspicious fires in Phoenix, and a 50% drop in Seattle, coupled with a doubling of arrest rates, to mention a few. The USFA also operates the nation's most comprehensive Arson Resource Center.

8. Nationwide Public Education Network, whereby local experts and resources in public fire education are able to benefit from one another. Workshops in public fire education planning have been provided to fire service network representatives in all 50 states. Millions of children have been reached by the Sesame Street Fire Safety Education Program, and millions of adults have been reached by other USFA public education materials, producing documented increases in their fire safety knowledge and behavior.

9. Improved Fire Department Management Tools, including Fire Defense and Emergency Response Planning (Master Planning), and Municipally Sponsored Fire and Homeowners Insurance programs (MFI). Technical assistance on master planning has been provided to 138 communities; 48 communities in 45 states have already adopted plans; and more than a dozen of these have reported cost sayings or reduced fire problems as a result. The cost savings are in the millions of dollars and stem from such things as reduced insurance costs, improved station location and comprehensive fire prevention planning.

10. National Focal Point for fire protection. This was a need articulated in the 1973 report of the National Commission on Fire Prevention and Control. The USFA has provided this focal point, as demonstrated by the hundreds of fire departments that have sought to participate in its programs, the hundreds of testimonials provided to the USFA by the fire community, and the tens of thousands of inquiries received each year from groups of all kinds which look to the USFA for reliable information on the topics in which they are interested.

A MEMORIAL FOR FDR

Mr. BRADLEY. Mr. President, I was recently struck by an article which appeared in the American Oxonian by Bryce Nelson. The article, which I shall submit to the Record to be published in its entirety, questions the appropriateness of a large monument as a tribute to President Franklin D. Roosevelt.

Mr. Nelson suggests what seems to me to be a more fitting tribute—the preservation of "FDR's trees"—222 million trees planted from 1935 to 1942 as a part of the Prairie States forestry project.

I have asked that Committee on Environment and Public Works to examine the proposal of Mr. Nelson and I commend it to my colleagues as, perhaps a more appropriate reminder of the vision of our 32d President.

I ask unaminous consent that the article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

A Memorial for FDR

(By Bryce Nelson)

While crossing the Great Plains "Dustbowl" in July of 1932 as he sought the presidency, Franklin D. Roosevelt conceived the idea of planting large numbers of trees to reduce the wind erosion which was then killing the Plains.

FDR had seen with his own eyes the black blizzards of blowing topsoil and swirling sand which drove farmers off their land, stopped auto traffic at midday, and deposited dusty debris over cities as far away as New York and Washington, and on the decks of ships in the Atlantic.

"This is my baby," Roosevelt later said of the projet to plant 100-foot wide shelterbelts or windbreaks in long, east-west strips along farmers' fields to reduce erosion and to protect crops from the hot winds out of the south. Unlike many of man's grandiose schemes, this dream had practical result.

More than 222 million of "FDR's trees" were planted in the Prairie States Forestry Project from 1935 to 1942. From the Dakotas, these shelterbelts stretch south a thousand miles into the Texas Panhandle in a 200-mile wide belt in the transitional area between the Tallgrass Eastern Prairies and the Shortgrass Western Plains.

"Never before or since has man planted so many trees in so few years under such trying environmental conditions," wrote John R. McGuire, then chief of the U.S. Forest Service, in a 1976 foreword to an impressive study of Plains trees by Wilmon H. Droze, a Texas scholar.

FDR's trees have not only protected crops, livestock and humans from the high winds, the piercing winter cold and the scorching summer heat of the Plains, but they have also provided places for farm children to play, for families to picnic, for game animals and birds to flourish. These half-mile long rows of conifers and deciduous trees have provided unusual places of natural beauty and human refuge in a largely treeless region so sparse and lonely that early travelers called it the "Great American Desert."

The project's first tree, an Austrian Pine planted on the cotton farm of Horace E. Curtis 46 years ago this spring, survives as does the satisfied farmer who supervised the planting of that first group of shelterbelt trees five miles west of Willow in southwestern Oklahoma. Many of the other shelterbelt trees—a living memorial to one of man's most ambitious efforts to temper nature—still stand, but time is taking its toll.

Given very little national attention since FDR's death in 1945, the shelterbelt project has become a program of largely forgotten trees.

While the trees were planted with Federal financial assistance, the plantings were done on private land with maintenance left to individual farmers. As the memory of the duststorms of the "Dirty Thirties" has faded, many farmers and agri-business operators have allowed their shelterbelts to deteriorate. As these windbreaks lose efficiency in shielding crops and farmhomes, high costs pressure some farmers to bulldoze the shelterbelts and plant crops in the cleared land. There is little educational work to inform farmers of the benefits of keeping these trees.

"It's not that people on the Plains don't appreciate trees," explains David F. Van Haverbeke, a research forester in Lincoln, Nebraska. "There just isn't any cost-sharing program to give a lot of farmers the economic incentive to keep them up."

As all too many of FDR's trees are bulldozed and burned, Washington officials, mostly unaware of the shelterbelt project, discuss what kind of memorial the nation should have to honor the 32nd President. Congress approved an FDR memorial 28 years ago, but the nature of the memorial has been hotly debated ever since.

The chairman of the FDR Memorial Commission, Eugene J. Keogh, formerly a Democratic Congressman from New York City, has been trying to persuade Congressional authorizing committees to hold hearings on a revised plan by landscape architect Lawrence Halprin to build the FDR Memorial on the western edge of the Tidal Basin near the Jefferson Memorial in Washington.

This revised $23 million plan is a scaled-down version of a $50 million Halprin design. In the latter part of the Carter Administration, Secretary of the Interior Cecil D. Andrus announced that administration's opposition to this more elaborate plan. Andrus said that its construction and operating costs "are remarkably high" and added that "President Roosevelt himself made it very plain that he did not want a large, costly monument erected to his honor in Washington." The sole monument to FDR in Washington is a simple marble stone on Pennsylvania Avenue near the National Archives.

Andrus emphasized that he understood the desire among FDR's many admirers for a suitable memorial by the time of the 100th anniversary of FDR's birth—January 30, 1982—and suggested the renaming of a park in Washington. "As a leading conservationist, and a celebrated planter of trees on his estate at Hyde Park, N.Y., he surely would believe such recognition appropriate if he were among us today," he said.

On the Plains, however, FDR's trees are already in place and bringing benefits. With a little extra effort, the nation could come to regard these shelterbelts as a suitable living memorial to that "celebrated planter of trees." Now, there is neither a center where the history and purpose of the shelterbelt project is explained nor even highway historical markers pointing to the existence of these trees.

Even if Congress did not want to fund a historical center on the Plains to explain FDR's trees, it might spare something to make education on the shelterbelts available and to give farmers some economic or tax incentive to renovate existing shelterbelts and to plant more trees where needed. The nation would regain manyfold whatever was spent on such a plan in the form of sustained agricultural productivity and protection of necessary farmland, especially important now that large parts of the Plains face another potentially devastating period of drought.

Trees meant a lot to FDR; he listed his occupation as "tree grower" when registering to vote in New York, William R. Emerson, director of the Franklin D. Roosevelt Library at Hyde Park, points out. "The planting of these shelterbelt trees was very close to FDR's heart," says Emerson. "Nothing except the rebuilding of the Navy was so close to his life and concerns. Attention to these shelterbelt trees would be the most seemly observation of the 100th anniversary of his birth in 1982."

While it might seem a bit unusual to advocate a memorial to a Democratic president during a frugal, Republican administration, many remember that Ronald Reagan supported FDR throughout Roosevelt's lifetime and that, even in the 1980 campaign, Reagan often wrapped himself in FDR's words and memory. In fact, he often seemed more aware of the importance of FDR's legacy than did his Democratic opponent.

It somehow seems possible and fitting that President Reagan could lead in designating a living memorial to a president whose wisdom helped sustain farmland in Reagan's native Midwest and whose economic initiatives helped Reagan's own family survive in Illinois during the Great Depression of the Thirties.

FEDERAL STUDENT FINANCIAL ASSISTANCE

Mr. BURDICK. Mr. President, the concerns regarding Federal student financial assistance are ongoing. The speculation about the size of the proposed cuts and the possible changes in student eligibility make it difficult for both students and institutions to plan for the future.

That funding for education is a wise and necessary investment in the future is widely recognized We need more scientists, more engineers, more technicians, more computer operators. We need a highly educated citizenry to make the wheels of this very technological, post-industrial society turn. It takes 20 years to provide this kind of education. Cuts now cannot be made up later. Education lost now is lost forever.

Cutting education in order to pay for military programs, as this administration is proposing to do, is like cutting off our nose to spite our face—for an educated citizenry, in itself, is one of our best defenses. Not only do we need an educated military to operate and maintain the complex equipment we now have, but the better educated American workers are, the higher their productivity and income. Each

young person who graduates from high school and earns an advanced college degree over a lifetime will earn and pay taxes on over half a million dollars more than someone who does not graduate from high school. Looked at from this perspective, the cuts proposed by the administration are terribly short sighted.

If the cuts proposed for 1983 by the administration are enacted, it is estimated that the amount of financial aid available in North Dakota would be cut $7.48 million for the 1983–84 school year compared to the 1980–81 school year. This reduction represents half of North Dakota's financial aid. Nearly 2,000 graduate students in our State would be denied guaranteed student loans and forced to apply for auxiliary loans—loans which are not expected to be available in North Dakota even if students could afford the 14-percent interest and in-school interest payments.

The administration has stated that the current high level of guaranteed student loan subsidization inflates the level of Federal credit activity in the economy and thus contributes to high interest rates. The logic of this assertion fails me. Were it not for the high interest rates, the subsidy would not need to be at such a high level. The GSL program does not cause high interest rates, but this administration's high interest rates are a devestating factor in the student loan program. The Congressional Budget Office has indicated that a 1-percent drop in interest rates will lower guaranteed student loan costs from $200 to $250 million.

The director of the student financial assistance program in North Dakota, Mr. Clark Wold, has made several important points about the state of the financial assistance program which I wish to bring to the attention of the Senate. He points out that the several programs must work in conjunction with each other. The administration has been slow to finalize regulations for the Pell grant program. Students who are attempting to obtain financial aid in the form of grants cannot be expected to seek aid in the form of loans until the direct aid is finalized. The point is, a delay in implementation of certain programs renders the other programs ineffective. This is simply another method of making student aid less accessible.

I believe Mr. Wold's other remarks are timely and worthy of consideration by Members of Congress and by members of the administration. Mr. President, I ask unanimous consent that Mr. Wold's letter be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

North Dakota State
Board of Higher Education,
Bismarck, N. Dak., April 20, 1982.

Hon. Quentin Burdick,
U.S. Senator,
Russell Office Building,
Washington, D.C.

Dear Senator Burdick: I should like to thank you for your part in the passage of the continuing resolution signed on March 31, 1982. As a result of that action five of the six major student financial assistance programs are now final. Institutions have been notified of their tentative allocations for SEOG, CWSP, and NDSL, and as soon as the Pell Grant payment schedule and regulations are available, we should be able to inform students as to the disposition of their applications for student financial assistance.

While the funds for these programs as well as State Student Incentive Grants are final, there remain several areas of concern for students and student financial aid administrators alike. Perhaps the most significant is the supplemental appropriation for the Guaranteed Student Loan Program. While we certainly support the supplemental, we would ask you to resist any efforts to amend the Guaranteed Student Loan Program itself through the appropriations process.

Timing is not only a critical factor in the Pell Grant Program, but is fast becoming an issue with speculation about the Guaranteed Student Loan Program. Assuming that amendments were to be made, it is likely that a mid or late summer effective date would be chosen. Such a date would for all practical purposes halt the flow of Guaranteed Student Loan applications until that time. Processing would then be backed up for weeks, thus preventing students from receiving their checks for fall term in a timely manner. The August, 1981, effective date for the origination fee can serve as a reminder as to the problems such could cause.

I would suggest that the Guaranteed Student Loan Program be left alone for at least another year. The changes implemented as of October 1, 1981 haven't even been tested for an entire cycle yet. Even though we know the $30,000 cap will slow Guaranteed Student Loan volume, it needs at least a one year cycle to test its effectiveness in slowing loan demand.

I would suggest, too, that the cost of the Guaranteed Student Loan Program is not a fault of the program, but rather of high interest rates. Data from the Congressional Budget Office reveals that a one percent drop in interest rates will lower Guaranteed Student Loan costs from $200–250 million.

I cannot support raising the origination fee from five to ten percent as a cost savings mechanism. While it may save dollars in the short run, students will have to borrow 10 percent more to be able to yield loan proceeds sufficient to meet their costs. Over the long run, then, paying interest on the larger loans may be counterproductive.

Finally, as the Fiscal Year 1983 budget comes into focus, we stand ready to react to the proposed cuts that may affect student financial assistance in particular and education in general.

Thank you for your continued support.

Sincerely,

Clark J. Wold,
Director, Student
Financial Assistance Program.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the ACTING PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT OF THE COMMODITY CREDIT CORPORATION FOR FISCAL YEAR 1981—MESSAGE FROM THE PRESIDENT—PM 133

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Agriculture, Nutrition, and Forestry:

To the Congress of the United States:

Pursuant to the provisions of Section 13, Public Law 806, 80th Congress, I hereby transmit the report of the Commodity Credit Corporation for the fiscal year ended September 30, 1981.

Ronald Reagan.

The White House, *May 6, 1982.*

REPORT ON DEVELOPMENTS CONCERNING THE NATIONAL EMERGENCY WITH RESPECT TO IRAN—MESSAGE FROM THE PRESIDENT—PM 134

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Banking, Housing, and Urban Affairs:

To the Congress of the United States:

Pursuant to Section 204(c) of the International Emergency Economic Powers Act (IEEPA), 50 U.S.C. Section 1703(c), I hereby report to the Congress with respect to developments since my report of September 22, 1981, concerning the national emergency with respect to Iran that was declared in Executive Order No. 12170 of November 14, 1979.

1. The Iran-United States Claims Tribunal provided for in the Claims Settlement Agreement of January 19, 1981 has been established at The Hague in the Netherlands. Some 5,000 claims were filed with the Tribunal by the January 19, 1982, deadline. These included 2,795 "small" claims (less

than $250,000 each) of U.S. nationals and 18 "official" claims of the U.S. against Iran. Although the Tribunal has not yet completed its initial processing of all the claims, it now appears that there are, in addition, some 630 "large" claims, in the amount of $250,000 or more each, of U.S. nationals against Iran and as many as 1500 claims by Iran against the U.S. and its nationals. The Department of State, with the assistance of the Departments of the Treasury and Justice and other concerned government agencies, is coordinating the United States response to the Iranian claims and is preparing to assist U.S. nationals with claims against Iran.

2. Four important issues, concerning the $1 billion Security Account established in the Netherlands Settlement Bank to pay Tribunal awards, which were not resolved in negotiations with Iran were referred to the Claims Tribunal. Written submissions have been made and oral arguments have been heard. The Tribunal may decide these issues within the next few weeks. These issues concern (1) the disposition of the interest accruing on the funds in the Security Account; (2) indemnification of the Settlement Bank of the Netherlands and its parent, the Netherlands Central Bank, as manager of the funds deposited with the Settlement Bank, against any claims relating to the Security Account; (3) payment of the administrative fees of the Settlement Bank; and (4) payment of settlements with U.S. claimants worked out directly between the U.S. claimants and Iran.

3. Since my report submitted to Congress last fall, there have been no major regulatory amendments or transfers of assets by or through the U.S. government under the January 19, 1981 agreements with Iran. However, I attach herewith three excerpts from the *Federal Register* that deal with the Iranian Assets Control Regulations. The first is a notice reminding U.S. account parties, on whose behalf standby letters of credit were issued by U.S. banks in favor of Iran or Iranian entities, of the January 19, 1982 deadline for filing claims with the Claims Tribunal. The second is an amendment to the Iranian Assets Control Regulations which amends the licensing procedure for account party establishment on company books of substitute blocked accounts in favor of Iran, in lieu of payments by banks to Iran under standby letters of credit in favor of Iran. The amendment provides extra time for obtaining a license or for establishment of such substitute blocked accounts by account parties in cases involving court orders barring payments to Iran under standby letters of credit.

Also attached is the amendment to the Iranian Assets Control Regulations that appeared in the *Federal Register* on December 7, 1981. It required U.S. banking institutions to register with the Office of Foreign Assets, Department of the Treasury, if they intended to assert claims against the escrow account at the Bank of England that was established with the deposit of $1.4 billion in January 1981. That account was established pursuant to Paragraph 2(B) of the January 19, 1981 Undertakings of the Governments of Iran and the United States, primarily for the purpose of paying non-syndicated debt claims of U.S. banks against Iran. The list of banks that registered was provided to Iran to facilitate the settlement of those bank claims against Iran.

4. Over the last six months, there have been several technical discussions with officials of Iran in The Hague concerning various aspects of the implementation of the agreements of January 19, 1981. These meetings have contributed to a better understanding of the differences between our two governments and the ways in which they might be resolved. We are continuing to explore ways in which the Tribunal's arbitral process can be made more efficient.

5. Several financial and diplomatic aspects of the crisis with Iran have not yet been resolved and continue to present an unusual and extraordinary threat to the national security and foreign policy of the United States. I shall continue to exercise the powers at my disposal to deal appropriately with these problems and will continue to report periodically to Congress on significant developments.

Ronald Reagan.

The White House, *May 6, 1982.*

ANNUAL REPORT OF THE FEDERAL PREVAILING RATE ADVISORY COMMITTEE FOR 1981—MESSAGE FROM THE PRESIDENT—PM 135

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Governmental Affairs:

To the Congress of the United States:

In accordance with Section 5347(e) of Title 5 of the United States Code, I hereby transmit the 1981 Annual Report of the Federal Prevailing Rate Advisory Committee.

Ronald Reagan.

The White House, *May 6, 1982.*

MESSAGE FROM THE HOUSE

ENROLLED BILL SIGNED

At 1:47 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the Speaker has signed the following enrolled bill:

S. 2244. An act to give effect to the Protocol Amending the Convention for the Preservation of the Halibut Fishery of the Northern Pacific Ocean and Bering Sea, signed at Washington, March 29, 1979.

The enrolled bill was subsequently signed by the President pro tempore (Mr. Thurmond).

ENROLLED BILL PRESENTED

The Secretary reported that on today, May 6, 1982, he had presented to the President of the United States the following enrolled bill:

S. 2244. An act to give effect to the Protocol amending the Convention for the Preservation of the Halibut Fishery of the Northern Pacific Ocean and Bering Sea, at Washington, March 29, 1979.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-3398. A communication from the Administrator of the Rural Electrification Administration transmitting, pursuant to law, notice of approval of a guaranteed non-REA loan in the amount of $55 million to Sam Rayburn G. & T., Inc., San Augustine, Tex. for new generation facilities; to the Committee on Agriculture, Nutrition, and Forestry.

EC-3399. A communication from the General Counsel of the Department of Defense transmitting a draft of proposed legislation to provide for a Department of Defense Military Retirement and Disability Fund; to the Committee on Armed Services.

EC-3400. A communication from the Assistant Secretary of the Army for Installations, Logistics, and Financial Management transmitting, pursuant to law, a report on a decision made to convert the refuse collection and disposal activity at Fort McPherson, Ga., to performance under contract; to the Committee on Armed Services.

EC-3401. A communication from the Acting Director of the Defense Security Assistance Agency transmitting, pursuant to law, a report on a foreign military sale to Greece; to the Committee on Armed Services.

EC-3402. A communication from the General Counsel of the Department of Defense transmitting a draft of proposed legislation to revise the entitlement to and adjustment of retired or retainer pay for members of the Armed Forces; to the Committee on Armed Services.

EC-3403. A communication from the Deputy Assistant Secretary of Defense for Administration transmitting, pursuant to law, notice that the Navy intends to exclude the Comptroller General from examining records of the contract with British Petroleum of Greece, Ltd., for delivery of aviation gasoline to the U.S. Naval Support Activity, Souda Bay, Crete; to the Committee on Armed Services.

EC-3404. A communication from the Acting Director of the Defense Security Assistance Agency transmitting, pursuant to law, notice that the Department has provided up to $80 million of emergency military assistance to El Salvador; to the Committee on Armed Services.

EC-3405. A communication from the Deputy Chief of Naval Material transmitting, pursuant to law, the semi-annual report for October 1, 1981 through March 31, 1982 on the Department's research and procurement actions of $50,000 and over; to the Committee on Armed Services.

EC-3406. A communication from the Secretary of Transportation transmitting, pursuant to law, a seventh annual report of the department on its activities related to administration of the Deepwater Port Act; to the Committee on Energy and Natural Resources.

EC-3407. A communication from the Secretary of the Interior transmitting, pursuant to law, a report for fiscal year 1981 relative to matters contained in the Helium Act; to the Committee on Energy and Natural Resources.

EC-3408. A communication from the Deputy Secretary of the Treasury transmitting a draft of proposed legislation to implement the Customs Convention on Containers, 1972; to the Committee on Finance.

EC-3409. A communication from the Deputy Director of the Office of Management and Budget transmitting three drafts of proposed legislation relating to Government contracting and procurement processes; to the Committee on Government Affairs.

EC-3410. A communication from the District of Columbia Auditor transmitting, pursuant to law, a report entitled "Revenue Estimates in Support of Fiscal Year 1982 Supplemental"; to the Committee on Government Affairs.

EC-3411. A communication from the Chairman of the Federal Home Loan Bank Board transmitting, pursuant to law, a report on its activities under the Government in the Sunshine Act; to the Committee on Governmental Affairs.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM-797. A joint resolution adopted by the House of Representatives of the State of Idaho; to the Committee on Agriculture, Nutrition, and Foresty:

"A Joint Memorial

"We, your Memorialists, the House of Representatives and the Senate of the State of Idaho assembled in the Second Regular Session of the Forty-sixth Idaho Legislature, do hereby respectfully represent that:

"Whereas, the concept to the land interchange program was originated under the Carter administration in 1980; and

"Whereas, the land interchange program between the Bureau of Land Management and the United States Forest Service is intended to interchange ownership of lands between the two entities; and

"Whereas, the land interchange concept is new and there has not been sufficient time for proper review and adequate input by the people who would be affected by the land interchange program; and

"Whereas, because the concept is new and the ramifications of any such interchange are unknown at this time, but such interchange could dramatically impact the citizens of the State of Idaho as well as the citizens of the remainder of the western states.

"Now, therefore, be it resolved by the members of the Second Regular Session of the Forty-sixth Idaho Legislature, the House of Representatives and the Senate concurring therein, that until the public has had time to consider the ramifications of any such land interchange and has had time to offer sufficient input to the agencies, a moratorium should be placed on any such interchange for a period of two years.

"Be it further resolved that the Chief Clerk of the House of Representatives be, and she is hereby authorized and directed to forward copies of this Memorial to President Ronald Reagan, the Director of the Bureau of Land Management, Bob Burford, the Director of the United States Forest Service, Max Peterson, the President of the Senate and the Speaker of the House of Representatives of Congress, and the congressional delegation representing the State of Idaho in the Congress of the United States."

POM-798. A concurrent resolution adopted by the Legislature of the State of Arizona; to the Committee on Armed Services:

"A Concurrent Memorial

"Whereas, the Soviet Union has exploited United States peace initiatives to build up its strategic and conventional warfare capabilities; and

"Whereas, this has given the Soviet Union the means to support increasingly bolder worldwide aggression; and

"Whereas, there is basis for concern that the Soviets have developed forces far exceeding their legitimate needs for self-defense; and

"Whereas, the Soviet Union has demonstrated an unwillingness to live by international law; and

"Whereas, the United States is the one world power that can stop Soviet expansionism; and

"Whereas, the general principles of a national strategy of peace through strength would be:

"1. To inspire, focus and unite the national will and determination to achieve this goal of peace and freedom.

"2. To achieve overall military and technological superiority over the Soviet Union.

"3. To create a strategic defense and a civil defense which would protect United States citizens against nuclear war at least as well as the Soviets defend their citizens.

"4. To accept no arms control agreement which in any way jeopardizes the security of the United States or its allies, or locks the United States into a position of military inferiority.

"5. To reestablish effective security and intelligence capabilities.

"6. To pursue positive nonmilitary means to roll back the growth of communism.

"7. To help our allies and other noncommunist countries defend themselves against communist aggressions.

"8. To maintain a strong economy and protect our overseas sources of energy and other vital raw materials; and

"Whereas, it will take an enormous effort to achieve the adoption of a national strategy of peace through strength.

"Wherefore your memorialist, the Senate of the State of Arizona, the House of Representatives concurring, prays:

"1. That the President and Congress of the United States pursue and adopt a national strategy of peace through strength.

"2. That the State of Arizona does join and pledge its support to the campaign for peace through strength.

"3. That the Secretary of State of the State of Arizona transmit copies of this Memorial to the President of the United States, the President of the United States Senate, the Speaker of the House of Representatives of the United States and to each Member of the Arizona Congressional Delegation."

POM-799. A resolution adopted by the College of Chaplains urging the United States Government to adopt an immediate policy and practice not only of a nuclear arms freeze, but also of a nuclear arms reduction; to the Committee on Armed Services.

POM-800. A resolution adopted by the Iowa Lumbermans Association urging action to bring down mortgage and interest rates and to revitalize the housing, auto, and farm equipment industries; to the Committee on Banking, Housing, and Urban Affairs.

POM-801. A resolution adopted by the Home Builders Association of Victoria, Texas pledging no support for any party or candidate until a budget for fiscal year 1983 is approved by Congress with a deficit not to exceed 50 billion dollars; to the Committee on the Budget.

POM-802. A joint resolution adopted by the Legislature of the State of California; to the Committee on Commerce, Science, and Transportation:

"Senate Joint Resolution No. 40

"Whereas, The National Weather Service Fire Weather Program is a core element necessary to protect life and property in California and the United States, and any reduction in current levels of service would endanger the public and reduce the safety of fire line personnel; and

"Whereas, The proposed 1983 fiscal year budget for the National Weather Service contains drastic reductions from the current level of service, including the closure of 53 weather offices, staff reductions at 34 other offices, and the elimination of the agricultural weather program (including the fruit frost warning program); and

"Whereas, Proposed closures in California include the Fire Weather Offices at Redding, Eureka, and Fresno, and with staff reductions at offices in Los Angeles and Riverside; and

"Whereas, The impact on the California Department of Forestry will mean:

"(a) The department's ability to protect life and property in high hazard wildland fire areas would be greatly reduced, especially during periods of high fire danger weather.

"(b) Travel time for mobile units for special forecasts on large fires would be greatly increased and backup personnel unavailable, thereby greatly reducing effectiveness in controlling fires and increasing the destruction and loss from wildlife.

"(c) The department would have to rely on fire weather forecasts which cover large geographical areas, and fire managers would not have site-specific weather data to plan fire control activities, thereby reducing planning and fire control effectiveness.

"(d) The department would not have meteorological support for smoke, fuel, and chaparral management programs which can prevent major wildland fire losses; now, therefore, be it

"Resolved by the Senate and Assembly of the State of California, jointly, That the Legislature of California respectfully memorializes the President and Congress of the United States to fully fund the National Weather Service Fire Weather Program at existing budgetary levels; and be it further

"*Resolved,* That the Secretary of the Senate transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, to each Senator and Representative from California in the Congress of the United States, to each Senator on the Senate Appropriations Subcommittee on State, Justice, Commerce, and Judiciary, and to each Representative on the House Appropriations Subcommittee on Commerce, Justice, State, and Judiciary."

POM-803. A resolution adopted by the Interstate Mining Compact Commission recommending that the process of removing burdensome and counterproductive regulatory provisions be accelerated and extended to include consideration of amendments to Public Law 95-87; to the Committee on Energy and Natural Resources.

POM-804. A resolution adopted by the Interstate Mining Compact Commission applauding the efforts of the Office of Surface Mining to provide an effective State-led surface mining regulatory program; to the Committee on Energy and Natural Resources.

POM-805. A resolution adopted by the Interstate Mining Compact Commission urging the Secretary of the Interior to take appropriate action to make the American Mine Land Program effective; to the Committee on Energy and Natural Resources.

POM-806. A resolution adopted by the Interstate Mining Compact Commission supporting the proposed budget submitted by the Office of Surface Mining relating to titles IV and V of the Surface Mining Control and Reclamation Act of 1977; to the Committee on Energy and Natural Resources.

POM-807. A resolution adopted by the Interstate Mining Compact Commission urging acceleration of the transfer of regulatory power to the States in accordance with section 702(c) of Public Law 95-87; to the Committee on Energy and Natural Resources.

POM-808. A joint resolution adopted by the Legislature of the State of Idaho; to the Committee on Energy and Natural Resources:

A JOINT MEMORIAL

"Whereas, nuclear power was intended to be and was sold to American taxpayers as cheap, plentiful power; and

"Whereas, the inherent safety of nuclear power has been demonstrated over the last twenty-five years in terms of lack of fatalities, and is the safest form of power available; and

"Whereas, nuclear power is losing its acceptability because of extremely high costs associated with design, construction and regulatory problems, which high costs have forced the minimum economic size of nuclear power plants to above the 1,000 MW level, far too large for present application in Idaho or states of similar size; and

"Whereas, Idaho prefers nuclear power to coal, for environmental reasons, if it were economical; and

"Whereas, clean, stable, cheap nuclear power will stabilize energy costs; and

"Whereas, talent is available at the Idaho National Engineering Laboratory to pursue productive nuclear programs, and no state is more receptive to clean nuclear power than Idaho; and

"Whereas, without a continuous construction program, the need for research and development will eventually disappear, endangering further work at the Idaho National Engineering Laboratory.

"Now, therefore, be it resolved by the members of the Second Regular Session of the Forty-sixth Idaho Legislature, the House of Representatives and the Senate concurring therein, that we respectfully urge the United States Department of Energy and the Nuclear Regulatory Commission to initiate a program, preferably at the Idaho National Engineering Laboratory, to cut costs and standardize designs, and to design and standardize a low-cost nuclear reactor plant in the 500 MW range.

"Be it further resolved that the Chief Clerk of the House of Representatives be, and she is hereby authorized and directed to forward copies of this Memorial to the President of the United States, Ronald Reagan; the Secretary of the Department of Energy, James Edwards; the Chairman of the Nuclear Regulatory Commission, Joseph Hendrie; the President of the Senate and the Speaker of the House of Representatives of Congress, and the congressional delegation representing the State of Idaho in the Congress of the United States."

POM-809. A joint resolution adopted by the Legislature of the State of Idaho; to the Committee on Energy and Natural Resources:

"A JOINT MEMORIAL

"Whereas, the United States is facing a severe crisis in energy production; and

"Whereas, the technology now exists in this country to substantially solve this energy lack; and

"Whereas, the Northwest has been a leader in the development of hydroelectric energy, using nature's renewable resource; and

"Whereas, in most years more water flows in the reaches of the Snake River system than can be caught in the existing reservoirs, to be used for hydroelectric generation; and

"Whereas, the technology now exists in this country to capture the water flows for development into electricity without substantially damaging the environment and the ecosystem through the development of hydroelectric generating projects with a nameplate capacity of fifteen megawatts or less; and

"Whereas, these hydroelectirc generating projects can be installed and be productive in a shorter period of time than either a coal-fired or nuclear generating plant; and

"Whereas, the President of the United States has requested everyone to join in an attempt to make our county energy-independent; and

"Whereas, the people of Idaho support the full development of all safe, nonpolluting forms of electrical energy; and

"Whereas, the use of these hydroelectric generating projects can be and is easily integrated into the electrical power system; and

"Whereas, the federal government has, in many instances, developed stringent, time-consuming regulations and laws regarding the siting and licensure of these hydroelectric generating projects; and

"Whereas, the states can, in most instances, perform the same functions regarding siting and licensure of these hydroelectric generating projects as the federal government, at a reduced cost, while preserving the environment.

"Now, therefore, be it resolved by the members of the Second Regular Session of the Forty-sixth Idaho Legislature, the House of Representatives and Senate concurring therein, that Congress enact appropriate legislation which would give siting and licensing authority over all aspects of hydroelectric generating projects with a nameplate capacity of fifteen megawatts or less to the States.

"Be it further resolved that the Chief Clerk of the House of Representatives be, and she is hereby authorized and directed to forward copies of this Memorial to the President of the United States, the Secretary of the Department of Energy, the Secretary of Interior, the Secretary of Agriculture, the President of the Senate and the Speaker of the House of Representatives of Congress, and the congressional delegation representing the State of Idaho in the Congress of the United States."

POM-810. A joint resolution adopted by the Legislature of the State of Idaho; to the Committee on Energy and Natural Resources:

"A JOINT MEMORIAL

"Whereas, one of the foremost concerns of all Idahoans is the creation and retention of job opportunities; and

"Whereas, the Idaho National Engineering Laboratory contractors in Eastern Idaho are the largest private employers in Idaho, providing more than 8,000 jobs; and

"Whereas, some of the projects at the site are being completed with a potential loss of several thousands of jobs within the next five years; and

"Whereas, a Replacement Production Reactor (RPR) will create 3,500 new long-term jobs; and

"Whereas, the national defense of our country is of paramount importance; and

"Whereas, the Idaho National Engineering Laboratory has been involved for many years in nuclear testing for this defense; and

"Whereas, two replacement production reactors will be built to provide for advance weaponry; and

"Whereas, invaluable contributions to nuclear safety have been accomplished at the site; and

"Whereas, the steam generated from this project can be sold to a private utility which can generate 1,000 to 1,500 megawatts of low cost electricity; and

"Whereas, the solid support of the state's congressional delegation and state government officials and entities is beneficial in obtaining preference for this project.

"Now, therefore, be it resolved by the members of the Second Regular Session of the Forty-sixth Idaho Legislature, the Senate and the House of Representatives concurring therein, that we encourage the siting of this project at the Idaho National Engineering Laboratory and that the Department of Energy is requested to designate Idaho as the location for one of the reactors.

"Be it further resolved that the Secretary of the Senate be, and she is hereby authorized and directed to forward copies of this Memorial to the Secretary of Energy, James B. Edwards, the President of the Senate and the Speaker of the House of Representatives of Congress, and the congressional delegation representing the State of Idaho in the Congress of the United States."

POM-811. A resolution adopted by the Southern Governors' Association urging the improvement of facilities and strategies for marketing Southern coal; to the Committee on Energy and Natural Resources.

POM-812. A resolution adopted by the Nebraska Unicameral; to the Committee on Environment and Public Works:

"LEGISLATIVE RESOLUTION 256

"Whereas, multiple purpose dams and reservoirs in Nebraska and other states with interstate streams that enter Nebraska have provided numerous benefits for irrigation water supplies, hydroelectric power generation, flood control and protection, recreation, and fish and wildlife; and

"Whereas, the federal government has reaffirmed that the rights over use of water and priorities for such use shall remain the sole prerogative of the individual states; and

"Whereas, excessive federal regulations, restrictions, and requirements can adversely affect the rights of the states to water use, preferences, and priorities; and

"Whereas, operation of man-made dams in Nebraska and other states has been consistent with state and federal requirements and individual state priorities for the beneficial use of surface water; and

"Whereas, the federal Environmental Protection Agency has determined that dams should not be considered point sources of pollution to be made subject to additional stringent federal licensing and permit procedures under the federal Clean Water Act; and

"Whereas, the federal district court of the District of Columbia on January 29, 1982, ordered that the Environmental Protection Agency must designate dams as point sources of pollution; and

"Whereas, such designation will impose excessive restrictions, regulatory requirements, and costs on the operation and management of water projects involving dams, may lead to extensive future litigation, and may threaten future operations of dams for supplying water crucial to irrigation projects, hydroelectric energy production, and other beneficial purposes: Now, therefore, be it

"*Resolved by the members of the eighty-seventh legislature of Nebraska, second session:*

"1. That designation of man-made dams as point sources of pollution is not necessary and will impose excessive federal restrictions, requirements, and regulations on the operation of water projects to the detriment of the State of Nebraska and the United States; and

"2. That additional federal regulation of water projects poses a threat to the sovereignty of the states in their exclusive rights regarding water use, priorities, and beneficial purposes in the future; and

"3. That the Executive Branch of the United States Government is urged to appeal the January 29, 1982, decision of the federal district court of the District of Columbia, in the case of National Wildlife Federation vs. Anne Gorsuch, Administrator, U.S. Environmental Protection Agency; and

"4. That the United States Congress is urged to enact legislation to specifically exempt dams as point sources of pollution under the National Pollution Discharge Elimination System (NPDES) of sections 301(a) and 402(a) of the Clean Water Act and Federal Water Pollution Control Act Amendments of 1972, 33 U.S.C. sections 1311(a) and 1342(a) to clarify the application of the Clean Water Act to dams, to render null and void the decision of January 29, 1982, and to prevent future litigation to determine dams as point sources of pollution; and

"5. That the Clerk of the Legislature is directed to provide copies of this resolution with notification of its approval by the Legislature, to: All members of the Nebraska delegation serving in the U.S. Congress; the Secretaries, Majority Leaders, and Minority Leaders of the United States Senate and U.S. House of Representatives; the U.S. Secretary of the Interior; the U.S. Attorney General; the Administrator of the U.S. Environmental Protection Agency; the President of the United States; and the Governor of Nebraska."

POM-813. A resolution adopted by the Southern Governor's Association relating to the development of a regional water policy; to the Committee on Environment and Public Works.

POM-814. A resolution adopted by the Southern Governor's Association endorsing the completion of the Tennessee-Tombigbee Waterway; to the Committee on Environment and Public Works.

POM-815. A concurrent resolution adopted by the Legislature of the State of Minnesota; to the Committee on Environment and Public Works:

RESOLUTION

"Whereas, acid rain is becoming our number one environmental problem across the United States and Canada with a potential of destroying agricultural crops, forestry, aquatic life, and causing damage to structural buildings; and,

"Whereas, the long-range transport of atmospheric pollutants can cause acid rain far from the emission source and is a growing interstate and international problem; and,

"Whereas, current provisions in the Clean Air Act are not adquate to address the problems of acid rain, and present and future generations will be more adversely affected by delayed action; and,

"Whereas, acid rain contributes to the increasing levels of heavy metal concentrations in public reservoirs and waterways which can pose a potential threat to human health; and,

"Whereas, acid rain has destroyed aquatic life in lakes, retarded certain forest and agricultural crop growth, and corroded metals and public buildings and statues; and,

"Whereas, in the Voyageurs National Park and our own Boundary Waters Canoe Area, recent tests show high acidity in the lakes which scientists fear will cause serious damage to their whole ecosystems if the conditions remain unchecked; and,

"Whereas, the problem of acid rain is a serious threat to the tourism component of Minnesota's economy and the friendly relations with our neighbors in Canada; Now therefore, be it

"*Resolved by the Legislature of the State of Minnesota,* That the President and Congress should take immediate action to reduce the sources of acid rain by amendment to the Clean Air Act, or by separate legislation, and by providing adequate funding to the Environmental Protection Agency for monitoring and enforcement: Be it further

"*Resolved,* That the Secretary of State of the State of Minnesota is instructed to transmit certified copies of this resolution to the President of the United States, the President and Secretary of the United States Senate, the Speaker and Chief Clerk of the House of Representatives of the United States, to the Minnesota Senators and Representatives in Congress, and to the Ambassador of Canada to the United States."

POM-816. A joint resolution adopted by the Legislature of the State of Idaho; to the Committee on Environment and Public Works:

"A JOINT MEMORIAL

"Whereas, the United States District Court for the District of Columbia has held that the Environmental Protection Agency must issue regulations covering dams as a point source category under Section 402 of the Clean Water Act, P.L. 92-500; and

"Whereas, in the opinion in the case of '*National Wildlife Federal vs. Gorsuch*' issued on January 29, 1982, Judge Joyce Hens Greene ruled that certain water quality conditions associated with dams and reservoirs should be dealt with as a 'discharge' of pollutants prohibited by Section 301 of P.L. 92-500; and

"Whereas, Judge Greene has rejected the Environmental Protection Agency's long held position that the National Pollutant Discharge Elimination System does not apply to releases from reservoirs and the Court has held that the Environmental Protection Agency has violated a nondiscretionary duty in failing to regulate dams with NPDES permits; now, therefore, be it

"*Resolved by the members of the Second Regular Session of the Forty-sixth Idaho Legislature, the House of Representatives and the Senate concurring,* That P.L. 92-500 be amended to eliminate the application of NPDES permits to discharges from reservoirs; and be it further

"*Resolved* That the Chief Clerk of the House of Representatives be, and she is hereby authorized and directed to forward copies of this Memorial to the Secretary of State and presiding offficers of the Houses of the Legislatures of each of the other States in the Union, the President of the Senate and the Speaker of the House of Representatives of Congress, and the congressional delegation representing the State of Idaho in the Congress of the United States."

POM-817. A joint resolution adopted by the Legislature of the State of Idaho; to the Committee on Finance:

"A JOINT MEMORIAL

"Whereas, the United States Justice Department has filed an Amicus Curiae brief with the United States Supreme Court in the Chicago Bridge and Iron case opposing the unitary method of taxing multinational corporations;

"Whereas, this action reverses a United States Treasury Department's decision not to 'intervene in the various ongoing litigation,' and ignores the Treasury Department's commitment to consult with state officials; and

"Whereas, the Justice Department's brief against the states' position would restrict state taxing authority in ways substantially similar to the Mathias/Conable bill (S. 655/H.R. 1982). Now, therefore be it

"*Resolved by the members of the Second Regular Session of the Forty-sixth Idaho Legislature, the House of Representatives and the Senate concurring therein,* That we express our concern and state our opposition both to the intervention of the Justice Department in the Chicago Bridge and Iron case and to the Mathias/Conable bill, for the following reasons, among others:

"(a) These actions contradict recent efforts by the Reagan Administration and the Congress to return responsibility and authority to the states;

"(b) These actions will cost 33 states (including the District of Columbia), now facing big reductions in federal aid, a total of over $700 million of revenue;

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"(c) These actions will impose new, detailed federal regulations on state taxing authority;

"(d) These actions will put small, in-state businesses at a competitive disavantage by increasing their relative tax burden;

"(e) These actions will subsidize American investment overseas by allowing multinational corporations to "hide" American-made profits in foreign subsidiaries;

"(f) These actions will take away state tax incentives for foreign business investment in 18 states that choose not to tax these profits;

"(g) These actions will subsidize foreign investment in American farmland and business by sheltering the profits of foreign investors from effective state taxation;

"(h) These actions clearly threaten the states, including those that do not currently use the unitary method, with a massive increase in tax avoidance by creating a new foreign tax shelter for profits made in the states; and

"(i) These actions would effectively tie the hands of state governments and legislatures, and force the states to use the cumbersome, and often ineffective, "arm's length" method of determining the taxable income of multinational corporations. Be it further

"Resolved, That the Chief Clerk of the House of Representatives be, and she is hereby authorized and directed to forward copies of this Memorial to the President of the United States, the Attorney General of the United States, the Secretary of the Treasury of the United States, the President of the Senate and the Speaker of the House of Representatives of Congress, and the honorable congressional delegation representing the State of Idaho in the Congress of the United States."

POM-818. A resolution adopted by the House of Representatives of the State of Michigan; to the Committee on Finance:

"RESOLUTION

"Whereas, The serious financial difficulties of the American automobile industry have played a major role in the economic recession which has gripped the country. A key factor in the decreased strength of the American automobile industry is the escalation in recent years of foreign manufacturers' share of the American car market. Hundreds of thousands of jobs have been lost as a result; and

"Whereas, In a realistic approach to this threat to the economy and to the American work force, there has been introduced into the United States House of Representatives a measure which could mitigate this situation without calling for quotas or tariffs on imports. This bill, H.R. 5133, would provide that each foreign made car sold in the United States contain specific percentages of parts manufactured in the United States. The bill sets a schedule which would begin by requiring that foreign cars sold in 1983 must be made from 30 percent American parts or labor. The scale would increase by year and depending upon the volume of sales for a model; and

"Whereas, Estimates of the impact of such legislation indicate that as many as 800,000 American working men and women could be expected to gain employment. The effect of this kind of measure would obviously be a positive force throughout all segments of the economy as well; and

"Whereas, Clearly, the seriousness of our economic difficulties and the erosion of a cornerstone of our industrial strength have reached the point where action needs to be taken; now, therefore, be it

"Resolved by the House of Representatives, That the members of this legislative body hereby memorialize the Congress of the United States to adopt H.R. 5133, which would provide that foreign made automobiles sold in the United States utilize certain percentages of American made parts and labor; and be it further

"Resolved, That copies of this resolution be transmitted to the Speaker of the United States House of Representatives, the President of the United States Senate, and the members of the Michigan Congressional delegation."

POM-819. A resolution adopted by the Arkansas Chapter of the American Association of Workers for the Blind, Inc. supporting the continuation of block grants to States and restoration of funding to previous levels; to the Committee on Finance.

POM-820. A resolution adopted by the Southern Governors' Association relating to the use of Industrial Development Revenue Bonds to enhance productivity and create new jobs; to the Committee on Finance.

POM-821. A resolution adopted by the Southern Governors' Association opposing Federal plans to implement the proposed delay of drawdown cash management procedure; to the Committee on Finance.

POM-822. A resolution adopted by the Southern Governors' Association opposing further cuts in state employment service funding for fiscal year 1983 and supporting such revisions of the FUTA formula that would provide for an equitable system of allocation of funds; to the Committee on Finance.

POM-823. A concurrent resolution adopted by the Legislature of the State of South Carolina; to the Committee on Finance.

"A CONCURRENT RESOLUTION

"Whereas, the volume of textile and apparel imports to the United States increased by eleven percent in 1981 in comparison with 1980; and

"Whereas, this increase resulted in a nineteen percent jump in the textile apparel trade deficit; and

"Whereas, the actual dollar value of textile imports was 5.8 billion dollars in 1980, up thirteen percent; and

"Whereas, certain foreign countries are exporting textile products to the United States at such an astonishingly lower cost of production for the sole object of obtaining American currency; and

"Whereas, the United States' textile industry is in desperate need of immediate measures to protect its domestic production and market so as to obviate the social scourges of unemployment and want, which endanger the economic fabric of this nation. Now, therefore, be it

"Resolved by the House of Representatives, the Senate concurring:

"That Congress is memorialized to take whatever measures necessary, including the enactment of suitable legislation, to control and equalize the competitive advantage of foreign textile producing and manufacturing countries over domestically produced textile products. Be it further

Resolved, That copies of this resolution be forwarded to the Vice President of the United States, the Speaker of the United States House of Representatives, and each member of the South Carolina Congressional Delegation in Washington, D.C."

POM-824. A joint resolution adopted by the Legislature of the State of Alabama; to the Committee on Finance:

"RESOLUTION

"Whereas, the Alabama penal system is suffering severe economic strain; and

"Whereas, compliance with Federal court orders have caused great financial hardships upon the state general fund; and

"Whereas, social security income being paid to state prisoners who have no dependents should be paid to the state to help contribute to the cost of housing and feeding said prisoners; now therefore, be it

"Resolved by the Legislature of Alabama, both Houses thereof concurring, That the Alabama Congressional Delegation and the entire United States Congress is memorialized to enact legislation requiring that all social security income due a state prison inmate shall be paid into the state general fund while the recipient is in prison. Be it further

"Resolved, That copies of this resolution be sent to each member of the Alabama Congressional Delegation and the presiding officer of the U.S. Senate and the U.S. House of Representatives so that they may know of our sentiments."

POM-825. A concurrent resolution adopted by the legislature of the State of Mississippi; to the Committee on Foreign Relations:

CONCURRENT RESOLUTION

"Whereas, approximately 2,500 American servicemen and civilians are missing and/or otherwise unaccounted for as a result of the Vietnam conflict; and

"Whereas, the conscience of every American should be troubled on behalf of the families of our prisoners of war and those still missing who are subjected to unrelenting mental anguish and a sense of futility in their quest for information about their loved ones; and

"Whereas, it is the United States government's statutory responsibility to ensure the return of all prisoners of war and the accounting of missing personnel as well as the repatriation of remains of those who perished serving our nation; and

"Whereas, the increasing number of eyewitness reports of Americans in captivity in Southeast Asia continues to fill the hopes of the POW/MIA families that priority efforts will be made to exact a precise accounting of these men; and

"Whereas, new initiatives at every level of government should be taken to secure the safe return of these servicemen and civilians; and

"Whereas, it is fitting that the Mississippi Legislature should petition the United States Congress on behalf of our prisoners of war and those servicemen and civilians still missing to ensure that the Congress take whatever steps are necessary to secure the fullest possible accounting: Now, therefore, be it

"Resolved by the Mississippi State Senate, the House of Representatives concurring *therein,* That we do hereby memorialize the Congress of the United States of America to take whatever action is necessary, immediately, publicly and forcefully, to obtain the identity and seek the release of our prisoners of war and to secure the fullest possible accounting of those still missing as a result of the Vietnam conflict by the use of private and public agencies, whether through national or international auspices.

"Be it further resolved, That copies of this resolution be forwarded to the President of the United States, to the President of the United States Senate, to the Speaker of the United States House of Representatives and to each member of the Mississippi Congressional Delegation."

POM-826. A resolution adopted by the legislature of the State of Minnesota; to the Committee on Foreign Relations:

"RESOLUTION

"Whereas, the horror of a nuclear holocaust is universally acknowledged; and,

"Whereas, all cities in the northern hemisphere could be destroyed by nuclear warfare in 30 minutes; and,

"Whereas. the United States has enough nuclear weapons to destroy every Soviet city of 100,000 at least 40 times and the Soviets can destroy ours 22 times; and,

"Whereas, the current strategy of the Soviet Union and the United States together calls for the production of at least 20,000 additional nuclear warheads and a new generation of delivery systems during the next decade; and,

"Whereas, the federal government is planning to spend more than $1 trillion on the military in the next five years and at least $100 billion of that will go for nuclear weapons resulting in an unbalanced budget, major unemployment, and high interest rates; and,

"Whereas, Minnesotans will pay about $400 million in federal tax dollars for nuclear weapons in 1982 alone; and,

"Whereas, the expenditure of this Minnesota money on nuclear weaponry rather than basic human services will reduce federal support to Minnesotans for mass transit, agriculture, housing, education, energy, medical care, and many other programs: Now, therefore, be it

"Resolved by the Legislature of the State of Minnesota, That it supports a mutual freeze by the United States and the Soviet Union on the testing, production, and deployment of nuclear weapons and of missiles and new aircraft designed primarily to deliver nuclear weapons.

"Be it further resolved, That the Secretary of State of the State of Minnesota is directed to transmit certified copies of this memorial to the President of the United States, the Secretary of the State of the United States, the President and Secretary of the United States Senate, the Speaker and Chief Clerk of the United States House of Representatives, and to the Minnesota Senators and Representatives in Congress."

POM-827. A resolution adopted by the Wooster, Ohio, city council calling for a halt in the nuclear arms race; to the Committee on Foreign Relations.

POM-828. A resolution adopted by the St. Paul, Minn., city council supporting a mutual freeze by the United States and the Soviet Union on various stages and aspects of nuclear armament and its implementation; to the Committee on Foreign Relations.

POM-829. A resolution adopted by the legislature of the State of California; to the Committee on Foreign Relations:

"HOUSE RESOLUTION NO. 37

"Whereas, Borrowing by the federal government has driven interest rates in the United States to unprecedented high levels for many months, and the loss of funds from capital markets, as a result of that borrowing, is hurting investment and economic growth; and

"Whereas the high interest rates have led to a virtual depression in the construction industry, and this crisis has left vast numbers of construction workers out of work, and is worsening the already serious shortage of housing units in California; and

"Whereas this shortage is, in turn, driving housing prices and rental costs beyond the reach of middle income and low income Californians; Now, therefore, be it

"Resolved by the Assembly of the State of California, That the Assembly of the State of California respectfully memorializes the President and Congress of the United States to make reduction of federal borrowing, and therefore interest rates, the top priority issue of the federal government; and be it further

"Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

"HOUSE RESOLUTION NO. 37, AS AMENDED

"Whereas borrowing by the federal government has driven interest rates in the United States to unprecedented high levels for many years, and the loss of funds from capital markets, as a result of that borrowing, is hurting investment and economic growth; and

"Whereas the high interest rates have led to a virtual depression in the construction industry, and this crisis has left vast numbers of construction workers out of work, and is worsening the already serious shortage of housing units in California; and

"Whereas this shortage is, in turn, driving housing prices and rental costs beyond the reach of middle income and low income Californians: Now, therefore, be it

"Resolved by the Assembly of the State of California, That the Assembly of the State of California respectfully memorializes the President and Congress of the United States to make reduction of federal borrowing, and therefore interest rates, the top priority issue of the federal government; and be it further

"Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

POM-830. A resolution adopted by the church council of the Lutheran Church of the Reformation of Washington, D.C., calling for a halt to the nuclear arms race; to the Committee on Foreign Relations.

POM-831. A resolution adopted by the legislature of the State of New York; to the Committee on Foreign Relations:

"RESOLUTION NO. 173

"Whereas according to the Yalta Agreements, the beloved nation of Poland was clearly promised the right of free elections: "The Polish Provisional Government of National Unity shall be pledged to the holding of free and unfettered elections as soon as possible on the basis of universal sufferage and secret ballot."; and

"Whereas the most beloved Country of Poland has been under communist rule for the past thirty-six years; the historical rationale for this imposition is, itself, most questionable: having fought so bravely against the Nazi hordes, Poland, as its history so tragically indicates, was an abandoned pawn in the power struggle ensuing subsequent to the end of World War II; and

"Whereas it may be rightly argued that expediency and indifference allowed this nation to be swallowed, wholly and without regard, to its legitimate aspirations for nationhood; geographic proximity, political naivete on the part of allied leaders, disingenuous diplomacy on the part of an astute and calculating Stalin, all may be obliquely advanced to assuage the conscience of the West; and

"Whereas as Mr. John F. Kopczynski an outspoken defender of civil liberties, has written: "Let those nations in that great alliance for human freedom now reaffirm the commitments to Poland"; and

"Whereas it, nevertheless, remains a cruel and tragic fact of modern history that the beloved Country of Poland, so Christlike in its patience and so susceptible to the manic machinations of others, with most definite and clearly discernible allegiances and affiliations, deeply Occidental, has been, for all practical purposes, abandoned by the Western nations of our world; and

"Whereas there is, moreover, an ironic, and until recently unnoted, awakening of nationalism within the Polish nation: as cited by the distinguished executive director of the American Institute of Polish Culture, Mr. Alexander T. Jordan, the constant censorship and relentless suppression of freedom on a daily and topical basis, has resulted in the renaissance of Polish nationalism directly responsible to the inspiring, albeit enforced, proclivity of Polish intellectuals and historians to re-examine the valiant history of their beloved nation; such re-examination has, moreover, rekindled the flame of true patriotism; indeed, what nation on earth could catalogue or produce a record of resistance to oppression even remotely comparable to that of Poland; and

"Whereas in this same regard, what nation, in all of Europe, has so valiantly, throughout its history, resisted the onslaughts of Russian aggrandizement and oppression; the beloved Country of Poland is no stranger to the callous designs of its eastern Neighbor who has long sought to digest Her fertile fields and green plains, who has long schemed to enslave Her valiant people, and who has labored, so fruitlessly, to destroy Her Christian faith, and in doing so, Her Occidental allegiances; and

"Whereas it is, moreover, most apparent that the mythological Phoenix, that lone and beautiful bird who rose to glory, so also, will the Polish eagle of freedom re-assert its immortal and eternal claim to nationhood as it is so clearly manifested in the Solidarity Movement; and

"Whereas the Soviet oppression of the Polish nation is relentless and dualistic: not only has it effected the abrogation and denial of personal liberty, but also, through ineptitude and indifference, through a haphazard, ill-managed, and ill-conceived forced industrialization, it has accomplished the disruption of the Polish economy as manifested in the scarcity of basic food and, indeed, the lack of simple necessities for even a modest standard of living; and

"Whereas the renaissance of Polish nationalism is ubiquitous throughout that beloved nation; as Mr. Jordan notes, the nationalism that is emerging has no taint of elitism, nor is it limited to an enlightened intelligentsia; it is rather pervasive and inspiring, it touches all, reaching far across the great Atlantic to the hearts of its exiled sons and daughters; and

"Whereas the Polish nation ranks fifth in the world in ship building; ranking tenth in industrialization, most economists agree that left unregimented, free from the meddlesome communist bureaucracy, Poland, with skilled labor and free ports, with vast reserves of coal and fertile agricultural land, would soon emerge as a nation of wealth, with a strong trade surplus and viable internal economy; and

"Whereas with the absence of a structured class system in Poland, communist rule having abolished, most unwittingly, older and autocratic divisions, there has emerged a new unity of purpose, a spirit of national will unparalleled in the history of that beloved nation; it is this spirit of unity and purpose, this indentification of nationhood, which cries out for our recognition and concern; and

"Whereas it is, moreover, the sense and collective circumspection of this Legislative Body that we address this budding declaration for nationhood, that this most treasured nation of thirty-five million, beloved Poland, with millions more constituting the citizenry of our own America, many of whom since the very beginning of our nation have so bravely given their lives in the cause of liberty, not be abandoned: Now, therefore, be it

"*Resolved*, That this Legislative Body pause in its deliberations and rightfully petition President Ronald W. Reagan and the Congress of the United States to urge the immediate lifting of the imposition of martial law in Poland the prompt implementation of free elections as provided in the Yalta Agreements; and be it further

"*Resolved*, That copies of this Resolution, suitably engrossed, be transmitted to President Ronald W. Reagan and to the Congress of the United States."

POM-832. A resolution adopted by city council of Berea, Ohio, urging the establishment of a permanent, international nuclear weapons ban; to the Committee on Foreign Relations.

POM-833. A resolution adopted by the House of Representatives of the State of Kansas; to the Committee on Foreign Relations:

"RESOLUTION

"Whereas the world today is increasingly troubled by international strife; and

"Whereas relatively recent technological advances have enabled international conflicts to have potentially disastrous consequences for all humankind; and

"Whereas the resolution of conflicts, whether personal, local, national or international, can best be accomplished by the use of trained personnel; and

"Whereas the systematic use of trained personnel in the resolution of international conflicts could save this nation and others countless billions of dollars and untold human suffering; and

"Whereas legislation has been introduced in both the United States House of Representatives (HR 5088) and the United States Senate (S 1884) which is co-sponsored by Congressman Dan Glickman and Senator Nancy Kassebaum, respectively, to establish the National Peace Academy: Now, therefore, be it

"*Resolved by the House of Representatives of the State of Kansas*, That we urge the United States Congress to establish a National Academy of Peace and Conflict Resolution dedicated to training persons in peaceful conflict-resolution techniques; and

"*Be it further resolved*, That the chief Clerk of the House of Representatives be directed to send enrolled copies of this resolution to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives and each member of the Kansas Congressional Delegation."

POM-834. A resolution adopted by the city council of Rockland, Maine, urging the United States and the Soviet Union to adopt a mutual freeze on the testing, production, and deployment of nuclear weapons; to the Committee on Foreign Relations.

POM-835. A resolution adopted by the council of the city of New Philadelphia, Ohio, calling for a halt to the nuclear arms race; to the Committee on Foreign Relations.

POM-836. A resolution adopted by the city council of St. Cloud, Minn., supporting a mutual freeze with the Soviet Union on the testing, production, and deployment of nuclear weapons and delivery system; to the Committee on Foreign Relations.

POM-837. A resolution adopted by the Inter-Tribal Council of California, relating to low-income housing assistance—BIA; to the Select Committee on Indian Affairs.

POM-838. A resolution adopted by the New York League of Business and Professional Women proposing the substitution of the Equal Legal Rights Amendment for the Equal Rights Amendment; to the Committee on the Judiciary.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HELMS, from the Committee on Agriculture, Nutrition, and Forestry, with an amendment in the nature of a substitute:

S. 2109. A bill to extend the Commodity Exchange Act, and for other purposes (Rept. No. 97-384).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. ROTH, from the Committee on Governmental Affairs:

Herbert E. Ellingwood, of California, to be Chairman of the Merit Systems Protection Board.

By Mr. PACKWOOD, from the Committee on Commerce, Science, and Transportation:

Vice Adm. James S. Gracey, U.S. Coast Guard, to be Commandant of the U.S. Coast Guard for a term of 4 years with the grade of admiral while so serving;

Rear Adm. Benedict L. Stabile, U.S. Coast Guard, to be the Vice Commandant of the U.S. Coast Guard with the grade of vice admiral while so serving.

(The above nominations from the Committee on Commerce, Science, and Transportation were reported with the recommendation thay they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. KASTEN:

S. 2499. A bill to amend the Federal Trade Commission Act to provide authorization of appropriations, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. HUMPHREY:

S. 2500. A bill to amend the Federal Power Act to reduce conflicts in the licensing of hydroelectric powerplants and to expedite the development of and simplify the regulation of hydroelectric powerplants and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. EAGLETON (for himself, Mr. Mathias, Mr. Pell and Mr. Pryor):

S. 2501. A bill to authorize appropriations for the National Historical Publications and Records Commission for the fiscal years 1983, 1984, and 1985; to the Committee on Governmental Affairs.

By Mr. DIXON (for himself, Mr. Riegle, Mr. Cranston, Mr. Dodd and Mr. Sarbanes):

S. 2502. A bill to amend the Urban Mass Transportation Act of 1964; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. DOMENICI:

S. 2503. A bill to authorize the Secretary of the Interior to consider a petition for reinstatement of a certain oil and gas lease; to the Committee on Energy and Natural Resources.

By Mr. BAUCUS:

S. 2504. A bill to amend section 331A of the Consolidated Farm and Rural Development Act to defer payment of principal and interest; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. HART (for himself and Mr. Cranston):

S. 2505. A bill to prohibit the export and use abroad of certain nuclear technologies and materials; to the Committee on Foreign Relations.

By Mr. BENTSEN (for himself, Mr. Tower and Mr. Symms):

S. 2506. A bill to amend the Internal Revenue Code of 1954 to exempt holdings in independent local newspapers from taxes on excess business holdings of private foundations; to the Committee on Finance.

By Mr. HAYAKAWA (for himself, Mr. Cranston, Mrs. Hawkins, Mr. Helms, Mr. Laxalt, Mr. Pressler, Mr. Schmitt, and Mr. Symms):

S. 2507. A bill to require a properly executed warrant before an officer or employee of the Immigration and Naturalization Service may enter a farm or other agricultural operation; to the Committee on the Judiciary.

By Mr. MITCHELL:

S. 2508. A bill to amend the Internal Revenue Code of 1954 to repeal the requirement that operating capacity must increase for purposes of the energy credit allowed for intercity buses, and for other purposes; to the Committee on Finance.

By Mr. PERCY (for himself and Mr. Dixon):

S. 2509. To amend the Internal Revenue Code of 1954 to clarify the exception from foreign base company income for foreign corporations not availed of to reduce taxes; to the Committee on Finance.

By Mr. CHILES:

S.J. Res. 196. A joint resolution proposing an amendment to the Constitution prohibiting total outlays of the Government from exceeding total receipts of the Government, and requiring reductions in taxes and outlays; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. DANFORTH (for himself and Mr. Bentsen):

S. Res. 386. A bill to express the sense of the Senate on the goals of the United States for the November 1982 meeting of ministerial-level representatives to the general agreement on tariffs and trade; to the Committee on Finance.

By Mr. CHILES:

S. Res. 387. Resolution to acclaim the New World Festival of the Arts, to be held throughout Greater Miami and Dade County, Fla., June 4, 1982, through June 26, 1982, as a major cultural and artistic event; to the Committee on the Judiciary.

By Mr. BAKER (for himself and Mr. Robert C. Byrd):

S. Res. 388. Resolution to authorize representation by the Senate Legal Counsel of a Senate employee in the case of *United States of America* v. *Anthony Accardo, et al;* considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. KASTEN:

S. 2499. A bill to amend the Federal Trade Commission Act to provide authorization of appropriations, and for other purposes; to the Committee on Commerce, Science, and Transportation.

(The remarks of Mr. Kasten on this legislation appear earlier in today's Record.)

By Mr. HUMPHREY:

S. 2500. A bill to amend the Federal Power Act to reduce conflicts in the licensing of hydroelectric powerplants and to expedite the development of and simplify the regulation of hydroelectric powerplants and for other purposes; to the Committee on Energy and Natural Resources.

FEDERAL POWERPLANT AMENDMENTS OF 1982

● Mr. HUMPHREY. Mr. President, today I am introducing a bill to amend the Federal Power Act for the purpose of protecting the property rights of damsite owners in the Federal hydropower licensing process.

As all of us are aware, there has been a great rekindling of interest over the past few years in the development of hydroelectric energy. This has been especially true in New England, where literally thousands of existing dams which have lain dormant for years are now being considered for redevelopment. Through a combination of rising alternative energy prices, marketing guarantees under the Public Utility Regulatory Policies Act, and strong Federal tax incentives, hydropower has once again emerged as a clean and economically attractive alternative to imported oil.

One problem arising from this hydropower boom, however, has been the increasing incidence of speculation and "claim jumping" through the Federal hydropower licensing process. Under part I of the Federal Power Act, the Federal Energy Regulatory Commission has the responsibility for licensing all developments on navigable waters, U.S. lands, or which affect interstate or foreign commerce. This means that virtually all hydroelectric projects in the United States are subject to FERC licensing jurisdiction.

The most troubling aspect of this far-reaching jurisdiction lies in the Federal Power Act's eminent domain authority, which gives a licensee the power to condemn all property necessary for project development. This gives developers a strong incentive to bypass private negotiations and State property law by applying directly to the FERC for a hydropower license. And naturally, some developers choose to "hedge their bets" by filing applications on 20 or 30 sites at one time.

This incentive to speculate has also created the potential for serious delays in the Federal licensing program. The number of preliminary permit and license applications filed with the FERC has skyrocketed from less than 100 in 1979 to over 1,800 in 1981. Roughly half of these are competing applications, where more than one party has applied for the rights to develop the same dam. And with the FERC's budget and staff resources having remained roughly constant over these years, delays are inevitable.

Over the past 8 months, my Subcommittee on Energy Regulation has joined with the Water and Power Subcommittee of the Energy and Natural Resources Committee to hold a series of four hearings on ways to streamline the Federal hydropower licensing process. One recurrent suggestion in these hearings was that the Federal Power Act be amended to simplify and make more equitable the FERC process for determining who among competing applicants should be awarded the development rights to a given dam-site.

Under the present system, the FERC must go through an elaborate process for choosing between competing applicants at contested sites. There are several critical features of this mechanism. First, if any prospective developer meets the qualifications for a license exemption as provided by section 408 of the Energy Security Act, he will generally be awarded the development rights. If, as in the majority of cases, an exemption is not in order, then the FERC must determine whose plans are best adapted to the "comprehensive development of the waterway." This is further complicated by the existence of various preferences under the Federal Power Act and relevant regulations; persons "first to file" are given a priority in the award of a preliminary permit for site study, preliminary permit holders are accorded a priority in licensing, and States and municipalities are given a public preference when filing for either preliminary permits or licenses. Virtually countless combinations of competing applications can arise under this system, and because all is underscored by the condemnation authority which comes with a license, little regard need be given by applicants or the FERC to the issue of who owns the actual hydro site.

The bill I am introducing today seeks to address this need by providing two powerful incentives for prospective developers to acquire the necessary property interests before coming to the FERC for a license. The first is an unambiguous owner preference in the permit and licensing process. This will both protect the property interests of site owners (including State and municipal site owners) and reduce the posibility for delay in the FERC licensing process. Second, the bill explicitly establishes the traditional measure of damages in eminent domain proceedings for any condemnation under the Federal Power Act. By significantly curbing developers' enthusiasm for bypassing negotiations with damsite owners, this will lead to a much healthier development climate for hydroelectric energy in this country.

Mr. President, it is my intention to hold hearings on this measure as soon as possible, and in the meantime I am perfectly open to my colleagues' suggestions on how this legislation may be modified or improved upon. I ask unanimous consent that the bill and an accompanying section-by-section analysis be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

S. 2500

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Power Act Amendments of 1982."

Sec. 2. Section 3 of the FPA, 16 U.S.C. 796, is amended by adding the following new subpart (23) to read:

"(23) Qualified exemption applicant means any person, state, or municipality which has met the requirements of an application for exemption from Part I of the Federal Power Act as provided by Section 30 of this Act, Section 408 of the Energy Security Act of 1980, 16 U.S.C. 791, or other provisions of this Act and which has the property interests necessary for the development of the proposed hydroelectric project, exclusive of any property interests necessary for a transmission right of way."

Sec. 3. Sections 7(b) and 7(c) of the Federal Power Act, 16 U.S.C. § 800 (b) and (c), are redesignated Sections 7(d) and 7(e) respectively.

Sec. 4. Section 7 of the Federal Power Act, 16 U.S.C. 800, is hereby amended to add the following new subsections (a), (b) and (c):

"(a) Except as provided in subsection (d) of this Section, the Commission shall give preference to a qualified exemption applicant, unless the plans for the development of the proposed project by a license applicant or a preliminary permit applicant are substantially superior to the plans of the exemption applicant for the development of the waterway and the conservation and utilization in the public interest of the water resources of the region.

"(b) Except as provided in subsection (d) of this Section, in issuing preliminary permits hereunder or in issuing licenses where no preliminary permits have been issued, the Commission shall give preference to applications therefor by any person who has the property interests necessary for the development of the proposed project, exclusive of any such property interests owned by federal governmental entities and exclusive of any property interests necessary for a transmission line right-of-way, unless the plans for the development of the proposed project by another license applicant or applicant for a preliminary permit are substantially superior to the plans of the owner applicant for the development of the waterway and the conservation and utilization in the public interest of the water resources of the region.

"(c) Except as provided in subsection (d) of this Section and subject to the preference provisions of subsection (a) and (b) of this section, in issuing preliminary permits hereunder or licenses where no preliminary permits have been issued, the Commission shall give preference to applicants therefor by states and municipalities, unless the plans for the development of the proposed project by another license applicant or applicant for a preliminary permit are substantially superior to the plans of the state or municipality for the development of waterway and the conservation and utilization in the public interest of the water resources of the region; and as between other applicants not granted a preference under subsections (a), (b) and (c) of this section, the Commission may give preference to the applicant, the plans of which it finds and determines are best adapted to develop, conserve and utilize in the public interest the water resources of the region."

Sec. 5. Section 21 of Federal Power Act (16 U.S.C. 814) is hereby amended to add the following sentence after the sentence ending with the word "$3,000." In all cases arising under this section, the measure of the amount of compensation to be paid by any licensee shall be based on the highest and best use for which the property subject to condemnation may be put.

Sec. 6. This act shall be applicable to any hydroelectric project which is not subject to Subsection (d) of Section 7 of this Act and with respect to which no preliminary permit, license or exemption has been issued by the Commission on the effective date of this Act.

Section-by-Section Analysis of Draft Amendments to Federal Power Act

SECTION 2

This section defines a qualified exemption applicant for purposes of the priority in licensing accorded by Section 4 of the draft amendments. The first requirement for this status is compliance with the conditions of any current or future federal licensing exemption provision. The second requirement for this status is ownership of the property interests necessary for development of the proposed project, exclusive of any property interests necessary for a transmission right of way. The requirement for all necessary property interests codifies the current Federal Engery Regulatory Commission (FERC) exemption regulation on this point and is intended to ensure, to the maximum extent possible, that projects with property rights conflicts do not qualify for the expedited exemption treatment. It should be noted that this definition is also consistent with the current FERC policy of not granting exemptions on projects involving substantial federal property interests.

SECTION 3

This section merely renumbers the existing subsections of Section 7 of the Federal Power Act respecting federal development. These subsections are not changed by the draft amendments.

SECTION 4

The provisions of this section establish the proposed new permitting and licensing priority system.

Proposed subsection (a) provides that a qualified exemption applicant (defined in Section 2 of the draft amendment as a site owner) will prevail in the hydropower licensing process unless a competing license or preliminary permit applicant proposes a substantially superior development plan. This provision favors exemption applicants more strongly than the current FERC regulations and should eventually reduce the number of license or preliminary permit applications which compete with exemption applications for any given site. Site owners who contemplate filing an exemption application, but are unable to do so because of a lack of data, may protect their site by applying for a preliminary permit. The draft amendments, Section 4(b) (discussed below), also provide site owners with a stronger priority in situations involving competing preliminary permit applications.

Proposed subsection (b) provides that in issuing both permits and licenses the FERC shall give preference to applications by persons, including public entities, which have all the necessary property rights for development. This preference would be good against any applicants except those holding a preliminary permit. The property interests required for this preference do not include transmission right of ways. Unlike the exemption preference, this preference is available to a qualified exemption applicant proposing a project involving substantial federal property interests, so long as the applicant holds all other property interests necessary for project development. As is true for the exemption preference, an opposing applicant must submit a substantially superior proposal to prevail. Any person, state or municipal entity or any combination thereof could qualify for the owner preference. It should be noted that this section would protect all state and municipal applicants which own interests in a dam site sufficient for development, when those applicants have not filed first. In the strictest sense, this does little to abridge the current municipal preference for truly motivated municipalities who could avail themselves of state eminent domain provisions to acquire the necessary property rights for development.

Proposed subsection (c) preserves the current municipal preference against all applicants except qualified exemption applicants and site owners, again in a stronger version with the substantially superior language. As between other applicants, the current language of the Federal Power Act and, hence, the first in time rule, is also preserved.

SECTION 5

This section explicitly establishes the traditional measure of damages in eminent domain proceedings for any condemnation under the Federal Power Act. This should also reduce the enthusiasm for attempts to bypass negotiation with dam site owners, as well as clearly establishing a fair measure of compensation for such takings.

SECTION 6

This section covers the phase in time for the amendments. Permit, exemption or license applications pending on the effective date of the Act would be subject to the new rules. The amendments would not be applicable to those sites where a permit, exemption or license has been granted by the FERC prior to the effective date of this Act, nor would they be applicable in cases where a FERC decision on competing applications has been appealed as of the effective date of the Act.●

By Mr. EAGLETON (for himself, Mr. Mathias, Mr. Pell, and Mr. Pryor):

S. 2501. A bill to authorize appropriations for the National Historical Publications and Records Commission for the fiscal years 1983, 1984, and 1985; to the Committee on Governmental Affairs.

NATIONAL HISTORICAL PUBLICATIONS AND RECORDS COMMISSION

● Mr. EAGLETON. Mr. President, I am introducing today a bill to reauthorize the National Historical Publications and Records Commission (NHPRC) at the level of $4 million annually for fiscal years 1983 and 1984, and $5 million for fiscal year 1985. I am pleased to have as cosponsors Senator Pell, who represents the Senate on the NHPRC and Senators Mathias and Pryor, who have a longstanding interest in the work of the NHPRC.

Twice during this Congress, I have expressed my belief that Congress has been tragically shortsighted in our approach to the challenge of preserving the Nation's precious historical legacy. The National Archives remains under the control of the General Services Administration (GSA), despite compelling evidence that this relationship has been detrimental to morale and performance at the Archives (Cong. Rec. June 24, 1981, S 6912). Moreover, Congress has to date acquiesced in crippling budget cuts for the National Archives, which have resulted in substantial reductions in a range of services offered by the Archives. These cuts totaled 15 percent of the Archives budget in 1 year alone. And because the Archives' budget includes high fixed costs for maintenance, security, and operation of the Archives' facilities by GSA, funds for the Archives' operating programs actually declined 23 percent in 1 year. (Congressional Record, March 18, 1982, S 2372).

The NHPRC is a part of the National Archives and plays a vital role in preservation, documentation and publication of our Nation's important historical papers. Along with the Archives, NHPRC has suffered from Congress failure to accord proper respect to the importance of history. Although the NHPRC has traditionally produced substantial accomplishments at a very modest funding level ($4 million in fiscal year 1981), the House of Representatives unexpectedly chose not to reauthorize NHPRC last year. NHPRC has limped along, thanks to the earmarking of $1 million, through the appropriations process, out of the Archives budget. The bill we introduce today seeks to rectify the mistake of last year by giving NHPRC a separate authorization and by restoring its funding to the level of fiscal year 1981. This bill also provides a 3-year authorization, in an effort to reassure the community of historians, archivists and librarians working with the NHPRC that Congress is committed to the important mission of the NHPRC. Given last year's debacle, the need for this message should be unmistakable.

The NHPRC has made an enormous contribution to the preservation and publication of the historical materials relating to America's past. Through its publications program, NHPRC has begun to lay before the American people documentary editions, free from partisan interpretation, concerning the Founding Fathers and the creation of the Government: such as the papers of Thomas Jefferson, the First Federal Congress, and the early years of the Supreme Court. Their editions have gone beyond Government as well, to cover military affairs, social concerns, labor and the arts and sciences.

In its records program, launched in 1974 under the Ford administration, the NHPRC provides support to State and local historical societies, archives, libraries and associations to insure the discovery and preservation of valuable historical documents, especially those in imminent danger of destruction. For example, the Social Law Library in Boston is using an NHPRC matching grant of $37,780 to arrange, clean, deacidify, and buffer valuable documents from the Suffolk County Interior Court of Common Pleas. These documents covered the court's cases from 1699 to 1820. The 360,000 documents saved from certain destruction by the forces of time and nature covered the early history of law and society and the American Revolution. Works by such men as John Adams, John Hancock, and Paul Revere form a major part of these valuable records. There are many other instances of records in this Nation which require immediate attention, as did those in the Social Law Library.

Additionally, the NHPRC has recognized that the tasks facing archival institutions, manuscript repositories and researchers demand far more than the efforts of a single Federal agency. The Commission has favored projects which show financial commitment from a number of sources, and the Commission's funds represent less than half of all moneys used by the projects. The Commission's grants are not intended to replace the support of other Federal, State and local agencies, nonprofit institutions and organizations; nor have they. Rather, they have supplemented and expanded such programs throughout the country and stimulated private giving.

In 1963, Justice John Harlan observed that the work of the Commission "touches the concerns of all who hold positions of responsibility in public life, indeed, of every thoughtful citizen, though enjoyed in purely private endeavors."

Mr. President, I believe that NHPRC funding should be restored to its previous level, and I strongly oppose the idea that a decent level of authorization for NHPRC can occur only at the expense of the Archives. We owe it to ourselves to fund both.

Our House colleague Tim Wirth put the importance of these matters eloquently in a recent letter:

> The documentary record of this country's heritage, the yellow and faded documents fighting the ravages of time, must not be a budget afterthought. We must face the reality that lethargy and unconcern will surely bring a grave loss, one that Americans of all classes and policital persuasions will share.

And as Samuel Gannon, Executive Director of the American Historical Association, put it: "A land without history is a will-o'-the-wisp at the mercy of every transient impulse and enthusiasm of the moment."●

By Mr. DIXON (for himself, Mr. Riegle, Mr. Cranston, Mr. Dodd, and Mr. Sarbanes):

S. 2502. A bill to amend the Urban Mass Transportation Act of 1964; to the Committee on Banking, Housing, and Urban Affairs.

FEDERAL PUBLIC TRANSPORTATION ACT OF 1982

Mr. DIXON. Mr. President, I am pleased to introduce, along with my distinguished colleague from Michigan, (Mr. Riegle), and my distinguished colleagues from California (Mr. Cranston), Connecticut (Mr. Dodd), and Maryland (Mr. Sarbanes), the Federal Public Transportation Act of 1982.

This legislation reauthorizes Federal mass transportation programs through fiscal year 1986. More than that, it restructures Federal assistance, reducing regulatory burdens, and simplifying transit assistance programs.

The legislation builds on past successes of the Federal assistance programs, and it is important to recognize that the mass transit program has been a success.

Since Federal assistance to urban transportation systems began in 1964, public transit service and ridership have greatly increased. Thousands of new buses and hundreds of new rapid transit cars have been purchased. The cycle of persistent deterioration in public transportation has been arrested.

However, Mr. President, we cannot yet declare victory and retire from the field.

The financial problems facing public transportation are still severe. In fact, they are growing, and growing rapidly, due, in no small part, to the economic and budgetary problems facing our economy and all levels of government.

I believe there is a continuing need, therefore, for substantial Federal funding unless we want to return to the pre-1964 era of deterioration, of bankruptcy, of failure.

Meeting these needs at a time when some estimates put the fiscal year 1983 Federal budget deficit at over $180 billion will not be easy. However, I think it can be done and that it must be done.

Federal spending in all programs must be restricted; public transportation is no exception. However, it is shortsighted and counterproductive to force the transit programs and other Federal infrastructure programs to bear a disproportionate share of that necessary restraint. Public transit moneys are an investment. The transit programs, the highway program, and other Federal infrastructure programs help provide the foundation that makes economic growth possible. Unless we want to retire our Nation's transit systems, highways, and other infrastructure systems from service, we must provide the funds necessary to operate and maintain them, and where necessary and desirable, for prudent expansion.

Buses and rail cars, and railroads and highways do not stop getting older and worn out because funding is cut. Investments not made now must be made up later, and probably at a much higher cost.

Legislation to extend Federal transit assistance must provide sufficient funding and permit those funds to be used in a flexible way, to insure that the public investment in transportation facilities and service is preserved and not thrown away.

Mr. President, the Federal Public Transportation Act of 1982 meets these objectives.

It provides a reasonable, but tight, level of funding. Since mass transit took major cuts in spending last year, I think the burden is on those proposing further disproportionate cuts.

This legislation provides for no real growth in Federal mass transit assistance over current levels through fiscal year 1986. Since current transit spending has already been cut by 25 percent from previous years levels, it should be clear that the authorization levels in the legislation are modest and restrained.

Second, it continues operating assistance. Without it, many smaller public transportation systems will be forced to either cut service back severely or even to shut down completely. And, although Federal assistance is a small percentage of the operating budgets of large systems, they will be hurt, too.

For example, the CTA in Chicago has already raised fares almost 100 percent in the past 2 years, and simply has no way to replace Federal subsidy moneys. Losing these funds, therefore, would mean less service and further large declines in ridership.

The operating assistance program has not been without controversy. However, it has provided valuable assistance in the past, and the continuing need for it is clear.

Further, I do not believe that the debate on whether Federal operating assistance should continue belongs in consideration of transit program reauthorization legislation. The proper forum to debate the question is the administration's New Federalism proposal. Only there can the question of what is the proper relationship between the Federal Government and local governments be properly considered in all its complexity.

Third, it helps transit systems restrain the growth in their costs, and encourages them to be more productive and efficient.

Given the pressures on the budgets of all levels of Government, I think it is imperative that we make sure that all subsidy moneys are spent productively and efficiently.

Fourth, it simplifies and reforms the program. Eliminating unnecessary regulatory burdens and simplifying the application and review process will help make the program more efficient, without sacrificing important Federal policy objectives.

The legislation provides the bulk of transit assistance—75 percent—through a formula block grant program, while providing sufficient discretionary funding—25 percent—to enable transit systems to meet unusual, nonroutine capital needs.

The block grant formula is carefully balanced, providing some assistance based on the level of transit service provided, while continuing to meet the needs of new transit systems.

Mr. President, I think the need for this legislation is clear. I look forward to discussing the bill with my colleagues. I believe it can provide the basis for action by the Senate Banking Committee on which I am pleased to serve.

I would be remiss, however, if I did not take this opportunity to congratulate my distinguished colleague, Senator D'AMATO on his transit legislation, S. 2377.

I think his bill contains a number of good and worthy proposals, and I look forward to working with him and the other members of the Banking Committee, on transit issues, both in the committee and on the Senate floor.

Mr. President, I ask unanimous consent that the bill, and a summary of the legislation, be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2502

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Federal Public Transportation Act of 1982".

DIRECT TRANSIT ASSISTANCE FUND

SEC. 2. (a) The caption of section 4 of the Urban Mass Transportation Act of 1964 is amended to read as follows: "DIRECT TRANSIT ASSISTANCE FUND".

(b) Section 4(b) of such Act is repealed.

(c) Section 4 of such Act is amended—

(1) by redesignating subsection (a) as subsection (b); and

(2) by inserting after "Sec. 4." the following:

"(a) To finance assistance under sections 3, 5, and 18 of this Act, there are authorized to be appropriated not to exceed $3,360,000,000 for the fiscal year ending September 30, 1983; $3,608,000,000 for the fiscal year ending September 30, 1984; $3,848,000,000 for the fiscal year ending September 30, 1985; and $4,110,000,000 for the fiscal year ending September 30, 1986. Of the sums appropriated under this section, 25 per centum shall be available to the Secretary for obligation for projects approved pursuant to section 3 of this Act, and 75 per centum shall be apportioned pursuant to section 5(a) and made available for the purpose of sections 5 and 18 of this Act. Of the funds available for obligation under section 3, not less than 6 per centum or more than 7 per centum shall be used for the purposes of section 8 of this Act and for the deployment of innovative techniques and methods pursuant to subsection (f) of this section. Any appropriation pursuant to this subsection for the purposes of sections 3 and 5 of this Act shall remain available for three years following the close of the fiscal year for which such appropriation is made.".

(d) Subsections (c), (d), and (e) of such section are repealed.

(e) Subsection (f) of such section is redesignated as subsection (c) and amended to read as follows:

"(c) There are authorized to be appropriated to carry out the purposes of sections 6, 10, and 11 of this Act, and for administrative costs, including salaries and necessary expenses, not to exceed $75,000,000 in the fiscal year ending September 30, 1983; $80,000,000 for the fiscal year ending September 30, 1984; $85,000,000 for the fiscal year ending September 30, 1985; and $90,000,000 for the fiscal year ending September 30, 1986. Amounts appropriated for the purposes of sections 6, 10, and 11 shall remain available until expended.".

(f) Subsections (g) and (h) of such section are redesignated as subsections (d) and (e), respectively.

(g) Subsection (i) of such section is redesignated as subsection (f) and is amended by striking out the words "available pursuant to section 4(c)(3)(A)" and inserting in lieu thereof "appropriated for the purposes of section 3".

LETTERS OF INTENT

SEC. 3. Section 3(a)(4) of the Urban Mass Transportation Act of 1964 is amended—

(1) by inserting after the first sentence thereof the following: "At least thirty days prior to the issuance of a letter of intent under this paragraph, the Secretary shall notify, in writing, the Committee on Public Works and Transportation of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate, of the proposed issuance of such letter of intent.";

(2) by striking out "in section 4(c)" and inserting in lieu thereof the following: "to carry out section 3"; and

(3) by adding at the end thereof the following: "Funding for programs covered by letters of intent issued prior to the date of enactment of the Federal Public Transportation Act of 1982 shall be given priority in making grants under this section after the date of enactment of such Act.".

FORMULA CAPITAL AND OPERATING ASSISTANCE PROGRAM

SEC. 4. (a) The caption of section 5 of the Urban Mass Transportation Act of 1964 is amended to read as follows: "FORMULA CAPITAL AND OPERATING ASSISTANCE PROGRAM".

(b) Subsection (a) of such section is amended to read as follows:

"(a) The Secretary shall make grants to recipients for the purpose of assisting the payment of the construction and operating costs of public mass transportation systems, subject to the provisions of this Act and other applicable laws. Grants under this section and section 18 of this Act will be made from funds appropriated pursuant to section 4(a) of this Act for this section and in amounts apportioned in accordance with the following formula:

"(1) 55.71 per centum of the funds appropriated under section 4(a) shall be made available to urbanized areas with a population in excess of 200,000 based on a formula so that each urbanized area receives the sum of—

"(A) 50 per centum of the amount available under this paragraph multiplied by the ratio which the total bus revenue vehicle miles operated in or directly serving such urbanized area or part thereof bears to the total bus revenue vehicle miles in all urbanized areas;

"(B) 25 per centum of such amount multiplied by the ratio which the population of such urbanized area or part thereof, as designated by the Bureau of the Census, bears to the total population of all such urbanized areas as shown by the latest available Federal census; and

"(C) 25 per centum of such amount multiplied by a ratio for that urbanized area determined on the basis of population weighted by a factor of density, as determined by the Secretary. As used in this section, the term 'density' means the number of inhabitants per square mile.

"(2) 3.96 per centum of the funds appropriated under subsection 4(a) shall be made available to urbanized areas with populations in excess of 200,000 based on a formula so that each urbanized area or part thereof receives an amount which bears the same ratio to the amount available under this paragraph as the number of bus passenger miles traveled multiplied by the number of bus passenger miles traveled for each dollar of operating cost in such urbanized area or part thereof bears to the sum of the number of bus passenger miles traveled multiplied by the number of bus passenger miles traveled for each dollar of operating cost in all such urbanized areas.

"(3) 29.83 per centum of such funds shall be apportioned to such urbanized areas or parts thereof on the basis of a formula so that each urbanized area receives—

"(A) 50 per centum of the funds available under this paragraph multiplied by the ratio which the total rail revenue vehicle miles operated in or serving the urbanized area bears to the total rail revenue vehicle miles operated in or serving all urbanized areas; and

"(B) 50 per centum of such funds multiplied by the ratio which the rail route miles in the urbanized area bears to the total number of rail route miles in all urbanized areas.

No single State's portion of an urbanized area shall receive more than 36 per centum of the funds apportioned under this paragraph.

"(4) 7.5 per centum of the funds appropriated shall be made available to State Governors for use in urbanized areas with a population of less than 200,000 on the basis of a formula under which each State receives the sum of—

"(A) 45 per centum of the amount available under this paragraph multiplied by the ratio which the population of such urbanized areas in the State bears to the total population of all such urbanized areas in all States as shown in the latest available Federal census;

"(B) 45 per centum of such funds multiplied by a ratio for such urbanized areas determined on the basis of population weighted by a factor for the average density for urbanized areas in such State as determined by the Secretary; and

"(C) 10 per centum of such funds multiplied by the ratio which the total bus revenue vehicle miles operated in all such urbanized areas in the State bears to the total bus revenue vehicle miles in all such urbanized areas in all States.

"(5) 3 per centum of the funds appropriated shall be made available by the Governor of each State for use in nonurbanized areas pursuant to section 18 of this Act.".

(c) Section 5(c) of such Act is amended to read as follows:

"(c) The amount of funds apportioned to an urbanized area under this section which may be used for operating assistance shall not exceed the amount available to such urbanized area for operating assistance in fiscal year 1982, except that where an urbanized area became an urbanized area for the first time under the 1980 census, such urbanized area may use up to 50 per centum of its apportionment under this section for operating assistance.".

(d) Section 5(d) of such Act is amended to read as follows:

"(d)(1) To receive a grant under this section for any fiscal year, a recipient—

"(A) shall continue to comply with title VI of the Civil Rights Act of 1964, subsections (e), (f), and (g) of section 3 of this Act, and sections 8, 13, 16, and 19 of this Act; and

"(B) shall submit a statement of activities to be funded under this section prepared pursuant to subsection (g), a description of its proposed use of funds, and the certifications required by this section.

"(2) Upon receipt of the statement, description, and certification described in paragraph (1), after finding that a recipient is in compliance with paragraph (1)(A), and after compliance with the National Environmental Policy Act of 1969, using the provisions of subsection (f) or otherwise, the Secretary shall make the amounts determined pursuant to subsection (a) available to the recipient.".

(e) Section 5(f) of such Act is amended to read as follows:

"(f) To receive a grant under this section, the recipient must certify that—

"(1) the recipient has or will have the legal, financial, and technical capacity to carry out the proposed project;

"(2) the recipient has the authority to apply for the grant under this section;

"(3) the recipient will carry out the project in compliance with the Uniform Relocation Assistance and Land Acquisition Policies Act of 1970 and section 7 of this Act;

"(4) the recipient will have satisfactory continuing control, through operation, lease, or otherwise, over the use of the facilities or equipment assisted hereunder and will maintain such facilities and equipment in operational order;

"(5) the recipient will use a competitive procurement process, as defined or approved by the Secretary, will not use procurements utilizing exclusionary or discriminatory specifications, and will carry out procurements in compliance with section 401 of Public Law 95-599;

"(6) the recipient will comply with the National Flood Insurance Act of 1968;

"(7) the recipient has complied with the requirements of subsection (g); and

"(8) the recipient has available and will provide funds from other than Federal sources as required by subsection (e).".

(f) Section 5(g) of such Act is amended to read as follows:

"(g) Each recipient shall—

"(1) make available to the public information concerning the amount of funds available under this section and the range of activities that the recipient proposes to undertake with such funds;

"(2) develop a proposed statement concerning activities to be funded in consultation with interested parties, including transportation users, public officials, and public and private transportation providers;

"(3) publish a proposed statement in such manner to afford affected citizens, private transportation providers, or as appropriate, local elected officials an opportunity to examine its content and to submit comments on the proposed statement and on the performance of the recipient; and

"(4) hold one or more public hearings to obtain the views of citizens on mass transportation.

In preparing the final statement, the recipient shall consider any such comments and views and shall, if deemed appropriate by the recipient, modify the proposed statement. The final statement shall be made available to the public.".

(g) Section 5(h) of such Act is amended to read as follows:

"(h)(1) In order to assure that the policies of the National Environmental Policy Act of 1969, and other provisions of law which further the purposes of such Act (as specified in regulations issued by the Secretary) are most effectively implemented in connection with the expenditure of funds under this section, and to assure to the public undiminished protection of the environment, the Secretary, in lieu of the environmental protection procedures otherwise applicable, may, under regulations issued by him, provide for the release of funds to recipients who assume all of the responsibilities for environmental review, decisionmaking, and action pursuant to such Act, and such other provisions of law as the regulations of the Secretary specify, that would apply to the Secretary were he to undertake such projects as Federal projects. The Secretary shall issue regulations to carry out this subsection only after consultation with the Council on Environmental Quality.

"(2) The Secretary shall approve the release of funds in accordance with the procedures authorized by this subsection only if, at least fifteen days prior to such approval and prior to any commitment of funds, the applicant has submitted to the Secretary a request for such release accompanied by a certification which meets the requirements of paragraph (3). The Secretary's approval of any such certification shall be deemed to satisfy his responsibilities under the National Environmental Policy Act of 1969 and such other provisions of law as the regulations of the Secretary specify insofar as those responsibilities relate to the applications and releases of funds for projects to be carried out pursuant thereto which are covered by such certification.

"(3) A certification under the procedures authorized by this subsection shall—

"(A) be in a form acceptable to the Secretary;

"(B) be executed by the chief executive officer or other officers of the applicant qualified under regulations of the Secretary;

"(C) specify that the applicant has fully carried out its responsibilities as described under paragraph (1) of this subsection; and

"(D) specify that the certifying officer (i) consents to assume the status of a responsible Federal official under the National Environmental Policy Act of 1969 and each provision of law specified in regulations issued by the Secretary to the extent that as the provisions of such Act or other such provisions of law apply pursuant to paragraph (1) of this subsection, and (ii) is authorized and consents on behalf of the applicant and himself to accept the jurisdiction of the Federal courts for the purpose of enforcement of his responsibilities as such an official.".

(h) Section 5(i) of such Act is amended to read as follows:

"(i) The Secretary shall not make a grant under this section unless he finds that the proposed uses of such grant are part of the approved program of projects required by section 8 of this Act.".

(i) Section 5(j) of such Act is amended to read as follows:

"(j) As soon as practicable after receiving the submissions required in this section, the Secretary shall enter into an annual projects agreement with the Governor, his designee, or the recipient of the urbanized area.".

(j) Section 5(k) is amended by striking out paragraphs (1) and (2) and by striking out "(3)" in the last paragraph.

(k) Section 5(l) of such Act is amended to read as follows:

"(l)(1) Each recipient of assistance under this section shall submit to the Secretary annually, at a time determined by the Secretary, a statement concerning the use of funds made available under this section, together with an assessment by the grantee of how such use compares to the statement of activities prepared under subsection (g). The Secretary may conduct, or require the recipient to have independently conducted, reviews and audits as may be deemed necessary or appropriate by the Secretary to determine whether (A) the recipient has carried out its activities in a timely and effective manner and has a continuing capacity to carry out those activities in a timely and effective manner; and (B) the recipient has carried out those activities and its certifications and has used its Federal funds in a manner which is consistent with the requirements of this Act and other applicable laws. Audits of the use of Federal funds shall be conducted in accordance with the accounting standards of the General Accounting Office. In addition, the Secretary shall, not less than once every three years, perform a full review and evaluation of the performance of a recipient in carrying out the recipient's program, with specific reference to compliance with statutory and administrative requirements, and consistency of actual program activities with the statement of proposed activities required under subsection (d) of this section and the planning process required under section 8. The Secretary may make appropriate adjustments in the amount of annual grants in accordance with the Secretary's findings under this subsection, and may reduce or withdraw such assistance or take other action as appropriate in accordance with the Secretary's review, evaluation, and audits under this subsection.

"(2) The provisions of section 1001 of title 18, United States Code, apply to any certification or submission under this Act. In addition, if any false or fraudulent statement or related act within the meaning of section 1001 of title 18, United States Code, is made in connection with a certification or submission under this Act, the Secretary may terminate and seek appropriate reimbursement of the affected grant or grants directly or by offsetting funds available or to be available under this Act.".

(l) Section 5 is amended by adding at the end thereof the following:

"(o) A recipient may request the Secretary to approve its procurement system. If, after consultation with the Director of the Office of Federal Procurement Policy, the Secretary finds that such system provides for competitive procurements, the Secretary shall approve such system. Such approval shall be binding unless withdrawn. This subsection does not affect the certification required by subsection (f)(5).".

SMALL URBAN AND RURAL AMENDMENTS

SEC. 4. (a) Section 18(a) of the Urban Mass Transportation Act of 1964 is amended by striking out "section 4(e)" and inserting in lieu thereof "section 4(a)".

(b) Subsection (c) of such section is amended by striking out "three years" in the first sentence and inserting in lieu thereof "two years".

Summary of Federal Public Transportation Act of 1982

Funding level:	Billions
Fiscal year 1983	$3.4
Fiscal years 1983–86 (total)	15.2

These funding levels represent the Congressional Budget Office's current policy baseline.

Program structure:

The bill creates a "Direct Transit Assistance Fund" using a single authorization and allocates funds on a percentage basis among the major transit programs as follows:

Discretionary capital grant program (Section 3 of the existing Urban Mass Transit Act)—25%.

Formula capital and operating assistance program (based on Section 5 of the Urban Mass Transit Act)—75%.

Allocation of Block Grant funds:	Percent
Cities over 200,000	89.5
Cities under 200,000 but over 50,000	7.5
Small urban and rural	3.0
Total	100.0

Block Grant apportionment formulas:

Cities over 200,000—

55.71%—Bus formula—50% allocated on the basis of population and population density factors, 50% allocated on the basis of the system's share of bus revenue vehicle miles.

3.96%—Bus productivity formula—distributed on the basis of expense per bus passenger mile.

29.83%—Rail formula—50% allocated on the basis of share of fixed guideway route miles; 50% allocated on the basis of share of fixed guideway revenue vehicle miles. No recipient in one state could receive more than 36% of the funds allocated under the rail formula.

Cities under 200,000 but over 50,000—

7.5%—90% distributed on the basis of population and population density factors; 10% distributed on the basis of share of bus revenue vehicle miles.

3.0%—Small Urban and Rural (Section (8))—distributed on the basis of formula in current law.

Total=100%.

Operating assistance:

Operating assistance is retained. However, no transit system could use more for operating purposes than it received in fiscal year 1982.

Planning funds:

Would come out of the Section 3 capital grant program (no less than 6%; no more than 7%).

Matching ratios:

50/50 Federal/local matching ratio for operating assistance purposes.

80/20 Federal/local matching ratio for capital grants (from Section 3 and Section 5).

Programmatic revisions:

Transit systems would not longer have to submit applications for each individual project to be funded (except the requests for discretionary capital grants). Instead, under the block grant program, they would merely submit a statement of activities. Transit systems could self-certify their compliance with most statutory and administrative requirements except civil rights and labor.

Transit system activities subject to Secretarial review, audit and evaluation.

Letters of intent:

Existing letters of intent would be given priority for funding out of the discretionary fund.

The Secretary of Transportation shall notify the Senate Banking Committee and the House Public Works within 30 days of the issuance of any letter of intent.

STATEMENT OF SENATOR DONALD W. RIEGLE, JR.

Mr. President, I rise to cosponsor the legislation offered by the distinguished Senator from Illinois (Mr. Dixon), a fellow member of the Committee on Banking, Housing, and Urban Affairs. This bill proposes a carefully crafted, balanced, and fiscally responsible approach to meeting the very critical mass transit needs of our Nation.

Mr. President, this body has maintained a consistent and strong commitment to better mass transit service for almost 20 years. During that time we have evolved from a country going through a period of uncontrolled growth, without awareness of some of the costs of such growth, to a country sensitive to rational development and the economic, environmental, and energy needs of our communities. The Federal mass transit program has been a key element in this awakening. It has played a major role in the revival of our cities and in the rational planning of our transportation networks.

Despite all this carefully nurtured progress, this administration has proposed—as it has in so many other areas—short-sighted and destructive changes to an important program that may save a few dollars in the short run but may carry costly and difficult implications for the American people in the long run.

The Department of Transportation has submitted legislation to the Congress that would complete a 32-percent reduction in transit funding between 1981 and 1983 and would continue the administration's ill-advised pledge to end Federal operating assistance to transit systems.

This is a one-two punch that will knock out a lot of transit service in this country. In my State's largest city, Detroit, it is conservatively estimated that the administration's proposal would mean a 50-percent cut in transit service. The grim economic realities facing my State make it impossible for the State or local governments to replace lost Federal assistance.

This story is repeated in large and small cities all over the country. The opposition to the administration's approach is widespread and impressive, with advocates of mass transit all over the country calling on Congress to reaffirm that an effective mass transit program is in the national interest.

Mr. President, I believe the legislation we are introducing today answers that call. It achieves a number of goals which are necessary to assure the continuation of a workable and efficient transit program:

First, it would reauthorize the program for 5 years at the funding level identified as the CBO baseline for current transit program activity. This is the minimum level at which I believe the program could operate without forcing significant cutbacks in service.

Second, the proposed legislation would preserve operating assistance at no higher than 1982 levels. This would avoid the devastating impact of the phase-out proposed by the administration which, according to the American

Public Transit Association, would mean the shutdown of 25 percent of the Nation's transit systems—47 percent of small transit systems face shutdowns—and major service cutbacks or fare increases in almost all the rest. The leveling off of transit operating assistance would send a clear signal to our cities and States that the Federal Government has a limited role to play in underwriting operating deficits and that it is the responsibility of transit operators to get costs under control and improve productivity.

Third, the program would be restructured to create an equitably distributed, predictable, and stable source of both operating and capital assistance through a formula program that would distribute 75 percent of the program funds. There would continue to be a discretionary fund, made up of 25 percent of the funds, which would be available for major rehabilitation programs, fleet expansions, development of new systems where prudent, and other worthy projects for which formula funding is inadequate.

Fourth, it creates a new distribution formula designed to balance the interests of small and large communities, and bus and rail systems. By utilizing a formula based both on population and service factors, we accomplish the equitable distribution of funds that has been a long-sought goal of this program.

Fifth, it would establish, for the first time, a distribution mechanism that reflects the productivity of transit operations and therefore rewards those systems that strive to reduce costs and provide more service.

Sixth, it would provide a sensible level of deregulation for the program which maximizes local discretion and reduces Federal regulations, while assuring effective review and evaluation by the Department of Transportation to protect the interests of the Federal taxpayer.

Seventh—and very important—this legislation preserves the increasingly popular and effective section 18 program of capital and operating assistance to transit services in small communities and rural areas.

I want to commend my colleague from Illinois for his leadership in working to preserve this program which is vital not just to the largest cities of our country, which have long understood the importance of good mass transit, but also to hundreds of smaller cities and towns that have followed the lead taken by the Federal Government in promoting mass transit as a way to make our communities more livable.

I know we are joined by Senators on both sides of the aisle who oppose the approach taken by the administration. The Federal commitment to transit has always had bipartisan support, and I am pleased that this has not changed.

The Banking Committee meets next week to mark up transit legislation. The legislation we are introducing today contains the principles we believe should and will be adopted by the committee.

By Mr. DOMENICI:

S. 2503. A bill to authorize the Secretary of the Interior to consider a petition for reinstatement of a certain oil and gas lease; to the Committee on Energy and Natural Resources.

REINSTATEMENT OF AN OIL AND GAS LEASE

Mr. DOMENICI. Mr. President, I am introducing today a bill to authorize the Secretary of the Interior to consider a petition for reinstatement of a certain oil and gas lease for the benefit of a small New Mexico gas and oil firm. A brief description of the events relating to this lease is presented now to indicate my reasons for introducing this bill.

The New Mexico gas and oil company, Atom Inc., has a gas and oil lease on Federal land in Sandoval County, N. Mex. The company was drilling a gas well on the lease on the expiration date of the lease, February 28, 1978, an action by which officials of the company felt the lease would be extended and the company's rights thereunder preserved. The officials of the company were aware that royalty payments on the lease were required, but they understood, incorrectly as it turned out, that this lease fell into the category of "minimum royalty," meaning that company would be billed for royalty payments by the appropriate Federal Government agency.

Unfortunately, as to this lease, royalties were not billed but due on a certain date, February 28, 1978, in this case. On April 12, 1978, the company was notified that the lease would be terminated for nonpayment of the royalty. The company immediately ceased operations on the well they were drilling and sent a check that same day for the amount of the rental fee, $401.50, seeking to have the lease reinstated.

The Bureau of Land Management determined, in accordance with the provisions of 43 CFR 3108.2-1(c), that it was without power to reinstate the lease because "the rental was tendered more than 20 days after the anniversary date of the lease."

Mr. President, I feel there are extenuating circumstances in this matter which justify the enactment of a bill which simply gives the Secretary of the Interior more flexibility than he and his subordinates have under existing regulations. Specifically, this bill would authorize the Secretary to reinstate the lease in question if the Secretary is satisfied that the "failure to pay timely was either justifiable or not due to lack of reasonable diligence."

In this case, it is obvious and everyone agrees that there was no intention or effort to avoid payment of the royalty since it was tendered immediately when the company was advised that it was overdue. Further, Mr. President, when the company had already spent over $37,000 on the lease, there would be no reason to fail to pay the royalty payment of only $401.50, an amount that is only 1.1 percent of the total invested in the lease. That entire investment will have been for nothing if the lease is not reinstated and that just doesn't seem fair or reasonable to me.

Finally, I have checked with the responsible Federal agency on another relevant question; namely, would anyone be adversely affected by the reinstatement of this lease? I have been advised by the Albuquerque Office of the U.S. Geological Survey that there would be no adverse effect on any person or business firm that can be presently identified since no one else is automatically entitled to the lease. Since no one else would be hurt by the reinstatement and since no one else has invested in the lease, it seems entirely fair and reasonable to provide the flexibility for the Secretary to reinstate the lease to the people who have invested over $37,000 in its development for energy production.

Stated another way, Mr. President, in the absence of intention not to pay and when no one else is hurt, it just seems unfair and illogical to me to take the lease away from people who, but for this unintentional mistake, would be entitled to whatever benefits may flow from their investment, an investment which is not jeopardy because of royalty payment of only 1.1 percent of that investment was not sent in when due.

By Mr. BAUCUS:

S. 2504. A bill to amend section 331A of the Consolidated Farm and Rural Development Act to defer payment of principal and interest of loans; to the Committee on Agriculture, Nutrition, and Forestry.

THE CRISIS IN AGRICULTURE

● Mr. BAUCUS. Mr. President, there is a lot of talk across the country and in Congress these days of the dismal state of the farm economy. One point that everyone agrees on is that action is needed to turn around declining farm prices and improve net farm income—which has fallen to the lowest level since the Great Depression of the 1930's.

I met with Secretary Block today to offer him my support in any efforts he takes to improve farm prices. I told him I will be looking for action beyond the current reduced acreage program and the potential of increased exports for alleviating our grain surpluses and improving market prices.

The Secretary agreed that we need to work on a long term agreement with the Soviets to reestablish our position as a reliable supplier of grain. He also said that he would be announcing the 1983 commodity programs early enough to give farmers a chance to plan their operations.

Secretary Block also appeared on the MacNeil-Lehrer Report last night to address the problems of farm foreclosures by FmHA and the availability of farm credit. I share the concern in the agricultural community over the ability of farmers to repay loans under the current economic conditions.

I recently held a meeting in Billings, Mont., with farmers, ranchers, bankers, Federal Land Bank representatives, and the State Director of the Farmers Home Administration. I believe we calmed the fears of a lot of farmers that FmHA would be instituting massive foreclosures. But the number of forced foreclosures do not tell the whole story.

Newspapers in Montana are more and more frequently running farm auction notices. FmHA is sending out letters to many of its borrowers to set up meetings to discuss their operations and the prospects for the future.

There is fear, there is uncertainty in the minds of a growing number of Montana farmers over whether farm prices will improve soon enough to keep them in operation.

In the past few weeks, there has been a lot of talk in Congress that the 1981 farm bill is working—that farm prices will improve—that the reduced acreage program will cut surplus stocks and bolster market prices. I think it is good to face the future full of optimism. But I also feel we have to face the future realistically.

The farmer that is delinquent in his loan repayments now with no foreseeable improvement in his situation can not survive on promises of prosperity.

Mr. President, I am today introducing a bill that would allow farmers to defer payment of the principal and interest on their loans. The language of this bill is identical to the language included in the House reauthorization of the Farmers Home Administration. I fully intend to offer the bill as an amendment during the Senate consideration of that measure.

The Secretary now has the authority to defer payments of farm loans. This bill would simply allow farmers to request a deferral on a case-by-case basis.

There are proposals in Congress to place a moratorium on FmHA foreclosures. This language stops short of that action by treating each loan and each farmer on an individual basis.

The Secretary and the State Director of the FmHA for Montana assure me that there will be no significant increase in farm foreclosures. This bill puts teeth into their commitment and gives farmers further assurance that they will be able to ride out the present period of depressed prices.

This bill will not improve the state of our agricultural economy. It will guarantee that farmers are still in operation when prices improve.●

By Mr. HART (for himself and Mr. CRANSTON):

S. 2505. A bill to prohibit the export and use abroad of certain nuclear technologies and materials; to the Committee on Foreign Relations.

NUCLEAR NONPROLIFERATION ACT AMENDMENTS OF 1982

● Mr. HART. Mr. President, in conjunction with Congressman OTTINGER, I am introducing today a bill to reverse a dangerous trend in administration policy, and to restate—legislatively—the United States' unwavering commitment to preventing the worldwide spread of nuclear weapons. The administration's poor record on nonproliferation issues generally, and its emerging—and frightening—policy on the use of plutonium as a nuclear power reactor fuel, has convinced me of the need for this legislation.

I am pleased to have Senator ALAN CRANSTON as cosponsor.

The bill has four provisions:

First, it confirms in law our longstanding and consistent policy of prohibiting the export of "sensitive nuclear technology"—that is, technology such as spent fuel reprocessing and uranium enrichment that would enable a country to build nuclear weapons.

Second, the bill prohibits foreign countries from reprocessing spent reactor fuel produced from either nuclear material or equipment supplied by the United States, and from using or retransferring any separated plutonium until Congress can find that effective safeguards will be applied and that adequate sanctions exist against violations of nonproliferation commitments.

Third, the bill closes a loophole in existing law. It prohibits U.S. corporations from using their overseas licensees, affiliates, or subsidiaries to bypass existing limitations on nuclear exports to countries that do not otherwise meet the conditions for receiving nuclear exports from the United States. At least two corporations have such plans today.

Finally, it requires the Nuclear Regulatory Commission to find, as a condition for U.S. nuclear exports, that international safeguards will provide the United States with notice of a diversion of nuclear material well before the material could be used to build a weapon.

Mr. President, it is vital for Congress to consider this bill now. From distant rumbles in Western Europe, public concern about our ability to prevent the use of nuclear weapons has grown to a crescendo in the United States. There are now over a dozen resolutions before Congress on controlling nuclear weapons.

Yet these efforts to freeze, limit, or reduce the number of strategic nuclear weapons held by the superpowers address only part of the problem. We face an equal, if not a greater, danger: the grave and growing risk that nuclear weapons will "trickle down," or proliferate, to countries that do not have them now or even to terrorist groups, increasing the threat of nuclear war, terrorism, or blackmail.

This bill would sharply limit the worldwide production and use of separated plutonium, the raw material for nuclear weapons. Such an effort is the cornerstone of an effective nuclear nonproliferation policy.

A growing number of countries are seeking separated plutonium to fuel their nuclear power reactors. Others are seeking the technology to produce it. According to some forecasts, by the end of the century, tons of separated plutonium will move each year in international commerce, vastly increasing risks of theft or diversion for building weapons.

The administration, however, appears to view this situation with complacency. As a candidate in 1980, President Reagan said that nuclear proliferation "is not any of our business." The administration's subsequent actions and statements reveal little or no commitment to nonproliferation efforts, and dramatically underscore the need for this bill.

Here is the administration's record:

The administration decided in principle to permit the transfer of sensitive enrichment technology to Australia. It contended that if American corporations participated in the Australian uranium enrichment program, the United States would be able to advance its nonproliferation goals. How the administration intends to influence the Australian program remains unclear. Yet this feeble rationale was used to support a radical departure from established policy. The administration sanctioned the export of sensitive nuclear technology—something no administration has done before. This sets a precedent that will make it more difficult to deny similar requests for sensitive technology from other nations—and easier for other nuclear suppliers to fill them.

Brazil has a contract with the U.S Department of Energy (DOE) for separated plutonium, a contract which gave the United States precisely the leverage the administration is seeking in Australia and elsewhere. Under the contract and U.S. law, Brazil is required to meet stringent standards for receiving enriched uranium fuel from the United States. The contract also required Brazil to pay a substantial penalty if it used fuel from other countries. Unfortunately, the administration has chosen to exempt Brazil from the penalty clause, allowing Brazil to use fuel from other nations without penalty. So much for using commercial leverage to achieve our nonproliferation goals.

The press has reported DOE plans to use plutonium obtained from commercial spent reactor fuel to build nuclear weapons. Although DOE denied immediate plans to do this, it also opposed legislation to foreclose the option. Using commercial spent fuel to build nuclear weapons would link our civilian and military nuclear programs and set the worst possible example for the world. Continued pleas to other countries not to use their civilian nuclear power programs to build nuclear weapons would have no credibility.

Fortunately, the Senate last month voted overwhelmingly in favor of legislation to prohibit DOE from pursuing that option.

The Department of Energy authorized Japan to begin full capacity reprocessing of U.S.-supplied reactor fuel in its Tokai Mura plant. Although Japan was already reprocessing smaller quantities, and although Japan probably is a negligible proliferation risk, both facts are outweighed by the undesirability of legitimizing further the commercial production and use of plutonium. Indeed, Japan already plans to build a new commercial-scale reprocessing plant, and wants U.S. approval for recycling plutonium from U.S.-controlled spent reactor fuel in its nuclear power reactors. Other countries will undoubtedly cite the Japanese precedent in seeking approval of similar requests.

The United States and other countries are negotiating with Mexico on a substantial expansion of its nuclear power program. Mexico has shown an interest in gaining access to sensitive uranium enrichment and spent fuel reprocessing technology. As various nuclear supplier countries and their companies compete for a share of Mexico's nuclear market, they may be tempted to "sweeten the deal" by offering sensitive technology. In fact, the administration has refused to rule out this possibility, saying, "We believe it is premature to specify whether and under what circumstances the United States might actually transfer sensitive enrichment or reprocessing technology to Mexico."

The administration has already announced its intention to grant advance, programmatic approvals for foreign reprocessing of U.S.-controlled spent fuel and use of the extracted plutonium. It apparently will distinguish between countries presenting few proliferation concerns and those posing a greater risk. We can anticipate that certain countries, for example, Japan and the Euratom countries, will receive approval more readily than others.

Mr. President, the administration's actions on nuclear exports raise disturbing questions about its commitment to curbing the spread of nuclear weapons—questions that may be answered all too clearly if we continue on this dangerous and inappropriate course.

First, the policy trend toward export of sensitive technology—even to nations posing negligible proliferation risks—could undermine U.S. nonproliferation efforts. At present, U.S. law (section 307 of the Nuclear Nonproliferation Act of 1978) prohibits—with few exceptions—any nuclear exports to any country that transfers sensitive nuclear technology to a nonnuclear weapons state. If current trends continue, however, we will begin regularly to export sensitive nuclear technology ourselves. We will be engaged in precisely the trade that we now prohibit our nuclear trading partners from engaging in.

Second, the trend is dangerous, given the inadequacy of international safeguards on civilian nuclear materials and facilities. In November 1981, the Nuclear Regulatory Commission warned the Congress:

> The NRC is concerned that the IAEA safeguards system would not detect a diversion in at least some types of facilities. In addition, we are not confident that the member states would be notified of a diversion in a timely fashion.

In response to specific questions about the effectiveness of safeguards for highly enriched uranium (HEU), spent fuel reprocessing and separated plutonium, the NRC stated:

> [B]ecause they can be transformed readily into weapons, we cannot count reliably on inspection alone to provide warning of diversion of HEU and separated plutonium in time to prevent assembly if the necessary preparation work has been done . . . Inspection of large-scale reprocessing plants presents a number of particularly difficult technical problems. While progress is being made, it is clear that significant problems will remain for the foreseeable future.

Even the International Atomic Energy Agency, the Agency responsible for administering the international safeguards regime, concedes that effective safeguards do not now exist for separated plutonium used as a nuclear power reactor fuel.

Third, there is no economic justification for using plutonium rather than uranium to fuel nuclear power reactors. World uranium reserves greatly exceed demand and will last well into the next century. During the past decade, the price of uranium dropped from $60 per pound to today's price of approximately $20 per pound. Only an eightfold increase in uranium prices would economically justify reprocessing spent fuel for use in power reactors.

Today, however, the excess of world uranium enrichment capacity and low uranium prices offer a unique opportunity for countries to obtain secure stockpiles of uranium for nuclear reactor fuel.

Fourth, the policy trend relies on the shaky justification of leverage. The administration contends that, as a reliable supplier, the United States can use its commercial leverage to advance U.S. nonproliferation goals. But there is a catch: Once the United States exercises its leverage, it is no longer a "reliable supplier." Moreover, becoming a reliable supplier of sensitive nuclear technology and materials makes sense only when there are reliable customers. Given doubts about the effectiveness of international safeguards, however, we may become the reliable suppliers of our own destruction.

Finally, the policy trend would undermine our nonproliferation efforts by setting the wrong example for other countries. Our past restraint in not exporting sensitive nuclear technology has brought similar restraint on the part of other nuclear supplier countries. Our example and diplomatic efforts led West Germany to deny Brazil the technology for a complete nuclear fuel cycle, and led to France's refusal to provide reprocessing plants to South Korea and Pakistan. Our policy has slowed the spread of these dangerous technologies throughout the world. There is no reason to abandon this policy now. The bill I am introducing today will help the United States reassert its moral leadership in the nuclear export field.

Mr. President, this bill also addresses a problem beyond the export of sensitive nuclear technology and the use of separated plutonium. It closes a loophole in existing law that weakens our nonproliferation efforts. The Westinghouse Electric Co. plans to circumvent U.S. nuclear export controls by offering a $1.1 billion, 900-megawatt nuclear power reactor to Pakistan through affiliated companies in Spain. Although the Nuclear Non-Proliferation Act prohibits direct nuclear exports to Pakistan, because it has neither accepted full-scope safeguards nor entered into an agreement for peaceful nuclear cooperation with the United States, the law does not cover such indirect transactions.

The sale to Pakistan is particularly ill advised. The country has expressed a strong desire to obtain the capability to build nuclear weapons, and the IAEA reported last fall that it cannot guarantee Pakistan is not diverting nuclear materials for military purposes.

In another instance, two American firms, Edlow International and

SWUCO, Inc., served as brokers for 100 tons of enriched uranium sold to South Africa by companies in France, Belgium, and Switzerland. Their involvement directly contradicted our policy of opposing direct sales of enriched uranium to South Africa. It undercut our attempts to persuade South Africa to sign the Non-Proliferation Treaty and to submit all its nuclear facilities, including a plant capable of producing weapons-usable highly enriched uranium, to international safeguards.

The bill would close this loophole in current law by prohibiting a U.S. corporation from using offshore subsidiaries, licensees, or affiliates to export nulcear materials and technology to countries that do not otherwise comply with the requirements of the laws of the United States.

The final section is this bill would resolve a debate that has continued since the 1978 enactment of the Nuclear Non-Proliferation Act: Whether, as a condition of U.S. nuclear exports, the Nuclear Regulatory Commission must find not only that international safeguards will be applied, but also that these safeguards will provide "timely warning" of any diversion of nuclear materials. The bill requires the NRC to make both findings before approving an export.

I doubt whether the Congress intended the NRC to approve a nuclear export while questioning the ability of international safeguards to detect diversion or theft of nuclear materials. Growing concerns about the adequacy of international safeguards make it imperative that the NRC have this explicit authority.

Mr. President, our very future depends on the ability of the United States and other countries to prevent the further spread of nuclear weapons. Halting nuclear proliferation is perhaps the most difficult problem of this age. We make the problem more difficult if we abdicate our position of leadership.

For years, the United States has discouraged transfers of sensitive nuclear technology and the use of separated plutonium as a fuel for nuclear power reactors. Yet this administration, with its apparent desire to place commercial profits over nonproliferation goals, seems willing to make the United States a merchant of danger, perhaps even death.

The United States must not permit the "Fifth Horseman" of nuclear terrorism to ride down on some defenseless city. Yet, it rides nearer every time spent reactor fuel is reprocessed to extract plutonium. The United States must not become the supplier of its own doom. This bill will help restore good sense and credibility to our nuclear nonproliferation policy. I urge its prompt consideration by the Congress.

Mr. President, I ask unanimous consent that the text of the bill be printed at the conclusion of my statement.

I also ask unanimous consent that the text of a related resolution I introduced last week calling for a multilateral, verifiable halt in the production of separated plutonium, for any purpose, follow the text of the bill. The statement introducing the resolution can be found at 7858–7859 in the Tuesday, April 27, CONGRESSIONAL RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2505

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. This Act may be cited as the "Nuclear Nonproliferation Act Amendments of 1982".

FINDINGS

SEC. 2. The Congress finds and declares that—

(1) the spread of highly enriched uranium and separated plutonium, or the direct capability to manufacture or otherwise acquire such materials, poses a grave threat to the security interests of the United States and to continued international progress toward world peace and development;

(2) technologies for the enrichment of uranium or other isotopic separation of special nuclear materials, for the reprocessing of nuclear fuel, and for the production of heavy water have been used in the production of highly enriched uranium and separated plutonium;

(3) effective safeguards do not now, and will not soon, exist for highly enriched uranium and separated plutonium and for the technologies (including technologies relating to uranium enrichment and other isotopic separation, nuclear fuel reprocessing, and heavy water production) from which such materials are produced;

(4) if exported, these technologies would turn separated plutonium and highly enriched uranium into articles of commerce and thus would gravely increase the risk that nuclear weapons will spread to non-nuclear-weapon states;

(5) it has been the longstanding and consistent policy of the executive branch of the United States Government to prohibit the export of these technologies;

(6) the supplier guidelines of the Nuclear Suppliers Group reflect a consensus among supplier countries to exercise restraint in the supply of these technologies to non-nuclear-weapon states;

(7) a congressional affirmation of this policy can strengthen United States leadership, by example, in persuading other nuclear supplier countries not to export these technologies;

(8) the reprocessing of spent nuclear fuel and the use of separated plutonium and highly enriched uranium cannot be carried out under conditions that will ensure "timely warning" to the United States of any diversion;

(9) in the absence of effective safeguards and international sanctions against violations of non-proliferation commitments, reprocessing and the use of resulting materials subject to United States control would significantly increase the risk of proliferation and should not be approved; and

(10) the activities of United States firms directly or indirectly engaged in foreign nuclear commerce can have a significant effect on United States foreign policy and national security interests and should therefore be licensed by the United States Government.

PRODUCTION OF HIGHLY ENRICHED URANIUM AND SEPARATED PLUTONIUM

SEC. 3. Section 402(b) of the Nuclear Non-Proliferation Act of 1978 (42 U.S.C. 2153a(b)) is amended to read as follows:

"(b) Notwithstanding any other provision of law, major critical components of any facility for, and information and other assistance which is relevant to, the enrichment of uranium of other isotopic separation of special nuclear material, nuclear fuel reprocessing, or heavy water production may not be exported or otherwise provided under any agreement for cooperation (except an agreement for cooperation pursuant to subsection 91c., 144b., or 144c. of the 1954 Act) or under any authorization by the Secretary of Energy under subsection 57b.(2) of the 1954 Act. For purposes of this subsection, the term 'major critical component' means any component part or group of component parts which the President determines to be essential to the operation of a complete facility for the enrichment of uranium or other isotopic separation of special nuclear material, for nuclear fuel reprocessing, or for heavy water production.".

REPROCESSING AND RETRANSFERS OF SEPARATED PLUTONIUM

SEC. 4. Chapter 11 of the Atomic Energy Act of 1954 is amended by adding at the end thereof the following new section:

"SEC. 132. PROHIBITION ON REPROCESSING AND ON RETRANSFERS OF SEPARATED PLUTONIUM.—

"a. Until such time as the Congress enacts a joint resolution in accordance with subsection b. of this section—

"(1) the Secretary of Energy may not grant any approval (under section 131 or otherwise) which is required under any agreement for cooperation (including associated agreed minutes), other agreement, understanding, or assurance, for; and

"(2) an agreement for cooperation (including associated agreed minutes) or other agreement, may not permit;

the reprocessing, or the use or retransfer of any plutonium in quantities greater than 500 grams resulting from the reprocessing, of any special nuclear material which is exported by the United States or produced through the use of any nuclear materials and equipment or sensitive nuclear technology exported by the United States. Paragraph (2) applies with respect to any agreements for cooperation, including any amendments to an agreement for cooperation, associated agreed minutes, or other agreements, which are entered into after May 6, 1982.

"b. The prohibitions contained in this section shall remain in effect until such time as the Congress enacts a joint resolution declaring that the Congress finds that—

"(1) effective international safeguards, which will provide timely warning to the United States of any diversion well in advance of the time at which a non-nuclear-weapon state could transform the diverted material into a nuclear explosive device, can be applied with respect to reprocessed special nuclear material and to separated plutonium; and

"(2) international sanctions against violations of non-proliferation commitments

have been established which are adequate to deter non-nuclear-weapon states from diverting reprocessed special nuclear material and separated plutonium to the manufacture of nuclear explosive devices.".

LICENSING OF CERTAIN ACTIVITIES IN FOREIGN NUCLEAR COMMERCE

SEC. 5. (a) Chapter 11 of the Atomic Energy Act of 1954, as amended by section 4 of this Act, is further amended by adding at the end thereof the following new section:

"SEC. 133. LICENSING OF CERTAIN ACTIVITIES IN FOREIGN NUCLEAR COMMERCE.—

"A. Activities described in subsection b. of this section by any person subject to the jurisdiction of the United States—

"(1) may be engaged in only if authorized under an agreement for cooperation;

"(2) shall be considered to be exports for purposes of the procedures and requirements of section 126, section 127, and section 128, except that any such activities relating to transfers or retransfers of components, items, and substances shall be considered to be exports for purposes of the procedures and requirements of section 109 b.; and

"(3) shall require a license from the Nuclear Regulatory Commission.

"b. The requirements of subsection a. apply with respect to any transfer or retransfer, including any activity which directly or indirectly assists in any way the transfer or retransfer, outside the United States of—

"(1) any source or special nuclear material (including transfers or retransfers of title to any such material),

"(2) any production or utilization facility or any technology pertaining to any such facility,

"(3) any sensitive nuclear technology, or

"(4) any component, item, or substance determined to have significance for nuclear explosive purposes pursuant to section 109 b.,

regardless of the country of origin.".

(b) Section 234 a. of that Act is amended by striking out "or 109" and inserting in lieu thereof "109, or 133".

ADEQUACY OF IAEA SAFEGUARDS

SEC. 6. (a) Section 127 of the Atomic Energy Act of 1954 is amended—

(1) in paragraph (1) by inserting "(A)" immediately after "(1)"; and

(2) by inserting immediately after paragraph (1)(A) as so redesignated, the following:

"(B) The IAEA safeguards to be applied will be adequate to provide timely warning to the United States of any diversion of—

"(i) any such special nuclear material, or

"(ii) any special nuclear material used in any such facility or produced through the use of any such material, facility, or technology,

well in advance of the time at which a non-nuclear-weapon state could transform the diverted material into a nuclear explosive device.".

(b) Section 109 b. of that Act is amended by inserting immediately before the semicolon at the end of clause (1) of the second sentence ", and those safeguards will satisfy the 'timely warning' requirement described in paragraph (1)(B) of section 127".

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Whereas nuclear explosions, whether caused by strategic nuclear war or by bombs placed by terrorist groups, would kill or injure millions of persons, destroy population centers, devastate industrial and technological bases, and threaten civilization; and

Whereas both the expansion of existing nuclear weapons arsenals and the spread of nuclear weapons to countries or terrorist groups not now possessing them, would increase the probability that such destruction and devastation could occur by design, accident, or miscalculation and thus would pose the gravest risk to the security of the United States and the world; and

Whereas separated plutonium is both the basic ingredient for making nuclear weapons and an alternative fuel for nuclear power reactors; and

Whereas if separated plutonium is used as a nuclear power reactor fuel, thousands of pounds of separated plutonium eventually could move each year in international commerce; and

Whereas the world's existing uranium resources and uranium enrichment capacity easily can meet all requirements for nuclear power fuel for the foreseeable future, thus rendering economically unjustifiable the use of separated plutonium as a nuclear power reactor fuel; and

Whereas separated plutonium cannot be adequately protected or safeguarded against diversion or theft to build nuclear weapons; and

Whereas there have been no further negotiations since 1975 among the nations that possess the technology for producing separated plutonium to limit the future export of such technology; and

Whereas the continued and increasing production and use of separated plutonium not only would permit weapons states to expand their nuclear weapons arsenals, but also would increase the chance that new countries or terrorist groups would acquire the means to detonate a nuclear bomb: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That—

(1) the United States, the Soviet Union, and other countries possessing the technology to produce separated plutonium should, without delay, enter into negotiations leading to a verifiable halt in the further production of separated plutonium and the export of the technology for such production so as to prevent separated plutonium from becoming an article of domestic and international commerce; to reduce the risk that nonnuclear weapons countries or terrorist groups will acquire the means to detonate a nuclear bomb; and to halt the expansion of nuclear weapons arsenals around the world; and

(2) the United States and other nuclear supplier and consumer nations should promptly begin negotiations leading to an agreement to reject the commercial use of separated plutonium as a nuclear power reactor fuel, to base civilian nuclear power technology only on nonweapons usable fuel, and to make available abundant, secure, and economic supplies of natural and low-enriched uranium for that purpose.●

By Mr. BENTSEN:

S. 2506. A bill to amend the Internal Revenue Code of 1954 to exempt holdings in independent local newspapers from taxes on excess business holdings of private foundations; to the Committee on Finance.

INDEPENDENT NEWSPAPER SURVIVAL

● Mr. BENTSEN. Mr. President, I am today introducing a bill to help preserve independent newspapers by exempting holdings in independent local newspapers from taxes on excess business holdings of private foundations.

In 1969 section 4943 was added to the Internal Revenue Code. Under this section, all private foundations will be prohibited after May 26, 1989, from owning more than 50 percent of the assets of stock of any business enterprise owned by them on May 26, 1969.

My bill would permit the private foundations which presently own interests in independent daily newspapers to continue that ownership. In addition, it would encourage individuals who own controlling interests in other independent newspapers to bequeath their interests in these newspapers to private foundations since ownership by the private foundation could be continued for more than the present 5-year mandatory divestiture period. Such bequests would accomplish at least two very worthwhile objectives.

First, a significant amount of assets would be irrevocably committed to charitable purposes.

Second, locally owned, independent newspapers would be preserved.

Under current law, continued ownership of independent newspapers is very difficult. If the newspaper is owned by a private foundation, section 4943 mandates its sale. If the newspaper is owned by an individual, the payment of the Federal estate tax obligations incurred upon the death of the principal owner often necessitates sale. The proposal would permit the ownership of only one independent, local newspaper by a private foundation.

To insure the continuation of a broad-based, independent, free press in the United States, the policy of Congress should be to encourage, rather than discourage, the ownership of independent local newspapers throughout the country. The bill I am introducing today would promote that objective.●

By Mr. HAYAKAWA (for himself, Mr. CRANSTON, Mrs. HAWKINS, Mr. HELMS, Mr. LAXALT, Mr. PRESSLER, Mr. SCHMITT, and Mr. SYMMS):

S. 2507. A bill to require a properly executed warrant before an officer or employee of the Immigration and Naturalization Service may enter a farm or other agricultural operation; to the Committee on the Judiciary.

PROTECTING THE FOURTH AMENDMENT RIGHTS OF FARMERS

Mr. HAYAKAWA. Mr. President, today I am introducing a bill to require the Immigration and Naturalization Service (INS) to obtain a properly executed search warrant prior to entering a farm or other agricultural operation. Joining me as original cosponsors are Senators Cranston, Hawkins, Helms, Laxalt, Pressler, Schmitt, and Symms.

Currently, the INS must obtain a warrant prior to entering any place of business excepting farms and ranches. Congress must not allow this exception to continue to exist. Farmers are entitled to the same standard of protection that other businessmen enjoy. Simply because a farm is a factory without walls, the Border Patrol blatantly applies a different set of rules.

Farmers have been denied a basic right which is guaranteed under the fourth amendment—protection from unreasonable search and seizure. INS statistics show us that 8 percent of the illegal aliens employed in the United States are working in agriculture. However, almost 50 percent of undocumented alien workers apprehended are in agriculture.

These statistics reflect a bias in the enforcement activities of INS. They demonstrate that the INS is selectively enforcing the law by going to the industry where it is the simplest and most cost effective to carry out the law. This must be changed.

The Border Patrol argues that because agricultural lands are "open fields", they are beyond the scope of protection of the fourth amendment. Their agents need not obtain consent, a search warrant, or show probable cause that some criminal activity is occurring prior to entering a farmer's fields. In short, Border Patrol agents enter agricultural land at will to search for undocumented workers.

However, unlike traditional "open field" cases where law enforcement officers see the so-called "fruit of the crime", the only thing the Border Patrol witnesses are human beings working in the field. It is not until the Border Patrol illegally enters the field that an illegal versus legal status can be determined.

My amendment does not establish any special protection for farmers. It merely guarantees them the same rights and protections enjoyed by every other employer in our Nation. Likewise, the agricultural workers will be protected from the antagonism of impulsive interrogation by the INS.

Harassment of agricultural employers and employees by the INS has gone on for years—agriculture is an easy target. Field workers are easy prey. The bias against agriculture is well ingrained in the Immigration and Naturalization Service. In fact, the President's 1983 budget for the INS included the following justification:

> Interior enforcement—Resources in this activity are focused upon locating undocumented aliens who are within the United States following successful entry or violation of status after legal entry. Apprehensions are made through inspection of farms and ranches, by investigation of information about the location of documented aliens, and through investigative casework.

The cavalier attitude of the Border Patrol was most recently displayed in the strawberry fields of Orange County, Calif. by surrounding and moving in on harvest crews with 40 agents on horseback, in jeeps, vans, and a helicopter. Simply because they could see brown-skinned people working in the field, they entered the farm and interrogated the workers. This 40-man task force concentrated on the strawberry fields for a week and not once did they obtain a search warrant or request consent to enter the fields.

I am embarrassed that this legislation is needed. Our system has failed an important sector of our society; we must now take action to protect the rights of farmers. The guarantee of the fourth amendment is basic to the free functioning of our Nation, our economy, and our people.

This bill is simple, direct, and much needed. Mr. President, I request unanimous consent that the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2507

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 287 of the Immigration and Nationality Act (8 U.S.C. 1357) is amended by adding at the end thereof the following:

"(d) Notwithstanding any other provision of this section, other than paragraph (3) subsection (a), an officer or employee of the Service may not enter onto the premises of a farm or other agricultural operation without a properly executed warrant.".

By Mr. MITCHELL:

S. 2508. A bill to amend the Internal Revenue Code of 1954 to repeal the requirement that operating capacity must increase for purposes of the energy credit allowed for intercity buses, and for other purposes; to the Committee on Finance.

ENERGY INVESTMENT CREDIT FOR INTERCITY BUSES

● Mr. MITCHELL. Mr. President, I am introducing legislation to provide an additional 10-percent energy investment tax credit for certain intercity replacement buses.

In 1980 Congress enacted as an amendment to the windfall profit tax an additional 10-percent investment tax credit for certain energy-efficient equipment, including intercity buses. Most participants in the legislative process agreed that if energy property is energy-efficient, its use should be encouraged, and buses are extremely energy-efficient. Nevertheless, in a compromise the credit was limited in the case of buses only to those buses which increased the seating capacity of a carrier. The credit did not go to replacement of old buses with new equipment. This makes no sense and in fact discourages carriers from upgrading their fleets. No other energy property was so limited in the tax credit that passed in 1980.

My proposal simply carries out the original intent of the energy property investment tax credit—to encourage the use of energy-efficient property. Under my proposal the credit would apply to replacement buses as well as additional operating capacity.

The additional 10-percent energy investment credit should be expanded to include replacement buses for the following reasons:

First, the limitation of this additional credit to investment attributable to increased operating seating capacity is unique in the Tax Code and is counterproductive. Further, the limitation of the credit to incremental purchases works somewhat to the disadvantage of smaller bus operators who do not have the capital or cash flow to take advantage of it.

Second, the expanded investment credit to include replacement buses would help the industry's cash flow situation somewhat and would, therefore, help to finance a consistent replacement program.

The industry does not have the financial capability to purchase the equipment that is needed to replace and modernize its fleet. During both 1977 and 1978, the industry suffered actual losses if replacement costs are taken into account. In 1979, a return of 12.4 percent of revenues was actually 2.7 percent of equity or 1.2 percent of revenue, under replacement accounting. Such effective losses, and even the small return in 1979, are obviously insufficient to attract equity capital or borrow funds or to finance internally an adequate, consistent replacement program.

Third, the expansion of the additional credit to include replacement buses would especially help smaller bus operators.

The incremental requirement of the added 10-percent energy investment credit appears to be serving as a disincentive for the release of used buses. This is a source relied on by many smaller bus operators who do not have the capital or cash flow to invest in new buses.

Reports show that used buses are almost unavailable for purchase at this time since carriers buying new buses are not now selling their used buses in order to comply with the incremental requirements of the new act. The expansion of the additional credit to include all bus purchases would help open up the used bus market to the smaller bus operators.

Finally, the expansion of the additional investment credit is necessary to modernize the intercity bus fleet at a time when increasing numbers of Americans are relying on the intercity bus as an alternative to the private automobile.

My proposal also clarifies a point which has confused bus operators due to the failure of Treasury to issue regulations under the 1980 law. The law is silent on leasing arrangements. While leasing is not the predominant means by which operators acquire equipment, it is one means by which an undercapitalized, smaller company can place more buses in service. If lessors are allowed to take the credit on the very few cases where leasing takes place, this will help to carry out the congressional intent of expanding intercity bus fleet capacity.

Mr. President, I hope that in this session of Congress we can correct these matters, minor in the overall tax picture, but of profound significance to bus operators, most of whom are small businessmen.●

By Mr. PERCY (for himself and Mr. Dixon):

S. 2509. A bill to amend the Internal Revenue Code of 1954 to clarify the exception from foreign base company income for foreign corporations not availed of to reduce taxes; to the Committee on Finance.

FOREIGN CORPORATION TAXES

● Mr. PERCY. Mr. President, I am introducing legislation with my friend and distinguished colleague Senator Dixon today to correct an arcane problem that has been brought to our attention.

This bill is comparable to legislation introduced in the House of Representatives by our Illinois colleagues, Congressman Rostenkowski (H.R. 8110) in 1980 and Congressman Russo (H.R. 3581) in 1981. There has been a hearing in the House Ways and Means Committee on their bill. As I will explain briefly below, our bill amends the law dealing with the operation of the "Subpart F" foreign tax rules and recognizes that certain business situations in foreign countries did not arise for the purpose of substantially reducing U.S. taxes. I hope my colleagues on the Committee on Finance will promptly schedule a hearing on this legislation.

The U.S. tax laws that have brought about this problem are complex, even for tax lawyers. However, the concepts involved are less complex. Generally, amounts earned by a foreign subsidiary of a U.S. company are not subject to tax in the United States until remitted to this country. However, certain classes of income derived by such a subsidiary are taxable currently in the year when realized even though not repatriated in that year. This latter rule was designed to eliminate the use of foreign subsidiaries organized in tax haven countries to defer the U.S. tax on overseas income while it is retained abroad. An exception is provided where the IRS issues a ruling that neither the organization of the foreign subsidiary nor the transaction giving rise to the income has as one of its significant purposes a substantial reduction in income taxes. In the case of dividends, interest and similar items, a substantial reduction in income taxes is deemed to occur where the effective rate of foreign tax incurred by the foreign subsidiary on that income is less than 90 percent of the U.S. corporate rate. The exception still is applicable even if there is such a substantial reduction, provided that it is not one of the significant purpose for either the formation of the subsidiary or the income-producing transaction. But the IRS has apparently taken the position that the transaction must be considered to have been undertaken for a tax avoidance purpose unless it was compelled by foreign law.

One case has been brought to our attention in which the IRS ruled adversely even though the exception would have applied but for this administrative restriction. In this case, the U.S. company had purchased a majority interest in a foreign corporation that was organized many years earlier to operate a business conducted even before the U.S. Government was formed. The foreign corporation was founded by members of a family residing in its country of incorporation and had been and continues to be engaged in a major business enterprise based in that country. The U.S. company acquired its stock in the foreign corporation from descendants of its founders and, under the business arrangement between the parties, the foreign corporation still is subject to substantial local managerial control.

The foreign corporation operates in its country of incorporation and elsewhere abroad through wholly owned subsidiaries organized in that country and other foreign jurisdictions. To make use of the earnings of profitable subsidiaries in other parts of its business, the foreign corporation had received substantial dividends from them prior to the time our constituent purchased its interest in that corporation. The foreign corporation's management wishes to continue to receive such dividends to finance its business activities. But by imposing its mandatory transaction restriction, the IRS would treat most of these dividends as tainted income and tax the U.S. company on them currently, even though the funds are retained abroad. Over the long term, the IRS position could have an unintended disruptive effect on the corporation's business.

If we are to be competitive with foreign-owned companies abroad, the mere fact of U.S. business ownership should not be allowed to become an impediment to normal business activities. We do not propose to dispense with the necessity of obtaining a ruling from the IRS as to the application of the exception or to eliminate entirely the mandatory transaction restriction. However, there are obvious but very limited instances in which IRS should consider waiving the restriction. In these very limited waiver situations, the taxpayer still would be required to show, where there was a substantial reduction in income taxes, that it was not otherwise one of the significant purposes of the formation of that corporation and the income-producing transaction.

The significant purpose test clearly would be met in our constituent's case if the mandatory transaction restriction were not applicable and therefore our legislation is directed only to the application of that restriction. The formation of the foreign corporation in this case could not have been motivated by tax avoidance purposes since it was organized many years earlier to operate a business conducted even before our Illinois constituent purchased its interest in it. The distribution of the dividends also could not be prompted by such purposes since it would be made in accordance with a practice for financing the foreign corporation's business operations by this means that was in effect before our constituent acquired its interest in that corporation.

Under our legislation, the mandatory transaction restriction would be waived in applying the significant purpose test only if: one, both the foreign subsidiary receiving the income and the foreign subsidiary paying the income are related foreign corporations; two, the U.S. shareholder holds, directly or indirectly, more than 50 percent of each of their stock; three, the foreign subsidiary receiving the income has been in existence for at least 5 years prior to the acquisition of its stock by the U.S. shareholder; four, the foreign subsidiary paying the dividend—or another foreign subsidiary controlled by that company on the date of such acquisition—has been in existence for at least 5 years prior to that date; and five, the foreign subsidiary paying the dividend—or the foreign company controlled by that company—has been engaged in the active conduct of a trade or business during that 5-year period.

Where these conditions are met, the IRS would not take the mandatory transaction restriction into account in determining whether, if a substantial reduction in income tax was present, it was one of the significant purposes either of the organization of the foreign corporation or the income-producing transaction.

Mr. President, I ask unanimous consent that the bill be printed in the Record.

There being no objections, the bill was ordered to be printed in the Record, as follows:

S. 2509

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) paragraph (4) of section 954(b) of the Internal Revenue Code of 1954 (relating to the exception for foreign corporations not availed of to reduce taxes) is amended by adding at the end thereof the following new sentence: "This subsection shall apply to the receipt of an item of foreign personal holding company income, whether or not the transaction giving rise to such income was voluntary or was mandated by law, regulations or other action of a foreign government or instrumentality thereof, but only if the recipient and payor of the item of income are foreign corporations that are members of the same affiliated group (as defined in section 1504(a) but without the application of section 1504(b)(3)), a United States shareholder owns (within the meaning of section 958(a)) more than 50% of the stock of both corporations, the recipient and either the payer or another foreign corporation controlled by the payor on such date of acquisition was in existence for at least the five year period ending immediately prior to the date of acquisition of its stock by the U.S. shareholder, and either the payer or such other foreign corporation was engaged in the active conduct of a trade or business during such five year period.".

(b) The amendments made by subsection (a) shall apply to taxable years of foreign corporations beginning on or after January 1, 1982, and to taxable years of United States shareholders within which or with which such taxable years of such foreign corporations end.●

By Mr. CHILES:

S.J. Res. 196. Joint resolution proposing an amendment to the Constitution prohibiting total outlays of the Government from exceeding total receipts of the Government, and requiring reductions in taxes and outlays; to the Committee on the Judiciary.

BALANCED BUDGET AMENDMENT

Mr. CHILES. Mr. President, I am introducing at this time a constitutional amendment which establishes the policy of a balanced Federal budget at a reduced level of spending and taxation. My amendment to the Constitution requires Congress to adopt an enforcement procedure, and I am also introducing an amendment to the Budget Act which provides a workable mechanism to achieve balanced budgets.

Our current economic crisis demonstrates the need for a constitutional amendment. We are faced with such massive deficits that the Nation's credit markets are in a state of panic. The signal they have been getting from Washington is that politicians care more about protecting their pet concerns with tax cuts and spending programs than they care about balancing the budget. It is time we sent a different signal.

Some people have expressed concern that voting for a constitutional amendment at this time will take the pressure off Congress to meet its budgetary responsibilities. It is possible that Members could vote against the tough actions necessary to reduce the deficit, then claim to be fiscally responsible because they voted for a constitutional amendment to balance the budget.

It is for this reason that I have introduced my own amendments rather than support Senate Joint Resolution 58, as reported by the Judiciary Committee. Senate Joint Resolution 58 contains no enforcement mechanism. It would allow one to vote at the beginning of a year for a "Statement of Revenues and Outlays" that was in balance, then vote for big spending as each individual authorizing and appropriations bill came up through the session. My biggest objection to Senate Joint Resolution 58 is that it says nothing about what you do if the sum total of all those individual spending bills adds up to more than was provided in the "Statement of Revenues and Outlays."

I think the public is fed up with empty promises, and we should not write more empty promises into law, far less into the Constitution. My package deals directly with this problem. The constitutional amendment would require Congress to adopt an enforcement procedure.

Further, the amendment of the Budget Act which I will introduce sets out what those enforcement procedures would be. The first step in the procedure would be to tie the Congress regular budget process to the constitutional mandate, by requiring that the first budget resolution balance outlays with revenues, and not increase spending as a percent of the gross national product. The next provision is the key to effective enforcement. The concept of "Reconciliation" as part of the first budget resolution would be written into the Budget Act.

Simply put, the Budget Committee would be required to report, as part of its balanced budget resolution, a set of instructions to the other committees of Congress telling them to make the legislative changes necessary to bring the actual budget into balance. I am proud to have offered the motion at Budget Committee that first started using reconciliation on the first budget resolution. We saved $5 billion in 1980 under that first attempt. Last year, we carried out the 1980 precedent on a much larger scale, and reduced Federal spending by $135 billion over a 3-year period. Now that we have found an effective procedure to cut Federal spending, we can apply it to the goal of balancing the budget.

The next part of my amendment prohibits the spending of funds off-budget. Under current practice, we have about $16 billion a year of off-budget spending in addition to the official deficit. This is a continuing problem. Even last year, as part of the reconciliation bill to cut domestic spending, the Republican-controlled Energy Committee made $3 billion a year of phony savings by simply defining a large program as being "off-budget." The Congressional Budget Office calculated that continuation of that program off-budget will add over $10 billion to the national debt, above what was contemplated in the budget resolution. Unless we specifically prohibit that kind of action, the constitutional amendment could produce a balanced budget and an increasing national debt.

A major weakness of Senate Joint Resolution 58 is that it has no provisions to deal with a budget deficit that appears in the middle or end of a fiscal year. In the 7 years since we started the Budget Committee, I have watched three administrations of both political parties send up unrealistic budget estimates. Each year they overestimate revenues and underestimate outlays. All it takes is a little tinkering with the economic assumptions and the budget comes into balance real fast, at least on paper. For example, each 1 percent change in the unemployment rate assumption moves the deficit up or down by $30 billion a year.

I propose two ways to deal with this problem. First, the amendment requires that the economic assumptions and estimates of revenues and outlays be certified by the nonpartisan congressional budget office. Second, if a deficit occurs in any fiscal year, a temporary tax surcharge would be charged the following year to repay the debt and interest costs of the deficit. In addition to preventing additions to the national debt, this would provide a measure of fiscal discipline. Members who might be inclined to base a budget on overoptimistic assumptions would know that their behavior would become apparent the following year to each and every taxpayer who had to pay the surcharge. This is similar to State government when the legislature must raise sufficient revenue to cover the amount of appropriations they propose.

The amendment allows the balanced budget provisions to be waived in the limited situations of a war or serious recession. A rapid buildup to deal with a military emergency might require Federal borrowing, and we would not want to hamstring our defense capacity. It is also not possible to balance the budget during a recession, since revenues go down when people are out of work and businesses are losing money. To keep this waiver from being abused, my amendment requires that any deficits run during a recession be paid off by surpluses in the following 2 years.

This will make our fiscal policy truly countercyclical, and improve economic stability. In the past, Congress has

been quick to run stimulative deficits to counter the downside of an economic cycle. But somehow, we are never willing to run a surplus on the upside to repay our debt and fight inflation. This provision is another improvement on the approach of Senate Joint Resolution 58, which has a waiver mechanism, but no payback.

In summary, Mr. President, I believe this represents a workable package, which couples a balanced budget constitutional amendment with a detailed revision of the Budget Act to enforce it. We have thus taken into account both the goal of the balanced budget, and the legislative procedures and pressures which have created massive deficits and a national debt that now exceeds $1 trillion. I hope the Budget and Governmental Affairs Committee will review these Budget Act amendments rapidly and report them, so we can consider them at the same time as the constitutional amendment.

Mr. President, I ask unanimous consent that the text of the joint resolution and a table comparing this amendment with Senate Joint Resolution 58 be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S.J. RES. 196

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the following article is hereby proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States within seven years after its submission to the States for ratification:

"ARTICLE—

"SECTION 1. In exercising its powers under Article I of this Constitution, and in particular its powers to lay and collect taxes, duties, imposts, and excises and to enact laws making appropriations, the Congress shall assure that the total outlays of the Government during any fiscal year do not exceed the total receipts of the Government during such fiscal year.

"SEC. 2. The Congress shall by the close of each fiscal year, take such actions as may be necessary to reduce—

"(1) the ratio (stated as a percentage) which total taxes collected by the Federal Government bear to the Gross National Product; and

"(2) the ratio (stated as a percentage) which outlays of the Federal Government bear to the Gross National Product;

from those ratios which existed for the prior fiscal year.

"SEC. 3. Within one year after the date on which this Article is ratified, the Congress shall adopt such amendments to the Congressional Budget and Impoundment Control Act of 1974 or any successor Act as may be necessary to carry out the first section and section 2.".

CHILES BALANCED BUDGET AMENDMENT COMPARED TO S.J. RES. 58

Provisions	S.J. Res. 58	Chiles amendment
Policy: Balanced budget	1. Outlays shall not exceed receipts. 2. Limit annual growth in receipts to change in national income; no definition of who estimates national income or receipts; not apply if majority of Congress passed bill directed solely to increasing revenues	1. Same. 2. Limit annual growth in outlays to change in gross national product (GNP); specifies nonpartisan Congressional Budget Office as estimator of outlays and GNP.
"Off-Budget" spending	No provision.	PROHIBITED.
Debt from "Unanticipated Deficits"	No provision.	Temporary tax surcharge mandated for following year.
Enforcement mechanisms	None.	1. Constitutional amendment requires Congress to amend Budget Act within 1 yr to include enforcement procedures for balanced budget. 2. Package includes Budget Act amendments: (a) 1st resolution "Reconciliation" instructions require committees to report legislative changes necessary to achieve balanced budget in following fiscal year. (b) Makes 5-yr spending limits binding. (c) Prohibits inclusion of cost-increasing or nonbudgetary provisions in a reconciliation bill. (d) Makes committee and subcommittee allocations binding, with a point of order against any bill which breaches ceilings; closes entitlement loophole.
Waivers	1. Declaration of war. 2. ⅗ vote of both Houses under any circumstances.	1. Declaration of war, or U.S. troops engaged in combat. 2. Majority vote only in case of recession.
Payback if waiver is invoked	No provision.	Provides for surplus in years following recession waiver, in order to pay back any increase in national debt and associated interest costs within 2 succeeding years.

ADDITIONAL COSPONSORS

S. 294

At the request of Mr. GLENN, the Senator from Pennsylvania (Mr. HEINZ) was added as a cosponsor of S. 294, a bill to establish an Interagency Committee on Arson Control to coordinate Federal antiarson programs, to amend certain provisions of the law relating to programs for arson investigation, prevention, and detection, and for other purposes.

S. 1407

At the request of Mr. PRYOR, the Senator from Mississippi (Mr. COCHRAN) was added as a cosponsor of S. 1407, a bill to amend title 39, United States Code, by strengthening the investigatory and enforcement powers of the Postal Service by authorizing inspection authority and by providing for civil penalties for violations of orders under section 3005 of such title (pertaining to schemes for obtaining money by false representations or lotteries), and for other purposes.

S. 1422

At the request of Mr. GRASSLEY, the Senator from Florida (Mr. CHILES), and the Senator from South Carolina (Mr. THURMOND) were added as cosponsors of S. 1422, a bill to authorize the donation of surplus property to any State for the construction and modernization of criminal justice facilities.

S. 1450

At the request of Mr. CANNON, the Senator from North Dakota (Mr. BURDICK), and the Senator from Pennsylvania (Mr. HEINZ) were added as cosponsors of S. 1450, a bill to provide for the continued deregulation of the Nation's airlines, and for other purposes.

S. 1931

At the request of Mr. SCHMITT, the Senator from Alabama (Mr. DENTON), the Senator from Washington (Mr. JACKSON), the Senator from Nevada (Mr. CANNON), the Senator from Texas (Mr. BENTSEN), the Senator from South Dakota (Mr. PRESSLER), the Senator from Alaska (Mr. MURKOWSKI), and the Senator from Maine (Mr. MITCHELL) were added as cosponsors of S. 1931, a bill to amend title 5, United States Code, to entitle Civil Air Patrol cadets 18 years of age and older to compensation available to Civil Air Patrol senior members in event of disability or death, and to increase the level of compensation available to both.

S. 1958

At the request of Mr. DOLE, the Senator from Nebraska (Mr. EXON) was added as a cosponsor of S. 1958, a bill to amend title XVIII of the Social Security Act to provide for coverage of hospice care under the medicare program.

S. 1984

At the request of Mr. BURDICK, his name was withdrawn as a cosponsor of S. 1984, a bill to amend the Federal Trade Commission Act to protect the legislative and regulatory authority of the State legislatures, and for other purposes.

S. 2000

At the request of Mr. DOLE, the Senator from Texas (Mr. TOWER), the Senator from Utah (Mr. GARN), the Senator from Arkansas (Mr. BUMPERS), and the Senator from Iowa (Mr. GRASSLEY) were added as cosponsors of S. 2000, a bill to amend title 11, United States Code, to establish an improved basis for providing relief under chapter 7, and for other purposes.

S. 2226

At the request of Mr. LUGAR, the Senator from Michigan (Mr. RIEGLE), the Senator from California (Mr.

Cranston), the Senator from Nevada (Mr. Cannon), and the Senator from Montana (Mr. Baucus) were added as cosponsors of S. 2226, a bill to amend the National Housing Act to provide for emergency interest reduction payments and for other purposes.

S. 2300

At the request of Mr. Robert C. Byrd, his name was added as a cosponsor of S. 2300, a bill to establish domestic content requirements for motor vehicles sold in the United States, and for other purposes.

S. 2353

At the request of Mr. Bentsen, the Senator from Iowa (Mr. Grassley), the Senator from Kentucky (Mr. Huddleston), the Senator from Hawaii (Mr. Inouye), the Senator from Florida (Mrs. Hawkins), and the Senator from Louisiana (Mr. Long) were added as cosponsors of S. 2353, a bill entitled "The Life Insurance Taxation Act of 1982."

S. 2362

At the request of Mr. Armstrong, the Senator from Mississippi (Mr. Cochran) was added as a cosponsor of S. 2362, a bill to abolish the Synthetic Fuels Corporation.

S. 2371

At the request of Mr. Sasser, the Senator from Kentucky (Mr. Huddleston) was added as a cosponsor of S. 2371, a bill to amend the Internal Revenue Code of 1954 to allow a credit against tax for contributions and payments to sheltered workshops.

S. 2414

At the request of Mr. Inouye, the Senator from Maryland (Mr. Sarbanes) was added as a cosponsor of S. 2414, a bill to amend the Shipping Act, 1916, to provide for jurisdiction over common carriers by water engaging in foreign commerce to and from the United States utilizing ports in nations contiguous to the United States.

S. 2466

At the request of Mr. Hatch, the Senator from California (Mr. Cranston) was added as a cosponsor of S. 2466, a bill to amend the Tariff Schedules of the United States to provide for rates of duty on imported roses consistent with those maintained by the European Economic Community on imports of roses from the United States and other nations.

S. 2479

At the request of Mr. Symms, the Senator from Maine (Mr. Cohen) was withdrawn as a cosponsor of S. 2479, a bill to amend the Internal Revenue Code of 1954 to treat certain interests as closely held businesses for estate tax purposes, to prevent the acceleration of estate tax installment payments in certain situations, and for other purposes.

SENATE JOINT RESOLUTION 183

At the request of Mr. Specter, the Senator from Arkansas (Mr. Pryor) was added as a cosponsor of Senate Joint Resolution 183, a joint resolution to authorize and request the President to issue a proclamation designating October 19 through October 25, 1982, as "Lupus Awareness Week."

SENATE JOINT RESOLUTION 189

At the request of Mrs. Hawkins, the Senator from Delaware (Mr. Roth), the Senator from Minnesota (Mr. Durenberger), and the Senator from Maine (Mr. Mitchell) were added as cosponsors of Senate Joint Resolution 189, a joint resolution to authorize and request the President to designate May 25, 1982, as "Missing Children Day."

SENATE JOINT RESOLUTION 190

At the request of Mr. Burdick, the Senator from West Virginia (Mr. Randolph), the Senator from North Carolina (Mr. East), the Senator from Maryland (Mr. Sarbanes), the Senator from Indiana (Mr. Quayle), the Senator from South Carolina (Mr. Hollings), the Senator from South Dakota (Mr. Abdnor), the Senator from Montana (Mr. Baucus), the Senator from Idaho (Mr. McClure), the Senator from Arizona (Mr. Goldwater), the Senator from Washington (Mr. Gorton), the Senator from Nevada (Mr. Cannon), the Senator from Kentucky (Mr. Huddleston), the Senator from Hawaii (Mr. Inouye), the Senator from Massachusetts (Mr. Kennedy), the Senator from New Mexico (Mr. Domenici), the Senator from Nebraska (Mr. Exon), the Senator from Indiana (Mr. Lugar), the Senator from Idaho (Mr. Symms), the Senator from Nevada (Mr. Laxalt), the Senator from Pennsylvania (Mr. Heinz), the Senator from Utah (Mr. Garn), and the Senator from Georgia (Mr. Mattingly) were added as cosponsors of Senate Joint Resolution 190, a joint resolution to authorize and request the President to designate "National Family Week."

SENATE CONCURRENT RESOLUTION 80

At the request of Mr. Exon, the Senator from Kentucky (Mr. Huddleston) was added as a cosponsor of Senate Concurrent Resolution 80, a concurrent resolution relating to interest rates.

SENATE CONCURRENT RESOLUTION 89

At the request of Mr. Glenn, the Senator from Maryland (Mr. Mathias) was added as a cosponsor of Senate Concurrent Resolution 89, a concurrent resolution expressing the sense of Congress that the U.S. Fire Administration should continue to make arson research and training an important and integral part of its mission and continue to support the antiarson and fire safety efforts of States and localities in order to reduce lives and property damage lost by fire and arson.

SENATE RESOLUTION 363

At the request of Mr. Sasser, the Senator from West Virginia (Mr. Randolph), the Senator from Maryland (Mr. Sarbanes), the Senator from Montana (Mr. Baucus), and the Senator from West Virginia (Mr. Robert C. Byrd) were added as cosponsors of Senate Resolution 363, a resolution expressing the sense of the Senate with respect to Federal funding for fossil fuel programs.

SENATE RESOLUTION 386—RESOLUTION RELATING TO THE GATT MINISTERIAL MEETING

Mr. DANFORTH (for himself and Mr. Bentsen) submitted the following resolution; which was referred to the Committee on Finance:

S. Res. 386

Whereas the Constitution vests in the Congress of the United States the authority to regulate commerce with foreign nations, and the Congress exercises this responsibility in part by authorizing the President to establish international trading relationships that are consonant with congressionally articulated trade policies;

Whereas the contracting parties to the General Agreement on Tariffs and Trade (GATT) have agreed to hold a ministrial-level meeting in November of this year, the purposes of which are to review the operation of the GATT and its associated trade agreements, to discuss issues concerning the current world trading system, and to establish the future course of international trade negotiations;

Whereas the Senate is especially concerned that—

(1) existing trade agreements may not be fully adequate to prevent damaging distortions to United States and foreign agricultural markets resulting from unfair trade practices, especially subsidization;

(2) barriers to trade in services and trade-related investment increasingly prejudice United States trade and must be brought under the common discipline of internationally agreed rules; and

(3) the rapid development of new technologies and new industries, fostered by governments' diverse domestic industrial and trading policies that target particular sectors for protection and aid, increasingly distort traditional trading patterns and rules to the detriment of competitive United States industries; and

Whereas the negotiating objective specified in section 107 of the Trade Act of 1974—to obtain an effective safeguards agreement—has not been realized: Now, therefore be it

Resolved, That it is the sense of the United States Senate that the United States should seek through the GATT ministerial meeting agreement among the contracting parties—

(1) to review the adequacy of the agreements concluded in the Tokyo round of multilateral trade negotiations, with particular emphasis on the disparate treatment of primary and nonprimary products provided in the agreement on implementation and application of articles vi, xvi, and xxiii of the GATT (the subsidies code) and on the disputes settlement provisions;

(2) To commence the process leading to international arrangements to reduce or to eliminate restrictions on trade in services, trade-distorting investment restrictions, and barriers to trade in high technology products; and

(3) To complete negotiations on a comprehensive agreement on safeguards; be it further

Resolved, That the United States Government should facilitate the process of achieving domestic and international concensus on the nature of the fast-changing and increasingly integrated world trading system, especially as affected by the rapid introduction of new technologies and adoption of industrial targeting policies, by establishing domestic and international commissions, composed of experts from the public and private sectors, charged with analyzing and making recommendations on these issues.

● Mr. DANFORTH. Mr. President, I offer today with Senator Bentsen a resolution expressing the sense of the Senate about an important meeting of signatories to the General Agreement on Tariffs and Trade (GATT) to be held next November in Geneva. This gathering of trade ministers from approximately 100 countries is the first major GATT meeting since the Tokyo round of multilateral trade negotiations was completed in 1979. The United States, through our trade representative, Ambassador Bill Brock, will play a leadership role in focusing this meeting on the major trade issues facing us today. I thus believe it is important for the Senate to record its views on what the United States should seek to accomplish there.

As chairman of the Finance Committee's Subcommittee on International Trade, I presided over a hearing March 1 on prospects for the GATT ministerial meeting. I was impressed with the strong interest evinced by both administration and private sector witnesses in preparing for a meaningful meeting. Further, the testimony at the hearing, following other recent hearings of the subcommittee, suggested a concensus on what should comprise the November agenda.

Mr. President, this resolution reflects that concensus. It first urges that the Tokyo round agreements, which the Congress approved and implemented in the Trade Agreements Act of 1979, be reviewed to determine whether they are adequate to achieve their intended purposes. The subsidies code in particular has been of great concern to our subcommittee's members because of apparent disregard by the European communities of its provisions on agricultural export subsidies. Members of the Senate will recall that Senator Bentsen explained these problems very clearly last February in several statements on the floor. Our hope is that the several cases brought by the United States that are currently pending before the GATT will rectify some of these problems for our agricultural exporters; nevertheless, we feel the code itself should be reviewed.

Second, the resolution calls for a commitment among GATT signatories to commence negotiations on issues increasingly affecting world trade. These issues include trade in services, trade-related investment restrictions, trade in high technology products, and safeguards measures. In this regard, the subcommittee will hold a hearing May 14 on S. 2058, introduced by Senators Roth, Chafee, and Inouye, that among other things clearly spells out as a U.S. negotiating objective the achievement of an agreement on trade in services.

Finally, the resolution urges that this country take the lead in promoting the establishment of commissions that will analyze, as a prelude to future negotiations, important new government-induced distortions of trade that are radically different from anything heretofore addressed on a multilateral basis. One of the witnesses March 1, Mr. Harold Malmgrem, well described how nation's various industrial policies, that both foster and protect certain targeted industries, will increasingly distort trade flows in a way threatening the existing international system. These industrial policies raise particularly difficult issues implicating sovereign concerns that will not be addressed easily as matters of international trade. For this reason, we believe the precedent set by the Williams and Ray commissions in the late 1960's and early 1970's should be repeated. Those groups of private and public sector experts extensively analyzed nontariff trade barriers and made recommendations that formed the foundation of the Tokyo round. Many here and abroad believe this example is well worth undertaking again.

Mr. President, the Senate and Congress have an important role in monitoring the preparations for the GATT ministerial and the course it embarks on with this country as a passenger. I believe this resolution will serve well to chart our concerns for the trade representative as he prepares for this important meeting.●

● Mr. BENTSEN. Mr. President, I am pleased to join with my distinguished colleague on the Finance Committee and chairman of the Subcommittee on International Trade, Senator Danforth, in sponsoring a resolution to express the sense of the Senate on the goals of the United States for the November 1982 ministerial level meeting of the General Agreement on Tariffs and Trade (GATT).

When the so-called Tokyo round of negotiations was completed in early 1979, I participated as a member of the Finance Committee in drafting the Trade Agreements Act of 1979, the most complete and detailed implementation of the Tokyo round agreements by any legislature anywhere in the world. In that legislation, many vestiges of protectionism that remained in U.S. law were given up for the sake of free trade. Yet today, Mr. President, the GATT is in more trouble than it was before we began to work on the Tokyo round agreements. European agricultural subsidies stifle our agricultural exports and those of many of our best friends around the world, while a web of quotas and less obvious nontariff barriers restrict many of our exports to Japan. Industrial policies restrain exports of our high technology goods, all the while targeting this country for subsidized high technology imports in the future. There is so much disappointment with the GATT that the ranks of those who support free trade in the United States are wavering. Why should the American farmer, the traditional advocate of free trade in the United States, support a system that has resulted in prices that are relative to his income the lowest since the Depression? Why should the innovative high technology producer support free trade when he finds barriers abroad and subsidized competition at home?

So we are facing a time of discouragement with the international trading system, Mr. President, and yet our hopes for the GATT must be modest. For example, this resolution urges the ministerial level conference to take up the problems of implementing the Tokyo round and improving trade opportunities in high technology products. Successful work programs for the GATT in these two areas alone would result in millions of dollars of increased U.S. exports, improving our overall economic performance substantially.

Mr. President, trade is now an important aspect of our economic life. It is amazing to most Americans, considering the trading problems we have, that the United States has the largest share of total free world exports of any Western democracy. Over 15 percent of free world exports originate in the United States. Exports are almost 8 percent of our gross national product (GNP) and 18 percent of our total production of goods. Imports run similar percentages.

At the same time, we no longer are the most dominant economic force in the world. Japan produced less than 9 percent of total world exports and manufactures in 1970; it produced nearly 15 percent in the second quarter of 1981. We are now first among equals, the leader of the system, but a leader that requires cooperation and consideration from the other members of the system. This resolution expresses the sense of the Senate that we should continue to provide leadership for the free trading system because that is in our own interest, but it also expresses concern that there be a substantially increased degree of cooperation from trading partners in order to keep the GATT machinery functioning.

Mr. President, I urge serious consideration of this resolution by my colleagues as the first step in rebuilding the shakey foundations of the multilateral trading system.●

SENATE RESOLUTION 387—ACCLAIMING THE NEW WORLD FESTIVAL OF THE ARTS

Mr. CHILES (for himself and Mr. Pell) submitted the following resolution, which was referred to the Committee on the Judiciary:

S. Res. 387

Whereas the New World Festival of the Arts is an unparalleled cultural celebration, an assembly of major artists in the visual and performing arts brought together to display their works;

Whereas the New World Festival of the Arts represents a unique concept in artistic entertainment, a full month of scheduled major works, organized and located in one urban center;

Whereas the New World Festival of the Arts is the "premiere of premieres", introducing twenty-seven world premieres: thirteen in music, seven in dance, four in drama, and one in opera, musical theatre, and art;

Whereas the New World Festival of the Arts is an international festival of the Americas, highlighting the works of artists from Central America and South America, as well as from the United States;

Whereas the New World Festival of the Arts is indicative of the vitality of cultural life in the United States; and

Whereas the Senate is interested in promoting the cultural vitality of the country, and the artistic exchange among the countries of the Americas: Now, therefore, be it

Resolved, That the Senate congratulates the people and leaders of Greater Miami and Dade County, Florida, for their efforts, and acclaims the New World Festival of the Arts as a major cultural and artistic event.

● Mr. CHILES. Mr. President, today, I am introducing a resolution to herald the coming of a very special event to south Florida. From June 4 to 26 of this year, Greater Miami and Dade County will host the New World Festival of the Arts, an international spectacle of the performing and visual arts. Some of you may already be familiar with the festival, as the event has been publicized and acclaimed by cultural interests all over the Nation. In fact, just in the past few weeks there have been advertisements and feature pieces in principal newspapers and periodicals across the country. But for those of you who are not yet aware of the affair, I am here to tell you that it will be an unprecedented cultural extravaganza. For 23 days and nights, Miami will be aglow celebrating the arts of the Americas. The festival will feature major productions in music, dance, opera, theater, and the visual arts created and performed by famous artists and performers from throughout North America, Central America, and South America. Included in this ambitious agenda are over 200 live performances, 27 of which are world premiers commissioned expressly for the festival. Among the more notable artists participating in the celebration are Tennessee Willliams, Cynthia Gregory, Edward Albee, Geoffrey Holder, Zubin Metha, Chick Corea, Lanford Wilson, and many, many more. All and all, the festival promises to make the Miami area the place to be this June; for 3 weeks, it will transform the area into the cultural entertainment center of the Western Hemisphere.

The New World Festival of the Arts is the creation of Mr. Robert Herman, who continues to shape its development while serving as executive director. Mr. Herman is also general manager of the Greater Miami Opera, one of the leading companies in the United States. Mr. Herman's idea was basic, yet unique and tremendously ambitious: He wanted to organize an annual artistic event which would stage major productions in a number of different artistic media. The event would draw on the talents of major artists and performers from all over the globe, and through this international recipe, would encourage worldly exchange in the arts. Essentially, it would be a yearly showcase for some of the world's greatest creative artists.

As a further example of prestigious bill that has been planned, the following groups will be highlighted: the Israel Philharmonic; the Minnesota Orchestra; the New World Ballet Company; the Paul Taylor Dance Company; the Chamber Music Society of Lincoln Center; and the Fusion Dance Company. To convey a sense of the international flavor the festival will offer, I would cite: The Maracaibo Symphony of Venezuela, which is acclaimed as South America's finest orchestra; Camerata Bariloche, the famous Argentine chamber orchestra; Omar Mejia, the world renowned Salvadoran pianist; Caio Pagano, Brazil's most famous pianist; and the Five Points of View Exhibit, which will present the diversity of styles and influences of five prominent Latin American artists: Botero, Cruz-Diez, Manzur, Sanchez, and Zuniga.

As for the choice of location, what better place than Miami could have been selected as the home for an inter-American arts festival. Miami has traditionally served as the bridge between the people and cultures of the Americas. Its tropical climate, its position as a point of entry for those entering from the south, and its thriving commercial atmosphere have combined to attract people from other American countries to settle there. In fact, there is probably no city in the country which sustains as many different American cultural groups as Miami; it is a true pan-American city. In addition to its diversified makeup, it is important to note that Miami has also experienced a tremendous swelling of artistic interest on the part of its citizens. The people of the Greater Miami area have in the past few years demonstrated a support and generosity for the arts which is much envied by cultural interests in other cities. In short, the city is a unique cultural crossroads which is ripe for a major artistic celebration, such as the New World Festival of the Arts.

I am introducing this resolution to acclaim the New World Festival of the Arts because I believe it represents an extraordinary artistic event. I feel that all those connected with this momentous undertaking deserve recognition and praise. In a broader perspective, however, I am also placing this resolution before you as means through which the Senate can express its continued support for the arts, and for cultural exchange in the arts among the countries of the Americas. Any one with a concern about the vitality of the arts in the United States has, in my mind, an interest in the success of the New World Festival of the Arts. In the future, the festival could easily become one of the world's foremost annual artistic affairs. In light of this potential, I feel that an expression of support through a Senate resolution is warranted. I realize that we have more pressing matters before us today than the state of the arts in this country, but I think it is important that, from time to time, we turn our attention to the vital contributions that art makes to improving the quality and color of our lives. As the American artist, Robert Motherwell said, "Art is less important than life, but what a poor life without art."

In closing, I hope other Senators will join me in sponsoring this resolution which aims to promote art and artistic exchange through acclaiming the New World Festival of the Arts. In effect, we will be supporting the cultural enrichment of our society through art.●

AMENDMENTS SUBMITTED FOR PRINTING

DEPARTMENT OF DEFENSE AUTHORIZATION, 1983

AMENDMENT NO. 1441

(Ordered to be printed and to lie on the table.)

Mr. Hayakawa (for himself and Mr. Mattingly) submitted an amendment intended to be proposed by them to the bill (S. 2248) to authorize appropriations for fiscal year 1983 for procurement, for research, development, test, and evaluation, and for operation and maintenance for the Armed Forces, to prescribe personnel strengths for the Armed Forces and for civilian personnel of the Department of Defense, and for other purposes.

DEPARTMENT OF DEFENSE AUTHORIZATION, 1983

AMENDMENT NO. 1442

(Ordered to be printed.)

Mr. MOYNIHAN (for himself and Mr. Robert C. Byrd) proposed an amendment to the bill (S. 2248) supra.

AMENDMENT NO. 1443

(Ordered to be printed.)

Mr. ROBERT C. BYRD (for himself and Mr. Moynihan) proposed an amendment to the bill (S. 2248) supra.

AMENDMENT NO. 1444

(Ordered to be printed and to lie on the table.)

Mr. CRANSTON (for himself and Mr. Chafee) submitted an amendment intended to be proposed by them to the bill (S. 2248) supra.

Mr. CRANSTON. Mr. President, I am proposing an amendment today with Senator Chafee to the defense authorization bill for fiscal year 1983 to reduce the growth rate of funding for the low altitude defense system (LoADS), which is part of the Army's ballistic missile defense program. I am proposing this amendment because the greatly accelerated LoADS program is a mistake at this time. It is unnecessary and it is a misallocation of funds. The accelerated LoADS program is neither carefully planned nor well-coordinated. And most importantly, we have not adequately considered the implications of how a specific program like LoADS, or a ballistic missile defense (BMD) in general, will affect our national security.

This amendment will return the LoADS program to a reasonable rate of growth. Last year, the Congress authorized $241 million for LoADS. This year the administration has asked for $662 million—an increase of more than 150 percent. I propose to provide the LoADS program with a 5-percent real growth rate, funding the program at $277 million. This allows for inflation and gives the Army adequate funds to proceed with the LoADS R. & D. program.

What the administration has asked for is excessive. The Army has not provided sufficient justification for it. The request is unreasonable in the absence of a decision on a basing mode for the MX missile. Because of this last point, the House Armed Services Committee cut $468 million from the LoADS program. I have not proposed such a drastic cut. I am proposing a higher funding rate than the House; this amendment reduces funding for LoADS by only $385 million. By slowing the rate of funding growth, we will have a better opportunity to look at the critical national security and arms control policy questions that surround this issue.

LoAD is an ABM (anti-ballistic missile) system that the Army has been working on at a research and development level for several years. It is designed to intercept reentry vehicles (RV's) at very low altitudes just before the incoming missiles hit their designated targets. LoADS is one of the options currently being considered as a partial solution to making some of our land-based ICBM's more survivable in the unlikely event of a Soviet first strike.

Under the ABM Treaty, which the U.S. and the U.S.S.R. signed in 1972, research and development projects for ballistic missile defense are permitted. Both nations have such projects. Funding for the U.S. ballistic missile defense program has been at a constant and steady pace from 1974 until 1981. I would like to include at this point in the Record a funding chart for 1974 to 1981. LoADS is part of this effort.

Funding for U.S. ballistic missile defense program fiscal year 1974–83

[In millions of current dollars]

Fiscal year:	
1974	172.0
1975	212.0
1976	197.0
1977	202.7
1978	213.5
1979	227.5
1980	240.7
1981	266.6
1982	462.1
1983 (requested)	870.6

While U.S. funding for BMD research was steady during the last decade, interest in it has picked up considerably as the chart shows since the beginning of the Reagan administration, as it continued to search for ways to base the MX. When President Reagan cancelled the multiple protective shelter basing mode for the MX, he proposed three possible options for a permanent MX basing system. Ballistic missile defense is one of the three options under active consideration.

If funding levels are an indication, BMD clearly is the most likely option. The two other options, the continuous patrol aircraft and the deep underground basing system, are receiving only one-tenth the amount requested for BMD. The funding request for BMD and related programs for this year is over $1 billion. The Reagan administration has proposed to almost quadruple funding for BMD in the last 2 years. LoADS represents a major portion of this increased funding. In fiscal year 1981, research and development for BMD were $266.6 million. The requested amount for fiscal year 1983 is $870.6 million. Funding for the LoADS program in fiscal year 1982 was $246.1 million. The requested amount this is $662 million.

This rate of funding means that we are embarked on a major weapons program. The rate of funding presents strong evidence that this administration intends to deploy some kind of ABM system. In all likelihood this also means that this administration intends to make drastic changes in the ABM Treaty, or actually abrogate it. I am deeply concerned that we are thoughtlessly moving in the direction of deploying an ABM system without adequate consideration of the consequences and without having a clear policy. This type of funding creates a tremendous momentum for a program and builds a constituency for it both in the Government and in private industry. Policy becomes driven by the weapon system rather than the other way around. We complain about this problem time and again. For once, let us do something about it.

Concern about this process is widespread. Before we go too far down the road with ballistic missile defense, before we find ourselves boxed in our options limited because we have spent so much money on one program that it seems impossible not to proceed no matter what the merits of the programs are, I think that a number of issues must be raised.

We must consider what the cost of any BMD system would be.

We must consider what the effects of a deployed BMD system would be for our national security.

We must consider what would be the effects on arms control and what it would mean to direct the arms race into defensive systems of dubious effectiveness.

These are critical policy questions. They need to be resolved. I hope that we can make a beginning today to address and to debate publicly these issues.

Let me say at the outset of the debate that I think it is important to continue reasonable funding for research on ballistic missile defense concepts. Such R. & D. efforts protect the United States from a possible breakout by the Soviets and insure that we maintain the option of deploying some sort of ballistic missile defense if we determine that we need to. I have supported R. & D. efforts for these purposes and I will continue to do so.

But I do have major reservations about the accelerated LoADS program that I would like to discuss.

POTENTIAL COSTS OF LOADS

Presumably, the rationale for speeding up the LoADS program was to keep it concurrent with the MX program. I have strong reservations about deploying a LoAD system or any sort of BMD system. I will go into these reservations later. But in light of the action that the Senate Armed Services Committee took to defer production of the MX missile for a year because of the uncertainties surrounding the basing mode—a very sensible action which I strongly support—it makes no sense to speed up the LoADS program. We are currently in the peculiar position of speeding up one program—LoADS—while we are slowing down the other—MX. Yet the administration is justifying acceleration of LoADS on the grounds it is needed for the MX. This is a confusing situation to say the least. One might be able to justify a crash program of LoADS if one knew what the MX basing system would be or how one wanted to defend it—if at all. We, however, at the present do not know any of these things. And until we do know, it is unnecessary and a waste of the taxpayers' money to accelerate the LoADS program.

What happens if we decide not to proceed with a basing mode that would use LoADS? Then we will have expended money in a most extravagant manner. We simply must not do this.

A related expense incurred because we do not have a decision on a permanent basing mode for the MX is the difficulty of trying to devise a common system to meet all the possible MX basing mode options. We do not know if the final decision will call for a fixed, mobile, or deceptive ballistic missile defense, assuming that we want one. So the Army is forced to try to design a common strategy for all contingencies. This increases the costs of the program. It is an extravagant way to proceed. There is no justification for it.

The confusion created by not having a permanent basing mode is costing us dearly in terms of money. Seven months ago, the LoADS program was designed for the multiple protective shelter MX basing mode proposed by President Carter. But since the cancellation of this basing mode by President Reagan, the Army has had to make major changes in its BMD programs. The Army's mission now appears to be to come up with a BMD system for all seasons. And it clearly does not know quite how to go about it. The confusion is demonstrated by the fact that the Army was not able to provide specific cost figures for this program before we began debate on this bill.

We seem to be following a policy of giving the Army the money and letting it figure out how to spend it. I am confident that the Army will be able to come up with something, but I do not think that this is the way to run a Government program.

Just on these concerns alone, I believe that a reduction in the rate of growth in the LoADS program is necessary. But over and beyond these points, there are larger costs of any ballistic missile defense system that need to be considered, be it LoADS or some other kind of BMD. Funding for the entire BMD program at the R. & D. level is estimated at about $1 billion this year and $1 billion for fiscal year 1984. Beyond that the Army does not have figures. But I remind my colleagues that this is just research and development. Let us consider what a deployed system might cost. We do not really know. There are so many uncertainties that it is impossible to have a good estimate. But some of the "rough" estimates indicate that this is a very expensive program. One option that is being considered for LoADS is to defend fixed sites such as the Minuteman III silos. This is one of the simpler proposals, so presumably it should also be one of the least expensive. Rough estimates provide a range for deploying such a LoAD system between $17 billion and $25 billion. This is in addition to what it will cost us to build the MX. Is it worth it? Is it cost effective? Now is not necessarily the time to make the final decision on this question, but we need to be aware that we are going down an expensive road.

But there is yet another consideration in the cost of any BMD system. We do not live in a vacuum. In the event that we decide to deploy a BMD, we can be virtually assured that the Soviets would do the same. We must then consider what effect a Soviet ABM system would have on our offensive strategic forces. Many believe that we would have to make major design changes to all three legs of the Triad because of the lost of penetrability due to defended Soviet targets. Try to envision the tens—if not hundreds—of billions that could conceivably cost us.

In this time of exceedingly tight budgetary constraints, when we are desperately trying to bring down the unprecedented Federal deficit, we do not have money to throw at programs. We never have. But the pressure is greater now than ever to insure that we do not waste money. We must insure that we do spend the scarce resources in the best possible way to have the best defense possible. I do not believe that the current funding level for LoADS is the best use of scarce and limited sources.

THE NATIONAL SECURITY IMPLICATIONS

Let us assume for a moment that it is worth the cost to deploy an ABM system. What are the objectives? To have a more survivable land-based ICBM force. But will the LoADS provide this? It seems dubious at this point. Secretary Weinberger said last fall that what we have now—which is essentially the LoADS program—is only 50 percent effective. Many experts argue that LoADS alone cannot measurably improve the survivability of our land-based ICBM's. To work it would require a layered defense system. But while most of the technology for LoADS is at hand, the overlay system, which requires stopping the incoming missile in the outer atmosphere, is on the frontier of technology. Far—if ever—from being used as a BMD. And many experts doubt that we can ever solve the technical problems of the atmospheric overlay.

The military does not know if a BMD system will do what it is supposed to do—make the land-based ICBM's more survivable. The members of the House and Senate Armed Services Committees, in an effort to get an answer to this basic question, required a study from the Secretary of Defense in the fiscal year 1981 defense authorization bill on the contributions that the strategic defensive technologies could make to increased ICBM survivability. The study was due on February 1, 1981. Over a year later we are still waiting for the report.

Once again we have the cart before the horse. Should we not have the answer to this question before we go plunging ahead with a BMD program? This is a critical policy decision. But evidently the Secretary of Defense still does not have an answer to this basic policy question.

Thus, are we betting on unproven technology to save our ICBM's? It appears that we are. And what are we losing? We are losing penetration capability for our strategic forces because we must assume that the Soviet Union would deploy an ABM system. This will make our strategic forces less effective and, as I mentioned, very possibly force us to make major redesigns. As Secretary Orr noted this year in testifying before the Senate Armed Services Committee:

> Expanded Soviet BMD deployment, beyond the limits of the ABM Treaty, would require us to take steps to preserve the military effectiveness of our ballistic missile arsenal.

There are other troubling problems with a deployment of a ballistic missile defense. What would be the effect on the deterrent forces of the French, the British, the Chinese? The effectiveness of these forces would be seriously eroded by the deployment of a Soviet ABM system.

What about the priorities? This is a large sum of money for BMD which will drain needed resources from other areas—particularly the conventional forces? Can the Army afford to do this now? I think not.

ARMS CONTROL QUESTIONS

The national security advantages of a ballistic missile defense are dubious. When one considers the arms control implications, the possible benefits of a BMD dim even further.

The ABM Treaty, which we signed with the Soviets in 1972, is the most effective arms control treaty that we have. The Secretary of the Air Force in his posture statement for this year confirmed that the Soviets are complying with the treaty. This agreement has saved the United States tens of billions of dollars by not having to deploy ABM systems and has helped insure the maintenance of our nuclear deterrent.

Why then is the Reagan administration so anxious to undercut this treaty? It seems to me that we are like the dog in Aesop's Fable. That dog has a bone but upon looking in the river sees his own reflection. Thinking that the dog he sees has a bigger bone than he, he dives into the river and comes up with nothing. That is what we may well end up with—nothing. We should learn something from Aesop's Fables if not from history. We should learn not to be enamoured by technologically enthralling concepts, concepts like the MIRV which were technically appealing but in the long run have reduced our security, not enhanced it. One reason we must now go through the agonizing and tremendously expensive process of modernizing our strategic forces to protect them against Soviet MIRV's missiles, is because we did not reach an arms control agreement on MIRV's.

Yet some in the administration are apparently actively considering doing away with the treaty. Until the concept of dense pack surfaced, any BMD system contemplated—any feasible BMD system—would require that we drastically alter or abrogate the ABM Treaty. We do not know enough about dense pack yet to say one way or the other. But what security will we buy by entering into another costly and dangerous round of the arms race? Will we really feel safer knowing that a fewer number of Soviet nuclear warheads can get through?

Some argue that we will be more secure and our ICBM's more survivable if we increase the cost to the Soviets to take out one of our missiles by deploying an ABM system. The argument runs that the Soviets would be less inclined to attack if for example, it cost them, six missiles to knock out one of ours. But we have seen nothing to indicate that the Soviets would be deterred by that cost. We have no indications that the Soviets would not continue to build more warheads in the absence of arms control agreements. And who is to say what the ratio should be? Some in the administration feel that the ratio would have to be as high as 40 to 1 to deter the Soviets. Thus far, that is technologically far beyond anything we have and it will continue to be for many years.

But this begs the question of whether leakage is acceptable and who will decide how much leakage is acceptable? Anyone who has read Jonathan Schell's book, "The Fate of the Earth," has been reminded of the devastation, destructive effect of a nuclear explosion—no matter where it is. And I am sure that the residents of whatever area a BMD is deployed take cold comfort in knowing that more of our ICBM's are protected when the surrounding area in which they live will be devastated.

Mr. President, there are too many unanswered questions about the LoADS program, about out policy with respect to ballistic missile defense, and about the ramifications of a BMD system for us to charge ahead now. There is no justification for it. We should explore all the options. But as we do so, we should examine the ramifications as well. I intend to do so. And I believe that the amendment I have offered today will help us to do so. It provides for a reasonable LoADS program. It helps, I hope, to focus on the whole picture. Thus, I hope my colleagues will support it.

I ask unamious consent that the amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 1444

On page 19, line 13 strike "$4,455,341,000" and insert "$4,070,341,000, of which not more than $277,000,000 shall be available for the Low Altitude Defense System (LoADS)."

Mr. CHAFEE. Mr. President, I am pleased to join with the distinguished senior Senator from California in offering this amendment concerning funding for ballistic missile defense. Senator CRANSTON has spelled out many of the arguments for reducing the growth in funding for this program. The arguments are, in my view, compelling. The LoADS program has been generously supported in the current year's defense budget, and the increase we have been asked to support for next year would amount to an increase of more than 150 percent in 1 year. In my view, there is no need for such an increase in funding at this time.

I would point out, as the Senator from California mentioned, that our amendment still allows for growth in funding for the LoADS program.

Mr. President, two considerations concerning our program of research and development on ballistic missile defense lead me to recommend that we cut the amount of funds requested for the program. One of these considerations is that, in view of the considerable difficulty which the administration is having in deciding on a basing mode for the land-based leg of our strategic triad, there is no justification for speeding up the ballistic missile defense program. This is especially true in light of the budgetary constraints within which we must operate and in view of the vague justifications we have been provided for the amounts requested.

The second consideration which motivates me to offer this amendment is my concern that we not rush headlong into a program which has serious implications for the ABM treaty and for our future nuclear force structure without carefully considering all of the ramifications.

Mr. President, I believe we should make our decisions about our strategic policy and our nuclear force posture after carefully reviewing our options and identifying our national security interests. I have stated many times that I believe that arms control considerations should be an important part of our defense planning. We should regard arms limitations—and the restraints they impose on the other side's buildup—as useful tools which help us decide on our own force posture.

Currently, we have in force an effective ABM treaty. This treaty applies to the land-based systems of the United States and the Soviet Union. Because the Soviets have a considerably higher dependence on land-based missiles than we do, this treaty is very much in our interest.

I believe we should proceed very carefully as we approach decisions on our strategic forces and on the possibility of ballistic missile defense. Of course, we should continue with research—and this amendment allows that—but we do not need to mount a crash program to explore these technologies at the present time.

Serious ramifications for our strategic force posture, our arms control negotiations, and our budgetary resources are contained in the accelerated research program for ballistic missile defense. These ramifications should be fully explored, and the justifications for the program fully developed, before we vote to increase the funding in such a dramatic fashion.

For those reasons, Mr. President, I have joined with the Senator from California in offering this amendment. I believe it represents a responsible approach to the subject of ballistic missile defense research and at the same time represents a responsible approach to the expenditure of our defense resources.

SECURITY AND DEVELOPMENT ASSISTANCE ACT

AMENDMENT NO. 1445

(Ordered to be printed and referred jointly to the Committee on Foreign Relations and the Committee on Agriculture, Nutrition, and Forestry.)

Mr. MATHIAS submitted an amendment intended to be proposed by him to the bill (S. 2227) to amend the Foreign Assistance Act of 1961 and the Arms Export Control Act, to authorize additional Security and development assistance programs for fiscal years 1983 and 1984, and for other purposes.

CARIBBEAN BASIN PLAN

AMENDMENT NO. 1446

(Ordered to be printed and referred jointly to the Committee on Finance and the Committee on Foreign Relations.)

Mr. **MATHIAS** submitted an amendment intended to be proposed by him to the bill (S. 2237) to promote economic revitalization and facilitate expansion of economic opportunity in the Caribbean Basin region.

AMENDMENTS TO FOREIGN AID LEGISLATION

Mr. **MATHIAS.** Mr. President, I am introducing today two amendments to the foreign aid legislation pending in the Committee on Foreign Relations. I will offer these amendments in the committee's markup and am introducing them now so my colleagues will have a chance to review them. One amendment would amend the administration's bill, S. 2237, entitled "the Caribbean Basin Economic Recovery Act," to earmark $50 million of the $350 million authorized to be appropriated as supplemental foreign aid for fiscal year 1982. The $50 million would be made available for the use of private nonprofit organizations and other development programs instead of being allocated to the economic support fund. The amendment was suggested by a broad coalition of private voluntary organizations actively involved in development in the Caribbean Basin countries.

Mr. President, I ask unanimous consent for the text of the amendment, and an explanation entitled: "People-to-People amendment to the Caribbean Basin Initiative" to be printed in the Record following my remarks.

Mr. President, the other amendment is to the administration's bill, S. 2227, entitled "the International Security and Development Cooperation Act of 1982." The amendment would require that 40 percent of U.S. development assistance funds for fiscal year 1983, and 50 percent of U.S. development assistance funds for fiscal year 1984 and each year thereafter, finance productive facilities, goods, and services which will be used primarily by those living in absolute poverty. The amendment would require special emphasis to be placed on alleviating hunger and assisting women engaged in agricultural production in sub-Saharan Africa.

This amendment incorporates key provisions of S. 1675, the Hunger and Global Security Act, introduced by Senators Hatfield, Danforth, Dole, and Leahy last year, and presently cosponsored by 34 Senators. I believe the time has come for the Committee on Foreign Relations and the Senate to take positive action on these proposals to focus U.S. aid on eliminating world hunger.

Mr. President, I ask unanimous consent for this amendment to be printed in the Record, also.

There being no objection, the material was ordered to be printed in the Record, as follows:

Amendment No. 1445

At the end of Title IV of the bill, add the following section:

"Sec. 406. (a) In carrying out part I of the Foreign Assistance Act of 1961 the President shall use—

(1) in fiscal year 1983 not less than 40 per centum of the funds made available to carry out that part; and

(2) in fiscal year 1984 and each fiscal year thereafter not less than 50 per centum of the funds made available to carry out that part to finance productive facilities, goods, and services which will be used primarily by those living in absolute poverty as determined under the standards adopted by the International Bank for Reconstruction and Development and the International Development Association. Such facilities, goods, and services may include, for example, irrigation facilities, extension services and credit for small farmers, roads, safe drinking water supplies, and health and family planning services. Such facilities, goods and services shall not include studies, reports, training, technical advice, consulting services, and other items which will not be used primarily by those living in absolute poverty themselves. However, the Congress recognizes that it will continue in many cases to be appropriate to provide development aid which does not directly affect the absolutely poor.

(b) In carrying out section 1 in Sub-Saharan Africa, special emphasis shall be placed on alleviating hunger. Particular attention shall be paid to assistance to women engaged in agricultural production in the Sub-Saharan region."

Amendment No. 1446

In lieu of the text of section 201, insert the following:

"(a) There are authorized to be appropriated for the fiscal year 1982, in addition to funds otherwise available for such purposes, $300,000,000 to carry out the purposes of chapter 4 of part II of the Foreign Assistance Act of 1961, as amended, for countries in the Caribbean Basin (which shall include the states of Central America).

(b) There are authorized to be appropriated for the fiscal year 1982, in addition to funds otherwise available for such purposes in the Caribbean Basin (which shall include the states of Central America):

(i) $45 million to carry out the purposes of Part I, Chapter 1 of the Foreign Assistance Act of 1961, as amended;

(ii) $2 million to carry out the purposes of Part I, Chapter 2 Section 214 of the Foreign Assistance Act of 1961, as amended; and

(iii) $3 million to carry out the purposes of Part IV of the Foreign Assistance Act of 1969, as amended.

(c) Of the amounts authorized in Section (b)(i) $35 million shall be available only for use by U.S. or indigenous private non-profit organizations and $10 million shall be available only for participant training and scholarships.

(d) Funds authorized to be appropriated under section (b) may be obligated in fiscal year 1982 or 1983 and shall remain available until expended."

People-to-People Amendment to the Caribbean Basin Initiative

Over 50 major U.S. private development groups implement approximately $100 million annually in direct grassroots economic assistance to our Caribbean basin neighbors. These non-governmental programs utilize privately-raised financial and human resources, augmented with U.S. foreign aid dollars, for people-to-people, self-help development assistance. These groups are identified variously as non-profit private sector, private and voluntary, cooperative development and non-governmental organizations. They are known to the U.S. public as CARE, Project Hope, YMCA, Partners of the Americas, Save the Children, to name a few. Similarly, there are hundreds of indigenous, non-profit organizations undertaking community-based development activities in the region. Collectively they represent the aspirations of the American people here and elsewhere in the hemisphere for a better future.

These organizations form a bridge of hope for our Caribbean Basin neighbors in a better economic future. The People-to-People Amendment intends to more fully engage and enhance these organizations' ability to deal with the immediate pressing needs of economic stagnation, joblessness, illiteracy, rapid population growth and poor health of our neighbors to the South.

In transmitting to Congress the Caribbean Basin Economic Recovery Bill, the President recognized the importance of an integrated and well-designed program to improve the lives of the peoples of the Caribbean Basin "by enabling them to earn their own way to a better future." The President said that the CBI will "help revitalize the economies of this strategically critical region by attacking the underlying causes of economic stagnation. Most significantly, it helps expand economic opportunities for the people of the Caribbean Basin to make possible the achievement of a lasting political and social tranquility based on freedom and justice." It is a unique strength of the U.S. people to organize themselves and to assist others to organize for self-improvement. The U.S. non-profit sector is frequently the best instrument for achieving the goals of equitable economic growth at the people level. However, none of the requested funds in the CBI supplemental would specifically tap this vital sector in meeting the economic, political and security challenges in the region. The People-to-People Amendment would rectify this situation.

Title II of the Caribbean Basin Economic Recovery Bill provides for $350 million in emergency Economic Support Funds in FY 1982 for countries in the Caribbean Basin. The President has indicated he expects to allocate these funds to the following countries: El Salvador ($128 million), Costa Rica ($70 million), Honduras ($35 million), Jamaica ($50 million), the Dominican Republic ($40 million), the Eastern Caribbean ($10 million), Belize ($10 million), Haiti ($5 million) and the Latin American Regional/American Institute of Labor Development ($2 million). The legislation does not earmark the funds to these countries, but provides for Administration discretion to use the funds anywhere in the region primarily for balance of payments purposes which "may take the form of cash transfers."

The People-to-People Amendment would earmark $50 million of the $350 million for grassroots, non-governmental assistance through private sector, non-profit organizations throughout the region. The $50 million would be allocated as follows: $35 million for Development Assistance Functional Accounts for U.S. and indigenous private and voluntary, cooperative and other non-profit organizations; $10 million for participant training and Latin American scholarship programs of U.S. universities; $3 million for the Inter-American Foundation to assist indigenous Caribbean Basin organizations; and $2 million for American Schools and Hospitals Abroad in the region.

The Amendment would be consistent with the goals and intent of the CBI supplemental in promoting "economic revitalization" and "expansion of economic opportunity in the Caribbean Basin Region." Language accompanying the Amendment would direct that the funds be applied to projects of high visibility, likely to have significant beneficiary impact, contribute to local institution-building, and be replicable in other settings. The activities would concentrate on augmenting existing programs and undertaking shelf projects of private organizations in the field and, thus, would not be AID staff intensive in implementation. Funds under the Amendment would have to be obligated in fiscal year 1982 or fiscal year 1983 and be in addition to regular development assistance programs.

Currently, there is approximately $24 million proposed in AID's Latin American Bureau's account in FY 83 for the regular activities of non-profit voluntary organizations within the region. AID's central programs provide about $10 million in additional funds. The People-to-People Amendment would roughly double these programs throughout the region. The non-profit development community has identified at least $70 million in programs which can be quickly implemented—thus, they have the capability to utilize effectively the $35 million provided in the Amendment.

The Amendment would support many diverse community-based, economic development programs in the region which would express concretely the concern of U.S. citizens for people of the region. For example, Volunteers in Technical Assistance programs for technology transfer would help low-income people and institutions in small scale employment generation activities. An expanded Overseas Education Fund project would help train women for development. Family planning programs would be intensified to help bring down excessive population growth rates. U.S. cooperative development organizations such as the Credit Union National Association, Agricultural Cooperative Development International (composed of large U.S. agriculture cooperatives) and the Cooperative Housing Foundation would step up their longstanding activities in the region. Partnership for Productivity and the Pan American Development Foundation would augment their existing programs to stimulate private enterprise development. CARE would be able to assist soybean production in Costa Rica, cooperative fishing programs in Dominican Republic and agroforestry in Honduras. These are but a few examples of the multi-faceted projects which could be initiated by this Amendment.

The Amendment provides $10 million for education and training purposes to augment existing programs of participant training and Latin American scholarships at U.S. universities. The purposes of these funds are to assist in the training of technicians needed for development in agriculture, health and education in the region; to offset the increasing flow of Caribbean students to Cuba and other communist countries; and to respond to serious shortages of qualified teachers and educational opportunities in the region.

The Amendment would increase the American Schools and Hospitals Abroad program by $2 million to provide assistance for expanded facilities and enrollment of students to U.S. sponsored institutions in the region. The funds could be used to augment needs already identified at the following institutions: the Panamerican Agricultural School in Honduras; the University of the Valley of Guatemala Foundation; Project Hope's Schools of Health Sciences in Central America, Jamaica and the Eastern Caribbean; the Hospital de la Familia in Guatemala; the Francisco Marraquin University in Guatemala; and the Haitian American Friendship's Bohoc Technical Institute in Haiti.

Finally, the Amendment would increase by $3 million funds to the Inter-American Foundation to provide grants to indigenous organizations in the Caribbean Basin for stimulating wider participation of the people in the development process.

The Peace Corps is another significant people-to-people program which should be expanded in the region. Though no additional funds are suggested for the Peace Corps in this Amendment, there is a recognized need to expand their volunteer activities including beginning new programs in Haiti and Surinam. Often, Peace Corps volunteers work directly with U.S. and indigenous community-based development organizations and participate in such programs of direct assistance to people in the region.

Supporters of the People-to-People Amendment believe this Amendment can have lasting beneficial effects for the people of the region and the U.S. It would signal a new commitment to the Caribbean people through augmenting grassroots, community-oriented development activities undertaken by U.S. and indigenous private organizations in the region. It is an amendment addressing the most basic requirements of life: jobs, human development, health, food and education.

"What we seek in the final analysis, "the President said in his CBI message, "is to help the people of the Basin build for themselves a better life, not just economically but across the full spectrum of human needs and aspirations." The President's program is intended to build in these countries "a pluralistic society with strong, free private institutions—churches, free trade unions, businesses, professional and other voluntary associations . . ." The Amendment would directly achieve these goals. Therefore, it is in keeping with the Administration's Caribbean Basin Initiative and adds a people-to-people dimension between the U.S. people and their hemispheric neighbors for a better tomorrow.

NOTICES OF HEARINGS

SUBCOMMITTEE ON INTERGOVERNMENTAL RELATIONS

Mr. **DURENBERGER.** Mr. President, I would like to announce that the Subcommittee on Intergovernmental Relations of the Governmental Affairs Committee has scheduled an oversight hearing on "Block Grant Implementation."

The hearing will be conducted at 9:30 a.m. on May 11 in room 357, Russell Senate Office Building. Those wishing to submit written statements to be included in the printed record of the hearing should send five copies to Ruth M. Doerflein, Clerk, Subcommittee on Intergovernmental Relations, Room 507, Carroll Arms Building, Washington, D.C. 20510.

For further information on the hearing, you may contact Pam Hess or Valora Washington of the subcommittee staff at 224-4718.

Mr. President, I would like to announce that the Subcommittee on Intergovernmental Relations of the Governmental Affairs Committee has scheduled a legislative hearing on S. 2386, which authorizes the collection and reporting of data on the geographic distribution of Federal funds.

The hearing will be conducted at 2 p.m. on May 12 in room 3302, Dirksen Senate Office Building. Those wishing to submit written statements to be included in the printed record of the hearing should send five copies to Ruth M. Doerflein, Clerk, Subcommittee on Intergovernmental Relations, Room 507, Carroll Arms Building, Washington, D.C. 20510.

For further information on the hearing, you may contact Larry Hunter of the subcommittee staff at 224-4718.

SUBCOMMITTEE ON PUBLIC LANDS AND RESERVED WATER

Mr. **WALLOP.** Mr. President, I would like to announce for the information of the Senate and the public the scheduling of a public hearing before the Subcommittee on Public Lands and Reserved Water on Thursday, May 27, beginning at 10 a.m. in room 3110 of the Dirksen Senate Office Building to consider the following bills: S. 1964, to designate certain lands in the Mark Twain National Forest, Mo., which comprise about 17,562 acres, and known as the Irish Wilderness, as a component of the National Wilderness System; S. 1965, to designate certain lands in the Mark Twain National Forest in Missouri which comprise approximately 6,888 acres, and which are generally depicted on a map entitled "Paddy Creek Wilderness Area," as a component of the National Wilderness Preservation System; S. 2021, to provide for the disposal of certain Federal lands in New Mexico and for the acquisition of certain other lands in Bernadillo County, N. Mex., to be purchased with the proceeds from the disposal of such Federal lands; and S. 2405, to further amend the boundary of the Cibola National Forest to allow an exchange of lands with the city of Albuquerque, N. Mex.

Those wishing to testify or who wish to submit written statements for the hearing record should write to the Subcommittee on Public Lands and Reserved Water, room 3104 Dirksen Senate Office Building, Washington, D.C. 20510.

For further information regarding this hearing you may wish to contact Mr. Tony Bevinetto of the subcommittee staff at 224-5161.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. BAKER. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Thursday, May 6, at 10 a.m., to hold a hearing to consider S. 2332, a bill to extend the expiration date of section 252 of the Energy Policy and Conservation Act

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON SOIL AND WATER CONSERVATION

Mr. TOWER. Mr. President, I ask unanimous consent that the Subcommittees on Soil and Water Conservation and Agricultural Production, Marketing, and Stabilization of Prices, of the Committee on Agriculture, Nutrition, and Forestry, be authorized to meet during the session of the Senate on Thursday, May 6, at 10 a.m., to hold a joint hearing to consider S. 1825, a bill to prohibit eligibility for price support programs under certain conditions except where the farmer has begun conservation practices.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON INTERGOVERNMENTAL RELATIONS

Mr. BAKER. Mr. President, I ask unanimous consent that the Subcommittee on Intergovernmental Relations of the Committee on Governmental Affairs be authorized to meet during the session of the Senate at 9:30 a.m. on Tuesday, May 11, to hold an oversight hearing on "Block Grant Implementation."

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I ask unanimous consent that the Subcommittee on Intergovernmental Relations of the Committee on Governmental Affairs be authorized to meet during the session of the Senate at 2 p.m. on Wednesday, May 12, to hold a legislative hearing on S. 2386, which authorizes the collection and reporting of data on the geographic distribution of Federal funds.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

THOUGHTS ON SPECIAL CHILDREN AND VERY SPECIAL MOTHERS

● Mr. TSONGAS. Mr. President, Sunday, May 9, is Mother's Day and while tribute is being paid to mothers and wives throughout the Nation, I would like to offer my good wishes to some exceptional mothers. Author and columnist, Erma Bombeck shows a particular sensitivity and understanding in "Heavenly Thoughts on Handicapped Kids" and I would like to have entered into the RECORD her thoughts on these special children and their very special mothers. To all of these mothers, I wish a very happy Mother's Day.

HEAVENLY THOUGHTS ON HANDICAPPED KIDS

Most women become mothers by accident, some by choice, a few by social pressures and a couple by habit.

This year, nearly 100,000 women will become mothers of handicapped children. Did you ever wonder how mothers of handicapped children are chosen?

Somehow I visualize God hovering over earth selecting His instruments for propagation with great care and deliberation. As He observes, He instructs His angels to make notes in a giant ledger.

"Armstrong, Beth, son. Patron saint Matthew.

"Forrest, Marjorie, daughter, patron saint, Cecelia.

"Rudlege, Carrie, twins, patron saint . . . give her Gerard. He's used to profanity."

Finally, He passes a name to an angel and smiles, "Give her a handicapped child."

The angel is curious, "Why this one, God? She's so happy."

"Exactly," smiles God. "Could I give a handicapped child a mother who does not know laughter? That would be cruel."

"But has she patience?" asks the angel.

"I don't want her to have too much patience or she will drown in a sea of self-pity and despair. Once the shock and resentment wears off, she'll handle it."

"I watched her today. She has that feeling of self and independence that is so rare and so necessary in a mother. You see, the child I'm going to give her has his own world. She has to make it live in her world and that's not going to be easy."

"But Lord, I don't think she even believes in you."

God smiles. "No matter. I can fix that. This one is perfect. She has just enough selfishness."

The angel gasps, "Selfishness? Is that a virtue?"

God nods. "If she can't separate herself from the child occasionally, she'll never survive. Yes, here is a woman whom I will bless with a child less than perfect. She doesn't realize it yet, but she is to be envied. She will never take for granted a 'spoken word.' She will never consider a 'step' ordinary. When her child says 'Momma' for the first time she will be present at a miracle and know it! When she describes a tree or a sunset to her blind child, she will see it as few people ever see my creations.

"I will permit her to see clearly the things I see . . . ignorance, cruelty, prejudice . . . and allow her to rise above them. She will never be alone. I will be at her side every minute of every day of her life because she is doing my work as surely as she is here by my side."

"And what about her patron saint?" asks the angel, his pen poised in mid air.

God smiles. "A mirror will suffice."

CUBAN AND NICARAGUAN SUPPORT FOR THE SALVADORAN INSURGENCY

● Mr. ARMSTRONG. Mr. President, there remains a concern in many quarters that the guerrillas in El Salvador are the product of a kind of spontaneous generation, and operate without the support and untainted by the ambitions of other foreign powers.

The State Department has compiled a series of documents which respond to these concerns. The documents provide evidence of the extent to which the Salvadoran guerrillas are dependent upon foreign governments, chiefly the Soviet Union, Cuba, and Nicaragua, for their arms, ammunition, and financial support.

Many questions remain about what is the best policy for the United States to follow in El Salvador. But all who examine the evidence provided in these documents will, I believe, be convinced the guerrilla forces in El Salvador receive their sustenance from outside El Salvador, and are pursuing objectives which extend beyond the borders of that beleaguered country.

I ask that the State Department documents entitled Cuban and Nicaraguan Support for the Salvadoran Insurgency be printed in the RECORD.

The documents follow:

CUBAN AND NICARAGUAN SUPPORT FOR THE SALVADORAN INSURGENCY

I. INTRODUCTION

There has been a lot of debate and controversy about Cuban and Nicaraguan support for guerrillas in Central America, particularly in El Salvador. This paper summarizes the overall pattern as it now stands.

This paper does not contain the sensitive intelligence that we have provided to Congressional committees and to a number of distinguished Americans. They have expressed their views (see separate compendium of statements). We cannot make this intelligence available publicly. Were it to be released, the United States Government would lose access to critical information, and might well risk the lives of some brave people who believe it is important that the Government of the United States know what is going on. A government that does not keep secrets does not receive them.

The purpose of this paper is thus not to produce new revelations, but to describe the general pattern of outside support for El Salvador's guerrillas, including arms supply, training, and command and control. Some of this information came from classified sources, but much of it can be obtained by careful analysis of public sources. The cumulative weight of this information makes clear that the guerrilla movement in El Salvador receives vital assistance of many kinds from an international infrastructure outside El Salvador.

In what follows, the following themes should be kept in mind:

First, that although much of our most recent information is so sensitive that it cannot be provided to the general public, it is consistent with patterns of guerrilla activity and foreign support evident for two years and more. A clandestine support system, established in 1978 at the time of the Nicaraguan civil war, continued to operate after the fall of Somoza in July 1979 with a new final destination—El Salvador. Cuba played a major role in developing this support system, and remains its key link.

Second, that the existence of this support system—initially identified by the Carter Administration—has been repeatedly and vigorously denied by Nicaraguan and Cuban spokesmen. Yet a considerable quantity of solid information shows that those denials are false.

Third, that many elements of the pattern have been repeatedly confirmed by independent researchers and journalists who have gone into the field to investigate the actual situation on the ground. Confirmation has come from as far away as Lebanon and Vietnam.

Finally, that in assessing the situation in El Salvador today, one should pay attention to the nature of the guerrilla movement. To this end, we are making available a brief history of the development and organization of El Salvador's violent left.

II. THE PATTERN

Outside backing for the insurgency in El Salvador has taken many forms. Before the unification of El Salvador's violent left, Cuban support to its elements involved political and some military training, modest financial aid, and serving as a link between Salvadoran extremists and Communists outside the hemisphere. During the Nicaraguan civil war, Cuba concentrated on support for the Sandinistas. After the fall of Somoza, Cuba began intense efforts to help pro-Cuban guerillas come to power in El Salvador.

The pattern of outside support is intricate, but has three major components: external arms supplies, training, and command and control.

External Arms Supplies. Within weeks after the fall of Somoza in July 1979, the Sandinistas began to cooperate with Cuba in support of the Salvadoran extreme left by establishing training camps and the beginning of arms supply networks. This clandestine assistance initially involved local black markets and relatively limited resources. In 1980, after meetings in Havana had unified Salvadoran Marxists into a single miltiary command structure, the Sandinista leadership agreed to serve as a conduit for an arms trafficking system of unprecedented proportions, originating outside the hemisphere. That structure remains in force today.

Arms and ammunition for the Salvadoran insurgents reach Nicaragua by ship and occasionally by direct flights from Havana to Nicaragua. Three Nicaraguan ships, the Monimbo, the Aracely and the Nicarao, frequently transport arms and ammunition to Nicaragua from Cuba in their cargo, as do Cuban and other vessels. These military supplies remain stockpiled outside El Salvador until guerrilla headquarters near Managua arranges for their shipment into El Salvador. The timing of the resupply operations appears to be coordinated with the planned level of fighting, since before each surge in the fighting, we have detected large deliveries.

Here are some concrete illustrations of the arms flow.

The Papalonal Airfield provides a clear case of the direct airlift of weapons from Nicaragua to guerrillas in El Salvador. Papalonal is a commercially undeveloped area 23 nautical miles northwest of Managua. The airfield is accessible only by dirt roads. Information on Papalonal has not been released heretofore because of the sensitivity of the methods by which it was acquired. In late July 1980, the airfield was an agricultural dirt airstrip approximately 800 meters long, but by early 1981 the strip had been lengthened by 50 percent to approximately 1,200 meters. A turnaround had been added to each end. A dispersal parking area with three hardstands—a feature typical of a military airfield—had been constructed at the west end of the runway. Three parking aprons had been cleared, and six hangar/storage buildings, each about 15 meters wide, had been constructed on the aprons. Hangars were to stockpile arms for the Salvadoran guerrillas (these hangars resembled those at major Cuban airbases and our sources confirmed Cuban involvement in the construction). C-47 flights from the airbase, confirmed by photographic evidence, corresponded with sightings in El Salvador, and several pilots have been identified in Nicaragua who regularly flew the route into El Salvador. This particular route was closed down by March 1981, but some air infiltration continues to this day, despite difficulties in pilot recruitment.

Weapons delivery by overland routes from Nicaragua passes through Honduras. Several examples of this arms traffic can be identified. Honduran authorities have intercepted various shipments of arms en route from Nicaragua and in concealed caches in Honduras. In early January 1981, for example, Honduran police caught six individuals unloading weapons from a truck enroute from Nicaragua. The six identified themselves as Salvadorans and as members of the International Support Commission of the Salvadoran Popular Liberation Forces (FPL). They had in their possession a large number of altered and forged Honduran, Costa Rican, and Salvadoran passports and other identity documents. This one truck contained over 100 M-16/AR-15 automatic rifles, fifty 81-mm mortar rounds, approximately 100,000 rounds of 5.56-mm ammunition, machine gun belts, field packs, and first aid kits. Over 50 of these M-16/AR-15 rifles were traced to U.S. units assigned to Vietnam in 1968–69, and which were left in Vietnam when U.S. troops departed.

In April 1981, Honduran authorities intercepted a tractor-trailer truck which had entered Honduras at the Guasule crossing from Nicaragua. It was apparently heading for Guatemala. Ammunition and propaganda materials were hidden in the side walls of the trailer. The same arms traffickers operated a storehouse in Tegucigalpa, Honduras, with a false floor and a special basement for storing weapons.

Costa Rica also has been a staging area for arms shipments to El Salvador. A Special Legislative Commission established in June 1980 by the Costa Rican legislature confirmed that the Cubans had established a clandestine arms-supply link between Costa Rica and Nicaragua during the Nicaraguan civil war, and that the link continued to function between Costa Rica and El Salvador once the Sandinistas had come to power in Nicaragua. After the Nicaraguan civil war was over, according to the Costa Rican Commission's report issued in May 1981, "arms trafficking, originating in Costa Rica or through Costa Rican territory, (began) toward El Salvador, indirectly or using Honduras as a bridge."

In April and July, 1981, Guatemalan security forces captured large caches of guerrilla weapons at safehouses in Guatemala City. Traces made on the serial numbers of individual U.S.-manufactured weapons revealed that 17 M-16/AR-15s had been shipped to American units in Vietnam in the late sixties and early seventies and left behind. Several of the vehicles captured at the Guatemala City safehouses bore recent customs markings from Nicaragua, thus suggesting that the operation was part of the well-established pattern.

NOTE: When a clandestine shipment of arms is captured or a safehouse is found containing arms and terrorist supplies, it is often impossible to know with certainty whether the ultimate recipients are Guatemalan, Honduran, Costa Rican or Salvadoran terrorists, since the arms supply networks established by Cuba and Nicaragua are funneling lethal military supplies to terrorists and guerrillas in all four countries, using the same clandestine smuggling techniques and routes.

Training.—Cuban and Nicaraguan political and military training create the basic framework for the use of the arms by the guerrillas within El Salvador. Nicaragua and Cuba coordinate training efforts, with Cuba providing key specialized training.

Since at least mid-1980, Salvadoran guerrillas have been trained in Nicaragua. The Sandinistas have trained Salvadoran guerrillas in military tactics, weapons, communications, and explosives at temporary training schools scattered around the country and on Sandinista military bases. At several military sites in Nicaragua Salvadorans receive training under guidance from Cuban and other foreign advisors. For more specialized training, guerrillas transit Nicaragua for Cuba. The Managua-Havana air shuttle link is in daily operation and the increase in traffic has reached the point where a ticketing system is now required. Guerrillas are provided false identity documents to help them transit third countries. The Cubans are training guerrillas in sabotage and demolition efforts and reinfiltrating them through Nicaragua back into El Salvador. This training in Nicaragua and Cuba has increased the tactical skills of the guerrillas in El Salvador. Guerrilla operations—such as the attacks on Ilopango airport in January 1982 and on the El Oro bridge in October 1981—were clearly performed by trained saboteurs.

A Salvadoran guerrilla, Santo Salome Morales, reported when he defected in Honduras in September 1981 that he and twelve others went from El Salvador to Nicaragua via a point near the Gulf of Fonseca in May, 1980. from Managua, they proceeded to Cuba where they received extensive military training, together with over 900 Salvadorans. Morales said he was trained in underwater demolition.

The link between training and the regional infrastructure behind guerrilla activity is evident in information obtained following a raid late last year by the Honduran police on a safehouse for the Morazanist Front for the Liberation of Honduras (FMLH). This organization was described in an October 1981 interview in the pro-government Nicaraguan newspaper El Nuevo Diario, by "Octavio", one of its founders, as a political-military organization formed as part of the "increasing regionalization of the Central American conflict." The raid took place on 27 November 1981, in Tegucigalpa, and while the Honduran police were attempting to search the house, a firefight broke out. The police ultimately captured several members of this group. This cell of the FMLH included a Honduran, an Uruguayan, and several Nicaraguans. The captured terrorists told Honduran authorities that the Nicaraguan Government had provided them with funds for travel expenses, as well as explosives.

Captured documents and statements by detained guerrillas further indicated that:

The group was formed in Nicaragua at the instigation of high-level Sandinista leaders;

The group's chief of operations resided in Managua; and

Members of the group received military training in Nicaragua and Cuba.

The documents included classroom notebooks from a one-year training course held in Cuba in 1980. Other captured documents revealed that guerrillas at one safehouse were responsible for transporting arms and munitions into Honduras from Esteli, Nicaragua.

Training programs in Nicaragua are continuing. A Salvadoran terrorist, Jose Roberto Marroquin Acevedo, arrested in Costa Rica on January 29, 1982 in connection with an attempted kidnapping of a Salvadoran businessman, told Costa Rican police that he was affiliated with a Salvadoran guerrilla organization, which had sent him to Nicaragua, where he and other terrorists were provided with false identity documents to enter Costa Rica. In the presence of his defense attorney Marroquin told a Costa Rican court on February 4 that he "received military and political training" during the several months he spent in Nicaragua.

Command and Control.—The military forces of the Farabundo Marti National Liberation Front (FMLN) guerrilla movement are controlled by the Unified Revolutionary Directorate (DRU) with three members from each of the guerrilla groups active in El Salvador.

The DRU was formed in Havana in May 1980, after meetings that began under Castro's sponsorship in December 1979. Requiring the creation of a unified military command that included the Moscow-line Salvadoran Communist Party before any modern armaments were supplied was, and is, a key to Cuba's political/military strategy. This pattern, applied previously to the struggle against Somoza in Nicaragua and since then elsewhere in Central America, draws on ideologically committed and Cuban-trained military cadres to make up the guerrilla command and thereby ensure Marxist-Leninist control of the insurgency and of any government emerging subsequently from it.

The DRU command headquarters is near Managua, Nicaragua, and is part of an extremely sophisticated command and control relationship (in fact, this system is more elaborate than that used by the Sandinistas against Somoza). Planning and operations are guided from this headquarters in Nicaragua, where Cuban and Nicaraguan officers are involved in command and control. The guidance flows to guerrilla units widely spread throughout El Salvador. DRU headquarters coordinates logistical support for the insurgents to include food, medicines, clothing, money—and most importantly—weapons and ammunition. Although some free-lancing exists as targets of opportunity appear, the headquarters in Nicaragua decides on locations to be attacked and coordinates supply deliveries.

Evidence of centralized control comes from the guerrillas themselves. On March 14, 1982 the FMLN clandestine Radio Venceremos located in El Salvador broadcast a message to guerrillas in El Salvador urging them "to maintain their fighting spirit 24 hours a day to carry out the missions ordered by the FMLN general command (emphasis supplied)."

Recent developments.—Three months ago—in mid-December 1981—Fidel Castro directed, after consultations in Havana with guerrilla leaders, that external supplies of arms to FMLN units should be stepped up to make possible an offensive to disrupt a peaceful vote in March 28 Constituent Assembly elections. Extreme leftist groups throughout Central America were mobilized to support the effort.

Within the past three months, shipments of arms into El Salvador reached unprecedented peaks, averaging out to the highest overall volume since the "final offensive" last year. During the past year, deliveries of arms to the Salvadoran insurgents have been closely monitored. The recent Cuban-Nicaraguan arms flow into El Salvador has emphasized both sea and—once again—overland routes through Honduras. Early this month, for example, a guerrilla unit in El Salvador received several thousand sticks of TNT and detonators (only five sticks of TNT are sufficient to blow up an electrical pylon). Last month, a Salvadoran guerrilla group picked up a large shipment of arms on the Usulutan coast after the shipment arrived by sea from Nicaragua.

In addition to vitally-needed ammunition, these most recent guerrilla supply operations have included greater quantities of more sophisticated heavier weapons. Recent deliveries have included M-60 machine guns, 57mm recoilless rifles, and M-72 anti-tank weapons, thus significantly increasing guerrilla firepower. Individual units also regularly receive tens of thousands of dollars for routine purchases-of non-lethal supplies on commercial markets and payments (including bribes) to enable the clandestine pipeline to function.

On March 15, 1982, the Costa Rican Judicial Police announced the discovery of a house in San Jose with a sizeable cache of arms, explosives, uniforms, passports, documents, false immigration stamps from more than thirty countries, and vehicles with hidden compartments—all connected with an ongoing arms traffic through Costa Rican territory to Salvadoran guerrillas.

Nine people were arrested: Salvadorans, Nicaraguans, an Argentine, a Chilean and a Costa Rican. Costa Rican police so far have seized 13 vehicles designed for arms smuggling. Police confiscated some 150-175 weapons from mausers to machine guns, TNT, fragmentation grenades, a grenade launcher, ammunition, and 500 combat uniforms. One of the captured terrorists told police that the arms and other goods were to have been delivered to the Salvadoran guerrillas before March 20, "for the elections."

III. CONFIRMATIONS ON THE PUBLIC RECORD

Persuasive evidence that the insurgency in El Salvador is part of a broader regional pattern has been available for some time.

1. *On the Nicaraguan Link to El Salvador:* The Nicaraguan link was clear to the Carter Administration. For example, in an interview with editors of the Washington Post published January 30, 1981, former Secretary of State Edmund Muskie said that Cuban arms and supplies being used in El Salvador's bloody civil war were flowing through Nicaragua "certainly with the knowledge and to some extent the help of Nicaraguan authorities."

A guerrilla leader told the San Diego Union (March 1, 1981) in El Salvador that "the Salvadoran guerrillas have a permanent commission in Nicaragua overseeing the smuggling of weapons from that country to here." He also said there have been Cuban advisers in the province of Morazan, and that Vietnamese advisers have made several trips to guerrilla camps in El Salvador.

2. *On Cuban Activities in Nicaragua and El Salvador:* Fidel Castro publicly denies supplying arms and military equipment to the Salvadoran guerrillas (for example, in his September 15, 1981, speech opening the Inter-Parliamentary Union Conference in Havana), and avoids commenting on Cuban military advisers in Nicaragua.

Yet in a Bonn press conference on June 19, 1981, German Social Democratic leader Hans-Jurgen Wischnewski reported that when he had personally confronted Castro with State Department contentions that Cuba had shipped weapons to Salvadoran guerrillas, Castro had admitted it was true. Castro again confirmed the reports of transshipment of arms to the Salvadoran guerrillas in private discussions with several Inter-parliamentary Union delegations in Havana last September.

And the Washington Post reported March 7, 1982, that Sandinista leader Jaime Wheelock confirmed to the Post that Cuban military advisers were present in his country, although he claimed that there were "no more than about a dozen."

The New York Times reported March 18, 1982, that the guerrillas now concede that Cuba supplied armaments through Nicaragua for the January 1981 "final offensive."

Top Cuban leaders have confirmed that Salvadoran guerrillas are trained in Cuba. Vice-President Caslos Rafael Rodriguez, for example, confirmed it in at least two interviews (Der Spiegel, September 28, 1981 and El Diario de Caracas, October 29, 1981). The Toronto Globe and Mail reported February 12, 1982, that "at least 30 Salvadoran guerrillas" were currently training near Havana. The report was based on an interview with a Salvadoran guerrilla billeted in a Havana hotel, which according to a hotel employee had been booked by the Cuban Foreign Ministry for "Latin American" guests.

3. *Sandinista and Vietnamese leaders on the Vietnamese role:* In March 1981, Sandinista Directorate member Humberto Ortega travelled to Hanoi. In a speech given there March 11, Ortega said, "we sincerely thank the Vietnamese people and highly value their support for the heroic Salvadoran people . . . the fierce and bloody struggle in El Salvador requires the support of all progressive nations and forces throughout the world."

Vietnamese support for the Salvadoran guerrillas was confirmed by author William Shawcross when he travelled to Vietnam last year (New York Review of Books, September 24, 1981):

Had Vietnam been distributing any of the vast pile of weapons left by the Americans? Colonel Bui Tin acknowledged, in effect, that it had. In El Salvador? "It's not fair to say the US can help the junta but we cannot help our friends. We do our best to support revolutionary movements in the world. . . ."

4. *Yasir Arafat on the PLO role in Nicaragua and El Salvador:* PLO chief Arafat confirmed to a group of Palestinian journalists in Beirut on January 11, 1982, that "there are Palestinian pilots in Nicaragua, there are Palestinian revolutionaries with the revolutionaries in El Salvador. . . ."

STATEMENTS BY DISTINGUISHED AMERICANS SUPPORTING CHARGES OF NICARAGUAN INVOLVEMENT IN EL SALVADOR

We have presented detailed classified information to appropriate Congressional committees and to many American statesmen, who have served both Republican and Democratic administrations. They were convinced of the factual case we made.

The Chairmen of the respective Intelligence Committees in the Senate and the House issued strong statements after briefings of those committees by intelligence teams led by CIA Director William Casey. Chairman of the Senate committee, Senator Barry Goldwater, in a press release said that, "The briefing left no doubt that there is active involvement by Sandinista government officials in support of the Salvadoran guerrilla movement. This support includes arrangements for the use of Nicaraguan territory for the movement of arms and munitions to guerrillas in El Salvador, the continuing passage of guerrillas in and out of Nicaragua for advanced training and sabotage and other terrorist tactics, and the presence of high-level guerrilla headquarters elements in Nicaragua. There is strong evidence of a great surge in the delivery of arms, ammunitions, and related materials from Nicaragua to El Salvador. Speaking as Chairman of the committee, I must stress the sensitive nature of the intelligence provided us. The details must remain secret, but the American people deserve to know that the officials charged with developing and implementing U.S. policy in this area are doing so on the basis of solid information."

Senator Goldwater's opposite number in the House, Congressman Edward Boland, issued a similar statement. Boland said, in relevant part, "The insurgents [in El Salvador] are well-trained, well-equipped with modern weapons and supplies, and rely on the use of sites in Nicaragua for command and control and for logistical support. The intelligence supporting these judgments provided to the committee is convincing. There is further persuasive evidence that the Sandinista government of Nicaragua is helping train insurgents and is transferring arms and financial support from and through Nicaragua to the insurgents. They are further providing the insurgent bases of operations in Nicaragua. Cuban involvement—specially in providing arms—is also evident. What this says is that, contrary to the repeated denials of Nicaraguan officials, that country is thoroughly involved in supporting the Salvadoran insurgency. That support is such as to greatly aid the insurgents in their struggle with government forces in El Salvador."

In answer to a question posed by a CBS representative, Congressman Bill Young stated that he not only agreed with the conclusions of Congressman Boland but also felt that the Congressman might have gone further in describing the convincing nature of the evidence presented.

Congressman J. Kenneth Robinson, ranking Minority Member on the House Intelligence Committee issued a press release after the briefing underscoring the same general points. He noted that, "There can be no doubt about it, on the basis of the information presented to us. The Sandinista government of Nicaragua is helping train the guerrillas, is transferring arms and money to them, and the insurgents are relying on sites in Nicaragua for command and control purposes. Evidence of Cuban involvement in the provision of arms is also convincing. Let no one believe the denials of these governments that they are not promoting the bloodbath occurring in El Salvador."

At a public hearing March 17, Senator Robert Kasten said that he was, "absolutely convinced of the support and control" of the guerrillas in El Salvador by the Government of Nicaragua. He also said that the Administration should make every effort to help the American people understand this in order to reverse the tide of public.opinion on that question.

After the special intelligence briefing for distinguished citizens, Ambassador Anne Armstrong, Chairwoman of the President's Foreign Intelligence Advisory Board (PFIAB), characterized the group receiving the briefing as "a bipartisan group of patriotic Americans" and said that she believed all present found the evidence convincing. She said the information was too sensitive to be made public but added that, "I wish it were not so because it's a story that desperately needs to be told to the American people."

After receiving the intelligence briefing, Washington attorney and former high-ranking official in the Carter and Johnson administrations, Lloyd Cutler, issued a letter summarizing his views. In that letter, he stated that, "I am satisfied that this intelligence justifies the inescapable conclusion that the Nicaraguan government is materially assisting the Salvadoran guerrillas to organize and command their forces, and that it is providing them with the bulk of their military weapons and the means of their delivery. On the basis of this evidence I am also satisfied that a substantial portion of these weapons are supplied to Nicaragua via Cuba, and that the Cuban government is directly participating in Nicaragua's military assistance to the Salvadoran guerrillas."

Former Secretary of State Willaim P. Rogers reiterated the point that anyone who heard the information would have to be convinced that the government's position is sound. He added that, "It is important for the American people to realize their government is telling the truth."

Robert Strauss, a senior member of the administration of President Carter, said that the briefing was, "a rather impressive bit of evidence indicating in a persuasive way the outside involvement" in El Salvador.

Ambassador Sol Linowitz commented that, "I found what we were shown to be credible and quite persuasive. It was sobering and reason for concern."

While he reiterated his basic differences with general Administration policy in Central America, Senator Paul Tsongas, after the Senate Foreign Relations Committee briefing, was reported as saying, "Those of us who are opposed to the policy accept the fact that there is indeed Nicaraguan involvement in El Salvador. I think the Administration is sincere in the documents it is providing on Nicaraguan involvement in El Salvador."

STATEMENT BY EDWARD BOLAND

Congressman Edward Boland, D-Mass., Chairman of the House Select Committee on Intelligence, today released the following statement following a committee briefing concerning El Salvador. Participating in the briefing were all elements of the intelligence community, led by DCI William J. Casey. The text of the statement follows:

"The Committee has received a briefing concerning the situation in El Salvador, with particular emphasis on the question of foreign supports for the insurgency. The insurgents are well-trained, well-equipped with modern weapons and supplies, and rely on the use of sites in Nicaragua for command and control and for logistical support. The intelligence supporting these judgments provided to the Committee is convincing.

"There is further persuasive evidence that the Sadinista government of Nicaragua is helping train insurgents and is transferring arms and financial support from and through Nicaragua to the insurgents. They are further providing the insurgents bases of operations in Nicaragua. Cuban involvement—especially in providing arms—is also evident.

"What this says is that, contrary to the repeated denials of Nicaraguna officials, that country is thoroughly involved in supporting the Salvadorn insurgency. That support is such as to greatly aid the insurgents in their struggle with government forces in El Salvador."

STATEMENT BY BARRY GOLDWATER

In a recent ABC interview the Nicaraguan ambassador to the U.S., Francisco Fiallos, said that his country "does not send weapons and is not going to send weapons to El Salvador."

On Thursday, February 25, CIA Director William Casey and other representatives of the intelligence community briefed members of the Senate Intelligence Committee in executive session on developments in Central America. The briefing, which lasted several hours, addressed the military situation in El Salvador, the structure and composition of guerrilla forces there, and the degree of external support to the insurgents in El Salvador, especially that provided by the Sandinistas in Nicaragua.

The briefing left no doubt that there is active involvement by Sandinista government officials in support of the Salvadoran guerrilla movement. This support includes arrangements for the use of Nicaraguan territory for the movement of arms and munitions to guerrillas in El Salvador, the continuing passage of guerrillas in and out of Nicaragua for advanced training in sabotage and other terrorists tactics, and the presence of high-level guerrilla headquarters elements in Nicaragua. There is strong evidence of a great surge in the delivery of arms, ammunitions, and related materials from Nicaragua to El Salvador.

Speaking as chairman of the committee, I must stress the sensitive nature of the intelligence provided us. The details must remain secret, but the American people deserve to know that the officials charged with developing and implementing U.S. policy in this area are doing so on the basis of solid information.

WILMER, CUTLER & PICKERING,
Washington, D.C., March 10, 1982.

I have reviewed the classified intelligence relating to the support provided to the Salvadoran guerrilla forces by Nicaragua and Cuba. I have also reviewed the conclusions drawn by the analysts, and have had an opportunity to test these conclusions in direct discussion. I am satisfied that this intelligence justifies the inescapable conclusion that the Nicaraguan Government is materially assisting the Salvadoran guerrillas to organize and command their forces, and that it is providing them with the bulk of their military weapons and the means of their delivery. On the basis of this evidence, I am also satisfied that a substantial portion of these weapons are supplied to Nicaragua via Cuba, and that the Cuban Government is directly participating in Nicaragua's military assistance to the Salvadoran guerrillas. Based on my own experience as an intelligence analyst and user, I also agree that public disclosure of their intelligence would pose an unreasonable risk of compromising the continuing availability of its sources.

LLOYD N. CUTLER.

THE ORGANIZATION AND EVOLUTION OF THE SALVADORAN INSURGENT MOVEMENT

The Salvadoran insurgents include a number of political and armed groups united in several organization which are distinct in function but overlap in composition.

The supreme executive body of the insurgents is the Unified Revolutionary Directorate (DRU). The DRU was formed in May 1980 at a secret meetng in Havana. It grew out of other discussions held in Havana in December 1979 among three Salvadoran extremist groups. The DRU contains three members from each of the five active armed extremist organizations operating in El Salvador.

The Farabundo Marti National Liberation Front (FMLN) was formed in October 1980 to serve as the political/military umbrella group for the armed extremist organizations and their front groups.

The Democratic Revolutionary Front (FDR), a separate political wing attached to the FMLN, was founded in April 1980 and operates outside El Salvador.

Of these three groups, it is the DRU that acts as a military high command for the conduct of guerrilla warfare and terrorist action. The FDR has no control over military decisions.

Four of the five Salvadoran armed organizations represented in the DRU can be traced to the Communist Party of El Salvador (PCES). The PCES eschewed violence from its inception in the mid-1920's until late 1979. During the 1970's, the refusal of the PCES to endorse violence caused schisms within the party and led the more radical members to leave the party and organize independent armed organizations.

The PCES is headed by Jorge Shafik Handal. A long-time Communist, Handel has been a political agitator for 30 years. He studied at the University of El Salvador Law School, although he failed to earn a degree. He has long maintained close ties with Havana and Moscow.

PCES leaders were uncertain how to respond to the October 1979 coup in El Salvador which brought to power a reformist civilian-military coalition. Initially the PCES decided to cooperate with the new government. Peaceful change, however, did not suit those committed to violent struggle. Other groups on the left staged violent disturbances. The PCES soon followed their lead and openly opposed the government forming its own military wing, the Armed Forces of Liberation (FAL). In mid-December 1979, PCES leaders met in Havana with representatives of two other Salvadoran extremist groups (FPL and FARN—see below) to initiate the unification process and agree on a military strategy. In June and July 1980, Handal traveled to the Soviet Union, Vietnam, Ethiopia and Eastern Europe to seek arms.

The largest of the armed groups is the Farabundo Marti Popular Liberation Forces (FPL), headed by Salvador Cavetano Carpio. Carpio became involved in labor activities in the early 1960's. By 1964, he had become Secretary General of the Communist Party of El Salvador. In 1969, he split with the party over its reluctance to use violence. Carpio founded the FPL in 1974 to serve as the "vanguard of the revolution." Using the nom de querre of Comandante Marcial, Carpio orders and directs the military operations of the FPL.

By 1972, a separate faction of Castroite, Maoist, and Trotskyite dissidents had abandoned the PCES and organized the Peoples Revolutionary Army (ERP). Headed by Joaquin Villalobos, the ERP is dedicated to a strategy of "peoples' revolutionary warfare" and has emphasized urban terrorism. Villalobos, like Carpio, is a proponent of armed violence and justifies terrorist acts such as kidnapping and assassination as "acts of revolutionary justice." Another prominent ERP figure is Ana Maria Guadalupe Martinez, who regularly travels abroad as a spokesperson for the FMLN. She joined the ERP in 1972. In 1976, she was imprisoned for murdering a Salvadoran policeman. She was released in 1977 as part of a negotiated exchange for an industrialist kidnapped by the ERP; the ERP bargained in bad faith and the industrialist was killed despite Martinez' release. Following the establishment of a reformist civilian-military government in El Salvador in October 1979, the ERP and the FPL staged violent disturbances.

Internal dissension within the ERP resulted in the assassination of key leader Roque Dalton in 1975 by other ERP activists, which led a splinter group headed by Ernesto Jovel and Ferman Cienfuegos to break away to form the Armed Forces of National Resistance (FARN). The FARN took part in the initial unification discussions with the PCES and FPL in Havana in December 1979, and joined the DRU in 1980. But the FARN temporarily retired from the guerrilla command that same year following a dispute. After Jovel died in September 1980 under confused circumstances—the FARN command first attributed his death to a car accident, later to a plane crash—the FARN rejoined the DRU. Ferman Cienfuegos then emerged as the principal FARN leader. He is said to have been a member of a communist youth organization and has operated clandestinely since 1969.

The fifth organization represented on the DRU is a tiny Trotskyite group, the Revolutionary Party of Central American Workers (PRTC). It was admitted to the DRU near the end of 1980. The key figure in the PRTC seems to be Fabio Castillo, a former rector of the University of El Salvador. He has lived in exile since 1972. Formed in the late 1970's, the PRTC has conducted acts of terrorism to establish its revolutionary credentials. A Costa Rican and two Salvadoran terrorists captured by Costa Rican police in January 1982, after an unsuccessful kidnapping attempt, are closely associated with the PRTC. Their statements to Costa Rican police revealed that they had operated out of a PRTC "safehouse" in Managua, Nicaragua, where they also received military training.

Each of these radical groups controls a "popular front" organization. The PCES for decades has operated through the National Democratic Union (UDN), a legal political party which was invited by the Salvadoran Government to participate in the March 28, 1982, elections, but refused to do so. The FPL controls the Popular Revolutionary Bloc (BPR). The ERP controls the relatively small Popular Leagues of February 28 (LP-28). The FARN oversees the United Popular Action Front (FAPU). The PRTC's corresponding front organization is the Movement of Popular Liberation (MLP).

The political front organizations have served to some degree as manpower pools for the guerrillas and in the past have been used to stage demonstrations, disseminate propaganda, and occupy public buildings—churches, foreign embassies, and government offices—as well as to back guerrilla units. Since 1980, activities of political front groups have dropped dramatically as the armed groups which control them put greater emphasis on military actions.

Not represented on the DRU, but connected to it through the Democratic Revolutionary Front (FDR) are several small organizations of the democratic left. The most visible of these organizations is the National Revolutionary Movement (MNR) headed by Guillermo Manuel Ungo, who became the FDR's president in December 1980. The MNR is a member party of the Socialist International. The MNR has a small membership which never exceeded a few hundred. Also part of the FDR is the Popular Socialist Christian Movement (MPSC), which is composed of a handful of former Christian Democrats who abandoned or were expelled from the Salvadoran Christian Democratic party in early 1980.

VIDEO RECORDING OF COPYRIGHTED MATERIAL—COSPONSORSHIP OF AMENDMENT NO. 1333

● Mr. PRESSLER. Mr. President, I have requested that I be listed as a cosponsor of amendment No. 1333, a proposed amendment to S. 1758, legislation concerning private noncommercial video recording of copyrighted material. This amendment has strong bipartisan support. Among its cosponsors are the Senate majority and minority leadership. In light of recent court decisions, Congress must clarify existing copyright law and its relation to the issue of home recording of copyrighted material.

My philosophy on all communications issues has always been that quality programing and alternative delivery systems should be widely available to all segments of American society. As a member of the Senate Communications Subcommittee, I foresee a real danger that the communications revolution will bypass those Americans who cannot afford the new delivery systems or who live in rural areas which will not have access to alternative programing. Rural States like my home State of South Dakota must fight to participate in the many new and rapidly developing technologies. It is estimated that by 1990, one-third of American homes may still be without cable service, many of these homes in rural areas.

In that same time period, only about one-third of all American families will own a videocassette recorder, primarily because of economic limitations. Clearly our farming and ranching communities and our Nation's urban poor will still rely primarily on traditional broadcasting delivered on free network television. Because of this trend, it is imperative that we maintain the economic strength of our programing industries. If network broadcasting is to rely on America's creative community for a steady supply of marketable programing, Congress should insure that adequate copyright protection is provided.

I am cosponsoring this amendment with some reservations since there

appear to be a number of conflicting studies and surveys circulating on this issue. For instance, a 1979 study done by MediStats, Inc. demonstrated that time-shifting, the video taping of a program in order to view it at a more convenient time, is the primary purpose for home video recording use. However, a 1981 study done by the same company indicates that 75 percent of the individuals surveyed tape programs for a permanent, private cassette library. Obviously these kinds of statistical contradictions need to be resolved before a comprehensive congressional solution can be fairly supported.

Another question is the possibility of an increase in retail prices of recording equipment as a result of a copyright fee. One argument states that the competitive nature of the recording equipment market could keep prices down. While this prediction is partially based on previous experience with the 1962 All-Channels Receivers Act, it is still highly speculative and should be seriously explored during congressional debate. It is my hope that the Judiciary Committee, which is currently considering S. 1758 and proposed amendments, will look closely at this information to determine what impact a point-of-sale copyright fee would have on retail prices.

Mr. President, I look forward to an open and indepth discussion of this important copyright issue.●

DEPARTMENT OF STATE REFUGEE POLICY WAS WRONG

● Mr. HUDDLESTON. Mr. President, after a struggle which has spanned several years, the U.S. Department of State has admitted through a change in policy that its misguided refugee program in Indochina was contributing more to the problem than to the solution.

A recent press report stated that:

> Faced with Thai appeals to help "curtail" an endless flow of Indochinese refugees into the country, the U.S. Embassy here has announced a new American refugee policy aimed at discouraging Indochinese from leaving their homelands.

This new policy will disqualify a new migrant who does not have ties with the United States.

Implicit in this announcement is an admission that the State Department's policy over the last few years of classifying any migrant from Laos, Cambodia, and Vietman as a refugee was wrong. In essence, it is this policy which has kept a steady stream of economic migrants flowing out of Indochina over the last 4 years and which has cost the American taxpayers billions of dollars in special assistance programs.

This turn-around in policy clearly indicates that refugee policy should be taken out of the hands of the Department of State which has used it as a foreign policy tool instead of as humanitarian relief for those fleeing persecution. It was this misuse of authority which resulted in the Department fighting to classify economic migrants from Indochina as refugees while classifying the same kind of economic migrants from Haiti as illegal aliens who must be deported.

The record of the U.S. Department of State's abuse of the refugee program is clear and convincing:

August 1, 1979—I placed in the RECORD articles from the Philadelphia Inquirer and the Louisville Courier Journal which reported that the publicity given the liberal refugee resettlement efforts was acting as a magnet and pulling thousands of migrants out of Indochina. A UNHCR representative stated that—

> There is a danger of creating a self-generating monster that will live for years beyond its normal life . . . the more the West accepts, the more will leave Indochina.

January, 1980—the U.S. Conference of Mayors released a survey which concluded that—

> Municipal governments are being severely impacted by and bear the financial burden of the national policy to admit Indochinese refugees at a rate of 14,000 per month.

February 20, 1980—a Presidential report, which was mandated by legislation I introduced, revealed that total refugee assistance would exceed $2 billion a year.

During 1980, reports began to surface about the conflict between INS and Department of State on refugee policy in Indochina.

April 30, 1981—Secretary Haig sent a letter to Attorney General William French Smith asking that all migrants from Laos, Cambodia and Vietnam be considered refugees. In essence, this would clear the way for them to be resettled in the United States and receive all of the special assistance granted to refugees.

May 20, 1981—Attorney General Smith sent a letter to Secretary of State Alexander Haig stating that all—

> Persons coming out of Vietnam, Laos, and Cambodia . . . are to be presumed to be refugees by INS, and therefore admissible to the U.S. . . .

July, 1981—a series of articles in the Far Eastern Economic Review and other foreign publications revealed fundamental problems with the Indochina refugee program. One story stated that:

> "There is growing conviction among refugee agency officials that the majority of those now leaving Indochina are not political refugees but economic migrants.

July 22, 1981—after receiving convincing documentation that State Department, INS, U.N. and foreign government officials were claiming that U.S. Department of State policy was not in accordance with U.S. law and was probably exacerbating the refugee flow, I introduced Senate Resolution 191 calling for a complete investigation of the program.

August 24, 1981—Office of Legal Counsel, U.S. Department of Justice issued a legal brief which concluded that the law does not permit the type of blanket presumption the Attorney General and the Secretary of State agreed to. A case-by-case determination must be made in each instance and a distinction must be made between economic mirgrants and refugees.

September, 1981—Attorney General admitted that he did not have the authority to make the presumption requested by the Secretary of State and promised to issue new regulations to INS field officers in Southeast Asia.

March, 1982—Attorney General finally issued new guidelines which continue to place emphasis on Department of State policy in determining whether a migrant is really a refugee.

Mr. President, the discriminatory and arbitrary manner in which the U.S. Department of State has set refugee policy is an ugly blemish on our immigration system. However, unless Congress takes positive steps to curtail the power of the U.S. Department of State in refugee matters, I am convinced that abuses will continue to occur.

Mr. President, I ask that the Washington Post article entitled "U.S. Changes Refugee Policy To Curb Intake from Indochina" be printed in the RECORD.

The article follow;

U.S. CHANGES REFUGEE POLICY TO CURB INTAKE FROM INDOCHINA

(By William Branigin)

BANGKOK, April 27.—Faced with Thai appeals to help curtail an "endless" flow of Indochinese refugees into the country, the U.S. Embassy here has announced a new American refugee policy aimed at discouraging Indochinese from leaving their homelands.

After April 30, refugees from Vietnam, Cambodia or Laos arriving in Thailand or other Southeast Asian countries "will be considered for resettlement in America only if they can demonstrate close links with the United States," the embassy said in a press release.

The tougher new policy could eliminate 30 percent to 40 percent of the U.S. refugee caseload, the approximate percentage of those who were admitted to the United States in the past but would not meet the new criteria, a U.S. diplomat said.

The embassy stressed, however, that the policy applies only to refugees arriving in Thailand or other Southeast Asian countries after April 30 and that those already in camps or arriving before then will be processed as before.

Since 1975, the embassy said, 68 percent of the 388,400 Indochinese refugees who have left Thai camps for resettlement abroad have gone to the United States.

The embassy said the new criteria mean that "in the future refugees will only be eligible for resettlement in the United States if they have close relatives in the United States, have worked at one time for the U.S. government or have other ties to the United States or to one of the previous noncommunist governments of Indochina and now have reason to fear persecution."

[In Washington, H. B. Cushing, director of the Office for Refugee Admissions at the State Department, confirmed the change in admissions policy.

[Commenting that the refugee problem in Southeast Asia is "much reduced from what it was three years, two years and even six months ago," and that the United States has admitted a total of Indochinese refugees roughly equal to the number of those accepted by all other countries together since 1975, he said, "It is not within the capacity of the United States to take everyone who might wish to leave Indochina."

[Indicating that refugees without ties to the United States might be taken by some other country, he said the policy change has been made "in order to have a program adequate to take those with ties" to America. "We believe," he added, "it is quite possible that those ties may be some or all of the reason why life for them in Indochina is intolerable [and] wish to honor that association with us by admitting them."]

The new rules are in line with Thailand's policy of "humane deterrence," under which authorities last year declared Laotian and Vietnamese refugees arriving in Thailand ineligible for resettlement in third countries and placed them in "austere" camps until they are ready to return home.

According to U.S. figures, the policy seems to be having the desired effect. So far in April about 700 Indochinese refugees have arrived in Thailand, compared to about 7,600 in April 1981.

Besides the Thai policy, a U.S. diplomat said, other reasons for this could be signals from Washington of restrictions on refugee intake and a shortage of boats in Vietnam.

Because of the Thai policy, many Vietnamese refugees now deliberately sail for neighboring Malaysia. However, the embassy said it believes that the new U.S. rules will also reduce the number of refugees seeking asylum there and in Indonesia, the Philippines, Singapore and Hong Kong.

The policy was greeted with approval by Thai authorities, although it is still unclear what will become of those refugees who arrive and are ruled ineligible for resettlement.

The head of the Thai National Security Council, Squadron Leader Prasong Soonsiri, praised the new U.S. policy. He indicated to reporters that Thai authorities had pressed for such measures during a recent visit here by Richard Vine, director of the State Department's Bureau for Refugee Programs. Prasong said Washington was urged to eliminate "pull factors" that attract refugees.

The new policy apparently signals U.S. willingness now to draw a stricter distinction between political and economic refugees. A U.S. diplomat said it would effectively exclude from consideration for resettlement such persons as farmers, fishermen and unemployed young people who seek a better life but have no ties with the United States.●

PRESS COMMENTS ON PROPOSED PRODUCTION OF NERVE GAS

● Mr. PRYOR. Mr. President, before we consider the question of whether the United States resumes production of nerve gas, I wish to draw to the attention of my colleagues the tremendous amount of press coverage this issue has received. I believe that these articles and editorials accurately reflect the concern across our Nation over the possibility of U.S. chemical weapons production.

I recommend them for your reading and ask that they be printed in the RECORD.

The articles follow:

[From the Fortune magazine]

Do We Need More Nerve Gas?

While the U.S. has stopped making nerve gas, the Russians have apparently been increasing their stocks of chemical weapons. Estimates of the Soviet stockpile range all the way from 20,000 tons to 700,000 tons, but even if their stocks are at the low end of that range, the Russians have more than the U.S. President Reagan says the U.S. must narrow the gap, but the arguments for doing so are far from compelling.

Nerve gas has a place in the U.S. arsenal, as even many of those who criticize the President's call for more gas concede. Its principal use on the battlefield, however, is not so much to kill the enemy as to burden him. If a Soviet division lobs some nerve gas into the U.S. lines, American soldiers will have to don their masks and protective suits and scrub their equipment, all of which will reduce their efficiency and mobility. To equalize the handicap, goes the argument, the U.S. must toss some nerve gas into the Soviet positions to force their soldiers to bundle up as well. Both sides then trudge around sweating into their face masks.

SAFER THAN READY-MIX

The nub of the issue is whether the U.S.'s current stockpile of nerve gas is enough for the job. The exact size of the U.S. stockpile remains classified, although it probably amounts to about 15,000 tons. The U.S. also has about 20,000 tons of less lethal mustard gas. But Major General Niles Fulwyler, 53, head of the Army's Nuclear Chemical Directorate, maintains that the nerve-gas stockpiles are deteriorating. As the stablizer within the nerve gas ages, the gas becomes corrosive and eats away its metal casing. Moreover, says Fulwyler, much of the U.S. nerve gas is packaged in cumbersone one-ton drums or in weapons such as the 105-mm howitzer shell that are being phased out.

Fulwyler wants to destroy the current stocks of ready-mixed nerve gas and replace them with binary projectiles designed specifically for the 155-mm howitzer used by the U.S. and NATO. The binary shells are safer, he observes, because their two chemical components do not become lethal until they are joined together on the battlefield. They are far less dangerous in the event of a mishap, or an attack—say, by terrorists—on a storage depot.

But Matthew Meselson, 52, a Harvard biochemist who has been a consultant to the Department of Defense on chemical weapons, argues that the binary is not needed and might not even be effective. No one can be sure it will work, says Meselson, because it has not been tested in the open air. Fulwyler counters that it hasn't been tested in the open air because of environmental considerations, but it has been tested thoroughly in the laboratory and by the open-air firing of 2,700 rounds of chemical simulants—non-lethal compounds similar enough in their molecular structure to the components of nerve gas to duplicate the way they mix. Fulwyler has no doubts about the binary's effectiveness.

Meselson also says that while a binary artillery shell is easy enough to assemble under ideal conditions, the job might not be so simple on the battlefield. "I've been in combat and I don't see any problem," snaps the general. "I don't think Professor Meselson has been closer to combat than Harvard Yard." Meselson admits that's true. On the other hand, he points out, Fulwyler, an artillery officer by training, has only been in the chemical business for three years.

Meselson's more persuasive argument is that the nerve-gas weapons the U.S. now has are more than adequate—and are not deteriorating, apart from a relatively few aluminum rocket tubes. The majority of nerve-gas weapons, encased in steel, are sound and will remain so indefinitely. "They've dropped those things out of airplanes to test their ruggedness," says Meselson, "and they don't leak even after that."

Moreover, says Meselson, a little nerve gas goes a long way. The proper number of nerve-gas rounds in an artillery barrage is 5% or less, he says—that's all it takes to keep the enemy buttoned up. If you toss more than that you are simply taking up shooting time that would be better used firing the armor-piercing and fragmentation rounds that really do damage. He argues that the amount of nerve gas the Army seems to be gearing up for at Pine Bluff would be enough to fight a war across all of Europe for six months. "By that time," says the professor, "you would have gassed tens of millions of civilians."

The general says he doesn't know what the professor bases that 5% figure on, though he can't say what the optimal percentage is. What he does know is that the Russians have a bigger chemical arsenal than the U.S. has.

In the context of a $257-billion military budget, the cost of the binary nerve-gas program—some $122 million, including $74 million to dispose of old nerve-gas stocks—does not loom large. Still, when the talk turns to trimming the budget, marginal programs have to head up the list of candidates. On the evidence available so far, binary nerve-gas weapons look pretty marginal.

[From the New York Times, May 2, 1982]

Would War With Gas Mean Holocaust?

Should the United States produce new binary chemical weapons? The question is scheduled for debate in the Senate this week when Senator Mark O. Hatfield, Republican of Oregon, holds hearings in the Appropriations Committee and amendments to the Pentagon's authorization bill are offered on the floor. The Administration would like a go-ahead, and has asked for $32 million to develop the new munitions, which consist of two nonlethal components that are packaged separately and combine to form a toxic agent only after a shell or bomb is in flight. The amount is relatively small as military budgets go. But the question itself is highly charged. The Week in Review asked Maj. Gen. Niles J. Fulwyler, director of the Nuclear and Chemical Directorate, Department of the Army, and Matthew Meselson, professor of biochemistry at Harvard University, to talk about the pros and cons. Excerpts of their discussion with Richard Halloran, a correspondent in the Times' Washington bureau, and Caroline

Rand Herron, an editor of The Review, follow.

QUESTION. Do we need more, better or any chemical munitions, and why now?

Mr. MESELSON. General Fulwyler and I agree we have to assume the Soviet Union poses a major chemical threat. Where we begin to disagree is in the response. In my opinion, the response which the army has recommended and which the President has endorsed is dangerous and wrong.

This follows from a unique characteristic of chemical weapons. The military advantage against a sophisticated opponent is simply to force the other side into their protective equipment (and) decrease tempo. This has two important consequences. The munitions requirement is very small.

The other thing, though, about chemicals is that they selectively exterminate civilians. A civilian goes down into his cellar, the way civilians do to avoid high explosive fire—he's going down into his gas chamber. Quite aside from the moral implications of that, that means that if you're thinking about alliance warfare on somebody else's real estate, mainly Europe, those people aren't going to let their soldiers use chemical weapons in their defense.

General FULWYLER. Unfortunately, civilians have been subjected to the violence of war in every war we've ever had. Now that is not good, but it has occurred.

Mr. MESELSON. We need to look at these things more quantitatively. You can calculate the ratio of military deaths to civilian deaths under various kinds of scenarios. With chemicals, you might end up killing 20 civilians for every soldier; with high explosives, far, far less. Even in tactical war in Europe, the ratio would be less.

General FULWYLER. The first reason that we want the retaliatory capability is, of course, to deter use. But, secondly, if the adversary uses chemical and forces us into protective clothing, if we do not have the capability to force him into protective clothing, then we're fighting with one or one and a half arms tied behind our backs.

Mr. MESELSON. We already have many more than enough artillery shells (containing chemical weapons) to accomplish the objective which General Fulwyler and I have been discussing. They are not deteriorating, contrary to a myth that is prevalent; they are not obsolescing, contrary to a second myth.

General FULWYLER. Perhaps the agent deterioration itself is not all that great—except it does occur. (But) we have containerized today over a thousand different types of artillery munition that have been leaking.

There's another type of deterioration. The M-55 rocket, we don't have a delivery system for; the rocket launcher is no longer in inventory. We have a sizable part of our stockpile in the 105-millimeter howitzer, which is rapidly being phased out of the Army inventory.

QUESTION. Are binaries the most efficient addition, in terms of storage, transport, battlefield use?

General FULWYLER. We believe so, particularly on production, storage and transport. We never join the second chemical precursor until the operational site, which means that that round, for all practical purposes, is safe up until the time it is finally loaded. And those various compounds themselves are relatively non-toxic. The diforal that will be used in the 155, as an example, is not as toxic as tear gas. And we believe, based on over 2,500 test firings of the 155, that the binary concept will be just as effective as the current unitary rounds.

Mr. MESELSON. There has never been a single test firing in the present configuration. You can't test one thing by testing another.

General FULWYLER. Well, the configuration wasn't that much different. (And) we do not need live testing because we can do all the necessary testing in a laboratory environment with modern technology.

Mr. MESELSON. General, you know that we want to resume testing. I'm all for it, I think we should. To issue untested munitions to the troops is wrong.

But let me talk about the need for them, not whether they're any good. You are participating in the perpetuation of a harmful confusion. Do you know that all of our nerve gas (in) artillery ammunition is today classified Code A? Code A means, and I quote, that "fully meet all military characteristics, issuable without limit or restriction." The only way you could generate a bigger requirement would be to assume a long war in which all our allies are also using nerve agent at a high rate.

THE DETERIORATION FACTOR

General FULWYLER. You do not have access to——

Mr. MESELSON. Yes, I do. I've written a classified report on the stockpile (in January 1981). And it's gone up, not down, since then.

General FULWYLER. Still, I have concern about you making statements concerning the status of our stockpile, when I believe, Professor, you do not have timely information.

Mr. MESELSON. Can you refer me—because names of documents are always unclassified as names—to a single existing document saying that the stockpile of munitions are deteriorating at such a rate that in a few years we won't have any?

General FULWYLER. I don't know if there's a study or not, but the information that I have would lead me to say unless we do something, by the end of this century we will have unilaterally disarmed.

QUESTION. Mr. Meselson, what would be your formula for acquiring sufficient deterrent?

Mr. MESELSON. There are two parts to that. The first is protection in defense. We have a good protective suit, and a better one is coming along. We have a mask which is somewhat maligned; whether a better one is coming along I don't know.

But where we fail is troop training, except for certain specialty units like the 82nd Airborne. I talked to a colonel from the 82nd Airborne; he says that his men relish the chemical suits. But most soldiers are not practiced in the equipment to the extent they should be.

As far as our deterrent stockpile is concerned, if we press ahead with what I consider to be these useless weapons, which are complicated, almost four times bulkier to ship, 10 percent heavier to ship——

General FULWYLER. That's wrong! We can (ship) almost twice as many of the binary rounds as we can a unitary round.

Mr. MESELSON. General, the numbers you're talking about refer to not having the fuse or the cannister (and packing materials).

General FULWYLER. That's correct, you're not shipping both at the same time. In the interests of safety, we would not plan to ship them on the same aircraft.

Mr. MESELSON. Then there's not twice as many.

But my point is that if we overemphasize chemical weapons, which we are on the verge of doing, then two very bad things could happen.

First, there is already on the agenda of the German Social Democratic Party a resolution to withdraw the stocks there. They're the only stocks which are ready to use. This resolution is provoked by apprehension that we are going to overemphasize chemical weapons. The other great danger in overemphasizing the chemical weapons is that if they are ever used against us, our second strike by definition has got to be a lot less effective. Because anyone who would use them first against us is going to pre-warn all their forces to protect themselves. Whereas the first strike on us has a chance of catching us by surprise.

Therefore, to the extent that we advertise that we're going to make very much more than we already have on hand, which is a lot, we risk propagating the view that we are unlikely to use our nuclear weapons ever. This undermines the deterrent to war itself.

General FULWYLER. Professor, I think you're really stretching the rationale on that one.

Let me hit just a couple of things.

We have done some tests last year with soldiers with the protective clothing on, for instance, in tanks, and the time by which we had to get them out of the suit or risk a health hazard to them was about 40 minutes.

About the overemphasis on chemical—well, on the defensive side we're paying the price for an underemphasis for a number of years. We can and must make improvements. Over and above that, though, I still maintain that the best way to deter the Soviets' use of chemical agent is for us to have a credible retaliatory capability. That means one in being, one that constitutes a threat and one that he knows that we can hold him at risk at. And the current stockpile does not offer that.

Mr. MESELSON. Even if the wearing of this equipment, which I believe has had its burden exaggerated, is a burden, that just means that the objective of having these munitions is to force the other side into such equipment. We have at present far more than enough to do that.

The intent to produce another type which is not needed and which has not been tested in live form in the field is likely to do more to enrage our allies—we're not doing us a particle of military good. Besides that, binary is complicated to assemble in the field.

General FULWYLER. That is not true, Professor! It's a very simple weapon to assemble in the field. Two to three minutes at the most.

Mr. MESELSON. I agree that it can be assembled in the field, the piece time rate is probably an underestimate—but no commander prefers to have to do that.

QUESTION. To close, let's talk about something that takes more than three minutes or 20 years, apparently, and that's the chemical warfare treaty, and the now apparently abandoned push for a total ban. How does our current posture help or hurt that endeavor?

General FULWYLER. Well, of course that's one of our points, too. We believe that what we're doing with the binary program is probably going to give us the best leverage at the negotiation table.

INCENTIVES TO NEGOTIATION

We have been sitting at the table with the Russians since 1977, and during that time we have seen little or no progress at all. And at the same time, we believe that the Soviets have gone forward and continued to improve their posture. There has been no incentive for them to make any meaningful proposals or agreements.

Mr. Meselson. I can't evaluate that, because that is a psychological question. But I can say something about the negotiations. It depends on how you look at the record (as to) whether it represented progress. And I wouldn't dogmatically assert one or the other. We have agreed with the Soviets—and we announced in July three years ago in a joint communiqué with them—we agreed on the principle of on-site international challenge inspection. But that's not good enough for us.

We're the ones who cut off these talks. We should resume them. Whether or not we could get agreement on the kind of verification that's needed, I don't presume to know. We should just keep trying.

Quite aside from the fact that millions of Europeans are at risk of dying in any large-scale chemical war in Europe, the military implications of that have gone unappreciated. You cannot fight an alliance war with allies who won't use the weapon. It's dreaming to think that they will allow their troops to use it.

THE RETALIATION BOOMERANG

General Fulwyler. We got to live with the facts of the day, and the facts are that the Soviets are the best equipped nation in the world to wage chemical warfare. If the conflict is forced upon them, I would be willing to wager that anyone, including our allies, will be more than happy to accept that as part of the deterrent, if not to have it as a retaliatory capability if it is used on them.

Mr. Meselson. I strongly disagree. If we could imagine the war happening in New Jersey——

General Fulwyler. Do you think our allies would prefer for us to cross the nuclear threshold first as a counter to the Soviet use of chemical weapons?

Mr. Meselson. At the point where the Europeans see millions of their civilians dying that they would advocate that we not defend them anymore—which we hope they wouldn't do. That's exactly what chemicals might achieve, because it puts them in a position where the continuation of that war would involve a catastrophe of strategic proportions for them due to chemical losses.

General Fulwyler. If we cross the nuclear threshold, that is going to be a catastrophe of greater immensity.

Mr. Meselson. Yes, but I think that chemicals can bring that on.

[From the New York Times, Jan. 21, 1982]

Why Make More Poison Gas?

President Reagan stands at the brink of a reckless decision to break a 12-year moratorium and produce a new poison gas weapon. He does not need it or the trouble it will bring.

The Pentagon wants a new nerve gas primarily for European defense. That could ignite another row with the allies, who have not been seriously consulted and do not want the gas on their soil. It could trigger a new chemical weapons competition with Moscow, ending what hope remains for the long-pending treaty to ban such weapons. It could lead to even more repugnant chemical weaponry. And it could spread the industry until many nations and even terrorists gain access to poison gas, now stocked only by the two superpowers and France.

The only conceivable argument for gas weapons is that they would deter the Soviet Union from resorting to gas warfare. President Nixon decided in 1969 that deterrence was served by three million gas artillery shells and even larger bulk gas reserves. He therefore halted production and pledged to abide by the 1925 Geneva Protocol, which America initiated but never signed.

President Ford signed the Protocol, banning first use of poison gas, and pressed negotiations for a world treaty to outlaw chemical agents—like that which banned germ agents in 1975. Soviet reluctance about on-site inspection became the main obstacle, but some progress has been made.

Yet the Reagan Pentagon has quadrupled its chemical warfare requests to $810 million for 1983, partly to begin producing the new gas, and asks $1.4 billion for 1984. The President has tentatively agreed, but he cannot have considered the true financial and diplomatic costs.

The Pentagon plan requires up to $4 billion for new gas weapons and $3.7 billion to destroy the old—an even more for defensive equipment, research and development, chemical troop pay and servicewide training. That would be an extraordinary waste of money for an improved World War I weapon that no nation found worth using in World War II. Against protected troops, nerve gas is less effective than high explosives. In a European war, unprotected civilians would be the main victims.

The only impressive evidence of a Soviet buildup in the chemical warfare field is the provision of new protective equipment and training. A comparable American defensive effort added to existing gas stocks should be deterrence enough. Reports that the Russians used toxic agents in Afghanistan and Indochina have not been fully confirmed. Besides, they describe small-scale use against unprotected people in remote areas.

The Army argues that existing stocks of nerve gas are deteriorating and leaking and that a "binary" gas would be safer to handle; its two nonlethal components would be combined only after a shell was fired. But civilian scientists, like Prof. Matthew Meselson of Harvard, say the leaks have been trivial and that the old stocks, with improved maintenance, could last indefinitely. There has been no serious accident in transport or storage in 30 years.

The binary gas would certainly require fewer precautions. But it is unwanted in Europe, is no more potent than the old and could not be a decisive weapon. Those are reasons enough not to squander money or energy on the project.

[From the Christian Science Monitor, Jan. 21, 1982]

No to Nerve Gas

Some military weapons have been considered so reprehensible and horrifying that the international community has imposed stringent limitations on their use or, better yet, sought to ban them entirely. Thus, the United States in 1974 became a party to an international treaty prohibiting the production and stockpiling of biological weapons. The US has also adhered to the earlier Geneva Protocol of 1925 that forbids the use (first use, as interpreted by the US)—but not the possession—of chemical weapons. In 1969 President Nixon inched the US a further step away from chemical weapons by ordering a total halt on their production. Since then, however, the US has continued research into such weapons particularly binary weapons, where the two primary ingredients of, for instance, nerve gas are manufactured, shipped, and stored separately.

Because of America's historical record of a broad turning away from not only use by manufacturing of chemical weapons, it is dismaying to learn that Washington is now considering going ahead with the production of nerve gas for the first time since the late 1960s. In fairness, it should be noted that during the past decade many congressmen, as well as the Pentagon, have repeatedly called for the manufacture of chemical weapons. Congress has also provided funding for a new factory for such weapons. But no administration since the Nixon administration has given a green light to actually making them.

For that very reason, Congress and the Reagan administration would seem to be well-served by a careful reconsideration of any plans for production.

Given the already awesome array of conventional and strategic weapons possessed by the US, what would be the purpose of acquiring new nerve gas in the first place? Would such possession mean that the US was considering eventual use of it, notwithstanding the Geneva Protocol? And in what sense would mere possession constitute a "deterrent" to a battlefield use of such weapons by the Soviet Union, as argued by some officials within the Pentagon? Surely America's existing forces, not to mention weapons systems now planned by the administration, are more than a sufficient deterrent.

There would also seem to be another reason for the U.S. declining to press ahead with production at this time. That is the continuing international inquiry into allegations of use of toxic weapons in Laos, Kampuchea, and Afghanistan. Although the U.S. has still not specifically linked reports of the use of "yellow rain" in these areas to the Russians, Washington has inferred that it is the Soviet Union that has supplied these weapons.

In December the UN General Assembly voted to continue an inquiry into the "yellow rain" question, an investigation that has seemed to many observers to be somewhat tardy and bogged down in red tape. In a related matter, questions have also been raised about whether the Russians have set up a bacteriological weapons factory at the Urals town of Sverdlovsk. For the U.S. to go ahead with the manufacture of chemical weapons at a time when questions are being posed in international forums about possible Soviet violations of existing treaties regarding toxins would be counterproductive since it would give Moscow justification for any such actions.

It would also antagonize many of America's European allies, since European public opinion is strongly critical of such weapons.

For the U.S., the ultimate aim should still be an international convention banning not just the use but the manufacturing and storage of chemical weapons.

[From the New York Times, Feb. 1, 1982]

More Alliance Trouble?

(By Anthony Lewis)

Washington.—President Reagan's budget message will disclose his decision to go ahead with a new family of weapons that have a curious feature. They cannot be deployed in the theater for which they are intended.

The weapons are chemical: shells and bombs carrying a nerve gas so lethal that anyone inhaling it would be dead in a minute, his basic body functions paralyzed. They are called binary chemical weapons because of a new design feature. Two chemicals that produce the gas are stored in separate containers and mixed just before firing.

The principal military justification for the nerve-gas binaries is that they would deter Soviet use of chemical weapons in an attack on Western Europe, or would be used in retaliation for chemical attack. But the European members of NATO have made it clear that they do not want the new weapons stored on their soil. One allied official, by no means a dove, put it: "There is simply no chance of deploying these things anywhere in Europe."

European politicians have already shown much nervousness about the idea of the new weapons. When President Reagan persuaded Congress last year to vote $23 million for a binary weapons plant in Pine Bluffs, Ark., U.S. officials assured the NATO allies that construction of that facility did not commit the President to authorize actual production of the weapons.

There was a flap in Britain a month ago when a Pentagon official disclosed that a 1980 report of the Defense Science Board recommended deploying a planned new binary nerve-gas bomb, the Bigeye, at U.S. air bases in England. Britain's Minister of Defense, John Nott, quickly said there had been no approach to him about such a deployment—"nor is one expected."

Germany is the potential NATO battlefield, and West Germans are if anything more sensitive than the British on the subject of the binary weapons. One reason is that any significant use of nerve gas on the battlefield would inevitably cause heavy civilian casualties.

Maj. Gen. Niles J. Fulwyler, head of the Army's nuclear and chemical warfare directorate, explained it candidly in Congressional testimony last September. He said NATO governments' concern about chemical weapons "derives in a great deal from the civilian population. If chemicals are used, the civilian population would be greatly affected. Neither we nor they provide protection to the civilians."

In addition to chemical artillery shells and the Bigeye bomb, the Army is thinking about trying to put nerve-gas warheads on ground-launched cruise missiles to be deployed in Europe. They would have a range of 1,500 miles and thus could send gas deep into the Soviet Union. But such a proposal would certainly arouse great resistance in NATO.

Pentagon officials say they have a way of dealing with any inability to deploy the weapons in Europe. They say that there would be several weeks' warning of war, and in the crisis the allies would put aside their concerns about nerve gas. Then chemical warheads could be rushed across the Atlantic in fast ships.

Yossarian could not have improved on that incredible military scenario. In the unlikely event that there was a neat warning of war weeks ahead, the strain on available ships to get materiel from the United States to Europe would be tremendous. Would binary chemical weapons, with their bulky dual-containers, get priority for the limited cargo space?

Still another idea to get around European resistance is to deploy nerve-gas bombs on aircraft carriers in the Atlantic. But the Navy is unenthusiastic about taking up limited space on carriers to store bulky weapons that would be used only if the Russians used gas first.

With all the difficulties, why would President Reagan want to start producing such weapons? Their military advocates say that we need a deterrent to Soviet chemical warfare and that binary weapons are safer to handle than older, pre-mixed chemical shells.

Yes, we do need a deterrent; we have to assume a Soviet chemical threat to NATO. But the United States has an enormous deterrent already: many hundreds of thousands of nerve-gas shells stored in this country and in Germany. Ironically, new weapons could arouse German opposition to the weapons already there.

The promoters of binary weapons dismiss our existing stockpile of nerve-gas shells as "aging" or "unsafe" because they were made before President Nixon put a moratorium on production in 1969. But no one has ever been hurt by a leak from one of those weapons. According to military sources, they are all ready for use or soon will be under a maintenance program.

To start producing a new generation of chemical weapons would be a dangerous step politically and a pointless one militarily. It would cost at least $6 billion in the next five years. It would be an extreme example of technological folly: a clever, costly cure for a problem that does not exist.

[From the Washington Post, Jan. 14, 1982]

Chemical War: Urgent Business

The Kremlin's likely use of chemical and biological weapons in Southeast Asia and perhaps in Afghanistan poses questions that have not yet been generally recognized, much less answered. Why have the nations of the world responded so limply to the growing evidence that the U.S.S.R. has been flagrantly violating a treaty commitment for five years? Is it that the victims are not white citizens of industrialized nations, but brown and yellow inhabitants of poor countries? Why have developing nations refused to recognize the implications for their own security of the development of these cheap and easily accessible weapons of mass death?

For the United States and its NATO allies, there are additional, urgent questions. What does the probable violation of both bilateral and multilateral arms control agreements, including the one treaty—the 1972 Biological Weapons Convention—initiated as a unilateral disarmament step by the United States, say about the thinking in the Kremlin and the value it attaches to any type of arms control? What does it say about political will in the West that Washington has so far been unable to hold the Soviets politically accountable, or even to generate much interest in the subject? Are there lessons in this and in the Sverdlovsk incident concerning the utility of sanctions in treaties with Moscow? At Sverdlovsk, an apparent outbreak of deadly anthrax may have indicated Soviet biological weapons work; the true facts may never be known.

The United States has made some effort to publicize the evidence it has found of the likelihood of Soviet biological and chemicals weapons use. But is has done so largely at a level below that which the seriousness of the issue warrants. And it has devoted far too few resources to proving beyond doubt the accuracy of its allegations. What is called for is less inflammatory rhetoric, more diplomatic legwork and presidential involvement in explaining the implications of these apparent violations and in enlisting other nations' support in the United Nations investigation of them. The administration has done too little to heed its own reminder that this is not a U.S.-Soviet issue, but a truly global one.

The one concrete step the United States has taken—breaking an 11-year moratorium with the decision to build a facility to produce binary chemical weapons—is the wrong one. Chemical weapons are tools of limited military utility against a prepared opponent like the Soviet Union. In a European war, their principal victims will be civilians. Because of this, a wartime decision to use them would be likely to disrupt, rather than to protect, NATO. The single argument in their favor is the strategists' dictum that the only way to deter a Soviet chemical attack is to be prepared to respond in kind. In fact, better weapons are available. The needed deterrent is the arming of Western troops with the protective gear that can largely negate a chemical attack. In this essential step, the United States and its allies have been remiss.

Perhaps the underlying explanation for the feeble worldwide response to Soviet use of chemical and biological weapons is a feeling that these are outmoded weapons, effective in World War I, but rendered obsolete by the atomic bomb. The truth is just the opposite. These are weapons capable of dealing death and destruction on a scale comparable to nuclear weapons. The difference is that they are generally far cheaper, less technologically demanding and more accessible to terrorists.

[From the Los Angeles Times, Feb. 3, 1982]

U.S. Chemical-Arms Push Could Quiet Critics of Soviet

(By Stephen Aubin and Jon Englund)

Just as the allegations of Soviet atrocities with biological weapons are beginning to gain credibility, the United States may take a step what would largely free the Soviets of culpability. The Reagan Administration is about to request a major allocation for the development and stockpiling of binary weapons, a technology in which two chemicals held in separate compartments are mixed on firing so as to produce a lethal gas.

An announcement reversing the ban on the production of chemical and biological weapons, which was imposed by President Richard M. Nixon in 1969, is likely to provoke the same response from Europe as the neutron bomb fiasco did during the Carter Administration. International opinion would be sacrificed: The world would find it far more difficult to distinguish between U.S. and Soviet chemical-weapons policies, dealing irreparable damage to the Reagan Administration's ideological battle with the Soviet Union.

The evidence of Soviet-sponsored use of mycotoxins in Laos, Kampuchea and Afghanistan should not be clouded. The United States must not be thrown onto the defensive, allowing the Soviets to evade world condemnation.

These mycotoxins, produced from the Fusarium fungus, have provided the Soviets with a killing agent that is efficient and relatively easy to produce and that leaves no trace. When a victim encounters the deadly toxin, various symptoms occur, depending on the mix and strength of toxin strains. Nausea, difficulty in breathing, convulsions and bloody defecation precede a gruesome death that results from drowning in one's own blood as internal membranes burst. Every body opening bleeds profusely. Several hours later, the corpse turns black.

There have been widespread reports from refugees about "yellow-rain" chemical attacks in Laos against the Hmong hill tribes. Similar reports have come out of Kampuchea and, more recently, Afghanistan. The common symptoms cannot be explained by coincidence; the similarities are too overwhelming. The evidence should be sufficient to persuade any reasonable person that the alleged chemical attacks against largely defenseless civilians are not just Western fabrications.

Last September, when Secretary of State Alexander M. Haig, Jr. accused the Soviets of using mycotoxins in Southeast Asia, there was an initial flurry of indignation. But these expressions of outrage were short-lived. There are three broad reasons why the Soviet Union has not yet been brought to task by the United States and more generally, by nations around the globe; the skepticism of the scientific community, the residual effects of the Vietnam syndrome and the force of Soviet propaganda.

The doubts voiced by many in the scientific community can be explained in part by the general nature of scientific discovery. Although scientists are usually preoccupied with precision, science itself has often rested on unproved theories. Philosopher Karl Popper once remarked that theories can never be verified—they can only be falsified. As theories have been disproved and discarded, skepticism has increased. In the case of "yellow rain," the sort of evidence that persuades scientists is hard to come by (the mycotoxins are fully metabolized, and thus leave no trace). Overwhelming circumstantial evidence, however, should be sufficient proof.

The press with some justification, has been wary of being used by the Reagan Administration to support its view of the world in East-West Cold War terms. Underlying this caution is the heritage of the Vietnam War, which has not been expunged from the American psyche.

Finally, the Soviets' propaganda has been somewhat effective in deflecting criticism and diverting attention from their present use of mycotoxins. They have falsely charged that the United States is engaged in biological warfare in Cuba, issued frequent reminders of U.S. use of Agent Orange in Vietnam and cited the inability of the United Nations to verify the allegations of "yellow rain." (The U.N. team was not allowed to enter Laos or Kampuchea; moreover, the team reported directly to a Soviet official in the U.N. bureaucracy.)

If the Reagan Administration goes ahead with its plan to allocate more than $4 billion over several years for expanding the U.S. chemical arsenal, Soviet propaganda efforts would be greatly enhanced. Such a decision would also make it very difficult for other nations to distinguish between U.S. and Soviet use of poisonous gases.

In terms of technology, binary weapons are a real improvement; they are far safer to handle and store than conventional chemical weapons. But it's doubtful whether the new weapons would deter the Soviets from using conventional toxic weapons. A move to produce even a small number of binary weapons is certain to be controversial with the Europeans, who are justifiably concerned with the possible models of deployment. The reaction to talk about basing the new weapons on U.S. Air Force bases in Britain has foreshadowed the uproar to come; is it worth it? Finally, who will be responsible for these weapons? How accountable will they be? Past experience with Agent Orange have demonstrated some of the difficulties of maintaining control over chemical weapons.

The Administration will soon announce a two-track policy by which it hopes to start producing binary weapons while also proposing a round of treaty talks on banning biological and chemical weapons. Though the treaty proposal might force attention on the Soviets' "yellow rain," it could also be a ploy to help legitimize the United States' own chemical arsenal buildup.

The Soviets' continued use of biological warfare in remote regions makes wider use of such weapons more likely in the future. To be able to effectively and credibly put pressure on the Soviets to stop using lethal gases, the United States should exercise restraint and abandon its current plans.

[From the Philadelphia (Pa.) Inquirer, Mar. 27, 1982]

Why Should the U.S. Outdo Soviet Horror?

Isn't the expression "civilized warfare" a conflict in terms? Does it make any difference to the corpse, or mounds of corpses, how death was inflicted? With the prospect that the entire human race could be incinerated by nuclear bombs, does it make sense to try to eliminate another cruel and inhuman method of warfare that does not kill quite so wholesale?

These are not rhetorical questions. The fact that governments have not managed to ban the bomb does not mean they should not at least try to ban poison gas and other chemical weapons. It is worth noting that no nuclear bomb has been dropped in anger since Nagasaki, in August 1945. Chemical and toxic weapons, however, have been used by the Soviet Union and its allies in Laos, Cambodia and Afghanistan through January of this year, according to a State Department report.

The report, submitted to the Congress and the United Nations, charges that more than 10,000 people—6,504 in Laos, 981 in Cambodia and 3,042 in Afghanistan—have been killed in nearly 400 attacks. The evidence is convincing, if not absolutely so. It is based on testimony of purported survivors, doctors who said they had treated the victims, journalists and others who talked to victims, analysis of physical samples and other sources.

The Soviet Union, of course, denies everything. One could hardly expect it to do otherwise. There are international treaties banning the use of chemical and biological weapons, and the Soviet Union has signed them, as has the United States. The problem with the treaties, however, is that they are not verifiable. Those who may yet be skeptical about the detailed evidence amassed in the State Department report hardly can be less so about accepting the Soviet Union's word, especially in view of the Kremlin's consistent opposition to a verifiable ban on the production and stockpiling of chemical and biological weapons.

In the absence of such a ban, President Reagan recently told the Congress, it is "essential to the national interest" that the United States end the moratorium on chemical weapons inaugurated by President Nixon and proceed with the production of a new generation of deadly binary nerve gas shells and bombs.

Does that make sense? It does not. One can make the argument that only America's stockpile of nuclear weapons deters the Soviet Union from using its stockpile (although one can make an even more effective argument that both stockpiles make everyone less secure). Chemical and biological weapons are another matter.

Working on defenses to the other side's offensive weapons does make sense. Producing offensive weapons only encourages the other side to produce more. As Democratic Sen. David H. Pryor, in whose state of Arkansas the nerve gas facility is located, has observed. "Producing binary nerve gas is not going to kill one more Russian soldier or one more Russian civilian than the conventional stockpile that we now have on hand."

The right policy is not to escalate the production of cruel and inhuman methods of warfare but to accelerate negotiations for a verifiable ban. What sense does it make for the United States, having put the onus on the Soviet Union for making chemical and biological war on civilians to remove the onus by preparing to do the same?

[From the Baltimore Sun, Apr. 19, 1982]

Chemical Warfare

U.S. charges that the Soviet Union is using chemical and toxin weapons in Afghanistan and Southeast Asia are unfortunately linked with administration efforts to resume U.S. production of chemical weapons for the first time in 11 years. Why unfortunately? Because the circumstantial evidence of Soviet violations of the Geneva convention is so convincing that no grounds should be provided for suspicions that Washington has ulterior motives in presenting its case.

Even Matthew Meselson, a Harvard biologist who has questioned "yellow rain" tales of horror coming from remote parts of Laos and Cambodia, now says, "I am pretty convinced that some kind of chemical warfare is going on." Clearly, the administration is in a position to rouse worldwide revulsion against Moscow. Yet the moral force of the U.S. case could be undermined by administration efforts to begin production of binary nerve gas materials and weapons.

For years, and for good cause, the Pentagon has been worried about Soviet programs in the chemical and biological warfare field. The Russians have built up larger stockpiles than the Americans, trained far more troop units for chemical warfare and developed tanks and other vehicles to operate under chemical warfare conditions. Now, with the evidence of Soviet experimentation with lethal trichothecene toxins and new chemical agents in remote parts of Asia, Americans have to wonder what their adversaries have in mind.

Both the United States and the Soviet Union have renounced first use of chemical weapons. But both have reserved the right to develop and stockpile such weapons, and to equip their forces with offensive and defensive capabilities.

President Nixon unilaterally halted U.S. production of chemical warfare agents in 1969 partly because of popular unrest about U.S. use of non-lethal defoliants and riot-control gases in Vietnam and partly because he wanted safer and more efficient weapons. The technology exists to produce so-called binary weapons that combine two separate chemicals into a deadly mixture only after they are fired. President Carter resisted

pressure to proceed, but President Reagan has reversed him, thus setting the stage for debate.

The case seems clear for a step-up in U.S. preparations for defensive measures against an enemy chemical or toxin attack. American troops should have the best training and equipment possible. But the chemical offensive warfare stocks on hand, even with their growing obsolescence, ought to provide a sufficient deterrent until the administration can determine if there is any hope left for a chemical disarmament treaty.

[From the Philadelphia Bulletin, Jan. 28, 1982]

Heating Up the Chemical Arms Race

We can always count on the Soviet Union to blame the United States whenever they are caught in some outrageous act. A recent case in point: Its use of toxic chemicals—"black" and "yellow rain"—in Asia.

Moscow's Pravda mouthpiece last week loudly proclaimed that the U.S. was preparing to build a vast new arsenal of chemical weapons and laying the "psychological groundwork" to use them.

1. SOVIET ATROCITIES

We'll get back to America's plans in a moment. First, we must mention that the Soviets have been using these hideous weapons on Afghanistan rebels: "Black rain," which paralyzes its victims, and a yellow gas which causes bleeding, vomiting and diarrhea.

Some choke to death on their own blood.

In Cambodia, defectors from the Vietnamese occupation force admit dropping Soviet-made gas bombs on tribesmen, killing the occupants of entire villages. Samples of *trichotecene mycotoxin,* the essence of "yellow rain," have been brought out of Cambodia. The Soviet response is to deny all—the existence or use of these chemical weapons.

Was anyone surprised that a UN study commission, which reported to a Soviet undersecretary, came to no conclusion? The commission did not visit Afghanistan, Laos or Cambodia, and didn't interview Afghan refugees in Pakistan—a pitiful farce.

2. MISTAKEN U.S. RESPONSE

Now about U.S. plans:

President Reagan indeed is considering expanding and restocking our arsenal of chemical weapons. He has tentatively approved the Pentagon's request for $2.2 billion to produce binary nerve gases.

Pentagon brass argue that the binary gas components, which are shipped and stored separately, are safer to handle. But what they seem to be advocating is a major chemical arms race with the Soviets.

We are signatories to the 1925 Geneva accord banning first use of poison gas. What we should be working on is a worldwide treaty—with inspection and enforcement—to control chemical weapons.

If the Soviets won't cooperate, they should be isolated by the world community as chief dispensers and users of these horrible instruments of war.

[From the Milwaukee Journal, Mar. 6, 1982]

Beware of Chemical Weaponry

A fateful decision to renew production of chemical weapons has been made by President Reagan, who calls the step "essential" to national defense. Not so fast, is our response.

Congress last year approved $20 million to prepare an Arkansas plant for producing the chemical weapons (germ-warfare devices still would be proscribed). Now, however, Congress should focus on alternatives to approving $30 million for actual production.

The utter horror of such weapons tends to paralyze critical thought, and there are some very hard questions that must be addressed.

Is production of a new nerve-gas weapon the best way to deter chemical warfare? Might increased capability heighten the risks of escalation to nuclear warfare in case of hostilities in Europe, rather than impede them? Would U.S. production involve an even greater disruption of the Atlantic Alliance than nuclear arms have involved?

It is generally agreed that the Soviets have developed a greater chemical-warfare capacity than the U.S. and NATO. There are also allegations, disquietingly plausible, that the Soviets or their proxies already have used disabling or toxic agents in Afghanistan and Southeast Asia—the so-called "yellow rain." Hence, the possibility of chemical warfare cannot be dismissed.

Reagan's approach is billed as a "two-track" policy. First, build the new binary nerve-gas weapon to demonstrate U.S. resolve and, second, resume negotiations with the Soviets for a ban on development, production and use of the fiendish weapons. But production of nerve-gas weapons is inherently risky and would not necessarily get talks going again.

We think a wiser move would be to concentrate on chemical-warfare defense and training. There have been severe deficiencies for the past decade in maintaining U.S. chemical weapons. More important, however, has been a comparable neglect in developing better protective equipment and honing defensive tactics and training.

A British scholar, J. P. Perry Robinson, writing in "Survival," a publication of the respected International Institute for Strategic Studies, acknowledges that the West should not dismiss Soviet chemical-warfare capabilities. But he stresses "the degree to which alert anti-chemical protection may discourage chemical attack."

There is another frightening possibility if the U.S. goes ahead now with production of chemical weapons. The Soviets probably would respond by greater development of their own chemical-warfare arsenal. "The result," warns Robinson, "could then be a full-blown chemical arms race likely to spread to regions where chemical weapons could be far more destabilizing than they are in Europe."

There's a specter to chill a superpower.

[From the St. Louis Post-Dispatch, Feb. 20, 1982]

The New Nerve Gas Program

In a move certain to trigger controversy both here and abroad, President Reagan has decided to begin U.S. production of nerve gas for the first time since 1969. In his new 1983 budget proposal, Mr. Reagan has included $30 million for nerve gas production.

This rather modest sum, however, is just the beginning of a multibillion-dollar program to produce a new family of weapons known as binaries. These weapons are shells and bombs in which two separate chemical agents are combined after firing to form a toxic nerve gas. The administration attempts to rationalize the need for these new horror weapons on the ground that they are required to deter the Soviets and to induce Moscow to sign, in the words of Defense Secretary Weinberger, "a complete and verifiable ban . . . of chemical weapons."

While the administration's goal should be praised, its methods of achieving it are really counterproductive. The U.S. already maintains a huge gas stockpile that could be put into millions of shells and bombs. And while some of the weapons are outdated, the majority of the U.S. gas stores are in bulk and could be loaded into new weapons. Vastly increasing U.S. chemical stocks will add little to our deterrence against a possible Soviet gas attack.

As for the argument that U.S. binary production will drive Moscow to the conference table, history has shown that such bargaining tactics—as with the attempt to use the development of multiple ICBM nuclear warheads and cruise missiles as chips in the SALT talks—generally backfire. Rather than achieving negotiations, producing binary weapons will heat up the arms race and, in the end, leave the U.S. with an expensive and questionable new weapon of mass destruction.

[From the Louisville Courier-Journal, Feb. 25, 1982]

Spending for Civil Defense, Chemical Weapons Hard To Justify

With the Reagan administration proposing to give the Pentagon a quarter of a trillion dollars worth of new spending authority in fiscal 1983, an extra $282 million looks like a paltry sum—less, in fact, than taxpayers can expect to spend for cost overruns on a sophisticated new combat jet. But when this money is earmarked for chemical weapons ($30 million) and civil defense ($252 million), the spending plans cry out for special attention.

The issues here transcend dollars. By proposing to end a 13-year moratorium on production of chemical arms and to accelerate civil preparedness for nuclear attack, the Reagan administration is sure to arouse suspicions abroad—and at home—that the United States is gearing up for war.

The administration, of course, doesn't see things that way. The official argument is that both these steps are designed to deter war by making an enemy's use of chemical or nuclear weapons more costly or less effective.

Thus, if the United States modernizes its aging nerve gas stores with safer, "binary" weapons, the Soviet Union presumably would be less likely to use its own formidable chemical arsenal—at least in any engagement involving American forces. Too bad if U.S. preparations for chemical warfare distract world attention from alleged Soviet use of deadly toxins in Southeast Asia and Afghanistan. Deterrence is more important than respectability.

Similarly, it is supposed that an ambitious U.S. civil defense program would discourage nuclear war by reducing potential American casualties to, say, a mere 50 million. The prospect of 175 million Americans surviving, in however shattered a society, presumably would take all the fun out of attacking this country.

Trouble is, an effective civil defense program depends not only on close cooperation by tens of thousands of federal, state and local officials, but on a general public belief that nuclear war is survivable—and worth surviving. Yet a Gallup Poll survey last year indicated only about five percent of Americans believed they would outlive such an attack. One suspects that not many Russians expect to survive, either, if the bombs start falling.

When it comes to deterrence, the dubious survival of millions is less important than the sure survival of a handful of political and military leaders—and their means of communicating without strategic forces. The idea of Ronald and Nancy Reagan flying overhead in a 747 bristling with antennae, while millions perish below, is terribly undemocratic. But if it gives the Russians pause, it's worth any number of handbooks on converting your basement into a fallout shelter.

[From the Chemical and Engineering News, Feb. 15, 1982]

Chemical Weapons Revisited

(By Michael Heylin)

Last week President Reagan formally notified Congress that "production of lethal binary chemical munitions is essential to the national interest." He also included in his proposed 1983 budget monies to pay for the first batch of them. So unless Congress refuses to appropriate the funds—a not too likely event—the U.S. soon will resume making such weapons after a hiatus of 13 years since President Nixon halted production in 1969.

Chemical warfare long has been a matter of considerable sensitivity for the chemical community and for the American Chemical Society. In 1925 the society took a position opposing the Geneva Protocol that bans use, but not production, of chemical weapons. At that time the feeling within the society was that nonlethal but temporarily incapacitating chemicals should make warfare more humane than it had been. Also in those days technological limitations restricted chemical warfare to a narrow battle zone and so had little effect on civilians. In 1970 ACS reversed itself and supported U.S. ratification of the protocol—something that eventually was done in 1975. And in Congressional testimony in 1974 ACS came out against production of binary weapons.

In restarting chemical weapons production, the Administration states that it will not use them unless such weapons are first used against the U.S. or its allies. It also states that "The U.S. will continue to exercise responsible restraint in this area and will make only those improvements in its offensive chemical warfare capability necessary to ensure that the U.S. has a credible and effective deterrent/retaliatory capability," adding that the current stockpile is inadequate to provide such a deterrent. It states that the plan is to "maintain the safest, smallest chemical munitions stockpile that provides the ability to deny a significant military advantage to any initiator of chemical warfare. We need not, and will not, plan to match the Soviets in agent/munitions quantities and types."

The Administration also states that its ultimate goal is a complete and verifiable ban on the development, production, and stockpiling of chemical weapons. And it feels that a U.S. move to modernize its chemical warfare capability—both offensive and defensive—will encourage the Soviet Union to finally get serious in prolonged and ongoing negotiations aimed at developing an agreement on such a ban.

The Administration's statement does not make clear why this move to renew chemical weapons production is being taken at this time. The Soviets long have had considerable chemical warfare capability, and to date it has not been taken too seriously. The U.S. has done little to equip and train its armed forces to operate under chemical attack.

Also there are indications that the initial plan to produce chemical 155 mm artillery shells and bombs is only the opening wedge in what may become a substantial program involving more potent chemicals as well as new, long-range delivery systems. There is even talk of equipping cruise missiles with chemical munitions. This would be a startling development. A cruise missile is not a battlefield weapon—it is a strategic weapon capable of striking deep into the Soviet Union. And even if it meant to attack only Soviet military installations it would still have the capability of reaching Soviet urban centers from bases in Western Europe or from ships in European waters. This is an idea that will go over like the proverbial lead balloon in a Western Europe already highly sensitized to the dangers of the overall arms race.

ACS states in Congressional testimony in 1974 that "Chemical warfare agents have become weapons of indiscriminate mass destruction and, in our view, every step toward their non-use and eventual elimination should be encouraged." It also stated that it had weighed the arguments for and against procurement of binary weapons and concluded that the best interests of the U.S. were served by a decision against such production.

There is no obvious reason to believe that these are not still true statements and sound advice. The policy of producing new weapons systems primarily as bargaining chips to force eventual reduction or elimination of such systems historically has had little success. It usually has resulted simply in another dangerous and unnecessary spiral in the arms race.

[From the Boston Globe, Jan. 11, 1982]

Many Britons Concerned Over US Chemical Weapons

(By Paul Aaron)

London.—As the Reagan Administration appears poised to announce a multibillion-dollar upgrading of the US chemical weapons arsenal, disclosures by a Pentagon official have produced headlines in the British press.

Both the Guardian and the Times of London have reported a secret study conducted by the Defense Science Board, a panel of specialists reviewing the US chemical warfare policy.

The panel, while emphasizing the need for a more robust posture on chemical warfare, specifically recommended that nerve gas bombs deployed in a new binary mode, be flown in US F111 jets from bases in Britain.

None of the last six British governments has consented to the storage of US poison gas. Spokesmen for the Labor Party warned that this major break from tradition threatened to destabilize the already fragile arms control environment in Europe.

While Defense Secretary John Pym avoided any direct commitment to maintain a ban on American chemical warfare agents, he disassociated the Conservative government from sponsorship of any plan to use Britain as a depot for binaries, and said a request to implement such a scheme "was not expected."

The binary design mode, as opposed to the standard nerve gas canister, does not disseminate toxic agents in a single container. Single containers have been notorious for being unpredictable to employ and dangerous to transport and store. Binaries have two separate receptacles, each holding a chemical which by itself is relatively safe. Only when the munition is fired do the two precursors mix in flight to form the deadly nerve gas.

Amoeretta Hoeber, who served on the Defense Board before assuming her current position as US assistant deputy Army secretary, told Reuter recently that because domestic pressures in West Germany might complicate, or even prevent, the deployment there of advanced nerve gas artillery projectiles, the British government would be sought out to provide a safe haven.

She also observed that even should the new generation of binary howitzer shells be successfully stationed in West Germany, their limited range—20 miles—meant that chemical penetration, designed to impose a toxic environment deep behind enemy lines, would still have to be delivered by planes launched in Great Britain.

Hoeber has argued that vastly superior Soviet and Warsaw Pact capabilities, coupled with a "US paralysis resulting from arms control efforts" have created a dangerous chemical weapons gap. In earlier writings. Hoeber has suggested that the acquisition of a credible chemical warfare deterrent would reduce the possibility that during crisis, the United States might be backed into a cul-de-sac where the only option would be to employ tactical nuclear weapons.

Richard Burt, pointman in the State Department's campaign to indict the Soviets for conspiring to wage germ warfare in Southeast Asia, has also advocated a more varied and discreet chemical warfare arsenal. Writing that the existing NATO chemical warfare posture "fails to deter because it represents a capability that the alliance seems unwilling to threaten and unwilling to use." Burt recommends shifting nerve gas from its status outside the mainstream of military logistics and planning and more fully integrating chemicals into NATO responses.

While the Pentagon believes that the greatly improved safety and ease of handling of binaries will help the political marketing in Europe and increase the attractiveness of chemicals to military field commanders, critics see these features as ominous portents of a new chemical warfare arms race.

Writing in a publication of the Stockholm International Peace Research Institute (SIPRI), Julian Perry Robinson, a British scientist and an expert of 20 years standing on chemical weapons, said "binaries carry a real risk of promoting proliferation of nerve gas, a quasi-conventional weapon."

Since nerve gas is defined as a special ammunition whose shipment and deployment, like nuclear weapons, fall within narrow channels, outside of normal logistics and command and control apparatus, cumbersome security arrangements have posed an obstacle to rapid, flexible deployment.

Though the British disarmament movement has been preoccupied with theater nuclear weapons and has largely ignored chemicals, there are signs that the advent of binaries may widen the protests.

Fifteen hundred scientists have signed an appeal "calling on our colleagues not to participate in any research associated with the development and production of chemical weapons." The petition warns that an escalating chemical weapons competition "could impose new military directions and priorities on R&D (research and development) in the life sciences." and thus threaten to pervert "the bio-technology currently being made possible by increased understanding of basic cellular biochemistry and genetic mechanisms."

According to the sponsors of the petition, what started as an internal movement of scientists has now become a broad public education campaign which aims to put the threat of chemical weapons on the political agenda. Organizers have demanded a full open parliamentary debate prior to any arrangement that ties Britain to the US binary program.

In addition, a book to be published soon promises to deepen domestic interest in chemical warfare. Titled "A Higher Form of Killing," it recounts the secret history of British, US and Soviet chemical warfare planning.

The authors, Jeremy Paxman and Robert Harris are reporters whose acclaimed Panorama chemical warfare documentary appeared last year on the BBC.

"A Higher Form of Killing," which one of the authors said explores the military's search for "feasible lunacy," is expected to be widely promoted by its publishers. Chatto & Windus in Britain and Arthur Wang in America. What remains more uncertain is whether, following the precedent of the antinuclear movement, popular concern about chemical weapons will be imported from Britain to the US, and an arms control constituency mobilized.●

INTERNATIONAL TRADE

● Mr. TSONGAS. Mr. President, I share with all of my colleagues some remarks I made before the Finance Committee this afternoon on the need to undertake strong and vigorous trade negotiations to encourage the competitiveness of U.S. business abroad.

The remarks follow:

Statement of Senator Paul E. Tsongas

Mr. Chairman and Members of the Committee, thank you for permitting me to testify cn the important subject of international trade. A few months ago we were all running around talking about reciprocity. Reciprocity is not the answer to our trade problems. Even if trade barriers are removed, our trade balance with Japan would not be righted. We must go beyond reciprocity.

If we focus on protectionism as the solution to our trade problems, we are missing the point. Protectionism is an opiate. It delays our coming to grips with the real enemy which is our own inability to compete with other industrial economies.

The Japanese in particular offer a challenge to us because they are gaining inroads into the markets of our leading economic growth area-high technology. During the past year the Japanese have captured 70% of the world market in the newest generation of semi-conductors—the 64K RAM. We will not gain back this market—or our market in automobiles, television sets, cameras, or other goods—by passing a trade bill.

The Japanese have obtained their successes by combining aggressive private business strategies with a supportive government. They also have a cooperative partnership between business and labor. Workers share not only the decision-making but also the profits of their companies. This system is in contrast to our own society where there are adversarial relationships between labor, management, and the government. This lack of cooperation results in such things as over-regulating; wage rate increases which exceed productivity gains in certain industries; anti-trust restrictions which prevent us from forming export trading companies; and other features of our economy which are counterproductive to our goal of greater productive efficiency.

These are not the only reasons Japan is a more efficient producer of industrial goods than we are. The Japanese are investing at a greater rate and they do more long-term planning than we do. American businesses are motivated to a greater extent by short-term profits. The Japanese government devotes a larger percentage of its GNP to civil research and development than we do. This year, instead of increasing our research funds, we cut them further.

I think we should focus our attention on those aspects of our economy which are beginning to threaten our survival in the marketplace: The declining percentage of our GNP devoted to civilian Research and Development; insufficient capital investment; high interest rates; declining commitment to higher education, especially as it affects graduate education; over-regulation; over-reliance on short-term profit motivations; lack of re-training workers in the skills required in the growing areas of our economy—especially high technology industries; low savings rates; and wage increases exceeding productivity gains in certain industries.

Our country needs a productive partnership of business, labor, and government. I believe the work of this committee has demonstrated that government has an important contribution to make to such an American economic partnership. In addition to our own industrial difficulties, unfair trade practices do exist, and it is important that government take vigorous and forceful action on trade, while avoiding the dangers of protectionism. In formulating a legislative response to our trade problems, I hope this Committee will:

(1) Specifically address the growing number of international trading barriers presently encountered by the leading edges of our economic growth—high technology industries.

(2) Recognize the growing use of non-tariff barriers by foreign governments such as: Discriminatory public and private procurement; prohibitions on joint research opportunities; prejudicial financing; and obstacles to exchange of technology.

(3) Extend the trade negotiation framework to include new codes in the areas of investments and services.

(4) Call for a deliberate and in-depth monitoring of such foreign government action that creates barriers to U.S. industry.

(5) Call upon the President and our trade negotiators to seek equal national treatment by foreign governments of U.S. firms.

I hope the committee will avoid the dangers of automatic reciprocal tariff actions which can complicate the effort to negotiate the removal of trade barriers, and which might serve to erect barriers behind which the competitiveness of American industry might lag. We must not confuse the industrial problem—which is our own problem—with the trade problem which we share with Japan and other nations.

The sooner we acknowledge these distinct problems, and proceed to tackle them in a comprehensive fashion, the closer we will be to long term economic viability.●

NOTICE OF DETERMINATION BY THE SELECT COMMITTEE ON ETHICS

● Mr. WALLOP. Mr. President, it is required by paragraph 4 of rule 35 that I place in the Congressional Record this notice of a Senate employee who proposes to participate in a program, the principal objective of which is educational, sponsored by a foreign educational or charitable organization involving travel to a foreign country paid for by that foreign organization.

The Select Committee on Ethics has received a request for a determination under rule 35 which would permit Graydon Forrer of the staff of Senator Carl Levin to participate in a program sponsored by a foreign educational organization, the International Federation of Liberal and Radical Youth which took place in West Germany from November 25 to December 6, 1981.

The committee has determined that Mr. Forrer's participation in the program in West Germany at the expense of the International Federation, to discuss nuclear disarmament issues was in the interests of the Senate and the United States.

ADM. NOEL GAYLER PROPOSES PHASED DISMANTLING OF NUCLEAR ARMS

● Mr. CRANSTON. Mr. President, one of the most distinguished military officials in this country, who has vast experience as Commander in Chief of our forces in the Pacific, as Director of the National Security Agency, and as a top nuclear targeting official, is Adm. Noel Gayler, retired.

Now that he is out of uniform, Admiral Gayler is devoting considerable thought and energy to the effort to devise sound policies to advance our national security interest in achieving balanced, verifiable reductions in the superpowers' nuclear arsenals. I have consulted with Admiral Gayler and have benefited from his public testimony before Senate committees on such subjects as civil defense.

Recently, it was an idea for phased dismantling of equal numbers of United States and Soviet systems, proposed by Admiral Gayler, which spurred my own efforts to advance a nuclear freeze and reductions implementation proposal which is embodied in Senate Joint Resolution 191. Admiral Gayler has proposed that the United States and the Soviet Union agree to dismantle a certain quota of weapons systems and turn in the warheads to an international agency. Drawing on this proposal, and parallel ideas first advanced by Presidents Eisenhower and Kennedy, I have proposed a freeze on production of fissile materials for weapons purposes to be verified by the International Atomic Energy Agency (IAEA), a comprehensive nuclear test ban, and phased dismantling of nuclear warheads with their fissile material to be turned over to IAEA control.

Admiral Gayler recently spelled out the details of his proposal in a thoughtful article in the New York Times magazine.

I commend this article to my colleagues attention and ask that its full text, as well as the text of Senate Joint Resolution 191, be printed in the Record at this point.

[The material follows:]

S.J. Res. 191

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the United States should initiate negotiations with the Soviet Union to freeze and reverse the nuclear arms race by the following means:

(1) To freeze the nuclear arsenals of the United States and the Soviet Union: the President should propose to the Soviet Union immediate commencement of negotiations designed to achieve a mutual prohibition on the further production of highly enriched uranium and plutonium for weapons purposes to be verified by International Atomic Energy Agency inspection and to place all non-military stocks of highly enriched uranium and plutonium under IAEA safeguards;

(2) To reduce the nuclear weapons stockpiles of the United States and the Soviet Union: the President should propose to the Soviet Union immediate commencement of negotiations designed to achieve phased dismantling of substantial numbers of nuclear warheads and placement of the reclaimed weapons-usable material under the control of the International Atomic Energy Agency.

(3) To slow the process of weapons modernization: the President should propose to the Soviet Union prompt completion of a Comprehensive Nuclear Test Ban Treaty.

How To Break the Momentum of the Nuclear Arms Race

(By Noel Gayler)

Everyone understands that nuclear weapons are the most deadly things ever invented by man. If they were ever to be used, the chances are overwhelming that they would be used in great numbers. And that would mean the slaughter of innocents in the hundreds of millions, the end of Western civilization, perhaps even the end of a livable world.

What many Americans do not understand is that there is no sensible military use for any of the three categories of nuclear weapons—strategic (of intercontinental range), or theater (capable of reaching targets within one theater of military operations) or tactical (designed, like atomic cannon, for battle-field use). I say this as a military man, a former commander in chief of all United States forces in the Pacific, an aviator and mariner, soldier and intelligence officer of 46 years' experience.

In the battles I saw and the military strategy I helped carry out, the means employed bore a reasonable relation to the ends in view. But now the nuclear forces of the United States and of the Soviet Union have become so large and so threatening that there is no conceivable military objective worth the risk of nuclear war.

This truth offers us a way out. There are specific ways in which we and the Russians can reduce the now very real risk of nuclear conflict. We and they can renounce first use of nuclear weapons. We and they can redeploy tactical weapons beyond each other's range. Together, we can freeze nuclear-weapons activity just where it is, as a prelude to cutting back. Most especially, we and the Russians can agree on massive cuts in our nuclear arsenals.

There are fancy theories current about controlled nuclear exchanges and bloodless, chesslike calculations between opponents in the middle of nuclear war. People who think like that do not understand nuclear weapons, and they do not understand war. Real war is not like these complicated tit-for-tat imaginings. There is little knowledge of what is going on, and less communication. There is blood and terror and agony. We cannot deal with war a thousand times more terrible than any we have ever seen in some bloodless, analytic fashion. To kiss off nuclear war in this abstract way makes it more likely, for we and the Russians may convince each other that we have aggressive plans that we do not in fact have.

Both the Soviet and the American Governments have repeatedly expressed their wish to reach agreements reducing the risk of nuclear apocalypse. But President Reagan's campaign pledge to commence strategic arms limitations talks "immediately" upon taking office has not been honored. The pacific statements of the Soviet leader, Leonid I. Brezhnev, are compromised by the continuing buildup of Soviet nuclear arms and the not-so-veiled threats of Soviet counteraction if agreement is not reached. The only nuclear arms-control game in town now is the negotiation in Geneva on so-called medium-range weapons in the European theater. But the news from the negotiating table seems to rehearse the same tired old arguments that have gotten us nowhere in the past. What's the problem?

In all our negotiations, past and present, both we and the Russians have been hung up on the following three issues:

1. What is fair and equal? Neither side will stand still for unilaterial disarmament, nor should it. But we Americans talk about equal effectiveness in terms of weapons system, while the Russians talk about equal security, and the way they define their security needs is unacceptable to us.

2. What is verifiable? We are tremendously concerned about the potential for Russian cheating. They are equally concerned that our proposals for inspection inside the Soviet Union might be a cover for espionage.

3. How do you classify weapons, and what weapons do you count? For example, is the Russian Backfire bomber capable of intercontinental range, as our military contend, or is it a medium-range aircraft, as the Russians insist? Do you count as "strategic" those long-range weapons that cross oceans (our idea) or any weapons that can reach Soviet soil no matter where they start from (their idea)?

These built-in difficulties were the principal reasons the United States Senate refused to ratify the SALT II nuclear-arms limitation treaty signed by President Carter and Mr. Brezhnev in Vienna in June 1979. And they are still bedeviling the current talks in Geneva. What can we do to get negotiations moving again?

When I joined the Army as a kid, the old sarge has a hell of a time getting us slewfoot recruits to march in some decent semblance of order. Once in a while, when things got out of hand, he would order: "Fall out and fall in again!" That's what we have to do with arms-control talks. Time is running out. We need a fresh approach.

On the occasion of receiving the Albert Einstein Peace Prize in Washington in May 1981, George F. Kennan, the distinguished Soviet-affairs scholar and former Ambassador to the Soviet Union, put forward a proposal that goes to the heart of the problem. Kennan proposed an immediate 50 percent across-the-board reduction in American and Soviet nuclear weapons, "without further wrangling among the experts." Eloquently, he spoke a simple and profound truth: "There is no issue at stake in our political relations with the Soviet Union, no hope, no fear, nothing to which we aspire, nothing we would like to avoid, which could conceivably be worth a nuclear war."

His suggestion has had a strong impact. A Gallup Poll last December showed three out of four Americans backing the idea. There is compelling evidence that public opinion in Western Europe and Japan is strongly in favor of such an approach, and the same appears to be true of public sentiment in the third world. Yet our policy makers in Washington do not seem to have grasped the proposal's extraordinary promise. They tend to dismiss the notion as simplistic, or impractical, or impossible to negotiate. Some even see danger in any deep cuts, arguing that they might arouse false hopes, or offer opportunities for Soviet propaganda, or tend to destabilize the precarious balance. There is even some flavor of N.I.H. (Not Invented Here) that is many a bureaucrat's instinctive reaction to new ideas in his field.

Yet all these concerns are misplaced. Deep cuts are practical. They can be negotiated, simply because they are in the best interests of both parties. They can be designed to have a stabilizing effect and reduce the risk of nuclear war. Solutions are available to all obstacles, real or imaginary.

Einstein once said that "everything should be made as simple as possible, but not simpler." Kennan's proposal is pretty close to that ideal; the trick now is how to go about it. Let us take a leaf from Grover Cleveland, who said: "The way to begin is to begin." The way to get rid of nuclear weapons is to get rid of nuclear weapons.

Here is the idea. We look for a solution that is fair, that we can verify and that does not get us into fruitless arguments about how different kinds of weapons should be classified. To do this, we have to look at security requirements, the politics of negotiations and the nature of nuclear weapons. Taking these factors into consideration, we find there is a way to bring about arms reduction that satisfies essential concerns on all three counts.

Let each side turn in an equal number of explosive nuclear devices. Let each side choose the weapons it wishes to turn in, whether missile warheads, bombs or artillery shells. Each weapon would count the same—as one device.

This proposal has some major advantages. A nuclear device is uniquely identifiable and can be counted without error when turned in; thus there is full verification without intrusive inspection in either country. Since each side chooses the weapons it wishes to turn in, there can be no problem about what is fair. And since all explosive fission devices count equally, we have no arguments about how the weapons should be classified.

Self-interest will make each side turn in its more vulnerable weapons. This is good. As we now stand, both the United States and the Soviet Union have relatively vulnerable land-based strategic missiles, mounted in fixed silos. It would be logical for both sides to start giving up these weapons, while retaining their less vulnerable strategic bombers and virtually invulnerable nuclear-armed submarines. In this way, the temptation of either side to fire first in time of crisis, lest it lose its weapons to an enemy who attacks first, will be reduced. The "hair trigger" character of the nuclear forces, the most dangerous aspect of the present situation will be elimination.

Similarly, the missiles on each side that are the more threatening to the adversary's fixed silos—such as the highly accurate, high-yield, multiwar-head Soviet SS-18 and the equally formidable projected American MX—will tend to lose value. They will be deprived of their "counterforce" targets—the land-based strategic missile force of the other side, which they now threaten with destruction in a pre-emptive first strike. If deep enough cuts are made, the strategies of both sides are likely to revert to reliance on the relatively invulnerable components of their strategic forces. Crisis stability will be improved, and the chances of accidental or unauthorized firing will be greatly reduced.

To whom do we and the Russians hand over these weapons? Probably to a joint Soviet-American commission established for the purpose; perhaps a third party can be brought in as referee. What do you do with the devices? Convert them, under safeguard, to nuclear power for civilian purposes. Uranium 235, one of the elements of nuclear weaponry, can be diluted with the plentiful isotope uranium 238 to a level of concentration suitable for nuclear energy but not for bombs. Plutonium, another such element, can be burned directly in a nuclear power reactor.

We can start by each turning in a relatively small number of weapons—say 50—to test the system and establish confidence. From there, we should proceed on an agreed schedule to a very large reduction—say 10,000 devices each. Again, the idea is to compel each side to choose to retain only a small number of weapons in a strategic reserve.

How will this or some similar proposal satisfy the basic concerns enumerated above?

Let us look first at security. America's primary security need is that the United States, its allies and the free world not be conquered, coerced or threatened by the military forces of the Soviet Union and its proxies. Historically, we have relied partly on the deterrent role of nuclear weapons to contain aggression employing conventional arms. The military doctrines of the United States and the North Atlantic Treaty Organization still plug the usefulness of nuclear force against a conventional Soviet attack. But now, with the Soviet Union's strategic forces roughly equal to ours, these doctrines are obsolete. Kennan and three other former senior American officials—Robert S. McNamara, McGeorge Bundy and Gerard C. Smith—hit the nail on the head in their recent article in Foreign Affairs urging retreat from our strategy of defending Europe by first use of nuclear weapons: "Deterrence cannot be safely based forever on a doctrine which more and more looks to the people of the alliance like either a bluff or a suicide pact." There is growing recognition that the game is not worth the candle. The security of the United States and its allies must be protected in ways other than with nuclear weapons.

Yet our European allies are torn by conflicting impulses. Their governments, as well as important segments of the political opposition and of public opinion, want the United States to be married to the defense of Europe not only by conventional force but by the threat of nuclear retaliation. Hence, the original demand by European leaders for the deployment of American medium-range weapons in Western Europe. At the same time, Europeans entertain the entirely reasonable wish not to be the nuclear battlefield of the giant powers. This wish finds expression in popular demonstrations against deployment of the new American missiles.

Current United States policy also has violently conflicting elements. On the one hand, Presidential Directive 59, issued by Jimmy Carter in 1980, still implies readiness to fight and win a limited nuclear war—as do many previous and subsequent official statements. There is still a green light—and an enormous appropriation—for development of the MX missile, even though the best brains in the country cannot figure out a sensible way to provide it with an invulnerable base. The B-1 bomber program bids fair to waste as much money on an obsolete means of weapons delivery as would be required to modernize, in many respects, the entire United States Army. And the so-called neutron weapon is still in the works, even though it is a battlefield weapon not so different from other nuclear weapons and is clearly regarded by the Russians as offensive and not defensive in nature.

On the other hand, President Reagan himself has expressed a desire for deep cuts. He has also proposed a "zero option" for Europe—no American medium-range weapons in Europe capable of reaching Soviet territory and no Soviet weapons aimed specifically at Western Europe. He has spoken of the overriding need for strategic nuclear talks, though at other times he and his aides have conditioned negotiations on better Soviet behavior.

In any event, the overwhelming logic of the situation, the political imperative being created by the growing revulsion against nuclear arms, dictates movement toward real and deep reductions. There are two major political problems yet to be overcome.

First, the primitives in American politics will not be satisfied with anything less than the unattainable—American nuclear "superiority." Why is this unattainable? In the real world, "superiority" has no meaning. We and Russia are like two riverboat gamblers sitting across a green table, each with a gun pointed at the other's belly and each gun on hair trigger. The size of the guns doesn't make much difference; if either weapon is used, both gamblers are dead. In the same way, the size of the nuclear forces makes little difference. States of readiness, targeting decisions, even which way the wind is blowing (carrying nuclear fallout), make a greater difference than a thousand extra missiles on either side.

Moreover, even if having more missiles than Moscow did give us "superiority," the Russians would not stand still for it. They have said they won't, and we had better believe them, for in their controlled society they can put into weapons whatever resources they choose. So the argument that we have to attain "superiority" before we can negotiate—an argument still being made in some Administration circles—just won't wash. We are not "inferior" in any meaningful sense, and we are not going to become "superior," no matter how much we ratchet up the nuclear arms race.

The second major political problem in the United States is the notion that we can punish the Soviet Union for its misdeeds—many of them very real—by withholding nuclear arms talks. We cannot use nuclear arms talks as a stick or carrot to make Moscow behave. And if we wait for the Soviet regime to shape up, by our standards, before we engage in nuclear arms reductions, we will wait a long time indeed. The reverse is true: The more our relations turn sour, the more imperative it is to drive down the risk of nuclear war.

What about the Russians? They see themselves, however erroneously, as surrounded by hostile, nuclear-armed powers on their long borders. Their leaders are greatly concerned by any change that would threaten their power, the security of Mother Russia or the control of the Communist Party. Yet they, too, understand the terrible dangers of nuclear war. Many an official pronouncement and many an unofficial approach testifies to their willingness, even eagerness, to entertain the idea of deep cuts in nuclear weapons.

Soviet spokesmen contend that Soviet doctrine on nuclear war has changed in the past five years, and radically so in the last two. This is what they are saying:

"To try and outstrip each other in the arms race, or to expect to win a nuclear war is dangerous madness."—Leonid Brezhnev, in a speech before the 26th Congress of the Soviet Communist Party, Feb. 23, 1981.

"Western politicians and strategists stubbornly push the thesis that Soviet military doctrine allegedly assumes the possibility of an 'initial disarming strike,' of survival, and even of victory, in a nuclear war. All this is a deliberate lie."—Marshal Dmitri F. Ustinov, Minister of Defense, in a speech at a Kremlin rally, Nov. 6, 1981.

"Political and military doctrines have been changed. This has been reflected in our internal life. There is new determination to seek sharp reductions."—Nikolai N. Inozemtsev, director of the Soviet Institute of World Economy and International Relations, at a Soviet-American seminar in Washington, Jan. 12-14, 1982.

These and other similar statements are accompanied by the interesting assertion that the change of doctrine is recent, that it involved internal political struggle, and that it was resolved by Brezhnev himself. We in the West are invited to note that this change will find expression in Soviet military schools, in military training manuals and elsewhere.

How much can we trust these declarations? Are they not just propaganda, intended to put us to sleep? If I were planning a military campaign, or even betting on the stock market, I would evaluate the downside risk of any given course of action. If we treat these statements as sincere and the Russians are deceiving us, the worst that can happen is that we lose some propaganda points or get otherwise snookered in some inconsequential way during arms negotiations. For no matter what the Russians say, we would never accept an unequal treaty. But if we fail to take these statements seriously—and hence fail to negotiate on arms reductions—we risk getting our heads blown off. It will be little consolation that the Russians will lose theirs also.

But the most compelling reason to take the Soviet authorities seriously on this score has been given by W. Averell Harriman, President Roosevelt's Ambassador to Moscow and, like Kennan, a profound scholar of Soviet affairs: "you can trust the Russians—to act in the Russian interest." Our own best minds have come to the conclusion that nuclear war is unwinnable. It would be folly to assume that the Russians are too dumb to have reached the same judgment

Thus, in measuring the deep-cuts proposal against the security interests of the United States, the West and the Soviet Union, we find no major obstacles in the way.

Let us look next at whether deep cuts are negotiable—in other words, whether such reductions can be embodied in a treaty that (1) takes account of practical realities, and (2) can be sold to those elements within the American and Soviet societies that dominate the two countries' domestic politics. These are tough criteria, and they can be met only by a treaty that conforms to a strict set of principles.

An acceptable treaty must not only reduce the risk of nuclear war or nuclear blackmail but must be readily seen as achieving those ends. It must not only improve the security of both sides but must do so in ways that each side recognizes as valid for its own concerns. It must be equitable in mutually acceptable ways. The planned reductions must be such as to improve stability in a crisis by cutting down the advantage to be gained by striking first. Most especially, the negotiating parties must not be duplicitous, or strike phony poses, or arouse false hopes or unreasonable expectations.

Fortunately, these principles can be solidly based on the common interest. Neither superpower wishes to be destroyed. Neither wishes nuclear weapons to be in the hands of a variety of small powers or terrorist groups. If these overriding concerns can be kept separate from all other issues between Washington and Moscow, fruitful negotiations are almost certain. It is essential, however, that each Government give a clear political directive to its negotiators: "Find solutions that remove our joint peril and enhance the security of both."

The third factor—the physical technicalities of deep cuts—presents lesser difficulties. The essence of a nuclear weapon is its fissionable material. All else is mere supporting hardware—missile or cannon or airplane, guidance system or re-entry shield or arming and fusing. Moreover, all nuclear weapons have roughly the same amount of fissionable material. In a "small" weapon, the fission element accounts for the weapon's entire explosive yield; in a megaton-range weapon, which depends on fusion, a similar quantity of fusionable material acts only as the spark for the enormously greater succeeding explosion.

Hence, in counting the weapons to be eliminated for the nuclear arsenals of both sides, all weapons can be treated alike. That provides a realistic basis for counting every weapon, no matter what its size, as one nuclear device, and for implementing the cuts by converting the fissionable material to nuclear energy. A desirable, though not essential corollary to enhancing the effectiveness of weapons disposal would be an agreement to stop manufacturing weapons-grade fission material—both from reactors designed for that purpose and from the spent products of civilian power plants. A stop to production from weapons reactors can be verified by each side with current intelligence techniques. Diversion from nuclear-power reactors is more difficult to monitor, but not impossible.

The effect of deep cuts would be extraordinary. Reductions in the nuclear weaponry of the United States and the Soviet Union would prove the superpowers' willingness to bring the nuclear arms race to a halt. That would produce a much better climate for efforts to limit proliferation of nuclear weapons around the world. Major reductions in the more threatening or more vulnerable systems would enhance stability, thus reducing the probability of nuclear war. Weapons would no longer be available for "war-fighting" strategies, and greater validity would be given to the assurances of national leaders on both sides that their nuclear forces had no objective beyond deterrence. The chances of accidental or unauthorized firing would be greatly diminished.

In all of the above, several things stand clear. Deep cuts are practical. They will enhance the security of the United States, of NATO, of the Soviet Union, of the world. They can be equitable and verifiable. They can be negotiated by the great powers and sold domestically. And there is a straightforward way to begin.

No one can doubt the extreme peril that nuclear weapons pose to civilization on earth. Getting rid of a lot of weapons on both sides will reduce the peril immeasurably. In Leonid Brezhnev's astonishing phrase, "God will not forgive us" if we do not act.●

SENATOR HENRY M. JACKSON SPEAKS OUT

● Mr. JOHNSTON. Mr. President, one of the major disappointments of the Reagan administration has been its continuous opposition to even a modest level of funding for the several State grant programs now administered by the National Park Service—the land and water conservation fund, the historic preservation fund, and the urban parks program.

Each of these programs has demonstrated creative federalism at its best by providing badly needed Federal seed dollars, matched by the States, for recreation and preservation programs. Despite their impressive sucessful records, the administration's budget requests for both fiscal 1982 and fiscal 1983 have included no money for these activities.

This month's edition for Parks and Recreation Resources magazine contains an article by the ranking minority member of the Committee on Energy and Natural resources, Senator SCOOP JACKSON, who as many of my colleagues know is one of the Senate's experts on recreation needs and programs. Under his leadership as former chairman of the Energy Committee and its predecessor, the Interior and Insular Affairs Committee, major reorganizations of the LWCF and HPF occurred and the UPARR programs was created. I, therefore, believe that a number of concerns raised by Senator JACKSON about the administration's attitude toward these program will be of considerable interest to many of our colleagues and others interested in these programs. I ask that the article be printed in the RECORD.

The article follows:

SENATOR HENRY M. JACKSON SPEAKS OUT

Much has been made in Washington and other parts of the country about the "new federalism" outlined by President Ronald Reagan in his January 26 State of the Union speech. While most of the specifics have not been made public, the concept is traditionally viewed as a partnership between the federal government and the states, a sharing of appropriate responsibilities and functions designed to result in a more effective, equitable, and efficient government.

As this concept begins to take shape, I think we should ask ourselves what we can anticipate in the parks and recreation field under the new federalism of President Reagan. If the administration's first thirteen months are any indication, I fear that there is little room for optimism. Simply put, the administration seems to view meeting the recreation needs of the American people as someone else's problem. It is not clear whose problem it is, but certainly the role of the federal government is diminishing rapidly. There seems to be little thought being given to how this vacuum will be filled.

Nowhere is this lack of support better exemplified than in the administration's fiscal 1982-1983 budget requests for the Land and Water Conservation Fund (LWCF), the Urban Park and Recreation Recovery Program (UPARR), and the Historic Preservation Fund (HPF). Taken together, these programs comprise the backbone of the federal government's commitment to meet at least some of the public's recreational and preservation needs.

These programs are, in my view, what federalism is all about. They are administered, to a large extent, by the states themselves. Certainly, there is federal involvement in and a federal financial commitment to these programs, but they are not federal giveaways. The LWCF, the UPARR, and the HPF are fiscally sound and responsible efforts to help state and local governments meet a legitimate need. Nevertheless, in its two budget submissions to the Congress since taking office in January 1981, the current administration has recommended no money for state matching grant programs of the LWCF, the UPARR, and the HPF.

The LWCF was created in 1965 (P.L. 88-578) largely in response to a recommendation contained in the final report of the Outdoor Recreation Resources Review Commission. The purpose was, and is, to provide a continuing and reliable source of funds to be used for the expansion of various facets of the nation's outdoor recreation estate. The LWCF is comprised of two parts or "sides": a state matching grant program (the state "side") and a federal acquisition program (the federal "side"). The federal side of LWCF has evolved into the primary, if not the sole, source of land acquisition funding for federal land managing agencies such as the National Park Service, the Forest Service, the Fish and Wildlife Service, and the Bureau of Land Management.

The state side of the LWCF is distributed among the states on the basis of a formula outlined in the Act and taking into account such factors as need, population, and proximity of federal recreation lands and facilities. A state is eligible to receive LWCF assistance if it has completed an acceptable State-wide Comprehensive Outdoor Recreation Plan (SCORP) and maintains an ongoing comprehensive outdoor recreation planning process. A state official appointed by the governor or designated by state law is responsible for administering the program at the state level. These grants are matched by the states on a dollar-for-dollar basis.

The LWCF is currently authorized at a level of $900 million per year. Appropriations in fiscal 1979, 1980, and 1981 averaged approximately $510 million annually. Although subject to appropriation, monies are made available to the fund primarily through the earmarking of a portion of the mineral leasing receipts from the Outer Continental Shelf (OCS). Thus, the proceeds from the extraction of federal oil and gas—nonrenewable resources—are shared with the states and invested in the preservation of recreational lands, a disappearing national resource. It is important to note that total revenues to the country from OCS leasing are currently expected to be in excess of $7.56 billion fiscal 1982 and are expected to increase steadily over the coming years.

The law requires that no less than 40 percent of the funds be used for federal acquisition needs, with the remainder available for the state grant program. The state side of the LWCF is designed to increase the ability of state and local governments to provide public outdoor recreation opportunities through (1) sponsoring and assisting in the development of state, regional, and local plans; (2) providing financial assistance for land acquisition; (3) supplying part of the capital needed for the construction of facilities as well as some technical assistance; and (4) setting standards and controls on the use of funds to ensure that all elements of the population are served effectively.

By any measure, the program has been a tremendous success. More than $2.6 billion was distributed to the states as a result of this program between 1965 and 1980. This represents the approval of some 27,500 acquisition and development projects. With the state and local match, the total outdoor recreation investment under this program totals almost $5 billion. More than 7,100 acquisition projects have added some two million acres to the outdoor recreation estate. The state government has acquired 78 percent of the land, local government 22 percent. In addition, 60 percent of the fund assistance has gone to almost 20,000 projects for the development of state and local outdoor recreation facilities. Over the life of the LWCF, 41 percent of the state side monies has been obligated to state projects, with 59 percent going to locally sponsored projects. This is what many would call federalism.

Since its inception in 1965, the LWCF has proven itself to be an efficient method of redistributing a modest portion of the growing revenues attributable to energy development on the OCS to the states for providing badly needed recreation resources. Federal incentives encourage state and local jurisdictions to contribute to important national objectives such as protection of natural, wildlife, cultural, aesthetic, ecological, and recreational resources.

Although the LWCF is a federal program, there is plenty of evidence that the state and local governments are certainly doing their part to meet recreation demand. Testimony at hearings before the Senate Committee on Energy and Natural Resources in early 1981 indicated that local governments would spend an estimated $4 billion that year on the operation and maintenance of local public parks, while local capital investments would exceed $2.1 billion. At the same time, recreation pressure on state and local park systems is tremendous. State parks received 600 million visits in 1980, almost three times more than the National Park System, while it is estimated that visitation at local park systems during the same period approached one billion. Clearly, there is a strong state and local commitment to provide the citizens of this country with recreation opportunities.

Given the facts, the role of the federal government today should be to continue to provide funding for the state side of the LWCF, not to eliminate it. Yet, the response of the present administration has been to recommend that the states receive no financial assistance under the state grant LWCF in fiscal 1982 or 1983.

As noted earlier, two other recreation-related state grant programs have also fared poorly in the new administration. The Urban Park and Recreation Recovery Act of 1978 (UPARR) established a new state assistance grant program to help physically and economically distressed urban areas improve recreation opportunities for their residents. This program, enacted as part of the so-called Omnibus Parks and Recreation Act, provides grants to local government to rehabilitate existing indoor and outdoor recreation facilities; to demonstrate innovative ways to enhance park and recreation opportunities at the neighborhood level; and to develop local Recovery Action Programs that identify community needs, objectives, action priorities, and strategies for revitalization of the total public and private recreation system. The amount authorized to be appropriated was $150 million for fiscal 1979-1982 and $125 million for fiscal 1983 to fund urban recreation revitalization efforts. To date, UPARR has awarded more than 535 grants totaling some $121 million.

Because this program encourages leveraging of other public and private resources, it provides an incentive for local acceptance of recreation responsibilities which might otherwise be placed upon the federal government. Experience with the program supports the original assumptions about the catalytic effect of seed money public investments in stimulating much larger private investments in neighborhood community revitalization.

Although such an approach would seem to fit in perfectly with the administration's concept of federalism generally and the "Enterprise Zone" in particular, the budget requests for fiscal 1982 and 1983 have asked no funding for UPARR.

The Historic Preservation Fund has fared no better. HPF grants-in-aid are the major means by which the federal government promotes, preservation of the nation's historic and cultural heritage and aids public and private sectors in integrating their activities with historic preservation. Like the LWCF, historic preservation grants are (1) administered by a state's Historic Preservation Officer, appointed by the governor; and (2) financed, subject to appropriation, from revenues generated from oil and gas leasing pursuant to the Outer Continental Shelf Lands Act.

Grants to the states are used to perform a number of tasks which, without the fostering of this close federal-state relationship, would have to be accomplished by federal agencies alone. Projects funded by HPF grants include inventories of historic properties; the recordation and preservation of historic resources; acquisition and development of historic properties; and the assistance of private citizens in preparing and submitting applications for loan guarantees and tax advantages offered by federal law.

As a general rule, grant funds are used as seed money, with the federal contribution amounting to far less than the allowable 50 percent. The primary strength and success of the HPF has been that it has caused the establishment of state and local historic preservation programs. Since 1967, approximately $225 million in grants to the states have been awarded through this program.

Administration budget requests for fiscal 1982 and 1983 include no funding for the Historic Preservation Fund state grant program.

For those of us who are struggling to come to grips with what the "new federalism" is all about, the administration's attitude toward these programs is curious. Providing ample recreation opportunities for American citizens has always been viewed as a joint responsibility of federal, state, and local governments as well as private entities. Nowhere is the concept more firmly embedded than in programs such as the LWCF, the UPARR, and HPF.

While few dispute the need to consider some cuts in these programs in an effort to bring the budget into balance, these programs are being eliminated under the administration's fiscal 1982 and 1983 budgets. Once the infrastructure and personnel needed to run these programs are gone, they will be exceedingly difficult to revive. Yet, there is no indication from the White House, from the Office of Management and Budget, or from the Secretary of the Interior that these programs merit the support of the administration. Perhaps the feeling is that recreation is solely a state and local responsibility; perhaps the administration feels that recreation programs of this type do not warrant any level of federal support; maybe there is some idea that there is no need for federal support.

In my view, none of these contentions is correct. Recreation is an integral part of our daily lives. It is critically important to millions of Americans. Demand for recreation is increasing rapidly, not declining. Visits at federal park units increased 250 percent in the past twenty years, while visitation at state parks was up approximately 130 percent over the same period.

Meeting this increasing need is not solely a federal or state reponsibility. The responsibility should continue to be shared by all levels of government and the citizens of this country. The federal government should encourage state and local governments to meet this ever-growing need through programs such as those outlined above.

Let us hope that this partnership in recreation, begun in earnest in 1965 with the Land and Water Conservation Fund and nurtured over the years through such programs as the Historic Preservation Fund and the Urban Park and Recreation Recovery Program, will be viewed as a model for the "new federalism," not destroyed by it.●

AN ACT OF PERSONAL HEROISM

● Mr. PELL. Mr. President, the winter just ended was an especially difficult one in many parts of our Nation, particularly in the Midwest and Northeast. These harsh conditions created special problems for those men and women who are in the business of saving lives—our police and fire personnel. An especially heroic lifesaving effort occurred in my State of Rhode Island this winter, when an off-duty fireman named Michael Pratt answered a call to rescue a drowning boy in the icy waters of a pond in Arnold

Mills, Cumberland. With the assistance of fellow firefighter Steven Garon, Pratt saved the life of a 10-year-old boy from North Attleboro, Mass., while clearly risking his own life.

Mr. President, I would like to share an article describing this heroic rescue with my colleagues. I ask that the article from the Woonsocket Call for March 8, 1982 entitled, "Cumberland Firefighter Saves Drowning Boy" be printed in the Record at this point.

The article follows:

Cumberland Firefighter Saves Drowning Boy

(By Dave Lavallee)

Cumberland.—He was still eight feet away in a rescue boat when he saw the North Attleboro boy struggling to keep himself afloat.

That was when North Cumberland Firefighter Michael Pratt plunged into the icy waters of the pond at the corner of Nate Whipple Highway and Abbott Run Valley Road to rescue James Perry, 10, after the boy had broken through the ice.

His quick action, along with key assistance from fellow firefighter Steven Garon, clearly prevented a drowning, officials said.

"He jumped right out of the boat because the kid was going down," Chief Salvatore J. Corio said. "He saved the kid's life."

After the two firefighters and the boy had made their way back to the shore, Pratt and Perry were taken to the Woonsocket Hospital, where they were treated and released.

Pratt, who was off-duty when the call came in at 12:36 p.m., arrived on the scene and said he immediately jumped into the water and swam out about 15 feet. He was ordered back to the shore, however.

Pratt said he and Garon, both privates, then rowed out to the boy in the department's boat. As they broke the ice to reach the boy, Pratt said the boy became panicky.

"I saw him hanging on the edge of the ice and he was hanging on for dear life," Pratt said. "As the boat got closer, the ice cracked around him, and he went down.

"I got a little worked up when I saw that," he added.

Police said Perry and a brother had apparently been walking on the ice when the boy broke through. The boys had walked to an area of the pond where the ice was met by a large portion of water.

Officials were told by a woman who had passed by the area that she had seen the legs of a vicim sticking out of the water and that another boy had run from the scene. The other boy had run to tell his mother of the incident, police said. She had been visiting in the area.

Cumberland Rescue 1 transported Pratt and Perry to Woonsocket.

Pratt said when he entered the water he did not notice how cold it was, but when he got out, his hands became numb and red.

Corio said the men had just completed a course on ice rescue at the station.●

U.S. POPULATION

● Mr. PACKWOOD. Mr. President, I wish to report that according to the latest U.S. Census Bureau approximations, the total population of the United States on May 1, 1982 was 231,139,459. This represents an increase of 189,269 since April 1, 1982. Since this time last year, our population has grown by an additional 2,252,726.

In one short month we have added enough people to our population to more than fill the city of Knoxville, Tenn. Over the past year, our population has increased enough to fill the city of New Orleans, La., more than four times.●

ARMS SALES TO JORDAN

● Mr. HART. Mr. President, if reports are correct that the administration has reached agreement with Jordan on the sale of F-5G fighter planes and Stinger antiaircraft missiles, the administration has blatantly disregarded the bipartisan concern of more than one-third of the U.S. Senate and has set the stage for an unnecessary and divisive confrontation with Congress.

On February 24, 33 of my colleagues joined me in sending a letter to President Reagan, asking him to announce immediately and publicly that any proposal to sell sophisticated arms to Jordan would not be developed further until after the congressional consultation which such a proposal deserves.

No such announcement was ever made.

On the contrary—administration spokesmen reiterated that there had been no change in our military supply relationship with Jordan, and, in responses to our letter, never mentioned the need for prior congressional consultation on the issue.

As we stated in our letter to President Reagan, world security cannot afford an escalation of the arms race in the Middle East. The United States cannot afford another unnecessary and divisive confrontation with Congress on a foreign policy issue. And, barely 1 week after the withdrawal of Israeli forces from the Sinai, this administration can ill afford to say "yes" to Jordan arms requests when that country repeatedly says "no" to participation in the Camp David peace process.

I ask that the letter signed by 34 Republicans and Democrats, and sent to the President on February 24, be reprinted in the Record. Our call for a clear response to the concerns raised in that letter remains unanswered.

The letter follows:

U.S. Senate,
Washington, D.C., February 24, 1982.

Dear Mr. President: We are concerned that Secretary Weinberger's proposal to sell sophisticated arms to Jordan sets the stage for an unnecessary and divisive confrontation with Congress that could undermine American foreign policy around the world. We urge you to act quickly to avoid such a confrontation by rejecting this proposal, at least until Congress and our allies have been thoroughly consulted.

The sale of F-16 fighters and Hawk mobile anti-aircraft missiles to Jordan could dramatically change the balance of power in the Middle East, undermine the security of our ally, Israel, and increase the overall instability of the region. Before any such sale is proposed there should be the widest range of Congressional consultation, public discussion, and communication with our allies. Absent such discussion it will be difficult to achieve the kind of consensus our nation needs on sensitive foreign policy matters. And we cannot be an effective world leader without such consensus at home, and among our allies.

We urge you to announce immediately and publicly that the proposal to sell arms to Jordan will not be developed further until after the Congressional consultation which such a proposal deserves. World security cannot afford an escalation of the arms race in the Middle East. And the United States cannot afford another unnecessary and divisive confrontation with Congress on a foreign policy issue. We hope you will take all steps necessary to avoid it.

Sincerely,

John Heinz, Daniel Patrick Moynihan, Donald W. Riegle, Jr., Paul E. Tsongas, Max Baucus, Alan Cranston, Lowell P. Weicker, Carl Levin, Alfonse D'Amato, Alan J. Dixon, Thomas Eagleton.

Gary Hart, Bob Packwood, Edward M. Kennedy, William Proxmire, George J. Mitchell, Joseph R. Biden, Jr., Paul S. Sarbanes, Dennis DeConcini, Bill Bradley, Howard Metzenbaum, Nancy Landon Kassebaum.

Jim Sasser, Robert C. Byrd, Walter D. Huddleston, Claiborne Pell, Spark Matsunaga, Quentin N. Burdick, John Danforth, Rudy Boschwitz, Lawton Chiles, Arlen Specter, Frank H. Murkowski, William V. Roth, Jr.●

COAL PIPELINES

● Mr. SIMPSON. Mr. President, the chairman of the Senate Committee on Energy and Natural Resources, Mr. McClure, has announced that his committee will hold hearings on S. 1844, which is legislation intended to facilitate the national distribution and utilization of coal through interstate coal pipelines. The purpose of my remarks today is to indicate support of that legislation.

During my membership in this distinguished body, I have realized that many of the legislative mysteries which we often face can sometimes be dispelled by reading the subject legislation. A novel thought I know. My review of S. 1844 has led me to the conclusion that this legislation is important if we are to nurture the development of a proven transportation technology—and with it the healthy competition that is the driving force in our system of political economy—but that the authorizing of the use of eminent domain for this emerging industry under the proper controls and scrutiny of the Secretary of Energy is a correct and proper function for Congress. It is my firm feeling that the marketability of Western coal resources for domestic and international uses will depend in good measure upon

advancing reliable, efficient and competitive transportation systems.

The delegation of the sovereign authority which Government has for acquisition of private property and property rights through condemnation is a matter to which Congress must give its most careful and serious attention. In this arena, the U.S. Constitution is the fundamental and controlling document on the application of eminent domain by both State and Federal jurisdictions. Prior to the adoption of the 14th amendment, the power of eminent domain by State governments was unrestrained by any Federal authority.

The just compensation provision expressed by the fifth amendment did not apply to the States. It is the 14th amendment that affords property owners the same measure of protection against the States as the fifth amendment does against the Federal Government. In addition to the Constitution underpinnings of either State or Federal eminent domain, I also note that since the adoption of the Interstate Commerce Act authority for supervision of interstate coal pipelines has been vested with the Interstate Commerce Commission under the provisions of 49 U.S.C. § 1(b). Congress has a responsibility to promote interstate commerce. Our national network of interstate railroads, petroleum and natural gas pipelines and highways are tangible evidence of congressional effort to foster a national common market through interstate transportation.

My paramount concern over Federal legislation which would assure eminent domain authority for interstate coal pipelines, has been with the tests to be applied at the outset to insure that the interests of private property owners are always given the maximum protection under the U.S. Constitution. Foremost in protection here is an initial determination that eminent domain authority will only be exercised where there is a clear showing that—on balance—the taking is in the greater public interest. S. 1844 places this responsibility with the Secretary of Energy, or his successor, to make four determinations.

First, it must be determined that the right-of-way to be acquired would advance the national need for coal distribution and utilization taking into consideration other routings. Second, it must be found that the proposed right-of-way would promote competition and serve new market outlets. Third, a determination must be reached that the coal pipeline distribution system would advance our national security by displacing imported petroleum with domestic coal. Finally, a finding must be made that the routing will not adversely affect the natural environment.

A key limitation on the exercise of eminent domain, set by S. 1844, is that the procedure to be employed in any judicial determination, whether the case is tried in the Federal district court or in an appropriate State court, is that such actions shall "conform as nearly as may be practicable with the practice and procedure in similar action or proceedings in the courts of the State where the property is situated." This section borrows the procedures established by the States for determining such issues as whether or not good-faith negotiations were conducted with the landowner, the method for determining compensation and damages, permission for surveys, attorney fees, and other key items associated with an individual State's procedures used in civil litigation. S. 1844 also promotes the use of State courts as the forum for such actions.

In conclusion, Mr. President, I feel that support of this legislation should be based upon three fundamental elements. First, that limitations on eminent domain authority, State or Federal, rest with the Federal Constitution. Second, that Congress should properly oversee interstate coal pipelines as it now does in regard to interstate pipelines transporting other commodities. Finally, that the procedure in any judicial determination of eminent domain be performed according to the type of procedure prescribed by State legislatures. S. 1844 meets all of those tests.

The bill also deals extensively with the critically important recognition and preservation of State authority to allocate water for use in any interstate coal pipelines. This is a matter of extreme importance to those of us who represent the arid Western States. Provisions in section 6 of S. 1844 amount to a clear waiver of any possible Federal preemption of State authority to allocate water to interstate coal pipelines. This congressional waiver is consistent with the Interstate Commerce Act which denies jurisdiction over water pipelines to the Interstate Commerce Commission. Congress for 116 years has always deferred to the States in questions of water acquisition, development, and allocation. S. 1844 is consistent with this approach to water and water rights and may well be the clearest expression of congressional respect for States rights in that field which could be adopted. It seems to be a solid piece of legislation.

Thank you.●

BLOCK ISLAND'S GREAT TEACHER: FRED BENSEN

● Mr. PELL. Mr. President, I would like to share with my colleagues a heartwarming article which appeared in this month's issue of Reader's Digest. It concerns the inspirational life of Fred Benson, an 87-year-old resident of Block Island, R.I.

Throughout his long life, he has been an exemplary model and teacher to young boys growing up on Block Island. After obtaining his high school diploma at the age of 56, he became a high school teacher and coach.

He also served as president of the local chamber of commerce and as Block Island's director of civil defense. In recognition of his long service to the Island, he was recently inducted into the Rhode Island Heritage Hall of Fame.

Mr. President I ask that the article by George Milliken entitled, "Fred Benson and the Island Boys" be inserted in the Record at this point.

The article follows:

[From the Reader's Digest, April 1982]

Fred Benson and the Island Boys

(By George Millikin)

I was sitting on the back porch making a baseball by wrapping strips of cloth around a stone when I thought I heard screams in the distance. Fred Benson appeared from behind the barn, a puzzled expression on his face. Then the wind brought the sound again, and it was screaming.

"Sounds like a shipwreck," Fred called to me. "Let's go!"

We jumped into a truck and took off. Shipwrecks were not uncommon in the treacherous waters off Block Island, R.I., but I had never before heard such spooky wailing. I inched closer to Fred. I was 11 and he was 22. He was a powerful man with massive chest and arms, and I worshiped him. But maybe this was something that even Fred couldn't handle.

We came to a bluff, and there below us was a packet ship impaled on the rocks. Its lifeboat had been lowered but, instead of heading for the beach and safety, the terrified passengers and crew seemed to be rowing in aimless circles.

"They've gone crazy," Fred said. "They're rowing around in the middle of old man Dunn's fish trap."

The floats on the heavy nets were large barrels bound with iron hoops and painted black. It was 1918, and America was at war. Some New England waters had been mined. Suddenly Fred understood the problem. "They think those barrels are mines!"

Fred ran down the bluff shouting that the waters were not mined. The people still seemed immobilized by fear. The lifeboat was beam-on to great swells, which would surely capsize them.

Fred, in chest-deep water, grabbed the bow of the boat and, with a mighty effort, was able to beach it safely. As the people stepped ashore, they wept and embraced Fred. I stood close beside him, feeling proud. Not another man on the island could have done what he did.

The next day Raymond and Wayland Conley stopped by our farm to pick up Fred and go beachcombing where the packet had been wrecked. I tagged along. We found the hides of sheep and cattle. The crew of this ship carried its meat live, slaughtering as the food was needed and saving the hides. We dragged the skins up the cliff and sold them for $16.

Raymond, who had negotiated the sale, divided the money, giving me, "the kid," $1 and the others $5 each. Fred objected.

"There's four of us. That means four dollars each, including Georgie. Kid or not, he did a quarter of the work."

The Conley brothers didn't argue. When Fred took a stand, nobody argued with him. Not only was he just about the strongest man on the island, but he was also generally right. It was a wonderfully safe world for us small kids when Fred Benson was around.

I used to think of Fred as my older brother. But when I was six, a summer boarder told me that was impossible because Fred was black. I ran with this astounding news to my father, who affirmed it. My grandfather, he said, had taken Fred out of a Boston orphanage when he was eight years old and brought him home to be a farmhand (a common arrangement in those days). Fred quickly became a member of the family.

After Grandpa died, hard times came to the island. No one contributed more to the family upkeep than Fred. At harvest time he hired out to other farmers; in winter he cut and packed ice; in spring and fall he gathered seaweed for fertilizer. Between jobs he sold clams and fish to the summer hotels.

"Preparation and patience is the way to be a successful fisherman," he'd say whenever I went with him to Sheffield Cove, his favorite place for surf casting. He'd stand on the beach and stare out to sea without moving, sometimes for an hour, looking for the special disturbance on the sea's surface that revealed the presence of fish. Only then would he go down to the cove, plant his feet wide, and swing his pole in a great arc to fling a lure far out to sea, dropping it right where the fish were. Fred always knew the temperature of the water, the speed of the current, the direction of the wind, the quality of the light. "Nature constantly sends out messages," Fred said, "but you've got to tune in or you'll miss them."

In his early twenties Fred spent some time in Detroit learning how to become an automobile mechanic. When he returned, he opened his own garage, which for years was the hub of the universe for the island boys. He let us use his tools to repair our bikes. Watching him work, we got in his way and slowed his progress with a thousand questions, but as long as we were serious and learned something he never complained. He was a born teacher.

The school board recognized this and invited him to join the school faculty and teach a course in auto repair. But the law required that he have at least a high-school education, and Fred had dropped out. He resolved that problem by returning to school. The graduating class of 1951 consisted of four teen-agers and 56-year-old Fred Benson.

That fall we faced his first class. "I have an obligation to teach," he said. "You have an obligation to learn. We fit together like gears in a transmission. I don't want anybody throwing sand in the gear box."

There was never much of a discipline problem in Fred's classes. The boys respected him because they knew he was on their side. One night the school was broken into and some eggs were thrown on a ceiling. The evidence seemed to point to Willis Dodge, who maintained his innocence—until confronted by Fred. "Willis, you've always told me the truth," he said. "And I know you will now. Did you break in and throw those eggs?"

Willis confessed all. Then Fred said, "You'll have to tell Judge McCabe the truth and take your medicine." Seeing the look of dismay on the boy's face, Fred touched his arm and said, "I'll be there with you."

Fred stood shoulder to shoulder with the boy before the judge. Fred spoke no word throughout the proceeding, but his presence was a statement in itself. It said, "This boy made a mistake, but I have faith in him. It is my judgment that in the future he will be a good citizen." The judge got the message and released Willis with a short period of probation.

Today Willis says, "I've never forgotten that when I needed it, Fred Benson put himself on the line for me."

Fred organized and coached the school baseball team. There was no money in the school budget for athletics, so with his own savings and funds he raised from parents and other townspeople he equipped the team and paid for transportation to games on the mainland. All the kids who played ball those years became known as Fred's Boys. They walked with a special pride and developed a lasting bond with the coach and with one another.

When the school retired Fred at age 70, he undertook a whole new career; he became a licensed real estate broker. As his business prospered he gave more and more money away. He never talked about it, but many islanders benefited from his generosity—my family included. He continued to live with us, and one spring he ordered an expensive new water system for our house, to replace the dirty old cistern that froze up in the winter and dried up in the summer. Brushing my thanks aside, he muttered, "I just happened to have some extra money lying around."

In the spring of 1975, Fred won a prize in the Rhode Island lottery and invited all his friends to a lavish clambake. Fred's Boys—now men in their twenties to forties—decided to surprise him. After everyone had finished eating, Lewis Gaffett stood up to speak. "A few of us got together to find some way of telling Fred how much we appreciate all he has done for us. We decided he would like best not a gold watch, but a chance to help future generations of Block Island kids. So we have set up a Fred Benson Scholarship Fund. The interest will be used to help deserving boys and girls go to college. Years from now some excited Block Island kid will come running home to tell his parents, 'I can go to college after all. Fred Benson is going to give me the money!' "

When Gaffett's speech ended, applause and cheers came boiling up like a sudden storm. Fred's brown face was impassive as he looked out to sea, as if he was searching for a school of fish. I knew that this time he would not find them, for his eyes were full of tears.

Fred is now 87 and I am 75. We both continue to live on the Millikin farm. Fred was three times elected president of the Chamber of Commerce and for years was our director of civil defense. He walks slowly now and leans on a stout cane to ease the pain in his arthritic legs. But there is still power in the broad back. Of all the honors that have come to him, the greatest one is unseen and unspoken—he has been the conscience of generations of island boys. Because of Fred Benson they wanted to be better than they were. And because they wanted to be, they were.●

BILINGUAL ELECTIONS AT WORK IN THE SOUTHWEST

● Mr. HART. Mr. President, a key feature of the voting rights legislation, which the full Senate will soon consider, is extension of the 1975 amendments requiring bilingual registration and voting assistance in areas with a significant percentage of language minority citizens. These provisions cover major portions of the Southwest United States, including 34 counties in the State of Colorado.

The effectiveness of the bilingual provisions has been a subject of dispute throughout hearings and debate over the Voting Rights Act extension. This is largely because the bilingual provisions have been in effect for so short a time that information about their implementation and usage is still sketchy. Last week, however, the Mexican American Legal Defense Fund released the results of an extensive study providing new, useful information about the impact of these provisions on Hispanic political participation in the Southwest. The study reveals, among other things, that 1 in 7 American citizens of Mexican descent do not speak English; and that almost one-third of the participants in the study, including some who speak English, would be less likely to register to vote if Spanish language assistance were not available.

This study, funded by the Carnegie Corp. demonstrates that the bilingual provisions of the Voting Rights Act have made political participation a reality for thousands of American citizens. I commend it to my colleagues and request those portions of the executive summary describing the major findings and conclusions of the study be reprinted in the RECORD at this point.

The summary follows:

BILINGUAL ELECTIONS AT WORK IN THE SOUTHWEST

(A Mexican American Legal Defense and Educational Fund Report)

EXECUTIVE SUMMARY

The Voting Rights Act amendments of 1975 expanded the protection of the landmark legislation to language minority citizens: Hispanics, Asians, Indians and Eskimos. A key feature of the 1975 amendments requires bilingual assistance in registration and voting in areas with a significant percentage of language minority citizens. The issue of bilingual elections is once again before the Congress as it moves to renew the Voting Rights Act before August 6, 1982, when many of its provisions expire.

A paucity of information on the impact of bilingual elections and their need and usage prompted the Mexican American Legal Defense and Educational Fund (MALDEF) to undertake this study. Bilingual Elections at Work in the Southwest presents the results of our research. The findings indicate that the bilingual elections provisions of the Voting Rights Act have had a positive effect on Mexican American participation in the political process. Surveys of 912 U.S. citizens

of Mexican descent in three communities reveal that:

One in seven citizens of Mexican descent do not speak English.

Bilingual ballots and oral assistance were generally available in the three communities during the 1980 election. However, little outreach effort was made by the counties to provide bilingual materials and assistance in registration.

One in four Mexican American voters used bilingual ballots in the 1980 Presidential election and as many received bilingual oral assistance when it was made available.

The availability of bilingual assistance has a symbolic as well as a practical significance for Mexican Americans: almost one-third of all respondents, including some who speak English, said they would be less likely to register and vote if Spanish language assistance were not available.

Major findings

Spanish Language Maintenance

Two national surveys provide data that indicate a number of patterns with regard to Spanish language maintenance for this report. The Census Bureau's Survey of Income and Education (SIE) reports that Spanish speakers comprise two out of every five non-English speakers in the United States (even though only one out of every sixteen persons in the total population are Hispanic). From the National Chicano Survey and the SIE, it is clear that:

(1) The vast experience of most Hispanics was that of growing up in a Spanish-speaking household. Only one in seven grew up in English-speaking households.

(2) A sizeable number of persons of Mexican origin (16.7 percent or 830,000) still speak only Spanish. This is true even for native Hispanics.

(3) Bilingualism is the predominant pattern of language usage; however, it is important to distinguish between bilinguals as predominantly English or Spanish-speaking.

(4) The persistence of Spanish usage has a close association with English language ability. Segments of the Hispanic population exhibit some difficulty in speaking and understanding English. These difficulties are more pronounced for reading and writing skills.

(5) A sizeable segment of the Hispanic population functions more frequently and effectively in Spanish than in English.

The MALDEF and Southwest Voter Registration Education Project (SVREP) surveys in three communities confirm the general patterns found in the national samples and demonstrate even greater need for bilingual election services. One in seven citizens surveyed report they speak only Spanish; in addition, four out of five are bilingual. Two-thirds of the bilingual citizens grew up in households where Spanish was the only language spoken, and one in three feel more comfortable speaking Spanish than English. Spanish monolingualism is admittedly diminishing from one generation to the next; while one out of three elderly citizens (age 65 or more) speak only Spanish, one in twenty young Chicano citizens are Spanish monolinguals. This would seem to indicate that the need for bilingual election services will diminish in time.

Availability of Bilingual Election Services

A Federal Elections Commission (FEC) survey of election administrators and community organizations conducted in 1978 reported that "vigorous efforts to provide such comprehensive services have been extremely limited."[1]

It is clear from the three community surveys of eligible Mexican American voters that bilingual materials and assistance were generally made available in both registering and voting in the November 1980 elections. Seven out of ten persons surveyed were aware of the availability of registration and voting materials in Spanish in their counties. Eight of ten were aware of the presence of Spanish-speaking deputy voter registrars. Three out of four respondents reported that there was a person who could assist in Spanish at the polls during that election.

However, other than the availability of materials at the registrar's office and the polling place, most residents did not report that they had ever received Spanish language registration materials or sample ballots at their homes in the two Texas communities. Apparently, the concern expressed in the FEC study has been borne out in our research—"that voter registration is perceived as the responsibility of the individual citizen rather than the election official . . ."[2] and, consequently, few outreach efforts are made by the county to increase voter registration among Hispanics.

The Use of Bilingual Election Services

A substantial segment of the Mexican American voters in the three communities surveyed were found to have used bilingual materials or assistance when they voted in 1980. On the average, one in four voters reported receiving oral assistance from a bilingual poll worker, when such assistance was available. One in four Hispanic voters reported using some or all of the Spanish translation on the ballot where it was available, ranging from one in ten in East Los Angeles to one-third in Uvalde County. Those most likely to use the Spanish portion of the ballot and to receive assistance from bilingual poll workers were Spanish monolinguals, persons over age 65, persons who were very low in educational attainment (less than five years) and low-income persons. It is clear that the Spanish language assistance and materials are being used to a significant degree, especially by those marginal groups that have demonstrated a need for these services.

Opinions of Bilingual Election Services

Respondents in the three communities surveyed were asked their opinions of bilingual election services and what effect discontinuance of bilingual services would likely have on their participation in the electoral process. One out of three Hispanic citizens indicated they would be less likely to vote without Spanish oral assistance and without a bilingual ballot. As many as seven out of ten Spanish monolingual voters, more than half of all voters with less than five years of schooling and almost half of voters with less than $5,000 annual income, said they would be less likely to vote if bilingual election services were eliminated.

The survey results indicate a general perception of the importance of Spanish language assistance in the electoral process. Fully 95 percent of the citizens in the sample indicated it was a good idea to provide language assistance in registration and voting, and 94 percent were convinced it was a good idea to provide a bilingual ballot.

The responses to these opinion questions indicate there is even greater support for bilingual services than actual use of them. These findings suggest that there is a significant symbolic aspect to Spanish language assistance for Mexican American voters apart from the functional linguistic need for these services. The presence of Spanish language assistance in the electoral process may be taken as a sign that Mexican Americans in general are welcomed and encouraged to participate regardless of which language they use.

The Impact of the VRA in Bexar County, Tex.

From 1847 until 1977, Mexican Americans never constituted less than one-third of San Antonio's and Bexar County's population, yet they held very few public offices—far fewer than their share of the population. Even when the Mexican American population climbed to about half of the populace by 1970, political structures such as multi-member state representative districts and multi-member at-large San Antonio City Council seats kept Chicano representation disproportionately low. Chicanos, manipulated for decades via public employment patronage by city and county political machines and discouraged from voting by annual voter registration, a poll tax and little chance of electing Chicano officials, had come to distrust political institutions. Mexican Americans lacked interest in politics and registered and voted at rates considerably lower than Anglos and Blacks.

A Chicano rights movement in the 1970's, led by several groups active in San Antonio, brought litigation that forced the single-member districting of the Bexar county state representative districts in 1972. This caused the Mexican American share of the Bexar County state representatives to rise immediately from under 20 percent to over a third, and then to over 40 percent within eight years. When the Voting Rights Act of 1975 forced the city of San Antonio to adopt single-member council districts in 1977, the percent of Chicanos elected to the council rose from 26 percent (1971–77) to 45 percent (1977–81). In the six years since the Voting rights Act affected Bexar County, the number of Mexican American elected officials in Bexar County, San Antonio city government and the state legislature has risen by over half—from less than one-fourth to more than one-third overall.

The bilingual election services required by the Act have been implemented fairly well in Bexar County and San Antonio at minimal cost. Among the changes these requirements have brought about is a large increase in the number of Spanish-speaking election officials in predominantly Chicano precincts and the general availability of Spanish ballots in all elections. The combination of polling places (which had once been employed to discourage Chicano voters) has largely ended. Since the bilingual provisions have taken effect, the Mexican American share of the county's registered voter pool has risen from 36 percent to 41 percent (much faster than the growth in Mexican American population), and registration and voting in predominantly Chicano neighborhoods has grown. Bilingual oral assistance at the polls and the bilingual ballot have promoted this growth in Chicano participation in elections. Between a fourth and a fifth of the Chicano voters used the Spanish oral assistance and one-fifth used the bilingual ballot in voting. Particularly aided by bilingual assistance and ballots are older Mexican American citizens.

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[1] Alan Hudson-Edwards, Carlos Astiz and David Lopez, *Bilingual Elections Services, Vol. III: The State of the Art* (Washington, D.C.: The National Clearinghouse on Election Administration, Federal Election Commission, 1979).

[2] *Ibid.*, p. 15.

The Impact of the VRA in Uvalde County, Texas

As of 1980, Chicanos comprised 55 percent of the population of Uvalde, up from 51 percent in 1970. They continue to occupy lower status positions in the labor force, however. The stratification in the labor market is greatest in the professional, technical and managerial occupations where white workers outnumber Chicano workers by 3:1, and in the operative and non-farm laborer occupations where Chicano workers outnumber white workers by 4:1 in 1970. Chicano family income (1969) was slightly more than two-thirds of the white family income. Chicanos also lag behind in educational attainment. As of 1981, 3.9 percent had completed four years of college, while 54 percent had less than nine years of schooling.

These disparities continue to be a principal feature of Uvalde's socioeconomic reality. These differences are traceable to the area's history of racial discrimination, and, from the Chicano perspective, strongly influence the context within which the Chicano political struggles develop.

Prior to the 1970's, Chicanos were effectively barred from participating in city and county political life. An effort to elect Chicanos to the City Council in the mid-1950's was overwhelmingly defeated, and almost two decades would pass before Chicanos would successfully assert themselves in Uvalde's electoral processes.

By 1970, Chicanos were predominantly urban, and county and city politics were increasingly influenced by urban residents. In 1970, influenced by national civil rights struggles and the Crystal City experience, Chicanos began a series of protests that culminated in community mobilization and the election of a Chicano County Commissioner in 1974. From 1972 to 1980, Chicanos sought city and county offices regularly but enjoyed little success. They elected only two city councilmen, one county commissioner, and one member of the School Board.

Although Chicanos are a majority of the population, they make up 45 percent of the potentially eligible voters. Moreover, in 1980, while 84 percent of Anglos were registered, only 63 percent of Chicanos were registered. Therefore, Chicanos constitute only 38 percent of all registered voters.

Political life has been undergoing some significant changes since 1974. At the county level, Chicanos have become a cohesive, identifiable voting bloc, and they have elected a county commissioner who represents them in strong and effective fashion. Chicanos are much more dissatisfied with city politics; however, when an at-large electoral system in which all candidates run prevents them from recruiting and electing candidates of their choice.

Since 1975, there have been significant changes in the style and tone of Uvalde political life. Most noteworthy is the extension of bilingual services to Chicano voters. These services include bilingual ballots, Spanish language assistance in registering and voting, and the recruitment and utilization of Chicano election officials. These services have been extended because of the VRA provisions.

It is particularly noteworthy that Anglo and Chicano leaders agree that these bilingual services have contributed greatly to the development of a more cooperative political style. These leaders see these services as bringing the Chicano community into the political process, and both Anglos and Chicanos agree that without these services and other VRA provisions, political relationships could again degenerate into open conflict. The Anglo leaders' views are best expressed by County Judge Jerry White:

"Everything we distribute is bilingual. It's something we have to do [because there are so many Spanish speakers]. There are things you can say in English that you just can't say in Spanish and things in Spanish you can't say in English. We've got a lot of old Mexican [American] families here who don't speak Spanish. They are 100 carat [sic] citizens. I've had people come and say they didn't want to be on jury duty because they only spoke Spanish.

"I promise you one thing. I didn't know that was a federal law. I thought it was just something you did. I could have got in a storm over that. [laughs] This [bilingual provisions and assistance] has a dual purpose. It helps people vote and it also helps people from being taken for a ride because they don't know English. I know more people vote now."

Rogelio Muñoz, attorney and activist, reflects Chicano views:

"If they have a free hand, you face a real possibility of certain changes being made [that will not] give people the right to participate. As long as we have the legacy of historical discrimination, this VRA needs to be in place. We'll need this less and less as time goes on. Until we are able to get people in place in the power structure who will be sure to protect us, we need something like this. Right now, if the City Council or Commissioner's Court decided to do something to us, we would beat them back. . . . [If it weren't there,] . . . they would do whatever they pleased."

Supporting these views is the articulated need by the Chicano community itself that these bilingual provisions are valuable, and that without them almost 50 percent of current voters would be less likely to register and vote.

Conclusions

Almost seven years have passed since the enactment of Public Law 94-73, which expanded the protection of voting rights to include language minorities. Key features of the law are once again before Congress and will soon expire unless extended by Congress. MALDEF undertook a series of studies to determine the need for and utilization of bilingual election services and the extent to which these services foster Mexican American participation in the electoral process.

Surveys in three communities with large concentrations of Mexican American voters indicate that bilingual election materials and services are generally made available, but that outreach efforts are wanting, particularly in regard to bilingual voter registration. Field interviews with election officials and minority community leaders in two of these counties revealed the haphazard manner in which bilingual registration and election services have been administered in these communities.

In spite of these shortcomings, the study shows that where they have been implemented, the minority language election services are essential to participation by certain subgroups of minority voters—the elderly, the undereducated, the poor, and Spanish monolinguals. Beyond that, bilingual elections seem to have symbolic value for most citizens of Mexican origin. In their own estimation, removal of these services would have a detrimental effect on their future electoral participation.●

GALLAUDET COLLEGE

● Mr. D'AMATO. Mr. President, on March 29, I indicated in a "Dear Colleague" to the Members of the Senate my intention to introduce an amendment to restore the 4-percent reduction which the four special institutions—National Technical Institute for the Deaf (NTID) in New York; Gallaudet College in Washington, D.C.; American Printing House for the Blind in Kentucky; and Howard University in Washington, D.C., incurred in the continuing resolution. At this time I would like to introduce for the record an article which appeared in the March 10 edition of "The Chronicle of Higher Education," a periodical which is well respected in the education community. This article, which focuses on Gallaudet College, vividly demonstrates the fine work which these institutions have done in the past, and the need for a sustained level of funding so that they can meet the challenges of the future. I commend the following article to my colleagues, and request that it be inserted in the RECORD at this point.

The article follows:

[From the Chronicle of Higher Education, Mar. 10, 1982]

RESEARCH, INGENUITY, AND CARING FOR THE DEAF AT GALLAUDET COLLEGE—IT AIMS TO GIVE ITS 1,200 UNDERGRADUATES THE MOST "NORMAL" COLLEGE EXPERIENCE POSSIBLE

(By Zoë Ingalls)

"You're not going to write about the football huddle, are you?"

"She's not going to write about that, is she?" The public-relations assistant turned to her boss and repeated the question, seeking reassurance.

Virtually every article written about Gallaudet College in the popular press recently has included the story—a legend, almost—that credits the world's only four-year liberal-arts college for the deaf with the invention of the football huddle. It is said that players huddled together to keep opposing teams from reading the sign-language signals given by the quarterback.

Gallaudet officials are partly irritated and partly amused by the widespread interest in the tale, when there is so much else of substance to relate.

Edward C. Merrill, who has been president of the college since 1969, believes the founding of Gallaudet—it was established by act of Congress in 1864 and still is financed largely through the federal budget—was a breakthrough analogous to landing on the moon. "The bill creating Gallaudet caused tremendous controversy in Congress," he says. "[It was thought that] deaf people couldn't learn. 'Deaf and dumb' was interpreted to mean 'ignorant,' not 'unable to speak.' "

With the college's founding, he says, "for the first time, public policy said that deaf people could learn at the college level, and gave them a chance to prove it. It's like getting to the moon. You have to have somebody do it first, then it opens up a whole new world of what you think you can do.

"Gallaudet is still a symbol to deaf people around the world."

Today the undergraduate college, which enrolls some 1,200 deaf and hearing-impaired students, forms the heart of the institution, but Gallaudet also offers master's degrees in six areas and doctorates in special-education administration to both hearing and deaf students.

A NATIONAL RESOURCE CENTER

Although education is its primary job, Gallaudet has become a national resource center on the deaf, providing services ranging from an information clearinghouse to legal aid.

Educators at elementary and secondary schools on the college's campus develop and test curricula, textbooks, and teaching methods that serve as models for schools across the country.

Gallaudet is known as the "Harvard of the deaf." Its graduates are the leaders in the deaf community, and many also achieve conventional success in the "hearing world," as well—a world in which deaf and hearing-impaired people are typically underemployed. The vast majority of Gallaudet alumni occupy professional and managerial positions, and earn substantially more money than deaf people who did not attend the college.

Gallaudet, whose faculty boasts many of the superstars in the fields of audiology, the education, psychology, and sociology of the deaf, and the linguistics of sign language, is a center for research and scholarship.

It was largely through the efforts of William C. Stokoe, professor of linguistics at Gallaudet, that American Sign Language—long considered a disreputable type of signed pidgin English—gained credibility as a separate and legitimate language.

GALLAUDET "HAD A MONOPOLY"

R. Orin Cornett, known as the "father" of an important new system of communication called "cued speech," conducts his research at Gallaudet, as do Kathryn P. Meadow, a leading sociologist in the field of deafness, and James M. Pickett, a well-known researcher working on the analysis of sound, speech, and sound amplification.

It's no wonder that Gallaudet is what young deaf people aspire to. "Gallaudet until recently had a monopoly," says one deaf faculty member. "That's where you went to college if you were deaf."

Now, nearly 60 postsecondary institutions accept only deaf students or have special programs for them. All—except Gallaudet—are either technical schools or adjuncts to colleges with hearing students. The largest, next to Gallaudet—and also Gallaudet's biggest competitor—is the National Technical Institute for the Deaf, located on the campus of the Rochester Institute of Technology. The emphasis at N.T.I.D. is on scientific and technical vocational training.

Gallaudet's liberal-arts curriculum is not the only thing that distinguishes it from those other institutions. Gallaudet is special in its aim to give deaf students the most "normal" college experience possible, according to President Merrill, who is not deaf himself. And in many respects Gallaudet is extraordinarily "ordinary." It represents, as one observer puts it, "a lot of folks' idea of what college should be. There's a real college-y flavor."

The campus, located in the northeast section of this city, features some pleasantly ornate old buildings and some starkly utilitarian new ones. It has its share of stately trees, and rolling lawns crisscrossed with footpaths.

"IT'S A DEAF WORLD"

Students can major in any one of 26 areas of study, including foreign languages. Gallaudet's varsity athletic teams—known as the Bisons—compete in Division III of the National Collegiate Athletic Association and the Association of Intercollegiate Athletics for Women in such sports as football, field hockey, basketball, swimming, track and field, baseball and tennis. This year the women's volleyball team had the best record in its division, winning 36 of 42 games in regular-season play. The team came in fourth in the Eastern Regional Conference in Division III and went on to compete in the national tournament.

Minnie Mae Wilding, a junior majoring in English, graduated from a public high school in her hometown in Idaho. "I had some [hearing] friends," she says through a sign-language interpreter, but she could communicate with them only by writing notes. Because of that, and because she couldn't use the telephone, she rarely saw them outside of school.

"I really felt alone in the evenings," she says.

"That's the reason I came to Gallaudet. Here, the sports and other activities are more open to us than they would be at other colleges. It's a deaf world, and the deaf control it."

Ms. Wilding, who has been deaf from birth, is editor in chief of the biweekly student newspaper, the Buff and Blue. Students also publish a literary magazine called Manus and a yearbook, The Tower Clock.

Clubs and other organizations, including five fraternities and three sororities, abound. The on-campus rathskeller offers such student staples as beer and pizza and a jukebox with the volume knob seemingly frozen on "loud." Those with residual hearing can enjoy the music and those completely deaf, the vibrations.

The Gallaudet College Theater Company, which includes a small touring troupe, often performs original works written by faculty members. One of the most popular, "Sign Me Alice," by Gilbert C. Eastman, a professor of theater arts, is a deaf person's Pygmalion. In it, a young woman, Alice, who speaks in "lower-class" American Sign Language, is tutored by a professor in the more socially proper Signed English.

Gallaudet belongs to a Washington-area consortium of colleges and universities, and students may take classes at any one of eight other institutions. The college also participates in exchange programs with Oberlin and Western Maryland Colleges, and Gallaudet students may spend a summer studying and traveling in England, France, Germany, or Spain under the aegis of a foreign-study program.

In short, Gallaudet boasts most of the opportunities and trappings of any college of its size. But for a visitor who can hear, stepping on the campus is almost like entering a foreign country, where everyone speaks a language for which a Berlitz guide is unavailable.

SUDDEN LAUGHTER

On the green, two women walk by, absorbed in conversation. Their lips are still, but their hands work feverishly. Suddenly, they break into laughter.

In the cafeteria, hundreds of flashing fingers generate the illusion of noisy hustle-bustle.

In the library, two sudents begin a casual discussion that suddenly grows lively. Scarcely pausing, they put down their books to free their fingers for faster conversation.

Language both separates the deaf and unifies them. Deaf people attempting to live and function "normally" in a predominantly hearing world encounter "something like the problem of the foreigner in a strange culture where the language difficulty is acute enough to exclude one from complete socialization with the natives," says literature distributed by Gallaudet's National Information Center on Deafness.

In an office on the campus, a hearing visitor chats with a deaf professor, who does a good job of lip reading, provided the visitor speaks slowly and carefully.

In the course of the conversation, the visitor injects a throwaway line. The professor misses it.

"What?" he asks. "Nothing," she replies, aware that such lines lose their punch on repetition.

"That's not fair," he says, and makes her repeat it.

The majority of Gallaudet's students are what is called prelingually deaf—that is, they were either born deaf or lost their hearing before they mastered spoken language. As a result, many are effectively cut off from language until they reach school age, and most have trouble reading, writing, and even understanding English. They misconstrue syntax and tend to have weak vocabularies. English is a foreign language to many deaf people as surely as if they had grown up in Outer Mongolia.

"It's not uncommon for a deaf child to come to first grade with a vocabulary of as few as five words," says Donna L. Chitwood, director of media and campus relations.

"In the 10-year period from age 8 to age 18, the average hearing-impaired student increases his vocabulary only as much as the average normal-hearing student does between the beginning of kindergarten and the latter part of second grade," according to a report by Gallaudet's Office of Demographic Studies.

Because of the language problem, deaf high-school students tend to score low on standardized tests such as the Scholastic Aptitude Test. "[Success on] those tests depends on a person's ability to read and write English rather than on their potential to do college work," says Jerald M. Jordan, Gallaudet's director of admissions. "So those tests are not of much use to us."

The college has developed its own battery of 12 admissions tests, which officials say are uncommonly good at predicting success. "We look for some strength, some indication that the student can succeed," Mr. Jordan says. For example, he says, it is not uncommon "for a profoundly deaf student to show some weakness in manipulating the English language, but to score very well in math. We accept that student. His [success in math] translates very well into English.

"We don't screen out," Mr. Jordan adds. "We screen in."

Application to Gallaudet is open to all students who meet one basic requirement: "a hearing loss great enough to cause difficulty if they attended a regular college program."

"A 70-decibel loss in the better ear is the rule of thumb," Mr. Jordan says. (A person at that level is considered to have a severe hearing loss. He or she would be unable to hear normal conversation, for example, which is about 55 decibels.)

That translates, on the average, into about 1,000 applications for admission every year. About half of those are accepted, and some 300 enroll.

Most Gallaudet students take five years to complete the baccalaureate program. They spend their first year in a preparatory program designed to hone language and other skills. This year, 208 of the 294 students in the entering class—over 70 percent—enrolled in the program.

Language deficiencies do not translate into lack of ability, however. "On the Cattell intelligence test, where the dependence on language is minimal, the I.Q. of our entering students compares [favorably] with hearing college sophomores nationwide," says President Merrill.

"What do you have? You have real bright students who have a terrible problem with language, because they don't hear it," he says.

TOTAL COMMUNICATION

To help narrow the language gap, Gallaudet is committed to what it calls total communication—a philosophy as much as a method. Total communication means just what it implies: using every means at one's disposal to make communication possible. In addition to various sign languages, those means might include gestures, facial expressions, hearing aids, pantomime, lip reading, writing, and using the voice.

In the classroom, teachers use both spoken English and Signed English, the official Gallaudet sign language, in which hand signals are direct translations of English words and follow the rules of English grammar. But among themselves, many students speak American Sign Language (ASL or Ameslan), which has its own grammar and vocabulary and is faster and simpler to use. (To many deaf people, Signed English has snob appeal. The Gallaudet "accent" in sign language is said to be as distinctive as the spoken accent of the most proper Bostonian.)

One advantage of Signed English is that novices can learn it in a relatively short time—a useful point, since 70 per cent of faculty members at Gallaudet are able to hear normally. "A few are interested in deafness," says Rex Lowman, a professor of economics, who is deaf. The rest? "The job market is bad, and our salaries are competitive," he replies.

"WE DIDN'T GO TO THE RAT"

Most have had little exposure to deaf people, and Gallaudet runs an intensive eight-week summer orientation program for all new faculty members. They live on the campus, attend lectures on such topics as deaf culture and the problems of deafness, and spend virtually every waking hour trying to learn sign language. Recalls Anne M. Butler, a new assistant professor of history, "In the beginning [of the summer], we didn't go to the Rat [the rathskeller]. That's where you really have to know sign language to survive. We were afraid to [try to] order beer."

But by the end of the summer, she says, she and other new faculty members were so eager to improve their new language skills that they "would go there, buy kids pitchers of beer and say, 'You sit down here and sign with us.' "

Her skill improved, but, like many new, hearing teachers, she is still handicapped and, as a result, ill at ease in the classroom.

"I've been teaching 17 years, and have developed a whole bag of tricks useful in the classroom," she says. "Now, that whole bag of tricks is useless. I feel like a baby in the classroom."

As is true with any foreign language, a lot is lost in translation. "Sarcasm is very dangerous," says Ms. Butler. "And God forbid I should digress."

"I've always used a lot of humor in the way I teach history," she continues. "Now, to get the whole class to laugh at a little joke is a huge success."

"ARE THEY CHEATING?"

Rex Lowman, who has taught at Gallaudet for 28 years, and used to be in charge of orientation for new faculty members, points out another potential problem. "One student speaks to another. The [new faculty member] is too slow to know what's going on. It creates doubt. Are they cheating, or just passing the time of day?"

Because of the communication problem, he says, deaf students feel more comfortable with deaf teachers and, where possible, "pick deaf teachers over hearing teachers when they sign up for classes."

A NEW NOTE-TAKING SYSTEM

Teaching at Gallaudet demands that even deaf faculty members be more resourceful and more tuned in to students than their counterparts at regular colleges. They respond in a variety of ways: In his basic economics courses, for example, Mr. Lowman writes technical words on the board, goes slowly to give students time to take notes (all Gallaudet classes are small, and students sit in semicircles so that everyone can see the teacher sign), and uses overhead projectors and reading guides.

Ms. Butler is in the process of developing a new note-taking system to help ease the difficulty of writing and watching sign language at the same time. Catherine W. Ingold, an assistant professor of Romance languages, and a colleague, Carole Frankel, have written their own French-language text and accompanying workbook. "It's amazing to what extent we are able to overcome the problems of logistics." Ms. Ingold says.

Deafness is apparently a mother of invention, and Gallaudet has done an ingenious job of overcoming logistics outside the classroom, as well. Since doorbells and knocking won't work, the college has installed signal lights that a visitor flashes to gain admittance. The lights have made unnecessary the heavy metal panels on the bottoms of doors that visitors used to kick, sitting up vibrations that could be felt inside.

"Problem was, it would create such strong vibrations that you might feel them three doors down," recalls Michael Kalka, a 1972 Gallaudet graduate. "That wasn't appreciated at 3 in the morning."

FLASHING FIRE ALARM

A flashing light signals that the telephone is ringing (deaf people have some access to the telephone by using teletypewriters), and fire drills are announced by a flashing strobe light accompanied by an incredibly loud alarm bell. Flashing lights are also used to bring a class to order.

Ingenuity, bolstered by an aggressive work-study program, has helped place some 80 students in "academically meaningful" job internships every semester, and about 200 during the summer months. Meticulous attention to the task of putting the right student in the right job, a candid and extensive orientation for prospective employers, and the careful monitoring of student progress are responsible for the program's success, according to its director, William E. Varrieur.

"When we started the program, we could get only I.B.M. to cooperate—they've always been very forward-thinking as far as bringing in minorities and the handicapped," he says.

"Last year, I.B.M. interviewed 35 students [for the off-campus program]. Only 3 accepted, because they had so many other choices."

Efforts by Mr. Varrieur and others have paid off: Within four months of graduation, over 73 per cent of the students in the class of 1981 were either employed or attending graduate school.

A PARADOX

To many observers, both hearing and deaf, Gallaudet is a paradox. It provides what looks like a cloistered life while claiming to prepare students for productive lives in the world at large. Some critics are proponents of "mainstreaming," saying that special institutions like Gallaudet isolate deaf people and discourage them from successfully integrating themselves in hearing society.

Counters President Merrill: "If you define mainstreaming as getting people into larger society that's our goal as much as anybody's."

He acknowledges that, for a few deaf students regular colleges may be the answer. But not for most, "Here, they can receive probably a more nearly normal college experience than they can anywhere else."

"They are free to participate in the student government—even be its president," he continues. "They are free to join fraternities and sororities. They are free to play varsity sports."

"In mainstream colleges, deaf students are generally spectators."

"When I arrived here, I was surprised to see all the teachers using sign language," says Cheryl Jaglowski, a first-year student who has been deaf since she was 4½. "That's what it means to come here—you can communicate," she adds, speaking through an interpreter.

"I felt confident. I felt understood." ●

A TRIBUTE TO JOHN J. PARTINGTON

● Mr. PELL. Mr. President, I would like to take this opportunity to commend one of Rhode Island's leading law enforcement officials. John J. Partington has just returned to his hometown of Cumberland, where he is now Chief of Police, following a distinguished 20-year career with the U.S. Marshals Service.

Partington is truly a complete law enforcement professional. Beginning his career 25 years ago as a patrolman in Cumberland, John was destined to travel the length and breadth of the United States as a member of the U.S. Marshals Service. He helped to develop the witness protection program, which has been of invaluable assistance to Federal prosecutors in securing convictions. For 11 years, from 1967 to 1978, he crisscrossed the country as a deputy U.S. Marshal, protecting Government witnesses including major organized crime figures and Watergate defendants. The capstone of his Federal career came in January 1980, when President Carter appointed him to serve as U.S. Marshal for the State of Rhode Island.

In his all too brief tenure, John continued to professionalize the Marshal's

office and won acclaim for his enthusiastic leadership and dedication to law enforcement.

Now John has returned to the town where he was born and raised to accept the challenge of a local police chief's badge. Few individuals have made as outstanding a contribution to law enforcement in my State as John J. Partington. I would like to commend John for his distinguished service to his town and Nation and wish him a long and successful tenure as Cumberland Chief of Police.●

SECRETARY BLOCK'S PROPOSALS TO REFORM THE DAIRY PRICE SUPPORT PROGRAM

● Mr. DURENBERGER. Mr. President, the policy proposals announced yesterday by Agriculture Secretary John Block address a real problem, but they also contain some real dangers for dairy farmers in the upper Midwest.

No one—least of all the dairy farmer—denies the problem created by the growing over-supply of fluid milk. The cost of the dairy price support program has risen from $46 million 2 years ago to $1.94 billion as of October 1, 1981. Estimates for this year go as high as $2.5 billion. The problem is far more than a budgetary problem, because this over-supply threatens to undermine the economics of the dairy industry for years to come. To their immense credit, dairy farmers and the national organizations that represent them have been in the forefront of the effort to find a solution.

As important as it is to recognize the existence of the problem, it is equally important to recognize where the bulk of the problem is coming from. Relatively speaking, the average size of dairy herds in the upper Midwest has not changed substantially in recent years. The 30-40-cow herd is still the norm in our part of the country.

In contrast, there has been a dramatic explosion in herd size in Arizona, California, and other areas of the Southwest. In those regions, the growth of dairy herds has been so dramatic that herds of 1,000 and even 1,500 head are not uncommon. This regional growth is at the heart of the over-supply problem, and it is where the principal emphasis of any solution has to be directed. Minnesota dairy farmers are willing to be a part of the solution, but they cannot be asked to shoulder or be willing to shoulder a disproportionate share of the effort.

Secretary Block's proposals have to be viewed in this context.

I am pleased that the Secretary declared an 8-month moratorium in which farmers can take voluntary action toward a further reduction. Any immediate across-the-board cutback in price supports—an action that many feared the Secretary would recommend—would hit small farmers the hardest. And it would have provided no incentive for herd reduction; if anything, it would have provided an incentive for owners of the larger herds to use their capital advantage to increase production, and make up in volume the dollars lost through lower price supports.

The second part of the Secretary's proposal, in which he seeks discretionary authority to lower support levels, is far more difficult. I am simply unwilling to abandon my prerogatives as a Minnesota Senator by granting the Secretary unrestricted discretionary authority to set milk support levels. To do so would take my voice, and the voice of the people I represent, out of the solution process. At the same time, I am not—at least for the present—going to rule out the possibility that granting the Secretary some additional authority to act within strict criteria set by Congress, might play a role in the ultimate solution to this problem.

Mr. President, bear in mind that the issue here is how to create incentives for herd reduction, and how to do so while protecting the very legitimate interests of the small dairy farmers that typify the upper Midwest. There are two ways to approach that issue. First, Congress can simply legislate its own solution. Second, Congress can grant the Secretary additional discretion to act, but condition that discretion on certain clearly set criteria that protect the small- to medium-sized herds of our region.

In the coming months, I intend to pursue both options. I shall work with Minnesota dairy farmers and the national farm groups to determine whether specific criteria can be drafted that would permit the Secretary some of the discretionary authority he seeks, while conditioning that authority in a manner that protects the interests of upper Midwestern farmers. At the same time, I shall continue to work with my colleague, Senator Rudy Boschwitz, in developing legislative solutions to the over-production problem.

Any solution to this problem has to be fair to all involved. And if it is going to be a workable solution, it is going to have to come from dairy farmers themselves who know the production economics of their business better than anyone else. I urge all of my colleagues to join me in rejecting "quick fixes" and pursuing this approach, a sound approach which can yield sound and permanent solution.●

THE LOSS OF THE LAW OF THE SEA TREATY

● Mr. PELL. Mr. President, it is with much regret that I stand before my colleagues today to report on the dismal conclusions of the Law of the Sea negotiations in New York last Friday. After almost 9 years of U.S. participation in negotiations on a comprehensive Law of the Sea Treaty, the United States, in the end, was unable to negotiate changes it felt mandatory for U.S. participation.

Last Friday, the United States together with Israel, Venezuela, and Turkey cast "no" votes at the final meeting of the conference. A number of our European allies together with most countries of the Eastern bloc, abstained from voting. However, 130 nations, including France and Japan cast votes in favor of the draft text. Despite the U.S. vote, the treaty will be opened for signature in Caracas, Venezuela in December, and will enter into force once 60 nations have ratified the treaty.

My hope that the Third U.N. Conference on the Law of the Sea, would succeed in establishing a universally acceptable code of international law to govern the myriad uses of the oceans was not realized. What went wrong? Frankly, Mr. President, the blame must be laid at the feet of the administration. First, the administration took almost a year to complete its review of the then existing draft text. The length of the review in and of itself was not the problem. However, it was clear reflection of the existence of a profound ideological split within the administration, over whether or not it was in the interest of the United States to be a party to a comprehensive Law of the Sea Treaty, whatever its contents.

In the early days of the review process, some administration officials even threatened to reopen many portions of the text for debate which had been haggled over during years of negotiations and which had ultimately been settled only after painful compromises on all sides. This raised questions in the minds of all other Conference participants whether the Reagan administration could ever be satisfied with the changes in the text which most participants were prepared to make or whether it was even serious about negotiating. It was especially annoying to delegates from developing nations that many of the provisions cited by U.S. officials as problematic, had actually been initially proposed by earlier U.S. delegations in the spirit of compromise.

When U.S. negotiators returned to the negotiating table in March, the Conference agenda was essentially the same agenda outlined by Ambassador Elliot Richardson in August 1980. At that time, it was his view that the Conference could complete its work within a year once it had dealt with the three outstanding issues: Participation by nonstate entities; establishment of a preparatory commission to draft the rules and regulations governing deep seabed mining; and grandfather rights for investors who had expended funds prior to entry into force of the treaty.

Ironically, the Reagan administration, if it had seized the moment early on, was perhaps in the best overall position of any administration to extract a number of concessions from developing countries even well beyond the narrow agenda left by Ambassador Richardson.

Yet, despite the President's announcement of January 29, that the United States would participate in the March negotiations in New York and that the United States was committed to "the multilateral treaty process for reaching agreement on Law of the Sea," the tension between competing camps within the administration remained. When the time came for the U.S. delegation to negotiate changes in part XI of the text—the deep seabed mining provisions, those opposed to the treaty on ideological grounds, continued to exert pressure within the administration leaving our negotiators in New York in virtual strait jackets.

What do the events of last Friday mean for the United States and other States which do not choose to sign the treaty? I do not think anyone knows for sure. What is clear, however, is that the world has been profoundly changed with respect to the legal regime governing the oceans after Friday's events. There are now competing legal regimes governing the use of the oceans. This, I do know, is clearly not in the interest of the United States.

I am very concerned, Mr. President, about the status of the navigation provisions contained in the text vis-a-vis the United States. Critics of the treaty have argued that many of these provisions are already established customary law, and therefore, the United States will have their benefits. I would point out, however, that neither freedom of transit of U.S. vessels through 116 narrow straits, nor passage of U.S. submarines submerged, nor overflight of our aircraft over territorial waters is guaranteed to us without our participation in the treaty. Nations which become parties to the treaty are surely likely to challenge the right of the United States to exercise these benefits of the treaty without U.S. ratification.

I am equally concerned about the status of a U.S. deep seabed mining industry now that the United States is unlikely to become a party to the treaty. Ironically, the U.S. companies which have made initial investments in deep seabed mining are well protected by the Preliminary Investment Protection (PIP) resolution adopted by the Conference in conjunction with the treaty text. They will simply need to reincorporate under a foreign flag. Their mine sites have been reserved for them by the PIP resolution. However, the United States is likely to be left without any deep seabed mining industry. What company is going to want to go to the expense of mining when the legality of its actions will surely be called into question before the International Court of Justice?

Mr. President, I would urge President Reagan to give serious consideration to making one last overture to Conference leaders to see whether, even at this late date, it might be possible to fashion a compromise which satisfies both the United States and the other conference participants. Perhaps the appointment of a special emissary who has a distinguished record of service in the foreign policy area might be worth consideration. Surely the risks of a treaty without U.S. participation are sufficiently great for all parties to warrant one last try.●

CONSTITUTIONAL AMENDMENT FOR PRAYER IN SCHOOL

● Mr. **HART**. Mr. President, the President's plan for a proposed constitutional amendment allowing voluntary prayer in our public schools will undermine the religious liberty of all Americans. For nearly 200 years, our country's rich religious heritage has developed under a constitutional system which recognizes that religion is fundamentally a private matter and that the rights of all persons to freely exercise their religious beliefs are best protected when the Government is prohibited from engaging in, or interfering with, religious activities.

Almost 20 years ago, the Supreme Court stated "that a union of Government and religion tends to destroy Government and to degrade religion." Taking prayer, one of the most personal of all religious activities, from the sanctity of the home or the place of worship, and thrusting it into the public schools demeans the significance of prayer by saddling it with the mantle of governmental interference. Allowing a public school teacher to select the daily prayer would place the Government in the position of choosing among our country's numerous religions and denominations, and would destroy the governmental neutrality that has allowed America's diverse religion to flourish.

No prayer conducted in the classroom during the school day can truly be said to be totally voluntary. Schoolchildren declining to participate in school prayers led by their teachers often will be subjected to pressure, stigma, and scorn by their peers, merely for exercising their own religious beliefs. Speaking for the Supreme Court, Justice Black recognized that whenever the Government supports a particular religious belief, "the indirect coercive pressure upon religious minorities to conform to the prevailing officially approved religion is plain." A country dedicated to religious freedom and diversity should not subject a minority of its citizens to any form of coercion as a result of their religion.

Allowing prayer in the public schools undermines parent's role in the moral education of their children. One of the cornerstones of religious liberty is the right of every family to teach each new generation the distinctive traditions and beliefs of its religious heritage, free from Government interference. Placing young school children in the position of having either to absent themselves from their schoolmates, or else be subjected to a recitation of religious beliefs foreign to their own, will interfere with parent's right to shape the religious education of their children and introduce tension into the family's religious observance.

The President's proposed amendment would also undercut the special place of public schools in American life. Our public schools have long taught America's young people about our country's history of religious tolerance and the importance of respect for persons with different religious, racial, and ethnic backgrounds. As Justice Brennan recognized, "the public schools serve a uniquely public function: The training of American citizens in an atmosphere free of parochial, divisive, or separatist influences of any sort—an atmosphere in which children may assimilate a heritage common to all American groups and religions." Allowing prayer in the public schools would interfere with the teaching of religious tolerance by expressing the Government's commitment to a particular religious observance.

I therefore strongly oppose the President's proposed constitutional amendment as a serious threat to religious liberty.●

ATTORNEY GENERAL SPEAKS OUT ON COURT STRIPPING

● Mr. **BAUCUS**. Mr. President, on March 23, at a hearing of the Senate Judiciary Committee, I asked Attorney General William French Smith for the Department of Justice's views on S. 1742, a bill which would remove Federal court jurisdiction over the issue of school prayer. Earlier this week, I criticized the Attorney General for not speaking out on the issue of court stripping and for not responding to my written request for the Department's views on these significant constitutional issues.

I am pleased to report that earlier today, I received a letter from Assistant Attorney General Robert McConnell which enclosed a letter to Senate Judiciary Committee Chairman THURMOND from the Attorney General with his views on S. 1742. The letter to Chairman THURMOND is a lengthy 16 page analysis of this Supreme Court jurisdiction removal proposal.

However, I am pleased to indicate to the Senate that, taken as a whole, the letter raises most of the significant constitutional concerns that those of us who have been opposing the court stripping proposals have been raising for the last 18 months.

In his analysis, the Attorney General states:

> Congress may not, however, consistent with the Constitution, make "exceptions" to Supreme Court jurisdiction which would intrude upon the core functions of the Supreme Court as an independent and equal branch in our system of separation of powers . . . Concluding that Congress may not intrude upon the core functions of the Supreme Court is not to suggest that the Supreme Court and the inferior federal courts have not occasionally exceeded the properly restrained judicial role envisaged by the Framers of our Constitution . . . The remedy for judicial overreaching, however, is not to restrict the Supreme Court's jurisdiction over those cases which are central to the core functions of the Court in our system of government. This remedy would in many ways create problems equally or more severe than those which the measure seeks to rectify.

The Attorney General's letter then provides an excellent analysis of the preceedings of the Constitutional Convention which support a construction of the exceptions clause that would preclude Congress from interfering with the Supreme Court's core functions. The letter goes on to indicate that the Attorney General's assessment of Supreme Court case law supports such a limited reading of the exceptions clause. Finally, the Attorney General maintains that nothing in Congess previous conduct would suggest that Congress' power under the exceptions clause would permit it to interfere with the Court's core functions.

In his conclusion, the Attorney General addresses the public policy considerations that should be weighed in evaluating the court stripping bills:

> It is appropriate to note, however, that even if it were concluded that legislation in this area could be enacted consistent with the Constitution, the Department would have concerns as a policy matter about the withdrawal of a class of cases from the appellate jurisdiction of the Supreme Court. History counsels against depriving that Court of its general appellate jurisdiction over federal questions. Proposals of this kind have been advanced periodically, but have not been adopted since the Civil War. There are sound reasons that explain why Congress has exercised restraint in this area and not tested the limits of constitutional authority under the Exceptions Clause.
>
> The integrity of our system of federal law depends upon a single court of last resort having a final say on the resolution of federal questions. The ultimate result of depriving the Supreme Court of jurisdiction over a class of cases would be that federal law would vary in its impact among the inferior courts. State courts could reach disparate conclusions on identical questions of federal law, and the Supreme Court would not be able to resolve the inevitable conflicts. There would also exist no guarantee through Supreme Court review that state courts accord appropriate supremacy to federal law when it conflicts with state enactments.

Mr. President, I am particularly pleased that the Attorney General has finally spoken out against court stripping. The fundamental constitutional principles raised by this legislation are worthy of the Attorney General's attention and I welcome his participation in the national dialog. Mr. President, I ask that a copy of the Attorney General's letter be included in the RECORD at this point.

The letter follows:

U.S. DEPARTMENT OF JUSTICE,
OFFICE OF LEGISLATIVE AFFAIRS,
Washington, D.C. May 6, 1982.

Hon. MAX BAUCUS,
Committee on the Judiciary, Washington, D.C.

DEAR SENATOR BAUCUS: You have requested this Department's view on a proposal which would withdraw jurisdiction from the Supreme Court. In response to that inquiry and because of your interest in this entire subject area I enclose a copy of a letter the Attorney General has sent to Chairman Thurmond on this subject.

Also enclosed is a letter to Chairman Rodino responding to his inquiry for the Department's views concerning those portions of S. 951, the Senate-passed version of the Department of Justice appropriation authorization bill for Fiscal Year 1982, which relate to the mandatory transportation of school children to schools other than those closest to their homes. I thought this too would be of interest.

Sincerely,

ROBERT A. MCCONNELL,
Assistant Attorney General.

OFFICE OF THE ATTORNEY GENERAL,
Washington, D.C., May 6, 1982.

Hon. STROM THURMOND,
Chairman, Committee on the Judiciary,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This letter is written to you as Chairman of the Committee on the Judiciary. It is written in response to a number of earlier inquiries from members of your Committee concerning S. 1742, a proposal which would withdraw jurisdiction from the Supreme Court to consider "any case arising out of any State statute, ordinance, rule, [or] regulation . . . which relates to voluntary prayers in public schools and public buildings." A second provision of the bill would withdraw the jurisdiction of the district courts over any case in which the Supreme Court has been deprived of jurisdiction. This bill raises fundamental and difficult questions regarding the role of the Supreme Court in our constitutional system, as well as the power of Congress to define and circumscribe that role. The issues involved have been the subject of intense scholarly debate and prominent constitutional scholars have differed as to the extent of congressional power to limit Supreme Court jurisdiction.

This is perhaps to be expected since the question of congressional power over the appellate jurisdiction of the Supreme Court implicates in a basic way the relations between Congress and the Supreme Court, two co-equal branches of government. Relations between the different branches in our tripartite system are generally governed by the doctrine of separation of powers. Neither the Constitution nor the decisions of the Supreme Court have attempted to define the precise contours of this doctrine. As two astute students of our constitutional system have noted:

"The accommodations among the three branches of government are not automatic. They are undefined, and in the very nature of things could not have been defined, by the Constitution. To speak of lines of demarcation is to use an inapt figure. There are vast stretches of ambiguous territory. Frankfurter & Landis, *Power of Congress Over Procedure in Criminal Contempts in "Inferior" Federal Courts*, 37 Harv. L. Rev. 1010, 1016 (1924) (italics in original)."

The doctrine of separation of powers touches fundamentally on how the Nation is governed, and, as the Supreme Court noted last Term in a separation of powers case, "it is doubtless both futile and perhaps dangerous to find any epigrammatical explanation of how this country has been governed." *Dames & Moore* v. *Regan*, 101 S. Ct. 2972, 2977 (1981). In this area more than any other we must heed Justice Holmes' wise admonition that "[t]he great ordinances of the Constitution do not establish and divide fields of black and white." *Springer* v. *Philippine Islands*, 277 U.S. 189, 209 (1928) (dissenting opinion).

There is no doubt that Congress possesses some power to regulate the appellate jurisdiction of the Supreme Court. The language of the Constitution authorizes Supreme Court appellate jurisdiction over enumerated types of cases "with such Exceptions, and under such Regulations as the Congress shall make." The Supreme Court has upheld the congressional exercise of power under this clause, even beyond widely accepted "housekeeping" matters such as time limits on the filing of appeals and minimum jurisdictional amounts in controversy. See *Ex parte McCardle*, 74 U.S. (7 Wall.) 506 (1869).

Congress may not, however, consistent with the Constitution, make "exceptions" to Supreme Court jurisdiction which would intrude upon the core functions of the Supreme Court as an independent and equal branch in our system of separation of powers.

In determining whether a given exception would intrude upon the core functions of the Supreme Court, it is necessary to consider a number of factors, such as whether the exception covers constitutional or nonconstitutional questions, the extent to which the subject is one which by its nature requires uniformity or permits diversity among the different states and different parts of the country, the extent to which Supreme Court review is necessary to ensure the supremacy of federal law, and whether other forums or remedies have been left in place so that the intrusion can properly be characterized as an exception.

Concluding that Congress may not intrude upon the core functions of the Supreme Court is not to suggest that the Supreme Court and the inferior federal courts have not occasionally exceeded the properly restrained judicial role envisaged by the Framers of our Constitution. Nor does such a conclusion imply an endorsement of the soundness of some of the judicial decisions which have given rise to various of the legislative proposals now before Congress. The

Department of Justice will continue, through its litigating efforts, to urge the courts not to intrude into areas that properly belong to the State legislatures and to Congress. The remedy for judicial overreaching, however, is not to restrict the Supreme Court's jurisdiction over those cases which are central to the core functions of the Court in our system of government. This remedy would in many ways create problems equally or more severe than those which the measure seeks to rectify.[1]

With respect to other pending legislation, the Department of Justice has concluded that Congress may, within constraints imposed by provisions of the Constitution other than Article III, limit the jurisdiction or remedial authority of the inferior federal courts. See letter from the Attorney General to Chairman Rodino concerning S. 951. The question of congressional power over lower federal courts is quite different from the question of congressional power over Supreme Court jurisdiction, and the two issues should not be confused.

I

Proponents of congressional constitutional authority to limit the Supreme Court's entire appellate jurisdiction have contended that such authority exists under the "Exceptions Clause" of Article III of the Constitution. Article III provides, in pertinent part:

"Section 1. The judicial Power of the United States, shall be vested in one supreme Court, and in such inferior courts as the Congress may from time to time ordain and establish. * * *

"Section 2. The judicial Power shall extend to all Cases, in Law and Equity, arising under this Constitution, the Laws of the United States, and Treaties made, or which shall be made, under their Authority; to all Cases affecting Ambassadors, other public Ministers and Consuls; to all cases of admiralty and maritime Jurisdiction; to Controversies to which the United States shall be a Party; to Controversies between two or more States; between Citizens of different States; between Citizens of the same State claiming Lands under Grants of different States, and between a State, or the Citizens thereof, and foreign States, Citizens or Subjects.

"In all Cases affecting Ambassadors, other public Ministers and Consuls, and those in which a State shall be Party, the Supreme Court shall have original Jurisdiction. In all the other Cases before mentioned, the Supreme Court shall have appellate Jurisdiction, both as to Law and Fact, *with such Exceptions, and under such Regulations as the Congress shall make.* (Italics added.)"

The language of the Exceptions Clause, underscored above, does not support the conclusion that Congress possesses plenary authority to remove the Supreme Court's appellate jurisdiction over all cases within that jurisdiction. The concept of an "exception" was understood by the Framers, as it is defined today, as meaning an exclusion from a general rule or law. An "exception" cannot, as a matter of plain language, be read so broadly as to swallow the general rule in terms of which it is defined.

The Constitution, unlike a statute, is not drafted with specific situations in mind. Designed as the fundamental charter of our political system, its most important provisions are phrased in broad and general terms. As eloquently expressed by Justice Holmes in *Missouri* v. *Holland*, 252 U.S. 416, 433 (1920):

"[W]hen we are dealing with words that also are a constituent act, like the Constitution of the United States, we must realize that they have called into life a being the development of which could not have been foreseen completely by the most gifted of its begetters. It was enough for them to realize or to hope that they had created an organism; it has taken a century and has cost their successors much sweat and blood to prove that they created a nation. The case before us must be considered in light of our whole experience and not merely in that of what was said a hundred years ago."

For example, a literal interpretation of Article III as a whole would seem to mandate that Congress vest the full judicial power of the United States either in the Supreme Court or in an inferior federal court. Under such an interpretation, Congress could make "exceptions" to the Supreme Court's appellate jurisdiction only if it vested the jurisdiction at issue either in an inferior federal court or in the Supreme Court's original jurisdiction. This interpretation, which would require the conclusion that any measure which entirely ousted the federal courts from exercising any portion of the judicial power of the United States and vested that authority in state courts would be unconstitutional, is rejected by all authorities today.[2]

The Constitution contains a number of other pronouncements which, although seemingly unambiguous and absolute, have necessarily been interpreted as limited in their applicability. See, e.g., *Home Building & Loan Ass'n.* v. *Blaisdell*, 290 U.S. 398 (1934) (Contract Clause); *Everson* v. *Board of Education*, 330 U.S. 1 (1947) (Establishment Clause); *Reynolds* v. *United States*, 98 U.S. 145 (1878) (Free Exercise Clause); *Brandenburg* v. *Ohio*, 395 U.S. 444 (1969) (per curiam) (Free Speech Clause). The Supreme Court has also recognized that even when a statute is otherwise within a power granted to Congress by the Constitution, extrinsic limitations on congressional power contained in the Bill of Rights or elsewhere may nevertheless render the statute unconstitutional. *See, e.g., National League of Cities* v. *Usery*, 426 U.S. 833 (1976) (limitations on Commerce Clause): *McCulloch* v. *Maryland*, 17 U.S. (4 Wheat.) 316, 421 (1819) (limitations on Necessary and Proper Clause).

In light of these principles of constitutional interpretation, the Exceptions Clause may not be analyzed in a vacuum, but must be understood in terms of Article III as a whole, as evidenced by the history of its framing and ratification, its place in the system of separation of powers embodied in the structure of the Constitution, and its consistency with external limitations on congressional power implicit in the Constitution and contained in the Bill of Rights. The constitution of the Exceptions Clause that is most consistent both with the plain language of the Clause and with other evidence of its meaning is that Congress can limit the Supreme Court's appellate jurisdiction only up to the point where it impairs the Court's core functions in the constitutional scheme.

II.

The events at the Constitutional Convention support a construction of the Exceptions Clause that would preclude Congress from interfering with the Supreme Court's core functions. The Framers agreed without dissent on the necessity of a Supreme Court to secure national rights and the uniformity of judgments. The Resolves which were agreed to by the Convention and given to the Committee of Detail provided, simply, that "the jurisdiction [of the Supreme Court] shall extend to all cases arising under the Natl. laws: And to such other questions as may involve the Natl. peace & harmony." No mention was made of any congressional power to make exceptions to the Court's jurisdiction. The Committee of Detail, charged with drafting a provision to implement these Resolves, proposed the language of the Exceptions Clause. It seems unlikely that the Committee of Detail could have deviated so dramatically from the Convention's Resolves as to have given Congress the authority to interfere with the Supreme Court's core functions without considerably more attention to the subject at the Convention.

This inference is strengthened by the events surrounding the adoption of the Judicial Article by the full Convention. In determining the scope of the Court's jurisdiction, the Convention agreed to provisions expressly confirming that the jurisdiction included cases arising under the Constitution and treaties; but it rejected, by a 6-2 vote, a resolution providing that, except in the narrow class of cases under the Court's original jurisdiction, "the judicial power shall be exercised in such manner as the Legislature shall direct."[3] The Convention thus rejected a clear statement of plenary congressional power over the Court's appellate jurisdiction. Nevertheless, on the same day—without any recorded debate or explanation—the Framers adopted the Exceptions and Regulations language now contained in Article III. In light of the value

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[1] The Department of Justice, in previous Administrations, has consistently opposed proposals to restrict Supreme Court jurisdiction. *See Hearings Before the Subcomm. To Investigate the Administration of the Internal Security Act and Other Internal Security Laws of the Sen. Comm. on the Judiciary*, 85th Cong., 2d Sess. 573-74 (1958) (statement of Attorney General Rogers) ("full and unimpaired appellate jurisdiction of the Supreme Court is fundamental under our system of government"); Memorandum for the Attorney General from Assistant Attorney General Malcolm R. Wilkey, Office of Legal Counsel (February 25, 1958) (bills to limit Supreme Court jurisdiction are constitutional but bad policy); Memorandum for the Deputy Attorney General from Assistant Attorney General Tompkins, Internal Security Division (February 14, 1958) (unconstitutional); Letter to Sen. James O. Eastland, Chairman, Senate Comm. on the Judiciary, from Deputy Attorney General Richard Kleindienst (September 4, 1969) (not clearly distinguishing constitutional and policy objections); Memorandum for the Attorney General from Assistant Attorney General William H. Rehnquist (September 16, 1969) (not clearly distinguishing constitutional and policy objections); letter from Assistant Attorney General Alan Parker to Rep. Peter Rodino, Chairman, House Comm. on the Judiciary (June 19, 1980) (unconstitutional); *Prayer in Public Schools and Buildings, Hearings Before the Subcomm. on Courts, Civil Liberties, and the Administration of Justice of the House Comm. on the Judiciary*, 96th Cong. 2d Sess. 11 (1980) (testimony of John M. Harmon, Assistant Attorney General, Office of Legal Counsel) (unconstitutional).

[2] *Marbury* v. *Madison*, 5 U.S. (1 Cranch) 137 (1803), established that Congress has no authority to enlarge the Supreme Court's original jurisdiction by creating "exceptions" to its appellate jurisdiction. In *Martin* v. *Hunter's Lessee*, 14 U.S. (1 Wheat.) 304, 330-31 (1816), Justice Story argued that, if Congress creates any inferior federal courts, it must confer on them the full federal jurisdiction. This view, however, has never since been accepted by a majority of the Supreme Court.

[3] 2 M. Farrand, The Records of the Federal Convention of 1787 46 (1911).

placed on the Supreme Court's appellate jurisdiction, as evidenced by the other actions of the Convention, it seems highly unlikely that the Framers would have agreed, without the slightest hint of controversy, to a provision that would authorize Congress to interfere with the Court's core constitutional functions.

There are additional reasons why the lack of controversy surrounding the adoption of the Exceptions Clause supports the inference that no power to intrude on the Court's core functions was intended. First, the historical materials show the great importance which the Framers attached to these functions. They envisaged that the Supreme Court was a necessary part of the constitutional scheme and believed that the Court would review state and federal laws for consistency with the Constitution.[4] These sentiments were echoed by the authors of the Federalist Papers, a work which is justly regarded as an important guide to the meaning of the Constitution.[5] In light of this explicit recognition by the Founding Fathers of the Court's vital role in the constitutional scheme, it seems unlikely that they would have adopted, without controversy, a provision which would effectively authorize Congress to eliminate the Court's core functions.

A second reason for inferring a more limited construction of the Exceptions Clause from the lack of discussion at the Convention concerns the compromise agreed to by the Framers regarding the establishment of inferior federal courts. While the necessity of a Supreme Court was accepted without significant dissent among the Framers, there was vigorous disagreement over whether inferior federal courts should be provided. The Convention first approved a provision calling for mandatory inferior federal courts, then struck this provision by a divided vote, and finally determined to leave to Congress the question whether to establish inferior federal courts. The Supreme Court was viewed as a necessary part of the constitutional structure and was established by the Constitution itself; Congress was given no control over whether the Court would be created. The inferior federal courts, however, were viewed as an optional part of the Government and were authorized but not established by the Constitution. The decision whether to create them was given to Congress. This distinction, and the role explicitly assigned to Congress with respect to the inferior federal courts, implies that the powers of Congress were to be quite different with respect to the Supreme Court and the inferior federal courts.

If the Exceptions Clause authorized Congress to eliminate the Supreme Court's appellate jurisdiction, thus limiting it to the exercise of original jurisdiction, the power of Congress over the Supreme Court would be virtually indistinguishable from its power over inferior federal courts. Just as Congress could decline to create inferior federal courts, it could, in the guise of creating "exceptions" to the Supreme Court's appellate jurisdiction, deny the Supreme Court the vast majority of the judicial powers which the Framers insisted "shall be vested" in the federal judiciary. Congress could not eliminate the Supreme Court, but it could reduce it to a position of virtual impotence with only its limited original jurisdiction remaining. Such an interpretation cannot be squared with the stark difference in treatment which the Framers accorded to the Supreme Court and the inferior federal courts. Given the intensity of the debate regarding inferior federal courts, and the compromise arrived at by the Framers, it seems highly unlikely that the Convention would have adopted without comment a provision which, for most practical purposes, would place the Supreme Court and the inferior federal courts in the same position vis-a-vis Congress.

A third reason to infer a limited construction of the Exceptions Clause from the lack of debate accompanying its adoption is found in the theory of separation of powers which formed the conceptual foundation for the system of government adopted by the Convention. The Framers intended that each of the three branches of Government would operate largely independently of the others and would check and balance the other Branches. The purpose of this approach was to ensure that governmental power did not become concentrated in the hands of any one individual or group, and thereby to avoid the danger of tyranny which the Framers believed inevitably accompanied unchecked governmental power. Indeed, it is not an exaggeration to say that the single greatest fear of the Founding Fathers was tyranny, and that concentration of power was, in their minds, "the very definition of tyranny."[6]

Essential to the principle of separation of powers was the proposition that no one Branch of Government should have the power to eliminate the fundamental constitutional role of either of the other Branches. As Madison stated in *Federalist* No. 51:

"[T]he great security against a gradual concentration of the several powers in the same department consists in giving to those who administer each department the necessary constitutional means and personal motives to resist encroachments of the others. The provision for defense must in this, as in all other cases, be made commensurate to the danger of attack."

This basic principle of the Constitution—that each branch must be given the necessary means to defend itself against the encroachments of the two other branches—has special relevance in the context of *legislative* attempts to restrict *judicial* authority. The Framers "applaud[ed] the wisdom of those states who have committed the judicial power, in the last resort, not to a part of the legislature, but to distinct and independent bodies of men." *Federalist* No. 81 (Hamilton). They believed that, by the inherent nature of their power, the legislature would tend to be the strongest and the judiciary the weakest of the Branches. This insight is reflected in the very structure of the Constitution: the provisions governing the legislature are placed first, in Article I; those establishing and governing the Judicial Branch are in the third position, in Article III. Madison recognized the great inherent power of the Legislative Branch in *Federalist* No. 48. Drawing extensively from Jefferson's *Notes on the State of Virginia*, Madison concluded that in a representative republic "[t]he legislative department is everywhere extending the sphere of its activity and drawing all power into its impetuous vortex." *See also Federalist* No. 51 (Madison).

It was in no sense a derogation on the concept of governance responsive to popular will that the Founding Fathers desired checks on the power of the Legislature they were creating. The Acts of Parliament as well as those of the King formed the litany of grievances which produced the Revolution. The Founding Fathers believed in the voice of the people and their elected representatives and placed substantial power in the Legislature. At the same time, however, they were acutely sensitive to the rights of individuals and minorities. Most of them had first-hand experience with persecution. The idea of a written Constitution was precisely to place a check on the popular will and, in large part, to restrain the most powerful Branch. They crafted a representative republic with restraints on the legislature. "[A]n elective *despotism* was not the government we fought for . . ." *Federalist* No. 48 (Madison), quoting Jefferson's *Notes on the State of Virginia* (italics) in original).

The Supreme Court was viewed as a part of this restraint, but, nonetheless, inherently as the least dangerous Branch. Hamilton, in a famous passage from Federalist No. 78, eloquently testified to the inherent weakness of the Judicial Branch:

"Whoever attentively considers the different departments of power must perceive that, in a government in which they are separated from each other, the judiciary, from the nature of its functions, will always be the least dangerous to the political rights of the Constitution; because it will be least in a capacity to annoy or injure them. The executive not only dispenses the honors but holds the sword of the community. The legislature not only commands the purse but prescribes the rules by which the duties and rights of every citizen are to be regulated. The judiciary, on the contrary, has no influence over either the sword or the purse; no direction either of the strength or of the wealth of the society, and can take no active resolution whatever. It may truly be said to have neither FORCE nor WILL but merely judgment; and must ultimately depend upon the aid of the executive arm even for the efficacy of its judgments."

As a consequence of this view, Hamilton believed that it was necessary for the judiciary to remain "truly distinct from the Legislature and the Executive. For I agree that 'there is no liberty, if the power of judging be not separated from the legislative and executive powers.' " Id., quoting Montesquieu's Spirit of Laws. Thus, he concluded: "The complete independence of the courts of justice is peculiarly essential in a limited Constitution." Id.

It was in recognition of the inherent weakness of the judiciary, particularly as contrasted with the inherent power of the legislature, that the Framers determined to give special protections to the judiciary not enjoyed by officials of the other Branches. Federal judges were given lifetime positions during good behavior, and were protected against diminution of salary while in office. The purpose of these provisions was largely to provide the judiciary, as the weakest Branch, with the necessary tools for self-protection against the encroachments of the other Branches.

The notion that the Exceptions Clause grants Congress plenary authority over the Supreme Court's appellate jurisdiction cannot easily be reconciled with these principles of separation of powers. If Congress had such authority, it could reduce the Supreme Court to a position of impotence in the tripartite constitutional scheme. The

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[4] See, e.g., 1 id. at 124; 2 id. at 589 (Madison).

[5] See, e.g., Federalist No. 39 (Madison) (Supreme Court is clearly essential to prevent an appeal to the sword and a dissolution of the compact"); id. No. 80 (Hamilton); id. No. 82 (Hamilton).

[6] Federalist No. 47 (Madison).

Court could be deprived of its ability to protect its core constitutional functions against the power of Congress. The salary and tenure protections so carefully crafted in Article III could be rendered virtually meaningless in light of the power of the Congress simply to eliminate appellate jurisdiction altogether, or in those areas where the Court's decisions displeased the legislature. It is significant that while the Framers did not focus on the Exceptions Clause, they did point to the impeachment power as "a complete security" against risks of "a series of deliberate usurpations on the authority of the legislature." Federalist No. 81.

In light of these basic considerations, it seems unlikely that the Framers intended the Exceptions Clause to empower Congress to impair the Supreme Court's core functions in the constitutional scheme. Even if some of the Framers could have intended this, it is improbable that the Exceptions Clause could have been approved by the Convention without debate or controversy, or indeed without any explicit statement by anyone associated with the framing or ratification of the Constitution that such a deviation from the carefully crafted separation of powers mechanisms provided elsewhere in the Constitution was intended. Nor does it seem likely that the Convention would have developed the Exceptions Clause as a check on the Supreme Court in such a manner that an exercise of power under the Clause to remove Supreme Court appellate jurisdiction would not return authority to Congress, but vest it in the state courts instead. Hamiltion regarded even the possibility of multiple courts of final jurisdiction as unacceptable.

"The mere necessity of uniformity in the interpretation of the national laws, decides the question. Thirteen independent courts of final jurisdiction over the same causes, arising upon the same laws, is a hydra in government, from which nothing but contradiction and confusion can proceed. Federalist No. 80."

Thus, unless there is sound and compelling evidence of a contrary interpretation in the decisions of the Supreme Court, or in the long-accepted historical practices regarding congressional control of Supreme Court jurisdiction, it must be concluded that the Exceptions Clause does not authorize Congress to interfere with the Court's core functions in our constitutional system.

III.

An examination of the Supreme Court's cases does not require any different interpretation. The Supreme Court has provided only inconclusive guidance on the meaning of the Exceptions Clause. In *Martin* v. *Hunter's Lessee*, 14 U.S. (1 Wheat.) 304 (1816), the Court noted "the importance, and even the necessity of uniformity of decisions throughout the whole United States upon all subjects within the purview of the constitution." In the absence of the Supreme Court, Justice Story observed, "the laws, the treaties and the Constitution of the United States would be different, in different states. . . . The public mischiefs that would attend such a state of things would be truly deplorable; for it cannot be believed, that they could have escaped the enlightened convention which formed the Constitution. . . . [T]he appellate jurisdiction must continue to be the only adequate remedy for such evils." Similar statements are found in the opinions of Chief Justice Marshall, *Cohens* v. *Virginia*, 19 U.S. (6 Wheat.) 264, 415 (1821), and Chief Justice Taney, *Albeman* v. *Booth*, 62 U.S. (21 How.) 506, 517-18 (1858).[8] Although these cases do not squarely address the question whether Congress could constitutionally deprive the Court of its core functions, the Court's language seems strong enough to cast considerable doubt, at least by implication, on the power of Congress to eliminate Supreme Court jurisdiction over cases in which a final, uniform and supreme voice is necessary in the guise of creating "exceptions" to that jurisdiction. In the words of Chief Justice Taney, the exercise of such a power would withdraw authority which is "essential . . . to [the] very existence [of the Federal] government [and] essential to secure the independence and supremacy of [that] Government." Id.

The Supreme Court has, in a number of early cases, referred to the power of Congress over its appellate jurisdiction as being quite broad. For example, in *Barry* v. *Mercein*, 46 U.S. (5 How.) 103 (1847), the Court stated that "[i]f Congress has provided no rule to regulate our proceedings, we cannot exercise our appellate jurisdiction, and if the rule is provided, we cannot depart from it." *See also The "Francis Wright,"* 105 U.S. 381, 386 (1881); *Daniels* v. *Railroad Co.*, 70 U.S. (3 Wall.) 250, 254 (1865); *Durousseau* v. *United States*, 10 U.S. (6 Cranch) 307, 313-14 (1810); *United States* v. *More*, 7 U.S. (3 Cranch) 159 (1805); *Wiscart* v. *Dauchy*, 3 U.S. (3 Dall.) 321, 327 (1796). However, every one of these statements is *dicta*; the Court has never held that Congress has the power entirely to preclude the Court from exercising its core functions. It may also be doubted whether these broad statements are intended to cover cases in which such an extraordinary congressional power was exercised. They may instead be designed to recognize a broad power which, like the Commerce Clause, is limited by other provisions of the Constitution and by the structure of the document as a whole.

Proponents of the "plenary power" thesis rely most heavily on the only Supreme Court decision which could be characterized as upholding a power of Congress to divest the Court of jurisdiction over a class of constitutional cases: *Ex parte McCardle*, 74 U.S. (7 Wall.) 506 (1869). At issue in that case was the constitutionality of an 1868 statute repealing a provision enacted the previous year which had authorized appeals to the Supreme Court from denials of habeas corpus relief by a circuit court. In a brief opinion which did not discuss the scope or implications of the Exceptions Clause, the Court upheld Congress' withdrawal in 1868 of jurisdiction under the 1867 law, stating that "the power to make exceptions to the appellate jurisdiction of this court is given by express words." *Id.* at 514. Despite this broad language, the Court suggested that the withdrawal of jurisdiction provided by the 1867 law did not deprive the Court of jurisdiction over habeas corpus cases that had been conferred by § 14 of the Judiciary Act of 1789. "Counsel seem to have supposed, if effect be given to the repealing act in question, that the whole appellate power of the court, in cases of habeas corpus, is denied. But this is an error." *Id.* at 515.

The Court's *dictum* regarding alternative procedures for Supreme Court review of habeas corpus cases was converted into a holding several months later in *Ex parte Yerger*, 75 U.S. (8 Wall.) 85 (1869). The petitioner in that case had invoked the Court's jurisdiction under the Judiciary Act of 1789. In holding that it had jurisdiction, the Court in *Yerger* made it clear that the 1868 legislation considered in *McCardle* was limited to appeals taken under the 1867 act and upheld the petitioner's right to Supreme Court review under the proper jurisdictional statute. The Court noted that the 1868 act did "not purport to touch the appellate jurisdiction conferred by the Constitution . . . ." *Id.* at 105. In doing so, the Court observed that any total restriction on the power to hear habeas corpus cases would "seriously hinder the establishment of that uniformity in deciding upon questions of personal rights which can only be attained through appellate jurisdiction . . . ." *Id.* at 103. Thus, within months of the *McCardle* decision, the Court made it clear that *McCardle* did not decide the question of Congress' power to deprive it of all authority to hear constitutional claims in habeas corpus cases. For this reason, while the *Yerger* Court acknowledged that the Court's jurisdiction as given by the Constitution "is subject to exception and regulation by Congress," *Id.* at 102, neither *McCardle*, nor *Yerger*, nor any other case, constitutes an authoritative statement that Congress could deprive the Court of its core functions.

IV.

Finally, the historical record regarding the authority actually asserted by Congress to control the Court's appellate jurisdiction supports, on balance, the construction that the Exceptions Clause does not authorize Congress to interfere with the Court's core functions. It is indeed true that Congress did not, in the First Judiciary Act explicitly authorize the Supreme Court to exercise the full range of appellate jurisdiction established by Article III. Perhaps the most prominent category of cases in which the Court was not granted statutory jurisdiction were federal criminal cases, which were not explicitly brought within the Court's appellate jurisdiction until 1889. Although Supreme Court review over these cases may have been available in special circumstances, it is probably true that most federal criminal cases were not reviewable by the Supreme Court during this period under the terms of the applicable legislation. The Judiciary Act also failed to grant the Supreme Court appellate jurisdiction over state court decisions striking down state laws as being inconsistent with the federal Constitution, or upholding federal statutes against constitutional attack.

The failure of Congress in the First Judiciary Act to provide the Court with the full appellate jurisdiction authorized under Article III does not undermine the conclusion that Congress cannot interfere with the Supreme Court's core functions, for several reasons. First, while Congress did omit certain specific categories of cases from the appellate jurisdiction provisions of the First Judiciary Act, it is noteworthy that the first Congress, containing among its members many delegates to the Constitutional Convention, recognized the Court's appellate jurisdiction over an extremely broad range of constitutional cases. Most significantly, the Court was given authority under § 25 of the Judiciary Act to review decisions of state [illegible] striking down federal statutes or upholdi[illegible]ate statutes constitutional attack. That authority was conferred despite the intense controversy which it sparked among

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[8] Cf. the famous statement of Justice Holmes: "I do not think the United States would come to an end if we lost our power to declare an Act of Congress void. I do think the Union would be imperiled if we could not make that determination as to the laws of the several states." O. W. Holmes, Collected Legal Papers 295 (1920).

the states—controversy which resulted in state resistance to Supreme Court judgments and in attempts in Congress, foreshadowing the current attempts to limit the Court's jurisdiction, to repeal § 25 of the Judiciary Act. The fact that the Judiciary Act did not explicitly recognize jurisdiction over state court decisions upholding the validity of federal laws or striking down state laws, or over federal criminal cases, does not undercut the position that the Court cannot be divested of its ability to fulfill its essential responsibility under the Consititution. The supremacy of federal law, guaranteed by the Supreme Court, would not be seriously threatened by state court decisions upholding federal laws or striking down state laws on federal constitutional grounds.

Second, the history of Supreme Court appellate review has confirmed the importance of its core functions. To the extent that any inferences can be drawn from the failure of the First Judiciary Act explicitly to recognize the full range of the Supreme Court's appellate jurisdiction over constitutional cases, those inferences are subject to refutation by later events. The Supreme Court now has appellate jurisdiction over all federal cases. Each of the areas of incomplete jurisdiction has long since been fulfilled. The vast majority of constitutional decisions which are on the books today, and which affect our national life in many and important ways, have been rendered by the Court under a statutory regime which included such broad appellate jurisdiction. As Justice Frankfurter said in another context, "the content of the three authorities of government is not to be derived from an abstract analysis. . . . It is an inadmissibly narrow conception of American constitutional law to confine it to the words of the Constitution and to disregard the gloss which life has written upon them." *Youngstown Sheet & Tube Co.* v. *Sawyer*, 343 U.S. 579, 610 (1952) (concurring opinion). The gloss which life has written on the Supreme Court's jurisdiction is one which protects the essential role of the Court in the constitutional plan.

V.

As noted at the outset, Congress has substantial authority over the jurisdiction and power of the inferior federal courts. It also is given the power under Article III to regulate the Supreme Court's appellate jurisdiction in circumstances which do not threaten the core functions of the Court as an independent branch in our system of separation of powers. Congress may, for example, specify procedures for obtaining Supreme Court review and impose other restraints on the Court. But the question of the limits of Congress' authority under the Exceptions Clause is an extraordinarily difficult one. Thoughtful and respected authorities have come to conclusions which differ.

The legislative process itself is often important in assessing not only the meaning but also the constitutionality of Congressional enactments. The Court has stated that it must have "due regard to the fact that this Court is not exercising a primary judgment but is sitting in judgment upon those who also have taken the oath to observe the Constitution and who have the responsibility for carrying on government." *Rostker* v. *Goldberg*, 453 U.S. 57, 64 (1981).

If Congress considers the subject matter of S. 1742 it may wish to do so in light of the principles enunciated above and carefully weigh whether whatever action is taken would intrude upon the essential functions of the Supreme Court as an independent branch of government in our system of separation of powers. As the Court has stated, "The customary deference accorded the judgments of Congress is certainly appropriate when . . . Congress specifically considered the question of the Act's constitutionality." *Id.* at 64.

Ultimately, it is for Congress to determine what laws to enact and for the Executive Branch to "take care that the Laws be faithfully executed." It is settled practice that the Department of Justice must and will defend Acts of Congress except in the rare case when the statute either infringes on the constitutional power of the Executive or when prior precedent overwhelmingly indicates that the statute is invalid. Accordingly, should the Department be called upon to defend the constitutionality of this bill before the courts, it responsibly could and would do so.

It is appropriate to note, however, that even if it were concluded that legislation in this area could be enacted consistent with the Constitution, the Department would have concerns as a policy matter about the withdrawal of a class of cases from the appellate jurisdiction of the Supreme Court. History counsels against depriving that Court of its general appellate jurisdiction over federal questions. Proposals of this kind have been advanced periodically, but have not been adopted since the Civil War. There are sound reasons that explain why Congress has exercised restraint in this area and not tested the limits of constitutional authority under the Exceptions Clause.

The integrity of our system of federal law depends upon a single court of last resort having a final say on the resolution of federal questions. The ultimate result of depriving the Supreme Court of jurisdiction over a class of cases would be that federal law would vary in its impact among the inferior courts. State courts could reach disparate conclusions on identical questions of federal law, and the Supreme Court would not be able to resolve the inevitable conflicts. There would also exist no guarantee through Supreme Court review that state courts accord appropriate supremacy to federal law when it conflicts with state enactments.

Sincerely,

WILLIAM FRENCH SMITH,
Attorney General.●

PRESERVATION OF RAILROAD RETIREMENT BENEFITS

● Mr. HEINZ. Mr. President, I wish to bring to your attention the resolution passed unanimously by the Pennsylvania State Senate on March 30, 1982, on the subject of railroad retirees' pension rights.

The administration's proposal to eliminate the Railroad Retirement Board and shift its responsibilities to the private sector still stands out in my mind—and in the minds of thousands of railroad retirees—as a mistaken one.

Therefore, I bring this Pennsylvania Senate Concurrent Resolution to the attention of my colleagues today to remind us all that railroad retirees still have a bone to pick with the administration. We should not lose sight of this important issue as we rush to meet budget deadlines this month. The text of that resolution is as follows:

RESOLUTION

Whereas the Railroad Retirement System was established by an act of Congress in 1935 to provide retirement-survivor and unemployment-sickness benefit programs for the nation's railroad workers and their families;

Whereas the Railroad Retirement System has been financed jointly through contributions from rail carriers and railroad workers since its inception, including the administrative costs of the Railroad Retirement Board, and therefore is not a burden upon the taxpayers of this country;

Whereas the Railroad Retirement System has a present cash investment worth between $3,000,000,000 and $4,000,000,000 and more than 1,000,000 annuitants, yet it is administered with only 1.7 percent of the revenues;

Whereas more than 81,000 of these railroad annuitants reside within the Commonwealth of Pennsylvania, the largest total for any state in the nation;

Whereas the present structure of the Railroad Retirement System, with its organization, financial strength and longevity, allows for the even distribution of both railroad program benefits and, since 1974, social security benefits to eligible recipients;

Whereas the proposal of the Office of Management and Budget to eliminate the Railroad Retirement Board has caused great stress and trauma to the annuitants of railroad retirement and their families;

Whereas the uncertain prospects of the proposed alternative raises many questions as to the guaranteed continuation of benefits and the fiscal integrity of these programs: Therefore be it

Resolved, (the House of Representatives concurring), That the General Assembly of the Commonwealth of Pennsylvania memorializes President Ronald Reagan, Congress and, more specifically, the members of the Pennslyvania Delegation, that the present railroad retirement and unemployment insurance programs be left intact; and be it further

Resolved, That copies of this resolution be transmitted to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives and each Senator and Representative from Pennsylvania.●

MOTHER'S DAY

● Mr. HEFLIN. Mr. President, Sunday, May 9, 1982, will mark the 68th celebration of Mother's Day. Mother's Day has become a beloved and great institution in this Nation for it affords millions of Americans the opportunity to show their appreciation for the many contributions that mothers have made to their lives, their families, and this Nation.

The 68th celebration of Mother's Day comes at a critical time in this Nation's history, a time when we need to strengthen basic family life. The family is the institution that molds values and attitudes. The family unit has been the backbone of this great Nation. Mr. President, there can be no question that the family is the greatest and most influential institution in the United States.

As we celebrate Mother's Day this Sunday, let us be mindful of the contributions made by American women to the greatness of this country. American mothers have been the greatest source of this proud Nation's strength and inspiration.

Mr. President, I am indeed proud that it was my uncle, former U.S. Senator J. Thomas Heflin, who authored the Mother's Day Act which made this annual salute to the Nation's mothers a reality.

On May 7, 1914, then-Congressman Tom Heflin introduced the Mother's Day Act. I am told that the idea for setting aside a day to honor the Nation's mothers came from a West Virginia woman, Anna Jarvis. Miss Jarvis, the "mother of Mother's Day," sold my uncle on the idea and the Congress made it a reality.

Mr. President, I would like to read the original resolution which was approved by the Congress 68 years ago.

The resolution follows:

JOINT RESOLUTION RELATIVE TO THE OBSERVANCE OF MOTHER'S DAY

Whereas the service rendered the United States by the American mother is the greatest source of the country's strength and inspiration; and

Whereas we honor ourselves and the mothers of America when we do anything to give emphasis to the home as the fountainhead of the state; and

Whereas the American mother is doing so much for the home, the moral uplift, and religion, hence so much for good Government and humanity: Therefore be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President of the United States is hereby authorized and requested to issue a proclamation calling upon the Government officials to display the United States flag on all Government buildings and the people of the United States to display the flag at their homes or other suitable places on the second Sunday in May as a public expression of our love and reverence for the mothers of our country: And be it further

Resolved, That the second Sunday in May shall hereafter be designated and known as Mother's Day and it shall be the duty of the President to request its observance as provided for in this resolution.●

TRADE REMEDIES

● Mr. HART. Mr. President, the administration has announced its intention to place trade in services on the agenda of the forthcoming GATT ministerial meeting in November. At the same time, the Senate is considering legislation which would include services under the framework of existing trade legislation.

As we enter an increasingly interdependent world, and as more and more international economic activity is based on the flow of information, our goal must be to strengthen the international trading system and to remain faithful to the fundamental principles which have always governed the flow of information in this country.

These points are made persuasively in an article by Arthur Bushkin, formerly special assistant for information policy at the National Telecommunications and Information Administration, which appeared in the Los Angeles Times yesterday. I ask that Mr. Bushkin's article be placed in the RECORD.

The article follows:

[From the Los Angeles Times, May 3, 1982]

TRADE REMEDIES ENDANGER FREE FLOW OF INFORMATION

(By Arthur A. Bushkin)

There is a growing consensus in the United States that our exports are not receiving fair treatment in foreign markets. While we are accustomed to hearing about barriers to trade in cars, computers or other *things,* restrictions are increasingly being applied to intangibles as well.

In particular, many Americans view existing barriers to trade in services—especially information-based services, such as communications, banking, advertising, insurance and data processing—as part of a more general pattern of restrictions on the free flow of information across international borders. But emerging U.S. policies designed to counteract these new trade barriers could easily backfire and further threaten the international exchange of information. At stake are both our traditional freedom of the press and the ability of businesses to operate effectively in the international arena.

As the economic value of the international exchange of information grows, more and more governments are considering or implementing policies to restrict the flow of information across their borders. For example, a government license is required in Norway before a computerized file of information about individuals can be used, and notice must be given to the Data Inspectorate every time personal information is transferred aboard. In Brazil, the protection of national enterprises and the local work market is considered before government authorization is granted for any international data links. Canada and West Germany have policies that effectively mandate that certain forms of information processing must take take place within their borders.

Foreign officials argue that these restrictions are fair because the flow of information out of their countries hurts them economically. They believe that, as data migrate to the U.S. headquarters of a bank, insurance company, chemical company or manufacturing company, potential and actual jobs are lost. At the same time, they contend sales of everything from computers to light bulbs are decreased. Foreign officials also view the processing of information outside their countries as a trend that creates a dependence upon foreign sources, threatening their economic and cultural sovereignty and compromising their national security.

These actions by other governments, coupled with other barriers and restrictions on U.S. exports, have prompted a broad, bipartisan reaction in this country. The economic implications of data protection laws, international communications tariffs, regulations on data processing and the like can be significant for U.S. companies doing business abroad. Yet, the actions our government is currently contemplating could—inadvertently—be as harmful as some of the most restrictive policies of foreign governments.

The United States has proposed that a new international agreement be negotiated to cover trade in services, including those services that depend upon the international exchange of information. But such a trade agreement would be fundamentally different from, and vastly more complicated than, agreements covering the exchange of goods or agricultural products. And it may well be impossible to achieve the objective we seek—fairness in trade—without the kind of government monitoring and regulation of information flow that we have previously sought to avoid. There are three reasons for this:

First, it is impossible to measure precisely the economic value of the international exchange of information. Certainly information cannot be treated like a simple resource or commodity. Consequently there is no objective basis for agreeing upon a definition of fairness—for the purpose of balancing trade accounts—let alone for reaching agreement as to how the proposed fairness would be achieved. Second, any international agreement covering trade in services is, by definition an externally imposed scheme of regulation designed to define and achieve fairness. Yet, in the case of information-based services, it is impossible to draw a line between the flow of information such as news, for which we cannot constitutionally tolerate an externally imposed definition of fairness, and the exchange of information with economic significance, for which we are proposing to negotiate a definition of fairness. In the future, for example, the international flow of news and international financial activity will travel over the same circuits, in some cases directly into the home. They will even look virtually the same electronically.

Third, even if we could make a theoretical distinction between information in the flow of communications and information in the flow of commerce, it would be impossible to enforce this distinction. In the case of goods and agricultural products trade policy is enforced at the borders; however, the concept of a "customs house" for regulating various types of information flow not only would be impractical but also would represent an unacceptable intrusion into the flow of information itself.

We must not, in the name of fairness in trade, put ourselves in the position of inadvertently substituting the negotiated concept of the *fair* flow of information for the fundamental principle of the *free* flow of information. Such a policy would result in someone else's definition of fairness being applied to the information that we transmit across international borders. As we have seen all too often in the past, the pursuit of fairness can easily become the enemy of freedom.●

AMERICAN YOUTH HOSTEL WEEK

● Mr. HAYAKAWA. Mr. President, this week, our country celebrates American Youth Hostel Week, which has been supported by President Reagan and every President since Franklin Delano Roosevelt. It is easy to understand why this organization can receive such bipartisan support. Since 1934, American Youth Hostels,

Inc., has been providing inexpensive shelter to thousands of travelers.

Currently, there are 280 hostels in the United States, of which 23 are located in California. Plans also have been made to establish a California coastal chain of 38 hostels, each a day's bicycle ride from the other. Most importantly, this chain will provide access to low-cost recreation for residents from the surrounding urban areas. American Youth Hostels provide more than just lodging. Hikes, bike tours, and caving trips are some of the many inexpensive activities which are promoted. I am also pleased to note that they have recently started a program called "50+" tours which consist of minibus or bike trips around the United States for travelers over 50 years of age.

Mr. President, American Youth Hostels is the type of organization which should be commemorated. As a private, nonprofit educational organization it relies on voluntary, tax-deductable contributions, membership dues, and program fees for support. We should all be able to support groups such as American Youth Hostels which provide an inexpensive and healthful means of traveling to all citizens.●

TIME MAGAZINE EVALUATES THE FUTURE WATER SUPPLIES OF THE OGALLALA AQUIFER

● Mr. DOMENICI. Mr. President, Time magazine this week is carrying a most interesting evaluation of the problems that stem from the depletion of the Ogallala Aquifer.

This aquifer, which stretches from Nebraska across six States to New Mexico, is the source for irrigation water used on tens of thousands of acres of farmland—farmland on which much of our wheat grows. The gradual decline in the aquifer is certain to have major impacts on the region.

The affected States have joined together to establish a High Plains Council to develop solutions. The recent New Mexico Water Conference in Clovis, N. Mex., gave local farm families the opportunity to discuss the Ogallala problem with national water resources leaders.

As the author several years ago of the law that will soon result in a completed study of the Ogallala problem by the Commerce Department, I believe my colleagues would be most interested in reading the Time story. Therefore, Mr. President, I ask that a copy of the Time article be printed in the RECORD.

The article follows:

EBBING OF THE OGALLALA: THE GREAT WATERING HOLE BENEATH THE GREAT PLAINS IS GOING DRY

There are two documentary images of the Great Plains. The first is a black-and-white photograph of the '30s Dust Bowl, with windblown homesteaders treading the cracked earth. The second: a glossy color shot of the same land 40 years later, showing the lush checkerboard farms of America's breadbasket. Now, as if through a strange reversal in time, the second image threatens to fade into the first. For in another 40 years, the territory could backslide into dust and despair. The Ogallala Aquifer, the vast underground reservoir of water that transformed much of the Great Plains into one of the richest agricultural areas in the world, is being sucked dry.

The aquifer is a California-size deposit of water-laden sand, silt and gravel. It ranges in thickness from 1,000 ft. in Nebraska, where two-thirds of its waters lie, to a few inches in parts of Texas. Although it was first tapped in the 1930s, it has been extensively exploited only since the development of high-capacity pumps after World War II. The Ogallala's estimated quadrillion gallons of water, the equivalent of Lake Huron, have irrigated farms in South Dakota, Nebraska, Wyoming, Kansas, Colorado, Oklahoma, Texas and New Mexico, changing a region of subsistence farming into a $15 billion-a-year agricultural center.

For the past three decades, farmers have pumped water out of the Ogallala as if it were inexhaustible. Nowadays they disperse it prodigally through huge center-pivot irrigation sprinklers, which moisten circular swaths a quarter-mile in diameter. The annual overdraft (the amount of water not replenished) is nearly equal to the yearly flow of the Colorado River. Like all aquifers, the Ogallala depends on rain water for recharging, and only a trickle of the annual local rainfall ever reaches it. Gradually built up over millions of years, the aquifer is being drained in a fraction of that time. The question is no longer if the Ogallala will run dry, but when.

W. B. Criswell has been raising cotton on his 1,700-acre farm in Idalou, Texas, since 1955. Cotton is called the camel of crops because it requires little water, yet Criswell is now in trouble. His water table has dropped 100 ft. since he started farming. Nine years ago, he paid $4 an acre to water his cotton; today he pays more than $45. "It's like a disease," he says. "You just accept it and go on." Gerald Wiechman farms 6,000 acres and feeds 2,500 head of steer near Scott City in western Kansas. When his farm's first well started pumping, it tapped water at 54 ft. Today he has to go 130 ft. "I've got another 20 years, maybe," he reckons. On the High Plains of eastern Colorado, the water level has dropped as much as 40 ft. since the 1960s. In parts of Oklahoma, it has dipped that much in four years. Texas, the thirstiest of the eight states, has consumed 23% of its Ogallala reserves since World War II.

According to a major study just completed by Camp Dresser & McKee, a Boston engineering firm, 5.1 million acres of irrigated land (an area the size of Massachusetts) in six Great Plains states will dry up by the year 2020. If current trends continue, Kansas will lose 1.6 million irrigated acres, Texas 1.2 million, Colorado 260,000, New Mexico 224,000, Oklahoma 330,000. Yet this drastic estimate, declares Herbert Grubb of the Texas department of water resources, is "20% too optimistic."

"When the water goes," says W. E. Medlock, a stoic, third-generation farmer from Lubbock, Texas, who has lost 47 of his 73 wells in ten years, "we'll just go back to dry-land farming." To the farmers of the Great Plains, those words summon up visions of *The Grapes of Wrath.* Dry-land farming means larger farms with lower yields, fewer workers and probably higher prices in the supermarkets. Cattlemen know that less water means less corn and therefore smaller herds. Grubb calls such farming the "Russian roulette" of agriculture. Over a ten-year period, he says, dry-land farming will yield two strong harvests, four average ones and four "busts."

Although the cause of the trouble is obvious, the cure is not. Indeed, there may be no fundamental solution to the ebbing of the Ogallala. "We can prolong the supply," concludes John Weeks, a U.S. Geological Survey engineer who heads a five-year U.S.G.S. study of the situation, "but we are mining a limited resource, like gold, and we can't solve the ultimate depletion problem."

Conservation may forestall the end. Farmers can simply use less water. They are already converting from profitable but water-thirsty corn to water-thrifty crops such as wheat, sorghum and cotton. James Mitchell, a cotton farmer from Wolfforth, Texas, has installed an experimental center-pivot sprinkler that, instead of spraying outward, gently drops water directly into the planted furrows, thereby reducing evaporation. Sophisticated laser-guided land graders can now almost perfectly flatten the terrain so that water is not wasted in runoff. Electrodes planted in the fields can measure soil wetness and determine exactly when water is needed. Today, these techniques are rarities, but they may soon be routine. As Kansas Cattle Feeder Harold Burnett puts it: "Water misers" will last longer. But even the stingiest will go under if neighbors are wasteful and the whole aquifer dries up.

Last week a committee representing the Governors of states that tap the Ogallala published a list of 20 recommendations for action. Most of the suggestions, based on a $6 million federal study of the problem, involved stopgap efforts rather than cures. Except one. The committee wants further study of a proposal by the Army Corps of Engineers for huge canal systems that would import water from South Dakota, Missouri and Arkansas. The routes—all of which would be uphill—range in length from 376 miles to 1,135 miles. The cost—from $3.6 billion to $22.6 billion—currently places the canals in the realm of fantasy.

Thus far the states' efforts have been as slow as Chinese water torture. The dimensions of the problem have been recognized, but no one is sure whether the shrinking aquifer is a federal, state or local issue, and no one wants the responsibility of deciding. Several states, including Oklahoma and Colorado, already have established policies limiting water use, but many say such efforts are too little too late. The Governors' group, due to meet again in late June, plans to recommend legislation to Congress by next fall, but thus far inaction is the order of the day. The afflicted states cannot even agree with one another, and unless they all march together, they will all parch separately.●

CUBA FACES THE ECONOMIC REALITIES OF THE 1980'S

● Mr. CHILES. Mr. President, for the past 22 years, Cuba has held itself out to its neighbors as a model of revolutionary government. Cuba has boasted of its socioeconomic and political accomplishments. Cuba attributes all of these purported achievements to the doctrines of communism and to the financial and military support of the Soviet Union. In a nutshell, Cuba has attempted to put forth to the world a face of shining success and continued progress.

A recent report prepared for the Joint Economic Committee of Congress exposes Cuba and the Castro regime and lays bare the false claims of the Cuban Government. In no uncertain terms, the report, entitled, "Cuba Faces the Economic Realities of the 1980's," cites facts and figures which point to one unmistakable conclusion: The Cuban revolution, from an economic standpoint, has been a failure. But for the massive financial aid showered upon Cuba by Moscow, the Cuban economy would have collapsed a long time ago. After 22 years of carrying the Cuban economy, the Soviet Union is becoming painfully aware that the Cuban economy still cannot walk on its own.

The report by the Joint Economic Committee depicts Cuba as being vulnerable and weak, both from an economic standpoint and from a more fundamental political standpoint. The Cuban people have been promised a better life, but that better life has not been forthcoming. The Soviet Union has propped up the Cuban economy with price supports and subsidies, trade agreements, hard currency arrangements, and favorable oil transfer pacts. But these artificial supports have not engineered an economic apparatus in Havana that is capable of sustaining a level of stable economic growth and productivity.

Cuba's problems stem from the rigid institutionalization of a Soviet-modeled, centrally planned economy. At present, Cuba has a vast administrative bureaucracy that stifles innovation, efficiency, and productivity. That rigid, inflexible system is not suited to the establishment of a prospering economy. Because of this, Cuba has had to follow the same plan that all of the Soviet-bloc countries have had to follow. It has forced its people to sacrifice present consumption and a decent standard of living for investment in future development. And, as the report makes very clear, that mythical "future development" has not yet come, nor is it about to come.

Cuba's foreign trade performance is a good example of the country's economic woes. Cuba's basic economy is highly dependent on foreign trade, with global exports and imports accounting for 34 and 36 percent, respectively, of Cuban GDP. Sugar accounts for a full 83 percent of Cuba's export trade, a dependence which puts the Cuban economy virtually at the mercy of the market price of sugar. Cuba has sugar, as well as some nickel and citrus, to barter with in the foreign markets for the vast amounts of equipment, raw materials, and consumer goods and food it needs. Some of that demand is accommodated with favorable prices by CMEA countries, the Soviet trading bloc countries. However, much of Cuba's needs, including an amazing 30–35 percent of their foodstuffs, must be imported from non-CMEA countries. This reliance places a heavy pressure on Cuba's hard currency export earnings.

Since Cuba has a $2.6 billion external debt, $1.7 billion of which is owed to Western banks, Cuba must pay out cash for much of what it imports. And looming ahead is the year 1986 when Cuba must begin repaying the interest-free $5.3-billion-dollar loan floated to it by the Soviet Union.

Cuba's economic problems, however, aren't just limited to the area of hard currency. The report by the Joint Economic Committee points out that Cuba is mired in a labor dilemma. Havana continues to face severe structural unemployment problems. Cubans with training and education can find no employment outside of agriculture. Youths who expected favored placement upon the completion of their required military service are having their high hopes dashed. And on a larger scale, prior to the Mariel exodus, there was a 6-percent unemployment rate, which the report maintains is probably understated. The report also documents the labor force's low productivity, low morale, inefficient management, and chronic absenteeism.

Another point of reference that presents an unvarnished portrait of the Cuban economy can be found right in the streets of Cuba. We see widespread rationing of consumer goods, long lines waiting for essential products, and a thriving black market. Current availability of consumer staples, such as beef, coffee, sugar, and clothing, is less than it was in 1970. Over two-thirds of products, such as rice, sugar, red meat, dairy goods, and bread, must be rationed. And while the present state of Cuba's economy is bad, the future looks worse. Soaring world grain prices and oil prices since the year 1974 have steadily pushed the Soviet Union's hard currency costs up to the $1.5 billion level of 1979. Signs indicate the Soviet Union is becoming increasingly reluctant to foot the bill for Cuba's revolutionary Government—Moscow's own economic problems are plainly visible. Since Cuba relies on subsidized Soviet imports for 99 percent of its oil needs, Cuba's future energy costs will further burden the economy when those costs rise in relation to Soviet and CMEA supplies.

What all of these facts point to is simple: The revolutionary Government of Cuba is staring economic disaster in the face. Without the support of the Soviet Union, Cuba would have capitulated long ago. The vacuous promises of communism have been before the Cuban people, and insiders have sensed a developing mood of restlessness among the people. The report to the Joint Economic Committee makes clear that the Castro Communist Government has brought economic ruin rather than prosperity to the Cuban people.●

MEMORIAL TO J. WILMER CRONIN

● Mr. SARBANES. Mr. President, Maryland recently lost one of its outstanding citizens with the passing of J. Wilmer Cronin, of Harford County.

A man of tireless resolve and limitless energy, "Doc" Cronin had a varied and influential career that included law practice, active involvement in the Democratic Party, and representation of the people of Harford County in Maryland's House of Delegates and State Senate. He will, however, be best remembered for the 63 years of distinguished service he provided to this community as editor of one of Northeast Maryland's leading newspapers, the Harford Democrat and Aberdeen Enterprise.

"Doc" Cronin will be greatly missed by his colleagues, associates, family, friends and neighbors.

Mr. President, I ask that the obituary notice and the editorial from the Harford Democrat and Aberdeen Enterprise be inserted in the RECORD as a memorial to a great Maryland leader and newspaperman.

The material follows:

J. WILMER CRONIN, PUBLISHER, DIES

Sixty three of his eighty six years, J. Wilmer Cronin gave to his community, through his newspaper, the Harford Democrat and the Aberdeen Enterprise, and through his life time, personal service to everyone.

He turned no one aside; he leaves with malice toward none.

He left us on "Press Night" at a time in the morning that he would have been dictating his editorials for this spot.

Earlier in the evening when he was anxious to "get out this week's edition" I told him of the efforts of the staff to put out the paper and for him to get well to continue on. He was unable to. He wanted to. Providence saw otherwise.

He left his paper, content that it would be done as usual for the three thousandth, two hundred and sixty seventh time by those back home who loved him.

He went, as did his wife, Mary, who worked and left us on press night some ten years ago.

He will be missed by his fellow publishers, his staff, his family and his friends.

J. WILMER CRONIN, 1895–1982

A lifetime of service in all walks of community life ended this week when J. Wilmer Cronin died.

He had given freely of his time to one and all, black and white, men and women, Republicans and Democrats, community organizations, elective office and volunteer groups. He rubbed elbows with Presidents, and underprivileged, who to him were all

the same, one having opportunities denied the other. He believed in education, hard work and lending a helping hand.

A dedicated Democrat, he was sought out by Republicans for advice and counsel. One of his last acts was to be a part of the Democratic Central Committee's recommendation for a member of the Harford County Liquor Board.

He tried ever to be fair, to be calm, to say the right thing at the right time for the betterment of his fellow citizens.

He goes, leaving behind his mark in many things.

He will be missed by all who knew him.

He goes to join those who have gone before him. He went in peace.

Few come along in anyone's lifetime who has an open door to all people.

IN MEMORIUM TO OUR SENIOR EDITOR, J. WILMER CRONIN

It is with deep regret that we, the staff of The Harford Democrat must announce the death this morning of our beloved senior editor, John Wilmer Cronin. He had been a patient at Harford Memorial Hospital since last Saturday and passed away at approximately 4 a.m., today, Wednesday, April 28. He was born October 14, 1895.

We will deeply miss his friendship, love and guidance as together we endeavored each week to produce his "baby," The Harford Democrat.

OUR SENIOR EDITOR J. WILMER CRONIN

He was a giant of a man whose generosity and community spirit was given freely to others, to his hometown, to his country and to his state.

In marking the 125th Anniversary of the Harford Democrat in December of last year, we also marked the halfway point of its lifetime with the editor, publisher, and owner who had himself been the leader for the second half of its years.

He was the oldest of nine children. His mother, a strong believer in education, found the ways and means to educate each. J. Wilmer attended his local Aberdeen School, was the first and only graduate of his High School graduating class, went on the Charlotte Hall, (a southern Maryland military school), on a scholarship. Friendships there were rewarded in later life among community and legislative leaders. He attended the University of Maryland Law School, passed the State Bar Exam before completion of his courses, and opened his own law office.

After gaining financial knowledge from working in the old First National Bank (later absorbed by Equitable Trust), he entered into the newspaper business with a local newspaper friend "Bun" Jacobs, and ran all the machines of the trade. He had the uncanny ability to sit at the linotype machine transferring his editorials directly into hot slugs that went into forms to print them without benefit of prewritten copy.

He was an unpaid community leader, who gave freely of hours of time each day, was advisory legal counsel to boards and commissions, finding time for friends, nonfriends, the rich, the poor, the maligned, the afflicted and infirm, his associates, employees, community and his family.

Even dispositioned, he had the ability to work two things at the same time, a talent which enabled him to cram more into a time period, and able to exist with shortened sleep periods, he released more hours for productive things.

He was a leader among politicians, adviser to both Republicans and Democrats, a staunch unswerving Democrat whose defense of the common man, whose quiet decision ending remarks, and long range thinking meant years of better life for all those around him. He served in elected town and state offices, was adviser or attorney for town, county and state, solved community differences of deep seated convictions for and against, by having suggested and seen adopted a Planning and Zoning Ordinance that has stood since 1957.

He healed the breach between those who wanted liquor and those who did not by a county dispensary system and beer and wine laws that compromised each side to give freedom of purchase to all. He was a founder and adviser to the unpaid volunteer Metropolitan Commission that enabled the citizens of rural Harford to have city water and sewerage. He sat as a councilman of his hometown of Aberdeen, always his first and greatest love. He was Aberdeen's legal counsel, and legal counsel for the former county commissioner system of government, the Metropolitan Commissions, and numerous other commissions and boards.

He served in the State of Maryland legislature as a Delegate in 1924 for two terms and a Senator for 2 terms. He had the opportunity to be known on the national scene through congressmen and through Harford's greatest political figure Senator Millard E. Tydings who served so many years in the halls of Congress. During the war years of WWII, he was chairman of the Armed Forces Committee and the Foreign Affairs Committee.

His services were freely given to his community. Those days public salaries were in the hundreds; often his own office staff (his right arm Marian Greenland) were the unpaid legal office of the town and county and state, for in the old days such work was done as part of the meager salary paid by government. His public service cost many times more than the payment ever received. There were lean times when public service took away time usually devoted to earning his own living.

. Yet community involvement over these 62 years as editor, publisher and owner of the Harford Democrat-Aberdeen Enterprise carry over into the present, for he was a giant to his community who offered a helping hand to all even as his years began to place him among the few of the "Living Treasures" recognized by the Harford County Council.

He truly was a living treasure to his family, to his friends, to his business associates, to his town, to his county, to his state and to his nation.

We salute his years of life, his newspaper, his legal profession, and his community and personal service to others.●

CONGRATULATIONS TO WILLIAM W. WEIDE, A HOUSING INDUSTRY LEADER

● Mr. CRANSTON. Mr. President, on April 25, 1982, a distinguished Californian, William W. Weide, retired from his position as president and chief operating officer of Fleetwood Enterprises, Inc. in Riverside, Calif., one of the Nation's largest producers of manufactured housing and recreational vehicles. The skill and experience that Bill Weide possesses will not be lost to Fleetwood, however, because he will assume the position of vice chairman of the board of directors of that firm.

I have had the pleasure of knowing and working with Bill for many years and consider him a valued friend. As president of Fleetwood, Bill has been in the forefront of the movement to provide citizens of our country with comfortable and affordable housing through quality manufactured homes. His company is also a national leader in the development of recreational vehicles for the enjoyment of those who wish to see America.

Since 1958, Bill Weide has been a member of Fleetwood's management team, holding positions as controller, assistant vice president, senior vice president and, since February 1973, president and chief operating officer. He has been a director of the firm and its subsidiaries since 1959.

Mr. President, Bill has been an industry leader throughout this period, serving as an officer of the Southeastern Manufactured Housing Institute, the Mobile Home Manufacturers' Association, and as chairman of the board of directors of the Manufactured Housing Institute in 1975 and 1976. He has also served on the policy advisory board of the Joint Center for Urban Studies sponsored by Harvard University and the Massachusetts Institute of Technology. In addition, Bill has been honored as the recipient of the Western Manufactured Housing Institute's Jack E. Wells Award for distinguished service to the manufactured housing industry, and last year, he was inducted into the Mobile Home/RV Industry Hall of Fame. He has also been involved in numerous charitable organizations, especially those involving the State of Israel and many Jewish charities.

Mr. President, I am delighted to join in the tribute recognizing the contributions that William W. Weide has made to improving the quality of life in our country. Many of our citizens are now able to live in decent, affordable housing or to enjoy outdoor recreation because of the efforts of Bill Weide.●

GARRETT PARK, MD., IS A NUCLEAR-FREE ZONE

Mr. MATHIAS. Mr. President, we spend a great deal of time in this Chamber talking about the threat of nuclear war, but I am proud to say that the citizens of Garrett Park, a town in nearby Maryland, are doing something about it.

Last Monday night, the residents of Garrett Park, a town of 1,200 people less than 15 miles from downtown Washington, voted to declare their town a nuclear-free zone. Town officials believe that this new ordinance, overwhelmingly approved by a vote of 245–46, makes Garrett Park the only nuclear-free zone in any of the 50 States. The ordinance reads as follows:

The people of this Town hereby declare the Town of Garrett Park to be a Nuclear-Free Zone. No nuclear weapons shall be produced, transported, stored, processed, disposed of, nor used within Garrett Park. No facility, equipment, supply or substance for the production, transportation, storage, processing, disposal or use of nuclear weapons shall be allowed in Garrett Park.

The idea to declare Garrett Park a nuclear-free zone was initiated this past February by Eugene McDowell, then the vice president of the local citizens association. Attending a meeting at the Rockville Unitarian Church, McDowell listened to a representative from the Committee for National Security discuss nuclear-free zones in several British towns and elsewhere around the world. McDowell was struck by this idea, and took it to the Garrett Park Town Council. It agreed that putting the nuclear-free zone question on the ballot would give Garrett Park citizens an effective way to transmit their feelings on the nuclear arms control issue to the Congress and the rest of the American people.

McDowell and former Garrett Park Mayor Donn Mader advised the members of the community about this initiative at a well-attended seminar where they answered questions and explained exactly what the citizens would be voting on. Their enthusiasm was contagious, generating the largest voter turnout in Garrett Park history.

Since Monday, McDowell, now the president of the citizens association, and Mader have heard from other towns, both in Maryland and around the country, interested in becoming nuclear-free zones. The ball is definitely rolling.

One Garrett Park official recalled Albert Einstein's memorable assessment:

> The unleashed power of the atom has changed everything save our modes of thinking, and we thus drift toward unparalleled catastrophes.

I hail the citizens of Garrett Park in pioneering an effort to change our modes of thinking. As Victor Hugo said: "No army can withstand the strength of an idea whose time has come."

A CONSTITUTIONAL AMENDMENT ON PRAYER IN PUBLIC SCHOOLS

Mr. MATHIAS. Mr. President, the press reports that President Reagan today planned to announce his support for a constitutional amendment that would specifically authorize some form of prayer in public schools. The White House has said he will send us a draft soon.

Not having seen the draft of the specific language that the President advocates, I am not in a position to comment on his proposal.

But I can claim to know something about the subject. I was a Member of the other body, serving on the Judiciary Committee at the time the Becker amendment was debated there. That was an amendment to the Constitution proposed on the subject of prayer in school. Many hours of hearings, many evenings studying American history and American constitutional law, and many volumes of reports were all required by the Judiciary Committee's close and careful scrutiny of this important subject.

My conclusion, after participating in those very arduous studies, was that we should not adopt an amendment with respect to prayer in the school.

If we wish to conserve the traditional and historic values of American society, we should not adopt such an amendment. The founders of the Republic did not, of course, face the particular question because there was then no public school system as we know it. But they knew what happened when government meddles with religion.

In the colony of Maryland there had been official prayers, in our case Anglican prayers, and, of course, our ancestors were not unique in living under established religions. So when independence was declared and independence was won in the War of the Revolution, they resolved that the new Republic should be governed without Government regulation of religion, without Government interference with religion, and without Government authorization of religion.

So in the first amendment to the Constitution it is provided that "Congress shall make no law respecting an establishment of religion or prohibiting the free exercise thereof."

James Madison is especially eloquent in explaining in the Journal of the Constitutional Convention what was in the minds of the framers, and he is a boundless source of information to guide us as we consider this proposal.

I would urge every Member of Congress to review the extensive record made in the House Judiciary Committee in considering the Becker amendment. The conclusion is inescapable that we should not repudiate the historic policy of freedom that has served us so well for two centuries. It is a policy of separation of church and state, and I believe that any constitutional amendment to authorize school prayer will irreparably breach that rule.

In the interest of liberty, in the interest of freedom of religion, and in the interest of all Americans, our generation and the generations to come, I urge Senators to look hard and deep at this proposal. When they have done so I am confident they will conclude that a constitutional amendment with respect to prayer in schools is a radical turn on the road of American history and a detour that most of us will not judge it is wise to take.

The PRESIDING OFFICER. The majority leader is recognized.

AUTHORIZATION FOR REPRESENTATION BY SENATE LEGAL COUNSEL OF A SENATE EMPLOYEE

Mr. BAKER. Mr. President, I send to the desk a resolution for myself and the distinguished minority leader, Senator ROBERT C. BYRD, and ask for its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will state the resolution by title.

The assistant legislative clerk read as follows:

> A resolution (S. Res. 388) to authorize representation by the Senate Legal Counsel of a Senate employee in the case of *United States of America* v. *Anthony Accardo, et al.*

The Senate proceeded to consider the resolution.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 388) was agreed to.

The preamble was agreed to.

The resolution, together with the preamble, is as follows:

S. RES. 388

Whereas, the case of *United States of America* v. *Anthony Accardo, et al.*, Case Number 81-230-CR-JWK, is pending in the United States District Court for the Southern District of Florida;

Whereas, Walter J. Sheridan, currently an employee of the Senate, and formerly Chief Investigator of the Senate Committee on the Judiciary, has been served with a subpoena to appear and testify as a witness in that case;

Whereas, by the privileges of the Senate of the United States and Rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate can, by the judicial process, be taken from such control or possession but by permission of the Senate;

Whereas, pursuant to Article II, section 2, clause 2 of the Constitution of the President shall have the power to nominate and, by and with the advice and consent of the Senate, to appoint judges of the United States, and pursuant to this responsibility the Senate has delegated to its Committee on the Judiciary the authority to investigate the qualifications of nominees for the federal judiciary;

Whereas, the Senate had traditionally maintained inviolate the confidentiality of its investigations of judicial nominations;

Whereas, under section 704(a)(2) of the Ethics in Government Act of 1978 ("the Act"), 2 U.S.C. §288c(a)(2) (Supp. IV 1980), the Senate may direct the Senate Legal Counsel to defend the Senate or any Member or employee of the Senate in any proceeding with respect to any subpena or order directed to them in their official capacity: Now, therefore, be it

Resolved, That pursuant to section 704(a)(2) of the Act, the Senate Legal Counsel is directed to defend Walter J. Sheridan with respect to the subpena served on him in the case of *United States of America* v.

Anthony Accardo, et al., Case No. 81-230-CR-JWK, in the United States District Court for the Southern District of Florida.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

THE EXECUTIVE CALENDAR

Mr. BAKER. Mr. President, there are two items of executive business which are cleared for unanimous consent on this side. One is the nomination of Herbert E. Ellingwood, to be Chairman of the Merit Systems Protection Board. Mr. Ellingwood was confirmed on yesterday, as a member of that Board. This is his confirmation as Chariman.

The second item is calendar No. 742, Clarence Thomas, of Maryland, to be a member of the Equal Employment Opportunity Commission.

May I inquire of the minority leader if he is prepared at this time to consider these two nominations,

Mr. ROBERT C. BYRD. Yes, Mr. President. There is no objection to proceeding to the two nominations stated.

Mr. BAKER. I thank the minority leader.

EXECUTIVE SESSION

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate now go into executive session for the purpose of considering the two nominations just identified.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report the nominations.

The assistant legislative clerk read the nominations of Herbert E. Ellingwood, of California, to be Chairman of the Merit Systems Protection Board; and Clarence Thomas, of Maryland, to be a member of the Equal Employment Opportunity Commission.

Mr. BAKER. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nominations were considered and confirmed en bloc.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nominees were confirmed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I ask unanimous consent that the President be immediately notified that the Senate has given its consent to these nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate now return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE REPORTING DATE EXTENDED TO MAY 17, 1982

Mr. BAKER. Mr. President, I ask unanimous consent that, with regard to Senate committee for 1982, the May 15 reporting date specific in section 402(a) of the Congressional Budget Act be changed to May 17 and that committee reports may be received until midnight on that date.

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, and I will not object, this change if for this year only and it is necessitated by the fact that May 15, I believe, falls on a Saturday. Am I correct?

Mr. BAKER. The minority leader is correct. The provision is made, in part, may I say, to make sure that the officers and functionaries of the Senate are not required to remain here until midnight on Saturday evening in order to receive those reports, when it would be useless to do so since the Senate will not be in session on the weekend. So the better part of discretion suggests that this be changed. I thank the minority leader for his question and for that explanation.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR THE RECOGNITION OF CERTAIN SENATORS ON MONDAY, MAY 10, 1982

Mr. BAKER. Mr. President, I ask unanimous consent that on Monday next after the recognition of the two leaders under the standing order five Senators be recognized on special orders of not to exceed 15 minutes each; that is to say, Senators NUNN, FORD, BAUCUS, ROBERT C. BYRD, and BAKER.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORITY FOR COMMITTEES TO FILE REPORTS BETWEEN THE HOURS OF 9 A.M. AND 6 P.M. ON FRIDAY, MAY 7, 1982

Mr. BAKER. Mr. President, I ask unanimous consent that on tomorrow, Friday, May 7, between the hours of 9 a.m. and 6 p.m., committees be authorized to file reports.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. BAKER. Mr. President, when the Senate completes its business today, it will stand in recess, under the order previously entered, until the hour of 12 noon on Monday next.

MONDAY

On Monday next, after the recognition of the two leaders under the standing order, certain Senators will be recognized on special orders. I anticipate that a period for the transaction of routine morning business will be provided for at that time to follow on after the execution of the special orders.

Under the order previously entered, the Senate will not resume the consideration of the Department of Defense authorization bill until Tuesday, the following day. Therefore, the outlook for the activity of the Senate during the remainder of Monday is, at this point, uncertain.

TUESDAY

On Tuesday, Mr. President, the Senate will resume consideration of the Department of Defense authorization bill, at which time the Specter amendment, as modified, will be the pending question at some time not prior to 3 p.m. in the afternoon, pursuant to the order previously entered.

It is the hope of the leadership, Mr. President, that the DOD authorization bill can be completed early next week, or at least next week, for we now are facing a series of important measures which must and do require the attention of the Senate. I refer, of course, to the budget resolution, which we anticipate will reach the calendar in due time; an urgent supplemental appropriations bill, which will be received by the Senate from the other body sometime next week; and the Voting Rights Act extension, which has been ordered reported from the Judiciary Committee, and it is the intention of the leadership to call up as soon as feasible and practical after it is reported and reaches the calendar.

So there is much work yet to be done by the Senate before our Memorial Day recess. If we dispatch this work quickly and efficiently, I hope that we might increase and enlarge the Memorial Day recess by a few days. I will confer with the minority leader from time to time on that subject and make a final and firm announcement on those plans at the earliest possible date so Senators can make their arrangements.

Mr. President, on Monday next, notwithstanding that the schedule is uncertain, it is hoped that worthwhile business can be cleared for action on both sides. One resolution that we were unable to clear this afternoon dealt with the situation in the South Atlantic. That may or may not be available for action on Monday, but Senators should be on notice of that possibility.

RECESS TO MONDAY, MAY 10, 1982

Mr. BAKER. Mr. President, I see no other Senator seeking recognition. If no Senator now seeks recognition, I move, in accordance with the order previously entered, that the Senate stand in recess until 12 noon on Monday next.

The motion was agreed to; and, at 6:54 p.m., the Senate recessed until Monday, May 10, 1982, at 12 noon.

NOMINATIONS

Executive nominations received by the Senate May 6, 1982:

INTERNATIONAL COMMUNICATION AGENCY

Robert John Hughea, of Massachusetts, to be an Associate Director of the International Communication Agency, vice James B. Conkling, resigned.

FEDERAL COUNCIL ON THE AGING

Adelaide Attard, of New York, to be a member of the Federal Council on the Aging for a term expiring June 5, 1985 (reappointment).

Charlotte W. Conable, of New York, to be a member of the Federal Council on the Aging for a term expiring June 5, 1985 (reappointment).

NATIONAL COUNCIL ON THE HUMANITIES

Walter Berns, of Maryland, to be a member of the National Council on the Humanities for a term expiring January 26, 1988, vice Joe Bob Rushing, term expired.

SECURITIES INVESTOR PROTECTION CORPORATION

Ralph D. DeNunzio, of Connecticut, to be a Director of the Securities Investor Protection Corporation for a term expiring December 31, 1982 (reappointment).

David F. Goldberg, of Illinois, to be a Director of the Securities Investor Protection Corporation for a term expiring December 31, 1984, vice Brenton H. Rupple, term expired.

Roger A. Yurchuck, of Ohio, to be a Director of the Securities Investor Protection Corporation for a term expiring December 31, 1984, vice Adolph Philip Schuman, term expired.

IN THE NAVY

The following-named officers of the U.S. Navy for permanent promotion to the grade of lieutenant commander in the line and various staff corps, pursuant to section 611(A) of the Defense Officer Personnel Management Act (Public Law 96-513) and title 10, United States Code, section 624 as added by the same act, as applicable, subject to qualifications therefor as provided by law:

LINE

Lieutenant commander, USN, permanent

Abler, Ronald John
Anderson, Jon Eric
Armstrong, Richard Carl
Arnold, James Laurence
Baker, William David
Baldy, Mark Bernard
Bartholomew, Glenn S.
Baughman, John Douglas
Beaty, William Everett III
Bedinger, Henry James
Bentson, David Allen
Bentz, John Randall
Bernard, Paul Leroy
Bettinger, Robert Gene
Bien, Lyle Gene
Bloyer, Stanley Frank
Bodenweber, William Kneer, Jr.
Bostian, Richard Massey
Bradley, Richard Joseph, Jr.
Breglio, Robert Anthony, Jr.
Brich, Robert Joseph
Brown, Gerald Allen
Bruner, Michael Glenn
Bryant, Gary Ward
Bulkeley, Peter Wood
Bullock, James Walter
Burgess, Kenneth Charles
Burns, Joseph David
Burrow, Barry Valle
Caldarella, Rocco J.
Campbell, Darrell W.
Campbell, Jay Alan
Campbell, William Harrison
Carr, Terry Alan
Carroll, Charles Lee II
Cassat, Gary I.
Chamberlain, Martin Lewis
Chiprany, Thomas Andrew
Christopher, Angelus Demetri
Cleal, Stephen Roger
Colvert, Robert Gary
Connell, Hugh Douglas II
Coughlin, James William
Craine, John Wilbur, Jr.
Curtis, James Albert
Dailey, Donald Charles
Dale, Louis Benard, Jr.
Davidson, Gary Paul
Delear, Denis Walter
Demarino, Thomas Vito, Jr.
Dengler, Frank Gavin
Diamond, Emil Richard, Jr.
Dilks, Robert Warren
Dinkel, Robert Edward, Jr.
Dodds, Victor Eugene
Donat, Winfield III
Douglas, Charles Owen
Drake, John Oliver, Jr.
Driscoll, Joseph Edward, Jr.
Duncan, John Hollis
Durgin, Harlan Michael
Dutton, Hubert Langston, Jr.
Eklund, Gary John
Ellis, James Oren, Jr.
Evert, Richard Downey
Fahey, John Michael
Faison, Charles Carey
Fielding, Harvey George
Ford, Thomas Joseph
Fowler, Ormond Craig, Jr.
Frederick, Georgie Ray
Freeman, Floyd Eugene
Fritz, Gerald Wayne
Gabriel, Charles Andrew
Gladman, Dennis St. Clair
Glanzman, Denman Paul
Gottschalk, Glenn Fredric
Green, Jon Noel
Gurick, Gerald Anthony
Habel, Paul Grimmer
Hammond, Rayford Earl
Hanson, Robert McDonald
Hartsell, Harry Winfred
Hatcher, Douglas Carlton
Hawkins, Robert Baran
Hedger, Bernard Joseph
Hendrix, Royal Felix III
Hinkle, James Bruce
Honeycutt, Anthony Ogburn
Humphreys, Alvin Norman
Hunter, Gerald Franklyn, Jr.
Hutcheson, Thomas M., Jr.
Isert, Eugene Shelley
Jaeger, Richard Joseph III
Jankovic, Oleg
Johnson, Edward Randolph
Jones, Albert Donald
Jurcheck, John Clark
Keef, Mark Byron
Keefer, Richard Lee
Keller, William Cotesworth
Kent, Melton Travis
King, W. O., Jr.
Kinney, James Claude
Knowles, Robert Thomas
Koch, Patrick Peter
Kraft, Charles Merle, Jr.
Kreft, Robert John
Lakari, Robert Ewald
Lamon, Thomas Ide
Lang, Ronald J.
Langbehn, Craig Allan
Langknecht, John Marshall
Leddy, Willian Randall
Lee, Gary Lawrence
Lee, Robert Edward
Leo, Charles Rhinelander III
Lesley, Ronnie Joseph
Lealie, John Carlton, Jr.
Loeffler, Stephen Robert
Love, Jimmy Ray
Ludwig, Frederic George, Jr.
Lutes, Thomas Earl
Lynch, Lynn Morris
Lyons, John Joseph
Mach, Raymond Joseph, Jr.
MacNeill, Kent Van Lewis
Macomber, Jonathan Day
Markley, Daniel Craig
Martin, Jack E.
Martin, William Charles
Martus, Michael Frederick
Marvel, Dennis C.
Mayo, Richard Walter
McCallister, Michael Alan
McCulloch, Edward Archie
McHatton, James Thomas
McLean, Michael Anson
Migrala, Walter M., Jr.
Mitchell, Theodore Arnold
Mitschang, George William
Moffat, Michael Edward
Monk, Carl Warren, Jr.
Montgomery, Richard Lewis
Montgomery, Samuel Adair III
Morris, Raymond John, Jr.
Morris, William Dudley
Murphy, Arthur Vincent
Myers, Roger Edwin
Nelson, Dwayne Hugh
Neville, Thomas Joseph
Nick, Louis Adolph, Jr.
Noble, Russell Lee
Nosal, Leonard Jerome
O'Connell, Donald Douglas
Oliver, James Hillman
Oltraver, Dennis Allen
Osteen, Michael Dale
Ostertag, Marc Allen II
Overton, John C.
Parker, Jimmy Wayne
Parker, Joseph Webster, Jr.
Parrish, John Michael
Parsons, Dennis I.
Paschall, Jack III
Pear, Willard Francis
Penfold, Robert Rockhill
Peterson, Arne Maurice
Pickavance, William W., Jr.
Place, Cameron Bradford
Polk, Albert Sidney III
Pollard, Don Pearson
Pomberg, John Albert
Porter, Gary Ray
Prestero, Mark George
Prisaznick, David Louis
Proctor, Kenneth Allen
Purhonen, Steven Carl
Putnam, William L.
Ralston, Michael Gilbert
Richey, Daniel Otto
Robison, Thomas Steven

Roser, James Henry, Jr.
Rowland, Charles Brett
Rud, Gilman Everett
Ryan, Jerry Robert
Sanders, Thompson Edward
Sandoz, John Frederick
Schantz, Curtiss William, Jr.
Schimmel, Carl Wesley III
Schmidt, William Robert
Schmitt, Jackie Marvin
Schuhl, James C.
Schwikert, Frank Donald
Seider, Michael Stephen
Sell, John Christian
Senft, Milton Leroy
Shedd, Stephen Tucker
Shick, John Charles
Shields, Joseph Carl
Shive, Clifford L., Jr.
Slattery, Michael Gerald
Smith, Connor Lynn
Smith, Harry Lindley, Jr.
Sorce, Anthony Michael
Southgate, Gregg Vanremmen
Spahr, Otto William III
Speed, Danny Lee
Spengel, Michael Francis
Statskey, Paul Robert
Stults, James David
Sullivan, James David
Thompson, Jerry Arnold
Tilton, Ronald William
Tinkel, Terrence Lee
Toone, James Joseph
Trotter, Richard Lee
Trumbower, Glenn Curtis
Tucker, Gerald Duane
Uplinger, Leon Joseph
Upton, Thomas George
Wagner, Lynn Taylor
Watts, James Anthony
Weinberg, Kenneth Paul
Whatley, James Wade
White, Sidney Russell III
Wikstrom, Raymond Melvin
Wise, Cletus Floreece
Wooldridge, Francis Rust
Yockey, James William
York, Gerald Lee
York, Russell Clayton
Ziller, Gay Marion, Jr.
Zuch, Ronald Charles

LINE

Lieutenant commander, USNR, permanent

Patten, Leo G.

SUPPLY CORPS

Lieutenant commander, USN, permanent

Averett, Gary Lynn
Boardman, Henry Porter, Jr.
Brasher, Kenton Clark
Cohen, Barry Lee
Crow, Douglas Roger
Curry, Merrill Dunn
Demeritt, Christopher Davis
Fitzgerald, Kenneth Wayne
Grigson, Delbert Quincy
Hayward, Daniel Stewart
Holtman, Bruce David
Mason, Charles Roger
Mason, Richard Henry
McCarthy, Frederick P., Jr.
McKenna, James Lee
Moser, Paul Donald
Ptacek, William Joseph
Rinne, Raymond Carl
Robertson, James Clay
Smith, Douglas William
Snider, Stephen Edward
Squires, Robert Ray
Vance, Michael Gordon
Villers, James J.
Vroman, Richard Donald, Jr.

CHAPLAIN CORPS

Lieutenant commander, USN, permanent

Bertrand, Victor Eugene
Boucher, Edward Francis
Clark, Lee S.
Erpelding, Edward E.
Friel, John Francis
Gallagher, Michael Francis
Hornsby, Benny Jackson
Marvin, Charles Wellington
Mennis, James Finbar
Naylor, Ronald Joseph
Neill, James R. III
Ritter, Ronald A.
Spilka, Anthony Frank

CIVIL ENGINEER CORPS

Lieutenant commander, USN, permanent

Corrigan, Phillip George
Cullison, Geoffrey Douglas
Giancola, Anthony Robert
King, Jerry Wayne
Loyacano, Joseph Nace
Marshall, David Wesley
Pierson, William Paul
Vernon, Jerry Leroy
Webb, Richard David

JUDGE ADVOCATE GENERAL'S CORPS

Lieutenant commander, USN, permanent

Fessler, E. Anthony
Haiman, Arnold Jay
Hoover, William Dean
Legrand, Carlson M.
Tucker, Charles W.

MEDICAL SERVICE CORPS

Lieutenant commander, USN, permanent

Adler, Gary John
Aitken, John Robert
Armstrong, Carl Andrew, Jr.
Bartlett, Jack Wallace
Blackford, James Michael
Blaylock, James Donald
Bruder, Paul Theodore
Campbell Paul Ernest
Casper, Allan Vincent
Chappell, Wendell Leo
Dould, Philip Edward
Duny, Marshall Sol
Durfee, Paul John
Eversmann, Donald Frank
Foskey, Leslie Thomas
Fulton, Michael John
Groves, Kenneth L.
Harrell, James Howard
Haws, Virtus Paul, Jr.
Iczkowski, Marcel Dennis
Katzenmeyer, John Jeffrey
Kellogg, William Fredric
Kelly, John Price
Legg, Robert Paul
McCarty, James Edwin, Jr.
Mullins, Frank Arthur, Jr.
Norvell, Robert Dayton
Panas, Bruce Richard
Parker, Cloyd Joseph
Pelphrey, James Henry
Phillips, Harold Edward
Pulvermacher, Harld Edward
Reed, Paul John
Shea, Terence Kevin
Sixsmith, Howard Thomas, Jr.
Truran, Paul Frederick, Jr.
Vogl, Walter Frank
Windham, George Scott

NURSE CORPS

Lieutenant commander, USN, permanent

Burns, Rebecca Kathleen
Burroughs, Ruth Claire
Cahoon, Charlie Mac
Cayere, Barbara Mary
Courtad, James George
Dougal, Patricia Anne
Eastland, Susan L.
Feris, Mary Margaret
Fitzsimmons, James W. III
Higgins, Jean Marie
Holden, Beadie Laura
Honeywell, Patricia Hinckley
Lindsay, Sheila Anne
Miller, Daniel Everett
Moran, Michael Thomas
Murphy, Pamela Ann
Pippin, Mary Rubendall
Rawley, Anne Jordan
Reese, Charles Alan
Riddle, Richard Bruce
Schlote, Karen Kubiak
Schupeltz, Barbara Anne
Sherrard, Marcia J.
Sobkow, Roseanne
Southerland, Mary Arlene
Sparks, Teresa Caruso
Turner, Sherrilyn Ann
Wright, Marcia Rose

NURSE CORPS

Lieutenant commander, USNR, permanent

Thompson, Eleanor Jcan

CENTRAL INTELLIGENCE

John N. McMahon, of Maryland, to be Deputy Director of Central Intelligence, vice Admiral B. R. Inman, resigned.

IN THE NAVY

The following-named captains of the Reserve of the U.S. Navy permanent promotion to the grade of commodore in the line, as indicated, pursuant to the provisions of title 10, United States Code, section 5912:

LINE

Beverly James Lowe
Richard Edward Young
Tommie Fred Rinard
Tammy Haggard Etheridge
LeRoy Collins, Jr.
Frederick Peter Bierschenk, Jr.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 6, 1982:

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

Clarence Thomas, of Maryland, to be a Member of the Equal Employment Opportunity Commission for a term expiring July 1, 1986.

The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

MERIT SYSTEMS PROTECTION BOARD

Herbert E. Ellingwood, of California, to be Chairman of the Merit Systems Protection Board.

EXTENSIONS OF REMARKS

THE SEPARATION OF POWERS

HON. TOM RAILSBACK

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. RAILSBACK. Mr. Speaker, on last Wednesday, April 28, 1982, American Bar Association President David R. Brink addressed the National Press Club regarding the various legislative proposals that would strip the Federal courts of jurisdiction in specific constitutional cases. Since the subject matter of these bills deals with some of the most emotional and controversial social problems of our time—like busing, prayer in schools, and abortion—I believe Mr. Brink's remarks are especially pertinent and commend them to everyone who has an interest in this issue.

THE SEPARATION OF POWERS—WHOSE OX IS BEING GORED?

(By David R. Brink)

May 1 is Law Day. And it is a special Law Day—Law Day XXV. Its theme is A Generation of Progress. President Eisenhower proclaimed the first Law Day in 1958 and on April 16 President Reagan proclaimed Law Day XXV. Each year we in the United States celebrate our commitment to our unique heritage of two centuries of liberty, democracy, justice and the rule of law.

Let us make no mistake. That heritage, and our progress in it, are no accident. They are the product of a unique and inspired document, the Constitution of the United States of America, that serves the world as a model of representative democracy. The genius of that model is the doctrine of separation of powers that divides government into three branches, each having an assigned role and each operating to a degree as a check and balance on the others. We have conferred on the executive a role of policymaking and administration, on the legislative the power to initiate laws to serve changing public needs, and on the judicial the interpretation of law and the preservation of the fundamental rights secured to our citizens by our organic document.

Sometimes in the press of current problems we forget the origin of our system of government and the source of our liberties. We must never forget the wellsprings of our heritage and our progress. But the Constitution is not self-executing. To make its grand policies a reality, it needs interpretation and enforcement by the courts and wise implementation and extension by the legislative and executive branches. It needs the coordinated work of all three branches of government.

Today it sometimes seems that our national interest in the Constitution is centered on just one aspect of the Constitution—the separation of powers. We are endangering our continued progress under the rule of law by preoccupation with turf disputes over the roles of the three branches of government. And the arguments over the separation of powers largely depend on whose ox is being gored.

Members of the executive and legislative branches have, and should have, many opportunities for public expression of their views on the roles of the three branches of government. The judicial branch is enjoined by its own Code of Judicial Ethics from public commentary on matters that may come before it and hence is inhibited in making statements in its own defense. Thus it often falls to the American Bar Association—as the national voice of the legal profession—to defend the judicial branch or to try to bring some balance to the debate. When the ABA acts in this role, it is classified by some commentators as ultraconservative and by others as ultraliberal. We are neither. We are apolitical and we simply try to bring our special perspective as full-time students of law and the Constitution to enlightenment of the ongoing national debate. We are only viewed as political, or conservative or liberal, according to whose ox is being gored.

Currently, members of both the executive and legislative branches have charged publicly and repeatedly that the judicial branch has overstepped its constitutional role and has engaged in policymaking functions that are reserved to the other branches. In my opinion, those charges are, at best, debatable. It must be remembered, first, that, unlike the executive and the legislative, the courts do not initiate policy on their own motion; they simply decide actual cases between opposing parties that have not been resolved by the other branches. What has happened, I think, is that the executive and legislative branches have either failed to develop consititutional solutions to state or federal problems, have failed to enforce laws already on the books or have left policies unclear so that they require court interpretation. In some instances they have dumped implementation of policies in controversial areas on the courts, which have to decide the cases and which have no means to defend themselves from the attacks by the public and by other branches of government that follow their decisions.

Let me cite a few instances briefly and one at greater length. On the matter of tax exemption for colleges that have racially discriminatory policies, the executive had a hot potato. First it decided to suspend denial of tax exemption that seemed settled. Then it said it would seek legislation that would deny tax exemption. Acting on requests from the legislative branch, the executive finally said that it would dump the hot potato on the Court. If the Court decides simply that denial is mandated by the Constitution, by existing federal statutes and proper regulations and by previous Court decisions, it may be attacked by both branches of government for making unpopular policy.

Other instances of unpopular judicial solutions result from failure of the states or the federal government to provide specific tests, specific remedies or real enforcement of constitutional principles or general statutes. For example, in the case of the Civil Rights Act of 1964 and the Voting Rights Act of 1965, the intent of Congress was to put teeth into the Amendments to the Constitution that had been the law of the land for a century or more but had not by themselves resulted in eliminating discrimination in many parts of the country. But Congress did not define the tests of discriminatory practices beyond repeating the words of the Constitution. That dumped the question of interpretation of the Court—and its decisions under the one statute were attacked by conservatives and under the other, by liberals. In the case of the Voting Rights Act, the position of the ABA is that Congress originally intended to prevent the fact of discrimination and that to do so it incorporated the "effects" or "results" test of discriminatory action that then represented the constitutional law on the subject. In extending the Voting Rights Act for the third time, Congress should handle the hot potato itself and adopt a results test in the law.

I could cite a number of other instances in which the other branches of government have used the courts as their dumping grounds for hot potatoes and then castigated the courts for the way they handle them. But that would take time from my discussion of the most significant and dangerous new type of attack on the courts. I refer, of course, to the more than 30 bills now before the Congress that would deprive the federal courts of their historic and vital jurisdiction or power to grant remedies in what all agree are constitutional cases. Because that judicial role is fundamental to the separation of powers and the preservation of our system of government, I have been quoted as saying that those bills are leading us to the most serious constitutional crisis since our Civil War. That quote is accurate and I believe it more strongly than ever.

Let me say four preliminary things. The first is that my stand on these bills is not purely personal and that the House of Delegates of the ABA—our policymaking body—supported it by an overwhelming majority. Second, the ABA does not take a position either way on the subject matter of these particular bills—abortion, prayer in schools or means of achieving school desegregation. What we do oppose is the process used—taking constitutional questions away from the third branch of government and opening the door to elimination of the judicial branch in its constitutional role. Third, the battle over the federal jurisdiction issue is not between the courts—or the ABA—and the executive. The Administration, so far as I know, has not initiated or taken a position on these bills. I find it encouraging that Attorney General Smith has repeatedly urged strict observance of the separation of powers. I therefore hope that in response to calls from Chairman Rodino, our Association and press commentators, the Administration will take a firm stand in opposition to these bills. Fourth, the battle is not yet with the Congress, nor is it with either Republicans or Democrats in Congress. For there are members of both parties on both sides of the question. And I hope that those members of Congress in both parties who value the fundamental structure of our nation more than they do seemingly popular solutions to the hot potato social problems of the day will join to defeat these bills.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

The question whether the federal courts have overstepped their constitutional role, or have merely answered the difficult constitutional questions that have been dumped on them, may be debatable. But it is beyond debate that the present bills in Congress would overstep the constitutional role of Congress and endanger our system of government.

The argument is one of both law and policy. As to the legal question, constitutional scholars have expressed differing views on the constitutionality of these bills. The preponderant view appears to be that they are unconstitutional as applied to either the United States Supreme Court or the lower federal courts.

Some of the relevant materials are Article III of the Constitution, which says, among other things, that the judicial power of the United States extends to all cases arising under the Constitution, and the due process clause of the Fifth Amendment, which guarantees that no person shall be deprived of life, liberty or property without due process of law. Congress cannot exercise either such undefined power as it has under Article III to make exceptions to the jurisdiction of the Supreme Court or its power to create, change or abolish the inferior federal courts in any manner that would deprive our citizens of due process or deny the equal protection of the law. Nor can Congress, by a "bootstraps" process, confer on itself any of the other powers that are otherwise expressly denied it by Amendments to the original Constitution. Therefore, Congress cannot, either directly or under the guise of limiting jurisdiction, change remedies, and thereby change the constitutional law or define juridical processes in such a way as to deprive citizens of substantive rights guaranteed by the Bill of Rights and other parts of our Constitution. If Congress forecloses citizens from fundamental constitutional rights or remedies in the federal courts with the intent or effect of having different law applied by differently constituted courts, it clearly has deprived them of due process and equal protection. And that is precisely the intent, and would be the effect, of these bills.

Those who read only a portion of Article III of the Constitution say that the exceptions clause of Article III grants Congress unlimited power to take away the jurisdiction of the Supreme Court, and that the power of Congress to create inferior Article III courts implies the power to abolish those courts or selective portions of their jurisdiction. But if the whole of Article III, the balance of the Constitution and the subsequent Amendments are also read, it is clear that the framers could not have intended any such result.

The proponents of these bills claim that most Americans disagree with our Constitution, as interpreted by the branch of federal government to which our forefathers entrusted interpretation of the Constitution and protection of our rights. If, indeed, our nation does disagee with rights, under the Constitution, in the areas of abortion, prayer in schools or desegregation, there is a perfectly good way to change it. That is the amendment process involving the states and the people and requiring more than simple majorities. And our forefathers never intended that Congress, alone, by a simple majority vote, could obtain the same result.

For if the Congress, by a simple majority vote, could rewrite the Constitution, a future Congress could wipe out federal jurisdiction and remedies in all constitutional cases. Then, at best, we would have 50 federal constitutions—one for each state. And if state legislatures followed the example of Congress and deprived state courts of constitutional jurisdiction, we would have no judicial review at all in constitutional cases. We would have a purely parliamentary system of government, without either an enforceable written national Constitution or a court having the power to declare the process unconstitutional. The founders of our country clearly did not intend to create a tripartite system of federal government that so easily could be rendered a nullity. So these bills all must be deemed legally unconstitutional.

But, even more important, these bills must be opposed on grounds of policy. The admitted purpose of these bills is to change the constitutional law as interpreted by the judicial branch of federal government. That purpose betrays a terrible cynicism about our state judicial systems, for it is based on the belief that variations that are pleasing to current local majorities will be read into our national organic document by local courts. If that belief is unfounded, as I think it is, the bills are pointless. If it is well founded, it tells us that the proponents are willing to convert America into a kind of league of independent states instead of one nation.

This is another instance of the constitutional hot potato being handed to the courts, but this time it is, in part, the state courts. And the state courts do not want the constitutional responsibility the proponents would thrust upon them. The Conference of Chief Justices, representing all our state court systems, passed a resolution on January 30, 1982, without dissent, that viewed these bills with the gravest concern, citing many strong arguments.

Most of the apologists for the theory that the Congress can eliminate or control the federal courts say that enactment of these bills will teach the courts a needed lesson. That is about as responsible as suggesting that we can teach the other superpowers of the world a valuable lesson by firing a first nuclear missile at them now. Neither effort to teach a lesson can be stopped after the first salvo; either one will result in further warfare and destruction.

So we must ensure that Congress, as it has repeatedly in the past, once again declines the ultimate confrontation. For if we leave it to the Supreme Court to be the sole defender of the role of the federal courts, we face the certainty of grievous damage to our system. If, in accordance with the law as I believe it to be, the Supreme Court declares these bills unconstitutional, the current critics of the role of the judicial branch will be moved to declare the decision self-serving and proof that the Courts are overstepping their role. That will produce a clamor of further unjustified attacks on our courts and legal system and possible constitutional amendments to eliminate or limit the judicial branch. But if, contrary to my expectations, the Court sustains the bills, each Congress, according to its mood, will remove more and more of the jurisdiction of the Federal judiciary until it is gone. Either way we face a terrible division of our country and risk the destruction of our free system of government.

George Washington, in his moving Farewell Address to the Nation, issued a clear warning: "If, in the opinion of the people, the distribution or modification of the constitutional powers be in any particular wrong, let it be corrected by an amendment in the way which the constitution designates.—But let there be no change by usurpation; for though this, in one instance, may be the instrument of good, it is the customary weapon by which free governments are destroyed. The precedent must always greatly overbalance in permanent evil, any partial or transient benefit which the use can at any time yield."

Abraham Lincoln strongly disagreed with the Dred Scott decision of the United States Supreme Court. Yet he said of the Court: "We think its decisions on constitutional questions, when fully settled, should control, not only the particular cases decided, but the general policy of the country, subject to be disturbed only by amendments of the Constitution as provided in that instrument itself. More than this would be revolution."

I do not believe the proponents of these bills really want to launch a missile that could plunge us into internal strife and destroy our rights, the courts or our Constitution. But they are shortsighted in not seeing what they are starting. They are risking our most fundamental values to dispose of a hot potato—to secure what they believe are popular and expedient solutions to current and transient problems.

But if they are successful in that, they also risk the Generation of Progress we celebrate on Law Day. They threaten forfeiture of our progress in broader access to law and justice, equal protection of all our citizens, including minorities and the poor, and eradication of discrimination of all kinds. But, more than that, they threaten the rights of all of us. Once the door is opened, the rights of free speech, free press, free assembly and free exercise of religion could be the next to be abolished or curtailed.

Whose ox is being gored? It is not just the ox of one branch of government in a turf dispute with another. It is our entire system of government. It is the ox of all of us—the American people. I think of the great words of John Donne that come down to us from 1624. I wish I had time to read his magnificent text. But let me quote his final words. . . . "Never send to know for whom the bell tolls; it tolls for thee."

The ox of a free legal profession is gored. The ox of a free press is gored. The bell tolls for all Americans. And it is the duty of the press and lawyers—both in their separate ways protectors of our citizens and seekers of the truth—to tell these truths again and again. We must tell them until all members of Congress and all Americans realize that our system and our rights must be preserved. We may then warrant that when another generation under the rule of law has passed, it, too, will be a generation of progress.●

OIL IMPORT FEE—INEQUITABLE TAXATION

HON. STEWART B. McKINNEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. McKINNEY. Mr. Speaker, recently, budget negotiators in Congress and the White House have discussed the imposition of an oil import fee as a means of reducing the Federal deficit. According to the Congressional Budget Office (CBO), a $5 import fee would generate revenues of $4 billion in 1982, ranging up to and leveling off at $11.4 billion per year in 1986 and 1987 (including windfall profit tax revenues). Such a fee, however, would have devastating consequences for our economy which I could not justify in our current fiscal condition. Further, there are alternative tax proposals which would have a similar positive impact on revenues and energy consumption, but none of the inequitable and burdensome side effects of an oil import fee. For these reasons, I oppose such a fee, and I welcome this opportunity to explain my position.

First of all, an oil import fee would place an enormous and inequitable burden on New England, where reliance on oil imports is double that of the rest of the Nation. Estimates show that a $5 fee would increase our region's oil bill by $1.8 billion a year—an inordinate cost which we could ill afford during the current recessionary period.

However, this is not solely a regional issue, and does not affect oil prices alone. An oil import fee will raise the price of not only necessities, such as home heating oil and gasoline; indeed, its impact will reverberate though all sections of our economy, and will raise the prices of housing, automobiles, agricultural products, tourism, and many other items. As a result, the overall inflation rate would increase by almost a full percentage point. Again evaluating a $5 fee, CBO projects an inflation increase of 0.9 percent. This increase would raise Federal expenditures by up to $2 billion in higher social security payments and other outlays that are tied to inflation.

At the same time, an import fee would cause severe damage to both our balance of payments and our international trade relations. The rise in U.S. energy costs resulting from such a fee would make our goods more expensive to manufacture than those in countries with no import fee. Foreign producers would thereby gain a competitive advantage both in the United States and abroad. The fee would also complicate our negotiations with other nations on reducing their trade barriers, and could even prompt reciprocal trade measures. This would further downgrade the U.S. position as a product exporter.

Clearly, there are alternative revenue raising measures which would be less damaging to our economy and less devastating for the American consumer. Should an energy-related tax be necessary, for instance, I would favor an excise tax on gasoline—all gasoline, both foreign and domestic. Such a tax would raise needed revenues and encourage both conservation and investment in alternative sources. Further, it would have no widespread inflationary impact, since it would raise the price of only the product, rather than every oil-related commodity. Finally, a gas tax would spread its burden more evenly across the various regions of our country, rather than unfairly penalizing the Northeast. I am hopeful, therefore, that Congress will reject any efforts to impose an oil import fee as part of our 1983 budget package.●

RADIO FREE EUROPE: A SHINING LIGHT OF TRUTH FOR POLISH PEOPLE

HON. ROBIN L. BEARD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. BEARD. Mr. Speaker, I rise today to express my complete support for increasing the funding levels for Radio Free Europe.

Radio Free Europe is the primary—and sometimes the only—means by which the people of Poland are able to get an uncensored view of the world situation. In recent years the funding for this vital organ of communications has been allowed to deteriorate in relative terms. I think that this downward trend in funding must be immediately reversed.

Truth is a precious commodity for the people behind the Iron Curtain. They are forced by the Soviet occupation forces to hear on official media only the Communist Party line. Only through Radio Free Europe can they hear an objective view of what is occurring, and in so doing, they can nurture hope for a future that will be free.

The events of the last year have shown that the Polish people have not and will never succumb to Soviet domination. Soviet tanks and Soviet soldiers may physically occupy Poland but they can never occupy the hearts and minds of the Polish people. Given the moving example of national bravery we have witnessed in Poland over the past year, it seems to me that the very least that we in this Congress can do is to allocate the resources to the primary means the Polish people have to hear the truth—Radio Free Europe. In the darkness of the official Soviet-dominated Communist media, Radio Free Europe is a shining light for the Polish people.

On another matter, Mr. Speaker, I wish to insert in the RECORD a copy of a letter I have sent to President Reagan asking his personal assistance in directing the Postmaster General to eliminate or lower fees for packages mailed to Poland containing food, medicine, or clothing.

The letter follows:

President Ronald Reagan,
The White House, Washington, D.C.

DEAR MR. PRESIDENT: It has been over four months since the imposition of martial law in Poland. The Polish people have suffered through a long hard winter, experiencing severe shortages in food, clothing, and medicine. In addition, the Polish government has raised food and fuel prices ranging fom 300 to 500 percent.

Since the suspension of all food aid to Poland on December 17, 1981, the only American supplies reaching the Polish people have been through private and volunteer agencies. Representatives of CARE and Catholic Relief Services have pointed out that the impact of the shortages has been borne by the most vulnerable groups in the population (aged, children, and the sick). They further claim that this assistance is getting to those most in need, and not the government. But, this aid is only a small portion of what is needed to help alleviate this severe problem.

Mr. President, we urge you to recommend to the Postmaster General the cancellation or reduction of all postal fees for packages containing food, medicine, and clothing mailed to Poland. This action will enable Americans to help the Poles while bypassing the Polish government.

May 3 is the celebration of the Polish Constitution Day of 1791. This is the day when all free Poles celebrate to show their unswerving dedication to the principles of freedom, justice, equality, and individual liberty. It would only be fitting for us today, in 1982, to show our Solidarity with the Polish people through the cancellation of postal fees for aid packages to Poland.

Sincerely,
ROBIN L. BEARD, MEMBER OF CONGRESS.●

WAR VETERANS BENEFITS REDUCTIONS

HON. CLAUDINE SCHNEIDER

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mrs. SCHNEIDER. Mr. Speaker, today, I wish to convey my displeasure with the proposed reductions in benefits for the service-connected war veterans. I am appalled by the lack of judgment in lowering the compensation for those most deserving. Those veterans who served this country with honor deserve our utmost respect and most certainly are entitled to sufficient payment for their efforts. I applaud the Committee on Veterans' Affairs in their recommendation to the Budget Committee urging that no reductions be made in service-connected veterans benefits. Although I realize the necessity for reducing Federal spending, I, on behalf of the 140,000 war service veterans in Rhode Island, ask the committee to devise a budget that treats our veterans fairly and equitably. Thank you.●

SEAFARERS PRESIDENT ADDRESSES WORKSHOP ON VALUE OF EXPORT-IMPORT BANK

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. AuCOIN. Mr. Speaker, I rise today in order to bring to the attention of my colleagues an excellent statement on the value of the Export-Import Bank. This statement was made by Frank Drozak, president of the Seafarers International Union of North America. Mr. Drozak is also president of the Maritime Trades Department of the AFL–CIO.

Mr. Drozak's speech was made before the Washington workshop on employment and exports sponsored by the Coalition for Employment Through Exports. I commend it to my colleagues because it lays out, in an extraordinarily clear manner, the importance of the Export-Import Bank to labor and industry. I urge the Members to read Mr. Drozak's remarks carefully and I congratulate him for his statement.

STATEMENT OF FRANK DROZAK

I am pleased to participate today on behalf of the Seafarers International Union with the other members of the Coalition for Employment Through Exports.

We in the Seafarers, America's principal maritime labor organization, are pleased to see the increasing labor and business support for the Coalition and its rapid growth during its short existence.

As few members of the general public realize, the maritime industry and our union have recently experienced the most radical technological changes in history. We have truly been a part of the high technology explosion.

Today, Seafarers Union members crew the most sophisticated vessels ever to sail the inland waters, the Great Lakes, and the high seas, including jumbo tankers, chemical carriers, and integrated tug/barge units.

The technological advances in our industry, and the challenge of foreign competition which at times knows few or no restrictions, have made it critical for the modern American merchant marine, both in labor and in management, to look ahead with foresight and wisdom. I submit to you that the game is being played by new rules, and rules which are changing rapidly.

This is why we in the Seafarers Union recognize the importance of the Coalition for Employment Through Exports and the Coalition's support for the Export-Import Bank.

In the American labor movement we have always supported the concept of "the greatest good for the greatest number".

I believe that the Coalition is a perfect example of this concept. It is an outstanding opportunity for labor, management, and State governments to work together for the benefit of all to meet the challenges that face us all. I think every one of us in this room would agree that hard work and this type of cooperation is not only important, it is critical to America's economy and our national well-being.

I would now like to turn to the subject of our great common interest, America's exports.

Ladies and gentleman, no one needs to tell a seafarer how important exports are to him and his family. Only last month, I testified before the Water Resources Subcommittee of the House Public Works and Transportation Committee. On behalf of America's seafarers, I went before the Subcommittee to support a comprehensive U.S. export program in light of the recent and anticipated increase in U.S. coal exports.

When I say that our nation needs a comprehensive export program, I mean just that:

The ship channels in our ports need to be widened and deepened to accommodate today's bigger vessels.

Our on-shore port facilities need to be modernized.

We must strengthen our bilateral agreements with our major trading partners.

We need to rebuild our U.S.-flag merchant marine fleet, particularly our capability to move bulk commodities such as coal over the oceans. This is vital for our energy independence, our balance of payments, and for our national security.

We need to give our exporters and their customers access to competitive financing from our Export-Import Bank.

While some of these points may affect the maritime industry and its workers most directly, they affect us all, especially the availability of competitive export financing.

Earlier this month, the Maritime Trades Department of the AFL–CIO, of which I am president, wrote William Brock, the U.S. Trade Representative, to point out that America's tuna fishing-vessel construction industry is in jeopardy and losing business to foreign shipbuilders who, with substantial financing assistance from their governments, can offer export financing to ship buyers which drastically undercuts our shipbuilders.

The Maritime Trades Department specifically cited the example of Campbell Industries of San Diego, a leading domestic builder of tuna seiners, that has recently been laying off workers and expects more layoffs in the future. In the last year alone Campbell has lost out on a total of 13 contracts, 11 to Italian shipyards and two to Norwegian yards.

The Maritime Trades Department urged Trade Representative Brock to take the necessary actions to put U.S. industry on an equal financing basis with foreign competitors.

Of course, our particular interest is obvious in this situation. Without U.S. tuna seiners, and other fishing vessels, to carry our domestic and export catch there are no jobs in that sector of the maritime industry for the working men and women of our union.

The San Diego situation is a specific example of a much broader situation—one that the U.S. must meet and deal with immediately. In a recent study, the Comptroller General found that Japan and the United Kingdom provide official governmental support to 35 percent of their exports with some type of export incentives. France supplies government backing for 29 percent of its exports and Germany officially supports 12 percent of its exports. The United States supports only 6 percent of its exports, and this percentage is now even lower due to the budget cuts to the Exim Bank.

Ladies and gentleman, as a nation we are engaged in vigorous international competition for export business with one hand tied behind our back.

Our foreign competitors use direct operating subsidies from their governments, some mix low-cost foreign aid funds with export credits, and some provide insurance against cost escalation or currency fluctuations.

We must stand firm. We cannot allow foreign governments to impair the ability of our exporters to compete effectively in world markets while we declare unilateral disarmament by cutting Exim Bank to the bone.

We will make this stand with you in the Coalition here today and in the future. We will support American jobs by helping make the public, our elected Representatives, and the Executive Branch of government aware of the need for a strong Export-Import Bank.

The Export-Import Bank is the key to providing the financing we must have to make our exports competitive in world markets. It is a proven success as an institution and it is more important today than ever before.

As the Export-Import Bank's chairman, William Draper, recently told the Congress, in fiscal year 1981 the Bank was directly utilized by more than 2,600 U.S. businesses. These businesses, and their employees, depend on the merchant marine and other modes of overseas shipping to deliver their goods overseas safely and on time. When they benefit, we benefit.

Each Export-Import Bank loan or loan guarantee benefits an extensive interconnected network of subcontractors, parts suppliers, and other businesses and their workers. These are America's "invisible exporters", who supply the components that go into the products we export. They number far greater than the 2,600 businessmen that benefitted directly from the Exim Bank's programs in fiscal year 1981. The Boeing Company alone was supplied by 2,932 of such "invisible exporters" in 1980.

I would like to take that concept a step further today. I submit to you that each Export-Import Bank loan or loan guarantee helps set in motion the entire export process, from the factory gate in this country to delivery and installation on many of our boats abroad.

We in the Seafarers Union fully recognize that we are squarely in the middle of the export process—we are the link between America's exporters and their customers—and we intend to be a strong and reliable link.

The world is more interdependent than ever and the maritime industry is a key reason. We in the maritime industry have never been more aware of America's role in world markets and the critical importance that our exports play at home and in those world markets.

Yet, at this critical time, the Reagan Administration is doing all it can to reduce the Export-Import Bank's ability to make loans to finance our exports. This is a policy America's seafarers cannot and will not support.

In a free market situation—a field where all players were equal—we would have no quarrel with the Adminstration's approach. However, despite our government's efforts to level the field and bring order and consensus to international export finance, the use of subsidies and sweeteners by foreign governments goes on day after day. We have been unable to establish a broad-based international agreement. The playing field is still uneven and it is being tilted by, and in favor of, our foreign competitors.

Thus, we in the Seafarers Union see a strong Export-Import Bank as a top priority in evening out the competition to give American companies and American workers a chance to sell abroad. To us, the Export-Import Bank means jobs—jobs in manufacturing and shipbuilding, jobs in cargo handling, and jobs in the merchant marine.

The Census Bureau has reported that each $1 billion in manufacturing exports supports over 30,800 jobs in this country. Again, according to the Bureau of the Census, Exim Bank's 1980 operations supported over 570,000 American jobs and over 11 million man-years of employment in the last three years. Nearly 4.8 million jobs were generated by U.S. manufactured products exported in 1980.

The Administration's cuts in Export-Import Bank funding could reduce America's export sales by $12 billion over the next five years and cost our nation hundreds of thousands of critically needed man-years of employment.

Our union members know how important exports are to them and their families and they want their union leadership to do everything possible to support America's exports. This is why the AFL-CIO Executive Council adopted a resolution on February 15, calling upon the President and the Congress not to cut the budget of the Export-Import Bank "until other countries cut or eliminate their subsidy programs".

We intend to fulfill their mandate by participating as a full partner with you in the Coalition for Employment Through Exports.

Thank you.●

NATO SUMMIT

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. WHITEHURST. Mr. Speaker, today I am introducing a concurrent resolution calling on the President to propose at the June NATO summit that the allies begin in earnest to pool their vast financial, technological, and human resources to provide for our common defense at acceptable costs. This is a companion to the resolution introduced in the other body under the sponsorship of Senators GLENN, ROTH, and NUNN, and it gives me a great deal of pleasure to join them in this important effort.

I would like to share with my colleagues three paragraphs from the "Dear Colleague" letter circulated by those Senators clearly outlining the thrust of the resolution. As a member of the U.S. delegation to the North Atlantic Assembly and vice chairman of the Military Committee of that body, I am keenly aware of the need to work actively toward a meaningful "two-way-street" relationship in every aspect to our mutual defense effort, and I hope that my colleagues will join in this call for the President to take a firm stand at the June NATO summit.

Thank you, Mr. Speaker. At this point I include the following:

The present NATO system actually functions as little more than a loosely organized collection of national defense efforts, backed by fragmented and highly inefficient national defense industries. Until now, the real security for the West has been ultimately provided by an American nuclear superiority that offset the conventional warfare superiority of the Warsaw Pact. The West Europeans—and the Japanese—were thereby able to get their defense "on the cheap". A nuclear deterrent is relatively cheaper than a conventional deterrent—especially when the United States is paying for it.

Relying on the American nuclear deterrent also permitted the European NATO nations to adopt defense industry policies that were inspired more by national prestige and domestic economic policy considerations than a desire to contribute to the common defense.

In attaining strategic nuclear parity, nuclear superiority in Europe, and a global military reach, the Soviet Union has changed the ground rules. To meet this challenge the industrial democracies must pull together or they will surely pull apart. A more cooperative defense industrial system would bring down costs by eliminating unnecessary duplication and allowing much larger production runs. The prospect of lower costs would in turn facilitate the creation of a convincing conventional deterrent. A more equitable sharing of both the financial burdens and the benefits in jobs, technology and trade would help infuse the Alliance with a restored sense of unity and common purpose. And finally, it would provide the Soviet Union with a powerful incentive to agree to meaningful arms reductions.●

CLEAN AIR ACT WEEK, MAY 2-9

HON. PARREN J. MITCHELL

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. MITCHELL of Maryland. Mr. Speaker, I am honored to join my colleagues in the recognition of Clean Air Act Week, which began on May 2 and will run through May 9. The focus on clean air and sufficient environmental standards is most important as we currently witness the deletion of Federal moneys for vital programs which illustrated this Government's commitment in this area. More and more we are being plagued with attempts to weaken the Clean Air Act as some blame adherence to the standards contained in this initiative for productivity discrepancies in certain industries.

As we observe Clean Air Week, I would like to strongly reiterate my commitment to a stringent Clean Air Act. Certainly, some adjustments must be made and I support continued review of all of the act's provisions. However, I do hope that we do not let undue pressure force us away from our primary objective. This goal is to keep our environment clean and healthy—without such a concentration, any economic or social gains will be incomplete.●

NORTHEAST-MIDWEST CONGRESSIONAL COALITION

HON. BOB EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. EDGAR. Mr. Speaker, for the past few years, the Northeast-Midwest Congressional Coalition has drawn attention to the fact that a handful of energy-rich States were reaping enormous benefits as a result of the unchecked imposition of severance taxes on the value of the energy produced within their borders. For example, we have shown that between 1972 and 1978 oil and gas severance taxes increased from $710 million to over $2 billion. The increases expected between 1980 and 1990 are likely to dwarf anything we have seen so far. According to the Treasury Department, as a result of oil price decontrol, State and local revenues will total more than $127.6 billion during this period, with 90 percent of this amount flowing to the eight major oil producing States. This estimate, provided in 1979, is now seen as quite conservative. The more likely total will be closer to $200 billion.

Three separate problems arise as a result of this trend:

First, these enormous new revenues already have led to powerful new location incentives for people and businesses, accelerating the massive shifts of population to these areas already taking place. In the next several years, one can expect other States to follow Alaska's lead and cut or eliminate more traditional taxes. States that do not have the natural resources to tax will not be able to compete with such tactics, and will lose out.

A second reason for concern is that several major Federal funding formulas will be distorted. Under these formulas, the energy-rich States actually could receive larger shares of Federal funds—or continue receiving the same favorable shares they now get—even though their need for these funds will be much smaller because of the newfound wealth they can tap.

Third, there is a strong possibility that a dangerously divisive tax warfare will break out, with each State striving to tax a precious commodity just to preserve its competitive position. In fact, this warfare may have begun already; Montana's State Legislature passed its huge coal tax increase after strong debate language about the need to keep up with Texas in the severance tax business. In the mid-1970's, Pennsylvania contemplated a severance tax on electricity generated at mine-mouth plants and exported to other States. Connecticut and New York have passed special taxes on oil companies, although these taxes are under question in the courts. New Jersey, Pennsylvania, and other States are looking into a tax on oil refineries. Oregon has a tax on trees, and there is nothing to prevent the imposition of State taxes on other crops. It should not surprise us if agricultural States—in the Midwest, for example—retaliate against other severance taxes by putting their own taxes on grain.

As we in the coalition began to discuss policy options to address these problems, we committed ourselves to the principle that our initiatives must not be parochial, regional, or shortsighted. We agreed to attempt to devise a policy that was first of all fair to all States and regions, and that recognized that natural resources are also national resources and should be used to further the interests of the Nation, not as a tool to exacerbate the fiscal disparities between States.

We believe this bill satisfies our goals. Our initiative will have the effect of bringing the United States into line with all the other major nations that have asserted a national interest in the production of energy. To do less not only would threaten the economies of the 38 States that are energy consumers; it would prevent the implementation of a balanced national energy policy that preserves economic opportunities for succeeding generations of Americans.

I wish to share the statements of Hon. HOWARD WOLPE, Representative CLAUDINE SCHNEIDER, and Representative JAMES JEFFORDS, on "The National Crude Oil Profit Sharing Act of 1982," as an important explanation of this new proposal.

STATEMENT OF THE HON. HOWARD WOLPE ON "THE NATIONAL CRUDE OIL PROFIT SHARING ACT OF 1982"

Today, we are introducing "The National Crude Oil Profit Sharing Act of 1982". This legislation is the work-product of the Northeast-Midwest Coalition Task Force on Energy Taxation that Congresswoman Schneider and I have co-chaired, but we believe that our bill will have broad geographical appeal and is deserving of broad bipartisan support from southern and western states as well as the eighteen states that comprise our regional coalition.

Very simply, the legislation that we are introducing today represents an attempt to develop a more rational and coherent national energy tax policy. It premise is that the energy resources of this country, whether oil in Texas or coal in Montana or natural gas in Michigan, should be viewed as American resources, and that the benefits derived from the taxation of these resources should be enjoyed by *all* of America, not just by the petroleum industry or those states who by geological chance find these resources within their borders.

By establishing a permanent national tax on crude oil, and by placing reasonable limitations on state energy taxation, the National Crude Oil Profit Sharing Act of 1982 addresses, simultaneously, four of the critical problems confronting the American economy:

Unless massive federal deficits are reduced, they will continue to contribute to prohibitively-high interest rates which impede economic recovery.

"The National Crude Oil Profit Sharing Act of 1982" would establish a permanent 30 percent tax on oil to be paid by producers. Actually, the effective rate of the tax after it is deducted as a business expense from federal corporate income tax payments would be 16 percent; raising $4.86 per $30 barrel of oil produced. The Act would make 75 percent of the revenue from the tax available for reduction of the federal deficit. If the tax were currently in effect, $13.4 billion would be raised for deficit reduction in 1982.

Domestic industry is finding it increasingly difficult to contend with foreign competition. Much of the problem can be attributed to the declining level of productivity of our industrial base—due to obsolete facilities, high interest rates, and a lack of investment capital for modernization. Hard-pressed urban areas are also having difficulty in raising the capital needed to repair basic infrastructure systems, and rural areas are faced with increasing natural resource conservation problems.

"The National Crude Oil Profit Sharing Act of 1982" would provide 25 percent of the revenue from the National Crude Oil Profit Sharing Tax to the Energy and Economic Development Trust Fund. If this legislation were currently in effect, the Trust Fund would receive $4.5 billion in 1982.

Half of the Trust Fund revenues would be dispersed to states in block grants to encourage new economic development and to revitalize basic industries so as to improve the competitive position of the United States in the international marketplace and create employment opportunities for unemployed Americans. States could also use their Economic Development Block Grant Funds to assist local governments in their efforts to restore basic urban infrastructure systems, or aid rural areas in addressing conservation problems that threaten the productive capacity of soil and water resources.

A state's share of the Economic Development Block Grant would be determined by using the General Revenue Sharing formula with adjustments made to reflect the state's tax capacity as defined by the Advisory Commission on Intergovernmental Relations.

OPEC has succeeded in raising the world price of crude oil by 1000 percent since 1973, further reducing the competitiveness of aging basic industries and causing a tremendous drain of capital from the U.S. economy.

The other half of the Trust Fund revenues would be dispersed to states to fund programs to reduce our dependence on imported oil by encouraging energy efficiency improvements and the utilization of renewable energy technologies to displace oil in the residential, commercial, industrial, and agricultural sectors of the United States economy. Numerous studies have concluded that energy efficiency improvements are the quickest, cheapest, and cleanest ways to reduce our dependence on oil. Other studies have concluded that renewable energy technologies could provide as much as 20 percent of the Nation's energy needs by the year 2000, if given adequate government support. I believe that it is extremely appropriate that a portion of a tax on oil, a nonrenewable resource, should be devoted to an effort to encourage energy efficiency and the use of renewable source of energy.

A state's share of the Energy Block Grant funds would be determined by a formula which would reflect the state's population, heating and cooling days, and the cost of end-use energy within the state.

The federal decision to allow the price of domestic crude oil to rise to OPEC levels has unintentionally contributed to growing fiscal disparities between states. A handful of energy-producing states are seeking to gain the greatest possible economic advantage from their positions as net energy-exporters at the expense of the rest of the Nation. The decontrol of domestic crude oil prices has allowed a few energy-producing states to raise enormous revenues through state energy severance taxes.

It has been estimated that almost $200 billion will flow into the treasuries of a few energy-producing states in this decade from energy severance taxes.

These revenues allow energy-producing states to offer powerful new location incentives for business and industry. As a result, the vast majority of states which do not have energy resources to tax, are at a competitive disadvantage in efforts to retain existing industry and attract new economic activity. In effect, the federal decision to allow domestic oil prices to rise to OPEC levels in unintentionally subsidizing the economic development of energy-rich states.

This legislation would reduce the growing fiscal disparities between a few energy-producing states and the rest of the Nation by limiting state energy taxes on oil, natural gas, and coal to 1978 unit rates adjusted for inflation. Permissable levels of unit rate taxation would be determined by dividing a state's 1978 revenue from taxes on an energy commodity by the state's 1978 production level and adjusting the result for inflation. We have chosen 1978 as the base year because it will reflect the level of taxation that the state felt was necessary to recoup any state costs of energy production prior to the beginning of the decontrol of oil prices in 1979.

The subject of energy taxation is inherently complex, both economically and politically. I would like to emphasize that we are not wedded to every detail of the legislation as outlined. But we believe that the basic concepts of this proposal are sound and should become part of the national debate over energy and economic policy currently underway.

STATEMENT BY REPRESENTATIVE CLAUDINE SCHNEIDER

Congress faces the urgent task of bringing a deepening federal deficit under control. What we are proposing today is an approach to fiscal responsibility. Reducing the federal deficit is one of our primary objectives in introducing the National Crude Oil Profit Sharing Act of 1982. Our bill provides a responsible, creative means to raise revenues to help bring the government out of debt.

The legislation establishes a permanent 30 percent National Crude Oil Profit Sharing Tax on oil to be paid by producers. The effective rate of the tax would only be 16 percent after it is deducted as a business expense from federal corporate income tax payments. The tax would raise $4.86 per $30 barrel of oil produced. A full 75 percent of the tax would be earmarked to reduce the deficit. The new tax revenues would help make up the revenue loss as the windfall profits tax is phased out. For example, in fiscal year 1983, the profit-sharing tax would raise $19.7 billion. Of that amount, $14.8 billion would go directly to making up the deficit. Over an eight-year period, from 1983 through 1991, the tax would raise $330.9 billion, with $248.2 billion going to reduce the deficit. The revenues raised by the tax would steadily rise as the revenues raised from the windfall profits tax steadily decline to zero in 1991.

Nearly everyone is agreed on the need to find responsible ways of raising revenues, and oil company profits are a good place to start. In 1980, oil companies earned 40 percent of all industry profits in this country. I ask, who is best able to bear an additional tax burden? The profit-sharing tax we propose is decidedly preferable to an energy tax per BTU or to an oil import fee—one proposal received a lot of attention lately. Most importantly, reports we've seen say the oil import fee is forward-shifted. In other words, the fee would be passed directly to consumers. Hardest hit would be consumers in New England and the Midwest, where we're most dependent on oil for our fuel needs.

In contrast, the profit-sharing tax is far more equitable. It would be levied on producers at the wellhead, similar to the windfall profits tax. Again, the tax burden is placed on those who can most afford to pay, with no region of the country bearing a disproportionate burden.

Our proposal is not inflexible or assumed to be perfect. We anticipate working with the Ways and Means Committee, in particular, to fashion the best possible approach. What we have drafted is a solid vehicle for action.

Statement of Congressman James Jeffords on Introduction of National Crude Oil Profit-Sharing Act

It gives me great pleasure to join with my colleagues today in introducing the National Crude Oil Profit-Sharing Act of 1982. This is truly landmark legislation that deals with many of the problems that have resulted from the rapid rise in energy prices over the last ten years. It incorporates the sound concept of putting the proceeds from an exhaustable resource (oil) toward preserving and developing renewable resources. The block grant created by this bill will help states develop their indigenous energy sources and preserve the productive capacities of soil and water resources, that are so critical to the economic health of rural areas and to the welfare of the nation as a whole.

Ten years ago, a barrel of oil cost about $3. Its price has risen tenfold since then. In 1970, Americans spent $82.8 billion on energy in all sectors. In 1980, we spent $396.8 billion for this purpose.

While rising prices have helped to spur conservation and the development of renewable energy sources, they have had disastrous effects on low-income energy consumers and others who have not had the upfront capital or the information necessary to make sound choices and investments. Clearly, the only way to immunize American consumers against increasing oil prices is to make our nation more energy independent. Investments in energy conservation or renewable energy sources allow consumers and states to have lasting control over their supplies.

The National Crude Oil Profit-Sharing Act recognizes the problems that rising energy prices have had on consumers, states, and businesses. Similar observations were made with the passage of the Windfall Profits Tax Act, but Congress has not adhered to the funding formula suggested in that legislation. Furthermore, the bill we are introducing today takes into account what we have learned in several years of categorical grant programs to states; it is important to allow states enough flexibility to make the most appropriate investments in energy efficiency and renewable energy sources.

Twenty-five percent of the revenues from the National Crude Oil Profit-Sharing Tax is to be set aside in a trust fund to be split between two block grants. A state's share of the energy block grant would be determined by a formula that would reflect a state's population, heating and cooling degree days, and the cost of end-use energy within the state. Thus, the bill recognizes that states with a high cooling load in the summer are as much in need of energy efficiency improvements as cold states such as my state of Vermont.

Despite the current glut of oil and the decline of prices, we must take firm steps toward reducing our consumption of oil. Decontrol has brought about increased drilling activity, but our reserves-to-consumption ratio continues to decline. Furthermore, there is evidence that OPEC is moving to step up prices once again by cutting back production. Evidently, we are nearing another round of increased oil prices.

Investments such as those that the energy block grant in this bill would spur are the most cost-effective means of reducing our dependence on oil. For instance, a soon-to-be released Price-Waterhouse study indicates that for every dollar spent in 1981 on state energy conservation programs, $77 worth of energy savings ensued. This is better than the 1980 ratio of 1:60, and far ahead of investments in any other oil replacement.

The bill we are introducing today allows energy-producing states to charge a reasonable rate of severance tax on energy products they produce. As we all know, the decontrol of energy prices has multiple positive consequences for states that produce and tax energy even under this bill. At present, consuming states are disproportionately affected by the decontrol of energy prices and have no offsetting positive benefits. This bill would serve to redistribute the benefits of decontrol by providing consuming states with the ability to become more self-sufficient in energy.

The National Crude Oil Profit Sharing Act also uses some of the profits from a non-renewable resource to retain the productivity of our land and water resources. We lose two to three million acres of farmland each year to development, erosion and other causes. Particularly appealing is that the block grant approach would allow decisions on how to best maintain these resources to be made at the state and local level.

A commitment to maintaining our agricultural productivity through land, soil and water conservation is also important to ensuring that food does not become a crisis similar to the one we now face with oil. Such an initiative is the best way to prevent increased prices for food in the future when farming would have to be moved to less productive lands. It could also help to pre-empt a massive federal involvement in land use controls.

I am extremely enthusiastic about this legislation and I look forward to working with my colleagues on it.●

INTRODUCTION OF LEGISLATION TO EXTEND THE SOCIAL SECURITY STUDENT BENEFITS ELIGIBILITY DEADLINE

HON. THOMAS A. LUKEN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. LUKEN. Mr. Speaker, 166 Members of Congress have sponsored or cosponsored legislation to remedy the action of the Federal Government in cutting off the social security student benefits program without reasonable notice.

Through the changes in the Omnibus Reconciliation Act of 1981, high school seniors who have not enrolled in postsecondary institutions and attending classes full time by May 1, 1982 will lose their social security student benefits. Obviously, this unreasonable deadline has eliminated thousands of seniors who will not graduate from high school until June 1982 and have not been able to attain early enrollment into colleges.

Thousands of students have arranged their college careers around these promised social security benefits with the impression that they would be forthcoming. In fact, seniors were given erroneous notification by the Social Security Administration that they would be eligible for benefits this fall. Now, students graduating in 1982 do not have sufficient time to make alternate financial arrangements.

Although each of my distinguished colleagues, Representatives Lent, Mottl, Solomon, Volkmer, and Pat Williams, has sponsored legislation to rectify this outrageous treatment of high school seniors across the country, we have decided to unite our efforts behind one bill, H.R. 6183, to insure expeditious passage. The legislation that I introduced on April 28, 1982, will provide relief for 1982 high school graduates by extending the college enrollment deadline from May 1, 1982 to October 1, 1982.

Mr. Speaker, the May 1, 1982 deadline, together with the Social Security Administration's erroneous notification, has created undue hardship and worries for families with deceased, disabled, or retired parents who are highly dependent upon their social security benefits to send their children to college.

Even though the May 1, 1982, deadline has passed, we must continue to work toward correcting this injustice. Therefore, I strongly urge my colleagues to join our bipartisan effort and cosponsor H.R. 6183.●

H.R. 4613—THE DEBT COLLECTION ACT

HON. JAMES A. COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. COURTER. Mr. Speaker, yesterday the House took an important step in assisting our Nation collect debts owed the Government, in a more efficient manner. This legislation also included additional procedures that the Government may use to collect on outstanding debts that are new. I regret that I was unable to be present for this important vote as I was required to be elsewhere on official business involving the good and welfare of many of my constituents. Had I been present, I surely would have voted to support this vital bill. Thank you, Mr. Speaker.●

DECONTROL NATURAL GAS?

HON. NORMAN D. SHUMWAY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. SHUMWAY. Mr. Speaker, it is worth recalling today some of the arguments made against the decontrol of oil prices a couple of years ago. On the floor of both House and Senate the argument was made that decontrol would bring sharply higher prices, that the demand for gasoline was inelastic, that drilling activity was already at capacity, and could not be increased, and so on and so on. We hear the same debate exactly today with respect to natural gas.

The interesting thing is that these terrible predictions simply did not come true. I am not saying that gasoline prices, or fuel oil prices are low. Of course they are not. But they are lower than they were when total decontrol was effected by President Reagan a little more than 1 year ago. The President acted pursuant to authorities granted him by the Congress, after the debates I have mentioned.

Virtually since the day the President lifted the remaining controls, gasoline and fuel oil prices have moved lower. They may now have reached their market clearing price.

Today one hears that the decline in prices comes about because of a glut caused by a slowdown in economic activity. I am sure that is part of it. Another very large part of it is that Americans, and others, have learned to conserve, and they have learned it much faster than anyone thought they could. By and large they have learned it naturally, without massive Government programs and assistance. They have learned to drive smaller cars, to wear sweaters, to carpool, to do all the things they would have been doing long ago, if energy prices had not been under Government controls, and thus kept artificially low.

Which is exactly where natural gas prices are today.

The price of natural gas continues to be controlled, making this cleanest of fuels artificially cheap, and therefore subject to the same kind of wasteful and inefficient use that used to characterize gasoline.

Have we learned nothing from decontrol of oil? Apparently not. The same arguments are heard now as were heard then. They were wrong then, as our experience has proved. They are wrong now, as I hope we have the political courage to find out.

Mr. Speaker, I ask unanimous consent that an article from the Washington Times discussing the results of oil decontrol be printed at this point in the Record.

The article follows:

[From the Washington Times, Apr. 7, 1982]

Lower Gasoline Prices Laid to Reagan Decontrol

(By David Roberts)

When President Reagan removed oil price controls a week after taking office last year, he braved a storm of dire predictions by congressmen and others who feared oil companies would use a free market to gouge consumers. Now the critics are silent, and experts are attributing lower gasoline prices and an abundance of oil directly to Reagan's order.

"By the end of the year, $2-a-gallon gasoline could become a reality," said Sen. Howard Metzenbaum, D-Ohio, when Reagan decontrolled oil Jan. 28, 1981. "I intend to take whatever steps are necessary to see that this tragedy does not befall the American people," he said.

Others, including Sen. Henry Jackson, D-Wash., and Rep. Toby Moffett, D-Conn., spoke out against the president's order to decontrol. Both campaigned to extend controls in 1975.

Sen. Edward Kennedy, D-Mass., who also supported controls in 1975, attacked President Carter's effort to phase them out during their fight for the presidential nomination.

KENNEDY COMMENTS

"I do not think decontrol of domestic oil prices is appropriate at a time when world prices, set by a cartel, are increasing so rapidly that decontrol would seriously exacerbate out inflation and produce 'conservation' only as a by-product of massive recession," Kennedy wrote in November 1979.

According to figures compiled by the Department or Energy, those predictions haven't come true. Inflation has eased, and the latest DOE figures show the average price of a gallon of gasoline was three cents lower in January 1982 than a year earlier, when adjusted for the rise in the consumer price index. Prices have dropped considerably since then. A survey of Washington area gas stations shows the average combined full-serve and self-serve unleaded price to be about 18 cents lower than the January 1981 price, after adjustment for inflation.

Oil controls were established by President Nixon in 1971. In 1975, Congress extended the controls until June 1. 1979, at which time the president could decide to continue them or to modify them. If he took no action, they were to expire October 1979.

Gasoline prices rose after the decontrol order, but much of the rise was caused by an increase in crude oil costs before Reagan decontrolled prices, according to a DOE analyst. Several months after the decontrol order, as refiners' inventories began to increase beyond what they could store, they cut prices to move the excess oil.

Reagan's order also abolished a system of entitlements which were supposed to help small refineries—which could not obtain cheap domestic oil—to stay in business. Under that program the larger producers which had more than an average amount of domestic crude could make payments to the small refineries.

According to the DOE analyst, the program subsidized 40 to 50 inefficient refineries that sprang up after the program began. He described one refinery which consisted of an oil distilling apparatus tied to a tree for support. A small operation could pay for itself in six months he said.

SMALL REFINERIES HIT

According to the analyst, as the larger refineries cut prices, the small refineries that could not survive in a free market went out of business.

Many experts believe that the gasoline lines of the '70s were caused by oil price controls. They say the artificially low prices cut domestic production by discouraging producers from drilling for harder-to-reach oil as older, easier-to-tap wells ran dry. This increased United States dependence on foreign sources. Foreign upheavals could cut supplies and create the lines again.

Oil drillers have been encouraged by higher crude oil prices to drill new wells since prices were decontrolled, the DOE analyst said. The DOE reports a 37.6 percent increase in the number of drilling rigs during 1981, providing more jobs for the American oil industry.

Ultimately, whether to control or decontrol oil depended on whether free-market economics could work for oil in the 1980's

In the words of Energy Secretary James Edwards: "Everyone—even the critics who predicted no one would be able to afford gasoline—can see that oil decontrol has been a smashing success."●

MOTOR VEHICLE TITLE AND INSPECTION ACT OF 1982

HON. RONALD M. MOTTL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. MOTTL. Mr. Speaker, yesterday I introduced the Motor Vehicle Title and Inspection Act of 1982. I would like to thank both the executive director, Carol Van Herik, and the chairman, Jerry Weidner, of the Greater Cleveland Crime Prevention Committee for their contribution in the development of this legislation.

I would also like to commend, in particular, Sgt. George Isherwood of the Cleveland Police Auto Theft Investigation Unit for the time and effort he has committed, not only with the research for my bill, but over the last 10 years toward legislative solutions to auto theft. He has been an untiring leader in sensitizing the public and legislative representatives to the enormous impact of auto theft on the American public. His help has been invaluable; his dedication remarkable.●

HEAD START PARENTS APPEAL FOR PROGRAM

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. MILLER of California. Mr. Speaker, I continue to get letters from Head Start parents who both testify to the ways in which this program has dramatically improved their lives and those of their children, and express their concerns about Head Start's future. We know that Head Start works; that Head Start is cost effective. And yet, even today, it serves only 25 percent of the eligible children, and faces substantial erosion from inflation and cutbacks in supportive services (CETA, title XX, child care food, medicaid). We need to listen to the parents of Head Start children and keep this exemplary program working. Another letter from a Head Start parent follows:

El Dorado Springs, Mo.

The Head Start is a wonderful program. The kids love it and they learn a lot. It gets them ready for kindergarten. The teacher and helpers are ready to help you and your child. They are good and caring people.

My baby was born with pulmvalve stenosis. But we didn't know this until Head Start had their physical for our children. If Stevie hadn't started Head Start when he did, his heart problem could have gone on for years before any other doctor would have caught it. Stevie had open heart surgery last February and he is doing great. We thank God for Head Start, because our son is going to be able to lead a normal life. So, please, don't let the Head Start program be taken away. Because our children need this program.

Head Start Parent.●

STATEMENT OF RICHARD W. LYMAN, PRESIDENT, THE ROCKEFELLER FOUNDATION

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. SIMON. Mr. Speaker, the administration is calling upon private philanthropy to help fill the gap in human services caused by Federal budget reductions. As a member of the House Budget Committee and as Chairman of the Budget Committee Task Force on Entitlements, Uncontrollables, and Indexing, I am deeply concerned that private philanthropy does not have the resources to respond to this call. Furthermore, the majority of the cuts in entitlement programs are affecting poor families, a segment of the population which do not usually benefit from corporate philanthropy.

Dr. Richard Lyman, president of the Rockefeller Foundation, confirmed my apprehensions in his testimony before the task force. His two main conclusions were:

First, even if private and corporate philanthropy were willing to abandon all of the programs that we now have, and turn all of our resources over to an effort at replacing the cuts in Federal entitlements, the task would be far beyond our combined means.

Second, private and corporate philanthropy are in fact not well suited to financing general social welfare programs, which necessarily involve broad coverage, multiple individual disbursements, and predictable, year-in, year-out assistance.

Dr. Lyman also quoted a survey of corporations showing that only 6 percent plan to increase their giving in response to the Government budget cuts.

To sum up, it seems evident that the administration is being unrealistic about the role of corporate philanthropy, particularly with regard to the poor.

I submit Dr. Lyman's full statement for the RECORD:

Statement of Richard W. Lyman, President, the Rockefeller Foundation

My name is Richard W. Lyman. I am President of the Rockefeller Foundation. I was also President of Stanford University for ten years so I have seen private philanthropy from both sides of the checkbook. I am here at the request of this Task Force to assess the "capability and inclination" of private and corporate philanthropies to "fill the gap in entitlement programs caused by federal budget reductions." I would like to respond to this question with three main points:

First, even if private and corporate philanthropy were willing to abandon all of the programs that we now have, and turn all of our resources over to an effort at replacing the cuts in federal entitlements, the task would be far beyond our combined means;

Second, private and corporate philanthropy are in fact not well-suited to financing general social welfare programs, which necessarily involve broad coverage, multiple individual disbursements, and predictable year-in, year-out assistance; and

Third, there are, however, some useful roles that private and corporate philanthropy can play in relation to the problems caused by changes in our nation's approach to social welfare matters. First, the question of capacity.

In 1980, private philanthropy distributed $2.4 billion, corporate philanthrophy distributed another $2.5 billion, for a total of $4.9 billion. This includes the programs through which corporations match the gifts of their employees to hundreds of colleges and universities; it includes support for museums and performing artists and grants for medical research and health care delivery; it includes critical funding for hundreds of community-based organizations.

The proposed reductions in entitlement programs far exceed this total of $4.9 billion, although given the difficulty of predicting just what will happen to those that may be subsumed in block grants to the states, it is difficult to say exactly how far. The following two sentences from the Congressional Quarterly for February 13, 1982, will set the context:

"The cuts proposed in the budget released February 6 would fall heavily on Aid to Families with Dependent Children (AFDC), Supplemental Security Income (SSI), food stamps, child nutrition programs and energy aid to the poor. Savings proposed for those five programs alone would amount to about $5 billion in fiscal 1983."

And that number, which so neatly matches the $4.9 billion total from organized philanthropy to which I referred, does not include any of this year's cuts, nor the proposed cuts in Medicare and Medicaid (said by CQ to amount to "nearly $4 billion") or in the cost-of-living adjustments for retired civil servants ($489 million), or a host of other proposals with which your task force will be dealing.

The foundations and corporations could not, of course, simply drop everything they're doing. But even if they could, clearly their combined resources would still fall far short, even without considering other federal budget reductions in programs which, though not entitlements, are important to the nation and of great interest to private philanthropy, such as student financial aid, science education, environmental protection, the National Endowments for the Arts and Humanities, and that program which, for all its difficulties, has enormously helped thousands of private non-profit agencies by providing manpower to supplement the work of volunteers, the Comprehensive Employment and Training Act (CETA).

Now for the second, less measurable but equally important point. Neither private foundations nor corporate giving programs are well suited to providing or financing massive on-going human service programs. Corporate giving, for example, understandably tends to concentrate in areas where employees live and work. While this often makes the business community the backbone of United Way campaigns in support of local charities, the corporations have neither the internal staff mechanisms nor the resources to pick up, say, the cuts in the food stamp program. This is probably at least part of the reason why, in a recent survey reported by the Conference Board, 60 percent of responding corporations said they expected to make at least modest increases in their giving, but only 6 percent said they expected to increase giving in response to government budget cuts.

The same Conference Board Report finds very few corporations that intend to reallocate available funds, which would mean that education, local charities and cultural programs would continue to get the lion's share of business giving. Were corporate giving overall to increase by 15 percent next year, as it did in both 1978 and 1979, that would add $375 million to the $2.5 billion I've mentioned. If, in the face of recession, business only increased its giving by the 4 percent figure obtained in 1980, that would amount to just $100 million. In any case it seems most unlikely that corporate giving will be influenced in the slightest by the

new provision in the tax code that allows for tax deductible philanthropy up to a limit of 10 percent of pre-tax profits. The average for major corporations has been hovering around 1 percent for some years. Furthermore, with liberalized provisions for writing off investment, many corporations will find that they have no pre-tax profits to report anyhow.

The private foundations, for their part, are generally very small organizations; the great majority have no full-time professional staff at all; only a handful across the nation have as many as ten such staff members. Their giving programs vary greatly. Some are focused entirely on one endeavor—for example, the Robert A. Welch Foundation supports, at a rate of about $8 million per year, "long-range fundamental research in the broad domain of chemistry within the state of Texas only." Others, particularly community foundations such as the San Francisco Foundation, the Permanent Charity Fund of Boston or the Cleveland Foundation, have broad, though local, mandates. Here is the language from the Chicago Community Trust: "for such charitable purposes as will . . . best make for the mental, moral, intellectual and physical improvement, assistance and relief of the inhabitants of the County of Cook, State of Illinois." All community foundations combined, incidentally, had assets of just under $1.4 billion in 1979, and made grants in that year totaling $102.2 million.

My third point, you will recall, is that despite the limitations of size and function I've been describing, there are things that private philanthropy can do and is doing that relate constructively to the questions that the Committee has raised.

They can sometimes help with a few of the most urgent cases of need. In Cleveland, a city already shaken by recession and the full array of center-city problems, the loss of federal funds has been estimated at $48 millions, of which private non-profit agencies are losing $14 million. The Cleveland Foundation increased its 1981 budget from $13 million to $17 5 million, and the Cleveland United Way, already the nation's per capita leader among such efforts, raised its 1981 goal by 10 percent (to a total of $40 million). Both together will not make up for the losses of federal funds, nor even the portion that will be lost by private agencies, but these community-based institutions are doing what they can to help.

The biggest effort at foundation-corporation collaboration in community development is the Local Initiatives Support Corporation, created in June 1980 by an alliance of six major insurance, banking and industrial firms with the Ford and Mott Foundations; Ford put up $5 million and the others a further five; the $10 million has grown now to $26 million in commitments from 85 corporations and 30 foundations, mostly local and regional ones. Over $7 millions worth of loans and grants have been approved, about half for housing projects and the rest for commercial or industrial development. In each instance LISC puts up a sum, no more than $250,000, which is then matched four and five times over by local and regional contributors.

Private philanthropy can and does provide money for studies of all sorts of social problems, research aimed at both finding the causes of difficulty and assessing alternative means of coping. To cite an example: at least three of the larger foundations already spend a major portion of their budgets to finance studies aimed at cost containment and the efficient delivery of services in health care—the Robert Wood Johnson Foundation, the John A. Hartford Foundation and the Commonwealth Fund. The Rockefeller Foundation has begun an effort to find out, by funding programs in five or six community-based organizations around the country, what mechanisms work best in enabling minority female single heads of households to get and keep jobs in private employment. We can't begin to make inroads on the overall problem of poverty concentrated in such families. But we do hope to learn some useful things.

I have to say, however, that at one point after another, private philanthropy is finding that the private voluntary organizations are being hard hit by loss of federal funds that constituted important parts of their budgets.

The United States has developed two patterns of dealing with the needs of its citizens that are just about unique in the world. First, we have created a great array of private, non-profit institutions that mobilize and spend private money for public good: hospitals, educational institutions, social welfare agencies, cultural organizations, neighborhood support groups—everything from Stanford University to the local Little League, and from the NAACP to the Chicago Symphony.

Second, we have developed methods of channeling public funds through such nationally- or locally-based privately-run organizations.

No doubt the mechanisms for doing this can be improved. No doubt private organizations can help to design such improvements. But elimination is not the same thing as improvement. It would appear that this unique system of federal money used by private agencies for public purposes is threatened. I believe that not only the public welfare but our free institutions will suffer if the threat is carried out.

Thank you.●

THE VILLAGE OF ROCKVILLE CENTRE

HON. RAYMOND J. McGRATH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. McGRATH. Mr. Speaker, I would like to draw the attention of my colleagues to a new publication on Long Island called Long Island Life. This magazine has in its first edition an excellent article about the village of Rockville Centre, which lies within my congressional district. The article manages to capture the ambiance of this very special area, and I hope my colleagues will enjoy reading it.

[From the Long Island Life, Apr. 1982]

Village Profile: Rockville Centre

(By Barbara Klaus)

What do Alan King, Sandy Koufax, Goldie Blum and George's Bakery have in common? Answer: they all left Rockville Centre. It may be their loss.

True, this low-key, self-sustained village (3.3 square miles, incorporated 1893, population 25,412) is no longer the lily-white WASP-y enclave it was in the '30s (rivaling Garden City or Great Neck for prestige) or the Cedarhurst-type shopping mecca it was in the '50s (when women lined up three abreast for Goldie Blum's jewelry, men and boys were outfitted by Adelson's and people trekked in from miles around for George's pastries). It's better—or worse, depending on who you ask.

Rockville Centre may be the South Shore's best-kept secret—or a great place to live in but one you wouldn't want to visit. For the village that came to life in the '40s, came of age in the '50s is, in the '80s, going through a kind of mid-life crisis.

First, there is the question of identity. What, exactly, is Rockville Centre?

It is the $200,000 Tudors on "The Hill", and the Urban Renewal Projects near the station. It is the Catholic Diocese of St. Agnes, and conservative Temple B'Nai Sholom. It is three-generations-in-Rockville Centre families, and a new trickle of Spanish-speaking residents. It is retired people in condos, and toddlers in a day care center.

But Rockville Centre is more than a mosaic, it is a mixture. And many would argue that the injection of this hybrid, melting-pot quality is precisely what makes Rockville Centre work. Perhaps, like many middle-aged folk, Rockville Centre takes its good points for granted. And there are a lot of good points.

For one thing, there still is money here. Quiet money. It may be said that, if Hewlett is diamond earrings and Garden City is a mink, then Rockville Centre is a basic black dress. An expensive black dress. There is more substance than form in the spending. (Judging by the stores, Rockville Centre money is in banks, beauty salons and ice-cream parlors. How many other towns support two Carvels!) It is ski vacations, concerts and education; not flashy cars and clothing. (When Cedarhurst bought gold, Rockville Centre used it as an accent color.)

Most of all, Rockville Centre is stable. Says Village Historian Mary Jane Halley, "It's almost an anachronism. There's a small-town feeling like in the 1880s. Rockville Centre embodies hometown for so many generations of people. I don't know another town where so many children can walk to grandma's house."

"People who wander in—transferees—are amazed," says Patt Waiser of RVC Realty. "They see signs pointing to the different churches, and the houses are very beautiful. They ask owners why they're moving and, as a real estate agent, it's very gratifying that they're moving for more space—but not out of Rockville Centre." Anita Rosenshein, who has measured Rockville Centre feet at Postur-Line Shoes for 19 years, says, "Now my children [customers] are starting to grow up. We're dealing with second generation. They seem to flow back."

But why are so many flowing back? And, as they used to ask in show business—is every-body happy? Talk to the people who run Rockville Centre and, yes, every-body's happy. Especially the Mayor, Leonard Sandel, who is estatic.

Besides being "No. 1 in the country in terms of recreation," Rockville Centre has its own police department, volunteer fire department, an auxiliary police force, five towers for storing and aerating water, its own sewerage—and is one of three villages on Long Island with its own electric plant (Freeport and Greenport are the others). "Now, for every dollar other people pay, we pay 55 cents," says Mayor Sandel.

(But maybe not for long. John Dyson, Chairman of the Power Authority of the State of New York has introduced a proposal to distribute PASNY power equally to all residential customers throughout the state.)

And the commuters? They are happy, too. Maybe not about LIRR rates or commuting—"There's a lot of heart attacks," says Julie Casella, who serves them breakfast at the Front Street Coffee Shop. Nick Katsoulaki, her boss, adds, "They got 30 seconds and they want eggs, toast and coffee."

The Senior Citizens? Euphoric. A Property Relief program and an Enabling Act (enabling residents over 62 to remain in buildings going co-op without having to purchase) make the livin' easy. The Senior Center boasts a full range of cultural and recreational activities and social services. "It's not just a bingo club or a rec center," says Barbara Karro, the Center's Director." We have a holistic approach. We help them negotiate the bureaucracies, we have flu shots, we have tax help."

You want culture? Rockville Centre has culture: The Museum of the Village of Rockville Centre, the Friends of the Library, the Guild for the Fine Arts, which sponsors theater at Molloy College and runs a popular concert series. "One thousand tickets were sold out in one week," says the Mayor.

As for the schools, well, some people feel that the best thing about South Side High School is a Bob Geise recommendation on your Tufts application. Others feel that South Side is at least as good as ever. Take your pick. Here's what they say:.

Elliot Garfinkel, Principal: "Close to 90 percent go on to college—two and four-year schools. We still have outstanding kids at the top who are getting challenged. They're there academically."

Dorothy Cancellieri, former Village Historian: "Academics? It ain't what it used to be. They expect a school to do too much. Driver Ed., Sex Ed . . ."

Dr. William J. Leary, Superintendent of Schools: "No one is satisfied with the public schools. You get a lot of people saying, 'Yeah, but there are a lot of kids going to state schools and Nassau Community College'. This is economic—pure and simple."

Lori Kupfer, 17: "There's no motivation for the students. You don't feel like you're going to school for a purpose. You go in, sit down, take notes and take a test. It's so monotonous."

John Lidz, 16: "Extra-curriculars are stressed over academics. I think that's bad. They've lost their priorities. I think we're about average. We're not like Woodmere Academy but we're better than Lynbrook. We're getting better every year."

Dan Southwick, 17: "The sports are pretty good—football, wrestling."

Speaking of sports, soccer is to Rockville Centre what tennis is to Great Neck. The Rockville Centre Soccer Club began eight years ago in the German-American Soccer League in Brooklyn with one intramural and two traveling teams and about 30 kids. "You had to literally read German to see when your team was playing," says Marvin Walser, one of 13 Board members. Today there are 1,700: 1,300 in intramurals and 22 traveling teams. "It's the biggest sport in town," says Walser. (Of course, there is Little League baseball and the Boys Basketball Association, among others.)

If the residents are happy, the ministers are jubilant. And why not? How many other villages host every type of religious affiliation—St. Agnes Cathedral, 12 Protestant churches, two synagogues and a group of Bahais who meet in each other's homes?

"The last 10 years there's been a great ecumenical movement," says Rev. Msgr. Edward L. Melton of St. Agnes. "Rabbis, ministers and priests don't hesitate to call on one another. Because of the renovation of St. Agnes, the Episcopal Church is helping out during Lent."

Rev. Morgan M. Days, Pastor of the Shiloh Baptist Church, says, "Last year the Bishop of St. Agnes spoke at Shiloh. I read the Scriptures at St. Agnes, St. Marks Episcopal, Central Synagogue—I've preached in them all."

Ministers rave about the Inter-Faith Council meetings, the Inter-Denominational Thanksgiving Eve service, the Jewish doctors and volunteers who cover for their Christian counterparts at Mercy Hospital on Christmas, the Inter-Denominational Youth Center at the Methodist Church.

But Rabbi Lewis C. Littman of Central Synagogue says, "These activities are all kind of superficial. Within the last year, there's been an interest in the quality of inter-faith."

"There seems to be a growing concern that we communicate with each other and that we coordinate," says Rev. William Perkins of St. Marks United Methodist Church. EPOC—The Ecumenical Program and Outreach Council of Rockville Centre (open to representatives from all religious congregations) is one expression of that.

Does the ecumenical spirit extend to the people? "I find people much more tolerant," says Msgr. Melton. "The majority of people from Rockville Centre commute or travel. They're not held down to a small-town mentality. People don't feel they have to ghettoize today."

"Other people like to cry 'anti-Semitism'—I don't see it in Rockville Centre," says Rabbi Barry Dov Schwartz of Temple B'nai Sholom. "Often, when the school or the athletic committee schedule something on a Jewish holiday, I send them a calendar and they respond in the best way I could hope for. In a compromise, they schedule Little League or soccer later on a Saturday so the children can go to morning services."

"There are rough edges," says Dorothy Cancellieri. "People may hold their own prejudices within themselves. It's not ideal but it's come a long way since before World War II."

"People go to bar mitzvahs, confirmations, join in Chanukah celebrations, tree-trimmings," says Mary Jane Halley.

Who could ask for anything more? But is anybody really satisfied at middle-age? Like most of us, Rockville Centre can't help remembering.

Mayor Sandel joined the waves of ex-GI's heading for the good life. "For everyone who came from New York or Brooklyn, this became a garden spot" he says. "My father had bought property from Whitehall Properties—from a booth on Times Square, I came out to look at it. They had good stores all along Sunrise Highway."

But not Saks Fifth Avenue, Lord & Taylor or Doubleday—all of whom approached the village fathers about locating on Sunrise Highway—and were turned down. "I think they didn't want to urbanize the area," says Sandel.

Not everyone thinks the good old days were so good. "When I came in '37, the Banks Avenue section (Now the Urban Renewal Projects) was a lot of shacks with low-income people living there—three, four families in the same kitchen and bath," says Rev. Days.

And Catherine Pucciarelli, Village Trustee, says, "I hear residents saying how beautiful it used to be but I've seen photos and it really wasn't all that beautiful."

So, if yesterday "wasn't all that beautiful" and today is maybe not so bad, after all, why is Rockville Centre not what it used to be? Perhaps it's the changes—some having more to do with the times than the town.

"We've had a deterioration in the business district", says Mary Jane Halley. "We have to vitalize it. Rockville Centre suffers from the big shopping malls. We seem to have a tremendous amount of thrift shops but we're not like other towns that have OTB—that's the beginning of the end."

"Although the Mayor admits, "We're not a mall—we're not for 'big, important' shopping," he's optimistic. "Look at the business Imperial China is doing. Look at what the Yogurt Shop is doing. Cablevision will set up a South Shore office in Rockville Centre, 7-Eleven is coming in . . ."

"A great many people make the mistake of underestimating the town," says Natalie Slonim of Mimi & Natalie's accessory shop. "The stores that have been here forever are the good stores. I've seen the garbage-y stores come and go because I think Rockville Centre is a good town."

Good and different. "In the '20s, you couldn't move to this community unless you could afford it," Dorothy Cancellieri says. "Today there are many whose incomes are below average. Less are commuting, less are homeowners—there are more multiple-family dwellings."

"Many people in town 20 years ago were doctors and successful merchants. Today, many come from managerial professions," says Elliot Garfinkel. "It's still affluent, but not as much as 10 years ago. I remember kids coming to school in limousines. You don't have that today."

But he adds, "School was far more cliquey 20 years ago. Relationships are better today."

Relationships mean people and—in 1982—people means minorities. "The Spanish-speaking community has been here since the late '50s, when the Cubans came," says Catherine Pucciarelli. "Now there are Santo-Domingans, they're an invisible population. It's transient."

Says Mayor Sandel, "We have provided the Spanish-speaking population with an Affirmative Action program. They became the constituency of St. Agnes."

Says Msgr. Melton of St. Agnes, "The Spanish-speaking population is 1,500 out of a total St. Agnes membership of 16,000. We've had to address ourselves to the problems with immigration. People need someone to go for driver's licenses, Social Security, the IRS. Father Sullivan, who spent 17 years in Bolivia, and heads up the Rockville Centre Diocese Apostolate, works with them."

What about other minorities? "Prejudice doesn't seem to be very widespread in this community," says Rev. Days. "I'm happy here, I'm satisfied." Is he satisfied with the Projects? "Those houses would have been shacks. This is first-class now."

But Msgr. Melton says, "A number of Black citizens were promised by the village and Housing Development that they'd be relocated and never were."

Some changes were uphill battles. "Older people in Rockville Centre would like to maintain the status-quo. Unfortunately, that's impossible," says Joan Sheppard, Director of the Rosa Lee Young Day Care Center, which began in the basement of the Shiloh Baptist Church, moved to another church before settling permanently on North Village Avenue.

"People have a misconception of day care. They see it as being a . . . I'd better be careful of what I say . . . not a positive force in the community. We tried to buy a house on Lincoln Avenue and the neighbors were vehement against us. Older people still walk by anxiously.

"The Mayor and Rev. Days have been very supportive of us. Central Synagogue was willing to take us on temporarily. As far as the rest of the community was concerned, we were nice and safe down where the Black people lived.

"Young people are happy to hear about the day care. It's not custodial. We provide good developmental child care. Every mother who is able to get out to work becomes a taxpayer—not to mention what it does for her self-image."

And Rockville Centre's self-image is getting a boost. How? How does anybody boost their spirits in middle-age? By getting a face-lift. Park Avenue is resplendent in old-fashioned streetlights and brick sidewalks. There's a plan for a Public Works facility at Lister Park, including tennis and basketball courts and a fieldhouse for concerts and drama. A new wing to South Side Senior High School will be completed by September (as the school converts to a four-year high), the Senior Center is being enlarged to double its size, Molloy College has added a new Fine Arts Building and St. Agnes is being renovated (Cardinal Cooke will preside at a May 27 rededication ceremony).

Does this sound like a town that's seen its better days? And if, indeed, Rockville Centre is not what it used to be—who is? It may not be lily-white, WASP-y and solidly upper middle class, but it's a stable mixture of many different cultures. Besides, how bad could it be?—Swensen's opened here last summer!●

CONGRESSIONAL VIGIL AND SOLIDARITY SUNDAY FOR SOVIET JEWRY

HON. CHARLES E. SCHUMER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. SCHUMER. Mr. Speaker, I am pleased to participate in this year's congressional call to conscience vigil and to remind my colleagues of the continuing plight of Ida Nudel.

I am particularly pleased that I can participate immediately following the massive Solidarity Sunday march held last weekend in New York City. It was truly a moving experience to be part of over 100,000 New Yorkers marching to protest the repression of the Soviet Jewish population. This annual demonstration is a powerful reminder to Soviet authorities that people around the world know of their willfull mistreatment of Ida Nudel and her fellow Jews, in violation of every international standard of law and decency. I would like to thank the organizers of Solidarity Sunday—the Greater New York Conference on Soviet Jewry—for their tremendous work in putting together Solidarity Sunday, and for their ongoing assistance to members of the New York area congressional delegation.

This year's congressional vigil is taking place during a crisis period for the Jews of the Soviet Union. Emigration is now at a 10-year low, and the small trickle of emigration continues only to create a facade of Soviet compliance with their international agreements. In addition to the virtual halt in exit visas, it is abundantly clear that direct acts of antisemitic repression have been on the increase in the Soviet Union. It is amidst this bleak situation that the Soviets released Ida Nudel from internal exile and permitted her to return to Moscow. She is now back where she began years ago, with little prospect of emigrating.

Ida Nudel has served an entire prison term for desiring to emigrate to Israel. She still holds that desire, and she is still entitled to it under the terms of the Final Agreement of the European Conference on Security and Cooperation. Ida Nudel must be allowed to join her sister in Israel, as demanded by the participants in the congressional call to conscience vigil, the 100,000 Solidarity Sunday marchers, and the terms of international law.●

PROGRESS IN NUCLEAR REACTOR DEVELOPMENT

HON. MARILYN LLOYD BOUQUARD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mrs. BOUQUARD. Mr. Speaker, all too frequently I am reminded that we in the United States are once again becoming complacent in matters of energy supply and future availability of fossil fuel reserves. The administration's fiscal year 1983 budget failed to include a request for continuing research and development of the high-temperature gas-cooled reactor. This reactor offers inherent safety features such as fuel stability at high temperatures, substantial time availability for controlling the reactor during unusual operating conditions, and the elimination of chemical reactions between coolant and fuel. Furthermore, the high-temperature gas-cooled reactor (HTGR) and the very high temperature reactor (VHTR) offer advantages in supplying high-temperature-process heat for industrial manufacturing.

While some people in our Government may not look very far into the future of energy supplies, officials of other governments have. I have received a letter from Tetsuo Kondo, chairman, Science and Technology Committee, House of Representatives, Tokyo, Japan, which I would like to place in the RECORD so that my colleagues may benefit from Mr. Kondo's wisdom on the high-temperature gas reactor.

HOUSE OF REPRESENTATIVES,
Tokyo, April 21, 1982.

Hon. MARILYN L. BOUQUARD,
Chair, Energy Research and Production Subcommittee, House of Representatives, Washington, D.C.

DEAR CONGRESSWOMAN BOUQUARD: Last December I had the honor to be appointed Chairman of the Science and Technology Committee of the Lower House of the Japanese Diet. In this position I am responsible for Diet consideration of all aspects of science and technology including research and development on new energy technologies. The responsibilities of my Committee in this latter area are similar to those of your Energy Research and Production Sub-Committee.

While new energy technologies are only one part of my responsibility, it is in my view a very critical part. This is due to the almost complete dependence of my country on imported energy resources. Because of this, new energy technologies which permit the diversification of fuel supply sources or which reduce the magnitude of fuel imports are of the utmost importance to us. In this regard I am personally convinced that nuclear power is an essential part of the energy mix required for Japan.

Already we are building light water reactors based on technology obtained from the U.S. and we have a very active liquid metal fast breeder reactor development program. In both of these areas we have benefitted greatly from cooperation with your country and I hope that you have also benefitted in some small way from the information developed here in Japan.

In addition to the LWR and FBR programs we are working on the development of a very high temperature gas cooled reactor (VHTR) for process heat applications. As you are aware Japan uses a large amount of process heat in industrial applications—again the fuel for this process heat must be imported. In my view the VHTR has tremendous potential for meeting much of our process heat requirements especially in the high temperature range. Our program has in the past benefitted from informal cooperation with the gas cooled reactor programs in both the U.S. and the Federal Republic of Germany and I had been hoping to see this important cooperation formalized and expanded. However, I understand that, within your country, consideration is being given to seriously curtailing or even terminating your gas cooled reactor efforts. This, it seems to me, would be extremely unfortunate especially since the Fort St. Vrain reactor has just recently entered into commercial operation and is now producing useful information.

Since you will be directly involved in the decision on this matter, I would very much like to have the opportunity to exchange views with you on the subject.

The Diet is now in session so it is difficult for me to travel outside of Japan at this time. However, I plan to visit the United States in June or July after the Diet adjourns. At that time I would like to meet with you to discuss energy developments in our respective countries including the importance of the development of a very high temperature process heat reactor.

I am looking forward to meeting you.

Very truly yours,

TETSUO KONDO,
Chairman, Science and Technology Committee, House of Representatives.●

STATE OF MISSISSIPPI HOUSE RESOLUTION SUPPORTS REPUBLIC OF CHINA

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. McDONALD. Mr. Speaker, in my view, the Reagan administration has been too timid in its policy on China. My strong feeling has been that we should officially recognize the Republic of China in some fashion and restore our official ties with our longtime ally. In my view, our policymakers do not understand the fact that the People's Republic of China needs us much more than we need them. Therefore, I was pleased when I received a copy of House Resolution No. 19 from the House of Representatives of the State of Mississippi asking the President to restore official relations with the Republic of China and to provide specific security guarantees for that nation. I commend the text of this resolution to my colleagues and our policymakers here in Washington as typical of grassroots sentiments in America today.

STATE OF MISSISSIPPI: HOUSE RESOLUTION No. 19

Whereas, the Republic of China is a long-time friend, ally and trade partner of the United States; and

Whereas, the Republic of China holds a pivotal, strategic position in Asia and the West Pacific which is vitally important to the interest and the defense of the United States; and

Whereas, the people of the Republic of China enjoy a democratic way of life, a high standard of living and fundamental human rights; and

Whereas, continued trade with the Republic of China is vitally important to the State of Mississippi and the United States:

Now, therefore, be it resolved by the House of Representatives of the State of Mississippi, That we do hereby memorialize President Ronald W. Reagan to establish official government relations with the Republic of China, and that we do hereby memorialize the Congress of the United States to take all necessary actions to provide specific security guarantees for the Republic of China.

Be it further resolved, That a copy of this resolution be transmitted to the President of the United States, the Speaker of the House of Representatives of the United States and to each member of Congress of the United States.●

PAUL N. McCLOSKEY, JR., HONORED

HON. JOEL PRITCHARD

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. PRITCHARD. Mr. Speaker, on April 27, our distinguished colleague, PAUL N. McCLOSKEY, JR., who represents the 12th District of California, was honored as the recipient of the Population Action Council's Legislator of the Month award. The plaque recognizes Congressman McCLOSKEY's dedication to global humanitarian concerns and efforts to achieve world population stabilization. Before a wide cross section of business and community leaders, the award was presented at a ceremony in the Stanford Court Hotel in San Francisco by Parker Montgomery, chairman of the board of Cooper Laboratories and a part of the Population Action Council's National Business Leaders Who Care network.

REMARKS BY PARKER MONTGOMERY

We are very impressed with what we have learned and observed in our association with our honored guest today. Although, before moving Cooper Laboratories onto the peninsula, we had long known of Pete through his reputation for independence, intellectual honesty and tremendous personal courage, it was indeed a great pleasure to get closer to Pete as we stayed involved in activities here in the Bay area and nationally.

We have observed first hand one of the greatest Americans I have ever had the pleasure of meeting. He is one of the few individuals that I know in public life whose physical courage has been translated into the kind of intellectual courage that makes it a pleasure for me to appear today on the dias to present this award. This is an American who deserves our support in every respect. It is now my great pleasure to present this award on behalf of hundreds of Americans, who share my belief that through solving the world overpopulation problem in humane and rational ways we can contribute significantly to the quality of life for future generations. This is the Legislator of the Month award to Representative Paul N. McCloskey, Jr. "in recognition of his fostering support to solve the world population crisis through a demonstrated commitment to share ideas, knowledge, and experience towards the ultimate objective of reducing population growth and creating a better life for all the world's people."

REMARKS BY REPRESENTATIVE McCLOSKEY

I want to thank the Population Action Council and perhaps try to put some perspective on the issues that face our country. I think what the Council is doing is perhaps as important a thing as occurs in our lifetime. I learned something in the Marine Corps: awards are not given to honor bravery or courage or success in the past. We give these awards, not to honor the past but to force you in the future to live up the ethics and morals of what that award represents. And you have recalled to my attention the importance of the ability to limit population growth around the world.

There's another movement occurring today—the public outpouring of sentiment that somehow we should control nuclear weapons and avoid a nuclear exchange which would destroy the 4,000 years of civilization we have built up. In the last several weeks we have seen people speaking out and forcing legislatures and legislators to address subjects they wouldn't otherwise address. We have seen the importance of what a popular movement can do.

Do you remember that less than a year ago this Administration was speaking about our ability to limit and even win a nuclear war? But as a result of the public dialogue that has gone forward about the impossibility of surviving a nuclear war, only a few days ago the President of the United States went on national television to state unequivocally that we could neither limit nor win a nuclear war.

The most important thing that any citizen can do is to be part of an effort to square away and force political leaders to rethink the priorities, the values and the rules that were adopted in years past, and to force the political leaders to lead from an enlightened standpoint. To the extent that the Population Action Council does this, you serve the same function, in my judgment, as the citizens groups that are now forcing politicians to readdress the questions: Can you win a nuclear war? Is a nuclear first strike an appropriate part of American strategy?

The nuclear question should be addressed because, of all the problems confronting mankind, the control of nuclear weapons is clearly of crucial importance. But I'm not so sure—and I was impressed by this 10 years ago—that the greatest threat to peace in our time, on this planet, is not posed by the unbridled growth of population, particularly in the poorer countries. Time and again we have seen a country have an increase in its gross national product of two or three percent a year, only to be tortured by a population growth rate of 3.5 percent.

For the United States to say that birthrates in foreign countries are problems we should not address or devote assets to attempting to solve is to decline to recognize the problems this country faces today. For example, as a result of the birthrate in Mexico, or in Haiti, or in Nicaragua, or in any of the Latin American countries where high birthrates force people—out of poverty, misery and despair—to immigrate to the United States, legally or illegally, this clearly can engender further poverty, further despair, and, ultimately, the willingness to give up life rather than to continue in that despair.

The magic of this country, it seems to me, has been a simple provision of the Constitution that we adopted back in 1866, entitling every person to equal protection of the laws. If you look at the good and well-intentioned efforts of people, either in government or outside of government, these are essentially in recognition that once a person is born into the world, we want to nurture that person, we want to give love to that person, we want to give the right of equal opportunity, good nutrition, good health care, the right of a good education, and the right to succeed in life. Once a person is born, whether it is a child in Somalia, or a child in the ghettos of Los Angeles or Washington, D.C., that constitutional provision obligates all of us to give that person equal protection of the laws and equal opportunity.

For this reason, it seems to me, we ought to look very carefully at the other rights we have recognized as human rights. At the Teheran Conference in 1968, it was recognized that every couple should have the human right to determine how many children they are going to bring into the world and the spacing of those children. In 1974, Cap Weinberger, now our Secretary of Defense, headed the U.S. delegation to the World Population Conference in Bucharest, which adopted—with United States acquiescence, approval and leadership—the human right assertion that it is the role of government to provide the means and education to allow women to decide when and how they will

bring children into the world. And if we give this incredible protection to human life once created, should not the decision whether to bring children into the world be equally important in our determinations?

I know of no way to have peace in this world as long as we have a continuation and an enhancement of the disparity between the wealthy and the poor. And yet the birthrates in the developing countries are clearly frustrating and defeating our attempts to end poverty.

A few years ago an individual came to me at a constituent meeting with a copy of a bill before the Congress to create a Population Commission. The bill provided that the commission would study population growth, the impact of that growth on the economies and on the governments of the world. This individual, a single citizen of this country, had written in pencil that this commission ought to also study the impact of population growth on the environment and whether or not we shouldn't try to limit population growth. And because he put that language in my hand, I took it to my committee and, ultimately, it was adopted. Three and one half months later, the President of the United States said he was pleased to accept this amendment creating the Population Commission that had been added by the House of Representatives. Actually it has been added by one constituent who had come to one Congressman and said, "Do this."

And that commission, when it was created under John Rockefeller III, then had a mandate to study whether we should limit population growth. A year later the commission recommended to the government of the United States that we should try to limit population growth, and if we could limit population growth we could materially address the problems of poverty and end the danger of war, or at least materially diminish the dangers of war caused by excessive population growth. The report of that committee, representing the idea of one person, has, in the last 10 years, played a part in the international dialogue.

Now, interestingly enough, the United States, after leading in this effort, leading in the concept of assistance to other countries, has somewhat retracted from that position. We do not give our fair share of foreign assistance related to population control. Out of $11 billion in foreign assistance appropriated last year to a number of countries, only $211 million was related to population assistance to meet the Bucharest Conference goal that we give every couple the education and the means—as an obligation of government—to determine the number of children they will bring into the world.

But, hopefully, we can change that, just as the President of the United States has been forced to change his position on winning a limited or unlimited nuclear war. If we have a public movement demanding that political leadership also address the population growth in Third World countries, I think we can do the same thing.

You caught my attention by giving me this award. You have now extracted from me a commitment to spend some part of my time in my remaining months in the House of Representatives trying to make sure that adequate assistance for international population programs goes through the budget process.

You pointed out to me that one Nimitz type nuclear carrier involves a $3.5 billion expenditure by the United States. Our own Office of Technology Assessment has said we could stabilize world population growth if the world were willing to commit an additional $3.5 billion—the cost of a nuclear carrier—into the field of limiting global population.

We have immense tasks. The danger to world peace over the next 50 years is fully as great from unbridled population explosion in the Third World as from any growing imbalance of nuclear weapons, or any first strike by ourselves or the Soviets, or any nuclear weapons falling into the hands of a Qaddafi or an Idi Amin.

What we need is a public demand that the political leaders address this problem of population growth with the same efforts that we devote now, as a result of public demand, to the question of a nuclear freeze, reducing the amount of nuclear weapons and ending the nuclear arms race.

The major issue is how we can help 156 nations, plagued by the inability to limit their population increase, attain the means and the information so that couples can make the choice of how many children they bring into the world. I think the great value of international law is in its sweep. The fact is that in 1974 the United States subscribed to the position that a couple ought to have this right. And that international treaty ought to bind even this Administration to see that couples all over the world have the right to limit the population in their individual countries, and, hopefully, make those countries less inclined to go into war to redress the imbalance that surely must occur if population continues without limitation.●

LAISSEZ ISN'T FAIRE

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. DOWNEY. Mr. Speaker, the Democracy Project recently held a conference here on Capitol Hill to present its alternatives to Reaganomics as they concern industrial policy. I found the remarks of the project's director, Mark Green to be of special interest to me and I would like to present them here for my colleagues' consideration.

WHY "INDUSTRIAL POLICY"? BECAUSE LAISSEZ ISN'T FAIRE

(By Mark Green)

The Democracy Project is a new "action-institute" dedicated to developing progressive alternatives in four areas—economic democracy, political democracy, health/safety regulation and crime. Our subject today is "Industrial Policy" and our challenge in how government policy can spur economic winners, cushion economic losers and revitalize troubled firms—without merely subsidizing politically powerful firms or engaging in "lemon socialism."

Still, why a conference on this subject in early 1982? Before the speakers present their papers, let me explain the four assumptions that provide the foundation for, indeed the inspiration of, today's discussion:

First, *Reaganomics is failing.* Although this conference is *not* about macro-economic policy or Reaganomics, I can resist anything except temptation. And since if the Administration's economic program works there will be need for or interest in alternatives, it is worth establishing that program's analytical and empirical collapse. It presumes that American citizens and companies are overtaxed, when OECD and IMF studies show we are among the least taxed of Western societies; it presumes our public sector is too large when, again, it is among the smallest; it presumes that capital investment is down, when it is far higher in 1980 than in 1970 or 1960 and when *Business Week* told how companies were entering the 1980's with record levels of idle cash. President Reagan in his first address to the Congress blamed inflation on "all that deficit spending" and now is presiding ever unprecedented deficits; he promised to provide "jobs, jobs, jobs" and within a year of his inauguration a million and a half more people are jobless and the unemployment rate is 8.9%; he talked about economic growth but high interest rates still choke off any economic expansion.

This is not an enviable record to explain publicly, even for President Pangloss, which perhaps explains his unwillingness to hold very many press conferences.

Second, *laissez isn't faire.* Surely the free competitive marketplace can be an efficient allocator of scarce resources. But unlike Reaganites, we should not burn incense to it. For flaws in the market often create abuses and generate false signals. For example: oligopoly, not competition, characterizes two-thirds of the manufacturing sector; the marketplace often leads to "coerced consumption" or what economists call "externalities," when innocent third parties have to breathe the dirty air or suffer physical injury from other people's market transactions; banks and companies for a variety of reasons can engage in a "capital strike," as when they decide to forgo intercity mass transit, rural electrification, urban housing or affordable health care; the free market allows Lyhes Corporation to close its Youngstown steel plant and put 5,000 people out of work without any notice; and the "perfect capital market" is not very perfect if the goal is economic efficiency: lending institutions have often sunk money into buying companies rather than building plants, or have refused credit to credit-worthy women or blacks or small businesses or consumer co-ops because they were not the sort of people they lunched with or had on their board of directors.

In other words, laissez (isn't always) faire. And if the best federal policy toward the economy is a mere "hands-off" approach, why then are we being out-competed by countries whose governments intelligently pursue "hands-on" industrial policy?

Third, *though the Reagan Administration disdains any industrial policy, they have one—and it's the wrong one.* It is an industrial policy, albeit through the macroeconomic backdoor, to cut taxes especially for big capital-intensive companies—even though small labor-intensive firms are the real generators of new jobs in America. It is industrial policy when Reaganomics subsidizes investment in plant and equipment with cuts in education and job-training; this elevation of hardware over thoughtware, however is a form of economic unilateral disarmament since it undermines our greatest productive asset—our intelligent and skilled labor force. It is an industrial policy when the Anti-trust Division appears to be lenient on big mergers—which helps trigger an unprecedented volume of large mergers in 1981. And it is an industrial policy to pursue energy price decontrol—which results in that one sector gaining 44 percent of all manufacturing profits, thereby denying needed capital to non-energy sectors.

Fourth, the U.S. Government has for a long time insinuated itself into the industrial sector. It's probable that the procurement policies of the Defense Department, with its $40 billion-plus annually to spend, play as large or even a larger role in shaping industrial markets than antitrust enforcement. Most R and D in this country is federally funded. The federal government presides over an array of tariffs, quotas, "voluntary trade agreements"—and in 1982 the U.S. will extend more than $150 billion in loans and loan guarantees.

The problem, consequently, is not the U.S. lacks an industrial policy, but that it has a self-defeating one (inspiring mergers, not construction—and physical capital over human capital) and that it is guided by ad hoc standards and political clout (Chrysler, the Alaskan Gas Pipeline).

The industrial policy debate today, therefore, turns not the false comparatives of planning vs the market or public enterprise vs private enterprise, as conservative ideologies would have us believe. The real issue is foresight vs ignorance. The real issue is whether there can be principled and enforceable standards for federal economic intervention, instead of the ad-hocery that now prevails, and whether progressives can develop a strategy that weds growth with equity.

That is our charge—and it implies some different questions:

How can you pick "winners" before the market does? Or should you ideally only focus on sectors already doing well by helping them achieve economies of scale quicker than their foreign competitors?

How can we avoid "bureaucratic liberalism," where liberal programs get perverted for conservative ends while liberals get blamed (urban renewal).

How can we most effectively reduce the cost of market failures on working families? Can or should the government restrict unannounced capital flight?

If firms are really in "sunset industries," why throw good money after bad? Can federal policy help firms temporarily in trouble by converting production lines or retraining workers to serve new markets?

How can we avoid an industrial policy office from merely bailing out economically inefficient but politically powerful firms?

These are not easy questions to answer, but if we do not ask the right questions, we surely can't get the right answers. So before America reindustrializes, we must figure out for whom and by whom. Who pays and who benefits? If this conference were to have a long-winded bumper sticker, it would be "Reconceptualization before Reindustrialization."

Is anyone in Congress interested in this issue of a new industrial policy? Probably not very many, which is why we want to begin this debate. Not many people were interested in a 30 percent tax cut in 1977 either, but the persistance of its advocates and economic duress made it an established policy. I have no doubt that out of our efforts today and out of our growing economic duress will emerge a progressive and democratic economic alternative that will form a basis for policy after Reagan.●

CHICAGO SUPPORTS STRONG CLEAN AIR ACT

HON. JOHN G. FARY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. FARY. Mr. Speaker, it gives me great pleasure to join with my colleagues in recognizing National Clean Air Week. Despite economic hard times, recent public opinion polls indicate that Illinois voters want clean air and are willing to pay for it.

The Chicago Lung Association questioned 1,400 voters in February of this year in the Chicago area and suburbs. Some of the key questions and findings include: First, 45 percent of respondents favored keeping the Clean Air Act the same, while 37 percent favored making it stronger; second, 74 percent of the respondents were willing to pay more for air pollution control, while 22 percent were not willing to pay more for pollution control; third, 59 percent of respondents believed that clean air standards should not be weakened in favor of economic growth, while 34 percent said that clean air standards should be weakened in favor of economic growth.

In light of these findings, it seems safe to say that Chicagoans want to have a tough Clean Air Act. Because of the results of this survey and my own heartfelt concerns regarding the environment, I was pleased to cosponsor the Commitment to the Clean Air Act Resolution of the 97th Congress.

The Illinois Environmental Protection Agency recently completed a study of the effect on Chicago air quality of rolling back the current emission standards for new automobiles for oxides of nitrogen and for rolling back the standards for carbon monoxide. The Illinois EPA concluded that a rollback of the current oxides of nitrogen standard for light duty vehicles will cause ambient air quality levels in Cook County to increase after 1983. Since recent air quality monitoring data for Cook County show violation of the health-related National Ambient Air Quality Standard for nitrogen dioxide, the proposed rollback could result in increased health risk to the affected population, as well as the need for retrofitting of additional controls on stationary sources of nitrogen oxides in the area. This would fall most heavily on industrial and utility boilers, especially those which burn coal. At best, several planned conversions of boilers from gas or oil to coal would be blocked.

The IEPA study also shows that, if one assumes retention of the 1.0-gram-per-mile nitrogen oxides standard, the proposed relaxation of the light duty vehicle carbon monoxide standard will also have a significant adverse effect on air quality levels. Specifically, their conclusion is that the number of "hot spots" (intersections and roadway segments where carbon monoxide levels may reach harmful levels) will be increased by more than 50 percent in 1992.

In both cases, revising the standards would allow manufacturers to discontinue use of existing technology that has been proven effective by use on 1981 and 1982 model cars. The justification claimed by manufacturers is the potential for reducing the price of new cars by an estimated average amount of $100 each.

Such evidence is hard to disregard. I am proud to stand side by side with my colleagues here today in support of a renewed commitment to a strong Clean Air Act.●

IN MEMORY OF WILLIAM ADAMS

HON. HOWARD WOLPE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. WOLPE. Mr. Speaker, this May 12, the residents of the Waverly school district within my congressional district in Michigan will be gathering to honor the memory of a very special person, Mr. William Adams. Bill Adams died April 4, 1981, as a result of injuries sustained while performing in his capacity as varsity baseball coach for the Waverly schools. At the May 12 ceremony, the Waverly community schools will be dedicating a new facility to him.

Bill Adams, husband, father, teacher, coach, concerned citizen, was indeed a very special man. His dedication to the youth of the Waverly community, a dedication that twice earned him the designation, "Teacher of the Year," was an inspiration to all who had the good fortune to know him. Bill Adams touched the community around him and made it a better place for all of us in which to live.

In testimony to Bill Adams' many contributions to the Waverly community are the numerous resolutions in his honor that have been passed by community groups and by local and State governments. Mr. Speaker, I would like to submit to you two of those resolutions as a tribute to the life of this very special person, for Bill Adams exemplified in every respect the American ideals of commitment and community service.

PASSAGE OF A RESOLUTION

The following resolution was adopted by the Board of Trustees of the Charter Township of Delta at their regular meeting held on March 15, 1982:

Trustee Lyle L. Brown moved that the Board adopt the following:

RESOLUTION OF APPRECIATION

Whereas Mr. William Adams served as a Teacher of Mathematics for the Waverly Schools for a total of sixteen (16) years; and

Whereas Mr. Adams was selected "Teacher of the Year" on two occasions and was considered by his colleagues and students to be an outstanding teacher; and

Whereas Bill Adams also served as Coach of the 8th Grade Baseball Team for two (2) years; the JV Baseball Coach for eleven (11) years; and the Varsity Baseball Coach for two (2) years; and

Whereas Mr. Adams led the Varsity Baseball Team to co-championship in the Capital Area Conference in 1979; and

Whereas Bill Adams passed away on April 4, 1981 as a result of injuries sustained while performing in the capacity of Varsity Baseball Coach for the Waverly Schools: Therefore, be it hereby

Resolved—Lest his service to the Waverly Schools and the Township of Delta be forgotten, May 12, 1982, is hereby designated as: "William (Bill) Adams Day" by the Charter Township of Delta. In tribute to the memory of Mr. Bill Adams for his outstanding contributions and service to the Waverly Schools and Delta Township.

WILLIAM G. MILLIKEN, GOVERNOR OF THE STATE OF MICHIGAN, PRESENTS THIS EXECUTIVE DECLARATION IN OBSERVANCE OF THE MANY CONTRIBUTIONS OF BILL ADAMS

It is a rare individual who gives continually and generously of his or her time and effort to enrich the lives of others. Bill Adams was such an individual.

His death on April 4, 1981, left a family and community in deep sorrow.

It is important that his life be remembered in a manner that would have pleased him. On May 12, 1982, the Waverly Community Schools will commemorate Mr. Adams' life by dedicating a new baseball facility to him. It is fitting that the community remember Mr. Adams in this way—as the baseball coach who was an inspiration to his players and as a fine member of the community.

Therefore, I, William G. Milliken, Governor of the State of Michigan, do hereby issue this Executive Declaration in observance of the many contributions of Bill Adams to the quality of life in the Waverly community and in the state of Michigan, and with the knowledge that "Adams Memorial Field" will preserve the memory of his life in the minds and hearts of his family and friends.●

A SPEECH BY RABBI FRANKEL

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. SIMON. Mr. Speaker, Congress and the administration continue their negotiations on next year's budget. Recently, I chaired hearings of the Budget Committee Task Force on Entitlements, Uncontrollables, and Indexing where a number of flaws in the administration's fiscal policy were addressed. One in particular is the administration's position concerning the "New Voluntarism." In several speeches, President Reagan has called upon charities and other voluntary organizations to help fill the gap in human services caused by Federal cutbacks.

It is clear from the task force hearings that the administration has miscalculated the resources of the voluntary sector. Testimony from Rabbi William Frankel, vice president of the Jewish Federation of Metropolitan Chicago, revealed three important points:

One. That the budget cuts are directly affecting the resources of the charities themselves. "Private sector voluntary agencies are financed by public funds in an amount approaching nearly one-third of their budgets. It is ironic that the Federal Government's human services cuts are crippling the very same voluntary sector that the administration intends to rely upon so heavily."

Two. That nonprofit agencies cannot begin to compensate for the withdrawal of Federal support. As the need for assistance increases, charities are facing unprecedented demand. "Our free food pantry for the elderly has to be refilled weekly now as opposed to previous monthly restockings only 6 months ago."

Three. That nonprofit organizations are losing—not gaining—volunteers. "Volunteers are not as readily available as they used to be with more workers generally putting in longer hours, and working at second jobs. Most people must sell their volunteer time these days to make ends meet."

In sum, I am deeply concerned that the budget cuts will leave untold numbers of poor families without support—neither from the Federal Government nor from private charities. I submit Rabbi Frankel's full statement for the RECORD.

STATEMENT OF THE JEWISH FEDERATION OF METROPOLITAN CHICAGO BY RABBI WILLIAM FRANKEL, VICE PRESIDENT

On behalf of the Jewish Federation of Metropolitan Chicago, I want to thank you for the opportunity to talk with you about our perspectives on the effects of the Administration's domestic social program policies.

The Jewish Federation is beginning to see the initial impact of Federal entitlement program cutbacks on those who use the services of many of our thirteen social welfare, health and education agencies. Some of the people we serve who receive direct financial assistance are already being hit hard by the reductions.

My remarks must be placed in the context of the current economic situation in the State of Illinois where we provide our services. The State is experiencing a depressed economy, with unemployment approaching 9 percent. This is among the 3rd or 4th highest rate of unemployment in the country. 450,000 people are actively looking for jobs, and no one knows how many more thousands and thousands have given up hope and have stopped looking. 20 percent of all young people are unemployed and 50 percent of all Black and other minority youth are unemployed. At this time the job market in Illinois is largely bereft of low skilled and semi-skilled jobs. Finally, 1,100,000 people in Illinois—10 percent of the states' citizens—are living on Food Stamps today.

If there is a universal trend evident among the people that we serve, it is a sense of helplessness and frustration that just when our economy is at such a low ebb, and government financial and program assistance is more necessary than at any time during the last twenty years, our federal government is withdrawing its financial commitment to disadvantaged citizens.

For example, our Jewish Vocational Service is one of the most outstanding job counseling, training, rehabilitation and placement programs in the entire nation. Yet that agency reports that finding a job for a layed-off worker, a small businessman whose market has been wiped out or whose store closed because of economic conditions, or for our community's youth is incredibly difficult today. It now often takes up to a year to find jobs for people whom we could prepare and place in two months, that is until as recently as a year ago. A major challenge is to keep the prospective worker's hopes alive, to help people remain convinced that an appropriate job will be found. Many applicants seen by our vocational agency are increasingly depressed, with their work incentive declining as the eventuality of having to rely upon public assistance becomes more likely. If the unemployment compensation period is shortened to less than the current six months, the tendency towards disillusionment and movement towards the finality of being a welfare client will only continue to accelerate.

Connected to the unemployment problem is the issue of the curtailment of Federally funded job training programs which have been proven to be cost effective, ironically, just when we need them most and when studies are proving their validity. One such program, the WIN program, which is scheduled for large scale reduction, has saved taxpayers an amount equal to its cost. In other words, people returning to welfare dependency will cost twice as much. This is not a good decision. We desperately need more careful decision-making by the Administration and the Congress when programs leading to or supporting self-sufficiency (such as WIN, CETA, or day care) come under review.

It is vital that Congress take steps to prevent counter-productive decisions from being made which only trigger harsh indirect effects upon the poor. Illinois, which pays for its General Assistance program out of its own pocket, recently had to eliminate $24 million worth of General Assistance clients in order to make sure the State would have adequate funds for its AFDC clients. Further, when we run out of public programs to cut and all the thousands of people descend on the private non-profit agencies, in even greater numbers than they have, what will happen? I can tell you with certainty that the voluntary sector will absolutely not be able to provide the required services.

Regarding health care, there are two medical centers affiliated with the Chicago area Jewish community: Michael Reese Hospital and Medical Center, and Mount Sinai Hospital Medical Center. Both of these facilities provide services to the poor and disadvantaged in the Chicago area. As a result of Federal and State cost containment directives to the Illinois Department of Public Aid, these hospitals now perform simple surgery such as removal of a finger on an out-patient basis, and are doing what they can to reduce costs in order to continue to provide a high level of services to all clients. But, actual service costs and unrealistically low inflationary increases for care in such a technologically dependent field are creating false impressions of savings. In Illinois, there is currently a $50 cap on reimburseable clinic visits for Medicaid patients. Yet Michael Reese reports that the average total cost per client visit is closer to $150 per patient. This means that the hospital is experiencing a net loss of $100 for each Medicaid patient visit. And when the hospital can no longer absorb that loss what will happen? All hospitals, including those like ours who truly care deeply for the human needs of the sick and poor, will reach a financial breaking point. This is not the way to achieve sound public policy. We need more careful planning and phased-in implementation of basic changes, not radical shifts from one day to the next. The idea of transferring part of the cost of health care to the poor through fees or other means serves only to rob them of their dignity and self-respect and to establish new barriers to health care.

Pulling all publicly reimbursed patients out of most Chicago area hospitals, and identifying a handful of medical centers as primary Medicaid and Medicare fallities will not alleviate the problem. Our two hospital complexes receive over 50 percent of their revenue through publically funded programs, so such displacement would be highly disruptive for both receiving and terminating hospitals.

The high cost of family medical care is a significant disincentive for taking a low-paying job which does not provide health insurance, as opposed to staying on welfare. An extension of Medicaid eligibility for the first twelve months of post-welfare employment would be an effective work stimulant for thousands of people on welfare.

Medicaid and Title XX are two leading public programs funding some of our services through the Council for Jewish Elderly. Eighty percent (80 percent) of the residents in our long-term car facility receive Medicaid assistance. Title XX is a prime, but diminishing source of transportation for the elderly, counseling and nutrition services. A program that we operate which is not government-subsidized, the ARK, has a Kosher free food pantry. This pantry has to be refilled weekly now as opposed to previous monthly restocking only six months ago. This is a frightening reflection of the effect of food and maintenance assistance cuts on our elderly and poor.

One factor regarding AFDC and Title XX programming that needs to be considered by this Task Force is day care. In Illinois, subsidized day care has largely been provided through State funds and then federally reimbursed through Title XX. Due to Title XX program cuts and Illinois reaching its Title XX ceiling, during the next fiscal year subsidized day care will be limited to lowest income families and families transitioning from public assistance. The effect of this change will be to reduce the availability of affordable day care to single parents and minimum wage earning two income families. This will add more families to the welfare rolls who removed themselves from AFDC and want to earn a living by working. Last Spring, one typical center's administrator testified before the Illinois House Task Force on Community Needs on the results of withdrawing subsidized day care services to twenty families due to Title XX cutbacks. Six families immediately went on welfare. Eight more are attempting to function with relatives, neighbors or friends caring for their children. Five of these eight report the situation is still not stable after four months and that other arrangements will have to be found or soon they, too, will be forced to return to the welfare rolls. The other six families were all able to find other subsidized day care slots for their children in centers farther away from home or work. The crucial issue is that day care has been proven beyond any doubt to be a most cost effective program.

The reality in Illinois, like most other Midwestern states, is that our economic conditions are producing an increased demand for medical and other human services, and our State and local governments cannot afford to respond to this additional responsibility on top of federal funding cutbacks. Our voluntary sector agencies want to be as helpful as we can in this ever worsening situation, but we face two realities of our own: (1) volunteers are not as readily available as they used to be with more workers generally putting in longer hours, and working at second jobs. Most people must sell their volunteer time these days to make ends meet. Organizations dependent upon volunteers will confirm the frightening fact that they are losing—not gaining—volunteers. (2) Private sector voluntary agencies are financed by public funds in an amount approaching nearly ⅓ of their budgets. The United Way of Metropolitan Chicago reports that its member agencies depend nearly equally upon income from fees for service, contributed funds, and government grants and contracts. If the Administration achieves its goal of removing the Federal government from human services, it is highly likely that as many as thirty of the eighty-eight Chicago area United Way member agencies will go out of existence. It is ironic that the Federal government's human services cuts are crippling the very same voluntary sector that the Administration intends to rely upon so heavily.

There are some alternatives which the voluntary sector can suggest. For example, the Illinois Department of Public Aid has asked us to share with them our "family responsibility" policy of additional financial support, personally solicited and voluntarily maintained, from families of long-term care residents in our Council for Jewish Elderly facilities. Our administrative costs remain low because our neighborhood or community-based facilities are often shared by a number of our agencies to save costs and to provide a broader range of services to a common population, and we pride ourselves on maintaining high program quality rather than merely meeting Federal or State minimum standards. We only wish that the $28 billion raised by all charitable organizations in the United States last year for museums, cultural programs, religious institutions and human services could somehow be stretched to absorb the billions in human services programs cut by the Administration in this current fiscal year. The reality is otherwise. Earlier this month the Jewish Federation submitted a statement to the Sub-Committee on Manpower and Housing of the House Government Operations Committee. In that statement we commented in detail on the lack of reality of any additional unrealistic reliance upon the voluntary sector. We would be pleased to make a copy of that statement available to the Task Force, but we would like to reiterate two of our conclusions:

The impact of the Administration's reductions and proposed reductions on the non-profit sector must be honestly faced.

1. It must be understood that a federal reduction of 12 percent in any social program has the effect of being a 20 percent cut in services to people when a conservative amount is added in for the real inflationary costs of providing such services. Contrary to the opinion of some, most social program dollars are being spent on direct services to clients.

2. According to a study conducted for The Independent Sector, as a consequence of Administration cuts non-profit agencies will have to raise 26 percent more in 1982 than the $28 billion private dollars raised in 1981 just to stay afloat. By 1984 we will need to raise 44 percent more than we did in 1981 just to stand still. While the non-profit sector will do its share and continue to work hard to raise more private dollars each year, there is no reality to the prospect of achieving the kinds of massive increases in private giving that will make up for the multi-billion dollars of cuts in federally funded human services programs. Nor can volunteers, as previously noted, make up for that kind of gap.

I thank you for the time you have given me to speak with you. The Jewish Federation does believe in volunteers. I am not employed by the government and do not speak to any of these issues with any technical expertise. I am a volunteer who is deeply troubled by what I see happening to our society. I do want you to know, too, that I have accurately conveyed to you the views of and perceptions of volunteer leaders in the Chicago Jewish community.

The Jewish people believe that saving one life is equal to the saving of an entire people. I suggest to you that our entire citizenry is at risk, and we must all meet the moral challenges inherent in our troubled society with true compassion and justice.●

STUDENT LOAN REGULATIONS—COMMITMENT OF THE MIDDLE INCOME STUDENT ASSISTANCE ACT NULLIFIED

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. BIAGGI. Mr. Speaker, yesterday marked a very sad day for those of us who have placed our hope in the future generations of college students by providing them student aid programs which will assist them in achieving their potential as citizens. In 1978, this Nation made a promise to all students—regardless of income—that they would be able to attend the college of their choice and thus, avail themselves of the educational opportunities that were denied so many of us. The regulations issued by the Department of Education yesterday implementing the changes in the guaranteed student loan program negated that commitment we made in 1978. Last year's Budget Reconciliation Act—an act which I opposed every step of the way—provided for these

changes and returned educational opportunity back into the hands of the rich at the very expense of those who can least afford to pay.

As an original cosponsor of the legislation which created the Middle Income Student Assistance Act in 1978, I remain deeply disturbed over the potential loss in educational benefits which these regulations symbolize. Simply put, those families with incomes above $30,000 will be subject to a needs test to determine, if in fact, they qualify for a student loan. This eligibility criteria now means that many middle-income families will be forced into denying their children the college education of their choice—or even worse—denying them a college education altogether. My commitment to these programs is in large part due to the very fact that I was denied such an opportunity for a college education myself—grant and loan programs did not exist and we did not have the means to afford such opportunities.

Sparked by the disastrous impact that these changes will have upon our Nation's 3.5 million college students who depend on this program, my own State of New York has been assessing the impact of these changes as well as the potential damages which would occur if we adopted the President's 1983 budget request for this program—a budget request which represents the fourth round of cuts which this program has incurred in 1981. This request is especially damaging to New York students which only cover 30 percent of their education through Federal aid programs. This past year, these same students were faced with costs of $3.1 billion after taking into account State and Federal sources of financial aid—compounded by the $200 million loss to these students through cuts already enacted for 1981 prior to these regulations.

The administration has countered these points by noting that the loss in Federal dollars to students through the guaranteed student loan program can be made up through the auxiliary and parent loan program. This is hardly the case. Nationally, only 20 States are participating in these programs—making only $30 million in loans in the first 6 months of this fiscal year. Further, many lenders are applying credit checks and other criteria to these applications—criteria that would place this program well out of reach of those students it was intended to assist. Finally, the terms of these programs are far less desirable than the GSL program and as such, would not serve to assist students in paying for their education if they cannot even afford the terms of the loans.

In sum, Mr. Speaker, I am deeply disturbed at what these regulations mean to the future of our students, our schools, and our Nation. If we are willing participants in a relentless attack by budget cutters to further scale down this program's economic costs—we will also be willing participants in promoting long-term social costs that we will be unable to compensate for in future generative.●

CONSERVATIVE ARGUES FOR NUCLEAR ARMS CONTROL

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. BROWN of California. Mr. Speaker, the May issue of Nation's Business, the monthly magazine of the U.S. Chamber of Commerce, carried a provocative column by the noted conservative writer, James J. Kilpatrick. One always hesitates to paraphrase someone like Mr. Kilpatrick, but I think it is fair to say that his views on nuclear weapons are diametrically opposed to those of leading spokesmen of the Reagan administration.

I wish to insert this editorial, which should be widely circulated, in the CONGRESSIONAL RECORD at this time.

EQUALLY VULNERABLE, EQUALLY DEAD

(By James J. Kilpatrick)

Now and then a book comes along, so stunning in its impact upon its audience, that individual men and women and whole governments are moved from thought to action. At random, one thinks of Tom Paine's revolutionary pamphlets, of Emile Zola's "J'accuse," of Harriet Beecher Stowe's "Uncle Tom's Cabin." Each of them came along at just the right time, when the kindling and the dry logs had been laid and only a match was needed to ignite a fire.

Such a book, if I am not mistaken, is one just published by Alfred A. Knopf. It is "The Fate of the Earth," by Jonathan Schell. At once both reasoned and passionate, the book is a plea for total nuclear disarmament. It comes at just the right time, as an antinuclear awakening begins to stir around the world, and it may provide a bugle call that rallies humankind.

I wish it were possible to provide every reader of Nation's Business with a copy of Schell's book, and I say that for this reason: The antinuclear movement is about to be pre-empted by the peacenicks, beatnicks and superliberals. Readers of this magazine, by contrast, are generally business types, men and women who meet payrolls, pay their taxes and fulfill their civic responsibilities. If the political pressure is to be exerted that will compel the renunciation of nuclear weapons, it must come from liberals and conservatives alike. On this issue there should be no dichotomy of left and right. We are equally vulnerable; if we fail, we will be equally dead.

Schell begins his book with a backward look at the morning of Aug. 6, 1945, in Hiroshima. A little after 8 o'clock, we dropped a fission bomb with a yield of 12½ kilotons upon this city of 340,000 inhabitants. An estimated 130,000 human beings died in the instant of impact, or died of their injuries over the next three months. Many of them died horribly, the victims of burns that flayed skin from flesh; others died slowly, of radiation sickness. The city itself was flattened by the initial blast. This was followed by a firestorm that lasted for six hours, by violent whirlwinds and by a "black rain" of contaminated debris. The enduring effects later were seen in stillbirths and in deformed children.

The Hiroshima bomb was the Model T of its day, a puny little device that would not qualify in our own time as much more than a tactical weapon. Since then the mind of man has conceived and the engineers have built weapons that are measured not in kilotons but in megatons. Such weapons are not intended to kill mere thousands or hundreds of thousands; the property of these weapons is to kill millions of human beings in a moment. We have them; the Soviet Union has them. Together, the two superpowers have the capacity not only to destroy each other absolutely. That is not Schell's point. Together, the U.S. and the U.S.S.R. also have the capacity to render humankind extinct.

The prospect is unthinkable, but there are times when the unthinkable must be thought. Schell urges that certain palliative notions be put aside—for example, that there could be "limited" nuclear war. Once a belligerent employed a "small" nuclear weapon, an escalation could not be stopped short of holocaust. This would not be "war" at all, for "war" carries connotations of victory, defeat, heroes, survivors, reparations. None of this would be true of a convulsion of nuclear madness.

Madness is the word. No one could win such a war; in the extreme event, virtually no one could survive such a war. In the few hours of such a cataclysmic exchange, birds and animals would be blinded and crops destroyed. In the remote countryside, far from the devastated cities, men would find their blue sky turned brown. Some strains of insects, it is thought, would survive, but perhaps in weirdly mutated forms. No one can say what marine life would survive in contaminated seas. The instrumentalities of civil and economic life would be stripped away—law, government, currency, electric energy, means of transportation and communication. The damage done to the planet's ozone layer would condemn the most innocent populations to the same fate suffered by the combatants. So long as these arsenals exist, we risk not the conquest of nations but the extinction of a species: Homo sapiens. Man.

I cannot go all the way with Jonathan Schell. When he argues that conventional weapons should also be abolished, his idealism founders on reality. When he suggests that concepts of national sovereignty must be abandoned in favor of some form of world government, he loses effectiveness. One thing at a time. The immediate charge upon the superpowers is to begin the task of a multilateral, verifiable dismantling of nuclear weapons—all nuclear weapons. This is not an impossible task, and we ought not to let ourselves be deterred by paranoia or propaganda from pursuing it. I want my grandchildren to grow up in a world of great cities, fertile land and blue sky. If we fail in this challenge, my grandchildren—and yours—may never grow up at all.●

THE CLEAN AIR ACT

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● **Mr. PEPPER.** Mr. Speaker, the decisions we make during this session on the Clean Air Act will have tremendous implications for all Americans. This is especially true for the people who suffer from respiratory ailments, chronic lung diseases and heart disease.

There can be no doubt that dirty air aggrevates the health problems of the 35 million Americans who have respiratory ailments or heart disease. As you know, a great percentage of these people are senior citizens and small children. the American Lung Association has stated that "elderly people over 65 years of age, have more chronic respiratory disease than other segments of the population. In addition, effectiveness of the body's immune system decreases with age, thereby increasing susceptibility to respiratory infections and adverse effects from air pollution." Some of these adverse effects are serious impairment of the central nervous system functions, dangerous blood carbon monoxide levels, severe eye and respiratory irritation, and, in extreme pollution conditions, even increased hospitalization and death.

I know that some of my colleagues argue that we must substantially revise the act and streamline many of its provisions in an attempt to balance environmental and economic considerations. Skillful statisticians and economists have developed very complex computer models that show the aggregate costs of pollution control and air improvement versus the costs of increased hospitalization and medical bills. These studies then arrive at some bottom line number that is supposed to tell us if all of this air pollution control is worth the additional money that it costs.

Mr. Speaker, I want to suggest that this is the wrong approach to take. We have no higher moral duty than to protect the health and lives of our citizens. We only trivialize that responsibility when we attempt to assess costs and benefits on a large ledger sheet and forget that the real bottom line is people's lives, their health and their right to breathe clean air. Mr. Speaker, I only hope that during the heat of this debate on this very controversial subject that we do not lose sight of the 35 million Americans, many of them senior citizens, who suffer from respiratory ailments, heart disease or chronic lung problems.●

LOU HARRIS ON THE CLEAN AIR ACT

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● **Mr. UDALL.** Mr. Speaker, the American Lung Association has designated May 2–9 as "Clean Air Week." During this week it is important for us to recall our commitment to preserving one of our Nation's most valuable resources. Recent polls have shown that the American public overwhelmingly supports a strong, effective Clean Air Act. I commend to the attention of my colleagues excerpts from a recent speech given by Lou Harris to members of the Sierra Club.

REMARKS OF LOUIS HARRIS AT THE SIERRA CLUB DINNER, SAN FRANCISCO, CALIF.

One of James Watt's favorite shibboleths is that there are only two kinds of people in this country—Americans and liberals. Well, from the way our polling of the American people has been going lately, I have some news for Secretary Watt: at least in terms of public opinion, it looks more like there are two kinds of people in the country—a big majority who want to save the environment on one hand and James Watt and his shrinking band of friends on the other. By 83 to 14 percent, an overwhelming majority of the people of this country want strict or even stricter enforcement of the Clean Air Act.

What in the world is going on here? Is it a case that the people are just giving lip service in a casual way about backing an environmental clean up, as industry sources claim? Or is it a case that as Archibald MacLeish once wrote: "The voices that are heard in the drawing rooms of power are not the voices of the people"?

Tonight, I hope to try and answer these questions head-on, for our people these days demand no less than straight answers on clean air and clean water. Sentiment for keeping the Clean Air Act intact or making it even stricter is a nearly unanimous 93 to 4 percent. By every measure, there is as strong a mandate from the American people today to strictly enforce the Clean Air and Clean Water Acts as any that exists in our society.

Perhaps as impressive as this overall division is the fact that not a single major segment of the public wants environmental laws made less strict. Let me call a roll of key groups. First, those most in favor of not relaxing the clean air regulations: Big city residents (83–14 percent), young people under 30 (90–10 percent), women (82–13 percent), professional people (83–15 percent), white collar workers (82–16 percent), union members (82–16 percent), Democrats (84–13 percent), and political moderates (83–16 percent). Now let me tick off another list that covers key elements from the 1980 Reagan majority and how they feel about not easing Clean Air: South (79–17 percent), West (80–17 percent), rural (77–19 percent), $35,000 and over income (75–24 percent), Republicans (76–22 percent), conservatives (76–21 percent), and Reagan voters in 1980 (76–22 percent).

We have also tested in depth the public's views on some of the key amendments to Clean Air that your Representatives on Capitol Hill have been battling:

"Relaxing pollution standards to allow power plants to burn high sulfur content oil and coal": Rejected by 66–29 percent.

"Relaxing national air quality standards": Rejected by 61–34 percent.

"Relaxing regulations that protect national park and wilderness areas from air pollution": Rejected by 61–36 percent.

"Relaxing current auto pollution standards": Reject 58–38 percent. In answering in this way, most Americans are saying the plight of the auto industry will be relieved far more by getting the prime rate on borrowing down to 10 percent or below than by saving marginal money by abandoning auto pollution standards.

Finally, the pivotal issue of putting cost considerations on EPA clean air standards. We bent way over backwards in asking this question. Let me read it to you: "The Clean Air Act does not permit the consideration of costs when setting standards for the protection of human health. The Reagan Administration is asking Congress to require that pollution standards designed to protect human health be relaxed if the costs are too high. Do you favor or oppose relaxing pollution standards affecting human health, if the costs are too high"? When I testified before the Waxman subcommittee on the Clean Air Act, even Congressman Ritter said he would have to go along with the results of that question.

Well, by a resounding 65–32 percent, a substantial majority of the Americans said they are opposed to any constraint on human health standards on cost grounds. Even those who voted for Reagan in 1980 (by 55–41 percent), conservatives (By 56–42 percent), Republicans (56–42 percent), and those in the highest income groups (by 55–41 percent) oppose cost constraints on environmental regulations that protect human health.

These results speak for themselves. By any measure, they add up to a powerful message to Democrats and Republicans alike in Congress: Renew the Clean Air Act and don't do anything to it that would in any way make the air dirtier than it is now. While the public thinks that some regulation in non-environmental areas ought to be relaxed or even abolished, they will oppose vehemently any measure that might have the effect of reversing environmental gains that have been made in the last 10 years. The American people are willing to make sacrifices in many areas to stop the miseries and ravages of inflation and an economy that is out of joint. But they will not tolerate any reductions in environmental clean-up efforts and will regard such cuts as threatening the very quality of life in these last decades of the twentieth century.

Now, when I first surfaced results such as these before the Congress, the consternation among those who were counting on easing key provisions of the Clean Air Act was considerable. The Chamber of Commerce commissioned polls designed to show how wrong our results were as did the American Enterprize Institute. Our firm was threatened by and did lose some industrial clients in the process. But, by any measure, every poll with a semblance of objectivity bore out our basic findings.

But, then, the opposition to the Clean Air Act took another tack. They tacitly acknowledged that the American people do not want an easing of air pollution standards. But now they claimed that at best the environmental issue is a low priority and

the dominant views about clean air are not deeply held.

So we went back out to see just how much people would be upset if Congress eased clean air standards. And what we next found literally blows out of the water the claim that the American people don't really care about the environmental issues. Fully 45 percent of the voters nationwide say that the vote of a candidate for Congress on clean air would probably or certainly affect their vote for that candidate this fall, even if they agreed with him or her on most issues. And how does that 45 percent divide? A big 39 percent say a candidate who votes for a bill that weakens clean air will lose their vote. Only a small 6 percent say they would vote against a candidate who votes to keep the Clean Air Act as strict as it is or votes to make it stricter. This means that an incredible net or 33 percent of the voters this fall are prepared to defeat condidates for Congress who yield on clean air. Even if we take just the 16 percent who say clean air is certain to affect their vote, then 14 percent would vote against an anti-clean air candidate, while only 2 percent would vote against the pro-clean air candidate. This net of 12 percent swing for the pro-environment candidate is enormous in its own right. Just in its own right this kind of swing could affect the results in over 100 Congressional districts. In turn, that means no less than control of the Congress itself is at stake on the Clean Air issue alone.

In political terms, the environmental issue now favors the Democrats by 62–24 percent over the Republicans on "protecting the environment". The Republicans can thank James Watt, Ann Gorsuch, and company for putting them on this spot. I might add that by no means all Democrats in Congress are out of danger on this issue. Those Democrats who are trying to emasculate clean air had better understand they too can become endangered political species.

Mark it well, what is happening all over this country stems from a sudden realization that in Washington the foxes have been summoned to guard the chicken coop. And people of all ages, all segments of the population are just now rising up to say that they want to take back in their own hands control of their own lot in life, their own land, their own water, their own air, their own environment, their own destinies before others in the name of mindless greed would destroy the very quality of human existence. But this battle is a race against time. Seize the nettle now . . . now, before it is too late.●

HI-TECH TRADE AND JAPAN: WHY WE CAN'T SELL IN THE JAPANESE MARKET

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● **Mr. STARK.** Mr. Speaker, much debate has arisen in recent years over the United States balance-of-trade status with Japan. The majority of the rhetoric has portrayed Japan as employing exclusionary business practices that work to the benefit of the domestic Japanese industries.

While in some cases it is unfair to make this statement, it is true in the high technology sector. In particular, the inability of American industry to penetrate the Japanese market is causing irreversible damage to American firms in the development and marketing of semiconductor technology. A recent study prepared for the Joint Economic Committee of Congress states:

> The loss of leadership in this one industry would mean the loss of international competitiveness in many of the advanced technology sectors that have been the basis of a U.S. advantage since the second world war.

The study characterizes the Japanese economy as one of "controlled competition" whereby the intensity of competition is directed and limited by State actions and by the formal and informal collaborative efforts of industrial and financial enterprises. By acting both as a doorman who restricts entry, and as a promoter who subsidizes growth in particular industrial sectors, the State places itself in a position which wields authority over the development and international competitiveness of these industries.

Historically, the Ministry of International Trade and Industry (MITI) has been the Japanese Government's chief tool for implementing restrictive policies. These policies, among others, have included: First, requiring Government approval of all applications for direct foreign investment in Japan; second, limiting import penetration via high tariffs and exclusionary customs procedures; and third, limiting access by licensing advanced technology and know-how. The result of this last policy has been a controlled diffusion of advanced technology throughout the Japanese semiconductor industry.

The experience of Texas Instruments in the 1960's is a good example of this last point. Texas Instruments applied for Japanese patent licenses for its technology, but approval was held up by the Japanese Government. In the interim, the timelag allowed Japanese firms to catch up technologically to Texas Instruments. This strategy thus is one means by which Japanese firms are able to mimic the timing of technological achievements in the United States.

Other examples of restrictive policies from the joint committee report and a Ways and Means Trade Subcommittee report on its Trade Mission to the Far East include: First, the past policy of NTT (Nippon Telephone and Telegraph) to refuse to allow the equipment supplied to them by Japanese firms to include imported semiconductors; second, the refusal to license to American firms proprietary production technology that comes from Government-funded research and development that is otherwise available to Japanese industries; third, the denial to American producers of the same access to Japanese standards-setting procedures as Japanese producers enjoy in the United States. Also, Japan rarely accepts American test data to certify compliance with test standards—a costly and time-consuming problem for importers.

In addition to these Government policies, the Japanese distribution system is confusing not only because it is so rooted in old relationships and obligations, but also by its length and complexity which combine to become prohibitively expensive, even for goods which start on a cost-competitive basis. It is important to remember that these ties created during the period of time when formal market controls were in effect do not end quickly because the Government announces the implementation of a more open market policy. As the Japan-United States Economic Relations Group (Wisemen's Report) noted:

> Other factors, such as administrative procedures, regulatory requirements, business practices, and cultural and social barriers are very difficult to compare (with the U.S. system). It is our judgment, however, that these informal barriers make it especially difficult for foreigners to fully penetrate Japanese business and society.

In a recent issue of the Journal of Japanese Trade and Industry, MITI states that it feels the proper role of the Government was to do no more than to provide guidance to the private sector. However, the above examples clearly do not look like mere guidance—they are unfair protectionist policies that harm the United States to the benefit of Japan. Such a position is clearly not in keeping with the prevailing Japanese rhetoric about the openness of their markets and the fairness of their system.

There is a common awareness that both sides want and need to trade with one another. However, the present situation is clearly unacceptable from the American viewpoint and the Japanese can rest assured we will not allow it to continue. We are not going to take it any more.

It takes more than mere words to make a market be truly open. Tangible evidence through sales in Japan of American hi-tech products such as semiconductors is what we want. The Joint Economic Committee report concludes that "given the history of discrimination * * * the burden rests on the Japanese to demonstrate that their markets are in fact open." Only when they have done that can Congress and the American people rest assured that we really are on the road to a more equitable, and acceptable, trade balance.●

THE PASSING OF RALPH R. ROBERTS

HON. THOMAS P. O'NEILL, JR.

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. O'NEILL. Mr. Speaker, with the passing of Ralph R. Roberts I have lost a friend and the people of the Nation have lost a man who devoted his life to their service.

Ralph Roberts retired as Clerk of the House of Representatives in January 1969, after having served in that position longer than any other person in history.

But his public record goes back beyond that.

During World War I, he saw combat in France with the Marine Corps. Returning to his home in Rockport, Ind., after the war, Ralph was hired by Congressman William Wilson as his secretary.

For the next 44 years, Ralph Roberts served here on Capitol Hill. He and his wife, Lois, returned often to Rockport, to keep close contact with family and friends there.

In 1928 Ralph served as secretary of the Democratic National Committee; by the middle of World War II he had been elected Doorkeeper of the House of Representatives. His expertise on election law and his knowledge of the history of the Congress were widely respected.

Ralph was a kind and warm man; he stood ready to help whenever called upon. I, and his many friends, will miss him.●

DISTRICT 20 DRUG ABUSE PREVENTION FAIR

HON. LEO C. ZEFERETTI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6. 1982

● Mr. ZEFERETTI. Mr. Speaker, last Thursday evening, April 29, 1982, I had the pleasure to address the fourth annual Alcohol and Drug Abuse Prevention Fair sponsored by Community School District 20 in Brooklyn, N.Y., located in my district. This annual event, which is a communitywide substance abuse prevention and education effort, focused on the very complex problem of defining the elements of successful drug and alcohol abuse prevention and education programs. The fair was attended by several hundred people.

I am particularly pleased to note that 60 agencies participated in the fair, setting up exhibits and information booths about substance abuse. The exciting aspect of this part of the program is that among the exhibitors were representatives of all preventive health services acting in the interest of the entire community. Those groups included the American Cancer Society, the American Red Cross, Narcotics Anonymous, the Lutheran Medical Center alcoholism program, and the Bay Ridge Mental Health Council. The fair also included speakers, a play about teenage alcoholism, and panel discussions with audience participation.

I feel we must recognize the importance of events such as this fair and other drug and alcohol abuse prevention and education workshops, which are taking place all over the Nation. Community awareness of the nature and dimension of drug abuse is essential to effective prevention activities. The Select Committee on Narcotics Abuse and Control, which I chair, has long encouraged the initiation of such efforts. The personnel of Community School District 20 deserve our commendation for their extensive work in planning and conducting the fair. Louis Y. Topper, fair chairman, Rose Ann Bush, fair cochair, Community School Superintendent Dennis M. Fleming, Community School Board President Raymond L. Ferrier, and District 20 Alcohol and Drug Abuse Prevention Director James J. Harrigan, deserve recognition for their tireless efforts. Special acknowledgment should also be given to those individuals who served on the fair committee and whose invaluable work made the program a success. I have had the pleasure of working with many of these individuals in the formation of a drug abuse task force within my congressional district. Recognition should also be given to the professional and custodial staff of Public School 105 for making the school and other accommodations available for the fair.

I congratulate Community School District 20 for the fine work it is doing in the area of drug abuse and alcohol prevention. The fair is a fine example of how, by extending community-based prevention efforts, we can have a positive impact on resolving the problem of drug abuse.●

INTRODUCTION OF ADDITIONAL COSPONSORS TO HOUSE RESOLUTION 422

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. SIMON. Mr. Speaker, I am pleased to submit a list of 60 additional cosponsors for the bill House Resolution 422, supporting current funding levels for Federal student aid programs.

The resolution now has 150 cosponsors and is a bipartisan show of support for continuing student aid as a Federal investment in the future of our Nation.

Opportunity and access have been necessarily linked in education. Federal student aid has helped provide access over the past decades for qualified students at colleges and universities. Our potential for economic stability and growth depends on postsecondary opportunities for all Americans with the interest and ability. These opportunities have been provided by Federal grant and loan programs since the GI bill and continuing over the past 25 years through such programs as national direct student loans, Pell grants and guaranteed student loans. Now is not the time to curtail our investment in the Nation's students and future work force.

Federal investments in student aid in the past have had an immeasurable return in productivity, increased taxes paid because of higher salaries and unquantifiable progress in equal opportunity. The continuing support for Federal student aid programs as endorsed in House Resolution 422 is a sign that our commitment should continue.

I want to apologize to my friend and colleague from North Dakota, Mr. DORGAN, whose name was inadvertently omitted from the list of original sponsors. I urge my colleagues to join in the bipartisan cosponsorship of House Resolution 422.

LIST OF ADDITIONAL COSPONSORS

Byron L. Dorgan, Morris K. Udall, Harold Ford, Jerry M. Patterson, Bernard J. Dwyer, Allen E. Ertel, Thomas S. Foley, John D. Dingell, Joel Pritchard, Gus Savage, Sam Gejdenson, Tom Lantos, Robert W. Davis, John Burton, Nick Joe Rahall II, Robert H. Mollohan, Ken Holland, Harold Volkmer, Edwin B. Forsythe, Fortney H. Stark.

George E. Brown, Jr., Andrew Jacobs, Jr., Ronald V. Dellums, Mary Rose Oakar, Sidney R. Yates, Norman E. D'Amours, Shirley Chisholm, David W. Evans, Don Fuqua, George W. Crockett, Jr., Stan Lundine, Steny Hoyer, Nicholas Mavroules, Harold C. Hollenbeck, Les AuCoin, Charles E. Schumer, Mervyn M. Dymally, Clarence Long, David E. Bonior, Robert Garcia.

Dan Marriott, Henry A. Waxman, Charles F. Dougherty, Berkley Bedell, James K. Coyne, Vin Weber, Bob McEwen, Bill Green, Hank Brown, Ron de Lugo, Albert Gore, Jr., Dennis Hertel, Gus Yatron, Bob Shamansky, Bruce F. Vento, John LaFalce, Benjamin S. Rosenthal, Tom Harkin, Stephen Neal, and William Gray.●

CALIFORNIANS FOR CLEAN AIR

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. BROWN of California. Mr. Speaker, in case there is any doubt about the threat posed to the State of

California in weakening of the Clean Air Act in the upcoming reauthorization, I would like to insert for the record, a letter from Tom Bradley, the mayor of Los Angeles. As my colleagues know, the mayor is the frontrunner for Governor of California as well as representing a city with one of the most serious air pollution problems of this country. As such, he is particularly sensitive to the needs and problems of the State. As a member of the National Commission on Air Quality, he is especially qualified to judge the current proposals to weaken the law protecting our air quality.

Mayor Tom Bradley recently wrote to our colleague, HENRY WAXMAN, who also represents the great city of Los Angeles, but who has the distinction as well, of chairing the House Subcommittee on Health and the Environment. He can be said to champion the cause of clean air in the debate over reauthorization of the Clean Air Act.

At this time I would like to insert a copy of the text of the letter from Mayor Tom Bradley.

> CITY OF LOS ANGELES,
> OFFICE OF THE MAYOR,
> *April 19, 1982.*
>
> In the next few months you will be voting to reauthorize the Clean Air Act. I am writing to express my concern that the amendments to the Act recently adopted by the House Subcommittee on Health and Environment would seriously weaken the Act, undermining California's ongoing efforts to clean up unhealthy air. As a member of the National Commission on Air Quality, I am disturbed that the well-documented findings and moderate recommendations of the Commission have been set aside in favor of far more drastic, and in my opinion detrimental changes. In the past, I have lent support to the excellent recommendations of the Los Angeles Working Group chaired by Los Angeles City Councilman Marvin Braude, which have been furnished to you. In addition, I feel compelled to add some specific comments on the legislation that is currently before the House Energy and Commerce Committee, H.R. 5555.
>
> First, the Luken-Dingell amendments would double the allowable nitrogen oxides emissions from passenger cars, from the Commission-recommended standard of 1.0 grams per mile to 2.0 grams per mile. The Commission report was based on a full review of the health, technology, and economic issues raised by the standard; there is simply no basis for this drastic change, particularly as it relates to California.
>
> I believe that the people of this region have demonstrated their willingness to adopt and pay for more stringent controls than those required elsewhere because they recognize the severity of the air pollution problem. We should be encouraged to continue our progress. Meanwhile, other parts of the country that are now facing serious nonattainment problems should be encouraged to adopt equally stringent and effective control measures.
>
> The law must preserve incentives to all states to pursue clean air goals as vigorously as practicable. The 1977 amendments were crafted to balance the clean-up burden so that the national program gave no state or region an undue economic advantage. H.R. 5555 would once again pit states and regions against one another. Areas must be required to meet specific health based standards on a reasonable time schedule with an effective implementation program.
>
> Let me add one thought on the subject of acid rain. We know that acid rain, containing nitric acid from motor vehicles and industrial gas and oil-fired facilities, as well as sulfuric acid from sulfur-bearing fuels, is falling in California as well as the Northeast. Even more alarming are the reports of acid fog measured by researchers from Cal-Tech in urban Los Angeles.
>
> The House bill contains no measures designed to deal with the acid rain phenomenon, while several Senate proposals fail to address the issue except in the context of long-range transport from Midwestern coal-burning installations. I urge you to work for recognition of California's problem in both research and development of a reasonable regulatory program in the final reauthorization bill.
>
> We in California have much to lose if the Clean Air Act is amended without proper sensitivity to the public demand for continued progress toward decent air quality, as well as the need to assure that such progress is made as equitably and cost-efficiently as possible. Excessive modifications in either direction of satisfying single-industry or special-interest wishes should be firmly rejected; the past-due bill for unhealthy and unsightly air pollution cannot be postponed indefinitely. Thank you for the opportunity to comment.
>
> Sincerely,
>
> TOM BRADLEY,
> *Mayor.*

CLEAN AIR WEEK

HON. DANTE B. FASCELL

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. FASCELL. Mr. Speaker, I am pleased to join in recognizing that this week has been designated as Clean Air Week by the American Lung Association. Poll after poll has demonstrated that the citizens of our country believe that clean air should continue to be a high priority. Considering this widespread conviction in our country, designating a Clean Air Week is appropriate and laudable.

We in south Florida are particularly proud and protective of our warm sunny skies and beautiful parks and wildlife preserves. Thus, to us Clean Air Week is a celebration—recognizing in our community the environmental qualities we have always enjoyed and savored.

As the Congress continues its deliberations on the reauthorization of the Clean Air Act, I am hopeful that the measure ultimately enacted will continue to afford the air and our environment the protection that is necessary through reasonable and enforceable provisions.●

AWARDS IN THE VISUAL ARTS

HON. SIDNEY R. YATES

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. YATES. Mr. Speaker, it is with great pleasure that I inform the Members of the House of an exciting new program in the arts which uniquely combines private and public funds. Called the Awards in the Visual Arts (AVA), this program awards a total of $150,000 annually in fellowships to 10 artists—$15,000 each—across the country.

May 7, marks the opening of an exhibition of this year's AVA award-winning artists at the National Museum of American Art, Smithsonian Institution, 8th and G Streets NW. It will run until August 8 and then travel to Des Moines and Denver.

The program not only identifies and brings into national focus important emerging American artists, it also serves as a prototype for other social and arts programs seeking alternative ways of financing. The majority of the funding is from two private sources—the Equitable Life Assurance Society of the United States and the Rockefeller Foundation—combined with the National Endowment for the Art. This joining of a major corporation, foundation, and Government agency is a unique part of the AVA program.

The AVA program is being administered by the Southeastern Center for Contemporary Art in Winston-Salem, N.C., and grew out of one of their existing regional programs. It has been brought into national scope by this innovative arts center in consultation with the National Museum of American Art, Smithsonian Institution.

The award-winning artists of this first year are:

Michael Singer, sculpture, Wilmington, Vermont.

Richard Bosman, painting, New York, New York.

Edward C. Flood, painted sculpture, Brooklyn, New York.

Maurie P. Kerrigan, sculpture, Philadelphia, Pennsylvania.

Douglas Bourgeois, painting, Gonzales, Louisiana.

Michael C. Luchs, painter/sculptor, Holly, Michigan.

Stephen Warren Schultz, painting, Iowa City, Iowa.

Marsha Burns, photography, Seattle, Washington.

Richard Shaffer, painting, Arlington, Texas.

Terry Allen, videotape, Fresno, California.●

THE ECONOMICS OF CLEAN AIR

HON. ARLEN ERDAHL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. ERDAHL. Mr. Speaker, economists differ in their interpretations of the cost of clean air. The recent study by Robert Wolcott and Adam Rose concludes that the benefits of the Clean Air Act have actually produced a net economic gain of about $4 billion annually.

Wolcott and Rose found that conventional measures of the health of the economy show little impact due to the Clean Air Act. But how does one measure the value of an unpolluted environment?

Since the Clean Air Act became law, they concluded, unemployment was lower by one- to two-tenths of a percent per year than it would have been without clean air requirements, and prices increased only by one- to two-tenths of a percent. They predict even if control costs were reduced by 30 percent by relaxing standards, changes in output, prices and employment would be less than a tenth of a percent.

A total of six-tenths of a percent of GNP was spent by business, consumers and government from 1972 to 1979 to comply with air quality standards. A "price" for clean air? No—more likely an investment in a healthful environment with a bonus for the economy, an investment we cannot afford to lose.●

A HIDDEN CAUSE OF AMERICA'S TRADE DEFICIT WITH JAPAN

HON. DOUGLAS K. BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. BEREUTER. Mr. Speaker, the pages of the CONGRESSIONAL RECORD and newspapers all across the Nation have been filled recently with stories about America's trade deficit with Japan. Many Members of this body, myself included, have spoken rather harshly about Japanese nontariff trade barriers and the deleterious impact of those barriers upon U.S. sales abroad.

Japanese representatives, however, continue to counter our charges with claims that much of the burden for poor sales in Japan rests upon U.S. companies that are too lazy or incompetent to market their products or services in the "Land of the Rising Sun."

Executive level discussions frustrate Members of this body because they appear to bear little fruit. While the Japanese proclaim their great cooperation in making tremendous concessions to the United States, we believe that the agreements produce too little, too late.

Recently I had the opportunity to read an excellent article in the fall 1981 issue of the Columbia Journal of World Business which I believe, gives valuable insight into the cross-culture negotiations problems facing our two nations. That article, entitled "A Hidden Cause of America's Trade Deficit With Japan" presents the results of a study on this subject by Dr. John Graham, an assistant professor of marketing at the University of Southern California's School of Business Administration. Although I will share here only a portion of that article, I commend the entire piece to my colleagues.

In pertinent part, Dr. Graham presents some fascinating insights into the Japanese negotiating process, insights which should help each Member of this body better understand how our Nation can most effectively resolve our differences with the Japanese.

Dr. Graham reported:

A HIDDEN CAUSE OF AMERICA'S TRADE DEFICIT WITH JAPAN

In both countries I have found that business negotiations proceed in the following four stages:

1. non-task sounding;
2. task related exchange of information;
3. persuasion; and
4. concessions and agreement.

The first stage, non-task sounding, includes all those activities which might be described as establishing a rapport or getting to know one another, but does not include information related to the "business" of the meeting. The information exchanged in the second stage of business negotiations regards the parties' needs and preferences, or stated more precisely, the parties' subjective expected utilities of the various alternatives open to the interactants. The third stage, persuasion, involves the parties' attempts to modify one another's subjective expected utilities through the use of various persuasive tactics. The final stage of business negotiations involves the consummation of an agreement which often is the summation of a series of concessions or smaller agreements.

Despite the consistency of this process across cultures, the content and duration of the four stages differs substantially between the two cultural groups. Compared to Japanese, Americans spend little time establishing a relationship. The typical Japanese negotiation may involve a series of non-task interactions and even ceremonial gift giving. Witness the recent attention given to the very large kosai-hi (literally, entertainment expenses) typical of business dealings in Japan. "While the Japanese defense budget is 0.9 percent of the country's GNP, corporate wining and dining accounts for 1.2 percent of the total national output." To the American critic this may seem an immense waste. However, the Japanese put in great efforts toward establishing a harmonious relationship in the beginning, which I think, in part, helps them to avoid the expensive litigation (when things go wrong) which seems more and more common in the United States.

In America, the second stage (that of exchanging task related information) is relatively direct, with clear statements of needs and preferences. For the Japanese, this exchange of information is the main part of the negotiation. A "complete" understanding is imperative; the Japanese are reported to ask "endless" questions while offering little information and ambiguous responses. In both the field and the laboratory, Japanese negotiators were observed to spend much more time trying to understand the situation and associated details of one another's bargaining position.

Regarding the ambiguous responses of Japanese, the laboratory results indicate that informative and credible bargaining strategies of opponents have no effect on negotiation outcomes between Japanese. Apparently the Japanese negotiator follows the cultural double standard of tatemae and honne. Tatemae can be translated as "truthful," and honne as "true mind." It is important for Japanese to be polite and to communicate the tatemae while reserving the possibly offending, but also informative honne. Additionally, this difference in the Japanese value system manifests itself in statements by Japanese negotiators in retrospective protocols. Japanese often describe Americans as honest and frank, but to the point of discomfort for Japanese. Finally, eye contact is much less frequent during Japanese negotiations, thus limiting leakage of potentially offending feelings and keeping intact the honne. To the American point of view this distinction between tatemae and honne seems hypocritical indeed. However, the discrepancy is borne by Japanese in good conscience.

Americans tend to spend the most time in the third stage of negotiation, i.e., persuasion. Americans openly disagree and use aggressive persuasive tactics such as threats and warnings. Alternatively, Japanese take the time to understand one another during the first two stages of the negotiation, so that little persuasion is necessary. The Japanese avoid confrontations and respond to threats by a change of subject, a silent period, or withdrawal. For Japanese it is more important to maintain the relationship than to be frank and open. And this importance of relationships manifests itself in other ways in the study. American players achieve higher profits in the negotiation simulation by making opponents feel uncomfortable; while Japanese achieve higher profits by making opponents feel comfortable. Indeed, the primary persuasive tactics in Japanese business negotiations appear to be the volunteering of more information and the use of silence.

Regarding the fourth and final stage of business negotiations, Americans tend to make concessions throughout, settling one issue, then proceeding to the next. Thus, the final agreement is a sum of the several concessions, and progress can be measured easily. The Japanese tend to make concessions at the end of the negotiation and agreements are concluded rather abruptly from the American point of view.

Given these differences in the process of business negotiations in the two countries, what happens during cross-cultural interactions? As we might expect, Americans consistently report frustrations because of the long periods and great expense of non-task sounding and the ambiguous responses during information exchange. Moreover, we find that American negotiators react to Japanese silence in one of two ways. Either they make some kind of concession, or they

fill the "space" in the conversation with a persuasive appeal. The latter tactic has two counterproductive results—the American does most of the talking, and he learns little about the Japanese point of view. Finally, because the Japanese "never seem to commit themselves to anything," Americans invariably feel that little progress is being made during cross-cultural business negotiations. Agreements are often unexpected and often follow unnecessary concessions by Americans.

On the other hand, Japanese businessmen report discomfort with the American "need to get down to business now" and Americans' aggressive and relentless persuasive tactics.

Before turning to a discussion of other factors, one other type of culture-specific bargaining behavior deserves mention—first offers. In the videotaped business negotiations, Japanese asked for consistently higher profit solutions when making the initial offer. Americans were more apt to offer a "fair" price, one that was closer to the eventual solution. As a consequence, in cross-cultural interactions Americans often express irritation at the "wolfish" initial offers of the Japanese.

These cultural differences in expectations about negotiation processes tend to lead to interpersonal friction and less than optimal bargaining solutions. Additional stresses are placed on the already difficult task of communicating ideas across cultures.●

BILL GREEN SUPPORTS AUTOMOBILE EMISSIONS PROGRAM

HON. BILL GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. GREEN. Mr. Speaker, I am pleased to draw my colleagues' attention to the automobile emissions standards program, an important part of the Clean Air Act which will be examined by the Congress this year.

When I was a member of the New York State Assembly during the 1960's, I sponsored what I believe was the first State law requiring that the annual inspection of motor vehicles include inspection of their pollution control systems. I continue to believe that this is one of the best ways to maintain controls on the levels and kinds of pollutants entering our lungs and our environment.

I find efforts to weaken the emissions control standards very disheartening. The program is designed to reduce carbon monoxide, nitrogen oxide, and hydrocarbon emissions and increase fuel efficiency, and thus serve our citizens in a number of ways. It guarantees them a vehicle with a safe exhaust system, a vehicle which gets good mileage, a vehicle which is designed to protect their environment, and one which spares their health from the dangers of toxic pollutants. I urge my colleagues to consider these issues carefully as we seek to improve the Clean Air Act and would ask them to preserve stringent clean air standards.●

IMMUNIZATION AND DEADNESS

HON. DAVID E. BONIOR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. BONIOR of Michigan. Mr. Speaker, I would like to take this opportunity to share with my colleagues an article by Carl Rowan which appeared in the Detroit News on March 29, 1982. This article testifies to the shortsightedness of the Reagan budget proposal which would reduce funding for child immunization programs. As a trustee at Gallaudet College, the Nation's only liberal arts college for the deaf, I am acutely aware of the results of the rubella epidemic which swept our country in 1963–65. Gallaudet College is an outstanding institution of higher education for our deaf citizens and its enrollment is increasing drastically because of the number of deaf children born as a result of this rubella epidemic. Therefore, I ask my colleagues to carefully consider the impact of these proposed cuts and to seriously weigh the consequences as presented in this article by Mr. Rowan:

[From the Detroit News, March 29, 1982]

IMMUNIZATION AND DEAFNESS

(By Carl T. Rowan)

WASHINGTON—I gave a speech the other night and sort of stumbled into a world about which I, sad to say, was woefully uninformed. I speak of the world of the deaf.

My speech was at Gallaudet, the nation's only college created to confer liberal arts degrees on deaf people, and also the only institution with both a demonstration elementary school and a model secondary school for the deaf. I left asking myself why I had not learned earlier about the plight of some 15 million Americans who are hearing-impaired.

But the most shocking thing that I learned is that a third of the high school students at Gallaudet lost their hearing because their mothers were afflicted with rubella (German measles). Gallaudet faces the pressure of twice as many youngsters demanding entry next fall as is usually the case because of the rubella epidemic of the mid-1960s. This left 25,000 to 30,000 babies with serious deformities, deafness, blindness, mental retardation, heart problems and other illnesses.

That visit to Gallaudet shook me up to the reality that America has been blessed with childhood immunization programs, and that these deaf youngsters at my lecture symbolized the human dimensions of one of the great "budget cut" debates that now seizes the medical profession, parts of Congress, and millions of parents.

Last year, in its mania for cutting social programs, the Reagan administration proposed to cut the childhood immunizations program by 34 percent. Congress fought back. But the meat-cleaver budget-slashers are still at it.

Rep. Henry A. Waxman, California Democrat, held hearings on immunizations before his House Subcommittee on Health and the Environment in February and heard a string of medical experts say that the proposed cuts are penny dumb and dollar stupid. Examples:

Dr. Louis Z. Cooper, director of pediatric services at the St. Lukes-Roosevelt Hospital Center in New York:

"These cuts will be very costly and cruel—costly in direct dollar terms to all our citizens. . . . Childhood vaccines have been recognized by all for their remarkable cost/benefit ratio, and cruel to the unfortunate victims and their families—cruel for a lifetime."

Dr. Samuel L. Katz, chairman of the Department of Pediatrics, Duke University School of Medicine:

"It is instructive to note the inverse relationship between the federal funding of vaccine programs and the occurrence of the disease. With the onset of federal support programs in 1966, there was nearly a 90 percent reduction in reported cases of measles by 1969; with the withdrawal of federal funds that year, we experienced a doubling of cases in 1970 and a three-fold increase in 1971. The reinstitution of federal support in 1972 started us again on the steady path of disease reductions. This has been a cost-effective program with an estimate of $10 benefit for every $1 the federal government has spent to immunize against measles."

The President says he is "the softest touch" around, and that he is bothered with TV programs and newspaper stories which make him look like "Scrooge." I am willing to concede that the President may be nice, but if Mr. Reagan will listen to the experts at Gallaudet, or read the testimony before Rep. Waxman's subcommittee, he won't waste a moment before ordering David Stockman to restore the funds for childhood immunizations.●

FARMERS TAKE NOTE: CLEAN AIR IMPORTANT TO AGRICULTURAL PRODUCTION

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. BROWN of California. Mr. Speaker, I represent one of the most heavily air polluted areas of the country. I also represent a district which has important agricultural production. However, in my area we can no longer grow Zinfandel grapes. We have lost the production to other parts of the State because of high levels of ozone. I would like to point out to my colleagues that the effects of air pollution on agriculture are documented, and can be devastating to farmers. In my area we can still grow citrus, but lose up to 50 percent of our yield to the high levels of ozone.

The Office of Technology Assessment (OTA) is in the process of completing a study on the effects of air pollution on agriculture. Four crops are being studied for their sensitivity to ozone: Wheat, soybeans, peanuts, and corn. These crops represent 62 percent of the dollar value of sales of the major U.S. commodities. Approximately $3.1 billion is lost per year in these four crops alone due to air pollution. The OTA study did not include in its estimate losses due to other more sensitive crops such as snap beans and potatoes. When the loss in crop productivity of these crops is taken into account, estimates shoot up to $5 to $10 billion per year.

Mr. Speaker, it is hard to understand how we can even consider relaxing auto emissions standards, as proposed in the Dingell-Luken bill, when the cost to agriculture is so high. Auto emissions result in high ozone concentration. Crops are very sensitive to ozone as shown in numerous studies and confirmed by the Office of Technology Assessment. Mr. Speaker, considering the current debate over reauthorization of the Clean Air Act, I think we must clearly realize the fundamental threat to our agricultural economy, and therefore to our national economy, posed by relaxation of auto emissions standards.

I urge my colleagues to consider these little-discussed facts when they enter into the debate over the Clean Air Act. Unfortunately, some farmers may not realize what the causes of poor or reduced yields are. They only see production going down. I hope we will keep their interests in mind when we reauthorize this important law.●

AN APPROPRIATE ACTION FOR CLEAN AIR WEEK

HON. HAROLD C. HOLLENBECK

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. HOLLENBECK. Mr. Speaker, for the past 5 years, my home State of New Jersey has operated a popular and cost-effective program to clean up its air—the inspection and maintenance program for automobiles. Polls in our State have found that automobile owners are willing to help do their part to clean up our air by participating in the program.

But I have been disappointed that other cities and States which violate national health standards for automobile pollutants have not adopted this program. The present Clean Air Act requires that cities, which need until 1982 to meet the national ambient health standards for carbon monoxide and ozone, must adopt an inspection and maintenance program.

Therefore, I was pleased to see that earlier this week, the Reagan administration reversed its previous opposition to the inspection and maintenance program. They are now prepared to take action against 11 cities which need the inspection and maintenance program. Those cities are: Chicago, Detroit, Houston, Cleveland, Milwaukee, St. Louis, Las Vegas, Louisville, Nashville, Cincinnati, and Charlette, N.C.

I applaud the administration for reversing its position. This program should operate in these States. It may be the only way that we have of cleaning up the air so that it's fit to breathe. It is an appropriate action for the administration to have taken during Clean Air Week.●

THE STEEL INDUSTRY CRISIS: ACTION NEEDED

HON. DOUG WALGREN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. WALGREN. Mr. Speaker, imports of specialty steel are at unprecedented high levels, and urgent action is needed. The Subcommittee on Oversight and Investigations of the House Energy and Commerce Committee just completed a 6-month investigation of the crisis faced by the domestic carbon and specialty steel industries. We found that total man-hours worked by production and related workers in the specialty steel industry dropped by 35 percent from the first quarter of 1980 to the fourth quarter of 1981. Capacity utilization has fallen to 47 percent.

Because of the crisis faced by the industry, Chairman DINGELL and I wrote the President on May 3 and requested that he impose import limitations for five product categories of stainless and alloyed tools steel. On a related matter, I have also written Special Trade Representative William Brock imploring the administration to take action to stop purchases of imported steel like the recent purchase of Japanese, Government-subsidized subway cars for New York City.

I would like to share these letters with my colleagues and call on their help in putting the American steel industry back on its feet and its workers back to work.

The letters follow:

MAY 3, 1982.

Hon. RONALD W. REAGAN,
President of the United States,
Washington, D.C.

DEAR MR. PRESIDENT: We are writing to ask you to take action under the authority vested in you under Section 301 of the Trade Act of 1974, as amended, to impose immediately, limitations on imports of specialty steel products.

As you may be aware, the Subcommittee on Oversight and Investigations of the House Committee on Energy and Commerce has been conducting a six-month investigation of the crisis faced by the domestic carbon and specialty steel industries. During the course of this investigation the market conditions faced by the specialty steel firms have steadily deteriorated to the point where the entire industry is threatened with imminent, permanent damage. The staff investigation to date has led us to concur with the sworn testimony of Richard Simmons, of Allegheny-Ludlum Steel, that if you take the full time period permitted you under Section 301 to make your decision, "the industry will not be recognizable."

The data is clear. Testimony from both industry and labor document the fact that the domestic specialty steel industry is being materially injured by imports from countries designated in the Section 301 petition filed by the specialty steel industry and the United Steelworkers of America. The same is true for imports from other countries not named in that petition.

Imports of specialty steel are at record levels and growing weekly. The imports of major specialty steel product lines in the fourth quarter of 1981 were as follows:

	Percent
Alloyed tool steel	43.7
Stainless steel rod	55.5
Stainless steel bar	27.0
Stainless Steel Sheet and Strip	14.6
Stainless Steel Plate	9.9

Imports in January 1982 were higher for every product category than in the fourth quarter of 1981.

These imports are having a disastrous effect on the industry and its workers. Total man hours worked by production and related workers dropped from the first quarter of 1980 to the fourth quarter of 1981 by 35%. Capacity utilization has dropped to 47%. No industry, regardless of how technologically efficient, can possibly continue production for any extended period of time at only 47% of capacity.

It is absolutely clear that specialty steel in the United States is a modern, efficient, productive industry. The Office of Technology Assessment and outside experts who have provided testimony before the Subcommittee are in clear agreement on that point. As enunciated by Ambassador Brock, your trade policy seeks to help such industries survive.

However, under Section 301 you have until early November to make your decision in this case. We are deeply concerned that if you wait until then to make your decision, far deeper, permanent and irreversible injury will occur. The only reason the specialty steel industry faces the problem confronting these firms today has been the targeting of the U.S. market by foreign producers whose government subsidies permit them to sell in the U.S. market below their cost of production. We believe prompt action is both necessary and justifiable.

A final consideration which you should take into account is the indisputable fact that the specialty steel industry is absolutely essential for our national defense. If significant numbers of specialty steel firms are forced to enter a shutdown mode because your Administration has not provided timely relief from unfair imports then it is entirely possible that the United States will be faced with the choice of relying on foreign producers for vital components to our national defense or rebuilding the industry under government auspices. We are sure that you concur with us that such a foolhardy and wasteful predicament is something that the country should avoid if at all possible. If you act quickly within the authority available to you under Section 301 we can avoid this Hobson's choice, as well as provide the relief that the industry, its workers and communities dependent on its health are entitled to under the law.

Specifically, we propose that you announce annual import limitations for the five product categories of stainless and alloyed tools steel based on the average level of imports in each category from 1970 to 1974. The limitations should continue in effect for a period of five years or until successful action is taken to neutralize the effects of foreign government subsidies in our marketplace.

We sincerely hope that you share our deep concern about the future viability of this industry and will act promptly to avoid endangering our national defense and to end the suffering experienced by workers and communities which rely on a healthy specialty steel industry for their economic well being. We look forward to your prompt decision.

Sincerely,

DOUG WALGREN,
Member, Subcommittee on Oversight and Investigations.
JOHN D. DINGELL,
Chairman, Subcommittee on Oversight and Investigations.

MAY 3, 1982.

Ambassador WILLIAM E. BROCK,
U.S. Special Trade Representative
Washington, D.C.

DEAR BILL: I am writing to inquire about the Administration's plans to deal with the Japanese sale of government-subsidized subway cars to the New York City Transit Authority. This sale was reported in the March 19 Wall Street Journal and the April 2 Washington Post. According to the Post article, an unnamed Administration spokesman indicated that "the administration has no plans to take any action in the Kawasaki case."

The rise in steel imports and unemployment in the last two years and the general deterioration of the economy, in my view, demand that the Administration begin tough enforcement of our fair trade laws. As you know, the House Energy and Commerce Subcommittee on Oversight and Investigations, on which I serve, is conducting an indepth investigation of the problems of the steel industry. In our hearings, we have found that imports are at all-time highs—25% penetration—that the steel industry is currently operating at about 52% of capability, and that there are over 116,000 employees on layoff or short workweeks.

The award of this contract to Kawasaki could set a dangerous precedent. It is well-known that the major attraction to Kawasaki's bid was the Japanese government's offer to provide $126 million in financing at the lower interest rate of 12.25% while domestic producers must contend with the U.S. prime rate of 16.25%. We cannot expect our industries to compete with foreign subsidization. This kind of policy only encourages foreign countries to saturate the U.S. with subsidized imports that harm domestic industries and jobs.

This contract will particularly adversely effect America's specialty steel industry, which already suffers from an unemployment rate nearing 25%, although it is the most technologically advanced and efficient special metals industry in the world.

I would appreciate knowing what steps the Administration plans to take on the Kawasaki contract, specifically whether you have determined if subsidization has taken place and what U.S. trade laws and the General Agreements on Tariffs and Trade have been violated. I would hope too that the Administration would take the lead encouraging state and local governments to "Buy American," and that the federal government set an example by purchasing domestically produced steel for federal projects.

I look forward to hearing from you.

Sincerely,

DOUG WALGREN,
Member of Congress.●

CONGRESS MUST VETO OIL PURCHASES FROM IRAN

HON. FLOYD J. FITHIAN

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. FITHIAN. Mr. Speaker, I am today introducing a concurrent resolution expressing the sense of Congress—and the outrage of the American people—against the resumption of U.S. oil purchases from Iran.

Last week the American people were shocked to learn that the U.S. Government had purchased 1.8 million barrels of Iranian crude oil during the week of April 24. The purchase was the first since President Carter banned Iranian oil imports during the 1979 hostage crisis.

Ironically, the day the purchase was consummated, April 24, 1982, marked the second anniversary of the aborted hostage rescue mission in which eight American servicemen lost their lives.

It is not difficult to understand why the revolutionary Iranian Government would want to make its peace with what it used to call "the great Satan"; the Iranian economy is in shambles and it desperately needs foreign currency to support its war effort against Iraq. The role of our Government in bailing out the Khomeni regime is less clear.

At the same time we are telling Lybia that its support for terrorism and its contempt for the rule of law in world affairs warrants tough economic sanctions, we are telling the revolutionary Iranians that all is forgiven; that it is back to business as usual. How will we explain this to the allies we begged to support our Iranian economic sanctions policies?

That is not the message that the people I represent want our Government to send to Khomeni and Qadhafi. That is not the message the Congress wants our Government to send either.

Correcting this policy is what my resolution is all about.●

A TRAGIC PLEA FOR CITIZENSHIP SHOULD BE HEARD

HON. C. W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. YOUNG of Florida. Mr. Speaker, today, I want to tell you about the sad and tragic case of a woman whose struggle for citizenship has spanned 10 years of physical and mental anguish. Mrs. Nery De Maio, the 61-year-old Colombian wife of my constituent, 91-year-old William De Maio, is a permanent resident who has lived in the United States for over 20 years. About 10 years ago, just before her citizenship examination, Mrs. De Maio had a stroke which resulted in her suffering from a permanent condition known as aphasia. As such, she is unable to communicate, to any degree, by written or spoken language.

Although you might think that Mrs. De Maio's struggle to overcome this disability would overshadow any thoughts she might have about becoming an American citizen, it has, if anything, intensified her struggle. I became involved in Mrs. De Maio's fight for citizenship in September 1979, and have been trying to help her ever since. Her last hope was crushed on April 13, 1982, when a Tampa Federal judge regretfully denied her petition for naturalization in what he described as "* * * one of the most difficult, and heart-rending, decisions that the court has been called up to make * * *." Since there is no longer any hope for administrative relief, I have decided that the only possible course is to introduce private legislation in Mrs. De Maio's behalf.

This bill establishes that Mrs. De Maio has satisfied the two requirements she is currently unable to meet—a demonstration of knowledge and understanding of history and government fundamentals and taking the oath of allegiance to the United States. By overcoming these two hurdles, the process of naturalization can take place.

Patriotism, love of flag and love of country cannot be treated lightly if our Nation is to endure and that is what makes Mrs. De Maio's case all the more tragic. Although she is no longer able to orally express her continued dream for citizenship, she was able to verbalize one important thought in court—"I love America". Well, America loves you, too, Mrs. De Maio, and I hope we can express that love by helping you become a citizen of the United States.●

REMEMBER BATAAN!

HON. ANTONIO BORJA WON PAT

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. WON PAT. Mr. Speaker, nearly 40 years ago on April 9, 1942, the brave American and Philippine soldiers, suffering from exhaustion, hunger, disease, and out of ammunition, reluctantly surrendered the Bataan Peninsula and thus the entire Philippine Islands to the Japanese Army.

Only a short time before that my own island of Guam was also forced to pull down the American flag and replace it with that of a nation who would inflict horrible suffering on our peoples for the next 3 years until we were liberated by U.S. Forces.

Throughout the Pacific campaign one of the great rallying cries for U.S. Forces was "Remember Bataan!" And here in the States, countless stories were told and retold of the incredible acts of heroism of our beleaguered forces in Bataan and Corregidor.

Today, I think it is fitting that our Nation pause on the 40th anniversary of that epic battle to pay homage to the loyal and dedicated service of the Filipino people to the war effort.

Few Americans know that Philippine soldiers did far more than assist U.S. efforts in the early days of the war to halt the rapid expansion of Japanese military might. In fact, over 12,000 Philippine soldiers were actually incorporated as a component of the U.S. Army by a 1901 act of Congress. These soldiers were part of the elite corps known as the Philippine Scouts who served with great distinction in the months and years ahead after the Philippines were attacked.

I am proud to sponsor legislation which would establish the week of April 9 forevermore as Philippine Veteran Week. This bill has 50 cosponsors now and I hope that we can win many more to our side as we seek to provide an appropriate memorial to those who suffered and died in the cause of defending liberty in the Pacific.

The role of the Philippine defenders in the ultimate victory of the United States cannot be overstated. Through their unstinting sacrifice, they forced the enemy to delay their thrust into the South Pacific and gave the United States time to regroup. Because of the hard fighting American and Philippine soldiers, the enemy found it had to retain large army and naval forces in the Philippines which otherwise would have been employed against Allied shipping of men and materials to Australia and New Caledonia. Tokyo thought that it would defeat Allied forces in the Philippines quickly and did not count on these brave men and women making last ditch stands in the jungles even though they knew in their hearts and minds that the future was indeed bleak. Yet, they held out in the knowledge that for every day they delayed the enemy it was another day of respite for their colleagues in arms elsewhere.

The toll of this incredible bravery to the Philippine scouts was telling and horrible: Roughly half of the 12,000-man scouts were killed in the intense fighting. The grueling cycle of battle and retreat which characterized the defense of Bataan depleted their reserves of manpower and ammunition. So bitter was the struggle that one unit of the scouts—the 26th Cavalry—ended up with its total strength of 1,800 being reduced to only 300 survivors.

Even after the surrender of the fortress the end of their suffering was not in sight. Those who survived were forced to march on the infamous Bataan Death March and endure years of confinement in harsh POW camps.

These men were part of the U.S. Army, yet I do not believe that their services to this Nation have been adequately recognized. Further, even though they fought alongside U.S. soldiers against a common enemy, they received far less pay than their American counterparts. When you recognize that these soldiers were subject to the same discipline and code of justice as our forces, this is most unforgivable.

The same condition has existed for the several hundred members of the Guam Combat Patrol who also were part of the official U.S. efforts to clean up Guam in 1944 and yet these men have also been denied even veterans status despite my efforts to bring this about.

We owe these soldiers a great debt of gratitude and I believe that we should recognize their service to this Nation.

Thank you.●

CLEAN AIR WEEK

HON. JAMES M. SHANNON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. SHANNON. Mr. Speaker, National Clean Air Week should be a time to celebrate, a time to take note of the advances this country has made in making its air more fit for human consumption.

But now there are those who would have us take a big step backward, into the smoggy, polluted air of the past.

Legislation for the reauthorization of the Clean Air Act is now being considered by the Energy and Commerce Committee. Unfortunately, this legislation is nothing less than a physical threat to each and every one of us.

It uses the Clean Air Act as a scapegoat for the economic problems of industry.

Let us address those problems in a way that will really make a difference. Let us talk about high interest rates, foreign competition, and poor management.

But in the process, let us not destroy a bill that supports the good health of all Americans.

It is too bad that this year we celebrate Clean Air Week by fighting this kind of rearguard action. But the struggle is essential. Let us not have a law which would literally rip the lungs out of our clean air standards, standards that let us all breathe a little more easily.●

TWO ARGUMENTS FOR A NUCLEAR WEAPONS FREEZE

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. BROWN of California. Mr. Speaker, there have been a multitude of statements and arguments for and against a nuclear weapons freeze in recent months. The one publication which has most consistently discussed the dangers of nuclear weapons, nuclear proliferation, and nuclear war is the Bulletin of Atomic Scientists. The Bulletin, as it is called, was in fact founded by many of the developers of the world's first nuclear weapon in 1945. The doomsday clock on its cover, now at 4 minutes to death—a symbolic midnight—is viewed worldwide as the symbol of the nuclear threat hanging over the Earth.

The May issue of the Bulletin contained several interesting articles in favor of a nuclear weapons freeze. One by its editor in chief, Bernard T. Feld, can be found below. In this editorial, the simple point is made that if we are going in the wrong direction, we first need to stop, or "freeze," before we can turn around.

A second article is a statement by Harold Willens, the force behind the California bilateral nuclear weapons freeze initiative which will be on the California ballot. Harold Willens describes how the California initiative came about, why it is an important step toward nuclear arms control, and what dangers freeze proponents should consider. This article can also be found below.

Mr. Speaker, I recommend both of these articles to my colleagues and insert them in the Record at this time.

[From the Bulletin of Atomic Scientists, May 1982]

A Mutual Freeze

(By Bernard T. Feld)

On the subject of arms control, the policies of the Reagan Administration are in complete disarray. Worse, such policies as can be discerned are internally inconsistent and mutually contradictory.

Basically, the problems stem from the fact that it is impossible to pursue nuclear superiority and nuclear arms control simultaneously. But the Administration came into office on the promise of restoring the military imbalance that once prevailed—in the "good old days" of the 1950s and early 1960s—when imbalance in numbers and delivery vehicles could be translated into an ability to face down the Soviets in an "eyeball-to-eyeball" confrontation as in Berlin and Cuba. But those days are gone forever.

The Soviet Union has finally caught up, as far as numbers of weapons and delivery vehicles are concerned. But more important, the concept of "superiority" is meaningless in a confrontation involving tens of thousands of deliverable nuclear bombs—a megatonnage capable of subjecting every person on Earth to the equivalent of at least a few tons of dynamite. And there is absolutely nothing either side can do—including the spectre of a surprise, preemptive nuclear "counterforce" attack—to prevent nuclear genocide should the military and political decision be made to do so.

These are unalterable facts of the nuclear age. There is no way out. The chimera of "defense" is nothing more than that. Providing our urban citizens with shovels, route maps to the country and instructions for safely relocating under three feet of earth on two days' notice of an impending surprise attack, is both a wasteful boondoggle and a poor joke. Combined with elaborate plans for moving our "leaders" into hardened and well-supplied underground shelters—from which they emerge 30 days after the holocaust to repopulate the Earth with their superior progeny—this new survivalist/revivalist movement has disquieting overtones of old-fashioned totalitarianism.

Confronted with the inescapable truth of essential nuclear equality or parity between the two nuclear superpowers (a number soon to become three, four . . . ?) many of the Administration's weapons technologists find refuge in visions of a new arena of military competition—space. With scenarios of future space combat that exceed in ferocity (but fall far short in imaginative variety) the spacewar games into which many teenagers escape from our unappetizing world and their high-school homework assignments, they urge upon our governments new, scientifically uninteresting but astronomically costly military space ventures. So far, budgetary limitations have kept a lid on such programs, but we may depend on the instincts of mutual East-West military cooperation for a barrage of propaganda about prospective "windows of vulnerability."

All of which goes a long way toward explaining the frantic, almost hysterical reactions of Administration "defense" analysts to suggestions for a mutual freeze on production, testing and deployment of new weapons. The more so as this simple and compelling idea seems to be catching on, both nationally and worldwide. Its attraction derives from an obvious and basic fact of nature: If one is moving in the wrong direction and wants to reverse one's motion, it is first necessary to stop. It is as simple as that.

The argument that one must catch up with the opponent in order to be able to stop is sheer poppycock—especially if you are both heading inexorably toward a precipice. At the current levels of nuclear deployments, there is no such thing as "inequality." As George Kennan has so cogently pointed out, we could either or both reduce our nuclear systems by 50 percent without in any significant way affecting the current situation of mutual deterrence. And, indeed, the freeze makes sense mainly as a prelude toward the initiation, preferably by negotiated agreement but conceivably via the process of "mutual example," of such substantial cuts in the vast mutual nuclear overkill.

Even from a tactical point of view, our Administration is being very foolish, not to mention shortsighted, in rejecting the freeze concept. Our European allies are growing increasingly restive under U.S. pressures to increase nuclear and other military deployments and generally heat up the arms race. The political forces in Europe are pressing hard for unilateral motion toward the denuclearization of their continent. President Reagan's recent call for reduction of European nuclear deployments to the zero level met with a very strong resonance among our allies. But the European public is becoming increasingly cynical regarding U.S. intentions when such a call for denuclearization is accompanied by pressures on our NATO partners to accept the deployment of new systems on their territories.

We simply can't have it both ways. Arms control and disarmament, even if only still in the negotiating stage, demand mutual restraints to get and stay under way. A mutual freeze is the clearest and most effective signal we could give each other as to our mutually serious intent. If this Administration is serious in its intention to start down the path toward nuclear arms control and reduction, it must drop its spurious objections to the first necessary step—we must stop in order to turn around.

[From the Bulletin of Atomic Scientists, May 1982]

California Freeze Initiative

As a World War II Marine intelligence officer I viewed Hiroshima and Nagasaki not many weeks after our atomic devices leveled them. Against that background I have seen the odds against human survival steadily lengthening—until now. Now I see the chance of a turnaround: California, the nation's top producer of nuclear delivery systems—and with 10 percent of the vote—is at the cutting edge of a nationwide drive for a Soviet/American nuclear weapons freeze.

In less than three months Californians for a Bilateral Nuclear Weapons Freeze, has gathered the 500,000 signatures needed to put the freeze initiative on our November ballot. Although the initiative is not binding, a solid win—after surviving the heat of a campaign in which the opposition will have every chance to strike it down—cannot help but change some minds in Congress and the Administration.

But all will depend on our campaign, and we must keep it as hardnosed and free from peace-rally rhetoric as possible. Our job is to reach out to as wide a political spectrum as possible.

"The safety and security of the United States must be paramount in the concerns of the American people. . . . [Therefore we] urge that the Government of the United States propose to the Government of the Soviet Union that both countries agree to immediately halt the testing, production and further deployment of all nuclear weapons in a way that can be checked and verified by both sides."

The inclusion of that clause on verification and the omission of another clause "to transfer the funds saved to civilian use" is a sharp change from the language used in similar efforts in Massachusetts and Connecticut. Here in California the verification clause is essential if we are to win, and the transfer of funds clause, we ascertained through a professional public opinion poll, would have lost us 9.7 percent of the voters.

We are limiting ourselves to a few key points and backing them with the most conservative authorities we can find; the swing voters will listen to no others. The most critical point is verification and we quote General David Jones. In a Senate Armed Services Committee hearing on national technical means of verification (satellite, seismograph and radar) he was asked, "Do you believe we can verify the SALT agreements this way?" "Yes, I do," Jones said. We point out that his answer applies even more to the freeze because freeze provisions are total; totality wipes out ambiguity and makes verification easier.

General Richard Ellis of the Strategic Air Command was asked in a Senate Armed Services Committee hearing on February 18, 1981, "From your own experience and study of Soviet history do you think they would accept that type of on-site inspection which would give us adequate assurance that they are complying?" "I think so," he said. We point out that no one, not even Paul Nitze, U.S. chief arms control negotiator, imagines 100 percent certainty is possible or even necessary. "Verifiability," Nitze has said, "is not an absolute requirement; it is the means towards a good agreement. If those provisions of an agreement which are strategically significant to us are adequately verifiable, the agreement might be a good agreement, even if its less important provisions are not confidently verifiable."

The second most crucial point is that of parity. On this point we quote General Lew Allen, Chief of Staff, U.S. Air Force, testifying before the Senate Armed Services Committee, February 25, 1981:

"Our measure has been, 'Can the U.S. withstand a Soviet first strike and still retaliate in such a way as to inflict unacceptable damage on the Soviet Union?' We are still able to do that . . . our retaliatory strength remains acceptable. . . . I believe I have a clear responsibility in open testimony and in comments before the press or the public to describe the United States' strategic situation with respect to the Soviets as one of rough equivalence."

It is my considered opinion that if the freeze is to win big in this biggest state of the country, so as to get this (or the next) Administration to accept it as the necessary first move toward Strategic Arms Reduction Talks (START), the campaign has to be waged as outlined here. I urge proponents of similar initiatives in other states to wage their campaigns in a similar way.

Harold Willens,
Nuclear Arms Freeze.●

REQUEST FOR A RULE ON H.R. 6094

HON. DAN ROSTENKOWSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. ROSTENKOWSKI. Mr. Speaker, on April 28, 1982, the Committee on Ways and Means ordered favorably reported H.R. 6094, to authorize appropriations for the U.S. International Trade Commission, the U.S. Customs Service, and the Office of the U.S. Trade Representative for fiscal year 1983, and for other purposes. The report was filed with the House on April 29, 1982.

I take this occasion to advise my colleagues that the Committee on Ways and Means has requested a modified closed rule for the consideration of this bill, and that we will seek to be heard before the Committee on Rules as expeditiously as possible.●

NUCLEAR NONPROLIFERATION AMENDMENTS OF 1982

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. OTTINGER. Mr. Speaker, in conjunction with Senators Gary Hart and Alan Cranston, I am today introducing a bill that seeks to reverse the trend in administration policy decisions that dangerously weaken U.S. efforts to halt the spread, or proliferation of nuclear weapons.

It is vitally important that Congress consider this legislation now. We recently have witnessed a groundswell of public concern and fear that life on Earth may be ended by a nuclear war with the Soviet Union. The American people are demanding, as never before, that our race to a nuclear Armageddon be stopped. The Congress has responded with no fewer than a dozen resolutions focused on controlling nuclear weapons.

No matter how successful we may be in our efforts to lessen the chances of nuclear war through a freeze and reduction of nuclear weapons by the Soviet Union and ourselves we will have addressed only one part of this dangerous problem. For while we are trying to regain control of nuclear arms, we are continuing to produce and encourage the use of plutonium and highly enriched uranium as fuel for electric generating plants—from which other nations or terrorist groups can produce nuclear arms.

This is a far greater threat to our security and survival. The United States and the Soviet Union effectively deter each other from the use of nuclear weapons. No such deterrence exists for the Red Brigade or a nation such as Libya. And these most likely source of fuel for a terrorist's nuclear weapon is plutonium or highly enriched uranium that has been diverted from a nuclear reactor or reprocessing plant.

I fear that we are doing less than ever to prevent such a diversion. Our past nonproliferation policies have been abandoned by President Reagan, leaving us dependent on inadequate international safeguards.

First, the legislation I am introducing would transform into law the United States' long-standing and consistent policy of never exporting sensitive reprocessing and enrichment technology that could enable recipient countries to produce weapons-usable materials and build nuclear weapons.

Second, the legislation prohibits reprocessing by foreign countries of spent fuel produced from U.S. supplied nuclear materials or equipment and the retransfer and use of any resulting separated plutonium unless the Congress finds that effective international safeguards will be applied and that appropriate sanctions exist against violations of safeguards commitments. This provision does nothing more than affirm a necessary condition, already required by U.S. nonproliferation law, that timely warning of a diversion be met with respect to any such export.

Third, the legislation closes a loophole in the Nuclear Nonproliferation Act of 1978 that permits a U.S. corporation, or an affiliate in a third country, to transfer or provide nuclear facilities, technology or material from outside the United States to a country that has not entered into an agreement for cooperation with the United States. The bill authorizes the NRC to require licenses for such U.S. corporations and impose penalities for violations.

The need for this provision was aptly demonstrated recently by two recent cases: The Westinghouse Electric Co. has stated it intends to offer to sell a $1.1 billion, 900-megawatt nuclear power reactor to Pakistan, which does not have an agreement for cooperation with the United States and has not signed the Nonproliferation Treaty. Pakistan has made no secret of its strong interest in obtaining the capability to build nuclear weapons. Most important, the International Atomic Energy Agency (IAEA) last fall announced that it could no longer guarantee that Pakistan is not diverting nuclear materials for military purposes.

In another instance, within the last year, two American firms, Edlow International of Washington, D.C., and SWUCO, Inc., of Rockville, Md., served as brokers for 100 tons of enriched uranium for South Africa from uranium supply and enrichment companies in France, Belgium, and Switzerland. The arrangement directly contradicted U.S. policy of opposing the direct sale of enriched uranium to South Africa and undercut our attempts to persuade South Africa to sign the Nonproliferation Treaty and submit all of its nuclear installations, including a uranium enrichment plant capable of providing weapons-usable highly enriched uranium to International Atomic Energy Agency safeguards.

There should be little question that transactions abroad, by U.S. firms, which can affect our foreign policy and security interests must be subject to some form of U.S. control.

Finally, the bill requires the Nuclear Regulatory Commission in issuing export licenses to find that International Atomic Energy Agency safeguards measures to be applied will be adequate to provide timely warning of a diversion of nuclear materials for use in nuclear weapons. The NRC expressed doubt over its authority to determine the adequacy of safeguards and while I think the doubt is unfounded, it is settled in this legislation.

Since the beginning of the nuclear era, the United States has accompanied its development of peaceful nuclear energy with effective international policies for its control and use. As a foremost consideration, our policies have reflected our concern that nuclear technologies and materials used in civilian power were born of our development of atomic weapons, and civilian use had to be prevented from being reverted to weapons.

However, the Reagan administration appears to view with complacency the growing desire of foreign countries to acquire separated plutonium. As a candidate in 1980, President Reagan said that nuclear proliferation "is not any of our business." And the administration's subsequent actions and statements reflect that naive and dangerous attitude. It is this attitude and the administration's failure to address proliferation as a global concern that has prompted the need for legislation.

The administration's radical policy shift stems from its desire to use both plutonium and highly enriched uranium to meet our energy needs, and its willingness to blur the line between peaceful and military uses of nuclear power. Such a policy is not only dangerous, it has no economic justification.

Technological improvements have been developed that can enhance and prolong the availability of non-weapons-usable uranium fuel to meet our energy needs well into the 21st century.

Examples of the administration's new policy abound:

Last October, the Department of Energy authorized Japan to reprocess

United States-supplied reactor fuel at its Tokai Mura plant at full capacity. Additionally, Japan has plans to build a new commercial-scale reprocessing plant and has stated it will seek approval to recycle plutonium obtained from the reprocessing of spent nuclear fuel controlled by the United States.

The United States has been negotiating with Mexico on aiding the substantial expansion of its nuclear program.

Mexico has shown an interest in gaining access to sensitive uranium enrichment and reprocessing technology, despite huge oil reserves and no operating reactors. The administration refuses to rule out such a transfer.

The United States has exempted Brazil from penalty provisions in the contract with the Department of Energy to supply enriched uranium for the Brazilian Angra I nuclear reactor. The administration is permitting Brazil to use fuels from other nations so that it will not have to comply with all the sasfeguards associated with the purchase of American uranium.

The Congressional Research Service recently examined these four examples and the entire policy change under President Reagan, at my request, in its study, "Nuclear Policy of the Reagan Administration: A Summary Analysis and Four Case Studies." I recommend it to my colleagues.

Mr. Speaker, I know it will be argued and the administration already contends that, if the United States becomes a "reliable supplier" of nuclear technology and materials throughout the world, its commercial leverage can influence recipient countries toward U.S. nonproliferation goals. Yet as the Brazilian case demonstrates, the reliable supplier principle is illusory. For once the United States exercises its leverage, it is accused of no longer being a "reliable supplier." It is a catch-22. Moreover, becoming a reliable supplier of sensitive nuclear technology and materials makes sense only when there are reliable customers. Given the doubts about the effectiveness of international safeguards, we may become the reliable supplier of our own destruction.

During 1981, two former IAEA inspectors testified before the Congress about the serious inadequacies of IAEA safeguards and cautioned the United States not to rely on it to detect diversions of bomb materials from certain facilities.

In November 1981, the Nuclear Regulatory Commission in a letter to key congressional committees provided a clear warning:

> The NRC is concerned that the IAEA safeguards system would not detect a diversion in at least some types of facilities. In addition we are not confident that the member states would be notified of a diversion in a timely fashion.

The NRC repeated its warning to the Congress on March 2, 1981, by stating that:

> We do have enough information to be concerned that the IAEA safeguards system would not detect a diversion in at least some types of facilities.

In its letter, the Nuclear Regulatory Commission, in response to specific questions dealing with the effectiveness of safeguards for the fabrication of highly enriched uranium and plutonium, reprocessing of spent reactor fuel and separated plutonium stated:

> Highly enriched uranium and separated plutonium can be inspected. However, because they can be transformed readily into weapons, we cannot reliably count on inspection alone to provide warning of diversion of HEU and separated plutonium in time to prevent assembly if the necessary preparation work has been done.

In response to the question of whether international safeguards are adequate to detect the diversion of nuclear equipment or material, Commissioner Victor Gilinsky stated, ". . . international safeguards are not adequate."

On March 3, 1982, in a hearing before the Energy Conservation and Power Subcommittee which I chair, NRC Chairman Palladino said:

> We have identified that in reprocessing facilities it would be difficult to give assurance based on IAEA safeguards. The types of reactors where there is on-line refueling, it would be difficult to provide assurance.

On March 8, 1982, outgoing Commissioner Peter A. Bradford stated:

> A safeguards system that has some difficulty coping with the spent fuel cannot possibly cope with plutonium separated from its highly radioactive companions in waste under the reprocessing and breeder programs about which this Administration is enthusiastic.
>
> Separated plutonium is directly usable in a bomb. A nation with a designed and fabricated weapon could fuel it with diverted plutonium in less time than detecting and reporting the diversion might well take. I know of no one knowledgeable about safeguards who disputes this.
>
> Thus, the convergence of President Reagan's policies toward reprocessing and breeder reactors with the problems in IAEA safeguards to which the NRC's November letter alludes threatens to overwhelm the international safeguard system altogether. Large quantities of separated plutonium being transported, stored and fabricated cannot be adequately safeguarded.

This testimony reinforces the wisdom of past U.S. nonproliferation policy. Every administration since Harry Truman has recognized the inadequacy of international safeguards, and has used much stricter standards to slow the spread of nuclear technology throughout the world. That policy has had the effect of restraining other nuclear powers from the wholesale, indiscriminate spread of nuclear technology. The abandonment of this policy will instigate a mad rush to sell this dangerous technology to anyone with the money to buy it. The profits made in this exchange may be the last for the Western Hemisphere—these are literally the profits of doom.

This bill would make law the policies accepted by every administration until President Reagan took office. It would attest to the folly of generating electricity from nuclear fuel that can be made into nuclear bombs. It would restore the United States to the position of leadership in the fight against nuclear proliferation.

Eventually, public outcry and congressional action may restrain the United States and the Soviet Union in our suicidal rush for nuclear superiority. This legislation could prevent a future nuclear threat from a yet unknown source.

Mr. Speaker, I urge prompt consideration of this important legislation.

The legislation follows:

H.R. 6318

A bill to prohibit the export and use abroad of certain nuclear technologies and materials

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

Section 1. This Act may be cited as the "Nuclear Non-Proliferation Amendments of 1982".

FINDINGS

Sec. 2. The Congress finds and declares that—

(1) the spread of highly enriched uranium and separated plutonium, or the direct capability to manufacture or otherwise acquire such materials, poses a grave threat to the security interests of the United States and to continued international progress toward world peace and development;

(2) technologies for the enrichment of uranium or other isotopic separation of special nuclear materials, for the reprocessing of nuclear fuel, and for the production of heavy water have been used in the production of highly enriched uranium and separated plutonium;

(3) effective safeguards do not now, and will not soon, exist for highly enriched uranium and separated plutonium and for the technologies (including technologies relating to uranium enrichment and other isotopic separation, nuclear fuel reprocessing, and heavy water production) from which such materials are produced;

(4) if exported, these technologies would turn separated plutonium and highly enriched uranium into articles of commerce and thus would gravely increase the risk that nuclear weapons will spread to non-nuclear-weapon states;

(5) it has been the longstanding and consistent policy of the executive branch of the United States Government to prohibit the export of these technologies;

(6) the supplier guidelines of the Nuclear Suppliers Group reflect a consensus among supplier countries to exercise restraint in the supply of these technologies to non-nuclear-weapon states;

(7) a congressional affirmation of this policy can strengthen United States leadership, by example, in persuading other nuclear supplier countries not to export these technologies;

(8) the reprocessing of spent nuclear fuel and the use of separated plutonium and highly enriched uranium cannot be carried out under conditions that will ensure "timely warning" to the United States of any diversion;

(9) in the absence of effective safeguards and international sanctions against violations of nonproliferation commitments, reprocessing and the use of resulting materials subject to United States control would significantly increase the risk of proliferation and should not be approved; and

(10) the activities of United States firms directly or indirectly engaged in foreign nuclear commerce can have a significant effect on United States foreign policy and national security interests and should therefore be licensed by the United States Government.

PRODUCTION OF HIGHLY ENRICHED URANIUM AND SEPARATED PLUTONIUM

SEC. 3. Section 402(b) of the Nuclear Non-Proliferation Act of 1978 (42 U.S.C. 2153a(b)) is amended to read as follows:

"(b) Notwithstanding any other provision of law, major critical components of any facility for, and information or other assistance which is relevant to, the enrichment of uranium or other isotopic separation of special nuclear material, nuclear fuel reprocessing, or heavy water production may not be exported or otherwise provided under any agreement for cooperation (except an agreement for cooperation pursuant to subsection 91c., 144b., or 144c. of the 1954 Act) or under any authorization by the Secretary of Energy under subsection 57b.(2) of the 1954 Act. For purposes of this subsection, the term 'major critical component' means any component part or group of component parts which the President determines to be essential to the operation of a complete facility for the enrichment of uranium or other isotopic separation of special nuclear material, for nuclear fuel reprocessing, or for heavy water production.".

REPROCESSING AND RETRANSFERS OF SEPARATED PLUTONIUM

SEC. 4. Chapter 11 of the Atomic Energy Act of 1954 is amended by adding at the end thereof the following new section:

"SEC. 132. PROHIBITION ON REPROCESSING AND ON RETRANSFERS OF SEPARATED PLUTONIUM.—

"a. Until such time as the Congress enacts a joint resolution in accordance with subsection b. of this section—

"(1) the Secretary of Energy may not grant any approval (under section 131 or otherwise) which is required under any agreement for cooperation (including associated agreed minutes), other agreement, understanding, or assurance, for; and

"(2) an agreement for cooperation (including associated agreed minutes) or other agreement, may not permit;

the reprocessing, or the use of retransfer of any plutonium in quantities greater than 500 grams resulting from the reprocessing, of any special nuclear material which is exported by the United States or produced through the use of any nuclear materials and equipment or sensitive nuclear technology exported by the United States. Paragraph (2) applies with respect to any agreements for cooperation, including any amendments to an agreement for cooperation, associated agreed minutes, or other agreements, which are entered into after May 6, 1982.

"b. The prohibitions contained in this section shall remain in effect until such time as the Congress enacts a joint resolution declaring that the Congress finds that—

"(1) effective international safeguards, which will provide timely warning to the United States of any diversion well in advance of the time at which a non-nuclear-weapon state could transform the diverted material into a nuclear explosive device, can be applied with respect to reprocessed special nuclear material and to separated plutonium; and

"(2) international sanctions against violations of non-proliferation commitments have been established which are adequate to deter non-nuclear-weapon states from diverting reprocessed special nuclear material and separated plutonium to the manufacture of nuclear explosive devices."

LICENSING OF CERTAIN ACTIVITIES IN FOREIGN NUCLEAR COMMERCE

SEC. 5. (a) Chapter 11 of the Atomic Energy Act of 1954, as amended by section 4 of this Act, is further amended by adding at the end thereof the following new section:

"SEC. 133. LICENSING OF CERTAIN ACTIVITIES IN FOREIGN NUCLEAR COMMERCE.—

"a. Activities described in subsection b. of this section by any person subject to the jurisdiction of the United States—

"(1) may be engaged in only if authorized under an agreement for cooperation;

"(2) shall be considered to be exports for purposes of the procedures and requirements of section 126, section 127, and section 128, except that any such activities relating to transfers or retransfers of components, items, and substances shall be considered to be exports for purposes of the procedures and requirements of section 109 b.; and

"(3) shall require a license from the Nuclear Regulatory Commission.

"b. The requirements of subsection a. apply with respect to any transfer or retransfer, including any activity which directly or indirectly assists in any way the transfer or retransfer, outside the United States of—

"(1) any source or special nuclear material (including transfers or retransfers of title to any such material),

"(2) any production or utilization facility or any technology pertaining to any such facility,

"(3) any sensitive nuclear technology, or

"(4) any component, item, or substance determined to have significance for nuclear explosive purposes pursuant to section 109b.,

regardless of the country of origin.".

(b) Section 234 a. of that Act is amended by striking out "or 109" and inserting in lieu thereof "109, or 133".

ADEQUACY OF IAEA SAFEGUARDS

SEC. 6. (a) Section 127 of the Atomic Energy Act of 1954 is amended—

(1) in paragraph (1) by inserting "(A)" immediately after "(1)"; and

(2) by inserting immediately after paragraph (1)(A) as so redesignated, the following:

"(B) The IAEA safeguards to be applied will be adequate to provide timely warning to the United States of any diversion of—

"(i) any such special nuclear material, or

"(ii) any special nuclear material used in any such facility or produced through the use of any such material, facility, or technology,

well in advance of the time at which a non-nuclear-weapon state could transform the diverted material into a nuclear explosive device.".

(b) Section 109 b. of that Act is amended by inserting immediately before the semicolon at the end to clause (1) of the second sentence ", and those safeguards will satisfy the 'timely warning' requirement described in paragraph (1)(B) of section 127".●

HANDICAPPED CITIZENS FIGHT DISCRIMINATION

HON. WILLIAM M. BRODHEAD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. BRODHEAD. Mr. Speaker, yesterday the Washington Post told of good news for handicapped Americans. After attempts to gut several key provisions failed, the Architectural and Transportation Barriers Compliance Board approved minimum guidelines for making Federal buildings accessible to the physically handicapped.

The Post reports that this decision was a victory for handicapped groups who opposed efforts by the Postal Service, the Defense Department, the Department of Housing and Urban Development, and the General Services Administration to eliminate strong guidelines and replace them with weaker substitutes.

While the rejection of weaker standards is a victory for the handicapped, I think it points out the tough struggle which the disabled must wage in order to insure their basic rights as citizens. Such a struggle is now going on over the administration's proposed changes in section 504 regulations under the Rehabilitation Act of 1973—widely considered the "Civil Rights Act" of the handicapped.

The Reagan administration is seeking to water down the present section 504 regulations and replace them with considerably weaker substitutes. I am strongly opposed to this effort. It will be a sad day in this country when a citizen's civil rights are sacrificed in the name of convenience, cost savings, and reduction of Federal regulations.

Handicapped people are tired of being discriminated against and are committed to doing something about it. Their cause is one we should all support. I am hopeful that the administration will reconsider its efforts to weaken section 504 and provide the guarantees that are the right of every handicapped person.

I would like to share the Post article with my colleagues:

PHYSICALLY HANDICAPPED WIN LONG WRESTLING MATCH

(By Sandra Sugawara)

After wrestling with the issue for almost two years, the Architectural and Transportation Barriers Compliance Board yesterday approved minimum guidelines for making federal buildings accessible to the physically handicapped.

"This is the last chapter in a long saga," said William Bradford Reynolds, assistant attorney general for civil rights, who was

elected chairman of the board at the meeting.

Handicapped groups successfully fought off attempts by four federal agencies to eliminate the guidelines and replace them with weaker standards.

The agencies—the Postal Service, the General Services Administration and the Defense and Housing and Urban Development departments—had developed uniform accessibility standards considerably weaker than the board's guidelines.

Their standards were to have been published in the Federal Register last week, but C. Boyden Gray, counsel for the Presidential Task Force on Regulatory Relief, asked the agencies to hold off until after yesterday's meeting.

Roger Craig, a Postal Service attorney, said that in light of the board's vote it was unclear whether the four agencies will go forward with their standards. Craig also said the board vote effectively killed his proposal, made last July, to abolish the guidelines.

None of the board's 21 members voted against the new minimum guidelines.

The latest version of the guidelines revises one issued in the closing days of the Carter administration. Besides making several technical changes, the board dropped all previous requirements for buildings that are leased by the federal government, citing a pending court case.

The board's former chairman, Mason Rose, a wheelchair-bound attorney, and two groups representing disabled veterans have sued the Postal Service, charging it has ignored existing laws in refusing to make its 15,000 leased post offices accessible to the handicapped. The Postal Service contends that the law does not cover leased facilities.

Congress created the barriers board in 1973 to draw up guidelines for agencies to use in adopting their own accessibility standards. Various agency officials have said that the earlier guidelines would be extremely costly.

Reynolds said that the new guidelines "do not impose on architects rigid requirements that are potentially terribly expensive."

Rose countered, however, that "the system that Congress conceived has broken down."

GSA and HUD made efforts at yesterday's meeting to relax several provisions, but those attempts were rebuffed.

The new guidelines stipulate that, in general, federal buildings under construction must have ramps, doorways, hallways and other facilities that can be used by the handicapped. When federal buildings are renovated, those same revisions must be made.

Among the more controversial provisions adopted was one requiring that, when additions are made, accessible entrances and toilet facilities must be provided somewhere in the building, even if the addition itself would not have an entrance or bathrooms. Board members from the GSA and Postal Service opposed that provision.●

CALL TO CONSCIENCE VIGIL, 1982

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. KILDEE. Mr. Speaker, for the past few years I have participated in the Call to Conscience Vigil sponsored by the Union of Councils for Soviet Jews on behalf of the Soviet Jewish families seeking emigration from the Soviet Union. The vigil gives me a chance to express my deep concern for Jews being detained in the Soviet Union as a result of that Government's repressive emigration policies.

I am pleased to report that the Viktor Pelakh family, which I spoke on behalf of in 1981, have since been allowed to emigrate to Israel and have rejoined family members near Haifa to start their new life there.

This year I wish to speak on behalf of Benjamin and Bella Lifshitz, who have been requesting permission to emigrate from the Soviet Union for 11 years but have been continually denied exit visas by Soviet authorities. They are anxious to leave for Israel to join their only two daughters, both of whom live in Jerusalem. Mr. and Mrs. Lifshitz are a retired, elderly couple with many health problems whose desire is to reunite their family after years of separation.

The Soviet authorities have continually denied exit visas for Mr. and Mrs. Lifshitz on the grounds that he had access to sensitive military information. It is true that Mr. Lifshitz is a retired army colonel, Mr. Speaker, but he left the army in 1948, pensioned at an early age because the war had left him as a semi-invalid with permanent heart damage. Until 1960 he was able to work at a light industrial plant not connected with any secret or sensitive work, but deteriorating health and limited physical capacity have forced him to remain at home for the last 22 years. Severe chest pains often have confined him to his bed for a month at a time. Mrs. Lifshitz has not been able to work since undergoing two serious operations, during which a kidney was removed. Now glaucoma prevents her from even writing to her daughters. Yet despite the facts of this case, they were denied an exit visa as recently as 1981.

It is a tragic fact that the number of exit visas granted to Soviet Jews has been dramatically cut over the last few years. In 1979 there were 51,320 exit visas granted to Soviet Jews. In 1981, the number fell to only 9,447. We can only guess at the number who have been denied, such as Mr. and Mrs. Lifshitz.

Since signing of the Helsinki Final Act of 1975, which provided for the pursuit of policies consistent with the basic principles of human rights, it has become increasingly apparent that the Soviet Union has disregarded the human rights provision. Included in the provision is the reunification of divided families whose members live in different countries, for humanitarian reasons, and for free travel between countries.

It is my sincere hope that the Soviet Union will exhibit respect for basic human rights and privileges, as guaranteed under the Helsinki accords to which the Soviet Union is a signatory, and allow Mr. and Mrs. Lifshitz to be reunited with their daughters in Israel soon. We must continue to speak out for human rights, for as long as there is injustice anywhere, its presence threatens justice everywhere.●

EXPORT TRADE

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. RODINO. Mr. Speaker, I am delighted to report on the progress that the Committee on the Judiciary has made in formulating workable legislation to promote American export trade by removing any antitrust uncertainty that may now exist in joint export activities. During the past year, the Subcommittee on Monopolies and Commercial Law has been studying the question of whether antitrust law imposes restrictions that might hamper the export trade of American firms. As a result of that study, I introduced H.R. 5235, the "Foreign Trade Antitrust Improvements Act," which would clarify the application of the antitrust laws to export activity. The subcommittee has unanimously endorsed this measure, and I have scheduled it for consideration by the full committee on May 18, 1982.

Somewhat more complicated has been our consideration of various export trading bills that would allow exporters to apply to the Government for a certificate wholly or partially immunizing them from the antitrust laws. The subcommittee has worked hard to find workable, straightforward procedures that provide adequate protection to legitimate export activities while protecting the interests of consumers and competitors guaranteed by the antitrust laws. Before enshrining such a certification procedure into our laws, it is also important that we eliminate any unnecessary bureaucracy or cost on the public purse.

I have scheduled H.R. 1799, the export trading company bill introduced by the distinguished gentleman from Washington, Mr. BONKER, for subcommittee markup on May 19,

1982. I believe that the subcommittee can arrive at a solution which minimizes these concerns and that we can move the bill forward to full committee shortly thereafter to coordinate our efforts with the other committees.●

ACID RAIN: WE NEED ACTION NOW

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. OBERSTAR. Mr. Speaker, in the past, we have been blameless in pollution disasters only through lack of awareness or full understanding of the problems our society was creating for itself and for future generations. Acid rain is unlike these past problems; we can see this one coming. Unlike the past, we have an opportunity to act now before it is too late; an opportunity to act to stop the pollution debacle before it is upon us; before we become engaged in a massive and costly battle to roll back the damaging effects of acid rain.

My concern is that, unlike water pollution, the effects of acid rain may be irreversible.

Some 15,000 lakes in Sweden are already dead from the effects of acid rain. In the Province of Ontario, Canada, 45,000 lakes are showing the effects of acid rain and many there are already dead. Lakes in the Adirondack Mountains and in the Boundary Waters canoe area of northeastern Minnesota are already the victims of acid fallout. We ignore these warning signs only at our own peril. We cannot defer action on the repeated appeals of certain special interests for delay in cleanup because we have not achieved absolute scientific certainty about cause and effect, cost and benefits of acid rain and abatement actions. Future generations will hold us accountable and they will not ask whether we spent too much or too little; did we know enough; or was our knowledge inadequate? They will only ask, did we act in time to preserve a decent quality of life for them?

Mr. Speaker, I was one of the very early supporters of acid rain research, and was instrumental in convincing the Carter administration to put together a multiagency, multimillion dollar task force to research the causes and prevention of acid rain.

While I certainly support continued research, it is clear to me and to the people of northeastern Minnesota whom I represent that we must act now on the basis of what we already know, to control acid rain to the greatest extend possible.

We know that some of the lakes of the Northeast are severely acidified; and that many in the Midwest are threatened. Studies have indicated that acid rain has caused damage to 15 percent of the lakes in Minnesota, with another 2,000 in immediate jeopardy.

We know that acid rain causes damage and death to aquatic life, to forests, vegetation, and farm crops, can directly damage human health through respiration, and indirectly through contamination of drinking water.

Another study estimates that acid rain could cost Minnesota alone up to $64 million annually in reduced forest productivity, and another $400 to $600 million in loss of soil fertility.

These costs are, in large part, transferred from the sources of acid rain to the recipients.

Mr. Speaker, this is a grossly unfair trade.

To refuse to control acid rain on economic grounds is a totally false economy; such arguments may spare those who cause the problem, but the burden does not go away; it simply is passed on to innocent recipients—the farmers, foresters, fisherman, and resort owners and citizens of Minnesota and many other parts of the country.

Congress must, this year, include a strong acid rain provision in the amendments to the Clean Air Act. I pledge my assistance, working with my colleagues and the vast majority of Americans, to bring that provision into law.●

FAILURE TO ACT ON URGENT SUPPLEMENTAL FOR FISCAL 1982 (H.R. 5922)

HON. JOHN N. ERLENBORN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. ERLENBORN. Mr. Speaker, one has to wonder why a bill labeled "urgent" is allowed to linger for 44 days after committee approval before being brought to a House vote.

That is what has happened to the urgent supplemental appropriations bill for fiscal 1982, H.R. 5922; and it is no easy matter to explain to constituents who are calling about funds for wastewater treatment plans, or the 20-percent interest they will have to pay on tax bills being appealed which are a part of a 47,000-case backlog at the Tax Court.

It is harder still to explain to Federal workers whose jobs are on the line who are wondering whether they will have full paychecks in June.

H.R. 5922 is called an urgent bill, because it is urgent. I may not support every item in the bill, but we know it will be acted upon at some point—and it is morally wrong and cruel, as well as bad management, to delay action.

The Bureau of Alcohol, Tobacco and Firearms will have to furlough 1,600 employees if it does not get the $15.7 million provided in H.R. 5922 by June 27. Under present plans, 950 of the Bureau's 1,200 agents will be furloughed, and law enforcement activities there will virtually come to a standstill.

The Bureau of Labor Statistics sent out furlough notices April 13 to 1,900 people. If they are furloughed, our monthly reports of the consumer price index, unemployment, and producer prices are not going to be made on schedule.

The Employment and Training Administration's 30-day furlough notice went out this week to 2,700 employees, and 3,700 notices are to go out tomorrow to employees at the Employment Standards Administration.

Mr. Speaker, H.R. 5922 is urgent and it is in your power to move this bill. I urge you to act with urgency.●

TOWARD A PEACEFUL SETTLEMENT OF THE CONFLICT IN CYPRUS

HON. BERNARD J. DWYER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. DWYER. Mr. Speaker, I would like to join my colleagues who have participated in the recent Cyprus Day commemoratives here in the Congress in calling for a peaceful resolution of the conflict in Cyprus.

The forced occupation of any territory is a situation which we, as citizens of a country dedicated to freedom and self-determination, must do what we can to help resolve through peaceful, diplomatic initiatives.

This July will mark the eighth anniversary of the invasion and occupation of Cyprus. The time for an easing of the tension in that country, and likewise, an easing of the hardship and suffering of the 200,000 Cypriot refugees, is long overdue.

The United States has a vital interest in fostering a peaceful settlement in Cyprus, first as humanitarians dedicated to international human rights. We must also recognize the emerging Soviet presence in the Mediterranean and the consequences of allowing that presence to thrive unchecked in the type of environment the Soviets know best: conflict and discontent.

It is everyone's best interest, then, to resolve the Cyprus tragedy peacefully and soon.●

NATIONAL CLEAN AIR WEEK

HON. COOPER EVANS

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. EVANS. Mr. Speaker, I am pleased to note that this is National Clean Air Week. And I take this opportunity to note that as a member of the House Agriculture Committee and the Office of Technology Assessment Board I am becoming more and more convinced that the effects of ozone and other air pollutants on farm crop yields cannot be ignored.

The Office of Technology Assessment recently released a draft report on ozone impacts on productivity of selected crops. The study was conducted by the National Crop Loss Assessment Network (NCLAN) and the Environmental Science Division of the Oak Ridge National Laboratories. The crops used in the study represent a wide range of ozone reactivities extending from sensitive (peanuts) to sensitive/intermediate (soybeans) to intermediate (wheat) to tolerant (field corn). It is interesting to notice that of the major commodities the United States produces, these four crops represent 62 percent of the acres harvested in this country and 63.5 percent of the total dollar value. In summary, it is estimated that for these four crops alone the total annual loss amounts to approximately $3.1 billion. It was noted that the agriculture region used in the study "coincided significantly" with those areas which have elevated ozone concentrations.

The Clean Air Act is before Congress. A joint hearing was held in July to address the impact of air pollutants on agriculture productivity. There it was pointed out that more conclusive research is needed. However, a solution was discussed to the problem of plant survival which have a low resistance to ozone and/or acid rain exposure. Crop loss can be dramatically reduced by plant breeding programs. It is estimated that it will be cheaper to breed resistance to air pollution into plants than to control air pollution at the source, though the actual time required to develope such breeding is between 5 to 10 years. Unfortunately, this solution will not help our ailing forests.

As a farmer and scientist, I am concerned about the number of changes proposed which would appear to seriously weaken the present clean air standards. It is important to take this week to celebrate the existence of our clean air. We, as a nation, in the past decade have witnessed a great improvement in our air quality. We must not take it for granted. We must insure that this progress continues.●

WEB ASSOCIATION SUPPORT FOR H.R. 4347

HON. CLINT ROBERTS

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. ROBERTS of South Dakota. Mr. Speaker, last July I introduced H.R. 4347, which reauthorizes the WEB rural water system and provides for further development of South Dakota's water resources. The bill has undergone many changes while working its way through the legislative process.

WEB will provide clean drinking and stock water for almost 30,000 people in South Dakota, and is a project strongly supported by this administration and by many here in Congress. The WEB board has kept their faith in the legislative process and in my bill, cosponsored by the entire South Dakota delegation. Yesterday I received from the board a copy of a resolution in support of H.R. 4347. I would like to enter the resolution in the Record for the benefit of my colleagues:

WEB Resolution 82-1

A resolution requesting the South Dakota Congressional Delegation to make even stronger efforts to reauthorize the WEB pipeline project and to begin work to enact into the fiscal year 1983 Federal budget a write-in of construction funds before the May 15, 1982 Congressional deadline

Whereas, numerous delays and controversies since the South Dakota Water Development bill (HR 4347/SB 1553) was formulated almost one year ago have delayed efforts to begin construction on the WEB Pipeline Project;

Whereas, last September 9, 1981, Budget Director David Stockman in a message before the House Agriculture Subcommittee stated, that the Administration would support construction legislation for WEB and that deauthorization of the Oahe Unit was not a necessary pre-condition for their support of the WEB Project;

Whereas, Chairman Kazen of the House Water and Power Subcommittee offered to expedite the WEB portion of HR 4347/SB 1553 while problems with some other portions of the legislation would be allowed more time to work out;

Whereas, Most recently, the Full House Agriculture Committee sent HR 4347/SB 1553 back to committee for further work and the legislation was further complicated when Missouri Congressman Tom Coleman urged an amendment to limit SD from making future ETSI type water sales;

Whereas, the Statuatory deadline of May 15th marks the date the WEB's reauthorization legislation must be passed out of committee in order for WEB to receive funds in the fiscal year 1983 budget and when budget ceiling limits are set;

Whereas, WEB has always considered the expediting of the WEB section of the bill as a strong alternative but considers it at this time an option open to the delegation that could be exercised, if necessary; and

Whereas, an equal consideration, if not greater, is the need for WEB funds in the 1983 budget, that amounts in the 1983 budget:

Be it Resolved, That the membership of the WEB Water Development Association and its Board of Directors urge the South Dakota Congressional delegation to make even greater efforts to pass WEB reauthorization legislation and that they begin to work immediately to include the maximum amount of funds possible in the fiscal year 1983 budget.●

LEE L. DOPKIN

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. LONG of Maryland. Mr. Speaker, I would like to pay tribute to one of Baltimore's native sons, Lee L. Dopkin, a humanitarian, champion of social justice, and truly one of the great unsung heroes of the social security system.

The Jewish Historical Society of Maryland recently published a pamphlet in his honor, based on his public papers generously donated by his wife, Sophie Frenkil Dopkin.

I would like to place in the permanent Record some of the high points of the life of this outstanding public servant.

Lee Dopkin was born June 7, 1895, to Samuel and Leah Dopkin who had emigrated from Russia several years earlier. He grew up in a modest home in East Baltimore, and was forced to end his formal education at the age of 13, to find work to supplement the family's income.

Working at numerous odd jobs throughout his teenage years, Lee soon became active in public service to the Jewish community. He became president of the Hopkins Club, a teenage group interested in debating and athletics. He later became adviser and athletic coach of the Champion Club for younger boys. Under his guidance, this became one of the most successful clubs in the Jewish Educational Alliance in Baltimore. Through his fine example and leadership, many of the boys he worked with later became successful professionals and public leaders in the Baltimore community and the national Jewish community.

Lee served in the Marines during World War I, and upon his return to Baltimore, married Sophie Frenkil.

In 1921 he accepted membership on the board of the Hebrew Home for Incurables, the first in a lifelong series of posts he would hold to work on behalf of the sick and aged.

He eventually became president after the Home for Incurables and the Hebrew Home for the Aged merged into what is known today as Levindale, providing service and care for the aged and incurably ill. Lee never forgot the needs of the elderly, and remained an active member of the board of directors for decades.

His one-man lobby effort on behalf of Maryland's mandatory old age pension law received statewide recognition when Gov. Harry Nice appointed Dopkin chairman of the commission to study and draft the legislation on January 16, 1935. Shortly after final passage of the bill in April of that year, he was asked to serve as the first old age pension commissioner. He declined the offer because he was determined not to profit from his labors in behalf of those who needed his help.

After successfully guiding the old age pension legislation to passage, Lee began working on the problems of Maryland's needy, and accepted membership on a commission appointed to draft an unemployment compensation law. Once the bill became law, he once again declined the paid position as commissioner of the board, but continued to volunteer his services through 1950.

Many of his ideas about old age pensions and relief for the needy were incorporated into the National Social Security Act, legislation he strongly supported, in the summer of 1935.

Elected board member of the American Association for Social Security in 1939, and vice president in 1940, he worked with other members of the association to make the Federal social security system a reality for older Americans.

His service to the State of Maryland included two terms on the board of welfare from 1939 through 1953, and a term as chairman of the Post-War (World War II) Planning Committee for Employment.

Once the war ended, Lee heeded the United Jewish Appeal's call for millions of dollars to help in the resettlement and rehabilitation for the survivors of the Holocaust.

Through the 1940's and 1950's, he served on the boards of countless Jewish charitable organizations, and became the first Maryland State chairman for Israel bond sales. In recognition of his years of selfless work, the Order of Brith Shalom honored him with the "Man of the Year Award."

Throughout his decades of public service and voluntarism, Lee was successful in building his own plumbing supply business. In 1959, he was stricken with a debilitating disease which eventually forced him to retire.

His death on August 26, 1968, left his family, the citizens of Maryland, and our Nation with the memory of a kind, compassionate, generous, and hardworking man devoted to the welfare and happiness of those less fortunate.●

CLEAN AIR WEEK

HON. BOB EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. EDGAR. Mr. Speaker, as America celebrates Clean Air Week, I think that it is important to call attention to the monumental implications of changes which are now being considered to substantially weaken the Clean Air Act. As all public opinion polls have shown, the American people are strongly opposed to the relaxation of environmental standards. As representatives of the public, we have a responsibility and obligation to insure the continuation of a strong Clean Air Act.

The following article which appeared in a Pennsylvania newspaper, the Warren Times and Observer on April 5, 1982, illustrates the enormous stake which all present and future Americans have in the preservation of a clean and healthy environment. For this reason, I commend the article to my colleagues and insert it in the RECORD.

The article follows:

[From the Warren (Pa.) Times and Observer, Apr. 5, 1982]

THE ELDERLY HAVE A LARGE STAKE IN CLEAN-AIR ACT STANDARDS

(By Cy Brickfield)

Of all laws enacted by Congress over the past dozen years, few have done more to enhance the quality of life in America than the 1970 Clean Air Act. Not only have increases in the most harmful air pollutants leveled off, but levels of several pollutants have actually begun to decline. The entire nation has gained.

While the health benefits of clean air are hard to measure, the best evidence available indicates that air pollution controls save an estimated 13,900 lives per year. Plus an estimated $21.4 billion has been saved in reduced damage to human health, crops, forests and vegetation.

Yet, serious pollution problems remain. Enforcement sometimes has been lax, and thus air pollution in many regions still exceeds acceptable limits. As if that weren't enough, new environmental problems have emerged, such as acid rain, diesel engine emissions and indoor air pollution.

Another difficulty has been the law's complicated procedures, resulting in a forbidding maze of permit requirements. Businessmen also complain that controls have pushed up costs, diverting expansion capital and making it harder to compete with imports.

With Congress now reexamining the Clean Air Act, some lawmakers propose sweeping changes to relax key provisions of the law. Several aim at eliminating deadlines for meeting the health-based standards, while others seek to double allowable emissions from automobiles. Still other efforts are directed at weakening enforcement through drastic reductions in appropriations and regulatory action.

Obviously, some fine tuning is called for, and some adjustments would be justified to streamline the regulatory process. Many of the major changes sought by critics, however, would be harmful, and some would be downright disastrous.

For example, a few members of Congress want to alter the process for setting clean air standards. Under current law, the Environmental Protection Agency cannot weigh the costs of meeting a clean air goal when setting it, only the health effect of not meeting it.

Environmentalists justify this approach on grounds that standards represent the country's goals for how clean the air should be. They insist there is ample opportunity to consider costs in other parts of the program, but now some lawmakers have proposed that costs be considered in the setting of the standards themselves as well as in determining how and when to meet them. This change would be a mistake. It would erode air quality standards that are now set at a level necessary to protect people from illness an premature death.

While everyone benefits from these health-based standards, some people gain more than others. The law now requires the standards to include a "margin of safety" for particularly vulnerable groups, such as infants, asthmatics and people in their middle and later years—those individuals most likely to have respiratory diseases. Once again, critics want change. Some members of Congress want the standards to do no more than guard against "real health risks"—a narrower guideline that would gear standards primarily to protect healthy and vigorous individuals, not those who are especially vulnerable to the adverse effects of air pollution. clearly people in their middle years would suffer by such a change.

They also would be among the chief losers if Representatives Thomas Luken (D-Mich.) and John Dingell (D-Ohio) get their way. They introduced a bill that would allow doubling of carbon monoxide emissions from automobiles. Auto industry executives contend that such relief is necessary to enable them to cut costs and increase sales, and that relaxing these standards could mean savings of $80 to $300 per car. Not everyone agrees. Some industry authorities calculate the savings per car at no more that $50 to $100, if that.

Whoever is right, the projected savings seem paltry compared to the health problems that would result. According to the Natural Resources Defense Council, a Washington research group, changing emissions standards for automobiles would mean that at least 16 major metropolitan areas containing more than 40 million people probably would never meet the public health standard for carbon monoxide.

Despite a recent Louis Harris public opinion survey which showed that 86 percent of those queried wanted the act either kept the same or strengthened while only 12 percent opted for making it less strict, legislative sentiment in Washington currently appears to favor passage of proposals wakening our nation's environmental defenses. Should such steps succeed, I worry about the health of middle-aged and older persons, but feel sorriest for the young—they, after all, will have to breathe the foul air the longest.●

CONABLE-JENKINS BALANCED BUDGET-TAX LIMITATION AMENDMENT

HON. EDWARD R. MADIGAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. MADIGAN. Mr. Speaker, in his television address last Thursday evening the President asked Congress to pass a constitutional amendment to require a balanced budget. The reasons for this request are all too well-known: The Federal budget has been balanced only once since 1960, and by the end of the current fiscal year taxpayers will have paid well over $100 billion in interest on the national debt alone—which itself climbed to over $1 trillion last fall.

Mr. Speaker, Americans are clearly tired of increasing Federal spending and growing taxes, and—as indicated by the balance-the-budget constitutional convention resolutions adopted by 31 of our State legislatures—they have turned to a constitutional amendment as a final weapon in their battle against bigger and bigger government. I believe this issue merits our careful consideration, and accordingly would like to share with the House a recent research committee review of the Conable-Jenkins balanced budget-tax limitation amendment, which already has 201 cosponsors.

THE CONABLE-JENKINS BALANCED BUDGET-TAX LIMITATION AMENDMENT

(By Alex Dimitrief, research analyst)

Americans are clearly fed up with the Washington tradition of excessive government spending that thc Reagan Administration is now confronting. As Lou Harris reports, 90 percent of the public believes that the deficits projected for the near future pose "serious" problems for the nation's economy. It should come as no surprise, then, that the drive for a constitutional amendment to require a balanced budget is gathering steam. According to the most recent poll available on this subject (Gallup, March 1980), two out of every three Americans favor writing the principle of a balanced budget into the Constitution.

Reflecting this popular sentiment, 31 states have formally petitioned Congress to call a Constitutional Convention to propose a balanced budget amendment. Convention proponents need only three more states to make their dream come true, and active resolutions have already been adopted by one House in the Washington, Missouri, Kentucky, and Ohio State Legislatures. As this drive nears success, pressure has mounted on Congress to propose an amendment on its own, thereby obviating the need for a Convention. This has already happened once before; 70 years ago Congress proposed the Seventeenth Amendment to provide for the direct election of United States Senators only after it became clear that otherwise enough states would call for a Convention to do so. Indeed, 20 of the states presently petitioning Congress request either Congressional action or a Convention, and 9 actually declare in their resolutions that there would be no need for a Convention should Congress pass its own balanced budget amendment—though 4 of these states set deadlines for such a proposal which have already expired.

During his March 31 press conference, President Reagan endorsed the concept of a balanced budget amendment, provided that such an amendment would also limit taxes. Precisely such a measure—S.J. Res. 58—has already been reported out of the Senate Judiciary Committee, and is expected to be adopted by the Senate sometime this Spring. Reps. Barber Conable (R-NY) and Ed Jenkins (D-GA) have introduced an identical resolution in the House—H.J. Res. 350—but it has stalled in the Judiciary Committee. H.J. Res. 350 now has 200 cosponsors, just 18 supporters shy of the 218 who would be needed to sign a discharge petition to bring the proposed amendment to the floor over the Committee's objections. It would appear that the House may soon be confronted with a choice: join the Senate in adopting a Congressionally-generated balanced budget-tax limitation amendment, or leave the issue to a Convention entirely without precedent in American history.

Here is a brief section-by-section explanation of H.J. Res. 350, followed by a summary of the general arguments advanced by both its proponents and opponents. 38 States would need to ratify the proposed amendment within seven years for it to become a part of the Constitution.

"Section 1. Prior to each fiscal year, the Congress shall adopt a statement of receipts and outlays for that year in which total outlays are no greater than total receipts. The Congress may amend such statement provided revised outlays are no greater than revised receipts. Whenever three-fifths of the whole number of both Houses shall deem it necessary, Congress in such statement may provide for a specific excess of outlays over receipts by a vote directed solely to that subject. The Congress and the President shall ensure that actual outlays do not exceed the outlays set forth in such statement."

This section establishes the norm of a balanced budget. Congress would be required to adopt a "statement" of planned expenditures and receipts prior to each fiscal year; planned outlays could exceed expected receipts only when a three-fifths majority of the entire membership of both the House (261) and Senate (60) approved a specific dollar amount for such a deficit. Both the Congress and the President would be required to ensure that actual outlays did not exceed statement outlays. Congress would be permitted to amend its statement during the fiscal year, but a three-fifths majority would again be required to increase the deficit, while a simple majority would be sufficient for amendments which reduced the deficit or left it the same. Qualifying clauses or conditions would not be permitted in budget statements, and the failure of Congressional action prior to the beginning of the fiscal year would imply adoption of a statement in which both receipts and outlays were zero.

"Section 2. Total receipts for any fiscal year set forth in the statement adopted pursuant to this article shall not increase by a rate greater than the rate of increase in national income in the last calendar year ending before such fiscal year, unless a majority of the whole number of both Houses of Congress shall have passed a bill directed solely to approving specific additional receipts and such bill has become law."

Congress would be required to adopt a level of receipts in its statement that represented a proportion of the national economy no greater than that in the last calendar year ending before the upcoming fiscal year. Under current law the fiscal year begins October 1, meaning that the allowable tax rate would be derived according to income statistics for the "fiscal year minus two" calendar year: i.e., FY 1986 taxes would be limited according to calendar year 1984 income figures. This ceiling could be overcome only when an absolute majority of both the House and Senate passed a bill approving a specific amount of additional taxes. As a public law, such a measure would be subject to Presidential approval.

In effect, this section would eliminate bracket creep, with indexing as one possible means of compliance. When existing revenue laws would generate an expected increase in taxes greater than that permitted under this section, Congress would have to reduce tax burdens or pass a law specifically allowing the increase to take effect. Congress would be free to choose from a number of readily available estimates of "national income"—Gross National Product, National Income, Personal Income, or others.

Together, Section 1 and Section 2 would constrain government spending, provided Congress did not override either section. Actual outlays could not exceed statement outlays; statement outlays could not exceed statement receipts; statement receipts would not be allowed to grow at a rate greater than the economy itself; therefore, actual government outlays could not grow at a rate greater than the economy. Or, stated differently, government spending as a share of GNP would be held constant. In the words of the Senate Judiciary Committee, Congress would "be required to cast a politically difficult vote as a precondition for a politically attractive vote to increase spending."

"Section 3. The Congress may waive the provisions of this article for any fiscal year in which a declaration of war is in effect."

This section allows Congress to waive the provisions of the amendment during a declared war on a year-by-year basis.

"Section 4. The Congress may not require that the States engage in additional activities without compensation equal to the additional costs."

This section, which troubles some supporters of the amendment because of its vagueness, is intended to prohibit Congress from adopting legislation which would mandate costs on the states without compensation from the Federal Treasury. It reflects the concern of the sponsors that Congress might try to circumvent the limitations of the amendment by simply passing on financial obligations to state and local governments. In its report on the amendment, the Senate Judiciary Committee makes clear that it does not view this section as doing more than making explicit a policy already implicit in our federalism; that is, this section is not intended to modify any existing relationships between Washington and our state capitals. According to this section's proponents, it would not prohibit conditional grants-in-aid programs which are embraced by states on a voluntary basis.

A Committee amendment has been offered in the Senate pending floor action which would strike Section 4. While this amendment is expected to pass, the Senate might address the issue of national vs. state fiscal responsibilities in alternative language. Of course, should the Senate strike or alter Section 4, the House and Senate bills would no longer be identical.

"Section 5. Total receipts shall include all receipts of the United States except those derived from borrowing and total outlays shall include all outlays of the United States except those for repayment of debt principal."

This section defines the technical terms used in Section 1 and Section 2. "Receipts" would include all moneys received by the United States Treasury under the authority of acts of Congress, such as taxes, social insurance premiums, and user and licensing fees. Specifically excluded from receipts in the spirit of Section 1 would be any proceeds from debt issuance (treasury notes and bonds); thus, Congress would be required to prepare its budget statements without the luxury of deficit spending unless it expressly voted by a three-fifths majority for more red ink. "Outlays" would include all government expenditures, both "on-budget" and "off-budget," thereby making this distinction obsolete.

In general, the exceptions to the technical definitions of "receipts" and "outlays" are consistent with traditional budget and accounting procedures. Accordingly, normal day-to-day management of the national debt—which includes reissuing short-term or expired treasury notes, thereby allowing the debt to "roll over"—would still be permitted.

"Section 6. This article shall take effect for the second fiscal year beginning after its ratification."

Should the amendment be adopted by the 97th Congress, and allowing a minimum 18-month ratification period, FY 1986 is the first fiscal year to which the amendment could apply.

RATIONALE AND COUNTERARGUMENT

Supporters of the proposed amendment argue that it is needed to create a fiscal policy environment in which the competition between tax-spending and tax-paying interests would be more equal. The present budget process, they claim, inherently favors spending interests because of what economists have labeled the "concentrated benefit-dispersed cost" phenomenon: the benefits of any spending program are normally concentrated within a relatively small and yet well-organized class of beneficiaries, while the costs of such a program are dispersed throughout a relatively large and unorganized class of taxpayers. As a result, it is simply not worth it for the individual taxpayer to exert as much effort to save himself a few dollars on some program as it is for spending interests to secure millions or billions of dollars for themselves. As Arthur Burns observed three years ago, this country has entered "an era in which governmental processes are overwhelmed by the naked demands of increasingly well-organized and effective interest groups." By imposing an external constraint on Congress which would restore the traditional link between spending and revenues, supporters of the amendment believe they would be providing fiscally responsible Members with something to fall back on when political pressures for increased spending become almost unbearable. Proponents also point out that, in addition to protecting taxpayers from illegitimate tax increases stemming from "bracket creep," Section 2 would ensure that future budgets would not simply be balanced on the backs of taxpayers.

On a less theoretical level, some supporters argue that Congress should pass the amendment to eliminate the possibility of an entirely unprecedented Constitutional Convention. Could such a convention be limited to one topic? Who may limit the Convention? The Congress? The states? How would the representatives to such a Convention be selected? Would such a Convention be responsible to Congress, the states, or only directly to the public? There are dozens of questions surrounding this subject, but no authoritative answers. Those who advocate an amendment to avoid a Convention essentially believe it is best to let this sleeping dog lie.

Opponents argue that fiscal policy is not an appropriate subject for a constitutional amendment, and that the proposed amendment would handcuff the government and prevent the Congress and future Presidents from responding appropriately and rapidly to unforeseen domestic or foreign emergencies. As one opponent argues, "we would be locking in one rigid mechanism for restraining government spending and could frustrate the exercise of sound economic policy in the future." It would be dangerous, he adds, to create a situation where 41 percent of either House of Congress could prevent critical expenditures.

Supporters are quick to counter that the amendment does not dictate any permanent level of expenditures or taxation, but would only make individual Members politically accountable for increases in spending and taxes. In other words, they maintain that the amendment does not define what constitutes a responsible budget, but only establishes a more even representation of tax-paying and tax-spending interests during the budget process. Those who do not support the amendment believe that improving the congressional budget process through statutory action would be more desirable.

It should be noted that, in addition to the three-fifths escape hatch provided in Section 1 for deficit spending, an unplanned deficit would still be possible. An unexpected recession, for instance, might generate less tax revenue than was reasonably anticipated in a budget statement. The lack of any requirement for compensatory action by Congress might invite some unwarranted juggling of revenue estimates during the formulation of budget statements.

Many Members also view Section 4 with exceptional skepticism. Opponents are not only bothered by its lack of clear meaning (and thereby implications), but also by its suggestion that there exists in the federal government the constitutional power to mandate activities on states without their voluntary acceptance of such action. This section clearly addresses an important issue, and both supporters and opponents of the amendment are troubled by the absence of any extensive hearings on it. They believe that this subject should not be addressed in such a casual fashion.

A degree of uncertainty also surrounds the question of enforcement of the proposed amendment. Its sponsors believe that the amendment would be entirely self-enforcing and self-monitoring. They point out that it imposes a clear and continuing constitutional responsibility upon Congress and the President to formulate budgets according to specified guidelines, and that both Congress and the President are bound by oath to comply with constitutional commands.

Since the amendment does not embody any sanctions, it is uncertain exactly what would happen should this constitutional suasion prove insufficient. For instance, if Congress refused to obey the amendment, how might a President respond? Although the Senate Judiciary Committee Report states that the amendment is not intended to establish any new constitutional authority in the President to impound excess appropriations, the Supreme Court would not be bound by the interpretational guidelines set forth in the Report. Presidential impoundment authority in the case of appropriations which flew in the face of the amendment could be inferred from the following sentence in Section 1: "The Congress and the President shall ensure that actual outlays do not exceed the outlays set forth in such statement." Moreoever, how might the Supreme Court react if both the President and Congress refused to comply with the amendment? The Committee believes that the Supreme Court would limit its review to compliance with the goals of the amendment and would refuse to involve itself in the actual formulation of the budget. Again, the Court would not be bound to exercise such restraint.

CONCLUSION

H.J. Res. 350 is a far cry from the simplistic "balance the budget" command first envisioned by advocates of constitutionally ensuring fiscal responsibility at the federal level. The proposed amendment is by its very nature a "consensus measure," designed to attract the support of as many supporters as possible of a constitutional initiative to limit federal spending. As a result, it addresses the topics of a balanced budget, a limit on taxes, and a limit on the federal government's powers vis-a-vis the states. Amending the Constitution is a very serious action with enduring implications; accordingly, the House will want to carefully and critically review H.J. Res. 350 should it come to the floor, especially if it is discharged from the House Judiciary Committe without the benefit of any hearings.

Given the seriousness of a constitutional amendment, proponents of such a step bear a heavy burden of persuasion. Opponents, however, must keep in mind that the federal budget has been balanced only once since 1960, and that in FY 1983 taxpayers are expected to pay well over $100 billion in interest on the national debt alone—which itself climbed over $1 trillion last fall. As stated in the Senate Judiciary Committee's Report on the proposed amendment, "Whatever lip service may have been given to the concept of a balanced budget during the past two decades, it is clear that there either is the lack of will to conform with this ideal, or that fundamental obstacles to its achievement exist within the political system." Americans are clearly tired of increasing federal spending and growing taxes, and—as public opinion polls and the Convention resolutions of our state legislatures indicate—have turned to a constitutional amendment as a final weapon in their fight against bigger and bigger government. Should Congress fail to address this popular discontent in some constructive manner, the public may very well turn to a Constitutional Convention as a last resort.

CEDARHURST, N.Y., REMEMBERS THE HOLOCAUST

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. LENT. Mr. Speaker, April 20 marked the observance of Yom Ha-Shoah, Holocaust Remembrance Day. On that day, communities throughout the Nation paused to remember the 6 million men, women, and children who perished during this period in human history.

One such observance of the Holocaust occurred in Cedarhurst, N.Y., and was sponsored by Second Generation of Long Island, a group comprised of Holocaust survivors, children of the Holocaust, and indeed anyone who is committed to the issue of the Holocaust.

I am pleased to include in the RECORD remarks made on that day by Sid Mendelbaum, Holocaust survivor Menachem Z. Rosenzaft, and my colleague, Representative RAYMOND J. MCGRATH.

The future of the human race requires that we remember the Holocaust and the factors which brought it about. The Holocaust has taught us that we must never be indifferent to persecution and oppression anywhere in the world, lest we suffer the consequences.

REMARKS OF SID MENDELBAUM

Second Generation of Long Island is an organization dedicated to the issue of the Holocaust. Our membership is not restrictive. We are comprised of children of survivors, survivors, and anyone committed to the issue of the Holocaust. We are the first generation of children to be born after the Holocaust.

We have a responsibility to remember. More than a responsibility, we have a birthright to remember. Our parents gave birth to us as an affirmation of their commitment to survival. It is now our responsibility to preserve that legacy.

I WAS BORN IN BERGEN-BELSEN

(By Menachem Z. Rosensaft, Chairman, International Network of Children of Jewish Holocaust Survivors)

I was born in Bergen-Belsen. That is the essence of my being. My cradle stood only a few hundred yards from the mass-graves in which Anne Frank and tens of thousands of other European Jews lie buried anonymously. My parents survived the horrors of Auschwitz; my grandparents did not. I am alive; my six-year old brother perished in a gas chamber.

More than two thousand Jewish children were born in the Displaced Persons camp of Bergen-Belsen in Germany between 1945 and 1950. What had been one of the most notorious Nazi concentration camps became a sanctuary of life. Today, those two thousand children are adults, scattered throughout the world, with families and careers of their own. Most of us have never met, but we know one another intimately. Together with all the other Jews of our generation whose parents experienced the inferno of Hitler's Europe, we belong to a special group: We are children of survivors of the Holocaust.

I was born in Bergen-Belsen. I bear the names of my two grandfathers whom I never knew. That is my heritage. It is a heritage I share with all the other children of Holocaust survivors. For us, the Holocaust is not an abstract historical phenomenon. It is our past, our parents' lives, our grandparents' death. For us, the number 6,000,000 is not merely a dispassionate statistic. It is our families, multiplied, and multiplied, and multiplied. It is my grandparents, and hundreds of thousands of Jewish grandparents. It is my parents' brothers and sisters, and millions of Jewish brothers and sisters. It is my mother's six-year old son, and more than one million other Jewish children. It is shadows and echoes, nightmares and lullabies.

Now we must prove ourselves worthy of our unique collective identity. We were given life and placed on earth with a solemn obligation. Our parents survived the greatest cataclysm in history to bear witness. We, in turn, must be their attestors. Our task is to remind the world of the Holocaust in order to prevent its recurrence.

But in order to remember, to commemorate, one must first be able to understand, and no one who did not personally experience the Holocaust will ever truly understand. Even the survivors have no answers to those questions which threaten our sanity. And any attempt to rationalize or intellectualize the brutal annihilation of 6,000,000 human beings is doomed to failure. Nevertheless, we must at least attempt to penetrate the darkness and hear its utter silence.

On one of the barrack walls in Auschwitz, a boy wrote shortly before his death: "Andreas Rapaport—lived sixteen years." This one sentence should be repeated every day, in every synagogue, in every Jewish home. It should be included in every prayer book, taught to every Jewish child, become an integral part of every Jew. And it must also penetrate the consciousness of every non-Jew who wishes to learn a measure of truth about himself. One simple sentence, written in despair by a boy who knew that he was about to die, says all there is to say. Andreas Rapaport, who would never be seventeen, was the author of his own eulogy, his own Kaddish. Andreas Rapaport—lived sixteen years. Andreas Rapaport alone. Andreas Rapaport—abandoned. Andreas Rapaport—afraid. Andreas Rapaport—cold. Andreas Rapaport—hungry. Andreas Rapaport—pain. Andreas Rapaport—prophet. Andreas Rapaport—gas-filled lungs. Andreas Rapaport—burning flesh. Andreas Rapaport—smoke. Andreas Rapaport—ashes. Andreas Rapaport—eternity.

My father used to tell the story of an old rabbi in Auschwitz. One night, surrounded by some of his disciples, he said that it was possible for God to be a liar. Shocked, his disciples asked him how that could possibly be. The old man replied: "If the Ribono shel Olam—the Master of the Universe—up in Heaven were to open His window and look down on us now, He would turn His eyes away and say that He had not done this, and that would be the lie."

The same is true of man. Confronted with the inescapable truth of Auschwitz and Treblinka, of Babi Yar and Bergen-Belsen, he tries desperately to disclaim responsibility in order to remain sane. And yet he cannot escape the ultimate truth that he, the cultured, educated, sophisticated creature of the twentieth century, is guilty of annihilating 6,000,000 of his fellow human beings only because they were Jews.

Let us remember that the entire spiritual essence of Judaism was fundamentally changed by the Holocaust. How can one think of the Destruction of the Temple in Jerusalem without thinking of thousands upon thousands of burning synagogues and Jewish homes? The martyrdom of a Rabbi Akiva who was put to death for his faith by the Romans must be seen in the light of Jews entering the gas chambers saying "Shema Israel." The heroism of Bar Dokhba and of the fighters of Masada cannot any longer be recalled without at the same time remembering Mordekhai Anielewicz and the Warsaw Ghetto Uprising, the symbols of all the Jewish fighters and partisans of the Holocaust, and of all the resistance movements in all the camps and ghettos. Similarly, Abraham's readiness to sacrifice Isaac must be contrasted with the desperate attempts of Jewish parents during the Holocaust somehow to rescue their children, while the fires of Sinai cannot henceforth be approached except through the fires of Auschwitz. And we must never forget that our God who brought us out of Egypt is the same God who did not bring 6,000,000 of our people out of Nazi Europe.

This is not to suggest that one may erect a theology or philosophy on the ashes of the Holocaust. To do so would be an act of blasphemy against the victims as well as against God. However, we must treat the event as an intrinsic part of the Jewish existence, and, as such, integrate it into our thoughts and being.

We, the children of the survivors of the Holocaust, have accepted the heavy responsibility inherent in our unique identify. Together with our parents, we shall protect and perpetuate the sanctity and the inviolability of the memory of the Holocaust. We shall prevent it from being either mythologized or desecrated. And, above all, we shall transmit to our children our profound reverence and admiration for the spiritual strength, the heroic defiance and the somber dignity displayed throughout the years of the Holocaust by all who suffered its agonies, the victims as well as the survivors, for it is their unyielding adherence to the highest principles of Judaism and humanism which symbolizes and explains the survival of the Jewish people.

However, it is not sufficient for us to mourn and remember. We do not have the right to be exclusively retrospective or introspective, to concentrate solely on the past or on ourselves. While the commemoration of the Holocaust lies at the heart of all our activities, that alone cannot justify our existence as human beings and Jews. As the heirs of the 6,000,000 Jews who perished during the Holocaust, we constitute a moral force whose voice can have an impact on mankind. We must—and we shall—raise this voice on behalf of all, Jews and non-Jews alike, who are subjected to persecution and oppression anywhere in the world, or who are threatened by annihilation.

We have learned from our parents' tragic experiences that the greatest crime is indifference to the suffering of others. Because of who we are, we may never be passive, or allow others to be passive, in the face of anti-Semitism or any other form of racial, ethnic or religious hatred, for we know only too well that the ultimate consequence of apathy and silence was embodied forever in the flames of Auschwitz and the mass-graves of Bergen-Belsen.

In this regard, our obligation is clear. So long as Jews will be persecuted, whether in the Soviet Union or Ethiopia, whether in Arab countries or elsewhere, so long as the enemies of our people persist in their efforts to destroy us, so long as human beings anywhere will be oppressed, our collective voice will be heard and our presence will be felt. We, whose roots are embedded in ashes, will never forget that we are our brothers' keepers.

REMEMBERING THE HOLOCAUST

(By Representative Raymond McGrath)

The most important thing to remember about the Holocaust is that it was a crime which is unique in the annals of human history.

It was different. There was massive violence, of course, but it was also an incredible criminal enterprise, organized by the state, against a defenseless civilian population.

The decision was simply, to kill every Jew, everywhere in Europe. There is evidence that the Nazis eventually intended to wipe out the Slavs, and other peoples as well. And if the war had continued, or if the Nazis had triumphed, Jews might not have been the final victims of Nazi genocide. But they certainly were, the first.

The concept of the annihilation of an entire people was unprecedented. This was not merely subjugation, but outright slaughter. Never before in human history had genocide been an all-pervasive government policy. This policy was not affected by territorial or economic advantage. Neither was it checked by moral or religious constraints.

Ordinarily, a government commits acts of violence against a populace for two reasons: A perceived need for national security, or geographic expansion. And usually the hostilities diminish after the enemy surrenders. Not so in the case of the Holocaust.

After the subjugation of the victims, Nazi violence was intensified, particularly in Poland and other parts of Eastern Europe. Jews, in particular, were targets, despite the fact—that they possessed no army, and were not part of the military struggle. Indeed, the destruction frequently conflicted with the war effort, and sometimes took priority over it. Trains that could have been used to carry munitions to the front, or to retrieve injured soldiers, were diverted, for the transport of victims to the death camps. Even after the Nazi defeat on the Russian front, when it became evident that the Germans had lost the war, the killings were intensified. Clearly, genocide was an end in itself.

In the Nazi program of genocide, Jews were the primary victims—simply because they were Jews. In the Nuremburg Decree of 1935, a Jew was defined by the affiliation of his grandparents. Not even conversion to Christianity affected the Nazi definition. And while gypsies were killed throughout Europe, Nazi plans for their extermination were never completed, nor fully implemented. Many Polish children, whose parents were killed, were subjected to forced Germanization—that is, adoption by German families, and assimilation into German culture. No such alternative was offered to Jewish children.

It is important to note, that the Holocaust was not a new form of medieval torture or barbarism. It was a thoroughly modern expression, of bureaucratic organization, industrial management, scientific achievement, and technological sophistication. The entire apparatus of the German bureaucracy was involved in the extermination process.

1. The churches and health ministries supplied birth records to define and isolate Jews;

2. The post office delivered statements of definition, expropriation, denaturalization, and deportation;

3. The economic ministry confiscated Jewish wealth and property;

4. The universities denied Jewish students admission and degrees, while dismissing Jewish faculty;

5. German industry fired Jewish workers, officers, board members, and disenfranchised Jewish stockholders;

6. And government travel bureaus coordinated schedules and billing procedures for the railroads, which carried the victims to their deaths.

The process of extermination itself was bureaucratically systematic. In November 1938, a mob destroyed kris-all-nockt which left more than 36 Jews killed, 20,000 arrested, thousands of Jewish businesses looted and burned, and hundreds of synagogues vandalized. These were random acts of violence, however they were replaced by organized operations of destruction. By 1943, the S.S. had substituted massive, impersonal factories of extermination, for the earlier mobile killing units of the S.A.

Even the location and operation of the camps were based on their accessibility, and cost-effectiveness—the trademarks of modern business practice. German corporations actually profited from the industry of death. Pharmaceutical firms tested drugs on camp inmates, and campanies competed for contracts, to build ovens, or to supply gas for extermination. Some were even concerned about protecting the patents for their products.

Here is one example, of Nazi private enterprise at work: Adjacent to the extermination camp at Auschwitz was a privately-owned, corporately-financed, concentration camp called I.G. Auschwitz, division of I.G. Farben. This petro-chemical complex brought human slavery to its ultimate perfection. First, it reduced human beings to consumable raw materials. Then, it drained all mineral life from the bodies, to recycle it into the Nazi war economy. Gold teeth went into the treasury, hair went for mattresses, and ashes were made into fertilizer.

German scientists actually experimented with a variety of gases, in their relentless search for the least expensive, and most efficient means of extermination. Finally, they discovered the insecticide Zyklon B, which could kill 2,000 persons in less than 30 minutes, at a cost of one-half-cent per body. Even that wasn't cost-effective enough. By the end of the war, there were orders to place living children directly into the ovens, or to throw them into open burning pits, in an effort to cut expenses and save gas. This process of destruction employed the same ingenuity and control, that is used in modern industrial development.

In the modern world of ever-increasing population, the inclination to duplicate the Nazi option, and once again exterminate millions of people, remains a hideous threat. The curse of the Holocaust is a dire warning.

The Holocaust could not have occurred without the collapse of certain religious norms. As the world became increasingly secular, the idea of man being created in God's image was diminished. While it is ironic to note that some religious perspectives contributed to the growth on anti-Semitism and the choice of Jews as victims, only in a modern secular age did anti-Semitism lead to annihilation.

Other aspects of modern dehumanization contributed to the Holocaust. The human personality became split, men could murder children by day, and be loving husbands and fathers at night. The division of labor, separated complete operations into fractions of the whole, permitting thousands to participate in a massive bureaucracy of death with no one individual being responsible. For example, Adolph Eichmann, who supervised the roundup of Jews, could claim that he never personally killed a single person. His employees could insist that they did not know what they were doing. The executioners could explain that they were only following orders.

The horror of the Holocaust may be the product of technology, or a reaction against it. Whichever the case, it is inextricably linked to the conditions of our time. By studying the Holocaust, we hope to help immunize modern man against the diseases of the 20th century, which led to this monstrous aberration.

The American philosopher George Santayana has warned that those who forget history, are condemned to repeat it. The Holocaust reveals a potential for sickness at the heart of western civilization, along with the frightening consequences of the total exercise of power. Remembering the Holocaust—can instill caution, fortify restraint, and protect against future evil or indifference. The declaration "Never Again!" aptly expresses our sense of outrage in the face of the Holocaust—but that outrage must be supported by an understanding of what happened, and how.

Of course we have no guarantees that those who do remember history will not repeat it. But the failure to remember the past makes repetition more likely.

To remember the Holocaust, is to sensitize ourselves to its critical political lessons. Nazism was assisted by a number of factors: The breakdown of democracy, the collapse of social and economic cohesion, the decline of human solidarity, and an erosion of faith in the political leadership and in the ability of democratic governments to function. Recalling these danger signals intensifies our concerns for the body politic. It makes us aware of the processes of democracy, the forms of government, and the importance of human and social values.

By remembering the excesses that marked the Nazi era, we can learn again of the importance of setting limits and the need for checks and balances. We can also learn that a democratic government must function and perform basic services. Furthermore, we will realize that human rights must be protected within the law.

By remembering the Holocaust, we can renew our appreciation for moral and philosophical guidelines for the need to consider the human cost of scientific experimentation. We can strengthen our belief in individual rights. We can also come to understand that a belief system which does not respect other beliefs is ultimately tyrannical. Indeed, remembering the Holocaust can enhance our tolerance for ethnic diversity, and pluralism.

But remembering is not easy, for either the individual, or the group. Confronting the Holocaust, threatens to sear our souls, and challenge our perceptions, and our complacency. It introduces a tone of somberness and tragedy into out lives and it heightens our awareness of the vulnerability of life itself.

The moral landscape of human reality has been altered by the Holocaust, and the acceleration of technology and nuclear weapons now threaten human existence. By focusing on the dangers of a technological and bureaucratic society, a study of the Holocaust—and its implications—can encourage a renewal of commitment to sanity and to humanity.

You see—we must remember the Holocaust. It may be our only means of survival. Thank you.●

BENEFITS OF $1 BILLION FUNDING OF THE CCC REVOLVING EXPORT CREDIT FUND

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. FINDLEY. Mr. Speaker, recently I introduced H.R. 5388, a bill to appropriate funds for the Agricultural Export Credit Revolving Fund authorized in the 1981 farm bill. With the economic problems confronting farmers today, I think we should be doing everything in our power to promote sales of U.S. farm products overseas.

The American Farm Bureau Federation recently conducted a study of what could happen if we implemented the revolving fund. I recommend that each of you take the time to review this study, and then support funding for this valuable export promotion tool.

Funding of the CCC Revolving Export Credit Fund would increase agricultural commodity prices and farm income, reduce government costs for deficiency payments and the farmer-held reserve storage program and increase jobs in the transportation and export industries.

The following economic analysis is based on the assumption that the fund will expand exports by one billion dollars in fiscal year 1983 and not simply replace other private, GSM102 or PL480 exports.

Based on sales in fiscal years 1980 and 1981 under the CCC Export Credit Program and the GSM102 Credit Guarantee Program, the one billion dollars in exports would likely have the following commodity breakdown: 29 percent corn, 27 percent wheat, 16 percent soybeans, 14 percent cotton, 8 percent rice and 4 percent other.

Assuming that export prices remain relatively depressed export prices for these commodities are likely to be $3.00 per bushel for corn, $4.50 per bushel for wheat, $6.75 per bushel for soybean, 70 cents per pound for cotton and $20.00 per hundredweight for rice.

With these percentage and price assumptions, funding of one billion dollars would likely provide an additional 100 million bushels of corn exports, 60 million bushels of wheat, 25 million bushels of soybeans, 400,000 bales of cotton and 4.0 million hundredweights of rice.

Past research indicates that 100 million bushels of additional corn exports will increase the season's average price of corn by $0.15 per bushel and the season's average of soybeans by $0.22 per bushel. Additional wheat exports of 60 million bushels will increase the season's average price of wheat by $0.21 per bushel and the season's average price of corn by $0.04 cents per bushel. Additional soybean exports of 25 million bushels will increase the season's average price of soybeans by $0.20 per bushel and the season's average price of corn by $0.03 per bushel. Exports of an additional 400,000 thousand bales of cotton will increase the season's average price of cotton by $0.03 per pound. Additional exports of 4.0 million hundredweights of rice will increase the season's average price of rice by $0.60 per hundredweight.

If these exports came during the crop marketing year for the 1982 crops, the season's average price would be increased by $0.22 per bushel for corn, $0.21 per bushel for wheat, $0.42 per bushel for soybeans, $0.03 per pound for cotton and $0.60 per hundredweight for rice.

The higher commodity prices would be a direct benefit to crop producers. If corn production in 1982 is 7.5 billion bushels, the $0.22 per bushel higher price would increase income to corn producers by $1.65 billion. Assuming a 1982 wheat crop of 2.6 billion bushels, the $0.21 per bushel higher wheat price would generate additional income to wheat producers of $550 million.

Income to soybean producers from the 1982 crop would be $880 million larger due to the $0.42 per bushel higher price, assuming a 2.1 billion bushel crop in 1982. If the cotton crop in 1982 is 13 million bales, the $0.03 per pound higher price would increase income to cotton producers by $190 million. Assuming a 150 million hundredweight rice crop in 1982, the $0.60 per hundredweight higher rice price would generate additional income to rice producers of $90 million.

BENEFITS TO PRODUCERS OF $1 BILLION FUNDING OF CCC REVOLVING EXPORT CREDIT FUND

	Credit available based on 1980–81 (millions)	Additional exports (thousands)	Increase in season's average price	Increased income to producers (millions)
Corn	$290	[1] 100,000	[2] $0.22	$1,650
Wheat	270	[1] 60,000	[2] .21	550
Soybeans	160	[1] 25,000	[2] .42	880
Cotton	140	[3] 400	[4] .03	190
Rice	80	[5] 4,000	[5] .60	90
Total				3,360

[1] Bushels.

[2] Per bushel.

[3] Bales.

[4] Per pound.

[5] Per hundred weight.

These higher prices would have a major impact on the cost of government programs. USDA has estimated that deficiency payments for 1982 crops may be $0.098 per pound for cotton, $0.30 per bushel for wheat, $0.15 per bushel for corn and one dollar per hundredweight for rice. The higher market prices resulting from the additional exports could reduce to zero the deficiency payments for corn, cut the wheat deficiency payment by two-thirds, cut cotton deficiency payment by almost one-third and the rice deficiency payment by one-half.

These lower deficiency payments would provide substantial savings to USDA. Current AFBF estimates are that about 15 percent of the wheat producers will participate in USDA's reduced acreage program and thus be eligible for deficiency payments, 25 percent of corn producers will participate, 50 percent of cotton producers will participate and 60 percent of the rice producers will participate. Using the 1982 production estimates given earlier, about 375 million bushels of wheat will be eligible for deficiency payments, 1.9 billion bushels of corn will be eligible, 6.5 million bales of cotton and 90 hundredweights of rice. The savings to USDA through lower deficiency payments for wheat would be $80 million, corn $285 million, cotton $94 million and rice $54 million. The total savings for 1982 crop deficiency payments would be $513 million. If participation in the reduced acreage program is greater than the AFBF estimate, as some in USDA have suggested, then those eligible for deficiency payments would be greater and USDA savings would be larger.

REDUCTION IN 1982 DEFICIENCY PAYMENTS DUE TO CCC REVOLVING EXPORT CREDIT FUND

	USDA estimate's of deficiency payments	Increase in season's average price due to CCC credit fund	Reduction in deficiency payments due to higher prices (millions)
Corn	[1] $0.15	[1] $0.22	$285
Wheat	[1] .30	[1] .21	80
Cotton	[2] .098	[2] .03	94
Rice	[3] 1.00	[3] .60	54
Total			513

[1] Per bushel.

[2] Per pound.

[3] Per hundredweight.

Lower costs for the corn and wheat farmer-held reserve would also result. The 100 million bushels of corn not going into the reserve would save the USDA $26.5 million in storage costs the first year, with greater savings in succeeding years because interest is forgiven on the second and third years of reserve loans. The savings on the first year cost of the wheat reserve would be $15.9 million due to the 60 million bushels of wheat not entering the reserve. As with corn, second year savings will be substantially larger.

Past USDA research indicates that 35,000 jobs are created when an additional one billion dollars of U.S agricultural products are exported.●

HOUSE OF REPRESENTATIVES—*Monday, May 10, 1982*

The House met at 12 o'clock noon.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

In the quiet of this moment, we bow our hearts to You, O God, seeking Your blessing. Replace the burdens and anxieties of every person with the joyous affirmation of the new day. Kindle within us the glow of hope for a better world where righteousness will overcome selfishness and love will replace hate. Even as we dream of Your Kingdom of peace and justice, so arm us with Your Holy Spirit that we may do the things that make for righteousness and peace. In Your name, we pray. Amen.

THE JOURNAL

The **SPEAKER**. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 2160. An act to amend the Potato Research and Promotion Act.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 907. An act to amend sections 351 and 1751 of title 18 of the United States Code to provide penalties for crimes against Cabinet officers, Supreme Court Justices, and Presidential staff members, and for other purposes;

S. 2154. An act to direct the Secretary of Agriculture to release a reversionary interest held by the United States in certain lands located in Christian County, Ky., so that such lands may be used for cemetery purposes; and

S. 2252. An act to authorize appropriations for the Coast Guard for fiscal years 1983 and 1984, and for other purposes.

BREAKING PROMISES ON SOCIAL SECURITY

(Mr. RATCHFCRD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. **RATCHFORD**. Mr. Speaker, sometimes the American people have a better sense of history than the people they elect to serve in this city. And the American people certainly have a good enough sense of history to remember that just last year, certain elected officials in Congress, and in the executive branch, worked for, and successfully cut social security benefits.

Lest we forget, and I am sure the American people have not forgotten, 1981 was the year of cuts in social security minimum benefits, student benefits, and burial allowances. Nor have Americans forgotten restrictions in disability and medicare benefits enacted last year.

So when the President and his Senate supporters say they did not cut social security in 1981, look out. The mirrors are being dusted off, this time to be used in trying to cut social security by $40 billion without reducing benefits. And 1982 could be a worse year than 1981 for social security recipients for, as history reminds us, "All that is past is prolog."

ARMS TALKS MUST INCLUDE NUCLEAR FREEZE

(Mr. WYDEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. **WYDEN**. Mr. Speaker, I rise today to commend President Reagan for bringing forth a proposal to reduce nuclear arms.

But I am concerned that while his is obviously a beginning negotiating position, it does not go far enough because it fails to include a proposal for a freeze on new nuclear weapons.

What Americans and many people around the world really want is for the superpowers to get the nuclear genie back in the bottle.

A reduction in present levels of ballistic missile warheads, as proposed in phase I of the President's plan, is certainly welcome. So is phase II which calls for a ceiling on all strategic nuclear forces, including sharp reductions in missile throw weight.

But these proposals are flawed in that they still permit development of a new generation of nuclear weapons, some of which military experts tell us we do not know how to deploy.

The President is right to make proposals that, if adopted, will help step back from the brink of nuclear self-destruction.

But we cannot be satisfied because we have defused a few warheads. We still will have the capacity—and the evil temptation—to destroy the Earth, civilization, and mankind, as we know it.

I today urge President Reagan to lay a freeze on new nuclear weapons on the negotiating table, and that the full force of U.S. policy be put behind such a freeze. Only then can Americans and the world began to breathe easier from the fearful prospect of nuclear holocaust.

LET'S START WITH SALT

(Mr. DOWNEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. **DOWNEY**. Mr. Speaker, President Reagan's START proposal can be a step in the right direction or in the wrong direction, depending on decisions yet to be made.

START uses the same basic counting rules and methods as SALT II, but substitutes lower numbers, averaging to about six warheads per ballistic missile. Under the START ceilings, in 10 years, crisis stability will be worse than it is today, but better than if there is no arms control, and better than under the SALT II numbers.

The question is whether the START proposal will become a START treaty if we do not ratify SALT II, and whether additional stabilizing elements will be added that will make it worth a long wait.

If START leads to years of haggling over numbers while no arms control is in force, it will prove to be a very bad idea.

If, on the other hand, the administration changes its mind and quickly ratifies SALT II, then moves on to far-reaching prohibitions on destabilizing new technologies including depressed trajectories and accurate SLBM's, the START numbers would be a small but useful contribution.

As it fills out its presently incomplete proposal, I urge the administration to take the rational course, to focus on destabilizing qualitative improvements that should be banned, and to start with SALT.

LAW OF THE SEA CONFERENCE CONCLUDED

(Mr. BREAUX asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. **BREAUX**. Mr. Speaker, there has just been completed in New York the Law of the Sea Conference which has been going on for somewhat over a decade now, which includes debate among 150 nations of the world.

☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

The United States at the Conference said that the text did not meet the minimum objectives set out by President Reagan on January 29, of this year and, therefore, the United States voted "no" at the Conference.

It is worth noting, I think, that some 21 other nations also supported that position, including the Soviet bloc nations and many of our Western allies.

The administration will now undertake a review of the issues in the Law of the Sea text between now and the signing ceremony which is scheduled for sometime this summer in Venezuela.

The decision of the United States to vote against this text was correct and I think it is now incumbent upon the United States to use this review as an opportunity to formulate an ocean policy which so far we have never done.

In future 1-minute speeches I will attempt to try to outline the problems with the text and also suggest some alternatives that we should consider.

THE TAX CUT

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. **MICHEL**. Mr. Speaker, I see over the weekend that our good friend, the gentleman from Illinois (Mr. ROSTENKOWSKI), chairman of the Ways and Means Committee, has said that the next tax cut will be unaffordable. Of course, he is talking about the 10-percent reduction due individuals.

When the President initially proposed his straight-rate reduction of 30 percent across-the-board, over 3 years, he wanted to treat all American taxpayers the same, low income, middle income, high income. It was only in the last year's tax bill that the high-income people got taken care of in one fell swoop because of the Democratic-controlled Ways and Means Committee reducing their unearned taxable income from 70 to 50 percent.

Last year, that 5-percent tax reduction when annualized only resulted in the average worker getting 1¼-percent tax reduction in 1981 because it took effect on October 1. In 1982, with a 10-percent reduction that does not go into effect until July 1, that is only 5 percent. One and one-quarter percent for 1981, 5 percent for 1982. At most, the average worker at the end of 1982 gets only 11¼ percent tax reduction.

I think it is unfair to think in terms now of doing away with that third year of the tax cut because that is the only way that the President has programed a meaningful tax reduction for all Americans straight across the board.

TRIBUTE TO THE LATE CONGRESSMAN HERMAN SCHNEEBELI

(Mr. McCLORY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. **McCLORY**. Mr. Speaker, it is with a sense of shock and deep sadness that I have learned of the abrupt passing Thursday of our former colleague, Herman Schneebeli. Congressman Schneebeli represented the 17th District of Pennsylvania during the 16 years between 1960 and 1976, rising to become the ranking minority member of the House Ways and Means Committee, as well as a member of the Budget Committee.

Congressman Herm Schneebeli was far more than a colleague of mine. He was a fellow classmate at Dartmouth College where we were close friends during our undergraduate years there. Herm Schneebeli was one of the most popular and prominent members of the Dartmouth class of 1930, where he became manager of the football team and was a member of honor societies throughout his college career.

When I first came to the Congress 3 years after Herm Schneebeli arrived here, he and his devoted wife, Mary Lou, became our first friends and neighbors in this Capital City. As an American of Swiss descent, Herm Schneebeli and I developed a special attachment in view of the years which I have spent in Switzerland and where my daughter and her Swiss husband and my Swiss grandchildren reside.

Mr. Speaker, in addition to his personal attributes, which were many, his business success, which was outstanding, and his public career symbolized by his constructive and honorable service as a U.S. Representative for 16 years, Herm Schneebeli was, beyond all these attainments, a gentle and beloved individual who enjoyed the friendship and respect of his colleagues, his constituents, and all of those other countless individuals with whom and for whom he labored in these Halls.

Mr. Speaker, it is with a sense of great personal sadness that I recall at this hour the life and work of Herman Schneebeli and extend to his widow, Mary Lou, and to his children my affection, respect, and deep sympathy. My wife Doris, who was likewise a good and close friend of Herm and Mary Lou Schneebeli, joins me in these sentiments.

PRESIDENT REAGAN'S START PROPOSAL

(Mr. BROOMFIELD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. **BROOMFIELD**. Mr. Speaker, at Eureka College yesterday, President Reagan generally outlined America's initial proposal for strategic arms reduction talks (START). As he had promised, the proposal went far beyond a freeze on nuclear weapons, and advocated a one-third reduction in ballistic missile warheads. The proposal would create a balanced ceiling between the United States and the Soviet Union. It would focus upon reducing land-based systems that are most threatening, and it would incorporate the necessary verification criteria. During the second phase, the President proposes a reduction in ballistic missile throw weight.

I believe the President's proposal has considerable merit. Naturally, the Soviets will initially declare it unacceptable. This is their standard negotiating technique. But without doubt, the negotiating process has begun. It is now up to the Soviets to seriously consider the President's position or offer a counterproposal.

Now is the time for the country to line up squarely behind the President's efforts. He has made a far-reaching proposal to enhance peace and stability. The Soviets will be watching to see if he is dealing from strength or weakness. I hope my colleagues will join me in letting the Soviets know that President Reagan enjoys our support. Without such support, the Soviets will never make meaningful concessions.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The **SPEAKER** pro tempore (Mr. DE LA GARZA). Pursuant to the provisions of clause 5 of rule I, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

Such rollcall votes, if postponed, will be taken on Wednesday, May 12, 1982.

RESOLUTION RE UNITED NATIONS AND ISRAEL

Mr. **FASCELL**. Mr. Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 322) regarding membership in the United Nations General Assembly.

The Clerk read as follows:

H. CON. RES. 322

Whereas the United Nations was founded on the principle of universality; and

Whereas the charter stipulates that United Nations members may be suspended by the General Assembly only "upon the recommendation of the Security Council"; and

Whereas any move by the General Assembly that would illegally deny Israel its credentials in the Assembly would be a direct violation of these provisions of the charter: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That if Israel is illegally expelled, suspended, denied its credentials, or in any other manner denied its right to participate in the General Assembly of the United Nations or any specialized agency of the United Nations, it is the sense of Congress that the United States should—

(1) suspend its participation in the General Assembly or such United Nations agency; and

(2) withhold its assessed contribution to the United Nations or to the specialized agency involved until this illegal action is reversed.

SEC. 2. It is the sense of the Congress that the Secretary of State should communicate to the member states of the General Assembly of the United Nations what the Congress has herein resolved.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Florida (Mr. FASCELL) will be recognized for 20 minutes, and the gentleman from Illinois (Mr. DERWINSKI) will be recognized for 20 minutes.

The Chair recognizes the gentlemen from Florida (Mr. FASCELL).

Mr. FASCELL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of House Concurrent Resolution 322, which expresses the opposition of Congress to the expulsion of Israel from the United Nations. The resolution states the sense of the Congress that the United States should curtail its activities in the General Assembly or the specialized agencies if Israel is denied the rights within those bodies that are guaranteed to all states under the U.N. Charter. Specifically, if Israel is illegally expelled, suspended, or denied its credentials in the U.N., it is the sense of the Congress that the United States should: First, suspend its participation in the General Assembly or specialized agency; and second, withhold its assessed contribution to the U.N. or offending specialized agency until the illegal action is reversed.

Three subcommittees of the Foreign Affairs Committee (International) Operations, Human Rights and International Organizations, and Europe and the Middle East, met to consider House Concurrent Resolution 289. After 2 days of hearings, the subcommittees reported out the clean bill which is before us today. This resolution is similar to the resolution as introduced, with two amendments.

The subcommittees amended the resolution to include actions by any specialized agency of the U.N.—as well as the U.N. General Assembly—to suspend or expel Israel or deny its rights of membership. This amendment brought the House amendment into conformity with the Senate resolution (S. Con. Res. 68) which passed the Senate on April 14 of this year.

In addition, the subcommittees deleted any reference to "any other democratic state" in order to refer only to the possible illegal suspension, expulsion, or denial of credentials of Israel. This was done in order to avoid the problems that arise in defining "democratic state." In a resolution which recommends that such specific action be taken, the subcommittees felt that withdrawal or withholding of funds should not be based on vague precepts.

It was also felt that, in keeping with the concept of universality of participation in the U.N., the United States should be concerned with the illegal expulsion, suspension, or denial of credentials of any member state, regardless of its political philosophy. If we are concerned here about Israel, then let us name our concern and not couch it in broad language. Any move to expel Israel, without due process or for political reasons, should trigger a U.S. response indicating our loss of faith in the integrity of the U.N. and its members.

It is in this form that the committee felt the resolution would best relay the concerns of Congress to the U.N. membership regarding any unjust or irrational actions taken in the U.N. General Assembly or its specialized agencies. At the same time, we are reaffirming our commitment to the provisions of the U.N. Charter, the principle of universality, and the rule of law—not of political whim—in the United Nations. It is our hope that this resolution might serve as a deterrent to any such unjust acts.

Mr. BINGHAM. Mr. Speaker, will the gentleman yield?

Mr. FASCELL. I would be delighted to yield to the gentleman from New York.

Mr. BINGHAM. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I rise in strong support of House Concurrent Resolution 322. I was glad to have worked with our colleague, Mr. KEMP, in the drafting and original sponsorship of this important resolution.

House Concurrent Resolution 322 is offered not as a punitive measure. Nor does it arise out of any anti-United Nations sentiment. I have a long record of support for the international body and, in fact, served as an ambassador to the United Nations under Presidents Kennedy and Johnson.

Accordingly it is as a supporter of the ideals behind the United Nations that I join in putting forth the warning embodied in this resolution. If Israel is illegally expelled, suspended, denied its credentials, or in any other manner denied its right to participate in the General Assembly of the United Nations or any specialized agency of the United Nations, the United States should suspend its own participation in and withhold its assessed contribution to the General Assembly or the specialized agency involved until the illegal action is reversed.

Let me be quite clear. There is reason to suspect that the General Assembly may be pressed, this fall, to take action on a resolution expelling Israel from the Assembly. Such action would trigger the U.S. withdrawal envisaged in this resolution. Our withdrawal and the withholding of our assessed dues would also be triggered if the General Assembly or one of the specialized agencies resorted to subterfuge in an attempt to ban Israeli participation without a formal expulsion. This was attempted in 1974 when UNESCO, a specialized agency of the United Nations, did not expel Israel outright but, instead, refused to allow Israeli participation in any of UNES CO's regional groupings. That type of action is tantamount to a formal expulsion and the sponsors of this resolution intend that any such action would produce the American response spelled out in this resolution.

Mr. Speaker, it is a tragedy that this resolution is necessary. It is necessary because many members of the United Nations are obsessed with Israel. If an observer from another planet walked into a General Assembly session he might conclude that Israel is the most powerful, most troublesome, and most dangerous nation in the world.

Of course, it is not. Israel is, rather, a tiny country that has had to fight for survival four times in 34 years. It has lost over 10,000 soldiers in these struggles. Its children have been murdered at Ma'alot, at Kiryat Shemonah, at Nahariyah, on the Tel Aviv highway, and in dozens of other places, including hospitals and kindergartens. Israel is no threat to peace. But it is easier for the Third World majority that dominates the United Nations General Assembly to vilify and condemn Israel than to confront Libyan terrorism, Soviet imperialism, or the virtually ignored Syrian slaughter of 10,000 of its own people in Hama.

There is no reason why the United States, the leading contributor to the United Nations, must sit back and allow radical Arab States and the PLO to seek the expulsion of Israel. Such expulsion would be a disaster in the U.N. It would end any pretense of U.N. impartiality in the Mideast. It would formally ally the U.N. with the terrorist PLO and the extremist rejectionist front. Moreover it would be an assault on our own country. For it would demonstrate that any small ally of the United States could be dismissed as pariah or outlaw.

But, of course, Israel is unique. It is the only Jewish nation in the world. It is a state established as a refuge for the remnant of world Jewry that survived the Holocaust. Ironically, the U.N. was also established to insure that the horrors of World War II and

of the Holocaust would not be repeated. Two years after its establishment, it was the U.N. which served as midwife for the Jewish State when it endorsed the partition resolution of 1947.

Today, tragically, large segments of the United Nations are arrayed on the side of those who would see Israel destroyed, its people left dead or homeless. Today we announce that we simply will not permit that to happen. If Israel is expelled, or its participation in the United Nations vitiated in any way, the United States must suspend its own participation. In short, if Israel goes, we must go, too. And with us, the dream of a viable world organization.

However, I am confident that, if the United States makes its intentions clear, commonsense will prevail among a majority of the member states and any expulsion resolution will fail.

Mr. ZABLOCKI. Mr. Speaker, will the gentleman yield?

Mr. FASCELL. I yield to the chairman of the full Committee on Foreign Affairs.

Mr. ZABLOCKI. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I rise in support of House Concurrent Resolution 322, regarding Israel's membership in the U.N. General Assembly. At the outset, I would like to commend my colleagues on the committee whose subcommittees jointly considered the text of this resolution—the Honorable DANTE B. FASCELL, the principal sponsor, the Honorable LEE H. HAMILTON, and the Honorable DON BONKER.

House Concurrent Resolution 322 essentially puts the U.N. General Assembly on notice that if it takes any action to illegally expel, suspend, deny credentials to, or otherwise deny Israel's right to participate, the United States will not only suspend its membership in the United Nations or the offending U.N. agency, but it will also withhold its assessed contribution to the U.N. or such U.N. agency until the illegal action is rectified.

The U.S. position is stated very clearly here. We will brook no tampering with the U.N. Charter which provides that the only legal means for expelling a member is by agreement of the U.N. Security Council. Nor will we tolerate any effort that violates the principle of universality of the United Nations, and removes Israel from its rightful memership in the UN.

Mr. Speaker, I endorse House Concurrent Resolution 322 and urge its immediate passage.

Mr. FASCELL. Mr. Speaker, I am delighted to yield to the distinguished gentleman from New York (Mr. KEMP), who is the sponsor of the original resolution referred to the Committee on Foreign Affairs.

Mr. KEMP. Mr. Speaker, I appreciate the gentleman yielding and his gracious comments.

I rise in strong support of House Concurrent Resolution 322 and commend the chairman for his leadership on this.

I am delighted to have joined my colleague from New York (Mr. BINGHAM) and many others in this body in sending a very strong signal to the General Assembly of the United Nations.

On March 11, I introduced legislation providing that if the General Assembly of the United Nations should illegally act to suspend, expel, or in any other manner abridge the rights and privileges of membership of any democratic nation, the Government of the United States should suspend its participation in the General Assembly and withhold its assessed contribution to the United Nations, until such time as the illegal act is rectified. I believed that there was reason to fear that an effort might be underway to suspend Israel's participation in the General Assembly, or to expel Israel from that body, in plain contravention of the charter and the principles upon which the United Nations was founded.

Sadly, that fear recently has been confirmed anew.

With Soviet troops in Afghanistan, Polish Solidarity members in jail, chemical warfare in Southeast Asia, war between Iran and Iraq, Cuban forces in Angola, guerrilla insurgents in Central America, and confrontation in the Falkland Islands, the United Nations sat in emergency session last week to consider "the question of Palestine" and an Arab petition condemning the United States and challenging the right of Israel's membership in the U.N.

In her speech before the General Assembly on April 23, U.S. Permanent Representative to the United Nations Jeane Kirkpatrick charged:

> This Special Session and its accompanying draft resolutions are one more clear example of a strategy whose goals and tactics are clear: use a United Nations body to make "official demands" incompatible with Israel's security and survival, so as then to be able to complain that non-compliance with these impossible demands "proves" Israel an international lawbreaker—unworthy of membership in the international community of peace-loving states.

After long and ardent meetings, the special session did not take up the radical Arab petition, due in large measure to the forceful opposition by the United States. In particular, the resolve of the Congress as expressed in House Concurrent Resolution 289—which is now House Resolution 322—and the parallel measure sponsored by Senator MOYNIHAN that has already passed the Senate by unanimous vote proved to be an important deterrent to the extremists' success.

But the threat has not disappeared. The resolution that was finally passed at the special session reiterates earlier language found in the General Assembly's resolution on the Golan Heights, viz, that Israel is "not a peace-loving state"—language that may be a prolog to a full-scale onslaught on Israel's right of membership at the next regular session of the General Assembly.

The real threat is not to Israel, but to the integrity of the United Nations. If the General Assembly should attempt illegally to expel Israel, the United Nations would be casting aside what vestiges of respectability and honor it may still retain. As expressed by Ambassador Kirkpatrick in her speech before the Special Session:

> How much falsification can an institution stand without destroying itself entirely? This world body cannot endure as a moral and political force if its energies are devoted to increasing conflict and conducting vendettas against targeted countries. If the United Nations prefers to make political war rather than peace, it must suffer the consequences in terms of its credibility and reputation. And if, in violation of its own rules, it should decide to exclude the democratic state of Israel from participation, it will inevitably reap the whirlwind.

The purpose of this legislation is to make explicit what has long been U.S. policy: That we will never condone efforts by a tyrannical majority to infringe the just rights of a democratic member state, and that we will not allow U.S. taxpayer dollars to be spent in underwriting the destruction of the fundamental principles of the United Nations.

In October of 1980, President (then candidate) Reagan said:

> It is my own belief that should a hostile majority in the United Nations General Assembly vote to deny Israel its credentials—
>
> (1) We should reject such a vote as as violation of the United Nations Charter, which provides for suspension of rights of membership and expulsion *only* upon recommendation of the Security Council. And in the Security Council we should exercise our veto.
>
> (2) We should work vigorously with Israel and our friends to preserve the right of Israel to be present and vote in the General Assembly.
>
> (3) If unsuccessful in this effort, we should suspend our financial contribution to the United Nations and urge our friends to do the same, until the rights of Israel are fully respected. . . .
>
> If we are determined and make clear that we will protect our interests and our friends. I am confident the attempt to deprive Israel of its rights in the United Nations can be deterred.

I agree with President Reagan. I believe that the U.S. response to such a move by the General Assembly or any of the specialized agencies of the U.N. must be set forth clearly, in advance of any overt move against Israel, so that member nations fully understand the implications of their contemplated illegal act.

By voting for this legislation, Members of Congress will be reaffirming longstanding U.S. policy. Our passage of this measure will be an important deterrent to efforts to interfere with Israel's rights and privileges of membership in the U.N. and its specialized agencies. I wish to note parenthetically that it is the intent of the drafters of this resolution that it shall apply in the event of any substantial interference with Israel's privileges of membership in the General Assembly or in specialized agencies; the language "right to participate" as it appears in House Resolution 322 is used in a broad sense encompassing the rights and privileges of membership, and not by way of narrow limitation. And it will be a clear expression of our abiding belief in the principles of the Charter of the United Nations, and our support for the spirit of honor and integrity with which that institution was originally founded.

Most importantly, our willingness to defend Israel's rights is in truth a measure of our willingness to defend ourselves. For the principles of freedom and democracy, for which this country stands, are ultimately the object of the campaign against Israel. And in that confrontation, America's position must be unequivocal.

That is the true purpose of this resolution. I urge my colleagues' support.

Mr. FASCELL. Mr. Speaker, I thank the gentleman from New York for his comments and simply want to emphasize an additional point which the gentleman raised.

When we in the committee speak of the right of Israel to participate in the General Assembly of the United Nations or any of its specialized agencies, we are using that language in the broadest context possible. We are talking about any right, we are talking about any privilege. We do not expect there to be any misunderstanding about what we mean in this resolution. We do not think that anybody is going to get away with the right to nibble Israel to death by eliminating a single right or a single privilege or attacking it in a single agency. We are talking about the broadest scope and spectrum of the right to participate in the United Nations.

I thank the gentleman for raising that issue.

Mr. KEMP. Mr. Speaker, will the gentleman yield further?

Mr. FASCELL. Yes, I yield to the gentleman.

Mr. KEMP. In 1977, as I think the gentleman has pointed out, Israel was denied participation in a specialized agency of the U.N., the International Labor Organization. Congress quickly suspended all funding for that organization and within a relatively short period of time Israel's membership was renewed. The only way the U.N., either in the General Assembly or in the specialized agencies, as the gentleman has pointed out, is going to get the message is if we are very clear about our intentions, and let the member nations know that funding will be shut off if Israel is illegally victimized.

I appreciate so much the leadership of my friend.

Mr. FASCELL. I thank the gentleman for raising this issue. We have set a precedent with similar resolutions and actions that were taken, for example, with respect to UNESCO. We withheld our contribution for 2 years to show our opposition to actions taken in that organization.

Mr. AuCOIN. Mr. Speaker, will the gentleman yield?

Mr. FASCELL. I yield to the distinguished gentleman.

Mr. AuCOIN. Mr. Speaker, I appreciate the gentleman yielding. I want to compliment him and the bipartisan leadership which brings this resolution to the floor.

I would like to ask the manager of the bill a question about the U.S. contributions to the United Nations.

It is my understanding that the U.S. Government provides a far greater amount of money in support of the U.N. than what would normally be considered its average or normal share. Is that not correct?

□ 1230

Mr. FASCELL. Well, we have had that problem for a long time. We now provide 25 percent.

Mr. AuCOIN. Twenty-five percent.

Mr. FASCELL. Some of the specialized agencies receive a greater amount.

Mr. AuCOIN. The point I am making is the taxpayers of this country, in respect to and in the reflection of the values the United Nations have always stood for, which have been to bring the nations of the world together, despite their differences or their backgrounds, to discuss and try to resolve mutual problems, or to make the resolution of those problems easier, a reflection of that ideal—the taxpayers of this country have generously supported the United Nations Organization.

As a cosponsor, I want to lend my full support for the passage of this resolution. It is essential that the United States reaffirm its dedication to the nation of Israel and do everything possible to assure that Israel retain its rightful position in the United Nations General Assembly.

There is reason to believe a growing campaign is underway to illegally suspend, expel, or abridge the rights and privileges of Israel's membership in the United Nations. Should other member nations make such an attempt the United States must have ready a response.

By alerting the General Assembly that the United States intends to suspend participation in the General Assembly, as well as withhold contribution to the United Nations, we have such a response. This sends a clear message to member nations that we will not tolerate further moves to degrade Israel's position as a democratic, peace-loving, and peace-seeking nation. And we are saying that if the United Nations takes such action against Israel, America no longer considers the organization worthy of its name and, thus, refuses to support it.

As recently demonstrated in its orderly withdrawal from the Sinai Desert, Israel is willing to negotiate and relinquish cherished land to secure peace with her neighbors. She deserves our support; we must solidly refuse to accept any illegal acts that seek to discredit her membership in what is intended to be an assembly of integrity and respectability.

I urge my colleagues to vote in favor of this resolution.

I thank the gentleman for yielding.

Mr. FASCELL. I thank the gentleman for his remarks, and I agree with him.

The SPEAKER pro tempore. The gentleman has consumed 12 minutes.

Mr. FASCELL. Mr. Speaker, I reserve the balance of my time.

Mr. DERWINSKI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of this resolution. I think it is most timely.

Mr. Speaker, House Concurrent Resolution 322 concerns the possible suspension of Israel from the United Nations or the rejection in the U.N. of Israel's credentials.

There has been growing misuse of the U.N. in Middle East debate to ram through one-sided resolutions condemning Israel, and when accompanied by rhetoric which often is anything but diplomatic, a scene is created more reminiscent of a mob running loose than of thoughtful diplomats who are presumably to function in a manner expected at the world organization level.

The target of this pattern of extreme language in both resolution and debate is, of course, Israel. One could make the point, however, that the victim is not just Israel, the victim includes the U.N. itself, since its effectiveness is consistently diminished by permitting radical performances, rather than legitimate diplomacy to be the order of the day. These observations apply not only to the General Assembly sessions, but the pattern is there at the Security Council itself, at the specialized agencies of the world body, and, for that matter, almost any international meetings which the U.N. sanctions.

The United States must make it clear that whether it be at a meeting of a specialized agency, whether it be

at a special or regular meeting in New York City of the General Assembly or Security Council, that we will resist, using every legal means at our disposal, this blatant anti-Israel action. If the radical Arabs and their ill-motivated associates move to the extreme of attempting to deny Israel a place in one of the meetings of the specialized agencies or at a meeting of the U.N. itself, then we should serve notice in advance that the United States will take specific steps to counteract such a development. This could take the nature of denying our financial contribution or serving notice in advance that the United States would not participate in any ongoing U.N. function at which Israel were denied its rightful place.

This resolution had outstanding bipartisan support from Members of the House. I believe it is timely, practical, and a necessary expression of congressional interest in the subject. Hopefully, it will be understood at the U.N., and by that I mean understood by the member nations as well as by the Secretariat of the world body. It is ironic that Israel, one of the few democracies in the Mideast, is subject to this consistent verbal and technical abuse, presumably in the name of justice, and so forth, but its critics are, with rare exception, governments who go to great lengths to deny their citizens any meaningful input into a political process.

As a cosponsor, I urge strong support of the resolution and am pleased that it moved so expeditiously through the House Foreign Affairs Committee.

Mr. Speaker, I now yield 5 minutes to the gentleman from Michigan (Mr. BROOMFIELD).

Mr.BROOMFIELD. Mr. Speaker, I thank the gentleman from Illinois for yielding me this time.

Mr. Speaker, as a cosponsor of House Concurrent Resolution 322, I strongly support its adoption. This resolution would definitively declare to the United Nations that if it intentionally fails to adhere to its own charter by illegally expelling, suspending, or otherwise denying rights and privileges to Israel in the General Assembly, then the United States will suspend its participation in the General Assembly, and withhold its assessed contributions until the illegal action is rectified.

Established as the very essence of freedom and democracy, a place where international disputes could be peacefully resolved, the General Assembly has now degenerated into a forum for Third World demagoguery and hypocrisy. Rather than resolving international disputes, the General Assembly now exacerbates them by driving member states into opposing camps. Frequently this means ramming through ludicrous and totally unacceptable resolutions against Western democratic nations. There is no attempt made anymore to seek compromise, to find areas in which the parties in dispute can agree, and then build upon these areas to resolve their greater differences.

It is outrageous that these Third World and Communist nations, nations which deny any semblance of democracy at home, are so intent upon using majority rule in the General Assembly to ride roughshod over the Western democracies.

The General Assembly routinely attacks Israel. Yet is was silent while the Communist forces of Pol Pot killed 3 million Kampucheans and when Idi Amin murdered 250,000 Ugandans. Not one Third World spokesman in the General Assembly called for sanctions against Jordan when they ruled the West Bank and controlled the Palestinian population from 1948 to 1967, or when Jordan's military attacked and expelled thousands of Palestinians in 1970. The General Assembly is silent concerning the oppression, imprisonment of political prisoners, and complete denial of human rights that exist in the Soviet Union, Cuba, and other Communist-block nations. Similarly, the General Assembly has not condemned Syria for its recent internal massacre in Hamma, and has not called for sanctions against the Soviets and Vietnamese for using outlawed chemical weapons in Afghanistan, Laos, and Cambodia.

It is for these reasons that this resolution is so important. It states in no uncertain terms that there are genuine standards of behavior that must be adhered to in the world, and that the United States will not tolerate a double standard being applied to suit the majority of tyrants whose representatives occupy seats at the U.N.

As the leading country behind the creation of the United Nations, the United States had high expectations that the establishment of the U.N. would mark a new era of international understanding and progress for humanity.

No one denied that the tasks were large, but the potential rewards in the political and economic spheres were great. Today, the United States has not changed its goals. We have not lowered our sights. We still believe that the rewards are more than worth the effort. The question, however, is whether the General Assembly is worthy of the task. Whether the General Assembly is even attempting to fulfill the mandate set down decades ago is in doubt. The United Nations should clearly understand, the United States is wedded to the concepts upon which the United Nations was founded. It is not wedded to all bodies in the institution.

Mr. DERWINSKI. Mr. Speaker, I yield 5 minutes to the gentleman from Florida (Mr. SHAW).

Mr. SHAW. Mr. Speaker, I rise in support of House Concurrent Resolution 322 as a very proud and original cosponsor of this most important resolution.

We are seeing in the world today an insidious move to use the democratic processes of the United Nations and use of this democratic process by nondemocratic nations of this world against a democratic member of this very important organization and very important forum.

If these nations are successful in doing so, then this country must take away its backing of the United Nations as the taxpayers of this country will no longer support an organization which can, in itself, be used as a vehicle for blackmail.

The United Nations must remain open to all nations of the world, and I might add, particularly those democratic nations such as the State of Israel. To do otherwise would simply be to compromise the purposes of the United Nations to such an extent that it would be a detriment in solving the problems of peace throughout the world, rather than a vehicle that has been so important in maintaining peace throughout the world.

At the conclusion of debate today, Mr. Speaker, it is the intention of probably several people here to ask for a recorded vote on this resolution. I think this recorded vote is going to be necessary so that the full extent, the full voice of this body, as will be expressed by the vote, be made known to those that would use the United Nations as an instrument of blackmail.

Again, I stand in very strong support of House Concurrent Resolution 322.

Mr. DERWINSKI. Mr. Speaker, I reserve the balance of my time.

Mr. FASCELL. Mr. Speaker, to conclude the debate on this matter on this side, I yield such time as he may consume to the distinguished gentleman from California (Mr. LANTOS), who is one of the original sponsors of the resolution, which was referred to the Committee on Foreign Affairs.

Mr. LANTOS. Mr. Speaker, this is a significant bipartisan decision we are making this afternoon. We are serving notice on the totalitarian majority of the United Nations that we will not allow the application of a double standard of morality.

As my colleagues on both sides of the aisle have pointed out, the United Nations was silent time after time in the face of the most outrageous violations of human rights. But the United Nations has singled out one small democratic nation for discrimination and possible expulsion. I think it is a significant moment in the history of this body that both Republicans and

Democrats in both the Senate and the House stand up and are prepared to be counted for the principle of preserving a small democracy's right to exercise the privileges in the United Nations.

It is a fact, Mr. Speaker, that the bulk of the member nations of the U.N. today are nondemocratic nations. They are totalitarian nations in varying degrees who have been ganging up on a number of democratic states in a variety of instances.

It was our former Ambassador to the United Nations, Senator PAT MOYNIHAN, who pointed out some years ago that the United States itself was being persecuted and discriminated against in the United Nations by the totalitarian majority.

It is high time that those of us who are members of legislative bodies in the remaining democratic states of the United Nations, stand up and be prepared to speak with a single voice for the preservation of the rights of all democratic states to participate in the U.N., to make our influence felt, to have democratic and free societies set a tone for this international body.

Mr. DERWINSKI. Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota (Mr. FRENZEL).

Mr. FRENZEL. Mr. Speaker, I rise to associate myself with the remarks of our distinguished colleague from California. I was a cosponsor of the gentleman's resolution, which was very similar to the one which is before us now.

In my judgment, the one that is before us is even a stronger statement and a better one for this House to make, and for all the Members of this House to endorse. I congratulate the committee for bringing it to us, and I yield back the balance of my time.

● Mr. LEHMAN. Mr. Speaker, I would like to speak in support of this resolution. For too long, the podium of the United Nations General Assembly and U.N. specialized agencies has been employed by member nations to do little more than hurl invectives against Israel and the United States. These countries would rather expend their energies in attempts to expel Israel instead of addressing attention to the oppressed peoples of Afghanistan, Poland, Vietnam, and the religious minorities of Iran.

There is now reason to fear that an effort may be underway to suspend Israel's participation in plain contravention of the U.N. Charter and the principles upon which the United Nations was found. That such a possibility has presented itself is not surprising considering that no member-nation has been a more frequent victim of this shamful double standard than has Israel. From the infamous resolution equating Zionism with racism, to the frequent tirades of anti-Semitic rhetoric from Israel's neighbor to the east, Jordan, and the recent declaration that Israel is not a "peace-loving nation" the very week Israel returned the Sinai to Egypt, any respect I once had for the U.N. is merely a memory.

I am hopeful that this legislation, of which I am a cosponsor, will serve to make clear to member nations what the implications of any illegal action against Israel would be. And perhaps the threat of suspending U.S. participation in and withholding contributions to the United Nations would prevent such an action from taking place. As financier of 25 percent of the annual U.N. budget, the message of House Concurrent Resolution 322 will be heard. I urge my colleagues to vote for passage of this important legislation.●

● Mr. BONKER. Mr. Speaker, I rise in support of House Concurrent Resolution 332, which the Foreign Affairs Committee agreed to unanimously on May 4.

The resolution is a straightforward policy statement. It expresses the sense of the Congress that if the U.N. or a specialized agency illegally expels or suspends Israel, or in any other way denies Israel's right to participate that the United States should suspend its participation in and withhold the payment of its assessed dues to that organization.

The Subcommittee on Human Rights and International Organizations, which I chair, held 2 days of joint hearings, on April 22 and 27, on the original resolution (H. Con. Res. 289). The subcommittee agreed to two perfecting amendments, one offered by Mr. LANTOS and one offered by myself. My amendment, which has been incorporated into House Concurrent Resolution 322, clarifies the intent of the resolution to focus on Israel. The U.N. is not at this time considering any action against other democratic states, and reference to other democratic states would cloud the issue.

House Concurrent Resolution 322 supports longstanding U.S. policy to uphold the principle of universality of membership in the United Nations. This principle is set forth in article 4 of the U.N. Charter: "U.N. membership is open to all peace-loving states * * *." The resolution as now worded will avoid the creation of a double standard where the United States would defend the principle of universality only for a select group of countries.

Mr. Speaker, I wish to commend the distinguished chairman of the committee for facilitating expeditious consideration of House Concurrent Resolution 322. I would also like to commend my distinguished colleagues on the committee, Mr. FASCELL, Mr. ROSENTHAL, Mr. BINGHAM, and Mr. LANTOS, for their leadership on this resolution. I urge my colleagues in the House to adopt House Concurrent Resolution 322.●

● Mr. ROSENTHAL. Mr. Speaker, I rise in support of House Concurrent Resolution 322, regarding U.S. membership in the United Nations General Assembly. I am an original sponsor of this resolution because it demonstrates the gravity with which I view our participation in the U.N.

No one—participants, members of the press, observers here and abroad—should doubt the seriousness of this resolution and the sentiments which have resulted in the need for congressional action.

There is a growing crisis of confidence in the United Nations among democratic people and governments worldwide. I say this not to inflame. There has been more than enough of that already. I simply want to underscore the gravity of our purpose in considering this resolution. This is not merely a formality.

Two matters are brought up within the context of this debate—one general, one specific. First, we are here because it is time for America to reassess, fundamentally, its policy toward the United Nations. Too much has happened. Hypocrisies. Biased resolutions. Incendiary rhetoric. Anti-Semitism and racism. Technical, humane, educational U.N. projects turned political and punitive.

In February, I sent an open letter to the Secretary General to express my personal outrage about what I see happening at the U.N. The United Nations, as I wrote the Secretary-General 2 months ago, "is becoming a body of recrimination instead of an institution of reconciliation." My words were angry, but they were rooted in feelings not of anger but of frustration—and remorse—that we allowed this to happen.

Mr. Speaker, I speak as a longtime friend of the U.N., and as a former U.S. representative to the General Assembly. For 20 years in Congress, I have been defending the U.N. I know, first-hand, just how hard it is for one body to encompass so many grievances and so much hatred without cracking apart. But this simply can't excuse the increasing number of attempts to turn the United Nations into an instrument of vindictiveness.

One issue—one obsession—accounts for the overwhelming majority of these attempts. This is the second, more specific, reason for our being here today.

Time and again, in forum after forum, a group of member states has sought to punish the democratic nation of Israel. On February 5, 1982, the General Assembly—dominated by this group—took one step further, one step too far, by calling into question Israel's right to belong to the U.N. and laying the groundwork for its expulsion. With this resolution and its unprecedented threat of expulsion, a line was crossed. The United States must now draw one of its own. In House Concurrent Resolution 322, we are serving notice, putting parties on the alert. If the General Assembly expels Israel, they should expect a response from us—a response that may include no participation in the General Assembly by the United States or no financial contribution to the United Nations from the American Treasury.

It is our strong hope that by making this intent absolutely clear now, we will prevail upon moderate, thoughtful member states to oppose these provocative acts more forcefully.

But this work cannot proceed effectively as long as formal procedures and established agencies of the U.N. are used repeatedly to punish one state rather than to promote the well-being of all people.

For our part, the United States must respect diversity and democracy in the United Nations. But not demagoguery. So it is time for us to look at what the U.N. is becoming, to ask whether all is well, and if it is not, to resolve to do something about it. That is why we are here today. That is why so many in Congress support and have encouraged this effort. Our resolve should not be underestimated.●

● Mr. GILMAN. Mr. Speaker, I rise in support of House Concurrent Resolution 322, regarding membership in the United Nations General Assembly.

For the second time in less than 3 months the United Nations General Assembly has declared that Israel was "not a peace-loving member." This latest action demonstrates more clearly than ever the misuse and abuse of the U.N. by a coalition of Third World and Communist states as they seek to use their majority position in the General Assembly to promote hostility and divisions.

Having been created out of a desire to promote peace and resolve internal dispute, the U.N. has become more and more the platform for non-democratic states to exploit tensions, polarizing the world community. Outrageous demands are made on democratic states by those who suppress the slightest attempts at democracy in their own nations. Dictators and tyrants have succeeded in nearly destroying the principles of democratic change and majority rule.

This most recent attack alleging Israel to be non-peace loving comes only a few days after that nation's heroic efforts in abiding by its commitment to the Camp David accords by returning the last of its occupied territory in the Sinai.

Yet it was this same working majority in the General Assembly which remained silent when Pol Pot murdered 3 million of his fellow Cambodians and Idi Amin killed over 250,000 Ugandans. It is these same forces who routinely attack Israel and ignore the outrages of the Soviet Union.

It is for these reasons and the unbelievable but real possibility that the General Assembly may eventually be manipulated into an attempt to expel Israel that we must now draw the line. It is time that the Congress expresses its concern and state that unless the U.N. General Assembly adheres to the founding principles of that organization, the United States will no longer tolerate such an outrageous double standard.

As the primary moving force and founding member of the U.N., the United States will not idly stand by and watch the destruction of the U.N.'s mandate. It must be clearly understood that as the resolution before us states, if Israel is expelled, suspended, denied its credentials or in any other manner denied its rights and privileges in the General Assembly of the U.N., the United States will suspend its participation in the General Assembly and withhold its total financial contributions, both assessed and voluntary until such illegal action is reversed.

The United States stands by, as before, as a firm supporter of the U.N. and its original mandate to promote peaceful solutions to international problems. We urge other members to join us in returning to those principles. It must be understood, however, that we will not be a party to or stand by and watch as the U.N. is destroyed from within.

As a cosponsor of House Concurrent Resolution 322, I urge all of my colleagues to join in unanimous support of this important resolution.

● Mr. OTTINGER. Mr. Speaker, I rise in strong support of House Concurrent Resolution 322, a resolution expressing the sense of Congress that the United States should take retaliatory action if Israel is illegally denied participation in the General Assembly or any specialized agency of the United Nations. This resolution provides in such case, the United States should suspend U.S. participation and withhold contributions to the United Nations or such agency. I fully support this resolution as an original cosponsor.

In April, I wrote to Secretary General Javier Perez de Cuellar, to express my deep concern about the U.N.'s attempts to isolate Israel. I noted that these efforts "contradict the very principles upon which the U.N. was founded, violate the U.N. Charter, and inject discord and instability into international relations."

The recent history of one-sided harassment of Israel in the United Nations discredits that institution and undermines its international usefulness. From the infamous resolution equating Zionism with racism, the U.N. record on Israel has been one of discord and hostility:

In recent years, anti-Semitic invective has widely permeated U.N. debate. As the Israeli delegate to the U.N., Yehuda Z. Blum, said in December 1980, "Representatives in this organization enjoy an immunity to spread anti-Semitic invective in a way that would not be tolerated in any decent society." The fact is that the U.N. has become more a forum for anti-Semitism than a center for developing friendly relations between nations based on respect for equal rights.

In January 1981, the U.N. Postal Administration issued a set of commemorative stamps on the theme of the "inalienable rights of the Palestinian people" in accordance with a General Assembly resolution. This was a blatant propaganda effort designed to legitimize terrorism, attack the State of Israel, and inject further discord into a highly sensitive issue. This action is a clear example of how some U.N. members have allowed the PLO to successfully politicize almost every function of the U.N., including the General Assembly, UNESCO, the U.N. Mid-Decade Conference for Women, and even the U.N. Postal Administration.

The U.N. record in the Middle East has been based on a double-standard unprecedented in its history. For example, the U.N. Security Council was recently convened in a special session to condemn the entire Israeli nation when a single deranged individual ascended the Temple Mount and killed and injured several innocent people, despite the fact that this individual was immediately arrested and will be brought to trial. Among the most virulent in organizing this session to condemn Israel was Syria, which has slaughtered thousands of Christians in southern Lebanon, and only weeks before the incident at Temple Mount, destroyed dozens of mosques and massacred thousands of civilians in Hama, with no such condemnation from the United Nations.

On February 5, 1982, the General Assembly passed a resolution pronouncing that "Israel is not a peace-loving member state" and that "it has not yet carried out its obligations under the Charter." This resolution seems to be the prelude to an all-out attempt to suspend Israel's participation in the General Assembly, or to expel Israel altogether, in clear violation of the Charter. The resolution's pronouncement that Israel is not a peace loving state flies in the face of Israel's courageous withdrawal from the Sinai Peninsula in fulfillment of its commitment to peace with Egypt, despite the U.N.'s attempts to undermine that peace. Indeed, the failure of the U.N. to endorse the Egyptian-Israel peace process made a mockery of the U.N.'s peace promoting character.

Mr. Speaker, these terrible developments reflect a growing anti-Israel bias that the U.N. should seek to end, rather than foster. By tolerating anti-Semitic speeches, the U.N. is fueling the fires of racism. By seeking to expel one of its few democratic member states, the General Assembly is violating its own Charter. By fostering hostility and instability in the Middle East, the U.N. is deviating from its fundamental purpose as an instrument of peace and cooperation, and is sowing the seeds of its own destruction.

In the past, I have been strongly supportive of the U.N., and continue to believe that the institution can be vital to international peace and stability. The U.N. could be particularly effective in providing humanitarian relief for many people throughout the world, and in achieving international cooperation in solving economic, social, cultural, and humanitarian problems. These important functions, however, are seriously impaired by the U.N.'s inflammatory attacks on Israel. If the U.N. continues to subvert its own principles and does expel or suspend Israel, it simply would not be worthy of continued U.S. support. That is why I have cosponsored House Concurrent Resolution 322, and I hope my colleagues will join me in voting for passage of this important resolution.

As I wrote to Secretary General Perez de Cuellar in April:

> It is my fervent hope that Congress will not have to act to withdraw U.S. support of the United Nations, and that the moderate and independent members of the U.N. will be effective in reversing the international organization's decline. As a friend and supporter of the U.N., I urge you not to underestimate the critical erosion of American support for the world organization because of its one-sided attacks on Israel. I hope you will take the steps necessary to restore the U.N. to its proper role as an international center for harmonizing the actions of all nations.

Mr. Speaker, I am including in today's Record the full text of my letter to the Secretary General, as well as the text of House Concurrent Resolution 322:

House of Representatives,
Washington, D.C., April 2, 1982.

Hon. Javier Perez de Cuellar,
United Nations,
New York, N.Y.

Dear Mr. Secretary General: I would like to congratulate you upon assuming the duties of Secretary General of the United Nations. I wish you the best of luck in meeting the great challenges that face the United Nations organization and the world.

I am writing to let you know that my country's historical support of the United Nations is being greatly jeopardized by various U.N. attempts to isolate Israel, one of the U.N.'s most democratic members. These actions contradict the very principles upon which the United Nations was founded, violate the U.N. Charter, and inject discord and instability into international relations.

I am particularly concerned about the anti-Semitic invective which seems to have permeated U.N. debate, and which reflects a repugnant tide of hatred which is sweeping through the United Nations. The United States simply cannot tolerate this.

The General Assembly Resolution of February 5, 1982, is a particularly vicious attack on Israel's credentials and seems to be another step in the path toward efforts to expel Israel from the United Nations altogether. The resolution, which goes further than the Security Council ever has in expressing sentiment, and indeed circumvented the ordinary procedures of the Security Council, not only undermines the members of the Security Council, but also the preamble of the U.N. Charter, which requires that members of the U.N. "practice tolerance and live together in peace with one another as good neighbors . . ."

This resolution, in concert with past efforts to equate Zionism with racism and to use every possible opportunity to hypocritically criticize Israel while ignoring attacks against her and her people, has clearly threatened continued U.S. support for the United Nations.

You may be aware of various proposals circulating in the Congress of the United States which would result in a severe diminution of U.S. support and participation in U.N. activities. House Joint Resolution 403, for example, expresses that any attempt by the U.N. to prevent a democratic state from exercising its rights under the Charter will have the most serious and harmful consequences for further Congressional support for the U.N. House Concurrent Resolution 289 would suspend U.S. participation in the General Assembly and withhold the U.S. assessed contribution to the U.N. should Israel, or any democratic state, be expelled.

In the past, I have been strongly supportive of the United Nations, and continue to believe that the institution can be vital to international peace, stability and cooperation. These important functions, however are being seriously impaired by actions to isolate or expel Israel. Indeed, if the U.N. does subvert its own principles and expels one of its democratic members, the U.N. would simply not be worthy of continued U.S. support. That is why I have cosponsored the two measures mentioned above.

It is my fervent hope that Congress will not have to act to withdraw U.S. support of the United Nations, and that the moderate and independent members of the U.N. will be effective in reversing the international organization's decline. As a friend and supporter of the U.N., I urge you not to underestimate the critical erosion of American support for the world organization because of its one-sided attacks on Israel. I hope you will take the steps necessary to restore the U.N. to its proper role as an international center for harmonizing the actions of all nations.

Sincerely,
Richard L. Ottinger,
Member of Congress.

H. Con. Res. 322

Whereas the United Nations was founded on the principle of universality; and

Whereas the charter stipulates that United Nations members may be suspended by the General Assembly only "upon the recommendation of the Security Council"; and

Whereas any move by the General Assembly that would illegally deny Israel its credentials in the Assembly would be a direct violation of these provisions of the charter: Now, therfore, be it

Resolved by the House of Representatives (the Senate concurring), That if Israel is illegally expelled, suspended, denied its credentials, or in any other manner denied its right to participate in the General Assembly of the United Nations or any specialized agency of the United Nations, it is the sense of Congress that the United States should- -

(1) suspend its participation in the General Assembly or such United Nations agency; and

(2) withhold its assessed contribution to the United Nations or to the specialized agency involved until this illegal action is reversed.

Sec. 2. It is the sense of the Congress that the Secretary of State should communicate to the member states of the General Assembly of the United Nations what the Congress has herein resolved.●

● **Mr. GOLDWATER.** Mr. Speaker, I rise in firm support of House Concurrent Resolution 322, a bill which issues a strong warning to other member nations of the United Nations that we intend to stick by our commitment to our ally, Israel. Specifically, if other U.N. members illegally expel Israel, this bill expresses the sense of Congress that the United States should first, suspend its participation in the General Assembly and other specialized agencies and second, withhold our contribution to the U.N. budget until that expulsion is reversed. I am pleased to be an original cosponsor of this legislation.

Of course, I have long thought that the United States should reduce or eliminate our contribution to the United Nations. That organization has, for the most part, evolved into little more than a glorified debating society and propaganda tool for left-wing dictatorships and other repressive societies. We also carry an inordinate amount of the cost of the U.N. It is hard, particularly in light of the economic hardships at home, to justify enormous expenditures for an organization which has failed so signally in its primary mission—to keep the peace.

Let me address, however, the specific measure we have before us today. I think that it is a tragedy that this resolution is necessary, and a real statement of the need to reexamine our role in the United Nations.

It is amazing to me that Israel should be the target of vilification among Third World nations when really it should be held up as a model of achievement against almost insuperable odds—economic, climatic, and social. Reversely, why do we not hear more about Soviet adventurism, the PLO's export of international terrorism, chemical warfare in Southeast Asia, the war between Iran and Iraq, guerrilla activities in Central America, and Argentina's aggression vis-a-vis

the Falklands? It does not make rational sense to civilized Western minds.

Israel is the only sure ally we have in the Middle East, an area acknowledged to be the most strategic location in the world today. Israel also shares our democratic convictions, and is the only truly free, pluralistic society in that area. These reasons alone should suffice to insure our support. However, the necessity of our firmly supporting Israel against an expulsion resolution in the General Assembly is a larger issue than simply loyalty to a close ally and philosophical friend.

We have to be absolutely clear on a few points. First, we will never permit a tyrannical majority to infringe upon the just rights of a democratic member state, and we will not permit U.S. taxpayer dollars to be spent in underwriting the destruction of the fundamental principles of the United Nations. Our willingness to defend Israel's rights is the measure of our willingness to defend ourselves. For the principles of freedom and democracy, for which our country stands, are ultimately the object of the campaign against Israel. In this confrontation, we must be unequivocal.

For all these reasons, I urge speedy passage of House Concurrent Resolution 322. Thank you.●

● **Mr. ROBERTS of South Dakota.** Mr. Speaker, as a cosponsor of House Concurrent Resolution 322, I rise in support of this important piece of legislation concerning the United States role in the United Nations.

It is time that this Congress and this Nation make it clear that our participation in the United Nations depends on the preservation of universality for all nations. Many countries in the General Assembly of the United Nations are seeking the explusion of the democratic State of Israel, in violation of the Charter of the United Nations, and against the general purpose of the United Nations to allow a forum for all nations to discuss and work out the issues of the world. While the U.N. system has failed at times in the past, actions that expell countries further negate the attempts of the United Nations.

House Concurrent Resolution 322 instructs the Secretary of State to communicate to the United Nations members that the United States will suspend its participation in the U.N. should Israel be denied its legal rights. I strongly support this resolution and I urge my fellow Members here to agree to this important statement.

Thank you.●

Mr. DERWINSKI. Mr. Speaker, I have no further requests for time.

Mr. FASCELL. Mr. Speaker, I have no further requests for time.

The **SPEAKER** pro tempore. The question is on the motion offered by the gentleman from Florida (Mr. Fascell) that the House suspend the rules and agree to the concurrent resolution, House Concurrent Resolution 322.

The question was taken.

Mr. FRENZEL. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The **SPEAKER** pro tempore. Pursuant to the provisions of clause 5, rule I, and the Chair's prior announcement, further proceedings on this motion will be postponed.

INTEREST RATE ADJUSTMENT FOR TREASURY-HELD SMITHSONIAN TRUST FUND

Mr. HAWKINS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 6132) to amend section 5590 of the Revised Statutes to provide for adjusting the rate of interest paid on funds of the Smithsonian Institution deposited with the treasury of the United States as a permanent loan, as amended.

The Clerk read as follows:

H.R. 6132

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 5590 of the Revised Statutes (20 U.S.C. 54) be amended to read as follows:

"Sec. 5590. So much of the property of James Smithson as has been received in money, and paid into the Treasury of the United States, being the sum of $541,379.63, shall be lent to the United States Treasury and invested in public debt securities with maturities requested by the Smithsonian Institution bearing interest at rates determined by the Secretary of the Treasury, based upon current market yields on the outstanding marketable obligations of the United States of comparable maturities, and this interest is hereby appropriated for the perpetual maintenance and support of the Smithsonian Institution; and all expenditures and appropriations to be made, from time to time, to the purposes of the Institution shall be exclusively from the accruing interest, and not from the principal of the fund. All the moneys and stocks which have been, or may hereafter be, received into the Treasury of the United States, on account of the fund bequeathed by James Smithson, are hereby pledged to refund to the Treasury of the United States the sums hereby appropriated.".

Sec. 2. The amendment made by the first section shall apply with respect to fiscal years beginning after September 30, 1982.

The **SPEAKER** pro tempore. Is a second demanded?

Mr. FRENZEL. I demand a second, Mr. Speaker.

The **SPEAKER** pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The **SPEAKER** pro tempore. The gentleman from California (Mr. Hawkins) will be recognized for 20 minutes, and the gentleman from Minnesota (Mr. Frenzel) will be recognized for 20 minutes.

The Chair recognizes the gentleman from California (Mr. Hawkins).

Mr. HAWKINS. Mr. Speaker, I yield myself such time as I may consume.

H.R. 6132 amends section 5590 of the Revised Statutes of the United States to provide for adjusting the statutory rate of interest paid on certain Smithsonian funds deposited in the U.S. Treasury as a permanent loan. Included in the resolution is a technical amendment adding a new section to the bill to comply with the Congressional Budget Act, which makes the effective date of the bill the next fiscal year.

The act of August 10, 1846, which established the Smithsonian Institution, provided for the payment of interest at a rate of 6 percent per annum on the funds deriving from the bequest of James Smithson that are on permanent loan to the Treasury. These funds total $1 million and the income is dedicated to the perpetual maintenance and support of the institution.

One hundred and thirty-six years later, inflation and high interest rates have created circumstances in which the statutory rate is substantially below current market rates. This legislation is required to adjust the rate paid on the Smithsonian's permanent loan at the Treasury.

Let me point out that H.R. 6132 modifies only the rate of interest specified in section 5590 of the Revised Statutes and does not alter any other aspect of that section.

The language in the bill incorporates the standard "yield-on-comparable-maturities" approach which is currently used by the Treasury for most Federal agency borrowing, lending, and investment activities. H.R. 6132 will provide appropriate investment flexibility and an equitable increase in the rate of return earned on historic Smithsonian funds.

The bill has the approval of the Department of the Treasury and the Office of Management and Budget. The basic legislation was reported by unanimous voice vote in the Committee on House Administration.

I urge passage of H.R. 6132 as amended.

□ 1245

Mr. FRENZEL. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, I concur in the description of the bill as given by the distinguished committee chairman, the gentleman from California. It will result in the Smithsonian Institution receiving about $20,000 more a year as a result of the Smithson bequest of the 1840's.

It is consistent with modern day standards; with the precedents of the other accounts held by the Treasury for other purposes, and is approved by the administration. The committee was unanimous in voting this bill out.

I have one other comment, Mr. Speaker. On page 3 of the committee report, under the heading, "Budget Authority," there is a statement that none was needed. As a matter of fact, we do need a statement under the budget authority, and that is the reason for the amendment which the distinguished gentleman from California earlier described. We have handled that by making this bill effective after September 30 of this year.

● Mr. BOLAND. Mr. Speaker, as my colleagues know, H.R. 6132 will adjust the interest rate paid on funds of the Smithsonian Institution which have been premenantly loaned to the Treasury of the United States. It is legislation that brings a logical and equitable solution to a problem which the passage of time and changes in the economy have produced.

When the Smithsonian Institution was established by an act of Congress in 1846, a rate of interest was determined for the $1 million that had been bequeathed by James Smithson as a permanent loan to the Treasury. The interest rate was set at 6 percent per annum and the interest income was dedicated to the maintenance and support of the Institution. In spite of fluctuations in the economy, this 6-percent interest rate has remained unchanged for 136 years.

As we all know, 6 percent is quite a bit below the rate currently paid by the Treasury on comparable marketable borrowings. The combined effects of inflation and high interest rates have decreased the ability of this statutory interest rate to produce a fair return on the Smithsonian's loan. An adjustment in the rate is, in my opinion, justified and H.R. 6132, by bringing the interest rate more nearly in line with the current average yield of the outstanding marketable securities of the U.S. Government, will provide that necessary adjustment.

Mr. Speaker, changing the statutory rate of interest will benefit the Smithsonian by increasing its endowment income by as much as $80,000 annually. H.R. 6132 cannot be characterized, however, as special interest legislation. In past Congresses, we have provided interest rate adjustments to funds of both the Library of Congress and the National Gallery of Art which have been loaned to the Treasury. It is time that we made the same adjustment for the Smithsonian. I am pleased to be a sponsor of H.R. 6132 and I urge its adoption by the House.●

Mr. FRENZEL. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. HAWKINS. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. Hawkins) that the House suspend the rules and pass the bill, H.R. 6132, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

FEDERAL ELECTION COMMISSION AUTHORIZATIONS, 1983

Mr. SWIFT. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 6256) to authorize appropriations for the Federal Election Commission for fiscal year 1983, as amended.

The Clerk read as follows:

H.R. 6256

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the second sentence of section 314 of the Federal Election Campaign Act of 1971 (2 U.S.C. 439c) is amended by striking out "and" after "1978" and by inserting after "1981" the following: ", and $9,787,408 for the fiscal year ending September 30, 1983".

The SPEAKER pro tempore. Is a second demanded?

Mr. THOMAS. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Washington (Mr. Swift) will be recognized for 20 minutes, and the gentleman from California (Mr. Thomas) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Washington (Mr. Swift).

Mr. SWIFT. Mr. Speaker, I yield myself as much time as I may consume.

Mr. Speaker, H.R. 6256 provides for an authorization of $9,787,408 for the Federal Election Commission for fiscal year 1983. The bill was unanimously reported by the Committee on House Administration and represents a $92,592 reduction from the figure proposed by the Federal Election Commission and by the Office of Management and Budget in the President's fiscal year 1983 budget.

The committee is aware that at this level of funding, the Commission will be compelled to operate under tight budget constraints. However, in these times of fiscal austerity, that is a situation we all must live with. The committee desires and expects the Commission to reassess and reevaluate some of its priorities and programs with an eye toward better use of available resources. Regardless of the financial restrictions, the committee believes that the $9.787 million funding level is adequate for the Commission to perform its statutorily mandated duties.

Mr. THOMAS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in favor of H.R. 6256, as amended, the Federal Election Commission authorization for fiscal year 1983.

The Commission started this budget cycle with a request to the Office of Management and Budget for $10,545,642. After negotiations with Commission officials, the amount agreed upon was $9,880,000. The Commission reluctantly joined with the administration in seeking this lower amount from our committee.

The House Administration Committee has reduced this request even more, to $9,787,408, which is the figure we have before us today.

For fiscal year 1982, the Commission received $8,990,000 in the continuing resolution. Although the House passed both the authorization and appropriation bills last year, the other body was unable to act on either bill. Currently, the Appropriations Committee has under consideration the Commission's request for a salary supplemental in the amount of $183,900.

If the Commission were to receive the additional amount, the committee's authorization level would represent an increase of 7 percent over fiscal year 1982 appropriation. If they do not receive the supplemental, the authorization would be a 9-percent increase.

At this budget level, the Commission will be able to replace some wornout equipment, perhaps rehire a few additional auditors to replace those who were RIF'd but—in general—this level will not present an opportunity for new programs.

Mr. Speaker, I know of no objections to this authorization bill and would urge its adoption.

Mr. Speaker, I yield back the balance of my time.

Mr. SWIFT. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Washington (Mr. Swift) that the House suspend the rules and pass the bill, H.R. 6256, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. SWIFT. Mr. Speaker, I ask unanimous consent that all Members be allowed 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

PIRACY AND COUNTERFEITING AMENDMENTS ACT OF 1982

Mr. FRANK. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3530) to amend the copyright laws to strengthen the laws against record, tape, and film piracy and counterfeiting, and for other purposes, as amended.

The Clerk read as follows:

H.R. 3530

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Piracy and Counterfeiting Amendments Act of 1982".

Sec. 2. Section 506(a) of title 17, United States Code, is amended to read as follows:

"(a) Criminal infringement

"Any person who infringes a copyright willfully and for purposes of commercial advantage or private financial gain shall be punished as provided in section 2319 of title 18.".

Sec. 3. Section 2318 of title 18, United States Code, is amended—

(1) by respectively redesignating subsections (b) and (c) as subsections (d) and (e); and

(2) by striking out the section heading and subsection (a) and inserting in lieu thereof the following:

"§ 2318. Trafficking in counterfeit labels for phonorecords, and copies of motion pictures or other audiovisual works

"(a) Whoever, in any of the circumstances described in subsection (c) of this section, knowingly traffics in a counterfeit label affixed or designed to be affixed to a phonorecord, or to a copy of a motion picture or other audiovisual work, shall be fined not more than $250,000 or imprisoned for not more than five years, or both

"(b) As used in this section—

"(1) the term 'counterfeit label' means an identifying label or container that appears to be genuine, but is not;

"(2) the term 'traffic' means to transport, transfer or otherwise dispose of, to another, as consideration for anything of value or to make or obtain control of with intent to so transport, transfer or dispose of; and

"(3) the terms 'copy', 'phonorecord', 'motion picture', and 'audiovisual work' have, respectively, the meanings given those terms in section 101 (relating to definitions) of title 17.

"(c) The circumstances referred to in subsection (a) of this section are—

"(1) the offense is committed within the special maritime and territorial jurisdiction of the United States or within the special aircraft jurisdiction of the United States (as defined in section 101 of the Federal Aviation Act of 1958);

"(2) the mail or a facility of interstate or foreign commerce is used or intended to be used in the commission of the offense; or

"(3) the counterfeit label is affixed to or encloses, or is designed to be affixed to or enclose, a copyrighted motion picture or other audiovisual work, or a phonorecord of a copyrighted sound recording.".

Sec. 4. Title 18, United States Code, is amended by inserting after section 2318 the following new section:

"§ 2319. Criminal infringement of a copyright

"(a) Whoever violates section 506(a) (relating to criminal offenses) of title 17 shall be punished as provided in subsection (b) of this section and such penalties shall be in addition to any other provisions of title 17 or any other law.

"(b) Any person who commits an offense under subsection (a) of this section—

"(1) shall be fined not more than $250,000 or imprisoned for not more than five years, or both, if the offense—

"(A) involves the reproduction or distribution, during any one-hundred-and-eighty-day period, of at least one thousand phonorecords or copies infringing the copyright in one or more sound recordings;

"(B) involves the reproduction or distribution, during any one-hundred-and-eighty-day period, of at least sixty-five copies infringing the copyright in one or more motion pictures or other audiovisual works; or

"(C) is a second or subsequent offense under either of subsections (b)(1) or (b)(2) of this section, where a prior offense involved a sound recording, or a motion picture or other audiovisual work;

"(2) shall be fined not more than $250,000 or imprisoned for not more than two years, or both, if the offense—

"(A) involves the reproduction or distribution, during any one-hundred-and-eighty-day period, of more than one hundred but less than one thousand phonorecords or copies infringing the copyright in one or more sound recordings; or

"(B) involves the reproduction or distribution, during any one-hundred-and-eighty-day period, of more than seven but less than sixty-five copies infringing the copyright in one or more motion pictures or other audiovisual works; and

"(3) shall be fined not more than $25,000 or imprisoned for not more than one year, or both, in any other case.

"(c) as used in this section—

"(1) The terms 'sound recording', 'motion picture', 'audiovisual work', 'phonorecord', and 'copies' have, respectively, the meanings set forth in section 101 (relating to definitions) of title 17; and

"(2) The terms 'reproduction' and 'distribution' refer to the exclusive rights of a copyright owner under clauses (1) and (3) respectively of section 106 (relating to exclusive rights in copyrighted works), as limited by sections 107 through 118 of title 17.".

"Sec. 5. The table of sections for chapter 113 of title 18 of the United States Code is amended by striking out the item relating to section 2318 and inserting in lieu thereof the following:

"2318. Trafficking in counterfeit labels for phonorecords and copies of motion pictures or other audiovisual works.

"2319. Criminal infringement of a copyright.".

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Massachusetts (Mr. Frank) will be recognized for 20 minutes, and the gentleman from Michigan (Mr. Sawyer) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Massachusetts (Mr. Frank).

Mr. FRANK. Mr. Speaker, I yield myself as much time as I may require.

Mr. Speaker, this is legislation which does not change in any great way the substantive law regarding piracy and counterfeiting of tapes and movies. This deals with the piracy and counterfeiting of records, movies, and tapes.

It substantially increases the penalties. We have a situation where penalties in existence for this crime simply are not a sufficient deterrent. There has been, according to testimony well documented in hearings before the committee from the record industry, the motion picture industry and others, a substantial increase in the amount of both piracy and counterfeiting: counterfeiting being a situation in which the consumer is duped into believing the product purchased is genuine because of counterfeited packaging, and piracy is simply infringement for commercial gain of the copyrighted work, but without any compensation to those who are entitled to the compensation.

We have found that organized crime has begun to move into this area, in part because the criminal penalty simply is not sufficient.

This bill greatly increases the penalties. It makes some technical changes agreed on by the Justice Department, and the Copyright Office, to more clearly define "trafficking" so that we can enhance the likelihood of convictions where convictions ought to occur. It is basically an increase in penalties where an increasing area of organized crime has gotten into.

On one point that some Members have asked about, nothing in this bill before us today affects at all the controversy over home taping. The question of home taping raised by the Ninth Circuit Court decision is not affected. This bill is limited to commercial use and in no way affects either pro or con the right of an individual to tape at home. So what it says is, where we have an area where current penalties are not sufficient, and tightens up the definitions of pirating and counterfeiting, and puts tools in the hands of U.S. attorneys so that they can begin to make a serious dent in what has become an increasing crime and threatens the livelihood and the rights of many in the movie and tape industry.

Mr. SAWYER. Mr. Speaker, I rise in support of this bill. It was unanimously adopted by the Subcommittee on Crimes, and as a matter of fact, is identical to a provision in the Criminal Code, in which we had engaged in extensive hearings in the Criminal Code that has not yet been reported out, but did pass both the House and the Senate last year.

I may also say that this bill has passed the Senate. It concentrates merely on making the penalty fit the crime.

According to the FBI, this is now the third most troublesome of all the white collar crimes, broken down into 44 different categories, this is No. 3. It is estimated to now involve a billion dollars a year in illegal trafficking, in illegal duplications, both sound recordings, video recordings, and movies.

This carefully segregates the little offender, if we can call it that, with a minor number of copies, for one set of penalties, but upgrades for the big producers. In other words, anyone who within 180 days, or 6 months, produces a thousand recordings or 65 film reproductions would be liable to the maximum penalty, which is $250,000 or 5 years in prison.

One of the problems right now is that it is only a misdemeanor, and it is just a minor little cost of doing business if they get caught. Also, Federal prosecutors notoriously do not like to prosecute misdemeanors, or do not give them attention that they deserve. This upgrades it to a 5-year felony and makes the fine signiificiant with respect to the big offender and makes it a deterrent, which we do not have presently in the law.

So, I urge support of the bill. There is no known opposition. It is supported by the recording industry, by the Department of Justice, by the administration, by the film industry.

Mr. RAILSBACK. Mr. Speaker, will the gentleman yield?

Mr. SAWYER. I yield to the gentleman from Illinois.

Mr. RAILSBACK. Mr. Speaker, I rise in support of H.R. 3530. To many Members the changes made by this bill may seem minor, and they are, but to the industries involved, this legislation will go a long way toward correcting a serious problem; namely, the piracy and counterfeiting of films and sound recordings.

In recent years the counterfeiting and piracy of copyrighted records and films has become a major white-collar crime. Estimates call the piracy and counterfeiting of recordings and films a billion-dollar-a-year industry. In August 1980, the Attorney General published the results of a survey of FBI field offices throughout the Nation which ranked the problem areas in all forms of white-collar crime, including corruption, financial crimes, and various frauds. Of the 44 crime areas listed in the survey, the FBI ranked copyright violations—that is, film and record piracy and counterfeiting—as the third most troublesome.

At the present time, however, the penalties under current law are too lenient to provide an effective deterrent, especially when compared to the profits possible through their exploitation. In addition, the fact that under current law a first offense is a misdemeanor, U.S. attorneys frequently decline to prosecute at all; and even when cases are prosecuted and the criminal is convicted, judges often give the offenders suspended sentences because they consider the crime to be "a mere misdemeanor."

H.R. 3530 would make counterfeiting and piracy a felony for a first offense and would codify these crimes into title 18 of the United States Code. The penalties in H.R. 3530 are graded according to the quantity of illegal films, records or tapes involved as well as the timeframe during which the copies of a copyrighted work are reproduced and distributed. The $250,000 and 5-year penalties are maximum sentences for major offenders

It is important to note that the provisions embodied in H.R. 3530 are substantially the same as those provisions that were contained in the Criminal Code revision bill last Congress when it was reported favorably by this committee. H.R. 3530 is actively supported by the U.S. Department of Justice, the Motion Picture Association of America, Inc., and the Recording Industry Association of America, Inc. Moreover, it is without organizational opposition. Accordingly, I urge its adoption.

Mr. McCLORY. Mr. Speaker, will the gentleman yield?

Mr. SAWYER. I yield to the gentleman from Illinois.

Mr. McCLORY. Mr. Speaker, I rise in support of H.R. 3530. The bill addresses a serious problem of ever increasing magnitude; namely, the pirating and counterfeiting of copyrighted records, tapes, and films. The pirating and counterfeiting of these copyrighted works is responsible for the loss of millions of dollars annually not only to motion picture and recording companies, their artists and actors, but also to society through the loss of revenues which would otherwise be realized through taxation of legitimate income. By the same token, the consumer, unaware that he is purchasing a counterfeit, will be cheated by its poor quality.

Testimony presented during the House Judiciary Committee's hearings on H.R. 3530, documented that the huge profits and small risks involved in piracy and counterfeiting have attracted the attention of organized crime in a big way. This distressing situation is easy to understand when you consider that under current law piracy and counterfeiting of records, tapes, and films are only misdemeanors and, therefore, seldom pursued by Federal prosecutors. H.R. 3530 would make piracy and counterfeiting a felony for a first offense. More specifically, the bill provides for maximum penalties of 5 years imprisonment and $250,000 fine for counterfeiting and for illegally reproducing 1,000 phonorecords or 65 films during any 180-day period. Maximum penalties of 2 years imprisonment and $250,000 fines are provided for felony infringements of lesser volume.

H.R. 3530 is supported by the Department of Justice and the record and film industry. Moreover it is without any known opposition and accordingly I urge its adoption.

Mr. FRANK. Mr. Speaker, I yield such time as he may require to the gentleman from Wisconsin (Mr. Kastenmeier), chairman of the subcommittee.

Mr. KASTENMEIER. Mr. Speaker, I thank the gentleman from Massachusetts, and would like to commend the gentleman from Massachusetts (Mr. Frank) on his bill, H.R. 3530, the Piracy and Counterfeiting Amendments Act of 1982, as well as the rest of the subcommittee who assisted both Mr. Frank and myself in moving this bill forward.

As has been indicated, it is not controversial and it does not involve some of the issues which are in fact controversial, and which the committee is moving into. It is a much needed bill.

□ 1300

It has been pending in the Congress for at least 2 years. It was to have been included in the revision of the Federal Criminal Code but was not with the obvious failure of enactment of the code in the last Congress.

So it is timely that we give some real support to the law enforcement aspect of the piracy and counterfeiting activities that do occur in this country.

Mr. Speaker, the Piracy and Counterfeiting Amendments Act of 1982 which was unanimously approved by the committee has the support of the Department of Justice and the record and film industry. The bill has no known opponents. The bill has passed the Senate and is supported by the administration.

The sole purpose of the bill is to increase the penalties for criminal copyright infringement by pirates and counterfeiters, those who are, for commercial profit, reproducing, in some cases, nearly identical copies of copyrighted films, records, and tapes.

The bill provides for maximum penalties of 5 years imprisonment and $250,000 fine for counterfeiting and for illegally reproducing 1,000 phonorecords or 65 films during any 180-day period. Maximum penalties of 2 years imprisonment and $250,000 fines are provided for felony infringements of lesser volume.

Under present law, such infringements are only misdemeanors and are rarely pursued by Federal prosecutors.

The purpose of this bill is to provide a congressional recognition of the seriousness of this crime, to develop a deterrent that pirates and counterfeiters cannot ignore, and to encourage the aggressive detection and prosecution of these offenders.

The Subcommittee on Courts, Civil Liberties and the administration of Justice heard testimony that the counterfeiting and piracy of motion pictures, records, and tapes is a highly sophisticated business that has grown into a billion dollar a year industry. It is alleged that organized crime, lured by the huge profits that can be made in short periods of time, has become involved in large-scale counterfeiting and piracy schemes.

The committee has joined the motion picture and recording industries in the belief that such legislation is essential to curb the explosive growth of counterfeiting and piracy and that only through penalties such as those provided in H.R. 3530 can the law deter the sophisticated criminals who have created an industry in the illegal reproduction and distribution of motion pictures, records, and tapes.

Mr. FRANK. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I just want to take this time to thank the chairman of the subcommittee and the members of the minority for a very cooperative effort. This is a growing problem. It is a serious law enforcement problem. We have legislation here today that will give our law enforcement people the chance to make a dent in it.

I should only add that the Senate has passed this bill in an identical form.

With this legislation, Mr. Speaker, we will make some changes in the law and, therefore, a very serious step forward toward law enforcement will be taken.

● **Mr. BUTLER.** Mr. Speaker, I rise in support of H.R. 3530. In recent years, unscrupulous operators have begun copying and selling unauthorized duplications of copyrighted records and films on a massive scale without paying the appropriate copyright fees to the creators. It is now a major white-collar crime: Estimates call the piracy and counterfeiting of recordings and films a billion-dollar-a-year industry. In North America alone, it is estimated that the volume amounted to about $560 million in 1980. The huge profits which can be made have understandably attracted the attention of organized crime and many others who have undertaken large-scale counterfeiting and piracy schemes.

At the present time, however, the penalties for violation of the copyright laws in this area are minor, especially when compared to the profits possible through their exploitation.

It is a mere misdemeanor for the first offense, with a penalty of only up to 1 year in prison or a fine of $25,000. For a later offense, the penalty would only be increased to up to 2 years and/or $50,000. This penalty system is simply not a sufficient deterrent to determined criminals given the potential rewards for not getting caught. When compared to other theft and forgery statutes, these penalties are quite lenient.

In addition, with many other offenses ranked more seriously in the eyes of the law, U.S. attorneys may be less inclined to prosecute these misdemeanor offenses.

The effects of copyright piracy and counterfeiting are quite broad. The consuming public, who may unknowingly purchase such a film or recording, is often cheated by its poor quality. But more seriously, as pirates and counterfeiters capitalize on only the "hit" material, the injured studios and companies which invest in the broader range of talent are forced to narrow their scope in order to cut operating losses, considering that only a small percentage of productions recover their costs.

Those in the field, the many recording artists, musicians, directors, writers, and composers, are harmed directly in having their work, in effect, stolen. In testimony before our subcommittee an industry spokesman noted that piracy and counterfeiting injure not just a wealthy few, but thousands of blue- and white-collar workers employed in the business as well. The pirates and counterfeiters also, of course, do not pay taxes on their profits, resulting in a substantial loss of tax revenue to Government.

The legislation passed by our subcommittee greatly increases the penalities for violating the copyright laws and seeks to differentiate between the small- and large-scale operators. It provides that a first offense involving a sound recording could be punishable by as much as 5 years and/or a $250,000 fine, if 1,000 or more copies are made or distributed within a 180-day period. For lesser numbers of copies the penalties are reduced somewhat.

The legislation which is without opposition similarly greatly increases the penalty for violation of the copyright laws with respect to films. I urge my colleagues to support H.R. 3530.●

The **SPEAKER** pro tempore. The question is on the motion offered from the gentleman from Massachusetts (Mr. Frank) that the House suspend the rules and pass the bill, H.R. 3530, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as suspended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. FRANK. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. FRANK. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary be discharged from further consideration of the Senate bill (S. 691) to amend titles 18 and 17 of the United States Code to strengthen the laws against record, tape, and film piracy and counterfeiting, and for other purposes; a bill identical to the bill just passed, and ask for its immediate consideration in the House.

The Clerk read the title of the Senate bill.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 691

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Piracy and Counterfeiting Amendments Act of 1981."

Sec. 2. Section 2318 of title 18, United States Code, is amended to read as follows:

"§ 2318. Trafficking in counterfeit labels for phonorecords, and copies of motion pictures or other audiovisual works

"(a) Whoever, in any of the circumstances described in subsection (c) of this section, knowingly traffics in a counterfeit label affixed or designed to be affixed to a phonorecord, or a copy of a motion picture or other audiovisual work, shall be fined not more than $250,000 or imprisoned for not more than five years, or both.

"(b) As used in this section—

"(1) the term 'counterfeit label' means an identifying label or container that appears to be genuine, but is not;

"(2) the term 'traffic' means to transport, transfer or otherwise dispose of, to another, as consideration for anything of value or to make or obtain control of with intent to so transport, transfer or dispose of; and

"(3) the terms 'copy', 'phonorecord', 'motion picture', and 'audiovisual work' have, respectively, the meanings given those terms in section 101 (relating to definitions) of title 17.

"(c) The circumstances referred to in subsection (a) of this section are—

"(1) the offense is committed within the special maritime and territorial jurisdiction of the United States; or within the special aircraft jurisdiction of the United States (as defined in section 101 of the Federal Aviation Act of 1958);

"(2) the mail or a facility of interstate or foreign commerce is used or intended to be used in the commission of the offense; or

"(3) the counterfeit label is affixed to or encloses, or is designed to be affixed to or enclose, a copyrighted motion picture or other audiovisual work, or a phonorecord of a copyrighted sound recording.

"(d) When any person is convicted of any violation of subsection (a), the court in its judgment of conviction shall in addition to the penalty therein prescribed, order the forfeiture and destruction or other disposition of all counterfeit labels and all articles to which counterfeit labels have been affixed or which were intended to have had such labels affixed.

"(e) Except to the extent they are inconsistent with the provisions of this title, all provisions of section 509, title 17, United

States Code, are applicable to violations of subsection (a).".

Sec. 3. Title 18, United States Code, is amended by inserting after section 2318 the following new section:

"§ 2319. Criminal infringement of a copyright

"(a) Whoever violates section 506(a) (relating to criminal offenses) of title 17 shall be punished as provided in subsection (b) of this section and such penalties shall be in addition to any other provisions of title 17 or any other law.

"(b) Any person who commits an offense under subsection (a) of this section—

"(1) shall be fined not more than $250,000 or imprisoned for not more than five years, or both, if the offense—

"(A) involves the reproduction or distribution, during any one-hundred-and-eighty-day period, of at least one thousand phonorecords or copies infringing the copyright in one or more sound recordings;

"(B) involves the reproduction or distribution, during any one-hundred-and-eighty-day period, of at least sixty-five copies infringing the copyright in one or more motion pictures or other audiovisual works; or

"(C) is a second or subsequent offense under either of subsection (b)(1) or (b)(2) of this section, where a prior offense involved a sound recording, or a motion picture or other audiovisual work;

"(2) shall be fined not more than $250,000 or imprisoned for not more than two years, or both, if the offense—

"(A) involves the reproduction or distribution, during any one-hundred-and-eighty-day period, of more than one hundred but less than one thousand phonorecords or copies infringing the copyright in one or more sound recordings; or

"(B) involves the reproduction or distribution, during any one-hundred-and-eighty-day period, of more than seven but less than sixty-five copies infringing the copyright in one or more motion pictures or other audiovisual works; and

"(3) shall be fined not more than $25,000 or imprisoned for not more than one year, or both, in any other case.

"(c) As used in this section—

"(1) the terms 'sound recording', 'motion picture', 'audiovisual work', 'phonorecord', and 'copies' have, respectively, the meanings set forth in section 101 (relating to definitions) of title 17; and

"(2) the terms 'reproduction' and 'distribution' refer to the exclusive rights of a copyright owner under clauses (1) and (3) respectively of section 106 (relating to exclusive rights in copyrighted works), as limited by sections 107 through 118, of title 17.".

Sec. 4. The table of sections for chapter 113 of title 18 of the United States Code is amended by striking out the item relating to section 2318 and inserting in lieu thereof the following:

"2318. Trafficking in counterfeit labels for phonorecords and copies of motion pictures or other audiovisual works.

"2319. Criminal infringement of a copyright.".

Sec. 5. Section 506(a) of title 17, United States Code, is amended to read as follows:

"(a) Criminal Infringement.—Any person who infringes a copyright willfully and for purposes of commercial advantage or private financial gain shall be punished as provided in section 2319 of title 18.".

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 3530) was laid on the table.

COPYRIGHT OFFICE FEES

Mr. KASTENMEIER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4441) to amend title 17 of the United States Code with respect to the fees of the Copyright Office, and for other purposes, as amended.

The Clerk read as follows:

H.R. 4441

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Section 1. Section 708 of chapter 7 of title 17 of the United States Code is amended—

(1) by striking out subparagraphs (1) and (2) of paragraph (a) in their entirety and inserting in lieu thereof the following:

"(1) on filing each application for registration of a copyright claim or a supplementary registration under section 408, including the issuance of a certificate of registration if registration is made, $10;

"(2) on filing each application for registration of a claim to renewal of a subsisting copyright in its first term under section 304(a), including the issuance of a certificate of registration if registration is made, $6;" and

(2) in paragraph (c), by striking out everything in the last sentence following the word "section" the first time it appears therein and inserting a period in lieu thereof.

Sec. 2. This Act shall take effect thirty days after its enactment and shall apply to claims to original, supplementary, and renewal copyright received for registration in the Copyright Office on or after the effective date. Claims to original, supplementary, and renewal copyright received for registration in acceptable form in the Copyright Office before the effective date shall be governed by the provisions of section 708(a) (1) and (2) in effect prior to this enactment.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Wisconsin (Mr. Kastenmeier) will be recognized for 20 minutes and the gentleman from Illinois (Mr. Railsback) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Wisconsin (Mr. Kastenmeier).

Mr. KASTENMEIER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the sole purpose of H.R. 4441 is to enable the Copyright Office in the Library of Congress to retain fees submitted in all registration cases, whether or not registration is actually made.

Present law now provides for a registration fee and authorizes the Register of Copyrights to retain the fee where a claim to copyright has been found invalid. However, it is unclear whether the authority exists to retain the fee in other cases, such as where applications are involuntarily withdrawn or where the applicant fails to respond to the Copyright Office correspondence. The committee shares the view of the Librarian of Congress and the Register of Copyright that there is no justification for returning fees to applicants in cases where registration is not possible because of noncompliance by the applicant with the statutory requirements for securing copyright protection.

The bill would not raise the fee, which is $10; however, the CBO estimates it would, based upon fiscal year 1980 expenditures and receipts, result in savings of $90,000 now expended in support of the Copyright Office refund process and provide the office with an additional $400,000 in retained receipts next year for savings to the taxpayer of almost $500,000.

The bill is without opposition and was agreed to by the committee without objection. I urge my colleagues to support this bill which will save the taxpayers nearly a half million dollars annually.

Mr. RAILSBACK. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would only add that, as the chairman of the subcommittee, the gentleman from Wisconsin (Mr. Kastenmeier), has mentioned, there really is no opposition to this legislation. It is a bill that is designed to actually save money for the Copyright Office. I believe that it should be passed unanimously.

Mr. McCLORY. Mr. Speaker, will the gentleman yield?

Mr. RAILSBACK. I am happy to yield to the gentleman from Illinois.

Mr. McCLORY. Mr. Speaker, I rise in support of H.R. 4441. Under H.R. 4441, which is without opposition, the Register of Copyrights would be authorized to retain registration fees even in cases where registration is not made. Under current law the Register may retain fees where a claim to copyright has been found to be invalid. However, it is unclear whether the Register may do so in other cases such as where the applicant fails to respond to the Copyright Office correspondence. There has been no valid reason advanced as to why the Register should have to return fees to applicants who fail to comply with the statutory requirements for securing copyright protection.

The Congressional Budget Office, based on 1980 data, estimates that approximately $200,000 in fiscal year 1982 and $400,000 in each fiscal year thereafter would be saved by the Copyright Office through reduced refunds. By the same token, CBO estimates that approximately $90,000 annually, beginning in 1983, would be saved by lower processing and material costs. I commend the Librarian of Congress and the Register of Copyrights for proposing this cost saving and efficient measure and urge its adoption.

Mr. RAILSBACK. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. KASTENMEIER. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Wisconsin (Mr. Kastenmeier) that the House suspend the rules and pass the bill, H.R. 4441, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

SOCIAL SECURITY WILL NOT BE CUT

(Mr. PEPPER asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. PEPPER. Mr. Speaker, I wonder what the American people, especially those who are dependent upon or concerned about social security, think about what must be the shell game going on here in Washington about social security.

The majority leader, the distinguished gentleman from Texas (Mr. Wright), and the distinguished deputy whip, the gentleman from Arkansas (Mr. Alexander) and I are just introducing a resolution which provides the House bind itself not to make any reductions in social security, that is, old age survivors and disability insurance protection, or benefits as provided under present law as part of its budget resolution.

Last week, Mr. Speaker, the other body—and here is the worksheet it had before it as given to me by a member of that committee who was present, it said, "Social Security Commission's solvency recommendations, $6 billion to be cut in 1983, $17 billion to be cut in 1984, and $17 billion in 1985, from Social Security."

They later cut out the word "Commission."

I am a member of that Commission, as are two Members of this House. We have never made any recommendations. We never even considered any recommendations and yet here, on the one hand, the executive branch in a solemn resolution is saying we are going to cut $40 billion in social security in order to better the budget and the Executive Chief comes out and says, "I give my word we are not going to cut social security benefits."

Who is telling the facts to the American people?

Let it be resolved by this House saying solemnly we will not cut benefits or protection as provided by the present law in social security in any budget resolution.

At this point in the Record include the following:

Statements by Senator Pat Moynihan, Representative Claude Pepper, Former Representative Martha Keys, President of AFL–CIO Lane Kirkland, and Former Social Security Commissioner Robert Ball, All Democratic Members of the Social Security Commission, May 6, 1982

We are shocked at the recommendations of the Domenici Budget Committee that there should be a $40 billion cut in social security payments in the next three years, allegedly based on the "Social Security Commission's solvency recommendations." The Executive Order setting up the Commission does not call for a report until December of this year. The Commission has not considered any recommendations. To assume the contrary is to prejudge the Presidential Commission as making the recommendations which the Administration wants. We are even more disturbed that the President has publicly endorsed this recommended cut of $40 billion in social security payments in the next three years. Only two days ago the Deputy White House Press Secretary, speaking for the President, said the social security cuts shall not be used "to balance the budget." When he submitted his 1983 budget to the Congress, the President said: "In an effort to eliminate partisanship and facilitate movement toward a constructive solution, our reform proposal has been withdrawn in favor of a bipartisan commission charged with developing a plan to rescue the social security system by next fall." If the statement is to stand that with the President's approval the Social Security Commission is to recommend a $40 billion cut in social security payments in the next three years, then the integrity of the Social Security Commission is seriously jeopardized and its status as a bipartisan commission is a subject of grave concern.

Mr. Speaker, on Thursday, May 6, the White House and the Committee on the Budget in the other body reached agreement regarding a substitute for the President's less-than-popular fiscal year 1983 budget plan submitted earlier this year. While I admit my lack of enthusiasm for many of the priorities expressed in the budget agreement, I am sensitive to the concerns of those who submit that it is always easier to attack a budget plan than to propose an alternative. I have no doubt that the whole range of priorities will be a subject of lengthy debate on the floor, and I will gadly defer comment on them until that time.

I take the floor today to direct the attention of my colleagues to a bit of foreign matter I found in the body of the budget agreement. Only 2 days before the agreement was reached, the Deputy White House Press Secretary, speaking for the President, said that reductions in social security should and would not be used "to balance the budget." This was consistent with the President's fiscal year 1983 budget message to the Congress, which stated:

> In an effort to eliminate partisanship and facilitate movement toward a constructive solution, our reform proposal has been withdrawn in favor of a bipartisan commission charged with developing a plan to rescue the Social Security system by next fall.

When I had the honor to be appointed to the Commission by you, Mr. Speaker, I applauded the bipartisan agreement to remove the social security financing issue once and for all from the context of the Federal budget debate.

To my deepest and most heartfelt regret, the budget agreement arrived at last Thursday relies on a $40 billion raid of the social security trust funds to lower the Federal budget deficit. I will not question the motives of the President, or the distinguished chairman of the Budget Committee in the other body or the members on the majority side of that committee who approved the agreement in a party-line vote. But their motives notwithstanding, the effect of this agreement is to renege on what could be construed as a pledge, or at the very least a gentlemen's understanding, to remove this volatile issue from the politics of the Federal budget.

As a member of the President's National Commission on Social Security Reform, I am puzzled by the reference in the agreement to a $40 billion cut in social security outlays allegedly based on the "Social Security Commission's solvency recommendations." Mr. Speaker, I have been in attendance during each of the three meetings of the Commission. And as I know my distinguished colleagues from New York (Mr. Conable) and from Texas (Mr. Archer), who serve with me on the Commission will attest, the Commission has endorsed no proposals. The Executive order setting up the Commission does not call for a report until December of this year. The Commission has not even considered any recommendations. To assume the contrary is to prejudge the Presidential Commission as making the recommendations which the administration wants.

I am even more disturbed that the President has publicly endorsed this reduction of $40 billion in social security protection during the next 3 years. If the statement is to stand that, with the President's approval, the Social Security Commission is to recommend a $40 billion cut in social security benefits, then I submit that the integrity of the Commission is seriously jeopardized and its status as a bipartisan Commission is subject to grave concern.

Today the Commission will hold its fourth meeting, which I have every intention to attend. I must admit that Thursday's action has somewhat called into question the role of the Commission. Are the members meeting to develop a plan for the adequate financing of the social security system? Or are we serving to rubber-stamp the whims of the President and the Budget Committee of the other body with respect to reducing the Federal budget deficit?

Mr. Speaker, the financing of social security is too serious a matter to be subjected to budgetary politics. It would certainly take an inspired leap of the imagination to blame the social security program for the $630 billion in debt the Federal Government will incur over the next 3 years. I cannot for the life of me fathom why, after reassuring the American people that social security obligations would not be used to finance a budget deficit, the administration has chosen this path.

We have frightened the 36 million beneficiaries of, and 115 million contributors to, social security enough with our constant schemes to cut this, trim that, and slash the other thing in order to save the system. We have devalued our long-term commitments to the workers of yesterday, today, and tomorrow by our talk of "retrenchment" on social security obligations in order to solve Federal budgetary imbalances.

I would respectfully submit that the compromise budget plan will do little to inspire the confidence of the American people that Congress and the administration are genuinely interested in addressing the financing issue. It is more than a little curious that under the administration's own economic assumptions, the solvency of social security is less than the $40 billion question. To my remaining colleagues who believe with all good faith in the President's economic program, the companion economic assumptions forecast no cash flow problems in the cash benefit or health insurance programs, assuming continued interfund borrowing, through the end of the decade.

As convenient as those assumptions are to believe in, and I hope that they materialize, I do not believe that we can afford to ignore the possibility that the poor performance of the economy will continue to wreak havoc on the social security trust funds. We can no longer duck the real issue that lies buried beneath the mountains of rhetoric from both sides of the aisle: How are we going to finance the social security system?

The blinding speed with which we have managed to bury this issue astounds me. We have been inundated with rhetoric about the need to address the issue of how to cut benefits. We have been called irresponsible for refusing to shift the focus of our work to the politically courageous task of redefining our obligations to people with average incomes of $385 a month.

What is the irresponsibility of facing up to the real issue—insuring that the honor of the Federal Government to the people it serves is upheld? Where are the proposals of those who are quick to brand the supporters of social security as "demagogues" and "partisan politicians"?

During the 97th Congress some of my colleagues have introduced legislation to guarantee a sound financing structure for social security. Along with 20 Members of this body, I introduced such legislation (H.R. 3393) 1 year ago. My plan may not be the perfect solution or the unanimous choice of this body. I have subsequently redrafted several elements of it. But it was a comprehensive plan that would enable this Congress to uphold our commitment to the American people.

As the chairman of the Select Committee on Aging, I believe it would be less than responsible to walk away from that commitment. I will continue to work closely with those members of the Commission and those Members of Congress who have clearly retained the focus of the financing issue—how to place the social security system on a sound financial footing now and in the future. The American people will not tolerate any further attempts to shift the focus of this vital issue toward an attempt to bury the budget deficit under a stack of social security checks.

In view of the gravity of the "Black Thursday Budget Agreement," it is imperative that the Members of the House go on record in no uncertain terms as opposing the $40 billion social security benefit deficit reduction proposal. Together with my friend from Arkansas, the honorable deputy majority whip (Mr. Alexander), I am introducing a resolution of the House which is a companion measure to an amendment introduced in the Senate by the minority leader, Senator Robert C. Byrd, and the ranking member of the Finance Social Security Subcommittee, Senator Daniel Patrick Moynihan, on Friday, May 7.

Briefly, this resolution would declare it to be the sense of the House that the arbitrary and unspecified reductions of $40 billion in social security benefits should be rejected, and that the Congress shall take no action with respect to reducing social security before it considers the recommendations of the National Commission on Social Security Reform. I am inserting into the Record at this point a text of the resolution:

H. Res. 457

A resolution expressing the sense of the House in opposition to arbitrary and unspecified reductions of Social Security benefits over the next three fiscal years.

Whereas, the social security system is vital to the well-being of the Nation's elderly, disabled, widows, and orphans, and currently provides benefits to more than 35 million Americans; and

Whereas, the President on February 19, 1981, promised the American people that social security retirement benefits would be exempt from his administration's Federal budget-cutting plan, and be preserved in full, along with an annual cost-of-living increase, as part of the Nation's "safety net" of Federal programs; and

Whereas, the projected shortfalls in social security are of a short-term, cash-flow nature, and should be addressed in a deliberative manner removed from the context of the Federal budget; and

Whereas, the 97th Congress has recorded its opposition to social security cuts by its votes to restore the minimum benefit and to reject the President's May 12, 1981, plan to make deep and precipitous reductions in social security benefits; and

Whereas, the President on Sepember 24, 1981, said that social security benefits were not being cut and that he would soon appoint a Commission to study social security financing issues; and

Whereas, the President on December 16, 1981, established a National Commission of Social Security Reform for the purpose of making recommendations to ensure the fiscal soundness of the social security system; and

Whereas, the National Commission on Social Security Reform is charged with issuing its recommendations by December 31, 1982; and

Whereas, the House on December 16, 1981, passed legislation authorizing interfund transfers among three social security trust funds to provide that social security faces no funding shortage before the Commission's report is issued and before the Congress can fully consider the recommendations; and

Whereas, the Senate Budget Committee on May 5, 1982, called for arbitrary and unspecified reductions of $40 billion in social security benefits over the next three fiscal years; and

Whereas, the President endorsed the action of the Senate Budget Committee in making a $40 billion unspecified cut in social security benefits: Therefore, be it

Resolved, That the House binds itself not to make any reductions in social security benefits or protections as provided by present law as a part of its budget resolution.

I urge my colleagues to go on record in opposition to this attempt to alter the nature of the financing issue into a debate on the size of the budget deficit by cosponsoring this resolution.

INTRODUCTION OF A RESOLUTION CONCERNING THE EXPORT-IMPORT BANK

(Mr. DICKS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DICKS. Mr. Speaker, I am today introducing a resolution emphasizing the importance of exports to the Nation's economic health, and calling on the President to provide full and sufficient borrowing authority to the Export-Import Bank. I have the pleasure of introducing my resolution with Silvio Conte, Don Bonker, and 25 of my colleagues who share my concern for the future of the Bank, and recognize the importance of competitive financing in export sales to American employment, to our balance of trade and to business growth.

The administration has continually questioned the value of the Export-Import Bank, and has recommended severe budget reductions again this year. For 1983, the administration has proposed an authorization of $3.8 billion for direct loans. This is $570 million or 13 percent below the level set in the 1982 legislation, and $1.6 billion or 29.5 percent below the 1981 level. And yet, this institution has as its goal one of the objectives which our President has continually championed—the Bank exists to improve the industrial base of the Nation, and to promote our economic position internationally.

Since 1948, the Eximbank has operated as a self-sustaining institution, receiving no appropriated funds. Though the Congress sets the maximum levels of loans and loan guarantees on an annual basis, the Bank operates by borrowing from the Federal Financing Bank. It does not seek direct outlay authority, and does not compete for scarce budget dollars.

Reductions in Eximbank authority could mean additional unemployment. We are all aware that unemployment nationally is at its worst since the Great Depression—on Friday, it was at 9.4 percent. In my State of Washington, some counties now exceed 30 percent unemployment. The Bureau of the Census has estimated that 4.8 million jobs were associated with exports of manufactured goods in the United States in 1980—over 30,800 jobs for every $1 billion of exports. One in every seven American workers is involved in the production of manufactured goods that are sold abroad. Cuts in Eximbank funding could mean a reduction in export sales, and a subsequent loss of hundreds of thousands of man-years of employment. Keep in mind that Eximbank financing helps businesses of every size in all 50 States.

There has been criticism of the Export-Import Bank as a subsidy for business. Since there is no direct appropriation for the Bank, that picture is not an accurate one. The Bank's role of supporting our export sales by providing financing which is competitive on the world market is often attacked. But opponents of the Eximbank believe in the concept of a free market in world trade. In an ideal situation, I believe we would all favor allowing our products to be sold on their merits alone. But the reality is that our competitors have facilities similar to the Eximbank which subsidize exports much more heavily than we do. For example, Japan supported 44.3 percent of its exports with official export finance. England supported 39 percent. France supported 27 percent. And the United States supported only 5 percent. Because of the strength of American products, we are still in the world market. But against substantial subsidies from foreign rivals, even a superior product has trouble competing. We have seen the effects in the aircraft industry and in nuclear power. In fact, it is these high-technology industries which suffer the most from the lack of competitive financing.

The resolution I am introducing today points out the facts I have mentioned, and calls on the President to recognize the crucial role of the Export-Import Bank by requesting adequate loan and loan guarantee authority levels for 1983. I hope that my colleagues who are not yet cosponsors of this resolution will join me in supporting it. And I hope this House will act to support American jobs and American industry by endorsing the Export-Import Bank, and providing for its future.

BUFFALO'S 150TH BIRTHDAY CELEBRATION: LAUNCHING THE U.S.S. "BUFFALO"

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. Kemp) is recognized for 60 minutes.

● Mr. KEMP. Mr. Speaker, we have a saying in Buffalo: "Talking Proud." And the people of my community had great reason to be proud this Saturday as we gathered at Newport News to celebrate Buffalo's 150th birthday and to watch my wife Joanne christen America's newest nuclear-powered submarine: the U.S.S. *Buffalo*.

My daughter Judith was maid of honor at the ceremony and my son Timmy had a wonderful opportunity to ride in the conning tower of the U.S.S. *Buffalo*. Among the honored guests at the christening and following reception were my colleagues Henry Nowak and Paul Trible and former Buffalo Congressman Thaddeus Dulski, Mayor Jimmy Griffin, Erie County executive Ed Rutkowski, Buffalo common council president Delmar Mitchell, Canisius College president Father James Demske who delivered the invocation, Buffalo area chamber of commerce president Ed Hastings, the members of the U.S.S. *Buffalo* committee, Dr. William Windover, Mr. Kevin Sullivan, Mr. Fred Dentinger, Justice John Callahan, Mr. Sam Guadagna, Buffalo district attorney Richard Arcara, 20 Buffalo area World War II submarines, members of the Navy League, members of the Niagara Frontier Regional Council of the Boy Scouts of America, representatives of Carlspan Corp., Worthington Industries, Sierra Research, Moog Industries, and Carleton Controls, and many other Buffalo area civic and community leaders and the wonderful Chopin Singing Society who sang patriotic selections and inspired us all.

We joined together with Father Demske in praying that the U.S.S. *Buffalo* would be an instrument for the "preservation" of peace, and shared our hope that the officers and men of the U.S.S. *Buffalo* will have the "talking proud" spirit of courage, hope, and patriotism that has made our Buffalo community and our Nation great.

I would like to insert a congratulatory letter from President Reagan, as well as my remarks upon this beautiful occasion, for the Record:

The White House,
Washington, D.C., May 7, 1982.

Hon. Jack Kemp,
House of Representatives, Washington, D.C.

Dear Jack: I know how proud you and Joanne must be today as she christens one of our finest and most capable submarines with the name of your fair city, Buffalo, which is celebrating its 150th anniversary this year.

The nuclear-powered attack submarine, *Buffalo* (SSN 715), and others like her, represent our Nation's firm resolve to restore that margin of safety which is so necessary to the deterrence of our adversaries and the preservation of peace.

Just as we rely on the citizens of Buffalo, New York, and of all our cities for our national strength, so we must rely on the crews of our Navy ships that go to sea in our defense. The naming of the *Buffalo* will be a constant reminder that our national security is ultimately dependent upon the strength of the American people.

Congratulations to you, your great city and this fine vessel that will bear the name *Buffalo*.

Sincerely,

Ronald Reagan.

Launching the U.S.S. "Buffalo"

Distinguished Men and Women of Newport News Shipbuilding, Commander Hewitt, Officers and Men of the U.S.S. *Buffalo*, my distinguished colleagues Congressmen Nowak and Trible and former Congressman Dulski, Mayor Griffin, county executive Rutkowski, Buffalo Common Council president Mitchell, Admirals Fowler and White, Mr. Ed Campbell, president of Canisius College Father Demske, honored guests, ladies and gentlemen.

Just think. A little over 200 years ago on this Earth there was a Holy Roman Emperor. Venice was a Republic, France was ruled by a King, China by an Emperor, Russia by an Empress, and Japan by a Shogun.

All these regimes have passed into the pages of history. The only single nation on Earth to maintain the basic framework of its constitutional democratic government for more than 2 centuries is the United States, which began as a tiny federation of 13 colonies on the Northeast shores, and which was founded by courageous men and women who believed that the lesson of history was clear: Democracy is the only safe repository for human freedom and dignity, and the price of freedom, while high, was never so high as the loss of it. They understood as well that a strong defense, including a superior navy, was not a weapon of war or aggrandizement, but the guarantor of freedom and of peace—an arsenal of democracy.

America has survived civil war, world war, and limited war. We have survived economic troubles, political troubles, and social troubles. But we could not survive a loss of confidence, loss of belief, or loss of spirit.

One hundred and fifty years ago our community of Buffalo was founded with the same spirit of pride that sparked the Declaration of Independence, and which inspires us here today. For 150 years, Buffalo has been a vibrant center of industry, trade, commerce, and human achievement. In honor of this great birthday our city has planned a year-long series of events, including a grand ball, the biggest parade in Buffalo's history, a birthday cake that will serve 5,000, and a grand concert at the Nation's only inland naval park, which my good friend and colleague Henry Nowak worked so hard to help bring to Buffalo. Above all, there will be an outpouring of patriotism and pride in Buffalo's history and in America such as you have today. It is a highpoint in that celebration, and a fitting tribute to our city and the wonderful people of Buffalo, that this magnificent ship should bear its name.

We have a saying in Buffalo: "Talking Proud". And certainly, the officers and men of this great ship have much to be proud about.

It was in Buffalo, in the year 1901, that Theodore Roosevelt was sworn in as the 24th President of the United States. More than any other President before him, Roosevelt understood the importance or maritime superiority to the security of the United States. It was his conviction and policy that military preparedness was the key to avoiding war. Especially, he believed that, "The best guarantee of peace for this Nation is a strong navy."

Today, Roosevelt's vision of the United States as an island nation, whose defense depends upon command of the seas, is taken as a truism. Yet now, at this perilous time in history, our naval superiority is in jeopardy. At a time when our economic livelihood and very survival depend on the security of vital sea lanes of commerce and communication, our force has shrunk from over 1,000 vessels in the late 'sixties to under 500 ships today.

The Commander of the Soviet Fleet, Admiral Gorshkov, has boasted that "The flag of the Soviet Navy flies over the oceans of the world, (and) sooner or later the United States will have to understand it no longer has mastery of the seas."

Well, we're here today to say: Admiral Gorshokov, you're wrong! You're wrong because the American people and this President will never allow your disdainful view to prevail. Together, this administration and a bipartisan coalition of Members of Congress are determined to restore naval superiority to the United States, as part of our overall objective to rebuild America's defenses to secure our freedom and preserve peace. I like what President John F. Kennedy once said about defense: "America requires only one kind of defense policy, a policy that is summed up in a single word: 'Firsts'. I do not mean 'first, if', I do not mean 'first, but' I do not mean 'first, when', but I mean 'first, period'."

But there are those in Congress who, in hopes of obtaining illusory budget savings, want to try to rebuild our defenses on the cheap. In fact, the recent naval battles off the Falkland Islands should silence those who have critized rebuilding the American Navy. As Navy Secretary Lehman pointed out, the missile-firing Argentine jet that knocked out a British destroyer on Tuesday "would not have gotten near" a U.S. battle fleet, because it would have been intercepted by F-14 fighters from our big aircraft carriers. A "little Navy" simply cannot meet the challenges of today.

The coming days will tell whether Congress as a body is able to meet its constitutional responsibility to raise and support adequate defenses for this Nation. History will not look favorably upon Members of Congress who weaken the President in his attempt to restore our strength, secure the peace and negotiate on our behalf.

With the leadership and support of my good friends and comrades-in-arms on the defense and armed services committees, Senators John Warner and Harry Byrd, and Congressmen like Paul Trible, I believe that Congress will unite behind President Reagan to help rebuild our defenses. And I want to say here how proud I am that President Reagan chose, for the critical position of Secretary of the Navy, a man of the character, vision and ability of John Lehman. I support their efforts, and the President's defense budget, with all of my dedication and all of my energy.

Thus I am especially proud to stand before you today, to take part in this beautiful and tradition-laden ceremony. It's a great honor that you have made my wife, Joanne, the sponsor of this superb new vessel, the *Buffalo;* and I know that the people of western New York share my pride and high expectations for the U.S.S. *Buffalo's* service to America and the Free World.

The *Buffalo* is the 24th ship of its class. Pound-for pound, it is the best attack submarine in the world today, the most capable antisubmarine and antisurface system in the fleet of the United States.

Back at the turn of the century, submarines were quite a novelty, and as Commander-in-Chief, Roosevelt was anxious to inspect one. His opportunity came in 1905, when the *Plunger* pulled in at Oyster Bay. After spending 3 hours aboard as the *Plunger* went through its paces, much of the time with Roosevelt at the controls, the President remarked, "I believe a good deal can be done with these submarines, although there is always the danger of people getting carried away with the idea."

What would T.R. have said if he could have seen the *Buffalo*?

Let's never forget, the real purpose for constructing this ship is to promote peace. We pray that she and her crew will never experience one day of combat. Deterrence is this ship's primary aim.

We could not meet that challenge without the high standard of excellence displayed by America's shipyards and America's working men and women. Today, we are gathered at one of the premier private shipbuilding yards in the world. Newport News has produced over 175 ships serving in three wars. I want to pay special tribute to the 16,000 members of the United Steelworkers of America who build the ships here at Newport News. Under Tenneco's solid stewardship, the shipbuilding tradition here is soon to enter its second century, with many third-generation shipyard workers in its ranks.

I know that there are some folks who complain about what they call the military industrial complex. Well, I say thank God for the military-industrial complex, the real military-industrial complex: America's workers, America's free enterprise system, and our dedicated men and women in uniform. For where would this country be without them? What would be our chances for peace in a world filled with peril? And isn't it interesting that it's called the "military-industrial complex"—until times of trouble, and then it's called the arsenal of democracy.

And thank God for the U.S. Navy. No American can stand here, within a stone's throw of the homeport of the Atlantic fleet, and look out on so many white uniforms, without feeling deep pride and gratitude for your dedication to your mission and to your country.

Finally, let us join together in offering thanks for our greatest treasure: the unquenched spirit of our people. The U.S.S. *Buffalo* carries a proud name, the name of a community and a people that have contributed much to this country. As the book of Ecclesiastes says, "As gold is tested in the furnace of fire, the acceptable man is tested in the furnace of adversity." Ladies and gentlemen, there is no doubt that these are adverse times. But there is also no doubt that America's strength, its principles and ideals, will prevail.

May the "talking proud" Buffalo spirit of courage, hope and perserverance be with you, the officers and men of this great ship, as you strive to preserve both our peace and our freedom. A grateful Nation salutes you. We wish you Godspeed.●

HERMAN THEODORE SCHNEEBELI

Mr. SPEAKER, pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. McDade) is recognized for 5 minutes.

● Mr. McDADE. Mr. Speaker, we have lost former Member of Congress Herman T. Schneebeli who, prior to his retirement in 1977, represented the 17th District in central Pennsylvania which was adjacent to a portion of the 10th District which I represent.

Many of us will long remember him as a good friend, a fine gentleman, and the ranking member of the House Ways and Means Committee. He came to Congress in April 1960, having been elected to fill the vacancy caused by the death of Alvin Bush.

Herman Schneebeli was a wise and good man and a great patriot. It was my privilege to serve with him from 1963 to 1977, during which time he was both friend and adviser.

He was a life-long friend of former New York Gov. Nelson A. Rockefeller and Vice President of the United States, following from their days as fellow students and roommates at Dartmouth College. Born in Lancaster County in southeastern Pennsylvania in 1907, he attended public schools and graduated from Mercersburg Academy in 1936. In addition to Dartmouth, he also graduated from Amos Tuck School in 1931.

Before coming to Congress, Herman Schneebeli was a successful businessman in Williamsport, Pa., both as an oil distributor and an automobile dealer. During World War II, he served as a captain in Army Ordnance from 1942 to 1946. He was also a member of the board of managers of the Williamsport Hospital in his hometown.

Herman Schneebeli was one of the finest Members of Congress I have known, Mr. Speaker. I know that many others join me in expressing

condolences to his wife, Mary Louise, and his daughters, Marta and Susan.●

AFL-CIO PRESIDENT LANE KIRKLAND ADDRESSES THE FOREIGN POLICY ASSOCIATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. Barnes) is recognized for 5 minutes.

● Mr. BARNES. Mr. Speaker, I submit for the information of my colleagues an important address by Lane Kirkland, president of the AFL-CIO, delivered before the Foreign Policy Association on April 13, 1982. President Kirkland focuses on the need to maintain the strength of our basic American principles in current foreign policy crises. I commend his views to all Members.

The text of President Kirkland's remarks follows:

Address by AFL-CIO President Lane Kirkland

My discourse today will deal largely with certain basics, leaving me wide open to that most corrosive charge of our times: "Simplism."

But nothing gets one back to basics quite as fast as a crisis—when statesmen and diplomats, long immobilized by their perception of the complexity of human affairs are—as they always will be—overtaken by events; when a very basic act knocks over the diplomatic chessboard.

Thus, after the Falkland Island invasion, we hear the new British Foreign Minister declaring that "Britain does not appease dictators!" How much more basic an expression of policy—leaving aside its historical or recent accuracy—can you utter? Not to mention all the other expressions emanating from those ultimate sophisticates at Whitehall and Number 10 Downing Street such as "aggression cannot be allowed" and "democracy versus oppression," as well as the revival of some old words with which Queen Victoria once dispatched her Majesty's troops to fight the Boer War.

Meanwhile, both Britain and the European Community have suddenly rediscovered the feasibility and value of economic warfare and have imposed harsh trade sanctions—sanctions whose availability was overcome by complexity when sought by this country for help against Iran or by Afghanis or Polish workers.

The basic aims of foreign policy emerge from, and ought to be rooted in, the basic concerns of human society. In my view, those concerns are essentially two-fold:

First, the natural desire of those who share ethnic, language or other common bonds to govern themselves, as nations;

Secondly, the freedom and rights of plain people as against the state or any other stronghold of power—that is to say "liberty and justice for all."

All else is vanity, misguided evangelism or an aspect of a cardinal sin, such as greed.

If those two values were not at issue, it would matter very little what flag flew over any land and armies would be a redundant burden, there being no good reason either to advance or resist.

From the basic view, I further assert that foreign policy is likely to be least reliable when placed wholly in the hands of state-to-state elites, or unduly influenced by financial elites.

No policy which deludes itself that trust can be placed in princes, (economic, political, or royal), and which remains indifferent to the forces and aspirations that move the multitudes and bring them from time to time to a critical mass more potent than tanks or truncheons, can either prevail or faithfully reflect this nation's ideals and interests. Our long and futile courtship with the Shah of Iran, while other forces worked the streets, bazaars and refinery crews, should have taught us that. Our current romance with Khalid, Hussein, and Pinochet will teach us again and will leave our government elites, once again, with broken hearts and shattered policies, at the price of our ideals and interests.

As for the role of our financial and commercial elites, it would be cruel and heartless to bring to the stand their own words by which they have impeached themselves as the guardians of our national ideals or interests—or of anything else save their corporate purses.

We are in a sense indebted to them for relieving use of the need to debate whether or not the promotion of "free enterprise" or private ownership of the means of production is a suitable object of foreign policy. They have themselves long since sold those issues out by making their separate peace and profit with easy credit, co-production and other alliances with state-owned enterprises, banks, monopolies, trading corporations and cartels of every stripe throughout the world.

They have defined their own test of political and economic systems and governments, and their test is not one of liberty and justice, but whether states are "orderly and responsible" and can "pay their bills." No cry from the Gulag. No shriek of pain from the dungeon, not even a businessman's arrest by secret police or an act of terrorism against their own colleagues stays their service of tyrants or outweighs a ruble in their scale of values.

In 1953, in a speech on "Bread and Freedom," Albert Camus observed that: "The society of money and exploitation has never been charged, so far as I know, with assuring the triumph of freedom and justice . . . and whoever blindly entrusts (it) with the care of freedom has no right to be surprised when she is immediately dishonored."

More recently, another Frenchman, Jean Francois Revel, has noted that: "Big business, in Europe and America, is predominantly neutralist, in a much more efficient way than long-haired Dutch or Danish demonstrators."

I do not suggest a campaign to reform the world view of finance and business. I suggest rather that such a view should no longer drive our foreign policy or be confused with the national interest. So long as this confusion persists, the soft underbelly of freedom will remain exposed. A fifth column of capital will dwell in our midst as long as we have a privileged class that not only derogates our values but helps to feed, finance and arm our adversaries, just as the entrenched advocates of unvexed commerce helped to speed a Tory leader to Munich, years ago.

It is, and no doubt will continue to be, the right and privilege of business to enter any doors and follow any avenues of profit that national policy leaves open or inviting, and I would not want a world where business is the judge, agent and enforcer of our values and interests. National policy, in hands guided by more principled concerns, ought to make those judgments and define those avenues and should do so in a rigorous way.

The avenues of principle and policy that reflect American ideals, and those of business interests, are not perforce parallel. Millions of school children are taught and millions of trade unionists at their meetings repeat an oath which says "I pledge allegiance to the flag of the United States and to the Republic for which it stands," ending on the phrase "with liberty and justice for all."

Our oil companies, glutted with tax privileges from the American Treasury, still pledge allegiance to the flag of Liberia and the venality for which it stands, with license and profit for some. That practice is still encouraged and promoted by a national policy whereby our Departments of State and Defense define their vessels so registered as "under the effective control" of this country, despite an occasion when they proved to be under Saudi control, to the detriment of this country. The forces and interests behind that policy have led to the devastation of the American merchant marine and the erosion of our strength as a nation.

But the events that bring the issues I raise into starkest relief were created by the working people of Poland. Their courage created, and their tactics made reasonable, the chance of a positive answer to the key question of our time: Is Communism capable of reform? Can it accommodate itself to the human aspirations of its own pretended grass roots, the working class asserting itself peacefully in solidarity with its intellectual components?

The stakes riding on the answer are no less than the future peace, perhaps, indeed, the survival of our world. They call for the utmost attention and concern of every statesman and every citizen. No matter what one thinks of the odds for or against, no one can doubt that the stakes are worth the chance.

As I stated in a message to the First Congress of Solidarnosc last September:

"For all who believe in peaceful relations among states, there is no task more urgent than unlinking human rights and freedom from the question of who owns the means of production.

"Freedom of association, of assembly and of expression are the indispensable means by which the people of each nation can decide for themselves which forms of social and economic organizations are most appropriate to their needs, their traditions, and their aspirations.

"To the extent that this principle is reflected in the conduct of government, doors will open on broader avenues to peace, to normal intercourse among nations, and to more just allocations of resources."

The emergence of freedom of association in the anti-democratic world would open the way to hope that its just demands would require an allocation of resources less weighted toward insatiable military appetites, and all could breathe a bit easier. As far as American labor is concerned, the existence of a true or even approximate counterpart would reduce barriers and lead to constructive relations. The world would become a kinder place to live in, and even the Soviet Union might begin to find out, in Gompers words, "how safe a thing freedom really is."

But once again, opportunity has been overtaken by events and that hope is dying in the face of Soviet brutality and Western irresolution.

The President has repeatedly promised that if the repression in Poland continued, if martial law were not ended, Lech Walesa and the internees released, and negotiations resumed with Solidarnosc under the terms of the Gdansk agreement, he would add strong economic measures to his modest early sanctions. But the bankers are calling the tune and the tune is "business as usual at the same old stand."

Today is the 122nd day of Lech Walesa's captivity. Thousands of Solidarity members languish in concentration camps, whose dismal conditions have been described in letters smuggled to the West. Workers are being beaten and sentenced to jail terms.

And, while the President does nothing—while in fact, he continues to avoid defaulting the Polish loans by bailing out the banks at the taxpayers' expense—the Polish tragedy begins to recede to the back pages of the daily newspapers and disappear from the television screen.

Nevertheless, Solidarnosc exists. Jaruzelski has found no quisling in its ranks. His problems mount and are further compounded by the economic failure of the entire Soviet empire, which is today sustained by Western credits. The game is not over, and our potential leverage over the outcome is great, if we can but find the will.

What is to be done?

We should begin by following the advice of a group of Solidarity activists as set forth in an appeal to the West, shortly after the coup of December 13, 1981:

"Do not believe in the good sense of your bankers. They were sufficiently naive to place $27 billion of your money into the hands of a corrupted and incompetent regime."

Our President, unfortunately, remains enamored of the good sense of our bankers. He does nothing because further sanctions are opposed by the banking and commercial interests who dominate his party.

Some argue that harsher economic sanctions, such as telling the truth about East Bloc debts that are in de facto default, or halting trade with the USSR, would not work to affect Polish or Soviet conduct. Yet that is not the current view of the United Kingdom and the EEC with respect to Argentina in the matter of the Falkland Islands. In that case, tough economic sanctions were adopted promptly and are widely expected to profoundly influence the outcome. Nor was it the view or experience of the OPEC nations when they declared economic warfare against the United States and blackmailed Western Europe. Those real and threatened sanctions led Europe's statesmen to betray us on Camp David and to discover hitherto unsuspected virtue in Palestinian terrorism.

Some say that sanctions would sacrifice "detente." Yet the most cogent argument for detente was that expanded commercial relations with and financial concessions to the Soviet Bloc would give the West the strings with which to restrain Soviet lawlessness. Implicit in this argument was the premise that the West would be willing and able to turn off the flow of credit, trade and technology to the East in response to Soviet misconduct. Sanctions now, therefore, would not violate the principles of detente but would, in fact, apply and enforce them, in their full dimensions. It is time we saw the backside of detente.

If we are not prepared to do that, then it is we who have become ensnared and the East that has us in its net. If it be said that termination of trade and credits would be expensive to Western interests, then all the more reason to do it now, before the cost surpasses tolerance.

Beyond that, there is every reason to develop and to be willing to apply, through our foreign policy, ways to influence the interests of other nations, short of military means.

We have adopted, and continue to pursue, treaty after treaty and agreement after agreement with our adversaries abroad, imposing trust in paper long after that trust has been repeatedly betrayed. History is littered with the prompt and systematic violation by the Soviet Union of a long succession of such instruments, from the most prosaic postal conventions to the final act of the Helsinki Agreement.

If these instruments are to have substance and are to afford a genuine avenue to peace and progress, what recourse do we have to reinforce that simple faith than to develop a capacity and will to adversely influence the interests of the other party in the event of a violation? Does not such a capacity and resolve enhance our chances to give substance to diplomacy and reinforcement to peace?

I have implied in these remarks that ideals and interests are not—as some would have it—antithetical, but are reinforcing. That proposition should inform and guide our foreign policy—most particularly in the matter of human rights.

No better standard, none more compatible with both our ideals and interests, can be raised than that which our Polish brothers and sisters are struggling and suffering to gain—freedom of association.

The first demand of Solidarity, incorporated in the Gdansk Agreements of 1980, was the fulfillment of the pledge undertaken by the Polish government when it ratifed Convention No. 87 of the International Labor Organization on Freedom of Association.

It is a supreme irony of American political life that Convention No. 87 has never been presented by any United States Administration to the Senate for ratification. Our government is foreclosed thereby from bringing, in its own name, any complaint against another nation for violating that key human rights convention before the appropriate bodies of the ILO. The reason is stark and simple—the stubborn and blind opposition of American business as represented by the U.S. Chamber of Commerce, whose influence has thus far prevailed on our foreign policy makers at some considerable cost to our moral standing in the world, if not at home.

That long-standing piece of stupidity ought to be rectified. And beyond that, the principle of freedom of association should be elevated to a positon of primacy in our relations with other nations. Our programs should openly and proudly support and foster free institutions of working people, such as the black trade unions in South Africa, and the democratic movements of rural and urban workers in Central and Latin America and Asia. Our policies and pressures, economic and diplomatic, should aim to get tyrants—tinhorn or totalitarian—off the backs of independent associations of working people. No government which kills, imprisons or exiles free trade unionists should receive our aid or patronage.

Since Convention No. 87 is an international obligation, no nation can properly assert that such a policy would constitute interference in domestic affairs. It would simply buttress and reinforce the finest and most significant role of the ILO. It would, at long last, place this nation where it belongs, firmly in league with the aspiring masses of the world's peoples who will, late or soon, one way or another, shape the future, rather than in isolation with government and business elites. And here at home, a stronger and more broadly based body of support for American foreign policy would emerge and be sustained.

I have spoken of how to detach ourselves, in foreign policy, from the blindness and excess of the Right.

As for the Left, and particularly our friends in the Socialist International, I cannot improve upon the further words of Camus, on Bread and Freedom:

". . . Since the Nineteenth Century the workers' movements have assumed responsibility of the double honor of freedom and justice, without ever dreaming of saying that they were irreconsilable. Laborers, both manual and intellectual, are the ones who gave a body to freedom. . . . And if freedom is regressing today throughout such a large part of the world, this is probably because the devices for enslavement have never been so cynically chosen or so effective, but also because her real defenders . . . have turned away from her. Yes, the great event of the Twentieth Century was the forsaking of the values of freedom by the revolutionary movement, the progressive retreat of Socialism based on freedom before the attacks of a Caesarian and military Socialism. Since that moment a certain hope has disappeared from the world, and a solitude has begun for each and every free man."

We can have no higher purpose than to overcome that solitude.

If we cannot be the keepers of the whole world, we can at least be the keepers of our own conscience. If room in foreign policy cannot be made for moral ends, then room at least should be made for our own morale as a people. To say that we cannot heed a victim's cry because our allies will not act does not excuse us of responsibility. There are always a million plausible reasons to do nothing in the face of a challenge, but our morale as a nation is not consistent with any of them.

We have today, in our foreign policy, an abundance of ringing "whereases" but I have not yet heard the "now, therefore, be it resolved." There are alarms and excursions aplenty. But the direction and object have yet to emerge.

In the words of Seneca: "Our plans miscarry because we have no aim. When a man does not know what harbor he is making for, no wind is the right wind."

Or, as Lewis Carroll tells us, Alice was following a path through a forest in Wonderland when it divided in two directions. Standing irresolute, she inquired of the Cheshire Cat, which had suddenly appeared in a nearby tree, which path she should take. "Where do you want to go?" said the Cat. "I don't know," said Alice. "Then," said the Cat, "it really doesn't matter, does it?"

As for the AFL-CIO, we at least know where we want to go, and we think it matters.●

CAN YOU AFFORD A PLACE TO LIVE IN?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 15 minutes.

● Mr. GONZALEZ. Mr. Speaker, in view of the remarks made last week by the President, Mr. Reagan, and remarks made by the Secretary of the Treasury, Mr. Regan and the Chairman of the Federal Home Loan Bank Board, Mr. Pratt, I am compelled to offer for the RECORD an article I wrote, published on March 7, 1982 in the great local daily, The San Antonio Light, in my district.

[From the San Antonio Light, Mar. 7, 1982]

CAN YOU AFFORD A PLACE TO LIVE IN?

(By U.S. Representative HENRY B. GONZALEZ)

Hardly anybody can afford a place to live in today. The cost of mortgage interest is excruciatingly high, which shuts all but a few out of the market for new homes. Only a third as many new homes are being built today as were built in 1977. What few homes are being built aren't being sold. Nearly one-third of the homes built last year have not sold, and that was a year in which new home starts were at Depression levels.

It isn't easy to find—or afford—a place to rent, either. Apartment construction is off by fifty per cent from the 1977 level. Even though vacancies are practically nonexistent, apartment construction remains low.

The savings and loan industry, which powers the housing business, is in desperate trouble. The savings people want $10 billion to keep sick institutions afloat; economists think that a thousand or more savings and loans will go out of business without some kind of Federal intervention. With the savings and loan industry sick, mortgage money is scarce.

As Chairman of the Housing Subcommittee, my responsibility is to find some way to ease the sickness of the housing industry. Everybody from lumberjacks to real estate salespeople is hurting. Anybody who wants to build, buy, or sell a home is frustrated.

This week I offered a new housing bill intended to lift some of the gloom and make housing more affordable.

An important part of my bill is a program for affordable rental housing. I would make available a flexible grant to local sponsors of affordable rental housing. To get the most efficient type of program possible, project sponsors could get Federal aid in almost any form, from an outright capital grant to a loan. My bill encourages local governments to make contributions like land donations to keep the cost of the units low. To qualify for aid, the sponsor would have to agree to rent one-fifth of the apartments to low-income persons. The rest would be available for people of moderate incomes, whose only real need is for a place to rent at a reasonable price.

My bill also provides for funds to finance homes for sale. It would make subsidies available to homebuyers whose income is slightly above average—people who could finance a home if interest rates were at a reasonable level.

Altogether, my bill would make available up to 175,000 units of affordable housing for rent or sale. This would boost home construction substantially in the coming year.

My bill reaffirms the historic national commitment to providing a safe, decent, affordable home for every citizen. It is not extravagant: the economic benefits will far outweigh the costs. The cost of the program would be no greater than current Federal outlays for housing, which have been greatly reduced from previous levels.

The Reagan administration does not want to provide any new Federal assistance for housing production. In fact, the President aims to cut 46,000 homes out of existing Federal commitments. Yet history shows that no nation, not even ours, has been able to meet all its housing needs without a national commitment and an effective national housing program. Ironically, the Reagan administration's drive to dismantle America's housing programs comes at a time when the demand for homes is reaching an historic high. We are faced with a real threat that the nation's ability to house itself will decline sharply at the very time when the housing industry ought to be reaching its greatest strength.

An example of the dismantling process is that the Administration wants to kill five thousand new units of subsidized housing for the elderly—which supposedly is the one assisted housing program that the President supports. The Department of Housing and Urban Development is also trying to pull back thousands of commitments on subsidized single family homes, in the section 235 program, on the pretext that the units weren't completed on time. Construction delays are understandable in a year when the nation has just endured its worst winter in history. The nation also needs affordable homes, and it's unconscionable that the Administration is trying to eliminate tens of thousands of section 235 low-cost housing at a time when builders are desperate, very few buyers are able to afford today's incredible interest costs, and unemployment in the construction industry running rampant.

In the past fifty years, thanks to such Federal help as FHA insurance, low-rent public housing, and incentives to build, this has become a nation of well-housed people, the best housed people in the world. The Federal help has been essential, and it has paid far more economic benefits than it ever cost. For example, FHA mortgage insurance has not cost the government a dime: it has, in fact, turned a billion and a half dollar profit.

I don't think we can afford to abandon our commitment to housing. The need for a positive Federal policy has never been greater. The program I introduced in the House this week is constructive and workable, one that will go a long way toward unraveling the dilemma that today has trapped everyone who needs a home, or is trying to make a living building or selling homes, along with all those who supply the brick, glass, lumber and myriad other ingredients of housing, from appliances to shingles. If we don't solve the housing dilemma, nobody will be able to afford a home, except the very rich.●

CALIFORNIANS CONTINUE TO SUPPORT ANNUNZIO'S OLYMPIC COIN BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, many have tried to convince this Congress that our amateur athletes, the residents of California, and the American people in general have everything to gain and nothing to lose if H.R. 6058 becomes law. If this is true, why have so many of these supposed benficiaries written to me stating their opposition to this proposal? On May 3, 1982, I shared with you some of the many letters I have received from the American public; and on May 4, 1982, a letter from an amateur skier. Today, I call your attention to the thoughts of a number of Californians.

As you know, H.R. 6058 calls for the minting of 17 coins to be sold to the public through private marketers. Mr. James O'Connell of Redondo Beach sent me a copy of a letter that he wrote to President Reagan:

> It was with a great deal of dismay that I read of your support of the Olympic Coin Bill authorizing up to 17 different designs and types of coins. I read of it in the April 21, 1982, edition of the Los Angeles Times newspaper, and as a collector, not an investor, I have been greatly upset by the trend to overlook the many disastrous directions persons have been trying to go toward collecting the Hobby dollars in the name of the Olympics and the athletes involved.
>
> Emotionalism seems rampant, and reason seems lacking. The great proliferation of coins for the 1972 Germany Olympics, the 1976 Montreal (Canada) Olympics and the Moscow (Russia) Olympics of 1980, should be clear and obvious declaimers for an exaggerated issuance of coins and types by the United States in 1984 at Los Angeles, Calif.
>
> The 1980 issues especially were poorly marketed by the private concerns involved, with ordering information being erratic and confusing, and the number of issues being too large and expensive.
>
> I would hate to see the United States fall victim to that style of marketing technique, and to have the issues it wishes to represent the country with be a drug on the collecting market and in the hobbyists' hands. Such issues do not become "valued heirlooms" or "collectibles that one will cherish as sound investments".
>
> The proposal by Representative Frank Annunzio is a sound and reasonable venture for the country to make. . . . this would be enough to satisfy the Olympic committee's need of funds and the collectors' ability to purchase. The coins could quite easily be marketed through the U.S. Mint's own mailing list, with additions by new collectors/investors request to them. Please, do not fall in to the trap of quantity versus quality that the marketeers find attractive. Keep it simple, and artistic, not flashy.

I think that it is important to note that the private concerns who marketed the 1980 Russian Olympic coins in the United States are the same ones who would like to market our 1984 coins. We should certainly consider Mr. O'Connell's comments on that point very carefully. Also, his objections to the size and cost of the program proposed by H.R. 6058 are echoed by Dr. Hubert Heitman of Davis:

> Perhaps some of us do not support our elected Members of Congress adequately. I write to you about the ridiculous Olympic coin proposal(s). I am an American coin collector on a small scale. What I can afford, and what I enjoy are two different things—in both directions.
>
> I have no quarrel with occasional commemoratives—in reasonable numbers and value. The Olympic plan favored or sponsored by the L.A. Organizing Committee and the international banking house and oil firm is so unreasonable that any right-thinking elected representative of the people should immediately have discarded

it. It is a sham program—too many coins, too much in denominations. Your plan . . . is ideal. Our government, through the Mint, should not only manufacture but release or sell U.S. coins. Part of the mark-up can go to the L.A. Olympics or the U.S. Olympic Committee as you deem best, but the overly expensive program suggested foists too much Olympic support on to coin collectors. Even children should be able to obtain the coins. If a program is developed for the wealthy, it isn't for collectors.

And from Mr. and Mrs. H. E. Schafer of Ukiah:

> You have our wholehearted support for your position in connection with the minting of fewer coins and government handling of the program.

Mr. Lewis Linson of LaJolla agrees:

> It is important to the success of the Olympic Commemorative Coin program as well as to possible future commemorative coin programs that it be limited to a handful or so of coins . . . and that the government handle the distribution. I strongly support your position in this matter.

Although the proponents of H.R. 6058 claim that private enterprise will be more successful than the U.S. Mint in raising money for our Olympic athletes, many Americans vehemently disagree. In fact, they feel that the marketers are blatantly opportunistic. For example, Mr. Herbert Freeman of Sacramento writes:

> I strongly believe that there should be fewer coins than advocated by the coin group plan. Also, the government should handle this entire program. It is disgusting that certain interests are trying to garner a profit from this program.

And from Mr. Stephen Schendel of Concord:

> Please continue your fight against the ridiculous . . . Olympic Coin Program. I realize that Lazard Freres and Occidental Petroleum are very tough lobbyists. But their program is going to shortchange the American public, the U.S. Treasury and American Numismatics. I fully support your position.

These letters clearly indicate that the residents of California would like to participate in an Olympic coin program that is reasonably sized and priced. My bill, H.R. 6158, calls for the minting of three coins, not 17. These people applaud the notion of selling commemorative coins to benefit our Olympic athletes. They are not, however, prepared to benefit a group of private marketers. Who can blame them? H.R. 6158 proposes that the coins be sold directly to the public by the mint, with all of the proceeds going to our athletes. Under this bill, all of the money goes where it is supposed to. Why should any of it go anywhere else?●

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Railsback) to revise and extend their remarks and include extraneous material:)

Mr. Kemp, for 60 minutes, today.

Mr. McDade, for 5 minutes, today.

Mr. Lott, for 5 minutes, today.

(The following Members (at the request of Mr. Kastenmeier) to revise and extend their remarks and include extraneous material:)

Mr. Barnes, for 5 minutes, today.

Mr. LaFalce, for 60 minutes, today.

Mr. St Germain, for 5 minutes, today.

Mr. Gonzalez, for 15 minutes, today.

Mr. Annunzio, for 5 minutes, today.

Mr. Coelho, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. Railsback) and to include extraneous matter:)

Mr. McKinney.

Mr. Leach of Iowa.

Mr. Young of Alaska.

Mr. Erlenborn.

Mr. Michel in three instances.

Mr. Conte.

Mr. Sensenbrenner.

Mr. Green.

Mrs. Fenwick.

Mr. Latta.

(The following Members (at the request of Mr. Kastenmeier) and to include extraneous matter:)

Mr. Barnes.

Mr. Peyser.

Mr. Ottinger in two instances.

Mr. Miller of California.

Mr. Rostenkowski.

Mr. Mineta.

Mr. Anderson in 10 instances.

Mr. Gonzalez in 10 instances.

Mr. Brown of California in 10 instances.

Mr. Annunzio in six instances.

Mr. Jones of Tennessee in 10 instances.

Mr. Boner of Tennessee in five instances.

Mr. Waxman.

Mrs. Schroeder.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 907. An act to amend sections 351 and 1751 of title 18 of the United States Code to provide penalties for crimes against Cabinet officers, Supreme Court Justices, and Presidential staff members, and for other purposes; to the Committee on the Judiciary.

S. 2154. An act to direct the Secretary of Agriculture to release a reversionary interest held by the United States in certain lands located in Christian County, Ky., so that such lands may be used for cemetery purposes; to the Committee on Agriculture.

ENROLLED JOINT RESOLUTION SIGNED

Mr. HAWKINS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a joint resolution of the House of the following title, which was thereupon signed by the Speaker:

H.J. Res. 361. Joint resolution to grant official recognition to the international ballet competition.

BILL PRESENTED TO THE PRESIDENT

Mr. HAWKINS, from the Committee on House Administration, reported that that committee did on May 6, 1982, present to the President, for his approval, a bill of the House of the following title:

H.R. 1681. A bill for the relief of Andre Bartholo Eubanks.

ADJOURNMENT

Mr. KASTENMEIER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 10 minutes p.m.), the House adjourned until tomorrow, Tuesday, May 11, 1982, at 12 o'clock noon.

EXPENDITURE REPORTS CONCERNING OFFICIAL FOREIGN TRAVEL

Report of a House committee concerning the foreign currencies and U.S. dollars utilized by it during the first quarter of calendar year 1982 in connection with foreign travel pursuant to Public Law 95-384 is as follows:

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON INTERIOR AND INSULAR AFFAIRS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 3 AND MAR. 31, 1982

Name of member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Dan Marriott	1/13	1/15	Papua, New Guinea		$62.00						$62.00
Charles Conklin	1/13	1/15	Papua, New Guinea		159.00						159.00
Antonio Won Pat	1/13	1/15	Papua, New Guinea		189.00						189.00
	1/17	1/19	Fiji		81.00						81.00
Timothy Glidden	1/13	1/15	Papua, New Guinea		189.00						189.00
	1/17	1/19	Fiji		81.00						81.00
June Lusby	1/13	1/15	Papua, New Guinea		189.00						189.00
	1/17	1/19	Fiji		81.00						81.00
Patricia Krause	1/17	1/19	Fiji		80.00						80.00
Lee McElvain	1/17	1/19	Fiji		80.00						80.00
Thomas Dunmire	1/17	1/19	Fiji		80.00						80.00
SeNellie Phillip	1/17	1/19	Fiji		80.00						80.00
Committee total					1,351.00						1,351.00

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

MORRIS K. UDALL, Chairman, Apr. 20, 1982.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3872. A letter from the Comptroller General of the United States, transmitting a review of rescissions and deferrals contained in the eighth and ninth special messages of the President for fiscal year 1982, pursuant to section 1014(b) of Public Law 93-344 (H. Doc. No. 97-176); to the Committee on Appropriations and ordered to be printed.

3873. A letter from the Secretary of the Air Force, transmitting notification that two Air Force systems will exceed the total program acquisition unit cost by more than 15 percent, pursuant to section 917 of Public Law 97-86; to the Committee on Armed Services.

3874. A letter from the Assistant Secretary of the Navy (Shipbuilding and Logistics), transmitting notice of the proposed conversion to contractor performance of the civilian education and training (apprentice instructors) function at the naval shipyard, Portsmouth, N.H., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

3875. A letter from the Mayor of the District of Columbia, transmitting a copy of this response to the Comptroller General's report on the city's major acquisitions of space, pursuant to section 736(b)(3) of Public Law 93-198; to the Committee on the District of Columbia.

3876. A letter from the Secretary of Education, transmitting proposed final regulations for the cost of attendance under the Pell grant program, pursuant to section 431(d) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

3877. A letter from the Chairman, Federal Trade Commission, transmitting 12th report of the Commission on the impact on competition and on small business of the development and implementation of voluntary agreements and plans of action to carry out provisions of the international energy program, pursuant to section 252(i) of the Energy Policy and Conservation Act of 1975, as amended; to the Committee on Energy and Commerce.

3878. A letter from the Administrator, Energy Information Administration, Department of Energy, transmitting the second annual report on the demonstrated reserve base of coal in the United States as of January 1, 1980, pursuant to section 801 of Public Law 95-620; to the Committee on Energy and Commerce.

3879. A letter from the Comptroller General of the United States, transmitting a report on GSA leasing procedures and practices (PLRD-82-46, May 10, 1982); to the Committee on Government Operations.

3880. A letter from the Chairman, Federal Home Loan Bank Board, transmitting a report on the Board's activities under the Government in the Sunshine Act during calendar year 1981, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

3881. A letter from the Acting Secretary of the Interior, transmitting financial exhibits of the Colorado River storage project and participating projects for fiscal year 1981, pursuant to section 6 of the act of April 11, 1956; to the Committee on Interior and Insular Affairs.

3882. A letter from the Under Secretary of the Interior, transmitting a report on the cancellation of certain coal leases and permits on the Northern Cheyenne Indian Reservation, pursuant to section 6 of Public Law 96-401; to the Committee on Interior and Insular Affairs.

3883. A letter from the Assistant Attorney General (Legislative Affairs, transmitting a report on the U.S. trustee system, covering the period October 1, 1980, to September 30, 1981, pursuant to section 408(a) of Public Law 95-598; to the Committee on the Judiciary.

3884. A letter from the Director, Office of Personnel Management, transmitting a draft of proposed legislation to amend section 3109 of title 5, United States Code, to clarify the authority for appointment and compensation of experts and consultants, and for other purposes; to the Committee on Post Office and Civil Service.

3885. A letter from the Secretary of Transportation, transmitting a report on regulations establishing minimum financial responsibility for motor carriers, and their impact, pursuant to section 30(e) of Public Law 96-296; to the Committee on Public Works and Transportation.

3886. A letter from the Chairman, U.S. International Trade Commission, transmitting a draft of proposed legislation to provide authorization of appropriations for the U.S. International Trade Commission for fiscal year 1984; to the Committee on Ways and Means.

3887. A letter from the Assistant Secretary of the Treasury, transmitting the first annual report on the financial condition and results of the operations of the hazardous substance response trust fund, pursuant to section 223(b) of the Hazardous Substance Response Revenue Act of 1980; jointly, to the Committees on Energy and Commerce and Ways and Means.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ERLENBORN (for himself, Mr. Horton, and Mr. McCloskey):

H.R. 6334. A bill to amend the Freedom of Information Act to require that information be made available to Congress; to the Committee on Government Operations.

By Mr. HAMMERSCHMIDT:

H.R. 6335. A bill to amend the Bankruptcy Act regarding farm produce storage facilities, and for other purposes; to the Committee on the Judiciary.

By Mr. SEIBERLING:

H.R. 6336. A bill to provide certain authority to reduce erosion within the Cuyahoga Valley National Recreation Area; to the Committee on Interior and Insular Affairs.

By Mr. MOFFETT (for himself, Mr. Lent, Mr. Brodhead, Mr. Gilman, Mr. Barnes, and Mr. Smith of New Jersey):

H. Con. Res. 336. Concurrent resolution expressing the sense of the Congress concerning the compliance by the Soviet Union with certain international agreements on human rights; to the Committee on Foreign Affairs.

By Mr. DICKS (for himself, Mr. Conte, Mr. Bonker, Mr. Alexander, Mr. Corrada, Mr. Fazio, Mr. Frenzel, Mr. Forsythe, Mr. Gibbons, Mr. Lundine, Mr. Murphy, Mr. Ottinger, Mr. Pepper, Mr. Pritchard, Mr. Wyden, Mr. Walgren, Mr. Lowry of Washington, Mr. Sunia, Mr. Swift, Mr. Roe, Mr. Richmond, Mr.

Wilson, Mr. Foley, Mr. Patterson, Mr. Oberstar, and Mr. Morrison):

H. Res. 456. Resolution expressing the sense of the House of Representatives that the President should request sufficient borrowing authority to permit the Export-Import Bank of the United States to provide competitive financing for American exports; to the Committee on Banking, Finance and Urban Affairs.

By Mr. PEPPER (for himself, Mr. Wright, and Mr. Alexander):

H. Res. 457. Resolution expressing the sense of the House in opposition to arbitrary and unspecified reductions of social security benefits over the next 3 fiscal years; to the Committee on Ways and Means.

MEMORIALS

Under clause 4 of rule XXII,

372. The **SPEAKER** presented a memorial of the Legislature of the State of Hawaii, relative to the national pollutant discharge elimination system permit for water releases from reservoirs; to the Committee on Public Works and Transportation.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 375: Mr. Rosenthal, Ms. Ferraro, and Mr. Lowry of Washington.

H.R. 5439: Mr. Trible, Mr. Guarini, Mr. Minish, and Mr. Goodling.

H.R. 6100: Mr. Lowry of Washington, Mr. Alexander, and Mr. Wright.

H.R. 6245: Mr. Ertel.

H.R. 6294: Mr. Fauntroy, Mr. LaFalce, Mr. Blanchard, Mr. Lundine, Ms. Oakar, Mr. Hubbard, Mr. D'Amours, Mr. Frank, Mr. Hoyer, Mr. Derrick, Mr. Dicks, Mr. William J. Coyne, and Mr. Daschle.

H.R. 6315: Mr. Sawyer.

H.J. Res. 412: Mr. Bedell, Mr. Andrews, Mr. Bailey of Pennsylvania, Mr. Cheney, Mr. Brown of Colorado, Mr. Brinkley, Mr. Benedict, Mr. Perkins, Mr. Bliley, Mr. Moore, Mr. Quillen, Mr. Mottl, Mr. Panetta, Mr. Nowak, Mr. Napier, Mr. Patman, Mr. Regula, Mr. Annunzio, Mr. Benjamin, Mr. Railsback, Mr. Beard, Mrs. Boggs, Mr. Boland, Mr. Boner of Tennessee, Mr. Bonker, Mrs. Bouquard, Mr. Bowen, Mr. Breaux, Mr. Brown of Ohio, Mr. Campbell, Mr. Chappie, Mr. Conyers, Mr. Coughlin, Mr. Donnelly, Mr. Loeffler, Mr. Neal, Mr. O'Brien, Mr. Dornan of California, Mr. Price, Mr. Pritchard, Mr. Corcoran, Mr. Dorgan of North Dakota, Mr. Ford of Tennessee, Mr. Dan Daniel, Mr. Sunia, Mr. Leach of Iowa, Mr. LeBoutillier, Mr. Lent, Mr. Livingston, Mr. McCloskey, Mr. McDade, Mr. Marks, Mr. Marriott, Mrs. Martin of Illinois, Mr. Mattox, Mr. Mavroules, Mr. Barnard, Mr. John L. Burton, Mr. McEwen, Mr. Daub, Mr. Moffett, Mr. Moorhead, Mr. Morrison, Mr. Murphy, Mr. Stenholm, Mr. Mollahan, Mr. Lee, Mr. Vento, Mr. Martin of New York, Mr. Mitchell of New York, Mr. Leath of Texas, Mr. Long of Maryland, Mr. Alexander, Mr. Applegate, Mr. Hughes, Mr. Montgomery, Mr. Bevill, Mr. Anderson, Mr. McDonald, Mr. Blanchard, Mr. Pursell, Mr. Pickle, Mr. Pashayan, Mrs. Collins of Illinois, Mr. Coats, Mr. Conte, Mr. Coleman, Mr. Clay, Mr. Oxley, Mr. Clinger, Mr. Erdahl, and Mr. Daniel B. Crane.

H.J. Res. 433: Mr. Annunzio.

H. Con. Res. 322: Mr. Porter and Mr. Garcia.

H. Res. 374: Mr. Daub, Mr. Mica, Mr. Rosenthal, and Mr. Shannon.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

424. By the SPEAKER: Petition of the Save Title V Jobs for Seniors Committee, San Francisco, Calif., relative to title V of the Older Americans Act; to the Committee on Education and Labor.

425. Also, petition of the Associated Students of Pacific Lutheran University, Tacoma, Wash., relative to student financial aid programs; to the Committee on Education and Labor.

426. Also, petition of the city council of Quincy, Mass., relative to nuclear weapons; to the Committee on Foreign Affairs.

427. Also, petition of the County of Sacramento Board of Supervisors, California, relative to veterans exposed to atomic radiation; to the Committee on Veterans' Affairs.

428. Also, petition of the city council of Fenton, Mich., relative to H.R. 5133; jointly, to the Committees on Energy and Commerce and Ways and Means.

SENATE—*Monday, May 10, 1982*

(Legislative day of Tuesday, April 13, 1982)

The Senate met at 12 noon, on the expiration of the recess, and was called to order by the President pro tempore (Mr. Thurmond).

PRAYER

The Chaplain, the Reverend Richard C. Halverson, LL.D., D.D., offered the following prayer:

It is a good thing to give thanks unto the Lord, and to sing praises unto thy name, O most High: To show forth thy lovingkindness in the morning, and thy faithfulness every night.—(Psalm 92:1, 2.)

Our Father who art in Heaven, we pray for the families of the Senators. We pray for their protection, for strengthened relationships between husbands and wives, parents and children. As election campaigns intensify, as work in the Senate becomes heavier and the tension of conflict increases, dear God do not allow families to be sacrificed on the altar of politics.

Gracious Father, help the Senators to take time, to make time for their families. Help them to be an example to the Nation of the sheer necessity of strong family life. Help "husbands to love their wives as Christ loved His church and gave up His life for her." Help them not to lose their children in the process of winning an election. Loving Lord, may we heed the lesson of the Bible and history, that the family is the core of culture and the nucleus of social order; that as the family goes, so goes the Nation! In Jesus' name, we pray. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The majority leader is recognized.

Mr. BAKER. I thank the Chair.

THE JOURNAL

Mr. BAKER. Mr. President, I ask unanimous consent that the Journal of the proceedings of the Senate be approved to date.

The PRESIDENT pro tempore. Without objection, it is so ordered.

THE WAKING

Mr. BAKER. Mr. President, warming, sunning, strolling, smiling, enjoying * * * waking. I ask unanimous consent that "The Waking," a poem by Theodore Roethke, be printed in the Record.

There being no objection, the poem was ordered to be printed in the Record, as follows:

THE WAKING

I wake to sleep, and take my waking slow.
I feel my fate in what I cannot fear.
I learn by going where I have to go.

We think by feeling. What is there to know?
I hear my being dance from ear to ear.
I wake to sleep, and take my waking slow.

Of those so close beside me, which are you?
God bless the Ground! I shall walk softly there,
And learn by going where I have to go.

Light takes the Tree; but who can tell us how?
The lowly worm climbs up a winding stair;
I wake to sleep, and take my waking slow.

Great Nature has another thing to do
To you and me; so take the lively air,
And, lovely, learn by going where to go.

This shaking keeps me steady. I should know.
What falls away is always. And is near.
I wake to sleep, and take my waking slow.
I learn by going where I have to go.

ORDER DESIGNATING PERIOD FOR THE TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, after the recognition of the two leaders under the standing order, and five Senators on special orders for not to exceed 15 minutes each, I ask unanimous consent that there be a period for the transaction of routine morning business of not longer than 1 hour in length, in which Senators may speak for not more than 10 minutes each.

The PRESIDENT pro tempore. Without objection, it is so ordered.

PRESIDENT REAGAN COMMENDED ON CALL FOR "START"

Mr. BAKER. Mr. President, yesterday at Eureka College in Illinois, President Reagan announced the framework for an historic opportunity for the two nations with overwhelming nuclear arsenals to reduce the danger of war. There is, I believe Mr. President, a moral imperative requiring that the great nations possessing those arsenals meet together and find ways to reduce those arsenals and to enhance the chance that those arsenals may never be used.

If accepted, the proposals that President Reagan announced yesterday will have that effect. We should not be under any illusion that the goals he set out will be easily or quickly reached. No one believes that the Soviets will be easily persuaded to give up the advantages which they have achieved by an aggressive military buildup while we have delayed, distracted in the vain hope that a failed SALT process would somehow bring us the security for which we were unwilling either to spend or negotiate realistically.

It is reported this morning, Mr. President, that the Soviet Defense Minister, Dimitri Ustinov responded to President Reagan's call for negotiations with a statement that "the Soviet Union will not allow the existing balance of forces to be disrupted." I am confident that the American people and, I would hope, our friends in Europe, see that statement for precisely what it is: An attempt to preserve the existing balance in the Soviet favor. I would hope that the President's proposal, which offers the first real opportunity to enhance the prospects for peace, would still the voices of those here and abroad who are tempted to join with the Soviet Defense Minister in preserving the "existing balance of forces."

Mr. President, if arms control is to be a meaningful endeavor, if it is to be anything more than a diplomatic exercise by which we delude ourselves with a false and most dangerous sense of security, then we have to recapture the original, dual purpose of arms control. We must contribute to the security of the United States and to the prospects of reducing the risks of nuclear war. An arms control agreement that does not do both is an agreement for the sake of an agreement and in my view, worse than none at all.

Over the years, we have gotten away from that original purpose, Mr. President; yesterday, President Reagan returned to it. The President has returned to the mandate we in the Senate provided in 1972 in approving the Interim SALT I agreement. We said then that the next treaty should not "limit the United States to a level of intercontinental strategic forces inferior to the limit provided by the Soviet Union." Through careful and deliberate preparation, President Reagan has provided a way to achieve that goal through significant reductions in the nuclear arsenals of both powers. He has provided a proposal to reach that goal in a plausible and realistic manner that enhances strategic stability. That, Mr. President, increases the security of both the United States and the Soviet Union by reducing the risks that either will miscalcu-

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

late and see advantage to a preemptive first strike

By attempting to achieve meaningful and significant reductions in the most destabilizing elements of the strategic equation, President Reagan is asking for significant concessions both from the United States and the Soviet Union. Those with an interest in preserving an uncertain strategic equation will reject these proposals, Mr. President. Those with an interest in diminishing uncertainties and enhancing stability by reducing the possibility for that one awful miscalculation will see the merit in these proposals.

I believe that to be sufficient incentive for any rational leader, United States or Soviet; and there are other incentives as well. It is my fervent hope that the Soviet leadership will carefully calculate the advantages of a less dangerous world and will join President Reagan in this historic opportunity for a more peaceful future.

Mr. President, I ask unanimous consent that the full text of the President's remarks at Eureka College be printed in the Record.

There being no objection, the remarks were ordered to be printed in the Record, as follows:

Remarks of the President at the Eureka Commencement Ceremony

The President. Thank you very much. President Gilbert, Trustees, Administration, and Faculty, students and the friends of Eureka College and particularly those whose day this is—the graduating class of '82—(applause)—Dan, you said the 25th and now the 50th. Do you mind if I try for the 75th? (Applause.)

But it goes without saying that this is a very special day for you who are graduating. Would you forgive me if I say it's a very special day for me also? Over the years since I sat where you, the graduating class of 1982, are now sitting, I've returned to the campus many times, always with great pleasure and warm nostalgia. Now, it just isn't true that I only came back this time to clean out my gym locker. (Laughter.)

On one of those occasions, as you've been told, I addressed the graduating class here, "neath the elms," and was awarded an honorary degree. At that time I informed those assembled that while I was grateful for the honor, it added to a feeling of guilt I've been nursing for 25 years, because I always figured that first degree they give me was honorary. (Laughter.)

Now, if it's true that tradition is the glue holding civilization together, then Eureka has made its contribution to that effort. Yea, it is a small college in a small community. It's no impersonal, assembly-line diploma mill. As the years pass, if you have let yourselves absorb the spirit and tradition of this place, you'll find the four years you've spent here living in your memory as a rich and important part of your life.

Oh, you'll have some regrets along with the happy memories. I let football and other extracurricular activities eat into my study time with the result that my grade average was closer to the C level required for eligibility than it was to straight A's. And even now I wonder what I might have accomplished if I'd studied harder. (Laughter.) (Applause.)

Now, I know there are differences between the Eureka College of 1932 and the Eureka of 1982, but I'm also sure that in many ways—important ways—Eureka remains the same. For one thing, it's impossible for you now to believe what I've said about things being the same. We who preceded you understand that very well, because when we were here we thought old grads who came back only after five years—not 50—couldn't understand what our life was like and what had taken place and changed. So take my word for it. As the years go by, you'll be amazed at how fresh the memory of these years will remain in your mind; how easily you can relive the very emotions that you experienced.

The Class of '32 has no yearbook to record our final days on the campus. The Class of '33 didn't put out a Prism because of the hardships of that great Depression era. The faculty sometimes went for months on end without pay. And yet this school made it possible for young men and women, myself included, to get an education even though we were totally without funds, our families destitute victims of the Depression.

Yes, this place is deep in my heart. Everything that has been good in my life began here. (Applause.)

Graduation Day is called "Commencement" and properly so because it is both a recognition of completion and a beginning. And I would like, seriously, to talk to you about this new phase—the society in which you're now going to take your place as full-time participants. You're no longer observers. You will be called upon to make decisions and express your views on global events because those events will affect your lives.

I've spoken of similarities, and the 1980's like the 1930's may be one of those—a crucial juncture in history that will determine the direction of the future.

In about a month I will meet in Europe with the leaders of nations who are our closest friends and allies. At Versailles, leaders of the industrial powers of the world will seek better ways to meet today's economic challenges. In Bonn, I will join my colleagues from the Atlantic Alliance nations to renew those ties which have been the foundation of Western, free-world defense for 37 years. There will also be meetings in Rome and London.

Now, these meetings are significant for a simple but very important reason. Our own nation's fate is directly linked to that of our sister democracies in Western Europe. The values for which America and all democratic nations stand represent the culmination of Western culture. Andrei Sakharov, the distinguished Nobel Laureate and courageous Soviet human rights advocate, has written in a message smuggled to freedom, "I believe in Western man. I have faith in his mind which is practical and efficient and, at the same time, aspires to great goals. I have faith in his good intentions and in his decisiveness."

This glorious tradition requires a partnership to preserve and protect it. Only as partners can we hope to achieve the goal of a peaceful community of nations. Only as partners can we defend the values of democracy and human dignity that we hold so dear.

There is a single, major issue in our partnership which will underlie the discussions that I will have with the European leaders. The future of Western relations with the Soviet Union. How should we deal with the Soviet Union in the years ahead? What framework should guide our conduct and our policies toward it? And what can we realistically expect from a world power of such deep fears, hostilities, and external ambitions?

I believe the unity of the West is the foundation for any successful relationship with the East. Without Western unity, we'll squander our energies in bickering while the Soviets continue as they please. With unity, we have the strength to moderate Soviet behavior. We've done so in the past and we can do so again.

Our challenge is to establish a framework in which sound East-West relations will endure. I'm optimistic that we can build a more constructive relationship with the Soviet Union. To do so, however, we must understand the nature of the Soviet system and the lessons of the past.

The Soviet Union is a huge empire ruled by an elite that holds all power and all privilege. They hold it tightly because, as we've seen in Poland, they fear what might happen if even the smallest amount of control slips from their grasp. They fear the infectiousness of even a little freedom and because of this in many ways their system has failed. The Soviet empire is faltering because it is rigid—centralized control has destroyed incentives for innovation, efficiency and individual achievement. Spiritually, there is a sense of malaise and resentment.

But in the midst of social and economic problems, the Soviet dictatorship has forged the largest armed force in the world. It has done so by preempting the human needs of its people, and, in the end, this course will undermine the foundations of the Soviet system. Harry Truman was right when he said of the Soviets that, "When you try to conquer other people or extend yourself over vast areas you cannot win in the long run."

Yet Soviet aggressiveness has grown as Soviet military power has increased. To compensate, we must learn from the lessons of the past. When the West has stood unified and firm, the Soviet Union has taken heed. For 35 years Western Europe has lived free despite the shadow of Soviet military might. Through unity, you'll remember from your modern history courses, the West secured the withdrawal of occupation forces from Austria and the recognition of its rights in Berlin.

Other Western policies have not been successful. East-West trade was expanded in the hope of providing incentives for Soviet restraint, but the Soviets exploited the benefits of trade without moderating their behavior. Despite a decade of ambitious arms control efforts, the Soviet buildup continues. And despite its signature of the Helsinki agreements on human rights, the Soviet Union has not relaxed its hold on its own people or those of Eastern Europe.

During the 1970's some of us forgot the warning of President Kennedy who said that the Soviets "have offered to trade us an apple for an orchard. We don't do that in this country." But we came perilously close to doing just that.

If East-West relations in the detente era in Europe have yielded disappointment, detente outside of Europe has yielded a severe disillusionment for those who expected a moderation of Soviet behavior. The Soviet Union continues to support Vietnam in its occupation of Kampuchea and its massive military presence in Laos. It is engaged in a war of aggression against Afghanistan.

Soviet proxy forces have brought instability and conflict to Africa and Central America.

We are now approaching an extremely important phase in East-West relations as the current Soviet leadership is succeeded by a new generation. Both the current and the new Soviet leadership should realize aggressive policies will meet a firm Western response. On the other hand, a Soviet leadership devoted to improving its people's lives, rather than expanding its armed conquests, will find a sympathetic partner in the West. The West will respond with expanded trade and other forms of cooperation. But all of this depends on Soviet actions. Standing in the Athenian marketplace 2,000 years ago, Demosthenes said. "What sane man would let another man's words rather than his deeds proclaim who is at peace and who is at war with him?"

Peace is not the absence of conflict, but the ability to cope with conflict by peaceful means. I believe we can cope. I believe that the West can fashion a realistic, durable policy that will protect our interests and keep the peace, not just for this generation, but for your children and your grandchildren. (Applause.)

I believe such a policy consists of five points: military balance, economic security, regional stability, arms reductions, and dialogue. Now, these are the means by which we can seek peace with the Soviet Union in the years ahead. Today, I want to set this five-point program to guide the future of our East-West relations, set it out for all to hear and see.

First, a sound East-West military balance is absolutely essential. Last week NATO published a comprehensive comparison of its forces with those of the Warsaw Pact. Its message is clear. During the past decade, the Soviet Union has built up its forces across the board. During that same period, the defense expenditures of the United States declined in real terms. The United States has already undertaken steps to recover from that decade of neglect. And I should add that the expenditures of our European allies have increased slowly but steadily, something we often fail to recognize here at home.

The second point on which we must reach consensus with our allies deals with economic security. Consultations are under way among Western nations on the transfer of militarily significant technology and the extension of financial credits to the East as well as on the question of energy dependence on the East, that energy dependence of Europe. We recognize that some of our allies economic requirements are distinct from our own. But the Soviets must not have access to Western technology with military applications, and we must not subsidize the Soviet economy. The Soviet Union must make the difficult choices brought on by its military budgets and economic shortcomings.

The third element is regional stability with peaceful change. Last year in a speech in Philadelphia and in the Summit meetings at Cancun, I outlined the basic American plan to assist the developing world. These principles for economic development remain the foundation of our approach. They represent no threat to the Soviet Union. Yet in many areas of the developing world we find that Soviet arms and Soviet-supported troops are attempting to destabilize societies and extend Moscow's influence.

High on our agenda must be progress toward peace in Afghanistan. The United States is prepared to engage in a serious effort to negotiate an end to the conflict caused by the Soviet invasion of that country. We are ready to cooperate in an international effort to resolve this problem, to secure a full Soviet withdrawal from Afghanistan, and to ensure self-determination for the Afghan people.

In southern Africa, working closely with our Western allies and the African states, we've made real progress toward independence for Namibia. These negotiations, if successful, will result in peaceful and secure conditions throughout southern Africa. The simultaneous withdrawal of Cuban forces from Angola is essential to achieving Namibian independence, as well as creating long-range prospects for peace in the region.

Central America also has become a dangerous point of tension in East-West relations. The Soviet Union cannot escape responsibility for the violence and suffering in the region caused by its support for Cuban activities in Central America and its accelerated transfer of advanced military equipment to Cuba.

However, it was in Western Europe—or Eastern Europe, I should say—that the hopes of the 1970's were greatest, and it is there that they have been the most bitterly disappointed. There was hope that the people of Poland could develop a freer society. But the Soviet Union has refused to allow the people of Poland to decide their own fate, just as it refused to allow the people of Hungary to decide theirs in 1956, or the people of Czechoslovakia in 1968.

If martial law in Poland is lifted, if all the political prisoners are released, and if a dialogue is restored with the Solidarity Union, the United States is prepared to join in a program of economic support. Water cannons and clubs against the Polish people are hardly the kind of dialogue that gives us hope. It is up to the Soviets and their client regimes to show good faith by concrete actions.

The fourth point is arms reduction. I know that this weighs heavily on many of your minds. In our 1931 Prism, we quoted Carl Sandburg, who in his own beautiful way quoted the Mother Prairie, saying, "Have you seen a red sunset drip over one of my cornfields, the shore of night stars, the wave lines of dawn up a wheat valley?" What an idyllic scene that paints in our minds—and what a nightmarish prospect that a huge mushroom cloud might someday destroy such beauty. My duty as President is to ensure that the ultimate nightmare never occurs, that the prairies and the cities and the people who inhabit them remain free and untouched by nuclear conflict.

I wish more than anything there were a simple policy that would eliminate that nuclear danger. But there are only difficult policy choices through which we can achieve a stable nuclear balance at the lowest possible level.

I do not doubt that the Soviet people, and, yes, the Soviet leaders have an overriding interest in preventing the use of nuclear weapons. The Soviet Union within the memory of its leaders has known the devastation of total conventional war and knows that nuclear war would be even more calamitous. Yet, so far, the Soviet Union has used arms control negotiations primarily as an instrument to restrict U.S. defense programs and, in conjunction with their own arms buildup, a means to enhance Soviet power and prestige.

Unfortunately, for some time suspicions have grown that the Soviet Union has not been living up to its obligations under existing arms control treaties. There is conclusive evidence the Soviet Union has provided toxins to the Laotians and Vietnamese for use against defenseless villagers in Southeast Asia. And the Soviets themselves are employing chemical weapons on the freedom fighters in Afghanistan.

We must establish firm criteria for arms control in the 1980's if we're to secure genuine and lasting restraint on Soviet military programs throughout arms control. We must seek agreements which are verifiable, equitable, and militarily significant. Agreements that provide only the appearance of arms control breed dangerous illusions.

Last November, I committed the United States to seek significant reductions on nuclear and conventional forces. In Geneva, we have since proposed limits on U.S. and Soviet intermediate-range missiles, including the complete elimination of the most threatening systems on both sides.

In Vienna, we're negotiating, together with our allies, for reductions of conventional forces in Europe. In the 40-nation Committee on Disarmament, the United States seeks a total ban on all chemical weapons.

Since the first days of my administration, we've been working on our approach to the crucial issue of strategic arms and the control and negotiations for control of those arms with the Soviet Union. The study and analysis required has been complex and difficult. It had to be undertaken deliberately, thoroughly, and correctly. We've laid a solid basis for these negotiations. We're consulting with Congressional leaders and with our allies, and we are now ready to proceed.

The main threat to peace posed by nuclear weapons today is the growing instability of the nuclear balance. This is due to the increasingly destructive potential of the massive Soviet buildup in its ballistic missile force.

Therefore, our goal is to enhance deterrence and achieve stability through significant reductions in the most destabilizing nuclear systems, ballistic missiles, and especially the giant intercontinental ballistic missiles, while maintaining a nuclear capability sufficient to deter conflict, to underwrite our national security and to meet our commitment to allies and friends.

For the immediate future, I'm asking my START, and START really means, we've given up on SALT, START means, "Strategic Arms Reduction Talks," and that negotiating team to propose to their Soviet counterparts a practical, phased reduction plan. The focus of our efforts will be reduce significantly the most destabilizing systems, the ballistic missiles, the number of warheads they carry and their overall destructive potential.

At the first phase, or the end of the first phase of START, I expect ballistic missile warheads, the most serious threat we face, to be reduced to equal levels, equal ceilings, at least a third below the current levels. To enhance stability, I would ask that no more than half of those warheads be land-based. I hope that these warhead reductions as well as significant reductions in missiles themselves could be achieved as rapidly as possible.

In a second phase, we'll seek to achieve an equal ceiling on other elements of our strategic nuclear forces including limits on the ballistic missile throwweight at less than current American levels. In both phases, we shall insist on verification procedures to insure compliance with the agreement.

This, I might say, will be the twentieth time that we have sought such negotiations with the Soviet Union since World War II.

The monumental task of reducing and reshaping our strategic forces to enhance stability will take many years of concentrated effort. But I believe that it will be possible to reduce the risks of war by removing the instabilities that now exist and by dismantling the nuclear menace. (Applause).

I have written to President Brezhnev and directed Secretary Haig to approach the Soviet government concerning the initiation of formal negotiations on the reduction of strategic nuclear arms, START, at the earliest opportunity. We hope negotiations will begin by the end of June.

We will negotiate seriously, in good faith and carefully consider all proposals made by the Soviet Union. If they approach these negotiations in the same spirit, I'm confident that together we can achieve an agreement of enduring value that reduce the number of nuclear weapons, halts the growth in strategic forces and opens the way to even more far-reaching steps in the future. (Applause).

I hope the Commencement today will also mark the commencement of a new era, in both senses of the word a new start toward a more peaceful and secure world.

The fifth and final point I propose for East-West relations is dialogue. I've always believed that people's problems can be solved when people talk to each other instead of about each other. And I've already expressed my own desire to meet with President Brezhnev in New York next month. If this can't be done, I would hope we could arrange a future meeting where positive results can be anticipated. And when we sit down, I'll tell President Brezhnev that the United States is ready to build a new understanding based upon the principles I've outlined today. I'll tell him that his government and his people have nothing to fear from the United States. The free nations living at peace in the world community can vouch for the fact that we seek only harmony. And I'll ask President Brezhnev why our two nations can't practice mutual restraint. Why can't our peoples enjoy the benefits that would flow from real cooperation? Why can't we reduce the number of horrendous weapons?

Perhaps I should also speak to him of this school and these graduates who are leaving it today—of your hopes for the future, of your deep desire for peace, and yet your strong commitment to defend your values if treatened. Perhaps if he someday could attend such a ceremony as this, he'd better understand America. In the only system he knows, you would be here by the decision of government and on this day the government representatives would be here telling most, if not all of you, where you were going to report to work tomorrow.

But as we go to Europe for the talks and as we proceed in the important challenges facing this country, I want you to know that I will be thinking of you and of Eureka and what you represent. In one of my yearbooks, I remember reading that, "The work of the prairie is to be the soil for the growth of a strong western culture." I believe Eureka is fulfilling that work. You, the members of the 1982 graduating class, are this year's harvest.

I spoke of the difference between our two countries. I try to follow the humor of the Russian people. We don't hear much about the Russian people. We hear about the Russian leaders. But you can learn a lot because they do have a sense of humor and you can learn from the jokes they're telling. And one of the most recent jokes I found kind of—well, personally interesting. Maybe you might—tell you something about your country. The joke they tell is that an American and a Russian were arguing about the differences between our two countries. And the American said, "Look. In my country I can walk in the Oval Office, I can hit the desk with my fist, and say, 'President Reagan, I don't like the way you are governing the United States.'" And the Russian said, "I can do that." The American said, "What?" He says "I can walk into the Kremlin, into Brezhnev's office. I can pound Brezhnev's desk and I can say, 'Mr. President, I don't like the way Ronald Reagan is governing the United States.'" (Laughter.) (Applause.)

Eureka as an institution and you as individuals are sustaining the best of Western man's ideals. As a fellow graduate and in the office I hold, I'll do my best to uphold these same ideals. To the Class of '82, congratulations and God bless you. (Applause.).

COMMENCEMENT ADDRESS BY SENATOR DANFORTH AT AVILA COLLEGE IN KANSAS CITY, MO.

Mr. BAKER. Mr. President, this past weekend, my good friend and colleague from Missouri, Senator DANFORTH, delivered the commencement address at Avila College in Kansas City, Mo. His remarks were emblematic of his continuing concern for our planet and its resources, and for the responsibility that such a concern bestows on our national leaders.

I call Senator DANFORTH's remarks to the Senate's attention, and I ask unanimous consent that the text of his address be printed in the RECORD.

There being no objection, the text was ordered to be printed in the RECORD, as follows:

REMARKS BY SENATOR JOHN C. DANFORTH AT THE AVILA COLLEGE COMMENCEMENT

"So God created man in his own image . . . male and female he created them. And God blessed them, and God said to them . . . 'fill the earth and subdue it, and have dominion over every living thing' . . . and God saw everything that he had made, and behold it was very good."

Members of the Class of 1982, a tremendous controversy has been raging in state legislatures and in the courts over the biblical account of creation versus evolution. I do not deny the importance of that controversy to those who engage in it. Yet it has long seemed to me futile to try to encompass an eternal God in our notions of a proper time schedule.

Regardless of how historical events were scheduled, Christians and Jews affirm a common belief that this world is God's creation, not ours; that it is very good; that we are made in the image of God; and that we were given dominion over every living thing.

There is, in short, a religious understanding of our trusteeship of God's creation. The world is not ours to possess and dispose of according to our own pleasure. The earth and all that is in it is God's, and we are his stewards, entrusted with dominion over his world, and accountable to him for its welfare.

I have a hand ax. It is a crude tool, chipped out of hard stone, which was found in a cave at an archeological dig in Israel. It was given to me by Haifa University, and it was made in the early stone age. One hundred and twenty thousand years ago, a human being, made in the image of God, chipped out that crude tool as he was doing his job—having dominion, for a segment of time, over God's creation.

Whether you insist on the timetable in Genesis or accept modern ideas of evolution, the earth has been here a very long time, and a long succession of trustees has preceded us, each generation taking its turn in having dominion over this good earth.

The fact is that you and I are not just here today and gone tomorrow, as though no generations preceded us and none will follow. We are parts of a continuum, receiving our trust from the last generation, and with a duty to pass it on to the next.

That is the character of a trustee: duty—duty to preserve the principal of the trust and to pass it on intact when one's trusteeship expires. A trustee must not waste the trust assets. He must not fritter away that which was placed in his custody. He has a high level of responsibility to protect the assets he has received.

In the New Testament it is clear that the duty of a trustee is not fulfilled simply by preserving the assets he has received without wasting them. There is a higher duty. Remember the parable of the talents. Two stewards invested what they were given and doubled its value. The third steward wasted nothing, but he didn't improve things either. He dug a hole, buried the talent, and later returned it as is.

"You wicked and slothful servant," the master said on his return. "You ought to have invested my money." Then the worthless servant was cast into outer darkness where there is weeping and gnashing of teeth.

Perhaps it is never possible to maintain the status quo. Perhaps all assets either appreciate or begin losing their value. At any rate, if we are religious people our obligation is clear. We have a clear duty to make God's world better.

It is not sufficient simply to stay out of trouble and then claim we are leading a decent life. A good steward does more than avoid actions generally thought of as bad. A good steward has a duty to create a better world for those to come. And if we have not done so before, commencement is the time to commence doing our duty.

I would like to touch briefly on three subjects where good stewardship will be necessary if we are to pass on a sound trust to future generations. In each instance, there is a strong temptation to think too little about the future and to live only for today. In each instance, failure to look to the future means irresponsible stewardship. The three subjects are the threat of nuclear destruction, the increasing erosion of our soil and the pending insolvency of the Social Security System.

First, the nuclear threat. The bare minimum requirement of good stewards must be to prevent the destruction of the creation itself. This obligation is so obvious, and its need so novel to modern times that it was never seriously considered before the end of World War II. Now the threat that creation itself could be destroyed grows by the year.

Consider the speed of changing events. Before 1945, no country had a nuclear weapon.. Then we got it. Then the Soviets got it. Then four to seven more countries got it. By the end of this century two to three dozen countries could have it. The

world's nuclear arsenal now exceeds the Hiroshima bomb more than 1½ million times, and at the governmental level virtually nothing is being done to control this trend.

It is not pleasant to think about the unthinkable, and all of us want to enjoy pleasant times. It is so tempting to live only for today, to get by, without concern for the future, to enjoy each moment for itself. Yet, if we are content to eat, drink and be merry, we may well die, and so may the world as we know it. That long journey toward tomorrow, set upon by that hand ax maker of 120,000 years ago could be halted in an hour's time, forever.

It is clear from recent history that the extent of governmental arms control activity is closely related to the extent of citizen interest in the problem. Therefore, it is not sufficient for you to delegate your stewardship responsibility to a governmental agency and then plunge into your own personal activities. You are the stewards of creation, and your responsibility cannot be transferred to others.

The persistent erosion of our top soil is a reminder of how close to home stewardship responsibility comes. It is also an example of how easy it is to put off until later the actions we should take today.

Stewardship of creation includes matters more mundane than prevention of nuclear catastrophe, of course. And nothing is more mundane than the soil. Yet here is a classic case of a wasting of our trust to the detriment of generations to come.

Over millennia, a layer of topsoil was produced over much of the earth's surface. When the prime farmland of Northern Missouri was first cultivated, it was blessed with 16 or 18 inches of topsoil which had taken anywhere from 100 to 1000 years an inch to develop.

Soil conservation often requires long-term capital investments which are not cheap. It also requires foregoing production on marginal land to the detriment of short-term financial return. The result is that we have tended not to invest in tomorrow but instead to live for today. Squeezed between high interest rates and low prices it is easy to understand by farmers want to produce every bushel they can, and why most cannot afford expensive conservation structures. Yet the result of today's practices threatens tomorrow. We are wasting our heritage of this good earth at an average rate of 20 tons per acre per year. An inch of topsoil—that which took 100 to 1000 years to create is being washed away every 15 years. What was 16 to 18 inches in depth a century ago has been reduced in half. Good stewards do not permit their finest treasure literally to float down the river and out to the sea.

The financial condition of the Social Security system is a third example of how our behavior today effects the future of generations to come. The Social Security example is especially apt because it literally involves a trust. In fact, it involves three trust funds, one for old age and survivors benefits, one for disability insurance and one for health insurance.

Social Security is our most important social program—the foundation of retirement planning for most Americans. It is also a program which, if allowed to continue on its present course, will end in bankruptcy. It is financed by a payroll tax, and its financial health requires that, on average, revenues from the tax at least equal the pay out of benefits.

The problem is that revenues from the tax do not equal the pay out of benefits—they do not even come close. They will miss by $9 billion this year, $12 billion next year and $17 billion in 1984. If nothing is done, Social Security will become insolvent in 1984. Moreover, even if this short-term problem is somehow fixed by Congress, and it will be, the Social Security deficit projected over the next 75 years will exceed $1.5 trillion.

Social Security benefits are indexed. They go up automatically with inflation. In recent years, due to the indexing formula used, they have gone up even more rapidly than the rate of inflation. So, as it stands right now, everyone is happy. If only we don't look down the road, everything is fine. And we don't want to look down the road. Public Opinion polls tell us that an overwhelming majority of Americans rejects not only a cut in Social Security benefits but even an adjustment in the indexing formula by which future increases are determined.

Moreover, as has been made clear in budget talks over the past two months, there is one thing on which both liberal and conservative politicians can agree: Don't touch Social Security. Don't raise Social Security taxes. Don't delay future benefit increases. Don't limit those increases. Don't alter them in any way. To do so is thought to be political suicide, especially before an election. And in this country every minute seems to be just before an election. So we ignore the future. We fail to strengthen the trust, and the asset we hoped to preserve for the future slips away.

I have given three examples of a common phenomenon. If we wanted to, we could go on and on with an unending list, but that is unnecessary. We live for today, mindless of tomorrow when today's actions so certainly determine tomorrow's world.

We prefer not to think about nuclear holocaust. That would ruin our day. So we drift along toward the rocks of disaster.

Our farmers have enough problems getting by today without being burdened with the problems of tomorrow. So we plant for next fall's harvest, not the next generation's birthright.

Our politicians are worried about next November's election not next century's retired people. So we put off the hard decisions about making Social Security solvent.

We live for the moment. We get by for now. We make do. That is what our government does. That is what our business leadership does. That is what you and I do. Compare the Japanese willingness to make long-term capital investments to produce a future pay out with American businesses' fixation on this quarter's profit and loss statement and you will have a ready understanding of why we are falling behind in international competition.

The Schlitz Beer Company used to run a commercial that had as its punch line, "You only go around once in life, so grab all the gusto you can . . ." Grab the gusto. Grab it quickly. Clutch it to yourself.

Grab all the gusto. And then there is that standard question asked by guidance counselors and operators of youth groups: What do you want to get out of life? Grabbing gusto and getting out of life. It is as though the whole purpose of being here can be summed up as grabbing and getting.

Indeed, there is so much to grab—so much to get—money, possessions, entertainment. A whole world full of grabbable items will be impressed on our minds every day of our lives. They are, in fact, there.

But, here is the point. That whole world of things to grab and things to get is not ours to have as our own. This is God's creation and we hold these things in trust. We are his stewards, and we must answer for what we did with his creation.

We can ignore our trust. We can waste it. We can spend it on ourselves. All that is possible—a standard option for us. Or we can take his creation and nurture it, and protect it, and enhance its value, and then, pass it on to our successor trustees.

Members of the Class of 1982, we have been given our talents. They will be counted when the master returns.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, I have no further need for my time under the standing order. If there is any Senator who requires additional time, I am prepared to yield at this time.

Before I do so, however, I ask unanimous consent that the time allocated to the distinguished minority leader be reserved for his use at any time during this calendar day.

The PRESIDING OFFICER (Mr. COCHRAN). Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, I would appreciate it very much if the majority leader will yield to me 2 or 3 minutes.

Mr. BAKER. Mr. President, I yield 3 minutes to the Senator from Wisconsin.

DID THE SENATE BUDGET COMMITTEE TRUMPET IN A MOUSE?

Mr. PROXMIRE. Mr. President, the general reaction is that the Senate budget committee in their markup on the budget resolution has gotten off to a heartening start in bringing down the massive prospective Federal budget deficits that paralyze our economy by keeping interest rates so high.

Well, I cannot resist being the skunk at the family picnic. Would it not be great if we could believe the budget committee's projections? They do, indeed, look great, do they not? They claim to reduce the projected deficits by $416 billion over fiscal years 1983-85—or by two-thirds of projected deficit baseline without new savings. Terrific—if you believe it.

Here is one Senator who does not believe it for a minute and here is why:

Most of the cuts in spending and increases in tax revenues simply pull numbers out of the air to fit into some general category. A great deal of the reduction—$106 billion—is simply based on the pious hope that somehow interest rates will fall.

Of course, the reduction also depends on the assumption that both unemployment and inflation will decline.

The $40 billion cut in social security costs is to be achieved without any reduction in the cost-of-living adjustment. That is a neat trick if you can do it. And the $95 billion in tax increases is to somehow result without touching the 10-percent tax cut scheduled for July 1, 1982, or the additional 10-percent tax cut scheduled for July 1, 1983. That is another nice trick, if we can do it.

About the only really hard and specific figure in the entire estimate is the Federal pay freeze for 1983 and the cap on Federal pay increases in 1984 and 1985 of 4 percent; but those would only save $28 billion of the $416 billion the plan purports to save.

Mr. President, the biggest weakness of the proposal is that with all its widely hailed big cuts, it would still leave us with a $106 billion deficit in 1983. And the reduced deficits of $69 billion in 1984 and $39 billion in 1985 are strictly pie in the sky.

For years I have watched various administrations and budget committees project big deficit cuts and balanced budgets—2 or 3 years down the pike, and always they fade away. This reduction will also fade unless the commitments become far more definite, far more specific, and far more painful.

CASUALTIES FROM A NUCLEAR ATTACK TO CRIPPLE AMERICAN ECONOMIC CAPACITY

Mr. PROXMIRE. Mr. President, on Thursday, I discussed the CATO policy analysis of the Soviet nuclear strike designed to destroy America's economic strength. I discussed the weaponry that might be involved in such an attack. Today, let us consider the casualties and economic effects of this kind of attack on this country. Here is what the Katz Osdoby study found:

> Depending on the size of the attack, casualties would range from 20 to 45 percent of the U.S. population—40 to 90 million people—including 20 to 30 million injured. From 25 to 65 percent of the economy would be destroyed. The gross economic figures seriously understate the problem since even using the smallest attack A-4—100 1 megaton, 200-300 100 kiloton weapons—specifically targeted key industries are likely to be well over 50 percent destroyed—some as high as 80 to 90 percent. To put these numbers in perspective, a Stanford Research Institute (SRI) study for the Office of Civil Defense, the Federal Emergency Management Agency's predecessor, estimated that to recover from nuclear attacks in the range discussed here would take well over a decade. We believe these estimates are based upon unrealistically optimistic assumptions—or as the authors themselves state, the "upper limits on potential recovery. Projected recovery rates should prove over optimistic when compared with rates actually realized in a real case." If recovery is possible, and that is an open question, a more reasonable estimate would be several decades—perhaps 40 or 50 years. Of course, the attack described above are not full scale exchanges; under those circumstances, the number of warheads and megatons directed at urban/industrial targets could easily reach 2,000, 3,000, or more, as well as substantial fallout from ground bursts not included as part of attacks A-1 to A-4. In the case of a large scale attack, the damage would be even more severe and widespread than in the discussion to follow; combining the effects of parts I and II might provide the minimum damage expected with a full-scale attack.
>
> Despite the effects of so-called urban sprawl and industrial migration, industry and population remain concentrated in a relatively small number of urban areas which present particularly vulnerable targets to nuclear weapons. Nearly 60 percent of the U.S. population lives in only 1 percent of the total land area of the United States. This is the result of the fact that approximately 85 percent of the population of large metropolitan areas live on only 10 percent of the total urban land area. The population within these metropolitan regions is concentrated in very high-density areas, rendering the United States even more vulnerable to an economic attack. For example, the implications of urban concentration are illustrated by the smallest attack, A-4. It would cause the destruction of about 20 to 30 percent of total manufacturing capacity and 45 to 55 percent of the manufacturing capacity of the 71 largest metropolitan areas. In cities as diverse as New York, Chicago, Los Angeles, and Akron, Ohio, A-4 would destroy approximately 50 percent or more of their manufacturing capacity. When the number of 1 megaton weapons in the attack on these cities is increased five-fold—500 percent—as in A-1, casualties and industrial damage increase only by approximately 200 percent.
>
> Therefore, devastating economic destruction, disruption, and social disorganization would be caused even by the smaller attacks, since in terms of the destructive effects of nuclear weapons, population and industry are not really dispersed. In the Soviet Union, industry and population are concentrated even more densely than in the United States.

Later in the week, I shall discuss other consequences of the attack. I do this, Mr. President, because we as Senators cannot flinch from squarely facing the consequences of our policies. We must look squarely at the likely result of a nuclear war, however terrible, in deciding how far we can go with prudence to prevent it.

GARDEN OF REMEMBRANCE

Mr. PROXMIRE. Mr. President, the New York Times recently published an article entitled "Synagogue's Garden of Remembrance." It reports that a peaceful, tree-framed courtyard in Gramercy Park, New York City, has been dedicated to the 6 million Jews who were victims of the Holocaust.

A member of the Brotherhood Synagogue, the congregation that created the memorial, made a simple but profound statement during the ceremony. He said:

> There cannot be too many memorials to the Holocaust martyrs.

The congregation's president spoke of revisionist historical accounts of the Nazi rule which try to distort the horrendous facts, facts that some of the members of the congregation were witness to.

Leading this effort is the Institute for Historical Review, an organization whose purpose is to promote the notion that the Holocaust was the "hoax of the 20th century." Its quarterly journal tries to convince readers that the Nazis did not systematically exterminate 6 million Jews; the poison gas was used only to kill lice, not people; Anne Frank's diary was a fraud; and that Adolf Eichman's trial was a frameup.

Dr. Heinz Schappen, another participant in the dedication, spoke as a representative of the West German Government.

> We will remember—

He said.

> We should remember. But I echo the phrase "To life."

Mr. President, I also echo the phrase "to life." And I offer the Genocide Convention as a mechanism to protect lives, lives such as those so viciously destroyed during the Holocaust. In the face of gross distortions like those made by the Institute for Historical Review, it is essential that we continue to report the historical facts.

The history of the Genocide Convention contains facts that we must be aware of. The treaty exists because the International Military Tribunal at Nurenberg determined that consideration of genocide was outside of the charter that established the tribunal.

Swift international reaction followed when the U.N. General Assembly, with U.S. support and encouragement, unanimously adopted a resolution declaring genocide an international crime. During the next 2 years, a drafting committee, chaired by the U.S. delegate, labored to draft a treaty which would implement the General Assembly's resolution. In 1948, the General Assembly unanimously adopted the Genocide Convention and 2 days later, the United States signed the treaty.

Mr. President, the next step is up to us in the Senate. The unratified genocide treaty is a sharp thorn in our side. I urge my colleagues to take this important step and ratify the Genocide Convention.

Mr. President, I thank the distinguished majority leader. I yield the floor.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, I have no further need for my time under the standing order. I am prepared to yield it to any other Senator seeking recognition.

I yield to the Senator from Georgia.

Mr. NUNN. Mr. President, I inform the majority leader I probably need about 10 minutes.

Mr. BAKER. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The majority leader's time has expired, but the Senator from Georgia has a standing order for 15 minutes.

Mr. BAKER. Will the Senator from Georgia require 10 minutes in addition to the 15?

Mr. NUNN. No, Mr. President, I shall probably not take any more than my time.

Mr. BAKER. Mr. President, since I have no further time, I yield the floor.

RECOGNITION OF THE MINORITY LEADER

The PRESIDING OFFICER. The Democratic leader is recognized for 10 minutes under the previous order.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that I may continue to reserve that time for a little while.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNITION OF SENATOR NUNN

The PRESIDING OFFICER. Under the previous order, the Senator from Georgia is recognized for not to exceed 15 minutes.

Mr. NUNN. I thank the Chair.

THE PLIGHT OF SMALL BUSINESS

Mr. NUNN. Mr. President, I have asked for this time today to speak to my colleagues in the Senate and the Nation on the Nation's small business. This year, as in previous years, the Senate has passed a resolution, Senate Joint Resolution 180, sponsored by Senator Weicker and myself and all members of the Small Business Committee, calling on the President of the United States to proclaim "National Small Business Week."

The President has issued that proclamation calling on the Nation to "celebrate" this week of May 9-15.

What is the significance of this special week?

Small businesses comprise the backbone of the American economic system. While there are approximately 10,000 corporations in the United States with more than 500 employees, there are more than 14 million farm and nonfarm small businesses with less than 500 employees.

According to the President's recent report on "The State of Small Business", small business employs almost 50 percent of the nongovernment labor force in this country. Small business is the greatest creator of Jobs; 77 percent of all new jobs are created in the firms with less than 50 employees.

The Senate Small Business Committee's reports have repeatedly cited the statistics and research conducted to "prove" what we have instinctively known: That small business is the innovator and invention leader of our Nation; that small business is the Nation's job creator; and that small business is on the "cutting edge" in the Nation's competitive marketplace.

Small business owners are in every business field imaginable. On an economywide basis, the small firm share of the gross national product now stands at approximately 38 percent, but it has declined in every industry sector from 1955 to today.

Mr. President, I have briefly reviewed these statistics to demonstrate that small business is not a special interest group in our American economy. Small business is the heart of the free enterprise system, that sector most likely to take the steps necessary to get this Nation back of the road to economic recovery.

We in Congress must do a better job of taking into account the impact on small business of the laws we enact. The President and the executive branch as a whole must do a better job of translating the rhetoric of concern for small business into substantive action in their policymaking.

As the ranking Democrat of the Senate Small Business Committee, and a member of that committee since I have been in the Senate, I believe we can take pride in the congressional attention paid to small business.

At this point, Mr. President, I ask unanimous consent to have printed in the Record a summary of the major laws adopted in the 96th Congress relating to small business.

There being no objection, the summary was ordered to be printed in the Record, as follows:

SUMMARY

During the 96th Congress, the Congress adopted several statutes which benefit small business. These include:

A requirement that Federal paperwork be cut by 25 percent within three years; that an office within the Office of Management and Budget be established to monitor the implementation of that 25 percent reduction, and that this office be given authority to review all agency reporting requirements (Paperwork Reduction Act, Public Law 96-511);

Tight new constraints on issuance of federal regulations, such as a separate tier of less onerous standards governing the compliance of small businesses and smaller governmental units (the Regulatory Flexibility Act, Public Law 96-354);

Provisions for the payment of legal expenses for firms which successfully contest federal regulations in agency adjudicatory proceedings or in court (the Equal Access to Justice Act, Public Law 96-481);

The most extensive de-regulation of securities law in 40 years, to make it easier for small business to attract venture capital (the Small Business Investment Incentives Act of 1980, Public Law 96-477);

Patent reforms which will permit small firms to retain title to discoveries made in the course of government funded contracts (the Patent Trademark Amendments of 1980, Public Law 96-517);

A strong program of export assistance to encourage small business entry into overseas markets (the Small Business Export Expansion Act of 1980, Public Law 96-481); and

Increased strength for the Small Business Administration's Advocacy Office to give small firms a greater voice in Washington decision-making (part of the reauthorization for the Small Business Administration, Public Law 96-302).

Mr. NUNN. Mr. President, the activities of the Senate Small Business Committee have continued on behalf of our Nation's businesses in the 97th Congress.

I ask unanimous consent to have printed in the Record a summary of the Senate Small Business Committee's activities for the 1st session of the 97th Congress.

There being no objection, the summary was ordered to be printed in the Record, as follows:

97TH CONGRESS

During the first session of the 97th Congress, the following items of particular concern and interest to small business have been addressed:

TAXES

The following tax provisions may be of benefit to small business. Many were offered in the Weicker/Nunn tax proposal, S. 360, and included in the Economic Recovery Tax Act (Public Law 97-34):

The White House Conference on Small Business' number one recommendation was a reduction in the individual income tax. The ERTA cuts the individual rate 5 percent on October 1, 1981; 10 percent on July 1, 1982; and 10 percent on July 1, 1983.

On estate taxes, the ERTA will allow transfers of up to $600,000 tax free; the old law exempted estates valued up to $175,000. In addition, the new law completely eliminated the tax on an estate transferred to a spouse, regardless of value.

An accelerated cost recovery system (15-10-5-3-) was adopted.

Direct expensing of $5,000 in the first year, rising to $10,000 after 1985, is now permitted.

The minimum number of shareholders to still qualify for Subchapter S treatment was increased from 15 to 25.

In addition to these provisions, on the last day of the session, the Congress approved the legislation deferring for one year (until December 31, 1982) the LIFO inventory recapture provisions enacted as part of the Crude Oil Windfall Profit Tax Act.

PRODUCT LIABILITY

Small businesses have been particularly hard hit by the increases in product liability insurance premiums; many had difficulty obtaining coverage at all.

During the 96th Congress, the Senate passed the Product Liability Risk Retention Act. The bill facilitates private groups to form "risk retention" groups to bargain for product liability insurance.

The legislation was not passed in the 96th Congress because of non-germane amendments added to it by the Senate. However, it was reintroduced in this Congress, and enacted as Public Law 97-45.

SMALL BUSINESS INNOVATION

Numerous studies have shown that small businesses are our Nation's most efficient and fertile source of innovations. Yet only 3.5 to 4 percent of the Federal R&D dollar is spent with small firms. This underutilization of small businesses in Federal R&D is especially regrettable when considering the highly successful track record of small firms in generating jobs, tax revenues, and other economic and societal benefits.

Following joint hearings by the Senate and House Small Business Committees in 1978, the Senate Small Business Committee began consideration of legislation to tap the small business potential with Federal R&D resources.

Although both the House and Senate Small Business Committees favorably reported small business innovation legislation in the 96th Congress, it was not considered in either chamber.

In the 97th Congress, Senator Rudman introduced S. 881, the Small Business Innovation Research Act of 1981. The purpose of the bill is twofold: to more effectively meet R&D needs brought on by the utilization of the small innovative firms (which have consistently been shown to be the most prolific source of new technologies) and to attract private capital to commercialize the results of the Federal research.

Under the bill, each agency with an R&D budget in excess of $100 million will be required to establish a Small Business Innovation Research (SBIR) program modeled after that of the highly successful National Science Foundation program. Small firms will be invited to submit research proposals to an agency concerning topics selected by each agency in accordance with its own R&D objectives. The Senate passed this legislation on December 8, 1981. The House Small Business Committee has reported similar legislation, but that bill has been referred to several other committees for their review.

Final Congressional action is likely by next summer.

GOVERNMENT LATE PAYMENTS

For small businesses that have been doing business with the Federal Government, a common, and unfortunate complaint has been the poor paying record of Federal agencies. Small businesses are not able to "carry" the Federal Government for months while waiting for bills to be paid.

In the 96th Congress, the Small Business Committee held hearings on this, and related, procurement problems. Senator Sasser and others introduced legislation to require the Government to pay its bills on time.

On May 6, 1981, Senators Weicker and Danforth cosponsored S. 1131, "The Delinquent Payments Act of 1981". This legislation would require the Federal government to pay interest on its overdue bills and prohibit Federal agencies from taking early payment discounts long after the discount period had expired.

The legislation passed the Senate on December 15, 1981. Similar legislation passed the House in June 1981, but because of some controversy unrelated to this issue, was not considered by the Senate.

SMALL BUSINESS COMMITTEE STATUS

The Senate Small Business Committee was created as a "Select" committee in 1950 to study and survey "by means of research and investigation all problems of American small business enterprises, and to obtain all facts possible in relation thereto which would not only be of public interest, but which would aid the Congress in enacting remedial legislation." At the time the Committee was created, it was not given any legislative authority. In 1978, Senate Resolution 104, was adopted, giving the Committee legislative authority over the Small Business Administration.

That action, for all intents and purposes, gave the Committee all the powers and authority of a full, standing Committee. Further recognition of the growing importance of the Committee came in 1978, when the membership, originally set at nine, nearly doubled to 17 to accommodate requests from Senators wishing to serve.

On March 25, 1981, the Senate unanimously approved a resolution sponsored by Majority Leader Howard Baker, Minority Leader Robert Byrd, and the entire membership of the Small Business Committee, striking the "select" designation and establishing the Small Business Committee to full, permanent status.

RECONCILIATION

Consistent with the effort to reduce spending in this Congress, the Small Business Committee, through the Reconciliation process, passed cost-saving legislation that reduced the Small Business Administration's program levels by over 40 percent. Major legislative changes in the Small Business Administration's program include:

In disaster lending:

SBA was removed from farm disaster lending; the principal responsibility now rests with the Department of Agriculture.

Homeowners, as well as business, must now meet a credit elsewhere test when applying for disaster loans.

Businesses able to get credit elsewhere will now pay the prevailing market rate on interest for a maximum term of three years. For businesses not eligible for credit elsewhere, disaster loans will be given at a rate not to exceed 8 percent. Businesses will be eligible for up to 85 percent of uninsured loss.

In SBA business lending programs:

Interest rates on all direct business loans would be set at the government's cost of money, plus up to 1 percent, (currently 15⅞) except in the case of loans to the handicapped which remains at 3 percent.

A mandatory 90 percent SBA guarantee was imposed for guaranteed loans of $100,000 or less; guaranteed loans of between $100,000 and $715,000 must be guaranteed at between 70 percent and 90 percent.

SBA's authorization levels for salaries and programs for fiscal years 1982, 1983, and 1984 were also reduced.

GOVERNMENT COMPETITION WITH SMALL BUSINESS

Many small business owners believe that the Federal government should rely on the private sector to supply its commercial goods and services. Further, they maintain that the government should not compete with the private sector by accomplishing these efforts with their own non-profit personnel and facilities. Several leading small business organizations and a 1980 SBA Advocacy Task Group on Government Competition have called on Congress to legislate in this area.

On June 22, Senator Hayakawa introduced S.J. Res. 93, a resolution that reaffirms and legislates a long-standing executive policy (OMB Circular A-76) of reliance on the private sector for supply of the commercial and industrial goods and services needed by the Federal government. This Committee held five days of hearings on the issue of Government Competition. The resolution is currently pending in the Governmental Affairs Subcommittee on Federal Expenditures, Research, and Rules.

COMMITTEE NOMINATIONS

During the first session, the Committee favorably reported, and the Senate confirmed, three nominees to positions in the Small Business Administration. These are:

Michael Cardenas, to be SBA Administrator, confirmed by the Senate on March 26, 1981;

Frank Swain, to be Chief Counsel for Advocacy, on July 31, 1981; and

Paul Boucher, reappointed to be Inspector General, on June 19, 1981.

On June 22, 1981, the Committee announced the formation of a National Advisory Council to the Committee. These people, involved with a small business on a day-to-day basis, are in the best position to tell the Committee what the problems of inflation, high interest rates and excessive regulation are doing to them and their businesses.

The Council is made up of 25 small business owners from around the country, chosen by the members of the Committee. Committee members will meet with the Council at least twice a year.

COMMITTEE OVERSIGHT

During the first session of the 97th Congress, the Committee conducted oversight hearings on a wide variety of programs both within, and outside of SBA. Those relating to SBA include:

(1) The 8(a) pilot program

(a) On January 23, the Committee met to consider what happened to be an unlawful and improper extension of the SBA 8(a) Pilot Program. the 8(a) Pilot Program was set up by Congress in 1978 as part of the SBA's ongoing minority business assistance effort. Under the terms of the two-year project, one agency—in this case, the Army—would be used to test the program.

On October 21, 1980, the Congress extended the pilot for an additional year under the same terms. Shortly before the change in Administrations, however, President Carter issued a memorandum on December 19, 1980, unilaterally extending the pilot program to an additional three agencies, an action not warranted or permitted under Public Law 96-481.

As a result of the hearing, the Presidential memorandum was rescinded and the 8(a) pilot program was not expanded past its original level.

(b) On September 21, the Committee held a hearing on S. 1620, a bill to extend the 8(a) pilot program for an additional 18 months. Testimony was received by the Committee indicating that the program has not been effectively implemented with the Department of Army. However, despite this track record, the Small Business Administration, wishing an opportunity to use this contracting tool to develop minority businesses, requested an extension of this authority.

Under the legislation, the program would be placed with a civilian agency (Defense agencies specifically excluded) for an additional 18 months.

On September 28, the full Committee reported S. 1620, and it awaits action by the full Senate.

(2) SBA's contracting procedures

On April 27 and 28, the Committee held hearings based on a two-month staff investigation of internal procurement practices at the SBA. In testimony from the SBA Administrator, the Inspector General, and current and former Agency officials, the Committee produced evidence of flagrant disregard for and abuse of Federal procurement regulations by the SBA during fiscal year 1977-1980.

During the course of the two-day hearing, the Committee received assurances from new SBA Administrator Michael Cardenas that such abuse within SBA would not occur again. As a result of the investigation however, the Committee met in Executive Session and agreed to forward certain documents to the Justice Department for further review and possible legal action. That Justice Department investigation is still ongoing.

(3) SBA's farm disaster loan program

For a three-year period, from 1977 to 1980, the Small Business Administration has heavily involved in making disaster loans to farmers. More than $3 billion of a $17 billion SBA loan portfolio went out in farm disaster loans during that time. A committee investigation of that three-year period found that hundreds of millions of dollars worth of loans may have been improperly awarded.

In addition to fundings of absue, the Committee discovered a sizable delinquency problem within the farm disaster loan program. More than half of the $3 billion in farm loans are now delinquent. As a result of the hearing, the Office of Management and Budget has authorized the formation of a 99-man ask force to go into Region IV (the eight-state, southeastern region where the concentration of farm disaster loans is the greatest) and identify and begin to collect excess and duplicate payments.

In addition, the Department of Justice—which previously declined to criminally prosecute several cases of alleged duplicate payment because of questionable management procedures by the SBA lending officers—is considering taking civil action against those borrowers.

Finally, several statutory changes were made in the SBA farm disaster loan program during the Congressional consideration of the Reconciliation legislation.

(4) Direct loan program

Prompted by a series of highly critical articles published in the St. Louis Globe Democrat, Senator Dixon requested hearings on the SBA Direct Lending Program. On October 27, the Committee held what Senator Dixon called a "beginning of an examination of what needs this type of program can serve in the years ahead."

In addition to those hearings relating to Committee legislation and SBA oversight, the Committee conducted general hearings on a variety of topics. In part, these include:

(1) Interest Rates.—The Committee has thus far held five days of hearings on the impact of high interest rates on smaller business. Testimony has come from labor groups, agricultural representatives, Wall Street economists, and small business men and women in the field. In part because of the concern about high interest rates, and the Federal Reserve Board's monetary policy, on December 8, the Senate adopted a resolution (as an amendment to the Small Business Innovation Act) expressing the sense of the Senate that the next vacancy on the Board of Governors of the Federal Reserve be filled by an individual with substantial small business experience.

(2) Industrial Development Bonds.—The Committee has become deeply involved in the issue of tax-exempt Industrial Development Bonds (IDB's), principally because these are an important instrument of reasonable-cost financing for small and medium-sized businesses. In most cases, the tax-exempt status accorded small-issue IDB's is responsible for attracting small business participation in major economic development strategies.

A hearing on IDB's was conducted by the Subcommittee on Urban and Rural Economic Development, chaired by Senator D'Amato, on October 5. The testimony was strongly in support of a continuation of the pooling of IDB's and rejection of the IRS Ruling 81-216, which prohibits the pooling of small-issue IDB's.

There have been a number of bills and amendments which have been introduced to address the IDB revenue ruling specifically, others have gone to the substantive issue of the appropriate use of IDB's.

An amendment sponsored by Senator D'Amato, and included in the Second Continuing Resolution (P.L. 97-85), among other things, prohibits the IRS from using any funds to enforce Revenue Sharing Ruling 81-216. However, bond counsel are still reluctant (and in most cases unwilling) to certify the tax deductibility of bonds unless Congress specifically overturns the Revenue Ruling.

The same amendment was offered to the Treasury-Postal Service Appropriations bill (H.R. 4121). The amendment will be pending when the Senate returns to consideration of this bill.

(3) Deterioration of the Defense Industrial Base.—The Committee held one day of hearings on the subject of the U.S. defense industrial infrastructure, with particular concern about the small business, subcontractor component.

(4) Anti-Trust/Merger.—One of the greatest threats to the health of the nation's small businesses, as well as to overall strength of the economy, is the growing concentration of economic power in the hands of a few.

If the program for economic recovery is to work, it is absolutely imperative that the economy remain competitive. It is especially important that small business, the expansion of which is crucial to the recovery, not be hampered by illegal, noncompetitive acts. The anti-trust laws are the first line of defense against excessive economic concentration. In the interests of a free, competitive economy, we must have vigorous enforcement of them.

On December 1, the Subcommittee on Productivity and Competition, chaired by Senator Gorton, began an exploration of the Reagan Administration's Federal anti-trust policy and enforcement intentions as it relates to small business.

Mr. NUNN. Mr. President, the advocacy on behalf of the small business enterpreneur continues in our committee. We are working diligently to open up the Federal procurement process to greater participation by small business. We know from experience and extensive hearings that small businesses are capable of providing a major share of the Government's $130 billion procurement needs in a timely, cost-effective, and responsible manner. Among our congressional tasks is to insure that the Federal procurement system is accessible to the small businesses of our Nation.

For example, both the House and Senate have approved similar versions of the Delinquent Payments Act that would assess monetary interest penalties against agencies that fail to pay its suppliers on time.

In addition, we must continue to work to remove barriers which prevent small business from having a fair opportunity to compete in the marketplace. There is no better example of these barriers than the onerous Federal regulations which are imposed on small business. To the extent that we can minimize that regulatory burden, we will insure that small businesses have an equal opportunity for productivity and competitiveness.

But frankly there is a pall which overshadows the positive accomplishments made to date and much more needs to be done, both in an individual sense, a detail sense, and from a sense of the overall economy.

Mr. President, like all of us, I am very concerned about the current state of the economy. The stubbornly high interest rates which currently exist are choking the very life from the small business sector, since it is so heavily reliant on bank-financed debt capital as its major source of funds. In fact, as the President's report on the state of small business correctly points out:

> Since approximately 80 percent of small businesses rely on financings from depository institutions, an increase in the cost of financing and a decrease in the availability of funds from these institutions has a more severe impact on smaller firms than on larger firms. Small firms experience the impact sooner and for a longer duration.

Interest rates paid by small business will differ according to the lender, and the business. But normally, a small business owner can expect to pay 2 to 3 percent above the prime for a short-term bank loan. While the nominal interest rate that the small business owner is forced to pay is high, since 1980, the real interest rate, the difference between nominal interest rates and the rate of inflation, has soared.

For the first time in the 7-year history of their report, the National Federation of Independent Businesses' Quarterly Economic Report of July 1981, cited high interest rates as their members' single most important problem. The devastating impact of high interest rates on small business becomes even more exacerbated when coupled with a sluggish economy.

Simply, while there is a general acknowledgement that the American economy as a whole is in a recession; I fear that the small business sector is hovering dangerously close to a full-fledged depression.

While some see a light at the end of the tunnel for the economy, frankly I worry that, for the small business community, that light is the beginning of another freight train.

We have already seen the fallout from this combination of economic factors. Business failures in the first 14 weeks of 1982 are 55 percent ahead of the comparable period last year, and 2½ times ahead of the same period in 1980.

If business failures continue at the same rate for the balance of this year—and I hope they do not, but there is every economic indication that they will—1982 will break the record for business failures set in 1932.

I am also very troubled with the recently announced national unemployment figures. Apart from the staggering proportions of unemployed, I am particularly concerned that the number of individuals who have stopped looking for work has also reached record proportions. As the small business share of the economy shrinks, and the number of small business closings increase, the prospects for finding meaningful long-term employment opportunities for our Nation's unemployed decline.

Beyond the short-term economic consequences of these issues, little, if any, attention has been focused on the long-term impact of the contraction of the small business sector with its resulting reduction in revenue, jobs and market contributions. But, frankly, there is no more pressing national priority to assist small business than to reduce the Federal deficit. I noted with interest Senator PROXMIRE's remarks on that subject just a few moments ago. I must say that although I welcome the President and the Republicans on the Budget Committee getting together, I was very disappointed that the Budget Committee projections are primarily pie-in-the-sky-projections that do not detail the cuts, nor detail the tax increases that would have to occur to really begin to move in the direction they have indicated.

The budget debate that will take place in the Congress over the next several weeks must focus our economic thinking on the twin-headed monster of huge Federal deficits and its corresponding impact on high interest rates. Until we significantly reduce the Federal deficit, the high level of Federal borrowing from our credit markets, interest rates will simply not fall to reasonable and sustainable levels.

Meaningful progress toward reducing the deficits now projected also will require the best bipartisan efforts of Members of Congress. I remain hopeful that a broad bipartisan consensus for such a package will develop in the weeks ahead.

I believe we can make additional meaningful cuts in fiscal year 1983. Such cuts will only be possible, however, in combination with an examination of all areas of Federal spending, including both defense and entitlements, and a review of the tax side of the ledger.

As a practical matter, I think that the tax cut that took place in 1981 has to be reconsidered in the outyears. While I would certainly leave the 1982 individual and business tax cuts in place, as well as the savings incentives aspect of the total tax package, I feel that the third year of the individual tax cuts should be spread out, or should be made contingent on a sustained drop in the long-term interest rate. I also believe that certain other business tax changes should be looked at again; particularly, the leasing provision seems to me questionable when we are now debating a deficit of between $100 and $180 billion. As a practical matter, most of the small business community is barred from taking advantage of the leasing provisions on either side of the transaction.

I again want to express my appreciation to Senator WEICKER for having detailed hearings in our committee pointing out the inequities involved in the present safe harbor leasing arrangement.

If we are to stem the growing uncertainty in the financial markets, the future tax cuts must be made contingent on proportionate cuts in Government spending in order to avoid the budget deficit increases that offset the intended benefits of the tax cuts.

It is interesting to note, based on the budget projections now, that unless they are changed, almost every penny of the tax cuts in the next 3 years will be not from cuts in Federal spending but, rather, from additional Federal borrowing. The Federal Government is borrowing the money to cut the taxes.

In 1978, the Senate passed a 5-year tax cut plan I offered, along with Senator Bellmon from Oklahoma and Senator CHILES from Florida, that called for tax reductions but only after spending cuts. That approach was dropped in conference with the House of Representatives. I think we must return to that approach if we are to reduce taxes in a rational way that does not cause complete havoc in the financial markets as we are now experiencing.

In the past our economic and industrial future was vested in the major corporations. It is clear that we can no longer continue that reliance but must refocus our attention on the small businesses that have indeed helped make this Nation great.

But in the past 2 years, thousands of our country's growth and productivity-oriented companies are being gobbled up. I am extremely concerned that the merger policies of the antitrust enforcement agencies has helped spawn that "merger mania."

I have heard firsthand the testimony of our top antitrust officials. I have read it and I have heard it in committee and, frankly, I can readily understand why the small business community is expressing great concern.

During the next several weeks the Department of Justice will be preparing its announced revisions to the 1968 merger guidelines. I hope that the Senate Small Business Committee will have another opportunity to review the status of the enforcement of those antitrust laws so critical to the small business sector.

Mr. President, small business is unique in another context. It provides the single best source for minorities and women both as entrepreneurs and as employees.

According to the most recent Bureau of Census survey of minority-owned business in 1977, there were over 560,000 minority-owned firms, with combined total gross receipts in excess of $26 billion.

Similarly, the most recent survey of women business owners identified over 700,000 women-owned businesses, with combined receipts of over $42 billion. Most impressive, I think is the 30-percent increase in the number of women-owned businesses, and a very large 72-percent increase in business receipts.

Yet, while the economic hardships strike at these businesses, like all other small businesses, their unique characteristics and special problems often appear to affect their businesses much more severely.

It would be unrealistic to expect that fine-tunings in the economy, or even the beginnings of a recovery would translate into a significant short-term turnaround in the chances for success for these small businesses. We should not hesitate to reach out, with special recognition and assistance, if need be, to join in aiding their chances for survival.

Finally, Mr. President, in 1953 Congress recognized the contributions of the small business community, and established the Small Business Administration. The often repeated policy of the Congress is that the Small Business Administration shall "aid, counsel and assist, in so far as possible, the interest of small business." We in the Senate Small Business Committee have tried to be diligent in our oversight responsibilities to insure that the agency is meeting its statutory mandate, and carrying out the congressionally established programs.

Those programs fall into two major types—operational, such as lending or the management assistance programs go well as advocacy.

In the direct Government to small business programs, we have sought to the greatest extent to rely on the private sector or on a joint partnership. To a large extent, we have been successful, and I would expect that we will continue with this philosophy.

But in the intragovernmental functions, we must expect a better response from our small business proponents, and demand greater receptivity from the executive branch.

Mr. President, Small Business Week should be used to call attention to the outstanding contributions that small business makes to every aspect of our daily lives. It is also a time for those of us who are advocates of a healthy small business sector to point areas where we need to pay particular attention to insure that the small business community can continue to flourish.

I hope that my statement today, as well as other statements by other Senators today and all week, will serve as the basis for future action for this important sector. In my view, America must have a vigorous and a healthy small business community.

Mr. President, if I have any time left, I yield back that time.

The PRESIDING OFFICER. The time of the Senator has expired.

Under the previous order, the Senator from Kentucky, Mr. Ford, is recognized for not to exceed 15 minutes.

Mr. NUNN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I believe I have some time reserved.

The PRESIDING OFFICER. The minority leader is correct.

Mr. ROBERT C. BYRD. I thank the Chair.

SMALL BUSINESS, HIGH INTEREST RATES, AND THE DEEPENING RECESSION

Mr. ROBERT C. BYRD. Mr. President, small business has long been the backbone of the American economy. Its local focus and decentralized nature extend the Jeffersonian ideal of small, independent farmers into the urban era. More than all the speeches about local autonomy, small businesses provide a source of independent economic and political muscle for the majority of our citizens.

Unfortunately, as most Americans are reawakening to the vital role small business plays in our democracy and in our economy, the existence of many small businesses are threatened by the continued assaults of high interest rates and slack consumer demand.

In all previous recessions, interest rates began to fall sharply by the 6th month of the downturn. But in our current recession, which has now entered its 10th full month, real interest rates remain at record levels. Certainly the prime rate has edged down since its 20.5 percent peak last July, but most small businesses pay at least 2 to 3 points above the prime for their borrowings.

That means small businesses are borrowing at 18.5 to 19.5 percent, while inflation for the last 3 months has been running at a scant 1 percent. In other words, small businesses are paying an average of 17.5 to 18.5 percent real interest on their loans. No business, least of all our smaller businesses, can afford to stay open with interest rates at that level.

In fact, the continued surge of bankruptcies indicates that many small businesses are simply shutting their doors forever in the face of the prolonged recession and record real interest rates.

These interest rate levels are not a historical accident. They are not out of our control, but they will not come down until there is a change in the deficit and monetary policies of this administration. With triple-digit deficits forecast for the foreseeable future, and a continued stranglehold on the money supply, this administration is driving the small borrower out of the money markets in favor of the Government and major corporations that can afford whatever interest rate is demanded.

Just last week, an organization of leading commercial bankers, central bankers, and Government officials, called the Group of 30, issued a unanimous statement calling on the United States to, ". . . in particular, avoid an unbalanced mix of monetary and fiscal policies." Among the signers of that statement were Federal Reserve Board member Henry Wallich and president of the New York Fed, Anthony Solomon.

The other horn of small business' dilemma is the continued lack of consumer demand. Even if interest rates were affordable, no business can continue unless its products begin to sell, and although we have heard repeated administration predictions of incipient economic recovery, there are still no signs that recovery has arrived.

Indeed, last Friday was a particularly bad day for economic omens as unemployment reached a 41-year record of 9.4 percent, and the Conference Board released its consumer confidence index for April, which showed a further drop in confidence and a steep fall in buying plans for American consumers.

Obviously, if Americans are not planning to buy new goods and services, the hope of an economic recovery cannot be realized. The Conference Board survey says that the buying plans index, which asks consumers about planned purchases of cars, homes, and appliances during the next 6 months, fell from 94.8 percent in March to just 67.7 percent in April. This is a 28 percent drop in consumer buying plans in just 1 month.

In the face of record real interest rates, record unemployment rates and a 28 percent drop in spring plans by consumers, what good news is there for small business on the first day of Small Business Week?

The good news is that this administration, and the Congress know that no progress against high interest rates can be made until the high deficits and tight money policies of this administration are reversed. Congress, in both the Senate and the House, is moving toward a budget resolution with much lower deficits, and with congressional resolutions for the Federal Reserve Board to moderate its monetary policies in light of smaller future deficits.

JOBS AND SMALL BUSINESS

● Mr. MELCHER. Mr. President, small business is critical to our Nation in a multitude of ways. In times of economic distress such as we are facing now, however, no role for small business is more important than its role as an employer. New and existing small businesses have provided an astonishing 86.7 percent of the Nation's new jobs in recent years.

However, even more recently, that job creation potential has been severely hamstrung by the state of our national economy. Rapidly increasing bankruptcy rates, continuing excessive interest rates, and massive unemployment rates are all undermining the role of small business as employer.

The report of the White House Conference on Small Business in 1980 clearly stated that "to achieve a healthy level of employment for Americans in the 1980's, 11 million new jobs will have to come from small business." Further, small business is frequently the employer of first resort. It is often the provider of on-the-job training in basic job skills to the first-time employee. This means that many of the sectors of our labor force that are particularly hard-pressed, like youths, minorities, and women are normally likely to find their best opportunities with small business.

Without a healthy small business climate, however, those opportunities disappear. Indeed, that is happening right now. The January 1982 NFIB Quarterly Economic Report for Small Business produced by the National Federation of Independent Business offers a grim picture for small business employment.

According to the report, "there was virtually nothing positive that occurred in the small business economy during the fourth quarter. The loss in employment (seasonally adjusted) was far and away the sharpest quarterly decrease ever reported in the survey."

This particular quarterly survey, which was originated in late 1973, goes on to state that "the employment losses reported by small business for the fourth quarter were little short of staggering. On a seasonally adjusted basis, losses were over 50 percent higher than those recorded in the second quarter of 1980."

The implications of this current picture of small business employment are tremendous. One must consider that not only is small business the hirer of first resort, but also it is the firer of last resort. Small businesses tend to do all they can to retain employees. Frequently, there are close personal relationships between management and labor in a small business concern. When small businesses are faced with a serious economic crisis they will look at trimming back employment as a last step necessity, not the first step beginning point.

It costs the Federal Treasury about $25 billion for every increase of 1 percent in unemployment. The Government suffers a double loss because it must increase the payment of benefits at the same time it loses tax revenue. Keeping people on private payrolls and getting the unemployed back to work is essential to our fight to reduce Federal budget deficits, and thus improve the economy generally.

But if we are to have a small business sector of the economy capable of generating the jobs that we must have, we must have a national policy that fosters the formation and growth of small businesses. Unfortunately, we do not.

The Economic Recovery Tax Act of 1981 is the principal feature of the current administration's business policy. And it does do a lot for business—big business. A Library of Congress study shows that small business receives only 17.8 percent of the business tax cuts in ERTA. Furthermore, the same study suggests that the small business share of tax cuts from all provisions will actually decline over the next 4 years.

Small business people in Montana tell me that they are fighting for their lives. Yet giant corporations like Du Pont do not seem to have any trouble acquiring lines of credit worth billions of dollars in order to take over other companies at the same time that small businesses cannot get enough credit to survive.

The concept of antitrust also seems to have gone out the window. Business Week quotes a Washington antitrust lawyer as saying, "Businessmen assume—with some justification—that what was once off limits is now permissible." Last year the Justice Department received 260 more merger notifications than they had the year before—a 32-percent increase. Yet, the whole concept behind antitrust is to help preserve fair competition. The Robinson-Patman Act, often called the Magna Charta of small business, is particularly designed to protect small businesses from unfair price discrimination. The assistant attorney in charge of antitrust at different times has called the Robinson-Patman Act: "an unjustified protection for small business from the rigors of competition" and "a dreadful piece of legislation" and "full of absurdities." That would not seem to be the most helpful attitude in these difficult times.

The Small Business Administration is the most visible agency directly responsible for providing Federal assistance to the small business community. I am sure that there are many small business people who feel that "SBA isn't always what we would like it to be, but it's all we've got." They may not have it much longer.

Last year the administration raised the interest charge on SBA direct loans from 9¼ to 15¼ percent. But that doesn't really matter because next year their proposals virtually eliminate all the SBA direct loan programs anyway. One would expect that if you were killing direct loan programs, you might want to increase guaranteed loans to take up the slack. But that's not the case either. In fact, guaranteed loans are also being reduced.

The Attorney General tells us that "bigness is not necessarily badness." I am sure that in many cases he is absolutely right. However, I also happen to believe that "bigness is not necessarily better." The report of the White House Conference on Small Business was correct when it said, "If we are to achieve anything approaching a healthy level of employment for Americans in the 1980's, the leverage for public policy lies in spurring entrepreneurship and existing small companies." That is the national small business policy we need.

The 96th Congress, the last one controlled by Democrats in both the House and Senate, probably saw more important small business bills passed than any other Congress in recent memory. A few of the more important new laws include: Equal access to justice, which provides for the payment of legal fees of small firms that successfully challenge unfair Federal regulations; regulatory flexibility, which requires Federal regulators to attempt setting more reasonable standards for small businesses; paperwork reduction, which requires Federal paperwork to be reduced by 25 percent within 3 years; small business export expansion, which strengthens export assistance for small businesses interested in getting into overseas markets; small business investment incentives, which makes it easier for small business to attract venture capital; and patent trademark amendments, which permits small firms to retain title to discoveries made in the course of work on Government funded contracts.

The Senate has successfully completed action on several important measures this Congress. The Small Business Innovation Act will allocate a larger share of Federal research and development dollars to small business. The Prompt Payment Act will require the Federal Government to pay an interest penalty when it fails to pay its bills on time. The Regulatory Reform Act requires bureaucracies to assess the need for their proposed regulations and to defend their necessity if challenged in court while also giving Congress a veto authority to turn aside unwise and unneeded regulations.

All of these are important steps in strengthening the position of small business in our Nation. But more needs to be done. A national policy that will truly lead to a healthy, vigorous, and competitive small business economy must be shaped with the active participation of the small business community itself.

Currently, small business viewpoints are not actively solicited on any kind of regular basis in the policymaking process of the Federal Government. Policymaking units too frequently do not even recognize that small business forms a distinct economic structure within our larger national economy. The equation that what is good for all business is good for small business simply will not work any more.

To help involve small business in our work, I have appointed five regional advisory task forces on small business in Montana. Over 80 persons representing the diversity of Montana small business serve on these task forces. Since the first of the year, I have had seven meetings of these task forces. I will have more.

The feedback from these groups has been uniformly positive and useful. For example, Russ Clark of Billings, Mont., says:

> We can't have a country of just big business. Now, I may be one of those small businesses who survive the hard times, but that's not what I want. I want competition. The consumer needs to have more than one place to buy a product—if he didn't have, can you imagine what would happen to prices?

I am sure that it will come as no surprise that the message I most often hear from this advisory group and from other small business people I talk with in Montana is that interest rates are simply too high. This, of course, is a particularly devastating problem for small businesses. They seldom are in a position to meet their capital needs by floating a sale of corporate bonds. Their working capital is acquired by short-term, bank-financed debt. That is precisely where high interest rates are felt the sharpest.

In my January report to Montana small business, I indicated my concern over the effects of the Fed's tight money policies. At that time I said:

> It's a simple fact that budget cuts and tax cuts are only two of the three things that, like the three legs of a stool, are needed to support a strong economy. Without the vital third "leg"—an adequate supply of long-term, stable, and reasonably priced credit—there can be no economic recovery and growth.

Now, nearly a half year later, there is still no change in the administration's tight money policies. This situation clearly demands the same level of commitment, creativity, and political push that went into last year's budget and tax cut efforts. Unfortunately, the administration does not seem as prepared or as willing to reduce deficits as they were prepared and willing to lay the groundwork to create deficits last year.

In his March 1982 report on the state of small business, the President said:

> The success of the American economy is critically dependent upon preservation of real opportunity for small business. Historically, small business has provided much of the growth in jobs and innovation as well as being the supplier of services and deliverer of goods to virtually every farm, village, town and city in our nation.

He is right. At the same time, Dun & Bradstreet tells us that business failures in the first 8 weeks of 1982 were running 55 percent ahead of the comparable period in 1981, and 2½ times the comparable period in 1980. If the 1982 levels continue, the failure rate will exceed the levels of the 1930's.

Small business is clearly the backbone of our national economy. In Montana, nearly 98 percent of all private business establishments employ fewer than 50 people. And since 1970, more than 60 percent of all new jobs in Montana's private sector have been created by businesses employing fewer than 10 individuals.

Yet for all the importance that small business contributes to our national economy, it continues to get the short end of the stick. Small Business Week is an appropriate recognition of the importance of small business. But what small business needs is not a week of flowery speeches and nice ceremonies but a genuine policy that incorporates small business into the decisionmaking process and genuinely gives small business the clout it deserves. Surely the job creator, innovator, melting pot, exporter, competition provider, and risk taker of America is entitled to no less.●

NATIONAL SMALL BUSINESS WEEK

(By request of Mr. Robert C. Byrd, the following statement was ordered to be printed in the Record:)

● Mr. ZORINSKY. Mr. President, as a small businessman myself for 23 years, I am more than happy to join with my colleagues in pausing to recognize the tremendous contributions of small business and small business people to our Nation. I only wish National Small Business Week would find the economic health of the small business community in better shape than it is today.

This country owes a great debt to its small business men and women. Perhaps no other group has done so much to make us prosper—or is so uniquely American.

Today, our 14.7 million small businesses employ 47 percent of the nongovernment labor force and produce 38 percent of our gross national product.

Two out of three new jobs in this country are created by small business and small businesses produce twice as many innovations per employee as do larger firms.

And small business has played a key role in providing economic opportunities for minorities and women. Today, minority-owned firms account for 5.7 percent of all small businesses while women-owned firms account for another 7.1 percent. Both categories increased 30 percent in the 5-year period ending in 1977.

Unfortunately, the current recession has taken its toll on this important segment of our society. It is a regrettable fact of economic life that when the national economy sneezes, small businesses catch pneumonia. And we don't have to look far to find symptoms of pneumonia in the small business community today.

Between 1980 and 1981, business bankruptcies increased 32 percent in this country and business failures increased 42 percent. Hardest hit were the construction field, with a 49-percent increase in failures, and service businesses, with a 47-percent increase.

Nor did things improve any in the early months of this year. Through March 25, 1982, business failures totaled 5,257, compared to 3,460 a year earlier. That represents an increase of almost 52 percent and it works out to an average of almost 500 businesses failing each week. Clearly, something has to be done to reverse this disturbing trend.

The 1981 tax cut bill included several provisions designed specifically to benefit small business. But high interest rates have choked off the increased investments that were to spearhead these gains.

Today's soaring interest rates are particularly threatening to small businesses, since many depend on borrowed money to finance growth. For this reason, I have long advocated putting someone with a small business background on the Federal Reserve System's Board of Governors—and I have cosponsored legislation that would do just this.

Finally, Mr. President, no discussion of the state of small business today would be complete without mention of the tremendous burden imposed on the small business community by excessive Federal regulation and paperwork. It is a problem on which I can speak from personal experience.

Most Federal regulations dictate the same compliance requirements on small businesses as they do on large corporations. But the small business man or woman cannot afford an army of lawyers to help him through this regulatory minefield. As a result, the small business person is put at a tremendous competitive disadvantage compared to larger firms.

Recent efforts of the administration to cut back on the number of regulations spewing forth from Washington are commendable. But more, much more, needs to be done.

Mr. President, in his foreword to the 1983 State of Small Business report, Ronald Reagan noted that "small business is the heart and soul of the free enterprise system." I heartily agree with that sentiment. The importance of small business to our economy and the entire fabric of our national life cannot be overstated.

During this National Small Business Week, let us rededicate ourselves to solving the problems that face small business today. Let us pledge to reduce the regulatory burden, to bring down investment stifling interest rates, and to end the recession that is crippling our economy.

Small business is not, and never has been, a small matter in America. Operating or working in small business is a good way to make a living—and a good way to help make the country strong, free and prosperous. We must do everything in our power to keep it that way.●

SMALL BUSINESS WEEK

● Mr. HUDDLESTON. Mr. President, I am proud to have been an original cosponsor of the resolution which resulted in designating May 9–16 as "National Small Business Week." As a nation, we owe a tremendous debt of gratitude to the thousands of small businesses which play such a vital role in our economy. The contribution of small business to the U.S. economy in terms of new jobs created, initiation of innovative new products and services, and opportunities provided for anyone who is willing to work hard is astounding. In recent times, small business has created over 85 percent of our new jobs and contributed to more that half of our major innovations.

Small business has proven that it can make these contributions because it is able to respond very quickly to changing patterns in our economy. However, just as it is quick to respond, it is usually the first to be seriously hurt by downturns in the economy. The serious recession we have been in for months has made this all too clear.

The recent economic reports which bombard us every day through the news media are the worst this Nation has seen since the Great Depression. In every sector of the economy, the news is the same—workers and businesses in increasing numbers are falling victim to hard times. Unemployment has reached the highest level in 41 years, and if the current trend in business bankruptcies continues for the remainder of 1982, we will experience the highest number of business failures since 1932.

While these cold statistics are sobering in and of themselves, the human misery and suffering which is generated by these rising numbers is appalling. For an unemployed worker, it means the loss of the dignity and pride which goes with performing a needed job and the heartbreak of watching his or her family go without necessities. For the bankrupt business person, it means seeing the business he or she spent his or her life building sink into a sea of rising debt. For the Nation as a whole, it means lost economic opportunity which will be extremely costly to recoup.

In April, Dun & Bradstreet announced that there were 6,205 business failures during the first 14 weeks of 1982. This represented an increase of more than 55 percent over business failures during the same period in 1981. These failures now stand at a 21-year high and are certain to continue. Even if the recession were to end today, the debt burden carried by many businesses is so great that it will eventually bring them to their knees.

The vast majority of these business bankruptcies are small businesses. For example, the Small Business Administration reports that in the construction industry the failure rate is up by 49 percent and in retailing, it is up 41 percent. These statistics are made much more real to me each time I return to my State and see the increasing number of vacant store and office fronts.

Because most of these failures are in the small business sector, the net effect on the national economy is exacerbated. This is because small businesses are generating more than half of the new product and service innovations and most of the new jobs.

The increasing number of failures in the small business sector will have serious long-range implications for the growth potential of our whole economy. The failure to respond to the needs of small businesses now will be a decision that we will have to pay for years down the road.

The primary reason for this rising wave of business failures is no mystery; it is simply excessively high interest rates. Small businesses cannot afford to borrow money at today's rates and without an affordable line of credit, they go belly up. On the other hand, those that can afford the high rates are experiencing decreasing demand as a result of the deepening recession—driven mainly by high interest rates—and they too are going belly up. One way or another, the high rates are ambushing small businesses and cutting them down in increasing numbers.

Since the primary reason for the economic disaster which is now befalling our Nation is well known, one would assume that there would be an all-out effort made to bring these rates down immediately. Surprisingly, this is not the case. Instead, we have an administration that seems to be totally unaware of the hardship and suffering which is caused by its trickledown economic policy.

The small business person who is going bankrupt today is told by the President not to worry because the economy is bound to turn up sometime in the future. This is tantamount to a fire chief telling the victims trapped in a burning building not to worry because it is bound to rain sometime.

I believe that a much more realistic policy would be to save as many businesses as we can now, so as to accelerate the economic turnaround when it does come and lessen the overall damage.

The sky-high interest rates are a product of two factors. First, the Federal Reserve has been pursuing a very tight monetary policy and second, high Federal deficits are putting too much pressure on the money markets. This administration has failed to respond adequately to either problem. No pressure has been put on the Federal Reserve to loosen its monetary policy, even though repeated efforts have been made in Congress to require this. Fortunately, some Members of Congress have not given up on this idea. Some House Members have announced that they will push to include in the upcoming budget resolution a requirement that the Fed undertake less restrictive targets for money growth.

This administration has also failed to respond adequately to the crushing burden of the Federal deficit. The first complete fiscal year under this administration will produce a record deficit, and the fiscal year 1983 budget which this administration submitted to Congress would have produced an astounding deficit of $182 billion next year.

Fortunately, every member of the Senate Budget Committee, including those of the President's own party, recognized the absurdity of this budget and voted to defeat it. However, because of the administration's failure to compromise on key issues such as defense spending and the monumental tax increase pushed through Congress last year, the state of the budget and ultimately the economy is still uncertain.

This administration's failure to meet the desperate needs of small business stems from a basic insensitivity to the small business sector. Because it is insensitive to their problems, it does not feel compelled to take the steps which are necessary for their continued health and well-being.

This insensitivity is illustrated by the recent annual report on small business issued by the President. The Small Business Economic Policy Act of 1980 requires the President to issue a report on the state of small business and to recommend a program for improving it. While the recent report documented the vital role played by small business in the U.S. economy and recognized that small business has unique problems, the report offered very little in the way of solutions to these unique problems. The insensitivity of this report from the standpoint of overcoming the special problems of small business is glaring.

As the ranking Democrat on the Senate Agriculture, Nutrition, and Forestry Committee, I have a particular interest in the farm sector of our economy.

The typical U.S. family farm is a small business. Even though family farming may require a large investment in land and equipment, it is usually an investment made by the farm family; and, in most cases, members of the family are the only employees of the business.

However, the number of family farms in this country has been on the decline for decades, while the size of the average farm has steadily increased.

As the structure of U.S. farming has evolved, it has become more and more difficult for the small-businessman farmer—the family farmer—to stay in operation. Also, modern-day commercial farming on larger tracts requires substantial outlays for machinery, equipment, fertilizer, pesticides, and other technologically advanced tools.

Also, as we all know, the price of agricultural land has skyrocketed.

The growth in capital requirements has created serious financing problems for many beginning farmers. It has become increasingly difficult for younger farmers to acquire capital to purchase farm assets, buy out the other heirs involved, or pay the estate taxes on farms.

But, beginning farmers and other farmers with substantial capital needs are not the only producers struggling to make their businesses successful. U.S. agriculture, in general, is suffering from a depressed economy that affects almost all family farmers, and the situation has been getting worse each year for the last several years.

In 1980, total real farm income, adjusted for inflation, dipped below $10 billion for the first time since the early 1930's. In 1981, increased costs of production (including interest charges), weak commodity prices, and failure to achieve big increases in agricultural exports resulted in a second consecutive year of extraordinarily low farm income.

Barring major modifications of current agricultural policy, real farm income in 1982 is expected to be even lower than it was in 1980 or 1981. Without action, if present projections prove to be accurate, farmers will experience, in 1982, the lowest real farm income since the Department of Agriculture began making such estimates in the early part of this century.

The last time farmers experienced 3 consecutive years of such low income was in the midst of the Great Depression, when thousands of farmers with small business operations were forced out of business. Just as it was in the 1930's, many farmers today are confronting the prospect of liquidation either because they cannot pay their bills, or because they simply cannot continue to operate at a loss.

As agriculture falters, related industries, such as the farm machinery industry, and small businesses in rural communities are being adversely affected. A recent survey of American Bankers Association member banks concluded that local rural economies have been broadly affected by low farm income, and that there is a recession in rural areas directly related to the farm income problem.

Also, because modern agriculture is highly capital intensive, all farmers are being devastated by high interest rates and the inability to obtain operating credit. It is abundantly clear that, in addition to the emergency created by plummeting farm income, a financial emergency exists for the many farmers in need of credit.

For the first time ever, the Farm Credit System and the Farmers Home Administration have found it necessary to monitor the number of foreclosures. Each foreclosure represents a failure. In some cases, the failure is on the part of the farmer because of imprudent expansion or poor management. However, in many cases, Government policy is to blame for the failure.

I believe actions can be taken to correct the failure of present policies to help America's small businessmen-farmers.

During the last few months, I have offered several proposals that would modify present policy. Under existing law, the President and the Secretary of Agriculture have the programs and authority necessary to avert future huge farm surpluses, depressed prices, and massive foreclosures.

Specifically, I urge the President and the Secretary to take the following actions—

First. The President should work with, and encourage, the Federal Reserve Board to adjust its monetary policy so as to reduce the rate of interest farmers must pay to obtain credit for necessary production items;

Second. The President and Secretary of Agriculture, using the broad authorities vested in them by Congress, should take emergency action to stabilize commodity prices received by farmers and provide credit assistance to farmers, including the following actions—

A voluntary paid-land diversion program for producers of wheat, feedgrains, upland cotton, and rice;

Increased price support loan rates for wheat, feedgrains, and rice;

The implementation of an aggressive agricultural export development program;

With respect to farmers who, through no fault of their own, are temporarily unable to meet their debt obligations on Farmers Home Administration farm loans—permitting them to defer making repayments on the loans; forgoing loan foreclosures, whenever possible; and permitting borrowers to reamortize or reschedule their loans; and

The immediate nationwide implementation of the Farmers Home Administration economic emergency loan program; and

Third, the President, in nominating persons for positions on the Federal Reserve Board, should insure that agricultural and small business interests are provided fair representation on the Board.

Timing is essential if any action is to be of assistance to farmers. Immediate relief is needed to forestall foreclosures and forced liquidations. For that reason, the administration should consider the farm situation as an emergency and act quickly and decisively.

The recommendations that I have provided are a fiscally sound means of providing the assistance farmers need. I strongly urge the administration to see that they are implemented immediately.

Mr. President, as we begin this week of recognition of small business, I believe that Members of Congress should assure the small business community that their unique and special problems will be dealt with speedily and constructively. If small businesses are more sensitive to downturns in the business cycle, we should find ways to counteract that sensitivity; if small business has a handicap in the capital markets, we must overcome that handicap, and if high interest rates are more devastating to small companies, we must provide special assistance when necessary.

As a member of the Senate Small Business Committee and the Agriculture, Nutrition, and Forestry Committee, I plan to make these goals a priority and I urge my colleagues to do the same.●

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I yield whatever remaining time I have to the distinguished Senator from North Carolina.

Mr. HELMS. I thank the able minority leader.

GOOD ADVICE ABOUT CENTRAL AMERICA FROM ONE WHO KNOWS

Mr. HELMS. Mr. President, it is an understatement to suggest that the major U.S. news media have not accurately conveyed the facts about the military conflicts in Central America. The overall strategy and the violent determination of the Communists is rarely reported to the American people. Rarer still is such a report by someone with personal experience of Communist aggression.

But in the April 12, edition of the Charlotte (N.C.) News, there was precisely such a report, written by Robert Suarez, a native of Cuba who now lives with his family in Charlotte. Mr. Suarez is general manager of both the Charlotte Observer and the Charlotte News in my State. His article was entitled "True believers: What we haven't learned is that Central American Marxists want to do what they say," and it provides an excellent example of what American journalism could and should be.

Mr. President, among other things, Mr. Suarez points out the dangers of disinformation existing in the American media. He says:

> There is a lack of understanding among Americans on what's going on in Central America. There is a lot of misinformation. There is lack of knowledge about the issues, and most important, there is a propaganda campaign going on in this country today in favor of Central American revolution that could have serious consequences in future years to the security of our citizens and to peace in the hemisphere . . . The media should be more careful and avoid being used.

Mr. Suarez goes on to detail the history of the Communists in Cuba and to describe how the Castro threats have become reality in Central America. He issues a warning to U.S. policymakers not to misjudge the nature of the danger but instead to inform the

American people about it. This warning comes from a man who himself was imprisoned by the Batista government in Cuba for acting as treasurer of the revolutionary movement in Havana and who went on to be, after Castro took power, chairman of the board of Financiera Nacional de Cuba, a financial institution associated with the Central Bank of Cuba. For exposing Castro's fraudulant dealings, Castro later forced Mr. Suarez to flee Cuba.

Mr. President, I ask unanimous consent that two articles from the Charlotte News of April 12, 1982, entitled "True believers: What we haven't learned is that Central American Marxists want to do what they say" and "Roberto Suarez: Businessman who supported Cuban revolution finally had to flee homeland for his life," be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Charlotte News, Apr. 12, 1982]

True Believers: What We Haven't Learned Is That Central American Marxists Want To Do What They Say

(By Robert Suarez)

The revolution in Central America, as experienced now in El Salvador, could have serious consequences in future years to the security of our nation and to peace in this hemisphere. To understand the seriousness of the situation and how it can affect us, it is necessary to look at it from a historial perspective.

After the Cuban revolution, Fidel Castro said, "We will make the Andes the Sierra Maestra of America . . . and all the immense territories that make up this continent will become the scene of a life-and-death struggle against the power of imperialism." The Andes are mountains running up and down through South America, while the Sierra Maestra are the Cuban mountains where Castro organized his guerrilla war.

Che Guevara, the ideological mastermind behind Castro, added:

"Just as the beginning of the struggle in one part of a country is bound to develop through its area, the beginning of a revolutionary war contributes to the development of new conditions in the neighboring countries.

"We have predicted that the war will be continental. This means it will be protracted; it will have many fronts, and will cost much in blood and countless lives over a period. The eruption of the struggle in America has actually begun."

Those words were spoken in 1963.

In April 1967, the organization of the solidarity of the peoples of Africa, Asia, and Latin America called the Tricontinental, published the following from a Guevara speech:

"Within the frame of this struggle of continental scale, the battles which are now taking place are only episodes—they shall figure in the history of our America as having given their necessary blood in this last stage of the fight for the total freedom of man."

From the same source, it continues, "America, a forgotten continent in the last liberation struggles, is now beginning to make itself heard through the Tricontinental and, in the voice of the vanguard of its peoples, the Cuban revolution, will today have a task of much greater relevance: creating a second or third Vietnam, or the second or third Vietnam of the world."

And later on, "And let us develop a true proletarian internationalism: with international proletarian armies." And the last paragraph: "Our every action is a battle cry against imperialism, and a battle hymn for the people's unity against the great enemy of mankind: the United States of America."

Another document called "The Second Declaration of Havana," says, "We have asserted that it is a means of struggle to achieve an end . . . so that popular forces eventually take power and establish a proletarian dictatorship."

In "Guerrilla Warfare," a book of instruction on how to conduct the war, Mr. Guevara wrote, "The guerrilla fighter will be a sort of guardian angel who has fallen into the zone, helping the poor always and bothering the rich as little as possible in the first phases of the war.

"But this war will continue on its course; contradictions will continuously become sharper; the moment will arrive when many of those who regarded the revolution with a certain sympathy at the outset will place themselves in a position diametrically opposed."

The above text is not an expression of wishful thinking by lunatics, but an expression of the Marxist movement in Latin America directed from Havana, and every word can be documented because it has been published and I didn't have to go farther than Charlotte's public library on Tryon Street to get the information.

What is happening in Central America? As soon as Mr. Castro consolidated his power, he and his associates began planning and directing the spread of the Marxist revolution. There is no better source than Mr. Castro's and Mr. Guevara's own words. And Fidel Castro has time and time again done what he set out to do.

Those who think that Salvador is just an internal problem and that we should not try to stabilize the situation, and that the whole operation is not directed from Havana, are committing a great disservice to the future peace of our nation and our continent.

The situation in Central America is very serious. In June 1979, I wrote a story on the war in Nicaragua. I predicted that the guerrillas would establish a Marxist government, and they did. I also predicted that the next front would be El Salvador. And it is. Next will be Guatemala followed by Honduras and then Costa Rica, in that order. It is the same story, a carbon copy of Cuba, over and over again. And we seem to keep missing the point.

There is a lack of understanding among Americans on what's going on in Central America. There is a lot of misinformation. There is a lack of knowledge about the issues, and most important, there is a propaganda campaign going on in this country today in favor of Central American revolution that could have serious consequences in future years to the security of our citizens and to peace in the hemisphere.

I particularly blame the U.S. government for allowing the guerrillas to take and maintain the initiative in this propaganda campaign. The government should be explaining to the people what's going on there and what it all means to our country. The media should be more careful and avoid being used. These people are very sophisticated in using the media for their propaganda purposes. Other people, with very good intentions, are also being used.

Recently I attended a meeting at my own church where a Maryknoll sister made a presentation on Salvador. She showed a slick movie depicting how bad the government was, very dramatic pictures of the slain American nuns—in essence, a lot of impact to bring to our attention that because government officials are the bad guys, we should not have any dealings with them.

Later on she talked about her personal experiences working with the poor in Salvador. She mentioned how they had gone into the country establishing Christian communities among poor peasants.

She spoke of how repression against them had taken place, how several priests had been killed, and so on and so forth. I asked her twice how she, as a Catholic sister, could reconcile her activities in favor of a Marxist revolution and didn't get a straight answer. She did mention the following which I am sure you will find revealing:

The leader of the largest guerrilla group is a Marxist. Other groups are not led by Marxists.

The solution to the Salvadoran problems, as she called it, is "the arms solution."

Eighty percent of the killing is done by the government forces and 20 percent by the guerrillas but the guerrillas killings have a purpose—which I understand to mean that they are not indiscriminate and they are justified.

The "Church" will have a great deal of involvement in any government resulting from the victory of guerrilla forces.

What the people want is freedom.

She is making speeches and showing films all over. In this part of North Carolina I know she has been in Greensboro, Asheville, Belmont, and other parts of the Charlotte Catholic diocese. I don't know how many other Catholic nuns or priests are doing the same thing, but I am sure they are having an impact because much of what she is saying is the same as the propaganda campaign in favor of the revolution and the misinformation on the aims of the revolution.

In essence, it goes something like this:

There are no human rights in El Salvador, as the government is guilty of crimes.

The people want freedoms and the only way to obtain them is through armed struggle.

The U.S. should not give aid to the Salvadoran government because that aid is used to oppress the people.

There is no proof that Cuba, Nicaragua and other communist countries are helping the guerrillas.

Those who think that after the revolution takes power they will have a part in the government, like the clergy or any other group, are being naive. They do not have a sense of history and don't realize that they are being used.

I know, because I was one of them. But it's very difficult to convince them. Unfortunately, they'll experience it on their own.

I believe it is imperative that people in this country understand the problem and understand the Marxist philosophy and goals, so that we as a nation can support our government in whatever actions are necessary to avoid a Marxist Latin America.

As to the question of "proof" of Cuban, Nicaraguan, and other intervention in El Salvador, you might have read during the week of March 15 a report on $1 million

worth of arms and ammunition captured in a warehouse in Costa Rica.

Enough arms were captured to completely equip 100 men. All those people captured during the raid were of different nationalities. A story written by Stephen S. Rosenfeld, a member of The Washington Post editorial staff, addresses that question. The Washington Post is one of those newspapers that has generally been sympathetic to the guerrillas. Following are key paragraphs:

"But I will report that five days in Managua have left me convinced that the Sandinistas have a profound commitment to spreading revolution—to be true to themselves, to sustain their own power, to pay a debt to Fidel Castro or whatever.

"This is not a crowd to lie low a few years and consolidate—the policy common sense dictated when they won power in 1979.

"The 'evidence' that, incredibly, our State Department has been unable to muster lies, unclassified, all over Central America; in the availability of arms and ammunition that allows 5,000 Salvador guerrillas to keep fighting—captures and purchases could not possibly provide it all; in the kinds of guerrilla arms captured by the Salvador army; in the numerous raw reports from the Salvadoran and Honduran armies of transit of supplies by burro, by planes landing on small strips or making drops, by the trucks that carry products cargo through the region, by small boats on both Atlantic and Pacific coasts.

"Of course, the Nicaraguans help their friends—though how much is hard to pin down. Fidel Castro has admitted to foreigners a continuing hand, played through Nicaragua. Privately, the 'Comandantes' in Managua admit it to diplomats. On the record, the foreign minister admitted it to me; all he denied was that there is a 'substantial' flow and that it is authorized."

There is some talk about negotiations and that guerrilla forces are ready to negotiate. I think that all that talk is part of the war of words to influence public opinion in this country.

Looking at the guerrilla warfare manual, the blueprint to take over a country written by Che Guevara, there is no way that a peaceful settlement is possible with the guerrillas.

Under "General Principles of Guerrilla Warfare," Guevara wrote, "The fundamental principle is that no battle, combat, or skirmish is to be fought unless it will be won. . . .

"War is always a struggle in which each contender tries to annihilate the other. Besides using force, they will have recourse to all possible tricks and strategems in order to achieve the goal. . . ."

"Naturally, victory cannot be considered as final until the army that sustained the former regime has been systematically and totally smashed. Further, all the institutions that sheltered the former regime should be wiped out."

That is their goal and their strategy. They have not deviated from this master plan at all. And they are not going to stop until they win—or are destroyed.

As for freedom for the people, there is not a single example in history where freedom exists under Marxist domination. Totalitarian Marxism squelches the basic human rights as a matter of course.

The problem should be of great concern to all of us. To solve a problem, the normal and best approach is to define it. Through the readings of Castro and Guevara, I trust I've shed some perspective on the situation in Central America.

The propaganda campaign carried by some groups sympathetic to the guerrillas is geared to draw our attention to other issues and make us forget what the real issue is: that of the Marxist takeover of Latin America.

No country in Central America can survive the pressures from revolutions inspired, assisted, and directed by close neighbors.

And why be concerned? What is at stake? I firmly believe that what is at stake is the security of our nation.

The example of Cuba, with 10 million population and a 300,000-man army; Nicaragua, with 3 million population, and already in just a year and a half, 50,000 regular army and 200,000 militia. If Central America and Panama fall, we could be faced with over 1 million men under arms, equipment by the Russians with the most modern equipment and led by Fidel Castro. We don't have to be military strategists to understand the danger of our security, or the danger of war on our own soil.

The revolution in Central America could have serious consequences in future years to the security of our nation and to peace in this hemisphere.

Think about it!

Roberto Suarez: Businessman Who Supported Cuban Revolution Finally Had To Flee Homeland for His Life

Humberto Sori Marin, politician; Manuel Ray, engineer; Antonio de la Carrera, attorney; and Roberto Suarez, businessman. Twenty-four years ago these men had several things in common. They were Cuban, and even though some of them didn't know each other, they were all in their own way participating in the Cuban revolution that brought Fidel Castro to power. Their common interest, it could be said, was to bring a new way of life to Cuba: to return to a democratic government, to provide freedom and social justices to all people and to bring honesty to end corruption in government.

Humberto Sori Marin became the Minister of Agriculture in the first Revolutionary Cabinet. He authored and instituted the Agrarian Reform, the revolutionary law designed to give those who work the land proprietary interest, build cooperatives, and improve the quality of life of the "campesino." Today, Humberto Sori Marin is dead. While on crutches from wounds received by Mr. Castro's Marxist security forces, he was placed in front of a firing wall and executed.

Manuel Ray was a leader of the underground in the cities, while Castro's guerrillas were in the mountains. He became Minister of Public Works in the first Revolutionary Cabinet. Mr. Ray lives in exile today working in his profession in Puerto Rico. He had to leave Cuba disguised, under an assumed name, aboard a freighter boarded during the dark hours of night, a step ahead of Mr. Castro's security forces.

Antonia de la Carrera, through his law firm, quietly assisted people in the revolutionary movement. He was exiled during Fulgencio Batista's time and returned to Cuba as Secretary to the Presidency, a member of the first Cabinet of the Revolution. Mr. De la Carrera is practicing law in New Jersey today, after being forced to leave Cuba to save his life.

Roberto Suarez was imprisoned by Mr. Batista's secret police while serving as treasurer of the revolutionary movement in Havana. Thanks to the intervention of the Catholic Church, he was released and forced to leave the country early in 1958, returning to Cuba early in 1959 after Mr. Castro took power to be chairman of the board of Financiera Nacional de Cuba, a financial institution associated with the Central Bank of Cuba. I am Roberto Suarez. It soon became evident, through my contacts within the government the fraud committed by Fidel Castro. Many of us, who saw Mr. Castro's treachery, united in an effort to carry out the real aims of the revolution. Because of that, I had to leave Cuba under life-threatening circumstances.

These names and people were picked at random. There are hundreds who believed in a just cause and were purged when the Marxists consolidated their power.

In Cuba, it could be said that we were deceived, since Mr. Castro promised a democratic government, free elections, schools instead of army barracks, and freedom. Today, Central American guerrillas are not hiding their Marxist philosophy, and still so many people are being naive to expect freedom from these revolutionary movements.

In 24 years nothing has changed. When I was exiled in New York City during 1958, we were visiting friendly media people to get them to support the revolution; we were showing films of guerrillas depicting the life in the mountains where schools and hospitals had been established; we were organizing groups in New Jersey and Philadelphia to spread the good word on the revolution; we were visiting liberal congressmen requesting support. In essence, we were doing exactly what is being done right now as part of the propaganda campaign to influence American public opinion.

Nothing has changed. The lesson has not been learned. Today, the guerrillas are more sophisticated with the availability of television. As Hector Orqueli, a Salvadoran guerrilla leader said, "We have to win the war inside the United States." That is what they are doing: They are using people with good intentions like they were using us.

I know, because I was one of them.

FROM ABORTION TO INFANTICIDE

Mr. HELMS. Mr. President, once a nation decides that the lives of certain human beings are to be denied the protection of its laws, the lives of all its citizens are imperiled. Once a government assumes the power to declare some human beings not worthy of life, that government has begun a course at the end of which, unless changed, lies the killing of those whom the government finds inconvenient to have around. The government, in such cases, would simply declare that the innocent lives involved are unmeaningful, or disadvantaged, or unloved, or even incapable of full and complete human existence.

In the Chicago Tribune of April 22, columnist Stephen Chapman explored the consequences of choice in light of the recent court-ordered death by starvation of an infant in Bloomington, Ind. It is worth the time of every Senator to read and ponder.

Mr. President, I ask unanimous consent that this editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

FROM ABORTION TO INFANTICIDE

(By Stephen Chapman)

After losing in court last week, prosecutors for Monroe County, Indiana, tried to put a good face on things. True, the state supreme court had upheld a couple's refusal to allow surgery on their week-old infant, a victim of Down's syndrome, to repair his deformed esophagus. But, one prosecutor noted, the decision was "narrowly drawn."

It nonetheless led to the child's prompt death from starvation. We may be grateful that the court restrained itself from a broad decision.

The right-to-life movement has long been ridiculed for its contention that a society which tolerates the indiscriminate killing of fetuses must sooner or later come to accept even worse—such as euthanasia for the elderly and terminally ill. It used to be easy to dismiss these analogies as hysterical. But probably not even the most vociferous critic of legalized abortion could have imagined that we would proceed, in nine short years, from allowing abortion to sanctioning infanticide.

The evolution, of course, is a natural one. The difference between a fetus and "Baby Doe"—the parents' name were kept secret to protect the guilty—is one of degree, not of kind. Both are recognizably human; both are incapable of sustaining existence on their own; both are unable to comprehend the world about them.

The "pro-choice" movement seeks to portray us all as recognizably human only on the day we spring forth from the womb, denying any meaningful resemblance between today's infant and yesterday's fetus. But human life is a continuum. It does not begin at birth, or even at the start of the third trimester, Justice Harry Blackmun notwithstanding.

A living, unmistakably human organism exists from the moment the ovum is fertilized. It will not develop into a cat, or a plant, or a cyst—only a person, because it already is a person.

To draw an arbitrary distinction between a fetus and a baby to justify treating them in radically different ways is to invite similar distinctions, and different treatment, among different groups of people—between one-week-olds and one-month-olds, or one-month-olds and one-year-olds. As of last week, such distinctions carry the imprimatur of the Indiana Supreme Court.

The theologian Paul Ramsey once noted that there is no argument for abortion that cannot serve just as well to rationalize infanticide. This case emphatically validates his suspicion. But Ramsey's point was to dramatize the callousness of abortion, not to condone the killing of babies. Unfortunately, the sort of thinking that accommodates abortion cannot easily resist the logic of infanticide.

Presumably Mr. and Mrs. Doe would have aborted their child had they known he would be born deformed and retarded. No proabortionist would have questioned their decision. Why bring a defective child into the world, with no prospect but great financial expense and continual heartache? Preventing the birth of abnormal children is one reason for the growing use of amniocentesis to detect fetal disorders.

No one, least of all the organizations favoring legal abortion, has been heard to defend the Indiana court's decision (though they have not been heard to condemn it, either). But the difference between aborting a defective fetus and allowing an abnormal infant to die of starvation is, to put it charitably, an exceedingly subtle one.

Surely it is unreasonable to expect the parents to endure all the costs imposed by a handicapped child merely because they weren't lucky enough to know in advance. If a defect can't be discovered beforehand, why should the mere technicality of birth condemn parents and child to living with it?

Then there is the "unwanted child" argument: Better to dispose of a child in the womb than to force him on an unwilling and resentful mother and father. "Baby Doe" aptly fits this category. Parents who would choose to let their own flesh and blood die painfully of starvation aren't models for a loving household. If a fetus is better off dead than unwanted, how much more so a newborn infant.

But the most striking thing about this cause is that the court not only allowed the parents to escape the ordinary obligations of producing a child, but also refused to let anyone else assume them. At least ten couples offered to adopt Baby Doe (including one which already has a child with Down's Syndrome). No matter. The court decreed that the right of the parents to let their infant die outweighed any rights the child might possess.

It is a measure of abortion's effect on our thinking that in at least one state it is now permissible to do to a deformed, retarded infant what woud be illegal if done to a dog or a cat. The eagerness of so many couples to adopt Baby Doe offers a vision of what we might be. But the death sentence given him by our duly ordained courts offers a glimpse of what we are becoming.

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mrs. KASSEBAUM). Without objection, it is so ordered.

VITIATION OF ORDERS FOR THE RECOGNITION OF CERTAIN SENATORS

Mr. BAKER. Madam President, I am advised that the following Senators do not require the time allocated to them on special orders: Senators BAUCUS, FORD, ROBERT C. BYRD, and BAKER. I ask unanimous consent that the special orders in favor of those Senators be vitiated.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business.

Mr. BAKER. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. GORTON). Without objection, it is so ordered.

RESTRICTING PORNOGRAPHY

Mr. HELMS. Mr. President, in one sense, controlling pornography is somewhat like trying to control the weather: As Mark Twain put it, everybody complains about it but nobody does anything about it. The problem with pornography rests squarely on the doorsteps of the Federal courts which in recent years, have made it clear that they are hostile to traditional laws which seek to curb pornography.

The history of Federal court intrusion into State matters, involving as it does the judicial theory of incorporation of the Bill or Rights against the States through the 14th amendment, is a long and complicated affair. Suffice to say that State legislators who are willing to buck that tide on behalf of public decency have a difficult and sometimes fruitless job. When they undertake such a mission, they should be recognized for doing a public service; when they are successful, they should receive the approbation and gratitude of the public.

I say that, Mr. President, to emphasize that in North Carolina we have had a measure of most encouraging success in this regard. Thanks to the courageous leadership of State Senator I. Beverly Lake, Jr., several North Carolinians have waged a fight against pornography, and thus far they have had a surprising and heartening degree of success.

In early 1977, Senator Lake, a distinguished son of a distinguished father, saw the need to legislate against the growth of pornography in North Carolina. Knowing the problem criminal laws on pornography had encountered in the courts, Senator Lake and others decided that the best approach was a civil abatement procedure. Drafted by Senator Lake and a fine, young citizen, Richard C. Titus, who is a Raleigh attorney and close political ally of Senator Lake, the antipornography bill was introduced in the 1977 North Carolina General Assembly. After clearing some initial hurdles in the Senate Judiciary Committee, the Senate overwhelmingly approved the bill by a vote of 47 to 2. In the House the bill likewise won resounding approval, passing 118 to 1. The battle in the courts began shortly after the law went into effect.

The first decision of an appellate court was *North Carolina ex rel. Andrews* v. *Chateau X, Inc.*, 296 N.C. 251, 250 S.E.2d 603 (1979), in which the

North Carolina Supreme Court upheld the constitutionality of the law. Appeal to the U.S. Supreme Court produced an order vacating the North Carolina Supreme Court judgment and remanding for reconsideration in light of *Vance* v. *Universal Amusement Co., Inc.*, 445 U.S. 308 (1980). *Chateau X, Inc.* v. *North Carolina ex rel. Andrews*, 445 U.S. 947 (1980). On remand the North Carolina Supreme Court again upheld the law as constitutional. *Chateau X, Inc.* v. *North Carolina ex rel. Andrews*, 302 N.C. 321, 275 S.E.2d 443 (1981).

In the Federal courts another battle was being waged over the same statute. The first round resulted in the statute's being declared unconstitutional by a Federal district court. *Fehlhaber* v. *North Carolina*, 445 F. Supp. 130 (E.D. N.C. 1978). The U.S. Court of Appeals for the Fourth Circuit, however, reversed the district court on April 15, 1982, and like the North Carolina Supreme Court, upheld the statute's constitutionality. *Fehlhaber* v. *North Carolina*,—F.2d—(4th Cir. 1982). In that fourth circuit opinion Judge Haynesworth aptly said:

> This is another skirmish in the battle of the purveyors of hard core pornography, seeking the protection of the precious values of the First Amendment, and legislative bodies, seeking to lend protection to other societal values supportive of morality and decorous communities. The North Carolina legislature chose the civil injunctive abatement route for control, a route with many hazards to successful negotiation, but, as now interpreted by the North Carolina Supreme Court, we think the North Carolina statute effectively survives First and Fourteenth Amendment analysis.

Hence, the statute has now been upheld by both the North Carolina Supreme Court and the Fourth Circuit Court of Appeals.

Mr. President, not only did Senator Lake sponsor the antipornography bill in the legislature, but he also took part as counsel in the various court cases. To his credit, he has indeed successfully negotiated a hazardous route resulting in solid legal protection for the people of North Carolina from the degradation of pornography. It is my hope that the law will be vigorously enforced by the proper authorities in North Carolina and that other States will benefit from the experience of Senator Lake and his colleagues in this matter.

Let me again express my gratitude and respect to Senator Lake and others involved in this cause—especially Rev. J. Malloy Owen, formerly of St. Mark's Methodist Church in Raleigh; Clarence Steppe, a Raleigh Businessman and immediate past president of the North Carolina Navy League; and Marvin Schiller, a Raleigh attorney who was deeply involved in the court cases. As the result of the determined efforts of these and other fine North Carolinians, our State now has an excellent and effective antipornography law.

Mr. President, I ask unanimous consent that the North Carolina antipornography law be printed in the RECORD at the conclusion of my remarks.

There being no objection, the statute was ordered to be printed in the RECORD, as follows:

THE GENERAL STATUTES OF NORTH CAROLINA—CONTAINING GENERAL LAWS OF NORTH CAROLINA THROUGH THE SESSION LAWS OF 1977

CHAPTER 19.—OFFENSES AGAINST PUBLIC MORALS

Article 1

Abatement of nuisances

Sec.
19-1. What are nuisances under this Chapter.
19-1.1. Definitions.
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19-1.3. Personal property as a nuisance; knowledge of nuisance.
19-1.4. Liability of successive owners for continuing nuisance.
19-1.5. Abatement does not preclude action.
19-2. [Repealed.]
19-2.1. Action for abatement; injunction.
19-2.2. Pleadings; jurisdiction; venue; application for preliminary injunction.
19-2.3. Temporary order restraining removal of personal property from premises; service; punishment.
19-2.4. Notice of hearing on preliminary injunction; consolidation.
19-2.5. Hearing on the preliminary injunction; issuance.
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19-7. How order of abatement may be canceled.
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19-8.2. Right of entry.
19-8.3. Severability.

Article 1

Abatement of nuisances

§ 19-1. What are nuisances under this Chapter.—(a) The erection, establishment, continuance, maintenance, use, ownership or leasing of any building or place for the purpose of assignation, prostitution, gambling, illegal possession or sale of intoxicating liquors, illegal possession or sale of narcotic drugs as defined in the North Carolina Controlled Substance Act, or illegal possession or sale of obscene or lewd matter, as defined in this Chapter, shall constitute a nuisance.

(b) The erection, establishment, continuance, maintenance, use, ownership or leasing of any building or place wherein or whereon are carried on, conducted, or permitted repeated acts which create and constitute a breach of the peace shall constitute a nuisance.

(c) The building, or place, or vehicle, or the ground itself, in or upon which a nuisance as defined in subsections (a) or (b) above is carried on, and the furniture, fixtures, and contents are also declared a nuisance, and shall be enjoined and abated as hereinafter provided. (Pub. Loc. 1913, c. 761, s. 25; 1919, c. 288; C. S., s. 3180; 1949, c. 1164; 1967, c. 142; 1971, c. 655; 1977, c. 819, ss. 1, 2.)

§ 19-1.1. Defintions.—As used in this Chapter relating to illegal possession or sale of obscene matter or to the other conduct prohibited in G.S. 19-1(a), the following definitions shall apply:

(1) "Knowledge" or "knowledge of such nuisance" means having knowledge of the contents and character of the patently offensive sexual conduct which appears in the lewd matter, or knowledge of the acts of lewdness, assignation, gambling, the illegal possession or sale of intoxicating liquor, the illegal possession or sale of narcotic drugs as defined in the North Carolina Controlled Substance Act, or prostitution which occur on the premises.

(2) "Lewd matter" is synonymous with "obscene matter" and means any matter:

(a) Which the average person, applying contemporary community standards, would find, when considered as a whole, appeals to the prurient interest; and

(b) Which depicts patently offensive representations of:

1. Ultimate sexual acts, normal or perverted, actual or simulated;

2. Masturbation, excretory functions, or lewd exhibition of the genitals or genital area;

3. Masochism or sadism; or

4. Sexual acts with a child or animal.

Nothing herein contained is intended to include or proscribe any writing or written material, nor to include or proscribe any matter which, when considered as a whole, and in the context in which it is used, possesses serious literary, artistic, political, educational, or scientific value.

(3) "Lewdness" is synonymous with obscenity and shall mean the act of selling, exhibiting or possessing for sale or exhibition lewd matter.

(4) "Matter" means a motion picture film or a publication or both.

(5) "Motion picture film" shall include any:

(a) Film or plate negative;

(b) Film or plate positive;

(c) Film designed to be projected on a screen for exhibition;

(d) Films, glass slides or transparencies, either in negative or positive form, designed for exhibition by projection on a screen;

(e) Video tape or any other medium used to electronically reproduce images on a screen.

(6) "Person" means any individual, partnership, firm, association, corporation, or other legal entity.

(7) "Place" includes, but is not limited to, any building, structure or places, or any separate part or portion thereof, whether permanent or not, or the ground itself, but excluding a private dwelling place not used for a profit.

(8) "Publication" shall include any book, magazine, pamphlet, illustration, photograph, picture, sound recording, or a motion picture film which is offered for sale or exhibited in a coin-operated machine.

(9) "Sale" means a passing of title or right of possession from a seller to a buyer for valuable consideration, and shall include, but is not limited to, any lease or rental arrangement or other transaction wherein or whereby any valuable consideration is received for the use of, or transfer or possession of, lewd matter. (1977, c. 819, s. 3.)

§ 19-1.2. Types of nuisances.—The following are declared to be nuisances wherein obscene or lewd matter or other conduct prohibited in G.S. 19-1(a) is involved:

(1) Any and every place in the State where lewd films are publicly exhibited as a predominant and regular course of business, or possessed for the purpose of such exhibition;

(2) Any and every place in the State where a lewd film is publicly and repeatedly exhibited, or possessed for the purpose of such exhibition;

(3) Any and every lewd film which is publicly exhibited, or possessed for such purpose at a place which is a nuisance under this Article;

(4) Any and every place of business in the State in which lewd publications constitute a principal or substantial part of the stock in trade;

(5) Any and every lewd publication possessed at a place which is a nuisance under this Article;

(6) Every place which, as a regular course of business, is used for the purposes of lewdness, assignation, gambling, the illegal possession or sale of intoxicating liquor, the illegal possession or sale of narcotic drugs as defined in the North Carolina Controlled Substances Act, or prostitution, and every such place in or upon which acts of lewdness, assignation, gambling, the illegal possession or sale or intoxicating liquor, the illegal possession or sale of narcotic drugs as defined in the North Carolina Controlled Substances Act, or prostitution, are held or occur. (1977, c. 819, s. 3.)

§ 19-1.3. Personal property as a nuisance; knowledge of nuisance.—The following are also declared to be nuisances, as personal property used in conducting and maintaining a nuisance under this Chapter:

(1) All moneys paid as admission price to the exhibition of any lewd film found to be a nuisance;

(2) All valuable consideration received for the sale of any lewd publication which is found to be a nuisance;

(3) All money or other valuable consideration received or used in gambling, prostitution, the illegal sale of intoxicating liquors or the illegal sale of substances proscribed under the North Carolina Controlled Substances Act, as well as the furniture and movable contents of a place used in connection with such prohibited conduct.

From and after service of a copy of the notice of hearing of the application for a preliminary injunction, provided for in G.S. 19-2.4 upon the place, or its manager, or acting manager, or person then in charge, all such parties are deemed to have knowledge of the contents of the restraining order and the use of the place occurring thereafter. Where the circumstantial proof warrants a determination that a person had knowledge of the nuisance prior to such service of process, the court may make such finding. (1977, c. 819, s. 3.)

§ 19-1.4. Liability of successive owners for continuing nuisance.—After notice of a temporary restraining order, preliminary injunction, or permanent injunction, every successive owner of property who neglects to abate a continuing nuisance upon, or in the use of such property, created by a former owner, is liable therefor in the same manner as the one who first created it. (1977, c. 819, s. 3.)

§ 19-1.5. Abatement does not preclude action.—The abatement of a nuisance does not prejudice the right of any person to recover damages for its past existence. (1977, c. 819, s. 3.)

§ 19-2: Repealed by Session Laws 1977, c. 819, s. 4, effective August 1, 1977.

§ 19-2.1. Action for abatement; injunction.—Wherever a nuisance is kept, maintained, or exists, as defined in this Article, the Attorney General, district attorney, or any private citizen of the country may maintain a civil action in the name of the State of North Carolina to abate a nuisance under this Chapter, perpetually to enjoin all persons from maintaining the same, and to enjoin the use of any structure or thing adjudged to be a nuisance under this Chapter; provided, however, that no private citizen may maintain such action where the alleged nuisance involves the illegal possession or sale of obscene or lewd matter.

If an action is instituted by a private person, the complainant shall execute a bond prior to the issuance of a restraining order or a temporary injunction, with good and sufficient surety to be approved by the court or clerk thereof, in the sum of not less than one thousand dollars ($1,000), to secure to the party enjoined the damages he may sustain if such action is wrongfully brought, not prosecuted to final judgment, or is dismissed, or is not maintained, or if it is finally decided that the temporary restraining order or preliminary injunction ought not to have been granted. The party enjoined shall have recourse against said bond for all damages suffered, including damages to his property, person, or character and including reasonable attorney's fees incurred by him in making defense to said action. No bond shall be required of the prosecuting attorney or the Attorney General, and no action shall be maintained against the public official for his official action. (1977, c. 819, s. 4.)

§ 19-2.2. Pleadings; jurisdiction; venue; application for preliminary injunction.—The action, provided for in this Chapter, shall be brought in the superior court of the county in which the property is located. Such action shall be commenced by the filing of a verified complaint alleging the facts constituting the nuisance. After the filing of said complaint, application for a preliminary injunction may be made to the court in which the action is filed which court shall grant a hearing within 10 days after the filing of said application. (1977, c. 819, s. 4.)

§ 19-2.3. Temporary order restraining removal of personal property from premises; service; punishment.—Where such application for a preliminary injunction is made, the court may, on application of the complainant showing good cause, issue an ex parte temporary restraining order in accordance with G.S. 1A-1, Rule 65(b), preserving the status quo and restraining the defendant and all other persons from removing or in any manner interfering with any evidence specifically described, or in any manner removing or interfering with the personal property and contents of the place where such nuisance is alleged to exist, until the decision of the court granting or refusing such preliminary injunction and until further order of the court thereon. Nothing herein shall be interpreted to allow the prior restraint of the distribution of any matter or the sale of the stock in trade, but an inventory and full accounting of all business transactions involving alleged obscene or lewd matter thereafter shall be required.

Any person, firm, or corporation enjoined pursuant to this section may file with the court a motion to dissolve any temporary restraining order. Such a motion shall be heard within 24 hours of the time a copy of the motion is served on the complaining party, or on the next day the superior courts are open in the district, whichever is later. At such hearing the complaining party shall have the burden of showing why the restraining order should be continued.

In the event a temporary restraining order is issued, it may be served in accordance with the provisions of G.S. 1A-1, Rule 4, or may be served by handing to and leaving a copy of such order with any person in charge of such place or residing therein, or by posting a copy thereof in a conspicuous place at or upon one or more of the principal doors or entrances to such place, or by such service under said Rule 4, delivery and posting. The officer serving such temporary restraining order shall forthwith make and return into court an inventory of the personal property and contents situated in and used in conducting or maintaining such nuisance.

Any violation of such temporary restraining order is a contempt of court, and where such order is posted, mutilation or removal thereof, while the same remains in force, is a contempt of court provided such posted order contains therein a notice to that effect. (1977, c. 819, s. 4)

§ 19-2.4. Notice of hearing on preliminary injunction; consolidation.—A copy of the complaint, together with a notice of the time and place of the hearing of the application for a preliminary injunction, shall be served upon the defendant at least five days before such hearing. The place may also be served by posting such papers in the same manner as is provided for in G.S. 19-2.3 in the case of a temporary restraining order. If the hearing is then continued at the instance of any defendant, the temporary restraining order may be continued as a matter of course until the hearing.

Before or after the commencement of the hearing of an application for a preliminary injunction, the court, on application of either of the parties or on its own motion, may order the trial of the action on the merits to be advanced and consolidated with the hearing on the application for the preliminary injunction; provided, however, the defendant shall be entitled to a jury trial if requested. (1977, c. 819, s. 4.)

§ 19-2.5. Hearing on the preliminary injunction; issuance.—If upon hearing, the allegations of the complaint are sustained to the satisfaction of the court, the court shall issue a preliminary injunction restraining the defendant and any other person from continuing the nuisance and effectually enjoining its use thereafter for the purpose of conducting any such nuisance. (1977, c. 819, s. 4.)

§ 19-3. Priority of action; evidence.—(a) The action provided for in this Chapter shall be set down for trial at the first term of the court and shall have precedence over all other cases except crimes, election contests, or injunctions.

(b) In such action, an admission of finding of guilt of any person under the criminal laws against lewdness, assignation, prostitution, gambling, the illegal possession or sale of intoxicating liquors, or the illegal possession or sale of substances proscribed by the North Carolina Controlled Substances Act, at any such place, is admissible for the purpose of proving the existence of said nuisance, and is evidence of such nuisance and of knowledge of, and of acquiescence and participation therein, on the part of the person charged with maintaining said nuisance.

(c) At all hearings upon the merits, evidence of the general reputation of the building or place constituting the alleged nuisance, of the inmates thereof, and of those resorting thereto, is admissible for the purpose of proving the existence of such nuisance. (Pub. Loc. 1913, c. 761, s. 27; 1919, c.

288; C. S., s. 3182; 1971, c. 528, s. 6; 1973, c. 47, s. 2; 1977, c. 819, s. 5.)

§ 19-4. Violation of injunction; punishment.—In case of the violation of any injunction granted under the provisions of this Chapter, the court, or, in vacation, a judge thereof, may summarily try and punish the offender. A party found guilty of contempt under the provisions of this section shall be punished by a fine of not less than two hundred ($200.00) or more than one thousand dollars ($1,000), or by imprisonment in the county jail not less than three or more than six months, or by both fine and imprisonment. (Pub. Loc. 1913, c. 761, s. 28; 1919, c. 288; C. S., s. 3183.)

§ 19-5. Content of final judgment and order.— If the existence of a nuisance is admitted or established in an action as provided for in this Chapter an order of abatement shall be entered as a part of the judgment in the case, which judgment and order shall perpetually enjoin the defendant and any other person from further maintaining the nuisance at the place complained of, and the defendant from maintaining such nuisance elsewhere within the jurisdiction of this State. Lewd matter, illegal intoxicating liquors, gambling paraphernalia, or substances proscribed under the North Carolina Controlled Substances Act shall be destroyed and not be sold.

Such order may also require the effectual closing of the place against its use thereafter for the purpose of conducting any such nuisance.

The provisions of this Article, relating to the closing of a place with respect to obscene or lewd matter, shall not apply in any order of the court to any theatre or motion picture establishment which does not, in the regular, predominant, and ordinary course of its business, show or demonstrate lewd films or motion pictures, as defined in this Article, but any such establishment may be permanently enjoined from showing such film judicially determined to be obscene hereunder and such film or motion picture shall be destroyed and all proceeds and moneys received therefore, after the issuance of a preliminary injunction, forfeited. (Pub. Loc. 1913, c. 761, s. 29; 1919, c. 288; C. S., s. 3184; 1977, c. 819, s. 6.)

§ 19-6. Civil penalty; forfeiture; accounting; lien as to expenses of abatement; invalidation of lease.—Lewd matter is contraband, and there are no property rights therein. All personal property, including all money and other considerations, declared to be a nuisance under the provisions of G.S. 19-1.3 and other sections of this Article, are subject to forfeiture to the local government and are recoverable as damages in the county wherein such matter is sold, exhibited or otherwise used. Such property including moneys may be traced to and shall be recoverable from persons who, under G.S. 19-2.4, have knowledge of the nuisance at the time such moneys are received by them.

Upon judgment against the defendant or defendants in legal proceedings brought pursuant to this Article, an accounting shall be made by such defendant or defendants of all moneys received by them which have been declared to be a nuisance under this Article. An amount equal to the sum of all moneys estimated to have been taken in as gross income from such unlawful commercial activity shall be forfeited to the general funds of the city and county governments wherein such activity took place, to be shared equally, as a forfeiture of the fruits of an unlawful enterprise, and as partial restitution for damages done to the public welfare; provided, however, that no provision of this Article shall authorize the recovery of any moneys or gross income received from the sale of any book, magazine, or exhibition of any motion picture prior to the issuance of a preliminary injunction. Where the action is brought pursuant to this Article, special injury need not be proven, and the costs of abatement are a lien on both the real and personal property used in maintaining the nuisance. Costs of abatement include, but are not limited to, reasonable attorney's fees and court costs.

If it is judicially found after an adversary hearing pursuant to this Article that a tenant or occupant of a building or tenement, under a lawful title, uses such place for the purposes of lewdness, assignation, prostitution, gambling, sale or possession of illegal intoxicating liquors or substances proscribed under the North Carolina Controlled Substances Act, such use makes void the lease or other title under which he holds, at the option of the owner, and, without any act of the owner, causes the right of possession to revert and vest in such owner. (Pub. Loc. 1913, c. 761, s. 30; 1919, c. 288; C. S., s. 3185; 1977, c. 819, s. 7.)

§ 19-7. How order of abatement may be canceled.—If the owner appears and pays all cost of the proceeding and files a bond, with sureties to be approved by the clerk, in the full value of the property, to be ascertained by the court, or, in vacation, by the clerk of the superior court, conditioned that he will immediately abate said nuisance, and prevent the same from being established or kept within a period of one year thereafter, the court may, if satisfied of his good faith, order the premises closed under the order of abatement to be delivered to said owner, and said order of abatement canceled so far as same may relate to said property; and if the proceeding be a civil action, and said bond be given and costs therein paid before judgment and order of abatement, the action shall be thereby abated as to said building only. The release of the property under the provisions of this section shall not release it from any judgment, lien, penalty, or liability to which it may be subject by law. (Pub. Loc. 1913, c. 761, s. 31; 1919, c. 288; C. S., s. 3186.)

§ 19-8. Costs.—The prevailing party shall be entitled to his costs. The court shall tax as part of the costs in any action brought hereunder such fee for the attorney prosecuting or defending the action or proceedings as may in the court's discretion be reasonable remuneration for the services performed by such attorney. (Pub. Loc. 1913, c. 761, s. 32; 1919, c. 288; C. S., s. 3187; 1977, c. 819, s. 8.)

§ 19-8.1. Immunity.—The provisions of any criminal statutes with respect to the exhibition of, or the possession with the intent to exhibit, any obscene film shall not apply to a motion picture projectionist, usher, or ticket taker acting within the scope of his employment, provided that such projectionist, usher, or ticket taker: (i) Has no financial interest in the place wherein he is so employed, and (ii) freely and willingly gives testimony regarding such employment in any judicial proceedings brought under this Chapter, including pretrial discovery proceedings incident thereto, when and if such is requested, and upon being granted immunity by the trial judge sitting in such matters. (1977, c. 819, s. 9.)

§ 19-8.2. Right of entry.—Authorized representatives of the Commission for Health Services, any local health department or the Department of Human Resources, upon presenting appropriate credentials to the owner, operator, or agent in charge of a place described in G.S. 19-1.2, are authorized to enter without delay and at any reasonable time any such place in order to inspect and investigate during the regular hours of operation of such place. (1977, c. 819, s. 9.)

§ 19-8.3. Severability.—If any section, subsection, sentence, or clause of this Article is adjudged to be unconstitutional or invalid, such adjudication shall not affect the validity of the remaining portion of this Article. It is hereby declared that this Article would have been passed, and each section, sentence, of clause thereof, irrespective of the fact that any one or more sections, subsections, sentences or clauses might be adjudged to be unconstitutional, or for any other reason invalid. (1977, c. 819, s. 10.)

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the role.

The legislative clerk proceeded to call the role.

Mr. DIXON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

APPOINTMENTS ON BEHALF OF THE VICE PRESIDENT

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, pursuant to Public Law 84-689, appoints the following Senators to attend the North Atlantic Assembly to be held in Maderia, Portugal, May 28-31, 1982: The Senator from Delaware (Mr. Biden), Vice Chairman; the Senator from Missouri (Mr. Eagleton), the Senator from Delaware (Mr. Roth), the Senator from Idaho (Mr. McClure), the Senator from Georgia (Mr. Nunn), and the Senator from Pennsylvania (Mr. Specter).

The Chair, on behalf of the Vice President, pursuant to Public Law 86-420, appoints the following Senators to attend the Mexico-United States Interparliamentary Conference to be held in Santa Barbara, Calif., May 27-31, 1982: The Senator from Oregon (Mr. Hatfield), and the Senator from Georgia (Mr. Mattingly).

The Senator from Illinois is recognized.

S. 2446—SMALL BUSINESS PROCUREMENT REFORM ACT OF 1982

Mr. DIXON. Mr. President, as a Democratic member of the Senate Small Business Committee and as a fellow member with Senator Specter of the Northeast-Midwest Senate Coalition, I am pleased to join my distinguished colleague in cosponsoring the Small Business Procurement Reform Act of 1982, S. 2446.

Mr. President, last August Senator Percy and I, along with the congressional members of the Illinois delegation, held a Federal procurement conference. This conference attracted approximately 1,500 businessmen and women throughout our State. This legislation addresses some of the problems these business people brought forth at the Illinois conference.

Mr. President, every year the Federal Government spends more than $100 billion to buy a vast variety of services and supplies from businesses in the private sector. These purchasing dollars create real economic growth opportunities. But, Mr. President, many firms shy away from a chance to make the Federal Government one of their customers. Some firms lack the information necessary to participate in the system. Others have legitimate fears about the amount of paperwork involved.

This legislation will address some of these obstacles. We need more firms throughout this great country of ours bidding on a competitive basis; more competition will mean more savings to taxpayers.

Senate bill 2446, Mr. President, I feel will help strengthen our country's industrial base. When the number of firms and the number of people providing goods for the military is increased, our country's ability to mobilize behind any increased need for equipment is vastly improved.

Mr. President, I congratulate Senator Specter and the other cosponsors of this bill. I look forward to the day in this chamber when I can vote for final passage on this bill to help small businessmen throughout the United States.

ORDER FOR ADJOURNMENT UNTIL 11 A.M. AND ORDER OF PROCEDURE TOMORROW

Mr. BAKER. Mr. President, I have a number of matters to deal with that I believe are cleared for action by unanimous consent.

Before I begin them, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 11 a.m. on tomorrow, and that at that time, when the Senate reconvenes, the reading of the Journal be dispensed with, with no resolution coming over under the rule; that the call of the calendar be dispensed with; and that following the time allocated to the two leaders under the standing order, there be a period for the transaction of routine morning business not to exceed 30 minutes in length in which Senators may speak for not more than 5 minutes each.

The PRESIDING OFFICER. Is there objection?

The Chair hears none, and it is so ordered.

ORDER FOR RECOGNITION OF SENATOR NICKLES AND SENATOR SPECTER TOMORROW

Mr. BAKER. Mr. President, I ask unanimous consent that on tomorrow, after the recognition of the two leaders under the standing order, the following Senators be recognized on special order of not to exceed 15 minutes each: Senators Nickles and Specter.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXPENSES OF SENATORS FOR ATTENDANCE AT FUNERAL

Mr. BAKER. Mr. President, I send to the desk a resolution and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated by title.

The bill clerk read as follows:

A resolution (S. Res. 389) relative to the expenses incurred by the representatives of the Senate who attended the funeral of the Honorable Clifford P. Case, late, a Senator from the State of New Jersey.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 389) was unanimously agreed to.

The resolution reads as follows:

S. Res. 389

Resolved, That the Secretary of the Senate is hereby authorized and directed to pay from the contingent fund of the Senate the actual and necessary expenses incurred by the representatives of the Senate who attended the funeral of the Honorable Clifford P. Case, late a Senator from the State of New Jersey, on vouchers to be approved by the chairman of the Committee on Rules and Administration.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

The motion to lay on the table was agreed to.

THE CALENDAR

Mr. BAKER. Mr. President, there are a number of items on today's calendar that are cleared on this side of the aisle for action by unanimous consent.

I invite the attention of the minority leader to the following items and ask him if he is in a position to consider them for action on that basis at this time. I refer to Calendar Orders Nos. 516, 517, 520, 522, 523, 524, 531, 536, 538, and 539.

Mr. ROBERT C. BYRD. Mr. President, those calendar orders have been cleared on this side of the aisle, and the minority leader is ready to proceed.

Mr. BAKER. I thank the minority leader.

Mr. President, in view of the fact that these items are cleared on both calendars for action by unanimous consent, I wonder if the minority leader would object to a request that they be considered en bloc.

Mr. ROBERT C. BYRD. I have no objection, Mr. President.

Mr. BAKER. I make that request, Mr. President.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT OF EMERGENCY FUND ACT

The Senate proceeded to consider the bill (S. 1628) to amend the Emergency Fund Act (act of June 26, 1948, 62 Stat. 1052), which had been reported from the Committee on Energy and Natural Resources with an amendment to strike out all after the enacting clause, and insert the following:

That the Act entitled "An Act to authorize an emergency fund for the Bureau of Reclamation to assure the continuous operation of its irrigation and power system", approved June 26, 1948, is amended by striking the words "irrigation and power systems" in the title and substituting the words "project facilities." and by changing the first sentence of section 1 of the Act to read as follows: "In order to assure continuous operation of all projects and project facilities governed by the Federal reclamation law (Act of June 17, 1902, 32 Stat. 388, and Acts amendatory thereof or supplementary thereto), including any project and facilities constructed with funds provided by the Small Reclamation Projects Act (Act of August 6, 1956, 70 Stat. 1044, and Acts amendatory thereof or supplementary thereto) or with funds provided by the Distribution System Loans Act (Act of May 14, 1956, 69 Stat. 244, and Acts amendatory thereof or supplementary thereto), there is hereby authorized to be appropriated from the reclamation fund an emergency fund which shall be available for defraying expenses which the Commissioner of Reclamation determines are required to be incurred because of unusual or emergency conditions.".

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

BELLE FOURCHE IRRIGATION PROJECT

The Senate proceeded to consider the bill (S. 933) to authorize rehabilitation of the Belle Fourche irrigation project, and for other purposes, which

had been reported from the Committee on Energy and Natural Resources with amendments, as follows:

On page 2, line 14, strike "or", and insert "of";

On page 3, line 10, after "revenues", insert the following:

"of the unit shall be returnable from net revenues";

On page 3, line 16, after "connection", insert the following:

"with the Bell Fourche unit shall be in accordance";

On page 4, after line 17, insert the following:

Sec. 7. The Secretary is authorized to amend existing contracts and enter into additional contracts as may be necessary to implement and facilitate any future agreement between the Belle Fourche Irrigation District and non-Federal entities involving the sale of Belle Fourche project water for use by such non-Federal interest for other than irrigation purposes; provided that, the net proceeds from such transactions between the Secretary, the Belle Fourche Irrigation District, and such non-Federal interest shall be paid to the United States as reimbursement of the cost of the works authorized by this Act, that such transactions are not in violation of applicable state laws, and that such transactions shall be subject to the consent and conditions of the State of South Dakota to such water use by such non-Federal interest in accordance with the laws of South Dakota and the provisions of the Belle Fourche River Compact between the States of Wyoming and South Dakota to which the consent of Congress was given in the Act of February 26, 1944 (ch. 64, 58 Stat. 94).

On page 5, line 12, strike "7.", and insert "8.".

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the general plan for the Belle Fourche project, South Dakota, heretofore authorized for construction by the Secretary of the Interior, May 10, 1904, pursuant to the Reclamation Act of 1902 (32 Stat. 388), is modified to include construction, betterment of works, water conservation, recreation, and fish and wildlife conservation and development. As so modified, the general plan is reauthorized under the designation "Belle Fourche unit" of the Pick-Sloan Missouri Basin program.

Sec. 2. (a) The Secretary of the Interior (hereinafter referred to as the "Secretary"), is authorized to negotiate and execute an amendatory repayment contract with the Belle Fourche irrigation district covering all lands of the existing Belle Fourche project. This contract shall replace all existing contracts between the Belle Fourche irrigation district and the United States.

(b) The period of repayment of the construction and rehabilitation and betterment costs allocated to irrigation and assigned to be repaid by the irrigation water users shall be not more than forty years from and including the year in which such amendatory repayment contract is executed.

(c) During the period required to complete the rehabilitation and betterment program and other water conservation works, the rates of charge to land class in the unit shall continue to be as established in the November 29, 1949, repayment contract with the district, as subsequently amended and supplemented; thereafter, such rates of charge and assessable acreage shall be in accordance with the amortization capacity and classification of unit lands as then determined by the Secretary.

Sec. 3. (a) All miscellaneous net revenues of the Belle Fourche unit shall accrue to the United States and shall be applied against irregation costs not assigned to be repaid by irrigation water users.

(b) Construction and rehabilitation and betterment costs of the Belle Fourche unit allocated to irrigation and not assigned to be repaid by the irrigation water users nor returned from miscellaneous net revenues *of the unit shall be returnable from net revenues* of the Pick-Sloan Missouri Basin program within fifty years from and including the year in which the amendatory contract authorized by this Act is executed.

Sec. 4. (a) The provision of lands, facilities, and project modifications which furnish recreation and fish and wildlife benefits in connection *with the Belle Fourche until shall be in accordance* with the Federal Water Project Recreation Act (79 Stat. 213), as amended.

(b) The interest rate used for purposes of computing interest during construction and interest on the unpaid balance of the capital cost allocated to interest-bearing features shall be determined by the Secretary of the Treasury as the beginning of the fiscal year in which construction of said interest-bearing features is initiated, on the basis of the computed average interest payable by the Treasury upon its outstanding marketable public obligations, which are neither due nor callable for redemption for fifteen years from date of issue.

Sec. 5. Appropriations heretofore or hereafter made for carrying on the functions of the Water and Power Resources Service shall be available for credits, expenses, charges, and costs provided by or incurred under this Act: The Secretary is authorized to make such rules and regulations as are necessary to carry out the provisions of this Act.

Sec. 6. The limitation of land held in beneficial ownership within the project by one owner, which are eligible to receive water from, through, or by means of project works shall be four hundred and sixty acres of class I land with an equivalency of 110 per centum for class II land, 125 per centum for class III land, and 140 per centum for class IV land. Acreage may be adjusted upward by the Secretary of the Interior if he determines such adjustments are warranted by changing economic conditions.

Sec. 7. The Secretary is authorized to amend existing contracts and enter into additional contracts as may be necessary to implement and facilitate any future agreement between the Belle Fourche Irrigation District and non-Federal entities involving the sale of Belle Fourche project water for use by such non-Federal interest for other than irrigation purposes; provided that, the net proceeds from such transactions between the Secretary, the Belle Fourche Irrigation District, and such non-Federal interest shall be paid to the United States as reimbursement of the cost of the works authorized by this Act, that such transactions are not in violation of applicable state laws, and that such transactions shall be subject to the consent and conditions of the State of South Dakota to such water use by such non-Federal interest in accordance with the laws of South Dakota and the provisions of the Belle Fourche River Compact between the States of Wyoming and South Dakota to which the consent of Congress was given in the Act of February 26, 1944 (ch. 64, 58 Stat. 94).

Sec. 8. There is hereby authorized to be appropriated beginning October 1, 1982, for the rehabilitation and betterment of the irrigation facilities of the Belle Fourche unit and recreation and fish and wildlife measures as authorized by this Act, the sum of $42,000,000 (based on January 1981 prices), plus or minus such amounts, if any, as may be justified by reason of ordinary fluctuations in construction cost indexes applicable to the types of construction involved herein.

Mr. PRESSLER. Mr. President, I should like to express my support for S. 933 and to outline its importance to South Dakota. S. 933 would authorize funds to rehabilitate the Belle Fourche irrigation project in western South Dakota and integrate the project into the Pick-Sloan Missouri basin dam system.

The Belle Fourche irrigation project was originally authorized under the Federal Reclamation Act of 1902 and was constructed between 1905 and 1914. The project provides water for irrigation to about 57,000 acres of land operated by almost 400 farmers and is the backbone of the agricultural economy in the Belle Fourche-Newell area.

The Belle Fourche irrigation project has been very successful, but to continue to effectively provide water for irrigation, it must be rehabilitated. Rehabilitation of the project would reduce water loss through seepage and increase the land area available for irrigation. Annual maintenance costs would also be reduced.

The Belle Fourche irrigation project has been one of the most successful irrigation projects in the history of the Bureau of Reclamation. I urge my colleagues to join me in support of S. 933, which would allow the Belle Fourche project to continue to provide benefits to South Dakota and the Nation.

Mr. ABDNOR. Mr. President, I am delighted to have the opportunity today to support passage by the Senate of S. 933, to reauthorize the Belle Fourche irrigation project. As author of the bill, I have been joined in cosponsorship by Senator Pressler; and Congressman Roberts, with Congressman Daschle's cosponsorship, has authored the companion bill which is pending before the House Interior Committee Subcommittee on Water and Power.

Enactment of S. 933 will enable a number of badly needed improvements on the project, including those needed for safety, water conservation, and reduced operation and maintenance expenses. Since the project was among the very first of all reclamation projects constructed in the early years of this century, it was completed prior to realization of many improvements in the science of irrigation and prior to establishment of the Pick-Sloan Missouri basin program, which was authorized in the Flood Control Act of

1944 and sets the ground rules for Federal irrigation projects in the basin.

S. 933 will reauthorize the project as the Belle Fourche unit of the Pick-Sloan Missouri basin program and accord the project the same treatment provided for other basin irrigation projects under the program. In addition, in recognition of current Federal budgetary constraints, an amendment adopted by the committee will authorize the Bureau of Reclamation, with the concurrence of the State of South Dakota and the Belle Fourche irrigation district, to market surplus water from the project and to use any revenue derived therefrom to offset a portion of the cost of the needed repairs.

This measure, with the amendment adopted by the committee, is truly a responsible and realistic means of addressing the very real and growingly urgent problems on the project, while at the same time facing forthrightly the budgetary difficulties besetting the Federal Government. It is a tribute to the members and staff of the Committee on Energy and Natural Resources for having reached an accord which so effectively addresses all of the realities affecting the project both at the local and national level, and I commend them for their insight and for their action.

Finally, I should like to pay tribute to the man who more than any other is responsible for the reauthorization of the Belle Fourche irrigation project having reached this stage. That man is Jim Casey, a man who as chief counsel to the House Subcommittee on Water and Power until his retirement and as an employee of the Bureau of Reclamation for years before that, is well-known to virtually anyone who has had anything to do with reclamation law within the past 20 or 30 years. It was Jim who conceived the concepts contained in S. 933, and it was Jim who gave us the necessary guidance to see that passage of the bill has reached this stage.

I take just a moment now to reflect upon the vital role Jim Casey has played in the success of S. 933 to this point because Jim lies at this very moment recuperating from a condition which left him close to death; in fact, at one point he was clinically dead, without pulse or heartbeat, and was revived only by the grace of God and the wonders of modern medicine.

As I wrote to Jim in a get-well note while he was lying near death in the hospital, "Godspeed and get well soon, Jim, because I'm not sure we can get the job done without you."

Again, I am delighted that the Senate is acting today on this measure. I thank Chairman McClure, subcommittee Chairman Murkowski, and the majority leader for their consideration, and I hope that our favorable action today will prompt action by the House as well.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

SALE OF BLYTH ARENA PROPERTY

The bill (H.R. 2863) to authorize the Secretary of Agriculture to sell the portion of the Tahoe National Forest known as Blyth Arena, was considered, ordered to a third reading, read the third time, and passed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

JERRY L. CROW

The Senate proceeded to consider the bill (S. 835) for the relief of Jerry L. Crow, which had been reported from the Committee on Energy and Natural Resources with amendments, as follows:

On page 2, line 8, strike "1967,", and insert "the date of enactment of this Act"; and

On page 2, strike line 10, through and including line 21, and insert the following:

Sec. 3. The Secretary shall offer to lease to Mr. Crow for thirty years, with an option to purchase, for use as a trade and manufacturing site, all or a portion of the lands included in his original application, with rental based on the land's fair market value. If the option to purchase is exercised by Mr. Crow, the purchase price shall be the fair market value at the time of purchase. Fair market value shall be determined by the Secretary or his designee.

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Jerry L. Crow may, within one year of the date of enactment of this Act, select not more than ten acres of land from the public lands included in his original application to purchase a trade and manufacturing site located at mile numbered 68 on the Denali Highway in the State of Alaska, and shall notify the Secretary of the Interior of his intention to purchase the selected land under the provisions of this Act.

Sec. 2. Notwithstanding the provisions of section 203 of the Federal Land Policy and Management Act (90 Stat. 2743) and as soon as practicable upon receipt of a notification under section 1 of this Act, the Secretary is directed to sell the selected land to Mr. Crow at a price based upon their fair market value as of the date of enactment of this Act excluding any value added to the lands by Mr. Crow.

Sec. 3. The Secretary shall offer to lease to Mr. Crow for thirty years, with an option to purchase, for use as a trade and manufacturing site, all or a portion of the lands included in his original application, with rental based on the land's fair market value. If the option to purchase is exercised by Mr. Crow, the purchase price shall be the fair market value at the time of purchase. Fair market value shall be determined by the Secretary or his designee.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

EDUCATIONAL MINING ACT OF 1982

The Senate proceeded to consider the bill (S. 1501) entitled the "Educational Mining Act of 1982", which had been reported from the Committee on Energy and Natural Resources with amendments as follows:

On page 3, strike line 2, through and including "quarter," on line 3, and insert the following: "quarter southwest quarter, southeast quarter southwest quarter southwest quarter";

On page 3, strike line 10, and insert the following: "southeast quarter southwest quarter"; and

On page 3, strike line 12, through and including page 4, line 2.

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, subject to the conditions and limitations specified in this Act, the Secretary of the Interior (hereinafter referred to as the "Secretary") is authorized and directed to convey to the University of Alaska, all right, title, and interest of the United States in the following described land comprising approximately seventy-six acres:

FAIRBANKS MERIDIAN, ALASKA

Township 2 North, Range 1 East

Section 8:

East half southeast quarter southwest quarter northeast quarter southeast quarter,

North half southwest quarter southeast quarter northeast quarter southeast quarter,

South half south half southeast quarter northeast quarter southeast quarter,

East half northeast quarter northwest quarter southeast quarter southeast quarter,

Northeast quarter southeast quarter southeast quarter.

North half southeast quarter southeast quarter southeast quarter,

North half south half southeast quarter southeast quarter southeast quarter,

South half southeast quarter southeast quarter southeast quarter southeast quarter,

Section 9:

West half southwest quarter southwest quarter,

South half southwest quarter northwest quarter northeast quarter southwest quarter southwest quarter,

Southwest quarter northeast quarter southwest quarter southwest quarter, southeast quarter southwest quarter southwest quarter,

West half west half southwest quarter southeast quarter southeast quarter southwest quarter,

Southwest quarter southeast quarter southwest quarter,

South half southwest quarter northwest quarter southeast quarter southwest quarter.

Sec. 2. Conveyance under this Act shall be made only (a) upon the Secretary being satisfied that no valid mining claims exist on the described lands; and (b) upon the condition that the described land shall be held and used by the University of alaska and shall not be conveyed by the university.

Sec. 3. No conveyance shall be made unless application for conveyance is filed by the university with the Secretary within six months of the date of the approval of this Act.

Sec. 4. The Secretary may at his discretion require that he be provided a perimeter survey of the described lands. All costs of obtaining such survey shall be borne by the university.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

EXCHANGE OF CERTAIN LANDS IN MONO COUNTY, CALIF.

The Senate proceeded to consider the bill (H.R. 2475) which had been reported from the Committee on Energy and Natural Resources with amendments, as follows:

On page 2, line 3, strike "laws:", and insert "laws, including the mining laws";

On page 2, line 9, strike "2.", and insert "102.";

On page 2, line 17, strike "3", and insert "103";

On page 2, line 19, strike "3.", and insert "103.";

On page 2, line 21, strike "2", and insert "102";

On page 2, line 22, strike "1", and insert "101"; and

On page 3, after line 2, insert the following:

TITLE II

Sec. 201. That the Secretary of the Interior be, and he hereby is, authorized and directed to convey by patent to the city of Miles City, a municipal corporation organized and existed under the laws of the State of Montana, to wit: Lots 9, 17, and 21 (all presently encumbered by the Miles City public water system); lots 28, 31, and 32, all in section 32; lots 16 and 17 in section 33, township 8 north, range 47 east, Principal meridian Montana, and tract Q and tract S, townships 7 and 8 north, range 47 east, Principal meridian, Montana.

Sec. 202. The Secretary of the Interior is authorized and directed to convey to the city of Miles City, Montana, such evidence as is necessary to remove the reversionary provisions for public lands previously patented or conveyed by Act of Congress, to wit: Patent numbered 1021511, tracts A and B; patent numbered 1122295, tracts E and F; patent numbered 1173770, tract G; patent numbered 1173768, tract K; patent numbered 1173769, tract L; patent numbered 1178764, tract M; patent numbered 1219817, tract P, all located in townships 7 and 8 north, range 47 east; and tract D located in township 8 north, range 47 east, Principal meridian, Montana.

Sec. 203. The Secretary of the Interior is further authorized and directed to convey to county of Custer, State of Montana, such evidence as is necessary to remove the reversionary provisions for public lands previously patented, to wit: Patent numbered 1023689, tract C; patent numbered 25-76-0099, tract T, located in townships 7 and 8 north, range 47 east, Principal meridian, Montana, and patent numbered 25-76-0100, lot 20, located in section 33, township 8 north, range 47 east, Principal meridian, Montana.

Sec. 204. The patents and documents issued pursuant to sections 201, 202 and 203 of this title shall contain a reservation to the United States of all gas, oil, coal, and other mineral deposits as may be found in such lands and the right to the use of the lands for extracting and removing same.

Sec. 205. No conveyance shall be made pursuant to this title until payment has been made for the fair market value of the interest being conveyed. Where initial conveyance of these lands was conditioned upon payment of a reasonable consideration on the basis of use, the Secretary is directed to determine the basis for the payment made at the time of the original conveyance. If such payment reflected fair market value without any reduction in that price because of the reverter, no additional payments shall be required.

So as to make the bill read:

H.R. 2475

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding the Act of March 4, 1931 (46 Stat. 1530-1548), or any other provision of law, the following described lands, situated in Mono County, California, and comprising 202.167 acres, are withdrawn from settlement, sale, location, or entry, under all of the general land laws, including the mining laws: The southeast quarter of the southeast quarter of section 23, the west half of the northwest quarter of section 25, and the north half of the northeast quarter of section 26, all in township 5 south, range 32 east, Mount Diablo meridian, California.

Sec. 102. Notwithstanding the first section of the Act of March 4, 1931 (46 Stat. 1530, 1532), the withdrawal accomplished by said Act of March 4, 1931, of the lands described as the southwest quarter of section 34, township 5 south, range 33 east, Mount Diablo meridian, comprising approximately 160 acres, situated in Mono County, California, is hereby modified to the extent that the lands described in this section may be exchanged by the Secretary of the Interior in accordance with the directive contained in section 103 of this Act.

Sec. 103. Notwithstanding any other provision of law, the Secretary of the Interior is hereby authorized to exchange the Federal lands described in section 102 of this Act for the lands described in section 101 of this Act, the title to the lands to be acquired by the United States to be satisfactory in all respects to the Secretary and to be conveyed by a good and sufficient deed, in recordable form, that is satisfactory to the Secretary.

TITLE II

Sec. 201. That the Secretary of the Interior be, and he hereby is, authorized and directed to convey by patent to the city of Miles City, a municipal corporation organized and existed under the laws of the State of Montana, to wit: Lots 9, 17, and 21 (all presently encumbered by the Miles City public water system); lots 28, 31, and 32, all in section 32; lots 16 and 17 in section 33, township 8 north, range 47 east, Principal meridian, Montana, and tract Q and tract S, townships 7 and 8 north, range 47 east, Principal meridian, Montana.

Sec. 202. The Secretary of the Interior is authorized and directed to convey to the city of Miles City, Montana, such evidence as is necessary to remove the reversionary provisions for public lands previously patented or conveyed by Act of Congress, to wit: Patent numbered 1021511, tracts A and B; patent numbered 1122295, tracts E and F; patent numbered 1173770, tract G; patent numbered 1173768, tract K; patent numbered 1173769, tract L; patent numbered 1178764, tract M; patent numbered 1219817, tract P, all located in townships 7 and 8 north, range 47 east; and tract D located in township 8 north, range 47 east, Principal meridian, Montana.

Sec. 203. The Secretary of the Interior is further authorized and directed to convey to county of Custer, State of Montana, such evidence as is necessary to remove the reversionary provisions for public lands previously patented, to wit: Patent numbered 1023689, tract C; patent numbered 25-76-0099, tract T, located in townships 7 and 8 north, range 47 east, Principal meridian, Montana, and patent numbered 25-76-0100, lot 20, located in section 33, township 8 north, range 47 east, Principal meridian, Montana.

Sec. 204. The patents and documents issued pursuant to sections 201, 202 and 203 of this title shall contain a reservation to the United States of all gas, oil, coal, and other mineral deposits as may be found in such lands and the right to the use of the lands for extracting and removing same.

Sec. 205. No conveyance shall be made pursuant to this title until payment has been made for the fair market value of the interest being conveyed. Where initial conveyance of these lands was conditioned upon payment of a reasonable consideration on the basis of use, the Secretary is directed to determine the basis for the payment made at the time of the original conveyance. If such payment reflected fair market value without any reduction in that price because of the reverter, no additional payments shall be required.

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AUTHORIZATION OF APPROPRIATIONS FOR CERTAIN INSULAR AREAS OF THE UNITED STATES

The Senate proceeded to consider the bill (H.R. 5139) to authorize appropriations for certain insular areas of the United States, and for other purposes, which had been reported from the Committee on Energy and Natural Resources, with an amendment to strike out all after the enacting clause, and insert the following:

TITLE I—GUAM

Sec. 101. Section 7 of the Organic Act of Guam (64 Stat. 384, 487), as amended, is revised to read as follows:

"Sec. 7. (a) The people of Guam shall have the right of initiative and referendum, to be exercised under conditions and procedures specified in the laws of Guam.

"(b) Any Governor, Lieutenant Governor, or member of the legislature of Guam may be removed from office by a referendum election in which at least two-thirds of the number of persons voting for such official in the last preceding general election at which such official was elected vote in favor of recall and in which those so voting constitute a majority of all those participating in such referendum election. The referendum election shall be initiated by the legislature of Guam following (a) a two-thirds vote of the members of the legislature in favor of a referendum, or (b) petition for such a referendum to the legislature by registered voters equal in number to at least 50 per centum of the whole number of votes cast at the last general election at which such official was elected preceding the filing of the petition.".

Sec. 102. Section 1(a)(1) of Public Law 95-348 (92 Stat. 487) is amended by deleting "involved." and inserting in lieu thereof "involved, and $5,000,000 for fiscal year 1983.".

TITLE II—TRUST TERRITORY OF THE PACIFIC ISLANDS

Sec. 201. In section 402(a) of Public Law 96-597 (94 Stat. 3478) strike "by October 1, 1982," and insert in lieu thereof: "by a date not later than ninety days following termination of the trusteeship agreement governing the administration of the Trust Territory of the Pacific Islands,".

TITLE III—VIRGIN ISLANDS

Sec. 301. (a) Effective October 1, 1982, there is authorized to be appropriated to the Secretary of the Interior $150,000 for to be paid as a grant to the government of the Virgin Islands for use by the College of the Virgin Islands to study and plan for the creation of an institution for Caribbean educational, cultural, and technical interchange.

(b) The Secretary may place such stipulations as he deems appropriate on the use of funds appropriated pursuant to subsection (a) of this section.

(c) Grant funds appropriated pursuant to subsection (a) but not obligated or expended during the fiscal year in which they are appropriated shall remain available for obligation or expenditure in subsequent fiscal years.

Sec. 302. Section 405 of Public Law 96-205 (94 Stat. 84, 89) is amended by adding at the end thereof the following new sentence: "The officials of the Customs and Postal Services of the United States are directed to assist the appropriate officials of the United States Virgin Islands in the collection of these taxes.".

TITLE IV—MISCELLANEOUS

Sec. 401. Effective October 1, 1982, there is authorized to be appropriated to the Secretary of the Interior for fiscal years 1983, 1984, and 1985 such sums as may be necessary for grants to the Virgin Islands and Guam to reimburse such areas (in amounts equal to any reductions in revenues) for any revenue reductions they sustain as a result of the enactment of any general Federal tax revision or reduction: Provided, That for fiscal years 1984 and 1985 such authorization is limited to the reduction in revenue levels from fiscal year 1983 and 1984 respectively.

Sec. 402. Section 607 of Public Law 96-597 (94 Stat. 3477, 3483) is amended by deleting subsections (b), (c), and (d) and inserting in lieu thereof the following:

"(b) The Governors of Guam and the Virgin Islands shall, as a condition for a grant pursuant to subsection (a) of this section, submit a plan which is designed to eliminate the respective territory's general fund deficit by the beginning of fiscal year 1987 to the Secretary of the Interior. Within sixty days after he has received such a plan, the Secretary of the Interior shall transmit the plan, together with his comments and recommendations to the Congress. The plan shall provide for—

"(1) implementation of an effective budgetary and accounting system;

"(2) realistic revenue and expenditure projections which will progressively reduce current year general fund deficits and result in a balanced general fund budget no later than the beginning of fiscal year 1987;

"(3) financing of accumulated general fund deficits; and

"(4) quarterly goals and timetables for implementing the plan. The plan shall also indicate that the Governor has the necessary authority to implement the plan.

"(c) Not later than thirty days after the close of each quarter which occurs after the plan has been transmitted to the Congress, the respective Governor shall submit a report to the Secretary of the Interior and the Congress describing in detail the success or failure of such territory in meeting the goals and timetables described in such plan.".

● Mr. WEICKER. Mr. President, I am pleased to support and urge the passage of H.R. 5139 as reported by the Committee on Energy and Natural Resources. The measure provides a variety of necessary authorizations which will encourage and strengthen local self-government in the territories as well as contribute to the economic development of these areas and assure the necessary flexibility for the Congress to consider the impact of Federal legislation on these areas.

H.R. 5139, as reported by the committee, would modify the Organic Act of Guam to permit a right of initiative and referendum and provide for the recall of the Lieutenant Governor or members of the legislature. This provision has the support of Guam and is a significant advance in the process of self-government in the territory. The measure would also authorize $5 million for construction of projects in Guam which were requested by the administration in its fiscal year 1983 budget submission. The committee authorized full funding for these projects rather than the 75 percent requested by the administration in order to provide the Appropriations Committees with the necessary flexibility to determine what level of Federal contribution would be necessary to insure that the projects are completed. The committee does not believe that an inflexible cost sharing formula is the proper way to consider the national interest in territorial projects or the capability of the local insular governments to contribute to their construction. In addition, the committee has authorized funds to provide for training for maintenance as a part of the construction project. We believe it is essential that the insular governments have the capability to maintain these projects once they are constructed, and we believe that the best way to insure that adequately trained personnel are available is to provide for training as a part of the construction project.

The committee has also authorized $150,000 for planning for a center for Caribbean studies at the College of the Virgin Islands. The College of the Virgin Islands is a remarkable institution and I am pleased that the administration has endorsed the Center for Caribbean Studies as a part of the Caribbean Basin Initiative. The knowledge and experience which students from the Caribbean Basin can acquire at the College of the Virgin Islands will serve not only their home islands but also the United States in promoting the friendly and peaceful exchange of ideas and knowledge. The committee has also provided the necessary authorization for the U.S. Postal Service and the U.S. Customs service to assist the Virgin Islands in the collection of those excise taxes which are levied on goods at the time of their introduction into the territory.

The committee amendment would, in addition, change the date for transfer of Federal property in the Trust Territory of the Pacific Islands from the present date of October 1, 1982, to a date not later than 90 days following termination of the trusteeship agreement for the area. The original date of October 1, 1982, had been selected to be consistent with the administration's earlier expectation that the trusteeship would have been terminated in 1981. For a variety of reasons, this has not occurred and consequently it is necessary to change the effective date for the transfer of Federal property for which the United States no longer would have need.

The committee amendment would also delete a provision included in H.R. 5139 as approved by the House which

would have authorized the Secretary of the Interior to guarantee bonds or other obligations of the American Samoa Government for power production. The committee deleted this authorization since the American Samoa Government does not have the necessary authority to issue bonds or other obligations for this purpose and since sufficient authorization already exists to provide for essential power services through either direct loans or grants. The committee is extremely concerned over the deteriorating power situation in all of the territories and the increasing impact which total dependence on imported petroleum products is having on the local economies and the local government budgets. We believe that it is essential that careful consideration be given in each of the insular areas to provide an assured power base for local economic development. To the maximum extent possible, we would hope that alternative sources of energy would be explored and developed and I personally regret that the Department of Energy has not committed itself to the full completion of the alternate energy study mandated under Public Law 96-597.

The committee amendment finally would modify the procedure for the submission of deficit elimination plans from Guam and the Virgin Islands to remove the veto power of the Secretary of the Interior in favor of a 60-day period during which the Secretary may review and comment on the adequacy of the plans. The deficit elimination plans were one of the principle recommendations of the President's Territorial Message to the Congress in February 1980. In enacting the necessary authorization, Congress expected that the administration would commit itself to working closely with the territorial governments to develop a plan which would eliminate the general fund deficits in each of the territories and achieve a balanced budget by 1985. Especially in light of the impact of the transfer of Federal programs to local governments and the limited resources available to the territories to assume these new responsibilities, it is essential that the Federal Government provide the local territorial governments with the maximum amount of technical assistance available if essential services are to be maintained and if the local governments are to be expected to maintain a balanced budget. The committee has also authorized funds to reimburse the territories of Guam and the Virgin Islands for the incremental annual reduction in revenues directly attributable to the enactment of general Federal tax legislation last year. An inadvertent effect of the decision to lower Federal tax rates and provide a variety of new tax advantages to businesses and individuals was the extension of these same provisions to the territories of Guam and the Virgin Islands who by law have the Federal internal revenue laws as their local territorial tax.

It is the judgment of the committee that the Appropriations Committees should have the flexibility to examine the budgets of Guam and the Virgin Islands, and, to the extent that essential services cannot be maintained due to the reduction in revenues available to those governments as a result of the Federal tax legislation, the Appropriations Committees should have the flexibility to reimburse these territories. This provision is not designed to be a hold harmless, nor should the territories rely on an expectation that the full amount of the authorization will be annually appropriated. We do believe, however, that the flexibility must be provided to permit these local governments to maintain essential services and to adjust their outyear budgets in accordance with the reduced revenues which will occur.

Mr. President, H.R. 5139, as reported by the Committee on Energy and Natural Resources is responsive to both the needs of the territories and the concerns of the administration. It provides necessary authorizations to the territories and flexibility to both the administration and the Congress. To insure that essential Government and services are maintained I urge the passage of this measure with the committee amendment.●

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

NATIVE AMERICAN CULTURE AND ART DEVELOPMENT ACT

The Senate proceeded to consider the bill (S. 792) to promote the development of Native American culture and art, which had been reported from the Select Committee on Indian Affairs with amendments as follows:

On page 2, line 3, strike "American Indian", and insert "Native American";

On page 2, line 6, strike "American Indian", and insert "Native American";

On page 2, line 13, strike "Indian", and insert "Native American";

On page 2, line 14, strike "Indian", and insert "Native American";

On page 2, line 19, strike "Indian", and insert "Native American";

On page 2, line 20, strike "Indian", and insert "Native American";

On page 2, line 24, strike "Indian", and insert "Native American";

On page 3, line 3, strike "Indian", and insert "Native American";

On page 3, line 8, strike "Indian", and insert "Native American";

On page 3, line 16, strike " "Indian" or";

On page 4, line 18, strike "Indian", and insert "Native American";

On page 9, line 21, strike "American Indian", and insert "Native American";

On page 9, line 22, strike "Indian";

On page 9, line 23, strike "Indian", and insert "Native American";

On page 10, line 1, strike "Indian", and insert "Native American";

On page 10, line 5, strike "Indian", and insert "Native American";

On page 10, line 6, strike "Indian", and insert "Native American";

On page 10, line 10, strike "Indian", and insert "Native American";

On page 10, line 13, strike "Indian", and insert "Native American";

On page 10, line 16, strike "Indian", and insert "Native American";

On page 10, line 19, strike "Indian", and insert "Native American";

On page 12, line 13, strike "HEADQUARTERS", and insert "HEADQUARTERS; RESOURCE CENTERS";

On page 12, strike line 14, through and including line 20, and insert the following:

"Sec. 10. (a) The Board shall consult with the Indian tribes and various organizations of Native Americans regarding a suitable site for the headquarters of the Institute. After such consultation is completed, an existing facility owned by the United States shall be designated by the Board, with the approval of the head of the Department or Agency having jurisdiction over such facility, as the headquarters of the Institute. The head of such Department or Agency is authorized to transfer the real property and any improvements thereon which comprise such facility to the Institute.

"(b) The Board is authorized to establish branch resource centers at various locations within the United States. The location of each resource center shall be determined by the Board after consultation with the Indian tribes and various organizations of Native Americans."

On page 14, line 11, strike "1981", and insert "1982";

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Native American Culture and Art Development Act".

FINDINGS

Sec. 2. The Congress finds and declares that—

(1) Native American art and culture has contributed greatly to the artistic and cultural richness of the Nation;

(2) Native American art and culture occupies a unique position in American history as being our only native art form and cultural heritage;

(3) the enhancement and preservation of this Nation's native art and culture has a fundamental influence on the American people;

(4) although the encouragement and support of Native American arts and crafts are primarily a matter for private, local, and Native American initiative, it is also an appropriate matter of concern to the Federal Government;

(5) it is appropriate and necessary for the Federal Government to support research and scholarship in Native American art and culture and to complement programs for

the advancement of Native American art and culture by tribal, private, and public agencies and organizations;

(6) current Federal initiatives in the area of Native American art and culture are fragmented and inadequate; and

(7) in order to coordinate the Federal Government's effort to preserve, support, revitalize, and disseminate Native American art and culture, it is desirable to establish a national Institute of Native American Culture and Arts Development.

DEFINITIONS

Sec. 3. As used in this Act—

(1) The term "Native American art and culture" includes, but is not limited to, the traditional and contemporary expressions of Native American language, history, customs, belief, music, architecture, drama, dance, rituals, and crafts.

(2) The term "Institute" means the Institute of Native American Culture and Arts Development established by this Act.

(3) The term "Native American" means any person who is a member of an Indian tribe or is a Native Hawaiian.

(4) The term "Indian tribe" means any tribe, band, nation, or other organized group or community of Indians, including any Alaska Native village pursuant to the Alaska Native Claims Settlement Act, which is recognized as eligible for special programs and services provided by the United States to Indians because of their status as Indians.

(5) The term "Native Hawaiian" means any descendant of a person who, prior to 1778, was a native of the Hawaiian Islands.

(6) The term "Secretary" means the Secretary of the Interior.

ESTABLISHMENT OF INSTITUTE

Sec. 4. There is established the Institute of Native American Culture and Arts Development, which shall be under the direction and control of a Board of Trustees (hereinafter referred to in this Act as the "Board") established in accordance with section 5.

BOARD OF TRUSTEES

Sec. 5. (a) The Board shall be composed of eighteen members as follows:

(1) twelve members appointed by the President of the United States from among individuals from private life who are Native Americans widely recognized in the field of Native American art and culture;

(2) Secretary of the Interior (or his designee);

(3) Secretary of Education (or his designee);

(4) Secretary of the Smithsonian Institution (or his designee);

(5) Chairman, National Endowment of the Arts (or his designee);

(6) Chairman, National Endowment of the Humanities (or his designee); and

(7) Librarian of Congress (or his designee).

The President of the Institute shall serve as an ex officio member of the Board.

(b) In making appointments pursuant to paragraph (1) of subsection (a), the President of the United States shall—

(1) consult with the Indian tribes and the various organizations of Native Americans; and

(2) give due consideration to the appointment of individuals who will provide appropriate regional and tribal representation on the Board.

(c) The term of office of each member of the Board appointed pursuant to paragraph (1) of subsection (a) shall be six years, except that of such members first appointed, four shall serve for a term of two years, four for a term of four years, and four for a term of six years, as designated by the President as of the time of appointment. Any member of the Board appointed to fill a vacancy occurring prior to the expiration of the term to which his predecessor was appointed shall be appointed for the remainder of the term. No member of the Board appointed pursuant to paragraph (1) of subsection (a) shall be eligible to serve in excess of two consecutive terms, but may continue to serve until his successor is appointed.

(d) The President of the United States shall designate the initial Chairman and Vice Chairman of the Board from among the members of the Board appointed pursuant to paragraph (1) of subsection (a). Such Chairman and Vice Chairman so designated shall serve for twelve calendar months. The Chairman and Vice Chairman shall thereafter be elected by the members of the Board appointed pursuant to paragraph (1) of subsection (a) and shall serve for terms of two years. In the case of a vacancy in the office of Chairman or Vice Chairman, such vacancy shall be filled by the members of the Board appointed pursuant to paragraph (1) of subsection (a) and the members filling such vacancy shall serve for the remainder of the unexpired term.

(e) Unless otherwise provided by the bylaws of the Institute, a majority of the members of the Board shall constitute a quorum.

(f) The Board is authorized—

(1) to formulate the policy of the Institute;

(2) to make such bylaws, rules, and regulations as it deems necessary for the administration of its functions under this Act, including the organization and procedure of the Board;

(3) to obtain the services of experts and consultants in accordance with the provisions of section 3109 of title 5, United States Code, and to accept and utilize the services of voluntary and noncompensated personnel and reimburse them for travel expenses, including per diem, as authorized by section 5703 of title 5, United States Code;

(4) to solicit, accept, and dispose of gifts, bequests, devises of money, securities, and other properties of whatever character, for the benefit of the Institute;

(5) to receive grants from, and enter into contracts and other arrangements with, Federal, State, or local governments, public and private agencies, organizations, and institutions, and individuals;

(6) to acquire, hold, maintain, use, operate, and dispose of such real property, including improvements thereon, personal property, equipment, and other items, as may be necessary to enable the Board to carry out the purposes of this Act; and

(7) notwithstanding section 3618 of the Revised Statutes (31 U.S.C. 487), or any similar provision of law, to use any funds or property received by the Institute to carry out the purposes of this Act.

(g) Members of the Board appointed pursuant to paragraph (1) of subsection (a) of this section shall, for each day they are engaged in the performance of the duties under this Act, receive compensation at the rate of $125 per day, including traveltime. All members of the Board, while so serving away from their homes or regular places of business, shall be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons in Government service employed intermittently.

PRESIDENT; EMPLOYEES

Sec. 6. (a) The Board shall appoint a President of the Institute. The President of the Institute shall serve as the chief executive officer of the Institute. Subject to the direction of the Board and the general supervision of the Chairman, the President of the Institute shall have the responsibility for carrying out the policies and functions of the Institute, and shall have authority over all personnel and activities of the Institute.

(b) The President of the Institute shall be compensated at an annual rate not to exceed that prescribed for GS-18 of the General Schedule under section 5332 of title 5, United States Code.

(c) The President of the Institute, with the approval of the Board, shall have the authority to appoint and fix the compensation and duties of such officers and employees as may be necessary for the efficient administration of the Institute. Such appointments and compensation may be made without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and chapter 51 and subchapter III of chapter 53 of title 5, United States Code.

FUNCTIONS OF THE INSTITUTE

Sec. 7. (a) There shall be established within the Institute—

(1) a Center for Culture and Art Studies to be administered by a director (appointed by the President of the Institute, with the approval of the Board), which shall include, but not be limited to, Departments of Arts and Sciences, Visual Arts, Performing Arts, Language, and Literature;

(2) a Center for Native American Scholars to be administered by a director (appointed by the President of the Institute, with approval of the Board), which shall include, but not limited to, research programs, fellowship programs, and publications;

(3) a Center for Cultural Exchange, administered by a director (appointed by the President of the Institute, with the approval of the Board), which shall include an inter Native American program, marketing and promotion of crafts, promotion of Native American art, exhibits and shows; and

(4) a Museum of Native American Arts, administered by a director (appointed by the President of the Institute, with the approval of the Board), which shall include, but not be limited to, the acquisition of Native American art and the curation and exhibition of Native American art.

(b) In addition to the centers and programs described in subsection (a), the Institute shall develop such programs and centers as the Board determines are necessary to—

(1) foster research and scholarship in Native American art and culture;

(2) complement existing tribal programs for the advancement of Native American art and culture; and

(3) coordinate efforts to preserve, support, revitalize and disseminate Native American art and culture.

(c) The Institute shall catalog the items relating to Native American art and culture which are available in museums, archives, libraries and other collections within the United States.

TRANSFER OF FUNCTIONS

Sec. 8. (a) There are transferred to the Institute and the Institute shall perform the functions of—

(1) the Institute of American Indian Arts established by the Secretary of the Interior in 1962; and

(2) the Indian Arts and Crafts Board established by the Act entitled "An Act to promote the development of Indian arts and crafts and to create a board to assist therein, and for other purposes", approved August 27, 1935 (49 Stat. 891).

(b)(1) All personnel, liabilities, contracts, personal property, and records as are determined by the Director of the Office of Management and Budget to be employed, held, or used primarily in connection with any function transferred under the provisions of this Act, are transferred to the Institute.

(2) Personnel engaged in functions transferred by this Act shall be transferred in accordance with applicable laws and regulations relating to the transfer of functions, except that such transfer shall be without reduction in classification or compensation for one year after such transfer.

(c) All laws and regulations relating to the Institute of American Indian Arts and the Indian Arts and Craft Board transferred to the Institute by this Act shall, insofar as such laws and regulations are applicable, remain in full force and effect. With respect to such transfers, reference in any other Federal law to the Institute of American Indian Arts and the Indian Arts and Crafts Board, or any officer so transferred in connection therewith, shall be deemed to mean the Institute.

ANNUAL REPORT

Sec. 9. The President of the Institute shall submit an annual report to the Congress and to the Board concerning the status of the Institute during the twelve calendar months preceding the date of the report. Such report shall include, among other matters, a detailed statement of all private and public funds, gifts, and other items of a monetary value received by the Institute during such twelve-month period and the disposition thereof as well as any recommendations for improving the Institute.

HEADQUARTERS; RESOURCE CENTERS

Sec. 10. (a) The Board shall consult with the Indian tribes and various organizations of Native Americans regarding a suitable site for the headquarters of the Institute. After such consultation is completed, an existing facility owned by the United States shall be designated by the Board, with the approval of the head of the Department or Agency having jurisdiction over such facility, as the headquarters of the Institute. The head of such Department or Agency is authorized to transfer the real property and any improvements thereon which comprise such facility to the Institute.

(b) The Board is authorized to establish branch resource centers at various locations within the United States. The location of each resource center shall be determined by the Board after consultation with the Indian tribes and various organizations of Native Americans.

ADVISORY COMMITTEE

Sec. 11. (a) The President of the Institute shall establish an Advisory Committee which shall make recommendations to the Board on any matters relating to the Institute.

(b)(1) The Advisory Committee shall be composed of students of the Institute and parents of such students appointed by the President of the Institute.

(2) The number of members of the Advisory Committee and the terms of service of such members shall be determined by the President of the Institute.

(3) In making appointments to the Advisory Committee, the President of the Institute shall consider individuals who will provide appropriate representation of the students of the Institute and the parents of such students.

(c) The Advisory Committee shall elect a Chairman and shall have the authority to make any necessary rules regarding the procedures of the Advisory Committee.

COMPLIANCE WITH OTHER ACTS

Sec. 12. The Institute shall comply with the provisions of the American Indian Religious Freedom Act (92 Stat. 469) and the Archeological Resources Protection Act (93 Stat. 721).

AUTHORIZATION

Sec. 13. There are authorized to be appropriated, for the fiscal year beginning October 1, 1982, the sum of $4,000,000 to carry out the purposes of this Act, and for each fiscal year thereafter, such sum as may be necessary to carry out the purposes of this Act.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

FLORIDA KEYS WILDERNESS

The bill (S. 1519) to designate certain national wildlife refuge lands was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 1519

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Section 1. (a) That certain lands known as North Cudjoe Key, Monroe County, Florida, which comprise approximately seventy-three acres, will be designated for purposes of the Wilderness Act (16 U.S.C. 1131-1136) as wilderness at the time those lands are included in the National Wildlife Refuge System, and shall become part of the existing "Florida Keys Wilderness".

Sec. 2. That notwithstanding any other provision of law, on the date that certain lands referred to as Racoon Key, Florida, comprising approximately twenty-five acres, and depicted on a map entitled "Florida Keys Wilderness and Great White Heron National Wildlife Refuge (West Part)" dated July 1975, are excluded from the National Wildlife Refuge System, they shall be excluded from the National Wilderness Preservation System.

Sec. 3. As soon as practical after this Act takes effect, the Secretary of the Interior shall file a map and legal description of the Florida Keys Wilderness with the Committee on Energy and Natural Resources of the Senate and the Interior and Insular Affairs Committee of the House of Representatives and such map and description shall have the same force and effect as if included in this Act: *Provided, however,* That correction of clerical and typographical errors in such legal description and map may be made. A map and legal description of the Florida Keys Wilderness shall be on file and available for public inspection in the Office of the Director, Fish and Wildlife Service, Department of the Interior.

Sec. 4. The lands designated by this Act as the Florida Keys Wilderness shall be administered in accordance with the applicable provisions of the Wilderness Act governing areas designated by that Act as wilderness areas, except that any reference in such provisions to the effective date of the Wilderness Act shall be deemed to be a reference to the effective date of this Act and, where appropriate, any reference to the Secretary of Agriculture shall be deemed to be a reference to the Secretary of the Interior.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

NATIONAL NCO/PETTY OFFICER WEEK

The bill (S.J. Res. 161) to designate the week commencing with the fourth Monday in June 1982 as "National NCO/Petty Officer Week" was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, with its preamble, reads as follows:

S.J. Res. 161

Whereas the noncommissioned officers and petty officers of the Army, Air Force, and Marine Corps and the petty officers of the Navy and the Coast Guard have been regarded as the backbone of the Armed Forces of the United States for more than two hundred years;

Whereas noncommissioned officers and petty officers continue to be the recruiters, trainers, and noncommissioned leaders of the men and women who join the Armed Forces of the United States;

Whereas the noncommissioned officers' and petty officers' spirit and devotion to duty is epitomized in the long list of recipients of the Medal of Honor and other decorations of personal valor;

Whereas noncommissioned officers and petty officers have made great sacrifices during their service to this Nation;

Whereas the recent shortage of such officers serving on active duty has highlighted their value to the Nation and its military forces;

Whereas the Non-Commissioned Officers Association (NCOA), with a representative membership of active, retired, Reserve, National Guard, and former noncommissioned officers and petty officers of the Army, Navy, Marine Corps, Air Force, and Coast Guard, will hold its twenty-first international convention in the final week of June 1982; and

Whereas it is fitting and proper to recognize the significant contributions made by all noncommissioned officers and petty officers of the Armed Forces of the United States to the freedom and defense of this Nation: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America *in Congress assembled,* That the week commencing with the fourth Monday in June 1982 is designated as "National NCO/Petty Officer Week", and the President is authorized and requested to issue a proclamation calling upon the people of the United States and interested groups and organizations to set aside that week to honor past and present noncommissioned officers and petty officers of the Armed Forces of the United States in an appropriate manner.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the joint resolution was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

EXCHANGE OF CERTAIN LAND HELD BY NAVAJO TRIBE AND BLM

Mr. BAKER. Mr. President, I ask the minority leader if there is any objection to proceeding to the consideration of Calendar No. 534.

Mr. ROBERT C. BYRD. There is no objection, Mr. President.

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 534, S. 159.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 159) to authorize the exchange of certain land held by the Navajo Tribe and the Bureau of Land Management, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Select Committee on Indian Affairs with an amendment to strike out all after the enacting clause, and insert the following:

That (a) subject to the approval of the Secretary of the Interior and to the provisions of this Act, the Navajo Tribe is authorized to exchange any surface interests of such Tribe in the lands described in subsection (b) for surface interests of the United States in lands described in subsection (c) which are approximately equal in value to such tribal interests.

(b) Lands located within the following New Mexico principal meridian townships are described in this subsection:

Township 8 north, range 12 west;
Township 8 north, range 11 west;
Township 7 north, range 12 west;
Township 7 north, range 11 west;
Township 6 north, range 12 west;
Township 7 north, range 5 west;
Township 6 north, range 5 west;
Township 6 north, range 4 west;
Township 6 north, range 3 west; and
Township 7 north, range 3 west.

(c) The lands described in this subsection are the lands withdrawn for exchange by Public Land Order 5721 (Federal Register, May 2, 1980, pages 29295-29297) other than the following lands:

Township 23 north, range 13 west, New Mexico principal meridian: section 3, southeast quarter; section 13, southeast quarter; and section 28, southwest quarter;

Township 16 north, range 10 west, New Mexico principal meridian: section 6, southeast quarter; and section 18, northeast quarter; and

Township 22 north, range 10 west, New Mexico principal meridian: section 16, north half and southwest quarter.

Sec. 2. Any interests in lands acquired by the Navajo Tribe under section 1(a) shall be held by the Secretary of the Interior in trust for the benefit and use of the Navajo Tribe.

Sec. 3. (a) Lands received by the Navajo Tribe in an exchange under section 1(a) shall be subject to such easements or rights-of-way as the Secretary of the Interior may create in order to provide necessary access to Federal lands adjacent to such lands. The Secretary of the Interior may create such an easement or right-of-way only after he has consulted the governing body of the Navajo Tribe with regard to the location, scope, and use of such easement or right-of-way.

(b) Nothing in this Act shall affect—

(1) the mineral interests of any person, or

(2) any easement or other rights of any person (other than the United States or the Navajo Tribe),

in lands exchanged under section 1(a) which existed prior to the enactment of this Act. The development of such interests and the exercise of such rights may only be controlled by the Navajo Tribe or the Secretary of the Interior to the same extent that such development or exercise could have been controlled by the Secretary of the Interior prior to the enactment of this Act.

Sec. 4. (a) No exchange shall be made under section 1(a) if, at the time such exchange is proposed, the value of the interests in lands described in section 1(b) which are proposed to be exchanged exceeds an amount equal to 125 percent of the value of interests in lands described in section 1(c) which are proposed to be exchanged.

(b)(1) If, at the time of an exchange under section 1(a), the value of the interests in lands described in section 1(b) which are exchanged under section 1(a) exceeds the value of the interests in lands described in section 1(c) which are exchanged under section 1(a), the Secretary of the Interior shall pay to the Navajo Tribe an amount equal to such excess value.

(2) If, at the time of any exchange under section 1(a), the value of the interests in lands described in section 1(c) which are exchanged under section 1(a) exceeds the value of the interests in lands described in section 1(b) which are exchanged under section 1(a), the Navajo Tribe shall pay to the United States an amount equal to such excess value.

Sec. 5. There are hereby authorized to be appropriated such sums as are necessary to carry out the provisions of section 4(b)(1).

UP AMENDMENT NO. 913

Mr. BAKER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. (Mr. Abdnor). The amendment will be stated.

The assistant legislative clerk read the following:

The Senator from Tennessee (Mr. Baker) for Mr. Cohen, proposes an unprinted amendment numbered 913:

On page 22, line 17:

Section 5 of S. 159 is hereby amended by inserting after the word "appropriated" and before the words "such sums" the phrase "during Fiscal Year 1983".

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (UP No. 913) was agreed to.

● **Mr. COHEN.** Mr. President, I support S. 159, a bill to authorize an exchange of land held by the Navajo Tribe and the Bureau of Land Management. Mr. President, this bill was introduced by Senator Harrison Schmitt, of New Mexico on January 19, 1981, and was referred to the Select Committee on Indian Affairs.

Hearings were held on this bill on July 30, 1981, at which time it was supported by the administration with expressions of support from tribal respondents. A question arose with respect to support of the chairman of the Navajo Tribe and for this reason the committee was delayed in reporting the bill out of committee. The chairman of the Navajo Tribe has now expressed his support for this legislation.

Mr. President, the Navajo Tribe presently owns approximately 79,800 acres of land in the State of New Mexico which it proposes to exchange for lands in that State owned by the United States and managed by the Bureau of Land Management. The Bureau of Land Management proposes to acquire all of the 79,800 acres of land offered by the Navajo Tribe and transfer to the tribe lands of approximately equal value located in the northwest corner of the State. To the extent there is any difference in value in the lands exchanged, S. 159 authorizes and directs the Secretary of the Interior to compensate the tribe in an amount not to exceed 25 percent of the total value of the lands exchanged by the Navajo Tribe.

Mr. President, with respect to UP amendment No. 913, section 5 of the bill authorizes an appropriation of such sums as are necessary to carry out the purposes of the act. The bill fails to state the fiscal year in which such sums are authorized to be appropriated. I therefore ask that the Senate adopt the bill with a technical amendment to provide that the term "during fiscal year 1983" be inserted after the word "appropriated" as it appears in section 5 of the bill.●

● **Mr. SCHMITT.** Mr. President, the legislation before us represents the culmination of a noteworthy agreement between several agencies and a tribal government which resolves a complex land management problem.

The problem which is addressed by this bill is unique to the State of New Mexico. Land ownership in the northwestern region of the State is intermingled, often called checkboard. This designation reflects the pattern of small parcel ownership by private,

State, Federal, and Indian trust land. Prudent land management policies are often frustrated by this complex ownership pattern. In addition to the checkerboarding problem is the existence of unauthorized Indian occupancy on public lands which are managed by the Bureau of Land Management.

The Indian occupancy issue is a widespread problem and can be traced back to the early part of this century when portions of the public lands were temporarily withdrawn for use by the Navajo Tribe by Executive order. The authorized use by the Navajos was terminated in stages and the land was returned to the public domain on paper, however, the use of these lands by individual Navajos did not end.

The Navajos had lived and grazed their livestock in this region for over 400 years. Some of the people built their homes and put up corrals and fencing as was needed for their livestock operations. Because of the confusing land ownership pattern and missing survey markers, the extent of the trespass problem was not fully appreciated. Only in 1974, when the Bureau of Land Management inventoried the area during the planning process, was the unauthorized occupancy actually verified.

The response to this situation was both creative and compelling as an example of cooperation between agencies of the Federal Government and the Navajo Tribe. In an effort to avoid relocation of the Indians occupying public domain land, the Bureau of Indian Affairs, the Bureau of Land Management, and the Navajo Tribe agreed to cooperate in an exchange of land. In 1977 the Navajo Tribe purchased approximately 80,000 acres of privately owned land in an area which possesses significant natural interest: the El Malpais region of New Mexico. This land, which had been identified by the BLM as appropriate to their land management goals, is to be exchanged for 57,000 acres of public land on which about 1,000 Navajos now live as unauthorized occupants. All parties have agreed on the land appraisals which indicate an exchange of equal value. The agreement enhances the BLM multiple use management program, consolidates a portion of the checkerboard ownership pattern, and eliminates disruption and relocation of the Indian families occupying public domain land.

This exchange does not require legislative action. Such an exchange is fully authorized under section 206 of the Federal Land Policy and Management Act of 1976. However, legislation is necessary to authorize the Secretary of the Interior to accept and hold the lands in trust for the Navajo Tribe—a step which the tribe feels is vital in order to regularize and conform to existing tribal land status.

Therefore, the legislation before the Senate is the linchpin of the land exchange agreement. It provides the Secretary of the Interior to accept title to the exchanged lands on behalf of the Navajo Tribe to be held in trust. Subsurface rights to the land to be held in trust will be reserved to the Federal Government. This is consistent with the land acquired by the Navajo Tribe for the exchange: only surface rights of the previously private land were acquired. Existing mineral rights and existing easements and rights-of-way are protected in this legislation. Access to Federal lands adjacent to the land to be held in trust is guaranteed by the bill, and limited cash equalization of the land values is provided. No change in the official boundary of the Navajo Reservation is contemplated in this legislation and no additional powers are conferred on either the Secretary of the Interior of the Navajo Tribe except to allow the single-purpose transfer of land title into trust status.

I should like to again remark on the praiseworthy effort by all parties involved in this difficult situation. I would also like to thank my colleague, the distinguished chairman of the Select Committee on Indian Affairs, and his staff for the support which this measure has received, and for his understanding of the issues involved. I urge the adoption of this measure.●

The PRESIDING OFFICER. The question is on agreeing to the committee amendment in the nature of a substitute.

The committee amendment in the nature of a substitute was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 159

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subject to the approval of the Secretary of the Interior and to the provisions of this Act, the Navajo Tribe is authorized to exchange any surface interests of such Tribe in the lands described in subsection (b) for surface interests of the United States in lands described in subsection (c) which are approximately equal in value to such tribal interests.

(b) Lands located within the following New Mexico principal meridian townships are described in this subsection:

Township 8 north, range 12 west;
Township 8 north, range 11 west;
Township 7 north, range 12 west;
Township 7 north, range 11 west;
Township 6 north, range 12 west;
Township 7 north, range 5 west;
Township 6 north, range 5 west;
Township 6 north, range 4 west;
Township 6 north, range 3 west; and
Township 7 north, range 3 west;

(c) The lands described in this subsection are the lands withdrawn for exchange by Public Land Order 5721 (Federal Register May 2, 1980, pages 29295-29297) other than the following lands:

Township 23 north, range 13 west, New Mexico principal meridian: section 3, southeast quarter; section 13, southeast quarter; and section 28, southwest quarter;

Township 16 north, range 10 west, New Mexico principal meridian: section 6, southeast quarter; and section 18, northeast quarter; and

Township 22 north, range 10 west, New Mexico principal meridian: section 16, north half and southwest quarter.

Sec. 2. Any interests in lands acquired by the Navajo Tribe under section 1(a) shall be held by the Secretary of the Interior in trust for the benefit and use of the Navajo Tribe.

Sec. 3. (a) Lands received by the Navajo Tribe in an exchange under section 1(a) shall be subject to such easements or rights-of-way as the Secretary of the Interior may create in order to provide necessary access to Federal lands adjacent to such lands. The Secretary of the Interior may create such an easement or right-of-way only after he has consulted the governing body of the Navajo Tribe with regard to the location, scope, and use of such easement or right-of-way.

(b) Nothing in this Act shall affect—

(1) the mineral interests of any person, or

(2) any easement or other rights of any person (other than the United States or the Navajo Tribe),

in lands exchanged under section 1(a) which existed prior to the enactment of this Act. The development of such interests and the exercise of such rights may only be controlled by the Navajo Tribe or the Secretary of the Interior to the same extent that such development or exercise could have been controlled by the Secretary of the Interior prior to the enactment of this Act.

Sec. 4. (a) No exchange shall be made under section 1(a) if, at the time such exchange is proposed, the value of the interests in lands described in section 1(b) which are proposed to be exchanged exceeds an amount equal to 125 percent of the value of interests in lands described in section 1(c) which are proposed to be exchanged.

(b)(1) If, at the time of an exchange under section 1(a), the value of the interests in lands described in section 1(b) which are exchanged under section 1(a) exceeds the value of the interests in lands described in section 1(c) which are exchanged under section 1(a), the Secretary of the Interior shall pay to the Navajo Tribe an amount equal to such excess value.

(2) If, at the time of any exchange under section 1(a), the value of the interests in lands described in section 1(c) which are exchanged under section 1(a) exceeds the value of the interests in lands described in section 1(b) which are exchanged under section 1(a), the Navajo Tribe shall pay to the United States an amount equal to such excess value.

Sec. 5. There are hereby authorized to be appropriated during fiscal year 1983 such sums as are necessary to carry out the provisions of section 4(b)(1).

Mr. BAKER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

EXECUTIVE CALENDAR

Mr. BAKER. Mr. President, there are certain nominations on the Executive Calendar today that are cleared for action by unanimous consent on this side of the aisle.

I particularly invite the attention of the minority leader to the following items: Calendar No. 744, under Coast Guard, Vice Adm. James S. Gracey, to be Commandant; Calendar No. 745, Rear Adm. Benedict L. Stabile, to be Vice Commandant; Calendar Nos. 746, 747, 748, and 749, under Department of State; Calendar No. 750, under International Communication Agency, Ronald L. Trowbridge, of Michigan, to be an Associate Director.

Is the minority leader in a position to clear these items for consideration by unanimous consent?

Mr. ROBERT C. BYRD. Mr. President, there is no objection to proceeding with the aforementioned nominations.

Mr. BAKER. I thank the minority leader.

Mr. President, I ask unanimous consent that the Senate now go into executive session for the purpose of considering the nominations just identified.

There being no objection, the Senate proceeded to the consideration of executive business.

The **PRESIDING OFFICER.** The nominations will be stated.

Mr. BAKER. Mr. President, I ask unanimous consent that the nominations be considered and confirmed en bloc.

The **PRESIDING OFFICER.** Without objection, the nominations are considered and confirmed en bloc.

The nominations considered and confirmed en bloc are as follows:

In the Coast Guard

Vice Adm. James S. Gracey, U.S. Coast Guard, to be Commandant of the U.S. Coast Guard for a term of 4 years with the grade of admiral while so serving.

Rear Adm. Benedict L. Stabile, U.S. Coast Guard, to be the Vice Commandant of the U.S. Coast Guard with the grade of vice admiral while so serving.

Department of State

Maynard W. Glitman, of Vermont, for the rank of Ambassador while serving as Department of State Representative and Deputy Head of the U.S. delegation to the Intermediate Range Nuclear Force Negotiations.

James Eugene Goodby, of New Hampshire, a career member of the Senior Foreign Service, class of Minister-Counselor, for the rank of Ambassador during the tenure of his service as Vice Chairman, U.S. Delegation to the strategic arms reductions talks (START) and Department of State Representative.

Louis G. Fields, Jr., of Virginia, for the rank of Ambassador while serving as the U.S. representative to the Committee on Disarmament.

Selwa Roosevelt, of the District of Columbia, for the rank of Ambassador during the tenure of her service as Chief of Protocol for the White House.

INTERNATIONAL COMMUNICATION AGENCY

Ronald L. Trowbridge, of Michigan, to be an Associate Director of International Communication Agency.

Mr. BAKER. Mr. President, I move to reconsider the votes by which the nominations were confirmed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of these nominations.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate now return to the consideration of legislative business.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that there now be a brief period for the transaction of routine morning business to extend not past 4:30 p.m. in which Senators may speak for not more than 5 minutes each.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The **PRESIDING OFFICER.** The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BUMPERS. Mr. President, I ask unanimous consent that the order for the quorum call be recinded.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

NATIONAL SMALL BUSINESS WEEK

Mr. BUMPERS. Mr. President, I am pleased to join several of my colleagues today in saluting the small businesses of this country. This week has been proclaimed "National Small Business Week" and it is a very fitting tribute for the thousands of men and women who operate small businesses.

We all know the great track record of the small businesses in this country. They create the vast majority of new jobs, are many times more innovative than larger firms, and are largely responsible for the growth or our economy over the last couple of decades.

These businesses, however, are having severe problems in the current economic environment. Continued high interest rates and the lack of available capital have forced thousands of these firms out of business, and these small business closings have thrown millions of Americans out of work. This administration, while continuing to cling to its hopes for a revived overall economy in which all firms, both large and small, will prosper, has failed to take into account the particular needs of the small businesses. If this neglect continues, the result is certain. Our economy will continue to be stagnant and no new jobs will be created. Since small businesses are on the cutting-edge of the economy we all know that they are going to lead us out of our current economic misery. Therefore, I would hope that the actions of this administration and the Congress would take into account the needs of the small business sector of our economy. Given the right opportunities these entities can create the jobs we so desperately need.

Having once been a small businessman, Mr. President, I know how difficult it can be in tough economic times as you struggle to stay afloat and make ends meet. The men and women who operate these businesses are to be commended for their efforts and hard work, and I am pleased to join the chairman of the Small Business Committee, Mr. WEICKER, and the ranking member, Mr. NUNN, in their support for small business on the beginning of "National Small Business Week."

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the Committee on Armed Services.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 12:08 p.m., a message from the House of Representatives, delivered by Mr. Gregory, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 4613. An act to increase the efficiency of Government-wide efforts to collect debts owed the United States and to provide additional procedures for the collection of debts owed the United States.

At 12:59 p.m., a message from the House of Representatives, delivered by Mr. Gregory, announced that pursuant to the provisions of section 1 of Public Law 689, 84th Congress, as amended, the Speaker appoints as members of the U.S. Group of the North Atlantic Assembly, to be held from May 27 to June 1, 1982, in Madeira, Portugal, the following Members on the part of the House: Mr. PHILLIP BURTON of California, Chairman, Mr. HAMILTON, Vice Chairman, Mr. BROOKS, Mr. ANNUNZIO, Mr. ROSE, Mr. GARCIA, Ms. OAKAR, Mr. ROSENTHAL, Mr. BROOMFIELD, Mr. WHITEHURST, Mr. BURGENER, and Mr. ROTH.

ENROLLED JOINT RESOLUTION SIGNED

The message also announced that the Speaker has signed the following enrolled joint resolution:

H.J. Res. 361. Joint resolution to grant official recognition to the international ballet competition.

The enrolled joint resolution was subsequently signed by the President pro tempore (Mr. THURMOND).

At 1:13 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 3208. An act to amend the Reclamation Safety of Dams Act of 1978, and for other purposes.

HOUSE BILL REFERRED

The following bill was read the first and second times by unanimous consent, and referred as indicated:

H.R. 3208. An act to amend the Reclamation Safety of Dams Act of 1978, and for other purposes; to the Committee on Energy and Natural Resources.

HOUSE BILL PLACED ON THE CALENDAR

The following bill was read the first and second times by unanimous consent, and placed on the calendar:

H.R. 4613. An act to increase the efficiency of Government-wide efforts to collect debts owed the United States and to provide additional procedures for the collection of debts owed the United States.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. DOMENICI, from the Committee on the Budget, without amendment:

S. Con. Res. 92. Original concurrent resolution setting forth the recommended congressional budget for the U.S. Government for the fiscal years 1983, 1984, and 1985, and revising the congressional budget for the U.S. Government for the fiscal year 1982 (with additional and minority views) (Rept. No. 97-385).

EXECUTIVE REPORTS OF COMMITTEES SUBMITTED DURING THE RECESS

Under the authority of the order of the Senate of May 6, 1982, the following reports of committees were submitted on May 7, 1982, during the recess of the Senate:

By Mr. PERCY, from the Committee on Foreign Relations: Louis G. Fields, Jr., of Virginia, for the rank of Ambassador while serving as the U.S. Representative to the Committee on Disarmament:

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: Louis G. Fields, Jr.

Post: U.S. Representative to the Committee on Disarmament.

Contributions, amount, date, donee.

1. Self: $25, July 8, 1981, GOP Victory Fund; $25, September 20, 1981, Friends of Coleman.
2. Spouse: none.
3. Children and spouses names: none.
4. Parents names: none.
5. Grandparents names: none.
6. Brothers and spouses names: (See attached list of brother's contributions. The spouse made no contributions.)
7. Sisters and spouses names: none.

I certify that the following are political contributions made by my brother, James H. Fields, of Chesterfield, Missouri. Ph 314-531-0460, all for Republican conservative causes, funds, drives:

Amount, Date, Donee.
$15., 4/3/78, NRSC.
$25., 6/14/78, Leadership Letters.
$15., 7/24/78, ASC.
$15., 8/1/78, RSCF.
$15., 2/1/79, Crane.
$15.; 4/9/79, NRSC.
$25., 4/16/79, RNC.
$15., 6/28/79, PAC.
$15., 9/18/79, CC.
$25., 3/1/80, RNC.
$25., 5/1/80, NC/PAC.
$25., 5/28/80, Fund/MM.
$20., 5/28/80, MoRP.
$25., 8/26/80, Fund for Reagan.
$25., 8/26/80, Comte/Adv Morael Govt.
$25., 9/23/80, RSCF.
$15., 9/26/80, CC.
$25., 9/13/80, RNC.
$15., 9/28/80, CC.
$15., 10/6/80, McNary for Sen.
$25., 10/13/80, Evan 80 Comte.
$10., 2/9/81, CC.
$10., 2/9/81, TCC.
$10., 2/9/81, FAC.
$10., 2/9/81, RSC.
$10., 2/9/81, RNC.
$10., 4/29/81, RNC.
$25., 5/21/81, MoRP.
$40., Sep/Dec/81, Rep Pres Task Force.

Maynard W. Glitman, of Vermont, for the rank of Ambassador while serving as Department of State Representative and Deputy Head of the U.S. Delegation to the Intermediate Range Nuclear Force Negotiations:

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: Maynard W. Glitman. Post: Ambassador and Deputy Negotiator Intermediate Range Nuclear Forces.

Contributions, amount, date, donee.

1. Self: Maynard W. Glitman, None.
2. Spouse: G. Christine Glitman, None.
3. Children and Spouses Names: Russell, Eirk, Karen, Matthew, Rebecca, None.
4. Parents Names: Ben Glitman, None.
5. Grandparents Names: Mrs. Max Kutok, None.
6. Brothers and Spouses Names: Joseph S. Glitman, Geraldine Glitman, None.
7. Sisters and Spouses Names: Paula Giltman, None.

James Eugene Goodby, of New Hampshire, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, for the rank of Ambassador during the tenure of his service as Vice-Chairman, United States Delegation to the Strategic Arms Reduction Talks (START) and Department of State Representative:

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: James E. Goodby.

Post: Vice Chairman START Delegation.

Contributions: amount, date, donee.

1. Self, None.
2. Spouse, None.
3. Children and Spouses Names: None.
4. Parents Names: None.
5. Grandparents Names: None.
6. Brothers and Spouses Names: None.
7. Sisters and Spouses Names: None.

Selwa Roosevelt, of the District of Columbia, for the rank of Ambassador during the tenure of her service as Chief of Protocol for the White House:

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: Selwa Roosevelt.

Post: Chief of Protocol, Rank of Ambassador.

Nominated: March 3, 1981.

Contributions, amount, date, donee.

1. Self—Joint contributions (see attached paper).
2. Spouse.
3. Children and Spouses, Mrs. Roosevelt has no children. Names:
4. Parents, Only living parent—Najla Showker (see attached statement). Names:
5. Grandparents, not applicable. Names:
6. Brothers and Spouses, not applicable. Names:
7. Sisters and spouses Kay Showker (has made no contributions). Names:

Since my husband was in the government most of his career we have never been accustomed to making political contributions as such. However in recent years when asked by personal friends to contribute to their campaigns we have done so as follows:

1978: Citizens for Percy, $100.; Friends of Ed Brooke, $150.; Weld for Attorney Gen., $25. (relative); Marion Barry for Mayor, $100.

1979: George Bush for President, $250.; G.O.P. Victory Fund, $30.

1980: George Bush for President, $100.; G.O.P. Victory Fund, $25.

1981: McCloskey for Senate, $50.; Chuck Percy Senate Club, $100.; Ray Shamie for Senate (Republican candidate for Senate in Mass.), $25.

1982: Mar. 9—People for John Heinz Committee, $100.; Feb. 22—Republican Natl. Committee Sustaining Fund, $50.; March—The Republican Task Force, $120.

Ronald L. Trowbridge, of Michigan, to be an Associate Director of the International Communication Agency.

(The above nominations were reported from the Committee on Foreign Relations with the recommendation that they be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. PELL:

S. 2510. A bill to provide for daylight saving time on an extended basis, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. DIXON:

S. 2511. A bill to amend the Merchant Marine Act of 1938 to provide that Government generated cargoes transported on U.S.-flag or foreign vessels shall be shipped at the lowest landed cost; to the Committee on Commerce, Science, and Transportation.

By Mr. METZENBAUM (for himself, Mr. Sasser, Mr. Cranston, Mr. Nunn, Mr. Randolph, Mr. Bumpers, Mr. Chafee, Mr. Durenberger, Mr. Stennis, Mrs. Hawkins, Mr. Riegle, Mr. Weicker, Mr. Lugar, Mr. Pell, Mr. Matsunaga, Mr. Dixon, Mrs. Kassebaum, Mr. Burdick, Mr. McClure, Mr. Symms, Mr. Zorinsky, Mr. Kennedy, Mr. Inouye, Mr. Baucus, Mr. Leahy, Mr. Biden, Mr. DeConcini, Mr. Mathias, and Mr. Specter):

S.J. Res. 197. Joint resolution to provide for the designation of the week of October 17 through October 23, 1982 as "Myasthenia Gravis Awareness Week"; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. BAKER:

S. Res. 389. A resolution relative to the expenses incurred by the representatives of the Senate who attended the funeral of the Honorable Clifford P. Case, late Senator from the State of New Jersey; considered and agreed to.

By Mr. DOMENICI, from the Committee on the Budget:

S. Con. Res. 92. An original concurrent resolution setting forth the recommended congressional budget for the U.S. Government for fiscal years 1983, 1984, and 1985, and revising the congressional budget for the U.S. Government for fiscal year 1982; placed on the calendar.

By Mr. DOLE (for himself, Mr. Jepsen, Mr. Levin, and Mr. Moynihan):

S. Con. Res. 93. Concurrent resolution to urge the Government of the Soviet Union to facilitate the emigration of certain Soviet citizens, and for other purposes; to the Committee on Foreign Relations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. PELL.

S. 2510. A bill to provide for daylight saving time on an expanded basis, and for other purposes; to the Committee on Commerce, Science, and Transportation.

DAYLIGHT SAVING TIME EXTENSION ACT OF 1982

Mr. PELL. Mr. President, I am introducing today legislation that would amend the Uniform Time Act of 1966 to provide for the observance of daylight saving time—d.s.t.—for an 8-month period beginning the first Sunday in March through the last Sunday in October. Under the current law, daylight saving time is observed from the last Sunday in April to the last Sunday in October. The legislation I propose would advance daylight saving time by a 2-month period.

During the energy emergency of the early 1970's, I introduced similar legislation to extend daylight saving time on a year-round basis as one way to help ease the energy crunch and respond to other concerns during that critical period. I was especially pleased that legislation to extend daylight saving time was enacted—Public Law 93-434—on an experimental basis in 1973 for a 2-year period in response to the energy emergency.

Mr. President, while the immediate concerns of the energy crisis have abated, the importance of emphasizing a continuation of energy conservation by all Americans has not diminished.

Unquestionably, one of the most immediate benefits of daylight saving time extension is the energy savings associated with the consumption of electricity. Recent reports by the Department of Transportation suggest that an extension of daylight saving time would reduce the demand for electricity between 1 and 2 percent nationally. This reduction in demand would mean an energy savings of approximately 100,000 barrels of oil equivalent per day during the 2-month extension.

Beyond the direct reduction in demand for electricity, it is also important to recognize that an expanded period of daylight saving time would serve as further incentive for energy conservation by individuals, businesses, and industry and various government entities. The expanded period of daylight would remind us all of our continued need to conserve energy and reduce the Nation's dependency upon imported oil.

Mr. President, the benefits of an expanded daylight saving time extend beyond the important energy conservation area. There would be additional immediate and noticeable effects on the quality of life for all Americans. These direct benefits beyond conservation include reductions in most categories of crime, reductions in traffic accidents and reductions in fatalities.

The National Highway Traffic Safety Administration, for example, predicted there would be 200 fewer traffic fatalities per year if the observance of daylight saving time was extended to include March and April. In this regard, and in response to the considerable and proper concern over the matter of schoolchildren waiting for school buses in the early morning hours, studies by the Department of Transportation and the National Bureau of Standards have indicated that based upon the daylight saving time experiment in the midseventies, there were no school age fatality increases during the months of March and April of 1974. The National Safety Council and the Department of Transportation further indicated that under extended daylight saving time in March and April, school age children would not be subject to greater involvement in accidents than the general population in any period of the day.

Another key benefit from the 2 additional months of daylight would be a nationwide reduction in most categories of crime—a problem rapidly reaching epidemic proportions in our Nation. Statistics indicate that robbery, muggings, and other forms of violent crime are most frequently committed during the early evening hours. With the extra hour of daylight, at a time when most of the work force would be en route home, criminals would be less apt to threaten these individuals returning to their families. This position is strongly supported by a study conducted by the Law Enforcement Assistance Administration following the 2-year experiment with year-round daylight saving time. The study revealed reductions in violent crime of 10 to 13 percent in the Washington metropolitan area. The analysis showed considerably less violent crime for the daylight saving time periods when compared to similar periods of standard time.

Finally, Mr. President, I believe it is significant to note the wide public support for extending daylight saving time beyond the current 6-month period. In polls conducted during the experimental period 1974-75, a majority of the public favored expanded daylight saving time by a ratio of 2 to 1. More recent polls conducted by the Roper Organization in 1976 and 1980 reaffirm this broad public support for an extended period of daylight saving time.

Mr. President, it seems clear that the benefits of extending daylight saving time for the 2-month period far outweighs the continuation of the present 6-month period. The legislation I am proposing would impose no additional burden for the American taxpayers and require no additional involvement by the Federal Government. Furthermore, this legislation protects those States who opposed any expanded daylight saving time by continuing the authority for any State to exempt itself from the provisions of the bill. In my view, an extension of daylight saving time would be beneficial to all Americans through significant reductions in crime, traffic accidents, and energy consumption. I hope my colleagues will support this legislation and an extension of daylight saving time for the 2-month period including March and April.

I ask unanimous consent, Mr. President, that the text of the legislation I am proposing today be printed in the Record at the conclusion of my remarks.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2510

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Daylight Saving Time Extension Act of 1982".

Sec. 2. The Congress hereby finds—

(1) that various studies of governmental and nongovernmental agencies indicate that daylight saving time over an expanded period would produce a significant energy saving in electrical power consumption;

(2) that daylight saving time may yield energy savings in other areas besides electrical power consumption;

(3) that daylight saving time over an expanded period could serve as an incentive for further energy conservation by individuals, companies, and the various governmental entities at all levels of government, and that such energy conservation efforts could lead to greatly expanded energy savings; and

(4) that the use of daylight saving time over an expanded period could have other beneficial effects on the public interest, including the reduction of crime, improved traffic safety, more daylight outdoor playtime for the children and youth of our Nation, greater utilization of parks and recreation areas, expanded economic opportunity through extension of daylight hours to peak shopping hours and through extension of domestic office hours to periods of greater overlap with the European Economic Community.

Sec. 3. (a) Section 3 (a) of the Uniform Time Act of 1968 (15 U.S.C. 260a(a)) is amended by striking out "last Sunday of April" and inserting in lieu thereof "first Sunday of March".

(b) Any law in effect on the date of the enactment of this Act—

(1) adopted pursuant to section 3(a)(2) of the Uniform Time Act of 1966 by a State with parts thereof in more than one time zone, or

(2) adopted pursuant to section 3(a) (1) of such Act by a State that lies entirely within one time zone,

shall be held and considered to remain in effect as the exercise by that State of the exemption permitted by such Act unless that State, by law, provides that such exemption shall not apply.

Sec. 4. Nothwithstanding any other law or any regulation issued under any such law, the Federal Communications Commission shall, consistent with any existing treaty or other agreement, make such adjustment by general rules, or by interim action pending such general rules, with respect to hours of operation of daytime standard amplitude modulation broadcast stations, as may be consistent with the public interest, including the public's interest in receiving interference-free service. Such general rules, or interim action, may include variances with respect to operating power and other technical operating characteristics. Subsequent to the adoption of such general rules, they may be varied with respect to particular stations and areas because of the exigencies in each case.

Sec. 5. This Act shall take effect on the date of the enactment of this Act, except that if the date of enactment occurs in any calendar year after March 1, this Act shall take effect on the first day of the following calendar year.

By Mr. DIXON:

S. 2511. A bill to amend the Merchant Marine Act of 1936 to provide that Government generated cargoes transported on U.S. flag or foreign vessels shall be shipped at the lowest landed cost; to the Committee on Commerce, Science, and Transportation.

TRANSPORTATION OF GOVERNMENT GENERATED CARGOES

Mr. DIXON. Mr. President, the U.S. merchant marine is an important component of our national defense system, but it has fallen into very bad shape. It is costly to operate and often inefficient. In this time of fiscal austerity, it is appropriate for the Congress to be reexamining the maritime subsidy programs' effectiveness and costs.

These programs are presently in the process of being reviewed by the Commerce Committee in the context of the Maritime Administration reauthorization bill. I would like to note that the committee attention has not been limited to these subsidy programs. A major and long-awaited revision of the Nation's shipping regulatory laws was just recently reported by the Commerce Committee, and the committee should be commended for its hard work on this issue.

The bill I am introducing today addresses one important part of the wide range of this Nation's maritime promotional programs—the costs of administering the present cargo preference system. This bill would amend the Merchant Marine Act of 1936 and Public Resolution 17 to provide that Government generated cargoes, whether shipped on U.S. flag or foreign vessels, be shipped at the lowest landed cost. I wish to emphasize at the outset that the bill does not in any way alter the U.S. merchant marine's entitlements to its percentage of cargo preference shipments. The fundamental principles of our cargo preference system are left inviolate. The bill does, however, require that such preference cargoes be shipped in the U.S.-flag vessels that offer to deliver the cargo at the lowest landed cost. Similarly, the bill requires that the remaining cargoes which are carried in foreign vessels must be shipped in those vessels that will deliver the cargo at the lowest landed cost. The bill thereby provides that cargoes which are financed by the Federal Government are shipped at the lowest cost to U.S. taxpayers.

The bill gives the President the authority not to ship at the lowest landed price if he determines that such shipment would not be in the U.S. security or strategic interests, or in the case of an emergency. Finally, the requirement to ship through ports at lowest landed costs is applicable only when vessels offering such transportation are available.

Mr. President, the Government finances for export a wide range of products under the aegis of a large number of agencies. Depending on the particular program, the cargo preference laws dictate that 50 percent or more of that cargo be shipped on U.S.-flag vessels. The U.S.-flag fleet is more expensive than foreign vessels. We all know that, and that is one of the main reasons cargo preference is so important to the U.S. merchant marine—it is a major source of cargo assurance to a fleet that is not economically competitive.

But, if we are going to accept this kind of subsidy program, we should make sure that we are not paying more than is necessary.

The present cargo preference laws are administered by some agencies in a manner that does not insure lowest cost to the Government. What this bill does is require that, if the U.S. Government ships cargo on a U.S.-flag vessel, it must be on the U.S.-flag vessel that provides transportation at the lowest landed cost. Similarly, if the Federal Government finances the transportation of cargo on foreign ships, such cargo must be shipped at lowest landed cost.

Some agencies already manage their cargo shipments in this manner. As a general proposition, for example, the Department of Agriculture Public Law 480 program is run with this principle in mind. On the other hand, cargoes generated by Eximbank financing are not shipped in this fashion.

It seems to me that a fundamental principle of any economically sound operation is its intent to achieve a result at the lowest cost. It is certainly the expectation of the American taxpaying public that the Federal Government will eliminate unnecessary spending whenever it is found. Mr. President, I submit that this bill will insure that shipments of Government generated cargoes involve as little of the Federal purse as possible. And furthermore, it will do so in an equitable fashion and will not repeal or alter the fundamental cargo preference principles. The savings from this proposal can then be used more productively in generating more export cargo, rather than spending needlessly on more costly transportation.

Mr. President, I ask unanimous consent that the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2511

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 901(b) of the Merchant Marine Act of 1936 (46 U.S.C. 1241 (b)) is amended by redesignating paragraph (2) as paragraph (3), and by inserting the following new paragraph immediately after paragraph (1):

"(2)(A) All cargoes to which the 50 per centum requirement of this subsection applies, which are transported on privately owned United States-flag commercial vessels, shall be carried on those United States-flag vessels that will transport the cargo at the lowest landed cost whenever such vessels are available, unless the President of the United States or the Secretary of Defense orders otherwise on the basis of a declared emergency.

"(B) All cargoes to which the 50 per centum requirement of this subsection applies, which are not transported on privately owned United States-flag commercial vessels and whose inland or ocean transportation involves financing by the United States, shall be carried on those vessels that will transport the cargo at the lowest landed cost whenever such vessels are available, unless the President of the United States or the Secretary of Defense orders otherwise for national security or strategic reasons or on the basis of a declared emergency.

"(C) For the purposes of this section, "lowest landed cost" shall mean the cost of transporting the cargo from the point of production or final assembly to the designated port of entry abroad. The Secretary of Commerce and every department or agency having responsibility under this subsection shall take such steps as may be necessary: (i) to encourage the consolidation of cargo subject to this subsection whenever consolidation would promote shipment of such cargo at lowest landed cost and would be appropriate, and (ii) to assure that such cargo is transported at the lowest landed cost in compliance with this section, including requiring shippers, freight forwarders or other appropriate persons to invite bids for the ocean transportation of such cargo.".

Sec. 2. The Joint Resolution entitled "Joint Resolution requiring agricultural or other products to be shipped in vessels of the United States where the Reconstruction Finance Corporation or any other instrumentality of the Government finances the exporting of such products", approved March 26, 1934 (46 U.S.C. 1241-1), is amended—

(1) by inserting "(a)" after "That"; and

(2) by adding at the end thereof the following new subsections:

"(b) All products to which this joint resolution applies, which are carried in vessels of the United States, shall be carried in those United States-flag vessels that will transport the products at the lowest landed cost whenever such vessels are available, unless the President of the United States or Secretary of Defense orders otherwise on the basis of a declared emergency.

"(c) All products to which this joint resolution applies, which are not carried in vessels of the United States and whose inland or ocean transportation involves financing by the United States, shall be carried in those vessels that will transport the products at the lowest landed cost whenever such vessels are available, unless the President of the United States or Secretary of Defense orders otherwise for national security or strategic reasons or on the basis of a declared emergency.

"(d) For the purposes of this section, "lowest landed cost" shall mean the cost of transporting the products from the point of production or final assembly to the designated port of entry abroad. The Secretary of Commerce, or the appropriate Federal agency designated by the Secretary of Commerce, shall take such steps as may be necessary: (1) to encourage the consolidation of products subject to this subsection whenever consolidation would promote shipment of such product at lowest landed cost and would be appropriate, and (2) to assure that such products are transported at the lowest landed cost in compliance with this section, including requiring shippers, freight forwarders or other appropriate persons to invite bids for the ocean transportation of such products.".

By Mr. METZENBAUM (for himself, Mr. Sasser, Mr. Cranston, Mr. Nunn, Mr. Randolph, Mr. Bumpers, Mr. Chafee, Mr. Durenberger, Mr. Stennis, Mrs. Hawkins, Mr. Riegle, Mr. Weicker, Mr. Lugar, Mr. Pell, Mr. Matsunaga, Mr. Dixon, Mrs. Kassebaum, Mr. Burdick, Mr. McClure, Mr. Symms, Mr. Zorinsky, Mr. Kennedy, Mr. Inouye, Mr. Baucus, Mr. Leahy, Mr. Biden, Mr. DeConcini, Mr. Mathias, and Mr. Specter):

S.J. Res. 197. Joint resolution to provide for the designation of the week of October 17 through October 23, 1982, as "Myasthenia Gravis Awareness Week"; to the Committee on the Judiciary.

MYASTHENIA GRAVIS AWARENESS WEEK

● Mr. METZENBAUM. Mr. President, I am introducing today a joint resolution to designate the week of October 17 through 23, 1982, as "Myasthenia Gravis Awareness Week."

I am pleased to have Senators Sasser, Cranston, Nunn, Randolph, Bumpers, Chafee, Durenberger, Stennis, Hawkins, Riegle, Weicker, Lugar, Pell, Matsunaga, Dixon, Kassebaum, Burdick, McClure, Symms, Zorinsky, Kennedy, Inouye, Baucus, Leahy, Biden, DeConcini, Mathias, and Specter join me as cosponsors of this resolution.

Myasthenia Gravis is a neuromuscular disease characterized by spells of extreme, sometimes fatal weakness. It can strike anyone at any age. An estimated 100,000 to 200,000 diagnosed, and over 100,000 undiagnosed, Americans of both sexes and of all races and ages are affected by this debilitating disease.

Although myasthenia gravis is called a neuromuscular disease, it is not a disease of either the nerves or the muscles. It literally lies between the two. Communication between healthy nerves and healthy muscles is lacking because the victim's body is deficient in a substance which acts as an electrical conductor between nerve and muscle.

Myasthenia gravis was first diagnosed in the 17th century, but substantial progress in diagnosing and treating this puzzling disease has only been made in the last decade. In its milder forms, the disease's symptoms indicate chronic fatigue, and doctors will often treat for that condition. Other mistaken diagnoses include emotional disturbance, brain damage, or diseases of the throat, eyes, lungs, limbs, or the heart, since the functioning of any of these may be affected by myasthenia gravis.

We face a continuing need to educate the public and to conduct research into the cause, treatment, and cure of this debilitating disease. Myasthenia gravis awareness week is a first step in meeting this need.

Mr. President, I ask unanimous consent that the text of the joint resolution be printed in the Record.

There being no objection, the joint resolution was ordered to be printed in the Record, as follows:

S.J. Res. 197

Whereas the incidence and prevalence of Myasthenia Gravis present a significant health problem in the United States;

Whereas Myasthenia Gravis is a severe neuromuscular disorder, characterized by weakness of the voluntary muscles of the body;

Whereas an estimated 100,000 to 200,000 diagnosed, and over 100,000 undiagnosed, Americans of both sexes, and all races and ages, are afflicted with the disease;

Whereas the Nation faces a continuing need to support innovative research into the causes, treatment and cure of Myasthenia Gravis;

Whereas, it is appropriate to focus the Nation's attention upon the problem of Myasthenia Gravis; Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of October 17 through October 23, 1982, is designated as "Myasthenia Gravis Awareness Week" and the President of the United States is authorized and requested to issue a proclamation calling upon all government agencies and people of the United States to observe the week with appropriate programs, ceremonies, and activities.●

ADDITIONAL COSPONSORS

S. 2019

At the request of Mr. Bumpers, the Senator from Ohio (Mr. Glenn), and the Senator from Illinois (Mr. Percy) were added as cosponsors of S. 2019, A bill to amend title 38, United States Code, to authorize the Administrator of the Veterans' Affairs to pay certain burial and funeral expenses of certain veterans and to provide a cemetery plot allowance for certain veterans.

S. 2226

At the request of Mr. Lugar, the Senator from Washington (Mr. Jackson), the Senator from Maryland (Mr. Sarbanes), the Senator from Illinois

(Mr. Dixon), the Senator from Connecticut (Mr. Dodd), and the Senator from Massachusetts (Mr. Tsongas) were added as cosponsors of S. 2226, A bill to amend the National Housing Act to provide for emergency interest reduction payments and for other purposes.

S. 2369

At the request of Mr. Dole, the Senator from Nebraska (Mr. Zorinsky), and the Senator from Vermont (Mr. Leahy) were added as cosponsors of S. 2369, A bill to amend the Internal Revenue Act of 1954 to clarify the standards used for determining whether individuals are not employees for purposes of the employment taxes, and for other purposes.

S. 2372

At the request of Mr. Hatfield, the Senator from Idaho (Mr. McClure), the Senator from West Virginia (Mr. Randolph), and the Senator from New Mexico (Mr. Domenici) were added as cosponsors of S. 2372, A bill to affirm the intrinsic value of all human life, to recognize the humanity of unborn children, and to insure that the Federal Government not participate in or support abortions.

S. 2376

At the request of Mr. Grassley, the Senator from Pennsylvania (Mr. Specter), the Senator from North Carolina (Mr. Helms), and the Senator from Idaho (Mr. Symms) were added as cosponsors of S. 2376, A bill to direct the Secretary of the Treasury or his delegate to conduct a study of the advisability of replacing the current Federal income tax system for individuals and corporations.

S. 2420

At the request of Mr. Heinz, the Senator from Iowa (Mr. Grassley), the Senator from North Carolina (Mr. East), the Senator from Alaska (Mr. Murkowski), the Senator from Maryland (Mr. Mathias), the Senator from Delaware (Mr. Biden), and the Senator from Florida (Mrs. Hawkins) were added as cosponsors of S. 2420, A bill to protect victims of crime.

S. 2494

At the request of Mr. Abdnor, the Senator from Montana (Mr. Baucus), and the Senator from Texas (Mr. Bentsen) were added as cosponsors of S. 2494, A bill to authorize support for an ongoing program of water resources research.

S.J. RES. 150

At the request of Mrs. Kassebaum, the Senator from New York (Mr. D'Amato), the Senator from Iowa (Mr. Grassley), the Senator from Arizona (Mr. Goldwater), the Senator from Indiana (Mr. Lugar), the Senator from South Dakota (Mr. Pressler), the Senator from Florida (Mrs. Hawkins), the Senator from Alaska (Mr. Murkowski), the Senator from Alaska (Mr. Stevens), the Senator from Oregon (Mr. Packwood), the Senator from New Mexico (Mr. Schmitt), the Senator from Missouri (Mr. Danforth), the Senator from Minnesota (Mr. Durenberger), the Senator from Minnesota (Mr. Boschwitz), the Senator from North Dakota (Mr. Burdick), the Senator from Nevada (Mr. Cannon), the Senator from West Virginia (Mr. Randolph), the Senator from Michigan (Mr. Riegle), the Senator from Hawaii (Mr. Inouye), the Senator from South Carolina (Mr. Hollings), the Senator from New York (Mr. Moynihan), the Senator from Montana (Mr. Baucus), the Senator from Ohio (Mr. Glenn), the Senator from Connecticut (Mr. Weicker), and the Senator from Mississippi (Mr. Cochran) were added as cosponsors of S.J. Res. 150, a joint resolution to authorize and request the President to designate May 20, 1982, as "Amelia Earhart Day".

SENATE JOINT RESOLUTION 175

At the request of Mr. Kasten, the Senator from Alabama (Mr. Denton), the Senator from Louisiana (Mr. Johnston), the Senator from New Mexico (Mr. Schmitt), the Senator from Georgia (Mr. Nunn), the Senator from Nebraska (Mr. Exon), the Senator from Alaska (Mr. Murkowski), the Senator from Virginia (Mr. Harry F. Byrd, Jr.), the Senator from New Mexico (Mr. Domenici), the Senator from Arkansas (Mr. Pryor), and the Senator from North Dakota (Mr. Andrews) were added as cosponsors of Senate Joint Resolution 175, a joint resolution authorizing and requesting the President to proclaim "National Junior Bowling Championship Week."

SENATE JOINT RESOLUTION 185

At the request of Mr. Dole, the Senator from Texas (Mr. Tower) was added as a cosponsor of Senate Joint Resolution 185, a joint resolution to establish a national policy on exports of U.S.-produced food and food products

SENATE CONCURRENT RESOLUTION 60

At the request of Mr. Pressler, the Senator from South Carolina (Mr. Thurmond) was added as a cosponsor of Senate Concurrent Resolution 60, a concurrent resolution disapproving the Federal Trade Commission trade regulation rule relating to the sale of used motor vehicles.

SENATE RESOLUTION 353

At the request of Mr. Bumpers, the Senator from Texas (Mr. Bentsen), the Senator from Ohio (Mr. Metzenbaum), the Senator from West Virginia (Mr. Randolph), the Senator from Michigan (Mr. Riegle), the Senator from California (Mr. Cranston), and the Senator from Florida (Mrs. Hawkins) were added as cosponsors of Senate Resolution 353, a resolution expressing support for preventive health programs.

S. RES. 363

At the request of Mr. SASSER, the Senator from Pennsylvania (Mr. Specter), the Senator from Alabama (Mr. Heflin), and the Senator from Kentucky (Mr. Huddleston) were added as cosponsors of S. Res. 363, A resolution expressing the sense of the Senate with respect to Federal funding for fossil fuel programs.

AMENDMENT NO. 1370

At the request of Mr. HEINZ, the Senator from Arkansas (Mr. Pryor) was added as a cosponsor of Amendment No. 1370 intended to be proposed to S. 2237, A bill to promote economic revitalization and facilitate expansion of economic opportunity in the Caribbean Basin region.

AMENDMENT NO. 1442

At the request of Mr. ROBERT C. BYRD, the Senator from Massachusetts (Mr. Tsongas) was added as a cosponsor of Amendment No. 1442 proposed to S. 2248, A bill to authorize appropriations for fiscal year 1983 for procurement, for research, development, test, and evaluation, and for operation and maintenance for the Armed Forces, to prescribe personnel strengths for the Armed Forces and for civilian personnel of the Department of Defense, and for other purposes.

AMENDMENT NO. 1443

At the request of Mr. ROBERT C. BYRD, the Senator from Massachusetts (Mr. Tsongas) was added as a cosponsor of Amendment No. 1443 proposed to S. 2248, A bill to authorize appropriations for fiscal year 1983 for procurement, for research, development, test, and evaluation, and for operation and maintenance for the Armed Forces, to prescribe personnel strengths for the Armed Forces and for civilian personnel of the Department of Defense, and for other purposes.

SENATE CONCURRENT RESOLUTION 92—ORIGINAL CONGRESSIONAL RESOLUTION SETTING THE CONGRESSIONAL BUDGET FOR FISCAL YEARS 1983, 1984, AND 1985

Mr. DOMENICI, from the Committee on the Budget, reported the following original concurrent resolution; which was placed on the calender:

S. Con. Res. 92

Concurrent Resolution setting forth the recommended congressional budget for the United States Government for the fiscal years 1983, 1984, and 1985, and revising the congressional budget for the United States Government for the fiscal year 1982

Resolved by the Senate (the House of Representatives concurring), That the Congress hereby determines and declares, pursuant to sections 301(a) and 304 of the Congressional Budget Act of 1974, that:

(a) The following budgetary levels are appropriate for the fiscal years beginning on October 1, 1981, October 1, 1982, October 1, 1983, and October 1, 1984:

(1) The recommended levels of Federal revenues are as follows:

Fiscal year 1982: $623,000,000,000.

Fiscal year 1983: $667,000,000,000.

Fiscal year 1984: $739,000,000,000.

Fiscal year 1985: $822,000,000,000.

and the amounts by which the aggregate levels of Federal revenues should be increased are as follows:

Fiscal year 1983: $22,000,000,000.

Fiscal year 1984: $37,000,000,000.

Fiscal year 1985: $42,000,000,000.

(2) The appropriate levels of total new budget authority are as follows:

Fiscal year 1982: $777,600,000,000.

Fiscal year 1983: $831,700,000,000.

Fiscal year 1984: $892,300,000,000.

Fiscal year 1985: $966,000,000,000.

(3) The appropriate levels of total budget outlays are as follows:

Fiscal year 1982: $740,700,000,000.

Fiscal year 1983: $779,100,000,000.

Fiscal year 1984: $825,000,000,000.

Fiscal year 1985: $878,500,000,000.

(4) The appropriate reductions of outlays or increases of revenues, or a combination thereof, to assure the solvency of the Social Security Old-Age and Survivors Insurance Trust Fund are as follows:

Fiscal year 1983: $6,000,000,000.

Fiscal year 1984: $17,000,000,000.

Fiscal year 1985: $17,000,000,000.

(5) The amounts of the deficits in the budget which are appropriate in the light of economic conditions and all other relevant factors are as follows:

Fiscal year 1982: $117,700,000,000.

Fiscal year 1983: $106,100,000,000.

Fiscal year 1984: $69,000,000,000.

Fiscal year 1985: $39,600,000,000.

(6) The appropriate levels of the public debt are as follows:

Fiscal year 1982: $1,144,200,000,000.

Fiscal year 1983: $1,290,000,000,000.

Fiscal year 1984: $1,414,600,000,000.

Fiscal year 1985: $1,522,900,000,000.

and the amounts by which the temporary statutory limits on such debt should be accordingly increased are as follows:

Fiscal year 1982: $64,400,000,000.

Fiscal year 1983: $145,800,000,000.

Fiscal year 1984: $124,600,000,000.

Fiscal year 1985: $108,300,000,000.

(7) The appropriate levels of total Federal credit activity for the fiscal years beginning on October 1, 1981, and October 1, 1982, are as follows:

Fiscal year 1982:

(A) New direct loan obligations, $67,300,000,000.

(B) New primary loan guarantee commitments, $93,000,000,000.

(C) New secondary loan guarantee commitments, $69,000,000,000.

Fiscal year 1983:

(A) New direct loan obligations, $63,600,000,000.

(B) New primary loan guarantee commitments, $102,500,000,000.

(C) New secondary loan guarantee commitments, $68,300,000,000.

(b) Pursuant to sections 301 and 304 of the Congressional Budget Act of 1974, the Congress hereby determines and declares the appropriate levels of budget authority, and budget outlays, for the fiscal years 1982 through and inclusive of 1985 and the appropriate levels of new direct loan obligations, new primary loan guarantee commitments, and new secondary loan guarantee commitments for fiscal years 1982 and 1983 for each major functional category are:

(1) National Defense (050):

Fiscal year 1982:

(A) New budget authority, $216,900,000,000.

(B) Outlays, $190,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $30,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, $251,700,000,000.

(B) Outlays, $215,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $30,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $278,300,000,000.

(B) Outlays, $243,000,000,000.

Fiscal year 1985:

(A) New budget authority, $316,500,000,000.

(B) Outlays, $277,700,000,000.

(2) International Affairs (150):

Fiscal year 1982:

(A) New budget authority, $16,800,000,000.

(B) Outlays, $11,400,000,000.

(C) New direct loan obligations, $10,400,000,000.

(D) New primary loan guarantee commitments, $9,300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, $16,200,000,000.

(B) Outlays, $12,100,000,000.

(C) New direct loan obligations, $10,200,000,000.

(D) New primary loan guarantee commitments, $9,300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $16,700,000,000.

(B) Outlays, $12,300,000,000.

Fiscal year 1985:

(A) New budget authority, $21,000,000,000.

(B) Outlays, $12,200,000,000.

(3) General Science, Space, and Technology (250):

Fiscal year 1982:

(A) New budget authority, $7,000,000,000.

(B) Outlays, $7,100,000,000.

(C) New direct loan obligations, $200,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, $7,000,000,000.

(B) Outlays, $7,100,000,000.

(C) New direct loan obligations, $200,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $6,900,000,000.

(B) Outlays, $7,000,000,000.

Fiscal year 1985:

(A) New budget authority, $6,900,000,000.

(B) Outlays, $7,000,000,000.

(4) Energy (270):

Fiscal year 1982:

(A) New budget authority, $4,800,000,000.

(B) Outlays, $6,400,000,000.

(C) New direct loan obligations, $10,600,000,000.

(D) New primary loan guarantee commitments, $1,700,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, $4,900,000,000.

(B) Outlays, $4,800,000,000.

(C) New direct loan obligations, $12,100,000,000.

(D) New primary loan guarantee commitments, $600,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $4,200,000,000.

(B) Outlays, $3,600,000,000.

Fiscal year 1985:

(A) New budget authority, $4,100,000,000.

(B) Outlays, $3,300,000,000.

(5) Natural Resources and Environment (300):

Fiscal year 1982:

(A) New budget authority, $10,300,000,000.

(B) Outlays, $12,800,000,000.

(C) New direct loan obligations, $30,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, $9,900,000,000.

(B) Outlays, $11,400,000,000.

(C) New direct loan obligations, $30,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $9,300,000,000.

(B) Outlays, $10,300,000,000.

Fiscal year 1985:

(A) New budget authority, $8,900,000,000.

(B) Outlays, $9,300,000,000.

(6) Agriculture (350):

Fiscal year 1982:

(A) New budget authority, $9,900,000,000.

(B) Outlays, $13,800,000,000.

(C) New direct loan obligations, $22,600,000,000.

(D) New primary loan guarantee commitments, $2,700,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, $6,600,000,000.

(B) Outlays, $10,100,000,000.

(C) New direct loan obligations, $19,000,000,000.

(D) New primary loan guarantee commitments, $2,600,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $8,300,000,000.

(B) Outlays, $8,200,000,000.

Fiscal year 1985:

(A) New budget authority, $6,700,000,000.

(B) Outlays, $7,300,000,000.

(7) Commerce and Housing Credit (370):

Fiscal year 1982:

(A) New budget authority, $6,500,000,000.

(B) Outlays, $3,800,000,000.

(C) New direct loan obligations, $15,400,000,000.

(D) New primary loan guarantee commitments, $41,200,000,000.

(E) New secondary loan guarantee commitments, $68,200,000,000.

Fiscal year 1983:

(A) New budget authority, $6,900,000,000.

(B) Outlays, $2,800,000,000.

(C) New direct loan obligations, $15,100,000,000.

(D) New primary loan guarantee commitments, $41,200,000,000.

(E) New secondary loan guarantee commitments, $68,200,000,000.

Fiscal year 1984:

(A) New budget authority, $7,400,000,000.

(B) Outlays, $2,400,000,000.

Fiscal year 1985:

(A) New budget authority, $7,200,000,000.

(B) Outlays, $2,100,000,000.

(8) Transportation (400):

Fiscal year 1982:

(A) New budget authority, $20,800,000,000.

(B) Outlays, $21,300,000,000.

(C) New direct loan obligations, $400,000,000.

(D) New primary loan guarantee commitments, $900,000,000.

(E) New secondary loan guarantee commitments, $3,000,000.

Fiscal year 1983:

(A) New budget authority, $21,300,000,000.

(B) Outlays, $19,900,000,000.

(C) New direct loan obligations, $500,000,000.

(D) New primary loan guarantee commitments, $800,000,000.

(E) New secondary loan guarantee commitments, $3,000,000.

Fiscal year 1984:

(A) New budget authority, $21,500,000,000.

(B) Outlays, $19,600,000,000.

Fiscal year 1985:

(A) New budget authority, $21,800,000,000.

(B) Outlays, $19,500,000,000.

(9) Community and Regional Development (450):

Fiscal year 1982:

(A) New budget authority, $6,700,000,000.

(B) Outlays, $8,500,000,000.

(C) New direct loan obligations, $2,200,000,000.

(D) New primary loan guarantee commitments, $900,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, $6,900,000,000.

(B) Outlays, $7,700,000,000.

(C) New direct loan obligations, $2,200,000,000.

(D) New primary loan guarantee commitments, $600,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $6,900,000,000.

(B) Outlays, $7,500,000,000.

Fiscal year 1985:

(A) New budget authority, $7,000,000,000.

(B) Outlays, $7,400,000,000.

(10) Education, Training, Employment and Social Services (500):

Fiscal year 1982:

(A) New budget authority, $25,400,000,000.

(B) Outlays, $28,100,000,000.

(C) New direct loan obligations, $1,300,000,000.

(D) New primary loan guarantee commitments, $6,500,000,000.

(E) New secondary loan guarantee commitments, $700,000,000.

Fiscal year 1983:

(A) New budget authority, $25,500,000,000.

(B) Outlays, $26,400,000,000.

(C) New direct loan obligations, $800,000,000.

(D) New primary loan guarantee commitments, $7,500,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $25,200,000,000.

(B) Outlays, $25,500,000,000.

Fiscal year 1985:

(A) New budget authority, $24,400,000,000.

(B) Outlays, $24,600,000,000.

(11) Health (550):

Fiscal year 1982:

(A) New budget authority, $78,500,000,000.

(B) Outlays, $73,700,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $100,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, $79,700,000,000.

(B) Outlays, $76,500,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $100,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $92,600,000,000.

(B) Outlays, $83,900,000,000.

Fiscal year 1985:

(A) New budget authority, $104,300,000,000.

(B) Outlays, $94,500,000,000.

(12) Income Security (600):

Fiscal year 1982:

(A) New budget authority, $260,900,000,000.

(B) Outlays, $251,500,000,000.

(C) New direct loan obligations, $2,800,000,000.

(D) New primary loan guarantee commitments, $17,000,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, $281,700,000,000.

(B) Outlays, $272,500,000,000.

(C) New direct loan obligations, $2,000,000,000.

(D) New primary loan guarantee commitments, $18,700,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $300,800,000,000.

(B) Outlays, $288,200,000,000.

Fiscal year 1985:

(A) New budget authority, $332,900,000,000.

(B) Outlays, $309,700,000,000.

(13) Veterans Benefits and Services (700):

Fiscal year 1982:

(A) New budget authority, $24,800,000,000.

(B) Outlays, $23,800,000,000.

(C) New direct loan obligations, $1,000,000,000.

(D) New primary loan guarantee commitments, $11,900,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, $23,400,000,000.

(B) Outlays, $22,700,000,000.

(C) New direct loan obligations, $1,000,000,000.

(D) New primary loan guarantee commitments, $20,900,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $24,200,000,000.

(B) Outlays, $23,600,000,000.

Fiscal year 1985:

(A) New budget authority, $24,400,000,000.

(B) Outlays, $24,400,000,000.

(14) Administration of Justice (750):

Fiscal year 1982:

(A) New budget authority, $4,500,000,000.

(B) Outlays, $4,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, $4,600,000,000.

(B) Outlays, $4,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $4,600,000,000.

(B) Outlays, $4,600,000,000.

Fiscal year 1985:

(A) New budget authority, $4,600,000,000.

(B) Outlays, $4,800,000,000.

(15) General Government (800):

Fiscal year 1982:

(A) New budget authority, $5,200,000,000.

(B) Outlays, $5,000,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, $5,000,000,000.

(B) Outlays, $4,800,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $4,700,000,000.

(B) Outlays, $4,600,000,000.

Fiscal year 1985:

(A) New budget authority, $4,700,000,000.

(B) Outlays, $4,400,000,000.

(16) General Purpose Fiscal Assistance (850):

Fiscal year 1982:

(A) New budget authority, $6,400,000,000.

(B) Outlays, $6,300,000,000.

(C) New direct loan obligations, $200,000,000.

(D) New primary loan guarantee commitments, $800,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, $6,600,000,000.

(B) Outlays, $6,500,000,000.

(C) New direct loan obligations, $200,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $6,700,000,000.

(B) Outlays, $6,700,000,000.

Fiscal year 1985:

(A) New budget authority, $6,900,000,000.

(B) Outlays, $6,800,000,000.

(17) Interest (900):

Fiscal year 1982:

(A) New budget authority, $102,000,000,000.

(B) Outlays, $102,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, $115,100,000,000.

(B) Outlays, $115,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $119,800,000,000.

(B) Outlays, $119,800,000,000.

Fiscal year 1985:

(A) New budget authority, $111,600,000,000.

(B) Outlays, $111,800,000,000.

(18) Allowances (920):

Fiscal year 1982:

(A) New budget authority, $700,000,000.

(B) Outlays, $800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, −$2,000,000,000.

(B) Outlays, −$2,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, −$800,000,000.

(B) Outlays, −$800,000,000.

Fiscal year 1985:

(A) New budget authority, −$800,000,000.

(B) Outlays, −$600,000,000.

(19) Undistributed Offsetting Receipts (950):

Fiscal year 1982:

(A) New budget authority, −$30,500,000,000.

(B) Outlays, −$30,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, −$39,300,000,000.

(B) Outlays, −$39,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, −$44,800,000,000.

(B) Outlays, −$44,800,000,000.

Fiscal year 1985:

(A) New budget authority, −$47,300,000,000.

(B) Outlays, −$47,300,000,000.

RECONCILIATION

SEC. 2. (a) Not later than June 18, 1982, the committees named in subsection (a) (1) through (15) of this section shall submit their recommendations to the Committees on the Budget of their respective Houses. Those recommendations shall be sufficient to accomplish the reductions required by subsection (a) (1) through (15) of this section. After receiving those recommendations, the Committees on the Budget shall report to the House and Senate a reconciliation bill or resolution or both carrying out all such recommendations without any substantive revision.

SENATE COMMITTEES

(1) The Senate Committee on Agriculture, Nutrition, and Forestry shall report changes in laws within the jurisdiction of that committee sufficient to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $779,000,000 in budget authority and $779,000,000 in outlays in fiscal year 1983; and $1,083,000,000 in budget authority and $1,083,000,000 in outlays in fiscal year 1984; and $1,428,000,000 in budget authority and $1,428,000,000 in outlays in fiscal year 1985.

(2) The Senate Committee on Armed Services shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $583,000,000 and outlays by $583,000,000 in fiscal year 1983; to reduce budget authority by $1,345,000,000 and outlays by $1,345,000,000 in fiscal year 1984; and to reduce budget authority by $1,906,000,000 and outlays by $1,906,000,000 in fiscal year 1985.

(3) The Senate Committee on Commerce, Science, and Transportation shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $11,000,000 and outlays by $11,000,000 in fiscal year 1983; to reduce budget authority by $28,000,000 and outlays by $28,000,000 in fiscal year 1984; and to reduce budget authority by $42,000,000 and outlays by $42,000,000 in fiscal year 1985.

(4) The Senate Committee on Foreign Relations shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $0 and outlays by $6,000,000 in fiscal year 1983; to reduce budget authority by $5,000,000 and outlays by $15,000,000 in fiscal year 1984; and to reduce budget authority by $8,000,000 and outlays by $21,000,000 in fiscal year 1985.

(5) The Senate Committee on Governmental Affairs shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $0 and outlays by $680,000,000 in fiscal year 1983; to reduce budget authority by $628,000,000 and outlays by $1,800,000,000 in fiscal year 1984; and to reduce budget authority by $1,000,000,000 and outlays by $2,629,000,000 in fiscal year 1985.

(6) The Senate Committee on Labor and Human Resources shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $391,000,000 and outlays by $601,000,000 in fiscal year 1983; to reduce budget authority by $955,000,000 and outlays by $1,309,000,000 in fiscal year 1984; to reduce budget authority by $1,410,000,000 and outlays by $1,917,000,000 in fiscal year 1985.

(7) The Senate Committee on Veterans' Affairs shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $188,000,000 and outlays by $188,000,000 in fiscal year 1983; to reduce budget authority by $269,000,000 and outlays by $269,000,000 in fiscal year 1984; and to reduce budget authority by $355,000,000 and outlays by $355,000,000 in fiscal year 1985.

HOUSE COMMITTEES

(8) The House Committee on Agriculture shall report changes in laws within the jurisdiction of that committee sufficient to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $779,000,000 in budget authority and $779,000,000 in outlays in fiscal year 1983; and $1,083,000,000 in budget authority and $1,083,000,000 in outlays in fiscal year 1984; and $1,428,000,000 in budget authority and $1,428,000,000 in outlays in fiscal year 1985.

(9) The House Committee on Armed Services shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $581,000,000 and outlays by $581,000,000 in fiscal year 1983; to reduce budget authority by $1,340,000,000 and outlays by $1,340,000,000 in fiscal year 1984; and to reduce budget authority by $1,899,000,000 and outlays by $1,899,000,000 in fiscal year 1985.

(10) The House Committee on Education and Labor shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $446,000,000 and outlays by $301,000,000 in fiscal year 1983; to reduce budget authority by $1,021,000,000 and outlays by $886,000,000 in fiscal year 1984; and to reduce budget authority by $1,486,000,000 and outlays by $1,369,000,000 in fiscal year 1985.

(11) The House Committee on Energy and Commerce shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $514,000,000 and outlays by $1,031,000,000 in fiscal year 1983; to reduce budget authority by $741,000,000 and outlays by $1,230,000,000 in fiscal year 1984; and to reduce budget authority by $815,000,000 and outlays by $1,439,000,000 in fiscal year 1985.

(12) The House Committee on Foreign Affairs shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $0 and outlays by $6,000,000 in fiscal year 1983; to reduce budget authority by $5,000,000 and outlays by $15,000,000 in fiscal year 1984; and to reduce budget authority by $8,000,000 and outlays by $21,000,000 in fiscal year 1985.

(13) The House Committee on Merchant Marine and Fisheries shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $11,000,000 and outlays by $11,000,000 in fiscal year 1983; to reduce budget authority by $28,000,000 and outlays by $28,000,000 in fiscal year 1984; and to reduce budget authority by $42,000,000 and outlays by $42,000,000 in fiscal year 1985.

(14) The House Committee on Post Office and Civil Service shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $2,000,000 and outlays by $688,000,000 in fiscal year 1983; to reduce budget authority by $638,000,000 and outlays by $1,820,000,000 in fiscal year 1984; and to reduce budget authority by $1,015,000,000 and outlays by $2,857,000,000 in fiscal year 1985.

(15) The House Committee on Veterans' Affairs shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $188,000,000 and outlays by $188,000,000 in fiscal year 1983; to reduce budget authority by $269,000,000 and outlays by $269,000,000 in fiscal year 1984; and to reduce budget authority by $355,000,000 and outlays by $355,000,000 in fiscal year 1985.

SENATE AND HOUSE COMMITTEES

(b)(1) The Senate Committee on Finance shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $1,750,000,000 and outlays by $6,656,000,000 in fiscal year 1983; to reduce budget authority by $2,509,000,000 and outlays by $9,923,000,000 in fiscal year 1984; and to reduce budget authority by $3,339,000,000 and outlays by $12,549,000,000 in fiscal year 1985.

(2) The Senate Committee on Finance shall also report changes in laws within the jurisdiction of that committee sufficient to increase revenues as follows: $20,000,000,000 in fiscal year 1983; $35,000,000,000 in fiscal year 1984; and $40,000,000,000 in fiscal year 1985.

(3) The Senate Committee on Finance shall also report changes in laws within the jurisdiction of that committee sufficient to increase receipts from user fees authorized by that committee as follows: $2,000,000,000 in fiscal year 1983; $2,000,000,000 in fiscal year 1984; and $2,000,000,000 in fiscal year 1985.

(4) The legislation required in paragraphs (1) through (3) of this subsection shall be reported to the Senate no later than June 11, 1982.

(5) The House Committee on Ways and Means shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $1,183,000,000 and outlays by $5,927,000,000 in fiscal year 1983; to reduce budget authority by $1,707,000,000 and outlays by $9,121,000,000 in fiscal year 1984; and to reduce budget authority by $2,455,000,000 and outlays by $11,685,000,000 in fiscal year 1985.

(6) The House Committee on Ways and Means shall also report changes in laws within the jurisdiction of that committee sufficient to increase revenues as follows: $20,000,000,000 in fiscal year 1983; $35,000,000,000 in fiscal year 1984; and $40,000,000,000 in fiscal year 1985.

(7) The House Committee on Ways and Means shall also report changes in laws within the jurisdiction of that committee sufficient to increase receipts from user fees authorized by that committee as follows: $2,000,000,000 in fiscal year 1983; $2,000,000,000 in fiscal year 1984; and $2,000,000,000 in fiscal year 1985.

(8) The legislation required in paragraphs (5) through (7) of this subsection shall be reported to the House no later than June 11, 1982.

(c)(1) In order to insure the solvency of the Social Security Old-Age and Survivors Insurance Trust Fund created pursuant to title II of the Social Security Act, as amended, the Senate Committee on Finance shall report changes in laws within the jurisdiction of that committee so as to reduce outlays or increase revenues, or a combination thereof, as follows:

In fiscal year 1983 $6,000,000,000; in fiscal year 1984 $17,000,000,000; and in fiscal year 1985 $17,000,000,000.

(2) In order to insure the solvency of the Social Security Old-Age and Survivors Insurance Trust Fund created pursuant to title II of the Social Security Act, as amended, the House Committee on Ways and Means shall report changes in laws within the jurisdiction of that committee so as to reduce outlays or increase revenues, or a combination thereof, as follows:

In fiscal year 1983 $8,000,000,000; in fiscal year 1984 $17,000,000,000; and in fiscal year 1985 $17,000,000,000.

(3) The legislation required in paragraphs (1) and (2) of this subsection shall be reported no later than December 1, 1982, and shall take into account the recommendations of the National Commission on Social Security Reform.

(4) It is the sense of the Congress that the President of the United States should direct the National Commission on Social Security Reform to report its recommendations to the Congress not later than November 11, 1982.

SEC. 3. The enactment of savings required by this resolution is critical to the health of the economy of the Nation; and

Expeditious action on legislation pursuant to these instructions is critical to achieving the savings required by this resolution; and

The Senate is committed to completing action on the savings legislation required by this resolution at the earliest possible time; and

It is the sense of the Senate that Senate committees instructed in this resolution should begin deliberations on the legislation those committees are required to report under this resolution as soon as this resolution is agreed to in the Senate.

MISCELLANEOUS PROVISIONS

SEC. 4. It is the sense of the Congress that the President through administrative actions should limit in fiscal year 1983 total Federal Financing Bank origination of direct loans guaranteed by other Federal agencies to $15,900,000,000; and Federal Financing Bank purchases of loan assets from Federal agencies to $14,000,000,000. It is the further sense of Congress that direct borrowing transactions of Federal agencies should be, to the maximum extent possible, restricted to the Federal Financing Bank.

SEC. 5. It shall not be in order in the House or the Senate during fiscal years 1982 and 1983 to consider any bill, resolution, or amendment, except proposed legislation reported in response to reconciliation instructions contained in this resolution, authorizing new direct loan obligations or new loan guarantee commitments unless that bill, resolution, or amendment also provides that the authority to make or guarantee such loans shall be effective only to such extent or in such amounts as are contained in appropriation Acts.

SEC. 6. It is the sense of the Congress that it is urgent that effective budgetary, control be established over all types of Federal direct loans and Federal loan guarantees. The Congress directs the Committees of jurisdiction to move with expedition to consider legislation that establishes a process of annual determination of appropriate levels and proper budgetary treatment of Federal credit activity.

SEC. 7. No bill or resolution providing new budget authority for fiscal year 1983 or providing new spending authority described in section 401(c)(2)(C) of the Congressional Budget Act of 1974 in excess of the allocation to or report by a committee or subcommittee pursuant to section 302 of the Budget Act shall be enrolled until Congress has completed action on the Second Budget Resolution for that fiscal year as required to be reported under section 310 of the Budget Act.

SEC. 8. It is the sense of the Senate that the new spending and revenue levels for fiscal year 1982, adopted by the Senate, shall be the ceilings against which the spending and revenue actions of the Senate will be measured pending final agreement with the House of Representatives on the revision of the Second Concurrent Resolution on the Budget for Fiscal Year 1982.

SEC. 9. It is the sense of the Congress that if Congress acts to restore fiscal responsibility and reduces projected budget deficits in a substantial and permanent way, then the Federal Reserve Open Market Committee shall reevaluate its monetary targets in order to assure that they are fully complementary to a new and more restrained fiscal policy.

SENATE CONCURRENT RESOLUTION 93—CONCURRENT RESOLUTION RELATING TO THE EMIGRATION OF CERTAIN SOVIET CITIZENS

Mr. DOLE (for himself, Mr. JEPSEN, Mr. LEVIN, and Mr. MOYNIHAN) submitted the following concurrent resolution; which was referred to the Committee on Foreign Relations:

S. CON. RES. 93

Whereas, Tatiana Lozansky, Tatiana Azure, Yuri Balovlenkov, and Iosif Kiblitsky, Soviet citizens married to citizens of the United States of America, the Republic of France, and the Federal Republic of Germany, respectively, have repeatedly been denied exit visas by the Soviet government;

Whereas, they have embarked on a hunger strike beginning on May 10, 1982, and continuing until they are released, to protest the denial of their visas;

Whereas, they are taking this desperate step because they feel they have no other recourse to reunite their families;

Whereas, the separation of these families is especially hard on the children, including the young children of Mr. Balovlenkov and Mr. Kiblitsky who are living in the west and have never seen their fathers, and the ten-year-old daughter of Mrs. Lozansky, Tanya, who has not seen her father since 1976;

Whereas, the Lozansky family is being harassed and persecuted because Mr. Lozansky is the Executive Director of the Sakharov International Committee and spokesman for the Committee of Divided Families, and his father-in-law is a high ranking Soviet military official;

Whereas, the Helsinki Accords pledge that governments will "deal in a positive and humanitarian spirit" with applications for family reunification and facilitate such reunions; and

Whereas, the government of the United States strongly upholds the sanctity of the family, the rights of families to be together, and the concepts of human rights embodied in the Helsinki Accords: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That—

(1) the Government of the Soviet Union is urged to act immediately to facilitate the emigration of Mrs. Lozansky, her daughter, Tatiana, Mrs. Azure, Mr. Balovlenkov, and Mr. Kiblitsky, under the principles articulated in the Helsinki Accords;

(2) support and sympathy are extended to the families of Tanya and Tatiana Lozansky, and Yuri Balovlenkov in the United States, and to the families of the other hunger strikers in France and West Germany; and

(3) sympathy is extended to the families of the countless other "refuseniks" who have attempted to obtain and been denied exit visas.

Sec. 2. The Secretary of the Senate is requested to transmit a copy of this resolution to the government of the Soviet Union and the United Nations Commission on Human Rights.

● Mr. DOLE. Mr. President, today I join with Senators Levin, Jepsen, and Moynihan in submitting a concurrent resolution urging the Soviets to release four Soviet citizens who want only to be together with their husbands and wives and to live in a free country. These four—Tatyana Lozansky, Tatyana Azure, Yuri Balovlenkov, and Iosif Kiblitsky—have repeatedly applied to the Soviet Government for exit visas, and repeatedly they have been turned down.

These four have been driven to such desperation that today they are beginning a hunger strike which they have said will continue until they are released. I trust their government is not indifferent to their suffering, as we in the Senate are not indifferent—far from it.

Indeed, Mr. President, we should call attention to the anguish and suffering of these four, and others like them in the Soviet Union. We should show our support and sympathy for these families, and show the Soviet Union how serious we are in our concern for their fate.

I trust my colleagues will act swiftly to agree to this concurrent resolution. It is one small way we can hold out a candle of hope to these and others who wish to rejoin their families.

The human toll of family separations is high. Mrs. Lozansky's daughter has not seen her father in 10 years. Mr. Balovlenkov and Mr. Kiblitsky have never seen their young children. Sadly, there are numerous such cases in the Soviet Union. And the Iron Curtain is not lifting. If anything, it is descending even further: Since late 1979 emigration from the Soviet Union has been drastically reduced, a casualty of the end of détente precipitated by the invasion of Afghanistan and the invocation of martial law in Poland.

President Reagan has embarked on a bold initiative for meaningful arms control. And yet peace and détente mean more than just arms control. They mean abiding by international agreements in good faith. Unless and until this happens, such agreements are only empty words.

As Cochairman of the Helsinki Commission, along with Representative Dante Fascell, I am well aware of the provisions of the Helsinki accords. They state that governments must "deal in a positive and humanitarian spirit" with applications for family reunification. Yet there has been nothing "positive" nor "humanitarian" in the way these four families have been treated, although these cases clearly come under this provision.

Mr. President, we must make sure that the Soviets hold to their Helsinki commitments and release these people.●

NOTICES OF HEARINGS

SUBCOMMITTEE ON ENERGY, NUCLEAR PROLIFERATION, AND GOVERNMENT PROCESSES

Mr. PERCY. Mr. President, the Subcommittee on Energy, Nuclear Proliferation and Government Processes, of the Committee on Governmental Affairs, will hold a hearing at 10 a.m. on Thursday, May 13, 1982, in room 6226 Dirksen. The subcommittee will be receiving testimony on U.S. nonproliferation policy oversight.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. BAKER. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Monday, May 10, at 10 a.m., to consider S. 1844, the Coal Distribution and Utilization Act of 1981.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON ENERGY

Mr. BAKER. Mr. President, I ask unanimous consent that the Energy Subcommittee, of the Committee on Governmental Affairs, be authorized to meet during the session of the Senate at 10 a.m. on Thursday, May 13, to hold an oversight hearing on U.S. nonproliferation policy.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. BAKER. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Wednesday, May 12, at 2 p.m., to consider the nuclear arms reduction resolutions.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Tuesday, May 11, at 9:30 a.m., to consider the nuclear arms reduction resolutions.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

GOVERNOR LANDON ON CHINA

● Mr. DOLE. Mr. President, as Vice President Bush returns from 2 days of talks with Chinese leaders, our Nation is more aware than ever of the importance of continued good relations with mainland China.

Kansas Governor Alf M. Landon was one of the first American politicians to advocate U.S. recognition of China, arguing for better relations over 33 years ago. On April 23, China's Ambassador to the United States, Chai Zemin, visited Topeka, Kans., to discuss Sino-American relations with Governor Landon. I ask that a Topeka Capital-Journal article describing their meeting be printed in the Record.

The article follows:

AMBASSADOR ADVISES U.S. SUPPORT

(By Lew Ferguson)

China's ambassador to the United States said Friday that this country should be far more concerned about fostering its new friendship with China than what happens to Taiwan.

Chai Zemin, the ambassador, said the Sino-American friendship, which provides the U.S. with a strong defense against the threat of Russian expansion in Asia and Europe, is too important for America to jeopardize it by meddling in China's "internal affairs" regarding Taiwan.

Chai told former Kansas Gov. Alf M. Landon the People's Republic of China is very concerned over continued sale of arms to Taiwan by the Reagan administration. He said those sales are a threat to resolving the Taiwan issue and could lead to "a crisis in our relations."

"The reunification (of China and the island of Taiwan) is a very important goal for our country. The United States cannot interfere in the internal affairs of a friendly country," said Chai.

"We hope the U.S. and China will continue to work together to meet the threat posed by Russia. So we hope the U.S. will not interfere in the reunification of China."

Otherwise, the ambassador stressed his government is very pleased with its blossoming relationship with the U.S.

Chai, China's only ambassador to this country since the two nations established diplomatic relations in 1979, came to Topeka to visit Landon, who served as Kansas' governor in 1933-37 and was the Republican nominee for president in 1936.

Chai spoke later Friday at the University of Kansas in Lawrence, and was accompanied to Topeka by Chancellor Gene Budig.

Chai and Landon spent nearly an hour in conversation at the Landon home in northwest Topeka.

Chai, 66, a Chinese diplomat for about 30 years, was chief of liaison to the U.S. until becoming ambassador. He also has served as China's ambassador to Hungary, Thailand, Guinea and Egypt.

Landon, who will be 95 in September, advocated U.S. recognition of Communist China as early as 1949, when the Mao-led revolutionaries seized control of the mainland from the Nationalist Chinese and drove them to Taiwan.

He repeatedly spoke out in favor of such recognition until former President Richard Nixon took that step in the early 1970's.

Chai praised Landon for his "farsightedness" in advocating relations with China for so many years before it became reality.

"The relations between the two countries have, on the whole, made good progress in the last three years," said Chai, who spoke through an interpreter.

"There are also problems in our relations. The U.S. sale of weapons is a key problem in our relations.

"To us, we think this is a matter of principle. We hope the two countries can resolve their differences over Taiwan, so they can make more progress. But if the United States continues to send weapons to Taiwan, then there will be a crisis in our relations."

Landon praised China as a major force in world peace, noting it has tied down one million Soviet troops and 600,000 Vietnamese troops along its borders, preventing those two nations from using those forces in expansionist efforts.

"China is responsible for maintaining the peace of the world since 1968," he said. "The basic effect of what China has done is to tie down Russia, so we've had peace.

"And they're still there. And Russia is still tied down. They haven't been able to move for some 10 or 12 years.

"It is a tremendous cost that Russia can ill afford to maintain in keeping those troops there (in Mongolia, on the China border.)"

Chai, who told Landon in a letter last November he wanted to visit him, agreed with the former Kansas governor that Russia still poses the biggest threat to world peace. But he said the issue of Taiwan also is a major one to China. "What I've said several times in recent years is we owe Taiwan nothing," Landon told Chai.

"We've kept every promise and agreement with Taiwan. And no treaty is made in perpetuity."

"I appreciate your view very much," Chai replied.

"As we see it," the ambassador added, "the Soviet strategy is to put western Europe under its control, but since China has tied down one-fourth of its troops, it cannot do that.

"The Soviet Union is also backing Vietnam in its invasion of Indo-China. Of course the purpose is to put Southeast Asia under its control and the Malaysian Peninsula under its control.

"This is a big threat to China and the United States. So we think we have made our contribution to world peace."

"There's no question about that," commented Landon.

To maintain their common defense posture, Chai told Landon, it is important that the United States keep out of Taiwan matters.

He said China had agreed the U.S. could maintain "unofficial relations" with Taiwan, but in China's view this should be limited to educational and cultural exchanges and trade.●

MAGAZINE PUBLISHING AWARD PRESENTED TO ROBERT A. BURNETT

● Mr. JEPSEN. Mr. President, magazines play an important part in the lives of all Americans. They reflect all facets of our culture—the arts in their myriad forms, opinions, and facts about the past, present, and future of mankind. In sum, magazines mirror the wisdom of our civilization.

Each year since 1964, the Magazine Publishers Association has bestowed on leaders of its industry the Henry Johnson Fisher Award. This award, which in recent years has become known as the "Publisher of the Year" award, is the magazine industry's most prestigious honor.

The 1981 recipient of the Henry Johnson Fisher Award is a distinguished citizen of Iowa, Robert A. Burnett, president and chief executive officer, Meredith Corp.

Mr. Burnett and Meredith Corp. have consistently displayed the finest qualities of individual and corporate leadership and we are proud to have the company headquarters in our capital city of Des Moines.

Mr. President, I ask that the official citation for the 1981 Henry Johnson Fisher Award presented to Robert A. Burnett be printed in the Record.

The citation follows:

THE 1981 HENRY JOHNSON FISHER AWARD PRESENTED TO ROBERT A. BURNETT

The magazine industry takes great pride in honoring Robert A. Burnett, whose 30-year career with Meredith Corporation has been largely devoted to enhancing and expanding his company's commitment to service journalism. As a representative of our industry, Mr. Burnett has become an articulate and forceful spokesman for the significant role of magazines in our society.

Mr. Burnett's career progressed from advertising sales trainee in 1952 to president and chief executive officer of Meredith Corporation, which publishes Better Homes and Gardens, Metropolitan Home, Sail, Successful Farming, and a group of more than 20 Better Homes and Gardens Special Interest Publications.

As advertising director and publisher of Better Homes and Gardens, Mr. Burnett formulated a statement of editorial philosophy the magazine still uses today. As a Meredith executive he has been instrumental in the development of new products and services related to the company's magazines, while continuing to concentrate on the basics of magazine publishing and consumer service that are the essence of the company.

Throughout his career, Mr. Burnett has actively participated in the affairs of many industry and industry-related groups, including the Magazine Publishers Association, Advertising Research Foundation and Discover America Travel Organizations. And he now serves several organizations in the fields of business, industry, government education and health care as director or trustee.

Robert A. Burnett well deserves to receive this award, which was established to honor magazine leaders who have distinguished themselves through significant and longstanding contributions to the publishing business, people who have demonstrated extraordinary leadership, skill and understanding in unifying the editorial, advertising, circulation and business aspects of magazine publishing into a successful enterprise—or who are presently making notable contributions to the magazine industry. Robert A. Burnett has met each of these qualifications.●

OREGON COMPANY MEETS SUCCESS IN SELLING IN JAPAN

● Mr. HATFIELD. Mr. President, last Friday's lead article in the Wall Street Journal dealt with an Oregon lumber company and its success in selling lumber to Japan. At a time when, as my colleagues have heard me say many times in the past, our State is reeling under a severe depression in the forest products industry, such an article deserves attention.

I certainly applaud efforts by industry and Government officials to increase the opportunities to sell finished American lumber in Japan. At the same time, however, I think it important to note the recipe for success followed by Webco Lumber. Webco did what the Japanese manufacturers do when they want to market a new product in the United States. Webco, as this article highlights, developed a finished product that met what the Japanese sought. All too often, American companies believe that their finished U.S. product should be acceptable, as is, in markets in Europe, the Far East, the Middle East, or elsewhere.

I certainly hope Webco's success can continue, for it will remind us all, in Congress and elsewhere, that Yankee determination, a good product, and a willingness to adapt the product to meet the customer's needs, can combine to achieve success.

Williams, Oreg., is as far removed as possible from traditional export centers. Yet the success of this small company in a small town is one that I hope can be duplicated by other small companies in smaller towns across the United States. Often, a small company can change specifications, get prompt action, and offer personal commitments that can lead to greater export success. I salute Webco for its initial success, and hope their story is duplicated many times elsewhere.

Mr. President, I submit this article by Erik Larson from the May 7, 1982 Wall Street Journal to be printed in the Record.

The article follows:

Small Sawmill Survives by Setting Its Blades For Exports to Japan

(By Erik Larson)

Williams, Oreg.—Nine months ago, Webco Lumber Inc. was tottering.

Its Chico, Calif., sawmill was closed; its remaining Williams mill alternated a week of production with a week of silence. Half its employes had been laid off or had drifted away, unable because of shortened work hours to meet house payments and other obligations. The small, family-run company's lumber sales were down 80% from those of 1979, its best and last year of profits.

"It was disastrous for the people working here," says Barbara A. Webb, 34 years old, who became president in January. "It was horrible."

For most of the Western timber industry, conditions are still horrible. Last week, more than half of Oregon's approximately 30,000 sawmill workers were idled or working short hours, according to the Western Wood Products Association.

But Webco's band saw now is whining through wood as if the industry's depression were over. The company's sales are growing nearly as fast as in 1979, and it is even turning away orders. It expects to add 25 to 30 workers soon.

Behind this unlikely prosperity is the Webb family's decision to export most of its lumber to Japan. "I would say that's the only reason we're alive," Miss Webb comments.

That decision was a drastic step, one that cut against the grain of the lumber industry's traditional production techniques and marketing attitudes. U.S. lumber companies usually haven't cultivated the long-term relationships so important in international trade; they haven't tried to make lumber exports a stable segment of their business. Instead, they have tended to pursue exports only when domestic markets were soft.

"We've been guilty as an industry of looking at exports from an opportunistic viewpoint," says Max Buxton, the Portland based international sales manager for Boise Cascade Corp. Robert H. Hunt, the marketing-services director for the Western association, agrees that "the U.S. has had a hell of a reputation as an inner and outer" in wood-products exports, but he adds: "I don't think it's ever going to be that way again; (exports) are going to be a regular part of the business."

GROWING COMPETITION

The Northwest timber industry's vitality could well depend on such a change, some executives contend. The industry's two-year slump has clearly drawn many producers more heavily into exports. Moreover, growing competition from Canadian and Southern U.S. lumber companies has closed Western concerns out of many of their traditional Midwestern and Eastern markets. This trend is being accelerated by rising land-freight rates that have made it cheaper to ship lumber to Japan than even to Montana.

"It's really only in self-defense that we're turning to the export markets," says George Baker, a marketing manager for Simpson Timber Co. in Seattle.

The challenges and the opportunities of exporting wood are best illustrated by Japan. Although perhaps the most difficult market for U.S. producers to understand, Japan is also the largest one overseas; despite Japan's own economic problems, its traders have continued to buy lumber from companies willing and able to meet their exacting standards.

Japanese purchases are worth the aggravation, exporters say. They "kept us in business," says Vernon Lindgren, the general manager of Michigan-California Lumber Co. of Camino, Calif. But even companies with the right species of wood and sufficiently flexible equipment find it a "tough, very competitive market," says Lawrence Kromer, the manager of the international division of Avison Lumber Co. in Molalla, Oreg.

SATISFYING CUSTOMERS

Webco's success came through patience and a willingness to produce lumber to Japanese standards and specifications, according to David D. Lutjen, an international-trade specialist with the Oregon Department of Economic Development. The company is "cutting the product the market requires," he says. "That's the name of the game."

But that isn't the game that everyone in the industry wants to play. Industry associations, for example, are trying to promote the U.S. two-by-four construction technique in Japan. They argue that its interlocking frame of hidden two-by-fours is a stronger, faster and cheaper way to build a house than the traditional Japanese post-and-beam method, which uses about 20% less wood and relies on square posts and beams for support. Promoting the two-by-four method, however, is about like trying to sell Americans Toyotas with steering wheels on the right. "Frankly," Mr. Hunt observes, "it hasn't taken the market by storm."

On the other hand, U.S. forest-products companies have often got into hot water over their usual exports—uncut logs or logs trimmed just enough to skirt federal restrictions barring export of logs harvested from federal land. Sawmill workers' unions and politicians have complained that exports of unprocessed logs involve exports of jobs.

When the Webbs began looking at the export market last summer, they already were in trouble. Miss Webb says their company had sustained about two years of losses, had laid off workers and had postponed pay raises. It was keeping its Williams mill open to hold on to its crew and to avoid the even heavier losses that closure would entail. "We were at a point where it was actually a good time for us to make a transition," Miss Webb says. "It was probably the riskiest time, but also the best time."

The state agency's Mr. Lutjen comments: "They did everything right. They sat back and said, 'Hey, we aren't going to make it in this domestic market the way things are going.'"

So they went to Japan—with a trade mission led by Mr. Lutjen. Shortly before the trip last July, Ronald Webb, Miss Webb's 40-year-old brother who is sales manager, secretary and treasurer, questioned whether they could afford the travel costs—about $5,000. "We were having a difficult time paying bills," Miss Webb notes. All the same, she recalls telling her brother, "I don't think we can afford not to go."

The two of them made the trip, along with executives of four other independent lumber companies. In the course of 14 days, the Webbs met in individual conferences with about 60 Japanese companies. They quickly learned that the Japanese wanted U.S. lumber. "They were very enthusiastic," she says. "That was probably the key thing. They were actually anxious to buy."

Soon after returning to Williams, the two got further confirmation that the trip had been a good decision. Within six weeks, about two dozen Japanese companies sent representatives to their mill. "They did everything from measuring the thickness of our saw to measuring the ring counts of our logs," Miss Webb says. "They are really particular. They're going to find out whether you can do it or not." Adds Ronald Webb with a grin: "They're real tire-kickers."

APPEARANCE IMPORTANT

Such exacting requirements have been a major obstacle for U.S. lumber companies considering exports to Japan. The Japanese treat wood the way a wine connoisseur treats grapes. "American people require wood for strength," says Kiyoshi Komina, a vice president of Portac Forest Products Inc., a Tacoma, Wash., unit of Mitsui & Co. of Tokyo. "Japanese consider that more secondary. Japanese more highly appreciate the outside look"—largely because post-and-beam construction often leaves much or all of the wood exposed.

Japanese wood buyers know exactly what they want. Almost the first words out of their mouths, Miss Webb says, are "Cascade-type"—such as the hemlock, white fir and Douglas fir grown in the Cascade range. But not just any Cascade-type lumber will do.

The Japanese want wood harvested from the western slopes of the Cascades between altitudes of 2,000 and 4,500 feet, Mr. Lutjen says. At those altitudes, trees grow more slowly, building a tighter ring count and, therefore, a more attractive grain. Mr. Lutjen says the Japanese insist on 20 rings per inch. "Well," says a Japanese trader with a smile, "that is the ideal." His minimum is eight rings.

Japanese lengths and sizes present more problems. U.S. sawmills normally are set up to cut wood in lengths that are multiples of two feet; thus standard lengths for two-by-fours are 12, 14 and 16 feet. But a common Japanese length is four meters—13.12 feet. To adapt to that length, an American company has to make changes not only at its mill but also in the forest, where felled trees are "bucked" to the desired lengths for transport to the mill.

ACCURACY EMPHASIZED

The Japanese are sticklers for accuracy, too. L. Lee Rappleyea, the wood-products export sales manager for Louisiana-Pacific Corp. in Portland, says many domestic mills are geared to such high rates of production that "you don't get the accuracy the Japanese need."

The basic two-by-four, for example, is supposed to be cut to 1½ inches by 3½ inches, according to industry grading rules. However, only about 75 percent of the two-by-fours cut in a high volume mill meet those specifications, says William R. Spannaus, the chief lumber inspector for the Western Wood Products Association. "There's going to be a few that are going to be over; there's a few that are going to be under," he says, though he adds that newer mills are far more accurate.

But when a Japanese buyer says he wants a 90-millimeter-by-90-millimeter square, he means it. "After this depression started, lots of mills have tried, and many very successfully, to cut Japanese sizes," Mr. Spannaus says. "But many have failed."

Webco's first major Japanese order, cut last November, was its toughest, Miss Webb says. The buyer sent an American and a Japanese representative to monitor the cutting and planing. From time to time, the Japanese man would halt the process to check the dimensions of the lumber. Normally, the mill could have cut an order of that volume in 1½ days, but the Japanese order took nearly twice that. "It was so slow it was really getting on everyone's nerves," Miss Webb says.

GUEST HOUSE PLANNED

The unfamiliar sizes still slow the mill's production, and customers continue to insist on watching their orders be cut. To accommodate them, Webco is converting its former headquarters building into a guest house, Miss Webb says. (It was largely her own single-minded pursuit of exports, she indicates, that prompted Webco's four directors—her father, two brothers and herself—to name her president in January after her father stepped down. There's also another reason: "I'm the meanest one in the bunch," she jokes.)

Many U.S. companies remain reluctant to commit mills to production for the Japanese. "Japan is a great market when it's good," Boise Cascade's Mr. Buxton says, but he adds, "What happens to that mill when the Japanese market goes on the skids?" Last year, for example, the Japanese lumber industry asked U.S. producers to slash their exports to Japan in half.

Miss Webb says she is aware of the risks of concentrating on exports to Japan. But, she says, "when you're faced with no business at all, and maybe losing everything you worked for for 30 years, you do it."

CONTINUING INTEREST?

Some exporters are also skeptical that lumber companies now aiming at the Japanese market will continue serving it once demand improves in the U.S. A manager of a major Japanese trading company says he expects many companies to give up exports. Thomas Spence, an officer of Pacific Lumber & Shipping Co., a family-owned lumber exporter and producer, agrees. "If the situation reverses itself," he says, "I would venture to say that a lot of mills looking at the Japanese market now would beat a hasty retreat back to the U.S. market."

Webco says it won't, although it does plan to broaden its markets once lumber demand picks up. But, Miss Webb adds, the company's experience "convinced us that we will never turn our backs on exports."

Things aren't completely rosy in Williams, of course. Interest costs of financing inventory and accounts receivable still eat heavily into profits, and banks need constant reassurance. "They watch every move we make," Miss Webb says. "But we're making it."●

PROPOSED NEW REGULATIONS TO TITLE X OF THE PUBLIC HEALTH SERVICE ACT

● **Mr. SYMMS.** Mr. President, the Department of Health and Human Services has recently proposed new regulations to title X of the Public Health Service Act. These regulations would require that federally financed family planning programs notify the parents of unemancipated minors who seek family planning services when prescription drugs or devices are provided. Such a proposal for parental notification has generated criticism of the notification requirement from media and recipient groups.

Frankly, Mr. President, I am not so sure that such proposals are without merit. There is no doubt that proposals such as the one mentioned involve serious questions that require our utmost consideration. In this case, we are faced with the fundamental issue of what is to be the Federal policy regarding the role of the family in the sexual activities of unemancipated family members. Is it the policy of the Federal Government that parents or guardians of minors may be excluded from family planning, birth control, or abortion decisions made by these young family members? Is it the policy of the Federal Government that the Government or funded recipients may interpose themselves between the minor and the family and thus supplant the family in this regard? Is it the policy of the Federal Government that teenage sexual activity is inevitable and irreversible and therefore our only course is to minimize its impact on society by means of Government programs?

To the above questions Mr. President, the answer must be a firm "No." There is no society that can benefit from such policies. A nation's moral strength and character have their foundation in family centered homes. If our society is to remain stable and viable, it must support and promote positive family interaction.

The policy of the Federal Government in this case must be one that encourages the participation of families in this important area where the physical, emotional, and spiritual well-being of the minor is at stake.

The proposed regulations would seem to be in line with such a policy. Though they are attacked for being unreasonable infringements upon a wide array of "rights" of minors, ample provisions for exceptions are contained in the regulations. These exceptions provide for the statutory recognition of the fact that family involvement may not be advisable in all cases.

Mr. President, we all realize that in the case of some minors, no responsible family unit exists. Thankfully, this is the exception to the rule, and because it is, Government must exercise extreme care so that its actions do not overly intrude into areas which are the domain of functioning families. Our society has placed the moral, legal, and financial responsibility for minor children on parents. Governments cannot hope to duplicate or replace such a system. We must be aware that federally funded counselors and organizations unwilling to recognize the interests of a generally functioning family are destructive of our basic social unit.

Mr. President, these proposed regulations have received the support of the United Families of America, a national, profamily lobbying group. The UFA comments on the proposal are contained in an essay which discusses the impact of official policies on behavior thought to be undesirable. I found the comments most interesting, and I think my colleagues will appreciate them as well. Certainly they raise questions which are not being addressed in the debate over this issue in the daily press.

I ask that they be printed at this point in the Record.

The material follows:

Comments of United Families of America

The regulations proposed here, and those which they will replace, have implications both social (or philosophical) and medical. Accordingly, our comments will address those two areas of concern. Additionally, we feel it necessary to comment on the interests of the parties involved in the controversy surrounding these proposals, and our comments will address that issue.

I. SOCIAL IMPLICATIONS

Laws and regulations do not fall into a social and moral vacuum, as pebbles dropped into a well, leaving no trace of their passage. Official pronouncements of society, which laws and regulations certainly are, carry with them implications about the desirability, and even the morality, of the behavior which they affect, and the subject matter with which they deal.

Thus policy which accommodates certain behavior, even where that behavior is technically disapproved by official policy, tends to excuse that behavior, even to encourage it. A good example of this effect occurred in Britain during the 1960s. Although heroin use was officially disapproved, its resulting addiction was accommodated by the government, which furnished free drugs to addicts in an attempt to curtail the destructive results—crime and suicide. The result, easily predictable, was a vast increase in drug addiction. In the end, the policy of accommodating drug addicts had to be abandoned. The United States has seen some confirmation of this British experience, with Methadone, in some local jurisdictions.

It is explicit federal policy to discourage teenage sexual activity (see, for example, Section 2001(a) of the Public Health Services Act, as amended). The existing policies of federally-funded family planning clinics, however, accommodate the results of the officially-discouraged activity, in an attempt to limit the destructive results of that activity—teenage pregnancies, abortion, unstable early marriages, etc.

It is the position of United Families of America that the existing policies are a demonstrable failure. There is not the slightest evidence that the activities of these federally-funded and assisted clinics have reduced the level of adolescent sexual activity. Indeed, the evidence is quite the contrary. As was brought out in hearings before the Senate Committee on Labor and Human Resources 31 March 1981, the spread of these family planning clinics very strongly correlates with the rise in adolescent sexual activity. We did not then and do not now claim a causal relationship, but we did say, and say now, that until some evidence does emerge supporting the efficacy of present policies, they should not be immune to change.

Similarly, it is official government policy to encourage the participation of families in decision-making about family planning activities of minor children (See Section 1001(a) of the Public Health Services Act, as amended in 1981). You have received testimony that some of the federally-funded clinics do already encourage family participation, and yet there is nothing in implementing regulations which requires them to do so, and thus there is no mechanism by which their compliance with the law can be measured. The proposed regulations under discussion here would, for the first time, provide some measuring stick for the Congressional requirement.

It is the position of UFA that present policies, which, far from requiring family involvement, explicitly accommodate the exclusion of the family at the simple request of an adolescent, not only do not meet the statutory requirement, but directly contravene it. The provision of family planning services, irrespective of the knowledge or wishes of other family members, can only make the achievement of the goal of family involvement less likely.

In other words, the actions of government officials (and agencies) will speak more clearly to adolescents than will official pronouncements. The provision, by government-paid officials, of such accommodating services as contraceptives or abortions will be read by teenagers as tacit societal approval of the activity (adolescent sexual relations) which makes those services necessary, and as diminishing the importance of family involvement in family planning activity. What we say will be eclipsed by what we do.

Present family planning policy towards teenagers rests on the following assumptions: however deplorable it may be, the vast majority of teenagers are sexually active, and will remain so no matter what we do. Therefore, if we are to escape the destructive consequences of that sexual activity, we must prevent those consequences through (a) more and better sex education, (b) more readily available contraception of all kinds, and (c) abortion for those cases where sex education and contraception fail. We include this last point even though the federal government is forbidden to perform or fund abortions, because federally-funded family planning clinics continue to advocate abortion and refer counseling patients to abortion clinics. Whether this advocacy is done with federal dollars or not is irrelevant: the clinics derive benefits from federal dollars which permit them to continue advocacy, and the imprimatur of the federal government carries over into all their activities anyway.

With respect to the specific regulations at issue here, current policy adds that informing parents when contraceptive drugs and devices are provided to minor children will discourage contraception without at the same time discouraging sexual activity, and so will lead to increased teenage pregnancy and abortion.

United Families of America rejects these assumptions. The level of teenage sexual activity, while high and still climbing is neither inevitable nor irreversible. It is unlikely to decline or be reversed so long as official policy assumes its inevitability. UFA is willing to state unequivocally that adolescent sexual activity is wrong, and we call upon the federal government, and its funded family planning clinics, to make the same statement. We reject the teaching that such activity is permissible so long as the teenager "is mature enough to handle it," and we call upon the federal government and its funded agencies to abandon such sophistry. It is that sophistry, and the policies which it has spawned, that is responsible, in large measure, for the epidemic of teenage sex. Nothing will be gained by accommodating it, as the present policy does. We regard the proposed regulations as a qualified move in the direction of the position we have proposed, and so welcome them.

It is not only adolescents who perceive the disparity between official policy and official action. If we propose parental involvement, but permit parental exclusion, not only will teenagers conclude (quite rightly) that we do not value parental involvement very highly, but the parents themselves will reach that conclusion. No doubt it would be well if all parents had the courage to stand against officially-expressed social attitudes. But not all do, and those who do not can use the formal support of public policy. Even those who do have the fortitude to maintain their convictions in the face of public policy are disturbed to find government policy encouraging rebelliousness among their teenagers. Enforcing parental discipline is difficult enough during the teenage years without having an official policy that winks at behavior parents are seeking to discourage.

While there may be those who genuinely feel that teenage sex is "broadening," it is time to put official federal policy in line with the views of the majority of parents. These proposals are a beginning.

II. MEDICAL

In formulating regulations in this area, it is important to note that we are dealing with drugs and devices with real and recognized dangerous side effects. These drugs and devices are regulated by the Food and Drug Administration for the very good reason that they can be harmful to the user.

All artificial contraceptive methods entail significant medical risks. For example, the "low-dose" pill, the most popular birth control method, carries with it a substantially increased risk of blood clotting, high blood pressure, liver tumors, gall stones, urinary tract infections, migraine, depression, amenorrhea, and infertility. It may also be a cause of Down's Syndrome (mongoloidism) in subsequent pregnancies.

One intra-uterine device (IUD) which was widely used has now been disapproved by the FDA, and removed from the market. A leading pathologist has now warned that there is "no safe IUD," citing infertility and life-threatening infections among their users. "In particular," he said, "the IUD is a no-no for young high school and college women who have never had children."

The side effects of contraceptive drugs (estrogen) are likewise undesirable, though to date they have not been implicated as directly in medical complications as have IUDs. However, we wish to emphasize "to date." Medical research continues, and as longer medical histories become available, we think it quite likely that medical complications will become more and more evident.

In combination with other drugs, estrogens are particularly dangerous, and it is important that prescribing medical personnel be thoroughly familiar with the medical history of the patient. With respect to venereal disease, for example, certain treatments are contra-indicated for users of birth control pills.

When the patient is a young girl, possibly as young as 12 or 13 years of age, it is unlikely that correct or complete information will be available from the patient. The girl may not be familiar with her own medical history; she may be unaware of the potential long-terms side effects of the drug she is seeking. Under these circumstances, it is eminently reasonable to insist that the patient's parents be available to provide the necessary information. While the proposed regulations do not go far enough in that regard, at the least they make it possible for parents to correct dangerous prescriptions and usage before they have done irreparable damage.

In the final analysis, it is parents who are morally, legally, and financially responsible for their minor children. It is destructive of a cohesive society to undermine that responsibility by the insertion of taxpayer-funded counselors unwilling to honor that legal responsibility. The medical risks are simply beyond the accounting of minors, and the legal responsibility of parents in this area, long-settled as a matter of family law, should be honored. These regulations start in that direction.

III. INTERESTS

United Families of America presents these comments with no financial or institutional stake in the outcome of the controversy. We do not operate family planning clinics, or receive any money from the federal government either under Title X or any other provision of law. We represent 10,000 families directly, and hundreds of thousands more who belong to our local affiliates all across the country.

We feel it necessary to make this disclaimer because it cannot be made by most of those who are opposing these proposed regulations. The majority of the institutional opposition to these changes in public policy are grantees of the federal government. They stand to suffer monetarily from the changes if they are made final as proposed. At least one official of the largest provider of family planning services has said that, if these proposed changes are adopted, that organization will no longer apply for Title X grants.

So be it. There is nothing in this regulation that would prevent that organization, or any other, from continuing to provide family planning services to minor children irrespective of the wishes of their parents. It is, unfortunately, the ruling of the Supreme Court that the parents' rights cannot be enforced against the claims of privacy raised by the minor. The Court has not spoken to the question of responsibilities as yet. Thus the legality of ignoring parents is not presently in question; its widom is. It is the position of United Families of America that ignoring parents is bad public policy, and as such, it should not be subsidized by the taxpayer. Those who wish to ignore parents may do so, but they may not compel the parents to pay the bill. These regulations definitely move in the direction of UFA's position, and while they do not go far enough, they are welcome.

We are not suggesting that organizations with a financial stake in the outcome of the debate should be excluded from participating in it. We merely suggest that their self-interest be taken into account in evaluating the comments received.

We also urge that the ability of taxpayer-funded organizations to generate comments from private individuals also be taken into account. Clinics and organizations receiving millions of dollars in federal funds have taken out full-page ads in major newspapers and journals, and have bought television time to urge opposition to these proposed regulations. We do not question their right to do so (though we do have some questions about using federal dollars to free private dollars for this kind of lobbying). We merely note it, and hope that it will be taken into account when evaluating citizen input.

To sum up: present policy is bad social philosophy and medically dangerous. While the proposed regulations do not go far enough, they are movement in the right direction, and so have the complete support of United Families of America.●

BILL GIANELLI SPEAKS OUT

● Mr. ABDNOR. Mr. President, I am convinced that the Assistant Secretary of the Army (Civil Works), William R. Gianelli, is one of the most hardworking, loyal, and effective members of the Reagan administration.

Bill Gianelli holds a tough job. It is a job to which he has brought great dedication, as well as new and creative ideas.

He has brought this leadership to Washington at a time when our Federal water resources development program faces great troubles. Construction work by the Army Corps of Engineers has been slashed by two-thirds over the past 15 years, when measured in uninflated dollars. Bill Gianelli believes we must find ways to reverse that decline, to reverse it in a way that reflects the budget realities of today and tomorrow. Our water resources program will continue to be in trouble until we listen to men like Bill Gianelli, men who see the world as it really is, not as we wish it to be.

Last week, Bill Gianelli spoke on the "National Water Outlook for the 1980's," at a meeting of the National Agricultural Marketing Association. I ask that his speech be printed in the RECORD.

The speech follows:

NATIONAL WATER OUTLOOK FOR THE 1980'S

INTRODUCTION

Amenities:

Appreciate opportunity to discuss with you the national water outlook for the 1980's.

Our Nation's water resources play an important part in national economy, of course; vital that good water projects be a part of our economic recovery program.

Have visited Corps projects and programs in 33 States—seen need for new navigation, flood protection, M&I supply, hydro projects.

We have several clear objectives: get good water projects authorized and built; commence a program for equitable cost recovery from project beneficiaries and for greater non-Federal participation in project financing.

Want to cover four particular features of our program.

The Administration's new principles and guidelines for planning water resources projects.

Program for cost-sharing and recovery from beneficiaries of water projects.

1983 new construction starts and innovative financing.

Revisions to the Section 404 regulatory process.

I. New principles and guidelines for development of Federal water resources projects:

Significant step is revoking the old Principles and Standards, which act to stymie projects.

Cabinet Council on Natural Resources and Environment concluded:

National Economic Development (consistent with environmental protection) should be the paramount objective (formerly shared with EQ).

More input and participation from State and local concerns.

Costs of vendible project services should be paid for by project beneficiaries.

New ways of cost-sharing and financing needed for various water project features.

Guidelines will replace the P&S:

Will simplify the process, speed Corps reports to the Washington level, provide more flexibility to planners in the field.

Inhibit third-party suits on trivial issues and insignificant procedural matters.

Status: Have consulted with various water organizations, with interested Congressional Committees, and with State representatives—Cabinet Council has approved. Proposed Principles and Guidelines published in Federal Register on March 22, 1982. 60-day public comment period before documents are put in final form.

II. The Washington outlook on cost-sharing and recovery:

All above and other steps to expedite good water projects must be done within the Federal budget environment with which you are well familiar by now:

Economic recovery essential; budget "crunch" on Federal dollars has to be dealt with.

Role of private sector is a key element—need to have good, sound investment programs with less burden on Federal taxpayers—which means cost recovery programs are imperative.

Innovative financing a "must" for new projects. (Will provide examples of FY 83 in a few minutes.)

Greatest potential in hydro and in M&I water supply.

Administration initiatives for cost recovery and fast-tracking for deep-draft (over 14 feet) and shallow-draft navigation projects.

Will recover 100% of Corps of Engineers' future construction and O&M costs allocated to commercial navigation.

Our bills include fast-tracking provisions to streamline present process for moving navigation projects to construction stage.

New inland bill sent to Hill on March 22nd contains model fast-track provisions consistent with beneficiary-pay requirements.

Secretary of the Army given authority to approve projects without further congressional action.

Expedited planning and coordination schedule established by the Secretary of the Army.

Project eligible for appropriations 180 days after receipt of EIS by Congress unless disapproval by Joint Resolution.

Judicial review limited to constitutional and scope of authority issues.

Cost-sharing for other project purposes: still deciding how best to handle. For flood protection and irrigation project outputs, defining the Federal interest is not as clear as for others.

Cost-sharing for planning should be 50/50; upon completion of a Federally-funded reconnaissance level study.

Reconnaissance Level Study would take about one year and would serve to indicate to the non-Federal participant that his required 50 percent contribution would likely lead to an implementable and productive project.

Non-Federal funding of feasibility study will insure that alternative solutions studied in detail are realistic and responsive to non-Federal partners' concerns.

In any event, the concepts of "user pays" and of innovative financing are fundamental to success of proposed Federal projects.

III. Now mention specifically how innovative financing may lead to construction starts in FY 83:

Corps was asked last September to identify projects which could go to construction in FY 83.

Corps found a number of such projects (15) which covered spectrum geographically and functionally.

OMB then gave green light to explore up-front financing with project sponsors.

Letters were written to sponsors, and the District Engineers arranged meetings.

Bob Elland of my office visited each sponsor, explained our program for 1983, and asked for responses to our offer prior to April 1st. All sponsors did respond; over half accepted our offer.

We submitted proposal for a budget amendment for 10 projects to OMB on April 1st and are awaiting decision.

Some of the specific projects which appear promising are:

Hydropower at Bradley Lake, Alaska, Strube Lake, Oregon, and Bonneville Fishway, Oregon.

Multi-purpose project at Randleman Lake, North Carolina.

Flood control projects at:

Davenport, Iowa;

Merced, California;

Kahoma, Hawaii;

Ellicott Creek, New York; and

Virginia Beach, Virginia.

The local sponsors of these projects have generally agreed to innovative financing along the following guidelines:

	Non-Federal financing (percent)	Cost-sharing (percent)
Hydropower	100	100
Flood damage reduction	35	35
M. & I. water supply	100	100
Separable recreation	50	50

These guidelines represent our best effort to get some good projects to construction in 1983.

IV. The Washington perspective on Regulatory Reform is another item of great interest to water resource people:

Corps processes about 18,000 permits nationwide annually, with about 6,000 of these in the Western 17.

Long processing times and costs to permit applicants are a burden.

Regulatory reform underway (VP Task Force; OMB-Army review of Corps' program).

Objective was to allow reasonable projects to go forward without undue "hassle," observing the proper Federal concern for the actual navigation servitude and water quality.

Results of our review were submitted on January 29th to Presidential Task Force and recommended:

Reduce time required to obtain permits.

Corps' in-house reform to process normally in 60 days.

Clarify information required of applicant.

New Memorandum of Agreements (MOA's) reduce elevation process.

Give States more authority and responsibility.

Give general permits to States whose programs meet Federal goals.

Do not second guess State and local decisions.

Improve conflicting and overlapping policies and authorities.

Expand general permits.

Better define the objectives and jurisdictional extent of the permit program.

Jurisdiction too broad.

Replace term "wetlands" with "inundated land."

V. Outlook for water projects in next few years:

Future funding requirements for water projects:

I am convinced there is a big need for water projects.

In the decade of the 80's it could take several hundred Army Civil Works projects, costing up to $20 billion, to satisfy problems which have been identified.

A rough breakdown of this gross need might be something like this:

	In billions
Navigation	$8
Flood control	5
Projects for power	5
Projects producing M. & I. water supply	1
Other	1
Total	20

Looking beyond the 80's, one could envision additional needs; another $5B for navigation, and $7B for the other kinds of Civil Works projects.

Pressure on the budget, of course, will prevent the Federal Government from being able to finance all—or even the major portion—of these valuable water projects; hence, we simply have got to work out a program of non-Federal up-front financing. This is a key in moving ahead with new water projects. Even though we are trying to expedite the water planning process, this is not nearly as important as providing for the financing and repayment of Federal water projects in ways never before contemplated.

Well-planned projects with well-conceived financing packages will move quickest toward Administration support and, where necessary, into the Federal budget.

State and local concerns will be more fully considered by Federal water agencies—through a broadened role for them in project planning and financing processes.

Water project services supplied at less cost to the average Federal taxpayer as cost recovery and user charges more effectively associate costs to beneficiaries.

Regulatory reform will "get Government off the backs of the people" and promote less burdensome ways—preferably with more active State roles—to ensure proper regard for the Federal navigation interest.

IN CONCLUSION

Problems ahead; Reagan Administration wants to solve these problems. Business as usual will not suffice. Need new approaches—innovative financing—assessment of charges to project beneficiaries.

Organizations such as the National Agriculture Marketing Association should be part of solution—not part of problem. Administration needs help of such organizations.●

U.S. ARMY'S MODERNIZATION PROGRAM

● Mr. SYMMS. Mr. President, recently there appeared in the May 1982 issue of Armed Forces Journal a thoughtful and incisive article dealing with the challenges and problems faced by the U.S. Army in implementing its long awaited modernization program.

I should like to recommend highly this piece to all my colleagues including those who would increase as well as those who feel that we must moderate our current defense expenditures.

I ask that this article be printed in its entirety in the CONGRESSIONAL RECORD as read.

The article follows:

WHY THE ARMY'S MODERNIZATION WOES AND BUDGETARY CATCH-22S BEWILDER ITS OUTNUMBERED SOLDIERS

(By Benjamin F. Schemmer)

The way our Joint Chiefs of Staff are presently organized, there is no way a Chairman or Member could point out the following incongruities without getting his face ripped off in that little Pentagon room known as "the tank." So AFJ is going to say it for them. (Knowing, of course, that several will not really enjoy the comparisons which follow; perhaps none of them will; the Chiefs like to keep such problems "in the family.")

But more and more long-time observers of the defense scene in Washington are beginning to note that the U.S. Army is getting euchred. It has no real constituency on Capitol Hill (both the Senate and House Armed Services Committees have long had "Seapower" Subcommittees), and it doesn't have a John Lehman/Bing West combination fighting for a ground forces version of the new U.S. "maritime strategy" in the Office, Secretary of Defense.

Astute observers of defense affairs are concerned about substantive contrasts and incongruities like the following:

The Senate Armed Services Committee last month voted to delay production of the Army's long-sought day/night, adverse weather AH-64 advanced attack helicopter by a year (it said "one year," when its action would probably delay it closer to two years). It cited the AH-64 "most notably" as an example of programs which should be "deferred until they can be better defined, justified, and the costs brought into line." The Committee acted because Army witnesses had confused it with seven different cost estimates within recent months (trying really to keep Congress informed as the AH-64 transitions into production after a nine-year development program that can only be hailed as one of the most thorough and successful in aviation history). In fact, the disputed AH-64 costs have increased only about 10% in the past year, although Army witnesses did a poor job of articulating that on Capitol Hill.

In the very week that the Senate Committee rapped the AH-64 across the knuckles, the State Department confirmed that Russia has shipped Hind-D helicopters to Cuba. Thus, even Cuban forces will soon be flying an advanced attack helicopter that is far more modern than anything US soldier will have in the field for at least another 3½ years—and possibly not for another 4½ or five years if the Senate hold on the AH-64 prevails. The House Armed Services Committee voted to fund the program, with a report that brilliantly sorts out the morass of confusion littering Capitol Hill about the program's cost and status. Thus, the Army's long-sought AH-64 hangs in limbo yet again awaiting the outcome of the Senate/House conference, sometime in May, on differences between their authorization bills. In the meantime, the Army is short 58% of the attack helicopters it is supposed to have, according to Rep. Larry McDonald [D-GA].)

The same Senate Committee that voted not to fund an $825-million production build-up of the AH-64, which the Army urgently needs, voted to fund a $996-million production build-up of the Navy's SH-60B LAMPS Mark III anti-submarine warfare helicopter—even though the Navy had admitted that most of the 48 helicopters being bought would have to be put into storage for a few years because the ships from which they are supposed to operate will not be ready to handle them. (As the Navy phrased it in a footnote on its budget submission. "LAMPS MK III ship stand-up schedule lags aircraft delivery schedule, which reflects surplus aircraft until FY89." The House Armed Services Committee reduced the buy of excess aircraft, from 48 to 30.)

The same Senate Committee voted full funding for a $2.6-billion production build-up of Navy F/A-18 fighter/attack aircraft that will increase production rates from 63 to 84 per year, with advance procurement funds to increase production in FY84 to 96 per year. That production build-up costs money; but beginning in FY85, the F-18s being bought will be for Naval Reserve units. The Navy has argued successfully that since the Air Force is being allowed to buy new A-10s and F-16s for its National Guard and Reserve forces, the Navy should be allowed to modernize its Reserve units along equal lines. The argument makes a lot of sense, but there *is* a difference: the Air Force has airfields for its Guard and Reserve units; the Navy doesn't have aircraft carriers for its.

In fact, it doesn't have enough aircraft carriers for its active units. This Administration has decided to buy two squadrons of F-14s for each of its large deck carriers, instead of putting F-18 fighters on them. The F-18 was originally sold as a lightweight, low-cost fighter. Instead, the Navy is buying A-18 attack versions to deploy on those carriers, to replace its present A-7s. There is a Catch-22 in all of this: when the carriers actually deploy, the Navy removes one squadron of A-7s in order to make room for the extra squadron of F-14s. But it is still buying A-18 to replace A-7s it doesn't deploy.

The F/A-18 program was launched with its average unit costs based on a buy of 1,366 aircraft. Since then, that requirement has been offset by a successful U.S. Marine Corps battle to buy 336 V/STOL AV-8Bs (instead of A-18s) for its close air support missions, and it has been reduced by another 150 or so aircraft because the Navy has decided to increase the number of F-14s on its large deck carriers from 18 planes to 24 per squadron. Yet after subtracting the 336 AV-8Bs and the 150 F-14 offsets, the Navy's latest requirement for F/A-18s is still—1,366 aircraft. During all of these gyrations, the F/A-18 program cost has risen from $14-billion to $39.7-billion, and Congress in the past three years has added funds to build them faster than DOD requested.

During approximately the same time frame: AH-64 program costs have grown 113 percent from $3.9-billion to $7.4-billion, taking into account higher than projected inflation rates until the end of production F/A-18 costs have grown 181 percent, or 60 percent faster than the AH-64's. The F-18 program has somehow transitioned from a low-cost, lightweight, hotshot fighter into a $40-billion light-attack airplane. DOD and Navy officials who have tried to kill it tell AFJ that they gave up when they realized that was as futile as trying to pull Excalibur out of a rock. Yet Congress pushes money at F-18s, and has—in one body, at least—just set the AH-64 back by a year or two because its costs "most notably" haven't been defined well enough or "brought into line."

The Navy has increased its F-14 requirements from the 509 aircraft it originally projected to 845 today, and the total program cost has grown 167 percent, from $13.4-billion to $35.8-billion. Of that $22.4-billion increase for 336 aircraft, about $4-billion is for support costs and increased spare parts, and about $2.3-billion is for improvements to the plane's original configuration. Thus, the F-14 has about $6.3-billion of cost growth to buy no airplanes. That is very close to the total cost of the AH-64 program the Army can't sell Congress to buy 536 aircraft.

Unit costs of the F-14s have gone up from about $41-million a copy for the 30 planes bought in FY82 to $51-million a plane for the 24 F-14s in DoD's FY83 budget request. The plane is such a steal that the House Armed Services Committee has just decided to add six more F-14s to the Navy's FY83 budget submission (in part, to reduce its unit costs). To cope with its AH-64 cost growth, the Army had to cut its planned AH-64 buy, which increased unit costs, which made the other body of Congress so mad it may end up killing the program.

The Defense Department allowed the Navy to request a quarter of a billion dollar FY83 budget request to buy eight A-6 medium all-weather attack aircraft—even though it will admittedly have a surplus of about 28 A-6 aircraft until 1987 even after converting 44 of its present A-6s to KA-6D tankers. That $255-million for A-6's excess to Navy needs until FY89 would fund 70% of the $368-million FY82-to-FY83 budget increase which the Army requested to build AH-64 production from 11 aircraft to 48, or six times as many new tank killers in the field as the eight A-6s the Navy will have to put into storage. (The House Armed Services Committee provided the A-6 funding; the Senate Armed Services Committee felt that didn't make a whole lot of sense, and directed the Navy instead to keep the A-6 production line alive by buying more EA-6B electronic warfare variants of the plane, since the Navy is critically short of EA-6Bs, but was going to buy only six of them in the same budget.)

The Senate Armed Services Committee is concerned about what turns out to be roughly a 10% cost increase in the AH-64, and won't buy an adverse-weather, day/night attack helicopter at roughly $10-million a copy. But it is funding at $13-million each a Marine Corps AV-8B day only, fair-weather, close support plane (read attack helicopter without a rotor blade). The Pentagon asked to buy 20 more Air Force day only, fair-weather A-10 close support planes at over $9-million a copy, even though the planes to be produced will be advance attrition aircraft (put into storage now to replace ones we expect to crash sometime in the early 1990s). The House Armed Services Committee was so impressed by the economics of the A-10 budget request that it voted to buy 30 of them instead of 20. The Senate said it was time to quit buying the plane.

The Army has frequently been criticized for designing equipment too big or too heavy to be airlifted easily to distant trouble spots, at a time when the nation is critically short of strategic lift in any case. The M-2/M-3 Bradley fighting vehicles are an example, since they have to be partially disassembled to fit in the C-141, while even staunch Army supporters like Sens. John Stennis (D-MI) and Sam Nunn (D-GA) have balked at buying a new C-X strategic airlifter to carry one M-1 Abrams tank at a time to the Persian Gulf. Thus, Army Chief of Staff General E. C. Meyer endorsed an initiative launched two years ago to restructure some Army units around more lightly armored vehicles. (See "The Light Armored Corps, A Strategic Necessity," Jan 1980 AFJ, and interview with General Meyer, Mar 1980 AFJ.) That intiative was backed strongly by the Senate Armed Services Committee, and Congress added money to the Army and Marine Corps budgets to give the program an earlier start than the Pentagon's proposed budgets would have provided.

Meyer's advocacy of light armor in certain units has caused him some "problems . . . within the Army," he admitted to the Pentagon press corps late in March, "but I think we are pretty well over that."

Now that Meyer is over those troubles, the House Armed Services Committee just voted to delete all of the $201-million requested for the first joint Army and Marine Corps buy of 392 Light Armored Vehicle program—just a few months before source selection was supposed to be made (in July) between the candidates now under test at Twentynine Palms, CA. It said that too many variants were being planned (seven by the Marine Corps, two or more by the Army).

OVERALL FUNDING UP SIGNIFICANTLY

For all of those incongruities, however, the Army's hardware modernization program may now be faring better in one important respect than procurement programs of its sister Services. Notwithstanding the huge amounts of money which the Reagan Administration is investing in its maritime strategy as it tries to build a 600-ship Navy by 1990, the Army's procurement program is getting a proportionately larger share of the Pentagon's hardware budget than it used to. For the three-year period of Fiscal Years 1977–1979, for instance, Army procurement budgets represented only 18.2% of all Defense Department procurement dollars; for the FY 82–84 period, the Reagan Administration's defense program calls for the Army to get 20.4% of all such funds. The 2.2% difference may seem small on the surface—but in fact amounts to $5.6-billion more for new Army equipment than would have been the case at the 18.2% level of five years ago. That $5.6-billion three-year increment, in turn, adds up to more than all of the hardware the Army was able to buy as recently as FY78.

Two factors, however, are putting those funds at risk. First, the detail of that program execution is hurting the Army's modernization program—whipsawed on the one hand to look at light armored vehicles but having the program's funding preempted just as the Army is completing its in-house evaluation of their real potential; having its Roland air defense missile program terminated just as the first production units are being delivered, only to have Congress add millions to another Service's budget to make up for the resulting air defense deficiency.

STRAY VOLTAGE

Second, for every step forward the Army has been able to make in fielding new hardware, there are vocal critics who charge after-the-fact that the Army marched off in the wrong direction. Answering them is more than a distraction, because many influential people take those critics seriously. Two of the worst articles AFJ has ever read on the use of helicopters on the battlefield, for instance, have been widely reprinted in recent months in papers ranging from the Chicago Tribune to the San Francisco Chronicle and the Arizona Republic. Both make it sound as if the United States Army had purposely decided to restage Custer's Last Stand on the World War III battlefield by designing its doctrine and tactics around machines which will fall out of the sky as soon as the opening shots are fired. The articles are too frivolous and their facts too fallacious, on one hand, to warrant serious comment; but ther are too widely circulated, on the other hand, not to be rebutted. (AFJ has tried to put them in perspective on pages 48 and 58.)

There are now 55 members of Congress who belong to the bipartisan Congressional Military Reform Caucus, some of them very senior, very knowledgable, and very influential. Recently they were given a staff paper on "Options for Action on the FY 1983 Defense Budget," prepared by Senate staffer William Lind, an aide to Sen. Gary Hart (D-CO), who is the Caucus' co-chairman. The paper contained some reasonable if not new initiatives: ". . . realistic testing of the M-1 tank;" (it is already the world's most tested tank, but its preplanned improvements surely would benefit from more testing); "improve the M-16 rifle" (something long planned and now underway by the Army and Marine Corps); and "reduce personnel turbulence in the Army" (a key factor behind Army Chief of Staff General E. C. Meyer's initiative several years ago toward a British-type regimental system involving unit rather than individual rotation).

But some of Lind's other options were just plain stray voltage. One has to wonder that so many senior members of Congress may have taken time to read them seriously. Our favorite such off-the-wall proposal involved Lind's self-styled "major initiative" for an "ultra-light infantry battalion based on the cross-country motorcycle." He wanted Congress to fund a $20-million, one-year test for the Army and Marines each to "reorganize and reequip an infantry battalion with motorcycles to mount the troops with their rifles, machine guns, light mortars, and shoulder-fired antitank weapons." Lind said, "This initiative would do more to institutionalize maneuver warfare within US land forces than any other proposals on our list of candidates." He said that "the balance between infantry and tanks could be changed dramatically if infantry could move faster and more invisibly than tanks over terrain impassable to tanks," noting that "the modern light trail motorcycle makes this possible," but that "unfortunately, due to opposition from Army armor interests, the motorcycle has been relegated to secondary courier and scout duties."

LIND'S "SUICIDE BATTALION"

Lind's new unit was quickly labeled a "suicide battalion" in a rebuttal written by a House staffer, Michael Dennis, whose boss, Bruce F. Vento (D-MN), is also an influential member of the Reform Caucus. Dennis wrote of Lind's ultra-light motorcycle battalion:

"No. This is off the wall. The problems are:

(a). No fighting value when mounted (Marion Brando notwithstanding).

(b). Several seconds would be needed to dismount and take cover.

(c). Because of (a) and (b), the unit would be extremely vulnerable to ambush—even by a single machine gun or mortar.

(d). Once inserted and engaged with the enemy, withdrawal on the vehicles would be next to impossible. Given the deep penetration and maneuver role envisaged for the unit, we are suggesting a suicide battalion. The whole point of light forces in maneuver warfare is to sting and run, sting and run. An expectation of possible survival is essential (as opposed to digging in and fighting to the last man). Thus, the proposal is antithetical.

(e). The trail motorcycle has both a short range and a low life expectancy. Thus a very complex support echelon will be required—possibly requiring up to 300 vehicles. At this point, the combat value of 200 machine gun-armed jeeps would be a valid comparison.

(f). Most trail motorcycles are built in Japan. Japan has a policy (and laws) against the export of military equipment. The procurement of the vehicle for the initiative could well cause major trade policy implications."

THE CHARCOAL-HAMBURGER DEBATE

Lind also proposed that Congress cancel the Army's M-2/M-3 Bradley fighting vehicle and instead upgrade its M-113 armored personnel carriers to the point where they could withstand hits by High Explosive Anti Tank rounds. Dennis is no fan of the M-2/M-3 either, but he said that "staying with the M-113 is even worse." Re-armoring the M-113 against HEAT rounds, he pointed out, would "probably mean a 150-ton APC." As Dennis quipped, "The HEAT round is designed to cause the incineration of everyone and everything inside the vehicle it hits [as opposed to . . . kinetic energy rounds, which are supposed to produce hamburger]." He called the M-2/M-3 "better than the M-113 in silhouette, design, and armor," but said it suffers from "overdesign" which resulted from "catch-up-with-the-Soviet-itis and from an uncritical attempt to match the Soviet BMP. Nobody seems to have asked if the BMP is a good combat vehicle or merely a simple recipe for fried Russian."

Dennis prefers Light Armored Vehicles to the whole M-113 upgrade or M-2/M-3 approach—but of course the House Armed Services Committee has just tried to squash that alternative.

Thus, the US Army's modernization program reels from inter-Service incongruities in budget approaches, which neither the Pentagon's senior civilian leadership nor Congress have sorted out; from distracting stray voltage suggestions by influential Congressional staffers; from some weird (and, less occasionally, some good) criticism from the press; and, at times (as in the 9mm handgun competition covered elsewhere in this issue), from its own work.

It would all be enough to drive good soldiers to drink—but one of them put it in perspective for us recently when he mused at lunch one day, "If enough good men are willing to die, we can overcome."

SENATE ARMED SERVICES COMMITTEE REPORT BARRING AH-64 PRODUCTION START

The AH-64 is a highly mobile attack helicopter intended to be the Army's primary, quick reacting, airborne antitank weapon. The Administration requested $760.3-million for the procurement of 48 aircraft in Fiscal Year 1983 and $116.5-million for advance procurement. The Committee is deeply concerned over the dramatic increase in the unit cost of the AH-64 attack helicopter. Less than one year ago the estimated program unit cost of the AH-64 was $11.2-million (in then-year dollars based on a procurement objective of 536 aircraft). The current estimate exceeds $18-million per aircraft (based on a quantity of 446).

The factors causing this increase are well understood. They include the reduction of 90 aircraft from the program, the addition of $528-million to budget to "most likely cost," higher inflation indices, and revised estimates for production costs.

These cost increases, coupled with major uncertainties over the ability of the manufacturer to execute the program, do not justify Congressional support at this time. It is the Committee's recommendation, therefore, that production of the AH-64 be deferred for one year.

The Committee acknowledges that with only minor exceptions, the performance of the AH-64 in development has been excellent. The aircraft, if produced, would give our Army a significant improvement in night-fighting and antiarmor capability. The Committee's concern however, is focused on cost—not performance.

Deferral for one year should allow the Army and the manufacturer sufficient time to structure a program which, if approved by Congress, will provide acceptable levels of both confidence and risk. Sufficient funds, in the amount of $73-million, are provided to preserve the option of commencing production in FY 84. Should Congress or the Department of Defense decide to terminate the program, unobligated funding for FY 82 and all subsequent years shall be recouped.

The Committee recommends an authorization of $73-million only to sustain the option of initiating production in FY 84. This is a net reduction of $803.8-million from the Administration's request. It is the Committee's intent that none of the unobligated $444.4-million authorized in the FY 82 Defense Authorization Bill for the procurement of AH-64 helicopters shall be used for production of the AH-64 until expressly authorized by a future act of Congress.

The Committee has chosen not to recommend recision of previously authorized funds. Such funds shall remain available to initiate production should the Congress in subsequent legislation, decide to proceed with the program.

HOUSE ARMED SERVICES COMMITTEE'S VIEWS

The budget request contained $760.3-million for procurement of 48 AH-64 helicopters in Fiscal Year 1983, $116.5-million to support procurement of 96 aircraft in fiscal year 1984, and $88.1-million for initial spares.

The AH-64 is designed to provide ground forces a highly mobile tank killer that can operate at night as well as day and in adverse weather. Its Hellfire missiles provide far greater stand-off range than the Improved Tow missiles which arm the present day only AH-1S cobra attack helicopters, and its design features permit safe operations even after absorbing hits by 23mm antiaircraft fire.

The Army has been trying to field an all-weather attack helicopter since the mid-1960s. Development of the AH-64 is virtually complete after one of the most demanding and extensive aircraft test programs in US history; those tests included 3,800 flight hours, 2,400 hours of ground operation, 72 Hellfire missile firings, 4,200 rocket launches, component testing that substantiated 4,500 hours of service life, 41,000 rounds of 30mm firing, and realistic operational field evaluation.

During the conference on the fiscal year 1982 Department of Defense Authorization Act, the Army was in the final stages of updating its baseline cost estimate on the AH-64 to support formal program review prior to entering production on the aircraft. Although the data available at that time were incomplete, the Army advised the conference that previous cost estimates had been understated and that AH-64 program costs could be expected to increase significantly. The Congress responded to this preliminary notification by authorizing and appropriating an additional $73.4-million for the AH-64 program in fiscal year 1982 to ensure a smooth transition from R&D to procurement. This action provided total funding for fiscal year 1982 of $537.0-million for procurement of the initial 11 AH-64 helicopters.

Subsequent to final action of the Defense Appropriation Act in December 1981, the Army provided seven different program cost estimates to the Congress in an effort to keep the Congress informed of all alternative program acquisition strategies being considered. Three of these estimates (October, November, and March) are predicated on a total program of 536 aircraft and four are predicated on a reduced program of 446. Of these seven estimates, only the three based on a 536-aircraft program provide a real comparison with the cost estimate submitted to Congress in fiscal year 1982. And of these three, two are based on now-obsolete inflation indices (all programs were reindexed in December 1981 based upon new, higher, long-term inflation projections.).

During the period November 1981 through March 1982, the Army was engaged in negotiations with the contractor on the fiscal year 1982 program. Based upon preliminary negotiating positions, the Army added $563.0-million to its estimate of the total cost to procure 536 aircraft ($528.0-million for a reduced program of 446 aircraft) as a "management reserve" to ensure that the costs would not again be understated.

The combination of (1) added inflation estimates; (2) program reduction from 536 to 446; (3) a "worst case" management reserve allowance; and, (4) recurring cost growth resulted in the December 1981 selected acquisition report showing the "unit program acquisition cost" estimate for the AH-64 at $16.2-million as compared to an estimate of $10.9 million in September 1981.

This now obsolete estimate was widely cited in the press and depicted as a 48 percent increase in the cost of the AH-64. However, there is a great deal of misunderstanding about such cost estimates. There are three different ways of expressing unit costs: (1) "unit program acquisition cost" which includes the sunk cost of research and development ($1.2-billion in the case of the Apache); (2) "unit procurement cost" which includes nonrecurring costs such as special tooling, ground support equipment, and initial spares and repair parts; and (3) "unit flyaway cost" which is the actual production cost to build the aircraft. The "unit cost" will vary significantly depending on which of these three measures is being cited. In the case of the AH-64, the three unit costs were estimated (based upon a program of 446 aircraft) in December 1981 at (in millions of dollars):

Unit flyaway cost	$10.7
Unit procurement cost	13.8
Unit program acquisition cost	16.2

As a result of a favorable outcome on the FY82 program contract negotiations, the Army has now advised the Congress that its worst case estimates were unduly conservative and that the $528.0-million management reserve would not be needed over the life of the program. This reduced estimate results in the following (in millions of dollars):

Unit flyaway cost	$9.5
Unit procurement cost	12.6
Unit program acquisition cost	15.1

A valid comparison of costs requires comparing the September 1981 estimate for 536 aircraft with the latest (March 1982) estimate for the same number of aircraft. In September 1981, the total procurement cost was estimated at $4.821-billion. In March 1982 the estimate was $6.335-billion, an increase of $1.514-billion or $2.82-million per aircraft. According to the Army, the cost increase consists of the following (in millions of dollars):

Inflation	760
Army program adjustments including expanded training requirements and additional spares and repair parts	321
Increased nonrecurring cost of production	52
Real increase in recurring hardware cost	381
Total procurement cost increase (billions)	$1.514

Of the total increase of $1.514-billion, it can be seen that only $381.0-million results from actual cost increases over which the contractor has any significant degree of control. This represents about $710,000 per aircraft—or less than a 10 percent increase over prior estimates. Considering that the prior estimates were based upon paper analyses prepared early in the development program and the current estimate is based upon detailed vendor quotes for a known design, the real unit cost growth in the AH-64 compares favorably with that of other major programs transitioning from R&D to procurement.

The Committee is aware of claims that the AH-IS Cobra/TOW could be upgraded to approximate the capability of the AH-64 at significantly less cost. Under Secretary of the Army James R. Ambrose responded on March 26, 1982, to Committee inquiries concerning the credibility of such claims about lower cost options, and his comments are instructive:

> The Army must have a modern attack helicopter. Without it, the ground forces are in serious jeopardy.
>
> The AH-64 is, by far, the best current solution to this requirement. The best modified version of the Cobra which might be developed would be greatly inferior in battlefield performance and survivability.
>
> On a fully comparable basis the modified Cobra is more expensive than the AH-64. There is no $4-million attack helicopter in the real world. Unit program cost for the modified Cobra is $15.4-million compared to $15.1-million for the AH-64, apples-to-apples.
>
> The unit program cost of $15.06-million compares favorably with any improved version of the Cobra. The best improved Cobra to compete with the AH-64 is the postulated PAH-2 and requires a four-year development for $297-million. The unit program cost is then-year dollars for 446 of these is $15.36-million.
>
> The AH-64 was designed to fight and survive against 12.7 and 23mm weapons, to achieve a high degree of crashworthiness, to be very agile and maneuverable on the battlefield, and to be self-deployable. The Cobra airframe designed in the 1960s with a single engine simply cannot compete with the AH-64 in these areas and the PAH-2 version has four times the vulnerable area exposed to threat weapons.

It is also instructive to note that during the period when Congress' attention was focused on AH-64 cost increases, the Defense Department acknowledged that Russia had shipped Hind-D attack helicopters to Cuba, a fact confirmed by the State Department. This development only emphasizes the incongruity that has been allowed to develop in the past decade: The U.S. which pioneered the use of the attack helicopter and which has led the world in the technology permitting its growth into a formidable, survivable, day/night, adverse weather antitank system, now sadly lags the Soviet Union in fielding them. Intelligence estimates cited in the press indicate that Russia has produced over 1,000 Hind attack helicopters, with production last year averaging close to 15 a month. In contrast, the U.S. has yet to field its first operational counterpart. Russia's Hind inventory has reached the point where some 450 advanced, all weather Hind-Ds and -Es were deployed by the end of 1981; where hundreds have been exported to most of its Warsaw Pact allies; and where, now, these advanced models are even being shipped to Cuba.

The Committee is shocked that for at least a two-year period the armed forces of Cuba will actually be equipped with a more modern attack helicopter than the armed forces of the United States.

The Committee believes that any further delay in fielding the AH-64 would be unwise. The Committee also finds that the Army decision to reduce the program from 536 to 446 was ill-advised and premature. The Committee recommends, therefore, that the Army plan on a minimum of 536 helicopters for the active force.

The Committee recommends authorization of $713.3-million for procurement of 48 AH-64 aircraft in FY 83, $116.5-million for advance procurement, and $88.1-million for initial spares. This represents a reduction of $47.0-million from the amount requested which reflects a reduction in the estimated program cost.

THE HARDSHIP OF UNEMPLOYMENT

●Mr. TSONGAS. Mr. President, the Nation's jobless rate in April was 9.4 percent, the highest in the 40 years the Federal Government has been keeping records of monthly unemployment. Only twice before has the figure exceeded 9 percent, once in May 1975, and again last month.

If the number of "discouraged workers"—those no longer seeking employment—are counted, 12.5 percent of the labor force is unemployed, according to Dr. Janet Norwood, Commissioner of the Bureau of Labor Statistics. For each rise in the jobless rate of 1 percentage point, the Federal Treasury loses $30 billion a year in taxes forgone and unemployment benefits distributed.

But the numbers understate the hardship for some categories of workers. Black workers, for example, face 18.4 percent unemployment, up from 18 percent the previous month, nearly double the rate for all Americans. For black teenagers, the predicament is still worse, a shocking 48.19 percent jobless rate.

For many Americans, the futile search for work can be acutely frustrating. One single parent, mother of a 7-year-old girl and twice the victim in the last 7 years of Federal and county layoffs, says:

> Nobody has tried harder than I have. I'm an eternal optimist, but it seems like as time goes by, finding a job just seems to get farther and farther away.

In my home State of Massachusetts, April was one of the cruelest months in more than 4 years, as the unemployment rate climbed to 8.5 percent. Although Massachusetts' unemployment ranks third lowest among the Nation's 10 industrial States, the State's economy shows unmistakable signs of slackening.

Mr. President, this Nation long has embodied the principle that all Americans should have the opportunity for gainful employment. But this principle is losing its vitality in America today.

Last month, the inflation rate was 3 percent, the lowest figure in 20 years, but the tradeoff between the lowest inflation rate in 20 years and the highest unemployment rate in 40 years is wholly unacceptable.

We must do more at the Federal level to reduce interest rates, which cause unemployment, and to stimulate private investment. We must do more to provide jobs for 10.3 million unemployed Americans who are left dangling without jobs or without hope of finding a job. Unless we do more, the jobless rolls will continue to multiply and multiply.

Mr. President, I would like to share with my colleagues an editorial which appeared in the New York Times, May 8, 1982, regarding April's unemployment rate.

The editorial follows:

[From the New York Times, May 8, 1982]

AND NOW THE BAD NEWS

No wonder President Reagan struck a deal with rebellious Senate Republicans this week to produce his second budget of the year. The President needs every good headline he can get to offset the dismal news about unemployment.

Dismal is the only word. According to the Labor Department, unemployment rose to 9.4 percent in April, the worst rate in the 40 years such monthly records have been kept.

It makes no difference that the news was expected. As long as this deep recession continues, unemployment is bound to keep spreading. And the numbers shock: they are a devastating commentary on an economic policy that aims to drive down a once-cruel inflation by leaving 10.3 million Americans dangling without jobs.

The President resents anecdotal accounts of their plight. Yet almost every one of these millions can yield stories of anguish and deprivation.

The pain is spread unevenly and causes acute communal distress as well: Michigan stands at 15 precent unemployed, New York at 8.1 percent. Blacks register 18.4, blue-collar worker 13.7, Hispanics 12.5. One of four teen-agers is unemployed, and their scars may last longest.

It is a special misfortune to be out of work when the Government has also run out of money. The tax cut scheduled for July should improve the economic outlook somewhat, but beyond that there is no new help on the way. Unlike other recent recessions, this one has not energized politicians to scurry for quick ways to put people back to work.

This highest unemployment rate in 40 years goes far to explain the lowest inflation rate in 20. In the current climate, the latter figure has become a boast. But the trade-off is no proud achievement for policy. It has long been known that a serious recession could squeeze inflation down to respectable levels. Presidents before Mr. Reagan failed to find a better way. He said he had one. He didn't.●

CONCLUSION OF MORNING BUSINESS

Mr. BAKER. Mr. President, I wonder if the Chair will inquire as to whether there is further morning business?

The PRESIDING OFFICER. Is there any further morning business? If not, morning business is closed.

PROGRAM

Mr. BAKER. Mr. President, when the Senate completes its business today it will stand in adjournment under the order previously entered until the hour of 11 a.m. on tomorrow.

After the recognition of the two leaders under the standing order and the recognition of two Senators under special order, there will be a period for the transaction of routine morning business as ordered today.

At the conclusion of the time for the transaction of routine morning business, it is anticipated that we will be at or near the hour of 12 noon and, as has been the case for the last several weeks, it is the intention of the leadership to ask the Senate to recess between the hours of 12 noon and 2 p.m. to accommodate the requirement for caucuses on both sides of the aisle.

At 2 p.m. the Senate will be asked either to return to the consideration of the Department of Defense authorization bill or to other matters as they may be indicated and appropriate.

I regret that I cannot make a further statement on that point at this time. I will have a further statement to make, it is hoped, at the time we convene in the morning.

Mr. President, the Budget Committee has reported out, I am told, a budget resolution and, under the three-day rule, it is anticipated that that resolution will be eligible for consideration by the Senate on Friday of this week.

It is the intention of the leadership on this side to ask the Senate to turn to the consideration of the budget resolution as soon as possible under all circumstances and under the Rules of the Senate.

As I see it now I expect that the budget resolution, which will be somewhat controversial, will be debated on Friday and on Monday. It is anticipated that general statements will be given on Friday and Monday. It is not anticipated that the sequence of rollcall votes on amendments, if they are offered, will be commenced until Tuesday.

I would hope that we could complete action on the budget resolution by the close of business on Wednesday or perhaps Thursday of next week.

We have a growing backlog now of important matters to dispose of, not only the budget resolution but also a number of others, including the prospect of an urgent supplemental appropriations bill which may reach us from the House of Representatives this week.

Mr. President, I regret that I cannot give a clearer view of the legislative situation for tomorrow, but once again I will try to advise the Senate further on that matter before we go to caucus on our respective side of the aisle.

ADJOURNMENT UNTIL 11 A.M. ON TOMORROW

Mr. BAKER. Mr. President, I know of no further business that can be transacted today. I have attempted to outline the legislative schedule as I see it at this time.

I see no Senator seeking recognition so, Mr. President, I move, in accordance with the order previously entered, that the Senate now stand in adjournment until 11 a.m. tomorrow.

The motion was agreed to; and at 4:12 p.m. the Senate stood in adjournment until Tuesday, May 11, 1982, at 11 a.m.

NOMINATIONS

Executive nominations received by the Senate May 10, 1982:

IN THE AIR FORCE

The following cadets, U.S. Air Force Academy, for appointment in the Regular Air Force under the provisions of sections 9353(b) and 531, title 10, United States Code, with grade and date of rank to be determined by the Secretary of the Air Force.

Abramowitz, David J., 498-58-3132
Abshire, Marc E., 531-74-2033
Abuyuan, Alex D., 568-11-3268
Ackerley, Paul R., 200-46-0028
Ackerman, Paul C., 404-64-6828
Aguilar, Delane A., 545-45-6295
Aiken, John M., 552-45-2035
Alexander, James R., 452-15-4603
Allen, Raymond W., 097-52-7432
Allen, William M., 455-27-9647
Allenby, Christopher B., 060-40-0591
Ambarian, Gary T., 574-52-0697
Amrine, John M., 432-25-0399
Anaya, Richard E., 521-02-0985
Andersen, Lee C., 530-66-5449
Anderson, Roger N., Jr., 362-50-1744
Angeline, Dianna M., 217-70-7333
Antoine, Edward L., Jr., 455-23-5542
Arrendale, Frederic M., 258-19-6725
Athanas, Steven P., 016-48-6105
Atkins, Steven M., 524-96-3714
Avery, Darleen M., 261-23-3349
Bach, Gregg J., 160-56-8180
Baker, Mark A., 015-54-7224
Baldwin, James L., 433-06-7093
Bale, Theodore A., 573-13-7744
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Powell, Kevin M., 279-62-3515
Prentice, John M., 525-17-7911
Prior, Catherine J., 072-44-9272
Provencio, Christopher D., 585-88-0906
Quinlan, Richard A., 040-46-7725
Raines, William A., III, 227-04-0723
Ranck, John R., Jr., 224-90-8040
Randall, Daryl R., 468-84-4703
Rath, Michael J., 326-60-6392
Ratti, James M., 163-48-0949
Redding, Phillip L., 522-11-8583
Redford, Ivan D., Jr., 522-04-8592
Reeder, Daniel C., 204-52-5647
Reeter, Chris, 348-44-6865
Rehder, Douglas G., 556-33-1035
Rehm, Joseph L., 390-46-0419

Reichenbach, Norbert F., 373-76-2755
Reichert, Robert A., 458-29-1132
Rein, Daniel E., 076-56-4621
Reiners, Rockford J., 493-74-3359
Reinwald, Linda L., 564-84-0664
Reymann, Christopher C., 404-70-6753
Reynolds, Joseph H., 249-15-8995,
Richard, Dana G., 495-74-1465
Richards, Thomas L., 468-78-2002
Rickard, David C., 552-33-7085
Rider, Jill L., 551-06-0497
Rieker, Walter C., III, 196-38-6210
Riles, Jeffery M., 522-17-8772
Rino, Anthony, 522-11-4773
Rizzo, Michael D., 237-86-1379
Roath, Anthony S., 441-68-4447
Roberts, Harry M., 256-74-2753
Robinson, Kenneth L., 214-90-0441
Robinson, Nancy L., 262-69-2635
Rochelle, Jeffrey B., 081-56-2568
Rodgers, Stuart M., 407-94-3642
Rohl, Eugene A., 469-78-5159
Roman, James V., 571-20-0539
Romanko, Joseph V., 142-62-0798
Rooney, Daniel L., 107-50-5805
Rorick, Timothy L., 542-92-2906
Rosburg, Julie L., 554-23-7085
Roseen, Erik K., 214-58-1182
Rosser, James H., 240-96-5651
Rothleder, Joyce, 571-88-1763
Roy, Daniel P., 388-52-6524
Ruge, Joseph K., 478-90-3308
Ruiz-Morales, Richard H., 583-25-0787
Rumph, Scott L., 262-37-3573
Russick, Christopher P., 566-33-6112
Rustad, Kevin M., 099-54-4604
Ryan, Michael C., 191-50-7046
Salcedo, Maurice E., 551-88-5058
Sallis, Robert E., 562-19-2655
Saltus, Cassandra A., 057-50-2349
Sander, Douglas R., 477-82-5011
Sanders, David L., 457-27-6680
Sandkamp, Daniel J., 468-82-8355
Sandoval, Alfredo A., 218-56-1854
Sandwick, Nicholas R., 528-19-8810
Sanford, Norman E., 355-58-5213
Sanford, Robert R., 552-17-3339
Santiago, Frank J., 546-33-3202
Saul, Roger E., 565-31-6292
Scari, Robert J , 572-11-2588
Schapiro, David B., 487-62-9660
Schardt, Michael T., 559-33-3650
Schattle, Walter P., 463-11-8157
Scheffelin, Julia M., 563-23-0458
Scheirer, David C., 183-54-5685
Schiano, Richard A., 071-56-4750
Schievenin, Jeffrey A., 371-78-4326
Schilpp, Donald J., 212-70-4327
Schinelli, Bruce G., 155-62-4124
Schirmer, Sarah J., 530-78-8970
Schlapkohl, Scott R., 477-80-2644
Schluckebier, Thomas J., 362-66-1728
Schneider, Richard A., 029-36-5651
Schneider, Theodore O. Josep, 135-58-8690
Schreiber, Herbert G., III, 559-15-6260
Schreiber, Kenneth K., 270-68-5438
Schultz, Royce R., 472-82-4538
Schweiss, Charles W., Jr., 398-72-1194
Senz, Tamara, 539-64-1274
Sharadin, Roger J., 149-54-0397
Shelton, Cynthia, 578-84-1793
Sherman, Alan G., 051-54-6278
Sherman, Michael R., 007-68-3042
Sherman, Peggy L., 078-52-2012
Sherrier, Mark A., 317-76-9599
Shewmaker, Daniel E., 430-21-4221
Shier, Scot A., 538-56-4186
Shimko, Richard J., 091-54-3534
Shirai, Arthur M., 576-94-2373
Silver, Bradley D., 512-54-3231
Silvia, John D., 030-50-7591
Simpson, Angus B., 097-44-8764
Simpson, Donald R., 525-19-7473
Simpson, James R., 549-37-3481
Singletery, Rodney, 097-50-6238
Sinisi, Michael J., 098-58-5547
Sipos, Michael J., 138-62-7552
Skaff, Michael L., 524-68-9149
Skeans, Robert A., 229-92-8421
Sledge, Timothy M., 405-64-6502
Smellie, Patrick D., 376-68-7929
Smith, Dolores K. Garnet, 253-15-7614
Smith, Douglas R., 267-17-9471
Smith, Elva D., 428-23-5418
Smith, James E., III, 116-50-4312
Smith, Jeffrey B., 251-02-4331
Smith, Jeffrey S., 303-72-6843
Smith, John R., 538-72-8034
Smith, Kathryn L., 499-66-5328
Smith, Kevin, D., 524-98-0245
Smith, Kevin F., 243-86-6684
Smith, Kevin J., 249-27-6012
Smith, Mark K., 376-76-6521
Smith, Robert E., II, 361-52-0353
Smith, Stephen J., 429-08-4191
Smith, Steven M., 283-68-1918
Snearly, William N., 109-54-8780
Sneath, Robert L., Jr., 522-04-6663
Snyder, David M., 229-66-0164
Sobota, David V., 075-58-9941
Sobrino, Pedro F., 583-19-3823
Soby, Michael G., 132-44-0611
Sohan, Gerald E., 357-56-2979
Sonnenberg, Dale L., 388-56-3817
South, Lyn D., 278-66-6452
Sparks, Douglas T., 526-23-6397
Stahl, David A., 329-54-2978
Stake, Eric T., 568-35-8667
Stanhouse, Edward M., 327-52-7992
Staufer, Titus E., 195-52-1954
Stephens, Jeffrey P., 585-26-6468
Sterling, Jill L., 228-72-3999
Stern, Wilhelm R., 563-19-2475
Stevens, Theresa M., 023-38-3357
Stevenson, Martha Y., 585-54-8870
Stevenson, Mary Y., 585-54-8869
Stewart, Durwood D., 265-55-3744
Stoddard, Steven P., 574-28-6091
Stone, Steven W., 402-68-2646
Stonerock, Kurt A., 283-62-0048
Strickland, James C., 226-06-3553
Strom, Brock T. John, 575-54-8019
Strub, Daniel E., 268-64-4911
Stuart, Michael J., 522-94-2703
Suddarth, Steven C., 303-58-5442
Sullivan, Daniel S., 097-58-2780
Sutherland, Bruce J., 230-80-5727
Sutter, Jon C., 307-70-6581
Swaby, Craig T., 376-66-244
Swanson, Scott A., 560-15-1949
Sweeney, Robert F., II, 216-78-9738
Sylvester, Thomas A., 431-17-4359
Taiclet, James D., Jr., 171-52-4006
Talbot, Timothy R., 040-60-3872
Talley, Steve, 433-19-6253
Taschuk, David G., 159-44-2849
Tate, Gregory L., 537-62-1860
Taylor, Paul E., 265-29-0954
Taylor, Thomas C., 429-06-9121
Tedmon, Thomas R., 517-86-3547
Telles, Rodolfo J., 460-31-0767
Temple, Alan J., 558-35-7017
Temple, James G., 458-25-9005
Thomas, Vicki L., 224-94-1061
Thompson, Preston B., 505-90-0150
Thomson, Paul R., 080-44-6537
Toldy, Stephen M., 371-70-6472
Tolle, Stephen K., 405-04-8281
Topper, Steven M., 573-39-8969
Torres, John E., 377-58-6133
Trabing, Scott A., 520-64-8956
Troxler, Keith S., 437-70-5728
Tuitt, James R., 338-46-5922
Turack, John M., 231-86-4139
Turek, Raymond E., Jr., 574-58-3201
Turner, Richard D., 294-62-8154
Turner, Terje R., 522-19-3496
Tuttle, Karen M., 520-52-1767
Tyman, Lisa A., 188-54-6125
Ungate, John J., II, 200-56-5413
Urquhart, Wilkins F., II, 438-06-5025
Vahovich, Dake S., 190-46-5277
Vance, Jeffrey J., 217-68-4021
Vanuska, Vivian R., 384-66-3645
Vaughan, Edward D., 148-58-0467
Vaughan, Sharon J., 016-54-9766
Vautrinot, Suzanne, M., 283-62-8559
Velasco, George R., 552-31-1178
Ventrano, Victor J., 051-56-6248
Vergis, Lynn E., 191-50-9364
Viernes, Jay L., 576-90-6780
Vislisel, Steven P., 333-52-1649
Vogel, Dean M., 392-70-7514
Vogt, Steven E., 535-37-5058
Wagner, Darren P., 226-06-4894
Walters, Dale A., 339-46-3035
Walton, Dean, 562-02-5613
Wanhanen, Ronald C., 503-90-4339
Warneking, Deborah A., 219-68-7773
Warner, Ronald L., Jr., 500-66-1387
Washer, Christopher S., 271-54-8938
Waters, Robert E., Jr., 214-66-3939
Waters, Stephen L., 249-19-4638
Watkins, Robert F., 467-82-4574
Watkins, William C., 432-11-9651
Watson, John J., 492-72-1740
Weber, Annetta J., 481-82-6875
Weber, Gary M., 521-04-2388
Weigand, Anthony M., 429-15-5753
Weller, Robert G., 433-17-2284
Wells, Preston, M., III, 245-92-4057
Wenzel, Robert F., Jr., 123-44-7592
Werner, Stephen J., 247-13-2085
West, David C., 523-78-3859
West, Steven A., 550-25-7860
Wharton, Christopher J., 250-21-2573
Wheeler, Michael S., 040-38-7917
White, Alex J., 421-92-7844
White, Douglas T., 538-60-4219
White, Richard E., II, 189-46-5212
Whiteley, James D., 557-88-7454
Whitson, Shawn V., 223-84-1891
Widseth, Christopher C., 477-72-973
Wiley, Alan C., 208-56-2405
Will, Timothy J., 124-54-7279
Williams, Darryl A. Cecil, 030-50-2290
Williams, Edward L., 174-54-2699
Williams, Ronald J., 118-56-3149
Willis, Cynthia, 500-70-2810
Wills, Steven W., 451-33-8052
Willsie, James R., 522-02-8763
Wilson, Christopher F., 410-13-6371
Wilson, Gregory S., 002-44-5470
Wilson, Heather A., 001-42-9096
Wilson, Powell W., 217-68-6132
Wilson, Richard A., II, 263-57-1789
Wiseman, Jeffrey D., 213-50-1658
Wish, Jeffrey R., 522-08-2752
Wojtysiak, Martin J., IV, 391-76-6616
Wolters, Tod D., 530-74-1426
Womack, Gregory P., 564-37-2543
Wood, Jonathan D., 266-57-3681
Woodward, Jasper S., Jr., 266-59-2532
Wright, John C., 420-74-3573
Wuttke, Kenneth G., 108-52-2595
Yakabe, Mark D., 219-74-5276
Yoder, Thomas L., 173-56-6189
Young, John F., 369-78-2123
Zartman, David R., 223-94-4476
Zavala, Mark A., 564-29-7431
Zejdlik, Joel M., 469-82-6171
Zelenak, Albert P., Jr., 368-72-8179
Zemanek, William W., 293-68-2529
Zerface, Benjamen E., 272-64-3038
Ziegler, David W., 521-15-1096
Zimmerman, Carl E., Jr., 365-70-9067
Zuegel, Keith W., 386-68-7580

IN THE ARMY

The following-named officers for promotion in the U.S. Army, under provisions of title 10, United States Code, section 624 and

628; and section 601 or 602, title VI, Transition Provisions, Defense Officer Personnel Management Act of 1980, with dates of rank to be determined by the Secretary of the Army:

To be colonel

Bernstein, Charles P., 242-50-6919
Daknis, William R., 198-26-6066
Grier, Edward G., Jr., 141-26-1450
McQuillen, George P., 243-50-9289
Peyton, John J., 123-26-8309
Robertson, Edward H., 224-46-8768
Westry, Oliver B., 213-32-3591

To be lieutenant colonel

Blackwell, Eugene B., Jr., 242-62-5426
Craig, Norton W. II, 432-62-5979
Fitzgerald, Kirk S., 525-96-5754
Greene, Allan R., Jr., 153-34-7549
Guthrie, Jerry L., 430-72-8151
Jones, Lafayette Jr., 226-56-9538
Konkle, Thomas E., 384-34-2735
Leopoldus, Nicholas W., 522-56-4390
Mathewson, Robert W., 080-34-4029
Sturgeon, Charles E., 427-68-7804
Trout, Marvin D., 514-38-5345
Wheeler, James P., Jr., 414-62-0906
Wilson, Edward L., 286-36-1765

CHAPLAIN CORPS

To be lieutenant colonel

McGown, Andrew D., 460-42-8523
Mills, Harold L., 450-34-1860
Smidt, Francis R., 504-24-9251

DENTAL CORPS

To be lieutenant colonel

Walker, Kahn K., 251-64-1235

To be major

Breland, Andrew F., Jr., 424-56-4992
Cole, Robert, 291-46-4787
Dennis, Frances A., 227-64-0976
Duque, George M., 046-40-2668
Emig, John T., 288-38-0875
Funanich, Richard S., 246-82-0504
Herod, Herbert, 358-28-5599
Huckabee, Robert H., 248-74-6463
Jones, Paul R., 251-84-2161
Kayfetz, Richard, 265-64-8595
Marker, Jon W., 225-66-1772
Pratt, John B., II, 223-62-3832
Rigney, Marvin G., 227-54-6518
Seay, Joe D., 230-66-4225
Sharp, Robert A., 429-88-7056
Smyser, James O., 517-48-8155
Somerville, Roger J., 516-50-6452
Taylor, Windley B., 244-66-5890
Wilson, Edward L., 286-36-1765

CHAPLAIN CORPS

To be major

Chapman, Floyd C., Jr., 054-34-8164
Kusevich, Nicholas J., Jr., 296-36-4181
Scott, Richard A., 331-34-5549
Wilkinson, James R., 492-48-7176

MEDICAL CORPS

To be major

Deming, Woodie M., 409-84-5518
Shekitka, Kris M., 250-88-2638

VETERINARY CORPS

To be major

Dixon, Robert S., 495-48-8222

IN THE ARMY

The following-named cadets, graduating class of 1982, U.S. Military Academy, for appointment in the Regular Army of the United States in the grade of second lieutenant, under the provisions of title 10, United States Code, sections 531 and 4353:

Abel, Paul F., 214-80-8084
Abrams, Robert B., 579-88-0429
Adams, Christopher, 533-74-2158
Adams, Peter C., 100-56-9481
Afridi, Rashid J., 462-19-9846
Albe, Mark A., 091-54-8637
Allen, Richard R., 256-15-2306
Allgood, Brian D., 576-64-9595
Almanza, Ernest J., 565-14-0122
Almore, Arthur G., 041-64-5305
Alvarez, Oscar N., 457-31-2867
Amey, James P., 202-48-1747
Andres, Gregg, 176-46-1763
Andrew, Mark J., 527-88-7218
Anstey, David A., 524-06-6548
Antrobus, Steven T., 242-19-4258
Aponte, Manuel, 080-56-8449
Asencio, Francis X., 085-58-3459
AuCoin, David E., 562-27-7299
Austin, Stanley F., 288-66-2173
Auzene, Michael S., 547-35-5582
Averill, Mark F., 028-46-9172
Aviles, Steven M., 025-54-4265
Bagby, James B., 466-80-3200
Bailey, Joseph P., 211-58-1708
Baker, Anita L., 536-70-7388
Baker, Ralph O., 077-54-1784
Baldwin, Charles J., 033-46-5191
Balkus, Monica S., 065-48-2461
Ball, Arthur T., 457-19-7191
Baragona, Dominic, 272-68-5804
Barbero, Michael P., 579-74-4451
Barends, Frans C., 186-38-9513
Barnhill, Robert J., 331-56-3950
Bartholomew, Lee A., 208-54-5474
Bass, Scott L., 267-57-2278
Bassett, Richard C., 558-29-8383
Bates, Maryann E., 044-42-5135
Bator, Edward, Jr., 241-21-0443
Bauder, Robert B., 208-42-4215
Baynes, Roberta B., 046-58-1574
Beard, Charles R., 488-50-7099
Beck, Daniel T., 213-82-9837
Belanger, Rene D., 015-52-9831
Bull, Hugh M., 512-70-2204
Bell, Oliver J., 466-37-0482
Bellos, Helen M., 490-74-1052
Bellows, David B., 021-48-8990
Benenhaley, Monty, 251-19-1046
Bennett, Jerryl E., 450-27-3511
Bent, Patricia A., 029-54-8962
Bergfelt, Benjamin R., 556-39-6486
Bergin, Timothy J., 353-60-5822
Berstler, Steven G., 280-68-5349
Besch, Thomas M., 132-52-2627
Biehler, Mark A., 079-56-6502
Bigari, Steven T., 390-64-1551
Birkhimer, Karl M., 364-58-7783
Bittrick, Michael J., 536-78-3917
Blanchard, Kristi J., 529-08-5713
Bland, Christopher D., 145-60-7727
Boerema, Brett A., 375-72-1285
Bogaard, Arie D., 157-54-1163
Bogard, Brian J., 205-54-3637
Boler, John S., 476-82-7629
Bond, Phillip L., 527-51-4284
Bonometti, Joseph A., 150-56-2188
Boston, Stephen T., 065-60-7681
Boutte, Brian M., 438-13-7365
Bowden, Dean R., 420-84-9560
Bowen, James W., 453-33-0961
Bowen, Thomas S., 050-46-8588
Bower, Bradley J., 506-88-6544
Bowman, Craig D., 424-68-6742
Boyle, James V., 104-58-4561
Boyle, William, Jr., 104-54-1859
Bradley, David M., 551-27-8849
Bradley, Dennis J., 154-58-2205
Bray, John Raymond, 551-19-5418
Brechbuhl, Hans-Ch., 099-52-6408
Brewer, Barry W., 467-02-6968
Brockman, Gregory, 459-21-9879
Brooks, Boyd B., 571-35-8564
Brooks, John J., 004-72-4965
Broome, Jon B., 523-04-4614
Brothers, Scott L., 512-76-1842
Brown, James B., 567-82-1374
Brundige, John R., 448-70-7006
Bryant, Thomas A., 411-25-2870
Bryce, Robert S., 227-08-8160
Buc, Steven M., 218-68-2938
Buchwald, James E., 112-54-1520
Buckman, Belinda L., 403-88-0857
Buda, William L., 049-66-0656
Buechner, Mark R., 262-55-0660
Buning, Daniel C., 265-37-4311
Burgamy, Gregory G., 455-35-7410
Burlas, Joseph E., 226-84-8932
Burlas, William R., 226-84-8914
Burtnett, Richard, 249-31-4550
Bussey, Torin A., 268-70-1859
Butler, James B., 456-33-5137
Byars, Louis C., 260-76-7890
Cabinian, Ponce V., 354-58-5098
Cahill, Caren E., 102-46-5071
Calbos, Paul T., 067-54-9948
Call, Robert B., 219-72-4927
Callahan, Dennis F., 269-64-8995
Camargo, Joseph A., 351-50-3884
Campano, Stephen A., 143-56-1864
Canavan, Michael F., 098-52-2635
Caputo, Brian W., 351-60-2424
Cardon, Edward C., 549-37-5464
Carlin, Timothy S., 093-52-7023
Carlson, Robert D., 463-90-5855
Carr, Frederick C., 488-82-7096
Carroll, Lonnie R., 231-04-7869
Carter, Ronald L., 262-49-2187
Cassidy, Patrick J., 536-68-8033
Cassingham, Jack H., 505-90-2073
Castro, Rawlin J., 568-23-1132
Catena, Gene A., 118-38-1133
Caudle, John C., 421-86-5737
Centers, Michael C., 372-48-3928
Chadwick, Robert E., 545-35-9104
Chae, Chelsea Y., 360-58-0894
Chase, Charles A. V., 329-44-6952
Cheesborough, William, 255-04-6724
Cheselka, Peter, 147-58-3307
Cheshire, Robert, 490-76-3741
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Ciccarelli, Ralph, 265-77-4274
Coddington, Eugene, 125-46-2228
Cody, Arthur C., 262-71-5515
Cofer, Robin D., 415-11-5033
Cofield, William A., 270-66-5087
Coleman, Joseph B., 439-96-8551
Collett, Eugene A., 056-60-6675
Comolli Bret E., 057-40-7619
Condry, Mark E., 443-72-6593
Connolly, Philip G., 126-54-6536
Connolly, Thomas K., 089-54-9272
Conrad, Russell, 124-50-6182
Cook, William J., 539-68-7885
Cooper, Philip J., 047-42-6933
Copp, John W., 224-66-5213
Cordell, James G., 242-08-5157
Corrigan, Joseph, 305-74-9199
Cox, David K., 495-66-2576
Crabtree, Thomas R., 570-27-2283
Craig, David L., 545-19-6192
Craig, Donald M., 117-52-7616
Craig, Robert S., 383-68-5293
Crawford, Mark F., 252-88-2995
Creighton, James L., 554-43-0997
Creighton, Kenneth, 187-50-3790
Crenshaw, David A., 413-19-2056
Crenshaw, Tommy S., 251-82-2145
Cronk, William R., 540-74-2789
Croskrey, Stephen L., 532-72-9498
Cruise, Kevin B., 304-74-5871
Cummings, Timothy J., 026-50-5955
Cunha, Rui O., 550-25-8486
Cunningham, Paul F., 454-29-1690
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Dahl, Kenneth R., 117-50-9364
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Davidson, Michael, 150-56-4507
Davis, Kenneth M., 519-90-7724
Davis, Norman W., 437-27-0685
Davis, Paul R., 541-80-6562
Davitt, Thomas G., 052-56-9418
Dehart, Kevin F., 221-52-0900
Delaney, John M., 152-62-4984
Delgiorno, Deborah A., 058-48-0963
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Denham, Bradford W., 529-08-4866
Desantis, Ronald N., 286-50-6937
Deveney, Roger A., 126-52-0081
Devens, Timothy J., 224-82-8059
Devine, Thomas F., 020-48-0117
DeYoung, Guy N., 086-38-7781
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Dietz, Michael A., 165-54-7117
Dixon, Michael J., 523-96-5594
Dodson, Walter K., 206-50-7637
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Donahue, Robert A., 182-56-0189
Dotson, Kevin W., 294-52-1080
Doty, Joseph P., 585-94-4444
Doyle, Norbert S., 156-56-1327
Drake, Timothy E., 265-57-9749
Drucker, David M., 155-52-3352
Duban, Matthew E., 325-54-0363
Duffey, Joseph P., 034-56-2798
Duffy, Patrick E., 227-66-6598
Dukes, Michael A., 123-56-6235
Dunn, James F., 556-35-5185
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Dyess, Robert M., 231-94-4205
Dykstra, Ronald J., 508-82-7625
Easton, Mark C., 209-50-9139
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Eccher, Charles J., 079-40-0687
Eckstein, Bryan S., 150-52-7801
Eden, Steven J., 265-71-3763
Ellington, Steven W., 228-96-0594
Elmore, Wesley B., 232-04-0814
Engdahl, Lynnae E., 523-02-4336
Enright, Daniel J., 054-54-3198
Ericks, Craig A., 541-74-0133
Erickson, Eric D., 393-68-8706
Eshelman, Jon R., 315-70-3248
Estey, Christopher 522-06-7980
Faessler, Michael, 009-58-8641
Fahy, Stephen R., 453-08-5208
Farmer, Wesley E., 005-64-9888
Faupel, Thomas, 140-56-5021
Fedorchak, Scott A., 184-52-2508
Fehlberg, Ralph A., 522-98-5982
Feickert, Andrew D., 011-54-1383
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Tong, Jeffrey A., 264-51-1079
Torchia, Timothy A., 326-50-8035
Torgerson, Scott R., 476-82-7232
Tosi, Lawrence G., 144-60-1434
Totleben, Richard A., 159-38-8094
Townsend, Stephen M., 409-19-3691
Travers, John H., 046-54-3370
Traxler, Janice A., 266-53-7690
Turko, Robert W., 236-02-6651
Tyler, Rocky J., 505-90-9772
Utley, George M., 415-11-0221
Valentine, Christopher B., 246-74-9363
Valverde, Clinton D., 585-08-0578
Vandal, Thomas S., 035-44-3068
Vanderburgh, Paul M., 269-52-6622
Vargas, Douglas M., 549-17-2345
Veit, Brian S., 398-68-5780
Vera, Juan M., 464-13-0473
Verbiest, Lawrence J., 371-72-8084
Vertin, Anthony J., 470-74-6807
Vislosky, John I., 201-48-9480
Voigt, Gregory A., 036-34-4339
Vollmer, William A., 317-70-9122
Volpe, Thomas J., 093-58-4830
Vontersch, Martin C., 252-27-1573
Vozzo, Peter M., 213-48-8592
Vujica, Robert D., 327-60-1828
Waddell, Ricky L., 430-27-0807
Wadsworth, Michael P., 006-64-1089
Wagner, Marlin R., 213-70-4807
Waidlich, Ronald D., 182-52-2888
Wakeman, Michael L., 369-70-5587
Walker, Stephen K., 450-08-6052
Walter, Patricia M., 391-72-9080
Ward, William W., 463-35-4572
Warden, John B., 302-64-0402
Warner, Frankie M., 418-94-4193
Warren, John H., 455-11-6702
Warren, Patrick T., 550-41-1413
Wartiski, James Z., 058-44-5157
Warwick, Joseph M., 224-04-2694
Washechek, Mark G., 394-54-6854
Wassmuth, Richard J., 265-39-1081
Wasson, John D., 532-62-4158
Watsek, Dwane E., 538-66-2865
Watson, Bryan G., 521-13-2863
Waugh, Harold W., 034-36-9463
Weeden, David C., 156-44-5445
Wegrzyn, David A., 311-66-9196
Weil, Jeffrey R., 165-46-4609
Weinhoffer, Joseph C., 161-48-9438
Welch, Ronald W., 262-61-9024
Weldon, Marcus J., 465-04-9627
Welton, Timothy R., 485-84-5976
Westfall, Thomas F., 554-94-2269
Weston, Frank S., 562-33-6995
White, Jordon R., 407-94-1030
White, Michael P., 191-54-9974
Wickham, Anthony A., 268-58-1603
Wilcox, Darren A., 545-19-3940
Wilder, Peter R., 016-54-6029
Wiley, Thomas M., 003-48-6169
Wilkins, David M., 293-62-5744
Willems, Gregory C., 551-64-1104
Willets, Laurie G., 245-88-6677
Williams, Curtis R., 436-17-7013
Williams, Darrell M., 543-86-7979
Williams, David T., 245-23-6793
Williams, Debbra A., 445-64-4057
Williams, Gary S., 266-77-0389
Williams, Margaret E., 396-72-3634
Williams, Patrick M., 087-52-2711
Williams, Robert J., 438-86-1495
Williams, Scott C., 066-56-1068
Williams, Stephen C., 525-13-0050
Williams, Yancey R., 490-66-4674
Williamson, Donna M., 144-56-1789
Willis, Brent D., 464-35-8513
Wilmer, Arche, III, 455-27-9415
Wilmer, Michael C., 063-56-6772
Wilson, David C., 374-60-2159
Wingate, Scott M., 536-48-0381
Winstead, Michael D., 240-19-0093
Wiseman, Tey C., 509-74-9660
Wolf, Francis E., 350-56-2193
Wolfe, Daniel G., 522-15-5282
Wolven, Renee S., 305-76-6638
Wong, Tezeon Y., 113-50-0581
Wood, Paul J., 535-54-4631
Woodgerd, Michael E., 280-68-0048
Woods, Kurt M., 370-66-0252
Worth, Daniel J., 112-52-5993
Wrenn, Robert E., 410-96-2721
Wright, Timothy G., 119-50-3550
Wuchte, Thomas A., 344-58-2649
Wynder, Allen G., 573-23-9336
Yarberry, Kenneth J., 524-08-7921
Yerks, David M., 534-70-0464
Yomant, Charles M., 261-73-7109
York, Richard G., 381-70-3523
Zander, Tracey L., 419-66-9075
Zanoli, James J., 178-52-2999
Zemet, James R., 187-52-7116
Zemet, John C., 187-52-5955
Ziegler, David B., 284-66-4857

CONFIRMATIONS

Executive nominations confirmed by the Senate May 10, 1982:

IN THE COAST GUARD

Vice Adm. James S. Gracey, U.S. Coast Guard, to be Commandant of the U.S. Coast Guard for a term of 4 years with the grade of admiral while so serving.

Rear Adm. Benedict L. Stabile, U.S. Coast Guard, to be the Vice Commandant of the U.S. Coast Guard with the grade of vice admiral while so serving.

International Communication Agency

Ronald L. Towbridge, of Michigan, to be an Associate Director of the International Communication Agency.

Department of State

Maynard W. Giltman, of Vermont, for the rank of Ambassador while serving as Department of State Representative and Deputy Head of the U.S. Delegation to the Intermediate Range Nuclear Force Negotiations.

James Eugene Goodby, of New Hampshire, a career Member of the Senior Foreign Service, class of Minister-Counselor, for the rank of Ambassador during the tenure of his service as Vice Chairman, U.S. Delegaton to the Strategic Arms Reductions Talks (START) and Department of State Representative.

Louis G. Fields, Jr., of Virginia, for the rank of Ambassador while serving as the U.S. Representative to the Committee on Disarmament.

Selwa Roosevelt, of the District of Columbia, for the rank of Ambassador during the tenure of her service as Chief of Protocol for the White House.

The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

EXTENSIONS OF REMARKS

SOVIET PROPAGANDA ALERT: NO. 6, APRIL 26, 1982

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 10, 1982

● Mr. MICHEL. Mr. Speaker, a few months ago I inserted into the Record items from the International Communication Agency's "Soviet Propaganda Alert." I received some inquiries and comments on the information contained in that publication. I would therefore like to take the opportunity today to place in the Record part of the new "Soviet Propaganda Alert." Space considerations forbid the insertion of the entire publication, but I thought you would like to see what is in the summary and to read in its entirety what the Soviet Union has been saying about "Arms Control and the Peace Movements." At this time I wish to insert these two items in the Record:

Soviet Propaganda Alert: No. 6., April 26, 1982

SUMMARY

In March and April, Soviet external propaganda has stressed:

Chemical and biological warfare

Soviets continued to deny vehemently that they have any involvement whatever in chemical/biological warfare (CBW). Attacks on the U.S. for alleged past and present use of CBW in many parts of the world—including Vietnam, Pakistan, Afghanistan, Cuba, and even the USSR—have increased in frequency. As more evidence emerges of Soviet use or support of CBW, the more strident have become Soviet assaults on the U.S.

Arms control and peace movements

The Brezhnev moratorium proposal of March 17 has formed the centerpiece of Soviet propaganda. Peace movements in Europe and the U.S. have been emphasized and played as if they completely support Soviet positions. President Reagan's March 31st press conference and Secretary of State Haig's Georgetown speech of April 6 have been cited as duplicitous justifications for U.S. attempts to gain military superiority and for the first use of nuclear weapons.

Falklands and Latin America

Soviets claim that the U.S. plans to exploit the Argentine seizure of the Falkland (Malvina) Islands in order to establish military bases in the South Atlantic. Other charges include alleged American subversion of Nicaragua and Cuba, collusion in the Guatemalan coup, and support of "bloody, repressive" regimes in Honduras and El Salvador.

Espionage, plots, and warmongering

In several other parts of the world the CIA stands accused of spying (Greece) and plotting coups (Iran, Zimbabwe), while American militarists purportedly are bringing Korea and Japan ever closer to war.

The peace movements and Western "freeze" initiatives

In fact, Moscow has tried to make much capital out of peace movements in both Europe and America. Most of its propaganda on arms control is addressed directly to those engaged in the movements.

Thus, wrote Vasilii Kharkov (TASS English, April 9):

"In Britain, Belgium, Holland, Denmark and other West European countries, mass manifestations against the Pentagon's nuclear madness, for talks, and not confrontation, with the Soviet Union, are characterized by a variety of forms used, the mass scale and coordination of action by different antiwar and pacifist organizations."

That many participants in the marches direct their negative sentiments toward Soviet arms as well is, of course, passed over in silence by Soviet analysts. They prefer to see all the demonstrations as a show of the "determination of the West European peoples to avoid being used as the Pentagon's nuclear hostages."

Particularly noteworthy is the fact that the Soviet chief of staff, Marshal Nikolai Ogarkov, has recently called for a crackdown on pacifism within the Soviet Union. In his booklet entitled "Always Ready to Defend the Fatherland," published in late February, Marshal Ogarkov criticized some of the younger generation of Soviets for a "false sense of peace, complacency and pacifism" and urged Party propagandists to "struggle against such elements."

A source of some surprise and pleasure for Soviet propagandists is the fact that the "current antiwar movement in the USA has a broader basis than in the years of the war in Vietnam," involving "not only the youth but also the 'average American,' moderate sections of the population, church circles, organizations of physicians, lawyers, businessmen, and finds support in political circles and the U.S. Congress" (Ivan Ablamov, TASS English, April 12).

Of particular interest to Soviet commentators has been the freeze proposal advanced by Senators Kennedy and Hatfield. Although this proposal has both "good and bad qualities," in the words of radio commentator Oleg Anichkin (Moscow Domestic, April 9), it is a good indication of the growing resistance to the arms race in the U.S. What no Soviet propagandist will do, however, is endorse such mutual freeze proposals, because that would also mean an end to Moscow's massive arms buildup.

"The war opponents in the West," claimed TASS's Ablamov, "clearly see that, while the Soviet Union advances numerous constructive initiatives, Washington rejects them outright without even getting around to studying them attentively."

"Strange speech" on the military balance

Soviet propagandists were quick to pick up on President Reagan's March 31st news conference statement that the USSR had a margin of superiority in nuclear weapons. Valentin Zorin, a prominent television and radio analyst, called this "fresh proof that some really high-ranking United States officials don't feel bound to stick to the truth when they address their fellow countrymen." He accused Reagan of making this statement "obviously to try and keep in check the mounting public demand in his own country for freezing the existing levels of nuclear arms. . . ." (Moscow Radio English, April 10).

Vladimir Bogachev (TASS English, April 9) claimed that "[in] the past, when making similar statements, the President himself and members of his administration got away with it. This time, however, Ronald Reagan's statement has given rise to a stormy reaction in the country." According to Zorin and Bogachev, Senators Moynihan and Jackson have categorically rejected the President's charge, and even earlier statements by Alexander Haig and Caspar Weinberger refute Reagan.

"The President's closest staff members tried to come to Reagan's aid," averred Bogachev, "hinting that the President in his strange speech meant only individual types of Soviet armaments." But the American public will not be fooled, in the view of this Soviet: "broad masses of people in the United States [take the statement] as evidence of the administration's refusal to heed the Soviet Union's new peace proposals and as the administration's refusal to conduct constructive negotiations on limiting and reducing nuclear arms."

Haig "falsifications" and the foreign affairs article

Secretary of State Alexander Haig's speech on arms control at the Georgetown University Center for Strategic and International Studies on April 6 evoked strong response from Soviet propagandists. Haig "resorted to the open falsification of commonly known facts to cover up the aggressive character" of U.S. policy, wrote TASS analyst Igor Orlov (April 7). This speech, in Orlov's report, reaffirmed a U.S. program of nuclear arms buildup "which in fact relies on the admissibility of nuclear war and includes the possibility of delivering the first nuclear strike."

According to Soviet commentators, the Haig speech was an attempt to deal a "preemptive strike" to a forthcoming article in the journal "Foreign Affairs" by four former top U.S. officials (George Kennan, McGeorge Bundy, Robert MacNamara, and Gerard Smith). This article argues for, among other things, U.S. renunciation of first use of nuclear weapons.

INF talks at Geneva and MBFR at Vienna

Not surprisingly, Soviet propaganda has claimed all justice for the Soviet side's positions at Geneva and none for the U.S. stance. Thus, P. Viktorov wrote in "Pravda" (March 12):

"Comparing the Soviet plan for nuclear disarmament in Europe with President R. Reagan's so-called "zero option," international commentators note that the USSR has displayed a desire to make the Geneva talks purposive and constructive and has taken a major step in the direction of solving one of today's most acute problems.

"The U.S. approach, however, presupposes talks which would lead to a limitation of the other side's arms without affecting its own armaments. Washington wants only those armaments whose limitation or liquidation

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● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

would benefit the United States and NATO to come under scrutiny."

At Vienna, the socialist countries have tabled "an important initiative," according to TASS (April 9), but the West has avoided discussion of this document. The reason: NATO and "above all the United States" want to push on with the arms race and establish "military superiority over the USSR and its allies."

"It is precisely this course which is stalling the Geneva talks on nuclear arms limitation in Europe. It is precisely this course which is raising obstructions on the way to agreement in Vienna. . . . This course is shortsighted and unwise . . . irresponsibility and fanning the nuclear and conventional arms race could end in tragedy."

U.S. "madness"

The root cause for all problems in the arms control process are to be found in Washington's policies, according to Soviet commentators. These charges against the U.S. have become increasingly bitter in recent weeks. Typical of the Soviet attacks is an article in the journal "Selskaia zhizn" (March 13) entitled "Madness as a Policy." In this piece Nilolai Pastukhov wrote: "Real awareness of the terrible danger which is hanging over the planet through the fault of Washington's insane policy is giving rise to a growing protest movement among the broadest circles of the international public against the militarist forces' criminal course."

Pastukhov summed up the current situation as follows: "The threat to peace and universal security emanates from the present American administration, that champion of the U.S. military-industrial complex interests, which has elevated madness to the rank of its official policy."●

APPLIANCE EFFICIENCY STANDARDS

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 10, 1982

● Mr. OTTINGER. Mr. Speaker, last month, the administration proposed to abandon efficiency standards for major home appliances. The Energy Conservation Policy Act of 1975 was amended in 1978 by the National Energy Conservation Policy Act to require that standards be developed for appliances. The regulations proposed by the Department of Energy would not only fail to establish minimum energy efficiency standards, but would also preempt or nullify existing State efficiency requirements in more than 40 States.

This action was taken despite findings that energy savings from more efficient applicances could amount to 2 billion barrels of oil by the year 2005, at a cost savings to energy consumers of up to $19.3 billion. The appliances that would be covered under these standards account for 19.5 percent of the Nation's primary energy use and 82 percent of all residential use.

Similar to the administration's irresponsible position on appliance standards is its stance on building performance standards. Although Congress changed the standards to voluntary guidelines in 1981, it fully intended that the valuable research be continued, and that the information should be used by builders, developers, architects, and consumers to evaluate the energy performance of buildings. Congress has been told repeatedly that the building industry is unable to conduct the research currently being funded by the Energy Department, but would like to apply the research to their trade. The DOE, however, is halting work in this area before the final product is ready.

These reversals of a prudent energy course reflect the Reagan administration's retrogressive policy of repeal and neglect in all areas of conservation, despite the substantial evidence that conservation can contribute significantly to reduced American dependence on imported oil.

This administration remains myopically devoted to production alone, while promoting the dismantlement of the Energy Department and the practical implementation of that goal through the dismemberment of the conservation office and its statutory programs.

The administration's actions have been scrutinized and opposed by Members of Congress and recently, in the conspicuous case of appliance standards, by the public and the press.

Several excellent editorials have focused on this issue, among them an editorial series in the Washington Post on energy prices, conservation and appliance standards. I commend these to the attention of my colleagues:

[From the Washington Post, Apr. 15, 1982]

ENERGY: FORGETTING THE PAST . . .

American dependence on imported oil has dropped substantially over the past two years. But it's not a bad idea to keep a wary eye on those figures.

The peak year for imports was 1977, when American oil consumption was rising rapidly and the Alaskan pipeline was just beginning to go into operation. At that point, imports were getting uncomfortably close to half of the total amount of oil used in this country. Currently, imports are down under one-fourth of total use. That level is perhaps deceptively low since the oil companies, under the pressure of high interest costs, have been running down their stocks. But even after accounting for this drawdown, it's clear that the trends are pointed in the right direction.

The basic relationship here is the amount of energy, from all sources, required to produce each dollar's worth of the economy's output. That crucial ratio has been dropping steadily and substantially ever since the first oil crisis in 1973. It's mainly a response to higher prices.

When American demand for energy drops, the impact falls entirely on the most expensive of the fuels—oil. When demand for oil drops, the impact falls entirely on the imports. Total energy consumption has been falling in this country for the past two years, and that reduction, although it might seem a relatively small percentage, translates into a very large drop in imported oil.

It is by no means certain that this progress will continue if oil prices keep falling. While lower prices are welcome at the moment when you pay your fuel bills, you might want to keep it in mind that American vulnerability to a foreign cutoff is still substantial. Even one-fourth of the country's oil supply is a very large flow, and any signficant disruption of it would rapidly produce the familiar effects. Over the past couple of years Americans have proved to themselves that, without hardship or even great inconvenience, they can do with less oil. The case for continued caution and conservation remains compelling.

. . . AND MORTGAGING THE FUTURE

The Department of Energy has come up with the ultimate bureaucratic solution to a tricky legal problem. The law directs DOE to issue a regulatory standard. Twice during the past year Congress has reiterated its determination that this standard be issued. DOE would rather not. The answer—it is absolutely brilliant: the standard will be that there is no standard.

The Energy and Policy and Conservation Act directs DOE to develop energy efficiency standards for major household appliances, including water heaters, air conditioners, refrigerators and freezers, furnaces, kitchen ranges and clothes dryers. Together they use more than 80 percent of all the energy consumed in residences. In order to avoid an undue economic burden imposed on manufacturers by a patchwork of state and federal standards, the law also provides that, when used the federal efficiency standards will preempt state standards. The kicker in DOE's no-standard standard is that the preemption-remains; state efficiency standards already in effect would become illegal.

Back in 1980, when the requirement for efficiency standards was enacted the memory of 1979—when oil prices more than doubled in less than a year—was still fresh. It helped to focus Congress attention on whatever opportunities existed to cut Americans' very high energy use with a minimum of pain. Applicances were—and are—an obvious target. They use a lot of energy, most of it as electricity, the most expensive form of energy.

But Congress found that higher energy prices alone would not induce as much improvement in the efficiency of appliances as was economically justified. In part this was because consumers lacked the necessary information. So labels describing energy efficiency were required. But even that was not enough for the simple reason that most of the major appliances are purchased by builders, developers and landlords, who do not care what an appliance may cost to run, only what it costs to buy. Faced with a choice a builder will likely as not choose the cheapest appliance even though over its lifetime, it may cost its owner far more than one with a slightly higher initial price. So Congress decided that market forces needed a push in the form of minimum efficiency standards.

Congress told DOE to issue standards only if each were technologically feasible, economically justified and would save a "significant" amount of energy. By fiddling with the economic models, changing a few assumptions here and there and defining "significant" energy savings in a way that could not be met, the Energy Department which appears to believe that any regulation is a

bad regulation managed to confound Congress' order.

The courts may not accept the no-standard standard, but Congress despite continuing support for the standards appears to have no more moves to make. If the proposal stands, the losers will be all of us—that is, all the people who pay electricity bills.

[From the Washington Post Apr. 30, 1982]

NOT SO CONFUSING

The Secretary of Energy, James B. Edwards, childes us for having commited a confusion. A couple of weeks ago we published in this space two editorials on energy prices and conservation. They "blatantly contradicted each other," the secretary exclaimed a few days later in a speech to the National Petroleum Council.

Did they? First, we said that energy consumption was down mainly because prices are up. Mr. Edwards agrees with that. So far, so good.

Then we went on to point out that Mr. Edwards and his department have refused to comply with the law in which Congress told them to set minimum acceptable standards of efficiency for appliances such as furnaces, air conditioners and water heaters. "Which is it?" Mr. Edwards asked. "Does price work or not?" Since the record does not show that the Petroleum Council gave him an answer, we shall offer one here. Certainly price works. But it all depends on who pays.

Usually the heater that costs more to buy and install will cost less to run, and vice versa. The more efficient models tend to be the more expensive ones. When a developer builds a subdivision, there's a strong temptation to install inexpensive appliances in order to hold down the prices of the finished houses. The fuel and power bills are not going to be paid by the developer. Here, price works all too well—and in the wrong direction. The market for houses isn't quite like the market for cars. Not many houses are sold on their energy ratings. Perhaps that will change as energy costs keep rising, but it's not common yct. After a house has been sold, the new owner always has the option of ripping out cheap appliances and putting in better ones. But few people, on picking up a mortgage are likely to find that an attractive idea.

While prices work, in the construction industry they can sometimes work perversely. Building codes already set many rules regarding quality of construction. A country that is concerned about energy consumption has good reason to set a few similar rules about appliances and the minimum standards of efficiency that will be tolerated. There shouldn't be anything confusing about that.●

EXPLANATION OF VOTE

HON. BILL GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 10, 1982

● Mr. GREEN. Mr. Speaker, on the afternoon of May 6, 1982 I was asked to join several other Members of the House for a meeting at the White House to discuss the budget. Because of that meeting, I missed the vote on final passage of H.R. 5539, to amend and supplement the Federal Reclamation Laws. I am very concerned about the environmental consequences of this legislation, and, had I been present, I would have voted "No."●

SAPPHIRE JUBILEE—JUNIOR PHILHARMONIC ORCHESTRA OF CALIFORNIA, DR. ERNST KATZ, FOUNDER-CONDUCTOR

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 10, 1982

● Mr. WAXMAN. Mr. Speaker, on May 26, 1982, the Junior Philharmonic Orchestra of California will be celebrating its Sapphire Jubilee at the Scottish Rite Auditorium in Los Angeles. This major civic and cultural event will be attended by 2,500 invited guests including many civic leaders, representatives from more than 50 nations, and notables from radio, television, and motion pictures.

Dr. Ernst Katz who founded the Junior Philharmonic in 1937 and has continued to serve as the orchestra's conductor for 45 years will be honored on this occasion.

Under Dr. Katz's inspired leadership, the motto of the Junior Philharmonic Orchestra of California has been, "Give Youth a Chance to be Heard." Each year young musicians between the ages of 12 and 25 from all over Southern California audition for the opportunity to be 1 of its 125 members.

The Junior Philharmonic is unique in that it is completely non commercial, not subsidized by the Government and there are no membership charges. The orchestra is supported entirely by its founder-conductor, Dr. Katz, who has dedicated himself to the youth and music of America. In addition the JPO has never charged a fee for its services in assisting groups raise more than $9 million for many worthwhile causes. For these reasons, and because of his work in the training and development of young musicians, Dr. Katz and the JPO have been honored by Presidents of the United States, Members of Congress, Governors of California, the California Legislature, the county and city of Los Angeles, and numerous cities throughout the Southland.

A number of world-famous composers and musicians have appeared with the Junior Philharmonic and are honorary members of the orchestra. They include Jerome Kern, Oscar Straus, Sigmund Romberg, David Rose, Meredith Wilison, Ernest Gold, Ferde Grofe, Frederick Loewe, Richard and Robert Sherman, Alan and Marilyn Bergman, Dimitri Tiomkin, Rudolf Friml, Jose Iturbi, and Isaac Stern.

Each year the JPO invites four famed personalities to conduct the orchestra in the "Annual Celebrity Battle of Batons" comedy sequence. In previous encounters the battle for the coveted Golden Baton has included Henry Fonda, Eddie Albert, Jack Benny, Jimmy Durante, Buddy Ebsen, Ed Asner, Tommy Smothers, Connie Stevens, the Ken and Bob Company, Tom Snyder, Bill Dana, Lee Merriwether, Jackie Cooper, Marty Ingels, George Segal, Judy Canova, Arte Johnson, Louis Nye, Tom Poston, Avery Schreiber, Ryan O'Neal, Rick Jason, Don Knotts, Dr. George Fishbeck, Peter Bonerz, Glenn Ford, John Rubinstein, and the list goes on.

A number of alumni of the Junior Philharmonic Orchestra have become professional musicians and are now members of symphony orchestras throughout the world. Others have chosen different fields of endeavor and have raised families and built careers in law, medicine, business, and education. All, however, have had a unique experience because of their membership in the JPO, an experience which shaped and enriched their lives.

I ask the Members to join me in saluting Dr. Ernst Katz. His efforts have enriched generations of youth and have served as an inspiration to all who cherish young people and believe in their potential for excellence.●

REQUEST FOR A RULE ON H.R. 4800, THE AIRPORT AND AIRWAY REVENUE ACT OF 1981

HON. DAN ROSTENKOWSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 10, 1982

● Mr. ROSTENKOWSKI. Mr. Speaker, on May 6, 1982, the Committee on Ways and Means ordered favorably reported, with amendments, H.R. 4800, the Airport and Airway Revenue Act of 1981. It is our intention to report this measure to the House on May 12, 1982. I have been instructed by the committee to offer this legislation as a separate revenue title on the House floor to H.R. 2643, the Airport and Airway Improvement Act of 1981—a procedure which has been traditionally followed in the House in recent years on this type of legislation. H.R. 2643 was reported to the House by the Committee on Science and Technology on March 19, 1981, and by the Committee on Public Works and Transportation on May 19, 1981.

Pursuant to the rules of the Democratic Caucus, I take this occasion to advise my colleagues as to the nature of the rule we will request for consideration of the Ways and Means Committee title of the bill. The Committee on Ways and Means has specifically instructed me to request the Committee on Rules to grant a closed rule.

The Committee on Ways and Means will request to be heard before the Committee on Rules concurrently with the other committees involved in this legislation.●

HEAD START PARENTS APPEAL FOR PROGRAM

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 10, 1982

● Mr. MILLER of California. Mr. Speaker, I continue to get letters from Head Start parents who both testify to the ways in which this program has dramatically improved their lives and those of their children, and express their concerns about Head Start's future. We know that Head Start works; that Head Start is cost-effective. And yet, even today, it serves only 25 percent of the eligible children, and faces substantial erosion from inflation and cutbacks in supportive services—CETA, title XX, Child Care Food, Medicaid. We need to listen to the parents of Head Start children and keep this exemplary program working. Another letter from a Head Start parent follows:

> I believe that the people at Head Start are directly responsible for finding a heart condition that my daughter had. She has had surgery and is now doing fine. The teachers go out of their way to help each person in their special needs. Head Start children are taken out on field trips to hospitals, police departments, fire departments, and other places, so they can get an early start at knowing how our town works.
>
> The children are learning how to take care of themselves a little. My little girl has learned to get along with other children better, and to take care of her things better. She seems to be a happier person since she has become involved in Head Start.
>
> The people at Head Start do a wonderful job and are devoted people to their work and children. It would be a great loss not to have this program.
>
> HEAD START PARENT,
> *El Dorado Springs, Mo.*●

SMALL BUSINESSES IN THE DECISIONMAKING PROCESS

HON. MILLICENT FENWICK

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, May 10, 1982

● Mrs. FENWICK. Mr. Speaker, last week I introduced along with my colleagues from Rhode Island (Mrs. SCHNEIDER) and Maine (Mr. EMERY) a resolution which will insure that there is complete representation of small businesses in the economic decisions being made in the White House. Our resolution asks that President Reagan include in his Cabinet Council on Economic Affairs the Administrator of the Small Business Administration. A similar resolution is pending in the other Chamber.

It is of the utmost importance that this change be made. Even in this day of the gigantic multinational corporate conglomerates, it is the small business which is still the backbone of our economy. Ninety-seven percent of all businesses in the United States are small businesses. Over half of all jobs in the country are with small businesses. Perhaps most important of all, particularly with the problems we are now experiencing with unemployment, small businesses create 90 percent of the new jobs in the Nation, and in some areas, such as the Northeast, small businesses account for all the net new jobs created.

There are extremely serious questions facing us: How do we bring down the high interest rates? How do we fairly reduce the deficit? How do we best lift the heavy hand of Government from our most productive businesses? To leave out small business in the decisionmaking process is wrong. We must do all we can to free up the independence of the entrepreneur and release the creativity which has characterized our economy for so long and made this Nation the envy of the world. This resolution will send a clear message to the White House that we want full representation for small businesses in the Cabinet meetings on the economy. I invite my colleagues to join as cosponsors so that we can have this passed as quickly as possible.●

RALPH SLEIGHT

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 10, 1982

● Mr. MINETA. Mr. Speaker, it gives me great personal pleasure to rise today to salute my good friend, Mr. Ralph Sleight, who is retiring this month after a career of 32 years in the field of public education. Two-thirds of that career, or 24 years, have been spent as a junior high or high school principal in San Jose, Calif. Much of his career was spent as principal of Peter Burnett Junior High School in San Jose. Over the years I have visited this school many times, and have always been impressed with Mr. Sleight's skill and capability.

During this long career, Mr. Sleight has rendered valuable service to students, faculty, and the community in which he lives. I am proud to have had the opportunity to work with him for many years.

Ralph Sleight has been an outstanding educator, and can list among his achievements the introduction of computers into the secondary school classroom in the San Jose Unified School District. This has proved to be of great benefit to students who graduate from high school in one of the Nation's centers of high technology industry. Mr. Sleight has also proven to be an exemplary administrator. He can number among his innovations the use of flexible scheduling, team teaching, and improved staff evaluation techniques.

In the community, as well, Mr. Sleight has long provided leadership and a high level of involvement. He has been an active officer in the Red Cross, and a member of the San Jose Civil Defense Committee. Many years ago, when we first formed the North San Jose Optimist Club, I was the charter president and Mr. Sleight was the charter vice president of that group. He later went on to serve as president of the club.

Finally, Mr. Sleight has made important contributions to the profession of public school administration. He has served three terms as president of the local chapter of the California Association of Secondary School Administrators. He has also served as a regional director of the latter organization.

Mr. Speaker, I ask you to join me and all my colleagues in the House of Representatives in paying tribute to Ralph Sleight in recognition of his 32 years in the field of public education in San Jose.●

THE 125TH ANNIVERSARY, "SENATE" HOOK & LADDER CO., OSSINING, N.Y.

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 10, 1982

● Mr. OTTINGER. Mr. Speaker, colleagues, today I wish to bring to your attention the 125th anniversary celebration of the Ossining, N.Y., "Senate" Hook and Ladder Fire Co., No. 1.

On May 21, 1982, Senate Hook & Ladder Co. No. 1, of the Ossining Fire Department, will be celebrating their 125th anniversary. In January 1857, the citizens of Sing Sing, N.Y.—which was Ossining's former name—sent a petition to the State of New York. The petition asked the State to provide fire apparatus to the village, due to equipment being worn out in fighting fires in the State prison. An appropriation was passed by the State legislature in answer to this petition. The newly formed hook and ladder company, adopted the name of "Senate," in honor of the State fathers, to whose appropriation they owed their existence.

Twelve members made up the roster on May 21, 1857. The officers were George Birge, foreman, Richard Lusk, assistant foreman, Andrew Finegan, secretary, and Samuel S. Smith, treasurer. Senate's first hook and ladder apparatus arrived September 30, 1857. There was great celebration when the apparatus arrived in which all the Sing Sing fire companies participated, as well as fire companies from White Plains and Yonkers. Senate Hook & Ladder Co. No. 1 has not only given 125 years of service to Ossining, but has performed mutual aid duty all over Westchester County.

I am pleased to join in honoring this fine group of public servants.●

THE NATIONAL CRUDE OIL PROFIT SHARING ACT IS BAD ENERGY POLICY FOR THE NATION AND THE STATES

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 10, 1982

● Mr. YOUNG of Alaska. Mr. Speaker, last week, legislation was introduced which would increase Federal taxes, restrict the recognized contitutional rights of States, and increase America's dependence on foreign oil. All three of these evils would be accomplished simultaneously if the National Crude Oil Profit Sharing Act is enacted into law.

This legislation would create a massive new national severance tax on oil and would destroy the traditional powers of the States to use severance taxes to finance necessary public services. The bill would have a significant negative impact on the economy in general as well as having a devastating impact on the domestic oil exploration and production industries which are already suffering from the current slump in the world oil markets.

The proposed 30-percent crude oil tax could cost producers $10 or $11 a barrel. Most of this amount would undoubtedly be passed on to consumers. Despite the claims of the bill's sponsors—the Northeast-Midwest coalition—that the producers would pay the tax at a reduced rate of nearly $5 per barrel, the same interests have consistently maintained that this type of tax is in fact borne by consumers.

As written, the bill does not impose any type of tax on imported oil. The sponsors have not indicated how they expect this tax to affect domestic petroleum markets or industries. However, it is known that the tax would increase the cost of domestic oil in relation to foreign oil by as much as $10 per barrel. Incentives for production and exploration of domestic oil resources will drop drastically and inevitably the United States would increase its use of imported oil. Altogether, this proposed tax would create severe disruptions in the petroleum sector of our economy at a time when such disruptions cannot be afforded.

The bill also proposes limits on State energy severance taxes based on 1978 unit rates adjusted for inflation. The legislation is based on the theory that these limits, in combination with the limited revenue sharing aspects of the bill, would reduce so-called fiscal disparities between the States. This premise of the bill is contradicted by a recent study of the Advisory Commission on Intergovernmental Relations which demonstrated that State and local tax differentials do not constitute a problem for our Federal system. The same study, moreover, found that differences in State tax structures have very little to do with the movement of business and industry from one region to another.

The bill notably fails to mention other forms of State taxation that may be exported to out-of-State consumers. These include State personal and corporate income taxes, stock transfer taxes, taxes on manufactured goods, as well as severance taxes on nonenergy resources. If State taxes are as damaging to the Federal system as the proponents of this legislation claim, then it is difficult to understand why the bill singled out only energy taxes for limitation and left other State taxes to operate without effective legislative restraint.

The fact is that this bill could lead to across-the-board Federal limitations on all State taxes by breaching traditional State taxing authority. Throughout our Nation's history, the courts have been the guardians against unreasonable State taxes which would unreasonably impair interstate commerce. The courts, acting on a case-by-case basis, have been at the forefront in preserving the free flow of interstate commerce while still recognizing the rights and responsibilities of States to provide for needed public services through State taxation. This system of justice has been a wise one and has protected our Federal system from possible abuse. It should not now be cast aside in favor of drastic Federal intervention which would set a dangerous precedent for invading all State taxing powers.

Mr. Speaker, the National Crude Oil Profit Sharing Act would set bad energy policy for the Nation and the States and should not be enacted into law.●

THE ANNIVERSARY OF MRS. JAMES CHASE FOR 25 YEARS OF SERVICE TO THE SOUTHERN BERKSHIRE COMMUNITY OF MASSACHUSETTS

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 10, 1982

● Mr. CONTE. Mr. Speaker, my fellow colleagues, I would like to take this opportunity to give recognition to Mrs. James Chase of the Egremont Cooperative Nursery School. Mrs. Chase has been working with the children of the southern Berkshire community for 25 years. However, "work" is not an adequate description because for Mrs. Chase, it is not work. It is her life. She has given the children of Egremont something which is invaluable: her life, her self, and her love.

At the present time, our educational system is facing many problems. The dedication of those like Mrs. Chase is the first step toward overcoming some of these problems. To insure a high-quality education system, we need more teachers who, like Mrs. Chase, realize that a good education begins with sharing, love, and, of course, patience.

The entire southern Berkshire community has benefited from Mrs. Chase's dedication. Her guidance sent their children on their way, and we are grateful that it was the right way to a sound future. So on behalf of myself, the children, and the parents of Egremont, I want to thank and honor you, Mrs. Chase, for the many years of love and joy that you shared with them. Also, I want to wish you continued luck in the years that are ahead of you.

Thank you, Mr. Speaker.●

CRIMINAL JUSTICE SUBCOMMITTEE TO HOLD HEARINGS ON HABEAS CORPUS

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, May 10, 1982

● Mr. CONYERS. Mr. Speaker, the Subcommittee on Criminal Justice, which I chair, is continuing hearings on revision of the Federal criminal laws. This week we are focusing on the habeas corpus provisions of H.R. 5679. The hearing will be held on Wednesday, May 12, 1982 at 10 a.m. in room B-352 of the Rayburn House Office Building. The following witnesses are scheduled to testify: Hon. Jim Smith, attorney general of Florida; Richard J. Wilson, director of the defender division of the National Legal Aid Defender's Association; and Prof. LeRoy Pernell of Ohio State University School of Law, on behalf of the National Conference of Black Lawyers.●

A SHAMEFUL SUGAR POLICY

HON. PETER A. PEYSER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 10, 1982

● Mr. PEYSER. Mr. Speaker, 2 weeks ago I introduced legislation to repeal the sugar program included in the 1981 farm bill, since this program, as a result of duties, fees and now the recently imposed quotas, will cost the American consumer up to $3 billion in additional sweetener costs, affecting everything from a pound of sugar to cookies and soft drinks.

Today's New York Times and the Wall Street Journal both carry editorials deploring the imposition of quotas by the Reagan administration and pointing out the devastating impact of this sugar price support program on the consumer. Both editorials advocate a sane sugar policy, which is no sugar policy at all. I commend these statements to my colleagues' attention, and ask that they be inserted in the RECORD.

[From the New York Times, May 10, 1982]

A SHAMEFUL SUGAR POLICY

Not surprisingly, the White House did not really announce the decision to impose quotas on sugar imports. It merely confirmed the rumors that President Reagan will bring joy to a few thousand American sugar growers at a cost of about $1 billion to consumers and a further drain on the incomes of poor countries that depend on sugar exports.

In a rational world, the United States would not bother producing sugar in constant need of protection. Other countries, notably Brazil, the Philippines and some Caribbean islands, can supply all of America's needs at much lower cost.

But owing to protectionism, America still has sugar growers, and they cannot operate in an open world market. By allying themselves with other subsidy-seeking farm lobbies in Congress, the sugar growers keep erecting import barriers that protect a sizable portion of the American market.

Last year that alliance almost cracked. Other agricultural interests, stung by Congress's failure to provide generous price guarantees, wavered on high tariffs on sugar. But a few sugar-state Democrats saved the industry by buying White House support with their votes for the Reagan budget. The 1981 farm bill set an effective minimum price for raw sugar at 18.5 cents a pound, several cents above the world price.

That might have been the end of it if world sugar prices had not further declined. Today sugar sells in the free market for about 9 cents a pound. And legal limits on import tariffs and fees make it impossible to protect the American price at the agreed-upon minimum. So President Reagan has decided to raise the domestic price by further limiting imports with quotas.

The quotas will add an additional $1 billion to Americans' sugar bill. They will also cut deeply into the revenues of impoverished sugar exporters, including the Caribbean nations that Mr. Reagan is so assiduously wooing with lectures on the magic of the free market.

Then why do it? The law's the law, say the President's supporters; the only way to make it satisfy domestic growers is to sock it to consumers and foreign growers.

Well, not quite. The Agriculture Department could help defend the domestic price by taking several hundred thousand tons of sugar "on loan" from domestic growers. Most likely, this sugar would end up as Government surplus, incurring a cost to taxpayers. But that would be only a fraction of the cost of quotas to consumers.

Why, then, choose quotas?

The answer is as simple as it is crude: Mr. Reagan is loath to add expenditures to the Federal budget. He prefers to hide the subsidy in the price of Coke and Frosted Flakes. Billions for sugar growers, but not one cent for Big Government.

Some day, America might adopt a sane sugar policy—that is, no sugar policy at all. For the moment, the best to hope for is a policy that satisfies the sweet deals in Congress at minimum cost to the economy. Quotas are not the answer.

[From the Wall Street Journal, May 10, 1982]

SWEET CHARITY

President Reagan last week imposed import quotas on sugar in hopes of keeping his sugar price support program solvent. No doubt the quotas will shift some of the cost of subsidizing sugar farmers from the Treasury to the consumer. Caribbean Basin nations, supposedly an object of U.S. solicitude, also will likely pay. And none of this will really deal with the problem of the sugar supports.

The problem is that the sugar support prices are too high. That's not necessarily Mr. Reagan's fault, or at least not entirely. Sugar price supports were one of the prices he had to pay to win support for his tax rate cuts in Congress last year. The supports had expired in 1980 but sugar producers and their favorite Congressmen wanted them reinstated.

Sugar producers were worried because last summer's fine weather helped provide a very good harvest and, as a result, world sugar prices had fallen sharply from the 30-cents-a-pound level of last spring. Under the new four-year sugar plan, the price support level was set at its current 18.75 cents a pound, rising to 18 cents by 1985. Even at the time the measure was enacted last year, however, the world price for sugar was already down to 12.6 cents a pound. It has since fallen to about 8.5 cents, or about half the level guaranteed by the U.S. government.

With the U.S. price double the world price, the U.S. taxpayer was in some danger of subsidizing the entire world. U.S. farmers were filing applications for support payments and loans like crazy, threatening to force the government to cough up $800 million next fall to pay for surpluses. The import quotas are an effort to reduce this future exposure.

But this is ultimately a losing game. With those cushy supports provided to them by their Congressmen, the sugar farmers will merely be encouraged to produce more and more sugar and less and less of something else consumers might want. The government's bills, and the need to protect itself through quotas, will keep rising. Substitutes, such as fructose made from corn (which already supply 37 percent of the U.S. sweetener market) will become more attractive. Consumers will pay and pay, at the supermarket and in their tax returns, just as they have to maintain the lifestyles of dairy farmers, peanut farmers et al. Representative Peter Peyser figures the consumer cost of the sugar program as it now stands at $3 billion a year.

Mr. Reagan's quotas also drive a truck through his two-month-old Caribbean Basin plan, which aims at fostering economic growth in the region through increased trade with the U.S. The President did say that Latin American and Caribbean sugar cane producers will receive special treatment under the import quota program. Nonetheless, some producers will be locked out of the U.S. market and the administration's flip-flop doesn't bode well for a lasting trade rapport with our neighbors to the South.

Commodity stabilization is one of those ideas that are plausible in theory—at some price level, government could ease the impact of weather and market cycles for farmers and thus make the business more orderly and secure. But in practice, politics comes into play and the support levels are invariably set too high. The result is inflated prices, overproduction and government stockpiles of unwanted products. The best answer to the sugar problem for Mr. Reagan is not quotas—indeed that may be the worst. It's to scuttle sugar supports at the first opportunity.●

VETERANS OF FOREIGN WARS "VOICE OF DEMOCRACY" SPEECH CONTEST

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, May 10, 1982

● Mr. BONKER. Mr. Speaker, each year the American Veterans of Foreign Wars organization and its Ladies Auxiliary, sponsor the "Voice of Democracy" speech contest. This year more than 250,000 high school students participated in the contests, competing for five national scholarships with over $31,000 prize money. This year the contest theme was "Building America Together."

Ms. Debbie Lou Chalberg, a resident of Montesano, Wash., was selected as this year's contest winner for Washington State. In appreciation of Debbie's work, I would like to include the text of her speech in today's RECORD. Debbie is to be congratulated for her patriotism and for her talent.

1981-82 VFW VOICE OF DEMOCRACY SCHOLARSHIP PROGRAM WASHINGTON WINNER

Building America Together. As Americans, we are all carpenters working together to build America. The term "to build" means to make a basis for and establish. We can show this process by comparing America to a house.

A blueprint was drawn up from our forefathers' ideas and dreams. They made their ideas clear in the Constitution and Declaration of Independence. These blueprints were

written down long ago for all Americans to follow. As the Revolutionary War was coming to an end, the Declaration of Independence became a reality. We had fought together to gain our free land. Now we were free to start construction on a great America that our forefathers dreamed about, nothing could destroy that dream. Gradually we set the foundation, stone by stone, until we had a good basis from which to grow on. This foundation grew from sea to sea until our four walls were permanently established. These walls were made possible by the toil and sweat of all who believed in the dream of our house. These walls have been reinforced with steel, to hold up against any outside pressure and assure a strong country.

Inside these steel walls, 50 rooms were built, each varied from each other in every aspect. Although different, they all share in a common brotherhood and are unified, one with the other. This unification is the living body of our great house. They all hold a great feeling of nationalism with each other and share in the warmth of this pride.

For shelter and security, a roof has risen above these rooms. This roof has held up against many bitter storms. It has stayed strong through assassinations, depression, economic tragedies, and foreign turmoils. It has governed the whole house and has allowed equal representation for each room. It has build up our defense, guaranteed equal rights and held up foreign relations. This is our government. Without this above our heads, our house would be incomplete.

This is the land of opportunity, and throughout our house, many doors can be found. These doors are unlocked for anyone and everyone who is willing to open them. We are adding new doors all the time as we try to build equal opportunities for every race, color and profession. These opportunities will educate our offspring and provide a decent living for all Americans.

The windows have played a major role in the building of our house. These windows have inspired great people to look beyond their limits. Great inventions were made, communication was made nationwide and transportation was no longer prehistoric. Advances were made in every field from wearing apparel to medicine. Some of these windows have since gotten dusty and have become a thing of the past. But some windows are still clean and sparkling, ready for what we will find in the future.

Flying above our majestic house are the Stars and Stripes. Our National flag has been remodeled many times since our beginning. As the stripes have stayed constant, the stars have grown from 13 to 50. This flag waves free and proud above our house built by all free men. It is a symbol of our unity, power and purpose as a nation.

Together, with God as our foreman, we made our dream house a reality. It stands strong and proud for the world to see. It was built for us and by us to live together in unity. This is America, the land I call my home.

VETERANS OF FOREIGN WARS,
Washington, D.C., April 2, 1982.

Hon. DON BONKER,
House of Representatives,
Washington, D.C.

MY DEAR MR. BONKER: Each year the Veterans of Foreign Wars of the United States and its Ladies Auxiliary conduct a Voice of Democracy contest. This year more than 250,000 secondary school students participated in the contest competing for the five national scholarships which are awarded as top prizes. First prize is a $14,000 scholarship, second prize is $7,000, third prize is $4,500, fourth prize is $3,500, and the fifth prize is $2,500. The contest theme this year was "Building America Together."

Enclosed are a copy of the winning speech from your State as delivered by Debbie Lou Chalberg, 821 DeVara Lane, Montesano, Washington of your District, the contestant's biographical sketch, and a resume of the Voice of Democracy Scholarship Program. It will be deeply appreciated if you will insert the enclosed speech in the CONGRESSIONAL RECORD.

Thanking you in advance for your assistance, I am

Sincerely,

COOPER T. HOLT,
Executive Director.

VOICE OF DEMOCRACY BIOGRAPHICAL QUESTIONNAIRE FOR STATE WINNERS VETERANS OF FOREIGN WARS OF THE UNITED STATES

DEPARTMENT OF WASHINGTON.

Please type or print the answers to all questions listed below and return this form in triplicate not later than January 19, 1982 to the Voice of Democracy Director, VFW National Headquarters, VFW Building, Broadway at 34th Street, Kansas City, Missouri 64111.

Name Debbie Lou Chalberg Social Security No. Do not have one

Street Address or Post Office Box 821 DeVara Lane

City Montesano County Grays Harbor State Washington Zip Code 98563.

Place of Birth Aberdeen, Wa. Birthdate 3-16-64 Age 17.

Name and Address of School Montesano High School, 418 E. Spruce, Montesano, Wa., 98563.

Grade in School 12 Home Telephone (206) 249-3947 School Telephone 249-4041

Father's Name Vernon Chalberg Occupation Cedar Products.

Mother's Name Mary Lou Chalberg Occupation Housewife.

Names of brothers/sisters and their ages Randy Chalberg—20.

Religious preference Lutheran (Arrangements will be made for Protestant and Catholic services in Washington, D.C.)

What college, university or vocational school do you hope to attend? Pacific Lutheran University.

What career do you plan to pursue? Music Education.

What school organization offices have you held? Honor Society—Vice President Girls League—Treasurer; Vice President; President. High School Band—Secretary-Treasurer; President (2 years).

What are your hobbies? Playing piano, cooking, cake decorating.

If you have a nickname or other name that you prefer to be called by, please designate. Informal name tags will be prepared for each winner.

Don Bonker, 3d, Washington.

List of awards and achievements: Junior Achievement Award; Writing Award; S.W.WA Music Teachers Auditions—1st alternate; Piano contest—rated a I (Superior) for 2 years. Lions Club Girl of the Month; WSU honor band—1981 All-State Band—1982 listed in "Who's Who Among American High School Students".

List the names and address of your local newspaper(s) and radio/TV stations: The Montesano Vidette; 109 Marcy West, Montesano, Washington 98563. The Daily World; 315 S. Michigan, Aberdeen, Washington 98520. KXRO; Coolidge Rd & W. Huntley, Aberdeen, Washington 98520.

Other information of interest: Participated in U.S. Collegiate Wind Band European Concert Tour in summer of 1981. Traveled to Hawaii for the Performing Arts Abroad program. Pianist for our church.

Are you on any special medication or have any specific diet needs? No.

Return completed form in triplicate together with three copies of your winning script and a 3×5 black and white glossy photograph to: Director, Voice of Democracy Program, Veterans of Foreign Wars of the United States, Broadway at 34th Street, Kansas City, Missouri 64111.

A RESUME OF THE VOICE OF DEMOCRACY SCHOLARSHIP PROGRAM

The program was started 35 years ago with the endorsement of the United States Office of Education and the National Association of Secondary school principals. Sponsorship was provided by the National Association of Broadcasters, Electronic Industries Association and State Associations of Broadcasters.

Starting in 1958-59 the program was conducted in cooperation with the Veterans of Foreign Wars with the broadcasters still serving as sponsors.

In 1961-62, the Veterans of Foreign Wars assumed sole sponsorship responsibility. At that time, the National Scholarship Award consisted of a single $1,500 scholarship for the first place national winner.

During the past 20 years under VFW sponsorship, the annual national scholarships have been increased to six, totaling $32,500 with the first place winner currently receiving a $14,000 scholarship to the school of his/her choice. Student participation has tripled and school participation has doubled.

This past year more than one-quarter million participated. Over 8,000 schools participated, over 4,400 VFW Posts and 3,600 auxiliaries sponsored the program and over 2,400 radio and TV stations cooperated.

The total monetary value of scholarships and awards provided by VFW Posts, Auxiliaries, County Councils, Districts and Departments amounted to over $575,000 last year. This is in addition to the $32,500 in national scholarships and an annual budget at the national level in excess of $150,000 to conduct the Voice of Democracy Program.

During the twenty years of sponsorship by the VFW over four and one-half million students have participated and awards totaling more than two and one-half million have been given to winners at all levels in scholarships, savings bonds, etc.●

LET US KEEP THE OLYMPIC ISSUE OUT OF THE GUTTER

HON. FERNAND J. ST GERMAIN

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, May 10, 1982

● Mr. ST GERMAIN. Mr. Speaker, many in the Congress have been attempting, for many months, to provide assistance to the 23d Olympic games in Los Angeles and the U.S. Olympic team.

These efforts have centered on proposals to allow the private marketing of Olympic coins produced by the U.S. Mint as a fund raising program that would not involve use of Treasury funds and which would assure that no costs would be incurred by the United States.

Unfortunately, this effort has been greeted by delays, confusion, and attempts to cast suspicion on the Olympics and the fund raising program. Mr. Speaker, for the sake of the Olympics and the U.S. athletes and this country's amateur sports programs, I am hopeful that we can limit the extraneous issues and concentrate on maximizing private funding for the games.

Mr. Speaker, the use of Olympic coins as a fund raising device has been part of all recent Olympic games and the proceeds of these sales have been shared with the U.S. Olympic Committee—a very important resource for our athletes. We are not embarking on a new program; we are continuing a tradition which has proved workable and beneficial.

These Olympic coin programs have been of varying size and success. All have recorded a profit for the Olympics. Despite all the innuendoes about world class scandals that have been floated, I have yet to see anyone produce evidence to support such charges in connection with the Olympic coin programs.

The Congress has hurt itself in the past when it has allowed runaway innuendoes to substitute for the facts. I particularly regret the situations which arose at a recent subcommittee hearing in which an opponent of the Olympic legislation came up with his series of open-ended questions:

"Could there be some secret deals, under the table payments special contracts, the hiring of favored law firms, or even out-and-out bribes?"

No sooner had this list of questions been rolled into the record than the author conceded:

"I have no information that this is the case, and I hope that these possibilities are not true. * * *"

Mr. Speaker, I have no objections to the issues being debated fully—certainly there has been more than ample time. I want to see any questions pertinent to this legislation brought before us, but I hope sincerely that the zeal to carry legislative points does not lead to dragging the Olympic games in Los Angeles into the gutter.

Apparently finding no evidence to support the charges of "world class scandals" in connection with the Olympic coin programs, some of the proponents of "Let's find a scandal somewhere" have been searching out coin programs initiated by other countries for other purposes. I cannot vouch for the way in which other countries operate their coinage, commemorative or otherwise, and it would be foolish to attempt to defend or endorse the manner in which these other Governments operate their coinage programs or how they employ governmental safeguards or how they handle contract letting. Our committee is not about to become expert in worldwide, country-by-country analyses of governmental contracting procedures.

We do know, with great specificity, the safeguards that are incorporated in H.R. 6058 and the ongoing supervision required by our Government of the Olympic coin program for the 1984 games. We know that these safeguards have been reviewed by the General Accounting Office and fully endorsed by them.

In recent days, documents have been floating around Washington about a coin program operated by the Greek Government, apparently to suggest that any problems attached to that program should be used to smear the 1984 Olympic games.

Again, I do not know the procedures of the Greek Government, past or present, in the letting of coinage or other contracts, but I do know that a confidential State Department cable—apparently requested by staff members of a Subcommittee of the Banking Committee—has been circulated among newsmen, lobbyists involved in the coin program, and other individuals in recent days.

After being informed that this confidential cable had somehow found its way into public circulation, I obtained a copy from the State Department. Later I was furnished another copy by the subcommittee which had received the original document. With the difficulty I encountered in obtaining the document from the State Department, I am confident that the Department was not responsible for the cable's public circulation.

The cable from our Embassy in Greece, after describing the charges and countercharges about the Greek coinage program, concludes that the issue is basically a bitter dispute between competing companies—Numarco and Italcambio.

Of course, much of the dispute and the charges of scandal have filled column after column in the various trade publications of the coin community. We may well see national columnists rewriting these coin columnists in coming days.

Numarco, the winner in the Greek competition, is a marketing subsidary of Lazard Freres, one of the companies that has come forward as a possible bidder on the 1984 Olympic coin program. Italcambio, the embittered loser of the Greek competition, operates out of Venezuela and has subsidiaries in various countries including Switzerland, France, United States, Germany, Canada, and Italy.

Italcambio, which is battling Numarco in Greece and in the press, has operated in this country out of Miami, Fla. Its activities are somewhat obscure, but did get in the headlines a few years ago when it attempted to market gold coins issued by the former Government of Cambodia.

The Cambodian gold coin operations of Italcambio finally reached the New York State authorities and the New York attorney general moved against the company. State Supreme Court Justice George Postel agreed with the efforts of the attorney general and ordered the Italcambio firm to cease its misleading advertising and to offer refunds to customers who had relied on the advertising.

Italcambio subsequently entered its bid for the Greek coinage program. I do not know whether the Greek authorities took the New York legal action into consideration when the competing bids were submitted. In any event, the Secretary of the Treasury is given authority, under H.R. 6058, to review such matters and to reject any bid if necessary.

Until the Olympic coin legislation is enacted and the bidding process set up, we do not have assurance of who and who will not be the successful bidders for the 1984 games. The bidding, under H.R. 6058, is open to any firms that can meet the criteria.

Both Occidental Petroleum and Lazard Freres have indicated an interest in the bidding and will testify in the ongoing hearings. In fact, Occidental has specifically informed me that they and Lazard will meet the criteria, including the $30 million guarantee up front for the Olympic committees.

Mr. Speaker, there have been other firms that have informally suggested an interest. Others may well be awaiting the final outcome of legislative action before committing themselves to bids.

So, anyone who runs around suggesting that this firm or that firm has a lock on the U.S. program, simply is misleading the public. It may well be Occidental and Lazard Freres, but they must meet the competition and, in the end, all firms must meet the public interest tests and fiscal safeguards which will be applied, under the act, by the Secretary of the Treasury.●

EXECUTIVE PRIVILEGE

HON. JOHN N. ERLENBORN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 10, 1982

● Mr. ERLENBORN. Mr. Speaker, permit me to explain a bill Representatives HORTON, MCCLOSKEY, and I are introducing today to define the narrow circumstances and procedure under which a President could withhold information from Congress.

One of the recurring problems that plagues the Congress is difficulty in gaining access to documents of the executive branch which are relevant to our work. These problems have become newsworthy in recent months, as one committee voted to recommend that a cabinet officer be cited for contempt before it was permitted to see various memos.

Throughout all these disputes, the words "executive privilege" lurk in the background. Occasionally, they are even uttered. Never, though, are they defined. No one knows what the term means.

Our bill, which is identical to one we introduced and the House Government Operations Committee approved in 1974, would put an end to guessing about what the mysterious doctrine of executive privilege is. It establishes a specific statutory procedure to restrict the executive branch's ability to withhold information from Congress. Under that procedure, no individual in the executive branch except the President could decide to withhold documents or testimony from us. If either house objected to the decision, it could take the matter to court; and if we pursued the matter there, the president would bear the burden of proof in overcoming the presumption that all information should be provided. He would have to demonstrate a compelling national interest which would include protecting the essential ability of the President to confer with his close advisers, in order to prevail.

By greatly narrowing the executive's prerogative to withhold material and balancing the burden of proof in executive-legislative information conflicts, the bill would greatly enhance the Congress capacity to secure materials it needs to carry out its legislative and constitutional responsibilities.

This would be a great improvement over the present situation, in which our ultimate weapon against a recalcitrant executive official is to cite him for contempt of Congress and ask that he be prosecuted on that charge. If we won such a legal proceeding, all we would accomplish is to throw a Government official into the Capitol dungeon. That strikes me as an unseemly way to operate. However, I doubt very much that we would win. Courts just do not place much stock in Congress claims that certain material is essential to its work.

When Senator Sam Ervin's Watergate Committee sued President Nixon to secure important information, for example, the court of appeals ruled that the committee had failed to show that its duties "cannot responsibly be fulfilled without access to (the) records." The court indicated that such a showing could rarely, if ever, be made, when it stated:

> While fact-finding by a legislative committee is undeniably a part of its task, legislative judgments normally depend more on the predicted consequences of proposed legislative actions and their political acceptability, than on precise reconstruction of past events.

Enactment of our bill would make clear Congress ability to enforce our rightful demands on the executive. Importantly, it provides a civil forum for the resolution of these disputes, rather than the criminal contempt procedure.

With no major document conflicts now pending, the time is right for the Congress to consider this legislation on its merits.●

THE TECHNOLOGY OF FREEDOM

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 10, 1982

● Mr. MICHEL. Mr. Speaker, amidst the constantly changing course of our congressional duties, we tend to concentrate our energies on short-term, dramatic problems and lose sight of the fact that certain trends and long-term policies may be of more importance.

This fact was driven home to me the other day when I came across three clippings from the Los Angeles Times, Tuesday, May 4, 1982. Each story dealt with an aspect of the importance of American technological achievements. Each demonstrated conclusively that we live in an age where the defense of freedom will be determined by technological progress

It seems clear that the Soviet Union is doing all it can to get its hands on our recent technological advances and use them for military purposes, even if the original purpose of the technology was nonmilitary.

Given the vital role high technology has played in the Falkland Islands fighting, how much more important will technology be in the coming decades when the Soviet Union, through its own discoveries and its use of American technology for military purposes, can challenge us in every technological field?

The future of freedom lies in the advancement of American technology and in the means to make certain it does not fall into the wrong hands. At the moment we do not seem to be realizing these facts.

At this point I insert in the RECORD three articles from the Los Angeles Times, May 4, 1982: "Laxity Cited in Export of High-Tech Gear to Soviets," "Drill-Bit Deal Seen Helping Soviet Arms," "British Get Edge for U.S. Electronics, Pentagon Says."

LAXITY CITED IN EXPORT OF HIGH-TECH GEAR TO SOVIETS

(By Robert L. Jackson)

WASHINGTON.—Sensitive American high-technology equipment with potential military applications is easily reaching the Soviet Union and Warsaw Pact nations because a small unit within the Commerce Department is poorly equipped to enforce federal licensing laws; a confidential Senate report concluded Monday.

The report said the compliance division of the Commerce Department's Office of Export Administration is "understaffed and poorly equipped." Its investigators "in certain instances (are) undertrained and unqualified," and the unit thus is "not effective," the report said.

The 80-page study, which contains an internal memorandum by a Customs Service official that is critical of the Commerce Department's enforcement efforts, was prepared by the staff of the permanent investigations subcommittee of the Senate Governmental Affairs Committee. A copy of the report was obtained by The Times.

The panel will begin two weeks of hearings on the problem today. Witnesses will include Theodore W. Wu, an assistant U.S. attorney in Los Angeles who has prosecuted illegal export cases, and William Holden Bell, a former Hughes Aircraft Engineer who was convicted of selling radar secrets to a Polish agent.

Bonnie Whyte, a Commerce Department spokesman, said of criticism in the report: "This Administration has been aware of the problem of high-technology exports for some time and we've been working to upgrade this unit (of the department). We've been transferring personnel and training to this unit because it was recognized as a weak link."

Sen. Sam Nunn (D-Ga.), who directed the staff inquiry, said the most crucial enforcement problem involves "dual-use" technology—technology that is developed in the United States primarily for civilian and commercial purposes but which, in the possession of the Soviets or others, can be used for military purposes.

Such devices, including advanced lasers and certain computers, microchips and semiconductors, cannot be exported legally without a license from the Commerce Department.

But the Senate study said the department has only six inspectors—five of them at John F. Kennedy International Airport in New York—to check whether unlicensed equipment is being shipped abroad. The sixth inspector is in Washington.

"Some airports and seaports never are visited by Commerce Department inspectors in the course of a year," the report said.

INCOMING GOODS

Although U.S. Customs Service inspectors are stationed at airports and seaports, their basic job is to police incoming persons and goods, not shipments leaving the country, federal authorities said. However, they are charged with enforcing the Arms Export Control Act, which covers weapons but not commercial equipment.

Referring to the need for better monitoring of sophisticated exports, Nunn said in a statement accompanying the staff study that "the Soviets have shown a great appetite for certain kinds of American technology.

"They do not come to the United States on a shopping spree, buying any and every computer and microchip they can lay their hands on," he said. "Just the opposite occurs. They and their representatives know precisely what it is they need, right down to the model number of the desired equipment."

URGES COOPERATION

Sen. William V. Roth Jr. (R-Del.), the subcommittee chairman, said federal enforcement and intelligence agencies should work with private businessmen to protect certain new technologies.

"We must strike a balance between protecting sensitive technologies and allowing U.S. exporters to operate freely in the world marketplace," Roth said in a separate statement. "We accomplish little if we bar U.S. manufacturers from selling overseas while our allies readily trade away sensitive information to the Soviet Bloc."

Senate investigators cited excerpts from an internal Customs Service memorandum dated Oct. 30, 1980, that said the Commerce Department had compromised Customs sources overseas in some cases by taking "unilateral and uncoordinated action" in instances where Customs officials should have been informed.

The Senate report suggested abolishing the Commerce Department unit and consolidating the enforcement of all export laws within the Customs Service.

DRILL-BIT DEAL SEEN HELPING SOVIET ARMS

(By Ralph Vartabedian)

When the Carter Administration approved the 1978 sale to the Soviet Union of a $144 million factory to build petroleum drill bits, U.S. Army officials warned that the seemingly innocuous deal would enhance Russian production of anti-tank weapons.

Despite those objections, Dresser Industries Inc., a big oil-service firm based in Dallas, was permitted to sell the manufacturing plant to the Soviets.

Now, a senior military official has told The Times that according to intelligence information, the Soviets have indeed made at least indirect use of this manufacturing technology and the additional production capacity to increase their output of anti-tank weapons.

MAY REDESIGN TANK

Of major concern to Defense Department officials is evidence that the Soviets now can build greater numbers of high-quality weapons potentially lethal to the Army's new $2.7-million-per-copy M-1 tank. The Army is considering a multibillion-dollar redesign of the tank because of its perceived vulnerability to such weapons.

The Dresser case is the most recent example of how a major technology sale to the Soviet Union can contribute to weapons production, critics of such sales say.

These critics have argued for years that the Soviets would apply ostensibly civilian technology to advanced weapons, but their concerns largely fell on deaf ears during the pursuit of detente in the Carter, Ford and Nixon Administrations. In those years, technology sales were pursued as a diplomatic carrot in dealing with the Soviets.

Contending that too much leading-edge military technology was given away in the 1970s, the Reagan Administration has sought to reverse or at least rein in that U.S. policy, as part of its overall hardening in relations with Moscow.

In addition to concern over the Dresser license, Reagan Administration officials have cited such examples as the sale of 168 precision ball-bearing machines in 1972 that they say has enabled the Soviets to improve the accuracy of their intercontinental ballistic missiles. Also, Pentagon officials assert that the Soviet invasion of Afghanistan was aided by a heavy-truck manufacturing plant set up by several U.S. firms.

The Dresser controversy dates back to May 30, 1978, when the company was licensed by the Commerce Department to sell a so-called turnkey factory to the Soviet Union to produce petroleum drill bits, which the Soviets needed to increase their production of oil.

After the approval was granted, criticism that the sale would improve Soviet weapons and give away important petroleum technology led to a Senate investigation of the deal in October, 1978. Nevertheless, the plant and equipment were transferred to the Soviets.

The manufacturing plant was set up in Kuibyshev, an industrial city on the Volga River about 300 miles north of the Caspian Sea, to make as many as 100,000 bits per year.

The focal point of concern in the Dresser sale involves equipment and know-how that the Soviets gained for manufacturing products out of tungsten carbide—an extremely hard, dense and heavy metal alloy with a broad range of military and industrial applications.

USED BY MILITARY

In drill bits, tungsten-carbide cutting edges permit wells to be drilled through hard rock to depths exceeding three miles. But the same alloy also is used by the military in deadly weapons that penetrate armor.

The technology to form the tungsten-carbide cutting edges of a drill bit is similar to the process for building tungsten-carbide artillery rounds, according to Army experts.

The artillery rounds are formed into very narrow and long rods, called 'long rod penetrators," that can be fired out of conventional artillery guns. The rounds travel very fast and, by concentrating tremendous energy on a small impact point, can punch through thick armor without using an explosive charge.

A key issue in the current controversy is that the Dresser factory enlarged the Soviets' capacity to make tungsten-carbide products, enabling them to convert more of that capacity to weapons production.

Even if the Soviets already had access to the technology used by the plant, military sources said, the ability to produce more armor-piercing weapons without putting strain on their own tungsten-carbide manufacturing capacity could be a significant advantage. Quantity of certain key weapons can be as important as quality, these sources said.

The senior military official, who discussed the Dresser case only on the condition that he remain anonymous, said it has been confirmed that the Soviets have diverted more of their tungsten-carbide capacity to weapons production since getting the Dresser plant. Moreover, he said, the Dresser plant itself has been prepared for conversion to weapons production.

Some Pentagon officials go beyond saying that the Dresser deal gave the Soviets the ability to increase output of anti-tank weapons. They assert that the sale gave Moscow manufacturing expertise that could allow them to improve the quality of those weapons.

In 1978 Senate hearings, Dresser officials said that the Soviets could buy the same technology from European firms, that the deal complied with all U.S. regulations and that the technology at issue was not new.

Much of the current controversy was anticipated in 1978 criticism of the Dresser deal.

PENTAGON APPROVED

The Commerce Department, with the consent of high-level Defense Department officials and other Administration leaders, approved the Dresser license in May of that year, when several high-technology exchanges with the Soviets were being approved.

The Soviets ostensibly wanted the drill-bit plant to increase their drilling of deep petroleum wells. Crude-oil production from shallow wells had long supplied most Soviet needs, but shallow-well production was reaching a peak and could not keep up with increasing demand. The manufacturing plant was designed to produce premium bits of substantially higher quality than the Soviets were capable of producing themselves.

The granting of an export license for the plant evidently produced a deep rift in the Carter Administration. Commerce Secretary Juanita M. Kreps and Secretary of State Cyrus R. Vance strongly supported the sale, according to sources close to the issue. It was opposed by Energy Secretary James R. Schlesinger and national security adviser Zbigniew Brzezinski, as well as a host of military officials. Sen. HENRY M. JACKSON (D-Wash.) led congressional opposition to the deal.

Proponents of the Dresser sale argued that it served U.S. interests to help the Soviet Union develop its own energy resources to avoid potential encroachment in the Middle East. The proponents also said the deal would do little to enhance Soviet weapons technology.

But a panel headed by Fred Bucy, president of Texas Instruments Corp., which the Carter White House later assigned to examine the Dresser sale, found that there was valid ground for concern that the Dresser technology could be used by the Soviets for military purposes.

The Bucy panel also asserted that the United States had a virtual international monopoly in the production of premium rock bits of the type the Soviet plant would produce. It argued that giving away such an advantage ultimately could compromise the ability of the United States to offer Third World nations petroleum-exploration assistance that wasn't available from the Soviets. Despite such criticism, the sale moved forward.

BRITISH GET EDGE FROM U.S. ELECTRONICS, PENTAGON SAYS

(BY DAVID WOOD AND ROBERT C. TOTH)

WASHINGTON.—Sophisticated electronic gear provided by the United States has been a major reason that Britain has gained a clear advantage so far in its Falkland Islands confrontation with Argentina, U.S. defense analysts said Monday.

"It almost makes it an unfair fight," a Pentagon official said, describing the network of eavesdropping and surveillance assistance that has enabled British naval commanders to receive copies of orders transmitted to the Argentine fleet almost as soon as Argentina's Defense Ministry issues them.

The Pentagon has also provided mobile satellite communications devices to the Royal Marines unit that would go ashore in advance of any British assault on the Falkland Islands, occupied since April 2 by Argentina.

That equipment, which would give the landing team instant communications with London, would enable British military and political officials to receive immediate first-hand assessments of Argentine defenses of the islands and to give final approval for a full-scale assault.

The equipment is so new, the officials said, that "nobody else in the world has the stuff."

U.S. defense analysts, however, do not expect the British to launch a direct assault on the Falklands soon. One reason is that the main body of marines who would make up the assault force remains on Ascension Island, about two weeks' travel and deployment time away.

Thus, the officials expect Britain to maintain its tight 200-mile "war zone" around the Falklands, with occasional air strikes against the islands' airfields, naval shelling of Argentine facilities on the islands and interdiction of Argentine warships. In that effort to demolish Argentine morale and to push Argentina toward a settlement, the surveillance and eavesdropping assistance given by the United States provides Britain with "an indisputable edge," the U.S. officials said Monday.

Since Britain declared the war zone around the Falklands, its forces have sunk the Argentine cruiser General Belgrano and a patrol boat and have damaged another patrol boat.

Argentine officials conceded Monday that the 13,000-ton General Belgrano, torpedoed by a British submarine Sunday, and sunk. The officals said rescue efforts have been hampered by poor weather and because the disabled ship had been maintaining radio silence for security reasons.

U.S. officials declined to say exactly how the United States is collecting naval intelligence and passing it on to the British. Officials have said the United States collects photographic intelligence from two satellites, but they conceded that such reconaissance is useless in cloudy weather.

The officials insisted, however, that "there is almost nothing that is said in Argentina that we don't know about."

The Soviet Union has at least six satellites that pass over Argentina. The satellites, according to defense sources here, have both electronic-evesdropping and radar-sensing capabilities. Administration officials have suggested that the Soviet Union is passing information collected by its satellites to Argentina, but they said they have no proof of their suspicions.

Further U.S. aid to Britain in the Falklands crisis was discussed Sunday as British Foreign Secretary Francis Pym met with Secretary of State Alexander M. Haig Jr. and Defense Secretary Caspar W. Weinberger. While no details of U.S. offers were reported publicly, Haig said the British would be given unspecified "material support."

U.S. military analysts said the British appear to need little additional support at this point, except supplemental heavy air transport.

At present, according to Administration officials, Britain is using an aging fleet of C-130 military transports to run a continual airlift of food, spare parts and fuel from England to Ascension Island, Britain's mid-Atlantic staging point. En route, the aircraft must refuel in Dakar, Senegal, on the West African coast.

One possibility is for the United States to provide Britain with C-5 aircraft, the largest military transports in the world, to supplement the C-130s, which the British are "working the daylights out of," according to Administration officials. ●

FINANCIAL STATEMENT OF F. JAMES SENSENBRENNER, JR.

HON. F. JAMES SENSENBRENNER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, May 10, 1982

● Mr. SENSENBRENNER. Mr. Speaker, through the following statement, I am making my financial net worth as of March 31, 1982, a matter of public record. I have filed a similar statement for each of the 3 preceding years I have served in Congress.

Assets

REAL PROPERTY

	Value
Single family residence at 701 Kings Court, Alexandria, Va., at assessed valuation. (Assessed at $211,200. Ratio of assessed to market value—100 percent.) (Encumbered)	$211,200.00
Two family residence at 1601 East Lake Bluff Boulevard and 4330 North Newhall Street, in the Village of Shorewood, Milwaukee County, Wis., at equalized assessed valuation. (Assessed at $54,700. Ratio of assessed to equalized value—65.27 percent.) (Unencumbered)	83,805.73
Total	295,005.73

PERSONAL PROPERTY—COMMON AND PREFERRED STOCKS

Number of shares and company:	
450—First Interstate Bancorp. at $29	13,050.00
255.604—American Telephone & Telegraph at $56.25	14,377.73
103.181—Idaho Power Co. at $22.375	2,308.68
346.104—Tenneco Corp. at $27.75	9,604.39
105.082—Nevada Power Co. at $21.75	2,285.54
300—Anchor Hocking Corp. at $15.75	4,725.00
360—General Mills, Inc. at $38.50	13,860.00
400—Kellogg Corp. at $22.125	8,900.00
500—Dunn & Bradstreet at $60.625	30,312.50
1,000—Halliburton Co. at $33.25	33,250.00
1,708—Kimberly-Clark Corp. at $60	102,480.00
385—Insilco Corp. at $14.875	5,726.88
100—Minnesota Mining & Manufacturing at $54.50	5,450.00
100—Rank Organization Ltd., ADR at $4	400.00
416—Exxon Corp. at $28.125	11,700.00
480—Standard Oil Co. (Indiana) at $36.50	17,520.00
170—Dart & Kraft, Inc. at $50.75	8,627.50
360—Eastman Kodak Co. at $72.875	27,692.50
100—General Electric Co. at $63.375	6,337.50
104—General Motors Corp. at $41	4,264.00
400—Merck & Co. at $72.25	28,900.00
200—Warner Lambert Co. at $22.75	4,550.00
188.782—Sperry Rand Co. at $27.75	5,238.70
260—Allied Maintenance Corp. at $21	5,460.00
287—International Business Machines Co. at $59.75	17,148.25
900—Inland Steel Co. at $21.625	19,462.50
168—Monsanto Corp. at $62.50	10,500.00
26—Wisconsin Securities Corp. of Delaware at $180	4,680.00
333—Benton County Mining Co. at No value	Nil.
Total	$418,881.67

BONDS AND NOTES

Par value: $35,000—U.S. Treasury bills due July 15, 1982	
(Total)	$30,369.50

LIFE INSURANCE POLICIES

Face amount, company and no.:	*Cash surrender value*
$12,000—Northwestern Mutual, No. 4378000	$8,071.93
$30,000—Northwestern Mutual, No. 4574061	19,082.93
$10,000—Massachusetts Mutual, No. 4116575	2,108.20
$100,000—Massachusetts Mutual, No. 4228344	29,892.85
$25,000—Old Line Life Insurance Co., No. 515950	11,887.98
Total	71,043.89

BANK AND SAVINGS AND LOAN ACCOUNTS

Marine National Exchange Bank of Milwaukee, Checking account No. 4000-9368	26.57
Marine National Exchange Bank of Milwaukee, Checking account No. 0046-2366	598.13
Marine National Exchange Bank of Milwaukee, Savings Account No. 418-986	1,001.81
Marine National Exchange Bank of Milwaukee, Savings account No. 497-525	547.29
North Shore Savings & Loan Association of Wisconsin, Savings account No. 0657029-01	1,172.85
Mutual Savings & Loan of Wisconsin, Savings account No. 10110603361	10,632.57
North Shore Savings & Loan Association of Wisconsin, Savings account No. 0647856-01	463.05
Sergeant at Arms, U.S. House of Representatives Checking account No. 748	2,293.23
Burke & Herbert Bank of Alexandria, Va., Checking account No. 601-301-5	563.46
Marine National Exchange Bank of Milwaukee, all-savers certificate No. 016897	16,520.00
Total	33,818.96

MISCELLANEOUS

1978 Ford LTD automobile (at Blue book trade-in value)	2,050.00

Office furniture and equipment...	1,000.00
Furniture, clothing, and personal property (estimated)	90,000.00
Stamp collection (estimated)	14,500.00
Interest in Wisconsin retirement fund	11,080.04
Deposits in congressional retirement fund	15,152.52
Total miscellaneous	133,782.56
Total assets	982,902.31
Liabilities	
Perpetual American Savings & Loan Association (Mortgage on Alexandria, Va. residence)	$140,016.00
Miscellaneous 30 day charge accounts (estimated)	1,500.00
Total liabilities	141,516.00
Net worth	841,386.31
Statement of 1981 taxes paid	
Federal income tax	$18,624.02
Wisconsin income tax	4,977.12
Shorewood, Wis. property tax	2,270.24
Alexandria, Va. property tax	2,613.96

I further declare that I am a direct beneficiary of two trusts and a contingent beneficiary of one trust. I have no control over the assets of any trust of which I am a direct beneficiary and am a cotrustee of the other trust.

Also, I am neither an officer nor a director of any corporation organized under the laws of the State of Wisconsin or of any other State or foreign country.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the Congressional Record on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, May 11, 1982, may be found in the Daily Digest of today's Record.

Meetings Scheduled

MAY 12

9:30 a.m.

Banking, Housing, and Urban Affairs
Business meeting, to mark up S. 2367 and S. 2377, bills authorizing funds through fiscal year 1986 for Federal transit assistance programs of the Urban Mass Transportation Administration, Department of Transportation, and S. 2375, extending through September 30, 1987, the Defense Production Act, providing availability of authorities necessary to continue improvement in U.S. ability to mobilize resources in times of national emergency.
5302 Dirksen Building

Judiciary
To hold hearings on S. 675 and S. 1530, bills establishing a Commission to study the jurisdiction of Federal and State courts and to make recommendations with respect to revision of Constitution and Federal law.
357 Russell Building

10:00 a.m.

Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1983 for the defense establishment, focusing on rapid deployment joint task force/readiness.
1114 Dirksen Building

*Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1983 for the Office of Management and Budget.
1318 Dirksen Building

Energy and Natural Resources
Business meeting, to consider pending calendar business.
3110 Dirksen Building

Foreign Relations
To continue hearings on certain nuclear arms reduction proposals.
4221 Dirksen Building

Governmental Affairs
Permanent Subcommittee on Investigations
To continue hearings on the effectiveness of the Federal Government to enforce export controls, focusing on the transfer of high technology to the Soviet Union and other Warsaw Pact nations.
3302 Dirksen Building

Judiciary
Security and Terrorism Subcommittee
To hold hearings to examine the extent of Communist bloc intelligence activities on Capitol Hill.
2228 Dirksen Building

Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To hold oversight hearings on the implementation of guidance and counseling programs of the Department of Education.
4232 Dirksen Building

2:00 p.m.

*Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1983 for certain programs which fall within the jurisdiction of the subcommittee.
1318 Dirksen Building

Foreign Relations
To continue hearings on certain nuclear arms reduction proposals.
4221 Dirksen Building

*Governmental Affairs
Intergovernmental Relations Subcommittee
To hold hearings on S. 2386, providing for the establishment of a system to collect data on the geographic distribution of Federal funds.
3302 Dirksen Building

Select Committee to Study Law Enforcement Undercover Activities of Components of the Department of Justice
To hold an organizational business meeting.
301 Russell Building

MAY 13

9:00 a.m.

*Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1983 for the Office of Territorial Affairs, Department of the Interior.
1318 Dirksen Building

9:30 a.m.

Foreign Relations
To continue hearings on nuclear arms reduction proposals.
4221 Dirksen Building

Judiciary
Juvenile Justice Subcommittee
Meeting, to discuss the alleged abuse of juveniles in certain state operated facilities.
2228 Dirksen Building

Labor and Human Resources
To resume oversight hearings on the Department of Labor's investigation of alleged abuses within the International Brotherhood of Boilermakers (Local 154).
4232 Dirksen Building

Labor and Human Resources
Investigations and General Oversight Subcommittee
To hold hearings to examine the increased use of certain drugs, focusing on quaaludes.
5302 Dirksen Building

Rules and Administration
Business meeting, to mark up an original bill authorizing funds for fiscal year 1983 for the Federal Election Commission, S. 2102, authorizing funds to the Board of Regents of the Smithsonian Institution to construct a building for the Museum of African Art and a center for Eastern Art, S. 2390, authorizing funds for fiscal years 1983, 1984, and 1985 for the National Museum Act, and S. 2391, relating to the adjustment of the rate of interest paid on funds of the Smithsonian Institution deposited with the Treasury.
301 Russell Building

Small Business
Business meeting, to consider pending calendar business.
424 Russell Building

10:00 a.m.

Appropriations
Defense Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1983 for the defense establishment, focusing on National Guard and reserve programs.
1114 Dirksen Building

Appropriations
Military Construction Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1983 for Air Force national programs.
1224 Dirksen Building

Energy and Natural Resources
Business meeting, to consider pending calendar business.
3110 Dirksen Building

Environment and Public Works
Business meeting, to resume consideration of proposed legislation authorizing funds for programs which fall under its legislative jurisdiction.
4200 Dirksen Building

Governmental Affairs
Energy, Nuclear Proliferation and Government Processes Subcommittee
To hold oversight hearings on U.S. nuclear nonproliferation policy.
6226 Dirksen Building

Governmental Affairs
Congressional Operations and Oversight Subcommittee
To resume oversight hearings on the use of the Consumer Price Index as a measurement of inflation for the purposes of calculating cost-of-living increases for all indexed programs.
3302 Dirksen Building

1:00 p.m.

Foreign Relations
To continue hearings on nuclear arms reduction proposals.
4221 Dirksen Building

1:30 p.m.

*Appropriations
Interior and Related Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1983 for the Office of Territorial Affairs, Department of the Interior.
1318 Dirksen Building

Judiciary
To hold hearings on S. 2419, modifying certain provisions of the venue law to allow cases to be heard in courts where the decision would have greater impact.
2228 Dirksen Building

2:00 p.m.

Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1983 for the Agency for International Development, focusing on the Near East regional and centrally funded programs.
1223 Dirksen Building

Labor and Human Resources
Business meeting, to mark up S. 2036, providing for State and local employment and training assistance, and S. 1889, authorizing funds for the establishment of a national institution to promote international peace and resolution of international conflict.
4232 Dirksen Building

3:00 p.m.

*Foreign Relations
To hold hearings on the nomination of Robert Anderson, of the District of Columbia, to be Ambassador to the Dominican Republic.
4221 Dirksen Building

MAY 14

8:00 a.m.

Appropriations
Legislative Branch Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1983 for the Library of Congress, Congressional Research Service, Office of Technology Assessment, and the Copyright Royalty Tribunal.
S-128, Capitol

10:00 a.m.

*Appropriations
District of Columbia Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1983 for the Government of the District of Columbia, focusing on the Department of Housing and Human Development, rental accommodations office, Office of Business and Economic Development, Convention Center Board, Convention and Visitors Association, retirement board, and the lottery and charitable games control board.
1223 Dirksen Building

Energy and Natural Resources
Business meeting, to consider pending calendar business.
3110 Dirksen Building

Finance
International Trade Subcommittee
Taxation and Debt Management Subcommittee
To hold joint hearings on S. 2058 and S. 2051, bills promoting fair international trade practices in the services sector.
2221 Dirksen Building

MAY 17

9:30 a.m.

Finance
Savings, Pensions and Investment Policy Subcommittee
To hold hearings on S. 1910, modifying the tax treatment of certain retirement annuities for clergymen and lay employees; and to review certain ERISA statutes or regulations that inhibit mortgage investments by pension funds, and the Department of Labor's current class exemption efforts regarding pension fund investments in residential housing financing.
2221 Dirksen Building

MAY 18

9:30 a.m.

Governmental Affairs
Civil Services, Post Office, and General Services Subcommittee
To hold hearings on S. 46, providing that certain military service, which is covered by social security, be included in the aggregate period of service on which a civil service annuity is based.
3302 Dirksen Building

Labor and Human Resources
To hold hearings on the nominations of Marc Sandstrom, of California, William F. Harvey, of Indiana, and Annie L. Slaughter, of Missouri, each to be a member of the Board of Directors of the Legal Services Corporation.
4232 Dirksen Building

10:00 a.m.

Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1983 for the Department of Housing and Urban Development.
1224 Dirksen Building

*Commerce, Science, and Transportation
To hold hearings on the nomination of Heather J. Gradison, of Ohio, to be a member of the Interstate Commerce Commission.
235 Russell Building

Energy and Natural Resources
To hold oversight hearings on Federal property management and disposal.
3110 Dirksen Building

Select on Indian Affairs
To hold oversight hearings on the implementation of Indian education programs.
6226 Dirksen Building

2:00 p.m.

Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1983 for the Agency for International Development, focusing on the trade and development program, international disaster assistance, and American schools and hospitals abroad program.
1223 Dirksen Building

MAY 19

9:30 a.m.

Governmental Affairs
Federal Expenditures, Research and Rules Subcommittee
To hold hearings on Senate Joint Resolution 93 and S. 2278, measures reaffirming the policy of relying on the private sector to meet public requirements for goods and services, and Office of Management and Budget Circular A-76, relating to Federal procurement policy.
3302 Dirksen Building

Labor and Human Resources
Labor Subcommittee
To resume oversight hearings to review the Pension Benefit Guaranty Corporation premium rate increases.
4232 Dirksen Building

10:00 a.m.

Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1983 for the Department of Housing and Urban Development, and the Neighborhood Reinvestment Corporation.
1224 Dirksen Building

Armed Services
To hear and consider the nominations of Adm. James D. Watkins, U.S. Navy, to be Chief of Naval Operations, and Gen. Charles A. Gabriel, U.S. Air Force, to be Chief of Staff for the Air Force, and to consider other routine military nominations.
212 Russell Building

Energy and Natural Resources
Business meeting, to consider pending calendar business.
3110 Dirksen Building

Environment and Public Works
Toxic Substances and Environmental Oversight Subcommittee
To resume hearings on S. 1866, revising regulatory procedures relating to safe drinking water requirements, and S. 2131, authorizing funds through fiscal year 1986 for the safe drinking water program.
4200 Dirksen Building

Select on Indian Affairs

To continue oversight hearings on the implementation of Indian education programs.

6226 Dirksen Building

MAY 20

9:30 a.m.

Commerce, Science, and Transportation

Aviation Subcommittee

To hold hearings on S. 1770, authorizing funds to conduct a study to determine the adequacy of certain industry practices and Federal Aviation Administration rules and regulations.

235 Russell Building

Governmental Affairs

Federal Expenditures, Research and Rules Subcommittee

To hold hearings on S. 1782, eliminating percentage retention on Federal Government construction contracts, and S. 1882, improving the effectiveness and fairness of the Federal Government's contractor suspension and debarment programs.

3302 Dirksen Building

10:00 a.m.

Agriculture, Nutrition, and Forestry

Agricultural Production, Marketing, and Stabilization of Prices Subcommittee

To hold oversight hearings on the implementation of the Federal Crop insurance program of the Department of Agriculture.

324 Russell Building

Energy and Natural Resources

To resume hearings on S. 1844, to facilitate the development of interstate coal pipeline distribution systems by granting the Federal power of eminent domain to those interstate piplines which are determined to be in the national interest.

3110 Dirksen Building

Environment and Public Works

To hold hearings on S. 1606, establishing a Federal supplemental property insurance fund for nuclear powerplants, and providing for the cleanup of the damaged Three Mile Island Unit No. 2 nuclear power reactor (TMI-2).

4200 Dirksen Building

MAY 21

9:00 a.m.

Finance

Taxation and Debt Mangement Subcommittee

To hold hearings on miscellaneous tax bills, S. 1485, S. 2075, S. 2424, and S. 2425.

2221 Dirksen Building

9:30 a.m.

Energy and Natural Resources

Energy Regulation Subcommittee

To hold hearings on S. 1626, removing the requirement for Federal regulation to allow the competitive market system to establish petroleum pipeline transportation rates while maintaining safeguards to protect the industry and consumers against unlawful discrimination.

3110 Dirksen Building

10:00 a.m.

Agriculture, Nutrition, and Forestry

Agricultural Production, Marketing, and Stabilization of Prices Subcommittee

To continue oversight hearings on the implementation of the Federal crop insurance program of the Department of Agriculture.

324 Russell Building

MAY 24

9:30 a.m.

*Commerce, Science, and Transportation

Aviation Subcommittee

To hold hearings on proposed committee amendments to S. 508, Airport and Airway System Development Act of 1981 (pending on Senate Calendar), extending the funding level through fiscal year 1987 for airport improvement and development programs.

235 Russell Building

Finance

Energy and Agricultural Taxation Subcommittee

To hold hearings on S. 1713, providing an exemption for farmers from capital gains taxation on the income received from the sale of easement rights, provided the funds are rolled over into the purchase of new farmland or used for capital improvements in the existing farm, and S. 1485, clarifying the intent of the investment-tax credit for poultry houses and greenhouses.

2221 Dirksen Building

10:00 a.m.

Appropriations

HUD-Independent Agencies Subcommittee

To receive testimony from public witnesses on proposed budget estimates for fiscal year 1983 for certain programs under the subcommittee's jurisdiction.

1224 Dirksen Building

2:00 p.m.

*Finance

To hold hearings on the administration's New Federalism proposal.

2221 Dirksen Building

MAY 25

9:00 a.m.

Governmental Affairs

To hold hearings on the annual report of the Postmaster General.

3302 Dirksen Building

9:30 a.m.

Agriculture, Nutrition, and Forestry

Rural Development, Oversight, and Investigations Subcommittee

To hold oversight hearings to review the energy needs of rural communities.

324 Russell Building

Commerce, Science, and Transportation

Merchant Marine Subcommittee

To hold hearings on S. 2414, providing for jurisdiction over common carriers by water engaging in foreign commerce to and from the United States utilizing ports in nations contiguous to the United States.

235 Russell Building

Energy and Natural Resources

Energy Regulation Subcommittee

To resume hearings on S. 1626, removing the requirement for Federal regulation to allow the competitive market system to establish petroleum pipeline transportation rates while maintaining safeguards to protect the industry and consumers against unlawful discrimination.

3110 Dirksen Building

Governmental Affairs

Oversight of Government Management Subcommittee

To hold oversight hearings on social security disability terminations, focusing on the Social Security Administration's decision to accelerate the required review of disability eligibility, the continuing deficiencies in the system, and the resulting impact on claimants.

1318 Dirksen Building

10:00 a.m.

Appropriations

HUD-Independent Agencies Subcommittee

To receive testimony from public witnesses on proposed budget estimates for fiscal year 1983 for certain programs under the subcommittee's jurisdiction.

1224 Dirksen Building

Environment and Public Works

Business meeting, to resume markup of proposed amendments to the Clean Air Act (Public Law 95-95).

4200 Dirksen Building

Foreign Relations

Business meeting, to markup certain nuclear arms reduction proposals.

4221 Dirksen Building

MAY 26

9:30 a.m.

Agriculture, Nutrition, and Forestry

Rural Development, Oversight, and Investigations Subcommittee

To continue oversight hearings on the energy needs of rural communities.

324 Russell Building

10:00 a.m.

Energy and Natural Resources

Business meeting, to consider pending calendar business.

3110 Dirksen Building

Environment and Public Works

Toxic Substances and Environmental Oversight Subcommittee

To resume hearings on S. 1866, revising regulatory procedures relating to safe drinking water requirements, and S. 2131, authorizing funds through fiscal year 1986 for the safe drinking water program.

4200 Dirksen Building

Governmental Affairs

Permanent Subcommittee on Investigations

To hold hearings on certain alleged mismanagement practices within the Department of Energy.

3302 Dirksen Building

MAY 27

9:30 a.m.

Appropriations

State, Justice, Commerce, the Judiciary and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1983 for contributions to international organizations of the Department of State, Securities and Exchange Commission, and the Federal Trade Commission.

S-146, Capitol

10:00 a.m.

Energy and Natural Resources

Public Lands and Reserved Water Subcommittee

To hold hearings on S. 1964 and S. 1965, bills designating certain wilderness areas in the Mark Twain National Forest in Missouri as components of the National Wilderness Preservation System, S. 2021, providing for the disposal and acquisition of certain Federal lands in New Mexico, and S. 2405, providing for certain lands in New Mexico to be included in the Cibola National Forest System and into the existing Sandia Wilderness.

3110 Dirksen Building

Environment and Public Works

Business meeting to resume markup of proposed amendments to the Clean Air Act (Public Law 95-95).

4200 Dirksen Building

Governmental Affairs

Permanent Subcommittee on Investigations

To continue hearings on certain alleged mismanagement practices within the Department of Energy.

3302 Dirksen Building

JUNE 8

9:30 a.m.

Banking, Housing, and Urban Affairs

Securities Subcommittee

To resume hearings on S. 1869, S. 1870, S. 1871, and S. 1977, bills revising or repealing certain provisions of the Public Utility Holding Company Act of 1935.

5302 Dirksen Building

JUNE 9

9:30 a.m.

Select on Indian Affairs

To hold hearings on law enforcement problems on Indian reservations including the authority and effectiveness of the Bureau of Indian Affairs police, tribal police, and the Federal Bureau of Investigation, and the quality of U.S. prosecution of criminal offenses.

6226 Dirksen Building

JUNE 10

9:30 a.m.

Banking, Housing, and Urban Affairs

Securitics Subcommittee

To resume hearings on S. 1869, S. 1870, S. 1871, and S. 1977, bills revising or repealing certain provisions of the Public Utility Holding Company Act of 1935.

5302 Dirksen Building

JUNE 14

9:00 a.m.

Commerce, Science, and Transportation

Communications Subcommittee

To hold hearings on S. 2469, providing for improved international telecommunications.

235 Russell Building

JUNE 15

9:00 a.m.

Commerce, Science, and Transportation

Communications Subcommittee

To continue hearings on S. 2469, providing for improved international telecommunications.

235 Russell Building

JUNE 16

9:30 a.m.

Commerce, Science, and Transportation

Merchant Marine Subcommittee

To hold oversight hearings on Federal Government cargo preference.

235 Russell Building

10:00 a.m.

Environment and Public Works

Environmental Pollution Subcommittee

To hold oversight hearings on the implementation of the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (Super Fund).

4200 Dirksen Building

JUNE 17

9:00 a.m.

Commerce, Science, and Transportation

Communications Subcommittee

To resume hearings on S. 2469, providing for improved international telecommunications.

235 Russell Building

Select on Indian Affairs

To hold hearings on S. 1735, providing for the use and distribution of funds awarded the Pembina Chippewa Indians in specified dockets of the U.S. Court of Claims.

5110 Dirksen Building

JUNE 23

9:30 a.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To hold oversight hearings on the implementation of the National Materials and Minerals Policy Act of 1980 (Public Law 96-479).

235 Russell Building

SEPTEMBER 21

10:30 a.m.

Veterans' Affairs

To hold hearings to receive American Legion legislative recommendations for fiscal year 1983.

318 Russell Building

CANCELLATIONS

MAY 11

8:30 a.m.

Appropriations

Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1983 for the National Endowment for the Humanities, National Capital Planning Commission, and the Office of Surface Mining of the Department of the Interior.

1114 Dirksen Building

MAY 12

2:00 p.m.

Judiciary

To hold hearings on pending nominations.

2228 Dirksen Building

MAY 13

2:00 p.m.

Governmental Affairs

Federal Expenditures, Research and Rules Subcommittee

To resume hearings on proposed legislation improving the efficiency of the Federal procurement system.

3302 Dirksen Building

MAY 18

10:00 a.m.

Environment and Public Works

Business meeting, to consider pending calendar business.

4200 Dirksen Building

SENATE, *Tuesday, May 11, 1982*

The Senate met at 11 a.m., and was called to order by the President pro tempore (Mr. THURMOND).

PRAYER

The Chaplain, the Reverend Richard C. Halverson, LL.D., D.D., offered the following prayer:

Let us pray.

God of peace, Lord of Heaven and Earth, who hath made of one blood all nations of men for to dwell on all the face of the Earth, and hath determined the times before appointed, and the bounds of their habitation; that they should seek the Lord.—Acts 17:26.

We pray for the leadership of the nations. The world languishes for peace: Peace between nations, peace between races, peace between political parties, peace between government and people, peace between labor and management, peace between husbands and wives, peace between parents and children.

Holy Father of us all, lead us to be peacemakers. Forgive us for being academic about peace, for theorizing and idealizing about peace between nations when we refuse to deal with alienation among ourselves; when we devote no effort to make peace with our spouses, or our children; when we will not make peace among blacks and whites and Hispanics. Grant, O God that each of us will take the initiative to make peace where we are, where we have influence. And give us the grace to submit to the Prince of Peace to practice His love, to abide in His grace. In His name we pray. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The majority leader is recognized.

Mr. BAKER. Mr. President, I thank the Chair.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, am I correct in saying that, pursuant to the order for adjournment yesterday and the unanimous-consent agreement that preceded it, the reading of the Journal has already been dispensed with?

The PRESIDENT pro tempore. The Senator is correct.

Mr. BAKER. And that no resolution shall come over under the rule, and the call of the calendar will be dispensed with; is that correct, as well?

The PRESIDENT pro tempore. The Senator is correct.

Mr. BAKER. I thank the Chair.

Mr. President, I understand that there will be a period for the transaction of routine morning business not to exceed 30 minutes, in which Senators may speak for 5 minutes each, which will follow on after the recognition of the two leaders under the standing order and the recognition of Senators NICKLES and SPECTER on special orders not to exceed 15 minutes each.

ORDER FOR RECESS FROM 12 NOON UNTIL 2 P.M.

Mr. BAKER. Mr. President, I ask unanimous consent that, at the hour of 12 noon today, the Senate stand in recess until the hour of 2 p.m.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I might say that the practice of recessing on Tuesdays for approximately 2 hours at midday has been observed for some time and, in my judgment, has proven convenient and effective in the arrangement of the affairs of the Senate, since it gives Senators on both sides of the aisle time to meet with their respective party caucuses. These are important caucuses. While they are not statutory, they are the place in which many decisions are made, debates of the Senate are shaped, and they have become increasingly important, in my judgment, to the arrangement of the debates on major issues that confront us.

Mr. President, it is the intention of the leadership on this side to extend morning business, if need be, until the hour of 12 noon, if the time has not been consumed prior to that time. No business will be transacted except in morning business until after the two party caucuses.

S. 2372—FEDERAL ABORTION FUNDING RESTRICTION

Mr. BAKER. Does the Chair have a measure to lay before the Senate, Mr. President?

The PRESIDENT pro tempore. The clerk will report any bill that has had its first reading and remains at the desk for second reading.

The legislative clerk read as follows:

> A bill (S. 2372) to affirm the intrinsic value of all human life, to recognize the humanity of unborn children, and to insure that the Federal Government not participate in or support abortions.

(Mr. COCHRAN assumed the chair.)

Mr. BAKER. Mr. President, pursuant to the provisions of rule XIV of the Standing Rules of the Senate, and at the request of another Senator, I object to further consideration of this measure at this time.

The PRESIDING OFFICER. Objection having been heard to further proceedings at this time, the bill will be placed on the calendar pursuant to the precedents in rule XIV.

Mr. BAKER. I thank the Chair.

PUBLIC FINANCIAL DISCLOSURE REPORTS (SENATE RULE 34)

(The following notice is submitted by the Secretary of the Senate:)

The 1982 filing date for Public Financial Disclosure Reports is Monday, May 17.

Public Financial Disclosure Reports should be filed with the Senate Office of Public Records, room 623, 119 D Street, N.E. (telephone 224-0322), no later than the close of business on Monday, May 17. That office will be open from 12 until 3 on the preceding Saturday and Sunday, May 15 and 16, to receive such reports. Request for extension of the filing date should be addressed to the Select Committee on Ethics, 113 Carroll Arms Office Building, 224-2981.

The Office of Public Records currently plans to release all Senators reports simultaneously on Thursday, May 20. Advance orders will be accepted by that office for request involving purchase of substantial quantities or complete sets.

Questions relating to the filing and subsequent release of Public Financial Disclosure Reports should be directed to Alicia Rae Fisher, Superintendent, Office of Public Records, Office of the Secretary of the Senate at 224-0757.

EXECUTIVE CALENDAR

Mr. BAKER. Mr. President, I thought on yesterday it would be possible to turn to the consideration of one nominee on the Executive Calendar and for a number of reasons it was not possible to do late yesterday evening.

I would inquire of the minority leader if he is prepared now to proceed to the consideration of calendar order No. 741 on today's Executive Calendar, the nomination of Evan L. Hultman, of Iowa, to be U.S. attorney for the northern district of Iowa.

Mr. ROBERT C. BYRD. Mr. President, there is no objection on this side.

Mr. BAKER. I thank the minority leader.

EXECUTIVE SESSION

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate now go into executive session for the purpose of considering the nomination just identified.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

There being no objection, the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. The nomination will be stated.

DEPARTMENT OF JUSTICE

The legislative clerk read the nomination of Evan L. Hultman, of Iowa, to be U.S. attorney for the northern district of Iowa.

● Mr. SPECTER. Mr. President, I am opposed to the nomination of Mr. Evan Hultman because the Department of Justice has not responded to the letter of April 16, 1982, from Senators HATCH and DECONCINI. It may well be that the allegations have no substance; but I believe that the outstanding questions raised by two members of the Committee on the Judiciary should be answered before the committee gives its approval of the nomination.●

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. JEPSEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I ask unanimous consent that the President be immediately notified that the Senate has given its consent to this nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate now return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I have no further need for my time under the standing order, I am prepared to yield it to any Senator who seeks recognition or I am prepared to yield it to the minority leader if he has need for further time at this time.

Mr. ROBERT C. BYRD. Mr. President, I do not believe I have a need for it.

Mr. BAKER. I thank the minority leader. Mr. President, in that event, and seeing no Senator seeking recognition for time under the standing order, I yield back the time remaining to me under that order.

RECOGNITION OF THE MINORITY LEADER

The PRESIDING OFFICER. Under the previous order, the Democratic leader is recognized.

SCHOLAR PAGES

Mr. ROBERT C. BYRD. Mr. President, it has come to my attention that there are a number of our Senate Pages who not only perform their duties in an admirable fashion but also excel in their academic pursuits.

Several Senate Pages, both Democratic and Republican, have attained grades which place them on the Honor Roll for the most recent marking period. This achievement is particularly commendable in light of the fact that the Page's day is such a long one. Their school day begins at 6:10 a.m., and after a full morning of classwork they report to their respective Cloak Rooms at approximately 10 a.m., unless the Senate has convened earlier, which it does from time to time, to begin their day's work. Their tasks are many and varied, and they carry out these tasks for the duration of each day's session, after which they return home to complete their homework for the next day's classes.

I congratulate our Pages, both Republicans and Democrats—or perhaps I should say both Democratic and Republican.

I congratulate them for their diligence, for their hard work, and for the good work they do at all times. They are always good for us, with their enthusiasm, and always so gracious, so courteous, and so understanding.

I do not think we can, with words, tell them how much we appreciate the good work they do for us. It may be well if we took note of their fine example.

I would urge all Pages to take note of the fine example of those on the Honor Roll and try to make the Honor Roll also.

Mr. President, I would like to read into the RECORD the list of those on the Capitol Page School's Senate Honor Roll for the third anniversary. They are: Reuven Carlyle, Nancy Dynan, John Gilmer, William Graham, Steven Kaufman, Linda Miller, Timothy Page, Wilson Perry, Kathryn Rappolt, John Shonebaum, Ruth Stern, Keith Stolte, Scott Liberman, and Barbara Weidenbruch.

Mr. PROXMIRE. Will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. PROXMIRE. I congratulate the minority leader on the statement he has just made. I have always been tremendously impressed by our Pages. He stresses exactly the right thing, their academic concern.

Mr. President, these are young people aged 15 to 16 years old, away from their families. These are young people who have had to get up, as the minority leader pointed out, to be in class at 6 o'clock in the morning and then do a full day's work, and it is a full day's work here.

I have always been impressed by their remarkable courtesy and their alertness, considering the hours they work and their age.

The minority leader is absolutely right in paying this fine tribute to them.

Will the Senator yield me 1 minute?

Mr. ROBERT C. BYRD. I yield.

REGIONAL EFFECTS OF A SOVIET NUCLEAR STRIKE AGAINST U.S. ECONOMY

Mr. PROXMIRE. Mr. President, many Americans might assume that a Soviet attack designed to destroy this country's economy would have little effect on those areas lying outside our big cities. The expert analysis by Katz and Osdoby for CATO disputes that. I quote from its findings:

> Not only would major metropolitan areas be heavily damaged, whole regions would be seriously incapacitated. This is true in part because major urban centers tend to be relatively close to one another, such as in the Northeast Corridor, along the southern rim of the Great Lakes, and in Southern California. The primary area of destruction would be the Northeast/East-Central tier of states from Massachusetts to Minnesota. The one-megaton weapon component of the larger attacks would destroy 50 percent or more of the industrial capacity of every state in the area, except Wisconsin and Indiana, which would suffer between 40 to 50 percent Manufacturing Value Added destruction. Thus, the nation's largest block of industrial states is unlikely to continue to exist as a significant functioning unit because of the loss of population, industrial plants, and economic systems.
>
> Several other states or industrial regions are likely to suffer similar destruction and disruption, making their contribution to the survival or recovery of the surrounding territory highly problematic. Key parts of the Sunbelt, sections of Texas, Louisiana, Oklahoma and Missouri, Florida; and the area covered by California, Arizona, Utah, and Colorado would be severely damaged.
>
> These regional patterns of destruction suggest that there will not be large, undamaged areas able to provide adequate refuge and support for the surviving urban population or to foster a rapid economic recovery. Although extensive rural or semi-rural territory will remain undamaged, it is largely devoid of the industrial infrastructure needed for substantial economic recovery.

Tomorrow I will discuss the findings of this study on the effects of a nuclear attack by Russia designed to take out our economic power on selected industries.

SECURITIES INVESTOR PROTECTION CORPORATION

Mr. PROXMIRE. Mr. President, I bring to the attention of my colleagues an article appearing in yesterday's Wall Street Journal concerning the recommendations of a securities industry task force that Congress substantially enhance the operating powers of the Securities Investor Protection Corporation.

Recently the Banking Committee reported out the nomination of James G. Stearns to be Chairman of SIPC by a vote of 8 to 6. Six of the members of the Banking Committee agree that Mr. Stearns is not qualified to be Chairman of SIPC.

Mr. President, it would be particularly unfortunate for the public interest and for the capital markets of this Nation if Mr. Stearns—unqualified as he is—is confirmed by the Senate to be Chairman of SIPC.

The task force is recommending that SIPC's powers be enhanced to permit SIPC to operate insolvent securities firms to maintain the integrity of securities markets while orderly mergers or liquidations are carried out.

As the Wall Street Journal points out, some securities firms that necessitate the examination of new powers have more than 100,000 customers. Obviously, an expert in the securities field is needed at SIPC to exercise the powers. And Congress needs to be persuaded to grant these new powers to SIPC.

Can‸Mr. Stearns do the job? Emphatically, no. He has no qualifications or background whatsoever in the securities field. He has had 2 years of college and has been a rancher and crop duster pilot. He has headed the California Agriculture and Services Agency and been Director of Conservation in California. SIPC will not be served at all by Mr. Stearns at its head. Remember that the Chairman of SIPC is the day-to-day manager of the agency. It takes an intensive securities background to run SIPC, and Mr. Stearns does not have the background.

I ask the Senate to pause on this nomination. The public and the securities industry are about to be done a massive disservice.

I ask unanimous consent that the article from the Wall Street Journal be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PANEL RECOMMENDS CONGRESS BROADEN SIPC'S AUTHORITY

WASHINGTON.—In the wake of several brokerage-house bankruptcies, an industry task force recommended that Congress grant the Securities Investor Protection Corp. greater powers to oversee broker liquidations.

Specifically, the task force said that the quasi-governmental corporation, which conducts liquidations and insures customers of failing brokerage houses, should be granted authority to operate insolvent securities firms while it goes through the lengthy legal procedures of liquidating them. Currently, SIPC simply closes down an insolvent firm, which temporarily prevents customers from getting at their accounts.

The task force also recommended to the seven-member SIPC board that it brace itself for the possible failure of a big brokerage house—one with 100,000 or more customers. The task force said it hasn't any "particular fears about the long- or short-term financial condition" of big houses, but that SIPC should nevertheless prepare sample legal papers to cope with such a catastrophe.

The recommendations come after a year of hard times for many brokerage houses. Last year, with stock prices slumping, SIPC began liquidating 10 firms—double the average of the prior five years. In the last three months of 1981, its insurance fund was drained to $167 million from $219 million. Recently the tempo of liquidation has slowed as stock prices have recovered slightly, but SIPC officials remain worried about their ability to handle a rash of failures.

One of the greatest concerns of SIPC officials is that current liquidation procedures are so cumbersome and lengthy that some customers end up getting hurt, rather than helped, by the agency. Without access to their accounts, clients of some failing brokerage houses last year were forced to sit idly by while the value of their investments fell in the stock market.

The industry group said that if SIPC had legal authority to keep an insolvent brokerage house's doors open during liquidation, customers in some cases might be able to close their accounts to cut their losses. The proposal needs approval from the SIPC board and from Congress. An SIPC official said he doesn't expect Congress, preoccupied by the budget and coming November elections, will get to SIPC legislation this year. Prospects of passage might be better in 1983, the offical said.

The task force, organized last year by SIPC, includes representatives from the New York Stock Exchange, Dean Witter Reynolds Inc., the National Association of Securities Dealers Inc., SIPC, and a Manhattan law firm, Milbank, Tweed, Hadley & McCloy.

A UNIQUE AND EFFECTIVE LEARNING EXPERIENCE

Mr. PROXMIRE. Mr. President, the Christian Science Monitor recently published an article entitled "A Lesson From the Holocaust." It described a unique school curriculum in which students study the Holocaust as a way of understanding democracy and history.

Unlike the other Holocaust curriculums that exist in a small number of schools, these students in school systems ranging from Toledo, Ohio, to Toronto do not begin with movies or journals of concentration camps. That is because they participate in a course named "Facing History and Ourselves: Holocaust and Human Behavior." The authors of the course explain that—

> In this curriculum students are stimulated to reason and think about the implications for a society that abuses civil liberty and censors freedom to think. They grapple with the role of the victims, the victimizer and the bystander.

Instead of starting with traditional movies about Auschwitz, students develop working definitions of political and sociological terms to be used in learning about the mentality of totalitarianism. Terms like justice, obedience, power, and scapegoating are examples of this method.

Students become familiar with the backgrounds of the crisis by studying historical events. They learn about Germany's devastation after World War I, about the Weimar experiment in constitutional democracy, and about the gradual steps of demagogues who tore a society apart.

The students focus on human dilemmas and personal accounts. In a film titled "Joseph Schultz," original photographs taken by Germans are mixed with a reenactment. The story is about a Nazi soldier who refuses to participate in a firing squad, and as a result, is ordered to line up and die with the others.

The benefits of this unique learning experience were clearly expressed by a participant who said:

> I don't think there will be another Holocaust if we keep on teaching about the Holocaust and the Constitution; all men are created equal.

Mr. President, the facing history curriculum has spurred these students to think about how we go about preventing any more outbreaks of genocide. I have also given much thought to this issue. So, too, have a number of U.S. Presidents, and civic and religious organizations representing millions of Americans across this country. We have come to the conclusion that the Genocide Convention, a treaty making genocide an international crime, is very worthy of our support. Eighty-five other nations have also come to this conclusion and have ratified the Genocide Convention. I urge my colleagues to help the United States join this list by immediately ratifying the Genocide Treaty.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, have I any time remaining?

The PRESIDING OFFICER. The Senator has 3 minutes remaining.

Mr. ROBERT C. BYRD. Mr. President, I will be glad to yield it to the first Senator who has a special order. Otherwise, I yield back the remaining time.

RECOGNITION OF SENATOR NICKLES

The PRESIDING OFFICER. Under the previous order, the Senator from Oklahoma (Mr. NICKLES) is recognized for not to exceed 15 minues.

Mr. NICKLES. I thank the Chair. I also thank the minority leader for his generosity.

THE BUDGET

Mr. NICKLES. Mr. President, ever since the administration submitted its 1983 budget, there has been a great deal of concern with respect to the large deficits which have been reported. No one wants to mortgage away the future of our children by saddling them with an ever-increasing debt that, in my opinion, is virtually out of control.

What has amazed me about as much as the size of the deficit has been the call from many to increase taxes to reduce the red ink. The enemy we face is not a shortage of revenues. Public enemy No. 1 is uncontrolled Government spending.

There are primarily two ways that we can cut the deficit. One is to increase taxes, the second is to spend less. I believe we must ask ourselves, "Are we spending too much or are we taxing too little?"

I personally believe that we are spending too much. I happen to believe that this is the view that is held by a majority of Americans.

When we were campaigning, we repeatedly heard, "Two-thirds of the Federal spending is uncontrollable."

I would say it is out of control and it needs to be controlled.

We have heard people say, "Two-thirds of the Federal budget is untouchable." I would say we need to touch it.

We need the management that the Constitution gives us, the responsibility, the authority, and the obligation to control Government spending. I believe that uncontrolled and ever-increasing Government spending is the real culprit that we need to face.

Government spending, Mr. President, causes two problems: In order to match that Federal spending, we must either tax more, or we must borrow to pay for it, both of which transfer money away from the private sector into the public sector.

We have seen year after year an ever-increasing drain from the private sector into the public sector, causing fewer jobs, causing a decline of the real productivity base that has built and sustained America.

I believe the Government must learn to live within its means without robbing the American taxpayer, or robbing our children of their future inheritance.

Nothing more clearly illustrates the seriousness of our spending epidemic than a look at the growth in Federal budget outlays. From 1930 to 1940, the budget grew from $3.3 billion to $9.4 billion, a 184-percent increase in 10 years.

In 1950, the budget outlays had grown to $42.6 billion, a 570-percent increase over the 10 years before.

In 1960, Government spending went all the way up to $92.2 billion, a 110-percent increase. In the next 10 years, it jumped another 110 percent, to $195.6 billion in 1970.

By 1980, we spent $590.9 billion, a 200-percent increase over 1970. Furthermore, the current budget projections demonstrate a continuation of the spending spiral. Spending in 1981 increased to $678 billion.

Spending this year is estimated by the Senate Budget Committee to be about $760.4 billion including off-budget items. That amounts to about $3,300 spent for every man, woman, and child in the United States.

Mr. President, I included the off-budget items because, in 1973, Congress recognized this alarming spending trend and devised a clever disguise. It created off-budget items. Those off-budget expenditures amounted to roughly $60 million that year, but by last year, off-budget spending had grown to an unbelievable $21 billion.

Mr. President, I have a table that I would like to have printed in the RECORD. I ask unanimous consent that that be done.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

BUDGET RECEIPTS AND OUTLAYS, 1789–1985

[In millions of dollars]

Fiscal year	Budget receipts	Budget outlays	Budget surplus or deficit (−)
1789–1849	1,160	1,090	+70
1850–1900	14,462	15,453	−991
1901–1905	2,797	2,678	+119
1906–1910	3,143	3,196	−52
1911–1915	3,517	3,568	−49
1916–1920	17,286	40,195	−22,909
1921	5,571	5,062	+509
1922	4,026	3,289	+736
1923	3,853	3,140	+713
1924	3,871	2,908	+963
1925	3,641	2,924	+717
1926	3,795	2,930	+865
1927	4,013	2,857	+1,155
1928	3,900	2,961	+939
1929	3,862	3,127	+734
1930	4,058	3,320	+738
1931	3,116	3,577	−462
1932	1,924	4,659	−2,735
1933	1,997	4,589	−2,602
1934	3,015	6,645	−3,630
1935	3,706	6,497	−2,791
1936	3,997	8,442	−4,425
1937	4,956	7,733	−2,777
1938	5,588	6,765	−1,177
1939	4,979	8,841	−3,862
1940	6,361	9,456	−3,095
1941	8,621	13,634	−5,013
1942	14,350	35,114	−20,764
1943	23,649	78,533	−54,884
1944	44,276	91,280	−47,004
1945	45,216	92,690	−47,474
1946	39,327	55,183	−15,856
1947	38,394	34,532	+3,862
1948	41,774	29,773	+12,001
1949	39,437	38,834	+603
1950	39,485	42,597	−3,112
1951	51,646	45,546	+6,100
1952	66,204	67,721	−1,517
1953	69,574	76,107	−6,533
1954	69,719	70,890	−1,170
1955	65,469	68,509	−3,041
1956	74,547	70,460	+4,087
1957	79,990	76,741	+3,249
1958	79,636	82,575	−2,939
1959	72,249	92,104	−12,855
1960	92,492	92,223	+269
1961	94,389	97,795	−3,406
1962	99,676	106,813	−7,137
1963	106,560	111,311	−4,751
1964	112,662	118,584	−5,922
1965	116,833	118,430	−1,596
1966	130,856	134,652	−3,796
1967	148,906	157,608	−8,702
1968	152,973	178,134	−25,161
1969	186,882	183,645	+3,236
1970	192,807	195,652	−2,845
1971	187,139	210,172	−23,033
1972	207,309	230,681	−23,373
1973	230,799	245,647	−14,849
1974	263,224	267,912	−4,688
1975	279,090	324,245	−45,154
1976	298,060	364,473	−66,413
TQ	81,232	94,188	−12,956
1977	355,559	400,506	−44,948
1978	399,561	448,368	−48,807
1979	463,302	490,997	−27,694
1980	517,112	576,675	−59,563
1981	599,272	657,204	−57,932
1982 [1]	623,000	742,300	−119,300
1983 [1]	645,000	827,000	−182,000
1984 [1]	702,000	918,000	−216,000
1985 [1]	780,000	1,012,500	−232,500

[1] Data for 1982–85 for receipts and outlays are revised baseline amounts. Figures for off-budget entities are amounts recommended by the President.

Note: Data for 1789–1939 are for the administrative budget: data for 1940 and all following years are for the unified budget In calendar year 1976, the Federal fiscal year was converted from a July 1 to June 30 basis to an Oct. 1 to Sept. 30 basis. The TQ refers to the transition quarter from July 1 to Sept. 30, 1976. Off-budget Federal entity outlays begin in 1973.

TOTALS, INCLUDING OUTLAYS OF OFF-BUDGET FEDERAL ENTITIES

[In millions of dollars]

Fiscal year	Outlays of off-budget Federal entities	Total outlays	Total budget surplus or deficit (−)	Increase in outlays from prior year	Percent change from prior year outlays
1973	60	245,707	−14,908	15,026	6.5
1974	1,447	269,359	−6,135	23,652	9.6
1975	8,088	332,332	−53,242	62,973	23.4
1976	7,307	371,779	−73,719	39,447	11.9
TQ	1,785	95,973	−14,741	NA	NA
1977	8,700	409,206	−53,647	37,427	10.1
1978	10,359	458,726	−59,166	49,520	12.1
1979	12,467	503,464	−40,162	44,738	9.8
1980	14,245	590,920	−73,808	87,456	17.4
1981	21,005	678,209	−78,936	87,289	14.8
1982 [1]	19,689	761,989	−138,989	83,780	12.4
1983 [1]	15,701	842,701	−197,701	80,712	10.6
1984 [1]	14,285	932,285	−230,285	89,584	10.6
1985 [1]	10,950	1,023,450	−243,450	91,165	9.8

[1] Data for 1982–85 for receipts and outlays are revised baseline amounts. Figures for off-budget entities are amounts recommended by the President.

Note: In calendar year 1976, the Federal fiscal year was converted from a July 1 to June 30 basis to as Oct. 1 to Sept. 30 basis. The TQ refers to the transition quarter from July 1 to Sept. 30, 1976. Off-budget Federal entity outlays begin in 1973.

Mr. NICKLES. Mr. President, I point out and, by this table, illustrate to my colleagues that the evil is the continued ever-increasing outlays that are out of control. From 1980 to 1981, outlays increased $87 billion. From 1979 to 1980, they increased $87 billion. In 1982, they are forecast to increase approximately $84 billion. If you follow the projections that were given in the figures that the President and the various negotiating groups had agreed upon if significant changes were not made, Federal spending would have continued to increase. By 1983, they would increase another $80 billion; in 1984, $89 billion; in 1985, they would increase another $91 billion. We are looking at Federal spending that has been compounding at a double-digit rate and is expected to continue to compound in double-digit figures unless we get Federal spending under control.

Granted, some of this increase in spending reflects inflation, which ran rampantly during the last decade. But I suppose that when spending more than doubled from 1950 to 1960, and more than doubled again from 1960 to 1970, and more than tripled from 1970 to 1980, something more than inflation is at work.

Congress has passed laws and created programs which have obligated the Government to pay more types of benefits, greater amounts of benefits, and more grants and guaranteed loans—regardless of whether funds are available. These are the so-called entitlement programs.

So, Mr. President, as we discuss our budget crisis and proposed deficits, I, for one, would like to see the emphasis switched from increasing taxes to cutting spending. Only in doing so will we really get to the root of our problems.

A more detailed examination better demonstrates our spending dilemma. Federal regulatory agency expenditures have grown more than 530 percent in the last 10 years. In 1970, those agencies spent $866 million. By 1979, that amount jumped to $5.5 billion. Energy and environment regulatory agency expenditures alone expanded by more than 680 percent in that period.

Transfer payments to individuals, our entitlement programs, have become unmanageable, and open to fraud and abuse. These programs, 12 years ago, had a $63.2 billion price tag. By last year, they cost taxpayers about $316.6 billion—five times more than in 1970. These transfer payments amounted to about one-fourth of the Federal budget in 1960; last year, they equaled almost 50 percent of total Federal expenditures.

Mr. President, we hear from special interest groups across the country that the spending cuts enacted last year are devastating. But what is often overlooked is that we did not cut spending last year. Total Federal outlays, including off-budget items, amounted to $590.9 billion in 1980, or 23 percent of the gross national product. Last year, spending totaled $678.2 billion, or 23.7 percent of GNP; this year, outlays are estimated to be $762 billion under current law, in 1982, or 24.7 percent of GNP. Federal spending continues to grow out of control.

Mr. President, I really believe the American people want spending cut. An NBC news poll released April 13, showed that 77 percent of the American public favors spending cuts rather than tax increases to reduce the deficit.

A poll conducted last December by the Gallup organization revealed that Americans have a strong preference for cutting spending. There was 59 percent who said they either strongly or somewhat favor additional spending reductions in Federal spending.

Only 26 percent somewhat or strongly oppose such reductions. Only 4 percent answered that we should increase taxes alone to reduce the deficit.

Another Gallup Poll issued at the same time showed that among union members, 58 percent favored reduced Federal spending over increased taxes as a means of cutting the deficit.

Mr. President, we cannot keep spending money we do not have.

In the short time I have been in the Senate, I have become discouraged and disgusted about Congress total fiscal irresponsibility. I am not talking about just this year, but for the last 20 years. We are not representing the will of the American taxpayer, but the will of the special interest. It has become apparent that only a constitutional constraint could keep Congress from taxing and spending our people to death.

The message is clear. There is now 39 States having constitutional provisions limiting their ability to incur budget deficits, and 31 of the necessary 34 States have approved resolutions calling for a constitutional convention on this issue.

During the next few weeks, I plan to address specifically why a constitutional amendment to balance the budget and limit spending and taxing is our proper course of action. I intend to show historically what our Founding Fathers had in mind regarding Federal spending, and how States and other nations view the problems of spending and taxing.

Today, Mr. President, my objective is to make clear my belief that runaway Government spending is perhaps our greatest national ill. We must work together to change the course of Government from their old ways of more and more taxes, more and more spending, more and more Government regulation over our lives. I think it is a vital fight. I think it is a fight worth fighting. I really believe our children's future and their freedom depend on our efforts.

I thank the Chair.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

VITIATION OF ORDER FOR THE RECOGNITION OF SENATOR SPECTER

Mr. BAKER. Mr. President, I am advised that the distinguished Senator from Pennsylvania has no need for the special order in his favor this morning. I ask unanimous consent that it be vitiated.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order there will now be a period for the transaction of routine morning business.

STATEMENT OF SENATOR ROBERT C. BYRD BEFORE COMMITTEE ON FOREIGN RELATIONS

Mr. DODD. Mr. President, I want to draw the Senate's attention to testimony before the Foreign Relations Committee presented recently by the distinguished minority leader, Senator ROBERT C. BYRD.

This testimony is important for two fundamental reasons. First, it is timely. It focuses on the administration's policy toward the Caribbean and Central America region and raises a number of serious questions about that policy. Second, it is substantive. It deals with the gut issue of Congress constitutional responsibilities respecting decisions to send American combat troops overseas.

On both counts Senator BYRD's eloquent testimony deserves careful examination and consideration by Members of Congress and by the public at large. With respect to Central America, for example, he wisely cautions:

> The policy we finally choose will only succeed if there is a national consensus in support of that policy. The only way to insure that we will choose the wisest course of action for our Nation is for the Congress to first exercise its responsibility under the Constitution.

And zeroing in on the administration's policy toward the region, the Byrd testimony reminds us:

> There is growing concern in America over the direction of the administration's policy in El Salvador and throughout Central America. My mail shows it and I am sure your mail reflects it as well. The polls certainly reflect a growing opposition to a deepening U.S. involvement in the region.

In his quiet, forceful manner, Senator BYRD, then ties the policy issue to the question of institutional responsibility and draws the following conclusion:

> It is my belief that in a matter as serious as this, the executive branch must be able to make a very compelling case, and before troops are committed for combat purposes in El Salvador, Congress should be an equal partner in that decision. The only option open to us is a response after the fact. I argue strongly that it is our constitutional responsibility to err on the side of debate and caution before we are confronted with a situation that could cost us so dearly in money, national unity, and the spilling of American blood. We know from experience the difficulty in using a foreign military presence to impose a political solution in another country. By moving incautiously, we run a great risk of creating a divisive debate which could once again rip the fabric of our country apart.

Mr. President, I doubt that anyone in the history of the Senate has had a stronger appreciation of or a greater respect for this institution than the able Senator from West Virginia. Indeed, his testimony of May 4, before the Committee on Foreign Relations serves as a convincing reminder of his uncompromising dedication to the U.S. Senate—the kind of dedication that the Founding Fathers would have generously applauded.

I ask unanimous consent, Mr. President, that the complete text of Senator ROBERT BYRD'S May 4, statement be printer in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

PREPARED REMARKS OF SENATOR ROBERT C. BYRD, SENATE COMMITTEE ON FOREIGN RELATIONS, MAY 4, 1982

I want to thank the distinguished Chairman and our distinguished colleagues on the Committee for affording me this opportunity to present testimony on behalf of my legislation amending the War Powers Resolution. I have been joined by 28 of my colleagues in sponsorship of my bill. This indicates that considerable concern does exist regarding the Administration's policies in El Salvador.

As you are well aware, my legislation simply states that the President cannot commit U.S. troops for combat purposes in El Salvador without first obtaining specific congressional authorization for such action. It does maintain Presidential flexibility. The President can introduce combat troops for the purpose of protecting, and assisting in the evacuation of, American citizens threatened by hostilities in that country, or if the territory of the United States is directly threatened.

I realize the War Powers Resolution, which was enacted into law on November 7, 1973, sought to correct the consitutional imbalance which had arisen between the Executive branch and Congress in the area of war powers—an imbalance which developed primarily during the 20th century. The Resolution did go a long way to restore the Constitutional responsibilities of the Congress in the area of war making powers of our government. However, it could not conceivably cover every situation which could arise in the future. The controversy surrounding our policy towards El Salvador is a contingency which I believe was unforeseen during our deliberations on the War Powers Resolution. And that is what my amendment attempts to address.

A number of concerns have been expressed regarding my motivations in submitting this legislation. In fact, on March 9 of this year, one of our colleagues stated the following on the floor of the Senate:

"Presidential powers in the realm of foreign and military affairs as guaranteed by the Constitution were eroded considerably with passage of the War Powers Act. I have always opposed the War Powers Act. Senator BYRD is attempting to paralyze the President further and bring greater power to his own senatorial office."

I want to repeat a portion of what was said by our colleague.

"Senator BYRD is attempting to paralyze the President further and bring greater power to his own senatorial office."

Mr. Chairman, distinguished Members of the Committee, 30 years ago when I was first elected to the U.S. House of Representatives I took the following oath prior to taking my seat.

"Do you solemnly swear that you will support and defend the Constitution of the United States against all enemies, foreign and domestic; that you will bear true faith and allegiance to the same; that you take this obligation freely without any mental reservation or purpose of evasion; and that you will well and faithfully discharge the duties of the office on which you are about to enter: so help you God."

Having been elected to the House of Representatives three times and to the United States Senate four times, I have taken this oath of office on seven different occasions. I do not take this oath lightly. During my 30 years of public service in our nation's legislative branch of government, my energies and my mental resources have been devoted to upholding the Constitution of the United States. As a result, I am devoted to the Senate and the House of Representatives of the United States as one of the three coequal branches of our government. I believe in the Senate as an institution. Consequently, I have very deep concerns when the institutional responsibilities of the Senate are challenged or compromised. And that is what this debate is all about: the war-making powers and responsibilities of our government.

In my estimation, any statement which suggests that the President of the United States is vested with the sole responsibility for the war-making powers of our government flies completely in the face of the Constitution and the intent of our Founding Fathers.

The Constitution is clear that the power to declare war, as well as the power to raise and maintain an Army and a Navy belong to the Congress. Under the Constitution, the President is designated as the Commander-in-Chief for the purpose of prosecuting wars authorized by the Congress. Thus, when the President commits U.S. armed forces to hostilities abroad at his own initiative, he has, in effect, assumed congressional authority.

I think it is important to look at the Constitution once again, to emphasize that Article 1, Section 8 expressly reserved war powers to the Congress. These are as follows:

1. Congress shall have the power . . . .

11. To declare war, grant letters of marque and reprisal, and to make rules concerning captures on land and water;

12. To raise and support armies, but no appropriation of money to that use shall be for a longer term than 2 years;

13. To provide and maintain a Navy;

14. To make rules for the government and regulation and land and naval forces;

15. To provide for calling forth the militia to execute the laws of the Union, suppress insurrections and repel invasions;

16. To provide for organizing, arming, and disciplining the militia and for government such part of them as may be employed in the service of the United States;

18. To make all laws which shall be necessary and proper for carrying into execution the foregoing powers vested by this Constitution in the government of the United States, or in any Department or office thereof.

The war powers of the President are expressed in Article II, Section 2 of the Constitution:

"The President shall be Commander-in-Chief of the Army and Navy of the United States, and of the militia of the several States, when called into actual service of the United States. . . ."

Keep in mind that our Founding Fathers constructed a government of intricate checks and balances in order to avoid the abuses they had suffered at the hands of the British monarchs. It was the power of the British sovereign to initiate war on his own prerogative that led to a deliberate decision on the part of the framers of our Constitution to vest the power to declare war in the body most broadly representative of the people.

During the debate at our Constitutional Convention on this matter, Mr. Eldridge Gerry of Massachusetts expressed the view that he "never expected to hear in a republic a motion to empower the Executive alone to declare war." Mr. Gerry's point has stood the test of time for it is as relevant today as it was in 1787.

Discussions of the President's power to control the armed forces have invariably focused on the provision in Article II. However, from the first, it has been interpreted as simply placing the President at the top of the pyramid of military command making him, in Alexander Hamilton's words, "first general and admiral of the confederacy." This view was outlined in Federalist Paper No. 69.

In recent months, the Monroe Doctrine has been bandied about as the justification for giving the President a free hand to use U.S. forces in any way he sees fit in this hemisphere. The Monroe Doctrine has been cited as an early precedent for the use of armed forces by the President acting on his own authority. However, President Monroe always kept the intent of the framers of the Constitution in proper perspective by making the appropriate distinction between a statement of policy and the authority to carry it out. In 1824 when the government of Colombia inquired as to what action the United States might take under the Monroe Doctrine to repel certain European intervention in the Latin American Republics, Secretary of State John Quincy Adams replied:

"With respect to the question, 'in what manner the government of the United States intends to resist on its part any interference of the Holy Alliance for the purpose of subjugating the new republics or interfering in their political forms' you understand that by the Constitution of the United States, the ultimate decision of this question belongs to the Legislative Department of government."

I might add, Secretary of State Adams did not caveat his response by stating that the President could commit U.S. forces in defense of Colombia and Congress had 60 days in which to issue a declaration of war, or pass a concurrent resolution mandating a withdrawal of U.S. forces. Quite the contrary, great pains were taken to protect the integrity of the Constitution by properly noting Congress' role in the area of war powers.

Abraham Lincoln admonished Congress when he noted the following in 1848:

"Allow the President to invade a neighboring nation, whenever he shall deem it necessary to repel an invasion, and you allow him to do so, whenever he may choose to say he deem it necessary for such purpose—and you allow him to make war at pleasure. Study to see if you can fix any limit to his power in this respect . . . If today, he should choose to say he thinks it necessary to invade Canada, to prevent the British from invading us, how could you stop him? You may say to him, I see no probability of the British invading us but he will say to you be silent; I see it, if you don't."

I would say that was a very prudent admonishment. It is similar in nature to the situation we face today.

We were extremely fortunate to have had leaders of vision, and leaders of great intellectual capacity during our formative years as a Republic. The sensitivity to the Constitution, the sensitivity to maintaining the proper role of each branch of government was deeply ingrained in the early leaders of our country. One might ask why. I think the answer can be found from Abraham Lincoln himself when he was President. He wrote:

"The provision of the Constitution giving the war making power to the Congress, was dictated, as I understand it, by the following reasons. Kings had always been involving and impoverishing their people in wars, pretending generally, if not always, that the good of the people was the object. This, our Convention undertook to be the most oppressive of all Kingly oppressions; and they resolved to so frame the Constitution that no one man should hold the power of bringing this oppression upon us."

The tyrannies of the monarch weighed very heavily on the conscience of our leaders in the early years of our nation. They had felt the hand of tyranny and, once having thrown it off, these leaders were bound and determined that the government we had so tortuously constructed would not be compromised in any way.

While there is substantial evidence that, absent direct attack on the United States, the Founding Fathers never intended troops to be used outside the country without congressional consent, a rapid expansion of presidential power to use force abroad took place in the latter part of the 19th Century and throughout this Century.

In addition to the abuses of authority on the part of absolute monarchs, why were the framers of the Constitution so concerned about the delegation of war making powers of our government? First, such a decision involves a risk of great economic and physical sacrifice and should not be incurred without approval from the body most directly representative of popular sentiment. Second, even in cases where no significant physical effort is likely to be required, the very act of using force against a foreign sovereign entails moral and legal consequences sufficiently significant to require an expression of popular approval.

Our involvement in Vietnam precipitated a major debate in the Congress that the balance of authority over war making had swung heavily to the President in modern times. The President's right to defend the nation against attack, without prior congressional authorization, in extreme circumstances, such as a nuclear attack or direct invasion, was not the issue. The issue involved the commitment of U.S. military forces exclusively by the President—allegedly under his authority as commander-in-chief—without Congressional approval or adequate consultation with the Congress.

Senator Jacob Javits, the initial sponsor of the War Powers legislation, in testimony before this Committee in 1971, explained this problem very eloquently when he noted:

". . . We live in an age of undeclared war, which has meant Presidential war. Prolonged engagement in undeclared, Presidential war has created a most dangerous imbalance in our Constitutional system of checks and balances."

However, after much debate and considerable compromise the War Powers Resolution became law. In my view, the War Powers Resolution did not take power from the President. To the contrary, it was a tacit act on the part of the Congress according powers to the President, under certain circumstances, that were not accorded to him under the Constitution. Congress basically said, we recognize that in a modern age and with major global responsibilities, some degree of additional flexibility should be given the President in committing U.S. combat forces abroad.

Yet, the mere passage of the War Powers Resolution did not resolve this dilemma—a dilemma we are presently facing in Central America today. The Administration opposes my amendment as being unnecessary because it does not have any plans to commit U.S. combat troops to El Salvador. Yet, an Administration witness appeared before this Committee two weeks ago to state that my legislation would hamper presidential flexibility to respond to so-called emergencies. Beyond evacuation of U.S. personnel threatened by hostilities, the Administration has yet to define the so-called emergencies which would compel the President to commit U.S. forces to El Salvador.

The problem is compounded by the fact that the Administration has not presented a well-defined strategy in pursuit of clear and agreed upon objectives as they relate to Central America. The Congress has yet to be presented with evidence as to the risks to be accepted or the resources to be expended in the long run, for what could be essentially an open-ended commitment to that area of the world.

The policy we finally choose will only succeed if there is a national consensus in support of that policy. The only way to insure that we will choose the wisest course of action for our nation is for the Congress to first exercise its responsibility under the Constitution.

There is a growing concern in America over the direction of the Administration's policy in El Salvador and throughout Central America. My mail shows it and I am sure your mail reflects it as well. The polls certainly reflect a growing opposition to a deepening U.S. involvement in the region.

It is my belief that in a matter as serious as this, the Executive branch must be able to make a very compelling case, and before troops are committed for combat purposes in El Salvador, Congress should be an equal partner in that decision. The only option open to us is a response after the fact. I argue strongly that it is our constitutional responsibility to err on the side of debate and caution before we are confronted with a situation that could cost us so dearly in money, national unity, and the spilling of American blood. We know from experience the difficulty in using a foreign military presence to impose a political solution in another country. By moving incautiously, we run a great risk of creating a divisive debate which could once again rip the fabric of our country apart.

But beyond the issue of Congress exercising its responsibilities under the Constitution, I think we should be sensitive to the problems we would be creating for our own military if a precipitous decision were to be made to send combat troops to El Salvador.

I was struck by the arguments advanced by Marine Corps Major A. J. Ponnwitz, who analyzed the implications of the War Powers Resolution on the capability of our combat troops committed abroad. Writing in the October 1980 issue of Marine Corps Gazette, Major Ponnwitz made the following points, which are particularly relevant to the situation we may face in El Salvador:

"The United States should be wary and not engage in wars of limited purpose or magnitude simply to send diplomatic signals to the other superpowers. Wars are terrible, violent, aggressive acts; and when the United States does not intend to declare war or to project its power to defeat an enemy or to destroy his will to resist, the military force should not be used.

". . . Constraints, such as those imposed by the Congress with the War Powers Resolution may seem to protect this nation adequately against future successful Presidential military initiatives . . . (However) Those constraints apply only after the fact of an intervention; and the government has the tacit responsibility, once armed forces are committed, to permit the military commander to exercise whatever force is required to achieve a timely and decisive solution to the conflict . . .

"In summary, effective limited wars can be fought and won by U.S. military forces, provided that the President and the Congress are willing to consider declaring war and to unequivocally support the commitment. Once the military forces enter the area of hostilities, the on-scene commander must be permitted to exercise his command prerogatives to ensure the accomplishment of his military mission and the safety of his forces . . .

I think Major Ponnwitz raises appropriate concerns which must be addressed by this committee as you deliberate the merits of my legislation. If one has to balance the risks between my legislation and the present powers delegated to the President under the War Powers Resolution, I see far worse consequences flowing from an introduction of U.S. combat forces into El Salvador, which the Congress would then have to overturn by concurrent resolution. There would be far greater damage to the President, far greater damage to our military, and far greater damage to our national interest, if the scenario I just outlined were to occur.

Under our form of government, the Congress is most directly responsible to the citizens of this country. And as such, the Congress reflects the concerns of the people. For a President to pursue successfully both foreign and domestic policy, he has to have the support of the people and that support is reflected in the representatives directly elected by the people.

Yet, the Administration has yet to respond to growing congressional requests for full consideration on, and discussion of, our Central American policy. A bipartisan concern has arisen. William D. Rogers, who served as Assistant Secretary of State for Inter-American Affairs during the Nixon Administration, made the following point before your Committee last week regarding the Administration's policy:

"The nations of Central America have a heritage unique to them. They are not blank pages upon which outsiders may write as they will. The root cause of Central America's crisis today is not Cuba. It is its own history of repression and poverty. Its victims, first of all, are Central Americans. It is not our front yard. It is theirs. We ignore the reality of Central America's distinction at grave peril to sound policy."

This is the reason for my deep concern. A policy which is predicated upon other assumptions while ignoring reality is an unworkable policy. And if that policy begins to fall apart, then the temptation may be to escalate our involvement in an effort to control events.

Today, stability in most of the world depends on how well governments satisfy the basic social, economic and political requirements of the vast majority of their populations. Governments which are not willing to provide this, will, at the very least, suffer levels of instability sufficient to render them ineffective. The problems in Central America are visible for all to see. Yet, the solutions will come only from the willingness of these countries to commit themselves to change. The United States cannot solve these problems for them. Only they can do it themselves.

Significant resources have been devoted to this region of the world since the 1960s. And the lesson to be learned from our experience is that these resources have not bought us the stability we had hoped because they were not expended on resolving the root problems of these societies. The question is simple: Are we better off in Central America than we were 20 years ago? We had better answer that question intelligently and realistically before we find ourselves throwing increasing amounts of money at problems we alone can't solve.

Before concluding my remarks, I would like to address briefly the resolution offered by the distinguished Senator from Idaho, Mr. SYMMS, relating to the Monroe Doctrine, the Rio Treaty, and the joint resolution on Cuba passed by the Congress in 1962. Recent history should be a lesson for us. In the course of the Vietnam War, the Johnson Administration reconfirmed the Executive's claim to unilateral authority in the use of U.S. armed forces. In August 1967, Under Secretary of State Nicholas Katzenbach contended that the Gulf of Tonkin Resolution was "as broad in authorization for the use of armed forces for a purpose as any declaration of war so-called could be in terms of our internal constitutional process."

This Committee should be very sensitive to Executive branch interpretation of any action taken by the Congress.

We have all taken an oath of office. We accepted responsibilities upon election to these offices. We have serious responsibilities delegated to us under the Constitution—responsibilities which we have sworn to uphold and defend. But just as importantly, our role is to reflect the views and the concerns of the citizens who elected us specifically to carry out these responsibilities. Our experience in Vietnam should have taught us a lesson that policies cannot be pursued effectively, if the policies do not have the support of the American people. That is what our democracy is all about. It has stood us in good stead through the two-hundred plus years of our existence. It will ensure that we will enjoy another two hundred years as the world's greatest democracy.

In summing up my concerns, I want to assure the Committee that I offered this legislation in all seriousness. It was not a demonstration of partisanship. It was not an effort on my part to bring greater power to my own senatorial office. I offered this legislation in response to the concerns of the people who elected me.

And finally, we should learn the lessons of history. Before our Vietnam experience is repeated, our policy toward El Salvador and Central America should be debated thoroughly. No matter how remote the possibility might be that the President would feel compelled to commit troops to El Salvador, he has to do so with the full knowledge that the American people and the Congress unequivocally support him. For the Congress not to demand this, would betray our oath of office, and we would betray our responsibility to the people who elected us to make these decisions.

SMALL BUSINESS WEEK

Mr. DIXON. Mr. President, I rise today to speak on the subject of Small Business Week. I join with my Senate colleagues who have preceeded me and those that will follow during this week.

Mr. President, the President and his administration have stated time and again the belief that the success of small business is important to the country's economic improvement. But their actions, Mr. President, frequently do not support their words.

The administration, through the Small Business Administration, has reduced significantly SBA's role in providing financial and management assistance to small business. It has cut the guaranteed lending programs, a program which has, in years past, helped create new employment and strengthened our country's overall economic well-being. The administration's 5-year budget projections indicate a reduction by three-fourths in these programs from previous years' operating levels.

Additionally, the Treasury has issued regulations that limit the use of industrial revenue bonds by denying tax exemptions for multiple lots of bonds of $1 million or less that are pooled and sold as one bond. These are bonds used to help small businesses by bringing about new business investment expansion, and generating new payroll and corporate tax revenues.

Mr. President, small business is operating today in an oppressive environment. Small business has the proven capacity to be successful at accomplishing objectives which big business cannot.

What is at stake today is the survival of small business, and its widespread failure is a prospect the general economy can ill afford.

Mr. President, we in this body know, and I hope the administration realizes, that the approximately 13 million small businesses provide 55 percent of all American private employment, 48 percent of all business output, 50 percent of all business activity, and 43 percent of the gross national product.

Mr. President, I commend Senator WEICKER, chairman of the Committee on Small Business, and the ranking minority member, Senator NUNN, for their outstanding leadership in fighting to protect small business from the so-called help that is being provided by this administration.

Mr. President, some small businesses will survive, but now is the time to address the overall survival of small business. If the economy were stronger, some small business assistance programs might be reduced. But now is not the time to cut back the programs designed to help small business.

The unemployment in this country is at a post-World War II record, with 10.3 million Americans out of work. Ten million Americans, Mr. President.

Now is the time the administration should be working to help small business reemploy hard-working people.

Let us not talk about the "trickle-down theory." Let us just put people to work to rebuild our devastated economy.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

RECESS UNTIL 2 P.M.

The PRESIDING OFFICER. Under the previous order the Senate will stand in recess until 2 p.m. today.

The Senate, at 12 noon, recessed until 2 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. LUGAR).

The PRESIDING OFFICER. The majority leader is recognized.

ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that there be a period for the transaction of routine morning business to extend not past the hour of 2:30 p.m. under the same terms and conditions as heretofore.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

APPOINTMENT BY THE PRESIDENT PRO TEMPORE

The PRESIDING OFFICER (Mr. LUGAR). The Chair, on behalf of the President pro tempore, in accordance with Public Law 94-201, appoints William L. Kinney, Jr., of South Carolina, to the Board of Trustees of the American Folklife Center, effective March 19, 1982, for a 6-year term.

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 2:30 P.M.

Mr. BAKER. Mr. President, I think it is clear that both caucuses have had busy agendas. All Members have not had an opportunity to return to the floor. There are other meetings going on in other parts of the Capitol.

In view of that I ask unanimous consent that the Senate now stand in recess until the hour of 2:30 p.m.

There being no objection, the Senate, at 2:01 p.m. recessed until 2:30 p.m., at which time the Senate reassembled when called to order by the Presiding Officer (Mr. LUGAR).

The PRESIDING OFFICER. The Senate will come to order. The majority leader is recognized.

Mr. BAKER. Mr. President, there are certain matters that I believe may be cleared for action by unanimous consent, but I do not see the Members on the floor at this time who are prepared to offer them.

ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that there be a period for the transaction of routine morning business to extend not past 3 p.m., under the same terms and conditions as heretofore.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

S. 2514—TO AMEND THE SOCIAL SECURITY ACT TO REMOVE OASI, DI, AND HI TRUST FUNDS FROM THE UNIFIED BUDGET

Mr. HEINZ. Mr. President, for years we in the Congress have been debating whether social security ought to be a part of the unified budget and whether it ought to be considered each year in the context of the congressional budget process. Mr. President, the time has come to act on this question. The difficult situation we face today has arisen because social security must be considered in the context of the unified budget—a process which I feel threatens the financial solvency of the social security system as well as the integrity of the congressional budget process. I am, therefore, together with Senator DOLE and others, introducing legislation to separate social security from the unified budget and resolve this crisis.

I rise as a member of the committee of jurisdiction, the Senate Committee on Finance, as a member of the Special Senate Committee on Aging, of which I am the chairman, and also over the period of the last several months a member of the National Commission on Social Security Reform.

Yesterday our Commission met for the first time since the Senate Budget Committee reported its resolution and reconciliation instructions, and at the beginning of yesterday's session, which began at 1 o'clock in room 5110, I announced that today I would introduce a bill to remove from the so-called unified budget the Social Security Trust Funds as we think of the social security system. That includes OASI, the old age and survivors insurance program; DI, the disability insurance program; and, of course, HI program, medicare part A. Part B would not be separated from the unified budget because it is financed 75 percent from general revenues and is not trust funded at all.

My purpose in offering this bill, which is cosponsored by Senator DOLE, our chairman in the Finance Committee, by Senator PERCY, and by any other Senators who see me before the close of business today, is very, very straightforward. I have been in a number of forums where the work of the Commission, of the Finance Committee, and of the Budget Committee, has been misunderstood. Any time somebody proposes to try and put social security on a firm financial footing so that we may assure our elderly that their benefit checks are going to go out and assure those with medicare who are hospitalized, that their hospital bills are going to be paid, someone who should know better but does not have the facts, or does not know what the circumstances are, or may not want to recognize those, will get up and say, "These changes are being proposed to balance the budget on the backs of social security recipients."

Mr. President, I do not know of a single Member of this body who wants to even be accused, even to let it be thought for a moment that they want to make a single change, no matter how modest, in the social security system if it is for the purpose of balancing the budget, or for that matter for the purpose of helping finance the defense budget or for the purpose of making up for revenue losses from the third year of the tax cut or safe harbor leasing or any other provision of either expenditure or so-called revenue laws.

I do not know of a single Member who wants to do anything to the social security system for that reason.

Why, then, is anybody proposing to do anything to the social security system?

Mr. President, the reason is very simple and straightforward. Even with interfund borrowing among the three funds, the social security system will find its reserves will drop to such an extent that it will not be possible to mail out the checks on a first-of-the-month basis.

I phrase it that way, very carefully and very much on purpose, because there are a lot of scare stories around that social security is going broke. That sounds a little bit to me like shouting fire in a crowded movie theater, and that is in my judgment not the responsible approach. But it is true that the reserve ratios in the fund will drop to 15 percent, to 12 percent and, according to the statistics I have seen, as low as 4 percent of a year's social security outgo. Of course, you must have at the beginning of a year at least 9 to 12 percent of a year's outgo or a little more to be on the safe side.

The Congress must move to correct the short-term social security problem by the end of this year. We cannot afford to, and we will not, duck this problem. We have set in motion a legitimate bipartisan process through the National Commission on Social Security Reform which I feel will ultimately provide Congress with the answers to this problem. However, I fear that the budget process itself is coming very close to wrecking this bipartisan effort. As long as there is something in the budget resolution dealing with social security, the public perception will be that we are trying to use the social security program to slash budget deficits. If this is the case, we will see positions calcify in the House and in the Senate this summer and we will never be able to get a report from the National Commission or vote through the necessary changes in the social security program at the end of the year.

Mr. President, this is a very serious problem—one which has not been fully considered by my colleagues who have the unenviable task of working on the Budget Committee. I do not care what set of numbers we use in the budget or what wording we use to characterize it or how the Budget Committee words its reconciliation instructions. As long as there are numbers on social security in the budget we approve, the Senate will be perceived as trying to balance the budget on the backs of social security beneficiaries—and all the fast talk we can come up with as justification is not going to change that perception.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. HEINZ. I ask unanimous consent to proceed for 3 additional minutes.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. HEINZ. I yield without losing my right to the floor to the Senator from Kansas.

Mr. DOLE. I want to commend the Senator from Pennsylvania for introducing this bill. It seems to me that some cannot have it both ways. They cannot say, "Well, we do not want to put trust funds off budget, but we do want to continue to say that you are balancing the budget on the backs of social security recipients." I think the Senator from Pennsylvania has done us a distinct service by proposing that we should move the social security trust funds off the budget.

The Senator from Kansas has cosponsored the bill. I guess that we would not make any final recommendations until the National Commission on Social Security Reform makes its report sometime later this year.

Mr. HEINZ. I entirely agree with the Senator on that.

Mr. DOLE. But I think the Heinz bill will help us clear the air in the debate on social security—and I am certain we are going to have a lot of it to clear between now and the time we adjourn. It is a very controversial, sensitive issue.

I did some figuring after our colleagues on the other side of the aisle started screaming about how much the Budget Committee was proposing to cut social security. I was interested in knowing how much benefits were cut in the 1977 Social Security Act amendments—when we had another party in control of this body and another party in the White House.

For the beneficiary receiving a maximum benefit, the 3-year cuts (1983-1985 fiscal years) would total more than $6,000. For the average beneficiary, retiring this year at age 65, the cuts would total $5,000—or $130 per month. The 1977 amendments would increase taxes for the average taxpayer by about $685. The maximum taxpayer's increased burden for the 3-year period is $2,280 more. For the system as a whole, the 1977 Social Security Act amendments would mean in fiscal years 1983-85 the following: $83 billion in increased taxes and $10.3 billion in decreased benefits. So that was the other party's proposal in 1977, to increase taxes and to cut benefits by $93.3 billion.

My point is that we must get back to trying to solve the problem. We can point to 1977. The Democrats can point to something else. But I think the American people are going to be pointing at all of us unless we address the problem. That is why I think the resolution of the Senator from Pennsylvania will help us focus on the real problem.

Mr. HEINZ. Mr. President, I thank the Senator from Kansas for his very kind remarks and for his support of the resolution.

Let me just say that I am very concerned that if we allow the debate over social security to degenerate into what some may consider partisan bickering—and I fear we are approaching that point—the odds are that this Congress—we only have until December 31 at the latest—will take no action at all on social security to make it fiscally secure.

Mr. President, that would be a great tragedy, not just for the integrity of the U.S. Congress, and this body in particular, but also for our senior citizens. The longer we postpone addressing the issue of solvency of the system, the greater the likelihood that somebody will have to propose, and we will have to vote on and enact, either a huge tax increase or a huge benefit cut. That is the terrible risk, because each day we are losing time, and time is money. I am sorry to say that it is not our money; it is the money that belongs to either the taxpayers or the social security beneficiaries.

Mr. President, in the reconciliation instructions reported by the committee, the third reconciliation instruction, as currently written, says to the committees with jurisdiction in Congress that we will find $40 billion over the next 3 years to address the issue of solvency of the social security system.

I want it clearly understood that I do not think that anybody—the Budget Committee or anybody else—has the magic number, either in total or in any specific year. I do not necessarily agree that $40 billion is the right number. Indeed, the work we have done on the Aging Committee suggests that to address the issue of solvency—and reasonable people can differ about this—we could do quite well with a number at least $10 billion lower. That would be something in the neighborhood—give or take $2 or $3 billion—of $30 billion in increased revenues or benefit changes.

The fact is, therefore, that we probably could be debating, until the cows come home, not only those numbers, but also what they mean in terms of a unified budget, and never deal with the issue. Whatever the right numbers are, it is too early to play a numbers game with social security when the National Commission has not even had time to study the dimensions of the problem and possible solutions. The Budget Committee has provided us with their very carefully considered assumptions about the short-term social security financing needs. But there are other experts in the field as well who are yet to be heard from.

If we want to be taken seriously—the financial markets appear to be keeping interest rates high because of their lack of confidence in us and their expectations that we will not deal with the Federal budget seriously—if we really expect to find any major improvements in those interest rates and in the financial markets, we will have to adopt a procedure in which people will have confidence.

Removing social security from the unified budget is not, as I pointed out earlier, a new idea, nor is it an idea which we have seized on only because of this current budget impasse. It is an idea which has been studied and mulled over in past years. And it is an idea which was recommended by the National Commisssion on Social Security which reported to the Congress last year.

Although separating social security from the unified budget makes good sense in the context of this year's budget effort, it makes even better sense when we look at social security and the budget in the long term.

Public confidence in social security is at a particularly low ebb right now. Younger people who are contributing to the program today really do not believe that they will receive benefits from social security when they retire. Part of the recent public decline in public confidence can, I think, be attributed to the fact that for several years changes in social security have been suggested as part of a strategy for controlling overall budget outlays. Congress has given the American public the impression that the payment of social security benefits is conditional upon the status of the overall Federal budget, and not solely upon the financial condition of the trust funds. Annual quick fixes in social security, made in the rush of reporting out a comprehensive budget, fly in the face of the fact that this is a social insurance program dependent on long-term commitments by workers and the Government. Its inclusion in the budget process makes it resemble discretionary spending, not social insurance.

Mr. President, the need to restore public confidence in the long-term stability of social security is of overriding importance. The first move in restoring this public confidence is to separate the trust funds from the budget process. The second move is to restore both the long-term and the near-term financial stability of this program.

If we look at this question from a budget perspective, it is even clearer that social security does not belong there. Mr. President, social security is a very different kind of program than those we generally find in the budget. It is a program which has its own dedicated taxes and its own financing reserve. This reserve is intended to provide resources to the program, cushioning the program from the ups and downs of economic cycles. When social security runs deficits, it draws on its reserves; when it runs surpluses it builds the reserves back up. As part of the unified budget, however, social security's deficits add to the budget deficit and its surpluses mask budget deficits that might otherwise be more apparent. But social security is not a program which should be continually adjusted to correct these effects on the overall budget. It is a program which should be set on a sound financial basis and, to the extent possible, left alone to weather economic fluctuation with its own resources.

The horizon of the budget process is 1 to 3 years. The horizon of social security is an individual's working career and retirement. Its trustees project the actuarial balance of the system over a 75-year period. To consider social security only in terms of its financial condition in the next year or so is not only shortsighted but can be extremely dangerous for the long-run integrity of the system

I fully recognize that separating social security from the unified budget will not solve either the social security financing problem or the problem of budget deficits. It will, however, help to clarify the hard choices with which we are faced. It clarifies that about $8 to $12 billion of the current budget deficit in fiscal year 1983 comes from social security and medicare. Separating social security from the unified budget will put this portion of the deficit in the National Commission's lap where it belongs. Separating social security makes clearer the dimensions of the budget problem which must be addressed solely through discretionary spending and revenue decisions.

When social security and the other trust funds were originally included in the unified budget in 1968 the purpose was a different type of clarity. The financial activities of the Federal Government were then scattered among three separate budgets—an administrative budget, a consolidated cash budget, and the national income accounts. It was determined that all the financial activities of the Federal Government should be consolidated in a signal document, giving policymakers and the America people a full understanding and comprehensive statement of all the Federal Government's activities.

Today however, I think we have developed a more sophisicated approach to the analysis of Federal spending by all kinds of agencies through all kinds of vehicles—including credit programs and tax expenditures. Separating social security will not make it any more difficult than it is now for us to evaluate the impact of social security on the economy.

As I said yesterday, I am introducing this bill today as a free-standing bill, it is not an amendment to the DOD bill before us on the calendar. I am doing so because this is a proposal which must be addressed by the National Commission and carefully studied by the appropriate committees and the full Senate. This proposal has tremendous merit when seen in the context of the long run stability of the social security system and the continued viability of the congressional budget process. And it is a proposal which yesterday, many members of the National Commission commented on favorably.

Some have suggested that my legislation would take social security off budget and hide it somewhere in the murky gloom of unknown and uncontrolled off-budget agencies. This is ridiculous. I do not think anyone would seriously believe there is any danger of losing social security in the shadows. Separated from the unified budget, hiding a program of social security's size and importance would be like tucking an elephant behind a telephone pole. We will always know where it is and what it is doing. The purpose of this legislation is to separate social security trust fund solvency from other budget issues that have very different fiscal effects.

Mr. President, the time has come to clarify for the American public that social security is an independent and separate program which must survive on its own basis and not be continually adjusted to respond to budget pressures, and I ask my colleagues to support this method of dealing responsibly with the issue.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

S. 2514

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) part A of title XI of the Social Security Act is amended by adding at the end thereof the following new section: "REMOVAL OF SOCIAL SECURITY TRUST FUNDS FROM UNIFIED BUDGET

"Sec. 1136. The receipts and disbursements of the Federal Old-Age and Survivors Insurance Trust Fund, the Federal Disability Insurance Trust Fund, and the Federal Hospital Insurance Trust Fund, and the receipts from the taxes imposed under sections 1401, 3101, and 3111 of the Internal Revenue Code of 1954, shall not be included in the totals of the budget of the United States Government, shall be exempt from any general limitation imposed by statute on expenditures and net lending (budget outlays as defined in section (3)(a)(1) of the Congressional Budget and Impoundment Control Act of 1974) of the United States, and shall not be subject to any provision of the Congressional Budget and Impoundment Control Act of 1974 (other than title X thereof relating to impoundment control).".

(b) The amendment made by subsection (a) shall become effective on the date of the enactment of this Act.

QUORUM CALL

Mr. HEINZ. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. JEPSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

SOCIAL SECURITY

Mr. JEPSEN. Mr. President, I have been listening to the rhetoric with regard to social security. I have been reading about it and I have been viewing it over the electronic media we call television.

In anticipation of the debate that will be coming up and in the interest of clarity and accuracy on the basis of what has been stated and published in the last few weeks, I shall read into the RECORD a letter I received yesterday from the President, as, I have been advised, have all Senators. It is dated May 8. It says:

THE WHITE HOUSE,
Washington, May 8, 1982.

Hon. ROGER W. JEPSEN,
United States Senate,
Washington, D.C.

DEAR ROGER: In the past few days, several facts about Social Security have been distorted by political rhetoric. As you talk with senior citizens and Social Security beneficiaries, I hope you will give them my personal assurance that they will receive their full 7.4 percent cost-of-living increase in July. I promise you and them: Those benefits will not be cut. Please also assure your constituents that I am determined to protect the current benefits of all Social Security recipients.

Members of both parties have acknowledged honestly and forthrightly that the Congress will have to take action to protect the solvency of the Social Security Trust Fund. We all agree that unless responsible action is taken, the system will run short of money. We must not let that happen. That is why Democratic and Republican leaders agreed to establish the Bipartisan Commission on Social Security. I am hopeful that, based on the recommendations to be provided later this year by the Commission, the Congress will address adequately and fairly the financial needs of the Social Security System.

Our senior citizens deserve responsible action. It is important that we work together to allay their unwarranted fears: We will preserve their current benefits. And we will be able to protect the Social Security Trust Fund's solvency. I assure you of my commitment to work with you to those ends.

Sincerely,

RONALD REAGAN.

Thank you, Mr. President.

HIGHWAY SAFETY GRANTS

UNANIMOUS-CONSENT AGREEMENT—S. 2158

Mr. BAKER. Mr. President, I am advised that the principals involved in Calendar Order No. 512, S. 2158, the drunk driving bill so called, are prepared to proceed at this time, and I

propound the following unanimous-consent request in that respect:

I ask unanimous consent that the Senate now turn to the consideration of Calendar Order No. 512, S. 2158, the drunk driving bill under the following agreement:

That the only floor amendments in order to the bill are two technical committee amendments to be offered by the Senator from Missouri (Mr. DANFORTH) for the chairman of the Commerce Committee, and an amendment to be offered by the Senator from Arizona (Mr. DECONCINI) to provide an appeal of a State plan that does not meet every criteria in the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill will be stated by title:

The assistant legislative clerk read as follows:

A bill (S. 2158) to amend title 23, United States Code, to authorize and direct the payment of an incentive grant for highway safety programs to any State in any fiscal year during which the statutes of the State include certain provisions relating to driving while intoxicated; to establish a national driver register; and for other purposes.

The Senate proceeded to consider the bill, which had been reported from the Committee on Commerce, Science, and Transportation with an amendment to strike out all after the enacting clause, and insert the following:

TITLE I—INCENTIVE GRANTS FOR STATES WITH STRICT DRIVING WHILE INTOXICATED STATUTES

SEC. 101. Section 402 of title 23, United States Code, is amended by adding at the end thereof the following new subsection:

"(k)(1) The Secretary shall make an incentive grant to any State in the first fiscal year (or the first fiscal year following that year) during which there is in effect in such State, as determined by the Secretary, statutes of general applicability which comply with the requirements of paragraphs (2), (3), (4), and (5) of this subsection.

"(2) Any statute adopted pursuant to paragraph (1) of this subsection shall require the prompt suspension of the motor vehicle operator's license of any individual whom a law enforcement officer of the State has probable cause to believe has committed an alcohol-related traffic offense, and (A) to whom is administered a chemical test to determine whether the individual was intoxicated while operating a motor vehicle and who is determined, as a result of such test, to be intoxicated; or (B) who refuses to submit to such a test. Such suspension shall be for a period of ninety days in the case of a first offender, and one year in the case of any repeat offender.

"(3) Any statute adopted pursuant to paragraph (1) of this subsection shall also require the impoundment for at least ninety days of any motor vehicle operated on a public road of the State by any individual during any period for which the individual's motor vehicle operator's license or permit is suspended or revoked under the laws of any State relating to the operation of a motor vehicle while intoxicated.

"(4) Where pursuant to such statute an individual's motor vehicle operator's license has been suspended, the State shall afford the individual an opportunity, consistent with due process, to show cause why the individual's license or permit should not have been suspended. Where pursuant to such statute any motor vehicle is impounded, the State shall afford any party with a legal or equitable interest in the vehicle an opportunity, consistent with due process, to show cause why the impoundment of such vehicle should cease.

"(5) The State shall adopt a statute which establishes a comprehensive alcohol traffic safety program. Such program shall require—

"(A) at a minimum, that any person found to be driving a motor vehicle on a public road, when the percentage of alcohol by weight in the blood or breath of such person is .10 of 1 per centum or higher, shall be deemed to be driving while intoxicated, for purposes of such program;

"(B) that any person convicted of driving while intoxicated more than once in any five-year period be imprisoned for not less than forty-eight consecutive hours, and that the execution of such sentence shall be mandatory and not suspended or probational;

"(C) alcohol treatment programs;

"(D) traffic safety programs designed to improve enforcement of drunk driving laws; and

"(E) a driver record system which identifies repeat offenders and is readily accessible to the courts in such States.

"(6) The incentive grant payable to any State in a fiscal year under paragraph (1) of this subsection shall be—

"(A) in an amount equal to the amount apportioned to such State during such fiscal year under subsection (c) of this section; and

"(B) in addition to other funds payable to such State in such fiscal year under this section.

"(7)(A) If the total amount of incentive grants payable to States under this subsection exceed the amount appropriated for this subsection in any fiscal year, the Secretary shall distribute to each qualifying State an amount equal to the amount due the State under paragraph (6)(A) of this subsection, multiplied by the ratio of the total amount appropriated for this subsection to the total amount due the States under paragraph (6)(A) of this subsection.

"(B) When a distribution is made pursuant to the provisions of subparagraph (A) of this paragraph, the Secretary shall, in the next fiscal year following the year in which such distribution occurs and to the extent funds are available, pay to each such State an amount equal to the difference between the amount which the State would have received under this subsection if such distribution had not occurred and the amount which the State recieved under such distribution. The Secretary shall make all such payments before making any other grant payable within that fiscal year under this subsection.

"(8) The incentive grant payable to a State in any fiscal year may be used by such State only to promote purposes of section 402 of this chapter.

"(9) For purposes of this subsection, the term—

"(A) 'intoxicated' means that there is present in the blood or breath not less than .10 of 1 per centum, by weight, of alcohol;

"(B) 'chemical test' means any chemical test the use of which is expressly permitted by State statute or regulation for the purpose of detecting alcohol impairment; and

"(C) 'public road' has the same meaning as provided in the fourth sentence of subsection (c) of this section.

"(10) For purposes of this subsection, in addition to other funds authorized by this section, there are authorized to be appropriated from the Highway Trust Fund $25,000,000 for fiscal year 1983, and $50,000,000 for fiscal year 1984. Such sums shall remain available until expended.".

SEC. 102. The amendment made by section 101 of this title shall take effect on October 1, 1982.

TITLE II—NATIONAL DRIVER REGISTER

SEC. 201. This title may be cited as the "National Driver Register Act of 1982".

DEFINITIONS

SEC. 202. For purposes of this title, the term—

(1) "alcohol" has the meaning given such term by the Secretary of Transportation under regulations prescribed by the Secretary;

(2) "chief driver licensing official" means the official in each State who is authorized to (A) maintain any record regarding any motor vehicle operator's license issued by such State; and (B) grant, deny, revoke, suspend, or cancel any motor vehicle operator's license issued by such State;

(3) "controlled substance" has the meaning given such term in section 102(6) of the Comprehensive Drug Abuse Prevention and Control Act of 1970 (21 U.S.C. 802(6));

(4) "highway" means any road or street;

(5) "motor vehicle" means any vehicle, machine, tractor, trailer, or semitrailer propelled or drawn by mechanical power and used on a highway, except that such term does not include any vehicle, machine, tractor, trailer, or semitrailer operated exclusively on a rail or rails;

(6) "motor vehicle operator's license" means any license issued by a State which authorizes an individual to operate a motor vehicle on a highway;

(7) "participating State" means any State which has notified the Secretary of its participation in the Register system, pursuant to section 204 of this title;

(8) "Register" and "Register system" mean the National Driver Register established under section 203(a) of this title;

(9) "Secretary" means the Secretary of Transportation;

(10) "State" means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Northern Mariana Islands, the Trust Territory of the Pacific Islands, and any other territory or possession of the United States; and

(11) "State of record" means any State which has transmitted to the Secretary, pursuant to section 205 of this title, any report regarding any individual who is the subject of a request for information made under section 206 of this title.

ESTABLISHMENT OF REGISTER

SEC. 203. (a) The Secretary shall, as soon as practicable after the date of enactment of this Act, establish and thereafter maintain a Register, to be known as the "National Driver Register", to assist chief driver licensing officials of participating States in exchanging information regarding the motor vehicle driving records of individuals. The Register shall contain an index of the information that is reported to the Secretary under section 205 of this title, and shall be designed to enable the Secretary, either

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electronically or, until such time as all States are capable of participating electronically, through the United States mails, to—

(1) receive information submitted under section 205(a) of this title by the chief driver licensing official of any State of record;

(2) receive any request for information made by the chief driver licensing official of any participating State under section 206 of this title;

(3) refer such request to the chief driver licensing official of any State of record; and

(4) relay to the chief driver licensing official of a participating State any information provided by any chief driver licensing official of a State of record in response to such request.

(b) The Secretary shall not be responsible for the accuracy of any information relayed to the chief driver licensing official of any participating State, except that the Secretary shall maintain the Register in a manner that ensures against any inadvertent alteration of information during any relay.

(c)(1) The Secretary shall, within eighteen months after the date of enactment of this Act, promulgate a final rule which provides for procedures for the orderly transition from the system regarding the motor vehicle driving records of individuals provided in Public Law 86-660 (74 Stat. 526) to the Register established under subsection (a) of this section.

(2) The Secretary shall not maintain in the Register any report or information which was compiled under the provisions of Public Law 86-660 (74 Stat. 526) and was transferred to the Register after (i) the date the State of record removes it from the State's file; (ii) seven years after the date such report or information is entered into the Register; or (iii) the date of establishment of a fully electronic Register system, whichever is earlier. Such report or information shall be disposed of in accordance with the provisions of chapter 33 of title 44, United States Code.

(3) If the chief driver licensing official of any participating State finds that information which has been transmitted for inclusion in the Register under this section is erroneous or relates to a conviction of a traffic offense which is subsequently reversed, such official shall immediately notify the Secretary of the error. The Secretary shall provide for the immediate deletion from the Register of such material.

(d) The Secretary shall assign to the administration of this Act such personnel as may be necessary to ensure the effective functioning of the Register system

(e) The Secretary may prescribe such regulations as may be necessary to carry out the provisions of this title.

STATE PARTICIPATION

Sec. 204. (a) Any State may become a participating State under this title by notifying the Secretary of its intention to be bound by the provisions of section 205 of this title.

(b) Any participating State may terminate its status as a participating State under this title by notifying the Secretary of its withdrawal from participation in the Register system.

(c) Any notification made by a State under subsection (a) or (b) of this section shall be made in such form, and according to such procedures, as the Secretary shall establish by regulation.

REPORTS BY CHIEF DRIVER LICENSING OFFICIALS

Sec. 205. (a) The chief driver licensing official in each participating State shall, as soon as practicable after the date of enactment of this Act, transmit to the Secretary a report containing the information required in subsection (b) of this section regarding any individual—

(1) who is denied a motor vehicle operator's license by such State for cause;

(2) whose motor vehicle operator's license is canceled, revoked, or suspended by such State, for cause; or

(3) who is convicted under the laws of such State of the following motor vehicle-related offenses or comparable offenses—

(A) operation of a motor vehicle while under the influence of, or impaired by, alcohol or a controlled substance;

(B) a traffic violation arising in connection with a fatal traffic accident, reckless driving, or racing on the highways;

(C) failure to render aid or provide identification when involved in an accident which results in a fatality or personal injury; or

(D) perjury or the knowledgeable making of a false affidavit or statement to officials in connection with activities governed by a law or regulation relating to the operation of a motor vehicle.

(b) Any report regarding an individual which is transmitted by a chief driver licensing official pursuant to subsection (a) of this section shall contain—

(1) the legal name, date of birth (including day, month, and year), sex, and (at the Secretary's discretion) the height, weight, eye and hair color of such individual;

(2) the name of the State transmitting such information; and

(3) the social security account number, if used by the reporting State for driver record or motor vehicle license purposes, and the motor vehicle operator's license number of such individual (if that number is different from the operator's social security account number);

except that any report concerning an occurrence specified in subsection (a), (1), (2), or (3) of this section which occurs during the two-year period preceding the date on which such State becomes a participating State shall be sufficient if it contains all such information as is available to the chief driver licensing official on such date.

(c) Any report required to be transmitted by a chief driver licensing official of a State under subsection (a) of this section shall be transmitted to the Secretary—

(1) not later than thirty-one days after receipt by a State motor vehicle department of any information specified in subsection (a) (1), (2), or (3) of this section which is the subject of such report, if the date of such occurrence is after the date on which such State becomes a participating State; or

(2) not later than the expiration of the six-month period following the date on which such State becomes a participating State, if such report concerns an occurrence specified in subsection (a) (1), (2), or (3) of this section that occurs during the two-year period preceding such date.

(d) Nothing in this section shall be construed to require any State to report any information concerning any occurrence which occurs before the two-year period preceding the date on which the State becomes a participating State.

ACCESSIBILITY OF REGISTER INFORMATION

Sec. 206. (a)(1) For purposes of fulfilling his duties with respect to driver licensing, driver improvement, or highway safety, the chief driver licensing official of any participating State may, on and after the date of enactment of this Act, request the Secretary to refer electronically or through the United States mails any request for information regarding the motor vehicle driving record of any individual to the chief driver licensing official of any State of record.

(2) The Secretary shall electronically or through the United States mails relay to any chief driver licensing official of a participating State who requests information under paragraph (1) of this subsection any information received from the chief driver licensing official of any State of record regarding an individual in accordance with paragraph (1) of this subsection, except that the Secretary may refuse to relay any information to any such official who is the chief driver licensing official of a participating State which is not in compliance with the provisions of section 205 of this title.

(b)(1) The Chairman of the National Transportation Safety Board and the Administrator of the Federal Highway Administration, for purposes of requesting information regarding any individual who is the subject of any accident investigation conducted by the Board or Bureau of Motor Carrier Safety, may request the chief driver licensing official of a State to obtain information under subsection (a) of this section regarding such individual. The Chairman and Administrator may receive any such information.

(2) Any individual who is employed as a driver of a motor vehicle or who seeks employment as a driver of a motor vehicle may request the chief driver licensing offical of the State in which the individual is employed or seeks employment to transmit information under subsection (a) of this section to his employer or prospective employer. An employer of prospective employee may receive such information regarding any such individual, and shall make that information available to the affected individual.

(3) Any individual, in order (A) to determine whether the Register is providing any data regarding him or the accuracy of any such data; or (B) to obtain a certified copy of data provided through the Register regarding him, may request the chief driver licensing official of a State to obtain information regarding him under subsection (a) of this section.

(4) Any request made under this subsection shall be made in such form, and according to such procedures, as the Secretary shall establish by regulation.

(c) Any request for, or receipt of, information by means of the Register shall be subject to the provisions of sections 552 and 552a of title 5, United States Code, and any other applicable Federal and State law, except that—

(1) the Secretary shall not relay, or otherwise transmit, information specified in section 205(b) (1) or (3) of this title to any person not authorized by this section to receive such information;

(2) any request for, or receipt of, information by any chief driver licensing official, or by any person authorized by subsection (b) of this section to request and receive information, shall be considered to be a routine use for purposes of section 552a(b) of title 5, United States Code; and

(3) any receipt of information by any person authorized by this section to receive information shall be considered to be a disclosure for purposes of section 552a(c) of title 5, United States Code, except that the Secretary shall not be required to retain the accounting made under paragraph (1) of such section for more than a seven-year period after the date of such disclosure.

PILOT TEST PROGRAM

Sec. 207. (a) The Secretary shall design and implement, within four years after the date of enactment of this Act, a pilot test program for the purpose of demonstrating the potential effectiveness of a system for electronic referral and relay of information regarding the motor vehicle driving records of individuals.

(b) The Secretary shall solicit the participation of States which are interested in participating in such program and shall, within thirty months after the date of enactment of this Act, select four States to participate in the program.

(c)(1) The Secretary shall select States in accordance with the provisions of subsection (b) of this section from among States which have in effect, on the date of selection, an intrastate on-line driver licensing system capable of electronically transmitting information regarding the motor vehicle driving records of individuals.

(2) The Secretary shall select only those States which indicate a willingness to participate in a comprehensive mechanical and programmatic evaluation of systems for the electronic transfer of information.

(3) The Secretary shall ensure that the selection made pursuant to subsection (b) of this section is representative of varying geographical and population characteristics of the Nation.

(4) No State shall participate in the program unless it agrees to assist in providing information to other States regarding the electronic transfer of the motor vehicle driving records of individuals.

(d) Within three years after the date of enactment of this Act, the Secretary shall begin the pilot program authorized by subsection (a) of this section. Such program shall continue for a period of one year. In carrying out the program, the Secretary shall utilize different computer technologies and equipment in order to determine which technology and equipment is most effective for the electronic transfer of the motor vehicle driving records of individuals. The Secretary shall determine which systems and devices will best interconnect with systems and devices used in the States which are participating in the pilot program, as well as those used in other States.

(e) Any equipment or device which is provided to a State for use in the pilot program conducted under this section may, in the discretion of the Secretary, remain with the State following the conclusion of the pilot program.

(f) Not later than one year after the conclusion of the pilot program, the Secretary shall submit to the Congress a report on the program. Such report shall include an evaluation of the technology utilized during the program, together with an explanation of the nature and degree of State participation in the program. The report shall also contain an evaluation of achievements of the pilot program, as well as a projection of accomplishments which might result from the acquisition of electronic transfer equipment and methods by States other than those which participated in the pilot program.

CRIMINAL PENALTIES

Sec. 208. (a) Any person, other than an individual described in section 206(b)(4) of this title, who receives under section 206 of this title information specified in section 205(b) (1) or (3) of this title (the disclosure of which is not authorized by section 206 of this title), and who, knowing that disclosure of such information is not authorized, willfully discloses such information, shall be fined not more than $10,000 or imprisoned for not more than one year, or both.

(b) Any person who knowingly and willfully requests or under false pretenses obtains information specified in section 205(b) (1) or (3) of this title from any person who receives such information under section 206 of this title shall be fined not more than $10,000 or imprisoned for not more than one year, or both.

ADVISORY SUBCOMMITTEE

Sec. 209. Section 404 of title 23, United States Code, is amended by—

(1) inserting "(1)" immediately after "(b)";

(2) striking "(1)" and "(2)" therein and inserting in lieu thereof "(A)" and "(B)", respectively; and

(3) adding at the end thereof the following paragraph:

"(2) The Committee shall establish a subcommittee to advise the Secretary concerning the operation of the National Driver Register established under the National Driver Register Act of 1982. The Committee shall submit to the Secretary an annual report regarding the subcommittee's activities during the year covered by the report.".

REPORT BY SECRETARY

Sec. 210. Not later than the expiration of the four-year period following the date of enactment of this Act, the Secretary shall prepare and submit to the Congress a comprehensive report setting forth the extent and level of participation in the Register system, and the effectiveness of such system in the identification of unsafe drivers. Such report shall include any recommendations of the Secretary concerning the desirability of extending the authorization of appropriations for this title beyond the period of authorization provided in section 211 of this title.

AUTHORIZATION OF APPROPRIATIONS

Sec. 211. (a) There are authorized to be appropriated in fiscal year 1983 for expenses incurred in the establishment of the Register system under this title not to exceed $2,000,000.

(b) There are authorized to be appropriated to carry out the provisions of this title and the provisions of Public Law 86-660 (74 Stat. 526) not to exceed $1,200,000 in fiscal year 1983, not to exceed $1,500,000 in fiscal year 1984, and not to exceed $2.100,000 in fiscal year 1985.

(c) Funds authorized under this section shall remain available until expended.

Amend the title so as to read: "A bill to amend title 23, United States Code, to authorize and direct the payment of an incentive grant for highway safety programs to any State in the first fiscal year during which the State adopts provisions relating to driving while intoxicated; to establish a national driver register, and for other purposes.".

Mr. DANFORTH. Mr. President, national legislation to help the States stop drunk driving is long overdue. In the past 10 years, drunk drivers have killed 260,000 people and maimed another 1¼ million. Of the 50,000 people who die in automobile accidents every single year, over half lose their lives in alcohol-related crashes.

In proposing S. 2158, Senator Pell and I recognize the proper respective roles of the State and Federal Governments. Ultimately, the only place a successful attack can be waged is on the State and local level, where our traffic laws are enforced. However, as the Commerce Committee recognized when it reported S. 2158 to the full Senate on March 29, 1982, the Federal Government bears billions of society's $17 billion alcohol-related accident costs each year. Through medicare, medicaid, and disability payments to accident victims, the drunk driver imposes a financial drain on the Federal taxpayer. Consequently, the Federal Government stands to earn a high rate of return on the incentive grant program provided for in S. 2158.

Unfortunately, we have become desensitized to the statistics where both the terrible human loss and the economic burden are concerned. The greatest tragedy, however, is that we simply do not have to accept the status quo. We do not have to pick up the newspaper and read that some criminal with three drunk driving convictions has just killed a whole family on their way to Christmas dinner. We can do something about it. We must do something about it. With enactment of S. 2158, we will do something about it.

The legislation before the Senate today would encourage and assist State efforts to get drunks off the highways. States which enact a comprehensive two-tiered attack on drunk driving would see their highway safety funding allocations doubled. The first line of attack would be to get drunks off the road by automatically and administratively suspending the license of any driver who refuses to take a chemical sobriety test or who fails such a test. If a driver chooses to ignore a license suspension, his or her car would be impounded for at least 90 days.

To claim an incentive grant, a State would have to beef up its enforcement efforts, accept a 0.10 blood alcohol test result as per se evidence of intoxication, keep records in such a way as to identify repeat drunk driving offenders, put repeat offenders behind bars for at least 48 consecutive hours, and maintain alcohol treatment programs.

Each of these efforts have been employed in States around the country. Each has been found effective in fighting the problem. However, no State presently uses all of these weapons in concert. Testimony at the Surface Transportation Subcommittee's recent hearing on this legislation confirmed that such a program would constitute an all-out attack on the drunk driving problem. Alcohol-related fatalities would drop drastically.

Mr. President, S. 2158 has the support of the National Safety Council, the State highway safety representatives, and several national and regional antidrunk driving groups. I urge prompt passage of the bill.

● Mr. PRESSLER. Mr. President, I am pleased to be a cosponsor of S.

2158, legislation to deal with the very serious national problem of drunk driving. S. 2158 is a thoughtful and reasonable legislative response to the public outcry against the 26,000 tragic alcohol-related traffic fatalities this Nation experienced last year. S. 2158 leaves traffic law enforcement where it belongs—under local and State jurisdiction. However, it provides for appropriate Federal financial incentives for States who implement strict traffic safety programs. I believe this is the proper role of the Federal Government. Decisions remain in local hands but the Federal Government encourages and supports State efforts.

Mr. President, I have been contacted by hundreds of my fellow South Dakotans, all of whom are disturbed by the serious injuries and unnecessary deaths caused by drunk driving. In fact, one community in South Dakota was so concerned about this problem that a petition was circulated and nearly everyone in the town signed it, from teenagers to senior citizens. Congress must pay attention to this kind of public expression. The South Dakota Department of Public Safety, which has done a fine job on traffic safety enforcement, recently published some encouraging statistics. In 1980, 124 deaths resulted from alcohol-related traffic accidents in South Dakota. Last year that number dropped to 110, a decline of over 10 percent. My hope is that this trend will continue. I believe S. 2158 is a step in the right direction.

During the era of the Vietnam conflict, citizen demonstrations across the country strongly protested American deaths in Southeast Asia. Yet every year, thousands of Americans die on our Nation's highways and too little has been done to stop this tragedy. Congress now has the opportunity to do something positive and constructive to make our highways safe for all citizens. I urge my colleagues to join in supporting this legislation for the good of all Americans.●

UP AMENDMENT NO. 914

(Purpose: To limit access to information in the National Driver Register to three years in the case of a request by an employee or prospective employees)

(Purpose: To establish a National Driver Register Advisory Subcommittee)

Mr. DANFORTH. Mr. President, I send two amendments to the desk that are technical in nature and ask unanimous consent that they be stated and considered en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment will be stated.

The legislative clerk read as follows:

The Senator from Missouri (Mr. Danforth) proposes an unprinted amendment numbered 914 en bloc:

Mr. DANFORTH. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 37, at the end of line 12, insert the following: "There shall be no access to information in the Register under this paragraph if such information was entered in the Register more than three years before the date of such request."

On page 42, strike lines 1 through 6, and insert in lieu thereof the following:

"(2)(A) There is established a National Driver Register Subcommittee of the National Highway Safety Advisory Committee. The Subcommittee shall directly advise the Secretary concerning the efficiency of the maintenance and operation of the National Driver Register established in the National Driver Register Act of 1982, and the effectiveness of the Register in assisting States in exchanging information regarding motor vehicle driving records. The Secretary shall consult with the Subcommittee before prescribing any regulations necessary to carry out the National Driver Register Act of 1982.

"(B) The Subcommittee shall be dissolved one year after the end of the pilot program defined in section 207 of the National Driver Register Act of 1982.".

Mr. DANFORTH. Mr. President, the first of these amendments provides that employers' access to information in the National Drivers Register is restricted to a period of 3 years.

The second amendment authorizes the Highway Safety Advisory Committee to report directly to the Secretary.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. FORD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. Denton). Without objection, it is so ordered.

Mr. FORD. Mr. President, I understand the distinguished Senator from Missouri (Mr. Danforth) has presented technical amendments and asked that they be considered en bloc. We have no objection to that request.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Missouri.

The amendment (UP No. 914) was agreed to.

Mr. DANFORTH. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 915

(Purpose: To authorize the National Highway Safety Advisory Committee to approve and recommend to the Secretary statutes of general applicability with other provisions, if as determined by the Committee, such provisions produce a result which equals or exceeds the result of the specified subsection)

Mr. DeCONCINI. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Arizona (Mr. DeConcini) proposes an unprinted amendment numbered 915.

Mr. DeCONCINI. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 24, line 13, beginning with "which" strike out through line 16 and insert in lieu thereof the following: "which—

"(A) there is in effect in such State, as determined by the Secretary, statutes of general applicability which comply with the requirements of paragraphs (2), (3), (4), and (5) of this subsection, or

"(B) there is a recommendation by the National Highway Safety Advisory Committee pursuant to paragraph (6) of this subsection.".

On page 26, between lines 14 and 15, insert the following new paragraph:

"(6) Upon application by any State, the National Highway Safety Advisory Committee shall review the provisions of any statute of general applicability that does not include all of the requirements of paragraphs (2), (3), (4), and (5) of this subsection and determine if such other provisions result in the imposition of a penalty for driving while intoxicated which equals or exceeds the penalty for driving while intoxicated that would result under any statute including the requirements of such paragraphs. If the Committee approves such statute, the Committee shall recommend such statute to the Secretary, and the Secretary shall make an incentive grant under paragraph (1) of this subsection.".

On page 26, line 15, strike out "(6)" and insert in lieu thereof "(7)".

On page 26, line 22, strike out "(7)" and insert in lieu thereof "(8)".

On page 27, line 1, strike out "(8)" and insert in lieu thereof "(7)".

On page 27, line 4, strike out "(6)" and insert in lieu thereof "(7)".

On page 27, line 16, strike out "(8)" and insert in lieu thereof "(9)".

On page 27, line 19, strike out "(9)" and insert in lieu thereof "(10)".

On page 28, line 6, strike out "(10)" and insert in lieu thereof "(11)".

Mr. DeCONCINI. Mr. President, first I want to compliment the Senator from Missouri for the work he has put in on this legislation. It is indeed a fundamental problem that has been ignored for many years, in many areas, for that matter.

I recognize that the drunk driving problem is a serious national problem, as many of us do. As a matter of fact, Mr. President, when I was a prosecuting attorney we spent a great deal of time prosecuting drunk drivers, and I must say at that time the court system did anything but take these offenses seriously. Minimum sentences, often plea-bargaining, were the order of the day and, indeed, there was little amount of consideration of the carnage and damage that were caused.

I have supported for a long time a tough policy toward drunk driving, as I think the vote ultimately on this bill will demonstrate, if there is a rollcall vote. There may not be one that is necessary.

It seems to me, however, that really drunk driving—and I may not be at odds with the Senator from Missouri—ought to be controlled by the States and on the local level.

The tougher the State, the people want to get tough with people who get into their automobiles offensively after drinking too much, and that is where the decision ought to be made.

State legislatures have focused attention on this in the past few years, and I compliment those States for doing it, although it is long overdue in many cases. I know Arizona has been talking about it for years, and just recently has gotten around to it.

While the criteria outlines in S. 2158 may be the ingredients necessary to insure effective enforcement and control, the criteria should not be stringent, so stringent, that States are penalized for coming up with their own unique way of coping with the problem.

I can see, quite frankly, a State passing legislation that really would be perhaps tougher in the area of penalties, particularly when you refer to incarceration as a penalty, and I would like to see this bill passed and become law, yet not penalize or at least prohibit States from participating.

We all want to reduce drunk driving-related fatalities. But we should make sure our methods are not at the expense of the rights of the States to pass as stiff a law as the people want and meet the objectives of S. 2158.

The State of Arizona, Mr. President, has just passed legislation, both houses, and signed into law by the Governor, which, I think, is the toughest drunk driving law in the country. But Arizona, under S. 2158, will still be ineligible for increase safety grants.

Let me tell you that provisions in the State law are extremely tough. Arizona took the initiative to do something about drunk driving. The Governor of our State stepped out early in his message to the legislature, pointing out some of the statistics that are so well set out in the committee report and the hearings, as well as in the legislature and in the State Senate in Arizona, and that bill became law.

The State recognized what finance problems the law will create to enforce such matters as jail space, court time, updated sophisticated testing equipment, but it still felt it was time to go ahead and time to act, the time being now.

It is a good law, it is a tough law, and if any State can use the money, certainly the State of Arizona can. Few people understand that our tax base is small in Arizona, only 15 percent of the real property in the entire State being privately owned and subject to a tax base. You have a minimum income tax, and if there is, in fact, available Federal funding, I certainly would like to see all States have an opportunity on a voluntary basis to participate.

The State law in Arizona would make a criminal offense driving while intoxicated, which is a person driving a motor vehicle with a blood alcohol content of 0.10 or greater. It is about 4 ounces of alcohol within an hour.

The penalties are: The first offense, with no plea bargaining permitted by the prosecutor or anyone else, the judge or defendant, would require a mandatory 24-hour jail sentence and a 90-day minimum suspension of the driver's license, and a minimum fine of $250 or up to $1,000 and a mandatory alcohol abuse screening clinic.

If you should be so foolish as to do that a second time in Arizona within a 3-year period the minimum jail sentence, with no plea-bargaining, would be 60 days, the minimum fine would be $500 to $1,000, and 1-year license suspension.

Anyone foolish enough to not realize that a serious problem exists and who should be a third offender within a 3-year period would have a felony with a minimum 6-month prison sentence, no plea-bargaining, a fine of up to $150,000 and a minimum of 3-year license suspension.

During driving while having a license that has been suspended as a result of a DWI conviction, would be a mandatory 48-hour jail sentence and a fine of up to $1,000.

Mr. President, I think that demonstrates the certain will of the people of Arizona, the Governor, and the legislature to take this problem head on. It is long overdue, granted, but what is important is that they have done something about it.

The amendment before us today, Mr. President, gives the States the options of meeting the criteria outlined in S. 2158, cosponsored by the Senator from Missouri (Mr. Danforth) to be eligible for increased highway safety grants or, if the State's law does not meet the exact criteria, it allows the State to appeal to the National Highway Safety Advisory Committee for a review of their State laws and to make a recommendation to the Secretary on whether the State's laws equal or exceed the general requirements of the bill and whether the State would be eligible for increased safety grants.

The National Highway Safety Advisory Committee was established by law in 1966. It consists of 35 members, mostly from the safety, health, and law enforcement fields. They are a well-respected and competent group which serve 3-year terms on appointment by the President.

The terms are staggered terms. The purpose is to review highway safety-related problems and to make recommendations to the Secretary on ways to improve highway safety. States may or may not be eligible for grants based on the committee's review and recommendation. This allows an independent body, consisting mainly of individuals in the private sector, to make the appropriate recommendations.

Now, Mr. President, this legislation, S. 2158, is a voluntary act, I understand, and I applaud that. I do not think the Federal Government should mandate even laws dealing with this severe subject. But if a State makes a good faith effort, a tough effort, as the State of Arizona has, and I suspect other States, it would be my hope that the sponsor of this amendment and the people who have put so much time into it will see their way clear to agree with this Senator from Arizona that there ought to be some way of appeal so that the objective of the requirements would be met, and they would not be denied the right to participate in a Federal grant program.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. DANFORTH. Mr. President, the intention of this bill is to provide a model for State legislatures to follow. The intention is not to write their legislation for them.

I think the amendment offered by the Senator from Arizona is constructive in that it adds a degree of flexibility in the administration of the bill, and, therefore, I am prepared to accept it. I thank the Senator from Arizona.

Mr. FORD addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. FORD. Mr. President, I want to add my thoughts to the distinguished Senator from Missouri and his acceptance of the amendment by the distinguished Senator from Arizona.

I think he has offered a very constructive amendment, one that will allow us the opportunity to see this work, and the States would have the ability as long as their penalties are equal or better than this particular legislation. I think that is proper. I applaud him for his amendment, and I applaud Arizona for their leadership. I will accept the amendment with my colleague from Missouri.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (UP No. 915) was agreed to.

Mr. DeCONCINI. I move to reconsider the vote by which the amendment was agreed to.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DeCONCINI. Mr. President, I thank the distinguished Senator from Missouri, the Senator from Rhode Island, and the distinguished Senator from Kentucky for their fine statements and their involvement in this matter.

I also ask unanimous consent, Mr. President, that I become cosponsor of this legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. PELL. Mr. President, I rise in strong support of S. 2158—a tough, realistic bill aimed at controlling our Nation's No. 1 highway safety problem, the drunk driver. If ever there was a problem national in scope, and crying out for congressional attention, it is drunk driving. Each year, these accidents snuff out the lives of over 25,000 of our fellow Americans. An additional 125,000 persons annually are permanently disabled in drunk driver accidents, and 650,000 others are seriously injured. At hearings before the Commerce Committee in March, witnesses estimated that the economic cost of these accidents—annually—adds up to $17 billion.

There is no doubt that the American people want stronger laws to punish drunk drivers. A recent survey in the Christian Science Monitor indicated that 33 State legislatures are presently considering bills to toughen enforcement of drunk driver laws. Local law enforcement is clearly the first line of defense against drunk drivers. Our job as Federal legislators is to provide the tools that will enable local law enforcement officials to keep these potential killers off our highways.

S. 2158 provides a strong incentive to the States to mount an all-out, comprehensive attack on the drunk driver menace. Title I of the bill established an incentive grant program for the States that enact a comprehensive drunk driver statute. States that adopt the bill's provisions for automatic license suspension, mandatory jail sentences for repeat offenders, alcohol treatment programs, and improved enforcement of drunk driver laws will automatically qualify for additional highway safety funding to carry out the comprehensive program. Title II of the bill authorizes funding for the upgrading and computerization of the National Driver Register. The NDR is operated by the Department of Transportation to help the States identify drivers with a history of serious traffic offenses. Presently, inquiries from the States are handled manually, with responses delayed for so long that the number of States making use of the NDR is declining. S. 2158 will give local officials an effective weapon to keep bad drivers off the highways—by providing immediate electronic access to and referral of information by the National Driver Register.

The additional highway safety funding authorized by this bill, Mr. President, is insignificant compared to the loss of life, family tragedy, and health impairment we presently live with and pay for as a society. Legislation alone, of course, is not the whole answer. Drunk driving will never disappear entirely, until public attitudes and outrage demand an end to it. What this bill will do is strongly reinforce efforts already underway in most States to increase the penalties for drunk drivers, and—most critically—get them off our highways through a combination of better law enforcement and automatic license suspension.

I commend the leadership of Senator DANFORTH, who has successfully guided this bill to the floor in just under 6 weeks since the introduction of S. 2158. He has demonstrated outstanding leadership in this effort, and it has been a pleasure to work with him in developing this legislation.

I also commend my own State of Rhode Island, which is very close to being one of the first States to adopt a comprehensive drunk driver law identical to S. 2158. Governor Garrahy has steered his tough drunk driver bill through the Rhode Island House, and Senate consideration of the bill is expected to take place within a few days. Hopefully many other States will quickly follow Rhode Island's lead and enact the model law contained in the bill before the Senate today.

Finally, I congratulate my aide Bradford Penney on all his fine work in moving this legislation along to passage.

Mr. President, I ask unanimous consent that Senator CHAFEE, Senator RANDOLPH, Senator MITCHELL, Senator BRADLEY, Senator LEAHY, and Senator MATSUNAGA be added as cosponsors to this legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DANFORTH addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. DANFORTH. Mr. President, this is an issue on which Senator PELL has shown great leadership for a very long period of time. He has been the most attentive Member of the Senate to the problem of drunk driving and the need to do something constructive about it. I think it would be remiss for the Senate not to recognize the long-held leadership on this issue that he has enjoyed. Indeed, without his efforts we would not be at this point today.

I would also like to express my appreciation to Cindy Douglass, of the Commerce Committee staff, and Jerry Cox, of my staff, for their help in preparing this legislation and moving it through the legislative process.

● Mr. CANNON. Mr. President, accidents due to drunk driving are a serious problem in this country today—over 25,000 deaths per year caused by drinking drivers. Everyone familiar with the magnitude of this problem is concerned and anxious to find a solution. Enforcement of driving standards is the primary responsibility of State and local governments, not the Federal Government. Therefore, I believe legislative initiatives should originate at those levels. I support S. 2158, however, because the bill adopts an incentive rather than mandatory approach providing additional section 402 moneys to States which adopt drunk driving statutes incorporating the requirements of the bill.

My concern in committee was that some States, such as Nevada, may have very strict drunk driving laws which are not identical to the Federal law. Indeed, it was pointed out by the author of the bill that at present no State would qualify for an incentive grant. In other words, not one of the 50 States has a statute which incorporates all of the elements required by S. 2158.

I am wary of Federal legislation which takes authority away from the States. In my opinion, Nevada has a tough drunk driving statute. It provides: For first offenders—mandatory attendance at classes on alcohol use and abuse, up to 6 months in jail, and license suspension for at least 30 days; for second offenders (within a 5-year period)—minimum 10 day jail sentence, a fine of $500 to $1,200, and license suspension of not less than 6 months. This statute incorporates some of the requirements of S. 2158 but not all of them—for example, it does not provide for vehicle impoundment; however, it also has stricter penalties than S. 2158 in some respects.

Because of this, I support Senator DeCONCINI's amendment to S. 2158. It alleviates many of my concerns. I am pleased that S. 2158 now contains a mechanism to accommodate the need to allow each State to benefit from this legislation by enacting drunk driving statutes which are as strict or stricter than S. 2158 if they so choose.

In a 1981 report done by H. Lawrence Ross for the National Highway Traffic Safety Administration, Ross found that it is not the provisions of the particular drunk driving statute

that are important in deterrence. The key factors are the level of enforcement and the perception by the drivers of the likelihood of being apprehended. The Ross report underscores the crucial role of State and local law enforcement in this area, regardless of the nature of the statute. The Ross report also calls into question the necessity of toughening the penalties for driving while intoxicated.

It is my hope that the increased attention given to this problem and the heightened awareness this bill may engender will help to change the public's perception of the chances of being apprehended and penalized for driving while intoxicated, and will help to encourage greater enforcement of drunk driving statutes, regardless of the penalties those statutes contain.

I fully support title II of the bill—the updating of the National Driver Register (NDR). The NDR, when fully operational will aid the States in their consideration of applicants for a driver's license. This function—that of serving as a national clearinghouse for information concerning problem drivers—is a role which can best (and only) be fulfilled by the Federal Government. I am hopeful that there will eventually be full participation by all 50 States, for it is only with 100-percent participation that the NDR can be most effective.●

Mr. PERCY. Mr. President, for many years I have worked to make our Nation's highways more safe. I sponsored the 55 mile-per-hour speed limit. I have introduced the Truck Safety Act. And, I have opposed legislation that could deny the individual States the right to keep big trucks off their roadways. Today, I am pleased to join my colleagues in cosponsoring legislation regarding drunken driving.

More than half of the approximately 50,000 Americans who die in motor vehicle accidents are killed in drunken driving accidents. Every year, at least 26,000 people are killed, 125,000 are permanently disabled, and 650,000 are severely injured in drunken driving accidents. Witnesses before the House and Senate committees considering driver safety legislation have estimated that the cost of these accidents in economic terms would lie between $17 and $24 billion.

And yet, Mr. President, only 1 out of 2,000 drunk drivers is arrested, according to a Senate report.

Illinois and other States have recently enacted tough drunken driving laws. In Illinois, motorists must submit to breath tests if they are suspected of driving while intoxicated. A first-time offender may be fined up to $1,000, jailed up to 1 year, and lose his license for at least 1 year. Under the leadership of Illinois Secretary of State Jim Edgar, the State has established remedial alcohol programs and a streamlined paperwork process.

And, we have seen results in Illinois from the toughened stance. The Illinois State Police report a 43-percent increase in drunken driving arrests during the first quarter of this year, and the Chicago Police Department indicates that arrests for the first 4 months of this year have increased by 23 percent over the same period last year. During the first quarter of 1981, 125 alcohol-related traffic deaths were reported in the State. During the same period of 1982, 70 fewer deaths were reported.

While we have seen results in my home State and in other States, drunken driving is a national problem and we need to do more. For this reason, I fully support S. 2158 which will establish a Federal incentive program to combat drunken driving. I am pleased that the Senate will act favorably on this bill and am pleased to join as a cosponsor.

Mr. WEICKER. Mr. President, I rise in support of S. 2158, a bill to provide incentive grants for highway safety programs for States adopting certain provisions relating to driving while intoxicated and to provide for the establishment of a National Driver Register.

Over 26,000 Americans are killed in accidents involving drunk drivers every year; 750,000 more Americans are crippled or maimed in drunk driving accidents. The statistics are numbing; they begin to pain when we think of the individual people we have known and lost, the valued lives that were cut short by someone who had too much to drink and then got behind the wheel.

Today alone, 70 more Americans will be killed on our highways by drunk drivers. In the hours following each personal tragedy, there will be grim visits by clergymen or police officers to the family's home. Each survivor, in their grief, shock, and pain, will ask the question, "Why?" The answer, which will haunt them, and which will haunt the relatives and friends of 70 more Americans the very next day, is simply that this country is so tolerant of the lethal combination of drinking and driving.

Mr. President, it is estimated that on a typical weekend night, 1 out of every 10 drivers on the road is drunk. Of every 2,000 drunken drivers, only 1 is arrested. Further, the chance of conviction for a first offense runs as low as 1 in 20. People are driving drunk and getting away with it.

In my State of Connecticut, the results of this deadly permissiveness are gruesome. In 1979, 240 of the 568 deaths on Connecticut highways were alcohol-related. In 1980, the figure was 237 out of 575 deaths. In 1981, incomplete statistics show an increase in percentage of fatalities due to drunk driver accidents from 41 percent to more than 50 percent with 245 out of the 480 deaths being alcohol-related.

Today in America, there is a groundswell of outrage against the dangerous complacency that permits these tragedies. People are refusing to accept drunk driving as a fact of life and violent death as its inevitable consequence. Led by such groups as Mothers Against Drunk Driving (MADD), Remove Intoxicated Drivers (RID), and Students Against Drunk Driving (SADD), citizens are forcing this country (town by town and State by State) to confront its conscience.

Mr. President, I am pleased that Connecticut is among those States which have responded by increasing their penalties for persons convicted of drunken driving. Today, a driver in our State who refuses to take a blood alcohol content (BAC) test can have his license suspended for 90 days. Conviction of a drunk-driving charge means loss of license for 1 year for first time offenders and 2 years for two or more incidents. The State has also implemented an extensive drunk-driving education program.

These changes are welcomed, but they are not, by any means, the last word on the issue. There is an urgent need for a united national effort to redress this critical problem. While the fact remains that the battle against drunk driving can only be effectively waged at the State and local level, the Federal Government can and should take a leading role in examining the problem and encouraging certain minimum guidelines for enforcement and stricter penalties. Like the standard bearer marching before the troops to the war, Congress and the administration must set the pace for the attack.

Mr. President, last year, I joined with over 300 other Members of Congress in signing a letter to the President urging him to appoint a blue-ribbon panel to devise a master plan to deal with the problem of drunk driving. The President has since demonstrated his commitment to the problem by forming the commission.

Today, I am proud to join with Senators DANFORTH, PELL, and PACKWOOD in cosponsoring S. 2158, which will provide highway safety incentive grants to States that adopt a program that includes mandatory license suspension of 90 days for first offense, establishment of .10 on a blood alcohol content test as conclusive evidence of drunk driving, mandatory jail sentence of 48 hours for second offense, alcohol treatment programs, improved enforcement, and participation in the national driver record system which will be established to help States keep track of offenders who may have records in other States.

Mr. President, the causes of drunk driving are varied and deep-rooted. Hopefully, the Presidential Commission will be able to study these causes and come up with some solutions. In the meantime, while we cannot hope to legislate an end to this problem, we can pass legislation that will begin to spread the work that this country will no longer tolerate, nor excuse those who drive when they drink. The threat of strict enforcement and mandatory punishment will keep many from getting behind the wheel for that last ride. Every day—every hour—there is one less wreck on the highway, one less grim knock on a family's door, then we are one step closer to ending this American nightmare. I urge my colleagues to lend their full support to this important proposal.

● Mr. MOYNIHAN. Mr. President, I rise today to support the passage of S. 2158, a bill to establish a set of voluntary minimum alcohol traffic safety standards for all States to follow. States enacting the minimum standards or tougher drunk-driving laws would receive increased Federal highway safety funds. The minimum standards include an automatic, 90-day suspension of drivers' licenses for all first-time offenders, and a mandatory jail term of at least 48 hours for those convicted of drunk driving twice within 5 years.

This bill, of which I am a cosponsor, launches a long overdue attack on our Nation's serious drunk-driving problems. Drunk driving is responsible for the most common form of violent death in this country, and is a significant cause of death among our youth. Over the past decade alone, an estimated 250,000 Americans have been killed in alcohol-related auto crashes, and millions more have been seriously injured. This year, another 26,000 people are expected to be killed by drunk drivers and about 750,000 seriously injured at a conservatively estimated economic cost exceeding $5 billion. Clearly, drunk driving is one of the Nation's most serious health and safety problems, one which experts say is worsening. I am convinced that much of the pain and suffering inflicted on innocent American families by drunk drivers is needless and preventable.

I have been a dedicated advocate of automobile safety since the 1950's, when, as acting secretary to Governor Harriman of New York, I headed the traffic safety policy coordinating committee. Last November, I joined with over half of my Senate colleagues in asking President Reagan to appoint a blue ribbon commission to bring together the most qualified persons in the Nation to develop a national plan to curtail the drunk-driving epidemic. I am delighted that the President complied with our request and announced on April 14 the establishment of a 30-member Commission on Drunk Driving to carry out this mission. S. 2158, the bill before the Senate today, provides a much-needed deterrent to the crime of drunk driving, and I heartily endorse this critical legislation.●

● Mr. BOSCHWITZ. Mr. President, my interest in the problem of drunk driving evolved before I considered running for the U.S. Senate. On four separate occasions over the years, drunk drivers have seriously injured or killed people close to me. One incident involving the death of one of my employees and his wife left eight children, from 6 months to 18 years of age, as orphans. These personal experiences do not make me an expert on the problem of drunk driving, but they have convinced me that solutions must be found.

Annually, 26,000 deaths occur on our highways from drunk drivers. Hundreds of thousands of other accidents and injuries occur. What a senseless tragedy and human loss those deaths and injuries are and the cost is just enormous. Crashes involving alcohol-impaired drivers cost billions of dollars in money spent for law enforcement, medical bills, insurance premiums, and local fees. Still, despite the outpouring of money and life, no lasting solutions have been found.

The unfortunate fact is that more is known about what does not solve the problem of drunk driving than what does. But rather than be discouraged about this, we must take what we have learned and move ahead to find solutions.

Traditionally, the apprehension and conviction of the drunk driver has been left to the individual States. But damage done by the drunk driver on today's roads is too painful, too unnecessary, too expensive, and too abhorrent to leave any possible solution unattended—even on a Federal level.

The Federal Government can be involved in the solution to the problem of drunk driving. Drunk driving is a national problem—it is not unique to any region, economic class, race, or sex. The painful reality is that the drunk driver could be a member of our own families or the person next door. Drunk drivers are not stereotyped criminals.

Here in the Senate, I have testified before several different committees on drunk driving; I have closely monitored various pieces of legislation that have been offered. Until recently, I felt that none of these bills went far enough. But this bill sponsored by Senator DANFORTH, and cosponsored by myself, seems to be on the right track.

This legislation encourages States to enact stiff mandatory sentencing for drunk drivers to make them pay for their crimes. The bill does this by doubling highway safety funding allocation for States calling for immediate revocation of drunk drivers' licenses and impoundment of the vehicle. The bill also authorizes Federal funding for a national driver register for quick nationwide access to information about dangerous traffic offenders.

Many States have already passed strict drunk driving laws. My own State of Minnesota recently enacted legislation that stiffens fines and jail sentences for this offense. Even before the U.S. Supreme Court upheld administrative license suspensions without presuspension hearings, Minnesota enacted a law under which a law enforçement officer, after determining that a driver is drunk, takes the driver's license, and reports the chemical test results to the Minnesota Commissioner of Public Safety. This agency then notifies the driver of the suspension of his driving privileges and informs him of his right to a post-suspension review. License revocation has been proven to be a highly effective deterrent against drunk driving.

Although Minnesota and other States have passed such a law, many other States need to be encouraged to pass similar laws. This bill provides an incentive for States to pass comprehensive anti-drunk-driving laws by doubling their highway safety funds. I urge my colleagues to join in the passage of this legislation.

The problem of drunk driving has received a lot of national attention lately, and a Senate-passed anti-drunk-driving bill will further focus national attention on the need to find and enact lasting and effective solutions to this problem.●

● Mr. GLENN. Mr. President, I am pleased to see the Senate taking action on S. 2158. Prompt enactment of this legislation will greatly strengthen the ability of State and local governments to reduce drunk-driving deaths on our Nation's highways.

Drunk driving deaths are a national tragedy. The statistics tell a gruesome story: more than 25,000 Americans die each year in alcohol-related traffic accidents, and tens of thousands more are injured. No community is immune to the impact of this grim accounting. Who among us has not lost a family member, relative or friend in this senseless manner? It is time to join forces and do something about it.

Indeed, after 250,000 drunk-driving deaths during the last decade alone, it should be clear that the campaign against drunk driving must become everybody's business—including the Federal Government's.

Early on in the 97th Congress, I joined Senator PELL and others in introducing legislation designed to establish comprehensive alcohol traffic safety programs in every State, as well as to upgrade the National Driver Register. I am glad to see that the major components of these bills have been incorporated into S. 2158 because years of experience suggest that they

are the keys to reducing drunk-driving deaths.

At the present time, a full-scale crackdown on drunk driving in one jurisdiction may go unnoticed in neighboring jurisdictions. Local judges and prosecuters are often unprepared to handle the increased caseloads such crackdowns produce. In fact, judges are too often unware of whether a drunk-driving case involves a first offender or a repeater, and no efficient means of obtaining such information currently exists.

S. 2158 will inject some uniformity and coordination into this situation by providing financial incentives for States to enact comprehensive anti-drunk-driving programs with certain basic elements, so the right hand knows what the left hand is doing and all hands are working together. These programs will be built upon public information campaigns, strict enforcement, improved adjudication, and assured penalties.

I stress this last point because I am tired—as many other Americans are tired—of hearing about drunk drivers being treated with kid gloves by our judicial system. It is time we started focusing attention on the victims to this terrible crime.

The pain and suffering inflicted upon innocent Americans by drunk drivers is senseless and preventable. We can and must put a stop to it by taking the steps called for in S. 2158. I urge all of my colleagues to get behind this effort.●

● Mr. RIEGLE. Mr. President, as a cosponsor of S. 2158, I rise today in support of this bill which provides financial incentives for States to enact a comprehensive two-tiered antidrunk driving program and upgrades the National Driver Register.

Drunk driving is a critical national problem. The National Highway Traffic Safety Administration reports that of the 50,000 Americans who die in motor vehicle accidents every year, at least 26,000 are killed in accidents involving alcohol.

Moreover, each year 125,000 Americans are permanently disabled in drunk driving accidents and an additional 650,000 people are injured so severely that they must miss work for at least several days.

Accidents involving drunk drivers cost our society up to $17 billion annually in medical, rehabilitation, and insurance costs, property damage, lost work income, and tax revenue, as well as police and emergency vehicle service costs. But most important of all, the emotional cost to those who lose a family member in a senseless drunk-driving accident and to those disabled persons who survive these terrible accidents is immeasurable.

This carnage can and should be prevented. S. 2158 is an important step in accomplishing this goal because it adopts an incentive rather than mandatory approach. The bill encourages State efforts to enact and enforce strict drunk driving laws by offering significant financial incentives to those States which implement a comprehensive drunk driving program. This program, as outlined in the bill, includes such elements as license suspension, vehicle impoundment, and a comprehensive alcohol traffic safety program.

As a member of the Labor Subcommittee on Alcoholism and Drug Abuse, I strongly support the alcohol treatment program provision in S. 2158. As indicated in the report language, these programs should be developed in conjunction with the State agency responsible for the administration of alcohol abuse and alcoholism prevention, treatment and rehabilitation activities and should use presentence screening and assessment to identify individuals who are problem drinkers or who suffer from the disease of alcoholism, and refer them to local treatment programs and facilities. I am very pleased that the report language includes this extensive explanation of alcohol treatment programs because it is extremely important that those persons who suffer from alcoholism receive prompt attention and proper treatment.

To conclude, S. 2158 marks an important step in the battle against drunk driving. The bill utilizes an incentive approach by providing significant funds to those States which enact a comprehensive two-tiered anti-drunk driving program and thus encourages and assists State and local efforts to reduce the loss of life and serious injury caused by drunk driving.●

● Mr. LEAHY. Mr. President, many tragedies have occupied the attention of this body during its long history, but to me, the most distressing are the ones that might have been avoided. The tragedy of drunk driving is deaths that are avoidable.

My concern with the tragedy of cars and alcohol goes back to my days as State's Attorney in Burlington, Vt. How often was I called to the scene of a really terrible automobile accident where I had to witness mangled bodies and crushed lives. Years later, I still have nightmares about scenes of death that will never leave my mind.

These events are called "accidents," but I think it is time to stop using a word that suggests the unintentional. Crippling and death are not the wishes of drunken drivers. But if they know that they are taking the risks, the results can not be called unintentional. I recently urged my fellow Vermonters to adopt State laws imposing prison sentences where death results from drunken driving, similar to the sentences in manslaughter cases. Talk is important, but there is no substitute for action.

Since everyone agrees that drunken driving is tragic and senseless, the question is why we have waited so long, why we have shown so much tolerance for slaughter.

The answers are not so easy as the questions. People have always railed against alcohol, and in the 18th amendment, talk became action. But prohibition was a tragedy within a tragedy and only postponed our dealing with the problem in lasting ways.

In prohibition we learned that moralizing about alcohol does not make it go away. But we also learned some lessons that were not true. We learned that we cannot change human nature, that reform legislation is a lost cause. This is totally wrong.

I agree that human nature changes slowly and that laws can do little to speed up the change. But human nature is not one dimensional. People enjoy drinking, but people also enjoy living. I believe that this society is ready to act firmly, and harshly if need be, to keep drunks out of the drivers' seats. Work is essential on at least two fronts, one the medical and psychological, the other the social and legal.

We must learn a lot more than we know now about alcoholism as a disease, and we must pursue the search with the vigor we apply to many other diseases. We must continue to ask why rational people defy sense by driving and drinking. We must try to learn why young people continue to kill themselves and others at a time when their finest years lie ahead.

But at the same time we must find effective legal deterrents to drunk driving. It is very easy to pursue sanctions that are severe but do not work because they are not applied in the courtroom and are therefore not credible.

I have no easy formulas, because there are no easy formulas, only difficult and complex ones. But whatever they are, they must be discovered, adopted into law, and applied.

We are changing not only laws, we are changing folkways. Ending drunk driving means ending the tolerance, even the subtle encouragement of what passes as quaint behavior. The drunk has even become part of American humor. But one man's laugh is another man's tragedy. We must realize that even if Government cannot change human nature, our laws can be an expression of revulsion against senseless death, while we wait for a deeper and more enduring revulsion to develop.

I am today announcing my support and cosponsorship of S. 2158, introduced by my colleagues Senator DANFORTH and Senator PELL. This bill would encourage States to adopt strong statutes dealing with drunk driving and would establish a national driver register to help prevent those who have killed in one State from repeating the tragedy elsewhere. Many States, including Vermont, have some of the features. No State has all of them.

The encouragement to the States to adopt stronger drunk driving statutes would come in the form of an incentive grant for highway safety programs to States that comply. The incentive grant would be over and above funds now received by the States for safety programs, and my support is based on the bill's clear language assuring that present safety program funding is not threatened, whether or not a particular State amends its laws. In short, the bill utilizes incentives, but not coercion, and incentives of all kinds can be helpful in moving the States off dead center on eliminating drunks from the Nation's roads.

Title II of the bill would create a "National Driver Register" to assist States in maintaining accurate information on problem drivers. The goals of the "Register" will be useful, accurate, and up-to-date information, as well as the protection of the computer-based system from the ills that sometimes accompany large-scale information systems, particularly unauthorized use or disclosure. This bill includes stringent criminal sanctions against misuse of the data bank. It goes far to demonstrate that the legitimate rights of privacy need not be sacrificed to achieve sanity at the driver's wheel.

The bill will not cure the problem of alcohol on the highways. It can and should be a dramatic addition to the tools this society has to protect the lives of Americans on the road. And recognition of the problem as national in scope should strengthen the hands of those in the States whose fight in this cause has been lonely and difficult. I believe that finally we have the resolve to follow good intentions with effective law.●

Mr. **MITCHELL.** Mr. President, I rise as a cosponsor of S. 2158, a bill which provides for incentive grants to States, like Maine, which have taken serious steps to fight drunk driving. This legislation is long overdue in its attempt to address effectively the prodigious human suffering caused by drunk driving.

The figures on highway deaths, particularly those that are the result of drunk driving, are frequently repeated, but even so they have become no less jarring.

Over 50,000 Americans are killed each year on our highways.

More than half, approximately 26,000 of these deaths, are a result of drunk driving.

It is reported that, in addition to the 50,000 deaths, approximately 125,000 Americans are permanently disabled, and 650,000 are temporarily disabled each year.

The numbers shame us; they speak of a national tragedy of immense and increasing proportions.

The fact that these numbers of American deaths are so often overlooked speak of a national scandal of even greater proportions.

Under the headline entitled "Each Week, 900 Die In the Sudden Violence of U.S. Auto Accidents," a recent Wall Street Journal article reported:

> That headline never appears in a newspaper or in a TV bulletin, but it accurately summarizes what happens on U.S. roads in an average week. A single airline crash, such as one that killed 78 people in Washington, D.C. last January, is frontpage news and prompts a federal investigation. But death on the highway remains, for the most part, an invisible slaughter.

The fact remains that the daily, weekly, yearly slaughter of Americans on highways, half of them because of drunk driving, remains largely invisible. We note the large airplane accidents; the human losses in armed conflicts; the frightening effects of natural disasters on persons, their homes, and communities. But we rarely take into full account the daily, steady, familiar horror that is the number of deaths caused by drunk driving.

This bill provides that effective action must be taken to address this horror; that the problem of drunk driving has been ignored too long. The legislation provides for a Federal role in addressing the problem, while at the same time understanding the fact that the most effective manner to combat drunk driving is on the State and local levels.

Accordingly, S. 2158 provides an incentive for each State, through Federal highway safety grants, to enact stronger drunk-driving laws and to establish comprehensive programs to deal with this problem. Specifically, a State would obtain an additional highway safety grant if the State met several minimal but essential alcohol safety standards in its drunk-driving law.

These standards would mandate:

First, the automatic, administrative 90-day suspension of the license of any driver found operating a vehicle under the influence of alcohol;

Second, the administrative impoundment of any vehicle operated by a person whose driving privilege has been suspended for drunk driving;

Third, a minimum, 48-consecutive-hour jail sentence for any person convicted of drunk driving for a second time within a 5-year period;

Fourth, the enactment of comprehensive alcohol safety programs; and

Fifth, a blood alcohol content of 0.10 percent as conclusive, per se proof of intoxication.

These standards are extremely similar to those set forth in Maine's newly adopted State drunk-driving law. It is clear that Maine's law is consistent with the aims of this Senate legislation. Accordingly, it is evident that Maine would receive an additional highway grant under this legislation as it is presently written.

I favor this legislation because it explicitly supports the actions taken by Maine's State Legislature, and the legislatures of New York, West Virginia, and California in particular, to face the problem of drunk driving with a clear and effective drunk-driving law.

Finally, Mr. President, the bill would also provide for the computerization of the National Driver Register, and thereby provide State enforcement officers with more reliable, up-to-date records on drunk drivers and their driving records. In the process, it will allow motor vehicle registrars to identify with bad records in other jurisdictions and to prevent them from obtaining a new license simply by crossing State lines.

To conclude, I firmly support the aim and the intent of this legislation. It takes a crucial first step by the Federal Government to define a policy to address the national tragedy that is drunk driving. The bill will send a strong message from the Federal Government to the States that it pays to enact and enforce tough drunk-driving laws. As a result of this bill, States across the country will be provided with an incentive to follow Maine's lead, and the lead of only a handful of other States, in setting forth a meaningful, tough approach to this critical, national dilemma.

The **PRESIDING OFFICER.** The bill is open to further amendment. If there be no further amendments to be proposed, the question is on agreeing to the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The **PRESIDING OFFICER.** The question is on the engrossment and the third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 2158

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—INCENTIVE GRANTS FOR STATES WITH STRICT DRIVING WHILE INTOXICATED STATUTES

SEC. 101. Section 402 of title 23, United States Code, is amended by adding at the end thereof the following new subsection:

"(k)(1) The Secretary shall make an incentive grant to any State in the first fiscal year (or the first fiscal year following that year) during which—

"(A) there is in effect in such State, as determined by the Secretary, statutes of general applicability which comply with the requirements of paragraphs (2), (3), (4), and (5) of this subsection, or

"(B) there is a recommendation by the National Highway Safety Advisory Committee pursuant to paragraph (6) of this subsection.

"(2) Any statute adopted pursuant to paragraph (1) of this subsection shall require the prompt suspension of the motor vehicle operator's license of any individual whom a law enforcement officer of the State has probable cause to believe has committed an alcohol-related traffic offense, and (A) to whom is administered a chemical test to determine whether the individual was intoxicated while operating a motor vehicle and who is determined, as a result of such test, to be intoxicated; or (B) who refuses to submit to such a test. Such suspension shall be for a period of ninety days in the case of a first offender, and one year in the case of any repeat offender.

"(3) Any statute adopted pursuant to paragraph (1) of this subsection shall also require the impoundment for at least ninety days of any motor vehicle operated on a public road of the State by any individual during any period for which the individual's motor vehicle operator's license or permit is suspended or revoked under the laws of any State relating to the operation of a motor vehicle while intoxicated.

"(4) Where pursuant to such statute an individual's motor vehicle operator's license has been suspended, the State shall afford the individual an opportunity, consistent with due process, to show cause why the individual's license or permit should not have been suspended. Where pursuant to such statute any motor vehicle is impounded, the State shall afford any party with a legal or equitable interest in the vehicle an opportunity, consistent with due process, to show cause why the impoundment of such vehicle should cease.

"(5) The State shall adopt a statute which establishes a comprehensive alcohol traffic safety program. Such program shall require—

"(A) at a minimum, that any person found to be driving a motor vehicle on a public road, when the percentage of alcohol by weight in the blood or breath of such person is .10 of 1 per centum or higher, shall be deemed to be driving while intoxicated, for purposes of such program;

"(B) that any person convicted of driving while intoxicated more than once in any five-year period be imprisoned for not less than forty-eight consecutive hours, and that the execution of such sentence shall be mandatory and not suspended or probational;

"(C) alcohol treatment programs;

"(D) traffic safety programs designed to improve enforcement of drunk driving laws; and

"(E) a driver record system which identifies repeat offenders and is readily accessible to the courts in such States.

"(6) Upon application by any State, the National Highway Safety Advisory Committee shall review the provisions of any statute of general applicability that does not include all of the requirements of paragraphs (2), (3), (4), and (5) of this subsection and determine if such other provisions result in the imposition of a penalty for driving while intoxicated which equals or exceeds the penalty for driving while intoxicated that would result under any statute including the requirements of such paragraphs. If the Committee approves such statute, the Committee shall recommend such statute to the Secretary, and the Secretary shall make an incentive grant under paragraph (1) of this subsection.

"(7) The incentive grant payable to any State in a fiscal year under paragraph (1) of this subsection shall be—

"(A) in an amount equal to the amount apportioned to such State during such fiscal year under subsection (c) of this section; and

"(B) in addition to other funds payable to such State in such fiscal year under this section.

"(8)(A) If the total amount of incentive grants payable to States under this subsection exceeds the amount appropriated for this subsection in any fiscal year, the Secretary shall distribute to each qualifying State an amount equal to the amount due the State under paragraph (7)(A) of this subsection, multiplied by the ratio of the total amount appropriated for this subsection to the total amount due the States under paragraph (7)(A) of this subsection.

"(B) When a distribution is made pursuant to the provisions of subparagraph (A) of this paragraph, the Secretary shall, in the next fiscal year following the year in which such distribution occurs and to the extent funds are available, pay to each such State on amount equal to the difference between the amount which the State would have received under this subsection if such distribution had not occurred and the amount which the State received under such distribution. The secretary shall make all such payments before making any other grant payable within the fiscal year under this subsection.

"(9) The incentive grant payable to a State in any fiscal year may be used by such State only to promote the purposes of section 402 of this chapter.

"(10) For purposes of this subsection, the term—

"(A) 'intoxicated' means that there is present in the blood or breath not less than .10 of 1 per centum, by weight, of alcohol;

"(B) 'chemical test' means any chemical test the use of which is expressly permitted by State statute or regulation for the purpose of detecting alcohol impairment; and

"(C) 'public road' has the same meaning as provided in the fourth sentence of subsection (c) of this section.

"(11) For purposes of this subsection, in addition to other funds authorized by this section, there are authorized to be appropriated from the Highway Trust Fund $25,000,000 for fiscal year 1983, and $50,000,000 for fiscal year 1984. Such sums shall remain available until expended.".

SEC. 102. The amendment made by section 101 of this title shall take effect on October 1, 1982.

TITLE II—NATIONAL DRIVER REGISTER

SEC. 201. This title may be cited as the "National Driver Register Act of 1982".

DEFINITIONS

SEC. 202. For purposes of this title, the term—

(1) "alcohol" has the meaning given such term by the Secretary of Transportation under regulations prescribed by the Secretary;

(2) "chief driver licensing official" means the official in each State who is authorized to (A) maintain any record regarding any motor vehicle operator's license issued by such State; and (B) grant, deny, revoke, suspend, or cancel any motor vehicle operator's license issued by such State;

(3) "controlled substance" has the meaning given such term in section 102(6) of the Comprehensive Drug Abuse Prevention and Control Act of 1970 (21 U.S.C. 802(6));

(4) "highway" means any road or street;

(5) "motor vehicle" means any vehicle, machine, tractor, trailer, or semitrailer propelled or drawn by mechanical power and used on a highway, except that such term does not include any vehicle, machine, tractor, trailer, or semitrailer operated exclusively on a rail or rails;

(6) "motor vehicle operator's license" means any license issued by a State which authorizes an individual to operate a motor vehicle on a highway;

(7) "participating State" means any State which has notified the Secretary of its participation in the Register system, pursuant to section 204 of this title;

(8) "Register" and "Register system" mean the National Driver Register established under section 203(a) of this title;

(9) "Secretary" means the Secretary of Transportation;

(10) "State" means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Northern Mariana Islands, the Trust Territory of the Pacific Islands, and any other territory or possession of the United States; and

(11) "State of record" means any State which has transmitted to the the Secretary, pursuant to section 205 of this title, any report regarding any individual who is the subject of a request for information made under section 206 of this title.

ESTABLISHMENT OF REGISTER

SEC. 203. (a) The Secretary shall, as soon as practicable after the date of enactment of this Act, establish and thereafter maintain a Register, to be known as the "National Driver Register", to assist chief driver licensing officials of participating States in exchanging information regarding the motor vehicle driving records of individuals. The Register shall contain an index of the information that is reported to the Secretary under section 205 of this title, and shall be designed to enable the Secretary, either electronically or, until such time as all States are capable of participating electronically, through the United States mails, to—

(1) receive information submitted under section 205(a) of this title by the chief driver licensing official of any State of record;

(2) receive any request for information made by the chief driver licensing official of any participating State under section 206 of this title;

(3) refer such request to the chief driver licensing official of any State of record; and

(4) relay to the chief driver licensing official of a participating State any information provided by any chief driver licensing official of a State of record in response to such request.

(b) The Secretary shall not be responsible for the accuracy of any information relayed to the chief driver licensing official of any participating State, except that the Secretary shall maintain the Register in a manner that ensures against any inadvertent alteration of information during any relay.

(c)(1) The Secretary shall, within eighteen months after the date of enactment of this Act, promulgate a final rule which provides for procedures for the orderly transition from the system regarding the motor vehicle driving records of individuals provided in Public Law 86-660 (74 Stat. 526) to the Register established under subsection (a) of this section.

(2) The Secretary shall not maintain in the Register any report or information which was compiled under the provisions of Public Law 86-660 (74 stat. 526) and was transferred to the Register after (i) the date the State of record removes it from the State's file; (ii) seven years after the date such report or information is entered into the Register; or (iii) the date of establishment of a fully electronic Register system, whichever is earlier. Such report or information shall be disposed of in accordance with the provisions of chapter 33 of title 44, United States Code.

(3) If the chief driver licensing official of any participating state finds that information which has been transmitted for inclusion in the Register under this section is erroneous or relates to a conviction of a traffic offense which is subsequently reversed, such official shall immedialtey notify the Secretary of the error. The Secretary shall provide for the immediate deletion from the Register of such material.

(d) The Secretary shall assign to the administration of this Act such personnel as may be necessary to ensure the effective functioning of the Register system.

(e) The Secretary may prescribe such regulations as may be necessary to carry out the provisions of this title.

STATE PARTICIPATION

Sec. 204. (a) Any state may become a participating State under this title by notifying the Secretary of its intention to be bound by the provisions of section 205 of this title.

(b) Any participating State may terminate its status as a participating State under this title by notifying the Secretary of its withdrawal from participation in the Register system.

(c) Any notification made by a State under subsection (a) or (b) of this section shall be made in such form, and according to such procedures, as the Secretary shall establish by regulation.

REPORTS BY CHIEF DRIVER LICENSING OFFICIALS

Sec. 205. (a) The chief driver licensing official in each participating State shall, as soon as practicable after the date of enactment of this Act, transmit to the Secretary a report containing the information required in subsection (b) of this section regarding any individual—

(1) who is denied a motor vehicle operator's license by such State for cause;

(2) whose motor vehicle operator's license is canceled, revoked, or suspended by such State, for cause; or

(3) who is convicted under the laws of such State of the following motor vehicle-related offenses or comparable offenses—

(A) operation of a motor vehicle while under the influence of, or impaired by, alcohol or a controlled substance;

(B) a traffic violation arising in connection with a fatal traffic accident, reckless driving, or racing on the highways;

(C) failure to render aid or provide identification when involved in an accident which results in a fatality or personal injury; or

(D) perjury or the knowledgeable making of a false affidavit or statement to officials in connection with activities governed by a law or regulation relating to the operation of a motor vehicle.

(b) Any report regarding an individual which is transmitted by a chief driver licensing official pursuant to subsection (a) of this section shall contain—

(1) the legal name, date of birth (including day, month, and year), sex, and (at the Secretary's discretion) the height, weight, eye and hair color of such individual;

(2) the name of the State transmitting such information; and

(3) the social security account number, if used by the reporting State for driver record or motor vehicle license purposes, and the motor vehicle operator's license number of such individual (if that number is different from the operator's social security account number);

except that any report concerning an occurrence specified in subsection (a), (1), (2), or (3) of this section which occurs during the two-year period preceding the date on which such State becomes a participating State shall be sufficient if it contains all such information as is available to the chief driver licensing official on such date.

(c) Any report required to be transmitted by a chief driver licensing official of a State under subsection (a) of this section shall be transmitted to the Secretary—

(1) not later than thirty-one days after receipt by a State motor vehicle department of any information specified in subsection (a) (1), (2), or (3) of this section which is the subject of such report, if the date of such occurrence is after the date on which such State becomes a participating State; or

(2) not later than the expiration of the six-month period following the date on which such State becomes a participating State, if such report concerns an occurrence specified in subsection (a) (1), (2), or (3) of this section that occurs during the two-year period preceding such date.

(d) Nothing in this section shall be construed to require any State to report any information concerning any occurrence which occurs before the two-year period preceding the date on which the State becomes a participating State.

ACCESSIBILITY OF REGISTER INFORMATION

Sec. 206. (a)(1) For purposes of fulfilling his duties with respect to driver licensing, driver improvement, or highway safety, the chief driver licensing official of any participating State may, on and after the date of enactment of this Act, request the Secretary to refer electronically or through the United States mails any request for information regarding the motor vehicle driving record of any individual to the chief driver licensing official of any State of record.

(2) The Secretary shall electronically or through the United States mails relay to any chief driver licensing official of a participating State who requests information under paragraph (1) of this subsection any information received from the chief driver licensing official of any State of record regarding an individual in accordance with paragraph (1) of this subsection, except that the Secretary may refuse to relay any information to any such official who is the chief driver licensing official of a participating State which is not in compliance with the provisions of section 205 of this title.

(b)(1) The Chairman of the National Transportation Safety Board and the Administrator of the Federal Highway Administration, for purposes of requesting information regarding any individual who is the subject of any accident investigation conducted by the Board or Bureau of Motor Carrier Safety, may request the chief driver licensing official of a State to obtain information under subsection (a) of this section regarding such individual. The Chairman and Administrator may receive any such information.

(2) Any individual who is employed as a driver of a motor vehicle or who seeks employment as a driver of a motor vehicle may request the chief driver licensing official of the State in which the individual is employed or seeks employment to transmit information under subsection (a) of this section to his employer or prospective employer. An employer or prospective employer may receive such information regarding any such individual, and shall make that information available to the affected individual. There shall be no access to information in the Register under this paragraph if such information was entered in the Register more than three years before the date of such request.

(3) Any individual, in order (A) to determine whether the Register is providing any data regarding him or the accuracy of any such data; or (B) to obtain a certified copy of data provided through the Register regarding him, may request the chief driver licensing official of a State to obtain information regarding him under subsection (a) of this section.

(4) Any request made under this subsection shall be made in such form, and according to such procedures, as the Secretary shall establish by regulation.

(c) Any request for, or receipt of, information by means of the Register shall be subject to the provisions of sections 552 and 552a of title 5, United States Code, and any other applicable Federal and State law, except that—

(1) the Secretary shall not relay, or otherwise transmit, information specified in section 205(b) (1) or (3) of this title to any person not authorized by this section to receive such information;

(2) any request for, or receipt of, information by any chief driver licensing offical, or by any person authorized by subsection (b) of this section to request and receive information, shall be considered to be a routine use for purposes of section 552a(b) of title 5, United States Code; and

(3) any receipt of information by any person authorized by this section to receive information shall be considered to be a disclosure for purposes of section 552a(c) of title 5, United States Code, except that the Secretary shall not be required to retain the accounting made under paragraph (1) of such section for more than a seven-year period after the date of such disclosure.

PILOT TEST PROGRAM

Sec. 207 (a) The Secretary shall design and implement, within four years after the date of enactment of this Act, a pilot test program for the purpose of demonstrating the potential effectiveness of a system for electronic referral and relay of information regarding the motor vehicle driving records of individuals.

(b) The Secretary shall solicit the participation of States which are interested in participating in such program and shall, within thirty months after the date of enactment of this Act, select four States to participate in the program.

(c)(1) The Secretary shall select States in accordance with the provisions of subsection (b) of this section from among States which have in effect, on the date of selection, an intrastate on-line driver licensing system capable of electronically transmitting information regarding the motor vehicle driving records of individuals.

(2) The Secretary shall select only those States which indicate a willingness to participate in a comprehensive mechanical and programmatic evaluation of systems for the electronic transfer of information.

(3) The Secretary shall ensure that the selection made pursuant to subsection (b) of

this section is representative of varying geographical and population characteristics of the Nation.

(4) No State shall participate in the program unless it agrees to assist in providing information to other States regarding the electronic transfer of the motor vehicle driving records of individuals.

(d) Within three years after the date of enactment of this Act, the Secretary shall begin the pilot program authorized by subsection (a) of this section. Such program shall continue for a period of one year. In carrying out the program, the Secretary shall utilize different computer technologies and equipment in order to determine which technology and equipment is most effective for the electronic transfer of the motor vehicle driving records of individuals. The Secretary shall determine which systems and devices will best interconnect with systems and devices used in the States which are participating in the pilot program, as well as those used in other States.

(e) Any equipment or device which is provided to a State for use in the pilot program conducted under this section may, in the discretion of the Secretary, remain with the State following the conclusion of the pilot program.

(f) Not later than one year after the conclusion of the pilot program, the Secretary shall submit to the Congress a report on the program. Such report shall include an evaluation of the technology utilized during the program, together with an explanation of the nature and degree of State participation in the program. The report shall also contain an evaluation of achievements of the pilot program, as well as a projection of accomplishments which might result from the acquisition of electronic transfer equipment and methods by States other than those which participated in the pilot program.

CRIMINAL PENALTIES

Sec. 208. (a) Any person, other than an individual described in section 206(b)(4) of this title, who receives under section 206 of this title information specified in section 205(b) (1) or (3) of this title (the disclosure of which is not authorized by section 206 of this title), and who, knowing that disclosure of such information is not authorized, willfully discloses such information, shall be fined not more than $10,000 or imprisoned for not more than one year, or both.

(b) Any person who knowingly and willfully requests or under false pretenses obtains information specified in section 205(b) (1) or (3) of this title from any person who receives such information under section 206 of this title shall be fined not more than $10,000 or imprisoned for not more than one year, or both.

ADVISORY SUBCOMMITTEE

Sec. 209. Section 404 of title 23, United States Code, is amended by—

(1) inserting "(1)" immediately after "(b)";

(2) striking "(1)" and "(2)" therein and inserting in lieu thereof "(A)" and "(B)", respectively; and

(3) adding at the end thereof the following paragraph:

"(2)(A) There is established a National Driver Register Subcommittee of the National Highway Safety Advisory Committee. The Subcommittee shall directly advise the Secretary concerning the efficiency of the maintenance and operation of the National Driver Register established in the National Driver Register Act of 1982, and the effectiveness of the Register in assisting States in exchanging information regarding motor vehicle driving records. The Secretary shall consult with the Subcommittee before prescribing any regulations necessary to carry out the National Driver Register Act of 1982.

REPORT BY SECRETARY

"(B) The Subcommittee shall be dissolved one year after the end of the pilot program defined in section 207 of the National Driver Register Act of 1982.".

Sec. 210. Not later than the expiration of the four-year period following the date of enactment of this Act, the Secretary shall prepare and submit to the Congress a comprehensive report setting forth the extent and level of participation in the Register system, and the effectiveness of such system in the identification of unsafe drivers. Such report shall include any recommendations of the Secretary concerning the desirability of extending the authorization of appropriations for this title beyond the period of authorization provided in section 211 of this title.

AUTHORIZATION OF APPROPRIATIONS

Sec. 211. (a) There are authorized to be appropriated in fiscal year 1983 for expenses incurred in the establishment of the Register system under this title not to exceed $2,000,000.

(b) There are authorized to be appropriated to carry out the provisions of this title and the provisions of Public Law 86-660 (74 Stat. 526) not to exceed $1,200,000 in fiscal year 1983, not to exceed $1,500,000 in fiscal year 1984, and not to exceed $2,100,000 in fiscal year 1985.

(c) Funds authorized under this section shall remain available until expended.

Mr. DANFORTH. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. FORD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I commend Members for their expeditious handling of this matter. I congratulate the Senator from Missouri for his fine work on this bill and for his efficiency in bringing this matter to the floor and to a successful conclusion.

I thank the Senator from Kentucky for his good work in this respect, and all others who participated in the passage of this important piece of legislation.

SOUTHERN ARIZONA WATER RIGHTS SETTLEMENT ACT OF 1982

Mr. BAKER. Mr. President, the next item on the calendar cleared for action by unanimous consent, I believe, is Calendar Order No. 535. I hope the unanimous-consent request I am about to put will not meet with rejection.

UNANIMOUS-CONSENT AGREEMENT—H.R. 5118

Mr. President, I ask unanimous consent that the Senate turn now to the consideration of Calendar Order No. 535, H.R. 5118, the Papago Indian bill, and, further, Mr. President, I ask unanimous consent that no floor amendment be in order to the bill.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The PRESIDING OFFICER. The clerk will state the bill by title.

The legislative clerk read as follows:

A bill (H.R. 5118) to provide water to the Papago Tribe of Arizona and its members, to settle Papago Indian water rights claims in portions of the Papago reservations, and for other purposes.

The Senate proceeded to consider the bill (H.R. 5118) which had been reported from the Select Committee on Indian Affairs with an amendent to strike out all after the enacting clause, and insert the following:

CONGRESSIONAL FINDINGS

Section 1. The Congress finds that—

(1) water rights claims of the Papago Tribe with respect to the San Xavier Reservation and the Schuk Toak District of the Sells Papago Reservation are the subject of existing and prospective lawsuits against numerous parties in southern Arizona, including major mining companies, agricultural interests, and the city of Tucson;

(2) these lawsuits not only will prove expensive and time consuming for all participants, but also could have a profound adverse impact upon the health and development of the Indian and non-Indian economies of southern Arizona;

(3) the parties to the lawsuits and others interested in the settlement of the water rights claims of the Papago Indians within the Tucson Active Management Area and that part of the Upper Santa Cruz Basin not within that area have diligently attempted to settle these claims and the Federal Government, by providing the assistance specified in this Act, will make possible the execution and implementation of a permanent settlement agreement;

(4) it is in the long-term interest of the United States, the State of Arizona, its political subdivisions, the Papago Indian Tribe, and the non-Indian community of southern Arizona that the United States Government assist in the implementation of a fair and equitable settlement of the water rights claims of the Papago Indians respecting certain portions of the Papago Reservation; and

(5) the settlement contained in this Act will—

(A) provide the necessary flexibility in the management of water resources and will encourage allocation of those resources to their highest and best uses; and

(B) insure conservation and management of water resources in a manner consistent with the goals and programs of the State of Arizona and the Papago Tribe.

DEFINITIONS

Sec. 2. For purposes of this Act—

(1) The term "acre-foot" means the amount of water necessary to cover one acre of land to a depth of one foot.

(2) The term "Central Arizona Project" means the project authorized under title III of the Colorado River Basin Project Act (82 Stat. 887; 43 U.S.C. 1521, et seq.).

(3) The term "Papago Tribe" means the Papago Tribe of Arizona organized under section 16 of the Act of June 18, 1934 (48 Stat. 987; 25 U.S.C. 476).

(4) The term "Secretary" means the Secretary of the Interior.

(5) The term "subjugate" means to prepare land for the growing of crops through irrigation.

(6) The term "Tucson Active Management Area" means the area of land corresponding to the area initially designated as the Tucson Active Management Area pursuant to the Arizona Groundwater Management Act of 1980, laws 1980, fourth special session, chapter 1.

(7) The term "December 12, 1980, agreement" means the Central Arizona Project water delivery contract between the United States and the Papago Tribe.

(8) The term "replacement costs" means the costs of acquiring and delivering water from sources within the Tucson Active Management Area and that part of the Upper Santa Cruz Basin not within that area.

(9) The term "value" means the value attributed to the water based on the Tribe's anticipated or actual use of the water, including its fair market value.

WATER DELIVERIES TO TRIBE FROM CAP; MANAGEMENT PLAN; REPORT ON WATER AVAILABILITY; CONTRACT WITH TRIBE

SEC. 3. (a) As soon as is possible but not later than ten years after the enactment of this Act, if the Papago Tribe has agreed to the conditions set forth in section 6, the Secretary, acting through the Bureau of Reclamation, shall—

(1) in the case of the San Xavier Reservation—

(A) deliver annually from the main project works of the Central Arizona Project twenty-seven thousand acre-feet of water suitable for agricultural use to the reservation in accordance with the provisions of section 4(a); and

(B) improve and extend the existing irrigation system on the San Xavier Reservation and design and construct within the reservation such additional canals, laterals, farm ditches, and irrigation works as are necessary for the efficient distribution for agricultural purposes of the water referred to in subparagraph (A); and

(2) in the case of the Schuk Toak District of the Sells Papago Reservation—

(A) deliver annually from the main project works of the Central Arizona Project ten thousand eight hundred acre-feet of water suitable for agricultural use to the reservation in accordance with the provisions of section 4(a); and

(B) design and construct an irrigation system in the Eastern Schuk Toak District of the Sells Papago Reservation, including such canals, laterals, farm ditches, and irrigation works, as are necessary for the efficient distribution for agricultural purposes of the water referred to in subparagraph (A); and

(3) establish a water management plan for the San Xavier Reservation and the Schuk Toak District of the Sells Papago Reservation which, except as is necessary to be consistent with the provisions of this Act, will have the same effect as any management plan developed under Arizona law.

(b)(1) In order to encourage the Papago Tribe to develop sources of water on the Sells Papago Reservation, the Secretary shall, if so requested by the tribe, carry out a study to determine the availability and suitability of water resources within the Sells Papago Reservation but outside the Tucson Active Management Area and that part of the Upper Santa Cruz Basin not within that area.

(2) The Secretary shall, in cooperation with the Secretary of Energy, or, with the appropriate agency or officials, carry out a study to determine—

(A) the availability of energy and the energy requirements which result from the enactment of the provisions of this Act, and

(B) the feasibility of constructing a solar power plant or other alternative energy producing facility to meet such requirements.

(c) The Papago Tribe shall have the right to withdraw ground water from beneath the San Xavier Reservation and the Schuk Toak District of the Sells Papago Reservation subject to the limitations of section 6(a).

(d) Nothing contained in this Act shall diminish or abrogate any obligations of the Secretary to the Papago Tribe under the December 12, 1980, agreement.

(e) Nothing contained in sections 3(c) and 6(c) shall be construed to establish whether or not the Federal reserved rights doctrine applies, or does not apply, to groundwater.

DELIVERIES UNDER EXISTING CONTRACT; ALTERNATIVE WATER SUPPLIES; OPERATION AND MAINTENANCE

SEC. 4. (a) The water delivered from the main project works of the Central Arizona Project to the San Xavier Reservation and to the Schuk Toak District of the Sells Papago Reservation as provided in section 3(a), shall be delivered in such amount, and according to such terms and conditions, as are set forth in the December 12, 1980, agreement, except as otherwise provided under this section.

(b) Where the Secretary, pursuant to the terms and conditions of the agreement referred to in subsection (a), is unable, during any year, to deliver from the main project works of the Central Arizona Project any portion of the full amount of water specified in section 3(a)(1)(A) and section 3(a)(2)(A), the Secretary shall acquire and deliver an equivalent quantity of water from the following sources or any combination thereof:

(1) agricultural water from the Central Arizona Project which has been contracted for but has been released or will be unused by the contractor during the period in which the Secretary will acquire the water;

(2) any water available for delivery through the Central Arizona Project which exists by reason of the augmentation of the water supply available for use and distribution through the Central Arizona Project by subsequent Acts of Congress; and

(3) water from any of the following sources or any combination thereof within the Tucson Active Management Area and that part of the Upper Santa Cruz Basin not within that area in the State of Arizona:

(A) private lands or interests therein having rights in surface or ground water recognized under State law; or

(B) reclaimed water to which the seller has a specific right.

Deliveries of water from lands or interests referred to in subparagraph (A) shall be made only to the extent such water may be transported within the Tucson Active Management Area pursuant to State law.

(c) If the Secretary is unable to acquire and deliver quantities of water adequate to fulfill his obligations under this section or paragraphs (1)(A) and (2)(A) of section 3(a), he shall pay damages in an amount equal to—

(1) the actual replacement costs of such quantities of water as are not acquired and delivered, where a delivery system has not been completed within ten years after the date of enactment of this Act, or

(2) the value of such quantities of water as are not acquired and delivered, where the delivery system is completed.

(d) No land, water, water rights, contract rights, or reclaimed water may be acquired under subsection (b) without the consent of the owner thereof. No private lands may be acquired under subsection (b)(3)(A) unless the lands have a recent history of receiving or being capable of actually receiving all or substantially all of the water right the use of which is recognized by State law. In acquiring any private lands under subsection (b)(3)(A), the Secretary shall give preference to the acquisition of lands upon which water has actually been put to beneficial use in any one of the five years preceding the date of acquisition. Nothing in this section shall authorize the Secretary to acquire or disturb the water rights of any Indian tribe, band, group, or community.

(e) To meet the obligation referred to in paragraphs (1)(A) and (2)(A) of section 3(a), the Secretary shall, acting through the Bureau of Reclamation, as part of the main project works of the Central Arizona Project—

(1) design, construct and, without cost to the Papago Tribe, operate, maintain, and replace such facilities as are appropriate including any aqueduct and appurtenant pumping facilities, treatment plants, powerplants, and electric power transmission facilities which may be necessary for such purposes; and

(2) deliver the water to the southern boundary of the San Xavier Reservation, and to the boundary of the Schuk Toak District of the Sells Papago Reservation, at points agreed to by the Secretary and the tribe which are suitable for delivery to the reservation distribution systems.

(f) To facilitate the delivery of water to the San Xavier and the Schuk Toak District of the Sells Papago Reservation under this Act, the Secretary is authorized—

(1) to enter into contracts or agreements for the exchange of water, or for the use of aqueducts, canals, conduits, and other facilities for water delivery, including pumping plants, with the State of Arizona or any of its subdivisions, with any irrigation district or project, or with any authority, corporation, partnership, individual, or other legal entity; and

(2) to use facilities constructed in whole or in part with Federal funds.

RECLAIMED WATER; ALTERNATIVE WATER SUPPLIES

SEC. 5. (a) As soon as possible, but not later than ten years after the date of enactment of this Act, the Secretary shall purchase reclaimed water in accordance with the agreement described in section 7(a)(1) and deliver annually twenty-three thousand acre-feet of water suitable for agricultural use to the San Xavier Reservation and deliver annually five thousand two hundred acre-feet of water suitable for agricultural use to the Schuk Toak District of the Sells Papago Reservation.

(b)(1) The obligation of the Secretary referred to in subsection (a) to deliver water suitable for agricultural use may be fulfilled by any additional treatment, including land filtration, of the reclaimed water acquired by the Secretary as provided herein, by any other means which renders such reclaimed water suitable for agricultural use, or by voluntary exchange of that reclaimed water for any other water suitable for agricultural use. To make available and deliver such water, the Secretary acting through the Bureau of Reclamation shall design, construct, operate, maintain, and replace such facilities as are appropriate.

(2) The Secretary shall not construct a separate delivery system to deliver reclaimed water referred to in subsection (a) to the San Xavier Reservation and the Schuk Toak District of the Sells Papago Reservation.

(c) The Secretary may, as an alternative to, and in satisfaction of the obligation to deliver the quantities of water to be delivered under subsection (9a), acquire and deliver pursuant to agreements authorized in section 7(b), an equivalent quantity of water from the following sources or any combination thereof—

(1) agricultural water from the Central Arizona Project which has been contracted for but has been released or will be unused by the contractor during the period in which the Secretary will acquire the water;

(2) any water available for delivery through the Central Arizona Project which exists by reason of the augmentation of the water supply available for use and distribution through the Central Arizona Project by subsequent Acts of Congress; and

(3) water from any of the following sources or any combination thereof within the Tucson Active Management Area in the State of Arizona and that part of the Upper Santa Cruz Basin not within that area—

(A) private lands or interests therein having rights in surface or ground water recognized under State law; or

(B) reclaimed water to which the seller has a specific right.

Deliveries of water from lands referred to in subparagraph (A) shall be made only to the extent such water may be transported within the Tucson Active Management Area pursuant to State law.

(d) If the Secretary is unable to acquire and deliver quantities of water adequate to fulfill his obligations under this section, he shall pay damages in an amount equal to—

(1) the actual replacement costs of such quantities of water as are not acquired and delivered, where a delivery system has not been completed within ten years after the date of enactment of this Act, or

(2) the value of such quantities of water as are not acquired and delivered, where a delivery system is completed.

(e) No land, water, water rights, contract rights, or reclaimed water may be acquired under subsection (c) without the consent of the owner thereof. No private lands may be acquired under subsection (c)(3)(A) unless the lands have a recent history of receiving or being capable of actually receiving all or substantially all of the water the right to the use of which is recognized by State law. In acquiring said private lands, the Secretary shall give preference to the acquisition of lands upon which water has actually been put to beneficial use in any one of the five years preceding the date of acquisition. Nothing in this section shall authorize the Secretary to acquire or disturb the water rights of any Indian tribe, band, group, or community.

LIMITATION ON PUMPING FACILITIES FOR WATER DELIVERIES; DISPOSITION OF WATER

SEC. 6. (a) The Secretary shall be required to carry out his obligation under subsections (b), (c), and (e) of section 4 and under section 5 only if the Papago Tribe agrees to—

(1) limit pumping of ground water from beneath the San Xavier Reservation to not more than ten thousand acre-feet per year;

(2) limit the quantity of ground water pumped from beneath the eastern Schuk Toak District of the Sells Papago Reservation which lies within the Tucson Active Management Area to those quantities being withdrawn on January 1, 1981; and

(3) comply with the management plan established by the Secretary under section 3(a)(3).

Noting contained in paragraph (1) shall restrict the tribe from drilling wells and withdrawing ground water therefrom on the San Xavier Reservation if such wells have a capacity of less than thirty-five gallons per minute and are used only for domestic and livestock purposes. Nothing contained in paragraph (2) shall restrict the tribe from drilling wells and withdrawing ground water therefrom in the eastern Schuk Toak District of the Sells Papago Reservation which lies within the Tucson Active Management Area if such wells have a capacity of less than thirty-five gallons per minute and which are used only for domestic and livestock purposes.

(b) The Secretary shall be required to carry out his obligations with respect to distribution systems under paragraphs (1)(B) and (2)(B) of section 3(a) only if the Papago Tribe agrees to—

(1) subjugate the land for which those distribution systems are to be planned, designed, and constructed by the Secretary; and

(2) assume responsibility, through the tribe or its members or an entity designated by the tribe, as appropriate, following completion of those distribution systems and upon delivery of water under this Act, for the operation, maintenance, and replacement of these systems in accordance with the first section of the Act of August 1, 1914 (38 Stat. 583; 25 U.S.C. 385).

(c)(1) The Papago Tribe shall have the right to devote all water supplies under this Act, whether delivered by the Secretary or pumped by the tribe, to any use, including but not limited to agricultural, municipal, industrial, commercial, mining, or recreational use whether within or outside the Papago Reservation so long as such use is within the Tucson Active Management Area and that part of the Upper Santa Cruz Basin not within such area.

(2) The Papago Tribe may sell, exchange, or temporarily dispose of water, but the tribe may not permanently alienate any water right. In the event the tribe sells, exchanges, or temporarily disposes of water, such sale, exchange, or temporary disposition shall be pursuant to a contract which has been accepted and ratified by a resolution of the Papago Tribal Council and approved and executed by the Secretary as agent and trustee for the tribe. Such contract shall specifically provide that an action may be maintained by the contracting party against the United States and the Secretary for the breach thereof. The proceeds from any sale, exchange, or disposition of water by the Papago Tribe shall be used for social or economic programs which benefit the Papago Tribe.

(d) Nothing in section 6(c) shall be construed to establish whether or not reserved water may be put to use, or sold for use, off of any reservation to which reserved water rights attach.

OBLIGATION OF THE SECRETARY; CONTRACT FOR RECLAIMED WATER; DISMISSAL AND WAIVER OF CLAIMS OF PAPAGO TRIBE AND ALLOTTEES

SEC. 7. (a) The Secretary shall be required to carry out his obligations under subsections (b), (c), and (e) of section 4 and under section 5 only if—

(1) within one year of the date of enactment of this Act—

(A) the city of Tucson, the Secretary, and the Papago Tribe agree, after the enactment of this Act, that the city will make available at no profit to the city such quantity of reclaimed water as is adequate to deliver annually, as contempleted in section 5(a), twenty-eight thousand two hundred acre-feet of water;

(B) the Papago Tribe agrees to file with the United States District Court for the District of Arizona a stipulation for voluntary dismissal with prejudice, in which the Attorney General is authorized and directed to join on behalf of the United States, and the allottee class representatives' petition for dismissal of the class action with prejudice in the United States, the Papago Indian Tribe, and others against the city of Tucson, and others, civil numbered 75-39 TUC (JAW); and

(C) the Papago Tribe executes a waiver and release in a manner satisfactory to the Secretary of—

(i) any and all claims of water rights or injuries to water rights (including water rights in both ground water and surface water) within the Tucson Active Management Area and that part of the Upper Santa Cruz Basin not within said area, from time immemorial to the date of the execution by the tribe of such waiver, which the Papago Tribe has against the United States, the State of Arizona and any agency or political subdivision thereof, or any other person, corporation, or municipal corporation, arising under the laws of the United States or the State of Arizona; and

(ii) any and all future claims of water rights (including water rights in both ground water and surface water) within the Tucson Active Management Area and that part of the Upper Santa Cruz Basin not within said area, from and after the date of execution of such waiver, which the Papago Tribe has against the United States, the State of Arizona and any agency or political subdivision thereof, or any other person, corporation, or municipal corporation, under the laws of the United States or the State of Arizona; and

(2) the suit referred to in paragraph (1)(B) is finally dismissed.

(b) After the conditions referred to in subsection (a) have been met the Secretary shall be authorized and required, if necessary or desirable, to enter into agreements with other individuals or entities to acquire and deliver water from such sources set forth in section 5(c) if through such contracts as exercised in conjunction with the contract required in subsection (a)(1)(A) it is possible to deliver the quantities of water required in section 5(a).

(c) Nothing in this section shall be construed as a waiver or release by the Papago Tribe of any claim where such claim arises under this Act.

(d) The waiver and release referred to in this section shall not take effect until such time as the trust fund referred to in section 9 is in existence and the full amount authorized to be appropriated to the trust fund under section 9 has been appropriated by the Congress.

(e) The settlement provided in this Act shall be deemed to fully satisfy any and all claims of water rights or injuries to water rights (including water rights in both ground water and surface water) of all individual members of the Papago Tribe that have a legal interest in lands of the San Xavier Reservation and the Schuk Toak District of the Sells Reservation located within the Tucson Active Management Area and that part of the Upper Santa Cruz Basin not within said area, as of the date the waiver and release referred to in this section take effect. Any entitlement to water of any individual member of the Papago Tribe shall be satisfied out of the water resources provided in this Act.

STUDY OF LANDS WITHIN THE GILA BEND RESERVATION; EXCHANGE OF LANDS AND ADDITION OF LANDS TO THE RESERVATION; AUTHORIZED APPROPRIATIONS

SEC. 8. (a) The Secretary is hereby authorized and directed to carry out such studies and analysis as he deems necessary to determine which lands, if any, within the Gila Bend Reservation have been rendered unsuitable for agriculture by reason of the operation of the Painted Rock Dam. Such study and analysis shall be completed within one year after the date of the enactment of this Act.

(b) If, on the basis of the study and analysis conducted under subsection (a), the Secretary determines that lands have been rendered unsuitable for agriculture for the reasons set forth in subsection (a), and if the Papago Tribe consents, the Secretary is authorized to exchange such lands for an equivalent acreage of land under his jurisdiction which are within the Federal public domain and which, but for their suitability for agriculture, are of like quality.

(c) The lands exchanged under this section shall be held in trust for the Papago Tribe and shall be part of the Gila Bend Reservation for all purposes. Such lands shall be deemed to have been reserved as of the date of the reservation of the lands for which they are exchanged.

(d) Land exchanged under this section which, prior to the exchange, were part of the Gila Bend Reservation, shall be managed by the Secretary of the Interior through the Bureau of Land Management.

(e) The Secretary may require the Papago Tribe to reimburse the United States for moneys paid, if any, by the Federal Government for flood easements on lands which the Secretary replaces by exchange under subsection (b).

ESTABLISHMENT OF TRUST FUND; EXPENDITURES FROM FUND

SEC. 9. There is hereby authorized to be established in the Treasury of the United States a trust fund for the benefit of the Papago Tribe in the amount of $15,000,000 to be invested by the Secretary in interest bearing deposits and securities including deposits and securities of the United States. The income accruing on such deposits and securities may only be used, pursuant to appropriations legislation, for the subjugation of land, development of water resources, and the construction, operation, maintenance, and replacement of related facilities (including pumping and power transmission facilities) on the Papago Reservation which are not the obligation of the United States under this or any other Act of Congress.

APPLICATION OF INDIAN SELF-DETERMINATION AND EDUCATION ASSISTANCE ACT

SEC. 10. The functions of the Bureau of Reclamation under this Act shall be subject to the provisions of the Indian Self-Determination and Education Assistance Act (88 Stat. 2203; 25 U.S.C. 450) to the same extent as if performed by the Bureau of Indian Affairs.

EXTENSION OF STATUTE OF LIMITATIONS

SEC. 11. Notwithstanding section 2415 of title 28, United States Code, any action relating to water rights of the Papago Indian Tribe or any member of such tribe brought by the United States for, or on behalf of, such tribe or member of such tribe, or by such tribe on its own behalf, shall not be barred if the complaint is filed prior to January 1, 1985.

ARID LAND RENEWABLE RESOURCE ASSISTANCE

SEC. 12. If a Federal entity is established to provide financial assistance to undertake arid land renewable resources projects and to encourage and assure investment in the development of domestic sources of arid land renewable resources, such entity shall give first priority to the needs of the Papago Tribe in providing such assistance. Such entity shall make available to the Papago Tribe—

(1) price guarantees, loan guarantees, or purchase agreements,

(2) loans, and

(3) joint venture projects,

at a level to adequately cultivate a minimum number of acres as determined by such entity to be necessary to the economically successful cultivation of arid land crops and a level to contribute significantly to the economy of the Papago Tribe.

AUTHORIZATION OF APPROPRIATIONS

SEC. 13. There are authorized to be appropriated for fiscal year 1983, and each fiscal year thereafter, such sums as may be necessary to carry out the purposes of this Act.

COMPLIANCE WITH BUDGET ACT

SEC. 14. No authority under this Act to enter into contracts or to make payments shall be effective except to the extent and in such amounts as provided in advance in appropriations Acts. Any provision of this Act which, directly or indirectly, authorizes the enactment of new budget authority shall be effective only for fiscal years beginning after September 30, 1982.

SHORT TITLE

SEC. 15. This Act may be cited as the "Southern Arizona Water Rights Settlement Act of 1982".

PAPAGO WATER RIGHTS BILL

Mr. GOLDWATER. Mr. President, the bill presently before us, H.R. 5118, seeks to legislatively settle the Papago Indian water rights claims in portions of the Papago Reservations in southern Arizona. It is very important to point out that this is a voluntary settlement on the part of all interested parties, which include the Papago Indian Tribe, the city of Tucson, Pima County, agricultural interests, mining companies, and individual landowners. This is a settlement, indigenous to southern Arizona and has nothing to do with other pending Indian water rights claims in other States or elsewhere in Arizona. In fact, in order to make this point perfectly clear, the bill contains in section 3(e) and section 6(d) language which disclaims any and all applicability to the Winters doctrine. Specifically, nothing in this legislation shall be construed to expand or diminish the Federal reserved water rights doctrine. Nothing is intended to determine whether or not the reserved rights doctrine applies or does not apply to groundwater or whether or not the Federal reserved water may be put to use off the reservation to which the water rights attach.

It has taken 5 long years of delicate and sensitive negotiations among all the interested parties to arrive at this point and, if passed, this bill provides for the Papago Tribe to drop a 7-year pending lawsuit against the non-Indian water users. So, you can see, Mr. President, that a lot of time and effort has been expended in seeking a satisfactory out-of-court settlement.

Assistant Attorney General for Legislative Affairs, Bob McConnell, in his letter of April 8 to OMB Director Dave Stockman concerning the proposed Ancient Indian Land Claims Settlement Act, applauded the Papago negotiations because they included the Indians and all affected parties in the development of a legislative solution. Mr. McConnell suggested the Papago settlement is the preferred approach to resolving these difficult claims.

Basically, what this bill does is guarantee the acquisition and delivery of a firm annual water supply to the San Xavier Papago Reservation and to the Schuk Toak district of the Sells Papago Reservation from specified sources; these sources include the Central Arizona Project, limited groundwater pumping, and reclaimed water obtained from the city of Tucson. In return for this water, the Papago Tribe will waive all claims for additional water in the Upper Santa Cruz and Avra/Altar water basins and all claims for injuries to water rights in these basins. The Papago Tribe must limit its groundwater pumping and the tribe must agree to dismissal of pending claims.

Mr. President, I must admit that the Interior Department has been a bit critical of this bill, basically because it feels that the local parties identified in the lawsuits should be the ones financially responsible for the settlement and not the Federal Government. Frankly, I believe the Federal Government, as trustee for the Indian tribes, should be a financial partner in the settlement of such claims, together with local parties who are contributing toward the proposed settlement. Also, this measure saves the Federal Government money. If it allowed the lawsuit to travel its course, the Federal Government could wind-up with potential liability far exceeding the payments called for in this bill. It is very important to remember that the Papago Tribe is dismissing pending claims against not only the non-Indian water users, but also against the United States.

The city of Tucson is contributing by giving annually 28,200 acre-feet of reclaimed water to the Secretary of the Interior, wherein it would have otherwise had the opportunity of selling the water at a profit to non-Indian water users. Because of this, the non-Indian water users will forgo the opportunity of acquiring the reclaimed

water at lower costs than their current costs for pumped water. As for the mining companies, which were encouraged by the Federal Government to locate in the Tucson Valley and the surrounding area, they have instituted various water conservation methods. These include water recirculation, water recovery from tailings areas, use of settling methods prior to disposal of mine waste, reduction of water levels in flotation cells, and utilization of natural seepage. In addition, companies like DuVal have bought and retired thousands and thousands of acres of farmland to reduce consumption and overall demands on the water basins concerned.

All of this boils down to the fact that all of the water being provided to the Papago Tribe is being done so at the expense of local non-Indian water users. The Federal Government is charged with establishing a $15 million trust fund, of which the Papagos can use only the income for subjugation of land, development of water resources, and the construction, operation, maintenance, and replacement of related facilities on the Papago Reservation. Because only the interest will be used, this $15 million will not result in a budget outlay.

In addition, the Federal Government is required to contribute to the settlement by assuming the cost of delivering the water contributed by the non-Indians to the Papago Tribe. There are various options open to do this. In order to cut down on the costs of a single direct delivery system for the reclaimed water to which the Interior Department objected, H.R. 5118 prohibits the construction of such an expensive delivery system and offers cheaper alternatives. The most recent information on such alternatives calls for a maximum estimate of $42 million.

Mr. President, I cannot stress enough to my colleagues the importance of this legislation. The Papago Reservation encompasses some of the most arid land in the Southwest, and the importance of water to the Indians, to southern Arizona cannot be minimized. We need to resolve our water issues and we need to get on with the business of conserving our water. We cannot do this with outstanding lawsuits hanging over our heads. I might point out that the two water basins involved supply water used by copper mines which produced, in 1980, 24.8 percent of the total production of the United States. The situation facing our copper industry is no secret and the industry cannot afford any further delay in the resolution of the water claims.

I think it is amazing, Mr. President, that we have gotten the farmers, the mining industry, the city of Tucson, the State of Arizona, and the Papago Tribe to agree on the provisions of the settlement. On March 4, the House of Representatives overwhelmingly passed a measure similar to the one we are considering today. I hope that my Senate colleagues will agree with me on the merits of the bill and support it.

Mr. President, I yield to my colleague.

Mr. DeCONCINI. Mr. President, I had the honor of introducing this legislation along with my distinguished colleague, the senior Senator from Arizona (Mr. GOLDWATER), on February 11 of this year. It was referred to the Senate Select Committee on Indian Affairs as S. 2114.

First, Mr. President, I thank the senior Senator from Arizona, my distinguished colleague, for his background in this area, that has helped so much to get this legislation presented in the proper light before the Indian Affairs Committee, with the historic background and in the necessity to demonstrate that we are not rewriting the entire Federal water code, about which there has always been some misunderstanding. This would not have happened if it had not been for Senator GOLDWATER.

The bill, as introduced, Mr. President, represented the historic and truly dramatic efforts of a small but dedicated corps of Arizonans who had the imagination, as well as the insight, to believe a problem as complex and explosive as the settlement of Indian water rights could be accomplished with a maximum of patient negotiations, and a minimum of confrontation.

That process of cooperation through mutual respect continued throughout the committee proceedings on the proposal, and has resulted in its consideration by the Senate here today. However, I must say, Mr. President, that the leadership of the distinguished chairman of the Select Committee, Senator COHEN, the experience and knowledge of my respected colleague, and the skill and ability of our excellent staff members have played a considerable role in the expeditious handling of this legislation.

Mr. President, for any community of Americans wishing to descend into the peaceful valley of negotiated water rights settlement, there are two seemingly impossible obstacles which must first be conquered. The first is the availability of water, and the second is cost. Rather than trying to avoid the obstacles, to go under them, or over them, we simply dismantled them.

In this bill, Mr. President, we deal only with the water which will be available in the areas immediately adjacent to the specified areas of the Papago Indian Reservation. The available water will come from within Pima County, Ariz. We did not reach out across the Southwest appropriating the water of others. It is truly a local settlement.

When I first became involved in the formulation of this legislation, the quantities of water being discussed were second only to the fantastic and frightening cost estimates. Skeptics spoke of hundreds of millions of dollars. The costs alone, it was said, would be enough to defeat the bill and throw everyone back into the courtroom for many years of adjudication.

Mr. President, to those skeptics, should any remain, let me hand a copy of the cost estimate just completed by the Congressional Budget Office. It estimates a grant total of $2 million in outlays over the next 5 years, $1 million in fiscal year 1984 and $1 million in fiscal year 1987. That is it. The estimated $1 million in fiscal year 1984 would cover the costs of several specified studies. The bill directs the Secretary to:

> Carry out a study to determine the availability of energy and the energy requirements that would result from the enactment of the bill;
>
> Study the feasibility of constructing a solar powerplant or other alternative energy producing facility to meet those requirements;
>
> Establish a water management plan for the two reservations covered by the bill;
>
> Carry out a study to determine the availability and suitability of water resources within the Sells Papago Reservation but outside the Tucson Active Management Area and that part of the Upper Santa Cruz Basin not within that area, subject to a request by the tribe; and
>
> Carry out a study to determine which lands, if any, within the Gila Bend Reservation have been rendered unsuitable for agriculture.

Mr. President, rather than attempt to detail the provisions of the bill, I invite my colleagues to study the committee report and the materials and testimony presented at the committee hearing.

It is certainly testimony to efforts of all those involved that this proposal, as reported, has the support of the Papago Tribal Council, the mayor and council of the city of Tucson, the Pima County Board of Supervisors, and the various major private water users. It is also testimony to the courage and foresight of the chairman of the Papago Tribe, Mr. Max Norris. He has been strong in his determination to represent the best interests of his people, and hard working in reaching that goal. I think—I know—he has achieved it.

I also wish to single out Representative MORRIS UDALL, who has been, undoubtedly, the catalyst of this lengthy and arduous effort. Once again, his experience, skill, and boundless optimism have served well the people of Arizona.

Mr. President, this legislation will not set a precedent of any kind. It does not affect in any way the many remaining water rights claims in Arizona or elsewhere. It could, however, be a model for those faced with lengthy, expensive, and destructive court battles.

I once again commend the distinguished chairman of the committee for his expeditious handling of the bill and urge my colleagues to support this important and timely legislation.

I must add that, without Senator Goldwater chairing the hearings and being sure this came up and was handled in such a proper way, we would not be here on this day. I am most grateful to my distinguished colleague.

I thank the Chair.

Mr. GOLDWATER. I thank my colleague very much.

Mr. WALLOP. Mr. President, I can appreciate my distinguished colleague's concern for wanting H.R. 5118 passed. However, considering the pending Indian water claims in my own State, as well as those in numerous other Western States, I want to make sure that this legislation before us in no way by precedent or otherwise affects other pending water or land claims, whether in Wyoming or anywhere else. We in Wyoming and other Western States may choose to go a different route in settling our own reserved water problems. Therefore, let me ask, just to make this perfectly clear: Am I correct that this bill in no way sets a precedent to extend or contract Federal reserved water rights or other tribal reserved water rights either outside of Arizona or elsewhere within that State?

Mr. GOLDWATER. I understand the Senator's concern and I appreciate it, Mr. President. This is a negotiated, out of court settlement, plain and clear, and does not affect any other State. As I have pointed out in my statement, and as the committee report clearly notes, we added an amendment in committee which specifically precludes the extension reserved water right doctrine, whether Federal or Indian.

Mr. WALLOP. May I ask Senator DeConcini if this is his understanding as well?

Mr. DeCONCINI. That is correct, Mr. President. The legislation is quite clear as to limiting the settlement to specific areas of even the Papago Reservation.

Mr. LAXALT. Mr. President, I wish to express my full support for H.R. 5118 and I can appreciate what my colleague (Mr. Goldwater) says about long years of delicate and sensitive negotiations. In northern Nevada, we have a similar problem with regard to water rights. Ours involved the Pyramid Lake Paiute Indian Tribe, the Truckee-Carson Irrigation District (TCID), and the Bureau of Reclamation. We, too, have lawsuits hanging over our heads and we are very anxious to bring about some sort of a satisfactory and acceptable settlement.

At the heart of this dispute is the amount of water that will be made available to Pyramid Lake. It has been determined that an average annual inflow of 385,000 acre feet per year from the Truckee River is needed to maintain the Pyramid Lake at its current level, plus or minus 10 feet, and meet Endangered Species Act obligations.

The Truckee-Carson Irrigation District (TCID) operates the Federal newlands reclamation project. Basically cattle oriented, the 73,000 acre tract is owned and farmed by 2,000 individuals.

In the early 1960's, the Pyramid Lake Paiute Tribe became interested in greatly increasing the flows of Truckee River water to Pyramid Lake, which is on reservation land, for fishery purposes. Any increased flows to Pyramid Lake would necessitate taking away water that was presently being used by someone else. Since the Truckee-Carson Irrigation District was the largest upstream user, efforts to obtain more Truckee River water for the lake have been aimed at the newlands project.

For over a year, the Bureau of Reclamation has been attempting to negotiate a settlement between the tribe, the TCID, and the Bureau. The Bureau has proposed a "Rehabilitation and Betterment Program" for the newlands project, costing approximately $15.5 million which they estimate will save 45,750 acre-feet of water per year.

I am very pleased to say that the TCID has offered to relinguish to the Pyramid Lake Tribe 31,000 acre-feet per year from the 406,000 they claim plus the savings realized through the R. & B. proposal in return for all litigation being dropped. This offer is on the table and I am in great hopes that all affected parties, the Indians, the TCID, and the Bureau will begin earnest negotiations so that we may soon come before Congress with our own settlement legislation.

Mr. GOLDWATER. Mr. President, hopefully, given the importance of this issue to northern Nevada and the fact that the irrigation district has made a proposal for the settlement of this dispute, the affected parties will sit down and start some serious dialog. The Senator's involvement and leadership can be very instrumental in the negotiation process and in the development of legislation, and I, of course, am only too glad to support his efforts.

Mr. COHEN. Mr. President, I support H.R. 5118, a bill to provide water to the Papago Indian Tribe of Arizona, to settle Papago Indian water rights claims in portions of the Papago Indian Reservations, and for other purposes.

This legislation is the culmination of lengthy negotiations among affected water users drawing water from the subsurface water basins in and around Tucson, Ariz. The bill has the general support of the city of Tucson, the Papago Tribal Council, and the majority of non-Indian water users in the surrounding area.

This bill was originally introduced on the House side by Mr. Udall as H.R. 4363. Extensive hearings were held in Tucson which led to significant revisions embodied in a new bill, H.R. 5118. H.R. 5118 was introduced in the House on December 3, 1981, and companion legislation, S. 2114, was introduced in the Senate on February 11, 1982, by Senator DeConcini, for himself and Senator Goldwater. On March 4, 1982, the House of Representatives, by a vote of 311 for, 50 against, and 73 not voting, passed H.R. 5118. The bill was referred to the Senate Select Committee on Indian Affairs for consideration.

Mr. President, H.R. 5118, as reported by the committee, strikes out all after the enacting clause of the House bill and substitutes therefor the language of S. 2114 with certain amendments. In major outline, H.R. 5118 as reported by the committee would provide for delivery of water to two reservations of the Papago Indian Tribe from two difference sources of water. Under sections 3 and 4 of the bill, provision is made for delivery of 37,800 acre-feet of water from the main project works on the central Arizona project. This figure corresponds with the amounts agreed upòn by the Papago Tribe and the Secretary of the Interior in and agreement dated December 12, 1980.

Under section 5 of the bill, the tribe will also receive an additional 28,200 acre-feet of reclaimed water of a quality sufficient for agricultural uses. This water is to be provided by the city of Tucson to the Secretary of the Interior without profit to the city. The Secretary is obligated to deliver these quantities of water to the reservation boundaries of the Papago Tribe, and further provision is made for construction of distribution systems for irrigation within the reservation areas.

In exchange for these provisions, the Papago Tribe must agree to the voluntary dismissal with prejudice of the action now pending in the U.S. District Court for the District of Arizona filed by the United States on the tribe's behalf against the city of Tucson and other water users. It must also execute a waiver of further claims to water within the two water basins described in the bill. In addition, the tribe must agree to limit the amount of subsurface water pumped from the two affected reservations. On its side, the city of Tucson must agree to provide the Secretary of the Interior, without profit to the city, the reclaimed water necessary for the Secretary to meet his obligations under section 5.

Finally, a very important provision in this legislation is the requirement in section 9 that the United States establish a trust fund for the tribe in the amount of $15 million. The corpus of this trust fund is to be held intact and the income accruing on the account is to be used by the tribe for subjugation of land within the reservation to prepare it for agricultural uses, and for future maintenance and operation of the irrigation systems within the reservation following the initial construction by the United States. None of the agreements provided under this legislation are to take effect until this trust fund is established.

Mr. President, as reported by the Select Committee on Indian Affairs, H.R. 5118 differs from the House bill in certain respects, the most of important of which are as follows:

First, the House bill would authorize appropriation of funds for construction of phase B of the Tucson Aqueduct of the central Arizona project. Construction of this work is already provided for under Public Law 90-537, the general legislation authorizing construction of the central Arizona project. The Senate bill would continue the current allocation of these construction costs to Public Law 90-537.

Second, the House bill provided the Secretary of the Interior with substantial latitude in selecting the means by which to deliver the reclaimed water provided for in section 5 to the reservation boundaries. Nevertheless, some cost estimates by the administration assumed construction of a single purpose delivery system for this water thus resulting in highly inflated cost estimates. The Senate bill specifically prohibits construction of a single purpose delivery system for delivery of this reclaimed water.

Third, the House bill is silent with respect to the affect this legislation might have on water rights of Indian tribes or non-Indian water users that are not specifically addressed by this legislation. The committee received expressions of concern from both Indian and non-Indian sources regarding the precedential aspects of this legislation. The committee does not intend that this bill should have any precedential affect for any rights or areas not specifically addressed in this bill. This intention is made clear through the addition of sections 3(e) and 6(d) providing that this act shall not be construed to establish whether or not the Federal reserved water rights doctrine applies or does not apply to groundwater, nor shall it be construed to establish whether or not reserved water may be put to the uses provided for under the terms of this act.

Mr. President, I believe that H.R. 5118 as reported by the Select Committee on Indian Affairs is good legislation. It will bring an end to litigation now burdening the United States, the Papago Tribe, the city of Tucson, and the non-Indian water users; it will bring specificity to the rights of the various parties; it provides a firm water supply to the Papago Tribe which will enhance economic development and self-sufficiency on that reservation; and it provides a necessary base for future planning of water use and implementation of water management in the affected water basins. I believe it is fair to all parties involved, both Indian and non-Indian, and it has their general support. I strongly urge the Senate to support this bill as reported by the committee.

● Mr. MELCHER. Mr. President, on April 29, 1982, the Select Committee on Indian Affairs favorably reported H.R. 5118, a bill providing water to the Papago Tribe of Arizona, to settle Papago Indian water rights claims in portions of the Papago Reservation, and for other purposes.

H.R. 5118 as amended by the committee makes it clear that the situation surrounding the Papago Indian water rights claim in the Tucson, Ariz. area is unique and does not necessarily apply to other reservations in other States.

The committee report accompanying H.R. 5118 (Report 97-375) makes it abundantly clear on page 12 that this water rights settlement addresses a unique situation:

> The allocation of water resources to the Papago Tribe under this Act is uniquely suited to the geographic, social and economic characteristics of the area and is not intended to be applied to any other Indian water rights claim in other areas, within or without the State of Arizona.

A letter to the committee from the Montana Department of Natural Resources and Conservation raised the need in this legislation for limitations to this unique situation through disclaimers regarding the sale of reserve water rights and the extension of reserve water rights to ground water. The committee substitute in section 6(d) and 3(e) sets forth such disclaimers regarding the sale of reserved water rights as well as any application of Federal reserved water rights doctrine to ground water.●

Mr. STEVENS. Mr. President, I wish to join in support of Senator Goldwater in seeking passage of this legislative settlement of the Papago Indian water rights claims. I have had considerable experience in dealing with legislative solutions to settle native claims. I have discovered that this method is generally superior to rolling the dice in litigation.

The Papago's are willing to dismiss any claims against local parties and the United States in return for provision of water by the Secretary of Interior. This legislation will put an end to costly litigation expenses which the United States has incurred and would continue to incur on behalf of the Papagos.

This case has been in court for 6 years and could drag on indefinitely if this solution fails. The settlement also assists the United States in avoiding potential liability for failure to exercise its trust responsibilities in protection of water resources for the tribe.

Most importantly this legislation avoids any involvement with the Federal reserved water rights doctrine on Indian lands. It is my understanding that this bill specifically states that there is no effect on the longstanding Winters doctrine. It is the intent of this legislation to express a voluntary settlement gained through a coordinated negotiation process; not to create or diminish Federal policy on reserved water rights.

I commend Senator Goldwater for his great effort in achieving this objective, and urge my colleagues to vote favorably toward passage.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the committee amendment and the third reading of the bill.

The bill was ordered to be engrossed for a third reading and to be read the third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

So the bill (H.R. 5118) passed.

Mr. DeCONICINI. I move to reconsider the vote by which the bill was passed.

I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Without objection, it is so ordered.

The majority leader is recognized.

Mr. BAKER. Yes, if the Chair will bear with me just for a moment.

Mr. President, in a moment I shall ask the Chair to lay before the Senate a message from the House on S. 1131, the Delinquent Payments Act of 1981. I will not now make that request but, rather, advise Senators who may have an interest in this measure that I will do so shortly. In the meantime, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAKER. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mrs. KASSEBAUM). Without objection, it is so ordered.

PROMPT PAYMENTS ACT

Mr. BAKER. Madam President, I believe the request I am about to make has been cleared by the minority. I will state it for the consideration of the minority leader.

I ask unanimous consent that the Chair lay before the Senate a message from the House of Representatives on S. 1131.

There being no objection, the Presiding Officer laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 1131) entitled "An Act to require the Federal Government to pay interest on overdue payments and to take early payment discounts only when payment is timely made, and for other purposes", do pass with the following amendments:

Strike out all after the enacting clause, and insert:

SHORT TITLE

SECTION 1. This Act may be cited as the "Prompt Payment Act".

INTEREST PENALTIES ON LATE PAYMENTS

SEC. 2. (a)(1) In accordance with regulations prescribed by the Director of the Office of Management and Budget, each Federal agency which acquires property or services from a business concern but which does not make payment for each such complete delivered item of property or service by the required payment date shall pay an interest penalty to such business concern in accordance with this section on the amount of the payment which is due.

(2) Such regulations—

(A) shall specify that the required payment date shall be—

(i) the date on which payment is due under the terms of the contract for the provision of such property or service; or

(ii) thirty days after receipt of a proper invoice for the amount of the payment due, if a specific date on which payment is due is not established by contract;

(B)(i) in the case of any acquisition of meat or of a meat food product, as defined in section 2(a)(3) of the Packers and Stockyards Act, 1921 (7 U.S.C. 182(3)), shall specify a required payment date which is not later than seven days after the date of delivery of such meat or meat food product; and

(ii) in the case of any acquisition of a perishable agricultural commodity, as defined in section 1(4) of the Perishable Agricultural Commodities Act, 1930 (7 U.S.C. 499a(4)), shall specify a required payment date consistent with requirements imposed pursuant to such Act;

(C) shall specify separate required payment dates for contracts under which property or services are provided in a series of partial executions or deliveries, to the extent that such contract provides for separate payment for such partial execution or delivery; and

(D) shall require that, within fifteen days after the date on which any invoice is received, Federal agencies notify the business concern of any defect or impropriety in such invoice which would prevent the running of the time period specified in subparagraph (A)(ii).

(b)(1) Interest penalties on amounts due to a business concern under this Act shall be paid to the business concern for the period beginning on the day after the required payment date and ending on the date on which payment of the amount due is made, except that no interest penalty shall be paid if payment for the complete delivered item of property or service concerned is made on or before (A) the third day after the required payment date, in the case of meat or a meat food product described in subsection (a)(2)(B)(i); (B) the fifth day after the required payment date, in the case of an agricultural commodity described in subsection (a)(2)(B)(ii); or (C) the fifteenth day after the required payment date, in the case of any other item. Interest shall be computed at the rate determined by the Secretary of the Treasury for interest payments under section 12 of the Contract Disputes Act of 1978 (41 U.S.C. 611). The Secretary of the Treasury shall publish each such rate in the Federal Register.

(2) Any amount of an interest penalty which remains unpaid at the end of any thirty-day period shall be added to the principle amount of the debt and thereafter interest penalties shall accrue on such added amount.

(c) This section does not authorize the appropriation of additional funds for the payment of interest penalties required by this section. A Federal agency shall pay any interest penalties required by this section out of funds made available for the administration or operation of the program for which the penalty was incurred.

(d)(1) Any recipient of a grant from a Federal agency may provide in a contract for acquisition of property or services from a business concern for the payment of interest penalties on amounts overdue under such contract, except that—

(A) in no case shall an obligation to pay such interest penalties be construed to be an obligation of the United States, and

(B) any payment of such interest penalties shall not be made from funds provided to the grant recipient by a Federal agency, nor shall any non-Federal funds expended for such interest penalties be counted toward any matching requirement applicable to that grant.

(2) Such interest penalty payments shall be made under such terms and conditions as agreed to by the grant recipient and the business concern, consistent with grant recipient's usual business practices and applicable State and local law.

LIMITATION ON DISCOUNT PAYMENTS

SEC. 3. (a) If a business concern offers a Federal agency a discount from the amount otherwise due under a contract for property or services in exchange for payment within a specified period of time, the Federal agency may make payment in an amount equal to the discounted price only if payment is made within such specified period of time.

(b) Each agency which violates subsection (a) shall pay an interest penalty on any amount which remains unpaid in violation of such subsection. Such interest penalty shall accrue on such unpaid amount in accordance with the regulations prescribed pursuant to section 2, except that the required payment date with respect to such unpaid amount shall be the last day of the specified period of time described in subsection (a).

CLAIMS; RELATION TO OTHER LAW

SEC. 4. (a)(1) Claims for interest penalties which a Federal agency has failed to pay in accordance with the requirements of section 2 or 3 of this Act may be filed under section 6 of the Contract Disputes Act of 1978 (41 U.S.C. 605).

(2) Interest penalties under this Act shall not continue to accrue (A) after the filing of a claim for such penalties under the Contract Disputes Act of 1978, or (B) for more than one year.

(3) Paragraph (2) shall not be construed to preclude the accrual of interest pursuant to section 12 of the Contract Disputes Act of 1978 (41 U.S.C. 611) after interest penalties have ceased accruing under this Act, and interest pursuant to such section may accrue on both any unpaid contract payment and on the unpaid interest penalty required by this Act.

(b) Except as provided in section 3 with respect to disputes concerning discounts, this Act shall not be construed to require interest penalties on payments which are not made by the required payment date by reason of a dispute between a Federal agency and a business concern over the amount of that payment or other allegations concerning compliance with a contract. Claims concerning any such dispute, and any interest which may be payable with respect to the period while the dispute is being resolved, shall be subject to the Contract Disputes Act of 1978.

CONGRESSIONAL OVERSIGHT

SEC. 5. (a) Each Federal agency shall file with the Director of the Office of Management and Budget a detailed report on any interest penalty payments made under this Act during the preceding fiscal year.

(b) Such report shall include the number, amounts, and frequency of interest penalty payments, and the reasons such payments were not avoided by prompt payment, and shall be delivered to the Director within sixty days after the conclusion of each fiscal year.

(c) The Director shall submit to the Committee on Governmental Affairs, the Committee on Appropriations, and the Committee on Small Business of the Senate and to the Committee on Government Operations, the Committee on Appropriations, and the Committee on Small Business of the House of Representatives within one hundred and twenty days after the conclusion of each fiscal year a report on Federal agency compliance with the requirements of this Act. Such report shall include a summary of the report submitted by each Federal agency under subsection (b) and an analysis of the progress made in reducing interest penalty payments by that agency from previous years.

DEFINITIONS

SEC. 6. For the purposes of this Act—

(1) the term "Federal agency" has the same meaning as the term "agency" in section 551(1) of title 5, United States Code, but also includes any entity (A) which is operated exclusively as an instrumentality of such an agency for the purpose of administering one or more programs of that agency, and (B) which is so identified for this purpose by the head of such agency;

(2) the term "business concern" means any person engaged in a trade or business and nonprofit entities operating as contractors;

(3) an invoice shall be considered a "proper invoice" when it contains or is accompanied by such substantiating documentation (A) as the Director of the Office of Management and Budget may require by regulation, and (B) as the Federal agency

involved may require by regulation or contract;

(4) an invoice shall be deemed to have been received by an agency on the later of—

(A) the date on which the agency's designated payment office or finance center actually receives a proper invoice; or

(B) the date on which such agency accepts the property or service concerned;

(5) a payment shall be considered made on the date on which a check for such payment is dated; and

(6) a contract for the rental of real or personal property is a contract for the acquisition of that property.

EFFECTIVE DATE

SEC. 7. (a) This Act applies to the acquisition of property or services on or after the beginning of the first calendar quarter which begins more than ninety days after the date of enactment of this Act.

(b) The provisions of this Act requiring the promulgation of regulations shall be effective upon enactment, and such regulations shall be promulgated not later than ninety days after the date of enactment of this Act.

(c) The provisions of this Act shall apply to the Tennessee Valley Authority, but any regulations promulgated under the authority of this Act shall not be applicable to the Tennessee Valley Authority, which shall be solely responsible for implementing the provisions of this Act with respect to its contracts.

Amend the title so as to read: "An Act to require the Federal Government to pay interest on overdue payments, and for other purposes."

Mr. BAKER. Madam President, I move that the Senate concur in the House amendments.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Tennessee.

The motion was agreed to.

Mr. WEICKER. Madam President, I am delighted that the Senate is today taking final action on S. 1131, the Prompt Payments Act. I would like to thank my distinguished colleague from Missouri for his outstanding leadership in bringing this bill through the Governmental Affairs Committee and the Senate last year, and for his dedication to reducing the late payment dilemma now facing the small business community.

Through the entire legislative process—drafting of the bill, hearings, markup, and full Senate consideration—Senator DANFORTH and I have truly worked as a team to bring the bill to this point. It is due to his cooperation and leadership that we have come this far.

It was almost a year ago today that we introduce this legislation, and during this time, the need for the bill has only become more clear. Of all the many problems that beset small business owners, this is one of the most damaging and frustrating. I say frustrating because it is so unnecessary.

Imagine having to enact legislation to force the Government to pay its bills on time. If anything, you would think the Government would be setting an example for other businesses when it comes to their purchasing and payment procedures. But time and again, we see that this is not the case. Despite the fact that small business payrolls, mortgage payments, or investments often depend on the cash flow generated by payments on account, the Federal Government persists in taking 90, 120, or more days to pay its bills.

For a big business, such a delay in payment would undoubtedly cause some consternation in the bookkeeping department, but life would go on. For a small firm, however, that one payment might mean the difference between survival and disaster.

Madam President, I do not need to tell you that small businesses are going through some pretty rough times out there. If the overall economy is being buffeted by a stiff wind right now, then small business is caught in the middle of a hurricane. Small businesses are failing at a rate unseen since the Great Depression, and those that have not failed are hanging on by their thumbnails.

In this climate, with blows raining down on them from all sides, the last thing our small business owners need is to get sucker-punched by their own Government.

I find it inexcusable that this Government cannot pay its bills in a timely and orderly fashion. Not only is it poor government, it is also—considering that we are the largest purchaser in the world—just plain bad business.

Besides causing the small business owner sizable hardship, late payment of bills also costs the Government money. By not paying within a reasonable period, we routinely and regularly forfeit the discounts offered to us for prompt payment. In times of budget restraint such as these, this kind of cavalier attitude toward paying bills is unconscionable.

This legislation would put a stop to these wasteful and destructive payment practices by requiring the Federal Government to pay its bills in a timely fashion—or face interest penalties; in short, the same terms that you or I, or any small business owner, abide by every day in our own business dealings.

This important principle will now be placed in statute. Hopefully, it will send a clear signal to the Federal bureaucracy to change its sloppy bill-paying practices. Failure to respond will hit those agencies where it hurts—in their pocketbooks. All interest penalty charges will come from the operating budget of the delinquent agency involved. The bill has teeth and provides a real incentive to change.

The analogy has been drawn time and again, but I think it is worth repeating: Imagine how the Federal Government would react if small businesses paid their income tax with the same alacrity the Government shows in its payment procedures. We all know exactly how they would react—with interest penalties and threats of prosecution, that is how. So why should they expect any less when the situation is reversed and they are on the paying side?

Let me just make it clear here that by imposing interest penalties on the Government, we are not attempting to somehow get more money for small businesses. Believe me, all small business owners want is their due, and in this case, that is payment of what is owed; not 6 months from when the bill goes out, not 9 months after it is sent, but within 45 days.

Madam President, the General Accounting Office, in two separate studies done on the late-pay problem, found that 39 percent of all the Government's bills are paid an average of 74 days late, and that because of these delays, small businesses are losing anywhere from $150 to $375 million a year.

Finally, I would like to thank the Slow Pay Coalition, the U.S. Chamber of Commerce, and other trade and business organizations for their help in keeping the Congress and the American people informed about the effects and the extent of the delinquent payments problem.

Mr. DANFORTH. Madam President, as the sponsor of this legislation, I am especially pleased that the Senate today is taking final action on S. 1131, the Prompt Payment Act. It is my understanding that it is to be signed by the President this Thursday during U.S. Small Business Week. This is particularly appropriate because the enactment of S. 1131, will be a substantial benefit to those small businesses that sell to the Federal Government.

S. 1131's goals is very simple—to get the Government to pay its bills when they are due, or pay an interest penalty. We found the problem of Government late payments to those who provide goods, services, or construction to be widespread, very costly, and very resistant to administrative remedy.

In 1978, the General Accounting Office reported that more than 30 percent of all invoices submitted to Government payment centers, representing 15 percent of the dollar volume of Federal payments, were not being made within the commercially accepted 30-day time period simply because of Government tardiness. These delays were a source of friction between the Government and its contractors, and a strong deterrent to those who might want to enter the Government marketplace.

During our hearings on S. 1131, the GAO's Chief Accountant estimated that between $150 million and $375 million was lost by Government contractors because of late payments.

That estimate assumed a 12-percent interest rate and total Federal procurement expenditures of $100 billion. Today, with costs of borrowing far in excess of 12 percent, and total Federal procurement expenditures estimated at $140 billion for fiscal year 1983, the costs to those selling to the Government could have approached half a billion dollars—a staggering cost of doing business with the Federal Government.

S. 1131 provides a direct solution to the problem. It requires Federal agencies to pay an interest penalty, out of program funds, if bills are not paid on time. Currently, the rate of interest is 14.75 percent. The figure is adjusted by the Treasury in January and June of each year, taking into consideration the prime rate and costs of borrowing for 5-year corporate notes.

To help Federal agencies avoid the payment of interest penalties, S. 1131 requires that Government contracts include a specified payment date, or in the absence of such date establishes a 30-day requirement, the commercial standard. Because of existing Federal requirements and industry practices, S. 1131 recognizes shorter payment periods for meats and perishable fruits and vegetables.

As amended by the House, S. 1131 includes a single 15-day grace period after the expiration of the required payment date. Similar grace periods of 3 and 5 days are provided for meat products and perishable fruit and vegetables, respectively. These grace periods were requested by the administration to avoid the administrative burdens growing out of the calculation and payment of claims for interest on late payments of 15 days or less. Despite the availability of these grace periods, I believe that the 30-day payment standard has been preserved, because if the Government still fails to pay up on time, the interest penalty is calculated from the payment date, not the end of the grace period.

Madam President, this is commonsense legislation. There is no excuse for the Government shortchanging the people it does business with; it is my hope that S. 1131 will eliminate this problem and encourage the private sector to compete more vigorously for Government contracts, to the benefit of all concerned.

(At the request of Mr. ROBERT C. BYRD, the following statement was ordered to be printed in the RECORD:)

● Mr. SASSER. Madam President, let me say that this legislation, which I wholeheartedly support and which represents the amended version of the Late Payments Act of 1981 (S. 30), which I introduced on the very first day of the 97th Congress, helps to settle a long-overdue account between the American business community and the Federal Government.

The Delinquent Payments Act will make Federal agencies manage their own accounts in the same proper fashion as do the hundreds of thousands of American businesses these same Federal agencies regulate, oversee and affect on a day-to-day basis.

Normal business practice is the thrust of this legislation: If the Federal Government does not pay its bills to business on time—within 30 days, in most cases—it has to pay interest charges on those bills.

Interest charges on bills due over 30 days represent a near-universal practice in the business community. Department stores, mortgage bankers, and credit card companies all impose an interest charge or penalty if something is overdue beyond a month.

If this bill merely sets in place something that is in effect all across the business community, why should it be necessary at all? Because it has been pointed out time and time again that the facts show—in this case, an exhaustive study by the General Accounting Office—that Federal agencies are overdue on the bills they owe business nearly 40 percent of the time.

Can you imagine the reaction a business would receive if it failed to pay its quarterly taxes to the Internal Revenue Service, explaining that "if it's all right for the Federal Government to do it, then it's all right for us."

I want to emphasize, however, that the objective of this bill is not to penalize Federal agencies with interest charges that will have to come out of their agencies' operating budgets. The objective is to make Federal agencies pay their bills on time—something they have been directed to do time and time again by appropriate Federal officials. The reality that bills must be paid on time will also force Federal agencies to improve their financial management practices.

The Delinquent Payments Act will also help to redress a serious problem the Federal Government has created for small businesses, because small businesses are the principal vendors serving the Federal Government. Small businesses provide 90 percent of the Federal Government's day-to-day needs.

Yet, small businesses do not have the cash flow capability nor finance departments to cope with the cost of carrying debts—elements that help large corporations weather the burden of overdue debts.

This fact is in no small way related to another reality for small businesses: They are failing at record numbers. According to Dun & Bradstreet, small businesses comprise the overwhelming majority of the more than 17,000 businesses that failed in 1981. This depression-era total will, by all accounts, be exceeded in 1982.

I am sure that none of my colleagues will, therefore, have the slightest reservation in supporting the Delinquent Payments Act and in doing so make a payment on an account of debts we owe the American business community, especially the small business community.

Finally, I want to commend my colleague, Senator DANFORTH, for the leadership role he played with regard to this legislation. He and the staff of his Governmental Affairs Subcommittee on Federal Expenditures have been diligent in accommodating the special concerns of the many interests that have followed the bill and in keeping all parties well informed on the progress of the legislation. Special commendation is due also to Kenton Pattie, of the National Audio Visual Association and head of the Slow Pay Coalition, the umbrella group representing the many business associations supporting this legislation, for his work in making legislators, and members of the business community as well, aware of the need to do something about the problem of overdue bills owed by Federal agencies. With all those who worked on this measure, I look forward to its speedy implementation.●

Mr. CHILES. Madam President, it is with great pleasure that I join Senator DANFORTH and others in supporting passage of the Prompt Payment Act.

The principle behind this legislation is simple: The Federal Government should pay its bills on time.

Despite this commonsense principle, there is no law in the books today that compels agencies to pay their bills on time.

Madam President, life is full of small victories, and passage of this bill will certainly be one of them. This legislation has been a long time coming. I incorporated the principle that the agencies pay interest on overdue payments in broader Federal acquisition reform bills I introduced in the 95th and 96th Congresses. We have been talking about the idea for 10 years. The bureaucracy's response has always been to resist this discipline. They have promised regulations and every form of executive branch action you can imagine to avoid this statutory requirement.

All the unkept promises are water over the dam now. Senator DANFORTH and Congressmen BROOKS, HORTON, and others should be thanked for helping to finally see this principle written into law.

The interest payments to private contractors will come out of agency operating funds. That creates a real incentive for the agencies to get their houses in order.

It is not a good business practice to permit the agencies to operate without this incentive. Many businessmen, particularly small businessmen, just refuse to deal with the Federal Government because they do not know when they will get paid and they have to borrow money to cover their cash flow problems.

At today's interest rates, the cost can be 20 percent and higher. That is asking the business who does deal with the Government to commit slow suicide if we do not assure them of either prompt payment or interests costs.

They charge interest in the private sector if you are late. It is standard operating procedure. It is tough enough doing business with the Government given all the paperwork and regulation. This is one double standard we can eliminate.

This legislation also recognizes the private sector standards in the meat and perishable food industries such as fresh fruit and vegetables. I have heard a great deal from the agriculture community on this bill and they will welcome this overdue requirement.

● Mr. ROTH. Madam President, the Federal Government, which has vowed to crack down on overdue taxes, student loans, and other late payments, has problems paying billions of dollars of its own bills on time. The Government pays about 30 percent of its bills after 30 days, the General Accounting Office estimates, with the average late bill paid 74 days after billing. The overdue bills represent about 18 percent of the dollar value of the Federal Government's purchases, according to GAO.

Assuming $100 billion worth of procurements each year, the GAO estimated that the Government paid about $18 billion worth of bills after 30 days. With a 12-percent interest rate, it said, that represents a cost to contractors of between $150 million and $375 million each year in interest that the money could have been earning or in what they might have had to borrow.

Contractors appearing before the Federal Expenditures Subcommittee of my Committee on Governmental Affairs testified that some agencies are better than others in making payments on time. A number singled out the Internal Revenue Service as being notoriously bad, while the FBI and the CIA were thought to be extremely efficient. It seems that the IRS can turn palms up quickly when asking for your taxes but offers only the back of its hand when those to whom it owes money ask to be paid on time.

Madam President, those who provide services to the Government have a right to expect to be paid on time. In the private sector, standard payment periods are set for most bills and interest payments are charged for each day a company is late in settling its accounts. Until now, the Government has cavalierly ignored this practice while it simultaneously charges those late in paying their taxes interest fees.

Small businesses are the ones hurt most by poor Government payment practices. In my own State of Delaware, one former small business owner wrote me to explain how badly this problem has affected his company. I say "former" because Mr. Albert Siegfried, the owner of the company which was named Training Services, Inc., has been forced to sell his operation to a larger firm, in part because of severe cash problems. These cash problems were greatly exacerbated by slow Government bill-paying practices.

As Mr. Siegfried wrote me, and I quote:

> As a taxpayer, it makes me angry to see * * * the U.S. Government paying its bills months after I deliver the goods. I am currently paying 20.5 percent on my short-term money to Delaware Trust. Unless things shape up in a hurry for us on our receivables, I do not think we can survive.

One of the worst examples of Mr. Siegfried's difficulties in receiving prompt payment from the U.S. Government involved the Social Security Administration. He billed them for over $4,000 worth of services supplied by his company and was not paid until 4 months later. To add insult to injury, when he finally was paid, the SSA office took a 2-percent discount which is given only to those who pay before the end of the payment period.

The bill we have before us today would end that type of practice. It would require all Government bills to be paid within 30 days of the receipt of a bill for services rendered. If bills are not paid on time, companies may charge interest on the amount due. To insure that the agencies really feel pain from paying late, these interest charges would have to come out of the existing budgets of the agencies. In other words, it would come out of their own hides.

Madam President, I am proud to have been an original sponsor of this bill, and I am pleased that after more than 2 years of work, we have finally enacted it into law. I commend Senator DANFORTH for his diligence and leadership in this matter, and I look forward to the implementation of this important act.●

● Mr. PRYOR. Madam President, today I join many of my colleagues in urging Senate approval of S. 1131, the Delinquent Payments Act of 1981. I am a cosponsor of this legislation because I believe the Federal Government must, quite simply, pay its bills on time.

The payment practices of the Government are too often unbusinesslike. It strikes me as very important that in a time of increased efforts to collect debts owed to the Federal Government by the private sector, that the Government itself must improve its dismal record of paying its bills. It is crucial that we make promptness the rule, rather than the exception. The Government must not be allowed to exempt itself from fundamental business requirements. On the contrary, it should maintain a standard of performance for which the taxpayers can be proud.

I have been made dramatically aware of the impact of these late payments on businesses, especially small businesses, in my home State of Arkansas. Several constituents have expressed frustration, some helplessness, others anger. "How can we stay in business," many have asked me, "when we cannot get the money that the Government owes us?" Some have been forced to near bankruptcy when they have been compelled to borrow money at prevailing interest rates in order to pay their obligations, while the Government sits idly by, its debts unpaid.

I believe this legislation will serve to spur the Federal Government to improve payment procedures, and in doing so will bolster the efficiency and business reputation of the Government. Most important, it will help some businesses that are struggling to remain viable. And in uncertain economic times like these, the significance of business survival cannot be overemphasized. Indeed, Madam President, it is crucial.

S. 1131 has received broad bi-partisan support in the Senate and was reported out of the Committee on Governmental Affairs with unanimous support. I urge my colleagues to cast their votes in favor of this important bill today.●

Mr. BAKER. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. HEFLIN. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. DURENBERGER). Without objection, it is so ordered.

TRANSFER OF BALLISTIC MISSILE DEFENSE FROM THE ARMY TO THE AIR FORCE

Mr. HEFLIN. Mr. President, I am greatly concerned over language in the defense authorization bill which requires the Secretary of Defense to study the idea of transferring the Army's ballistic missile defense program to the Air Force. I do not know the origin of this proposal, but it has been a recurring idea over the years that has been repeatedly rejected in committee before it has reached the floor or been entertained as a serious proposition. Now is a particularly inauspicious time to dredge up this proposal, in the face of an intensive buildup in our strategic nuclear forces, and an acceleration of the BMD research and development program. It would be extremely disruptive to the BMD program to effect such a transfer, and a waste of time and effort to study it.

The BMD program is an outgrowth of the highly successful air defense missile systems developed by the Army over the last three decades, including Nike Ajax, Nike Hercules, Hawk, and Patriot. Born in the late 1950's, the BMD programs began with the challenging objective of "hitting a bullet with a bullet." Since its inception, the program has indeed demonstrated that this objective can be met. Dozens of live intercept firings in the Safeguard program proved beyond reasonable doubt that lethal ICBM reentry vehicles could be knocked from the sky before they performed their deadly mission.

Since the successful Safeguard program, enormous strides have been made in improving and refining our BMD technology. We are now poised to develop a system with unprecedented effectiveness in shielding U.S. targets against ballistic missile attacks.

Why then is it necessary or desirable to study uprooting the BMD program from the Army and handing it over to the Air Force? What possible advantages could be realized from this transfer that could outweigh its inevitably disruptive effects? Indeed, why should it be necessary to direct the Secretary of Defense to study such a proposal?

I suppose there are those who believe that program efficiency would be enhanced by integrating more strategic programs under a single service. History gives scant support for such a theory. The Navy's illustrious history of strategic programs, embracing Polaris, Poseidon, and Trident, has unfolded in parallel with Air Force development and deployment of Minuteman and other strategic systems. The Army's only strategic program, BMD, has been strikingly successful as an objective and independent enterprise, profiting from its lineage from air defense systems while maintaining a healthy "friendly adversary" relationship with the strategic offensive programs.

I could elaborate at some length about the advantages of maintaining BMD as it now exists in the Army with its proven track record, first-rate team of Government/industry personnel, and healthy institutional environment. I have visited the center of our BMD program in Huntsville, Ala., many times, and I can assure you that it is unmatched in operational efficiency and technology innovation. It is a national center of excellence. This is not just my opinion, but a fact that has been verified many times by scientific review boards at all levels of government. It should not be necessary to defend something that is working well, a state that is all too rare in today's world of military problems.

Mr. President, I respectfully disagree with the position of the Senate Armed Services Committee on this particular item, although I find much to agree with in their major recommendations, including full support of the BMD R. & D. budget. I wish to emphatically record my dissent to this unneeded provision of the bill, which distracts from a long-overdue reemphasis of Ballistic Missile Defense R. & D.

Thank you, Mr. President.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEPARTMENT OF DEFENSE AUTHORIZATION, 1983

Mr. BAKER. Mr. President, under the provisions of the unanimous-consent order previously entered, the Department of Defense authorization bill was temporarily laid aside, to be resumed at my suggestion after consulting, first, with the minority leader. I have consulted with him and advised him of my action in this respect.

I ask that the Chair lay before the Senate the Department of Defense authorization bill and that the Senate resume consideration thereof.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 2248) to authorize appropriations for fiscal year 1983 for procurement, for research, development, test, and evaluation, and for operation and maintenance for the Armed Forces, to prescribe personnel strength for the Armed Forces and for civilian personnel of the Department of Defense, and for other purposes.

The Senate resumed the consideration of the bill.

TIME LIMITATION AGREEMENT

Mr. TOWER. Mr. President, what is the pending business?

The PRESIDING OFFICER. There is now 1 hour of debate on the amendment of the Senator from Pennsylvania.

Mr. TOWER. Mr. President, I yield to the distinguished majority leader such time as he may require, and ask unanimous consent that the time consumed be charged equally to the Senator from Pennsylvania (Mr. Specter) and myself.

The PRESIDING OFFICER. Is there objection?

Mr. BAKER. Would the Senator permit me to suggest a modification of that, Mr. President? I would hope that the Senator from Pennsylvania and the Senator from Texas who have control of the remaining time might allocate to me 10 minutes or 15 minutes to be equally divided between the majority and the minority leader so that we can present this matter in some sort of balanced form. That would suffice for my purpose, if the Senators would agree to allocate to me 15 minutes to be equally divided. I then will ask unanimous consent to share that with the distinguished minority leader.

Mr. TOWER. That is agreeable to me, Mr. President.

Mr. ROBERT C. BYRD. Mr. President, would it be possible for the minority to have half of the hour? As it is now, Mr. Specter has half of the time and Mr. Tower has half of the time. I think they are probably on both sides.

Mr. BAKER. Could I make a suggestion, if I may?

Mr. ROBERT C. BYRD. Yes.

Mr. BAKER. On the social security question, I rather expect or I hope that the Senator from Texas and the Senator from Pennsylvania may be on the same side, but on the Specter amendment I rather expect that they will not be. It may be that the better arrangement would be half of Baker and that is why I made the request I did. There would still have to be debate on the Specter amendment, which will be opposed by the Senator from Texas. If they would aggregate half of the time, that would be 30 minutes, and the minority leader and I would share that at 15 minutes each. That would be an approximation of the situation in terms of allocation of time, if that would suit the distinguished minority leader.

Mr. ROBERT C. BYRD. The reason I requested that was I assumed a good deal of the debate during the hour would probably be on the social security question.

Mr. BAKER. I expect a good bit will be on the Specter amendment, too.

Mr. ROBERT C. BYRD. Could we have some agreement whereby there would be a little time equally divided on the social security question?

Mr. BAKER. Let me put this as a unanimous-consent request, Mr. President, if Senator Tower will withhold his request for a moment.

I ask unanimous consent that there be 30 minutes of additional time for debate prior to the vote in relation to the Specter amendment or any other amendment which may occur at the end of the hour-and-a-half, or in relation to any measure that may occur at the end of the hour-and-a-half, and that 30 minutes of that time would be divided equally between the majority leader and the minority leader. That will provide not for an hour but for an hour-and-a-half. One hour of it would be equally divided between the Senator from Pennsylvania and the Senator from Texas. Thirty minutes would be under the control of the minority and majority leaders. That would be an hour-and-a-half.

Mr. ROBERT C. BYRD. Would it be possible to reduce the time on the Specter amendment?

Mr. TOWER. I would be agreeable to that. As a matter of fact, if the Senator from Pennsylvania is willing, we could split 15 minutes or have 15 minutes to a side and permit the majority and minority leaders to have the remaining.

Is that agreeable?

Mr. SPECTER. It is.

Mr. BAKER. I am most grateful for that.

Mr. President, I ask unanimous consent that the time for debate be reallocated as follows: 30 minutes to be equally divided between the Senator from Pennsylvania and the Senator from Texas, and 30 minutes to be equally divided between the minority leader and myself, or our designees. I make that request.

The PRESIDING OFFICER. Is there objection?

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object.

Mr. President, I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I yield myself 2 minutes.

Mr. President, I make no secret of my plans as I have confided them in the minority leader.

At the expiration of the time for debate, Mr. President, and when it is eligible, I will make a motion to table the Moynihan amendment. I expect to ask for the yeas and nays on that motion.

Mr. President, also I wish to state that, assuming that that amendment is tabled, there will be a resolution in the nature of an amendment to be offered by the distinguished chairman of the Finance Committee (Mr. Dole), the distinguished chairman of the Budget Committee (Mr. Domenici), the distinguished Senator from Rhode Island (Mr. Chafee), and others which will read as follows:

S. Res. —

Resolved, That the Social Security System is vital to the well-being of the Nation's elderly and disabled citizens and currently provides benefits to more than 36 million Americans; and

According to the Congressional Budget Office, the Social Security Board of Trustees, and the Social Security Actuaries, the old-age and survivors insurance program will be unable to pay full benefits beyond June of 1983 and the entire system faces the possibility of insolvency by 1984; the financial problems of the system only become more grave in the decades ahead; and

In light of the serious short-term and long-term financing problems, the President on December 16, 1981, established the National Commission on Social Security Reform for the purpose of making recommendations to ensure the fiscal soundness of the Social Security System; and

The National Commission on Social Security is charged with issuing its recommendations this year; and

The Senate on December 15, 1981, passed legislation authorizing inter-fund transfers among the three Social Security Trust Funds to provide that Social Security faces no funding shortage before the Commission's report is issued and before the Congress can fully consider its recommendations; and

As a Presidentially appointed commission, it operates under an Executive Order and is independent of Congress: Therefore, be it declared that,

The full Social Security cost-of-living adjustment of 7.4 percent be paid in full on July 1, 1982, as scheduled; and be it further declared

That the Senate hereby renews its commitment to maintaining and assuring that the Social Security system shall be preserved and strengthened so that benefits will be paid in a timely manner; and be it further declared

That any corrective action to be taken shall not include any more than is absolutely necessary to preserve the financial integrity of the social security system; and be it further declared

That Congress will await the recommendations of the National Commission on Social Security Reform prior to ultimately deciding any binding, statutory amounts, changes or corrective actions to be taken.

Copies are available and will be distributed to Senators.

Mr. President, I hope that the Moynihan amendment will be tabled when that motion is made. I will reserve any comment until later on the merits of the issue or on the Specter amendment.

Mr. President, I want to correct my statement. It is an amendment to the bill, not a resolution.

Now, Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

AMENDMENT NO. 1397, AS MODIFIED

Mr. SPECTER addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. Mr. President, I yield myself 7 minutes.

Mr. President, the matter now pending is the amendment which calls for a summit between President Reagan and Soviet President Brezhnev. This matter began some time ago with the introduction of a sense of the Congress resolution calling for the summit meeting. Then, when the Department of Defense authorization bill was called up, Senator Dixon and I turned the resolution into the form of an amendment and, after debate last week, the matter was scheduled for a vote on Thursday morning when, as the record will show, I agreed to defer the vote until today at the request of Secretary of State Haig.

At that time, I did not amplify about the reason, but it is now appropriate to say that the basis of the request of Secretary Haig was that President Reagan was about to make a major foreign policy address and it was the administration's request that there not be a resolution or an amendment which would in any way be directive or even suggestive of Presidential action in advance of that speech.

I agreed to that approach in order to give the President full opportunity to make a statement without any implication that the statement was prompted in any way by the matter then pending in the Senate, and, further, to have an opportunity to review the text of the President's statement as a basis for deciding whether to proceed with the pending amendment.

After carefully reviewing the President's statement, and after hearing this morning Secretary of State Haig testify at length on the same subject, it is my judgment, concurred in by Senator Dixon, the cosponsor of the amendment, that it is appropriate to pursue the amendment at the time.

This amendment, we submit, Mr. President, is a gentle suggestion to the President to proceed with a summit at the time when there have been appropriate preparations and there is a realistic likelihood of success. We believe it appropriate to call for such an amendment at a time when we are considering the Department of Defense authorization bill because, while we must be strong, that is not inconsistent with proceeding to discussions. Just as I voted in favor of the B-1 and the MX last year and am prepared to support President Reagan on a strong defense, I think it is relevant to proceed at the same time with talks at the highest level.

Mr. President, I compliment President Reagan for the foreign policy address he made at Eureka College last Sunday. I think it was a decisive step in the right direction. At the same time, I think it is appropriate for the Senate to express the gentle suggestion which is contained in this amendment that the President proceed with a summit meeting with Soviet President Brezhnev.

Mr. President, it is important to note that, in the course of President Reagan's speech at Eureka and in the course of Secretary Haig's prepared remarks today—that is, before the questioning began—there was no statement at all about a summit meeting. There are references to talks and negotiations, but it is significant that the phraseology of the summit is omitted. That is the principal reason that I think it is important to pursue this amendment at this time. The event of a summit carries with it a high level of preparation and an effort to succeed, with stress on success, so that, when the highest levels of leadership of the United States and the U.S.S.R. meet, there should not be failure. I think it is important to cast the talks and the negotiations in terms of a summit itself to obtain that degree of preparation and that press for success.

Second, Mr. President, the summit, in that context, guarantees the assurance of the participation of President Reagan, who is a superb negotiator and whose talents should be utilized to the fullest extent at the present time. This is especially true in the context that the President has the confidence of the American people and can accomplish, I submit, more than any other leader could in the context of the problems of the day. The situation is not dissimilar to that when former President Nixon accomplished what no one else could have in the negotiations with Red China because of his established record as an anti-Communist.

Similarly, the participation of President Brezhnev is uniquely timely because of his age, the reports of his failing health, his obvious interest, as reinforced by Secretary of State Haig today, the interest of President Brezhnev in achieving arms reductions, and the presumed interest he would have in leaving a mark on history at this particular time. Therefore, the approach of the summit is most relevant and most appropriate for the Senate to express itself in this amendment today.

In addition, Mr. President, it is important beyond what the President has suggested and what the Secretary of State has testified to, that the Senate express itself in support of the summit negotiations. SALT II was not ratified, as we all know, and it is highly unlikely that SALT II would have been ratified had it been called before the Senate. With a sense of the Senate resolution at this time in favor of the summit talks, those talks would be impelled to more likely succeed because the Soviet Union would know that, unlike SALT II, the Senate of the United States was in favor of these summit talks aimed at arms reduction.

Mr. President, it must be emphasized that this amendment in the form of a sense of the Senate resolution is in no way dictation to the President of the United States, who is free to proceed at the time of his choosing, who is free to proceed after preparations are made which are satisfactory to him. It is, in fact and in effect, a gentle suggestion by the legislative branch that such summit talks be held and a most appropriate suggestion, I submit, in the context of the responsibilities of the Senate on foreign policy, with treaty ratification, and most appropriate in the context that the Senate is now being called upon to approve a very extensive Department of Defense authorization bill.

Mr. President, I yield the floor and reserve the remainder of my time.

May I inquire, Mr. President, the time remaining?

The PRESIDING OFFICER. The Senator has 8 minutes remaining.

The Senator from Texas is recognized.

Mr. TOWER. Mr. President, I yield myself 4 minutes.

Mr. President, the amendment offered by the Senator from Pennsylvania and the Senator from Illinois is fully as ill-advised now as it was when they first offered it. To begin with, the President has called for a conference with the Soviet Union. I think it is splitting hairs to say that he did not call for a summit. In fact, summits occur only after negotiations have been going on for some time and conclusions have, for the most part, been arrived at. The President of the United States rarely negotiates, himself, directly in plenary session with the President of the Soviet Union. It does not work that way. It occurs to me, Mr. President, that until some negotiation has been in progress, the summit meeting between the President and Mr. Brezhnev might even be counterproductive.

Be that as it may, the President has taken the initiative and he has called for a conference to discuss terms that he has set forth as a negotiating position with the United States, which are eminently reasonable, as was his proposal for the zero-based option for theater nuclear weapons which he advanced last autumn.

Mr. President, this amendment is mischief. Beyond that, it is dangerously naive. I have a great deal of regard for my colleagues from Pennsylvania and Illinois, but they have only been here a short period of time and they have no corporate memory of what has happened in the Congress of the United States when we have dabbled in foreign policy matters contrary to the wishes of administrations, both Democratic and Republican, without adequate information or adequate understanding of what we are doing.

Today, Mr. President, the Secretary of State testified before the Committee on Foreign Relations, where this matter properly belongs, against the amendment offered by the Senator from Pennsylvania. The chairman of the Committee on Foreign Relations has expressed his opposition to the amendment. The administration is opposed to the amendment. The Committee on Armed Services is opposed to the amendment.

It seems to me, Mr. President, that the rational thing for the Senators from Pennsylvania and Illinois to do would be to pull their amendment down, let the Committee on Foreign Relations act on this business of arms control and, if they do not like what is reported out of the Committee on Foreign Relations, then try to amend that. This is not the proper place to do it. It is ill-advised; it is probably counterproductive, because I think that there is implied undermining of the Presidential positions on strategic arms negotiation, which are much too important for us to fool around with, with sense-of-the-Congress resolutions that are not carefully contrived and thought out or based on adequate knowledge and experience.

Therefore, I urge the rejection of this amendment.

I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. SPECTER. I yield 4 minutes to myself at this time.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. In response to the arguments of the Senator from Texas, when he asserts that we are splitting hairs, I disagree. But the splitting of hairs, if it be such, may be of tremendous moment on a process which began with the splitting of atoms.

When the Senator from Texas engages in comments that the Senator from Pennsylvania is dangerously naive, I reject that kind of personalization which has no bearing on the merits of the issue under debate.

When the Senator from Texas asserts that the Senator from Pennsylvania has been present a short period of time and has no corporate memory, whatever that may mean, I again disagree. I have observed and studied the international field for the past 30 years, wrote a thesis in college on the subject, and I do not defer or bow to the knowledge or the background of the Senator from Texas simply because he has been here for 21 years and I a substantially less period of time.

When the Senator from Texas asserts that the sponsors of this amendment are dabbling in foreign policy matters without adequate information, that is a blanket assertion without any basis in fact or without any basis in the record.

When the Senator from Texas relies upon the vague generalization of "implied undermining of the Presidential position," that is equally fallacious, because the record is plain in the several days of debate on this subject that this amendment does not seek to dictate to the President of the United States in any way, shape, or form.

This amendment has not been brought forward, as asserted by the Senator from Texas, without careful thought and based on knowledge and experience. This is a subject which has been thought through very carefully, discussed at the request of the Senator from Virginia (Mr. WARNER) with representatives of the Department of State and the National Security Council, discussed personally by me with Secretary of State Haig, and having listened to Secretary of State Haig's testimony this morning at length,

when the Secretary testified that this was a subject upon which reasonable men could disagree. The tone of the testimony of Secretary of State Haig, while he said he was inclined against this amendment, was certainly not of such a nature that any dire consequences would be forthcoming, and, in fact, when faced with the argument that there was merit to having the Senate express itself so that the Soviets and the world would know that the Senate favored this procedure, unlike its opposition to SALT II, Secretary of State Haig responded that he had, in fact, not thought of that particular consideration.

So that in sum this is a well thought out, sound proposition.

When the Republican Policy Committee met earlier today, the Senator from Texas said that there would be an inclination to support this amendment, if the Senator from Pennsylvania was interested or willing to make a modification. Let the record be plain that the Senator from Pennsylvania and the Senator from Illinois have been ready, willing, and able at every stage of this proceeding to modify the form of the language in any conceivable way so long as the conclusion were to be present calling for a summit meeting.

The Senator from Pennsylvania stands ready, willing, and able to do that at this moment and renews the invitation which was extended over the lunch hour today in that respect to the Senator from Texas.

Mr. President, I yield the floor. How much time is remaining?

The PRESIDING OFFICER. The Senator has 4 minutes remaining. Who yields time?

The majority leader is recognized.

Mr. BAKER. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. Thirteen minutes.

Mr. BAKER. I yield 5 minutes to the Senator from Kansas.

The PRESIDING OFFICER. The Senator from Kansas is recognized.

AMENDMENT NO. 1442

Mr. DOLE. Mr. President, as I understand the parliamentary situation, there will be a motion to table the Moynihan amendment. The Senator from Tennessee, the distinguished majority leader, will make that motion.

It seems to this Senator that it is time that we move on, not only to the DOD bill, but also to the serious business of social security.

The Senator from Kansas noted earlier today that we could probably spend the rest of this month, all the next month, and all the next month, pointing fingers at what is wrong with social security, why it is wrong and who is at fault.

If you go back to the Social Security Act Amendments of 1977, when the White House and both Houses of Congress were controlled by the other party, the benefits of social security recipients were cut and at the same time the taxes of millions of people paying into the system were raised.

As I said earlier, for the average beneficiary retiring this year at age 65, the 1977 Social Security Act Amendments will result in a cut of $130 per month in benefits, or more than $5,000 counting the CPI increases over the 3-year period 1983, 1984, and 1985. The average taxpayer will pay increased taxes of about $685.

For the maximum beneficiary, the 3-year cuts will total more than $6,000. For the maximum taxpayer feeling the burden of the 1977 amendments, the added tax translates into a 3-year hike of $2,280.

For the system as a whole, the 1977 amendments will mean for fiscal years, 1983, 1984, and 1985, $83 billion in increased taxes and $10.3 billion in decreased benefits—a social security "plug" of over $93.3 billion in the 3-year period.

We are now discussing amounts, contained in the budget resolution, estimated to be about $40 billion to keep social security solvent over the next 3 years. That is why I think it is wise that we go back and briefly discuss what happened in the past, specifically the 1977 act: It helps to make the record perfectly clear and to balance the record against some of the charges and political rhetoric that have been swirling around this Chamber and this city for the past several days. I am certain this rhetoric will continue.

I hope that there will be a unanimous vote to table the Moynihan amendment, along with the amendment of the distinguished minority leader, Senator BYRD.

I hope, frankly, that we will not need to do anything other than that. But I understand that there are Members concerned about the issue. During the course of the afternoon, a number of us have gotten together who are concerned about the issue, concerned about social security, concerned about benefits, concerned about taxes, concerned about senior citizens. We have drafted a resolution which will be offered at the appropriate time after the Moynihan-Byrd amendments have been tabled. Then we will address what we believe to be a correct solution. But there is no question that the political rhetoric surrounding the action of the Senate Budget Committee last week is disturbing and potentially very damaging.

Also, I again commend the distinguished Senator from Pennsylvania, who offered a resolution today that we take social security off budget. Then, perhaps everyone will stop coming to the Senate floor saying, "You are going to balance the budget on the backs of social security recipients." If the funds are off budget, that claim cannot be made. Whether or not the trust funds are off budget is a matter that deserves consideration. There will be widespread disagreement, but it seems to me that the Heinz proposal is a step in the right direction. I commend Senator HEINZ.

We have had about 18 months of partisan conflict about social security. We have had a task force appointed. The task force met as recently as yesterday. We had bitter exchanges during that meeting, and we did not solve the social security problem. Everybody made a speech. Nobody offered anything particularly constructive.

We hope we can develop some bipartisan proposals to deal with the financing problem in this commission, not later than December 31 of this year. In the meantime, we find that 70 percent of the people 45 years of age and under have no confidence in the system. If you look at those under 30, it is 74 percent. They do not appear convinced by the speeches being made in Congress about how the system is not in trouble. It is a fact that the system is in trouble.

If we want to adopt the plan proposed by the Senator from New York and the Senator from Michigan and do nothing, then, come the end of June 1983, we are not going to be able to mail out full checks. The checks will be delayed, or some other impact will be felt across the system by those 36 million beneficiaries.

This is a serious problem. It deserves nonpartisan consideration. So far we have not had that consideration.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. DOLE. I ask that I may proceed for 1 additional minute.

As chairman of the Senate Finance Committee, which must finally deal with this sensitive, explosive, controversial, and important issue, I hope we will go about our business, wait for the commission to report on their final decisions on the amounts needed by the system. I can pledge my cooperation wherever possible. We hope the Democrats and the Republicans will join in a bipartisan effort.

We almost came to an agreement during the 5 weeks of negotiation by the so-called Gang of 17. We were 1 percent apart on social security, as to what might be done. I am not willing to say that social security has to be a partisan issue. It has been politicized. After all, this is an election year.

However, if we really are concerned about our mothers, fathers, and all the other elderly citizens who are social security recipients, as well as the current and future taxpayers, then our obligations must transcend politics for once.

Mr. BAKER. Mr. President, I yield 3 minutes to the distinguished Senator from New Mexico, the chairman of the Budget Committee.

Mr. DOMENICI. Mr. President, I am pleased to cosponsor the amendment referred to by the majority leader.

I, too, agree with the chairman of the Finance Committee that we should table the Moynihan amendment.

Let me try to clarify some things. Before the Budget Committee could even complete its work, one of its members, Senator Moynihan, was absent. The reason he was absent was that he was on the floor of the Senate, telling the U.S. Senate that the Budget Committee had done some things, and we had not even completed our work. His amendment is the subject matter of the tabling motion. I am concerned that a number of Senators assume we did something we did not do in the budget resolution.

First, we never assumed in that resolution that we would do anything about social security before the National Commission reported. In fact, if one reads it, it reads to the contrary.

Second, the Budget Committee never assumed that the Federal budget would be balanced through social security solvency action.

The Budget Committee never assumed that benefits would be cut so that social security recipients would be severely hurt in order to balance the budget.

The Budget Committee assumed only one thing—that Congress would take action to make sure that the Nation's 36 million social security recipients continue to receive their checks; and we have made this part of the resolution.

Those who object to the language in the resolution must answer some questions: Do you want social security to remain solvent? How, without some changes to the system? Do you want social security recipients to receive full checks? How, without any change? Finally, if you want no changes, how do you assume that the necessary money will be accumulated to pay benefits next year? Do you simply want the checks to stop sometime next year?

I want to make it clear, as chairman of the Budget Committee, that it was clearly the intention of the committee that the social security system be made solvent. The appropriate committee—the Finance Committee—was mandated before this year ends, and after the Commission reports, to do whatever is necessary to make it solvent for the years 1983, 1984, and 1985. To the best of our ability, we estimated the amount of insolvency, and these were the stated numbers: $6 billion, $17 billion, and $17 billion, respectively, for the 3 years in the resolution. That is all. We did nothing more and nothing less.

Mr. President, I ask unanimous consent that the language of the Budget Committee's report with reference to the National Commission on Social Security Reform be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

EXCERPT FROM BUDGET COMMITTEE REPORT ON S. CON. RES. 92

The Committee calls for the bipartisan National Commission on Social Security Reform to expedite its work and report by November 11 of this year specific recommendations for actions to maintain social security funding. It also directs the Senate Committee on Finance to consider the Commission's recommendations immediately and report legislation by December 1, 1982 which will ensure social security solvency.

The Committee expects that full consideration will be given by the National Commission and the responsible congressional Committees to a wide range of possible solutions. Recent reports and surveys by the Advisory Council on Social Security, the Social Security Coverage Group, and the National Commission on Social Security Reform suggest several possible approaches to the problem.

The Committee notes that its solvency proposal allows a full 7.4 percent increase in social security benefits in July 1982. Finally, the Committee reiterates that its proposal does not specify the extent to which the solvency gap would be filled by increased revenues and how much by reduced costs. It is clear, however, that even if the entire gap were filled through cost savings, retirees could continue to receive benefit increases which would, on average, provide over $1,300 more in benefits over the next three years based on the present economic outlook.

Mr. DOMENICI. I thank the majority leader for yielding.

Mr. BAKER. Mr. President, I yield 2 minutes to the distinguished Senator from Mississippi.

Mr. STENNIS. I thank the Senator.

Mr. President, I have been concerned for many years about the social security system. I voted against a number of amendments that added to its burdens. I voted for every major amendment that would sustain it.

However, here, it seems to me, with all deference to everyone, we not only are destroying the committee system in the Senate, but also, we are treading backward on the problems.

It will not look good to have the Armed Services Committee of the Senate meet in conference with a like committee of the House to settle these social security questions. Where is the committee system? What is the committee system coming to, when we put on these amendments willy-nilly? I say that with due deference to the other amendment that would be handled by the same committee, which is a little related to foreign policy.

I want to see a social security bill that has some substance and will be under the jurisdiction of the Senate Finance Committee. I do not mean that as a compliment to that committee, although I have a great deal of respect for their work. I want to see these military bills put together by the people who are versed in that subject matter.

As I say, we are getting off the track in the Senate. This is not a step forward, as I see it, and I speak with great deference to the authors of this amendment.

You do not have to read a poll, when you walk up to the people in your home State and they tell you: "I have known you a long time, and I've been paying social security taxes a long time; and I want to tell you to your face that I don't think I'll ever get back a dime of what I have already paid in." These are responsible people, families I have known for a very long time.

That is what we are flirting with, with all respect to the authors of these amendments. We are tending to destroy, as I see it, confidence and trust in us, the entire institution. I know that would be an error.

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

Mr. BAKER. I thank the Senator.

Mr. President, I am prepared to yield the floor, and I reserve the remainder of my time.

Mr. GRASSLEY. Mr. President, I support the motion to table the amendment. In doing so, I would like to associate myself with the remarks made by the Senator from Kansas (Mr. Dole), the Senator from Rhode Island, (Mr. Chafee), the Senator from New Mexico (Mr. Domenici), and other Senators who have tried to bring some responsibility to an otherwise shameful display of demagoguery.

Figures put out by the Office of Management and Budget, the Senate Budget Committee, and the Congressional Budget Office leave no doubt that if we do not take steps to assure the solvency of the social security trust funds, we will soon face the prospect of not being able to pay benefits on time. I submit, Mr. President, that the cuts being alleged by the sponsors of this amendment, cuts that do not exist in reality, do not hold a candle to the cut that will take place if millions of social security recipients do not receive their benefits on time.

The Senate Budget Committee has not proposed a single cut in social security benefits. Not one. What the Budget Committee has done is to assume that over the next 3 years, we will maintain at least a minimum prudent reserve in the trust funds. I hope that the distinguished panel of experts comprising the President's Commission will at least agree that we ought to leave enough money in the till to pay people's benefits on time and that Congress would agree, and I think we will.

Mr. GLENN. Mr. President, I support the Byrd-Moynihan amendment.

Indeed, in my view it may not go far enough in stating that the issue of social security financing should be treated separately from our concern with the overall budget of the U.S. Government.

While it may be true that, from a purely budgetary perspective, social security represents a massive entitlement program that is not amenable to alteration by the normal appropriations process and has a history of growth impelled by automatic cost-of-living increases, the whole truth is something else again.

These are, after all, trust funds.

These funds consist of payroll taxes that are earmarked for the specific purpose of paying social security benefits. Their money does not come from general purpose taxes. If we go back to 1969, the first year of the "unified" budget, the system under which trust fund receipts and outlays were combined with general fund receipts and outlays, we find that the trust funds have produced a surplus each and every year. Indeed, the trust funds, which include the three social security funds, the Federal employees retirement trust fund, and others, produced a total surplus of $131.7 billion during fiscal years 1969 through 1981. Incumbent Presidents through all those years were undoubtedly happy to have the real operating deficits of the Government offset by the trust fund surpluses.

Indeed, Mr. President, trust fund balances continue to increase. The budget for fiscal year 1983 shows an increase of $15.4 billion in the balances of the various trust funds, which now carry approximately one-fifth of the U.S. Government's debt.

If these are trust funds, then we should treat them as such. They should not be administered for any other reason than to meet the terms of the "trust" explicit in their designation as trust funds. There is no reason, then, to couple the issue of the social security system's fiscal soundness to the budget for fiscal year 1983 or any other year. The underlying soundness of the Nation's primary social insurance system is an issue in its own right. The President, less than 6 months ago, established a National Commission on Social Security Reform for the specific purpose of making recommendations to insure the soundness of the system. That changes are necessary may well be a given, Mr. President. But they should not be made—if this is indeed a trust—for any purpose except to insure the system's fiscal integrity.

The Commission established by President Reagan has not issued its report. Yet we find ourselves facing a proposal for an arbitrary $40 billion cut in social security benefits over the next 3 fiscal years.

Those cuts, as I see it, are intended to help provide a lower perceived deficit. But the money involved does not belong to the General Treasury. It may well be loaned—as it almost always is—but it belongs to the funds, which is to say that it belongs to the people who have made or are making regular monthly contributions to our Nation's social insurance program. The same can be said of other trust funds as well.

The trust funds which Congress has established—but especially the social security system—should not be used to balance the budget or to reduce the general fund deficit. To the extent they are we have abandoned the principle of a trust fund.

It may be time, Mr. President, to consider reversal of the 1969 action which "unified" the budget and to establish a separate trust fund budget in order to insure that we do not confuse apples with oranges when we consider issues involving substantial social and economic needs—needs so great, in fact, that Congress has established their funds as "trusts."

Mr. President, the real deficit of the U.S. Government—the deficit which has to be financed in the market—is substantially higher than the unified budget deficit we all read about in the papers or see charted on our TV screens. The trust fund surplus has to be discounted because it is already invested in Government debt. And the off-budget deficit of various Government enterprises must be included, for it is financed. Truth in budgeting would be served, I believe, if we were to adopt such a system.

For now, however, the issue is the Byrd-Moynihan amendment. That amendment recognizes the principles of separating trust funds from the overall budget and of dealing with them on their own merits. It is a good principle.

Mr. BENTSEN. Mr. President, more than 150 million retired and working Americans have a vital interest in our social security system. There is no other Government program that is so important to so many of our people. Social security is not a luxury; for millions of Americans who have spent their adult lives working to build our economy and strengthen the foundation of the American dream, social security is a necessity. It is the difference between a secure, dignified retirement and very real economic hardship.

Given the obvious importance of this program it is unfortunate indeed that the Senate is taking up the issue without first ascertaining what the President and the chairman of the Budget Committee have agreed to in the way of major program changes. We are being asked to make far-reaching changes that could affect millions of people in the context of a budget debate without even having the benefit of the report from the Presidentially created Social Security Commission.

In my opinion social security is far too important to be reformed without the facts, in the context of partisan rhetoric on the floor of the Senate.

Mr. President, I am going to vote against arbitrary changes in social security. I am going to vote with Senators Moynihan and Byrd because I believe any changes that must be made should be undertaken carefully, deliberately, and with a view to insuring the long-term solvency of the largest retirement system in this country.

When it come to social security, I will not compromise the future of the American worker. Until the Commission's report is available, and the proposals have been reviewed and understood, I think it would be wrong for this body to signal support for major yet unknown changes in a program that touches the lives of so many. We should not rely on faith healing to solve our problems with social security. But by the same token, we must not endorse a $40 billion tax increase or benefit reduction blindly, without knowing the impact such a vote will have on millions of Americans who depend on the system for retirement.

Mr. PELL. Mr. President, I strongly support the amendments being considered by the Senate rejecting the actions on social security benefits recently endorsed by the Senate Budget Committee.

The Senate Budget Committee, in its budget resolution for fiscal year 1983, proposes to require actions by the Congress to come up with $40 billion, presumably in social security benefit reductions, to help reduce the Federal Government deficits during the next 3 fiscal years.

I believe it would be unwise, unnecessary, and unfortunate for the Senate to commit itself to this drastic action on social security at this time. In my view, Congress should take no action to change the social security system until we have had an opportunity to receive and study the report of the National Commission for Social Security Reform, which is not scheduled to report to the Senate until late this year.

I believe it is important that the Senate make clear that we will not tolerate an arbitrary requirement that social security benefits, now be reduced by $40 billion. For that reason, I support the amendments to reject the recommendations of the Budget Committee on social security. It is a simple matter of fairness to the millions of older Americans who depend heavily on the social security system for their well-being.

Mr. DeCONCINI. Mr. President, during the debate last week on the Department of Defense authorization bill there was an amendment offered by the Senator from New York (Mr. Moynihan) and the Senator from West Virginia, the minority leader (Mr. Robert C. Byrd) regarding social security and the Budget Committee.

I support this measure offered by my distinguished colleagues, Senator Moynihan and Minority Leader Byrd. The action by the Budget Committee last night to reduce social security benefits by $40 billion over the next 3 years should be rejected by the Senate.

I know that some members of the majority on the Budget Committee would defend their action by saying that this $40 billion item does not necessarily have to be a reduction—they do not want to prejudge the recommendations of the Social Security Commission which will report later this year. However, it is my understanding that the chairman of the Social Security Subcommittee of the Finance Committee has already indicated that he will not support raising taxes to acquire $40 billion in receipts. Thus, what alternative is left but to reduce social security benefits in one form or another? Further, this reduction is being proposed under the guise of social security "reform" when in reality it is meant to reduce deficits. I support reducing deficits and balancing the budget, but not on the backs of our Nation's retired citizens. If this proposal of the Budget Committee is ultimately implemented, it would mean an approximately $1,100 reduction in benefits over the next 3 years for the more than 34 million recipients. I cannot support a proposal with such a harsh, drastic impact on our retirees, widows, and disabled.

Mr. President, quite frankly I am rather surprised that Republicans would support such a measure. Until a few days ago they were disclaiming any credit for proposing reduction in benefits and in fact trying to tag reduction proposals on the Democratic leadership. Why the change in direction? One can only surmise, but could this proposed reduction in benefits be tied to saving the President's tax cut for 1983? If this is the case, how can they justify financing a tax cut which primarily benefits wealthy and well-to-do individuals by cutting benefits for retirees, widows and disabled—those who depend on these benefits for their existence—the least well-to-do.

I am committed to support measures that will insure the continued viability of the system while keeping our word to those people who have paid, and are paying into the system with the expectation of receiving benefits that they have earned. In my judgment, this proposal to reduce benefits by $40 billion over the next 3 years represents a breach of faith between the Government and those who have contributed to the system. Thus, I oppose the reduction in social security benefits proposed by the Republicans on the Budget Committee and support this measure which would place the Senate on record as also opposing the reductions.

Mr. ROBERT C. BYRD. Mr. President, I should like to address a question to the distinguished majority leader.

We have talked somewhat in private. Can he, at the moment, divulge his intention as to whether or not he will move to table my amendment or move to table the underlying Moynihan amendment?

Mr. BAKER. Mr. President, I thank the Senator. He has every right to ask that question, not only because the right is inherent but also because I have given him both answers within the last 15 minutes.

It is my intention to move to table the Moynihan amendment, as I originally indicated to the minority leader, and not the Byrd amendment.

Also, I do not anticipate more than one rollcall vote this evening. It is now 6 o'clock. I hope that after the motion to table the Moynihan amendment, the Senate will recess until tomorrow, at a reasonably early hour.

Mr. ROBERT C. BYRD. Mr. President, I yield such time as he may require to Mr. Moynihan.

Mr. MOYNIHAN. I thank the distinguished minority leader.

I thank the majority leader for his thoughtfulness in allowing the Senate to work its will in this matter.

I am reminded of the event of a year ago on May 20 when the Members on this side of the aisle introduced a measure calling for the protection of the social security system. At the end of a long day's debate, an essentially identical measure was substituted and adopted unanimously.

I hope I might be able to speak on this matter without fear of being charged with demagoguery. We obviously have a matter of importance to the body or the Members on the other side of the aisle would not have spent a long day working out a substitute amendment which they will offer.

Mr. President, I shall speak briefly on behalf of the amendment now to be voted upon. Its operative paragraphs are direct and simple.

It declares that the unfair action of the Senate Budget Committee on May 5, 1982, supported by the President, calling for an arbitrary $40 billion cut in social security benefits over the next 3 fiscal years is hereby rejected and declares further that Congress shall take no action affecting social security until it has considered the recommendations of the National Commission on Social Security Reform.

The Members on the majority side of the aisle have agreed to the second declarative paragraph. It is in their resolution that there will be no legislation until the Commission reports have been received, and that is certainly welcome and that is certainly to be desired.

However, the report language that the Budget Committee will now send to Congress is not consistent with that proposition. It says the Senate Finance Committee and the House Committee on Ways and Means will review promptly the Commission's recommendations and report legislation by December 1, 1982, providing the following changes in revenue outlays to restore social security solvency: $6 billion in 1983, $17 billion in 1984, and $17 billion in 1985. December 1, 1982, is very likely, before the Commission will have finished its work.

What the report language says is that the Finance Committee will adopt the arbitrary $40 billion cut, $1,100 per recipient in 3 years.

Without being tedious, Mr. President, once again I ask unanimous consent to have printed in the Record the proposal of the distinguished chairman of the Budget Committee on Wednesday morning, May 5, which contemplated no "solvency" cuts next year, $3 billion in 1984, $11 billion in 1985 for cuts or revenue increases or a combination of either.

There being no objection, the material was ordered to be printed in the Record, as follows:

MODIFIED DOMENICI PLAN

	1983	1984	1985	3-yr total
(1) Baseline deficit	182	216	233	631
DEFICIT REDUCTION MEASURES				
(2) Management	7	12	12	31
(3) User fees	2	2	2	6
(4) Federal pay freeze [1]	4	6	9	19
(5) Freeze military pay [2]	2	3	4	9
(6) COLA freeze (excluding social security) 1 yr [1]	3	5	7	15
(7) Freeze nondefense discretionary	6	13	20	39
(8) Targeted entitlements	7	11	15	33
(9) Social Security Commission solvency recommendations	6	17	17	40
(10) Defense (excluding pay/retirement)	5	7	10	22
(11) Revenue	20	35	40	95
(12) Interest (market effect)	7	15	20	42
(13) Debt service	6	20	35	61
(14) Total deficit reduction	77	146	191	414
(15) Remaining deficit	105	70	42	217
Exon: Eliminate 3d-yr tax cuts	96	34	0	

[1] Assumes 4-percent increase in out-years.

[2] Allows targeted readiness-related pay contingency fund of $1,400,000,000.

POSSIBLE BUDGET COMPROMISE

	1982	1983	1984	1985
Baseline deficit	119	182	216	233
Freeze elements:				
All COLA (starting July 1982) except SSI and food stamps	3	15	17	18
All Federal pay with last 2 yr at 4 percent		7	11	15
Discretionary, nondefense		6	11	18
Reform/restraint elements.				
Management		9	12	12
Targeted entitlements		6	8	11
Defense		5	10	15
Social security solvency		0	3	11
User fees		1	2	2
Revenues. Basic tax changes		30	45	50
Resulting interest cost benefits:				
Market effect		8	20	28
Debt service savings		6	18	34
Deficit reduction total	3	93	157	214
Deficit	116	89	59	19

POSSIBLE BUDGET COMPROMISE—Continued

Mr. MOYNIHAN. That was the morning proposal.

In the afternoon, Mr. President, that $14 billion for solvency had become $40 billion and it had become $40 billion for the pure purpose of offsetting deficits elsewhere, exactly what the Commission has resolved was an inappropriate use of the social security funds, and the do it by camouflaging the intent under the term "solvency."

The reason the distinguished Senator from Pennsylvania yesterday informed the Commission that he would introduce legislation to separate the social security funds altogether from the budget, take them out of the jurisdiction of the Budget Committee, was to be sure that what happened Wednesday might not ever happen again.

I cannot speak for him, but clearly he is of this view. Clearly the gentlemen and ladies opposite are worried about what happened. Clearly they should have been able to make such a decision in 3 hours of a hurried conference with Mr. Stockman in the leader's office down the hall. They did not consult with the minority, after we had agreed solutions must be bipartisian. That has not been the spirit of the past year.

Mr. President, I regret, if you will, that the President's budget was unanimously rejected by the Budget Committee and it found itself under this compulsion of time. But I regret that it submitted to that compulsion and provided $40 billion in social security solvency cuts or tax increases, simply as a budgetary device, having no authoritative advice from the Commission, or anyone else, that a measure of this magnitude was in order.

Mr. President, we have before us a direct, simple, and fair-minded resolution. I hope it will be adopted. For it to be rejected is an indication that the $40 billion in cuts will go forward. If they are not to involve the present recipients, Mr. President, they would require over the next 3 years a 53-percent reduction in the benefits of persons entering the system. That is an approximate figure, Mr. President, 53 percent, but it is of that magnitude. Curiously it brings us back a year almost to this day, May 12 a year ago. One year ago tomorrow the administration proposed a 40-percent reduction of the benefits of persons entering the system at age 62 beginning this year.

If a similar pattern were to be followed now, what have we accomplished for a year of a bipartisan and moderate discussion? I hope I am not demagoging. I hope I am merely describing a situation that I find unfortunate. I think it can be resolved, however. I believe the gentlemen and ladies opposite have seen the mistake they made in the rush they were in on last Wednesday night. No one could envy them their situation. They had unanimously voted against the President's budget. They had to do something quick. They did. They did something that was wrong. It can be remedied. They are already acknowledging that it must be remedied.

The measure before us, Mr. President, in my view would provide that remedy and in the view of the distinguished minority leader we hope it will be fairly heard and adopted.

Mr. RIEGLE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER (Mr. Mattingly). Who yields time?

Mr. ROBERT C. BYRD. Mr. President, I yield to the Senator from Michigan.

Mr. RIEGLE. I thank the Senator for yielding.

I inquire on the other side and direct this question to either Senator Dole or Senator Domenici or Senator Chafee. I have in front of me a copy of a resolution which I gather will be the substitute version that you on that side of the aisle intend to offer, assuming the Moynihan amendment goes down. And I am wondering, having read this language, if any of you can tell me if this means that your resolution, if it is later offered and passed, will knock out of the budget resolution the $40 billion in proposed cuts in social security? Will that come out of the budget resolution if this resolution that I see here is passed?

Mr. DOMENICI. No; it will not.

Mr. RIEGLE. It will not.

Mr. DOMENICI. That is correct.

Mr. RIEGLE. So, in other words, the budget assumptions in terms of the $40 billion coming out of social security will remain in the budget resolution even if this new Domenici-Dole-Chafee resolution is adopted; is that right?

Mr. DOMENICI. This says the budget resolution will come before the Senate and the Senate will debate the budget resolution. We will not judge that issue but we are stating unequivocally that the intention is to make social security solvent contrary to what the Senator from New York has been saying here ad nauseam that that money is something else.

Mr. RIEGLE. I thank the Senator because he makes it clear in fact that this resolution that is going to be offered from that side of the aisle will not touch the budget assumption that has been adopted, the $40 billion in cuts in social security over the next 3 years.

That is really the critical issue because, unless the Moynihan amendment is adopted, what is happening—and I speak as one of the members of the Budget Committee—if we leave that $40 billion worth of social security cuts in the budget as a budget assumption, that obviously affects the bottom line. That affects the size of the deficit and it also affects the question of how much money is available for spending in other areas of the Government.

So if in your resolution you do not deal with that $40 billion cut and you leave that presumed cut in the budget that is coming before us in the budget resolution, then that money will end up getting used in some other way. That $40 billion you will have taken out of the social security system will be allocated in other functions, and the only way to avoid that, to keep that from happening, to avoid that, we have got to have a resolution that makes it clear that there will not be $40 billion worth of cuts in this proposed budget, and that is what the Moynihan amendment would accomplish.

So if this presumed alternative coming from the Republican side of the aisle is going to leave in the $40 billion worth of social security cuts, that is the whole issue, that is the basic issue, that is what we need to vote on.

I would hope that if the other side is going to offer this they will at least allow us the chance to offer a perfecting amendment to make it absolutely clear that there will be no presumption of a $40 billion cut in the budget out over the next 3 years.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. RIEGLE. I yield the floor.

Mr. DOLE. The Riegle-Moynihan plan is the do-nothing plan.

The PRESIDING OFFICER. Who yields time?

Mr. BAKER. Mr. President, I indicated earlier that there would be one vote today. There seems to be growing feeling that we should also vote on the Specter amendment or in relation to it, so there may be two votes tonight instead of one.

Mr. President, will the Senator from Texas yield 2 minutes to the Senator from Rhode Island from his time?

Mr. TOWER. I yield 2 minutes.

Mr. BAKER. I yield 1 minute remaining to the Senator from Rhode Island.

Mr. CHAFEE. This amendment which will be offered by Senators Dole, Domenici, and myself is an amendment with considerable merit, and I rise in support of it.

In my view it sets out as the declared intent of the Senate a number of objectives that I have felt it important to achieve since we began to discuss the budget earlier this year.

First, it makes absolutely clear that the full social security cost-of-living adjustment of 7.4 percent be paid in full on July 1, 1982, as scheduled. I have been deeply concerned that this COLA would be delayed or cut back and I have argued very strongly over the course of several months that nothing be done to affect the COLA this year. Social security payments are simply too important to too many elderly men and women to curtail preemptorily in the context of the budget exercise.

Second, I have argued strongly that any changes in the social security system should be the result of study by the National Commission on Social Security Reform, the body established by the President to recommend any changes that may be needed to insure the solvency of the system. Again, the amendment makes clear that we renew our commitment to maintain and assure that the system shall be preserved and strengthened so that benefits will be paid without interruption. It assures that our first concern is to insure the integrity of the system, so that present and future recipients can be sure that moneys will be available to pay benefits when they are due.

Finally the amendment requires that before binding amounts, or changes, or corrective action is taken in the system, the National Commission on Social Security Reform will have reported, and that the Finance Committee will act only after the report is available, to make such changes in the system as may be necessary to insure its viability.

So what this language means, Mr. President, is that following the Commission's report any corrective actions that are decided by the Finance Committee shall be solely based on those necessary to preserve the financial integrity of the social security system. That is what I am dedicated to, that is what I believe the amendment's sponsors and my colleagues on this side of the aisle are devoted to.

I cannot speak for the others on the other side of the aisle. We are going to wait for the recommendations of the Commission, and then the decisions, the binding decisions, will be made as to what steps should be taken.

But I want to stress that I consider this to be but a first step. As Members know, the amendment offered by the Senator from Kansas is the result of a long discussion among a number of Senators, including the chairmen of the Finance and Budget Committees and others, including myself. I think we have made considerable progress in establishing that any amount set in the budget resolution is but a recommendation to the Finance Committee—that the Finance Committee can, when the Commission's report is filed, make any changes deemed necessary by the committee.

I strenuously argued with other Senators to get the understanding that any amounts in this resolution are not binding, and at last language was included in the amendment before us to make that clear.

Mr. RIEGLE. Mr. President, will the Senator yield at that point?

Mr. CHAFEE. I yield on the Senator's time.

Mr. RIEGLE. Yes, on my time then. My question of the Senator from Rhode Island is this:

The PRESIDING OFFICER. Who yields time?

Mr. RIEGLE. Mr. President, will the Senator from West Virginia yield me a minute so that I might ask a question?

Mr. ROBERT C. BYRD. Yes, I yield 1 minute to the Senator.

Mr. RIEGLE. Is the Senator from Rhode Island aware of the fact if this resolution he is cosponsoring passes that this does nothing to change the assumption in the budget resolution of the $40 billion in cuts over the next 3 years of social security? Is he aware of that?

Mr. CHAFEE. The budget resolution, which we will take up next week, will contain a recommendation for a specific amount of cuts. But the essence of this amendment is that before any binding amounts, changes, or corrective actions are taken, the Congress will have the Commission's report. Furthermore—and I stress this—it leaves us, as individual Senators, free to offer amendments to the budget resolution. Indeed, this Senator might well present an amendment to eliminate the $40 billion.

Mr. RIEGLE. I thank the Senator. If he wants to answer further on his own time, he may.

Mr. CHAFEE. I am now back on my own time.

Mr. RIEGLE. I thank the Senator.

Mr. CHAFEE. We make it very clear that any corrective actions taken shall soley be for the preservation of the fund, and that is the important point, no more than is required for the preservation of this fund based upon the report of the Commission. That is what we have before us today, and which I support. What we do later, whether we amend the budget resolution is a separate matter and, indeed, I shall undoubtedly support something to change the $40 billion.

The PRESIDING OFFICER. All the time of the Senator from Rhode Island has expired.

Mr. MOYNIHAN. Mr. President, may I have 1 minute?

Mr. ROBERT C. BYRD. How much time do I have, Mr. President?

The PRESIDING OFFICER. Two minutes.

Mr. ROBERT C. BYRD. I yield 1 minute to the Senator from New York.

Mr. MOYNIHAN. Mr. President, I am more than gratified by the statement of the Senator from Rhode Island. He grants that the $40 billion cut remains.

If I could respectfully correct a statement by the Senator from Michigan, there is not an assumption of a $40 billion cut in the committee report; it is a direction. It says you can do anything you want provided you cut $40 billion.

Mr. President, I ask unanimous consent that the text of the budget report be included in the Record.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

> (3) *Social Security Solvency Actions.*—The Committee recognizes that *social security may soon be bankrupt.* The Committee recommends action to restore social security solvency totaling *$40 billion over the next 3 years. These actions could be either revenue increases, a reduction in the growth of spending, or a combination of the two.* The resolution includes a sense-of-the-Congress provision calling for the report of the National Commission on Social Security Reform to be submitted no later than November 11, 1982. The resolution also contains a reconciliation instruction directing the Senate Finance and House Ways and Means Committees to review promptly the Commission's recommendations and to report legislation by December 1, 1982, providing the following changes in revenues and/or outlays to restore social security solvency: FY 1983, $6 billion; FY 1984, $17 billion; FY 1985, $17 billion.

Mr. RIEGLE. I thank the Senator.

Mr. BAKER. Mr. President, I yield 1 minute to the distinguished Senator from Colorado.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. ARMSTRONG. Mr. President, I thank the majority leader for yielding. This will only take a few seconds to say that I associate myself completely with the remarks of the distinguished chairman of the Finance Committee, the distinguished chairman of the Budget Committee, and Senator Chafee.

It is my understanding—if I may have the attention of the majority leader for a moment—I would just like to confirm that it is his plan on tomorrow to call up, assuming the tabling of the pending business, a resolution which will be sponsored by Mr. Dole, Mr. Domenici, Mr. Chafee, myself, and others that deals broadly with the social security system.

Mr. BAKER. Yes, that is my intention.

Mr. ARMSTRONG. In view of the brief time available this evening I only want to say that I support the tabling motion and I would expect to speak at some length, if possible, tomorrow to discuss the broader aspects of the social security issue, how it should be financed, and the timing of any changes that need to be made.

I thank the majority leader.

Mr. BAKER. I thank the Senator.

Mr. President, if there is any time remaining to me—there may be 30 seconds—I reserve that time.

The PRESIDING OFFICER. The Senator is correct.

Who yields time?

Mr. TOWER. Mr. President I yield 2 minutes to the Senator from Kansas.

Mr. DOLE. I thank the distinguished Senator for yielding.

I certainly want to commend all those who have been working this afternoon drawing up what we think is a clear statement to assure social security recipients that they will get the full 7.4-percent COLA in July as promised by the President. Everybody understands that will happen.

We also indicate that we are trying to keep the system solvent. I do not want to engage in any finger pointing, but I have already recited what happened as a result of the 1977 amendments. Benefits were cut an average of $130 a month, taxes were increased. Many of the people who voted for that act are now on the floor saying, "What about this $40 billion in the next three fiscal years?" It was a $93 billion package enacted in 1977 over the same 3-year period. We are talking about $40 billion now.

It may not be $40 billion; it may be $25 billion; it may be $35 billion; it may be $42 billion. We are going to wait until the commission reports.

What we are trying to do is to be responsible. We can have a do-nothing program as suggested by the Senator from Michigan and the Senator from New York, and then come next June when there is not enough money left to pay the full check, let the people wait; when the money comes in, pay out the checks, or else pay reduced checks on time.

This Senator does not suggest that will happen, but it could happen. So let us stop trying to fool the American people, trying to suggest that somehow Republicans are insensitive, not compassionate, are hardhearted. Let us face up to the facts. The system is in trouble.

I do not care whether you are Democrat or Republican, we have to do something by June of 1983 or we are not going to be able to mail out the checks on time or mail out full checks on time.

And the Senator from Michigan can stand there all day, and he will all day and all year, and rail about the system. But I suggest that sooner or later Members of this body on both sides of the aisle will have to bite the bullet and put together a package to keep this system solvent.

We are not going to balance the budget on the backs of the social security recipients, as we hear so often from the other side. In fact, Senator Heinz wants to take the funds off budget, so that charge cannot continue to be made.

But it is a very difficult problem. Solving will require cooperation of everybody on the Finance Committee and everybody in this body.

So I hope we can table the Moynihan amendment and the underlying amendment and tomorrow we can have a full discussion, led by the distinguished Senator from Colorado, the chairman of the Social Security Subcommittee, on what we believe is a right approach.

Mr. ARMSTRONG. Full and frank.

Mr. DOLE. Full and frank.

Mr. MOYNIHAN. Mr. President, are the yeas and nays ordered?

The PRESIDING OFFICER. The yeas and nays are ordered on the pending amendment.

Mr. TOWER. Mr. President, I do not see the Senator from Pennsylvania (Mr. Specter) in the Chamber. I am prepared to yield back the remainder of my time if he is prepared to yield back the remainder of his time.

Mr. BAKER. Mr. President, I am authorized by the distinguished Senator from Pennsylvania to yield back his time remaining on the Specter amendment. I yield it back.

Mr. TOWER. I yield back the remainder of my time.

Mr. ROBERT C. BYRD. Mr. President, do I have 1 minute remaining?

The PRESIDING OFFICER. The Senator has 30 seconds remaining.

Mr. ROBERT C. BYRD. Mr. President, the vote before us on tabling is simple: Do we want to cut $40 billion, about $1,000 per beneficiary, from social security to address the Roth-Kemp budget crisis?

A vote against the Moynihan-Byrd amendment is a vote to endorse the $40 billion budget clause adopted by the Budget Committee. We hear that social security will not be cut—in spite of the Budget Committee language.

If we are going to wait for the Commission to report, let us take this assumed $40 billion cut out of the budget.

That is what our amendment says. Wait for the Commission. Reject the $40 billion cut, reject the tabling motion.

AMENDMENT NO. 1397, AS MODIFIED

Mr. TOWER. Mr. President, I would like to reclaim 2 minutes of my time and yield it to the distinguished Senator from Illinois.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. PERCY. Mr. President, in suitable time I shall move to table the Specter amendment. I do so not because I am against the summit meeting. I have been for it for a year and I think it dangerous not to have it. But I am against it at this time because it does not belong on this bill. It is a matter of jurisdiction in the Foreign Relations Committee. We have nine other regulations dealing with nuclear warfare that could be attached on this bill and we would never finish this bill.

Furthermore, the President has already set a date and said he would like to have a summit meeting and addressed that subject in his speech in Illinois last Sunday, when he said:

> The fifth and final point I propose for East-West relations is dialogue. I've always believed that people's problems can be solved when people talk to each other instead of about each other. And I've already expressed my own desire to meet with President Brezhnev in New York next month. If his can't be done, I would hope we could arrange a future meeting where positive results can be anticipated.

He goes on to discuss what he is going to talk about with President Brezhnev. He said:

> And when we sit down, I'll tell President Brezhnev that the United States is ready to build a new understanding based upon the principles I've outlined today. I'll tell him that his government and his people have nothing to fear from the United States. The free nations living at peace in the world community can vouch for the fact that we seek only harmony. And I'll ask President Brezhnev why our two nations can't practice mutual restraint. Why can't our peoples enjoy the benefits that would flow from real cooperation? Why can't we reduce the number of horrendous weapons?

Mr. President, I yield the floor.

Mr. SPECTER. Mr. President, I yield myself 2 minutes.

Mr. BAKER. Mr. President, I yielded back the time of the Senator. I ask unanimous consent that I may reclaim the time and reassign it to the Senator from Pennsylvania.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SPECTER. Mr. President, while the distinguished Senator from Illinois has accurately read the President's words, it is of real note that nowhere in his speech did he refer to the summit, nor did Secretary of State Haig today. And that is a critical distinction, because the summit carries with it the intensity for success which I think ought to be promoted forward with momentum.

Even if the context of the Summit were contained within President Reagan's speech or Secretary Haig's statement today, it is still of importance for this country that the Senate can express itself in favor of the Summit meeting so that the world will know that, unlike SALT II, where the Senate was not prepared to ratify, that the Senate is in favor of this Summit talk.

The issue which was raised by the distinguished Senator from Illinois, if it were accurate on its face that the Summit has already been postulated, proposed and agreed to by the administration, then what harm is there in the Senate seconding that proposal?

Any way it is interpreted, it is my suggestion and contention that this amendment is most appropriate.

Mr. President, I yield the floor.

Mr. BAKER. Mr. President, I yield 20 seconds to the Senator from Illinois.

Mr. PERCY. Mr. President, on behalf of Senator PELL, the ranking minority member of the Foreign Relations Committee, and myself I move to table the pending Specter amendment.

Mr. BAKER. Will the Senator withhold briefly.

Mr. PERCY. I withdraw my request.

AMENDMENT NO. 1442

Mr. BAKER. Mr. President, might I inquire of the Chair, when the time expires, am I correct in stating that if the tabling motion is made against the Moynihan amendment, that would be the first vote to occur in the sequence of votes, to be followed, without debate, by a vote on a tabling motion, if it is made, against the Specter amendment?

The PRESIDING OFFICER. If no other motion is made, the Senator is correct.

Mr. BAKER. Mr. President, I yield back the remainder of my time.

Mr. President, I move to table the Moynihan amendment and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table the amendment of the Senator from New York (Mr. MOYNIHAN). The yeas and nays have been ordered and the clerk will call the roll.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll to ascertain the presence of a quorum.

The assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the motion to lay on the table the amendment of the Senator from New York. The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENS. I announced that the Senator from Florida (Mrs. HAWKINS) and the Senator from Wisconsin (Mr. KASTEN) are necessarily absent.

I further announced that, if present and voting, the Senator from Florida (Mrs. HAWKINS) would vote "nay".

Mr. CRANSTON. I announce that the Senator from Connecticut (Mr. DODD), the Senator from Louisiana (Mr. LONG), and the Senator from Tennessee (Mr. SASSER) are necessarily absent.

I further announce that, if present and voting, the Senator from Connecticut (Mr. DODD) and the Senator from Tennessee (Mr. SASSER) would vote "nay".

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 51, nays 44, as follows:

[Rollcall Vote No. 97 Leg.]

YEAS—51

Abdnor
Andrews
Armstrong
Baker
Boschwitz
Brady
Chafee
Cochran
Cohen
D'Amato
Danforth
Denton
Dole
Domenici
Durenberger
East
Garn
Goldwater
Gorton
Grassley
Hatch
Hatfield
Hayakawa
Heinz
Helms
Hollings
Humphrey
Jepsen
Kassebaum
Laxalt
Lugar
Mathias
Mattingly
McClure
Murkowski
Nickles
Packwood
Percy
Quayle
Rudman
Schmitt
Simpson
Specter
Stafford
Stennis
Stevens
Symms
Thurmond
Tower
Wallop
Warner

NAYS—44

Baucus
Bentsen
Biden
Boren
Bradley
Bumpers
Burdick
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Cranston
DeConcini
Dixon
Eagleton
Exon
Ford
Glenn
Hart
Heflin
Huddleston
Inouye
Jackson
Johnston
Kennedy
Leahy
Levin
Matsunaga
Melcher
Metzenbaum
Mitchell
Moynihan
Nunn
Pell
Pressler
Proxmire
Pryor
Randolph
Riegle
Roth
Sarbanes
Tsongas
Weicker
Zorinsky

NOT VOTING—5

Dodd
Hawkins
Kasten
Long
Sasser

So the motion to lay on the table Mr. MOYNIHAN's amendment (No. 1442) was agreed to.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the motion to lay on the table was agreed to.

Mr. THURMOND. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I read a UPI wire report by Dean Reynolds. I think this is very related to the subject matter of the vote which has just occurred:

> Strong bipartisan opposition in both House and Senate to including social security reductions in the 1983 budget embarrassed President Reagan Tuesday and clouded the outlook for a fiscal compromise.
>
> The House Republican leadership agreed in a meeting to oppose the Senate Budget Committee alternative budget's section requiring $40 billion in unspecified "savings" in social security over the next three years.
>
> And a group of six maverick Senate Republicans also oppose it. One of them, Senator John Heinz of Pennsylvania, introduced a Senate resolution that would remove the social security trust fund from the Federal budget altogether.
>
> The split within Reagan's own party inflicted heavy political damage, leaving in tatters his contention that only irresponsible Democrats oppose his austerity plans.
>
> It also left the budget process snarled in a maze of alternative plans from both sides of the aisle, none of which can claim sufficient support for passage.
>
> A source who attended the meeting said House Republican leader Bob Michel announced he "would not accept a social security plug" as part of any budget plan.
>
> Assistant House GOP leader Trent Lott of Mississippi echoed Michel's sentiment, the source said, and "nobody in the meeting disagreed."
>
> Representative William Green, R-N.Y., one of the moderate Republicans called "gypsy moths" who already opposed the cuts Reagan wants in social programs, told reporters the House GOP leadership "does not endorse the Domenici plan"—the alternative budget by Senate Budget Committee Chairman Pete Domenici of New Mexico and embraced by Reagan.
>
> "It was made very clear to us today that the House Republican leadership does not support" the plan "and they did not ask us to support it," Green said.

(Later the following occurred:)

Mr. NUNN. Mr. President, I voted not to table the Robert C. Byrd-Moynihan amendment, but I must admit that it was with some misgivings.

I consider the Budget Committee's $40 billion cut in social security irresponsible fiscally because, first, it does not identify the cuts. Second, President Reagan has been quoted in the papers several times as clearly stating that he is wedded to protect the cost-of-living increases in social security. I understand his position, but I do not understand how this is compatible with the $40 billion in unspecified cuts he has completely endorsed.

Third, the Budget Committee makes it clear that no action will be taken until the President's Social Security Commission reports. This means there will be no fiscal certainty in the period of time we are waiting on that report, either for the social security recipients who are bound to be vitally concerned about the $40 billion that is unspecified or for the financial markets, which are having great doubts about the determination of Congress and the executive branch in really bringing about reform and fiscal responsibility in the budgeting process, both for social security and for the overall budget.

For these reasons, I agree with the Robert C. Byrd-Moynihan amendment, which condemned the Budget Committee's $40 billion in unspecified cuts. I do not, however, agree with the second part of the amendment which says we will make no changes in the social security system until the President's commission reports.

The social security system is in danger. I think everyone agrees that it has real problems that have to be addressed. Our economy is in danger. The time for Congress and the President to act is now, 1982, not 1983, as called for by the Budget Committee, by the President, and by the Robert C. Byrd-Moynihan amendment.

Mr. BOREN. Mr. President, will the Senator yield?

Mr. NUNN. I yield.

Mr. BOREN. Mr. President, I thank my colleague for yielding. I wish to associate myself with the comments just made by the Senator from Georgia. There are serious problems with the social security system. I agree with the Senator that the time for the President and Congress to act is now.

We should be facing up to these responsibilities this year, not after the report of some commission, which would extend it into 1983.

I also voted against the motion to table the Moynihan amendment, and I did so with mixed emotions. I am not in agreement with the last paragraph of the amendment which indicated that Congress should wait to take action to assure the solvency of the social security system until the report, after the election of a commission studying the system. Such a position, in my view, is not responsible.

For the sake of those who depend on social security, Congress should quit passing the buck, merely conducting studies, and never acting to make changes to assure the financial security of social security.

However, while I felt that the amendment was not fully responsible, I felt that the recommendation of the Budget Committee was even less responsible. It, too, says that Congress should wait to act until after the committee reports after the election. To wait is not responsible. It is even less responsible to say that we should make $40 billion in cuts without specifying how they should be made. This approach is inadequate and inappropriate budgeting practice and constitutes poor public policy.

The Budget Committee's arbitrary reduction of benefits is a "shot in the dark," and it is unclear which potential "victims" it might hit. Because of these concerns, I voted against the motion to table.

(Conclusion of late proceedings.)

Mr. DOLE. Mr. President, I ask unanimous consent that the names of the following Senators be added as cosponsors of the amendment submitted earlier by the majority leader for the Senator from Kansas, the Senator from New Mexico, the Senator from Rhode Island, and the Senator from Colorado, with reference to social security: Senator STAFFORD, Senator JEPSEN, Senator HATCH, Senator HEINZ, Senator PERCY, Senator DANFORTH, and Senator GRASSLEY.

The PRESIDING OFFICER (Mr. RUDMAN). The Senator from Kansas is advised that that amendment has not yet been presented.

Mr. DOLE. I thank the Chair. I will add those names later.

Mr. BAKER. Mr. President, there will be no more votes this evening.

ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that there now be a brief period for the transaction of routine morning business, to extend not past the hour of 7:10 p.m. under the same terms and conditions as previously ordered.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. BAKER. Mr. President, I expect one other item of business to be transacted, a matter to be offered by the Senator from Maryland, the chairman of the Rules Committee. As soon as he reaches the floor, I am prepared to take up that measure.

I yield the floor.

Mr. ROBERT C. BYRD. Mr. President, I am going to leave the floor, but I wish to state that I am very supportive of the resolution to be offered by Mr. MATHIAS, and unanimous consent is granted on this side of the aisle to proceed immediately to the consideration of that resolution.

Mr. BAKER. I thank the minority leader. I will arrange to have that matter addressed by the Senate this evening.

RESOLUTION PROVIDING FOR A STUDY OF SENATE PRACTICES AND PROCEDURES

Mr. MATHIAS. Mr. President, I send a resolution to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated by title:

The legislative clerk read as follows:

> A resolution (S. Res. 392) to provide for a study of Senate practices and procedures.

There being no objection, the Senate proceeded to consider the resolution.

Mr. BAKER. Mr. President, I rise to state that both the minority leader and I not only approve this resolution for action by unanimous consent but we do so enthusiastically.

Mr. MATHIAS. Mr. President, today I am submitting and asking for the immediate consideration of a Senate resolution to provide for a study of Senate practices and procedures by a study group composed of two distinguished former Senators, one to be appointed upon the recommendation of the majority leader and the other upon the recommendation of the minority leader of the Senate. The purpose of this study is laid out in the second section of this short resolution:

> It shall be the duty and function of the Study Group to make a full and complete study of the practices and procedures of the United States Senate with a view to recommending to the Senate such revisions thereof as may be necessary or appropriate to preserve and enhance the traditions, customs, functions, forms, and spirit of the United States Senate while enabling the Senate to conduct debate which is focused on major issues of national policy.

Mr. President, I owe the eloquence of the preserve-and-enhance clause to two of the most thoughtful Senators who have ever served in this body, Jim Pearson and Abe Ribicoff, and I owe the clarity and conciseness of the debate clause to my distinguished colleague from Missouri, Senator DANFORTH. I might note at this point that it is the intent of the majority leader to recommend the appointment of former Senator Pearson to the study group and of the minority leader to recommend former Senator Ribicoff, both appointments to be made by the President of the Senate.

WHY A NEW STUDY OF THE SENATE?

As we approach the 200th anniversary of the Senate, many of us have had our concerns about the present operation of the Senate sharpened to the point of recommending yet another study of the most unique parliamentary body in the world, the U.S. Senate. No other legislative body has the unequaled set of tasks assigned to the Senate in the first article of our Constitution: coequal to the House of Representatives in legislative powers, but solely responsible for advice and consent to treaties and for the confirmation of Presidential nominations for officers of the United States.

As I remarked several months ago at a meeting of the Committee on Rules and Administration,

> It has been a matter of concern to many of us that the work of the Senate has become more and more difficult and that to some extent we spend our time dealing with the procedural questions while questions of substance, questions of importance to the nation and to the world, are forced to wait.

And, to some extent, we may find, as former Senator Pearson has said to me, that some of our ills may relate to our very reforms.

One reflection of this is the growth in the number of rollcalls. Fifteen or twenty years ago there may have been 60 or 70 rollcalls a year on matters of policy, when the Senate would give policy direction to the committees, but they would not decide by a rollcall vote on every petty detail. We have now reached a point where we may have as many as 600 or 700 rollcall votes a year. Now, that, of course, in part reflects that there is more work to do here. Twenty years ago the Congress did not concern itself with energy; that was a matter for the private utility companies. It did not concern itself with the environment; that was something for the Audubon Society. But these are just illustrative of two areas of legislation that have been forced upon us by the times in which we live.

It was my thought at that time that we ought to get some person or some small group who are thoroughly familiar with the work of the Senate to consider this problem, and to consider it from a perspective of some distance, to look at it without being under the day-to-day pressure of having to meet the schedule here in the Senate.

I discussed this with our committee's distinguished ranking minority member, Senator FORD, also the majority leader, Senator BAKER, and subsequently with the distringuished minority leader, Senator BYRD, the idea of inviting Senator Ribicoff and Senator Pearson to be our two wisemen; for them to think just about the problems of running the Senate, and to see how we can achieve the majority leader's goal of restoring the Senate to its position as the greatest deliberative body in the world. And, of course, this is not going to be anything other than a consultative role on the part of these two former Senators.

Unlike many previous studies of the Senate, this one will be a study of the Senate by former Senators who will be counsulting with the Senate leadership and the entire Senate membership. It will not be a study of the Senate by management experts—the Senate is not a business or a corporation—nor will it be a study of the Senate by academicians—the Senate is too dynamic, within its profound stability and continuity over the past 193 years, to provide the scientists, political or otherwise, with a fixed landscape for precise study, one where all the roads and fences have been labeled for life. The Senate is a collegial body: 100 Members with equal rights and an unparalleled tradition. I look forward to this study, and to the active involvement of all of my colleagues in its important work. Senator FORD and I will shortly be sending each of you a "Dear Colleague" letter laying out in more detail how Senators Pearson and Ribicoff will be proceeding with their deliberations.

A word on cost and timing: The study will be neither expensive nor complicated. Section four of this resolution provides that "the Committee on Rules and Administration shall provide the study group with office space and facilities and such staff as may be necessary or appropriate to enable the study group to carry out its functions." This staff will be provided from present Rules Committee staff members.

And section five stipulates that "the study group shall conclude its study and submit a report thereon to the Committee on Rules and Administration not later than June 1, 1983, which report shall set forth the results of such study together with the study group's findings and recommendations resulting from such study."

Mr. President, I urge the immediate adoption of this resolution.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 392) was agreed to, as follows:

S. RES. 392

Resolved, That the President of the Senate shall appoint a Study Group on Senate Practices and Procedures (hereinafter referred to as the "Study Group") which shall consist of two former United States Senators, one of whom shall be appointed upon the recommendation of the Majority Leader of the Senate and one of whom shall be appointed upon the recommendation of the Minority Leader of the Senate.

SEC. 2. It shall be the duty and function of the Study Group to make a full and complete study of the practices and procedures of the United States Senate with a view to recommending to the Senate such revisions thereof as may be necessary or appropriate to preserve and enhance the traditions, customs, functions, forms, and spirit of the United States Senate while enabling the Senate to conduct debate which is focused on major issues of national policy.

SEC. 3. Members of the Study Group shall be compensated for their services and reimbursed for their official transportation and subsistence expenses in accordance with such contractual or other arrangement as may be agreed upon by the Study Group and the Committee on Rules and Administration.

SEC. 4. The Committee on Rules and Administration shall provide the Study Group with office space and facilities and such staff as may be necessary or appropriate to enable the Study Group to carry out its functions.

SEC. 5. The Study Group shall conclude its study and submit a report thereon to the Committee on Rules and Administration not later than June 1, 1983, which report shall set forth the results of such study together with the Study Group's findings and recommendations resulting from such study.

Mr. MATHIAS. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BAKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

SMALL BUSINESS WEEK

Mr. HAYAKAWA. Mr. President, in proclaiming the week of May 9, 1982, Small Business Week, President Ronald Reagan called small business the cornerstone of our free enterprise system that has represented opportunity, independence, and the fulfillment of dreams for generations of Americans. I concur with this apt description and I welcome the outstanding representatives of the small business community visiting Washington this week under the aegis of their special spokesman, the Small Business Administration (SBA).

Last week, we were privileged to meet with another small business sector, members of Small Business United, a national network for legislative action. Under the banner, "Small Business—the Economic Engine," these small business men and women—a coalition of regional, State and metropolitan small business associations from 33 States—brought to our attention their legislative priorities which we would do well to consider.

Mr. President, every Member of Congress recognizes that the small business community is organized, intelligent and articulate. Unfortunately, for too many years its members were not pulling together as a group in their own best interests as citizens and taxpayers. The White House Conference on Small business, and activities of their various business trade organizations, helped to bring them together, to find their voices and to demand their rights. I applaud them and sincerely hope they will stay together in a constructive effort to be treated in a manner that will permit and encourage them to start new businesses, provide more jobs, add more dollars to our economy, and invent the new products and processes we need for the future. This is the legacy of small business in this country. It must continue.

I would like to commend the dedicated staff of SBA throughout the country who coordinate the Small Business Week activities that culminate here in Washington. Each year, SBA plays host to selected outstanding small business people from communities all over the country who are a cross section of the millions of small business owners who account for almost half of our total employment and create most of our new jobs. The awardees represent a variety of businesses—home improvement products; advertising; farm equipment; general contracting, and many, many more. I would like to take this opportunity, however, to pay special tribute to the winners from the State of California and to congratulate them for this recognition:

In the Advocacy category, the Senior Entrepreneur Advocate of the Year is Mr. C. N. "Mike" Parker, founder of New Career Opportunities, Inc., Glendale. A retired executive, Mr. Parker started the first organization in the United States to provide practical training to older workers and retirees who are interested in forming manageable, low-risk enterprises based on their craft or service skills.

Linda Lee and William Conner, Homestead Products, Ramona, became distributors of ceiling fans in the mid-1970's when they were too old-fashioned to be popular. Their idea was to market energy-conserving products—and ceiling fans seemed to show promise. Now the company is the largest employer by five times in Ramona. Sales have grown at an average rate of 130-percent annually, rising to $11 million in 1981.

Richard Chavez, the Small Business Subcontractor of the Year, is president of Bravo Manufacturing, Inc. of Fremont. This is a small, disadvantaged electronic and electro-mechanical fabricator. Founded in 1978, the company began operations with four employees and several part-time helpers. It now employs 32 persons, with the capability of fabricating and manufacturing almost all types of electronic and mechanical chassis and electro-mechanical systems. Bravo Manufacturing was nominated for this award by Lawrence Livermore National Laboratory, Livermore.

As I congratulate all the winners, I would like to share with you a copy of a recent letter addressed to President Reagan. It is from a California resident who, on behalf of himself and his partner, expresses enough faith in the American economic system and in the President's faith in himself to invest everything they own in a new business. I ask unanimous consent, Mr. President, to insert a verbatim letter from Bill Casper of Data World, North Hollywood, into the RECORD. Perhaps some day Mr. Casper and his partner will be in Washington to celebrate Small Business Week.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DATA WORLD,
North Hollywood, Calif., April 8, 1982.
Hon. RONALD REAGAN,
President of the United States,
The White House, Washington, D.C.

DEAR MR. PRESIDENT: With utmost respect, I ask that you accept my letter, meant fully as I wrote fully: as a true "publicity stunt." Not for myself, but for the American people. I think "they" need some good publicity.

I recently found myself having coffee with a friend in a favorite Los Angeles habitat and noticed a framed newspaper on the wall. The headlines read: "Roosevelt Cheered by Million" "Hughes Flies World In 91 Hours." It was the San Francisco Examiner, dated July 15, 1938. Suddenly Easter, 1982, resurrected new meanings.

Recently, in the face of all caution, I and my partner—Harrison Pierce, of Los Angeles—sank everything we owned into a new business. Like many other Americans are doing, right now. Why? Because we have faith. Roosevelt might have been cheered by that "million." You, Mr. President, are still cheered by millions. And America continues to shuttle off into space in 91 minutes, not the 91 hours of decades ago. And in the face of everything that might be happening to our country today, there are millions who still have the faith of a mustard seed. Faith, that can move mountains.

You have invited "comment" and "participation" from the private sector of this society. Well, we are not Exxon. And we are not General Motors. We are, however, exactly who we are—backbones of a country that will discover, and employ, any means necessary, to support a government, and a President, who supports us. Who refuses to be swayed by his own opinion—it is our mandate he must successfully represent. And it must be you, Mr. Reagan, to move the mountains of our mustard seeds.

We probably went into business at the worst time, as we have heard, in American history, In one ear and out the other. We believe—in ourselves. And in those around us. And in those, who lead us.

You spoke of a "crusade" during your campaign. I hope you still think it so. As my dearly departed Grandfather used to say: "It is a poor dog that won't wag his own tail."

Best regards.

Sincerely,

BILL CASPER, *Representative.*

TRANSFER OF THE SILVER FOX MINE

Mr. STEVENS. Mr. President, I am pleased that yesterday we were able to pass S. 1501 which conveys to the University of Alaska in Fairbanks title to any Federal interests in the abandoned Silver Fox Mine. The property will become a field laboratory for the Fairbanks campus' school of mineral industry. This is an important facility for instruction in mining engineering, geological engineering, and geology, as well as for carrying on applied and basic research. I am delighted we were able to move this legislation through the Senate so quickly.

Passage of this bill is largely due to the efforts of Dr. Earl Beistline, dean of the School of Mineral Industry at the University of Alaska, for over 35 years. Dr. Beistline's efforts were instrumental in obtaining public donations and the grant from the State of Alaska to purchase the mining claim. He is soon to retire from his position with the university. His work has been a great contribution to Alaska, and I hope that we can move this legislation through the House and provide Dean Beistline with a well-deserved retirement gift.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

EXCHANGE OF NOTES ON AN INTERNATIONAL FISHERY AGREEMENT—MESSAGE FROM THE PRESIDENT—PM 136

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with accompanying papers; which was referred to the Committee on Commerce, Science, and Transportation:

To the Congress of the United States:

In accordance with the Fishery Conservation and Management Act of 1976 (Public Law 94-265; 16 USC 1801), I transmit herewith an exchange of Diplomatic Notes, together with the present agreement, extending the governing international fishery agreement between the United States and the Soviet Union, signed at Washington on November 26, 1976, until July 1, 1983. The exchange of notes together with the present agreement constitute a governing international fishery agreement within the requirements of Section 201 (c) of the Act.

I urge that the Congress give favorable consideration to this extension at an early date. Several U.S. fishing interests have urged prompt consideration of this agreement, and I therefore recommend that the Congress consider issuance of a joint resolution to bring this agreement into force, before the agreement expires on July 1, 1982.

RONALD REAGAN.

THE WHITE HOUSE, *May 11, 1982.*

MESSAGE FROM THE HOUSE

At 11:08 a.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the bill (S. 691) to amend titles 18 and 17 of the United States Code to strengthen the laws against record, tape, and film piracy and counterfeiting, and for other purposes, without amendment.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-3412. A communication from the Chairman of the Federal Energy Regulatory Commission transmitting, pursuant to law, a report on a new Privacy Act system of records; to the Committee on Governmental Affairs.

EC-3413. A communication from the Chairman of the National Labor Relations Board transmitting, pursuant to law, a report on activities under the Government in the Sunshine Act; to the Committee on Governmental Affairs.

EC-3414. A communication from the Executive Director of the Pension Benefit Guarantee Corporation transmitting, pursuant to law, a report on a new Privacy Act system of records; to the Committee on Governmental Affairs.

EC-3415. A communication from the Commissioner of the Immigration and Naturalization Service transmitting, pursuant to law, a report on orders suspending deportation of certain aliens pursuant to section

244(a)(1) of the Immigration and Nationality Act; to the Committee on the Judiciary.

EC-3416. A communication from the Board of Directors and the Executive Director of the Pension Benefit Guaranty Corporation transmitting, pursuant to law, the seventh annual report of the Corporation; to the Committee on Labor and Human Resources.

EC-3417. A communication from the Chairman of the Board of Directors of the Pension Benefit Guaranty Corporation transmitting a draft of proposed legislation providing for the establishment of a program for the reimbursement of uncollectible withdrawal liability by multiemployer pension plans; to the Committee on Labor and Human Resources.

EC-3418. A communication from the Chairman of the National Commission on Libraries and Information Science transmitting, pursuant to law, the tenth annual report of the Commission; to the Committee on Labor and Human Resources.

EC-3419. A communication from the Executive Secretary of the Secretary of Defense transmitting, pursuant to law, a report on Department of Defense Procurement from Small and Other Business Firms for October 1981 through January 1982; to the Committee on Small Business.

EC-3420. A communication from the Acting Secretary of the Interior transmitting, pursuant to law, a report certifying that an adequate soil survey and land classification have been accomplished for lands in the Ak Chin Indian Reservation classified for irrigation suitability; to the Committee on Appropriations.

EC-3421. A communication from the Secretary of Commerce transmitting, pursuant to law, a report on the critical materials requirements of the U.S. aerospace industry; to the Committee on Commerce, Science, and Transportation.

EC-3422. A communication from the Secretary of Energy transmitting, pursuant to law, a report on a study of the need for a Federal Geothermal Reservoir Insurance and Reinsurance program; to the Committee on Energy and Natural Resources.

EC-3423. A communication from the Under Secretary of Education transmitting, pursuant to law, a report on the 1982-83 Guaranteed Student Loan Family Contribution Schedule; to the Committee on Labor and Human Resources.

EC-3424. A communication from the Secretary of Agriculture for Small Community and Rural Development transmitting, pursuant to law, a report on actions being taken to improve the management and operations of the Federal Crop Insurance Corporation; to the Committee on Agriculture, Nutrition, and Forestry.

EC-3425. A communication from the Assistant Secretary of the Army for Manpower and Reserve Affairs transmitting a draft of proposed legislation to repeal certain statutes relating to a physical examination for each member of the National Guard called into and mustered out of Federal service; to the Committee on Armed Services.

EC-3426. A communication from the Secretary of Transportation transmitting, pursuant to law, a report on the utilization of authority to designate and rent inadequate quarters, lease housing, and hire quarters; to the Committee on Commerce, Science, and Transportation.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM-839. A resolution adopted by the American Bar Association, supporting adequate funding for the United States Tax Court; to the Committee on the Judiciary.

POM-840. A resolution adopted by the San Diego District 25, California Federation of Women's Clubs, relative to the loyalty of citizens receiving federal monies; to the Committee on the Judiciary.

POM-841. A concurrent resolution adopted by the Legislature of the State of Idaho; to the Committee on the Judiciary:

"CONCURRENT RESOLUTION

"Whereas, with each passing year this Nation becomes more deeply in debt as its expenditures grossly and repeatedly exceed available revenues, so that the public debt now exceeds a trillion dollars; and

"Whereas, the annual federal budget continually demonstrates an unwillingess or inability of the legislative branch of the federal government to curtail spending to conform to available revenues; and

"Whereas, under Article V of the Constitution of the United States, amendments to the Federal Constitution may be proposed by the Congress whenever a two-thirds majority of both Houses deems it necessary.

"Now, therefore, be it resolved by the members of the Second Regular session of the Forty-sixth Idaho Legislature, the House of Representatives and the Senate concurring, that procedures be instituted in the Congress to add an amendment to the Constitution of the United States, and that this Legislature requests Congress to prepare and submit to the several states an amendment to the Constitution of the United States, to provide that the President of the United States, under the powers granted him by Article I, Section 7, of the Federal Constitution, may line item veto any order, resolution, or bill relating to federal appropriations.

"Be it further resolved, that this Legislature also proposes that the Legislatures of each of the several states comprising the United States apply to the Congress requesting the enactment of an appropriate amendment to the Federal Constitution; and

"Be it further resolved, that the Clerk of the House of Representatives be, and she is hereby directed to forward copies of this Resolution to the Secretary of State and presiding officers of the House of the Legislatures of each of the other States in the Union, the Speaker of the United States House of Representatives, the President of the United States Senate, and the members of the Congress of the United States representing the State of Idaho."

POM-842. A joint resolution adopted by the General Assembly of the State of Colorado; to the Committee on the Judiciary:

"Whereas, Between 1960 and 1973 more than three million American soldiers, sailors, airmen, and marines served their country in Southeast Asia; and

"Whereas, The great majority of such veterans were neither professional soldiers nor volunteers but merely young men called by this country to do their duty; and

"Whereas, A nation ambivalent about the war in which they fought has never properly honored the Vietnam veterans for the sacrifice they made; and

"Whereas, Unlike the honored veterans of past wars, the Vietnam veterans returned to indifference; embarrassment, and even hostility; and

"Whereas, The failure of this country to adequately assist in their passage from war to peace has added the anguish of delayed stress syndrome to the wounds of many Vietnam veterans; and

"Whereas, The debt owed the Vietnam veterans by their country derives not from the success of its policies but from the nobility of their sacrifice; now, therefore,

"*Be It Resolved by the Senate of the Fifty-third General Assembly of the State of Colorado, the House of Representatives concurring herein:*

"That April 30, is hereby designated Vietnam Veterans' Day to honor those who served their country bravely and honorably in Southeast Asia.

"*Be It Further Resolved*, That a copy of this Resolution be transmitted to the President of the United States, the Congress of the United States and the Department of Veterans Affairs."

POM-843. A petition from a citizen of East St. Louis, Illinois relating to the court case of a shredding company in National City, Illinois; to the Committee on the Judiciary.

POM-844. A resolution adopted by the General Assembly of the State of Georgia; to the Committee on the Judiciary:

"RESOLUTION

"Whereas, the framers of the Constitution of the United States, in their collective wisdom, established a marvelous and unique form of government; and

"Whereas, the government consists of a centralized form made up of three separate branches but with the ultimate power residing in the people; and

"Whereas, the legislative, executive, and judicial branches were each created to operate as a check and balance on the exercise of governmental power by each other; and

"Whereas, federal judges are appointed for life and are therefore removable only through impeachment or voluntary retirement; and

"Whereas, this system of selecting federal judges appropriately insulates them from the people and the government they serve; and

"Whereas, it is advisable to improve the manner of selecting and continuing in office the federal judges so that the interests of justice and the people can be best served.

"Now, therefore, be it resolved by the general assembly of Georgia that the Congress of the United States is requested to institute procedures to provide that the record of all federal judges be reviewed every eight years and that procedures be available to remove judges found to be derelict in the performance of their constitutional duties.

"Be it further resolved that this legislature calls upon the legislatures of each of the several states to adopt similar resolutions and to forward such resolutions to the Congress.

"Be it further resolved that copies of this resolution be forwarded to the President of the Senate and the Speaker of the House of Representatives of the United States and to all members of the Georgia delegation in Congress.

"Be it further resolved that copies of this resolution also be prepared and forwarded to the Secretaries of State and to the presiding officers of the legislatures of the several states."

POM-845. A resolution adopted by the Arkansas Chapter of the American Association of Workers for the Blind urging Congress to leave intact the Rehabilitation Act of 1973; to the Committee on Labor and Human Resources.

POM-846. A resolution adopted by the Arkansas Chapter of the American Association of Workers for the Blind supporting the restoration of the 1981 level of training funds for the blind; to the Committee on Labor and Human Resources.

POM-847. A resolution adopted by the Southern Governors' Association supporting continued Federal support for educational programs authorized in the continuing resolution; to the Committee on Labor and Human Resources.

POM-848. A resolution adopted by the Southern Governors' Association supporting the maintenance of Federal support for title I of the Elementary and Secondary Education Act; to the Committee on Labor and Human Resources.

POM-849. A resolution adopted by the Southern Governors' Association opposing further cuts in title I, chapter I funding for fiscal year 1982, for fiscal year 1983, and beyond; to the Committee on Labor and Human Resources.

POM-850. A joint resolution adopted by the General Assembly of the State of Colorado; to the Committee on Labor and Human Resources:

"HOUSE JOINT RESOLUTION No. 1007

"Whereas, The needs of the terminally ill and their families in this state and the nation have not been adequately met by the health care delivery system; and

"Whereas, The hospice concept of care for the terminally ill and their families has received worldwide acclaim because of the efforts to deliver such care in England under the leadership of Dr. Cicely Saunders; and

"Whereas, In the United States, the needs of the terminally ill of all ages were first brought to the attention of the health professions and the general public by Dr. Elisabeth Kubler-Ross; and

"Whereas, Through the efforts of many volunteers and health professionals, the hospice program of care has become an accepted part of the health care delivery system; and

"Whereas, The hospice program of care has received the official endorsement of organizations comprised of health profesionals and of labor organizations; and

"Whereas, The hospice program of care is now being accepted by the insurance industry in various regions of this country; and

"Whereas, A number of national corporations have provided the hospice benefit to employees, dependents, and, in some cases, their retirees; and

"Whereas, A large number of terminally ill patients qualify under the provisions of Medicare for financial assistance; and

"Whereas, There has been an actuarial study which clearly indicates that the incorporation of the hospice benefit for Medicare eligibles, as currently defined, will bring about significant savings to Medicare; and

"Whereas, Hospices in Colorado have provided national leadership in the areas of education, training, and program development and in the setting of standards for the quality of care; and

"Whereas, These standards are also for the well-being of the terminally ill living in this state; and

"Whereas, The legislation proposed to modify Medicare benefits to allow hospice care is also in the interest of Colorado residents; now, therefore,

"*Be It Resolved by the House of Representatives of the Fifty-third General Assembly of the State of Colorado, the Senate concurring herein:*

"Therefore, the members of the Fifty-third General Assembly of the State of Colorado, do urge the members of the Congress of the United States to support the passage of S. 1958 and H.R. 5180 concerning the modification of Medicare provisions to include coverage for hospice care.

"*Be It Further Resolved*, That the standards proposed by the Colorado Hospice Coalition are appropriate and necessary to the organization and delivery of care for the terminally ill and their families in the state of Colorado.

"*Be It Further Resolved*, That copies of this Resolution be sent to the President of the Senate and the Speaker of the House of Representatives of the Congress and to each member of Congress from the State of Colorado."

POM-851. A petition from a citizen of Newark, Del. supporting the Davis-Bacon Act; to the Committee on Labor and Human Resources.

POM-852. A concurrent resolution offered in the Michigan State Senate; to the Committee on Veterans' Affairs:

"RESOLUTION

"Whereas, Any suggestion to seriously reduce funds available to disabled veterans runs contrary to the stance taken by candidate Ronald Reagan prior to his election to the presidency. In fact, the administration's suggestions to cut Veterans Administration funding include specific decreases in medical programs, medical and prosthetics research, and medical facility construction; and

"Whereas, In addition to this affront to disabled veterans, there is considerable evidence which suggests that these cost-saving measures would, in reality, end up costing the government more in the final analysis. Several surveys indicate that the existing VA hospital facilities are considerably cheaper to operate than comparable hospital facilities throughout the country; and

"Whereas, Most importantly, this type of proposal ignores the plight of many of the individuals whose lives have been forever altered by their courage in standing up for their country; now, therefore, be it

"*Resolved by the Senate (the House of Representatives concurring)*, That the Michigan Legislature hereby condemn the cutbacks in funding for Veterans Administration programs and memorialize the Congress of the United States to take measures to maintain Veterans Administration programs; and be it further

"*Resolved*, That copies of this resolution be transmitted to the Speaker of the United States House of Representatives, the President of the United States Senate, and the members of the Michigan congressional delegation."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. STEVENS, from the Committee on Governmental Affairs, with amendments:

S. 1912. A bill to amend title 5, United States Code, to authorize the Administrator, Federal Aviation Administration, to pay additional premium pay to air traffic controllers and certain other employees of the Federal Aviation Administration, and for other purposes (Rept. No. 97-386).

By Mr. MURKOWSKI, from the Committee on Energy and Natural Resources, with an amendment in the nature of a substitute, and an amendment to the title:

S. 1573. A bill to amend the Water Resources Development Act of 1976 with respect to Lake Oswego, and for other purposes (Rept. No. 97-387).

By Mr. MURKOWSKI, from the Committee on Energy and Natural Resources:

S. 1621. A bill to authorize the replacement of existing pump casings in southern Nevada water project pumping plants 1A and 2A, and for other purposes (Rept. No. 97-388).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. PACKWOOD, from the Committee on Commerce, Science, and Transportation:

Mr. PACKWOOD. Mr. President, as in executive session, I report favorably from the Committee on Commerce, Science, and Transportation, a nomination list in the Coast Guard which appeared in the CONGRESSIONAL RECORD of May 3, 1982, and, to save the expense of reprinting them on the Executive Calendar, I ask unanimous consent that they may lie on the Secretary's desk for the information of Senators.

By Mr. STAFFORD, from the Committee on Environment and Public Works:

James Kilburn Asselstine, of Virginia, to be a Member of the Nuclear Regulatory Commission for the remainder of the term expiring June 30, 1982; and

James Kilburn Asselstine, of Virginia, to be a Member of the Nuclear Regulatory Commission for the term of 5 years expiring June 30, 1987.

By Mr. TOWER, from the Committee on Armed Services:

Gen. John W. Vessey, Jr., 703-07-1974, Army of the United States (major general, U.S. Army) under the provisions of title 10, United States Code, section 142, to be Chairman, Joint Chiefs of Staff, a position of importance and responsibility designated by the President under subsection (a) of section 601.

Mr. TOWER. Mr. President, from the Committee on Armed Services, I report favorably the following nominations: Gen. Robert C. Mathis, U.S. Air Force (age 54), for appointment to the grade of general on the retired list, Lt. Gen. William J. White, U.S. Marine Corps (age 57), for appointment to the grade of lieutenant general on the retired list, Vice Adm. Robert F. Schoultz, U.S. Navy, for appointment as Deputy Chief of Naval Operations (Air Warfare), Vice Adm. Sylvester R. Foley, Jr., U.S. Navy, to be admiral, Lt. Gen. Jerome F. O'Malley, U.S. Air Force, to be general and for appointment as Vice Chief of Staff for the Air Force, and Gen. John A. Wickham, Jr., U.S. Army, to be Vice Chief of Staff for the Army. I ask that these names be placed on the Executive Calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TOWER. Mr. President, in addition, in the Air National Guard of the Air Force Reserve there are 9 promotions to the grade of lieutenant colonel (list begins with John O. Ahnert), in the Army there are 167 promotions to the grade of colonel and below (list begins with Stephen I. Alpern), in the Army there are 217 appointments to the grade of colonel and below (list begins with Julius L. Bedynek), in the Army there are 1,930 appointments to the grade of second lieutenant (list begins with Hector J. Acosta), in the Navy there are 863 permanent promotions to the grade of commander (list begins with Randall O. Abshier), in the Navy there are 947 permanent appointments to the grade of ensign (list begins with Frederick K. Abell, Jr.), in the Navy there are 36 permanent appointments to the grade of ensign (list begins with Kurt F. Baker), in the Navy there are 373 permanent promotions to the grade of commander (list begins with Edwin McC. Anderson), in the Air Force there are 34 appointments and promotions to the grade of lieutenant colonel and below (list begins with Walter S. Sorenson), in the Air Force and Air Force Reserve there are 54 appointments and promotions to the grade of colonel and below (list begins with Woodrow M. Ivandick), in the Air Force and Air Force Reserve there are 32 appointments and promotions to the grade of lieutenant colonel and below (list begins with Patrick J. Behnke), in the Air Force there are 1,662 appointments to the grades and dates of rank to be determined by the Secretary of the Air Force (list begins with Randal G. Abraham), in the Navy and Naval Reserve there are 39 permanent appointments to the grade of captain and below (list begins with Brent S. Frampton), and in the Marine Corps there are 407 permanent appointments to the grade of major (list begins with Clifford M. Acree). Since these names have already appeared in the Congressional Record and to save the expense of printing again, I ask unanimous consent that they be ordered to lie on the Secretary's desk for the information of any Senator.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The nominations ordered to lie on the Secretary's desk were printed in the Record of April 14, April 19, April 26, and May 3, 1982, at the end of the Senate proceedings.)

By Mr. THURMOND, from the Committee on the Judiciary:

William A. Kolibash, of West Virginia, to be U.S. attorney for the northern district of West Virginia for the term of 4 years;

Marvin E. Breazeale, of Mississippi, to be U.S. marshal for the southern district of Mississippi for the term of 4 years;

Gilbert G. Pompa, of Texas, to be Director, Community Relations Service, for a term of 4 Years.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. LEVIN (for himself, Mr. Bumpers, Mr. Cranston, Mr. Dodd, Mr. Ford, Mr. Heflin, Mr. Huddleston, Mr. Inouye, Mr. Kennedy, Mr. Matsunaga, Mr. Melcher, Mr. Cannon, Mr. Mitchell, Mr. Pell, Mr. Randolph, Mr. Riegle, Mr. Sarbanes, Mr. Tsongas, Mr. Weicker, Mr. Bradley, Mr. Biden, and Mr. Zorinsky):

S. 2512. A bill to extend the deadline for enrolling in college in order to qualify for student benefits under the Social Security Act, to provide that the amount of unnegotiated social security checks shall be returned to the social security trust funds, and for other purposes; to the Committee on Finance.

By Mr. BAUCUS (for himself and Mr. Exon):

S. 2513. A bill to require the Secretary of Agriculture to make land diversion payments for the 1982 crops of wheat, feed grains, cotton, and rice and to establish acreage limitation programs for the 1983 through 1985 crops of wheat, feed grains, and cotton if producers approve such programs or if carryovers of such crops reach certain levels, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. HEINZ (for himself, Mr. Dole, Mr. Percy, and Mr. Durenberger):

S. 2514. A bill to amend the Social Security Act to provide for the removal of the OASI, DI, and HI trust funds from the unified budget; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to the order of August 4, 1977, with instructions that if one committee reports, the other committee has 30 days of continuous session to report or be discharged.

By Mr. PACKWOOD:

S. 2515. A bill to amend the Internal Revenue Code of 1954 to extend the exclusion from gross income of amounts paid or incurred with respect to educational assistance programs, and for other purposes; to the Committee on Finance.

By Mr. INOUYE:

S. 2516. A bill to make scholarships available to provide clinical psychologists to provide services to Indians; to the Committee on Labor and Human Resources.

By Mr. MATHIAS (for himself and Mr. Heflin):

S. 2517. A bill to revise the first section of the Clayton Act to expand the scope of the antitrust laws, and for other purposes; to the Committee on the Judiciary.

By Mr. LEVIN:

S. 2518. A bill to establish a National Industrial Development Board for purposes of formulating policy recommendations for industrial development in the United States; to the Committee on Governmental Affairs.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. LEVIN (for himself, Mr. Riegle, Mr. Percy, Mr. Dixon, Mr. Armstrong, Mr. Boschwitz, Mr. Chafee, Mr. Cohen, Mr. Cranston, Mr. D'Amato, Mr. DeConcini, Mr. Durenberger, Mr. Exon, Mrs. Hawkins, Mr. Heinz, Mr. Mattingly, Mr. Roth, Mr. Rudman, Mr. Tsongas, and Mr. Zorinsky):

S. Res. 390. Resolution urging the Soviet Union to allow Abe Stolar, his wife, Gita, and his son, Michael, to emigrate to Israel; to the Committee on Foreign Relations.

By Mr. MATHIAS:

S. Res. 391. Resolution expressing the sense of the Senate with respect to the policy of the U.S. Government during the period of negotiations for a START (Strategic Arms Reduction Talks) treaty; to the Committee on Foreign Relations.

By Mr. MATHIAS:

S. Res. 392. Resolution to provide for a study of Senate practices and procedures; considered and agreed to.

By Mr. SPECTER (for himself, Mr. Durenberger, Mr. Huddleston, Mr. Mitchell, Mr. Murkowski, Mr. Packwood, Mr. Percy, and Mr. Symms):

S. Con. Res. 94. Concurrent resolution calling on the Administrator for Federal Procurement Policy to take immediate action to simplify Federal Government procurement procedures and forms as required by the Office of Federal Procurement Policy Act; to the Committee on Governmental Affairs.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. LEVIN (for himself, Mr. Bumpers, Mr. Burdick, Mr. Cranston, Mr. Dodd, Mr. Ford, Mr. Heflin, Mr. Huddleston, Mr. Inouye, Mr. Kennedy, Mr. Matsunaga, Mr. Melcher, Mr. Cannon, Mr. Mitchell, Mr. Pell, Mr. Randolph, Mr. Riegle, Mr. Sarbanes, Mr. Tsongas, Mr. Weicker, Mr. Bradley, Mr. Biden, and Mr. Zorinsky):

S. 2512. A bill to extend the deadline for enrolling in college in order to qualify for student benefits under the Social Security Act, to provide that the amount of unnegotiated social security checks shall be returned to the social security trust funds, and for other purposes; to the Committee on Finance.

SOCIAL SECURITY STUDENT BENEFIT EXTENSION AND UNCASHED BENEFIT TRANSFER

● Mr. LEVIN. Mr. President, today I am introducing legislation similar to that which I filed on February 11, 1982. That legislation, S. 2107, delayed the scheduled elimination of the social

security student benefit for 1 year. This new bill contains an added provision which would offset the cost of the extension by $255 million in fiscal 1983 alone, and $20 million annually thereafter. I will discuss this provision of my proposal in greater detail later in these remarks.

Mr. President, this legislation is intended to redress the double injustice done to thousands of recipients of the social security child's benefit whose college education plans may be thwarted because they were misinformed or not informed at all by the Social Security Administration of changes in the 1981 Omnibus Budget Reconciliation Act. That Act eliminated social security student benefits for new beneficiaries not enrolled in a post-secondary educational institution by May 1982. In other words, high school seniors currently receiving social security children's benefits, who were not attending college or post-secondary school on a full-time basis as of May 1, 1982, will be ineligible for any benefit for post-secondary education. There are 250,000 to 300,000 students in this category.

What is doubly disturbing and tragic about this, Mr. President, is that the Social Security Administration never properly informed student beneficiaries, parents or guidance counselors of the change in the law. In fact, the Social Security Kansas City and Birmingham Regional Offices—two out of six centers nationwide—sent wrong pamphlets to high school students from August 1981 to January 1982. To date this error has not been corrected. In fact, social security officials contend that they have no way of tracking who actually received the erroneous information.

During a February 3, 1982, joint hearing of the Subcommittee on Postsecondary Education, and Elementary, Secondary and Vocational Education on the effects of the cutback in social security benefits on the student aid programs, Social Security Associate Commissioner Sandy Crank said:

> We did not discover it until after it had gone on for some time. . . . Unfortunately, through an error, the old stock of pamphlets were not destroyed . . . and unfortunately some of the old stock was used in notices to children after August 1981. We have no way of identifying which children received the incorrect pamphlet.

Mr. President, thousands of young people made their educational plans based on the Social Security Administration's reassurance that promised benefits would continue to be available to them.

Not only did high school seniors receive erroneous information by mail—erroneous information was also given out by phone when parents and students called their local social security offices with questions about the program.

Mr. President, my proposal would provide some relief from the unfair treatment accorded current seniors in high school. It sets the enrollment deadline back from May to October 1982, allowing this fall's college entrants to complete their education with the aid of Social Security benefits they had every expectation they would continue to receive.

Mr. President, last year I argued vigorously against the phasing out of this benefit, particularly in the case of children of workers who are now deceased. Those workers cannot lobby us any more to keep commitments we made to them. The social security student benefit program has been an important means of educational and economic mobility, for this generally disadvantaged group of beneficiaries. The student benefit was intended to provide income security—insuring against the loss of earnings caused by the death of the working parent. The elimination of this benefit cancels the commitment to workers that their children would be entitled to college benefits, in case of the death of the person contributing to the social security system. That was a commitment these workers had a right to rely on.

The student benefit is an entitlement earned by the working parent through contributions paid by himself and his employer during his working years. The arrangement constitutes a compact between the worker and the Federal Government. The Government of the United States has seen fit to break this promise. The student payment is not a "fringe benefit." To the young person approaching his or her 18th birthday, the continuation of benefits to finish college is no more a "fringe benefit" than that of the elderly retiree living out his or her later years in the dignity and security of his or her promised income.

Mr. President, it is only fair that this Government accept the responsibility of its own errors and its own actions. These young people should not have their future educational plans suddenly disrupted—if not destroyed—through no fault of their own.

Most of the young people affected are from marginal income families. In 1981, over 60 percent were survivors of deceased workers. A sizable number were from families where both parents are deceased. Seventy-one percent of the beneficiaries were from families with incomes of under $15,000; 53 percent from families with incomes under $8,000.

Mr. President, restoring the benefit for this year's high school seniors would reduce the social security trust fund by an estimated $700 million for fiscal 1983 through fiscal 1986. However, the second part of my proposal, which I will discuss in greater detail in a moment, addresses the problem of uncashed benefit checks. This legislation offsets the cost of the extension by $255 million in fiscal 1983 alone, and $20 million annually thereafter. Therefore, under this proposal the trust fund will recoup in 1 year over 35 percent of the cost that temporarily restoring the student benefit will incur over 4 years.

Now let me briefly explain this second part of my proposal. Each year over $20 million in unnegotiated social security checks remain in the general fund rather than being recredited to the social security trust fund. According to the Social Security Administration, the accumulated total of uncashed benefits is now up to an estimated $255 million. When payment is made to a social security beneficiary, a voucher is submitted by the Social Security Administration to the Treasury Department for the amount of the benefit. This account is then withdrawn from the social security trust fund and the payment is sent to the beneficiary. Some benefit checks are not cashed. In many instances checks are lost, stolen, burned, or saved for later use. In some cases the beneficiary of the check is deceased. Under present procedure, regardless of why a check is not cashed, the money has technically been spent by the Social Security Administration. The Treasury Department, in the meantime, holds these funds until the check is cashed. If the check is never negotiated, the money is added to the Treasury's general fund.

The social security trust fund thus not only loses the initial amount of the check, but the interest that would be obtained through the proper investment of the trust fund as well.

This bill provides procedures for crediting the Federal old-age and survivors insurance trust fund and the Federal disability insurance trust fund with the amounts of social security checks which have not been negotiated within 12 months. The bill also applies retroactively, transferring the $255 million of unnegotiated checks so far accumulated.

Before closing, I would like to share with my colleagues the remarks of Mrs. Alice James of Chestertown, Md., the widowed parent of four children affected by the changes in the social security student benefit program. In testimony on February 3 before the House Subcommittee on Postsecondary Education and Elementary, Secondary, and Vocational Education, she said:

Remarks of Alice James

Mr. Chairman and members of the subcommittee, I am Alice James.

I appreciate the opportunity to appear before you to discuss the impact of the elimination of survivor benefits for college students. I shall read my testimony.

I teach in Chestertown, Md.—English to the Kent School, and writing at Washington

College, and am the widow of a scholar who taught at Washington College for 25 years. But it is not as an educator that I am here today: it is as the parent of four students aged 15 to 21. As a widowed parent I must convey to you the plight of not just my own children, but of thousands like them who may be unjustly deprived of the benefits their dead parents earned for them, the benefits which would enable them to contribute their talents and skills to our society.

Let me explain the impact of the cuts on my own family. My oldest child will graduate from college in May. Until recently she had expected to go on to graduate school, preparing herself for a career in teaching or a related field. As a result of the extraordinary stress the cuts will impose on our family, she is shelving her plans and looking for a job. I pray that she will find one. Her father earned his Ph.D. I have an M.A. You can imagine how I feel about this derailment of her professional goals.

My second child is in her second year of college: she too wants to be a teacher. In the next year her annual income from social security will be reduced 50 percent. This year she received 12 checks for $238. During her junior year she will receive eight checks for $178. Her financial planning was predicated on the continued availability of both social security benefits and guaranteed student loans. She is to lose $1,900 in social security, and perhaps $2,000 in loans. How shall we compensate for the loss of $3,900? Which of the other programs will cover our loss?

When she returned to college after Christmas she thought her funding would only be reduced by 25 percent of her annual total. I am ashamed to admit that although I have talked to her since this document arrived on Wednesday, January 27, I have not told her the enormity of her loss. We talked on her 20th birthday. She told me that she missed her father, that she needed him to give her a hug and say, "Your old man is proud of you." Which of you could have delivered another blow? What do you think I should say to her now?

My son is 17. He would be a senior in high school but for a back injury sustained in the spring of his sophomore year. It was misdiagnosed and mistreated for 4 weeks. Finally, he was hospitalized. After another week of painful testing and anxiety, the doctors discovered that their 15-year-old patient had ruptured a disc in his lower back. Summer study was not possible because of lingering pain and the distracting discomfort of a heavy brace. He needed to repeat his sophomore year. Consequently he is not among the high school seniors scrambling to enroll in college programs before May 1.

Extend the deadline. Do all you can to help the multitude of youngsters who cannot help themselves. But even if the deadline is extended to June 1, my boy will be deprived of social security benefits for his college education. On the PSAT he scored in the 94th percentile. Which of you wants to tell him that his education is jeopardized by these cuts?

I must add that his hero is the late David K. E. Bruce, envoy to China, ambassador to many European countries, negotiator at the Paris peace talks. He wants to emulate that distinguished career of service to this country. Which of you wants to tell him that his country does not need his services?

And now my youngest daughter, at 15 an enthusiastic sophomore in a stiff college preparatory program. I worry that she will lose her motivation to excel. On the one hand, she knows that her father and I would want her to work as hard as she could to go on to the best college that would take her, on the other hand, she sees what the financial stress is doing to me. What can I do to assure her that somehow we will find a way for her to pursue a career in architecture?

There are thousands of children like mine around the country. There are students who are asking for the benefits their dead parents earned for them. They are asking for help with their education in order that they may contribute to society, not become a drain on it. I wish their mothers could join me here, for I am a weak spokesman for a group of citizens with so few votes. I wish these students themselves could march on Washington and demonstrate outside your doors. But the administration has picked on a silent minority devoid of political clout.

Must I remind you that the G.I. bill and other educational programs have proved that they are a wise investment that pays dividends through the increased productivity and wage-earning capacity of the recipient?

Must I remind you that responsible parents like my husband took the social security program into consideration when they examined their life insurance coverage? And just as they expected their companies to honor their commitment to a prearranged program, so too they expected the government of their country to honor its commitment. Because my husband and his employer were compelled to contribute to the social security program, he could not afford the additional life insurance that would otherwise compensate us for the loss of social security coverage.

Congress has robbed these children of the educational opportunities their parents earned for them. It has also robbed them of faith in their government. I beg of you—restore their funding; restore their faith in their country.

Mr. President, I urge the speedy enactment of this much needed legislation.

Mr. President, I ask unanimous consent that the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2512

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subsection (c) of section 2210 of the Omnibus Budget Reconciliation Act of 1981 (Public Law 97-35) (relating to elimination of child's insurance benefits in the case of children aged 18 through 22 who attend postsecondary schools) is amended—

(1) in paragraph (1) (D), by striking out "May 1982" and inserting in lieu thereof "October 1982";

(2) in the matter in paragraph (1) following subparagraph (D), by striking out "August 1985" and inserting in lieu thereof "August 1986";

(3) in paragraph (3) (A), by striking out "July 1982" and "August 1983" and inserting in lieu thereof "July 1983" and "August 1984", respectively;

(4) in paragraph (3) (B), by striking out "July 1983" and "August 1984" and inserting in lieu thereof "July 1984" and "August 1985", respectively; and

(5) in paragraph (3) (C), by striking out "July 1984" and "August 1985" and inserting in lieu thereof "July 1985" and "August 1986", respectively.

(b) The Secretary of Health and Human Services shall notify all individuals who are entitled to child's benefits under title II of the Social Security Act for the month in which this Act is enacted of the changes made in the eligibility for, and amount of, such benefits by reason of the provisions of section 2210 of the Omnibus Budget Reconciliation Act of 1981 and the provisions of this Act. The notification shall be made as soon as possible after the date of the enactment of this Act, but not later than 90 days after such date of enactment.

Sec. 2. (a) Section 201 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"(m) (1) The Secretary of the Treasury shall implement procedures to permit the identification of each check for benefits issued under this title that has not been presented for payment by the close of the twelfth month following the month of its issuance.

"(2) The Secretary of the Treasury shall, on a monthly basis, credit whichever of the Trust Funds is appropriate for the amount of all benefit checks drawn on such Trust Fund more than 12 months previously but not presented for payment and not previously credited to the Trust Fund.

"(3) If a benefit check is presented for payment to the Treasury and the amount thereof has been previously credited pursuant to paragraph (2) to one of the Trust Funds, the Secretary of the Treasury shall nevertheless pay such check, if otherwise proper, recharge such Trust Fund, and notify the Secretary of Health and Human Services.

"(4) A benefit check bearing a current date may be issued to an individual who did not negotiate the original benefit check and who surrenders such check for cancellation if the Secretary of the Treasury determines it is necessary to effect proper payment of benefits.".

(b) The amendment made by subsection (a) shall apply with respect to all benefit checks issued under title II of the Social Security Act on or after the date of the enactment of this Act.

(c) (1) The Secretary of the Treasury shall transfer from the general fund of the Treasury to the Federal Old-Age and Survivors Insurance Trust Fund and to the Federal Disability Insurance Trust Fund, as appropriate, such sums as may be necessary to reimburse such Trust Funds in the total amounts of all unnegotiated benefit checks. After the amounts authorized by this subsection have been transferred to the Trust Funds, the provisions of paragraphs (3) and (4) of section 201(m) of the Social Security Act (as added by subsection (a)) shall be applicable to unnegotiated benefit checks.

(2) As used in paragraph (1), the term "unnegotiated benefit checks" means the checks issued under title II of the Social Security Act prior to the date of the enactment of this Act, which remain unnegotiated after the twelfth month following the date on which they were issued.●

● Mr. DODD. Mr. President, I rise in support of S. 2512, extending the final date by which the sons and daughters of retired, disabled, or deceased workers must attend college in order to qualify for student benefits before this program is phased out. By crediting millions of dollars of uncashed social

security checks to the social security trust funds, this bill also provides a way to help pay for the extension of student benefits.

Mr. President, the Omnibus Budget Reconciliation Act of 1981 eliminated social security student benefits for new beneficiaries not enrolled in a postsecondary educational institution by May 1982. Those students directly affected by this change in the law, however, were never notified.

The results of the failure of the Secretary of Health and Human Services and the Social Security Administration to notify some 3,400 students, affected in Connecticut and most other States of the deadline date were disastrous. Thousands of those high school seniors who would receive benefits only if enrolled in colleges by May 1982 panicked. In order to qualify for such benefits, many of them dropped out of high school to attend college classes on a full-time basis. Others tried to enroll in local colleges, only to be turned away for lack of a high school diploma.

In short, Mr. President, the students affected had to learn of this change in the law on an ad hoc basis, either from reading a newspaper article or from listening to a well-informed guidance counselor. Because these students were not advised in time, many of them are now being forced to make very significant career choices without any chance for reasoned deliberation.

The bill before us addresses this injustice by extending the deadline date 5 months beyond that called for in the 1981 Reconciliation Act. S. 2512 also requires the Secretary of Health and Human Services to inform all individual students affected within 90 days of the date of its enactment.

This bill also will transfer an estimated $255 million in unnegotiated social security checks to the social security trust funds. Approximately $20 million in uncashed social security checks each year remain in the general revenues rather than being returned to the trust funds. Given the recent problems we have had in keeping the trust funds solvent, failure to return uncashed checks to these funds seems unwise indeed.

Such uncashed checks would help pay for an extension of the student benefit program as outlined above and boost our ailing trust funds in general.

We hear a great deal these days about cutting out waste and mismanagement in Government. I can think of no greater mismanagement than wasting the talent of our youth by forcing them to make crucial career decisions in an atmosphere of panic. This bill would both correct that mismanagement and foster better management of social security trust funds.

Mr. President, I urge the Senate to adopt S. 2512.●

● Mr. ZORINSKY. Mr. President, I am pleased to join my colleague from Michigan, Senator Carl Levin, in cosponsoring this single piece of legislation, which incorporates two bills that I previously cosponsored. High school seniors currently receiving social security children's benefits, who are not enrolled in a college or post-secondary school full time by May 1, 1982, will be ineligible for any future college benefits. This bill would delay the enrollment deadline from May to October 1, 1982, allowing the approximately 250,000 to 300,000 current high school seniors to enroll in college this fall and complete 4 years of education without the aid of social security benefits they had every expectation they would continue to receive.

Many students and families were not notified of the changes made in the omnibus reconciliation bill by the Social Security Administration and therefore had no idea of the urgency of the May 1, 1982, enrollment deadline. It is only fair that this Government accept the responsibility of its own actions. The cost of the social security restoration for this year's high school seniors would reduce the trust fund by an estimated $700 million for fiscal years 1983 through 1986. However, Senator Levin's legislation provides a means to recapture some of these funds.

Each year, over $20 million in uncashed social security checks remain in the general fund of the U.S. Treasury without being resubmitted to the social security trust fund. It is estimated by the Social Security Administration that $255 million has accumulated in unnegotiated checks. It is time that the social security trust fund be recredited with the uncashed benefit checks, in order that the funds be invested, earn interest, and ultimately provide future solvency for the entire social security system.

I encourage prompt action on this proposal by my colleagues in order that the current high school seniors be allowed the opportunity to enroll in college with the aid of the social security children's benefit.●

● Mr. KENNEDY. Mr. President, I am pleased to join with Senator Levin In introducing this bill to extend the deadline for qualifying for social security student benefits.

This legislation is intended to right a very serious wrong. The action taken last summer in reconciliation jeopardized the future of hundreds of thousands of students across this country who are depending on social security benefits to fulfill their dreams of a college education.

The action we took last summer will mean an end to that dream for many of these youngsters and their families.

When the administration proposed eliminating student benefits last year it justified the action on grounds that this program violates the real purpose of social security. They argued that just because someone is old, or disabled, or dies, does not mean we have any responsibily to educate their children. After all, there are other programs to assist those who want to go on to college. Never mind that this year alone the Reagan administration would cut Pell grants by $800 million, guaranteed student loans by $912 million, and eliminate virtually all campused based aid.

In order to put this issue in perspective, it may help to know more about these 300,000 students who had their benefits cut off 5 days ago. These young people live in cities and towns all across the country. Over 80 percent of these students have one or both parents who are deceased or disabled. Seventy percent come from families with incomes below $15,000. Over half have incomes under $8,000.

The plight of one such student, Debbie Davis, was brought to President Reagan's attention by a Washington Post article. Debbie is a cheerleader and honor student from Winder, Ga. Her father is dead and her mother has moved away. She is on her own. Without the social security benefit she cannot go on to college. The President was moved by her story and wants to help.

But Debbie Davis is only one of 300,000 seniors across the country whose future is in doubt.

There are the children of Evelyn Grubb, Madeline Van Wagenen, and Clair Leaver. All of these women are widows of the Vietnam war. Their husbands undertook dangerous missions, believing that the Goverment would provide for their wives and children if they did not return. They were wrong. Their widows are organizing others like themselves into a group called "Survivors for Sacrifice" to fight for their children's benefits.

The Veterans Administration estimates 46,000 sons and daughters of those who gave their lives for their country will be affected by the cutoff of benefits.

Seven thousand high school seniors in my own State will have the benefits they were counting on taken away.

Gary Cooper is 18 and lives in East Sandwich, Mass. He has been partially blind since he was 5. Four years ago his father died. His mother is raising Gary and his brother on $12,000 a year.

Despite his handicap and the loss of his father he is an honor student, a musician, and a leader in his class. He dreams of a career in astronomy and a future with NASA. Student benefits are the only way Gary's dream will come true.

And the worst part is that the Social Security Administration never bothered to tell Gary and most of the other students that the benefits they were counting on would not be there.

Imagine the surprise and shock of these students and their families when they learned through the media that the Reagan administration had no intention of honoring the commitments these families thought they had from their Government.

As late as last December, the Social Security Administration was still sending out thousands of brochures to this year's seniors informing them that they would continue to receive their benefits if they enrolled in college next year. Students all around the country made their plans on this advice.

The Department of Defense has yet to notify servicemen on active duty that these benefits will be cut off. When asked how long notification would take a spokesman for the Department indicated it could take 18 months to publish a new pamphlet.

In 1939, the Social Security Act was amended to provide benefits to dependent children until their 17th birthday if they were attending school full time. In 1946, the age was extended to 18. In 1965, the age was extended to 22. Members of the Ways and Means Committee and Senate Finance Committee argued then that a child over 18 attending school full time is just as dependent as one under 18. They pointed out that a child who cannot look to a father for support (because their father has died, is disabled, or is retired) is at a disadvantage in completing his education.

"Not only may the child be prevented from going to college by loss of parental support and loss of his benefits, he may even be prevented from finishing high school or going to vocational school."

The arguments made in this body in 1965 are as valid today as they were then.

The Levin bill would delay the action taken in reconciliation. It would permit 300,000 members of this year's graduating class to receive the benefits they had planned on. It would delay for 1 year the phaseout of benefits for the remaining 500,000 students.

The estimated cost of this proposal is $700 million for fiscal year 1983 through fiscal year 1986. Senator Levin's bill, however, proposes a way to offset this amount by $255 million in fiscal 1983 and $20 million annually thereafter by recrediting uncashed benefit checks to the social security trust fund.

The Social Security Administration has sought this change in procedure for the past several years. Several bills are now pending in the House that address this reform. I commend Senator Levin for taking this initiative. This legislation will give these young people the time they need to plan their education.

● Mr. BURDICK. Mr. President, I am pleased to join as a cosponsor to this important piece of legislation extending the deadline for a student to enroll in college in order to qualify for student benefits under the Social Security Act.

The recent change in student eligibility for social security benefits brings a sense of frustration to many of my constituents. It means a significant reduction in financial resources for those student beneficiaries about to enter college, with very little time allowed for them to try to compensate for that reduction.

Social security benefits are a promise by the Federal Government to the people. To cut back on these benefits suddenly and without proper notice is a breach of that promise and is fundamentally unfair.

The high school seniors who would benefit from this legislation are being hit at too many sides at one time. Not only have their social security benefits been reduced, but these students are faced with a cutback in Federal student financial aid. We need to be more concerned about a student's ability to obtain an education, and his ability to plan for, and count on, that investment in his future. It is, after all, a solid investment for this Nation, as well as for the individual student.

Mr. President, in view of the fact that a substantial amount of the cost of extending the deadline for enrolling in college will be offset by the second aspect of this legislation—the transferring of uncashed social security benefit checks to the social security trust fund—it is my hope that this legislation will be enacted quickly in order to provide for the immediate relief that these students deserve.●

● Mr. WEICKER. Mr. President, I rise once again to address the issue of social security student benefits.

As many of my colleagues are aware, a bill addressing this issue was introduced on February 11, 1982, by Senator Levin of Michigan. I was pleased to be a cosponsor of this bill, S. 2107, which would have delayed the planned elimination of the social security student benefit under provisions of the recently enacted omnibus budget bill. The goal of the Levin bill was to provide adequate time for prospective college freshmen to adjust to these recent changes. Thus far, however, no action has been taken on this bill.

Today, however, a new bill has been introduced that would be similar to the old Levin bill with the exception of one provision. This new provision retains the funds lost due to uncashed benefit checks, and would offset the cost of delaying the elimination of social security benefits by approximately 35 percent in the first year.

The reasons for passing this legislation, Mr. President, are no less valid than when the original Levin bill was introduced some months ago. The issue is one of fairness, of whether it is reasonable to expect that this year's high school seniors, many of whom were unaware of these new provisions until just recently, and many of whom were given incorrect information with regard to the new provisions, will be able to find new means of financing their college educations. For high school seniors as a whole perhaps this is not difficult. But the group affected by these new rules is a group of which 60 percent are survivors of deceased workers, and of which 71 percent have family incomes of less than $15,000.

Mr. President, for the survivors of American workers, for the survivors of American soldiers who fought in Vietnam and elsewhere, indeed for anyone who expected that his or her children would always be eligible for social security student benefits, let us at least allow these children a decent interval in which they can adjust the shortsighted measures passed during this most recent session of Congress.

I urge my colleagues to support speedy passage of this bill.●

By Mr. BAUCUS (for himself and Mr. Exon):

S. 2513. A bill to require the Secretary of Agriculture to make land diversion payments for the 1982 crops of wheat, feed grains, cotton, and rice and to establish acreage limitation programs for the 1983 through 1985 crops of wheat, feed grains, and cotton if producers approve such programs or if carryovers of such crops reach certain levels, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

FARM CRISIS ACT OF 1982

Mr. BAUCUS. Mr. President, I am today introducing a bill similar to the Farm Crisis Act of 1982 introduced last week in the House. The bipartisan group that introduced the Farm Crisis Act in the House recognize how serious the problems are becoming in the farm economy. This group spent long hours and days trying to fashion legislation that will improve the plight faced by our Nation's farmers and, at the same time, recognize current budget limitations.

I am not introducing this legislation as a cure-all for the problems in the farm sector caused by low farm prices and high interest rates. Rather, I hope this measure is a meaningful first step toward preserving the structure of family farms in rural America.

Farm prices can be raised in two ways—by increasing demand or by reducing our supply. I do not know of a single farmer that would tell you he opposes increasing the demand through expanded export promotion. But farmers are also being asked to sacrifice the production they have

worked so hard to achieve through acreage reduction programs.

Farmers simply cannot afford to reduce the acres they have in production with the hope that higher prices will follow. I believe that USDA and Congress must show farmers that we believe acreage reductions will raise prices by increasing the loan rate for wheat, feed grains, cotton, and rice. We need to take action now, not next year.

It is not news to Secretary Block that the farm economy is in a depression. In a recent meeting with the Secretary I pointed out that even farmers without land payments to make are having a tough time meeting operating costs with today's prices. But how we narrow the cost-price squeeze driving farmers and ranchers out of business in record numbers is not so clear.

I believe the provisions of the Farm Crisis Act of 1982 are a reasonable attempt to reduce our surpluses and bolster farm prices.

Last year, during the debate on the farm bill, I said that we were putting the cart before the horse in adopting a free market bill with minimal price supports. The 1981 farm bill assumed that farmers would benefit from increased farm prices due to increased export levels. Yet, even our agricultural exports are disappointingly low this year.

The Farm Crisis Act would make $1 billion available for the agricultural credit revolving fund and direct the administration to take immediate action in negotiating a multiyear trade agreement with the U.S.S.R. This action is necessary if we are to follow through with the commitment we made to U.S. farmers last year.

The root cause of the crisis in our farm economy is the low price farmers receive for their commodities. Farmers can deal with the cost of fuel, the increasing cost of fertilizer—they can even deal with our continued high rates of interest. But only if there is improvement in the prices they receive.

Many of my farm State colleagues have pointed out that net farm income is projected to be below $10 billion this year for the third year in a row. This has not happened since the Great Depression of the 1930's. I believe we must take action to reduce surpluses and improve farm prices. And I believe doing so without additional cost to the Government is a wise investment in the future vitality of U.S. agriculture.

Mr. President, I ask that a summary of the Farm Crisis Act of 1982 appear in the Record following my statement along with a copy of the bill.

There being no objection, the bill and summary were ordered to be printed in the Record, as follows:

S. 2513

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Farm Crisis Act of 1982".

TITLE I—LAND DIVERSION PAYMENTS FOR 1982 CROPS OF WHEAT, FEED GRAINS, COTTON, AND RICE

WHEAT

Sec. 101. Notwithstanding section 301 of the Agriculture and Food Act of 1981 (95 Stat. 1221) and section 107B(e)(5) of the Agricultural Act of 1949 (7 U.S.C. 1445b-1(e)(5)), for purposes of the 1982 crop of wheat, such section 107B(e)(5) shall be deemed to read as follows:

"(5) The Secretary shall make land diversion payments available to producers of the 1982 crop of wheat at a rate of $2.50 per bushel for the yield established for the farm for the wheat acreage on the farm which is diverted. Such land diversion payments shall be made only to producers who participate in the acreage limitation program for the 1982 crop of wheat and who devote to approved conservation uses or, if they have planted the 1982 crop before the date of the enactment of the Farm Crisis Act of 1982, to hay and grazing, 5 per centum of the acreage base for each wheat-producing farm, in addition to any such base required to be devoted to conservation purposes under the acreage limitation program, in accordance with land diversion contracts entered into by the Secretary with such producers. The Secretary shall provide producers an opportunity to apply to participate in the land diversion program through the end of the certification period under the acreage limitation program.".

FEED GRAINS

Sec. 102. Notwithstanding section 401 of the Agriculture and Food Act of 1981 (95 Stat. 1227) and section 105B(e)(5) of the Agricultural Act of 1949 (7 U.S.C. 1444d(e)(5)), for purposes of the 1982 crop of feed grains, such section 105B(e)(5) shall be deemed to read as follows:

"(5) The Secretary shall make land diversion payments available to producers of the 1982 crop of feed grains at a rate of $1.50 per bushel, in the case of corn, and at such rate as the Secretary determines fair and reasonable in relation to the rate at which payments are made for corn, in the case of grain sorghums, oats, and barley, for the yield of such commodities established for the farm for the acreage thereof on the farm which is diverted. Such land diversion payments shall be made only to producers who participate, with respect to any feed grain, in the acreage limitation program for the 1982 crop of feed grains and who devote to approved conservation uses or, if they have planted the 1982 crop before the date of the enactment of the Farm Crisis Act of 1982, to hay and grazing, 5 per centum of the acreage base for any feed grain for each feed grain-producing farm, in addition to any such base required to be devoted to conservation purposes under the acreage limitation program, in accordance with land diversion contracts entered into by the Secretary with such producers. The Secretary shall provide producers an opportunity to apply to participate in the land diversion program through the end of the certification period under the acreage limitation program.".

COTTON

Sec. 103. Notwithstanding section 502 of the Agriculture and Food Act of 1981 (95 Stat. 1234) and section 103(g)(9)(B) of the Agricultural Act of 1949 (7 U.S.C. 1444(g)(9)(B)), for purposes of the 1982 crop of upland cotton, such section 103(g)(9)(B) shall be deemed to read as follows:

"(B) The Secretary shall make land diversion payments available to producers of the 1982 crop of upland cotton at a rate of 20 cents per pound for the yield established for the farm for the upland cotton acreage on the farm which is diverted. Such land diversion payments shall be made only to producers who participate in the acreage limitation program for the 1982 crop for upland cotton and who devote to approved conservation uses, or, if they have planted the 1982 crop before the date of the enactment of the Farm Crisis Act of 1982, to hay and grazing, 5 per centum of the acreage base for each cotton-producing farm, in addition to any such base required to be devoted to conservation purposes under the acreage limitation program, in accordance with land diversion contracts entered into by the Secretary with such producers. The Secretary shall provide producers an opportunity to apply to participate in the land diversion program through the end of the certification period under the acreage limitation program.".

RICE

Sec. 104. Notwithstanding section 602 of the Agriculture and Food Act of 1982 (95 Stat. 1242) and section 101(i)(5)(B) of the Agricultural Act of 1949 (7 U.S.C. 1441(i)(5(B)), for purposes of the 1982 crop of rice, such section 101(i)(5)(B) shall be deemed to read as follows:

"(B) The Secretary shall make land diversion payments available to producers of the 1982 crop of rice at a rate of $2.20 per hundred-weight for the yield established for the farm for the rice acreage on the farm which is diverted. Such land diversion payments shall be made only to producers who participate in the acreage limitation program for the 1982 crop for rice and who devote to approved conservation uses, or, if they have planted the 1982 crop before the date of the enactment of the Farm Crisis Act of 1982, to hay and grazing, 5 per centum of the acreage base for each rice-producing farm, in addition to any such base required to be devoted to conservation purposes under the acreage limitation program, in accordance with land diversion contracts entered into by the Secretary with such producers. The Secretary shall provide producers an opportunity to apply to participate in the land diversion program through the end of the certification period under the acreage limitation program.".

TITLE II—ACREAGE LIMITATION AND CROPLAND CONSERVATION PROGRAMS FOR 1983 THROUGH 1985 CROPS

WHEAT

Sec. 201. (a) Section 107B(c)(3) of the Agricultural Act of 1949 (7 U.S.C. 1445b-1(c)(3)) is amended by striking out "subsection (e)(2)" each place it appears and inserting in lieu thereof "subsection (e)(1)(B)".

(b) Section 107B(e) of the Agricultural Act of 1949 (7 U.S.C. 1445b-1(e)) is amended—

(1) in paragraph (1)—

(A) by inserting "(A)" after "(e)(1)",

(B) in the first sentence by striking out "the Secretary may" and all that follows through the end of such sentence and inserting in lieu thereof the following: "If producers disapprove a national cropland conservation program proclaimed for a crop of commodities under section 204 of the Farm Crisis Act of 1982 and if the Secretary determines that the carryover of wheat at the beginning of the marketing year which begins in the calendar year of such disapproval exceeds 5 per centum of the quantity of wheat consumed worldwide during the one-year period preceding such marketing year, then the Secretary shall establish an acreage limitation program for such crop.", and

(C) in the second sentence by striking out "or set-aside program",

(2) in paragraph (2)—

(A) in the first sentence—

(i) by striking out "paragraph (1) of this subsection" and inserting in lieu thereof "subparagraph (A) of this paragraph," and

(ii) by inserting "of not less than 15 per centum" after "reduction"

(B) in the sixth sentence—

(i) by striking out "(A)" and inserting in lieu thereof "(i)", and

(ii) by striking out "(B)" and inserting in lieu thereof "(ii)",

(C) in the eighth sentence by striking out "paragraph (1) of this subsection" and inserting in lieu thereof "subparagraph (A) of this paragraph",

(D) by adding at the end thereof the following:

"If such an acreage limitation program is announced, then the Secretary shall make available loans and purchases for such crop under subsection (a) of this section at a level which is equal to 105 per centum of the level that would have been established for such crop under such subsection but for the operation of this sentence.", and

(E) by redesignating such paragraph as subparagraph (B),

(3) by striking out paragraph (3) and inserting in lieu thereof the following:

"(C) If an acreage limitation program is announced under subparagraph (A) of this paragraph for a crop of wheat, then producers may enter into agreements with the Secretary under which—

"(i) such producers agree to withdraw from production (in addition to the acreage withdrawn from production under subparagraph (B) of this paragraph) and devote to conservation uses, in accordance with regulations issued by the Secretary, 15 per centum of the applicable acreage base established under subparagraph (B) of this paragraph; and

"(ii) the Secretary agrees to make available (in lieu of amounts made available under the last sentence of subparagraph (B) of this paragraph) loans and purchases to such producers for such crop under subsection (a) of this section at a level which is equal to 115 per centum of the level that would have been established for such crop under such subsection (without regard to such sentence) but for the operation of this subparagraph.",

(4) in paragraph (4)—

(A) in the first sentence by striking out "paragraphs (2) and (3) of this subsection" and inserting in lieu thereof "subparagraphs (B) and (C) of this paragraph",

(B) in the second sentence by striking out", hay and grazing",

(C) by inserting after the second sentence the following: "The Secretary shall permit, subject to such terms and conditions as the Secretary may prescribe, all or any part of such acreage to be devoted to hay and grazing.",

(D) in the last sentence by striking out "or set-aside", and

(E) by redesignating such paragraph as subparagraph (D),

(5) in paragraph (5)—

(A) in the first sentence by striking out "or set-aside", and

(B) by redesignating such paragraph as paragraph (2),

(6) in paragraph (6)—

(A) in the first sentence by striking out ", set-aside acreage,", and

(B) by redesignating such paragraph as paragraph (3), and

(7) by redesignating paragraph (7) as paragraph (4).

(c) Section 107B(k) of the Agricultural Act of 1949 (7 U.S.C. 1445-1(k)) is amended by striking out "subsection (e)(2)" and all that follows through the end thereof and inserting in lieu thereof "subsection (e)(1)(A) of this section.".

FEED GRAINS

Sec. 202. (a) Section 105B(c)(3) of the Agricultural Act of 1949 (7 U.S.C. 1444d(c)(3)) is amended by striking out "subsection (e)(2)" each place it appears and inserting in lieu thereof "subsection (e)(1)(B)".

(b) Section 105B(e) of the Agricultural Act of 1949 (7 U.S.C. 1444d(e)) is amended—

(1) in paragraph (1)—

(A) by inserting "(A)" after "(e)(1)",

(B) in the first sentence by striking out "the Secretary may" and all that follows through the end of such sentence and inserting in lieu thereof the following: "If producers disapproved a national cropland conservation program proclaimed for a crop of commodities under section 204 of the Farm Crisis Act of 1982 and if the Secretary determines that the carry-over of feed grains at the beginning of the marketing year which begins in the calendar year of such disapproval exceeds 18 per centum of the quantity of feed grains utilized domestically and for export by the United States during the one-year period preceding such marketing year, then the Secretary shall establish an acreage limitation program for such crop.", and

(C) in the second sentence by striking out "or set-aside program",

(2) in paragraph (2)—

(A) in the first sentence—

(i) by striking out "paragraph (1) of this subsection" and inserting in lieu thereof "subparagraph (A) of this paragraph", and

(ii) by inserting "of not less than 15 per centum" after "reduction",

(B) in seventh sentence—

(i) by striking out "(A)" and inserting in lieu thereof "(i)", and

(ii) by striking out "(B)" and inserting in lieu therof "(ii)",

(C) in the ninth sentence by striking out "paragraph (1) of this subsection" and inserting in lieu thereof "subparagraph (A) of this paragraph",

(D) by adding at the end thereof the following: "If such an acreage limitation program is announced, then the Secretary shall make available loans and purchases for such crop under subsection (a) of this section at a level which is equal to 105 per centum of the level that would have been established for such crop under such subsection but for the operation of this sentence.", and

(E) by redesignating such paragraph as subparagraph (B),

(3) by striking out paragraph (3) and inserting in lieu thereof the following:

"(C) If an acreage limitation program is announced under subparagraph (A) of this paragraph for a crop of feed grains, then producers may enter into agreements with the Secretary under which—

"(i) such producers agree to withdraw from production (in addition to the acreage withdrawn from production under subparagraph (B) of this paragraph) and devote to conservation uses, in accordance with regulations issued by the Secretary, 10 per centum of the applicable acreage base established under subparagraph (B) of this paragraph; and

"(ii) the Secretary agrees to make available (in lieu of amounts made available under the last sentence of subparagraph (B) of this paragraph) loans and purchases to such producers for such crop under subsection (a) of this section at a level which is equal to 110 per centum of the level that would have been established for such crop under such subsection (without regard to such sentence) but for the operation of this subparagraph.",

(4) in paragraph (4)—

(A) by striking out "paragraphs (2) and (3) of this subsection" and inserting in lieu thereof "subparagraphs (B) and (C) of this paragraph", and

(B) by redesignating such paragraph as subparagraph (D),

(5) in paragraph (5)—

(A) in the first sentence by striking out "or set-aside", and

(B) by redesignating such paragraph as paragraph (2),

(6) in paragraph (6)—

(A) in the first sentence by striking out", set-aside acreage,", and

(B) by redesignating such paragraph as paragraph (3), and

(7) by redesignating paragraph (7) as paragraph (4).

(c) Section 105B(k) of the Agricultural Act of 949 (7 U.S.C. 1444d(k)) is amended by striking out "subsection (e)(2)" and all that follows through the end thereof and inserting in lieu thereof "subsection (e)(1) of this section.".

COTTON

Sec. 203. Section 103(g)(9)(A) of the Agricultural Act of 1949 (7 U.S.C. 1444(g)(9)(A)) is amended—

(1) by inserting "(i)" after "(9)(A)",

(2) in the first sentence by striking out "the Secretary may" and all that follows through the end of such sentence and inserting in lieu thereof the following: "If producers disapprove a national cropland conservation program proclaimed for a crop of commodities under section 204 of the Farm Crisis Act of 1982 and if the Secretary determines that the carryover of upland cotton at the beginning of the marketing year which begins in the calendar year of such disapproval exceeds 4,200,000 bales, then the Secretary shall establish for such crop a limitation on the acreage planted to upland cotton.",

(3) in the second sentence by inserting "of not less than 15 per centum" after "reduction", and

(4) by adding at the end thereof the following new clauses:

"(ii) If an acreage limitation program is announced under clause (i) of this subparagraph for a crop of upland cotton, then the Secretary shall make available loans and purchases for such crop under paragraph (1) of this subsection at a level which is equal to 110 per centum of the level that would have been established for such crop under such paragraph but for the operation of this clause.

"(iii) If such an acreage limitation program is announced, then producers may enter into agreements with the Secretary under which—

"(I) such producers agree to withdraw from production (in addition to the acreage withdrawn from production under clause (i) of this subparagraph) and devote to conservation uses, in accordance with regulations issued by the Secretary, 10 per centum of the applicable acreage base established under such clause; and

"(II) the Secretary agrees to make available (in lieu of amounts made available under clause (ii) of this subparagraph) loans to such producers for such crop under paragraph (1) of this subsection at a level which is equal to 120 per centum of the level that would have been established for such crop under such paragraph (without regard to clause (ii) of this subparagraph) but for the operation of this clause.".

NATIONAL CROPLAND CONSERVATION PROGRAM

Sec. 204. (a) Notwithstanding any other provision of law, the Secretary of Agriculture (hereinafter in this section referred to as the "Secretary") shall, for the purpose of furthering the conservation and protection of cropland in the United States and regulating production of certain agricultural commodities which move preponderantly in interstate and foreign commerce, proclaim a national cropland conservation program for each of the 1983, 1984, and 1985 crops of all commodities the price of which is supported by the Secretary under the Agricultural Act of 1949, other than milk and honey. Under the program, the Secretary shall provide that the producer of any commodity covered by the proclamation (1) shall not exceed (A) 85 percent of the acreage on the farm normally planted to such commodity, as determined by the Secretary and adjusted as deemed necessary by the Secretary to be fair and reasonable among producers, or (B) such greater percentage thereof as the Secretary may establish with respect to any such commodity, after taking into consideration the estimated stocks of the commodity in the United States (including the qualities of such stocks) and stocks in foreign countries which would be available for the period covered by the proclamation to assure the maintenance of adequate but not excessive stocks in the United States to provide a continuous and stable supply of the commodity needed in the United States and in foreign consuming countries, and for purposes of national security, and (2) shall devote the balance of the acreage on the farm normally planted to such commodity to such conservation uses as the Secretary may by regulation prescribe. For purposes of this subsection, the following, as determined by the Secretary, shall not be considered acreage on the farm normally planted to such commodity:

(1) acreage on the farm devoted to the production of quota peanuts;

(2) acreage on the farm equal to any tobacco acreage allotment established for the farm under the Agricultural Adjustment Act of 1938; and

(3) acreage on the farm devoted to the production of commodities which are subject to marketing agreements or orders under the Agricultural Marketing Agreement Act of 1937.

(b) The Secretary shall make the proclamation required by subsection (a) not later than June 1 of the calendar year preceding the calendar year in which the commodities covered by the proclamation will be harvested. Not later than July 1 following the issuance of the proclamation, the Secretary shall conduct a referendum, by secret ballot, of producers engaged in the production of commodities which are covered by the proclamation and which will be harvested during the calendar year in which the referendum is held, to determine whether such producers are in favor of or opposed to the program so proclaimed. The Secretary shall proclaim the results of the referendum within 30 days after the date on which it is held and if more than 45 percent of the producers voting in the referendum vote against the program, the Secretary shall proclaim that the program will not be in effect with respect to commodities which are covered by the proclamation and which will be harvested in the calendar year immediately following the calendar year in which the referendum is held.

(c) Notwithstanding any other provision of law—

(1) If producers voting in the referendum held under subsection (b) approve the national cropland conservation program proclaimed by the Secretary, (A) the level of loans and purchases for commodities covered by the proclamation shall be not less than 110 percent of the loan and purchase level therefor which would otherwise apply under the Agricultural Act of 1949, as announced in advance by the Secretary before the date of the referendum, and (B) any producer of any commodity subject to the provisions of subsection (a) who, with respect to the crop covered by the proclamation, exceeds 85 percent (or any increased percentage established by the Secretary) of the acreage on the farm normally planted to the commodity, shall not be eligible, during the calendar year in which the commodity is harvested and during the two immediately succeeding calendar years, (i) for loans, purchases, payments, or other benefits under the Agricultural Act of 1949 or the Commodity Credit Corpcration Charter Act, (ii) for financial assistance under the Consolidated Farm and Rural Development Act, (iii) for financial assistance under the Emergency Agricultural Credit Adjustment Act of 1978, (iv) for crop insurance under the Federal Crop Insurance Act, or (v) for financial assistance or other benefits for conservation purposes under the Soil Conservation and Domestic Allotment Act. The Secretary may, however, provide by regulation for exceptions to the provisions of the preceding sentence with respect to a producer to the extent the producer establishes to the satisfaction of the Secretary that the producer unintentionally or unknowingly exceeded the applicable percentage under clause (B) of such sentence.

(d) The Secretary shall issue such regulations as may be necessary to carry out the provisions of this section.

CONFORMING AMENDMENTS

Sec. 205. (a) Section 1101(4) of the Agriculture and Food Act of 1981 (7 U.S.C. 1308(4)) is amended by striking out "a set-aside or" and inserting in lieu thereof "an".

(b) Section 113 of the Agricultural Act of 1949 (7 U.S.C. 1445h) is amended by striking out "a set-aside or" each place it appears and inserting in lieu thereof "an".

(c) Section 1001 of the Food and Agriculture Act of 1977 (7 U.S.C. 1309) is repealed.

SCOPE OF APPLICATION

Sec. 206. The amendments made by this title shall not apply to the 1982 crop of wheat, feed grains, and upland cotton.

TITLE III—FARM STORAGE FACILITY LOAN PROGRAM

FARM STORAGE FACILITY LOAN PROGRAM

Sec. 301. The second sentence of section 4(h) of the Commodity Credit Corporation Charter Act (15 U.S.C. 714b(h)) is amended by inserting before the period the following: ": *And provided further,* That the Corporation shall guarantee loans made to grain growers by legally organized lending institutions for the construction or purchase of facilities for the storage of grain harvested by such growers, except that not more than 90 percent of the amount of principal and interest of any loan may be guaranteed and, in the aggregate, not more than $250,000,000 of principal and interest may be guaranteed in any fiscal year".

TITLE IV—BARTER OF AGRICULTURAL COMMODITIES FOR STRATEGIC AND CRITICAL MATERIALS AND PETROLEUM PRODUCTS

BARTER OF AGRICULTURAL COMMODITIES FOR STRATEGIC AND CRITICAL MATERIALS AND PETROLEUM PRODUCTS

Sec. 401. (a) Section 4(h) of the Commodity Credit Corporation Charter Act (15 U.S.C. 714b(h)) is amended—

(1) in the fourth sentence—

(A) by striking out "is authorized," and inserting in lieu thereof "shall, to the maximum extent practicable, in consultation with the Secretary of State, and", and

(B) by striking out "to",

(2) in the seventh sentence by striking out "Secretary of the Treasury" and inserting in lieu thereof "Administrator of General Services", and

(3) by inserting after the seventh sentence the following: "If the volume of petroleum products stored in the Strategic Petroleum Reserve is less than the level established under section 154 of the Energy Policy and Conservation Act (42 U.S.C. 6234), then the Corporation shall, to the maximum extent practicable, with the approval of the Secretary of Agriculture, and in consultation with the Secretary of Energy and the Secretary of State, accept petroleum products produced abroad in exchange for agricultural commodities acquired by the Corporation and shall transfer such petroleum products, without reimbursement, to the Secretary of Energy to be placed in such Reserve. Insofar as practicable, in effecting exchanges under the preceding sentence, normal commercial trade channels shall be utilized.".

REPORT

Sec. 402. Not later than 90 days after the date of the enactment of this Act, the Secretary of Agriculture shall submit to the Congress a report which contains a description of the status of programs being carried out under section 4(h) of the Commodity Credit Corporation Charter Act (15 U.S.C. 714b(h)) and other provisions of law with respect to the barter or exchange of commodities owned by the Commodity Credit Corporation for materials and products produced in foreign countries.

TITLE V—EMERGENCY AGRICULTURAL CREDIT

EMERGENCY AGRICULTURAL CREDIT

Sec. 501. (a) Section 202 of the Emergency Agricultural Credit Adjustment Act of 1978 (7 U.S.C. prec. 1961) is amended by striking out "The Secretary of Agriculture may" and inserting in lieu thereof "The Secretary of Agriculture shall".

(b)(1) Section 207(b) of the Emergency Agricultural Credit Adjustment Act of 1978 (7 U.S.C. prec. 1961) is amended—

(A) by striking out "$400,000" and inserting in lieu thereof "$200,000", and

(B) by striking out "$650,000" each place it appears and inserting in lieu thereof "$450,000".

(2) The amendments made by paragraph (1) shall not be construed to affect any loan insured or guaranteed before the date of the enactment of this Act.

(c) Section 211 of the Emergency Agricultural Credit Adjustment Act of 1978 (7 U.S.C. prec. 1961) is amended by striking out "September 30, 1982" and inserting in lieu thereof "September 30, 1983".

TITLE VI—AGRICULTURAL EXPORTS

AGRICULTURAL EXPORT CREDIT REVOLVING FUND

SEC. 601. It is the sense of the Congress that for fiscal year 1983 not less than $1,000,000,000 should be made available to the Agricultural Export Credit Revolving Fund established under section 4(d) of the Food for Peace Act of 1966 (7 U.S.C. 1707a(d)).

GRAIN SALES TO UNION OF SOVIET SOCIALISTS REPUBLICS

SEC. 602. It is the sense of the Congress that, as soon as practicable after the date of the enactment of this Act, the Secretary of Agriculture should take action to initiate negotiations with the Government of the Union of Soviet Socialist Republics to establish a multiyear agreement under which such Government would purchase grain produced in the United States.

TITLE VII—WHITE HOUSE CONFERENCE ON AGRICULTURE

WHITE HOUSE CONFERENCE ON AGRICULTURE

SEC. 701. (a) The President is requested to convene a White House Conference on Agriculture, not later than 1 year after the date of the enactment of this Act, to study current problems in the agricultural sector of the economy and to develop recommendations for legislation and administrative action regarding short-term and long-term solutions to such problems.

(b) The President is requested to appoint members of the White House Conference on Agriculture from among—

(1) heads of organizations comprised of producers of agricultural commodities,

(2) representatives of the banking industry,

(3) representatives of businesses which provide services, or produce goods, used by producers of agricultural commodities,

(4) heads of organizations representing the interests of consumers, and

(5) producers of agricultural commodities.

(c) The White House Conference on Agriculture shall submit a report to the President and to the Congress, not later than 1 year after the members of such Conference are first appointed, containing recommendations developed under subsection (a).

FARM CRISIS ACT OF 1982

Not since the Great Depression has American agriculture faced conditions like those today. The combination of low farm prices and high interest rates is having a devastating effect. These conditions, which have been reported by the farm-state press for many months, have recently been documented by coverage in national publications like the New York Times, the Washington Post, Newsweek, Time Magazine, and on the major television and radio networks. Unfortunately, the 1981 Farm Bill is not adequate to meet the challenge of this major and ever worsening farm crisis. The Farm Crisis Act of 1982 is designed to meet this highly unusual and extremely serious situation.

PROVISIONS OF THE ACT

The Farm Crisis Act of 1982 offers these specific provisions to deal reasonably, and within the bounds of prudent federal spending constraints, with the problems posed by today's depressed agricultural economy:

1. Producers of feed grains, wheat, cotton, and rice who have already signed up to participate in the existing 1982 diversion program would have the additional option of diverting another 5 percent of their acreage and being paid for that diversion. This would lessen demands on the federal budget, since it is cheaper to avoid producing additional units of commodities that are already in surplus supply, rather than making payments—price supports, storage, or otherwise—after the commodities have been produced.

In addition, the effect of reduced supplies would stimulate prices, thus reducing required target prices. And because of the late date in the 1982 season, the sign-up would be open until the end of the certification period. Haying and grazing would also be available to those farmers who have already planted.

The levels of diversion payments would be: Corn $1.25 per bushel; Wheat $2 per bushel; Rice $2.20 per hundredweight; Cotton 20 cents per pound. These would be calculated thus: Normal production X acreage diverted (equal to 5 percent of historically planted acres.)

2. A nationwide referendum would be held in July on whether farmers will lay aside 15 percent of their crop land for conservation purposes. Not included in the referendum would be crop acres under marketing order or allotment. An affirmative vote by 55 percent of the farmers participating would be required for approval. If the referendum passed, loan rates would increase by 10 percent. Failure to comply with the referendum provisions would mean denial of access to farm programs for three years.

3. If the referendum should be defeated, the Secretary of Agriculture would be required to establish a voluntary set-aside program when carryover reached certain levels:

For wheat, if domestic carryover grew to more than 5 percent of world wheat utilization, a minimum 15 percent acreage set-aside program would be implemented, and farmers would receive a 5 percent loan rate increase. Farmers would also have the option to set aside 30 percent of the previous year's plantings in return for a 15 percent increase in the wheat loan. The set-aside acreage could be devoted to haying and grazing.

For feed grains, if domestic carryover grew to more than 18 percent of total domestic and export use, a minimum 15 percent set-aside program would be implemented, and farmers would receive a 5 percent loan rate increase. Farmers also would have the option to set aside 25 percent of the previous year's plantings in return for a 10 percent increase in the loan rate.

For cotton, if total domestic carryover stocks of upland cotton at the end of the marketing year exceeded 4.2 million bales, the Secretary of Agriculture would provide for a minimum 15 percent set-aside, and farmers would receive an increase of 10 percent in loan rates. Farmers would have the option to set aside 25 percent of acreage, in which case the loan rate would be increased by 20 percent.

4. It would be expressed as the sense of Congress that $1 billion should be made available for the Agricultural Credit Revolving Fund, and expressed also as the sense of Congress that the Administration should take immediate action to begin negotiations with the government of the U.S.S.R. for a multi-year trade agreement.

5. The government would guarantee up to $250 million in loans for construction of on-farm storage facilities. This would make storage available for 500-600 million bushels of grain.

6. Use of the Economic Emergency Loan Program would be mandated, retaining the current $600 million cap. The program would be extended until September 30, 1983, and the cap on loan size would be lowered from $400,000 to $200,000.

7. The President would be directed to call a White House Conference on Agriculture to provide a forum for in-depth and long-range examination of agriculture's problems, solutions, and future potential.

8. The Secretary of Agriculture would be directed to survey and expedite bartering of U.S. government-owned agricultural commodities for strategic materials.

TIMETABLE FOR ACTION

Because the subjects covered by the Farm Crisis Act of 1982 have been thoroughly considered in previous Sub-committee hearings and meetings, it will be possible for the bill to be referred directly for Committee action. Mark-up is anticipated before May 15. An exact date for House floor consideration is not possible to project, but the Speaker has indicated his interest and willingness to provide assistance in expediting the bill.

COST

The Congressional Budget Office estimates that because of the amount of land taken out of production, deficiency payments and storage costs will decrease and less grain will be redeemed, thereby saving $899 million over four years. This is a saving over the current law.

By Mr. HEINZ (for himself, Mr. DOLE, and Mr. PERCY):

S. 2514. A bill to amend the Social Security Act to provide for the removal of the OASI, DI, and HI trust funds from the unified budget; pursuant to the order of August 4, 1977, referred jointly to the Committee on the Budget and the Committee on Governmental Affairs.

(The remarks of Mr. HEINZ on this legislation appear elsewhere in today's RECORD.)

By Mr. PACKWOOD:

S. 2515. A bill to amend the Internal Revenue Code of 1954 to extend the exclusion from gross income of amounts paid or incurred with respect to educational assistance programs, and for other purposes; to the Committee on Finance.

EMPLOYEE EDUCATIONAL ASSISTANCE EXTENSION ACT

● Mr. PACKWOOD. Mr. President, today I am introducing the "Employee Educational Assistance Extension Act."

This bill will make permanent tax rules enacted in 1978 applicable to employees who receive educational assistance from their employers. Currently, those rules expire December 31, 1983. The Revenue Act of 1978 included a provision dealing with the taxation of educational assistance provided for employees by employers. These rules became section 127 of the Internal Revenue Code. Generally, that section provides that educational assistance provided by the employer is tax free to

the employee if the educational assistance program is operated in compliance with several restrictions. For example, the educational assistance offered by the employer may not discriminate in favor of officers, shareholders, or highly compensated employees.

The bill I am introducing today makes that section permanent, and also makes a few revisions to it so that it can better achieve its original purpose.

BACKGROUND

The purpose of the section made permanent by this bill is to encourage employees, especially women, members of minority groups, and unskilled persons, to take advantage of opportunities for self-improvement provided by their employers. It has clarified a confusing and ambiguous area of the law.

Employer programs providing tuition assistance for employees are common. They exist in about 90 percent of corporations with more than 500 employees, and 75 percent of companies with between 100 and 500 employees. They are also common for employees of smaller companies, all levels of government, and nonprofit organizations.

Courses provided by employers provide important opportunities for self-improvement for employees at all levels. The programs are typically available for all full-time employees, with little or no minimum service requirement. The programs have traditionally been open to hourly employees, union members, and clerical and technical employees.

Most of the programs require that the course bears some relation to present or future job duties. Typically, the courses are subsidized by employers to enable the employee to prepare for a promotion. The courses in greatest demand are engineering, management, general business courses, accounting, and technical courses such as drafting and blueprint reading.

When some people first hear of employer-provided educational assistance, they envision basketweaving or snake charming courses. However, experience has shown that employers simply do not provide frivolous courses.

THE PROBLEM BEFORE 1978

Before enactment of section 127, the tax rules applicable to tuition assistance programs were confusing, difficult to administer equitably, and had a disproportionately harsh effect on women, members of minority groups, and persons without skills.

The general rule was that the cost of training was taxable to the employee unless the training was related to his or her current job. Because the employee was liable for tax on the tuition payment, the employer was, in turn, required to withhold more from the employee's paycheck when the tuition assistance was provided. This interpretation of the law was announced by the Internal Revenue Service in Revenue Rulings 76-71, 76-352, and 78-184.

The "job-related" distinction was unfair. There was no shortage of important and fascinating job-related—tax-free—training opportunities for senior executives. But it was a different story for people further down the company ladder. If a person with little or no work experience employed in an entry-level position received training to advance to virtually any other job with an employer, the value of the training was taxable. This discouraged self-improvement.

Similarly, if a typist received training to become a secretary, or if a secretary received training in a paralegal program, it might be considered not job-related.

The job-related distinction was ambiguous. In many cases there was no agreement as to when to subject an employee to withholding, even where the tuition assistance program was identical from one company to another. This led to differing interpretations of the law from company to company, and from audit to audit. It raised the risk that an employee would have rightfully believed tuition received was not taxable, only to find out months or years later that it was.

Those hurt most were unskilled workers, women, and minorities. They would be less likely to have a skill to which training could relate. They were also more likely to have low-paying, undesirable jobs. And they were less likely to participate in a program, if, the day training began, the employer withheld an additional amount from their small paycheck to cover the Federal tax imposed on the training. For example, a 1977 study of 57 educational assistance programs by the American Telephone & Telegraph Co. showed that employees not subject to withholding were three times as likely to participate as employees subject to withholding.

REVENUE ACT OF 1978

Section 164 of the Revenue Act of 1978 created new Internal Revenue Code section 127 addressing this problem. Section 127 provides that, if several safeguards are complied with, that educational assistance provided by employers is tax free to employees. One of the restrictions is that the program may not discriminate in favor of officers, shareholders, or highly compensated employees. Another restriction is that not more than 5 percent of the benefits of the program may go to persons who own more than 5 percent of the company. Further, the program may not provide sports, games or hobby courses.

The new statute has worked well. It has proven easy to administer for the IRS, and understandable to employers. Best of all, it has resolved the puzzling and punitive features of prior law which discouraged self-improvement by workers.

CHANGES PROPOSED BY THIS BILL

I believe section 127 can be improved in a few respects. First, it should be made easier for educational assistance to be provided with a cafeteria plan or a flexible benefit program. Current law requires that educational benefits not be offered as an alternative to items includable in gross income, such as wages. This bill deletes that requirement. This increases the likelihood that educational assistance will be provided by employers in cafeteria or flexible benefit plans.

The bill also provides that benefits provided to spouses or family members of employees will be tax-free. Currently, educational assistance benefits are tax-free only if provided to the employee. This change will help encourage employers to provide opportunities for self-improvement beyond the employees themselves. This change is not intended to have any adverse effect on tuition remission programs sponsored by educational institutions for employees, and members of their family. The taxation of these programs has been governed for many years by Treasury Regulations 1.117-3(a).

Section 127 currently provides that qualified educational assistance programs may not reimburse the cost of meals, travel or lodging. This bill deletes this restriction. I believe the restriction is a mistake. It discriminates against employees in locations away from educational institutions who must travel to obtain needed training, and incur expenses for meals and lodging. Further, it makes administration of these programs more convoluted if the employer must treat educational assistance and associated meals, lodging or travel separately.

CONCLUSION

Our Nation's employers are making a giant contribution toward the education of workers. They are helping employees at all levels improve themselves. The educational assistance tax rules enacted in 1978 are an important part of encouraging employers to continue to perform this responsibility. I hope Congress will consider this legislation and enact it in a timely manner to avoid needless confusion for individual taxpayers and employers.

Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2515

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, SECTION 1. MODIFICATION OF EXCLUSION FROM GROSS INCOME OF EDUCATIONAL ASSISTANCE.

(a) EDUCATIONAL ASSISTANCE FOR SPOUSES AND DEPENDENTS OF EMPLOYEES.—

(1) IN GENERAL.—Subsection (a) of section 127 of the Internal Revenue Code of 1954 (relating to educational assistance programs) is amended by inserting ", his spouse, or his dependents" after "employee" the second place it appears.

(2) CONFORMING AMENDMENTS.—

(A) Section 127 (b) (1) of such Code is amended by inserting ", their spouses, or their dependents" after "employees" the second place it appears.

(B) Section 127 (c) (1) of such Code is amended by inserting ", his spouse, or his dependents" after "employee" each place it appears.

(b) ELIMINATION OF PROHIBITION OF OTHER BENEFITS AS AN ALTERNATIVE.—

(1) IN GENERAL.—Subsection (b) of Section 127 of such Code is amended by striking out paragraph (4) and redesignating paragraphs (5) and (6) as paragraphs (4) and (5), respectively.

(2) CONFORMING AMENDMENT.—Section 127(b)(1) of such Code is amended by striking out "(6)" and inserting in lieu thereof "(5)".

(c) ELIMINATION OF DISALLOWANCE OF PAYMENTS FOR MEALS, LODGING OR TRAVEL.—Section 127(c)(1) of such Code is amended by deleting ", or meals, lodging, or transportation".

(d) CLARIFICATION OF DEDUCTION TO EMPLOYER.—Paragraph (7) of Section 127(c) (relating to disallowance of excluded amounts as credit or deduction) is amended—

(A) by striking out "shall be allowed" and inserting in lieu thereof "shall be allowed to the employee", and

(B) by striking out "excluded from income" and inserting in lieu thereof "excluded from the gross income of the employee".

(e) ELIMINATION OF TERMINATION DATE FOR EXCLUSION OF EDUCATIONAL ASSISTANCE FROM GROSS INCOME.—Subsection (d) of Section 127 of such Code is repealed.

(f) The amendments made by Subsections (a) through (d) shall apply to taxable years beginning after December 31, 1982.●

By Mr. INOUYE:

S. 2516. A bill to make scholarships available to provide clinical psychologists to provide services to Indians; to the Committee on Labor and Human Resources.

MENTAL HEALTH SERVICES TO INDIANS

● Mr. INOUYE. Mr. President, today I am introducing legislation to amend the Indian health scholarship program to authorize scholarships for those Indians who may wish to become clinical psychologists.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2516

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 338G(a) of the Public Health Service Act (42 U.S.C. 294y-1(a)) is amended by inserting "clinical psychologists," after "pharmacists,".●

By Mr. MATHIAS (for himself and Mr. HEFLIN):

S. 2517. A bill to revise the first section of the Clayton Act to expand the scope of the antitrust laws, and for other purposes; to the Committee on the Judiciary.

UNFAIR FOREIGN COMPETITION ACT OF 1982

● Mr. MATHIAS. Mr. President, the United States is blessed with an energetic population, bountiful raw materials, and a vast continental market which has helped us become the world's leading industrial power. Yet economic problems continue to plague us. One of the underlying causes of our current distress is our balance of trade situation.

Through negotiating efforts, including multilateral trade negotiations, the United States has reduced many of the barriers to international trade, in return for similar reductions from our trading partners. These reductions in the long run promote production, create jobs and encourage efficient allocation of resources on a worldwide scale. These efforts ought to help reduce our trade deficit. As long as our competitors play by the rules, I think American workers can more than hold their own to the benefit of workers, business, and consumer alike.

However, with this relaxation of restrictions on imports, I think we may need to insure that no one takes advantage of what may be our vulnerability. I think it is commonly recognized that competition has not always been fair competition. Goods manufactured abroad are often sold in this country below their marginal cost of production or below their price in their home market. In either case, this is dumping, and it has caused massive dislocations in U.S. industries.

One of the bulwarks against this predatory behavior from abroad should be the Revenue Act of 1916. However, this law requires proof of intent to injure domestic markets by importers of dumped goods before any damages can be collected by the injured U.S. party. Intent to injure is such a difficult test that this law has never been successfully used in the 66 years it has been on the books. As a result, no American company or union has ever collected damages. Clearly, we lack a coherent, enforceable policy toward dumping. Foreign businesses and their U.S. importers need to know what conduct the laws forbid, and the injured U.S. parties must be able to collect damages swiftly and enjoin further dumping when it occurs.

For this reason, I am introducing my unfair foreign competition bill, to amend the antitrust laws to include dumping within the behavior prohibited by those laws. Dumping is one of the worst anticompetitive acts, and I think we should give both the Antitrust Division and the injured American companies the right to sue for treble damages by including dumping under our antitrust laws.

My unfair foreign competition bill would eliminate the need to show intent to injure. All that would have to be shown is that the imported goods are knowingly being sold at below production cost or below the sale price in the home market.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2517

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Unfair Foreign Competition Act of 1982".

SEC. 2. The first paragraph of the first section of the Clayton Act (15 U.S.C. 12) is amended by inserting "section 801 of the Act of September 8, 1916, entitled 'An Act to increase the revenue, and for other purposes' (15 U.S.C. 72);" after "nineteen hundred and thirteen;".

SEC. 3. Section 801 of the Act of September 8, 1916, entitled "An Act to increase the revenue, and for other purposes" (15 U.S.C. 72) is amended—

(1) by striking out the first sentence and inserting in lieu thereof the following:

"(a) It is unlawful for any person importing or assisting in importing any articles from any foreign country into the United States knowingly and purposely to import such articles into the United States or to sell or cause such articles to be imported or sold within the United States, at a price substantially less than (1) the actual market value or wholesale price of such articles, at the time of their importation into the United States, in the principal markets of the country of their production or of other foreign countries to which they are commonly exported, after adding to such market value or wholesale price, freight, duty, and other charges and expenses necessarily incident to the importation and sale thereof in the United States; or (2) where no home or third country market exists, the constructed value of such articles as determined by the standards set forth in section 773 (e) of the Trade Agreements Act of 1979 (19 U.S.C. 1677b (e)), if—

"(A) the sale of such articles at such price would (i) cause material injury to an industry or labor in any line of commerce in any section of the United States, (ii) prevent, in whole or in part, the establishment of an industry in the United States, or (iii) restrain or monopolize any part of trade and commerce in such articles in the United States; and

"(B) such injury, prevention, restraint, or monopoly results therefrom.";

(2) by inserting the subsection designation "(b)" before the second paragraph of such section, and by striking out "$5,000" and inserting in lieu thereof "$50,000";

(3) by inserting the subsection designation "(c)" before the third paragraph of such section;

(4) by inserting before the last paragraph of such section the following:

"(d) Whenever it appears to the court before which any proceeding under this Act is pending that the ends of justice require that other parties should be brought before the court, the court may cause them to be summoned, whether they reside in the district in which the court is held or not, and subpenas to that end may be served in any district by the marshal thereof.

"(e) If a defendant in any proceeding brought under subsection (c) of this section in any court of the United States fails to comply with any discovery order, or other order or decree, of such court, the court shall have power to enjoin the further importation into the United States, or distribution in interstate commerce within the United States, by such defendant of articles which are the same as, or similar to, those articles which are alleged in such proceeding to have been sold or imported in violation of the provisions of subsection (a) of this section, until such time as the defendant complies with such order or decree."; and

(5) by inserting the subsection designation "(f)" before the last paragraph of such section.●

By Mr. LEVIN:

S. 2518. A bill to establish a National Industrial Development Board for purposes of formulating policy recommendations for industrial development in the United States; to the Committee on Governmental Affairs.

NATIONAL INDUSTRIAL DEVELOPMENT ACT

● Mr. LEVIN. Mr. President, I am today introducing legislation designed to parallel the National Industrial Development Act introduced in the House by Congressman STAN LUNDINE. I am pleased to introduce this bill because I believe it may point us toward a long-term strategy of economic development.

Right now, most of our attention is focused on the immediate problems we confront—the budget crisis, the unemployment rate, the interest rate, the general lack of economic response to the various stimuli we have sought to apply. And given the seriousness of those immediate problems, it is a good thing we are focusing on them. My point, however, is that no matter how we manage to muddle through this crisis, no matter what "quick fix" we use to get by this time, we are still going to need to face some fundamental questions about the nature of our economic system.

The plain truth is that for a number of years we just put our economic engine on automatic pilot and let it run down the highway. And it worked. We had so much technology, so much of an edge over our competitors, that we could afford to operate that way. But things have changed. Energy costs have soared, productivity has sagged, our competitors have advanced, and our access to foreign markets has been restricted.

In this new environment, we cannot afford to continue operating as we have. We need to look at where we are, how we got there, and most importantly, where we want to be and how we can get there from here.

In that context, it seems to me that one of the major structural causes of our current plight springs from the kind of relationship we have allowed to develop between labor and management and Government in this country. During the "salad days" of unlimited growth, we allowed an environment to develop which pitted these institutions against each other. They developed an adversarial relationship rather than an alliance. They became foes rather than friends. Each one seemed to view their relationship as a zero-sum game in which someone had to win and someone else had to lose. The result was a lack of cooperation and a loss of competitive strength.

If we are to improve our economic climate and find ways to adapt to new markets, new technologies, new organizational designs, and new work patterns, we have to have a structure which allows Government and labor and management to work together. Recent economic conditions—reaching a crisis state in distressed industries like autos and trucking—have produced ad hoc "solutions" and temporary truces. But unless we build on the base that these actions have created, we will lose momentum and forgo an opportunity to structure industrial relations in this country.

In order to avoid that, the legislation I am introducing today would establish a National Industrial Development Board charged with the responsibility of developing a national industrial policy. The Board's specific duties would be to make recommendations for national development priorities, and to make recommendations at the request of executive agencies or congressional committees on specific industrial policy problems pending before them. Since any strategy developed by the Board can only succeed if it has the common support of the principal sectors of the economy, the Board will be a quadripartite body composed of leading representatives of business, labor, Government, and the public. The members of the Board will be appointed by the President from among those candidates nominated by the majority and minority leaders of the Senate and the Speaker and minority leader of the House of Representatives and will be eligible to serve up to two 6-year terms. The Board can hold hearings and will publish a brief annual report outlining development priorities for the United States and recommend legislative and administrative actions in support of them.

Mr. President, shortly before he left office in 1980, Secretary of Transportation Neil Goldschmidt issued a report on the state of the auto industry. But it did more than simply look at that specific industry. It also addressed some of the basic concerns that I have raised here. In that report, Mr. Goldschmidt called for the development of what he called a new socioeconomic compact between government and management and labor. That is precisely the task that I think we need to move ahead on—and that is precisely the task that the National Industrial Development Board would tackle.

We simply have got to find ways to transform potentially antagonistic sectors of our economy into a multifaceted force for rational and sustained national economic growth.

Mr. President, I ask unanimous consent to have the text of the bill printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2518

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "National Industrial Development Act".

FINDINGS AND PURPOSE

SEC. 2. (a) The Congress hereby finds that—

(1) the vitality of industry in the United States has declined precipitously in recent years;

(2) such decline constitutes a severe threat to the economic future of the United States;

(3) many factors have contributed to such decline, including lagging productivity and product quality, increasing imports, reduced competitiveness of goods in foreign markets, high energy prices, shortsighted management strategies, inadequate supply of skilled workers, hostility between management and labor, insufficient employee participation in the workplace, and inadequate Federal commitments in such crucial areas as transportation, and other infrastructure, and research;

(4) the numerous causes of economic decline in the United States can be redressed only by a comprehensive national industrial strategy;

(5) such a strategy should also encourage the development of emerging high-technology industries that can provide substantial economic growth and employment;

(6) such a strategy will succeed only if (A) it has the common support of the principal sectors of the economy, including business, labor, Government, and the public; and (B) each such sector is willing to make sacrifices to ensure mutual recovery; and

(7) the antipathy that often prevails among such sectors hampers development of a consensus necessary for economic recovery in the United States.

(b) It is the purpose of this Act—

(1) to establish a Federal board designed to produce a national industrial strategy that will have the support of each principal party to the industrial problems of the United States;

(2) to establish a mechanism for the development, outside of the normal political process, of consensual solutions to specific industrial problems confronting the Congress or any Federal department or agency;

(3) to establish a mechanism for the anticipation of future industrial problems and the timely identification of shifts in international markets and competitive standings;

(4) to supplement the adversarial mode of problem solving that has prevailed in industry in the United States during the past century with a new approach based upon consensus among business, labor, Government, and appropriate public groups; and

(5) to revive the industrial base of the United States through an approach premised on the proposition that most sectors of the economy are necessary and can survive if they adapt sensibly to the new markets, technologies, organizational designs, and relationships between labor and management that are presently emerging.

ESTABLISHMENT OF BOARD

Sec. 3. There is established a board to be known as the National Industrial Development Board (hereafter in this Act referred to as the "Board").

DUTIES OF BOARD

Sec. 4. (a) The duties of the Board are—

(1) to prepare and publish reports setting forth the recommendations of the Board with respect to national industrial development priorities, including (A) macroeconomic policy; and (B) the needs of basic industrial sectors (such as the automobile, steel, and semiconductor industries) and supportive sectors (such as the financial and communications industries), without regard to whether any such sector is undergoing or anticipating difficulties; and

(2) to provide policy recommendations and reports to the Congress and to Federal departments and agencies with respect to specific issues of national industrial policy, in response to requests from the Congress or any such department or agency under subsection (c)(1).

(b) The Board may encourage, with respect to individual industrial sectors, the development of committees, consisting of representatives of business, labor, Government, and the public, to examine the particular problems of such industrial sectors.

(C)(1) The Board shall issue recommendations and reports under subsection (a)(2) only upon request of—

(A) the head of a Federal department or agency, with respect to a matter pending before such department or agency; or

(B) a majority vote by a committee or subcommittee of the Congress, with respect to a matter pending before such committee or subcommittee.

(2) The Board shall issue any report requested under paragraph (1) as soon as practicable within the six-month period following the date such report is requested. The Board shall, to the extent practicable, comply with any request for expedited preparation of a report.

(3) Upon receipt by any committee or subcommittee of the Congress of any report requested by such committee or subcommittee under paragraph (1)(B), the Board shall consult with such committee or subcommittee with respect to such report, and, following such consultation, such committee or subcommittee shall submit to its House a report setting forth its views and recommendations with respect to the report of the Board.

(4) The Board may, upon the vote of a majority of its members, decline to respond to any request for a report under paragraph (1) if such majority determines that such request relates to any matter that is not of immediate importance. The Board may not decline to respond to any such request if (A) such request relates to a Government loan or loan guarantee, or (B) the Board is notified by the President that such request relates to an emergency situation.

(d) In preparing reports and formulating recommendations under this Act, the members of the Board shall attempt to reach the maximum degree of consensus practicable on any matter of controversy.

(e) The Board shall establish procedures to ensure that no report issued by the Board under this Act shall be released to the public by any member or employee of the Board before the expiration of seven days following the date such report is issued, unless the Board, by a vote of two-thirds of its members, determines that earlier release of such report to the public is appropriate.

MEMBERSHIP OF BOARD

Sec. 5. (a)(1) The Board shall be composed of thirty-two members appointed by the President from among individuals recommended for appointment to the Board by the majority leader of the Senate, the minority leader of the Senate, the Speaker of the House, and the minority leader of the House.

(2) Of the individuals appointed under paragraph (1)—

(A)(i) eleven shall be appointed from among the individuals recommended by the majority leader of the Senate;

(ii) five shall be appointed from among the individuals recommended by the minority leader of the Senate;

(iii) eleven shall be appointed from among the individuals recommended by the Speaker of the House; and

(iv) five shall be appointed from among the individuals recommended by the minority leader of the House; and

(B)(i) eight shall be, on the date of their appointment, Members of the Congress or heads of Federal departments or agencies;

(ii) eight shall be, on the date of their appointment, chief executive officers or chief operating officers of corporations determined by the President to be major corporations engaging in interstate commerce;

(iii) eight shall be, on the date of their appointment, heads of national or international labor unions; and

(iv) eight shall be, on the date of their appointment, individuals representative of sectors of society or the economy that are not otherwise represented on the Board and are determined by the President to be challenging the economic status quo, such as consumer, educational, environmental, and minority groups, and small businesses in emerging sectors having substantial potential for growth.

(b)(1) Except as provided in paragraph (2) and paragraph (3), each member of the Board shall be appointed for a term of six years. No individual may serve as a member of the Board for more than two terms.

(2) Of the members first appointed—

(A) two of the members described in each clause of subsection (a)(2)(B) shall be appointed for a term of two years; and

(B) three of the members described in each such clause shall be appointed for a term of four years; as designated by the President at the time of appointment.

(3) A vacancy in the Board shall be filled in the manner in which the original appointment was made. Any member appointed to fill a vacancy occurring before the expiration of the term for which his predecessor was appointed shall be appointed only for the remainder of such term. A member may serve after the expiration of his term until his successor has taken office.

(c) No member of the Board shall be required, by reason of membership on the Board, to file any financial disclosure report under title II of the Ethics in Government Act of 1978 (5 U.S.C. appendix).

(d) Members of the Board shall serve without pay, allowances, or benefits. Members shall be reimbursed for actual expenses, including travel expenses, incurred in the course of performing the duties vested in the Board.

(e) The Board shall establish a quorum requirement to ensure that a substantial number of members described in each clause of subsection (a)(2)(B) are required for any action by the Board, except that the Board may provide that a lesser number of its members may hold hearings.

(f) The President shall designate one member of the Board as its Chairman. The term of office of the Chairman shall be one year. In making such designations, the President shall ensure that the office of Chairman shall be rotated consecutively among the four categories of members described in subsection (a)(2)(B).

(g)(1) The Board shall meet not less than six times in each calendar year, at the call of the Chairman or a majority of its members. The Board shall seek to ensure that each member of the Board attends not less than one-half of the meetings of the Board held in each calendar year. Each member of the Board shall designate one alternate representative to attend any meeting that member is unable to attend. In the course of attending any such meeting, an alternate representative shall be considered a member of the Board for all purposes, including voting.

(2) Each member of the Board shall be notified not less than three weeks in advance of any meeting of the Board, unless the Chairman and a majority of the members of the Board determine in any case that it is necessary for the Board to meet without such period of advance notice.

DIRECTOR AND STAFF OF BOARD; EXPERTS AND CONSULTANTS

Sec. 6. (a) The Board shall, without regard to section 5311(b) of title 5, United States Code, have a Director who shall be appointed upon a vote of three-fourths of the members of the Board, and who shall be paid at a rate of pay determined by the Board to be appropriate.

(b) Subject to such rules as may be prescribed by the Board, and without regard to section 5311(b) of title 5, United States Code—

(1) each member of the Board may appoint and fix the pay of personnel to serve on the personal staff of such member; and

(2) the Board may appoint and fix the pay of additional personnel to serve the Board generally.

(c) The Director and staff of the Board may be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

(d) Subject to such rules as may be prescribed by the Board, the Board may procure temporary and intermittent services under section 3109(b) of title 5, United States Code.

(e) Upon request of the Board, the head of any Federal department or agency may detail, on a reimbursable basis, any of the personnel of such agency to the Board to assist the Board in carrying out its duties under this Act.

POWERS OF BOARD

Sec. 7. (a) The Board may, for the purpose of carrying out this Act, hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence, as the Board considers appropriate. The Board may administer oaths or affirmations to witnesses appearing before it.

(b) Any member or agent of the Board may, if so authorized by the Board, take any action that the Board is authorized to take in this section.

(c) The Board may secure directly from any Federal department or agency information necessary to enable it to carry out this Act. Upon request of the Chairman of the Board, the head of such department or agency shall furnish such information to the Board.

(d) The Board may accept, use, and dispose of gifts or donations or services or property.

(e) The Board may use the United States mails in the same manner and under the same conditions as other Federal departments and agencies.

(f) The Administrator of General Services shall provide to the Board on a reimbursable basis such administrative support services as the Board may request.

(g)(1) The Board may issue subpenas requiring the attendance and testimony of witnesses and the production of any evidence that relates to any matter under investigation by the Board. Such attendance of witnesses and the production of such evidence may be required from any place within the United States at any designated place of hearing within the United States.

(2) If a person issued a subpena under paragraph (1) refuses to obey such subpena or is guilty of contumacy, any court of the United States within the judicial district within which the hearing is conducted or within the judicial district within which such person is found or resides or transacts business may, upon application by the Board, order such person to appear before the Board to produce evidence or to give testimony relating to the matter under investigation. Any failure to obey such order of the court may be punished by such court as a contempt thereof.

(3) The subpenas of the Board shall be served in the manner provided for subpenas issued by a United States district court under the Federal Rules of Civil Procedure for the United States district courts.

(4) All process of any court to which application may be made under this section may be served in the judicial district in which the person required to be served resides or may be found.

(5) No person shall be excused from the attending and testifying or from producing books, records, correspondence, documents, or other evidence in obedience to a subpena, on the ground that the testimony or evidence required of him may tend to incriminate him or subject him to a penalty or forfeiture. No individual shall be prosecuted or subjected to any penalty or forfeiture by reason of any transaction, matter, or thing concerning which he is compelled, after having claimed his privilege against self-incrimination, to testify or produce evidence, except that such individual so testifying shall not be exempt from prosecution and punishment for perjury committed in so testifying.

EXEMPTION FROM FEDERAL ADVISORY COMMITTEE ACT

Sec. 8. The Board shall be exempt from the provisions of the Federal Advisory Committee Act (5 U.S.C. Appendix).

ANNUAL REPORT

Sec. 9. (a) The board shall annually prepare and transmit to the President and to each House of the Congress a brief report setting forth the major industrial development priorities of the United States and the policies needed to meet such priorities. Such report shall contain a statement of the findings and conclusions of the Board during the previous fiscal year, together with any recommendations of the Board for such legislation or administrative actions as it considers appropriate.

(b) Upon receipt by either House of the Congress, the report described in subsection (a) shall be referred to the appropriate committee or committees of such House. The Board shall consult with each such committee with respect to such report, and, following such consultation, each such committee shall submit to its House a report setting forth the views and recommendations of such committee with respect to the report of the Board.

AUTHORIZATION OF APPROPRIATIONS

Sec. 10. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act, but not to exceed $8,000,000 for fiscal year 1983, and for each of the succeeding five fiscal years.●

ADDITIONAL COSPONSORS

S. 46

At the request of Mr. Thurmond, the Senator from Montana (Mr. Baucus) was added as a cosponsor of S. 46, a bill to amend title 5 of the United States Code to permit present and former civilian employees of the Government to receive civil service annuity credit for retirement purposes for periods of military service to the United States as was covered by social security, regardless of eligibility for social security benefits.

S. 121

At the request of Mr. Inouye, the Senator from South Dakota (Mr. Pressler) was added as a cosponsor of S. 121, a bill for the relief of Ms. Saturnina V. Bonifacio.

S. 312

At the request of Mr. Levin, the Senator from South Dakota (Mr. Abdnor) was added as a cosponsor of S. 312, a bill for the relief of Maria and Timofei Chmykhalov, and for Lilia, Peter, Liubov, Lidia, and Augustina Vashchenko.

S. 1025

At the request of Mr. Grassley, the Senator from North Dakota (Mr. Burdick) and the Senator from New Hampshire (Mr. Humphrey) were added as a cosponsors of S. 1025, a bill to provide for penalties for persons who obtain or attempt to obtain narcotics or other controlled substances from any pharmacist by terror, force, or violence, and for other purposes.

S. 1365

At the request of Mr. Dole, the Senator from Arkansas (Mr. Bumpers) was added as a cosponsor of S. 1365, a bill to amend the Bankruptcy Act regarding farm produce storage facilities, and for other purposes.

S. 1407

At the request of Mr. Pryor, the Senator from Maryland (Mr. Mathias) and the Senator from Maryland (Mr. Sarbanes) were added as cosponsors of S. 1407, a bill to amend title 39, United States Code, by strengthening the investigatory and enforcement powers of the Postal Service by authorizing inspection authority and by providing for civil penalties for violations of orders under section 3005 of such title (pertaining to schemes for obtaining money by false representations or lotteries), and for other purposes.

S. 1564

At the request of Mr. Weicker, the Senator from Vermont (Mr. Stafford) was added as a cosponsor of S. 1564, a bill entitled the "American Tuna Protection Act."

S. 1581

At the request of Mr. Jepsen, the Senator from Wisconsin (Mr. Kasten) and the Senator from North Carolina (Mr. Helms) were added as cosponsors of S. 1581, a bill to amend the Internal Revenue Code of 1954 to allow the taxpayer the choice of a tax credit or a deduction for each household which includes a dependent person who is at least 65 years old.

S. 1582

At the request of Mr. Jepsen, the Senator from North Carolina (Mr. Helms) was added as a cosponsor of S. 1582, a bill to amend the Internal Revenue Code of 1954 to exempt from taxation certain trusts established for the benefit of parents or handicapped relatives, and to provide a deduction for contributions to such trusts.

S. 1678

At the request of Mr. Hatch, the Senator from Georgia (Mr. Nunn) was added as a cosponsor of S. 1678, a bill to amend the Employee Retirement Income Security Act of 1974 with regard to mortgage investments.

S. 1748

At the request of Mr. Hatch, the Senator from Wyoming (Mr. Simpson) and the Senator from Wisconsin (Mr. Kasten) were added as cosponsors of S. 1748, a bill to exempt certain fixed-contribution multiemployer pension plans from title IV of the Employee Retirement Income Security Act of 1974.

S. 1944

At the request of Mr. Levin, the Senator from Arkansas (Mr. Pryor) was added as a cosponsor of S. 1944, a bill to amend title II of the Social Security Act to provide that disability benefits shall not be terminated prior to an exhaustion of administrative remedies unless current medical evidence substantiates such termination.

S. 1951

At the request of Mr. Bentsen, the Senator from Florida (Mr. Chiles) was added as a cosponsor of S. 1951, a bill to change the penalties for possession of controlled substances under section 401(b) of the Controlled Substances Act.

S. 1984

At the request of Mr. McClure, the Senator from Alabama (Mr. Denton), the Senator from Utah (Mr. Garn), and the Senator from North Carolina (Mr. Helms) were added as cosponsors of S. 1984, a bill to amend the Federal Trade Commission Act to protect the legislative and regulatory authority of the State legislatures, and for other purposes.

S. 2000

At the request of Mr. Dole, the Senator from New Hampshire (Mr. Rudman), the Senator from Georgia (Mr. Mattingly), and the Senator from Tennessee (Mr. Sasser) were added as cosponsors of S. 2000, a bill to amend title 11, United States Code, to establish an improved basis for providing relief under chapter 7, and for other purposes.

S. 2094

At the request of Mr. Danforth, the Senator from Ohio (Mr. Metzenbaum) was added as a cosponsor of S. 2094, a bill to amend the Trade Act of 1974 to insure reciprocal trade opportunities, and for other purposes.

S. 2113

At the request of Mr. DeConcini, the Senator from Mississippi (Mr. Stennis) was added as a cosponsor of S. 2113, a bill to amend the Internal Revenue Code of 1954 to limit the deduction of living expenses by Members of Congress and to require substantiation of such living expenses.

S. 2151

At the request of Mr. Robert C. Byrd, the Senator from Pennsylvania (Mr. Specter) was added as a cosponsor of S. 2151, a bill to amend the Internal Revenue Code of 1954 to include modifications to chlor-alkali electrolytic cells in credit for investment in certain depreciable property.

S. 2158

At the request of Mr. Pell, the Senator from West Virginia (Mr. Randolph), the Senator from New Jersey (Mr. Bradley), the Senator from Hawaii (Mr. Matsunaga), the Senator from Vermont (Mr. Leahy), the Senator from Maine (Mr. Mitchell), and the Senator from Rhode Island (Mr. Chafee) were added as cosponsors of S. 2158, a bill to amend title 23, United States Code, to authorize and direct the payment of an incentive grant for highway safety programs to any State in any fiscal year during which the statutes of the State include certain provisions relating to driving while intoxicated; to establish a national driver register, and for other purposes.

At the request of Mr. DeConcini, his name was added as a cosponsor of S. 2158, supra.

At the request of Mr. Danforth, the Senator from Illinois (Mr. Percy), and the Senator from Alaska (Mr. Murkowski) were added as cosponsors of S. 2158, supra.

S. 2280

At the request of Mr. Murkowski, the Senator from Oregon (Mr. Hatfield), the Senator from Alaska (Mr. Stevens), the Senator from Idaho (Mr. Symms), the Senator from Arizona (Mr. Goldwater), the Senator from New Mexico (Mr. Domenici), the Senator from Texas (Mr. Bentsen), the Senator from Wyoming (Mr. Wallop), the Senator from Wyoming (Mr. Simpson), the Senator from North Dakota (Mr. Burdick), and the Senator from Mississippi (Mr. Cochran) were added as cosponsors of S. 2280, a bill to amend the Clean Water Act of 1977.

S. 2282

At the request of Mr. Humphrey, the Senator from North Carolina (Mr. East) was added as a cosponsor of S. 2282, a bill to amend the Federal Election Campaign Act of 1971 to provide for adjustments in campaign contribution limits.

S. 2309

At the request of Mr. Randolph, the Senator from Montana (Mr. Baucus), and his name were added as cosponsors of S. 2309, a bill to amend the Endangered Species Act of 1973, to authorize funds for fiscal year 1983, and for other purposes.

S. 2338

At the request of Mr. Percy, the Senator from Rhode Island (Mr. Pell), the Senator from West Virginia (Mr. Randolph), the Senator from Texas (Mr. Bentsen), the Senator from Florida (Mr. Chiles), the Senator from Louisiana (Mr. Johnston), the Senator from Arizona (Mr. DeConcini), and the Senator from Illinois (Mr. Dixon) were added as cosponsors of S. 2338, a bill to expand the membership of the Advisory Commission on Intergovernmental Relations to include elected school board officials.

S. 2356

At the request of Mr. Hart, the Senator from Maryland (Mr. Mathias), and the Senator from Maine (Mr. Mitchell) were added as cosponsors of S. 2356, a bill to authorize negotiations directed toward opening foreign markets to U.S. exports of high-technology products, and for other purposes.

S. 2357

At the request of Mr. Lugar, the Senator from Montana (Mr. Baucus), the Senator from Illinois (Mr. Dixon), the Senator from Utah (Mr. Hatch), the Senator from Oklahoma (Mr. Nickles), the Senator from Indiana (Mr. Quayle), the Senator from Idaho (Mr. Symms), and the Senator from North Dakota (Mr. Andrews) were added as cosponsors of S. 2357, a bill to prohibit export restrictions that interfere with existing contracts for the exportation of such commodities.

S. 2362

At the request of Mr. Armstrong, the Senator from Florida (Mrs. Hawkins), and the Senator from Washington (Mr. Gorton) were added as cosponsors of S. 2362, a bill to abolish the Synthetic Fuels Corporation.

S. 2377

At the request of Mr. D'Amato, the Senator from Pennsylvania (Mr. Specter), the Senator from New Jersey (Mr. Brady), and the Senator from North Dakota (Mr. Andrews) were added as cosponsors of S. 2377, a bill entitled "The Mass Transportation Act of 1982."

S. 2425

At the request of Mr. Roth, the Senator from Massachusetts (Mr. Tsongas) was added as a cosponsor of S. 2425, a bill to amend the Internal Revenue Code of 1954 to clarify certain requirements which apply to mortgage subsidy bonds, to make tax-exempt bonds available for certain residential rental property, and for other purposes.

SENATE JOINT RESOLUTION 133

At the request of Mr. DeConcini, the Senator from West Virginia (Mr. Randolph), and the Senator from Arkansas (Mr. Bumpers) were added as cosponsors of Senate Joint Resolution 133, a joint resolution to authorize and request the President to designate August 14, 1982, as "National Navajo Code Talkers Day."

SENATE JOINT RESOLUTION 161

At the request of Mr. Thurmond, the Senator from Virginia (Mr. Warner) was added as a cosponsor of Senate Joint Resolution 161, a joint resolution to designate the week commencing with the fourth Monday in June of 1982 as "National NCO/Petty Officer Week."

SENATE JOINT RESOLUTION 162

At the request of Mr. Roth, the Senator from Iowa (Mr. Jepsen), the Senator from Maryland (Mr. Sarbanes), the Senator from Alabama (Mr. Heflin), and the Senator from Massachusetts (Mr. Tsongas) were added as cosponsors of Senate Joint Resolution 162, a joint resolution to authorize and request the President to designate the week of June 20, 1982, through June 27, 1982, as "National Safety in the Workplace Week."

SENATE JOINT RESOLUTION 170

At the request of Mr. Randolph, the Senator from Nevada (Mr. Cannon) was added as a cosponsor of Senate Joint Resolution 170, a joint resolution to designate the week of November 7, 1982, through November 14, 1982, as "National Hospice Week."

SENATE JOINT RESOLUTION 175

At the request of Mr. Kasten, the Senator from South Carolina (Mr. Thurmond), the Senator from Rhode Island (Mr. Pell), the Senator from Delaware (Mr. Roth), the Senator from Florida (Mr. Chiles), and the Senator from Minnesota (Mr. Boschwitz) were added as cosponsors of Senate Joint Resolution 175, a joint resolution authorizing and requesting the President to proclaim "National Junior Bowling Championship Week."

SENATE JOINT RESOLUTION 178

At the request of Mr. Hatch, the Senator from Mississippi (Mr. Cochran), the Senator from Connecticut (Mr. Weicker), the Senator from Montana (Mr. Baucus), and the Senator from Arizona (Mr. Goldwater) were added as cosponsors of Senate Joint Resolution 178, a joint resolution to authorize and request the President to proclaim the second week in April as "National Medical Laboratory Week."

SENATE JOINT RESOLUTION 183

At the request of Mr. Specter, the Senator from Tennessee (Mr. Sasser), the Senator from Arkansas (Mr. Bumpers), and the Senator from California (Mr. Cranston) were added as cosponsors of Senate Joint Resolution 183, a joint resolution to authorize and request the President to issue a proclamation designating October 19 through October 25, 1982, as "Lupus Awareness Week."

SENATE JOINT RESOLUTION 184

At the request of Mr. Inouye, the Senator from Rhode Island (Mr. Pell) was added as a cosponsor of Senate Joint Resolution 184, a joint resolution to designate January 28, 1983, as "Native American Day."

SENATE CONCURRENT RESOLUTION 60

At the request of Mr. Pressler, the Senator from Minnesota (Mr. Boschwitz), and the Senator from Virginia (Mr. Warner) were added as cosponsors of Senate Concurrent Resolution 60, a concurrent resolution disapproving the Federal Trade Commission trade regulation rule relating to the sale of used motor vehicles.

SENATE PESOLUTION 386

At the request of Mr. Danforth, the Senator from Rhode Island (Mr. Chafee), the Senator from Hawaii (Mr. Matsunaga), the Senator from New York (Mr. Moynihan), the Senator from Oklahoma (Mr. Boren), the Senator from Montana (Mr. Baucus), the Senator from Idaho (Mr. Symms), and the Senator from Kansas (Mr. Dole) were added as cosponsors of Senate Resolution 386, a resolution to express the sense of the Senate on the goals of the United States for the November 1982 meeting of ministerial-level representatives to the General Agreement on Tariffs and Trade.

AMENDMENT NO. 1386

At the request of Mr. Nunn, the Senator from Minnesota (Mr. Durenberger), the Senator from Maine (Mr. Mitchell), the Senator from California (Mr. Cranston), the Senator from North Dakota (Mr. Burdick), the Senator from Florida (Mr. Chiles), and the Senator from Washington (Mr. Jackson) were added as cosponsors of amendment No. 1386 intended to be proposed to S. 2248, a bill to authorize appropriations for fiscal year 1983 for procurement, for research, development, test, and evaluation, and for operation and maintenance for the Armed Forces, to prescribe personnel strengths for the Armed Forces and for civilian personnel of the Department of Defense, and for other purposes.

AMENDMENT NO. 1441

At the request of Mr. Hayakawa, the Senator from Georgia (Mr. Nunn), and the Senator from Oklahoma (Mr. Nickles) were added as cosponsors of amendment No. 1441 intended to be proposed to S. 2248, a bill to authorize appropriations for fiscal year 1983 for procurement, for research, development, test, and evaluation, and for operation and maintenance for the Armed Forces, to prescribe personnel strengths for the Armed Forces and for civilian personnel of the Department of Defense, and for other purposes.

SENATE CONCURRENT RESOLUTION 94—CALLING FOR IMMEDIATE ACTION TO SIMPLIFY FEDERAL GOVERNMENT PROCUREMENT PROCEDURES

Mr. SPECTER (for himself, Mr. Durenberger, Mr. Huddleston, Mr. Mitchell, Mr. Murkowski, Mr. Packwood, Mr. Percy, and Mr. Symms) submitted the following concurrent resolution, which was referred to the Committee on Governmental Affairs:

S. Con. Res. 94

Whereas the Congress has declared in the Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.) a policy that Federal Government procurement procedures should be simplified;

Whereas the Administrator for Federal Procurement Policy is required by such Act to develop a system of simplified and uniform procurement procedures and forms and to promulgate a single, simplified, uniform Federal procurement regulation incorporating simplified bidding, contract performance, and contract administration procedures for small business concerns;

Whereas the procurement procedures and forms of the Federal Government are unduly complex;

Whereas such procurement procedures and forms discourage many business concerns, especially small business concerns, from making bids or proposals for contracts with the Federal Government; and

Whereas such procurement procedures and forms discourage competition for contracts with the Federal Government: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that the Administrator for Federal Procurement Policy, should take immediate action to carry out the provisions of the Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.), with respect to the simplification of all procurement procedures and forms of the Federal Government.

Sec. 2. The Secretary of the Senate shall transmit a copy of this resolution to the Administrator for Federal Procurement Policy.

Mr. SPECTER. Mr. President, on my behalf and that of Senators Durenberger, Huddleston, Mitchell, Murkowski, Packwood, Percy, and Symms, I introduce a resolution calling on the Administrator for Federal Procurement Policy to take immediate action to simplify Federal Government procurement procedures.

As I have traveled through my State of Pennsylvania, businessmen have complained about the complexities of bidding on Government contracts. Small businesses are particularly at a disadvantage under these conditions. Several government procurement conferences I have sponsored in Pennsylvania communities surfaced the same complaint.

Mr. President, as pointed out in a recent study by the Office of Federal Procurement Policy:

> Federal procurement is a $134 billion a year business, involving about one-fifth of the Federal budget, tens of thousands of Federal employees, and over 18 million procurement actions a year. Another $25 billion are spent on procurement under assistance programs.

Federal procurement over the past decade has been studied in depth by the Congressional Commission on Government Procurement and the Presidential Blue Ribbon Defense Panel, and has been the subject of numerous General Accounting Office reports and congressional hearings. A recent report of the Special Panel on Defense Procurement Procedures of the House Committee on Armed Services, "Weapons Acquisition Policy and Procedures: Curbing Cost Growth," surfaced similar problems in defense purchasing.

The Office of Federal Procurement Policy reports that, at the present time:

The procurement process is so complex that users of products and services often do not get what they need when they need it.

The statutory base is outdated; regulations are voluminous and complex; meaningful standards of performance are lacking; flow of authority and responsibility is not clear; and there is a lack of accountability for results.

Excessive delays, changes, and cost growth in the procurement of new systems have resulted in wasted resources and shortfalls in agency capabilities.

Competition is curtailed by the complexity of the process, lack of funding flexibility, restrictive specifications, and limited advance planning and market knowledge.

The Government and its suppliers are often adversaries because the procurement process is cumbersome, costly, and frustrating. This has discouraged competition and contributed to the erosion of the industrial base.

There are quality extremes. The preferred method of competition encourages suppliers to cut corners: on the other hand, overly expensive items are sometimes procured to be sure of acceptable quality.

Wasteful, hurry-up spending occurs at the end of each fiscal year.

Mr. President, while the issue addressed by this resolution is not entirely a small business issue, the future of small business in America is involved here. I and a group of distinguished Senators already introduced on April 8, S. 2446, the Small Business Procurement Reform Act of 1982. This resolution is a companion to that bill. In an article "How To Save A Few Billion Dollars," Paul J. Seidman, a Washington attorney and former Chief Council for Procurement in SBA's Office of Advocacy, describes in a February 1982 issue of a magazine called Inc. the motives and ruses of Department of Defense procurement officials to restrict competition and bypass small business.

If the resolution we are introducing today is enacted, it will be a clear signal to OMB and the executive agencies that the U.S. Senate is quite serious about improving and making more equitable procurement policies and practices throughout the U.S. Government.

SENATE RESOLUTION 390—URGING THE SOVIET UNION TO ALLOW THE STOLAR FAMILY TO EMIGRATE

Mr. LEVIN (for himself, Mr. Riegle, Mr. Percy, Mr. Dixon, Mr. Armstrong, Mr. Boschwitz, Mr. Chafee, Mr. Cohen, Mr. Cranston, Mr. D'Amato, Mr. DeConcini, Mr. Durenberger, Mr. Exon, Mrs. Hawkins, Mr. Heinz, Mr. Mattingly, Mr. Roth, Mr. Rudman, Mr. Tsongas, and Mr. Zorinsky) submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. Res. 390

Whereas Abe Stolar was born on December 19, 1911, in Chicago, Illinois, and is by right of birth a citizen of the United States;

Whereas Abe Stolar moved to the Soviet Union with his parents and sister in 1931;

Whereas Stolar and his son, Michael, hold valid United States passports, and his wife, Gita, has been granted Israeli citizenship;

Whereas Abe Stolar, Gita Stolar, and Michael Stolar were granted exit visas which were revoked just before their scheduled departure from the Soviet Union in 1975;

Whereas since 1975 Abe Stolar and his family have repeatedly been denied permission to emigrate to Israel to join relatives;

Whereas the Soviet Union has signed the Final Act of the Conference on Security and Cooperation in Europe which ensures the right to emigrate, particularly in the case of family reunification;

Whereas the Soviet Union is a party to the Universal Declaration of Human Rights and has signed the International Covenant on Civil and Political Rights, both ensuring the right to emigrate; and

Whereas it is the responsibility of the United States to protect and support its citizens unjustly held captive by foreign governments: Now, therefore, be it

Resolved, That it is the sense of the Senate that—

(1) Abe Stolar, his wife, Gita, and his son, Michael, should be permitted to emigrate to Israel; and

(2) the President, acting through the Secretary of State, should express at each opportune moment and in the strongest terms the opposition of the United States to the forced captivity of Abe Stolar and his family by the Soviet Union.

Sec. 2. The Secretary of the Senate shall transmit a copy of this resolution to the Secretary of State with the request that such copy be further transmitted to the Government of the Soviet Union.

Mr. LEVIN. Mr. President, Abe Stolar is an American citizen who is being held in the Soviet Union against his will. The resolution I am submitting today with 19 of my colleagues is another step in the U.S. efforts to precipitate his emigration.

Abe Stolar was born in Chicago in 1911 to Russian-born parents. In 1931, in the midst of the Depression, the family decided to move to Russia in search of a better life. But the family's dreams were shortly thereafter shattered. Five years after returning to the Soviet Union, his father disappeared in the Stalin purges of 1936, and a year after that, his mother and older sister were arrested and sent to Siberia where they both died in concentration camps. His younger sister, Eva, survived the war and emigrated to Israel in 1972.

After serving on the front line in World War II, Abe Stolar settled in Moscow and got a job as a radio announcer. He still lives in Moscow, but he wants to leave. He, his wife, Gita, and their son, Michael, have been trying to emigrate to Israel for 8 years.

The Stolars' emigration story began in 1974 when they first applied to leave. In 1975, they received their exit visas to emigrate to Israel. After shipping all their belongings to Israel and selling their apartment, they went to the Moscow International Airport to catch their flight to freedom. But at the last minute, they were turned back on the pretext that Mrs. Stolar had had access to state secrets in her job as an analytical chemist.

The Soviet interference was deplorable and compassionless, and their excuse for aborting the Stolars' departure was undoubtedly fabricated. During the processing of the visas, Mrs. Stolar's employer had provided written confirmation that she had not been involved in secret work. Had she indeed been party to such work, never would she have been granted the original exit visa.

Since the 1975 incident, the Stolars have been living in a bare apartment in Moscow and have been victims of acts of persecution typically mounted by the Soviets against emigration applicants. They are virtualy being held hostage by the Soviets. All this despite the fact that Abe Stolar is a U.S. citizen by virtue of his Chicago birth, that Michael, born of a U.S. father, is also a U.S. citizen, and that Gita has been granted Israeli citizenship.

Many appeals have been made on the Stolars' behalf. One, made by his late sister, Eva Stolar Meltz, in 1975 is still pertinent today because this problem has not been resolved.

> I earnestly appeal to you to help my brother Abe Stolar and his family—his wife and son to be allowed to exercise their human and lawful rights, guaranteed by the . . . Helsinki Declaration. . . .
>
> This long suffering family, which lost both parents and many relatives in the Stalin death camps and Hitler Ghettoes, now find themselves in a nightmarish state: They have been deprived of all rights, have no home, no financial means and no Soviet documents of any kind. . . .
>
> It is quite clear that they cannot last long in their present situation, for there is a limit to just how much mockery, persecution, cruelty and oppression a human being can take. Considering the fact that Abe Stolar was born in the U.S., lived there the first nineteen years of his life, and is an American citizen, I sincerely hope that the sorry plight of this family will find a heartfelt and broad response among the American people and its official representatives . . . I ask you to join in the efforts to convince the Soviet authorities to allow an American citizen and his family their elementary rights of freedom to move from one country to another to rejoin their families.

Congressional response like this resolution will help to convince the Soviet authorities that the United States is concerned about this case and it will also let the Stolars know that we are continuing to press for their emigration to Israel.

Mr. PERCY. Mr. President, on the all too long list of cases of Soviet failure to live up to the obligations the U.S.S.R. undertook in signing the Helsinki Final Act, few are more egregious than that of Abe Stolar and his family.

Abe Stolar was born in Chicago in 1911. He is therefore a U.S. citizen. As a young man he moved to the Soviet Union with his Russian-born parents. For many years Abe Stolar has been trying to emigrate from the U.S.S.R. with his own wife, Gita, who has been granted Israeli citizenship, and their son Michael, who is also a U.S. citizen. In 1975 they finally received permission to emigrate to Israel. After selling their apartment, and shipping their belongings ahead of them out of the country, they were turned back at Moscow airport. Since then they have lived without adequate support and under unremitting harassment.

The U.S. Government has intervened with Soviet authorities numerous times on behalf of the Stolar family. I commend Senator Levin for this new initiative calling for the Soviets to allow them to emigrate and the U.S. Government to continue to press their case with the Soviets. I am proud to co-sponsor this Sense of the Senate Resolution.

Mr. President, I ask unanimous consent that Senator Levin's "Dear Colleague" letter on this matter be printed in the Record.

There being no objection the letter was ordered to be printed in the Record, as follows:

U.S. Senate,
Washington, D.C., April 20, 1982.

Dear Colleague: Abe Stolar is an American citizen who is being held in the Soviet Union against his will. I am writing to invite you to cosponsor a resolution urging the Soviet government to allow him and his wife, Gita, and his son, Michael, to emigrate to Israel.

Born in 1911 in Chicago to Russian-born parents, Abe Stolar moved to the Soviet Union with his mother, father, and sister in 1931. He is currently living in Moscow with his wife and their son. After years of persistent emigration efforts, the family is still being held hostage in Moscow, despite the fact that Abe and Michael are both U.S. citizens with valid U.S. passports and Gita has been granted Israeli citizenship.

In 1975, the family received visas to emigrate to Israel. After shipping all their belongings to Israel and selling their apartment, they went to the Moscow International Airport to catch their flight to freedom. But at the last minute, they were turned back on the pretext that Mrs. Stolar had access to state secrets in her job as an analytical chemist. Since then, they have been living in a bare apartment in Moscow and have been victims of acts of persecution typically mounted by Soviets against emigration applicants.

The U.S. government has on several occasions raised this case with the Soviet government and Abe Stolar has written numerous letters of appeal, but to no avail. Congressional response to their plight will let both the Soviet government and the Stolar family know that we are continuing to press for their emigration to Israel. If you wish to cosponsor this resolution, please contact Leslie Powell at 4-9118.

Sincerely,

Carl Levin.

SENATE RESOLUTION 391—RESOLUTION RELATING TO THE UNITED STATES POSITION WITH RESPECT TO STRATEGIC ARMS REDUCTION TALKS

Mr. MATHIAS submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. Res. 391

Whereas the President has proposed a schedule of reductions in the numbers of nuclear missiles and launchers now in the arsenals of the United States and the Union of Soviet Socialist Republics;

Whereas the President has invited the government of the Soviet Union to join in negotiations for the purpose of achieving such reductions;

Whereas since 1979, both the United States and the Soviet Union have refrained from any action that is inconsistent with the terms of the SALT I treaty, and the SALT II treaty, which has been signed by both governments, but not ratified; and

Whereas this policy of restraint has contributed to a climate of nuclear stability: Now, therefore be it

Resolved, That it is the sense of the Senate that, throughout the period of negotiations with respect to a START (Strategic Arms Reduction Talks) treaty with the Soviet Union, the United States government should not act in any way that contravenes the terms of SALT I and SALT II provided that the government of the Soviet Union follows a similar policy.

Sec. 2. The Secretary of the Senate shall transmit a copy of this resolution to the President.

STRATEGIC ARMS PROPOSALS

Mr. MATHIAS. Mr. President, Secretary of State Haig testified before the Foreign Relations Committee this morning with respect to President Reagan's new strategic arms proposals. I asked the Secretary of State the following question: "What will be the administration's policy with respect to both SALT I compliance and SALT II compliance during this era of negotiation?"

Secretary Haig responded: "At this juncture, Senator, we intend to comply with those provisions, providing the Soviet Union does likewise."

I welcome this statement of policy from the Secretary of State and warmly endorse it.

However, we face a protracted period of negotiations on the President's proposals. During that time it is absolutely vital that the accomplishments of past administrations in the field of arms control not be allowed to lapse.

It is important that the President's policy of refraining from doing anything inconsistent with the terms of SALT I and SALT II receive the endorsement of the Senate. I am, therefore, submitting Senate Resolution 391, putting the Senate on record in support of the President.

Mr. President, I ask unanimous consent to have printed in the Record my statement in the committee this morning and the transcript of Secretary Haig's testimony.

There being no objection, the material was ordered to be printed in the Record, as follows:

Statement of Senator Charles MC. Mathias, Jr. to the Senate Foreign Relations Committee

The most critical issue we face today is the prevention of nuclear war. Yet, it is an issue on which we appear to be fracturing as a people. The sheer quantity and variety of Congressional resolutions on this subject underline our confusion.

What we lack—and lack badly—is a national consensus around a strategic security policy which is underpinned by prudent defense efforts and an ongoing arms control process.

The Reagan Administration came to office determined to "restore" U.S. military strength and global leadership and, by so doing, convince the Soviet Union that it has more to gain from cooperation than through confrontation. Tactically, the administration has emphasized expanded defense budgets and has generally discouraged dialog and exchange with the Soviet Union either by us or by our allies. Rhetorically, the administration has emphasized Soviet strength, our weaknesses, and the range of global military threats facing the West.

But the rhetoric and tactics have risked placing the strategy in jeopardy.

The tough rhetoric has not necessarily contributed to Western willingness to do more. Instead, the criticism of bellicose statements and policies is rising in both Europe and the United States. This criticism could endanger defense budgets, missile deployments, and other administration plans.

On March 31, President Reagan declared with respect to Soviet strategic nuclear programs, "On balance, the Soviet Union does have a definite margin of superiority." By these and other efforts to inflate the strength of Soviet power, we feed that power in the eyes of friend and foe alike.

The public criticism of our allies over Poland, the gas pipeline, handling Soviet debt, and trade with the East has given Congressional skeptics of the alliance verbal ammunition that threatens dangerous consequences for support of NATO in the U.S.

We can only speculate on the effect of all this on the Soviet Union, but need to keep in mind the observation of one Soviet expert that the most dangerous situation is when the Soviet Union has nothing to fear from the United States and sees no opening for cooperation.

It was to respond to this situation that I introduced my resolution S. Res. 343 calling on the President to immediately invite the Soviet Union to begin strategic nuclear arms negotiations.

I am pleased that the President has heeded this call, and has announced that strategic arms negotiations will be resumed this summer.

But I throw out this cautionary note, and it is one which applies as well to freeze proponents.

We are dealing with an aging Soviet leadership, which must someday obey the inexorable laws of nature. At the best of times, the Communist hierarchy does not absorb new ideas quickly. This is not the best of times in the Kremlin.

Unfortunately, they have had to become used to the fact that each new American administration tends to abandon the efforts of its predecessor and tries to come up with "new" initiatives.

Such dramatic lurches on our part historically have accomplished little. Eventually, we will have to recognize that we are not negotiating among ourselves but with the occupants of the Kremlin.

Our urgent task is not to structure an agreement designed to give us every thing we want. Such an agreement would languish on the table in Geneva. Nor should our goal be to score propaganda points.

Rather we should seek to enhance our security through arms control. This is admittedly a complex task. The steady march of technology makes it more and more difficult, as weapons proliferate and miniaturization and other progress makes verification more difficult. We cannot look for easy answers. Slogans like "freeze" and "real reductions" have limited utility at the table.

A freeze will not enhance our security if, in practice, its negotiation would take many years. "Real reductions" would not necessarily improve our security if they include massive cuts in our most survivable seabased force.

We must insure that our deterrent remains credible, that our forces are survivable, but we must also seek to negotiate limitations which are in our mutual interest. Prohibitions on encryption of telemetry and limitations on testing of new missiles can provide immediate benefits.

I hope that the administration has these concerns in mind. It must recognize that radical departures will not necessarily move the process in constructive directions. I hope, in particular, that the positive achievements of previous administrations will not be jettisoned.

To this end, I intend to introduce a resolution that will commend the President for the prudent course of policy he has followed to date in taking no action inconsistent with the terms of SALT II. The resolution will express the support of the Senate for continuing such a policy of restraint in nuclear arms policy and will call on the administration to do nothing inconsistent with the terms of SALT I and II during START negotiations providing the Soviet Union restrains itself as well. Both sides are pursuing such a policy at present.

Secretary **Haig**. There have been some questions on timing, both on missiles and submarines, in the compliance area. But they have already dismantled some 9 submarines, for example, and to the best of our knowledge they are complying. There may be a variance in specific date of the modernization step versus the retirement step.

Senator **Mathias**. But, in substance, they have complied with the terms. They have actually dismantled ships?

Secretary **Haig**. Yes, sir.

Senator **Mathias**. The President, in his speech at Eureka College, referred to verfication procedures to insure compliance. Would you anticipate procedures that went beyond phase one of START (sic)? If we are counting warheads and launchers, the existing procedures might be satisfactory. But if we say we want to worry about reload capabilities, then we might need a great deal more and that might be very difficult to negotiate, would it not?

Secretary **Haig**. Well, clearly, it can. We think something beyond purely national means is probably going to be required. But I don't want to get any more specific than that. That gets to the question, again, of Soviet attitude on the subject of verification, which has been a very difficult subject for them.

You will recall in SALT II, in the telemetry area, for example, we were genuinely concerned about it because the Soviet response was that they would provide us what we need in telemetry to verify. Well, that is a rather paranoia-generating assurance. I think we are going to have to deal with this subject forthrightly and clearly. But I don't believe it is an insurmountable problem, without getting into some of the equally paranoia-raising code words.

Senator **Mathias**. As you have described our proposal, half of all warheads, both American and Soviet, only half could be deployed on land-based missiles, isn't that correct?

Secretary **Haig**. (Nods affirmatively.)

Senator **Mathias**. We wouldn't have any particular problem with meeting that, would we?

Secretary **Haig**. Well, not that specific provision, but the overall reductions will require substantial reductions for the United States as well as for the Soviet Union.

Senator **Mathias**. But that particular provision—my time is up—that provision would be more onerous on the Soviet Union, wouldn't it?

Secretary **Haig**. Yes, because we are focusing on the destabilizing weapon systems, and this we consider to be the most destabilizing factor, the first strike hard target kill.

Senator **Mathias**. But the question is whether it is so onerous that it raises the threshold beyond the point of credibility. What is your judgment on that?

Secretary **Haig**. Our judgment on that, Senator, is this. I don't want to delude you. These are tough proposals that require major reductions on both sides. It is not going to be easy for the Soviet Union to accept. But they do represent an enhancement of the objective that must meet the concerns of the Soviets as well as ourselves, and that is the maximum attention to the destabilizing systems.

I suppose over the years the Soviets have been very concerned about our submarine launched systems because they have certain invulnerabilities and in the period ahead they are going to have accuracies which will put them into the category of capability of the land based system. So, there are compensations to the Soviet Union for these mutual reductions. In the process of negotiating these proposals, I think that will become increasingly clear to them.

But it also underlines another factor, and that is the part of my introductory statement which addressed the need to continue with the modernization efforts that the President has put forward in our defense program—the Trident, the D-5 missile and the B-1 bomber. These are absolutely crucial to our hopes for meaningful arms control, meaningful arms reductions.

Senator **Mathias**. Thank you, Mr. Chairman.

NOTICES OF HEARINGS

SUBCOMMITTEE ON CONGRESSIONAL OPERATIONS AND OVERSIGHT

Mr. **MATTINGLY**. Mr. President, I would like to announce for the information of the Senate and the public that the Subcommittee on Congressional Operations and Oversight of the Senate Committee on Governmental Affairs will hold a followup hearing on the possible changes in the Consumer Price Index on Thursday, May 13, 1982 at 9 a.m. in room 3302 of the Dirksen Senate Office Building. For further information regarding this hearing, please contact Karah Henry at 224-5337.

COMMITTEE ON GOVERNMENT AFFAIRS

Mr. **ROTH**. Mr. President, the Committee on Governmental Affairs will hold a hearing to review the Annual Report of the Postmaster General on May 25, 1982, at 9 a.m. in room 3302 of the Dirksen Senate Office Building. For further information, please contact Wayne Schley at 224-2254.

The committee will hold a hearing on the following day, May 26, 1982, to discuss the Arctic Research Policy Act, S. 1562. The hearing will convene at 9 a.m. in room 1224 of the Dirksen Building. For further information on this hearing, please contact Tonja Musko at 224-2254.

SUBCOMMITTEE ON RURAL DEVELOPMENT, OVERSIGHT, AND INVESTIGATIONS

Mr. **ANDREWS**. Mr. President, I wish to announce that the Senate Agriculture Subcommittee on Rural Development, Oversight, and Investigations has scheduled a hearing on the effectiveness of the rural development insurance fund loan programs which are administered by the Farmers Home Administration. Specifically, the hearing will address how these programs fit into an overall rural development strategy.

The hearing will begin at 9:30 a.m. on Tuesday, May 18, in room 324, Russell Building. Anyone wishing further information should contract the Agriculture Committee staff at 224-2035.

AUTHORITY FOR COMMITTEE TO MEET

COMMITTEE ON THE JUDICIARY

Mr. **BAKER**. Mr President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Tuesday, May 11, at 2 p.m., to hold a meeting to consider the nominations of William A. Kolibash, of West Virginia, to be U.S. attorney for the northern district of West Virginia; Marvin E. Breazeale, of Mississippi, to be U.S. marshal for the southern district of Mississippi and Gilbert G. Pompa, of Texas, to be Director of the Community Relations Service; and to consider the following bills; S. 1730, the Freedom of Information Reform Act; S. 2222, Immigration Reform and Control Act of 1982; S. 2216, Habeas Corpus Reform Act of 1982; S. 2320, a bill to facilitate criminal forfeitures in drug-related and racketeering cases; S. 585, a bill to amend title 42, United States Code, section 1982 so as to limit liability of political subdivisions of a State and deal with attorneys fees; S. 2317, a bill to grant a Federal charter to the National Federation of Music Clubs; S. 2215, a bill to grant a Federal charter to the National Association of State Directors of Veterans' Affairs; and H.R. 4769, a bill to grant a Federal charter to the American Council of Learned Societies.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

SUBCOMMITTEE ON INVESTIGATIONS

Mr. **BAKER**. Mr. President, I ask unanimous consent that the Permanent Subcommittee on Investigations, of the Governmental Affairs Committee, be authorized to hold an oversight hearing on transfer of U.S. high technology to the Soviet Union and Soviet bloc nations during the session of the Senate at 10 a.m. on Wednesday, May 12.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

THE "HUMAN CAPITAL" PROBLEM

● Mr. **HOLLINGS**. Mr. President, last Sunday, in the Washington Post, Pat Choate and Noel Epstein wrote a very important article that crystalizes many of the ideas regarding education and training that I and others have been voicing lately. The article "Workers of the Future, Retool! Nothing To Lose but Your Jobs" focuses our attention on the "human capital" problem that confronts our Nation now, and increasingly in the future.

Mr. President, I shall ask that the article be printed in the Record following the completion of my remarks.

All of us, Mr. President, are interested in getting our economy moving again and unleashing our industrial strength. The Nation's security and economic welfare depend upon it. We are entering a significant period of international industrial competition. How we meet this challenge will go a long way toward determining America's position among the nations of the world. As we seek to become more productive and meet the world industrial competition head on, we are being directed by the Reagan administration's policies to achieve more, but the harsh reality is that we are provided with less and less capacity to accomplish our goal.

With the massive spending reductions for education programs to assist the needy and disadvantaged and reduction of funding for training the unskilled, the Reagan administration is charting a course that provides us with an industrial infrastructure of greatly reduced competitive value. While the administration's widely heralded economic recovery program provides industry with the financial incentives to meet its "physical capital" needs, this questionable program does very little to provide for its "human capital" needs. In fact, the Reagan spending cuts for education and training programs will set us back, just at a time when we desperately need a skilled work force capable of fulfilling the challenging jobs of the future. Trickle down will not work here.

It takes years to create the capacity we need in our work force in order to remain competitive in the world arena. Fortunately, we have an education system that is the envy of the world and is unsurpassed at providing educational opportunity to our young people. We need to upgrade the capacity of our schools and insure that they provide a quality education. However, the Reagan administration's charge is to propose further cut backs in education programs and introduce a multibillion dollar program—tuition tax credits—that will provide general financial assistance to some of this Nation's wealthiest children at the expense of some of its poorest. That is not only the wrong approach, but a harmful one. In the future we will need the ability and capacity of all our young people, not just a chosen few if we are going to provide a strong national defense and the vibrant economy necessary to remain competitive in the world of the future.

Mr. President, Pat Choate and Noel Epstein have done us a favor. They have helped focus our attention on a problem that poses a significant challenge for us. Recently during the Budget Committee's consideration of the budget resolution we discussed the President's education and training proposals. I found them seriously deficient. In light of the article I have mentioned, I am more convinced than ever that my assessment is accurate.

The article follows:

[From the Washington Post Outlook, May 9, 1982]

WORKERS OF THE FUTURE, RETOOL! NOTHING TO LOSE BUT YOUR JOBS

(By Pat Choate and Noel Epstein)

You can stop looking for one of those "new ideas" everyone seems to be hunting for in American politics. It's about to hit us over the head, whether we want it or not.

Right now the idea is trapped in a yawn of a phrase—"human capital"—but that should not deter anyone from appreciating its power. What it means is that the prevailing wisdom is nonsense, that we certainly cannot revive our economy or our national defense merely by pumping more investment into microchips or megabombs, robots or rocketry.

Consider some simple facts of "human capital":

American productivity still relies as much, if not more on people—you remember them—as on machines. Traditionally, about half of our productivity growth comes from increases in individuals' skills and knowledge.

Despite our lengthening unemployment lines, we are suffering from shortages of critical workers, from machinists to engineers. The result: bottlenecks, higher prices and lower quality in both domestic and defense products.

This problem will worsen dramatically in coming years when greatly accelerating technological change confronts a work force which, for the most part, could not find its way home in the Techno-Era around the corner.

We have no choice but to equip ourselves for the future that's upon us. We have to retrain the millions whose current jobs can be kissed goodbye and who will be needed for new work. We have to boost the skills of the still-employed and pound knowledge into millions of adults who are functionally illiterate. We have to ensure, once and for all, education, training and job opportunities for women, blacks and Hispanics, who will make up the overwhelming majority of new workers.

In short, we have to invest in people or we'll get precious little out of the machines. That fact has been dawning on many people.

MIT's Lester Thurow, an adviser to the Democratic National Committee: "The economy is not going to thrive unless there is a major effort to upgrade the American labor force from the top to the bottom."

The Pentagon's Defense Science Board: A "major contributor to the increased lead times and costs currently afflicting the defense community is a continuing shortage of skilled labor."

The House Wednesday Group, a caucus of moderate Republicans: An unreleased Army training study in 1977-78 "found that 17 percent of the tank commanders in Europe and 21 percent of those in the United States 'did not know where to aim when employing battlefield gunnery techniques.' " Similarly, the survey uncovered men in charge of firing suface-to-air missiles would couldn't "differentiate between the silhouettes of Soviet and American planes."

The National Alliance for Business, on the need to train on-the-street youth, disproportionately black and Hispanic: "If you look out a decade at the demographics, it is clear that we will be doing all this out of economic necessity rather than out of any moral concern. . . ." Forget justice; think profits.

Yet so far there has been little but rhetoric. That can't last—unless America wishes to sit back and watch its inevitable decline. Without serious action, that's what's ahead. Bet on it. The forces at work are unstoppable.

Start with the displaced workers from Akron or Detroit or other decaying cities who've begun their migratory treks for work elsewhere, reminding some Sun Belt folks of "The Grapes of Wrath." We can expect more warnings like the one issued recently by the Texas labor chieftain who told the cars and hitchhikers from Michigan and elsewhere to stay out, that "jobs are no longer available in Texas," that they are not wanted.

We can expect these episodes because the ranks of such modern-day Okies are going to expand as technology and foreign competition continue to do their nasty work—with the displaced largely unaware of and unprepared for the jobs for which they will be needed.

Management analyst Peter Drucker, for example, anticipates that through the 1980s and 1990s, 10 million to 15 million manufacturing jobs will disappear from the American landscape. Even if he is only half right—and some think he is entirely right—you can wave farewell to 5 million to 7.5 million manufacturing jobs, starting yesterday.

In other words, brace yourself: The economic, social and political panic created in 1980-81 by the loss of a mere 300,000 auto industry jobs will multiply 16 to 25 times—unless the dispossessed are redirected toward and retrained for new jobs.

That millions of new jobs are being created—in addition to the existing ones tragically going begging in hard times—there is no doubt. A survey last year by the American Electronics Association, for example, estimates that 671 of its member companies will create more than 140,000 paraprofessional spots (engineering aides, laser technicians, drafters, assemblers and the like) and over 113,000 professional places (chiefly engineers, computer analysts and programmers) by 1985.

The National Tooling and Machining Association projects a shortage in three years of more than 240,000 machinists, those people who make the tools and other devices needed to make everything else.

Millions of slots will emerge in the design, production, installation, operation and servicing of the robots that are going to populate American industry. While as recently as 1979 we had only 2,000 of these technological wonders, business leaders expect robot ranks to multiply a hundredfold—to at least 200,000—just eight years from now.

Other jobs will open in fiber optics, which has the capacity to revolutionize communications by making copper wire obsolete, and in genetic engineering, which, for starters, will change the face of agriculture and medicine. And this is to say little of the explosion of computer applications we can anticipate in the office as well as the home—in banking, insurance, health, education, communications and other service fields.

There will be far too many new spots, of course, for all to be filled by the displaced, even if they acquire the skills and knowledge to do so. But what seems little appreciated is that the Techno-Era's employes will have to come chiefly from the people already working, and that this will hold true for well into the next century. There simply isn't anybody else. Just as economic survival dictates technological advance, so demography is destiny.

What the demographers' population figures tell us is that with much of the post-World War II baby-boom generation now into its thirties, our labor force growth rate is slowing dramatically. In fact, unless we suddenly import large numbers of highly skilled individuals from abroad, more than 90 percent of the American work force in 1990 and more than 75 percent in the year 2000 will be composed of those working here now. The largest need, then, will be to train and retrain today's workers.

The figures also tell us that the ranks of young workers, aged 16 to 25, are shrinking—by about 16 percent in this decade—and that an increased portion of this smaller youth force will be black and Hispanic.

That means, for one thing, that it will be the military against business, the Joint Chiefs versus McDonald's, in a rivalry for the young. Something will have to give. More women in the military? A draft? More grandparents behind fast-food counters?

Martin Binkin, a senior fellow at the Brookings Institution who specializes in military manpower issues, remarks: "The decline in the number of youths unquestionably is going to contribute to, and provide added pressure in, the debate on renewing conscription in coming years." According to The Wall Street Journal, Burger King has already begun recruiting employes among the elderly.

The increased portion of minorities among scarcer youth (and in the prime-age labor force as well because of retirement patterns and other factors) will produce another intriguing clash: prejudice versus pocketbooks. Will fear of deep American decline finally move us to do what speeches about dreams and justice have not? In the words of Robert B. Hill, former research director of the National Urban League:

"If America wants its Social Security checks to keep being paid in coming years, it had better ensure full opportunity and productivity for minorities and women."

Definitely women. The population tallies tell us that the primary source—indeed, two-thirds—of new workers in this decade will be women. While about half of adult women already work, we can reasonably expect that number to climb to 60 percent or above by 1990.

Will we at last break down job barriers against women? Will sufficient day care facilities finally be provided? More flexible work hours?

As the Bureau of Labor Statistics remarks in its understated manner: "Given that much of the increase in female labor force activity will probably come from mothers, employers may have to review their personnel practices (such as provision of day care) to attract these workers."

Okay, those are some of the inescapable needs ahead and the people available to meet them. What, specifically, will a national "human capital" drive require? How do we, for example, redirect and retrain millions of displaced workers?

It would be folly to do it by expanding the maze of 22 separate training programs already on the books—from Trade Adjustment Assistance to aid for redwood forest lumberjacks. That would just bury the effort beneath confusion, fragmentation, bureaucracy and the political pork barrel. What's needed is a single, fresh approach.

Try this one: an Individual Training Account (ITA), jointly funded by employer and employe, that guarantees retraining—and, if necessary, help with the movers—to any worker whose job goes poof. Say the company and individual each put up $500 a year, up to a total over six years of $3,000 each, and that each would get back the cash plus interest if it is not used by retirement.

The money would finance retraining vouchers to be used, as with the GI Bill, at any institution the displaced worker chooses. Moreover, as with Individual Retirement Accounts (IRAs), these Individual Training Accounts would inject an additional pool of capital for executives to finance more new technology and jobs. No bureaucracy. No money directly to vocational schools or businesses or other institutions. No overhead. A clean approach.

Before any workers are retrained, though, it would be nice if they knew where they were needed. Current federal job-vacancy information is so incomplete, untimely and unspecific as to be virtually useless. That's why the Houston papers are such big sellers in Detroit these days—for the help-wanted ads.

It's past time for Washington to collect useful information about job vacancies and to insist that the computerized job listings of each state finally be connected to each other, which, absurdly, they now are not.

What about immediate shortages of critical workers? Note that Atlantic Research Corp. of Alexandria is offering staff members a $1,000-a-head bonus to land new workers for hard-to-fill jobs, ranging from communications test equipment technicians to electronic engineers. More broadly, the National Science Foundation has forecast a 47 percent shortage of industrial engineers in this decade. In such areas as California's Silicon Valley, bidding wars for engineers, computer professionals and other skilled workers are so intense that they have spawned annual job turnover rates of 80 to 100 percent.

Clearly, Adam Smith's "invisible hand" has palsied: His "marketplace" is not filling these and other needs (shortages of machinists and engineers have been plaguing us for 10 or 15 years, with scarely any relief from supply-and-demand curves). So, if you'll pardon the expression, we've got to give the marketplace another hand. We'll have to define more sharply our vital defense and domestic needs. We'll have to create special government and business fellowships to attract and hold on to top-quality teaching faculty, who are being lured away with fatter paychecks from industry. We'll have to give special cash breaks to draw qualified students to essential (and expensive) fields of study.

During World War II, the National Emergency Production Act financed the training of 7.5 million skilled workers, popularly symbolized by "Rosie the Riveter" at aircraft and shipbuilding yards. (Indeed, a large portion of today's skilled workers were trained then and are now in or heading toward retirement. To wit: Today's 300,000 machinists have an average age of 58.) There is nothing stopping us from meeting our less massive critical skills needs today—except our will to do so.

Next, how do we boost the skills of the still-employed, from clerical workers to the executives whose weak thinking and rotten management are heavily responsible for our current predicament? Much of this training task is now paid for by business, as it should be. The private sector, led by the largest corporations, shells out an estimated $30 billion annually to train workers. But smaller employers—who create most new jobs and hire the majority of American workers—are least able to foot these bills.

What's mainly needed is to help the smaller guys invest in people as much as in machines—while making sure taxpayers don't subsidize any corporation for doing what it should and would be paying for anyway. One possible approach: a training tax credit. It would apply only to training above and beyond what a business historically has done itself. (If you wonder how we keep the corporate folks honest, remember that they already report the highest training outlays possible to the Internal Revenue Service for tax-deduction purposes.)

In this way, only the training needed would be done. If the credit isn't used, there would be zero cost to taxpayers.

Finally, the issue of education, where we need an effort far exceeding our late-1950s response to the Soviet launching of Sputnik. We must, for one thing, develop students' critical thinking, their ability to analyze and organize and express information—the essence of the liberal arts. We obviously must also sharpen their knowledge of math, science, and specific technologies. These are all areas in which students are not exactly excelling these days, to put it mildly.

As the National Assessment of Educational Progress reports, "The gap between the number of students prepared for higher-level jobs is widening. Clearly we are not cultivating the raw materials, our future workers, who will be vital both for economic progress and ultimately for economic survival."

So what are we doing about this? With many large school systems in or near bankruptcy—particularly those with the heaviest concentrations of minority students—we're slashing national aid for the disadvantaged, for math, for science and for other education programs. It's as if we were bent on making sure that essential instruction disintegrates further. That's a sure-fire formula not only for American economic and defense erosion but for creating a large and brooding underclass, permanently locked out.

It's also a sure-fire formula for intensified decay of hard-hit cities, whose best single shot at rekindling economic growth lies in their human capital. The industrial Northeast, with its troubled metropolises from Chicago to New York, still has an immense advantage over others in its vast pool of skilled labor—if existing and future workers are reducated and retained for new jobs.

The education needs do not stop there. We have to attack the anti-blue-collar arrogance that discourages our children from learning skilled trades. We must overhaul a vocational education system that has failed miserably in imporant respects. William E. Hardman, executive vice president of the National Tooling and Machining Association, remarks:

"Many of our vocational schools have better equipment than contract tool shops—except they don't know what to do with it in most cases. . . . If our members had as much money as the vocational education system to spend on training for this purpose, we could no doubt end the skill shortage in four years and ensure that we never fall behind again."

Then we've got to reverse the decline in American teacher competence. Full fellowships to lure qualified students into teaching could be one step, intensive summer retraining institutes for today's teachers another. Retraining is essential, for example, if teachers are to teach the varied uses of computers; forget about having those shiny toys in schools if most teachers really don't know what to do with them, as is now the case.

All this by no means exhausts the issues wrapped up in the human capital agenda. But it should make one thing crystal clear. We are currently in the process of killing American hope for economic, defense and social renewal. One after another, we are cutting or ending programs that invest in people, from job training to public school assistance, from day care to college aid to basic research monies. If that were not enough, we are not even seriously addressing such crucial problems as helping the displaced workers lost in the confusion of change.

The supply-side crowd obviously thinks that people don't count as much as machines. If that mindset continues, the historians can start writing their books about the deline of America.●

THE REAGAN DEFENSE PROGRAM

● Mr. GARN. Mr. President, I think that it is quite appropriate at this time, when the Senate is considering the fiscal year 1983 defense authorization bill, to bring to the attention of my colleagues a recent letter to the editor by Mr. Tidal W. McCoy, Assistant Secretary of the Air Force for Manpower, Reserve Affairs, and Installations.

Before joining the Reagan administration in his current position, Ty was my assistant for National Security Affairs. I found Ty's advise and assistance of invaluable worth at that time, and I believe his counsel today is equally worthy of our consideration.

It seems that the Brookings Institution, through the publication of its annual report, "Setting National Priorities," has attempted to challenge some of the key principles and programs upon which the Reagan administration has constructed its national security posture. In his response, Ty does a skillful job in picking the holes in the Brookings' analysis. It is a pointed, concise retort, and I request that it be printed in the Record.

The letter follows:

[A letter to the editor, from the Baltimore Sun, May 3, 1982]

A Preemptive Strike by Brookings?

Editor: With congressional debate on the defense authorizations bill about to begin, the Brookings Institution release of "Setting National Priorities," and media coverage of its criticism of the Reagan defense program, focuses on the issue of national defense at a crucial juncture.

Brookings' sense of timing to achieve maximum effect could not have been better. It is unfortunate, however, that there has been so much publicity for a document not yet published and available to the administration, Congress and the public for examination.

Dr. William Kaufman appears to have forgotten some history and his perceptions of the menace from the growing threat since his days in the Pentagon in 1977. In one section of the FY78 Defense Report, which he authored, the report said, "The principal cause of international instability lies . . . in the Soviet Union with its combination of beliefs and military power—and there is no pretending to the contrary."

That same report said, "Self-restraint in the expectation that we will follow their example has not been a part of their doctrine or their pattern. Neither has reciprocity on their part for restraint in ours. Western weaknesses and irresolution are not examples the Soviets are likely to emulate but an opportunity to seize."

That report also clearly supported both the MX and the "acute" need for the B-1. Now, according to the Brookings report, the B-1 is obsolete.

We must be ready by the mid-1980s to meet the escalating Soviet threat. One does not fix 12 years of neglect with a slow-measured response—given the reality of Soviet preparations.

We have to catch up on some areas quickly—and then maintain that measured response. Dr. Kaufman's approach seems to be basically that all one has to do if one doesn't like the threat is to redfine it. By advocating cancellation of the B-1, he is also clearly a proponent of the technological endrun school. That is, don't build anything, but continue research and development which will give us vaulting superiority over the Soviets—on the drawing boards and with prototypes.

Paper weapons systems don't deter anyone. In 1953, when funding the Air Force's "new" B-52 bomber, Congress noted that this would be an "interim" aircraft designed to fill the gap between the B-47 and the B-58 which was then on the drawing boards. We will soon celebrate the 30th anniversary of the first flight of that "stop-gap" bomber while Congress discusses whether to fund the B-1 or wait for the advanced technology bomber.

Professor Kaufman's recommendation that the U.S. rely on fast ships, rather than buy additional airlift, conveniently forgets the lessons of our convoy experience in the Atlantic during the early part of WWII and the value of airlift so convincingly demonstrated during the Yom Kippur War of 1973.

Moreover, we can't count on convoys arriving safely if we fail to increase the Navy. Nonetheless, the Brookings report recommends not building a fully capable Navy. Airlift and sealift are complementary—we need both, particularly in view of possibly very short warning times for the next conflict.

Dr. Kaufman also implies the nation cannot afford the current build-up. In 1960, Air Force spending was twice as great as what Americans spent on alcohol. By 1976, annual spending on alcohol exceeded Air Force spending. Americans spent more on soft drinks in 1981 than the Air Force spent on missiles and aircraft.

Since 1962 per capita defense spending, in constant dollars, increased 1.2 percent while transfer payments (income security, health care, education, training, social services, etc.) have increased some 214 percent. At the same time in 1969 the U.S. accounted for 34.5 percent (height of Vietnam involvement) and the Soviet Union for 28.1 percent of total world military spending. By 1978, Soviet military spending accounted for 32 percent of the world total and the U.S. share declined to 22.6 percent.

Americans spent 8 to 9 percent of the GNP on defense during the 1950s and 1960s. The apex of the Reagan plan will only account for 7 percent of the GNP.

By any measure, the Reagan program is achievable, affordable and vital to the security of this great nation during the perilous 1980s. To argue otherwise is to rationalize imprudent risk.

Tidal W. McCoy.

Washington.

(The writer is assistant secretary of the Air Force for manpower, reserve affairs and installations.)●

A VOICE FOR FREEDOM—MISS FERRYL BOYANCE OF HOUSTON

● Mr. TOWER. Mr. President, it seems that freedom is under attack around the world today. It is evident that a voice for freedom needs to be raised, if it is to be preserved. Miss Ferryl Boyance of Houston, Tex., has done so in the Friends of Free China "I Speak for Freedom" high school speech contest. She has stated with fervor the case for freedom. So that her voice might reach many ears, I ask that her speech be printed in the Record.

The speech follows:

How Freedom Affects Progress—I Speak for Freedom

All good stories begin with 'once upon a time'. Once upon a time, there was a little tree which had the incentive to become a big tree. So it carefully planned its steps of development. It first had to have a sturdy root system which a sound and capable government provided. It would have to be watered and fertilized everyday with that life sustaining element, freedom! Gradually, this tree grew and grew and the branches of prosperity spanned over the entire area. All the nations awed in amazement at this rapid growth!

The Republic of China has indeed had a rapid rate of economic growth. It was able to do this because of its 1949 Constitution which clearly espouses progressive economic and social rights.

Taiwan is a country of limited resources and size. But with only 18 million people and 14,000 square miles of territory, Taiwan has a larger volume of trade than the Chinese mainland with 1 billion people and 3.7 million square miles.

The gross national product for 1980 amounted to NT$1,449.4 billion. Taiwan's exports have increased 171 times from 1952 to 1980. In 1979, its exports amounted to 18.1 billion making it the 20th largest exporting country in the world!

This progressive economic outlook has brought tangible benefits to the Republic of China's citizens. In 1980, they had a per capita income of $2,100. Compare this with mainland China where the per capita income was only $256. Chinese communist leader Ting Hsiao Ping holds out the hope that in 20 years the per capita income of his nation may reach $800 a year.

Daily life has increased for the Republic of China's citizens in other progressive ways. The average living space per person went up from 12.6 square feet in 1955 to 28.2 square feet in 1980. Household facilities and appliances are now regarded as daily necessities instead of luxury items. Today the country has more than 1.14 million motorcycles and 740,000 automobiles. Nearly every family has a television set.

Have all of these benefits of economic prosperity come about by some fluke of fate? No, the ideas that were sown in the economic field have been nurtured by the waters of freedom and are now being harvested as a higher standard of living for all citizens.

Freedom of education has played a leading role in developing business and technology leaders. Illiteracy is unknown among the young.

Freedom of religion, alien to many societies, has allowed the citizen to follow his conscience and God-given talents. This brings personal peace of mind that allows creative ideas to flow forth.

Freedom of the job market is extremely crucial. If a person has no opportunity to change jobs, the incentive to work diligently disappears.

Freedom to elect local and national leaders gives each citizen a vested interest in the welfare of his country.

These basic freedoms make Taiwan a free nation in every sense of the word and these freedoms have created a climate of economic expansion that has benefited every citizen no matter what their social status.

The citizens on Taiwan are a content and confident people. They are not plaqued with the mental anguish of living under an oppressive government. As a result, you can sense a certain peace and happiness these people possess.

So, only in a country in which freedom is the key nutrient, can a man see his dreams for a better, happier future progress into the reality of today.●

ECONOMIC FOCUS

● Mr. **BAUCUS**. Mr. President, over the past year, Mr. Robert J. Samuelson of the staff of the National Journal has authored some of the finest pieces on economics that I have seen. As we strive to reach agreement on vital budget and economic matters, it is important that we separate rhetoric from reality. Mr. Samuelson's writings are a good place to begin. I, therefore, ask that a number of articles by Mr. Samuelson be inserted in the RECORD.

The articles follow:

[From the Washington Post, April 28, 1981]

TOP-HEAVY TAX SYSTEM ITS OWN WORST ENEMY

(By Robert J. Samuelson)

The temptation is to say that Jim Jones has crossed the thin line between crusader and crackpot.

Jones—not to be confused with the chairman of the House Budget Committee or the fanatical cult leader—is an amiable, retired Texas businessman who thinks the U.S. tax system stinks. He's been poking around Washington for the past few years, telling anyone who will listen. Too much paperwork, too many contradictions. Junk it, he says. Replace it with a flat tax.

Any practical politician will tell you that Jones is a fool. You can't simply scrap the whole system and replace it with a nice simple tax. That would cause rebellion. We live in a complex society. The tax system reflects the complexity. Its provisions—complicated though they may be—respond to the peculiar needs of all the diverse groups that comprise America.

Which is precisely Jones's insight. We have lost sight of the essential purpose of any tax system: to raise money for legitimate public purposes.

Instead, it has become a vehicle for social engineering and political favoritism. It's tinkered with and twisted to satisfy the gripes and self-pleading of any group that can hire a clever tax attorney and publicist to make its case. Responding to some bad causes and a lot of good ones—individually worthy—has produced a top-heavy system that is becoming its own worst enemy.

All this is worth pondering as Congress prepares to write another tax bill. For no public program is bigger and affects more people than the tax system. Whether people respect the system—no one expects them to like it—determines to a considerable extent whether they respect government. And the evidence is beginning to show that public respect is on the wane.

For years, Americans' high rate of voluntary tax compliance has been the envy of the world. But anecdotal and statistical evidence is now challenging this reassuring cliche. A public opinon survey commissioned last year by the Internal Revenue Service found that as many as one-quarter of the taxpayers may have under-reported their income deliberately at one time or another. A more thorough IRS investigation a few years ago estimated that perhaps 9 percent to 12 percent of income goes unreported.

Of course, there always has been unreported income—from crime, for instance. But the hunch of specialists is that chiseling and cheating are on the rise and, more important, have gained increasing respectability. The system's very complexity—making everyone believe that someone else is benefiting from a special tax break, so why not me?—encourages it.

Jones' description of the tax system as grotesque is hardly unique. Here is Aaron Wildavsky, a well-known political scientist at the University of California (Berkeley), writing in a recent issue of the Washington newsletter Tax Notes:

"Practically everyone I know believes that other people take unfair advantage of the tax code. . . . Those who benefit sneer at how easy it is or feel guilty at taking advantage of provisions presumably designed to do good. There is a pervasive sense that moral values are being subordinated to strategies for minimizing taxes, so that financial gain is suspect—because it appears to be derived more from special privilege than from unusual talent. Consequently, the legitimacy afforded to government by the people, the respect that supports the authority to govern, is being undermined."

And here is the conclusion of a special study commission established by the Chamber of Commerce of the United States:

"The primary conclusion of the commission is that massive tax simplification is urgently required. . . . The Internal Revenue Service is generally an efficient and well-run agency, but no organizaion can administer so grossly complicated a tax system without gradually assimilating some of the problems of the system it represents. The myriad social policy decisions currently being enforced through the tax system also turns the IRS into a 'lightening rod' for all manner of citizen complaints about their government, whether or not connected with revenue matters."

We have come to this in barely a generation's time. Thomas F. Fields, a lawyer with Tax Notes, recalls that, before the early 1940's, a lot of people "were proud to pay income tax." Rates were low, and a relatively small part of the population paid taxes; it was a sign of distinction, of "having made it." But during the war the government adopted withholding, and then the bite of government spending and taxes increased sharply.

The result is a system so riddled with deductions, credits and income exclusions that tax rates (what's on the forms) and the tax burden (what government actually takes out of the economy) diverge substantially. How much?

Look at it this way. Government spending constitutes about 22 percent to 23 percent of the nation's gross national product. Roughly, a tax of slightly more than one-fifth of what we produce will cover that. But the top corporate tax rate is 46 percent. And the individual rates run from 14 percent to 50 percent (for earned income, such as wages) and to 70 percent for so-called unearned income (such as dividends and interest).

All this produces collective gamesmanship on two levels.

First, there's the individual and the firm. Everyone strives to find the maximum combination of credits, deductions and exclusions to reduce taxes. For this reason—or simply because the system is so complicated—two-fifths of all individual returns are prepared by professional accountants or tax services, according to the IRS.

Second, there is the political gamesmanship. At the moment, groups are exhorting Congress to enact, among other things, the following: tax credits for college and private school tuition, tax credits for firms engaging in research and development, liberalized deductions for charitable contributions, and refundable investment tax credits for firms that have large losses. The list goes on.

The upshot is a remarkable centralization of political and economic power. The tax system tells people and firms to do some things, not to do others—and many of the commands represent inefficiencies. At the same time, an increasingly large army of lawyers, accountants, lobbyists and economists now dedicates itself to manipulating the system or (as with economists) simply trying to understand its effects.

Talk about paperwork. The Office of Management and Budget estimates that about half of all government-created paperwork stems from tax forms, to the tune of about 650 million hours annually.

Undoing this mess won't be easy, precisely because tax provisions satisfy broad constituencies, and most were enacted (as Wildavsky puts it) "to accomplish a good purpose." But we need to acknowledge the destructive logic of the process: that every special provision means that general tax rates go higher and that more groups, seeing others with tax breaks, are encouraged to seek similar treatment.

What this requires is a change in mood.

More than ever, every part of the political spectrum believes that the tax system is to be used for special purposes. Liberals, conservatives, unions, corporations, charitable organizations all are chanting for their own pet proposals. The paradox is that the politicians who encourage and respond to these pressures think they're upholding the worth of the political system and the public's confidence in government. In fact, they may be slowly destroying both.

[From the National Journal, Sept. 12, 1981]

WAITING FOR WALL STREET

(By Robert J. Samuelson)

In the late 1940s, something surprising happened to the American economy. It boomed. Economists had openly worried that wartime prosperity wouldn't last, and, as late as 1946, 60 percent of the respondents to a public opinion survey expected a "serious business depression" within a decade. The bastion of skepticism was Wall Street. Despite the boom, stock prices languished.

All this relates very much to the running feud between Wall Street and the Reagan Administration. The White House is arguing, in effect, that the nation has reached a juncture—similar to the late 1940s—when the past no longer accurately charts the future. Wall Street isn't buying. No one knows who's right, but if history is any guide, the White House shouldn't count on a quick conversion.

Wall Street, of course, is just a euphemism. It's not a physical location—financial power long ago defused beyond New York—so much as journalistic shorthand for the collective judgment of money movers: the individuals, investment advisers and institutions (such as insurance companies and pension funds) that deploy the nation's financial capital.

No one can miss the irony when this group, vocal supporters of President Reagan and beneficiaries of his policies, silently votes against the Administration in the stock and bond markets. But too much can be made of the friction. In the short run, the adverse reaction helps the White House. The near panic over spiraling deficits makes further budget cutting (the ultimate political virtue for Reagan) easier.

The long-run danger, though, is serious. Persistent skepticism and high interest rates could subvert the Administration's economic program and erode its political support. What this involves is a test of economic theory in real life, and, so far, real life is treating theory with rude disdain.

In brief, the theory holds that inflation results from the creation of too much money. If the government shows its determination to reduce money growth, so the theory goes, then inflation should decline and so should people's inflationary expectations. Because interest rates embody an element of inflation—to compensate investors for the cheapening of their dollars—interest rates should drop.

There's little doubt that the Federal Reserve is squeezing the money growth. In the past six months, the money supply (so-called M-1B, which consists of cash and checking deposits) has grown at an annual rate of less than 6 percent. By contrast, it expanded 8.25 percent in 1978 and 7.2 percent in 1979. Inflation has also subsided, but interest rates have remained at or near historic highs.

To blame deficits, past and prospective, is gross simplification—though one now much in vogue. More relevant are the mechnanics of the nation's financial markets and the scorched memories of the players.

Consider a simple, if absurd, example. Suppose government spending totaled only $100 billion (compared with the more than $700 billion expected in fiscal 1982), but that all the spending were financed by borrowing. There would be no taxes, but the deficit would be $100 billion instead of the $42 billion estimated now by the Administration.

There is no logical reason why the larger deficit, by itself, should lead to more inflation or higher interest rates. Lower government spending and no taxes would mean that people and corporations have more money to spend (so they might borrow less) and more money to save (so they could more easily lend to government). What determines interest rates are people's inflation outlook, their willingness to hold government bonds and the existence of other competitors for credit.

History bears this out. Inflation makes the current deficits look large, but they shrink when measured against the inflated size of the American economy. Although the 1982 deficit may well exceed the administration's optimistic estimates, even a $75 billion deficit would amount to only about 2.4 per cent of the economy's output, or gross national product (GNP).

By contrast, government financed much of World War II defense spending by borrowing, and the 1945 deficit, typical of the war years, amounted to nearly a fifth of GNP. More recently, the 1976 deficit ($66 billion) equaled 4 per cent of GNP, and the 1977 and 1978 deficits ($45 billion and $49 billion) were 2.4 and 2.3 per cent of GNP.

More critical than deficits themselves are the changes in inflationary expectations, willingness to hold government bonds and competition for credit.

Until a few years ago, Wall Street—again, the euphemistic collective—was sufficiently unworried about the inflation outlook that it was willing to buy long-term bonds at rates a few points above the inflation rate. In 1975 and 1976, for instance, 10-year Treasury bonds fetched 7.5 to 8 per cent when inflation (measured by the GNP "deflator") was 5 to 6 per cent.

No more. Today, similar bonds carry a rate exceeding 15 per cent when inflation is 8 to 11 per cent. In effect, investors no longer believe in the stability of inflation. They want a much larger interest rate cushion against unexpected future inflation.

A vicious circle ensues. Borrowers, unwilling to lock themselves into high long-term interest rates, shift to short-term loans. Combined with the Federal Reserve's money squeeze, this pushes short-term interest rates above long-term rates. Cautious investors funnel funds into high-yielding short-term securities, further hurting the stock and bond markets.

The Washington-Wall Street quarrel is really about the nature of the world. Wall Street has convinced itself that the world is an undisciplined place: that governments (no matter how good their intentions) can't control inflation and that other forces—wars, revolutions, droughts—simply exaggerate the uncertainties. Reagan says he's reasserted control.

Fundamental breaks with the past do occur. History is littered with them. But the history of the past quarter century is that Wall Street is usually the last to acknowledge change. It awoke slowly not only to postwar prosperity but also to the rising inflation of the 1970s. If nothing else, this sluggish reaction time ought to sober the White House. For a stubborn skepticism could become self-fulfilling.

[From the National Journal, Nov. 21, 1981]

THE SUPPLY SIDE REVISITED

(By Robert J. Samuelson)

The whole episode of Dave Stockman's humiliation speaks to the fairyland mentality and rhetoric that surround serious political discussion of the economy. Stockman's sin was to admit that he no longer believes in fairy tales. It would not have been a sin if the nation's major political leaders—including the President and most prominent Members of Congress—were not themselves such peddlers of economic fantasies.

Major political figures in this country invariably talk about the economy in absolutist terms. Something is either utopia or hell; there isn't much in between. Few, if any, attempt to explain our economic choices, in part because understanding them is genuinely difficult. And they are still more difficult to explain because the choices are often complicated and unpleasant.

The result is that although economic issues dominate politics, discussion of them proceeds at an infantile level. The news media gladly promote the simplified morality tale because a good story requires antagonists flailing at each other. Understandable as the hype is, it ultimately leads to public disillusion with economic doctrines and political figures. No one believes anyone or anything because every idea and every leader is seen to have failed.

The slogan that brought Stockman to grief and is now threatened with being discredited is, of course, "supply-side" economics. Stripped of the exaggerated claims made on its behalf, supply-side economics offers important—though hardly novel—lessons about how the economy operates. But it has been oversold and abused by its most ardent advocates.

Most Administrations come to office promising more than they can deliver. Ronald Reagan pledged to balance the budget, lower taxes and increase defense spending while reducing inflation and unemployment. The only way to reconcile these inconsistent objectives was to project high economic growth. Supply-side economics provided the rationale. Between 1982 and 1986, the White House initially projected annual growth between 4 and 5 percent.

Although the label was new, the ploy was not. When Jimmy Carter took office, he had a laundry list of objectives even longer and more inconsistent than Reagan's. Aside from the usual ones of lowering inflation and unemployment, he wanted to increase spending for social programs without raising taxes. Achieving these goals, the Congressional Budget Office estimated, would have required sustained annual growth in excess of 5 percent.

Boiled down to its essentials, supply-side economics holds that government is discouraging useful work and investment with excessively high-tax rates. Bring down tax rates, then, and work and investment will expand. The economy will, therefore, be better off. Common sense suggests that this might work, and there is some evidence that it does.

One of the first supply-side proposals involved cutting the tax rate on capital gains—the profits from the sale of stocks and other investments. The argument was that high capital gains tax rates suppressed investments in stocks, especially of new high-technology firms. If people gambled to back these risky enterprises, so the argument went, they wanted the reward if the companies succeeded.

In 1978, Congress cut the maximum capital gains rate from 49 per cent (as a practical matter, it was more like 40 per cent) to 28 per cent. The number of new firms selling stock to the public rose from 46 (and $250 million) in 1978 to 237 (and $1.4 billion) in 1980. At the same time, venture capital investments in firms too new and too small to go public increased from $550 million in 1978 to more than $1 billion in 1980.

No one really knows whether the cut in the capital gains rate caused these increases. Economist Jospeh A. Pechman of the Brookings Institution thinks the general state of the economy was a more important factor. Morton Collins, president of the National Venture Capital Association and a supporter of the cut, points our nevertheless that much new venture capital money came from pension funds and university endowments, which aren't taxed.

This experience suggests cautious conclusions. Despite the qualifications, it seems probable that the capital gains cut had something—perhaps a great deal—to do with the increased investment. But tax rates aren't the only force affecting the economy. Moreover, beneficial results don't materialize immediately. It will be years before new products or technologies appear from the higher investment.

But supply-side economics isn't a cautious theory. It has been blessed and cursed with energetic propagandists such as Jude Wanniski, a former editorial writer for The Wall Street Journal, and Arthur B. Laffer, an economist at the University of Southern California. They both popularized it and imbued it with mystical, almost cult-like qualities: embrace supply-side policies and utopia lies just over the ridge. The Administration tempered this extravagant outlook only slightly.

Much of the supply-side rhetoric is also hypocritical. Supply siders argue that marginal tax rates—the tax rates on the last dollar of income—are critical to people's work and investment decisions. Yet, most supply-side advocates don't support measures that would dramatically reduce marginal rates.

What has driven up marginal rates is the vast array of deductions, credits and exclusions, which erode the tax base and raise rates on the remaining income. Just incidentally, they also riddle the tax code with economic distortions. Eliminate these tax preferences, and top tax rates could be dropped to 20 or 30 per cent. The conspicuous silence of most supply siders on this issue is a glaring inconsistency that leaves them open to the criticism that their doctrine is simply a guise for redistributing income to the rich.

To the White House, Dave Stockman sinned by mentioning these shortcomings. Maybe the public will now dismiss supply-side ideas. But maybe not. At their best, they ought to offer the vision of a more liberated economy served by a less cluttered tax system. If Stockman's confessions make the theory more plausible, he may turn out to have been its best friend. If not, supply-side economics will have fallen victim to the old cycle of over-promotion and disillusion.

[From the National Journal, Jan. 9, 1982]

BEYOND OUR REACH

(By Robert J. Samuelson)

A year into office, President Reagan's failure extends well beyond a list of unfulfilled promises. Dozens of small inconsistencies and contradictions afflict his Administration, but they all pale before one: a self-proclaimed champion of small government, he is the master of Big Government—permanently Big Government.

The President seems incapable of reconciling himself to this. He keeps talking about the need to cut down government, as if it were a demon to be exorcised. He seems temperamentally and intellectually unable to recognize that, as society's largest and most important institution, government must project itself as a positive force in national life.

The illusion at the base of the President's policies is that, somehow, the presence of government can be made to fade. In dozens of areas, the Administration has acted to reduce the government's role. Specialists will debate the merits and significance of these different moves, but after a year, one thing ought to be clear: Big Government isn't vanishing.

Even if the Administration achieves all its budget cuts—which it won't—government spending would recede (as a proportion of the nation's output) only to the levels of the mid 1960s. More likely, it will settle close to levels prevailing during the Carter Administration. Much in the same way, the highly adverse reaction to many of the Administration's dramatic regulatory changes indicates that the President can at best compromise—not abandon—commitments made in the 1970s.

Reagan's failure is not his alone. It strikes at the heart of the frustration and contradiction pervading American politics today. People are dissatisfied with government's performance—if they weren't, Reagan wouldn't have been elected—but they aren't willing to junk Big Government altogether.

Put simply, the presidential problem is to match more closely the government's responsibilities with its capabilities and people's expectations. This does not mean holding government's responsibilities static and simply promising to improve performance; better management is a slogan and usually a deception. The discontent flows from a deeper imbalance between what government can do and what people expect it to do.

Ever since the Great Depression, domestic policy has increasingly revolved around two central purposes. The first is to monitor and manage the national economy to achieve low unemployment, low inflation and maximum growth. The second is to marshal the nation's resources to achieve a higher degree of social justice; in practice, that has meant abolishing poverty, ending discrimination and assuring fairer economic treatment among groups.

The desirability of these objectives is not at issue, and the fact that the government sought them for a half century—with much success—reflects well on the nation's values. But yesterday's goals do not serve all tomorrows, and a nation that refuses to heed today's lessons is one unwilling to accept reality.

The plain lesson is that government, in seeking these goals, has reached the limits of its competence and, at times, overstepped it.

Consider the economy. Government lacks the precise control to assure permanently low unemployment, low inflation and maximum growth. Indeed, its promise to achieve these objectives—embraced by every Administration for the past two decades—perversely makes their attainment more difficult.

As businesses and workers came to believe that government would assure permanent growth, their expectations and behavior changed. They worried less about maintaining their own competitiveness. They began to adopt wage and price practices that make inflation self-perpetuating. Government efforts to stop inflation have, consequently, involved excessive unemployment and stagnation.

Likewise, the quest for social justice has now become hobbled by contradiction. The more government compensates for every hardship or mishap, the more it relieves individuals of responsibility for their fates. Government can correct much injustice, but at some point, the individual's own struggle is the only avenue of advance.

There are also more practical obstacles. Government cannot make everyone equal because there is no social consensus to do so. But when government acts to help some groups, all groups believe they are entitled to special favor. Government becomes inundated with competing and mutually exclusive claims.

Without tempering its rhetorical commitment, government has retreated from the pursuit of the twin objectives of the past half century simply as a matter of economic necessity. President Carter did this reluctantly, quietly and modestly. Reagan simply proclaimed a bold switch of strategy, promising that less government and more private enterprise would miraculously and instantly fulfill government's purposes.

It hasn't washed. The half-life of political promises grows increasingly short. People cannot mistake the gap between pledge and performance, and their cynicism only deepens.

If there were an easy exit from these dilemmas, someone would have taken it years ago. At one level, the President needs to be more candid: to disavow supernatural powers over the economy's short-term performance and to devise a more limited view of achievable social justice. The "safety net" was not a bad concept; it was simply shabbily and hypocritically executed.

Difficult as this is, it is not enough. The political problem of modern government is to find a constructive purpose that provides some vision of where society is headed and creates a general framework within which a multitude of specific policies can be fitted.

The domestic themes of the past 50 years originated in an economy full of abject poverty and subject to wild boom and bust cycles. This is no longer today's world. For all its flaws, the American economy has created a prosperous base less susceptible to violent business cycles.

But America is an aging society. Its people, its roads, its cities, its industry—and maybe its spirit—are growing older. Unable to prevent this, government must either deal with it or suffer the consequences. This is a legitimate starting point for redirecting domestic government.

[From the National Journal, Feb. 27, 1982]

MONETARISM MALIGNED

(By Robert J. Samuelson)

It's been a demolition derby for economic theories in the past 20 years. One after another, they've been bashed and consigned to the scrap heap. The wreckers' latest target is monetarism: the idea that inflation is too much money chasing too few goods and that reducing it requires reducing money growth. If the wreckers succeed, the nation will be the loser.

It is true that monetarism has contributed mightily to the economy's appalling condition. Interest rates are sky high. The credit-sensitive housing and auto industries are mired in depression. The Europeans and Japanese blame high U.S. rates (which they emulate to prevent currency outflows) for having deepened the world recession. Slump at home and abroad encourages protectionism and stifles investment.

No one wants this, but monetarism never promised easy economic adjustment. That is a great virtue. Most other economic theories, as they were simplified for public consumption, assumed magical qualities; they implied that all good things (low inflation, high employment, rising living standards) would be possible simultaneously. The monetarists never played the popularity game. Their ideas are not the ultimate wisdom on economic policy, but they are the necessary starting point.

What is—or ought to be—at issue is not monetarism's credibility as economic theory but its workability as public policy. Monetarism is harsh and, unless its social and political acceptability can be improved, it may not be given the chance to succeed. Sadly, President Reagan has virtually ignored this.

By monetarist theory, short-term changes in economic growth and inflation fundamentally result from changes in the money supply. If the Federal Reserve Board increases money growth, people find themselves with higher money balances—cash and checking deposits—than they want; they spend more and the economy grows faster. By the same token, if the Fed reduces money growth, people find their money balances diminished; they spend less and the economy slows down—or goes into slump.

The effect on prices is said to occur with a lag of 12 to 24 months. In the monetarists' ideal world, the combination of new money and the increase in the turnover of money, or "velocity," would precisely equal the economy's increased production; additional spending would exactly absorb the new output. But if the money increase is too large, prices must be bid up to balance the economy's limited output with the bloated money supply. In short, there is inflation.

The same logic works in reverse and explains why most monetarists never claimed that controlling inflation would be painless. Lower money growth does not suffice to accommodate the money needs of consumers and businesses at higher inflation rates. The resulting spending slowdown creates "slack" in the economy (translation: underused factories, higher unemployment) that puts downward pressure on prices.

Anyone who took seriously the Federal Reserve Board's October 1979 pledge to reduce money supply growth ought to have realized that the economy was in for a spell of stagnation or slump. The Fed has, in fact, carried through. From 1978 to 1981, growth of so-called M-1 (cash plus checking accounts) has declined from 8.3 to 5 percent, measured from the fourth quarter of one year to the fourth quarter of the next.

The results roughly fit the monetarists' pattern. Changes in money growth generally preceded changes in spending. In the past six months, inflation has abated significantly. The consumer price index (December to December) rose 8.9 percent last year compared with 12.4 percent in 1980. The rise in average hourly earnings declined from 9.6 percent in 1980 to 8.3 percent in 1981. If serious monetarism dates to October 1979, these improvements arrived right on schedule.

But the features that make monetarism an attractive economic theory—its honesty in admitting that change takes time and involves disruption—also render it unappealing to politicians. It has an almost medieval flavor; most economists like to think they've come up with something better.

The trouble is that they haven't. The "liberal" approach of an incomes policy—persuading labor and business to restrain wages and prices instead of having tight money do the job—suffers from inherent contradiction. In return for restraint, it promises to keep the economy near full employment. But the resulting tight markets for labor and goods are precisely those that enable workers and firms to raise wages and prices.

The current recession only confirms that people and firms react more to experience than exhortation. One of the slump's hallmarks is major concessions by labor unions, eliminating past benefits, reducing future wage gains and even accepting some wage cuts. But it has taken massive distress—in autos, in trucking, in airlines—to produce these concessions. Alone, no incomes policy could possibly have achieved them.

But equally large social defects may defeat monetarism. If inflationary bias discredited liberal economic policies, monetarism risks foundering on its depressive effects: persisting high unemployment, stagnant investment and living standards. It can succeed politically only if declines in inflation are sufficiently rapid to allow resumed economic growth. This is hardly a certainty. Much of inflation's recent drop has involved slower increases in oil and food prices and interest rates.

What might hasten the process are policies to make wage and price decisions more realistic and competitive. In health care, housing and labor markets, such policies exist, but the administration has embraced them only half-heartedly. Even more important is a deeper public appreciation of the choices involved. The idea that wage increases can be divorced from gains in efficiency—an idea that spread in the 1960s and 1970s—assures inflation and, ultimately, unemployment.

But the President has remained stone silent on the broader issues. What is at stake goes beyond economic theory or quibbles with the Federal Reserve. Monetarism is a form of discipline. No economic approach, not even an incomes policy, can work if people don't accept the discipline. The basic question is whether democratic societies can control their economies without veering toward the extremities of high inflation and prolonged slump—or simply stagnating in between.

From the National Journal, Apr. 3, 1982]

INFLUENCE OVER INTEGRITY?

(By Robert J. Samuelson)

Last fall, William A. Niskanen Jr., a member of the Council of Economic Advisers, testified before the Joint Economic Committee on social security's economic effects. It was good testimony, summarizing recent research. To many key questions, Niskanen admitted that the economists' answer is: we don't know. According to Niskanen, almost no one listened.

Niskanen's story goes to the heart of the problem economists have in politics. They all face one of those cruel deals with the devil. On the one hand is offered influence, celebrity and sometimes fortune. The sacrifice often demanded, though, is integrity and candor.

Economists' limitations are especially worth pondering now because the recession and the perceived failure of President Reagan's programs have had their inevitable results. Democratic economists have poured forth new proposals, while other economists have distanced their profession from the current distress. "We are better than being pictured," writes John Kenneth Galbraith in the Washington Post.

But are they? Economists first emerged as major political figures in the Kennedy Administration, and the question now is whether their excursion into politics has done more harm than good. The issue is not whether they will retreat en masse back into academia (as unlikely as it is unrealistic) but whether their public behavior is part of the economic problem.

The hunch here is that it is. What economists do—unconsciously perhaps, but inevitably—is to help shape public expectations. As the presumed experts, they form, through their statements and the ideas they peddle to politicians, the public perceptions of what's possible and likely. This is an amorphous process, but on balance, it probably has contributed to unrealistic expectations.

It surely did in the 1960s. The economists of the Kennedy-Johnson years believed they could eliminate recessions and achieve high employment with low inflation. The apparent early success of these policies (the continued expansion from February 1961 to December 1969 remains the nation's longest) still exerts a powerful influence over the popular psyche. It is the utopia to which everyone yearns to return.

This episode aside, the political process inherently stretches economists beyond their capabilities. Honest analysis admits to ambiguity and uncertainty; effective advocacy demands self-assurance, the selective use of evidence and slick presentation. The two coexist uneasily, and often not at all.

Economists who wish to appeal to a wide audience or to attain political influence must cater to the demands of the process. Those economists who have wished for such recognition have, consequently, projected themselves as Mr. Fix-its. Pick the right mechanic and the economy will perform better.

Implicit in this notion are assumptions that economists understand the economy and that their understanding enables the government to exert control. But the understanding is imperfect at best, and the control is, therefore, widely exaggerated. To anyone (perhaps Galbraith) who thinks otherwise, a review of the past decade ought to be enlightening.

During this period, a list of the more important economic events—in no particular order—might read: (a) the oil price explosion; (b) the food price explosion; (c) the emergence of stubborn, sustained high inflation—a product of the oil and food price jumps, but more than these combined; (d) the drop in U.S. productivity growth; (e) the sharp increase in interest rates during the past 18 months. What all these have in common is that none was widely foreseen by economists.

All this suggests that the process of economic change is a long-term affair, with events today reflecting the weight of experience and trends that may have started years ago. The favorable inflation of the early 1960s, for example, surely reflected a social climate conditioned by memories of the Depression and three recessions in the 1950s. Likewise, today's changes—for good or ill—may not show up for years.

Politics turns this process on its head. What matters almost exclusively are short-term consequences. The economic debate becomes skewed toward policies that will produce short-term results, even when (as in recent years) the rhetoric gives lip service to long-term consequences. Equally important, advocates repeatedly claim unwarranted power for their policies.

Sinning is widespread. Supply-siders made extravagant claims for tax changes, well beyond the merits of their arguments. Liberals minimized the inflationary side effects of expansionary policies by embracing wage-price guidelines, an approach so politically awkward that it has won neither support nor understanding. Monetarists, though admitting their medicine takes time, have generally ignored the consequences; specifically, they have not adequately emphasized the politically unpopular steps needed to make markets more competitive.

What is striking about the public behavior of economists is that it often contrasts markedly with their professional behavior. Among their peers, they admit to doubts, ambiguities and tolerances. But when they package their ideas for public consumption, simplification takes over.

The clash of ideas in the essence of democracy, but the rivalry of economic doctrines sets up a competition in which each tries to outbid the others. That is happening as partisan recriminations increase over the state of the economy. The result is to confuse the public and subvert the prospects for social consensus.

Therein lies the key. Those countries that have better managed to maintain economic growth with low inflation (West Germany, Japan) have done so only by establishing a modest social consensus about the limits of economic policy. No wage-price guidelines can work without it, nor can any tight money policy. But if there is any U.S. consensus, it is that everyone should have more even if the economy produces less.

This assures both more inflation and (as a reaction to it) stagnation. The paradox is that when people believe they will get more, they may get less—and vice versa. Economists have been eager to be politically relevant and to be rid of the "dismal science." But they have been most useful when they have illuminated difficult choices, not spawned satisfying illusions.

[From the National Journal, Apr. 10, 1982]

THE TAX TRAP

(By Robert J. Samuelson)

It's tax time, and nothing better reveals the state of the tax system today than a television commercial from Texas Instruments Inc. Happily punching his TI desk-top calculator, comedian Bill Cosby commends it as just jim-dandy for adding up deductions. To watch Cosby, happiness is more deductions.

When tax avoidance becomes an advertising gimmick, something fundamental has happened. Taxes are now so complicated and income sheltering so widespread that its incidental, almost casual promotion seems routine and respectable. There is a subtle corruption in public morals; tax avoidance easily blurs into tax evasion. Tax time increasingly becomes an exercise in national shoplifting.

Evidence of public cynicism is rising. Once considered among the fairest of taxes, the federal income tax is now judged "least fair" by more of the public (36 per cent) than any other. The Internal Revenue Service recently reported that exaggerated deductions, underreported income and unfiled returns have all increased faster than personal income. At best, the system of willing compliance is fraying at the edges.

The underlying reasons are simple enough. The rise in over-all tax burdens has made income sheltering and tax evasion more attractive. Between 1965 and 1980, the marginal tax rate (that is, the rate on the last dollar of income) rose from 17 to 24 per cent for a family of four at the median income (about $21,000 in 1980). The rate for those with double the median income jumped from 22 to 43 per cent.

Cosby's calculator knows what to make of this. For each new $1 deduction, the median family saves about 25 cents in taxes and higher-income families nearly twice that. Higher rates have equally affected politics and business. Congress has increasingly riddled the tax code with new deductions, credits and exclusions. Businesses find that employees often prefer extra fringe benefits—generally not taxed—to larger salaries.

The resulting tax trap cannot but spawn public anger and resentment. The more complicated the tax system becomes, the more public mystification increases. The idea of the government's walking away from this problem is offensive, and yet that's what the IRS contemplates. Citing budget pressures, it's proposing to end its toll-free service for general tax questions, which handled 25 million calls in 1981.

But curiously, the better the public understands today's complicated tax system, the more cynical it may become. More complexities mean more opportunities to avoid or evade taxes; the arbitrariness of some tax preferences invites abuse. This puts the IRS in the awkward position of telling people not only how to comply with the law but also how to get around it.

The Texas Instruments commercial is but one sign of pervasive cynicism. "Super Tax Loophole," reads an advertisement in a recent issue of Mainliner, a magazine put out by United Air Lines Inc. The latest Barron's runs an article on how to pick tax shelters that the IRS won't audit. A recent advertisement in the Washington Post urges readers to incorporate as a way to minimize taxes.

To appreciate the full flavor of these appeals, listen to some audio cassettes made as a part of an Amway Corp. solicitation for independent sales distributors. One recording—which the parent company disavows and says was made by an independent local distributor—features a doctor.

"The tax advantages are so significant that I just don't see how any professional person can possibly pass [Amway] up," he says. "I don't know any other business you can really get into that takes no real investment and [has] the possibility of writing off 100 percent of two automobiles, a mobile home, a plane—and all your travel and all your entertainment and a cleaning lady and maid."

Another tape features a man, purporting to be an ex-IRS agent, who touts Amway as a way of "converting . . . personal expenses into business deductions." An Amway distributor, he says, can make his house a "place of business." Therefore, he concludes, commuting between home and work (two "principal places of business") can be deductible, as long as the taxpayer does some Amway work in the morning and evening.

"You can listen to a cassette tape for training," he says, "you can look at one piece of paper and check it for accuracy, you can make a call to someone you know. . . . It doesn't say you have to be doing a lot, just doing something."

The point here is not whether these deductions are legitimate (they may or may not be), but the inherently corrupting nature of tax avoidance. People and corporations do things more for their tax consequences, less for personal satisfaction or normal economic gain. Such activities feed on themselves. As they become better understood, anyone who doesn't take advantage is considered a sucker and a fool.

Reducing tax rates might arrest this vicious circle. Even if the total tax burden remains high (as it surely will), today's rates could be lowered considerably by eliminating many deductions, credits and income exclusions. The top rate could probably be dropped to between 20 and 30 percent, making remaining shelter activities far less attractive.

But the difficulty of doing this lies in the tax system's complexity. The system has now created so many vested interests that almost any effort to remold it would encounter immense political opposition. Everyone favors simple taxes with low rates until the implications of such a system become clear.

The implications are that popular tax preferences would have to go. Propose eliminating the deductibility of interest on mortgage and consumer loans (1982 revenue loss: $33 billion), and homeowners and real estate groups would scream. Unions and insurance companies jealously guard the exclusion of employer-paid health insurance from workers' income (1982 loss: $21 billion). Churches would yipe at any threat to charitable contributions (1982 loss: $11 billion).

So this is the tax trap. Technicians could easily devise ways to ease the pain of abrupt change, but that's not the problem. What matters is politics, and no major politician has yet seen the wisdom of assaulting this amalgam of interest groups. The public as a whole may be dissatisfied with the status quo, but the public defends it through all its special interests.●

POLICY PROPOSALS FOR OUTFITTERS AND GUIDES

● Mr. BAUCUS. Mr. President, during a recent trip home, I had the opportunity to attend the annual meeting of the Montana Outfitters and Guides Association. By and large, members of this organization are part of an increasingly endangered species—small businessmen.

But in addition to the economic troubles facing small businessmen these days, Montana's outfitters and guides face additional concern—a USDA Forest Service policy analysis that could spell serious trouble for their industry.

The Forest Service is considering changes in the fee structure for outfitters and guides. One option is to abandon the "service day" fee in favor of a fee based on the permittee's gross revenue. Competitive bidding is also being considered.

Of even greater concern are the proposals being examined for awarding permits. These include selecting permittees by lottery, giving performance to current permittees with satisfactory performance or by using a bidding process.

Other policies being reviewed affect the transfer of permits when an outfitter's business is sold and the problem of unlicensed or "rogue" outfitters.

Montanans' are not pleased with these proposals. As one outfitter from Columbia Falls, Mont., wrote me:

> Frankly, I am scared.
>
> I'm scared the government will follow through on this proposal and implement the bidding process. I'm scared that someone or some corporation will come along and clamber over our backs—utilizing the experience we've paid for so dearly—and out bid us for our permit. . . . I'm scared I'll not be able to turn a life's work over to a son who will have earned every right to it; or I'm scared I'll not be able to convey our business to a willing buyer at the end of our life should our son decide to go on with his life in another endeavor.

The concerns of this outfitter and many others like him throughout the West deserve careful attention. Outfitters and guides are extremely important to the outdoor recreation industry. By providing services such as hunting and fishing trips, horseback rides, river running, hiking and cross country skiing, these businessmen generate millions of dollars of revenue in local economies throughout the nation. Furthermore, they provide a valuable service in making our public lands more accessible and usable to their owners—the American people.

The Forest Service is to be commended for its effort to inform outfitters and other interested parties of their thinking on issues such as the collection of fees and the issuance of permits for the outfitting industry. Certainly some changes in current policy may be in order. However, at a time when Congress is allowing billions of dollars to pour into the coffers of major corporations through provisions like "safe harbor leasing," I don't have the heart to wring more money from Mom-and-Pop outfitting services.

The outfitters and guides with whom I have spoken are willing to pay a reasonable fee for the use of the trails, campsites, and rivers in national forests, all renewable resources. The real threat to their enterprises is the proposal for competitive bidding for the award of permits. Besides being complex and cumbersome to administer, this system raises the threat that large corporations—with massive resources—will bid family-operated services out of existence. While the revenues to the Government might be enhanced, the quality of service to the public and the tradition of family owned businesses will pay the price.

In a letter to Deputy Chief R. W. Housley, Mr. Duane Neal of the Montana Outfitters and Guides Association made a number of points which deserve review. They are:

> 1. The outfitters must be assured that their businesses will be transferable, and that the value of their business upon transfer can take into account the good-will value as established between a willing buyer and a willing seller.
>
> 2. The outfitters must be assured that upon transfer of their business to another outfitter who is determined to be reputable by the managing agency, the sellers permit to operate will be transferred by the managing agency to the buyer.
>
> 3. The outfitters must be assured that they will be able to renew their permits so long as they continue to provide a satisfactory and safe service to the public. Existing outfitters with historically good performance shall be granted a preferential right of renewal.
>
> 4. The term of the permits issued to the outfitters should be extended from the existing one year to a five or ten year permit.
>
> 5. New applicants shall be awarded any special use permit that has been revoked, not used, or that otherwise becomes available for issuance. This also encompasses new special use permits when authorized by the managing agency after consultation with the proper state agencies and appropriate outfitter bodies. New special use permits would be awarded to new applicants by the following methods:
>
> (a) An outfitter with an existing permit for an operation in a congested area will have preference for another available location.
>
> (b) Outfitter permittees with small operations may be allowed to expand to a more efficient size if outfitted public needs warrant, but only after each situation is thoroughly analyzed by the aforementioned agencies and outfitter bodies.
>
> (c) If there is more than one qualified applicant, then a simple drawing could be used.
>
> 6. Fees connected with the special use permits; the day use fee is the fairest and easiest to administer. We recommend its continued use.

Who is considering these policies? Forest Service?

As consideration of Forest Service policies continues, I am hopeful that careful attention will be given to these concerns. Increasing Federal revenues may be simpler to quantify, but lets not lose the incalcuable benefits of family involvement in outfitting and guiding on our public lands, public safety, and the quality of the outdoor experience.●

THE DEFENSE BUDGET DEBATE

● Mr. GOLDWATER. Mr. President, with all of the sound and fury being expended in the defense budget debate, there has been little if any real light shed on the problems we face. Unfortunately, those who would deny Soviet military superiority and the unilateral disarmers get much more publicity than their numbers warrant. A recent example of this is a Brookings Institution study about setting our national priorities. While I am the first to admit that the DOD budget contains waste which must be eliminated, the Brookings call for a meat-ax approach flies in the face of reality and logic. In a recent article, Assistant Secretary of the Air Force Tidal McCoy, in a rebuttal to the Brookings study, put some perspective on the dollars and sense issues facing us. As Secretary McCoy rightfully points out:

> Since 1962 per capita defense spending increased 1.2 percent while transfer payments [i.e. social programs] have increased 214 percent. . . . [and] Americans spent 829 percent of the GNP on defense during the 1950's and 1960's. [While] the apex of the Reagan plan will only account for 7 percent of the GNP.

Mr. President. because this article is so pertinent to the budget debate we find ourselves in. I ask that this entire article be printed in the RECORD.

The article follows:

[From the Baltimore Sun, May 1, 1982]

A PREEMPTIVE STRIKE BY BROOKINGS?

Editor: With congressional debate on the defense authorization bill about to begin, the Brookings Institution release of "setting National Priorities," and media coverage of its criticism of the Reagan defense program, focuses on the issue of national defense at a crucial juncture.

Brookings' sense of timing to achieve maximum effect could not have been better. It is unfortunate, however, that there has been so much publicity for a document not yet published and available to the administration, Congress and the public for examination.

Dr. William Kaufman appears to have forgotten some history and his perceptions of the menace from the growing threat since his days in the Pentagon in 1977. In one section of the FY78 Defense Report, which he authored, the report said, "The principal cause of international instability lies. . . in the Soviet Union with its combination of beliefs and military power—and there is no pretending to the contrary."

That same report said, "Self restraint in the expectation that we will follow their example has not been a part of their doctrine or their pattern. Neither has reciprocity on their part for restraint in ours. Western weaknesses and irresolution are not examples the Soviets are likely to emulate but an opportunity to seize."

That report also clearly supported both the MX and the "acute" need for the B-1. Now, according to the Brookings report, the B-1 is obsolete.

We must be ready by the mid-1980's to meet the escalating Soviet threat. One does not fix 12 years of neglect with a slow-measured response—given the reality of Soviet preparations.

We have to catch up on some areas quickly—and then maintain that measured response. Dr. Kaufman's approach seems to be basically that all one has to do if one doesn't like the threat is to redefine it, by advocating cancellation of the B-1, he is also clearly a proponent of the technological end-run school. That is, don't build anything, but continue research and development which will give us vaulting superiority over the Soviets—on the drawing boards and with prototypes.

Paper weapons systems don't deter anyone. In 1953, when funding the Air Force's "new" B-52 bomber, Congress noted that this would be an "interim" aircraft designed to fill the gap between the B-47 and the B-58 which was then on the drawing boards. We will soon celebrate the 30th anniversary of the first flight of that "stop-gap" bomber while Congress discusses whether to fund the B-1 or wait for the advanced technology bomber.

Professor Kaufman's recommendation that the U.S. rely on fast ships, rather than buy additional airlift, conveniently forgets the lessons of our convoy experience in the Atlantic during the early part of WWII and the value of airlift so convincingly demonstrated during the Yom Kippur War of 1973.

Moreover, we can't count on convoys arriving safely if we fail to increase the Navy. Nonetheless, the Brookings report recommends not building a fully capable Navy. Airlift and sealift are complementary—we need both, particularly in view of possibly very short warning times for the next conflict.

Dr. Kaufman also implies the nation cannot afford the current build-up. In 1960, Air Force spending was twice as great as what Americans spent on alcohol. By 1976, annual spending on alcohol exceeded Air Force spending. Americans spent more on soft drinks in 1981 than the Air Force spent on missiles and aircraft.

Since 1962 per capita defense spending, in constant dollars, increased 1.2 percent while transfer payments (income security, health care, education, training, social services, etc.) have increased some 214 percent. At the same time in 1969 the U.S. accounted for 34.5 per cent (height of Vietnam involvement) and the Soviet Union for 28.1 percent of total world military spending. By 1978, Soviet military spending accounted for 32 percent of the world total and the U.S. share declined to 22.6 percent.

Americans spent 8 to 9 percent of the GNP on defense during the 1950s and 1960s. The apex of the Reagan plan will only account for 7 percent of the GNP.

By any measure, the Reagan program is achievable, affordable and vital to the security of this great nation during the perilous 1980s. To argue otherwise is to rationalize imprudent risk.

TIDAL W. McCOY.●

RUTH COHEN, CONNECTICUT SMALL BUSINESS PERSON OF THE YEAR

● Mr. **WEICKER**. Mr. President, I rise today to commend and congratulate a woman of skill, intelligence, determination, and courage. I refer to Ruth Cohen of Norwalk, Conn., who has been named Connecticut's "Small Business Person of the Year."

In awarding this honor to Ruth, the Small Business Administration has made a wise decision. Indeed, I find it hard to think of anyone who more completely epitomizes the small business spirit and drive than Ruth Cohen.

Mrs. Cohen did not start out to be a successful small business owner, or in fact, any small business owner. Prior to 1974, she was a journalist and, by her own admission, "couldn't care less" about her husband's fledgling company, Airpot, Inc.

But in 1974, her life changed. When her husband died of a sudden heart attack, she found herself alone, no longer a free-lance journalist and the wife of a small businessman, but the owner and president of a 9-month-old company.

Even the most hardened and experienced businessperson could be expected to have some second, and even third, thoughts about tackling a struggling young company, just getting off the ground. Certainly, no one would have blamed Ruth—who knew nothing about running a business—if she had backed away from the prospect.

But if Ruth felt any intimidation at plunging into this unknown area, she did not let it show. Instead, she accepted the challenge head on, enrolling in an accounting class at a local college, and studying bookkeeping. In between, she talked to just about everyone she knew who worked with businesses—large and small—to get their ideas and advice.

Always an active participant in local and community affairs, Ruth drew on the management skills she had learned as head of the PTA and League of Women Voters. These, coupled with the marketing and promotional techniques she acquired in her work as a writer, and the financial management experience she gained from handling the family finances, gave her a solid base to start from as she entered this new phase in her life.

Airpot, Inc., had not just lost its president when Arthur Cohen died. A successful engineer and designer of high technology components before starting Airpot, Inc., he had served as the company's chief engineer and business manager as well. Showing the kind of decisiveness which would become her trademark in the months ahead, Ruth turned the engineering end of the company over to a qualified engineer familiar with the Airpot, thus freeing her to concentrate on the business and marketing end of the business.

Within a year, Ruth had taken charge, bringing new promotional techniques to the company, and imprinting her own style and form of management on the Airpot Corp. Despite the recession which was then ongoing, the company flourished under Ruth's stewardship and aggressive marketing techniques.

Today, almost 8 years after Ruth was thrust headlong into this unknown and unfamiliar world, Airpot, Inc., is a solid success. The work force, which stood at 10 when she entered the firm, has tripled, and sales have been increased by 700 percent. In 1976, the company began exporting, and now has numerous orders from Japan, Canada, and Western Europe.

But if the company has flourished in the past 8 years, so has its new owner. Formerly bored by small business, Ruth now calls it "The most exciting thing I've ever done." As a result, she has become one of its leading champions and foremost spokespersons, both on a State and national level.

Despite the demands of her business, Ruth now allocates at least 10 to 15 hours a week for small business advocacy efforts. A member of the Connecticut delegation to the White House Conference on Small Business, she now sits on numerous small business task forces, including, I am proud to say, my own.

She is a member of the board of directors of the Connecticut Business & Industry Association, as well as a member of their Small Business Advisory Council. She is on the task force of Gov. William O'Neill, Congressman STEWART McKINNEY, Connecticut Speaker of the House Ernest Abate, and State Director of Economic Development John Carson.

If that were not enough, she also sits on the National Small Business Advisory Group of the Financial Accounting Standard Advisory Council and is Cochairman of the Fourth Congressional District's Small Business Grassroots Group. She is a member of both the Norwalk Chamber of Commerce and SACIA's Small Business Council.

Finally, Mrs. Cohen this year served as vice chairman of the Connecticut Conference on Small Business.

Mr. President, I can think of no finer example of the kind of ingenuity, perseverance, dedication, and drive that make our small businesses great than the one presented by Ruth Cohen. Where there were challenges, she met them with optimism, determination, and a practical tough mindedness. Where there were trials, she handled them with a characteristic frankness and indefatigability. Most important, she never quit.

As I said at the beginning of my statement, I want to commend Ruth and to congratulate her for being awarded this honor. And I also want to thank her for showing us all what the old-fashioned virtues of hard work and gutsy determination can accomplish. Ruth Cohen's example should be an inspiration to us all. She is a credit to the small business community, to the State of Connecticut, and is justly deserving of the title of "Small Business Person of the Year."●

THE WISE USE OF CONSUMER CREDIT

● Mr. **DANFORTH**. Mr. President, the wise use of consumer credit is important to every American household. We are all aware of the dramatic changes that are occurring in the financial options available to savers and to users of consumer credit. In coming years, the importance and the complexity of the decisions made by Americans in this area will increase, not diminish.

The efforts of the Missouri Consumer Credit Association-Education Foundation are doing a great deal to expand the knowledge in the hands of future users of credit—our high school students. As part of its program, the foundation sponsors an annual essay contest for high school seniors. The purpose of the contest is to enhance the students' understanding of consumer credit issues.

The first-place winner of this year's contest is Stacye Black of Springfield, Mo. My congratulations go to Ms. Black, to her family, and to her teachers on a job well done.

Ms. Black's essay reflects the serious thought and research devoted to her topic. Her observations on the importance of consumer credit to American households and to our economy merit attention. I ask that her essay be printed in the RECORD.

Ms. Black's essay follows:

THE WISE USE OF CREDIT

(By Stacye Black)

"The American market place is an economic jungle."[1] If you don't know the rules of survival, you will quickly become the prey of other animals. You can easily fall into traps if you aren't careful where you step, and if you aren't trained at an early age to understand the rules and heed them, you may be destroyed. The use of consumer credit is very similar to a jungle. Managing your family money, knowing when to use credit, developing an understanding of credit, and dealing with reputable firms is vital to your flourishing in the jungle.

The first thing you should do after you have decided that you want or need credit is to search for a reputable establishment. You should always deal with well-established firms. Trying to save a little money by going to an unknown firm may end up costing you a lot more. Before signing any contracts, make sure that you know the exact amount of finance charge, percentage rate, and all other costs. Make sure that all blanks are filled and that you understand all terms and conditions. Once you sign that contract, you have made a promise to pay under those agreements. Keeping to those agreements is your job, and remember, your performance now will affect your credit rating later.

Before borrowing money or starting any kind of credit account, there are certain factors one should consider. Whether you are trying to establish a good credit rating, saving money for an emergency, or just for the convenience of a charge account, you need to decide if the extra cost involved is worth it. If so, you need to choose the type of credit which will suit your needs and your ability to pay. It is important that you remember to shop just as carefully with credit as you would with cash. Making a budget before you borrow or start any type of credit account is extremely important. One should include durable and nondurable goods, an emergency fund, and some money for savings. Don't contract for larger payments than your budgeted income will permit. Depending upon the size of the family, limiting total credit to fifteen to twenty percent of the take-home pay would be a good idea. You should be careful not to overburden yourself so as not to damage your credit rating.

For a good credit rating, promptness in payment is essential. Pay credit card bills immediately, department store charge accounts by the tenth of the month, and other debts as soon as possible, preferably before the second notice. Third or fourth reminders mark you as a doubtful case, and a telephone call to prod you is a black mark against you. If you have more than one account, you should keep close track so that you won't accidentally fall into debt. If for any reason you cannot meet your payments, you should contact the credit granter immediately. Remember, honesty is the best policy. Establishing a good employment record is another important factor in achieving a good credit record. Your past performance will determine the rating you receive, and only you can create that rating.

The right to receive credit must be earned. "However gradual may be the growth of confidence, that of credit requires still more time to arrive at maturity."[2] It takes time to establish a good credit rating, but it is vital to one's financial status. Your credit record follows you throughout your life. You will be judged by the type of rating you have created for yourself. Unquestioned credit can bring a continuous flow of good things to you. A good credit rating will bring satisfaction and security for your family and will never depreciate by use; therefore, it will always be helpful. "A good reputation is more valuable than money."[3]

If you use your credit wisely, it can be of great importance and value to you. The rising costs of durable goods makes it almost impossible for a family to buy these things without some type of credit. However, if your credit is used unwisely, you may find yourself with more bills than funds.

The wise use of consumer credit benefits not only individuals, but our entire nation. Consumer credit stimulates and helps support the American economy. It serves to maintain a balance between production, distribution, and consumption. Since consumer credit is an important part of our everyday lives, we need to work on developing the use of credit wisely and its many functions in today's world. With this accomplished we all can flourish in this economic jungle.●

SMALL BUSINESS WEEK

● Mr. **BOREN**. Mr. President, I am pleased to join with my colleagues this week in honoring the men and women who are classified as engaging in small business. As you know, May 9 through 15 this week has been designated by Presidential order as Small Business Week.

Small business is the backbone of the American economy. The statistics proving this statement are well known. Small business employs nearly half of all the nongovernment labor force in the United States. Significantly, close to 80 percent of all new jobs are created in firms with less than 50 employees. Small business firms comprise 38 percent of the GNP of the United States. As further evidence of the pervasiveness of small business, I would note that there are some 10,000 corporations in the United States with more than 500 employees; but there are 14 million business operations in this country with less than 500 employees. It is certainly fitting that we set aside a week to honor the achievements of this outstanding group of Americans.

But, Mr. President, while we pay tribute to these men and women this week, we must also rededicate ourselves to keeping the problem they face before us during the other 51 weeks of the year. Particularly as we deliberate the various factors involved in our current economic crisis, this is true. In deliberations on the budget, in discussing the Federal Reserve Board and its monetary policies, in evaluating the various proposals from the administration, and in our search for the proper signals to send to the private money markets, we must pause and ask ourselves how all of this affects small business.

One of the most devastating statistics in an economy which abounds with bad news is the number of small business firms which are going bankrupt each week, in record numbers. Included in the latest information I have received is that business failures as of April 30, 1981, totaled just over 5,000. This year, during the same period, business failures have totaled 7,599. The average week in 1981 saw 348 businesses go bankrupt. The weekly average this year is 474. While I recognize that not all of those failures fall under the heading of "small businesses," the vast majority of them do.

Mr. President, we simply cannot allow this to continue. Interest rates must come down, and there is no better time to rededicate ourselves to that purpose than during Small Business Week. Therefore, Mr. President, I salute these enterprising men and women during this, their week of recognition. I pledge to them my efforts, not just this week, but every week, to find solutions that will ease the tremendous financial burdens under which they now find themselves.●

S. 1501, TRANSFER OF THE SILVER FOX MINE

● Mr. **MURKOWSKI**. Mr. President, the Committee on Energy and Natural Resources considered S. 1501, the Educational Mining Act of 1982. The bill would convey approximately 60 acres near Fairbanks, Alaska, to the University of Alaska.

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[1] Sylvia Porter, "Sylvia Porter's Money Book," (Garden City, N.Y., Doubleday & Co., Inc., 1975), Forward.

[2] John Bartlett, "Familiar Quotations," XV (Boston, Mass., Little, Brown, and Co., Inc., 1980), p. 502:8.

[3] John Bartlett, p. 110:19.

S. 1501 would provide for a beneficial conveyance of lands under Federal jurisdiction for a true life learning experience to compliment the university's program in mining engineering and geological engineering. The conveyance of these lands will coordinate with the transfer of an additional 445 acres to the State of Alaska. These lands originally were subject to the valid mining claims of Mr. Turry Anderson, a well-know Alaskan miner. It is the desire of Mr. Anderson and the University of Alaska that these lands will provide for a better educational opportunity and a more complete learning center for mine engineering.

This is not a new concept, and Congress has acted favorably on legislation of this sort in the past. The University of New Mexico, the Colorado School of Mines, and Michigan Tech have all been beneficiaries of this type of conveyance. It has greatly enhanced their ability to have comprehensive educational programs.

I joined with my colleague from Alaska, Senator Stevens, in sponsoring this legislation earlier this year. However, it was also introduced during the 96th Congress and was favorably reviewed by the Department of the Interior Bureau of Land Management. This administration has also favorably reviewed this legislation.

The bill, would enhance the University of Alaska's program. The legislation is consistent with congressional actions in the past. Therefore, I am hopeful we can expeditiously move S. 1501 so we can resolve this issue.●

CIVIL RIGHTS ATTORNEYS' FEES

● Mr. HATCH. Mr. President, on April 22, 1982, the Subcommittee on the Constitution reported S. 585 favorably to the Judiciary Committee with amendments. At the subcommittee markup I offered a substitute amendment which was accepted. Because of the critical and sensitive nature of this legislation, I want to take this opportunity to carefully explain the changes I have made. The liability of State and local governments under 42 U.S.C. 1983 and 42 U.S.C. 1988 has increased drastically in recent years. In my opinion, many of these added burdens do little to protect civil rights but do result in a greatly lessened ability of State and local governments to serve the public. The first part of this amendment provides municipalities with a good faith defense in section 1983 actions. In my statement on S. 585, Congressional Record, February 26, 1981, page 3190, I explained why I feel that a good faith defense for municipalities is so important. The 4 days of hearings which I conducted, as chairman of the Constitution Subcommittee, confirmed for me the necessity of this legislation.

During those hearings to consider the extent of State and local government liability under section 1983, virtually every witness discussed attorneys' fees as a major component of that liability. State and local government witnesses testified that high fee awards were unduly burdensome on already strained public treasuries and provided incentive for the bringing of highly questionable or frivolous suits which were costly for the Government unit to simply defend itself against. On March 1 the Subcommittee on the Constitution held a hearing specifically on the awarding of attorneys' fees under section 1988. As a result of these hearings I proposed some amendments to section 1988 which would modify the awarding of attorneys' fees to reduce the burden on State and local governments while maintaining the original purpose of the fee award—to aid poor people in asserting their constitutional rights.

PURPOSE OF THE FEES ACT

The Civil Rights Attorneys' Fees Awards Act of 1976, now codified in 42 U.S.C. 1988, was enacted for the laudatory goal of providing poor people with the opportunity to attract competent counsel to remedy violations of their constitutional rights. The Fees Act provides that the prevailing party will be awarded reasonable attorneys' fees in actions under several civil rights statutes, the most important of which is 42 U.S.C. 1983. Suits brought under section 1983 have dramatically increased in recent years and now represent a substantial portion of the suits brought in Federal Courts. But the damage awards recovered by prevailing plaintiffs in these cases are often not enough to attract an attorney on a contingent fee basis, and often the plaintiffs are poor. Thus, the 1976 Fees Act was intended by Congress to increase the enforcement of individual civil rights by providing incentive for attorneys to represent individuals who otherwise could not afford to pay for the attorney's services in these civil rights suits. I applaud the overall goal of the Fees Act, and I feel that in the years since its enactment it has aided many impecunious individuals in enforcing their civil rights. To that extent, the Fees Act has been very beneficial.

CRITICISMS OF THE APPLICATION OF THE FEES ACT

However, the application of the Fees Act has not been without substantial criticism, and I believe much of this criticism is warranted. Justice Sandra D. O'Connor, before she became a member of the Supreme Court, wrote in a William and Mary Law Review article that the burden of section 1983 litigation could be beneficially reduced,

> By limiting or disallowing recovery of attorney's fees. Such a move—

She said—

> Would be welcomed by State courts, as well as State legislatures and executive officers.

I am aware of several State attorneys general, who are usually considered quite liberal, but who have expressed the view that the Fees Act has resulted in such burdens and inequities that it should be repealed. Virtually all of the State and local government organizations have called for changes in the way attorneys' fees are awarded under section 1988. Many local government officials to whom I have spoken have expressed concern about the substantial fee awards they have already paid, the increasing amounts of money that are being diverted from public services to legal defense, and their view that a number of these suits are simply being brought to collect attorneys' fees.

A few examples of some fee awards and results of the Fees Act will help in understanding the concern over the Fees Act. For example, according to a committee report by the Lawyers' Committee for Civil Rights Under Law—Report No. 39, October 1980—courts are increasingly applying a "multiplier" or "bonus" after determining a "lodestar" amount by multiplying the hours spent by a reasonable hourly rate in determining the amount of the fee award. In *Keith* v. *Volpe*, 86 F.R.D. 565 (C.D. Cal. 1980), the court applied a multiplier of 3.5 to reasonable hourly rates of from $25 to $117.50, for effective hourly rates of from $87.50 to $411.25. In another case listed by the report hourly rates of from $50 to $75 were doubled, for effective hourly rates of from $100 to $150. In *Copeland* v. *Marshall*, 594 F. 2d 244 (1978) (a non-1983 sex discrimination suit), a large Washington, D.C., law firm, who had appeared pro bono, received attorneys' fees of $160,000 where they obtained $33,000 in back pay. The Dissent characterized the majority's fee computation as being "up, up, and away."

In *Regina* v. *Dalsheim* (S.D. N.Y. 78 Civ. 1677), the court rejected the prisoner's numerous challenges to the condition of the prison hosptial. The court did direct the prison to install an electric buzzer over the prisoner's bed, and, in light of that relief, the court awarded $13,383.22 in attorneys' fees. In *Oniskor, Logan and Dock* v. *Milliken*, No. C-79-0142, U.S.D.C., Utah 1980, each of three mentally ill prison inmates received $500 while their three lawyers received approximately $22,000 in fees. According to the attorney general of Utah, David Wilkinson, in one case 45 hours of editing and proofreading were compensated at approximately $75 per hour, and in one

case even the dog kennel expenses of one expert witness were compensated.

Many State and local government officials are upset because courts routinely award fees to organizations which are already publicly funded, and thus taxpayer funds are being used to pay such organizations twice to do the same thing—that is, represent poor people who cannot afford legal counsel. But the ultimate twist occurred in the case of the *Seattle School District* v. *State of Washington*, CA 9 No. 79-4643, where a municipal corporation of the State of Washington brought a successful action against the State. The district court refused to grant them fees, reasoning that the litigation had already been publicly funded, but the ninth circuit reversed and awarded attorneys' fees to the school district. Thus, this litigation will be funded three times out of the public treasury: Once to support the school district, once to support the State, and once more to pay attorneys' fees to the school district's attorneys.

I will discuss some of the other criticisms States and municipalities have with the application of the Fees Act when I describe my proposed amendments, but I would like to mention an exchange during a recent oral argument before the Supreme Court in *Parrat* v. *Taylor* (argued Mar. 2, 1981) in which several Justices seemed to recognize the claim being made by State and local officials that many of these suits are simply being undertaken to collect attorneys' fees. In that case, a prisoner sued under section 1983 because a prison had lost a hobby kit of his valued at $22.50. Justice Stevens inquired why the plaintiff had sued under section 1983 and had come all the way to the Supreme Court when remedies existed under State law which would have easily returned his $22.50. Plaintiff's counsel replied that he could not have gotten a jury trial. Justice Stevens countered by asking if he really needed a jury trial and was it not something else, namely, attorney's fees. Plaintiff's counsel responded that that might have entered into the decision. Justice Marshall stated that the only difference, then, between what he could recover under section 1983 and the State procedure was attorney's fees.

AVAILABLE STATISTICS

Over the last several years there has been an explosion of civil rights suits and, in particular, civil rights suits brought under section 1983. In 1961, according to the administrative office of the U.S. courts, 270 civil rights cases were brought in Federal courts. This figure and those following exclude cases in which the United States was a party. Unfortunately, statistics are not available on specifically the number of section 1983 cases brought in Federal courts, but, in practice, the vast majority of these cases are suits against State and local governments, virtually all of which allege a section 1983 claim. By 1976 the number of these suits had leaped to 10,585; in addition, 6,958 State prisoners suits were brought—all of which would be section 1983 suits; habeas corpus suits are not included in this figure. During 1981 the number of civil rights suits brought in Federal court had increased to 13,534, plus 15,639 State prisoners suits. Between 1976 and 1981 the number of civil rights suits brought in Federal court—still excluding suits in which the United States was a party—per year increased from 17,543 to 29,173, a 66 percent increase.

Thus, a very conservative estimate would indicate that 23,000 suits were brought alleging section 1983 claims against State and local governments or officials in 1981 alone. Some would estimate the number to be closer to 26,000. An extremely large amount of taxpayer money must be spent to merely defend States and municipalities in these suits. If the plaintiffs prevail in any substantial portion of these suits, the cost to the public treasuries of our States and local governments for the payment of attorneys' fees awards pursuant to the Fees Act will be tremendous. From these figures alone it is obvious, particularly in light of the strained financial condition of many States and localities, that we cannot afford to encourage the bringing of questionable suits or burden public treasuries by overcompensating attorneys bringing these cases.

The National Association of Attorneys General submitted a survey to the Constitution Subcommittee which demonstrates the impact of the Fees Act. While States have generally not kept statistics on Fees Act awards and many of the States could not afford to divert the resources needed to respond to the survey, the data for the States which were able to respond to the survey, is typical of the experience of the other States, according to the National Association of Attorneys General. It should be kept in mind that these figures only represent Fees Act cases against States; they do not include the numerous suits which may have been brought against municipalities within the State. The following are some of the findings of the survey:

Ohio has over 600 Fees Act cases pending against it. In addition, Ohio has paid over $270,000 in attorneys' fees under the Fees Act.

The State of Washington has over 95 cases pending against it and has paid over $400,000 in attorneys' fees. Also, Washington reports that it is facing pending fee requests potentially exceeding $4,500,000.

New York has currently pending fees requests exceeding $2,000,000.

Massachusetts has paid over $400,000 in attorneys' fees.

Hawaii reports it has paid $428,000 in attorneys' fees and $15,386,000 in program costs as a result of judgments.

Florida has paid $778,090 in attorneys' fees while it only paid $211,042 in damages during the same period. In other words, the State of Florida has paid 269 percent more in fees to the lawyer than it has in damages to the individual harmed by the Government conduct.

Tennessee has over 200 cases pending against it and estimates litigation costs exceeding $1,000,000 in two cases only.

Again, according to the National Association of Attorneys General, the experience of these States is typical of the other States.

A survey by the National Institute of Municipal Law Officers gives some sense of the liability municipalities are facing from section 1983 litigation. The survey revealed that there were over $4.78 billion in pending damage claims under section 1983 against a sampling of 200 cities. This figure is somewhat misleading since damage claims are generally greatly inflated, but even if an extremely small percentage of the damages claimed were awarded and if this was extended to the approximately 17,000 cities nationwide, the financial liability is tremendous. NIMLO's figures did not include attorneys' fees, which are often higher than the damage award.

Some opponents of changes in the Fees Act have suggested that a study be undertaken to determine whether the Fees Act is creating a burden for State and local governments. In my opinion, the available statistics—not to mention the expressed concerns of numerous State and local government officials—establish that the current application of the Fees Act is resulting in substantial burdens, some of which are not necessary to fulfill the basic purposes of the Fees Act. In any event, the amendments I am proposing, as I will show, are reasonable and necessary improvements on the awarding of fees under section 1988.

PROPOSED AMENDMENTS

There are approximately 100 statutes, like section 1988, which provide for fee shifting. But none of these other fee-shifting statutes involve such enormous numbers of suits, and in many of these other statutes the fees are not awarded out of public treasuries, as is the case with section 1988. Neither, to my knowledge, have these other fee-shifting statutes aroused the kind of opposition and concern that section 1988 has. For these reasons amendments modifying fee shifting under section 1988 are fully justified.

Before discussing the changes I am proposing, I want to clearly indicate what these provisions would not change: A prevailing plaintiff will still recover attorneys' fees which will compensate his attorney at the prevailing market rate, and no plaintiff need fear having to pay the other party's fees, even if he loses the case, as long as his claim is not frivolous or groundless. These amendments do not by any means drastically change the awarding of attorneys' fees under section 1988. In fact, several State and local government groups have suggested that these amendments should go much further than they do. These changes will only discourage the bringing of nonmeritorious claims or suits.

In my opinion, we will be doing ourselves a great disservice if this issue is framed in terms of being either for or against civil rights. Clearly, it is of utmost importance that individuals have a practical remedy for violations of their civil rights. If we were to pay attorneys incredible amounts of money to bring civil rights cases, we would insure that every conceivable civil rights complaint, and probably a lot that cannot be conceived, would be brought. But such a course would be also clearly not in the best interest of the taxpayers who fund these fee awards and would be very detrimental to the ability of State and local governments to serve the public.

As was stated repeatedly in the Senate floor debates, the purpose of the Fees Act was not to create a lucrative civil rights bar. The purpose was to enable poor persons to assert their constitutional rights by providing reasonable attorneys' fees if they won the case.

THE DUAL STANDARD

Subsection (a) of this amendment deals with the standard to be used to determine whether the prevailing party should recover fees. The language of section 1988 makes no distinction between prevailing defendants and prevailing plaintiffs; however, the legislative history of the Fees Act makes it clear that the so-called dual standard is to apply. The dual standard provides that plaintiffs are to be routinely awarded fees when they prevail, but the defendants are not to recover fees when they win, according to the House report,

> "if the action is not brought in bad faith.—H. Rept. 94-1558, 7 (1976).

The dual standard, particularly with the incredible number of lawyers in our country today, creates a tremendous incentive to bring these suits: the lawyer knows that if he can prevail on any part of his claim, he will be awarded his attorney's fees and possibly a bonus on top of that. According to testimony at the hearings which I chaired, this situation is resulting in numerous frivolous and questionable suits being brought which are costly to defend against even when the government wins. In a letter to the Constitution Subcommittee, the attorney general of Louisiana stated that:

> Frivolous lawsuits can be time consuming. Over 40 hours were spent obtaining a routine motion to dismiss in one of the latest instances of groundless litigation handled by this office.

Some State and local government officials have suggested that a fairer approach, and one which would deter frivilous suits, would be to allow plaintiffs and defendants to recover equally.

The legislative history of the 1976 Fees Act pointed out clearly, and correctly I think, the need for the dual standard: If the persons seeking to enforce their civil rights were faced with paying their opponents attorneys' fees if they simply did not win the case, the Fees Act would create a greater disincentive to bring these civil rights suits than the situation it attempted to remedy. The amendment that I am proposing would clarify that the standard enunciated by the Supreme Court in *Christiansburg Garment Co.* v. *Equal Employment Opportunity Commission*, 434 U.S. 412, was to apply to prevailing defendants in claims covered under section 1988. The Christiansburg Garment standard would provide some deterrent by forcing the plaintiffs to pay the defendant's attorneys' fees if the suit was frivolous or groundless. In fact, the standard has been applied in other civil rights fee statutes, and has been cited in some section 1988 cases, but I feel it is important that Congress make it clear that while meritorious civil rights suits are encouraged, those who would file frivolous suits at taxpayer's expenses do so at the risk of paying the other party's attorneys' fees. Two of the four witnesses on the civil rights/plaintiffs panel at the Constitution Subcommittee's March 1 hearing on attorneys' fees even agreed that this change was warranted.

THE USE OF PENDENT JURISDICTION

Subsection (b) modifies the awarding of fees where the plaintiff prevails on a claim not covered under section 1988 but there is a pendent claim covered under section 1988 which the court does not decide. The use of pendent jurisdiction allows creative attorney's to recover fees for claims not covered under section 1988 and turns section 1988 into a general fee-shifting statute.

Currently, when a plaintiff prevails on the basis of a claim which does not provide for attorneys' fees but is joined to a claim which is covered under section 1988, the plaintiff will recover fees for the entire suit despite the fact that the court did not reach the claim covered by section 1988 and despite the fact that the claim may have no merit. In these situations, the standard used to determine whether the section 1988 claim may be joined to a vaild State claim, for example, is that it is not "obviously frivolous" or "wholly insubstantial". Justice Rehnquist characterized this standard as permitting joinder of claims whenever the "plaintiff is able to plead his claim with a straight face." *Hagans* v. *Lavine*, 415 U.S. 528, 536-37 (1974).

In these situations the courts, following the sound judicial rule that constitutional questions should not be decided if the case can be resolved on other grounds, will decide the case on the valid State claim. Prof. Arthur Wolf, who was a special counsel to one of the leaders in the House's passage of the Fees Act, former Congressman Drinan, has written that joinder of claims—

> Will provide the basis for applying the 1976 Fees Awards Act in an ever-widening circle of litigation, especially in those lawsuits where the defendants are persons acting under color of state law. It is not improbable to suggest that with a little bit of creative thinking many (and maybe most) suits involving state action will be covered by the Fees Act.—2 Western New England Law Review 193, 249.

I believe, despite a footnote in the House report to the contrary, that Congress did not intend, in enacting the Fees Act, to provide attorney's fees from the public treasury to creative attorneys in any suit against State or local governments regardless of whether it pertains to civil rights or not. Even if this was the intention of Congress in 1976, I believe this policy is unwise and should be changed. Some groups have suggested that his problem be corrected by providing that no fees may be awarded unless the plaintiff specifically prevails on the claim covered by section 1988. But that approach would hamper judicial economy in situations in which there was in fact a valid State or Federal claim not covered under section 1988 and a valid section 1988 claim, because the plaintiff would be likely to bring two separate actions to insure he recovered fees he was entitled to, or the court would have to decide a constitutional claim which was not necessary for it to decide.

The change I propose would direct the judge, in these situations, to make a determination as to whether it would have been rational to have brought the section 1988 claim as a separate suit. One court has, contrary to the legislative history of the Fees Act, denied fees in this situation, stating that,

> This court sees no basis for awarding fees when the fee triggering statute plays no role but that of allowing attorney fees. *Tatro* v. *State of Texas*, 516 F. Supp. 968, 984 (N.D. Tex. 1981).

If the court determined that the claim covered under section 1988 had sufficient merit to have been reasonably brought as a separate suit, attorneys' fees will be awarded even though the plaintiff prevailed on a non-1988 claim. The judge would not have to determine whether the plaintiff prevailed on the section 1988 claim, and the decision would not require extensive analysis in the vast majority of cases. I want to emphasize that this proposal will not require the court to decide any additional constitutional questions.

While this amendment would require an additional determination by the court, I feel it is more than justified by the two alternatives—leaving the situation as it exists now or not allowing fees unless the court makes a final determination on the claim covered under section 1988. The latter course would probably severely hamper judicial economy, while the former is too burdensome on State and local governments. This proposal should not burden the plaintiff since he simply has to determine whether he is joining the section 1988 claim because it has merit or because he is trying to use it to collect fees.

ENCOURAGING SETTLEMENTS

Subsection (C) would deny fees to a party that has rejected a settlement offer which was as favorable to the party as the relief ultimately granted by the court. I have been told by plaintiffs' attorneys that State and local governments often refuse to settle, and thus drag out litigation, where it is clear that the government is in the wrong; on the other hand, defendants' attorneys have advised me that plaintiffs' counsel refuse to settle knowing they will be racking up attorneys' fees if they continue to litigate the case. Whichever of these views is correct, if either is, the settlement provision I have suggested would be beneficial to both parties. The provision would provide great incentive to the defendants to offer reasonable settlements to the plaintiffs, resulting in a quick and fair resolution of the dispute to the benefit of the plaintiff and resulting in a reduction of the terrible congestion that now exists in our courts. After accepting the settlement, the plaintiff would be considered to have prevailed in the action and the attorneys' fees for work up to that point would be awarded. State and local governments would know that if they offered a reasonable settlement they could protect themselves against large, and possibly crippling, fee judgments and could also protect themselves against attorneys who would try to run up the fees.

It has been argued that this proposal would place the entire risk upon the plaintiff's attorney and would "place the attorney and his client in a conflict—the attorney may feel compelled to encourage the plaintiff to accept a less than adequate settlement, rather than risk denial of fees for litigating to a judgment." But this argument ignores the fact that there presently exists a substantial risk and a conflict of interest for the plaintiff's attorney—presently the attorney can settle and receive his fees up to that point or he can go ahead with the suit and risk not winning and thus recover no fees. In addition, the argument fails to account for the present overly strong incentive which exists for defendants to settle these cases. As has been illustrated earlier, the fees in these cases often far exceed the damages awarded to the plaintiff. Robert Corbin, attorney general of Arizona, stated that:

> The potential burden of having to pay attorneys' fees often affects the states' or defendants' ability to litigate or defend a case fully in trial or on appeal. Therefore, it is not uncommon, in a close case, for the defendant to capitulate early in order to minimize the attorneys' fees liability.

While this amendment may increase the risk upon the attorney and the conflict with his client, the increase is a matter of degree and not of kind. Consideration by the attorney of his potential fee is currently injected throughout the litigation by the Fees Act itself. I feel that the benefits of the proposed settlement provision far outweigh the costs: First, the plaintiffs, often the forgotten figure in this issue, will get a quick resolution of his claim rather than having to wait possibly years; second, court congestion from these cases will be reduced and the notion that each of these disputes must go through the grossly inefficient process of full litigation will be lessened; third, local governments will be able to protect themselves from costly fee judgments; and fourth, the attorney will recover his fees for his efforts up to the settlement and can still recover fees for the entire suit should the defendant's offer not be reasonable and he later prevails.

In addition, the subcommittee further reduced the risk upon the plaintiff's attorney by providing the court some discretion to award fees anyway in these situations where it finds substantial justification for declining the settlement; for example, an intervening change in the law or the necessity to go through discovery might be rational reasons to reject an early settlement offer. This provision was an amendment offered by Senator DeConcini and accepted by the subcommittee.

THE CATALYST THEORY

Currently a plaintiff will be held to be a prevailing party and entitled to recover fees even if the claim has been mooted if the court finds that the suit was a catalyst for the change of policy which rendered the claim moot. Subsection (d) would clarify that the pendency of the litigation had to be a material factor in the Government's decision to change the policy which moots the suit. This standard is, in fact, being currently applied by most courts. See, for example, *Morrison* v. *Ayoob*, 627 F.2d 669 (3d Cir. 1980), cert. denied, 449 U.S. 1102 (1981). But some courts' strong emphasis on chronology—that is, the fact that the plaintiffs' case was pending when the Government changed the policy which mooted the litigation—as establishing that the suit was a catalyst for the Government's action has led many local governments to fear making changes and improvements in its policy lest it become liable for fees in a pending suit. For example, the city of Tarpon Springs, Fla., stated in a letter to Congressman Bill McCollum which was forwarded to me:

> Furthermore, a city can be involved in revising its policies and subsequently be served with lawsuits such as those discussed above. The city would then be subjected to a claim that in part the program for improving practices continued because of the lawsuit. This is the exact situation in the City of Tarpon Springs, where prior to the litigation, the City of Tarpon Springs engaged consultants and otherwise had established a planned program to improve personnel practices, employment, recreation, and many other municipal services. This type of strategy and tactic has the effect of encouraging public officials to do absolutely nothing and take their chances with lengthy litigation. (Letter of September 14, 1981)

These suits do often act as "catalysts" in pointing out policies which need to be changed and which the Government does subsequently change as a result of the pendency of the litigation. In these situations awards of attorneys' fees are totally appropriate. Subsection (d) is needed to insure that planned improvements are not delayed in order to prevent an adverse judgment.

DETERMINING A REASONABLE FEE

Subsection (c) simply provides that a prevailing party eligible for attorneys' fees will be compensated by determining a reasonable market rate and multiplying this by the number of hours which were reasonably spent on the issues in which the plaintiff prevailed. Typically the hourly rate for an attorney who handles these types of cases would be his usual hourly rate. If this is not appropriate, the market rate or a reasonable hourly rate for that type of litigation should be used. In addition, the hourly rate should be the attorney's current hourly rate to take into account the impact of inflation on suits which have been pending for a long period of time. The plaintiff's attorney's hourly rate should also include a limited—for example, 20 percent—factor to account for the contingent nature of these cases.

Subsection (f) requires the attorney to submit a statement detailing the precise nature of the work done during each increment of time. From this the court will determine the number of hours reasonably necessary to further the client's interests on the claims in which the plaintiff prevailed. Duplicative work should not be compensated;

in other words, taxpayer funds should not be used to pay four or five attorneys a high hourly rate to sit around and listen to depositions or, as one witness at the hearings indicated, to read Newsweek during the trial.

Subsection (e) clarifies that only claims in which the plaintiff prevailed will be compensated. Currently the circuits are split on this issue. Probably the majority hold that if, for example, a plaintiff alleges five separate claims and the court finds that he only prevailed on one of those claims, attorney's fees will be awarded for the entire litigation despite the fact that the Government won the vast majority of the claims. This result is anomalous since if the plantiff only alleged the four claims that failed, he would have received no fees at all. For example, in *Eckerhart* v. *Hensley*, 475 F. Supp. 908 (W.D.MO. 1979), according to the attorney general of Missouri, John Ashcroft, Missouri prevailed on the vast majority of substantive issues. Yet the court refused to reduce attorneys' fees and awarded fees of $133,332.25 and expenses of $15,177.40. The Supreme Court has granted certiorari on this issue, but it is possible that the Court could determine from references in the Fees Act report that Congress intended this result, a contention that I cannot believe.

The approach I am proposing would provide fees to the plaintiff's attorney even on claims the plaintiff did not win if the attorney could show that the particular work was interrelated with claims in which the plaintiff prevailed upon; for example, evidence gathered for a losing claim may very well be interrelated to claims in which the plaintiff prevailed. But the court should be careful not to award fees for work done specifically on losing claims. This will reduce the incentive to join questionable claims where the plantiff knows he has a claim which he will prevail upon. It should be remembered that awarding fees on claims not prevailed upon does not benefit the plantiff. In fact, poor people in general lose in these situations because awarding fees on claims not prevalled upon is one of the factors which leads to fee awards far in excess of the relief granted to the plaintiff himself. Moreover, there have been several cases in which the Government did not upgrade prison facilities, for example, because of a lack of funds. After a large attorney fee has been awarded in a suit, the Government unit has far less money to devote to needed services than the problem which prompted the suit in the first place.

Finally, I am proposing in subsection (e) to eliminate the use of multipliers or bonuses on top a fee which represents a reasonable hourly rate multiplied by the number of hours worked, a rate which everyone except lawyers would agree was more than adequate. Earlier in this statement I gave examples of some of the huge fee awards which result from the use of multipliers; these awards result in incentives to take even highly questionable cases in hopes of recovering a large fee award. Since courts now usually award bonuses because of the contingent nature of the case, the awarding of bonuses also results in another anomalous situation where a small fee award is given for obvious, egregious violations of a person's civil rights, but a huge fee may be awarded in situations where it was not at all clear that the State or local government even violated anyone's civil rights. I am aware that multipliers, resulting in incredible fee awards are given in complex antitrust suits, for example, but section 1988 can be distinguished because the fees are awarded directly from the public treasuries of State and local governments and the fact that the Fees Act has generated unprecedented criticism and burdens, as I pointed out earlier. Whether or not multipliers are justified in antitrust suits where the attorneys are probably making well over $100 an hour already is not for us to decide here.

If the suggestions of the civil rights and plaintiffs' attorneys were followed with respect to contingency multipliers, cases with little chance of success but which are successful would be awarded fees to cover work done on similar cases which were not successful. For example, some cases have awarded a multiplier of three on top of a reasonable rate. This means the attorney is being paid for two other similar cases which failed; thus the attorney could continue to bring cases with little chance of prevailing and effectively recover fees for all the hours he worked on any of these cases. Carried to its logical conclusion, a more direct approach, but hardly advisable, would be to pay the plaintiff's attorney by the hour directly out of the public treasury for any case he brought. As I suggested earlier, a small contingent factor should be figured into the attorney's reasonable hourly rate to account for the fact that he only gets paid if he wins, but the contingent multiplier rationale some courts are applying is clearly harmful to State and local governments.

CONCLUSION

While these amendments all affect the awarding of fees to plaintiffs' attorneys, I would be remiss if I did not acknowledge the fact that the governments sometimes cause their own problems with attorneys' fees. For example, Fletcher Farrington, a plaintiffs' attorney from Savannah, Ga., testified that a county commission rejected plaintiff's offer to settle in one case where the settlement offer was for $8,000 and the court ended up awarding $74,000 in damages and $24,000 in attorney's fees. I certainly have no sympathy for defendants in situations like this and, while Congress has no authority to limit fees paid by the government unit to defend itself, I hope that the public will hold those officials accountable who stubbornly increase the cost of defending the government unit and also increase unnecessarily the awards to plaintiffs.

I hope that my colleagues will support these amendments to section 1988. I believe these are moderate amendments which will lessen the tremendous financial liability which State and local governments are facing and will not discourage the bringing of civil rights suits, except those suits and claims which are meritless.●

U.S. SMALL BUSINESS WEEK FOR 1982

● Mr. GLENN. Mr. President, Sunday marked the beginning of National Small Business Week here in the United States. In my judgment, the timing of this week's festivities could not have been better. Indeed, to the extent that our celebration causes the Nation to reflect on how truly important smaller enterprises are to the American economy, then one might say that this is a week whose time has surely come. Now I would not burden this Chamber with a long-winded recitation of how important small business really is; the facts are familiar enough:

Small business provides almost half of America's GNP, more than half of our private sector employment and the majority of our new inventions and innovations.

We also are well aware that the economic climate prevailing in this country today is wreaking havoc with the small business community. The twin ogres of recession and high interest rates are pushing smaller firms to the wall—and the skyrocketing number of small business bankruptcies is truly alarming. In fact, the annual rate of business failures is now higher than at any time since the 1930's, and a large proportion of those failures are unfortunately concentrated in the ranks of smaller enterprise.

I believe that Congress has a responsibility to help; to take whatever steps we can to ease the crisis and to restore health to this important sector of our economy. Altruism need not be our motive. After all, only if America's smaller firms recover themselves can they play a role in America's economic recovery.

That, Mr. President, is why I hope this year's National Small Business Week will lead us beyond the homilies, the banners, the hoopla and the rhetoric. This year, I hope that every Member of the U.S. Congress will reflect not only on what he or she has done to help small business in the past—but more importantly, on what all of us can do to help in the future. The stakes are simply too high to do anything less.

Mr. President, throughout the 7 years I have spent in this body, I have proudly stood shoulder to shoulder with the small business community in its effort to obtain economic justice. I do not have to tell you that the struggle has not always been easy. Far too often, Congress has failed to recognize the potential of small business—to overlook the fact that the role of smaller firms is every bit as important as that of big business and organized labor. That is not to say, of course, that we stood by and did nothing.

In 1978, for example, I cosponsored, and Congress passed, legislation to reduce the level of capital gains taxes to 28 percent. When we did so, more than half a billion dollars became available to entrepreneurs.

We also made some attempts at regulatory reform. I, for example, was a coauthor of the original Sunset legislation which would have required periodic congressional review and evaluation of all Government programs and regulations. Had that legislation been passed, I am convinced that many useless programs and a lot of unnecessary paperwork would have been eliminated long ago.

Congress made other stabs at helping small business in the 1970's as well—but I think we would all have to agree that these efforts can probably best be characterized as "too little, too late." By 1980, however, it appeared that a new day for smaller firms might finally be dawning. In January of that year the White House Conference on Small Business was held in Washington. The Conference, attended by more than 1,600 delegates from every State in the Union, concluded its work by voting a list of recommendations concerning Federal initiatives on behalf of small enterprises.

In the 2 years that have elapsed since the White House Conference, Congress has acted on a number of those recommendations.

In the area of regulatory reform, for example, I supported and Congress passed such measures as the Paperwork Reduction Act and the Regulatory Flexibility Act.

More recently, I cosponsored the Regulatory Reform Act which was the first successful congressional attempt to bring comprehensive control over the regulatory process.

To encourage smaller firms to export, I cosponsored the Export Trading Company Act of 1981—Legislation which would provide financing, expertise and encouragement to smaller firms wishing to sell their goods abroad. Although the bill was passed by the Senate, it unfortunately remains bottled up in the House of Representatives.

To assist smaller firms who must meet exacting environmental standards, I cosponsored the Pollution Control Financing Act of 1981. This bill—which has been frustrated at every turn by the current administration—would significantly increase the amount of low-interest money available to smaller firms through industrial development bonds. Such money would enable smaller firms to design, install and finance the pollution control equipment that they are legally required to have.

Mr. President, measures such as these represent good faith attempts by Congress to meet some of the needs identified by small businesses themselves at the White House Conference. But let us not kid ourselves. In 1980, by far the most important issue to smaller firms was that of capital formation. Today, there is absolutely no doubt that that issue remains supreme. And although the Economic Recovery Act passed last summer has helped, the fact is that adequate financing is still not available to millions of smaller firms. What has Congress done in this connection?

When the administration first submitted its proposed tax package to Congress, I believed that it was grossly unfair to smaller firms. In fact, less than 23 percent of the administration's original tax reduction proposals were earmarked for business at all—and even those were overwhelmingly weighted in favor of larger firms.

So the first thing I did in 1981 was to cosponsor S. 360—the Omnibus Small Business Capital Formation Act. That bill addressed each and every one of the five initiatives put forward last year by such groups as Small Business United. Among other things, the bill proposed to: Graduate and reduce corporate tax rates; authorize the creation of small business participating debentures; dramatically reduce gift and estate taxes on small businesses; graduate and reduce capital gains taxes; and accelerate and simplify the tax code's outdated depreciation schedules.

Fortunately, some of these proposals were eventually incorporated into the Economic Recovery Act that became law last summer. Unfortunately, a number of others were not. Nor, I might add, were we successful in amending the act in ways that would have helped small business even more. For my part, however, I can proudly report that I voted for every single small business amendment that was offered to last summer's tax bill. Had they passed, I believe small business would be in less dire straits today.

But Mr. President, all that is past history. The question now is what are we doing in the present—and what can we do in the future? In the area of capital formation, it is obvious to everyone that the single most important thing we can do is reduce today's exorbitant interest rates. And that can only be accomplished by getting our ballooning Federal deficits down to manageable proportions. In that connection, I believe Congress can do a number of things. First, we can cut spending by examining all areas of the Federal budget for potential savings. Second, we can reexamine the ill-advised portions of last year's tax cut bill most responsible for getting us into our present mess. In particular, I believe that we ought to consider postponing or eliminating future personal tax cuts until interest rates are reduced. At the same time, we must also do our best to close some of the more blatant corporate tax loopholes that are permitting many larger firms to take unfair advantage of the system. And third, Congress should ask the Federal Reserve System to loosen up on the monetary reins—at least enough so that the Fed can hit the high range of their own money supply targets.

But Mr. President, these steps have not yet been taken—and we have no guarantee that they will be taken any time soon. In the meantime, therefore, we must explore alternative ways to provide small firms with the capital they need now. In that connection, two measures come immediately to mind: Industrial development bonds and small business participating debentures.

It is time to stop the Treasury Department's continuing assault on the tax-exempt small issue industrial development bond program. Historically, industrial development bonds have been one of small business' most effective tools in financing plant expansion and growth—and have allowed them to do so with money loaned at about two-thirds of the prime rate. At a time when smaller firms have no access to traditional capital markets, it is vital that they have access to small-issue IDB's—and the IRS should not be allowed to terminate this important source of captial.

The other thing we can do to help in the capital formation area is to authorize the creation of a small business participating debenture (SBPD). As I mentioned earlier, the SBPD was a part of Senate bill 360 that I cosponsored last year. If the revenue costs of the SBPD would not dramatically increase Federal deficits, Congress should approve its creation as soon as possible. Without going into all the details, suffice it to say that the SBPD is a private sector-based alternative for financing small business growth. Investors purchasing debentures would get a stipulated rate of interest, as well as a share of the company's profits, for a specified period of time. The interest would be taxed as ordinary income, while the profits would be taxed at the capital gains rate. For his part, the entrepreneur would be able to deduct both payments as a business expense. It is likely that this new investment tool would make much private sector capital immediately available to smaller firms, and I think its something Congress should not delay in considering.

In addition to capital formation measures, Mr. President, I believe that there are several other areas where congressional action must be taken to improve the position of smaller firms. Among the most important of these areas are:

FEDERAL PROCUREMENT

Last month, I cosponsored the Small Business Procurement Reform Act of 1982, a measure designed to reform cumbersome Federal procurement practices and permit smaller firms to receive their fair share of Government contracts. Its most important provision would require all Federal agencies to break down large system contracts into smaller component contracts wherever practical. By thus opening the procurement process to small business participation, the measure would increase competition and, therefore, encourage greater efficiency in the spending of tax dollars. During hearings on this measure, I anticipate that other areas of concern in the procurement area will be identified and perhaps included in the bill.

Last year I also cosponsored the Delinquent Payments Act of 1981, slightly different versions of which have now been passed by both Houses of Congress. Its purpose is simple and direct: To require the Federal Government to pay its bills on time. In the past, many Federal agencies were little better than deadbeats—forcing businesses to absorb the costs associated with the Government's "slow-pay" practices. Under the bill, agencies not paying their bills within 30 days will be required to pay interest—and that interest must be taken from their existing budgets, rather than through new appropriations.

INNOVATION

Last fall I was an original cosponsor of the Small Business Innovation Research Act of 1981, a bill that was passed by the Senate and is currently awaiting action in the House of Represenatives. Although smaller firms contribute over half of our industrial inventions and innovations, they now receive only 3½ percent of all Federal research dollars. To help correct this imbalance, the bill requires Federal agencies to earmark 1 percent of their total R. & D. budgets for small business. After these firms develop new products and processes with Federal financial support, private capital takes over to pay for the commercial production and marketing of these products. In my view, this is precisely the kind of private-public partnership that we must have if America is to regain her international competitiveness and maintain the technological superiority that has been her national trademark.

Finally, Mr. President, let me suggest that there is one more thing that we in Congress must resolve to do. And that is to insure that from this point forward, small business has a voice in America's economic decisionmaking. In the past, the small business viewpoint was not always well-represented in the policymaking process. It should be in the future. Only then can we be certain that the special needs of small business will be adequately addressed—and only then can we be sure that this valuable national resource will be adequately utilized. At a minimum, effective small business representation in Government decisionmaking should include:

Adequate small business representation at those agencies and commissions where important economic decisionmaking is actually made;

The continued existence of the SBA as an independent and adequately funded agency. The SBA's Office of Advocacy should also be strengthened and be given authority to intervene on behalf of small business whenever necessary;

The appointment of a special adviser to the President on small business affairs; and

Strong and consistent congressional oversight of all laws already on the books concerning small business.

Mr. President, I began my remarks today by expressing the hope that this year, Small Business Week could be the occasion for something more than rhetoric. I suggested that we use it as an opportunity to reflect; to reflect both upon how well each of us has served small business in the past and how we might better serve it in the future. By summarizing my own past and present efforts on behalf of small business—and by proposing a few steps that we might yet take—perhaps I have encouraged others to engage in a similar analysis. In any event, there is one thing of which I am absolutely sure: Only by freeing and strengthening the entrepreneurial spirit of America's small business community can we hope to get this country moving again. So this year, let us resolve that U.S. Small Business Week will not end 7 days after it started. Instead, let us make it a beginning—a beginning in which we allow our small business resource to transform the decade of the 1980's into what it should and can be: A golden age of prosperity and opportunity for every American.●

STEADFAST SERVICE

● Mr. HAYAKAWA. Mr. President, I am pleased to have the opportunity to acknowledge Mr. Bob Murphy, superintendent of the Fallbrook Union School District, who is retiring after 30 years of devoted service. Throughout his career as an administrator and teacher, Mr. Murphy has made many fine contributions to the field of education in California. He truly deserves the recognition he will receive from Fallbrook's citizens on June 4, 1982, at Fallbrook Country Club.

I, along with every other American, should be proud of Bob Murphy. I wish him the best of luck in his future endeavors and commend him for all his years of service.●

PROTECTION FOR PHARMACISTS IS NEEDED

● Mr. McCLURE. Mr. President, I respectfully submit for the RECORD a column by the distinguished Senator from Iowa, ROGER JEPSEN, which appeared recently in newspapers across the United States. This informative and timely commentary exemplifies the overwhelming concern and desire of many in Congress to alleviate the problem of crime and especially crime which is directly related to drug addiction. I commend to the Senate's attention the serious threat to American pharmacists, raised by Senator JEPSEN.

The column is as follows:

[Republican Conference Column (Appeared in newspapers across the country in December 1981)]

PROTECTION FOR PHARMACISTS IS NEEDED

(By U.S. Senator ROGER W. JEPSEN)

More than 10 years ago, Congress passed the Comprehensive Drug Abuse Prevention and Control Act of 1970 to limit the rampant use and abuse of illegal drugs. Since that time, pharmacists have experienced increased threats to their lives as a result of drug-related robberies. Whether drug addicts or hardened criminals commit these crimes, the crimes are always senseless and violent and, many times, tragically result in the death of an innocent pharmacist or customer.

In my home state of Iowa, the incidence of pharmacy robberies and burglaries has shot up alarmingly. In 1979, there were 157 reported pharmacy break-ins. That number is almost double the number committed in 1977. Nationally, thefts of controlled substances are reported to have increased a startling 225 percent between 1976 and 1978. Pharmacists are suffering from a "drug" problem that is reaching epidemic proportions.

In its September, 1980 issue, American Druggist magazine listed the names of over 50 pharmacists who have lost their lives because of drug-related robberies. The loss of one life, in my opinion, is one too many. Those of us in government must support legislation to ensure that more pharmacists do not lose their lives. Without exaggeration, it is fair to say that the government helped create this situation. But, it could have been prevented.

Under existing law, the manufacture, distribution, disposal, and possession of a controlled substance are all subject to federal criminal prosecution and penalties. In fact,

the theft of a controlled substance is the only act not covered by federal penalties. For this reason, the number and severity of pharmacy robberies has risen dramatically in the past several years. Unfortunately, this is exactly what the pharmacy industry predicted when Congress was debating this issue 12 years ago.

Appearing before the Senate Judiciary Committee, in its opening series of hearings on the Controlled Substances Act of 1969, Mr. William Woods, Executive Director of the National Association of Retail Druggists stated, "Too many retail pharamacists have been murdered, blinded, or assaulted as a result . . . We are concerned, however, that the robberies, assaults, and senseless murders in retail pharmacies may increase."

The facts show that the greatest fears of pharmacists have proven true. The practical effect of the 1970 Act has been to make pharmacists extremely vulnerable to the ravages of violent crime. I cannot imagine that the intent of the Drug Abuse Prevention and Control Act of 1970 was to make these individuals "sacrificial lambs" in the war against drug abuse; but this is exactly what has happened.

A number of different bills have been introduced in the 97th Congress to deal with the problem. Although the approaches of the various bills may be different, the intent is still the same—stop pharmacy crimes involving controlled substances.

In addition to the legislation, the Senate Judiciary Subcommittee on Criminal Law has indicated that it will make pharmacy crime its number one priority during the 2nd Session of this Congress.

While I am encouraged by the possibility that Congress will finally act, we must realize that similar opportunities have arisen in the past, only to be lost in the legislative maze. Let's hope that legislation can finally be adopted which will protect pharmacists and their customers from these senseless acts.

("Conference Reports" is the bimonthly column of the Senate Republican Conference. The opinions expressed are those of individual senators who comprise the new Senate Majority.)

THE NATIONAL ASSOCIATION OF
RETAIL DRUGGISTS,
Washington, D.C., March 26, 1982.

Hon. JAMES A. MCCLURE,
Chairman, Republican Conference,
Washington, D.C.

DEAR SENATOR MCCLURE: As Chairman of the Republican Conference, I wanted to call your attention to an article written by Senator Jepsen which appeared in newspapers across the country in the Conference Reports column. The topic of the commentary was pharmacy crime, an issue which continues to be a grave concern to the National Association of Retail Druggists.

NARD represents the owners of more than 30,000 pharmacies where 75,000 pharmacists practice their profession. These pharmacies fill approximately 70 percent of all prescriptions and serve 18 million consumers daily. NARD member pharmacies have annual sales exceeding $8 billion..

The issue of pharmacy crime ranked high on the list of concerns to the pharmacy leaders who attended NARD's 14th Annual Conference on National Legislation and Public Affairs. NARD members brought that concern to the attention of their Senators and Congressmen during their Congressional visits and following their lobbying efforts, cosponsors for the legislation to make robbery of a pharmacy to obtain controlled substances a felony under Federal law doubled. In light of this recent development, perhaps you would like to include Senator Jepsen's column in a Congressional Record statement.

Please feel free to contact me if I can be of assistance to you in this matter or others of mutual concern.

With warm regards,

JOHN M. RECTOR,
Esq., Director of
Government Affairs.●

Enclosures.

OFF-EXCHANGE COMMODITY TRANSACTIONS

● Mr. HELMS. Mr. President, the Senate shortly will consider the Futures Trading Act of 1982, reported on March 31 by the Committee on Agriculture, Nutrition, and Forestry. This bill contains a number of provisions, and it may be helpful to Senators if I mention a few dealing with the general topic of commodity fraud.

The issue of commodity fraud has attracted a good deal of attention in the past 6 months. However, it is my understanding that the commodity fraud being discussed generally does not involve the traditional activities regulated by the Commodity Futures Trading Commission. Rather, this fraud involves persons selling "off-exchange" investment vehicles situated on the fringe of the Commission's regulatory jurisdiction.

While the committee noted that neither the States or other Federal agencies have been precluded from instituting criminal prosecutions of these fraudulent off-exchange activities under general criminal statutes, the committee took two major steps to deal with this problem.

The first was the adoption of a provision to delcare open season on these off-exchange investment vehicles and the persons who offer and sell them by specifically authorizing all Federal, State, and local officials to prosecute these persons under any relevant law or regulation. Moreover, this provision makes clear that State attorneys general or securities administrators may take administrative or other legal action, under their own laws, against persons offering and selling these off-exchange investment vehicles and against persons engaged in activities requiring registration by the Commission who are not so registered.

Activities subject to the comprehensive regulatory powers of the Commission—including exchange traded futures contracts, foreign futures contracts, except as otherwise specified by the Commission, authorized commodity options and regulated leverage transactions—will remain within the Commission's exclusive jurisdiction.

The committee bill does not alter the Commission's exclusive jurisdiction vis-a-vis the States with respect to the regulation of persons and firms who register with, and conform their activities to, the requirements of the Commodity Exchange Act. The Commission's regulations embody a uniform comprehensive, nationwide scheme of regulation. The committee continues to endorse the congressional judgment that a single, uniform Federal regulatory program in this area is preferable to 50 different and arguably conflicting schemes of State regulation.

The second step taken by the committee, Mr. President was a provision to grant the Commission explicit authority to share with State and foreign governments information which is now subject to confidential treatment on the part of the agency. This provision will permit the Commission to provide these governmental entities with any information in its possession, so long as the information is provided for law enforcement purposes; the Commission is satisfied that the information will be disclosed only in connection with law enforcement proceedings brought under Federal, State, or foreign law to which the information recipient is a party.

The bill also provides that the Commission shall, upon request, provide any State with registration information maintained by the Commission on any registrant. The Commission shall provide this registration information to the States without request if the Commission determines that the information may be appropriate for use of the States. This provision is a variation of a provision contained in S. 2210, introduced by the able Senator from Delaware (Mr. ROTH) and others.

Mr. President, I believe these provisions in the committee bill will permit any State or Federal prosecutor or regulator to gain access to the necessary evidence and to proceed effectively against those persons offering and selling these off-exchange investment vehicles as a means to defraud the public.●

UNITED STATES-CHINA POLICY

● Mr. PELL. Mr. President, I rise today to express my concern about certain aspects of the Reagan administration's China policy. Along with many of my colleagues, I fully supported the normalization of relations between the United States and the People's Republic of China achieved by President Carter in 1979. I also approve in principle President Reagan's efforts to achieve further improvements in the United States-People's Republic of China relationship. But I believe it is most inappropriate to seek these improvements by encouraging the People's Republic of China to think that we support Taiwan's reunification with mainland China. Such an approach disregards the hopes and aspirations of the Taiwanese people. Hopefully, Vice President BUSH did not discuss this issue when he met with Chinese leaders late last week.

My concern for the people on Taiwan dates back to World War II days. In anticipation of an American invasion of Formosa, as it was then called, I studied at Columbia University in a Government-sponsored program to prepare a contingent of Americans to participate in the eventual administration of the island once it had been wrested from Japanese control. As part of this training, we studied the history of Formosa and its people, the Native Taiwanese who have lived on the island for some hundreds of years. Although the people originally emigrated from China, by the 1940's they saw themselves as a separate nation and desperately wanted to be independent from both Japan and China.

Today, the native Taiwanese—the nearly 16 million pre-1949 inhabitants of the island, who are ruled by the some 2 million Chinese that set up the nationalist government headquarters on Taiwan after 1949—do not often agree with the Kuomintang (KMT) policies. For over 30 years they have been excluded from the national level decisionmaking process, and until recently given little control over even their local affairs. As you know, the KMT purports to represent all China and considers Taiwan only one of its provinces. The authorities view demands for greater political participation as endangering its national ideology and undermining its pledges to "return to the mainland" someday. Taiwanese who press the issue—politicans, journalists, religious leaders, and educators—often find themselves in jail charged with subversion.

The United States long ago acknowledged that both the PRC and the ROC agreed that there was but one China, and that Taiwan was an integral part of it. We have never, however, recognized this claim and for good reason. We believe that neither the native Taiwanese nor their KMT rulers want reunification dictated to them. In fact, the native Taiwanese, if given a real choice—one without fear of reprisal—would overwhelmingly choose an independent Taiwan.

Admittedly, a declaration of independence at this moment could prove counterproductive and jeopardize the native Taiwanese's safety and well-being. But that does not mean that the U.S. Government should do anything which would encourage any of the mainland Chinese, in either Beijing or Taipei, to believe that we support "reunification" now or ever.

Unfortunately, this is exactly what the Reagan administration appears intent on accomplishing. Last November a New York Times article indicated that Secretary Haig, during a question-and-answer period in Florida:

Seemed to acknowledge Peking's complaint that, by continuing to supply arms to the nationalists, the United States was undermining efforts at reunification.

The article goes on to quote Secretary Haig's comments on a nine-point PRC proposal for reunification which he characterized as "rather remarkable." The Secretary also said that:

> The Chinese call for peaceful integration, they recognize Federalism in Taipei and their ability to maintain their own political, economic and security framework . . . so these were not meaningless proposals.

Another report, this time in the Los Angeles Times, purportedly based on a November memorandum from Secretary Haig to the President, also suggests that the administration sanctions Taiwan's reunification with the mainland. In discussing arms sales to Taiwan and the FX aircraft decision, the Secretary apparently wrote:

> We must recognize that mainland capabilities and intentions do not require a level of U.S. arms sales above the final year of the Carter administration, which provided an unusually high ceiling. We can agree to stay within this level, so long as Peking pursues a peaceful Taiwan policy. We can also decide the replacement aircraft issue in this context. Second, while we cannot specify a time certain for ending arms sales, we can develop formulation linking our future actions to genuine progress on peaceful reunification.

I believe we should oppose such suggestions which tend to close out the option for Taiwanese self-determination, and would prohibit them from some sort of independent course. I again urge that all talk of reunification cease. Even if the executive branch is not prepared to promote native Taiwanese interests and concerns, it can at least remain neutral on the question and avoid seeming to support China's sovereignty over the island.

Mr. President, I ask that the two press articles to which I referred to earlier be printed in full at this point in the RECORD.

The articles follow:

[From the New York Times, Nov. 15, 1981]

HAIG SEES TROUBLE IN TIES WITH CHINA OVER TAIWAN ARMS: DECLARES THE U.S. FACES "VERY WOARISOME SPECTER" OVER ISSUE OF PLANE SALES

(By Bernard Gwertzman)

WASHINGTON, Nov. 14.—Secretary of State Alexander M. Haig Jr. said today that relations with the Chinese Communists faced "a very worrisome specter" over the question of American military sales to Taiwan.

In a candid statement about the difficulties the United States faces in its relations with the Chinese Nationalists in Taiwan and the Communists in Peking, Mr. Haig told an audience in Palm Beach, Fla.:

"In the period ahead it is going to be essential to both Peking and the United States to handle this particular question with great sensitivity and care."

WARNING FROM THE COMMUNISTS

The Communists have warned that, if the United States supplies the Nationalists with advanced fighter planes or other modern equipment, this could lead to a deterioration of relations.

As a sign of disquiet, Peking has delayed sending a military mission here to discuss possible arms purchases of its own. According to American officials, the Chinese Communists have said that they will not do so until the United States makes known what it will do about supplying military equipment to the Nationalists.

Mr. Haig took part in a question-and-answer period before The Round Table, a Palm Beach organization, that was broadcast to reporters here over a closed circuit at the State Department.

PEKING'S UNIFICATION BID PRAISED

He seemed to acknowledge Peking's complaint that, by continuing to supply arms to the Nationalists, the United States was undermining efforts at reunification.

He said a nine-point proposal by the Chinese Communists on Sept. 30, for reunification was "rather remarkable."

"They call for peaceful integration, they recognize federalism in Taipei and their ability to maintain their own political, economic and security framework," he said. "So these were not meaningless proposals."

American officials said that, in recent conversations here, Foreign Minister Huang Hua of Communist China told Mr. Haig that Taiwan was the key issue between Peking and Washington.

According to the Americans, Mr. Huang said the Nationalists could continue to receive arms at the present level of sophistication already present in Taiwan, but that any increase would lead to a setback in relations.

Moreover, the Chinese Communists want a commitment that military supplies to Taiwan will continue only for a fixed period, about five years, and should diminish in quantity yearly.

Such a demand is contrary to the Taiwan Relations Act, enacted by Congress after President Carter extended formal recognition to the Communists. The act obliges the United States to supply Taiwan with military equipment to meet its legitimate defensive needs and imposes no time limit.

The United States is now discussing the Nationalists' request to upgrade their fighter planes. Taiwan has American F-5E fighters and has expressed interest either in an F-16, a less advanced model known as the F-16/79, or in an improved F-5, known as the F-5G.

Either plane is believed to carry the possibility of a strong reaction for Peking. Some officials advocate an improvement in the F-5E, without the need of going to the next generation.

Mr. Haig said in testimony before the House Foreign Affairs Committee on Thursday that no decision, even in principle, had been taken.

"It is an extremely sensitive question in Peking," he said in that testimony, "and we have to proceed with utmost respect for that sensitivity."

On other issues today, Mr. Haig seemed to support the idea of an embargo on Libyan oil when he was asked whether the United States might impose a ban on imports in retaliation for Libya's actions beyond its borders and its reported support for terrorism.

He said a study was under way and the United States had to be careful that "we don't shoot ourselves in the foot" by an embargo as, he said, had been the case when the Carter Administration limited grain sales to the Soviet Union in retaliation for the Russians' military intervention in Afghanistan. The curbs were rescinded this year by the Reagan Administration.

But Mr. Haig said, "I do not think that applies in this particular case on oil."

He added that, with Libya appearing to withdraw its troops from Chad, "we are in a very dynamic situation," suggesting that the United States did not want to introduce some new element at this time.

He noted that Exxon and Mobil had both announced that they were stopping oil activities in Libya, and that American citizens had previously been urged to leave Libya.

Mr. Haig attacked Cuba and the Soviet Union for their support of the insurgents in El Salvador. He said the United States would have to extend more aid to the Salvadoran Government.

[From the Los Angeles Times, Jan. 17, 1982]

THE REAGAN ADMINISTRATION'S PUSH TOWARD CHINA CAME FROM WARSAW

(By Tad Szulc)

By denying the sale of advanced jet aircraft to Taiwan last week—a decision that was politically and personally painful to him—President Reagan bowed to a necessary reality: It is more important for the United States to salvage its collapsing relationship with mainland China than to please its Nationalist friends on Taiwan.

What ultimately pushed Reagan to rule against Taiwan in an urgent act of crisis decision-making was the Peking regime's clearly calculated refusal to join the United States in condemning the Soviet Union for forcing the proclamation of martial law in Poland in order to destroy the Solidarity trade-union Movement.

When the Russians invaded Czechoslovakia in 1968, the Chinese not only denounced it in the most strident tones, but also initiated secret talks with Washington, leading to President R. M. Nixon's breakthrough trip to Peking nearly a decade ago. This time, however, there has been disturbing silence in China over the Polish event—not withstanding the continuing Soviet-Chinese enmity—and the Reagan Administration evidently concluded that its anti-Soviet policy was being undermined on the eastern flank.

In announcing the decision not to sell the high-performance F-5G Tigershark fighter plane to the Nationalists (but to go on selling the slower and less effective F-5E aircraft, which is co-produced on the island), the State Department simply said that "no sale of advanced fighter aircraft to Taiwan is required because no military need for such aircraft exists."

This terse statement masked, however, the truth about the alarming deterioration in the relations between Washington and Peking since the advent of the Reagan Administration: the realization, enhanced by the Polish crisis, that the deteriorlation in relations had to be arrested. In the end, the aircraft decision represented a signal victory for Secretary of State Alexander M. Haig Jr., who for months had been privately warning the President that American policies toward China were verging on disaster.

That Peking opposed the sale of any U.S. military equipment to Taiwan and especially the sale of sophisticated aircraft had been known for a long time, the Chinese having repeatedly made their views known both publicly and privately. After the Netherlands sold a submarine to Taiwan last year, Peking immediately downgraded its diplomatic relations with the Dutch. And when the United States, in fulfillment of Reagan's campaign promises, indicating its intention to sell the advanced planes to Taiwan, Peking made it clear that it would do the same with Washington.

A visit to the United States by the deputy chief of the general staff of the Chinese armed forces was canceled last fall because of the aircraft controversy (the Chinese general was to have discussed military cooperation with the United States), and American experts in Chinese affairs worried that the whole relationship might become frozen at a low level—undoing a decade of steadily growing contact in all areas. This, they felt, would play into the hands of the Russians.

In a memorandum market "Secret/Sensitive" drafted for the President on Nov. 26, Haig warned that the relations with China stood at a "critical juncture." The memorandum, a copy of which was shown to this writer by White House sources on the understanding that they would not be identified, went on to say that in dealing with China, "Careful management is essential, if we are to avoid a setback which could gravely damage our global strategic policy."

Actually, two separate issues, as Haig saw it, increasingly complicated relations with China. One was the aircraft issue. (Haig opposed all along the sale of sophisticated planes to Taiwan on the military grounds that the Nationalists did not need them because there was no threat from Peking, and on the political grounds that it would gravely damage the rapport with China.) The other was what Haig regarded as bureaucratic sabotage of President Reagan's order last June authorizing the transfer of modern technology to China, including technology with potential "dual" use, such as truck engines and computers with both civilian and military applications. Reagan presumably authorized such technology transfers to soften the impact of his planned sales of advanced aircraft to Taiwan. But this was a trade-off Peking was not buying anyway, and American policy progressively became bogged down in political and bureaucratic contradictions.

In his November memorandum to the President, Haig addressed both problems. Reagan had wanted to announce before the end of 1981 that Taiwan would receive the sophisticated aircraft, but Haig succeeded in winning a delay of a few months in order to make his arguments prevail against the pro-Taiwan inclinations of the President and his immediate entourage. In this battle within the Administration, Haig was virtually isolated.

Listing the origins of the Chinese crisis, Haig wrote that one of them was "our campaign rhetoric and subsequent behavior which gave Peking the impression we wanted to reverse normalization and pursue a two-China policy." The "normalization" to which he referred was the move by the Carter Administration in December, 1978, to end formal diplomatic relations with Taiwan and to establish them with Peking instead. It was harshly criticized by Reagan and other conservatives. The United States and China exchanged ambassadors on Feb. 28, 1979, as the final step in recognizing Peking's claim that there was only "one China," represented by the mainland regime. This completed the process initiated in February, 1972, when President Nixon and the late Chinese Premier Chou En-lai signed the Shanghai communique.

Haig wrote the President that the impression created in Peking that the United States was reverting to old "two-Chinas" policy had "transformed the aircraft replacement question, which might otherwise have been manageable into a symbolic challenge to China's sovereignty and territorial integrity."

The Taiwan Relations Act, approved by Congress after the 1979 "normalization" with Peking, provided for the supply to the Nationalists of "defensive" military equipment as required by the circumstances. Haig believed that the United States should continue to make it available on the same level as the Carter Administration had done. China, not surprisingly, opposed even this formula, but Haig had become convinced that the sale of the advanced planes was the crucial issue and that, in the end, Peking would settle for the status quo.

Therefore, Haig told the President that "just as we must not take Peking for granted, we cannot build a long-term relationship with the Chinese if we allow ourselves to be pushed around. There are, nonetheless, things we can do to allay Peking's suspicions and get our relations back on the track."

"First," he wrote, "We must recognize that mainland capabilities and intentions do not require a level of U.S. arms sales above the final year of the Carter Administration, which provided an unusually high ceiling. We can agree to stay within this level, so long as Peking pursues a peaceful Taiwan policy. We can also decide the replacement aircraft issue in this context. Second, while we cannot specify a time certain for ending arms sales, we can develop formulation linking our future actions to genuine progress on peaceful reunification."

Alluding to China's recent overtures to Taiwan concerning reunification—overtures that included proposals for the participation of Nationalist officials in the Peking government—Haig suggested to the President that he "state publicly, without pressuring Taipei, that you view Peking's efforts as a constructive and hopeful sign that the Taiwan issue, ultimately, can be peacefully resolved." Thus far, the Nationalists have flatly rejected the Communist overtures.

Concerning the Administration's promise of technology transfers to China—as well as the simultaneous decision last June to consider export licenses for arms sales on a case-by-case basis—Haig expressed his preoccupation that the bureaucracy in Washington was compounding the difficulties with Peking.

He noted is his memorandum to the President that there was "disillusionment in Peking at the lack of tangible benefits to China in the technology transfer and economic modernization areas since normalization, and a perception that this Administration, like the last, says it wants to further the process but in practice still treats China as an enemy. Poor bureaucratic performance in implementing your June 4 guidelines has been killing us in this respect."

"A reaffirmation of your determination to treat China as a friendly nation," he wrote the President, "would be a great help in dealing with entrenched bureaucrats who continue to treat China as a quasi-enemy. To build a long-term, strategic relationship with China, and to enhance its value as a counterweight to the U.S.S.R., we must make available the technology Peking needs for energy development and industrial growth."

Referring to his Washington talks last October with China's Foreign Minister Huang Hua and to "subsequent intelligence," Haig wrote that he was convinced that "the Chinese will hang tough until we make some credible gesture towards respecting their position: but they do not want to break with us and will be willing to compromise."

Pleading for time. Haig said that Arthur Hummel, the U.S. ambassador to China, was instructed to open negotiations with the Chinese in the New Year on all the outstanding issues, and that, in effect, relations would soon be bettered.

All of Haig's arguments seem, however, to have fallen on deaf ears in the White House. Senior officials said privately that as of the beginning of January—soon after the imposition of martial law in Poland—the President and his top advisers were still determined to sell advanced fighter planes to Taiwan on the ideological grounds that old allies should not be abandoned. All signs were that the White House either minimized Chinese reactions or simply refused to draw a political link between the fighter planes and the basic relationship with Peking—Haig's entreaties notwithstanding.

In the end, Poland made the difference. Although China had fully lined up with the United States against the Russians over the 1979 invasion of Afghanistan—when Defense Secretary Harold Brown visited Peking in January, 1980, he took along a senior Central Intelligence Agency official to coordinate covert aid to Afghan rebels with the Chinese—it chose to look the other way in the Polish crisis.

By the end of the first week in January, the Administration finally realized that China's silence on Poland was Peking's way of signaling its displeasure with Washington over the plummeting relationship. At a time when the Administration sought to forge a united front against the Soviet Union over Poland, China's absence was intolerable.

Last Sunday, President Reagan, meeting with the National Security Council at Camp David, reversed himself on the fighter plane sale, thus maintaining the Carter Administration's policies, and, up to a point, accepting Haig's advice. The next day John Holdridge, the assistant secretary of state for East Asian and Pacific affairs rushed to Peking on an unannounced mission to inform the Chinese of the aircraft decision and to solicit China's support over Poland. The State Department's top expert on Polish affairs accompanied him.

Whether the Chinese have been pacified and are now prepared to adopt the kind of position on Poland the United States wants remains unclear. They have protested the Reagan decision to keep supplying Taiwan F-5E planes and other "defensive" weapons, which the Administration expected, but Peking has given so far no indication of any change in their general policies.

The President, for one thing, had not offered Peking the basic reassurances Haig had recommended—particularly on technology transfers. It is entirely possible that Reagan's half-a-loaf decision will not remove the whole U.S.-China relationship from the "critical juncture" of last November. Besides, China, with many of its own internal political problems still unresolved, may be reluctant to take a stand that would amount to an endorsement of the type of freedoms in a communist society that Solidarity had advocated in Poland.

At best, Reagan came out with an incomplete policy that is unlikely to provide the strategic cooperation desired by Haig. The fundamental China problem thus remains unresolved.●

THE AMERICAN STEEL INDUSTRY

● Mr. SPECTER. Mr. President, on March 4, I introduced S. 2167, a bill which grants direct access to American industries to the courts in antidumping and countervailing duty cases. This bill would provide an expeditious remedy to those industries affected by unfair foreign competition in the form of government-subsidized products and dumping.

Recently, I held hearings in Pittsburgh, Pa., the Steel City, to gage the impact of steel imports on the economy of western Pennsylvania. In addition, I conducted a citizens forum in Mon Valley. Based on the testimony at the hearing and the remarks of various citizens at the forum, the impact of dumping and foreign government subsidies on the American steel industry has been absolutely devastating and is worsening. Pete Love of National Steel testified:

> The steel business in this country is currently suffering through the longest and deepest depression since National Steel was founded in 1929. The average operating rate for the industry at the end of 1981 was barely 55 percent.

Julius Uehlein of the National Steelworks of America offered similar testimony.

Recently, Colt Industries decided it would sell its Crucible plant in Midland, Pa. With a rapid drop-off in orders for that plant due to this recent announcement, it is entirely possible that the plant will close down by the middle of the summer with a devastating impact on that city's economy. Dwight Kaufman, executive vice president of Crucible stainless and alloy division, testified that the major reason for the decision was the lack of confidence on the part of that company that Government will take the action necessary to curb foreign imports. Loss of this plant, with its 4,500 employees, will decimate Midland, Pa., which is almost totally dependent on Crucible.

Richard Mercer, vice president of Allegheny Ludlum, Inc., testified that even in those cases where his company had won suits against imports, no duties were ever collected. This is illustrative of the philosophy of many foreign steel companies who "dump and run" knowing that under current law all relief will be prospective and they will not be subject to any retroactive damages. Many companies intentionally dump their products on the American market until there is a formal finding and relief can be granted through the slow and cumbersome process currently in effect under our trade laws.

Passage of this legislation will send a clear signal to those companies who are breaking international law by dumping that they can no longer "dump and run" without being subject to sanctions and penalties.

Mr. President, all of the witnesses at the hearing in Pittsburgh testified that the U.S. steel industry can compete with foreign competition if it is placed on the same equal footing. The U.S. industry, contrary to popular perception, has among the most modern facilities in the world. What it does not have are the billions of dollars in subsidies provided to foreign producers, which enable them to dump their products on the only open steel market in the world today—the United States. I ask to have printed in the RECORD the testimonies of Pete Love and Julius Uehlein, a list of participants in the hearing, and a resolution adopted by the Pennsylvania Senate and House of Representatives concerning the specialty steel industry.

I plan to conduct further hearings on S. 2167 before the Judiciary Committee on May 24.

The material follows:

STATEMENT OF HOWARD M. LOVE, CHAIRMAN AND PRESIDENT, NATIONAL STEEL CORP.

Senator Spector, it is a pleasure to have this opportunity to appear before you today, and to testify about the impact of unfair trading practices by foreign steel producers on the domestic steel industry.

I want to commend you for holding these hearings in Pittsburgh, a city whose economy is so greatly effected by unfair imports of foreign steel. Also, I want to thank you Senator Spector for the concern you have shown in the U.S. Senate with the problems of unfair foreign competition, and for introducing S. 2167, a bill aimed at providing more effective relief from unfair imports. Later, I shall address myself more fully to this legislation.

First, let me be frank in stating that the steel business in this country is currently suffering through the longest and deepest depression since National Steel was founded in 1929. The average operating rate for the industry at the end of 1981 was barely 55%. In 1982, conditions have remained terrible; operating levels are now only about 57 percent and there is little sign of recovery on the horizon.

Yet, as domestic production has fallen there has been a steady increase in the amount of steel, as a percent of market share, imported to the United States. The dimensions of the problem are best illustrated by a brief summary of recent steel import and employment figures.

For the full year in 1981, a total of 19.9 million tons of steel were shipped into the U.S. market, an increase of 28% over 1980. Total imports' share of the domestic market, which had been 16.3% in 1980 (compared with an average 15.4% for 1970-80) reached a record 19.1%. By the year's end, the number of employees on layoff was near 77,000 and an additional 17,000 men and women were on short work weeks. These figures do not include the additional steel that was imported into this country in the form of cars, trucks and other finished products.

The numbers have continued to deteriorate in 1982 right up to the present. Total steel imports in February 1982 were 1.6 million tons, an increase of 29.7% over the same month last year. For the week ending March 27, 1982, there were nearly 81,000 steel industry employees on layoff and

almost 26,000 more working a shortened week.

As you consider the unfortunate situation facing these men and women, please keep in mind that there are many thousands more currently out of work in raw materials mining and fabricating operations. These layoffs are also the result of low steel demand and high steel imports.

I personally detest having to make the decisions to lay off steelworkers, but we clearly have no choice if demand for our products is not sufficient to keep people working. Last year, employment at the steel divisions of National Steel was reduced from just over 25,000 to around 21,000. Right now we have 6,200 employees on layoff or short work week.

In addition to sacrifices being made by our steelworkers, a wide variety of cost-cutting measures have been instituted at National Steel affecting all management personnel for the duration of the economic decline. The salaries of senior corporate officers have been reduced by 10 to 25%, and all other salaries are frozen. I won't go into further detail about these measures, but I believe that every one of our employees is feeling the pain of imported steel in this economy.

Displacement of American-produced steel by imported steel is clearly the single most serious problem confronting the domestic industry. The question you might ask is how have foreign steel producers been able to capture so much of the American steel market?

We have all heard the accusations aimed at the domestic steel industry, and the adulation that foreign steel producers have received for their efficiency. But I believe our steel-workers and our facilities can compete with those anywhere in the world. So I will tell you how foreign steel producers have been taking our market: through dumping, and through very heavy direct and indirect government subsidies in blatant violation of U.S. trade laws.

The American steel market is the largest and most open in the world and foreign steel producers know this better than anyone, siphoning off much of our growth, jobs and profitability. Over many years foreign nations have—for internal political reasons—substantially increased, and subsequently maintained, their steelmaking capacity. In order to keep operating rates and employment as high as possible these foreign producers have maximized their export sales selling at any price regardles of production cost or fair value. They have done this through extensive government subsidies in disregard of international trade agreements. The U.S. market and American workers have been the main victims of these practices.

While these unfair trading practices by foreign steel producers were increasing, U.S. trade policy either ignored, or failed to stop them.

The Trigger Price Mechanism which was established to reduce foreign dumping and subsidization has not worked. As soon as a strengthened TPM was reinstated in 1980 at the urging of European steel producers, those same producers again began to disregard it. Such violations of U.S. law cannot be condoned.

I believe there is only one solution left to this problem and that is strict and swift enforcement of our trade laws using every option provided under those laws.

In January, National and four other domestic producers filed a petition seeking relief from dumped and subsidized products imported from ten countries.

Our petition showed, for example, that French steel is being subsidized by as much as $300 per ton; Belgian steel by $178 per ton; West German steel by $120 per ton; Italian steel by $290 per ton; and the United Kingdom by $533 per ton or more.

With government subsidies as large as these it is easy to see how some foreign steel producers can undercut domestic steel prices.

In February, the International Trade Commission issued a preliminary ruling that domestic steel makers are probably being injured by unfair trade practices in 38 cases representing 90 percent of the import volume for which National Steel is seeking relief. We have filed an appeal from negative determinations on 39 additional cases because there is overwhelming evidence of injury from subsidized imports there too. Relief from unfair steel imports is essential if the domestic industry's modernization program—which includes over $6 billion of new investments announced since the end of 1980—is to go forward on schedule. But regardless of the outcome of our cases, subsidized steel imports have already caused grave economic injury for which there is no redress available under existing U.S. trade law.

At the conclusion of my testimony is a chart prepared by the American Iron and Steel Institute that outlines the procedures required in bringing a Countervailing Duty case through the Department of Commerce and the ITC, and the time periods applicable. As you can see, in a complicated case such as ours, a long time may elapse between the filing of a complaint and the completion of the investigations. This chart does not take into account the substantial time it takes to put together a complaint and compile the voluminous evidence necessary to prove injury. You can see that the major harm may already be done long before the investigations are finished.

Since all relief under the trade law is prospective there is really no effective disincentive for engaging in illegal trade practices. Another major shortcoming of the existing law, in my view, is that it may take more than a year to resolve an antidumping case.

A number of measures have been introduced in Congress seeking to strengthen our laws against international trade violations. The legislative activity in this area is a response to a general sense of frustration over our inability to stem the flood of subsidized or dumped foreign products being sold in American markets.

Senator Heinz, Senator Robert Byrd and you, Senator Specter, are members of the Senate Steel Caucus with a special appreciation of the impact of unfair trade on the domestic steel producers and workers. Each of you has introduced constructive measures dealing with problems in our trade laws. I would like to focus the remainder of my comments today on your proposal, S. 2167, "the Unfair Competition Act of 1982."

Your bill, Senator Specter, reflects your considerable expertise, as a former prosecutor, with the court system. It is an innovative proposal which seeks to address some of the problems with existing trade law I mentioned earlier.

S. 2167 would provide all industries—not just steel—immediate access to the federal district courts where allegations of unfair trade practices could be determined expeditiously. The courts would have power to issue a temporary or permanent injunction or a temporary restraining order to bar further imports. Under your bill, the burden of proof would shift to defendants, and either preliminary or final determinations by the ITC or Department of Commerce would be considered a prima facie case.

S. 2167 would rectify what I believe was an oversight in the Antidumping Act of 1916 by placing the Act within the context of the U.S. antitrust laws. The bill would also ease the almost insurmountable problem of proving intent, which triggers possible criminal sanctions under the Act.

I won't go into further detail about the provisions contained in S. 2167. I would only express my strong encouragement and support for your efforts to provide all industries, including steel, with faster and more effective relief from unfair foreign trade.

In conclusion, the time is long past when mere verbal assurances of restraint can be accepted. Unfair imports have already done serious injury to the American steel industry. Now, future jobs, earnings and our ability to modernize are in jeopardy. The blatant violation of U.S. trade laws by foreign steel producers requires stronger action, which our suits and your legislation are designed to bring about.

Thank you for this opportunity to testify. I will be glad to answer any questions you may have.

STATUTORY TIMETABLES FOR ANTIDUMPING AND COUNTERVAILING DUTY CASES FILED ON JANUARY 11, 1982

DATE AND AGENCY ACTION DUE

2/1/82, Determination by Commerce as to sufficiency of antidumping and countervailing duty petitions.

2/25/82, ITC's preliminary determination in antidumping and countervailing duty case.

6/10/82, Commerce's preliminary determination in countervailing duty cases.

8/9/82, Commerce's preliminary determination in antidumping cases.

8/24/82, Commerce's final determination in countervailing duty cases.

10/8/82, ITC's final determination in countervailing duty cases.

10/25/82, Commerce's final determination in antidumping cases.

12/7/82, ITC's final determination in antidumping cases.

Note: The above dates are based upon the following assumptions:

1. Both the antidumping and countervailing duty cases will be determined to be "extraordinarily complicated."

2. Each agency will use the full amount of time permitted by the statute for each determination.

3. Commerce's preliminary determination will be affirmative in both the antidumping and countervailing duty cases.

4. The losing party in Commerce's preliminary antidumping determination will not request a 60-day postponement of Commerce's final determination.

Changes in the assumptions can result in several different dates for the agencies' final determinations. The latest possible dates for the ITC's final determinations are November 8, 1982 in the countervailing duty cases and March 7, 1983 in the antidumping cases.

Outline of Time Periods Applicable in Countervailing Duty Proceedings, American Iron & Steel Institute, November 18, 1981

TIME AND ACTION

O; Petition filed with Commerce Department and U.S. International Trade Commission.

Not more than 20 days after petition filed: Determination by Commerce as to sufficiency of petition. If sufficient, investigation initiate and notice published in Federal Register.

NMT 45 days after petition filed; Preliminary determination by ITC re reasonable indication of injury

NMT 85 days after petition filed (150 in "extraordinarily complicated" cases) but not before affirmative preliminary determination by ITC; Preliminary determination by Commerce as to existence of a subsidy. If affirmative, notice states estimated net subsidy, orders suspension of liquidation and imposes provisional measures such as posting of a bond for estimated duties. (Suspension of liquidation applies to entries subsequent to date of preliminary determination by Commerce, except that if there is a finding that "critical circumstances" exist the suspension can be retroactive for unliquidated entries subsequent to 90 days prior to the preliminary determination.)

NMT 75 days after affirmative preliminary determination by Commerce (135 days after, if exporters or petitioners request extension under specified circumstances); Final determination by Commerce re subsidy. If negative, proceeding terminated and provision security released.

NMT (a) the later of (i) 120 days after affirmative preliminary determination by Commerce or (ii) 45 days after affirmative final determination by Commerce following affirmative preliminary determination or (b) 75 days after affirmative final determination by Commerce following negative preliminary determination; Final determination by ITC re injury.

Upon or after affirmative preliminary determination by Commerce; Suspension of investigation base on agreement from foreign government or exporters. (Petitioner receives 30 days prior notice of proposed suspension agreement and has 20 days thereafter to request review by ITC, which has 75 days to review.)

NMT 7 days after affirmative final determination by ITC: Publication by Commerce of countervailing duty order directing Customs to assess countervailing duties equal to the net subsidy.

Statement of Julius Uehlein

For the record, my name is Julius Uehlein, International Representative for the United Steelworkers of America. Presently I am assigned to the Harrisburg Area holding the office of Secretary-Treasurer of the USWA Legislative Committee of Pennsylvania. We represent approximately 300,000 Steelworkers in this state. Also for the record, I am representing today the President of our Union, Lloyd McBride, who wanted to be here; however, due to a very serious crisis within the steel industry, he is participating in a two-day conference at Linden Hall. All Steelworker Directors, department heads, as well as those representing the steel industry are at this conference discussing the crisis which I will most likely make reference to in my remarks today. In representing President McBride, I will be relaying to you much of the testimony which he gave before the House Steel Caucus on March 25, 1982. I will also be conveying to you many of the problems that we feel are particularly affecting Pennsylvania. The very fact, Senators, that you are here today indicates that you, too, are concerned about the problems and especially the tremendous amount of unemployment now accurring in the steel industry. We feel that an industry as basic as steel requires special attention and a very firm integrated policy on the part of the federal government.

Unfortunately, the present Administration has rejected a sectoral approach for steel—rejected it even after we had a successful experience with the approach under the auspices of the Steel Tripartite Advisory Committee. Therefore, efforts to provide an overall legislative evaluation of the factors influencing the steel industry and affecting its workers and the steel communities is not matched with a comparable evaluation by a joint private-governmental dialogue. This void in the process of steel industry adjustment to domestic and international events is tragic because not all the required responses are legislative even though, when all else fails, solutions are sought through legislation. Gentlemen, we are in a crisis—although the crisis is not steel-specific—but we do not have the tripartite forn for determining the proper reactions from the various sectors of decision makers.

Decisions are being made nevertheless, but they may not be consistent or equitably allocated. The Tripartite Committee, while not guaranteeing the adequacy of the decisions, was at least an effort to seek an interrelationship between the decisions. I would, therefore, strongly recommend that more attention be directed at reconstituting the Steel Tripartite Advisory Committee.

GREATER ECONOMIC FACTORS

I have indicated that the steel industry is in a crisis but that the crisis is not steel specific.

It should come as no surprise that the American steel industry is fast approaching the dimensions of an economic depression. Capacity utilization in January was 58 percent and employment was down to 252,000, the lowest monthly figure on record, with some 76,000 steelworkers on lay off. At least one steel company, McLouth Steel Corporation, is on the verge of bankruptcy and others are taking a good hard look at some of their facilities. National steel has announced its intention to sell its Weirton, West Virginia plant.

We in the steel industry are not alone. The auto, construction, and general manufacturing industries are in the same economic shape or worse. More small businesses are going bankrupt than at any time since the Great Depression, and some larger ones may not be far behind. The savings and loan industry is seeking the largest government bail out in history.

While all of this is going on, we see the federal social budget being reduced by staggering proportions. As a result of last year's budget reconciliation bill, the unemployment compensation system has been seriously weakened; trade adjustment assistance all but eliminated; the food stamp program gutted; Social Security and health care services cut; and a host of other essential social protection programs eliminated or reduced. In the meantime, the rich are getting richer due to last year's irresponsible tax cut bill.

Our people in the steel communities are frightened and angry and are looking for leadership out of this intolerable economic mess. You must put politics aside and reverse the misguided, ideological economic policies of this Administration before the current damage to the economy becomes structurally permanent. That another full-scale economic depression cannot happen is something that none of us can afford to believe. The signs are there and they must not be ignored.

The economic recovery of the steel industry is largely dependent upon a general economic recovery. We believe that such a recovery is not possible without major adjustments to this Administration's monetary, fiscal and budget policies.

CAPACITY RETRENCHMENT

The dependency of the steel industry upon the general economy is to be understood not only in terms of its ability—like other corporations—to make profits and accrue capital reserves, but also of its tendency to permanently shut down facilities during the periods of recession. We are, of course, concerned about the high layoffs in steel but even more threatening is the prospect for permanent job losses. You should be aware of the fact that many analysts have been advocating that the steel industry reduce its capacity at marginal or obsolete facilities. Furthermore, steel companies are being urged to diversify. Paul Marshall, a consultant on steel industry issues, stated that: ". . . the seven largest American steel producers . . . are following strategies of divesting steel operations and diversifying into non-steel businesses."

Yet, we do not have a forum, let alone an industrial policy, to respond to these trends. We don't even have a worker-community adaptation program to handle these huge dislocation problems, if indeed we are to submit to a policy of reductions. It is true that our own collective bargaining agreements attempt to grapple with the situation through various readjustment benefit schemes and early warning (9 months) of shutdown. But, this is a wider issue than just the two parties.

Moreover, we do not think that broad scale tax privileges should be granted to companies without a condition that recaptured funds be committed to modernization of the existing facilities. It may be some existing facilities should not be reconditioned. But, relaxation of government measures should not be predicated on the basis that all these facilities will be upgraded. In other words, relaxation should be targeted only to where there will be job protection.

FISCAL AND MONETARY POLICY

The root cause of this recession—which was purposefully engineered—is the pathological, almost religious devotion of the Reagan Administration and the Federal Reserve to a highly restrictive monetary policy and supply-side economics. The tight money policy has driven up interest rates to intolerable levels resulting in business contraction and increased unemployment.

Last year's tax cut bill—described by some as human green run amok—is the single largest factor responsible for the record federal budget deficits. Combined with a military budget which even the Wall Street defense analysts say cannot be effectively spent by the Pentagon, the tax cuts are simply all out of proportion to what the Treasury can stand. Indeed, the high interest rates make the deficits even more intolerable because borrowing to finance the public debt crowds out private borrowing, thereby fueling continued high interest rates. It is a vicious circle which feeds on itself.

The only response from the Administration is to further cut the non-defense federal budget, something we reject as socially irresponsible. The damage caused by last year's budget cuts have been compounded as the recession grows deeper and affects more people. Last year's $33 billion budget cuts came dangerously close to permanently weakening the social infra-structure developed over the last 50 years. Without many of these social protections and assistance, the poor and unemployed will have no where to go. Thus, at a time when there are 9 million workers who are officially counted as unemployed and another 16 million experiencing some job or income loss, it is foolhardy to expect that the federal non-defense budget can be cut an additional $43 billion, as recently proposed by the President.

Here in Pennsylvania there is an added burden to the thousands of unemployed who are seeking desperately to find work. Our Governor, Richard Thornburgh, saw fit to propose, and was able to get passed, legislation (House Bill 720, Printer's Number 3051) which will deny welfare grants to able-bodied persons between the ages of 18 and 45. Our Governor made reference to daily newspapers which he said were full of jobs that would provide the equivalent of welfare income. He added—it makes no sense for us to subsidize those who are unemployed because they choose to be so. The leader of the Senate, Samuel Hayes, a Republican from Blair County, declared that taxpayers were tired of supporting "Willy Welfare Careerists". Only time will reveal the hardships and sufferings that this legislation will bring about.

I would point out to you, however, at present we have over 11 percent unemployment in Pennsylvania and in the black communities of Pittsburgh and Philadelphia, over 41 percent of black youths are unemployed with no hope of getting a job. I pray that this legislation does not result in conflicts but only a fool would think that legislation denying human beings the right to a decent existence could possibly go uncontested. I am most fearful that the riots and burnings of communities which we experienced in the 70s may very well be repeated in the 80s. I trust those responsible for the type of inhumane legislation such as Pennsylvania's House Bill 720, will be able to cope with the heat of the summer in some other way than police enforcement.

STEEL IMPORTS

One of the major effects of Reaganomics—particularly the high interest rates—has been to encourage imports by making the dollar stronger in the international money markets. Coupled with the tendency of our trading partners to more aggressively export to the United States during times of worldwide recession, the currency exchange rates have resulted in historic levels of steel imports into our market.

Steel imports last year accounted for 19.1 percent of the American market, an all time high. For the last half of 1981, the situation was even worse, with imports capturing an average of 22.6 percent of the market. In January 1982, imports took 26.6 percent of the domestic steel market. While 1981 steel imports from Japan were about the same as 1980, imports from the European Community (EC) nearly doubled in 1981 compared to 1980. Moreover, steel imports from countries other than Japan and the EC continued to increase. Whereas in 1974, steel imports from these other countries accounted for 21 percent of all steel imports, last year they rose to 36 percent.

In response to this import situation, the domestic steel industry has filed the largest trade relief case in history aimed at steel producers in 11 countries. The antidumping and countervailing duty petitions, which have initially been accepted by the Commerce Department and ITC, are aimed largely at steel producers in the EC and cover some 89 percent of the steel imports from the Community. Our union has testified in support of the industry's position.

Moreover, we have joined with the specialty steel industry as co-petitioners in a "301" case against specialty steel producers in seven countries. The U.S. Special Trade Representative has accepted the petition largely in tact, and that process—as well as the carbon steel cases—is well underway.

In response to the steel industry's antidumping and countervailing duty petitions, the Reagan Administration terminated the Trigger Price Mechanism (TPM), which eliminated any effective price regulation of steel imports. In spite of the Administration's public rationale for ending the TPM, we view it as a punitive measure taken against the industry for exercising its legal rights.

Other than to wait for the trade relief process to complete its course with respect to the antidumping, countervailing duty, and "301" cases, there appears to be little else that is being done administratively to deal with the import problem.

But, we have no indication that the root cause of the accelerated imports is being eliminated. Again, according to Paul Marshall: "Planned rationalizations in Europe have not occurred, and instead, these governments have been increasing their financial assistance." Excess subsidized capacity continues to exist.

We are hoping that our government will continue to use the OECD forum in an aggressive way with our trading partners on the issue of subsidies. However, the American Metal Market carried a very discouraging news item. It recorded an interview with Willy Corf, President of Independent European Steelmakers, at which he decried:

"The government subsidies paid enable many companies to maintain uneconomic production capacities and the resultant steel surplus threatens the existence of those enterprises which operate efficiently.

No real restructuring of the European steel industry has yet occurred because of the home government subsidies for steelmaking losses, the refusal of EEC Commission or European Parliament to order plant shutdowns and EEC Commission-approved plans by some large steel firms to replace old, inefficient capacity with new plants to make the same products already in excess supply or new products already being made by mini-mills.

That is quite a condemnation of European governmental policies. Yet nothing is being done. I can understand the reluctance by some foreign governments to take aggressive action. But, we have been in a steel crisis for a number of years. The American steel industry has been rationalizing. It is now time that these competitors, who are pressing our markets with the highest levels of imports in our history, begin to reciprocate, or at least back out those imports at a time of our deepening recession.

Our trade laws are now for the first time being fully tested. While I do not consider aggressive enforcement to be a substitute for a more responsible national economic policy, I do insist that the pain of Reaganomics will be less immediately experienced by some steelworkers if the unfair imports are withdrawn.

Additionally, you should realize that our union is concerned not only with the import of steel but also iron ore. As steel mill production declines, then iron ore imports should be curtailed, commensurate with such a decline.

LEGISLATION

1. Content legislation

Legislatively, our union has joined with the United Auto Workers and other unions in actively supporting H.R. 5133, the "Fair Practices in Automotive Products Act," better known as the "Domestic Content" bill. Sponsored by Congressman Dick Ottinger and co-sponsored by another 160 House members, this bill would require that all auto companies who enjoy high auto sales in our market to comply with a schedule of minimum domestic content ratios based upon their sales volume. By model year 1985, those companies which sell more than 500,000 vehicles a year in our market would be required to achieve a 90 percent domestic content ratio. This bill would do nothing more than what all other industrial countries do to protect their auto market. Such a law would substantially help auto supplying industries such as ours, and I urge the Senate to vigorously support H.R. 5133.

2. Clean Air Act

Gentlemen, I must insist that the serious weakening of the Clean Air Act, as proposed by H.R. 5252, will not result in a national economic revival. Furthermore, the prevailing notion is that a substantive revision rather than a moderate fine tuning of the Clean Air Act is needed to allow economic growth and to save jobs. While this is not the forum for debating that contention, let me emphasize that the steel stretchout legislation, which allowed an additional three years for compliance, did so by making mandatory that assumption. The stretchout is conditioned upon the fact that the recaptured abatement funds will be expended for modernization.

H.R. 5252, however, allows the steel industry to avoid that commitment and to slip the deadline which, only a few months ago, it said was reasonable. There is no need to go beyond the 1985 deadline.

There have been complaints that some steel companies are unable to qualify for the stretchout because they have more than minimal violations of the Clean Air Act. We have already urged that that restrictive provision be deleted, but we are also insistent that the stretchout provisions be the exclusive remedy for the relaxation because:

a. our environmental health will be protected; and

b. recaptured funds will stay in the steel industry and in steel mill towns.

Again, let me urge you not to disarrange the Clean Air Act because of some presumed favorable impact upon industrial growth. If the same economic conditions prevail beyond 1985, then I can assure you that there will be need for a much more aggressive action than scapegoating the Clean Air Act and/or other regulatory social programs like OSHA and MSHA.

3. Economic recovery

On a much broader scale, however, the recovery of the American steel industry is largely dependent upon a general economic recovery. And the longer such a recovery is postponed by insufficient public policies, the longer our industry and people will suffer. Indeed, it usually takes the steel industry a longer time to come out of a recession than the rest of the economy so that we might be in trouble for some time to come.

We in the labor movement believe that the time is long since past for aggressive Congressional action to reverse what a growing consensus believe to be the harmful and unworkable economic policies of this Administration. Presidential loyalty is simply no substitute for sound economic judgment.

The Executive Council of the AFL-CIO, has developed an alternative to Reaganomics which we believe deserves serious Congressional considerations. Attached to this testimony is the detailed statement adopted by the Executive Council. Stated briefly it calls for:

Rejection of the President's recently proposed cuts in the social budget;

Undoing the worst features of last year's massive tax cut giveaway bill and closing some long standing tax loopholes;

Enacting a far reaching jobs creation program, including investment in the public infrastructure which is rapidly deteriorating;

Reverse the undue reliance on tight monetary policy, and control credit in an effort to channel funds into the productive sectors of the economy.

Such a program would not only bring relief to those who are disadvantaged and unemployed, it would also begin the necessary long-term recovery of basic industries like steel. We believe that this kind of an effort is long overdue and recommend it for your study and consideration.

The development of a national economic policy is critically dependent upon a White House intent for a joint legislative and executive involvement. Last year we witnessed instead an ultimatum to the Congress to acquiesce to a proposed policy, the essential factors of which were untested and, unfortunately for the nation, are proving unworkable. We need a shift—indeed a switch—in economic policy. Members of Congress are in a better position to judge whether that will occur cooperatively with the Administration or through unilateral action by the Congress.

4. Unemployment compensation

There is, however, one part of that program for which I would urge immediate action. We need to substantially reinforce our unemployment system.

Last year, in a flurry of budget-cutting and under the assumption of success for the President's program, various aspects of unemployment compensation were seriously weakened. We are now caught in a period of structural deficits during which chronically high levels of unemployment are to be expected. While we must devise policies to correct the deep-seated economic distress, and such a prospect is admittedly highly political, we should at least determine to allow a more humane response to the economic hardship of long periods of unemployment. Congressional action should be directed at removing the "reforms" enacted last year which made more restrictive the federal extended benefits program. Additionally, Congress should enact a federal emergency extension of unemployment compensation. Not only is it an obvious countercyclical measure, already endorsed by Congress in the past. It is also a response by a compassionate government to the injury imposed upon individual workers and their families, which in this case was the result of a deliberate government policy to fight inflation with fiscal and monetary policies that resulted in high unemployment.

In 1972 Congress responded to chronic high rates of unemployment by enacting Emergency Unemployment Compensation for an additional 13 weeks of benefits beyond the regular state coverage and the 13-week Extended Benefit coverage for a maximum of 52 weeks. In response to the 1975-76 recession, the Congress extended coverage to a maximum of 65 weeks of unemployment benefits.

While we are urging additional benefits because of the growing devastation due to unemployment, it is necessary to note that the White House has already achieved—with congressional approval—retrenchment in the current unemployment compensation system.

All but one of the Reagan Administration's proposals for slashing the unemployment compensation program were adopted in the 1981 Omnibus Reconciliation Act. These included:

The immediate elimination of the national trigger which required all states to pay up to an additional 13 weeks of extended unemployment benefits when the national Insurance Unemployment Rate (IUR)[1] equalled or exceeded 4.5 percent.

A requirement that the individual states raise their individual trigger for the extended benefits from 4 percent to 5 percent, with an additional provision that its IUR must be 20 percent higher than the average for the past two-year period. This requirement will come into effect on October 1, 1982.

A provision which eliminates from the calculation of the insured unemployment rate those workers who are receiving extended benefits. This deflation of the IUR means that states will trigger "off" the extended benefit program earlier than if they were counted.

In addition to these recalculations for triggering "on" and "off" the extended benefits, a number of individual disqualifications have been added. These include:

Disqualification for Extended Benefits (EB) of any worker who voluntarily quit his job (including military personnel who fail to re-enlist), or who was fired for misconduct;

Requirement of a one-week waiting period before drawing EB benefits;

Denial of EB benefits for refusal to accept a "reasonable" work offer which meets minimum wage standards and working conditions;

Elimination from EB benefits those workers who had not worked for at least 20 weeks in the base period, despite the fact that such workers had been receiving and are exhausting state benefits.

Various bills have been submitted to restore the national trigger and the former state trigger formulas, and to provide for an additional Emergency Unemployment Benefit period.

Without enumerating specific restorations and revisions, we must press all Representatives to respond immediately to the economic disaster facing workers who are unemployed as a result of the widening and deepening recession.

Simply put, we are requesting an improvement and expansion of unemployment compensation benefits. Long-term unemployment is growing as workers are unable to find jobs in a shrinking economy. Unemployment is over 10% in 19 states.

The regulations adopted by the federal government were at first put into effect in Pennsylvania in such a manner that it would have made it almost impossible for the unemployed to receive the 13-week extension. For example; the first ruling provided that an unemployed person must seek employment in at least five (5) separate establishments and be able to prove conclusively that such an effort was made. This could only mean that he would have to have something in writing from the places he sought employment. I am sure you are aware many small towns are a one-factory town making this requirement impossible. I am also sure you are aware that most places of employment, when they put out a sign indicating no jobs available, they do not want to be pestered by someone asking proof they were there. The Steelworkers, as well as others, raised such a furor about this requirement, that our labor department has relaxed that stipulation somewhat. In some communities they have reduced this to one visit, along with three telephone calls. In communities where you have as high as 17% unemployment, even this requirement is ridiculous and should be removed.

ATTENDEES

Senator Arlen Specter;

National Steel—Howard M. Love, President and Chief Executive Officer;

United Steelworkers of America—Julius Uehlein, Executive Secretary of Pennsylvania U.S.W.A. Legislative Committee;

Specialty Steel:

Allegheny Ludlum, Inc.—Richard Mercer, Vice President/Commercial;

Armco—Jack Barnett, Director/Sales, Stainless Division, Armco Industries

Crucible—Dwight Kaufman, Executive Vice President of Crucible Stainless and Alloy Division, Colt Industries;

Community Officials and Groups:

Allegheny County Commissioner—Dr. William R. Hunt;

Mayor of Midland—Martin Schulte;

Job Action Committee for the Tri-State Area—Ron Friess, Co-Chairman; and also President of Local 1212 U.S.W.A., Crucible, Midland.

House of Representatives,
Commonwealth of Pennsylvania,
Harrisburg, April 7, 1982.

Hon. Arlen Specter,
U.S. Senate,
Russell Senate Office Building,
Washington, D.C.

Dear Senator Specter: Enclosed is a copy of House Resolution Number 149, which was adopted by the Pennsylvania House of Representatives on February 9, 1982 and concurred by the Senate of Pennsylvania on March 24, 1982.

This Resolution is sent to you for your consideration in accordance with the direction contained in said Resolution.

Very truly yours,

John J. Zubeck,
Chief Clerk.

Enclosure.

The General Assembly of Pennsylvania,
House Resolution No. 149

Whereas, Specialty steels are an essential industrial material and, therefore, the domestic industry is a strategic resource necessary to national defense; and

Whereas, The United States can, and must, maintain an adequate level of self-sufficiency and production capability in specialty steels, including a skilled and adequate labor force; and

Whereas, The economic base of the specialty steel industry has been seriously eroded in recent years by the damaging flow of imports of specialty steels and products containing these materials; and

Whereas, Under pressure of excessive imports, unemployment has climbed as high as forty percent in the specialty steel industry during recent years; and

Whereas, American privately-owned specialty steel producers compete in the marketplace with foreign companies which are government-owned, subsidized, or directed and do not have to meet the disciplines of our free-market system; and

Whereas, The specialty steel industry has always favored development of open, fair, and mutually beneficial world trade—it is not protectionist; and

Whereas, The problem of assuring that foreign companies compete fairly and legally confronts the specialty steel industry, many other industries, and our entire economy. As the major open world market, our Nation faces industrial stagnation—reduced job opportunities—and a declining standard of living, unless new understandings and rules relating to trade can be developed with foreign governments; and

Whereas, The specialty steel industry is experiencing massive layoffs due to the unfair dumping of foreign specialty steel; and

Whereas, Unfair competition and the dumping of foreign steels in United States markets is causing substantial and lasting hardship for Pennsylvania citizens employed in the specialty steel industry; therefore be it

Resolved (the Senate Concurring), That the General Assembly of the Commonwealth of Pennsylvania memorialize the President of the United States, the Congress, and the International Trade Commission to take prompt and aggressive action to control unfair foreign competition and the dumping of specialty steels in the United States markets; and be it further

Resolved, That copies of this resolution be sent to the President of the United States, the presiding officers of both Houses of Congress, each member of Congress from the Commonwealth of Pennsylvania, the International Trade Commission, along with its United States Trade Representive, and the Department of Commerce.●

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[1] The IUR counts only unemployed workers currently receiving unemployment compensation; and is a figure well below the real unemployment rate which includes all persons who are ready, willing and actively seeking work.

CONCLUSION OF MORNING BUSINESS

Mr. BAKER. Mr. President, I ask the Chair to inquire if there is further morning business.

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

ORDERS FOR WEDNESDAY

ORDER FOR RECESS UNTIL 8:45 A.M.

Mr. BAKER. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 8:45 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF CERTAIN SENATORS TOMORROW

Mr. BAKER. Mr. President, I ask unanimous consent that after the recognition of the two leaders under the standing order tomorrow, five Senators be recognized on special orders for not to exceed 15 minutes each: Senators Weicker, Bumpers, Nickles, Kasten, and Bentsen, in that order.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR TRANSACTION OF ROUTINE MORNING BUSINESS TOMORROW

Mr. BAKER. Mr. President, I ask unanimous consent that the time, if any, remaining after the execution of special orders tomorrow, and prior to 10 a.m., be devoted to the transaction of routine morning business, in which Senators may speak for not more than 1 minute each.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CONSIDERATION TOMORROW OF DEPARTMENT OF DEFENSE AUTHORIZATION BILL

Mr. BAKER. Mr. President, I ask unanimous consent that on tomorrow, at 10 a.m., the Senate resume consideration of the Department of Defense authorization bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, a parliamentary inquiry: When the Senate resumes consideration of the Department of Defense authorization bill, what will be the pending question?

The PRESIDING OFFICER. The amendment by the Senator from Pennsylvania.

Mr. BAKER. I anticipate that there may be a tabling motion offered with respect to the amendment. That will not be done this evening. But Senators are on notice that that or other action will be taken in respect to the amendment.

A further inquiry, Mr. President: Is there any time remaining for debate on the Specter amendment?

The PRESIDING OFFICER. There is no time remaining on the amendment itself. There is time remaining on amendments thereto.

Mr. BAKER. A second-degree amendment would be debatable for not more than 30 minutes, under the previous order. Is that correct?

The PRESIDING OFFICER. The majority leader is correct.

RECESS UNTIL 8:45 A.M. TOMORROW

Mr. BAKER. Mr. President, I move, in accordance with the order previously entered, that the Senate now stand in recess until 8:45 a.m. on tomorrow.

The motion was agreed to; and at 7:11 p.m. the Senate recessed until Wednesday, May 12, 1982, at 8:45 a.m.

NOMINATIONS

Executive nominations received by the Senate May 11, 1982:

U.S. Postal Service

Peter E. Voss, of Ohio, to be a Governor of the U.S. Postal Service for the term expiring December 8, 1990, vice Hung Wai Ching, term expired.

In the Air Force

Gen. Lew Allen, Jr., U.S. Air Force (age 56), for appointment to the grade of general on the retired list pursuant to the provisions of title 10, United States Code, section 1370.

In the Army

The following-named officers for appointment in the Regular Army of the United States, in their active duty grades, under the provisions of title 10, United States Code, sections 531, 532, and 533:

Lieutenant colonel

Hunter, Ronald, 456-62-0416

Majors

Basso, Richard M., 041-38-7811
Coverley, Charles C., 556-72-9517
Ham, Walter D., 246-60-7840
Hamilton, James R., 402-56-1594
Hoagland, Michael, 454-70-6219
Jerome, Ronald L., 213-36-6684
Kehoe, John F., 133-38-9783
Manchester, Donald A., 097-34-9395
Roberts, Leonard J., 315-55-7074
Sanders, Charles E., 457-56-3111

Captains

Meli, James L., 023-34-0364
Neumann, Richard R., 535-42-1302
Thompson, Jerry A., 253-76-8153

First lieutenants

Spright, Michael G., 238-80-8475
Vorderbruegge, William F., 228-74-8263
Williamson, Michael E., 419-82-2265

CONFIRMATION

Executive nomination confirmed by the Senate May 11, 1982:

Department of Justice

Evan L. Hultman, of Iowa, to be U.S. attorney for the northern district of Iowa for the term of 4 years.

HOUSE OF REPRESENTATIVES *Tuesday, May 11, 1982*

The House met at 12 o'clock noon.

The Reverend Barbara Trombley Fitterer, Episcopal Diocese of California, San Francisco, Calif., offered the following prayer:

Heavenly Father, You have brought us together to face the issues of this day. Therefore, make us patient with one another, slow to anger and ready to pardon, turning to Your divine guidance in all of our decisions and actions.

We are conscious of our human frailty and aware that more is asked of us than we know how to accomplish. If we fail to seek Your guidance, coincidences will stop happening. Help us to live expectantly, witnessing with hope and trust as we seek to shed light in a troubled and broken world.

Lift us to Your greater purpose that we may understand Your plan unfolds not in the we's and they's of life but when we pressure less and pray more.

We would be firmly quiet in Your holy presence, Lord, claiming always the promise You made to Your people:

"I will fight for you. You have only to be still."

Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. WHITTAKER. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Chair's approval of the Journal.

The SPEAKER. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. WHITTAKER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device and there were—yeas 351, nays 24, answered "present" 1, not voting 56, as follows:

[Roll No. 65]

YEAS—351

Addabbo
Akaka
Alexander
Anderson
Andrews
Annunzio
Archer
Aspin
Atkinson
AuCoin
Badham
Bafalis
Bailey (MO)
Bailey (PA)
Barnard
Beard
Bedell
Beilenson
Benedict
Benjamin
Bennett
Bethune
Bevill
Biaggi
Bingham
Blanchard
Bliley
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown (CA)
Brown (CO)
Broyhill
Burton, Phillip
Byron
Campbell
Carman
Carney
Chappie
Cheney
Clausen
Clinger
Coats
Coelho
Coleman
Collins (IL)
Collins (TX)
Conable
Conte
Conyers
Corcoran
Coyne, James
Coyne, William
Craig
Crane, Daniel
D'Amours
Daniel, R. W.
Dannemeyer
Daschle
Daub
Davis
de la Garza
Deckard
Dellums
Derwinski
Dicks
Dingell
Dixon
Donnelly
Dorgan
Dornan
Dougherty
Dowdy
Downey
Duncan
Dwyer
Dymally
Dyson
Early
Eckart
Edwards (AL)
Edwards (CA)
Edwards (OK)
Emery
English
Erlenborn
Ertel
Evans (DE)
Evans (GA)
Fary
Fascell
Fazio
Fenwick
Fiedler
Fields
Fish
Fithian
Flippo
Florio
Foley
Ford (MI)
Ford (TN)
Fountain
Fowler
Frank
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gibbons
Gilman
Glickman
Gonzalez
Gore
Gradison
Gramm
Gray
Green
Gregg
Guarini
Gunderson
Hagedorn
Hall (OH)
Hall, Ralph
Hall, Sam
Hamilton
Hammerschmidt
Hance
Hansen (ID)
Hartnett
Hatcher
Heckler
Hefner
Heftel
Hendon
Hertel
Hightower
Hiler
Hillis
Hollenbeck
Hopkins
Horton
Howard
Hoyer
Hubbard
Huckaby
Hughes
Hunter
Hutto
Hyde
Jeffords
Jeffries
Jenkins
Jones (NC)
Jones (OK)
Kastenmeier
Kazen
Kemp
Kennelly
Kildee
Kindness
Kogovsek
Kramer
LaFalce
Lagomarsino
Lantos
Latta
Leath
Lee
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Loeffler
Long (LA)
Long (MD)
Lott
Lowery (CA)
Lowry (WA)
Lujan
Luken
Lundine
Lungren
Madigan
Markey
Martin (IL)
Martin (NC)
Martin (NY)
Matsui
Mavroules
Mazzoli
McClory
McCloskey
McCollum
McCurdy
McDade
McDonald
McEwen
McHugh
McKinney
Mica
Michel
Mikulski
Miller (CA)
Mineta
Minish
Mitchell (NY)
Moakley
Molinari
Mollohan
Montgomery
Moore
Moorhead
Morrison
Mottl
Murphy
Myers
Napier
Natcher
Neal
Nelligan
Nelson
Nichols
Nowak
O'Brien
Oakar
Oberstar
Obey
Oxley
Panetta
Parris
Pashayan
Patman
Patterson
Paul
Perkins
Petri
Peyser
Pickle
Porter
Price
Pritchard
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Richmond
Rinaldo
Ritter
Roberts (KS)
Robinson
Rodino
Roe
Rogers
Rose
Rosenthal
Rostenkowski
Roth
Roukema
Roybal
Santini
Sawyer
Scheuer
Schneider
Schulze
Schumer
Seiberling
Sensenbrenner
Shamansky
Shannon
Sharp
Shaw
Shelby
Shumway
Shuster
Siljander
Simon
Skeen
Skelton
Smith (AL)
Smith (IA)
Smith (NE)
Smith (NJ)
Smith (OR)
Smith (PA)
Snowe
Snyder
Solarz
Spence
St Germain
Stangeland
Staton
Stenholm
Stokes
Stratton
Studds
Stump
Swift
Synar
Tauke
Tauzin
Taylor
Thomas
Trible
Vander Jagt
Vento
Volkmer
Walgren
Wampler
Washington
Waxman
Weaver
Weber (MN)
Weber (OH)
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams (MT)
Williams (OH)
Winn
Wirth
Wolf
Wolpe
Wortley
Wright
Wyden
Wylie
Yatron
Young (AK)
Young (FL)
Zablocki
Zeferetti

NAYS—24

Barnes
Butler
Clay
Coughlin
Edgar
Emerson
Evans (IA)
Gejdenson
Goodling
Harkin
Hawkins
Holt
Jacobs
Johnston
LeBoutillier
Marlenee
Miller (OH)
Mitchell (MD)
Roemer
Sabo
Schroeder
Solomon
Walker
Yates

ANSWERED "PRESENT"—1

Ottinger

NOT VOTING—56

Albosta
Anthony
Applegate
Bereuter
Brown (OH)
Burgener
Burton, John
Chappell
Chisholm
Courter
Crane, Philip
Crockett
Daniel, Dan
DeNardis
Derrick
Dickinson
Dreier
Dunn
Erdahl
Evans (IN)
Ferraro
Findley
Foglietta
Forsythe
Gephardt
Gingrich
Ginn
Goldwater
Grisham
Hansen (UT)
Holland
Ireland
Jones (TN)
Leach
Marks
Marriott
Mattox
McGrath
Moffett
Murtha
Pease
Pepper
Pursell
Rhodes
Roberts (SD)
Rousselot
Rudd
Russo
Savage
Stanton
Stark
Traxler
Udall
Watkins
Wilson
Young (MO)

So the Journal was approved.

The result of the vote was announced as above recorded.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 2863. An act to authorize the Secretary of Agriculture to sell the portion of the Tahoe National Forest known as Blythe Arena.

The message also announced that the Vice President, pursuant to Public Law 86-420, appointed Mr. Hatfield and Mr. Mattingly to attend, on the part of the Senate, the Mexico-United States Interparliamentary Conference, to be held in Santa Barbara, Calif., May 27-31, 1982.

The message also announced that the Vice President, pursuant to Public Law 84-689, appointed Mr. Biden (vice chairman), Mr. Eagleton, Mr. Roth, Mr. McClure, Mr. Nunn, and Mr. Specter to attend, on the part of the Senate, the North Atlantic Assembly, to be held in Maderia, Portugal, May 28-31, 1982.

☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

☐ 1215

REV. BARBARA FITTERER

(Mr. PRITCHARD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PRITCHARD. Mr. Speaker, it is a great pleasure for me to welcome and introduce our guest chaplain today, Rev. Barbara Fitterer. She is a brilliant, compassionate, and very thoughtful person serving in the California Diocese for the Episcopal Church.

Following a brilliant academic career, she was ordained a priest in 1979.

At a time in America when the fabric of our society is being torn, stretched, and strained in a manner that our country has not witnessed in 200 years, it is important that people having great talent and compassion go into the work of carrying the Lord's word, and work, helping people.

We are pleased to welcome the chaplain here and we expect great things from her in the coming years.

ANNOUNCEMENT OF AVAILABILITY FOR REVIEW OF CLASSIFIED INDEX TO REPORT ON INTELLIGENCE AUTHORIZATION ACT

Mr. BOLAND. Mr. Speaker, I wish to announce that, pursuant to House Rule XLVIII, the classified annex to the report to accompany H.R. 6068, the Intelligence Authorization Act for Fiscal Year 1983, will be available for review, for Members of the House, daily until the bill is considered by the House, in room H-405 of the Capitol, between 9 a.m. and 5 p.m.

PERMISSION FOR COMMITTEE ON RULES TO FILE CERTAIN PRIVILEGED REPORTS

Mr. BOLLING. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain privileged reports.

The SPEAKER pro tempore (Mr. Frank). Is there objection to the request of the gentleman from Missouri?

Mr. WALKER. Reserving the right to object, could the gentleman indicate what the nature of these privileged reports might be?

Mr. BOLLING. I would be glad to reply.

We have five rules that we expect to report out this afternoon, one on H.R. 5922, additional procedures during the consideration of the urgent supplemental, fiscal year 1982.

There are rules on all of these: H.R. 5726, National Bureau of Standards Authorization Act; H.R. 5842, National Science Foundation Authorization Act; H.R. 5980, the NASA authorization; and H.R. 6068, the Intelligence Authorization Act.

Mr. WALKER. Further reserving the right to object, it was my understanding that we had already passed the rule on the supplemental appropriations. Is the gentleman telling the House that we have additional things to add to that rule, or are we going to have a whole new rule?

Mr. BOLLING. I had indicated on last Thursday that the additions the gentleman is now speaking of would be added, as well as one or two more I believe will be added in the rule that will come to the floor.

Mr. WALKER. Further reserving the right to object, is this what this gentleman understands to be a provision that would allow an additional amendment to the supplemental?

I would be glad to yield to the gentleman.

Mr. BOLLING. That is correct.

Mr. WALKER. Further reserving the right to object, can we expect that we will see printed in the Record the language of that amendment before we are asked to vote on it in the House?

Mr. BOLLING. That is planned. The amendment will not be in order unless it is printed.

Mr. WALKER. Mr. Speaker, I thank the gentleman, and I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

A BUDGET WITH A HEART AND A MIND

(Mr. PEYSER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PEYSER. Mr. Speaker, I want to take this time to congratulate the Budget Committee and the Democratic leadership for moving toward the conclusion of a budget with both a heart and a mind, a budget that will decrease the deficit, will lower interest rates, and at the same time will guarantee senior citizens and those who are approaching the age when they would be eligible for social security that they will not have their benefits cut.

Mr. Speaker, this will be a budget that will protect students, that will restore over $1 billion that the Reagan administration wanted to cut.

Mr. Speaker, once again the Republicans do not believe that we have the stomach to reverse the unfair tax cuts in an election year. I believe it is obvious that we will have that courage and we will act. The public is sick of delays by the administration in coming forth with an honest and decent approach to solve our problems. This budget that will be coming out will put us back, Mr. Speaker, on the road to recovery.

☐ 1230

CONGRESSIONAL FAMILY NIGHT

(Mr. GORE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GORE. I take this opportunity to invite my colleagues and to remind them of the prior invitation to the Congressional Family Night tonight. All Members and their spouses are invited, along with their children and grandchildren, to the Capitol Children's Museum, 800 Third Street NE., which is just behind Union Station.

This is the third in a series of Congressional Family Nights. The idea really started 2 years ago with our colleague from California (Mr. Lewis) and the specific idea to have it this year at the Children's Museum originated with the gentleman from Colorado (Mr. Wirth).

The Congressional Clearing House on the Future and several of the wives' clubs have sponsored this event, and the Children's Museum is planning a fun time for Members and their families. A lot of us believe that we need more such opportunities to be together with our families and each other. In addition, this offers a chance to enjoy the excellent exhibits and activities at the Children's Museum.

There will be a Mexican buffet from 6 to 9. I encourage all Members to come.

SMALL BUSINESS PROBLEMS

(Mr. de la GARZA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. de la GARZA. Mr. Speaker, you perhaps wonder what I, a representative from a flourishing Sun Belt State with a statewide unemployment rate of only 5.9 percent in April, might find to say about the small businessmen's problems in my district. Let me assure you the difficulties are everywhere. Several counties I represent along the Mexican border have traditionally had higher unemployment rates than the national average. For example, preliminary March unemployment for the two SMSA counties in my district was: 10.6 percent for Cameron County and 14.5 percent for Hidalgo County.

Compounding the very major problems caused by the recession, high-interest rates, and increased unemployment, the Mexican Government's devaluation of the peso last February has had a devastating effect on small businesses in my district. Border town retail businesses have been particularly hard hit, suffering a 10-40 percent decline in sales with large inventories on hand.

In 1976 during a similar peso devaluation, the SBA offered low-cost economic injury loans to tide small businesses through the adjustment period following the devaluation. Last summer the Congress in approving the Gramm-Latta 1981 Budget Reconciliation Act eliminated the economic injury loan in the package of budget cutbacks. As a result, the small businessman must now seek a direct SBA loan with a 15⅝-percent interest rate or a guaranteed loan at market rates or above. Both rates are prohibitive for a business with declining sales.

Large corporations are hurting now as well. But the many advantages they often enjoy over small businesses, such as a capital reserve cushion, broadbased management capabilities, and ability to obtain more favorable interest rates, are enabling the big corporations to survive this recession better than the small businesses, the backbone of our economy.

PRESIDENT REAGAN DEPENDS ON DEMOCRATIC PROGRAMS TO SOFTEN UNEMPLOYMENT

(Mr. OBEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. OBEY. Mr. Speaker, last week the President blamed the country's problems on 40 years of mismanagement, but yesterday the President attempted to minimize the pain his depression is causing in comparison to the pain in the Great Depression by pointing out that people have programs today like unemployment compensation and welfare to fall back on. He might have also had the grace to point out that those very programs are part of the legacy he so blithely dismisses as "mismanagement."

So is social security, which he once opposed. So is the FDIC, so is medicare and a whole host of other programs which are helping to insulate people from the unemployment which President Reagan promised during the campaign he would never use to fight our economic problems.

REAGANOMICS, THE RIVERBOAT GAMBLE, HAS LOST

(Mr. WEISS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WEISS. Mr. Speaker, in writing about Black Tuesday—the infamous day the stock market crashed in 1929—John Kenneth Galbraith observed, "it was all over, only no one knew."

I am not suggesting that we are heading for another Great Depression—although that suggestion can no longer be so easily dismissed.

What is over, and what Ronald Reagan does not yet know, is our national experiment in Reaganomics. The riverboat gamble lost. Last Friday, we learned that unemployment in April reached 9.4 percent—the highest official jobless rate since 1941. Today over 10 million people are looking for work; another 2 million have become so discouraged they have stopped looking, 3 million more can get only part-time jobs, over 13 percent of blue-collar workers are unemployed; 18.4 percent of black workers are unemployed; 12.5 percent of Hispanics; half of minority teenagers cannot find jobs.

The millions of Americans who are searching for jobs know that there was no magic in the President's voodoo economics. We cannot wait for the "modern Hoover with a smile" in the White House to ever acknowledge the utter failure of his policies.. We in Congress must accept our responsibility to put America back to work.

SUPPLY-SIDE SELFISHNESS

(Mr. DOWNEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DOWNEY. Mr. Speaker, for 70 years our income tax system has been based on ability to pay.

It is simple. And it is fair.

Now, President counselor Ed Meese tells us that this is immoral.

Why requiring more taxes of a millionaire than a blue collar worker is immoral is beyond me but Meese says it is the basis of a lot of our troubles.

If ever an administration is designed and predicated to be of the rich, by the rich, and for the rich, this is evidence of it.

I have two questions after reading Mr. Meese's incredible statements:

First. Was he speaking for the President?

Second. What is the President's more moral tax system?

BROKEN PROMISES

(Mr. FASCELL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FASCELL. Mr. Speaker, the recent unemployment statistics released by the Department of Labor are a sad but accurate reminder of the devasting impact the Reagan administration's economic recovery program is having on millions of Americans. Our unemployment rate now stands at 9.4 percent—the highest level since the Great Depression—and the administration's fiscal 1983 budget proposals offer no hope of a quick or effective solution to this problem.

The Reagan administration takes great pride in noting that its economic policies have significantly reduced the rate of inflation. It is time, therefore, for the administration to also acknowledge the fact that these same policies are directly responsible for our record high unemployment rate. The President's promise of an expanding, productive industrial base has only materialized into the collapse of thousands of businesses, industries, and farms. Bankruptcies and long unemployment lines do not make a sound economic policy.

As long as the administration continues to point the finger of blame at past administrations and the Congress for the tragic unemployment situation, nothing will protect more Americans from joining the ranks of the unemployed. No amount of budget cuts can overcome the negative impact that these jobless millions will continue to have on our economy. The unemployed are not mere numbers—they are individuals—who deserve far better than to have their lives, their hopes, and their futures dangle on the end of a broken string of promises.

DEFENSE TECHNOLOGY LOST

(Mr. BEARD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BEARD. Mr. Speaker, a recent event in my home State of Tennessee illustrates one reason why our defense spending is unnecessarily high—and how it could be reduced over the next several years while enhancing our national security at the same time.

A Senate investigation has disclosed that sensitive technology with military value is being regularly sent to the Soviet Union because of poor oversight by the U.S. Government agencies set up to control the exports of such technology. In fact, the Government frequently makes the Russians' work even easier by publishing technical data on military programs. For example, in 1979 two officials from the Soviet Embassy went to the public library in Milan, Tenn., to photocopy pages from an environmental impact statement concerning the construction

of a plant to manufacture military explosives.

When the Soviets take our high technology and apply it to their weapons systems, our national security is threatened. And to meet this greater Soviet threat, we have to spend more and more money on developing weapons to counter this new threat.

To deal with this serious problem, I will ask that the Subcommittee on Investigations of the Armed Services Committee hold hearings on this issue, and also will introduce legislation dealing with this important issue.

AMENDING THE CLEAN WATER ACT

(Mr. CRAIG asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CRAIG. Mr. Speaker, today, I am introducing a companion bill to S. 2280 that amends the Clean Water Act. The bill that I am introducing today, along with five of my colleagues, will remove requirements that dams comply with Clean Water Act standards.

There is a need to amend Public Law 92-500, the Clean Water Act, to eliminate the application of national pollutant discharge elimination system (NPDES) permits to discharges from reservoirs.

Apparently, recent action in the U.S. District Court for the District of Columbia makes this necessary. The decision in National Wildlife against Gorsuch issued on January 29, 1982, ruled that EPA must adopt regulations and issue NPDES permits regulating the quality of discharges from reservoirs.

It is my opinion and the opinion of those who have cosponsored this bill with me, that this is unnecessary and harmful to the interests of the Western States.

JAPANESE WANT OPEN UNITED STATES MARKETS BUT CLOSED JAPANESE MARKETS

(Mr. HUNTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HUNTER. Mr. Speaker, recently during Vice President Bush's visit to Japan, he was met by some 8,000 Japanese demonstrators in Tokyo. The Japanese farmers who were demonstrating were not asking for free trade, but were telling their Government to continue their protectionism that presently shelters Japan's agriculture industry from American competition.

Mr. Speaker, demonstrating with the farmers were over 100 Government representatives.

The Japanese do not want free trade, Mr. Speaker. They want open United States markets for their products, but closed Japanese markets where American products threaten their industry. It is time, Mr. Speaker, to make the trade relationship between Japan and America a two-way street.

CROWDING OUT

(Mr. REGULA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. REGULA. Mr. Speaker, recently, I read a report by a unit of Goldman Sachs which contained two startling statistics. First, the level of profits—the main source of investment capital—reached a postwar low, and second, for the first time ever, interest income has surpassed profits as a proportion of national income.

These otherwise dry economic statistics are the effect of high interest rates which have channeled investment into interest-bearing paper rather than job-producing plant and equipment.

The effect is not unique to the private sector. In the recent past, only about one-third of the national debt had to be rolled over each year; now, more than half of the total national debt must be refinanced each year, the result of high interest rates leading the Treasury to float shorter term securities.

As if this were not bad enough, the high deficits which loom on the economic horizon threaten to crowd out U.S. capital markets, keeping interest rates high, steering investments into liquid rather than "hard" assets, and, in effect, preventing the economic recovery which we all desire and which the country so desperately needs.

The Federal Government, or entities under Federal auspices, will account for more than half of the total funds advanced in U.S. capital markets this year, and without substantially lower deficits could go even higher. As recent as 1979, this Federal participation rate was below 18 percent.

Without substantial reduction, future deficits may comprise as much as 70 percent of net personal saving.

Mr. Speaker, these and related statistics heighten the need for the Congress to craft a fiscal policy, embodied in a budget resolution, that sends the clearest message to the American people that Congress has the will and the courage to do what is right, irrespective of political concerns.

DEMOCRATIC BUDGET FINALLY COMES TO THE HOUSE

(Mr. WALKER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WALKER. Mr. Speaker, finally we have a Democratic leadership budget before this House of Representatives, and guess what? Jimmy Carter has been revived. The plans and policies that he had for America have been delineated once again as the policy of the Democratic Party—less defense, more taxes, and more spending.

Let us remember what those policies brought to America. Three out of four workers that are unemployed today lost their jobs under Jimmy Carter and the Democrats. Interest rates soared, and today's interest rates, which are far too high, are still lower than what the Democratic Congress produced. The housing and construction industries were annihilated, placed flat on their backs as a result of what the Carter administration and the Democrats did, and they have not been able to recover.

The Democrats took the social security system to the very brink of bankruptcy, and now, today, they come to this House and they say that they are willing to do nothing to help solve the social security problems and to help stave off bankruptcy. The revival of the Carter budget priorities and legacy is a sad day indeed for America.

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THE DEMOCRATIC ALTERNATIVE BUDGET PROPOSAL

(Mr. LOTT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LOTT. Mr. Speaker, after months of finger pointing and name calling, the Democrats have finally come up with an alternative budget proposal; and that alternative, Mr. Speaker, looks strikingly familiar.

The proposal introduced yesterday by the chairman of the Budget Committee not only follows the basic framework of the President's original budget submission, it also includes, with minor differences, many of the spending initiatives approved by the other body's Budget Committee. But there are major differences, however.

While the details of the Jones proposal are still unknown, one thing is clear: Rather than providing for a reduction in Federal spending, the Jones budget actually proposes to increase spending, and provide for dramatic tax increases to pay for those increases. By raising taxes by more than $150 billion over 3 years, the Democratic "alternative" would confirm the worst fears of the financial markets and of the American people—that the Congress will return to business as usual—more spending, more taxes, and higher inflation.

The American people want real cuts in the Federal budget—but the House leadership seems more interested in maintaining its "Old Deal" programs in favor of higher taxes for working Americans. That is the difference between the President's budget and the Democratic alternative.

SINGLE-FAMILY HOUSING PRODUCTION ACT OF 1982

Mr. ST GERMAIN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 6294) to provide supplemental authorization in order to stimulate the sales and production of housing.

The Clerk read as follows:

H.R. 6294

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION. 1. This Act may be cited as the "Single-Family Housing Production Act of 1982".

SINGLE-FAMILY HOUSING PRODUCTION PROGRAM

SEC. 2. (a)(1) Notwithstanding any other provision of law, the Secretary of Housing and Urban Development (hereafter referred to in this Act as the "Secretary") shall, to the extent approved in an appropriation Act for fiscal year 1982, make commitments to enter into and enter into contracts to make periodic assistance payments on behalf of homeowners (including owners of manufactured homes and individual units in a cooperative or condominium project) to mortgagees or other lenders holding mortgages, loans, or advances of credit which meet the requirements of this Act.

(2) The aggregate amount of payments made pursuant to contracts entered into under this Act shall not exceed $172,000,000 per annum, and the aggregate amount which may be obligated over the duration of such contracts may not exceed $1,000,000,000. Any authority approved in appropriation Acts for use under this Act shall remain available until expended.

(3) The authority to make commitments to enter into contracts under this Act shall terminate on September 30, 1982.

(4) The Secretary may establish, consistent with the provisions of this Act, such criteria, terms, and conditions relating to homeowners and mortgages, loans or advances of credit assisted under this Act.

(5) In making available assistance under this Act, the Secretary shall give a priority to mortgagors and other borrowers who, as determined by the Secretary have not owned dwelling units within the preceding three years.

(b) Payments under this Act may be made only on behalf of a homeowner who satisfies eligibility requirements relating to creditworthiness as may be prescribed by the Secretary and who—

(1)(A) is a mortgagor under a mortgage which meets the requirements of subsection (i), or (B) is the original owner of a new manufactured home consisting of two or more modules and a lot on which the manufactured home is situated, where insurance under section 2 or 203 of the National Housing Act covering the mortgage, loan, advance of credit, or purchase of an obligation representing such loan or advance of credit to finance the purchase of such manufactured home and lot has been granted to the lender making such mortgage, loan, advance of credit, or purchase of an obligation; and

(2) has a family income, at the time of initial occupancy, which does not exceed 130 per centum of the area median income (with adjustments for smaller and larger families, unusually high or low median family income, or other factors), as determined by the Secretary.

(c)(1) Assistance payments to a mortgagee or other lender by the Secretary on behalf of a homeowner shall be made only during such time as the homeowner shall continue to occupy the property which secures the mortgage, loan, or advance of credit.

(2) The Secretary may, where a mortgage insured under the National Housing Act has been assigned to the Secretary, continue making such assistance payments.

(d) The amount of the assistance payments made with respect to a mortgage, loan, or advance of credit shall not at any time exceed the lesser of—

(1) the difference between the amount of the monthly payment for principal, interest, and the mortgage or loan insurance premium which the mortgagor or borrower is obligated to pay under the mortgage, loan, or advance of credit, and the monthly payment for principal and interest which the mortgagor or borrower would be obligated to pay if the mortgage, loan, or advance of credit were to bear interest at the rate of 9½ per centum per annum (or 10 per centum in the case of any mortgagor whose income at the time of initial occupancy exceeds 115 per centum of the area median income); and

(2) the difference between the amount of the monthly payment for principal, interest, and the mortgage or loan insurance premium which the mortgagor or borrower is obligated to pay under the mortgage, loan, or advance of credit, and the monthly payment for principal and interest which the mortgagor or borrower would be obligated to pay if the mortgage, loan, or advance of credit were to bear interest at a rate six percentage points (or four percentage points in the case of any mortgagor whose income at the time of initial occupancy exceeds 115 per centum of the area median income) less than the rate specified in the mortgage, loan, or advance of credit;

except that the Secretary shall, in any case, require the mortgagor or borrower to pay at least 25 per centum of the mortgagor's or borrower's income with respect to the principal, interest, and mortgage insurance premium.

(e)(1) Except as provided in paragraph (2), the duration of a contract entered into under this Act shall be—

(A) in the case of any homeowner whose income at the time of initial occupancy does not exceed 115 per centum of the area median income, seven years; and

(B) in the case of any other homeowner, five years.

(2) In the case of any homeowner who, as determined by the Secretary, is unable to assume full payments required by the mortgage, loan, or advance of credit after the applicable number of years specified in paragraph (1), the Secretary shall, by utilizing the fund described in paragraph (3), enter into a contract to provide continued assistance on behalf of the homeowner under this Act.

(3)(A) There is hereby created a fund to be used in accordance with this paragraph. There shall be deposited into such fund (i) all amounts recaptured pursuant to subsection (k), and (ii) any authority to make payments under this Act which was committed for use in a contract but was unused because the mortgage, loan, or advance of credit was refinanced or payments under the contract were terminated or suspended for other reasons before the original termination date of the contract.

(B) Such fund shall be utilized, to the extent approved in appropriation Acts, for the purpose of making payments pursuant to contracts described in paragraph (2).

(C) Amounts in the fund not needed for current operations shall be invested in direct obligations of the United States or obligations guaranteed by the United States.

(f) The Secretary may include in the payment to the mortgagee or other lender such amount, in addition to the amount computed under subsection (d), as the Secretary deems appropriate to reimburse the mortgagee or other lender for its reasonable and necessary expenses in handling the mortgage, loan, or advance of credit.

(g) The Secretary shall prescribe such regulations as the Secretary deems necessary to assure that the sale price of, or other consideration paid in connection with, the purchase by the homeowner of the property with respect to which assistance payments are to be made is not greater than the appraised value as determined by the Secretary.

(h) Not more than 20 per centum of the total number of units with respect to which assistance is approved under this Act may be made on behalf of owners of manufactured homes.

(i)(1) To be eligible for assistance under this Act, a mortgagor, other than an owner of a manufactured home, must have a mortgage which—

(A) is a first mortgage insured under the National Housing Act, guaranteed under chapter 37 of title 38 of the United States Code, guaranteed under title V of the Housing Act of 1949, insured or guaranteed by qualified private insurers as determined by the Secretary, or the outstanding principal balance of which does not exceed 80 per centum of the value of the property securing the mortgages;

(B) has been made to, and is held by, a mortgage approved by the Secretary as responsible and able to service the mortgage properly;

(C) is secured by a one-family dwelling the construction of which began no earlier than one year prior to the date of enactment of this Act and which has never been sold other than to the mortgagor;

(D) involves a principal residence which meets energy conservation standards equivalent to or greater than those prescribed by the Secretary for newly constructed one- to four-family houses insured under title II of the National Housing Act;

(E) involves a principal amount which does not exceed the applicable amount which may be insured in the area under section 203(b) of the National Housing Act;

(F) except as provided in subsection (k), permits the mortgagor to prepay the principal amount at any time without penalty;

(G) has a fixed rate of interest;

(H) has maturity and amortization provisions satisfactory to the Secretary; and

(I) is executed by a mortgagor who shall have paid in cash or its equivalent, on account of the property, at least an amount equal to 3 per centum of the Secretary's estimate of the cost of acquisition.

(2) For purposes of this subsection, the term "mortgage" means, in the case of an individual unit in a condominium or cooperative project, a first lien or first mortgage described in section 203(n)(2)(A) or 234(b) of the National Housing Act.

(3) For purposes of paragraph (1)(D), the Secretary may accept a certification from the mortgagor that the energy conservation requirements of such paragraph have been met.

(j) The Secretary shall develop and utilize a system to allocate assistance under this Act in a manner which assures a reasonable distribution of such assistance among the various regions of the country and which takes into consideration such factors as population, relative decline in building permits, and the need for increased housing production.

(k) Upon the disposition by the homeowner of any property assisted pursuant to this Act, or where the homeowner rents the property for a period longer than one year, the Secretary shall provide for the recapture of an amount equal to the lesser of—

(1) the amount of assistance actually received under this Act, other than any amount provided under subsection (f); or

(2) an amount at least equal to 50 per centum of the net appreciation of the property, as determined by the Secretary.

For the purpose of this subsection, the term "net appreciation of the property" means any increase in the value of the property over the original purchase price, less the reasonable costs of sale and the reasonable costs of improvements made to the property. In providing for such recapture, the Secretary shall include incentives for the homeowner to maintain the property in a marketable condition. Notwithstanding any other provision of law, any such assistance shall constitute a debt secured by the property to the extent that the Secretary provides for such recapture. Amounts recaptured under this subsection shall be deposited in the fund described in subsection(e)(3).

(l) The Secretary shall make allocations and begin to issue commitments pursuant to this section not later than 30 days after the enactment of legislation appropriating funds to carry out this Act.

(m) Procedures shall be adopted by the Secretary for annual recertification of the homeowner's income for the purpose of adjusting the amount of such assistance payments within the limits of the formula described in subsection (d).

The SPEAKER pro tempore. (Mr. FRANK). Pursuant to the rule, a second is not required on this motion.

The gentleman from Rhode Island (Mr. ST GERMAIN) will be recognized for 20 minutes, and the gentleman from Ohio (Mr. WYLIE) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Rhode Island (Mr. ST GERMAIN).

Mr. ST GERMAIN. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, today, more than 1 million carpenters, plumbers, electricians, bricklayers, and other construction workers are without jobs—19.4 percent of this important segment of our economy.

H.R. 6294 is much more than a housing bill. It is clearly a jobs bill for an industry that has all but been wiped off the books by high interest rates.

We are talking about an industry not in a recession, but in the depths of a prolonged depression.

This bill will provide thousands of American families with decent housing, something that the Government has almost forgotten how to do in recent months.

No industry in America surpasses housing as a multiplier of jobs. Housing construction triggers activity in the woods of Oregon, Washington, Maine, Georgia, and other timber areas and sweeps across the panorama of industries which manufacture products that go into houses. All this is in addition to the jobs created for the building trades at the construction site.

Housing starts have been below 1 million units on an annual basis for 8 straight months. The sales of new single-family units fell in March to the lowest level—334,000 units on an annual basis—since the Government started keeping housing numbers.

If we are to mount an attack on unemployment, clearly the front lines are manned by the building industry and its workers. They have been in the trenches longer and they have taken most of the heavy shelling of the recession-depression.

This legislation is an important congressional initiative on the road to recovery in the housing industry. Not only will it provide direct and immediate assistance, but the activity that it will generate is certain to be contagious. It will help convince America that it can build again.

If even the outer fringes of the administration's economic projections are correct, the $1 billion provided in this legislation will stretch beyond the 74,000 units we have calculated. The subsidy can be reduced if the administration can get its economic act together and lower interest rates.

We have estimated that the $1 billion in budget authority being provided for in this bill would assist in the creation of 140,000 new jobs in housing-related industries; would increase Federal, State, and local tax revenues by $1.2 billion; and would have the effect of increasing the gross national product by $11 billion.

H.R. 6294 would assist home buyers whose income is below 130 percent of the area median income, with a priority given to the first-time home buyers. For families with incomes of 115 percent of area median income or below, assistance would be provided to reduce the mortgage interest rate by up to 6 percentage points below the market rate for a period of 7 years, but in no case would the interest rate be subsidized below 9½ percent. For families with incomes above 115 percent of the area median, assistance would be provided to reduce the mortgage interest rate by up to 4 percentage points below the market rate for a period of 5 years, but in no case would the interest rate be subsidized below 10 percent. A downpayment of at least 3 percent would be required. In all cases, a family would be required to contribute at least 25 percent of its monthly income toward the mortgage payment.

The mortgage assistance could be continued beyond the 5- or 7-year period if the Secretary determines such assistance is necessary and if appropriations are made from a fund created from recaptured assistance payments of unused authority. Whenever property is sold or in the event it is rented for more than 1 year, the owner would be required to repay the lesser of the assistance received or 50 percent of the net appreciation of the property.

Mortgages assisted under this program could be FHA insured, VA guaranteed, FmHA guaranteed, conventional, privately insured or guaranteed. The maximum mortgage amount could not exceed the maximum amount which may be insured under the FHA 203(b) program; $67,500 generally, but up to $90,000 in high-cost areas. The mortgage must involve a residence on which construction has begun no earlier than 1 year prior to enactment of this bill, and which meets or exceeds FHA minimum property standards for energy conservation.

The assistance funds would be allocated to assure a reasonable distribution among the various regions of the country, taking into account population, relative decline in building permits and the need for increased housing production. Allocations and commitments of funds must begin not later than 30 days after funds are appropriated.

The need for this legislation is clear. It is recognized by key Members on both sides of the aisle. This is a national need of the highest priority.

Mr. Speaker, I would be remiss if I were not to commend the Speaker of the House, the gentleman from Massachusetts (Mr. O'NEILL); the majority leader, the gentleman from Texas (Mr. WRIGHT); the gentleman from Texas (Mr. GONZALEZ), the chairman of the Housing Subcommittee; the chairman of the Rules Committee, the gentleman from Missouri (Mr. BOLLING); the chairman of the Appropriations Committee, the gentleman from Mississippi (Mr. WHITTEN); the chairman of the Appropriations Subcommittee, the gentleman from Massachusetts (Mr. BOLAND); the gentleman from California (Mr. PATTERSON); the gentleman from Oregon (Mr. AuCOIN); the gentleman from Oklahoma (Mr. JONES), chairman of the Budget Committee; and my colleagues on the other side, the gentleman from Ohio (Mr. WYLIE), and the gentleman from Connecticut (Mr. McKINNEY) for their contributions to this legislation.

Mr. WYLIE. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, I rise in support of **H.R. 6294**, not because I think it is a really good bill, and I do not intend to get into lengthy discussion in that regard just now. The chairman of the subcommittee has done an excellent job of explaining the bill, and I will not be repetitive.

I would say that I do not like the two-tier approach which is encompassed in this legislation. I would prefer a straight 4-percent write-down provision to 10 percent, which is similar to the bill which is now pending in the other body and which has been reported out by the full Banking Committee.

This bill would provide $1 billion to be used between now and October 1. In other words, it would provide immediate relief to the homebuilding industry and would or could build up to 74,000 homes during that period of time of shortly thereafter.

I think, because of the urgency of the Nation's homebuilding industry, we need to pass this bill on the House floor today as an emergency measure. Several times during the markup of the housing bill which is now going on in the full committee I called upon the chairman of the full committee and the chairman of the Housing Subcommittee to split off this housing stimulus portion of the bill for fiscal year 1982 so that we could get it on a fast track, and after persisting in that motion several times, the chairman of the full committee decided that he would remove this bill from the full committee bill now being marked up, and thus we have brought it to the House floor today.

May I observe that there are 1,100,000 people unemployed in the housing industry today. That means that 1 out of every 10 unemployed people is in the housing industry. In my own county of Franklin, which has Columbus, Ohio, within it, the unemployment rate went above 9 percent for the first time since 1942, and most of that unemployment is attributable to layoffs in the housing industry.

Historically, as President Reagan said in his speech to the National Realtors Association 2 weeks ago, the housing industry has led this country out of recessions. As I said earlier, I would have preferred a different type of formula. I would have preferred a 4-percent writedown provision to 10 percent. That could have provided an additional 59,000 units, according to my calculations. But we are here today and we do have a sense of urgency in the housing industry.

So, Mr. Speaker, because of the extreme nature of the problem, I am supporting H.R. 6294, and I hope that the Members of the House will support it under suspension of the rules.

Mr. DICKS. Mr. Speaker, will the gentleman yield?

Mr. WYLIE. I yield to the gentleman from Washington.

Mr. DICKS. Mr. Speaker, I want to commend the gentleman from Ohio (Mr. WYLIE) for an absolutely first-rate statement. I think the gentleman has gone to the core of this problem. It is an unemployment problem, it is a housing problem, and it is something that is vitally important to this country. I commend the gentleman for his leadership on this issue.

Mr. WYLIE. Mr. Speaker, I thank the gentleman from Washington (Mr. DICKS) for his contribution and appreciate his observation.

Mr. Speaker, I yield 3 minutes to the gentleman from Illinois (Mr. CORCORAN).

Mr. CORCORAN. Mr. Speaker, I thank the gentleman from Ohio for yielding me these 3 minutes.

Mr. Speaker, I rise in opposition to this bill, not because I object or quarrel with the substance of the legislation. In fact, I think that the comments of the gentleman from Rhode Island (Mr. ST GERMAIN) and the gentleman from Ohio (Mr. WYLIE) indicate that the housing industry is in a tremendous slump, perhaps its worst in 35 years. So the question of whether or not the Congress or in this case the House of Representatives ought to consider some kind of stimulus program is not something to which I take exception.

But in this particular case I think, given the nature of the controversy and given the nature of the issues involved, we should not be limited to the procedure that is being followed in the consideration of this bill. The procedure involving the Suspension Calendar means that we only have 40 minutes of debate, and most particularly and most objectionable from my standpoint is the further requirement that there would be no amendments permitted.

As the Speaker knows and as I think many of the House Members know, we have attempted for some time to raise the question of whether or not in the financing of a housing stimulus program we should go to new spending, new appropriations, or new authority in these days of budget crisis or whether we ought to take an alternative route, that is, to go into some existing program of Government, in particular the Synthetic Fuels Corporation, and take financing for this stimulus program from that existing program.

So, Mr. Speaker, I think that we ought to vote no on this legislation because it is a controversial matter.

It is, second, a matter with a high price tag, and ordinarily legislation scheduled on the Suspension Calendar is not characterized by those particular aspects.

Finally, Mr. Speaker, let me say this: I would submit, Mr. Speaker, that one of the reasons the housing industry is in the tremendous slump it is presently in is because of the fact that year after year for almost 30 years the Congress of the United States, upon finding a new problem, always threw more money at it, more additional funds out of the Treasury, and that has gotten us to the position we are now in. I think in this particular case we ought to set a different precedent. We ought to recognize that in this time of budget crisis we should not embark on some new financing program or some new Government program however worthy the cause unless we take a simultaneous step to reduce the obligations to the taxpayer. We should reduce the risk to the taxpayer until we get to the point where we can put this particular budget in some kind of balance.

It just seems to me, Mr. Speaker, that we have a golden opportunity to deal with a very substantial problem and do it in a way which is precedent-setting, which is history-making, and which provides for the assistance we need without new Federal funds.

Mr. AuCOIN. Mr. Speaker, will the gentleman yield?

The SPEAKER pro tempore (Mr. BONIOR of Michigan). The time of the gentleman from Illinois (Mr. CORCORAN) has expired.

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Mr. ST GERMAIN. Mr. Speaker, I yield 3 minutes and 30 seconds to the gentleman from Texas (Mr. GONZALEZ), chairman of the Subcommittee on Housing and Community Development.

Mr. GONZALEZ. Mr. Speaker, the housing industry of this country is in the midst of an unprecedented disaster. In March of this year housing starts were down 28 percent from the level of the previous year. This marks the fourth straight year of decline in the housing industry. Housing starts in the private market today are less than half of what they were in 1978.

A decline that long and that steep can only be called what it is, and that is a depression in the housing industry.

The problem is that housing simply cannot be afforded by the typical American citizen. It is not that the construction costs have increased per se in the past few years. In fact, there has been almost no change in the cost per square foot of the housing built in the last 2 years.

The problem is interest rates. In 1978, the last good year for housing, the mortgage interest rate was just under 10 percent. Today that rate is up to about 16 percent or better. Inexorably, as interest rates on mortgages went up by half, the production of housing went down by half.

This bill will provide Federal funds to subsidize interest rates down to an affordable rate or level so that houses can be sold, builders given a market, and construction workers called back to their jobs. The bill authorizes the Secretary of Housing and Urban Development to subsidize interest rates down to 9.5 percent in the case of families with moderate income, and down to 10 percent in the case of families with somewhat higher income.

To be eligible a buyer must have an income no higher than 130 percent of the area median. The subsidy would be available for a 5- to 7-year period depending on the situation. At the time the home is sold the subsidy would be repaid in whole or in part to the Government, depending on the market situation at the time of the sale.

This program is simple. It relies on tested mechanisms and it can be in operation within 30 days. There is no other comparable suggestion anywhere in America today.

I want to emphasize that this bill is for the present fiscal year. Within a short time we will bring to the House a comprehensive housing bill for 1983 which will provide further additional stimulus for housing production. When these bills are taken together, you will see that we will have a real national sense of priority when it comes to bringing about the prosperity and the level of production that is tied in with the general economic level of the well-being of this Nation.

If we intend to revive the housing industry, this bill affords the quickest and the most certain way of doing it. The mechanisms created in this bill will not require an elaborate and time-consuming new set of regulations. The program created in this bill is based on a well thought-out, carefully crafted language. It is a program that complements the housing stimulus program for fiscal 1983.

This is a bill that will work. It is a bill that addresses the most urgent of our domestic needs, and it can most certainly make an immediate and critical difference for housing.

I urge the passage of this bill today. We need to move quickly and we need to act today.

I do not sacrifice, notwithstanding to the contrary some of the arguments on proper procedures.

Mr. DICKS. Mr. Speaker, will the gentleman yield?

Mr. GONZALEZ. I yield to the gentleman from Washington.

Mr. DICKS. Is it not true that with a 9.4-percent unemployment rate that that is the best thing we could do to revitalize our economy?

Mr. GONZALEZ. The gentleman is correct. It is the only thing I know of.

Mr. DICKS. In seven past recessions since World War II housing has been a primary cause of economic recovery. I am convinced that in the context of a revised budget that reduces the deficits in fiscal year 1983, 1984, and 1985 that we can afford this important economic stimulus program. The American people want jobs not welfare. We can reduce the deficit by putting people back to work. If we reduce unemployment by one percentage point the deficit will be reduced by between $25 to $30 billion. If you are concerned about reducing deficits and bringing interest rates down then reduce unemployment and put the American people back to work.

Mr. WYLIE. Mr. Speaker, I yield 2 minutes to the minority leader, the gentleman from Illinois (Mr. MICHEL).

Mr. MICHEL. Mr. Speaker, there is nothing I would like more than to support a housing initiative today, but I cannot support this one.

There should have been an opportunity to consider and vote for a good solid effort to help an industry that is in dire need of our help and our support. That opportunity does not present itself here.

This bill is a bad bill and it is all we get, under a suspension of the rules procedure where the debate is limited to 40 minutes and there is no opportunity for amendments to be offered.

But here we are again, grasping for straws, and highly political ones at that, with a bill that at most can provide only a small number of new housing starts. The subsidized interest rate is not limited to lower income families or even to first-time buyers. Here we are again, locking ourselves into paying a subsidy for 5 to 7 years for a problem that needs fixing over the next 5 to 7 months.

I suppose I could swallow hard and accept it if I were absolutely sure it did not go beyond a billion dollars in outlays, but we all know the truth. This billion-dollar bailout has all of the potential of becoming another of our great multibillion boondoggles.

The political opportunism got so frenzied last week this House put the urgent supplemental bill in serious jeopardy all because two Republican members, the gentleman from Delaware, Mr. EVANS, and the gentleman from Illinois, Mr. CORCORAN were thoughtful enough to initiate a housing proposal of their own.

I would expect that a majority in this House will be voting for this authorization bill, if for no other reason than the lack of an alternative. The minority was not and will not be permitted to offer one and quite frankly, my own administration has not given us any indication of what they are in a position to propose.

This bill we have here is certainly not the best of the alternatives.

It is a lousy way to run the Government and does not reflect well on either side and I for one am going to vote against the bill.

Mr. ST GERMAIN. Mr. Speaker, I yield 3 minutes to the distinguished majority leader, the gentleman from Texas (Mr. WRIGHT).

Mr. WRIGHT. Mr. Speaker, I rise in support of this bill. I think what the minority leader has just said is exactly right in one sense. He said a substantial majority of the Members of this House will want to vote for this bill because there is no alternative. I think that is exactly right. There is no alternative.

So far as I am concerned, I would prefer to do it some other way if I could think of another way than by subsidizing interest. I would like just to ordain that interest rates should all come down. If interest rates were at a livable level today, this bill would not be necessary. But it is necessary.

This bill is necessary because, according to the National Association of Home Builders, only 3 percent—I repeat, only 3 percent—of the newly formed family units can afford to buy a home in the market today. That is going a long way toward killing a substantial part of the American dream—that distinctly American promise that every young couple, even of modest circumstances, can afford to have its own home—to own a piece of the action, to be capitalists themselves—and that is what has made this country strong. It is what has made it great.

Two historical pillars of the American economy, the automobile industry and the homebuilding industry, between them probably provide jobs for 1 out of every 4 Americans working in the United States today, both directly and indirectly through the collateral industries that they affect.

There is no single industry which has a more vital and direct as well as an indirect impact upon jobs than the housing industry, and the housing industry is in a terrible depression. Not a recession. The housing industry is in a depression.

Unemployment among the building trades today stands at 1 out of every 5 craftsmen available for a job. There is no job for that 1 out of every 5. This bill would provide the stimulus that would make it possible, immediately, to turn around this highly unacceptable level of unemployment.

If my colleagues think that 9.4 percent of the work force being unemployed is acceptable, they can vote against the bill. If they think it is acceptable for more than 10 million Americans not to be able to find jobs, then they can vote against the bill in good conscience. If they think it is perfectly all right for only 3 percent of America's young families to be able to afford to buy a home, then I can understand their voting against a bill like this.

There is no alternative, as the minority leader clearly has said, and this is our opportunity to say whether or not we want to make that dream a reality again for America's couples, for America's young families, in order that they, too, might reasonably aspire to own a home that they can pay for at a decent rate of interest.

This legislation will put some 174,000 people back to work and permit some 43,000 home buyers to buy homes.

Mr. WYLIE. Mr. Speaker, I yield 5 minutes to the gentleman from Delaware (Mr. Evans).

Mr. EVANS of Delaware. Mr. Speaker, I applaud the concern for housing expressed on both sides of the aisle today. The housing industry literally impacts millions of Americans. This vital sector of our economy has traditionally led us into recessions and has brought us out of recessions. It can do it again but those effected need help now, not next year, not 4 months from now, but immediately.

We must assist housing without seriously aggravating the already bloated budget deficit. It would be patently unfair to assist one segment of our Nation at the expense of another. Within these constraints, I agree completely that we must provide some short-term, immediate, and effective assistance to this vital sector of our economy. Unfortunately, the vehicle before us today, H.R. 6294, will certainly not accomplish those aims.

Along with my colleague from Illinois (Mr. Corcoran) I have proposed an alternative which will provide assistance that is a timely, effective, and broad-based stimulus.

Mr. Speaker, I would like to take just a minute to compare the provisions and results of the Evans-Corcoran approach with those of the measure before us today. I believe that a side-by-side comparison leaves no doubt whatever about which is the better measure.

H.R. 6294 is costly, adding $1 billion in new appropriations. The Evans/Corcoran proposal would transfer $1 billion in already appropriated funds earmarked for multinational energy company subsidies for costly and unfeasible synthetic fuel projects.

H.R. 6294 is not cost-effective, aiding in the very best case only 60,000 or 70,000 units in 1982. The interest subsidy is too deep at 9½ and 10 percent to generate sufficient activity for a real stimulant. Evans/Corcoran is a much more cost-effective approach. The $1 billion stimulus used in conjunction with the mortgage revenue bond program will produce 156,000 homes and home sales for 1982 and an additional 150,000 homes in fiscal 1983, subsidizing mortgages to a rate of 12 percent.

The deep level of subsidy mandated by H.R. 6294 would require the American taxpayer to subsidize as much as $25,000 per home. It would cost $3,900 per year to write down a $70,000, 30-year mortgage to 9½ percent. The annual cost of writing the mortgage down to 12 percent would be only $2,300 for every 100 homes assisted at 9½ percent. We assist 170 at 12 percent. (These figures are based on the current FHA interest rate of 15½ percent.)

By granting flexibility to the State and local housing agencies in allocating this assistance, the Evans/Corcoran proposal allows for far better targeting of assistance to a level, and for a duration, that is appropriate to an individual area. This flexibility increases the cost effectiveness of any amount of assistance.

H.R. 6294 mandates a very complex formula for determining eligibility for assistance. Significant delay will incur while a whole new delivery framework and the attendant regulations are formulated by HUD. In fact, HUD Secretary Sam Pierce recently testified before the Appropriations Committee that it will take HUD at least 120 days—after enactment—to implement the provisions of H.R. 6294.

By contrast, the Evans/Corcoran approach would use the already existing mortgage revenue bond framework, and could be in use in only 30 days. The mortgage revenue bond programs in more than 46 States are ready right now to provide this much-needed assistance.

Finally, because of the more shallow and widespread subsidy provided in Evans/Corcoran, significantly more jobs—287,000 versus 140,000 in H.R. 6294—will be affected, and the amount of tax revenue generated under our proposal will reach $1.8 billion in 1982 versus $1.2 billion under H.R. 6294.

Mr. Speaker, I believe it is critical that Members of this body give serious consideration to the need for providing a cost-effective, immediate stimulus to our housing industry. We should certainly not consider this serious matter in a forum which permits no discussion of amendments or modifications that could dramatically improve the legislation before us today. I urge my colleagues to vote against suspending the rules of the House on this measure, and I urge the leadership of this body to act with all speed to bring the proposal forward in a manner which allows for prompt and responsible efforts to legislate the best housing stimulus we can provide.

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Mr. DUNN. Mr. Speaker, will the gentleman yield?

Mr. EVANS of Delaware. I yield to the gentleman from Michigan.

Mr. DUNN. I thank the gentleman for yielding.

Mr. Speaker, I wholeheartedly agree with what the gentleman says. We did fight the good fight on the gentleman's bill. We did lose it. Every Member in this room is aware of the infighting that has gone on. but the homebuilders of this Nation and the young people who cannot afford the homes, they are not aware of the infighting. They are the ones we are talking about.

This bill, a $1 billion bailout, as the gentleman so correctly calls it, will stimulate; it is needed. I urge my Republican colleagues to support this bill bill.

Mr. WYLIE. Mr. Speaker, I yield 2 minutes to the gentleman from Missouri (Mr. Coleman).

Mr. COLEMAN. Mr. Speaker, I rise today in support of H.R. 6294, the Single Family Housing Production Act of 1982. This is an extremely worthwhile bill which attempts to aid the ailing housing industry, while at the same time making affordable mortgages available to home buyers.

At the present time, our Nation's housing industry is in the depths of a recession which has lasted over 36 months. Indeed, this is the longest recorded slump since World War II. Construction starts have plummeted, and unemployment in the construction trades industry is registering at approximately 18 percent, twice the national average. The side effects of the current housing slump can be felt in many other sectors of our Nation's economy, ranging from lumber mills to furniture companies to moving services. Homebuyers are equally frustrated since high interests rates have made it virtually impossible for middle-income Americans to buy a home of their own.

While this bill will not in itself resolve all of these problems, it nevertheless represents a necessary first step in stimulating our Nation's housing sector. H.R. 6294 provides for an interest subsidy of up to 6 percent on mortgages loans to home buyers. While the bill requires an initial outlay of money on the part of the Federal Government, it includes a recapture provision which requires that when the property is sold, refinanced, or rented, the interest subsidy must be repaid to the Federal Government by the owner. In this way, the money will be returned to the Federal Treasury.

must be repaid to the Federal Government by the owner. In this way, the money will be returned to the Federal Treasury.

I have been very supportive of this approach because I am convinced that the dire conditions in the housing industry dictate that we take this step. Because of the way the bill is formulated, I am confident that it will be only a temporary outlay of Federal funds. Considering the state of our Nation's economy, particularly the housing industry, I feel that this temporary outlay is clearly warranted. The housing industry has led our Nation out of economic downturns before. Under H.R. 6294 it will help lead us out of our current recession and on the road to recovery. This can be done immediately and without a governmental bureaucracy.

Mr. ST GERMAIN. Mr. Speaker, I yield such time as he may consume to the gentleman from New York (Mr. Peyser).

Mr. PEYSER. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I rise in strong support of this legislation, which will finally give potential homeowners a chance to buy a home. This bill will also give the building trades an opportunity to put thousands of men and women back to work.

Just this morning, I spoke with a builder in Rockland County who told me that business there was at an absolute standstill. I also talked with a member of the building trades in Orange County who told me that unemployment is reaching an impossible level largely due to the lack of construction.

How can the Reagan administration, with the support of Republican members, continue to play a political game that is hurting so many people and creating such hardship. If a better plan to help potential homeowners is developed later, then let us take a look at it. However, to hold off at this time would really be outrageous.

Mr. ST GERMAIN. Mr. Speaker, I yield such time as he may consume to the gentleman from Puerto Rico (Mr. Corrada).

Mr. CORRADA. Mr. Speaker, I rise in support of H.R. 6294, the Single Family Housing Production Act of 1982.

This legislation comes to the floor today at a critical time for our national housing industry which, both here on the mainland and in Puerto Rico has been severely affected for many months—perhaps more than any other sector of the economy.

The bill which the House Banking and Currency Committee has fashioned is one measure in a series of steps that have to be taken if we are to restore some degree of vitality to the housing and construction industry.

While only one step, it is, however, a very important one and the legislation may help the housing industry out of its greatest crisis since World War II.

The bill before us proposes two immediate and essential steps that will help stop the housing slump.

First, more home buyers would be able to afford purchase of new or different homes since the legislation would reduce mortgage interest rates by up to 4 percent.

Second, the legislation would increase employment in the housing industry by stimulating housing construction and, in that sense, could also be considered a jobs bill.

The legislation incorporates the principal features of the original housing stimulus bill sponsored by Congressman Jerry Patterson and Congressman Les AuCoin and, as the original sponsors note, the provisions of H.R. 6294 will pay for itself through the tax revenues generated by the jobs created in housing construction and related industries.

The bill before us will help keep alive the dream of homeownership for many individuals who have literally been priced out of the housing market. It restores housing to a national priority once again.

It does so by the provisions which allow the Secretary of HUD to provide mortgage interest assistance for purchasers of new single-family homes, manufactured homes, condominiums, or cooperative units.

In Puerto Rico, the scarcity of housing units is a serious problem and, as in other areas of the country, the demand for adequate dwelling exceeds the market's offer as population increases.

A recent report prepared by the Department of Housing of Puerto Rico indicates that a coordinated effort in both public and private sectors is needed to provide approximately 28,000 new housing units per year in Puerto Rico.

This figure would allow the island to expand its housing industry to meet the needs of approximately 20,000 new families established every year.

Mr. Speaker, I am hopeful that the Housing Subcommittee chaired by Congressman Henry Gonzalez will also soon report its major housing and community development bill (H.R. 5371) which is geared toward the need to restore the existing and successful subsidized housing programs of HUD for low- and moderate-income families. However, I believe that the bill before us today is necessary to bring about a prompt and immediate relief to the housing and construction industry and to allow middle-income families in the U.S. mainland and Puerto Rico to realize their legitimate aspirations of acquiring a home at mortgage interest rates they can afford.

I urge the passage of H.R. 6294.

Mr. ST GERMAIN. Mr. Speaker, I yield such time as he may consume to the gentleman from Washington (Mr. Swift).

Mr. SWIFT. Mr. Speaker, one of the groups that are hardest for Members of Congress to stay in touch with are young people between 25 and 35 years old. They tend not to belong to various community organizations in the proportions that their parents did and, because of that, we often miss them as we tour our districts working to stay in touch with those we represent.

A little while ago, recognizing this, I sought out a group of young married people at the age where they were just starting their families, just beginning their careers and focusing on what would be their lifetime aspirations and goals.

Their No. 1 concern—and it surprised me somewhat—their No. 1 concern was whether or not they would ever be able to afford to own their own home.

Now this surprised me, I guess, because when my wife and I were at that stage of our lives, we just assumed we could buy a home. We did not, as a matter of fact, for many years—but we always knew that we could, anytime we really wanted to. And so, it was not such a big deal with us. It was one of those things we took for granted.

Not so the current generation of young adults. It is definitely not something they can take for granted. And as a result, they know how important the opportunity to own a home is.

Some in the group had purchased homes very early in their marriage. They felt they had just got in under the wire—but worried that they would never be able to trade up. One young mother told me that she had to assume that if they were to continue to own a home, they would have to live in the one they were fortunate enough to purchase—for the rest of their lives. If they had to move for reasons of career change or promotion, they might loose their only chance to be homeowners.

The other group had either been married somewhat later, or chose to put off a few months or years the decision to buy. They felt that they had missed their last opportunity to own their own home. And it was a major concern in their lives.

I could not help contrast the thoughtless optimism with which my generation left college and entered young married life—in very good economic times—with the world faced by today's young people. The economy is as bad as it has been since I was an infant. And high interest rates have erased any opportunity for today's generation to get on that first rung of the ladder of homeownership on which one can build equity and from which one can trade up as careers develop and prosper.

This bill today offers this current generation hope—hope of owning their own home.

It is no panacea. It will not solve all our economic problems. It will not assure every young couple a home. But it is a beginning. It is a tool by which many thousands of young people can get a hand up on that first rung.

It is no give away. It is a loan program. It just gives this generation some of the chance that you and I had when we were their age. To refuse them the very chance we had would be as callous an act of generational arrogance as I can imagine.

Finally, Mr. Speaker, this measure is a different version of a bill that, with my colleague from Washington, Mr. Dicks, I introduced recently. It is not my bill. But the gentleman from Oregon (Mr. AuCoin) and the gentleman from California (Mr. Patterson) are to be commended for their work in developing this measure. No pride of authorship on our part can stand in the way of recognizing this is a good bill that will start the process by which young Americans can again expect to own homes. And, in the process, we can begin to build our way out of the stagnant economy by stimulating the homebuilding industry. It has led the way to prosperity before. Here is our chance to help it get started on the process of doing it again.

Mr. ST GERMAIN. Mr. Speaker, I yield such time as he may consume to the gentleman from Illinois (Mr. Annunzio).

Mr. ANNUNZIO. Mr. Speaker, I rise in support of the legislation.

Mr. ST GERMAIN. Mr. Speaker, I yield such time as he may consume to the gentleman from Oregon (Mr. Wyden).

Mr. WYDEN. Mr. Speaker, I rise to lend my unequivocal support to the emergency housing stimulus legislation we are debating today. I believe this bill is absolutely essential to the survival of our Nation's housing and construction industries.

Because this administration has repeatedly stated their opposition to this legislation, a clear showing of bipartisan support for this bill is absolutely essential. I have a difficult time understanding the administration's advocacy of policies that would destroy the historic partnership between the Federal Government and the Nation's housing industry—a partnership that has provided the American people with better, cheaper, and more plentiful housing than any other nation on Earth.

Because of the misguided housing policy of this administration—and because the failure of the administration's economic game plan has brought us the worst recession and highest interest rates in 40 years—the housing industry is now on the precipice of complete disaster and is in desperate need of an immediate and substantial shot in the arm.

H.R. 6924 will provide that stimulus quickly and effectively by insuring the immediate construction of hundreds of thousands of new homes and by putting hundreds of thousands of unemployed Americans back to work.

H.R. 6924 will do this by providing thousands of middle-income Americans who are currently shut out of the housing market with affordable mortgage credit.

H.R. 6924 will get our homebuilders and construction workers back on the job this summer.

H.R. 6924 will also provide an immediate boost to the thousands of savings and loans that are on the brink of insolvency.

The American people should not be denied a fair chance to purchase decent and affordable housing. For many months now, all but a very few have been effectively denied that chance. The potential social and economic consequences of continuing on our present course are ominous. If we do not get behind this legislation, what can we tell the millions of young Americans who are now entering the housing market only to find that the American dream has turned to ashes?

I continue to believe that the most important responsibility facing the Congress today is to reduce the size of the Federal budget and regain control of the skyrocketing Federal deficit. I am well aware of the fiscal dangers inherent in any pump-priming legislation.

Nevertheless, I support this bill because I believe we are talking about a unique situation here today, a situation where a major American industry has been left to die on the vine by an administration that stubbornly clings to an economic game plan that is clearly not working and is causing real human suffering in every corner of this land.

We are not talking about a subsidy here today, we are talking about the survival of one of the most important sectors of our economy. For this reason, I again urge Members on both sides of the aisle to enthusiastically support this bill.

Mr. ST GERMAIN. Mr. Speaker, I yield such time as he may consume to the gentleman from Washington (Mr. Bonker).

Mr. BONKER. Mr. Speaker, I rise in support of the bill. I would like to commend the committee chairman, the gentleman from Oregon (Mr. AuCoin), and the gentleman from California (Mr. Patterson) for their excellent work.

Mr. WYLIE. Mr. Speaker, I yield such time as he may consume to the gentleman from Wisconsin (Mr. Gunderson).

Mr. GUNDERSON. Mr. Speaker, the economic peril threatening to destroy today's housing industry may not wait for the fiscal year 1983 budget or even the July tax cut. Alarming statistics from my home State of Wisconsin magnify the urgent crisis facing the housing industry.

The nationwide depression in the industry has already crippled the housing market. Nationally housing starts have decreased by 45 percent since 1978. In Wisconsin, the statistics are even more awesome. In the past 2½ years, housing production has run 80-percent below the statewide average set in 1977 and 1978. Recent production has run between 6,000 and 8,000 units per year, compared to 43,000 units annually in 1977 and 1978.

While construction unemployment hit 19.4 percent in April 1982, unemployment in the Wisconsin construction industry hit 20 percent and continues to increase. Within the residential homebuilding industry alone, unemployment has reached a whopping 42 percent.

Statewide, the Wisconsin Builders Association has lost 25 percent of its membership and unofficial surveys show that up to 60 percent of the homebuilders have gone out of business in the past year.

These conditions, coupled with 17 percent average interest rates for long-term mortgages, threaten to foreclose the entire housing industry in Wisconsin. History has shown that as the housing market goes, so goes the economy.

Without question, this problem impacts severely on the economy at large. The Congressional Budget Office estimates that every 1-percent increase in unemployment costs the Treasury $25 billion—$19 billion in lost revenue and $6 billion in new expenditures to pay for unemployment programs. Clearly, we cannot overlook legislation to stimulate the sagging industry in our search for means to reduce the mounting Federal deficit.

The issue we face today is not one of whether or not an economic recovery will occur—certainly, it will. Rather, we must realize that unless we act soon, there will not be a housing industry to meet the needs and demands for new housing as a part of that recovery. Now is the time for all of us to voice our support for a strong national housing policy that will help lead the Nation out of recession, create jobs for millions of unemployed, generate tax revenue, and produce desperately needed, affordable housing for our growing adult population.

The Single-Family Housing Production Act would provide emergency Federal mortgage rate assistance to home buyers as a vital first step in this

direction. As a cosponsor of H.R. 6294, I urge all of my colleagues today to support this important legislation—not only for the future of our housing industry but for the success of our entire economic recovery program.

Mr. ST GERMAIN. Mr. Speaker, I yield 1 minute to the gentlewoman from Ohio (Ms. Oakar).

Ms. OAKAR. Mr. Speaker, I want to congratulate the Chairman and all of the Members who are responsible for this very, very fine bill.

Mr. Speaker, I have heard a lot of people talk about the cost of the legislation. But let us not forget one thing. For every 1 percent of unemployment in this country, which is at a record high, we add $25 billion to the deficit.

In an article published in one of the older labor newspapers in the country, the Cleveland Citizen, in my area, they state that unemployment in construction amounted to 946,000 workers in January, or 18.7 percent. And in certain areas of Ohio, we have up to 50 percent unemployment in the construction area. Therefore, I think not only for these trades people but for the people who distribute lumber, bricks, glass, steel, plumbing and heating equipment, furniture, home furnishings, home appliances, and other types of building materials and their components, this bill really will assist in revitalizing housing and construction for millions of Americans.

I congratulate the Chair on the bill.

Mr. WYLIE. Mr. Speaker, I yield 1 minute to the gentleman from Wyoming (Mr. Cheney).

Mr. CHENEY. I thank the gentleman for yielding.

Mr. Speaker, I rise in opposition to H.R. 6294. I think all of us are concerned about the plight of the housing industry and would like to do something to assist, but I am fearful that this bill moves in exactly the wrong direction.

If you really want to help the housing industry, the answer is to reduce interest rates. and, unfortunately, this bill will have the opposite effect. It sends the wrong signal to the Nation's financial markets. The signal it sends is that down here in Washington it is business as usual; that all of the efforts we have made over the past several months to reduce spending and to reduce the deficits and to bring down inflation and to bring down interest rates have gone for naught. When the going gets tough, ultimately we are prepared to go the same bailout route that we have gone in the past, and provide the kinds of subsidies and assistance that discriminate unfairly on behalf of a particular industry.

The best thing we can do for the housing industry, for the entire economy, is to bring down interest rates, and that means we ought to avoid these kinds of budget-busting measures.

Mr. Speaker, this bill is a turkey, and I would urge its defeat.

Mr. CORCORAN. Mr. Speaker, will the gentleman yield?

Mr. CHENEY. I yield to the gentleman from Illinois.

Mr. CORCORAN. Mr. Speaker, I would just like to say there is a connection between the Federal loan guarantees and interest rates, and that is what we are trying to preclude.

Mr. ST GERMAIN. Mr. Speaker, I yield such time as he may consume to the gentleman from New Jersey (Mr. Minish).

Mr. MINISH. Mr. Speaker, I rise in strong support of this much-needed legislation.

Mr. Speaker, I rise to voice my strong support for H.R. 6294, the Single-Family Housing Production Act of 1982. At a time when housing starts have fallen to their lowest levels in 30 years and young people are unable to buy homes due to the exhorbitant levels of mortgage interest rates, this bill offers immediate relief. It would make homeownership more affordable to qualified home buyers by reducing the mortgage interest rates by up to 6 percent. New home purchase activity would stimulate the construction of new homes and thereby lead to increased levels of employment in the housing industry. I do not believe this legislation could have been offered at a better time.

Department of Labor statistics indicate that this country is in the deepest economic recession it has experienced since the Great Depression. When the economy has lagged in the past, new activity in the housing industry has inspired broad economic recovery. Housing activity has the ability to generate spending and employment in many related services and industries. Given the present economic condition, it is essential that we look to those sectors which can stimulate an overall revitalization. The housing industry has proven to be effective in this role in the past, and I believe that if we provide the necessary stimulus it will do so again.

It has been estimated that the bill before us would assist up to 74,000 homebuyers who are presently prevented from making purchases due to high mortgage rates, to buy homes. In addition it would lead to the creation of 140,000 new jobs in housing related industries.

Mr. Speaker, this is an economic incentive that under the present circumstances we can hardly afford to ignore. I urge my colleagues to vote with me on the emergency housing stimulus bill.

Mr. ST GERMAIN. Mr. Speaker, I yield 1 minute to the gentleman from Minnesota (Mr. Vento), a member of the committee.

Mr. VENTO. Mr. Speaker, I rise in strong support of this legislation. If we want the homebuilding industry to meet our Nation's housing needs to get construction workers back to work and businesses to be profitable, we have to give them the tools to do so. Clearly, the present economic path that we are pursuing is not delivering that type of resource.

Every Member of this House realizes that we face a crisis in the homebuilding industry today. This crisis is directly caused by high interest rates and the resulting inability of prospective home buyers to afford the monthly payments needed to finance a 16-percent mortgage. The depression in the housing industry is a critical situation because, as it continues into its second year, it erodes the ability of this industry to respond to the housing needs of this Nation when economic conditions improve.

Millions of American families that wish to purchase a home are currently shut out from this market. This is an especially critical situation for the first time home buyer because they do not have the equity in a home to reduce the monthly mortgage costs. At a time when there is the greatest need in our history for new home construction, this Nation has not been able to provide enough homes to meet half the documented need.

The bill we are considering today directly responds to the cause of the homebuilding crisis and targets the assistance to those families most in need. H.R. 6294 provides a mortgage at affordable interest rates and gives a priority to first time home buyers. This legislation assists these families in an equitable manner by providing a more substantial "interest write down" over a longer period of time for families with more modest incomes.

The committee has insured that homes will be of modest cost and design by using the FHA mortgage insurance limits. In addition, we have sought to protect the financial interests of the Federal Government with the inclusion of a requirement to recapture the assistance upon sale or refinancing of the home.

A lot of people are arguing today against the process. They suggest instead a process in which we dip into the synthetic fuels program and provide a tax modification to address a housing stimulus program. Well, under any rule that we would have, that type of an amendment which cuts across three jurisdictions would almost be impossible. So I cannot imagine a more jerry-rigged reason to vote against this measure before us today. I hope that the opponents would recognize that they have called attention to this issue. They ought to be supporting this particular initiative of the Housing Subcommittee. There is a dire need. It is something that will provide a tool and will help things get moving again. The present economic course is not delivering. Therefore, we have to demonstrate that when economic policy doesn't work that we must be pragmatic, that we should be reasonable and, that we will temper our actions to meet the needs that are at hand today.

I am most pleased that this legislation builds upon the work of the Housing and Community Development Subcommittee. This legislation authorizes, for the remainder of this fiscal year, a cornerstone of the Housing and Urban-Rural Recovery Act which the Banking Committee is considering today. Building upon the hearings before the subcommittee and the expertise in the subcommittee is a far more preferable approach than a shot in the dark, unstructured billion dollar program proposed by some of my colleagues.

It is essential that we approve this legislation today. The economic policy of this administration has forced thousands of builders and suppliers out of business; millions of construction workers to the unemployment lines; and, turned the dream of home ownership for American families into a nightmare. Passage by the House today demonstrates that we understand the needs of these American families and we are willing to help. There are very few issues which are more important for the vast majority of American families than this. I urge the passage of this amendment.

Mr. WYLIE. Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania (Mr. Walker).

Mr. WALKER. Mr. Speaker, why are not houses being built and why are not construction workers working? Because of high interest. Why are there high interest rates? Because of a decade of irresponsible Government spending programs. Why will this program not work and, in fact, may hurt? Because it does exactly what has caused all of the problems in the first place. It spends money we have not got.

Once again our concern about deficits is only so many words if we continue to fund this kind of big and new spending program.

There is another alternative. We could take some money out of the fat-cat oil companies and put it into housing. That would be a responsible approach. But under the legislative procedure used today we are not allowed to take the responsible route. So that is the question before us. Do we take a responsible route or an irresponsible route? Approval of this bill that expands the deficit is clearly irresponsible.

Mr. ST GERMAIN. Mr. Speaker, I yield 2½ minutes to the gentleman from California (Mr. Patterson), a cosponsor of the legislation.

Mr. PATTERSON. Mr. Speaker, today's consideration of H.R. 6294, the Single-Family Housing Production Act of 1982 is the culmination of several months of hard work. I and a number of Members have devoted substantial amounts of time and energy in a bipartisan effort to give the House of Representatives an opportunity to provide a housing stimulus program this year.

To try to condense an explanation of these activities into the short time alloted to me is not going to be easy. I am fortunate our able chairmen, Mr. St Germain, chairman of the full Banking Committee, and Mr. Gonzalez, chairman of the Housing Subcommittee, have already covered much ground with their explanation of the bill.

However, I have listened to some Members on the other side of the aisle, even those who are sympathetic to this housing program—indicate that the bill has certain problems. The key issue raised has been with regard to the source of funds for this emergency program. Some have argued that using funds already authorized for the Synthetic Fuels Corporation will not have a budget impact. This belief is a fallacy; the fact is, use of synfuels money will have an outlay impact—the very same $1 billion outlay impact over the life of the program will be affected, regardless of the source of funds. It is deceptive to think that we can provide this housing stimulus program this year without having any outlay impact. It simply can not be done with mirrors. So let us have some honest budgeting here and approve this legislation which, without mirrors, can provide the vital housing stimulus program this year. This may be our only chance to enact such legislation which can take effect in time for this summer's building season.

Another matter I would like to clear up is the question of whether or not this is a bailout. It is not a bailout; it is an investment. It is an investment in our Nation's families—an investment to help them achieve the American dream of homeownership. Most potential home buyers—to be precise, more than 90 percent of them—cannot afford to buy a home today if they do not already own one. We need this program in order to assist thousands of families in the achievement of this dream, a dream which has been the foundation of our way of life.

It is not a bailout for homebuilders; it is an investment in homebuilders as well as in all of the other providers of the more than 3,000 goods and services that go into the creation of every new home. This housing industry infrastructure must not be allowed to deteriorate any further; additional losses of these economic supply lines will make any hope of economic recovery extremely difficult, if not impossible, in the short run.

It is not a bailout for construction workers; it is an investment in these citizens. The almost 20-percent unemployment in the construction industry can only be considered a drain on our society and economy. As we have all heard recited time and time again, every 1 percentage point of unemployment adds approximately $25 billion to the Federal deficit. This housing assistance program would allow us to put back to work thousands of construction workers and thereby curtail any additional drag on the Federal deficit.

In addition, this program more than pays for itself. The $1 billion in budget authority will return about $950 million in Federal revenues to the Treasury through taxes on the economic activity generated by the program. That is quite a good return on our investment, especially when you consider that the assistance itself is repaid to the Federal Treasury through the recapture provisions of the bill.

Mr. Speaker, there are no losers under this bill, only winners, including families who want to buy homes, builders and workers who want to build them, lenders who want to finance them, realtors who want to sell them, and our citizens who want to see this Nation's economy begin on the path toward economic recovery.

The bill is supported by industry: The National Association of Homebuilders, the National Association of Brick Distributors, the Hardwood Plywood Manufacturers Association, the Northeastern Retail Lumbermen's Association, the National Concrete Masonry Association, the National Forest Products Association, the National Home Furnishing Association, and many, many more. It is supported by labor; the Building and Construction Trades Department of the AFL-CIO has formally endorsed this bill. I have a letter in my possession from Robert A. Georgine, president, which clearly indicates labor's support of this bill. Labor supports it, homebuilders support it, potential home buyers will thank you, and I believe the President—yes, the President—will sign the bill when it is presented to him if we show the courage to deliver it to his desk. I urge a "yes" vote.

Mr. WYLIE. Mr. Speaker, I yield 2 minutes to the gentleman from Connecticut (Mr. McKinney).

□ 1330

Mrs. HECKLER. Mr. Speaker, will the gentleman yield?

Mr. McKINNEY. I yield to the gentlewoman from Massachusetts.

Mrs. HECKLER. Mr. Speaker, I rise in support of this legislation.

Mr. Speaker, we have the opportunity today to take a fledgling step on the road to recovery for the housing industry, a major segment of the American economy.

H.R. 6294, the Single-Family Housing Production Act of 1982, offers assistance to this industry, in the form of a subsidy to middle-income home buyers. The bill provides for a mortgage interest rate buydown, scaled to meet the financial needs of eligible middle-income families. The buydown would continue for 5 to 7 years, and be recaptured upon sale of the home. The legislation before us is not perfect, but it does address a pressing domestic need.

By encouraging the construction of new homes—an estimated 75,000, involving the creation of 135,000 new jobs in construction and related industries—the bill is designed not only to stimulate the housing industry but also to enable middle-income Americans who have not been able to afford a home, due to high interest rates, to fulfill their dreams of homeownership.

We all know the plight of the housing industry. The current housing slump has stretched for 36 months, the longest since World War II, far exceeding the record 27-month housing recession of the midfiftys. It is clear that the housing industry needs help and that such assistance must come during the 1982 construction season, which has already begun. H.R. 6294 is no panacea, but it does offer a partial solution.

This solution—however partial—has residual effects: On the thrift institutions, which would offer some of the subsidized home loans; on producers of building supplies; on manufacturers of furniture; and on other businesses related to growth or decline in housing starts.

Even though we have many steps before us, let us take a first step today and approve this measure. This bill is a step forward; in passing it, let us resolve to keep up the momentum.

Mr. EMERY. Mr. Speaker, will the gentleman yield?

Mr. McKINNEY. I yield to the gentleman from Maine.

Mr. EMERY. Mr. Speaker, I rise in support of H.R. 6294, the emergency housing authorization bill. The best solution to the housing slump remains a reduction in interest rates. But unless we offer potential home buyers a small degree of relief from prohibitively expensive mortgage rates, there will be no U.S. homebuilding industry around when the recovery finally arrives. By adopting the legislation before us today, not only will we be helping the couple attempting to make the purchase of a lifetime, we will also be stimulating the entire homebuilding and homefurnishing industry. Although some have alleged that this legislation is a "band-aid" approach to the problem, those of us who have met homebuilders with unsold inventories or unemployed construction workers know that a renewed demand for housing will trigger a wave of activity in the homebuilding industry, create new jobs, generate tax revenues, and improve the overall state of the economy. Additionally, the dream of homeownership will be placed back within the reach of most Americans.

The legislation before us today is a modest attempt to inject some life into the housing market by reducing effective mortgage rates for middle-income and primarily first-time home buyers, and it deserves our support.

Mr. McKINNEY. Mr. Speaker, as one of the original cosponsors of this piece of legislation I think there are a few things we ought to get very clear for the record.

I deeply admire my two friends' efforts for the Evans-Corcoran initiative, but, however, I must say as well as one of the original cosponsors of the legislation, I was one of the original, very original cosponsors of the synthetic fuels legislation. The synthetic fuels bill did not call for expenditures. To have expended that money would have been new spending this year. If in fact there are some problems with our writedown level and our interest level in this bill, which there may well be, I am quite sure we will determine that before we go to conference and do something about it.

I would also suggest to everyone, which seems to be forgotten, that essentially there are only three large programs within the synthetic fuels bill. One of them has had a very bad streak of luck, but the synthetic fuels program will employ more workmen, use more steel, use more concrete, than any single housing program we have ever passed in the history of this country.

So that is also employment, it is also jobs, not to also mention the fact that the synthetic fuels argument is one of national security in the long run.

This dream world we are living in right now is going to disappear, the ability for this country to react and to have the mobility fuels that should be necessary should there be a national emergency is almost nonexistent.

I think it is very important that that point be made. The United States has two base industries: housing and automobiles. Upon those two industries almost every other industry you can name depends for some part of its business.

All one has to do is drive down any street in America and see the lumber yards, the hardware shops, the plumbing shops, the electric shops, all going belly up, I believe is the expression. They need help.

Mr. ST GERMAIN. Mr. Speaker, I yield 2½ minutes to the gentleman from Oregon (Mr. AuCoin).

Mr. AuCOIN. Mr. Speaker, we face an emergency on the floor today. The emergency is that we are watching, even as we meet, the complete collapse of the housing industry and related industries.

Today as we debate this bill, one-half of the builders in America are losing money; one-fourth of them are only managing to break even, and about 60 to 70 percent of them say that they cannot get through this construction season unless this Congress takes action in the next few weeks to provide a housing stimulus program for the country.

One can sit back and say that we should debate and refine and consider the problem ad nauseam and ad infinitium. But we do not have the luxury of doing that.

The builders who are out of work and going bankrupt—and the increase has been 50 percent over the last year—the workers in the mills and the workers in the woods and the workers on construction sites cannot put housing bill alternatives in their lunch pails, they cannot bank the fact that somebody else may have an idea that he thinks or she thinks is better to relieve the housing industry. They need relief, they need action, they need a bill now. They want and need this bill.

No one cannot say on the Republican side of the aisle that he or she is in support of a national housing stimulus program unless he or she votes for this bill. If you are for housing, you vote for this bill. It is our only shot at the problem.

We have a crisis here. I want to say to my friend from Delaware (Mr. Evans), with whom I served on the Housing Subcommittee, I know of few who have a greater commitment to housing that he does. I understand that he has an alternative proposal, but I would say to him to think about the builders and think about the people whose jobs are dependent upon the passage of this bill. We cannot use pride of authorship on a question like this. We need action.

I would make only one other point. In terms of spending, the gentleman's proposal which he says would be better provides as much spending as this proposal does. This proposal, however, has a recapture provision of any subsidy that is expended, so that subsidy can be returned to the Treasury at the point of the sale of the home that is subsidized.

More than that, the jobs that are created, the revenue that is generated to the Treasury by those jobs, pays for this program. It is an infinitely better proposal than we have seen suggested by others. It is supported by labor and management.

I hope that my colleague from Delaware—and all my colleagues—will consider the gravity of this crisis and will support this legislation.

Mr. WYLIE. Mr. Speaker, I yield such time as he may consume to the gentleman from Pennsylvania (Mr. Nelligan).

Mr. NELLIGAN. Mr. Speaker, I rise in support of this bill.

Mr. WYLIE. Mr. Speaker, I yield such time as he may consume to the gentleman from Ohio (Mr. Weber).

Mr. WEBER of Ohio. Mr. Speaker, I rise in support of this legislation.

Mr. Speaker, the economic problems facing the country today have their roots in past policies—trying to do too much, too quickly; taking and regulating too severely; and then thinking that Government can pay for these excesses by turning on the printing presses and passing the costs on to the American public in the form of another round of inflation.

I am confident that the tax reductions, the slower growth of Government spending, the reform of unnecessary regulation, and the responsible monetary policies now in place have put us on the right path to economic recovery. We must stay on that path and not turn back to the policies that have caused today's recession.

Recovery from problems that have their origins in years and years of bad government cannot be achieved quickly. It will take time, as events are demonstrating.

In the meantime, while we are waiting for the economy to respond, we must not continue to turn our backs on the housing industry of this country, most of whom are small businesses; we cannot ignore the first-time home purchaser, most of whom are young couples starting out in life; and we surely cannot be forgetful of all those who depend on housing for their livelihood, the artisans, craftsmen, and other building tradesmen who make their living by constructing our Nation's houses.

This industry has borne the brunt of our recession and the battle against inflation long enough. This industry has absorbed the punishment of bad congressional policies long enough. It is now time to act.

This is a good bill. It is not in all respects the bill that I would have put together if the opportunity had been mine. But it will reduce interest rates for home purchasers. It will perhaps save some businesses from bankruptcy. It will preserve jobs.

I am as opposed to increases in the Federal deficit as any Member of this Congress, but this legislation will create tax revenue; it will help to get the economy moving again. The effect on the deficit is counterbalanced by its effect on increasing economic activity.

Not a perfect bill; but a good enough bill. I am supporting it because I care about housing, I care about homeownership, I care about the country's homebuilders, and I care about those whose livelihood depends on an active market in housing.

Mr. WYLIE. Mr. Speaker, I think the talk about a rule or an amendment with reference to opening this bill so that money could be taken from the Synthetic Fuels Corporation to finance housing points up the problem that we face today as we brought this bill to the House floor under a closed rule.

All kinds of amendments would have been offered and debated and so forth. I think that procedure would have just muddied up the waters to the true purpose of the legislation which we have before us today, which is that there is an urgent need for emergency assistance for the housing industry.

There are a number of provisions in the bill that I would like to see changed and I would have preferred to see the legislation come out under a normal procedure which would have provided an opportunity for all those who have some objection to it to make those changes.

However, under the circumstances, and in view of the fact that we are trying to accelerate the process, I urge that we pass this bill today with the thought we may want to look to changes in conference if corrections are needed.

Mr. Speaker, I yield such time as he may consume to the gentleman from Idaho (Mr. Craig).

Mr. CRAIG. Mr. Speaker, I rise today to reluctantly vote in favor of H.R. 6294, authorizing the expenditure of $1 billion for mortgage subsidies. I do so with some very great reservations about the measure's ability to achieve the end designed and with great disappointment regarding the deplorable manner in which this body has addressed the issue.

My reservations and disappointment are only exceeded by my grave concern for the plight of the Nation's housing industry. The leadership of this body has made it brutally clear that they want this matter decided their way. That is really too bad.

There are those of us who have been diligently working on this issue for many months; who believe that better, more effective, and less expensive solutions are available. We had wanted only that these alternatives be considered. We have felt the need for urgency long before this time, but also knew that urgent passage of something that would not become law, or if it did, would not stimulate the housing industry, would be counterproductive. This issue is important enough to be thoroughly discussed. It could have been, it should have been.

I want to applaud the actions of Congressmen Corcoran and Evans last week. If it were not for their actions to force the hand of the leadership of this body, we might still be languishing in the partisan politics of "who gets the credit." So here we are today. We are going to pass a $1 billion measure that adds to the already exorbitant deficit when it did not have to; that will expend more Federal dollars per mortgage than is needed, needlessly diminishing the bill's impact; that prescribes standards and regulations that will add time and cost to implementation; and stands the chance of Presidential veto.

I do not particularly like this bill, but it might be all we will get from this House. I think we have done the housing industry and the Nation a great disservice by proceeding in this manner and there are many of us who know better. But, you have painted us into a corner and at this late date, there is no other alternative but to vote "yea" and hope that, for some unforeseen reason, the bill works.

In the words used by the distinguished Rules Committee chairman, "I don't intend to forget this."

Mr. WYLIE. Mr. Speaker, we need to pass this bill today and I urge my colleagues to vote for it.

Mr. ST GERMAIN. Mr. Speaker, I yield such time as he may consume to the gentleman from Washington (Mr. Dicks).

Mr. DICKS. Mr. Speaker, I would like to commend my colleagues, Mr. Patterson, Mr. AuCoin, and Mr. St Germain, as well as the leadership, for bringing this urgently needed legislation to the floor today.

As my colleagues know, I come from a State with a strong dependence on the housing industry. Because of Washington State's economic reliance on the forest products industry, we suffer deeply when housing starts and sales decline. Nationally, housing production is at its lowest point in 40 years. The slump in housing is not the only sign of the economic crisis our Nation is facing at present. But a housing stimulus program can help us bottom out the current recession, and put Americans back to work in every area of production.

A housing crisis affects us all. The repercussions of a slump in housing are felt in many related industries, like roofing, insulation, contracting, and plumbing. A decline in housing affects the small businessman and the large corporation. Its impact is felt throughout the economy. But just as a decline in housing construction and sales has a widespread impact, a recovery in these industries could trigger improvement and growth in a broad spectrum of businesses. That is why I feel it is so important to give a push to housing now—to bottom out the recession and get the Nation back to work.

In 1981, less than 1.1 million housing starts were recorded. That is a 45-percent decline from the years 1977–78, when 2 million units were started. High interest rates are largely to

blame for the slump. Nationally, 686 construction companies failed in the first quarter of 1981. The previous cyclical peak was in the second quarter of 1975, when some 660 companies failed. And things are getting worse, not better. My concern is that we act quickly to stimulate the industry, while there is still time to stimulate the 1982 building season.

The impact of the housing slump on Washington State has been severe. Unemployment in my State now tops 13 percent. In many of the lumber counties, it exceeds 30 percent. Fifty percent of the real estate licensees are now inactive. Out of 270 sawmills in Washington State, 100 are closed or working curtailed shifts. Permits for housing starts fell 24 percent in Washington State from their 1980 level over the last year. Since 1979, permits are down more than 50 percent. This same story is repeated throughout our 50 States—though it varies where employment is less dependent on a single industry. But the impact of a strong housing industry would be felt in increased employment and new revenues at every level. Even the administration's own economic advisers have admitted that there can be no sustained economic recovery without a recovery in housing.

Housing construction has been particularly depressed by high interest rates. Though half of the Nation's families could afford to buy a modest home in 1963, today less than 15 percent could afford that same home. And the difference is in the cost of money. The market has adjusted to an extent through the development of new financing mechanisms. In the Seattle area, for example, the Washington State realtors tell me that over 70 percent of all sales of single-family homes involve some form of seller financing. But we can only expect creative financing to take us so far. The Congress has to provide a stimulus to get the industry back on its feet. And I think many of us here today agree that the program before us would fit the bill. The impact of a strong housing industry would be felt in increased employment and increased revenues across the board. These factors are the keys to our economic recovery—jobs and revenues.

Mr. Speaker, a housing bill like the one before us today could serve as a key countercyclical device to stimulate the economy. In the context of the new budget which is being formulated, a housing stimulus bill could help bottom out the recession and start the economy on the road to recovery. If you want to reduce the deficit, put the people back to work. In Washington State and across the country, this bill will help us achieve that goal.

Mr. Speaker, just a few minutes ago I received a letter from the White House opposing this legislation. I am shocked that the administration would oppose legislation that would revive our economy and help homebuilders, and I place in the Record the letter from the White House:

U.S. Department of Housing
and Urban Development,
Wasington, D.C., May 11, 1982.

Dear Congressman: Attached for your information is a letter from Budget Director David Stockman to Minority Leader Robert Michel expressing the Administration's strong opposition to the Single-Family Housing Production Act of 1982, H.R. 6294.

I encourage you to review this letter carefully before H.R. 6294 comes to a vote in the House this week.

Very sincerely yours,

Stephen May,
Assistant Secretary for Legislation and Congressional Relations.

Executive Office of the President,
Office of Management and Budget,
Washington, D.C., May 10, 1982.

Hon. Robert H. Michel,
House of Representatives,
Wahington, D.C.

Dear Bob: I understand that the House may soon consider the Single-Family Housing Production Act of 1982 (H.R. 6294). This bill would attempt to assist the housing industry by authorizing $1 billion to be committed in the remainder of this fiscal year to buy-down interest rates on mortgages on new homes.

Although the Administration is deeply concerned about the impact the current high interest rates are having on housing, expensive bail-out proposals for housing, such as H.R. 6294, are inconsistent with this Administration's basic policies. As the President stated in his March 29 speech to the National Association of Realtors, "You [Realtors] recognize, as I do, that budget-busting bail-outs will only aggravate the interest rate problem—the underlying problem in the housing industry."

Thus, the Administration strongly opposes passage of the Single-Family Housing Production Act of 1982. Should this or similar housing bail-out proposals reach the President's desk, they would not be recommended for approval.

Sincerely,

David A. Stockman,
Director.

Mr. ST GERMAIN. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas (Mr. Kazen).

Mr. KAZEN. Mr. Speaker, I rise in strong support of this bill. As coauthor of this amendment I urge my colleagues to pass it by the necessary two-thirds vote.

Mrs. SCHNEIDER. Mr. Speaker, it is my intention to support H.R. 6294, emergency housing authorizations, because it will help to address the problems of near-depression in the housing and related industries. However, I do so with regret that we are not following the Evans-Corcoran amendment which I so strongly supported last week.

It is necessary to lend Federal support to the housing industry. But it need not have been necessary to follow the old habits of spend, spend, spend. The same amount of funds could have been made available by transferring funds already appropriated to the Synfuels Corporation. Instead of allowing such an innovative approach to this Nation's housing problems, we are leaving the money in synfuels for large oil corporations and appropriating still more money.

Let us give homebuilders a boost, and let us give frustrated potential home buyers a chance to get a home of their own. Let us support this bill—but let us learn a lesson about innovative approaches and special interests.

● Mrs. HOLT. Mr. Speaker, perhaps it is good politics to vote for suspension of the rules to pass H.R. 6294, but I believe it is bad economics and would not help the housing industry.

At a time when the financial markets are maintaining extremely high interest rates because of huge Federal budget deficits and fear of future inflation, here is legislation for a new program costing as much as $1 billion.

You might argue that it does not cost very much as compared with the total of the Federal budget, and it is described as an emergency act.

But I would remind the House that the Federal budget deficit was built to enormous and ruinous dimensions by a Congress that added a billion here and a billion there over the years, and the small, new, temporary programs always grew to be large and permanent.

We are sending the wrong signal to the financial markets with this legislation. It will make them more nervous about the prospects for future inflation. It will make the task of reducing interest rates much more difficult.

I share the concern of the sponsors of this bill for the desperate condition of the housing industry, but the interest subsidies provided by this legislation would not make any significant improvement, and there is a real chance that the increase in Federal spending would make the problem worse.

The only real hope for the housing industry lies in reducing interest rates, and that requires strong discipline on Federal spending. Let us get on with the task of reducing the Federal budget deficit.●

● Mr. RATCHFORD. Mr. Speaker, it is vital that this Chamber approve H.R. 6294, the Single-Family Housing Production Act of 1982. Housing is an essential commodity for all people, and the housing industry is a vital part of our Nation's economy.

In fact, a recovery in housing has at times in the past generated movement for an overall economic rebound. And I think few in this Chamber would disagree that movement toward recovery is needed now.

I support H.R. 6294 because it creates a sensible framework for encouraging buyers to get back into the housing market. High interest rates are clearly the major deterrent for people who want to buy homes, and the mortgage assistance provided under H.R. 6294 would make the cost of buying a home less prohibitive. I believe the returns from this legislation to our economy will be substantial, putting people back to work and reviving affected businesses.

To underscore current attitudes on the housing market in my own State of Connecticut, Mr. Speaker, I would like to insert the following information on a poll recently conducted by the University of Connecticut's Institute for Social Inquiry:

> HARFORD, CONN.—A new poll indicates most Connecticut residents believe the ability of a typical young couple to buy their own home is slipping away.
>
> Two thirds of those polled said they owned their home. But more than 75 percent of those homeowners thought they couldn't afford to buy their house if they had to today.
>
> More than 90 percent said it was harder for young couples to buy a home now, compared to the market 20 years ago. About 40 percent said those couples never will be able to buy their own homes.
>
> Almost two thirds of the non-owners said they would like to buy a home. But only a third said they planned to buy in the next five years and one in 10 said they intended to purchase a home within a year.
>
> More than half of those questioned cited interest rates as the major barrier to home ownership. The purchase price of a house and general inflation were mentioned by about a third of those polled.
>
> Despite the problems, 79 percent said they would prefer to own their homes. Only 7 percent said they favored renting.
>
> Home ownership was highest in Fairfield County, at 72 percent. About 33 percent of families statewide with incomes below $10,000 said they owned homes. About 86 percent of families with incomes of $30,000 or more said they were home owners.
>
> The University of Connecticut's Institute for Social Inquiry selected 500 adults at random from April 28 to May 3 for the poll.●

● Mr. COURTER. Mr. Speaker, today the House of Representatives has taken an important step toward the revitalization of the housing industry with the passage of H.R. 6294. A housing stimulus was urgently needed because the housing industry is now at its lowest point in 35 years. I am pleased that this vital bill has received the House's support as it is of the utmost importance to our Nation during this critical period.●

● Mr. LANTOS. Mr. Speaker, today we take an important first step to revitalize the economy and to make the American dream of homeownership a reality once again. With housing starts cut almost in half from last year, and with mortgage loan activity down 65 percent, it is clearly time to take decisive and convincing action to reverse this destructive trend.

I rise in full support of the Single-Family Housing Production Act of 1982. This essential legislation would make homeownership more affordable to qualified home buyers by reducing the mortgage interest rates by up to 6 percent below the market rate. This action would provide a tremendous boost to the housing and thrift industries and to the overall economy in terms of employment and income. It is estimated that 140,000 new jobs in housing-related industries would be created and that as many as 74,000 new home buyers would be assisted.

The effort to revitalize the housing industry transcends political, partisan, and ideological lines. The dream of homeownership is severely threatened. Unemployment is rising at an alarming rate. Homebuilders are going out of business daily, creating permanent losses to the economy. The viability of our thrift institutions is in danger.

As a member of the Congressional Housing Caucus, I urge my colleagues to join in this significant effort to avert the crisis at hand and to reestablish housing as a key national economic priority.●

● Mr. MOFFETT. Mr. Speaker, with housing starts the lowest in 26 years; with a dropoff in housing starts in the North Central States equaling 56 percent; with record unemployment and bankruptcy figures in the construction industry, the American people are waiting for the Reagan administration to announce its housing program. But we have been greeted with inaction, a shaky commitment to a balanced budget, and the newly announced $40 billion cuts in social security. Because we cannot wait any longer for the leading man to lead, this Congress must act independently and enact the emergency housing assistance bill before us today.

The major features of the bill include a mortgage subsidy of 6 percent below market rates, but not lower than 9.5 percent. It would apply for 7 years, for families with incomes no higher than 115 percent of an area's median income. It provides a subsidy of 4 percent below market levels but not lower than 10 percent, for 5 years, for families whose incomes are between 116 and 130 percent of the area median. The bill requires that borrowers pay at least 25 percent of their income toward mortgage costs—to insure that the commitment is there to receive Government assistance. The bill's authority would become effective within 30 days after enactment.

The national figures, generally, and the Connecticut figures, specifically, on housing starts explain rather plainly why this bill is needed.

If the first quarter national figures are projected for the entire year, they would represent annual starts amounting to less than 950,000 units. The previous low was 1.023 million, and that was set in 1946. The normal rate for home sales is 4 million units per year. The projection for 1982 is about 2.4 million; this is 55 percent of normal sales. Even if we assume that the recession will end sometime this year—and let us hope it does—home sales are not expected to reach normal levels until 1985—3 years from now.

In Connecticut, the builders have suffered an awful year. In most counties, home starts are down by 40 percent below 1981. Unbelievably, there were only 10,000 housing starts in our State in 1981. And, the situation has not improved so far in 1982.

It is my conviction that this legislation is needed and will provide direct benefits to the housing industry, to the families starting out who want to realize their economic birthright—the right to own a home—and will stimulate new employment in the industry. With unemployment moving toward the 10-percent mark, that would be critically important.

By the same token, we will need to continue to offer new alternatives, new initiatives, and new policies. This administration remains sitting on the sidelines; the American people are battling the economy, and they are falling behind. At current interest rates, with the prime at 16.5 percent, barely 10 percent of the Nation's families can afford to purchase the average priced house. The average priced home now costs $71,000—a staggering figure. But a 30-year mortgage, at 2 percentage points under the current prime, would yield a total price of $290,000 for that same $71,000 home. It is the interest rates which are driving Americans out of the home buying marketplace.

We all know where these high interest rates are coming from. The Reagan deficits are being sustained by bloated Pentagon spending and massive tax loopholes for corporations and wealthy individuals which are driving Senators and Representatives of all ideologies toward the goal of tax reform. The President himself has finally admitted that the deficit figures for the next 3 fiscal years will total $182 billion; $216 billion; and $233 billion. Combined with the projected deficit for fiscal year 1982, the Reagan administration will have put together a 4-year record deficit of $750 billion. It is precisely this proposed record debt—a 75-percent increase in the Nation's total debt since 1787—that is keeping interest rates at 16.5 percent.

Interest rates at these levels are driving the housing industry recession. The National Association of Realtors estimates that high interest rates and the current recession have resulted in lost home sales of 3.2 million units, thus depriving the economy of $230 billion in private investment. This loss arises from lost home construction sales and fewer jobs in the construction and raw materials industries. Realtors in Fairfield County right

through to loggers in Oregon are waiting for us to do something.

The legislation before us today represents a first, historic, and courageous attempt by the 97th Congress to break away from Reaganomics and to assert itself in the economic policy realm. The administration simply has no program. In fact, the administration sought as recently as this spring to cut more than $8 billion in housing funds from the current fiscal year—while we are in a recession. Fortunately, this rescission was blocked. But it does represent another indication that the administration does not care about what is happening in the "South Succotash" communities which are racked by the recession its policies have caused.

The legislation is a carefully constructed compromise drawn from many proposals before the House. It authorizes $172 million in contract authority and $1 billion in budget authority in fiscal year 1982 for mortgage interest subsidies on new, single-family homes, manufactured homes, and condominium or cooperative units. First-time home buyers will have priority in obtaining loans from the moneys that the bill provides, and the subsidies will be recaptured when the home is sold—this will minimize the costs to the taxpayer.

Just a few weeks ago, Secretary Regan of the Treasury Department declared that "the economy is dead in the water." Since then, the administration has continued its policies which placed us in this position. This bill shows that the House is prepared to act and save the housing industry. But most importantly, it shows that we are sensitive to the needs and desires of families starting out. They merely want a home to call their own.●

● Mr. CLAUSEN. Mr. Speaker, over the past 3 to 4 months, I have consulted many redwood empire builders, lenders, representatives of the lumber industry, and local elected officials about unemployment and the housing slump—both have reached crisis proportions, in fact, housing starts are at their lowest rate since the end of World War II.

Mr. Speaker, the proposal before us today is a program which is designed to stimulate the construction of housing and create an estimated 140,000 new jobs in housing-related industries, such as the lumber industry. I must go on record in support of this housing initiative even though I would have preferred an alternative approach to the proposed funding mechanism which this legislation sets forth. What we are considering, is a new program which provides $1 billion in new budget authority for the Secretary of HUD to provide mortgage interest assistance in order to reduce the mortgage interest rate. In other words, a Federal subsidy used to "buy down" mortgage interest rates. I would have preferred the interdepartmental transfer of existing funds without adding to the Federal budget problems such as the Evans-Corcoran proposal which would have provided immediate relief by using the existing mortgage revenue bond program.

It is my understanding that the proposal before us today is a new program which HUD estimates will take at least 120 days to implement after the date of enactment. Unfortunately, the construction start season will be over by the time this program is in place. I do not feel that this is the wisest proposal to address a critical problem which exists today, however, it is the only proposal which is under consideration today.

Housing has been a national priority historically and the passage of the original Housing Act over 30 years ago clearly articulated as a national priority "a decent home and a suitable living environment for every American." We must do something that turns the housing industry around before the homebuilding infrastructure is destroyed any further. Once the supply lines of the industry are destroyed, it will make economic recovery all the more difficult and take much longer to achieve. One of the major suppliers for the housing industry, the lumber industry, currently has over half of its mills closed or operating on curtailed schedules. This industry cannot wait for any long-term solutions to take effect without suffering irreversible damage. Unemployment figures in my congressional district indicate a state of depression and I believe that these unique circumstances require unique solutions, therefore, I support the bill and its enactment.●

● Mr. FRENZEL. Mr. Speaker, H.R. 6294 is a try for a quick fix for our housing dilemma. Our housing recession is a serious, urgent problem.

It is tainted as the only housing solution. It is, instead, the only solution the leadership of this House will allow to be presented to us. It will cost $1 billion in new appropriations. It will make a bad deficit worse.

Another proposal, which the House leadership refused to allow to come before us, would have financed assistance to this distressed industry by reducing unnecessary Federal expenditures in other areas.

This bill is not the way I would prefer to deal with the problem. I fear it may cost more in future problems than it brings in benefits in fiscal year 1983.

I believe the housing industry really needs lower deficits and lower interest rates. This bill takes us in the other direction—the Chrysler direction.

It is solving problems in the old, discredited way of throwing somebody else's money at a problem. This time the money we are throwing may be the future sales of the housing industry.●

● Mr. MATSUI. Mr. Speaker, I rise in strong support of the Single-Family Housing Production Act of 1982, one of the single most important economic stimulus actions which can be taken by this Congress.

One of the real tragedies of this high interest rate, recession-plagued economy has been the terrible disruption of the housing market. Homeownership, so important to American family life, and homebuilding, one of the most productive activities of our economy, have suffered tremendously during recent years. This Congress has an obligation to take swift, effective action to promote new home construction and to make housing affordable for low- and middle-income Americans.

As others have pointed out, the housing industry has led the Nation out of recession seven times since World War II. Homebuilding has a multiplier effect, which generates spending and employment in scores of diverse services and industries. The $1 billion in budget authority contained in H.R. 6294 would assist in the creation of 140,000 new jobs in housing-related industries; no stronger argument than that single statistic need be made for this important legislation as we consider the unconscionable tragedy of a 10-percent unemployment rate in our land.

But in addition to creating jobs, H.R. 6294 would assist up to 74,000 home buyers. And it would increase Federal, State, and local tax revenues by $1.2 billion—which more than pays for the cost of this program.

By acting now, we can put this stimulus into effect in time for this summer's building season.

As a cosponsor of the Patterson-AuCoin Family Housing Production Act, the essential components of which have been incorporated into H.R. 6294, I enthusiastically endorse the passage of this important legislation and the supplemental appropriation for it, which we will be considering in the very near future.

Let us put thousands of Americans back to work and help put an end to an economic nightmare that has shadowed the American dream of homeownership.●

● Mr. RUDD. Mr. Speaker, I rise in opposition to the bill, H.R. 6294, the emergency housing authorization.

Certainly, no one can argue that there is not a definite emergency in the homebuilding industry. But before this body responds to that emergency, it is vital to understand how this situation has developed.

The current status of the homebuilding industry is the result of a credit market that has been hammered for decades by unrelenting inflationary pressure, and a general credit squeeze caused by a Federal Government that has actively consumed more and more of the credit pie as the growth of the Federal budget has skyrocketed.

Let us look at each of those factors separately. There are many variables in an overall inflationary cycle. Wages, rate contracts, excessive monetary growth, and balloning energy prices all contributed to the years of inflation that we have experienced. However, that problem has come under control in the last several months. The credit squeeze caused by the Federal Government's inability to live within its own means is quite another problem.

The Federal budget has only been balanced twice in the last 25 years. The gross Federal debt, which now stands at over $1 trillion, has more than doubled since 1974. That growth in debt has caused what used to be a mild component of the budget, the debt service, to reach a level of $118 billion this year and is expected to go higher than $130 billion next year. That is more than the entire Federal budget of 1963.

This unrelenting hunger on the part of the Federal Government for credit to finance itself has reached a point where the Federal Government now consumes almost half of all the available credit in the market. Naturally, if half the available credit is eaten up by the Government, the costs of the rest to the credit available will be bid up. Since there is only half available, the money needed for expansion, replacement of equipment, starting a new business, building more homes, and creating more jobs, will cost that much more, and that is exactly where we stand today.

The problem is not on Wall Street, nor is it on Main Street. It is right here.

Last year was the first year that this body actually tried to pass a budget that did, indeed, make a serious attempt to reduce the growth of the Federal budget. But make no mistake, that was all that was done. The budget was not cut in real terms: The only thing that was cut was the rate of increase of that budget. This year, the Federal budget will still increase, and working Americans will still pay more taxes than they did last year. And, the Federal Government will still be consuming enormous amounts of credit to finance programs that were supposedly cut.

The blame for the condition of the housing industry can, and should be placed at this body's doorstep. The bill before us today, H.R. 6924, is a serious, if misguided attempt to ease that situation.

The bill, which would authorize $1 billion for an interest subsidy program should be applauded for its sentiment. But it should be avoided, and cast aside for its methods. This bill would repeat the very same actions that have put the housing industry where it is today.

Where is the money for that program going to come from? As I see it, there are only three possible alternatives. First, we could ask the taxpayer to dig deeper in his pocket for the money. I do not think that is very likely. This Government has picked that pocket clean over the last few years. Second, it could come from the Federal Reserve. We could go back to the policy of having the central bank monetize this obligation; that is, print more money. That would only bring us back to the familiar problem of inflation: A problem that we have only recently been able to control. Finally, we could go into the market and borrow the money. And that is probably what would happen if the bill were to pass. More Federal borrowing, which means bidding up the price of whatever credit is left, and there we are: Continued higher interest rates forcing more and more homebuilders out of business, more and more families unable to afford housing, more carpenters, lumbermen, construction workers, and salesmen out of work. Surely, this type of cure is only more of the same medicine, or rather more of the same disease that is plaguing the housing industry.

As I said before, I rise in opposition to this bill, but I do not do so without offering an alternative. We need to put a program into place that will allow the housing industry to survive the delicate transition period we are in. I have introduced a bill, H.R. 4833, the national homeownership bond bill, which will enable the housing industry to weather the current economic climate without committing any outlays from the Federal Treasury.

This bill, which would authorize lending institutions to issue national home ownership bonds with a face yield of 10 percent, would earmark the income from the bonds for 12-percent mortgages. The investor in the bond would receive a tax preference which would make the return on the bond the equivalent to a 14-percent taxable instrument.

This bill is a tax incentive for homebuilding and home buying. Most importantly, it is not a governmental subsidy. It will, in fact, generate more revenue from new housing constitution than any possible tax forgoence. We have tax incentives for many kinds of business activity. We need a tax incentive for the housing industry; which is, after all, the second largest industry in this Nation, behind agribusiness. This program will allow the housing industry to revive itself, and at the same time, not place an added burden on the Federal budget or the credit markets.

I urge my colleagues to avoid repeating the same mistakes that have caused our current problems and join me in support of the national home ownership bond program. We need a vital housing industry, and Federal budget that is controlled; that is restrained from absorbing the credit we so badly need to revive our homebuilding industry.●

● Mrs. SNOWE. Mr. Speaker, I rise in support of H.R. 6294, the emergency housing authorization, and I urge my colleagues to join me in that support.

As we are all painfully aware, the housing industry is in its 39th month of recession. Not since the 1930's has the housing sector in Maine experienced such uncertainty and depression. Maine's construction, lumber, and wood products industries, which account for the largest manufacturing establishments in the State, have been adversely affected by the housing recession. Home sales have fallen by more than 50 percent over the last year and Maine's lumber and home construction industries have lost approximately 1,600 jobs as a result of the unfavorable economic conditions plaguing our country. In addition, as many as one-fourth of Maine's real estate agents could go out of business this year.

Ironically, a record level of need for housing in Maine exists side-by-side with an idle and struggling construction industry. The record level of need stems in large part from the entrance into the housing market of the "baby boom" generation. That demand cannot be met, however, until interest rates come down making homes once again affordable for home buyers. 1 firmly believe that H.R. 6294 is one measure that addresses the problem of our high interest rates.

The mortgage assistance provided in this legislation will greatly ease the economic burden of purchasing a new home for first-time home buyers. Because this bill is geared toward new production, the jobs that will be generated in Maine will be substantial. The homebuilders, realtors, construction and lumber industries, as well as the suppliers of materials and services that go into each home will greatly benefit from this legislation. Finally, the economic activity that will be produced from this legislation will greatly enhance State and local tax revenues.

Although I am concerned that this bill would place an additional $1 billion in budget authority for fiscal year 1982, H.R. 6294 requires recapture of the subsidies upon the property's sale or rental for a period of more than 1 year. Therefore, the budget impact is reduced with this assistance payments recapture provision.

The continuing depression in the home construction industry should not be tolerated any further, and I am convinced that H.R. 6294 will provide immediate action to correct the situation.●

● Mr. SMITH of Oregon. Mr. Speaker, extraordinary times require extraordinary measures, measures that sometimes run against ideological and philosophical lines. The Reagan administration and this Congress have approved extraordinary measures to reduce the tax rates and to hold the line on Federal spending. But those measures are long term and will require time to have an impact on our economy. We all knew that when we voted for them.

The situation in the housing industry has reached such a critical state that it was clear some short-term assistance was necessary to help Americans get through to the new beginning.

The administration had asked for my vote against this measure, but the Oregonians I represent deserved my support for this effort. I am not Washington, D.C.'s, Representative to Oregon; I am Oregon's Representative to Washington, D.C.

Anyone who knows me will tell you that I am not a supporter of bailout programs. And frankly, I am not enthused about this one. But we are talking about people's lives and their ability to afford to buy a home, and in the case of homebuilders, we are talking about their ability just to keep food on the table.

Three years ago in Oregon, there were 25,000 home starts. Last year there were just 8,000 and in the first quarter of 1982 there were only 750 home starts. Clearly, the homebuilders and those who would like to afford to buy a home are in serious, critical condition.

This measure will provide about 740 home starts in Oregon, but the impact will be even greater because of the new demand for lumber that will occur. The harvesting and milling of timber is Oregon's No. 1 source of jobs. With record unemployment in Oregon, help for the timber and homebuilding industries is essential.

Had the administration had a clear housing assistance program ready to meet this emergency situation, my vote might have been different. Since this was the only vehicle to provide help for Americans who want to build and buy new homes, I agreed to support it.●

● Mr. SHUMWAY. Mr. Speaker, I rise in opposition to H.R. 6294, the emergency housing legislation before us today. I do so with some reluctance because I share with our colleagues and my constituents deep concern over the condition of our Nation's vital housing industry. Very simply, housing is perhaps the most basic foundation upon which healthy economy must rest. Until the current housing recession is ended, contractors, realtors, thrift industry employees, and the lumbermen who are particularly important in my congressional district, will continue to be disproportionately burdened by our economic difficulties.

Unfortunately, Mr. Speaker, H.R. 6294 is not an appropriate response to the housing industry's plight. Without detailing the specific provisions of the bill, the fact is that, with this legislation, we are being asked to support yet another Federal bailout—at a cost to the Federal Government of up to $1 billion per year. Even with this price tag, it is estimated that the construction of only 50,000 additional housing units will be stimulated.

It is my firm belief that a true recovery in housing can only be achieved with a substantial and sustained decline in interest rates. Our efforts to resolve the budget crisis and to reduce the deficit are all premised on this central fact. H.R. 6294, in adding to Federal deficits over the life of the subsidy program, actually moves us in the wrong direction. While those involved in the construction and sale of the housing subsidized by this bill will no doubt realize some short-run benefit, the housing industry as a whole, as well as the overall economy, will be a little farther from ultimate recovery.●

● Mr. TRIBLE. Mr. Speaker, I rise in support of H.R. 6294, the Single Family Housing Production Act. For an intolerably long period, new homes have been beyond the means of the vast majority of potential home buyers. High interest rates have made homeownership a chimera for millions of Americans.

As a result, the housing industry is in the throes of the most severe downturn in recent memory and forecasts for this year project a comparably depressed market. This continuing slump in housing threatens our economic recovery; without a sustained rebound in housing, long-term economic well-being becomes problematic.

We must recognize that our policy of fighting inflation falls unequally on different sectors of our economy. We can redress this inequitable condition without undermining our goal of eliminating the inflationary pressure that has beset us for so long.

Only prompt Federal action can appropriately address this problem. And before us today we have a measure designed to provide this badly needed stimulus to the housing market. H.R. 6294 directly attacks the problem of high interest rates. It makes available a temporary interest subsidy to put homeownership back within the reach of many Americans. And it does not do violence to our economic recovery program.

In sum, H.R. 6294 is a well-conceived bill that will restore to millions of Americans that essential component of the American dream—homeownership.●

Mr. ST GERMAIN. Mr. Speaker, I was a little disappointed in my colleague from Delaware when he was describing the legislation that stands before us today and was playing with the numbers in talking about a 30-year subsidy. He knows full well that the subsidy here is for 5 years, for those who are in the 115 percent median income and above, and 7 years for those individuals whose income is 115 percent of the median or below, and at the discretion of the Secretary those terms could be extended out of the funds that have been repaid from the recapture provision.

It will indeed provide immediate action and stimulus whereas the multiversions of the other legislation that the gentleman was referring to, that was changed so many times, frankly, it is tough from day to day to know which version would be the one.

In addition, 30 days after enactment the Secretary of HUD shall promulgate the regulations. I do not care if he said 120, it is 30 days after.

I ask and hope that my colleagues will support this legislation. We need it. We need it now and we need a two-thirds vote.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Rhode Island (Mr. ST GERMAIN) that the House suspend the rules and pass the bill H.R. 6294.

The question was taken.

Mr. CORCORAN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 349, nays 55, not voting 28, as follows:

[Roll No. 66]

YEAS—349

Addabbo
Akaka
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Archer
Aspin
Atkinson
AuCoin
Bafalis
Bailey (MO)
Bailey (PA)
Barnard
Barnes
Beard
Bedell
Beilenson
Benedict
Benjamin
Bennett
Bevill
Biaggi
Bingham
Blanchard
Bliley
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown (CA)
Burton, Phillip
Byron
Campbell
Carman
Carney
Chappie
Clausen
Clay
Coats
Coelho
Coleman
Collins (IL)
Conte
Conyers
Coughlin
Coyne, James
Coyne, William
Craig
Crockett
D'Amours
Daniel, Dan
Daniel, R. W.
Daschle
Daub
Davis
de la Garza
Deckard
Dellums
DeNardis
Derrick
Derwinski
Dicks
Dingell
Dorgan
Dougherty
Dowdy
Downey
Duncan
Dunn
Dwyer
Dymally
Dyson

Eckart
Edgar
Edwards (AL)
Edwards (CA)
Edwards (OK)
Emerson
Emery
English
Erdahl
Ertel
Evans (GA)
Evans (IA)
Fary
Fazio
Ferraro
Fiedler
Fields
Findley
Fish
Fithian
Flippo
Florio
Foley
Ford (MI)
Ford (TN)
Fountain
Fowler
Frank
Frost
Fuqua
Garcia
Gaydos
Gejdenson
Gephardt
Gilman
Glickman
Gonzalez
Goodling
Gore
Gray
Gregg
Guarini
Gunderson
Hall (OH)
Hall, Ralph
Hall, Sam
Hamilton
Hammerschmidt
Hansen (UT)
Harkin
Hartnett
Hatcher
Hawkins
Heckler
Hefner
Heftel
Hendon
Hertel
Hightower
Hiler
Hillis
Holland
Hollenbeck
Hopkins
Horton
Howard
Hoyer
Hubbard
Huckaby
Hughes
Hutto
Hyde
Jacobs
Jeffords
Jenkins
Jones (NC)
Jones (OK)
Jones (TN)
Kastenmeier
Kazen
Kennelly
Kildee
Kindness
Kogovsek
LaFalce
Lagomarsino
Lantos
Leach
LeBoutillier

Lee
Lehman
Leland
Lent
Levitas
Lewis
Loeffler
Long (LA)
Lott
Lowery (CA)
Lowry (WA)
Lujan
Luken
Lundine
Madigan
Markey
Marks
Marlenee
Martin (IL)
Martin (NC)
Martin (NY)
Matsui
Mavroules
Mazzoli
McClory
McCollum
McCurdy
McDade
McEwen
McGrath
McHugh
McKinney
Mica
Mikulski
Miller (CA)
Mineta
Minish
Mitchell (MD)
Mitchell (NY)
Moakley
Moffett
Molinari
Mollohan
Montgomery
Moore
Morrison
Mottl
Murphy
Myers
Napier
Natcher
Neal
Nelligan
Nelson
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Oxley
Panetta
Parris
Pashayan
Patman
Patterson
Pease
Perkins
Petri
Peyser
Pickle
Porter
Pritchard
Pursell
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Richmond
Rinaldo
Ritter
Roberts (KS)
Roberts (SD)
Robinson
Rodino
Roe

Roemer
Rogers
Rose
Rosenthal
Rostenkowski
Roth
Rousselot
Roybal
Russo
Sabo
Santini
Savage
Sawyer
Scheuer
Schneider
Schroeder
Schulze
Schumer
Seiberling
Sensenbrenner
Shamansky
Shannon
Sharp
Shaw
Shelby
Shuster
Siljander
Simon
Skelton
Smith (AL)
Smith (IA)
Smith (NE)
Smith (NJ)
Smith (OR)
Smith (PA)
Snowe
Solarz
Solomon
Spence
St Germain
Stangeland
Stark
Staton
Stokes
Stratton
Studds
Swift
Synar
Tauke
Tauzin
Thomas
Traxler
Trible
Udall
Vander Jagt
Vento
Volkmer
Walgren
Wampler
Washington
Watkins
Waxman
Weaver
Weber (MN)
Weber (OH)
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams (MT)
Williams (OH)
Winn
Wirth
Wolf
Wolpe
Wortley
Wright
Wyden
Wylie
Yates
Yatron
Young (AK)
Young (FL)
Zablocki
Zeferetti

NAYS—55

Badham
Bethune
Brown (CO)
Broyhill

Butler
Cheney
Clinger
Collins (TX)

Conable
Corcoran
Crane, Daniel
Crane, Philip

Dannemeyer
Donnelly
Dornan
Early
Erlenborn
Evans (DE)
Fascell
Fenwick
Frenzel
Gibbons
Gradison
Gramm
Green
Hagedorn
Hance

Hansen (ID)
Holt
Hunter
Jeffries
Johnston
Kemp
Kramer
Latta
Leath
Livingston
Long (MD)
Lungren
McCloskey
McDonald
Michel

Miller (OH)
Moorhead
Nichols
Paul
Roukema
Rudd
Shumway
Skeen
Snyder
Stenholm
Stump
Taylor
Walker

NOT VOTING—28

Albosta
Bereuter
Brown (OH)
Burgener
Burton, John
Chappell
Chisholm
Courter
Dickinson
Dixon

Dreier
Evans (IN)
Foglietta
Forsythe
Gingrich
Ginn
Goldwater
Grisham
Ireland
Marriott

Mattox
Murtha
Pepper
Price
Rhodes
Stanton
Wilson
Young (MO)

☐ 1345

Messrs. HAGEDORN, RUDD, MOORHEAD, SNYDER, and TAYLOR, Mrs. FENWICK, and Mrs. ROUKEMA, changed their votes from "yea" to "nay."

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ST GERMAIN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 6294, the bill just passed.

The SPEAKER pro tempore. (Mr. SMITH of Iowa). Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

PERSONAL EXPLANATION AS TO VOTING ERROR

Mr. LONG of Louisiana. Mr. Speaker, when the House voted earlier today on H.R. 6294, the emergency housing authorization bill for fiscal year 1982, I was recorded as voting "no," either through my own mistake or a mechanical malfunction. I strongly support this legislation to revive the housing industry. In fact, I offered the amendment in the Rules Committee this afternoon that will permit the program to be funded through the fiscal year 1982 urgent supplemental appropriation bill.

My vote should have been recorded as "yes."

PROVIDING FOR CONSIDERATION OF H.R. 3481, PRETRIAL SERVICES ACT OF 1981

Mr. ZEFERETTI. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 439 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 439

Resolved, That upon the adoption of this resolution it shall be in order to move, section 401(a) of Congressional Budget Act of 1974 (Public Law 93-344) to the contrary notwithstanding, that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3481) to amend chapter 207 of title 18, United States Code, relating to pretrial services, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

☐ 1400

Mr. ZEFERETTI. Mr. Speaker, for purposes of debate only, I yield 30 minutes to the gentleman from Mississippi (Mr. LOTT) pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 439 provides for the consideration of H.R. 3481 the Pretrial Services Act of 1981. The Rules Committee has granted an open rule, allowing 1 hour of general debate to be equally divided and controlled by the chairman and ranking minority member of the Committee on Judiciary.

Further, the rule waives section 401(a) of the Budget Act which states that new contract or borrowing authority may be effective for a fiscal year only to the extent of provisions in Appropriations Act. Sections 2 and 3 of the bill provide new contract authority but does not make that authority subject to appropriations acts. The Judiciary Committee has informed the Rules Committee they plan to offer amendments on the floor curing this Budget Act violation.

At the conclusion of the amendment process the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. Speaker, H.R. 3481 provides for the expansion of pretrial services, first authorized in the form of demonstration projects, in title II of the Speedy Trial Act of 1974. It will establish a pretrial services program in every judicial district upon recommendation of a Federal District Court and Circuit Judicial Council, and will give the Judiciary the discretion to choose the type of services that will be provided in each district.

In addition, the bill will require pretrial service providers to collect, verify, and report to the judicial officer, prior to the pretrial release hearing, information relating to the pretrial release of a defendant. The providers of these services will be required to supervise the people released to their custody, and will follow guidelines issued by the Director of the Administrative Office of the U.S. Courts.

Mr. Speaker, this is a good bill and I fully intend to vote for its passage when the time comes. However, I feel it is unfortunate that this measure, does not address the related issue of effective bail reform.

For example presently, a judge cannot consider, as a separate factor, whether release will pose a danger to an individual or the community.

Until this and other aspects of present bail regulations are addressed forcefully, we can expect a substantial increase of crimes perpetrated by individuals released on bail.

Since H.R. 3481 was first reported out by committee last May, the Subcommittee on Courts, Civil Liberties, and the Administration of Justice, chaired by Mr. KASTENMEIER, has held hearings on several bail reform measures. It is my understanding we can look forward to final markup in the very near future. With the assurance of a bail reform bill, further delay of pretrial services legislation would serve little purpose.

I sincerely believe, that pretrial services coupled with effective bail reform legislation will have a dramatic effect in the decrease of crime in this country. I urge my colleagues to support House Resolution 439 so we may proceed to the consideration of H.R. 3481, the Pretrial Services Act of 1981.

Mr. LOTT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as the gentleman from New York has stated, House Resolution 439 grants a 1-hour open rule for the consideration of H.R. 3481, the Pretrial Services Act. Section 401(a) of the Budget Act, which prohibits contract authority not subject to appropriations, is waived against two provisions of the bill.

The Pretrial Services Act provides for expansion of existing pretrial services presently provided on a demonstration basis in 10 Federal judicial districts. A primary objective of pretrail services has been to carry out the policy of the 1966 Bail Reform Act to reduce reliance on monetary bail and to assist judicial officers in making pretrial release decisions.

In testimony before the Rules Committee, members of the Judiciary Committee concluded that the pretrial services program has been a success in protecting the rights of arrested persons while helping to insure appearance in court, reducing the incidence of crime-on-bail, and cutting the Government's pretrial costs. Accordingly, this legislation proposes a phased expansion of the pretrial service agencies, which was originally recommended by the administrative office of the U.S. courts.

While I commend the committee's efforts in this legislation, there are some members of this body, myself included, who are concerned that the bill does not address the lack of authority in the Bail Reform Act for Federal judicial officers to consider the danger that a defendant might pose to another person or the community while setting bail conditions in noncapital cases. In fact, the Rules Committee declined the initial request for a rule on this bill until the bail reform issue had been reconsidered. We subsequently have been informed that the Courts and Civil Liberties Subcommittee will be addressing bail reform in separate legislation and received assurances that such legislation is forthcoming. I trust the Committee will see that this commitment is met.

With such assurances, Mr. Speaker, the committee has proposed the open rule which is before us. I urge its adoption.

Mr. Speaker, I reserve the balance of my time.

Mr. ZEFERETTI. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 5, rule I, the Chair announces that he will postpone further proceedings today on each additional motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4, rule XV.

Such rollcalls, if postponed, will be taken on Wednesday, May 12, 1982.

CORN GLUTEN FEED EXPORTS

Mr. ZABLOCKI. Mr. Speaker, I move to suspend the rules and agree to the resolution (H. Res. 435) to urge the President of the United States to take appropriate action to protect U.S. exports of corn gluten feed.

The Clerk read as follows:

H. RES. 435

Whereas the Commission of the European Communities has requested the Council of Ministers of the European Communities for authority to renegotiate the duty on corn gluten feed which is bound at zero;

Whereas this zero duty was a result of United States concessions in the Kennedy round of negotiations under the General Agreement on Tariffs and Trade;

Whereas such approval by the Council of Ministers of the European Communities would threaten United States corn gluten exports and adversely affect the income of United States corn producers and processors and soybean producers;

Whereas action by the European Community to breach a negotiated concession would set a dangerous precedent that would be contrary to the interests of both the United States and the European Community;

Whereas the House of Representatives considers that the imposition of trade restrictions would undermine the free trading system covering such commodities; and,

Whereas restrictions on these American exports could seriously affect United States and European relations: Now, therefore, be it.

Resolved, That it is the sense of the House that—

(1) the President communicate to the Council of Ministers of the European Communities that—

(A) renegotiation of this binding is not in the best interests of the United States, and

(B) the imposition of any trade restriction on corn gluten feed would be a serious impediment to our relations with the European Community, since it is specifically directed against United States interests, and

(2) the President take all other appropriate steps to protect United States exports of corn gluten feed.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Wisconsin (Mr. ZABLOCKI) will be recognized for 20 minutes, and the gentleman from Illinois (Mr. FINDLEY) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Wisconsin (Mr. ZABLOCKI).

Mr. ZABLOCKI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the resolution before the House, House Resolution 435, calls on the President of the United States to take appropriate action to protect U.S. exports of corn gluten feed.

This is an important emerging trade issue which we must commend the gentleman from Illinois (Mr. FINDLEY) for bringing to our attention.

The basic issue is whether the European Community takes action to restrict entry of traditional U.S. exports of corn gluten feed into the EEC. There has been a proposal before the EEC Commission to renegotiate the duty on corn gluten feed imports, in contravention of the concession made to the United States by the Kennedy round of trade negotiations of the 1960's.

If the EEC were to take action to change the treatment of corn gluten feed imports, the reaction from the U.S. farm community would be one of appropriate outrage and could threaten a major trade dispute.

It is my understanding that since the Committee on Foreign Affairs reported this resolution that the EC 113 Committee has voted to shelve the proposal. It would appear that our colleague's efforts have helped nip this matter in the bud and we may be spared a major rift in U.S.-EEC trade relations.

I urge the Members to support House Resolution 435 so that there is a clear record of the position of the House of Representatives on this issue.

Mr. Speaker, I reserve the balance of my time.

Mr. FINDLEY. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, passage of this resolution is important not only to farmers and manufacturers of corn gluten feed, but also to all Americans who work to produce items covered by the General Agreement on Tariffs and Trade.

What we are doing is sending a signal to our friends in the European Economic Community, as well as to the other signatories of GATT, that the Congress of the United States will oppose efforts to limit market access for U.S. products.

Here in the United States, our markets are more open than almost any other markets in the world. As a result, American workers and investors occasionally suffer the necessary pain of competition, as people throughout the world seek to produce better products at less cost. At the same time, however, many more workers and investors benefit from expanded markets. Competition encourages the growth and innovation that give the people of the country the highest standard of living in the world.

Corn gluten feed is a byproduct of the corn wet milling process that gives us corn sweeteners and alcohol. It is used primarily as a high-protein animal feed.

During the Kennedy round of multilateral trade negotiations, the EC granted duty-free status to corn gluten feed, as well as other nongrain feed ingredients and soybeans. Market access for these products was negotiated at the expense of concessions on our part. It was the result of prolonged and arduous negotiations between the United States and the European community on a broad range of trade issues. As such, it is only within a "total trade" context that any reexamination of this subject should take place. Any unilateral action under article 28 of GATT to restrict access of these products would jeopardize the careful balance established through GATT negotiations.

Recently, there has been increased concern within the EC that imported feed grain substitutes are displacing EC-produced grains. It is clear to me that EC imports of these feed grain substitutes have increased primarily because high EC support prices for feed grains have created an artificial price differential between feed grains and feed grain substitutes, making the substitutes more attractive to EC feed compounders.

What is worse, the high EC support prices for grains have led to surplus production which can be marketed only through the use of export subsidies. These export subsidies are displacing the sale of U.S. grains in third country markets. It would appear that some elements within the EC, not content to displace U.S. exports to third country markets, now want to limit U.S. exports to the EC, too.

As I mentioned earlier, the duty on corn gluten feed is bound, under GATT, at zero. The United States has informed the EC that the tariff is not negotiable. Nonetheless, the EC Commission has requested authority from the EC Council of Ministers to negotiate a tariff quota on corn gluten feed at 3 million metric tons from all sources. About 99 percent of U.S. corn gluten feed production is exported to the Community. In 1981, U.S. exports of this product amounted to 2.7 million tons, valued at $434 million. That request for authority for negotiations is still pending, despite a tentative vote favorable to the U.S. position.

The intent to pass this resolution is well known in Europe. Failure to do so could be interpreted as a weakening of U.S. opposition to the threatened restriction on corn gluten feed. If the EC were to freeze imports of corn gluten feed at 3 million tons, I am almost certain that pressure for other restrictions would follow.

The Congressional Research Service, in an October 7, 1981, report, stated:

> If the European Community imposed a duty on CGF, it would probably have to take similar action on other imported feedstuffs such as soybeans, soybean meal, and other nongrain feed ingredients if it is to meet an objective of reducing common agricultural policy (CAP) expenditures and increasing the use of indigenously produced feed grains.

This resolution has the strong support of the Reagan administration. An identical resolution was offered in the Senate by my good friend and colleague, the senior Senator from Illinois, Mr. PERCY. It passed unanimously.

The need for this resolution is clear. The United States can no longer afford to give away markets. We can no longer afford to export jobs. We must export products, and keep the jobs at home. I urge you to support this resolution to encourage our President to do just that.

Mr. Speaker, I reserve the balance of my time.

Mr. ZABLOCKI. Mr. Speaker, I yield 5 minutes to the gentleman from Iowa (Mr. HARKIN).

Mr. HARKIN. Mr. Speaker, I, too, want to rise in support of this resolution, House Resolution 435, expressing the sense of the House that the President immediately communicate to the European Community that the renegotiation of our agreement with the European Community regarding the corn gluten feed that has been in existence since the early 1960's, since the Kennedy round of talks, not be renegotiated.

The gentleman from Illinois (Mr. FINDLEY) is right that any imposition of a trade restriction on corn gluten feed would, in fact, trigger some response on the part of the United States.

As has been stated, there has been a zero duty on this aspect of our agricultural exports since the early 1960's and, quite frankly, one of the reasons that the European Community now is looking at possibly putting a duty on it is because the exports of our corn gluten feed amounted to 2.7 million tons at somewhat near $700 million in 1981. So it has increased substantially.

Now the European Community has said that they are afraid that the exports of this corn gluten feed—and I might say that there are other types of nongrain feeds that are included here, corn gluten feed, of course, being the biggest—but our Members from the South and from citrus-producing areas ought to know that their citrus pulp also is included. I think that is the second biggest component of the nongrain feeds that go to Europe.

I think what the EC is saying is, "Look, if this trend continues, it is going to seriously displace a lot of the nongrain feed that is produced in the European Community."

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But, when you look at it, you find that this is really a false argument. Right now, the nongrain feed or the grain substitutes—molasses, brans, corn gluten feed, corn gluten meal, various distilled dried grains, and of course citrus pulp, which I mentioned, are all the ones we are talking about. They are not, however, a perfect substitute for grain. Rather, they can only be substituted for a portion of the grain in the feed rations, and nongrain feeds are not an acceptable substitute for grain in all livestock and poultry rations.

For example, corn gluten feed, the major nongrain feed exported to the European Community by the United States, and the importation of which is apparently causing the European

market concern, is a very low energy, fibrous, medium protein—about 22 to 25 percent protein feedstuff. It is best suited for dairy and beef rations, but does not replace a significant quantity of grain, as only marginal amounts of grain are fed to cattle in the first place in the European Community. Due to the high fiber content, corn gluten feed can only account for up to one-third of the grain in hog rations, and because of amino acid composition, fiber, and pigmentation, it should be excluded from all poultry rations.

So, we see that even the use of all this corn gluten feed at the most could replace only up to one-third of the grain that is fed entirely to hogs. So, these constraints and the constraints that are built into corn gluten feed itself already place an effective ceiling on the maximum quantity of corn gluten feed that can be utilized effectively in the European Community. I believe it is also the European Community's contention that the future nongrain feed exports will flood the European Community unless controlled by quota or high tariffs.

Mr. Speaker, the following table shows the increase in the amount of nongrain feed imported by the EC from the United States since 1975. Keep in mind, however, that there has been a corresponding increase in livestock feeding. So, I would just end my comments by saying that because of the nature of corn gluten feed, and because of its very low protein value, that there is an effective ceiling really placed on how much they can utilize anyway in the European Community, and that their fears are greatly unfounded in trying to put this import restriction on our nongrain feed exports.

So, I support House Resolution 435. I hope that the European Community will take under consideration the vote that was held in their committee, I believe a week or two ago, a vote of 8 to 2 in their committee to disapprove of this kind of action, and I hope the Commission will follow the vote on that committee and not follow through in recommending any import duties be placed on our corn gluten feed.

Mr. Speaker, the chart follows:

EC IMPORTS OF MAJOR FEED GRAIN SUBSTITUTES FROM THE UNITED STATES, 1975–80

[Metric tons in thousands; dollars in thousands]

Product	1975		1976		1977		1978		1979		1980	
	Metric tons	Amount	Metric tons	Amount	Metric tons	Amount	Metric tons	Amount	Metric tons	Amount	Metric tons	Amount
Bran, corn, and rice	52	$4,551	137	$16,385	147	$15,465	40	$4,394	69	$9,028	127	$18,338
Bran, wheat, and other cereals	74	8,523	126	15,950	204	25,938	79	8,487	150	23,093	139	22,199
Corn gluten	861	107,150	1,052	149,661	1,365	212,327	1,567	236,329	1,916	359,669	2,476	497,095
Sugar beet pulp	19	1,967	95	12,217	164	22,176	58	6,062	92	16,360	81	14,682
Brewing and distilling waste, starch industry waste	37	5,581	69	9,792	87	13,582	139	20,184	182	33,179	251	51,327
Citrus pulp pellets	263	27,086	338	42,073	676	80,701	604	67,911	674	92,922	932	163,181
Other animal food products of vegetable origin	5	623	35	4,291	56	5,989	23	2,244	28	4,215	14	2,193

Source: NIMEXE.

TRADE IMPACT

The cost to U.S. producers of trade restraint measures would be severe. EC imports of feed grain substitutes have grown from $155 million in 1975 to nearly $770 million in 1980. U.S. 1980 corn gluten exports totalled nearly 2.5 mmt, valued at over $497 million. Preliminary data indicate that 1981 EC corn gluten imports exceeded the 1980 record level. Exports account for 90-95 percent of total U.S. corn gluten feed disappearance; essentially all (99 percent) U.S. exports from 1972 to 1980 have gone to the EC. The U.S. supplies 99 percent of the EC's corn gluten imports.

Mr. FINDLEY. Mr. Speaker, I yield 1 minute to the gentleman from Missouri (Mr. COLEMAN).

Mr. COLEMAN. Mr. Speaker, today the House debates a resolution that must concern us all because it affects us all. The issue is trade, specifically U.S. trade of corn gluten feed with the European Economic Community.

Many of us who watch our farm export situation on a continuing basis are tired of the way U.S. farm products—the best at the most reasonable price of any in the world—are resisted overseas. The latest example is that the EEC is contemplating restricting imports of U.S.-manufactured corn gluten feed. While such a decision has not been made, it is possible, and so the Congress must resolve itself now on this particular issue. House Resolution 435 of which I am a sponsor will do that.

In response to its own inefficiencies, the EEC may clamp a restrictive tariff upon our exports of corn gluten feed that have historically entered the EEC duty free. To renegotiate this zero binding on U.S. corn gluten feed cannot be tolerated. President Reagan has indicated he will defend our exports in this vital farm commerce. It is time now for the House of Representatives to stand behind the administration and assure this multimillion-dollar industry continues to provide corn gluten feed under the terms of the General Agreement on Tariffs and Trade.

● Mr. WAMPLER. Mr. Speaker, I wholeheartedly support House Resolution 435 which urges the President of the United States to take appropriate action to protect U.S. exports of corn gluten feed.

Much as I would prefer a situation which would not demand this action, I firmly believe that the Congress of the United States must rally behind the cause of multilateral trade negotiations and against the dangerous precedent which would be established by the European Community if it takes action to breach the negotiated concessions regarding imports of corn gluten feeds from the United States.

The European Community (EC) is an important export market for U.S. feed grain substitutes, accounting last year for 4 million tons, valued at $684 million. Corn gluten feed made up the major part of those exports, reaching nearly 2.5 million tons, valued at nearly $500 million.

Corn gluten feed, a byproduct of the wet milling process of obtaining starch, sweeteners, and ethanol from corn, is used as a livestock feed ingredient. Purchases by the EC have accounted for 99 percent of all U.S. corn gluten feed exports. Our product is favored by EC livestock feeders over their comparatively higher priced domestic grains, wheat and barley. The higher EC prices paid to its producers are a result of the Community's domestic grain price system and import policies, which support grain produced within the EC at prices said to be almost twice that of world market prices.

Generally, EC grain prices are protected from competition from cheaper imported grains by means of high import levies. However, as a result of previous multi-lateral trade agreements, the EC's import levy system does not apply to most grain substitutes, including corn gluten feed. The EC, in exchange for concessions from the United States, agreed to bind or fix their external duties on corn gluten feed at zero.

To emphasize this point, the current duty-free status of corn gluten was a concession granted to the United States and the United States paid for that concession by giving concessions to the Europeans.

There is a growing concern in the U.S. corn refining industry and in many other sectors of American agriculture as well that abrogation of the zero-duty concession on corn gluten feeds by the EC could lead to similar protective tariffs and quotas for other commodities involving U.S. exports.

A study prepared by the Congressional Research Service for Senator Charles Percy of Illinois concluded that if the EC's zero binding on corn gluten feeds were removed net farm income in the United States would be reduced by $100 million in 1983. Further, the CRS study noted that if the EC imposed a duty on corn gluten it would probably have to take similar action on other imported feedstuffs, such as soybeans, soybean meal, and other nongrain feed ingredients, if the EC is to meet an objective of reducing Common Agricultural Policy expenditures and increasing the use of indigenously produced feed grains.

Mr. Speaker, any such unilateral action as has been proposed within the European Community strikes at the very heart of the delicate but working balance of multilateral trade agreements already reached.

A similar resolution was adopted by the Senate April 15. Identical in language to the resolution now before the House, the Senate resolution was introduced by Senator Percy; Senator Jesse Helms, chairman of the Agriculture Committee; and Senator Robert Dole, chairman of the Finance Committee. They were joined by a number of other Senators in support of the resolution.

Mr. Speaker, transcending the immediate economic consequences of any unilateral action that might be taken by the EC, it seems to me that this resolution serves the worthwhile purpose of putting the EC on notice that the Congress is joined in its resolve to uphold commitments made at the negotiating table and that it expects its trading partners to honor their commitments as well.

I urge the passage of House Resolution 435.●

Mr. FINDLEY. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. ZABLOCKI. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Wisconsin (Mr. Zablocki), that the House suspend the rules and agree to the resolution, House Resolution 435.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the resolution just agreed to.

The SPEAKER pro tempore. Is there objection of the request of the gentleman from Wisconsin?

There was no objection.

AUTHORIZATION FOR AN UNDER SECRETARY OF COMMERCE FOR ECONOMIC AFFAIRS

Ms. FERRARO. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3141) to authorize an Under Secretary of Commerce for Economic Affairs, as amended.

The Clerk read as follows:

H.R. 3141

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) there shall be in the Department of Commerce an Under Secretary of Commerce for Economic Affairs who shall be appointed by the President by and with the advice and consent of the Senate. The Under Secretary shall perform such duties as the Secretary of Commerce shall prescribe.

(b)(1) Section 5314 of title 5, United States Code, is amended by inserting before "and Under" in the item relating to the Under Secretaries of Commerce: ", Under Secretary of Commerce for Economic Affairs,".

(2) Section 5315 of title 5, United States Code, is amended in the item relating to the Assistant Secretaries of Commerce by striking out "(7)" and inserting in lieu thereof "(8)".

(c)(1) Section 2 of the Act entitled "An Act to establish the Departments of Commerce and Labor", approved February 14, 1903, as amended (15 U.S.C. 1504) is amended by striking out the first two sentences.

(2) Section 8 of the Air Commerce Act of 1926 (44 Stat. 568; 52 Stat. 1029) is hereby repealed.

(3) Section 601(a) of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3201) is amended by striking out "and shall be compensated at the rate provided for level IV of the Federal Executive Salary Schedule".

(4) Section 9(a) of the Maritime Appropriation Authorization Act for Fiscal Year 1978 (15 U.S.C. 1507b) is amended by striking out "shall receive compensation at the rate prescribed by law for Assistant Secretaries of Commerce, and".

(5) Section 4 of the Reorganization Plan Numbered 1 of 1977 (91 Stat. 1633; 5 U.S.C. Appendix) is amended by striking out ", and who shall be entitled to receive compensation at the rate now or hereafter prescribed by law for level IV of the Executive Schedule".

(6) Section 2(d) of Reorganization Plan Numbered 3 of 1979 (93 Stat. 1382; 5 U.S.C. Appendix) is amended by striking out "shall receive compensation at the rate payable for level IV of the Executive Schedule, and".

Sec. 2. During the fiscal year ending September 30, 1982, any payment or obligation pursuant to this Act may be made only to such extent or in such amounts as are provided in advance in appropriation Acts.

The SPEAKER pro tempore. Is a second demanded?

Mr. PASHAYAN. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentlewoman from New York (Ms. Ferraro) will be recognized for 20 minutes, and the gentleman from California (Mr. Pashayan) will be recognized for 20 minutes.

The Chair recognizes the gentlewoman from New York (Ms. Ferraro).

Ms. FERRARO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, today the House is considering H.R. 3141, a bill to amend title 5 of the United States Code to authorize an Under Secretary of Commerce. This proposal was introduced by the ranking minority member of the House Post Office and Civil Service Committee at the request of the administration.

This bill allows the Department of Commerce to establish a management structure to reflect changes which have been made through departmental reorganization. The Department of Commerce has reorganized its economic affairs activities to include data collection and analysis in the same organizational component as domestic economic policy development. Prior to this reorganization, data collection and analysis were responsibilities of the Bureau of the Census, the Bureau of Economic Analysis, the Bureau of Industrial Economics, and the Office of the Chief Economist, all of which reported to the Chief Economist. The policy development function was the responsibility of an Assistant Secretary for policy. The Department reorganization consolidated these functions, and the administration proposed that the expanded activities be directed by an executive level III Under Secretary. This would be accomplished by elevating the position of Assistant Secretary for Economic Affairs, executive level IV, to an executive level III Under Secretary for Economic Affairs and eliminating the Assistant Secretary position.

According to the administration, the Under Secretary for Economic Affairs will be the principal adviser to the Secretary on economic and industrial policy and on the general area of economic and statistical data and analyses; will serve as the Department's representative with the Council of Economic Advisers and other high-level economic policy officials of the Government; will be the Department's spokesman on economic policy and related matters; and will exercise policy direction and general supervision over the Bureau of the Census, the Bureau of Economic Analysis, and the Bureau of Industrial Economics. The Department currently has an Under Secretary for International Trade, and this legislation would provide an equal focal point for domestic economic policy.

In a hearing before the Subcommittee on Human Resources the Deputy Secretary of the Department argued that the expanded duties and responsibilities warranted authorization of an executive level III Under Secretary position as the reorganized activity's top official.

During hearings, the committee voiced three concerns, two of which were addressed through amendment. First, the committee felt that a reorganization should not result in an overall increase in the number of executive level positions. The committee has historically been very concerned about the proliferation of these top level positions. Accordingly, the proposal was amended to eliminate authority for one executive level IV position at the same time it authorizes an executive level III. By this amendment, the bill now implements the necessary structure for the reorganization, while insuring that the overall number of executive level positions at the Department of Commerce will remain unchanged.

Second, the committee amended the proposal to make various technical amendments to statutory and reorganization plan provisions relating to the appointment and pay of Assistant Secretaries. At the current time, these provisions are scattered throughout the Code and are not properly reflected in title 5. Accordingly, the amended language properly places all of these pay authorities in title 5 and insures that statutes reflect the existing structure.

The final issue of concern to the committee could not be corrected in this bill. That issue concerns the lack of an overall plan for authorizing and classifying executive level positions.

The Civil Service Reform Act of 1978 requires the President to transmit a plan to Congress for authorizing and classifying these positions. That plan is long overdue. Despite assurances to me by this administration last May 13, 1 full year ago, that a legislative proposal was being prepared, that proposal has not been transmitted.

The administration's failure to produce the statutory plan placed the committee in a difficult position. We did not want to stand in the way of the Commerce Department's efforts to reorganize and improve its economic affairs structure. However, I want the administration to clearly understand that there is a limit to our patience. Insuring that the overall number of executive levels in the Department will not increase made this bill acceptable to the committee; but that does not eliminate the statutory requirement for an overall plan or explain the failure of the administration to abide by its assurances.

The legislation before this House today is supported by the Commerce Department. It gives the Department the authority it requests without increasing the total number of executive level positions. It makes various technical amendments to eliminate conflicting provisions of law which currently exist. In short, in lieu of the congressionally mandated plan, H.R. 3141 is the best legislative proposal which could be considered. I urge my colleagues to support H.R. 3141, and I reserve the balance of my time.

Mr. GILMAN. Mr. Speaker, I yield myself as much time as I may require.

Mr. Speaker, I rise in support of suspending the rules and passing H.R. 3141, legislation to authorize creation of the position of Under Secretary of Commerce for Economic Affairs.

Hearings before the Committee on Post Office and Civil Service, of which I am a member, indicated that the Department of Commerce would be better served by an organizational structure which improved coordination of data collection and analysis, and domestic economic policy development. H.R. 3141 would bring these responsibilities under the authority of an Under Secretary for Economic Affairs. In addition, the Under Secretary will be given the duty of managing the consolidation and integration of business analysis and productivity programs. Such programs also have suffered from the lack of a coordinated approach. The Under Secretary will also serve as the Department's representative to the Council of Economic Advisers, meet with other high-level economic policy officials of the Government, and serve as the Department's spokesman on economic policy and related matters.

As amended by our committee, H.R. 3141 assures that we are not creating a new position. In effect, we are upgrading the position of Assistant Secretary for Economic Affairs, not the number of assistant secretaryships at the Commerce Department.

Accordingly, Mr. Speaker, I urge my colleagues to support this proposal, which is particularly timely given the importance of economic policy in our Nation's affairs.

GENERAL LEAVE

Ms. FERRARO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks, and to include extraneous material, on the bill, H.R. 3141.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from New York?

There was no objection.

Mr. GILMAN. Mr. Speaker, I yield 2 minutes to the distinguished ranking minority member of our committee, the gentleman from Illinois (Mr. Derwinski).

Mr. O'NEILL. Mr. Speaker, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from Massachusetts.

Mr. O'NEILL. Mr. Speaker, I welcome the gentleman back, and I am speaking on behalf of the House when I say we are grateful that your injury was not more serious and that you are up and around and healthy again. The gentleman is certainly one of the fellows most admired on both sides of the aisle, and we are pleased you are back.

Mr. DERWINSKI. I thank the Speaker.

Mr. Speaker, as the sponsor of H.R. 3141, I am pleased to be associated with a basic good Government bill which was reported by the Post Office and Civil Service Committee without a dissenting vote. Specifically, this bill creates within the Department of Commerce, the position of Under Secretary for Economic Affairs. The position will be paid at the Executive Level III rate of pay, $59,500; and I want to point out that an amendment adopted in subcommittee eliminated one Assistant Secretary in Commerce, so there is no net increase in the number of executive levels.

The new Under Secretary will be the chief adviser to the Secretary of Commerce on economic policy and on the general areas of statistical data analysis. In the past, responsibility for data collection and analysis was held by the Chief Economist, while domestic economic policy issues were the responsibility of the Assistant Secretary for Policy. This dual division of responsibility has weakened the capacity of the Department of Commerce to participate in economic policy development, although the Department plays the major role in the executive branch in the collection and analysis of economic and related data.

The Under Secretary for Economic Affairs will be the Department's spokesman on economic policy and will be supported by the full economic analysis and economic policy development capability of the Department. The Department currently has an Under Secretary of International Trade and needs an equal focal point for domestic economic policy. That is what this legislation does.

The utilization of the talents and strengths of highly qualified Federal employees becomes even more important at a time when we are struggling to stretch the tax dollar. This legislation will facilitate the establishment of a coherent, cohesive economic policy within the Department of Commerce and the administration.

I strongly recommend enactment of this legislation. The creation of the new Under Secretary position is consistent with the goal of good government, since it will enable us to make better use of the resources of the Department of Commerce.

Mr. GILMAN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Ms. FERRARO. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from New York (Ms. Ferraro) that the House suspend the rules and pass the bill, H.R. 3141, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

Ms. FERRARO. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 1808) to authorize an Under Secretary of Commerce for Economic Affairs, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from New York?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 1808

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) there shall be in the Department of Commerce an Under Secretary of Commerce for Economic Affairs who shall be appointed by the President by and with the advice and consent of the Senate. The Under Secretary shall perform such duties as the Secretary of Commerce shall prescribe.

(b)(1) Section 5314 of title 5, United States Code, is amended by inserting before "and Under" in the item relating to the Under Secretaries of Commerce: ", Under Secretary of Commerce for Economic Affairs,".

(2) Section 5315 of title 5, United States Code, is amended in the item relating to the Assistant Secretaries of Commerce by striking Out "(7)" and inserting in lieu thereof "(8)".

(c)(1) Section 2 of the Act entitled "An Act to establish the Department of Commerce and Labor", approved February 14, 1903, as amended (15 U.S.C. 1504), is amended by striking out the first two sentences.

(2) Section 8 of the Air Commerce Act of 1926 (44 Stat. 568; 52 Stat. 1029) is hereby repealed.

(3) Section 601(a) of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3201) is amended by striking out "and shall be compensated at the rate provided for level IV of the Federal Executive Salary Schedule".

(4) Section 9(a) of the Maritime Appropriation Authorization Act for Fiscal Year 1978 (15 U.S.C. 1507b) is amended by striking out "shall receive compensation at the rate prescribed by law for Assistants Secretaries of Commerce, and".

(5) Section 4 of the Reorganization Plan Numbered 1 of 1977 (91 Stat. 1633; 5 U.S.C. Appendix) is amended by striking out ", and who shall be entitled to receive compensation at the rate now or hereafter prescribed by law for level IV of the Executive Schedule".

(6) Section 2(d) of Reorganization Plan Numbered 3 of 1979 (93 Stat. 1382; 5 U.S.C. Appendix) is amended by striking out "shall receive compensation at the rate payable for level IV of the Executive Schedule, and".

MOTION OFFERED BY MS. FERRARO

Ms. FERRARO. Mr. Speaker, I offer a motion.

The clerk read as follows:

Ms. Ferraro moves to strike out all after the enacting clause of the Senate bill, S. 1808, and to insert in lieu thereof the provisions of the bill, H.R. 3141, as passed by the House.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 3141) was laid on the table.

HOUR OF MEETING ON TOMORROW

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that when the House adjourn today, it adjourn to meet at 12 o'clock noon on tomorrow.

The SPEAKER pro tempore Is there objection to the request of the gentleman from Texas?

There was no objection.

□ 1430

TRAINING FOR EMPLOYEES OF THE ARCHITECT OF THE CAPITOL

Mrs. SCHROEDER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5145) to amend title 5, United States Code, to provide training opportunities for employees under the Office of the Architect of the Capitol and the Botanic Garden, and for other purposes.

The Clerk read as follows:

H.R. 5145

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) chapter 41 of title 5, United States Code, relating to employee training programs, is amended by adding at the end thereof the following new section:

§ 4119. Training for employees under the Office of the Architect of the Capitol and the Botanic Garden

"(a) The Architect of the Capitol may, by regulation, make applicable such provisions of this chapter as the Architect determines necessary to provide for training of (1) individuals employed under the Office of the Architect of the Capitol and the Botanic Garden and (2) other congressional employees who are subject to the administrative control of the Architect. The regulations shall provide for training which, in the determination of the Architect, is consistent with the training provided by agencies under the preceding sections of this chapter.

"(b) The Office of Personnel Management shall provide the Architect of the Capitol with such advice and assistance as the Architect may request in order to enable the Architect to carry out the purposes of this section.".

(b) The table of sections for chapter 41 of title 5, United States Code, is amended by adding at the end thereof the following new item:

"4119. Training for employees under the Office of the Architect of the Capitol and the Botanic Garden.".

Sec. 2. Section 5401(b) of title 5, United States Code, is amended by striking out "paragraph (2)" in paragraph (1) and inserting in lieu thereof "paragraphs (2) and (3)", and by adding at the end thereof the following:

"(3) This chapter shall not apply to individuals employed under the Office of the Architect of the Capitol or the Botanic Garden.".

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentlewoman from Colorado (Mrs. Schroeder) will be recognized for 20 minutes, and the gentleman from New York (Mr. Gilman) will be recognized for 20 minutes.

The Chair recognizes the gentlewoman from Colorado (Mrs. Schroeder).

Mrs. SCHROEDER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, most Federal agencies are authorized to pay the costs of training for their employees by the Government Employees Training Act, passed in 1958. This act, however, has never been extended to permit the Architect of the Capitol to provide training for the employees under the Architect's supervision. The bill before us today merely permits the Architect to use the same training authorities available to other agencies.

The bill permits the Architect to provide training to three groups of congressional employees: First, those who work in the Architect's office maintaining and developing the Capitol and its grounds; second, those who work for the Botanic Garden; and third, those who work for the Senate restaurants. The Architect employs around 1,900 people for the physical plant and grounds of the Capitol. The Architect is Acting Director of the U.S. Botanic Garden, which employs nearly 60. And, the Architect is charged with administrative control over the Senate restaurants, which employs 200 individuals.

H.R. 5145 permits the Architect to issue regulations making applicable those provisions of the Training Act necessary to provide training to employees the Architect supervises. These regulations would have to be consistent with the Training Act including the basic provision limiting training of an employee to study "in scientific, professional, technical, mechanical, trade, clerical, fiscal, administrative, or other fields which are or will be related to the performance by the employee of official duties for the Government, in order to increase the knowledge, proficiency, ability, skill, and qualifications of the employee in the performance of official duties."

The bill also makes it clear that the merit pay provisions of the Civil Service Reform Act of 1978 do not cover employees of the Architect of the Capitol.

Training of Government employees has been drastically curtailed as a result of the budget cuts over the last couple of years. The committee believes that this reduction is an example of how short-term cost savings result in long-term costs. The better training Federal workers are for their jobs, the better they do their jobs. The better they do their jobs, the cheaper the cost of Government service to the taxpayer. Small expenditures for training can result in tremendous gains, in productivity. This truth is being proven again day in and day out, both in the private sector and in the public sector. H.R. 5145 does nothing to turn around the retrenchment in training in the executive branch. Our passage of this bill does, however, reaffirm our commitment to the need for training of Federal workers.

Mr. GILMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 5145, which authorizes the Architect of the Capitol to provide training opportunities of employees of the Architect of the Capitol, the Botanic Gardens, and employees of the Senate restaurants under the Architect's authority.

The Government Employees Training Act of 1958 originally applied only to the executive branch of Government. Since then, it has been amended to include such agencies as the Library of Congress and the Government Printing Office. Although the Architect supervises more than 2,000 employees, the act never has been amended to provide training authority for those employees.

This legislation will provide the Architect with effective management that will result in improved performance and higher productivity. Computers have made it possible to perform many of the management tasks of the Architect more rapidly, so it is logical to provide him with authority to train employees to make full use of automated equipment.

H.R. 5145 also makes it clear that the merit pay provisions of the 1978 Civil Service Reform Act do not apply to the Office of the Architect of the Capitol or the Botanic Gardens.

Accordingly, I urge my colleagues to support what is essentially a good housekeeping bill.

● Mr. DERWINSKI. Mr. Speaker, H.R. 5145 is a simple housekeeping measure which will permit the Architect of the Capitol to provide training for all employees under his control, totaling more than 2,000, and for employees of the Botanic Gardens.

The provisions of the Government Employees Training Act presently only apply to the executive branch, the Library of Congress, and the Government Printing Office.

Extending this authority to the Architect will especially help him in augmenting the data-processing capability of his office. Computers have made it possible for the Architect to perform many of his management responsibilities more rapidly and accurately. Obviously, managing records, inventory payroll, and other data systems can be improved through the use of automated equipment, and employees of the Office of the Architect should be trained to fully utilize whatever equipment the Architect obtains.

H.R. 5145 also makes it clear that the merit pay provisions of the Civil Service Reform Act of 1978 do not apply to the Office of the Architect of the Capitol or the Botanic Gardens.

The extension of the Government Employees Training Act to the Architect of the Capitol is good legislation.●

Mrs. SCHROEDER. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. GILMAN. Mr. Speaker, I have no further requests for time on this side of the aisle.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from Colorado (Mrs. Schroeder) that the House suspend the rules and pass the bill, H.R. 5145.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mrs. SCHROEDER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and to include extraneous matter, on H.R. 5145, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Colorado?

There was no objection.

PRETRIAL SERVICES ACT OF 1981

Mr. HUGHES. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3481) to amend chapter 207 of title 18, United States Code, relating to pretrial services.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New Jersey (Mr. Hughes).

The motion was agreed to.

The SPEAKER pro tempore. The Chair designates the gentleman from California (Mr. Miller) as Chairman of the Committee of the Whole and requests the gentleman from Hawaii (Mr. Akaka) to assume the chair temporarily.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 3481, with Mr. Akaka (Chairman pro tempore) in the chair.

The Clerk read the title of the bill.

The CHAIRMAN pro tempore. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from New Jersey (Mr. Hughes) will be recognized for 30 minutes, and the gentleman from Michigan (Mr. Sawyer) will be recognized for 30 minutes.

The Chair recognizes the gentleman from New Jersey (Mr. Hughes).

Mr. HUGHES. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, it is a rare privilege to be able to speak for a bill that is supported by the Reagan administration and the American Bar Association, by prosecutors and defense lawyers, by the Judicial Conference of the United States, by independent research organizations and by Government studies. This bill will reduce crime, reduce bail jumping, and reduce unnecessary detention. It will save the judicial system a great deal of money, and it will make the system more efficient. It will aid the courts in identifying those defendants who should be incarcerated before trial, or released on conditions, and will help insure that those defendants who should not be incarcerated pretrial are not.

H.R. 3481 is a bill to expand the pretrial services agencies from the 10 demonstration districts where they have been operating since 1974, to other Federal judicial districts where the courts think they are needed.

Let me tell you briefly what the pretrial services agencies are all about. The agencies have assigned officers to investigate and report to the court about a criminal defendant's background—including family ties, criminal history, past record of attending or failing to appear at court appearances, and the like. The courts are required by the Federal Bail Reform Act to consider these factors in deciding whether to release a defendant on bail, or to impose certain conditions on that defendant, or even whether to release the defendant at all if the defendant will not otherwise show up for future court appearances. Without the pretrial services agencies, judges have no way of obtaining this crucial information about the defendant. The PSA's have gathered full and complete information on these issues, and have enabled the courts to make more accurate bail decisions.

Accurate bail decisions are essential to the workings of the criminal justice system for at least two major reasons. First, without the information that the PSA's provide, judges would have no satisfactory way of knowing whether a defendant is likely to appear in court in the future. As a result, defendants who will not appear may be released on too low a bond, and defendants who will appear for trial may be placed unnecessarily in custody until trial. The PSA's have enabled judges to make accurate determinations about who will and who will not appear, and in the 10 demonstration districts, failure to appear rates have been reduced dramatically—by about 75 percent.

PSA's have also been able to inform judges about when a particular defendant may benefit from conditions being imposed on his or her release. These conditions may range anywhere from having the defendant report to the PSA officer on a regular basis, to having the defendant incarcerated on a part-time basis pending trial. These conditions have also contributed to the decline in failure to appear rates, and to another dramatic decline—in the rate of pretrial rearrests—by nearly two-thirds.

We can conclude from the results in the 10 demonstration districts that failure to appear and pretrial rearrests for new crimes are virtually no longer a problem. While it is of course impossible for either the PSA officer or the judge to make predictions with 100 percent accuracy, the problem of defendants jumping bond or committing new crimes while on pretrial release is negligible in PSA districts. The overall failure to appear rate went from an average of 5.3 percent just after the PSA's went into operation, to 1.3 percent now. The overall rate of pretrial rearrests went from an average of 8.5 to 3.3 now. This is a remarkable rate of success.

The GAO has studied the effectiveness of the PSA's and has concluded that they "are having positive effects on the bail process. They are assisting the courts in making better bail decisions and are contributing to the downward trends in failure to appear and new crime rates among defendants on bail." By way of contrast, in the one district without a pretrial services agency where the GAO was able to obtain bail statistics, the failure to appear rate has increased dramatically.

There is one other reason why the PSA's have been so successful. As we all know, it costs money—and a lot of it—to operate our prisons and jails. As we also all know, our prisons and jails are badly overcrowded and their resources greatly taxed. We must do all we can to preserve prison space for those who really need to be incarcerated—so that we can protect society from those who are too dangerous to be free. We have neither the money nor the space to confine people unnecessarily. The PSA's have enabled judges to distinguish between those who do and those who do not need to be confined pretrial. The Administrative Office of the U.S. Courts estimates that it costs at least $2,000 for 100 days of pretrial detention for every defendant. In contrast, the cost of 100 days of pretrial release and supervision by a PSA officer is only $400. When unnecessary detention is eliminated, the cost savings can be enormous.

For a number of reasons, of course, unnecessary pretrial detention is wrong. The PSA's give us the opportunity to greatly reduce this problem, and to save the Government a great deal of money.

The PSA's are strongly supported by the Reagan administration, the Judicial Conference of the United States and the American Bar Association. The Subcommittee on Crime heard testimony from a number of judges, magistrates, prosecutors, defense counsel and others who have had favorable experiences with the PSA's in their judicial districts. These witnesses strongly support expansion, where appropriate, to other Federal judicial districts. The final decision about whether to have a PSA in a particular judicial district, and if so, what kind of agency it should be, should be left up to the courts, and H.R. 3481 so provides. But this bill authorizes the courts to have a pretrial services agency if they think it is needed.

This country needs to do something about its crime problem. We are all agreed on that. A "yes" vote for this bill will enable you to tell your constituents that you have done something about crime—you have voted to reduce failure to appear rates and pretrial rearrest rates, and in the process have voted to save the Government wasteful and unnecessary expenditures of money. A "yes" vote on this bill will be a positive step toward controlling this country's crime problem. I urge you to support H.R. 3481.

Mr. SAWYER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of H.R. 3481, the Pretrial Services Act.

This is not the complete picture of the subcommittee's activities in this area. We really had two facets to this bill when we considered it, both of which are supported by the administration and the Department of Justice. One was a bail reform provision, which we separated out because of jurisdictional problems. I am now assured, as is the chairman of the subcommittee, that we will very shortly have a markup of that legislation in the Subcommittee on Courts. Hopefully, it will shortly be on the floor.

The Pretrial Services Act has been in effect now on an experimental or pilot basis in 10 Federal judicial districts for approximately 8 years. Its success has been phenomenal. In general, the probation department or, if necessary, a separate agency, although it is usually the probation office, undertakes to investigate criminal defendants and to make recommendations to the court as to whether or not they are fit subjects for release on bail, whether they should be released on personal cognizance, and whether any restrictions or conditions, including money bail, ought to be imposed on their release.

This has given the judge more information than judges historically have had. They also supervise the defendant while he is released on bail. This has really produced fantastically good results. The commission of crime while on bail has been reduced by approximately two-thirds. The failure to appear at trial has been reduced by even more than that, approaching three-quarters.

Of course, some of the Members may be aware of the tremendous problem we have had in the serious drug cases in recent years. The money to which these defendants have access is so great that they really do not think much about forfeiting cash bail in the millions of dollars. They just treat it as a cost of doing business. This bill would give the judges more information to deal with that situation.

Based on an amendment which I offered in the subcommittee with the strong support of the chairman, the pretrial services agencies are required to give judges information concerning the danger that the defendant may pose to any other person or the community or whether the defendant is likely to pursue further criminal activity while he is out. Now, at this particular moment, the judge is not empowered to do anything with that information in noncapital cases, except to a very limited extent, because the Bail Reform Act of 1966 specifically limits the judge's consideration to whether the defendant is likely to appear for trial. He may not consider whether the defendant is likely to be a danger while out on bail. The legislation amending the Bail Reform Act that I mentioned and that we are starting to mark up tomorrow in a different subcommittee and, hopefully, will bring to the floor very shortly will correct that shortcoming. It will allow the judge to make better use of that information that is required to be provided and, in the appropriate case, to deny bail.

Mr. Chairman, I am assured that the chairman of the subcommittee, the gentleman from New Jersey (Mr. Hughes), is in full accord with that and will lend his not insignificant support to that when it comes to the full committee and to the floor.

☐ 1445

Mr. HUGHES. Mr. Chairman, will the gentleman yield?

Mr. SAWYER. Surely.

Mr. HUGHES. As the gentleman knows, I fully support the gentleman's position on that. As a matter of fact, in subcommittee we accepted the gentleman's amendment that would, in fact, provide that danger to the community be considered by the pretrial service agency and communicated to the court.

Now, to complete that, we do have to modify the Bail Reform Act and I support the gentleman. I join with him in urging the gentleman from Wisconsin (Mr. Kastenmeier) to move ahead with markup tomorrow so that we can complete that circle.

Mr. SAWYER. Good. I thank the gentleman and note the gentleman was in strong support of our efforts. In fact, the gentleman and I, despite being on different sides of the aisle, see pretty much eye-to-eye on the question of crime. Neither of us can find any partisan concerns on that issue. Both of us have had some background as urban prosecutors and trial lawyers before coming here, so we are somewhat free from some of the usual political controversies that we get involved in from different points of view.

This, I think, is a very good act. It is not mandated in any judicial district.

H.R. 3481 is endorsed by the American Bar Association, the Department of Justice, the Judicial Conference of the United States, and to my knowledge, has no significant opposition.

Mr. Chairman, I yield 5 minutes to the gentleman from Illinois (Mr. McClory).

Mr. McCLORY. I thank the gentleman for yielding.

Mr. Chairman, I want first of all to commend the distinguished gentleman from New Jersey, chairman of the subcommittee (Mr. Hughes), and my colleague from Michigan (Mr. Sawyer), the ranking minority member of the subcommittee, for bringing this extremely important legislation to the floor of the House.

It seems to me that with the problem of crime in America so directly affecting all of our citizens, particularly older Americans and in the inner city, that we should give earnest concern to this type of legislation which can contribute so much to reducing crime, the problem of incarceration and the overtaxing of our penal institutions.

This measure was reported by the committee in the last session, and subsequently, I appeared before the Rules Committee. At that time, I expressed serious doubts about the legislation since it did not provide an opportunity to authorize pretrial detention. I think that issue as part of the pretrial process is extremely important and I am encouraged by the fact that the Subcommittee on Courts is going to take up this issue so that we can have the opportunity to mark up a bill which will permit preventive detention, and will permit revision of the Bail Reform Act so that the courts can give consideration to the subject of danger to the community in more than just capital cases.

I heard the mayor of this city say not too long ago that the problem of crime in this city, this Capital City, is the result of activities by a very small number of people and many of them are committing the crimes when they are out on bail.

I was one of those who was here when we enacted the Bail Reform Act and undertook to assure to rich and poor alike that they would have an opportunity to make bail, providing that the court was assured that they would not leave the jurisdiction. That was the only criterion which the court had to consider in noncapital cases.

But with the prevalence of crime on the part of repeaters, and the fact that we have small numbers of persons committing a large number of crimes, it seems to me to be highly appropriate that we should take action on the subject of preventive detention and reform of the Bail Act so that the judges can take into consideration the subject of danger to the community.

I rise in strong support of this measure. I think all of the pretrial services that are authorized are justified and can contribute to reducing crime. I think that both the victims and those charged with crime can benefit as a result of this legislation.

I am satisfied that the pilot projects that have been developed have been successful and justify the expansion of this legislation.

I again commend the subcommittee and the committee for bringing forth this legislation. I would just like to say, as another reminder to the chairman of the committee, that we have a lot of other legislation pending before the full committee, the Rules Committee, and various subcommittees that can and should be brought out to the floor of the House of Representatives for action at an early date.

No legislation is more important than that which we have before the Judiciary Committee, which handles, incidentally, more legislation than any other committee of the House. To have it bottled up in a subcommittee or in the full committee or before the Rules Committee does a disservice to this body and to the people of this Nation.

I am happy that we have this bill and I hope we will have other important legislation to bring forward very soon.

Mr. Chairman, as many of my colleagues are aware, I appeared before the Rules Committee 1 year ago to oppose the granting of a rule on H.R. 3481, the Pretrial Services Act. I did so with some reluctance, since the Subcommittee on Crime, with substantial input from my side of the aisle, had produced a cost-conscious program aimed at reducing bail crime and flight before trial.

As my colleagues and I noted in additional views to the committee's report on this bill, pretrial services, while a valuable component of our release system, are only a partial solution to the problem. What is even more essential is the major revision of the Bail Reform Act of 1966, which suffers two basic defects. First, it does not authorize Federal judges and magistrates to consider danger to the community in setting conditions on pretrial release in noncapital cases. Second, it fails to permit, in certain egregious cases, the pretrial detention of dangerous defendants. As a primary sponsor of legislation to correct these deficiencies in the past, I watched it expire from lack of attention. For that reason, 1 year ago, I felt it would be inappropriate for this body to act upon legislation which lacked these features.

Mr. Chairman, my feelings about the urgent need for further bail reform have not changed. However, we have recently seen somewhat encouraging progress on that issue. The Subcommittee on Courts has completed its hearings and a markup has been set, which I trust will proceed on schedule. Furthermore, I understand that the sponsors of this bill, the gentleman from New Jersey (Mr. Hughes) and the gentleman from Michigan (Mr. Sawyer) will participate in the effort to encourage prompt committee consideration of, and floor action on, such legislation so that the 97th Congress will be remembered for this significant reform. Under these circumstances, I concurred with the chairman and ranking minority member of the subcommittee that floor action on H.R. 3481 was timely at this point.

Mr. Chairman, I want to commend the members of the subcommittee for their hard work, which is readily apparent in the bill before us. The experience of the demonstration programs, which my colleagues have described at length, was sufficiently successful to warrant expansion of the services into other judicial districts which want them. Based on amendments from this side of the aisle in the last Congress, which limit appropriations and the period during which the services are authorized, the program is, as the administration has commented, "cost-effective." Finally, I strongly approve of the amendments offered by the gentleman from Michigan, with the strong support of the chairman of the subcommittee, which would require the provider of pretrial services to inform the judicial officer of information concerning any danger that the defendant may pose to any other person or the community. Although danger to the community can only be considered in noncapital cases to a very limited extent under current law, we must guarantee that this crucial information is available. Furthermore, it will be of inestimable assistance in capital and postconviction cases, where danger to the community must be considered prior to release.

Mr. Chairman, again, I commend the chairman and ranking minority member of the subcommittee on this product of their careful deliberation. I look forward to working with them to remedy the underlying Bail Reform Act problems, and, specifically, to enact the legislation proposed by the gentleman from Michigan, which has received the adminstration's strong endorsement.

Mr. SAWYER. Mr. Chairman, I yield 7 minutes to the gentleman from Wisconsin, (Mr. Sensenbrenner).

Mr. SENSENBRENNER. Mr. Chairman, I hate to disturb the love-in that has been going on over this piece of legislation with all of my colleagues from the Judiciary Committee singing its praises. But once again the Judiciary Committee has put the cart before the horse. Rather than bringing a bail reform bill to the floor of the House, the committee has brought a money bill to attempt to solve the problems of bail jumpers and inadequate information being given to magistrates and judges by expanding the bureaucracy and by throwing more scarce taxpayers' dollars at the problem.

I dissent from that. I believe that this bill should not be passed until such time as substantive bail reform actually comes before the House of Representatives and is passed.

As one who witnessed the tortuous progress of the pretrial services bill in the last Congress when it was defeated on the floor, I was gratified by the prospect that it would enjoy a similar and well-merited death in this budget-conscious session.

At one time it appeared that we might at least correct one of the fundamental deficiencies associated with this bill by postponing its consideration until this body could also act on a measure to correct the disastrous effects of the Bail Reform Act of 1966.

Unfortunately, as one has learned to expect from the Committee on the Judiciary, the money bill before us today advanced with lightning speed, while more crucial legislation moves at a snail's pace.

Mr. Chairman, my objections to this bill are basically three. First, I am not convinced, given our perilous budget situation, that a compelling need for pretrial services has been demonstrated.

My second objection involves the mechanism used to provide pretrial services under the bill. It does not place the services in the existing probation offices, but instead expands the bureaucracy needlessly.

If we are, indeed, serious about limiting Federal spending, we cannot afford to ignore any potential avenue for cutting costs, or at the very least, preventing an expansion of those costs.

Although several cost-saving features were added to this bill, including a specific dollar authorization and a sunset provision, companion legislation in the other body does not contain these improvements.

Who knows what will emerge from the conference?

Mr. Chairman, my third objection to this bill relates to the committee's priorities. At the beginning of this Congress, two bills to improve the Bail Reform Act, which this present bill implements, were introduced. On May 19, 1981, the committee favorably reported this bill, but the bail reform bills languished in subcommittee.

Almost 1 year ago we were assured that action would finally be taken on bail reform, but nothing has happened.

Mr. Chairman, action has been taken on bail reform, to quote an infamous Supreme Court decision, "with all deliberate speed" and I am certain that my colleagues recall from civil rights history just how slow such action may be. While a subcommittee markup on bail reform has indeed been scheduled at long last, I would point out to my colleagues that similar legislation was reported by the full Judiciary Committee in the other body months and months ago.

Unless bail reform legislation is moved promptly through the subcommittee, the full Judiciary Committee and the Rules Committee and on to this floor, it will die as certainly as it did in many previous Congresses.

At that point, as usual, we will be left with the distinction of having only passed a highly questionable money bill and done nothing else.

Mr. Chairman, my opposition to this bill is unqualified. In particular I object to the illusion that it will solve our pretrial release problems. It may temporarily patch the cracks, but the underlying statute is in such disrepair that a major overhaul is in order.

We do not need an expanded and expensive bureaucracy when reform of the bail laws will accomplish the same effect at much less cost.

This bill should be defeated.

Mr. SAWYER. Mr. Chairman, will the gentleman yield?

Mr. SENSENBRENNER. I yield to my colleague from Michigan.

Mr. SAWYER. However long the Bail Reform Act has taken, it is scheduled for markup tomorrow. The gentleman's subcommittee, on which the gentleman is ranking, is still sitting on a complete revision of the Criminal Code that has been in gestation for 16 years and probably holds the record for delay.

Mr. SENSENBRENNER. Reclaiming my time, I certainly concur with the fact that the Criminal Code reform bill, if done in a proper manner, will be the cornerstone of the solution of our criminal procedure and crime problems, at least at the Federal level.

The gentleman from Michigan is well aware that the gentleman from Wisconsin, joined by the gentleman from Texas (Mr. Sam B. Hall, Jr.), and the gentleman from Ohio (Mr. Kindness), and the gentleman from Florida (Mr. McCollum) did petition for a subcommittee markup of the Criminal Code bill over 2 months ago. The subcommittee got hung up on parliamentary procedure and our chairman, the gentleman's colleague from Michigan (Mr. Conyers) walked out of the room during a 5-minute recess of the committee to unsnarl the parliamentary redtape.

We have had no markup since then. I think that is a shame, and I believe that the only way to get the Criminal Code out of gestation is for either this House or the Judiciary Committee to perform a cesarean section on the gentleman from Michigan (Mr. Conyers) and I yield back the balance of my time.

☐ 1500

Mr. HUGHES. Mr. Chairman, I yield 3 minutes to the gentleman from Texas (Mr. Sam B. Hall, Jr.).

Mr. SAM B. HALL, JR. Mr. Chairman, I would like to compliment the gentleman from New Jersey (Mr. Hughes) and the gentleman from Michigan (Mr. Sawyer) for the work they have done on this bill. I support it in its entirety. I think it is a good bill. I think it performs a need that we have needed in the judiciary for a great number of years.

One need only go to the monetary sums that are used each year for detention of people. We all know that our jails and penitentiaries are overflowing. We know that there are more people in the penitentiaries than there have ever been before. And I am sure that many of those people should be there. I am not for one moment saying that they should not be incarcerated for the crimes that they have committed.

I will say that this Pretrial Services Act, as so designated, will allow judges to make a determination as to whether or not a person should be placed in detention or whether or not those people should be allowed bail, pending trial. Now, I believe that those people who the court finds should be in jail pending bail, should be there. I do not think there is any question about it. But I believe that it can be said without any fear of contradiction that the pretrial detention costs—in the 10 demonstration districts have been reduced by more than two-thirds.

I think that every bit of help that we can give to a Federal district judge in this area is something that we should look upon with great favor. The demonstration districts that have used these services have proven and have shown that it is a workable plan, it is a plan that will save money for the taxpayer. For that reason I wholeheartedly support this legislation.

Mr. SAWYER. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

Mr. HUGHES. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, I just want to say to my colleagues, the gentleman from Michigan, and my colleague, the gentleman from Wisconsin, that I too, regret that this committee, the Subcommittee on Crime, did not have jurisdiction so that we could have considered bail reform as a total package. But as my colleague from Wisconsin knows, I do not decide jurisdiction. That is decided by a higher authority. Had we such jurisdiction, I can assure my colleagues that we would have exercised it by now. That does not take away from the fact that it is a good program. Anyone who would argue against the data that has been collected in these districts has totally ignored the facts.

It is a program that is working. It makes sense to learn a lot more about a defendant than we have to date before he or she appears before the court for the setting of bail. That is what we are talking about—getting more information when the defendant first comes into the criminal justice system. We have found out that by doing that we can make a better bail decision. If the decision is to free the defendant on bail, we can impose conditions at that point and monitor that individual and his behavior during the time that he is out on bail. We have found that by doing that we can reduce the incidence of rearrest. We also find that we are saving money because we are not incarcerating those individuals who should not be incarcerated. So it is a saving of taxpayers' funds.

Just as importantly, we have learned during this process a lot about a defendant. During this time he is out on bail, if he has a drug problem and has slipped, we do not have to wait until he is rearrested, because if we are imposing conditions and we are monitoring his activities, we can report that to the court right away.

We also find that when the defendant appears before the court at the time of sentencing that we make a better decision as to whether the defendant should be placed on probation or should be incarcerated.

So commonsense would dictate that this is something that we should have done a long time ago. It is not too late. We have found in these 10 districts that we can in fact advance the interests of the criminal justice system by implementing pretrial services. That is all this legislation does. It is not going to mandate it. It is up to the court to decide whether or not it makes sense in their particular vicinage. I urge my colleagues to support what I consider to be a simple but important crime initiative.

Mr. Chairman, I yield such time as he may consume to the gentleman from New Jersey (Mr. Rodino), the chairman of the Committee on the Judiciary.

Mr. RODINO. Mr. Chairman, I would like to give you a practical idea about what the pretrial services agencies do—how they promote efficiency and cost-savings in the criminal justice system. The best way, I think, is to give you an idea of what the system would be like without pretrial services organizations, and what it was like in the 10 demonstration districts before the PSA's were created there.

Judges considering whether to release a particular defendant in a criminal case would be operating totally in the dark. They would have to rely solely on opposing counsel to find out about the defendant's background: Whether the defendant had a criminal record, whether the defendant had missed court appearances in the past, whether the defendant had community ties—a job or family in the local area. There would be no independent organization devoting its time solely to investigating the defendant's background, making sure its information was accurate, and reporting it to the court.

As a result, courts had no idea whether the defendant was a good bail risk, whether the defendant would appear in court, whether the defendant had a drug problem, whether the defendant could be released but needed extensive supervision. Even if the defendant needed to be supervised, there was no one to perform the supervision.

This system led to defendants being incarcerated before trial when they did not need to be. It also led to defendants being released before trial when they should not have been. Rates of failures to appear and pretrial rearrests were high. Costs to the Government from unnecessary pretrial detention were high, as were the costs of U.S. marshals having to seek out and arrest defendants who had absconded. The costs of crime committed by defendants on release who either should not have been released or who should have had close supervision on release cannot be quantified.

If we do not pass H.R. 3481, this system will continue in all Federal judicial districts. The dramatic results obtained in the 10 demonstration districts will be lost. As you have already heard, in the 10 demonstration districts, failure to appear rates have declined by about 75 percent, pretrial rearrest rates have declined by nearly two-thirds, and costs from unnecessary pretrial detention have declined by over two-thirds.

The judges who sit in the 10 demonstration districts testified at hearings on this bill that they rely heavily on the pretrial services agencies to provide them with accurate and complete information—that their decisions would be more like guesswork without them. We should not deprive the judiciary of this important tool. I ask you to support this important crime-fighting and court efficiency measure by voting yes on H.R. 3481.

Mr. FISH. Mr. Chairman, I rise in support of H.R. 3481, the Pretrial Services Act, which will provide a nationwide network of informational and supervisory services to Federal judges and magistrates in making delicate decisions relating to the pretrial release of defendants.

As a member of the Subcommittee on Crime, I had the privilege of joining the gentleman from New Jersey (Mr. Hughes) in hearings held on this bill in my own State of New York 1 year ago. The testimony from various participants in the Federal criminal justice system, including U.S. attorneys, magistrates, and the defense bar, was overwhelmingly in support of these services and the mechanisms used to provide them under H.R. 3481. I came away from that hearing a firm believer in the value of pretrial services in the Federal system and I am hopeful that the successful Federal experience will serve as a model for the States in this area.

Mr. Chairman, because of our concern over budget deficits, I am encouraged by the serious effort that was made in the development of this legislation to minimize the cost of these programs. My strong support for this legislation stems, in large part, from the fact that it contains a fair, but modest dollar authorization.

Furthermore, it contains a sunset provision which will afford our committee an opportunity to examine the operation of the program on a nationwide level and to make any appropriate adjustments in the authorizing legislation.

Mr. Chairman, I am one of the many members of the Judiciary Committee who view with grave disappointment the slow progress that the committee has made on improving the Bail Reform Act of 1966. Like the Attorney General's Task Force on Violent Crime and the administration, I believe that it is absolutely imperative for this Congress—and I mean this Congress, not the next—to enact legislation which will permit Federal judges to consider "danger to the community" and to detain particularly dangerous defendants prior to trial. However, considering the fact that the committee has begun to proceed on separate legislation to address these problems, I believe it is appropriate to move H.R. 3481 at this time, particularly since pretrial services will be instrumental in implementing any legislation that we pass.

Mr. Chairman, I commend the chairman and the ranking minority member for their work on this legislation and I urge my colleagues to join me in support of H.R. 3481.

● Mr. **CORRADA**. Mr. Chairman, I rise in support on H.R. 3481, the Pretrail Services Act which would lend a hand in the arduous task of screening and supervising persons arrested and detained for Federal offenses who seek release while awaiting trial.

This bill authorizes the establishment of Pretrail Service Agencies (PSA's) throughout the Federal district court system which are currently operating as demonstration programs in 10 U.S. judicial districts. The Speedy Trial Act of 1974 brought about this pilot program which in light of its accomplishments and fine performance, today we are considering expanding for the benefit of many more judicial districts in the Nation.

These agencies were created to assist Federal judges and magistrates in making determinations regarding the conditions of pretrial release and for aiding judicial officers in supervising those released. The record shows that its assistance has been effective in reducing rates of failure to appear, pretrial arrests and costly and unnecessary pretrial detention.

I believe that sound judgment can only be made by well-informed judges. This legislation gives them the tools to get the work done right. We can no longer allow judges to lack precise and up-to-date background information of detainees, forcing the judges in many instances to release into society criminal elements and gamble with the lives of our citizens.

Crime while on bail is on the rise and with it internal terrorism. Many people tend to feel betrayed and upset for not taking justice in their own hands instead of trusting the judicial system to do it for them and ending up with the short end of the stick. Our ideal of "justice for all" demands our careful consideration of new initiatives and forceful commitments to fight this plague that threatens to destroy our peace and faith in the system.

In line with this quest, I fully support an amendment to the Bail Reform Act of 1966, to permit Federal judges to consider the element of dangerousness to the community in determining whether to release the accused and under what conditions or for the sake of our citizens not release him at all. The judges should not have their hands tied in release determinations by limiting their discretion to cases where the offense is punishable by death. Many noncapital offenses are committed by highly violent and volatile persons who certainly pose a great deal of danger to the community if released. We should strive to save forseeable victims of crime from misfortune.

Even though this legislation is solely directed to the creation of "pretrial service agencies" in the Federal district court system, I trust that the local governments copy these efforts and with the assistance of the Federal Government implement a similar program for local courts. The Federal and State governments need to join efforts to overturn the overgrown octopus of crime.●

Mr. **HUGHES**. Mr. Chairman, I yield back the balance of my time.

The **CHAIRMAN**. All time has expired.

The Clerk will read.

The Clerk read as follows:

H.R. 3481

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Pretrial Services Act of 1981".

SEC. 2. Section 3152 of title 18, United States Code, is amended to read as follows:

"§ 3152. Establishment of pretrial services

"The Director of the Administrative Office of the United States Courts (hereinafter in this chapter referred to as the 'Director') shall, under the supervision and direction of the Judicial Conference of the United States, provide directly, or by contract or otherwise, for the establishment of pretrial services in each judicial district (other than the District of Columbia) with respect to which the appropriate United States district court and circuit judicial council have recommended such establishment.".

SEC. 3. Section 3153 of title 18, United States Code, is amended to read as follows:

"§ 3153. Organization and administration of pretrial services

"(a) The pretrial services established under section 3152 of this title shall be under the general authority and direction of the Director.

"(b) Pretrial services shall be supervised by a chief pretrial services officer selected by the chief judge of the district court. An individual who is a probation officer appointed under section 3654 of this title may perform functions and duties of an officer or employee providing pretrial services including a function or duty of the chief pretrial services officer.

"(c)(1) With the approval of the district court, the chief pretrial services officer shall appoint such other personnel as may be required to provide pretrial services under section 3152 of this title. The position requirements and rate of compensation of the chief pretrial services officer and such other personnel shall be established by the Director with the approval of the Judicial Conference of the United States, except that no such rate of compensation shall exceed the rate of basic pay in effect and then payable for grade GS-16 of the General Schedule under section 5332 of title 5, United States Code.

"(2) The chief pretrial services officer is authorized, subject to the general policy established by the Director and the approval of the district court, to procure temporary and intermittent services to the extent authorized by section 3109 of title 5, United States Code.

"(d)(1) Except as provided in paragraph (2) of this subsection, information contained in pretrial services files, presented in any pretrial services report, or divulged by a pretrial services officer or staff member during the course of any hearing, shall be used only for the purposes of a bail determination and shall otherwise be confidential. The report shall be made available to the attorney for the accused and the attorney for the Government.

"(2) The Director shall issue regulations establishing the policy for release of information contained in pretrial services files. Such regulations shall provide exceptions to the confidentiality requirements under paragraph (1) of this subsection to allow access to such information—

"(A) by qualified persons for purposes of research related to the administration of criminal justice;

"(B) by persons under contract under section 3154(a) of this title;

"(C) by probation officers for the purpose of compiling presentence reports;

"(D) insofar as such information is a pretrial diversion report, to the attorney for the accused and the attorney for the Government; and

"(E) in certain limited cases, to law enforcement agencies for law enforcement purposes.

"(3) Information contained in pretrial services files is not admissible on the issue of guilt in any criminal judicial proceeding, except that such information, if otherwise admissible, may be admitted on the issue of guilt for a crime committed in the course of obtaining pretrial release.".

SEC. 4. Section 3154 of title 18, United States Code, is amended—

(1) by striking the catchline and all that follows before paragraph (1) and inserting in lieu thereof the following:

"§ 3154. Functions and powers relating to pretrial services

"Pretrial services shall include such of the following functions as the district court to be served may specify:";

(2) so that paragraph (1) reads as follows:

"(1) Collect, verify, and report to the judicial officer, prior to the pretrial release hearing, information pertaining to the pretrial release of each individual charged with an offense, including information relating to any danger that the release of such person may pose to any other person or the community, and recommend appropriate release conditions for such individual.";

(3) by amending paragraph (3) to read as follows: "Supervise persons released into the custody of providers of pretrial services under this chapter. The Director shall, not later than ninety days after the enactment of the Pretrial Services Act of 1981, issue guidelines for such supervision which shall (A) avoid unnecessary supervision; and (B) specify the factors to be considered in determining which persons need not be supervised and the appropriate degree and conditions of supervision.";

(4) in paragraph (4), by striking out "With the cooperation of the Administrative Office of the United States Courts, and with the approval of the Attorney General, operate or contract for the operation of" and inserting "Provide for" in lieu thereof;

(5) so that paragraph (5) reads as follows:

"(5) Inform the court and the United States attorney of all apparent violations of pretrial release conditions, arrests of persons released to the custody of providers of pretrial services or under the supervision of providers of pretrial services, and any danger that any such person may come to pose to any other person or the community, and recommend appropriate modifications of release conditions.";

(6) so that paragraph (9) reads as follows:

"(9) Perform other functions under this chapter."; and

(7) by adding at the end the following:

"(10) Develop and implement a system to monitor and evaluate bail activities, provide information to judicial officers on the results of bail decisions, and prepare periodic reports to assist in the improvement of the bail process.

"(11) To the extent provided for in an agreement between a chief pretrial services officer and the United States attorney, collect, verify, and prepare reports for the United States attorneys office of information pertaining to the pretrial diversion of any individual who is or may be charged with an offense, and perform such other duties as may be required under any such agreement.

"(12) Make contracts for the carrying out of any pretrial services function.".

SEC. 5. Section 3155 of title 18, United States Code, is amended to read as follows:

"§ 3155. Annual reports

"Each chief pretrial services officer shall prepare an annual report to the chief judge of the district court and the Director concerning the administration and operation of pretrial services. The Director shall be required to include the Director's annual report to the Judicial Conference under section 604 of title 28, United States Code, a report on the administration and operation of the pretrial services for the previous year.".

SEC. 6. The table of sections for chapter 207 of title 18, United States Code, is amended by striking out the item relating to section 3152 and all that follows through the item relating to section 3155 and inserting in lieu thereof the following:

"3152. Establishment of pretrial services.
"3153. Organization and administration of pretrial services.
"3154. Functions and powers relating to pretrial services.
"3155. Annual reports.".

SEC. 7. Secton 604(a) of title 28, United States Code is amended by—

(1) striking out "agencies" in paragraph (9);

(2) striking out "for pretrial services agencies" and inserting in lieu thereof "providing pretrial services" in paragraph (10); and

(3) by striking "pretrial services agencies" in each of paragraphs (11) and (12) and inserting "offices providing pretrial services" in lieu thereof.

SEC. 8. For the purposes of carrying out sections 3152 through 3155 of title 18 of the United States Code, there is authorized to be appropriated $6,000,000 for the fiscal year ending September 30, 1982, and $8,000,000 for the fiscal year ending September 30, 1983.

Mr. **HUGHES** (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The **CHAIRMAN** pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

COMMITTEE AMENDMENTS

The **CHAIRMAN** pro tempore. The Clerk will report the first committee amendment.

The Clerk read as follows:

Committee amendment: Page 5, beginning on line 15, strike out "by amending" and all that follows through "Supervise" in line 16 and insert in lieu thereof the following:

so that paragraph (3) reads as follows:

"(3) Supervise

The committee amendment was agreed to.

The **CHAIRMAN** pro tempore. The Clerk will report the next committee amendment.

The clerk read as follows:

Committee amendment: Page 8, line 6, strike out "and ".

The committee amendment was agreed to.

The **CHAIRMAN** pro tempore. The Clerk will report the final committee amendment.

The Clerk read as follows:

Committee amendment: Page 8, strike out line 7 and all that follows through line 9 and insert in lieu thereof the following:

(3) by striking out "pretrial service agencies" in paragraph (11) and inserting "offices providing pretrial services" in lieu thereof; and

(4) by striking out "pretrial services agencies" in paragraph (12) and inserting "offices providing pretrial services" in lieu thereof.

The committee amendment was agreed to.

The **CHAIRMAN** pro tempore. Are there any other amendments?

AMENDMENTS OFFERED BY MR. HUGHES

Mr. **HUGHES**. Mr. Chairman, I offer a series of technical amendments.

The Clerk read as follows:

Amendments offered by Mr. HUGHES: On the first page, line 4, strike out "1981" and insert "1982" in lieu thereof.

Page 2, line 8, after "otherwise" insert "(to such extent and in such amounts as are provided in appropriation Acts)."

Page 5, line 20, strike out "1981" and insert "1982" in lieu thereof.

Page 7, line 7, after "contracts" insert "to such extent and in such amounts as are provided in appropriation Acts".

Mr. **HUGHES** (during the reading). Mr. Chairman, I ask unanimous consent that the amendments be considered as read and printed in the RECORD.

The **CHAIRMAN** pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. **HUGHES**. Mr. Chairman, the amendments are technical in nature. There are four such amendments. The first and third amendments would simply change the name of the bill from "Pretrial Services Act of 1981" to "Pretrial Services Act of 1982."

The second and fourth amendments have been requested by the Budget Committee. They add to the bill in two different places language that is needed to conform the bill to section 401(a) of the Budget Act. The language was, unfortunately, omitted from the bill. I ask my colleagues to support the technical amendments.

Mr. **SAWYER**. Mr. Chairman, we accept the technical amendments.

The **CHAIRMAN** pro tempore. The question is on the amendments offered by the gentleman from New Jersey (Mr. HUGHES).

The amendments were agreed to.

The **CHAIRMAN** pro tempore. Are there any other amendments to the bill?

If not, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. FROST) having assumed the chair, Mr. AKAKA, Chairman pro tempore of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 3481) to amend chapter 207 of title 18, United States Code, relating to pretrial services, pursuant to House Resolution 439, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

□ 1510

The **SPEAKER** pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The **SPEAKER** pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The **SPEAKER** pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. **SENSENBRENNER**. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The **SPEAKER** pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 369, nays 30, not voting 33, as follows:

[Roll No. 67]

YEAS—369

Addabbo
Akaka
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Archer
Aspin
Atkinson
AuCoin
Badham
Bafalis
Bailey (PA)
Barnard
Barnes
Beard
Bedell
Beilenson
Benedict
Benjamin
Bennett
Bethune
Bevill
Biaggi
Bingham
Blanchard
Bliley
Boland
Bolling
Boner
Bonker
Bouquard
Bowen
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown (CA)
Brown (OH)
Burton, Phillip
Butler
Byron
Campbell
Carman
Carney
Chappell
Chappie
Cheney
Chisholm
Clausen
Clay
Clinger
Coats
Coelho
Coleman
Collins (IL)
Conable
Conte
Conyers
Coughlin
Coyne, James
Coyne, William
Crockett
D'Amours
Daniel, Dan
Daniel, R. W.
Dannemeyer
Daschle
Daub
Davis
de la Garza
Deckard
Dellums
DeNardis
Derrick
Derwinski
Dicks
Dingell
Dixon
Donnelly
Dorgan
Dornan
Dougherty
Dowdy
Downey
Duncan
Dunn
Dwyer
Dymally
Dyson
Early
Eckart
Edgar
Edwards (AL)
Edwards (CA)
Edwards (OK)
Emery
English
Erdahl
Erlenborn
Ertel
Evans (DE)
Evans (GA)
Evans (IA)
Fary
Fascell
Fazio
Fenwick
Ferraro
Fiedler
Findley
Fish
Fithian
Flippo
Florio
Foley
Ford (MI)
Ford (TN)
Forsythe
Fowler
Frank
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gejdenson
Gephardt
Gibbons
Gilman
Glickman
Gonzalez
Goodling
Gore
Gramm
Gray
Green
Gregg
Guarini
Hall (OH)
Hall, Ralph
Hall, Sam
Hamilton
Hammerschmidt
Hance
Hansen (UT)
Hartnett
Hawkins
Heckler
Hefner
Heftel
Hertel
Hightower
Hiler
Hillis
Holland
Hollenbeck
Hopkins
Horton
Howard
Hoyer
Hubbard
Huckaby
Hughes
Hunter
Hutto
Hyde
Jeffords
Jenkins
Jones (NC)
Jones (OK)
Jones (TN)
Kastenmeier
Kazen
Kemp
Kennelly
Kildee
Kindness
Kogovsek
Kramer
LaFalce
Lagomarsino
Lantos
Latta
Leach
Leath
LeBoutillier
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Loeffler
Long (LA)
Long (MD)
Lott
Lowery (CA)
Luken
Lundine
Lungren
Madigan
Markey
Marks
Marlenee
Martin (IL)
Martin (NC)
Martin (NY)
Matsui
Mavroules
Mazzoli
McClory
McCloskey
McCollum
McCurdy
McDade
McEwen
McGrath
McHugh
McKinney
Mica
Michel
Mikulski
Miller (CA)
Miller (OH)
Mineta
Minish
Mitchell (MD)
Mitchell (NY)
Moakley
Moffett
Molinari
Mollohan
Montgomery
Moore
Moorhead
Morrison
Mottl
Myers
Napier
Natcher
Neal
Nelligan
Nelson
Nichols
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Oxley
Panetta
Parris
Pashayan
Patman
Patterson
Pease
Perkins
Peyser
Pickle
Porter
Price
Pritchard
Pursell
Quillen
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Roberts (KS)
Roberts (SD)
Robinson
Rodino
Roe
Roemer
Rogers
Rose
Rosenthal
Rostenkowski
Roth
Roukema
Rousselot
Roybal
Russo
Sabo
Santini
Savage
Sawyer
Scheuer
Schneider
Schroeder
Schulze
Schumer
Seiberling
Shamansky
Shannon
Sharp
Shaw
Shelby
Shumway
Shuster
Siljander
Simon
Skelton
Smith (AL)
Smith (IA)
Smith (NE)
Smith (NJ)
Snowe
Snyder
Spence
St Germain
Stangeland
Stark
Staton
Stenholm
Stokes
Stratton
Studds
Swift
Synar
Tauke
Tauzin
Thomas
Traxler
Trible
Udall
Vander Jagt
Vento
Volkmer
Walgren
Walker
Wampler
Washington
Watkins
Waxman
Weaver
Weber (OH)
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams (MT)
Williams (OH)
Winn
Wirth
Wolf
Wolpe
Wortley
Wright
Wyden
Wylie
Yates
Yatron
Young (AK)
Young (FL)
Zablocki
Zeferetti

NAYS—30

Bailey (MO)
Brown (CO)
Broyhill
Collins (TX)
Craig
Crane, Daniel
Crane, Philip
Emerson
Fields
Fountain
Gradison
Gunderson
Hansen (ID)
Hendon
Holt
Jeffries
Johnston
Lee
Lujan
McDonald
Paul
Petri
Rudd
Sensenbrenner
Skeen
Smith (OR)
Solomon
Stump
Taylor
Weber (MN)

NOT VOTING—33

Albosta
Bereuter
Boggs
Bonior
Burgener
Burton, John
Corcoran
Courter
Dickinson
Dreier
Evans (IN)
Foglietta
Gingrich
Ginn
Goldwater
Grisham
Hagedorn
Harkin
Hatcher
Ireland
Jacobs
Lowry (WA)
Marriott
Mattox
Murphy
Murtha
Pepper
Rahall
Smith (PA)
Solarz
Stanton
Wilson
Young (MO)

☐ 1520

Mr. SOLOMON changed his vote from "yea" to "nay."

Mr. BLILEY changed his vote from "nay" to "yea."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

☐ 1530

Mr. HUGHES. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 923) to amend chapter 207 of title 18, United States Code, relating to pretrial services, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 923

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—PRETRIAL SERVICES ACT OF 1981

Sec. 101. This title may be cited as the "Pretrial Services Act of 1981".

Sec. 102. Section 3152 of title 18, United States Code, is amended to read as follows:

"§ 3152. Establishment of pretrial services in all districts

"The Director of the Administrative Office of the United States Courts (hereinafter in this chapter referred to as the 'Director') shall, under the supervision and direction of the Judicial Conference of the United States, provide directly, or by contract or otherwise, to such extent and in such amounts as are provided in appropriation Acts, for the establishment of pretrial services in each judicial district (other than the District of Columbia). Pretrial services established under this section shall be supervised by a chief probation officer appointed under section 3654 of this title or by a chief pretrial services officer appointed pursuant to section 3152A of this title.".

Sec. 103. Chapter 207 of title 18, United States Code, is amended by inserting after section 3152, the following new section:

"§ 3152A. Establishment of pretrial services in special districts

"(a) If an appropriate United States district court and the circuit judicial council jointly recommend the establishment of pretrial services in a particular district, pretrial services shall be established under the general authority of the Administrative Office of the United States Courts.

"(b) The pretrial services established under subsection (a) shall be supervised by a chief pretrial services officer selected by a panel consisting of the chief judge of the circuit, the chief judge of the district, and a magistrate of the district or their designees. The chief pretrial services officer appointed under this subsection shall be an individual other than one serving under authority of section 3654 of this title.".

Sec. 104. Section 3153 of title 18, United States Code, is amended to read as follows:

"§ 3153. Organization and administration of pretrial services in all districts

"(a) With the approval of the district court, the chief pretrial services officer in districts in which pretrial services are established pursuant to section 3152A of this title, or the chief probation officer in all other districts, shall appoint such other personnel as may be required. The position requirements and rate of compensation of the chief pretrial services officer, the chief probation officer and such other personnel shall be established by the Director with the approval of the Judicial Conference of the United States, except that no such rate of compensation shall exceed the rate of basic pay in effect and then payable for grade GS-16 of the General Schedule under section 5332 of title 5, United States Code.

"(b) The chief pretrial services officer in districts in which pretrial services are established pursuant to section 3152A of this title, or the chief probation officer in all other districts, is authorized, subject to the general policy established by the Director and the approval of the district court, to procure temporary and intermittent services to the extent authorized by section 3109 of title 5, United States Code. The staff, other

than clerical staff, may be drawn from law school students, graduate students, or such other available personnel.

"(c)(1) Except as provided in paragraph (2) of this subsection, information contained in pretrial services files, presented in any pretrial services report, or divulged by a pretrial services officer, a chief probation officer, or a staff member during the course of any hearing, shall be used only for the purposes of a bail determination and shall otherwise be confidential. The report shall be made available to the attorney for the accused and the attorney for the Government.

"(2) The Director shall issue regulations establishing the policy for release of information contained in pretrial services files. Such regulations shall provide exceptions to the confidentiality requirements under paragraph (1) of this subsection to allow access to such information—

"(A) by qualified persons for purposes of research related to the administration of criminal justice;

"(B) by persons under contract under section 3154(4) of this title;

"(C) by probation officers for the purpose of compiling presentence reports;

"(D) insofar as such information is a pretrial diversion report, to the attorney for the accused and the attorney for the Government; and

"(E) in certain limited cases, to law enforcement agencies for law enforcement purposes.

"(3) Information contained in pretrial services files, presented in any pretrial services report, or divulged by a pretrial services officer, a chief probation officer, or a staff member during the course of any hearing, shall not be admissible on the issue of guilt in any judicial proceeding, except that such information may be used in proceedings to determine guilt or penalties for failure to appear or a violation of the conditions of release, in perjury proceedings, and for the purpose of impeachment in any subsequent proceeding.".

Sec. 105. Section 3154 of title 18, United States Code, is amended to read as follows:

"Pretrial services functions shall include the following:

"(1) Collect, verify, and report to the judicial officer prior to the pretrial release hearing, information pertaining to the pretrial release of each individual charged with an offense, and recommend appropriate release conditions for each such individual.

"(2) Review and modify the reports and recommendations specified in paragraph (1) of this section for persons seeking release pursuant to section 3146(e) or section 3147 of this chapter.

"(3) Supervise persons released into its custody under this chapter.

"(4) Operate or contract for the operation of appropriate facilities for the custody or care of persons released under this chapter including residential halfway houses, addict and alcoholic treatment centers, and counseling services.

"(5) Inform the court and the United States attorney of all apparent violations of pretrial release conditions or arrests of persons released to its custody or under its supervision and recommend appropriate modifications of release conditions.

"(6) Serve as coordinator for other local agencies which serve or are eligible to serve as custodians under this chapter and advise the court as to the eligibility, availability, and capacity of such agencies.

"(7) Assist persons released under this chapter in securing any necessary employment, medical, legal, or social services.

"(8) Prepare, in cooperation with the United States marshal and the United States attorney such pretrial detention reports as are required by the provisions of the Federal Rules of Criminal Procedure relating to the supervision of detention pending trial.

"(9) Develop and implement a system to monitor and evaluate bail activities, provide information to judicial officers on the results of bail decisions, and prepare periodic reports to assist in the improvement of the bail process.

"(10) To the extent provided for in an agreement between a pretrial services officer in districts in which pretrial services are established pursuant to section 3152A of this title, or the chief probation officer in all other districts, or a staff member in his or her official capacity, and the United States attorney, collect, verify, and prepare reports for the United States attorney's office of information pertaining to the pretrial diversion of any individual who is or may be charged with an offense, and perform such other duties as may be required under any such agreement.

"(11) Make contracts, to such extent and in such amounts as are provided in appropriation Acts, for the carrying out of any pretrial services functions.

"(12) Perform such other functions as specified under this chapter.".

Sec. 106. Section 3155 of title 18, United States Code, is amended to read as follows:

"§ 3155. Annual reports

"Each chief pretrial services officer in districts in which pretrial services are established pursuant to section 3152A of this title, and each chief probation officer in all other districts, shall prepare an annual report to the chief judge of the district court and the Director concerning the administration and operation of pretrial services. The Director shall be required to include in the Director's annual report to the Judicial Conference under section 604 of title 28, United States Code, a report on the administration and operation of the pretrial services for the previous year.".

Sec. 107. The table of sections for chapter 207 of title 18, United States Code, is amended—

(1) so that the item relating to section 3152 reads as follows:

"3152. Establishment of pretrial services in all districts.";

(2) by adding after the item relating to section 3152, the following:

"3152A. Establishment of pretrial services in special districts.";

(3) so that the item relating to section 3153 reads as follows:

"3153. Organization and administration of pretrial services in all districts.";

and

(4) so that the item relating to section 3155 reads as follows:

"3155. Annual reports.".

Sec. 108. (a)(1) Except as provided in paragraph (2), this title and the amendments made by this title shall take effect on the date of enactment of this title.

(2) The amendment made by section 103 of this title shall take effect eighteen months after the date of enactment of this title.

(b) During the period beginning on the date of enactment of this title and ending on the effective date specified in subsection (a)(2) of this section, the pretrial services agencies established under section 3152 of title 18 of the United States Code in effect before the date of enactment of this title may continue to operate, employ staff, provide pretrial services, and perform such functions and powers as are authorized under the provisions of chapter 207 of title 18 of the United States Code.

Sec. 109. (a) There are authorized to be appropriated, for fiscal year 1982 and each succeeding fiscal year thereafter, such sums as may be necessary to carry out the provisions of chapter 207 of title 18 of the United States Code, as amended by section 103 of this title.

(b) There are authorized to be appropriated for the period beginning after September 30, 1981, and ending on the effective date specified in section 108(a)(2) of this title, such sums as may be necessary to carry out the activities of the pretrial services agencies established under section 3152 of title 18 of the United States Code in effect before the date of enactment of this title.

MOTION OFFERED BY MR. HUGHES

Mr. HUGHES. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. Hughes moves to strike out all after the enacting clause of the Senate bill, S. 923, and to insert in lieu thereof the provisions of the bill, H.R. 3481, as passed by the House, as follows:

That this Act may be cited as the "Pretrial Services Act of 1982".

Sec. 2. Section 3152 of title 18, United States Code, is amended to read as follows:

"§3152. Establishment of pretrial services

"The Director of the Administrative Office of the United States Courts (hereinafter in this chapter referred to as the 'Director') shall, under the supervision and direction of the Judicial Conference of the United States, provide directly, or by contract or otherwise (to such extent and in such amounts as are provided in appropriations Acts), for the establishment of pretrial services in each judicial district (other than the District of Columbia) with respect to which the appropriate United States district court and circuit judicial council have recommended such establishment.".

Sec. 3. Section 3153 of title 18, United States Code is amended to read as follows:

"§3153. Organization and administration of pretrial services

"(a) The pretrial services established under section 3152 of this title shall be under the general authority and direction of the Director.

"(b) Pretrial services shall be supervised by a chief pretrial services officer selected by the chief judge of the district court. An individual who is a probation officer appointed under section 3654 of this title may perform functions and duties of an officer or employee providing pretrial services including a function or duty of the chief pretrial services officer.

"(c)(1) With the approval of the district court, the chief pretrail services officer shall appoint such other personnel as may be required to provide pretrial services under section 3152 of this title. The position requirements and rate of compensation of the chief pretrial services officer and such other personnel shall be established by the Director with the approval of the Judicial Conference of the United States, except that no such rate of compensation shall exceed the rate of basic pay in effect and then payable for grade GS-16 of the General Schedule under section 5332 of title 5, United States Code.

"(2) The chief pretrial services officer is authorized, subject to the general policy established by the Director and the approval of the district court, to procure temporary and intermittent services to the extent authorized by section 3109 of title 5, United States Code.

"(d)(1) Except as provided in paragraph (2) of this subsection, information contained in pretrial services files, presented in any pretrial services report, or divulged by a pretrial services officer or staff member during the course of any hearing, shall be used only for the purpose of a bail determination and shall otherwise be confidential. The report shall be made available to the attorney for the accused and the attorney for the Government.

"(2) The Director shall issue regulations establishing the policy for release of information contained in pretrial services files. Such regulations shall provide exceptions to the confidentiality requirements under paragraph (1) of this subsection to allow access to such information—

"(A) by qualified persons for purposes of research related to the administration of criminal justice;

"(B) by persons under contract under section 3154(a) of this title;

"(C) by probation officers for the purpose of compiling presentence reports;

"(D) insofar as such information is a pretrial diversion report, to the attorney for the accused and the attorney for the Government; and

"(E) in certain limited cases, to law enforcement agencies for law enforcement purposes.

"(3) Information contained in pretrial services files is not admissible on the issue of guilt in any criminal judicial proceeding, except that such information, if otherwise admissible, may be admitted on the issue of guilt for a crime committed in the course of obtaining pretrial release.".

Sec. 4. Section 3154 of title 18, United States Code, is amended—

(1) by striking the catchline and all that follows before paragraph (1) and inserting in lieu thereof the following:

"§3154. Functions and powers relating to pretrial services

"Pretrial services shall include such of the following functions as the district court to be served may specify:";

(2) so that paragraph (1) reads as follows:

"(1) Collect, verify, and report to the judicial officer, prior to the pretrial release hearing, information pertaining to the pretrial release of each individual charged with an offense, including information relating to any danger that the release of such person may pose to any other person or the community, and recommend appropriate release conditions for such individual.";

(3) so that paragraph (3) reads as follows:

"(3) Supervise persons released into the custody of providers of pretrial services under this chapter. The Director shall, not later than ninety days after the enactment of the Pretrial Services Act of 1982, issue guidelines for such supervision which shall (A) avoid unnecessary supervision; and (B) specify the factors to be considered in determining which persons need not be supervised and the appropriate degree and conditions of supervision.";

(4) in paragraph (4), by striking out "With the cooperation of the Administrative Office of the United States Courts, and with the approval of the Attorney General, operate or contract for the operation of" and inserting "Provide for" in lieu thereof;

(5) so that paragraph (5) reads as follows:

"(5) Inform the court and the United States attorney of all apparent violations of pretrial release conditions, arrests of persons released to the custody of providers of pretrial services or under the supervision of providers of pretrial services, and any danger that any such person may come to pose to any other person or the community, and recommend appropriate modifications of release conditions.";

(6) so that paragraph (9) reads as follows:

"(9) Perform other functions under this chapter."; and

(7) by adding at the end the following:

"(10) Develop and implement a system to monitor and evaluate bail activities, provide information to judicial officers on the results of bail decisions, and prepare periodic reports to assist in the improvement of the bail process.

"(11) To the extent provided for in an agreement between a chief pretrial services officer and the United States attorney, collect, verify, and prepare reports for the United States attorneys office of information pertaining to the pretrial diversion of any individual who is or may be charged with an offense, and perform such other duties as may be required under any such agreement.

"(12) Make contracts to such extent and in such amounts as are provided in appropriation Acts for the carrying out of any pretrial services function."

Sec. 5. Section 3155 of title 18, United States Code, is amended to read as follows:

"§3155. Annual reports

"Each chief pretrial services officer shall prepare an annual report to the chief judge of the district court and the Director concerning the administration and operation of pretrial services. The Director shall be required to include the Director's annual report to the Judicial Conference under section 604 of title 28, United States Code, a report on the administration and operation of the pretrial services for the previous year."

Sec. 6. The table of sections for chapter 207 of title 18, United States Code, is amended by striking out the item relating to section 3152 and all that follows through the item relating to section 3155 and inserting in lieu thereof the following:

"3152. Establishment of pretrial services.
"3153. Organization and administration of pretrial services.
"3154. Functions and powers relating to pretrial services.
"3155. Annual reports."

Sec. 7. Section 604(a) of title 28, United States Code is amended by—

(1) striking out "agencies" in paragraph (9);

(2) striking out "for pretrial services agencies" and inserting in lieu thereof "providing pretrial services" in paragraph (10);

(3) by striking out "pretrial service agencies" in paragraph (11) and inserting "offices providing pretrial services" in lieu thereof; and

(4) by striking out "pretrial services agencies" in paragraph (12) and inserting "offices providing pretrial services" in lieu thereof.

Sec. 8. For the purposes of carrying out sections 3152 through 3155 of title 18 of the United States Code, there is authorized to be appropriated $6,000,000 for the fiscal year ending September 30, 1982, and $8,000,000 for the fiscal year ending September 30, 1983.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

A similar House bill (H.R. 3481) was laid on the table.

APPOINTMENT OF CONFEREES ON H.R. 3481

Mr. HUGHES. Mr. Speaker, I ask unanimous consent that the House insist on its amendments to the Senate bill, S. 923, and request a conference with the Senate thereon.

The SPEAKER. is there objection to the request of the gentleman from New Jersey? The Chair hears none, and appoints the following conferees: Messrs. Rodino, Hughes, Conyers, Kastenmeier, Glickman, McClory, Sawyer, and Fish.

GENERAL LEAVE

Mr. HUGHES. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Saunders, one of his secretaries.

PROVIDING FOR CONSIDERATION OF H.R. 861, NATIONAL TRAILS SYSTEM ACT AMENDMENTS

Mr. FROST. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 358 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order, section 402(a) of the Congressional Budget Act of 1974 (Public Law 93-344) to the contrary notwithstanding, to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 861) to amend the National Trails System Act by designating additional national scenic and historic trails, and for other purposes, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interior and Insular Affairs, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Interior and Insular Affairs now printed in

the bill as an original bill for the purpose of amendment under the five-minute rule, said substitute shall be read for amendment by titles instead of by sections, and all points of order against said substitute for failure to comply with the provisions of clause 5, Rule XXI are hereby waived. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER. The gentleman from Texas (Mr. Frost) is recognized for 1 hour.

Mr. FROST. Mr. Speaker, for purposes of debate only, I yield 30 minutes to the gentleman from Arizona (Mr. Rhodes), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 358 is an open rule providing for the consideration of H.R. 861, a bill to amend the National Trails System Act by designating additional national scenic and historic trails and for other purposes. The rule also provides for 1 hour of general debate to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interior and Insular Affairs.

House Resolution 358 waives points of order against consideration of H.R. 861 for failure to comply with the provisions of section 402(a) of the Congressional Budget Act. Section 402(a) prohibits the consideration of any bill providing new budget authority that has not been reported by May 15 preceding the beginning of the fiscal year in which it is to take effect. The Committee on Interior and Insular Affairs has cured this violation by adoption of a committee amendment in the nature of a substitute which is now printed in the bill and thus this waiver of section 402(a) is technical in nature. In addition, the rule makes in order the committee amendment in the nature of a substitute as original text for purpose of amendment under the 5-minute rule and provides that the bill shall be read by titles rather than by sections.

The rule does make one substantive waiver. Clause 5, rule XXI, prohibits appropriations in a legislative bill and the committee substitute contains a provision which does make an appropriation for the cost of acquisition and development of trail rights-of-way through the proceeds of land disposal. Because of this appropriation in the committee substitute, clause 5, rule XXI, is waived by the rule.

The rule further provides that at the conclusion of the consideration of the bill for amendment, any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute and provides for one motion to recommit with or without instructions.

Mr. Speaker, this is an open rule and I know of no controversy over the consideration of H.R. 861 under an open rule. The bill makes many administrative changes in the National Trails System Act, adds provisions to the act that recognize, encourage, and support continued volunteer contributions to the national trails throughout the country, and adds three new trails to that system. In addition, the committee amendment eliminates most of the items that were in the original bill which would require future Federal expenditures, but does authorize $500,000 for land acquisition along the new Natchez Trace Trail and $2 million for development of that trail.

Mr. Speaker, I urge my colleagues to adopt House Resolution 358.

Mr. RHODES. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentleman from Texas has accurately explained the provisions of this resolution. House Resolution 358 grants an open rule with 1 hour of general debate on H.R. 861, the National Trails System Act amendments. The rule waives section 402(a) of the Budget Act, requiring new budget authority to be reported by May 15 of the preceding year; and clause 5 of rule XXI, appropriations in a legislative bill.

By way of background, H.R. 861 is a refinement of a measure approved by the House in the 96th Congress, but which failed to receive necessary Senate action for final passage. The bill contains three major provisions:

First, the identification of six national trail routes for study purposes;

Second, the designation of three new trails to the existing system; and

Third, further encouragement and assistance to volunteer citizen involvement.

The bill's $3.6 million authorization is expected to be spent over a 3-year period.

Finally, during the Rules Committee hearing we were informed that the administration opposes a legislative veto provision in this bill. However, it was the consensus of the committee that the open rule proposed for consideration of the bill will allow the House the freedom to work its will on this issue.

Mr. Speaker, the committee heard no testimony opposing this rule or the legislation. Consequently, I urge adoption of House Resolution 358 so we may proceed to the consideration of the bill.

Mr. Speaker, I have no requests for time, and I yield back the balance of my time.

Mr. FROST. Mr. Speaker, I have no requests for time and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF S. 146, CAMDEN, S.C., HISTORIC PRESERVATION

Mr. DERRICK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 448 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 448

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 146) to authorize the Secretary of the Interior to assist in the preservation of historic Camden in the State of South Carolina, and for other purposes, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interior and Insular Affairs, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER pro tempore (Mr. Dymally). The gentleman from South Carolina (Mr. Derrick) is recognized for 1 hour.

□ 1540

Mr. DERRICK. Mr. Speaker, for the purpose of debate only, I yield 30 minutes to the gentleman from Arizona (Mr. Rhodes), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 448 is the rule providing for the consideration of S. 146 to authorize the Secretary of the Interior to assist in the preservation of historic Camden in the State of South Carolina, and for other purposes.

It is a straight open rule, providing 1 hour of general debate with the time to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Interior and Insular Affairs. One motion to recommit is in order upon conclusion of the consideration of the bill.

S. 146 authorizes the Secretary of the Interior to enter into cooperative agreements with the Camden Historical Commission, Camden District Heritage Foundation, and other appropriate organizations to assist in the protection and restoration of the historic resources of Camden, S.C. No more than $250,000 is authorized to be appropriated for such purposes, although a total of $1.6 million will be invested in preserving this area.

During the American Revolutionary War, Camden, S.C., was the scene of intense and important military activity. The British occupied Camden from June of 1780 to May of 1781. When forced to retreat, the British burned the old town of Camden in an effort to diminish its strategic value. The loss of Camden by the British significantly hastened their eventual defeat.

Mr. Speaker, I urge by colleagues to adopt the rule, House Resolution 448, so that we can proceed to the consideration of the bill, S. 146.

Mr. RHODES. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentleman from South Carolina has explained the rule adequately. I am well aware of the provisions of the resolution; and also the provisions of the bill. I have been given the opportunity to go over the bill and the purposes of it, the things it would accomplish, with persons from the great State of South Carolina, including the distinguished senior Senator. In my opinion, this is a bill which should be adopted, and adopted as rapidly and expeditiously as possible.

The Historical Commission of Camden and the Camden District Heritage Foundation are appropriate public and governmental institutions, and they are perfectly well equipped and appropriate to undertake the provisions that this bill sets forth.

So, Mr. Speaker, I have no further requests for time. I know of no opposition on this side to the resolution, and I ask that it be adopted and that the bill be passed as expeditiously as possible.

Mr. Speaker, I yield back the balance of my time.

Mr. DERRICK. Mr. Speaker, before I move the previous question on the resolution, I would like to commend my friend and colleague, Ken Holland, for his efforts to achieve passage of the bill. This legislation will help to preserve for all Americans one of the country's historic resources in Camden, S.C.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

EXTENDING GOVERNING INTERNATIONAL FISHERY AGREEMENT BETWEEN THE UNITED STATES AND THE SOVIET UNION—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 97-177)

The SPEAKER pro tempore. (Mr. Dymally) laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Merchant Marine and Fisheries and ordered to be printed:

(For message, see proceedings of the Senate of today, Tuesday, May 11, 1982).

NATIONAL TRAILS SYSTEM ACT AMENDMENTS

Mr. SEIBERLING. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 861), to amend the National Trails System Act by designating additional national scenic and historic trails, and for other purposes.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Ohio (Mr. Seiberling).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 861, with Mr. Weiss in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from Ohio (Mr. Seiberling) will be recognized for 30 minutes, and the gentleman from Alaska, (Mr. Young) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Ohio (Mr. Seiberling).

Mr. SEIBERLING. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, H.R. 861 would designate three new trails in the National Trails System and authorize studies for six trail routes. The National Trail System Act would be amended to encourage additional contributions of volunteers to develop and maintain trails and to clarify existing authority to use abandoned railroad rights-of-way for trail purposes. Various technical and clarifying amendments are included. The bill would also name an existing trail in the State of California as the Harold T. "Bizz" Johnson "Trail" and designate an area in the Nantahala National Forest, S.C., as the "Roy Taylor Forest."

H.R. 861 was introduced by my good friend Phillip Burton whose knowledge, expertise, and accomplishments in preserving the great treasures that make up our National Park System are without parallel in the House of Representatives. I wish to take this opportunity to commend him for his splendid efforts and perseverance on this bill during this Congress and the 96th Congress. Generations of hikers, campers, and lovers of wildlife and natural beauty will be forever benefited by his work in their behalf.

The National Trails System Act of 1968 was intended by the Congress to be a generic measure through which the outdoor recreation opportunities of America could be expanded by the development of a nationwide program to establish and maintain trails of various kinds.

The 94th Congress conducted oversight hearings on the act, and also enacted legislation designating additional routes for study under the act. The oversight hearings revealed that the Federal agencies were not moving expeditiously to implement the provisions of the original act with respect to the protection of the designated trails. Completion of the required studies was slow, thus frustrating expansion of the system.

The hearings and related discussions during these recent sessions of the Congress brought forth several points. There was a consensus that the diverse needs of various types of trails users could not be met by Federal agencies alone. Volunteer efforts by interested trail users themselves, working in concert with various levels of government, have been highly effective in expanding trail recreation opportunities at low cost. Finally, with a decade of experience under the 1968 act to draw upon, there was a sense that a number of adjustments to the act could be made to enhance the ability to advance trail recreation programs in a variety of ways.

During the 96th Congress, members of a variety of trail-related organizations and agency professionals worked with the committee to develop legislation which would respond to many of the lessons learned from the administration of the National Trails System Act.

The product of that effort, H.R. 8087, was reported by the Committee on Interior and Insular Affairs and subsequently adopted by the House of Representatives on September 22, 1980. Although the Senate later approved a modified text of H.R. 8087 as part of another measure, disagreement with other items not related to the trails measure prevented the final enactment of the legislation.

H.R. 861 is a refinement of the measure which was approved by the House of Representatives during the 96th Congress. The bill, as introduced, contained the text approved by the Senate in 1980. Following additional hearings in 1981, the committee recommended a revised text which eliminates most of the items which would require future Federal expenditures. The amended text is also more cautious in designating any additional components of the National Trails System, deleting several proposed national historic trails in order to permit additional review by the Department of the Interior. Additional recommendations reflect continuing efforts to encourage the expansion of trail recreation opportunities across the Nation at low cost. H.R. 861 places a greater reliance on citizen participation than ever before to accomplish the purpose of the National Trails System Act of 1968.

Mr. Chairman, the proposed new subsection 7(j) of the act would permit the appropriate secretaries to allow trail bikes and other off-the-road vehicles on portions of the national trail system. I would like to emphasize that this provision gives authority to the secretaries to permit such uses where appropriate, but that it must also be exercised in keeping with those other provisions of the law that require the secretaries to protect the resources themselves and the users of the system.

It is intended, for example, that motorized vehicles will not normally be allowed on national scenic or historical trails and will be allowed on recreational trails only at times and places where such use will not create significant on-trail or off-trail environmental damage and will not jeopardize the safety of hikers, equestrians, or other users or conflict with the primary purposes for which the trail, or the portion of the trail, was created.

□ 1550

Mr. Chairman, I now yield such time as he may consume to the gentleman from California (Mr. Phillip Burton).

Mr. PHILLIP BURTON. Mr. Chairman, I wish to thank my good friend, the chairman of the subcommittee, the gentleman from Ohio (Mr. Seiberling), and our distinguished colleagues on the other side of the aisle for their efforts in this respect.

I would particularly like to note, with reference to the California Trails System, the leadership given by Congressmen Don Clausen, Largomarsino, and Pashayan on that side of the aisle, as well as Congressmen Miller, Patterson, and Coelho on the Democratic side of the aisle. I would also note the leadership of the gentleman from California (Mr. Mineta) and the gentleman from California (Mr. Panetta), who were also coauthors of the California trail section of this bill.

Mr. Chairman, I wish to thank my good friend, Chairman John Seiberling for his efforts in bringing H.R. 861 before this body. Representative Seiberling is not only one of our most dedicated and hard-working Members, he is quite simply a statesman of great knowledge and principle whose presence in the House of Representatives aids all of us.

Mr. Chairman, in the 96th Congress I brought before the House H.R. 8087, a bill almost the same as H.R. 861. On September 22, 1980, with bipartisan support, the House passed that bill by voice vote. My remarks on that day are essentially relevant to todays debate.

Subsequently, the Senate passed the text of H.R. 8067, with some modifications, as part of another measure, but disagreement over items in that measure unrelated to trials issues prevented final enactment of the bill in the 96th Congress.

Chairman Seiberling has worked diligently during this Congress to eliminate any known controversy from this measure and to bring the bill language as closely into agreement with the Senate language of the 96th Congress as possible.

H.R. 861 designates three scenic trails, the Potomac Heritage National Scenic Trail, the Florida National Scenic Trail, and the Natchez Trace National Scenic Trail. Because of some conflict four trial designations that were in the measure proposed in the 96th Congress have been excluded (the Santa Fe, Chisholm, Shawnee, and Western National Historic Trails).

The bill also designates six trails for study; Juan Bautista de Anza, Trail of Tears, Ill., Jedediah Smith, General Crook, and the Beale Wagon Road. Again I note that H.R. 861 has been modified to parallel the Senate language for trail studies.

Mr. Chairman, I wish to make it clear that our efforts in the 96th Congress to work out agreements on this bill with our Republican friends in the House as well as in the other body date from late in the 96th Congress, in fact from after November 1980.

I am confident that these understandings were and are based on the idea of achieving the very best possible amendments to the National Trails Act.

Mr. Chairman, finally, as the author of this legislation, I wish to call attention to section 211 of the bill which limits the collection of entrance fees in certain units of the National Park System and National Wild and Scenic Rivers or Trails under the jurisdiction of the U.S. Forest Service. This language is duplicative in part of language already in law as section 402 of Public Law 9687. We have replicated a ban on entrance and admission fees to doubly underscore our unambiguous opposition to any such fees in any units of the National Trails System, the National Wild and Scenic Rivers System or national recreation areas.

Mr. Chairman, I urge my colleagues to join me in support of H.R. 861.

Mr. SEIBERLING. Mr. Chairman, I thank the gentleman from California (Mr. Phillip Burton).

Mr. Chairman, I yield such time as she may consume to the gentlewoman from Maryland (Mrs. Byron), and I ask the gentlewoman if she will yield to me.

Mrs. BYRON. I am delighted to yield to the gentleman from Ohio.

Mr. SEIBERLING. Mr. Chairman, I would like to commend the gentlewoman from Maryland (Mrs. Byron) for her interest in this legislation and also remind our colleagues that our beloved late colleague, Goodloe Byron, was one of the great hikers who served in this Congress and was particularly dedicated to the National Trails System. He was also one of the principal supporters and advocates of the further expansion and preservation of the Appalachian Trail which runs very close to the Byron home in Frederick, Md. His charming wife and successor in Congress, the gentlewoman from Maryland shared his love of outdoor life and now gives her outstanding support in the House for the preservation of our natural heritage and, in particular, the National Trails System.

Mrs. BYRON. Mr. Chairman, I thank the gentleman from Ohio (Mr. Seiberling).

Mr. Chairman, I rise in support of H.R. 861, the National Trails System Act amendments.

I am a cosponsor of that bill and a member of the House Interior Committee's Subcommittee on Public Lands and National Parks which reported this legislation. I am also a member of the board of directors of the American Hiking Society and chairman of the Maryland Commission on Physical Fitness, and both my family and I have had a long history of enjoyment of the trail system on a firsthand basis.

This measure designates three new national scenic trails. It calls for the study of six additional trails for consideration as part of the National Trails System. I think that it is commendable that we are taking these steps to increase and diversify our National Trails System, and I feel confident that many more Americans will take advantage of these new additions in the years to come. I applaud their support of the trails system.

The Appalachian Trail has always been a favorite of mine and my family's. I recommend the Appalachian Trail as an afternoon hike for many of my colleagues who might find it rather enjoyable.

Perhaps the greatest asset of this legislation is its emphasis on encouraging volunteer groups to become even more involved in the planning, development, and management of our National Trails System. The tremendous volunteer effort in support of trails is invaluable, particularly during these times of tight budget constraints. The present efforts of volunteers are readily seen when one uses our National Trails System, and I think that this is the kind of care and effort we as Members of Congress should continue to encourage.

Mr. Chairman, I wish to commend the chairman of the Subcommittee on Public Lands and National Parks, the gentleman from Ohio (Mr. SEIBERLING), and the chairman of the Committee on Interior and Insular Affairs, the gentleman from Arizona (Mr. UDALL), for the great effort they have made to bring this measure to the floor, and I urge immediate passage of this important bill.

Mr. SEIBERLING. Mr. Chairman, I reserve the balance of my time.

Mr. YOUNG of Alaska. Mr. Chairman, I yield myself such time as I may consume.

Mr. CLAUSEN. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Alaska. I yield to the gentleman from California.

Mr. CLAUSEN. Mr. Chairman, today I wish to call to the attention of my colleagues the achievements and distinguished service of the Honorable Harold T. "Bizz" Johnson, our former colleague, who represented the First District of California for 22 years, and to propose an appropriate memorial in commemoration of the outstanding contributions of Congressman Johnson.

As a cosponsor of H.R. 2789, which has been incorporated into H.R. 861, I believe a fitting tribute has been found to a colleague who demonstrated considerable expertise in the area of this Nation's water resources, and whose steady hand and willingness to rise above partisanship in matters vital to our State guided numerous pieces of legislation through the Interior and Insular Affairs Committee on which he served. One of the many projects Bizz, the former dean of the California congressional delegation, worked on for his congressional district was the conversion of an abandoned railroad right-of-way in Lassen County to a 25-mile trail to provide access to the undeveloped Susan River Canyon in the Sierra Nevada Mountains for hikers, horseback riders, and cross-country skiers.

Largely through his assistance, the Susanville-Westwood rails-to-trails project was transformed from an idea to a public recreation trail. In recognition of Bizz' efforts, community leaders of Lassen County mounted an effort to dedicate the Susanville-Westwood Trail to Bizz Johnson as a tribute to the man who was instrumental in converting this abandoned railroad line to a public recreation trail.

H.R. 861 would designate this trail as the "Bizz Johnson Trail" and authorize the Secretary of the Interior, in cooperation with the city of Susanville and the county of Lassen, to design and erect at a suitable location along the trail an appropriate marker in commemoration of the vital role Bizz played in serving the needs of the public.

H.R. 861 contains an additional item of interest to those of us from California. The bill amends the National Trails System Act to provide for a study of two segments of the Jedediah Smith Trail to determine the feasibility and desirability of designating it as a national scenic or national historic trail.

As my colleagues know, Jedediah Smith was a fur trader and explorer who in the years from 1826 to 1828, braving the horrors of the desert and passing unscathed from Indian attacks which carried off most of his companions, opened to knowledge much of the vast country between Great Salt Lake and the Pacific.

One of the two segments identified in this bill for study is the route traveled by Jedediah Smith in 1828 extending from the Sacramento and Trinity River Valleys along the Pacific coastline, through the Smith and Willamette River Valleys to the Fort Vancouver National Historic Site in Washington State.

The National Trails System Act requires that studies be made in consultation with all affected Federal agencies and in cooperation with interested interstate, State, and local governmental agencies, public and private organizations, and landowners and land users concerned. The study must be completed within 3 years and submitted to Congress, which alone has the authority to designate and authorize national scenic and national historic trails.

These provisions provide adequate safeguards to insure full public input and review by the Congress and, for these reasons, I support the study provision and the bill as a whole.

Mr. YOUNG of Alaska. Mr. Chairman, I support the bill now under consideration, H.R. 861, which makes numerous amendments to the existing law which guides our National Trails System. A bill quite similar to this one passed the House last Congress, but was never resolved with the Senate.

Mr. Chairman, the act creating our National Trails System was enacted in 1968. While early progress in getting a trails system going was very slow, a great deal has by now been accomplished.

This bill has constituted an opportunity to add to what we have already done, and to also perfect its operation. A good many of the provisions of this bill are aimed at fine tuning what is already in place.

This bill adds three new trails to the national system, and also identifies six others for study so as to determine their ultimate suitability for possible later addition to the system.

One very important new provision is the requirement for the Secretary of the Interior to develop an overall National Trails System plan—a document which should represent the long-range master plan as to what is envisioned to constitute a finally completed and perfected nationwide system of trails. To date we have wandered rather aimlessly in our identification and selection of trail components to become a part of the developing system. This new provision in the bill should be an important one to which major analysis, planning, and conceptualization should be devoted, and I hope it will be worked on with deep professional commitment.

Mr. Chairman, another very important and new feature of this bill is the expanded authority to incorporate volunteer effort into the development of our trails system. Voluntarism was and still is the backbone of the success of the Appalachian Trail—one of the first of two trails making up the new trails system which emerged in law in 1968. This bill extends and amplifies numerous volunteer features to the entire trails system. It should result in a lot more good work being accomplished at a very minimal cost, and it is a very timely sort of feature for us to endorse during these times of extremely tight Federal budget conditions.

Finally, Mr. Chairman, I want to point out that this bill includes quite an assemblage of miscellaneous provisions, all designed to perfect the operation and protection of the National Trails System.

I think this is a good bill, and I urge my colleagues to vote in favor of its adoption.

● Mr. EDWARDS of California. Mr. Chairman, it is with great pleasure that I rise today to voice my support for this measure to expand the National Trails System and ask my colleagues to approve it. I want to first thank the distinguished gentleman from Ohio (Mr. SEIBERLING) for his leadership in seeing that Congress expands the trail system in this most responsible manner.

H.R. 861 would add three new trails to the National Trail System and authorizes the Interior and Agriculture Departments to study six additional routes for inclusion under this act. The bill facilitiates the interim use of abandoned railroad corridors for trail use by providing that this use would not constitute the formal abandonment of the railroads' right of way.

Of particular interest to all the Members of the California delegation are sections 301-304 of this act which pertain to an abandoned railway in northern California. These sections of the act recognize the efforts on behalf of outdoor recreation made by our retired colleague Harold "Bizz" Johnson. This legislation has the support of the entire California delegation, as well as several civic groups in Lassen County where the trail is located. As the Chairman of the California Democrats here in the House, I am most proud of this bipartisan statewide sponsorship.

I know Bizz was particularly proud of the work which he did on the Rails to Trails project in the Susan River Canyon of California. These sections of the legislation now before us would designate this trail as the Bizz Johnson Trail. and direct the Secretary of Interior to place an appropriate marker along the trail in recognition of Bizz Johnson's great contribution to our country.

For 22 years Bizz served in the House, as a member of the Public Works and Transportation Committee. This trail runs through the Susan River Canyon, and is a wonderful place for walkers, joggers, and backpackers to enjoy the pristine Susan River. I think it is truly fitting that we enact legislation to name this recreational trail after Bizz and urge all my colleagues to support H.R. 861.●

● Mr. NICHOLS. Mr. Chairman, we are today offering a brief amendment to H.R. 861, which proposes to amend the National Trails System Act by designating additional national scenic and historic trails and by authorizing, among others, a specific feasibility study of the historic Trail of Tears.

Our amendment would add language to this legislation to specifically designate Fort Mitchell, Ala., to be included in the feasibility study along with other associated forts and historic properties relative to the Trail of Tears.

The Fort Mitchell site, located 10 miles southeast of Columbus, Ga., and Phenix City, Ala.'s metropolitan area, has a rich cultural heritage which predates the arrival of European settlers. The Muscogee "Creek" Nation of various American Indian Tribes inhabited Fort Mitchell, Ala. during the early 1800's when historic records for the area first appeared. Historic Fort Mitchell was an active military frontier outpost and trading center from 1813 until its abandonment in 1840 and Fort Mitchell was used as assembly point for embarkation of the Creek Indian Nation along the Trail of Tears.

Fort Mitchell was added to the National Register of Historic Places in 1972 and we strongly feel that this historic fort should be specifically included as part of the Trail of Tears feasibility study.●

● Mr. LAGOMARSINO. Mr. Chairman, I am pleased to rise in support of H.R. 861 which is a major rewrite by the Interior Committee, of the National Trails System Act, designating additional national scenic and historic trails. This legislation is a refinement of a bill passed by the last Congress which includes my legislation authorizing a feasibility study for the designation of the Juan Bautista de Anza Trail as a national historic trail.

Mr. Chairman, Juan Bautista de Anza explored the American Southwest from 1775 to 1776. His expedition concluded with a journey through California orginating in Mexico and terminating in the San Francisco Bay Area. The route was commemorated in the 1976 Bicentennial reenactment of the California expedition. Juan Bautista is remembered for his important discovery of a workable overland route for settlement which contributed to the founding of San Francisco. Today, his route cuts through heavily developed urban areas providing important cultural and recreational opportunities for the surrounding metropolitan region.

In view of its historical and cultural values, I believe the route merits further study to determine its feasibility for national historic trail designation and whether or not it warrants inclusion in the National Trails System. Such a study would not only identify the potential of the de Anza Trail as a national historic trail, but additionally, may prompt the Secretary of the Interior to consult with the Mexican Government regarding the possibility of memorializing this historic trail in both countries.

Mr. Chairman, this final bill has received a great deal of valuable input from numerous parties interested in our Nation's historic trails, resulting in its broad-based support.

I urge all of my colleagues to join me in supporting H.R. 861.●

● Mr. REUSS. Mr. Chairman, I congratulate the House Committee on Interior and Insular Affairs, and particularly Chairman SEIBERLING of the Subcommittee on Public Lands and National Parks, for bringing to the floor this excellent bill to make our National Trail System even finer.

We in Wisconsin are particularly proud of our member of the National Trails System—the Ice Age Trail. After a quarter of a century of concerted effort by Federal and State Governments and by Wisconsin citizens, the Ice Age National Scientific Trail winds for a thousand miles from the sandy beaches of Door County on Lake Michigan, south past Milwaukee, west past Madison, then north and northwest to the St. Croix River border with Minnesota.

The Ice Age Trail was given national scenic trail status by the National Trail Act Amendments of September 1980.

For many years I have worked on the Ice Age Trail, along with thousands of other Wisconsinites. In the guidebook I wrote last year, "On the Trail of the Ice Age," is set forth how the trail makes contact with the moraines, kanes, eskers, drumlins, kettles, and other features of the Wisconsin glacier 10,000 years ago.

Where possible, the trail is built in national forest, State forests, State parks, county parks, county forests. But it also goes over some private lands—through the voluntary and generous cooperation of the owners. The permission granted to the Ice Age Trail Council by the landowner is generally an informal one and is revocable at will. Increasingly though, an effort is being made either to attract donations of the right-of-way needed for the trail—for which an attractive tax deduction awaits the owner—or, upon occasion, to purchase outright a narrow strip from the landowner for the benefit of the Ice Age Trail.

H.R. 861 will be of particular benefit to the Ice Age Trail in a number of ways.

The bill encourages volunteer groups to help develop and maintain trails by providing such groups with the equipment and tools they need. The volunteers do their work for nothing, but some yellow paint with which to blaze a tree, signs and directional indicators, clippers and saws to thin out the encroaching brush, will make their work easier. The Secretaries of Interior and Agriculture are encouraged to use the Volunteers in the Parks Act of 1969, the Volunteers in the Forest Act of 1972, and the Land and Water Conservation Fund Act of 1965 to assist in the volunteer effort.

Subsection 7(c) and section 209 of the bill authorizes the Government to provide for one trail interpretation site in each State for each listed national scenic or historic trail. These sites could well be located along historic features of a trail, and according to the subcommittee report "are to be a low-cost means of providing information about a trail." Wisconsin's Ice Age Trail has along it many such a historic site—where Father Jacques Marquette made the portage from the Fox to the Wisconsin Rivers; where John Muir lived as a boy at his family's glacial lake; where Aldo Leopold wrote his Sand County Almanac; where Thorstein Veblen's father cleared the glacial boulders from the farmstead; where Robert M. La Follette was born, where Carl Schurz fell in love with the Wisconsin landscape; where Frank Lloyd Wright gathered images for his architecture from the moraines and drumlins; where Alfred Lunt and Lynn Fontanne enjoyed their farm at Genesee Depot, Wis., right on the moraine.

Section 7(h) addresses the difficult problem of the liability of private landowners who allow the trail to cross their land. These generous people deserve protection against law suits brought by third persons. The bill encourages States and localities to enact laws protecting private landowners from unreasonable personal liability and property damage suits incurred by users of the trail.

Subsection 7(k) encourages the donation to the trail by private citizens of land and easements by defining the types of interest in lands that qualify under existing Federal tax law for deductions when made for trail purposes.

Section 208 makes it easier to incorporate an abandoned railroad right-of-way into the trail, by providing that interim use of the railroad right-of-way for trail purposes does not constitute an abandonment if rail service should be feasible again at some time in the future. This will make the use of disused railroad rights-of-way much more readily available. On the Ice Age Trail, for example, long sections of abandoned Milwaukee Road, Northwestern Road, and Illinois Central rights-of-way will now become more firmly available.

H.R. 861 does many other fine things, such as establishing three new national scenic trails—the Potomac Heritage Trail, the Florida Trail, and the Natchez Trace Trail. It also gives recognition to two of our finest former members, the Harold T. "Bizz" Johnson Trail in California, and the Roy Taylor Forest in North Carolina.●

● Mr. PORTER. Mr. Chairman. I rise in support of H.R. 861, a bill to amend the National Trails System Act of 1968 to add new trails for consideration as part of the national trail network and to encourage volunteer participation in the development and maintenance of the system.

One trail included for study under this bill is the Illinois trail which follows the Illinois River and passes through the Illinois and Michigan canal corridor on its way to the Chicago Portage National Historic Site.

An exciting provision of this legislation is the encouragement of volunteers to do much of the work on the trails system. H.R. 861 would further the development of the national system while minimizing the burden on the Federal Government as well as the State and local governments with jurisdiction along the trail network.

In my own State of Illinois, volunteers have been active in canal restoration along the Illinois and Michigan canal corridor. At public meetings on the project, citizens expressed their willingness to continue to give their time to create a recreation area that would be used by residents and visitors alike. Volunteers have been the driving force behind this one example and without the commitment of the many dedicated citizens of Illinois, I do not believe the recreation corridor concept would have become a reality.

Therefore, I urge my colleagues in the House to join me in support of this important measure to strengthen our National Trails System through the use of volunteers while lessening the role of the Federal Government.●

Mr. SEIBERLING. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

Mr. YOUNG of Alaska. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

The CHAIRMAN. All time for general debate having expired, pursuant to the rule, the clerk will now read by titles the substitute committee amendment recommended by the Committee on Interior and Insular Affairs now printed in the reported bill as an orginal bill for the purpose of amendment.

The Clerk read as follows:

H.R. 881

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—LIMITATION ON APPROPRIATIONS

Sec. 101. Authorizations of appropriations under this Act shall be effective only for the fiscal year beginning on October 1, 1982, and subsequent fiscal years. Notwithstanding any other provision of this Act, authority to enter into contracts, and to make payments, under this Act shall be effective only to such extent or in such amounts as are provided in advance in appropriation Acts.

TITLE II—AMENDMENTS TO THE NATIONAL TRAILS SYSTEM ACT

Sec. 201. This title may be cited as the "National Trails System Act Amendments of 1981".

Sec. 202. Section 2 of the National Trails System Act (82 Stat. 919; 16 U.S.C. 1241 et seq.) is amended—

(1) in subsection (b), by striking out "the purpose" and inserting in lieu thereof "The purpose"; and

(2) by adding at the end thereof the following new subsection:

"(c) The Congress recognizes the valuable contributions that volunteers and private, nonprofit trail groups have made to the development and maintenance of the Nation's trails. In recognition of these contributions, it is further the purpose of this Act to encourage and assist volunteer citizen involvement in the planning, development, maintenance, and management, where appropriate, of trails.".

Sec. 203. Section 3 of the National Trails System Act is amended—

(1) by striking out "composed of—" and inserting in lieu thereof "composed of the following:";

(2) by redesignating paragraphs (a) through (d) as paragraphs (1) through (4), respectively, and by inserting "(a)" after "Sec. 3.";

(3) in paragraph (2) of subsection (a) (as so redesignated), by adding at the end thereof the following: "National scenic trails may be located so as to represent desert, marsh, grassland, mountain, canyon, river, forest, and other areas, as well as landforms which exhibit significant characteristics of the physiographic regions of the Nation.";

(4) in the fourth sentence of paragraph (3) of subsection (a) (as so redesignated), by striking out "Act, are established as initial" and inserting in lieu thereof "Act are included as";

(5) in the fifth sentence of paragraph (3) of subsection (a) (as so redesignated), by striking out "subsequently"; and

(6) by adding at the end thereof the following new subsections:

"(b) For purposes of this section, the term 'extended trails' means trails or trail segments which total at least one hundred miles in length, except that historic trails of less than one hundred miles may be designated as extended trails. While it is desirable that extended trails be continuous, studies of such trails may conclude that it is feasible to propose one or more trail segments which, in the aggregate, constitute at least one hundred miles in length.

"(c) On October 1, 1982, and at the beginning of each odd numbered fiscal year thereafter, the Secretary of the Interior shall submit to the Speaker of the United States House of Representatives and to the President of the United States Senate, an initial and revised (respectively) National Trails System plan. Such comprehensive plan shall indicate the scope and extent of a completed nationwide system of trails, to include (1) desirable nationally significant scenic and historic components which are considered necessary to complete a comprehensive national system, and (2) other trails which would balance out a complete and comprehensive nationwide system of trails. Such plan, and the periodic revisions thereto, shall be prepared in full consultation with the Secretary of Agriculture, the Governors of the various States, and the trails community.".

Sec. 204. Section 4(b) of the National Trails System Act is amended—

(1) in clauses (i) and (ii) by striking out "Secretary of the Interior" and inserting in lieu thereof "appropriate Secretary";

(2) in clause (i), by striking out "agencies, and" and inserting in lieu thereof "agencies;";

(3) in clause (ii), by striking out the period at the end thereof and inserting in lieu thereof "; and"; and

(4) by adding at the end thereof the following:

"(iii) trails on privately owned lands may be designated 'National Recreation Trails' by the appropriate Secretary with the written consent of the owner of the property involved.".

Sec. 205. (a) Section 5(a) of the National Trails System Act is amended by adding at the end thereof the following:

"(11) The Potomac Heritage National Scenic Trail, a corridor of approximately seven hundred and four miles following the route as generally depicted on the map identified as 'National Trails System, Proposed Potomac Heritage Trail' in 'The Potomac Heritage Trail', a report prepared by the Department of the Interior and dated December 1974, except that no designation of the trail shall be made in the State of West Virginia. The map shall be on file and available for public inspection in the office of the Director of the National Park Service, Washington, District of Columbia. The trail shall initially consist of only those segments of the corridor located within the exterior boundaries of federally administered areas. No lands or interests therein outside the exterior boundaries of any federally administered area may be acquired by the Federal Government for the Potomac Heritage Trail. The Secretary of the Interior may designate lands outside of federally administered areas as segments of the trail, only upon application from the States or local governmental agencies involved, if such segments meet the criteria established in this Act and are administered by such agencies without expense to the United States. The trail shall be administered by the Secretary of the Interior.

"(12) The Natchez Trace National Scenic Trail, a trail system of approximately six hundred and ninety-four miles extending from Nashville, Tennessee, to Natchez, Mississippi, as depicted on the maps entitled 'Concept Plan, Natchez Trace Trails Study' in 'The Natchez Trace,' a report prepared by the Department of the Interior and dated August 1979. The map shall be on file and available for public inspection in the office of the Director of the National Park Service, Department of the Interior, Washington, District of Columbia. The trail shall be administered by the Secretary of the Interior.

"(13) The Florida National Scenic Trail, a route of approximately thirteen hundred miles extending through the State of Florida as generally depicted in 'The Florida Trail', a national scenic trail study draft report prepared by the Department of the Interior and dated February 1980. The report shall be on file and available for public inspection in the office of the Chief of the Forest Service, Washington, District of Columbia. No lands or interests therein outside the exterior boundaries of any federally administered area may be acquired by the Federal Government for the Florida Trail except with the consent of the owner thereof. The Secretary of Agriculture may designate lands outside of federally administered areas as segments of the trail, only upon application from the States or local governmental agencies involved, if such segments meet the criteria established in this Act and are administered by such agencies without expense to the United States. The trail shall be administered by the Secretary of Agriculture.".

(b) Section 5(b) of the National Trails System Act is amended—

(1) by inserting "(1)" after "(b)";

(2) by inserting after the second sentence the following: "The feasibility of designating a trail shall be determined on the basis of an evaluation of whether or not it is physically possible to develop a trail along a route being studied, and whether the development of the trail would be financially feasible.";

(3) by striking out "The studies listed" and inserting in lieu thereof "Subject to paragraph (2), the studies listed";

(4) by striking out "Such studies, when submitted" and all that follows down through the colon and inserting in lieu thereof the following:

"(2)(A) If, during the course of conducting a study under this section, the appropriate Secretary determines that it is not feasible to develop a national scenic or national historic trail along the proposed route and that there is no significant need for such a trail, he shall submit a report containing such determination to the Committee on Interior and Insular Affairs of the United States House of Representatives and to the Committee on Energy and Natural Resources of the United States Senate. Unless a resolution of disapproval of the determination is adopted by either of such committees within the period of thirty calendar days of continuous session of Congress after the date of their receipt of the report, the Secretary may terminate further study of the proposed trail by publication of notice thereof in the Federal Register.

"(B) Before submitting any report under subparagraph (A) containing a recommendation against designation of a trail, the Secretary shall examine—

"(i) whether the route affords an opportunity to commemorate a significant event in the development of the Nation or the region or to memorialize an individual whose activities had a far-reaching effect on the development thereof, and

"(ii) whether any segments of the route have the potential to be developed as national recreation trails.

Based on such examination, any such report containing a recommendation against designation of a trail shall indicate whether the route provides an opportunity to memorialize or commemorate such an event or individual or whether any segments of the route could potentially be developed as national recreation trails, and, if so, shall contain suggestions for appropriate methods for carrying out the memorialization or commemoration or the trail development, including an estimate of the anticipated costs of each such activity.

"(C) For the purpose of this paragraph—

"(i) continuity of session is broken only by an adjournment of Congress sine die; and

"(ii) the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of any period of time in which Congress is in continuous session.

"(3) Completed studies, when submitted under paragraph (1), shall be printed as a House or Senate document, and shall include, but need not be limited to—";

(5) by redesignating paragraphs (1) through (10) as subparagraphs (A) through (J);

(6) in paragraph (3)(C) (as so redesignated), by inserting "16" before "U.S.C.";

(7) in paragraph (3)(I) (as so redesignated), by inserting "and" after the semicolon at the end of the paragraph;

(8) in paragraph (3)(J) (as so redesignated), by striking out "; and" and inserting in lieu thereof a period;

(9) by striking out "(11) to" and inserting in lieu thereof "(4) To"; and

(10) in paragraph (4) (as renumbered by paragraph (9) of this subsection) by inserting "exploration," after "commerce," in the first sentence of subparagraph (B).

(c) Section 5(c) of the National Trails System Act is amended—

(1) in paragraph (9), by striking out "Sante Fe" and inserting in lieu thereof "Santa Fe"; and

(2) by adding after paragraph (23) the following:

"(24) Juan Bautista de Anza Trail, following the overland route taken by Juan Bautista de Anza in connection with his travels from the United Mexican States to San Francisco, California.

"(25) Trail of Tears, including the associated forts and historic properties, extending from the vicinity of Murphy, North Carolina, through Georgia, Alabama, Tennessee, Kentucky, Illinois, Missouri, and Arkansas, to the vicinity of Tahlequah, Oklahoma.

"(26) Illinois Trail, extending from the Lewis and Clark Trail at Wood River, Illinois, to the Chicago Portage National Historic Site, generally following the Illinois River and the Illinois and Michigan Canal.

"(27) Jedediah Smith Trail, to include the routes of the explorations led by Jedediah Smith—

"(A) during the period 1826-1827, extending from the Idaho-Wyoming border, through the Great Salt Lake, Sevier, Virgin, and Colorado River Valleys, and the Mojave Desert, to the San Gabriel Mission, California; thence through the Tehachapi Mountains, San Joaquin and Stanislaus River Valleys, Ebbetts Pass, Walker River Valley, Bald Mount, Mount Grafton, and Great Salt Lake to Bear Lake, Utah; and

"(B) during 1828, extending from the Sacramento and Trinity River Valleys along the Pacific coastline, through the Smith and Willamette River Valleys to the Fort Vancouver National Historic Site, Washington, on the Columbia River.

"(28) General Crook Trail, extending from Prescott, Arizona, across the Mogollon Rim to Fort Apache.

"(29) Beale Wagon Road, extending along United States Highway 66 (Interstate 40) through Arizona.".

(d) Section 5(d) of the National Trails System Act is amended—

(1) by inserting after the first sentence the following: "If the appropriate Secretary is unable to establish such an advisory council because of the lack of adequate public interest, the Secretary shall so advise the appropriate committees of the Congress."; and

(2) by redesignating paragraphs (i) through (iv) as paragraphs (1) through (4), respectively, and by amending paragraph (1) (as so redesignated) to read as follows:

"(1) the head of each Federal department or independent agency administering lands through which the trail route passes, or his designee;".

(e) Section 5(f) of the National Trails System Act is amended—

(1) in paragraph (1), by striking out "national recreational" and inserting in lieu thereof "national historic", and by striking out "and" after the semicolon;

(2) by striking out the period at the end of paragraph (2) and inserting in lieu thereof a semicolon; and

(3) by adding at the end thereof the following:

"(3) a protection plan for any high potential historic sites or high potential route segments; and

"(4) general and site-specific development plans, including anticipated costs.".

Sec. 206. Section 6 of the National Trails System Act is amended—

(1) in the first sentence, by inserting "by the appropriate Secretary" after "marked"; and

(2) by striking out ": Provided" and all that follows through the period and inserting in lieu thereof the following: ", or, where the Secretary deems necessary or desirable, on privately owned lands with the consent of the landowner. Applications for approval and designation of connecting and side trails on non-Federal lands shall be submitted to the appropriate Secretary.".

Sec. 207. (a) Section 7 of the National Trails System Act is amended—

(1) by striking out "Sec. 7. (a)" and inserting in lieu thereof "(2)"; and

(2) by inserting the following immediately after the section heading:

"Sec. 7. (a)(1)(A) The Secretary charged with the overall administration of a trail pursuant to section 5(a) shall, in administering and managing the trail, consult with the heads of all other affected State and Federal agencies. Nothing contained in this Act shall be deemed to transfer among Federal agencies any management responsibilities established under any other law for federally administered lands which are components of the National Trails System. Any transfer of management responsibilities may be carried out between the Secretary of the Interior and the Secretary of Agriculture only as provided under subparagraph (B).

"(B) The Secretary charged with the overall administration of any trail pursuant to section 5(a) may transfer management of any specified trail segment of such trail to the other appropriate Secretary pursuant to a joint memorandum of agreement containing such terms and conditions as the Secretaries consider most appropriate to accomplish the purposes of this Act. During any period in which management responsibilities for any trail segment are transferred under such an agreement, the management of any such segment shall be subject to the laws, rules, and regulations of the Secretary provided with the management authority under the agreement, except to such extent as the agreement may otherwise expressly provide.";

(3) in the first sentence of paragraph (2) of this subsection (a) (as redesignated by paragraph (1) of this subsection), by striking out "thereof", and inserting in lieu thereof "of the availability of appropriate maps or descriptions", and striking out ", together with appropriate maps and descriptions"; and

(4) in the second sentence of such paragraph (2) of subsection (a), by inserting before the period "consistent with the purpose of this Act".

(b) Section 7(b) is amended—

(1) by inserting "of the availability of appropriate maps or descriptions" after "notice"; and

(2) by striking out "together with appropriate maps and descriptions,".

(c) Section 7(c) is amended by adding at the end thereof the following: "The appropriate Secretary may also provide for trail interpretation sites, which shall be located at historic sites along the route of any national scenic or national historic trail, in order to present information to the public about the trail, at the lowest possible cost, with emphasis on the portion of the trail passing through the State in which the site is located. Wherever possible, the sites shall be maintained by a State agency under a cooperative agreement between the appropriate Secretary and the State agency.".

(d) Section 7(f) of the National Trails System Act is amended by inserting "(1)" after "(f)" and by adding at the end thereof the following:

"(2) When a tract of land lies partly within and partly without a national scenic or national historic trail right-of-way, the appropriate Secretary may, with the consent of the owner thereof, acquire the entire tract. Land so acquired outside the right-of-way may be exchanged for non-Federal land within such right-of-way, and any portion of the land not used for such exchanges may be disposed of in accordance with the provisions of section 5 of Public Law 90-401. The proceeds from any such disposal shall be credited to the appropriation account bearing the cost of land acquisition for the affected trail right-of-way.".

(e) Section 7(g) of the National Trails System Act is amended in the last sentence by striking out "No" and inserting in lieu thereof "Except for designated protected components of the trail, no".

(f) Section 7(h) of the National Trails System Act is amended—

(1) by inserting "(1)" after "(h)";

(2) in the second sentence, by striking out "a national scenic or national historic trail" and inserting in lieu thereof "such a trail";

(3) by inserting after the second sentence the following: "Such agreements may include provisions for limited financial assistance to encourage participation in the operation, development, or maintenance of such trails, provisions providing volunteer in the park or volunteer in the forest status (in accordance with the Volunteers in the Parks Act of 1969 and the Volunteers in the Forests Act of 1972) to individuals, private organizations, or landowners participating in such activities, or provisions of both types. Such Secretary shall also initiate consultations with affected States and their political subdivisions to encourage—

"(A) the development and implementation by such entities of appropriate measures to protect private landowners from trespass resulting from trail use and from unreasonable personal liability and property damage caused by trail use, and

"(B) the development and implementation by such entities of provisions for land practices, compatible with the purposes of this Act,

for property within or adjacent to trail rights-of-way. After consulting with States and their political subdivisions under the preceding sentence, the Secretary may provide assistance to such entities under appropriate cooperative agreements in the manner provided by this subsection."; and

(4) by striking out "Whenever the" in the last sentence of such subsection and inserting in lieu thereof the following:

"(2) Whenever the".

(g) Section 7(i) of the National Trails System Act is amended by adding at the end thereof the following new sentence: "The Secretary responsible for the administration of any segment of any component of the National Trails System (as determined in a manner consistent with subsection (a)(1) of this section) may also utilize authorities related to units of the national park system or the national forest system, as the case may be, in carrying out his administrative responsibilities for such component.".

(h) Section 7 of the National Trails System Act is amended by inserting after subsection (i) the following:

"(j) Potential trail uses allowed on designated components of the national trails system may include, but are not limited to, the following: bicycling, cross-country skiing, day hiking, equestrian activities, jogging or similar fitness activities, trail biking, overnight and long-distance backpacking, snowmobiling, and surface water and underwater activities. Vehicles which may be permitted on certain trails may include, but need not be limited to, motorcycles, bicycles, four-wheel drive or all-terrain off-road vehicles. In addition, trail access for handicapped individuals may be provided. The provisions of this subsection shall not supersede any other provisions of this Act or other Federal laws, or any State or local laws.

"(k) For the conservation purpose of preserving or enhancing the recreational, scenic, natural, or historical values of components of the national trails system, and environs thereof as determined by the appropriate Secretary, landowners are authorized to donate or otherwise convey qualified real property interests to qualified organizations consistent with section 170(h)(3) of the Internal Revenue Code of 1954, including, but not limited to, right-of-way, open space, scenic, or conservation easements, without regard to any limitation on the nature of the estate or interest otherwise transferable within the jurisdiction where the land is located.".

Sec. 208. Section 8 of the National Trails System Act is amended—

(1) by redesignating subsection (d) as subsection (e); and

(2) by inserting after subsection (c) the following:

"(d) The Secretary of Transportation, the Chairman of the Interstate Commerce Commission, and the Secretary of the Interior, in administering the Railroad Revitalization and Regulatory Reform Act of 1976, shall encourage State and local agencies and private interests to establish appropriate trails using the provisions of such programs. Consistent with the purposes of that Act, and in furtherance of the national policy to preserve established railroad rights-of-way for future reactivation of rail service, to protect rail transportation corridors, and to encourage energy efficient transportation use, in the case of interm use of any established railroad rights-of-way pursuant to donation, tranfer, lease, sale, or otherwise in a manner consistent with the National Trails System Act, if such interim use is subject to restoration or reconstruction for railroad purposes, such interim use shall not be treated, for purposes of any law or rule of law, as an abandonment of the use of such rights-of-way for railroad purposes. If a State, political subdivision, or qualified private organization is prepared to assume full responsibility for management of such rights-of-way and for any legal liability arising out of such tranfer or use, and for the payment of any and all taxes that may be levied or assessed against such rights-of-way, then the Commission shall impose such terms and conditions as a requirement of any transfer or conveyance for interm use in a manner consistent with this Act, and shall not permit abandonment or discontinuance inconsistent or disruptive of such use.".

Sec. 209. Section 10 of the National Trails System Act is amended—

(1) by inserting "(a)(1)" after "Sec. 10.";

(2) by striking out "(a) The" in the second sentence and inserting in lieu thereof "for the";

(3) by striking out "It is the express intent" and inserting in lieu thereof the following:

"(2) It is the express intent";

(4) in subsection (a)(2) (as designated by paragraph (3) of this subsection), by inserting "Appalachian" before "Trail"; and

(5) in subsection (c)—

(A) by inserting "(1)" after "(c)";

(B) by inserting before the period at the end of paragraph (1) (as designated by subparagraph (A) of this paragraph) ", except that funds may be expended for the acquisition of lands or interests therein for the purpose of providing for one trail interpretation site, as described in section 7(c), along with such trail in each State crossed by the trail"; and

(C) by adding at the end of each such subsection the following:

"(2) There is hereby authorized to be appropriated for fiscal year 1983 and subsequent fiscal years such sums as may be necessary to implement the provisions of this Act relating to the trails designated by paragraphs (9) through (13) of section 5(a) of this Act. Not more than $500,000 may be appropriated for the purposes of acquisition of land and interests therein for the trail designated by section 5(a)(12) of this Act, and not more than $2,000,000 may be appropriated for the purposes of the development of such trail. The administering agency for the trail shall encourage volunteer trail groups to participate in the development of the trail.".

Sec. 210. The National Trails System Act is amended by adding the following new sections at the end thereof:

"VOLUNTEER TRAILS ASSISTANCE

"Sec. 11. (a)(1) In addition to the cooperative agreement and other authorities contained in this Act, the Secretary of the Interior and the Secretary of Agriculture are authorized to encourage volunteers and volunteer organizations to plan, develop, maintain, and manage, where appropriate, trails throughout the Nation.

"(2) Wherever appropriate in futherance of the purposes of this Act, the Secretaries are authorized and encouraged to utilize the Volunteers in the Parks Act of 1969, the Volunteers in the Forests Act of 1972, and section 6 of the Land and Water Conservation Fund Act of 1965 (relating to the development of Statewide Comprehensive Outdoor Recreation Plans).

"(b) Each Secretary may assist volunteers and volunteer organizations in planning, developing, maintaining, and managing trails. Volunteer work may include, but need not be limited to—

"(1) planning, developing, maintaining, or managing (A) trails which are components of the national trails system, or (B) trails which, if so developed and maintained, could qualify for designation as components of the national trails system; or

"(2) operating programs to organize and supervise volunteer trail building efforts with respect to the trails referred to in paragraph (1), conducing trail-related research projects, or providing eduction and training to volunteers on methods of trails planning, construction, and maintenance.

"(c) The appropriate Secretary may utilize and make available Federal facilities, equipment, tools, and technical assistance to volunteers and volunteer organizations, subject to such limitations and restrictions as the appropriate Secretary deems necessary or desirable.

"Sec. 12. As used in this Act:

"(1) The term 'high potential historic sites' means those historic sites related to the route, or sites in close proximity thereto, which provide opportunity to interpret the historic significance of the trail during the period of its major use. Criteria for consideration as high potential sites include historic significance, presence of visible historic remnants, scenic quality, and relative freedom from intrusion.

"(2) The term 'high potential route segments' means those segments of a trail which would afford high quality recreation experience in a portion of the route having greater than average scenic values or affording an opportunity to vicariously share the experience of the original users of a historic route.

"(3) The term 'State' means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Trust Territory of the Pacific Islands, the Northern Mariana Islands, and any other territory or possession of the United States.

"(4) The term 'without expense to the United States' means that no funds may be expended by Federal agencies for the development of trail related facilities or for the acquisition of lands or interests in lands outside the exterior boundaries of Federal areas. For the purposes of the preceding sentence, amounts made available to any State or political subdivision under the Land and Water Conservation Fund Act of 1965 or any other provision of law shall not be treated as an expense to the United States.".

Sec. 211. Section 4(a) of the Land and Water Conservation Fund Act of 1965, as amended (16 U.S.C. 4601-6a) is amended at the end of the first paragraph by adding the following new sentences: "Notwithstanding any other provision of law, no Federal fee shall be imposed for entrance or admission to any national recreation area, any unit of the National Wild and Scenic Rivers System, or any unit of the National Trails System. Notwithstanding any other provision of law, effective June 1, 1981, no Federal fee shall continue to be imposed for entrance or admission to any unit of the National Park System at which the cost of collection of such fee exceeded the receipts collected in calendar year 1979 (as determined by the National Park Service report entitled 'Report of Entrance Fee Rates, Collections and Costs to Collect CY 1979' and dated May 13, 1980): *Provided*, That if the Secretary of the Interior, prior to April 1, 1981, makes a specific determination that fee collection will be reasonably necessary to protect park resources in an individual unit affected by this sentence, the Secretary may continue an entrance fee at that unit after providing notice of his intention to do so to the Committee on Interior and Insular Affairs of the United States House of Representatives and to the Committee on Energy and Natural Resources of the United States Senate.".

TITLE III—DESIGNATION OF THE "BIZZ JOHNSON TRAIL"

Sec. 301. The Congress finds that Harold T. "Bizz" Johnson, for twenty-two years a United States Representative from the State of California, should be afforded recognition for his deep appreciation and respect for the mountains, forests, rivers, and fertile valleys of northern California, and for his sustained efforts to protect areas especially suited to outdoor recreation and the enjoyment of nature, and to assure public access thereto. 'Bizz' Johnson took an early and leading interest in proposals to convert an abandoned railroad right-of-way in Lassen County to a twenty-five-mile trail to provide access to the undeveloped Susan River Canyon in the Sierra Nevada Mountains for hikers, horseback riders, cross-country skiers, handicapped individuals, and others. As Representative for the First Congressional District he worked with, and provided major assistance to, local groups, officials of the city of Susanville and the county of Lassen, the Bureau of Land Management, the Forest Service, and the Trust for Public Land in implementing plans for the project.

Sec. 302. The Susanville-Westwood Rails to Trails project described in a joint Bureau of Land Management/Forest Service Recreation Land Acquisition Composite, converting an abandoned railbed in Lassen County, California, extending from the county seat in Susanville westward twenty-five miles to Mason Junction, four miles from the community of Westwood, and traversing the Susan River Canyon, to a public recreation trail is hereby designated and hereafter shall be known as the "Bizz Johnson Trail". Any law, regulation, record, map, or other document of the United States referring to this trail shall be held to refer to the "Bizz Johnson Trail", and any future regulations, records, maps, or other documents of the United States, in reference to this trail, shall bear the name "Bizz Johnson Trail".

Sec. 303. The Secretary of the Interior is authorized and directed, in cooperation with the city of Susanville and the county of Lassen, State of California, to design and erect at a suitable location along the Bizz Johnson Trail an appropriate marker in commemoration of the outstanding contributions of Harold T. "Bizz" Johnson toward the protection of undeveloped scenic areas of northern California for the use and enjoyment of the American people, in perpetuity.

Sec. 304. There are authorized to be appropriated such sums as are necessary to carry out the provisions of this title.

TITLE IV—ROY TAYLOR FOREST

Sec. 401. The Congress finds and declares that Roy Taylor, for sixteen years a United States Representative from the State of North Carolina, a member of the Committee on Interior and Insular Affairs, and chairman of the Subcommittee on National Parks and Recreation, should be afforded recognition for his deep appreciation, affection and respect for the mountains, forests, and streams of western North Carolina, and for his sustained efforts to protect areas especially suited to outdoor recreation and the enjoyment of nature, and to assure public access thereto.

Sec. 402. The thirty-nine thousand acres of forested mountain land within the Nantahala National Forest in Jackson County, North Carolina, commonly referred to as the Balsam-Bonas Defeat area, are hereby designated and hereafter shall be known as the "Roy Taylor Forest". Any law, regulation, record, map, or other document of the United States referring to this land shall be held to refer to the "Roy Taylor Forest", and any future regulations, records, maps, or other documents of the United States, in reference to this area of the Nantahala National Forest, shall bear the name "Roy Taylor Forest".

Sec. 403. The Secretary of Agriculture is authorized and directed, in cooperation with the county of Jackson, State of North Carolina, to design and erect at a suitable location in the Roy Taylor Forest area an appropriate marker in commemoration of the outstanding contributions of Roy Taylor toward the protection of public lands in western North Carolina and the Nation for the use and enjoyment of the American people.

Sec. 404. The Secretary of the Interior is authorized and directed to make designations regarding the Roy Taylor Forest area in publications produced for the Blue Ridge Parkway. The Secretary is further authorized to erect appropriate signs at a suitable location on the Blue Ridge Parkway to commemorate the contributions of Roy Taylor and the designation of the forest area authorized in this title.

Sec. 405. There are authorized to be appropriated such sums as are necessary to carry out the provisions of this title.

Mr. SEIBERLING (during the reading). Mr. Chairman, I ask unanimous consent that the committee amendment in the nature of a substitute be considered as read, printed in the Record, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

AMENDMENT OFFERED BY MR. PHILLIP BURTON

Mr. PHILLIP BURTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Phillip Burton: Page 8, delete lines 1 through 24;

Page 9, delete lines 1 through 24;

Page 10, delete lines 1 through 3;

Page 10, line 4, change "(5)" to "(3)" and renumber all of the following paragraphs on page 10 which are currently numbered "(6)" through "(10)".

□ 1600

Mr. PHILLIP BURTON. This amendment, though in my view of little moment, is designed to eliminate any concern expressed by some with reference to the legislative veto. I am unaware of any opposition.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. PHILLIP BURTON. I yield to the gentleman from Ohio.

Mr. SEIBERLING. I have no objection to the amendment.

Mr. YOUNG of Alaska. Mr. Chairman, will the gentleman yield?

Mr. PHILLIP BURTON. I yield to the gentleman from Alaska.

Mr. YOUNG of Alaska. Mr. Chairman, I commend the gentleman from California for the amendment, and I have no objection to the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. Phillip Burton).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. BRINKLEY

Mr. BRINKLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. Brinkley, amending title II, section 205(c), item 25:
>
> "Trail of Tears, including the associated forts, and specifically, Fort Mitchell, Alabama, and historic properties, extending from the vicinity of Murphy, North Carolina, through Georgia, Alabama, Tennessee, Kentucky, Illinois, Missouri, and Arkansas, to the vicinity of Tahlequah, Oklahoma."

Mr. BRINKLEY. Mr. Chairman, actually I offer this amendment in behalf of my colleague from the Third District of Alabama, Mr. Nichols, who represents the area in question. And, of course, myself as a close neighbor, and as a party of interest because of the fact that the area in question is contiguous to the State of Georgia, the Third District of Georgia, which I have the privilege of representing.

Congressman Nichols has been detained momentarily because of the fact that he is chairman of the Personnel and Compensation Subcommittee which is presently dealing with the Armed Services Committee on the new revised GI bill which is of enormous consequence to the future of this country. So I am carrying on for him and, of course, in my own behalf.

Mr. Chairman, I am grateful to the fine work of the gentleman from Ohio, Mr. John Seiberling, and his fine subcommittee, and also our counterparts on the minority side.

I do rise in support of H.R. 861, a bill which includes a provision to authorize a feasibility study for including the Trail of Tears under the National Trails System Act.

The Trail of Tears, which began in October 1838, was a sad, but historically important, chapter in America's frontier history. Fort Mitchell, Ala., played a significant role in this historic trail, for some on the tribes forced on the march were assembled at Fort Mitchell for the long trek westward.

To insure Fort Mitchell's permanent, rightful place in the Trail of Tears, my good friend from the great State of Alabama, Bill Nichols, and I today offer an amendment to include Fort Mitchell in the Trail of Tears study. The amendment reads as follows (amendment italic):

> Amendment to Title II, Section 205(c), Item 25:
>
> "Trail of Tears, including the associated forts, *and specifically, Fort Mitchell, Alabama,* and historic properties, extending from the vicinity of Murphy, North Carolina, through Georgia, Alabama, Tennessee, Kentucky, Illinois, Missouri, and Arkansas, to the vicinity of Tahlequah, Oklahoma."

Fort Mitchell is rich in Indian heritage. Of special importance was the Oswichee council meeting held there, which resulted in a treaty of peace being signed in New York in August 1790 by President George Washington and Alexander McGillivary, head of the Creek Indian Confederacy.

The Lower Creeks and Yuchee Indians settled in the area, which served as the capital of the Creek Indian Nation. In 1805 a treaty with the Creek Indians permitted the Federal Government to open a horse path through their nation. The path was improved to become the famous Federal road from Washington to New Orleans—a much-traveled route. In the winter of 1813-14 came Gen. John Floyd and members of the Georgia Militia, who built Fort Mitchell as protection against hostilities of the Creeks. The fort was named for Gen. David B. Mitchell, Governor of Georgia.

Grave sites from the Creek Indian war and the Seminole war of 1818 are located there, as well as the remains of Indian countrymen, a Creek chief, and veterans of the Revolutionary War and the War of 1812. Col. John Crowell, Indian agent, whose agency headquarters were located at Fort Mitchell, is buried there, also.

From 1817 to 1820 the trading post for the southeast was at Fort Mitchell. In 1821 Bishop William C. Capers, of the Methodist Conference of South Carolina, established the Asbury Mission School for the Creeks, the first known educational project in the Chattahoochee Valley.

Fort Mitchell remained a military post until 1840.

Mr. Chairman, Fort Mitchell is a vital component of the Trail of Tears story, and I urge my colleagues to support this amendment, which seeks to guarantee its proper place in American history.

As an aside, Mr. Chairman, I note that the Veterans' Administration, contiguous to this site, is establishing the region IV cemetery for veterans within the southeastern region of the United States. This would in an important way complement this addition to this very important bill, and I urge the chairman to consider it and I urge my colleagues to accept it.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. BRINKLEY. I will be glad to yield to the gentleman from Ohio.

Mr. SEIBERLING. I want to commend the gentleman for his support of this amendment and for the statement he has just made.

I would like also to again extend recognition to the gentleman for his contribution to preserving our heritage and particularly to commend the gentleman for the work that he did in getting the Warm Springs preservation bill that we recently passed in the House put together to preserve the Franklin D. Roosevelt home at Warm Springs as a part of our national historic heritage.

The CHAIRMAN. The time of the gentleman from Georgia (Mr. Brinkley) has expired.

(At the request of Mr. Seiberling and by unanimous consent, Mr. Brinkley was allowed to proceed for 1 additional minute.)

Mr. SEIBERLING. Will the gentleman yield?

Mr. BRINKLEY. I yield to the gentleman.

Mr. SEIBERLING. I think it takes on particular significance since the gentleman, since then, has informed his colleagues that he does not intend to run again for the House of Representatives. I know we are all going to be missing him a great deal. I think this is a good opportunity to pay tribute to his achievements and his contributions to our country in his service in this body.

I want to thank the gentleman again for his statement and for his support for these causes.

Mr. BRINKLEY. I thank the gentleman very much. I shall never forget the work of the gentleman from Ohio in helping me and the State of Georgia as well as the Nation in preserving an item of such importance as Warm Springs, Ga., and this present initiative of the Trail of Tears located at Fort Mitchell.

The CHAIRMAN. The time of the gentleman from Georgia has again expired.

(At the request of Mr. Young of Alaska and by unanimous consent, Mr. Brinkley was allowed to proceed for 2 additional minutes.)

Mr. YOUNG of Alaska. Will the gentleman yield?

Mr. BRINKLEY. I yield to the gentleman from Alaska.

Mr. YOUNG of Alaska. I, too, would like to compliment the gentleman on his amendment and rise in support of the amendment.

I would also like to compliment the gentleman on his tenure in the House and the work that he has done on this effort in bringing this to the Committee's attention. I again wish the gentleman good luck in his endeavors out in the great State of Georgia.

Mr. BRINKLEY. I thank the gentleman from Alaska, my longstanding friend, for those sentiments. I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia (Mr. Brinkley).

The amendment was agreed to.

The CHAIRMAN. Are there any further amendments?

If not, the question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. Weiss, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 861) to amend the National Trails System Act by designating additional national scenic and historic trails, and for other purposes, pursuant to House Resolution 358, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the committee amendment in the nature of a substitute adopted by the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. SEIBERLING. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 389, nays 6, not voting 37, as follows:

[Roll No. 68]

YEAS—389

Addabbo
Akaka
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Archer
Aspin
Atkinson
AuCoin
Badham
Bafalis
Bailey (MO)
Bailey (PA)
Barnard
Barnes
Beard
Bedell
Beilenson
Benedict
Benjamin
Bennett
Bethune
Bevill
Biaggi
Bingham
Blanchard
Bliley
Boggs
Boland
Bolling
Boner
Bonker
Bouquard
Bowen
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown (CA)
Brown (CO)
Brown (OH)
Broyhill
Burton, Phillip
Butler
Byron
Campbell
Carman
Carney
Chappell
Chappie
Cheney
Chisholm
Clausen
Clay
Clinger
Coats
Coelho
Coleman
Collins (IL)
Collins (TX)
Conte
Conyers
Coyne, James
Coyne, William
Craig
D'Amours
Daniel, Dan
Daniel, R. W.
Dannemeyer
Daschle
Daub
Davis
de la Garza
Deckard
Dellums
DeNardis
Derrick
Dicks
Dingell
Dixon
Donnelly
Dorgan
Dornan
Dougherty
Dowdy
Downey
Duncan
Dunn
Dwyer
Dymally
Dyson
Early
Eckart
Edwards (AL)
Edwards (CA)
Edwards (OK)
Emerson
Emery
English
Erdahl
Erlenborn
Ertel
Evans (DE)
Evans (GA)
Evans (IA)
Fary
Fascell
Fazio
Fenwick
Ferraro
Fiedler
Fields
Findley
Fish
Fithian
Flippo
Florio
Foley
Ford (MI)
Ford (TN)
Forsythe
Fountain
Fowler
Frank
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gejdenson
Gephardt
Gibbons
Gilman
Glickman
Gonzalez
Gore
Gradison
Gramm
Gray
Green
Gregg
Guarini
Gunderson
Hagedorn
Hall, Ralph
Hall, Sam
Hamilton
Hammerschmidt
Hance
Hansen (ID)
Hansen (UT)
Harkin
Hartnett
Hatcher
Hawkins
Heckler
Hefner
Hendon
Hertel
Hightower
Hiler
Hillis
Holland
Hollenbeck
Holt
Hopkins
Horton
Howard
Hoyer
Hubbard
Huckaby
Hughes
Hunter
Hutto
Hyde
Jacobs
Jeffords
Jeffries
Jenkins
Johnston
Jones (NC)
Jones (OK)
Jones (TN)
Kastenmeier
Kazen
Kemp
Kennelly
Kildee
Kindness
Kogovsek
Kramer
LaFalce
Lagomarsino
Lantos
Latta
Leach
Leath
LeBoutillier
Lee
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Loeffler
Long (LA)
Long (MD)
Lott
Lowery (CA)
Lujan
Luken
Lundine
Lungren
Madigan
Markey
Marlenee
Martin (IL)
Martin (NC)
Martin (NY)
Matsui
Mavroules
Mazzoli
McClory
McCloskey
McCollum
McCurdy
McDade
McEwen
McGrath
McHugh
McKinney
Mica
Michel
Mikulski
Miller (CA)
Miller (OH)
Mineta
Minish
Mitchell (MD)
Mitchell (NY)
Moakley
Moffett
Molinari
Mollohan
Montgomery
Moore
Moorhead
Morrison
Murphy
Myers
Napier
Natcher
Neal
Nelligan
Nelson
Nichols
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Oxley
Panetta
Parris
Pashayan
Patman
Patterson
Pease
Perkins
Petri
Peyser
Pickle
Porter
Price
Pritchard
Pursell
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Roberts (KS)
Roberts (SD)
Robinson
Rodino
Roe
Roemer
Rogers
Rose
Rosenthal
Rostenkowski
Roth
Roukema
Rousselot
Roybal
Rudd
Russo
Sabo
Santini
Savage
Sawyer
Scheuer
Schneider
Schroeder
Schulze
Schumer
Seiberling
Sensenbrenner
Shamansky
Shannon
Sharp
Shaw
Shelby
Shumway
Shuster
Siljander
Simon
Skeen
Skelton
Smith (IA)
Smith (NE)
Smith (NJ)
Smith (OR)
Snowe
Snyder
Solomon
Spence
St Germain
Stangeland
Stark
Staton
Stenholm
Stokes
Stratton
Studds
Stump
Swift
Synar
Tauke
Tauzin
Taylor
Thomas
Traxler
Udall
Vander Jagt
Vento
Volkmer
Walgren
Walker
Wampler
Washington
Watkins
Waxman
Weaver
Weber (MN)
Weber (OH)
Weiss
White
Whitehurst
Whitley
Whittaker
Williams (MT)
Williams (OH)
Winn
Wirth
Wolf
Wolpe
Wortley
Wright
Wyden
Wylie
Yates
Yatron
Young (AK)
Young (FL)
Zablocki
Zeferetti

NAYS—6

Crane, Daniel
Crane, Philip
Goodling
McDonald
Paul
Smith (AL)

NOT VOTING—37

Albosta
Bereuter
Bonior
Burgener
Burton, John
Conable
Corcoran
Coughlin
Courter
Crockett
Derwinski
Dickinson
Dreier
Edgar
Evans (IN)
Foglietta
Gingrich
Ginn
Goldwater
Grisham
Hall (OH)
Heftel
Ireland
Lowry (WA)
Marks
Marriott
Mattox
Mottl
Murtha
Pepper
Smith (PA)
Solarz
Stanton
Trible
Whitten
Wilson
Young (MO)

□ 1610

Mr. GOODLING changed his vote from "yea" to "nay."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

□ 1630

GENERAL LEAVE

Mr. SEIBERLING. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

PERMISSION FOR COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION TO MEET WHILE HOUSE IS IN SESSION TOMORROW

Mr. HOWARD. Mr. Speaker, I ask unanimous consent that the Committee on Public Works and Transportation may meet while the House is in session tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

CAMDEN, S.C., HISTORIC PRESERVATION

Mr. SEIBERLING. Mr. Speaker, pursuant to the provisions of House Resolution 448, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the Senate bill (S. 146) to authorize the Secretary of the Interior to assist in the preservation of historic Camden in the State of South Carolina, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Ohio (Mr. SEIBERLING).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the Senate bill, S. 146, with Mr. WEISS in the chair.

The Clerk read the title of the Senate bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from Ohio (Mr. SEIBERLING) will be recognized for 30 minutes, and the gentleman from Alaska (Mr. YOUNG) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Ohio (Mr. SEIBERLING).

Mr. SEIBERLING. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, there is no need to restate my remarks before the House on March 23, 1982, as to the historic value of this revolutionary battlefield at Camden, S.C., in particular, KEN HOLLAND's role. However, I would like to clarify some misconceptions that have arisen.

First, let me say that the authorization in the bill is limited to no more than $250,000, a very small amount when considered in relationship to the local, State, and volunteer efforts to preserve the Camden area. I am advised that the local people have invested about $1.5 million already, and this small contribution by the Department of the Interior would provide great incentive to continue the fine job of preserving a historic site of national concern.

The administration report stated, and I quote: "Camden, South Carolina, contains nationally significant historic resources, and is listed on the National Register of Historic Places." I believe that statement confirms a nearly unanimous agreement as to the national value of the resource. That report further states that "modern features" have intruded on the site and, therefore, it is not suitable as a unit of the national park system. I agree. However, the local people have not asked for this area to be a unit of the national park system; they simply request some help to aid their efforts in removing the modern features and restoring the site.

The administration report adds that technical assistance is available to help State and local people in planning and research. The local people know that and have availed themselves of that help. They do not need a great deal more planning and research. They need a small amount of financial assistance to implement preservation efforts that are underway.

The report further notes that adequate authority to provide assistance to the people of Camden already exists. That is true, if we are only talking about technical assistance. We are not. We are talking about authorizing funds to help restore this resource.

Mr. Chairman, the people of Camden, and particularly Ms. Hope Cooper, have demonstrated great initiative by committing their time and money to preserving a nationally significant historic resource and, I believe, deserve the limited assistance provided for in this bill to aid them in preserving that resource for all of our Nation.

I urge my colleagues to support the passage of this bill.

Mr. YOUNG of Alaska. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, there has been some concern expressed over the merits of this bill.

As the ranking minority member of the subcommittee handling this measure, I want to point out that the administration does not endorse the bill, and I too, have had some earlier and continuing misgivings about it.

Since the time this same bill was brought to the floor last March, I have looked a little more closely at the circumstances of the issue here, and I must say that I now have even stronger doubts as to the merits of the bill.

I was not aware that so much Federal funding had already been devoted to this site—apparently almost as much or more than this bill now before us calls for again.

The further expense entailed, to be carved out of an already squeezed Federal budget, does begin to raise questions, particularly since so much of the expenditure is requested to be applied to completely new reconstruction, rather than to the preservation of actual historic remnants of the past.

I do want to point out that should this bill be enacted, a key point of decisionmaking from that point onward will be the provisions of the cooperative agreement, which by terms of the bill is to be consummated between the Secretary and the Camden historic preservation interests. The entire basis for the implementation of this bill, and the funding that could ultimately flow from it, is predicated upon the provisions to subsequently be included in this cooperative agreement.

Now, first of all, I understand the phrase "nationally significant historic resources" in the first sentence of this bill to mean that it is only historic resources of national significance which can directly benefit from any of the funding that may derive from the bill. It will, of course, be most important that the thrust of the cooperative agreement to be drawn up addresses the specific parameters of where and how technical assistance and funding will be applied at Camden.

It is well recognized by the study report developed on historic Camden and submitted to the Congress—following the mandate to do so under the provisions of section 401 of Public Law 95-629—that many of the historic resources in historic Camden are of less than national significance. Since the intention of this bill is to assist the preservation of those "nationally significant historic resources," that purpose must become a cornerstone of the cooperative agreement. With that element in place, I feel that the fears of the possibility of funds being misdirected to uses which are not related to national significant elements are greatly, if not almost totally, reduced.

Mr. Chairman, this general area of concern is the same one I raised in my comments on the bill the last time it was considered by the House in March.

The National Park Service will still retain strong control over the use of its technical assistance and funding made available through the provisions to be developed in the cooperative agreement, and it should exercise that responsibility seriously.

As a further thought, should there be some aspects of the historic preservation effort that are of marginal priority in the judgment of the National Park Service, I do not see what would prohibit the cooperative agreement from establishing a matching arrangement to apply to those features, at a match ratio to be made a provision of the cooperaive agreement.

Mr. Chairman, there are no further comments I want to make on this at this time.

Mr. Chairman, I yield to the ranking member of the full committee, the gentleman from California (Mr. CLAUSEN).

Mr. CLAUSEN. Mr. Chairman, when this same bill was on the floor in March, I voted against it. I had some concerns that the features to which the funds were to be devoted were of marginal significance, considering the great backlog of nationally significant historic and archaeological resources across the Nation which are in urgent need of protection and funding assistance.

I have since gained additional insights on this issue, however, and am now satisfied that the provisions of this bill insure that a process will follow which will assure that these funds will be properly applied in a professional manner.

There is no doubt but what the Camden site addressed by this bill is of national significance. There are quite major amounts of remaining original historic remnants of Revolutionary War days activities remaining on this site. All of them are surface or subsurface features as, due to the passage of time, all of the above-ground features have vanished.

A very significant amount of preservation and restoration work has been accomplished here already through the strong interest and commitment of local leaders and organizations. It is appropriate that the Interior Department continue to devote some assistance, as this bill provides.

Through the mechanism of a cooperative agreement between these local organizations and the Secretary of the Interior, as provided for in this bill, that assistance can proceed to assure the preservation and protection of this site's nationally significant historic resources.

Mr. Chairman, I am confident that the National Park Service, who will be implementing the provisions of this bill, will carry forward this intent in a dependably professional manner, and with that comfort, and again, considering the unquestioned national significance of the site, I, therefore, support the passage of this bill.

I do so after having been given the expanded historical perspective by the South Carolina delegation and, in particular, from Senator STROM THURMOND, who was good enough to provide these details:

> As you may know, the town of Camden played a major role in the early development of the State of South Carolina and in the American Revolution. One of the pivotal battles in the conflict was fought nearby, and although the British were victorious, their late retreat from this town was one of the turning points in the War. The Camden Historic Commission, the Camden District Heritage Foundation, and other historical societies have worked long and hard to restore and preserve the historic areas of Camden. S. 146 is a very limited bill which authorizes the Secretary of the Interior to enter into cooperative agreements with these organizations to aid in the preservation and restoration of those areas. Thus, this bill would ensure the future enjoyment of the town's historical assets without the substantial expenditures which would have been necessary had Federal acquisition been required.

Mr. CAMPBELL. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Alaska. I am glad to yield to the gentleman from South Carolina.

Mr. CAMPBELL. Mr. Chairman, I rise in support of the bill.

We are all aware of the important role the town of Camden played in the Revolutionary War. It was occupied by the British from June 1780 to May 1781, and Andrew Jackson was imprisoned there to the end of the British occupation. Colonial generals such as Gates, Green, DeKalb, and British Lord Cornwallis are among the military leaders that concentrated their activities at or near Camden during the Revolution. The fall of Camden as a British stronghold was crucial to the eventual victory of our Nation. Few towns in this country are blessed with such a rich historic background.

Now we have the opportunity to assist in the preservation of this fine old town. The bill we are considering would authorize the Secretary of the Interior to enter into cooperative agreement or agreements with the Camden Historical Commission, Camden Heritage Foundation, or other appropriate groups to help in funding the protection, restoration, and interpretation of the historic Camden area.

Toward this end, several points should be emphasized:

First, the appropriations are limited to $250,000;

Second, the committee intends to carefully monitor the implementation of this legislation to assure compliance;

Third, the committee had determined that the costs incurred as a result of enactment of this bill will be minor, and this measure would have no inflationary impact on the national economy; and

Fourth, this bill would insure the future enjoyment of the town's historical assets without the substantial expenditures which would have been necessary had Federal acquisition been required.

Carl Sandburg once wrote that when a society perishes, one condition can always be found: They forgot where they came from. We are most fortunate to have this opportunity to remember and preserve "where we came from."

Mr. SEIBERLING. Mr. Chairman, I yield such time as he may consume to the gentleman from South Carolina (Mr. HOLLAND).

Mr. HOLLAND. Mr. Chairman, I thank the chairman of the subcommittee for yielding me this brief amount of time.

I suppose it is appropriate, the first thing would be to thank the subcommittee on both sides of the aisle for the courtesy and assistance that we have had from every Member on this matter and to the gentleman from Arizona (Mr. UDALL) and the full committee I would like to say thank you.

This matter has been within the Congress for a number of years. It has had bipartisan support in the other body and in this body.

I think when the gentleman from Ohio (Mr. SEIBERLING) came down to visit this site, he became convinced, as those of us who have lived there for years are convinced, that it has a vast amount of significance as a national historical site. I want to thank the gentleman from Ohio for his interest in going those extra miles to bring this matter to this body today.

Now, I do not know that many Members of this body have ever been to this particular site, but briefly I would like to describe it. It is a small area within the city limits of Camden, S.C. It is visited by people from all over the Nation.

I have always been proud of it, because it shows the young people in our community down there where this Nation began and gives them a firmer hold on this great Nation as they study it through the history that is given to them in public schools down in South Carolina and other institutions of learning.

I thank my colleagues of the House, because they have been most kind and gracious in considering this matter. I think it is a matter that is of national significance. The Department of the Interior, I think, has had some minor reservations about the matter, but I believe they will support it now that we bring it to the floor today. It was passed in the other body under the sponsorship of Senators THURMOND and HOLLINGS without dissent, I understand.

So I ask my colleagues today to support this measure. It has been a long, hard effort by many people in the private sector. It demonstrates what this Government and our people in the private sector can do when they work together.

Mr. Chairman, I call on my colleagues today to give this matter an overwhelming yes vote, because the efforts of everybody, and my good friend, the gentleman from Ohio merit that we give it our complete and total support. It does not cost much money. I doubt that it will cost the entire amount of money being authorized by this bill.

Again, I thank the chairman.

□ 1640

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. HOLLAND. I yield to the gentleman from Ohio.

Mr. SEIBERLING. I thank the gentleman for those kind and thoughtful words.

Mr. Chairman, I again wish to commend the gentleman for the initiative he has taken in this legislation. I think part of our problems in this country are that many of our people, particularly younger people, do not have the sense of our heritage that they need in order to have the pride and the confidence on our future that they need.

This contribution, which was initiated by the people of Camden and other parts of South Carolina, themselves, is an important contribution to preserving that heritage in the sense of what our country is all about and where we came from.

I think particularly the gentleman from South Carolina deserves that recognition because he has announced that he is not going to run again for reelection. The gentleman has made tremendous contributions in the House and to the country during his service here, and I personally, will miss him a great deal. I think this is a fitting tribute to his work in the House and I want to thank him for his efforts.

Mr. HOLLAND. I thank my friend, the chairman. I would simply say in closing, Mr. Chairman, in years gone by my own children have had the opportunity to spend a lot of days and a lot of hours on this site, and through the good wishes of the people of my district, I have had the opportunity to come to Washington and bring them here. So I hope millions of other young people will have that same opportunity to view where this Nation started, where it is today, and maybe have a lot more hope for where it is going in the future.

Again, I thank the gentleman from Ohio.

Mr. SEIBERLING. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

Mr. YOUNG of Alaska. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

S. 146

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) in order to assist in the preservation of the nationally significant historic resources associated with the town of Camden, South Carolina, a key location in the development of South Carolina and in military operations in the South during the American Revolution, the Secretary of the Interior is authorized, in accordance with subsection 2(e) of the Act of August 21, 1935 (49 Stat. 666), to enter into a cooperative agreement or agreements with the Camden Historical Commission, the Camden District Heritage Foundation, or other appropriate public, governmental, or private nonprofit entities pursuant to which the Secretary may assist in the protection, restoration, and interpretation of such resources for the benefit of the public.

(b) Beginning October 1, 1982, there are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act, but not to exceed $250,000.

Mr. SEIBERLING (during the reading). Mr. Chairman, I ask unanimous consent that the Senate bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The CHAIRMAN. Are there any amendments to the bill?

If not, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WEISS, chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the Senate bill (S. 146) to authorize the Secretary of the Interior to assist in the preservation of historic Camden in the State of South Carolina, and for other purposes, pursuant to House Resolution 448, he reported the Senate bill back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. SEIBERLING. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the Senate bill just enacted.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 907

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor of H.R. 907.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

NATIONAL P.O.W./M.I.A. RECOGNITION DAY

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the joint resolution (H.J. Res. 479) to provide for the designation of July 9, 1982, and April 9, 1983, as "National P.O.W./M.I.A. Recognition Day," and ask for its immediate consideration in the House.

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. WALKER. Mr. Speaker, reserving the right to object, and I do not intend to object, I will yield to the gentleman from New York (Mr. GARCIA) for an explanation of the legislation.

Mr. GARCIA. Mr. Speaker, essentially what it does is, there are a series of three or four M.I.A./P.O.W. bills that have been sponsored by Members on both sides of the aisle. What we are going to do, as soon as we terminate with this particular passage of House Joint Resolution 479, we are going to substitute a resolution which carries the name of the gentleman from California (Mr. DORNAN), the gentleman from Wisconsin (Mr. ASPIN), and the gentleman from Maryland (Mr. DYSON). It is an agreement that has been reached by the three Members, I think after consultation and after deliberation.

But essentially what the bill does is recognize the fact that there is a National P.O.W./M.I.A. Recognition Day, and the names of those persons who may still be presently incarcerated in Southeast Asia as an aftermath of the war in Vietnam.

Essentially, what we are trying to do is to recognize that that possibility exists.

Mr. WALKER. Mr. Speaker, I thank the gentleman and I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. RES. 479

Whereas thousands of Americans have been captured by enemies or declared missing in action in wars in which the United States has been involved;

Whereas many American prisoners of war were subjected to cruel and inhumane treatment at the hands of their captors in violation of international law and convention;

Whereas many Americans died as a result of such treatment and, historically, those that survived continued to suffer to a far greater degree than other veterans of America's wars as a result of such treatment;

Whereas it remains uncertain whether those American soldiers who are still considered to be missing in action have died or are alive and such uncertainty causes hardship and suffering for their families;

Whereas the sacrifices of American prisoners of war, Americans missing in action, and their families are deserving of national recognition; and

Whereas on the ninth of April 1942, American soldiers comprising the largest single group of such soldiers ever to fall into enemy hands were taken prisoner: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the ninth day of July 1982 and the ninth day of April 1983 shall be designated as "National P.O.W./M.I.A Recognition Day" and the President of the United States is authorized and requested to issue a proclamation each year calling upon the people of the United States to commemorate such day with appropriate activities.

Mr. DYSON. Mr. Speaker, it is certainly a pleasure and, indeed, a privilege to be the sponsor of House Joint Resolution 479, to provide for the designation of July 9, 1982 and April 9, 1983, as the "National P.O.W./M.I.A. Recognition Day."

Our Nation has endured the hardships of four major conflicts in this century to preserve America's freedom and ideals at home and abroad. During the course of these hostilities, 142,000 of our citizens were confined by enemies of the United States as prisoners of war. They are deserving of our highest accolades for their bravery and perseverance in the face of the perils and pressures of weeks—and often years—of captivity.

Mr. Speaker, President John F. Kennedy once said that: "A nation reveals itself not only by the men it produces but also by the men it honors, the men it remembers." We owe a continuing debt to those men and women who have put aside their lives to serve in the national interest. All across this land we should acknowledge this contribution. The benefits we enjoy as a great Nation are inextricably connected to the tremendous sacrifices that have been made in the past by the brave men we will honor with this resolution.

POW's and MIA's are perhaps the most deserving heroes America has today. Soldiers held captive by enemy forces in World War I, World War II, the Korean war, and the Vietnam war often suffered brutality and hardships far surpassing even the worst cruelty endured by the Americans held hostage in Iran. Their minds and bodies were often ravaged by inhumane treatment and neglect at the hands of their Japanese, German, North Korean, or Vietnamese captors. They lived with constant physical abuse and the worst form of mental torture; that of living at the total mercy of an enemy and depending on his goodwill for their lives. As most POW's can attest, that goodwill was often in short supply.

The men who served their country in the frontlines of battle or in dangerous enemy territory were the first to be killed or taken captive. POW or MIA immediately denotes men of a special quality—those with the bravery and determination to take the greatest risks and pay the highest prices for their beliefs.

The ordeal of the POW's and MIA's certainly did not end with the wars in which they fought. The aftereffects of starvation, disease, and torture linger today in the bodies and minds of so many of our POW's. Skin, respiratory, heart, and systemic diseases are abnormally frequent for them. For Americans held hostage by the Japanese, Koreans, and Vietnamese, anxiety neurosis and maladjustment are common problems. The suffering of these men continues today, so we cannot allow ourselves to forget their great sacrifices.

And perhaps for many men, the sacrifice and daily trauma of incarceration continues today at the hands of their captors, for there are over 2,000 soldiers labeled "Missing in Action" in Vietnam. The Vietnamese Government has been largely uncooperative in our attempts to account for these men. Perhaps they are still alive, left behind in Vietnam. The war may never end for some of our MIA's.

But the trauma of these missing soldiers is most strongly felt by their families and friends at home. Their families may never know what happened to the sons or husbands or fathers they loved. These unresolved questions are troubling, and deserve renewed investigation.

Mr. Speaker, we must never forget the sacrifice that our men in uniform have made to keep this country and the free world safe for democracy.

● Mr. GILMAN. Mr. Speaker, I rise in support of this legislation designating July 9, 1982, as National P.O.W./M.I.A. Recognition Day.

Few of us have to be reminded of the sacrifices that our prisoners of war and servicemen still missing in action have made in the defense of our Nation. There are 2,500 Americans still listed as prisoners of war or missing in action from the Vietnam war. Their families have waited through years of uncertainty for information on their whereabouts. The vigil continues for their loved ones and I think that it is fitting that our Government set aside a day on which formal ceremonies and commemoration will take place.

Traditionally, this day reminds our citizenry of the sacrifices that all prisoners of war and MIA's have made for our Nation. There are men still missing from the Korean war, and the First and Second World Wars. For many families, the knowledge of the fates of their loved ones would be far preferable to the uncertainty which is a result of war; but war's cruelty has not diminished with time.

In the past year, we have seen the return of four sets of remains from the nations of Southeast Asia. Most recently, the remains of Lt. Comdr. Nick Brooks were repatriated after Lao nationals presented them to our Embassy. After 12 years of agonizing uncertainty, the Brooks family now has the peace that knowledge brings, but for too many others, their vigil continues.

This legislation is the least we can do to keep the memory and vision of our prisoners of war and missing in action alive. I urge my colleagues to join in support of adopting this resolution.●

● Mr. ASPIN. Mr. Speaker, I would like to take this opportunity to express my support for House Joint Resolution 428, declaring July 9, 1982, and April 9, 1983, as National P.O.W./M.I.A. Commemoration Day.

This resolution honors the POW's and MIA's from both world wars, the Korean conflict, and the Vietnam war.

It is a declaration of this Nation's continuing debt to those Americans who have suffered at the hands of foreign enemies and to the sacrifices of their families and the families of those men whose fate remains unknown.

I believe this resolution is a fitting tribute from the American people in recognition of those who sacrificed their freedom so that ours would continue. There should never be a time in American history when the freedom for which they fought is not felt and appreciated.

As a point of reference, 142,307 American prisoners were taken and held captive by enemies of the United States during the wars of this century.

The citizens of the United States recognize that, in addition to sacrifices for their country on battlefields and in combat, former prisoners of war lost their freedom and did so under the most brutal and appalling conditions. This is a unique sacrifice in pursuit of the freedom that is America's highest and most valued precept.

I am proud to be a joint sponsor, along with Mr. DYSON, and I would like to take this opportunity to thank the chairman of the subcommittee, the gentleman from New York (Mr. GARCIA), and the resolution's 248 cosponsors for their help in bringing this measure to the floor of the House.

The passage of this resolution will make it profoundly clear that those Americans who have suffered at the hands of our enemies will always be remembered. The full committee's expeditious passage of this resolution is deeply appreciated so that our strong voice of concern is recorded on behalf of all POW's and MIA's.●

● Mr. DORNAN of California. Mr. Speaker, I am exceedingly pleased that after many months of deliberation we have finally agreed upon a bipartisan compromise regarding our men who are missing and may yet be alive in Southeast Asia.

It was a great honor when the National League of Families asked me as chairman of the House Task Force on American Prisoners and Missing in Southeast Asia to introduce this resolution on the ninth anniversary of the Paris Peace accords on behalf of our heroes who remain in Southeast Asia. I am encouraged that my two distinguished colleagues and I could join forces by merging our two resolutions, House Joint Resolution 385 and House Joint Resolution 428. It is a major victory for our brave men that such support was demonstrated on their behalf in the new bill House Joint Resolution 479. Now we can be assured that July 9, 1982, and April 9, 1983, are designated as National P.O.W./M.I.A Recognition Day.

At this time, I also want to thank my distinguished friend and colleague in the Senate, Senator S. I. HAYAKAWA, for introducing the Senate version of Senate Joint Resolution ,160 earlier this year.

It is also appropriate at this time to reflect on the sacrifice and the hardship that the men, their families, and the American people have endured over the years that have passed since the Vietnam conflict.

We left something behind in that war—men being held as prisoners, and men missing in action. Now, 9 years after the signing of the Paris Peace Accords, we still do not know how many of these fine young men are alive and how many have since died. But, the public outcry for them is increasing daily. The efforts to remember those who were left behind was slow to gain a foothold at first, but the foothold seems to have been secured.

I continue to be encouraged by this administration's involvement in this area. I met with Deputy Assistant Secretary of Defense for Asian and Pacific Affairs, Richard L. Armitage, regarding his trip to Hanoi in February, and I am pleased that his delegation was successful in impressing upon the Vietnamese that this humanitarian issue is indeed of concern to the American people and that we will continue to press for an honorable resolution to this problem that has now been unresolved for over 9 years.

In the past few weeks hundreds of individuals have written to me from all over the country, and I have also been informed that 10,000 concerned listeners in the Greater Chicago area have taken the time to write a card or letter to National Security Adviser William P. Clark in care of WGN Continental Broadcasting Co.

I hope and pray that all of us will understand the necessity of putting sustained and increasing pressure on the administration to do more than investigate, but rather to pursue this matter.

These men have answered the call of duty in Vietnam for over two decades. I firmly believe that every single man among them dead or alive would have wagered anything or everything that they possess that this great Nation of ours would leave no stone unturned to learn the fate of those missing soldiers, sailors, and airmen.

We are speaking of our very best citizens. If we allow this missing-in-action issue to die in a slow and ignoble way, what are we telling our young men and women in unform today? What will we be telling our posterity?

In order to show the President and the administration that we in Congress are concerned with the POW/MIA problem, I introduced earlier this year House Concurrent Resolution 275. This measure concurs that it is the sense of the Congress that the problem of Americans missing in Southeast Asia as a result of the military conflict in Vietnam should be resolved as soon as possible and that the President of the United States should, first, take such action as he considers necessary to insure the release of all Americans who remain captive in Southeast Asia as a result of such conflict; and second, obtain from the Governments of Vietnam, Laos, and Kampuchea a complete accounting for all Americans who are missing in Southeast Asia including the return of the remains of each such American who died while in captivity. I hope you will join me and over 96 of our colleagues in cosponsoring this measure.

My fellow colleagues, I urge you to encourage your constituents to write officials in the executive branch. Our efforts in this area will not be complete until every last one of our men who remains unaccounted for has been released and the remains of those who have died have been returned to this Nation to which they devoted their lives.

In the next few days I will be sending the President a new letter, identical to the one I sent last October, requesting a meeting between him and the House Task Force on American Prisoners and Missing in Southeast Asia. I will send you a "Dear Colleague" requesting your support in this effort. We must be able to tell the American people that something is indeed being done to bring our men home.

Thank you, Mr. Speaker.●

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid upon the table.

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the Senate joint resolution (S.J. Res. 160) to designate July 9, 1982, as "National P.O.W.-M.I.A. Recognition Day," and ask for its immediate consideration.

The Clerk read the title of the Senate joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 160

Whereas the United States has fought in many wars;

Whereas thousands of Americans who served in such wars were captured by the enemy or are missing in action;

Whereas many American prisoners of war were subjected to brutal and inhuman treatment by their enemy captors in violation of international codes and customs for the treatment of prisoners of war and many such prisoners of war died from such treatment;

Whereas it is uncertain whether those Americans missing in action are alive or dead and such uncertainty has caused their families to suffer acute hardship; and

Whereas the sacrifices of American prisoners of war and Americans missing in action and their families are deserving of national recognition: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That July 9, 1982, is designated as "National P.O.W.-M.I.A. Recognition Day", and the President of the United States is authorized to issue a proclamation calling upon the people of the United States to observe such day with appropriate ceremonies and activities.

MOTION OFFERED BY MR. GARCIA

Mr. GARCIA. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. GARCIA moves to strike all after the resolving clause of the Senate joint resolution (S.J. Res. 160), and insert the provisions of the joint resolution H.J. Res. 479, as passed by the House.

The motion was agreed to.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed.

The title of the Senate joint resolution was amended so as to read: "To provide for the designation of July 9, 1982, and April 9, 1983, as 'National P.O.W./M.I.A. Recognition Day.'"

A motion to reconsider was laid on the table.

OLDER AMERICANS MONTH

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the Senate concurrent resolution (S. Con. Res. 82) expressing the sense of the Congress that the people of the United States should observe the month of May 1982 as Older Americans Month, and ask for its immediate consideration in the House.

The Clerk read the title of the Senate concurrent resolution.

□ 1740

The SPEAKER pro tempore. (Mr. MILLER of California). Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the Senate concurrent resolution, as follows:

S. CON RES. 82

Whereas older Americans have contributed many years of service to their families, their communities, and the Nation;

Whereas the population of the United States is comprised of a large percentage of older Americans representing a wealth of knowledge and experience;

Whereas acknowledgment would be given to older Americans for the contributions they continue to make to their communities and the Nation; and

Whereas many States and communities provide such acknowledgement of older Americans during the month of May: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That. in recognition of—

(1) the designation of the month of May 1982, as "Older Americans Month" by the President of the United States, and

(2) the repeated expression by the Congress of its appreciation and respect for the achievements of older Americans and its desire that these Americans continue to play an active role in the life of the Nation.

it is the sense of the Congress that the people of the United States should observe Older Americans Month with appropriate programs, ceremonies, and activities.

● Mr. DERWINSKI. Mr. Speaker, I rise in support of Senate Concurrent Resolution 82 designating the month of May 1982, as "Older Americans Month."

While 1 out of 9 Americans is now over age 65, in 50 years the number of Americans over age 65 will double to 55 million. This demographic shift will be caused by the aging of the postwar baby boom and medical developments that increase life expectancy. The ability and willingness of the elderly to continue to work and contribute to the quality of American life is very encouraging. Though we should all prepare for this dramatic change in demographics, we should not regard it as a problem or a burden. Instead, our Nation's elderly should be regarded as a vast natural resource. A wealth of wisdom, knowledge, and experience ready to be tapped.

Our Nation's senior citizens have made a major and lasting contribution to improving the quality of American life. While we should honor and thank our elderly Americans every day, we have traditionally set aside the month of May to pay special tribute to the accomplishments and contributions of our elderly citizens. President Reagan, on April 2, 1982, issued a proclamation designating the month of May 1982 as Older Americans Month.

I urge my colleagues to join with me in expressing our thanks to the elderly citizens during the month of May.●

The Senate concurrent resolution was concurred in.

A motion to reconsider was laid on the table.

WORKING MOTHERS' DAY

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the Senate joint resolution (S.J. Res. 53), to provide for the designation of September 6, 1981, as "Working Mothers' Day," and ask for its immediate consideration in the House.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mrs. COLLINS of Illinois. Mr. Speaker, reserving the right to object, and I shall not object, but I did want to point out that just this past Sunday everybody gave special recognition to their mothers. I do think that it is appropriate as well to realize that many women have entered the working force, and those working mothers ought to have some kind of public recognition because of the double duties that they have.

I hope this resolution will pass.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. Res. 53

Whereas more than sixteen million American women are employed outside the home and have children under the age of eighteen;

Whereas these working mothers are making unique and substantial contributions, to both the growth of the economy and the strength of the American Family; and

Whereas working mothers deserve special recognition for fulfilling their exceptional responsibilities in the home and in the world of commerce: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President of the United States is authorized and requested to issue a proclamation designating September 6, 1981, as "Working Mothers' Day", and calling upon families, individual citizens, labor and civic organizations, the media, and the business community to acknowledge the importance of the working mother and to express appreciation for her role in American society.

AMENDMENT OFFERED BY MR. GARCIA

Mr. GARCIA. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GARCIA: On page 2, lines 2 and 3, after the word "designating" strike "September 6, 1981" and insert in lieu thereof "September 5, 1982".

The amendment was agreed to.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DESIGNATING THE SQUARE DANCE AS THE NATIONAL FOLK DANCE OF THE UNITED STATES

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the Senate joint resolution (S.J. Res. 59) designating the square dance as the national folk dance of the United States, and ask for its immediate consideration in the House.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. MINETA. Mr. Speaker, reserving the right to object, I will not object, but I just wish to commend our fine colleague, the gentleman from New York (Mr. GARCIA) for bringing this to our attention in an expeditious manner.

I rise on this occasion to recognize the dance known as the square dance as part of our national heritage. The square dance, which has been a favorite pastime of American people since the mid-1600's, links our present generation with the rich past of our pioneers. Since the beginning of our country's history, square dancing has brought together the customs, languages, skills, and dances of people from virtually every European country. When people first settled as ethnic groups they only danced in forms of their homeland. As people migrated West, they began to appreciate and share each others cultural dance. Not long after, a dance representing people from the many ethnic backgrounds emerged and became known as the square dance, obviously because of the position of the dancers. Because of its own traditions, such as the colorful costumes, oldtime music, and festive jubilees, square dancing has enhanced the cultural stature of the United States.

It is not just the square dance I would like to recognize today but the amazing spirit of the 6 million square dancers across the United States. As individuals and as a group, these enthusiastic people have shown their love of our great country and their love of life itself by expressing their neighborliness and their feeling for the past. In communities in more than 36 States these people promote wholesome recreation and lasting friendships for all ages. Young, old, and handicapped have the opportunity to partake in the inspiring activity of square dancing.

By acknowledging this significant dance we are encouraging people, both nationally and internationally, to enjoy their heritage, their neighbors and themselves through involvement in square dancing.

Mr. Speaker, I withdraw my reservation of objection.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from New York.

There was no objection.

The Clerk read the Senate joint resolution as follows:

S.J. Res. 59

Whereas square dancing has been a popular tradition in America since early colonial days;

Whereas square dancing has attained a revered status as part of the folklore of this country;

Whereas square dancing is a joyful expression of the vibrant spirit of the people of the United States;

Whereas the American people value the display of etiquette among men and women which is a major element of square dancing:

Whereas square dancing is a traditional form of family recreation which symbolizes a basic strength of this country, namely, the unity of the family;

Whereas square dancing epitomizes democracy because it dissolves arbitrary social distinctions; and

Whereas it is fitting that the square dance be added to the array of symbols of our national character and pride: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the square dance is designated the national folk dance of the United States of America.

AMENDMENT OFFERED BY MR. GARCIA

Mr. GARCIA. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Garcia: On page 2, line 4, after the word "America" insert, "for 1982 and 1983."

The amendment was agreed to.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NATIONAL ORCHESTRA WEEK

Mr. GARCIA. Mr Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the Senate joint resolution (S.J. Res. 145) authorizing and requesting the President to proclaim "National Orchestra Week", and ask for its immediate consideration in the House.

The Clerk read the title of the Senate joint resolution.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from New York?

Mr. WEISS. Mr. Speaker, reserving the right to object, and I shall not object, I simply want to express my appreciation to our distinguished colleague from New York and his subcommittee and committee for the expeditious handling of this matter.

Mr. Speaker, as coauthor of House Joint Resolution 375, together with the gentlemen from Ohio (Mr. Regula) I would like to thank my colleagues for their enthusiastic support of the resolution to designate the week of June 13 "National Orchestra Week." It reflects the Congress continuing commitment to recognize and support the arts as integral and essential elements of American life.

The arts provide spiritual nourishment during these tension-ridden times of economic recession and international conflict. The arts, once the province of the wealthy alone, are today available to us all. The American arts community has been singularly creative and resourceful in devising programs that bring the arts to all segments of our heterogeneous society. One important mission of the National Endowment for the Arts is to broaden the audience for the arts. Today, as a result of this enlightened national policy, families in small towns that might never have been able to hear a symphony orchestra in concert, can do so in their local schools. Professional dance companies perform, at no cost to the audience, in public parks. Beautiful murals adorn the walls of old buildings in many American cities. Not only do they make the environment more pleasing for those who live and work nearby, but they have even attracted the attention of European tourists who, with the help of a guidebook devoted exclusively to American wall paintings, come to see them firsthand.

America's symphony and chamber orchestras are a source of pride for us all. The United States has over 1,500 orchestras, more than any nation in the world. They are among our finest cultural and artistic resources and bring both enjoyment and inspiration to nearly every American community. Last year, more than 23 million Americans attended orchestra performances, while millions more listened to orchestras performing on tape, radio, TV, and records.

But, America's orchestras do not simply play fine music—they also serve their communities. Orchestra members teach students in schools and conservatories. In some areas, they provide the only music education that is available and so are, in large part, responsible for the training of future generations of musicians. Millions of school-age children's first exposure to symphonic music occur through the highly developed education programs of local orchestras, which feature youth concerts, in-school training programs, and demonstrations. Last year, more than 3 million young people across the Nation attended these programs. The New York Philharmonic's Young People's Concerts have been a New York City tradition since 1924. Many of my colleagues may remember enjoying their first taste of symphonic music in the late 1950's when the Young People's Concerts, led by Leonard Bernstein, were first televised.

I would like to recognize the American Symphony Orchestra League, the national professional service organization for America's orchestras, for its outstanding work supporting our orchestras and, in particular, for their assistance with House Joint Resolution 375. National Orchestra week will coincide with their annual convention and the Stravinsky centennial celebration. On June 17, at the National Cathedral in Washington, D.C., Leonard Bernstein and Michael Tilson Thomas will conduct the National Symphony Orchestra in an all-Stravinsky program.

Mr. Speaker, America's orchestras comprise a vital and integral part of our Nation's heritage. I am pleased that my colleagues share my pride in a great national treasure, our symphony and chamber orchestras.

Mr. Speaker, I withdraw my reservation of objection.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. Res. 145

Whereas America's one thousand five hundred and seventy-two symphony and chamber orchestras are among our Nation's finest cultural and artistic resources, providing inspiration and enjoyment to more than twenty-three million people each year throughout the country;

Whereas America's greatest professional orchestras are internationally recognized as among the finest in the world, setting the standards of excellence against which other musical endeavors are measured;

Whereas America's orchestras serve their communities as total musical resources by supporting other arts activities and cooperating in joint artistic ventures;

Whereas America's orchestras cultivate a national musical heritage by nurturing young talent, providing opportunities for American-trained musicians and conductors, and promoting performances of American music;

Whereas America's orchestras educate the youth of the country by providing high quality music education through youth concerts, in-school demonstrations and training programs, and master classes;

Whereas America's orchestras reach diverse audiences beyond the concert hall through regional and national tours, free outdoor performances, and other special events;

Whereas the success of America's orchestras has been the result of a joint effort of skilled professionals and dedicated volunteers working together to promote and produce music in their communities; and

Whereas America's orchestras have grown in size and artistic quality during the past ten years, with the help of direct grants from the orchestra program of the National Endowment for the Arts: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week beginning June 13, 1982, is designated as "National Orchestra Week", and the President of the United States is authorized and requested to issue a proclamation calling upon Federal, State, and local government agencies, interest groups and organizations, and the people of the United States to observe that week by engaging in appropriate activities and programs, thereby showing their support of America's orchestras and the arts.

● Mr. DERWINSKI. Mr. Speaker, I am pleased that the House is acting today on the resolution to honor America's orchestras, which make such a valuable contribution to our country's culture. As a cosponsor, I urge the House to approve the resolution so that the President can proclaim the week of June 13 to 19, 1982, as "National Orchestra Week."

The orchestras and ensembles which provide all of us with such fine musical enjoyment through their concerts also make many other contributions to their communities. Education programs, free concerts in parks and other special events are examples. The orchestras are also an inspiration to musical students throughout America.

The millions who enjoy these concerts and other activities which are offered by our orchestras will welcome the opportunity to honor the members of the orchestras which give us so much musical pleasure during this special week in June.●

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONGRATULATING HADASSAH ON ITS 70TH ANNIVERSARY

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the Senate concurrent resolution (S. Con. Res. 62) to congratulate Hadassah, the Women's Zionist Organization of America, on the celebration of its 70th anniversary, and ask for its immediate consideration.

The Clerk read the title of the Senate concurrent resolution.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the Senate concurrent resolution, as follows:

S. Con. Res. 62

Whereas Hadassah, the Women's Zionist Organization of America and the largest women's volunteer organization in the United States, was founded on February 24, 1912:

Whereas Hadassah, with three hundred and seventy thousand members in all fifty States and Puerto Rico, celebrates its seventieth anniversary:

Whereas its seven decades of service have contributed to the health and education of countless thousands of persons both directly and through the training of medicial personnel;

Whereas Hadassah created and maintains the world renowned Hadassah-Hebrew University Medical Center in Jerusalem, Israel, which is a living expression of the common humanitarian, social, ethical, religious, and scientific values and friendship shared between the peoples of the United States and Israel;

Whereas the Hadassah-Hebrew University Medical Center and its facilities have been made available to treat all peoples of the region regardless of religion, race, or nationality in the tradition of this oath of the Hebrew physician: "You shall help the sick, base or honorable, stranger or alien or citizen, because he is sick.";

Whereas Hadassah has striven to help promote democracy and create a better society for all peoples;

Whereas Hadassah's volunteerism in helping others, exemplified by its founder, Henrietta Szold, has provided inspiration and encouragement at a time when citizen groups are being urged to play a greater role in promoting the general well-being: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the Congress congratulates Hasassah on its seventieth anniversary and extends its best wishes for many more decades of international humanitarian service.

● Mr. FORD of Michigan. Mr. Speaker, Senate Concurrent Resolution 62 which congratulates Hadassah, the Women's Zionist Organization of America on the celebration of its 70th anniversary, enjoys broad bipartisan support. In addition, it is supported by the sponsors of House Resolution 374, a similar proposal drafted by the gentleman from Pennsylvania (Mr. McDade). Further, an identical resolution has passed the Senate with 40 cosponsors.

As the largest women's volunteer organization in America, with 370,000 members, Hadassah has seven decades of remarkable achievement behind it. Hadassah has contributed to the health, education, and safety of countless thousands of people through its comprehensive program of medical research, treatment and social welfare.

Since World War II, under the auspices of the Jewish Agency for Israel, Hadassah has helped to resettle in Israel and rehabilitate over 100,000 children from 72 lands. In addition to this rescue work, Hadassah established a comprehensive system of vocational education to train young men and women with useful skills.

Hadassah founded and maintains the Hadassah-Hebrew Medical Center in Jerusalem, Israel. This center had established a tradition of excellence in teaching, research and treatment for all peoples of the region regardless of religion, race, or nationality on the basis of the oath of the Hebrew physician: "You shall help the sick, base or honorable, stranger or alien or citizen because he is sick."

Hadassah's contribution as a humanitarian service organization is especially significant at this time when citizen groups are being urged to play a greater role in promoting the general well-being. Through the dedicated work of its members, Hadassah has striven to help promote democratic ideals and create a better society for all peoples.

It is timely and appropriate to honor Hadassah by adopting this resolution.●

● Mr. DERWINSKI. Mr. Speaker, I am proud to be the chief sponsor, along with Chairman Ford, of this resolution congratulating Hadassah, the Women's Zionist Organization of America, on their 70th anniversary.

Hadassah is now the largest women's volunteer organization in the United States with a membership of 370,000. Over the years, the women of Hadassah have made a great contribution to the health of thousands of people, both directly through their volunteer work and through the medical personnel trained with their help.

In Jerusalem, the famous medical center founded and maintained by Hadassah symbolizes the humanitarian, religious, and ethical values which the United States and Israel share. People of all nationalities and religions are treated there.

With the emphasis of the Reagan administration on encouraging volunteer groups to take a more active role in our society, it is fitting that we pay tribute through this resolution to one our great volunteer organizations, Hadassah, whose members have served their fellow human beings so unselfishly for 70 years.●

● Mr. RITTER. Mr. Speaker, I rise in support of a resolution which I am cosponsoring to honor the 70th anniversary of Hadassah, the Women's Zionist Organization of America. It is fitting and appropriate that we pause and take the opportunity to recognize the contribution made by this impressive group of womem both in this country and internationally.

Hadassah was founded in New York on February 24, 1912, by Henrietta Szold, the eldest daughter of a Hungarian-born rabbi and his wife. Miss Szold was well known in the American Jewish community as an educator, journalist, editor, and active Zionist. In the 1890's she helped to organize a Zionist society in Baltimore and later, after moving to New York, she became actively involved in a women's Zionist study circle. In 1909 Miss Szold visited Palestine and saw the appalling health conditions under which the people lived. It was from this experience that the real evolution of Hadassah began until today this group is over 370,000 strong and comprises one of the most organized and progressive humanitarian service organizations in this country.

Committed to caring for the needs of the underprivileged and downtrodden, this outstanding group has truly made the world a better place to live in the last 70 years, and while they have not been easy years, Hadassah has thrived on the challenge and difficulties inherent in human suffering and been successful. Hadassah has played a vital role in bringing this country closer to the commitment to peace in the Middle East and particularly closer to the preservation of Israel.

Primarily concerned about the health needs of individuals this organization has now branched out into a variety of different areas and serve the needs of everyone from educating the youth to providing social activities for the aging and elderly. Hadassah represents the best qualities of the human spirit, unselfish and dedicated humanitarian service to others with the goal of creating a better society and world.

I congratulate the members of Hadassah on their 70th anniversary and am deeply honored to represent hundreds of these impressive women in the Lehigh Valley of Pennsylvania. As a Congressman, I have worked with our Lehigh Valley chapters and have observed their deeds of good will and service many times. I look forward to a continued good working relationship and again extend my very best wishes to them on their special day.●

The Senate concurrent resolution was concurred in.

A motion to reconsider was laid on the table.

NATIONAL HOSPICE WEEK

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the Senate joint resolution (S.J. Res. 170) to designate the week of November 7, 1982, through November 14, 1982, as "National Hospice Week," and ask for its immediate consideration in the House.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. Res. 170

Whereas hospice care provided in the United States has demonstrated that it is possible for people who are nearing the end of life to have appropriate, competent, and compassionate care;

Whereas providers of hospice care are interdisciplinary teams of physicians, nurses, social workers, pharmacists, physical and occupational therapists, psychological and spiritual counselors, and other trained community volunteers;

Whereas hospice services are provided by volunteer teams on an unintermittent basis, tailored to the needs of each individual patient and patient family;

Whereas the hospice care concept has not had the national recognition necessary to cause general public awareness of an alternate care system for the terminally ill;

Whereas lack of national recognition has caused many hundreds of patients and patient families to suffer unnecessary physical, emotional, and spiritual pain and grief attendant on terminal illness; and

Whereas hospice care is a realistic alternative to unnecessary suffering that allows terminally ill patients and their families the opportunity to live and die in peace and comfort in an environment of personal individuality and integrity: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of November 7, 1982, through November 14, 1982, is designated as "National Hospice Week" and the President of the United States is authorized and requested to issue a proclamation calling upon all government agencies, the medical community, appropriate private organizations, and the people of the United States to observe the week with appropriate forums, programs, and activities designed to encourage national recognition and support for the hospice care concept as a realistic and humane response to the needs of the terminally ill.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the several matters just under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

UNITED STATES-CENTRAL AMERICA RELATIONS IN GREAT DIFFICULTY

(Mr. GONZALEZ asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GONZALEZ. Mr. Speaker, on two occasions I have addressed the House with respect to the Central American situation, and once with respect to the emerging Argentinian-British situation. The Argentinian-British crisis has overshadowed and removed our attention from what has been happening in El Salvador, in Honduras, in Nicaragua, and to what is happening in Guatemala. But the most disturbing thing of all has been the failure to have my questions answered, questions addressed to the chairman of the Armed Services Committee, and to the Appropriations Subcommittee with respect to our involvement militarily in Central America. Now, it turns out that after the elections the very man who is responsible directly and indirectly for the murder of Archbishop Romero is heading that government, and our Government through our Ambassador is saying that it is going to recognize him and do business with him and let him have our aid and money. I cannot begin to report to this House the devastating effect that this has with respect to America's position with our neighbors south of us.

SENSE OF THE HOUSE RESOLUTION INTRODUCED OBJECTING TO ARBITRARY AND UNNECESSARY REDUCTIONS IN SOCIAL SECURITY

(Mr. ALEXANDER asked and was given permission to address the House for 1 minute and to revise and extend his remarks and to include extraneous material.)

Mr. ALEXANDER. Mr. Speaker, I have joined with the gentleman from Florida (Mr. Pepper), chairman of the House Committee on Aging, and the gentleman from Texas (Mr. Wright), the distinguished majority leader, in introducing a resolution to express the sense of the House in objecting to arbitrary and unspecified reductions in social security benefits which have received President Reagan's blessing.

Mr. Reagan's support of the Senate budget recommendation, which includes a $40 billion cut in social security, is an affront to the senior citizens who believed him when he promised not to support cuts in social security.

As this resolution states, Mr. Reagan has made such promises at least twice. He has built false hopes of security for older Americans with the promise to exempt social security from budget cuts.

I urge my colleagues in the House to adopt this measure, which resolves that no reductions in social security benefits be a part of its budget resolution.

I insert at this point in the Record a text of the resolution.

H. Res. 457

Resolution expressing the sense of the House in opposition to arbitrary and unspecified reductions in social security benefits over the next three fiscal years

Whereas the social security system is vital to the well-being of the Nation's elderly, disabled, widows, and orphans and currently provides benefits to more than thirty-five million Americans;

Whereas the President on February 19, 1981, promised the American people that social security retirement benefits would be exempt from his administration's Federal budget-cutting plan, and be preserved in full, along with an annual cost-of-living increase, as part of the Nation's "safety net" of Federal programs;

Whereas the projected shortfalls in social security are of a short-term, cash-flow nature, and should be addressed in a deliberative manner removed from the context of the Federal budget;

Whereas the Ninety-seventh Congress has recorded its opposition to social security cuts by its votes to restore the minimum benefit and to reject the President's May 12, 1981, plan to make deep and precipitous reductions in social security benefits;

Whereas the President on September 24, 1981, said that social security benefits were not being cut and that he would soon appoint a commission to study social security financing issues;

Whereas the President on December 16, 1981, established a National Commission on Social Security Reform for the purpose of making recommendations to ensure the fiscal soundness of the social security system;

Whereas the National Commission on Social Security Reform is charged with issuing its recommendations by December 31, 1982;

Whereas the House on December 16, 1981, passed legislation authorizing interfund transfers among three social security trust funds to provide that social security faces no funding shortage before the Commission's report is issued and before the Congress can fully consider the recommendations;

Whereas the Senate Budget Committee on May 5, 1982, called for arbitrary and unspecified reductions of $40,000,000,000 in social security benefits over the next three fiscal years;

Whereas the President endorsed the action of the Senate Budget Committee in making a $40,000,000,000 unspecified cut in social security benefits: Now, therefore, be it

Resolved, That the House bind itself not to make any reductions in social security (old age, survivor, and disability insurance) protection or benefits as provided under present law as part of its budget resolution.

COLEMAN PROPOSES LEGISLATION TO COLLECT DEFAULTED STUDENT LOANS

(Mr. COLEMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COLEMAN. Mr. Speaker, I am today introducing two pieces of legislation addressing the continuing problem of defaults in the guaranteed student loan program. The combined effect of the legislation I am introducing will make it considerably more difficult for college students to evade their responsibility to pay back their student loans for education. It is estimated that passage of these two bills will result in an $80 million savings for the program.

Past GSL recipients have reaped the benefits of this program, and are now unwilling to pay any of the costs. They are depriving tomorrow's students of valuable loan moneys that would make their dream of college possible.

My first bill closes a loophole in the Bankruptcy Code through which thousands of guaranteed student loan borrowers have had their debt obligation to the Government canceled; even though these individuals have good jobs and a steady income.

These people have beaten out their loan obligations through chapter 13 of the Bankruptcy Code, which allows debtors to keep a substantial portion of their assets under repayment plans approved by the courts. Although chapter 13 is designed to encourage debtors with steady income to make partial repayment to their creditors, the courts are often allocating a very low repayment percentage to unsecured debts, such as student loans. Some bankruptcy courts routinely settle the student loan debts, which often amount in the thousands of dollars for just a few cents on the dollar. Courts in some States are even canceling the entire student loan debt for the payment of $1.

The guaranteed student loan program is intended to provide loans at low interest rates to needy students, not grants. This cheap evasion tactic is depriving the GSL program of moneys it could use to help needy students get loans for their education today and tomorrow. At a time when every education dollar is being stretched, I fail to see why these people should be able to walk away from their obligations.

My legislation applies the stricter existing standard for chapter 7 bankruptcy filings to chapter 13 filings seeking to forgive unpaid student loans. Under this legislation, repayment plans could no longer be devised to writeoff significant student loan debts. Providing for a stricter bankruptcy standard will save the GSL program from paying out approximately $25 million in defaulted loans.

My second bill allows the Internal Revenue to withhold any tax refunds due delinquent GSL holders who have made no attempt to settle their responsibility. The legislation simply directs the Secretary of Education to inform the Commissioner of the Internal Revenue Service of the amount of loan in default and authorizes the IRS to deduct the amount of a default from any refund check the defaulter may have coming. Student loan borrowers would be informed of the possibility of this procedure in the default notices sent to them by the Department of Education, and collection agencies.

Instead of getting a refund check, these people will receive a notification from the GSL program, stating their tax return moneys have been applied to their GSL debt. The savings estimated will be $55 million.

Mr. Speaker, passage of these bills are necessary if the integrity of the GSL program is to be preserved.

□ 1700

TRIBUTE TO THE LATE JOHN M. ASHBROOK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. Latta) is recognized for 60 minutes.

Mr. LATTA. Mr. Speaker, I have taken this time to pay tribute to our former colleague and friend, John Ashbrook, who passed away suddenly in his hometown of Johnstown, Ohio, on April 24.

The untimely passing of John Ashbrook will be felt by countless of people throughout the Nation and especially by those in his congressional district and in the State of Ohio. John's integrity, courage, and dedication to principle served all of them well.

John had many, many friends throughout the Nation, throughout the State of Ohio, his district, and in this body; he will be sorely missed.

President Reagan issued the following statement upon learning of Congressman Ashbrook's passing:

> John Ashbrook was a man of courage and principle. He served his constituents and his country with dedication and devotion, always working toward the betterment of his fellow man. His patriotism and deep belief in the greatness of America never wavered, and his articulate and passionate calls for a return to old-fashioned American values earned him the respect of all who knew him.
>
> I valued John Ashbrook's friendship and will miss his wise counsel. Nancy and I join in sending our deepest sympathy to John's family.

With the passing of our friend and colleague, John Ashbrook, the cause of freedom everywhere has lost a noble spirit and a courageous champion. At such a time, it is difficult to express not only the depth of our affection for John, but the larger meaning of his contribution to the lives of all those who knew and worked with him, as well as to the values we cherish as Americans.

No better expression of that contribution and of those values can be found than the words of John's friend of many years, Victor Lasky, in his moving eulogy delivered at funeral ceremonies in John's native Johnstown, Ohio.

I include Victor Lasky's eulogy and tribute to our colleague, John Ashbrook, in the Record at this point:

Eulogy for John Ashbrook

(By Victor Lasky)

(Memorial Service, First Baptist Church, Johnstown, Ohio, April 28, 1982)

In its coverage of the life of John M. Ashbrook, The New York Times quoted the Almanac of American Politics 1982 as describing John's twenty years in Congress as "almost a catalogue of lost causes."

Lost causes, indeed!

I've got news for The New York Times and the Almanac of American Politics.

John Ashbrook's ideas and his point of view took root in this country and came to fruition with the election of Ronald Reagan to the Presidency.

And just as important, John Ashbrook lived to see conservative ideas become fashionable. For there was a time when big media and the trendies in academia could not conceive of the possibility that their collectivist biases could be effectively challenged.

Those biases are being challenged in magazines like the New—I almost said the New Republic, but of course I didn't mean that one. I meant the National Review and the American Spectator and Human Events, all representing the finest in conservative ideas.

John Ashbrook was exhilarated by the battle of ideas. For he was an intellectual, in the best sense of that often-abused word. Having studied with professors like Arthur Schlesinger Jr. and John Kenneth Galbraith, John did the unusual Instead of turning towards the left, he turned right. John lived to see many young people in this country become interested in conservative ideas. He lived to see young people who admired John Ashbrook run for office. For there had been a time when, as our dear friend Bill Buckley once said, the conservative movement consisted of almost one individual, Johnny Ashbrook. The fact is that Johnny was a Reaganite, even before Reagan. John fought big government, big labor, the arrogance of big media and he always loved to taunt the good grey lady of West 43rd Street, the New York Times. He would insert a little column in the Congressional Record every now and then, reprinting something that the Times had said that John didn't like and he would label it "All the News Fit to Tint."

Now John was often called an obstructionist and worse things by our liberal friends, but he was not an obstructionist. He was a man who believed sincerely in the workings of the Congress and as his colleagues here could well tell you, he worked day and night, rarely leaving the House Floor to make sure that his friends on the other side of the aisle knew he was there. As Les Arends, then the Minority Whip, once told me, "The only time Johnny would vote 'yes' was to adjourn."

John was a partisan, deeply rooted in his ideas, principles and his objections to what the opposition had to offer, but he was never a mean man. He was in many ways what we in New York call a Mensch. He was a stand-up guy. He fought for what he believed, but he fought fairly. I recall just a year or so ago when we were discussing a Congressional colleague of his, the leader of a House Committee who had gotten into a ridiculous and stupid jam involving Abscam and John, although he opposed everything this man stood for politically, was brokenhearted because for many years he had worked with this man and loved him like a brother. They would fight on the House floor, they would fight in committee, but he said "I am going to support this man if I can," and he contributed to this man's campaign, defense campaign, not to his political campaign. I thought that was a stupid thing to do, because I thought it could be used against him, but he didn't particularly care. As a matter of fact over the thirty years I've known John, I don't think he listened to me once. And there was another Congressman who got into another sort of trouble. And yet John went out of his way to support his campaign for re-election. Again some of us said, "Look, you've got your own campaign to run. It's going to be a tough one." But he couldn't have cared less. He said, "This man is my friend. He asked for my help and I will help him." And he did so. Again he failed to listen to me, which was to his credit in many ways.

Yes, Johnny wanted to win. He was a partisan. But it would not be the end of the world, he often told me, if he should lose. He looked forward to the campaign this fall because he felt that it would be one of those historic battles of ideas—conservatism versus liberalism—and let the people decide, let them pick the philosophy they wanted most. But as he often said his greatest political asset—the best thing he had going for him—was the fact that he would rather be a printer. He would rather put out that little newspaper here in Johnstown, Ohio, than occupy the greatest office in the land if it meant that he had to trim his views. Because whatever else you might say about John Ashbrook, he was not a trimmer. He did not compromise his views. He felt strongly about his views and as he often said about his opponents, those he liked best, curiously enough, were those who stuck by their liberal convictions without compromise. He liked them because he himself stood for principle and as he often said, "I like people who have principles."

I first met John over thirty years ago because I was lucky enough to marry into the family. When I met him here on Main Street, he was covered with printer's ink. He had served in the Navy. How many of you realize that he had served with Admiral Byrd in the Antarctic? He didn't have any fancy job—he was a store clerk down there with the penguins. And he had just come out of Harvard where, as I have already noted, despite having studied under Arthur Schiesinger, he remained a young conservative.

Now John, as they say in French but I am not going to use the French expression, was a most serious man, but he did have a great sense of humor. I can remember in a speech during the Carter years when he told people in his audiences that he also had a brother named Billy, except that his brother Billy ran a bank and not a filling station. And I can remember when he tried to tease me by running an item in the Johnstown Independent in which he announced that a New York hood had come to town. And I can still remember, Billy, those wonderful days when we would meet at nine o'clock in the morning at the Cottage (I don't know what the restaurant is called now, but it's had fifteen owners since) and order coffee and doughnuts. We would solve the problems of the world and have lots of laughs in the process. This town has been America to me. A boy from New York meeting these wonderful people from Johnstown, Ohio. I was accepted by these people as one of their own. And I will never forget that. I appreciate it very much, Billy.

John often said, as Billy reminded me, "If laughter is the best medicine, we should all live a thousand years, because we've had a million laughs." And we've had a million laughs, and in John's memory we will continue to have a million laughs because that is the way he would have wanted it.

John lived to be 53 years of age. But as Doc Young, wonderful Doc Young, said in the paper this morning—in those 53 years Johnny Ashbrook did 106 years of work.

But it wasn't all work. He loved his family. I know. He loved his daughters Barbara, Laura and Madeline. And Jean's children, too, who consider themselves twice-blessed for having John as a second father. And there is Billy, of course, and Lucy and Leah, his sisters. And there is John's beloved mother, Marie, a tower of strength at a time of despair. And I can remember when I spoke at a bullroast for Johnny. It was always a family affair. They must have gotten the idea for the TV series "All in the Family" from the Ashbrooks. There was mama playing " Stout Hearted Men" on the organ. She kept going while I tried to speak. And Governor Reagan appeared at that time, but it was really, truly all in the family.

As President Reagan put it, "John Ashbrook's patriotism and deep belief in the greatness of America never wavered and his articulate and passionate calls for a return to old-fashioned American values earned him the respect of all those who knew him." And then, when Jean Ashbrook was called by the President just this past weekend after the President heard the terrible news at Camp David, Jean, sweet Jeanie, told the President, "Mr. President, he so wanted to be with you serving in the United States Senate, to help you fight your battles and to help you make this country great again. Mr. President, Johnny believed in you and valued your friendship for so many years. I know he loved you as he also loved his country."

And Johnny also loved his wife—dear, beloved Jeanie. Here is a special poem that they both loved. Jean asked me to read it to you. I don't know who the author is. It is entitled, "Alone."

There should be two words, dearest, one made up
Of all glad sounds that ever breathed on earth
Of all the ecstacies that fill joy's cup,
Of love and peace and happiness and mirth.
The other, like a weary, wailing sigh,
Full of sad tones in longing, hungry strain.
Hopeless, despairing, just a baffled cry
Of love and loneliness and blank, numb pain.
One I would love—the other I would fear.
There two words, chosen with consummate art;
One meaning we're alone together, dear.
The other meaning we're alone—apart.

John was our friend, a deep, caring friend. He was our brother, a compassionate brother.

He was also the light of our lives.

JOHN ASHBROOK was a conservative through and through, and even at a time when it was not popular to be a conservative, JOHN was not afraid to stand up against great political odds and speak what he thought was right. He was always a most articulate spokesman and a tremendous leader for the conservative cause.

Even though JOHN attended Harvard University where many of his professors were classified as liberals, JOHN was able to keep his conservative convictions and graduate with his principles intact. Upon his graduation from Harvard, JOHN attended law school at Ohio State University receiving a juris doctor degree. JOHN began his political career when he joined the Young Republican Club at Harvard.

JOHN holds the distinction of having defeated three Democrat incumbents in 10 years. In 1956, he was elected to the Ohio General Assembly, defeating an incumbent Democrat legislator. In 1960, he defeated a Democrat Congressman for national office; and after the redistricting in 1966, he defeated another Democrat Congressman, a 20-year veteran, as they had been placed for the same seat for the 17th District of Ohio. At the time of his death, JOHN was the leading candidate for the Ohio Republican Party's U.S. Senate nomination this year.

My wife, Rose Mary, joins me in expressing our deepest sympathy to JOHN's wife, Jean, and his three lovely daughters, Barbara, Laura, and Madeline. We all miss him greatly, but we are immensely proud of all that JOHN had accomplished and feel fortunate to have shared these few short years on Earth with him.

Mr. REGULA. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from Ohio.

Mr. REGULA. Mr. Speaker, in sadness I join my colleagues today in paying tribute to our friend JOHN ASHBROOK. For 21 years JOHN faithfully served the people of the 17th District of Ohio, which adjoins my own 16th District.

JOHN stood out in our Ohio delegation as an activist for the conservative cause, a leading voice of conservatism in the Congress. He never wavered or compromised the integrity of his positions.

JOHN ASHBROOK was an idealist who never lost his idealism, a legislator who courageously fought for the principles he believed in.

As I mentioned in an earlier statement, I remember that last year, as we worked with the budget reconciliation legislation, his compassion for others was clearly evident as he, the ranking minority member of the Committee on Education and Labor, fought valiantly and, I might add, successfully, to strengthen programs for the handicapped and for those desiring vocational education.

The destiny which took JOHN from us smiled just long enough to allow him to enjoy seeing America adopt many of the conservative principles he so staunchly advocated during his political career.

JOHN loved the rural part of the Buckeye State he represented, which he often referred to affectionately as the real America. And the people of his expanded community obviously respected him and the quality of his labors in their behalf for they returned him to the Congress 10 times.

Shortly before he was struck down so tragically he made the decision to seek the office of U.S. Senator. Many qualities, including intellectual honesty and faith in America, had made him our party's foremost contender for this high office.

JOHN and I were born in Ohio and served together nearly 10 years in the House of Representatives. During that time and before, he gave of himself tirelessly in a manner that is an example of those who will follow as servants of the people. In fact, the last advice given to him by his physicians was to the effect that he was "not to work so many 120-hour weeks."

In the passing of JOHN ASHBROOK, Ohio has lost a respected public servant, we have lost an esteemed and cherished colleague. The Nation has lost perhaps its most articulate conservative spokesman.

On a personal note, I treasured the friendship of JOHN and will miss his wise counsel.

My wife, Mary, joins me in extending our deepest sympathy to Jean and JOHN's daughters in the loss of a loving husband and devoted father.

Mr. McCLORY. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from Illinois.

Mr. McCLORY. Mr. Speaker, I thank the gentleman for yielding and commend the gentleman, the dean of the Ohio delegation, for taking this special order in order that all of us may have an opportunity to pay a final tribute to JOHN ASHBROOK and his memory.

□ 1710

Mr. Speaker, it is doubly sad to note the passing from this body of one of our most experienced and courageous legislators, JOHN ASHBROOK of Ohio.

First, it is deeply saddening to reflect that JOHN was only 53 years old. Not only was he in the prime of his life, but because he came to Congress at such an early age, he was in the prime of his career as well. We mourn for his family and many Ohio friends who must feel unfairly deprived of one among their midst so loved, trusted, and depended upon.

Second, we shall keenly miss JOHN's participation in the Federal lawmaking process. His innate intelligence, his courage, his adherence to the highest principles of individual and professional conduct were individual qualities which surpassed even his special talents as a debater and as a political and public leader. JOHN ASHBROOK was tenacious and unyielding in holding to his convictions, and his virtues were part of a personal makeup, not techniques employed simply for political or even legislative advantage.

Mr. Speaker, it was my privilege to watch at close range as JOHN applied himself as a member of the House Judiciary Committee and the House Intelligence Committee upon which both of us have served. Congressman ASHBROOK's tenacity was always displayed in pursuit of an ideal, a goal, or a concept of Government or social policy which he revered to the exclusion of any petty, personal, or even partisan considerations.

The loss of any individual from this Chamber, whether by death or by choice or by the will of the voters, creates a vacancy which is felt by some or most of his or her colleagues. However, the loss of JOHN ASHBROOK as a colleague creates a large and special vacancy; he was a unique Member of the U.S. House of Representatives whose influence was substantial and whose character drew respect from all of us.

On behalf of my wife Doris and me, I extend deep sympathy to his widow, Jean and all members of his family.

Mr. YOUNG of Florida. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Speaker, the paths of JOHN ASHBROOK and BILL YOUNG crossed many times during the last 25 years, and with each experience I gained a greater degree of respect for my friend and colleague.

We first met in 1957 during the National Young Republican Convention. As the Florida State chairman, I attended the convention where I was immediately impressed by JOHN ASHBROOK, and became involved in the successful effort to elect him national chairman, a position he served in for the next 3 years.

Following our successful first meeting, 3 years elapsed before we again combined efforts. In 1960, we both were coming off successful campaigns—JOHN was elected to his first term in Congress and I was elected to my first term in the Florida State Senate. Following our victories, we traveled throughout the country together, sharing the Republican philosophy with people throughout our Nation. It was during that trip that JOHN and I found out how close our ideological beliefs really were.

Ten years later, I was elected by the people of Pinellas County to serve in this body, where JOHN had already established his reputation after five terms in office. It comes as no surprise that JOHN was the first member I became closely associated with upon my arrival in Washington. For the last 3 years, we served side by side on the Permanent Select Committee on Intelligence, where we battled together for the passage of legislation to strengthen our intelligence community and protect our intelligence agents.

Throughout the quarter-century I knew JOHN, I saw him as a courageous leader. Despite the odds, he always stood firm for the position he felt was right. His prime motivation was to do what was best for the people of Ohio and our country.

The true measure of success of any elected official is the opinion held by those he serves. John was elected to this body 11 times by the people of Johnstown.

Their respect was evident 2 weeks ago when I traveled to Johnstown with the congressional delegation which attended John's funeral services. Upon entering Johnstown, we first noticed the American flags placed everywhere to honor John. Homes, businesses, and schools flew their flags at half-mast. These people without flag poles lined their sidewalks with flags on small wooden sticks.

Businesses closed for the day to honor John, and many displayed large signs in remembrance of their hometown hero. At the church, several hundred people stood outside the overflowing building to pay their last respects.

Following the service, the procession route was lined with people. The town's firefighters and policemen turned out in uniform, saluting John as the procession passed. Many knew John personally others simply knew of John's work, but all agreed that no one in their town, or State, was more respected.

When we arrived at the cemetery, the congressional delegation turned and watched as an endless stream of cars flowed into the cemetery for a chance to say one last goodby to their friend.

Some of us knew John better than others, and while some had ideological differences of opinion, there was unanimity in the feeling of respect for our colleague who served in this body for 22 years. While we pay tribute to him here in the Chamber where he so honorably served, I cannot help but think that the greatest tribute of all was paid our colleague in Johnstown, Ohio, where the people who knew him best, his friends and neighbors, turned out to say goodby to the man they loved.

Mr. RUDD. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from Arizona.

Mr. RUDD. Mr. Speaker, I would like to commend the gentleman from Ohio, the dean of the Ohio delegation, for taking out this special order for our friend, Congressman John Ashbrook.

Mr. Speaker, it is with great sadness, yet equally magnanimous admiration and deep respect, that we pay tribute in this special order to one of our fellow legislators and good friend, John Milan Ashbrook.

President Reagan aptly characterized John with his statement a few weeks back:

> (Congressman Ashbrook) was a man of courage and principle who "served his constituents and his country with dedication and devotion, always working toward the betterment of his fellow man."

Our President went on to say that—

> (John's) patriotism and deep belief in the greatness of America never wavered and his articulate and passionate calls for a return to old-fashioned American values earned him the respect of all who knew him.

We greatly honor Congressman Ashbrook by describing him as a man who believed strongly in the principles on which our great Nation was founded: a nation under God, respect for individual rights, and the often-forgotten freedoms and liberty blessed to our country.

The loss of John Ashbrook is great: to his wife, Jean, and family, to the citizens of Ohio, and America; to his many friends in Congress, and elsewhere; but, also to the conservative movement for which John devoted much of his life.

Since he was first elected to this body 22 years ago, John demonstrated the kind of spirited leadership on a wide range of conservative issues that left him recognized as one of the standard-bearers of a philosophy shared by many of us.

John also was a devoted Republican who kept his party faithful to its own principles. In criticizing a former Republican administration for failing to honor its campaign promises, John once said:

> I still believe it is in the best American tradition to speak out, even when it is in criticism of your party's actions. I have not and will not shrink from that role, regardless of the consequences.

The son of William Albert Ashbrook, a Member of Congress himself, John M. Ashbrook never failed to speak his mind in the variety of occupations he held.

He was an attorney who held a position as a special counsel to the Ohio Attorney General. He served as an assemblyman in the Ohio State Legislature. He was one of the founders of the American Conservative Union. He was a newspaper publisher. He was campaign chairman of the Young Republican National Federation. He served in a number of leadership roles in individual rights and freedom advocacy organizations, and he served our Nation as an outspoken patriot who was a strong believer in the paramount values of our free and open system in America.

When he first ran for national office, he told the citizens, of Ohio's 17th Congressional District to beware of "unbridled national power with a resultant loss of individual freedom and autonomy." He warned the voters of the "State planners, the economy wreckers, the spenders, the destroyers of local government" who "weave a web of socialistic control over us."

John spoke as he believed, in this body and elsewhere, with a spirit and style that left no one in doubt of where he stood on the issues.

A biographer from Human Events described John as "big (over 6 feet) and handsome, a sandy-haired man * * * who lives and works with an intensity to make the average man breathless."

"My greatest asset," he once told a Wall Street Journal interviewer, "is that I'd rather be a printer. So I don't have to worry that much about a poltical future and I don't have to trim."

We will all recall John M. Ashbrook as a man who stood tall for the principles which he strongly endorsed, who did not back down but called the shots as he plainly and honestly saw them. As a fellow conservative and associate of John, I know that I will miss his always activated presence, his tremendous grasp of the parliamentary procedures, his forthrightness, and the integrity and livelihood he added to the conservative movement in our Nation.

There were not many issues that John did not influence with his bold words, and few people have stood as firmly for America as John did.

We will all miss John Milan Ashbrook. My deepest sympathies are extended to his wife Jean, his family, his many friends and followers.

☐ 1720

Mr. KINDNESS. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from Ohio.

Mr. KINDNESS. I thank the gentleman for yielding and for arranging for this special order in memory of our departed colleague this afternoon.

The Ohio news service on May 3 wrote these words about John Ashbrook, saying:

> Farewell, John Ashbrook. No one we have ever known has enjoyed the frantic give and take of political decisionmaking and campaigning with as much good humor and grace as John Ashbrook. He knew what he believed and knew how to communicate those beliefs to his constituency, whether the national conservatives or Ohio's big 17th Congressional District. No cause was ever lost to him as long as there was another day. We join the sadness of the many who wish his days were not over.

Mr. Speaker, our departed colleague, John Ashbrook, was a man of many aspects and I choose to remember him particularly as a man of purpose.

There is very little that anybody who knew him could recall that John did aimlessly. He had purpose before him and beside him in practically all he did during the years in which I at least had the opportunity to observe him and share activity and friendship.

Many have heard John Ashbrook say, "There goes one of the great Americans," within the hearing of the person so complimented. And indeed that was meant as a compliment.

Even that expression had its purpose for John.

John liked to encourage people. Nothing could be dearer to John Ashbrook's public heart than the encouragement of patriots to greater heights of patriotism.

Much of John's life was purposefully devoted to his attempts to make our Nation greater, stronger, and better as a nation of free people in a free enterprise economy.

In the loss of our friend and colleague we suffer the loss of a great patriot.

While extending great sympathy to Jean and John's daughters and all of his friends and family, I find my thoughts of John summarized and concentrated in the expression, "There goes one of the really great Americans."

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from California.

Mr. ROUSSELOT. I thank my colleague for yielding. I also wish to express to my colleague, the gentleman from Ohio (Mr. Latta), the appreciation of all of us for setting this time aside so that those of us who have served with John Ashbrook will have an opportunity to talk about some of the things that we so appreciated in the leadership and service that he brought to this House of Representatives. John Ashbrook brought a sense of dedication to his job and to the service of constituents that all of us hope most sincerely we can achieve that same level of excellences.

As has already been described so eloquently by some of our other colleagues, the memorial services in John's hometown of Johnstown were impressive, not that we did not know that so many of his constituents knew and loved him, but that the outpouring that occurred on that day as we drove to and from the funeral, as we went to the cemetary, was so overwhelming, as stated by our colleague, Bill Young, because there was just a natural outpouring of so many of the citizens in the town of Johnstown. Flags were indeed displayed everywhere the eye could see.

All of those items were proof positive that the people there not only knew him and loved him but appreciated the way he had served them here in the House of Representatives.

The local newspaper, which he published, I thought interestingly enough on April 28 used a quote from Daniel Webster, which I think clearly stated what we have all come to know about John Ashbrook. The statement of Daniel Webster went:

> I was born an American, I live an American, I shall die an American, and I intend to perform the duties incumbent upon me in that character to the end of my career.

That is certainly what John Ashbrook did in his service to his country, to his constituents, to this House of Representatives, which he loved so much, and in which he was so much a part and participated.

There was a unique quality of John that was the central theme of the moving eulogy delivered at his funeral in Johnstown, Ohio, by many of his friends, and as already stated by our colleague, Del Latta, Victor Lasky, who was a major part of this moving service, stated it in such perfect ways, when he said:

> John was a man who deeply and sincerely believed in the workings of Congress. He was a man dedicated to the idea of individual liberty, a representative of the people who trusted in their wisdom but distrusted big government with all his soul. He worked day and night on behalf of these principles, rarely left the House floor and always made sure that his friends on the other side of the aisle knew he was there. As Les Arends, once the Minority Whip, once put it, "The only time Johnny would vote yes was to adjourn."
>
> Yes, John was deeply rooted to his principles, Victor Lasky continued in his eulogy, but he was never a mean man. He was what we in New York call a "mensch"—a stand-up guy who fought for what he believed, but always fought fairly. I recall, just a year or so ago, we were discussing a Congressional colleague of his who had gotten into trouble involving the Abscam investigation, and although John opposed everything this man stood for ideologically, he was broken-hearted because for many years he had worked with this man and loved him like a brother. They would fight on the House floor. They would fight in Committee. But John said, "I'm going to support this man if I can", and contributed to his colleague's defense fund.

Victor Lasky went on to say:

> And there was another Congressman who had gotten into some other sort of trouble, and dispite the risk to his own career, John went out of his way to support that colleague in his time of need. Many of John's friends, myself included, advised him to be prudent and cautious, to consider his own political interests, but that wasn't John Ashbrook's way. He said, "This man is my friend, and I'm going to help him." In short, just as John didn't compromise his political beliefs on behalf of self-interest, he didn't compromise his friendships. To him, friendship was a deep and meaningful thing.
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> John was a conservative, a fierce adversary in the political field, Victor Lasky continued, but he was able to maintain his friendship with his colleagues across the aisle—no matter how deeply he disagreed with them—because above all, he liked people who stand by their principles. He was exhilarated by the clash of ideas, and he understood that the free, open clash of ideas is the essence of the American way.
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> As President Reagan has said, "John Ashbrook's patriotism and deep belief in the greatness of America never wavered, and his articulate and passionate call for a return to old-fashioned American values earned him the respect of all who knew him."

It is true that he stood very, very firmly for those things in which he really believed and was unwilling to trim his sails just for the sake of convenience.

As a matter of fact, as others have pointed out, or may point out, when once discussing a congressional colleague of his, who had gotten into trouble involving the Abscam investigation, and although John Ashbrook was very much in opposition to what this individual stood for ideologically, he, John Ashbrook, was indeed brokenhearted because for so many years he had worked with this individual and had come to appreciate what he did on the House floor, even though he disagreed with him all the time.

And he, John Ashbrook, then contributed to this colleague's defense fund, not because again he condoned what he had done, but because he realized that he had fallen into the trap of easy activity, I guess you would put it, but he still felt the gentleman needed an appropriate defense.

I can remember in my association with John Ashbrook, which goes back to Young Republican days, where he served, believe it or not—and some of my colleagues might not have known he was active in the Young Republican Club at Harvard—John Ashbrook was even then a unique political activist. There were not too many of them then at Harvard when he joined and helped participate in that club, but then John never backed away from tough assignments.

Many of my colleagues know, he was chairman of the Young Republican National Federation from 1957 to 1959, and when he ran for that office he was unopposed, which is one of the few times that has occurred in that national organization. But the reason was because he was so well known even then as such a vigorous advocate of conservatism and for his own point of view and people appreciated that leadership that he showed even back in those days, many days ago.

I do not have to convince this House as to what an outstanding advocate of conservative principles John Ashbrook was, and I know it is a high target, a high symbol for which we can all hope that we work as aggressively as he did for the ideas in which he believes—and he debated any time almost any place some of the strongest liberal advocates of the time, Hubert Humphrey, John Lindsay, John Kenneth Galbraith, all of those people as advocates he was willing to face on radio, television, and in any public forum.

He may not have been as articulate as the others, but was always willing to be there to debate the issues in a positive way.

Through all of this, John Ashbrook maintained a sense of humor that was so helpful to relieve some of the tensions that sometimes existed.

I never will forget when John and I were first elected in the 1960 elections. After we both had arrived here, to look for offices and finally found them, he called me one day to come to his office, because he wanted me to meet a friend, he said, from Ohio. The friend happened to be George Koch, whom I was meeting for the first time. But John and his wonderful sense of humor introduced George Koch who at that time was representing Sears and Roebuck in a very different way. He said, "John, come in. I want you to meet so and so," and he gave him a different name and said, "He represents the Retail Clerks Union, and you know who they are." I started right off without hesitating, before John could interrupt, to accost George Koch, who I did not know was representing Sears, thinking he was representing the Retail Clerks Union. At that particular moment in time the Retail Clerks Union had a major disagreement with Sears and Roebuck. And I began a verbal barrage of accusations as to where they were being so unfair to this fine retail firm. Neither John nor George Koch interrupted me but let me go on forever and ever—as I tend to do, as my colleagues all know—before John finally interrupted me and explained to me that George Koch was really a good and close friend who represented the free market point of view. But this was his way of introducing me to a good and close friend. So I would not forget him—and I did not.

Let me quickly review his outstanding record of achievements:

Young Republicans: Joined the Young Republicans Club at Harvard and on return to Ohio following graduation became active in Licking County and Ohio State Law School YRs. Chairman of Licking County YR Club, 1953-55. Chairman, Ohio League of Young Republicans Clubs, 1955-56. Chairman Young Republican National Federation, 1957-59, only unopposed candidate for that office in organization's history. Recipient of many awards and citations for leadership in area of working with youth.

Republican organization: Member of Licking County Republican Central Committee since 1954, having served as precinct committeeman in Johnstown, Ohio since that time. Chairman, Licking County Republican Central Committee, 1956-60. Attended 1956, 1960, 1964 and 1968 Republican National Conventions as a Delegate or Alternate, Candidate in New Hampshire, Florida and California primaries for President in 1972. Presently a member of Ohio Republican State Central Committee for 17th District.

Elected office: Holds distinction of having defeated three Democrat incumbents in 10 years. In 1956, elected to Ohio General Assembly, defeating incumbent Democrat legislator. In 1960, defeated Democrat congressman in his first bid for national office. After redistricting in 1966, defeated another Democrat congressman, a 20-year veteran, when the two were placed in the same district.

In 1956, he was the next to the youngest legislator in the Ohio General Assembly. When elected to Congress in 1960, of the 535 in the 87th Congress, only one congressman was younger than Rep. Ashbrook.

Political organizations: He has been active in anti-communist and conservative organizations. On steering committee of Committee of One Million Against the Admission of Red China. One of founders of Draft Goldwater organization in 1963. One of founders of American Conservative Union in 1964 and has served as Chairman (1966-71) and Director (1964-present). Active in Republican Regulars, composed of Congressmen of conservative, constitutional philosophy. Recognized national leader for conservative cause and as watchdog on House floor. Referred to by Washington Post as leader of a small band of fiscal conservatives who demands roll calls on spending bills. One of founders of Young Americans for Freedom.

Conservative advocate: Has debated on hundreds of campuses, television panels and forums as advocate of the conservative, free enterprise, anti-Communist position. Has debated most national figures such as William Kunstler, Hubert Humphrey, John Lindsay and John Kenneth Galbraith.

Chairman of the American Delegation of young political leaders to the Atlantic Youth Conference NATO, Paris, France, 1958. American representative at Asian People's Anti-Communist League (APACL) in Philippines, 1965. Chosen as one of the most respected conservative leaders in America in national poll in 1970, ranking in top five out of almost 100 prominent conservatives with Barry Goldwater, Ronald Reagan, John Tower and Bill Buckley.

Selected as Man of Year in 1976 by Associated Builders and Contractors of the U.S. and as legislator of year (1976) by National Rifle Association. Has received top award in every Congress for his conservative, constitutional voting record by Americans for Constitutional Action. Recipient of a record number of "Bulldogs" because of his role as Watchdog of Treasury. Has served as member of American delegation to International Labor Organization (ILO) in Geneva, Switzerland.

☐ 1730

Well, there are so many things that we could all talk about, the tremendous number of fine amendments that John Ashbrook was always prepared to offer to bills that gave us an opportunity, many of us on this floor, to vote for principles and ideas that otherwise we would not have the chance to bring up. John was always willing to get up and take the time to craft an amendment that would bring an issue into better focus.

How do we in a few minutes say what we feel so deeply about this fine colleague. John Ashbrook's presence will be remembered in so many ways. He has set so many fine precedents, has given us so many fine hours in this House by which to remember him and to remember the deeds and the legislative ideas that he brought to this floor. We obviously cannot forget him, although he obviously has parted for another place.

We say to his family, to Jean, and his children and his close friends and associates that we know are here, "Thank you for giving us such a fine public servant and for allowing us the privilege of serving with a man that really has expressed everything that is so American about this House and this country."

I thank my colleague for yielding.

Mr. LATTA. I thank the gentleman.

Mr. Speaker, I yield to the gentleman from Georgia.

Mr. BRINKLEY. Mr. Speaker, John Ashbrook was our friend. More than a Republican, more than a Democrat, John Ashbrook was an American.

The gentleman preceding me, the gentleman from California, referred to Webster and his philosophy in his glowing words in a quote and I too, refer to Webster. I think the words fit John Ashbrook so very well, when Webster said, "Thank God! I—I, also—am an American."

This was the man, John Ashbrook, and his philosophy was a philosophy of a conservative, to conserve the liberties of man and to limit the powers of government.

John Ashbrook, citizen.

In the House restaurant just beneath us there is a painting on the back wall which we have all seen. It was done by a man who immigrated to this country from the nation of Italy, whose name was Constantino Brumidi. Coming to this country because he was exiled for his political beliefs, he subscribed to the principles of liberty which he found here. Enormously proud of his country, he signed his paintings "C. Brumidi, artist, citizen of the U.S."

This is how John Ashbrook would have done were he an artist, and he was in the sense of being an artist among us. So we shall remember him as John Ashbrook, artist, citizen of the United States.

Jonathan Swift, better than 250 years ago, writing in Gulliver's Travels, said that the man who can make two blades of grass grow where only one had grown before would do more essential service for his country than the entire race of politicians put together.

Well, John Ashbrook was something more than a politician. He was a statesman and John Ashbrook made two blades of grass grow.

We shall miss him. We grieve with his family and we thank the Congressman from Ohio for affording this opportunity to salute John Ashbrook, citizen.

Mr. LATTA. I thank the gentleman, Mr. Speaker, and I yield to the gentleman from New York (Mr. Solomon).

Mr. SOLOMON. Mr. Speaker, I thank the gentleman for yielding and I especially thank the gentleman for taking the time to take this special order to pay tribute to probably one of the greatest Americans that I have ever had the privilege of knowing in my whole life.

Mr. Speaker, the preceding speakers have spoken eloquently on the qualities that made us admire John Ashbrook so much. I would like to endorse their comments and add a few of my own.

John Ashbrook was one of the men I admired and respected most in the Congress. As a freshman Member 3 years ago, I found that I could look to him for guidance and I found that his advice was outstanding in every respect.

John recognized early that liberalism was a dying philosophy and more than once he contributed some telling blows. For years he served as a lightning rod for conservative causes. He did not win so many of those early battles but as history proved him and the other conservatives right, he won more frequently.

Perhaps what we will miss most about John Ashbrook was his ability to guide legislation through Congress. He frequently attached very important amendments onto bills that would have otherwise been harmful.

Mr. Speaker, I am going to miss John Ashbrook very much. He was an inspiration, a leader, and a very fine man.

Most of all, he was a patriot and a great, great American.

Mr. SEIBERLING. Mr. Speaker, would the gentleman yield?

Mr. LATTA. I am happy to yield to the gentleman from Ohio.

Mr. SEIBERLING. Mr. Speaker, I want to commend the gentleman from Ohio and the dean of our delegation for taking this special order and the time to talk about our departed friend, John Ashbrook.

It hardly seems possible that it was over 11 years since I first came to this body and met John personally, although I had known him by reputation for years, since he was a fellow Ohioan and an outstanding legislator.

I suppose we probably voted on the opposite side of issues in this body at least as many times as we voted on the same side and if you looked at our ratings by liberal or conservative organizations, one of us would probably be at the top and the other at the bottom of that particular organization's ratings; and yet I found a real affinity for John Ashbrook, not only as a fellow human being and Member of this body, but as a really outstanding mind and a wonderful personality.

After I had been here for a couple years, John said to me one day on the floor, "By the way, were you related to Fred Seiberling?"

I said, "Yes. He was my dad."

"My Lord," said John "he was a dyed-in-the-wool Republican."

Well, I tried to think what was an appropriate response and I said, "Well, John, all I can say is this. My dad was a Democrat with a small 'd' and I am a Republican with a small 'r'".

Well, John was a Republican with a capital "R", but he was also a Democrat with a small "d".

John Ashbrook had no pretense, no side, no pomposity.

He was a very likeable, gentlemanly, thoughtful, humane human being.

I did not agree with most of the amendments that he offered on bills here and he probably did not agree with a lot of mine; but whatever his disagreement, he was always courteous, always thoughtful, and he always had something worthwhile to say, whether you agreed with him or not, and I must say, I found myself at times in profound agreement with his objectives, even if I did not always agree with his ways of achieving them.

I think that is true of most of us who served in this body with John Ashbrook. We shared his profound commitment to America, his commitment to democracy, his commitment to our Republican form of government, his commitment to our free enterprise system, even as we might have disagreed with the specifics of the ways to implement those commitments.

☐ 1740

John Ashbrook I think had one of the finest minds in this body. As has already been said, he had a very excellent sense of humor, a gentle sense of humor, though at times it could be biting in its implications.

He was really a truly great human being, and I think one of the most outstanding men it has been my privilege to serve with, even though he and I at times tilted on specific issues.

I want to say that he was a credit to our body, he was a credit to Ohio, and he was a credit to our great Nation.

I would like to also express my profound sympathy to his wife and family for their bereavement which indeed is a bereavement for all of us.

Thank you very much.

Mr. LATTA. I yield to the gentleman from California (Mr. Lungren).

Mr. LUNGREN. I thank the gentleman for taking this time.

Mr. Speaker, it is a privilege for me to join my colleagues in paying tribute to our friend, Congressman John Ashbrook, an outstanding citizen and Congressman. I know we are all still saddened and shocked to know of his untimely passing away on April 24.

In fact, it is hard for me to believe he is not going to be sitting there tomorrow going through his huge pile of papers, speed reading as he would, and then dumping them on the ground and grousing about something he read in the newspaper and pointing it out to us.

John had become such an integral part of this institution that there is an absent feeling knowing we will not be able to serve with him any longer.

I will remember John Ashbrook most as a man of strong personal conviction. Regardless of the odds involved, John worked tirelessly for what he believed was right. He fought for ideas not on the basis of their popularity or political expediency, but rather on the basis of their merit and principle. Whether John had the support of 1 or 100 was unimportant. Because of the strong convictions in his heart, he never hesitated to speak out. John once said:

> I have a philosophy, viable or unviable, salable or unsalable. I know what I want to do . . . . I only persist in this because I believe in what I am doing. I'm not going to conform to what other people are doing just for the sake of conformity.

That is probably the best definition I have heard of courage of one's convictions. It is a far cry from what one newspaper described John as in their summary of John's life, upon learning of his death. They called him the champion of lost causes. I do not think I could think of anything that was further from the mark of what John stood for. He did what he did because he thought it was important and it was right. And, in fact, he was one of those who lived long enough to see views that were unpopular become popular, and become someone who was perhaps viewed as a political outsider, looked to as one of the leaders of the real movement of politics and government in this country.

It was this philosophy that led him to be such a driving force behind the conservative cause during his 22 years in the House of Representatives.

Because of his strong personal dedication to his convictions, John was often the initiator of action. He was one of the founders of the Draft Goldwater organization in 1963. After Goldwater suffered defeat in 1964, John Ashbrook did not accept that the conservative philosophy in politics had died, as many others at that time had begun to believe. Instead, John helped found the American Conservative Union, serving also as its chairman and as its director. In addition, John was one of the founders of the Young Americans for Freedom.

Other Members have talked about his strong work here in the Congress. I am not going to belabor that point.

John Ashbrook will be remembered as a most effective Congressman. His service as the ranking minority member of the Education and Labor Committee and the Internal Security Committee, as well as on the Judiciary Committee and the Select Intelligence Committee will long be noted. He was an articulate and gifted speaker and an able debator. Of couse, all Members admired his parliamentary skill and expertise.

The country has lost an outstanding citizen, the State of Ohio has lost an effective legislator, and the conservative cause has lost a powerful and respected voice. His inspiration, ideas, and friendship will be sorely missed. I am grateful for having had the privilege to work with him in this body and to serve with him on the Judiciary Committee.

I wish to express my regret and extend my sincere sympathy to his wife, three daughters, family, friends, and followers.

Mr. SENSENBRENNER. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from Wisconsin.

Mr. SENSENBRENNER. Mr. Speaker, I thank the gentleman from Ohio for yielding, and express my appreciation for his taking this special order today to pay tribute to our late colleague the gentleman from Ohio (Mr. Ashbrook).

Mr. Speaker, I was greatly saddened by the death of my close personal friend and colleague, the Representative John Ashbrook of Ohio.

Mr. Ashbrook was admired by many who knew him, not so much for his conservative opinions, but for the fortitude and courage for which he upheld them. He carried this resolve all the way to the point of opposing Richard Nixon in the Republican primary for President of the United States in 1972.

I first met John Ashbrook when he was the president of the Young Republicans in 1959. We maintained close contact through the years. Upon coming to Congress, my respect for him greatly increased when observing his parliamentary maneuvers and tenaciousness on the House floor.

In addition to being my friend, Mr. Ashbrook was my mentor during my freshman term. His leadership and patience as demonstrated on the House floor by rollcalls, points of order, and amendments were instrumental in protecting our freedom and saving taxpayer's dollars. We worked very closely together on fighting the reauthorization of the Law Enforcement Assistance Administration (LEAA). John Ashbrook had already fought this battle several times before. The logic of his position on this was demonstrated earlier this year when LEAA was terminated.

Mr. Speaker, the passing away of John Ashbrook will leave a void that can never be filled. I'm just happy that I was a associated with him on both a personal and professional basis. His leadership and courage will provide an inspiration to all who were touched by him. The departure of this man from the political scene marks the departure of a great American.

My wife Cheryl and I express our deepest sympathies to his wife Jean, to his daughters, and to his family. John Ashbrook will be missed by all.

Mr. McDONALD. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from Georgia.

Mr. McDONALD. Mr. Speaker, our esteemed colleague, the late John Ashbrook, came from a political background but was no typical politician. His father, Congressman William A. Ashbrook, served the same area of Ohio during the periods of 1907-21, and 1934-40.

His father was a gentleman with an honored career and distinguished himself as an anti-New Deal Democrat; our colleague, John, distinguished himself as an antielitist Republican.

In 1972, when it was clearly evident that President Nixon had deserted so many of the values he had advocated in 1968, Congressman Ashbrook was willing to offer himself for the Presidency as a matter of principle, not politics. Many of John's friends quietly agreed with his concern and stand, but publicly these same friends were either silent or alined themselves with the Nixon 1972 bandwagon.

This incident in 1972 demonstrates the man (VIR) and courage of John Ashbrook. The party loyalty or political thing to do was to "get along by going along." It would have been easy to remain silent and do nothing. Many of those who were disgusted with the Nixon international elitist cabinet and direction took the easy way out and did remain silent; John Ashbrook put his devotion to country and principle about loyalty to party and personal gain.

We do not know God's plan and sometimes it is impossible to understand why so bright a star must be removed from our midst. Perhaps such a dramatic loss is to remind all of us of our ultimate dependency upon Him and not ourselves.

There are some feelings that seem to be best expressed in poetry than the volumes of political rhetoric. While not wishing to present myself as a scholar of verse and rhyme, I remember certain appropriate lines from Rudyard Kipling's, "If":

If you can keep your head when all about you are losing theirs and blaming it on you,
If you can trust yourself when all men doubt you,
But make allowance for their doubting too;
If you can wait and not be tired by waiting
Or being lied about, don't deal in lies,
Or being hated, don't give way to hating
And yet don't look too good, nor talk too wise:
If you can dream—and not make dreams your master;
If you can think—and not make thoughts your aim;
If you can meet with triumph and disaster
And treat those two imposters just the same;
If you can bear to hear the truth you've spoken
Twisted by knaves to make a trap for fools,
If you can talk with crowds and keep your virtue
Or walk with Kings—nor lose the common touch,
If neither foes nor loving friends can hurt you,
If all men count with you, but none too much;
Yours is the Earth and everything that's in it,
And—which is more—you'll be a Man, my son!

John Ashbrook was that unusual person who comes on Life's stage rarely. There are pitifully few people of the wisdom, personal courage, deep honor, inner strength, sense of history and purpose of Congressman Ashbrook. He has these rare qualities and amazingly had them interlaced with a warm and American sense of humor. Unfortunately, in my experience, people of the combination of such qualities are not the rule; to the contrary, they are the rare exception—even in this body.

Congressman Ashbrook was that person of "If", and we were all the richer for having had him with us. To the extent that we can capture his talents with our memories, his wisdom may remain.

John Ashbrook, 1928-82, loving father and husband, dedicated American and Christian patriot.

□ 1750

Mr. LATTA. I thank the gentleman.

Mr. HYDE. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from Illinois.

Mr. HYDE. Mr. Speaker, I do not know where we are going to get another John Ashbrook. I do not know where this body will, because they just do not make them like John anymore. He was absolutely incapable of sham. He was incapable of posturing. He was incapable of saying something that he did not believe and that he did not mean. He had that rare quality of grace under pressure, which is Hemingway's definition of courage.

I do not think his sense of humor was all that pervasive, that he did not deeply feel and was not capable of being hurt.

His death was an unusual one because he was in the midst of a campaign, the most important campaign of his life. I think of what Thomas Hart Benton, I believe, said when John Quincy Adams fell over while sitting on the floor of this House back in I believe, 1848, and then died a couple of days later. He said, "Where else would you find him but at his post of duty?"

When you read the history of this body and read about Calhoun and Clay and Webster and Andrew Jackson and Davy Crockett and all the famous people that roamed these Halls, and the impact that they had on their day, you have to rank with them and at the head of them, in my judgment, a John Ashbrook. He was not as celebrated as they were in their time, nor today, because he was not in the spirit of the age. He was not a liberal or a moderate, as they euphemistically called themselves.

He was a conservative, one who believed in principles, believed in the Constitution. He was a fierce anti-

Communist. He recognized that the struggle of this century is between the collectivist philosophy of atheistic communism, which sounds so anachronistic in this body, and the spirit of freedom as represented by the traditions and the culture of this country.

He was a religious man. He believed in prayer in schools. He did not think it was so wrong or such a violation of history or the Constitution to recognize the fatherhood of God. He understood more than most that you will not have the brotherhood of man unless you recognize the fatherhood of God, and he was willing to fight for it. He was not intimidated by any special interests in this country. He was a brave, courageous man, and his like will not walk around here again, at least not in my memory.

That whole area of this House will always have his presence there, and I will never look at it that I will not think of him. I know he is in a place of refreshment. I know he is in a place of light. I know he would be amused at the words we are uttering today, but it is little enough we have to do. We are so impotent and futile at his loss. We are certainly impoverished by losing one of his spirit, his intelligence, and his courage.

We have all been enriched, those of us who have known him, and we have learned from him. His family can be proud that he lived a useful life—a useful life. He contributed more than he got. He was able to draw the line between liberty and order. He understood freedom to his very core.

How proud you must be to be of his family, and how proud I am to have known him and to in some small way have been influenced by him.

John, we need you now like we never needed you before, and I hope you will pray for us, because your prayers will be heard.

Mr. LATTA. I thank the gentleman.

Mr. CRAIG. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from Idaho.

Mr. CRAIG. Mr. Speaker, I would like to thank the gentleman for providing us with this special order.

I did not know John Ashbrook as long or as well as many of my colleagues. But I did get to know him fairly well because of the work we did together on the Education and Labor Committee.

John Ashbrook knew that our Nation's schools helped shape the mind and character of our Nation's youth. He knew that the strength or weakness of our education system today would go far to determine the strength or weakness of our national wisdom and our national morality tomorrow.

As a strong and dedicated conservative, John Ashbrook was a friend of education. He knew the value of a well educated America. His presence on our committee will be deeply missed.

The 17th Congressional District of Ohio, the Buckeye State, and America as a whole has lost a good American. Our sympathies go out to his wife and family and to the people he represented in this body for 22 years.

Mr. LATTA. I thank the gentleman.

Mr. ROBERTS of Kansas. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from Kansas.

Mr. ROBERTS of Kansas. Mr. Speaker, I thank the gentleman for yielding, and I wish to thank him for taking this special order.

Mr. Speaker, I rise to join my colleagues to pay my respects to John Ashbrook, a Member of this body, a recognized champion of the conservative cause, a man of principle and a personal friend.

Mr. Speaker, my family shares in the sense of personal loss in John's passing. My wife, Franki Roberts, was a member of John's office staff here in Washington for several years.

There will be many words spoken and written regarding John Ashbrook's achievements. It will be said that he had an outstanding academic career and that he played a key role within the Young Republican National Federation in the 1950's. John was a real pioneer within the Young Republican movement during that time and gained lifelong friends and admirers as a result of his leadership and experience.

It will be pointed out that he truly believed in the Republican Party as an instrument through which social and economic progress could be realized. He was a party man, but one whose conviction was to make sure the Republican Party remained true to principle, that it not stray from intended purpose and goal.

John Ashbrook, it will be said, was one of the youngest legislators ever elected to the Ohio General Assembly and to this body. It was his style to lead the charge with the zeal of youth and dedication to cause.

Men of ideas and letters will stress that John Ashbrook was also dedicated to individual freedom and a staunch opponent of communism. Thousands of people involved in freedom's cause worldwide will remember John who joined and led the battles for men's minds and souls. Conversely, John Ashbrook was a staunch defender of the free enterprise system; receiving awards too numerous to mention here from business organizations, conservative groups, and from those who believe this country's best course will be determined by the guidelines set forth in the U.S. Constitution.

John Ashbrook was indeed all of these things. But, you know, Mr. Speaker, we all tend to define and judge our fellow man through our own eyes and personal experiences. And, in my case, there are two attributes I would like to mention.

First, with all of his fervor to cause and intent of purpose, John Ashbrook never took himself seriously, even when he felt it was incumbent to run for President of the United States. He was the kind of man, who in the midst of debate or discussion or the most serious in nature, never lost his sense of perspective and humor.

John and I always shared the true story about the trials and many tribulations of a particular western entertainer of years past, and he would always close with the line, "Sure, he did all of those things, but he was a great American." That line was not meant to be presumptuous or lacking in respect. It was just John's way of poking a little fun at all of us in public life who tend to take things and themselves too seriously. I will miss that line and I will miss his sense of humor.

I also remember the time, as a staff member to my predecessor, I asked John to vote for a farm bill back in 1970. Now, you have to realize that when it came to legislation and votes, John did take both very seriously. His will was like iron. After giving him the benefit of all the reasons why he should vote for the bill, he asked me one question, "Pat, is this the best farm bill we can pass?"

You see, in John Ashbrook's world of values, compromise and principle were like oil and water; they did not mix. With his question he answered my question. The farm bill passed that year. And, doubtlessly, if every Member of this body held each vote complete hostage to unwavering personal principle, we would never get anything done. But, the point is we need men who will take a stand. Men who will choose conviction rather than comfort, perceived truth rather than accommodation.

In John Ashbrook, we found such a man. He was not for sale. He was honest with a steady conscience. He told the truth as he saw it and looked the world straight in the eye. He had courage without shouting it and he knew his message and told it. He knew his place and filled it. He did not lie, shirk, or dodge. He knew his business and attended to it. John Ashbrook, above all else, was a man who stood for principle.

Mr. Speaker, my family, like John's many friends, his colleagues, and his family share and mourn his loss. We are better citizens of this great Nation for knowing him.

□ 1800

TRIBUTE TO THE LATE JOHN M. ASHBROOK

The SPEAKER pro tempore. Under a previous order of the House, the gen-

tleman from Ohio (Mr. MILLER) is recognized for 60 minutes.

Mr. MILLER of Ohio. Mr. Speaker, the untimely death of my fellow Ohioan and colleague JOHN ASHBROOK has left a void in this Chamber that can never be filled. JOHN was a man that I deeply respected as a fellow Representative and as a fellow man. He never wavered in his belief in America. As a native and lifelong resident of Johnstown in Licking County, Ohio, he knew that the backbone of our country lay within the values that are typical of smalltown America. he fought for these values unwaveringly for 22 years in Congress. He would sacrifice nothing in order to do what he believed was right for not only his constituents but for the Nation as a whole. He was a keen student of Government who knew what had to be done and how to get it done. He was a man of courage and conviction, a man who was not afraid to stand alone to fight for a principle or for a cause he believed in.

JOHN's love and concern for his country drove him to be one of the most hardworking Members of Congress that has ever sat in this Chamber. His 22 years in Congress will serve as a lasting memorial to his hard work and dedication. His articulate and well prepared arguments added a special dimension to the House of Representatives that will be missed.

JOHN would have been a big success in any field he chose. We as Americans are most grateful he chose Congress and the body politic as his life's pursuit, that he chose to serve the people through the Government. His dedication, his principles, and his love for this country and what it stands for made JOHN ASHBROOK a great Representative, a greater American, and a great man.

I join his constituents, the Nation, and his family in mourning his passing.

Mr. LATTA. Mr. Speaker, will the gentleman yield?

Mr. MILLER of Ohio. I yield to the gentleman from Ohio.

Mr. GILMAN. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from New York.

Mr. GILMAN. Mr. Speaker, it was with a real sense of loss and shock that I learned of the untimely death of our good friend and colleague, the gentleman from Ohio, JOHN ASHBROOK.

JOHN ASHBROOK was an exemplary Member of this House. He assumed the responsibilities of his work, especially his work here on the floor of the House with the utmost seriousness and devotion. He participated frequently in debate, ever watchful over the matters that came before the Congress and diligently guarding the rights of the minority party. JOHN was an effective proponent of his point of view in committee, working constructively with Members on both sides of the aisle, as the gentleman from Kentucky mentioned 2 weeks ago, just after JOHN's passing.

JOHN ASHBROOK was a staunch conservative. His political principles frequently brought him into lonely conflict with his colleagues and even brought him to the point of courageously challenging a sitting President of his own party for the nomination for the Presidency.

Although on occasion we differed on the merits of legislation, I considered JOHN a friend. As a more experienced and senior Member, he assisted me with numerous matters during my early service in the House.

JOHN ASHBROOK will be missed by Members from both sides of the aisle and of all points of view. He was honest, forthright, kind, intelligent—all in all, a valued colleague who will be sorely missed.

I join my colleagues in extending my deepest sympathies to Jean Ashbrook and their three daughters, and hope that they will be comforted by the fact that JOHN was so superb in his life's work—his devoted public service.

Mr. KRAMER. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from Colorado.

Mr. KRAMER. Mr Speaker, although our colleague served more than a generation in this body, he was certainly a relatively young man in age and certainly a young man in spirit.

One of the things I thought about that came to mind during this special order here this afternoon was one of our colleagues remarked that he will look over at that corner over there and always think of JOHN ASHBROOK when he walks by or looks over there. I think that we can assume that although JOHN will physically be gone, his spirit will remain in that corner as an inspiration to all of us every day that we are privileged to serve in this body.

Liberty was always a dear cause to JOHN ASHBROOK, and he recognized that maintaining a free society is an ongoing effort by good citizens, and he dedicated his life to that cause. He served in a number of positions of tribute where others recognized his accomplishments and what he could give to whatever effort he was involved in.

He was chairman of the Young Republicans on the national level. His first year in Congress he helped found the Young Americans for Freedom, a group that has continued since its founding to keep the debate for the cause of freedom well aired on our campuses and in our elections.

Recently he was the distinguished chairman of the American Conservative Union, a citizens' forum for freedom in our economy and more effective defense of peace and freedom through national strength. He was very active in the National Rifle Association. He gave his time, his money, and mostly his leadership to that effort, an effort involved in freedom and in maintaining the constitutional prerogatives which the Constitution affords to all citizens to keep and bear arms.

Something I did not know, unfortunately, and I think some of us do not take the time to learn enough about our colleagues until it is too late, or until at least we cannot really appreciate what we have until we no longer have it, and that is the case where one fact I learned was that JOHN received more votes than any other candidate for the board of directors of the National Rifle Association, which certainly to me and members of that organization recognized JOHN's leadership.

We all know that he loved America. He loved Ohio. But he had an active life that took him even beyond the borders of our country. Another fact that I did not know, he served with Adm. Richard Byrd on the last expedition to Antarctica in 1946.

He went on to Harvard, returned to his State to study and practice law, to work as a publisher. He went to the State legislature, and then he came here to Congress.

I have had the privilege of knowing him not only as a leader of brilliant debate and a brilliant spokesman on national issues of our time, but also because I served with him on the Education and Labor Committee in which he was the ranking member. He made contributions both to our committee system as this body relates, and also to the floor work to which this body relates.

JOHN ASHBROOK was truly a great man. I express my heartfelt sympathy and condolences to his family. He will be missed, and not only by them, but by all of us that served with him in this body, and by our country.

Mr. EDWARDS of Oklahoma. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from Oklahoma.

□ 1810

Mr. EDWARDS of Oklahoma. Mr. Speaker, I thank the gentleman from Ohio for taking this time and for giving us an opportunity to express our sadness at the loss of JOHN ASHBROOK. I think we all miss JOHN. We are all going to have a heavy sadness in our hearts for JOHN, but I also feel a very great sadness for America at his loss.

Mr. Speaker, Members of Congress come and go. There have been a great many Members in and out of this Chamber just in the short time I have served in the Congress; yet there are some whose loss very much diminishes America, just as their presence very much has enriched America. JOHN ASHBROOK is one of those people.

I have felt sort of a strange kinship through the years with JOHN ASHBROOK long before I knew him. I am a native of Ohio, before I moved to Oklahoma. Most of my family is in Ohio. As I was visiting in Ohio, I would always hear about this very unique Member of the Ohio congressional delegation, who always stood up for what he believed in. that was JOHN ASHBROOK. And then I got active in politics, I went into the Young Republicans and into the national leadership of the Young Republicans, and one of the people who we were shown as one of our role models was JOHN ASHBROOK, who had been already a national chairman of the Young Republicans. I went over to the American Conservative Union as a director, and I am now privileged to be the chairman of that organization. I inherited a very strong organization that had been founded by JOHN ASHBROOK and of which he had served as its national chairman.

I came to the Congress. I was appointed to the Education and Labor Committee, where I found that JOHN ASHBROOK must have been one of the most effective, efficient and most popular, most effective ranking members on any committee in the Congress. He provided great leadership to those of us who were new members on the committee looking for guidance. Then as I attempted to involve myself in activities on the floor, we all know that JOHN ASHBROOK had a special place on this House floor and that we had one great man there overseeing what was happening in this Chamber and protecting the Republic from his seat on the House floor.

I found that JOHN ASHBROOK did reflect, as so many people have said here today, a great reservoir of principle and of courage. But I think there is something that is even more important than that. JOHN ASHBROOK was a man of principle and courage, but, more than that, JOHN ASHBROOK, as he stood for things that so many of us find difficult, so many tough decisions where he never wavered, we also found that JOHN ASHBROOK managed to do it being one of the most popular Members of Congress and one of the most effective. I do not think that most people here realize that JOHN ASHBROOK ranked among the most effective Members of Congress in having his amendments adopted by the entire Congress from both sides of the aisle. He had a tremendous track record, if you just keep track of the percentages of his amendments that were adopted and became law.

The thing that I remember most about JOHN ASHBROOK is that he would sit in his usual place on the House floor, and for those of us who were younger Members, who were trying to contribute to the debate, and to have some voice in shaping public policy, JOHN ASHBROOK never lacked the time to give us guidance and to teach us, knowing perhaps that the time would come when he would move on from this place and others would be called on to try to fill his shoes. JOHN ASHBROOK was a great teacher.

America cannot stand to lose very many JOHN ASHBROOKS. But on the other hand, there are not very many JOHN ASHBROOKS.

I thank the gentleman for getting this time for us.

Mr. BUTLER. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from Virginia.

Mr. BUTLER. I thank the gentleman from Ohio for yielding, and I appreciate the gentleman giving us the opportunity to participate in this opportunity again to be reminded of the contribution of our friend, JOHN ASHBROOK.

I will not trespass on the gentleman's time, except to say that I want to be associated with all of the things that have been said about JOHN.

I was privileged to serve with JOHN on the Judiciary Committee. He was well respected there for his intelligence, his ability, his integrity and his candor. He made a substantial contribution to our deliberations, always in good humor. I valued JOHN ASHBROOK's friendship. He will be long remembered and greatly missed. Our deepest sympathy is also extended to his family and friends.

I thank the gentleman for this opportunity to participate in this special order today.

Mr. EMERSON. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from Missouri.

Mr. EMERSON. Mr. Speaker, JOHN ASHBROOK was my friend for 25 years, and we were colleagues for only 16 months. But whether as a friend or a colleague, I can certainly attest to the stalwart character of the man. He was a leader with boundless and unremitting faith in America and Americans, and he never, never wavered in his deep and fundamental belief in his conservation approach to the ideals that all Americans cherish.

Many very fine and well deserved things have been said about JOHN here today, and I want to associate myself with all of them. They are all true, and it would be hard to articulate them better than they have been. But I also want to express my thanks to JOHN's family and to his constituents for having shared JOHN with us, for having shared with us a man of principle, who was a great leader, who will be greatly missed here. But certainly his spirit will remain with us and will always be welcomed, not only here, but wherever stout and great souls assemble.

Mr. GOODLING. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from Pennsylvania.

Mr. GOODLING. I thank the gentleman for yielding.

Mr. Speaker, it is difficult to comprehend that our colleague, JOHN ASHBROOK, has passed away.

JOHN ASHBROOK came to Congress in January 1961 as a young man with a great future in front of him. During his 21 years in Congress he steadily moved to the forefront and by 1978 had become the leading Republican figure in the House of Representatives on education and labor issues.

As the senior minority member on the Education and Labor Committee, JOHN was a leader and guiding light for those of us who served with him. I came to know and respect JOHN as a rugged individualist and a man of deep convictions. I was consistently impressed by the depth of his intellect and the openness of his mind. He took such a reasonable approach toward the issues before us and never failed to engage in honest discussion over differences of opinion—that is probably one reason he was such an effective leader.

As an articulate speaker and tireless worker, JOHN spent much of his legislative effort on education and child nutrition. He placed great emphasis upon our youth. Our Nation's schoolchildren owe much more to JOHN ASHBROOK than they will ever likely realize. I saw first hand on the Education and Labor Committee the positive effect and impact of JOHN's efforts. I am proud to have been associated with him in many of those endeavors.

When I think of JOHN ASHBROOK outside of the committee context, I remember him as one of the best informed Members of Congress. When he spoke he had the facts at hand. He knew the issues. Politics can indeed be strange. The very thing many people criticized JOHN ASHBROOK for is precisely the reason he was reelected to Congress 11 times—that is. his independence. He thought about issues and he voted independently. That is what a true representative should do.

When I think of JOHN ASHBROOK, the man, I recall the words of William F. Buckley, Jr., who once described JOHN as "among the world's most charming, intelligent, and natural men." I certainly will miss JOHN ASHBROOK's leadership but most of all I will miss his friendship. JOHN's voice may be silent but his impact will carry on in the lives of those who came to know and respect him.

My heartfelt condolences are extended to his family.

□ 1820

Mr. OXLEY. Mr. Speaker, will the gentleman yield?

Mr. MILLER of Ohio. I yield to the gentleman from Ohio.

Mr. OXLEY. I thank the gentleman for yielding.

Mr. Speaker, I want to thank both of my colleagues, the dean of the Ohio delegation, Del Latta, and Clarence Miller, for reserving this time today so that we in the House of Representatives can pay tribute to one of this Chamber's most articulate and respected Members, the late Honorable John Ashbrook.

As the newest Member of the Ohio congressional delegation, I had the privilege of serving with John Ashbrook for only a very short time. Although he was among the busiest people I have ever known with his congressional duties and a U.S. Senate campaign, he still made time to help me adjust to the rigors of congressional duty, and I appreciated his willingness to work with me.

I learned a tremendous amount from John Ashbrook, both before I came to Congress as I listened to him articulate the conservative causes he cherished so deeply and after I became a Member of this body. I deeply regret that our exposure to him was so brief.

John Ashbrook was without doubt one of the most respected conservative leaders in America today. He was proud to be called a conservative long before it became fashionable. In a national poll ranking prominent conservatives, he was selected among the country's top five, a listing which included Ronald Reagan, Barry Goldwater, and Bill Buckley.

People throughout Ohio and across this country knew John Ashbrook as a man dedicated to preserving freedom and liberty for all. His patriotism and deep belief in the greatness of America never wavered and his articulate and passionate calls for a return to old-fashioned American values earned him the respect of friends and foes alike. From State legislator to U.S. Congressman, he never wavered in his belief that America was, and would continue to be, the greatest country in history.

Despite the national acclaim afforded him, John never outgrew or overstepped his roots. Born in Johnstown, Ohio, only 53 years ago, he was a familiar and frequent figure in his hometown and across the 17th Congressional District he so capably represented for 22 years. He took tremendous pride and interest in his community and his district, giving freely and frequently of his time and talents to bolster the causes of civic and social organizations.

Constantly aware of the need to keep in close touch with the views and concerns of those back home, he prided himself in never having spent a weekend in Washington throughout his entire congressional career.

Mr. Speaker, several counties currently encompassed in the 17th District represented by John Ashbrook will be joined with the Fourth District I currently represent. I can only pledge that I will do my best to continue assuring those constituents the same high quality of representation they received from John Ashbrook, hopefully I might add on a personal note, with the kind of humor and good grace John always presented.

Mr. Roberts of Kansas said, and I would like to point out that as well, John took his job very seriously, but he never took himself too seriously, and that indeed was an indication of what kind of person he was.

One of his strongest assets was the fact that he could disagree without being disagreeable.

From my discussions with Members of this House who have known John a lot longer on both sides of the aisle, and from various political persuasions, indicated to me that John was not only one of the more effective Members of this House but clearly one of the most popular as well.

John Ashbrook will be sadly missed in this Chamber and by the American people as a whole. Fortunately for this Nation, however, his principles will live on as his legacy.

I want to join with my wife, Pat, and my colleagues here today and all Members of the House of Representatives and John's many friends in Ohio in expressing our heartfelt condolences to his wife, Jean, and to his family on John's passing.

Mr. ECKART. Mr. Speaker, will the gentleman yield?

Mr. MILLER of Ohio. I yield to the gentleman from Ohio.

Mr. ECKART. I thank the gentleman in the well and I commend him and my fellow colleagues from Ohio and others from the Ohio congressional delegation for taking time this afternoon to commemorate a young man whom I had an opportunity to follow for many years as I grew up in politics.

Who of us can forget John Ashbrook walking around with a newspaper tucked under his arm, as he was so famous for doing. Perhaps it was because of his many years as a newspaper editor. Perhaps it was because of his great thirst for knowledge and what was going on in the world. Perhaps he still thought he was editing all those newspapers from time to time in years gone by. But his background and training as a newspaper editor served him well here.

I remember my first encounter with my colleague from Ohio with fear and trembling as the baby Democrat on the Education and Labor Committee, I knew of my need to get an amendment adopted during the important budget considerations of last year, and I knew of my staff's advice to go check it out with the senior Republican.

Well, the senior Republican was John Ashbrook, a man who had served with distinction on that committee. And so with hat in hand and an amendment in my coat pocket I went up to John's office and knocked on the door, got the time to see him, and went in and tried to introduce myself but I found out that he knew more about me than I had ever thought about. And I started to explain my amendment to him, and he said, "Who is it for?" And I said, "Well, it is for Ohio State." Since we are both from Ohio I thought you would be interested in it. He said, "If it is good for our State and if it is good for Ohio State, then I think we all both better be for it."

My fear, my trembling immediately left me and I knew that here was a man who was genuinely concerned about what was taking place in our State.

Sitting on that committee with John was indeed an education. As we sat and wrestled with very difficult issues, as my colleagues all remember, $12 billion in cuts came from that committee during the consideration of Gramm-Latta, and I think what few people recall, it was John Ashbrook who fashioned much of the language that went into the educational section of that budget.

My epitaph for him is an epitaph that I think would serve all of us well in politics.

When John Ashbrook came to the floor, or when he came to committee, he was prepared. When John Ashbrook worked, he worked hard. And when he spoke, he knew what he was talking about.

Those are the best words that I think we can say about any man after decades of public service, and that is the epitaph that is the benchmark by which I hope we all can be judged.

Mr. McEWEN. Mr. Speaker, will the gentleman yield?

Mr. MILLER of Ohio. I yield to the gentleman from Ohio.

Mr. McEWEN. I thank the gentleman for yielding.

I also extend my appreciation for his offering us this opportunity to briefly recall the great moments that we have had with our friend and colleague, John Ashbrook.

The stage in a person's life between 19 and 25 is often referred to in psychology books as the mentor stage, in which young men and women have those to whom they look for advice and direction and after whom they choose to pattern their lives.

We see a great deal of activity on college campuses as young people choose a course of life for the first time that is individual to themselves.

As a student at the University of Miami at Coral Gables, Fla., in 1972, it was my privilege to serve as a volunteer in the "Ashbrook for President" campaign and Thursday evenings were a delightful time when I would go to the Miami International Airport and pick up John Ashbrook in order to engage in campaigning across the State of Florida as he attempted to win that State's primary for President in 1972.

As a college student, John Ashbrook possessed for me all of the attributes that I hoped to become. His dedication to principle, his humor, his kindness, his love for America, were an inspiration that I believe are unparalleled.

John Ashbrook was the definition of what I believe was a true American and what a true American should be.

John Ashbrook was a true patriot. He understood the global conflict in which freedom is engaged.

He was dedicated to America. He was dedicated to liberty. His truthfulness and his principles will live on beyond him and those who loved and admired him.

Mr. Speaker, it is with a sense of personal loss that the Members of the Ohio delegation join our esteemed colleagues in noting the passing of John Ashbrook. Although I did not have the privilege of serving with Congressman Ashbrook but a short time, I have known and respected him for many years.

When thinking of John Ashbrook, the words "integrity" and "conviction" first come to mind. As most in this Chamber are well-aware, once John Ashbrook reviewed an issue and took a position, he stood by that decision no matter what others said. He never shirked his responsibility or skirted an issue.

John Ashbrook ably represented not only the residents of the 17th District of Ohio but was recognized as a leading national spokesman for the conservative cause. He long ago advocated many of the programs which are now being advanced by national leaders. He was truly a man of courage and foresight.

John Ashbrook spent over 30 years in service to his country. He served in the U.S. Navy and two terms in the Ohio House of Representatives before being elected to the U.S. House of Representatives. These 30 years of service to his country exemplify his patriotism and commitment to his country.

Much can be learned about a man by the attitudes of those who work with and for him. He was respected by his colleagues and his loyal staff. The ideals of this great man will continue to influence the Nation for generations to come.

The 20th century American psychologist, Rollo May, once said:

> The hallmark of courage in our age of conformity is the capacity to stand on one's convictions—not obstinately or defiantly, nor as a gesture of retaliation, but simply because these are what one believes.

John Ashbrook will always be remembered as a man of conviction.

I wish to associate myself with the comments that have been shared by my colleagues.

Mr. SHAMANSKY. Mr. Speaker, will the gentleman yield?

Mr. MILLER of Ohio. I yield to the gentleman from Ohio.

Mr. SHAMANSKY. I appreciate the thoughtfulness of my colleagues, Mr. Miller and Mr. Latta, in providing us time this afternoon.

I prefer to think of John Ashbrook in the only way I think I have truly encountered him, which was, namely, as a matter of fun.

Being on the other side of the aisle in the House, and on the other side of views politically from John, you never confused a political view that he held, and held very deeply, with his personal charm and innate gaiety.

I often remember also the seriousness with which he took his views, and I went up and told his friend, Huge Wait, our mutual friend, one time, after John Ashbrook had chosen to run against Richard Nixon, I believe in 1972, and I said about John, I said, "Any man who can run against Richard Nixon can't be all bad," which meant to me the John really did care about his views. The easy political thing to do in 1972 was to go along with Nixon and John simply could not do that, which was a measure for me of the seriousness of purpose and I think it was almost prescience maybe that John saw something in that particular Presidency which maybe most of the rest of us simply did not.

□ 1830

I cannot help but think the last time that Jean and John and I were together at a very pleasant evening in Columbus at the Players Theater. Again, I think the significant thing is that John, as far as I could tell, certainly never toward me, would ever inject any ideological matters or political considerations in the interpersonal relationships. It was always good to encounter him, because you never hesitated to talk. He was direct and accessible and always courteous, certainly in my experience, and I have never heard anyone suggest anything other than that.

For those of us who have been around central Ohio for some decades now, it seems as if a part of the firmament has gone, but I do not really think so, because with any luck at all we will have a third Ashbrook soon serving in the House of Representatives.

My sympathies go to the family.

Mr. MILLER of Ohio. Mr. Speaker, I yield to the gentleman from Ohio (Mr. Wylie).

Mr. WYLIE. Mr. Speaker, may I, too, offer my thanks and appreciation to the two gentlemen from Ohio, Mr. Latta and Mr. Miller, for taking this special order so that we might talk about our good friend, John Ashbrook.

Mr. Speaker, I would like to say something about John Ashbrook in a little different vein.

My first rememberance of John Ashbrook was when I came to Washington in 1939 as a graduating senior from Pataskala High School. Each of the 16 high schools in Licking County selected its so-called best citizen for an all-expense-paid, 8-day trip to out Nation's Capital. I was fortunate enough to be selected from Pataskala High School. We really crammed a lot into our trip, including a visit with our Congressman, William Ashbrook, John's father. I mentioned to Congressman Bill Ashbrook having played basketball against his son Bill whereupon he brought out a picture of his family which, of course, included John. John's father was a Democrat who supported President Franklin Roosevelt. My father was a Republican who could never bring himself to vote for President Roosevelt but thought Congressman Bill Ashbrook was all right and voted for him. That is what he told me when I came home and said that I had met Congressman Ashbrook. My mother said she always like Congressman Bill Ashbrook, but then she was a Democrat. She was a Democrat that is until I entered politics in 1948. Then she saw the light and switched.

But just as John's dad attracted votes from members of the other party, so did John. I would recall a couple of reflections about John.

Shortly after I was elected to Congress, I was on a plane to Washington seated next to Congressman Sam Devine. John Ashbrook spotted us as he got on the plane and said, "There's a couple of big spenders." As the plane landed, John said to everyone in hearing distance, "Lucked out again." These were scenes to be repeated many times, and they always brought a laugh.

John was an insatiable reader of newspapers. He would frequently come on the plane or to the House floor with a stack of newspapers under his arm. When he finished reading them, he would leave them there—which caused Congressman Frank Thompson to refer to him as "Trashbrook."

These episodes reflect a humorous side to this intense person who was so conservative in his political philosophy.

John was an absolutely tireless worker who could have been expected to make a real run for the Senate. The Nation will be denied a classic confrontation between a committed liberal and a dedicated conservative. John always expected me to vote with him but never dwelled on it if I did not. One thing could be said for John Ashbrook: You always knew where he stood, honest and frank, and that is what endeared him to his constituents.

This was evident at John's funeral. Never have I seen such an outpouring of affection and sorrow as I did in Johnstown, John's hometown. My wife Marjorie commented as we approached Johnstown about the display of flags in each yard and how proud John would have been. The outpouring of people at John's funeral was testimony to the esteem in which he was held.

A secret service agent who had come to Johnstown the night before said to me:

> This town is really bent out of shape over Congressman Ashbrook's death.

John was a good friend who will be missed.

Marjorie and I extend to his wife Jean, his mother, and his family our condolences and deepest sympathy.

Mr. MILLER of Ohio. Mr. Speaker, I yield to the gentleman from Pennsylvania (Mr. Walker).

Mr. WALKER. Mr. Speaker, I thank the gentleman from Ohio for yielding. I want to congratulate him and the other gentleman from Ohio, (Mr. Latta), for taking this time in order that a number of us may have this chance to pay special tribute to the work of John Ashbrook in this House and for the Nation.

You know, there is an old joke around the Congress here about the Congressman who was introduced at a dinner as a great, great American, and he is impressed by that and as he is leaving the dinner that night, he turns to his wife and he says, "I wonder how many great, great, great Americans there really are?"

And she says, "Well, one less than you think."

Well, in this case we have lost somebody, though, who really fits into the category. He truly was somebody who was recognized across this country as a great, great American. He stood for principles time and time again; stood for principle at times when it was not popular to do so, stood for principle at times when in this House people from all sides of the aisle, from his own side and from other sides, were saying, you know, this is a fight that should not be made, and yet John knew all the time that the fights that he was engaged in were things that he had to do personally, but because he did them the Nation benefited.

I think it is important to recognize that he, day after day, followed legislation here on the floor and often engaged in causes that he probably did not even come to the floor recognizing were going to be raised on that particular day; but because he was here he felt it was something that he needed to say and he needed to engage in because the issue had been raised and there was a point of principle involved.

We are going to miss him around here. I do not think that we realized how much until this tragedy struck.

We had reluctantly decided to accede to his wishes to move on to the upper body, knowing that that was going to leave a void here; but this tragedy tells us just how much of a void has been left, because in the time since he has not been here, some of the fights that have been on this floor have been the kinds of thing that John Ashbrook would have been there continuing to speak out on courageously.

So I join with the gentleman from Ohio in wishing his family a note of sympathy and again thank them for giving us this opportunity.

Mr. MILLER of Ohio. Mr. Speaker, I thank the gentleman from Pennsylvania.

I yield to the gentleman from California (Mr. Dornan).

Mr. DORNAN of California. Mr. Speaker, I thank the gentleman.

Mr. Speaker, I was utterly stunned and overcome with heavy sadness to learn of the untimely death of my dear friend and colleague from Ohio, John Ashbrook. After 21 energetic years in the Halls of Congress, who can believe that his dynamic presence will no longer be felt among us? We have all been immeasurably impoverished with his passing.

I have had the privilege of knowing John since 1976 when I was first elected to serve in the House. By then, he already had 16 years of distinguished service behind him with an untarnished track record as a champion of conservative principles. As a freshman Congressman, I could not help but be struck by John's indefatigable energy, his mastery of parliamentary procedure, his eloquence and persuasiveness as an orator, his understanding of the issues, and, above all, his faithful and unflagging adherence to conservative principles. Freshman Congressmen instinctively look to someone as a source of inspiration and John Ashbrook was the proverbial right man in the right place at the right time.

I am particularly honored to be associated with John in the passage of the Ashbrook-Dornan amendments to the Treasury, Postal Services appropriations bill. The amendments prohibited the implementation of proposed regulations by the Internal Revenue Service which would have required the adoption of racial qoutas for private schools and which assumed that private schools were guilty of racial discrimination until they proved themselves innocent. The proposed IRS regulations would have revoked the tax-exempt status of private schools—the very lifeblood of these schools. The overwhelming vote in favor of the Ashbrook-Dornan amendments was an unprecedented measure to protect the excellent private schools of this land from the social engineering experiments of unelected and unaccountable bureaucrats and judges.

Mr. Speaker, for over 20 years John Ashbrook poured out his heart and soul in the public arena for the good of this Republic. He gave to America more than he took from it. How many of us can say the same? I fear that we may not see the likes of him again.

Goodby, John. May you rest in the peace of Christ.

I also want to compliment all the Members from Ohio for affording this opportunity for all of us who loved John so much to say a few words.

Mr. Speaker, my first memory of John Ashbrook is in his freshman year, reading some of the conservative publications and learning about this young firebrand that had come to the Congress against such tremendous odds to completely reverse the course of American history.

In the eloquent words spoken at his funeral by Victor Lasky, I think no truer words were spoken than that John Ashbrook was a Reaganite a decade before Ronald Reagan.

I think that the moment of his death will remain a terrible pain to all of us who loved him in this Chamber.

I remember exactly where I was driving when I heard it and I could not believe my ears when I first caught the tail end of the name Ashbrook. I thought they were going to be announcing some exciting development in his Senate race.

□ 1840

I knew how well he was the front runner because we talked about the race only a few days before in the cloakroom. And when I heard that it was his death that the commentators were talking about, I could not stand listening to the following story, an ugly little war building up in the South Atlantic, so I turned the dial and I hit a music station, and they were playing one of the most beautiful themes in recent memory of a motion picture, "Chariots of Fire."

I remember thinking that John would have made an incredible missionary. The odds of missionaries in the last century and in this, millions against one or two people, were the kind of odds that he liked to take on. In that film, "Chariots of Fire," one of the two leading protagonists says of his running skill preceding his trip and his entire life's work in China: "God made me to go to China. He also made me fast. And when I run, I feel his pleasure."

God made John to serve his country, and he made him fast on his feet, he made him fast as a legislator, and he made him fast as a communicator. I think when John spoke on this House floor, he gave his fellow Members on both sides of the aisle pleasure. He also gave God pleasure.

I had a television show in Los Angeles in 1972. When I asked my producer to book young John Ashbrook, 43 years of age, on the program, I was well aware that no man other than John F. Kennedy at age 43 had been sworn in as President, no man other than Teddy Roosevelt had ever assumed that office, Teddy by assassination at age 42. And I thought, "What is this young Congressman on this quixotic journey trying to accomplish?" No Congressman had ever gone to the Presidency since James A. Garfield, and he paid with his life. When John Ashbrook walked into the studio, and it was the first time I had met him in the flesh, I saw exactly what his quest was all about. And within less than a month after that exciting guesting, I cast my vote in California for John Ashbrook, and it is one of the proudest votes I have ever cast for the Presidency, because our party that very month of the California primary of 1972 fell upon bad times, the only scandal to ever rip a President from office by resignation. Without meaning to say anything unkind about anyone involved in those troubles, it has always been very easy for me as a Republican to separate myself from that period because I proclaimed many times over the last decade, and still will, that in June of 1972 I voted for John Ashbrook for President of the United States.

John's presence was commanding in the very center of this House. He liked to look right up the gun barrel at this dynamic Speaker that sits in that chair over the last 5 years. But John's presence in the cloakroom was also commanding.

When I came back here 5 years ago, planning on changing things within months if not minutes, I could always look up from the lectern down there when I probably got carried away and see a big smile on John Ashbrook's face.

Twenty-one years is a very long time to serve your country in this Chamber or in the other body. There are very, very few men who have had that honor.

Mr. DORNAN. I am convinced that if John Ashbrook had been serving the American people in his 16th year of 21 years of service in 1776 instead of 1976, if he had been around during that year that gave birth to our country, we would be talking about him in the schoolrooms of America for over two centuries as one of the Founding Fathers of our country. He truly was of the caliber of James Madison, the father of our Constitution; James Monroe, Thomas Jefferson, of all of those men who wrote our early documents.

My memories of our conferences creating the Ashbrook-Dornan amendments to protect decent Christian education in tiny little schools from the IRS' heavy handedness and encroachment upon their rights will be among the only victories that I have had in this Chamber in the 6 years that I will have spent here, because for me, this year is up or out.

The name John Ashbrook has the ring of an American patriot about it, and I know, being a man of the temporal world, of the secular world, that he would be embarrassed by religious comparisons, although I have stood here for many friends, from Bill Ketchum in my first term to another great Ohioan, a decent man of God, Teddy Guyer, just last year.

The words of Saint Paul have not come to mind so vividly as they have with John. As with the end of that great man of God, this excellent American and lover of liberty, the same words apply to John Ashbrook as applied to Paul of Tarsus. He has run the course, he has fought the good fight, he has kept the faith.

I would just close by mentioning how often John Ashbrook discussed with me any breakthroughs on Americans who might still be suffering in some lonely, rotten jungle dungeon in Indochina. There was not one problem involving Americans in the whole breadth of this world with which John Ashbrook did not intimately and with great empathy, concern himself.

Thank you, Mr. Speaker.

Mr. MILLER of Ohio. Mr. Speaker, I thank the gentleman from California.

I yield to the gentleman from Ohio (Mr. Weber).

Mr. WEBER of Ohio. Mr. Speaker, I am very pleased that we have this opportunity today to remember the life of our colleague, John Ashbrook. I thank Congressman Miller and Congressman Latta for making these arrangements.

Two weeks ago I was part of the delegation from this House that traveled to the home of John Ashbrook at Johnstown, Ohio, for his last rites. The ceremonies were a fitting tribute to one who served his country and his constituents with distinction and honor for 22 years in Congress.

I am sure that there were no dry eyes and no throats that were not choked with emotion at those services.

I did not know John Ashbrook particularly well. I met him for the first time about 2 years ago. He was a cheerful person. He was a skilled political warrior, a man of conviction. He never allowed his disagreement with a person to prevent him from displaying his friendly manner.

He was a big help to me in so many ways, both with his sound advice here in the House, but also with his willing presence at several events during my first campaign 2 years ago.

All of us feel great sadness for John's wife, Jean, and his children, and other members of his family. To them his life is irreplaceable.

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The thing which made the services in Johnstown so special for me was to see the way in which the people whom John served in that little town and across the State of Ohio, the way in which they had gathered together in Johnstown to pay tribute to John and to honor the ideals for which he stood. I can still see the 1,000 or more people who stood outside the church during the funeral services, the caravan of cars stretching from the town all the way out to the gravesite. Every home seemed to be flying the American flag, and bystanders stood all along the route. On that day, Johnstown was truly "John's Town."

On that day, the people of Johnstown and others from throughout the State and elsewhere who knew John, put away what they were doing. They stopped their lives to show respect to one who had served them faithfully, and to give respect again to those qualities which were embodied in the life of John Ashbrook. Just as we did 2 weeks ago in Johnstown, today we pay tribute to John Ashbrook and the values for which he stood; among which are honor, duty to country, courage to stand by your beliefs, and uncompromising allegience to your political principles. None can live those values in quite the way that John Ashbrook did.

● Mr. RHODES. Mr. Speaker, I join with the many friends of John Ashbrook in paying tribute to our former colleague. I was shocked and saddened when the announcement of John's death was made on the Saturday evening news a few weeks ago.

John was one of the hardest working Members of the House and a dedicated American. It was typical of him to have launched a campaign for a seat in the Senate after serving over 20 years in the House, running hard, and working hard to serve the public.

John's staunch defense of the principles which he held dear, was based upon a genuine concern to preserve the freedoms upon which our Nation was built.

He worked diligently in committee and on the House floor for the preservation of individual liberty.

John's untiring efforts on behalf of his constituents and democratic principles were generously made—not for self-aggrandizement—but for the good of the country.

He will be missed by those who knew and worked with him during his distinguished career in the Congress. Mrs. Rhodes joins me in extending heartfelt sympathy to Mrs. Ashbrook and John's daughters.●

● Mr. KEMP. Mr. Speaker, the sudden passing away of John Ashbrook is a heartbreaking event. It is a devastating blow for those of us who knew him and enjoyed his friendship and for the people of Ohio whom he so ably represented. And it is a tragedy for all the American people. John Ashbrook was a tireless defender of the values and principles that this Nation cherishes. I cannot think of another Member who battled for them with greater purpose and commitment.

A friend of John's recently described him as a "quixotic" hero because of his willingness to struggle against seemingly irreversible odds. Those of us who followed John's career know that he possessed a trait that is much too rare in this town: He stuck to his principles at all times, regardless of political costs. He was a stalwart Republican and party activist at a time when the party was in greatest disarray. It is easy to be loyal to a winner, but only the truly committed stand by in times of defeat and disfavor.

I was surprised recently to read that the Almanac of American Politics makes this statement: "Ashbrook's political career is almost a catalog of lost causes."

The only true word in that sentence is "almost." Most of the causes John fought for have come to fruition; and those that have not are among the highest items on the national agenda. This is no accident. It is precisely because principled men like John Ashbrook were willing to endure years of political isolation while they called for badly needed reforms. Now the reforms are here.

Day after day, year after year, John Ashbrook stood on the floor of the House inveighing against the excessive growth of Government, the rising tax burden, the soaring inflation, the economic stagnation, and the decay of family values. At the time, his may have been a voice in the wilderness. But gradually it was heard. He once said, "I do not mean to sound like a broken record," but the apology was completely unnecessary. It was precisely his willingness to defend his principles again and again that helped turn the tide in this country.

It was hard work. As John said, "It has been my weekly chore to point out what the liberals have been doing." He did it for 20 years, and finally it sank in. His lost causes became winning themes. His career was testimony to Richard Weaver's observation that ideas have consequences.

John had often supported the idea of tax indexing and reduced tax rates. Both have been enacted. He advocated ventilating the regulatory system to give the private sector more breathing space. That is now being done. He criticized the tyranny of the courts, which were slowly changing the landscape of American values against the wishes of the people. That problem is now being addressed. He advocated a strong foreign policy, one that rewarded our friends and penalized our enemies. After years of appeasement and vacillation, we are finally moving in that direction.

Frankly, if the causes John Ashbrook fought for really were lost, then this whole Nation would be lost. They aren't. In fact, they are the only causes that offer a positive reponse to what has gone before them. John understood as well as any of us the task that lies ahead of us in repairing two decades of misguided policy. As he said,

> They have been wrong, but they built a tower of Babel on these false foundations. To us comes the challenge to build anew, on the old free enterprise foundations which made this the greatest country in the world.

Of all the Members of Congress, John Ashbrook had a uniquely clear perception of the contradictions of American liberalism. At every pass he exposed its implicit coercion, its meek acceptance of an end to economic growth, its quiet abandonment of any value systems. And John continually took his case to the people, amassing enormous popularity at home. At a time when our economic program is under attack from those who would rather have such threadbare approaches as incomes-policy and a "Reconstruction Finance Corporation,"—not to mention higher taxes—John Ashbrook's lucid mind and strong voice will be sorely missed.

Conservatism is traditionally associated with the past and with resistance to change. But John Ashbrook was a conservative of the future. It was the liberal vision, he felt, that was resistant to change, that accepted too calmly the decline of American economic and military power. After listening to an address by President Carter, calling for a new foundation which paradoxically consisted of wornout ideas, John Ashbrook said this:

> Our old foundation built by the genius of Washingtons, Jeffersons and Franklins, is the finest any nation has ever been blessed with. That foundation, which encourages individuals rather than government to blaze new trails and to make their own fair deals is the basis upon which we must build in the future.

John Ashbrook, cut off in the prime of his life, will not be with us to see that future attained. But without his efforts we might not have had such a future. In fact, we might have had no future at all. The Kemp family expresses our love and prayers for the Ashbrook family in the days and years ahead.●

● Mr. BOLAND. Mr. Speaker, I appreciate the opportunity afforded by my colleague from Ohio, (Mr. Latta), to pay tribute to John Ashbrook.

I had the privilege of working with John Ashbrook on the Permanent Select Committee on Intelligence for almost 5 years. His appointment as an original member of that committee was a testament not only to his advocacy of the need for the United States to possess a strong intelligence collection system, but to his well-deserved reputation for hard work as well. From the outset, John Ashbrook was an extremely vigorous member of the committee. He devoted a great deal of his energy to exposing the efforts of the Soviet and Soviet bloc intelligence services to collect information and influence events in the United States. He was a champion of the FBI's efforts to counter terrorism and foreign espionage activities, and his articulate support for increasing the manpower of the FBI to meet these threats played an important role in the committee's decision to support such increases.

John Ashbrook never tired of struggling for those issues he saw as important. He mounted a pivotal campaign to amend the so-called names of agents bill on the House floor, an effort which led to victory for his position. In this, as in so many other issues, he took the lead, undeterred by the odds. His spirit was that of a fighter who would not give up. Nonetheless, I never knew him to be other than gracious and generous, whether in victory or defeat.

Mr. Speaker, John Ashbrook believed in America. He studied its history and he cared about its future. He knew that this Nation needs a strong defense, but he also knew that our young people need a good education. He was never afraid to speak out in furtherance of these beliefs and when he spoke, the Members of the House listened because they knew—whether they agreed with him or not—that he spoke from conviction. His ability as a legislator will be missed by his colleagues in this House and by the people of the 17th District of Ohio, who he served so well. I want to extend to his wife, Jean, and to his children my deepest sympathies and condolences. Their loss is shared by all of us.●

● Mr. SMITH of New Jersey. Mr. Speaker, the passing of our distinguished colleague, John Ashbrook, leaves a void in this House that will be very difficult to fill.

John Ashbrook was a man of high principle. He was never reluctant to speak out on issues that were important to him. Whether he was advocating the rights of the unborn, the

handicapped, the elderly or overregulated private citizens, John Ashbrook was articulate and persuasive.

I had the pleasure of meeting John Ashbrook on the day I was sworn in as a Member of this House. Several friends of mine, who had known John through their mutual involvement in the Young Republican National Federation, proudly introduced me to their longtime friend. Having since had the opportunity to work with this giant of a man, I can appreciate my friends' affection for John. Like them, I am proud that I have had the opportunity to share his friendship.

Mr. Speaker, in his tribute to Congressman John Ashbrook, President Reagan praised him as a man of courage and principle who "served his constituents and his country with dedication and devotion, always working toward the betterment of his fellow man."

"His patriotism and deep belief in the greatness of America never wavered, and his articulate and passionate calls for a return to old-fashioned American values earned him the respect of all who knew him," the President said.

The people of Ohio, and indeed the entire Nation, received the benefits of 21 years of distinguished congressional service from John Ashbrook. He also served with distinction in the Ohio Legislature and the U.S. Navy.

John was a gifted writer, a skillful operator, an outstanding organizer, and above all, a man of conscience.

He will be sorely missed and long remembered. We are fortunate to have had the chance to serve with him and we have been enriched by his shining example.●

● Mr. STOKES. Mr. Speaker, I would like to thank my distinguished colleague and dean of the Ohio Republican Congressional Delegation, Mr. Latta, for taking this special order so that all of us can memorialize our departed colleague, John M. Ashbrook. I take this opportunity to send my condolences on the passing of my friend and colleague, John Ashbrook, to his family and constituents.

Mr. Speaker, for 22 years, Congressman Ashbrook faithfully served the people of the 17th Congressional District of Ohio in Congress. In every bill he introduced and issue he commented on, John always followed the dictates of his conscience in attempting to do what was best for the residents of the Johnstown, Ohio area, and the constituency he represented across the Nation.

Mr. Speaker, when I was first elected to this Congress in 1968, I served with Congressman Ashbrook on the House Un-American Activities Committee and the Education and Labor Committee.

John and I were miles apart both philosophically and ideologically and on both committees he and I frequently debated the issues. Also, over the years, we opposed one another in debate on the floor. John was not afraid to take an unpopular position. He was a very principled man and always stood up and spoke out on an issue without fear. He also had the ability to disagree with you without being disagreeable. In fact, he was always a gentleman whether he was arguing forcibly for his point of view in debate or whether he was passing by you in the corridor. His greeting to me was always, "Hi, Louie."

So, while I did not agree with John in his philosophy or his ideology, I respected him both for having the courage to stand up for what he believed in and for his sharp legal mind.

John Ashbrook became an important and highly respected leader in the Johnstown area. Similarly, he became the ranking Republican on the House Education and Labor Committee and a high ranking member of the Judiciary Committee.

Mr. Speaker, with the sudden passing of John Ashbrook, the Congress has lost a sincere and dedicated voice of principle. In an institution which melds diverse points of view from every persuasion and perspective, this institution has lost a respected advocate.●

● Mr. PEYSER. Mr. Speaker, I would like to thank the gentleman from Ohio for providing for this special order commemorating Representative John Ashbrook, who has ably served in the House of Representatives since 1960.

I have had the privilege of serving with John on the House Education and Labor Committee since 1971. I truly believe that he was one of the brightest and fairest people that I have met in my years in the Congress.

He will be truly missed by his colleagues on the committee and in the Congress.●

● Mr. ROBERTS of South Dakota. Mr. Speaker, this House finds itself without a conservative leader and spokesman with the sad death of Representative John M. Ashbrook. It was John Ashbrook who fought those lonely fights for our heritage during his 20 years and whose leadership we will miss.

Recently, I was asked to comment on America's meaning to me. It is a common question for us who are fortunate enough to serve in public office to have to answer. My answer was that our country's opportunities—for individuals and for our whole society—are at the heart of her meaning. To John Ashbrook, America is a set of values to be cherished and enjoyed with great care. While others screamed for the system to be torn down, while others demanded that education be used as a revolutionary tool to remake society, while bosses of big labor unions sought special favors and powers, John Ashbrook remembered the American heritage and firmly said "no."

Building on the foundation of men like H. R. Gross, John Ashbrook carried the battle to those who would undermine or cheapen our values. This meant that, in 1972, John Ashbrook challenged President Nixon for the Presidency. Did he want to be President? Probably not. But the great promise of the 1968 election had been largely squandered by the winner by 1972. The left offered its candidate, a Senator from my own State. But John Ashbrook felt it was more important to be an oracle than to place his political party above principle. This demonstrated clearly his courage under fire, regardless of the costs.

That same commitment to values made John Ashbrook a leader on the Education and Labor Committee when it came to blatant power grabs by special interests and greedy union leaders. It extended to his service on the Judiciary Committee in the areas of crime control and protection of our system through a legal system that did not bend with every wind.

John's final battle was against another formidible opponent whose liberal record made him anathema. Had the Senate campaign been carried to conclusion, the people of Ohio would have certainly seen the choice in John Ashbrook, not the echo of past failed policies. But John was taken from us—fighting for principle to the end.

I join my colleagues in mourning John Ashbrook. Beyond my regret at his passing and my sympathy for his family, I would say as a personal note that I do wish I had had more time to serve with him in this House that we both revere.●

● Mr. ERDAHL. Mr. Speaker, I commend my colleague from Ohio for taking this special order to eulogize our late colleague, John Ashbrook.

John had a very long and distinguished career in the House of Representatives. It has been my good fortune to have known him, however, for just these past two Congresses after being elected in 1978. As the ranking minority member on the Education and Labor Committee, he was always willing to listen to me, a junior member of his committee, and to cooperate in every way possible on business coming before our committee. Interestingly enough, he became ranking minority member when my predecessor, Al Quie, was elected Governor of Minnesota and I was elected to Congress from Minnesota's First District. I know that Governor Quie is also saddened by the news of our colleague's passing.

Our late colleague will long be remembered for the firm stands he took in committee and in the House of Representatives on those issues where he held deep convictions. He was very articulate and persuasive in debate. One of the great conservative voices has been silenced, but his influence will be felt for years to come.

My heartfelt condolences are extended to his family.●

● Mr. WINN. Mr. Speaker, the conservative cause in our country was dealt a cruel blow with the untimely death of one of its acknowledged leaders, John Ashbrook.

John represented the 17th District of Ohio from 1961 until the date of his death, at which time he was campaigning to provide further service to his fellow Ohioans in the U.S. Senate.

John, a Navy veteran, and son of a Member of Congress from the same central area of Ohio, was a former chairman of the Young Republican Federation, a practicing attorney, and publisher of four weekly newspapers in his home State.

He was a conservative who was a staunch supporter of State's rights and other conservative causes, and was the founder and first chairman of the American Conservative Union. He was not afraid to raise his voice in support of his views, when they were not as popular as they are today. Those of us on both sides of the aisle respected him, and the manner in which he pursued his conservative beliefs. He was an honest and honorable man and his voice will be missed.

I would join his many friends and colleagues in extending my heartfelt sympathy to his wife Jean, and their three daughters.●

● Mr. BROWN of Ohio. Mr. Speaker, writing in the New Republic on February 6, 1956, John P. Roche observed:

> In a healthy democracy the majority and the non-conformist depend upon each other, and each supplies a vital component to the whole. Stability is provided by the majority, while vitality flows from the non-conformist. Consequently, the democrat protects the right of the non-conformist not merely as an act of decency, but more significantly as an imperative for himself and the whole society.

Mr. Roche had no way of knowing that he was describing a brilliant political career which would begin later that year when a newspaper publisher from Johnstown was elected to the 101st Ohio General Assembly. If ever vitality flowed from nonconformity, it did so in the life of our beloved late colleague, John Ashbrook.

That Mr. Roche's musings appear within the covers of National Review rather than the New Republic these days suggests that for much of his career John Ashbrook was indeed ahead of his time.

Thomas Paine once warned us that "moderation in temper is always a virtue; but moderation in principle is always a vice."

It seems to me that John was the embodiment of both moderation in temper and devotion to principle.

His self-effacing, gentle manner stood in marked contrast to the single-minded devotion with which he fought for what he believed was best for his country.

Whether challenging a President of his own party or offering the carefully crafted amendments for which he became so well known, John always chose principle over expedience.

John's support for what he believed was right went beyond the easy stereotypical perceptions of liberalism or conservatism. Perhaps his colleagues on the Education and Labor Committee saw more of a side of John too few people had a chance to see. I remember his support of a bill to allow interns and residents in hospitals to form unions and of another to revamp Federal aid to education, a bill which many said would add more than $1 billion a year in new spending.

His adherence to conservative principles, his leadership and single-minded attention to Republican and conservative principles were unquestioned.

It is hardly possible to believe that such a vibrant life has been cut so short. Many were convinced that John Ashbrook was likely to become the next Senator from the State of Ohio. Almost no one, including his supporters and his critics, doubted that this outstanding Representative in Congress would have given a great deal in service in the other body.

His untimely departure is a loss to the people of Ohio, to the Congress of the United States, and, indeed, to the American people. For John's wife, Jean, and his three daughters, Joyce and I offer our prayers and our deepest sympathy.●

● Mr. PHILIP M. CRANE. Mr. Speaker, several years ago, at a Republican Lincoln Day dinner in his district, John Ashbrook introduced me by saying: "Some people go to Washington because it is a job; others go because there is a job to be done."

Naturally, I was flattered by the fact John put me in the latter category. But the truth is, no one in the Congress was more committed to getting the job done of reducing the size of Government, reducing Government spending, reducing Government redtape and regulations, reducing taxes, and restoring military supremacy than John Ashbrook.

I first met John Ashbrook personally at a meeting in Washington, D.C., on the heels of the Goldwater defeat. That meeting resulted in the creation of the American Conservative Union. I served on the board of directors all the years that John was chairman. Before entering politics myself, I was struck with John's quiet, good-humored strength and courage in leading what were often—in those days—quixotic battles in behalf of what were right principles, but battles that had to cause John political problems.

John never bothered to calculate the political consequences of his actions; he did what he believed to be right. In this, he was an inspiration to all Americans who knew or worked with him. Moreover, John always kept the debate above the level of personalities. I never saw rancor or ad hominem fallacies when John presented his case. He respected adversaries as individuals, particularly those who held principled views as passionately as he did, but who were ideologically in disagreement with him. As a man governed by a set of ideals and values that were consistent with personal liberty, free enterprise, limited constitutional government, and a strong national defense, John could always join battle with those who disagreed with him, but his arguments focused on the issues and he did not challenge opponents' sincerity and equal conviction that they were right. Thus, he was on friendly terms even with his most ardent political foes.

Another endearing quality John possessed was loyalty. He was not a fair-weather friend any more than he was a sunshine patriot. Any number of his friends will attest to the fact that John stood beside them during personal travails—again, on occasion, even when it caused him some political injuries.

But that was John. A good friend, a gentle man, a crusader for liberty, a distinguished statesman, and a true and Godfearing patriot. He is missed by his friends and our Nation. Unborn generations can be grateful there was a John Ashbrook for the role he played in reviving the faith of our fathers.●

● Mr. LOTT. Mr. Speaker, it is with considerable sadness, but also great admiration that I rise today to join my colleagues in paying tribute to the life of John Ashbrook, a most remarkable Member of this House.

The illustrious son of another illustrious Member of this body, John Ashbrook understood, as perhaps few others of us did, the true essence of public service. He was a thinking man's conservative, who took his stands on the issues long before they came into fashion. He was never one who caved into political expediency, believing that it would be far preferable to be returned by the voters to his original calling as a printer than to depart from the convictions in which he believed so intensely.

John's rock-ribbed conservative philosophy and strict constructionist view of the Constitution were views with which I happended to agree. However, even those who seldom if ever shared his views on the great issues of the day respected him for his consistency to

philosophy, his integrity, and his intellect.

During my 9½ years in this body, I came to admire John and to value his assessment of the issues. I felt a special political kinship with him, having been raised in the Democratic Party just as he was. He was an inspiration to conservatives like me who came to realize that our views could best be represented by a realinement with the Republican Party.

Mr. Speaker, during times when many persons of his political persuasion were in despair over the actions of Federal courts, John Ashbrook was right here on this House floor offering innovative legislative solutions which proved effective and workable. On occasion, I would begin to wrestle with problems which I believed were unique to my own State, only to find that John had already begun to carry the ball—not as a matter of provincial interest, but simply because of the principle involved. It was this same type of energy and action orientation which had led him in earlier years to found a nationwide conservative organization and to take on an incumbent Republican President in his party primaries.

Mr. Speaker, I cannot think of the award-winning motion picture, "Chariots of Fire," without John Ashbrook also coming to mind. That motion picture depicted the true story of young Englishmen who strove courageously for excellence on behalf of their country and who succeeded while remaining true to their deeply held religious convictions. John Ashbrook, too, ran the good race for his Nation and for his constituents and never broke faith with his ideals. He deserves a special place in the history of this great institution.●

● Mr. LAGOMARSINO. Mr. Speaker, there are few Members of the House with a more consistent record of voting on principle than John Ashbrook. In an arena where expediency is often the motive force, the record left by John Ashbrook stands as firm and as dependable as the mace of office beside your chair.

John Ashbrook loved the Congress, and served it well. Following in the footsteps of his father, he became an institution in this hall, constantly battling in defense of the principles he articulated so well. Bowing to no one, he challenged even an incumbent President of his own party, in what many viewed as a futile gesture, but which those who knew him saw as an eloquent way of making a point—that principle is more important than party. There are few who would have dared such a race. Yet history proved the validity of his concern, and the voters of his own district gave him 73 percent of the vote in his last election.

John's personal modesty and charm surprised many who knew him only as an ardent defender of principles. Yet it was in integral part of his outlook; many of differing points of view, called him friend. His ability to work with others, made his record more than just one of dedication to principle. And his knowledge of House rules and floor strategies served to extend his influence beyond that of a lone individual. John's patriotism is beyond question; so is his compassion. His concern for both country and for those less fortunate among us marked him as a man of extraordinary intellectual capacity and heart.

It is sobering, but nevertheless not surprising, that he died in the midst of a campaign—a campaign for a wider forum for the views he held so firmly. There are few of whom it can be said with greater accuracy, that his life stands as a monument to his belief. We shall all miss him.●

● Mr. FORD of Michigan. Mr. Speaker, many will remember Congressman John M. Ashbrook as an undaunted, unwaivering conservative, who promoted his philosophy without regard to his chances for legislative success. While this portrayal is a true reflection of John's approach on the House floor, I will recall him as a skillful legislative technician who worked as the ranking minority member on the House Education and Labor Committee in the true spirit of compromise. There is not a member on the committee who did not admire his leadership and ability to quickly grasp complex issues.

His wit and personal charm were unmatched. Even during the most heated political debates on issues on which we vehemently disagreed, John could elicit a hearty laugh with a clever quip.

He may be best remembered for his political acumen, but he was equally strong in his knowledge of substantive issues. For example, he stood firmly by my side during the reauthorization of the Higher Education Act, fending off those who thought we should have less of a commitment to student aid programs. His advice and support were critical during the House debate; and the far-reaching improvements we made in postsecondary programs would not have been possible without him.

I will sincerely miss John Ashbrook. He made the legislative process a worthy pursuit, and brought credit to the Congress.●

● Mr. BROOMFIELD. Mr. Speaker, I am pleased to join in paying tribute to our friend and respected colleague, John Ashbrook.

It is always hard to accept when a friend passes away. The acceptance of such a loss is even more difficult when the person is young and has always been vibrant and full of vitality.

When John was taken away from us, he was in full stride as a contributing, hard working Member of Congress.

He always ably represented the people of the 17th Congressional District of Ohio. But beyond his work of his district, John was a strong and articulate voice for a conservative point of view on major national issues.

Over the more than two decades that John served in this body, he became a leader in the fight for fiscal responsibility and the limitation of the role and activities of the Government. He sought to limit big Government. But guided by his deep compassion for others, he always recognized the legitimate role of the Government in helping the truly needy. John clearly demonstrated to those who would have us believe otherwise that there is nothing inconsistent between being a true conservative and being a compassionate person.

Mr. Speaker, John was a real and sorely needed asset to the Congress. His death is a tragic loss to the Nation, the Congress, and the people of Ohio.

I join my colleagues in expressing our heartfelt sympathies and condolences to John's wife, Jean, their three children, and the people of Ohio's 17th District.●

● Mr. ADDABBO. Mr. Speaker, it is with great sorrow that I join my colleagues today to pay tribute to our late friend and colleague, John Ashbrook. John and I came to Congress together 21 years ago. We did not always agree on issues, but I always respected his courage and idealism. John was and will be remembered as an honest, hard-working, and devoted public official who honorably served the people of the great State of Ohio for 11 terms. He was a loyal Republican with his own ideas of what the Republican Party should represent, and never sacrificed his personal convictions for political expediency.

He was a man of conscience, and it was his personal character which enabled him to be such a principled and idealistic Congressman. John's political career was characterized by his patriotism and respect for traditional American values; he cared deeply for our Nation and its people. He served his constituents with dedication, and worked tirelessly on behalf of individual rights and freedoms.

John Ashbrook will be sorely missed by the people of Ohio, and by all of us. My deepest sympathies go out to his family for their tragic loss.●

● Mr. PEASE. Mr. Speaker, I am very glad to have this opportunity to share with my colleagues my memory of a very special Member of this body: the late Congressman John Ashbrook, who spent 22 years in the U.S. House of Representatives working to advance the principles of public policy in which he believed so strongly.

Each week I write a newspaper column for my constituents in Ohio. Following is the text of my May 5 column which I wrote in tribute to this special person:

> As I sat in a small church in Johnstown, Ohio, last week with more than 50 other congressmen attending the funeral of Congressman John Ashbrook, I thought of a statement I had read some years ago.
>
> Attributed to Theodore Roosevelt, the statement urged that proper credit be given to "the man in the arena, the man whose face is marred by dust and sweat and blood" from combat, who is willing to fight valiantly for his beliefs, and whose place "shall never be with those cold and timid souls who know neither victory nor defeat."
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> Safe, middle-of-the-road-ism was not John Ashbrook's style. He was an unabashed conservative. He felt very strongly about the need for America to adopt his conservative views, and he fought at every opportunity to translate his conservative philosophy into public policy.
>
> John Ashbrook was a fighter. He battled tirelessly for his beliefs within the Congress.
>
> Furthermore, he did it with a sense of humor. Although he was dead serious about the importance of his work in Congress, he never took himself too seriously. He had a delightful sense of humor which made his greatest adversaries not only respect but genuinely like him.
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> During the six years that I knew him in Congress (I had known him casually for many years before that), John knew a little of victory and a great deal of defeat. For the first four years of our joint tenure in Congress, John Ashbrook rarely won a victory on the House floor. On bill after bill, he would offer his conservative amendments, and down they would go to defeat.
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> When the bells sounded to announce a 15-minute recorded vote was in progress, the majority party whip would take his place at the entrance to the House chamber to advise members rushing in what the issue might be. Often he would say, "It's another Ashbrook amendment." Some members never bothered to find out precisely what the amendment was. If it was an Ashbrook amendment, they simply voted against it—knowing it would be another one of John's conservative crusades.
>
> But as the mood of the country became more conservative in 1979 and 1980, the margin of defeat for John Ashbrook's amendments grew smaller and smaller, and finally, in 1981, after Ronald Reagan became President, John began to taste victory as well as defeat.
>
> Public opinion had changed. The mood in Congress had changed. John Ashbrook stayed close to his principles. In earlier years, he had not hesitated for a moment to be the only member of Congress voting against a particular bill that he didn't feel was right for America. Nor did he automatically go along with proposals from President Reagan, whose election in 1980 surely must have been the high point in John Ashbrook's long crusade to turn America to a conservative path. He was his own man, and he believed that conservative as well as liberal Presidents could make mistakes.
>
> Last week John Ashbrook was laid to rest. Though he and I often disagreed on major issues, I always felt that he was a very valuable member of Congress. The country and the Congress will be the poorer without him.●

● Mr. JEFFORDS. Mr. Speaker, on April 24, our good friend and colleague, John Ashbrook, passed away. John represented the Seventeenth District of Ohio, and represented it well. He was first elected to the 87th Congress on November 8, 1960, and was reelected overwhelmingly to each succeeding Congress.

Here in the House he served on the Education and Labor Committee, where he was the ranking minority member on the Labor-Management Subcommittee, and on the Judiciary Committee. I had the distinct privilege of working with John on the Education and Labor Committee. Although I certainly had differences of opinion with him on both philosophical issues and narrower issues, he was always willing to listen to an opposing viewpoint. While he was an able spokesman for the philosophical causes in which he believed, he also had a knack for molding compromises which were acceptable to the committee, and to the House as a whole. In the 96th Congress, I did a study as to which Members of the House were most successful with floor amendments, and lo and behold John Ashbrook was near the top of the list when it came to not only as to the total amendments offered, but also as to a success percentage.

We will miss him on the committee, because he ran the affairs of the minority with an evenhandedness and a flexibility which fostered team efforts and gave each individual Member an important part to play. He also believed strongly in bipartisan efforts, and spearheaded vital Republican contributions to all of the major initiatives of the Education and Labor Committee while he was the ranking minority member.

I particularly enjoyed putting heads together with John on youth legislation. He felt strongly that there was an acute need for programs to help young people who wanted to better their lot in life. He was a very strong proponent of the youth initiatives that came out of the committee last year, and I hope he will approve of the way we are furthering the cause in his absence. He and I also worked closely together last year in putting together the consolidation package of education programs in the reconciliation bill. He had a deep understanding of these programs and their worth.

in his distinguished tenure here in the Congress, John left his mark on those of us who served with him and an indelible mark on the laws of this country. Although he is gone, his voice will continue to be heard in this Chamber. The man, his leadership, his credo, will not be forgotten.●

● Mr. SHUMWAY. Mr. Speaker, it was with deep sadness and regret that I learned of the passing of our friend and colleague, John Ashbrook, and I appreciate having this opportunity to pay tribute to his memory.

I became personally acquainted with John during our travel together to Taiwan in 1979. During that time, I was able to see him in a very human capacity, not just as a lawmaker, but as a sound thinker and as a spokesman for the conservative point of view. John respected his colleagues, no doubt one reason why he was so highly respected and admired in return.

John particularly impressed me with his efforts on the floor of the House. He was nearly always present during debate, and very little escaped his watchful attention. I particularly recall his habit of bringing stacks of district newspapers with him to the floor, papers which he would appear to be absorbed in perusing. However, I rapidly learned that he was also giving close attention to the debate, and he would be on his feet in seconds with the appropriate remark or amendment when he saw fit. Indeed, he seemed always ready with the right language at the right time, an ability which I found almost awesome.

In my opinion, there is no one with John's ability and ready to take his place in our Chamber. Thus, John Ashbrook will be missed with increased intensity. Not only will he leave a void as a friend and colleague, but as an exceptional legislator who never lost track of the Nation's best interest. I am proud to have been able to serve with him, and I extend every best wish to his family.●

● Mr. WILLIAMS of Ohio. Mr. Speaker, it is with much sadness that I say this final farewell to my friend and colleague, the late John Ashbrook.

John was one of the first friends I made when I came to Congress. He counseled me, supported me, sometimes defended me. And, though we sat on the same side of the aisle, we were sometimes adversaries.

However, with John, it was always an adversary relationship of ideas and issues, never an adversary relationship of personalities or men. He was able to separate the person from the position and regard each on its own merits. Yet, one was never left in doubt as to where he stood.

He was a tireless worker for the causes in which he believed and a man of deep concern for the issues with which he dealt. John Ashbrook was the perfect example of a dedicated legislator.

He was also one of the most gracious Members of the House and with his passing, I sense not only a personal loss, but also a loss to all of us here in the House of Representatives, a loss to his constituents and a loss to all who believe in the strengths of our way of government. I feel confident that we here in the House make up only a very small percentage of those who will

miss John deeply and who always will remember him fondly.●

● Mr. ARCHER. Mr. Speaker, all of us who serve in the House of Representatives, and this institution itself, have suffered a great loss with the passing away of our esteemed colleague, John Ashbrook.

John Ashbrook was a man of great principle and personal courage, sincere in his beliefs and resolute in his determination to do what he felt was best for this Nation and all its people. He was a man to be admired and respected, by political friend and foe alike.

While we knew he would be leaving the House at the end of this term, it was with the expectation that his service to the people of Ohio and the Nation might well be continuing in the U.S. Senate. It seems patently unfair that this Nation be deprived of John Ashbrook's leadership in any capacity in Congress at this critical time.

I join my colleagues in the House in mourning the passing of John Ashbrook. We and the Nation have lost a friend, a leader, and a statesman.●

● Mr. ERLENBORN. Mr. Speaker, it has been said that one man's death diminishes those who remain, and filling the void left by John Ashbrook's passing will indeed be difficult.

John was a man of firm convictions who did not retreat if the odds were against him. He persevered, but always as a gentleman and always with good grace. He learned early in life that a sense of humor was essential in walking the tightrope of life.

For 21 years, John competently and ably represented the people of Ohio's 17th District. I know he will be sorely missed by them, as well as by his colleagues on the Education and Labor Committee, where I had the good fortune to work with him on hundreds of issues over the years.

My deepest sympathies go to his wife and three daughters, who I hope, find comfort, as I do, in having been closely associated with this decent and good man, a legislator par excellence.●

● Mr. GAYDOS. Mr. Speaker, neither the people of a congressional district nor the citizens of a republic can want more of an elected representative than that he do his unstinting best for what he thinks is right.

In this, our late colleague John M. Ashbrook gave the 17th District of Ohio, and the United States, what was due, and more.

I knew Mr. Ashbrook by shared service on the Committee on Education and Labor and on the Congressional Steel Caucus, and by his day-to-day conduct over 20 years he illustrated the truth that a worthy adversary makes a reliable friend.

Against you, he often put your ideas to tests that made them better, stronger. With you, he could be counted on for the same kind of steadiness.

And no Member of Congress can want more from a colleague.

From him, we got what was due, and more. I will miss, the committee will miss and the House of Representatives will miss his understanding and his expertise.●

● Mr. SAWYER. Mr. Speaker, it is a great honor for me to participate in this tribute to my colleague and friend, John Ashbrook, who died suddenly on April 24. My only regret is that we must use the occasion of John's untimely death in order to belatedly appreciate his many good qualities.

I first met John Ashbrook shortly after I came to Congress in 1977. It was readily apparent to me that it was no accident that John was a well-established political veteran in Washington. All who knew him would agree that he was one of those rare combinations on Capitol Hill: an intelligent man, a compassionate human being, a good legislator, a shrewd politician, and a dedicated American.

During the 97th Congress, I have had the privilege to work with John on the Judiciary Committee's Subcommittee on Crime. We did not always agree on the issues, but we never were unable to discuss them and we never lost our respect for each other.

John's reputation was legendary as a debater and parliamentarian. He worked tirelessly for his constitutents in Ohio's 17th District and always remained true to his conservative principles. John did not vacillate on these principles, either. After carefully weighing the issues, he would stand fast—and sometimes alone—on his beliefs, not caring that he might be bucking party members, the majority of the Congress, or even the President of the United States.

We need people like John Ashbrook in Congress. Whether we agreed with him or not, he made us all have to think and work hard. It pleases me to note that other Members of Congress realize this as well. Democrats and Republicans, Senators and Representatives, liberals and conservatives all who knew John will miss him.

John Ashbrook's death at the age of 53 ended a family tradition during this century of almost 42 years of public service in the House of Representatives. It is with great sadness that I offer my condolences to John's family and to the people of the State of Ohio.●

● Mr. GRADISON. Mr. Speaker, I share with my colleagues a deep sense of loss at the sudden and untimely death of our friend, John Ashbrook. John was a man of principle and courage. He had that all-too-rare habit of speaking his mind clearly, openly, and frankly and letting the chips fall where they may. He served his Ohio constituents with dedication and zeal, had an encyclopedic knowledge of government programs, and a wide following not only Ohio, but elsewhere around in the country. I join in this special order to express my own personal regret at his passing and to extend my deepest sympathies to his family.●

● Mr. MARKS. Mr. Speaker, it was with a sense of shock and deep sadness that I learned of the death of our distinguished colleague from Ohio, and my friend John Ashbrook.

Perhaps the high regard and genuine affection I had for John is best expressed by a note of condolence I sent to his wife and children.

Text of the letter follows:

> Washington, D.C., *April 27, 1982.*
>
> Mrs. Jean Ashbrook,
> *910 West Village Drive,*
> *Newark, Ohio.*
>
> Dear Mrs. Ashbrook and Children: I write you as a colleague of John's who very early in my first year learned to admire him and respect him and his views. You may not be aware but I am sure that my voting record and John's voting record, over the six years I have had the privilege of being his colleague, are probably as dissimilar as any two in the House. However, at no time to my knowledge, did that ever interfere with our friendship. John, although disagreeing with my positions most of the time, always gave me the opportunity of voicing them and did not ever belittle me. I appreciate that more than I can tell you since that was not always true of other colleagues of mine who may not have agreed with me in my positions.
>
> Your very dear husband went so far before the last election to voluntarily offer to come and campaign in my behalf. Although to do so I am certain would have tarnished him at least to some degree—yet he never considered that was important but only considered that helping me return, in spite of my off-times differences of opinion with him, was important.
>
> Your husband—your father—my friend, John Ashbrook, was in fact one of the great Americans. I admired him and I truly will miss him.
>
> Having experienced a death in my family of someone very close, I at least to some small extent can share with you your feelings at this time. I send to you all the love and affection of my entire family.
>
> Respectfully,
>
> Mark Lincoln Marks,
> *Member of Congress.*●

● Mr. MONTGOMERY. Mr. Speaker, the death of Representative John Ashbrook of Ohio on April 24 saddened all of us who knew him. I join with my fellow Members of the House of Representatives today in paying tribute to this outstanding man.

He was a good friend and served as a stabilizing force on the Education and Labor Committee.

John Ashbrook was always an articulate spokesman for conservative causes in the House and he was never one to back away from an issue. He enjoyed the popularity and respect of his House colleagues as well as his constituents in the 17th District in Ohio. We will miss him.●

● Mr. QUILLEN. Mr. Speaker, I would like to take this opportunity, along with my colleagues, to pay tribute to Congressman JOHN M. ASHBROOK of Ohio.

I am deeply saddened by JOHN's passing and will miss greatly his warmth, his wisdom and his friendship.

The tremendous work he did in serving his constituents and our country is a shining example for others to follow, and his efforts and accomplishments will be long remembered.

JOHN was first elected to the Congress in 1960 and served for many years on the Committee on Education and Labor where his contribution to the Nation's labor laws and education programs was impressive.

Congressman ASHBROOK's integrity, abilities, and dedication to firm conservative principles earned for him a well deserved national reputation.

I wish to extend my sincere condolences to his family in this time of sorrow. Their loss is shared by those who knew JOHN.●

● Mr. CLAUSEN. Mr. Speaker, it is with great sadness that I join with my colleagues in paying tribute to the passing of a great statesman, the late JOHN M. ASHBROOK of Ohio.

Many of the senior Members among us, on both sides of the aisle, would have to cast into the depths of their memories to recall an individual whose commitment and determination in the pursuit of his ideals surpassed those of JOHN ASHBROOK. Such was his spirit in the service of his beloved country, a service spanning over 20 years in the House.

JOHN will long be remembered as an advocate of returning control of America to her people, through consistent efforts to reduce the growth of Federal programs which he felt State and local agencies could more effectively replace, and to increase the accountability of elected officials to the electorate. He held fast to these principles and worked tirelessly toward the ends in which he believed long before it became "popular" to do so. He would often request a rollcall on a spending bill, never letting us forget who pays our salaries. The awards he has received as watchdog of the Treasury are indeed well-deserved.

It was my privilege and honor to have had the opportunity to work together with JOHN toward our shared goals in the area of education during his service as the ranking minority member on the Education and Labor Committee. His absence on this committee will no doubt be deeply felt, especially in terms of his perceptiveness and the striking insights he offered on complex issues.

It is hardly possible to speak of JOHN ASHBROOK's leadership in the House without mentioning his willingness to promote and defend the cause in which he believed before the Nation and abroad. He had long been active in organizations espousing a conservative, constitutional philosophy, and has debated on hundreds of campuses, television panels, and forums as an advocate of this philosophy. In a 1970 national poll, he was chosen as one of the most respected conservative leaders in America, ranking in the top 5 of almost 100 prominent conservative leaders, along with BARRY GOLDWATER, Ronald Reagan, JOHN TOWER, and Bill Buckley.

Mr. Speaker, it is with great honor and respect that we mark the passing of JOHN ASHBROOK. No words can fully express the emptiness we all feel and the void which he has left. Our prayers go out to his family, for we know what a loss they have suffered, and pray that God will give them strength.●

● Mr. DERWINSKI. Mr. Speaker, I was deeply saddened and shocked by the news of the untimely passing of our distinguished colleague, JOHN ASHBROOK. His outstanding record of faithful service and his strength of character earned him an honored place in the hearts of his constituents and in the hearts of people throughout Ohio.

John was a dedicated Representative who was always loyal to conservative principles of government. As founder and former chairman of the American Conservative Union, JOHN ASHBROOK was a leading spokesman for conservative, Republican policy decisions.

During his 21 years in Congress, the people of America had the benefit of JOHN's hard work and expertise on legislation affecting tax and budgetary policy, States rights, and education. As ranking minority member on the House Education and Labor Committee and the Judiciary Committee, JOHN was instrumental in forming initiatives which protected individual freedoms against government interference.

Throughout his public career, JOHN worked diligently on behalf of his district and his country. He was dedicated to the discharge of his congressional duties in a fashion that was totally responsive to the needs of our Nation as well as the State of Ohio and the district he represented. His concern and commitment to the welfare of the people of Ohio was shown by the dedication which marked his campaign for the Senate seat in that State.

Having served with JOHN during the last 21 years, having campaigned for him in his initial congressional race, I appreciated his friendship and our longstanding political relationship.

My wife Pat joins me in expressing our sincere condolences to his wife, Jean, and the entire Ashbrook family. We have lost the services of a truly dedicated colleague. We will always remember JOHN as a true friend and a man of firm responsible, conservative, political principles.●

● Mr. TAYLOR. Mr. Speaker, I deemed it a privilege to serve in this body with one so dedicated to the principles of our Constitution as was JOHN ASHBROOK.

I have not only lost a personal friend who has visited in my home and came to my district to speak in behalf of my reelection, but also we have all lost a colleague who had the courage of his convictions and never missed an opportunity to express in the strongest terms the conservative point of view. He never shied away from controversial issues and was a formidable debater.

JOHN ASHBROOK had the respect and confidence of millions of Americans who knew him as the champion of limited Federal Government, strong national defense, low taxation, and the need to reduce the regulatory burden that has been placed on the businesses and industries of this Nation.

I would like to convey to JOHN's family my deep regret over his untimely death. It is always difficult in times like these to find the proper words to express our feelings but needless to say JOHN ASHBROOK will be missed.●

● Mr. RITTER. Mr. Speaker, I, too, will miss JOHN ASHBROOK. My heartfelt sympathy goes out to his wife Jean and his three daughters.

JOHN ASHBROOK will be greatly missed not only in this Congress, but across this country by all who value freedom and the rights of the individual. Whether it be in support of the rights of private institutions or speaking out against oppression in totalitarian societies, his beliefs were valued by Republicans and Democrats alike because of their emphasis on the positive role of the individual in society.

His words and deeds where those of the freedom loving individual who symbolizes all that this Nation stands for. He once said, "I'm not going to conform to what other people are doing for the sake of conformity. I try harder than most people to do what I think is right." JOHN not only believed these words but lived them. Although considered to be a conservative, he was a liberal in the classical sense, fighting for the individual's rights against inherent evils that stem from a government that is so big and so powerful that it simply cannot deal with individual human needs.

Whether it was forced schoolbusing, wage and price controls, or bailouts to large corporations, JOHN fought against unwarranted Federal intrusion into the daily life of a free society. He continued to offer an alternative of less government and less Federal spending, an alternative which recently has become a major part of the philosophical direction of our

country's citizens and so many of us in Congress.

He was an eloquent spokesman, but even more he was a friend. In closing I would like to pay special attention to a belief he held dearly. He once told a reporter, "In the end, those who have stood and fought for principle have usually been vindicated." History has and will continue to show that his fight for principle and the individual was not in vain.●

● Mr. BIAGGI. Mr. Speaker, shock and sadness were two emotions which enveloped me when I learned of the death of our dear and esteemed colleague JOHN ASHBROOK. For more than two decades, JOHN ASHBROOK served in this House with unique distinction. Therefore it seems so incomplete that we try and capsulate his accomplishments in one brief, special order.

I had the privilege of serving with JOHN throughout my 14 years in this House. We grew close because we both served on the House Education and Labor Committee, where for the past 2 years, he was the ranking minority member. To fully understand and appreciate JOHN ASHBROOK—all one had to do is watch him in a markup session on a given bill. If JOHN was on your side—yours was a simpler task. If you had JOHN as an opponent—you knew you had a tough fight and could only win on merit. Clearly, as a two-party House of Representatives—there are many of my colleagues who found themselves on the opposite side of the political and ideological fence from JOHN ASHBROOK. Yet, there are few, if any, who did not appreciate and or benefit from the experience of comparing views with JOHN ASHBROOK.

For JOHN, his convictions were his greatest strength. One of my colleagues said it right when he referred to JOHN as a idealist who never lost his idealism. His intellectual capacities were enormous, and it made him one of the most impressive spokesmen for the cause of conservatism ever in American political life.

It is not an exaggeration to say that JOHN ASHBROOK had many friends in this body. He was warm, humorous and always personable. He was sought out by many; his advise and counsel was valued like few others. He was a type of political barometer, when you got a reading from him, you got a much clearer reading on which way to proceed.

The loss of JOHN ASHBROOK in many ways is impossible to assess. It leaves this institution a much poorer place. It will leave those of us who knew him with feelings of deep remorse and loss. It deprives our Nation of one of its most eloquent and formidable political leaders. His death leaves me without a good and dear friend.

It might be best to say that it is a real shame that JOHN ASHBROOK is no longer with us. All we can do is offer solace to his beloved wife and children and comfort them with the knowledge that they should be proud of what JOHN ASHBROOK did in service to his country.●

● Mr. FOUNTAIN. Mr. Speaker, I want to join with my colleagues in expressing the deep sense of loss felt in this Chamber with the passing of our distinguished colleague, JOHN ASHBROOK of Ohio.

Although JOHN and I were on different sides of the aisle, I had the great pleasure and privilege of working with JOHN for over 20 years in the House of Representatives. During that time JOHN and I shared the same goal of a strong America, and his wisdom and insight will be sorely missed in this body.

A man of high intelligence and dedication to principle, JOHN put what he thought was right before what might have been politically expedient. And whether in agreement or opposition to JOHN's position on any given issue, Members were assured of capable and honest advocacy on his part.

Indeed, with his dedication to a better America, his strong stance against the evils of communism, and his unique sense of purpose, JOHN was a legislator of truly national stature.

As we all know, apart from his work in the House, his hundreds of debates, forum and television appearances, JOHN was in the midst of a campaign for the U.S. Senate. And anyone who knew JOHN ASHBROOK knew that that race would have been extremely exciting, with issues and positions clearly defined and well articulated.

Here in the House, JOHN built a solid record. Until its abolition, JOHN ASHBROOK was the ranking Republican member of the House Internal Security Committee, and he was the well respected ranking member of the important Education and Labor Committee.

In addition, JOHN was a senior member of the House Judiciary Committee and also a key member of the Select Committee on Intelligence—a committee with oversight of the CIA, FBI, NSA, and Defense Intelligence Agencies.

Of course, JOHN served with distinction in a number of capacities apart from the prominent role he played in the House of Representatives.

JOHN was a member of the Johnston Baptist Church, and he served as moderator, chairman of the board of deacons, and chairman of the board of trustees. JOHN was also a 32d Degree Mason, and he served as an able and active participant in other civic and school affairs.

Here in the House, we have lost a true and valued friend, adviser, and colleague, a man who served both his State and Nation with deep devotion and with great ability and skill.

My wife Christine and I send out to JOHN's wife Jean, and to his three lovely children, our thoughts and prayers and deepest sympathy at this time of loss. May they find strength and peace during this time.●

● Mr. HAMMERSCHMIDT. Mr. Speaker, I am most grateful for these few moments to honor the memory and service of a great statesman and outstanding American, Representative JOHN M. ASHBROOK.

The son of an Ohio newspaper editor and former Member of Congress, JOHN undoubtedly was deeply influenced by his father's career. However, his own decision to seek public office was based on his firm commitment to the protection of individual freedom.

Ohioans of the 17th District will feel the loss of this courageous and committed man, who they first elected to the 87th Congress in 1960 and have elected to successive terms until the time of his death. JOHN's death has come just weeks before the election to determine the Senate Republican nomination in Ohio, a seat which JOHN was enthusiastically seeking in an effort to better serve the people of Ohio and this Nation.

JOHN was not man to be pacified when his convictions to individual freedom were in question or threatened. A man of principle, JOHN made this observation of himself, "I'm not going to conform to what other people are doing for the sake of conformity. I try harder than most people to do what I think is right." With that philosophy, he attacked his work, his leisure, and his hopes for the future of this country.

As JOHN's good friend William F. Buckley, Jr., once said:

> Mr. Ashbrook shows that kind of personal political courage by which one distinguishes between those automatons who represent us in Washington and those special others who are human beings endowed with mind and an active conscience.

Not many men will come along with the courage, compassion, and active conscience that permeated the life and career of JOHN M. ASHBROOK.

It was with these qualities that JOHN approached his latest endeavor to reach the Senate and it is with these qualities he has made a lasting impression on his colleagues and constituents.

As we contemplate the passing of this fine statesman, I wish to express my heartfelt sympathy to his wife Jean and his three daughters, his sisters and brothers, two of whom reside in JOHN's hometown of Johnstown, Ohio. I also extend my sincere sympathy to the people of the 17th District, who JOHN proudly represented for 21 years.

I hope and trust his influence will inspire us to remain unrelenting in our own dedication to serve this Nation.●

● Mr. SAM B. HALL, JR. Mr. Speaker, JOHN ASHBROOK was a product of middle America. He loved our country, and he had a fierce pride in the American dream. His values and sense of ethics were of an America that far too many people have abandoned. He was straightforward, unassuming, and made no apologies for his beliefs.

More often as not, John Ashbrook found himself in a minority. He would tackle issues of controversy that others sought to ignore. In doing so, he made his colleagues face up to the tough issues. In his mind Congress should not be a rubberstamp, and he was fighting to restore legislative equality in the balance of powers doctrine long before the current flap over congressional prerogatives.

The Ashbrook name has been synonymous with Ohio politics as long as anyone can remember. His father was a Democrat in a sea of Republicans. John was a conservative Republican to the end. Both men were known as scrappers who did not mind fighting for what they saw as the right course of action.

Not long ago I read an article about the positive work done by the senior Ashbrook to enhance and foster numismatics and assist the Nation's coin collectors. It may have been providential, but it was the father who worked to get a charter for the American Numismatic Association for a period of 50 years, and after that 50-year period, it was the son who successfully worked in behalf of a perpetual Federal charter.

Tragically, so many of the Nation's great leaders have been taken from us at an early age—John F. Kennedy a prime example. John Ashbrook leaves us at age 53, yet few people accomplished more or had the respect and devotion of so many in such a short lifespan as John.

I will miss his counsel, his constant battle for principle and decency, his devotion to America. To his family I extend my heartfelt sympathy. To my colleagues I say we have lost a valued and trusted friend.●

● Mr. PHILLIP BURTON. Mr. Speaker, the U.S. Congress has suffered a great loss with the untimely death of one of its finest Members, Congressman John Ashbrook of Ohio. I was fortunate to have the opportunity to work with John Ashbrook for many years on the Education and Labor Committee.

Although we often disagreed on issues, I greatly respected John Ashbrook for his integrity, his honesty, and his warmth. His service to our Nation in the Congress was a tribute to the best traditions of representative government.

One attribute of John Ashbrook that stood out was his rugged independence of thought and action. There were several important instances during John Ashbrook's distinguished career when he courageously supported issues not necessarily popular with his normal constituencies. His assistance in passing the hospital amendments to National Labor Relation Act in 1974—extending NLRB protection to several hundred thousand workers—was invaluable as well as his willingness to support the rights of medical interns and residents to collectively bargain. He served effectively and constructively the causes in which he believed precisely because he was always willing to listen to other points of view and to seek constructive resolution of their differences.

John Ashbrook was known for his personal warmth and charm. It was always enjoyable to work and be with John. He relished the joys of life—as he enjoyed the challenge of the legislative process. I was most fortunate to know John as a friend. We will all miss him. The Congress and the country will be a good deal less on the level because of John's death.●

● Mr. O'BRIEN. Mr. Speaker, of the qualities of which the good Lord blessed John Ashbrook, and there were many, I think I will remember his candor in setting forth his position on an issue, and his calm, pointmaking style in debate, never losing control and always maintaining his objectivity.

His loss is felt here already. He was one of those special Members of Congress whose conduct added a luster of its own to the honored body in which we serve.●

● Mrs. HOLT. Mr. Speaker, I feel great sadness at this moment. John Ashbrook was a man of vigor who approached every challenge in life with great enthusiasm. I know the House shares my sense of loss that he was taken from us at the age of 53.

During 22 years in the U.S. House of Representatives, John Ashbrook served with energy and distinction and strong commitment to principles. I well recall his campaign for the Republican Presidential nomination in 1968 as a demonstration for political principles that he believed would not be served well by the establishment candidate of the party.

In recent years, he was the ranking minority member of the House Education and Labor Committee, where he was an aggressive and brilliant advocate.

I happen to believe that the cause of education in the United States was well-served by the work of John Ashbrook, who constantly challenged Federal legislative proposals that would have an adverse impact on local school systems.

I shall miss my friend John Ashbrook, his keen intellect, and his sound advice on Federal programs affecting education.●

● Mr. ZABLOCKI. Mr. Speaker, the untimely death of John Ashbrook has left a void in the ranks of conservative spokesmen which will be hard to fill.

At a time when consistency is not all that popular a virtue, John could be counted on to speak out with the conservative viewpoint on almost any important subject before the House. He was articulate. He was energetic. He was a master of parliamentary procedures.

John was active in the floor consideration of many bills of which I was manager as chairman of the Foreign Affairs Committee. While I did not agree with him on a number of issues, I always respected the sincerity of his advocacy.

John was in the prime of life, he was a rising star, when death struck. He will be greatly missed. I join in expressing deepest sympathy to his wife and daughters.●

● Ms. OAKAR. Mr. Speaker, today, we are here to pay tribute to our dedicated colleague and friend, John Ashbrook. His untimely death is indeed a loss to the citizens of Ohio. John served Ohioans in Congress for the past 21 years, and was a conscientious and devoted worker. He was a firm believer in this country's greatness and was often praised for his endless work for the betterment of mankind. He served his constituents and country with real integrity and dedication, never losing his patriotism. John had a deep-rooted pride in the United States and worked to instill this pride in the people that he met every day.

After graduating from Harvard with a B.S. degree, and Ohio State University with a law degree, John began his career in politics. In 1956, only 1 year after graduating from law school, he obtained his first public position by winning a seat in the Ohio State Legislature. Four years later, he was elected to his first national office, becoming a Representative from Ohio for the 17th District. At this time, John was the second youngest Member of Congress.

While not everyone agreed with John's positions, one admired his sincerity and his commitment to his beliefs. He was an extremely principled man. He was also a kind and generous man. Ohio and the Nation has lost an outstanding legislator.●

● Mr. HALL of Ohio. Mr. Speaker, I join with the Members of the House in mourning the death of our colleague, John M. Ashbrook.

John Ashbrook was a man of principle who never wavered from his belief in individual liberty and the greatness of America. He advanced those ideals fearlessly, sometimes taking a quixotic approach that reflected more a deep-seated hope than a successful cause.

John was a hard worker who always felt a sense of dedication and devotion. For this John earned the respect of not only those who shared his particular vision, but his opponents as well.

Despite the intensity of his beliefs, John remained softspoken and a gentleman of great personal charm. He was an eloquent spokesman for the old-fashioned American values he championed.

John served well his constituents, the State of Ohio, and the Nation. His passing will be missed by all.●

● Mr. FUQUA. Mr. Speaker, it is with a deep sense of loss that I rise to join so many other colleagues in paying respect to the memory of John Ashbrook.

John Ashbrook preceded me in this House by only 2 years, so we have shared the joys and frustrations of serving together through 10 consecutive Congresses.

One cannot work with somebody for 20 years and not develop a kinship from these shared experiences.

Throughout this time John Ashbrook proved a good friend, a good legislator, a statesman, and a patriot,

I can think of no greater praise for any man.●

● Mr. de la GARZA. Mr. Speaker, today we are here to pay tribute to our colleague John Ashbrook whose untimely passing is a loss not only to his family, but to his district, his State, and his country.

When I came to the House of Representatives in 1965 one of the first to greet me was our departed colleague whose tenure began in the 87th Congress. During the intervening years, and especially as neighbors sharing the same area of the Longworth House Office Building, I, along with many others, enjoyed his friendship and consultations on various matters pertaining to the Government, the Nation, and other mutual problems.

Representative Ashbrook possessed one of the most extraordinary personalities of any individual whom I have met in public life. He had keen insight into legislative problems and devoted long hours of work in his legislative duties and services to his constituents. He epitomized the spirit of the Ohio delegation, leaders all, a man who served his State and his Nation with integrity and courage. His many reelections from the 17th District of Ohio attest to his remarkable ability.

The greatest honor anyone can receive is to be remembered by those who come after him. John Ashbrook's shining record of service will continue as an inspiration to me and I know to others.

In recognition of this outstanding American's endeavors for the betterment of his fellow man I join with my colleagues in mourning the passing of an eminent statesman, a friend, and a grand human being. My life is richer for having known and worked with him.●

● Mr. ROE. Mr. Speaker, it is with great sadness that I rise today to salute the memory of our recently departed colleague, the Honorable John M. Ashbrook of Ohio.

For the past 22 years, Congressman Ashbrook served in Congress as the distinguished Representative from the 17th District of Ohio. His death creates a great vacuum for both the people he served in Congress and we who worked alongside him on a daily basis.

While John and I did not always share the same political philosophy I always admired his hard driving approach to advance the ideals he believed in. He was a worker who did his homework. And anyone who faced John in a debate on this floor knew that he was facing a well prepared and worthy opponent.

John Ashbrook served with distinction as the ranking member of the House Education and Labor Committee. During the late 1970's he joined with House Democrats in a bipartisan effort to draft an historic Federal aid to education measure that helped bring badly needed funds to our Nation's schools.

He was a man with an unabiding love for his country who was extremely vocal in denouncing anyone who spoke out against this cherished land.

John Ashbrook was a unique individual whose alert mind and spirited manner will be sorely missed.●

● Mr. MAZZOLI. Mr. Speaker, the passing of my good friend and colleague, John Ashbrook, came as a great shock to all of us.

John and I served together in the House for many years as members of the Judiciary, the Education and Labor, and the Intelligence Committees of the House.

More recently I had the privilege of working with John on pro-life issues, as he was a great defender of the rights of the unborn. As a Representative, John's committment and dedication to his constituents, and his hard work in the House was always an inspiration to me.

I extend my condolences to his wife Jean and their children, and take comfort knowing John has served his country well.●

● Mr. PICKLE. Mr. Speaker, John Ashbrook was a true conservative. He always made his position clear from the outset, and he never deviated from his commitments. Members knew how he felt and respected his position. I dare say there were just as many misty eyes on the liberal side of the aisle as the conservative at news of his death—because almost everyone respected John Ashbrook.

As I said, he was a rock-ribbed conservative. But he was not borishly predictable, and you could not count on him to simply "vote against" proposals on the floor. Sometimes he would surprise the life out of the leadership and propose or endorse bills that were truly progressive, or liberal. And this would cause Members to do an occassional double take and remind themselves that John Ashbrook was one of that rare breed who say and do exactly what they believe.

His stands were never based on prejudice, or bigotry, or hatred, but on sincere conviction, and on his idea of what the laws of the Nation should be. I cannot recall a time when he ever lost his temper, or showed evidence of a mean streak. He was simply John Ashbrook, advocating his position in a positive and forceful—and I must say, generally effective—manner. We will all miss him.●

● Mr. MOAKLEY. Mr. Speaker, I rise to express a deep sense of sorrow at the passing of our colleague, John Ashbrook. I wish to extend my sympathy to his family and friends at this tragic and untimely death. While John Ashbrook and I stood at opposite sides of the aisle and did not agree on many issues, he was a man who was never afraid to speak his beliefs and stand by his convictions. This is a quality that is to be admired.

John Ashbrook was an outspoken member of the Education and Labor Committee. Though he was a strong advocate of restrained Federal spending, he always worked to insure a quality education for all of our Nation's youth. He also had the tough but thankless job of serving on the Judiciary Committee's Subcommittee on Crime. During committee meetings and meetings of the full House it was to be expected that John Ashbrook would be both an active and articulate debator. I am sure I speak for all my colleagues when I say that his absence will be deeply felt by us all.●

● Mr. COLLINS of Texas. Mr. Speaker, as we join together to pay our respect to John Ashbrook, I am reminded of the first impressions I had of John. It also emphasized what an institution he was in Congress. I have been here eight terms and I remember the key campaign I had when I first won my seat to come up here. At that time, I was checking the Republican Members of Congress to see who was the most highly respected in our area. Among the top four, and this was many years ago, was John Ashbrook. The very high regard that Texans had for John came from his leading roll on the Americanism committee. He was such a strong advocate of the American system, the American ideals, and the American way of life. He fought consistently and with courage against communism and socialism. But what impressed people the most was when he made a speech, he had the facts and he told it like it was.

In serving with John, it was inspiring to see him always on the floor in the middle of the fight. He was always a gentleman but his questions were penetrating and John never took the soft, easy way out. If it was a sensitive issue where you might disturb some of your constituents, John took the position of what was best for the country. I especially appreciated the part John played in our fight for quality education. Forced school busing has had a negative impact on the school system of America. And every time I took the battle to the House floor, John was there, side by side, bringing out one good point after another.

It is with deep sorrow that we see a young man of 53, who was in the prime of his congressional career, taken from our ranks. John was not only young, but he was vigorous and most active. There was a certain electric magnetism about John. It is an honor for Texans to be able to join the neighbors of John Ashbrook, who lived in Ohio, in paying our warmest and deepest sentiments to his family and also to the State of Ohio where history will always remember John Ashbrook for his outstanding service to our Nation.●

● Mr. CONTE. Mr. Speaker, it is an understatement to say that this Congress will miss our friend and respected colleague, John Ashbrook. Although we may not have all agreed with his ideology or his proposals, no one could criticize his principles and integrity. John was a man of great convictions, of distinguished courage, and of many talents. In addition to the time he spent here, his career encompassed the Navy, the fields of law and publishing, and the State legislature. No matter what John was doing at any given time, he was sure to be doing it with determination. John was not afraid to fight for the underdog or to take a politically unpopular stand. I find those characteristics to be a refreshingly noble model for all of us.

In our sadness over his loss, we should rejoice in the fact that we were able to have him with us for 22 years and that he made a deep impression upon this body. The wide margins by which John won his district in recent elections is proof of the excellent job he did and the respect which he amassed in the 17th District of Ohio. That respect is one which can only be equalled by that which he garnered in this venerable institution.

All of John's attributes were only heightened by his personal modesty and Midwestern charm. We are all grieved by this terrible misfortune. He will be missed, but he will not be forgotten.●

● Mr. RODINO. Mr. Speaker, it may be true that you can learn more about a man from what is said about him by his adversaries than by his friends. I was one who seldom agreed with John Ashbrook's conservative views. In fact, we approached most issues from opposite ends of the political spectrum; and, as members of the Judiciary Committee, we were frequently at odds. While John was always a forceful advocate for what he believed was right, he never fought in anger or with ad hominem arguments. Instead he relied on his courage, intelligence, and integrity in fighting his legislative battles. For these qualities, he had my respect, and the respect of all his colleagues.

John Ashbrook was a tireless worker who was devoted to serving the people of Ohio. They returned his dedication by electing him 11 times to his House seat. It is a true tragedy that this vibrant man has been taken from us so soon, and I want to express my deepest sympathies to John Ashbrook's family at this most difficult time.●

● Mr. SCHULZE. Mr. Speaker, I was shocked and saddened, as were we all, by the untimely passing of our dedicated colleague, John Ashbrook. His wise and able counsel will be sorely missed during the difficult debate to come on the pressing issues facing our Nation.

It could always be said of John that he cared for this country in a way which made us all proud to know him. His tireless fight for what he believed to be best for our Nation set him above the average man. He did not seek the limelight, but instead sought the truth. Many times he faced this body on an issue with the cards clearly stacked against him, but he fought anyway knowing that he would be less than true to his beliefs if he abandoned the fight in the face of opposition. This type of devotion will be sorely missed in this body.

John has embarked on what some have called the last great adventure. I am certain that he will succeed in this as he has in everything he did in life. I wish him eternal peaceful rest and extend to his family my sincerest sympathy.●

● Mr. ROBINSON. Mr. Speaker, it is with sadness and a deep sense of loss that I rise at this time to offer a few words in tribute to the service of my valued colleague and friend, John Ashbrook.

While I had enjoyed the beneifts of John's friendship and advice throughout my congressional service, it was through our work together on the House Permanent Select Committee on Intelligence that our rapport was reinforced in a way which makes his passing a wrenching experience for me.

As all of my colleagues in this House know, this committee is not one which seeks the limelight. To be effective, it must rely on the dedication of its members, and of the supportive staff, to the intelligence elements of our national security effort. John Ashbrook made a full commitment to the mission of the committee, without any thought of increased political visibility. His other assignments in the House, and his work in behalf of the constituents of his district were not neglected in any degree, but when John Ashbrook came to the meetings of the Intelligence Committee, he gave these sessions full attention, and his contributions always were responsible and constructively responsive tc the questions at hand.

The loss of John Ashbrook is a severe one to this House. It is a major loss to his constituency and a most grievous one to his family. His was a voice of responsible, realistic conservatism in the national interest which the House profited by in its deliberations and decisions.

I will miss him sorely, and so will all here who had the privilege of working closely with him and receiving the support of his well-considered judgments and balanced perception.●

● Mr. MICHEL. Mr. Speaker, I never thought it would be my sad chore to speak in memory of our dear, departed friend, John Ashbrook. I had always considered him to be a hardy man, indefatigable, but then, every now and then, we are brought to our senses that the worst can happen at any time and it is with a deep sense of loss that I join in this tribute to John Ashbrook.

Our friendship stretches back to those days when we were considered to be young Republicans and ever since he came to this House he has been something very special to this institution. I know of no one during my better than 25 years as a Member of this body who has stood more solidly and consistently for the principles in which he believed. He was one of those who never flinched from standing alone if that was necessary. He always knew where John would be on an issue. We never had to speculate on how he would vote and the tougher the issue, the more he committed himself to a cause and battled fiercely for his point of view.

He was a gifted and able debater. He knew how to dish it out and how to take it. He could be oh, so partisan, but I dare say no one was more respected by his adversaries and political opponents than was John Ashbrook. Whether it was in committee or on the floor of this House you could always count on John having done his homework and he never needed anyone to pull his irons out of the fire, and when all the debate was over, whether in committee, at a convention, or on this floor, he could always be the most gentle and kind person to talk to and to make light of all the verbosity that had just taken place.

He was one of those who could truly be characterized as a super patriot. He had to live his life that way, because he felt so intensely about it and I will tell you when we flew out to Johnstown, Ohio, for his funeral, one had to be especially touched when driving into town from the airport to see the people gathered along the way with miniature flags placed every 10 to 20 yards and flags flying from what seemed to be everyone's front porch. It was a very moving experience for me that I shall never forget.

The memorial service at the church was a very beautiful and personal one. There was the singing of the Battle Hymn of the Republic and Victor Lasky's eulogy that made it all the more personal.

The Reverend W. J. Schlatter who spoke of "our eternal hope" was a longtime friend of John's and obviously delivered his sermon with deep emotion and love for one he had respected for many years.

I never thought of the popular song, "You Light Up My Life" as one that would be appropriate for a funeral service, but it was most appropriate, for John did light up our lives while he was here in our midst. John gave us so many things to remember him by. This House will never be the same for me without him lighting our way from time to time.

I hope John's wife, Jean, his three daughters, and all the members of the family will take some little measure of comfort from the fact that there are so many Members of this House who feel they have lost so much with John's passing. He was in my view one of the greatest who will ever have served in this body, and I am sorely grieved that our long abiding friendship should have to come to such an abrupt ending.

We are deeply distressed and I want to join with my colleagues in extending my profound sympathies to Jean, the three girls, and all members of John's family.●

GENERAL LEAVE

Mr. MILLER of Ohio. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the life, character, and public service of our late colleague, the Honorable John Ashbrook, and to include therein extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. Stratton) is recognized for 60 minutes.

[Mr. STRATTON addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

PERMISSION TO POSTPONE SPECIAL ORDER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Missouri (Mr. Emerson) is recognized for 60 minutes.

Mr. EMERSON. Mr. Speaker, given the lateness of the hour I do not intend to proceed with my special order this evening. A number of other Members have asked to join with me and had other engagements this evening. So I would ask unanimous consent that the special order I had reserved this evening be put over until Thursday.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

SOCIAL SECURITY COST OF LIVING ADJUSTMENTS MUST NOT BE TAMPERED WITH

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Massachusetts (Mrs. Heckler) is recognized for 10 minutes.

Mrs. HECKLER. Mr. Speaker, many of the issues that this Congress faces this week and this year center on the quality of life of this Nation's elderly, people 65 years of age and older who comprise over 10.5 percent of our population. From funding for social security benefits, to preservation of employment and meal programs in the Older Americans Act, to housing subsidies under the section 8 program, to health benefits under medicare, the well-being of senior citizens in this country is at stake.

Inflation—during the past few years a constant threat to the income security of many elderly—has been substantially reduced. However, this reduction offers little comfort to seniors who are fearful that the income they receive from the Social Security Administration may be cut back, the senior aide programs in which they participate cut off, the assistance they gain for housing reduced, or the benefits they have under medicare decreased.

Mr. Speaker, it behooves us not to offer empty words of comfort but to make firm pledges to our elderly constituents that their well-being is of primary concern to us and that the programs that contribute to the quality of their lives will be maintained and strengthened.

I have gone on record, Mr. Speaker, through cosponsorship of House Concurrent Resolution 298, that I oppose any tampering with cost-of-living adjustments for social security recipients. Moreover, I have stated to my constituents that, with the bipartisan task force on social security scheduled to issue its recommendations the end of this year, no changes should be made this session in social security programs.

In addition, I have gone on record as opposing funding cuts in the senior aide program, which provides meaningful employment, at minimum wage, for 10,000 retired persons each year in this country. Having voted late last year to extend, through September 1984, funding not only for senior aides, but also for home-delivered and congregate meals and other Older American Act programs, I support appropriations to carry out these activities.

Moreover, while I believe that there are certain Federal activities, such as defense expenditures, that should be cut in order to reduce the devastating budget deficit, I do not think that the deficit should be reduced at the expense of elderly persons who benefit from the Housing and Urban Development Department loan program for nonprofit organization to build section 8 housing for low-income elderly persons.

While discussing housing, I want to mention my bill, H.R. 5290, to continue low-income energy assistance and weatherization at no cost to the Federal Government or the taxpayer. This measure directs that overcharge violations plus penalties collected from oil companies be used to finance energy assistance and weatherization for the needy—especially the elderly. This means that from $11 to $14 billion in violation funds could be made available for home heating and weatherization. Because the elderly on low, fixed incomes are particularly disadvantaged by high fuel costs and because the elderly are most vulnerable to hypothermia, enactment of this legislation would be of direct benefit to them.

Finally, Mr. Speaker, although overall inflation has dipped below the double-digit level, the rate of increase in health care has not. Moreover, the percentage of income, 19.1 percent in 1980, paid by persons over 65 for health care has risen to almost its premedicare level, 20.4 percent. With medicare eligibles having just experienced increases in program deductibles, they are understandably concerned about further rises in costs allotted to them and about possible reductions in benefit levels. In addressing such apprehension, we must make clear that provision of high quality health care to our elderly population is a priority of this Congress. It is certainly a priority of mine.

Mr. Speaker, the conversations I have had with my elderly constituents and the letters I have received from them bring me to the floor of the House today, to say that I believe that the needs of the elderly are of paramount importance in our budget deliberations. A country is judged by the treatment of its elders, and our seniors ask only for that which is rightfully and respectfully theirs.

AMERICA'S SMALL BUSINESSMEN AND WOMEN

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Georgia (Mr. HATCHER) is recognized for 5 minutes.

● **Mr. HATCHER.** Mr. Speaker, this week we commemorate the men and women in the 14 million small businesses in the United States.

We commemorate those who have enriched our economy through the risk of investment and the attachment of courage and belief in an idea and talented people.

We find Americans of all ages and from all walks of life becoming entrepreneurs, relying largely on their personal resources for financing. This 97th Congress can be proud of its record of concern for America's small businessmen:

In addition to enacting substantial estate tax relief, this House has passed legislation to insure swift payment to small businesses when contracting with Federal agencies.

And this House has authored legislation to make small businesses more accessible to Government contracts.

The administration can be applauded for its efforts to arrest regulatory control.

But, in south Georgia, we face another problem. In addition to the battle of the budget that all small businessmen are waging, agribusinessmen in south Georgia are facing the natural obstacles that have plagued our farmers for the last several years: Drought and record high temperatures. I implore the Members of this distinguished body to consider the plight of these individuals and not to turn your backs on those who have made us the best fed and best clothed society the world has ever known.

Finally, there are those who rightly assert that none of the actions by this House can make any difference until we free up capital and interest rates begin to fall. To this end, I urge that we renew our commitment to balance the budget in the best interests of all Americans.●

UNITED STATES-CENTRAL AMERICAN RELATIONS IN JEOPARDY

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 15 minutes.

Mr. GONZALEZ. Mr. Speaker, it is certainly not my intention to prolong this and utilize the 15 minutes, but earlier this afternoon I had sought recognition to speak out of order for 2 minutes, but under the rules, could be recognized for only 1 minute. So, the remarks I made were left suspended. I feel that they need to be concluded and rounded out, because I was impelled to rise and speak because of the urgency that I sense and the meaning to the country in both short as well as long-range significance to our relationships and dealings with the countries that share the Western Hemisphere with us.

Earlier, I said that at this point I think we have * * * is one in which our leaders both on the executive branch level as well as here on the congressional level, must make decisions. The hour of decision has long been postponed, and I do not think we are going to be able to afford to postpone. I mentioned that in the case of El Salvador, which is out of the news headlines because of the developments in the South Atlantic in the confrontation between Argentina and Great Britain, tragic as that is, I had said earlier with respect to that, at the very outset that it was reflective, sadly, of the failure of our diplomacy because it was our Secretary of State, General Haig, our Government, that insisted and pressured the Argentines to send military, where they have been until, I am sure, recently, to Central America and to invade and help invade Nicaragua in order to destabilize the so-called Sandinistas. All of this is in the name of anticommunism. We have got such a paranoia that it has led us to learn nothing from our experience either in Korea or in Southeast Asia, in Vietnam.

I think this is most tragic, because though we may be permitted to be lulled into complacency about the terrible tragedy there, we cannot in our own front and back porch, in this New World, we just cannot afford to make a serious error of that nature, and, we are.

At this point, our country has lost the last leverage that it had, and vestige of when I first addressed the House on this matter over 2 years ago, on April 1, 1980. I said, and I am saying now, that in the case of El Salvador the same nonpolicy, because I cannot even consider it to be a policy that we have forged—is actually placing us in the same position, a losing position, and not only with respect to so-called communism but to the position of actual leadership that by historical fact and by the very nature of our country really imposes upon us, and that we cannot abdicate even if we wanted to. Destiny has thrust it upon our shoulders.

But, when we get identified with the murderers of the Archbishop of El Salvador, Archbishop Romero; with the murderers of the four American nuns; with the murderers of the two American civilians that everybody has forgotten about; when we get identified with those forces we are not being fair to our country.

Our country is the most genuinely compassionate and justice loving that anybody could point to in the whole world. Yet, this is not the way we are identified. This is not the image. What makes it worse, is that actually collaborating with the forces such as the one individual I mentioned earlier this afternoon, the man that has emerged as the leader as the result of the so-called elections in El Salvador, who is actually a hit man, is actually the man who is most directly responsible for the murder of Archbishop Romero, and also the murders of the nuns, and also the two American civilians, not counting a host of Salvadorans that have been murdered and liquidated by the so-called hit squads, death squads they call them. It is terrible and tragic and unfair that tantamount to being accessories to the fact, the CIA, for example, some of the military, American military associated with the counterparts of the CIA, with the military intelligence, they have been and continue to be in a position of cheek by jowl with these individuals that are responsible for these murders.

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They could have prevented those murders. As a matter of fact, they are tantamount, in my book, to accessories to the fact.

Here, in America, that picture is not conveyed at all, but let me assure you that tragically and to our detriment this is the way we are being identified now throughout Latin America and this is bad—this is terrible.

We cannot afford that.

But we have leadership and men in positions of power that I myself have been scared of. The Secretary of State, Gen. Alexander Haig, this country has not seen the likes of that man since Aaron Burr 150 years ago. This is the kind of man that recognizes his kith and kin in the form and shape of tyrannical generals of Argentina, and the same thing is happening to us as happens to any individual or collective body that thinks it can make an accommodation with the wrongdoer, with the criminal, with the murderer, with the assassin.

I also have compared it on the record with the experience that our law enforcement agencies have had when they think they can resolve crime by going into partnership with the criminal element, and the pleadings of those law enforcement agents I have heard now for two decades saying that the only way they could resolve a crime was by getting into partnership cheek and jowl with the criminal element, to use them under the peculiarities of Federal law.

Incidentally, this kind of practice cannot happen on the State level because, believe it or not, on the State level, it takes a corroborative witness before you can have any kind of a successful accusation or prosecution there of any individual. But not on the Federal level.

So you have these lazy law enforcement agents, who say they cannot solve crime any other way, indulge in the fantasy that they have penetrated the underworld by using what they call informers, but actually are paid hirelings that will testify in exchange for immunity for their own wrongdoing against anybody.

I have been inveighing against this since the passage of the so-called omnibus anticrime bill of 1970, and the record will show it.

So when case after case shows that the law enforcement agencies have been victimized by these accommodating criminals, by in turn having been doublecrossed themselves, still the system goes on, and this is what is happening south of us.

General Haig thinks that these Generales De Dedo—that is the name they give this type of general in Latin America—when he himself is what I call an American General De Dedo, in other words a general by the finger, appointed by the finger, and a political general like General Haig who is overwhelmingly ambitious and his record shows indelibly has accommodated and sacrificed principle for some political connivances as he did during the Watergate period. He thinks this kind of diplomacy is going to succeed in South America, in Latin America, where he thinks we can play one Latin country against another Latin country.

I think what he has found out in just the case of Argentina ought to prove beyond doubt the folly of that practice.

But when we have agencies such as the CIA so intellectually involved that they actually become accessories to the fact in such tragic things as murder of an archbishop, murder of four nuns, and the man who now at this very point says, proudly, "So, what, these death squads are serving a glorious purpose." He feels and knows that he has the connivance and at least the acceptance of some of those in our representation in those countries in position of great power.

After the elections, and since we have declared them to have been successful, why do we still insist on having our military men there without even minimal protection?

We are indulging in the same folly we did in Vietnam when we had advisers without guns exposing their lives and exposing their limbs without even minimal protection of self-defense under the illusory concept that they were there just in an advisory capacity.

We continue this in El Salvador. The Salvadoran people actually do not want our military. They even claim they do not need them. What they want is the money, but they do not want our personnel.

We have now trained about 1,800 just this week; we have shipped back from Fort Bragg to El Salvador. I say that is fine from a military standpoint, but then why do we still have our American boys there though they are really not wanted by the Salvadorans? They are not needed.

But talk to the American military advisers, some of whom I have spoken with. They will tell you that is true, and that they themselves think that it is a mistake, at least under those circumstances.

But then when we are also identified with the oppressors, with the tyrant, with the unjust, all in the name of anticommunism, I think we can see that we are headed for a very, very perilous time.

We have sewn dragon's teeth all up and down the Caribbean and South Atlantic and it is coming back, it is going to haunt us, and it never is too late to correct errors. I urge the President now, I urge the Secretary of State to recall that kind of military presence at this time, especially in El Salvador, because the way it is going it is not decreasing, we are increasing.

We have made a formidable naval base that has not even been reported in the American press right offshore of El Salvador, mostly for use against Nicaragua where we have publicly stated and confessed that we have not hesitated to intervene in the purely internal affairs of that country, all in the name of anticommunism.

Communism, any other ism, any other thought, can never be by force done in. No concept, no thinking can ever be bombed out of existence. And our country I think faces a critical decision.

Like the prophet of ancient Hebraic Old Testament, Elijah, when he demanded of the Hebrew priests to make a decision as to who their true god was, the true god, the Lord or the false one by El, we are also at that point, at that juncture in American history.

A RESOLUTION OF INQUIRY REGARDING ROBERTO D'AUBUISSON OF EL SALVADOR

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from California (Mr. STARK) is recognized for 5 minutes.

● **Mr. STARK.** Mr. Speaker, today I am introducing a resolution of inquiry, directing the Secretary of State to provide to the House of Representatives certain information concerning Roberto D'Aubuisson, a former major in the army of El Salvador. Considering the transitions which the Government of El Salvador is currently undergoing, I believe that it is imperative to learn more about the people who the United States may be dealing with in the very near future. In particular, I believe that we must learn more about Roberto D'Aubuisson, a right-wing leader who had his visa revoked, then later entered the United States and was deported, and finally had an Immigration and Naturalization Service entry ban instituted against him. With Thomas Enders, Assistant Secretary of State for Inner-American Affairs, now saying that D'Aubuisson will be allowed to enter the United States, we must examine the background of this leader more carefully.

Unfortunately, the State Department has refused to cooperate with me in my written and telephone requests for information on Roberto D'Aubuisson, so that I am forced into introducing a resolution of inquiry. After many fruitless and frustrating telephone conversations, I notified the State Department that if they continued to be uncooperative, I would use a resolution of inquiry to obtain the information on D'Aubuisson. While they thanked me for notifying them, they did not make any effort to cooperate. I firmly believe that providing Congress with the requested information of a purely factual nature is compatible with the public interest.

Former U.S. Ambassador Robert W. White described D'Aubuisson as a pathological killer and the person linked repeatedly to incipient military coups and paramilitary terrorist activities. Information contained in documents seized from D'Aubuisson in May 1980, which the United States and Salvadoran Governments possess, points to D'Aubuisson as a key figure in an international paramilitary network. According to an article in the Boston Globe, March 17, 1982, D'Aubuisson reportedly tried to eat some of the papers, which were eventually seized, when he and a group of civilian and military colleagues were arrested in May 1980, in connection with an alleged coup conspiracy. The captured documents include propaganda to discredit U.S. policy in El Salvador, a plan for a coup, a daily log of meetings and expenditures, arms lists, the composition of hit teams, and proof of D'Aubuisson's connection to the Miami underworld.

Among the papers is also the outline for what has been identified as the plan for the murder of Archbishop Romero. In testimony before the Foreign Relations Committee of the other body, in the 97th Congress, first session, Ambassador White also presented documents containing "evidence that is compelling, if not 100-percent conclusive, that D'Aubuisson and his group are responsible for the murder of Archbishop Romero." The physical elimination of Romero and more than 100 other persons, including then-U.S. Ambassador White, is called for in another of the captured papers.

D'Aubuisson has been known for more violent and life-threatening actions than those mentioned above. He was the founding father of a death squad that plotted a coup against Jose Napoleon Duarte, who D'Aubuisson calls a Communist. He also threatened the American charge d'affaires on Salvadoran television. Perhaps most telling, however, is the fact that D'Aubuisson managed to get himself thrown out of the Salvadoran Army for human rights violations, which is not an easy thing to do.

Six months ago, D'Aubuisson founded the Nationalist Republican Alliance Party, known as ARENA. His campaign platform included such promises as exterminating the guerrillas in 3 months and trying Jose Napoleon Duarte for treason. D'Aubuisson said that the only thing he wanted from the United States was napalm to wipe out the "left." It is unlikely that he will change his views or tactics. His attitude toward the German treatment of the Jews is indicative of his tactics—he told three European reporters, "You Germans are very intelligent. You realized that the Jews were responsible for the spread of communism, and you began to kill them."

Reports such as those described above, have led me to believe that we must examine information about Roberto D'Aubuisson more carefully before cozying up to him. Since the State Department has continued to be thoroughly uncooperative, there seems to be no way to obtain the necessary facts, other than through a resolution of inquiry. To be more specific, I believe that the Secretary of State should furnish the House of Representatives with full and complete information on the following:

First, all documents in the possession of the Secretary concerning the revocation of the visa issued to Roberto D'Aubuisson, formerly a major in the army of El Salvador.

Second, any document in the possession of the Secretary which reports that Roberto D'Aubuisson claimed credit, in March 1981, for a shooting attack on the U.S. Embassy in San Salvador.

Third, all documents in the possession of the Secretary reporting public statements by Roberto D'Aubuisson, during his recent election campaign in El Salvador, concerning future United States-Salvadoran relations, including his statement that the only thing he wanted from the United States was napalm to wipe out the "left."

Fourth, all documents in the possession of the Secretary that identify or explain the procedure which is followed in considering a visa application from an individual who has previously been excluded from entering the United States or has had a visa revoked, including documents containing findings or recommendations concerning the information and issues to be considered when reviewing such an application.

I believe that once the House of Representatives has had time to examine this information, we will be more fully prepared to intelligently aid in the formation of U.S. foreign policy. I look to my colleagues for support in this endeavor.●

ASSESSING OUR NATIONAL DEFENSE: GUIDELINES FOR ANALYSIS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. LAFALCE) is recognized for 60 minutes.

● Mr. LAFALCE. Mr. Speaker, Saturday, in Newport News, Va., a ceremony took place which has a significance for the western New York community and, indeed, Nation, vastly transcending those brief formalities. Due in large part to the efforts of my colleague, Representative KEMP, a new nuclear submarine was christened the "U.S.S. *Buffalo*." Surely western New Yorkers all share a sense of pride in this event. Certainly the association of Buffalo's name with something other than a snowstorm is long overdue.

The scene in Virginia will be all too familiar to us—an atmosphere of camaraderie, celebration, some inspirational remarks, and finally a bottle of champagne shattered on the bow of a massive engine of destruction. The juxtaposition of these images triggers a flood of thoughts about a larger related issue—the question of the relative weight of the military within our scale of national priorities.

Before continuing, let me make sharply explicit my views on national defense. Our military might is, like it or not, vitally important to our national interest. Our military strength must be not only respectable but formidable. Accomplishing that end will always require a major commitment of our national resources. This commitment, moreover, cannot be defined in static terms. It must expand and flex commensurate with our national interest and security. And right here is the nub of the problem. How do we determine the appropriate scale of our national defense? For the moment, I will leave aside the equally perplexing question of the appropriate content of that defense structure; for example, the mix of land, sea, and air power; and the correct balance of strategic and tactical capabilities.

To the question I raise there are no simple answers, and perhaps no really right answers, but there are rational guidelines which can be applied in the analysis of the question. I question whether we have even reached this level of discipline in our thinking about the problem.

The first principle of our analysis must be the recognition of relativity in defining our defense need. The quest for absolutes is folly for at least two reasons: First, it is probably beyond our capacity to define and measure all the data which would enter any equation based on absolutes; second, the kinds of considerations entering this analysis are frequently not quantifiable in the first place. For example, mathematics also cannot help a nation measure the value of defending a remote island territory of 1,900 citizens. Other concepts, such as national pride, principles of sovereignty, and world opinion, take on much greater relative significance.

Even where hard data appear to be available, the numbers are often specious. We can and must look at numbers of divisions, warheads, aircraft, submarines, and so forth, to see the rough contour of comparative power. However, an analysis which operates only at that numerical level is deficient and dangerous, albeit attractive and compelling. We all know how quickly we can become captivated by sophisticated manipulations of data and lose sight of—perhaps even interest in—the validity of the basic data. This is a common problem of confusing precision with accuracy.

There are at least three major reasons for a cautious and skeptical interpretation of quantitative assessments of defense capacity. First, as I have just suggested, numbers are abstractions and can be misleading without knowledge of what they represent. For example, we will hear alarming news of the Russian troop strength approaching 200 divisions. We will less often hear the rest of the story—probably only 50 of those divisions are war ready, as the United States defines that condition, and even these are heavily committed already to occupation of Eastern Europe and defense of the Chinese border. Clearly, the numbers alone tell us little of the true military threat posed by these troop strength numbers. Similar illustrations can be made with respect to other measures of military strength.

Let us take another example. The Soviets have the largest submarine fleet in the world. Does not that fact alone represent a true or absolute dimension of superiority over our Navy? Well, it does if you stop with the numbers, but what if we consider that Russian ports are frozen-in most of the year and undetected movement in and out of port by those submarines is extremely difficult. Surely that must alter the equation somewhat, and at least should be considered.

Secondly, there are other critical factors behind the numbers which are even more difficult, if not impossible, to measure and quantify. I refer to such relative intangibles as combat

readiness, morale, and leadership. Any experienced military professional will quickly testify to the maddening frustration of highly sophisticated hardware in the hands of untrained, unmotivated, and poorly led troops. Of course, the converse is equally demoralizing.

Finally, and perhaps most importantly, inaccuracies, imprecisions, and misinterpretation of the data in this exceedingly complex area are particularly perilous. Misjudgment can result in complacency or over-reaction, either of which can have devastating consequences, especially in an era where our destructive capacities are obliterative.

I have only suggested the magnitude of the problem of establishing absolute measures of military strength. Full explication of the complexity of this problem is impossible within the scope of this or any other address. What has been presented, however, should sensitize you to the futility of seeking absolute criteria or definitions of military or defense capacity.

But please do not misread my message. Establishing the difficulty of a task does not release us from the responsibility to deal with it. The problem is far too important to adopt any such nihilistic posture.

If the search for absolutes is futile, and I believe it is, what is our alternative? In my view, a realistic and reasonable approach is to adopt a relativistic model in which we would continually weigh our military strength and defense needs against both external threats and internal or domestic considerations. This places the debate in an overall context of national priorities and thus reduces the probability of being caught up in intriguing but distracting arguments—interminable debate over a particular weapons system or troop commitment can easily divert attention from basic considerations of our overall defense strategy. As general Maxwell Taylor admonished just last week, in our preoccupation with specific pieces of the defense budget, such as the MX missile and B-1 bomber, we fail to attend to the central issue of what kind of defense our country needs and what choices we are prepared to make regarding costs, risks, and priorities.

We can, therefore, frame our analysis in terms of two broad criteria against which judgments must be made: internal and external.

INTERNAL

The heated debate about national defense is currently occurring largely within the content of the Federal budget. Underlying most of the arguments about the need for one program or another is a fundamental question of how much we need to spend to protect our national interests against external threats. What is not often heard is the question of the cost to our Nation to be safe against others. Do we reach a point where the cost of security erodes or destroys what we hope to secure? Again the answer to that question calls for a judgment on a relative scale, but before forming that judgment we must know the nature of these costs. Let me discuss briefly several.

EMPLOYMENT

The current overall unemployment rate in this country equals a level reached only one other year since the depression years of the 30's. (In western New York, the rate is some 40 percent higher than that national average.) The proposed DOD budget reflects real growth in all areas but especially large increases in procurement—$24 billion or 34 percent for fiscal year 1983. This is the portion of the budget providing mainly for military hardware, including all the controversial new weapons and weapons systems. This kind of activity is capital rather than labor intensive. Dollars spent in this area generate fewer jobs than they would in more conventional enterprises. For example, $1 billion spent on the MX missile would effect about 53,000 jobs. That same amount spent on energy conservation and development, mass transit, or day care would create about 65,000, 79,000, and 120,000 jobs respectively. Incidentally, the MX missile spending request for fiscal year 1983 is $4.5 billion, $2.5 billion more than the fiscal year 1982 request.

BRAIN DRAIN

Given the high technology emphasis of the military, the demand for human talent focuses on engineers, physical scientists, and highly skilled technicians. Despite our overall depressed economy, these are precisely the categories of personnel in short supply in the civilian sector. This competition has consequences far more serious than personnel shortages. One of the critical needs for the short- and long-term health of our economy is solid commitment to research and development, not simply for new product lines but more importantly to improve productivity to keep us competitive in the world market. Certainly, defense is not the sole problem here—we train relatively few people in this area to begin with. Japan, for example, one of our major economic competitors, currently turns out twice the number of engineers as we with half our population.

Of course, it is true that military technology development spins off many products and processes with civilian industrial and commercial application. Spinoffs, however, are low-yield returns on our investment—they might well be viewed as the technological equivalents of the dollars which reach the general population in "trickle-down" economics.

CAPITAL FORMATION

One of the fundamental weaknesses in our economy is what economists call "capital formation." Simply put, this is the capacity of industry to expand, develop, and innovate made possible by available and affordable investment capital. The huge Federal spending on defense diminishes the number and raises the costs of dollars available to civilian industry. Obviously, this will exacerbate our capital formation problem, particularly in peacetime when most of our industrial sector does not participate directly or in a major way in the defense business.

GENERAL ECONOMIC CONSEQUENCES

Anyone even dimly aware of the economic and political scene in this country knows that the central issue today is the inability of the Federal Government to put together a budget for the upcoming fiscal year. The focus of attention is on the size of the Federal deficit. Basically, this deficit is the difference between budgeted amounts for spending and revenues. As things stand right now, the deficit for next year will be at least $100 billion and probably much higher. Either figure sets a new record high for federal deficits. Psychologically and technically, the deficit is a major impediment to economic recovery. Because it means continued heavy Government borrowing, it tends to sustain the high interest rates which are choking our economy, especially in interest sensitive sectors such as automobiles and housing.

How do you reduce a deficit? Either reduce spending or increase revenues, or both. Let us look at expenditure reduction. Approximately 75 percent of the spending in the fiscal year 1983 budget represents mandatory expenditures under existing provisions of law. These expenditures include such things as social security, unemployment, Federal retirement, interest on the Federal debt, and spending authorized in prior years. This leaves only one-fourth of the spending side of the budget. Of that 25 percent discretionary spending, 78 percent is budgeted for national defense. To reduce significantly the deficit without substantial reductions in both the defense budget and the so-called entitlement programs, is virtually impossible.

SOCIAL AND ECONOMIC DIVISIVENESS

Recent years have seen a menacing growth of regional inequities in our economy. For a variety of reasons, not all due to Federal policy, certain regions of the country have been expanding and prospering while others, such as the "snowbelt States" suffer disproportionate losses in population, revenues, and the resultant benefits. The massive growth of defense spending effectively compounds this maldistribution of human and physical resources. Defense industries tend to be concentrated in the areas of the country already enjoying growing prosperity—the West, mountain States, and the Sunbelt. Obviously, major increases in both absolute and relative defense dollars in those regions contributes to the balkanization of our society. What began as a drift of money, people and political clout from the older, Northeastern industrial regions easily becomes a hemorrhage.

CONCENTRATION OF ECONOMIC/POLICICITICAL POWER IN THE MILITARY

In his final official message to the American people on January 17, 1961, Dwight Eisenhower, our President, a military professional, and a Republican, warned us about the dangerously expanding influence of the military-industrial complex. His words were uttered over two decades ago. We listened and applauded politely, but after 21 years, you may judge for yourselves how we heeded his warning. The increasing relevance of his words today is the ultimate confirmation of our inattention. His admonition bears repeating:

> Now this conjunction of an immense military establishment and a large arms industry is new in the American experience. The total influence—economic, political, even spiritual—is felt in every city, every statehouse, every office of the federal government. We recognize the imperative need for this development yet we must not fail to comprehend its grave implications. In the councils of government, we must guard against the acquisition of unwarranted influence, whether sought or unsought by the military-industrial complex.

To underscore the continuing relevance of those words, I will quote remarks made only weeks ago by William E. Miller, staunch Republican, supporter of President Reagan, former congressman, and one-time Vice-Presidential running mate of Barry Goldwater.

> "I fear there is too much fraud, cronyism and waste in the military-industrial complex . . . Eisenhower warned us against it a long time ago."

Mr. Miller and many others close to the system know all too well how this complex works. Military contractors become locked into Government defense contracts and many tend to become favorites. Retiring military officers of high rank frequently find ready employment in these defense-dependent firms to further cement their access to military procurement. Gradually, these inner circles become larger and more powerful. Billions of dollars are involved in expansion which may have no bearing on the real defense needs of our Nation.

The incredible cost overruns about which we all hear are not so incredible when you understand the system and the immense and potentially corrupting influence of multibillion-dollar contracts. Perhaps I begin to sound partisan. Let me spike that suspicion by quoting someone whose motives can hardly be questioned. My colleague JOHN RHODES, a Republican, addressed the House of Representatives at length on April 20. Mr. RHODES is a self-described hawk, a former military officer, and has served as a member of the Defense Subcommittee of the House Appropriations Committee, minority leader of the House, and member of the House Intelligence Committee. One of his fields of special interest is geopolitics and global strategy. The extended introduction is to establish clearly two facts: He knows intimately the defense issues, and has no ax to grind.

> Something must be wrong with the manner in which the Pentagon sets about to develop a new tank and produce it. And this is just one example. We could go into many other areas, such as attack helicopters, in which we should excel and do not . . . I am bothered by the apparently widespread practice by defense contractors of making deliberately low estimates on the cost of new weapons systems. The name of the game is to get the contract at any price, get the military committed to you, then raise the price. The result is horrendous cost overruns . . . Eisenhower was obviously right when he said that the military industrial complex needed to be watched. It does. And it is not being watched to the point that it must be in the future. This adds up to a major defect in our military posture—in our ability to build the best defense our economy can produce and can afford. It must be remedied.

Sobering observations from an avowed and ardent advocate of a national defense without peer on this planet.

Let me sum up my remarks on the internal criteria of the national defense issue. I have cited seven threats to our internal national strength resulting from disproportionate and unnecessary military spending. This list is not exhaustive, but I believe sufficient to make my point. Among the consequences are: Exacerbation of unemployment, competition for capital and critical skills, retardation of economic recovery, social and economic divisiveness, and an insidious concentration of economic and political power in the iron triangle—the Pentagon, the Government, and the defense industry. The theme throughout has been competition for scarce resources within our society. When I reflect on that theme, I am reminded again of the words of Dwight Eisenhower on the subject of competition:

> Every gun that is made, every warship launched, every rocket fired signifies, in the final sense, a theft from those who hunger and are not fed, those who are cold and not clothed. This world in arms is not spending money alone. It is spending the sweat of the laborers, the genius of its scientists, the hopes of its children!

Those words were spoken 25 years ago. The echo today is sharp and penetrating.

Unfortunately, discussions such as this tend to be viewed in the context of guns versus butter. Let me emphasize that we can ill-afford to be seduced by that false dichotomy. Our national interest will never be served by such disjunctive thinking. We must and can seek excellence in all dimensions of our society. Defensive strength can never be less than necessary, yet must never diminish the life which it sustains. Likewise, a weak economy cannot support a strong defense.

EXTERNAL CRITERIA

Typically, the rationale and rallying cry for boosting defense spending is the putative superiority of our enemies, usually the Soviets, and by implication, our own weakness.

THE SOVIET THREAT

Make no mistake, the Soviet Union is a real and powerful military force, backed by an aggressive and dangerously paranoid political philosophy. The image which we are often presented, however, is of a grossly lopsided military relationship in which we are inferior in virtually every dimension: armament, manpower, and motivation. I think it is important to paint some reality into that picture, not to mitigate the Soviet threat, but to protect ourselves against the tendency for overreaction and inappropriate response. Here again, we deal with data which are extremely difficult to obtain, quantify, and compare. Given this, the opportunity for self-serving and otherwise creative use of data is abundant. Nonetheless, let us examine just a few areas in which we are widely believed to be inadequate vis-a-vis Russia.

Russian armament exceeds our own. Perhaps so, but it is equally true for us and them that hardware is no better or worse than the manpower available to use and maintain it. According to military analyst James Dunnigan, for Russia to provide manpower commensurate with their military equipment would destroy their economy. Moreover, the sophistication and quality of their equipment is significantly less than ours.

Their highly touted submarine fleet has some serious deficiencies beyond the problem of frozen ports which I mentioned earlier. For example, their ship designs sacrifice access, damage control, and onboard repair for greater space and size, Consequently, a repair problem could send an entire ship and crew back to port. No one can know the real effect of this outside of a real combat situation. But it points up the fallacy of simply comparing numbers. Their new T–72 tank has no manual backup for its automatic loader. What happens in real combat to notoriously touchy automatic devices? We do not know and we hope not to, but we can be sure that tanks without guns change the numbers in a hurry. Also far more of their aircraft than ours are not equipped or ill-equipped for bad weather operation. Again, you can't rely on numbers alone.

The point of all this is not to convince you that we are x times stronger or weaker than the Soviets. Rather, my goal is to impress you with the need for healthy skepticism when presented with quantitative comparisons. The absence of such skepticism is not trivial. In the era of nuclear power, over- or under-reaction can be fatal.

The subject of reaction is important for other reasons. One of the fundamental problems of our defensive posture is the absence of a strategic plan linked clearly to a consistent foreign policy. This, as Congressman RHODES also points out, explains our tendency to react and respond to military and diplomatic initiatives of other nations, rather than develop a deliberate, rational strategic defense system. Inappropriate use of and reliance on numbers is symptomatic of this reactive tendency. It also makes us politically vulnerable to emergencies which emanate from the Pentagon whenever their budget is questioned.

INTERNATIONAL ISSUES AND POLICIES

Another set of external criteria in the defense analysis is our relationship with other countries and the implied and actual military consequences. The multibillion dollar Rapid Deployment Force is predicated largely on a presumed need to move rapidly and effectively in the Persian Gulf area. As JOHN RHODES has pointed out, our capacity to sustain a defense of the Persian Gulf against a determined local enemy is minimal at best. Further, there is serious question about the wisdom of maintaining indefinitely a foreign policy so tightly pinned to Mideast oil. The money and the talent might be more productively spent on reducing our dependence on Mideast oil.

Western Europe presents a similar situation of a major commitment based on shaky military and foreign policy foundations. We have some 350,000 troops stationed in Germany. Their purpose is to contain any Soviet attack while NATO mobilizes its full resources. Supply lines to our troops in central and southern Germany run from North Sea ports and are highly vulnerable to almost immediate interdiction in the event of attack. This situation persists because France no longer permits supply routes and NATO countries would not permit the neutron bomb which would have given our troops the power and security to be effective. Further, it appears that while our forces in Europe increased by 58,000 over the past 6 years, NATO members have cut their forces by 56,000 during the same period. Our commitment of personnel and resources to NATO is massive; the degree of reciprocity is questionable at best. From a foreign policy standpoint, the soundness of our Western European investment is less than clear.

VESTED INTERESTS AND INFORMATION ABOUT DEFENSE NEEDS

When politically conservative Republican figures, such as Gerald Ford and former Defense Secretary Melvin Laird, characterize the current administration's military policy as incoherent, senseless, and misdirected, and warn against "extremists in the Pentagon," one must pause to wonder. What rewards, political or otherwise, do they expect from such critical and disloyal attacks? Probably none—if anything, such statements would incur more risk than gain. The same applies to conservatives like JOHN RHODES and Republican Senators TED STEVENS and DAN QUAYLE, all of whom are speaking out, sharply critical of the scale and nature of our current military programs. The credibility of such people who take heavy political risks by such behavior must be weighed against that of Pentagon experts whose support of increased spending and expansion carries obvious benefits. Even David Stockman has asserted that the defense budget could be cut by billions without endangering our national security.

We cannot, in fairness, conclude that anyone is deliberately lying or that anyone speaks without taint of personal or organizational prejudice. We can, however, legitimately be ever wary of facts and arguments presented by persons or groups who have vested interests and high stakes in the outcome of an issue.

Unfortunately, we are severely handicapped in our capacities to judge the statements of experts under the best of circumstances. In this case, the handicap is more disabling because of the exotic technology which is so central to the issue. As Bill Miller has asserted, the high technology, understood by very few, shrouds the military-industrial complex in mystery.

We simply cannot, as laymen, judge the relative merits of various arguments about strategy and technology. We can, however, make pretty sound judgments about the credibility quotient of those who can. It is an alternative far from perfect or intellectually comfortable, but one we must use to the best of our ability. Otherwise, we cede all judgment to the experts.

In concluding this section, let me reemphasize a point alluded to earlier. There is a distinction between the actual consequences of the defense budget, internal or external, and the mantle in which they are draped when presented for our scrutiny. This administration has demonstrated a remarkable penchant for euphemisms and slogans in marketing its programs. The defense budget is no exception. How many times have we been urged to close the "window of vulnerability"—an intriguing metaphor, but like numbers, dollars, and percentages out of context, misleading and tendentious.

CONCLUSIONS/RECOMMENDATIONS

Must we have another nuclear attack submarine? Probably yes. Must we continue to increase our military strength? Certainly yes. To the extent that we are larger as are our actual and potential enemies, growth of our defense capacity must be commensurate. But what is commensurate? Again, we are back to relative measures but now with considerably more insight. William Kaufman, author of major Pentagon policy papers and adviser to Defense Secretaries Robert McNamara and Harold Brown, has just released a study which demonstrates that next year's budget request could be reduced by $32 billion without sacrificing national security. His analysis includes extensive fiscal and military parameters. He does not propose reducing our military preparedness, only structuring it more appropriately and at greatly less cost. He, among others, recommends an increase in annual spending, but at a reduced rate and level. He suggests 6.5 annually, and submits a program which can be carried out within that growth pattern. I cannot judge whether 6.5 percent is precisely the right growth rate, but the idea of a targeted percentage increase projected over the long term is far more compelling to me than massive crash programs that invariably cost too much and accomplish too little.

Crash responses are unnecessary in peacetime, and would be less necessary in wartime were we to expand according to a targeted level of growth, with a consistent and integrated foreign policy. Crash programs, although often seemingly successful, typically incur enormous costs. In the case of national defense, this precipitous build-up, the current fiscal year 1982 budget represents the largest peacetime increase in our history, invariably must occur at the expense of other federally supported programs. This reduction is immediate and abrupt, unlike many of the domestic effects described earlier. The rapidity of the change can be as destructive and demoralizing as the nature of the change. Huge dislocations occur as this impact reverberates throughout the society. Time and space for adjustment are simply inadequate.

Not only are other programs savaged by crash approaches, the intended beneficiaries are likely to be damaged. We are building the B–1 bomber which many experts believe will be obsolete before it is ever used. The money is available and machinery for production is in place. Perhaps the motivation to think through the wisdom of this weapon is lacking. We cannot expect rational deliberate action in a crisis atmosphere. We will spend the money, but we cannot expect a balanced maximally effective mix of programs and weapons systems. Let me again quote Mr. Rhodes:

> A massive increase like this is very difficult to handle efficiently, although I must say the military is very good at finding ways of spending money.

He was commenting on the proposed 8 percent per year increase in military spending which he believes the military incapable of absorbing usefully. Another conservative Republican and member of the Senate Armed Services Committee, Senator Dan Quayle, has put it this way:

> The Republicans have the same problems the Democrats have. The Republicans are now giving the impression that the only way of solving national security problems is throwing money at it. The Democrats have given the impression that the only way of dealing with social problems is throwing money at them. Neither works.

Above all, let us not be stampeded by meaningless slogans: "window of vulnerability," "missile gap," or equally meaningless numbers—dollars, warheads, percentages—which serve more to obscure than elucidate.

Finally, let us avoid the trap of technology—building things not because we must, but because we can. We are all subject to infatuation with the dazzle of high technology, but the dazzle can often be more entertaining than necessary. We are already severely pushing the limits in this area. We have planes too large and clumsy for close air support because of the equipment they must carry, a new supertank more sophisticated than any tank before, but also more costly, more expensive to run, harder to maintain, and slower, and weapons so expensive and complex that they cannot be tested. How will our F-14 fighters fare in combat when 97 hours of maintenance are required for each flight?

For a number of very poor reasons—technological capability, vested interests, crash responses to available money and perceived threats--we are building things we cannot use, cannot fix, and cannot afford.●

RESOLUTION CALLING ON THE DEPARTMENT OF THE ARMY TO GRANT VIETNAM VETERANS A PERMIT TO CONDUCT MEMORIAL CEREMONY IN ARLINGTON NATIONAL CEMETERY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. Kastenmeier) is recognized for 5 minutes.

● Mr. KASTENMEIER. Mr. Speaker, I am today introducing a sense of the House resolution calling on the Department of the Army to grant the permit requested by the Vietnam Veterans Against the War to conduct a memorial ceremony on May 15, 1982, in Arlington National Cemetery honoring those who died in Vietnam.

Requests by the VVAW for such permits have consistently been denied by the Department in years past. It is time that the veterans of this unfortunate war who gave their lives receive the same recognition as those who fought in other wars for this country. Vietnam veterans have, for far too long, been ostracized, scorned, and discriminated against largely because of the desire of the Government and the American people to forget a tragic mistake.

The VVAW has provided the Department of the Army with written assurances that the memorial ceremony will be conducted with full regard for the peace, decorum, and dignity of Arlington National Cemetery and in compliance with applicable Federal regulations. The organization has accepted full responsibility for requirements accompanying the granting of the permit.

Surely, Mr. Speaker, it is time to honor those veterans of a war whose services and sacrifices have largely gone unrecognized to date. I call on my colleagues to support this resolution and urge the Department of the Army to grant the permit without further delay.

The text of the resolution follows:

H. Res. 464

Resolution declaring the sense of the House with respect to granting Vietnam Veterans their rights to conduct a memorial ceremony at Arlington National Cemetery

Whereas Vietnam veterans and their families from throughout the United States will be in Washington from May 12 through May 15, 1982, to give and gain recognition for the sacrifices made by all men and women who served during the course of the Vietnam war and to familiarize Government officials with the continuing needs and problems of all Vietnam veterans and their families;

Whereas Vietnam Veterans Against the War (VVAW) is an acknowledged national organization of Vietnam veterans and their supporters and is the primary sponsor of the events scheduled to take place from May 12 through May 15, 1982;

Whereas VVAW has applied through appropriate channels within the Department of the Army for a permit to conduct a memorial ceremony on May 15, 1982, in memory of the men and women who died in Vietnam;

Whereas VVAW has provided written assurances to the Department of the Army at the request of that Department that the memorial ceremony will be conducted with full regard for the peace, decorum, and dignity of Arlington National Cemetery and in compliance with applicable Federal regulations;

Whereas VVAW fully understands and accepts the responsibility which would accompany the granting of the permit: Now, therefore, be it

Resolved, That it is the sense of the House of Representatives that—

(1) The granting of the permit to VVAW to conduct a memorial ceremony would be one appropriate way by which the United States Government could help honor the veterans of a war whose services and sacrifices have largely gone unrecognized to date; and

(2) The Department of the Army should immediately grant the permit to VVAW so that a public memorial cercmony can be held on May 15, 1982, in Arlington National Cemetery permitting VVAW and all Americans who wish to join them in honoring those who died in Vietnam.●

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. Bereuter (at the request of Mr. Michel), for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. Stratton, special order for 60 minutes, for today, May 11, 1982.

Mr. Emerson, special order for 60 minutes, for Thursday, May 13, 1982.

(The following Members (at the request of Mr. Whittaker) to revise and extend their remarks and include extraneous material:)

Mr. Emerson, for 60 minutes, today.

Mrs. Heckler, for 10 minutes, today.

Mr. Coleman, for 15 minutes, May 13, 1982.

(The following Members (at the request of Mr. Dyson) to revise and extend their remarks and include extraneous material:)

Mr. Hatcher, for 5 minutes, today.

Mr. McCurdy, for 10 minutes, today.

Mr. Gonzalez, for 15 minutes, today.

Mr. Annunzio, for 5 minutes, today.

Mr. Coelho, for 5 minutes, today.

Mr. Stark, for 5 minutes, today.

Mr. LaFalce, for 60 minutes, today.

Mr. Kastenmeier, for 5 minutes, today.

Mr. Daschle, for 10 minutes, today.

Mr. Mitchell of Maryland, for 60 minutes, May 12, 1982.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Fish, before the final vote in the House today on H.R. 3481.

Mrs. Schneider, immediately prior to the vote on H.R. 6294.

Mr. Dornan of California, to revise and extend his remarks just prior to passage of House Joint Resolution 479, the POW/MIA bill, in the House today.

Mr. Gonzalez, to revise and extend his remarks on the subject of the late John M. Ashbrook.

(The following Members (at the request of Mr. Whittaker) and to include extraneous matter:)

Mr. Young of Alaska.

Mr. Broomfield.

Mr. Latta.

Mr. Brown of Ohio.

Mr. Frenzel.

Mr. Lowery of California in two instances.

Mr. Wolf.

Mr. McDade.

Mr. Derwinski in two instances.

Mr. Rhodes.

Mr. Gingrich.

Mr. Grisham.

Mr. Bethune.

Mr. Roberts of South Dakota.

Mr. Hartnett in two instances.

Mr. Erdahl.

Mr. Smith of Oregon.

Mr. Shumway.

Mr. Fields.

Mr. Benedict.

Mr. Leach of Iowa.

Mr. Marriott.

Mr. Dougherty in two instances.

Mr. Gradison.

(The following Members (at the request of Mr. Dyson) and to include extraneous matter:)

Mr. Yatron in two instances.

Mr. Matsui.

Mr. Mineta.

Mr. Stokes in three instances.

Mr. Vento.

Mr. Mazzoli in two instances.

Mr. Stark in five instances.

Mr. Waxman in five instances.

Mr. Roe in two instances.

Mr. Florio.

Mr. Long of Maryland in five instances.

Mr. Conyers.

Mr. Hubbard.

Mr. Ratchford in two instances.

Mr. Walgren.

Mr. Kastenmeier.

Mr. Lantos.

Mr. Brooks.

Mr. Miller of California.

Mr. Shelby.

Mr. Russo.

Mrs. Schroeder.

Mr. Garcia.

Mr. LaFalce.

Mr. Solarz.

Mr. Bonker.

Mr. Skelton.

Mr. Dwyer.

Mr. Daschle in five instances.

Mr. Simon in two instances.

Mr. Applegate.

Mr. Moakley in two instances.

Mr. Ottinger.

ADJOURNMENT

Mr. GONZALEZ. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 9 minutes p.m.), under its previous order, the House adjourned until tomorrow, Wednesday, May 12, 1982, at 12 noon.

EXECUTIVE COMMUNICATIONS, ETC.

3888. Under clause 2 of rule XXIV, a letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting a cumulative report on rescissions and deferrals of budget authority as of May 1, 1982, pursuant to section 1014(e) of Public Law 93-344 (H. Doc. No. 97-178), was taken from the Speaker's table, referred to the Committee on Appropriations, and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HALL of Ohio: Committee on Rules. House Resolution 458. Resolution providing for the consideration of H.R. 5726, a bill to authorize appropriations to the Secretary of Commerce for the programs of the National Bureau of Standards for fiscal year 1983 and for other purposes; (Rept. No. 97-505). Referred to the House Calendar.

Mr. BEILENSON: Committee on Rules. House Resolution 459. Resolution providing for the consideration of H.R. 5842, a bill to authorize appropriations for activities of the National Science Foundation for fiscal years 1982 and 1983, and for other purposes; (Rept. No. 97-506). Referred to the House Calendar.

Mr. FROST: Committee on Rules. House Resolution 460. Resolution providing for the consideration of H.R. 5890, a bill to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes; (Rept. No. 97-507). Referred to the House Calendar.

Mr. BOLLING: Committee on Rules. House Resolution 461. Resolution providing additional procedures during consideration of H.R. 5922, a bill making urgent supplemental appropriations for the fiscal year ending September 30, 1982, and for other purposes; (Rept. No. 97-508). Referred to the House Calendar.

Mr. MOAKLEY: Committee on Rules. House Resolution 462. Resolution providing for the consideration of H.R. 6068, a bill to authorize appropriations for fiscal year 1983 for intelligence and intelligence-related activities of the U.S. Government, for the intelligence community staff, for the Central Intelligence Agency retirement and disability system, to authorize supplemental appropriations for fiscal year 1982 for the intelligence and intelligence-related activities of the U.S. Government, and for other purposes; (Rept. No. 97-509). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. SHARP:

H.R. 6337. A bill to amend the Energy Policy and Conservation Act to extend certain authorities relating to the international energy program, and for other purposes; to the Committee on Energy and Commerce.

By Mr. WAXMAN:

H.R. 6338. A bill to amend the Public Health Service Act to revise and extend the authorities under that act relating to national research institutes, assistance to medical libraries, and health promotion, and for other purposes; to the Committee on Energy and Commerce.

H.R. 6339. A bill to revise and extend the health planning authority of title XV of the Public Health Services Act; to the Committee on Energy and Commerce.

By Mr. BAILEY of Pennsylvania:

H.R. 6340. A bill to amend section 203(e)(1) of the Federal-State Extended Unemployment Compensation Act of 1970 (as amended) with respect to the determination of the insured unemployment rate; to the Committee on Ways and Means.

By Mr. BIAGGI:

H.R. 6341. A bill to amend the Internal Revenue Code of 1954 to allow a credit against income tax to individuals for maintaining a household a member of which is a dependent of the taxpayer who has attained age 65; to the Committee on Ways and Means.

By Mr. COLEMAN:

H.R. 6342. A bill to amend the Internal Revenue Code of 1954 to provide for the collection of defaulted Federal student loans from income tax refunds; to the Committee on Ways and Means.

H.R. 6343. A bill to amend title 11, United States Code, to provide that certain educational loans which are not dischargeable under chapter 7 of such title shall not be dischargeable under chapter 13 of such title; to the Committee on the Judiciary.

By Mr. CRAIG (for himself, Mr. Hansen of Idaho, Mr. Cheney, Mr. Roberts of South Dakota, Mr. Rhodes, and Mr. Stump):

H.R. 6344. A bill to amend the Clean Water Act of 1977; to the Committee on Public Works and Transportation.

By Mr. DICKINSON:

H.R. 6345. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

By Mr. DONNELLY:

H.R. 6346. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for sewer charges in the same manner as the deduction allowed for real property taxes; to the Committee on Ways and Means.

By Mr. FARY:

H.R. 6347. A bill to provide free mailing privileges with respect to parcels of food, medicine, or clothing sent to Poland; to the Committee on Post Office and Civil Service.

By Mr. LEATH of Texas (for himself, Mr. Montgomery, and Mr. Hammerschmidt):

H.R. 6348. A bill to recognize the organization known as the National Association of State Directors of Veterans Affairs, Inc.; to the Committee on the Judiciary.

By Mr. LONG of Maryland:

H.R. 6349. A bill to prohibit the collection of recreational boat user fees by the U.S. Coast Guard; to the Committee on Merchant Marine and Fisheries.

By Mr. MONTGOMERY (for himself, Mr. Hammerschmidt, Mr. Edwards of California, Mr. Brinkley, Mrs. Heckler, Mr. Mottl, Mr. Edgar, Mr.

Wylie, Mr. Sam B. Hall, Jr., Mr. Hillis, Mr. Applegate, Mr. Sawyer, Mr. Leath of Texas, Mr. Solomon, Mr. Boner of Tennessee, Mr. Jeffries, Mr. Mica, Mr. McEwen, Mr. Daschle, Mr. Dunn, Mr. Stump, Mr. Smith of New Jersey, Mr. Dowdy, Mr. Smith of Alabama, Mr. Gramm, Mr. Smith of Oregon, Mr. Murphy, Mr. Siljander, Mr. Dorgan of North Dakota, Mr. Napier, Mr. Won Pat, and Mr. Nelligan):

H.R. 6350. A bill to amend title 38, United States Code, to authorize the Administrator of Veterans' Affairs to provide that Veterans' Administration nurses who work two 12-hour regularly scheduled tours of duty over a weekend shall be considered to have worked a full basic workweek, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. PASHAYAN:

H.R. 6351. A bill to authorize and direct the Secretary of Agriculture to provide agricultural weather (including fruit frost) and fire weather services, and for other purposes; jointly, to the Committees on Agriculture and Science and Technology.

By Mr. PAUL:

H.R. 6352. A bill to amend the Internal Revenue Code of 1954 to provide that a 10-percent income tax rate shall apply to all individuals, and to repeal all deductions, credits, and exclusions for individuals other than an exemption of $10,000; to the Committee on Ways and Means.

By Mr. SHANNON:

H.R. 6353. A bill entitled: "The Educational Organization Investment Act"; to the Committee on Ways and Means.

By Mr. SIMON:

H.R. 6354. A bill to amend title 5, United States Code, to provide that three extra points be awarded on the civil service examination to individuals demonstrating foreign language proficiency; to the Committee on Post Office and Civil Service.

By Mr. DYSON (for himself, Mr. Aspin, Mr. Dornan of California Mr. Addabbo, Mr. Akaka, Mr. Albosta, Mr. Alexander, Mr. Andrews, Mr. Annunzio, Mr. Anthony, Mr. Applegate, Mr. Archer, Mr. Atkinson, Mr. AuCoin, Mr. Badham, Mr. Bafalis, Mr. Bailey of Pennsylvania, Mr. Bailey of Missouri, Mr. Barnard, Mr. Barnes, Mr. Beard, Mr. Beilenson, Mr. Benedict, Mr. Benjamin, Mr. Bennett, Mr. Bethune, Mr. Bevill, Mr. Bingham, Mr. Blanchard, Mr. Bliley, Mrs. Boggs, Mr. Boland, Mr. Boner of Tennessee, Mr. Bonior of Michigan, Mr. Bonker, Mrs. Bouquard, Mr. Bowen, Mr. Breaux, Mr. Brinkley, Mr. Brodhead, Mr. Brown of Ohio, Mr. Brown of California, Mr. Brown of Colorado, Mr. John L. Burton, Mrs. Byron, Mr. Campbell, Mr. Carman, Mr. Carney, Mr. Chappell, Mr. Chappie, Mrs. Chisholm, Mr. Clausen, Mr. Coats, Mr. Coelho, Mr. Collins of Texas, Mr. Conte, Mr. Corcoran, Mr. Corrada, Mr. Coughlin, Mr. Courter, Mr. James K. Coyne, Mr. Daniel B. Crane, Mr. Dan Daniel, Mr. Robert W. Daniel, Jr., Mr. Dannemeyer, Mr. Daschle, Mr. Daub, Mr. Davis, Mr. de la Garza, Mr. DeNardis, Mr. D'Amours, Mr. Derwinski, Mr. Dickinson, Mr. Dicks, Mr. Dingell, Mr. Dixon, Mr. Donnelly, Mr. Dorgan of North Dakota, Mr. Dougherty, Mr. Dowdy, Mr. Dreier, Mr. Duncan, Mr. Dunn, Mr. Dwyer, Mr. Dymally, Mr. Early, Mr. Edgar, Mr. Edwards of Alabama, Mr. Edwards of Oklahoma, Mr. Emery, Mr. English, Mr. Erdahl, Mr. Evans of Georgia, Mr. Evans of Delaware, Mr. Fary, Mr. Fascell, Mr. Fauntroy, Mr. Fazio, Mrs. Fenwick, Ms. Ferraro, Ms. Fiedler, Mr. Fields, Mr. Findley, Mr. Fish, Mr. Fithian, Mr. Florio, Mr. Foglietta, Mr. Foley, Mr. Ford of Tennessee, Mr. Forsythe, Mr. Fountain, Mr. Fowler, Mr. Frank, Mr. Frenzel, Mr. Frost, Mr. Fuqua, Mr. Garcia, Mr. Gejdenson, Mr. Gibbons, Mr. Gilman, Mr. Gingrich, Mr. Goldwater, Mr. Gonzalez, Mr. Gore, Mr. Gray, Mr. Green, Mr. Gregg, Mr. Grisham, Mr. Guarini, Mr. Gunderson, Mr. Hall of Ohio, Mr. Sam B. Hall, Jr., Mr. Hagedorn, Mr. Hamilton, Mr. Hammerschmidt, Mr. Hance, Mr. Hansen of Idaho, Mr. Hansen of Utah, Mr. Hartnett, Mr. Hatcher, Mrs. Heckler, Mr. Hefner, Mr. Heftel, Mr. Hendon, Mr. Hertel, Mr. Hightower, Mr. Hiler, Mr. Holland, Mr. Hollenbeck, Mrs. Holt, Mr. Hopkins, Mr. Horton, Mr. Howard, Mr. Hoyer, Mr. Hughes, Mr. Hunter, Mr. Hutto, Mr. Hyde, Mr. Ireland, Mr. Jeffords, Mr. Jones of North Carolina, Mr. Jones of Tennessee, Mr. Johnston, Mr. Kazen, Mr. Kemp, Mrs. Kennelly, Mr. Kildee, Mr. Kindness, Mr. Kogovsek, Mr. Kramer, Mr. LaFalce, Mr. Lagomarsino, Mr. Lantos, Mr. Latta, Mr. Leach of Iowa, Mr. LeBoutillier, Mr. Lee, Mr. Lent, Mr. Lewis, Mr. Livingston, Mr. Loeffler, Mr. Lott, Mr. Lowery of California, Mr. Lowry of Washington, Mr. Lujan, Mr. Lungren, Mr. McCollum, Mr. McCurdy, Mr. McDade, Mr. McDonald, Mr. McEwen, Mr. McGrath, Mr. McHugh, Mr. Madigan, Mr. Markey, Mr. Marriott, Mr. Martin of New York, Mrs. Martin of Illinois, Mr. Martin of North Carolina, Mr. Matsui, Mr. Mattox, Mr. Mavroules, Mr. Mazzoli, Mr. Mica, Mr. Michel, Ms. Mikulski, Mr. Mineta, Mr. Moakley, Mr. Moffett, Mr. Molinari, Mr. Mollohan, Mr. Montgomery, Mr. Moore, Mr. Moorhead, Mr. Morrison, Mr. Mottl, Mr. Murphy, Mr. Murtha, Mr. Myers, Mr. Napier, Mr. Natcher, Mr. Neal, Mr. Nelligan, Mr. Nelson, Mr. Nichols, Mr. Nowak, Ms. Oakar, Mr. Oberstar, Mr. Obey, Mr. O'Brien, Mr. Ottinger, Mr. Oxley, Mr. Panetta, Mr. Parris, Mr. Pashayan, Mr. Patterson, Mr. Paul, Mr. Pepper, Mr. Perkins, Mr. Petri, Mr. Peyser, Mr. Porter, Mr. Price, Mr. Pritchard, Mr. Pursell, Mr. Railsback, Mr. Rangel, Mr. Richmond, Mr. Rinaldo, Mr. Ritter, Mr. Robinson, Mr. Roberts of South Dakota, Mr. Roberts of Kansas, Mr. Rodino, Mr. Roe, Mr. Roemer, Mr. Rosenthal, Mr. Roth, Mrs. Roukema, Mr. Rudd, Mr. Rousselot, Mr. Sabo, Mr. St Germain, Mr. Santini, Mr. Sawyer, Mr. Scheuer, Mrs. Schneider, Mr. Shamansky, Mr. Sharp, Mr. Shelby, Mr. Shumway, Mr. Shuster, Mr. Siljander, Mr. Simon, Mr. Skeen, Mr. Skelton, Mr. Smith of Alabama, Mr. Smith of New Jersey, Mr. Smith of Pennsylvania, Mr. Smith of Oregon, Mr. Smith of Iowa, Mrs. Snowe, Mr. Snyder, Mr. Solarz, Mr. Solomon, Mr. Staton of West Virginia, Mr. Stangeland, Mr. Stenholm, Mr. Stratton, Mr. Stump, Mr. Sunia, Mr. Swift, Mr. Synar, Mr. Tauke, Mr. Tauzin, Mr. Thomas, Mr. Trible, Mr. Udall, Mr. Vander Jagt, Mr. Vento, Mr. Walgren, Mr. Walker, Mr. Wampler, Mr. Waxman, Mr. Weaver, Mr. Weber of Ohio, Mr. White, Mr. Whitehurst, Mr. Whitley, Mr. Williams of Ohio, Mr. Wilson, Mr. Wirth, Mr. Wolf, Mr. Wolpe, Mr. Won Pat, Mr. Wortley, Mr. Wright, Mr. Yatron, Mr. Young of Florida, Mr. Young of Alaska, Mr. Young of Missouri, Mr. Zablocki, and Mr. Zeferetti):

H.J. Res. 479. Joint resolution to provide for the designation of July 9, 1982, and April 9, 1983, as "National P.O.W./M.I.A. Recognition Day"; to the Committee on Post Office and Civil Service.

By Mr. GONZALEZ:

H.J. Res. 480. Joint resolution to disapprove certain rules prescribed by the Secretary of Housing and Urban Development; to the Committee on Banking, Finance and Urban Affairs.

By Mr. LEWIS:

H.J. Res. 481. Joint resolution to designate June 22 through June 28, 1982, as the National Friendship Week; to the Committee on Post Office and Civil Service.

By Mr. SPENCE (for himself and Mr. Hartnett):

H.J. Res. 482. Joint resolution to designate the week commencing with the fourth Monday in June 1982 as "National NCO/Petty Officer Week"; to the Committee on Post Office and Civil Service.

By Mr. EMERSON (for himself, Mr. Bethune, Mr. Roberts of Kansas, Mr. Bailey of Missouri, Mr. Volkmer, Mr. Hansen of Idaho, and Mr. Roberts of South Dakota):

H. Con. Res. 337. Concurrent resolution expressing the sense of the Congress concerning the health of the Agricultural community, in light of the Wayne Cryts affair; to the Committee on Agriculture.

By Mr. GORE (for himself, Mr. Aspin, and Mr. Downey):

H. Con. Res. 338. Concurrent resolution urging the President to notify the Congress before any action is taken that does not conform with the SALT II agreement; to the Committee on Foreign Affairs.

By Mr. KEMP:

H. Con. Res. 339. Concurrent resolution to urge the government of the Soviet Union to facilitate the emigration of certain Soviet citizens, and for other purposes; to the Committee on Foreign Affairs.

By Mr. DELLUMS (for himself, Mr. Jacobs, Mr. Perkins, Mr. Hawkins, Mr. Rosenthal, Ms. Ferraro, Mrs. Chisholm, Mrs. Collins of Illinois, Mr. Richmond, Mr. Weiss, Mr. Bingham, Mr. Fauntroy, Mr. Dicks, Mr. Benjamin, Mr. Mollohan, Mr. Seiberling, Mr. Oberstar, Mr. Clay, Mr. Ford of Tennessee, Mr. Rodino, Mr. Foglietta, Ms. Oakar, Mr. Washington, Mr. Savage, Mr. Stokes, and Mr. Marks):

H. Res. 463. Resolution expressing the sense of the House of Representatives concerning the administration's policy on unemployment; to the Committee on Education and Labor.

By Mr. KASTENMEIER:

H. Res. 464. Resolution declaring the sense of the House with respect to granting Vietnam veterans their rights to conduct a memorial ceremony at Arlington National Cemetery; to the Committee on Veterans' Affairs.

By Mr. STARK:

H. Res. 465. Resolution directing the Secretary of State to provide to the House of Representatives certain information concerning Roberto D'Aubuisson; to the Committee on Foreign Affairs.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 349: Mr. Bereuter.

H.R. 852: Mr. Mavroules and Mr. Marriott.

H.R. 2007: Mr. Murphy, Mr. Huckaby, Ms. Ferraro, and Mr. Jones of North Carolina.

H.R. 2163: Mr. Trible.

H.R. 3252: Mr. Mineta, Mr. Deckard, and Mr. Foglietta.

H.R. 3984: Mr. Alexander and Mr. Hammerschmidt.

H.R. 4147: Mr. Peyser and Mr. Molinari.

H.R. 4554: Mr. Myers.

H.R. 4657: Mr. Washington.

H.R. 4833: Mr. Miller of Ohio.

H.R. 4996: Mr. Ford of Tennessee, Mr. Roemer, Mr. Lungren, and Mr. Forsythe.

H.R. 5193: Mr. Florio, Mr. Wright, and Mr. Dellums.

H.R. 5321: Mr. Hubbard, Mr. Simon, Mr. Mineta, and Mr. Butler.

H.R. 5481: Mr. James K. Coyne and Mr. Solarz.

H.R. 5510: Mr. McCollum.

H.R. 5572: Mr. Hansen of Idaho, and Mr. Ottinger.

H.R. 5573: Mr. Roemer, Mr. Weiss, Mr. de Lugo, Mr. Bonker, Mr. McKinney, Mr. Sunia, Mr. Rangel, Mr. Tauke, Mr. Roybal, Mr. Akaka, Mr. Sawyer, Mr. Lundine, Mr. Mavroules, Mr. McCloskey, Mr. Archer, Mr. Rose, Mrs. Schroeder, Mr. Foglietta, Mr. Kildee, Mr. James K. Coyne, Mr. McGrath, and Mr. Blanchard.

H.R. 5583: Mr. James K. Coyne.

H.R. 5800: Mr. James K. Coyne.

H.R. 5810: Mr. Swift.

H.R. 5872: Mr. Gore, Mr. Deckard, and Mr. Courter.

H.R. 5987: Mr. Hughes.

H.R. 5988: Mr. Watkins, Mr. Kogovsek, and Mr. Synar.

H.R. 5995: Mr. Dougherty, Mr. Lowry of Washington, Mr. Markey, Mr. Brodhead, Mr. Rangel, Mr. Mineta, Mr. Daschle, Mr. Bingham, Mr. Frank, Mr. Pepper, Mr. Sabo, Mr. Bennett, and Mr. Jones of North Carolina.

H.R. 6053: Mr. Collins of Texas.

H.R. 6070: Mrs. Bouquard, Mr. Coelho, Mr. Dannemeyer, Mr. Edwards of California, Mr. Kindness, Mr. Petri, and Mr. Young of Alaska.

H.R. 6076: Mr. Stangeland.

H.R. 6085: Mr. Marks.

H.R. 6126: Mrs. Holt, Mr. Kindness, Mr. Coats, Mr. James K. Coyne, and Mr. Lott.

H.R. 6170: Mr. Pepper, Mr. Moakley, Mr. Lowry of Washington, Mr. D'Amours, Mr. Studds, Mr. Stangeland, Mr. Hughes, Mr. Mitchell of Maryland, Mr. Stark, Mr. Hoyer, Mr. Lehman, Mr. Frost, Mr. Fazio, Mr. John L. Burton, Mr. Gore, Mr. Mazzoli, and Mr. Schumer.

H.R. 6181: Mr. Skelton, Mr. Jones of North Carolina, Mr. Smith of New Jersey, Mr. Weber of Ohio, Mr. Mitchell of New York, and Mrs. Bouquard.

H.R. 6183: Mr. Rahall, Mr. Horton, Mr. Roe, Mr. Barnes, Mrs. Chisholm, Mr. Wyden, Mr. Molinari, Mr. Scheuer, Mr. Stangeland, Mr. Martin of New York, Mr. Kildee, Mr. Stratton, Mr. Pepper, Mr. Gore, Mr. Skeen, and Mr. Oberstar.

H.R. 6225: Mr. James K. Coyne.

H.R. 6274: Mr. Kogovsek, Mr. Alexander, Mr. Anthony, Mr. Fauntroy, Mr. Mattox, and Mr. Hubbard.

H.R. 6285: Mr. Pepper and Mr. Washington.

H.R. 6294: Mr. Whitehurst, Mr. Barnes, Mr. Natcher, Mr. Lantos, Mr. Mattox, Mr. Weiss, Mr. Dellums, Mr. Roybal, Mr. Wyden, Mr. Dixon, Mr. Vento, and Mr. Minish.

H.R. 6296: Mr. Minish.

H.J. Res. 172: Mr. Forsythe, Mr. Florio, and Mrs. Fenwick.

H.J. Res. 305: Mr. Dellums and Mr. Foglietta.

H.J. Res. 363: Mr. Brooks, Mrs. Boggs, Mr. Jeffords, Mr. Jenkins, Mr. McDonald, Mr. Dannemeyer, Mr. Young of Missouri, Mr. Kramer, and Mr. Kogovsek.

H.J. Res. 400: Mr. Fish, Mr. Green, and Mr. Pepper.

H.J. Res. 416: Mr. Jones of Tennessee, Mr. Rosenthal, Mr. English, Mr. Montgomery, Mr. Stratton, Mr. Ritter, Mr. Zeferetti, Mr. Young of Alaska, Mr. Matsui, Mr. Clausen, Mr. Dowdy, Mr. Fields, Mr. Morrison, Mr. Parris, Mr. Weber of Minnesota, Mr. Carney, Mr. Gunderson, Mr. Hunter, Mr. Green, Mr. Collins of Texas, Mr. Butler, Mr. Andrews, Mr. John L. Burton, Mr. Swift, Mr. Rogers, Mr. Dreier, Mr. Deckard, Mr. Railsback, Mr. McCollum, Mr. Washington, Mr. Bailey of Missouri, Mr. Stark, Mr. Stokes, Mr. Levitas, Mr. Synar, and Mr. Rangel.

H.J. Res. 431: Mr. Addabbo, Mr. Akaka, Mr. Annunzio, Mr. Barnes, Mr. Beilenson, Mr. Bingham, Mr. Boner of Tennessee, Mr. Broyhill, Mr. John L. Burton, Mrs. Chisholm, Mr. Clinger, Mr. Crockett, Mr. D'Amours, Mr. Daschle, Mr. Fauntroy, Mr. Fazio, Mr. Foglietta, Mr. Foley, Mr. Forsythe, Mr. Frenzel, Mr. Frost, Mr. Horton, Mr. Hoyer, Mr. Hughes, Mr. Ireland, Mrs. Kennelly, Mr. Lagomarsino, Mr. LeBoutillier, Mr. Leland, Mr. Long of Maryland, Mr. Matsui, Ms. Mikulski, Mr. Mitchell of New York, Mr. Moakley, Mr. Molinari, Mr. Murphy, Mr. Natcher, Mr. Oberstar, Mr. Pepper, Mr. Peyser, Mr. Rahall, Mr. Ratchford, Mr. Richmond, Mr. Roberts of South Dakota, Mr. Rodino, Mr. Roe, Mr. Rosenthal, Mr. Savage, Mr. Scheuer, Mr. Shamansky, Mr. Shelby, Mr. Skeen, Mr. Sunia, Mr. Washington, Mr. Waxman, Mr. Weiss, Mr. Whitehurst, Mr. Won Pat, and Mr. Young of Missouri.

H.J. Res. 434: Mr. Anderson.

H.J. Res. 449: Mr. Lantos, Mr. Annunzio, Mr. Evans of Delaware, Mr. Hertel, Mr. Patterson, Mr. Roe, Mr. Forsythe, and Mr. Frost.

H.J. Res. 455: Mr. Wylie, Mr. Horton, Mr. Derrick, Mr. Natcher, Mr. Brown of Ohio, Mr. Pritchard, Mr. Young of Alaska, Mr. Walgren, Mr. Mollohan, Mr. Mazzoli, Mr. Oberstar, Mr. Bevill, Mr. Yatron, Mr. Sabo, Mr. DeNardis, Mrs. Schneider, Mr. Lehman, Mr. Dreier, Mr. Brodhead, Mr. McDonald, Mr. Tauzin, Mr. Wilson, Mr. Florio, Mr. Campbell, Mr. Roth, Mr. Hartnett, Mr. Hubbard, Mr. Bennett, Mr. Bliley, Mr. Skeen, Mr. Zablocki, Mr. Dickinson, Mr. Addabbo, Mr. Nelson, Mr. Winn, Mr. Rahall, Mr. Nichols, Mr. Railsback, and Mr. Roberts of Kansas.

H. Con. Res. 159: Mr. Derwinski and Mr. James K. Coyne.

H. Con. Res. 280: Mr. Rosenthal, Mr. AuCoin, Mr. Murphy, Mr. Ottinger, Mr. Richmond, Mr. Fauntroy, and Mr. Simon.

H. Con. Res. 298: Mr. Blanchard.

H. Con. Res. 309: Mr. Daniel B. Crane, Mr. Dreier, Mr. Fowler, and Mr. Zablocki.

H. Con. Res. 313: Mr. Weiss, Mr. Wolf, Mr. Lehman, Mr. Annunzio, Mr. Chappell, Mr. Fauntroy, Mr. Yates, Mr. Fazio, Mr. Bennett, Mr. Breaux, Mr. McHugh, Mr. Young of Alaska, Mr. Dwyer, Mr. Ireland, Mr. Markey, Mr. Mitchell of Maryland, Mr. Ottinger, Mr. Barnes, Mr. Wilson, Mr. Jacobs, Mr. Brown of California, Mr. Coelho, Mr. Moakley, Mr. Parris, Mr. Dicks, Mr. Vento, Mr. Bingham, and Mr. Edgar.

H. Con Res. 314: Mr. Lehman, Mr. Parris, Mr. McEwen, Mrs. Schroeder, and Mr. Annunzio.

H. Con Res. 322: Mr. Pepper and Mr. Blanchard.

H. Res. 406: Mr. Atkinson and Mr. James K. Coyne.

H. Res. 412: Mr. Wright, Mr. Trible, Mrs. Byron, Mr. Evans of Georgia, Mr. Neal, Mr. Wirth, Mr. Bailey of Pennsylvania, Mr. Dyson, Mr. Shelby, Mr. Marks, Mr. Brodhead, Mr. Edgar, Mr. Ford of Michigan, Mr. Findley, Mr. Kazen, and Mrs. Collins of Illinois.

H. Res. 421: Mr. AuCoin, Mr. Barnes, Mrs. Collins of Illinois, Mr. Daschle, Mr. DeNardis, Mr. Dicks, Mr. McCollum, Mr. Neal, Mr. Nelligan, Mr. Rogers, Mr. Savage, Mr. Washington, and Mr. Coats.

H. Res. 427: Mr. McCloskey, Mr. AuCoin, Mr. Shamansky, Mr. Pepper, Mr. Mottl, Mr. Lehman, Mr. Lantos, Mr. Reuss, Mr. Schumer, and Mr. Washington.

H. Res. 443: Mr. Yates, Mr. Rosenthal, Mr. Moffett, Mr. Ford of Tennessee, Mr. Ottinger, Mr. Green, Mr. Fazio, Mr. Forsythe, Mr. Fascell, Mr. Gore, Mr. Wolpe, Mr. Fauntroy, Mr. Markey, Mr. Mitchell of Maryland, Mr. Frank, Mr. Hollenbeck, Mr. Frost, Mr. Edwards of California, Mr. Conte, Mr. Washington, and Mr. Bonker.

H. Res. 456: Mr. Roberts of South Dakota, Mr. Edgar, and Mr. Synar.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 907: Mr. Garcia.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 5922

By Mr. BOLAND:

—On page 7, after line 18, insert the following:

Housing Production Assistance Payments

For mortgage interest assistance payments, $1,000,000,000, to remain available until expended. Such amount shall be made available under the terms and conditions of the following paragraphs:

(a)(1) Notwithstanding any other provision of law, the Secretary of Housing and Urban Development (hereafter referred to under this heading as the "Secretary") shall make commitments to enter into and enter into contracts to make periodic assistance payments on behalf of homeowners (including owners of manufactured homes and individual units in a cooperative or condominium project) to mortgagees or other lenders holding mortgages, loans, or advances of credit which meet the requirements contained under this heading.

(2) The aggregate amount of payments made pursuant to contracts entered into under this heading shall not exceed $172,000,000 per annum.

(3) The authority to make commitments to enter into contracts under this heading shall terminate on September 30, 1982.

(4) The Secretary may establish, consistent with the provisions of this heading, such criteria, terms, and conditions relating to homeowners and mortgages, loans or advances of credit assisted under this heading.

(5) In making available assistance under this heading, the Secretary shall give a priority to mortgagors and other borrowers who, as determined by the Secretary, have not owned dwelling units within the preceding three years.

(b) Payments under this heading may be made only on behalf of a homeowner who satisfies eligibility requirements relating to creditworthiness as may be prescribed by the Secretary and who—

(1)(A) is a mortgagor under a mortgage which meets the requirements of subsection (i), or (B) is the original owner of a new manufactured home consisting of two or more modules and a lot on which the manufactured home is situated, where insurance under section 2 or 203 of the National Housing Act covering the mortgage, loan, advance of credit, or purchase of an obligation representing such loan or advance of credit to finance the purchase of such manufactured home and lot has been granted to the lender making such mortgage, loan, advance of credit, or purchase of an obligation; and

(2) has a family income, at the time of initial occupancy, which does not exceed 130 per centum of the area median income (with adjustments for smaller and larger families, unusually high or low median family income, or other factors), as determined by the Secretary.

(c)(1) Assistance payments to a mortgagee or other lender by the Secretary on behalf of a homeowner shall be made only during such time as the homeowner shall continue to occupy the property which secures the mortgage, loan, or advance of credit.

(2) The Secretary may, where a mortgage insured under the National Housing Act has been assigned to the Secretary, continue making such assistance payments.

(d) The amount of the assistance payments made with respect to a mortgage, loan, or advance of credit shall not at any time exceed the lesser of—

(1) the difference between the amount of the monthly payment for principal, interest, and the mortgage or loan insurance premium which the mortgagor or borrower is obligated to pay under the mortgage, loan, or advance of credit, and the monthly payment for principal and interest which the mortgagor or borrower would be obligated to pay if the mortgage, loan, or advance of credit were to bear interest at the rate of 9½ per centum per annum (or 10 per centum in the case of any mortgagor whose income at the time of initial occupancy exceeds 115 per centum of the area median income); and

(2) the difference between the amount of the monthly payment for principal, interest, and the mortgage or loan insurance premium which the mortgagor or borrower is obligated to pay under the mortgage, loan, or advance of credit, and the monthly payment for principal and interest which the mortgagor or borrower would be obligated to pay if the mortgage, loan, or advance of credit were to bear interest at a rate six percentage points (or four percentage points in the case of any mortgagor whose income at the time of initial occupancy exceeds 115 per centum of the area median income) less than the rate specified in the mortgage, loan, or advance of credit;

except that the Secretary shall, in any case, require the mortgagor or borrower to pay at least 25 per centum of the mortgagor's or borrower's income with respect to the principal, interest, and mortgage insurance premium.

(e)(1) Except as provided in paragraph (2), the duration of a contract entered into under this heading shall be—

(A) in the case of any homeowner whose income at the time of initial occupancy does not exceed 115 per centum of the area median income, seven years; and

(B) in the case of any other homeowner, five years.

(2) In the case of any homeowner who, as determined by the Secretary, is unable to assume full payments required by the mortgage, loan, or advance of credit after the applicable number of years specified in paragraph (1), the Secretary shall, by utilizing the fund described in paragraph (3), enter into a contract to provide continued assistance on behalf of the homeowner under this heading.

(3)(A) There is hereby created a fund to be used in accordance with this paragraph. There shall be deposited into such fund (i) all amounts recaptured pursuant to subsection (k), and (ii) any authority to make payments under this heading which was committed for use in a contract but was unused because the mortgage, loan, or advance of credit was refinanced or payments under the contract were terminated or suspended for other reasons before the original termination date of the contract.

(B) Such fund shall be utilized, to the extent approved in appropriation Acts, for the purpose of making payments pursuant to contracts described in paragraph (2).

(C) Amounts in the fund not needed for current operations shall be invested in direct obligations of the United States or obligations guaranteed by the United States.

(f) The Secretary may include in the payment to the mortgagee or other lender such amount, in addition to the amount computed under paragraph (d), as the Secretary deems appropriate to reimburse the mortgagee or other lender for its reasonable and necessary expenses in handling the mortgage, loan, or advance of credit.

(g) The Secretary shall prescribe such regulations as the Secretary deems necessary to assure that the sale price of, or other consideration paid in connection with, the purchase by the homeowner of the property with respect to which assistance payments are to be made is not greater than the appraised value as determined by the Secretary.

(h) Not more than 20 per centum of the total number of units with respect to which assistance is approved under this heading may be made on behalf of owners of manufactured homes.

(i)(1) To be eligible for assistance under this heading, a mortgagor, other than an owner of a manufactured home, must have a mortgage which—

(A) is a first mortgage insured under the National Housing Act, guaranteed under chapter 37 of title 38 of the United States Code, guaranteed under title V of the Housing Act of 1949, insured or guaranteed by qualified private insurers as determined by the Secretary, or the outstanding principal balance of which does not exceed 80 per centum of the value of the property securing the mortgages;

(B) has been made to, as is held by, a mortgagee approved by the Secretary as responsible and able to service the mortgage properly;

(C) is secured by a one-family dwelling the construction of which began no earlier than one year prior to the date of enactment of this Act and which has never been sold other than to the mortgagor;

(D) involves a principal residence which meets energy conservation standards equivalent to or greater than those prescribed by the Secretary for newly constructed one- to four-family houses insured under title II of the National Housing Act;

(E) involves a principal amount which does not exceed the applicable amount which may be insured in the area under section 203(b) of the National Housing Act;

(F) except as provided in paragraph (k), permits the mortgagor to prepay the principal amount at any time without penalty;

(G) has a fixed rate of interest;

(H) has maturity and amortization provisions satisfactory to the Secretary; and

(I) is executed by a mortgagor who shall have paid in cash or its equivalent, on account of the property, at least an amount equal to 3 per centum of the Secretary's estimate of the cost of acquisition.

(2) For purposes of this paragraph, the term "mortgage" means, in the case of an individual unit in a condominium or cooperative project, a first lien or first mortgage described in section 203(n)(2)(A) or 234(b) of the National Housing Act.

(3) For purposes of subparagraph (1)(D), the Secretary may accept a certification from the mortgagor that the energy conservation requirements of such subparagraph have been met.

(j) The Secretary shall develop and utilize a system to allocate assistance under this heading in a manner which assures a reasonable distribution of such assistance among the various regions of the country and which takes into consideration such factors as population, relative decline in building permits, and the need for increased housing production.

(k) Upon the disposition by the homeowner of any property assisted under this heading, or where the homeowner rents the property for a period longer than one year, the Secretary shall provide for the recapture of an amount equal to the lesser of—

(1) the amount of assistance actually received under this heading, other than any amount provided under paragraph (f); or

(2) an amount at least equal to 50 per centum of the net appreciation of the property, as determined by the Secretary.

For the purpose of this paragraph, the term "net appreciation of the property" means any increase in the value of the property over the original purchase price, less the reasonable costs of sale and the reasonable costs of improvements made to the property. In providing for such recapture, the Secretary shall include incentives for the homeowner to maintain the property in a marketable condition. Notwithstanding any other provision of law, any such assistance shall

constitute a debt secured by the property to the extent that the Secretary provides for such recapture. Amounts recaptured under this paragraph shall be deposited in the fund described in paragraph (e)(3).

(l) The Secretary shall make allocations and begin to issue commitments pursuant to the terms and conditions contained under this heading not later than 30 days after the enactment of this Act.

(m) Procedures shall be adopted by the Secretary for annual recertification of the homeowner's income for the purpose of adjusting the amount of such assistance payments within the limits of the formula described in paragraph (d).

By Mr. LOWRY of Washington:

—Page 3, immediately after line 15, insert the following:

SOCIAL SECURITY ADMINISTRATION

REFUGEE AND ENTRANT ASSISTANCE

For an additional amount for "Refugee and Entrant assistance", $23,340,000, to be available only to reimburse States which by reason of court order, State statute or regulation, or other administrative restraint could not implement the change in regulations published on March 12, 1982, for refugee assistance and domestic assistance for Cuban and Haitian entrants.

EXTENSIONS OF REMARKS

MONTHLY LIST OF GAO REPORTS

HON. JACK BROOKS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. BROOKS. Mr. Speaker, the monthly list of GAO reports includes summaries of reports which were prepared by the staff of the General Accounting Office. The March 1982 list includes:

NATIONAL DEFENSE

The Army Needs to Reevaluate its Extended Basic Training Program. Acc. No. 117659, FPCD-82-11, March 3.

Proposed Program for New 9-mm. Handguns Should Be Reexamined. Acc. No. 117779, PLRD-82-42, March 8.

The Army Needs to Modify its System for Measuring Individual Soldier Proficiency. FPCD-82-28, March 30.

U.S. Military Coproduction Programs Assist Japan in Developing Its Civil Aircraft Industry. Acc. No. 117848, ID-82-23, March 18.

Navy's F/A-18 Expected to be an Effective Performer but Problems Still Face the Program. Acc. No. 117780, MASAD-82-20, February 26.

Mission Effectiveness of the AV-8B Harrier II Could Be Improved if Actions are Taken Now. Acc. No. 117765, MASAD-82-19, February 26.

Critical Considerations in Developing Improved Capability to Identify Aircraft as Friend or Foe. C-MASAD-82-6, February 24.

The Air Force Lantirn Program Must Surmount Some Formidable Difficulties. C-MASAD-82-12, February 25.

Defense Plans to Deploy Some Cruise Missiles Before They Are Ready. C-MASAD-82-15, February 28.

DOD's Space-Based Laser Program—Potential, Progress, and Problems. C-MASAD-82-10, February 26.

The Navy's New Antisubmarine Warfare Standoff Weapon—An Uncertain Future. C-MASAD-82-11, February 26.

Air Launched Cruise Missile Shows Promise But Problems Could Result in Operational Limitations. C-MASAD-82-13, February 26.

Issues Concerning the Navy's Expendable Reliable Acoustic Path Sonobuoy and Advanced Signal Processor. C-MASAD-82-14, February 26.

Letter reports

Issues concerning the survivability and capability of the ICBM Force modernization. Acc. No. 117607, MASAD-82-21, February 25.

Opportunities exist to achieve greater standardization of aircraft and helicopter seats. Acc. No. 117648, MASAD-82-22, February 26.

Recent changes in defense procurements reporting competition are misleading. Acc. No. 117726, PLRD-82-45, March 8.

The ALR-74 radar warning receiver program schedule needs further examination. Acc. No. 117777, MASAD-82-23, March 10.

The services' costly attrition could be reduced by using biodata inventories. Acc. No. 117781, FPCD-82-27, March 12.

Defense inventories contain about 109,900 unserviceable .45 caliber pistols, most of which can be rebuilt. Acc. No. 117920, PLRD-82-60, March 12.

DOD and Rand Corporation studies do not provide an adequate basis for deciding on a military physician assistant grade structure. Acc. No. 117805, FPCD-82-36, March 17.

The Department of Defense has made progress in its compliance with A-109 on weapon system acquisitions. Acc. No. 117806, MASAD-82-10, March 17.

Allegations of insufficient reimbursement under the Value Engineering Program. PLRD-82-57, March 19.

Before authorizing further expenditures for the multiple stores ejector rack, the Air Force and the Navy should determine whether a common bomb rack is still needed and whether it is cost effective. MASAD-82-26, March 26.

ENERGY

Possible Energy Effects of a U.S. Ban on Libyan Oil Imports. Acc. No. 117671, EMD-82-43, February 24.

Mitigating Socioeconomic Impacts of Energy Development. Acc. No. 117654, EMD-82-13, March 2.

Studies on Effectiveness of Energy Tax Incentives are Inconclusive. Acc. No. 117776, EMD-82-20, March 11.

Building Energy Analysis Computer Programs Developed by Federal Agencies-Cost, Use, and Need. Acc. No. 117914, PLRD-82-47, March 22.

TVA's Internal Audit Improved But Inspector General May Still Be Needed. EMD-82-61, March 19.

TVA's Nuclear Fuel Sale and Leaseback Arrangement Needs Further Analysis and Congressional Oversight. EMD-82-52, March 18.

Tennessee Valley Authority—Options for Oversight. EMD-82-54, March 19.

Letter reports

Leasing storage capacity for the strategic petroleum reserve. Acc. No. 117847, EMD-82-62, March 12.

The Tennessee Valley Authority needs to develop a formal process for determining whether to construct projects in-house or by private contractor. Acc. No. 117809, EMD-82-49, March 15.

Information concerning Western Area Power Administration's sale and purchase of power. Acc. No. 117881, EMD-82-65, March 18.

Increased filing fees for noncompetitive onshore oil and gas leases will reduce casual speculation and multiple filings and thereby reduce fraud potential. EMD-82-67, March 19.

The Department of Energy does not plan to use an abandoned salt mine at Lyons, Kansas, for nuclear high-level waste disposal. EMD-82-64, March 23.

NATURAL RESOURCES AND ENVIRONMENT

States' Compliance Lacking in Meeting Safe Drinking Water Regulations. Acc. No. 117664, CED-82-43, March 3.

A Market Approach to Air Pollution Control Could Reduce Compliance Costs Without Jeopardizing Clean Air Goals. PAD-82-15, March 23. PAD-82-15A, March 23.

Information on Corps of Engineers Deauthorization Program for Water Projects. Acc. No. 117916, CED-82-55, March 23.

Corps of Engineers Should Reevaluate the Elk Creek Project's Benefits and Costs. CED-82-53, March 15.

Letter reports

The Burbank-Glendale-Pasadena Airport Authority is in compliance with the noise provision of its Federal grant. Acc. No. 117794, CED-82-49, March 5.

COMMERCE AND HOUSING CREDIT

Greater Use of Innovative Building Materials and Construction Techniques Could Reduce Housing Costs. Acc. No. 117524, CED-82-35, February 18.

October 1981 Recommendations of the President's Commission on Housing: Issues for Congressional Consideration. Acc. No. 117656, CED-82-42, February 25.

Letter reports

The Coast Guard had a deferral in budget authority of $216,520,000. OGC-82-10, March 25.

TRANSPORTATION

Letter reports

Assessment of the Federal Aviation Administration's plan to close its Denver and Honolulu regional offices. Acc. No. 117653, CED-82-45, February 25.

Urban Mass Transportation Administration's R&D program should pay closer attention to transit industry needs. Acc. No. 117320, CED-82-17, January 20.

Cost to the Federal Government of a safe harbor lease is less than the cost of an Urban Mass Transit Administration grant program. Acc. No. 117869, PAD-82-30, March 15.

The Urban Mass Transportation Administration needs to ensure that adequate testing and evaluation is done on future mass transit rail vehicles. Acc. No. 117875, MASAD-82-25, March 22.

COMMUNITY AND REGIONAL DEVELOPMENT

District Could Get More For Urban Renewal Property, But HUD Debt will be Repaid. Acc. No. 117731, GGD-82-32, March 8.

Housing Block Grant Activity in Pittsburgh: A Case Study. Acc. No. 117918, CED-82-52, March 24.

Letters reports

Economy, efficiency and effectiveness of metropolitan planning organizations. Acc. No. 117766, CED-82-47, March 10.

SOCIAL SERVICES

Analysis of Four States' Administration of the AFDC Program: Management Improving But More Needs to be Done. Acc. No. 117725, HRD-82-20, February 22.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Letter reports

Information on selected legal services activities in North Carolina. Acc. No. 117704, HRD-82-38, February 5.

The Office of Refugee Resettlement used poor management in awarding a grant to Human Resources Development associates. Acc. No. 117706, HRD-82-44, February 25.

HEALTH

FDA Can Further Improve its Adverse Drug Reaction Reporting System. Acc. No. 117703, HRD-82-37, March 8.

Audit of the office of the Attending Physician Revolving Fund—Fiscal Year 1981. Acc. No. 117702, AFMD-82-36, March 5.

ADMINISTRATION OF JUSTICE

Illegal and Unauthorized Activities on Public Lands—A Problem with Serious Implications. Acc. No. 117764, CED-82-48, March 10.

Letter reports

Statistics show that release on bail, failure to appear, and new crime rates vary among selected Federal district courts. Acc. No. 117662, GGD-82-51, February 23.

GENERAL GOVERNMENT

Better Management Would Improve the Effectiveness of the District of Columbia's ADP Resources. Acc. No. 117870, GGD-82-47, March 12.

The District of Columbia Should Assess its Needs before it Makes Major Acquisitions of Space. Acc. No. 117666, GGD-82-27, March 2.

The Federal Audit Function in the Territories Should Be Strengthened. AFMD-82-23, March 25.

Audit of Financial Transactions of the House Sergeant at Arms for the 12 Months Ended June 30, 1981. Acc. No. 117919, AFMD-82-37, March 24.

Letter reports

The Federal Government spent about $1.8 million for FY 1978 and $3.3 million for FY 1980 on economic modeling activities done by four private forecasting firms. Acc. No. 117705, PAD-82-26, February 16.

President's proposal of 22 rescissions totaling $10,655 million, 14 new deferrals totaling $2,334 million, and revisions to previous deferrals which increase amounts deferred by $768 million. Acc. No. 17797, OGC-82-9, March 10.

Information on a stamp kit procurement activity through contract award. Acc. No. 117778, GGD-82-45, March 10.

Design problems in the Merit Systems Protection Board's questionnaires limits their usefulness. Acc. No. 117784, FPCD-82-9, March 11.

Requirements determination process can be improved at NASA's Langley Research Center. Acc. No. 117804, PLRD-82-56, March 15.

VA forefeiture decisions highlight need to strengthen procedural protections afforded Filipino veterans and their survivors residing in the Philippines. Acc. No. 117796, HRD-82-46, March 15.

Overtime management and controls at the Environmental Protection Agency headquarters are deficient. Acc. No. 117798, FPCD-82-34, March 16.

Fiscal year 1983 estimated revenues and deposits for the Panama Canal Commission. Acc. No. 117849, ID-82-26, March 19.

A comparison of the General Service Administration's completion dates for repair and alteration projects relating to the Omnibus Judgeship Act, with GAO's dates showed a number of differences. Acc. No. 117915, PLRD-82-63, March 22.

Federal activities designed to promote Government contracting with socially and economically disadvantaged businesses are duplicated among Federal agencies. Acc. No. 117878, PLRD-82-58, March 23.

Effects of the presidential transition on the Senior Executive Service. FPCD-82-29, March 23.

Legislation is needed to ensure that cost-of-living increases in Federal programs will be considered on a more timely basis in computing supplemental security income benefits. HRD-82-52, March 26.

States which accepted administration of block grants were allotted grants differently from those States which did not. GGD-82-65, March 26.

The Monthly List of GAO Reports and/or copies of the full texts are available from the U.S. General Accounting Office, Distribution Section, Room 1518, 441 G Street, N.W., Washington, D.C. 20548. Phone (202) 275-6241.●

A BILL TO PROHIBIT THE CHARGING OF COAST GUARD USER FEES FOR RECREATIONAL BOATS

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. LONG of Maryland. Mr. Speaker, I am today introducing legislation to prohibit the charging of Coast Guard user fees for recreational boats. The administration's insistence on user fees requires that Congress act to ban these added taxes on millions of middle-income people who use America's lakes, rivers, and streams for pleasure.

Some claim that wealthy owners of palatial yachts will have little trouble paying $200 or $300 a year for Coast Guard services. No doubt. But fewer than 1 in 1,000 boats registered in the United States today can reasonably be considered a yacht. The average boatowner in the United States owns a boat only 15 to 20 feet long and earns less than $20,000 per year—hardly a fat cat. These boats offer rest, relaxation, and diversion and are often the owner's sole recreation.

Does the Coast Guard provide special services for these boaters for which it should be reimbursed? On the contrary. The Coast Guard concedes that its navigation aids would have to be provided for commercial craft, whether recreational craft existed or not. The Coast Guard has recently agreed to exclude the costs of lifesaving missions in its user fee calculations. Marine police and patrols are increasingly a State and local rather than a Coast Guard function. Search-and-rescue activities are being taken up by the Coast Guard Auxiliary, a volunteer citizen group which now handles about 25 percent of all the search and rescue missions formerly the province of the Coast Guard.

A number of boaters have stated that for extraordinary services such as regatta patrols or for nonemergency services such as towing, they would be willing to pay on an "as used" basis. The vast majority of boaters never in their boating careers use such services and should not be forced to pay for them through mandatory user fees to benefit the relatively few who elect them. The one identifiable Coast Guard service of direct benefit to all recreational boaters is the setting of nationwide boat and equipment safety standards and the enforcement of those standards. I point out, Mr. Speaker, that safe boats benefit us all—occasional boaters, regular sailors, and the general public. The safer the boat and equipment, the less likely a costly or even fatal accident.

Would boaters gain from these user fees to the Coast Guard? Hardly, in view of the ongoing Coast Guard plans for retrenchments and reductions in services, whether user fees are enacted or not.

It is too often overlooked, Mr. Speaker, that boaters already pay plenty of taxes: Sales taxes on boats and equipment, the Federal fuel tax, State fuel tax, slip taxes, personal property taxes, income taxes—to say nothing of the administration's proposed excise tax on boating supplies and boats themselves, a levy which will be passed along to the recreational boating public.

User fees for recreational boating are simply more taxes on millions of average working men and women. My bill would forbid them.●

ITALIAN NATIONAL DAY

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. ANDERSON. Mr. Speaker, on June 2, the people of Italy will celebrate Italian National Day—the day in 1946 when the Italian monarchy was abolished and the modern Republic of Italy was created by popular referendum. The American people, particularly the tens of millions who are of Italian ancestry, extend to the people and Government of Italy our sincere congratulations and our heartfelt wish that Italy may continue to enjoy the blessings of peace, prosperity, and personal freedom.

If I were to include in these remarks even the barest outline of the immense achievements and contributions of the Italian people to Western civilization and to American life, I am afraid it would sorely try the patience of my colleagues and threaten the budget of the Government Printing Office.

Michelangelo once described his work as an artist as an attempt to "liberate the spirit from the marble that imprisons it." In a sense this may serve as a metaphor for all Italians, whether one is describing the work of an artist in Florence, a philosopher in Bologna, a film maker in Rome, or a fisherman in San Pedro.

The Italians, it has been said, taught the French to cook, the English to govern, and the world to love music and art. At the entrance to the Uffizi Palace in Florence, a relatively small city, is a line of busts commemorating just a few of that city's most distinguished sons—Michelangelo, Galileo, Dante, Machiavelli, Boccaccio, Da Vinci. The works of these men stand as the definitive classics in art, science, literature, and politics. It is astonishing to consider that they lived in the same small community at about the same time.

Many other Italian cities could erect a gallery of native sons and daughters equally distinguished if they should wish to.

More recently, Italian film makers led the world into a realization of the possibilities of transforming the movie business into an art form, and Italian design has brought style, grace, and beauty to a variety of products from women's shoes to automobiles. Italy is one of the world's leading exporting nations. But by far the country's most important exports have been Italian ideas and the Italian himself.

In the realm of ideas, for example, Thomas Jefferson borrowed many of the principles which were ultimately incorporated into the Declaration of Independence and the American Constitution from his studies of the Italian humanist philosophers. He was also struck, incidentally, by the quality of two less abstract Italian favorites, wine and macaroni. He brought both back to Monticello, cultivated them, and tried to teach his fellow Americans their virtues. Unfortunately, at that time, Americans preferred hard whiskey and plain bread. As always, he was ahead of his time. Today, of course, there is hardly a community in our Nation which does not boast of flourishing Italian gourmet restaurants.

The millions of Italians who came to our country brought with them a sense of the richness, the variety, the possibility of living with grace and beauty—in short, culture. Wherever they congregated in substantial numbers—in New York, New Orleans, San Francisco, and southern California—the civilizing arts soon followed. They worked as hard and in time became just as prosperous as their Anglo-Saxon neighbors. At the same time, they taught the rest of us to add a little flavor to the sauce of life.

This has been amply demonstrated in my own district, where young Italians first began to arrive in the 1880's in what was then a rather forlorn and undeveloped natural harbor in the San Pedro-Wilmington area. Young Italian sailors sensed the possibilities of this free new land and the surrounding seas teeming with fish. The climate, so similar to their native land, seemed congenial. They let their ships sail back to the Old World without them. In a few years, they established a flourishing fishing industry. Wives, sweethearts, and relatives soon followed. They created new businesses, restaurants, bakeries, canneries, many of which survive to this day. Their restaurants, for example, still attract visitors from all over the Nation, and the harbor area remains a mecca for lovers of authentic ethnic food. Their sons and daughters, and now their grandsons and granddaughters, moved into the mainstream of American business, politics, athletics, and the arts.

In the short span of a century, they have gone from being Italian immigrants, to Italian-Americans, to, simply, Americans. And yet, while many of them have never seen the land of their grandfathers, and have largely lost the ability to speak and read the beautiful Italian language, they remain profoundly tied to a culture, an idea, and a way of living that is inherent in the word "Italian."

"Italy," Henry James once said, "is an immense sensibility." It is a way of feeling the full range of life's possibilities, from the tragedy of war and poverty to the bawdy comedy of the great Italian films. It is an adventure of the mind, from Columbus sailing beyond the ends of the Earth to Fermi exploring the world of the atom.

Italian civilization is among the world's oldest and richest. The Republic of Italy, on the other hand, is not yet 40. It has not been an easy four decades for the young Italian democracy, but I believe the spirit, intelligence, and quality of the people will prevail. The successes and achievements of the Italian people here in America augurs well for the future of democratic Italy.

It is often observed among Americans returning from abroad that there is no country in the world where ordinary people are more friendly and cordial to Americans than Italy. I believe this is because there is a genuine bond of affection between our two peoples.

On the occasion of the birthday of the Republic of Italy, may I express the appreciation of the American people and its elected representatives for the loyalty and friendship of the Italian people and of their government. The Italian Government has opened its ports to our navy; the Italian people have opened their artistic and cultural treasures to tourists, students, and artists. The relationship between our two nations and our two peoples goes deeper than a common penchant for gadgetry, or a taste for pasta, or even the recent gallant rescue of General Dozier. Millions of our citizens of Italian descent, and a common commitment to the civilizing arts and sciences, including the art of free government, bind us together.●

SALUTE TO NATIONAL SMALL BUSINESS WEEK

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. ROE. Mr. Speaker, I take great joy in joining my colleagues today in saluting the American small business men and women, whom I consider to be the backbone of our Nation's economy.

At a time when our Nation is suffering record unemployment rates, the importance of small businesses on our daily lives cannot be overemphasized. Out of our national work force of 97 million, 60 million Americans find their livelihoods in small business. Small businesses also provide the best opportunities for job seekers. A Massachusetts Institute of Technology study found that 68 percent of all the new jobs in the private sector were provided by firms with 20 or fewer employees. By contrast, Fortune magazine's top 1,000 firms, as measured by revenue, created only 10.6 percent of all jobs.

Small businesses play a major social role in providing work for those troubled sectors of our society who would otherwise remain unemployed. For example, small companies provide more than 80 percent of all jobs for black youths and other disadvantaged groups.

One of our Nation's greatest resources is its advanced high technology, which is the envy of other industrial countries around the world. Small business has played a phenomenal role in the development of the United States as the world leader in technological development. More than half the major technological advances of this century were developed by individual inventors or small businesses, including the office copying machine, insulin, the vacuum tube, power steering, the self-winding wristwatch, the helicopter, cellophane, ballpoint pens, and the zipper.

A National Science Foundation study showed that small firms produce four times as many industrial innovations per research dollar than medium-sized firms and 24 times as many new innovations as the largest firms.

Mr. Speaker, small businesses truly represent the entrepreneurial spirit that made this Nation great. The courage of the small businessman paved the way for the development of our Nation. Today, our disastrous economic situation, has placed different pitfalls in the path of the small businessman, some as dangerous in many ways as the outlaws who threatened his existence during the early days of our Nation.

Three out of four new enterprises fail within their first 5 years, and 9 out of 10 fold within 10 years. And those failures are increasing at a higher rate than anytime during the past decade.

The roadblocks to success for small businesses are rugged. At the top of the list is money. Unlike the bigger firms, small businesses often cannot get loans when they need them, and when they are available, they are forced to pay higher interest rates on them. An additional factor, which we in this Congress must be concerned with, is the labyrinth of horrors of Federal regulation and paperwork that confronts the small businessman.

Mr. Speaker, productivity and self-reliance are essential requirements for success in small businesses. Those high values are what makes them such an integral part of our economic system. I am most proud to salute these vital Americans during National Business Week.●

VISTA 1999 AND THE DEFENSE DEBATE

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. GINGRICH. Mr. Speaker, I urge my colleagues to read the VISTA 1999 report. It is an important document and has received national press attention.

The article below is reprinted from the editorial page of the Christian Science Monitor. While some of the points it makes are off the mark factually, overall the themes are correct. Its major message it clear: VISTA 1999's ideas may offer us a way to get the defense we need at a price we can afford.

The Christian Science Monitor editorial states: "Lawmakers would be well served by a careful reading of the VISTA 1999 Report." I think this is correct, which is why I sent all my colleagues a copy.

I urge my colleagues to read the editorial. And then carefully read the VISTA 1999 report. We should take a look at what the press has picked up on; especially when its discovery can help us provide for the defense of the Nation.

The editorial follows:

MAKING WEAPONS THAT WORK

Charges that the Pentagon is relying excessively on complicated, delicate, and expensive weapons systems are not new. Many defense analysts have been saying this for the past several years, including Colorado senator Gary Hart and former Carter adminstration speechwriter James Fallows, who set out the case for a leaner, more cost-effective Pentagon in his 1981 book "National Defense." But when a panel of—would you believe?—15 generals and five colonels raises many of the same complaints in a detailed new study of military procurement practices, the public should take special notice.

The 20 high-ranking officers, all from the Army and Air National Guard, blame shortages of military equipment on "the current trend of purchasing high-cost, high-technology systems that have uncertain reliability and significant difficulties of maintenance above the operator level." The panel urges the Pentagon to buy simpler, more reliable weapons—as well as adopt a leaner force structure for the active Army. The Army unfortunately, is currently taking just the opposite route, towards a larger and more complicated divisional structure.

There are two issues here. One is the budgetary problem, now being thrashed out in the back corridors of Washington as Congress and the Reagan administration seek ways of slashing the fiscal year 1983 deficit. Any successful effort to reduce the deficit will require substantial cutbacks in defense. But there is also another consideration that should not be overlooked.

That is the possibility that the US is now producing weapons so complicated that they are increasingly unable to perform the basic tasks they are designed to do. The irony is that the United States may in effect be buying less—not more—defense with such costly procurement programs.

Take aircraft. The national guard panel notes that in constant fiscal year 1982 dollars the Air Force spent $6.9 billion in 1955 to buy 1,415 aircraft. But in 1980 it spent $9.4 billion to buy 407 aircraft. In short, more taxpayer dollars for far fewer planes. Do those aircraft, at greater cost, really provide the US better defense? The military panel says no.

That is not to say that some procurement projects will not require extremely sophisticated, and perhaps costly, equipment. Presumably laser weapons, now in the development stage, would fall in such a category, as would communication equipment or military satellites. But such systems should be rare exceptions.

Lawmakers would be well-served by a careful reading of the panel's conclusions as they go about the budget-cutting process. It is not a matter of pruning the military establishment to the point of endangering national security. It is a matter of selecting those weapons systems that do what they are supposed to do—provide the most efficient defense at the best possible price.●

LOUISVILLE WELCOMES REGIONAL CONFERENCE OF THE NATIONAL BAR ASSOCIATION

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. MAZZOLI. Mr. Speaker, on behalf of the citizens of the Third Congressional District of Kentucky, I would like to extend a warm welcome to the delegates to the Third Annual Regional VI Conference of the National Bar Association in Louisville, Ky., from May 14, 1982 through May 16, 1982.

A special welcome is extended to Attorney Samuel E. McCargo, who is the regional VI director of the National Bar Association.

I would like to commend the Kentucky Chapter of the National Bar Association, and its president, Attorney Henry J. Curtis, for hosting the conference.

Special recognition is given to Attorneys Gerald A. Neal and Larry D. Beale, who served as conference coordinators.

Again, welcome to Louisville and best wishes for a successful conference.●

THOMAS JEFFERSON'S BIRTHDAY

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. WAXMAN. Mr. Speaker, I would like to commend to the attention of my colleagues an insightful and thought-provoking article written recently by Adele I. Springer, legal affairs correspondent for Meredith Newspapers of Los Angeles. The article appeared in the April 7, 1982, edition of the Wilshire Press.

Ms. Springer is past president of the National Association of Women Lawyers. Her article is a very perceptive application of the philosophy of Thomas Jefferson to issues of contemporary debate. She reminds us of the legacy Mr. Jefferson left for the American people and the everlasting value of his thoughts.

THOMAS JEFFERSON'S BIRTH MARKED APRIL 13

(By Adele I. Springer)

Tuesday, April 13, is the birthday of Thomas Jefferson, third president of the United States, who was born in 1743.

President Jefferson is best remembered and revered as author of the Declaration of Independence. He also wrote the Statute of Religious Freedom, challenging intolerance. He earned his place in history also as the nation's first Secretary of State in the cabinet of President George Washington. He founded the University of Virginia, was envoy to France, and took a step in continental expansion by the purchase of Louisiana. A major accomplishment of his presidency was reduction of the national debt and suppression of piracy. This lawyer, scholar, statesman, political philosopher, was regarded as the most versatile patriot of his era.

Jefferson, known as the Sage of Monticello, died in 1826 on the 50th anniversary of the adoption of the Declaration of Independence, murmuring his last words, "this is the Fourth?" His colleague, John Adams, who died that same 4th day of July, uttered as his last words, "Jefferson still survives."

Today, Jefferson's spirit still survives—in that great charter of American independence he penned in 1776, and in the timeless character of his many historical writings. U.S. Supreme Court Justice Lewis Powell, in a tribute to Jefferson, concluded that Jefferson "has influenced, living and dead, the daily thought of his fellow countrymen more than any other man in all their history; for he it was who formulated, defended and made victorious that social and political philosophy of individualism and equality by which America has lived."

President F. D. Roosevelt, on Jefferson's 200th birthday in 1943, dedicated the Thomas Jefferson Memorial in Washington, D.C., "To Thomas Jefferson, Apostle of Freedom, we are paying a debt long overdue."

Now, on Jefferson's birthday, April 13, we should pause to reflect upon the fundamental principles set down more than two centuries ago by that great architect of our republic. For, as Abraham Lincoln so aptly put it, "The principles of Jefferson are the definitions and axioms of a free society."

Jefferson believed as a cardinal principle of government that it should be decentralized. He had witnessed at first hand both at home and abroad the evils, the abuses, and the dangers of a concentrated government. "He thought in terms of the morrow as well as of the day." If Jefferson were living today, it sems quite certain that he would favor decentralization of power, budgetary cuts, lower taxes, and elimination of the national deficit.

The objectives of Thomas Jefferson were set forth in his first inaugural address: "What more is necessary to make up a happy and prosperous people? Still one thing more, fellow citizens, a wise and frugal government which shall restrain men from injuring one another, which shall leave them otherwise free to regulate their own pursuits of industry and employment and shall not take from the mouth of labor the bread that it has earned—Economy in public expense that labor may be lightly burdened."

In his second annual message President Jefferson urged "substituting economy for taxation," and "to expend the public money with the same care and economy we would practice with our own, and impose on our citizens no unnecessary burden; to keep in all things within the pale of our constitutional powers," as the "landmarks by which we are to guide ourselves."

In his second inaugural address he pointed out: "The suppression of unnecessary offices, of useless establishments and expenses, enabled us to discontinue our internal taxes."

Years later, writing about the events that led up to the Revolution, Jefferson deplored: "We have more machinery of government than is necessary, too many parasites living on the labor of the industrious." And: "I consider the extravagance which has seized the country as a more painful evil than Toryism was during the war."

The constitutional morality of statesman Jefferson contrasts with the attitude of many politicians today. He wrote: "I am for a government rigorously frugal and simple, applying all the possible savings of the public revenue to the discharge of the national debt; and not for a multiplication of officers and salaries merely to make partisans." He wished "With sincere zeal, an inviolable preservation of our present Constitution according to the true sense in which it was adopted by the States."

Never in the history of this republic has there been greater need of public understanding of what Thomas Jefferson meant when he advocated "The first principle of human society is the guarantee to everyone of a free exercise of his industry and the possession of the fruits acquired by it."

Every American who believes that loyalty to country comes before loyalty to party politics must find inspiration in the question posed by Jefferson: "Is my country the better for my having lived at all?"●

MAJOR EXPO PLANNED AS DULLES AIRPORT TURNS 20

HON. FRANK R. WOLF

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. WOLF. Mr. Speaker, Dulles International Airport, which is owned and operated by the Federal Government and which is located in the 10th Congressional District of Virginia, will mark its 20th anniversary this June. I would like to bring to the attention of my colleagues an article in the April 26, 1982, Arlington Journal which reports on activities planned at Dulles Airport for the anniversary celebration.

[From the Arlington Journal, Apr. 26, 1982]

MAJOR EXPO PLANNED AS DULLES AIRPORT TURNS 20

(By Jim Wolffe)

Bouyed by recent announcements of new service to Chicago, the West Coast and Paris by three airlines, supporters of Dulles International Airport are planning a major business exposition to celebrate the sprawling terminal's 20th birthday.

Sponsored by the Loudoun County Chamber of Commerce, the Dulles Policy Task Force and the Federal Aviation Administration, the "Dulles Expo '82" on the weekend of June 26 and 27 will be designed not only to display the business potential of the area around the airport, but also to make more people aware that the much underused airport exists.

The official birthday of the graceful airport, designed by world-renowned architect Eero Sarrinen, is actually in November, 20 years after ground was broken for what was supposed to have become the new hub for air travel in the Washington area.

"We're hoping to get 40,000 to 45,000 people into the airport during the weekend," said expo director J. W. Porter.

Speaking last week to the Loudoun chamber, Porter said he is convinced that if people visit the airport, requests to fly out of Dulles rather than crowded and overused Washington National Airport in Arlington will increase. If so, airlines will be pressured into adding flights at Dulles.

"It's a chicken-and-egg type thing," said Porter. "We've got to convince people to ask for Dulles first."

He said movement in that direction is already beginning, pointing to surveys that show many air travelers ask to fly from Dulles but are told that no flights are available to their destination. The expo is intended to increase pressure on the airlines, Porter said.

Recent statistics from the Federal Aviation Administration, which owns and operates Dulles and National, show that about 2.4 million passengers pass through Dulles each year, compared to 13.5 million travelers who use the much smaller National.

Porter hopes that 100 local and national businesses will pay a minimum of $300 for exhibit space in the main concourse of the terminal.

And plans call for displays of about a dozen antique and modern aircraft to be on display on the runways, tours of the airport, rides on the mobile lounges that take passengers from the terminal to their planes and drawings for free airline tickets—for trip from Dulles, of course.

Businesses interested in setting up displays should call the expo committee at 777-2350 or 777-2176.

The exhibits will be open to the public from 10 a.m. to 7 p.m. on June 26, and from 10 a.m. to 6 p.m. to June 27.●

HUD BUZZ WORDS FOR 1982

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. GARCIA. Mr. Speaker, in late March Secretary Pierce testified before the Subcommittee on Housing and Community Development on the Reagan administration's housing program. Now, whether one is considering low income families in search of an apartment or the first-time homebuyer, we all know that the need for housing in this Nation has not been this dramatic since the Great Depression. Vacancy rates are near zero in some areas for the family seeking rental housing and very little new rental housing has been built that has not been Government subsidized. A quick look at the housing industry reveals some of the worse production, sales and unemployment numbers in decades. Despite these facts, the administration has repeatedly refused to lend a hand to the millions of Americans in need of basic shelter. As evidence of this disregard, I would like to list for my colleagues 20 phrases and words included in Mr. Pierce's March testimony. The list is from an article entitled "By Their Words Shall Ye Know Them" which appeared in the May edition of the New York State Association of Renewal and Housing Official's newsletter, MYSARHO, Inc. Review.

The list follows:

"Liquidate"
"No further funding"
"Ample room for private firms"
"Reduction"
"More realistic"
"Cost effectiveness, no new outlay"
"No new authority"
"Tenant income includes food stamps"
"Reduce inequities"
"Increase in tenant contribution"
"20% cap on rent increases"

"Adjust PHA Operation Subsidies"
"Option to cancel reservation"
"Cease offering new commitments"
"Eliminate unnecessary amenities"
"Reduce level"
"Too costly"
"Set subsidies"
"Cancel the commitments"
"Deobligated funds".●

J. ARMSTRONG MAHONEY

HON. THOMAS F. HARTNETT

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. HARTNETT. Mr. Speaker, I would like to share with my colleagues a memorial written by Mr. J. J. Mahoney to his brother, Mr. J. Armstrong Mahoney. I, along with James B. Edwards, Secretary of Energy, share the family's grief at the loss of such a stalwart pillar of dedication and total commitment to his home, State, and country.

ROUTE 1, PORCHER'S BLUFF,
Mt. Pleasant, S.C., December 1981.

To: Friends and Relatives of J. Armstrong Mahoney and his Family.

Subject: The Death of J. Armstrong Mahoney.

A great void occurred in all of our lives on Wednesday, December 9, when around 4 P.M. in the afternoon Army went to God.

It was my lot to be called by one of Army's children and be told that he had died minutes before. I was at the hospital within fifteen minutes and a very beautiful scene took place. The four of Army's children, who were in the Charleston area and several others, including my wife, Betty, gathered around Army's bedside. We had the ancient prayers of the Church for those who have just died. As you know, they are very beautiful and very moving. I think we caught the spiritual being of the moment. I could not help but think of Memorial Day, 1958, when my father died at Lenox Hill Hospital in New York City. Army and I had gathered around his bedside with a Priest who had been hastily called in the middle of the night (my memory is that it was around 2 A.M.). There Army and I were on our knees giving the responses to those same beautiful prayers. It is my hope that when each of our time comes that so wonderful a pathway to God will be intoned for each of us.

Some of you may not have received word of his leaving us and we wished to let you know.

As most of you all know Army had been in declining health for five or six years. About two weeks ago, he had a brain hemorrhage which left him, after about two days, unable to verbally communicate. He lingered, in the hospital, in this state for about 13 days. We think he was able to, many times, understand what we were saying to him. Two Priests annointed him. Some of his friends would come and touchingly sing Irish songs to him. There's no doubt in any of our minds that he knew that he was surrounded by the love of family and friends that had accompanied him throughout his entire conscious life. The final twenty-four hours saw an additional brain damage and bleeding.

There has not been in my life, or most of the lives of those who knew Army, anyone who so genuinely touched them in so many of their fine emotional traits. It was hard for us to let him go. However, after the last weeks of the state he was in, and his absolute lack of potential recovery, no one could have wished for Army, a great communicator, to have lingered any longer. It made us letting him go absolutely more bearable.

The English language and the multitude of all of our experiences is not enough to capture even a small portion of that magnificent essence, which was Army. My Mother said many years ago, "no one is going to categorize or structure Army." He was just as much at home with the senators and cabinet members of government as he was with workers on the Docks, Black and White. He was truly what Kipling had in mind when he wrote, "If you can walk with kings and not lose the common touch." It was enough for Army if you were just a Human Being. He knew that God did not make "junk" and those Human Beings who were touched by Army were somehow lifted to be better than themselves and had a better self-image of themselves. For those of us who were exposed to him over a more protracted period of time and in greater depth; we were truly blessed.

For me personally, that trip to Ireland (which included the Annual O'Mahoney Rally) with him was most memorable. Almost everyone has a great experience with the Irish people. However, Army's rapport with them was something almost mystical. It was more than striking a match to gasoline, it was that, plus the Crescendo of a Wagerian Aria, the winning touchdown at a Tennessee-Alabama game and the celebration of V-J-Day all rolled into one and then some. He had to pace himself, as all of you well know. However, he never paced himself as far as his humor and repartee is concerned. There was one example, and there are many, of a taxicab driver taking him on about an eight or nine mile fare and was so charmed with Army that he refused to accept anything for the trip. Night and day I had not had that much time with Army since we were boys, before I left for college. Those of you who have heard himself express it, know that it was one of the highlights of his life. Father Kelly mentioned it very movingly in his Eulogy.

I will not recount for you all here how Army dedicated the best part of his secular life in his attempt to bring America back to the spirit of Constitutional Government as envisioned by the Founding Fathers. It was more than just a deep seated love of what the American Dream meant to the human spirit. It was, for him, the opportunity to join with the democracy of the early Greeks, the best in the senate at Rome during the Republic down through Edmund Burke, Daniel O'Connell, the effort of The Southern Confederacy to build a nation based on states rights and more decentralized government, The Irish Patriots of 1916, down to the present. Anyone in the United States of America or anywhere in the world had a supporter in Army when his human dignity or his authentic freedoms were challenged. In all this, he was quite selfless and made a lifetime of not putting himself first.

Everyone has a special vignette, or many vignettes, that are special to that person and Army. He was that type of individual. No one could be exposed to Army and be the same afterward and that would include an encounter as minor as being on the same elevator with him.

This is now going too long and Army would not like that. He was one for the quick rejoiner that said it all in one quick phrase or sentence, maybe word. Therefore, I will only recount the wonderful day we had on the day of his funeral Mass.

The Mass was a beautiful one and Army's entire family of six children were present (one from Texas and one from Maryland, included). It was my privilege to be the Deacon of the Mass celebrated by Father Robert Kelly. Father Kelly was not only Army's pastoral contact but was a very intimate friend. He captured some of the essences of Army in his Eulogy. One of the things I think all would appreciate, and his children told me they especially appreciated it, was Father Kelly's reference to the good blood that flowed in Army's veins and which he had reinvigorated in his trip to Ireland. There were many who were quite impressed with the telling effect of Father Kelly's tying together the essentials of what Army was about as well as what we all were about in this human condition.

Army's body was laid to rest in the Episcopal Christ Church Churchyard. He is laid right next to Barbara. Later on, God willing, Betty and I will be next to each of them. The Porchers very generously wanted the Mahoneys with them in this final resting place, where our bodies will all await the reuniting with our souls for all Eternity.

Afterward many, many of Army's friends came to Porcher's Bluff for a commingling of relatives, close family, close friends and associates. Irish Coffee and other "fruits of the vine" were available for the conviviality of the moment. Ample food was there for all. It was a great gathering and we all felt the sense of Army's presence as we felt the joy he had always wished for us all. The J. F. Armstrong family was there is force and, as many of you know, they are our only close family left on my Mother's side. Calls came in from all over the country, including Chattagnooga's wonderful Mahoneys. I think there was a sense that of all of us there that we would have to grow closer to each other to attempt to make up for the tremendous void Army had left in all of our lives.

The front of Porcher's Bluff was the recipient and demonstrator of three rather large flags: The United States, The Confederate, and The Republic of Ireland. It is not unsymbolic that all three of those flags were born out of rebellion. Such was the spirit of Army.

And so, we say something about Army that was very current in all those years. We always say, "We are not saying goodbye, we are saying so long." So for you, Army, it is "so long" until we join you for that great Eternity for which we were all born.

Yours faithfully,

J.J. MAHONEY.●

A BELOVED HISTORIC FIGURE

HON. JOSEPH M. McDADE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. McDADE. Mr. Speaker, the Washington area has lost a venerable and beloved figure—111-year-old Zachariah D. Blackistone. Long an inspiration to this community, and long responsible for bringing beauty into our daily lives, Zachariah Blackistone arrived in Washington in 1898, having traveled up the Potomac by riverboat.

He had taken his mother's advice to seek his fortune in Government, but while he was still searching for his first job, he chanced upon a Madame de Wattville rose. Its beauty so overwhelmed him that he immediately determined to become a florist. Starting with a $10 investment, he went into business with both energy and enterprise. Expanding to four floral shops, Blackistone Florists soon became a byword.

"Zeddie" Blackistone, as he was known in the trade, was the archetypal small businessman. He arrived in his shop by 7:30 a.m. each morning, except on Sundays which he reserved for church activities. After a light breakfast and morning prayers, he was in constant motion, tending to flowers and customers with equal delight. He worked this way well into his 100th year.

Those who knew him never questioned why Blackistone was so successful. Nor did they accept his own humble explanation that it was all due to the location of his first shop.

His success was due as much to his philosophy as to his energetic personal involvement in the business. His idea was simple: Bring to everyone the glory and majesty of flowers—the beauty he himself had seen exemplified in that first rose. Blackistone offered "the goodwill dozen," a bouquet of 15 roses selling for the price of 12. He saw that a few more flowers made for a fuller, more beautiful arrangement . . . and was good business, as well.

Blackistone's flowers have graced innumerable events in Washington over the years, historic and otherwise. Earlier in this century, "Uncle Joe" Cannon would stop at Blackistone's each day to pick up a boutonniere for his lapel. Over the years, in moments of celebration and sadness, Zachariah Blackistone's lovely flowers helped express our great joys and deepest sorrows.

We mourn the passing of Zachariah Blackistone at 111 years of age. He, as well as his flowers, brought life to all who knew him.●

PRESIDENT'S BUDGET RESPONSIBLE FOR HIGH BUDGET DEFICITS

HON. STEPHEN L. NEAL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. NEAL. Mr. Speaker, some Americans have the impression that the $200 billion annual budget deficits this country is facing were proposed by the Congress, not by President Reagan.

The truth is, President Reagan submitted a budget this year for fiscal 1983, which the Congressional Budget Office says will produce a budget deficit of approximately $182 billion. The President's own budget director, David Stockman, agreed with this estimate.

Even worse, the President's plans for fiscal 1984 and 1985, if adopted as proposed, could run up deficits exceeding $200 billion in each of those years and similarly huge amounts in succeeding years.

Mr. Speaker, an excellent editorial in the May 5, 1982, edition of the Charlotte (N.C.) Observer, put the budget issue in correct perspective. It said, in part:

> What Mr. Reagan didn't say in his televised speech about the budget, or in his weekend radio address about the economy, or in his remarks opening the World's Fair, was that the budget proposals under discussion are his proposals and that the deficits being proposed would be his deficits.

At this point, I would like to submit the entire Charlotte Observer editorial for publication in the RECORD. I commend it to my colleagues and to anyone who wants to understand what the budget controversy is really about.

[An editorial, from the Charlotte (N.C.) Observer]

REAGAN'S DEFICIT—HE CAN'T SHIFT BLAME FOR IT

Listening to President Reagan's recent speeches, you could get the impression that Congress has proposed a 1983 budget with a $182-billion deficit, and that only his determination to hold down federal spending is preventing its adoption.

What Mr. Reagan didn't say in his televised speech about the budget, or in his weekend radio address about the economy, or in his remarks opening the World's Fair, was that the budget proposals under discussion are his proposals and that the deficits being proposed would be his deficits.

Leaders of Congress—Republicans as well as Democrats—have been trying to cut the Reagan budget and hold down the deficit. Instead of cooperating in that effort, the President is trying to shift the blame for the looming deficit to the Democrats in Congress.

But the budget at issue is the same budget Mr. Reagan sent to Congress in February; only its price tags have changed. Back then the President estimated his proposals would create deficits of $91.5 billion in 1983 and $82.9 billion in 1984. Members of congressional budget committees pointed out that those estimates were optimistic and that the deficits might be twice that high.

Congressional leaders in both parties have warned that the president cannot have two more large tax cuts plus a record increase in defense spending and not incur massive deficits. After months of wrangling, Mr. Reagan finally said he would "go the extra mile" and accept some changes—but not in his tax or defense proposals. Instead, he proposed $60 billion in additional cuts from social programs and other government expenses that already have been cut deeply. That's where the talks collapsed, not only for Democrats but also for many Republicans.

Mr. Reagan is trying to divert attention from the real budget debate by criticizing spending by past Democratic Congresses and proposing a constitutional amendment to require balanced budgets in the future. But the spending that needs to be restrained now is not the spending proposed by Congress; it's that proposed by Ronald Reagan.●

ISRAELI INDEPENDENCE

HON. WILLIAM R. RATCHFORD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. RATCHFORD. Mr. Speaker, in reflecting on the recent 34th anniversary of the establishment of the State of Israel, it is important for this Chamber and the rest of the Nation to recognize the value of our alliance with Israel and the struggle that nation has had to endure.

It may be useful to point out that our own Nation was involved in a struggle over its freedom during its fourth decade of independence. The War of 1812 was indeed a watershed in American history, for it was the last time a foreign nation has invaded the continental United States.

It is tragic that any nation, the United States, Israel, or any other country, must engage in conflict to protect its territorial integrity from other, hostile nations. No American wants to see bloodshed in the Middle East, and it is incumbent upon our Government to advance the cause of peace among Israel and the other nations of the Middle East.

The Democratic State of Israel has come far in 34 years. Its people have transformed the land into a productive center, and its parlimentary system of government has been one of the few recent successes for popular rule. I hope our Government continues to recognize the special bond between the United States and Israel, and wish the courageous men and women of that nation peace and further prosperity.●

A BILL TO AMEND A PROVISION OF THE INTERNAL REVENUE CODE

HON. JAMES M. SHANNON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. SHANNON. Mr. Speaker, today I am introducing a bill to amend a provision of the Internal Revenue Code that is restricting the endowment growth of colleges, universities, and other educational institutions. Senator SPARK MATSUNAGA has introduced an identical bill in the Senate.

Under the present law most tax-exempt organizations, including educational institutions, are subject to a tax on income from debt financed real property which is unrelated to their tax-exempt functions. This has discouraged educational institutions from investing their endowment funds in real property, which is considered by many to be the most stable and renumerative long-term investment. Instead, they have had to turn to more risky investments in stocks and bonds.

The current provision was enacted in 1969 to address the problem of "sham" transactions in which businesses would utilize the tax-free status of exempt organizations through sale-leaseback arrangements. But in doing so, it has prevented tax-exempt organizations from making legitimate investments.

The legislation which I am introducing would extend an exemption from this tax already existing for tax-exempt pension plans to educational institutions. The exemption includes safeguards that will prevent its utilization for sham transactions of the type that led to the existing law.

This change in the law will give our colleges, universities, and other schools the flexibility they need to invest their endowments in the manner they deem to be the most prudent and profitable. The resulting growth in endowment funds could well provide a much needed source of additional student financial aid. For this reason especially, I hope that my colleagues will join my in supporting this measure.

The text of the bill follows:

H.R. 6353

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) paragraph (9) of section 514(c) of the Internal Revenue Code of 1954 (relating to unrelated debt-financed income) is amended to read as follows:

"(9) REAL PROPERTY ACQUIRED BY A QUALIFIED TRUST OR EDUCATIONAL ORGANIZATION.—For purposes of this section—

"(A) IN GENERAL.—Except as provided in subparagraph (b), the term 'acquisition indebtedness' does not include indebtedness incurred by a qualified organization in acquiring or improving any real property.

"(B) EXCEPTIONS.—The provisions of subparagraph (A) shall not apply in any case in which—

"(i) the acquisition price is not a fixed amount determined as of the date of acquisition;

"(ii) the amount of any indebtedness or any other amount payable with respect to such indebtedness, or the time for making any payment of any such amount, is dependent, in whole or in part, upon any revenue, income, or profits derived from such real property;

"(iii) the real property is at any time after the acquisition leased by the qualified organization to the person selling such property to such organization or to any person tho bears a relationship described in section 267(b) to such person;

"(iv) the real property is acquired by a qualified trust from, or is at any time after the acquisition leased by such trust to, any person who—

"(I) bears a relationship which is described in section 4975(e)(2) (C), (E), or (G) to any plan with respect to which such trust was formed, or

"(II) bears a relationship which is described in section 4975(e)(2) (F), or (H) to any person described in subclause (I); or

"(v) any person described in clause (iii) or (iv) provides the qualified organization with nonrecourse financing in connection with such transaction and such debt—

"(I) is subordinate to any other indebtedness on such property; or

"(II) bears interests at a rate which is significantly less than the rate available from any person not described in clause (iii) or (iv) at the time such indebtedness is incurred.

"(C) QUALIFIED ORGANIZATION.—The term 'qualified organization' means an organization described in section 170(b)(1)(A)(ii) or a qualified trust.

"(D) QUALIFIED TRUST.—For purposes of this paragraph, the term 'qualified trust' means any trust which constitutes a qualified trust under section 401.".

(b) The amendments made by this section shall apply to taxable years beginning after December 31, 1982.●

IN UNIONTOWN, "HE'S SOMETHING"

HON. RICHARD C. SHELBY

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. SHELBY. Mr. Speaker, I would like to share with my colleagues in the House of Representatives a story that appeared in the Selma Times-Journal on Sunday, April 4, 1982.

The article written by Janet Gresham of the paper's staff features H. Coleman Long of Uniontown, Ala., which is located in the Seventh Congressional District. Coleman's story is fascinating and very special. Following is the article in its entirety as it appeared in the paper:

UNIONTOWN.—"In New York, I wouldn't be nothing much, but in Uniontown, I'm a pretty big frog."

That's 86-year-old H. Coleman Long's philosophy of one reason why it's nice to live your life in a small community.

And that's exactly what the lanky landowner, businessman and World War I veteran told a friend who invited him to stay in New York after the war.

Members of the Long family have lived in this Perry County town situated on U.S. Highway 80 for six generations now, since before Alabama became a state, and Long wasn't going to break the tradition.

Besides, Long just plain likes Uniontown, and so did his great-grandfather, Sir William Long. The latter Long left a land grant of 12,000 acres in North and South Carolina and traveled by horseback all the way to Texas before he decided the rich Blackbelt soil around Uniontown (then Woodsville) was the most fertile he'd seen. He turned around and headed back, and that is where he settled.

Long's grandfather Coleman came to Uniontown under quite different circumstances.

Coleman owned a plantation in Virginia before the War Between the States, and he was a physician. In fact, Long said, his grandfather was the doctor for Confederate Gen. Robert E. Lee and Gen. Stonewall Jackson.

The story goes that when the war broke out and the Confederate Army "got hard-pressed" for medical supplies, Dr. Coleman would take off his uniform and ride his horse into Yankee territory to Philadelphia, Pa. where he had some friends who would give him supplies.

Long said he remembers his grandfather telling stories about how he would have to put a block of wood between the teeth of amputation patients to keep them from screaming during the operation.

On one trip to Pennsylvania, however, Long said the Yankee Cavalry spotted his grandfather and pursued him, but the Yankees didn't catch him. But when the war was over, the doctor's name was on the "Washington list;" so Dr. Coleman decided to clear out—all the way to Uniontown.

After the war, Long said, "My family lost their slaves and most of their money (since the money was Confederate dollars), and his father, who was then a 16-year-old, began work as a store clerk in Uniontown. By age 20, he said his father owned the store, the second largest mercantile in Uniontown.

Long himself was sent to Mercersburg Academy in Pennsylvania and Princeton University where he was a member of the American Championship Track Team. When World War I broke out, Long applied for officers' training school and became a second lieutenant in the 10th Field Artillery of the Third Division regular Army.

He trained in Arizona and was among the third group to arrive in France. One of his most vivid recollections of the war is the time his unit caught two German soldiers. Long said he and another officer questioned the pair and found out the Germans were planning an attack and would be coming across the pontoon bridge on the Marne.

While they weren't sure whether the prisoners were telling them the truth, Long went ahead and figured the firing data for just such an attack. Sure enough, the Germans attacked, and when the bridges were full of the enemy, Long said his unit "let 'em have it." Over 800 Germans were killed that day on those bridges, Long said.

Later in the war, Long became a French interpreter for Gen. Robert E. Bullard of Alabama. Still later, he became the military ruler of the civilian population in Neuweid, Germany. Long was in charge not only of Neuweid, where headquarters was set up in the castle of the Prince of Weid, but also of Cologne and the Rhine River Valley.

It was during this time in Germany that Long said he "saw what happens to a nation when it loses its government and its monetary system."

He said one woman there who once had been wealthy, had only her daughter and a hotel business left. Her husband and son had been killed in the war. While Long said the hotel was worth hundreds of thousands of dollars, the woman finally had to sell it for $8,800 (in American money) in order to buy food.

While that economic disaster occurred in World War I, Long said, "We are faced with the same thing because of absolutely spendthrift presidents and congressmen."

Long added, "It's something every American should know and ought to try to pray that the Good Lord gives President Reagan enough brains for us to avoid it, because if we don't, God help us."

Long added that unless the United States soon starts toward an economic recovery, the country could already be ruined.

"I've already spilled some blood for my country, and I don't want to have to do it again," he said.

H. Coleman Long is truly an outstanding individual. His devotion and service to the people of Uniontown, Perry County, and the State of Alabama, are outstanding.

I am honored to have a gentleman of this caliber in my district. This tribute, Mr. Speaker, recognizes men who we as Congressmen depend on for help and advice back home. We need today more citizens like H. Coleman Long.

It is a real pleasure to know this individual and I wanted to share this delightful, refreshing story with my colleagues in the House of Representatives.●

TRIBUTE TO GORDON HUMPHREY

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. ANDERSON. Mr. Speaker, as a Representative whose district encompasses the great ports of Los Angeles and Long Beach, I feel a strong affinity toward the maritime trades. Consequently, it gives me great pleasure today to be able to rise and give tribute to a leading force in the maritime labor movement, Gordon Humphrey. Gordon will be retiring at the end of this month after 40 years in the National Maritime Union.

Gordon, born and raised in Oakland, Calif., yielded to the romance and adventure of the seafaring life soon after he graduated from high school. After working for 2 years building Liberty ships at the Kaiser yards, in 1942 he enrolled in the U.S. Maritime Service. His enthusiasm for the life of a mariner was dampened but not squelched on his very first trip on board a ship; 2 days out of New York the tanker on which Gordon crewed, rammed and sank a U.S. Navy destroyer. I hasten to add that Gordon was in no way responsible for this regrettable incident, but he has not liked tankers since.

During the ensuing years of the Second World War, Gordon sailed in all theaters of the war: Atlantic, Caribbean, Mediterranean, and Pacific.

In 1959, Gordon left the seafaring life for an only slightly less nomadic existence onshore, working for his union. Gordon's devotion to the National Maritime Union and their high regard for his ability is at least partially illustrated by the extent he relocated in compliance with his union's requests. I believe, however, that the National Maritime Union should be at least as appreciative of the efforts of Gordon's wife Jean, who was responsible for moving their home from San Francisco, to Honolulu, to Boston, and to Corpus Christi before they finally settled in San Pedro, Calif.

Of service to his union, Gordon claims that: "I am proud to have played a small part in the building of this great union, the National Maritime Union, and I hope that in some way I have helped bring a better life for those who will follow."

For my part, I am proud to call Gordon Humphrey my friend. My wife Lee joins me in sincerely wishing Gordon, his lovely wife Jean, and their daughter Christine the best of everything in the years ahead.●

EQUAL TAX TREATMENT FOR ALL

HON. DOUG WALGREN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. WALGREN. Mr. Speaker, this morning I was one of only three Members of this House to appear before the Internal Revenue Service to urge that the IRS regulations implementing the infamous congressional tax break be rescinded.

As my colleagues know, I have refused to take advantage of this tax break. I filed my 1981 tax return as if the special tax advantage did not exist.

But the tax break is still law, and I would like, once again, to urge each of my colleagues to join me in our effort to repeal the tax break and to sign the discharge petition which would permit prompt consideration of repeal legislation.

I would also like to share with you my statement before the Internal Revenue Service this morning. It is clear that the IRS—along with the Congress—must act to restore the integrity of our tax system in America.

The statement follows:

Commissioner Egger; Ladies & Gentleman:

My name is Doug Walgren and I am a taxpayer in Allegheny County, Pennsylvania. I am also a member of the United States Congress.

In truth, I am not happy to be here. This is a hearing which should never have been necessary over Internal Revenue Service regulations which should never have been written pursuant to an act of Congress which should never have been passed and which should never have been signed into law by the President of the United States.

Last January when I first petitioned the IRS to hold public hearings on its regulations implementing the congressional tax break, the voices of outrage were few and scattered.

Today, four months later, hundreds of thousands of Americans have joined in this urgent appeal to you to revise those regulations so that, when it comes to taxes, fairness and equality of treatment for all citizens can once again be the standard at the IRS.

I am here today to speak on behalf of millions of taxpayers who cannot be here to voice their outrage. But their letters—thousands of letters—have flooded the IRS. Many of them come from citizens in Western Pennsylvania who share my strong views and my deep conviction that something has gone wrong with taxation in America.

I am saddened that not more of our 435 colleagues in the House of Representatives and not a single United States Senator has joined us in this testimony today.

I recognize that by speaking out we risk the displeasure of our colleagues and the House leadership.

But I would rather stand alone and speak as honestly as I can for people who cannot be here, than join in a congressional silence that embarrasses the only government our citizens can rely on.

What is at stake is the integrity of our tax system in America, and the respect of our citizens for our government.

Do we have one system of taxation for the law-abiding citizen—and a different preferential tax system for the law-maker?

In its January regulations making thousands of dollars of deductions available only to congressmen, the IRS answered "YES." Members of Congress are to be treated differently than other citizens for tax purposes.

In the five years I have been privileged to serve the people of my region in the U.S. Congress, I have strictly held to my view that elected representatives should neither cash in on their position nor receive any special treatment.

When it came to taxes, I thought that was also the position of the IRS.

But the IRS, which can squeeze tax dollars out of the average citizen like blood from a rock, literally throws bushels of dollars at our elected officials.

To be fair, there is plenty of blame to pass around for this congressional tax break. The Congress, particularly the leadership of both parties, used trickery to conceal the tax break in a needed Black Lung Benefits Bill. The President signed the tax break into law. And the Secretary of Treasury, through the Internal Revenue Service, came up with this $75-a-day, unaudited tax giveaway program.

Many of us in the Congress are trying to correct the wrong that was done. I, and a number of others, have refused to claim any tax deductions under the law. We have filed our tax returns as if this tax break simply did not exist. Over 58 bills have been introduced to repeal the tax provisions. A discharge petition is now on the House Floor in an effort to speed up consideration of the repeal. And a number of us have recently introduced legislation (the Omnibus Congressional Pay Reform Act) to prevent this from ever happening again.

But the focus today is not on what I believe the Congress must do to restore its integrity in the eyes of our citizens. Today the focus is on the IRS and the fact that the IRS can act immediately to restore faith in our tax system.

The tax provision of the Black Lung Bill provides that the Secretary of Treasury shall prescribe "appropriate" amounts which may be deductible by congressmen and senators as living expense in Washington, D.C. In January, the IRS issued a complicated set of regulations which essentially provide that eligible representatives may deduct, without audit, $75 per day for each "congressional day" during the taxable year.

I do not believe that this provision is appropriate as required by the statute under any possible stretch of the imagination.

No one objects to a congessman or any citizen deducting his actual, provable, and substantiated business expenses, just like those claimed by every other citizen with recognized business expenses, so long as those deductions are subject to the same audit as every other citizen's tax return.

I object to this special, unaudited, and clearly extravagant "deduction" that the IRS set for congressmen and senators alone. That deduction permits 535 Americans to receive $20,000 in personal income tax free—simply because they happen to be elected to the United States Congress.

The IRS computes this double "standard deduction" for congressmen by multiplying $75 times a fictitious number the IRS calls "congressional days."

First, the $75 per day figure is much too high.

The IRS justifies this figure because it is the same as "the maximum amount of reimbursement presently available to a government employee traveling in Washington, D.C."

Members of Congress are not "traveling" to Washington—we are living here, usually Mondays through Fridays. We are not staying at $75-a-night hotels or eating out in restaurants every night like a government employee might have to when "traveling" to Washington on official business.

Instead, most congressmen generally buy a home in the Washington area or sign a long-term lease for an apartment or house. We frequently eat at home, or if we eat out, believe me, it is generally at someone else's expense. In short, the IRS has completely ignored the "economies of scale" that congressmen can make to save dollars because they are not simply "overnight" visitors to Washington.

The deduction of nearly $20,000 set by the IRS would give each congressman an automatic $1667 deductible expense each month. If the average Washington apartment rents for around $600, that still leaves over $1000-a-month for food and other expenses. That is nearly $50 a day for each of the so-called "congressional days." From personal experience, I challenge the IRS to discover any congressman who has to spend $50 every day for food and other deductible expenses.

Very simply the $75 figure on its face has nothing to do with reality—and could never pass the test of appropriateness and reasonableness as required in the statute.

Second, the IRS has used a grossly inflated definition of "congressional days" in calculating the standard deduction for congressmen and senators.

Last year the House of Representatives was in session 163 days and the Senate was in session 165 days. But under the broad definition of the IRS which counts weekends and other times when the House or Senate adjourns for less than five days, the House's "congressional days" increase magically to 262, and the Senate's days increase to 256.

Those extra days alone add $7,425 in deductions for House members and $6,825 in deductions for Senators.

I think it is just plain wrong to pad for tax purposes the number of days Congress is in session. Most members of Congress return to their home districts on Thursday or Friday and come back to Washington on Sunday or Monday. Their legitimate travel expenses are reimbursed directly from the official expense accounts of the Congress. Yet, the IRS treats the congressmen as if they spent the whole weekend in Washington on official business—and allows them, not only to be reimbursed for travel back home, but also to claim a deduction for working in Washington at the same time.

You cannot be in two places at once. The IRS's expansive—and expensive—definition of "congresssional days" allows for double-dipping, pure and simple.

I want to urge the IRS to revoke this sweeping standard deduction for congressmen and senators. It is unreasonable, inappropriate, and just not fair to the average taxpayer.

If the IRS feels obligated by statute to provide some sort of standard deduction, then set a token dollar-a-day amount—not $75—and limit the days deductible to actual working days in Washington.

Millions of Americans want this tax break repealed and the regulations implementing it revoked.

I have attached a number of exhibits which ought to be a part of the official record of this proceeding. They include letters, newspapers columns, a protest song, and a dozen red ribbons—symbolizing our commitment to equal tax treatment for everyone.

The Congress has a job to do, and, believe me, no one is working harder than I to persuade my colleagues that few issues are more important than restoring the integrity of Congress.

But the IRS must do its part. It was the IRS that concocted this $20,000 standard deduction, and it is the IRS that can undo it.

In a society where the rich seem to be getting richer and all the rest of us are falling behind, how can this fat-cat deduction be possibly justified?

This deduction cannot be justified to the American public which is being asked to make do with less.

All taxpayers, regardless of income or position, should operate under the same rules. Special tax treatment for elected officials is abhorrent in a democratic society.

The United States Government Manual describes the mission of the IRS "to conduct itself so as to warrant the highest degree of public confidence in the integrity of the Service."

Public confidence requires fair, impartial, equal treatment of all taxpayers. The IRS today has an opportunity to reaffirm that basic principle. It is not too late to do so.●

SALUTE TO SOUTH CAROLINA AWARDEE, VOICE OF DEMOCRACY CONTEST

HON. THOMAS F. HARTNETT

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. HARTNETT. Mr. Speaker, one of the greatest assets of our free Nation is its resource of young men and women who dare to dream and then, as they take their place in society, make those dreams come true. One method for our youth to verbalize those aspirations is the voice of democracy competition, a program started 35 years ago, sponsored by the Veterans of Foreign Wars. I would like to share with my colleagues the speech prepared and presented by Mr. Nicholas G. Johnston, selected as the South Carolina awardee, in the State competition:

When the Europeans discovered America, they saw in it the resources to build an empire. From the very beginning, America was destined to become the mightiest country ever constructed. Our forefathers formulated the best blueprints for a democratic republic the world has ever seen. Even now we continue to build upon and fortify what they started.

America will never be completely built, and it never would have been built at all if our predecessors had not assembled to construct it. Its citizens must strive to work together because without unity nothing is accomplished. United we progress, divided we collapse. When we work together, we become a nation of carpenters who do not know the word "finished".

In all of America's history nothing of national import has ever been accomplished by just one person. In every instance, progress in America has been the result of a group effort. The writing of the Declaration of Independence and the Constitution were both group efforts. Each of these documents is nearly perfect in its protection of individual rights.

We do not claim to be a perfect nation, but the world has yet to see a structure as close to perfection as ours. This country has its flaws, but these flaws are minor compared to the significant problems faced by a repressive country such as the Soviet Union. When they built this country, our founders used only the best materials.

Using freedom, equality, justice, and knowledge as our bricks and mortar, we have built a superstructure. America has come so far in such a short time, that we are the envy of nearly every other country in the world. Roughly half of the world looks to us for leadership and assistance, while the other half of the world looks for a way to undermine our foundations. But our foundations are strong, and they will not be easily eroded.

The blueprints of this country are constantly being modified because an important characteristic of the master plan is its adaptability to necessary change. We unceasingly break new ground as we progress and our needs change. When we need more room to grow, we just draw up the plans and add another wing to our country. Our forefathers designed and built this country and left us a beautifully functional place to live. It is up to all of us to maintain and repair, when necessary, the country that was built for our use.

Americans have much to be proud of. We have proven that when the need arises Americans rally and confront the situation together. Just as in the previous world wars, the Americans on the home front did everything in their power to supply our troops. Whether it was actually working in a tank factory, or just conserving tin foil and gasoline around the home, everyone willingly contributed to the cause.

We who live in this building are not perfect, and neither is the building itself. There will always be dissatisfied people who want to change its color, but that's the beauty of our building. Everyone has the right to his opinion, but no one has to agree. If enough people believe something is antiquated, this country's blueprints grant permission to remodel.

I look forward to the day when I can contribute something to the building of America. It may be in the form of defending the building, or it may be in the maintenance department. Whatever I choose, I will perform it to the best of my ability in order to uphold America's supremacy.●

SOVIET JEWISH "REFUSNIK"

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. FRENZEL. Mr. Speaker, I wish to take this moment to discuss a Soviet Jewish "refusnik" whose plight I have followed with anguish over the past 3 years. This particular case serves as yet another dispiriting reminder of the Soviet Union's gross violations of their free emigration policy as agreed to under the Helsinki Accords.

Mr. Alexander Botvinnik and his wife Galyna have twice been denied permission to emigrate from the Soviet Union. The reason given for these denials was Mr. Botvinnik's knowledge of classified information allegedly acquired during his military enlistment. Since he served well over 10 years ago, it is highly unlikely that he was exposed to any contemporary Soviet intelligence.

Mr. Botvinnik's sister in the United States tells me that the officials in Leningrad have now declared that her brother's "visov" or invitation has expired. I also understand that his relatives have been unsuccessful in their attempts to have the new invitation received by him.

Mr. Botvinnik's life as a refusnik is like that of so many other refusniks. Despite the frustration and seemingly unending obstacles, he is able to maintain his determination and convictions to keep fighting for his right to emigrate.

I urge all my colleagues to continue, and to intensify, their efforts to publicize the hardships of these refusniks, to appeal to the Soviet officials on their behalf, and to let these brave men and women know of our support for them.●

HALTING MILITARY AID TO EL SALVADOR

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. CONYERS. Mr. Speaker, the Foreign Affairs Committee this week will continue the markup on the 1983 foreign assistance authorization bill, including the question of further aid to El Salvador. The tables have now turned in El Salvador with the coming to power of the right wing military coalition. Yet we continue to sit back and provide military assistance to a regime whose leaders have been identified with every form of coercion and repression in that troubled nation.

To put a stop to further U.S. military assistance, that is mainly used to undermine popular consent in El Salvador, a group of my colleagues have introduced House Joint Resolution 426. The principal sponsor of that resolution, and my esteemed colleague from New York, Representative BENJAMIN S. ROSENTHAL, argued the case against further U.S. military aid to El Salvador in an article that appeared in the Washington Post on Sunday, May 9, 1982. I strongly recommend that my colleagues review Representative ROSENTHAL's arguments in the article that follows, as we move toward action on the foreign assistance bill.

[From the Washington Post, May 9, 1982]

CUT OFF SALVADOR

(Representative BENJAMIN S. ROSENTHAL)

The Reagan administration's policy in El Salvador has failed. El Salvador's March elections have given more power to those attributed with sanctioning the murder of civilians and members of the clergy. By focusing attention on policital squabbles, political "coalitions" and the balance of power between the new provisional President, Alvaro Alfredo Magana, and the Constituent Assembly, headed by Robert D'Aubuisson, we have lost sight of the real effect of the election: that the very forces we sought to control during the Duarte government have now received far more influence and authority than anyone ever dreamed. Congress must oppose continued military support for such a regime.

The best argument for the administration's election strategy was that Duarte and the Christian Democrats would gain the legitimacy and power to control repression by the military, abolish the death squads, and open the political arena to dialogue with opposition groups. That strategy has now been proven bankrupt. The Christian Democrats are in an even weaker position: D'Aubuisson is president of the new Constituent Assembly; the right-wing parties that support him have excluded the Christian Democrats from all positions in the assembly leadership; and their control of this rule-making body will surely limit the power of President Magana. The right-wing rhetoric may change—they are unlikely to be foolish enough to publicly advocate violence or reject reforms—but they will not take action to actually push reforms or to tame the repression and terror of the military or death squads like the White Warrior Union, organized by D'Aubuisson himself. And the administration's distorted East-West vision of the conflict assures them they can always play the "Communist card" to get continued aid. As one D'Aubuisson supporter with close links to the military put it: "The United States has never cut off aid anywhere for very long or even entirely. Reagan will never let the Communists win here. It's just a complete bluff."

Many top-ranking military officers, however, are worried that it's not a bluff. They insisted that the provisional president have a moderate image and that Christian Democrats be given cabinet positions. We should not, however, conclude that these officers are anxious to end repression or pursue reform, but only that they desire a veneer to beguile Congress into believing that democracy has prevailed. "Help us help you," U.S. envoy Gen. Vernon Walters was reported to have told the Army. One thing is certain: President Magana, who was "recommended" by the Army, will have even less power than Duarte had in ending the military-backed repression that is the major obstacle to ending armed insurgency and creating the enivornment for negotiations and a political settlement.

Congress must not be lulled into inaction by administration claims that military aid should continue until the new government has been given a chance. The U.S. cannot condition its aid based upon what we hope will happen: we should cut off military aid until the provisional government backs its pledges with acts. This was the intention of the administration's certification that the Salvadoran government had made meaningful progress toward stemming human rights abuses or in implementing promised reforms. But the administration made a charade of the certification.

Congress must now adopt a stiffer measurer: the immediate cutoff of all military aid to El Salvador, including the military credits and the "emergency" aid funds that President Reagan has used to avoid congressional scrutiny and approval. Such an action would send a clear message to the Salvadoran military as well as the rightwing parties: until they take actions that show they merit our military aid, we will not continue to finance their repression and terror simply because they wrap themselves in the banner of "anti-communism." The administration will be put on notice that they must convince the Salvadoran military to tame their own officers as well as the death squads, and to move toward negotiations that will open up the political process so that opposition groups will have a choice other than armed insurgency.

Will we lose our influence if we cut off all military aid? No. The "carrot" of military aid may enable the administration to create a more moderate facade, but it has failed completely in bringing about the necessary conditions for a stable, political settlement; an end to the repression by the military and paramilitary forces.

Immediately cutting off all military aid will enhance our influence in El Salvador. The government and military will know that we are serious when we ask for a change. They can come to us again and request that aid be reinstated. But our position will be far stronger; they must change their ways to prove they deserve our aid. It is time for Congress to use the "stick": only if it cuts military aid will those who hold the power in El Salvador take seriously the

need to create conditions for a peaceful political settlement.●

FANTASIES ABOUT FORESTS EXPOSED; WILDERNESS DAMAGING TO RESOURCE

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. YOUNG of Alaska. Mr. Speaker, many of us in Congress have voted for millions of acres of wilderness in the past with the belief that by establishing areas where "man himself is a visitor," we can preserve growing forests and stands of timber that are healthy because of nonharvesting, and special because they are pristine. Many times we have been assured that these areas need this highest level of protection because of their plant and animal life and the need to preserve them. However, professional managers have maintained all along that while such areas do have special values that should be preserved, such preservation is not consistent with the health of either the forest or the wildlife within. Thus, despite their urgings for moderation, the Congress has sought this single use designation for some 80 million acres on the public (and sometimes private) lands.

In the May 14, 1982, National Review, Fred C. Simmons, a retired professional forester with the U.S. Forest Service, makes a case against the restrictive classification of lands, which I would like to insert into the RECORD.

Thank you Mr. Speaker.

[From the National Review, May 14, 1982]

A WOODLAND FANTASY

(Fred C. Simmons)

The people of the United States are suffering from the consequences of a widespread belief in a forest fantasy that never was, and never will be true. A little band of misinformed but vociferous zealots has convinced much of the American public and its legislators of the factuality of this myth, and of its current applicability. Now, thanks to the Reagan Administration, there seem to be grounds for some hope that this mistaken belief can be discredited and the disastrous program based on it brought to a halt and possibly even reversed.

What is this fantasy? It is that when the white man came to these shores he saw a practically unbroken expanse of lush, all-aged forest. This forest, so the fantasy goes, contained a heavy representation of our most attractive and useful tree species, and it was teeming with wildlife, including both vegetarian species such as moose, deer, and elk, and predators like wildcats, wolves, and foxes. There were birds of every kind, and the clear, free-flowing streams teemed with fish. The popular belief has been that all we need to do to restore this state of affairs is to establish tremendous "forest preserves," protected from fire, insects, and disease, in which timber-management activititles, including all timber cutting, are prohibited. Nothing could be further from the truth.

No one questions that the original settlers in the East found great quantities of such blue-chip tree species as white and yellow pine, cedar, birch, black cherry, white ash, and black walnut. In the West there were redwood, Douglas fir, sugar pine, and red cedar. These furnished the settlers wood for construction and cabinet-making, with enough left over to export. There's only one catch: these species could not have been there in the type of stand described in our forest fantasy.

The truth is that sugar maple is just about the only one of our prized tree species that can maintain itself in an all-aged stand. Practically all the rest of our most desirable trees, like most of our garden plants, are shade-intolerant. This means they cannot reproduce themselves, or grow during their early years, in dense shade, even that of their own parents. In addition, a number of these intolerants, and even some of the shade-enduring species like red spruce, need a seedbed of exposed mineral soil. Their seedlings cannot develop on leaf or needle litter. Mineral soil is exposed by such disturbances as forest fires and logging. Consequently, the intolerants plus some tolerants are found in quantity only in even-aged stands which have developed in sizable open areas.

This means that there had to be a mixture of stands of different age classes in our original forests. Our best guess is that in the East 20 to 30 per cent of these original forests were in seedling or sapling stands (zero to twenty years old), 30 to 40 per cent in pole stands (21 to 60 years old), and about 40 per cent in older growth (61 years or older). The older-growth stands were composed primarily of shade-in tolerant species, which would live out their lifespan and die, unable to replace themselves. Meanwhile, however, those few, generally undesirable, species that are shade-tolerant could seed in underneath. This ultimate stand of tolerant trees, which is able to maintain itself indefinitely if left undisturbed, is called a climax forest. Thus our "forest preserves" today are developing "monocultures" of the worst sort—practically pure stands of inferior species like beech or hemlock. The few wisps of sugar maple that get started are usually eaten by deer or rabbits.

Evidence that our original forests consisted of the balance of age classes that we have described, and that there was very little, probably no more than 10 per cent, climax forest, has come from many different sources. One is from careful study of the journals of reliable early explorers such as Captain John Smith, Sir Francis Drake, and the botanist William Bartram. Another is the records of early surveyors who noted the species and sizes of trees growing on their survey lines. And finally, of course, there are studies of the development of the forests themselves. All these indicate that Mother Nature had her own methods of opening up the stands to allow desirable reproduction to get started. Chief among these were occasional intense wildfires, set by lightning. Such fires were aided and abetted by blowdowns and insect and disease attacks, which may have killed or weakened some of the trees beforehand. Indians also set many fires, in warfare, to clear land for agriculture, and in a conscious effort to improve the wildlife habitat.

The Indians recognized, as present-day wildlife managers have also come to recognize, that a solid expanse of climax or near-climax forest furnishes just about the poorest wildlife habitat imaginable. The supply of succulent leaves and twigs in the tops of the surviving intolerants is far out of the reach of ground-dwelling birds and animals. The sparse understory of tolerant trees and shrubs is mostly unpalatable or unnutritious. So these old-growth forests provide little sustenance for grouse, turkeys, moose, elk, deer, beavers, and rabbits. As populations of these vegetarians decline, the predators also are starved out. Hungry timber wolves have been reported to be raiding farmers' livestock as much as a hundred miles away from their former homes in Minnesota's "forest preserves." Last year's fatal attacks on human beings by grizzly bears in the Glacier National Park in Montana were in all likelihood due to shortages of the bears' natural foods in the "preserved" forests.

Downstream fish and human beings also suffer. In mature Eastern hardwoods, most of the rain that falls in the summer months is returned to the atmosphere by interception, evaporation, and transpiration. Stream flow is severely reduced. In softwoods, losses occur in the winter as well as in the summer. New York State found this out when it developed that the flow of the Adirondack streams was insufficient to maintain the state's canal system. Dams were erected at the outlets of many lakes and swamps to provide the needed summertime water supplies. Many of these structures are maintained today at the expense of downstream industries and communities. In addition, many municipalities have drastically thinned the forests surrounding their public water supplies to forestall the need for additional reservoir capacity.

Even the atmosphere is adversely affected by overmature and climax forests. Because there is no net production of new wood substance, there is no net conversion of carbon dioxide into pure life-giving oxygen. Rotting wood releases to the air as much carbon, or more, as the living trees absorb.

To top it off, there is little scenic or recreational value in climax or near-climax stands. The tolerant trees are generally small and short, with live limbs far down on the stems. Fallen trees make travel difficult. The areas are silent because of the absence of birds and animals, the scenery is monotonous, and it is easy for the traveler to get lost. As a result hundreds of thousands of acres of existing "preserves" are never visited from year's end to year's end. Reports of overcrowding of such "preserves" are confined to the few more accessible and scenic areas. All in all the "preserved" forest areas of this country are of little use to man.

When I go back into areas in the Adirondacks I knew well fifty years ago, I can see that the black cherry, the yellow and white birch, the white pine, and the white ash have disappeared. Their place has been taken by beech and hemlock. Similarly, the redwoods in California and the Douglas fir in the Pacific Northwest are giving way to Western hemlock and the true firs. In the South the yellow pines are being replaced by scrub hardwoods.

Yet a tiny, misguided, but clamorous minority continue to agitate for "preservation" of millions of additional acres of potentially productive forest land, and to prescribe exactly the wrong course to attain it. They continue to rant against the "cupidity" of the lumbermen, never realizing, or at least never admitting, that many of the areas they now most want to "preserve" resulted from "forest destruction" as recently as fifty years ago. (The Pemigewasset area of the White Mountain National Forest in New Hampshire is an example.) As a result of this program some 42 million acres of potentially productive forest land have now been set aside for "preservation." This figure includes only those areas capable of producing at least twenty cubic feet of wood products per acre per year, not mountain tops or arid lands.

Not the least of the undesirable features of this program is its effect on the economy. Local residents around the "preserved" areas suffer from lack of employment opportunities. The nation is deprived of increasingly needed forest products and the employment and tax revenues that would be generated in the course of supplying them. A conservative estimate indicates that the areas now withdrawn from use could annually supply enough timber to build half a million houses, with some four million cords of fuel wood available as a by-product.

Knowledgeable administrators of many of the "preserved" areas, their hands tied by laws and regulations prohibiting timber cutting, are resorting to nature's method of restoring these areas to productivity—uncontrolled forest fires. This is a discouragingly slow, dangerous, and wasteful process. In hardwoods particularly, in only a few cases does a single fire accomplish the purpose of opening up the stand. It is usually so damp that only the surface layers of the ground litter are burned off, and the standing trees are merely scorched. This opens the way to butt rot, but the trees may survive several such fires. Only following a drought or some other natural disaster does a single fire ordinarily do the job, and then it often takes several decades for a sizable burned area to revegetate itself. The areas are too large to seed in promptly, and they do not provide good wildlife habitats because the animals do not like to get too far from the shelter of the high forest. Moreover, prescribed burns all too often escape into adjoining ownerships and even inhabited areas.

Nevertheless, the National Park Service and the U.S. Forest Service have a compact that fires will be allowed to burn uncontrolled in the more remote parts of the Yellowstone area in Wyoming, in an attempt to restore the habitat of the elk herds. A high official of the Park Service even told me that fires would be allowed to burn in the Adirondacks if a National Park were established there, to restore the habitat of the moose, the elk, and the woods buffalo. Fires are similarly burning on "preserved" forest lands all over the country, in the Sierras to provide conditions for reproduction of the giant redwoods, in Minnesota to bring back the white pine, and in Florida to rejuvenate the yellow pine.

There can be no doubt that modern scientific forest management can supply a safer, quicker, and more economical method of preserving our public forest areas. The problem, of course, is that such a forest-management program is not simple, and it cannot be handled by any blanket set of rules and regulations. Conditions are too variable for any such easy solution.

The forester must take into account the existing stands; the local climate, soil, slope, and aspect; and the tree and shrub species desired and their requirements. Above all, he must consider local economic conditions and whether or not intensive management practices are feasible. If intensive management and a one-hundred-year rotation are decided upon, reproduction cuttings might be rotated throughout the area at a rate of 1 per cent per year, possibly in the form of scattered clear cuttings with or without seed trees, seedbed preparation, direct seeding, or tree planting. Or group selection or shelter-wood might be called for. Improvement and salvage cuttings could be made in portions of the remaining stand. Under extensive management, a longer rotation might be selected and a ten- or even a twenty-year quota of reproduction cuttings made in a single year. Then the loggers would be sent elsewhere until the next cut was due. Choice of methods and equipment for logging and their supervision is important in either case. Weedings and thinnings could be made in the resulting young stands.

Such a program would result in a healthier, better-balanced stand of more desirable trees, a better wildlife habitat, more regular stream flow, continuous income from forest products, and better conditions for all types of recreation. Most of the big estates and club properties in the Northeast now follow some type of forestry program, although they all started out as "forest preserves." Similarly, big forest-industry properties generally have waiting lists of people clamoring for hunting and fishing rights and summer home sites. This is quite correctly called "multiple use."

The following is a suggested program to attain these ends on our publicly owned forest lands:

1. Initiate a concentrated and scientifically sound educational program to acquaint the general public and their legislators as to what forest preservation actually entails.
2. Stop establishing additional "forest preserves" where cutting is prohibited.
3. Revert to "The greatest good for the greatest number in the long run" as the guiding policy for public forest management. This would involve possible reclassification of little-used portions of our "forest preserves" to multiple-use status and relaxation of the rules prohibiting cutting on the more heavily used areas.
4. Prepare detailed management plans for each area. These would include, in addition to cultural guidelines, provision for such things as development of scenic vistas, winter yarding areas for deer, and retention of hollow trees for dens and nesting sites.

Implementation of such a program would be neither easy nor simple. Many different points of view would have to be reconciled. But such a program is necessary to forestall continued deterioration of our "preserved" forest lands and application of present mistaken practices to additional lands.●

PROBLEMS WON'T BE SOLVED OVERNIGHT

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. HUBBARD. Mr. Speaker, in a recent letter to me, Nancy Herron of Route 5, Princeton, Ky., shared her thoughts about some of the problems and issues currently facing our Nation. I believe Mrs. Herron's letter is one which should be shared with my colleagues and I wish to do so at this time.

The letter follows:

DEAR SIR: For some time now I have listened intently to the news, and read every article in the paper and news magazines I can, to try to discern the right and the wrong with what is going on in our government today and about what the President has asked the Congress to do regarding budget cuts and spending, and other legislation.

ABORTION

I am convinced that abortion is wrong. It is murder under any circumstances, and I urge you to support legislation that prohibits abortion and work against any that supports it or makes it possible for any woman to get an abortion.

WELFARE

Being retired, we have felt the pinch of inflation as much as most anyone else, but we still believe that the President is on the right track in correcting our economic problems. I feel sorry for anyone who has been out of a job who really wants to work. But, I also know from experience that, if a person is really willing to work, he will find something to do. It may not be the job he dreamed of or one he will want to continue for his lifetime, but he can find a job that will give him some income.

I also am a firm believer in requiring welfare recipients who are physically able to work at some kind of job to perform a service to the community where the person resides. Without this requirement, those who are working and paying the bill for those who are not working begin to get the attitude that it is not worth it to work.

My husband and I both worked for many years and paid much in taxes and are glad to know that we have contributed to help those who cannot help themselves. But, as President Reagan has said in the past, "Government has gotten too big." Many of the programs now in process are ideally good and humane, but they have gotten out of hand. The people who will be hurt the most by cutting the programs are the ones who administer them. (Some of my family included.) It really is no different from running a household budget. You only do those things you can afford to do. The others have to wait. . .

DEFENSE

The greatest deterrent to war is a strong defense. I urge you to support the President in every way possible in building up our defense. . .We must be strong or we will go down with the rest under Communist rule.

In summation, I have faith in President Reagan and believe that he is acting in the best interest of the United States. Let's give him a chance to make his plans work. We didn't get these problems overnight and it will take some time before we can see the results of any changes. Please give careful consideration to supporting him at every opportunity.

Sincerely,

(MS. JEFF) NANCY HERRON.●

A TRIBUTE TO DOUGLAS W. FERGUSON

HON. WAYNE GRISHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. GRISHAM. Mr. Speaker, on May 27, 1982, the Whittier Uptown Association will honor Mr. Douglas W.

Ferguson for his outstanding contributions to the Whittier community. Mr. Ferguson, president and managing officer of Quaker City Federal Savings and Loan Association, has been instrumental in shaping the success of Quaker City and has been a driving force in helping the city of Whittier, Calif., achieve its goals.

As chairman of many civic committees, Mr. Ferguson has unselfishly given his time and effort to help others. He has been an active leader in his church and has worked toward bettering the quality of education in Whittier.

Mr. Ferguson served as trustee of the Whittier Union High School District from 1950 to 1959. During his terms as president of the board, he guided the district through a rapid growth period which included the building of several new schools.

Doug Ferguson has set an example of service by his willingness to serve on many civic and professional organizations. He is a former president of the California Savings and Loan League, director and member of the executive committee of the United States Savings and Loan League, director of the Central and West Basin Water Replenishment District, and director of the Metropolitan Water District of Southern California.

The Whittier Uptown Association is dedicated to enhancing growth in Whittier and maintaining community pride. Quaker City, under the direction of Mr. Ferguson, has set an example of commitment by its continuing visibility in the central business district.

Business and education are the backbone of any city. Doug Ferguson has contributed generously in both areas. Mr. Speaker, I join with my colleagues in the House and my many friends in the 33d District in offering warmest congratulations and best wishes to one of Whittier's finest citizens.●

TROOP 38 CELEBRATES SIXTIETH ANNIVERSARY

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. LAFALCE. Mr. Speaker, in these very difficult and uncertain times it is refreshing to observe an organization which aims to build the moral and physical character of this Nation's youth. Since 1910, the Boy Scouts of America have positively influenced the lives of what has been called this Nation's richest resource.

The Boy Scouts of America are charged by their congressional charter with the responsibility of promoting—

> Through organization and cooperation with other agencies, the ability of boys to do things for themselves and others, to train them in Scoutcraft, and to teach them patriotism, courage, self-reliance and kindred virtues.

Scouting teaches these important qualities which enhance the citizenship of an individual in democratic society.

Many great men have participated in the Boy Scouts, including many Congressmen, Senators, Cabinet members, and officials of the armed services. The leadership qualities promoted by the Boy Scouts of America have helped these men in both their individual accomplishments and in their accomplishments as a part of a larger enterprise, our great American Government. The epitomy of these leadership qualities can be seen in the founder of the Boy Scouts, Lt. Gen. Robert S. Baden-Powell. The importance of his simple conception of moral, mental, and physical excellence cannot be exaggerated. The Boy Scout oath, which he wrote, sets out the principles which are the basis of this excellence:

> On my honor I will do my best, to do my duty to God and my country and to obey the Scout Law; to help other people at all times; to keep myself physically strong, mentally awake and morally straight.

Nationally, over 4 million young men participate in this program. In my own district, one group of these fine young men and their leaders will soon celebrate its 60th anniversary. Boy Scout Troop No. 38 is the second oldest continuously chartered troop in the Ken-Ton district. This anniversary will be celebrated at a charter dinner to be held at the church parish hall located at 54 Delaware Road in Kenmore on May 17, 1982. I wish to commend this fine group of young men and their leaders for 60 fine years of community service and wish them the best of luck for many fruitful years to come.●

ABE AND GITA STOLAR

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mrs. SCHROEDER. Mr. Speaker, I would like to share the following letter with other Members:

APRIL 5, 1982.

DEAR PAT: The season of Passover and Easter and freedom, peace and hope is here. We, as Americans, who enjoy the blessings of liberty, I believe, have a special obligation to not only ourselves, but to help others throughout the world who have had them abridged.

Many people come to mind when I think these thoughts. But I am especially concerned about a friend or possibly a relative of mine, Abe Stolar, about whom I have written to you many times. Abe, a citizen of the United State, together with his wife Gita and his son Michael were leaving the U.S.S.R. on June 19, 1975 when they were abruptly taken from the airport and returned to Moscow after they received permission to leave for Israel. Since that date, U.S. citizen Abe Stolar and his family have been living in limbo. It is now seven and one half years since that fatal day.

During these years, I have carried on an active correspondance with Abe and have spoken with him by telephone many times. In spite of the frustration this delay in reaching the goal of immigrating to Israel has created for Abe and his family, they remain optimistic and believe their right of freedom to move to the country of their choice, as guaranteed by the Helinski accords which were signed by the officials of the U.S.S.R., will eventually be accorded them.

Abe appreciates all the help you have given him, Pat, and also knows about the committee to help him formed by your friends in Michigan. He has written to thank you for this, but his letters are often intercepted. So, I am thanking you for him and for me too for I really believe that the denial of liberty to anyone in the world is a denial of liberty to ourselves.

Time is getting short for this U.S. citizen. On December 19, 1981, Abe reached his 70th birthday.

Thank you Pat for caring. I know that Abe and his family and others throughout the world caught in this maze of injustice are appreciative of your help and that of your colleagues.

May justice reign throughout the world.

Shalom,

MIRA LEE GOLDSTEIN.●

CLEAN AIR WEEK

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. VENTO. Mr. Speaker, May 2-9 has been proclaimed as National Clean Air Week by the American Lung Association. I believe this is an appropriate time to focus our attention on the increasingly controversial issues surrounding the reauthorization of the Clean Air Act. It is vitally important that we do not lose sight of the overwhelming support of our friends and constituents back home for keeping the Clean Air Act strong and effective.

In the State of Minnesota alone, strong public support of the Clean Air Act was demonstrated in a petition presented to me with approximately 5,000 signatures of Twin City area residents. I am also proud to tell you that the Minnesota State Legislature took strong action last month when it passed the Acid Rain Reduction Act. I submit a copy of the act for the RECORD and hope that acid rain remedies will be included in our national clean air policy in the future.

I continue to be impressed by the consistently solid support evident in national polls on the importance of protecting the environment. In the expectation that we will be asked to vote on the changes in the Clean Air Act before this session of Congress is over, I would like to share with you some samplings of results from recent public opinion polls.

A recent poll in the New York Times said that:

> Air pollution was named by nearly a fifth of the public as the most important environmental problem . . . There was two to one support for maintaining current air pollution laws among both Democrats and Republicans, and among union households.

In a February 1982 Newsweek poll, in answer to the question, "Do you think Federal spending in protecting the environment should be cut further, increased or remain the same?", 44 percent said they felt it should be increased, 37 percent said it should remain the same and only 9 percent said environmental protection money should be cut.

The well-known pollster, Louis Harris, in addressing the Environmental Industry Council in March 1982 said:

> . . . make no mistake about it, there is as strong a mandate from the American people today to strictly enforce the Clean Air and Clean Water Acts as any that exists in our society. For example, in just the latest of several tests we have made on this issue, a startlingly high 82-14 percent majority favors strict or stricter enforcement of the Clean Air Act.

Harris went on to say:

> The American people are willing to make sacrifices in many areas to stop the miseries and ravages of inflation and an economy that is out of joint. But they will not tolerate any reductions in environmental cleanup efforts—and will regard such cuts as threatening the very quality of life in this last quarter of the twentieth century.

While the American people have repeatedly stated their support of a strong Clean Air Act, it is difficult to follow through with their wishes when the administration has cut back on the enforcement budget for EPA and supports a bill that would substantially alter the original intentions of the Clean Air Act.●

ARMS SALES TO THE MIDDLE EAST

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. FLORIO. Mr. Speaker, I would like to share with my colleagues some of my observations from a recent trip to the Middle East. My trip to the Middle East stemmed from my desire to investigate U.S. arms sales to the region. I was specifically motivated by the possibility that the United States is considering a new arms sale to Jordan. During his recent trip to the Middle East, Secretary of Defense Caspar Weinberger is reputed to have discussed the sale of F-16 jet fighters and mobile Hawk missiles to Jordan. King Hussein later appeared on American television to state that he was interested in additional purchases from the United States. On April 28, Assistant Secretary of Defense Francis (Bing) West discussed with Jordanian officials the details of future arms transfers, including the possible sale of F-5G's, F-16's and mobile Hawk missiles.

In light on this background, I feel it is imperative to analyze these potential sales from the perspective of the goals of the United States in the Middle East. I believe that four criteria must be used in analyzing every sale to the region: First, does the sale promote regional stability? Second, does the sale advance the peace process? Third, does the sale minimize Soviet activity? Fourth, are there adequate assurances for the security of American technology and equipment?

After a series of defense briefings with officials in the United States and Israel, I have concluded that the proposed sale to Jordan would be detrimental to America's national interests and would create the climate for new Middle East hostilities.

Rather than promoting regional stability, the proposed sales would upset the rather tenuous balance of power that exists between Israel and her Arab neighbors. The proposed sales would enlarge Jordan's offensive capabilities. Jordan already possesses 80 F-5 fighter planes and has ordered 36 French Mirage F-1's. Jordan's air defense system currently has 14 batteries of Hawk SAM missiles, and over 500 missiles for the Hawk system. The Jordanian army has 300 Redeye handheld antiaircraft missiles and 100 Vulcan six-barrel antiaircraft guns. The army is one of the best in the Middle East, with at least four mechanized armored and infantry divisions equipped with M-60A3's and British made Chieftains. In a rather disturbing recent development, Jordan has supplemented this arsenal with the purchase of 20 batteries of Soviet SAM-8's.

The geography of Israel is a key factor that must be considered in any discussion of the relative strengths of the two nations. I was struck by the smallness of Israel, particularly the short distances between points in Jordan and Israeli cities. For example, an F-16 could cover the distance from Amman to Jerusalem in only 6 minutes (4 minutes at high speed); it could fly from the airbase in Mafrak to Tel Aviv in only 10 minutes (5-6 at high speed) and from Mafrak to Haifa in 9 minutes (6 minutes at high speed). Such short preparation times represent intolerable threats to the security of Israel. If the improved Hawks were deployed along the Jordanian mountain range, over 25 percent of Israeli territory would be covered by the new system. Jordan would then have the potential to threaten Israeli aircraft flying over Jerusalem, Tiberias, Nazareth and Afula. Israeli aircraft from most airbases, including the new Ovda Air Base in Negev, would be threatened by Hawk batteries stationed within Jordan.

Jordan did not participate directly in the 1973 war largely because they claimed that they did not have an adequate air defense system. Instead of attacking directly across their common border, Jordanian troops were dispatched to assist the Syrians in the Golan region. In the future, Jordan might not feel similarly constrained.

The threat presented by the potential sale of F-16's and mobile Hawks is even more ominous when the impact these arms will have on other Arab nations is considered. Jordan's new capacities would play a major role in Arab regional military planning. The Israelis are convinced that the mere possession of such new offensive capabilities would induce Jordan to join in any future Arab-initiated attack.

In light of these factors, I was not surprised by the Israeli reaction to the proposed sale. Foreign Minister Yitzhak Shamir informed me that such a weapons sale to Jordan would so dramatically shift the balance of power that under certain conditions a preemptive strike by Israel would not be out of the question. In sum, I do not believe that this proposed sale would meet the first criterion; rather than promoting stability, the sale would create an atmosphere of tension and hostility. It would fuel the arms race and set the stage for future hostilities.

The proposed sale does not meet the second criterion. It would undermine the peace process by rewarding a state that has steadfastly rejected all overtures to join in the Camp David process and other peace efforts. King Hussein has rejected Camp David and has joined the Arab Rejectionist Front. He supported the resolution adopted at the first Baghdad Arab Summit calling on Egypt "not to sign any reconciliation with the enemy."

Despite these activities, I found a number of Israeli officials who quietly hoped that Jordanian policy might eventually moderate. These Israelis stated that a minimal precondition before any sale should be Jordanian acceptance of the Camp David accords, which implies recognition of

Israel. Among others, Foreign Minister Shamir stressed Jordanian acceptance of Camp David as a major step toward eventual peace in the region. Unfortunately, the proposed arms sales discussions do not include this condition.

The third goal of American arms sales policies should be the prevention of Soviet activities in the region. A few weeks ago, Jordan announced its intention to purchase 20 batteries of mobile SAM-8's from the Soviet Union for approximately $200 million, which would be financed largely by Iraq. In addition to the sale of equipment, the Jordanians will agree to have Soviet training and technicians. There is no indication that a future American sale will cancel or negate the Soviet presence in Jordan.

The final criterion that should be used to evaluate whether these sales are in America's national interest concerns the security of our technology. I believe that the presence of Soviet technicians in Jordan and the increasing Jordanian-Iraqi military cooperations would pose a grave security threat to American technology. In addition, the real threat to King Hussein's regime is internal, not external. Radical Palestinian groups have vowed to end his Hashimite rule, particularly since the 1970 civil war when Hussein crushed the PLO in Jordan, massacred thousands of Palestinians, and forced thousands of others into exile. There have been over a dozen attempts against the King's life.

In sum, the first major conclusion of my recent trip is that the proposed sale of sophisticated equipment to Jordan would not be in the interests of the United States.

THE GOLAN HEIGHTS

The strategic value of the Golan Heights is the region's most striking feature. The mountain plateau, which ranges in height from 400 to 3,000 feet, overlooks and controls the Sea of Galilee, the Hula Valley, and Israel's northern towns. Despite the region's strategic value, I was surprised to discover that it is a relatively small plateau, only 45 miles long and less than 16 miles wide. The population of the area consists of about 12,000 Druzes, within four villages, 900 Alawhites in one village, and approximately 7,000 Jews living in one town and 30 villages. Although there is some light industry, agriculture is the main source of income for the residents of the Golan Heights.

Whoever holds the Golan will be able to dominate the critical areas of Israel that lie below. Syria regularly exercised this advantage when it occupied the Heights between 1947 and 1967. The Syrians repeatedly used this vantage point to attack Israeli farmers, and fisherman in the Kibbutzim below. Potentially an even greater danger was posed by the Syrian effort to interfere with Israel's comprehensive water plan. Syria threatened to divert the headwaters of the Jordan River, which would have transformed northern Israel into a desert.

On three separate occasions—in 1948, 1967 and 1973—Syria used the Golan as a staging area to launch attacks against Israel. After the 1967 war, Syrian batteries were pushed back to positions which no longer allowed direct bombardment of Israeli villages. In addition, the territory provided Israel with a strategic depth of 16 miles in which to block future Syrian advances. During the October 1973 war, Syrian units penetrated in several places to a depth of 6 to 10 miles. Had Israel's borders still been at the 1967 lines, northern Galilee would have been overrun.

In all my discussions with Israeli citizens and officials, I found unanimity in the desire not to return this territory. The Israelis, still remembering the Syrian shelling of their villages and the potential control of their water supply, appear unwilling to make concessions to the current regime in Syria. Syria rejects any direct negotiations with Israel, making an agreement on the Golan territory impossible.

SOUTHERN LEBANON

I received extensive briefings from Israeli military sources on the situation in southern Lebanon. In addition, I was fortunate to meet with Major Sa'ad Haddad, who is the leader of the Christian forces in southern Lebanon. I traveled to the northernmost town in Israel, Metula, from which I was able to get a good feeling for the geographic factors in southern Lebanon. Major Haddad controls a Christian enclave between Israel and the PLO-controlled area. Haddad's region is approximately 41 miles by 6 miles. Because he serves as a buffer between Israel and the PLO forces, the Israelis have a vested interest in his continued existence. As a result, they have provided logistical support and opened a gate at Metula to permit his people access to Israeli medical supplies and consumer goods.

In July 1981, U.S. special envoy Phillip Habib was able to negotiate a cease-fire between Israel and the PLO forces in southern Lebanon. I was able to see the PLO headquarters in southern Lebanon. The PLO is using a former crusader castle, Beaufort Castle, which is on the edge of the Litani River. The PLO has the capacity to cover, with artillery, positions within Israel as well as territory controlled by Major Haddad.

The cease-fire is controlled by the United Nations International Forces in Lebanon (UNIFIL). Major Haddad showed us where these troops were stationed and explained why he felt that they were ineffective. He explained that the PLO could infiltrate between UNIFIL stations and send terrorists into the region he controls as well as into Israel.

In sum, the level of tensions in northern Israel and southern Lebanon are extremely high. I believe that the cease-fire could be broken by one of the following scenarios: A rocket attack on Israeli settlements by the PLO; PLO or Syrian attacks on the enclave of Major Haddad; a PLO raid across the border into Israel, either directly from Lebanon or through Syria or Jordan; and, an attack on Israeli citizens or other Jews elsewhere in the world.

THE SINAI

One of the major topics of discussion throughout Israel was the anguish felt regarding the return of the Sinai to Egypt. Israelis understand that they made a crucial and strategic decision to give up the Sinai. This decision was based on the premise of peace with Egypt and the recognition of Israel's right to exist. It is crucial to understand that for years, Israel has been striving for recognition of the nation and its right to exist.

Although mostly barren and largely uninhabited, the Sinai is strategically vital. Control of the peninsula by hostile forces could pose a great threat to Israel's security.

In addition to giving up the strategic buffer provided by the Sinai, Israel also relinquishes two of the most sophisticated military installations in the region at Eitan and Etzion. Along with six other tactical airfields in the Sinai, these bases played crucial roles in the military defense of Israel's southwestern flank. Israel is also giving up the electronic early warning stations which were situated on the Sinai mountain tops. These had provided Israel with accurate data on military movement on the western side of the Suez Canal and on the eastern coast of the Red Sea and the Gulf of Aqaba.

I was also continuously reminded of the psychological trauma involved in returning the Sinai. Israeli troops were forced to remove settlers by force. This specter caused mixed feelings even among those Israelis who supported the Camp David accords. Israelis told me that this is the first time that any Israeli settlements have been dismantled. Furthermore, no Israeli approved of the prospect of the Israeli army being used against Jews whose only crime is trying to settle new lands.

Israelis are concerned that their tangible sacrifices involved in the return of the Sinai may not lead to the long awaited peace. They are deeply troubled that Egyptian President Mubarak did not visit Israel before the return of the Sinai. They are also concerned by Egyptian efforts to "return into the Arab fold." Still, the majority of Israelis still supported this sacrifice on behalf of peace.

THE WEST BANK

The West Bank is the most essential buffer zone for Israel. The West Bank is a relatively small region, comprising roughly 85 miles in length and 33 miles at its broadest point. It is important to note that, at one point, the West Bank juts into Israel to a depth of only 9 miles from the Mediterranean. There are points in the West Bank where Ben Gurion Airport and Tel Aviv are clearly visible.

No single issue divides Israelis as much as the future of the West Bank. Some Israelis argue from a religious perspective. They refer to the region as Judea and Samaria, using the Biblical terms. Israelis who take this perspective argue that Israel must keep the entire region because the Bible says it belongs to the nation. Because of the position these people hold in the Begin government, settlements are rapidly being built in the West Bank area.

Other Israelis stress the strategic perspectives of the West Bank. They argue that it would be impossible for Israel to allow the creation of a potentially hostile base for terrorist activities within the West Bank.

Foreign Minister Shamir informed me that the government desires to negotiate "autonomy" for the 700,000 Arabs living in the West Bank area. The Begin approach toward autonomy would grant full rights except for the ability of the Palestinians to conduct foreign policy and defense.

Other Israelis, including retired General Yariv, who is currently at the Center for Strategic Studies, are willing to consider an approach in which the territories would be divided in such a way that would allow Israel some flexibility, with regard to early warning and buffer zones, but also would enable even greater autonomy for the Palestinians. This approach is similar to the "Allon Plan;" which was named for the former Minister of Foreign Affairs. This plan would permit the Arabs a demilitarized zone in the populated areas of the West Bank. This area could then be independent or federated with Jordan. The Israelis would maintain possession over a small, sparsely populated area between the West Bank and Jordan. They would also monitor a narrow corridor connecting the populated area of the West Bank and Jordan, to prevent military supplies from passing into the West Bank.

In essence, Israelis make a distinction between territorial autonomy and administrative autonomy. The resolution of the problems in the West Bank is an extremely sensitive and difficult political decision. It must be decided by Israelis.

OVERALL CONCLUSIONS

I was particularly impressed with the small size of Israel. After the return of the Sinai, the entire country will be only slightly larger than the State of New Jersey—7,922 square miles as compared to 7,521 square miles. One cannot understand the political and military considerations unless one understands the geography and appreciates the small size of the country.●

HEAD START PARENTS APPEAL FOR PROGRAM

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. MILLER of California. Mr. Speaker, I continue to get letters from Head Start parents who both testify to the ways in which this program has dramatically improved their lives and those of their children, and express their concerns about Head Start's future. We know that Head Start works; that Head Start is cost-effective. And yet, even today, it serves only 25 percent of the eligible children, and faces substantial erosion from inflation and cutbacks in supportive services—CETA, title XX, child care food, medicaid. We need to listen to the parents of Head Start children and keep this exemplary program working. Another letter from a Head Start parent follows:

> When my daughter first began Head Start she wasn't sure of herself. Now, by the end of the year, she is more sure of herself. She talks to no end of Head Start, the staff, and the many friends she has made. Without Head Start I know she would in no way be ready for kindergarten in the fall.
>
> For myself, I've learned so much about myself and all my children. I was one of the lucky ones that was able to have the opportunity. There's so many things to do at the center. Lots of them are very new to me. The children are so creative. They teach you as much as you teach them. Thank you so much for the great Head Start program. Hope you always have the opportunity to keep it going.●

FUNERAL SERVICE CONSUMER ACTION PROGRAM

HON. MARTY RUSSO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. RUSSO. Mr. Speaker, for the last several years I have opposed Federal regulation of the funeral industry. This industry, comprised mostly of small businesses, has been the subject of a lengthy Federal Trade Commission investigation which has produced few complaints. This industry has been one of the leaders in the area of both consumer information and self-enforcement of ethical guidelines. Recently, they made a major move to resolve what few complaints the funeral industry does receive. I can think of no other business group which has undertaken such a voluntary policing of their own industry. As a result, I want the Congress and the public to know about it.

A nationwide consumer action panel has been established to handle any complaints against funeral firms which haven't been resolved by the parties involved. The National Funeral Directors Association at a press conference in Washington, D.C. on April 22 announced that it will sponsor the complaint-handling system to be called ThanaCAP. (The name "ThanaCAP" is a combination of "Thana" from the Greek word meaning "death" and the first letter from each of the words—Consumer Action Panel.)

This is how the panel will work: A national panel has been set up. It includes a chairperson and 10 additional members, one from each of 10 geographic regions. No one connected with funeral service can be a member of the national panel. The U.S. Office of Consumer Affairs will serve the panel in an advisory capacity. National panel members were selected from persons suggested by Mrs. Virginia Knauer, consumer groups, state licensing boards and NFDA and its affiliated state associations.

In addition to the national panel there will be 10 regional subpanels, with each member of the national panel serving as chairperson of one of the regional panels. Each regional panel shall consist of five members, four in addition to the chairperson. Only two members of any regional panel can have any affiliation with funeral service.

Consumers either as individual or through organizations assisting consumers can make a complaint to ThanaCAP. Persons wishing to file a complaint should write to ThanaCAP, 135 West Wells Street, Milwaukee, Wis. 53203. Those having questions or desiring any additional information can also contact ThanaCAP by phone (414) 276-9788.

If the complaint cannot be resolved with the funeral firm involved, it will be directed to the regional panel of the area served by the funeral firm against which the complaint has been filed. The hearing panel will vote on a solution. If no majority opinion can be reached the complaint shall be referred to the national panel as a whole. The decisions of either panel will be binding on all parties involved. ThanaCAP should provide a track record, not of hearsay, but of fact—both in the public interest and for the good of funeral service.

ThanaCAP was created by the National Funeral Directors Association, an affiliation of 48 State associations and the District of Columbia. It is the largest association of funeral directors in the United States and its current membership is more than 13,500. Its headquarters is in Milwaukee, Wis.

Mr. Speaker, what more can an industry do? The NFDA has created this panel in good faith. They should be commended. As a result, I call upon the FTC to suspend their proposed regulation of the funeral industry. If they do not, I believe the Congress should then move to keep the Federal bureaucracy out of the funeral business.●

THE 75TH ANNIVERSARY OF THE GOODWILL FIRE COMPANY

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. YATRON. Mr. Speaker, on Saturday, May 15, the Goodwill Fire Company of Laureldale, Pa., will be celebrating its 75th anniversary.

I think it is indeed fitting to take this opportunity to acknowledge the enormous contribution these firefighters have made, and will continue to make, to the public safety.

The firefighter's job requires an exceedingly high degree of dedication, courage and professional skill. They underline through their actions everyday, the community spirit of helping one's neighbors. Each day they place their very lives in jeopardy in order to secure the lives and property of the citizens they have sworn to protect. I would like to extend a personal note of gratitude, and I know that my colleagues in the U.S. Congress will join me, to the members of the Goodwill Fire Company of Laureldale, for their high degree of concern and dedication to the public safety and welfare. Their contributions exemplify the emphasis that our Nation has always placed on community action and service.●

MAINSTREET 78 DEDICATION

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. BROOMFIELD. Mr. Speaker, next week on May 21, the city of Northville, which I am honored to represent, will be holding ceremonies to mark the completion of a renovation of its downtown area.

Northville was established in 1867 as a village and has over the years continued to grow to its present size of about 6,000 people. More than 5 years ago Northville undertook a program to give its downtown area a new look. The project included plans for a new traffic pattern, new streets and sidewalks, and improved parking. In addition, the plans provided for a new town square and more trees and flowers along the streets. Now "Mainstreet 78" is complete and the end result is so attractive many businesses in the downtown are redoing their own space to further enhance Northville's new look.

The completion of this project is significant for a number of reasons. First, no money from the State or Federal Government was used in the construction or completion of this renovation. While many communities look to the Federal Government to finance such an undertaking, Northville raised the revenues through a tax increment supported by the citizens, to provide its bonds with the full faith and credit of the taxpayers.

Northville's accomplishment is an example of the kind of spirit that has made this country great. Michigan's economy has faced some tough problems over the past few years and, in spite of this, the city of Northville has had the pride and the motivation to tackle a serious renovation effort.

While Northville, is celebrating its new downtown, it can also celebrate the values which have made the community so unique over the years. Northville is a place of history and tradition—a solid, friendly community that is a great place to raise a family. And now the completion of this renovation will make it even better.

Mr. Speaker, I wish to again congratulate Northville and her people. They have helped provide Michigan with a history and a future that takes a backseat to no other area.●

REMOVE SOCIAL SECURITY FROM THE UNIFIED BUDGET

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. BONKER. Mr. Speaker, on April 27, I introduced H.R. 6163, a bill to remove the social security trust funds from the unified budget and once again make them independent as they were prior to 1969. In the current debate over the Federal budget, we risk making senior citizens the victims of hard-pressed efforts to cut spending by allowing the social security program to be a prime target for cuts. By taking social security out of the Federal budget we eliminate that risk and at the same time alleviate the anxiety of millions of older Americans.

This legislation is long overdue. It will simply remove the social security trust funds from the unified budget, thus keeping the system's financial reporting and accounting procedures separate and apart from the general budget. The removal of the trust funds has become necessary to maintain the integrity of the social security system, remove a major distortion and obstacle in the present debate on the budget, and to protect senior citizens who fear they will be sacrificed in the tradeoffs that will necessarily occur in a compromise. My bill will also correct a little-known policy which has been an unwarranted drain upon the social security trust funds by requiring that all uncashed social security checks to return back to the rightful trust funds after 1 year. Presently, this money reverts to the general trust funds of the Treasury, costing social security some $200 million a year.

My legislation mirrors S. 2175, recently introduced in the Senate by Senator METZENBAUM of Ohio. I also applaud the leadership of Senator HEINZ of Pennsylvania, who today is introducing similar legislation to remove the trust funds from the unified budget.

Unfortunately, the social security system has increasingly become the target of congressional and the administration's budget cutting initiatives. These attempts make a mockery of the social security system's traditional role as an independent, internally balanced trust fund. Last March, President Reagan proposed massive reductions in the social security program in an effort to balance the budget.

More recently during the fiscal year 1983 budget negotiations, we have heard suggestions that social security cuts be somehow traded for concessions in other parts of the Federal budget. Mr. Speaker, it is inappropriate to subject the hard-earned moneys of this Nation's retirees and workers to hasty and ill-advised actions by this Congress. We also deceive ourselves and the country if we do not remove the trust funds and once again consider the true revenue sources and spending requirements provided in the general budget.

I am not arguing Mr. Speaker, that we must remove the social security program from congressional scrutiny and debates. Obviously, the trust funds are encountering serious financial problems and difficult choices are around the corner. The recent trustee report confirms what we already know about the severity of problems at hand. However, by restoring independence to the social security program, Congress would mandate that any benefit cuts or revenue adjustments—especially in the long term—should be considered exclusively on the merit of the trust funds, not to accomplish other budgetary objectives.

To appreciate the importance of removing the social security trust funds from the unified budget, it is necessary to understand some budget history. Prior to 1969, the social security program was autonomous. Revenues and outlays under social security and several smaller trust funds, such as the highways trust fund, were reported separately from the Federal Government's administrative budget. On the recommendation of President Johnson's Commission on Budget Concepts, the operations of the general fund and the various Federal trust funds were first combined in a single unified budget statement in fiscal year 1969. No congressional action was ever required for the trust fund transfer, although the 1974 Congressional Budget Act gave implicit approval to the unified budget concept by not differing between the trust fund activities and other government activities in defining authority and outlays.

Although the social security trust funds still retain separate status under the law, the trust funds are currently counted as part of the overall budget, along with other Government income and expenses. What this means is that payroll tax moneys going into the social security system and benefit payments going out directly affect Federal budget deficits and surpluses. In other words, the social security trust funds greatly distort the budget picture.

By removing the trust funds entirely, Congress will have a more realistic view of the national budget and the hard decisions that have to be made to reduce spending.

I have just concluded a series of forums on social security in my congressional district and discussed this matter at length with my constituents. Many senior citizens that I talked to are willing to accept reforms if it would protect the trust funds. They are realistic and can understand the importance of keeping the funds solvent for the benefit of all workers who pay into it. But, they will not tolerate being dragged into the budget debate where they risk lower benefits to shore up other parts of the Federal budget. They have a point.

The second provision in my bill would settle an ongoing dispute between the Social Security Administration and the Treasury Department. H.R. 6163 would make the social security trust funds the rightful beneficiaries of the money from uncashed social security checks.

The $20 million yearly savings obtained by my bill, though small in comparison to Social Security's $200 billion budget, is a necessary step in returning solvency to the program.

Mr. Speaker, Congress should not delay in restoring independence and integrity to the social security program. This legislation provides Congress an opportunity to send a message to America, that we will not allow the social security program to be subjected to further budget politics. Removing the social security trust funds from the unified budget is a good bipartisan issue that all can support. I urge my colleagues to join with me and cosponsor H.R. 6163.●

SEVENTY-FIVE YEARS OF SERVICE

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. ANDERSON. Mr. Speaker, this year the Memorial Hospital Medical Center of Long Beach will celebrate its 75th year of service to the citizens of Long Beach, Calif. The medical center has grown from a small 12-room community hospital established in 1907 to today's modern regional medical center, which has been cited as one of the most efficient and cost-effective institutions of its kind in the Nation.

A dozen dedicated physicians banded together in 1907 to establish Seaside Hospital, the first for the city of Long Beach, which then had a population of just under 10,000. One of the early leaders, Dr. Albert C. Sellery, rented a rambling victorian mansion at the corner of what is now East Broadway and Junipero Avenue and converted it to an 18-bed hospital.

On May 24, 1913 when the huge Long Beach Municipal Pier collapsed into the Pacific with its holiday throng, carrying 50 persons to their deaths and injuring more than 200 others, most of the victims were taken to Seaside Hospital where the physicians worked around the clock treating the injured for no pay.

On March 10, 1933 when the great earthquake struck Long Beach nearly 200 victims were treated at Seaside in the first 24 hours.

As a result of a $10.5 million bond issue for hospital improvements, the old Seaside Hospital was demolished after Memorial Hospital of Long Beach was established. Additions have included the Earl and Loraine Miller Children's Hospital; Memorial West, a rehabilitation center housing psychiatric services as well as an alcoholism education and treatment center; the Center for Health Education and the specialized Women's Hospitals. Thus grew the present Memorial Hospital Medical Center, one of the largest acute-care health institutions in California.

I wish to congratulate George Johnson, the chairman of the board of directors, and all the directors and trustees for their devotion to this great medical center. The medical staff, the many volunteers and host of employees who have created the helpful atmosphere in the center's component parts are also to be congratulated.

The city of Long Beach is indeed fortunate to have this great institution serving our community.●

THE COMSTOCK FIFE AND DRUM CORPS

HON. WILLIAM R. RATCHFORD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. RATCHFORD. Mr. Speaker, it is always a pleasure for Members of the House and Senate to receive groups from home which are visiting Washington, but one group in town last month was especially memorable for me.

The Samuel Comstock Fife and Drum Corps' visit to Washington and their performances before the Capitol and elsewhere in the city was truly a special event. I joined them for their appearance at the Capitol and was astounded both by their music and by the way their brand of music attracted dozens of passers-by. Their performance was inspirational, and apparently the trip was as memorable for them as it was for me.

Mr. Speaker, I would like to take this opportunity to include in the RECORD an account of the Samuel Comstock Fife and Drum Corps' trip to the Nation's Capital, as told by corps commander Don Klotz.

COMSTOCK CORPS VISITS NATION'S CAPITAL

(Editors' Note: The following is an account of the Samuel Comstock Fife and Drum Corps visit to Washington, D.C. recently. It was written by corps commander Don Klotz.)

Our nation's capital beckons millions of people each year to bear witness to the American dream and give inspiration to the multitude of its citizens.

Participating in that dream this past week, the Samuel Comstock Fife and Drum Corps boarded a bus from Wilton Center (April 21) in the predawn and began a five day trip which included appearances at the White House, the Lincoln Memorial, Washington Monument and Jefferson Memorial, the National Soldiers and Airmans Home, a visit with Cong. William Ratchford, a tour through the Senate, some sightseeing in the Smithsonian Institution and finally a two-day campout at a National Muster of the Company of Fifers and Drummers in Indian Head, Md.

Our nation's capital in the full bloom of spring, engulfed with cherry blossoms, flowering tulip trees and azalea bushes, its carpet of green grass and tulips lining paths to glistening white marble monuments standing against a bright blue sky and billowing clouds is the elixir that prompts handsprings on the street . . . and a Fife and Drum Corps to parade about the White House.

To fifer Cpl. Jill Meyer, the crowds were electric.

Everywhere, as the Comstock Corps gathered, hundreds of people came running at the sounds of music to listen and record the moment with their cameras.

The spontaneity of appearances proved most exciting. As the Comstock Corps was playing for the crowds standing in line to get into the White House, a Capital policeman on a motorcycle suggested that the corps march on the street around to what Cmdr. Klotz thought would be the head of the line and front of the White House.

Instead the color guard unexpectedly turned into the Presidential receiving gate and suddenly the whole corps was marking time and playing to a group of secret service men who had come running up to find out what was going on. Militiaman Jeff Mednick with musket gave them no comfort. Commander Klotz explained that the corps was there to entertain but also to get a tour through the White House. "Not at this gate you don't," one of the secret service men said. "Where's your special papers? Move 'em out."

And so Commander Klotz reversed his troops and resumed following the policeman on a motorcycle whose intent was to escort the group to a place in the line of people waiting to get into the White House. That place was the end of the line . . . of thousands of people waiting! The corps instead repeated its march in the street, back by the cheering crowds.

The corps met and played for Cong. William Ratchford on the Capitol steps and caught the attention of an ABC-TV camera crew which began taking pictures. After the congressman took the corps on the tour of the senate floor, the corps resumed playing on the Capitol steps and again were the prime focus for the ABC-TV crews. Among the members interviewed were Banner-carrier Erin Kuntz and fifer Jessica Block.

While playing at Lincoln and Jefferson memorials was impressive, an appearance at the Washington Monument proved most challenging.

As the corps reached the base of the structure it was greeted by a whipping wind that lashed about the tall monument taking tricorn hats to the air and forcing color guards to firmly grasp flapping flags. Flag carriers Charles Flaccus, David Whittenbauer and Will Mathews had a most difficult time before Color Guard Corporal Brad Stanley finally gave a counter march order to bring the group back to the lee side where the corps resumed playing.

On a tour of the White House taken by some members, drummer Fred Collis was impressed by the first lady's favorite room, the red room, recently refurbished by Nancy Reagan.

Fifers Claire Tackas, Dur Throckmorton, Kelly O'Brien, Lauren Beebe, Sue Zieman, and drummer Chris Flemming attended a concert and fireworks display for the visiting Netherlands Queen and thought the display the most spectacular they had seen.

All of the members enjoyed sight-seeing at the Smithsonian Museums of Air & Space, natural history and American history. Sgt. Fifer Karen Salerno especially enjoyed the museum of American History which was giving particular accents to the circus era in our country.

At the muster in Indian Head, the corps marched in a torch light parade on the first night and was presented a muster ribbon the next day for its performance in front of the reviewing stand. Jam sessions were held both nights where all corps gathered to play informally, meet with each other and have a generally good time. Adjutant Lyn Posner, fifer John Groo, and fifer Stacey Hengert shared a common "like best event" for the jam sessions.

A high note at the muster was the appearance of the Old Guard. As part of the third Army, who guards the nation's Capitol and participates at all of the president's ceremonies, the Old Guard is an elite group of fifers and drummers who appear resplendent in red coated colonial uniforms and white wigs under their tricorns, to play the traditional music of the revolutionary period. They were the special favorites of drummer Glen Forslund and fifer Lauren Beebe.

It was a trip long anticipated and saved for over the last three years and money was raised by the group through special appearances at parades, fund raising drives, and private solicitation.

An unscheduled event occurred as the journey to Washington began, when the bus, about one hour away from Wilton on the New Jersey Turnpike had a flat tire. With the help of Mr. and Mrs. David Forslund following in a car behind, help was sought and with only about an hour and a half delay, the Comstock group was again on its way to Washington.

It was a tired but a happier, closer group that boarded the bus back to Wilton.

Militiaman Cpl. Jeff Mednick reflected, "A trip to the nation's Capitol is always appealing, but performing at landmarks like The Lincoln Memorial, The Washington Monument and the White House, with receptive crowds cheering, was so exhilarating an experience, and I am pleased to have been a part of it.

"It is a shame that more people in the community are not aware of the opportunities offered for those joining the corps."

As a gag, Commander Klotz wearing a hairnet that he had purchased at a flea market at the Indian Head Muster, led a string of his members with hands tied off the bus in Wilton. Alas, not a parent had yet arrived to pick up their children.

"It is a trip that will be long remembered," said Commander Klotz. "Washington was so full of beautiful feelings. Foreign visitors wanting to pose with you, crowds cheering us . . . and watching my kids reading the words of Thomas Jefferson on the walls of his memorial brought a lump to my throat. It was America the Beautiful all the way . . . and yes, I have a love affair with my country."●

AN END TO INSTITUTIONALIZATION AND LONELINESS—MAINTAINING THE ELDERLY AT HOME

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. BIAGGI. Mr. Speaker, today I am introducing legislation which would provide an important opportunity for alternative living arrangements for those elderly citizens who either live alone or are forced into unnecessary and unwarranted institutionalization.

This legislation provides a $500 tax credit to those families and individuals who maintain an elderly dependent at least 65 years of age for over one-half of the taxable year. In this fashion, it offers both single individuals and families an incentive to help defray the added strain placed on the family budget.

This proposal has a dual benefit: It seeks to encourage the preservation of the extended family through financial incentives. Such a move eases the major obstacle that many families face in caring for their older parents and relatives at home—the costs of in-home care. As the number of elderly in this Nation continues to rise—estimated to exceed 30 million by the year 2000—it is imperative that we find viable alternatives to institutional care.

Information from the field clearly points to the family as the preferred provider of services to the elderly. However, the number of elderly living alone has increased substantially. Of those persons over 65, 46 percent lived with their children 20 years ago; by 1975, this figure had dropped to 18 percent. At the same time, the number of institutionalized elderly—often the poorest and often without family—is increasing. A study by the Congressional Budget Office estimates a marked increase in demand for elderly long-term care for those who cannot help themselves. This study found that in 1980, between 6.3 and 11.1 million elderly required long-term care and that this demand would jump to 12.5 million in 1985. Parenthetically, this study was conducted prior to the budget cuts enacted last year and I feel that it is fair to conclude that these numbers are actually higher today as a result of the major reductions in health care programs which occurred last year. If no preferred alternative exists for this growing population of dependent elderly—such as the family—the elderly will then be forced into unnecessary institutionalization or other living arrangements.

Even a cursory look at the costs of in-home care in lieu of institutionalization provides a stark contrast between the two alternatives. A recent study of the Chelsea-Village program of St. Vincent's Hospital in New York City, which provides home health care to elderly individuals, estimated the annual cost per client at $1,169 per year as compared to over $20,000 per year for a client in a public home infirmary.

Another benefit of this approach is that such a tax credit would help to relieve some of the strain placed on family income which often manifests itself in acts of abuse. Two important studies of domestic violence against the elderly were conducted at the Chronic Illness Center of Cleveland and at the Center of Aging at the University of Maryland. Both studies identified material abuse as one of the major forms of domestic violence against the elderly.

My Subcommittee on Human Services of the House Select Committee on Aging has examined the problem of domestic violence against the elderly in great depth as I have introduced H.R. 1007, a bill which would provide for the prevention and treatment of domestic violence against people of all ages. Our committee learned that such abuse is often directly related to the lack of periodic respites for the overburdened caregiver. Shouldering the full responsibility for an ailing parent without the benefit of external or community supports can arouse feelings of entrapment on the part of the adult child who sees no avenues of relief. When pressures are high, this kind of tension can precipitate acts of violence against elderly family members. The adoption of a tax credit would at least begin to ease the financial strain that so many families are faced with and can begin to promote healthier intergenerational living arrangements.

Support for the idea of a tax credit for families which care for the elderly in the home is extensive and diverse. Endorsement of such a proposal has been supported by the delegates at the recently completed White House Conference on Aging, the 1980 White House Conference on Families, as well as the Urban Elderly Coalition. Further, the 1981 National Council on Aging survey conducted by Louis Harris & Associates found overwhelming support across all segments of their survey sample for giving a "tax break" to families that provide health care at home to the elderly.

As an original member of the House Select Committee on Aging, I am especially familiar with those problems which face the elderly today as well as those family members who want to maintain older relatives in their homes. This bill will seek to encourage health care in the home while retaining medicare benefits for eligible seniors. The tax credit for the family will be for those expenses incurred—such as food, clothing, and those nonreimbursable medicare items—that have inhibited home health care in the past. My bill will provide incentives to home health care by the family and will, at last, recognize the full potential of support and services that the family can bring to the elderly and the source of wisdom and strength that the elderly can bring to younger family members. I urge my colleagues to join me in this timely and important initiative.●

A VISIT BY DEER PARK ELEMENTARY SCHOOL

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. LONG of Maryland. Mr. Speaker, on Wednesday, May 12, 1982, 80 young men and women from Deer Park Elementary School in Owings Mills, Md., will journey to Washington for a firsthand look at their Nation's Capitol.

These students, accompanied by their teachers and parents, will tour the Capitol and the Supreme Court.

I am delighted they are taking the opportunity to visit with us, and hope their interest in our Nation's political process will continue.

Teachers and parents accompanying the students are: Linda McFadden, Sonya Morton, Barbara Yolken, Nancy Alsop, Nancy Feldman, Susan Mack, Patricia Fiero, Shirley Quillens, Barbara Stern, Deborah Gerber, and Susan Golden.

Students visiting us Wednesday are: Scott Alsop, Lawrence Capps, Un Sang Chin, Steven Chism, Christopher Christofilopoulos, Anthony Compton, Christopher Coyle, Bryan Dillon, Brian Elmore, Joseph Enochs, Jessie Ewing, Michael Feldman, Christopher Fiero, Christopher Ford, Marc Fribush, Jonathan Gerber, and Robert Golden.

Jason Goldvarg, Philip Greenfeld, Christopher Hodgkiss, Derek Holley, Kenny Horton, Andre Johnson, David Kapper, Lloyd Levin, Sean Love, Adam Lublinsky, Michael Mack, Christopher Martone, Troy Matthews, Brian Mekiliesky, Shawn Miller, Craig Quillens, William Ross, Allen Schrott, Bobby Sheppard, Damon Tate, Aaron Till, Keith Tyler, Jeffrey Weissberg, Marshall Wynham, Scott Zlotak.

Mitzi Agetstein, Tanya Anderson, Tracey Anderson, Nicole Bachmann, Karen Brady, Shantil Carter, Karen Dumser, Tonya Elmore, Anne Eureddjian, Jessehna Ewing, Caryn Feldman, Lisa Forgang, Crystal Foster, Jennifer Graul, Patricia Guenthner, Mary Hopkins, Stacy Kaufman, Rachel Johnson, Lisa Laughard, Kelli Lesser.

Leigh Levene, Nia Manns, Kim Mekiliesky, Theresa Norton, Sandra Ondis, Michelle Pillow, Susan Powell, Suzanne Rafferty, Michelle Reid, Wendy Rogers, Willette Ross, Kara Salganik, Susan Shapiro, Elizabeth Somers, Kristin Strevig, Mia Stern, Monica Windley, Jennifer Yolken.●

DANNY BYRD

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. SKELTON. Mr. Speaker, I would like to bring to the attention of this body an outstanding young man from my district who recently appeared in the 1982 National Wrangler Starsearch contest. Danny Byrd, from Blue Springs, Mo., placed third in the National Wrangler Starsearch contest held on April 28, 1982, in Nashville, Tenn.

Danny's stage performance culminated a 5-month talent search for the three best acts in the country. This quest spread nationwide and involved more than 33,000 singers and musicians and 287 radio stations. Radio station KFKF of Kansas City was Danny's sponsoring station.

Of the 33,000 contestants, not one male singer placed ahead of Danny. His rendition of Marty Robbins' song "Lord You Gave Me a Mountain" has assured Danny's place as Wrangler's Best Male Singer in the country for 1982.

Following the reception of this prestigious award, Danny's future plans include cultivating recording contracts and national bookings. He is already scheduled to release the record "Pride" this summer.

I congratulate Danny Byrd for placing third in the Wrangler National Starsearch contest. He is truly a credit to the great State of Missouri and I have no doubt that we will hear more from this fine young vocalist in the near future.●

H.R. 6212

HON. EUGENE V. ATKINSON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. ATKINSON. Mr. Speaker, last Thursday, I introduced a bill which, together with quantitative import limitation legislation, will allow America's steel industry to revitalize. The American steel industry is the centerpiece of our industrial economy. We in the Federal Government cannot allow this most important part of our free economic system to be destroyed by the unfair trading habits of steel exporting nations abroad. While international trade is a vital and significant part of the U.S. economy, we must recognize that our No. 1 priority is the livelihood of our domestic industries and those who work in manufacturing plants across this country.

My hometown of Aliquippa, Pa., is the site of the Aliquippa works of the Jones & Laughlin Steel Co. My father, my two brothers, and I worked there making steel. Many of those who are now employed there are people with whom I grew up and now see on my hometown's sidewalks every time I return home.

For the week ending April 24 of this year, over 40 percent of a total of 8,100 steelworkers normally employed at the Aliquippa works were either laid off or on a short workweek. At Babcock & Wilcox's Tubular Products Division in Beaver Falls, Pa., which is one of the most advanced specialty steel plants in the world, there are now 748 unemployed steelworkers. Nationally, there were 122,000 steelworkers either laid-off or on a short workweek by the week ending May 1.

Colt Industries announced that it would shut down its crucible stainless steel plant in Medland, Pa., if a buyer could not be found by July 1. This possible steel plant closing follows what seems to be a growing trend in the industry.

In addition, the corporate earnings of companies in the industry have plunged to crisis depths. Of the top 8 steel companies in the United States, only 3 posted some kind of profit for the first quarter of 1982. The three include United States Steel, Jones & Laughlin Steel, and Armco. United States Steel's first quarter earnings were 71 percent below what their first quarter earnings were the previous year. Bethlehem Steel posted a first quarter loss of $111.6 million.

STEELMAKER'S EARNINGS

	Income (lost) from continuing operations (millions)		Shipments (million tons)		Capacity utilization rate (percent)		Sales (millions)	
	1st quarter 1982	1st quarter 1981	1st quarter 1982	1st quarter 1981	1st quarter 1982	1st quarter 1980	1st quarter 1982	1st quarter 1981
1. United States Steel	$240.5	$198.5	3.2	4.6	50.9	81.7	$5,000	3,399
2. Bethlehem	(111.6)	22.4	2.39	3.06	62.5	75.4	1,564	1,858
3. J&L	5.2	46.4	1.49	2.01	61.0	92.0	1,037	1,183
4. National	(84.9)	18.1	1.3	1.8	50.0	70.0	825	1,055
5. Republic	(89.3)	56.6	1.25	1.77	N/A	N/A	880	1,112
6. Armco	67.0	144.0	1.15	1.59	67.0	92.0	1,648	1,635
7. Inland	(49.5)	27.3	1.09	1.57	59.0	N/A	763	969
8. Wheeling-Pgh	(10.5)	5.2	.371	577	50.0	N/A	216	295

While these earnings figures are for the first quarter alone, there is little chance for profitability in the second quarter. A sign of a possible future trend is that McLouth Steel is in bankruptcy proceedings.

While an argument could be made that these problems—high unemployment, plant shutdowns, low earnings levels—are due in part to the current domestic economic situation, it is clear that the unjustifiable level of steel imports coming into the United States has only exacerbated the problems of our steel industry.

I have, therefore, offered two bills in a comprehensive attempt to help the steel industry recover from its longstanding problems. I believe that through the imposition of temporary quantitative import limitations and the revision of the trade injury adjudication process, an effective comprehensive solution would be in effect. These two bills are designed to provide relief from trade injury to the steel industry both in the short run and the long run.

My short-term solution is set out in H.R. 6212, the Steel Recovery Act of 1982. H.R. 6212 would impose quantitative import limitations on all product lines of steel, that is, both carbon and specialty steel, for a 5-year period. For each of the 5 years, not more than 10 percent of the previous year's domestic consumption would be permitted into the United States. H.R. 6212 also limits the quantity of steel imports by product line to insure that a substitution effect does not occur with imports being shifted from less profitable product lines to more profitable ones during the limitation period.

H.R. 6212

A BILL to impose quotas on the importation of steel

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Steel Recovery Act of 1982".

SEC. 2. DEFINITIONS.

As used in this Act—

(1) The term "steel" means any article provided for in subpart B of part 2 of Schedule 6 of the Tariff Schedules of the United States (19 U.S.C. 1202).

(2) The term "domestic consumption" means the quantity of steel that is produced in the United States or another country and that is sold in the United States during a calendar year.

(3) The term "product line" means, with respect to steel products entered, a product or group or range of products described in section 771(4)(D) of the Tariff Act of 1930 (19 U.S.C. 1677(4)(D)).

(4) The term "entered" means entered, or withdrawn from warehouse for consumption, within the customs territory of the United States.

(5) The term "quota year" means each calendar year after 1982.

(6) The term "Secretary" means the Secretary of Commerce.

SEC. 3. IMPOSITION OF QUANTITATIVE LIMITATIONS.

During each quota year the total quantity of each product line of steel that may be entered may not exceed an amount equal to 10 percent of the domestic consumption of that product line during the immediately preceding calendar year. The total quantity of each product line of steel that may be entered during each calendar month of a calendar year may not exceed an amount equal to one-twelfth of the total quantity of that product line that may be entered for that calendar year.

SEC. 4. DETERMINATION OF QUANTITATIVE LIMITATION.

Not later than 30 days after the date of the enactment of this Act, in the case of calendar year 1982, and not later than January 31 of each quota year thereafter, the Secretary shall calculate, on the basis of the best available evidence, the domestic consumption of each product line of steel during the immediately preceding calendar year, determine the total quantity of each product line of steel that may be entered under section 3 during that quota year, and immediately certify that determination to the Secretary of the Treasury.

SEC. 5. ADMINISTRATION.

(a) In General.—The Secretary of the Treasury shall take such actions as may be necessary to ensure that the quantity of steel that is entered during any quota year does not exceed the quantitative limitations determined under section 4 for that quota year.

(b) Allocation.—The Secretary shall allocate the total quantity of steel permitted entry during any quota year under this Act among supplying countries on the basis of the average of the total quantity of those articles imported by each such country into the United States during calendar years 1973 to 1974. The Secretary shall certify such allocations to the Secretary of the Treasury.

SEC. 6. TERMINATION DATE.

This Act shall cease to be effective at midnight on December 31, 1987.

A longer term solution to the steel import problem is a revision of the process by which trade injury complaints are handled. I have introduced H.R. 6299, which was first proposed by Senator Arlen Specter as S. 2167. H.R. 6299/S. 2167 is an attempt to speed the processing of trade injury complaints in a much more timely fashion in comparison to the current system. The Unfair Competition Act of 1916 would be amended to allow trade injury plaintiffs to go directly to any U.S. district court and file a trade injury complaint. Through this system, a preliminary determination of trade injury could be made by the court more expeditiously than the current process, which takes at least 6 months.

H.R. 6299

A BILL to amend the Unfair Competition Act of 1916 to provide for further relief in the event of unfair foreign competition

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Unfair Foreign Competition Act of 1982".

SEC. 2. Section 801 of the Act of September 8, 1916, entitled "An Act to raise revenue, and for other purposes" (15 U.S.C. 72) is amended to read as follows:

"(a) It shall be unlawful for any person to import, assist in importing, or sell within the United States, or cause another person to import, assist in importing, or sell within the United States, at a purchase price less than the foreign market value (or, in the absence of any such value, the constructed value) prevailing at the time, any article manufactured in a foreign country, if the reasonably foreseeable effect of such importation or sale of such article is—

"(1) material injury to an industry or labor in the United States; or

"(2) the prevention, in whole or in part, of the establishment, modernization, or expansion of an industry in the United States.

"(b) Any person who knowingly violates or combines or conspires with any other person to violate this section shall, upon conviction, be imprisoned for not more than one year, or fined not more than $1,000,000, or both.

"(c)(1) Any person who has been injured in his business or property by reason of any violation of or conspiracy to violate this section may sue in the district court of the United States for the district in which the defendant resides, transacts business, is found, or has an agent, without respect to the amount in controversy.

"(2) In any suit filed under paragraph (1), the court shall have jurisdiction to decide such suit and may issue a temporary or permanent injunction or a temporary restraining order prohibiting the importation or sale of any articles which will be imported or sold in violation of subsection (a) of this section or prohibiting the sale of any articles that have been imported in violation of such subsection.

"(3) Any plaintiff prevailing in a suit filed under paragraph (1) of this subsection shall, upon a finding of injury under subsection (a), recover threefold the damages sustained, any other equitable relief as may be appropriate, and the cost of the suit, including reasonable attorney fees.

"(d) The standard of proof in any action filed under subsection (c) is a preponderance of the evidence. Upon a prima facie showing that there has been a violation of subsection (a), or upon any preliminary or final determination by the United States International Trade Commission or administering authority which is affirmative under section 703, 705, 733, or 735 of the Tariff Act of 1930 (19 U.S.C. 1671b, 1671d, 1673b and 1673d) and which shall be considered a prima facie case for purposes of this section, the burden of rebutting the prima facie case thus made shall be upon the person charged with a violation of this section, and unless it is affirmatively shown that such articles have not been imported or sold at less than foreign market value, the court may issue an appropriate order, including any penalty or sanction authorized by subsection (c).

"(e) If, during the course of any proceeding under this section, the court determines that there is reason to believe that there is a violation of this section, the court may direct that the articles concerned be prohibited from entry into or sale in the United States, pending completion of the suit.

"(f) Whenever it appears to the court before which any proceeding under this section is pending that the ends of justice require that other parties should be brought before the court, the court may cause those other parties to be summoned before the court, whether or not they reside in the district in which the court is held, and subpenas so summoning those parties may be served and enforced in any judicial district of the United States.

"(g) If a defendant, in any proceeding brought under subsection (c) of this section in any court of the United States, fails to comply with any discovery order or other order or decree of such court, the court may enjoin the further importation into the United States, sale, or distribution in interstate commerce within the United States by such defendant of articles which are the same as, or similar to, those articles which are alleged in such proceeding to have been imported or sold in violation of the provisions of subsection (a) of this section, until such time as the defendant complies with such order or decree, or may take any other action authorized by law, including entering judgment for the plaintiff.

"(h) The confidential or privileged status accorded to any documents, comments, or information by law shall be preserved in any action under this section. Notwithstanding the preceding sentence, the court may examine, in camera, the confidential or privileged material, may accept depositions, documents, or affidavits under seal, and may disclose such material under such terms and conditions as it may order.

"(i) Any suit filed under subsection (c) shall be advanced on the docket and expedited in every way possible.

"(j) For purposes of this section, the terms 'foreign market value' and 'constructed value' have the meanings given those terms in section 773 of the Tariff Act of 1930 (19 U.S.C. 1677b). To the extent that any governmental or other subsidy provided to a manufacturer or producer is not included in the foreign market value or constructed value, then the amount of such subsidy shall be added on to the foreign market value or constructed value.

"(k) Any foreign manufacturer or exporter who sells the products of that manufacturer or exporter in the United States or who designates another party to sell those products in the United States shall be considered to have designated the Commissioner of Customs to be the lawful attorney of that manufacturer or exporter, upon whom may be served all lawful process in any action or proceeding under this section relating to that foreign manufacturer or exporter.

"(l) Any action under subsection (c) shall be barred unless commenced within four years after the cause of action accrues.".

SEC. 3. It is the sense of the Congress that the provisions of this Act are consistent with and in accordance with the General Agreement on Tariffs and Trade (GATT).

The effects of this current low-point in steelmaking are not limited to the steel industry itself. There are also suppliers to the steel industry. An estimated three supplier jobs follow each steelworker to a layoff status.

The various unemployment related services of local and State governments, as well as the Federal Government will just not be able to handle the unemployment impact of the current steel crisis. Four States—Pennsylvania, Ohio, Illinois, and Michigan—have had to borrow in excess of $1 billion from the United States to cover their increasingly unmanageable unemployment compensation funds.

It is clear that we are headed toward this unmerciful situation, as Members who have steel plants in their districts can attest. The real tragedy of this situation is that the steelworkers who have been forced out of their jobs do not want checks from their Government—they want their jobs.

While there continues to be a highly competitive adversarial relationship between management and labor in many industries, the condition of the labor-management relationship in the steel industry is changing. While a new partnership has just been developed in the U.S. domestic automobile industry, labor-management teams have been in existence for several years in the steel industry, with mutual respect and cooperation prevalent on both sides. The main purpose of these teams has been to work together in a bootstrap operation to try to solve a steel company's problems. Perhaps the epitome of this new partnership is exemplified by the Job Action Committee of the Tri-State Area. This committee is in actuality a tripartite commission of labor, management, and government leaders who are trying to find a joint solution to the impending crisis at the Crucible plant in Midland.

However, this new partnership has restrictions on what can realistically be achieved. It is therefore incumbent upon the Federal Government to assist in the recovery of the American steel industry. Congress must awaken and recognize the plight of the steel industry and the workers it employs, and take effective action.

There are those who argue the merits and benefits of a free and open international trading system. I have heard the words "free trade" in these halls and other halls across this land. Yet I do not know where this thing called "free trade" exists. It is America which will be the big loser in this game. It is a game this Nation cannot afford to lose in regards to our national security and the security of our allies and friends around the world.

It has been said that America is currently in a search for its identity. I suggest that America rediscover the virtues that have been the creed of this Nation since its foundation. I speak of hope, fairness, and opportunity. We, the Members of the U.S. House of Representatives, must never lose sight of these values.

I hope my colleagues will support these efforts to help alleviate the problems of the steel industry. The point of no return as to the viability of an American steel industry is swiftly approaching. We must therefore act with all due deliberate speed.●

LET THE VIETNAM VETERANS IN ARLINGTON CEMETERY

HON. ROBERT W. KASTENMEIER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. KASTENMEIER. Mr. Speaker, few would deny that the Vietnam war is a black mark on our history. For a variety of reasons most Americans view this war as the most unpopular war in which this country ever engaged.

But, the fact remains that we were involved in that war as a matter of officially declared Government policy. The men who fought and died in that war fought for what their country told them was an honorable and necessary cause. In that regard, they are no different from those who fought and died in any of the other wars in our history.

Yet, tragically, our Government continues to treat Vietnam veterans and their fallen comrades as pariahs in so many ways. The Government has transferred the black mark of the war to those who fought that war as, in fact, did the American people for so long, seemingly trying to forget the tragedy of our involvement in Vietnam by also forgetting those who fought there.

Since 1971 the Vietnam Veterans Against the War have been trying to obtain a permit to hold a memorial observance in Arlington Cemetery for their dead comrades. Each year the Army says no, arguing that such a ceremony would be closely tied to partisan activities outside the cemetery. They have applied again this year for such a permit and their application is currently pending with the Department of the Army.

Mr. Speaker, Vietnam veterans have suffered enough. They have been ostracized, ignored, scorned, and denied the treatment afforded veterans who preceded them in other wars, simply because our country and our Government continues to try to forget an enormous mistake. To deny them the right to pay tribute to those who fought in that war but did not make it home is cruel and unconscionable.

Newsday editorialized on this matter in a compassionate and reasoned fashion on Monday, May 10, and I would like to share this editorial with my colleagues, hoping that it will raise their consciousness and finally end the discrimination that is so pervasive when it comes to our Vietnam veterans.

[From Newsday, May 10, 1982]

AN OCCASION FOR RECONCILIATION IN ARLINGTON

From the time both Union and Confederate soldiers were first buried there, Arlington National Cemetery has been a final resting place for the honored dead of all this country's wars. Each year its hallowed ground is the scene of hundreds of solemn wreath-laying ceremonies and memorial services by veterans' groups, schoolchildren, scout troops and other organizations and individuals.

Each year since 1971, however, the Army has said no to request by Vietnam Veterans Against the War for a permit to hold an observance of this kind. Officials have drawn up regulations denying permits to organizations if their services would be "closely related, both in time and location, to partisan activities" outside the cemetery.

Perhaps the Army's misgivings are understandable. Some veterans' groups wear dress uniforms to Arlington and place red, white and blue wreaths. This one prefers the jungle fatigues its members fought in, and it wants a red and yellow wreath and orange armbands, to symbolize the effects of Agent Orange.

Vietnam Veterans Against the War and more than a dozen other veterans' organizations have applied for a permit to conduct a ceremony in the cemetery this Saturday. Although they'll be lobbying in Washington earlier in the week, that shouldn't disqualify them from honoring their dead comrades with full regard for decorum and the dignity of their surroundings, and bearing in mind that any breach of the trust their permit implies would deeply offend other mourners.

Cemeteries are meant to be peaceful places. Arlington is on a gentle Virginia slope separated by the wide Potomac River from Washington's political hurly-burly. Cemeteries are also places where people try to reconcile themselves to sorrows that cannot be erased. Those who wore this country's uniform in Vietnam should not be denied this opportunity for reconciliation.●

ISRAEL MAKES SACRIFICES FOR PEACE

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. SOLARZ. Mr. Speaker, I rise to call to my colleagues' attention a historic occasion in the quest for peace in the Middle East. I refer, of course, to Israel's peaceful withdrawal from the Sinai Peninsula on April 25 in accordance with the terms of the 1979 peace treaty between Israel and Egypt.

In withdrawing from the Sinai, Israel has once again demonstrated its unequivocal and unswerving commitment to the Camp David peace process. I cannot think of any other country that has voluntarily sacrificed so much in its search for peace.

From a military standpoint, Israel has made a number of significant concessions. It has relinquished more than 100 military installations in the Sinai, including two ultrasophisticated airbases at Eitam and Etzion, and a vital naval base at Sharm el-Sheikh. It has also dismantled its electronic early warning stations on several Sinai mountaintops, which had provided invaluable intelligence data. Furthermore, the withdrawal from the broad expanses of the Sinai will make it much more difficult for Israel to train its air force and armored corps, which must now operate within the considerably smaller confines of the Negev. And, if the peace treaty with Egypt should break down at any future point, Israel will surely miss the strategic depth that the 23,000 square miles of Sinai had previously afforded it.

From an economic standpoint, Israel's sacrifices are just as great. The cost of redeploying its forces from the Sinai to the Negev has already exceeded $5 billion. Although the United States has provided Israel with $3.2 billion to assist in this enormous redeployment effort, only $800 million of this assistance was in grant form. Israel will have to pay interest on the remaining $2.4 billion in loans, thereby even further increasing the cost of the redeployment.

The greatest economic sacrifice that Israel has made for peace is the return of the Abu Rodeis and Alma oilfields. Israel spent more than $5 billion developing these fields, and the Alma oilfield alone was producing 40,000 barrels per day at the time that Israel returned it to Egypt. Israel estimates that the combined production of the two oilfields would have provided it with 75 percent of its oil needs in 1981. Put in concrete terms, this means that Israel would have saved 75 percent of its estimated $1.9 billion oil bill in 1981—some $1.45 billion—if it had held onto the oilfields.

From an ideological standpoint, Israel has also made a momentous sacrifice. For the first time in the history of the Zionist movement, Israel has voluntarily abandoned some of its settlements. Israel had built from scratch 14 agricultural villages in the Sinai that had literally made the desert bloom. And it had also constructed two brand new towns—Yamit and Ophira—that had provided homes and livelihoods for thousands of Israelis. Years of labor and sweat had gone into the construction of these settlements, and their evacuation was a wrenching national trauma.

In the history of the nation-state, there have been few, if any, countries that have ever voluntarily made such sacrifices for peace. Has the Soviet Union, for example, relinquished control over the Baltic Republic it occupied during World War II? Or, to cite a more recent case, has Vietnam withdrawn its forces from Cambodia?

We must ask ourselves why Israel was willing to make all of these concessions. The answer, of course, is that Israel was willing to pay a very high price for peace. In the Camp David peace process, Israel saw the realization of its fervent dream for a new era—a peaceful era—in Arab-Israel relations.

By withdrawing from the Sinai and fulfilling its obligation under the peace treaty, Israel has conclusively demonstrated to its Arab neighbors that they can achieve far more in the context of a policy of conciliation than by a policy of confrontation. The late Anwar Sadat was the first Arab leader to recognize this fact, which prompted his historic visit to Jerusalem in November 1977, and earned him a lasting place in history as a visionary statesman and a courageous peacemaker.

It remains to be seen whether or not another Arab leader—another Sadat—will accept the olive branch offered by Israel and come to the negotiating table. In the meantime, the immediate task before us must be the successful completion of the autonomy negotiations. The long-term viability of the peace agreement between Egypt and Israel may very well depend upon continued progress in these negotiations. They will not be easy. The issues are complicated and complex. We should recognize, however, that a number of contentious issues have already been resolved. In fact Sol Linowitz, who served as the special representative of President Carter to the negotiations, estimates that there is already agreement on 80 percent of the outstanding issues.

But important differences still remain to be worked out, and it is vitally important that our own country play an active role in the negotiations that lie ahead. I hope that the Reagan administration will build upon the successes that have already been achieved through the Camp David process and undertake a major effort to bring the autonomy negotiations to a successful conclusion. This is the best and surest path to achieving the kind of durable peace that we all so desperately desire.●

CALIFORNIA ACTS ON "COP KILLER BULLETS": TIME FOR U.S. CONGRESS TO ACT

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. STARK. Mr. Speaker, the California Assembly has just passed, by 61 to 3, a bill outlawing the manufacture, sale, or possession of armor-piercing bullets in California.

As one State assemblyman noted, "Why do you need an armor-piercing bullet to kill an animal or a bird?"

The California legislation is a step in the right direction, but to be effective we need national legislation. It is my hope that the House will soon be able to act on our colleague from New York's (Mr. BIAGGI) legislation, H.R. 5437, which address the problem of these unnecessarily destructive bullets at the national level.

Following is an article describing the action of the California Assembly:

BILL WOULD OUTLAW "POLICE KILLERS"

(By Jennifer Kerr)

SACRAMENTO—The state Assembly passed a bill Monday to outlaw manufacture, sale or possession of armor-piercing bullets, which supporters of the bill called "police killers."

Opponents of the bill, including the National Rifle Association, contend some "legitimate hunters" use the bullets for target practice and hunting.

But Assemblywoman Maxine Waters, D-Los Angeles, said a vote against the bill would be "an anti-police vote."

"Who would want to have this kind of bullet on the streets?" she asked. The vote was 61-3 for AB 2392 by Assemblyman Tom Bane, D-Van Nuys. It goes to the Senate, which has before it a similar bill, SB 1320 by Sen. Ed Davis, R-Chatsworth.

Bane's bill would make it a felony to manufacture, sell or possess for sale any handgun ammunition designed primarily to penetrate metal or armor. Possession of such ammunition in a public place would be a misdemeanor.

The bullets have been manufactured for many years, but recent news stories brought them to lawmakers' attention.

Bane held up one of the orange-tipped, Teflon-coated bullets during the Assembly debate, remarking that "it's kind of a pretty thing" that would make a lovely necklace.

But he said it could go through eight bullet-proof vests, could puncture an engine and could sail through walls.

"It's supposed to be manufactured for police to use but police don't want it. It's dubbed a police-killer bullet because that's the only value it has," Bane said.

He read a letter from the Los Angeles County sheriff's department saying that four people had been recently arrested with concealed guns loaded with the bullets.

Assemblyman Art Tores, D-Los Angeles, said a 9-year-old Los Angeles boy was hit by one of the bullets, fired during a fight in the street outside, while he sat in his dining room two weeks ago.

"Why do you need an armor-piercing bullet to kill an animal or bird?" asked Assemblyman John Thurman, D-Modesto. "That's ridiculous."●

URBAN MASS TRANSIT—IT'S NOT JUST NEW YORK'S PROBLEM

HON. THOMAS A. DASCHLE

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. DASCHLE. Mr. Speaker, the State I represent, South Dakota, is primarily a rural State. As such, one would not think that there would be much interest in my State about the proposed administration gutting of funding for the Urban Mass Transportation Act. The popular perception is that this program serves only the very large cities like New York, Los Angeles, and Chicago. To correct that mistaken assumption, I would like to call my colleagues' attention to three separate communications I have recently received. The first is a letter from the general manager of Sioux Falls transit, John R. Andrews. In this letter to William Blue, general manager of the Flint, Mich., Mass Transit Authority, Mr. Andrews spells out in very precise detail what these proposed cuts would do to bus service in Sioux Falls, S. Dak. I also enclose for your consideration excerpts from responses of transportation officials in small cities across the country, indicating that the reduction of operating assistance may well shut down entirely mass transit systems all over the country. And, finally, I would submit 10 recommendations, or legislative principles, adopted by the American Public Transportation Association. I find these principles to have considerable merit, and look forward to implementing them in legislation.

SIOUX FALLS TRANSIT,
Sioux Falls, S. Dak., April 6, 1982.

WILLIAM R. BLUE,
General Manager,
Mass Transit Authority,
Flint, Mich.

DEAR BILL: Thank you for your letter of March 31, 1982, which I hope, as in our case, will get all of us "off our butts" and demonstrate to Congress just how drastically the total loss of federal operating assistance will affect transit systems large and small, throughout the United States.

In the case of Sioux Falls, South Dakota, we shall initially be affected in fiscal year 1983, projecting a shortfall of $70,000. To counteract this loss of funds, we anticipate a need to increase our revenue from the farebox by 50 to 75 percent, nearly double our current fare of 50¢, just to maintain the same level of service provided in fiscal year 1982. Since attaining this goal would require fare increases that we feel would adversely affect ridership, we shall be forced to enact service cut backs as well as fare increases, further fueling the downward spiral in ridership.

By fiscal year 1985, with the total loss of federal operating assistance, the Sioux Falls Transit base fare will have to be at a minimum of $1.50 to maintain 50 percent of required subsidy. The city would also have to consider again reducing the amount of service available to the public or drastically increase local taxes.

Given this spiral of increased fares and reduced service, by 1990 the City of Sioux Falls, South Dakota, may well find itself with a transit system that doesn't go anywhere, for a base fare of $2.50. Thus, effectively eliminating mass transit in the City of Sioux Falls.

Again Bill, let me thank you for your hard work and dedication on behalf of the small operators.

Sincerely,

JOHN R. ANDREWS,
General Manager.

THE IMPACT OF ELIMINATION OF SECTION 5 AND SECTION 18 OPERATING ASSISTANCE: SELECTED COMMENTS FROM MEDIUM AND SMALLER COMMUNITIES

The following comments were excerpted from letters received by APTA in response to a survey of transit properties conducted in April 1982.

Sioux Falls, S. Dak.: "Given this spiral of increased fares and reduced service, by 1990 the City of Sioux Falls, South Dakota, may well find itself with a transit system that doesn't go anywhere, for a base fare of $2.50. Thus, effectively eliminating mass transit in the City of Sioux Falls."

Columbus, Ohio (Ohio DOT): "Currently we have 17 systems receiving Section 5 operating assistance and 19 Section 18 properties in Ohio. In our opinion, nine of the Section 5 systems (53 percent) and 11 of the Section 18 systems (61 percent) could not survive the cutoff of Federal operating funds."

Battle, Creek, Mich.: "In fact, the Battle Creek Transit System may cut out all operations as early as July, 1983. If we are not successful in increasing or even maintaining sufficient operating funding, we will cease operations."

Saginaw, Mich.: "It is inevitable that the total loss of operating assistance could mean the end of mass transit in Saginaw."

Waco, Tex.: "My opinion is, that when federal operating assistance is withdrawn in 1985, our system if retained, will be so reduced in scope that efficiency would be questionable. If so, a system shutdown is expected."

Erie, Pa.: "The City and County are both in financial difficulties and we doubt very much if they will meet our 1982 funding. They have practically told us that they will not raise our funding and if this happens Erie will be out of business in fiscal 1984."

West Palm Beach, Fla.: "We are now faced with the immediate realization that public transit in Palm Beach County could disappear from our streets by 1985 and more probably by 1984."

Topeka, Kans.: "I know that within a very short period of time, we would start to decrease our service, which would lead ultimately to the death of a transit system that has been in the Topeka area for well over 100 years."

Bellingham, Wash.: "The initial phase would reduce service output by 33 percent. The second phase would further reduce us another twenty-five percent which would place us back to the 1960's in terms of both service and ridership.

"The possibility of total closure, while not anticipated at this point, would become a hard consideration during phase two since with decreased ridership comes decreased public support and this is especially critical with all the smaller systems such as ours."

Ypsilanti, Mich.: "The total loss of Federal operation assistance would result in the following: Ridership must increase by 120 percent from 3 million to 6.6 million annual riders at current fare levels. Base fares must increase by 75 percent from 60 cents to $1.05 with no decrease in ridership. Service hours must be reduced by 23 percent or the equivalent of all evening, Sunday and elderly and handicapped dial-a-ride service."

Lexington, Ky.: "As to what the total loss of federal operating assistance will do, you have to only imagine the loss of one-third of your operating budget and the net results."

Brockton, Mass.: "The grim statistics are as follows: In fiscal 1983, a 20 percent service reduction resulting in a ridership loss of equal magnitude. By fiscal 1985, a 50 percent service reduction and a 60 percent fare increase resulting in a ridership loss of 50 percent or greater."

Decatur, Ill.: ". . . if the current plans for a phase-out of operating assistance do become a reality, Decatur will exhaust all federal operating monies by March 1, 1984. At that time, the local tax levy would have to be increased 6 times (from $125,000 to $750,000) to make up for the loss of federal funds."

Johnstown, Pa.: "Should President Reagan succeed in his program to eliminate operating funds by 1985, the effect on mass transit in Cambria County will be catastrophic. It will mean reducing service to the point where the Authority would no longer be serving the community. Particularly hard hit would be the 600,000 senior citizens we transport each year; the 2,000 wheelchair passengers, and 25,000 handicapped half-fare passengers."

Bethel, Vt.: "The effect of the Reagan Administration's proposed gutting of the S. 18 Program can be visualized as simply as cutting out 40 pounds from a 120 pound man. The only prospect can be terminal."

McMinnville, Oreg.: ". . . the impact to our program is that it will discontinue entirely, due to the fact there is no other source of funds to run our Public Transportation Program.

". . . if Section 18 monies for operating assistance is abolished, then so is our transportation program."

Boone, N.C.: "In short, a reduction on the magnitude 40 percent or, the elimination of the UMTA Section 18 Program, would most assuredly signal the end for rural public transportation here in Watauga County."

Petersburg, W. Va.: "The proposed elimination of the Section 18 program in fiscal year 1983 would have a devastating effect on the Potomac Valley Transit Authority. Without these funds the Transit Authority would cease to exist."

Sumter, S.C.: "Section 18 assistance is the glue that holds this project together. Without federal assistance, we would no longer be in operation."

Olathe, Kans.: "Loss of Section 18 funds would necessitate a fare of $3.10.

"Realistically, I think the loss of Section 18 would mean the termination of service."

Monroe, Mich.: "The total loss of federal operating assistance for Lake Erie Transit by Oct. 1, 1982 (Section 18) probably means one simple thing. We'll be out of business by 1984 unless the State increases its contribution to transit by 50 percent."

Mankato, Minn.: "Federal funding is essential to maintain even necessary levels of service in Mankato.

"Federal transit funding is one of the few federal programs that benefits both poor and rich, young and old, and wage earners as well as students.

"I only hope that some Congressmen in Washington, D.C. are able to understand how really large an impact elimination of transit funding will have on many of their constituents."

LEGISLATIVE PRINCIPLES

AMERICAN PUBLIC TRANSIT ASSOCIATION

1. Federal transit assistance should be provided through a block grant mechanism which allows the local recipient to exercise maximum discretion in the use of funds;

2. Federal assistance for transit should be targeted for capital and maintenance purposes primarily;

3. Operating assistance in some form must remain a component of the federal transit program;

4. A discretionary program of capital funding should be available for major rail rehabilitation and construction projects, and extraordinary bus needs;

5. In recognition of differing needs, separate bus and rail programs should be established for capital and operating purposes within a single authorization;

6. Communities over 200,000 should receive their formula funds on the basis of service and population factors, beginning no later than Fiscal Year 1983;

7. Urban areas under 200,000 population should continue to receive formula funds on the basis of population and population density;

8. The Section 18 program must be preserved with funds available for operating or capital purposes, at local discretion;

9. New legislation must preserve the existing designated recipient structure;

10. To the extent that a cap is necessary on the proportion of a recipient's formula allocation which can be used for operating and operating-related purposes, it should be set at a reasonable level.●

CONGRESSIONAL SALUTE TO HON. SANDY R. GALACIO, ESTEEMED CHIEF OF POLICE OF POMPTON LAKES, N.J., OUTSTANDING CITIZEN AND GREAT AMERICAN

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. ROE. Mr. Speaker, on Friday, May 14, the residents of Pompton Lakes, my congressional district and State of New Jersey will gather in testimony to the outstanding public service rendered to our community, State, and Nation by one of our most distinguished public safety officers, the Honorable Sandy R. Galacio, chief of the Pompton Lakes Police Department, good friend, leading citizen, and great American.

As Chief Galacio retires from his law enforcement career, I know that you and our colleagues here in the Congress will want to join with me in deep appreciation of all of his good works and share great pride in the success of his achievements with his family.

Mr. Speaker, Chief Galacio has indeed earned the highest respect and esteem of all of us for the quality of his leadership and highest standards of excellence in seeking to achieve optimum public safety for all of our people. He was appointed to the Pompton Lakes Police Department on March 17, 1952. He served in all official ranks of the Pompton Lakes Police Department—promoted to sergeant in October 1955, lieutenant in 1964, captain in 1969—and on August 1, 1971, attained his present high office of public trust as chief of the department.

Sandy Galacio was born in Little Falls, N.J. on August 16, 1922, and later moved to the Totowa section of the city of Paterson where he attended Public School No. 2 and Paterson Central High School where he played football, was on the swimming team and played golf, which he has enjoyed since high school.

He served our people and our country with distinction. On December 11, 1942, shortly after graduation from high school, he entered the U.S. Navy, and served in the Navy Air Corps as an aviation specialist during World War II. He received his honorable discharge in March 1946 as a first-class petty officer.

Sandy then joined the textile industry where he worked as a journeyman screen printer until he became interested in a law enforcement career. At 29 he placed first in the civil service test and was appointed to the police force in Pompton Lakes. On May 5, 1953 he graduated from the sixth municipal class of police officers, the first municipal class to be held at Sea Girt, N.J., with a grade average of 91.2. He has always been proud of his attendance at this highly prestigious police training center and as training officer over the years has insisted that all of the Pompton Lakes police officers attend the State police training center for municipal police officers, which he contends gives all of the men an equal basis to grow on. All of the Pompton Lakes officers have completed this course. He is also proud of the fact that his son, who is now a sergeant with the Wayne, N.J. Police Department, graduated the 100th municipal class at Sea Girt and attended the celebration of this occasion, his son's class graduation exercises.

Throughout his lifetime Chief Galacio has forged ahead with dedication, devotion, and sincerity of purpose in combating crime and protecting the life of our people. We applaud his knowledge, training, hard work, and personal commitment that has enabled him to achieve the fullest confidence and strongest support of the people of our community. He has always applied the most sophisticated and advanced techniques of his profession.

He served as a detective for 7 years, the last 3 of which were as captain of the detective bureau. Because of the growing narcotics problem, he sought and received extensive training in this area and has become one of the most sought after lecturers in narcotics enforcement and its related problems.

Since becoming chief of police, he has been actively involved in the affairs of the Police Chiefs Association. He is a member of the executive board of the New Jersey State Chiefs of Police Association. He has represented the New Jersey State Chiefs as a police consultant at the league of municipalities convention for 2 years. At the league convention in 1974, he was one of the guest speakers at the seminar on law enforcement attended by some 500 municipal public officials.

Over the years Chief Galacio has attended many police academies specializing in many disciplines including police administration, crime investigation, narcotics, public speaking, interrogation, juvenile offenders, homicide investigation, finger printing, etc. Many of these were at Sea Girt where he completed the resident seminar, operation combine for civil disturbances. He attended Rutgers the State university for police administration and juvenile problems.

He is treasurer of the North Jersey Police Radio, a police communications network in North Jersey and the headquarters for the North Jersey Police Radio is in Pompton Lakes Police Headquarters. Through Chief Galacio's efforts, they obtained a $62,000 SLEPA grant with which they completed renovations upgrading the communications center in Pompton Lakes. This is one of two grants obtained under Chief Galacio, the other is a $5,400 grant for the purchase of two new radar units for use by his department under the highway safety department.

His department, under his leadership, is versatile, having an underwater rescue unit which recently was commended for their efforts in saving the lives of three men when their boat was capsized at the Pompton Dam.

Chief Galacio was also cited for bravery in 1964 by the Passaic County VFW for rescuing two men who were buried in a trench as a result of a cave-in.

Sandy Galacio has been a staunch supporter and active participant in many civic and community improvement programs and we applaud the quality of his leadership endeavors for three decades in the vanguard of our public safety officers.

Mr. Speaker, it is indeed appropriate that we reflect on the deeds and achievements of our people who have contributed to the quality of our way of life here in America and I am pleased to call your attention to his lifetime of outstanding public service. As Chief Galacio retires his official leadership badge of courage and valor as the esteemed chief of police of Pompton Lakes, N.J., I respectively seek this national recognition of his contribution to our country in placing others above self in providing safety on the streets, security in the home, and optimum public safety for all of our people. We do indeed salute Chief Sandy R. Galacio of Pompton Lakes, N.J. for his contribution to the quality of life for the people of our community, State, and Nation.●

IN TRIBUTE TO OUR NATION'S SMALL BUSINESSES

HON. BERNARD J. DWYER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. DWYER. Mr. Speaker, it is an honor to participate in today's special order paying a well-deserved tribute to our country's small businesses. I want to thank our esteemed Small Business Committee chairman, Parren Mitchell, for calling this special order.

As Americans, we have witnessed—time and time again—the productive genius of our small business community. We are all well aware of the profound contributions this sector has made to our Nation's economic vitality and overall quality of life. The achievements made by our small business men and women in such areas as trade, technological advancement, and American investment—both capital and human—cannot be overstated.

Small businesses are already the source of our economy's most innovative and productive ideas and most of the new jobs. Their role in our increasingly technology-based economy is now, and will continue to be, a pivotal one.

If we are to be truly competitive in the world marketplace, we must strike a meaningful partnership between Government and business that recognizes this role and affords small business the real growth opportunities it needs to do what it does best: Innovate, produce, employ, and prosper.

The call for renewed American competitiveness and pride in the workplace is clear. Our small business community stands ready, willing, and able to answer that call, and we must continue to work together toward more effective economic programs that will allow it to do so.●

SEVENTH OHIO DISTRICT CONGRESSIONAL YOUTH ADVISORY COUNCIL REPORTS ITS FINDINGS FOR 1981-82

HON. CLARENCE J. BROWN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. BROWN of Ohio. Mr. Speaker, recently the Seventh Ohio District Congressional Youth Advisory Council, which I sponsor, completed its work for the 1981-82 school year and reported to me at its winter meeting. I want to take this opportunity to share with my colleagues the conclusion of these high school students.

The council is now in its 11th year, and consists annually of students selected by the high schools from throughout the Seventh Congressional District to participate. In the fall of each year, the students meet for a 1-day session at Urbana College to organize into four committees and to select legislative topics for study. The students then meet a second time to do additional research, to debate the topics and to draw up final reports on their conclusions which are presented to me during this second meeting.

I also want to take this opportunity to thank not only the students who worked on the committees, but also the faculty advisers from the various high schools who contributed time and effort to the projects, without whom the program would not reach anywhere near the potential that it does in allowing the students to deal, in a very real way, with the legislation under consideration.

For the past 2 years, I have also conducted opinion surveys of the students' attitudes regarding current issues of public concern. Identical questionnaires were filled out by the students during the first meeting and then the second meeting of the advisory council to determine changes in their attitudes as a result of the information provided and insight gathered as they studied the issues.

Following are reprinted the results of those two surveys:

CYAC MEETINGS—SURVEYS NO. 1 and NO. 2 RESULTS

[In percent]

	Yes	No	Undecided
1. Do you believe that the Carter budget should be cut?			
Oct. 29	77	17	6
Dec 16	87	6	7
2. Do you think that the Federal budget should be balanced?			
Oct. 29	98	1	1
Dec 16	94	1	5
3 Do you think that the Soviet Union poses a significant and increasing military threat to the United States?			
Oct. 29	89	10	1
Dec. 16	85	12	3
4 Should U.S. investment in strategic weapons be increased?			
Oct. 29	71	20	9
Dec 16	67	24	9
5. Should U.S. investment in conventional weapons be increased?			
Oct. 29	54	33	12
Dec. 16	90	9	1
6 Should U.S. military pay be increased?			
Oct 29	87	10	2
Dec. 16	94	1	5
7. Should access to entitlement programs (aid to individuals) be cut?			
Oct 29	83	7	7
Dec 16	52	33	15
8 Should categorical programs be changed to block grants?			
Oct 29	51	25	23
Dec 16	62	19	19
9. Should overall Federal spending as a percent of GNP be cut?			
Oct. 29	80	8	11
Dec 16	79	15	6
10. Should military spending as a percent of GNP be increased?			
Oct. 29	68	18	13
Dec. 16	75	18	7

For this year, the two topics selected were: Champaign-Logan Counties and Greene County-Mad River Township—defense spending; Clark County and Marion-Union Counties—social spending.

Those students who worked on the reports and assisted in the presentations were:

From Champaign-Logan Counties—Mike Lee and Boris Terebuh of Bellefontaine High School; Shelli Schneider, Tom Rau and Bob Carpenter of Benjamin Logan High School; Richard Halterman, John McDaniel and Kevin Fitch of Graham High School; Jeff Snapp, Alice Meler and Jane Shawver of Indian Lake High School; Paul Black and Beth Yates of Mechanicsburg High School; Wesley Heath, Luann Comer, Christ Newland and Mandy Goings of Riverside High School; Lori Puckett, Susan Lininger, Kevin Kitchen, Jerry Fields, Jon Detwiler, Butch Willis, Alicia Pheips, and Tammy Ketchell of Triad High School; Mark Neiswander and Elizabeth Cameron of Urbana High School; Randy Kauffmen, Andy Smith, Dawn Murray and Sandy Bragg of West Liberty-Salem High School; Dave Patrick, Susan Evans, Wendy Craner, Graeme Garscaden, Mike Hoffman and Edie Lockwood of Ohio Hi-Point JVS.

From Greene County-Mad River Township—Don McGurk, Randy Welton and Beth Freckman of Beavercreek High School; John Adkins, Natalie Sayer and Paul Avona of Bellbrook High School; Kelli Snyder and Carol Cook of Carroll High School; Jim Breckenridge, Mark Bennington and Lee Gillispie of Cedarville High School; Joe Kinlin and Falecia Files of Fairborn Baker High School; Andy Ostrognai and Emilio Knox of Fairborn Park Hills High School; Mike Casterline and John Volz of Stebbins High School; Dana Bone and Winston Apgar of Xenia High School; Carolyn Marie Walsh, Linda Thomas, Martha Hatcher, Jeff Annis and Richard Assaf of Yellow Springs High School; Lisa Lowery, Matt Toohey and Kristi Marshall of Greene Vocational School.

From Clark County—Elaine Williams, Roger Kramer and Mary Beth Carl of Catholic Central High School; Greg Barnhart, Holy Ross, and Ana Lukehart of Kenton Ridge High School; Carolyn Farley of North High School; Cheryl McGraw, Robin Biester, Carrie Briley and Janice Hoy of Northeastern High School; John Rutan, Wendy Detrick and Mark Myers of Shawnee High School; Amy Levens, Mark Robbins and Eric Skeens of Southeastern High School; Mark Benner, Lori Hedberg, Steve Hunley, Carla Purvis, Jerry Geer and Tony Cooper of Tecumseh High School; Brian Short, Shelley Grube, Lyn McDonald and Dave Smith of Springfield-Clark JVS.

From Marion-Union Counties—Gina Blumenschein, Rich Gansheimer and Brad Trees of Fairbanks High School; David Hartline, Tina Thome and Peggy Gibb of Marion Catholic High School; Terry Kale, Kevin Buyer and Jamie Gilliland of North Union High School; Todd Ballinger, Tim Wright, Shelley Coffman and Lynn Dennison of Pleasant High School; Wendell Smith and Sarah Ebert of River Valley High School; Tammy Adams and Sharon Pfeifer of Tri-Rivers Joint Vocational School.

Those faculty advisers who participated in the program and assisted in the presentations were:

Mrs. Dolly Kline of Springfield North High School; Diane Bartlett of Tecumseh High School; Steven C. Lowe of Fairbanks High School; Mike Lowary or North Union High School; Carmen G. Knox of Fairborn Park Hills High School; Mrs. Eva Fletcher of Greene Vocational School; Donald L. Bumgarner of Pleasant High School; Steven C. Jackson of Indian Lake High School; Wanda Nicol of Springfield-Clark JVS; Dave Sisson of Beavercreek High School; Max A. Forsythe of Ohio Hi-Point JVS; Dorothy Blake of Fairborn Park Hills High School; Dan Montgomery of River Valley High School; and Dick Smith of Triad High School.

Following is the report of the committee from Champaign-Logan Counties:

1981-82 CYAC SUMMARY OF REPORT OF CHAMPAIGN-LOGAN COMMITTEE ON DEFENSE SPENDING

(Report submitted by Kevin Fitch, Chairman)

The Champaign-Logan Committee considered the manpower shortage in all of the Armed Forces as the most pressing defense issue.

The most commonly proposed solution to this shortage was an increase in pay, especially for technically skilled people. Incentives like increasing educational benefits for men who stay in the service were also proposed. In light of the Soviet's 2 to 1 superiority in manpower to the United States, the manpower shortage requires swift action by Congress.

An increase in the numbers and quality of conventional forces should play a major role in any plan for defense spending. Programs like the M-1 tank received wide support because of its superiority to any Soviet tank in production. The plan to increase the Navy from 450 to 600 ships also received support because of the key role the Navy would play in any overseas operations. A strong naval presence is very important in areas like the Persian Gulf and the Mediterranean Sea.

In the area of strategic forces, the committee recommended funding for some programs and not for others. The B-1 bomber was favored because of the need to replace the aging B-52 fleet. Funding for more advanced bomber research was also recommended. The Trident submarine program received support, but its extreme price is a deterrent to building large numbers of the sub. Funding for more cruise missiles should continue because of its versatility in delivery systems and accuracy. Any funding for construction of multiple protective structures for the MX missile was rejected because of its cost, and the Soviets could build more missiles as easily as the United States could build more shelters. This would defeat the purpose of the multiple protective structures. However, maintaining the current strength of missiles was recommended by replacing aging Titan and Minuteman missiles by introducing MX missiles in their silos.

The Rapid Deployment Force (RDF) was not recommended to receive more funding because the merger of the different units that make up the RDF has created another branch of the Armed Services which is too costly to maintain and administrate. The committee believed the Marines should be given the RDF's duties, and the money that would be saved could be used for other purposes.

Summary of Report of Greene-Mad River Committee on Defense Spending

(Submitted by John Adkins, Committee Chairman)

The following report represents the views of the student representatives of the Greene County-Mad River Committee on Defense Spending.

We agree with President Reagan's overall defense budget increases; we feel that budget increases cannot be a gigantic one-time increase. The President's more gradual increase will benefit the overall budget as well as the effectiveness with which the money will be spent. Our report will concentrate on how we think the funds should be distributed within the defense budget concerning nuclear weapons, conventional weapons, overall technology, and civil defense.

It is of the utmost importance that we keep in step with Russia in terms of missiles and nuclear weapons. This importance is just as great in preventing war as in fighting one. Our government must continue to conduct intensive research in order to keep a balance in nuclear weaponry. It would be a tragic mistake if we "rested on our laurels" while other nations race ahead technologically. There remains one other possible solution to the problem of nuclear weapons.

Our country must continue to pursue the subject of nuclear disarmament. The fact that it has been unsuccessful in the past is no reason to give it up. One thing which we must be certain of is that we do not make dangerous concessions that make us more vulnerable to attack from the Russians simply so we can have an agreement. We need nuclear weapons as a drawing card because if we do not have them, other nations have no reason to pursue disarmament or listen to us at all in matters that pertain to military strength. There is nonetheless a definite danger in excess concentration on nuclear war, and that danger is our being caught off guard by the threat of conventional warfare.

In conventional warfare as well as nuclear, the best defense is (to use the cliche) a good offense. To use an analogy, Superman can deflect bullets all day long, but his opponents are not going to see him as a threat unless they know that he can do something. Actual nuclear war is unlikely because no nation is going to want to be the first to drop the bomb. More than likely, if there were to be another major war, it would be of the conventional type, only on a larger scale than before. Weapons technology and people are the two important factors to be considered in the conventional warfare area.

Because of the rapid progress of high technology we need to keep our conventional weapons technologically advanced. We need to pursue production of the B-1, new tanks, and the like because one cannot fight a ground invasion with long range missiles. But technology cannot operate without people, so the armed services must train people in these areas and must be able to keep them in employment. Pay and benefits need to be offered so that the armed services will not be training people only to release them into private industry. In matters as important as our national defense the government must be able to compete with private industry. Technology is the major factor in defense; therefore, those who are in the service need to be trained to deal with increasing sophistication in technology. Serving one's country should not become so appealing that it is a luxurious job, but the draft is also not a good idea for various reasons. Not only would reinstating the draft be vastly unpopular, but it would also cause the public to become frightened of the prospect of impending war. It is the hope of our group that spending money for defense in order to make ourselves more formidable would keep us out of war.

The public needs to be made aware of what is available to them in the way of civil defense. They need to be alerted as to what is available to them in protecting themselves in conventional and nuclear war. The public should feel in tune and prepared as they possibly can be in the unfortunate event of a national emergency.

The increased defense budget proposed by President Reagan is a step in the right direction in improving our ability to defend ourselves. We need to be realistic instead of succumbing to generalizations such as "we can blow the world up eight times over, so why worry?" We must make up for the headway we have lost in respects to the Russians so that we can pose a formidable enough threat that we will not have to make use of the power we have. A powerful defense is an effective tool in preventing war.

Summary of Report of Clark County Committee on Social Spending

(Report submitted by Carla Purvis, Tony Cooper, cochairmen)

This is Clark County's report on Social Spending. Only two of the schools did reports. They were on Social Security and Block Grants.

We agreed with President Reagan's overall cuts in social programs. For too many years the government has been supplying money that it does not have to services. They cannot keep this up. The cuts are very necessary. If they are not made, the government will stay very much in debt. The only cut that we disagreed with was the one in the College Student Aid Program.

The main thing that we discussed was Block Grants. There are eight different major ones, which are:

Primary and Secondary Education;
Maternal and Child Health;
Alcoholic and Mental Health;
Social Services;
Primary Health Care;
Community Service;
Low Income and Home Energy Assistance;
Preventative Health and Health Services.

We think the Block Grants are a good idea. They will give the power back to the states. The state government will know more about the local problems than the Federal government will. The national government is too big and this will help decrease the size. Block Grants make the distribution of money more organized. Instead of having to go to the Federal government for money local programs can get it directly from the state. The national government gives Ohio $310,000,000 out of the $7,605,000,000 that it has to split up among all of the states for Block Grants.

We feel there should be a few changes made in the Block Grant Program. First, they should be phased in, this is so there will not be crisis management in the state government. There should also be controls by the Federal government. This way fraud will likely not develop on the state level. With these changes we feel the Block Grant Program would be successful.

Following is the report of the committee from Marion-Union Counties:

Summary of Report of Marion-Union Committee on Social Spending

(Report submitted by David Hartline, Chairman)

Many tough decisions are involved in the budget cutting process and after extensive discussion, we have reached the following conclusions:

We, of course feel that budget cuts are necessary, and we support the idea. However we are worried that some programs are being cut too extensively. We would favor cutting most non-essential programs a certain percentage each while leaving the most essential programs like Social Security intact completely. This way, the non-essential programs would still be able to function, even though on a reduced scale, while the most important programs could function as they have been accustomed to.

One big mistake we feel that has been made is in the elimination of the CETA Public Service jobs. Many unemployed and unskilled people were being taught much needed skills. Now that the program has been cut entirely, they will most likely remain unemployed. Also being unemployed many will be eligible for food stamps and welfare. The government really might not save any money on this budget cut.

We feel that Medicaid, Medicare, and unemployment insurance should not be cut because the people on these programs probably couldn't afford to live without these programs.

The school lunch program is another controversial subject. Our group feels that so far the cuts have been fairly reasonable. It was appropriate that some of the higher income level children were stopped from receiving free school lunches. However, now children who really need free lunches are not getting them because their school doesn't offer the program any more due to decreased government subsidies.

Almost every social program is one that is needed and used by many. However if there are to be budget cuts then only the most needed and should be immune from cuts. For instance, Housing Assistance and many programs like it are used by many but since programs like Medicare are desperately more needed than the housing assistance must be cut like it already has.

Block grants are highly favored by our group since we feel it would reduce government red tape. We would hope that the money be put to the best use by the states as they promised.●

CASTRO VALLEY STUDENTS OF THE YEAR

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. STARK. Mr. Speaker, on May 21 the Castro Valley Chamber of Commerce will honor outstanding students from 16 public and private schools in Castro Valley at their annual Student of the Year awards luncheon.

There are 16 businesses in Castro Valley which sponsor a school in conjunction with the Student of the Year program. The chamber of commerce determines the criteria that are used

in the selection process. The sponsoring business, the school principal, and teachers all participate in the selection of the winner from each school.

The criteria that are used to select each of the honorees include self-discipline, leadership, scholastic ability, athletic participation, community projects, church activities, involvement in youth organizations, home responsibilities, and fine arts participation.

The students this year who have met the criteria and have been selected Student Citizens of the Year are:

Patty Fredette, Castro Valley Elementary;
Tasha Cartwright, Clifton Elementary;
Lance West, Independent Elementary;
Regina Vendejas, Marshall Elementary;
Heather Mietz, Palomares Elementary;
Nichole Fink, Parsons Elementary;
Kim Scales, Proctor Elementary;
Julie Maashoff, Stanton Elementary;
Shauna Minall, Vannoy Elementary;
Leslie Borad, Canyon Junior High;
Carey Sanchez, Castro Valley High;
Denise Testi, Community Park High;
Roshounda Cooper, Redwood Christian (Redwood Campus);
Stacy Shoemaker, Redwood Christian (Crossroads Campus);
Meagan Clarke, Our Lady of Grace; and
Mary Beth Garrett, Roy A. Johnson High.

I salute the Castro Valley Chamber of Commerce for their participation and commitment to the educational system in Castro Valley and I applaud the outstanding students who are being honored.

My congratulations to the chamber and the students.●

HIGH BLOOD PRESSURE CONTROL IN THE BLACK COMMUNITY

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. STOKES. Mr. Speaker, for a number of years I have brought to the attention of this body the special problem of high blood pressure control in the black community. High blood pressure related illnesses represents the No. 1 and the No. 3 causes of death and disability in that community. Since 1977, I have supported the work of the National Black Health Providers Task Force on High Blood Pressure Education and Control. This group ended its deliberations at a White House symposium on the issue of high blood pressure control in the black community in June 1980.

A cardinal recommendation of this task force was to create a broad based coalition of groups and individuals to provide a framework for the oversight of and actual implementation of a 20-year strategy to control high blood pressure in the black community. The new Trilateral Working Group on High Blood Pressure Control in the Black Community thoroughly respond to this recommendation.

I am pleased to say that this great humanitarian effort has strong support from Democrats and Republicans, labor and business, strong minority and majority groups. I am very pleased to have given my early and continuing support to this cause.

Mr. Speaker, in recognition of May as High Blood Pressure Month, I am delighted to include the remarks of Donald R. Ware, M.D., chairman of the Trilateral Working Group, presented at the press briefing on this program held at the national headquarters of the American Red Cross.

The statement follows:

Remarks of Donald R. Ware, M.D., F.A.C.P.M., Chairman, Trilateral Project on High Blood Pressure Education and Control, The American Red Cross National Headquarters

"Thank you Mr. President. It is with the greatest degree of pleasure that I stand here, at this time, in this place, to participate in the announcement of an historic multisector collaboration for health.

The announcement of the Trilateral Working Group on high blood pressure control will mark the beginning of the implementation of the report of the Black Health Provider Task Force on High Blood Pressure Education and Control. This multidisciplinary group, representing many segments of the Black community, developed over 85 recommendations, covering diverse areas that affect high blood pressure control efforts.

One of the early recommendations of this task force called for the development of a national planning body to coordinate the overall effort to understand how to control high blood pressure in the Black community. The Trilateral Working Group responds in a comprehensive way to this national organizational consensus of need.

The three sides of the trilateral triangle are: (1) The National Organized Black Community, (2) The Private Voluntary Sector, and (3) The Federal Government.

The National Organized Black Community will include virtually all of the national health groups with support from the bar association and the Congressional Black Caucus on legal and legislative issues respectively. In addition, a broad spectrum of the black religious experience has been and will continue to be represented. Further, other organizations including civil rights, fraternities, sororities and friends of the Black community such as the AFL-CIO will cooperate in this national effort.

In the near future we expect to see Church based high blood pressure control programs, industry based programs; programs operating out of the lodges and temples of America all tied back to delivery systems that are a part of that community.

The American National Red Cross will serve as the principal partner representing the private and voluntary sectors. Like a good neighbor, the Red Cross is clearly committed to the use of its national resources—to train and participate with Black organizations and other partners in the identification, referral, followup and eventual control of individuals with high blood pressure.

Financial development through the Red Cross/United Way mechanism as well as through community businesses and national businesses that operate within local communities will be coordinated. The symbiotic relationship between business and the communities in which they operate should afford creative and effective approaches to necessary fundraising. Businesses have a responsibility to invest in the communities in which they operate, particularly in the programs that have compelling importance to those communities. High Blood Pressure is one such program in the Black community.

It is hoped that this new configuration for health will, over time, assist local programs to be self sufficient. Private-voluntary sector resource development should occur through Black community—Red Cross—business labor, philanthropic coalitions. These coalitions will also permit a more real opportunity to meaningfully participate in the administration's block grant strategy.

This issue is not black or white—as high blood pressure kills all of us—but Black people do suffer more. The issue is not Republican or Democratic as high blood pressure does not distinguish political affiliation. The issue is not labor or management as it is clearly in the interest of both to control blood pressure rather than to pay the consequence. The issues are those of saving lives and minimizing disability which are clear humanitarian goals. We are indeed pleased to have the cooperation of an organization known throughout the land for their humanitarian efforts—The American National Red Cross.

The third side of the Trilateral Working Group is the federal sector. The Department of Health and Human Services will cooperate as the lead partner in the federal sphere. As noted earlier, the administration is committed to a two year funding effort. Although this is not enough to totally operate the program, it will provide key support as we assess and develop state of the art high blood pressure education and control appropriate to the many different needs of the Black community, and develop the appropriate mode of message dissemination based on differing community needs.

In addition, the countinuing relationship with the department will afford an opportunity to address other areas that provide an overall framework for health care (finance, neighborhood health center policy, manpower training).

Because of the high number of Black people in the military experience, the Department of Defense was asked and has agreed to participate in the trilateral program. There are many lessons in preventive medicine that can be used by the DOD to control this problem and many insights within DOD that can be useful to the civilian effort. Exposure of this and other areas of health promotion may ease the transition of the serviceman back into the general society after discharge.

In addition, the Veterans Administration as well as champus are involved in the collaborative work, thus affording a total military initiative.

There are currently discussions underway that will further increase federal presence, in a constructive way in the program. At any rate, we are pleased with the initial response of the federal sector to our implementation efforts.

The three components of the trilateral program as discussed will function as a thirty (30) person working group developing policies to be implemented by similar groups at the local level. This group will be advised by several trilateral advisory working groups on various subjects of interest. One such advisory group was announced by Dr. McGinnis earlier today. Other areas will include: (1) Reimbursement policy for 3rd party carriers, (2) Financial development, (3) Site selection, and (4) Media Strategy.

But why are we focusing all of this attention on the Black community and high blood pressure?

Uncontrolled high blood pressure represents the number one cause of death and disability among the adult Black population within the United States. Well over 5 million Black people have high blood pressure which represents almost one out of four Black adults as opposed to one out of seven adults from the general population.

High Blood Pressure related disease kills from 3 to 5 times the number of Black men and women between the ages of 35 and 54 than the general population. This is precisely the time when Black people, and other groups, raise children, earn peak income, often from two or more sources; provide optimum community and national leadership as well as optimal role models for the coming generations.

In the Black community there is a high value and subsequent emphasis on the health and welfare of the children: The next generation. This is to be expected as most of us attempt in a concerted way to improve our next generation. Since High Blood Pressure causes so much devastation in the Black community, the issue of who shall raise, teach and give direction to the new generation is a very real and pressing question.

The travesty and opportunity of all of this is that High Blood Pressure can be controlled extremely well in the Black community by medication and lifestyle changes for the vast majority of people. Blood pressure control represents the silver bullet against the werewolves of stroke, renal and heart disease that is differentially destroying the lifeblood of this community.

Segments of the national leadership of the Black community have recognized the travesty and opportunity of High Blood Pressure control and have moved collectively to solve this problem. Along the way, a strong partner was found in our good neighbor . . . the American National Red Cross and several federal units, principally the Department of Health and Human Services, to date.

We are all very pleased that you, and the press are with us today as we are able to announce the good news.●

A BAD YEAR FOR THE DISABLED

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. SIMON. Mr. Speaker, there is a tendency in this administration and in this Congress right now to ignore the needs of those least fortunate among us. I see evidence of that in a great variety of ways.

Newsweek magazine had an article titled simply, "A Bad Year for the Disabled."

Unfortunately, that is an apt description.

I urge my colleagues to read the article.

A BAD YEAR FOR THE DISABLED

The trim white ranch house on the quiet side street in Berkeley, Calif., looks just like its modest neighbors—except for a bright red ramp that curves gently from curb to doorway. The ramp makes a graphic declaration of independence for the spirited young woman who lives there. Ten years ago Dottie SantaPaul was considered a hopeless invalid, confined forever to a nursing-home bed by amotonia congenita, a rare disease that destroys muscle tone. Today, thanks to a combination of her own grit and some innovative assistance, the 33-year-old paraplegic has both a full-time counceling job and a home of her own. "I'm a very happy person," says SantaPaul, who pilots her motorized wheelchair down the ramp every weekday to commute to work by van. "I have a pretty ordinary life."

For most handicapped Americans, ordinary life remains an extraordinary achievement. During the 1970s landmark legislation brought many of the nation's 36 million disabled citizens closer to the mainstream of American life. Like blacks and women before them, the handicapped forged an effective civil-rights movement that reached a symbolic high point when the United Nations declared 1981 the "International Year of Disabled Persons."

The designation spurred some significant progress abroad, particularly in Third World countries. But at home the year of the disabled was hardly a vintage one. A decade of hard-won gains was threatened by Federal budget cuts, deregulation and a backlash of public opinion. "I hope to hell handicapped people never have to endure another year of the disabled," says Mason Rose, former chairman of a Federal watchdog group established to make sure that public facilities are accessible to the handicapped. "We lost more rights last year than any other."

The handicapped have long fought against artificial barriers that make it difficult for them to lead productive lives. Some are physical obstructions that keep those in wheelchairs from classrooms or subways. Others are psychological blocks that prevent the disabled from getting jobs or promotions. Three key Federal laws passed in the last decade seemed to assure the destruction of those barriers. The Rehabilitation Act of 1973 amounted to a bill of rights for the disabled. It barred any recipient of Federal aid from discriminating against the handicapped, architecturally as well as economically. To enforce the law, the Federal Architectural and Transportation Barriers Compliance Board was created. In 1975 a special-education law was passed requiring schools to "mainstream" handicapped students into regular classes wherever possible. And in 1980 the Social Security Act was temporarily amended to allow the disabled to earn more than $280 a month without forefeiting their government assistance.

However tough the laws appear on paper, they have been weakened by scanty funding and slack enforcement. Some programs have never been fully funded; for example, though the Federal government is supposed to be paying 30 percent of New York City's school-mainstreaming costs, it paid only 12 percent last year. Others have been cut back sharply: California recently lost a $28 million-a-year Federal grant for a program that permits the severely disabled to live and work outside institutions. In addition, the Reagan Administration tried to abolish the Carter-appointed compliance board and scuttle the rules it adopted. Congress preserved the board, but a board compromise put off the most controversial regulations. In addition, the Administration left transit issues up to local officials.

PRIVATE SECTOR

Many activists fear there are heavier losses to come. "Washington's ultraconservative mood gives license for restrictive action," says James L. Cherry, president of the National Center for Handicapped Rights. Some worry that an austerity-minded Congress might refuse to extend the social-security amendments and abandon other programs. Without Federal pressure, activists say, employers may stop seeking out qualified handicapped workers, and cities may not install or maintain expensive equipment designed to improve access.

Advocates of the cutbacks contend that many programs for the handicapped are extravagant and inefficient. The Congressional Budget Office, for example, estimates that renovating old subway systems to make them accessible to wheelchairs would cost $44 per disabled rider, as opposed to $9 for a special van system. In any case, the Administration insists that it is not abandoning the handicapped. "We're working to get the private sector to help pick up where budget cuts leave off," says C. Boyden Gray, legal counsel to the White House task force on regulatory reform. Indeed, the White House has sponsored a private program to encourage business to train and hire more handicapped workers.

OPPOSITION

But volunteerism may not be enough. Many employers still balk at giving disabled people meaningful jobs, acting on the mistaken assumption that handicapped workers will be absent more often than their able-bodied colleagues. And some Americans resent what they see as excessive demands for special privileges in a shrinking economy. It is this sort of opposition, activists say, that turns physical disabilities into true handicaps. "This scares us," says Doe West, the wheelchairbound executive director of the Boston Commission on the Physically Handicapped. "But we refuse to go back to pity and fear."

In response to the changed mood in Washington, disabled activists are changing their tactics to emphasize their desire for self-reliance. Economics has become a popular pitch; lobbyists frequently argue that every dollar spent on helping the handicapped to find—and get to—work produces $9 in taxes. "We have to make people understand that if they invest in handicapped people, it's money in their pocket," says Frank Bowe, a deaf attorney who was chairman of the U.S. delegation to the U.N.'s year of the disabled.

ON BEHALF OF YULI KOSHAROVSKY

HON. ALBERT LEE SMITH, JR.

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. SMITH of Alabama. Mr. Speaker, I rise today to speak on behalf of Yuli Kosharovsky, his wife, Inna, and his son, Mikhail, whose only crime is a desire for religious freedom: a desire to emigrate from the Soviet Union to Israel.

The framers of our Constitution know the guarantee of religious freedom is paramount. It forms the basis of all other civil liberties. The Soviets are well aware of this. That is why Yuli and Inna and even their child are being persecuted by the Soviets. The totalitarian Soviet Government knows that religion gives people a strength beyond their own. Religion encourages thought and resistance to oppression. Faith always has social consequences. Faith influences beliefs about government authority, family life, education, and all other matters of critical concern to the Soviet State. That is exactly what the Soviets fear.

For almost one year, I have been dealing with the Soviets on behalf of a similar family, Boris and Irene Ghinis and their children. Not only have the Soviets been unresponsive, but even after repeated personal inquiries on the family's behalf, I have not received from the embassy so much as a status report on their condition. The case of the Kosharovskys and of the Ghinises shows that whether in personal human rights or matters of international arms control, the Soviets cannot be trusted. Whether it is the Soviet constitution, the Helsinki accords or arms treaties, the Soviets continue to violate every agreement.

I say to you today that we, as free men and women, cannot abandon our brothers and sisters of faith who wish to leave the oppression of the Soviet Union. The persecution of families like the Kosharovskys and the Ghinises is a direct violation of the commitments to freedom of thought, conscience, religious expression, and emigration made by the Soviet Government. I call upon my distinguished colleagues to join me in condemning the Soviet treatment of families seeking freedom and in urging the President to communicate directly to the Soviet leadership America's deep concern about continuing repressive immigration policies and human rights violations.●

A CONCERN FOR OUR RAILROAD RETIREMENT SYSTEM

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. YATRON. Mr. Speaker, I rise today to express my deep concern over the administration's proposals regarding railroad retirement, which will have a negative impact on this Nation's 1 million railroad retirees and 500,000 railroad workers.

The administration's plan calls for the elimination of the railroad retirement system and Railroad Retirement Board by October 1. Retirees would receive part of their benefits from social security and part from some new "private corporation." This new corporation would administer a private pension plan for the railroad industry, but unlike other private pension plans, the current benefits would not be subject to the important protections of the Employee Retirement Income Security Act (ERISA).

I strongly oppose this proposal because it would place the earned benefits of railroad retirees and rail workers in great jeopardy and would not result in any real savings for the Federal Government.

The administration has also called for large cuts in the administrative budget of the Railroad Retirement Board. This would mean the closing of the Board's field offices which provide direct, personal service to railroad retirees and employees throughout the country.

I believe that the administration's proposals in this regard must be defeated and I have cosponsored legislation toward this end. I call on my colleagues in the House to join me in rejecting administration's proposals and in keeping the railroad retirement system completely intact.●

DAVE LIPPETT—"IT'S A DIRTY JOB, BUT SOMEBODY HAS TO DO IT"

HON. BILL LOWERY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. LOWERY of California. Mr. Speaker, it may be hard to find a free lunch these days, but I know where you can find a free car wash: San Diego, Calif. On July 1, the International Carwash Association is urging its members to give their customers free washes in honor of the Fourth of July. One of my constituents, Dave Lippitt, founding president of ICA and owner of Mission Valley Carwash, has already signed on to the proposition.

Dave Lippett opened the first conveyor carwash in San Diego in 1949. Since that time, he has built up a diversified business operation covering variety of enterprises ranging from apartment units to discotheques. Frank Rhodes, of the San Diego Union, profiled Mr. Lippett in a recent edition of the paper. I would like to take this opportunity to commend that article to the attention of my colleagues.

Who said freebies have vanished from the face of the United States?

You'll have a chance at a free car wash on July 1.

From its headquarters in Hillside, Ill., the International Carwash Association is urging its members in this country to give free washes that day, celebrating the Fourth of July.

San Diego's Dave Lippitt was the founding president of ICA (in 1955). He will go along with the headquarters request and, at a meeting in May, he will urge the other five local members to do likewise.

"Three of them have already indicated they will," Dave said. "Altogether we represent more than a dozen carwashes."

ICA headquarters feels it likely that "a new wave of partriotism is sweeping the land" and has chosen a slogan: "Happy Birthday, America—the Greatest Ever."

Dave Lippitt recalls the ICA founding "Eighteen carwash operators from this country went to Mexico City, just for the fun of it, and while we were there somebody said we should be organized. The others told me. 'You make the most noise so you are the president.' I served two years."

This is more or less the way Lippitt's career was launched.

While he was enrolled in USC as a graduate student in 1948, another student from San Diego, Ben Chadwell, invited Dave to come along while he got his car washed.

Dave says: "We drove to a Los Angeles filling station. The car washer was off the job with a hangover. The attendant sent us to an early conveyor carwash at 54th and Figueroa.

"I looked at it and I was fascinated. I was hooked. I returned to San Diego to build one. Everybody told me I was crazy, that it wouldn't work in San Diego."

But Dave was encouraged by his father, the late Henry Lippitt, who operated a Providence, R.I., textile mill but resided here. Dave opened a carwash at 11th and C, Aug. 10, 1949.

Twenty-three years later, this landmark was to be sold to Pete Burnham, but, meanwhile, Lippitt had built another at Pacific Highway and Laurel, and bought one on El Cajon Boulevard, along with an interest in two in Orange County.

Together with Ben Chadwell, Dave built still another carwash at 11th and G.

All have been disposed of, and since 1962, Lippitt has operated the one carwash at Mission Center Road and Camino de la Reina in Mission Valley. It turns out 100,000 wash jobs a year.

Income from the car-washing business provided capital for diversification.

Lippitt owns a number of rental apartment buildings in San Diego, El Centro and Riverside. He was president of The San Diego Apartment Association, 1976-77.

For 13 years he operated as lease holder the marina at Shelter Island Inn, selling to real estate developer Irvin Kahn, six weeks before Kahn's death.

Lippitt was one of the builders of the Odyssey, the city's first private discotheque, and during the war in Korea, he manufactured parachutes for the U.S. Air Force.

And Lippitt always has had a good time. Each year that insurance agent Chuck Ghio celebrated his own birthday, the party was held in a foreign country, sometimes lasting two weeks, and Dave always was there.

He also has traveled widely as a tourist. He became a China watcher after spending a year there in the Seabees during World War II and has twice returned.

His other hobby is attending bullfights. He has traveled to Spain and South America to see the best in both places and each year he conducts a "family day" at the bullfights in Mexico.

Twice married and now single, he has two adult daughters. His bachelor pads have been in several parts of the city but he invariably moves back to the beach area.

During the gasoline shortages, Lippitt's Mission Valley carwash-filling station sold 1 million gallons a year. That figure now is down to 600,000.

"Cars are simply getting better mileage today," he said. Lippitt has seen a lot of changes in the carwash business. In 1949, at 11th and C, a wash job cost 99 cents. Today he gets $4.29.

Dave said he learned early in the business that a successful carwash "is run exactly like a successful restaurant: by a capable team of employees."

After the war, Lippitt finished studies at San Diego State and received a degree in civil engineering—which he never used. "I look around and all the engineers I ever saw were tied to a drawing board and working for somebody else. So I went to USC for a master's degree in business administration. But I didn't get it, never finished my thesis."

Ben Chadwell had come along, driving him to a filling station where the car washer was off with a hangover.●

BACKGROUND OF BIPARTISAN BUDGET PROPOSAL

HON. JIM LEACH

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. LEACH of Iowa. Mr. Speaker, the inability in recent weeks of Congress and the administration to arrive at a budget compromise acceptable to a broad enough political spectrum to insure its enactment has precipitated a potential economic crisis.

To help get the process moving again, a group of five Democrats and five Republicans in the House—Mr. WIRTH, Mr. PANETTA, Mr. MINETA, Mr. GEPHARDT, Mr. ASPEN, Mr. PRITCHARD, Mr. TAUKE, Mr. CLINGER, Mr. JEFFORDS, and myself—put forward last week a budget proposal which hopefully can serve as a basis for bipartisan compromise. Our proposal is based on the assumption that any solution to America's economic problems will entail meeting five goals:

First, the need to substantially reduce the projected deficits for fiscal years 1983, 1984, and 1985 in order to bring the Federal budget into balance at the earliest possible date:

Second, the need to make some prudent cuts in the defense budget in order to insure we are getting what we pay for as we upgrade our security;

Third, the need to leave social security benefits untouched while protecting the viability of the system for the future;

Fourth, the need to resolve the budget impasse as rapidly as possible in order to reinstill confidence in the economy and give a sure sense of direction to the private sector; and

Fifth, the need to bring to a halt the rancor and social division implicit in stark partisanship.

Given the failure of the highly publicized "negotiation" between President Reagan and key congressional Democrats to produce a compromise budget settlement, it is now the challenge for Congress to work out internally the types of proposals which can lead to lower deficits. If we do not succeed, interest rates will stay high and the Federal Reserve will be forced to keep a taut rein on the money supply.

Few thoughtful Americans would deny that what is needed today is a bipartisan commitment by Congress and the President to reduce the deficit and a mutual accommodation among Congress, the Executive, and the Federal Reserve Board to modify monetary policy.

Above all, the American economy must not be sacrificed to either the fiscal profligacy of the Congress or the constraints of economic orthodoxy of the Federal Reserve Board.

What is demanded is a perceived change in both fiscal and monetary policy and a resurgence of confidence in governmental policy brokers. A prudent, bipartisan, confidence-building change of course is warranted for the sake of humaneness as well as enhanced economic activity. The alternatives are potentially disastrous.

Finally, it should be stressed that any budget proposal must reflect the realities of the economy at any point in time, and a futuristic assessment of the long-term as well as short-term potential for economic and societal growth. Accordingly, members of the group which introduced the bipartisan budget approach reserve the right to support later this summer further specific jobs initiatives and expanded programs for basic education, research and development, agriculture, and broad infrastructure strengthening.

The bipartisan budget proposal differs from the approach of Mr. DOMENICI, chairman of the Senate Budget Committee, in five principal respects:

First, social security is fully protected;

Second, greater restraint is applied to the military budget;

Third, the freeze on domestic program spending is set at a somewhat higher base level and Federal pay, instead of being frozen, is allowed to expand at a moderate rate;

Fourth, the need for greater revenue is recognized, although tax adjustments are not so onerous as to necessarily affect any part of the 3-year individual income tax cut; and

Fifth, the near-term budget deficit is lower than either the President's initial proposal or the administration-backed Senate alternative.

The bipartisan budget proposal differs from the boll weevil alternative in a number of respects as well, the two most important being social security programing and defense. While the Domenici approach leaves open the tactic of dealing with social security, the boll weevils specifically slash social security funding by $14 billion in fiscal year 1983 alone. With regard to defense, the boll weevils envision 7 percent a year real growth versus 5 percent in the bipartisan proposal. Several of us associated with the bipartisan approach had hoped to exact more from the defense budget but feel strongly that our major goal is to achieve a realistic budget that will in the final measure not only get a majority vote in the House but prove veto proof.

In this regard we are pleased that the budget presented by chairman JONES reflects in any of the priorities with which we are concerned although several differences remain. The Jones budget calls for raising somewhat more in revenues than the bipartisan approach and in exchange provides for somewhat higher defense spending.

We feel our bipartisan proposal is sensible and holds the best chance of any so far set forth of achieving a consensus in the Congress. However, we acknowledge that the Jones figures are very close to our own, and believe the Jones package can serve as the most effective vehicle for further negotiations.

MINNESOTA VIETNAM VETERANS COMMEMORATIVE TREE PLANTING

HON. ARLEN ERDAHL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. ERDAHL. Mr. Speaker, today I had the privilege of presiding over a ceremony on the U.S. Capitol Grounds in which a tree was planted to commemorate the 186,000 Minnesotans who served in the Vietnam conflict.

A large majority of those Minnesotans who served are now back to civilian life. There remain, however, many lingering issues and questions which still affect their daily lives. While the primary goal of the ceremony was to honor the Minnesota Vietnam veterans, I am also hopeful that the sturdy Minnesota oak which we planted today will serve to remind Members of Congress and everyone who visits the Capitol of the sacrifices that the Vietnam veterans made, and of their ongoing needs.

One of my special guests for the ceremony was to be a Minnesota Vietnam veteran by the name of Ron Skaw. Ron served as the team leader of a seven man long range recon patrol during 1966. It was during one of these patrols in the Cambodian jungle, near the Ho Chi Minh Trail that Ron was wounded and forced to spend some time in Vung Tau Hospital, Vietnam. His stay at the hospital allowed him to reflect more fully on his combat experience and prompted him to write a poem which he says, "reflects my thoughts and feelings while engaged with the 3d N.V.A. in Cambodia."

Ron had hoped to be in attendance at the ceremony and read his poem, but was unable to be here so I read it at the conclusion of the program. I think its message is still relevant and I hope everyone who reads this poem will benefit from it as much as I have:

Warrior Dove—Minnesota White

(By Ronald Skaw)

I remember walking down that blood strewn trail, in a jungle far from home, thinking of my Minnesota White, and thanking God I'm not alone.

Minnesota snow so cool and white, where a body can forget his fright, a good warm land to live and love, God please help this warrior dove, with Minnesota white.

A flash of red screams from the dark, an angry Bee strikes my best friends heart, I slam some rounds into the night and make my mind think of Minnesota white, Oh Lord, Minnesota White!!!!

I scream and cry, get mad as Hell, for there is no one I can tell, of how I felt from where I lie, and watched as my best friend died!!!!!!, Minnesota White, God Please Give Me, Minnesota White.

The night explodes into Fire and Hate, I take my gun, don't hesitate, Sweat streaming into my eyes, Lord I know quite well, tonight I die in this burning Hell. Minnesota white, oh please, Minnesota white.

I force myself to stand and fight, my body shaking from its fright, I look around, I've got 4 men down, come on mind with Minnesota white, beautiful Minnesota white.

The warrior dove counts his kill, he feels his body growing cold and still, he fights as a tuned machine thru out the night, he's psyched his mind with Minnesota white, Thank God and Minnesota White.

The new dawn breaks calm and bright, the warrior dove seems alright, he checks his gun and cleans his wounds as he sits, all alone, with a soul that's dead and a mind of Minnesota White and back home.●

MEDICAID: THE DILEMMA OF HOSPITALS AND THE POOR

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. STOKES. Mr. Speaker, health care quality and access in Ohio, particularly in areas such as the 21st Congressional District with its heavy concentration of hospitals providing care for the indigent, is in jeopardy. The cuts in medicare and medicaid proposed by the administration will mean that Ohio's poor and elderly will carry an even greater burden than the one now causing havoc throughout our grievously impacted State.

Cleveland contains only 5 percent of Ohio's population, but Cleveland hospitals provide 20 percent of the State's indigent care. Four private hospitals in the inner city, all in the 21st district—University Hospitals, Saint Luke's, Saint Vincent Charity, and Mt. Sinai—serve 45 percent of Cleveland's indigent. The county hospital serves another 45 percent, with the other 10 percent divided among other private institutions had aggregate losses amounting to $10 million. At the end of 1980, the losses of these five hospitals had climbed to $30 million. We do not yet have the figures for 1981, but conservative estimates by the Greater Cleveland Hospital Association tell us the losses for those hospitals—the total accounted for by unpaid or partially paid services probably exceeded $40 million.

More than half of those losses are simple "bad debt" services rendered to patients who simply had no money and who, for one reason or another, failed to qualify for public assistance. The rest of the loss results from such factors as private policies that pay as little as $25 a day, or medicare and medicaid payments which are often below the actual cost of providing care. This has come to be known in some cities as "free care," and yet it must be obvious that any services delivered in a hospital must be paid for. They are rendered by people who must be paid.

How do you scrape together $40 million? Some comes out of county general funds which are already running dangerously low. Some comes from simple charity, including United Way. Much of the markup is gained by diverting the interest from foundation funds to day-to-day operations. Some hospitals have gone into the principal of their foundation funds. Some of the markup comes from bills paid by commercial insurers.

Certain facts about Ohio itself are worth noting. Ohio ranks second only to Michigan in its economic dependence upon the automotive industry. The national economic downturn has reduced Ohio to the Nation's second most economically depressed State with a chronic monthly unemployment rate which exceeds the national average by more than 2 percent. Employment in the auto industry has dropped 69 percent over the past 2 years. There were 92,600 Greater Clevelanders unemployed in December, many from the auto industry. Unemployment in the 21st District, one of the big pockets of unemployment in the State, is well over 20 percent. In Lorain County, adjacent to Cuyahoga County, with heavy steel industry, unemployment has been 17.5 percent.

What does this unemployment mean to hospitals? Workers and professionals, whose lives are torn apart by unemployment, are seeking mental health services from public and private institutions. Hospital emergency rooms report increases in wife beatings and child abuse, problems due to alcohol, stress-related accidents, and other traumas due to feelings of hopelessness and fear.

Unemployment also means loss of medical coverage, the effects of which are just beginning to be felt. Some frightened workers rush themselves and their families to the emergency rooms, whether they can pay or not. Others, too "proud" to seek "free care," try to give treatment at home, waiting for their illnesses to pass. Hospitals are worried about the day when they must deal with these illnesses in advanced, or hopeless, stages.

Ohio has a $1 billion budget deficit. Revenues from sales taxes across the board continue to slump. February tax revenues in Ohio were 9 percent below original estimates and below revised projections in January. Tax revenues are running $145 million below the original budget estimates since the start of the fiscal year in July. The major contributor to this decrease in State revenue is the big dip in the sales of autos and other big price items we often buy with borrowed money. Ohio's recent proposed 1-percent cut in State spending will have a serious effect on the welfare budget.

Ohio receives $55.10 from the Federal Government for every $100 the State spends on medicaid. Ohio ranks 34th nationally in its return from Washington. Ohio's share of Federal aid is based on ranking 22d nationally in per capita income. Mississippi ranks 51st; thus, Mississippi gets a $77.55 return from Washington for every $100 it spends on medicaid. Yet in today's economy, Mississippi is better off in terms of joblessness anyway, than Ohio. Louisiana and several other Sunbelt States also recieve larger shares of Federal assistance, though their economic statistics and medicaid caseloads are far more favorable than Ohio's.

The Ohio General Assembly recently passed House Joint Resolution 27, which memorializes Congress to change the formula for Federal matching funds in medicaid. House Joint Resolution 27 urges Congress to make a State's rate of unemployment a more realistic factor in the medicaid-matching formula. The Greater Cleveland and Ohio Hospital Associations strongly support this concept, as does Cleveland's Federation for Community Planning and similar civic organizations statewide.

In order to qualify for medicaid in Ohio, a family of three must have an income no greater than $263 a month. Even under the most liberal allowances for medical indigency in a city like Cleveland, a family income of $500 a month disqualifies it from coverage under State and/or county programs. Tightening the screws even further on the poor seems almost unbelievable to the institutions they count upon for help when they are sick or injured.

Medicaid was originally designed to serve the health needs of the economically disadvantaged. It never fully delivered on that promise, partly because of regulations, limitations on eligibility, payment levels, and approved services. The proposed cutbacks could take us back to many of the conditions that medicaid was designed to alleviate in the first place.

The four private hospitals in the 21st district have always honored their obligation and privilege to serve all who come to them for help, irrespective of economic status. While continuing as best they can to treat the rapidly growing number of poor families, these hospitals are now being forced to consider choices they once looked upon as unthinkable.

They will never turn away people in need of emergency help, but as the lines get longer and the budgets become more strained, many patients may be directed to Metropolitan General Hospital. Metro is our public hospital and an excellent institution by any standards, but it is financially pressed and already taking on more than it should have to handle in unpaid care.

When medicaid reimbursement is cut, providers like physicians, pharmacists, dentists, must limit the number of "free" patients. As that happens, more and more poor people adopt hospital emergency rooms as their "family doctor." This is the highest-cost care in the medical system because of the necessary overhead and the need to be open and staffed 24 hours a day, 7 days a week.

The administration's proposed 1983 budget reductions again target programs designed to help low-income persons. The idea that "fat" exists in the delivery of medical care for the poor and elderly is hard to comprehend. Certainly, it makes no sense in our State and our city.●

PHILIP MEYERS—1982 GUARDIAN OF THE MENORAH

HON. WILLIS D. GRADISON, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. GRADISON. Mr. Speaker, I have the privilege and pleasure of recognizing Philip M. Meyers, who will be honored at the 18th annual "Guardian of the Menorah" tribute luncheon to be held May 20, 1982, in Cincinnati, Ohio. The tribute helps support the B'nai B'rith National Youth Service programs, which foster personal growth through involvement in philanthropic projects as well as cultural, social, and civic functions, all within the framework of Jewish tradition.

Philip Meyers, a native Cincinnatian, is known as a man with foresight. He has a noteworthy record as an industrialist and philanthropist. He has held positions as president and chairman of the executive committee of the Meyers Development Corp., executive committee member and director emeritus of the First National Bank, president of Meyers Enterprises, and partner in the Workum Construction Co. He is recognized throughout the industry as a man of acumen and vision and is admired expressly for developing the beautiful community known as Williamsburg of Cincinnati.

Yet, when thinking of Phil Meyers, there is not a philanthropic cause nor civic commitment which comes to mind for which he has not labored extensively.

I find extraordinary his commitment to the University of Cincinnati, from where he graduated. In 1977, Mr. Meyers was elected to the University of Cincinnati Football Hall of Fame, and in 1978, he was awarded an honorary doctorate by the university. He serves on the university board of directors and is a past chairman of its finance committee.

He was chosen Man of the Year in 1964 by the Cincinnati chapter, National Conference of Christians and Jews, and was recipient of Certificates of Merit from the National Foundation of Infantile Paralysis and Sigma Alpha Mu fraternity. As well, B'nai B'rith is recognizing Phil Meyer's service to the Cincinnati Zoological Society, the Greater Cincinnati Hospital Council, the Cincinnati Council on World Affairs, the Greater Cincinnati Girl Scouts, and the National Conference of Christians and Jews.

The Cincinnati Enquirer recently summarized that: "To survey Mr. Meyer's long and active career is to conclude that he has missed no opportunity to serve his community, his nation, and his faith."

I am proud to join in paying tribute to Philip Meyers, the 1982 Guardian of the Menorah.●

A TRIBUTE TO ERWIN ASAM

HON. CLEVE BENEDICT

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. BENEDICT. Mr. Speaker, I am privileged today to inform my colleagues that West Virginia's Small Businessperson of the Year is from the Second Congressional District which I represent. Mr. Erwin Asam, owner of the Bavarian Inn in Shepherdstown, W. Va., was selected by the Small Business Administration from many successful small businessmen and women working throughout our State.

Mr. Asam is an excellent example of what the small businessperson can accomplish. In just 5 years, he has established one of the finest restaurants in West Virginia and has gained national acclaim for the beauty of his restaurant and the outstanding quality of its menu.

As proof of his success, last December he celebrated the completion of an expansion project which added overnight accommodations.

Mr. Speaker, I commend Mr. Asam for his accomplishments. He is an outstanding illustration of the hard work, dedication, and resourcefulness that has made the American small businessperson the backbone of our economy.●

THE FALKLAND ISLANDS

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. HAMILTON. Mr. Speaker, I am inserting my Washington report for Wednesday, May 12, 1982, into the CONGRESSIONAL RECORD:

> THE FALKLAND ISLANDS
>
> When it began most of us thought it was a comic opera, a light diversion from more serious matters. Now it is a deadly serious dispute. It has caused the tragic loss of hundreds of young lives. A major vessel on each side has been destroyed. It places the United States between Great Britain, our closest ally, and Argentina, a major Latin American nation with whom we are trying to improve relations. It has exacted a toll on U.S. relations with many Latin American nations and caused Argentina to move toward the Soviet Union. It has diminished Britain's ability to participate in NATO.
>
> On April 4, 1982, Argentina seized and occupied the British crown colony of the Falkland Islands and the island of South Georgia. These wind-swept, treeless islands are inhabited by 1,800 English-speaking people who consider themselves British subjects. They are located about 350 miles east of Argentina's southeast coast. Argentina and Great Britain have both claimed sovereignty over these islands since Spain withdrew its garrison in 1811. Interest in the natural resources of the islands has intensified as contracts have been awarded for offshore oil exploration and interest in fishing has increased. Moreover the title to the islands may carry with it the title to a section of Antarctica, with all its resources. Negotiations toward a resolution of the dispute have gone on since 1965 with little progress.
>
> The Argentines claim that the British forcibly expelled Argentinian settlers in 1833. They are demanding an end to colonial possession by the British; they argue that the islanders do not have the right of self-determination because they are not a "people" but rather employees of the Falkland Islands company, which is a colonial tool. Argentina's demand for sovereignty over the islands is a point of intense nationalist sentiment. Argentines are brought up as children with maps which show the "Malvinas" as Argentine possessions. Moreover the Argentine invasion took place while the government was under severe political and economic stress.
>
> Argentina's seizure of the islands has been a frustration for the British people, partly because it reminds them of the decline of British power. The British argue that the islands are effectively and legally theirs, and that British inhabitants have been there for 149 years. The British Government has shown a willingness to negotiate the sovereignty question, with the important reservation that any solution must abide by the wishes of the islanders themselves.
>
> The United Nations is a potential mediator of the dispute, though neither Britain nor Argentina has yet accepted its mediation. It passed a resolution which demanded an immediate cessation of hostilities and an immediate withdrawal of Argentine forces. The Secretary General of the U.N. has also proposed the appointment of a U.N. administrator for the islands while negotiations proceed. The Organization of American States passed a resolution recognizing Argentine sovereignty, and urging a truce and consideration of the islanders' wishes. The OAS resolution called for Britain to cease hostile actions in the region and for Argentina not to make the situation worse.
>
> The United States was asked by both Argentina and Great Britain to mediate the dispute. As mediator it has sought ways to satisfy Argentina's demand for sovereignty over the islands while allaying British concern about the islanders. The United States has proposed a joint British-Argentine government and a lease-back plan under which Argentina would be given sovereignty but Britain would lease the islands for a specified period. A major problem with the proposal is that it ignores the principle of self-determination.
>
> Initially, the United States extended its friendship to both countries and stated that it did not want to choose sides. It hesitated to come out in open support of Britain since it wanted to attempt mediation. But when Argentina stood firm on its demand to have its aggression ratified, the United States chose to back Great Britain, with economic and political pressures on Argentina and material assistance to Great Britain.

> The United States cannot support the Argentine attempt to assert sovereignty over the islands by force. It should also make clear that it does not support any colonial claims in Latin America. While the British deserve support, they should ease their insistence on giving the islanders a veto on the negotiations. Argentina must yield its demand that sovereignty be granted to them before negotiations even begin. The United States should not participate in direct military action against Argentina but should assist Great Britain with supplies, and economic and political pressure on Argentina. At the same time the United States must leave open the possibility of resuming the diplomatic effort to reach a political settlement of the dispute.
>
> If the negotiations fail to resolve the dispute soon, the implications are serious. The conflict will place severe strains on Great Britain, whose economy is already weak, and whose ability to meet its NATO responsibilities (for example, patrolling the North Atlantic sea lanes) may be compromised. Argentina's forcible seizure of the islands sets a dangerous precedent for other states involved in territorial claims. The United States' support of Great Britain may enhance our relations with some European countries and with Great Britain, but it will certainly complicate our relationships with Latin America. A military confrontation increases the potential for involvement in the area by other countries, including the Soviet Union. The dispute gives Moscow an opportunity to strengthen its image in Latin America by endorsing the Argentine claims. Either the British or the Argentine government could fail if it does not emerge from the crisis with its honor intact.
>
> The United States must support any diplomatic effort that has the chance to bring the dispute to a peaceful and equitable conclusion.●

SMALL BUSINESS—CRADLE OF INNOVATION

HON. DAN MARRIOTT

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. MARRIOTT. Mr. Speaker, one of this Nation's greatest natural resources, while far from depleted, is in danger of being priced out of the market. The resource is good, old Yankee ingenuity.

I would like to quote from the testimony of one of my constituents who appeared before the Senate and House Committees on Small Business of the 96th and 97th Congresses and who is this week being honored as the Small Business Administration's Region 8 Subcontractor of the Year. Sidney Green, President of Terra Tek, Inc., of Salt Lake City, told those panels in the 96th Congress:

> When I speak of industrial innovation—and I mean the development and commercialization of high-technology, innovative products, services, and processes—universities, national laboratories, not-for-profit institutes, big businesses and small businesses all contribute inventors and entrepreneurs to the process.
>
> Numerous studies have shown, however, that the small, high-technology firm—frequently a firm with a few to a few tens of people—offers the best environment for innovation.

Let me call your attention to his next point:

> Innovation is clearly a process where big is not better; and, in fact, well-documented investigations clearly show the fact that small, high-technology firms produce a very, very disproportionately large share of technical innovations.

Mr. Green's point is well-taken. An MIT study of the years 1969-76 showed that firms with fewer than 20 employees created 66 percent of all net new jobs in the private sector; 80 percent of all new jobs during that period came from businesses less than 5 years old. And, 87 percent came from firms with 500 employees or less.

An American Electronics Association study showed that employment growth in companies less than 5 years old was 115 times greater than in companies more than 20 years old. And, an OMB study in 1977 showed that firms with fewer than 1,000 employees accounted for almost one-half of all major U.S. innovations during the years 1953-73.

The AEA study concluded as follows:

> The new and small enterprises with the new innovative products demonstrated higher rates of growth, job creation and other contributions . . . in terms of overall growth, taxes paid, and export sales.

Yet, small business receives only about 4 percent of total Federal research and development funds. As Mr. Green states it:

> Small businesses have access to relatively little capital, relatively small amounts of equipment and facilities assets, and relatively little in the way of management and know-how skills required to compete with the big institutions and the big institutional bureaucracies.

He cites the enormous time and effort required to deal with the complexity of tax and legal problems in obtaining funding, in the proliferation of local and Federal regulations. The overhead in just these areas is enormous. Yet, in spite of all these handicaps, small, high-technology companies still produce a disproportionately large number of innovations and inventions.

Speaking to the House Small Business Committee on May 4 of this year, Mr. Green expanded on his earlier comments. As he so eloquently points out, the universities and small, high technology firms that seem to be on opposite sides of this issue are, in reality, partners in technological progress.

As he explains it:

> Anything that universities can do to improve the economic climate is, of course, in

their own best interests. Increases in productivity and jobs result in a greater tax base which makes possible more Federal R&D funding, as well as direct support to state institutions. Thus, encouraging technical spin-offs from universities and making their facilities and staff available to small companies can have long-term beneficial effects.

Before turning to his concluding remarks, let us take a closer look at the implications of the above comments. Increases in productivity and jobs are good for universities; as he has already noted, nearly all new private sector jobs are created by small business. Moreover, we know that most increases in productivity are dependent on innovation, new ways of doing things that enable each worker to produce more; and, small businesses are generally 2 to 2½ times as innovative per employee as larger firms. So, harnessing these strengths of small business will, in the long run, greatly benefit the universities and large firms who are questioning the wisdom of the small business innovation research bill—H.R. 4326.

As Mr. Green says:

> The legislation under consideration, which would shift a small fraction of R&D expenditures to small businesses can have a strong impact on our country's economy. From first-hand experience with several small companies, which have received grants from the pilot program run by the National Science Foundation, I am convinced that the $30,000 grant was essential to getting the project started. In one case, the grant funds enabled a struggling young company to run a crucial experiment which demonstrated the validity of a new separation process with broad commercial potential. Funds are now being sought from private investors to continue the project, and due to the success of the initial work, the prospects are excellent.
>
> Expansion of the NSF pilot program to the broad R&D base of all Federal agencies will have a significant payoff for Americans. The dedicated and committed technical personnel in small companies perform high quality research, and the potential for economic rewards which exists so clearly in small companies is often the key to converting the research results into successful innovative products and service.

Mr. Green suggests, and I agree, that universities should welcome—not fight—Federal programs of the type under consideration and, in his words:

> Encourage cooperative arrangements with the companies which receive the grants, thus further strengthening the academic-industry bridges.

I urge my colleagues to join us in this effort to guarantee that small businesses are included in the Federal R. & D. picture, so that both they and the academic community can lend their strengths to it in a way that will guarantee the highest return for the taxpayers' hard-earned dollars.●

HEALTH PLANNING

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. STOKES. Mr. Speaker, I address my remarks to a subject which affects the availability, accessibility, and cost of health services across the country. It is a subject which will be debated in the coming months and which is likely to result in congressional action by the fall of this year. I am speaking of the reauthorization of legislation for the national health planning program.

I feel that it is important that Congress fully understand that there is a pressing need to assure the delivery of quality health care at a reasonable cost to all citizens, particularly those who are underserved and medically indigent. In order to insure that this happens, it is imperative to have a mechanism in place which rationally plans for the distribution of health care resources and actively monitors and contains rising health care costs.

Over the past 8 years, one of the important tools for accomplishing equitable distribution of health resources and containing the cost of health facility capital expenditures and the introduction of new services, has been the national network of State and local health planning agencies. Through the implementation of certificate of need programs, the review of proposed uses of Federeal funds, and the development of long-range plans, these agencies have made a significant contribution toward controlling the unnecessary expansion of health care systems across the country.

The national health planning program, which was created by the National Health Planning and Resources Development Act of 1974, Public Law 93-641, is now in jeopardy because of the administration's proposals to phase the program out in fiscal year 1983. The administration has not, however, proposed a viable alternative to replace or continue the functions currently performed by health planning agencies. With national health care expenditures exceeding $280 billion a year, it becomes even more important to carefully scrutinize health care costs. Other Federal cuts which have been proposed in Federal health programs will collectively compound the problem of resource allocation and service delivery among local health care systems.

Dismantling the national health planning program will be very expensive, not only to the Federal Government, but also to the Nation's consumers of health services. Without proper planning and regulation, there will be excessive and unnecessary expansion of health facilities and programs. The cost for this expansion will be passed on to third-party payors and consumers. Higher priced health care will make services financially inaccessible to the medically underserved, medically indigent, and in many cases, to those with health benefits which require large copayments. Services will not be distributed equitably and there will be considerable duplication and fragmentation of health services.

I have received information from several major urban areas around the country regarding the significant impact that they have had on their respective service areas. I have reviewed information from New York City, Newark, Baltimore, Washington, D.C., and Chicago. The following comments summarize my findings:

The New York City Health Systems Agency plans for a service area which contains more than 7 million people. During 1981, the New York City Health Systems Agency reviewed more than $300 million of certificate of need applications. Mr. ANTHONY WATSON, executive director of the New York City Health Systems Agency, estimates that during that year, more than $60 million was saved by agency action which resulted in denials or reductions in certificate of need applications. So far, in 1982, the New York City Health Systems Agency reports having more than $1.5 billion of certificate of need applications on hand awaiting reviews. Mr. Watson has stated that his agency has continuously strived to improve consumer access to health services through updating the identification of medically underserved areas and producing special studies such as the Harlem Health Plan and the report on the acute care hospital system in New York City.

The Newark, New Jersey, Health Systems Agency covers a target population of approximately 2 million people. According to Mr. Edgar Duncan, former director of this agency, more than $150 million in certificate of need projects were reviewed in 1980. An estimated $22 million was saved during that year due to denials and reductions in projects. The Newark Health Systems Agency has been active in insuring the accessibility of primary care services through the identification of medically underserved areas.

The Baltimore Health Systems Agency covers a service area which includes more than 2 million people, which represents one-half of the State of Maryland's population. During 1981, the Central Maryland Health Systems Agency reviewed more than $202 million of certificate of need proposals of which the agency disapproved seven projects totalling more than $123 million.

According to Mr. Marshall Spurlock, director of the Central Maryland Health Systems Agency, primary care, particularly in medically underserved areas, has been a priority of the agency. They have initiated a process of reclassifying medically underserved areas formerly deleted by the Department of Health and Human Services. This action will increase consumer access to low-cost primary care services and help to preserve threatened funding for community health centers.

According to Mr. Carl Wilson, director of the District of Columbia State Health Planning and Development Agency (SHPDA), more than $204 million of certificate of need proposals were reviewed by the D.C. SHPDA in 1981. According to a recent statement from the District of Columbia Blue Cross plan, health planning efforts in the Washington metropolitan area have helped to save over $180 million since 1972 in proposed expenditures for health services and facilities determined to be unneeded. The cost of operating these facilities, if they existed, would have been about $96 million per year.

Substantial efforts have also been made to insure the availability of primary care services to the District's medically underserved and medically indigent populations. The D.C. SHPDA applied for and recently received Federal designation for 15 additional medically underserved areas.

The Chicago Health Systems Agency covers a health service area which contains 3 million people. According to Mr. Philip Davis, executive director of the agency, more than $175 million of certificate of need applications were received in 1981. Approximately $70 million was saved by agency action which resulted in denials or reductions in certificate of need applications, which were sustained by the State.

The Chicago Health Systems Agency has recently been successful in having 31 of its 77 community areas designated as medically underserved areas. They have also developed a program to increase the recruitment of minority physicians and nurses in the medical and nursing schools located in Chicago.

Using these examples of what is happening in major urban areas around the country, it is clear that health care expenditures are significant and will continue to escalate in the future. As health expenditures rise, significant portions of these expenditures are passed on to consumers and third-party payors. It is, therefore, important that Congress play a signficant role in insuring that a national health planning system continues beyond this fiscal year. There are currently three bills under development which will address the continuation of this process. I have been encouraged by numerous advocacy groups and organizations, including the National Black Health Planners Association, to play an active role in the review and discussion of proposed legislation in order to insure that a mechanism exists for continuing health planning on a national basis.

Efforts by the administration to phase out health planning agencies before an alternate system is developed are not in the public's best interest. The present system should be maintained until the current legislation is reauthorized or new legislation is passed.●

POOR BEING HURT IN ADMINISTRATION REQUEST

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. SIMON. Mr. Speaker, as Congress prepares its response to the President's budget, I would like to focus attention on the entitlement programs. As chairman of the House Budget Committee Task Force on Entitlements, Uncontrollables, and Indexing, I held hearings on February 22, 1982, on the impact of the 1982 and proposed 1983 budget cuts on these programs.

Dr. Alice Rivlin, Director of the Congressional Budget Office, presented an excellent analysis of entitlement spending. She testified that entitlement programs comprise approximately one-half of Federal outlays. Nearly two-thirds of the entitlement programs are retirement programs. By contrast, the programs with income eligibility levels, means-tested programs for poor families, account for approximately 18 percent of total entitlement spending. Yet, in fiscal 1982, 40 percent of all cuts in entitlements came from these means-tested programs for low-income families. The same inequity is proposed for fiscal 1983. Specifically, the bulk of the proposed cuts, 60 percent, will again be targeted at the programs for low-income families.

In sum, I am very concerned that the proposed cuts in entitlement programs place an unfair burden on the poor families in this country. Dr. Rivlin's full statement is entered here as evidence for this concern:

STATEMENT OF ALICE M. RIVLIN, DIRECTOR, CONGRESSIONAL BUDGET OFFICE

Mr. Chairman, I am pleased to appear today to discuss possible ways to control the federal deficit by reducing spending for benefit payments to individuals, most of which are entitlement programs. My remarks will concentrate on three general topics:

The impact of last year's reductions in payments to individuals and the outlook for future program growth;

The Administration's proposals contained in the fiscal year 1983 budget; and

Some other options for reducing the deficit.

Reductions in the growth of federal spending are of particular concern because of the size of projected budget deficits. Despite a projected recovery from the present recession, the federal deficit will more than double over the next five years if no changes are made in current policies. On the basis of current policy, the Congressional Budget Office projects the deficit to rise from $109 billion in 1982, to $157 billion in 1983, and to $248 billion in 1987; this translates into an increase from 3.6 percent of the Gross National Product (GNP) in 1982 to 5 percent of the GNP beginning in 1984.[1] Though lower, the Administration's deficit figures, which take into account cuts proposed for 1983, are also very large. Thus, if the deficit is to be reduced and the budget eventually balanced, policy changes affecting either outlays or revenues—or a combination of the two—will be needed.

Payments to individuals constitute about half of the federal budget—$366 billion in 1982.[2] Of this total, nearly two-thirds goes for retirement programs, the largest of which is Social Security. Means-tested programs directed toward low-income persons—including many elderly persons—account for only 18 percent of all outlays for payments to individuals. (Table 1 summarizes the distribution of the major components, and Table 2 shows CBO's projections for the largest of these programs, through fiscal year 1987.)

TABLE 1.—MAJOR CATEGORIES OF FEDERAL BENEFIT PAYMENTS TO INDIVIDUALS

[Dollars in billions]

Category	Estimated 1982 outlays	Percent of total
Social insurance programs:		
Retirement [1]	$229	63
Other	72	19
Means-tested programs	65	18
Total benefit payments	366	100

[1] Includes all of medicare outlays, although about 13 percent of benefits goes to disabled persons.

Source: Congressional Budget Office.

TABLE 2.—FEDERAL OUTLAYS FOR SELECTED PAYMENTS TO INDIVIDUALS

[In billions of dollars]

Major program	Actual 1981	Estimated 1982	Baseline projections	
			1983	1987
Retirement Programs:				
Social Security	$122.3	$139.3	$153.6	$214.2
Medicare	42.5	49.7	58.2	103.1
Civil service	17.7	19.8	22.0	31.6
Military	13.7	15.0	16.5	22.5
Railroad	5.3	5.3	5.7	7.2
Other social insurance programs:				
Unemployment trust fund	18.7	23.7	21.8	22.4
Social security disability	17.3	18.8	20.0	23.5
Veterans' disability compensation	8.4	9.5	10.4	14.0
Postsecondary education	6.8	6.9	7.7	7.8
Means-tested programs:				
Aid to families with dependent children	8.0	8.1	8.3	9.9
Supplemental security income	7.2	8.0	9.1	10.6
Veterans' pensions	3.7	3.6	3.5	3.5
Medicaid	16.4	17.9	20.1	30.5

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[1] See Congressional Budget Office, "Baseline Budget Projections for Fiscal Years 1983-1987" (February 1982).

[2] See Congressional Budget Office, "Reducing the Federal Deficit: Strategies and Options" (February 1982).

TABLE 2.—FEDERAL OUTLAYS FOR SELECTED PAYMENTS TO INDIVIDUALS—Continued

[In billions of dollars]

Major program	Actual 1981	Estimated 1982	Baseline projections	
			1983	1987
Food stamps	10.3	11.5	12.5	15.7
Other nutrition programs	5.0	4.6	4.9	6.6
Housing assistance programs	6.8	8.3	9.8	16.0
Other social insurance and means-tested programs	23.9	16.0	15.9	16.4
Total	334.0	366.0	400.0	555.5

Source: Congressional Budget Office.

In considering reducing payments to individuals to lower the deficit, the Congress might also review some related tax expenditure provisions. Tax expenditures have much in common with entitlements since both provide benefits to all individuals who meet certain eligibility criteria. In 1982, tax provisions directed toward individuals are expected to reduce revenues by about $212 billion. About half of these tax expenditures are in the areas of education, training, health, and income security.

IMPACT OF LAST YEAR'S BUDGET DECISIONS FOR FISCAL YEAR 1982 AND BEYOND

Total savings in benefit payments to individuals from last year's budget decisions were originally estimated at about $12.3 billion, and they are, in fact, likely to be at least that large. These spending cuts primarily affected benefits from means-tested programs. Although such outlays represent only 18 percent of total benefit payments to individuals, cuts in the means-tested programs account for 40 percent of the reduction in benefit payments. Lower benefits, combined with more stringent income and eligibility standards, resulted in savings projected at $3.8 billion from the Aid to Families with Dependent Children (AFDC), child nutrition, and Food Stamp programs. In addition, Medicaid—the health care program for the poor—was cut by about $0.9 billion. Though the Medicaid reductions primarily lowered federal grants to the states, the states in turn are likely to respond by restricting eligibility and lowering benefits.

About 60 percent of the cuts in benefits to individuals were in programs not specifically targeted toward the poor (that is, programs that are not means-tested), although these programs altogether constituted 82 percent of this spending category. Moreover, reductions in the retirement programs make up only 25 percent of all cuts. No major changes were made, for example, in basic Social Security and other retirement benefits. Reductions in Social Security retirement will save only about $1.5 billion, or approximately 1 percent of the program's outlays. A change in Civil Service Retirement postponing the scheduled cost-of-living adjustment (COLA) from September to March will yield relatively larger savings of $0.5 billion. Changes in other social insurance programs include eliminating the federal trigger for unemployment insurance, and requiring proof of need for families with incomes above $30,000 and so-called "origination" fees for Guaranteed Student Loans.

Partly as a result of last year's cuts, growth in all benefit payments to individuals is expected to slow. Spending on these programs is projected to decline slightly as a proportion of GNP from 11 percent in 1981 to 10.5 percent in 1987.

These aggregate figures mask some major disparities between the means-tested and the retirement programs, however. In the means-tested programs, outlays are also projected to decline about 10 percent relative to GNP—from 2.1 percent of GNP in 1981 to 1.9 percent in 1987. These projections reflect the impact of last year's budget reductions and an expected decline in the number of families in poverty, especially those with young children.

Outlays for the retirement programs, in contrast, are projected to increase, rising from 7.1 percent of GNP in 1983 to 7.4 percent in 1987. These programs will keep pace with the expected real growth in GNP because the number of elderly persons drawing benefits each year will grow and because medical care costs are expected to continue rising rapidly. In addition, the automatic indexation of benefits will contribute to the growth of those programs as a proportion of federal outlays.

THE ADMINISTRATION'S PROPOSALS

In the budget for fiscal year 1983, the Administration has proposed large additional reductions in payments to individuals. The Administration estimates that these cuts will lower the deficit by $11.7 billion.[3] In addition, cuts in housing assistance and low-income energy assistance—which are payments to individuals but not entitlements—would bring the total to $12.8 billion. Citing rapid growth in this area and the need for reforms, the Administration has recommended changes in 18 entitlement programs. Social Security, which in 1983 will be nearly as large as all the other programs in this area combined, would be exempt from any cuts, however.

Although the magnitude and specific nature of the cuts the Administration is now recommending differ from the 1982 changes, the proposed 1983 reductions are again concentrated in programs restricted to low-income persons. Cuts in means-tested programs account for over three-fifths—$7.7 billion—of the total savings in benefit payments to individuals, and would reduce outlays by 13 percent from CBO's baseline levels. The largest of these cuts would be a $2.3 billion (18 percent) reduction in food stamp outlays, a $2.0 billion (20 percent) reduction in Medicaid, and a $1.3 billion (16 percent) cut in AFDC. The effects of the food stamp reductions would fall particularly heavily on the working poor and the elderly; AFDC cuts would have more uniform effects across the entire recipient population.

In anticipation of the Administration's "New Federalism" initiative to be developed for fiscal year 1984, some of the changes proposed for the means-tested programs would give states additional responsibilities. For example, the Administration is proposing to shift as much as $2.2 billion in AFDC, Food Stamps, and Medicaid program costs to the states in 1983, by making states fully responsible for program administration and erroneous benefits, and for a greater proportion of Medicaid benefits. As with the 1982 changes, states can again be expected to reduce benefits to individuals in the programs affected.

Under the Administration's budget proposals, Medicare, federal civilian and military retirement, and Railroad Retirement would be cut, accounting for 31 percent of the reduction in payments to individuals. The Administration's estimated $2.5 billion in outlay savings in Medicare reflect a combination of reimbursement and benefit changes, but mostly the former. In addition, another $0.6 billion in additional revenues would be generated by taxing federal workers for Medicare. Annual adjustments in civil service and military retirement benefits would be restricted either to the change in the Consumer Price Index (CPI) or to the corresponding federal pay increase, whichever is lower. This change could generate large savings: the Administration estimates the amount would be about $600 million in 1983 for both programs.

The remaining reductions in benefit payments—9 percent of the total—are spread over various other programs. For example, the Guaranteed Student Loan program would be cut back by $0.8 billion, mainly by raising the cost of loans for participants and restricting eligibility to students with demonstrable need. Changes in the veterans' compensation program would reduce benefits for some disabled veterans and their families.

ALTERNATIVE APPROACHES TO RESTRICTING GROWTH IN PAYMENTS TO INDIVIDUALS

Alternative approaches to those proposed by the Administration are possible for restricting the growth of payments to individuals. The Congress might broaden the range of programs targeted for cuts by including changes in all retirement programs, for example, or in tax expenditures.

Besides the changes in some retirement programs the Administration has already proposed, other options could be considered and the scope broadened to include Social Security. Social Security is more than half again as large as all the other retirement programs combined. Since the Social Security recipient population is so large, the burden of a benefit reduction generating sizable savings could be distributed widely, lessening the sacrifice for each individual beneficiary.

Much of the rapid growth in retirement benefits has resulted from automatic COLAs. In the last three years, the CPI—which determines most federal COLAs—has risen faster than wages. Thus, retirement benefits have maintained their purchasing power, while wages of the working population have fallen in real terms. In addition, the CPI contains a flaw in its treatment of housing costs, which results in overestimating price increases during periods of rapidly rising home mortgage interest rates. Consequently, the CPI has risen faster than other price indexes during the last five years.

While the expansion in federal outlays for retirement benefits is a concern in and of itself, the growth in Social Security benefits has also contributed to another now widely recognized problem, namely, the low balances in the trust funds that finance the system. Even if, as has been proposed by several Administrations, the Old Age and Survivors Insurance (OASI) trust fund were permitted to borrow from the Disability Insurance (DI) and Hospital Insurance (HI) funds indefinitely, the combined balances are now projected to have unacceptably low reserves in 1984.

A change in the COLA for retirement programs including both portions of federal retirement, railroad retirement, and Social Security, could achieve large, short-run savings. This approach would affect both current and new beneficiaries, helping to slow the growth in outlays for benefits. On the other hand, although nominal benefits would not fall, a decline in real benefits could place a burden on recipients who have no other financial resources.

One potential change in the automatic COLA in federal retirement programs would reduce the adjustment to two-thirds of the increase in the CPI. Some or all of the remaining one-third could be granted at the Congress' discretion, perhaps depending on the extent of budget stringency, on the condition of the programs' finances, or on real wage growth. If this change were implemented with the July 1982 and March 1983 COLAs and no discretionary supplements were made, savings would be $6 billion in 1983 and $28 billion per year by 1987. (To some extent these savings could be offset by greater benefits under and participation in SSI for individuals also covered by the retirement programs.)

Alternatively, smaller savings could be achieved by permanently delaying the annual COLA for Social Security and Railroad Retirement from July 1 to October 1. The COLA for Civil Service Retirement, already changed from twice to once a year, could be delayed from March to June. This would be equivalent to about a 2 percent reduction in benefits, producing savings of $2.5 billion in 1983 and $4.3 billion in 1987. (Here again some of the savings may be offset by increased SSI costs.)

A third change—limiting the COLA to the lower of the CPI or a wage index—would generate no immediate savings under current projections. It would, however, result in smaller increases in benefits in future years if wages again rise at a slower pace than prices. This change would provide particularly important protection for the Social Security trust funds, since outlay savings would be larger in years when trust fund revenues—which are directly related to the growth of wages—are also low. Moreover, choosing the lower of a wage or price index would prevent retirees' benefits from rising faster than workers' earnings.

In addition to the broad indexation options, which would affect all beneficiaries in the various retirement programs, more limited changes affecting only specific groups are also possible. In Social Security, for example, benefits for children of early retirees could be eliminated, or the earnings test could be retained for beneficiaries aged 70 and 71. Availability of children's benefits to families with early retirees may increase the incentive for workers under 65 to retire while their children are still eligible for benefits. Cancelling these benefits for persons retiring in 1983 would save about $30 million in 1983 and $600 million in 1987, in part by discouraging early retirement. Retaining the earnings test for persons aged 70 and 71 would affect persons who are relatively well off, saving $400 million in 1983 and $690 million by 1987. Since the effects of both of these options would be concentrated on relatively small groups, however, the income reduction to each affected beneficiary would be much greater than for reforms in the COLA's yielding comparable total savings.

Another way to broaden the base of reductions in benefits to individuals would be to consider changing various expenditures that currently result in substantial revenue losses to the federal government. One approach would be to include in taxable income certain benefit payments to individuals—such as those in the retirement area—which are currently tax-exempt. Another approach would reduce tax expenditures that now tend to create perverse incentives. An example is the employer-paid portion of health insurance premiums, which are now entirely exempt from taxation. Instead, premium costs above $150 per month could be included as taxable income in 1983 and indexed thereafter. Besides increasing federal revenues by $2.6 billion in 1983 (and by $8.0 billion in 1987), this option would be likely to narrow the scope of employer-provided health insurance, prompting people to economize in their use of medical care. Ultimately, this could help curb health-care costs.

Another possibility—and one that could raise still larger revenues—would be to terminate the deductibility of consumer interest payments. This deduction encourages consumers to buy on credit and discourages saving, particularly in times of high inflation. Withdrawal of this deduction would yield additional revenues of $1.2 billion in 1983 and $9.6 billion in 1987.

CONCLUSION

In summary, last year's budget decisions and the Administration's current proposals both focus reductions in benefit payments to individuals on programs that are directed toward low-income people. Partly as a result of the changes already enacted, the means-tested programs are projected to decline as a portion of GNP (assuming that current policies will continue). This decline will be greater if proposals such as the Administration's are enacted.

In contrast, the retirement portion of benefit payments to individuals—and Social Security, in particular—is expected to grow rapidly. The options I have discussed for further reduction in entitlements therefore focus on those retirement programs. In particular, modifications in their automatic COLAs could yield large short-run savings. In addition, altering or eliminating certain tax expenditures provides another way to reduce the deficit.

Thank you, Mr. Chairman. That concludes my prepared statement. I will be happy to answer any questions the Committee may have.●

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[3] CBO reestimates of proposals in the Administration's budget are scheduled for release on February 25, 1982.

SAFE HARBOR LEASING—ESSENTIAL TO AIRLINES

HON. BILL LOWERY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. LOWERY of California. Mr. Speaker, for many businesses ano workers, the Economic Recovery Tax Act of 1981 contains the seeds of a new American economic renaissance. It combines personal and business tax incentives that are aimed at boosting productivity and reindustrialization of our aging plant and equipment inventory.

One tax innovation, the safe harbor leasing provision, has been criticized by some for misuse. However, the airline industry is a very good example of how this provision has proved essential to their survival.

As we debate the options in the budget this year, including some amendments to the ERTA, I commend to you a recent letter from Mr. Paul Barkley, president of Pacific Southwest Airlines, concerning their excellent use of the safe harbor leasing provisions. Clearly, this has saved hundreds of jobs in our community and even more in the aircraft manufacturing sector as well.

The letter follows:

PACIFIC SOUTHWEST AIRLINES,
San Diego, Calif., April 23, 1982.

Re Safe Harbor Leasing.
Hon. BILL LOWERY,
U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN LOWERY: I am writing to you to state Pacific Southwest Airlines' ("PSA") strong support for the continuance of safe harbor leasing.

Congress is currently debating the efficacy of the safe harbor leasing provisions of the Economic Recovery Tax Act of 1981. Some now claim Congress made a mistake and that safe harbor leasing is not accomplishing its purpose of stimulating capital investment and creating jobs. These same people want to repeal the safe harbor leasing law.

Those who argue that safe harbor leasing doesn't work as intended are wrong. Certainly for the airline industry in general, and PSA in particular, the law is working precisely as intended. It is making additional capital investment possible and creating employment for thousands of Americans, many of them Californians.

I need not tell you that the aviation industry is in the worst recession ever. Airlines as a group have had operation losses approaching $1 billion in the last two years. At the same time, the airline industry remains one of the most capital intensive industries in the nation. Skyrocketing fuel costs and the public's demand for quieter aircraft mandate fleet modernization for the industry. Billions of dollars must be spent by airlines to meet this mandate. Obviously, without profits those dollars must be found elsewhere or the aircraft purchases cannot be made. PSA is at the forefront of the airline industry in fleet replacement and may represent a microcosm of the industry.

PSA has ordered a total of twenty-seven quiet, fuel-efficient DC-9-80 aircraft with options for six more. They cost approximately $23 million each. Part of PSA's commitment to purchase new aircraft was made after safe harbor leasing became law and on specific reliance of the law. At least some of PSA's commitment cannot be fulfilled without it. At a minimum, if safe harbor leasing is repealed PSA will not exercise its options for six aircraft and could be forced to cancel or delay delivery of some current orders.

PSA's total commitment for purchase of Super 80's and related spare parts is nearly $750 million. Yet, PSA has not had a profit from its airline operations since 1980. With deliveries of eight Super 80's in 1982, six in 1983, and possibly six more in 1984, it is critical that PSA find sources of capital to pay for these airplanes. Without safe harbor leasing, approximately one-third of this investment will be jeopardized.

In 1981, PSA used the safe harbor leasing law precisely as it was meant to be used. It acquired twelve Super 80's and financed them partially by selling the tax credits to a taxpaying corporation. The result was that PSA obtained badly needed capital to purchase these new aircraft, PSA employees who might otherwise have been furloughed were kept working, McDonnell Douglas (the manufacturer of the Super 80) was able to sell airplanes, and thousands of McDonnell Douglas employees were also kept working. The tax credits PSA marketed were used exactly as Congress intended—they provided investment in capital equipment and kept Americans working, thus stimulating the U.S. economy.

It is important to note that repeal of safe harbor leasing will not do away with the investment tax credit for the purchase of capital equipment. It will simply shift once again the primary benefits of those credits to financial leasing institutions rather than the industries that really need them. Before safe harbor leasing became law, a lessor as the legal purchaser of equipment could still obtain an investment tax credit. Unfortunately, the lessee of the the equipment (e.g., an airline) would pay the full cost of the equipment, plus interest, through lease payments, yet, at the end of the lease the lessor would own the equipment. The only alternative was for a company to purchase the equipment outright. But, if the company didn't have profits, it could not utilize the tax credit to help finance the equipment. Safe harbor leasing simply allows a company without current profits to immediately utilize the tax credit as a financing tool and to retain the equipment as its own after it is fully paid for. Thus, repeal of safe harbor leasing will primarily benefit leasing institutions (who have heretofore obtained windfalls from the leasing Law), not the federal government. It should be obvious why some major financial institutions are working so hard to repeal this law.

It is equally important to remember another of the specific reasons Congress adopted safe harbor leasing—to put businesses without current profits on an equal footing with profitable competitors. Absent safe harbor leasing, a wealthy company with large profits can obtain an investment tax credit for capital purchases and reduce the cost of such equipment by approximately 10 percent. A company without current profits can't obtain such an immediate reduction in the cost of equipment. This only serves to widen the gap between competitors. Safe harbor leasing corrects this imbalance and permits all competitors in an industry to enjoy similar costs for capital equipment.

Recently, some stories of abuses of safe harbor leasing have surfaced. The "horror stories" have caused some to question whether safe harbor leasing is producing the desired result. I assure you that for the aviation industry, it is having precisely the intended result. PSA is only one example of many airlines to whom it is critically important. I know of no airline that has abused the concepts of safe harbor leasing.

If a few are abusing the law, those abuses should be specifically addressed without "throwing the baby out with the bathwater." Repeal of safe harbor leasing at this time, when our nation's economy so desperately needs the stimulus of capital investment and the private borrower is being crowded out of the financial markets by massive government borrowing, would be a serious blow. It will directly affect PSA and its employees, plus the nation's economy as a whole. I urge you to ensure that safe harbor leasing is retained in a form which will permit it to achieve the intended result.

Thank you.

Sincerely,

PSA—Pacific Southwest Airlines.
Paul C. Barkley,
President and Chief Operating Officer.●

A TRIBUTE TO FATHER THOMAS W. NELSON

HON. CHARLES F. DOUGHERTY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. DOUGHERTY. Mr. Speaker, on May 22, 1982, Father Thomas W. Nelson, pastor of Incarnation of Our Lord Roman Catholic Church in Philadelphia, will celebrate the 40th anniversary of his ordination to the priesthood. I would like to share this special event in Father Nelson's life with my colleagues.

Father Nelson's long years of faithful service to the people of the archdiocese of Philadelphia have been manifested through a variety of ministries. Father served as a faculty member of St. Thomas More High School for Boys in Philadelphia. Later, Father Nelson became the first principal of one of our largest girls' Catholic high schools in the archdiocese, Archbishop Prendergast High School. During those years, as an educator and spiritual guide to adolescents, he was known for his interest and concern for youth at that critical period of their personal development toward adulthood.

After these early years of his priesthood, as shepherd and guide to the young, Father was called to serve in the life of the Catholic Christian community of St. Barbara's Church in West Philadelphia. And, now, Father has ably and strongly manifested his care for God and his people at Incarnation parish in the Fourth Congressional District.

Despite failing health and a crippling disability, Father Thomas Nelson continues to show a deep personal interest in those he has been asked to serve since his ordination in 1942. He is known throughout our community as a humble and faithful man, a model to the young and old, deserving of our admiration and respect and good wishes on this happy occasion.●

NATIONAL SMALL BUSINESS WEEK

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. MOAKLEY. Mr. Speaker, I am honored to join with my colleagues in commemorating National Small Business Week. I think it only appropriate that we pay tribute to the driving force behind our economy—the American small business.

No other sector of the economy has been so consistent and so innovative as the small business community. It has provided millions of jobs for our citizens, and has done a great deal to lift our economy from this present recession. In fact, I would even say that the small businesses in this country are bearing an inordinate burden in helping cure our economic ills. The administration should be made aware that it is unfair to ask small businesses of this country to support long-range goals that will, in the short term, cause them to face almost certain bankruptcy.

At present, small business in America is suffering much too much. It is the small business community that has been the hallmark of free enterprise in this country. Many of our fathers and grandfathers came to the United States and found that America was truly the land of opportunity. Many of them were successfully able to start their own businesses. I fear that the present administration has lost sight of this dream.

I think it is proper that we, as Members of this great body, honor American small businesses by assuring them a positive legislative future.●

H.R. 6294

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. PICKLE. Mr. Speaker, H.R. 6294, the Patterson-Gonzalez bill passed by this House earlier today, represents a significant improvement over the Senate's Lugar bill. The interest rate buy-down moneys provided in H.R. 6294 will be equitably distributed among the various regions of the country. Allocation criteria will consist of the State's population, relative decline in building permits, and the need for increased housing.

In H.R. 6294 Congressmen Patterson and Gonzalez replace Senator Lugar's "unemployment" criteria with "the need for increased housing production." This change insures that demand for housing will be factored into the allocation formula by the Secretary of Housing and Urban Development.

H.R. 6294 is an improvement over the Lugar bill, too, because the legislation stipulates that "funds must be equitably distributed among various regions of the country." This further assures that the program will not be limited to only those areas with out-migration, rapid decline in housing starts, high unemployment and consequently low demand for housing. These changes make the Patterson-Gonzalez bill more workable than the Lugar proposal.

Mr. Speaker, I would urge that the legislative history of this proposal include the suggestion that the "relative decline in housing permits" be based on a multiyear period—1979-81, for example. A longer period would be more representative statistically of the relative declines in housing permits in various regions of the country. I have discussed this point with sponsors of the bill, as well as with staff, and I believe there is a general feeling that the measure of the relative decline in housing permits should be based on a 2- to 3-year period.

Mr. Speaker, though I have some reservations about the interest rate buy-down approach, both as national policy and as a budget matter, I believe this bill will benefit an industry that is in bad shape and needs some type of immediate assistance, and I am advised that the program can be paid for by funds already authorized. Most importantly, I think it offers us an opportunity to make homeownership a reality for thousands of families. I am pleased to speak in behalf of this approach and to express appreciation for the excellent work of my distinguished colleagues, Mr. Jerry Patterson of California and Mr. Henry B. Gonzalez of Texas.●

"RECYCLING'S FRANKENSTEIN"—THE PERILS OF A PLUTONIUM ECONOMY

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. OTTINGER. Mr. Speaker, recently I introduced a resolution calling for negotiations leading to a worldwide halt in the production of separated plutonium in both military and civilian nuclear power programs. While it is clear that the horrors of nuclear war are increasingly on the minds of a growing number of Americans, we should also become more aware of the potentially equal risks to our security that the advocates of a "plutonium economy" would thrust upon us.

These risks were recently described in an article which appeared in the Los Angeles Times by Paul L. Leventhal, a former Senate staff member and president of the Nuclear Club, Inc., a Washington based, nonprofit membership organization concerned exclusively with the spread of nuclear weapons. Mr. Leventhal's article provides convincing arguments as to why separated plutonium must never become an article of international commerce. It also proposes steps which should be taken to avoid such an outcome. I commend it to my colleagues in the Congress.

The article follows:

PLUTONIUM: RECYCLING'S FRANKENSTEIN—REPROCESSING OF NUCLEAR FUEL WILL SPREAD INGREDIENTS FOR WAR

(By Paul L. Leventhal)

If you think the nuclear arms race between the United States and the Soviet Union has reached lunatic proportions, ponder for a moment what nuclear industrialists and bureaucrats are cooking up in the worldwide "Atoms for Peace" program: the spread of plutonium, the stuff of atomic bombs.

The situation is dangerous and getting out of control. The typical nuclear power plant produces, as a waste byproduct, 300 to 500 pounds of plutonium a year—enough for about 25 to 40 Nagasaki-type weapons. Plutonium in this form is "locked" in the reactor's highly radioactive uranium fuel and is unusable in nuclear weapons. The spent fuel elements are counted by inspectors from the International Atomic Energy Agency as part of audits to verify that peaceful plutonium is not diverted to the manufacture of nuclear weapons.

However, the agency's small inspection force is beset by obstacles and constraints that conspire to turn even this simple job into a burdensome, imprecise, incomplete task. Now, the nuclear industry is rapidly transforming this task from the difficult to the impossible.

Spent fuel is now being moved from storage pools at reactor sites to reprocessing plants where tons of pure plutonium, suitable for use in bombs, is to be chemically separated for use as reactor fuel. Separated plutonium, unlike spent fuel, is handled in bulk, is hard to measure or count, and is subject to theft. A heist of 11 pounds is enough for rapid assembly—perhaps taking only a few days—into an atomic bomb.

Assigning the agency to safeguard pure plutonium is an exercise in safeguarding the unsafeguardable. Yet commercial recovery of plutonium from spent fuel already is getting under way in France, India and Japan; pilot or laboratory-scale programs have been initiated in a least 10 other countries. If the nuclear industry gets its way, large reprocessing operations will spread to dozens of nations, and there will be commercial trafficking in hundreds of tons of separated plutonium each year—enough for hundreds of thousands of atomic bombs annually by the end of the next decade.

Nuclear industrial development has brought us to the point of no return. Plutonium may soon become a commercial fuel, and many nations will then have the wherewithal to make nuclear weapons. As the number of these nations grows, so does the danger that a nuclear war between the superpowers will be triggered by a "nouveau nuclear" nation or by nuclear-armed terrorists. Even if the nuclear-freeze movement succeeds in limiting or reducing U.S. and Soviet arsenals, the superpowers will retain enough weapons for mutual annihilation in such a war.

The danger is incredible—all the more so because the public still knows so little about the linkage between the risk of nuclear war and the spread of plutonium. A nuclear weapons freeze by the superpowers would be incomplete unless accompanied by a plutonium freeze worldwide.

Given the obvious limitations of safeguards and the hazards of plutonium, it would seem logical and prudent to ban plutonium as a fuel before the world is awash in the stuff. This is perfectly feasible. Neither research reactors nor utilities need plutonium fuel. There is more than enough natural and low-enriched uranium, which is unusable in weapons, to run all the reactors that can possibly be built well into the next century.

Why, then, aren't we abandoning plutonium? The short answer is, the nuclear industry and bureaucracy don't want to.

Ever since the Atoms for Peace program was launched in the 1950s, the principal objective has been to develop a breeder reactor—one designed to be fueled with recycled plutonium and to "breed" more plutonium than it consumes. The worldwide nuclear industry and bureaucracy continue to pursue this dream of "limitless" energy even though an anticipated global scarcity of uranium—the original premise for developing the breeder—is now known to be false.

Several things need to be done in a hurry:

First, the agency's safeguards chief should announce publicly what is acknowledged privately: namely, that vast amounts of separated plutonium cannot now, and never can, be safeguarded effectively.

Second, Congress should ban reprocessing of U.S.-supplied fuel abroad and eliminate funds for reprocessing and breeder development at home, particularly for the Clinch River Breeder Reactor. Congress also should bar nuclear exports to nations that pursue plutonium and breeder programs. As a positive step, Congress should provide energy credits in the form of low-enriched uranium fuel to nations that agree to forgo plutonium.

Third, the United States should join with the two other principal suppliers of uranium, Australia and Canada, to guarantee economical, lifetime stockpiles of reactor fuel for nations that agree to forgo plutonium and to place their spent fuel in multinational repositories safeguarded by the agency.

Fourth, the United States should persuade other major nuclear industrial suppliers to agree to a ban on plutonium and breeder reactors, but should stand ready to apply tough moral, economic, political and security-related sanctions to any country that refuses to join such a ban.

The United States still has the leverage to be persuasive if only it can find the political will to exercise it. Reagan Administration officials are fond of saying that President Jimmy Carter's nuclear non-proliferation policy failed spectacularly. They cite the failure to win general adherence to tight controls over plutonium and sensitive nuclear technology as proof positive that proliferation can only be managed, not prevented. Yet this was not so much a failure of policy as a failure of will on the part of many U.S. nuclear bureaucrats and industrialists who had little interest in seeing the policy succeed and much interest in seeing it fail.

Now, without a dramatic showing of popular concern, there is little hope that the Reagan Administration can be moved to abandon its unabashed zealotry for nuclear trade, especially for plutonium fuel and breeder development at home and abroad.

As long as most of the world's commercial plutonium remains locked in spent fuel, there is time to prevent a world full of proliferating nuclear weapons. If we fail, ours will be a world of regional wars erupting into nuclear wars, of urban terrorism evolving into nuclear terrorism—in short, a nuclear Dark Age.●

STOP ACID RAIN

HON. DOUGLAS APPLEGATE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. APPLEGATE. Mr. Speaker, I have heard those who think that we should rush headlong into legislation to stop acid rain—that it all comes from utility plants in the Midwest—that it is killing people and lakes and foliage and fish. All of this, and they do not even know what acid rain is, or what it does, where it comes from, its effect on soil, or the economic devastation that this kind of legislation would do to others not, incidentally, in their areas.

If these uninformed people want to do something constructive to save lives, they should introduce legislation to repeal the use of automobiles which kill 55,000 people a year and which destroy millions of dollars worth of property each year, eliminate cigarettes and alcohol which kill hundreds of thousands more, or do away with everything else that is the cause of deaths. This way they can have their Utopia, their Garden of Eden.

Economic factors have always been a major consideration when formulating legislation that effects these multibillion-dollar corporations, yet when it comes to air pollution they are bent on destroying a part of our economy.

We know there is a problem, but let us approach it in a commonsense way. It can be done, but not by irrationality.●

SALUTE TO KAY RIORDAN

HON. CLINT ROBERTS

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. ROBERTS of South Dakota. Mr. Speaker, it is most fitting that during this 1982 Small Business Week, we honor those individuals who have been selected as Small Business Person of the Year for each respective State.

Selected this year to be South Dakota's Small Business Person of the Year is Kay Riordan of Keystone, S. Dak. Kay is president of The Mountain Co., operator of the concession at Mount Rushmore National Monument since 1951. She opened the first restaurant and gift shop there in a one room log building and made use of two old CCC barracks as employee dorms.

Since that time, Miss Riordan has expanded the facility to a new concession building of over 30,000 square feet and a modern dormitory which houses the 150 employees hired each year. The dining room seats 200 and the fast food area seats over 100. Merchandise from all over the world is carried in the gift shop, and Native American jewelry and handcrafts are featured in the arts and crafts room.

Today, the Mount Rushmore concession is considered one of the finest in the country by the National Park Service—a tribute to the hard work and capabilities of Miss Riordan and the entrepreneurial spirit which makes our small business community the backbone of our free enterprise system.

Kay is a long-time friend of mine, and I believe she exemplifies the essence of small business and all it represents to Americans who alue the opportunity and independence this country has to offer.

She began her business career with the Old Dawson Trading Post at Pine Ridge, S. Dak. and her experience includes such endeavors as manager of the State Game Lodge, motel operator, clothing store manager and owner of an art gallery.

What makes Kay especially deserving of the award she has received, however, is that she has allowed time from her very busy schedule to actively participate in community activities of all types and to promote the travel and tourism industry in South Dakota and across America. She is a member of the South Dakota Tourism Advisory Board and sole woman member of the 17 member Travel and Tourism Industry Council to the U.S. Senate Committee on Commerce, Science and Transportation, which reviews tourism legislation and Federal policy on travel.

I ask you to join me to salute Miss Kay Riordan for her accomplishments and contributions to small buisness, to South Dakota and to the future of America.●

NATIONAL POLICE WEEK

HON. CHARLES F. DOUGHERTY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. DOUGHERTY. Mr. Speaker, almost two decades ago, Congress set aside by law the week in which May 15 falls as National Police Week. The Citizens Crime Commission of Philadelphia is also sponsoring a week-long observance—Law Enforcement Appreciation Week. Throughout the week, the Law Enforcement Appreciation Week committee will be holding a number of events including seminars, crime prevention displays, and an awards ceremony to recognize those police officers and individual citizens who have actively participated in efforts to reduce crime in and around the city of Philadelphia.

These efforts and the many others undertaken by the Citizens Crime Commission of Philadelphia deserve our strong commendation. The activities of the commission may serve as a model for other community-based efforts to combat crime. For example, Law Enforcement Appreciation Week will help recognize the heroic work of police officers, disseminate information on crime prevention techniques, and draw together people sharing a desire for a safer place to live and work.

For over 25 years the commission has been working to fight crime and organize citizens into action. I would like to take this opportunity to thank the Citizens Crime Commission for their dedicated efforts to improve life in our city.●

The 67TH ANNIVERSARY OF THE HEINOUS MASSACRE

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. MOAKLEY. Mr. Speaker, I rise today to join with my distinguished colleagues in commemorating the 67th Anniversary of the Heinous Massacre of 1.5 million innocent Armenians in the first act of genocide in the 20th century.

This atrocity was responsible for the murders of many citizens who were persecuted because of their heritage as Armenians. I personally feel a deep sense of grief for these victims who were forced to suffer sadistic and brutal acts of evil and violence because of another nation's groundless prejudices. This was a classic example of man's inhumanity to his fellow man.

At another point in this century, we were again forced to deal with this type of barbarism which took place in Nazi Germany during the Second World War. Six million jews were slaughtered by German soldiers who believed they were ridding the Earth of a subordinate race of people. As other nations slowly gained knowledge of these acts of genocide, waves of shock and anger swept the globe, with a prevailing sentiment that nothing like this should ever be allowed to happen again.

It has now been many decades since the Armenian Genocide took place, but the scars and the memories still linger on. It is my fervent hope, which I trust is shared by those around the world, that as we mark the anniversary of this dark period in history, we should make a firm commitment to ourselves that such acts of savagery never be tolerated again. If this is done, then perhaps the deaths of 1.5 million Armenians will not have been in vain.●

HOUSE OF REPRESENTATIVES—*Wednesday, May 12, 1982*

The House met at 12 o'clock noon.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

We are grateful, O Lord, that wherever we are or whatever our task, Your spirit is there to support us and give us strength. We take comfort that we need not find You, for You have already sought us and given us grace more than ever we could ask or imagine. As Your word reminds, though we be buffeted by struggles within or without, though we wish for light but are confused by darkness, it is even then that Your hand shall lead us and Your right hand shall hold us. For the unspeakable gifts of Your love, O Lord, we offer this our word of thanksgiving. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate agrees to the amendments of the House to a bill of the Senate of the following title:

S. 1131. An act to require the Federal Government to pay interest on overdue payments and to take early payment discounts only when payment is timely made, and for other purposes.

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 2475. An act to modify a withdrawal of certain lands in Mono County, Calif. to facilitate an exchange for certain other lands in Mono County, Calif. and for other purposes;

H.R. 5118. An act to provide water to the Papago Tribe of Arizona and its members, to settle Papago Indian water rights claims in portions of the Papago reservations, and for other purposes; and

H.R. 5139. An act to authorize appropriations for certain insular areas of the United States, and for other purposes.

The message also announced that the Senate had passed bills and a joint resolution of the following titles, in which the concurrence of the House is requested:

S. 159. An act to authorize the exchange of certain land held by the Navajo Tribe and the Bureau of Land Management, and for other purposes;

S. 792. An act to promote the development of Native American culture and art;

S. 835. An act for the relief of Jerry L. Crow;

S. 933. An act to authorize rehabilitation of the Belle Fourche irrigation project, and for other purposes;

S. 1501. An act entitled the "Educational Mining Act of 1982";

S. 1519. An act to designate certain national wildlife refuge lands;

S. 1628. An act to amend the Emergency Fund Act (Act of June 26, 1948, 62 Stat. 1052); and

S.J. Res. 161. Joint resolution to designate the week commencing with the fourth Monday in June 1982 as "National NCO/Petty Officer Week."

The message also announced that the President pro tempore, pursuant to Public Law 94-201, appointed William L. Kenney, Jr., of South Carolina, from private life, to the Board of Trustees of the American Folklife Center, effective March 19, 1982, for a 6-year term.

SOCIAL SECURITY MUST BE PROTECTED

(Mr. WRIGHT asked and was given permission to address the House for 1 minute.)

Mr. WRIGHT. Mr. Speaker, exactly 1 year ago today the Reagan administration advanced the first of two broad proposals to cut social security. The several sets of reductions embodied in those two proposals would have slashed social security by some $82 billion over the next 5 years.

Both Houses of Congress overwhelmingly rejected those basic cuts and the House also went on later to overturn some cuts that had been inadvertently made in the confusion of the Gramm-Latta reconciliation bill. But some cuts remained. Because of that bill, forced upon us by Presidential insistence, future retirees will not be entitled to the meager $122 monthly minimum benefit—and dependents will no longer be eligible for college benefits.

Today, we have the President again pushing a proposal in the Senate which would call for a $40 billion cut in social security during the next 3 years, under the guise of budgetary balancing. While that proposal is ambivalent as to who would pay, I think it must clearly presume that these cuts—$40 billion of them—will be made in benefits due otherwise to social security beneficiaries.

This is a day then for us to reaffirm in no uncertain terms that we intend two things. First, perpetually to protect the solvency and soundness of the social security trust fund and, second, to protect the benefits that are due and payable to the beneficiaries under that social security trust fund.

I believe this Congress in its wisdom can and will achieve both objectives.

SOCIAL SECURITY WILL NOT BE CUT

(Mr. PEPPER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PEPPER. Mr. Speaker, this administration induced this House last year to enact legislation which will cost the recipients of social security in the next 5 years $25 billion. When this administration says it can be counted upon to protect and not to cut social security, what can it say of its record of already having cut $25 billion from the recipients of social security for the next 5 years?

Already the Budget Committee of the U.S. Senate has submitted a solemn document to that body respecting the financing of the Government of the United States in which that Budget Committee provided—and it is known to the public that the President has specifically endorsed that budget—that $40 billion shall be cut from social security for the next 3 years—$6 billion in 1983, $17 billion in 1984, $17 billion in 1985.

Now the President says, "I am going to protect social security." Well, I am a little bit afraid it is like the goat protecting the cabbage patch with the record of this administration in cutting social security, with all respect to our Chief Executive.

The only way, therefore, for the people of the United States to know that social security is not going to be cut, that we are going to find a sound solution of its problem precipitated by this Republican recession, that we now have, and we are going to do it without cutting social security.

So the distinguished majority leader and the distinguished assistant whip of the Democratic Party and I introduced legislation (H. Res. 457) this week saying that this House will not include cuts of social security in its budget resolution.

I hope all Members who are supporting and protecting social security will join us in support of that resolution.

☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

SOCIAL SECURITY

(Mr. SYNAR asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SYNAR. Mr. Speaker, this administration cannot keep its hands off of social security. Every time it faces the realities of the fiscal crisis it has created, it screams about trust fund bankruptcy and tries to railroad excessive and questionable cuts in social security.

We all agree that social security has financial troubles. But we disagree over the magnitude. Last year we agreed to establish a bipartisan national commission, headed by respected Republican economist Alan Greenspan, to study the issue in depth for 1 year and to make recommendations for action.

Now, less than 3 short months after the commission's first meeting, the administration has endorsed $40 billion in specified social security cuts.

I thought we had agreed that the commission would approach the problem with an open mind, try to reach a fair and equitable consensus, and present us with viable options that addressed the real social security problems.

Instead, this administration would prescribe a $40 billion cut, before the commission had barely begun. This is as bad as the enormous and ill-conceived cuts in social security proposed by this administration last May and abandoned in September.

Worse, I am amazed this administration would expect Congress to accept such a massive cut—but wait until after the elections to know the details. It is a "pig-in-a-poke" if I have ever seen one.

Mr. Speaker, I care about social security's integrity. It is wrong to use it as a fiscal football. It is wrong to cut retirement benefits to pay for gigantic tax giveways to the rich. It is wrong to violate a contract with trusting senior citizens to pay for wasteful cost overruns in defense contracts.

We have some difficult decisions to make in the near future regarding social security. But let us do so honestly and with the interest of our senior citizens in mind. Let us not exploit social security for the sake of an economic program that is not working.

MEETING WITH PRESIDENT

(Mr. PEYSER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PEYSER. Mr. Speaker, I read in the papers this morning that the Republican leadership yesterday met with the President and told him that they could not support cuts in social security this year. The quote was that Republican Members need some running room in an election year.

Mr. Speaker, I hope that the senior citizens and all those in this country know that nothing was said as to whether it was right or wrong to cut social security, only that it would be a political headache this year. I say to those who are concerned about social security benefits, it is not this year you have to worry about, it is 1983, when the opportunity for the Republican Party, if they have it, they will not have to worry about political headaches and then they can move on to the program that has been outlined by the President to cut these social security benefits.

Mr. Speaker, is it any wonder really that the public once in a while questions the integrity of this Congress?

A RESOLUTION TO WIN THE CURRENT STEEL WAR

(Mr. GAYDOS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GAYDOS. Mr. Speaker, today 94 Members of the House of Representatives have joined to introduce a concurrent resolution that recognizes the importance of steel, the Nation's basic industry, and gives formal notice the Congress will not have it stolen job-by-job, plant-by-plant, company-by-company.

This resolution says that the trade laws must be enforced or that we must write trade laws that can be enforced.

And it reflects a growing national concensus around the conclusion put forward recently by a leading business journal.

"For the first time in history," this magazine asserted, "Trade balance is a major cause of a recession."

The 95,000 steelworkers made jobless by apparently dumped and subsidized imports in the last year understand that they are not losing a worker-to-worker competition.

These American workers are being buried by foreign governments that say, better unemployment in the United States than here as they subsidize and cartelize and protect their markets.

This resolution says Congress will not let that happen.

Mr. Speaker, I will expand in special orders later today on this resolution and the growing national realization that we are being badly used by our trading partners.

Meanwhile, additional cosponsors for the resolution will be welcome.

REREFERRAL OF H.R. 6324 TO COMMITTEE ON SCIENCE AND TECHNOLOGY AND COMMITTEE ON MERCHANT MARINE AND FISHERIES

Mr. SCHEUER. Mr. Speaker, I ask unanimous consent that H.R. 6324, which was initally referred to the Committee on Science and Technology, be jointly rereferred to the Committee on Science and Technology and the Committee on Merchant Marine and Fisheries.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

SMALL BUSINESS COMMEMORATIVE ENVELOPE

(Mr. SKELTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SKELTON. Mr. Speaker, last year our colleague, ANDY IRELAND, from the Eighth Congressional District of Florida, introduced House Concurrent Resolution 60, a resolution requesting that the Postmaster General consider issuing a postage stamp in honor of America's small businesses. He received 80 cosponsors to the resolution, 37 of which serve on the Small Business Committee. The Postal Service issues a very limited number of commemorative stamps each year and these stamps are decided upon at least 2 years in advance, sometimes more. There were other options available which Congressman IRELAND decided to explore. After much hard work he was successful in his efforts. In a press conference that was held this morning, Postmaster General William F. Bolger announced that the Postal Service will issue a commemorative envelope honoring small business.

It is significant that the announcement was made at this time because this week is Small Business Week. This is a time we have set aside to recognize our Nation's small business men and women. Small business is the cutting edge of competition; small business is the Nation's job creator; small business is the vanguard of innovation and invention; and small business is the source of the free enterprise leadership. It is the responsibility of all of us in public service to recognize these attributes and today, due to Congressman IRELAND's hard work, I feel we have done just that.

Next year during Small Business Week the envelope design will be unveiled. Then, in 1984 the envelope will actually be released. I think this is a great accomplishment and think Congressman IRELAND should be commended for the hard work and dedication he has shown toward helping our Nation's small businesses.

HOUSE CONCURRENT RESOLUTION 322 SHOULD BE REJECTED

(Mr. KASTENMEIER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KASTENMEIER. Mr. Speaker, shortly, we will be called on to vote on House Concurrent Resolution 322. Several years ago, a similar resolution was brought up under unanimous consent. It was offered, as I recall, by Mr. Wolff of New York. I objected to the immediate consideration of the resolution and it was withdrawn in that form. It also provided that the United States should withdraw from participation in the United Nations and its constituent parts arising out of General Assembly treatment of Israel. This resolution before us today is strikingly similar. It suggests that the United States, among other things, threaten to withdraw from the General Assembly or constitutent parts of the United Nations and refuse to pay its financial obligations to the United Nations. I do not favor expulsion of Israel or any other state from the United Nations. I believe it is appropriate for the United States to speak and act on behalf of Israel on such a question. But I also think it is totally inappropriate for this country to cut off its nose to spite its face by threatened withdrawal of participation in the United Nations. There are some Americans, indeed some in this Chamber, who have for years wanted the United States out of the United Nations. I could understand their support for this initiative. However, I think we have a larger responsibility to the world community and a very specific obligation to people of the United States to remain a full participant in the United Nations rather than proposing to terminate its activities in that body, a proposal I regard as irresponsible. Mr. Speaker, I would urge the resolution be rejected.

□ 1215

WHAT IS UNEMPLOYMENT?

(Mr. BONIOR of Michigan asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BONIOR of Michigan. Mr. Speaker, this week another White House spokesman suggested that unemployment may be the inevitable consequence of declining inflation. Well, in my hometown of Mount Clemens, Mich., "inevitability" has cost 25 percent of the workforce their jobs.

The White House tells us that if we would just look at the adjusted figures, the problem would seem a little less severe. Well, the adjusted workers of Washington Township in my district, these people are not convinced, because the unemployment rate there is 26 percent.

During the Great Depression year of 1935, unemployment in Michigan was 19 percent. Today unemployment in the 12th Congressional District of Michigan is 19 percent. The people in my district do not care who caused the problem. They want to know who will solve the problem.

But their real fear, their real fear is from statements suggesting that it is inevitable that we are going to have high unemployment with declining inflation, their real fear is that the White House may still not be persuaded that there is a serious problem at all.

THE HOUSING BILL WILL PRODUCE JOBS

(Mr. DICKS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DICKS. Mr. Speaker, yesterday the House voted 349 to 55 for a major new housing initiative. I think that vote indicates concern for the fact that we suffer a 9.4-percent unemployment rate in this country. In my State of Washington, the unemployment rate is 13 percent.

Clearly, jobs are needed and clearly, the housing bill is one way to produce those jobs.

Today we have a chance to provide the funding for that important legislation.

Mr. Speaker, we all recognize the need to reduce deficits. If we can reduce unemployment by 1 percent, we can reduce the deficit by $25 billion and eliminate $5 billion of expenditures.

If we could reduce the unemployment rate from 9.4 percent down to 6 percent, we would reduce the deficit by over $100 billion. Clearly, the one important way to deal with large deficits is to put the American people back to work.

CONGRATULATIONS TO CONGRESSMAN MICHEL

(Mr. ALEXANDER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ALEXANDER. Mr. Speaker, the newspapers report today that House Minority Leader BOB MICHEL has joined the ranks of those of us who will not tolerate arbitrary cuts in social security.

I congratulate Mr. MICHEL for taking a stand on this important issue, despite the President's acceptance of the Senate Budget Committee's proposal to cut $40 billion from the social security system.

The rejection of the cuts by the gentleman from Illinois (Mr. MICHEL) underscores the widespread and bipartisan support for the elderly of America, many of whom are barely above the poverty line. They cannot sustain a monthly cut of at least $28 under the proposed cutbacks.

The well-being of older Americans is not a subject of bipartisan fighting. It is an issue that calls for serious consideration and study. As the gentleman from Texas (Mr. PICKLE) said a minute ago, a commission has been appointed and we shall await the findings of that commission before taking action; but what justification can be offered for arbitrary and unspecified slashing at the social security system?

Congress must take action to reduce the enormous deficit we face for fiscal year 1983; but we can do it without taking it out of the hides of the senior citizens of America.

"HOCUS POCUS" BUDGET PLAN OF SENATE BUDGET COMMITTEE

(Mr. BIAGGI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BIAGGI. Mr. Speaker, I wish to express my absolute opposition to the "hocus pocus" budget plan of the Senate Budget Committee which will find $40 billion in savings from social security without saying how.

I ask the architects of this plan—do they not realize the impact on an elderly social security recipient when they read a headline that says—1982 cost-of-living increase in jeopardy—or billions in social security cuts sought—or social security—will it go bankrupt in 1983?

Why do we subject our seniors to this type of torture? Why are we tampering with social security while the President's commission is looking for long-range solutions?

Cutting benefits is the last resort in social security reform.

Today, I am introducing legislation which would impose a 5-year moratorium on the ability of employees and employers to withdraw from the social security system. My bill would also modify existing law by permitting any entity which did withdraw from social security to go back on. The Social Security Administration estimates they have applications pending that will drop some 340,000 workers from social security. These are individuals who are contributing to the system as workers. This drain on the system must be stopped.

PRESIDENT DOES NOTHING ABOUT FOREIGN STEEL DUMPING

(Mr. ERTEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ERTEL. Mr. Speaker, today, the American steel industry works at 49.1 percent of capacity. Today, the unemployment rate among the Nation's steelworkers is an unacceptably high 33 percent; 95,248 steelworkers are laid off, another 28,486 are working short workweeks. In just Pennsylvania, there has been a loss of 22,100 metal industries jobs the last year.

President Reagan's response to this crisis has been to do nothing. Despite strong evidence of dumping by foreign steel producers—no fewer than 40 antidumping cases filed with the International Trade Commission since January have been found to have a reasonable indication of injury to domestic producers—the Reagan administration prefers to hide behind "free trade" principles, rather than taking the action necessary to put America's unemployed steelworkers back to work.

President Reagan's May 4 decision to impose sugar import quotas, however, demonstrates once again that political considerations and not lofty principles or the welfare of the American people are what drives administration policymaking. The President willingly abandons his "free trade" principle to bail out a handful of sugar producers to the tune of perhaps $3 billion, but fails to take the necessary action to put the Nation's steel industry back on its feet.

If quotas are an appropriate remedy for the Nation's domestic sugar industry, they are a necessary remedy for the Nation's domestic steel industry. Imports have captured more than 20 percent of the domestic steel market since January. All major steel firms reported losses in their steelmaking operations in the first quarter of this year.

Mr. Speaker, after 16 months, I think it is about time the Reagan administration begins to make its policy decisions on the basis of fact and what is good for the American people. I think it is about time the Reagan administration begins to look out for the livelihood of the Nation's steel industry and its workers. The President can no longer, if indeed he ever properly could, hide behind the principle of free trade. Let us put America's steel industry back to work, now.

NO LIMIT TO CALLOUSNESS OF ADMINISTRATION TOWARD ELDERLY AND DISABLED

(Mr. WEISS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WEISS. Mr. Speaker, there appears to be no limit to the callousness that this administration and its allies in the Senate display toward our Nation's elderly and disabled. Once again, they are taking aim at the 36 million who are dependent on social security's protections. Once again, we have witnessed a sickening replay of the President's efforts to shake their confidence in the social security system and to manipulate the American public.

After sanctioning a $40 billion cut in the program last week, the President has made numerous statements about his commitment to protecting social security benefits. Maybe the President is confused about his own budget but the American people are not. They see through this manipulation. They know that the new compromise sacrifices their meager income security for the sake of missiles and tax giveaways for the wealthy.

Mr. Speaker, this cruel disregard for the needs of the elderly and disabled must be soundly rejected. Americans have worked for social security, they have paid for it, and they are entitled to its benefits. There can be no compromise on this vital program.

COMMENDATIONS TO MINORITY LEADER MICHEL

(Mr. BONKER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BONKER. Mr. Speaker, I wish to commend the minority leader, Bob Michel, for his honest and courageous statement yesterday on the Senate budget.

It is becoming increasingly clear that the real stumbling block in the budget debate concerns the social security trust fund and the recipients of that program.

There is a solution and that solution is that we ought to take the social security trust funds out of the unified budget. Those trust funds should not have been there in the first place. They distort the budget picture. They make it increasingly difficult for us to achieve a compromise.

We ought to consider the trust fund on its own merits and not make it a part of the budget debate.

I think most people can accept reductions or increased contributions if that is the only means to salvage the trust fund; but to make it part of the budget debate and involve necessary trade-offs and concessions that have to be made, I think will be unacceptable to senior citizens.

There is bipartisan cooperation and I think room for consensus on this issue. The chairman of the Aging Committee, the gentleman from Florida (Mr. Pepper) and myself have both introduced resolutions to take the trust fund out.

The gentleman from Ohio (Mr. Gradison) has introduced a resolution with 80 cosponsors.

I think there exists here a real opportunity to break this deadlock if we can agree upon efforts to take the trust fund out of the budget and consider its financial problems on their own merit.

JEAN STAPLETON PORTRAYS ELEANOR ROOSEVELT

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, there is a rare treat tonight on television that I would like everybody to watch and that is "The Life of Eleanor Roosevelt" as portrayed by Jean Stapleton. I hear she has done an excellent job.

You know, she was always one of the foremothers that I always thought was a wonderful example of what America stood for and what it was all about and what it meant.

I do not think I ever realized how powerful she was until about 2 years ago. I was going to a meeting with my small daughter, who was then 8. As we came to that meeting, the Ku Klux Klan was picketing. The police were there from Denver and they said to me, "We can't protect you going in the front door. You must go in the back door."

I said, "I cannot do that, but if you will please stay here with my daughter, I will go through the front door and then when they go away, I will come back and get her."

My daughter said, much to the horror of the police chief, "Mother, Mrs. Roosevelt would roll over in her grave if she knew that you asked me not to walk through that picket line," and she got out of the car and away she went, with the police chief screaming, "Mrs. Schroeder, you have ruined your daughter, too."

Nevertheless, I do not think that is ruining it. I think that is what America is all about.

I was terribly surprised that Mrs. Roosevelt had had such a strong influence on my daughter as she had on me.

I hope everybody watches this great American woman tonight on TV.

□ 1230

IN HONOR OF ROBERTO CLEMENTE

(Mr. GARCIA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GARCIA. Mr. Speaker, I am pleased to announce today that the U.S. Postal Service will issue a commemorative stamp in honor of Roberto Clemente in 1984. The stamp is a fitting way to remember humanitarian

and baseball great Roberto Clemente. Several weeks ago I met with Postmaster General Bolger concerning this matter. He was most sympathetic and supportive of the idea.

Roberto was a good example for America's youth. He worked hard, he played hard, and he succeeded. He was, in the words of sportswriter Myron Cope, "a product of the morality of the old Spanish families."

He had dignity and pride. Roberto, who was Hispanic and Black, played at a time when both Hispanics and Blacks were new to the game. He spoke little English, and was constantly confronted with prejudice because he was a minority. But he did not let this limit him in any way. In fact, Roberto's heritage was a source of strength for him.

Roberto fought hard to succeed, and his achievements put him in baseball's hall of fame. He won the National League's Most Valuable Player Award for the world's series. He was a star throughout his career.

But it was his work off the field that made Roberto Clemente a real hero. He spent his off-seasons working with the youth of Puerto Rico. His dream of building a sports complex for the island's youth was, unfortunately, not realized until after his death.

Roberto died as he lived, serving the people. In 1973, his plane crashed bringing relief to the victims of Nicaragua's earthquake. He is a fitting hero. He is also a fitting symbol for what is best about America's Puerto Rican and Hispanic communities.

Roberto Clemente is the first Puerto Rican athlete and humanitarian to be honored in this way. As an American of Puerto Rican heritage, I am pleased that I was able to achieve this for such a worthy individual. Too often Puerto Ricans and Hispanics have been forgotten when this country has honored its heroes. I hope that through my efforts Puerto Ricans and all Hispanics will begin to be justly honored and remembered.

AGRICULTURAL RESEARCH NEEDED

(Mr. HIGHTOWER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HIGHTOWER. Mr. Speaker, on May 6, the Wall Street Journal ran an article written by Jeff Birnbaum criticizing some agricultural research appropriations and calling them "sacred cows." In the article, he mentions the funding for the only guar research done in the United States.

I want to make sure there is no misunderstanding about guar and the research that is conducted. I hope it was not Mr. Birnbaum's intention to paint agricultural research as misspent tax money. There is no better investment in the future of our country than the agricultural research expenditures.

The domestic use of guar has increased tenfold over the past decade. It is a legume that serves as a positive rotation crop and as a soil builder protects our most basic of resources, the land.

A major use of guar today is in the fracturing of old oil wells to increase the flow of petroleum and decrease oil imports. Guar is also used in explosives for mining, textile printing pastes, hydraulic transportation of powdered coal, and the spraying of grass seeds from tank trucks on the sides of hills. Guar is used as a high protein meal for livestock. It is used in ice cream and other foods. In short, it is a very versatile product with new ways to use it being found every day.

Also important is the fact that guar is a good cash crop that has a great deal of potential. We desperately need new cash crops in this depressed farm economy. Guar is being farmed at a profit. Guar research will mean a profit for farmers who seldom hear the word.

With research, on growth, disease, insects, and many other aspects of the crop, we have already seen the investment in research dollars come back to the farmer and the taxpayer in the form of a better standard of living.

It is estimated that agricultural research yields 4 dollars for every dollar spent. That is on general basic agricultural research. I would think our return on this little known crop is far greater.

RIGHT OF CHILDREN WITH BIRTH DEFECTS

(Mr. STATON of West Virginia asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. STATON of West Virginia. Mr. Speaker, on Thursday, April 15, 1982 a tiny, week-old baby boy died of starvation in Bloomington, Ind. The death would have been tragic enough if it had occurred because of some unavoidable circumstance. However, the tragedy is compounded by the appalling fact that this death occurred by deliberate design.

The baby was born with Down's syndrome, a genetic defect involving varying degrees of mental retardation and sometimes physical effects. One in approximately 700 to 900 infants born have this condition. This baby was condemned to die because he was unfortunate enough to be one in 700. His esophagus was deformed preventing food from passing into his stomach. Although corrective surgery could have remedied this situation, the baby's parents refused to grant permission for the operation or for intravenous feeding. Despite the pleas of persons wishing to adopt the little boy, he starved to death, the act being sanctioned by the very judicial system charged with protection of the dearest of our rights, the right to life.

This was a human being born into the world. And yet with a rationale that has terrifying similarities to the Nazi Reich's brand of eugenics, this tiniest, most defenseless of our kind was deliberately permitted to languish and die. It is too late for this little boy so coldly labeled "Infant Doe." But perhaps it is not too late to shake the sensibilities and compassion of those who might otherwise view such infanticide as wholly acceptable and permit its reoccurrence in the future. It is with this hope that I have introduced a concurrent resolution, expressing the sense of the Congress concerning the right of children with birth defects to life sustaining medical treament and nutrition. This resolution reads as follows:

H. Con. Res.—

Whereas thousands of children are born each year with some birth defect or condition of mental retardation:

Whereas these children are born with the same right to life, liberty, and the pursuit of happiness afforded to all Americans, and

Whereas an individual's right to life is the most fundamental of human rights: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That an infant's basic right to live should not be jeopardized, and that each child has the inalienable right to full and complete medical treatment and food nutrients necessary to sustain its life regardless of handicapping condition.

LET'S FASHION A RESPONSIBLE BUDGET COMPROMISE

(Mr. PETRI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PETRI. Mr. Speaker, the once dormant bipartisan budget compromise has been given some new life in recent days.

Last week our colleagues Mr. Leach and Mr. Panetta authored a bipartisan compromise approach. Earlier this week the chairman of the House Budget Committee introduced yet another alternative budget plan and yesterday our minority leader outlined the direction in which our leadership hopes to move.

The American people are demanding that we adopt a budget compromise that will reduce the deficit so that interest rates will go down.

The American people are demanding that we set aside partisan bickering and pass a budget in the best economic interest of this country.

While these new plans will not please everyone I congratulate these Members for their constructive contributions to the budget debate. I applaud their efforts to fashion a responsible budget compromise.

MEMORIAL TO POLICE KILLED IN LINE OF DUTY

(Mr. BEARD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BEARD. Mr. Speaker, May 15 is Police Memorial Day. In conjunction with that day, I am joining in the introduction of a bill to establish a memorial here in Washington to all the police officers in this Nation who have been killed in the line of duty.

During the decade of the 1970's 1,100 police officers were killed. In Memphis, in my home State of Tennessee, the year 1981 witnessed two killings of police officers, two shot and wounded, and over 300 physically assaulted. In one of those instances a convicted murderer escaped from prison, killed a police officer in Memphis, and several days later he killed a priest in Jackson, Tenn.

This year Police Officer Larry Childress became the third Memphis police officer killed within a 6-month period. Nashville, Tenn., has witnessed five killings of policemen over the last 6 years.

Mr. Speaker, I intend to introduce a bill to make it a Federal crime to kill a law enforcement officer while he is acting in the line of duty and require the death penalty for such a killing. Police officers' lives are on the line every day for our safety and protection. It is way past time to let the murderers know that if they kill a police officer, punishment will be swift and fatal.

THE TRUTH ABOUT SOCIAL SECURITY

(Mr. WALKER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WALKER. Mr. Speaker, let us deal in the truth about social security. In contrast to what we have heard here today, let us look at the recent record of the Democratic Party on this issue.

According to information developed by the Senate Finance Committee, the actions taken by a Democratic administration and Democratic Congress in 1977 are cutting benefits now, will cut them more in the future, and at the same time will raise taxes substantially. For the average beneficiary retiring this year at age 65, the 1977 measure will result in a cut of $130 per month in benefits, or more than $5,000 over the 3-year period. For the maximum beneficiary, the 3-year cuts will total more than $6,000. Republicans did not create those cuts, nor did Republicans vote for those cuts. They are Democratic Party cuts.

Put that together with the Democratic Party proposals in their budget last year to delay the cost-of-living increases for all 36 million social security recipients, and you find out why they are so sensitive about this issue. The Democrats are the villains. Their record is clear. It is the Democrats who are robbing the social security system blind.

DON'T BALANCE THE BUDGET ON THE BACKS OF THE ELDERLY

(Ms. OAKAR asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. OAKAR. Mr. Speaker, I decided to change my 1-minute speech after hearing my colleague speak.

As the Chair of the Task Force on Social Security for the Committee on Aging, I think the record is very, very clear. In the last budget, which was proposed by President Reagan, social security benefits were cut to the tune of $25 billion. And now the President has approved a plan to cut social security benefits by $40 billion.

One of the reasons that the President would like to balance the budget on the backs of the elderly is because social security is the second largest pot of money under the budget. We have to get the trust fund out of the auspices of the budget, as it was when President Roosevelt signed it into law. And I have a bill, H.R. 4157, which would do that. But I think we have to tell the truth about who actually cut social security benefits. This is an unprecedented assault on what is the individual's right to his or her benefit. The people paid for this insurance plan; they deserve their benefit.

FREEZE FEDERAL SPENDING

(Mr. SMITH of Oregon asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SMITH of Oregon. Mr. Speaker, for months I have been beating the same drum trying to find supporters for a plan to freeze Federal spending until we balance the budget.

Last week, the freeze supporters gained their greatest ally—President Reagan.

The President has officially announced his full and complete support for the budget freeze proposal. It passed the Senate Budget Committee last week.

I have said it a thousand times and I will say it again:

A budget freeze is the fairest budget compromise there is;

A budget freeze leaves the tax rate cuts in place; and

A budget freeze deserves the immediate attention of every Member in this House.

I am convening a special order later today to talk about the fairness of a budget freeze, and I invite my colleagues on both sides of the aisle to join in.

A budget freeze is politically do-able.

A budget freeze is fair.

And best of all, a budget freeze is best for all Americans to get our country back on the right track.

THE TAX, SPEND, AND ELECT PHILOSOPHY

(Mr. HILER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HILER. Mr. Speaker, occasionally it is necessary to reflect on not only where we are going, but where we have been. If we look at the 4 years of Democrat-controlled leadership of the House of Representatives, the Senate, and the Presidency under President Carter from 1976 to 1980, we see that the prime rate jumped from 6.8 percent in 1976 to 21½ percent on January 1, 1981. We saw inflation go from 4.8 percent in 1976 to back-to-back years of double-digit inflation of 1979 and 1980. We saw productivity move at a negative rate in 1978, 1979, and 1980.

Taxes doubled from 1976 to 1980. The social security system had the largest single tax increase in the history of the Republic.

We cannot tax our way into prosperity, and we cannot spend our way into prosperity. The tax, spend, and elect philosophy of the Democrat Party is what gave us 21½ percent interest rates, double-digit inflation, negative productivity, a doubling of taxes. It was time for a change, a long overdue change.

AMERICANS ARE STARTING TO WAKE UP

(Mr. HUNTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HUNTER. You know, Mr. Speaker, Americans are starting to wake up. The man on the street now realizes why the money is not available in lending institutions for that auto loan or home loan. It is because Government is getting most of the available credit and most of the available money.

So the attention of the Nation is on the budget process, Mr. Speaker, and the farmer and the auto mechanic and the small businessman are hoping that this Congress can cut the deficit and leave them, the people, a little money to pursue their aspirations and dreams. The trillion dollar national debt that Democrat benevolence has saddled our people with cannot be expanded further, Mr. Speaker. Let us cut the deficit and make this recovery strong and enduring.

BALANCE SPENDING AND TAXES

(Mr. DANNEMEYER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DANNEMEYER. Mr. Speaker, sometime within the next 3 or 4 days the House Rules Committee will meet to decide what we Members will be permitted to vote on on the floor of the House with respect to taxing and spending levels for 1983. It is my hope that the Rules Committee, controlled by the Democrats, will permit a rule to be granted whereby a balanced budget resolution will be considered on the floor of the House.

This Member from California has such a proposal available for consideration by the Members. It will call for balancing spending and taxes at about $690 billion for fiscal year 1983. The way the balanced budget was developed was that a careful estimate of projected income for 1983 from the existing tax structure was calculated, that is, retaining the tax cuts we voted last year, and said amount is projected at about $690 billion. The spending was therefore adjusted to reflect the income available to be expended.

I do not know any other way to develop a balanced budget. I would hope that we will all have a chance to vote on a balanced budget, because I know many Members of the House are just looking for the opportunity of going home and explaining to their constituents that they voted for a balanced budget.

□ 1245

HOW LONG MUST WE WAIT?

(Mr. HYDE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HYDE. Mr. Speaker, how long must we wait for the Judiciary Committee to take action on the export trading companies bill still languishing—now for over a year—in its Subcommittee on Monopolies and Commercial Law?

Last December, when our trade deficit was $900 million, the subcommittee, on which I serve, was advised that markup of an export trading companies bill would be scheduled soon after the Christmas recess. Indeed, the chairman did have the staff prepare a draft dealing with those portions of the bill under the committee's jurisdiction, and scheduled a markup for February 9. In the meantime, the January trade deficit was $4.1 billion.

On February 9, the Democratic majority of the subcommittee, with one exception, failed to attend the markup, and the meeting was canceled by the chairman. Some Democratic members of the subcommittee, he said, needed more time to study the proposal. February's trade deficit was $400 million.

How much time, Mr. Speaker, do they need? Since February 9, the chairman has so far refused to schedule a markup of the export trading companies bill, despite the fact that a clear majority on the subcommittee favors such action. The March trade deficit was $1.7 billion, and April's figures are not yet available.

It is very difficult indeed to understand this intransigence. Are the issues so complex? Both the Banking and Foreign Affairs Committees, which share jurisdictional responsibilities, are well on their way toward discharging those responsibilities. Does the legislation lack support? Over 120 Members, almost evenly divided between both parties, have cosponsored export trading companies measures. Is there not a pressing need for the legislation? Since the other body approved their version of this bill last April, the cumulative trade deficit has been $28.2 billion.

Members looking for bipartisan initiatives to help the economy and create jobs need look no further than this legislation to find a positive beginning. It is past the 11th hour. Our constituents have the right to demand that we take action to increase American exports, and stop exporting American jobs.

I implore my colleagues to join with me in calling on the chairman of the Judiciary Committee to expeditiously mark up the export trading companies bill.

SOCIAL SECURITY MUST NOT BE USED TO BALANCE THE BUDGET

(Mr. GRADISON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GRADISON. Mr. Speaker, we must not use social security to balance the budget. The social security system has serious financial difficulties which mandate action, but the budget is not the place for that action. Mixing social security with the budget runs the risk of jeopardizing both a budget compromise and responsible reform of the social security.

Social security is financially independent of the rest of the budget, and should be treated that way. Last October, I introduced legislation which would remove social security from the budget. Such a move would insure that changes in social security are made only to insure the system's financial health, and not to balance the budget. The breakdown of budget negotiations, and the furor over the Senate Budget Committee's recent recommendations, make the need for this legislation all the more evident.

If we act quickly, perhaps by including this bill in the reconciliation package, we can depoliticize social security and set the stage for broader reform of the system at the end of the year. If we delay, we may well repeat the events of last year, when politics forced us to ignore the very serious problems that the system faces.

I urge you to consider seriously this legislation. Separation is not a partisan issue. It has the support of both liberal Democrats and conservative Republicans. It deserves the support, I feel, of every Member of this body who wants to pass a budget and who wants a strong social security system.

HOUSE CONCURRENT RESOLUTION 322, REGARDING MEMBERSHIP IN THE U.N. GENERAL ASSEMBLY

(Mr. MINISH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MINISH. Mr. Speaker, I would like to rise at this time to express my vigorous support for House Concurrent Resolution 322, a bill being considered by this Chamber today.

I commend my distinguished colleague, the gentleman from Florida (Mr. FASCELL), for introducing House Concurrent Resolution 322. This bill very clearly states what must be the U.S. position in reference to the United Nations. The House of Representatives must unequivocally maintain, as the language of the resolution states, that if Israel is illegally expelled, suspended, denied its credentials, or in any other manner denied its rights to participate in the General Assembly, the United States should suspend our participation in the General Assembly and withhold our assessed contribution.

I wholeheartedly endorse this language, as I hope the majority of my colleagues will, too.

It seems to me that this Nation, and this body, have a historic commitment to the State of Israel, our ally in the Middle East. Our commitment to Israel's security and development should not be questioned.

Moreover, such an illegal expulsion seems to me contrary to the spirit and intent of the United Nations Charter.

Mr. Speaker, House Concurrent Resolution 322 addresses a serious problem in the United Nations and I urge the expeditious passage of this legislation.

PERMISSION FOR SUBCOMMITTEE ON MERCHANT MARINE OF THE COMMITTEE ON MERCHANT MARINE AND FISHERIES TO SIT DURING 5-MINUTE RULE ON TOMORROW, MAY 13, 1982

Mr. BIAGGI. Mr. Speaker, I ask unanimous consent that the Subcommittee on Merchant Marine of the Committee on Merchant Marine and Fisheries be permitted to sit on Thursday, May 13 during the 5-minute rule for the purpose of a hearing on H.R. 1489—a bill to permit the transportation of passengers between Puerto Rico and other U.S. ports on foreign-flag vessels when U.S.-flag service for such transportation is not available.

The ranking minority member of the subcommittee, the gentleman from California (Mr. McCloskey), has been apprised of the hearing time and is in accord with this request.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. WALKER. Mr. Speaker, reserving the right to object, did I understand the gentleman correctly, that the gentleman from California (Mr. McCloskey) the ranking minority member, is in accord with the request?

Mr. BIAGGI. Yes; he is.

Mr. WALKER. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

COMMUNICATION FROM MS. DEBORAH S. McVICKER

The SPEAKER laid before the House the following communication from Ms. Deborah McVicker:

House of Representatives,
Washington D.C., May 6, 1982.

Hon. Thomas P. O'Neill, Jr.,
The Speaker, House of Representatives,
Washington, D.C.

Dear Mr. Speaker: In compliance with Rule L of the Rules of the House of Representatives, I am informing you that I have been served with a subpoena from the United States District Court for the Eastern District of New York. A copy of the subpoena is enclosed.

The subpoena concerns my activities during the period of my employment in a Congressman's office.

Yours sincerely,
Deborah S. McVicker.

RE UNITED NATIONS AND ISRAEL

The SPEAKER. Pursuant to the provisions of clause 5, rule I, the unfinished business is the question of suspending the rules and agreeing to the concurrent resolution, House Concurrent Resolution 322.

The Clerk read the title of the concurrent resolution.

The SPEAKER. The question is on the motion offered by the gentleman from Florida (Mr. Fascell) that the House suspend the rules and agree to the concurrent resolution (H. Con. Res. 322) on which the yeas and nays were ordered on Monday, May 10, 1982.

The vote was taken by electronic device, and there were—yeas 401, nays 3, not voting 28, as follows:

[Roll No. 69]

YEAS—401

Addabbo
Akaka
Albosta
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Archer
Aspin
Atkinson
AuCoin
Badham
Bafalis
Bailey (MO)
Bailey (PA)
Barnes
Beard
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Bliley
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown (CO)
Broyhill
Burgener
Burton, Phillip
Butler
Byron
Campbell
Carman
Carney
Chappell
Chappie
Cheney
Chisholm
Clausen
Clay
Clinger
Coats
Coelho
Coleman
Collins (TX)
Conable
Conte
Corcoran
Coughlin
Courter
Coyne, James
Coyne, William
Craig
Crane, Daniel
Crane, Philip
Crockett
D'Amours
Daniel, Dan
Daniel, R. W.
Dannemeyer
Daub
Davis
de la Garza
Deckard
Dellums
DeNardis
Derwinski
Dickinson
Dicks
Dingell
Dixon
Donnelly
Dorgan
Dornan
Dougherty
Dowdy
Downey
Duncan
Dunn
Dwyer
Dyson
Early
Eckart
Edgar
Edwards (AL)
Edwards (CA)
Edwards (OK)
Emerson
Emery
English
Erdahl
Erlenborn
Ertel
Evans (DE)
Evans (GA)
Evans (IN)
Fary
Fascell
Fazio
Fenwick
Ferraro
Fiedler
Fields
Findley
Fish
Fithian
Florio
Foley
Ford (MI)
Ford (TN)
Forsythe
Fountain
Fowler
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gejdenson
Gephardt
Gibbons
Gilman
Gingrich
Glickman
Gonzalez
Goodling
Gore
Gradison
Gramm
Gray
Green
Gregg
Guarini
Gunderson
Hagedorn
Hall (OH)
Hall, Ralph
Hall, Sam
Hamilton
Hammerschmidt
Hance
Hansen (ID)
Hansen (UT)
Harkin
Hartnett
Hatcher
Heckler
Hefner
Hendon
Hertel
Hightower
Hiler
Hillis
Holland
Hollenbeck
Holt
Hopkins
Horton
Howard
Hoyer
Hubbard
Huckaby
Hughes
Hunter
Hutto
Hyde
Ireland
Jacobs
Jeffries
Jenkins
Johnston
Jones (NC)
Jones (OK)
Jones (TN)
Kazen
Kemp
Kennelly
Kildee
Kindness
Kogovsek
Kramer
LaFalce
Lagomarsino
Lantos
Latta
Leach
Leath
LeBoutillier
Lee
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Loeffler
Long (LA)
Long (MD)
Lott
Lowery (CA)
Lowry (WA)
Lujan
Luken
Lundine
Lungren
Madigan
Markey
Marks
Marlenee
Marriott
Martin (IL)
Martin (NC)
Martin (NY)
Matsui
Mavroules
Mazzoli
McClory
McCloskey
McCollum
McCurdy
McDade
McDonald
McEwen
McGrath
McHugh
McKinney
Mica
Michel
Mikulski
Miller (CA)
Miller (OH)
Mineta
Minish
Mitchell (MD)
Mitchell (NY)
Moakley
Moffett
Molinari
Mollohan
Montgomery
Moore
Moorhead
Morrison
Mottl
Murphy
Murtha
Myers
Napier
Natcher
Neal
Nelligan
Nelson
Nichols
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Oxley
Panetta
Parris
Pashayan
Patman
Patterson
Paul
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Porter
Price
Pritchard
Pursell
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Rinaldo
Ritter
Roberts (KS)
Roberts (SD)
Robinson
Rodino
Roe
Roemer
Rogers
Rose
Rosenthal
Rostenkowski
Roth
Roukema
Rousselot
Roybal
Rudd
Russo
Sabo
Sawyer
Scheuer
Schneider
Schroeder
Schulze
Schumer
Seiberling
Sensenbrenner
Shamansky
Shannon
Sharp
Shaw
Shelby
Shumway
Shuster
Siljander
Simon
Skeen
Skelton
Smith (AL)
Smith (IA)
Smith (NE)
Smith (NJ)
Smith (OR)
Snowe
Snyder
Solarz
Solomon
Spence
St Germain
Stangeland
Stark
Staton
Stokes
Stratton
Studds
Stump
Swift
Synar
Tauke
Tauzin
Taylor
Thomas
Traxler
Trible
Udall
Vento
Volkmer
Walgren
Walker
Wampler
Washington
Waxman
Weaver
Weber (MN)
Weber (OH)
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams (MT)
Williams (OH)
Wilson
Winn
Wirth
Wolf
Wolpe
Wortley
Wright
Wyden
Wylie
Yates
Yatron
Young (AK)
Young (FL)
Young (MO)
Zablocki
Zeferetti

NAYS—3

Conyers
Kastenmeier
Savage

NOT VOTING—28

Barnard
Benedict
Brown (CA)
Brown (OH)
Burton, John
Collins (IL)
Daschle
Derrick
Dreier
Dymally
Evans (IA)
Flippo
Foglietta
Frank
Ginn
Goldwater
Grisham
Hawkins
Heftel
Jeffords
Mattox
Richmond
Santini
Smith (PA)
Stanton
Stenholm
Vander Jagt
Watkins

☐ 1300

Mr. BONKER changed his vote from "nay" to "yea."

So (two-thirds having voted in favor thereof) the rules were suspended and the concurrent resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. BENEDICT. Mr. Speaker, this afternoon at the time of the vote on House Concurrent Resolution 322, I was necessarily absent. Had I been here, I would have voted in the affirmative.

URGENT SUPPLEMENTAL APPROPRIATIONS, 1982

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 461 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 461

Resolved, That during the consideration of the bill (H.R. 5922) making urgent supplemental appropriations for the fiscal year ending September 30, 1982, and for other purposes, pursuant to the provisions of House Resolution 415 adopted by the House on May 6, 1982, the proviso in the first sentence of House Resolution 415 shall not apply. All points of order for failure to comply with the provisions of clauses 2 and 6 of rule XXI are hereby waived against the following provisions in said bill as well as against the provisions specified in the second sentence of House Resolution 415; beginning on page 8, lines 9 through 23; beginning on page 10, lines 1 through 9; beginning on page 11, lines 7 through 12; and beginning on page 11, lines 13 through 18. It shall be in order to consider, section 311(a) of the Congressional Budget Act of 1974 (Public Law 93-344) to the contrary notwithstanding, the following amendments: (1) an amendment to said bill printed in the Congressional Record of May 11, 1982, by Representative Boland, and if offered by, Representatives Boland, AuCoin, or Patterson; and (2) an amendment to said bill printed in the Congressional Record of May 11, 1982, by, and if offered by, Representative Lowry of Washington, and all points of order against said amendments for failure to comply with the provisions of clause 2 of rule XXI are hereby waived.

The SPEAKER pro tempore (Mr. Gore). The gentleman from Missouri (Mr. Bolling) is recognized for 1 hour.

Mr. BOLLING. Mr. Speaker, I yield 30 minutes to the gentleman from Arizona (Mr. Rhodes), and pending that, I yield myself 13 minutes.

Mr. Speaker, I ask unanimous consent to read a statement.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. BOLLING. Mr. Speaker, I am going to read quite a long statement. I caused it to be prepared by my staff. I have reviewed it very carefully. The rule is very detailed and it is complicated and the only reason I am reading this statement is that I want to be sure that Members have some awareness of the complications we face in pursuing the legislative process this year.

Mr. Speaker, I am aware that there is a significant number of Members, without regard to party, who are not the least bit interested in process, but we are going to operate this year under a very difficult set of circumstances, and this rule is a good illustration of how difficult those circumstances are and probably will be.

Mr. Speaker, House Resolution 461 is an unusual rule. It is complex. It is necessarily complex because it is structured to unravel a very difficult parliamentary situation so that the House may proceed to consider H.R. 5922, an urgent supplemental appropriations bill for fiscal year 1982, in something of an orderly fashion. As my colleagues are aware, House Resolution 415, a rule making in order H.R. 5922, was adopted on Thursday last. That rule was brought up under a special provision of the House rules that allows any member of the Committee on Rules to call up a rule as a matter of privilege after it has been on the calendar for 7 legislative days. That is a perfectly valid rule of the House. Those employing it, however, failed to take into account the changed circumstances with which the House was confronted.

The urgent supplemental bill was reported from the Committee on Appropriations on March 23. The rule was reported on March 30. The House did not take up the bill prior to the district work period because we were told that the other body would not consider the measure until after the recess. During the work period and subsequently both Houses of Congress waited while their representatives attempted to reach a budget compromise with the President. That effort failed.

But in the interim, the clock continued to tick. The need for urgent supplemental appropriations for some programs became critical, others moved from a priority phase to urgent. The administration, too, recognized this shift as attested to by a statement of administration policy issued on April 30 which indicated support for five items in the bill which the administration had not previously supported totaling some $32.5 million, with a request for a higher level of funding for the Bureau of Alcohol, Tobacco, and Firearms than the bill contained and an additional request for some $20.2 million for the CAB for payments to air carriers which the bill did not address at all. On the very day that the rule was called up, and as a matter of fact on my way to the floor to respond to that action, I discovered that the chairman of the Committee on Appropriations was urging by letter that the Rules Committee review House Resolution 415 and grant additional waivers that had not been granted in that rule.

Obviously, circumstances had changed. But again, quite obviously, not everyone was aware of that fact. On Thursday we were confronted with an attempt at to present the House with a fait accompli that would have allowed the House to get only halfway to where it needed to go. It seemed the wiser course to pass House Resolution 415, thus thwarting those who would distort the process further and giving time to assess the situation while, perhaps, cooler heads prevailed. It was apparent, however, that some modification of House Resolution 415 would be necessary.

House Resolution 461 is that necessary modification of the earlier rule. Briefly, let me explain the provisions of the rule. The rule modifies certain provisions of House Resolution 415. For instance, the waiver of section 311 of the Budget Act against initial consideration of H.R. 5922 would stand but the first proviso would not apply. That provision allowed points of order pursuant to section 311 to be made against specified paragraphs of H.R. 5922 and if such points of order were sustained the paragraph would be stricken from the bill. This modification of the rule has the effect of retaining the waiver against the consideration of H.R. 5922 but eliminating the possibility of any point of order on a specific paragraph. In other words, if House Resolution 461 is adopted, no point of order pursuant to section 311 of the Budget Act can be made against the consideration of H.R. 5922 or any portion thereof.

As Members will recall, section 311 of the Budget Act prohibits consideration of any bill, amendment, or conference report providing new budget or spending authority for a fiscal year which exceeds the ceiling set in the most recently agreed to concurrent resolution of the budget.

House Resolution 461 further provides additional waivers of clauses 2 and 6 rule XXI for paragraphs specified by page and line number. These waivers are provided in addition to those already included in House Resolution 415. They are necessary because many of the items now to be protected by the section 311 waiver also need waivers under clauses 2 and 6 of rule XXI, and without the waivers would only be partially protected. Clause 2 prohibits the inclusion of unauthorized appropriations and legislation in an apropriations bill. Clause 6 prohibits the inclusion of reappropriations.

There are only two items in the bill which need waivers and for which no waivers have been granted. They are the International Communications Agency and restrictions on U.N. funding for the PLO and Cuba. Both of these items contain legislation or a reappropriation and thus would be subject to a point of order under clause 2 or 6 of rule XXI. The waivers were not granted because the Committee on Rules received a letter from the chairman of the Committee on Foreign Affairs asking that the waivers not be granted. The Rules Committee simply honored that legislative prerogative.

Additionally, House Resolution 461 makes in order two amendments which are required to be printed in the Record of May 11, 1982. The first of these to be offered by Representative **Boland** or in his absence Representatives **AuCoin** or **Patterson** provides some $1 billion for mortgage interest assistance to aid purchasers of single-family homes. The second amendment to be offered by Representative **Lowry** provides some $23 million to reimburse States for refugee assistance. Both amendments are granted waivers of section 311 of the Budget Act and of clause 2 of rule XXI.

Briefly, I would like to outline the parliamentary situation for consideration of H.R. 5922 if House Resolution 461 is adopted. The chairman of the Committee on Appropriations would call up the bill for consideration in the Committee of the Whole House and establish the time for general debate. Once general debate is completed, the bill would be considered under the 5-minute rule. Any germane amendment which did not otherwise violate a rule of the House would be in order. Without trying to predict the Chair's ruling in any specific situation, I would offer the following general guidelines on the amendment process. Due to the restrictions of section 311 of the Budget Act, amendments to add additional moneys or to increase outlays would not be in order. It would be in order to reduce those amounts in the bill or to strike them altogether.

Generally, language perfecting legislative language in the bill could be offered but new legislative language might be subject to a point of order. Amendments to reappropriate or to transfer previously appropriated funds would violate clause 6, rule XXI and thus would not be in order. The same would hold true of the amendments made in order by the rule.

Mr. Speaker, this is a complicated rule, as I stated earlier its complexity arises out of necessity. It allows the House to consider the urgent supplemental and the critical program funding involved in as rational and orderly a manner as we on the Rules Committee could devise, I urge my colleagues to support the rule and adopt House Resolution 461 so that we may proceed to the consideration of H.R. 5922.

☐ 1315

Mr. LEVITAS. Mr. Speaker, will the gentleman yield?

Mr. BOLLING. I yield to the gentleman from Georgia.

Mr. LEVITAS. I have two questions. I thank the gentleman for yielding. Obviously the complexity of this rule is one that required that in-depth explanation which the gentleman was able to provide.

My questions relate to two points. Can the chairman of the Rules Committee inform Members as to what legislation in an appropriation is being waived by dealing with clause 2 and what unauthorized appropriations are being covered by the waiver of rule 6? That was the first question.

The second question is, Does the rule permit offering of zero-appropriation amendments?

Mr. BOLLING. It certainly permits offering cuts, and I assume strikes.

I do not know that the gentleman really wants me to answer his first question. I have a chart here of about four pages that I had developed for me so that I could answer those questions. It would take a very long time to read it.

Mr. LEVITAS. Is that chart available?

Mr. BOLLING. That chart is available on the desk. I will insert it in the **Record** following my remarks.

Mr. LEVITAS. I am just interested. I would like to examine it if I may, and I thank the gentleman.

COMPARATIVE ANALYSIS: URGENT SUPPLEMENTAL, H.R. 5922

H.R. 5922	Subcommittee or amendment in full committee	Administration, Old, Mar 24, 1982	Position,[1] New, Apr 30, 1982	Budget recommendation	Waivers granted by House Resolution 415 as reported [2]	Waivers granted by House Resolution 461 as reported [3]
Department of Labor:						
Employment and Training Administration.	Amendment	Support	Support	Not 311 waiver issue; budget-supported transfer	Clause 6, rule XXI, reappropriation-transfer	Same
Employment Standards Administration	do	do	do	do	do	Do.
Bureau of Labor Statistics	do	do	do	do	do	Do
Department of HHS:						
Work incentive (WIN)	do	No recommendation	No recommendation	No recommendation	Sec. 311, Budget Act	Do
Inspector General	do	Support	Support	Not 311 waiver issue; budget supported transfer.	Clause 6, rule XXI reappropriation-transfer	Do
Department of Education:						
Student loans	Subcommittee	Support—$1,300,000	Support—$978,000	Not 311 waiver issue	No waiver necessary	Do.
Pell grants	Amendment	Support—$4,600,000	Support—$6,600,000	Waiver not recommended	Sec. 311, Budget Act	Do.
Howard University	do	No recommendation	Support—$800,000	Waiver unanimously opposed	No waiver granted (sec. 311)	Sec. 311, Budget Act.
Action	do	do	Oppose	Waiver not recommended	do	Do
HUD:						
Assisted housing	Subcommittee	do	No recommendation	Not 311 waiver issue	Clause 2, rule XXI (legislation)	Same.
					Clause 6, rule XXI (reappropriation)	Do
Government National Mortgage Association (tandem mortgage financing).	do	do	Support	Waiver not recommended	Sec. 311, Budget Act clause 2, rule XXI (legislation and unauthorized).	Do.
EPA construction grants	do	Support	do	Budget previously voted to support	Sec. 311, Budget Act clause 2, rule XXI (legislation).	Do.
Administration provisions (NASA, VA and HUD).	do	No recommendation	No recommendation	Not 311 waiver issue	No waiver granted (clause 2, rule XXI legislation).	Clause 2, rule XXI; (legislation).
Transportation:						
Coast Guard operating expenses	Amendment	do	do	Waiver not recommended	Sec. 311, Budget Act clause 2, rule XXI (legislation).	Same.
Federal Highway Administration	Subcommittee	do	Oppose	Waiver unanimously supported	Sec. 311, Budget Act	Do.
ICC-directed rail service	do	do	Support	Waiver recommended	Sec. 311, Budget Act clause 2, rule XXI (legislation).	Do.
Treasury:						
Bureau of Government Financial Operations (social security checks).	do	Support	do	do	Sec. 311, Budget Act	Do.
Bureau of Alcohol, Tobacco and Firearms.	do	Support—$15,740,000	Support—$23,800,000	Wavier not recommended	No waiver granted (sec. 311, clause 2, rule XXI, legislation).	Sec. 311, Budget Act clause 2, rule XXI, (legislation)
U.S. Customs Service	do	Support—$3,433,000	Support—$6,900,000	do	Sec. 311, Budget Act clause 2, rule XXI (unauthorized).	Same
Merit Systems Protection Board	do	Support—$4,000,000	Support—$6,300,000	Waiver recommended	Sec. 311, Budget Act	Do
U.S. Tax Court	Amendment	No recommendation	No recommendation	do	do	Do.
Department of Commerce:						
General administration	do	do	Support	Waiver unanimously opposed	No waiver granted (sec. 311, Budget Act).	Sec. 311, Budget Act.
Economic Development Administration	do	do	Oppose	do	No waiver granted (sec. 311, Budget Act; clause 2, rule XXI, unauthorized; clause 6, rule XXI, transfer).	Sec. 311, Budget Act, clause 2, rule XXI, unauthorized, clause 6, rule XXI, transfer.
NOAA	do	do	do	Waiver not recommended	No waiver granted (sec. 311, Budget Act, clause 2, rule XXI, legislation).	Sec. 311, Budget Act, clause 2, rule XXI, legislation.
International Communication Agency	do	do	No recommendation	Not 311 waiver issue	No wavier granted clause 6, rule XXI; reappropriation..	No wavier granted (clause 6, rule XXI, reappropriation).
Restriction on UN funding	do	do	do	do	No waiver granted (clause 2, rule XXI, legislation).	Same.
OSHA						
Mine safety inspections	do	do	do	do	Clause 2, rule XXI (legislation)	Do
No provision	do	do	Supports—$20,200,000 for CAB, payments to air carriers.	Not considered by budget	Needs Sec. 311, Budget Act	Not considered
Lowry amendment—refugee assistance	do	No recommendation	No recommendation	do	do	Sec. 311, Budget Act clause 2, rule XXI, unauthorized and legislation.
Boland amendment—housing assistance	do	do	do	do	do	Do.

COMPARATIVE ANALYSIS: URGENT SUPPLEMENTAL, H.R. 5922—Continued

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[1] The administration position was obtained from the Stockman letter to Chairman Bolling received Mar. 24, 1982, and the statement of administration policy dated Apr. 30, 1982

[2] Waivers were granted for both clause 2 and 6 of rule XXI whenever either of the clauses is listed in the table. The table indicates the specific violation. In some instances, language violating clause 6 also violated clause 2.

[3] Section 311 of the Budget Act was waived against initial consideration of the entire bill

Mr. RHODES. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the detailed explanation given by my good friend from Missouri, chairman of the Rules Committee, Mr. **Bolling**, certainly does not make it necessary for anyone to talk very much about the rule itself.

The burden of the gentleman from Missouri's text certainly was that this is a very complex rule. It is.

He also said that there will be more rules like this coming along the line. There will be. The legislative situation which confronts the House in the next few weeks and months I think can best be described generally as very complex.

One of the more interesting parts of this resolution, of course, is that it does amend a resolution which has previously been adopted by the House. While that is not unprecedented, it certainly is unusual.

The House did adopt House Resolution 415 on May 6, and under that resolution it would have been in order for the House to resolve itself into the Committee of the Whole House on the State of the Union whenever the Speaker recognized an appropriate Member for that purpose.

This came as a result of a Member on the Republican side exercising his prerogative as a member of the Rules Committee and calling House Resolution 415 up, and that resolution was subsequently adopted.

The Rules Committee then proceeded to bring out House Resolution 461 which has the effect, as the chairman stated, of amending House Resolution 415, and to bring up the appropriation bill, which will be the subject of our debate this afternoon, under a condition which appears to be an open rule.

But I do not think that anyone in the House should be deceived that that is really the situation, because while the rule makes in order two amendments it also does not make in order some valid alternative amendments which are equally deserving of our consideration. Those alternative amendments, if offered, would, under the proposed rule, be subject to a point of order under section 311 of the Budget Act.

So it is very difficult for me to understand or for me to believe that it would really be possible for desirable amendments to be offered to this appropriation bill, which would not be subject to a point of order unless they are those which are authorized under House Resolution 461.

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So I have no objection to the rule itself. I would point out the fact, however, that the reason that the action occurred on May 6 was because the Rules Committee did not give a rule which made in order some amendments which would have been offered by the gentleman from Illinois (Mr. **Corcoran**) seconded by the gentleman from Delaware (Mr. **Evans**). It is my intention later to yield time to these two gentlemen to discuss the amendment which they otherwise would have submitted to the House.

Suffice it to say that the bill which we will be bringing out is an important appropriation bill, and it is one which I think the House should act on expeditiously and adopt as soon as possible.

Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. **Corcoran**).

Mr. CORCORAN. Mr. Speaker, first of all, I thank the gentleman from Arizona for yielding. Let me point out that, while we can talk about the complexity of the rule, while we can talk about several of the other components of the urgent supplemental appropriations bill, and in fact, while the subject of some dispute has been a housing stimulus amendment, in my judgment there are really only two issues—and I think the time has come to put those two issues out on the table.

The first issue is that, in my view, in these days of budget crisis, before we embark on any new program we ought to simultaneously cut back on existing programs where there is excess, where there is a need for elimination, or where there is a need for reduction. I believe, it is a mistake for this House, in these days of very difficult budget negotiations, to start, as we will start, I am sure, later on this afternoon a new housing program with a new appropriation, a new authorization, and a new expenditure of taxpayers' money.

To my mind, one of the problems with that approach is that it is "business as usual"; and that approach has put us in the economic mess we are in. It is exactly the kind of thing that Assistant Treasury Secretary Roger W. Mehle, Jr. pointed out last year in testimony before the House Banking, Finance and Urban Affairs Committee, which puts further and further upward pressure on interest rates. If the housing industry is in trouble, it is because of high interest rates, not the inattention of the Congress of the United States.

At this point, Mr. Speaker, I would like to quote Mr. Mehle, Jr.'s, aforesaid testimony of May 7, 1981:

> Most loan guarantee programs are financed directly in the securities markets and most such financings are not controlled by the Treasury. While the myth seems to persist that guaranteed loans are substantially different from direct loans and involve less Government intervention in the traditional borrower-lender relationships, this is not so. Every dollar of Government guaranteed debt financed in the public marketplace is like Treasury borrowing to finance direct loans and has a similar negative impact on private sector rates. * * * [G]reater control and restraint must be applied to all of these off-budget guarantee programs.

Mr. Speaker, Assistant Secretary Mehle noted that federally guaranteed loans outstanding increased $73 billion in fiscal year 1981 compared to a rise of $48 billion in fiscal year 1980, more than a 50-percent acceleration in the growth of federally guaranteed loans. The chart below illustrates this phenomenal growth:

COMPONENTS OF NET FEDERAL CREDIT

[In billions of dollars][1]

	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980[2]	1981[2]	1982
Loan guarantees	17.0	20.0	17.0	11.0	10.0	11.0	13.0	13.0	23.0	35.0	55.0	57.0
Direct loans—off budget agencies				5	5.5	6.0	8.0	10.0	12.0	11.0	20.0	19.0
Direct loans—on budget agencies	2.0	3.0	2.0	3.0	6.0	4.5	3.0	7.0	5.0	7.0	3.0	6.0

[1] Net Federal credit is new disbursements for direct loans minus repayments and other offsets plus, for loan guarantees, new loans guaranteed minus guarantees for which the loan has been fully repaid.

[2] Estimated.

According to Mr. Mehle, guaranteed loans in the energy area are a significant factor in this acceleration.

One need only look to the current condition of our housing industry to see the heavy price our economy is paying for massive Federal borrowing. It is not mere coincidence that in the years 1965 to 1969 when the Federal Government used only one-sixth of the available loan capital the prime rate averaged only 6 percent, while now that the Federal Government soaks up nearly half of the loan capital in the country, the prime rate is 16.5 percent.

The explosion of Federal borrowing, including Federal loan guarantees, requires real restraint on our part if we hope to get at the cause of sky-high interest rates rather than merely treat the symptoms of those rates. The synthetic fuels program and the potential $88 billion in Federal credit it represents is a perfect place to start.

The second issue, Mr. Speaker, is simply this: Some of us believe that the Synthetic Fuels Corporation is a white elephant. Others believe that it is a sacred cow. And a major stumbling block in this whole debate for the last 6 weeks has been whether or not the majority leader of the House of Representatives could protect the Synthetic Fuels Corporation. Now, he may be in love with it. He may believe that the battle cry of the 1982 elections is "Save the Synfuels Corporation," but in my judgment, based on the reality of the energy marketplace, based on the realities of what we in the Congress over many, many years have unfortunately done to undermine our currency and the financial integrity of the U.S. economy, we need to do otherwise. And we should start a new precedent by rejecting this ill-advised financing plan for the proposed housing program.

Mr. RHODES. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania (Mr. WALKER).

Mr. WALKER. I thank the gentleman from Arizona very much for yielding, and I take the time, if I could, to ask the chairman of the Rules Committee a couple of questions about amendments that would be in order.

Do I understand correctly that, under the rule that we are adopting, it would be in order to offer an amendment to decrease an appropriation?

Mr. BOLLING. That is correct.

Mr. WALKER. It would be in order to offer an amendment to strike an appropriation; is that right?

Mr. BOLLING. That is correct.

Mr. WALKER. It would be in order to decrease or strike a transfer of funds; is that correct?

Mr. BOLLING. That is also correct.

Mr. WALKER. Would an amendment be in order if it restricts the use of funds and does not provide any additional legislation?

Mr. BOLLING. I really cannot answer that question. I do not know how the Chair would rule on some of those.

Mr. WALKER. Well, the way I have stated it is probably confusing. I apologize to the gentleman. I am looking for assurance that something that is a legitimate limitation such as are often offered here on the floor, and where the Chair would say that that is legitimately a limitation amendment, that such an amendment would still be in order under this particular rule; is that right?

Mr. BOLLING. That would obviously be subject to the ruling of the chairman.

Mr. WALKER. I thank the gentleman. And, finally, would it be in order under this rule, to increase a rescission?

Mr. BOLLING. I do not believe so, because I think that would be legislation. But there might be a way in which it could be developed, and I simply do not know.

Mr. WALKER. Let me ask the gentleman, there is nothing within the rule itself, though, that would prevent that?

Mr. BOLLING. Not that I know of.

Mr. WALKER. I thank the gentleman very much.

Mr. RHODES. Mr. Speaker, I yield 3 minutes to the gentleman from Delaware (Mr. EVANS).

Mr. EVANS of Delaware. I thank the gentleman from Arizona for yielding.

Mr. Speaker, one of the greatest addresses I ever heard in my life was an address made by a Democrat, delivered in this Chamber from the podium right behind me. His name was Hubert H. Humphrey. Senator Humphrey spoke to this body November 3, 1977, just a few weeks before he passed on to much greener pastures. In that address he admonished the majority and he admonished the minority, and he gave some very good advice to both sides. One of the things he said, in speaking on behalf of this wonderful constitutional system of ours was, and I paraphrase; We rule by the majority, but the majority cannot rule effectively and the system cannot work effectively unless the rights of the minority are preserved and protected.

That is what our rules are all about. As my colleagues are well aware, the gentleman from Illinois (Mr. CORCORAN) and I have been attempting to use those rules effectively and responsibily. We were trying to do something from a minority position that we hoped would provide some assistance to housing, but would provide that assistance without aggravating the already seriously bloated Federal deficit.

We felt that we needed to give the Members of this House a real choice, a choice between support of the Synfuels Corporation and Multinational Energy Corporations and support for housing. We have been attempting for the last 6 to 7 weeks to give the Members that opportunity. We finally had that opportunity last week, Thursday, May 6, and we called for a vote on the previous question. We lost that vote. We had 158 votes in favor of considering our housing initiative, and the rest of the body voted the other way.

So I feel we may have had our day in court, if you will, and I intend to support this rule because this supplemental appropriation is so urgent. That is why I have been urging its consideration here on the floor of the House for almost 7 weeks, because Coast Guard appropriations that give us the opportunity to interdict drug smuggling in southern Florida, student loan programs, and the like, must not be allowed to run out of funds. It is also critically important to provide assistance to housing. We are going to have that opportunity today, and I intend to support the amendment of the gentleman from Massachusetts, (Mr. BOLAND) which is offered on behalf of the gentleman from California (Mr. PATTERSON) and the gentleman from Oregon (Mr. AUCOIN), even though I feel that the Evans-Corcoran approach is infinitely better. Evans-Corcoran will provide more housing starts, more jobs, and result in more revenue for the Treasury. However, I recognize reality, and this is indeed the only alternative we will have to assist housing and to get this economy of ours moving again. Therefore, I intend to support the amendment.

Mr. PATTERSON. Mr. Speaker, will the gentleman yield?

Mr. EVANS of Delaware. I yield to the gentleman from California.

Mr. PATTERSON. I thank the gentleman from Delaware for yielding to me, and I wish to commend him. The gentleman has been a leader in the Banking Committee and the Housing Subcommittee. He has supported the Patterson-AuCoin initiative. He has his own initiative. He has been I think a truly admirable supporter of the housing needs and of stimulating the economy of the United States of America. I want to thank the gentleman very much for his support.

Mr. BOLLING. Mr. Speaker, I yield 3 minutes to the gentleman from Arkansas (Mr. ALEXANDER).

Mr. ALEXANDER. Mr. Speaker, I rise in support of the proposed rule before us today and urge my colleagues to vote for its passage and for passage of H.R. 5922. There are appropriations in H.R. 5922 that are urgently needed to help address major problems facing out Nation today.

We learned this week that we have the highest monthly unemployment rate for the Nation since such monthly rates started being kept.

We already knew that we had more than 10 million people out of work. We have known for some time that we are undergoing the harshest, deepest recession since the economic disaster of the Great Depression.

We know that the construction workers are among those hardest hit by this Reaganomics recession that began last July.

We know that thousands of our young people across the Nation are having their hopes of a college, vocational, or technical school education threatened by the student aid policies of the Reagan administration.

This bill before us will not cure all these problems, but it will be a step in the right direction.

There is one aspect of this rule we are considering that I particularly want to mention. I want to congratulate and thank the Rules Committee and the chairman of the Appropriations Committee for supporting a waiver of the Budget Control and Impoundment Act provisions with regard to the provision in H.R. 5922 which provides for a transfer of $4.5 million from the Economic Development Administration revolving loan fund to its salaries and expense account.

On the face of it, this does not immediately appear urgent. But, in fact, this could well prove to be one of the most important actions taken in H.R. 5922. The reason is simple. It will help insure that EDA continues to do the job it has been doing for the past 17 years with such effectiveness and efficiency, leveraging the generation or maintenance of private sector job opportunities.

The administration, which has not requested these funds, has advised the Committee on Appropriations that without them EDA will be substantially restricted in its ability to perform its job of processing economic development project applications and getting the necessary funding obligated in an orderly manner. EDA has already advised its personnel that they will be required to take payless furlough days throughout the rest of this fiscal year. The $4.5 million in transferred funding will, I have been assured, end the need for the payless furloughs and let the EDA get on with its job. This job, which the administration has been delaying through other administrative measures, is that of helping local communities carry out private sector job opportunity enhancement projects.

To illustrate the worth of EDA, let me advise you of some of the facts about its work nationally and in Arkansas. The $5 billion in seed money EDA invested nationally from 1965 through 1980 leveraged $9 billion in private sector investment, generated or saved 1.4 million private sector jobs and resulted in total biennial Federal tax payments that more than paid off the whole EDA investment every 2 years.

In Arkansas alone, EDA has invested approximately $130 million, generated or saved more than 67,000 private sector jobs with a payroll of more than $500 million per year. The Federal taxes paid by the holders of these jobs more than repaid EDA's total investment in Arkansas every 2 years.

Clearly EDA is a moneymaker for the Federal Government. Surely a program which has been so successful in stimulating private sector job creation and maintenance has never been more needed by the people of our Nation, since the Great Depression.

I urge passage of this rule and of H.R. 5922.

Mr. RHODES. Mr. Speaker, I have no further requests for time, and I reserve the balance of my time.

Mr. BOLLING. Mr. Speaker, I have one speaker remaining, and I yield 5 minutes to the distinguished majority leader, the gentleman from Texas (Mr. WRIGHT).

Mr. WRIGHT. Mr. Speaker, this is the opportunity which the House has awaited to demonstrate that we can be responsive to emerging needs. Obviously, there are some very serious needs in this country. Almost 9½ percent of the working force is unemployed. That is an increase of 2 percentage points over the level of 1 year ago. 10,300,000 Americans are unable to find work.

If we use the rule of thumb that has been somewhat universally agreed to by liberal and conservative economists alike, and which has been embraced and often repeated by the President of the United States, each percentage point of unemployment results in the addition of approximately $25 billion to the deficit. Therefore, in the past year the additions to unemployment through the rapid decline in the economy have added some $50 billion to the annual deficit figure. Obviously, there is something that needs to be done.

If we are serious about fighting deficits, then quite naturally we must be serious about doing something to reverse this destructive trend in the American economy.

□ 1345

So here is a useful productive opportunity, and I urge all Members to support this rule and to support this bill to demonstrate that the American Congress can come to grips with the problems that are real.

This bill contains $1,300,000,000, to guarantee additional students loans at a time when student graduates have hit a plateau. By 1980 the annual number of graduates had risen to about 150 percent more each year above the 1960 level. In the past 2 years that level has not increased. Unless we act, the number actually enrolled in our colleges next year may even decline.

I think we have the clear responsibility to do those things necessary to revive the great American dream that every American young person shall be given an opportunity and a very real chance to get as much education as he or she wishes and has the capacity to absorb.

Unless this is done, and if the recommendations originally sent to the Congress in February by President Reagan were to be followed, higher education would be made more difficult for money. Through reductions in Pell grant funds, reductions in student loan funds, reductions in eligibility for student loans and for work study programs—it would be made more difficult, if not impossible, for some 2 million American young people either to stay in college or to attend college.

Already we have made it more difficult for several hundred thousand young Americans by the ill-advised action we took last year in the Gramm-Latta reconciliation bill.

In that hastily considered bill, we made it impossible for several hundred thousand young Americans who were depending upon the social security benefits that would have inured to them to attend college, by reason of the death of a parent who was covered by that system.

We dare not compound that injury. And so this bill provides $1,300,000,000 in loans to help students go to school.

I believe it can be demonstrated that the very best single investment this Government ever made, with the possible exception of the Louisiana Purchase, was the GI bill of rights and the educational benefits which allowed an entire generation to achieve better education. It has paid for itself to the Treasury of the United States in identifiable returns at least $20 for every $1 that it cost. And so this kind of thing is bound to pay to the economy, and the Treasury, to help us fight future deficits.

You know of the $1 billion in housing that was made available yesterday in the authorizing bill. This measure today contains funding for that initiative and also an additional $1,400,000,000 for low-rent public housing.

It contains an additional $2,400,000,000 for clean water construction grants to continue the march that this Nation bravely began to the end that we clean up the streams of this Nation and have a pure environment to pass on to future generations.

And so in every particular this bill is ennobling. In every way it is fully consonant and harmonious with the main thrust of the growth and the progress of the American Nation. I hope that it receives the overwhelming and indeed near unanimous vote that it deserves, as a token to the American people that Congress is aware of the distress that faces this economy, and that Congress is determined to do something about it.

Mr. BOLLING. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. WHITTEN. Mr. Speaker, pursuant to the provisions of House Resolutions 415 and 461, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5922) making urgent supplemental appropriations for the fiscal year ending September 30, 1982, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to 1 hour, the time to be equally divided and controlled by the gentleman from Massachusetts (Mr. CONTE) and myself.

The SPEAKER pro tempore (Mr. ECKART). Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi (Mr. WHITTEN).

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. BADHAM. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 385, nays 12, answered "present" 1, not voting 34, as follows:

[Roll No. 70]

YEAS—385

Addabbo
Akaka
Albosta
Alexander
Anderson
Andrews
Annunzio
Anthony
Aspin
Atkinson
AuCoin
Badham
Bafalis
Bailey (MO)
Bailey (PA)
Barnard
Barnes
Beard
Bedell
Beilenson
Benedict
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Bliley
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown (CA)
Burgener
Burton, Phillip
Butler
Byron
Campbell
Carman
Carney
Chappell
Chappie
Cheney
Clausen
Clay
Clinger
Coats
Coelho
Coleman
Collins (IL)
Conable
Conte
Conyers
Corcoran
Coughlin
Courter
Coyne, James
Coyne, William
Craig
Crane, Daniel
Crane, Philip
D'Amours
Daniel, R. W.
Daschle
Daub
Davis
de la Garza
Dellums
DeNardis
Derrick
Derwinski
Dickinson
Dicks
Dingell
Dixon
Donnelly
Dorgan
Dornan
Dowdy
Downey
Duncan
Dunn
Dwyer
Dyson
Early
Eckart
Edgar
Edwards (AL)
Edwards (CA)
Edwards (OK)
Emerson
Emery
English
Erdahl
Erlenborn
Ertel
Evans (DE)
Evans (GA)
Evans (IA)
Evans (IN)
Fary
Fascell
Fazio
Fenwick
Ferraro
Fiedler
Fields
Findley
Fish
Fithian
Flippo
Florio
Foley
Ford (MI)
Ford (TN)
Forsythe
Fountain
Fowler
Frost
Garcia
Gaydos
Gejdenson
Gephardt
Gilman
Gingrich
Glickman
Gonzalez
Goodling
Gore
Gradison
Gramm
Gray
Green
Gregg
Guarini
Gunderson
Hagedorn
Hall (OH)
Hall, Ralph
Hall, Sam
Hamilton
Hammerschmidt
Hance
Hansen (ID)
Hansen (UT)
Harkin
Hartnett
Hatcher
Hefner
Hendon
Hertel
Hightower
Hiler
Hillis
Holland
Hollenbeck
Hopkins
Horton
Howard
Hoyer
Hubbard
Huckaby
Hughes
Hunter
Hutto
Hyde
Ireland
Jacobs
Jeffords
Jenkins
Jones (NC)
Jones (OK)
Jones (TN)
Kastenmeier
Kazen
Kemp
Kennelly
Kildee
Kindness
Kogovsek
Kramer
LaFalce
Lagomarsino
Lantos
Latta
Leach
Leath
LeBoutillier
Lee
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Loeffler
Long (LA)
Long (MD)
Lowery (CA)
Lowry (WA)
Lujan
Luken
Lundine
Lungren
Madigan
Markey
Marlenee
Marriott
Martin (IL)
Martin (NC)
Martin (NY)
Matsui
Mavroules
Mazzoli
McClory
McCollum
McDade
McEwen
McGrath
McHugh
McKinney
Mica
Michel
Mikulski
Miller (CA)
Miller (OH)
Mineta
Minish
Mitchell (MD)
Mitchell (NY)
Moakley
Molinari
Mollohan
Montgomery
Moore
Moorhead
Morrison
Mottl
Murphy
Murtha
Myers
Napier
Natcher
Neal
Nelligan
Nelson
Nichols
Nowak
O'Brien
Oakar
Oberstar
Obey
Oxley
Panetta
Parris
Pashayan
Patman
Patterson
Pease
Pepper
Perkins
Peyser
Pickle
Porter
Price
Pritchard
Pursell
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Rinaldo
Ritter
Roberts (KS)
Roberts (SD)
Robinson
Rodino
Roe
Roemer
Rogers
Rosenthal
Rostenkowski
Roth
Roukema
Rousselot
Roybal
Rudd
Russo
Sabo
Savage
Sawyer
Scheuer
Schneider
Schroeder
Schulze
Schumer
Seiberling
Sensenbrenner
Shamansky
Shannon
Sharp
Shaw
Shelby
Shumway
Shuster
Siljander
Simon
Skeen
Skelton
Smith (AL)
Smith (IA)
Smith (NE)
Smith (NJ)
Smith (OR)
Snowe
Snyder
Solarz
Spence
St Germain
Stangeland
Stark
Staton
Stokes
Stratton
Studds
Stump
Swift
Synar
Tauke
Tauzin
Taylor
Thomas
Traxler
Trible
Udall
Vander Jagt
Vento
Volkmer
Walgren
Walker
Wampler
Washington
Watkins
Waxman
Weaver
Weber (MN)
Weber (OH)
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams (OH)
Wilson
Winn
Wirth
Wolf
Wolpe
Wortley
Wright
Wyden
Wylie
Yates
Yatron
Young (AK)
Young (FL)
Young (MO)
Zablocki
Zeferetti

NAYS—12

Brown (CO)
Broyhill
Collins (TX)
Dannemeyer
Frenzel
Holt
Jeffries
Johnston
McDonald
Paul
Petri
Solomon

ANSWERED "PRESENT"—1

Ottinger

NOT VOTING—34

Applegate
Archer
Brown (OH)
Burton, John
Chisholm
Crockett
Daniel, Dan
Deckard
Dougherty
Dreier
Dymally
Foglietta
Frank
Fuqua
Gibbons
Ginn
Goldwater
Grisham
Hawkins
Heckler
Heftel
Lott
Marks
Mattox
McCloskey
McCurdy
Moffett
Richmond
Rose
Santini
Smith (PA)
Stanton
Stenholm
Williams (MT)

□ 1400

So the motion was agreed to.

The result of the vote was announced as above recorded.

IN THE COMMITTEE OF THE WHOLE

The SPEAKER pro tempore. The Chair designates the gentleman from Massachusetts (Mr. STUDDS) as Chairman of the Committee of the Whole and requests the gentleman from Tennessee (Mr. GORE) to assume the chair temporarily.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 5922, with Mr. GORE (Chairman pro tempore) in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN pro tempore. Under the unanimous-consent agreement, the gentleman from Mississippi (Mr. WHITTEN) will be recognized for 30 minutes, and the gentleman from Massachusetts (Mr. CONTE) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Mississippi (Mr. WHITTEN).

Mr. WHITTEN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I shall ask later for unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks. Our Committee on Appropriations comes to you with an urgent supplemental. The urgency of this bill has become more and more acute.

We reported this bill out of the Appropriations Committee on March 23. I do not want to take all the time complaining about the fact that the Congress in the last several years has operated by a continuing resolution. It does not come from our choice. It comes from the fact that other committees have not met their deadlines and for one reason or another we have been delayed from March 23 until today to bring up this bill which is urgent.

Since we face a conference with the Senate, it is highly questionable if we will get the bill enacted into law in time to meet deadlines that are fixed by law and needs that are urgent.

In the bill that we bring before you today we have stayed below the allocations to the Appropriations Committee under the Budget Act.

First on the list are funds for the student loan program where the need is acute. Students are in the midst of the school year. Our Committee on Appropriations has felt responsible to carry out the existing law, pending such changes that may be made.

As to the soundness of this program, I point out that perhaps 20 times as many youth in this land are going to college today as went back in the times when many of us were there. This is one of the major items.

Concerning the EPA construction grants program, it is our understanding that currently 34 States are virtually without funds. Nationwide program activity has slowed to a trickle. Further delay may cause some projects to go through the bidding process again, and certain projects in Northern States—with a shorter construction period—may be jeopardized.

In addition to various supplemental requests for administrative items to fund numerous Federal agencies and avoid unnecessary and disruptive furloughs and reductions in force, especially in the Departments of Education, Health and Human Services, and Labor, the committee bill also included $81.6 million for the Bureau of Government Financial Operations in the Treasury Department. This provides the administrative funds for the Bureau that actually writes about 50 million checks a month. Over 50 percent of these checks are for routine entitlement payments to social security recipients and veterans. Treasury officials now estimate funds may run out the last few days of May. This involves checks issued to veterans and social security recipients, Federal employees, State governments or contractors doing business with the Government.

Mr. Chairman, it is imperative that funds be provided soon for these vitally needed programs. I am afraid that any additional delay will be damaging not only to the programs, but to the Congress itself. If the Congress is perceived as unable to act quickly to avoid these program disruptions, its standing with the public will be greatly diminished. The Congress must not allow the perception to grow that it is unable to execute its duties in a timely and responsible manner.

Also provided here are funds for Howard University, domestic programs under ACTION, Bureau of Alcohol, Tobacco and Firearms; Department of Commerce; Economic Development Administration and the NOAA operations research facility.

Mr. Chairman, I wish to call special attention to the section of the report which accompanies this bill under the waste treatment construction grant program of the Environmental Protection Agency. This addresses a widespread problem and especially affects areas such as I represent. The language is as follows:

> Geographical and climatic conditions can affect certain biological treatment facilities. However, many rural communities, especially in warmer climates, appear to be ideally suited for these less expensive treatment techniques. The Committee directs the Agency to provide expeditious guidance to small communities concerning the revised secondary treatment definition which will be beneficial in planning for future facilities. In addition, the Committee is aware that several communities have been saddled with expensive wastewater treatment facilities when an oxidation pond or lagoon might have been equally effective and much cheaper. The Committee further directs the Agency to review these situations and allow communities to take advantage of the new secondary treatment definition where appropriate. Language has been included in the bill in this regard allowing the Administrator to make grants to small communities for biological treatment facilities to repair or replace systems where determined to be necessary.

Two other items that concern Members from throughout the country are provided for in this bill—funding for the Coast Guard and the weather stations. The committee is recommending an additional $17.5 million for the Coast Guard to continue the operations of all search and rescue stations previously proposed for closure and the vessel traffic systems in various cities. In addition, the bill provides an additional amount for the continued operations of 38 weather service stations proposed for closing by the administration for the balance of the year.

□ 1415

Mr. Chairman, we in the Congress, and we in this Nation, have been faced with certain differences of opinion by the executive department and by some of our committees in the Congress, including the Committee on the Budget.

Several years ago, I pointed out the fact that 58 percent of Federal spending by-passed our Appropriations Committee by entitlements and by binding contracts. Though our Appropriations Committee had held appropriations below the budget for 37 out of 38 years, this year we are running behind.

I was appointed senior cochairman of the study group which recommended the Congressional Budget Act to regain control of spending by providing for setting targets, holding hearings and then reconciling income and out-go. Unfortunately, the budget resolution set aside the provisions of the Budget Act and set firm figures and reconciliation on the first resolution rather than the last. It is this action which has caused the delay and upset the regular operations of the Congress.

As a result of the recommendations which our study committee made, the rules were changed, and the Congressional Budget Act was passed.

In the Rules Committee yesterday, I was asked if we should amend the Budget Act. I answered, not until we try it. If we are going to get back into orderly procedure, and tend to the business of the country, in an orderly manner, we are going to have to see that the provisions of the act are enforced. To do that, the budget resolution should be kept in line with what the Budget Act calls for.

Now, in addition to that, we have had reconciliation on the first resolution. The act calls for this to come at the end, on the second resolution. To attach reconciliation to the first means we tie the hands of the Congress—and make regular procedures impossible.

The result is that we have been here since March 23, trying to get urgent supplemental before you.

Not only is that true, but I would like to point out other things.

This, as we all know, is a Government of three equal and coordinate branches. We have got to pull together, and we need to pull together—executive, judicial, and legislative.

But the branch closest to the people, the people's branch, the one they have to look to for protection, is the legislative branch.

Now, as a result, trying to pull together, your Committee on Appropriations last year, on recommendations by the President to rescind $15.1 billion in prior appropriations, we rescinded $14.3 billion. You will recall, my friends, that last year we were asked to go along with the March budget, which provided for about 10 percent further cut, which we did. Then we were asked last November, to make a further reduction, and we went along again. That is when we stayed up two nights in a row, and the Republican Senators on the Senate side, and our friends over here signed it, and then it was vetoed on Monday morning. It did not bother me, because that is the responsibility of the President. But we have tried to cooperate.

The President's package, when it came, returned a big part of the windfall profit tax, then it allowed those corporations making the most money, to purchase tax credits from other companies and avoid taxes. The President, of course, hoped that those people would invest that money in special exploration and expansion of their business, Instead they bought other companies, or purchased Government notes because of the high rate of interest.

At the time I bring this urgent supplemental bill to the Members, we have spent over $24 billion in unemployment compensation. It would have been so much better if this amount had been spent for productive work. Then taxes would have been paid and we would have increased production and not more unemployment. We cannot have people stop work, stop producing and stop exporting agricultural products, and have enough earnings to handle what we already owe.

So I think it is becoming evident now that despite the high hopes that many of us had, that this program is not working.

So I say to my colleagues that we are doing our best to hold down, but it is just as essential to carry on the necessary functions of the Government, to carry on the activity in private enterprise, to make it worthwhile for them to do that. You just cannot cut down on what is essential and hope to handle what you already owe.

So I am proud of our effort here to put people back to work in productive work.

Merely distributing money as we do with unemployment compensation is not going to help us recover. Actually the funds we have saved are not going toward paying our debts. They are going to increase military spending. From our investigation that is quite different from getting more defense. It is also going to increase foreign aid at a time when we have that need for aid right here at home.

Do Members know that if they go back and look at how much waste we may have had in the military and how much we have spent in foreign aid, it probably equals more than the whole outstanding obligations of the Government, whatever their merits, and I am not attacking their merits at this time. But it is whatever we can do. The defense of this country, is dependent upon a sound economy. If it is foreign aid, we had better keep our economy strong first then consider whether we can afford it.

I was told this morning that it would be difficult to keep people from buying cheaper steel in West Germany than here. Well, let us think about that.

If you buy steel from Germany, they have our money and we have the steel. But if you buy steel here at home, we have the steel and the money at the same time.

Everyone seems to quote economists. They can make a guess, and if they need another answer, they can change an assumption. Just a small change in an assumption will bring quite a change. Many economists are like, it is said, architects, they like to be different.

And then we get to interest. Interest is sometime described as rent we pay for the use of money. It follows that the present tight money policy leads to the high interest we have, and a partial remedy would let up a little on the tight money policy.

So I say to you that as we come to you today, we have done our part in holding down to essential programs that are necessary to protect and help restore our economy. Programs we should have acted on some time ago.

Mr. MOTTL. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Ohio.

Mr. MOTTL. I certainly appreciate the gentleman from Mississippi yielding.

Mr. Chairman, I want to compliment the gentleman for bringing forth this important supplemental appropriation bill, and I urge my colleagues in the House of Representatives to vote affirmatively on behalf of H.R. 5922.

Mr. Chairman, I urge my colleagues today to vote for H.R. 5922, the urgent supplemental appropriation which contains $12.2 million for repairs of bridges and streets in Cleveland, Ohio.

These repairs will allow the city to apply for a UDAG grant to launch its ambitious Tower City project and also provide for the development of a unique "Medical Mart" in the old downtown post office building which is adjacent to the Tower City project.

The Medical Mart concept is borrowed from Chicago's Merchandise Mart and would be the only place in the Nation where medical suppliers could display their wares on a permanent basis in an arcade-like atomosphere. The Cleveland Clinic is the prime backer of the Medical Mart idea.

This bill provides for much-needed improvements in the vicinity of the post office and the Terminal Tower. These funds will launch the Tower City project toward reality. The Medical Mart will make Cleveland a world-class medical center.

The Medical Mart, now undergoing a marketing and financing feasibility study, would employ as many as 1,500 people. In addition, with a hotel planned for the Tower City complex, medical convention business would be attracted—creating even more jobs.

The post office would undergo a $20-million renovation to provide as many as four floors of display space for the Medical Mart. The mart would be open year-round and could showcase everything from medical equipment to hospital-related computer, food service, and laundry products and services.

The Medical Mart would compliment my efforts as chairman of the Hospital and Health Care Subcommittee of the Committee on Veterans' Affairs to strengthen Greater Cleveland's role as a national health center.

Mr. WHITTEN. Mr. Chairman, may I point out one other thing here. I am saying this. I think we have done a reasonably good job on the Appropriations Committee handling the continuing resolutions. And while it may seem that I am complaining because other committees put us in a straitjacket, or various other laws do, we have been front and center on everything.

Two years ago we sent all our appropriations bills to our friends on the other side. They were tied up on treaties, tied up on this, that and the other. We could not get action. So we put them all together in one package in the continuing resolution and sent them over there. I called and told the leadership over there, "Now you can sign it." We went through that again last year and found out they had other reasons for delay.

I am saying to my colleagues that we cannot have the orderly process of Government when the one committee that has held the line, has been below the budget 37 out of 38 years—the 1 year was a war year—and now it will be 37 out of 39 years because of increased military spending—is having its hands tied by committees that cannot meet orderly procedure where they do not meet their deadlines.

So I think, Mr. Chairman, that we are going to have to insist that the Congress change the rules, and if a committee that has some supervision

over operations does not meet a deadline, that it be inoperative for the rest of the Congress during the period they are derelict in meeting their deadlines. This is not said critically. If folks cannot agree, they cannot agree. In my judgment, we should not have a second resolution that is nothing but a repetition of the first one just because they could not agree on the second resolution, this is what has tied our hands.

Mr. PEYSER. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to my colleague from New York.

Mr. PEYSER. I want to thank the chairman for yielding.

Mr. Chairman, I want to thank the gentleman particularly for the work on this bill and urgency of it.

I just want to point out to the chairman that this morning I had had calls from two major areas in our country where the student aid question was very much in doubt today, where the banks have been holding back, and the States have been holding back on moving ahead because of what is on the floor this afternoon.

I just want to say that there are millions of students out there waiting for us to act today, and I am convinced that we are going to act in the right way, and we owe a great thanks to the gentleman from Mississippi on this issue.

Mr. WHITTEN. The gentleman can tell them that he and I were on their side all along.

Mr. WEISS. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from New York.

Mr. WEISS. Mr. Chairman, I want to commend the chairman and his committee for his expeditious action. I think that the future of higher education in this country, as well as pure water, safe, sanitary water projects in this country, depend on the adoption of this legislation.

Mr. Chairman, I rise in support of H.R. 5922, the urgent supplemental appropriations for fiscal 1982. Our passage of this legislation sends to the Reagan administration a clear signal that we in Congress reject its most recent proposals to cut funding levels for needed social, environmental and administrative programs.

Especially, I would like to commend my colleagues on the Appropriations Committee for recommending the full funding level of $1.3 billion for the guaranteed student loan program. This action represents a decisive rejection of the administration's desire to eliminate graduate students from the program and increase sharply the cost of borrowing for undergraduates. These shortsighted budget requests would threaten seriously the continuation of many graduate programs and force many deserving undergraduates to attend only lower cost institutions or delay their educations.

Last year, the administration and its supporters in Congress engineered massive cuts in the student loan program as well as in other student aid programs. As a result of the President's budget, loans are now granted to students in families with incomes over $30,000 only if they demonstrate need. Moreover, the cost of borrowing for all students was substantially increased by the implementation of a 5-percent origination fee. In New York State alone, it is estimated that the number of student loans approved for the 1982–83 school year will be cut by 50,000 because of reconciliation changes. Students in my State and across the country cannot afford any additional cuts.

The uncertainty about funding for the GSL program has prevented colleges and banks from the orderly processing of loan applications for this summer and fall. Additional delays will further undermine the purposes of the program.

It is time that this Congress draws the line on the administration's assault on education programs. We owe it to our students, their families, and ultimately, the future of our country.

The merit of this legislation extends well beyond its benefits for education. Key funding for important waste water sewage treatment projects, omitted from the administration's original budget authorization, amounting to $2.4 billion, is also included.

In my district, the North River Sewage Treatment Plant, a project envisioned since the 1940's, has been left in limbo. More than 10 years under construction, the uncompleted, 30-acre plantsite serves as a symbol to all New Yorkers of the Reagan administration's abandonment of the national commitment to cleaning up our water, a commitment that had been in place since the early 1970's.

North River is not only needed now, it must be built. The project has been under Federal court consent decree since 1977. The decree set up a schedule for construction of the plant, which now, in light of the President's short-sighted budget priorities, cannot be met. The latest projection for completion of the important secondary phase of water treatment at the facility is April 1991. Meanwhile, raw sewage continues to flow into the Hudson River at an alarming rate.

To date, only $512 million has been spent on the project, which has an estimated cost of $1.29 billion. The longer it takes to complete, the more obsolete and irrelevant that estimate will become.

The wastewater treatment portion of this supplemental appropriation is urgent not only for New Yorkers, who will benefit from the treatment of 170 million gallons of water per day, but for the Nation as a whole, which needs to resurrect its commitment to clean water in the face of the administration's desire to desert it.

One aspect of H.R. 5922 that I find disappointing is the Appropriations Committee's recommendation to defer $3.8 billion of fiscal year 1982 authority for assisted housing. While I am pleased that committee rejected the administration's rescission proposal, it remains unclear what the deferral, and additional $100 million rescission will mean to the future of the program. Additionally, I find it a glaring deficiency in this bill that the committee has recommended no supplemental appropriation for public housing operating subsidies.

I am hopeful and confident that these deficiencies can be rectified later in the year. Meanwhile, it is important that the House passes this urgent supplemental appropriation now. Maintenance of a strong system of higher education, as well as the development of clean waterways, depend on it.

Mr. RATCHFORD. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Connecticut.

Mr. RATCHFORD. Mr. Chairman, I, too, want to applaud the gentleman and the members of the committee for the action they have taken on the total issue, but above all, on student assistance. The fall semester begins in 3½ months. Thousands and thousands of students have waited in anticipation, with great anxiety, because of proposed changes in student assistance, changes that would shut it down to graduate students, those who need guaranteed student loans, changes that would restrict it to middle-income families, changes that would make interest rates and finance charges more expensive.

What the chairman has done, on a bipartisan basis, it to say to the American student, and especially to the middle-income family, "We care enough about you to see to it that in this supplemental appropriation, your future for this coming year is protected."

I thank the gentlemen.

Mr. WHITTEN. I thank the gentleman.

May I say one other thing we need to keep in mind, all of us. This thing about turning everything back to the States, that is a situation we had from 1776 to 1787. When I came up here, drove up from Mississippi and through Virginia they were considering a quarantine against anything from New England because of the gypsy moth. Today we are going to have the same thing between States about the fire ant. We are going to have it about cattle and various other things. We are going right back, headed toward that, and I hope we will stop before it gets there. But I have believed in equalizing opportunities for various sections of this country. We would have had no interstate highways if we did not pull together as one country.

In our public works projects we have not made a new start in 2 years. Look at our country in connection with wealth. I think a lot of folks have money mixed up with wealth. We need to come out with a balanced budget. We need to have stability between the Government and business. But there is a great difference between money and wealth.

In closing I want my colleagues to know our committee has been working to hold the line on these things. We set up the Budget Committee for the purpose of improving the appropriating process, and stopping backdoor spending. Instead, it has tied us in knots.

We do not mind being front and center. But it is not the way to run a government.

The CHAIRMAN pro tempore. The gentleman has consumed 18 minutes.

The Chair recognizes the gentleman from Massachusetts (Mr. CONTE).

Mr. CONTE. Mr. Chairman, it has been 48 days since the Committee on Appropriations reported the urgent supplemental for fiscal year 1982.

For 48 days, the majority leadership has been unable or unwilling to bring this legislation before the House.

For 48 days, we have seen the funding for important programs reduced to the point of exhaustion.

It is important that the House and the American people know the consequences of this deplorable inaction.

Without this supplemental, on May 14, the Department of Health and Human Services will be forced to furlough all of its 930 inspectors—people who fight waste, fraud, and abuse—for 82 working days.

The additional $1.3 billion for the guaranteed student loan program is absolutely essential to meet the needs of more than 3.5 million students who count on the program each year.

The administration had proposed to eliminate graduate and professional students from the program, and they had proposed to double the origination fee from 5 to 10 percent. On top of those two changes they proposed to eliminate the interest subsidy in the program after only 2 years rather than the current law length of the loan which is 10 years. We rejected all of those proposals as destructive of the program. To incorporate them would make it virtually impossible for middle-income students to pursue higher education and a graduate education.

Millions of students and their families are waiting for us to act on these additional funds so that they can be assured the access to a higher education that they seek. We must all remember that the strength of this Nation is based on the wisdom and education of its people—this is a wise and necessary investment in our Nation's strength.

Without this supplemental, 2,700 personnel in the Employment and Training Administration received furlough notices this week.

Without this supplemental, over two-thirds of the States and over 600 projects are virtually without sewage treatment construction funds. EPA officials estimate that each month of delay increases project cost by two-thirds of 1 percent.

Without this supplemental, the Coast Guard may have to close or terminate 31 search and rescue stations around the country, 7 vessels, 9 search and rescue aircraft, 3 air stations, 4 vessel traffic systems—which will cripple the drug interdiction program and reduce search and rescue operations at the height of the boating season.

By delaying action on this supplemental, the majority leadership delays action on the provision which cuts off aid to Cuba through the United Nations.

By delaying action on the supplemental for the Tax Court, a backlog of 47,000 cases continues, and the taxpayers will pay 20-percent interest on tax bills being appealed which are part of that backlog.

Mr. Chairman, the wheels are falling off, one at a time; in order to spare disaster, let us get off dead center and go to work.

CHAPTER I

Allow me to expand on chapter I items, in this bill.

HHS INSPECTOR GENERAL

This Friday, May 14, the Department of Health and Human Services will announce furloughs of all 924 of its inspectors in the Office of the Inspector General. They will be furloughed for a total of 85 days—more than 70 percent of the remainder of the fiscal year. This means that there will be no inspectors on board to fight fraud, waste, and abuse. Is that any way to run a Government?

GUARANTEED STUDENT LOAN PROGRAM

There is a critical situation brewing in the guaranteed student loan program. The program is virtually out of money as we stand here today. More than 1.7 million students will be applying for loans during now and October 1 and there is no money to meet that demand.

The GSL program has no funds to pay its debts. The Department will be paying a 16-percent penalty on all its debts that are outstanding after 30 days. We are perilously close to reaching that point now. That 16-percent penalty is compounded on a daily basis, so you can see we will pay dearly if we do not provide this supplemental.

DEPARTMENT OF LABOR

The Department of Labor has a number of critical needs in its salaries and expenses accounts. The Bureau of Labor Statistics notified all of its employees on April 13 that it must begin furloughs of all employees on May 16. With those furloughs go the accuracy and reliability of vital statistics like the CPI and employment statistics.

Also in Labor, the Employment Standards Administration has notified its staff that all employees will be furloughed for 3 full weeks beginning in early June unless this supplemental transfer is made.

In the Employment and Training Administration all staff will be furloughed for a full 5 weeks beginning early June. Steps are already underway to lay off these individuals.

The numbers are staggering—the Department of Labor already RIF'd over 4,000 employees in December. Now we are talking about more than 6,000 additional furloughs in just the next few weeks.

This urgent supplemental also contains funds for continued operations of the Pell grant program that will grind to a halt unless the additional $4.65 million is provided very soon. Applications for grants for the fall are piled up waiting for processing. We must act, and act swiftly.

WORK INCENTIVES PROGRAM

The supplemental of $76.8 million for the work incentives program is critically needed. The supplemental will have the effect of providing the funding level voted by this House last October in the regular "Labor-HHS appropriations bill for fiscal year 1982."

Without this supplemental it is estimated that as many as 4,500 employees will be laid off out of a total of 12,000—that is more than a 35-percent cut in the program's work force.

This is an effective program that produces $2 of savings for every $1 that is invested in the program.

The urgency is clear. Illinois will lose 300 of its 420 employees; Indiana will be closing more than half of their county offices; Florida will lose 100 of its 141 employees, while Minnesota loses 69 of its 159 employees.

ACTION SUPPLEMENTAL OF $2 MILLION FOR PROGRAM ADMINISTRATION

The $2 million supplemental for ACTION is needed to avoid any additional reductions-in-force or substantial furloughs. The agency has already reduced its personnel by 18 percent through RIF's. Their only other alternative is to reduce program funding to the older Americans programs including the Foster Grandparents program and the retired senior volunteer program.

HUD AND EPA

Chapter II deals with a proposed rescission of $9.4 billion in funds appropriated to the Department of Housing and Urban Development for our federally assisted housing programs and also provides for the long awaited $2.4 billion supplemental for EPA's sewage treatment construction grants program.

The committee recommends a $100 million rescission and a deferral of approximately $3.8 billion instead of the proposed $9.4 billion rescission.

Our federally assisted housing programs have already been hit hard by our budget reduction efforts. Just 2 years ago the fiscal year 1980 HUD appropriations bill included $26.7 billion to support approximately 270,000 subsidized units. Our fiscal year 1982 HUD appropriations bill enacted just this past December included only $17.3 billion for these same programs or assistance for about 142,000 units.

The administration's $9.4 billion rescission proposal would have terminated beginning this fiscal year both the public housing construction program and the section 8 program for new construction and substantial rehabilitation. Additionally the administration's proposal encouraged the recapture of as many funds as possible from those projects which have already been granted section 8 reservations but which have not been able to go to construction because of the unusually high interest rates prevailing at this time.

While the committee agrees with the administration that the section 8 program has proven too costly to continue as our primary means of providing housing assistance to the needy of this Nation, the committee also recognizes that the housing needs of the people of this country do not disappear because the programs to provide this housing have proven costly. Consequently while the committee goes along with the administration's proposal to terminate the section 8 new and substantial rehab programs beginning this fiscal year except for the section 202 program, we do not recommend that the funds for the 20,000 units to be built under the public housing construction program also be rescinded. The committee also felt very strongly that we have an obligation to take the steps necessary to bring to construction those section 8 approved projects in the pipeline on which local officials, developers, and community residents have already invested so much time, energy, and money to develop. Therefore, the committee recommends that the administration use some of the money proposed for rescission to further implement mechanisms it already has in place, such as the FAF (financing adjustment factor) and the Ginnie Mae tandem programs, to make affordable financing available so that these already approved projects can be brought to construction.

I should note at this point that on April 23, more than a month after the committee had reported this bill to the Whole House, the administration, responding to our concerns and to public pressure to bring to construction those projects already in the pipeline, submitted a revised rescission proposal that would reduce the amount proposed for rescission by $3 billion in order to make available additional funds for the FAF and for cost amendments.

With respect to EPA, the committee is recommending $2.4-billion, the full amount authorized, for the sewage treatment construction grants program. The reform legislation sought by the administration was passed by the Congress late last year and signed into law on December 29. The administration transmitted the promised $2.4 billion fiscal year 1982 supplemental request for this program with its fiscal year 1983 budget proposals. EPA officials have testified that 34 States have virtually exhausted their sewer grant funds. Approximately 600 projects across the Nation are projected to be funded with this proposed supplemental, and EPA officials have estimated that each month of delay increases project costs by approximately two-thirds of 1 percent. This $2.4-billion supplemental for EPA is regarded as urgent by both the administration and the committee.

TRANSPORTATION

As regards chapter III, Department of Transportation and related agencies, there exists the urgent need for $48,000,000 for the Coast Guard; $12,150,000 for interstate transfer grants—highways; and $8,000,000 for the ICC directed rail service program.

I firmly believe that the Coast Guard—our forgotten branch of the military services—urgently requires this minimal amount of funding for its operating account. As we all know, the Congress continues to burden this already lean branch of the services with additional responsibilities. While doing so, not only have we failed to fund the applicable accounts at an appropriate rate, but, in fact, have reduced these critical levels of funding. Currently, the Coast Guard has a diverse mix of missions. Those missions include search and rescue missions, aids to navigation functions, and icebreaking duties.

In addition to these more historic missions, they are responsible for enforcing the laws and treaties of the sea, which includes drug interdiction.

The Coast Guard is, indeed, a military service. It has a military readiness mission to perform. In time of war, it is part of the Navy and operates directly under the Chief of Naval Operations, In sum, the Guard is a multimission agency which performs its duties with a lean budget.

Mr. Chairman, but for the fact that the authorization ceiling for the Coast Guard only permits this $48,000,000 supplemental appropriation, I would have recommended even more. In fact, the chairman of the Merchant Marine and Fisheries Committee recently testified that the Coast Guard easily could utilize an additional $192,000,000 for fiscal year 1982. The $48,000,000 in this bill for the Guard includes $30,500,000 for legislatively mandated increases in sea pay, fuel costs, and other required operations.

The bill also provides another $17,500,000 to continue the operation of the following facilities:

First, 31 search and rescue stations previously proposed for closure or reduction;

Second, the second district headquarters in St. Louis, Mo., and the 11th district headquarters in Long Beach, Calif.;

Third, vessel traffic systems in Berwick Bay, La.; New Orleans, La.; San Francisco, Calif.; and New York, N.Y.;

Fourth, seven vessels previously announced for decommissioning;

Fifth, air stations at Savannah, Ga.; Puerto Rico; and Los Angeles, Calif.;

Sixth, nine aircraft previously announced for retirement, substitution or reduction;

Seventh, numerous facilities in Puerto Rico; and

Eighth, the Coast Guard Academy at the current rate of operation.

On the matter of the "Interstate Transfer Grants—Highways," the committee believes that there exists an urgent need to fund a highway project in Cleveland, Ohio. The urgency exists because the State's match of approximately $2,000,000 will lapse without this Federal grant of $12,150,000.

On the issue of the "Directed Rail Service" administered by the Interstate Commerce Commission, this bill recommends $8,000,000 to pay liabilities of the Federal Government that continue to accrue. The liabilities are based upon the directed rail service performed by the Kansas City Terminal Railway Co., between September 1979 and March 1980 over the lines of the bankrupt Chicago, Rock Island & Pacific Railroad Co.

The committee considers this recommendation to be urgent in light of the fact that funds for the accounting operations will be exhausted by the first week in June. The ICC fears that if this operation is temporarily terminated it will permanently lose the skills of 100 of these highly specialized and experienced employees. The ICC has ordered these accounting functions to continue until March 31, 1983.

COMMERCE, JUSTICE, STATE, AND THE JUDICIARY

Chapter V of title I of the bill provides two additional appropriations and one transfer for Department of

Commerce activities and language for the International Communications Agency.

An additional appropriation of $3,171,000 is provided for general administration of the Department of Commerce, the same amount as the budget request. These funds would allow the Secretary of Commerce to retain critical Inspector General and management control positions which are needed to avoid waste, fraud, and abuse in the Department's $1.75 billion annual budget and in the oversight of past loans and grants.

The administration supports early approval of this supplemental. Without the supplemental, Commerce will be forced to furlough all 1,100 employees in the Office of the Secretary for the remainder of fiscal year 1982, beginning approximately June 27. Notice of the furloughs are scheduled to be issued by May 27 if funding is not assured. In addition, the following offices will be affected: Inspector General—severe disruption of ongoing criminal and investigation work potentially affecting prosecutorial work in progress; General Counsel—impairment of ability to analyze pending legislation, provide counsel to Department officials, and participate in active litigation; Budget Office—impairment of ability to formulate the fiscal year 1984 budget and to execute the fiscal year 1982 and fiscal year 1983 budgets.

A transfer of $4.5 million is provided for salaries and expenses of the Economic Development Administration to allow EDA to avoid significant furloughs of personnel responsible for the administration of programs in the field, including the management of its loan portfolio. Testimony before the committee indicated an alarming rate of potential defaults, 40 percent, in EDA lending activities, and the committee is convinced that this investment in the form of a transfer of existing resources is appropriate.

An additional appropriation of $2,000,000 is provided to continue three weather service activities of the National Oceanic and Atmospheric Administration. Of this amount, $927,000 will enable 38 small and part-time weather stations around the country to remain open through September 30, 1982. $209,000 will extend fruit frost forecast services through the same period, and $836,000 will provide a similar extension for 8 weather service forecast offices.

The bill also includes language allowing the International Communication Agency to secure leases of real property for up to 25 years in Africa, Asia, the Caribbean, and Europe. Such leases are authorized subject to specific language hereby included in an appropriations act. The property involved is used for Voice of America transmitting facilities. The administration supports the inclusion of this language.

GENERAL PROVISIONS

FOREIGN OPERATIONS

Section 202 of the bill is a general provision which prohibits the use of funds appropriated for U.S. voluntary contributions to the United Nations to be used for the U.S. proportionate share for any programs for the Palestine Liberation Organization or Cuba.

The language restricting the use of U.S. funds for the PLO is a political exercise only; no voluntary contribution programs of the U.N. funded any programs for the PLO in fiscal year 1981, and none is expected to do so in fiscal year 1982. Assessed contributions, which are appropriated in the Commerce, Justice, State Appropriation Act, not the act cited in this language, are used for the PLO; however, U.S.-assessed contributions are restricted from being used for the PLO by Public Law 96-60 and Public Law 96-68, and similar provisions which are expected to be adopted as part of the State Department authorization bill now in conference, S. 1193.

In regard to Cuba, the effect of the restriction in fiscal year 1982 is unknown; U.N. agencies are still in the process of planning their calendar year 1982 programs. In 1981, Cuba received program assistance from UNICEF, the world food program, nonsafeguard programs from the International Atomic Energy Agency, and the U.N. environment program. Because of a restriction in effect under the fiscal year 1981 continuing resolution, U.S. contributions were withheld for our proportionate share for programs in Cuba and for the Southwest Africa Peoples Organization in the amount of approximately $500,000.

While the dollar impact of this provision in fiscal 1982 is unclear, it will probably require a renegotiation of U.S. pledges to the various U.N. agencies. The administration has no objection to this language.

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Mrs. ROUKEMA. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I will be glad to yield to the gentlewoman from New Jersey.

Mrs. ROUKEMA. Mr. Chairman, today, as the House finally gets a chance to consider the supplemental appropriations bill, I would urge my colleagues to support those provisions of the bill which contain absolutely essential funds for the guaranteed student loan program for the remainder of the fiscal year.

Last week, in a speech before the House, I noted that I had received an upsurge of complaints from students who are unable to get applications for student loans. Because this supplemental bill has not been passed yet, many States, included New Jersey, are not sending out loan applications to local banks. I also note that the Federal Government will pay an $8 million per day interest penalty fee of 16 percent amounting to $8 million per day if we do not pass this legislation in final form before the program runs out of money.

I commend the chairman of the Subcommittee on Labor, Health and Human Services, and Education, Mr. Natcher, the ranking minority member, Mr. Conte, and the members of the committee, for recommending the full $1.3 billion necessary for the GSL program. The committee's actions are responsive to and consistent with the concerns which I and a bipartisan majority of my colleagues on the Education and Labor Committee expressed in our February 26 letter to Chairman Natcher. The letter urged that the program be fully funded in accordance with the reforms and eligibility requirements enacted in the Omnibus Reconciliation Act. The letter further urged that no substantive changes within the program be enacted in the supplemental appropriations process.

Mr. Chairman, I ask unanimous consent that the text of that letter be included in the Record.

House of Representatives,
Washington, D.C., February 26, 1982.

Hon. William H. Natcher,
Chairman, Subcommittee on Labor, Health and Human Services, and Education, Committee on Approriations, U.S. House of Representatives, Washington, D.C.

Dear Mr. Chairman: As Members of the Committee on Education and Labor, we are disturbed by the Admninistration's proposal to enact immediate, drastic changes in the Guaranteed Student Loan (GSL) Program through the appropriations process.

As part of its request for an additional $979 million in fiscal year 1982 funding for the GSL Program, the Administration has requested that the appropriation include language instituting certain changes in the program, effective April 1, 1982. These proposed changes include such significant measures as elimination of graduate student participation in the GSL Program, an increase in the loan origination fee from 5 percent to 10 percent, and a requirement that all students applying for loans demonstrate financial need regardless of their family income.

These proposals will require considerable discussion in our Committee and it is possible that they will be either rejected or replaced with alternative cost-saving measures. It is essential that all changes in this program which is so vital to the needs of higher education in America be enacted through the normal authorizing process.

We also object to the proposal to impose an April 1, 1982 effective date on substantial changes in the program. The very existence of the Administration's proposal creates a serious potential for distruption in the financial planning of students for the 1982-83 school year. Furthermore, as we learned last year, many banks will discontinue processing loans until there is certainty as to the effective date of any new provisions.

Therefore, we respectfully request that your Committee reject any proposal to provide changes in the operation of the GSL Program through the appropriations process. In addition, in order to allay uncertainties within the banking community and among students planning to attend higher education institutions next year, we request that the Committee provide a supplemental appropriation for the program as soon as possible in an amount sufficient to meet the needs of the program through the rest of the fiscal year at current operating levels. We appreciate your attention in this matter.

Sincerely,

Marge Roukema, E. Thomas Coleman, Dennis E. Eckhart, Ted Weiss, Ray Kogovsek, Joseph M. Gaydos, Austin J. Murphy, Arlen Erdahl, James M. Jeffords, Peter A. Peyser, William R. Ratchford, Augustus F. Hawkins, George Miller, Carl D. Perkins, Paul Simon, John N. Erlenborn, Mario Biaggi, Baltasar Corrada, William F. Goodling, Lawrence J. DeNardis, Larry E. Craig, Pat Williams, Dale E. Kildee, and Ike Andrews.

It is essential that we emphasize the fact that enactment of this measure, coupled with the aforementioned letter from the Education and Labor Committee, provides assurance to the banks and the students and their families that they can make their plans this year and make financial plans with reasonable assurance that no major changes will take effect at least until fiscal year 1983, if at all.

I should also add that the situation has been further clarified by the recent issuance of final regulations by the Department of Education, establishing requirements that the needs test be used for the remainder of this year.

I would like to take a moment, Mr. Chairman, to clarify the misunderstanding that surrounds the whole issue of guaranteed student loans.

Often overlooked on this issue is the fact that we already have made substantial reforms in the program for fiscal year 1982. As one who helped on the reforms that eventually became law, I would note that savings are estimated to be up to $3 billion over a 3-year period because of the changes that were enacted. Specifically, these changes include a cutoff point of $30,000 in gross income for automatic eligibility, after which a needs test is applied to the family. This reform was absolutely necessary in order to change the program from a burgeoning "open-ended" entitlements program into one that reserves assistance for those in need. These reforms protected the needs of low- and middle-income families that are experiencing the most severe cash-flow problems resulting from rising college costs. But the loans should no longer be used by families or students that invest them in high-yield funds.

Let me point out as well that the Department of Education has recently further tightened and reformed the regulations for guaranteed student loans with a strict requirement that family assets be considered in determining eligibility for high-income families.

As you know, Mr. Chairman, the administration had proposed a lower figure for the supplemental appropriation for guaranteed student loans; their figure was predicated upon the assumption of additional changes that were to occur on April 1, including the elimination of graduate students from the program. In rejecting that suggestion the Appropriations Committee has insured that the program can indeed continue at current levels through at least September 30, and we should again note that "current levels" refers to a program with substantial meaningful reforms already in place.

The committee's recommendation, if adopted, is most important to students who are currently making their financial plans for next September. To fund the program at a lower figure—and consequently force changes in eligibility—would create havoc for these students as well as the lending institutions that are participating in the program.

Additionally, in my opinion, the proposal to terminate eligibility for graduate students is ill-advised. The administration's proposal would remove 625,000 graduate students nationwide from the program, including 20,000 in New Jersey. This would occur at a time when graduate school tuition is soaring and our national economy requires skilled professionals in all fields. For example, the number of doctorates in chemistry has already declined 31 percent from 10 years ago and there has been a similar 25-percent decline in graduates in math and computer sciences.

In a similar vein, we know that costs for graduate students in the health profession and law schools are already prohibitive and that these loans provide much-needed cash-flow assistance. For example, 83 percent of the students at the College of Medicine and Dentistry in New Jersey finance part of their education through student loans. At Cornell University Medical College, the figure is 75 percent.

Are we ready to say to the American people that only the well-to-do deserve to go to graduate school? Are we prepared to further accelerate the decline of skilled professionals for business, health, law, science, and engineering that are so essential for rebuilding our economy? Clearly, the answer is "No."

In closing, Mr. Chairman, let me reiterate that the supplemental appropriations for guaranteed student loans is one of the most important parts of the bill we are considering today, and that we must provide the funds necessary to keep the program at present levels. In doing so, we will be consistent with the budgetary reform of 1982 and we shall also provide for an investment in the economy and in our young people. Thank you.

Mr. CONTE. I want to thank the gentlewoman from New Jersey for her contribution.

Mr. RUDD. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to my good friend from Arizona.

Mr. RUDD. Mr. Chairman, I thank the gentleman for yielding. I support this urgent supplemental appropriations, H.R. 5922, but Mr. Chairman, how can we support this necessary bill if the amendment to include funding for H.R. 6294, Single Housing Production Act of 1982 is adopted.

Mr. Chairman, I urge my colleagues to disapprove the expected amendment to fund the program under H.R. 6294 on this urgent supplemental appropriations bill for 1982. This amendment is a product of partisan gamesmanship and is not in the best interest of this Nation.

This amendment would allow an appropriation for the housing bill that was only passed yesterday. That bill has not been passed by the Senate nor signed by the President. It seems that the partisan leadership in this House, in its view of the world, has decided to put the cart before the horse. Furthermore, the bill that was passed yesterday and for which this amendment attempts to appropriate funds today shows to any clear-headed observer that this Congress is not determined to change its ways, 40 years of fiscal irresponsibility and stopgap measures designed to buy votes.

There is no doubt that the housing industry is on the verge of collapse, if not already there.

But what is the cause of that problem? It is the unrelenting growth in the consumption by the Federal Government of credit to finance a trillion dollar debt and a debt service that is now larger than the entire 1963 budget.

Right now, this Government, under laws passed by Congress, is consuming almost half of all the available credit in the market. That is credit that is needed to expand, replace machinery, and put back to work all the carpenters, factory workers, plumbers, and salesmen that are out of work.

The bill that was passed yesterday, H.R. 6294, would have us start a program of interest subsidies for homebuilding. Certainly the sentiment is correct, but the method is not only incorrect, but deadly in terms of its effect on our already crippled economy.

That program, which obligates a billion dollars for an interest buy-down program, must be funded with all the other programs in our $800 billion budget.

Where is the money going to come from? As I see it, there are only three possibilities: We can raise taxes, print more money, or borrow it. The first alternative, raising taxes, does not seem likely. We have managed to pick the pockets of the taxpayer pretty clean over the past few years. The second alternative, printing money, would put us back into the crippling inflationary spiral which we have only recently learned to control. The last, borrowing, is probably what will happen. That is just the very type of action that has crippled the housing industry.

It is not inflation that is keeping interest rates up. It is the Federal Government's astounding consumption of credit which bids up the price of the remaining credit to all those businesses which need to expand, or even to get off the ground to provide the jobs for our unemployed.

In addition, this program, which would have us embark on more borrowing, would create a new bureaucracy. If there is anything that has been made clear by the American taxpayer over the last few years, it is that they do not want more bureaucracy.

Finally, what will be the benefits of the program? We are told that this program will create 75,000 new housing units. Compared to the demand level now of over 2 million that is a mere drop in the bucket.

If we are to actually help the housing industry, we must do so in a manner which will not add more fuel to the credit fire that is now burning down the housing industry.

I have introduced a bill, H.R. 4833, the national home ownership bonds bill, which does that very thing.

This bill would authorize lending institutions to issue national home ownership bond bills, which would have a face yield of 10 percent. The funds secured by the sale of these bonds would be earmarked for 12 percent mortgages. The investor in the bond would receive a tax incentive which would make the bond equivalent to a 14 percent taxable instrument. This is a tax incentive program for housing. It is not a governmental subsidy. It will not require any outlays from the Treasury, and, indeed, will produce far more in tax revenue than any possible tax forgoence needed to start it up. More importantly, the program outlined in H.R. 4833 will not create any longstanding obligations. It is, in a sense, a self-destructing piece of legislation that will only be triggered on need.

If we are to convince the people in the market and the taxpayer that this Congress is serious about bringing down interest rates: that this Congress is serious about preserving the economic opportunities that have made this Nation great, then it is important that we sever ourselves from the actions of the past. The appropriations for the program outlined in H.R. 6294 will only bring us more of the misery that we have managed to create in the past.

I urge my colleagues to join with me and vote against funding of this amendment and support the national home ownership bond program, H.R. 4833. We need a strong housing industry. But we need a strong industry that is active in a healthy economy, not one that is propped up by congressionally mandated subsidy programs.

Mr. DUNN. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to my good friend from Michigan.

Mr. DUNN. Mr. Chairman, I thank the distinguished ranking member for yielding to me, and also wish to add my compliments to the role that he has played in the campus-based programs, particularly the guaranteed student loan. The gentleman is aware of the role I played in putting the 21 freshman Congressmen together and calling our group "CARE."

At this time I would like to discuss a different problem, though. That problem is the supplemental educational opportunity grants. As the gentleman in the well is aware, this is financial aid to the very poorest of our college students.

A student receives an SEOG only if he or she still shows financial need after receiving most other forms of student aid.

At Michigan State University, 400 extremely needy students who are entitled to SEOG's will not get them this year. MSU has lost $156,000 from 1981 to 1982 in SEOG funds.

Of the three campus-based programs, college-work study, national direct student loans, and SEOG's, SEOG received by far the worst cut. This program was cut 25 percent. By comparison, college-work study and national direct loans were cut 4 percent. Pell grants were cut about 6 percent.

The Higher Education Act provides that all States shall receive at least the level received in fiscal year 1972 and that each college within the State will receive no less than the level of SEOG funds they received in 1979-80. It would take about $77 million to assure that level of funding for SEOG.

This would bring the loss in this program in line with the 4 percent losses of the other campus-based programs.

Can the chairman and the ranking minority member give me some assurance that such a restoration of funds would receive their favor should it be included in this measure when it returns from the Senate?

If such a restoration is not included in the Senate, I am hopeful that the next appropriations bill includes such a restoration.

Can the distinguished leadership of the Appropriations Committee respond?

Mr. CONTE. Let me yield to my good friend, Mr. Natcher, for a reply.

Mr. NATCHER. Mr. Chairman, first I would like the members of the committee to know that it is a distinct honor and privilege for me to serve on this subcommittee and on the full committee with my friend, Silvio Conte of Massachusetts. Mr. Conte is one of the able Members of the House.

In answer to the gentleman from Michigan (Mr. Dunn) as the gentleman in the well remembers, in the appropriation bill that passed the House on October 6 of last year, we had the amount of $370 million in the bill for this particular program. My friend, Silvio Conte will tell you, we believed on our subcommittee that that was a proper amount. We put it in the bill. We brought it to the House. The House passed it.

On the other side, that amount was reduced to $290 million. The gentleman's inquiry, as I understand, is if on the other side that amount is brought back to about the House figure, whether or not we would carefully consider it. With the persmission of the gentleman in the well, as far as I personally am concerned, I would say to the gentleman that if the figure is brought back to the House level, certainly we would approve it.

Mr. DUNN. I thank the gentleman.

Mr. CONTE. I agree with everything Bill Natcher just said.

I believe the committee recognizes the SEOG program as an important and vital program for assisting some of our most needy students in achieving a higher education. It is a very important student aid program.

It was regretful that the Senate reduced funding for the program for fiscal 1982 to a level that meant, under the continuing resolution, the program took a substantial reduction.

The committee will be considering a general supplemental in the near future. We will certainly give the program every consideration at that time.

I might add that we also have concerns for the fact that the fiscal 1983 budget proposes to eliminate the program altogether. We will have to take a hard look at that one as well.

Mr. DUNN. I thank the committee chairman and the ranking minority member.

Let me add some background on this matter.

As Members will recall, last October, the Appropriations Committee, under the leadership of its chairman and ranking minority member brought a continuing resolution to the floor of the House, based on the committee's full fiscal year 1983 appropriation bill. Among other appropriations, that legislation provided full funding for the three student aid programs administered by campus financial aid administrators at the fiscal year 1980 levels:

$370 million for supplemental educational opportunity grants, $550 million for college work-study, and $288 million for national direct student loans. We approved that version overwhelmingly and sent it over to the Senate.

As usual, the other body used a different set of priority assumptions to develop its version of the continuing resolution, which was based on the amounts allowed in the Senate Appropriations, Committee bill for fiscal year 1983. Unfortunately, under that bill which never came to the floor of the Senate for correcting amendments, two of the three campus-based student aid programs suffered substantial reductions in the Senate version, with SEOG reduced to $290 million, NDSL reduced to $186 million, and CWS held level at $550 million.

The resolution of the differences came when conferees allowed funding to continue at the lower of the two levels. Instead of a 4- or 6-percent cut, as orginally expected, SEOG funding was cut by 25 percent. Since SEOG funding goes to exceptionally needy students, that will result in substantial reductions in student awards, to the very students who can least afford to make up these cuts from other sources.

During the first week of April, and 1 week after the urgent supplemental was reported by the Appropriations Committee, the Education Department announced tentative allocations to colleges and universities for this fall's awards to students under the campus-based programs, SEOG, CWS, and NDSL. These allocations were based on the fiscal year 1982 continuing resolution level, but caused the following results:

[Dollars in millions]

	Fiscal year—					
	1980 actual appropriations; AY 1980-81	1981 actual appropriation, AY 1981-82	1982 continuing resolution appropriation; AY 1982-83	Tentative allocation levels [1]; AY 1982-83	Expected final allocation levels	Percentage reduction fiscal year 1981 to fiscal year 1982
SEOG	$370	$370	$278	$274	$278	25
CWS	550	549	528	[2]476	528	4
NDSL	286	186	179	174	179	4

[1] Differs from appropriated levels due to amounts held back for appeal.

[2] Assumed President's rescission request of $44 million, now expired.

The 25-percent reduction in SEOG funding not only is greater than most other program cuts, but also creates havoc with the statutory formulas for distributing the funds among States and institutions. The Higher Education Act provides that all States shall receive at least the level received in fiscal year 1972, and that each institution within the State be held harmless at its 1979-80 utilization rate, known as the institutional conditional guarantee.

When the fiscal year 1981 reduction in the NDSL program appeared to cause distribution problems last year, because of the $100 million loss in funding, Senator Rudman successfully proposed an amendment to assure that each State receive at least the same percentage of the national appropriation for NDSL funds as it had received the year before. That mechanism worked for the NDSL program last year without much disruption. That does not appear to be the case for SEOG this year.

This year, Senator Rudman intended to offer a similar amendment for the SEOG and CWS programs on the continuing resolution, but was prevented from so doing by the leadership decision to enact a simple extension of the CR. Senator Rudman will offer such an amendment when this legislation reaches the Senate, and it will cure the problems that arise with respect to the State allocation formula, but causes substantial shifts in SEOG funding among institutions with each State. Institutions which during the current academic year are providing SEOG awards to substantial numbers of needy students will be unable to provide awards this fall to many of those same students. The 25-percent reduction in SEOG funds, the statutory distribution formula, and the fact that the Education Department claims not to have 1980-81 data on which to base the Rudman amendment conspire to cause these disruptions in the student aid system which will, in turn, result in disruptions in the educational aspirations of large numbers of needy students.

Mr. Chairman, the only answer to this dilemma appears to be to restore some of the 25-percent cut in SEOG funds last year. According to current estimates, all institutions could receive their conditional guarantee level of funding if we restore some $77 million of the $92 million reduction in SEOG funding. That would put the loss to this very important program in line with the 4-percent losses in other programs, and avoid most of the disruptions that will occur absent such a restoration.

Mr. CORCORAN. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to my good friend from Illinois.

Mr. CORCORAN. Mr. Chairman, I thank my friend from Massachusetts for yielding.

I wonder, in view of the discussion, Mr. Chairman, concerning the various student loan programs, whether or not we should not use this time for me to inquire of the gentleman from Kentucky, the chairman of the subcommittee, about the guaranteed student loan program?

Mr. CONTE. I yield to the gentleman from Illinois and then to the gentleman from Kentucky.

Mr. CORCORAN. I thank the gentleman very much. My concern is simply this: While I tend to agree with what has been explained so far by various of our colleagues about the importance of the pending legislation in terms of providing the supplementary financing for the program, at the same time when we examine the experience that we have had with the guaranteed student loan program, it would look as though there is a tremendous cost exposure for the Federal Government. While I am inclined to support this emergency supplemental bill, I do wonder whether or not, in view of the fact that in this legislation we have an increase of $321 million over the President's request for the guaranteed student loan program, and that in addition to that in terms of the increase over the authorization and appropriations for fiscal year 1982 we have a substantial increase in the program; and at the same time, when we look at the experience we find that the default rate is in the range of 12 to 13 percent.

So, while I am inclined at the present time to support their bill, as the chairman of the full committee, the gentleman from Mississippi, pointed out, that is the law and we have to finance the law, and I do not quarrel with that, but I do wonder whether or not anything is being done to restructure this program so that we will not have this tremendous cost experience year after year?

Mr. NATCHER. If the gentleman would yield, I would like to say to the gentleman, as far as the $1,300 million is concerned, that is the figure that the Appropriations Committee had to put in the bill. As the gentleman knows, the changes to this program made by the Reconciliation Act passed last year require the amount of $1,300 million. The administration sent to the committee the figure of $978 million.

As the gentleman in the well, Mr. Conte, will tell you, if we had accepted the $978 million, we would have to change the law. We do not have the right to change the law. We had to comply with the Reconciliation Act, and in complying with that act the amount required is $1,300 million. That is the reason we have that amount in this bill.

Mr. CORCORAN. I thank the gentleman for his explanation. Let me ask just one further question, if I might, with the indulgence of the gentleman from Massachusetts and the chairman of the committee, who have worked so diligently on this problem. As I look at the problem, I see that we have had a substantial increase, at least in terms of total dollars, as far as the cost to the Federal Government is concerned. And in particular, when we look at what has happened to the program since the middle-income assistance legislation of a few years back, we find that the exposure, which has been great, is going to be a good deal greater in the years to come because we have got much wider participation, and the amounts of money are a good deal higher in terms of per capita student loan programs.

Therefore, as I look into the future, I see an even further escalation in cost, and so I again would raise the question—I understand the responsibility, I think, of the Appropriations Committee, but at the same time, I am sure there is some kind of communication linkage between the gentleman's committee and the authorizing subcommittee.

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Mr. Chairman, may I ask the gentleman, is anything being done to restructure this program so that it does not balloon out of sight as it would if it stays on its current trendline?

Mr. CONTE. Mr. Chairman, that is in the subcommittee of the Committee on Education and Labor. The gentleman from Illinois (Mr. Simon) is chairman of that subcommittee, and they have been holding hearings all this year on the higher education programs, the Pell grants, the SEOG's, and the guaranteed student loans. So I would suggest that if the gentleman has any ideas about changing the program, that would be the committee to go to.

We are the Appropriations Committee, and any time that we get into the legislative process—I have been on that committee 24 years—we get the legislative committee down here telling us to mind our own business. We are the appropriating committee and, therefore, we should not get involved within their jurisdiction.

That is what we did here. We just abided by the law. The administration told us they wanted us to knock out the graduate students, and we said, "No, you go to the Education and Labor Committee if you want that."

Mr. CORCORAN. Mr. Chairman, I can appreciate that, and I can understand the position in which the gentleman from Massachusetts (Mr. Conte) finds himself.

I wonder if the gentleman from Kentucky (Mr. Natcher) would care to respond in terms of whether or not there is any linkage right now between the subcommittee of the Appropriations Committee with responsibility and the subcommittee of the Education and Labor Committee with responsibility for authorizing legislation involving the guaranteed student loan program?

Mr. NATCHER. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Kentucky.

Mr. NATCHER. Mr. Chairman, I would like to say to the gentleman that, yes, we are in touch with the authorizing committee. As the gentlewoman from New Jersey (Mrs. Roukema), who stands there on the gentleman's left, will tell you, we follow carefully the matters that go through the authorizing committee. We are in touch with the authorizing committee on a regular basis. I would say to the gentleman that we cooperate with the authorizing committees, especially on this particular matter that means so much to students at this time.

Mr. Chairman, the gentlewoman from New Jersey (Mrs. Roukema) can address that question as well as I can.

Mr. CONTE. Mr. Chairman, I yield to the gentlewoman from New Jersey (Mrs. Roukema).

Mrs. ROUKEMA. Mr. Chairman, I thank the gentleman for yielding.

I cannot speak to the subject of what the subcommittee is doing. However, as a member of the full committee, I can indicate to the gentleman and reiterate to the gentleman that over $3 billion was saved this year over last year due to the reforms that have already been instituted.

I want to reemphasize here that the moneys we are speaking about, as the subcommittee chairman, the gentleman from Kentucky (Mr. Natcher) has indicated, are moneys that must be authorized under the law. That is the new needs test formula that the administration and the Department of Education have worked out on a formula basis, and this is an absolute must.

Speaking now to the future, I think there are some modest further cuts that can be made and other reforms in terms of loan origination fees and perhaps a rise in interest rates, but that is in the future and is not contained in this supplemental.

I can suggest for myself that I was totally opposed to changing those laws or regulations in midyear and coming so close upon the previous reforms as voted in last year.

Mr. CORCORAN. Mr. Chairman, I thank the gentleman from Massachusetts (Mr. Conte) for his indulgence. I simply want to say that I would hope we would not stop funding the program, but I certainly hope we would restructure it in view of the experience we have had.

Mr. Chairman, in these times of economic distress, it is vital for this deliberative body to examine Federal entitlement programs in order to cut waste from the system. I am concerned—and I sincerely hope that you are, too—with the Federal debt that has amassed over the decades. I am particularly concerned with the debt the Federal Government has incurred as a result of its participation in the guaranteed student loan program, otherwise known as GSL's, and I am not sure that the way to control this is simply by reducing funds for the program, as suggested in recent proposals.

The GSL program is only one of a number of Federal student financial assistance entitlement programs. Its growth, however, unparallels that of any other student assistance program. In fact, during the 1970's, GSL's surpassed medicaid and food stamps to become the fastest growing entitlement program in the Federal budget. In 1978, the Federal cost of this program was $331 million. Last year it was $2.4 billion. That is a 725 percent increase in 4 years.

Unfortunately, but predictably, this expansion in funds and financial opportunity was accompanied by a rise in the number of student borrower defaults. GSL default rate figures for fiscal year 1980 are staggering. According to the Congressional Research Service, matured GSL's amounted to $11.5 billion, while cumulative default claims were $1.4 billion, with no admustment for collections. The current default rate for GSL's stands at 12.3 percent, and this figure is sure to escalate as large numbers of student loans, approved before last year's new restrictive changes, continue to mature.

In addition to loan defaults, many more abuses run rampant within the GSL program. Some colleges and universities recklessly counsel their students to take out GSL loans despite lack of financial need. Some well-to-do families take out the low-interest GSL's for their children and invest the money in money market funds or other profitable investments, thus ignoring the true purpose of the loan program—dispensing loans to assist students meet educational expenses. Some student borrowers neglect to repay the loans or declare bankruptcy after graduation to avoid repayment.

All of these irresponsible practices and many more have greatly jeopardized the future of the GSL program. These practices, if ignored, may have a negative impact on new students through tighter budget restrictions, as in fact proposed by the President this year. Yet, the Congress, in light of these abuses, has produced no viable proposals to target the weaknesses of this program other than the income restriction provision approved last year. As it stands now, the House Education and Labor Committee has voted to simply authorize additional dollars and add to the myraid confusion which continues to shroud the GSL program. Can we neglect our responsibility as lawmakers to provide just and efficient government? We must address the issue of change in order to reform the GSL program. There is

definitely room for much-needed, logical improvements.

That is why, Mr. Chairman, I am addressing this body today. I have examined the guaranteed student loan program and have formulated strengthening provisions which, if enacted, will eliminate the current abuses found in the system. My changes will amend the current law to correct abuses and reassign responsibilities within the GSL program without reducing the funding levels.

To better understand my proposal, it is essential to understand its philosophy. The philosophical environment for development of student loan programs has always been that of a partnership among the Government, educational institutions, and the private business community. Evaluation of actual operations of the programs points out that in fact these programs have not been a partnership. It might be said that the Federal Government has provided an indirect subsidy for private educational institutions that significantly reduces the tuition differential in comparison with the cost of State-supported institutions subsidized through taxation.

I believe that under the current program, our educational institutions have reaped tremendous benefits while shying away from any responsible role in insuring the program's financial integrity. I believe now is the time to reexamine the partnership among the Government, education, and business community and realine the roles of each within the GSL program.

The first provision, recommended to me by an Illinois college president, requires that a cosigner endorse the GSL application. This cosigner could be any financially responsible individual over 21 years of age for independent student borrowers; however, a dependent student must have the individual who claims the student on his/her Federal income tax statement. Under this provision, the cosigner will be held to the same scrutiny as the borrower currently is.

A second provision directs the Secretary of Education to establish a reporting system to monitor default rates for each educational institution participating in the loan program. Individual State guarantee agencies will collect this information from the lender and disseminate it to the Federal Government.

According to this provision, the Secretary of Education will also be directed to determine a national default rate average. This national average will serve as a goal for educational institutions to fulfill if their default rate exceeds this national rate. If an institution's default rate exceeds this rate, the Department of Education will review the educational institution to ascertain whether or not the college meets the program participation requirements already in current law and new strengthened provisions. If the college fails to meet the requirements, the Education Department will issue a written warning that harsher penalties will be imposed if the requirements are not fulfilled.

This penalty will be enforced in the following fiscal year. This penalty will require that the educational institution reimburse the Federal Government for 25 percent of the dollar amount which accounts for the difference between the school's default rate and the national standard.

I believe it is time for the educational institutions of this country to finally accept their fair share of the loan program burden while reaping the benefits of the Federal Government's payment of the in-school interest subsidy for students. It is not uncommon that, in times of distress, all Americans have banded together to relieve their share of the burden they encountered. In these times of high budget deficits, I believe that we, the Congress, would not be wrong to ask the educational institutions to participate more responsibly in this loan program. The colleges and universities of this Nation must accept full responsibility of the consequences of their counseling. They should no longer prescribe student loan remedies to any student desiring additional funds. By requiring the institutions to accept loan default responsibility, the potential loan applicants will be more closely scrutinized as to their earnestness in pursuing an education and repaying the loan.

A third provision is to assess one interest payment of 9 percent for each new student loan, with such interest payment to be used by the lending institutions as a partial offset for the full Federal interest subsidy. This payment will eliminate the current GSL loan origination fee.

The interest assessment would be divided into quarterly payments. Thus, a first-year college student who borrows $2,500 under the GSL program will be required to pay $225 for the interest subsidy. This quarterly payment of $56.25, which would be feasible as long as the student earns $5 a week throughout the year, does not pose any serious difficulty to the financially strapped student.

To clarify this provision, the interest payment would be assessed only once for each new student loan. So if a student takes only one loan, he/she only pays this in-school payment for 1 year. The lenders will be able to retain the first quarter payment as a prepayment and each interest payment thereafter would be paid 3 months in advance. This prepayment would be an incentive for the lending institutions since the lenders would have additional costs in billing these students for the three remaining interest payments.

While these payments may be small, it will provide some relief to the growing expenses incurred within the GSL program. According to this provision, if applied to this year when student borrowing under the GSL program totaled $7.7 billion, the Federal Government would save about $693 million. I believe that that savings is quite significant in light of our current budget problems.

Perhaps more importantly though, this payment will provide early identification of potential defaulters. It will also provide a tangible indication of the seriousness of the student in the pursuit of his or her education. By equipping the lending institutions with this mechanism to gage potential defaults in the first year, we can safeguard the integrity of this program against chronic abusers who could accumulate 4 or more years of debt, then default.

This provision will also require the lender to notify the State guarantee agency or the Federal Government that the borrower has failed to make this payment. The lender will then receive reimbursement for the interest subsidy and the State guarantee agency or the Federal Government will have the name of the individual who failed in this payment. If this individual wishes to apply for a second loan, the lender would be notified of the outstanding interest payment owed to the Government.

A fourth provision is to require that repayment of the principal begin 3 months upon graduation or withdrawal from school. I believe that there must be a shorter deferral time than the present 6 months to enable more current monitoring of financial responsibility and to accelerate the recycling of loan dollars, making them available for future students and reducing the Federal Government resources required to support the program.

A fifth provision is to direct the Secretary of the Department of Education to make mandatory a current optional provision allowing the educational institutions to deduct educational expenses from the student loan before the student receives the check. It is all too often that loan recipients fail to pay educational expenses even after they receive their loan entitlement. In addition, it would also serve to deter those who deposit loan checks in money market funds accounts.

Finally, there is a provision to make it mandatory that lenders assess a penalty to the borrower for nonpayment of the principal. Current law permits an optional late charge of 5 cents for each $1 of each installement, whichever is less. I believe that this is an equitable assessment and that we should make this penalty mandatory. We must begin to awaken student loan borrowers to the fact that if they negate their financial and civic responsibilities by defaulting on student loans, then they will be treated as other adults who cannot meet their credit obligations.

It is already a common practice within the commercial and lending communities to impose penalties upon individuals who fail to keep up their mortgages and credit card installments. Why should student loan obligations be treated any differently?

This is my proposal to reform the guaranteed student loan program. I will be introducing legislation soon that, if enacted, would provide these changes to the GSL program. I firmly believe that if these changes are enacted, many of the abuses within the GSL program will be curtailed if not altogether eliminated, and there will be no need to reduce the funding for this program.

Mr. Chairman, in closing, I would like to thank all of the Illinois college and university presidents who either directly or indirectly responded to a letter I wrote concerning my proposal. Their suggestions and criticisms assisted me greatly in refining my points to the reform program I have spoken about today.

Mr. CONTE. Mr. Chairman, I want to thank the gentleman from Illinois (Mr. Corcoran) for his contribution, and I also thank the gentlewoman from New Jersey (Mrs. Roukema).

I apologize to the Committee of the Whole House for sounding like "Gravel Gertie" here today, and I hope that I do not have to get into a heated battle because my larynx is in bad shape. I was an auctioneer last night at the Capitol Hill Club.

Mr. MURTHA. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to my good friend, the gentleman from Pennsylvania.

Mr. MURTHA. Mr. Chairman, last year when I voted against and strongly opposed the Reagan administration cutbacks in the student loan programs, I feared the impact of the cuts would be disastrous. From discussions in recent weeks with students, faculty, and administrators, I am convinced I was correct.

The effects of the cutbacks are beginning to be felt and hold important impacts for all of us. Please let me note some major points.

First, local schools project that the reduction in their student bodies will almost surely be 10 percent in each of the next few years because of these cutbacks, and could go as high as 20 percent. It is important to note where this cutback will come. It will come from middle-income families. These are the students being squeezed by these cutbacks.

When I came back from the Marine Corps in the early 1950's, I used the GI bill to get my education, and at that time, with unemployment at only 2 percent, I was able to work during the time when I was in school. Today, we are turning our backs on that kind of middle-income student. It is a trend that must stop or we will go back to the 1940's when the lawyer's son and the doctor's son went to school, while the miner's son went into the mines. We have changed that pattern over four decades, and we cannot afford to go backward on it.

Second, this is not simply a student issue. It affects all of us. For one thing, as a nation, the cutbacks in graduate student aid and the loss of undergraduate students begins a trend that could see the United States lose the technological and scientific edge we presently have, and that is so important to us in economic growth and offsetting the Soviet Union.

Also, there is a direct economic impact for our communities. The University of Pittsburgh at Johnstown is the third largest employer in Cambria County. Thus, a cutback in students means a cutback in the work force at UPJ and that adds to our area economic problems.

In fact, looking at the schools in our area—University of Pittsburgh at Johnstown, St. Francis, Mount Aloysius, St. Vincent, Seton Hill, Indiana University of Pennsylvania, and the Westmoreland County Community College—these schools employ 1,683 people. My projections show, that with a 10-percent cutback in students, up to 268 employees would be lost, and with a 20-percent cutback, as many as 500 employees would be lost. That would be in addition to more young people entering the job market instead of going to school, so my projections are that these student aid cutbacks could add as much as 3 to 4 percent to our area unemployment rate. That is at a time when unemployment rates for 16–21-year-olds are 20 percent in Cambria County, 24 percent in Somerset County, and 19 percent in Westmoreland County.

Today, I am repledging my efforts to a strong student aid progam. I have written to members of the Budget Committee urging several actions and pledging my active leadership on the Appropriations Committee to retain full funding. The funds considered today in the supplemental approporiations bill are also vital. Among the points I supported was the fact that we must at least hold the line on funding and programs this year, although I would personally like to see funding go back to where it was before the Reagan administration cuts, and I will work for that goal. I have stressed that there can be no compromise on this issue and on student loan programs because they are all vital to keeping students in school.

The impact on our communities, our students, and our future as a nation is wrapped up in this issue. We must take a long-range view, and we must insure a strong student loan program.

Mr. WHITTEN. Mr. Chairman, I yield 5 minutes to the gentleman from Massachusetts (Mr. Boland).

Mr. BOLAND. Mr. Chairman, I appreciate the gentleman's yielding me this time.

Chapter II in this particular bill deals with some very important issues. I am delighted to finally get to the floor with this part of the urgent supplemental. It has been over a month since the committee reported this bill, and there are still important and very sensitive issues that need to be dealt with before the spring supplemental appropriation bill arrives on this floor. Included in that category, Mr. Chairman, are the committee's recommendations on the Department of Housing and Urban Development's proposed rescission of assisted housing funds and the Environmental Protection Agency's fiscal year 1982 appropriation request of $2.4 billion for the construction grants program.

There is another important issue that needs to be addressed immediately. Yesterday, by an overwhelming vote of 349 to 55, the House passed H.R. 6294, the Single-Family Housing Production Act of 1982. At the proper time I intend to offer an amendment to provide $1 billion to assist the housing industry and purchasers of new homes.

ASSISTED HOUSING

Mr. Chairman, I know that some of our colleagues here today may be questioning why we have included this rescission action in the urgent supplemental appropriations bill. Let me say that this is not a simple issue. It is quite complex—but it is something that I believe is important to address now, not in a couple of months.

The administration has proposed eliminating all or nearly all of the following subsidized housing programs: New construction section 8; substantially rehabilitated section 8; existing section 8; and new public housing construction.

Before further discussing the proposed rescission—let me take a minute to review what has happened with the subsidized housing budget for fiscal year 1982.

President Carter requested budget authority of $29.6 billion in his 1982 budget for the subsidized housing programs. That budget would have supported 260,000 units including an additional 90,000 new units of section 8 housing. President Reagan's 1982 March budget amendments reduced the $29.6 billion request to $19.7 billion. That level would have supported

175,000 units including 54,750 new section 8 units. In addition, the administration proposed a rescission of $5 billion of 1981 subsidized housing funds.

Now in the spirit of cooperation—and recognizing that we wanted to work with the administration on its 1982 budget proposals—Congress agreed with both the 1982 $10 billion reduction and the 1981 $5 billion rescission. In fact, the 1982 HUD-Independent Agencies Appropriation Act provided only $17.4 billion of new budget authority—or almost $700 million less than authorized in the Omnibus Budget Reconciliation Act.

So I think in terms of subsidized housing this committee and this Congress have, up to now, been supportive of the President's proposals.

But let us be fair about this. The subsidized housing program funds have been cut more than 40 percent from the original 1982 request. I think it is wrong to go out now and cut them further. It is here that I think we should draw the line and say—"No, Mr. President—the subsidized housing programs have already absorbed a disproportionate share of the reductions proposed in domestic spending programs."

This is the place to draw the line—and that is what we have recommended in this urgent supplemental appropriations bill.

Mr. Chairman, I recognize that the administration has modified its position on assisted housing since the urgent supplemental appropriations bill was reported.

In late April the administration reduced its rescission proposal from $9.4 billion to $6 billion.

The financing adjustment factor (FAF) was increased to up to 14 percent.

The policy on amendments to existing contracts was modified.

The June 1 deadline for projects to apply for these adjustments was changed from June 1 to August 1.

Mr. Chairman, I congratulate the administration on these revisions. It brings the administration's proposal and the committee's recommendations closer together. I think our recommendations in March had an impact on the administration's decision to revise its proposals.

It is difficult to say exactly how many more units the committee's recommendations will provide as compared to the administration's revised proposal. I can state that the committee's recommendations will provide more assisted housing units.

For instance, the bill contains $1 billion for the Government National Mortgage Association's section 8 tandem program. The tandem financing is an integral part of the overall recommendation. Without the GNMA funds some 40,000 housing starts will not occur. Let me also state that except for projects having a minimum of 20 percent subsidized units, the committee expects that all projects should be assisted first under the financing adjustment factor approach before Ginnie Mae tandem financing is employed.

The entire pipeline of section 8 new construction projects is currently estimated to be about 160,000 units. The action we have taken will buy out the entire pipeline—and if we do not take this action, it simply cannot be done.

In addition to buying out the pipeline of section 8 projects, we have rejected the administration's proposal to cancel all new public housing projects for 1982 and to cancel nearly all additional section 8 existing and moderate rehabilitation units in 1982.

We have, however, agreed with the administration's proposal to reduce the number of new and substantial rehabilitation section 8 units in fiscal year 1982, excluding section 202 units, from 26,735 to 5,569. That action is consistent with the Banking Committee's early recommendation on the 1983 budget. We all know that the section 8 construction program is expensive. So, on that point we are agreeing with the administration.

While the committee recognizes the administration's revised proposal and the changes in circumstances, it was reluctant to change the recommendations for fear it would slow down the urgent supplemental appropriation bill. I believe the Senate will make some substantial changes when it considers this bill. Issues like the correct FAF interest level and the time period in which projects can apply for it are things that can be worked out in conference with the Senate.

Now the bottom line. If you have talked to developers and builders in your districts who are involved with this program, I think you will find that there is 100-percent support for what we are doing here. I urge that you vote for this recommendation and reject the administration's $6 billion rescission proposal.

In addition, the committee's recommendation would transfer $1,400,000,000 from the annual contributions for assisted housing account to the low-rent public housing—loans and other expenses account. However, the Department is not to enter into commitments to convert public housing notes until such time as the appropriation to liquidate the contracts is provided.

The committee has made provision in its recommendation for the conversion of 60,000 rent supplement units to the section 8 program. Recognizing that the funding of rent supplement amendments is vital to individual welfare and project security, it is anticipated HUD will place a high priority on meeting rent supplement shortfalls. The Department should fund any 1981 shortfalls, and avoid further shortfalls. Care should be taken to develop and carry out a priority system that will assure funding based on need, and equal recognition should be given to seriously jeopardized State noninsured projects as is being given to FHA insured projects.

EPA CONSTRUCTION GRANTS

As I am sure all of you know, the Environmental Protection Agency's construction grant program is perilously low on funds. This is the result of the 1981 rescission and the delay in providing 1982 funding. When the administration withdrew the previous 1982 appropriation request last March, it pledged to request funds after legislative reforms had been enacted.

The legislative reforms were proposed in April. Congressional action on the reforms was completed on December 16—the last day of the first session. On that day, in response to a question asked by the gentleman from Washington (Mr. Dicks), I promised to hold hearings and move quickly to provide funding for the program after the reconvening of the Congress. The committee has tried to honor that commitment.

The bill contains the budget request of $2,400,000,000 for the construction grants program for fiscal year 1982. These funds are drastically needed. Currently, 34 States have virtually exhausted their program balances. In these States, there remain only funds already obligated as set-asides. This means that these States have no funds for new starts. If funds are not available very soon, many grantees will miss the entire 1982 construction season, and, although inflation has eased, delays still result in increased costs.

Several thousand communities have made commitments to construct treatment facilities that are needed to meet the mandates in the Clean Water Act, including long-term, financial commitments in anticipation of future Federal funding. Many local voters have already approved massive capital expenditure programs for water cleanup; 250 major ongoing projects under phased construction funding, and over a thousand other projects awaiting construction are in need of the $2.4 billion appropriation.

Obligations under the program have slowed to a trickle. As indicated in the committee report, first quarter 1982 obligations totaled minus $13 million compared with $293 million in the first quarter of 1981. The funds are needed. The Congress should act quickly.

There was considerable pressure throughout last year on the committee to provide funds for the construction grants program before the passage of the authorization. The committee resisted that pressure—and I believe wisely so. By waiting until the authorization was enacted, the committee had the opportunity to examine certain provisions of the legislative bill and recommend limitations where considered appropriate. This is exactly what we have done in this bill.

As I stated when the conference report on the authorization bill was discussed in the House on December 16, I do not believe the Congress should get into the business of establishing individual project priorities in this program. The Congress should write the basic framework for the program in the law. The agency writes the regulations which implement the law. The States have and should have the authority to set individual project priorities. If we digress from that practice—we will be making a grave mistake. Let us not make that mistake. Let us keep the emphasis in the construction grants program on cleaning up the Nation's waters. Let us allow the States to set the individual project priorities.

GUARANTEED STUDENT LOANS

Mr. Chairman, the urgent supplemental appropriations bill now under consideration by the House contains badly needed funds for a number of important programs. One of the programs which I believe to be most essential to the future of this Nation, and which is most urgently in need of additional funds, is the guaranteed student loan program.

As my colleagues know, the bill now before us will provide $1.3 billion in supplemental funding for student loan insurance. This amount exceeds President Reagan's supplemental request by $322 million.

On March 3, 1982, Mr. Yates introduced a bill for a supplemental appropriation of $1,287,000,000 for the student loan program. I am a sponsor of that bill. I hope that bill has had something to do with the administration recognizing the need for the $1.3 billion supplemenal appropriation although it has not officially requested the additional $322 million.

The President's request assumed the enactment of legislation which would severely restrict participation in the higher education loan programs. Without the savings generated by these changes, money for the guaranteed student loan program will soon be exhausted.

It appears unlikely to me, Mr. Chairman, that Congress will make further changes in the guaranteed student loan program in the current fiscal year. I certainly could not support additional changes, coming as they would on the heels of the modifications contained in last year's reconciliation bill. Many of the reductions made by that legislation in the Federal student assistance program were in my judgment unwise, and I would hope that at some point in the not too distant future the Congress will reconsider them.

The recognition of the fact that the guaranteed student loan program needs additional funds to operate for the remainder of the fiscal year makes it incumbent upon us to provide those funds. Millions of young Americans look to this program to make possible their obtaining a college education. They are the future of this country and our investment in their education is an investment in that future. Attempts to reduce or eliminate student assistance programs may generate budget savings, but those savings will produce the worst kind of false economy. To successfully compete with other nations in the high technology environment of the next century, the United States will require as high a level of education among its citizens as possible. We only shortchange this country later by attempting to shortchange student aid programs now. I am not prepared to take that course and would hope that a majority of my colleagues are similarly inclined.

Passage of H.R. 5922 will demonstrate the support of this House for the student assistance programs. I urge my colleagues to express that support and give our young people a sign that Congress shares their determination to obtain as much education as their abilities allow.

Mr. WHITTEN. Mr. Chairman, I yield such time as he may require to the gentleman from New York (Mr. Zeferetti).

Mr. ZEFERETTI. Mr. Chairman, I rise in support of H.R. 5922. In particular, I want to express my strong support for the provisions of the bill appropriating urgently needed supplemental funds for the Coast Guard and the U.S. Customs Service. I am pleased that the rule on this bill incorporated the amendment I offered in the Rules Committee waiving certain points of order against these provisions so that the House can consider these important appropriations.

Both Customs and the Coast Guard play vital roles in our Nation's efforts to curb the massive flow of illicit narcotics into our country. As chairman of the Select Committee on Narcotics Abuse and Control, I am greatly concerned, and our committee is concerned, that our drug enforcement agencies have the resources and tools they need to wage an effective antidrug campaign. The bill before us includes approximately $3.4 million for expenses of the Customs Service's participation in the intensified drug enforcement program in south Florida being conducted by the Vice President's crime task force. The bill also provides an additional $48 million in fiscal year 1982 to cover a variety of operating expenses for the Coast Guard, another key agency in the Florida effort. This amount will help that hardpressed agency perform the many missions, including drug law enforcement, that Congress has assigned to it.

The critical problems of drug trafficking and drug-related crime in south Florida are well known, and I firmly support the increased commitment of Federal resources to alleviate the terrible situation that exists there. At the same time, I am concerned that the massive concentration of Federal enforcement resources in that area will strip other regions of needed defenses against drug traffickers. In testimony before the Select Committee on Narcotics last week, Coast Guard officials from the Third District, which includes New York, indicated that the south Florida operation will definitely place increased strain on their enforcement operations. It is my hope that the supplemental appropriations contained in H.R. 5922 will help avoid dangerously reducing our ability to meet the drug threat in the rest of the Nation.

Mr. Chairman, notwithstanding the addition of these amounts, more resources are needed. Neither the 1982 budget nor the administration's requests for fiscal year 1983 provide for any real growth in drug law enforcement funds. In fact, under the administration's 1983 budget proposals, both Customs and the Coast Guard face substantial reductions. If we are ever to succeed in combating the drug trade, we must provide our drug enforcement agencies with the resources needed to maintain a balanced enforcement posture in all threatened areas. I strongly urge my colleagues to approve H.R. 5922 today and, in the weeks ahead, to support budgets for our drug enforcement agencies that will permit the implementation of an effective nationwide strategy against drug traffickers.

Mr. WHITTEN. Mr. Chairman, I yield 1 minute to the gentleman from Pennsylvania (Mr. Murtha).

Mr. MURTHA. Mr. Chairman, while we are talking about urgent spending priorities, I want to talk about one not included in this bill—RAMP funding.

For the information of the Members, I had an amendment prepared to provide an additional $40 million in this fiscal year for RAMP funding. Without the support of the administration and seeing the narrowness of the rule and after surveying the Members, I have decided I will not offer the amendment at this time, but I will try to get it in in the general provisions of the general supplemental which comes up on June 4, because I think there is widespread support for this and I think it is something that will provide jobs and be very important to my area and many other areas where the RAMP program is so significant.

Mr. Chairman, now, while many of the people in Washington may not consider the use of RAMP funds to be urgent, I want to report that in Pennsylvania's 12th Congressional District, the need is urgent.

These funds are created by a coal tax of 35 cents per ton on strip-mined coal and 15 cents per ton on deep-mined coal. Some 20 percent of the payments are eligible for use in the RAMP program. At the present time, though, those funds are not being spent. In Somerset County coal operators have contributed almost $3.7 million to the fund. Yet, we have $1.5 million worth of projects ready to go, and another $3.5 million are in the planning stage. We cannot go ahead, however, because of a lack of funds.

In Armstrong County, we have $983,379 worth of projects ready to go; Cambria County $269,000; Westmoreland County $874,000. Again, we lack the funds to get it done.

Now, just what are we talking about with these funds. We are talking about reclaiming valuable land that has long been abandoned by coal mine operators. They are eyesores. And very often they are distinct hazards. The Soil Conservation Service has received over 1,800 high priority applications for reclamation assistance. They have had since October 1, 1981, 51 priority 1 projects with the needed reclamation of 100 percent ready for contracting. However, contracting funds have not been available. We would need $18 million to handle these priorities. Furthermore, nationwide we have over 182 projects at a cost of $58 million that are more than 50 percent planned and can be funded if the money is made available through the appropriations process.

It is important to note that we are also talking here about putting people to work on these projects. At a time when unemployment is rising across the Nation, it is ridiculous that we do not spend this available money to create jobs as well as public improvements.

Now, many people may say, what is the difference? Why does it matter if we delay some of these projects? Well, let me answer this:

Ugly, and often dangerous abandoned land remains untouched;

Taxes paid by coal operators remain unused;

Unspent money gathers no interest for the Government; in fact, we have lost about $13.5 million in interest that could have been used;

Inflation reduces the buying power of the funds; 10 to 14 percent less reclamation can be purchased each year for the same amount of money; and

RAMP applicants become discouraged, lose interest, and we may lose the opportunity to reclaim the land.

I plan, Mr. Chairman, to continue my efforts to make sure the importance of this program is realized, and that the funding is made available. It should be a priority for our rural areas. It will help the economy, it will help the community. I plan to continue to explore every possible way to free more of these funds for use in Pennsylvania and the 12th Congressional District. I will be offering amendments during the markup for the general supplemental. This program is being overlooked by Congress. It is important. It is vital for our coal-mining area. I will continue to pursue its full use.

Mr. WHITTEN. Mr. Chairman, I yield 2 minutes to the gentleman from Washington (Mr. Dicks).

Mr. DICKS. Mr. Chairman, I want, first of all, to commend the distinguished chairman and the ranking minority member for their leadership in bringing this important legislation to the floor of the House. I also want to commend my colleagues for their vote in favor of the right to homeownership yesterday in this House.

The vote in favor of H.R. 6249 showed the concern of the Membership of this body for a vitally important sector of our economy, housing. The margin in favor of the legislation, nearly 7 to 1, will send a clear message to the country and to the president that the House of Representatives wants to bottom out the current recession and is willing to take a step which might be considered controversial in order to begin the process of economic recovery.

I particularly want to congratulate my colleagues, the gentleman from California (Mr. Patterson), and the gentleman from Oregon (Mr. AuCoin), for their leadership on this housing bill. The gentleman from Oregon (Mr. AuCoin) and I both know of the grave problems the Pacific Northwest faces because of the decline in the homebuilding and forest products industries, and to the gentleman from Oregon (Mr. AuCoin) I want to say that I deeply appreciate on behalf of all of us from the Northwest his leadership in this bill.

Today we are considering the urgent supplemental. Today again we need your support for housing. This legislation can be the vehicle to fund the program we authorized overwhelmingly yesterday. But again we need your vote.

I also want to say a special thanks to the chairman of the Housing Subcommittee, the gentleman from Massachusetts (Mr. Boland), for his support not only of the housing legislation and in opposition to the rescissions requested by the administration but also for his support of the very important EPA construction grant program. This country is falling behind in the important area of construction grant work, and this supplemental will correct that problem.

Also the guaranteed student loan program is vitally important to the people of the State of Washington, and I want to commend the chairman of the HEW Subcommittee for his leadership in bringing that important issue to the floor.

The funding appropriated in the urgent supplemental would assist over 74,000 home buyers in purchasing a house. It would create 140,000 new jobs in housing-related industries, and would add $1.2 billion to Federal, State, and local revenues. It is estimated that it would also increase the gross national product by $11 billion. Keep in mind, too, that there is a recapture provision in the authorization bill, so that funding counted as outlays in the current year will be paid back to the Treasury by individual home buyers in the years to come. But none of this can occur if funding is not appropriated. And we cannot afford to wait. The program will not be any help if it is funded after the building season ends. Thank you, Mr. Speaker.

Mr. CONTE. Mr. Chairman, I yield such time as he may consume to the gentleman from New York (Mr. Green), the ranking minority member of the HUD Subcommittee.

Mr. GREEN. Mr. Chairman, I thank the distinguished ranking minority member of the full committee for yielding this time to me.

The gentleman from Massachusetts (Mr. Boland) has accurately described the contents of chapter II of title I of this bill. I would like only to emphasize that that chapter contains two very important programs: It provides $2.4 billion for the waste water treatment program. Many of the States have been stalled in their efforts to move this program forward because of the delay in providing those funds. Similarly, there are in chapter II major efforts to straighten out the housing programs and reorient the dollars that will flow into them so that we can get the pipeline in federally assisted housing moving again.

I think it is unfortunate that the majority leadership of this House has delayed so long bringing to the floor this important measure with those important shots in the arm for our economy. I think it is also unfortunate that H.R. 6249 and the appropriation of the funds authorized by it that we are almost certainly going to see as an amendment to this bill bid fair to complicate the conference on and perhaps the President's approval of this measure, thus delaying this measure still further.

I do want to stress that there are major inputs already in this bill for the housing industry, and also for the heavy construction industry via the waste water treatment provisions. I urge that we pass the bill today and try to move it forward as rapidly as we can.

Again, Mr. Chairman, I thank the gentleman from Massachusetts (Mr. Conte) for yielding time to me.

Mr. CONTE. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Massachusetts (Mrs. Heckler).

Mrs. HECKLER. Mr. Chairman, I rise in strong support of H.R. 5922, and especially the guaranteed student loan portion thereof.

Mr. Chairman, I strongly support the $1.3 billion in H.R. 5922 for the guaranteed student loan program.

Due to higher than anticipated interest rates, the program's funding is almost exhausted for this fiscal year and will run out entirely within a few days.

Without additional financing, the program—so vital to my congressional district and to all our districts—will come to a halt, wrenching the lives of students in pursuit of higher education.

The figure proposed by the administration—$978.2 million—would prevent the program from grinding down, Mr. Chairman, but unfortunately would permit it to move forward at less than full speed. That is because graduate students would no longer be eligible for the program.

Getting a college education used to be the American dream, but is now the American way. Beginning with the GI bill, when returning World War II servicemen and servicewomen saw education as a road to success, this country has been a college-going society. A college education is a basic credential in our highly industrialized, largely technological Nation.

With rising tuition costs, Federal assistance makes the difference—for many low- and middle-income students—between obtaining a degree and not getting one. For less affluent students at private colleges—particularly the small institutions that depend upon tuition and fees for practically all their income—Federal assistance means equal educational opportunity.

As a Representative from a State in which 33 percent of the work force is involved in the high-technology industry, and as ranking minority member of the Science and Technology Committee's Science, Research, and Technology Subcommittee, I can—in this time of dreadfully high unemployment—point to a shortage of professionals and paraprofessionals in the high-tech field. More than 20,000 engineers alone are needed.

The key to meeting this shortage is science education—in many cases, graduate science education. Eliminating graduate students from the GSL program is, in effect, throwing away the key. And this is just one example of the essentiality of preserving the program.

The Commission on Higher Education and the Economy of New England, in a report of a 2-year study released in March, documents New England's economic reliance on industries that put a premium on knowledge—knowledge gained through higher education. The report of the study is entitled, "A Threat to Excellence." With 260 colleges and 800,000 students, New England is, the report states, "unquestionably the most knowledge-intensive region in the world."

The economy, in New England and throughout the Nation, relies upon education. Education leads to knowledge, which is used in industry, which stimulates research and development, which contributes to economic growth. Education is the key, the base, the foundation.

Due to my strong belief in the value of education, I oppose administration attempts to increase eligibility restrictions on GSL's, to change the income formula for Pell grants, and to limit college work-study. I stated my objections to Office of Management and Budget Director David Stockman in a February 25 letter, with a copy to the President. I ask unanimous consent, Mr. Chairman, to have that letter inserted in the Record at the end of my remarks.

There are those who say that student aid programs—particularly GSL's—should be further restricted, due to abuses and defaults. For example, some parents with higher incomes were investing loan proceeds in money market funds, in order to gain interest, and some students—after leaving college—were defaulting on their student loans.

In my view, legislative and regulatory reforms made last year have largely corrected such abuses and defaults, so that new restrictions would only add a paperwork burden and dissuade lending institutions from participating in the program.

Because the administration would like to phase in some of its proposed restrictions beginning this month, I think that the GSL supplemental—and the $4.65 million supplemental for administration of Pell grant applications—offers an opportunity for Congress to send the administration a message: That it should go back to the drawing board on its educational proposals. I have offered my assistance in helping with the drafting.

The administration's GSL proposals comprise "a threat to excellence" not only in their elimination of graduate student eligibility but also in their reduction of undergraduate aid. They threaten middle-income families' ability to provide higher education for their children. The administration's Pell grant proposals, on the other hand, hit hardest at lower income families, those whose children need grants in order to initiate college study.

In my own State of Massachusetts, for instance, University of Massachusetts officials estimate that two out of three students receive some sort of Federal loan, grant, or employment. If the administration proposals are accepted now and for fiscal 1983, several thousand students would have to drop out of the university next fall, the officials predict.

For another example, Northeastern University has 14,000 students now receiving some kind of aid. If the proposals were accepted, 5,000 of these would be cut off, according to university administrators. Moreover, because Northeastern has a college work-study program, it would experience curriculum difficulty, as well as a change in student mix.

Boston College—my own law school alma mater—would lose nearly one-third of its student aid funding. Tufts University would suffer even more, according to its officials: A loss of 42 percent.

In Massachusetts and throughout the Nation, students and parents, administrators and professors, are looking to us, on this day, to indicate that we support full funding for student assistance and oppose eroding of that funding. I, for one, want to be counted as for the funding levels in H.R. 5922 for student assistance. Getting a college education is not the American dream; it is the American way.

Mr. CONTE. Mr. Chairman, I yield such time as he may consume to the gentleman from Pennsylvania (Mr. Coughlin).

Mr. COUGHLIN. Mr. Chairman, I rise in strong support of the urgent supplemental.

Mr. CONTE. Mr. Chairman, I reserve the balance of my time.

Mr. WHITTEN. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Ohio (Ms. Oakar).

Ms. OAKAR. Mr. Chairman, I rise in strong support of H.R. 5922. There are many important facets included in this bill including housing, student loans, Coast Guard needs, and work incentive programs of particular importance to northeast Ohio and the people of my district is the recommendation for a $12.15 million allocation for the city of Cleveland in the interstate highway transfer grant portion of the urgent supplemental appropriation for fiscal year 1982. The Department of Transportation appropriations bill had originally allocated $20 million for the city of Cleveland. During the complex budget process of last year, this money was diverted to other needs and the allocation for Cleveland was inadvertently left out of the bill.

The emergency supplemental grant of $12.15 million for Cleveland is urgently needed. Cleveland is one of the older urban centers of our Nation. A great many vital facilities are in urgent need of repair. This is true of the downtown area of Cleveland. A landmark in the city is the Terminal Tower. The foundation of this magnificent building and of the streets directly behind the structure is supported by aging bridge supports that are in dire need of repair. If these repairs are not made soon, the area will be entirely closed off to traffic. One Bridge Street already is. If the repairs are made on schedule, on the other hand, a great many privately funded projects will become feasible. Already, plans and financing have been found for the Tower City project that has begun with the conversion of the old train station complex to a shopping mall. This is potentially to be linked to a hotel-office building complex which includes a unique medical market to be operated in conjunction with Cleveland Clinic.

All of these projects will provide construction jobs and eventually permanent employment for a great many people. They are all contingent, however, on the repair to the half-century old bridge supports in Cleveland's downtown. The city is prepared to assist in the repairs also. Successful passage of the supplemental appropriation for the Department of Transportation will allow those repairs to be made as a first step for further construction and employment in Greater Cleveland.

I want to thank my collegue from Indiana and the chairman for the tremendous cooperation they have given our office. The city of Cleveland and I are deeply grateful.

Mr. WHITTEN. Mr. Chairman, I yield 2 minutes to the gentleman from the District of Columbia (Mr. Fauntroy).

Mr. FAUNTROY. Mr. Chairman, the House adoption of H.R. 6294, the Single-Family Housing Production Act of 1982 is a partial victory for the American homebuyer and the unemployed construction worker, and it is a partial victory for the Congressional Black Caucus' economic recovery budget and its proposals for helping to put this country back to work. Many Members have labored long and hard to bring this legislation to the floor and to passage, and my colleagues on the Housing Subcommittee of the Banking, Finance and Urban Affairs Committee deserve credit for preparing a bill that addresses one of the economic problems we are now facing.

We in the Congressional Black Caucus are, however, somewhat disappointed that other aspects of the crisis in the housing industry and in our communities were not addressed by this action. We can only hope that the Congress will move with equal speed to pass the other part of our legislative proposals related to federally assisted housing. This action is desperately needed by poor Americans who deserve decent and safe shelter, and it will have comparable job creation and stimulative effects.

In supporting this appropriation request, I must, however, caution Members that this bill is no substitute for a full-fledged housing program such as that proposed by the Congressional Black Caucus in its budget, and which is now essentially contained in the Housing and Urban-Rural Recovery Act which was passed yesterday by the Committee on Banking, Finance and Urban Affairs.

I would like to point out that it was we in the Congressional Black Caucus who first incorporated a proposal similar to that passed yesterday by the House. Our economic recovery budget proposal, announced on April 26, 1982, included this specific housing assistance proposal as a part of a housing plan that assured support for all segments of our population, but particularly for our low- and moderate-income families. In addition, our budget included other job-creating programs for highways, mass transit, and urban infrastructure rebuilding. Our budget further meets the needs of millions of unemployed Americans by extending and expanding unemployment benefits, restoring food stamps, medicaid, and welfare funding levels, and preserving the real safety net of social, educational, job training, and medical assistance for those who suffer from poverty and unemployment. Yet, our budget does this without enlarging the deficit, and, indeed, shrinks the Federal deficit in fiscal year 1983 and beyond by restructuring and reforming the tax system.

I commend my colleagues for having the good judgment to pass by such an overwhelming margin the emergency housing assistance provided by this bill. I trust that they will show comparable good judgment and sensitivity when Congressman Gus Hawkins' bill, H.R. 5320, to create new jobs and training for the 10.3 million unemployed Americans comes to the floor. Finally, it should be clear to my colleagues that the members of the Congressional Black Caucus have developed many more viable proposals that will result in a budget for fiscal year 1983 and beyond that is humane, fair, and responsible. I can only hope that these proposals will similarly garner equal action and equal support in the days ahead. I include herewith a summary of the CBC budget:

THE CONGRESSIONAL BLACK CAUCUS BUDGET AND ECONOMIC RECOVERY PROGRAM

Last year, President Reagan offered his economic program to the Nation. Amid a chorus of skepticism and legitimate concern about the premises and potential effects of his program, President Reagan challenged his critics to come up with a better plan for "balancing the budget, reducing and eliminating inflation, stimulating the creation of jobs and reducing the tax burden." The Congressional Black Caucus was glad to answer that challenge with its Constructive Alternative fiscal year 1982 Budget. If it had been enacted, it would not be necessary to discuss how to extricate the Nation from a morass of unemployment and economic stagnation.

This year, the President again challenged his critics to "put up or shut up." And so again—as last year—the Caucus is today presenting its detailed Alternative Budget for fiscal year 1983. We feel compelled to offer this Alternative in the face of real suffering by real citizens. This suffering has been minimized or ignored by the Administration.

Our budget provides realistic and fair proposals that will benefit and cost all citizens equally.

The CBC Budget reduces the deficit substantially. In fact, our fiscal year 1983 budget of $93 billion is less than half the $183 billion in fiscal year 1983 deficit now projected for the Reagan proposal. The leading cause of the current recession, almost all analysts would agree, was high interest rates, both nominally and in relation to inflation. High real interest rates remain as the major obstacle to recovery, and the persistence of high interest rates poses the greatest risk of a slide into depression. Overly tight monetary policy in 1981 contributed to those high interest rates. But even more important has been the large and growing deficits that resulted from adoption last year of this Administration's unbalanced and speculative budget and tax proposals. If we are to avoid a general worsening of economic conditions and lay the foundation for a sustained recovery, it is essential that the deficits now projected under both current policy and the Administration's budget be reduced. The CBC budget meets this challenge, for if it is adopted, the deficit would steadily fall in fiscal year 1983, fiscal year 1984 and fiscal year 1985. Indeed, if interest rates are lower than the Congressional Budget Office now projects, the CBC budget would show a balanced budget in fiscal year 1985.

The CBC Budget stimulates jobs and balanced growth. However beneficial a smaller deficit may be in producing lower interest rates, the CBC recognizes that lower interest rates will not by themselves be enough to stimulate a complete recovery and a restoration of full employment. Traditional fiscal stimulus, especially in the near term, is essential. The CBC Budget provides this stimulus. The Budget increases funding levels for a host of social programs, which will translate into more jobs for those who work in these programs and more income for those who benefit from them. The CBC budget also provides new funding for housing, highways, mass transit and other infrastructure programs, which will lead to more employment throughout the economy and even brighter economic prospects for the future. A centerpiece of the Budget proposal is the creation of a major $6 to $8 billion Federal jobs, vocational education and training package. This initiative is responsive both to the Nation's unemployment rate generally, and to the catastrophic unemployment in the Black community specifically.

The CBC budget increases the eligibility period for unemployment benefits to 52 weeks and restores pre-Reagan eligibility for AFDC and food stamps, which will help maintain the purchasing power of those who have been laid off. Finally, the CBC budget replaces the Reagan/Kemp/Roth tax cuts for July 1982 with a tax cut of equal magnitude, but distributed to the lower and middle class people whose spending will provide the basis for a sustained recovery. All these necessary actions mean that the deficit under the CBC budget will be about $93 billion in fiscal year 1983—large enough to provide sufficient stimulus to the economy, but smaller than the fiscal year 1982 deficit and smaller by half than the projected Reagan deficit for fiscal year 1983. As the economy moves out of the current recession, fiscal stimulus will become less and less necessary, and the deficit will consequently decline.

The CBC Budget is an anti-inflationary budget. Because it would produce steadily falling deficits, the dangers of renewed inflation from excessively stimulative fiscal policy would be reduced. For the same reason, the pressure on the Federal Reserve to adopt an inflationary monetary policy would also be eased. Of course, inflation is not simply due to these factors. The CBC budget attacks the falling productivity that also contributes to inflation by increasing Federal investments in education, training, research, transportation and communication that help improve productivity. The CBC Budget also improves the business climate for increased business investment in productivity-enhancing plant and equipment by fostering lower interest rates, stimulating consumer demand for what is produced, and retaining some of the tax incentives to new investment. In addition, the Budget attacks the sources of inflation from higher energy and food prices by continuing Federal programs to encourage energy conservation and agricultural production.

The CBC Budget is fair and humane. We return funds to social programs that were lost by enactment of Reagan fiscal year 1982 budget reductions. These programs must remain Federal priorities if we value human potential and care to meet human needs. Because of savings generated by alternative tax and defense policies, several education, health, housing and urban programs can be restored to fiscal year 1981 funding levels, adjusted for inflation. For example, the Budget restores $3.3 billion to Title I; $1.6 billion to Pell Grants for disadvantaged college students; more guaranteed student loan funds; 16,000 more Section 8 housing units; includes a $4 billion urban infrastructure proposal, which will create 50-80,000 jobs and a military/defense industry reconversion proposal; $1.02 billion in Social Services funds, including child welfare programs; and $4.2 billion in mass transit funds. It retains EDA; the Legal Services Corporation, and low-income energy and other conservation programs.

The CBC Budget Results in Comprehensive tax reform. Middle income taxpayers have been misled about the nature of the tax cut proposed by the President.

They do not know, but we are here to tell them, that the tax program conceived by the President and passed by the Congress last year gives 80% of the tax relief to major corporations and $20,000 in tax relief to persons making $200,000 but creates an actual increase in taxes for those making $15,000 a year. For those who earned $200,000 or more annually, a repeal of any of the future 10% tax cuts which were scheduled to go into effect this year and next would mean a loss of only 5% of all their likely tax breaks under the legislation. For everyone else, however, repeal of the third year would represent a loss of 30% to 40% of the tax breaks they have been led to expect under this program.

We, in the Congressional Black Caucus believe that the middle class must also be protected. In the interest of tax equity, the Caucus proposed that any further tax relief given must be more carefully focused on the middle class. After all, they not only pay the lion's share of the federal budget but they also genuinely need tax relief.

In an effort to rectify the imbalances wrought by the first year tax benefits for the wealthy and to provide genuine tax equity for the middle class. The CBC would begin by proposing to substitute an increase in the standard deduction for singles, from $2,300 to $2,700 in July of 1982. A similar increase would be provided for couples, from $3,400 to $4,200 in July 1982.

This change would primarily benefit persons with incomes below $20,000 who do not itemize; it would be a real tax cut for them. We would also propose a 10% tax rate cut in July of 1982 and a similar 10% tax rate cut in July, 1983, which again would primarily benefit persons with incomes between $20,000 and $50,000.

This reduction will be progressive in nature, and will result in a tax reduction for people with incomes below $50,000 that is equal to or greater than what would have been received from the 15% cut under the Reagan plan. In addition, the CBC Budget would increase the Earned Income Tax Credit (EITC) from 10% of the first $5,000 with a phase out between $8,000-$10,000, to 15% of the first $5,000 with a phase out between $8,000-$13,000. Both the changes in the standard deduction and the EITC would remain constant in FY '83 and FY '84.

The CBC package would stimulate the economy by significantly reducing the need for government borrowing, thus curtailing continued upward pressure on interest rates. This will be achieved by closing many of the most flagrant tax loopholes. Some of these were enacted as recently as last year; others have been on the books for years.

The CBC would repeal the following tax shelters enacted last year: reductions in the Windfall Profits Tax; All Savers certificates; the exclusion for utility dividend reinvestment; broadening of the gift tax exclusion; as well as the virtual elimination of taxation of Americans working overseas.

The CBC would also repeal or limit many special interest tax shelters for businesses which have been inserted into the tax code. We also propose to achieve neutrality in terms of incentives for business on their investments in machinery and between large and small corporations by significantly cutting back on last year's depreciation "reforms." Thus, the CBC would repeal "Safe-Harbor" leasing, except for mass transit. In recognition of the growing list of truly distressed industries, the CBC would be willing to entertain new legislation to benefit just those industries. Immediate retention of this favored status for mass transit provides one of the few tax loopholes that has a general benefit for the public. We also would adjust the depreciation basis for new machinery by the amount of the investment tax credit taken and would repeal the acceleration of the depreciation schedules to 200% which begin in 1985. However, we retain the basic 10-5-3 depreciation plan for its limited stimulative value.

Finally, we create a variable investment tax credit which substitutes for the 10% investment tax credit. Our proposal is designed to eliminate current distortion which favors investments in major heavy machinery over light machinery and job creation. It also will result in an effective corporate tax rate of 25%.

The CBC Budget ensures adequate Social Security and other support for the Nation's poor—both elderly and non-elderly. This budget maintains the cost of living adjustments for elderly on fixed income, and restores unemployment compensation benefits and program triggers to the 52 weeks which were available before last year's budget changes. In our view, this restoration of benefits is necessary at a time when we are experiencing levels of unemployment which have not been endured since the Depression. Our Budget also provides increased funding for programs to assist the poor including $3.2 billion more than Reagan for AFDC; $5 billion more for Food Stamps; $7.7 billion more for Medicaid; $2.9 billion more for Medicare; $1.2 billion more for 6 health programs; and $400 million more for Supplemental Social Insurance.

The CBC Budget establishes a saner and safer Nation Defense. As an initial matter, we recognize the need for a strong conventional military. We therefore provide in our alternative for the continued funding of practical conventional weapons, and actually increase pay for military personnel and funds for operations and maintenance. However, in an effort to slow the unacceptable rate of growth in the defense budget, and to ensure that the deficit is reduced, the Congressional Black Caucus generally recommends that the defense spending be held at fiscal year 1982 levels. The defense budget function presented in our package today is preliminary. The final CBC defense budget will be forthcoming once the Ad-Hoc hearings on the Full Implications of the Military Budget, chaired by Congressman Ronald V. Dellums, are completed and analyzed (early to mid-May). Generally we are aiming for a fiscal year 1983 budget of $199.6 billion in outlays and $200.4 billion in budget authority as compared to the President's $222.5 billion in outlays and $263.2 billion in budget authority.

CONGRESSIONAL BLACK CAUCUS ALTERNATIVE BUDGET SUMMARY

[In billions of dollars]

CONGRESSIONAL BLACK CAUCUS ALTERNATIVE BUDGET SUMMARY—Continued

[In billions of dollars]

	Fiscal year—		
	1983	1984	1985
Congressional Budget Office baseline outlays	805.0	884.4	963.1
Restored and new funding for entitlement programs			
a. Income security	+12.8	+12.2	+9.9
b. Health	+2.9	+3.3	+3.7
Restored and new funding for social programs:			
a. Commerce and housing credit	+1.2	+1.1	+0.9
b. Transportation	+1.9	+3.3	+3.3
c. Community and regional development	+1.9	+4.0	+4.0
d. Job training and employment	+1.9	+2.8	+3.3
e. Education	+3.9	+4.2	+4.4
f. Social services	+0.6	+0.6	+0.7
g. Other functions	+0.3	+0.3	+0.3
Reductions in national defense spending	−14.8	−35.3	−60.6
Reductions in other programs or increased program receipts:			
a. International affairs	−0.4	−0.4	−0.4
b. Natural resources and environment	−2.6	−2.7	−2.8
c. Veterans' benefits	−1.0	−1.1	−1.2
d. Energy	−0.5	−0.9	−0.9
Changes in allowances and offsetting receipts	−3.0	−6.0	−7.0
Reductions in interest payments because of deficits below CBO baseline	−3.8	−10.2	−14.6
Total outlays with CBC alternative budget	806.2	859.5	906.0
Congressional Budget Office baseline revenues	647	696	758
Changes in the personal income tax cuts to provide equitable tax relief to the middle class and poor (replace 2d- and 3d-year tax cuts and indexing with 10 percent rate reductions in 1982 and 1983 providing more tax relief to the poor and middle class, plus higher standard deduction and earned income tax credit)	+3	+8	+22
Restore effectiveness of corporate profits tax:			
a. Change accelerated cost recovery system	+9	+12	+15
b. Eliminate tax benefits for mergers and unproductive activities	+3	+4	+5
c. Repeal unnecessary and wasteful tax incentives	+14	+16	+18
Reform the personal income tax code to limit tax shelters for the rich:			
a. Limit personal income tax loopholes created by Economic Recovery Tax Act	+2	+3	+3
b. Limit pre-ERTA tax shelters for the rich	+20	+22	+25
Other tax reforms and changes:			
a. Repeal 1981 windfall-profits tax changes	+1	+1	+2
b. Other taxes and general users fees	+8	+8	+8
Improved tax collection	+6	+7	+7
Total revenues with CBC alternative budget	713	777	863
Resulting deficit with CBC alternative budget	−93	−82.5	−43
CBO baseline deficit	−158	−188	−205
Reagan administration budget deficit as reestimated by the Congressional Budget office	−121	−129	−140

CBC ALTERNATIVE BUDGET OUTLAYS BY FUNCTION

[In billions of dollars]

Budget function	Fiscal year 1983		Fiscal year 1984		Fiscal year 1985	
	CBC Outlays	Change from CBO baseline	CBC Outlays	Change from CBO baseline	CBC Outlays	Change from CBO baseline
National defense	199.3	−14.7	202.7	−35.3	202.7	−60.6
International affairs	11.6	−0.4	12.7	−0.4	13.3	−0.4
Science and technology	7.6	(¹)	7.7	(¹)	7.6	(¹)
Natural resources and environment	9.2	−2.6	8.7	−2.7	8.2	−2.8
Agriculture	10.3	(¹)	8.0	(¹)	7.5	(¹)
Commerce and housing credit	5.0	+1.2	4.6	+1.1	4.3	+0.9
Energy	4.8	−0.5	4.0	−0.9	4.0	−0.9
Transportation	22.1	+1.9	24.3	+3.3	25.5	+3.3
Community and regional development	9.8	+1.9	11.9	+4.0	12.4	+4.0
Job training and employment	7.9	+1.9	9.2	+2.7	10.1	+3.2
Education	19.4	+3.9	20.5	+4.2	21.3	+4.4
Social services	7.0	+0.6	7.3	+0.6	7.8	+0.7
Health	85.5	+2.9	96.9	+3.3	110.9	+3.7
Income security	286.1	+12.8	304.1	+12.2	326.6	+9.9
Veterans benefits	23.0	−1.0	24.3	−1.1	25.9	−1.2
Administration of Justice	4.8	(¹)	4.8	(¹)	4.9	(¹)
General government	5.2	+0.3	5.1	+0.4	5.0	+0.3
General purpose fiscal assistance	6.6	(¹)	7.0	(¹)	7.5	(¹)
Interest	121.7	−3.8	139.9	−10.2	147.1	−14.6
Allowances	0	−2.0	2.4	−2.0	3.8	−3.0
Offsetting receipts	−40.4	−1.0	−46.7	−4.0	−50.4	−4.0
Total	806.2	+1.2	859.5	−24.9	906.0	−57.0

[1] Less than (+ or −) $50 million.

Note.—Since CBO baseline outlays are higher than administration proposals in all cases except national defense, international affairs (fiscal year 1983) and general government, the CBC changes from the administration proposals would be higher in terms of increases, and less in terms of cuts, than indicated here. The major exception is defense, for which the CBC cuts from administration proposals are larger than indicated by the comparison with the CBO baseline.

Detail may not add to total because of rounding.

CBC ALTERNATIVE BUDGET OUTLAYS BY FUNCTION COMPARED WITH REAGAN BUDGET [1]

[In billions of dollars]

Budget function	Fiscal year 1983		Fiscal year 1984		Fiscal year 1985	
	CBC outlays	Change from Reagan budget	CBC outlays	Change from Reagan budget	CBC outlays	Change from Reagan budget
National defense	199.26	−23.59	202.70	−52.08	202.70	−91.34
International affairs	11.58	−.38	12.70	.06	13.30	.30
General science and technology	7.60	−.02	7.70	−.08	7.60	.20
Energy	4.79	.49	4.00	.33	4.00	.64
Natural resources and environment	9.24	−1.28	8.70	−.60	8.20	−.26
Agriculture	10.31	.07	8.00	.18	7.50	.33
Commerce and housing credit	4.98	3.18	4.60	3.09	4.30	4.02
Transportation	22.07	2.79	24.30	5.49	25.50	6.15
Community and regional development	9.80	2.10	11.90	4.50	12.40	4.87
Primary, secondary, and vocational education	9.55	3.97	10.00	5.41	10.40	6.49

CBC ALTERNATIVE BUDGET OUTLAYS BY FUNCTION COMPARED WITH REAGAN BUDGET [1]—Continued

[In billions of dollars]

Budget function	Fiscal year 1983		Fiscal year 1984		Fiscal year 1985	
	CBC outlays	Change from Reagan budget	CBC outlays	Change from Reagan budget	CBC outlays	Change from Reagan budget
Higher education	8.55	1.49	9.30	3.39	9.70	4.70
Education research and aids	1.36	.08	1.20	.19	1.20	.22
Employment and job training	7.31	4.26	8.60	5.21	9.50	6.56
Labor services and other	.57	-.03	.60	-.01	.60	-.01
Social services	6.98	1.96	7.30	2.42	7.80	2.92
General retirement and disability	178.74	2.17	195.35	2.36	212.44	2.57
Federal employee retirement	21.94	.55	24.33	1.42	26.89	2.22
Unemployment compensation	28.87	5.56	24.90	3.28	23.00	1.11
Housing assistance	10.05	1.17	11.80	2.44	12.30	2.35
Food and nutrition assistance	21.47	6.54	23.30	8.68	25.70	10.19
Income assistance	25.01	4.84	24.50	5.38	26.30	5.97
Health care service	85.52	7.50	96.90	11.04	110.90	16.11
Veterans benefits	23.02	-.77	24.30	-.52	25.90	-.57
Administration of Justice	4.80	.14	4.80	.17	4.90	.34
General government	5.16	.01	5.10	.05	5.00	.03
General purpose fiscal assistance	6.55	.07	7.00	.32	7.50	.69
Interest on national debt	121.66	.00	139.90	-.01	147.10	.03
Allowances	.04	1.17	2.40	1.93	3.80	3.45
Offsetting receipts	-40.56	.70	-46.70	1.52	-50.40	2.55
Total	806.21	24.73	859.48	15.56	906.03	-7.19

[1] Outlays as reestimated by the Congressional Budget Office.

□ 1500

Mr. CONTE. Mr. Chairman, I have no further requests for time.

Mr. WHITTEN. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois (Mr. YATES), a member of the committee.

Mr. YATES. Mr. Chairman, I am pleased to support this supplemental appropriation bill that comes to the floor today. It contains two essential appropriations for which I filed bills several months ago.

The first was a bill that I filed for a supplemental appropriation in the amount of $1,287 million for the guaranteed student loan program. I filed that bill on March 3, 1982. That bill was a rejection of the recommendation by the Reagan administration to cut the guaranteed student loan program to some $978 million, to increase the origination program from 5 to 10 percent, and to impose an onerous means test. It would have killed the program for doctoral students.

Subsequently, my bill was approved by the Appropriations Subcommittee for the Department of Health and Human Services and in its full amount, and I urge the House to approve that appropriation in this bill today.

The second provision which I sponsored and I introduced was the appropriation to keep alive the work incentive program, the WIN program, in the amount of $76,842,000. The WIN program, Mr. Chairman, is cost-effective. It is dedicated to helping those on welfare find employment which will take them off the welfare rolls. It is money saved to the Federal Government.

The WIN program significantly does very constructive work. I urge its passage and passage of the urgent supplemental bill.

Mr. WHITTEN. Mr. Chairman, I yield 1 minute to the gentleman from North Carolina (Mr. JONES).

Mr. JONES of North Carolina. Mr. Chairman, I rise to support H.R. 5922 and to speak to those provisions appropriating an additional $48 million for operating expenses for the U.S. Coast Guard.

The Coast Guard is in budgetary distress. Earlier this year, the Department of Transportation announced severe cutbacks in Coast Guard operations throughout the Nation. Those cuts included decommissioning of ships, the closing of search and rescue stations, the elimination of about 3,500 uniformed positions, and many other reductions totaling about $46 million in fiscal 1982. Make no mistake, those cuts would jeopardize life and property at sea and make it infinitely harder to enforce our Nation's laws against drug smuggling, improper exploitation of our fisheries by foreign nations, and illegal immigration. When the cuts were announced, a groundswell of opposition from Members of Congress surfaced. I introduced a bill to provide $136 million in supplemental appropriations and soon had over 125 cosponsors for that bill. Subsequently, the Secretary of Transportation, Drew Lewis, announced that he was rescinding some $15 million of the cuts. But let us remember that still over two-thirds of the cuts are scheduled to take place.

In fiscal 1981, the Coast Guard was already strained to meet its responsibilities but the appropriations thus far in fiscal 1982 fall far short of maintaining the Coast Guard at fiscal 1981 operating levels. If we want to hold harmless the Coast Guard in fiscal 1982, I calculate a supplemental of $192 million is required. The Coast Guard Commandant confirmed that calculation in testimony before the Coast Guard and Navigation Subcommittee.

Our supplemental today is a step in the right direction but it provides only $48 million. It provides $30.5 million previously requested by the administration for legislatively mandated increases in sea pay and military allowance, field costs and other required operations. According to my calculations, we really need $50 million for these purposes, if we are to hold the Coast Guard harmless at fiscal 1981 levels. The supplemental also includes some $17.5 million to avoid approximately one-third of the cuts earlier announced by the administration. Of course, two-thirds of the cuts will still take place.

In addition, this supplemental does not address pay increases promised by this Congress when it passed the Nunn-Warner bill last year. I estimate that to fully provide for these promised military and civilian pay increases, an extra $92 million will be required in this fiscal year. It is possible that in just a few weeks, the administration will request another supplemental for the Coast Guard of about $78 million to fund the military pay increases, thus we may be back in a short time discussing yet another supplemental for the Coast Guard. Mr. Chairman, I support this supplemental. It is a step in the right direction but let no one fool themselves, even with this $48 million, the Coast Guard will be hurting and hurting badly. When are we going to realize that the Coast Guard performs a vital military mission, it is a key law enforcement agency, and it is the single greatest protection of life and property at sea in the entire world. When are we going to realize its prime need and provide the money that is necessary?

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. JONES of North Carolina. I am happy to yield.

Mr. CONTE. The gentleman has written to me and we have talked about this many times. I did offer this amendment in full committee and we were lucky to get it passed. But I

would suggest that the authorizing committee get busy and raise the authorization ceiling in light of the fact that with the passage of this bill we will have appropriated the full amount authorized by current law.

Mr. JONES of North Carolina. I assure the gentleman that is in the process of being done.

Mr. CONTE. I thank the gentleman.

● Mr. CORRADA. Mr. Chairman, I rise in support of H.R. 5922, the legislation before the House to make urgent supplemental appropriations for the fiscal year ending September 30, 1982.

The bill reported by the Committee on Appropriations is vital to continue the funding and operation of some critical Federal programs and policies. I wish to commend the committee for bringing this urgent funding bill at this time.

Because of the budgetary and appropriations process, the full range of needs required for fiscal year 1982 will not be known for sometime, as the committee report on H.R. 5922 states.

There are several programs which the legislation continues, and I would like to address my remarks, in particular, to those affecting welfare clients seeking productive employment, guaranteed student loans for college students, housing, the environment and Coast Guard operations.

In the area of employment and education, I particularly note the need of national funding for the work incentives, or WIN program. The amount contained in the committee supplemental will help keep individuals on the AFDC, or aid to families with dependent children, in the pipeline for eventual productive employment, enabling them to achieve employment in a gainful and productive work.

As the safety need we hear so much about continues to shred in the current recession and deepening unemployment, I believe it important that we continue to offer individuals who, through no fault of their own are on welfare, a means to work experience, training child care and the other supportive services offered by the WIN program. WIN should be continued and expanded; the urgent supplemental appropriations takes care of that first mentioned task and we will deal with the latter chore later.

As a member of the House Education and Labor Committee, I am pleased that the committee bill recognizes the value of another education program, that of the guaranteed student loan program for which the committee recommends $13 billion in supplemental appropriations.

By exceeding the President's supplemental amount requested in the February budget submission, the House has a chance to continue this program at a level that will help many middle-income students continue their studies. The existing program, in my opinion, is a sound one and until we accept any administration attempts to alter it, we will, by the supplemental, provide the funds to carry on the loan program. It is important to note that these are loans repaid by students. The increase in GSLP funds, due to inflation and inaccurate estimates of how much the program would need to continue at a fiscally sound level, will help the loan program be sustained.

Regarding the Coast Guard, the inclusion of funds in the amount of $48 million represents a modest sum of money in comparison to that needed by the Coast Guard. I note that this bill provides only for immediate needs of the Coast Guard by continuing vital operations.

I do hope that the Congress will, in coming months, realize that the Coast Guard will continue to confront economic difficulties.

In Puerto Rico, the administration threatened to severely curtail Coast Guard operations but reconsidered its decision after strong opposition in Congress. I hope that the Coast Guard, buffeted as it is by inflation and the need to increase the pay of personnel, will be treated a little more kindly in future budgetary proposals.

In the area of housing, H.R. 5922 mades various provisions to insure adequate funding for new section 8 subsidized housing projects currently in the national pipeline. While other administration proposals have cut existing housing programs, particularly those available to low and moderate income families, the need to keep some hope of a decent living environment for many families is provided by the bill.

By failing to approve the full amount of the President's proposed rescission of $9 billion in fiscal year 1982 funds for federally assisted housing, the committee has adopted a reasonable hold the line approach in keeping with the mandate expressed in the adoption of the fiscal year 1982 budget. The bill would assure construction of approximately 50,000 units of new section 8 housing; this action is warranted as housing prices climb and the dream of an adequate apartment or house is a vanishing one for many.

Finally, Mr. Chairman, I note that the $2.4 billion in the appropriations bill for the Environmental Protection Agency wastewater treatment construction grants program allows the changes adopted by the Clean Water Act amendments, now Public Law 97-117 to go into effect.

The EPA programs are sound ones and vitally needed in Puerto Rico to help our island not only provide decent sanitary facilities for our citizens, but help develop the infrastructural capacity so critical to the attraction of new industry through our tax incentive and industrial promotion program.

I urge the adoption of H.R. 5922. It is a sound, time sensitive and responsible approach arriving before us a time of some economic uncertainty for the country.

Now, more than ever, a fiscally responsible and constructive approach to solving some of the problems confronting our Nation is badly needed. This bill is a step in that direction.●

● Mr. McGRATH. Mr. Chairman, I rise in support of H.R. 5922. It is especially important that this measure be passed because it contains the supplemental appropriation for the guaranteed student loan program.

Of all of the cuts proposed in student financial aid, I think those proposed for the GSL program would have the most devastating impact. The guaranteed student loan program has in the past served as the basic form of financial aid for the middle class, and it is absolutely essential that we continue to make this source of assistance available.

In my own district in Nassau County, N.Y., the GSL is a critical financial aid source for many families attending institutions on Long Island. The percentage of undergraduates utilizing this source of assistance is 34 percent. However, utilization rates range from 17 percent at a public institution to 73 percent at a private institution. This source of assistance is particularly important in many financial aid packages at private institutions, and in many cases it represents the only possible way that a student can make up the difference between a high cost institution and a publicly supported institution.

It is also extemely important that graduate students remain eligible for the GSL program. If these students are denied access to those program, the impact on law, medical, and other graduate schools would be devastating. In my district, 41 percent of the graduate students receive assistance from the GSL program. These students are already excluded from the Federal grant programs and with the threat to national direct student loan capital contribution, their options are severely limited. To disenfranchise this significant segment of our student population from this student loan program will cause many students to reconsider graduate study.

I want to remind my colleagues that less student aid simply means fewer graduates in the future, at a time when our Nation will need more skilled persons in order to remain competitive in a technological and complex marketplace. Federal assistance to education is an investment in the future of our Nation. In order to get a reasonable rate of return, we must be willing to make an adequate investment. I therefore urge my colleagues to support this supplemental appropriation.●

● Mr. FARY. Mr. Chairman, today is a special day for all citizens, communities and States who have struggled to keep alive the goal of a clean environment for our children and grandchildren. The bill we are considering today, the urgent supplemental appropriations bill for fiscal year 1982 has been a long time in coming. In fact, the authorizing legislation dealing with the Environmental Protection Agency's sewer grants, the Federal Water Pollution Control Act Amendments of 1981 which passed the House and the Senate last December, was arrived at after heroic efforts by members of both the House and Senate Public Works Committee. Mr. Speaker, I rise in support of this bill which will continue the Federal commitment to the clean water program and I urge Members to listen to their constituents and to pass this funding bill today.

In 1972, Congress responded to the need to strengthen the Federal and State efforts to control the discharge of pollutants into our waters and established a comprehensive, national approach to water pollution control. The Federal Water Pollution Control Act amendments of that year (Public Law 92-500) were a complete rewrite of existing water pollution control laws and stand as one of the great landmarks of environmental legislation. As Members know, this year the administration sought a severely diminished role in the national clean water scheme. The House Public Works Committee held extensive hearings on the administration's legislative proposals and examined them thoroughly. The committee believed that it would have an extremely disruptive effect on the construction of municipal treatment works which are already receiving Federal grant assistance. Mr. Chairman, if there was one overriding theme which the committee held and pursued in the drafting of its legislation, it was that it was essential to preserve existing grant eligibility provisions for those projects which are already underway. This basic premise of the House was retained by its conferees.

In Chicago, our water quality problems are the same as many large urban areas. Probably, the most significant problem we face is the pollution caused by combined sewer overflows, also known as CSO, are a source of pollution which is expensive to control and difficult to quantify. Combined sewers are those sewers which carry both sanitary sewage and stormwater through the same sewer to the treatment plant. During storm events, the sewer system may become overloaded resulting in overflow of untreated sewage into the streams or back up into basements or streets. CSO's have been recognized as a national problem, however the Midwestern States including Illinois represent a major problem. These States have over 50 percent of their population served by combined sewers.

The city of Chicago in conjunction with the Metropolitan Sanitary District of Greater Chicago, has devised an ambitious and unique plan for treating the city's water quality problems. This plan, the tunnel and reservoir project in Chicago, was developed after 20 years of study. The two-phase plan calls for building 131 miles of tunnels 150 to 300 feet below metropolitan Chicago for pollution and flood control. The tunnels lie under the Chicago waterway so that a manmade river drilled out of solid rock lies beneath the streams at the surface.

The first phase, started in 1975, involves 110 miles of tunnels to protect 180 miles of waterways from sewer overflows. So far, 47 miles of tunnels have been bored out by giant mining machines at a cost of $1.2 billion. Sixty-three miles are left to be drilled, at a cost of $1.3 billion.

The pollution control tunnels are designed to catch the sewer overflows until a storm passes and the pollution can be pumped to the surface and treated. It is estimated that phase one could cut sewage pollution by 85 percent.

Mr. Chairman, passage of this legislation will insure the continued funding eligibility for this worthy project. I am sure that Chicago is not the only city with needed projects already underway. The people of the city of Chicago and across the country certainly deserve a fighting chance for a quality environment. The timely acceptance of this legislation will go a long way toward that goal and I urge my colleagues to support it.●

● Mr. FRENZEL. Mr. Chairman, I oppose this amendment to add $1 billion to the urgent supplemental appropriations bill. It adds to the Federal deficit at a time when everyone agrees the deficit needs to be reduced, and it will not help the housing industry.

This amendment amounts to another Federal bailout at a cost of $1 billion to the taxpayers. Maybe that would not be so bad, if we could expect real relief for a suffering industry. Even with this price tag, it is estimated that only about 50,000 housing units would be subsidized because the subsidy per unit would be considerable.

The administration estimates that 45,000—or 90 percent—of these units would be units built last year which are unsold, or units started this year and completed without subsidy. If those estimates are right, this $1 billion will do almost nothing to stimulate new construction. By adding to the Federal deficit, this bill simply aggravates our Federal budget problem.

The Rules Committee made this amendment in order and waived a Budget Act point of order without even consulting with the Budget Committee. It end runs the orderly budget process.

It is the wrong approach and it surely comes at the wrong time. I urge my colleagues to vote against this billion-dollar increase in the Federal debt.●

● Mr. GEJDENSON. Mr. Chairman, I rise in support of this legislation, H.R. 5922, which will enable some of the most needed Government services to continue through the end of the fiscal year.

This Nation faces hard decisions concerning both the spending and revenue aspects of the Federal budget. It is imperative, however, that we reject the notion that Congress has no choice but to cripple the programs that promote education and employment. It is for this reason that I urge my colleagues' overwhelming support for the supplemental appropriations bill.

Last year in the Omnibus Reconciliation Act, budget authority for student financial assistance programs was reduced by 12 percent for the 1982-83 school year. The House approved a level of funding for the GSL program that was insufficient to cover the program costs for this entire fiscal year. In addition, in February of this year, the administration submitted a request for the remainder of fiscal year 1982 that required major cuts in the program and that proposed a funding level far below what is needed for current services to continue.

As we all know, countless American families have had their plans—and their hopes—unfairly disrupted by the administration's efforts to use this supplemental bill as the vehicle for changing both the GSL and the Pell grant programs. The House Appropriations Committee refused to comply. The funds that have been earmarked in this bill will enable these programs to continue operating and to meet their 1982-83 obligations. What is even more important, however, is that the committee has not allowed any substantive changes to be forced through on an emergency fiscal measure. The $1.3 billion recommended in this legislation will give Congress the opportunity to consider changes in the programs during the course of this year, under the close scrutiny of the authorizing process.

This fiscal year ushered in a number of cuts in the basic nutrition, housing, medical, welfare, and jobs programs for the poor. The social safety net is shrinking, and serious hardships have been imposed on those who are truly in need of assistance. This situation is exacerbated by what is undeniably the worst result of the Reagan economic plan: Over 10 million Americans are out of work, the highest number since the Great Depression. The people on the lower end of the economic scale are hit twice—they are facing severe reductions in their already meager standard of living, and their lack of work skills and experience leaves them out of a shrinking job market.

The work incentives (WIN) program is targeted to those people who want to rise out of poverty but who lack the job-training that is needed to attain self-sufficiency. The WIN program has proven its effectiveness in helping those at the margin of society to participate as full and responsible members. The $76.8 million appropriation contained in this legislation will bring the WIN program up to the administration's original 1982 funding request, a level that is necessary if the program's success is to continue.

In addition, this bill includes a transfer of $8.7 million into the Employment and Training Administration. This amount involves transferred budget authority; it utilizes leftover CETA funds and will not require an additional outlay. These funds will prevent the debilitating furloughs that program currently faces and, thus, will allow for the continued administration of employment and training services.

Everyone in our society has the right to lead a successful, rewarding life. Employment for those who are able to work, and opportunities for those who seek self-betterment, make this possible. The bill that is before us today shows that we have not abandoned our commitment to providing the needed job and educational opportunities.

I would like to commend the Appropriations Committee on its recommendation for Coast Guard operating expenses. In addition to the amount requested by the administration, the committee has allotted an additional $17.5 million that would enable the Coast Guard to continue its operations at several key facilities, including several vessel traffic systems that have been shown to increase navigational safety. Part of this additional appropriation is designated for the Coast Guard Academy in New London, Conn., thereby allowing the academy to continue at its present operating level.

H.R. 5922 reflects careful, diligent work on the part of the Appropriations Committee, and I urge the strong support of my colleagues.●

● Mr. WIRTH. Mr. Chairman, I rise in support of the amendment appropriating funds for the emergency housing assistance program passed yesterday by the House. I do so reluctantly, but with a sense of the necessity and urgency of this program.

I hesitated before casting my vote in favor of authorizing the emergency housing assistance program yesterday. As a member of the House Budget Committee, I am working to curb the unprecedented growth of the Federal deficit, which has crowded out private sector borrowing and driven up interest rates. Clearly, any long-term policy addressing the problems of the housing industry and of the economy as a whole must concentrate on reducing the deficit.

Now, however, continued high interest rates are dashing our hopes for economic recovery. There is no sign that they will abate until fundamental adjustments are made in the administration's program of huge, untargeted tax cuts, massive increases in defense spending, and resulting high deficits. Meanwhile, unemployment in our country stands at a dismal 9.4 percent, with joblessness in the construction industry at a shocking 19.4 percent.

In the absence of a short-term drop in interest rates, I believe it is our responsibility to enact this emergency program. There is ample evidence to show that a healthy housing industry provides a stimulus to the rest of the economy. I am satisfied that the legislation before us has been drafted to accomplish this goal. Although not without the reservations I have stated, I support its passage.●

● Mrs. SCHNEIDER. Mr. Chairman, I rise today in support of H.R. 5922, the urgent supplemental appropriations bill for fiscal year 1982. H.R. 5922 is truly an urgent appropriations bill. It provides additional funds for the fundamental services that our citizens so urgently need.

Work on the budget has come nearly to a standstill, and it is imperative that we move forward. The bill includes $2.4 billion for the environmental Protection Agency construction grants program, $1.3 billion for the guaranteed student loan program, and $48 million for Coast Guard operating expenses. All of these programs are essential and all are deserving of funding.

I find it of utmost importance to address the current dilemma facing millions of students across the country. The time has come for Congress to recognize the need for an adequate appropriation of funds to sustain those in need of financial assistance. Listen to what my constituents say:

> Please I beg on bended knees, don't cut aid to education. Think about our youth. Things have become so expensive, it is impossible to make ends meet. Without the aid for college, it is impossible for our children to further their education.

Low-income students have been severely hindered by reductions in the Pell grant. As you know, the Pell grants are slated for a 40-percent reduction, the largest dollar reduction of any student aid program. Middle-income families are feeling the squeeze when they find the GSL, college work study, and other viable loan programs no longer available. Clearly cutting back on the student aid programs and university research budgets will only curtail our Nation's direction. We must look to the future by solidly investing in our human power and enhancing our national strength with a firm Federal commitment to education.

The EPA construction grants program has contributed immensely to the restoration of our surface waters and helps pay for the construction of wastewater treatment facilities, stemming the flow of raw sewage into our rivers and bays. However, our needs for the future are enormous. In Rhode Island alone, it will cost $980 million to complete and restore essential sewage systems.

It is essential that Congress appropriate this money as quickly as possible and that the agencies pass the funds along to the States; each day of delay leads to increased construction costs and further degradation of our valuable water resources.

Our Coast Guard is overworked and underfunded. The supplemental appropriation will increase the Coast Guard's operating budget by $48 million. This includes $30.5 million for fuel costs and sea-pay increases. Recently, high fuel costs have placed the Coast Guard in an embarrassing situation: Its sea cutters are stranded in port because the Coast Guard does not have money for fuel. The Coast Guard will also receive an additional $17.5 million to continue law enforcement, search and rescue, and drug interdiction activities.

In regard to the MSHA exclusion, I lend my full support to the Murtha effort. MSHA must insure full worker protection by maintaining adequate standards in surface, stone, sand, and gravel mines.

And finally, instead of allowing the remaining unallocated $14.6 billion to be used entirely to subsidize large synfuels projects, I believe that $1 billion of this money be diverted for use by State and local housing agencies to provide lower mortgage interest rates for low- and moderate-income home buyers. It is essential that we aid the ailing housing industry.●

● Mr. REUSS. Mr. Chairman, I urge prompt passage of this supplemental appropriation because it provides funds vital to the basic governmental statistical programs.

The supplemental will restore funding of about $5.2 million to the Bureau of Labor Statistics (BLS), canceling a 4-percent cut contained in the continuing resolution. BLS has already absorbed a 12-percent cut in its fiscal 1982 budget, which caused the agency to curtail or eliminate 19 of its programs. A further cut now would force agencywide furloughs and disrupt the gathering and analysis of essential economic data, including the Consumer Price Index (CPI) and monthly unemployment figures. Provision of timely, accurate information to the public would be seriously impaired.

We clearly cannot allow—or afford—such threats to the integrity of our economic data. Indeed, it is unfortunate in these times of economic turmoil to have to forgo improvements in the statistical system. For example, the current "bare-bones" budget has not allowed BLS to update the CPI to reflect changes in consumer buying patterns over the last 10 years. With billions of dollars in cost-of-living adjustments riding on this index, we should not settle for an inferior measure. We could also benefit from greater precison in the data on State and local area unemployment, which are used in allocation of $17 billion of Government funds. But, in the budget crunch at BLS, plans to upgrade the State and local area survey have been shelved.

It was not easy for BLS to implement the 12-percent cut in funding: The 19 programs on the agency's hit list included important data on strike activity, occupational projections, industry wage levels, and labor turnover, among other series. While regretting the need for such steps, I am hopeful we can still contain the damage with the $5.2 million from the supplemental, and urge its passage without delay.●

● Mr. YOUNG of Alaska. Mr. Chairman, I rise in support of the urgent supplemental appropriation for the Coast Guard for fiscal year 1982.

When the cutbacks caused by the current funding level were announced, I and other Members were alarmed at their breadth and depth. We began to wonder what would really be left of the Coast Guard and whether needed services would be provided to the American public.

I know that in my own State of Alaska, the Department of Transportation had announced the reduction of the Coast Guard air station at Kodiak. There they intended to eliminate several fixed-wing aircraft and helicopters so essential to the search and rescue and fisheries enforcement functions in our waters. In the authorization bill last year we included a provision for an additional helicopter in Cordova, Alaska.

This is an example that Congress has recognized the need to increase needed Coast Guard services and not decrease them. The administration, however, has not or refuses to recognize these urgent needs. This reflects the view from just one congressional district, the State of Alaska. What we must realize, however, is that the cutbacks proposed were not just local losses—they were regional and national in scope.

Fortunately, the administration came to its senses and restored most of the cutbacks. But that leaves us facing the need for more operating funds this year. The administration recognizes this and we should act to overcome this problem. The Coast Guard and Navigation Subcommittee received testimony from the Commandant of the Coast Guard that an additional $192 million would be needed to continue 1981 levels of Coast Guard functions. This supplemental takes a step in that direction.

Our oversight hearings of last year revealed that the Coast Guard was in need of additional resources, not less. Their personnel need training, their cutters need repair and replacement, and additional facilities for essential services, such as search and rescue and law enforcement, are badly needed. But what we have seen is that the Coast Guard has been asked to do more and more with less and less, such as through the recent Haitian interdiction effort. I do not know how the Coast Guard will continue to be able to provide services in the face of the existing funding level.

Mr. Chairman, I and most of us here know that the services of the Coast Guard are extremely valuable and essential to not only the maritime community but to the entire Nation. I have long been a supporter of fiscal and budgetary restraint and I suppose that an argument can be made that every budget has some fat. But safety of life and property, and the security of our Nation are simply not things you round off to the nearest number or arbitrarily reduce by a certain percent.

The well-being of our country requires that we not stand idly by and let this happen. We are taking minimum steps through this urgent supplemental appropriation bill today. I believe that our full efforts should be behind seeking additional funding for the services provided by the Coast Guard so that search and rescue, law enforcement, military preparedness, drug interdiction, as well as other needed responsibilities are preserved. I urge all of you to support these needed funds for the Coast Guard.●

● Mr. STARK. Mr. Chairman, I would like to commend the committee for their action in transferring almost $14 million to the Office of Inspector General of HHS, so as to prevent a massive furlough within this office, which is the lead agency within the Department for combatting fraud and abuse and for protecting the fiscal integrity of Federal expenditures.

I would like to mention to the chairman my recent surprise over the fact that HHS does not have an 800 toll-free number where people can call to report abuses of such programs as medicaid, medicare, welfare, and social security.

As you know, many agencies do have such a toll-free number and the GAO notes that these numbers are used and have resulted in substantial convictions, cost savings, and so forth.

Yet the staffers at HHS have told my staff that they do not have the funds or personnel to set up and man an 800 number.

People in my congressional district have been writing to me about acquaintances and neighbors who they believe are welfare and medicare cheats. Giving these people an opportunity to vent their frustrations in a constructive manner by calling up an HHS toll-free number would not only be beneficial to the Government, but would also help restore confidence in our system.

It seems that for all the President's talk about waste, fraud, and abuse in Government programs, the administration has overlooked a simple, inexpensive, and effective method of tracking down welfare cheaters. The cost of an 800 number and hiring another person in the HHS hotline office is negligible in comparison to the prospective Government savings from taking people off the welfare roles.

I now understand from the committee that, HHS is presently completing a study on the possibility of installing an 800 number. I hope that the committee will be able to pursue this so that at long last an 800 number will be established. This is a matter of great concern to me, which I have been inquiring about for months.

I would like to include at this point in the RECORD a recent news article which describes how—while the administration likes to claim it is waging a great war against fraud and abuse—it is actually ignoring major areas where savings can be made:

[From the Washington Post, April 29, 1982]

WARRIORS ON MEDICARE WASTE LAMENT LOSS OF TROOPS

(By Howie Kurtz)

The Reagan administration, while trying to trim the cost of the Medicare bureaucracy, is letting millions of dollars in overpayments and questionable benefits slip undetected through a shrinking staff, a top federal official has complained in an internal memorandum.

Tera S. Younger, director of Medicare's Bureau of Program Operations, said administrative cutbacks have caused substantial drops in the number of Medicare claims investigated and denied as well as in the number of medical providers subjected to audits. As a result, she wrote, the federal health care program for the elderly is paying "drastic increases of as much as 37 percent" in benefits to patients and providers.

The Health and Human Services Department official said figures for the last six months of 1981 show budget cuts beginning to have a severe impact on her department's ability to monitor how the program's $47 billion is spent.

"Benefit payments are increasing, claims investigations and denials are decreasing," Younger said in the six-page memo. "Overpayments are up and service to the beneficiaries and providers is down. . . . Fraud and abuse is likely to increase under reduced monitoring . . ."

An HHS spokesman responded that "we're trying to squeeze the budget" by cutting back on other areas to pay for more audits.

Sen. MAX BAUCUS of Montana, ranking Democrat on the Senate Finance health subcommittee, said, "Medicare officials should spend more, not less, on auditing. While the administration may be able to claim short-term budget savings, in the long run they will lead to more fraud, waste, and over-utilization of medial services."

Administrative cutbacks at HHS actually are passed along to the nation's insurance companies, which the government hires to process Medicare claims, decide whether to pay them and mail the checks to patients and providers. Blue Cross and Blue Shield, which handle nearly three-quarters of all Medicare payments, say they have laid off or not replaced about 20 percent of their nationwide auditing staff of 470.

Blue Cross officials say they are now auditing only 37 percent of the Medicare providers, down from 53 percent two years ago. As a result, they say, charges to Medicare from 7,500 hospitals, nursing homes and home health agencies will not be audited this year.

In some cases, Blue Cross reviews of whether Medicare treatment is appropriate have been cut in half. Every $1 spent for these reviews saves as much as $5 by rejecting such claims as those for unnecessary surgery or excessive long hospitalization, Blue Cross officials say.

"We have skilled nursing facilities where we don't even look at the claims any more, we just pay them," said Mary Neil Lehnhard, Blue Cross' Washington representatives. "The hospitals know we're not auditing. They're putting in any cost that's questionable, and we're not catching things we used to routinely throw out."

Most of the increased errors, HHS officials say, are in payments for medical services not rendered and in checks mailed to the wrong recipients—the kind of mistakes that could be reduced through better administration.

"The message we are giving the [insurance companies] is that quality and service are less important than pushing the paper through the system." Younger said in the memo.

Administrative costs amount to only 1½ percent of Medicare's budget. During the Carter administration, Blue Cross officials say, their budget increased by 6 to 7 percent a year. But, they said, they received less than a 1 percent increase this year, to $711 million, and are lagging behind both inflation and a 10 percent rise in the number of claims. For fiscal 1983, HHS is proposing a cutback to $704 million, even though claims are expected to keep rising.

Blue Cross says it is forced to save money by delaying the processing of Medicare claims, cutting back on telephone complaint services and increasing the response time for patient inquiries from 10 to 45 days.●

● Mr. FRENZEL. Mr. Chairman, H.R. 5922, the urgent supplemental appropriations bill, is not the only bill that shatters our budget process. It may not even be the worst one. Nevertheless, it does wreck havoc with our budget system. The rule waived the restrictions of the Budget Act, despite conflicting recommendations of the Budget Committee. In the case of the housing appropriation, the Budget Committee was not even consulted.

The Appropriations Committee is playing its old game. It has taken some of the legitimate requests of the administration, added a few of its own favorite spending schemes, and fashioned a package it thinks Members will have to support.

This rule and this bill both literally thumb their noses at the last budget resolution and the continuing resolution passed by this body. A number of items funded in H.R. 5922 are directly contrary to decisions made in those resolutions. The emergency presumably is that someone's favorite program was about to expire on schedule.

The bill should be defeated. If not, it should be vetoed. It is bad legislation, bad policy, and bad process.●

● Mr. STOKES. Mr. Chairman, I rise in support of H.R. 5922, making urgent supplemental appropriations for fiscal year 1982. This measure contains funding for a limited number of very important items which require additional funding and our immediate attention at this time. In several instances, additional funds are needed to correct severe budget reductions which were indiscriminately imposed under the third continuing resolution for fiscal year 1982, under which seven Federal agencies are currently operating.

I would like to call to the attention of my colleagues my strong support of several especially critical items in this bill. H.R. 5922 includes crucial funding of $12.15 million for the city of Cleveland, Ohio, under the interstate transfer grants-highways program, administered by the Department of Transportation. The city of Cleveland has been working diligently since last year to secure this missing link of Federal funding for the exciting Tower City project in downtown Cleveland. This project will create in Cleveland many badly needed jobs.

I want to thank the distinguished chairman of the Transportation Appropriations Subcommittee, Mr. BENJAMIN, for his tireless work on behalf of Cleveland. Funds initially allocated for Cleveland under the interstate transfer grants-highways program in the House version of the fiscal year 1982 Department of Transportation appropriations bill were subsequently deleted in further congressional action on the bill. Due to the efforts of Mr. BENJAMIN, however, $12.15 million is provided in H.R. 5922 for the purpose of allowing work to begin in repairing several bridges surrounding the Terminal Tower in Cleveland. While these funds will provide for only a portion of Cleveland's entitlement under the interstate transfer grants program, the immediate approval of the $12.15 million for the Tower City Bridge repair work is key to the development of new hotel, retail and commercial space in the Terminal Tower area. This development hinges on the reconstruction of the surrounding streets and bridges. The city of Cleveland has already secured $2.5 million under the UDAG program to provide the local matching funds for the Tower City project. With the remaining $12.15 million in interstate grant funding, revitalization efforts critical to Cleveland and its residents will soon be underway through the Tower City project.

Another critical item in H.R. 5922 is $1.3 billion for the guaranteed student loan program. Mr. chairman, if this supplemental appropriation is not approved, the guaranteed student loan program will soon run out of funds.

Most of these additional funds are needed to pay unanticipated interest costs for guaranteed student loans. Had the President's economic recovery program worked as promised by this administration, interest rates would have been much lower than they are now and a large part of the additional funds needed to keep the guaranteed student loan program operational would not have been needed.

I might add, moreover, that these funds are needed so that graduate and professional students may continue to obtain these loans. The supplemental budget request submitted by the administration omitted funding for these students. Under the administration's plan, some 600,000 medical, law, and other graduate students would be left out in the cold with little means to finance their education. This bill insures that these students will be able to continue their graduate studies in areas important to the national interest.

Another critical item in this bill is an additional $77 million for the work incentive program (WIN). The WIN program has been described by the Department of Health and Human Services as an extremely cost effective program that "is returning more in the way of tax savings and other benefits to society than it is costing." Mr. Chairman, these additional funds are urgently needed to prevent the layoff of several thousand people in State and local unemployment service offices which administer the WIN program at the State and local level. The amount provided in H.R. 5992 would return funding for the WIN program to the level requested in the President's fiscal year 1982 budget. At a time when 9 million Americans are out of work, commonsense tells us that a cost-effective program, such as WIN, which keeps people off the unemployment and welfare rolls should be maintained.

Additionally, under H.R. 5922, $5.808 million in supplemental funding is provided for Howard University pursuant to the administration's budget request. These funds are urgently needed by Howard University to provide cost-of-living increases to faculty and staff during this academic year which ends in May. Howard faculty and staff have not received any such increase in 2 years. Mr. Chairman, in the interests of equity and in order to maintain a high quality faculty, this additional appropriation of $5.808 million should be approved for this historic university which for over 100 years has provided higher learning opportunities for blacks and disadvantaged students.

Finally, Mr. Chairman, I would like to commend the distinguished chairman of the HUD-Independent Agencies Appropriations Subcommittee, Mr. BOLAND, for his recommendations concerning the rescission of $9.4 billion in fiscal year 1982 funding for subsidized housing proposed by the Reagan administration. These recommendations, contained in H.R. 5922, are reasonable and responsive to the housing needs of low-income Americans. HUD wished to recapture and to rescind funds which the Congress had previously provided for the construction and rehabilitation of section 8 and public housing units. Under the administration's budget plan to rescind $9.4 billion in assisted housing funds, thousands of much needed housing units for poor and elderly people in this country would have been prematurely canceled. The bill before us today rejects all but $100,000 of the proposed rescission and provides sufficient financing for housing projects currently in the preconstruction pipeline. We cannot ignore the fact that millions of Americans continue to live in substandard housing or continue to pay too much for housing. The recommendations in this bill will allow for many new housing projects to come to fruition as the Congress intended and will in a small way maintain a national commitment to providing safe and decent housing for all Americans.

Mr. Chairman, there are several other supplemental funding items in this bill which I consider to be extremely important and deserving of support by this body. But, in the interest of time, I would simply urge the swift approval of H.R. 5922 so that no delays or disruptions occur regarding the very important items provided for in this measure.●

● Mr. BEDELL. Mr. Chairman, action to remove surface sand, gravel, and stone industries from the Mine Safety and Health Administration is long overdue. However, the Rousselot amendment to the continuing resolution which will prohibit MSHA from using funds for safety inspections and enforcement of MSHA standards while not transfering the statutory responsibility of health and safety to OSHA is, I feel, the wrong approach to this important problem.

The Rousselot amendment would in effect leave surface sand, gravel, and stone workers without any health and safety protection. Without statutory change, MSHA remains responsible for their protection and OSHA would be unable to provide that responsibility.

Of specific concern to me is the restrictive language of the Occupational Safety and Health Act of 1970 which states:

> SEC. 4. (b)(1) Nothing in this act shall apply to working conditions of employees with respect to which other Federal agencies . . . exercise statutory authority to prescribe or enforce standards or regulations affecting occupational safety or health.

This language along with statements by Secretary of Labor Raymond Donovan regarding the lack of enforcement and possible litigation of OSHA standards under the Rousselot amendment, have alerted me to the fact that the only responsible legislative solution cannot be resolved in an appropriation bill but, must be resolved in a statutory change such as that found in H.R. 1603.

I strongly urge my colleagues to join me today in asking for immediate action on H.R. 1603. I became a cosponsor of this legislation after meeting with a number of owners of sand and gravel businesses that told me of the problems that their industry was experiencing after having been placed under the jurisdiction of MSHA. These owners want a safe and healthy environment for their workers.

I strongly support the removal of the surface sand, gravel, and stone industries from MSHA and placing the responsibility of the health and safety of these workers under OSHA. However, the Rousselot amendment would not accomplish this goal by only prohibiting the use of funds to enforce health and safety regulations without transfering the statutory responsibility to OSHA.

To prohibit the workers of surface sand, gravel, and stone industries from falling between the gaps of protection let us immediately take up H.R. 1603, a responsible and permanent solution to this problem.●

● Ms. FERRARO. Mr. Chairman, the legislation we have before us today is just what it claims to be—an urgent, supplemental appropriations bill. No truth-in-labeling problems here. The programs receiving funding under the bill are important programs which, in many cases, will have to close down without these funds.

I want to commend the Committee on Appropriations for its resolute efforts in bringing this bill to the floor, and I join the committee's leadership in urging the House membership to support it.

What I would like to do, Mr. Chairman, is consider for a moment why this bill, making urgent, supplemental appropriations, is before us today. How did it come to be necessary for us to pass this bill to save these programs?

The answer can be found in the desperate attempt of the Reagan administration to find budget savings during last year's extended debate on budget and appropriations bills, and particularly the continuing resolution.

Time after time, the administration made program cuts they knew were unrealistic and irresponsible so they could claim reduced deficits and to allow the President to go on television and tell the American people he was holding the line on Federal spending.

And what has the result been? We can see part of it in this urgent supplemental.

An urgent $82 million for the Bureau of Government Financial Operations is included. The money is urgently needed because cuts in the agency's budget made last year threatened to close it down by mid-May. That would mean no social security checks, no Veterans checks, no SSI checks, and no tax refund checks.

As chairwoman of the subcommittee with jurisdiction over Federal personnel levels, I wrote to Treasury Secretary Regan on January 20 when information came to my attention that the Bureau might in fact be forced to close down for lack of funding. The response I got confirmed that the agency would be forced to close, and astoundingly, portrayed the President as making every effort to save it. There was no mention of how the crisis had come about.

Another urgently needed supplemental is for student loan insurance. All informed sources are in agreement that without the additional funds, the program could be out of money in the very near future, perhaps this month. Is this a surprise? Hardly. The committee report on this bill states that at the time the administration's request was approved for fiscal year 1982, "the committee was fully aware that the amount was insufficient to cover program costs under current law for the entire year."

Again, this is a case of what OMB Director Stockman has called "political numbers." This administration has established a clear and continuing policy of making up budget numbers when the real numbers do not fit their political needs.

We are also voting on $76 million in this bill for the work incentives (WIN) program. The WIN program, which offers AFDC recipients job training, work experience, employment, child care, and other support services, was cut by $76 million last year as the administration sought new cuts on top of those made in its original submission. Now, after States have been forced to lay off training employees and close down program offices, we are providing the funds needed to keep this program, which is so important, especially to single, working mothers trying to become self-supporting, from being shut down.

There are other programs funded in the supplemental that are in trouble due to unrealistic budget cuts last year. Three Department of Labor offices—the Employment and Training Administration, the Employment Standards Administration, and the Bureau of Labor Statistics—would be forced to furlough employees without the funds provided in this bill.

In the case of the Bureau of Labor Statistics, the funding is needed for critical statistical surveys, including compiling the Consumer Price Index and the unemployment rate. Of course, the President made clear in his radio address this past Saturday his dissatisfaction with the numbers being compiled by Government statistical offices. Maybe the President thinks the answer to the continuing rise in unemployment caused by his economic program is to shut down the office charged with determining the unemployment rate.

Each of these instances describes a "crisis" created by this administration's insistence on playing political games with estimates of program costs. The anxiety suffered by senior citizens dependent on the prompt arrival of their social security checks, or the welfare mother trying to learn a job skill so she can support her children, or the Federal worker wondering whether she will soon be joining the growing ranks of the unemployed, could have been avoided.

I sincerely hope the administration will, in the future, refrain from creating situations that threaten programs with termination to achieve its public relations needs. The budget problems we face are serious enough without our making up new ones.●

● Mr. ROYBAL. Mr. Chairman, I would like to briefly discuss a matter of importance to the handicapped community in this country.

During deliberations on the continuing resolution last year, Congress raised the funding level for university affiliated facilities under the Developmental Disabilities Act to $7.5 million for fiscal year 1982. These facilities are particularly important to the developmentally disabled because they provide training for health professionals on new treatment methods in the field of mental retardation, provide screening and prevention services to State and local agencies and—most importantly—serve over 67,000 severely handicapped children every year. In fact, a large portion of these children are so severely handicapped that these centers are often the only facilities able to provide adequate care.

Despite our positive action to protect this vital service network for developmentally disabled children, Federal officials are moving in the opposite direction by attempting to defund several of these facilities in fiscal year 1982. If permitted, this move may eventually lead to the elimination of all Federal support for the program in the near future.

I am strongly opposed to this policy shift; it would impose severe hardship on handicapped young people currently being served by the program. Many of them would be sent to State mental institutions which are ill equipped to provide sufficient care and, ironically enough, State governments would be forced to spend large sums of money on services already being provided with far fewer Federal dollars.

It is important that Federal officials in the Office of Human Development Services meet their responsibility and carry out the clear intent of Congress in this matter by maintaining and not dismantling this critical service network.●

● Mr. MICHEL. Mr. Chairman, this urgent supplemental is necessary to the continued operation of several important programs and agencies, and thus we have little choice but to give it approval. However, I would be remiss if I did not express concern over both, some of the contents of the bill and the way it has been handled.

As a former member of the Appropriations Committee, I can understand that committee's concern over the action of both the Budget Committee and the Rules Committee in passing on the bill line item by line item, approving some and disapproving others. It is clear that waivers were granted not on the basis of what is urgent and what is not, but simply on the basis of whether an item was popular with individual members. There was no consistent pattern whatsoever. I do not like the business of providing waivers, period, but if we have to do so, this inconsistent piecemeal approach is certainly not the way to go about it.

Having said that, I also have to be critical of the Appropriations Committee for reporting out a bill that exceeds the budget by $1.3 billion. Everybody around here seems to be critical of high deficits, but when the time comes to do something about it, we see a continuation of the same old high-spending ways of the past.

The housing program is the biggest culprit in this bill. Not only did the committee turn down 99 percent of the proposed rescession, but it voted to spend another billion dollars beyond the original 1982 appropriation.

The section 8 housing program has been a boondoggle from day one.

Fair market rates for section 8 housing have exceeded the rents for comparable units in the private market by 26 percent. A project is being proposed for a small rural community just outside my district where they want to charge rents as high as $642 a month for a two-bedroom apartment. Private sector rents are nowhere near that high, and it simply represents a ripoff of the taxpayers to have the Federal Government subsidize rents of such magnitude.

Average Federal subsidies for rent under this program will be nearly $4,000 per family in 1983, and will range as high as $17,000. Subsidies paid to developers have risen at twice the rate of increase in construction costs.

Total future commitments under this program currently amount to a whopping $250 billion. You wonder why we cannot project a balanced budget down the road. That is one of the primary reasons. We make these large scale commitments now, with the bills coming due later; in essence, locking ourselves in. We simply cannot go on this way.

The bill includes $321 million more than requested for the guaranteed student loan program. I can understand why this additional amount may be necessary, but the committee could also have written into the bill the reforms sought by the administration, thus saving us this additional cost.

The cost of the program has risen about 600 percent in 5 years. The net default rate is running at 10 percent, and we are spending in excess of $300 million a year simply to pay off bad loans. Net default expenditures over the life of the program now amount to over $1.4 billion.

The administration has proposed some tightening up of this program and I think these recommendations have for the most part been getting a bum rap. Requiring that the needs test be applied to all families rather than just those over $30,000 in income makes eminent sense. There is no reason why graduate students should be getting a free ride from the taxpayers. Most of them are preparing themselves for high-paying professions, and they certainly ought to be responsible for paying the interest on their loans. The administration is not proposing that they be denied loans; only that they pay the interest. There is no reason why a factory worker or a janitor should have to pay such interest.

Instead of blanket rejection, we ought to be moving ahead with these proposed reforms, making refinements where necessary. We simply must limit the rapid growth of entitlements, and there is no reason why we should have to wait for reconciliation before beginning this effort.●

● Mr. COUGHLIN. Mr. Chairman, I rise in strong support for H.R. 5922 which, among other things, will provide an urgent supplemental appropriation of $1.3 billion for the guaranteed student loan program and allocate $2.4 billion for the wastewater treatment construction grants program.

Guaranteed students loans, the largest federally funded student aid program, provide millions of Americans with the opportunity to pursue a higher education in these days of soaring tuition costs. College and graduate students are heavily dependent upon the guaranteed student loan program to help them obtain a quality education and I personally prefer this type of higher education assistance rather than outright grants.

This $1.3 billion fiscal year 1982 supplemental is urgently needed. Recognizing my committee's concerns and support for enabling the guaranteed student loan program to operate smoothly, the committee raised the administration's supplemental request by $322 million. This increase in funding should enable the guaranteed student loan program to proceed through the balance of fiscal year 1982 without having to fear sudden, abrupt changes in eligibility requirements or financial needs.

I would also like to comment on the $2.4 billion supplemental provided in H.R. 5922 for the wastewater treatment construction grants program. As with the guaranteed student loan program, this money is vitally needed and it is imperative that the House pass the legislation today.

According to the Association of State and Interstate Water Pollution Control Administrators, 30 States are completely without construction grants money. Absent an immediate appropriation, at least 10 more States will be without funds by the end of this year.

If the wastewater treatment construction grants program is allowed to go through the balance of fiscal year 1982 without a Federal appropriation, our Nation's efforts to clean up and protect our waters will be seriously eroded. People and businesses possessing valuable expertise in the treatment of our water supplies will, without the appropriation, be lost for many years to come. We cannot afford to let this happen.

The Congress now has the opportunity to reaffirm its historical support for our Nation's waters and for the program it formulated to clean up these waters. I hope this Chamber renews this commitment and adopts the $2.4 billion supplemental for the construction grants program.

● Ms. FIEDLER. Mr. Chairman, I would like to express my strong support for the Coast Guard appropriations that have been contained in the urgent supplemental appropriations bill. The widespread support that this measure received underscores its importance. The members of the Rules Committee recognized this importance in granting a waiver for this funding, an action that I, along with a number of my colleagues, recommended they take. The members of the Subcommittee on Coast Guard and Navigation of the Committee on Merchant Marine and Fisheries have also added the weight of their expertise behind this funding.

The situation is a simple but direct one. Without the funding contained in this bill, the Coast Guard will be forced to severely cut back on its operations. As a Californian, I am especially concerned that these cuts would have had a disproportionately heavy impact on my home State. But this is much more than a local issue. If we fail to fund the Coast Guard, the whole Nation will suffer.

The Coast Guard's financial crisis is the result of it being given more missions to accomplish without any corresponding increase in resources. The Coast Guard is much more than just another part of the Department of Transportation. It has an important national security role as one of our Armed Forces, becoming part of the Navy in time of war. Its law-enforcement duties have come to greater notice in recent years with the interdiction campaigns mounted against drugs and illegal aliens. The Coast Guard's most important role, however, remains what it always has been—the preservation of life and property at sea. I would like to state in the strongest possible terms that unless the funding contained in the urgent supplemental appropriations for the Coast Guard is passed, it will not be able to carry out these missions properly. This means that lives will be lost, property will be destroyed, smugglers will flourish, seas will go unpatrolled where otherwise they might not be—and this I think would be the falsest of false economies.

I would like to add my voice to those of my many colleagues who have stressed the importance of this measure. The Coast Guard is as important to the Nation as it is to my own southern California. It would be the height of irresponsibility to not pass this funding. The Coast Guard has rescued many Americans. It is now time for us to rescue the Coast Guard.●

● Mr. de LUGO. Mr. Speaker, this body has before its consideration a measure of the highest priority to our Nation's well-being. H.R. 5922, the Urgent Supplemental Appropriations Act of 1982, will provide the funds necessary to continue such programs as the guaranteed student loans program, the operations of the Coast Guard, and the activities of the U.S. Customs Service. These governmantal functions and other provided for under this bill must not be allowed to lapse due to our inaction.

The guaranteed student loan program, which is the primary source of financial assistance for most college students, wil soon run out of money without a supplemental appropriation of $1.3 billion for the remainder of this fiscal year. This shortfall is the result of the continued high interest rates that all our citizens are suffering from.

The Coast Guard, whose search and rescue efforts are so central to the protection of life and property at sea, is provided with an additional $48 million for its operations. Earlier this year, the chairman of the House Merchant Marine and Fisheries Committee, Walter Jones, and I introduced H.R. 5348, a bill to provide $136 million in supplemental appropriations for the Coast Guard. While the bill before us today only represents a small portion of the amount we believe to be necessry, it is a step in the right direction.

Finally, the Customs Service which is locked in a life and death strugle with organized crime over the importation of drugs, will receive $3.4 million for their efforts. This too, is far less than the sum requested by the administration to aid customs agents in this program, but the Appropriations Committee has expressed its willingness to consider makeing more moneys available.

I urge my colleagues to adopt this bill with all deliberate speed.●

Mr. WHITTEN. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

Mr. CONTE. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN pro tempore. Pursuant to House Resolution 461, it shall be in order to consider the following amendments: First, an amendment printed in the Congressional Record of May 11, 1982, by Representative Boland, if offered by Representatives Boland, AuCoin, or Patterson; and second, an amendment printed in the Congressional Record of May 11, 1982, by and if offered by Representative Lowry of Washington.

The Clerk will read.

The Clerk read as follows:

Departmental Management

OFFICE OF THE INSPECTOR GENERAL

(TRANSFER OF FUNDS)

From amounts appropriated for fiscal year 1982 for payments to States for Medicaid Fraud Control Units, there is transferred to the Office of Inspector General, Department of Health and Human Services, for necessary expenses, $13,941,000.

AMENDMENT OFFERED BY MR. LOWRY OF WASHINGTON

Mr. LOWRY of Washington. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Lowry of Washington: Page 3, immediately after line 15, insert the following:

Social Security Administration

REFUGEE AND ENTRANT ASSISTANCE

For an additional amount for "Refugee and Entrant assistance", $23,340,000, to be available only to reimburse States which by reason of court order, State statute or regulation, or other administrative restraint could not implement the change in regulations published on March 12, 1982, for refugee assistance and domestic assistance for Cuban and Haitian entrants.

The CHAIRMAN pro tempore. Is the Chair correct in assuming this is the amendment made in order by the rule?

Mr. LOWRY of Washington. That is correct, Mr. Chairman.

The CHAIRMAN pro tempore. The gentleman is recognized for 5 minutes in support of his amendment.

Mr. LOWRY of Washington. Mr. Chairman, the amendment is really straightforward, if the Members had a chance to listen to it.

On March 12 the Office of Refugee Resettlement published regulations that said as of the 1st of April refugee assistance and Cuban-Haitian entrance assistance would be cut from 36 months normal time that is in the Refugee Act and had been the normal time for cash and medical assistance to 18 months.

There were approximately 19 States which, because of their own State laws or regulations of notification requirements, could not stop that aid as of the 1st of April. The $23 million in this amendment is for reimbursement to those States who due to court order following their own State laws or their own State regulations went ahead with the refugee or entrance assistance.

I believe we have talked about this for quite some period of time. It is a vital amendment to carry forward on the Government policy of this country.

Mr. NATCHER. Mr. Chairman, will the distinguished gentleman yield to me?

Mr. LOWRY of Washington. I am pleased to yield to the chairman of the subcommittee.

Mr. NATCHER. As I understand the gentleman's amendment, which provides a total of $23,340,000 for refugee cash and medical assistance, approximately $5 million of that money would go to the State of California and approximately $10.1 million would go to the State of Florida. The balance of the money would go to the 19 other States involved; is that correct?

Mr. LOWRY of Washington. The distinguished chairman is correct.

Mr. NATCHER. Let me ask the gentleman further, is it the gentleman's intention that these additional funds be made available only to those States which made a good-faith effort to implement the new regulations on time, but were unable to comply by April 1 because of court order, State law, or State regulation?

Mr. LOWRY of Washington. That is the intended effect of this amendment, Mr. Chairman.

Mr. NATCHER. I further would like to inquire of the gentleman, if his amendment is accepted, will States continue to be required to implement the new regulations as rapidly as the courts and States laws permit?

Mr. LOWRY of Washington. The chairman is correct. This amendment does not alter that status.

Mr. NATCHER. I would further like to inquire of the gentleman, under his amendment is it his intention that the amount of funds available for grants to States which are not authorized by the March 12 regulation be limited to the $23,340,000 in the gentleman's amendment?

Mr. LOWRY of Washington. That is the intention of this amendment, Mr. Chairman.

Mr. NATCHER. If the gentleman on my right, the ranking minority member of the full Committee on Appropriations, and the ranking minority member on the subcommittee, Mr. Conte, has no objection to this amendment, we have no objection on this side.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. LOWRY of Washington. I am honored to yield.

Mr. CONTE. I thank the gentleman from Kentucky.

As I understand it, the gentleman's amendment would provide the following:

The amendment would add $23 million to refugee cash and medical assistance for fiscal 1982.

This amount is within the authorization level.

The funds would go to compensate 21 States for cash and medical benefits paid to refugees after April 1, 1982, when there was a change in the HHS regulations reducing the compensation period for certain benefits from 36 months to 18 months.

Courts in 21 States required the States to provide these certain benefits even though the HHS regulations phased them out.

These funds will cover essentially a 2-month period until the 21 States can change their systems to reflect the new regulations and cover their State court concerns.

The two States affected the most are California ($5 million) and Florida ($10 million).

Even given these circumstances it should be noted that refugees, while losing some "special benefits," will still be eligible for all benefits in cash, medical services, and welfare assistance that any citizen of the United States would be eligible.

We accept the amendment.

Mr. LOWRY of Washington. I thank the ranking minority member.

Mr. LEHMAN. Mr. Chairman, will the gentleman yield?

Mr. LOWRY of Washington. I yield to the gentleman from Florida (Mr. Lehman).

Mr. LEHMAN. Mr. Chairman, I want to warmly thank both gentlemen for offering this amendment, and especially to thank the chairman of the subcommittee, the gentleman from Kentucky (Mr. Natcher), for his sensitive understanding and concern about these problems, and the ranking minority member (Mr. Conte), also for his involvement and his awareness of the difficulties we have had in some of our States in regards to this refugee problem.

Again, I want to thank the gentleman from Washington for offering this amendment.

Mr. Chairman, I rise in strong support of this amendment. It is essential that we help the 19 States which were constrained by their own laws or administrative procedures or by court orders from implementing changes in refugee and entrant assistance programs on April 1, as mandated in the Federal regulations.

These constraints have meant that the States have had to continue to provide assistance for an additional 1 to 3 months. Unless we agree to this amendment and provide these funds, those 19 States will have to bear the full cost.

I need hardly remind the House the refugees and entrants are a Federal responsibility. Federal law provides for up to 3 years of federally funded assistance to refugees and entrants, to ease their transition into our society and permit them to develop the skills not only to survive, but to contribute and be productive. Despite this commitment, the administration decided to end benefits after 18 months, but only in those States such as Florida which do not have general assistance programs; the Federal Government will continue to provide funds for assistance to those refugees and entrants eligible for and receiving general assistance in those States which have such programs.

Florida already has absorbed over $150 million in documented, but unreimbursed costs of the Mariel boatlift, but Florida, and the other affected States, are trying to comply with the Federal revisions and to provide some support for refugees and entrants now left with no resources at all. One thing they do not need is to present their taxpayers with the bill for benefits they must continue to provide, even though Federal reimbursement is no longer available.

In Florida, the State Administrative Procedures Act requires that revisions of programs such as the refugee and entrant benefits be published in the State's equivalent of the Federal Register for 41 days before they can be implemented. Even though the revisions were published at the earliest opportunity after the Federal regulations were finalized, the 41-day notice period did not expire until after benefit payments for April and May had been made. This will cost Florida taxpayers $10 million unless we pass this amendment. And my colleagues should remember that 18 other States are in similar situations.

Mr. Chairman, this is a terribly important and urgent amendment. I urge my colleagues to join me in supporting it.

Mr. PEPPER. Mr. Chairman, will the gentleman yield?

Mr. LOWRY of Washington. I yield to the gentleman from Florida, who has been immensely helpful on this issue.

Mr. PEPPER. Mr. Chairman, I rise in support of this amendment which provides $23,340,000 to reimburse States which were unable to implement regulations published on March 12, 1982, by the Department of Health and Human Services.

I want to thank my distinguished colleague from Washington for offering this amendment and for all of his excellent work to bring this matter to the floor. I am also pleased that Chairman Natcher of the Labor, Health, Education, and Welfare Appropriation's Subcommittee supports this amendment.

I want to thank in the warmest way the distinguished gentleman from Kentucky (Mr. Natcher) and the distinguished gentleman from Massachusetts (Mr. Conte) and especially the distinguished gentleman from Washington for offering this amendment.

On March 12, the Department of Health and Human Services published regulations which reduced the amount of time a refugee or entrant is eligible for cash and medical assistance from 36 to 18 months. This change was effective on April 1, 1982. Nineteen States were unable to implement the change due to court orders, State administrative requirements or other administrative problems. Published on March 12—effective on April 1. That is a total of 19 days to implement a far-reaching change in regulations.

In the State of Florida, a State administrative procedure provision required the State to give refugees and entrants 45 days notice of the cutoff of assistance. The State, in order to be in compliance with its own law, was forced to continue payments for these people until June 1, 1982 at a cost of approximately $5 million per month. Florida requests reimbursement from the Department of Health and Human Services and was told that there was no money available for that purpose.

Mr. Chairman, that is $5 million per month that the taxpayers of Florida were required to absorb.

The situation is similar in other States. Because of court orders or administrative constraints, 19 States—through no fault of their own—were unable to implement these changes. The Department of Health and Human Services, in effect, has told these States that they must shoulder the burden and pay the costs.

We should not penalize States for adhering to State administrative guidelines and requirements. We should not penalize States because court orders prevent them from implementing the changed regulations. We should recognize the extenuating circumstances surrounding these States' inability to implement the regulations and we should reimburse these States the costs of an acknowledged Federal responsibility.

Again, I want to express my sincere appreciation to my good colleague from Washington, Mr. Lowry, for offering this amendment and for his perseverance in this matter. We all recognize his deep concern for refugees and entrants and I look forward to working with him again.

Mr. LOWRY of Washington. The gentleman from Florida, Mr. Pepper, was extremely helpful in the Rules Committee and has been a great aid in bringing this matter to this point.

Mr. VENTO. Mr. Chairman, will the gentleman yield?

Mr. LOWRY of Washington. I am pleased to yield to the gentleman from Minnesota (Mr. Vento).

Mr. VENTO. Mr. Chairman, I want to commend the gentleman in the well. He has done yeoman service and, of course, I understand the response today from the gentleman from Kentucky, Mr. Natcher, has been positive, for which I am very grateful.

□ 1510

Indeed, in past colloquies on this issue on the floor, he and other members of the Appropriation Committee have given us assurances that when the need arose, they would be ready to in fact appropriate and to actively support fulfillment of the needs to the extent the authorization with regard to refugee assistance provided.

The CHAIRMAN. The time of the gentleman from Washington (Mr. Lowry) has expired.

(On request of Mr. Vento and by unanimous consent, Mr. Lowry was allowed to proceed for 5 additional minutes.)

Mr. VENTO. If the gentleman will yield further, I think that the specter of what we saw occurring across this Nation, in terms of the desperation by the States, especially in the present economic circumstance, gives rise to a great deal of concern on the part of a variety of States, some of whom have different and varying welfare and assistance programs. The quick action, fortunately, by my good friend and colleague, the gentleman from Washington, and the response, the positive response by the Appropriations Committee, of course, will make it possible to avoid that. We only hope that the administration and the Senate will be as positive in terms of their response to these much needed dollars. There are 25,000 refugees in Minnesota. Obviously, I know Florida's problems are severe, but we do not want to compound those in Minnesota by virtue of the Florida problem. So we hope that we can meet this need in a rational way. I think the gentleman offers us that solution today, for which we are all very appreciative. Mr. Chairman, in the past, the Federal Government has recognized the national scope and the Federal commitment to our refugee aid programs.

The historical responsibility for assisting in the resettlement of these refugees has not been solely a State or local issue. The Federal Government has been forthcoming with the needed financial aid to allow for the resettlement of our former allies of Southeast Asia who have been forced out of their homelands. This policy has been fair. The Federal aid has met many of the real needs of the refugees without penalizing local communities by making them assume the full costs. Unfortunately, under the redirection in Federal spending by the current administration, the Federal commitment to our refugees has come under question. Rather than responding to the needs of those victims of repressive governments who have sought shelter in our country, the administration has attempted to wash its hands of all responsibility for their plight. This change in policy is unfair. It is unfair to the refugees. It is unfair to State and local governments. And it is most unfair to the local property taxpayers who, after opening their hearts and homes to these refugees, are now expected to assume the full burden of the costs.

Currently there are over 25,000 refugees living in Minnesota. Of that total, nearly 12,000 refugees live in Ramsey County. Mr. Chairman, the people of Minnesota did not determine the criteria which allowed the refugees to enter our country but we did recognize that we had a responsibility to our friends and were willing to do our fair share. We felt that refugee resettlement was a national issue and that we

all had a responsibility to insure that our new citizens would be able to meet the physical and mental demands of acclimating themselves to a new society. The Federal-State-local partnership has been working. The new citizens of Ramsey County and Minnesota have been hard working citizens. But they still face serious difficulties stemming both from physical and adjustment problems. Yet at this critical time, the administration has sought to shift the full burden of refugee resettlement to the local community and local taxpayer. The reduction in the eligibility period for refugees from 36 to 18 months does not recognize the transitional problems which refugees face. What this policy change does do, however, is to virtually half the Federal commitment and to shift this cost to local taxpayers.

Mr. Chairman, the Federal Government cannot lose sight of the national scope of our refugee program. We, as a nation, must resolve this problem together.

It is unfair to dump this issue onto the States as the President proposes. The consequences of such a policy are already being felt. The State of Florida, rightly or wrongly, is advising many of its refugees to move to States such as Minnesota, New York, and Wyoming, because their programs are better. This reverse bidding war, in which a State seeks to encourage refugees to move to better welfare States, is counterproductive. It does not best serve the refugee nor the local community. The only way to address the refugee issue is through a return to the Federal commitment to aiding our refugees. The Lowry amendment properly responds to this problem in a national context. The increase in funding is a response to urgent needs and basic fairness. It does not dump a national issue onto local taxpayers and does provide essential transition services for our refugees. I urge my colleagues to support this measure.

Mr. LOWRY of Washington. I thank the gentleman from Minnesota for his continuing work.

Mr. PATTERSON. Mr. Speaker, will the gentleman yield?

Mr. LOWRY of Washington. I yield to the gentleman from California.

Mr. PATTERSON. I thank the gentleman for yielding, and I want to commend him for his foresight. We have discussed this amendment on several occasions, and the gentleman had, I think, the right amendment in the right place at the right time. His persistence in pressing for this basic human need, when not many refugees really vote—at least, that I know of—I think, frankly, that the gentleman ought to be commended for pursuing an urgency, and all of us are proud of the gentleman for having offered the amendment.

Mr. LOWRY of Washington. I thank the gentleman from California for his concern.

Ms. OAKAR. Mr. Chairman, will the gentleman yield?

Mr. LOWRY of Washington. I yield to the gentlewoman from Ohio.

Ms. OAKAR. Mr. Chairman, I also want to echo what the gentleman from California has said. I know of the gentleman's hard work on this issue. It is an issue that really does not affect the gentleman particularly in his district, but some of us have had occasion to see some of the refugee camps, like the Haitian camp that the gentleman from New York (Mr. Garcia) and I saw in Puerto Rico. While this does not directly affect those circumstances, it does affect the area of our country's dealing with what is a very complex problem, and it shows that we are not going to discriminate in terms of who we care about either because of their race or color. So I think what it does, really, is show that we still have a heart when it comes to this area. After all, we are indeed a nation of refugees in terms of our own background. I want to commend the gentleman.

Mr. LOWRY of Washington. I thank the gentlewoman for her comments.

Mr. ROYBAL. Mr. Chairman, will the gentleman yield?

Mr. LOWRY of Washington. I yield to the gentleman from California.

Mr. ROYBAL. Mr. Chairman, I wish to commend the gentleman in the well for bringing this amendment to the floor. It is definitely true that both the State of Florida and the State of California are in need of this money. But we must also not forget the fact that there are 17 other States that are involved. This is going to help the entire program, and it is primarily for that reason that I commend the gentleman for making this opportunity available to us to include in this legislation this most vital amendment that he has presented this afternoon.

Mr. LOWRY of Washington. I thank the gentleman for his continuing work.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. LOWRY of Washington. I yield to the gentleman from Washington.

Mr. DICKS. Mr. Speaker, I want to commend my colleague, the gentleman from Washington, for his leadership on this issue. I know for a fact that he left here yesterday after the housing bill and had to fly to the State and flew back on the "Red Eye Special" to be here to offer his amendment. That shows a certain level of commitment that he and I both understand. Our State desperately needs this assistance.

My colleague has proposed this amendment. It is a good amendment. I have had a chance not only to visit those refugee camps, but to meet with many of the refugees who will be affected in our State, and I must say that I am deeply concerned by the Reagan policy of reducing from 36 months to 18 months the assistance for those people. It is going to mean that certain States will be providing 18 months of assistance and other States will be providing 36 months of assistance, and this is going to cause chaos in our country.

The gentleman from Washington has done a good job. I urge our colleagues to support him.

I want to thank the chairman of the HEW Subcommittee, the gentleman from Kentucky (Mr. Natcher), and the gentleman from Massachusetts (Mr. Conte), for their cooperation on this subject. But the gentleman from Washington (Mr. Lowry) has really provided the leadership, and he deserves to be commended.

Mr. LOWRY of Washington. I thank the gentleman for his continuing concern.

Mr. Chairman, I would again like to thank the chairman of the subcommittee and the ranking minority member of the subcommittee who has again stepped forward with compassion on a very important issue for the people of this country.

I ask approval of the amendment.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Washington (Mr. Lowry).

The amendment was agreed to.

The CHAIRMAN pro tempore. The Clerk will read.

The Clerk read as follows:

Government National Mortgage Association Special Assistance Functions Fund

For additional gross obligations in fiscal year 1982 for the principal amounts of direct loans made pursuant to section 305 of the National Housing Act, as amended (12 U.S.C. 1720), $1,000,000,000, notwithstanding section 333(a)(1) of the Omnibus Budget Reconciliation Act of 1981 (Public Law 97-35).

AMENDMENT OFFERED BY MR. BOLAND

Mr. BOLAND. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Boland: On page 7, after line 18, insert the following:

HOUSING PRODUCTION ASSISTANCE PAYMENTS

For mortgage interest assistance payments, $1,000,000,000, to remain available until expended. Such amount shall be made available under the terms and conditions of the following paragraphs:

(a)(1) Notwithstanding any other provision of law, the Secretary of Housing and Urban Development (hereafter referred to under this heading as the "Secretary") shall make commitments to enter into and enter into contracts to make periodic assistance payments on behalf of homeowners (including owners of manufactured homes and individual units in a cooperative or condominium project) to mortgagees or other lenders holding mortgages, loans, or advances of credit which meet the requirements contained under this heading.

(2) The aggregate amount of payments made pursuant to contracts entered into under this heading shall not exceed $172,000,000 per annum.

(3) The authority to make commitments to enter into contracts under this heading shall terminate on September 30, 1982.

(4) The Secretary may establish, consistent with the provisions of this heading, such criteria, terms, and conditions relating to homeowners and mortgages, loans or advances of credit assisted under this heading.

(5) In making available assistance under this heading, the Secretary shall give a priority to mortgagors and other borrowers who, as determined by the Secretary, have not owned dwelling units within the preceding three years.

(b) Payments under this heading may be made only on behalf of a homeowner who satisfies eligibility requirements relating to creditworthiness as may be prescribed by the Secretary and who—

(1)(A) is a mortgagor under a mortgage which meets the requirements of subsection (i), or (B) is the original owner of a new manufactured home consisting of two or more modules and a lot on which the manufactured home is situated, where insurance under section 2 or 203 of the National Housing Act covering the mortgage, loan, advance of credit, or purchase of an obligation representing such loan or advance of credit to finance the purchase of such manufactured home and lot has been granted to the lender making such mortgage, loan, advance of credit, or purchase of an obligation; and

(2) has a family income, at the time of initial occupancy, which does not exceed 130 per centum of the area median income (with adjustments for smaller and larger families, unusually high or low median family income, or other factors), as determined by the Secretary.

(c)(1) Assistance payments to a mortgagee or other lender by the Secretary on behalf of a homeowner shall be made only during such time as the homeowner shall continue to occupy the property which secures the mortgage, loan, or advance of credit.

(2) The Secretary may, where a mortgage insured under the National Housing Act has been assigned to the Secretary, continue making such assistance payments.

(d) The amount of the assistance payments made with respect to a mortgage, loan, or advance of credit shall not at any time exceed the lesser of—

(1) the difference between the amount of the monthly payment for principal, interest, and the mortgage or loan insurance premium which the mortgagor or borrower is obligaged to pay under the mortgage, loan, or advance of credit, and the monthly payment for principal and interest which the mortgagor or borrower would be obligated to pay if the mortgage, loan, or advance of credit were to bear interest at the rate of 9½ per centum per annum (or 10 per centum in the case of any mortgagor whose income at the time of initial occupancy exceeds 115 per centum of the area median income); and

(2) the difference between the amount of the monthly payment for principal, interest, and the mortgage or loan insurance premium which the mortgagor or borrower is obligated to pay under the mortgage, loan, or advance of credit, and the monthly payment for principal and interest which the mortgagor or borrower would be obligated to pay if the mortgage, loan, or advance of credit were to bear interest at a rate six percentage points (or four percentage points in the case of any mortgagor whose income at the time of initial occupancy exceeds 115 per centum of the area median income) less than the rate specified in the mortgage, loan, or advance of credit;

except that the Secretary shall, in any case, require the mortgagor or borrower to pay at least 25 per centum of the mortgagor's or borrower's income with respect to the principal, interest, and mortgage insurance premium.

(e)(1) Except as provided in paragraph (2), the duration of a contract entered into under this heading shall be—

(A) in the case of any homeowner whose income at the time of initial occupancy does not exceed 115 per centum of the area median income, seven years; and

(B) in the case of any other homeowner, five years.

(2) In the case of any homeowner who, as determined by the Secretary, is unable to assume full payments required by the mortgage, loan, or advance of credit after the applicable number of years specified in paragraph (1), the Secretary shall, by utilizing the fund described in paragraph (3), enter into a contract to provide continued assistance on behalf of the homeowner under this heading.

(3)(A) There is hereby created a fund to be used in accordance with this paragraph. There shall be deposited into such fund (i) all amounts recaptured pursuant to subsection (k), and (ii) any authority to make payments under this heading which was committed for use in a contract but was unused because the mortgage, loan, or advance of credit was refinanced or payments under the contract were terminated or suspended for other reasons before the original termination date of the contract.

(B) Such fund shall be utilized, to the extent approved in appropriation Acts, for the purpose of making payments pursuant to contracts described in paragraph (2).

(C) Amounts in the fund not needed for current operations shall be invested in direct obligations of the United States or obligations guaranteed by the United States.

(f) The Secretary may include in the payment to the mortgagee or other lender such amount, in addition to the amount computed under paragraph (d), as the Secretary deems appropriate to reimburse the mortgagee or other lender for its reasonable and necessary expenses in handling the mortgage, loan, or advance of credit.

(g) The Secretary shall prescribe such regulations as the Secretary deems necessary to assure that the sale price of, or other consideration paid in connection with, the purchase by the homeowner of the property with respect to which assistance payments are to be made is not greater than the appraised value as determined by the Secretary.

(h) Not more than 20 per centum of the total number of units with respect to which assistance is approved under this heading may be made on behalf of owners of manufactured homes.

(i)(1) To be eligible for assistance under this heading, a mortgagor, other than an owner of a manufactured home, must have a mortgage which—

(A) is a first mortgage insured under the National Housing Act, guaranteed under chapter 37 of title 38 of the United States Code, guaranteed under title V of the Housing Act of 1949, insured or guaranteed by qualified private insurers as determined by the Secretary, or the outstanding principal balance of which does not exceed 80 per centum of the value of the property securing the mortgages;

(B) has been made to, and is held by, a mortgagee approved by the Secretary as responsible and able to service the mortgage properly;

(C) is secured by a one-family dwelling the construction of which began no earlier than one year prior to the date of enactment of this Act and which has never been sold other than to the mortgagor;

(D) involves a principal residence which meets energy conservation standards equivalent to or greater than those prescribed by the Secretary for newly constructed one- to four-family houses insured under title II of the National Housing Act;

(E) involves a principal amount which does not exceed the applicable amount which may be insured in the area under section 203(b) of the National Housing Act;

(F) except as provided in paragraph (k), permits the mortgagor to prepay the principal amount at any time without penalty;

(G) has a fixed rate of interest;

(H) has maturity and amortization provisions satisfactory to the Secretary; and

(I) is executed by a mortgagor who shall have paid in cash or its equivalent, on account of the property, at least an amount equal to 3 per centum of the Secretary's estimate of the cost of acquisition.

(2) For purposes of this paragraph, the term "mortgage" means, in the case of an individual unit in a condominium or cooperative project, a first lien or first mortgage described in section 203(n)(2)(A) or 234(b) of the National Housing Act.

(3) For purposes of subparagraph (1)(D), the Secretary may accept a certification from the mortgagor that the energy conservation requirements of subparagraph have been met.

(j) The Secretary shall develop and utilize a system to allocate assistance under this heading in a manner which assures a reasonable distribution of such assistance among the various regions of the country and which takes into consideration such factors as population, relative decline in building permits, and the need for increased housing production.

(k) Upon the disposition by the homeowner of any property assisted under this heading, or where the homeowner rents the property for a period longer than one year, the Secretary shall provide for the recapture of an amount equal to the lesser of—

(1) the amount of assistance actually received under this heading, other than any amount provided under subparagraph (f); or

(2) an amount at least equal to 50 per centum of the net appreciation of the property, as determined by the Secretary.

For the purpose of this subparagraph, the term "net appreciation of the property" means any increase in the value of the property over the original purchase price, less the reasonable costs of sale and the reasonable costs of improvements made to the property. In providing for such recapture, the Secretary shall include incentives for the homeowner to maintain the property in a marketable condition. Notwithstanding any other provision of law, any such assistance shall constitute a debt secured by the property to the extent that the Secretary provides for such recapture. Amounts recaptured under this paragraph shall be deposited in the fund described in paragraph (e)(3).

(l) The Secretary shall make allocations and begin to issue commitments pursuant to the terms and conditions contained under this heading not later than 30 days after the enactment of this Act.

(m) Procedures shall be adopted by the Secretary for annual recertification of the homeowner's income for the purpose of adjusting the amount of such assistance payments within the limits of the formula described in paragraph (d).

Mr. BOLAND (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the Record.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The CHAIRMAN pro tempore. The Chair will inquire of the gentleman if this is the amendment made in order by the rule.

Mr. BOLAND. It is, Mr. Chairman.

The CHAIRMAN pro tempore. The gentleman from Massachusetts is recognized for 5 minutes.

Mr. BOLAND. Mr. Chairman, yesterday the House passed by an overwhelming majority vote of 349 to 55 an authorization to provide $1 billion for a new housing program. Today this amendment that is being offered provides the appropriations to support yesterday's House action.

In offering this amendment I want to first pay special tribute to the chairman of the Banking, Finance and Urban Affairs Committee, Fernand St Germain of Rhode Island, to Henry Gonzalez on that committee, and to Chalmers Wylie, and Stewart McKinney who have distinguished positions on the minority on that particular committee. May I also add my congratulations and praise to Les AuCoin, Jerry Patterson, Tom Corcoran and Tom Evans for the manner in which they have led the fight to provide for this money which is so important to revitalize the housing industry. Without their efforts it is clear we could not have brought this program to fruition.

Mr. Chairman, much was said yesterday about the need for this program. I do not want to repeat it, but I think it is important that we recognize how vital the housing industry is to this country. It is a very basic industry. It employs hundreds of thousands of people directly and literally millions of people indirectly in associated appliance, lumber, plastics, concrete, and a myriad of other industries.

Mr. Chairman, this industry, this basic American industry, is in as bad shape as we have seen in decades. This is not a bailout bill. It is not a lousy bill, as some here have described it. This bill is a modest effort that will create 140,000 new jobs in housing and related industries and will increase Federal, State, and local tax revenues by $1.2 billion.

This program is an example, a prime example, of the Congress responding to what I think everyone here would agree is an emergency. We are going to provide, through this $1 billion, mortgage assistance for purchases of new single family homes, manufactured homes, condominiums, or cooperative units. Up to 74,000 homebuyers will be assisted.

I know that anyone here can stand up and point to some shortcomings in this bill. It is not a perfect bill. But in my 29 years here, rarely have I seen a perfect bill.

☐ 1520

What I think we have done here is to come up with a relatively modest stimulus that could help get an industry—which is vital to the economy of this country—rolling again. We could have thought of other ways of doing it—we could have used different variations of different proposals that have been proposed both in this body and in the other body. But the point is that when you look at all these individual attempts to get something done now for the housing industry, there is not that much difference in them. Basically, they are all interest-subsidy programs to stimulate housing construction.

H.R. 6294, in my view, is as good as any of the other proposals I have seen. I think that fact was very clearly displayed in the vote yesterday on the authorization for this bill.

Mr. Chairman, it is very rare that we have an opportunity to provide the appropriation for a program in as timely a fashion as we can in this case. We are acting here today on the urgent supplemental appropriation bill. The nature of this amendment and the nature of this program are clearly urgent. If you do not believe that, go back this weekend to your districts and look at the unsold houses, talk to the homebuilders in your towns, and I am sure you will come back with the very clear impression that we have to do something to stimulate the housing industry in this country.

If we pass this amendment this program can be underway within 6 to 8 weeks. Let us get on with what we know needs to be done. I urge adoption of the amendment.

Mr. AuCOIN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment before us and I want to say at the outset of my remarks how much I appreciate the cooperation and the assistance of the gentleman who offered this amendment, the gentleman from Massachusetts (Mr. Boland).

I also join in the praise of the chairman of the House Banking Committee, the gentleman from Rhode Island (Mr. St Germain); the gentleman from Texas (Mr. Gonzalez), the Housing Subcommittee chairman; the chairman of the full Appropriations Committee, the gentleman from Mississippi (Mr. Whitten), on whose shoulders have rested a great many problems in bringing this bill to the floor.

I want to also say that the understanding and the sensitivity of the chairman of the Rules Committee the gentleman from Missouri (Mr. Bolling) is noticed and appreciated by all who care about housing because of the opportunity he has afforded us to bring this matter to the floor. Finally, I want to say to my colleagues how much I appreciate the diligence, the hard work and the competence of the gentleman from California (Mr. Patterson), my colleague of 6 years on the Housing Subcommittee, with whom I worked on this proposal.

Most of the issues were debated yesterday when the membership voted by an overwhelming margin to provide assistance to the housing industry.

We are witnessing the virtual collapse of the housing industry and related industries. We are watching the virtual extermination of jobs in that industry through no fault of men and women who have worked their lifetimes in building businesses that create homes and through no fault of workers who now find themselves in the unemployment lines.

American families have never asserted many basic economic claims. I can think of basically three. One of those claims is for a decent education for their children.

Second, they claim as their right a secure retirement. Third, they assert a right and a claim to homeownership. They want a chance to own their own home.

And around each of these claims have developed jobs, opportunities for profits.

That justified aspiration to homeownership has created an industry which has stimulated this country out of every recession since World War II.

That is why we are here today. To try to provide assistance to keep at least a faint heartbeat alive within the housing industry. So that when general economic recovery occurs there will be an infrastructure within that industry to respond to the legitimate homeownership aspirations of the American people.

The crisis we face in homeownership in housing is threefold. First, it is jobs. The unemployment rate in the construction industry is nearly 20 percent. In the Great Depression unemployment reached approximately 24 percent. I do not have to draw a picture for any of my colleagues to explain we are dealing with a depression here.

Shelter is another crisis in America. 9 out of 10 potential home buyers in America cannot afford homeownership with interest rates at levels they have been at over the last several years.

Third, there is a crisis that seldom is discussed when we discuss homeownership. I refer to a personal economic crisis for average people.

Housing's collapse is a widespread financial crisis because housing is, and has been since World War II, the leverage that has created unparalleled wealth for middle American families and lower middle American families.

The wealth that middle American familes have built in the last four decades has not been achieved with passbook savings accounts. It has not been achieved in the stock market.

The CHAIRMAN pro tempore. The time of the gentleman from Oregon (Mr. AuCoin) has expired.

(By unanimous consent, Mr. AuCoin was allowed to proceed for 2 additional minutes.)

Mr. AuCOIN. And Mr. Chairman, the financial assets of average families have not been increased from investments in steel mills and such. Rather, it has been homeownership. Homeownership has made capitalists out of the American middle class. And if we dare let homeownership die, we will be playing with fire.

Someone has said that this proposal is "business as usual." I want to say that it is not business as usual. The crisis in homeownership and in the housing industry is unusual—the greatest crisis since the time of the Great Depression. This is damage control. Damage control designed to keep some semblance of this industry alive.

This bill pays for itself by the revenue generated by the jobs that this bill creates and, more than that, the subsidy involved is recaptured when the home that is constructed by virtue of this program is sold.

No matter how you look at it, this program is a winner. A winner for the Treasury, a winner for the country, a winner for the economy, and a winner for those people today who are without jobs, who are without hope because they are seeing their businesses that they have built over a lifetime being destroyed.

I urge my colleagues to support the Boland amendment.

Mr. PATTERSON. Mr. Chairman, will the gentleman yield?

Mr. AuCOIN. I yield to the gentleman from California, who has made such an enormous contribution.

Mr. PATTERSON. I thank the gentleman for yielding.

The CHAIRMAN. The time of the gentleman from Oregon (Mr. AuCoin) has again expired.

(At the request of Mr. Patterson and by unanimous consent, Mr. AuCoin was allowed to proceed for 5 additional minutes.)

Mr. PATTERSON. Mr. Chairman, it has been truly a pleasure to work with the gentleman from Oregon, a member of the Appropriations Committee, in regard to putting together a housing stimulus bill that means jobs, that means business will be working, that means that the American economy can get moving again.

It has also been a pleasure to work with the leadership on making this a reality.

It was just 57 days ago that this bill was introduced by myself and the gentleman in the well. Yesterday, the authorizing legislation was enacted by a 7 to 1 vote, and today we will appropriate by adoption of this amendment to the urgent supplemental appropriation the funds for a $1 billion housing stimulus bill.

I rise obviously in support of the Boland-AuCoin-Patterson amendment.

□ 1530

This amendment will allow the Federal Government to make one of the most sound investments possible—an investment in its own people, in its families who want to own a piece of the American dream, in its industrial structure of homebuilders and home suppliers, in its housing construction labor force, and it is an investment to revitalize our Nation's sagging economy.

Mr. Chairman, today for the first time in nearly 2 years we have before us an amendment which addresses a number of problems that have been eating away at our Nation for quite some time now: First, the unaffordability of homeownership; second, the depression in the housing industry, including high rates of bankruptcies of the businesses; third, unacceptably high rates of unemployment in the construction industry labor force; and fourth, the dismal state of our Nation's economy.

First, the question of unaffordability. The demographics of the postwar baby boom indicate that demand for housing should be very strong, but unfortunately that demand cannot and will not be met until interest rates come down. Until interest rates come down to a more affordable level, most of our citizens will continue to find the dream of homeownership beyond their financial reach. We cannot let this fundamental American dream continue to deteriorate into the nightmare it has become, for this dream of homeownership is too vital of a thread in the fabric of our American way of life to let the current trends continue. The Congress must take action now.

In making homes affordable, we also attack the second and third problems I have mentioned: The depression in the housing industry. As we have all been made plainly aware, the housing industry is in its worst recession since World War II. Now in its 40th month of recession, the construction industry has been plagued by a more than 50-percent increase in business failures. The unemployment rate within the building trades is nearly 20 percent. This downward trend has a ripple effect throughout our economy, affecting not only builders, construction workers, realtors, but also affecting the suppliers of the more than 3,000 goods and services that go into the creation of every new home. This industrial framework is essential to the health of our Nation's economy; it is a framework too vital to let the current trend of deterioration continue.

This brings us to the fourth problem that the amendment addresses: The economy. The housing industry is uniquely able to affect the course of our overall economy. By reviving, or at least preventing further deterioration of the housing industry we can put the economy back on its feet and onto the path toward recovery. It is estimated that the program provided for in this amendment will return to the Federal Treasury an estimated $950 million in tax revenues because of the multiplicity of economic activity generated by the stimulus program—not a bad return on our investment.

I want to make clear also, that in addition to this tax revenue return on our investment, the full amount of the assistance—up to a limit of 50 percent of net appreciation—is repaid to the Treasury when each home under this program is sold or in the event that the home is rented for a period in excess of 12 months. This recapture provision further adds to the sound quality of this investment.

Mr. Chairman, I urge my colleagues to vote yes on the Boland-AuCoin-Patterson amendment to allow us to make this investment now, as is necessary, in order to provide this much needed emergency program in time for this summer's building season.

As I said yesterday, this program has the endorsement of industry: The National Association of Homebuilders, the National Association of Brick Distributors, the Hardwood Plywood Manufacturers Association, the National Forest Products Association, the National Concrete Masonry Association, the National Home Furnishing Association, and many, many more.

In addition, it has the support of labor. Specifically, the Building and Construction Trades Department of the AFL-CIO supports the program and the necessary appropriation.

In eight recessions since World War II, the first industry that started recovery in each and every instance has been the housing industry, followed by the auto industry, followed by agriculture and other areas.

The housing industry cannot recover unless interest rates come down. If we cannot bring interest rates down, the subsidy will meet that need and by

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doing so will get the economy moving again.

I thank the gentleman from Oregon very much for yielding to me and for giving me the opportunity to address this very, very vital and important amendment that we have worked together on for the past several months. The amendment represents a sound investment in our Nation's people, it is industries, and our national economy. I urge a "yes" vote on the Boland-AuCoin-Patterson amendment.

Mr. AuCOIN. Well, I appreciate the gentleman's contribution.

I want to tell my colleagues that this amendment, the Boland amendment, means 75,000 new housing starts in this construction season, starts that would not be constructed otherwise. It means 140,000 new jobs and it means about 1 billion board feet of lumber, jobs across the board.

Mr. DICKS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment.

I want to commend my colleagues, the gentleman from Oregon (Mr. AuCoin), the gentleman from California, (Mr. Patterson), and the gentleman from Massachusetts (Mr. Boland), and the leadership on the Appropriations Committee and the gentleman from Rhode Island (Mr. St Germain) for all the leadership that has been provided on this important housing bill.

Yesterday's vote, I think, speaks for itself. By a margin of nearly 7 to 1, the House of Representatives voted for a housing stimulus bill as a way to hopefully bottom out this recession and start the economic recovery that we all hope for.

For some of my colleagues, I know there was concern about whether this was a spending bill. Well, what better way to spend the taxpayers' money but on creating jobs and economic opportunities for our people.

I just want to remind my colleagues of the old rule. Every time unemployment is reduced by 1 percent, the Federal Treasury picks up $25 billion in revenues and we save $5 billion in expenditures. If we could just get the unemployment rate from 9.4 percent down to 6 percent, which is still too high, we would reduce the Federal deficit by over $100 billion. So part of the attack on our big deficits is putting the American people back to work.

I might also say that this housing bill comes in the context of a revised budget. Both the House Budget Committee and the Budget Committee in the other body recognize that deficits must be reduced, that we cannot accept a $182 billion deficit as proposed in the President's budget, that we must have a much lower deficit in order for interest rates to come down, and to avoid the so-called crowding out effect; part of that result is going to come from reducing tax breaks and making spending cuts. It is going to come from employment and economic opportunity.

I was particularly pleased that Chairman Whitten today in his remarks pointed out the importance of an ongoing strong economy. This is the best way to keep the Federal budget under control.

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. DICKS. Yes, I yield.

Mr. WALKER. Would the gentleman agree with me then that the closer that we can begin to move this whole process toward a balanced budget, the more likely we are to have an impact on interest rates and, therefore, getting the economy straightened out will really be in the long-term interest of the housing industry. Would the gentleman agree with that?

Mr. DICKS. Well, I would absolutely agree with that, but I want to point out to the gentleman that a do-nothing economic policy, that does not realize or deal with the problem of unemployment, that does not put people back to work so they can start paying taxes, that does not save the homebuilder so he can start paying taxes, that kind of an economic policy will make the deficit worse. The Congress is trying to deal with the budgetary problems, by reducing the deficit, but in the context of that reduced deficit, I think we can afford to invest something in homebuilding as a countercyclical device to stimulate the economy.

This is good old-fashioned economics that has worked in the past. We have been down this road before. We have used these kinds of approaches before. This is not a new economic religion that was created mysterially out in southern California.

Mr. WALKER. Well, if the gentleman will yield further, I just want to make clear, though, the gentleman does agree that one of the best things we can do for the housing industry in order to get interest rates down is to begin to reduce these huge deficits and get as close to a balanced budget as possible.

Mr. DICKS. Yes; I think there is a bipartisan consensus in Congress that there are two things we need to do for housing. One is to bring down interest rates and the other is to pass this stimulus bill.

I think it is a dual track approach that will produce the kind of result we need.

Mr. ADDABBO. Mr. Chairman, will the gentleman yield?

Mr. DICKS. I yield to the distinguished gentleman from New York.

Mr. ADDABBO. Mr. Chairman, I thank the gentleman for yielding.

As a cosponsor of the original legislation, I commend the gentleman from Massachusetts for accepting this amendment and bringing it forth today in such an expeditious manner.

New York has experienced not 9-percent unemployment, but as much as 34- and 35-percent unemployment in minority areas and the building trades is one of the most important trades in the State of New York and this stimulus, I believe, will make many of those who are now tax users, taxpayers and a great aid to those who are seeking their own homes as we also help the construction industry.

Mr. DICKS. Well, the gentleman from New York, of course, is absolutely correct. The building trades I am sure will be delighted with this legislation.

Mr. PEPPER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in warm support of this amendment. I hope it is going to be the forerunner of many amendments of a similar positive character.

I think the time has come for the Congress to begin to do something to meet the challenges of the declining economy that we confront in this country today.

The administration, I regret to say, has offered us only two things, tax cuts and social program cuts.

□ 1540

The Budget Office of this Congress has advised us and the public that the effect of the tax cuts was that 85 percent went to people making over $20,000 a year in income. But two-thirds of the cuts fell upon people making less than $20,000 a year.

Now, with all respect, we have waited now a year and a half almost for that program to bring this country out of the slough of recession, threatened even with a depression, and to get back on the high road to economic recovery, and the situation is steadily getting worse.

The last figures on unemployment were that we had over 10,300,000 people unemployed in this country. What is that costing this country—not to speak of the spiritual cost?

The distinguished chairman of the Appropriations Committee, the gentleman from Mississippi, Mr. Whitten, this morning told this House that in the last year we have spent $24 billion on unemployment compensation. Is there a building anywhere to show for it? Is there a waterway anywhere to show for it? Is there a highway? Is there any public improvement? Is there any public contribution reflected in that expenditure of $24 billion? I do not know of any.

And here by this amendment we are going to get some housing for a billion dollars. We are going to help some young couples have a home. That is meaningful, not only materially but spiritually, to this country.

I hope we are going to start providing more affirmative relief of that character to meet the challenge of this problem.

I thought it was an illusion that we were following in the first place to depend upon tax cuts as they were given to give such buoyancy to this economy that prosperity would spring like Minerva from the brow of Jove for the Nation.

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. PEPPER. I yield to the gentleman from Pennsylvania.

Mr. WALKER. Mr. Chairman, I think the gentleman makes a very strong point about unemployment in this country, and I certainly want to congratulate him for speaking out as strongly as he did against unemployment.

Is the gentleman aware, however, that the effective income of poverty-level families has risen by $2,600 since 1980? Does the gentleman regard that as something which he would not be in favor of?

Mr. PEPPER. The main thing I am concerned about is the degree to which unemployment has risen and the degree to which housing is stagnating and the degree to which bankruptcy has increased and the degree to which mortgage foreclosures have increased. Those are the things that really matter.

If the gentleman will excuse me, I have such little time left.

Mr. Chairman, may I just conclude that, again, I want to commend an affirmative approach to the economic problems that we have, without waiting supinely to be helped by something that has already proven to be a groundless hope.

Mr. WALKER. Mr. Chairman, will the gentleman yield further?

Mr. PEPPER. I yield to the gentleman from Pennsylvania.

Mr. WALKER. I just wanted to say I began by agreeing with the gentleman that the unemployment situation in this country is absolutely horrendous; it is abominable. There is no doubt that we have to do what we can to begin bringing down unemployment.

But the point I was making was, the gentleman seemed to indicate that he thought there had been a number of failures, and I just wanted to find out whether or not the gentleman was aware that the effective income of proverty-level families has risen by $2,600 and that the effective income of the average working family has risen by $3,300 since 1980, which is something I would think that the gentleman would want to acknowledge as being a positive direction in the economy as well.

Mr. PEPPER. I do not know what the authority is that the gentleman suggests, but I cannot understand, with increasing unemployment, how you can say there has been any real income increase on the part of the people of this country, when everything has grown worse, not better.●

The **CHAIRMAN** pro tempore. The time of the gentleman has expired.

(On request of Mr. Walker and by unanimous consent, Mr. Pepper was allowed to proceed for 2 additional minutes.)

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. PEPPER. I yield to the gentleman from Pennsylvania.

Mr. WALKER. And of course, Mr. Chairman, we understand, and I think the gentleman would acknowledge, that three out of four of those people who are in the unemployment lines today were there as a result of the policies of his administration and his Congress; that indeed there has been some increase in the unemployment, but three out of four of the people were there when this administration took over.

Mr. PEPPER. This administration has twisted the facts and the figures, sometimes to distort the facts. But the fact is that since last summer—and by the way, it was your program that started the recession last summer—at least they were contemporaneous in occurrence.

Mr. WALKER. If the gentleman would yield——

Mr. PEPPER. No. Just a moment. What I am saying is that 2.2 percent of unemployment has occurred since last summer, and the gentleman's administration has been in power all that time.

Mr. WALKER. If the gentleman would yield further, I am a little confused by his logic there. The program that began last summer did not go into effect until October. Now, I do not understand. The gentleman admitted the recession began last summer. How is it that if it did not take place until October that it can be blamed for that period beginning in the summer?

Mr. PEPPER. I will tell you why. The business community of this country had sense enough to see that if $750 billion was going to be given away in the next 5 years in tax reduction to the well-to-do and defense expenditures were to be increased to a trillion and a third dollars, in 5 years there had to be big deficits and, therefore, they lost confidence in our situation.

Mr. WALKER. If the gentleman would yield further, I think the gentleman has not understood the point that this gentleman was making, and that is, there has been a rapid decline in inflation as a result of this administration's policies.

Mr. PEPPER. Yes, and what did this administration's Secretary of the Treasury within a week say was the cause of that decline in inflation? He said it was the recession, not your program.

Mr. EVANS of Delaware. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment of the gentleman from Massachusetts (Mr. Boland).

I am also very pleased that the urgent supplemental appropriations bill for 1982 has reached the floor of the House. I am especially pleased that the urgent supplemental appropriations bill includes an opportunity to assist an industry, a segment of our country that needs assistance very badly.

The housing industry has led us out of recession seven times since the Second World War, and it can do it again, but it needs some assistance.

My colleagues, this is the only opportunity that I can see that any of us will have to assist the housing industry, and that means assisting homebuilders and home buyers who want to achieve the American dream, and realtors and tens of thousands of craftsmen who want to go back to work. It is an opportunity to bring about economic recovery.

I think we should vote for this initiative today. I really believe that it is time to stop blaming one another for the problems that we have. They are American problems. And I think that we need to address this problem, not just because Republicans or Democrats need it, but because the American people deserve it.

☐ 1550

Mr. AuCOIN. Mr. Chairman, will the gentleman yield?

Mr. EVANS of Delaware. I yield to the gentleman from Oregon.

Mr. AuCOIN. Mr. Chairman, I appreciate the gentleman yielding.

I think all the Members of the House on the floor ought to recognize the contribution the gentleman in the well has made to getting us to the point where we are today. I want to say, as a Member who served with the gentleman for 6 years on the Housing Subcommittee, that I applaud the statesmanship he has shown in the last 24 hours.

Each of us, when we back proposals, get intensely involved in them, and we care very much about them. It is awfully easy as we get embroiled in these things, human beings that we are, to begin to forget, as I think each of us has seen, forget what the objective is as we pursue our own method of achieving that objective.

This gentleman in the well is not guilty of that. He wants to do something for housing. He had an alternative bill. He supports this alternative, and I think that is statesmanship. I think he has made a contribution, and I want to take this time to tell him so, and to tell his colleagues so.

Mr. EVANS of Delaware. I appreciate very much the gentleman's comments. I also appreciate his leadership, his support, and his friendship very much.

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. EVANS of Delaware. I yield to the gentleman from Pennsylvania.

Mr. WALKER. Mr. Chairman, I thank the gentleman for yielding. I also want to congratulate the gentleman for his leadership in beginning to get this House moving in the housing area.

I would also want to say, with the gentleman's indulgence, that I am always sorry when we get engaged in a debate, when the debate gets a little bit hot, some people pick up and leave during the course of the debate, because the point I wanted to make to the gentleman from Florida was very clear. It was the policies of the Carter administration and the Democratic Congress that brought on 75 percent of the unemployment problem we have today, and that problem was rising when this administration took over. The problem of spending and deficits was rising substantially when this administration took over, and it has caused huge deficits, and those same deficits have led the business community to have a lack of confidence in what this Congress does.

Anytime we add to that spending, the business community is going to react in a way that assures interest rates are going to continue to be a problem. The gentleman certainly recognizes this, he has spoken out many times, and I thank him for yielding.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. EVANS of Delaware. Certainly, I yield.

Mr. DICKS. Mr. Chairman, I certainly want to join my colleague from Oregon in commending the gentleman in the well, the gentleman from Delaware, for his activity in this important area. This is a housing stimulus bill. The gentleman had a proposal, and it was a stimulus bill in another way. I think it stimulated a lot of interest in the entire House on the subject of housing.

Mr. EVANS of Delaware. We focused a bit of attention on the problem.

Mr. DICKS. Yes, the gentleman did, and I think a major reason why we are here today is because of the work of the gentleman in the well, and I am glad it has produced a result that will help our country, I commend him for his work and for his leadership.

Mr. EVANS of Delaware. I thank my friend from Washington for those very kind words.

Mr. NELLIGAN. Mr. Chairman, will the gentleman yield?

Mr. EVANS of Delaware. I yield to the gentleman from Pennsylvania.

Mr. NELLIGAN. Mr. Chairman, I, too, would like to compliment the gentleman in the well for his efforts to revitalize the housing industry, and would like to associate myself with the remarks of the gentleman in the well in support of this amendment.

Mr. Chairman, I rise to salute those Members who joined with me on May 11 to help pass the Single-Family Housing Production Act of 1982. As we all know, the housing industry has fallen on hard times, with unemployment in some of the trades as high as 20 percent. While the legislation is not a panacea for all the problems confronting the housing industry, it will provide some temporary relief for homebuilders across our great country, including those in northeastern Pennsylvania, whom I am privileged to represent.

As you know, provisions of the bill, H.R. 6294, would authorize $1 billion in new Federal aid for a mortgage subsidy program which would enable qualified middle-income home buyers to obtain mortgages up to 6 percent lower than prevailing rates. Once enacted, this program could lead to construction of up to 75,000 new single-family housing units in 1982. Construction of these units could generate up to 140,000 new jobs in the troubled housing construction industry, and generate up to $1.2 billion in additional Federal, State, and local tax revenues.

The bill contains safeguards against abuse of the mortgage subsidy program by speculators. It would require participants to reimburse the Federal Treasury for the cost of subsidies in the event they sell or rent their homes.

Mr. Chairman, the housing industry is uniquely able to affect our national economy because of its multiplier effect on scores of other industries. That is why the mortgage subsidy program contained in H.R. 6294 is an important part of the economic recovery program which we are working to implement. The legislation is also important in another sense. It will help restore housing as a national priority, and it will revitalize the dream of homeownership for thousands of families who have been priced out of the market by high interest rates.

H.R. 6294 is, in its essential concept, similar to legislation introduced in the Senate by Senator Lugar. That bill, S. 2226, has already been reported by the Senate Banking Committee. It is my sincere hope that differences between the House and Senate legislation can be worked out expeditiously, so that a final version can be enacted in time to aid construction during the peak summer season. I pledge my efforts to support such a course of action, and I urge my colleagues in the House to join with me.

Mr. EVANS of Delaware. Mr. Chairman, I thank my friend, the gentleman from Pennsylvania.

Mr. LUNGREN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I hate to jump in on what appears to be a legislative love feast here about why this program absolutely has to go forward, but I think I must. I seem to hear that we are somehow going to deal with our budget problems by getting rid of the bad programs, that is, those programs we consciously created on the floor with bad intentions.

I suggest we have never created a program that has added to the deficit because of bad intentions, but in fact because of good intentions. Every time we have created a program, and authorized and appropriated its dollars, we have done it because we thought we were doing something good for our constituents and for America. Unfortunately, when we take the total together, we realize that we have promised more than we can pay.

A minute ago the gentleman from Florida said we had $24 billion that we are spending because of unemployment costs. That it does not help one student go to school or does not help pay to treat one medical problem for one of our constituents, is absolutely true. But, how about the effects of $118 billion, which is approximately what we are paying this year on interest on the national debt? The answer is, of course, obvious. Yet, what are we about to do here? We are about to embark on a program that is going to cost a billion dollars. I have yet to find, in fact, I have looked in vain for the companion bill that shows us the tax that is going to pay for this. I would like to see the Members get up and show us the specific tax they are going to levy on their constituents to pay for the program so that we can subsidize them to make purchases on housing back home.

I believe the gentleman from Delaware and the gentleman from Illinois were doing us a service when they said, if we are going to take a billion dollars to help stimulate the housing industry, let us take it out of a program that is not doing very well.

I, along with others in this body, have been accused of voting for the oil interests. Here I would love to vote against the oil interests. The Synthetic Fuels Corporation is subsidizing some corporations that have some of the greatest profits of any corporation we have in America. Yet we are afraid to deal with that here. Somehow, we say we better protect these special interests so that they may get subsidized loans and subsidized projects of synthetic fuels that may or may not be purchased by the consumer. In fact the reason we find we need to subsidize these interests is that the consumers have made a judgment that they do not want to purchase those products at present market levels. Evidently, we would rather do that and protect those so-called special interests than protect the interests of our constituents, the taxpayers back home.

I think sometime we had better deal with this basic problem here. We promised and promised; we have overpromised and overpromised. That is why we are in the difficulty we have today. How, by adding to the deficit we are going to improve market conditions for the housing industry, I do not know. I would like to get someone to tell me how.

We heard criticism a moment ago of the administration's program that, "all they have given us is cuts—cuts in spending, cuts in taxes."

Will someone cite me an economist who suggests what we need is a tax increase in the midst of a recession to improve our national economic position? I challenge you, someone come up here and show me an economist who suggests that what we have to do is increase taxes in a recession in order to help us as a country. I challenge you to show me someone who says that adding to the deficit is going to help us in our short- and long-term economic problems and especially our long-term problems with the housing industry.

Who are we fooling? We are fooling ourselves when we go home and say that we have given a shot to the housing industry when in fact all we have done is add to the deficit and add to the taxes to our people back home. How many of us are going home today and saying, "Yes, I consciously voted for an increase in taxes or I consciously voted for an increase in the deficit because that is the way to help you, particularly as we find ourselves in a recession?"

Someone asked a minute ago, what are we going to do about jobs? The best thing we could do about jobs is accelerate the tax cut that we voted into partial effect some time ago. Most economists suggest that if we had not waited to impose the tax cut we voted last year, the recession would not be as deep or as long as it is now. Yet here we are going in exactly the opposite direction.

This amendment is a symptom of the disease we have had in this Congress for far too long. With all good intentions, and I grant that, to the author of the amendment, and those who have spoken on behalf of it, we have presented another program that is going to cost either more in taxation or more in the deficit. How that is going to help long-term interest rates, I do not know.

Unfortunately, it is a shell game. We do not deal with the fundamental economic difficulties here. We say, "yes, there are fundamental problems, but we are going to merely shift the problems from one area of the economy to the other." With this amendment, we are going to help those people who want to buy new homes. But we are not going to help the other taxpayers, including those who own or wish to own homes that are not new.

Mr. PATTERSON. Mr. Chairman, will the gentleman yield?

Mr. LUNGREN. I yield to my colleague from California.

Mr. PATTERSON. Mr. Chairman, I thank the gentleman for yielding, and I know that his speech has been delivered on the floor before, but I think that had he been listening——

Mr. LUNGREN. There is some wisdom in consistency, I suggest.

The CHAIRMAN pro tempore. The time of the gentleman from California has expired.

(At the request of Mr. Patterson and by unanimous consent, Mr. Lungren was allowed to proceed for 1 additional minute.)

Mr. PATTERSON. I would point out to the gentleman that this is a program that returns to the U.S. Treasury more than it costs the Treasury. That is verifiable. I would point out to the gentleman that it will stimulate the housing industry, and it is better to stimulate than to watch them go bankrupt, as 50 percent of the homebuilders are, and with 20 percent unemployment in the building trades.

Mr. LUNGREN. I would suggest to the gentleman that we have heard comments on the floor time and time again, program after program, that the return to the Government is going to be far greater. If that were true, that is not how you build up a trillion-dollar deficit.

Mr. PATTERSON. I suppose there are certain arguments that just go on and on, but I think the gentleman should be aware of the fact that the recovery of the housing industry will be the stimulus that is needed by this country, whether you are a Republican, whether you are a Democrat, and whatever your belief, conservative or liberal. I would suggest to the gentleman that this is not a liberal spending program, that this is an investment in the American dream, and it is different than those types of payments that are directly out of the Treasury, that return nothing back to the Treasury. I thank the gentleman for yielding to me.

□ 1600

The CHAIRMAN. The time of the gentleman from California (Mr. Lungren) has expired.

(By unanimous consent, Mr. Lungren was allowed to proceed for 1 additional minute.)

Mr. LUNGREN. Mr. Chairman, with the gentleman's expressed sentiments, I wonder why the gentleman was reluctant to support the Corcoran-Evans program. Are we making a commitment to the destiny of America and the dreams of American citizens to subsidize major oil companies so that they may be investing in synthetic fuel investigation programs that they are not willing to invest their own dollars in?

Mr. PATTERSON. Mr. Chairman, will the gentleman yield?

Mr. LUNGREN. I am happy to yield to the gentleman from California.

Mr. PATTERSON. Mr. Chairman, I think that any major oil company would look at my voting record and have quite a difficult time finding any support by me of the major oil companies.

Mr. LUNGREN. That is not the question.

Mr. PATTERSON. As a matter of fact, I filed a suit against the so-called Seven Sisters at a time when they were price fixing.

Mr. LUNGREN. I appreciate that. I just wish that the gentleman were consistent in his approach to the present issue.

Mr. PATTERSON. The approach to which the gentleman refers is really not germane to the amendment on the floor. But to the extent that the gentleman wants to get $1 billion out of the synthetic fuels trust fund, the fact is that is budget authority, not budget outlay. You cannot build homes with authority; you have to have outlay.

Mr. WILLIAMS of Montana. Mr. Chairman, this amendment is needed. It is needed to help get the housing industry off its knees; it is needed to put our construction and timber workers back on the job; it is needed to assist first-time home buyers; and it is needed as a relief, however artificial, to these high interest rates.

Mr. Chairman, not every Member of this House agrees about the severity of the recession. A Republican Member has just informed us that the depth of the recession is overstated. Most of us do not agree.

Not every Member of the House agrees about how the Nation got into the current economic quicksand. Many of us believe that the administration's supply-side experiment has allowed America's workers to trickle down into the quicksand of joblessness.

Regardless of how we got here, we need to get out. My fellow Montanans—employer and employee—have suffered enough. One of the major counties in the western district, Lincoln County, has an unemployment rate of more than 35 percent. Many other timber related counties which depend on a vital housing industry need help—and they need it right now.

I encourage my colleagues to pass this amendment.

● Mr. ROYBAL. Mr. Chairman, I rise in support of the Boland, Patterson, and AuCoin amendment to H.R. 5922, to provide $1 billion for the Single Family Housing Production Act of 1982 which I cosponsored and was passed yesterday by this House. This legislation could not be more needed than now. Today many young and old persons are being devastated by the near catastrophic housing crisis being experienced by this country. Young families cannot afford to own a home because of the high interest rates even when both parents are working. Senior citizens, generally elderly widows, are forced to live in progressively deteriorating homes because they cannot sell their homes and cannot afford to maintain them.

During the past decade housing has emerged as one of our most critical public policy concerns. Since 1974, the cost of new housing has jumped by a rate of over 85 percent, and the increase in average family income has gone up by 48 percent over the same period.

Furthermore, the housing industry has been hit with rising fluctuations in interest rates. The uncertainty of such fluctuations has made planning virtually impossible, and the construction of new housing extremely risky. Consequently, few new units have been built by the private housing industry.

The $1 billion we are appropriating today will provide up to 74,000 first time homebuyers with the needed assistance to acquire a home in which to raise their families. This assistance also keeps this Congress from reneging on the goal set in 1949 to provide a decent home and suitable living environment for every American family.

It also addresses a very serious situation that has been developing where only the wealthy are able to own homes and are the only ones able to achieve this "American dream."

The funds we are providing in this amendment not only assist the housing industry which is on the verge of collapse and the thousands of men and women who are unemployed, but also many young families wishing to purchase a home and plan for their future.

I want to commend the authors of this amendment, the able chairman of the Housing Committee, Mr. Boland, and my colleagues Mr. Patterson and Mr. AuCoin for their sensitivity to the housing needs of Americans and for having the courage to act on alleviating these needs.

I urge all my colleagues to join me in voting for this amendment.●

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Massachusetts (Mr. Boland).

The question was taken; and the chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. BOLAND. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 343, noes 67, not voting 22, as follows:

[Roll No. 71]

AYES—343

Addabbo
Akaka
Albosta
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Archer
Aspin
Atkinson
AuCoin
Bafalis
Bailey (MO)
Bailey (PA)
Barnard
Barnes
Beard
Bedell
Benedict
Benjamin
Bennett
Bereuter
Bevill
Biaggi
Bingham
Blanchard
Bliley
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown (CA)
Burgener
Burton, Phillip
Byron
Carman
Carney
Chappell
Chisholm
Clausen
Clay
Coats
Coelho
Coleman
Collins (IL)
Conte
Conyers
Coughlin
Courter
Coyne, James
Coyne, William
Craig
Crockett
D'Amours
Daniel, Dan
Daniel, R. W.
Daschle
Daub
Davis
de la Garza
Deckard
Dellums
DeNardis
Derrick
Derwinski
Dickinson
Dicks
Dingell
Dixon
Dorgan
Dougherty
Dowdy
Downey
Duncan
Dunn
Dwyer
Dyson
Eckart
Edgar
Edwards (AL)
Edwards (CA)
Edwards (OK)
Emerson
Emery
English
Erdahl
Ertel
Evans (DE)
Evans (GA)
Evans (IA)
Evans (IN)
Fary
Fazio
Ferraro
Fiedler
Fields
Findley
Fish
Fithian
Flippo
Florio
Foley
Ford (MI)
Forsythe
Fountain
Fowler
Frank
Frost
Fuqua
Garcia
Gaydos
Gejdenson
Gilman
Gingrich
Glickman
Gonzalez
Gore
Gray
Guarini
Gunderson
Hall (OH)
Hall, Ralph
Hall, Sam
Hamilton
Hammerschmidt
Harkin
Hatcher
Heckler
Hefner
Hendon
Hertel
Hightower
Hiler
Hillis
Holland
Hollenbeck
Hopkins
Horton
Howard
Hoyer
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ireland
Jacobs
Jeffords
Jenkins
Jones (NC)
Jones (OK)
Jones (TN)
Kastenmeier
Kazen
Kennelly
Kildee
Kindness
Kogovsek
LaFalce
Lagomarsino
Lantos
Leach
LeBoutillier
Lee
Lehman
Leland
Lent
Levitas
Lewis
Loeffler
Long (LA)
Lott
Lowery (CA)
Lowry (WA)
Lujan
Luken
Lundine
Madigan
Markey
Marks
Marlenee
Marriott
Martin (NC)
Martin (NY)
Matsui
Mavroules
Mazzoli
McClory
McCollum
McCurdy
McDade
McEwen
McGrath
McHugh
McKinney
Mica
Miller (CA)
Mineta
Minish
Mitchell (MD)
Mitchell (NY)
Moakley
Moffett
Molinari
Mollohan
Montgomery
Moore
Morrison
Mottl
Murphy
Murtha
Myers
Napier
Natcher
Nelligan
Nelson
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Oxley
Panetta
Parris
Pashayan
Patman
Patterson
Pease
Pepper
Perkins
Peyser
Pickle
Porter
Price
Pritchard
Pursell
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Richmond
Rinaldo
Ritter
Roberts (SD)
Robinson
Rodino
Roe
Rogers
Rose
Rosenthal
Rostenkowski
Roth
Roybal
Russo
Sabo
Santini
Savage
Sawyer
Scheuer
Schroeder
Schulze
Schumer
Seiberling
Sensenbrenner
Shamansky
Shannon
Sharp
Shelby
Shuster
Siljander
Simon
Skelton
Smith (AL)
Smith (IA)
Smith (NE)
Smith (NJ)
Smith (OR)
Snowe
Solarz
Solomon
Spence
St Germain
Stangeland
Stark
Staton
Stokes
Stratton
Studds
Swift
Synar
Tauke
Tauzin
Thomas
Traxler
Trible
Udall
Vander Jagt
Vento
Volkmer
Walgren
Wampler
Washington
Watkins
Waxman
Weaver
Weber (OH)
Weiss
White
Whitehurst
Whitley
Whitten
Williams (MT)
Williams (OH)
Wilson
Winn
Wirth
Wolf
Wolpe
Wortley
Wright
Wyden
Wylie
Yates
Yatron
Young (FL)
Young (MO)
Zablocki
Zeferetti

NOES—67

Badham
Beilenson
Bethune
Brown (CO)
Broyhill
Butler
Chapple
Cheney
Clinger
Collins (TX)
Conable
Corcoran
Crane, Daniel
Crane, Philip
Dannemeyer
Donnelly
Dornan
Early
Erlenborn
Fascell
Frenzel
Gephardt
Gibbons
Goodling
Gradison
Gramm
Green
Gregg
Hagedorn
Hance
Hansen (ID)
Hartnett
Holt
Hunter
Jeffries
Johnston
Kemp
Kramer
Latta
Leath
Long (MD)
Lungren
Martin (IL)
McDonald
Michel
Miller (OH)
Moorhead
Nichols
Paul
Petri
Rhodes
Roberts (KS)
Roemer
Roukema
Rousselot
Rudd
Shaw
Shumway
Skeen
Snyder
Stenholm
Stump
Taylor
Walker
Weber (MN)
Whittaker
Young (AK)

NOT VOTING—22

Brown (OH)
Burton, John
Campbell
Dreier
Dymally
Fenwick
Foglietta
Ford (TN)
Ginn
Goldwater
Grisham
Hansen (UT)
Hawkins
Heftel
Livingston
Mattox
McCloskey
Mikulski
Neal
Schneider
Smith (PA)
Stanton

□ 1620

Mr. ERTEL and Mr. OXLEY changed their votes from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. WALKER

Mr. WALKER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Walker: On page 7, after line 18, insert the following:

No funds appropriated under title I, chapter II of this act shall be expended in violation of section 7 of Public Law 95-435.

Mr. WHITTEN. Mr. Chairman, I reserve a point of order on the amendment.

Mr. WALKER. Mr. Chairman, the amendment I am offering is a strict limitation of funds. It applies directly to the chapter of the bill where we are right now. It relates directly to the following point. Let me quote the language from Public Law 95-435 that is mentioned in my amendment. Public Law 95-435, in section 7, states the following:

> Beginning with the fiscal year 1981, the total budget outlays of the Federal Government shall not exceed its receipts.

In other words, Mr. Chairman, in Public Law 95-435 we said very clearly in 1978 that this Government should operate under a balanced budget.

What we are saying in this amendment is that we should not be expending money which does not meet the mandates of the law. We are required by law to operate under a balanced budget. This amendment says that we must live up to what we determined to be in the best national interest back in 1978.

We have been ignoring our obligations to the law. The law is clear. We have been negligent. Negligence was somewhat supportable during a period of time when what we were doing in this House was moving toward reducing Government growth. We seemed to be going in the right direction. We were trying, as best we could, to begin to bring Government spending under control.

But this bill, particularly in the section to which my amendment refers, has provisions which show clearly that this House is abandoning those efforts and is going back to trying to solve our problems with more and more spending.

However, let us remember that spending is the problem. When we talk about the housing industry, as we have for the last half hour or so on this floor, they are the victims of spending. They are the victims of seeing huge deficits rise as we have spent too much money. And as those deficits have gone up, so have interest rates. As the Federal Government has competed for the money, interest rates have soared. Therefore, the very best policy is the one that we said should be the national policy when we first enacted this law back in 1978, and that is a law which says clearly that we must balance our budget.

We hear it said all the time on this floor that deficits are bad, that deficits cannot be defended. OK. Now is the time to see whether or not we are really going to stand up for what we have been saying. If deficits are bad, if deficits are unacceptable, if deficits have done great harm to this country, then what we should be doing is saying that it is time to adhere to the law and balance our budget. And here the choice is going to be very clear for every Member of this House. We can either vote to support the law, vote to support balanced budgets, vote to support the balanced budget concept, or abandon that and say clearly to the American people that we do not think a balanced budget is in the best national interest, that we do not think that the housing industry would benefit from a balanced budget, that we do not think that the deficits do create problems for interest rates. You are going to be asked in this vote to say one way or the other: Are you for a balanced budget, or are you against a balanced budget? Because what you will be saying, if you vote against this amendment, you will be saying clearly that we are abandoning all efforts to achieve a balanced budget that is mandated under law today.

I would hope, Mr. Chairman, that this amendment would be approved. Nothing would do more to help the housing industry. Nothing would be more welcome by the American people. Nothing would bring down interest rates faster, and nothing would send a clearer signal that we mean what we say, that the law of the land says that we must have a balanced budget and we mean to uphold that law.

The CHAIRMAN. Does the gentleman from Mississippi (Mr. WHITTEN) wish to be heard on his point of order?

Mr. WHITTEN. Mr. Chairman, I withdraw the point of order, and I rise in opposition to the amendment.

Mr. Chairman, I have always advocated working toward a balanced budget. We need a balanced budget, but we must recognize that this country is going to have ups and downs. We should end up with a general balanced budget and not prohibit ourselves from meeting problems which will arise.

Many people urge a constitutional amendment. Many forget that a constitutional amendment would probably be debated in the various States for 4 or 5 years.

Too, we must have government income to meet essential needs and interest on the existing debts. To do that, we must have productive work instead of paying another $24 billion in unemployment compensation. The point is we must balance the budget at a high level—we cannot afford to balance at a low level and meet present obligations.

I recall some years ago someone said Ethiopia was a country which had a balanced budget. It did not owe a dollar—nor have one either.

I point out to my colleagues that the gentlemen's amendment would undo what you just did and prevent you from spending a dollar to set the housing industry on the road to recovery. It has the effect of striking out the housing provision. It has the effect of striking out the EPA provision for waste water treatment. You would just undo what you did and we would be helpless to begin to get domestic industries back to work. To strike these two provisions as the amendment would do—would leave the budget more unbalanced within a few months.

□ 1630

That just shows us what we can do where it sounds good. I ask my colleagues to vote against this amendment. I repeat again we need to strive toward a balanced budget to restore stability in business so that trade can recover, but we better had level it off where we can handle the debt we already owe.

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Pennsylvania.

Mr. WALKER. I thank the gentleman for yielding. I wonder if the gentleman is saying that the vote that he cast on this provision of law was the wrong vote back in 1978?

The gentleman voted in favor of instructing conferees to produce this balanced budget law back in 1978. The gentleman seems to be saying now that was not——

Mr. WHITTEN. Back in 1978 it was far different from today and it could be that vote was justified at the time. The budget situation now is much worse because the windfall profit tax forgiveness and tax credit purchases did not work out as the administration hoped. But even if we did it then it certainly is out of line now and I would vote to repeal it if I had the chance now in order to save the programs funded in this chapter. Whatever mistakes were made back then, if any, I am ready to correct them today under present conditions.

Mr. VOLKMER. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Missouri.

Mr. VOLKMER. I thank the gentleman for yielding.

I would like to inquire. As I understand the amendment, it only applies to a small part, one title of the bill, is that not correct?

Mr. WHITTEN. Yes, it applies only to title I, chapter 2.

Mr. GREEN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise simply to point out that the effect of the amendment that is on the floor would be to prevent moving forward with the waste water treatment program, because the $2.4 billion for that program is in the chapter that is covered by this amendment.

Over 30 States are already facing a situation where they have run out of funds to keep this program moving

forward. It is a very important environmental program. Obviously at a time of high unemployment the construction activity would be a very desirable shot in the arm for the economy, and, while I commend my colleague from Pennsylvania for his concern for a balanced budget, I must say that to single out this particular chapter from all of the spending that this Congress does and to grind this waste water treatment program to a halt would, in my mind, be a terrible mistake. I therefore urge that the amendment be defeated.

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. GREEN. I yield to the gentleman from Pennsylvania.

Mr. WALKER. I thank the gentleman for yielding.

Is the gentleman saying that the waste water treatment is under the HUD provisions that are in this bill?

Mr. GREEN. Yes, sir, waste water treatment is part of the HUD and independent agencies provisions in the bill.

Mr. WALKER. I would have to agree with the gentleman that would indeed be covered by this, although I would point out to people that some of the abuses that have taken place under the section 8 program of HUD would also be covered by this language and, therefore, some Members may want to evaluate that.

I would ask the gentleman further if this amendment were to cover the whole bill would the gentleman be more in favor of it at that point?

Mr. GREEN. No; and I suspect the gentleman would garner a few more opponents of the amendment if the gentleman were to do that.

If I may conclude, I would simply like to point out that the $2.4 billion appropriation was requested by the Reagan administration and that, therefore, the effect of the gentleman's amendment would be to defeat a spending program that the administration wants.

Mr. BOLAND. Mr. Chairman, will the gentleman yield?

Mr. GREEN. I yield to the gentleman from Massachusetts.

Mr. BOLAND. I thank the gentleman for yielding.

I want to echo what the gentleman from New York has indicated. This amendment, of course, would affect the EPA waste water treatment construction grants program, the $2.4 billion. But it would not affect the section 8 housing program. That money has been provided for in another act. It would affect the billion dollars that is provided for the Government National Mortgage Association. It would also affect the amendment for $1 billion for housing production assistance that was adopted just a moment ago by a 5 to 1 vote.

Mr. LEVITAS. Mr. Chairman, I move to strike the requisite number of words.

And I do so, first, to make certain inquiries of the gentleman from Pennsylvania.

The first is, if the gentleman supports the amendment with respect to this provision of this bill, why should it apply not only to this section of this bill but to every other appropriations bill that we consider?

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. LEVITAS. I yield to the gentleman from Pennsylvania.

Mr. WALKER. I think that maybe we may want to do that from now on in. We may want to look at this amendment as being a potential to put on a number of appropriations bills just to assure that there are some teeth in the law that we passed back in 1978, and all we would be doing is saying sure, the spending can go forward but it should go forward under the concept of a balanced budget. I would say to the gentleman that that is something that we may well want to consider.

I think that the reasons for putting it in this bill at this point is simply because many of the homebuilders I talk to, most of the people in the real estate and housing industry I talk to, tell me flatly that the best thing for them would be to have a balanced Federal budget.

Mr. LEVITAS. Let me reclaim my time so I can pursue this a little further.

If we were to offer it on the other appropriations bills, and maybe that is a splendid way we can cut short all of the other discussions in the Budget Committee or on the constitutional amendment for a balanced budget, which I support—but President Reagan has submitted a budget to the Congress that has about a $130 billion deficit in it, which would mean that the gentleman could not support the President's budget because it is $130 billion out of balance for next year and over $100 billion red ink this year, according to his own proposal.

I wonder how the gentleman would deal with the President's budget.

Mr. WALKER. I must say that this gentleman is appalled by those high deficits in the President's budget. I have said so often on this floor. So what I am saying is that maybe what we ought to be considering is instead of considering various people's budget deficits in the $100 billion range, we ought to be considering a balanced budget, which is what I have brought to the floor today. Here is a chance, we either vote for a balanced budget or we vote against a balanced budget starting right now.

Mr. LEVITAS. I would like to conclude, Mr. Chairman, by making two observations.

I think that this may be one of the most expeditious ways of shortening the session of this Congress if it were adopted, assuming it had some effect.

What troubles me is that I am not sure it will, Mr. Chairman, have any effect, and that is I wonder if the gentleman could address that.

Any legislation which is passed subsequent to the bill that was enacted in 1978, by being a subsequent enactment, repeals to that extent the legislation that was passed in 1978. So if Congress were to give lip service to the 1978 legislation and then passed this bill on final passage, it could have the effect of giving or taking with one hand and giving back with the other and the only way really to accomplish the purpose would be to defeat every spending measure that goes over a balanced budget.

Mr. WALKER. I think the gentleman is absolutely right. You see all we said in 1978—and we said this with the concurrence of a large number of people on the gentleman's side of the aisle. All we said was beginning in fiscal year 1981, the total budget outlays of the Federal Government shall not exceed its receipts. We made that flat statement and we have not put any teeth into it since 1981.

This is the first opportunity this House has had to put some teeth in what we said back then and what I am saying is we will find out now whether or not this House is willing to stand up for what we said was in the best national interest when we enacted this law in 1978.

Mr. LEVITAS. My last question is this. Does the gentleman know whether President Reagan, Secretary Regan, and OMB Director David Stockman support this, in light of the fact that they have submitted a $130 billion deficit?

Mr. WALKER. If the gentleman will continue to yield, I have no idea whether or not they support it. I assume that they would have many problems with this.

Mr. LEVITAS. I would think so.

Mr. WALKER. But this gentleman thinks that it is high time they be sent a message that this House wants a balanced budget.

Mr. KAZEN. Mr. Chairman, will the gentleman yield?

Mr. LEVITAS. I yield to the gentleman from Texas.

Mr. KAZEN. I thank the gentleman for yielding.

I ask the gentleman to yield for the purpose of clarification.

Do I understand that the gentleman wants to cut $138 billion from expenditures this year? Is that what the gentleman is proposing? Because that is what it would take to balance the budget.

Mr. WALKER. If the gentleman will yield, this amendment makes no pretense of that whatever. That is the gentleman from Georgia.

□ 1640

Mr. CONTE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I oppose the amendment.

Mr. Chairman, section 7 was added to an amendment to the Bretton Woods Agreement Act to authorize the United States to participate in supplementing the financing facility of the International Monetary Fund. Section 7 of the amendment to the Bretton Woods Agreement Act says that beginning with fiscal year 1981, the total budget outlays of the Federal Government shall not exceed its receipts.

Section 7 applies to total outlays and the total receipts, and does not and could not apply in any way to the outlays of one or several agencies of the Federal Government.

The amendment of the gentleman from Pennsylvania is imaginative. It is amusing, but it is totally inoperative. What it does point out is the goofy things that this Congress can do. I imagine after today there are going to be people bringing suits against the Federal Government for violating the law. The gentleman has done a good service to the country. I wish the gentleman would withdraw the amendment, because section 7 does not apply to several agencies. It applies to the total Government.

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. CONTE. Surely.

Mr. WALKER. Well, we can handle this if we were willing to stand up and repeal this law. I wonder if the leadership of this House is willing to come forward and try to repeal the law which requires a balanced budget. If they are, why do they not bring that kind of a bill out on the floor, because I doubt that they would be willing to do so. We could handle the gentleman's problems with it by taking that kind of step; but as long as it is the law of the land, I think it is high time that we begin adhering to the law of the land and that is what I am trying to do.

Mr. CONTE. This amendment applies only to this chapter. We could not know when we have one chapter whether we have violated the outlays for the fiscal year for the Federal Government.

The way to do it, and I hate to give the gentleman all these ideas, is to bring suit against the Federal Government that the Government has violated section 7 of Public Law 95-435. And the gentleman is going to be a hero. He will be elected for life.

I hope the amendment is defeated.

Mr. ROUSSELOT. Mr. Chairman, I move to strike the requisite number of words.

First of all, I, too, along with my colleague, the gentleman from Massachusetts, am very intrigued with this amendment, because all our colleague is trying to do is abide by the law that we passed in this House and an awful lot of Members in this House voted for section 7 of this bill.

Now, the gentleman brings up the point that it was attached to some other foreign aid giveaway and I remember it very well. Some of us had a hard time with that, because it was attached to that bill; but I can think of no more appropriate place than now. This is a supplemental bill, which means extra spending above and beyond what we talked about before in our appropriations bill.

I know that the gentleman from Massachusetts and the gentleman from Mississippi have tried awfully hard to get this Congress to live within its means. They have just tried over and over again.

I think this is a wonderful opportunity in this one chapter. We are just taking a little bitty bit of the Federal Government to try to slow it down in overspending.

Now, do I understand my colleague to tell me that the gentleman is only trying to get us to obey the law as it relates to this one chapter? The gentleman is not trying to gut the housing program?

Mr. WALKER. Mr. Chairman, if the gentleman will yield, I will say to the gentleman that what we are trying to do is make certain that this one chapter of this bill complies with the balanced budget and insofar as it affects the spending of the programs identified in that chapter, yes, indeed, it would probably keep them from spending that money because my guess is at the present time that this Government is not in compliance with a balanced budget; so, therefore, we are going to have problems spending any money under that chapter if this amendment is passed; but I would say to my colleague as well, what we have to remember is that within this chapter we have added a big new spending program here today.

Mr. ROUSSELOT. Oh, I remember that.

Mr. WALKER. We have added a billion-dollar spending program here today and it would also prevent us from spending money for that big new spending program as well, in violation of a balanced budget.

Mr. ROUSSELOT. So it does slow down that extra billion dollars that was just stuffed in here a minute ago?

Mr. WALKER. I do not think there is any doubt about that, I would say to the gentleman.

Mr. PASHAYAN. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to my other colleague, the gentleman from California.

Mr. PASHAYAN. Mr. Chairman, I should just like to say, and it is perhaps at this moment not exactly safe to say, but as the author of section 3 of the Bretton Woods Act Amendments of 1980 (Public Law 96-389), which reaffirms section 7, I thank the gentleman very much for his kind words. I appreciate the efforts of the gentleman from Pennsylvania.

Actually, it is the law that this Government balance the budget. I should not be surprised if some organization might bring a lawsuit, which would be interesting.

Mr. CONTE. Mr. Chairman, would the gentleman yield to me?

Mr. ROUSSELOT. The gentleman from Massachusetts wants me to yield to him?

Mr. CONTE. Well, I say to my good friend, yes.

Mr. ROUSSELOT. I would be delighted to yield to my colleague, the gentleman from Massachusetts.

Mr. CONTE. Beautiful, beautiful.

Mr. ROUSSELOT. I know the gentleman has worked hard to keep these extra deficits down and here is a chance to help out.

Mr. CONTE. The gentleman from California was here yesterday, was he not?

Mr. ROUSSELOT. Yes, I was.

Mr. CONTE. The gentleman voted to stuff that billion dollars in here?

Mr. ROUSSELOT. No. I voted today not to stuff it.

Mr. CONTE. But yesterday.

Mr. ROUSSELOT. I made a mistake.

Mr. CONTE. How did the gentleman vote yesterday?

Mr. ROUSSELOT. I want to remind my colleague, the gentleman taught me a long time ago that the place the real money is spent is in an appropriation bill and that is where we really catch it is here, right now. I learned that from the gentleman from Massachusetts.

Mr. CONTE. That is right.

Mr. ROUSSELOT. Now I yield to my colleague, the gentleman from Massachusetts (Mr. WALKER).

Mr. WALKER. Well, I thank the gentleman for yielding, because I think the point needs to be made here that there are a lot of people who may have voted yesterday for the bill and even voted today for the bill, who may want to vote for this amendment, because it is a question of choices. Which choice do you choose in terms of helping the housing industry? Do you choose a billion-dollar bailout bill or do you choose to balance the budget, and by balancing the budget bringing down interest and bringing down deficits?

I think that most of the real estate people and most of the housing people will tell us flatly they prefer the latter course. That is what this particular amendment does. I think it is clearly

the choice. Given that kind of choice, I think a lot of people will decide that a balanced budget is better than a big new spending program.

Mr. MITCHELL of Maryland. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I will in just a minute.

My colleague, the gentleman from Pennsylvania, has stated it very correctly. The builders of this country, the real estate people and others have said and have come in here to say to us, "Please balance the budget," because every time we add to the deficit substantially, we take away in the marketplace money that could go for housing and for other things, and so all my colleague is trying to do is take one little part of this extra supplemental bill and try to get us to comply with the law.

Now I will yield to my colleague, the gentleman from Maryland, because I know the gentleman is a strong supporter of a balanced budget, at least the gentleman always tells me that.

Mr. MITCHELL of Maryland. I thank my colleague for yielding. The gentleman knows he has my undying loyalty and support.

I really was curious about the health and well-being of the maker of the amendment. He was just hit in the head with a microphone.

Mr. ROUSSELOT. He is OK.

Mr. MITCHELL of Maryland. Was he injured in any way?

Mr. ROUSSELOT. No. I hit him very softly.

Mr. MITCHELL of Maryland. Will the gentleman continue to yield to me?

Mr. ROUSSELOT. Surely.

The CHAIRMAN. The time of the gentleman from California has expired.

(By unanimous consent, Mr. ROUSSELOT was allowed to proceed for 2 additional minutes.)

Mr. ROUSSELOT. Now I yield to my distinguished colleague, the gentleman from Maryland.

Mr. MITCHELL of Maryland. I certainly would not want to pursue this. I hope the amendment is voted down. I do not believe that we ought to bring these amendments on the floor without consulting with the President, Mr. Meese, David Stockman, and others, who are the architects of the economic policy of this Nation and if for no other reason than out of respect for the administration, I would urge defeat of the amendment.

Mr. ROUSSELOT. Well, the President, I will tell my colleague, supports a balanced budget as soon as we can get there. We are just trying to help him out.

Mr. MITCHELL of Maryland. Well, will you send a signal to him?

Mr. ROUSSELOT. He favors a constitutional amendment for a balanced budget. Does the gentleman want to join us in that?

Mr. MITCHELL of Maryland. I want to clear up David Stockman, too, and the whole group.

Mr. PHILIP M. CRANE. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I would be glad to yield to my colleague, the gentleman from Illinois.

Mr. PHILIP M. CRANE. I thank my colleague for yielding.

I just would like to clarify a point. There was some misunderstanding, it seems to me, to refer to the administration as being the architect of spending. All money bills originate in this body. That means all taxing, all spending, all public policy, and all arrangements of priorities must originate in this body, not in the Senate and certainly not in the White House. We are the ones to make the decisions. The President's function is to execute them faithfully. If he fails to live up to that mandate, he is subject to impeachment by this body, too.

So I think there is a little bit of confusion in the discussion of spending. We are the ones that have sole responsibility for spending in this country.

Mr. ROUSSELOT. And we learned that from our colleague, the gentleman from Massachusetts, who has always said that.

Now I yield to my colleague, the gentleman from Georgia.

Mr. GINGRICH. Mr. Chairman, I voted for the $1 billion program. I think if we are going to have a budget deficit, that housing is an area that we ought to spend money on.

At the same time I am going to vote for this amendment, because I have no doubt that every builder and every realtor in this country, if given a choice between this Congress balancing the budget and bringing down interest rates or this Congress spending wildly, would choose to bring down the interest rates and to balance the budget. I would cheerfully be willing to see any of my colleagues to the left who would like to go to the realtors and ask them about that.

□ 1650

Mr. PATTERSON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I will not use my 5 minutes.

Mr. Chairman, if this amendment is adopted, it wipes out everything in housing in the supplemental appropriations bill, including the amendment just adopted by my colleagues by an overwhelming vote. It wipes out that vote. It wipes out yesterday's vote. It eliminates other necessary things for housing. As a matter of fact, it comes about $160 billion short of balancing the budget, and, as a matter of fact, it lays all the problems, all the responsibility to balance the budget, on one industry, the industry hardest hit by the recession and the one that is going to get us out of this mess, and that is the housing industry.

I urge strongly a no vote on this very bad amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. WALKER).

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. WALKER. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 132, noes 276, not voting 24, as follows:

[Roll No. 72]

AYES—132

Archer
Atkinson
Badham
Bafalis
Bailey (MO)
Barnard
Benedict
Benjamin
Bliley
Broomfield
Brown (CO)
Broyhill
Burgener
Butler
Carman
Chappie
Cheney
Clinger
Coats
Coleman
Collins (TX)
Corcoran
Coyne, James
Craig
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Dannemeyer
Daub
Derwinski
Dornan
Dunn
Edwards (OK)
Emerson
English
Erlenborn
Fiedler
Fields
Fowler
Frenzel
Gingrich
Goodling
Gradison

Gramm
Gregg
Gunderson
Hammerschmidt
Hance
Hansen (ID)
Hartnett
Hendon
Hiler
Hillis
Holt
Hopkins
Hunter
Ireland
Jacobs
Jeffries
Jenkins
Johnston
Kramer
Lagomarsino
Latta
LeBoutillier
Lee
Lent
Levitas
Lewis
Loeffler
Lott
Lowery (CA)
Lujan
Lungren
Madigan
Martin (IL)
Martin (NC)
Martin (NY)
McClory
McCollum
McCurdy
McDonald
McEwen
Michel
Miller (OH)
Moorhead
Myers

Natcher
Oxley
Parris
Pashayan
Paul
Petri
Pickle
Pursell
Rhodes
Ritter
Roberts (KS)
Roberts (SD)
Robinson
Rousselot
Rudd
Russo
Schulze
Sensenbrenner
Shaw
Shumway
Shuster
Siljander
Skeen
Smith (NE)
Smith (OR)
Snyder
Solomon
Spence
Staton
Stenholm
Stump
Taylor
Thomas
Vander Jagt
Walker
Wampler
Weber (MN)
Whitehurst
Whittaker
Winn
Wolf
Wortley
Wylie
Young (FL)

NOES—276

Addabbo
Akaka
Albosta
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Aspin
AuCoin
Bailey (PA)
Barnes
Beard
Bedell
Beilenson
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs

Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Brinkley
Brodhead
Brooks
Brown (CA)
Burton, Phillip
Byron
Carney
Chappell
Chisholm
Clausen
Clay
Coelho
Collins (IL)
Conable
Conte
Conyers
Coughlin

Courter
Coyne, William
Crockett
D'Amours
Daschle
Davis
de la Garza
Deckard
Dellums
DeNardis
Derrick
Dickinson
Dicks
Dingell
Dixon
Donnelly
Dorgan
Dougherty
Dowdy
Downey
Duncan
Dwyer
Dyson
Early

Eckart
Edgar
Edwards (AL)
Edwards (CA)
Emery
Erdahl
Ertel
Evans (DE)
Evans (GA)
Evans (IA)
Evans (IN)
Fary
Fascell
Fazio
Ferraro
Findley
Fish
Fithian
Flippo
Florio
Foley
Ford (MI)
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Forsythe
Fountain
Frank
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Garcia
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Gilman
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Gore
Green
Guarini
Hagedorn
Hall (OH)
Hall, Ralph
Hall, Sam
Hamilton
Harkin
Hatcher
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Hefner
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Hightower
Holland
Hollenbeck
Horton
Howard
Hoyer
Hubbard
Huckaby
Hughes
Hutto
Hyde
Jeffords
Jones (NC)
Jones (OK)
Jones (TN)
Kastenmeier
Kazen
Kemp
Kennelly
Kildee
Kindness
Kogovsek
Lantos
Leach
Leath
Lehman
Leland
Long (LA)
Long (MD)
Lowry (WA)
Luken
Lundine
Markey
Marks
Marlenee
Marriott
Matsui
Mavroules
Mazzoli
McDade
McGrath
McHugh
McKinney
Mica
Miller (CA)
Mineta
Minish
Mitchell (MD)
Mitchell (NY)
Moakley
Moffett
Molinari
Mollohan
Montgomery
Moore
Morrison
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Murphy
Murtha
Napier
Nelligan
Nelson
Nichols
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Patman
Patterson
Pease
Pepper
Perkins
Peyser
Porter
Price
Pritchard
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Richmond
Rinaldo
Rodino
Roe
Roemer
Rogers
Rose
Rosenthal
Rostenkowski
Roth
Roukema
Roybal
Sabo
Santini
Savage
Sawyer
Scheuer
Schroeder
Schumer
Seiberling
Shamansky
Shannon
Sharp
Shelby
Simon
Skelton
Smith (AL)
Smith (IA)
Smith (NJ)
Snowe
Solarz
St Germain
Stangeland
Stark
Stokes
Stratton
Studds
Swift
Synar
Tauke
Tauzin
Traxler
Tribble
Udall
Vento
Volkmer
Walgren
Washington
Watkins
Waxman
Weaver
Weber (OH)
Weiss
White
Whitley
Whitten
Williams (MT)
Williams (OH)
Wilson
Wirth
Wolpe
Wright
Wyden
Yates
Yatron
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Young (MO)
Zablocki
Zeferetti

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Breaux
Brown (OH)
Burton, John
Campbell
Dreier
Dymally
Fenwick
Foglietta
Ginn
Goldwater
Gray
Grisham
Hansen (UT)
Hawkins
Heftel
LaFalce
Livingston
Mattox
McCloskey
Mikulski
Neal
Schneider
Smith (PA)
Stanton

□ 1700

Messrs. PORTER, ERDAHL, BETHUNE, NAPIER, BONER of Tennessee, and D'AMOURS changed their votes from "aye" to "no."

Messrs. COLEMAN, DUNN, CLINGER, HILLIS, FRENZEL, and BUTLER changed their votes from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

□ 1710

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

INDEPENDENT AGENCY

ENVIRONMENTAL PROTECTION AGENCY

CONSTRUCTION GRANTS

For necessary expenses to carry out title II of the Federal Water Pollution Control Act, as amended, other than sections 201(m), 206, 208, and 209, $2,400,000,000, including grants for biological treatment facilities to repair or replace small community systems where determined to be necessary, to remain available until expended: *Provided*, That nothing herein shall prohibit any project specified in section 201(m) from receiving a grant under section 201(g), in compliance with all relevant procedures under title II of the Federal Water Pollution Control Act, as amended, and paid from funds allotted to the State by section 205 and appropriated by this Act.

AMENDMENT OFFERED BY MR. WINN

Mr. WINN. Mr Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Winn: Page 8, line 2, after "expended:" insert the following: "*Provided*, That of such amount, $3,965,426 in additional funds (the amount which was withheld from the State of Kansas by reason of an accounting error by the Federal Government) shall be made available to the State of Kansas and after the word *"Provided"* insert *"further"*."

Mr. SIMON. Mr. Chairman, will the gentleman yield?

Mr. WINN. I yield to the gentleman from Illinois.

Mr. SIMON. I thank the gentleman for yielding.

I just want to take 30 seconds. I understand earlier on the floor someone said on the student loan program we now have a 13-percent default rate. The guaranteed student loan program has a 5-percent default rate. Some of the student programs of the campus-based programs have a higher default rate, but not the national guaranteed student loan program.

I thank my colleague for yielding.

Mr. WINN. I would just like to explain briefly this amendment. A mistake was made. Last year in the rescission on EPA construction grant funds, OMB left out approximately $4 million, approved for the State of Kansas. When we discovered their mistake and pointed it out to the OMB, they wrote a letter to all of the Kansas delegation, explaining their error. They told us by mail, "Yes, they had made a mistake," they had left out the funds that Kansas was entitled to. But since reconciliation has already set a ceiling they could not do anything about it until the authorization bill came around.

When the authorization bill came around it was pointed out that this mistake was made just a few minutes before they voted out the bill. The committee, I think you will find, is very friendly to this correction amendment, they want to try to correct the mistake the first chance they get, and this is the first chance they get.

Mr. BOLAND. Will the gentleman yield?

Mr. WINN. I yield to the gentleman from Massachusetts.

Mr. BOLAND. The gentleman from Kansas states the matter precisely. We accept it on this side.

Mr. WINN. I thank the gentleman.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. WINN. I yield to the gentleman from Massachusetts.

Mr. CONTE. The minority, myself, and the ranking Republican, the gentleman from New York (Mr. Green) accept this amendment.

Mr. WINN. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas (Mr. Winn).

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

TITLE II

GENERAL PROVISIONS

AMENDMENT OFFERED BY MR. ADDABBO

Mr. ADDABBO. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Addabbo: Page 12, after line 2 insert the following new section and renumber succeeding sections accordingly:

Sec. 201. Any institution of higher education specifically cited in the conference report on the Education Amendments of 1980 (Report No. 96-1337) as a unique institution which the conference committee for that legislation intended to be recognized as a developing institution eligible to apply for funds under title III of the Higher Education Act of 1965, shall be treated as an eligible institution for such purpose for fiscal year 1982, notwithstanding section 322(a)(2)(A) of such Act.

Mr. ADDABBO. Mr. Chairman, I offer this amendment on behalf of myself and Mr. Green of New York.

Let me first make clear that my amendment adds no funding to this or any other bill. It seeks only to secure that the eligibility to apply for funds under title III of the Higher Education Act shall be in conformance with the expressed intent of the Congress as expressed in the conference report No. 96-1337.

The conferees specifically addressed unique institutions such as the College for Human Services and others which serve the poorest of our student community. Through some misinterpretation of the intent expressed by the conferees, the College for Human Services which was found eligible to apply under title III for the past 2 years, has now been told it is not eligible this year. I repeat we are addressing only eligibility to apply.

My amendment would connect an inequity and carry out the intent of Congress.

Mr. GREEN. Mr. Chairman, will the gentleman yield?

Mr. ADDABBO. I yield to the gentleman from New York.

Mr. GREEN. I thank my colleague for yielding.

I want to express my appreciation to him and express what a privilege it has been for me to work with him in resolving this problem, and express my appreciation to the chairman of the Appropriations Subcommittee and the ranking minority member of the committee for their consideration of this problem.

Mr. Chairman, I was disappointed to learn that the College for Human Services in New York was ruled ineligible to apply for funds under title III of the Higher Education Act this year because of a quirk in the law. At the time that the education amendments were passed, the college was cited as a unique institution which the conference committee felt should be funded with title III moneys for developing institutions. All of its students have incomes at or below the poverty level; in 1979, over 70 percent were CETA workers and were not charged tuition. Many are former welfare recipients and were heads of their households. This college grants students a bachelor's degree through a combined experiential and academic program, preparing them for careers in community service employment.

Despite the citation by the conference committee on the Education Amendments of 1980 of the program's uniqueness and value, the college has been prohibited from applying for funds this year. The criteria for determining eligibility for application this year are based on the number of Pell grants, tuition assistance for low-income students, received by the institution during 1979. However, during that year the college was not collecting tuition or fees, and thus received no Pell money for distribution. It is precisely because this institution attempted to serve a low-income population and charged no fees that it is being penalized. This amendment corrects that situation. I urge my colleagues to support this amendment.

Mr. ADDABBO. I thank the gentleman.

Mr. NATCHER. Mr. Chairman, will the gentleman yield?

Mr. ADDABBO. I yield to the gentleman from Kentucky.

Mr. NATCHER. Mr. Chairman, I would like to say to the members of the committee that the amendment offered by the gentleman from New York (Mr. Addabbo) and supported by my friend from New York (Mr. Green) has been discussed with me and I know of no objection to it.

Mr. Chairman, further, I would like to say that I know of the deep interest of both of these gentlemen in all matters concerning education, and especially higher education. On our subcommittee we appreciate their support.

Mr. ADDABBO. I thank the gentleman from Kentucky.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. ADDABBO. I yield to the gentleman from Massachusetts.

Mr. CONTE. We have studied the amendment on this side very thoroughly and we have no objection.

I want to commend the gentleman from New York, my good friend, Mr. Addabbo, and Mr. Green, for offering this amendment.

Mr. ADDABBO. I thank the gentleman from Massachusetts and yield back the balance of my time.

Mr. PEYSER. Mr. Chairman, I move to strike the last word.

□ 1720

Mr. Chairman, I take the floor at this time only to answer the question that was asked earlier when a Member of the House raised a question on the guaranteed student loans and stated on the floor here that it was obvious that these loans had a terrible default rate and that the program itself was not a good program. I think it would be a shame, Mr. Chairman, if we left that issue that way in the record. I think it is important to note that the default rate on guaranteed student loans in the last year was 8.3 percent.

Mr. Chairman, it was only 5 years ago that the default rate was 18 percent, and the Congress and the committee involved, the Post-Secondary Committee, took an action that started this reduction; and this reduction in default will come down every year now. as it should. None of us really think that it is right to have any default.

For the record, most of us know the Director of OMB at one point was 2 years in default on his student loan. He has since paid it up, and I think that is excellent. But I think we want to make the point that this program is not a give-away program, it is not a program aimed at helping the wealthy. It is a program that is helping every middle income and low income student in this country who is deserving of a higher education.

I just want the record to be clear. The action of the Congress is to correct what few defaults are remaining. This program has every reason to go ahead with all of our support. The young people of our country are counting on us.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. Addabbo).

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Sec. 203. No funds appropriated or otherwise made available for fiscal year 1982 shall be obligated or expended to prescribe, issue, administer, or enforce any standard, rule, regulation, or order under the Federal Mine Safety and Health Act of 1977 on any State or political subdivision thereof. Notwithstanding section 101(a)(3) of Public Law 97-92 or any similar or comparable provision of any other law, during fiscal year 1982 the Mine Safety and Health Administration shall have the same enforcement authorities vested in such administration on September 30, 1981.

AMENDMENT OFFERED BY MR. ROUSSELOT

Mr. ROUSSELOT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Rousselot: On page 12, strike lines 12 through 21.

Mr. ROUSSELOT. Mr. Chairman, all this amendment does is to see that we comply with present law. We passed in October an amendment to clarify a dual jurisdiction problem that existed between MSHA and OSHA. Now, I am sure it is difficult for some of you to believe that I feel very strongly that OSHA, which has been in existence for much longer than MSHA, has done and is doing a better job in providing safety in the workplaces for the overwhelming proportion of responsibilities which it has had.

Mr. Chairman, the amendment I am offering here on the floor of the House today is a simple strike motion. This amendment will delete the language presently contained in the urgent supplemental appropriations bill, H.R. 5922, on page 12, lines 12-21. It is imperative that this action be taken to maintain the continuity of present public law—the transfer of jurisdiction of the regulations of surface stone, sand, gravel and construction activity from the Mine Safety and Health Administration (MSHA) to the Occupational Safety and Health Administration (OSHA).

Members on the floor today are familiar with the long history of this issue. But, I would like to take a moment, Mr. Chairman, to briefly cite the legislative history of this matter—which I believe strengthens the need for passage of the strike motion I have offered today.

Regulatory relief is needed. It has been needed by a variety of small businesses regulated by the Mine Safety and Health Administration ever since the passage of the 1977 Mine Safety and Health Administration Act. This relief was provided on December 15, 1981, when the President signed into law the continuing resolution for fiscal year 1982. House Resolution 409 has extended this regulatory relief until September 30, 1982—it, too, contains the language that will assist these industries by placing health and safety enforcement under the jurisdiction of OSHA, not MSHA.

Unfortunately, the urgent supplemental appropriations measure being considered this afternoon contains language which would void the language presently contained in public law and would place the surface sand, gravel, stone, clay and surface construction industries once again under the police tactics of the Mine Safety and Health Administration.

The amendment in the continuing resolution voted on last October during consideration of the Labor-HEW appropriations bill accomplished the objectives of a bill currently cosponsored by 162 Members of this body, H.R. 1603. H.R. 1603 and other similar bills have languished in the Health and Safety Subcommittee of the Education and Labor Committee in the 96th Congress, and now in the 97th Congress, despite the great support this legislation has had from many, many Members of Congress. Congressmen MARLENEE and BARNARD, the principal sponsors of H.R. 1603, joined me in urging your support for my amendment which was necessitated because of the inaction by the committee having jurisdiction over H.R. 1603. Mr. Chairman, the committee has held 23 days of hearings on this measure—but not one day of action. I repeat, 23 days of cosmetic hearings on a measure that has the support of well over 160 Members of this body.

Two years ago the Appropriations Committee included language to deny MSHA funds to enforce complicated and, in many instances, irrelevant training requirements against these same industries. I am pleased to note that prohibition has been continued in the present law. While our action on the training requirements has helped these industries, there is still a desperate need for further congressional action to make permanent the regulatory jurisdiction. My amendment, contained in the current continuing resolution public law, makes it clear that we intend for OSHA to exercise jurisdiction over not only training of employees working in these industries, but have total responsibility for assuring a safe and healthful workplace.

The industries I sought to have transferred from MSHA to OSHA were made subject to the Mine Safety and Health Act by the amendments that the Congress enacted in 1977. Few of us recognized at that time that we were imposing sophisticated regulations designed for large and highly technical operations on small businesses which are located in virtually every community in our country. The sand, gravel, and crushed stone industries, the two largest industries affected by the amendment, have an average number of employees per operation of 7 and 11, respectively.

The 1977 act has created continuous confrontations between these small businesses and the Federal Government. This adversary relationship is to no one's benefit. The transfer contained in the current public law restores a cooperative relationship between the Federal safety and health experts and the industries for the benefit of the workers. The industries transferred are not hazardous industries, as our opposition would like us to believe. Their current safety records demonstrate a record of improving safety, and the current public law does not provide any less safety and health protection to their employees—it does provide less regulation and unnecessary harassment by the Federal Government.

Some of my colleagues have suggested that the relief sought by these industries can be administratively accomplished by reform of the Mine Safety and Health Administration. The 1977 Mine Safety Amendments Act leaves the Secretary of Labor with very little flexibility in providing such relief.

It is regrettable that this serious regulatory problem must be addressed by means of an appropriations rider. I agree with my honored colleagues, that the place for the consideration of this issue is through the proper legislative channels. Too bad it hasn't occurred to date. Hopefully continuation of the Rousselot amendment on the continuing appropriations bill will now force the full House to consider H.R. 1603 in the near future to make permanent the changes my amendment has made for fiscal year 1982.

What is the actual effect of the current law? The Rousselot amendment to the continuing resolution simply provides that the regulation of persons engaged in the surface mining of stone, clay, colloidal phosphate, sand or gravel, or with respect to any person engaged in construction activities on the surface area of any coal or other mine, for safety purposes, is transferred from MSHA to OSHA. One question often asked about this amendment is, "Does the MSHA amendment create a void in Federal enforcement of safety and health standards over the surface mining of sand, gravel, stone, clay, colloidal phosphate as well as surface construction?"

No; OSHA, under the Occupational Safety and Health Act, has jurisdiction over these mines. OSHA, by its terms, applies to all employers engaged in a business affecting commerce, 29 U.S.C., section 652(5). Thus, OSHA legally covers mines which are also covered under the Mine Safety and Health Act of 1977. Further, the Congressional Research Service, at the request of Senator BUMPERS, in September 1980, stated that "because of this unusual regulatory scheme (Sec. 4(b)(1) of the OSHA Act) * * * it would permit the extension of OSHA jurisdiction to those mines * * *."

Additionally, the drafters of OSHA realized that there was the potential problem of dual regulation. Thus, they included in the act a deferral provision, 29 U.S.C. Sec. 653(b)(1). It provides that where another Federal agency exercises its own statutory authority to prescribe or enforce occupational safety or health standards, then OSHA will not apply. The legislative history of OSHA shows that the key factor triggering deferral is the exercise of another agency's statutory authority over them.

In three separate court cases, three courts of appeals in our country, which incidently are the courts next in authority to the U.S. Supreme Court, held that OSHA has jurisdiction when any other agency (for example Federal Railroad Administration, MSHA, and so forth) is deprived of their jurisdiction.

The effect of this nonexercise under section 4(b)(1) of OSHA (29 U.S.C. 653 (b)(1)) thus triggers, by operation of existing law, the responsibility of OSHA to assume enforcement activity over the described surface mines.

The appropriations limitation has the effect of not providing funding for fiscal year 1982 for the exercise of MSHA's statutory authority over the surface mines described in the pending amendment. Thus, there will be no exercise of statutory authority by MSHA. You see, Mr. Chairman, my amendment is not just a denial of funds—it does provide for the transfer of authority from MSHA to OSHA for surface stone, sand, gravel, and construction activities at mine sites.

Furthermore, in a letter to me from the Secretary of Labor, Ray Donovan, March 24, 1982, the Secretary stated, "* * * upon enactment of the continuing resolution OSHA instructed its field offices to assume enforcement authority at mining operations affected by the rider." Further, he states, "OSHA is * * * responding to reports of imminent danger, fatalities, catastrophes and employee complaints * * *." From day one after the enactment of the continuing resolution on December 15, OSHA had the responsibility and assumed legal jurisdiction. It is true, Mr. Chairman, that the Department of Labor has been reluctant to assume the jurisdiction until they saw this amendment enacted after March 31, but, Mr. Chairman, that is not to state that they do not have the responsibility. They do and they will.

The Rousselot amendment reflects the will of both the House and the Senate and that it is the intent of the Congress to continue this provision which is now public law under the continuing resolution signed into law by the President last night.

The majority of members of this body voted to adopt the Rousselot amendment as part of the Labor-HEW fiscal year 1981 appropriations bill, but the provision was dropped during the conference debate. The majority of members of this body again voted to adopt the Rousselot amendment as part of the Labor-HEW fiscal year 1982 appropriations bill. This time it was approved by a recorded vote. The vote taken on October 6, 1981, was 254 yeas to 165 nays—an 89-vote margin.

Inasmuch as the Senate Labor-HEW appropriations bill was never brought to the floor of the Senate for consideration, these agencies were made part of the continuing appropriations resolution. During the congressional debate on the continuing resolution, the Senate took a roll call vote on an amendment offered by Mr. SPECTER of Pennsylvania on November 19 which was to eliminate the Rousselot language. This was defeated by a vote of 35-63. Then, on December 11, an amendment by Mr. BYRD of West Virginia which would have deleted the Rousselot language was resoundingly defeated by a vote of 38-54.

The Rousselot amendment was approved by the Senate on two separate and distinct votes. It became part of the public law signed by the President on December 15 (Public Law 97-72). And, again, it was signed into public law on March 31, 1981, when House Joint Resolution 409 was enacted.

Mr. Chairman, the 97th Congress has a great support for this amendment, despite the accusations of my colleague. I am pleased to have this opportunity today to have a vote on the Murtha amendment attached in the final moments of the Appropriations markup of the urgent supplemental appropriations bill and approved by a simple voice vote.

It is fair, Mr. Chairman, to the majority of the Members of this body that we have the opportunity to indicate our support on the previous Rousselot amendment. It would not be fair to drop it due to a simple committee voice vote.

It is fair, Mr. Chairman, that a measure which is now public law—and which has made an effective transfer (as indicated by Ford B. Ford, Assistant Secretary for Mine Safety and Health, before the Appropriations Subcommittee during the fiscal year 1983 budget request hearings) not be changed as a result of a 5-minute voice vote.

MSHA has not turned over a new leaf, as some of my colleagues would have us believe here today. I applaud that discussions are being held to debate the reform of MSHA law. But until action is taken on these discussions, we need the Rousselot amendment to maintain the regulatory relief needed by these small businesses.

The issue has kicked around long enough, Mr. Chairman. The intent of the Congress in the continuing appropriations measure repairs the damage done by the 1977 Mine Safety and Health Administration Act and places the affected industries under proper Federal jurisdiction—OSHA. The Senate has voted in support of this measure; the House has voted in support of this measure; the President has signed this measure into law.

I urge that the Members of this body support my amendment today. I urge that they strike the language contained in the urgent supplemental appropriations bill which denies the effective transfer of jurisdictional responsibility from MSHA to OSHA.

Let MSHA be directly and principally concerned with deep underground mines—not these surface operations, which can be and should be addressed by OSHA. Assigning jurisdiction over these industries to MSHA ill serves the objective of employee safety and health, imposes unnecessary burdens upon the separate industries and dilutes government enforcement resources.

It has never been the intent on our part, those of us who support the Marlenee bill, and others, to say that MSHA shall not have jurisdiction in deep coal mines, et cetera, because we think it should. The problem has been that up until the time that we amended the law or clarified the law in late 1981, there was a dual jurisdiction problem, wherein some cases, sand, gravel, et cetera, were also supposedly under the jurisdiction of MSHA. That was never intended in the MSHA law.

So I would like to state very clearly that I believe this House acted correctly in October 1981, when it voted 254 to 165 to clarify that problem of dual jurisdiction. So I hope that the House will now move to strike this language from this appropriation bill, because my good colleague, the gentleman from Pennsylvania (Mr. MURTHA), who represents clearly many coal mines—and, I understand, also he is being pushed very hard by certain other groups—was concerned that safety in the workplace was not being provided adequately by OSHA.

Well, let me comment on that point, because I believe that is the main crux of the argument that is being made to go back to the old law. From January of this year to April 30, 4 months, nine fatalities have occurred. Some of these are still under investigation. Three of these were from independent contractors. But in several cases of these nine that occurred, they occurred off the job that had nothing to do with safety in the workplace supposedly being invoked by MSHA. One of the accidents involved a murder. so I do not think it is very fair to charge that OSHA was not doing its job as it relates to that incident. Three of the nine accidents, collapsing of rock bin, clothing drawn into the shaft, and falling off scaffolding, would not have been protected any better by MSHA. These accidents, tragic though they are, are not unique to the mining industry and should not be used as evidence of OSHA's lack of expertise.

There are a great number of unions that do in fact look out for their workers, the building trades, and others, some of the engineers who operate the gravel and sand operations in the West and the South, who would prefer to remain under OSHA jurisdiction and feel that that job is being appropriately done.

Again, by voting for this motion to strike this language, we are in no way taking away power of MSHA to do its job in underground coal mines. All we are doing here is clarifying the law to make sure that we do not have duplication in these two Federal agencies.

Mr. MILLER of California. Mr. Chairman, will the gentleman yield at that point?

Mr. ROUSSELOT. Of course I yield to my colleague, the gentleman from California.

Mr. MILLER of California. Mr. Chairman, the gentleman keeps talking about clarifying the confusion or the duplication between these two jurisdictions. I just wonder if the gentleman might tell me how that arose.

The CHAIRMAN. The time of the gentleman from California (Mr. ROUSSELOT) has expired.

(By unanimous consent, Mr. ROUSSELOT was allowed to proceed for 2 additional minutes.)

Mr. MILLER of California. Clearly the Mine Safety and Health Act gave to MSHA jurisdiction over these mines. That was the intent of the act when the act was passed in Congress. I do not understand what the confusion was.

Mr. ROUSSELOT. The confusion is that in some cases MSHA has jurisdiction of rock, sand, gravel, other areas, that many of us believe the law never intended for them to have and that OSHA should and must have the basic jurisdiction of providing safety in the workplace, which I believe they have done.

Mr. MILLER of California. But as I understand it, if the gentleman will yield further, MSHA took jurisdiction over rock, sand and gravel where those particular elements happened to be mined.

Mr. ROUSSELOT. I will say to my colleague they assumed jurisdiction——

Mr. MILLER of California. They were given jurisdiction by the Congress of the United States.

Mr. ROUSSELOT. They assumed jurisdiction, many of us feel, contrary to the purpose and intent of what many

Members thought would be part of the MSHA law.

Mr. MILLER of California. Where has that been stated?

Mr. ROUSSELOT. MSHA, as the gentleman will remember——

Mr. MILLER of California. What is the evidence of that, other than perhaps some people who do not like being inspected by MSHA saying that they do not believe they were ever intended to be covered. Where is the evidence of that legislative intent in terms of a record or legislative history that the Congress intended that would be the case?

☐ 1730

Mr. ROUSSELOT. I will be glad to attempt to get that information for the gentleman.

Mr. MILLER of California. I think that is where we ought to start this discussion.

Mr. ROUSSELOT. The 1977 amendments, which repealed the 1966 metal/nonmetal mining law which covered stone, sand, and gravel operations, was an extension of the 1969 Coal Mine Safety and Health Act to stone, sand, and gravel operations thrusting those operations under a statute originally enacted to protect miners exposed to hazards unique to mining; such as methane gas explosions, roof falls, coal dust, and so forth. Stone, sand, and gravel employees are exposed to hazards such as pinch point hazards and conveyor belts without appropriate guarding devices—not hazards unique to the mining industry and certainly not the types of hazards MSHA was enacted to protect miners against.

Mr. MARLENEE. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Montana.

The CHAIRMAN. The time of the gentleman from California (Mr. Rousselot) has expired.

(At the request of Mr. Marlenee and by unanimous consent, Mr. Rousselot was allowed to proceed for 3 additional minutes.)

Mr. ROUSSELOT. I yield to my colleague, the gentleman from Montana (Mr. Marlenee) who is an author of legislation that is lodged in our colleague from Pennsylvania's subcommittee which we have been unable to move along. It has been lodged there for several years. If we just move that legislation we would not be here today.

Mr. MARLENEE. I thank the gentleman for yielding.

Quite simply the issue is, as I understand it, that MSHA, the Mining Safety and Health Act protects underground miners.

Mr. ROUSSELOT. That is correct; that is my understanding of the intent of the law.

Was the gentleman from California (Mr. Miller) listening on that? The gentleman is answering the question of the gentleman from California.

Mr. MARLENEE. Does OSHA also protect workers in the workplace?

Mr. ROUSSELOT. It certainly does. In all workplaces not covered by MSHA.

Mr. MARLENEE. Not covered by MSHA? So OSHA would also cover these people who are working on the surface, sand, and gravel industry?

Mr. ROUSSELOT. That is correct.

Mr. MARLENEE. In other words, if we have got a burr pit along the road or a sand and gravel pit that some county has out here. OSHA protects these workers in these places; is that not correct?

Mr. ROUSSELOT. That is correct.

Mr. MARLENEE. That is simply what the gentleman's amendment would do?

Mr. ROUSSELOT. My amendment merely strikes the Murtha language which was put in this bill, admittedly at the last minute, and repealed what we did last October.

Mr. MARLENEE. They are trying to do it by a back door——

Mr. ROUSSELOT. They are trying to go back to an old wornout position that just did not work.

Mr. MARLENEE. I thank my colleague

Mr. TAUKE. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Iowa.

Mr. TAUKE. I want to commend the gentleman from California for raising this issue.

I think we have gone through this discussion several times before on the floor of the House.

Mr. ROUSSELOT. Yes; we have.

Mr. TAUKE. And I think it is important that we review again just what the situation is.

As the gentleman pointed out, we took a position that he is advocating today last year, last October, in response to problems that have been felt all across the country.

In my own congressional district we have no underground mines but we do have a lot of sand and gravel pits. The workers as well as those who are involved in the management of those operations tell me that many of the regulations with which they are required to comply really do not seem to make much sense when it comes to the kind of sand and gravel operation that they have.

In fact, as a result they have excessive costs, safety is not as good as it should be, and that they have had a much more satisfactory arrangement since last October when the language was changed along the lines that the gentleman is pursuing again today.

Mr. ROUSSELOT. I thank the gentleman.

The CHAIRMAN. The time of the gentleman from California (Mr. Rousselot) has again expired.

(At the request of Mr. Tauke and by unanimous consent, Mr. Rousselot was allowed to proceed for 1 additional minute.)

Mr. TAUKE. If the gentleman will continue to yield, so it occurs to me that for those areas of the country and those operations in the country that really were never intended to fall under the MSHA Act, that it is important that we again restate and clarify that position.

I commend my colleague for taking what is a most reasonable stance on this issue.

Mr. ROUSSELOT. I appreciate my colleague and his comments.

Mr. SOLOMON. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from New York.

Mr. SOLOMON. I thank the gentleman for yielding.

I would like to point out that many of us who represent farmers throughout America are concerned with the high interest rates that are driving the small farmers out of business, and for those of my colleagues who may not recall, the farmers are the ones who have the gravel pits on their land and sell to the local municipalities to provide gravel for roads, and this is the way that the farmers are surviving today with the high interest rates because they do not have to go into these strict inspection procedures, and if you believe in the small farmer and protecting the farming industry in America, my colleagues will support the Rousselot amendment like they did last year.

Mr. ROUSSELOT. I appreciate my colleague's comments, and I did not realize we were helping the farmers that much.

Mr. GAYDOS. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, what has occurred and what I thought would occur has occurred, and that is that now we are legislating on an appropriation bill again, and I warned my colleagues 2 years ago, 3 years ago, and as late as last year, that this was what was going to happen.

If we allow these changes in substantive law to occur, through this limiting language--and everybody admits this—we are going to get ourselves into a gigantic problem, and here we are.

Let me make an attempt at this time to correct certain misconceptions.

It is not true--and I repeat—it is not true that the 1977 amendments did something that has been attributed to that act.

At that time, in 1977, this House in handling that bill agreed that we were going to make the miner, who worked in the metal and nonmetal mines in this country as safe as a miner who worked in the coal mine, whether they worked below the ground or above the ground.

There were two acts. Remember, this House had passed, after a series of coal mine disasters, back in 1969, the Coal Mine Safety Act. What we did then in the 1977 amendment was to take the Coal Mine Safety Act and the Metal and Nonmetal Act, and merge them into one act, and we said all miners—I repeat—all miners are going to receive the protection of what was given only and solely to the coal miners.

Everybody remembers at that time the Quie amendment. It said if you had coal mine standards, they were vertical, they applied to coal mines.

If you had standards that applied to metal and nonmetal stone, sand, gravel, colonial clay, phosphate, they would have separate standards.

So the old argument that they are all mixed up, we got it all confused, there is not scintilla of believability or fact that backs that up.

Let me get down to some of the misconceptions and hopefully clarify to my colleagues so that they can once and for all cast an intelligent vote on this matter.

First, it has been alleged that when you talk about stone, clay, phosphates, sand, and gravel, that they are not dangerous operations. I did not say it, other people said it. But all mining is dangerous. That is why we have a distinction. We have a Mine Safety Act that pertains to all kinds of mines as distinguished from OSHA that takes care of 60 million people in 5 million workplaces.

Under MSHA we have roughly 30,000 mines. Do you know what we are talking about in this amendment here? How many miners are involved and how many mine sites? We are talking about 162,000 miners who have been taken out of MSHA by legislative language on the appropriation bill.

What is OSHA's jurisdiction? Sixty million people, 5 million workplaces in OSHA. Who is going to get a fair shake?

Let me just show my colleagues what happened as a matter of fact when we had this very mischievous language put into the appropriations bill last year. Here is exactly what happened.

My colleagues can be the judge and my colleagues may draw their own conclusions.

As of April 30 of this year, OSHA made 26 inspections in surface stone, sand, gravel, colonial phosphate and clay mines. There are 162,000 miners employed in those various mining industries.

The CHAIRMAN. The time of the gentleman from Pennsylvania (Mr. Gaydos) has expired.

(By unanimous consent, Mr. Gaydos was allowed to proceed for 5 additional minutes.)

Mr. GAYDOS. I think I have to make the point. They made 26 inspections of surface, stone, sand, gravel, clay, and colonial phosphate mines; 14 of those 26 were made pursuant to employee complaints. Nine to investigate fatalities, two to investigate injuries, and one because of an imminent danger condition. What would have happened if we had not adopted that legislation on the appropriations bill last year?

On an annual basis, those 26 inspections turn out to be 78 inspections that OSHA would make over surface stone, sand, gravel, clay, and phosphate mining operation.

What would happen if we left it in MSHA? Here is what would happen. You would have 25,870 inspections. You would have two mandatory annual inspections. There is a reason why you have mandatory inspections under MSHA.

All mining is dangerous. The statistics prove it.

There are so many misstatements floating around, so much disinformation, not misinformation, but disinformation floating around. Here is some of it.

I want to address myself to it, because I think I have to; so here is what happened. We have MSHA inspectors. They were given the jurisdiction originally under language to inspect these mines. What happened? As soon as the so-called transfer of jurisdictions, if you want to call it that, because that is questionable, as soon as that happened, exactly 259 of them were furloughed.

In conjunction with that, MSHA started closing 32 operations.

Look at the distinction: 5 million workplaces under OSHA; 50 or 60 million workers and looking at MSHA with workplaces of around 30,000 mines roughly, which inspectors, how many?

MSHA has 1,200 inspectors and for all practical purposes OSHA has 1,200 inspectors. Who gets inspected? Where is safety?

I hear my colleagues on the floor say, forget about this stuff, OSHA is good, but I remember how OSHA was hated.

The reason why these mine operators put so much pressure on our colleagues to transfer this jurisdiction from MSHA over to OSHA is because they do not want to have two annual inspections. They say, "We only have 10 people or 7 or 8. Why should we be subject to inspections? We have a small operation."

But the statistics show again unequivocally that your fatalities occur in the small Mom and Pop operations.

Let me close by saying this, and I will then yield to my friend, the gentleman from Montana. I will close by saying, that Secretary of Labor Raymond J. Donovan; Assistant Secretary of Labor for MSHA Ford B. Ford, and Assistant Secretary of Labor for OSHA, Thorn G. Auchter, all officially opposed to transferring from MSHA to OSHA jurisdiction over surface stone, sand and gravel, phosphates, and clay mines. They think it should be where it was placed originally, in MSHA. That is the administration speaking.

At this time I will yield to my colleague, because I did ask for 5 additional minutes.

Mr. MARLENEE. Well, if the chairman would yield, and I appreciate the gentleman for yielding, I think the gentleman has done a good job of bouncing MSHA and OSHA and OSHA and MSHA back and forth until some of us may have some questions; but when the gentleman talked about the regulation and the development of regulation, I would like to ask where those regulations are? Where are the separate regulations that MSHA was to develop for sand and gravel?

The CHAIRMAN. The time of the gentleman from Pennsylvania (Mr. Gaydos) has expired.

(At the request of Mr. Rousselot, and by unanimous consent, Mr. Gaydos was allowed to proceed for 2 additional minutes.)

Mr. MARLENEE. Mr. Chairman, if the gentleman will yield further, this is what has happened. This is why we object, because they are applying the same rules, the same rules to underground mining, those rules that govern underground mining, to surface sand and gravel. That is what they are doing. That is what this is all about.

The gentleman said here on the floor that they would develop separate rules and regulations. Where are they?

Mr. GAYDOS. With all due deference and respect to my colleague, I do not think the gentleman understands what I meant when I did make that statement. I said this: "The then-existing standards and regulations that pertain to the coal mine industry remained exclusively and pointedly only applicable to the coal mine industry, and the regulations and standards that pertained to metal and nonmetal mines, under the metal and nonmetal act of 1966, would only pertain, to metal and nonmetal mines." I want to emphasize, it is absolutely not true that the standards that relate and pertain to the coal mine industry are enforced on the metal and nonmetal industry. It just does not happen.

Mr. MARLENEE. Well, I think the chairman had better talk to some of the people that develop these regulations and that have been harassing our surface sand and gravel people.

Mr. GAYDOS. As a matter of law, the act specifically states clearly that that cannot happen.

Mr. MURTHA. Mr. Chairman, will the gentleman yield?

Mr. GAYDOS. Yes, I yield to the gentleman from Pennsylvania.

Mr. MURTHA. Let me just rise to commend the gentleman from Pennsylvania in his statement about this very difficult situation. I think everybody admits the amendment created great difficulties.

Mr. Chairman, I rise in opposition to the amendment (motion).

First, please let me say that I have respect for Mr. ROUSSELOT, and I know he believes profoundly and strongly in the amendment he has authored. I want to report to the House that in recent days I have worked with the Labor Department, contractors, and others to try to seek some agreeable resolution of this issue. For the time being that effort has failed, but I hope to pursue it further.

Second, I want the issue we are talking about today to be very clear—quite simply we are talking about worker safety. And quite simply, the issue is whether mining activities of stone, clay, phosphates, and gravel can be better protected by the Mine Health and Safety Administration or the Occupational Safety and Health Administration.

It is my very strong belief that it can be best done by MSHA. That is the way this supplemental stands right now. I think it should stay that way.

The switch to OSHA, which Congress approved last year, has created great difficulties. By the Department of Labor's own estimates, 280 highly trained and skilled inspectors will be separated from work, along with 50-75 support personnel; 76 MSHA offices will be closed, curtailed, or shut down. Secretary Donovan has said this will result in "a general disruption of all its operations."

And I submit that the end result has been much less protection for our workers. In fact, it has not even worked well for industry. The National Limestone Institute supports my position, and China Clay has sought reinstatement under MSHA.

After several months of experience, I submit that workers are not being protected. There are not continuous inspections, which were promised. Skilled workers have been lost. So I submit we need a change. My language as contained in the bill will restore MSHA's authority and will give this Congress an opportunity to restore our firm commitment to worker safety.

The CHAIRMAN. The time of the gentleman from Pennsylvania has once again expired.

(At the request of Mr. MURTHA, and by unanimous consent, Mr. GAYDOS was allowed to proceed for 2 additional minutes.)

Mr. MURTHA. Mr. Chairman, if the gentleman will yield further, it created some real difficulties.

Now, we have been trying to work this thing out with industry and with labor and we hope that if we can leave the amendment that I inserted in the Appropriations Committee in the bill, that it will be enough pressure on both sides to work something out by the time it gets to conference.

We thought we had something worked out in the last week or so. We have not been able to do it; but this has really created some real serious difficulties. There is no question, it is a safety problem.

I think the statement the gentleman from Pennsylvania has made is certainly commendable and I hope we can continue to leave this thing in the amendment we put in and put enough pressure on industry and labor to come up with an adequate compromise that we will be able to live with.

The CHAIRMAN. The time of the gentleman from Pennsylvania (Mr. GAYDOS) has again expired.

Mr. ROUSSELOT. Mr. Chairman, I ask unanimous consent that the gentleman from Pennsylvania (Mr. GAYDOS) may be permitted to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

Mr. SEIBERLING. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. EDWARDS of Alabama. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I take the floor for just a couple minutes to clarify the issue so that I can understand it.

I direct my first question to the gentleman from California. If I understand what the gentleman is trying to do here today, he is trying to return the language in this bill to that language which he inserted in the bill last year on October 6?

Mr. ROUSSELOT. That is correct.

Mr. EDWARDS of Alabama. In the 1982 appropriations bill; is that correct?

Mr. ROUSSELOT. That is correct.

Mr. EDWARDS of Alabama. I thank the gentleman.

Now, may I ask the gentleman from Pennsylvania if the sole intent of his amendment is to in effect strike out the Rousselot language of October 6 in the 1982 fiscal year bill?

☐ 1750

Mr. MURTHA. That is correct.

Mr. EDWARDS of Alabama. So the language which you use, which simply says that you take the law back to the way it was on September 30, 1981, is simply to go back a day beyond, or a day ahead of the fiscal 1982 bill. Is that the purpose of your language?

Mr. MURTHA. Exactly.

Mr. EDWARDS of Alabama. I thank both the gentlemen.

Mr. BENJAMIN. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I oppose the amendment offered by Mr. ROUSSELOT and rise to support section 204 of the general provisions of H.R. 5922 to reinstate the enforcement authority of the Federal Mine Safety and Health Administration over nongovernmental sand, gravel, stone, clay, and colloidal phosphate mining activities. In effect, section 204 will nullify the original Rousselot amendment incorporated into continuing resolution, House Joint Resolution 370 which became effective, December 15, 1981, and continued by House Joint Resolution 409, which states:

> None of the funds appropriated under this paragraph shall be obligated or expended to prescribe, issue, administer, or enforce any standard, rule, regulation, or order under the Federal Mine Safety and Health Act of 1977 with respect to any person engaged in the surface mining of stone, clay, colloidal phosphate, sand, or gravel, or with respect to any person engaged in construction activities on the surface area of any coal or other mine.

The Rousselot amendment has produced utter chaos in the Mine Safety and Health Administration, OSHA and the affected industries.

The proponents of that amendment argued that it would effect a complete transfer of authority to OSHA. This is clearly not the case. By the language of the Rousselot amendment, per se, it is only a prohibition on the use of funds by MSHA.

The Rousselot amendment did not create, or even mention, any transfer of legal authority from MSHA to OSHA. Since it does not amend or repeal the Federal Mine Safety and Health Act of 1977 or any MSHA standards or regulations, the legal obligations of mine operators continues notwithstanding the fact that MSHA is precluded from enforcing the requirements. Consequently, the MSHA requirements may be enforced in court by private parties.

On the other hand, OSHA, despite its resource constraints and limited expertise in surface mining, could have some general jurisdiction. However, this jurisdiction is questioned by its prohibition on assuming statutory authority where other Federal agencies have exercised authority. The Rousselot amendment did not remove the MSHA authority or open the way for OSHA jurisdiction.

Needless to say, the present situation is confusing, uncertain and exposes mine operators to two potentially conflicting sets of legal requirements.

If you assume that OSHA does supersede MSHA as our colleague from California claims and has the resources and expertise to assure the safety of surface mine workers, you must also realize that the OSHA exemption or workplaces employing 10 employees or less from regularly scheduled safety inspections would exclude 86 percent of the sand and gravel mines and 66 percent of the surface stone mines from OSHA inspections. In other words, these mines would be almost totally exempt from Federal safety and health inspections although the MSHA law requires two annually because fatalities in this industry accounted for one-half of those in mining until the implementation of the 1977 act, after which the fatalities dropped from 86 percent in 1966 to 30 percent in 1981 or 50 to 28 percent in the mining industry.

The Rousselot amendment has effectively canceled the following MSHA operations:

First, discrimination complaint inspection/investigations;

Second, compliance assistance visits which save costs for beginning mine operations;

Third, program in accident reduction which reduced fatalities by 46 percent in participating mines compared to a 5.5-percent increase in nonparticipating mines and reduced lost-time injuries by 22 percent in participating mines compared to a 14.5-percent increase in nonparticipating mines;

Fourth, approval of operator-submitted safety and health procedures for mines;

Fifth, technical assistance at mine operators' request;

Sixth, responses to safety and health complaints, including requests for inspection from miner's representatives and mines;

Seventh, administration and enforcement of reporting and recordkeeping; and

Eighth, assessment of civil penalties.

The legal confusion, liability exposure, and administrative morass have led the major mining associations including the National Limestone Institute, the National Coal Association, and the Bituminous Coal Operators Association to oppose the Rousselot amendment. It has also lead another industry, china clay, whose substance was exempted under Rousselot, to seek reinstatement under MSHA.

This state of uncertainty and confusion cannot be allowed to continue. Legislating major substantive changes by 6-month riders to appropriations bills is not a rational solution to a set of complex problems, especially where such riders have compounded the problem. A permanent legislative solution is needed. Section 204 of this bill provides the basis for such a solution.

The confusion that we are attempting to unravel is a horrendous example of the hazards involved in attempting to amend complex substantive legislation with a simple word change or restatement of coverage within the limitations of the appropriations process.

Because of the appropriation rider previously enacted, incomplete by its nature, we have turmoil in two governmental agencies, MSHA and OSHA; we have confusion and uncertainty in vital industries, and we have workers abandoned without the most basic health and safety protections.

Section 204 will end this confusion and uncertainty and restore the Federal Mine Safety and Health Act to its prior statutory authority. It is only a restoration provision with none of the problems inherent in other legislative riders. More importantly, however, it will give the legislative committee of jurisdiction the opportunity to consider a permanent solution.

The Department of Labor has announced that it will be forced to terminate 280 highly trained employees who were specifically budgeted for these affected areas. In addition, 50 to 75 support employees will have to be furloughed or separated with all attendant severance costs. To further complicate this situation, the Department has also announced that it will be forced to close or severely curtail about 80 MSHA offices across the country. Once this structure and specialized skill are lost, it will be gone forever even with substantive restoration at sometime in the future.

We must act when to fail to do so would be wasteful and intolerable.

I therefore, urge my colleagues to join me in opposition to the amendment offered by Mr. ROUSSELOT.

Mr. MARLENEE. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the Rousselot amendment.

Mr. Chairman, the gentleman from Pennsylvania, the chairman of the subcommittee, has stated that by mischievous amendment we are tampering with substantive law. The chairman of the subcommittee well knows that there are many, many Members in this body who would like to see that substantive law changed. However, we have been unable to get a markup of any bill that would change the substantive law, and that is the reason that we are standing here today arguing over whether we will have funds or whether we will not have funds.

Mr. GAYDOS. Mr. Chairman, will the gentleman yield?

Mr. MARLENEE. I will yield when I am finished.

I can refer to a bill I had in the last Congress that had well over 200 cosponsors that would change that substantive law, that would place surface sand and gravel under the jurisdiction of OSHA.

We also had a rollcall vote on October 6 last in this House where we had 254 Members of this body, by rollcall, express a similar sentiment. Still we have no change in substantive law.

OSHA can and OSHA will develop a group of regulations that deal with the safety and standards of surface, sand, gravel, and stone workers. No one is quibbling with that. No one is quibbling about mine safety. We all agree that an underground mine needs to have separate regulations, needs to have separate standards applied to it, as is applied to surface sand and gravel.

We are not quibbling about mines. We are talking about abuses and coercion and harassment by MSHA, by the Mine Safety and Health Administration. We are not talking about safety. We are talking about increased costs of construction at a time when this Nation can ill afford to have those increased costs of construction. We are not talking about safety. We are talking about nitpicking regulations that do not apply to an industry, an industry that should not be under mine safety and health.

Mr. GAYDOS. If my colleague will yield, I want to assure my colleague and every Member of this House, every Member, that I have held hearings on every bill.

Since the gentleman brings up the number of bills pertaining to this subject matter, I have the record here in front of me.

We have four bills in right now excluding any stone or sand. We have another bill excluding sand. We do have the bill with 160 cosponsors as of this date which would exclude sand and gravel, surface stone, clay and what have you. Last year we had 215.

I admit they are substantial numbers. I have had the hearings. But I have on record placed my position and the committee's position in this respect.

We said we were not going to support exclusions. We would be amendable to anything reasonable, work something out. But the position is still there. We cannot in good conscience support exclusions.

Mr. HAMMERSCHMIDT. Mr. Chairman, will the gentleman yield?

Mr. MARLENEE. I yield to the gentleman from Arkansas.

Mr. HAMMERSCHMIDT. I thank the gentleman for yielding and congratulate him for his efforts. I join him in supporting the Rousselot amendment.

Mr. Chairman, as we know, the urgent supplemental appropriations bill. H.R. 5922, includes language offered by Congressman MURTHA, reinstating the enforcement authority of the Mine Safety and Health Administration (MSHA) over most sand, gravel, stone, clay, and colloidal phosphate mines. This provision would totally reverse the intent of Congress as approved by the House of Representatives only last year to provide much-needed regulatory relief to a variety of industries.

Last session, Congress was alerted to certain inequities under Public Law 95-164, the Federal Mine Safety and Health Amendments of 1977. Although I was one of the 88 Members who, for many reasons, opposed this act when it came before the House in the 95th Congress; I must admit that I did not foresee the utter chaos this act would engender for the aggregates industry.

For several Congresses, I have sponsored measures to deny funds to MSHA to enforce its inflexible rules and regulations against the sand, gravel, crushed stone, clay, and colloidal phosphate industries and to effect their transfer to the regulatory jurisdiction of OSHA. Striking the Murtha amendment from this bill will prevent a senseless cost from being imposed on the aggregates industry which will ultimately be borne by the consumer. In the past, the regulations promulgated by MSHA have placed an undue hardship on small stone, sand, and gravel operations. In essence, MSHA simply pigeonholed them as miners.

We all know that the sand, gravel, and stone industries are not miners. They have historically been classified with the construction industry and to group them with coal and silver mining workers is ludicrous. MSHA regulations may be justified for limited, risky, underground mining, however, my argument is based upon the fact that a gravel pit is not a mine, and therefore, employees of a gravel operator should not be overregulated as miners. Under the Rousselot amendment, these enumerated industries are not excluded from safety regulation. Sand, gravel, and stone surface operations are transferred under OSHA, who we all know can be a rather "conscientious" agency to deal with—or the "lesser evil" in this instance.

In reviewing the history of the MSHA regulation, it is obvious that MSHA knows very well that their regulations are a great strain and will being about financial ruin for many small operators of sand, stone, and gravel stone pits since it is common knowledge that over half of them have less than 10 employees.

Since 1977, as the representative of the Third Congressional District in Arkansas, I have received numerous complaints regarding the jurisdiction of MSHA over these industries. My constituents have continued to express confusion, anger and fear as to what MSHA will do to their businesses and how much its regulations will ultimately cost. Now, I ask you to allow me to read a brief sampling of some of the comments received on this subject to date which detail the severity of MSHA's oversight of the aggregates industries.

> Our small sand and gravel business has been operated by our family for 40 years. Never have we considered ourselves miners or mine operators.
>
> We are violently opposed to being placed under MSHA rules as coal miners. The sand, gravel and stone plants are not parallel businesses. You will please note that we maintain an accident rate of 1.1 as compared with the Bureau of Mines average for quarries of 4.41. This record indicates clearly our concern for safety. Is it any wonder that literally millions of our citizens are up in arms about excessive costs brought on by government agencies.

The intent of the Rousselot amendment to strike the Murtha language from H.R. 5922, is not to intervene in the regulatory process or to threaten the safety of bona fide miners. However, I have long felt that this category of so-called miners under the jurisdiction of MSHA has suffered needlessly and without any proven benefit to employee safety. I urge my colleagues to once again support the Rousselot amendment since I feel extended regulation by MSHA will force many operators to close their doors and increase costs for the remaining operators and consumers.

During the 95th Congress this legislative flaw under MSHA was able to slip through without the proper scrutiny that it rightfully deserved. At a time when Members of Congress have pledged to curb unnecessary and wasteful regulation, I feel the passage of the Rousselot amendment today would be an important step in the right direction for the second time.

□ 1800

Mr. MILLER of California. Mr. Chairman, I move to strike the requisite number of words, and I rise to speak against the amendment.

Mr. Chairman, I think we had better understand what is going on here. This is not a question of confusion in the law; of a few people that own sand and gravel pits, or limestone mines, or stone mines or phosphate mines somehow getting trapped incidentally within the coverage of the MSHA Act. It was by design. It was by the design of this Congress, because the 1977 Mine Safety Act transferred the definition of "mine" from the old 1966 Mine Safety Act to MSHA, and Congress specifically intended to include these operations. They were covered by the 1966 act. We knew what we were doing.

And, despite what the gentleman has said, MSHA has separate regulations for surface activities and for underground activities; for coal and noncoal mines. It was very clear, what the intent is.

What we really have here is some people who are regulated and do not like the manner in which they are regulated. It is not that there is confusion in the Congress, but rather, that these people have decided that it is in their financial interests to operate in a different manner. Do not be fooled that they embrace OSHA. What they are holding out for is to embrace OSHA at this particular point because OSHA has some exclusions in it, mainly 10 or less employees, so a lot of these people figure they will never be inspected.

There are mandatory inspections under MSHA, not under OSHA. A lot of these people figure they will escape because OSHA does not have the resources to inspect all of the workplaces already within its jurisdiction. Those of you who would be concerned about the farmers over there have seen the grain elevators blow up, and should know what the problem is.

There are other differences. OSHA may not provide for the fine on the first violation; MSHA requires one. So, what we really have here is a calculation by these individuals that this is a way they can avoid health and safety requirements and enforcement. That is what is going on here.

Do not be misled for a moment that these gentlemen over here embrace OSHA inspections for their constituents who are currently required to be mandatorily inspected by MSHA. We are not returning them to OSHA because OSHA never had jurisdiction over these mines. There was jurisdiction under the 1966 Mine Safety Act. There was jurisdiction now under MSHA.

What the Rousselot amendment does, in fact, is take the people in the surface mining operations and provide them no jurisdiction of health and safety because, under the OSHA law, OSHA will not gain jurisdiction over these mines.

The gentlemen said they would be included in the law. We can argue this point, too. Under 4(b)(1) of OSHA Act, the agency is prevented from entering an area where another agency has exercised jurisdiction. And the court cases that counsel is about to whisper in the gentleman's ear are distinguishable on the facts because in those cases the Department of Transportation did not exercise full jurisdiction. But here we have a case where MSHA has fully exercised its jurisdiction, and you would temporarily prohibit MSHA from doing so. OSHA is precluded from going in in that situation.

The legislative history is clear. The gentleman from Illinois (Mr. Erlenborn) and Mr. Daniel discussed exactly that point, and it is clear that the intention was that OSHA would not be allowed to enter into areas where another Federal agency has asserted jurisdiction.

So, we can talk about that as an abstract matter; this is harassment, this is somebody's view of harassment, these are nitpicking regulations. In fact, these regulations were set up with this specific industry in mind, because it is dangerous, because it has always been dangerous, and it continues to be dangerous. So you can think in abstracts, but in real terms, you deny these workers coverage because that is what the Rousselot amendment does.

You are led to believe that when you voted on this matter last year that there would be a simple transfer of jurisdiction, right? That is what they told you. That has not happened because in fact the jurisdiction of OSHA is being challenged by some of the mineowners who in fact did not even want to be regulated by OSHA, either, and now have the best of all worlds. They are precluded by the Rousselot amendment from being regulated by MSHA, and precluded by the law from being regulated by OSHA.

So, you ought to go back and tell your workers—make sure you talk to the workers as well as the owners—that they will now be completely without health and safety regulation. And if you think it is all abstract, I would be delighted to share with you the names of workers who have been killed in accidents in these mines since we have done this, and there are no OSHA regulations with respect to the type of accidents that these workers suffered, but there were appropriate regulations under MSHA.

I opposed that restriction on the MSHA appropriation last year, and I think the Committee on Appropriations has shown real leadership and courage in striking that unsound restriction in this supplemental appropriation bill.

First of all, these stone mines and sand and gravel mines, and clay mines and phosphate mines are just that—mines.

They have been regulated under the Federal Mine Safety and Health Act since 1977.

Prior to that, they were regulated under the Federal Metal and Nonmetallic Mine Safety Act of 1966.

They have never been considered, under Federal law, as anything but mines.

They were never regulated under OSHA.

And, in fact, until the enactment of the 1977 law, with its tough standards and aggressive enforcement, they never wanted to be regulated as anything but mines.

There is no reason in history or tradition why these operations should be regulated under any law but a mine safety law.

And, it is not as if these operations are unworthy of regulation. Not only are they mines, but they are extremely hazardous mines.

In 1980, more miners were killed in sand and gravel and stone mines than in all the other nonmetal mines and metal mines and coal mines combined.

The question, Mr. Chairman, then becomes, can we afford to let these mines go unregulated?

We were told, when the MSHA rider was previously considered by the House, that we would not have to confront that question, because the effect of the rider would be that OSHA would enforce safety and health standards at these mines.

That advice, however, flies in the face of the express language of section 4(b)(1) of the Occupational Safety and Health Act.

That section says that nothing in the OSHA Act shall apply to working conditions of employees with respect to which other Federal agencies exercise statutory authority to prescribe or enforce safety and health standards.

Well, the Mine Safety and Health Act clearly gives MSHA the authority to prescribe and enforce safety and health standards in stone and sand and gravel and clay and phosphate mines; and from 1977 to the time of the rider, MSHA exercised that authority.

The rider does not take away that authority.

The rider merely precludes the use of MSHA's appropriation in enforcing the law at those mines.

It does not eliminate MSHA's authority to prescribe standards.

And because of this, section 4(b)(1) of the Occupational Safety and Heath Act precludes OSHA's authority to take up the slack.

In point of fact, Mr. Chairman, since the rider was adopted, OSHA simply has not taken up the slack. As I understand it, except for a very few miner complaints, and a few investigations of fatal accidents in these mines, OSHA has engaged in no enforcement activities.

The current situation is not as we were told it would be, but as we fear it would be.

MSHA cannot inspect these mines for safety and health hazards.

OSHA has not inspected these mines for safety and health hazards.

I wish I could say that the hazards themselves have gone away, but they have not. Only the Government inspectors have gone away.

The hazards persist, and the deaths of miners, tragically, persist.

The only difference is that no Government agency is looking after the safety and health of the miners.

What happened last year was a shell game.

The stone and the sand and gravel industry came to us and said "We want out from under MSHA, and if you do this little thing for us, we will come under OSHA."

In point of fact, the pea was under neither shell—and we were taken—and the miners in this hazardous industry are now paying the price.

Mr. Chairman, the House and the Senate made a mistake in adopting this rider last year, and the committee has presented us with a way of undoing that mistake.

We should seize the opportunity, and restore MSHA's ability to regulate and enforce the law at these very dangerous mines.

The gentleman from California (Mr. Rousselot) asks us to make the same mistake again.

We cannot do so.

The lives and the safety of 77,000 surface miners depends on our not doing so.

I urge my colleagues to support the provision of the committee bill, and to reject the amendment.

Mr. NELLIGAN. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the Rousselot amendment.

Mr. MARLENEE. Mr. Chairman, will the gentleman yield for 1 minute on a point brought up by the previous speaker?

Mr. NELLIGAN. Surely.

Mr. MARLENEE. I thank the gentleman.

The Congressional Research Service did a study on whether or not OSHA and the Department of Labor could assume jurisdiction. They stated several court cases which have interpreted section 4(b)(1) of the OSHA Act, which establishes the relationship between OSHA and other Federal and State safety laws, as definitely allowing OSHA to assume jurisdiction. This seems to be totally contradictory to what the previous speaker stated.

Mr. NELLIGAN. Mr. Chairman, last year 254 Members of the House voted for an amendment to the continuing resolution which effectively excluded safety inspections by Federal officials at stone, sand, clay, gravel, and colloidal phosphate mines and related milling operations. I was one of those Members.

I believe that some of us who supported the amendment last year may have been misled. I was led to believe that, by restricting the use of Federal Mine Safety and Health Administration funds for inspections, we were simply transferring responsibility to an equally capable Federal agency. I was told that affected operations were already safer than retail stores. I was given to understand that displaced MSHA inspectors would be put to work providing better inspections in coal mines. For these reasons, I came to the conclusion that OSHA, rather than MSHA, was the appropriate Federal agency for inspecting sand, stone, and gravel operations. And, I was under the impression that the transfer could be easily accomplished by the amendment.

In the months that have passed since the vote on the amendment, a great deal of additional evidence has come to my attention. That evidence has served to convince me that the amendment's provision is not in the best interest of affected workers, industries, or the American people. I would like to take this opportunity to review some of this evidence for the benefit of past supporters of the amendment who may also have been misinformed.

First, I do not believe that stone, sand, gravel, clay, and colloidal phosphate mines are as safe as supporters of the amendment have claimed. I have no quarrel with their statistics. But we all know that statistics can be misleading. What their statistics fail to show is that the number of deaths caused by accidents in affected mines totaled 134 between 1978 and 1980—compared to 42 deaths in all other metal and nonmetal surface mines, and 53 deaths in surface coal mines. Clearly, these are dangerous industries, which present unique threats to the safety of workers. Clearly, despite statistics and semantics, these industries are much more nearly akin to mining than to construction operations. I believe it follows that the efforts of the most highly competent Federal mining inspectors are required to minimize risk to workers in affected operations. This expertise is exemplified in MSHA's highly trained personnel.

Second, I do not believe that adequate inspection is possible under OSHA. Under MSHA, each of the more than 10,000 sand and gravel pits and stone quarries nationwide was inspected frequently. According to a report in the March 8 edition of the Pittsburgh Press, OSHA officials admit that their agency conducted a total of only 13 inspections at the same 10,000 facilities during the first 3 months of their jurisdiction. During a similar period of time under MSHA, there would have been over 1,300 inspections. A large part of this difference results from the fact that the amendment has eliminated all safety inspections at operations with 10 or fewer employees—operations which constitute about 85 percent of those previously inspected by MSHA.

Third, I believe the amendment has created unintended legal and administrative problems. Supporters claim that these are mere wrinkles that can be worked out in the future, and that no adverse effects on worker safety will result in the meantime. I am highly skeptical of these claims. I point out to you that the amendment has not ultimately solved the legal issue of who has final responsibility for inspections at affected sites; that it has provided no additional funds for OSHA to help meet its increased inspection responsibilities; and that it will require the furloughing of 220 highly trained and technically competent MSHA mine inspectors as of the end of next month. These are not, to my way of thinking, mere wrinkles. Rather, they are problems which threaten the viability of the entire mine inspection effort.

Fourth, I no longer buy the argument that the amendment will serve to lessen the burden of Federal regulations in a cost-effective manner. Press reports have indicated that some affected operations have already experienced a marked increase in insurance premiums because of reductions in inspections. Because of cost factors like these, as well as concerns about worker safety and blurred lines of authority for inspections, even some of the affected industry associations do not support the amendment. The National Limestone Institute, while recognizing the need for modifications in the current law, opposes what it aptly terms "the simplistic, undefined transfer proposal" contained in the amendment.

Finally, despite what you may have heard or read, the Department of Labor does not support the amendment. Last year, Secretary Raymond Donovan informed appropriate subcommittee chairmen in both the House and Senate of his Department's reservations. Supporters are now claiming that Mr. Donovan has been won over to their side. This is simply not the case. All that Mr. Donovan has done is to recognize that, if the amendment remains in effect, changes will have to be made to provide for some form of inspection at affected facilities within the framework of OSHA. He has not endorsed the policy. This is clear from testimony presented during the week of April 19 by Assistant Labor Secretary Ford B. Ford at Senate hearings. In that testimony, Mr. Ford reiterated Labor's request that MSHA's authority for inspections at stone, sand, gravel, clay, and colloidal phosphate mines be restored.

Mr. Chairman, I believe the case against the so-called Rousselot amendment is a clear and persuasive one. The affected operations are not safe; current inspections under OSHA are inadequate and they are likely to remain so; MSHA's expertise is necessary to restore worker safety in these operations. The amendment has failed to gain the support of a single labor union, sizable segments of the affected industries, or the Reagan administration.

For all of these reasons, I can no longer support the amendment. Members who share my view have a unique opportunity to undo the damage caused by passage of the amendment last year. H.R. 5922, the urgent supplemental appropriations bill, has been amended to restore MSHA's responsibility for inspecting stone, sand, gravel, clay, and colloidal phosphate mines. I intend to support this provision, and to resist any efforts on the floor to amend it. I urge my colleagues, who may have unwittingly supported the amendment last year, to join me in this course of action—which is vital to the safety of thousands of American Miners.

□ 1810

The CHAIRMAN. The time of the gentleman from Pennsylvania (Mr. Nelligan) has expired.

(By unanimous consent Mr. Nelligan was allowed to proceed for 3 additional minutes.)

Mr. NELLIGAN. Mr. Chairman, I believe the case is sure. I believe the case against the Rousselot amendment is clear. I do not believe we are talking about regulations. I do not think we are talking about dual responsibility. I think we are talking about the lives of miners in this country, and I urge my colleagues to oppose the Rousselot amendment.

Mr. KEMP. Mr. Chairman, will the gentleman yield?

Mr. NELLIGAN. I am glad to yield to the gentleman from New York.

Mr. KEMP. I appreciate my friend yielding.

I wanted to congratulate him on his statement. I think it is balanced and one with which I strongly agree.

I think it would be costly and complex and time consuming to make this change at this time and I think the gentleman's statement is right on target.

Mr. Chairman, when the Rousselot amendment was offered last October, I voted for it. So did 253 of my colleagues. Since that time, I have done more homework on the issue. I have concluded that I cannot support this amendment to the urgent supplemental appropriation.

I have always believed that the free enterprise system cannot survive if it is entangled in excessive regulation; but it also cannot survive if it fails to meet its responsibility to protect the safety and health of workers. And that is the fundamental issue here: How can we best protect the workers in surface stone, sand, and gravel mining?

The argument for this amendment is that, with MSHA barred from using its funds to inspect and regulate certain surface mines, OSHA will automatically have the authority to step in and fill the breach. I know that my colleague from California (Mr. Rousselot) can cite an impressive number of cases to try to show that this is so. But I must point out that there are many doubts about this argument. It has been suggested that, under the Rousselot language, OSHA does not have the authority to take over from MSHA. I do not pretend to have a definitive contribution to make in this debate but, given the disagreements between honest men and women of good will, I am certain of one thing: The lawyers will have their hands full.

The losers will be the workers, whose safety may be jeopardized so long as the matter is disputed. As Labor Secretary Donovan has written:

> Resolution of this litigation may take some time. * * * While this or any other issue is being litigated, the contesting operator need not comply with an OSHA abatement order.

Some of my colleagues have pointed out, "If the legal problems are so complex, how come all that litigation hasn't surfaced yet?" The answer is that OSHA has not yet gone full speed ahead into mine inspection. OSHA is only now attempting to take MSHA's place and we are feeling the calm before the storm. When OSHA starts to inspect in earnest, industry and labor alike will be consulting their lawyers more often.

I recognize that a completely different scenario is possible—there may be little or no litigation. This could come about if OSHA is unable to take MSHA's place. This would leave mines uninspected and workers unprotected. When MSHA was inspecting surface mines, there were over 1,800 inspections between January 1 and April 1, 1981. In the same time period this year, OSHA has performed only 17 inspections.

All of OSHA's were in response to complaints or fatalities. There were no routine general inspections.

I know that Secretary Donovan has assured my colleagues that he will do his best to equip OSHA for the task of surface mine inspection. My fear is that, realistically, he may not be able to achieve that goal. The proposed Rousselot amendment transfers many of MSHA's responsibilities to OSHA, but none of its funding. Last December, Secretary Donovan pointed out that this would be costly, complex and time consuming—inspectors would have to be trained, new rules and regulations would have to be promulgated and inspections would have to be scheduled and made—all within OSHA's present resources. Last December, these obstacles were so worrisome that Secretary Donovan said he did not think OSHA should take over MSHA's surface mining responsibilities.

The possible outcomes then, are not very appealing—we face legal problems over OSHA's authority to regulate surface mines and administrative problems involving OSHA's ability to enforce that authority if indeed it exists. I am afraid that despite good intentions all around, the safety of workers may be at risk if this amendment is adopted. And where human lives are at stake, I do not think we can afford to take chances. I urge my colleagues not to adopt this language.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. NELLIGAN. I will be glad to yield.

Mr. ROUSSELOT. I appreciate my colleague yielding.

I do not want to take credit for something I did not do in my amendment. The Byron amendment established that groups of employees of less than 10 would be excluded from OSHA. So the gentleman has given me credit for that. I had nothing to do with it and the gentleman knows that. So does my colleague from Pennsylvania, so you cannot lay that on me.

Mr. NELLIGAN. Effectively what I am saying is if we have only 13 inspections where there should be 13,000, they are the ones that are going to slip through the safety net.

Mr. NATCHER. Mr. Chairman, I ask unanimous consent that debate on this amendment and all amendments thereto close in 15 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The CHAIRMAN. Members standing at the time the unanimous-consent request was agreed to will be recognized for 1 minute and 30 seconds each.

The Chair recognizes the gentleman from Colorado (Mr. Kramer).

(By unanimous consent Mr. Rousselot yielded his time to Mr. Kramer.)

PARLIAMENTARY INQUIRY

Mr. KRAMER. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. KRAMER. Mr. Chairman, do I understand the Chair is saying that each one of those colleagues named has 1½ minutes apiece?

The CHAIRMAN. The gentleman is correct.

Mr. KRAMER. Mr. Chairman, let me just briefly say that what is being overlooked here is the real issue and that is, as the gentleman from California I think aptly pointed out, people are trapped by design into a bill that is intended to apply to the unique conditions that are present in coal mines. What we have now done is apply a coal mine law across the board to every type of mining regardless of the minerals mined, regardless of the particular conditions within that mine and regardless of how that mine is operated by size and scope.

What is really needed here is a reaffirmation of the Mine Safety Health Act, a bill that we will introduce within the next several weeks to provide an atmosphere that is no longer one of confrontation but one of cooperation, that provides flexibility and targeting so that what we can really get at is the unsafe mines rather than treating every single mine alike, regardless of safety record.

It is a bill that will impose not the will of the Government, but will seek compliance assistance whereby mines will have an opportunity to find out what they are really doing wrong and then correct it without the fear of being cited for every violation regardless of how picyune and regardless of how unimportant.

What is really at stake here is, in fact, the basic question: Why would a group of individuals ask to be regulated by OSHA?

What is needed here is legislation that will target unsafe mines. Right now, for example, we are concerned about the disasters in coal mines. But did my colleagues know that the penalty for smoking in a coal mine, which has been the reason for so many deaths, is $250?

I ask when we spend an hour and a half debating a sand and gravel operation, which is much more peculiar to construction work, are we really targeting in on the real issue in mine safety? And I suggest no, we are not doing that.

What is needed is an educational program for miners that is tailored to the unique mining conditions. Not every mine is like a coal mine. A sand and gravel operation that is above surface has nothing in common with a coal mine.

Most mining accidents occur from one of two conditions, roof cave-in or explosion created by methane gas. Neither condition is present in a sand and gravel operation on the surface, so what is needed is a recognition that each type of mine is unique and ought to be handled differently, that MSHA ought not to be sent out to every single mining operation, treating all alike, and that each ought to be treated according to its safety record, that each ought to be treated according to its inherent potential for danger.

The CHAIRMAN. The time of the gentleman from Colorado has expired.

The Chair recognizes the gentleman from Pennsylvania (Mr. Bailey).

Mr. BAILEY of Pennsylvania. Mr. Chairman, as someone who has served on the original authorizing committee, and someone who had questioned numerous witnesses on the issue of jurisdiction, I would only say that I would hope the body would not vote in support of the Rousselot amendment. It will cause a great deal of hardship, it will cause a great deal of pain.

OSHA does not have the ability to, does not even have the authority to extend its jurisdiction. The nitpicking problem, incidentally, with MSHA is something that the administration can solve via regulation and administrative emphasis.

I yield the balance of my time to the gentleman from Pennsylvania (Mr. Gaydos).

The CHAIRMAN. The time of the gentleman from Pennsylvania (Mr. Bailey) has expired.

The Chair recognizes the gentleman from Pennsylvania (Mr. Gaydos).

Mr. GAYDOS. I want to thank my colleague for yielding.

Let me say I think it is important, I mean decidedly important that you remember and take into account and listen to Secretary Donovan. He has had a chance to analyze the situation. He and Assistant Secretary Auchter and Assistant Secretary Ford are looking at this matter, they are examining closely those involved. The inspectors, do they have the expertise? How about these standards? Are these standards time tested; are they in place under MSHA?

Why when lives are at stake, and I cannot help but emphasize this, when lives are at stake, why would you not give and respond, and give due credence to all of these facts that indicate: First, the expertise is there in NSHA; second, there is an experienced record in MSHA; and third, you have qualified inspectors in MSHA, who know mine safety and health.

So why put the lives of those miners under OSHA jurisdiction? First, OSHA cannot make the proper inspections; second, they do not have inspectors that are qualified; and third, they have no mining standards.

I ask my colleagues to please defeat this amendment.

☐ 1820

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota (Mr. Oberstar).

Mr. OBERSTAR. Mr. Chairman, the issue in this debate is not regulation or overregulation or paperwork. The issue is safety. The issue is lives—lives of people working at surface mines.

Balance in your minds and your hearts on the one hand a handful of papers and regulations and, on the other hand, an unsafe workplace and the prospect of sudden death.

From 1978 until 1980, 134 workers in stone, sand, and gravel pits were killed. They did not die. They did not expire. They were killed in accidents.

Last year there were 17 inspections under OSHA. The year before, there were 1,800 inspections by MSHA.

I grew up in mining country. I remember the day my father came home, ashen, from the underground mine, when a cave-in stopped right here at his neck. I made it my goal when I came to this Congress to work for mine safety. We have got a good law. Let us keep it. Let us not water it down. Let us not put people's lives in jeopardy. Let us reject the Rousselot amendment.

Mr. Chairman, Congress made a terrible mistake in approving a provision of the continuing resolution which excludes all surface sand and gravel mines from the provisions of the Mine Safety and Health Act.

The inclusion of sand and gravel mines under the provisions of the Mine Safety and Health Act was the result of extensive consideration by the House and Senate authorizing committees. It was not done inadvertently, inappropriately, or incorrectly.

The protection offered to sand and gravel miners should not be stripped away by an ill-considered rider to a continuing appropriations resolution.

H.R. 5922, legislation making urgent supplemental appropriations, would undo the mischief done by the continuing resolution which excluded workers in sand and gravel pits from the protection of the Mine Safety and Health Administration.

To reject the sensible provision included in the supplemental appropriations bill by the Appropriations Committee would be unconscionable. It would mean excluding from the safety provisions of MSHA the very workers who are at greatest risk. In the years 1978 to 1980, 134 workers in stone, sand, and gravel pits were killed. Fatal accident rates in surface mines are higher for sand, gravel, and stone mines than they are for metal, nonmetal, and coal surface mines.

Supporters of the exclusion provision in the continuing resolution claim that the 1977 law should not be applied to surface mining. They are wrong.

The primary purpose of the 1977 act was to provide noncoal miners with the same protection that had been denied them under the 1966 Metal and Nonmetallic Mine Safety Act. There is tougher enforcement under MSHA than OSHA. In the last year, there were only 17 OSHA inspections of sand and gravel pits, compared to 1,800 inspections by MSHA of the same operations in the previous year. The 1977 act accomplished a major reform by transferring enforcement from the Department of the Interior, whose primary focus is development of the Nation's natural resources, to the Department of Labor, whose focus is protection of the American worker and the workplace.

The Mine Safety and Health Act clearly provides for different standards for each type of mining operation. Standards governing coal mines are not applied to noncoal mines. Surface stone, sand and gravel, and open-pit mines are governed by their own set of safety and health standards, which were largely developed under the 1966 act with the participation and the approval of the industry itself.

In view of the carefully drawn provisions relating to sand and gravel and the separate consideration given such operations in the 1977 act, there is no justification whatever for removing them from MSHA protection.

Supporters of the exclusion may argue that sand and gravel mines should be regulated by the same enforcement agency as construction work. There is no merit in that argument, for construction work and sand and gravel operations are two totally different kinds of work; no reasonable person could be persuaded that they should be covered by the same set of safety laws and rules. Furthermore, apart from the merits, we should have grave reservations about using an appropriations rider to accomplish the substantive change of removing enforcement responsibilities from MSHA.

There is also a very significant question of whether the rider actually accomplishes a transfer from MSHA to OSHA or whether it simply excludes sand and gravel mines from MSHA, without providing for coverage under OSHA.

I think it should also be pointed out here that, historically, sand and gravel operations have been considered part of the mining industry, not the construction industry. Until Congress passed the 1977 act, greatly strengthening the protection given surface stone, sand and gravel mine workers, the mine operators were satisfied to be governed by the Metal and Nonmetallic Mine Safety Act of 1966. The 1966 Mine Act was far weaker than the 1970 act which created OSHA. In the period 1970 to 1977, mine operators did not argue that they were not misers; they were not clamoring for coverage under OSHA then, why should they want to change now—unless they are trying to escape the somewhat stiffer provisions of the MSHA law. And if they are, then all the more reason to give workers in more operations the better protection they deserve.

The Appropriations Committee has given us a vehicle for undoing a tremendous wrong which has been done to the men and women who work in the Nation's sand, gravel, and colloidal phosphate mines. If we reject the amendment included by the Appropriations Committee, we return these miners to a legal limbo in which the continuing appropriations bill has left them. Those who argue for exclusion of these miners from MSHA cannot in good conscience argue that they have transferred authority for surface stone, sand, and gravel mines to OSHA. The exclusion in the continuing resolution is simply an exclusion, a prohibition of the use of funds. It does not provide OSHA with legislative authority to assume the responsibilities which it gave MSHA in 1977.

The issue is not a partisan one. I was very pleased to see the excellent dear colleague initiated by the gentleman

from Pennsylvania (Mr. Nelligan) and signed by our colleagues from the other side of the aisle, the gentlemen from New York (Mr. Kemp) and Pennsylvania (Mr. Ritter).

Secretary of Labor Donovan in letters to Chairman Natcher and Senators Specter and Schmitt has made quite clear the Department of Labor's concern over the implications of the exclusion provision: The uncertainty over OSHA's authority to assume MSHA functions with respect to surface mines, the loss of trained MSHA personnel, and the strain on OSHA's already restricted personnel resources.

As an original sponsor of the 1977 act, I know the care with which Congress passed the act. I find it absolutely appalling that with a rider to the continuing resolution, Congress deprived the Nation's sand and gravel miners of the protection Congress intended for them.

If the House rejects the efforts of the Appropriations Committee to restore MSHA'a authority, then it should bear the responsibility for the deaths of those miners who will lose their lives in the next year because of a senseless, ill-considered, mindless attempt to strike out at worker safety laws.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois (Mr. Erlenborn).

Mr. ERLENBORN. Mr. Chairman, I find this issue somewhat confusing, and I suppose most Members do. There seems to be a difference of opinion as to what the facts are. But I think, as in most debates, issues, that come before this Congress, there are certain interests that are being represented. On the one hand are those who own the small sand and gravel pits, often farmers, as has been stated by one of the Members in the debate, who feel that the MSHA coverage is onerous, its manadatory inspections, mandatory fines, are onerous, and that had been reflected by a majority of the Members of this Congress signing on as cosponsors of a bill to change the jurisdiction for these sand and gravel mines.

On the other hand, you have some labor unions that represent not the employees in the sand and gravel mines that we are arguing about, but other employees, but for reasons of their own, want to keep the jurisdiction in MSHA.

Now, we have had 23 days of hearings in the subcommittee headed up by the chairman, the gentleman from Pennsylvania (Mr. Gaydos). We have had no action. We have had no bill reported. It seems to me quite clear that if we just put this back to the position it was before, that is exactly what is going to happen. Even though a majority of the Members of this House want action taken to respond to the complaints of their constituents, nothing is going to happen. You know we are probably not going to have a discharge petition signed.

Now, at the moment there seems to be some unhappiness in the way the situation is under the Rousselot amendment. My suggestion is, support the Rousselot amendment and then maybe we will get a bill out of that subcommittee.

(By unanimous consent, Mr. Moffett yielded his time to Mr. Rahall.)

The CHAIRMAN. The Chair recognizes the gentleman from West Virginia (Mr. Rahall).

Mr. RAHALL. I thank my colleague, the gentleman from Connecticut, for yielding me his time.

Mr. Chairman, today we are being given the chance to atone for a gross violation of the right of this Nation's sand, gravel, clay, and phosphate surface mine labor force to a safe and health workplace which was committed with the acceptance of an amendment to the continuing appropriations for fiscal year 1982 prohibiting the Mine Safety and Health Administration from inspecting these mines.

Today, we are being given a second chance to undue a great wrong, to consider once again with the benefit of retrospect the insidious consequences of poor, indeed, nonexistent, mine inspection and enforcement.

Today, because of the efforts of our colleagues on the Appropriations Committee, we have before us an urgent supplemental appropriation for fiscal year 1982 which seeks to reverse the MSHA exemption by giving this agency the same jurisidicton it had over mine safety on September 30, 1981.

I commend my colleagues on the committee for their tireless efforts on behalf of the miners of this Nation. I applaud their keen foresight in trying to reverse the damage done by the continuing resolution before this damage became irreversible.

Mr. Chairman, sand and gravel mines are no less dangerous than coal mines. However, since enactment of the continuing resolution, some 77,000 surface miners and 45,500 stone milling workers have been without any effective health and safety protection. Meanwhile, MSHA has been plagued with, and its activities undermined by, low morale and RIF procedures. In an agency of fewer than 3,000 employees, we have created a formula for disaster by causing job insecurity within the ranks of MSHA inspectors.

Surely, many of my colleagues never anticipated these ramifications when voting for the MSHA exemption amendment. Surely, they did not vote to exempt mine workers from safety and health protection.

Let us now recommit ourselves to a sound workplace. I urge my colleagues to oppose any weakening amendments to H.R. 5922 and to support the committee's efforts to restore health and safety inspections.

● Mrs. SCHNEIDER. Mr. Chairman, I rise in opposition to the Rousselot amendment. I believe that it is essential that we look realistically at the number of workers that would be excluded from any effective safety and health protection.

Surface stone, sand and gravel mines are not safe. They are the most dangerous of all types of surfacing mining. In the last 3 years, 134 surface stone, sand and gravel miners will be killed as compared to 42 deaths in metal/nonmetal surface mines and 53 deaths in surface coal mines. Overall, if this exclusion amendment is enacted 77,000 surface miners and attendent mill workers will be excluded from effective safety and health protection.

A Library of Congress study reports "to send surface miners from MSHA to OSHA would probably be condemning increasing numbers of miners to injury or death." In addition, the Department of Labor has openly opposed the exclusion. The Department basis its opposition on confusion over the jurisdictional authority between OSHA and MSHA and the fact that OSHA lacks experienced inspectors.

Finally, the safety of workers must remain our top priority. Therefore I urge my colleagues to oppose this amendment.●

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. Rousselot).

The question was taken; and the Chairman announced that the noes appear to have it.

RECORDED VOTE

Mr. ROUSSELOT. Mr. Chairman. I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 186, noes 220, answered "present" 1, not voting 25, as follows:

[Roll No. 73]

AYES—186

Alexander
Andrews
Anthony
Archer
Badham
Bailey (MO)
Barnard
Beard
Bennett
Bereuter
Bethune
Bliley
Boggs
Bouquard
Breaux
Brinkley
Broomfield
Brown (CO)
Broyhill
Burgener
Butler
Carman
Carney
Chappell
Chappie
Cheney
Clausen
Clinger
Coleman
Collins (TX)
Conable
Corcoran
Craig
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Dannemeyer
Daub
de la Garza
Deckard
Dickinson
Dornan
Dunn
Edwards (AL)
Edwards (OK)
Emery
English
Erdahl
Erlenborn
Evans (IA)
Fiedler
Fields
Fish
Flippo
Forsythe
Fountain
Frenzel
Fuqua
Gibbons
Gingrich
Goodling
Gradison
Gramm
Gregg
Gunderson
Hagedorn
Hall, Ralph
Hall, Sam
Hammerschmidt
Hansen (ID)
Harkin
Hartnett
Hefner
Hendon
Hightower
Hiler
Hillis
Holt
Horton
Hubbard
Huckaby
Hunter
Hutto

Ireland
Jeffords
Jeffries
Johnston
Jones (TN)
Kazen
Kindness
Kramer
Lagomarsino
Leach
Leath
LeBoutillier
Lee
Lewis
Loeffler
Long (LA)
Lott
Lowery (CA)
Lujan
Lungren
Marlenee
Marriott
Martin (IL)
Martin (NC)
Martin (NY)
McClory
McCollum
McCurdy
McDonald
Mica
Michel
Miller (OH)
Mitchell (NY)
Molinari

Montgomery
Moore
Moorhead
Morrison
Myers
Napier
Nelson
Nichols
Oxley
Panetta
Parris
Pashayan
Patman
Paul
Pickle
Porter
Pritchard
Pursell
Quillen
Railsback
Rhodes
Roberts (KS)
Roberts (SD)
Robinson
Roemer
Roth
Rousselot
Rudd
Santini
Sawyer
Schulze
Sensenbrenner
Shaw
Shelby

Shumway
Skeen
Skelton
Smith (AL)
Smith (IA)
Smith (NE)
Smith (OR)
Snowe
Snyder
Solomon
Spence
Stangeland
Stenholm
Stratton
Stump
Tauke
Tauzin
Taylor
Thomas
Udall
Vander Jagt
Watkins
Weber (MN)
White
Whitehurst
Whitley
Whittaker
Winn
Wolf
Wortley
Wylie
Young (AK)
Young (FL)
Young (MO)

NOES—220

Addabbo
Akaka
Albosta
Anderson
Annunzio
Applegate
Aspin
Atkinson
AuCoin
Bailey (PA)
Barnes
Bedell
Beilenson
Benedict
Benjamin
Bevill
Biaggi
Bingham
Blanchard
Boland
Bolling
Boner
Bonior
Bonker
Bowen
Brodhead
Brooks
Burton, Phillip
Byron
Chisholm
Clay
Coats
Coelho
Collins (IL)
Conte
Conyers
Coughlin
Coyne, James
Coyne, William
Crockett
D'Amours
Daschle
Davis
Dellums
DeNardis
Derrick
Derwinski
Dicks
Dingell
Dixon
Donnelly
Dorgan
Dougherty
Dowdy
Downey
Duncan
Dwyer
Dyson
Early

Eckart
Edgar
Edwards (CA)
Emerson
Ertel
Evans (DE)
Evans (GA)
Evans (IN)
Fary
Fascell
Fazio
Ferraro
Findley
Fithian
Florio
Foley
Ford (MI)
Ford (TN)
Fowler
Frank
Frost
Garcia
Gaydos
Gejdenson
Gephardt
Gilman
Glickman
Gonzalez
Gore
Green
Guarini
Hall (OH)
Hamilton
Hance
Hatcher
Heckler
Hertel
Holland
Hollenbeck
Hopkins
Howard
Hoyer
Hughes
Hyde
Jacobs
Jenkins
Jones (NC)
Jones (OK)
Kastenmeier
Kemp
Kennelly
Kildee
Kogovsek
Lantos
Latta
Lehman
Leland
Lent
Levitas

Long (MD)
Lowry (WA)
Luken
Lundine
Madigan
Markey
Marks
Matsui
Mavroules
Mazzoli
McDade
McEwen
McGrath
McHugh
McKinney
Miller (CA)
Mineta
Minish
Mitchell (MD)
Moakley
Moffett
Mollohan
Mottl
Murphy
Murtha
Natcher
Nelligan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Patterson
Pease
Pepper
Perkins
Petri
Peyser
Price
Rahall
Rangel
Ratchford
Regula
Reuss
Richmond
Rinaldo
Ritter
Rodino
Roe
Rogers
Rose
Rosenthal
Rostenkowski
Roukema
Roybal
Russo
Sabo
Savage

Scheuer
Schroeder
Schumer
Seiberling
Shamansky
Shannon
Sharp
Shuster
Siljander
Simon
Smith (NJ)
Solarz
St Germain
Stark
Staton

Stokes
Studds
Swift
Synar
Traxler
Trible
Vento
Volkmer
Walgren
Walker
Wampler
Washington
Waxman
Weaver
Weber (OH)

Weiss
Whitten
Williams (MT)
Williams (OH)
Wilson
Wirth
Wolpe
Wright
Wyden
Yates
Yatron
Zablocki
Zeferetti

ANSWERED "PRESENT"—1

Bafalis

NOT VOTING—25

Brown (CA)
Brown (OH)
Burton, John
Campbell
Courter
Dreier
Dymally
Fenwick
Foglietta

Ginn
Goldwater
Gray
Grisham
Hansen (UT)
Hawkins
Heftel
LaFalce
Livingston

Mattox
McCloskey
Mikulski
Neal
Schneider
Smith (PA)
Stanton

□ 1840

Messrs. RICHMOND, BEVILL, LENT, and FINDLEY changed their votes from "aye" to "no."

Messrs. HUTTO, DORNAN, and SKELTON changed their votes from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

Mr. OBERSTAR. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the urgent supplemental, which will provide vitally needed funds for several programs of interest to the Public Works and Transportation Committee, and to my State of Minnesota.

Mr. Chairman, if ever an appropriation deserved the adjective "urgent," it is the $2.4 billion for EPA's construction grants program. Minnesota is virtually out of money, has been for months, while pollution continues which should be cleaned up, and will be cleaned up once this bill becomes law. The great majority of States are in the same situation.

My primary concern, however, is with various interpretations of my amendment of last year to the Federal Water Pollution Control Act, section 205(j), which sets aside funds for water quality management planning.

Mr. Chairman, I want to state very clearly, once again, that these funds are intended to be used at the local level, by designated or undesignated public comprehensive planning organizations.

As chairman of the Public Works Subcommittee on Economic Development, I have worked long and hard this year on H.R. 6100, the National Development Investment Act, which our full committee reported out yesterday. An extremely important aspect of that bill was the planning process, and the establishment of balances between State and local planning responsibilities. Although we acknowledged the increased capacity of States and provided funds to them for overall State planning, that bill retains the planning for local areas at the local level.

My intent in writing section 205(j) was the same. I believe, and our authorizing committee believes, that planning for a local area must be done at the local level; and that, where areawide agencies exist, they are the most appropriate bodies to conduct this planning.

It is possible that not all such agencies are performing as well as they should; in that case, they should be upgraded; and where undesignated agencies exist with the capability to take on water quality management planning, they should be permitted to do so.

But the legislative intent of section 205(j), Federal Water Pollution Control Act, is clear: Local water quality management planning is to be done at the local level.

AMENDMENT OFFERED BY MR. CONTE

Mr. CONTE. Mr. Chairman, I offer an amendment, and I ask unanimous consent to dispense with the reading of the amendment and that it be printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection

The amendment is as follows:

> Amendment offered by Mr. Conte: On page 12, after line 21, insert:
>
> Sec. 205. Section 7 of Public Law 95-435 is hereby repealed.

Mr. CONTE. Mr. Chairman, I have discussed this with the majority, and I hope we can get the amendment agreed to.

The CHAIRMAN. Is there further discussion of the amendment? If not, the question is on the amendment offered by the gentleman from Massachusetts (Mr. Conte).

The amendment was agreed to.

Mr. WHITTEN. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. Studds, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 5922) making urgent supplemental appropriations for the fiscal year ending September 30, 1982, and for other purposes, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the

amendments be agreed to and that the bill, as amended, do pass.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time and was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill, H.R. 5922, just passed, and that I may include extraneous material.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi,

There was no objection.

SOUTHERN ARIZONA WATER RIGHTS SETTLEMENT ACT OF 1981

Mr. UDALL. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 5118) to provide water to the Papago Tribe of Arizona and its members, to settle Papago Indian water rights claims in portions of the Papago reservations, and for other purposes, with a Senate amendment thereto, and concur in the Senate amendment with amendments.

The Clerk read the title of the bill.

The Clerk read the House amendments to the Senate amendment, as follows:

> (1) In section 2, paragraph (7), section 3, paragraph (d), and section 4, paragraph (a), change "'December 12, 1980'" to "'December 11, 1980'."
>
> (2) In section 4, change paragraph "(e)" to "(e)(1)"; change subparagraphs designated in the amendment as "(1)" and "(2)" to "(A)" and "(B)" respectively; and insert the following paragraph (2):
>
> "(2) There is hereby authorized to be appropriated by this Act, in addition to other sums authorized to be appropriated by this Act, a sum equal to that portion of the total costs of phase B of the Tucson Aqueduct of the Central Arizona Project which the Secretary determines to be properly allocable to construction of facilities for the delivery of water to Indian Lands as described in subparagraphs (a) and (B) of paragraph (1). Sums allocable to the construction of such facilities shall be reimbursable as provided by the Act of July 1, 1932 (P.L. 72-240; 25 U.S.C. 386(a)), as long as such water is used for irrigation of Indian Lands.".
>
> (3) In section 11, change "Notwithstanding" to "Except as otherwise provided in section 7 of this Act, notwithstanding".

Mr. UDALL (during the reading). Mr. Speaker, I ask unanimous consent that the House amendments to the Senate amendment be considered as read and printed in the Record.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

The SPEAKER. Is there objection to the initial request of the gentleman from Arizona?

Mr. BEREUTER. Mr. Speaker, reserving the right to object, I would like to ask the distinguished gentleman from Arizona, the chairman of the Committee on Interior and Insular Affairs, if he would explain the changes in the Senate amendment to H.R. 5118, what those changes are, and what the gentleman's amendments would do.

Mr. UDALL. Mr. Speaker, will the gentleman yield?

Mr. BEREUTER. I yield to the distinguished gentleman.

Mr. UDALL. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, the Senate amendment to H.R. 5118 makes the following changes:

□ 1850

The first amendment eliminates the option of delivering reclaimed water to the Papago Tribe by means of a single-purpose, direct pipeline from the treatment site to the reservations, thus reducing the estimated cost of the settlement bill considerably;

The period of time allowed the city of Tucson, the Papago Tribe and the Secretary to arrive at an agreement regarding reclaimed water delivery is changed from December 31, 1982 to a date 1 year from date of enactment, to allow more time for the negotiations;

The statute of limitations for actions relating to water rights is extended for a period of 2 years to permit the other Papago reservation districts to explore resolution of those claims without resort to litigation;

A new section provides that in the event a Federal entity is established to undertake arid land renewable resource projects, the Papago Tribe is given a priority to participate in such venture;

The measure of damages in the event the water to which the tribe is entitled under the settlement agreement is not delivered is clarified; and

A study to examine possible solar energy alternatives is included.

These changes do not, in my opinion, make any serious substantive changes in the House-passed bill and, in fact, many of them clear the bill up a little.

I am proposing three additional amendments, two of which are technical and clarifying:

First, a mistaken date reference is corrected;

Second, it is made clear that the extension of the statute of limitations in section 11 is not intended to permit rejuvenation of the suits which will be dismissed by the Papago Tribes as part of the settlement agreement.

Third, the third amendment puts back in the provision of the House-passed bill that says that those costs of construction of phase B of the Tucson Aqueduct allocable to delivery of water to Indian lands are authorized under this legislation.

Mr. BEREUTER. Mr. Speaker, further reserving the right to object, I would say to the gentleman that I understand that the last amendment as typically referred to here has been know as the Rhodes amendment offered by the gentleman from Arizona (Mr. Rhodes). These amendments have been reviewed by the minority. We have no objection and support them.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the initial request of the gentleman from Arizona?

There was no objection.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. UDALL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the legislation just considered.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

YOUR PENSION OR YOUR VOTE

(Mr. PICKLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. PICKLE. Mr. Speaker, the President and the Speaker say there will be no cuts in social security. Members of the Senate say there will be no cuts in social security. Members of the House Budget Committee say there will be no cuts in social security. It is an easy political bell to pull. It rings well.

Let me caution my colleagues that every bell we hear is not the Liberty Bell.

We are all getting very busy saying what we will not do regarding social security, and absolutely no one is saying what we will do to meet the real problems this program faces.

All we are doing is heating this up politically like a post oak stove. When it comes to social security, I do not think the people care so much what the Republican or Democratic position is. I think they care about social security. They know we have problems. I think they would rather see those problems fixed than see us continue to run and duck for another year. People are losing confidence in social security by this delay.

A final thought—we will need about $10 billion a year for the next 4 years just to keep enough money in the retirement fund to enable us to go home on an occasional recess knowing the funds can hold out until we get back. We had better start thinking very hard about where we are going to get that kind of money for this program. And we better start thinking very hard about the long-range changes that we need to restore overall confidence in social security and do it now.

All the promises of today will mean nothing if we do not act soon.

I am attacking an editorial from the New York Times which I think is timely:

[From the New York Times, May 12, 1982]

YOUR PENSION OR YOUR VOTE

Sensing Republican vulnerability, the Democrats are out for blood. Republicans would "raid and loot the Social Security system," says Senator Riegle. President Reagan is "mortgaging the economic future of the elderly," says Senator Byrd. The party that created Social Security will not hear of a Republican plan to find savings of $40 billion in the next three years. House Democrats have already prepared a budget counterproposal that leaves the sacred cow untouched.

The Democrats are already winning this unworthy, partisan battle. Republicans are joining them, refusing to stand alone against 36 million aroused Social Security beneficiaries. But the country can't afford such victories.

Social Security needs reform. Those who deny its problems are chasing votes at the expense of their constituents. The Democrats notwithstanding, there are ways to reduce the systems' cost without trampling on the poor or stealing benefits from middle-income retirees.

Congress' beneficence to pensioners has long run ahead of its willingness to foot the bill. Despite large increases in the payroll tax, Social Security's obligations exceed its income. Tinkering—perhaps a one-year freeze on cost-of-living increases—would get the system out of a tight corner. But that would be unfair to pensioners who count on every penny and would not solve the long-term problem. According to Social Security's actuary, the system owes $4 trillion more than it can expect to receive from those now contributing.

Opportunists prefer to slip the question rather than venture on thin political ice. But the longer Congress delays, the larger the eventual cuts will have to be. If savings were found now, no beneficiary need suffer very much. Consider this package of reforms, which together would make the system solvent:

Tax the benefits. Suppose Social Security were, for tax purposes, treated like private pensions. Payroll contributions would be returned as tax-free benefits. But the rest of the pension would be taxed as ordinary income.

A couple scraping by on an $800 monthly check would pay little if any additional tax. But those with much larger incomes—the majority of Social Security recipients—would pay a fair share in taxes. If their payments were put in the Social Security trust fund, its short-term problems would be solved.

Eliminate double-dippers. Federal employees do not pay Social Security taxes. But they often become eligible for benefits by moonlighting in private jobs or working for a few years after retirement. And because the benefit formulas are so generous to low-income workers, they reap a windfall. The remedy: change the benefit formulas to distinguish Government retirees from the working poor. Or simpler yet: collect Social Security taxes from all Government employees.

Raise the retirement age. Age 65 was a reasonable retirement age in the 1930's; but 65-year-olds today expect to live to 82. By gradually raising the pension age to, say, 68, the system could reduce its liabilities by trillions of dollars and hold the payroll tax rate at current levels.

Some day, some way, such reforms will be essential to rescue a worthy system. What the demagogues will produce is a belated lunge for ill-planned cuts that punish the elderly poor. If you expect to grow old in America, don't be taken in by those who refuse to put your retirement nest in order.

ADMINISTRATON DEMONSTRATES DISREGARD FOR PRINCIPLE OF TRUTH

(Mr. MILLER of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. MILLER of California. Mr. Speaker, a few weeks ago we were all treated to the administration's curious interpretation of the concept of fairness. Although most Americans believe that the administration's policies are grossly unfair to the elderly, the poor and the unemployed, the President's advisers declared that they wanted him to appear to be fair.

Now, the Republicans are redefining "truth."

According to the candidates' guidebook of the National Republican Congressional Committee, "truth is what the people believe—it has nothing to do with fact."

What a cynical view of the American people. What contempt for the intelligence of the voter.

The administration may say they care about the elderly, but the President and the Senate Republicans have endorsed a $40 billion reduction in social security benefits.

That is the fact, and that is the truth.

When the Reagan administration came to office, one of its spokesmen recommended that Americans "watch what we do, not what we say".

By its actions, the administration demonstrates not only a disregard not only for human needs but for the principle of truth by candidates and elected officials. If that is truly a "blueprint for the majority," as the Republican congressional committee has decided, the American people have good reason to fear the kind of political system that party envisions.

The article follows:

FASCINATING GOP GUIDE TO WINNING IN POLITICS

(By Steven A. Capps)

SACRAMENTO.—A national Republican Party handbook advising congressional candidates that "greed is the only consistent human characteristic" has been quietly expurgated by embarrassed GOP officials. The Examiner has learned.

Other nuggets of advice in the hastily deleted section of the National Republican Congressional Committee's guidebook told GOP candidates:

"Truth is what the people believe—it has nothing to do with fact."

"There are three kinds of people who are susceptible to flattery: men, women and children."

These "basic laws" of campaign contributions were included in copies of the handbook distributed to candidates and campaign managers at a special workshop held last year in San Francisco, but were excised from editions passed out in later workshops in St. Louis, Atlanta and Kansas City.

"Somebody—I can't remember who—went through the ceiling when they saw it. It never went anyplace beyond San Francisco," said Rich Galen, NRCC press secretary.

The handbook from the NRCC, which is directing overall strategy for GOP congressional candidates, offers fascinating detail—the kind politicians would rather not see in print—on the party's plan for this year's campaign to win a majority in the House of Representatives.

The unexpurgated sections of the book tell Republican candidates they must develop at least "a modicum of social consciousness" to overcome a perception that President Reagan's budget cuts reflect a party policy uncaring of the poor.

They also advise the would-be representatives to attack their opponents, saying, "Negative campaigning has a bad name, but so do a lot of things that work."

The now deleted section of the 400-page handbook listed "three basic laws" of campaign communications:

"Truth is what the people believe, it has very little to do with fact. So base your communications strategy in the firm footing of attitudes within your district. You can but you cannot, at least in the context of a campaign, change what they stand for."

Nobody gets something for nothing, in the final sense. The payback may not always be physical or monetary, it can be spiritual, ethical or biological. But somehow, if you are going to get someone to vote for you, you have to offer him something in return.

"And, given that most people do not care nearly as much about politics as those of us who work in it full time, the more specific that something can be, the more related to his own personal needs, goals and aspirations, the more likely it is to serve as a motivation for him to do what you want—vote for you."

"There are three kinds of people who are susceptible to flattery: men, women and children. We Republicans are very good at the technical aspects of campaigning, probably better overall than our opponents. But we are often miserable at the people aspects. Volunteers must be thanked, not just after the campaign, but during it, too."

The "three basic laws" section was written by Ed Blakely, director of audiovisual services for the NRCC in Washington. Over the years he has helped organize dozens of campaigns for Republican members of Congress, specializing in "media strategies" and campaign commercials.

That section "came out" of the handbook after the four day "Blueprint for the Majority Workship," attended by 12 congressional candidates and scores of campaign workers in San Francisco last year, Galen said.

(Candidates attending that conference included Dennis McQuaid of Novato, Tom Spinoza of San Francisco, Ed Zschau of Los Altos and Gary Prince of Concord.)

Galen said it was the tone, not the content, of the now-deleted section that caused the stir.

"The truth of the matter is that it's crudely put but probably correct," he said, "I think that with a little reworking, those are the three basic laws of campaign communications. They're probably not bad guideposts, if more elegantly put."

The book provides other insights into the inner workings of this year's Republican campaign effort.

The NRCC believes Republicans can learn from their successes in the 1980 elections and so provided a detailed analysis of those elections, written after a nationwide survey was taken asking voters how and why they voted for Republicans or Democrats.

Another part told candidates how to tap political action committees representing special interests for large campaign contributions.

"Once you've done your research, target and rank the PACs you'll be approaching," it advised.

"Be professional and businesslike. Be on time for appointments, be presentable, be responsive. Be well-versed on the issues, your opponent and your district."

"Assume the PAC will be reluctant to give to you and convince it otherwise," it said.

"Obtain some early money from a few large or otherwise 'key' PACs as well as a substantial aggregate amount from individual donors within the district. This will help impress other PACs you solicit later—tell them which PACs have already committed support to your campaign."

The section also advises candidates on things they should not do when dealing with PACs.

"Don't ever suggest to a PAC that it is 'buying' your vote should you get elected.

"Don't lie, exaggerate or obfuscate. PAC people talk with one another and have a very effective communications network. Pull a fast one with one PAC and the word will get around to others in no time at all."

Included in Blakely's section on campaign communications is the discussion of how to level a successful attack against an opponent.

"In most campaigns, especially challenger campaigns, it is going to be necessary to attack the opponent in order to win. Negative campaigning has a bad name, but so do a lot of things that work.

"The key to a successful attack, however, is this: Once it is made, you cannot back down. To do so is an admission of having made an unfair attack, and that is a very bad position in which to be put."

Of course, the section continued, the attacker may also find himself being attacked. "The best response is no response," it said. "If his attack is hurting, however, you may have to respond in some way."

The section even offered a few samples of such responses.

"In general there are four types of defenses; in descending order of likelihood of success, they are:

" 'I didn't do it.'

" 'I did it but it's not like you think.'

" 'I did it, but I promise not to do it again.'

" 'The person who says I did it is a scoundrel.' "

The book said Republicans may be vulnerable to charges that they are uncaring, especially in light of Reagan budget-cutting.

"While our party is viewed as being fiscally responsible and innovative, we are still perceived in a bad light as not caring for people.

"The party, particularly its incumbent officeholders and those challengers seeking election in 1982, must, at the very least, develop a modicum of social consciousness.

"Candidates should be thinking of how they can develop a compassionate, caring image," it said, "particularly in the face of extreme budget cuts that have yet to become painfully evident."

WE SHOULD OPPOSE ARBITRARY AND UNSPECIFIED REDUCTIONS IN SOCIAL SECURITY

(Mr. LUNDINE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LUNDINE. Mr. Speaker, I am pleased to join with the distinguished chairman of the House Select Committee on Aging (Mr. PEPPER) and the distinguished House majority leader (Mr. WRIGHT) in sponsoring House Resolution 457, which expresses the sense of the House of Representatives in opposition to arbitrary and unspecified reductions in social security benefits as part of the fiscal year 1983 budget resolution.

The protections provided under the social security program constitute a irrevocable commitment between the Federal Government and the American people. The proposal of the Senate Budget Committee to make $40 billion in unspecified reductions in social security benefits over the next 3 years is not only arbitrary and excessive, it constitutes a breech in the most basic compact between the American people and their Government. It would impose significant hardships on millions of elderly Americans and add additional strain to the already weak fabric of American family life.

I opposed the reductions in social security benefits proposed last year by President Reagan, and continue to believe that Congress made a major mistake in agreeing to eliminate minimum social security benefits for future retirees. The action merely exposes the poorest element among our senior citizens to additional hardship.

Although I have opposed reductions in social security benefits, I do believe that major reforms have to be made in the current program if we are to meet the serious short- and long-term financing problems confronting the social security system. While the program will remain solvent throughout this decade, it does face immediate financing shortfalls which do require changes in current policy. Similarly, the serious financing problems projected after 2100 will have to be addressed by a major restructuring of current program benefits and financing.

I strongly believe that both the short- and long-term problems of social security can be addressed without the arbitrary and excessive actions proposed by President Reagan and the Senate Budget Committee. One measure I have advocated is the removal of funding for Medicare benefits from the social security program, not only to provide additional revenue to meet current programs shortfalls, but to more closely tie the social security program to employment and retirement.

Whatever measures are taken, however, they should be clearly specified and openly debated by Congress and the general public. Moreover, any long-range restructuring of current program funding and benefits should be based on recommendations of the National Commission on Social Security Reform, which is charged with submitting detailed recommendations to Congress by the end of this year.

Unspecified changes in social security made as part of a broad budget resolution, or any long-term changes made without the benefit of the National Commission's study would not only be irresponsible, but would constitute an affront to senior citizens who depend on the program and who have trusted Congress to preserve this most basic guarantee for a decent retirement.

We must recognize that the major cause for these current financial difficulties are not the nature of social security, but the weakness of our economy. Persistent inflation and rising unemployment have significantly increased program costs and have robbed the program of much needed revenue. These are the problems Congress must address immediately. To attack social security is merely to attack a symptom rather than the cause of the problem, as well as attack the basic security of millions of elderly Americans.

I urge my colleagues to support this resolution and to oppose measures that seek to make arbitrary or unspecified reductions in the social security program.

CONGRESSIONAL MEDDLING IN HOUSING SLUMP

(Mr. SHUMWAY asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. SHUMWAY. Mr. Speaker, yesterday I voted against the emergency housing legislation approved by the

House. As I explained at the time, my opposition in no way reflects a lack of concern with the condition of the housing industry, but rather the belief that the expenditure of $1 billion this year for mortgage interest rate subsidies can only contribute further to our fundamental economic problems.

It is excessive Federal spending, unacceptable Federal deficits, and high interest rates that are responsible for the housing recession. Only if we reduce spending will the deficit and interest rates decline. The action of the House moves us in exactly the wrong direction.

In this regard, I would like to bring to my colleagues' attention an editorial that recently appeared in my hometown newspaper, the Stockton Record. I commend the Record for its perception and commonsense:

[From the Stockton Record, Wed., Apr. 21, 1982]

Congressional Meddling in Housing Slump Can't Help But Hurt

San Joaquin County's housing slump drags on, typical of the rest of the country, which is affected by the worst depression in housing since World War II. Housing starts for 1981 nationally were the lowest since 1946. Unemployment in construction trades was 17.9 percent in March. Bankruptcies jumped 35 percent for construction firms and 70 percent for subcontractors in the first five months of 1981 compared to a year before.

Congress is predictably restive about this, but is translating its concern into a stampede of stupidity. A myriad of bills address the symptoms but not the cause, and promise further federal interference in a marketplace that needs just the opposite. The real culprit is the interest rate level, to which the answer must be deeper budget cuts in 1983 defense spending and social programs to reduce the deficit.

Sen. Richard Lugar, R-Indiana, has sponsored a $5 billion mortgage subsidy plan designed to create 700,000 new jobs. It would make families with incomes of up to $30,000 eligible for reduced rate mortgages. A Democratic alternative would expand the bill to include families who earn 140 percent of area median income, so areas of high living costs could be served. An omnibus housing bill in the House would provide $22.9 billion in 1983 for a mixture of housing subsidies.

The factions in the housing lobby—lenders, builders and realtors—all agree the industry needs help. But the parties can't agree on a formula. Tax credits for new home buyers, aid to thrift institutions and new mortgage bond bills are all being contemplated, without enough support from all sides to get them through.

There's no question that housing can help lead the country out of the current recession, as it has in the past. But piecemeal attacks from special interests will only burden the budget and add to the deficit. The combined forces in the housing industry should throw their collective weight behind defense and entitlement program cuts, and wait for the interest rate levels to respond. With mortgage money available below 12 percent, the construction trades and idle real estate salespeople would soon be back at work.

THOMAS ZANETOS NAMED OHIO'S SMALL BUSINESSMAN OF THE YEAR

(Mr. WYLIE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WYLIE. Mr. Speaker, I take this time to mention that Mr. Thomas Zanetos, the cofounder and president of Anthony-Thomas Candies, Inc., has been named "Ohio's Small Businessman of the Year."

Thomas Zanetos is richly deserving of the recognition being given him by the Small Business Administration. The success of the Zanetos family is a story of hard work, determination, and business savvy that could easily have been scripted by Horatio Alger.

The story really begins in 1907, when Tom's father, Anthony, immigrated to the United States from Greece. Almost immediately, he took his first job in a candy shop. Six years later, he pooled his assets and, with an investment of $75, started his own business, the Union Station Candy Kitchen.

Tom Zanetos joined forces with his father in 1947, after completing his Army service and 2 years of studies at Ohio State University. Together, Tom and his father founded the Crystal Fountain Restaurant in Columbus. In the slow periods between the breakfast, lunch, and dinner rush hours, Tom and his father would make candy, often experimenting with new flavors and combinations.

Their concoctions were popular at the restaurant, and eventually they decided to offer to supply candy to other businessmen in the Columbus area. After tasting the homemade candy, the businessmen jumped at the opportunity and placed orders for their own establishments.

As the candy business grew and became more time consuming, father and son decided to close the restaurant and devote their considerable energy to the Anthony-Thomas Candy Co. They started with four employees in a one-room confectionery. Thirteen years later they opened their first retail outlet.

Today the Anthony-Thomas Co. is a very important part of the Columbus business community. The company prepares, packages, and sells more than $3.5 million of candy each year, including their famous butter creams and melt-a-way mints, which Anthony and Tom developed themselves. Anthony-Thomas candy features all-natural ingredients, includes no preservatives, and is a tasty delight, I can assure you.

The company now has 13 retail stores in the Columbus area and a payroll of 115 employees, including three of Tom's four sons, who evidently intend to follow in the footsteps of their father and grandfather. A major new plant expansion is planned, and the company expects to hire another 45 employees by 1985.

In addition to business success, the Anthony-Thomas Co. also has a well-deserved reputation as a fine community citizen. Through a program which allows students to sell candy in order to finance school projects, the company has helped countless youngsters undertake activities which otherwise might not be economically feasible.

How proud Anthony Zanetos would be if he could be here today, to witness his son's remarkable achievements.

Mr. Speaker, the success of Tom Zanetos, the Zanetos family, and Anthony-Thomas Candies, Inc., is the product of years of innovation, initiative, service, family pride and civic responsibility—all attributes which have made small businesses an increasingly important part of our economy. I am proud to represent the Anthony-Thomas Co., which exhibits the growth, caring and involvement that make small businesses a welcome addition to any community.

I congratulate Mr. Zanetos and his family on receiving this outstanding award.

PRODUCTIVITY PAY

(Mr. SEIBERLING asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. SEIBERLING. Mr. Speaker, the May 3 issue of Newsweek has an excellent article entitled "Productivity Pay" by MIT economist Lester Thurow. Arguing that we ought to move away from a flat-wage compensation system, Dr. Thurow points out that "Current wage-setting procedures make it difficult to stop inflation and don't encourage productivity growth." After analyzing several possibilities, he settles on the value which workers add to the firm's products as a measure which would give workers a direct incentive to help raise productivity.

Mr. Speaker, these are precisely the points I have been making for the past several weeks when discussing H.R. 5682, my Productivity Incentive Act. This bill encourages employers, with the consent of their workers, to adopt a flexible compensation system in which a portion of the worker's pay is based on profits or some mutually agreed on measure of productivity growth. A similar pay system is used in Japan, and as Dr. Thurow notes:

> The higher productivity growth rates of the Japanese may . . . be due to their bonus system that encourages labor to take a direct interest in raising productivity.

Mr. Speaker, we have to improve our productivity growth rate if we are to remain a strong competitor in world markets. The Productivity Incentive

Act will not achieve that by itself, but it is certainly one of the actions we must take to cure our economic ills.

The full text of Dr. Thurow's article follows these remarks:

[From the Newsweek, May 3, 1982]

Productivity Pay

(By Lester C. Thurow)

In their current wage negotiations the players of the National Football League are asking for something that at first glance seems strange, if not revolutionary. Instead of demanding a specific dollar wage increase, the players are asking for up to 55 percent of the gross revenue of the National Football League. Individual salaries would then be negotiated within that total. Conventional workers are supposed to ask for wages, perhaps profit sharing, but certainly not a percentage of the gross. In fact, the demands of the NFL players could serve as a model for all of American labor if they were suitably modified.

Current wage-setting procedures make it difficult to stop inflation and don't encourage productivity growth.

With fixed wages it is difficult to cope with external inflationary shocks such as an OPEC oil-price hike. If Americans have to pay foreigners more for oil, there is less of the GNP left to be divided among Americans and the American standard of living must fall. There are two ways to deliver the bad news. Inflation can rise so that prices are rising faster than wages—thereby lowering real wages. Or wages can fall explicitly. In either case real wages fall, but in the second case inflation is avoided. Many observers think that Japan's better inflation performance is due to the flexibility of its bonus system where wages can fall in response to external shocks.

With fixed wages individual workers also have little incentive to cooperate with management or to take the initiative in suggesting new ideas for raising productivity. At the level of the individual worker, higher productivity has no immediate payoff—wages are fixed for the length of the contract. The immediate effect of higher productivity is, in fact, negative. Less labor is needed, and the probability of layoffs rises.

Bonus: In the long run higher productivity permits higher wages, but this long-run effect is often discounted by the individual worker. He may have left the company before the higher wages are paid or the extra productivity may be used to pay someone else. The higher productivity growth rates of the Japanese may also be due to their bonus system that encourages labor to take a direct interest in raising productivity.

The problem is to design a sensible system of flexible wages. Profit sharing is one answer, but it suffers from some drawbacks. Profits depend upon so many items that are outside of the control of labor—interest rates, foreign competition, national economic policies—that labor sees little connection between its efforts to raise productivity and the bonuses received. As a result the American experience with profit sharing has not generally been favorable.

Profits are also a slippery concept where management has a lot of freedom to maneuver with its bookkeeping. The new accelerated depreciation charges just enacted by the Reagan Administration could, for example, be used to reduce reported profits. A clever bookkeeper can make profits appear in this subsidiary and disappear in that subsidiary. To a worker, profits are too much under the control of management.

Value Added: The solution is to find some measure of firm performance that more directly relates to productivity and is less subject to bookkeeping conventions. The answer is to set wages based on a firm's "value added." Value added differs from gross revenue in that the costs of materials are subtracted from the gross revenue to yield the value added. Since it is easy to calculate material costs management cannot fiddle the numbers. Since value added directly depends upon productivity—the more output per hour of work, the higher the value added of each worker—labor has a direct incentive to help raise productivity.

Inflationary problems are also avoided if wages are tied to value added rather than gross revenue. Wages do not automatically go up as they would with gross revenue when the costs of materials, such as oil, go up. Tying wages to gross revenue would lead every material price increase to be doubly inflationary since it would raise wages as well as material costs.

In 1981 the employee compensation—a measure that includes fringe benefits such as pensions and health insurance as well as cash wages—accounted for 61 percent of the nation's value added. If labor had negotiated an agreement where it got 61 percent of the nation's value added, then 61 percent of any increase in productivity would have gone to labor and 39 percent to capital.

If this had been done, productivity might now be rising rather than falling.

THE PRESIDENT'S ECONOMIC RECOVERY PROGRAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. Smith) is recognized for 60 minutes.

Mr. SMITH of Oregon. Mr. Speaker, I rise today to talk about the President's economic recovery program and to try to explain through some charts some things that I think are extremely important not only to small businessmen that our colleague, the gentleman from Maryland (Mr. Mitchell) would talk about, but to every American who pays taxes and who lives in this country.

We do not need to raise new taxes, and I would show my colleagues with some charts here the fact that the revenues, even with the tax rate cuts that we put into place with last year's tax cuts, are going to continue to rise over the next 3 fiscal years. In fact, the tax rate cuts that a lot of people are talking about trying to do away with are going to provide us this year with an estimated $624 billion; in 1983, $645 billion, rising in 1984 to $702 billion on up to $780 billion.

□ 1900

I stress the fact that these are rate cuts, and the fact that we do not need to do away with these tax rate cuts. There has been some kind of misconception that there was a tax cut, and that we were out of control because we had given too much of a tax cut to the American taxpaying public. We have only cut the rates, and we will bring back the rates over the next few years or few months until July 1983, to the level of somewhere around 1975–77.

On the other hand, as we look at the projected growth in Federal spending over the next few fiscal years, and I need to stress that this is the Federal spending that is projected without any kind of compromise, just what has been laid into place, we are going to spend somewhere around $743 billion under current figures and that is going to rise by 1985 with nothing done to try and straighten it out.

Over the next 3 fiscal years, the Federal spending is going to grow by 25 percent, from the present level of $743 billion to over a trillion dollars. It is going to equal our national debt at this time. I think that this kind of growth in Federal spending is absolutely unconscionable.

How could we do this when we were sent here to provide some kind of new leadership, some kind of new direction in this country, with the growth in the programs only, which was part of the lack of control over the spending side that this Congress has allowed to come about because of entitlement programs and transfer programs over the last few fiscal years?

Now, let us put the next two charts (charts not reproducible in Record) together here and show, if we were to freeze the outlays at the present level of approximately $740 billion, in somewhere around 2 to 5 years—and I think these estimates are actually a little lengthy—we would have the balanced budget we have talked so much about. We see the dotted blue line which shows the projected revenue growth. That is, our tax rate cuts are going to continue to provide a countinued growth in Federal tax revenues to the Federal Government, on not only the personal taxes that have been talked so much about, but in every area of tax, we are going to receive a windfall, if you will, in the form of increased revenues.

At the same time, without some kind of control over Federal spending, we are going to continue to see the projected outlays go to the trillion dollar level by 1985, something that is absolutely unconscionable in my mind, and from what I came from Oregon to try to straighten out. Because of this, the deficit spending being what it is, the Federal Government is going to sop up more and more of the credit pool that all of us compete for in this free market for the dollars and the borrowing dollars that are going to be needed to build new homes, buy new automobiles, make businesses more productive. In fact, it is going to stall the economic recovery that I voted for last year, and I think this Congress voted for, and I think the American people so wisely chose to try and have a different direction, and so deservedly need to have.

My proposal is simply that we freeze Federal spending in the present 1982 level. Virtually, we are operating at that level since we are operating mostly on a continuing resolution. It is a poor policy, but I think it may be the best way to get this mess straightened out. The balanced budget in 1985 would be achieved under our numbers and under CBO's numbers and under OMB numbers; that is, we would get to the level where the tax revenues of this country would balance out to the amount of spending that the Federal Government has authorized over these years.

The second point, and I think it is extremely important, is that we would retain the promised tax rate cuts. There is no reason to take back these tax rate cuts. We have not starved this monster called the Federal Government for a lack of revenues, and I cannot think of anything more politically doable, whether one is a conservative, as I like to consider myself, or whether one is a liberal who would like to give all the dollars away, take the tax revenues and pass them out to everyone in this country—this is politically doable, it is something we could all vote for, something we voted for last year. We have already approved this level of spending. I cannot think of anything that is more fair. This would treat every section of the budget equally. That is, if you get a dollar this year, you get a dollar next year.

It would restore the solvency to the social security system, and over the next 3 years we would have a growth in the trust funds, the so-called trust funds, of some $80 billion. I think that is important. We would start to put the social security system back onto the right track. I think this would send a stong signal to the money markets and the money managers, the Henry Kaufman's of Wall Street, that we intend to honor our commitment to the American public to provide a balanced budget and to get this Federal spending, which is clearly the side that is out of control, bring it under control, under some kind of wraps.

There would be no nickel-dime horse trading, no ability for the Appropriations or Budget Committees really to work their ways, but I think that is an appropriate situation here too, because we would not have the old political game where the lobby interests of this country and special interests have changed the budgetary process and the budgetary priorities.

Let me talk about a couple of other areas. Defense: This would provide for an increased level of defense spending. Over the past 2 years, we have provided some $400 billion in budget authority. We still have in the defense pipeline some $124 billion of unspent budget authority. I consider myself to be a hawk. I spent 10 years in the military, in the National Guard, and had a year's combat tour in Vietnam. I would like to see a very strong national defense. I came here to do that, and I continue to support that, but I also think we need a very, very strong economy to pay for the kind of defense we would all like to have.

I think it is important to put our priorities straight, and I think first, we have to have a strong economy to support a strong national defense that I know the President supports, and I know all Americans really support.

I think we need to concentrate our dollars on research and development, so that we will be technologically better off. We are going to have to make some priority decisions on weaponry, and that is going to be tough. I know we cannot stretch out every program. We are going to have to cancel some and we are going to have to live with the same kind of defense budget we agreed to this last year if we are going to truly straighten out this mess.

The last area, and one I think is probably the toughest from the standpoint of the politically doable area, is the cost of living adjustments. Over the past 6 months we have seen inflation brought under control. It is down to 3.2 percent, not as low as I would like to have it. I am sure we have got many things we could do that are better, but by trying to put a lid on the cost of living adjustments; that is, if we have an inflation rate of 3.2 percent, there is no reason to provide a cost of living adjustment to people who are not having to deal in the kind of economy we have from 50 years of out of control Federal spending.

□ 1910

This 3.2 percent means we do not need to provide the Americans that are living on a cost-of-living adjustment and some kind of entitlement or transfer program with any cost-of-living adjustment. They can get by as the rest of us are having to get by who are cutting down on the number of hours we are working, the number of people in the job force.

I would just say that by freezing the cost-of-living adjustments in July of 1982 we would save some $19.3 billion. In 1984 we would save $35.7 billion. And in 1985 some $54 billion. These are all of the cost-of-living adjustments. But these are people who have paid into a system that has provided cost-of-living adjustments for the most part since 1975. Before that, most programs had no COLA, had no cost-of-living adjustment.

I think it is time we put some kind of control over that spending.

I would commend to my colleagues one other situation that I think is extremely important. That is that we take these cost-of-living adjustments and freeze them. I think that for the social security program that is provided to almost every family. I cannot think of a family who does not receive some kind of cost-of-living adjustment. My father-in-law has social security. My mother has social security. I have three orphans who live in my household who receive death benefits, social security, because they are orphans.

I think we ought to take the social security system out of the unified budget so we can again try and set up the trust funds that are going to be so key to this operation, an operation of a long-term answer to social security.

I would disagree with President Reagan who sent a letter to us the other day, and I would read that letter and then be happy to yield to my colleagues. This was written on May 8. It says:

> In the past few days several facts about social security have been distorted by political rhetoric. As you talk with senior citizens, social security beneficiaries, I hope you will give them my personal assurance that they will receive their full 7.4 percent cost-of-living increase in July. I promise you and them: Those benefits will not be cut.
>
> Please also assure your constituents that I am determined to protect the current benefits of all Social Security recipients.

I would like to underline that last part of the President's sentence. "I am determined to protect the current benefits of all social security recipients."

Then the President goes on:

> Members of both parties have acknowledged honestly and forthrightly that the Congress will have to take action to protect the solvency of the Social Security Trust Fund. We all agree that unless responsible action is taken, the system will run short of money. We must not let that happen.
>
> That is why Democratic and Republican leaders agreed to establish the Bipartisan Commission on Social Security. I am hopeful that, based on the recommendations to be provided later this year by the Commission, the Congress will address adequately and fairly the financial needs of the Social Security System.
>
> Our senior citizens deserve responsible action. It is important that we work together to allay their unwarranted fears:
>
> We will preserve their current benefits. And we will be able to protect the Social Security Trust Fund's solvency. I assure you of my commitment to work with you to those ends.
>
> Sincerely,
>
> RONALD REAGAN.

I would just disagree with the President that the quickest way to get to the balanced budget, the quickest way to straighten out this mess is just to freeze all across the board this budget.

Mr. FIELDS. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Oregon. I would be happy to yield to my colleague and appreciate the opportunity.

Mr. FIELDS. I would like to thank the gentleman for yielding.

I would like to commend my distinguished colleague from Oregon for taking the initiative on this special

order for the fiscal year 1983 budget. Congressman SMITH's exemplary leadership in this complex budget process has been an inspiration to all Members of this body and it is clear we must put aside partisan rhetoric and get on with the business at hand.

The projected fiscal year 1983 deficit is the largest in U.S. history and one that we and the American people will not tolerate. Congressman SMITH's meritorious proposals to freeze Federal spending at fiscal year 1982 levels deserves the serious consideration and attention of each Member of this House.

This is not a radical proposal. Clearly we cannot begin to reduce the projected deficits until Members of this body stop trying to spend exorbitant amounts of Federal dollars at the expense of the taxpayers of this country.

Mr. Speaker, I have been a consistent supporter of the President's economic recovery program. I firmly believe we need to take a much closer look as waste, fraud, and abuse in all Federal agencies, including the Department of Defense.

Further, I believe we need to make fundamental reforms in entitlement programs in an effort to insure that the truly needy are protected and that those abusing and misusing the system are taken off the Federal payrolls.

At a time of serious fiscal restraint we must scrutinize foreign aid expenditures to insure the taxpayers of this country their dollars are going to nations friendly to the United States and not to countries undeserving of aid. Let us not be deceived. There is still plenty of room left in the Federal budget for reductions in discretionary spending. It is the responsibility and the obligation of each Member here assembled to follow the mandate of the American people and to cut Federal spending and to bring down the deficit.

Congressman SMITH's proposal to freeze spending at the fiscal 1982 level provides the House with the unique opportunity to follow the mandate of the American people and give the President's economic recovery program a chance to succeed.

I want to reiterate what I said just a moment ago. This is not a radical proposal. The people in this country cannot understand why we do not demand at this point in our country's history a balanced budget. To even consider a proposal such as freezing spending is one that is long overdue, and it is something that I certainly applaud the efforts of my colleague from Oregon. I certainly hope that through his efforts this proposal will come before all of us in the House.

Mr. SMITH of Oregon. I thank my colleague.

Mr. DAUB. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Oregon. I am happy to yield.

Mr. DAUB. I want to join in indicating on behalf of myself personally, and I am sure many of our colleagues, the gentleman from Oregon has clearly and sincerely offered thoughtful dialog and clearly much research for this body to be able to come to grips with this very serious problem we have of the deficits that have faced us for a long time and pose an even more serious threat to the opportunity to provide stable currency in our country.

So I want to commend the gentleman.

I would like to ask this question. Is any of the proposal the gentleman is offering, and the way in which he so articulately stated it, a part of what, for example, was proposed by a Member of the other body, Senator HOLLINGS, with respect to the concept of freezing the lines of revenue and expenditures within the 1983 budget?

Mr. SMITH of Oregon. I would say to my colleague I do not know the specifics of the other body's plan. As the gentleman knows, the chairman of the Budget Committee in the other body has proposed that certain areas of the budget be frozen, and I think that while it is a slightly different version, the President did agree to support that level, not touching the defense completely as a freeze, and also cost-of-living adjustment for the senior citizens.

I just think if we are going to truly get this budget balanced and try and get this economy back on the right track, then we have to go ahead and share equally and fairly across the board.

It is similar, but I think that if we have a 3.2-percent rate of inflation that it is important that we all, having conquered inflation, or come awfully close to it, the next step is to bring that massive amount of spending under control. And in this body where we had the opportunity this afternoon to vote on a balanced budget and failed in that effort, it just shows the resolve that we have here not to really bite the bullet.

□ 1920

I have a constituent who gave me a bullet a year ago to bite, and I have been biting on it pretty hard, and I have got a hole in my tooth because of it. But I think, seriously, if we want to get to the solution, and the quicker we want to get to the solution, some type of freeze, the concept of freezing, that is, if you get a dollar this year, you will get a dollar next year, but no extra dollars, is going to have to be done throughout the budgetary process. It is what you do with your own household. It is what you do with your business. And it just makes good commonsense.

Mr. DAUB. Well, I thank the gentleman for that commentary.

I wanted to add a thought, since the gentleman reminded all of us in this special order of the debate earlier in the House today, where, in fact we did attempt to deal with the issue of balancing the Federal budget, and we were reminded about a law that was written into the 1978 deliberations and passed by this body that you may not realize by voice vote was repealed, was repealed. Did the gentleman happen to see that procedure occur or did the gentleman know that that very rule we were talking about was repealed by a voice vote, that one of the cornerstones of the legislative process in this body is now no longer there for reference, that the House is no longer on record in favor of a balanced budget?

Mr. SMITH of Oregon. It is amazing the ways of the House and how they are able to be warped, at times, to suit the control of the body.

I just think that the American people, who sent the gentleman and the rest of our colleagues here to try and straighten this out, deserve better and should be given better, and that is less tax rates, a lesser amount of spending; and I think this is the quickest way to get there.

Mr. DAUB. Well, I certainly want to thank the gentleman for a very meaningful contribution. I think that the approach on the spending side deserves merit and very careful consideration in the debate in the next month.

Mr. SMITH of Oregon. I thank my colleague for his comments.

Mr. WEBER of Ohio. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Oregon. I yield to the gentleman from Ohio.

Mr. WEBER of Ohio. Mr. Speaker, I want to commend the gentleman also for the effort he has made, an extremely interesting presentation of the effects of the massive increases in Federal spending and what would happen if we froze spending and cut the tax cuts that we have, that we voted this last time.

I was particularly interested in the commentary that the gentleman made about taking the Social Security budget out of the unified budget. For a long time, being a freshman, as the gentleman is a freshman in this Congress, I wonder myself why we ever put the two systems, the social security system, which was intended to be funded and is funded simply from its own social security taxes, why we ever in the first place put the social security system into the other budget items of the country.

Does the gentleman know the origin of that move, by chance? Because I frankly do not know. The logic of that escapes me. I think it is something that would be a move forward if we took out the social security system and split it up so that we no longer have the baggage of the social security problems, which are very, very real, at the same time we are trying to discuss what we do with the general revenues of our Nation.

Mr. STRATTON. Mr. Speaker, will the gentleman yield to me to answer the question of the gentleman from Ohio?

Mr. SMITH of Oregon. I yield to the gentleman from New York.

Mr. STRATTON. The reason they put the social security fund into the general budget was that at that time there was a lot of surplus in the fund and it would make the deficit look smaller.

Mr. SMITH of Oregon. If the gentleman will accept a little colloquy, it is interesting that almost every town meeting I ever hold, people always come up to me and say, "You know, they took that social security fund and used it to fight World War II with." I do not know what they used it for, but it is gone, and I think that is one of the things that needs to be explained to the American people. Those who have been around this body a while do recognize that, whether it is in the unified budget or outside the unified budget, it still has funding problems and it is something that needs to be looked at very seriously.

Mr. STRATTON. It was not used for anything. If there were funds in it at the time we were accumulating a lot and not putting out much, they were invested in the most secure securities that you could have, namely, U.S. Government bonds. The reason that the social security system is in trouble now is that people are living longer, we have an inflation, and there are fewer people being born into the labor force to pay the taxes that are needed to keep it going. It is an in-and-out affair, pay-as-you-go. It is not really an insurance program.

Mr. SMITH of Oregon. I thank the gentleman. I concur. I think that it has been called by some a Ponzi scheme, that is, you put in less than you get out in the end. It is something that needs to be discussed by a bipartisan commission. I personally think the cost-of-living adjustment could be accepted by the American people who are drawing social security benefits, because almost every family does have that.

It does need to be explained that there are not enough dollars that have been put in there. I do not care what we do, it seems to be coming a political football. I remember during the last campaign I was pummeled with it quite heavily because my opponent said that I was going to do away with it. And that is not true at all. I always pointed out that he and his colleagues who had served with him had done away with the trust funds in a period of time. But that is political rhetoric. What is important is to understand that it is an in-and-out system, and it is working just barely because we have not funded it properly in the past.

Mr. WEBER of Ohio. If the gentleman will yield further, I want to thank the gentleman from New York for his explanation as to the origins of mixing the social security system into the regular unified budget. It seems to me as though it was done in order to have some window dressing, to make the Federal budget look a little better back in those days, whenever it was, 1969, or whatever , and I wonder if the gentleman from New York would agree with me that, for the good of the country, it would be better now to quit playing games with the figures, to split off the social security budget, so that we can address and focus our attention on the real problems of both the social security system and what we are going to do with the general tax revenues of the Nation, and address both problems as separate from each other.

Mr. STRATTON. If the gentleman will yield further, I am not enough of an expert to be able to answer the gentleman's question. Obviously, the money that goes into the social security fund in taxes and the money that comes out in payments has a major impact on the economy of the country. So I do not think you can really operate a total budget without recognizing the impact of social security transfer payments.

But the reason why it was incorporated was—and I have forgotten which administration it was—it made the deficit look a little bit smaller because we were putting in all of those social security revenues that had never been put into the total budget before.

Mr. WEBER of Ohio. I thank the gentleman.

Mr. SMITH of Oregon. I thank the gentleman from New York for his comments.

Mr. ROUSSELOT. Mr. Speaker, will my colleague yield?

Mr. SMITH of Oregon. Yes; I yield to the gentleman from California.

Mr. ROUSSELOT. First of all, I wish to join my other colleagues in complimenting the gentleman from Oregon in bringing these facts and figures to the House, to make it clear how these entitlement programs have in fact gotten out of hand, and that the fairest way to deal with this issue, as the gentleman has suggested, is to handle all entitlements in the same way, with the idea of maybe freezing everything. That does not mean cutting them way back, as the gentleman has stated. It merely means holding down the increases for a short time, and that that in and of itself would produce a great result on the spending side of our budget. It would treat every single element of our society that benefits by those entitlements the same way, and it would be the most positive and constructive way of dealing with this problem of trying to bring Federal spending under control.

I had an opportunity last weekend, while in my district, to discuss this issue with some of our Federal retirees, some of those who have retired from the military, some of those presently serving in the military and some on various kinds of social security benefits. Though no one is happy with the thought of freezing or putting a freeze on spending increases, especially in the many entitlement programs, the overwhelming majority of those people to whom I spoke and discussed this issue said that they thought that that fairest way to handle this problem was to have it equal across the board. I think they made it clear that, though they probably would not be happy with it, that was the best way to deal with the problem, if everybody was required to sacrifice an increase under automatic escalation clauses that presently exist in law.

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And so I again wish to join with my other colleagues in saying to the gentleman from Oregon, thank you for bringing these facts and figures to the attention of the House, to making it clear how we could achieve a balanced budget, far more quickly if we were willing to establish some type of a fair freeze across the board on all entitlement programs and all basic programs in our Federal budget in the various categorical areas of our Federal budget.

Mr. SMITH of Oregon. The gentleman has been the author of a number of balanced budget attempts in the past and this leads right into the balanced budget. It is the quickest way there, as the gentleman points out, and it is fair and I think that the fairness of it—Americans are very fair people and I think they are willing to be told the truth and I think that is one of the things that all of us who share the burden of leadership in this Congress and in this administration need to be willing to do.

The thing that bothers me about where we are in the recovery program now with the inflation at 3.2 percent is the fact that there are a number of colleagues and a number of people in the political business who are trying to say we overdid on the tax cut, we are going to have to give some back to the Government. Nothing could be further from the truth. That really bothers me.

Mr. ROUSSELOT. The gentleman is correct on that very point on tax reductions that were put in place last year. If Congress had done nothing, revenues would have gone up in the Federal Government about $110 billion. What we put in place merely cut those increases in tax revenues in half.

So revenues only went up $50 billion instead of $110 billion.

So the argument that somehow these tax reductions gutted the Federal program just is not true. It merely slowed down increases in the tax burden that we placed on so many of our fine citizens.

Mr. SMITH of Oregon. It is pretty hard to understand how the recession we are in that began, say, last summer and the deficit that is going to be in next year's budget, if we do not come to some kind of compromise like this freeze, is the cause of next year's deficit.

The fact that we gave too much in tax cuts is not responsible for that and I think that the spending line clearly shows that.

Mr. ROUSSELOT. Well, I thank my colleague again for taking this time to discuss this very important issue and for bringing so many positive idea here so that we can kind of chew over them.

Mr. SMITH of Oregon. I thank my colleague.

Mr. THOMAS. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Oregon. I yield to the gentleman from California.

Mr. THOMAS. Mr. Speaker, I had not intended to speak in terms of the discussion that was entered into in the colloquy of the gentleman from Oregon and the gentleman from California. I want to reinforce the fact that in going into my district and talking to a number of people in the district who receive social security and also I believe I have the fourth largest district in terms of military retirees, and the number of people who are in both those retirement systems and the social security system, the almost universal reaction was a feeling that if they could work out an equitable provision, a fair provision, they would be more willing to forgo what they consider windfall increases in social security because of the inflation rate and that the time that we were locked into a cost-of-living increase for the social security system we are looking at a 5- to 7-percent inflation rate.

The actuarial tables indicated that we would have sufficient funds at that kind of an inflation rate.

In the last administration we got into double-digit inflation and when you examine what happens with a 5-percent inflation rate increase, no one anticipated that rate, and one of the problems is we were paying in at a rate that had been anticipated paying out at a rate that was not anticipated. That is one of the reasons we have achieved the shortfall, the unanticipated shortfalls we are in.

In discussion with those people who are receiving those benefits, they are more than willing—in fact, one gentleman indicated to me if we would devise a program across the board that would establish increases at 40-percent above the poverty level, he would accept that, if that money would be applied to the deficit problem.

So what we have gotten ourselves into is an economy that was overheated with an inflation rate that no one anticipated but somehow we think that we are obligated to make those payments when in fact the people receiving the payments are more than willing to adjust what they consider to be an appropriate amount coming in if that amount that they were not going to receive was to be applied to the deficit.

I think the cleanest way, the cleanest way, would be to simply freeze those outlays.

Mr. SMITH of Oregon. Not only that, we did not have a cost-of-living adjustment on the social security system until 1975 and since that period of time we have had an extreme growth because of the inflation rate. I think one year it was 13.1, 11.3, a number of years in double digit, which have just absolutely devastated the funds.

So it is important that this be fair. We do not want to cut anybody's benefits and nobody is talking about that, yet when the media picks up on this and talks about what is going to be done, the elderly people in this country hear nothing but social security cuts. That is not true. That is not what a freeze would do.

What a freeze would do would mean you would get the same dollars until we got this budget straightened around. I think that is extremely important.

Mr. THOMAS. I totally agree with the gentleman because when the gentleman talks about potential earnings and adjustment in potential earnings as being a cut, there are the vast majority of folks out there who feel that what they are getting is not necessarily what they thought they were going to get because of the inflation rate and that a freeze, keeping them where they are, or a slight increase, is more than acceptable because they have received a bonus because of the inflation rate.

I think the politicians in this country who are very sensitive to social security, and should be because of those folks who laid the foundation for what we have today, ought to get reasonable compensation, think that they have to maintain a system even if it will devour us, and the point is that the folks receiving those benefits do not think the same way.

They understand the problem. They are more than willing to adjust. We are talking about actual dollar reductions in the benefits that they receive and they understand that. Holding the line is an appropriate approach.

I thank the gentleman for his efforts to indicate that this is a reasonable and appropriate approach.

Mr. SMITH of Oregon. I thank my colleague.

Mr. SOLOMON. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Oregon. I yield to the gentleman from New York.

Mr. SOLOMON. Mr. Speaker, I just want to thank the gentleman and I will try to be brief because I know it is late, but I happened to be sitting at my desk watching these proceedings and I heard the colloquy on social security and it was ironic that at the same time I happened to be reading some of my mail, and I picked up a letter from a gentleman who is in his eighties, and that gentleman said to me, "Jerry, who stole the money out of the social security system?"

And you know that hit me. And so I have been writing for the last 15 or 20 minutes trying to answer that gentleman on who stole the money from the social security system.

Let me tell my colleagues what actually did happen. It was stolen. It was legal thievery, but the Congress stole the money.

I am 51 years old. I paid into that social security system all my life, since I was 16 years old, and there are millions of Americans just like me. That is a trust fund. Where is the money that I paid in? That is what the American people are asking.

Well, let me tell my colleagues what happened to that money. Let us digress for a minute. When the social security retirement system was first put in place back in the early thirties, it was a supplemental retirement system and that is all it was.

Now Congress in its infinite wisdom over the years has seen fit to add all kinds of programs to it, whether it is medicare, whether it is social security disability, whether it is children's benefits or students' benefits, and I do not argue on whether or not those are good programs.

But the truth of the matter is they have absolutely nothing to do with social security retirement. And Congress in placing them into the social security system did so because they did not have to fund them in that particular fiscal year.

So instead of putting them in the general fund, if medicare is a good program, and it is, and coming up with the money in that particular year to pay whatever the costs are, they did not do that. They put it in the social security system and consequently all of those funds, my money and yours, and all of the American citizens, have had their money drained out of that system over the last 15 or 20 years so that the system is broke today. And the Congress ought to be ashamed of itself for what it did. And if we want to solve the problem, if we want to solve that problem, we simply can do this: We can take all of those benefits that exist in the social security system today, except the retirement, and we can take it out of there and put it in the general fund, and if those programs are good, medicare, social security disability, children's benefits, students' benefits, if they are good, keep them and pay for them every day, every year, in the regular general fund budget, spread over a wide-based tax, and let us just leave in the retirement system the retirement checks that the American people want to get.

There is not an American worker today, you, me or anyone else who is not willing to pay through a payroll tax whatever the cost to see that every single senior citizen gets their check at the first of each month.

If we do it that way will stop this political badgering back and forth, everybody blaming the other person. The American people are scared to death today and here we sit in this Congress playing games, trying to blame somebody.

Let us blame ourselves and let us get the system straightened out.

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Mr. SMITH of Oregon. I thank my colleague. I could not agree more.

We can solve these problems, but only until we work together to try to solve them, until the Congress accepts the burden of leadership that the American people have given to them.

I just think that it is important that we understand that we did not give too much in tax cuts, that we are clearly not out of control on the taxing side, and that if we could freeze the spending levels at this year's levels, we would have a balanced budget by 1985. I think it is a goal that we all can share and one that we need to get on with.

GENERAL LEAVE

Mr. SMITH of Oregon. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks, and to include therein extraneous material, on the subject of my special order today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oregon?

There was no objection.

SMALL BUSINESS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. MITCHELL) is recognized for 60 minutes.

GENERAL LEAVE

Mr. MITCHELL of Maryland. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of my special order today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. MITCHELL of Maryland. Mr. Speaker, May 9-15, 1982, has been designated as National Small Business Week. As chairman of the House Small Business Committee, I have taken this time to pay tribute to the nearly 14 million small business owners of this Nation. I am pleased that the ranking minority member of the committee, JOSEPH MCDADE, has joined me in this tribute. I am also pleased that a large number of my colleagues have graciously agreed to honor the excellent contributions of the small business community to this Nation's economy.

The small business sector remains the most dynamic, competitive, and productive sector of today's economy in spite of serious threats and obstacles to its well-being. Their contribution to society is far greater than their numbers or size would indicate.

An astonishing 87.7 percent of all new jobs in the private sector, according to a recent study, were created by small firms during the period studied.

Small firms are 2½ times as innovative per employee as large firms and produce from 4 to 24 times more innovations per R. & D. dollar. They have produced one-half of the most significant new industrial products and processes since World War II. Notwithstanding these facts, the Federal Government's research and development procurement system does not recognize the contributions of small businesses to this Nation's economy. As stated in this morning's Washington Post, Japan is quickly closing the gap on American innovation. "The Japanese are graduating more engineers; they are doing more nationally coordinated and funded engineering, and they are also upgrading their well-known ability to implement the designs of others with a quality accent." Yes, Japan and other foreign countries are taking American small business inventions and returning them to this Nation's marketplace. Indeed, the time is now for this Nation to stop this loss of resources. A Federal research and development procurement system that recognizes the small business community's massive contributions in the field of innovation is one way to halt this senseless drain on our economy.

The inventive genius resident within small business provides "the seedbed for growth." The increased competition, which results from proliferation of small enterprise, exerts a downward pressure on inflation.

Small business contribution to the economy in new jobs, new products for export, and tax revenues are substantially greater than in larger corporations. The reasons are simple. Small firms are more adventurous and willing to expend great energy and time in the struggle for recognition and potential rewards.

Small companies are closely associated with the regions in which they are located and contribute to the pulse and morale of the local community. Areas dominated by small firms tend to be healthier, more stable, and enjoy a higher quality of living.

And yet the climate for new entrants into the marketplace is far from healthy. Small businesses are facing their most difficult challenges since the Great Depression.

The Gross National Product, adjusted for inflation, stands at about the same level today as in the last quarter of 1979. No growth in the economy means tough times for thousands of small businesses.

Today, small businesses are paying interest rates 12 to 14 percentage points above the rate of inflation—three to four times higher than the historical average of 3 to 5 points above inflation.

The current number of business failures is running at the highest level since 1932 according to Dun & Bradstreet. The high rate of failures is a direct result of high-interest rates and the resulting stagnant economy.

Financial market participants tell us that the prospect of $150 to $250 billion deficits for the next 6 to 7 years is keeping interest rates high.

Small businesses are deserving of all the praise they have received, but they now need action. The best thing this Congress can do for small businesses is to provide them with the support they need to do the things they do best: job creation and innovation.

Mr. Speaker, in conclusion, as we take this week to say thank you to the nearly 14 million small businesses in the Nation, I am extremely proud to pay a special tribute to a minority entrepreneur and a constituent of mine. This week, Will Jackson of Jackson Oil Co. will be honored by the U.S. Small Business Administration for his selection as the Small Businessman of the Year from Maryland. I commend Mr. Jackson for achieving this milestone and I wish him many more successful business years.

Mr. ALEXANDER. Mr. Speaker, will the gentleman yield?

Mr. MITCHELL of Maryland. I yield briefly to the gentleman.

Mr. ALEXANDER. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, last year people were confident about the future of the economy. Today they are confused.

Last year President Reagan said during his budget message to Congress on March 10 of 1981:

> Our tax proposal will, if enacted, have an immediate impact on the economic vitality of the nation, where even a slight improvement can produce dramatic results. . . .

Again, on March 23, the President's Secretary of the Treasury, Mr. Donald Regan said:

> The President's program will begin to bear fruit even before it is enacted. . . .

Today, Mr. Speaker, we have record deficits that are the result of the President's economic policies. Last week we saw the Senate Budget Committee vote unanimously to disapprove the President's economic policy by a vote of 20 to 0. There was no consensus, because both Republicans and Democrats rejected that policy. This week we are seeing action in the House to bring about a change, a midcourse correction in the President's economic policy which will give some hope to small business that the interest rates which are plaguing them will go down. There is hope within this Congress that the Congress can produce a bipartisan alternative which will reduce the record deficits that are produced by this economic policy.

One more thing, and I appreciate the gentleman yielding. In 1980 when the President was a candidate, he traveled around the country and promised that he would balance the Federal budget by 1984. The President presented his economic policy and his tax policy in 1981. Everything was enacted and instead of the balanced budget in 1984 that the President projected, we have a projected deficit of some $216 billion based upon the President's economic policy. This is causing interest rates to persist at a record high level. There is no relief in sight and the small business people of this country are paying the price.

The President's high interest rate policies and economic recession are grinding America's small businesses to bankruptcy. And, the Reagan tax cut that was supposed to revitalize the Nation's economy did little more than shift the business tax burden from Wall Street on to the banks of Main Street, U.S.A., small businesses and industrial operators.

It is an established fact of our national economy that small businesses generate the majority of the jobs, particularly new jobs, for our people. Although corporate giants of the Nation get the limelight of public news media attention focused on them constantly, the small businesses of the Nation are the backbone and heart of our private business sector.

Small businesses compose 98.2 percent of all the business of the Nation. Although they account for less than 40 percent of the gross national product, small businesses generate virtually all of the new private sector employment. And, they originate at least 50 percent of all major innovations.

All business is wounded by the impact of high interest rates and the damage multiplies with sustained high interest rates.

But, small businesses, which of necessity, must operate on narrow profit margins in highly competitive fields are far less able to survive the punishment of high interest rates because their capital resources are not great.

By the same token, the unique characteristics of small business make it highly unlikely that they will be able to benefit substantially from tax reduction measures which are conceived and primarily tailored to respond to the tax reduction desires of the business and industrial giants of the Nation. The Reagan business tax cuts were drafted especially with the interest of major business and industrial organizations of the Nation in mind. They simply did not give sufficient thought and concern to the special problems of small business.

Small businesses rely primarily on labor, on people, rather than on capital to provide their goods and services. The Reagan business tax depreciation allowances for capital investments mean that you must invest capital and have income before you can benefit from these reductions in your tax liability. Since small businesses make far greater use of people than of things in their operations, this added to the fact that in the early years many do not show a profit, makes the Reagan tax cut of very limited use to their operations while giving mammoth benefits to major corporations and industries.

Small businesses, which are labor intensive, are particularly hard hit by social security taxes because of their liability for each of their employees, each of the people, they provide jobs. So, the Reagan tax cut again operates to the disadvantage of small business by using up tax revenues which might otherwise be used to finance tax cuts helpful to small business.

The Reagan big corporate tax cut that is contributing to the skyrocketing Reagan budget deficits, is putting a hammerlock on the lifeline of small businesses—borrowed money. The budget deficits are considered to be a major, if not the major cause of the exceptionally long and sustained high interest rates on short-term and mid-term borrowed capital.

Small businesses, by their nature, must have capital of these two kinds to operate. The high interest rates encouraged by President Reagan, combined with the fact that small businesses are generally considered high risk borrowers, are putting small businesses, the ones which have survived the economic recession thus far in another high risk category—high risk for bankruptcy before the economic recession the Nation is suffering ends and recovery and expansion resumes.

In reporting a survey of small business credit conditions, in 1981, the National Federation of Independent Businesses, said:

> The problems created by high interest rates have become more intense for small firms who must borrow regularly. Firms operating on small profit margins which must borrow regularly are forced to reduce other operating costs (E.G., by reducing employment) or they must go out of business. In addition, the combination of a lethargic economy, constantly rising costs . . . and inflation-induced tax increases, has diminished many firm's cash flows to the point where they are engaging in "survival borrowing" that is, borrowing to finance daily operations rather than productivity enhancing capital expenditures. The high rates charged on loans to these firms further reduce earnings.

So, in essence, what I am saying here, what many of us are saying today, is that the President's economic policy has helped Wall Street at the expense of Main Street. It has helped big business at the jeopardy and the prejudice and the discrimination of small business.

Mr. MITCHELL of Maryland. Mr. Speaker, I thank the gentleman for his remarks.

Mr. Speaker, as we take this week to say thank you to nearly 14 million small businesses in this Nation, I am extremely proud to pay a special tribute to a minority entrepreneur who is a constituent of mine. This week Will Jackson of the Jackson Oil Co., which is located in Baltimore, will be honored by the U.S. Small Business Administration for his selection as the Small Businessman of the Year from Maryland. I commend Mr. Jackson for achieving this milestone and I wish him many more successful business years.

Mr. Speaker, I yield now to the gentleman from Ohio (Mr. WEBER), the ranking member.

Mr. WEBER of Ohio. Mr. Speaker, I want to commend the gentleman in the well for holding this special order in celebration of National Small Business Week.

Mr. Speaker, today I am pleased to join in saluting the small businesses of America, as we celebrate National Small Business Week.

According to studies, made by Dr. David L. Birch of MIT, in recent times 66 percent of all new jobs in the Nation are created by firms with fewer than 20 employees; 77 percent of all new jobs are created by firms with 50 or fewer employees.

The National Science Foundation reports that small businesses are 4 to 24 times more innovative than medium- or large-sized companies per dollar spent on research and development. Per employee, small businesses are two to three times as innovative as the larger companies.

Having a smaller market share and therefore lacking in market power, small businesses generally show slower price increases than larger companies. Small business thus moderates inflation, providing more goods and services at lower costs.

One way in which each Member of Congress can assist small businesses in their communities, is by helping to bridge the information gap that exists between Government and small business. The individual entrepreneur, the person whose business is small, who operates on a small scale and a narrow margin—this person cannot afford the trips to the big cities to attend seminars and workshops to learn the intricacies of working with the various rules and regulations that impact on his or her business. Even if this person could afford the financial cost, he or she could not afford to take the time away from managing the business.

Therefore it is with great enthusiasm that I encourage my colleagues to do what I have seen other Members do and that is to hold a "small business roundtable" at some convenient location in their home districts. I have one such roundtable scheduled in my hometown of Toledo, Ohio, on Thursday, May 27. On that day I have secured the cooperation of many representatives of governmental agencies who will travel to Toledo to participate in panel discussions on topics of interest to small business. The purpose is to inform the small business community about how to work with Federal agencies and Federal law. It will be an opportunity for local people to interface with Government at the grassroots.

I am assisted in this conference by the Toledo Area Small Business Association and the National Federation of Independent Businesses. We pooled our ideas in deciding upon the topics that the conference would address. As a result we have chosen to discuss the everyday problems of a business involving international trade and economic development; urban enterprise zones; housing; taxation and financing of businesses; bankruptcy laws and equal economic opportunity; labor relations, including Davis-Bacon and Hobbs Act issues; transportation and shipping; interest rates and monetary policy; and Government contracts and regulation.

From this roundtable we expect to get new ideas for improving the services and operations of Government at the same time that businesses are assisted to function in today's environment of Government regulation. If small business is the economic engine of our country, roundtables such as I have described can be the oil that keeps the economic engine running smoothly.

Mr. MITCHELL of Maryland. Mr. Speaker, I yield to the gentleman from Michigan (Mr. WOLPE).

Mr. WOLPE. Mr. Speaker, American small business has long been the keystone of our economy. Individual members of the business community, committed to our system of free enterprise, have combined energy and initiative in the development and maintenance of our Nation's economic base.

Today over one-half of all American jobs are provided by small businesses. It is the small business community that over the years has been the leader in technological innovation and the spark behind our productive expansion.

Indeed, it is the small business person whose hallmark has been creativity, imagination, and hard work, and that offers us one of our best hopes for new economic prosperity and a revitalization of the American workplace.

Mr. Speaker, I am particularly pleased to participate in today's special order because one of my constituents has been recognized as Michigan's Small Businessman of the Year. Mr. John Vander Ploeg, president of Ship-Pac, Inc., of Kalamazoo, Mich., has demonstrated for our State and the Nation how a good idea—properly nurtured and managed—can result in new business activity, in new jobs for the community, and in the provision of an important service for our economy.

Simply put, Mr. Vander Ploeg recognized in the midsixties that in order to send shipments from one location to another, businesses frequently had to utilize as many as 15 different suppliers to properly prepare and deliver a package. By offering businesses a one-stop option where all the worries of making a shipment would be handled, his business grew from sales of $100,000 the first year to nearly $6 million in 1981.

Mr. Vander Ploeg's commitment to efficiency, sound business practices, and hard work is not left at Ship-Pac when the 5 o'clock hour arrives. He has utilized the same principles in his community service—both in his volunteer activities and as the vice-mayor of the city of Kalamazoo.

Mr. Speaker, the citizens of Michigan's Third Congressional District join me in this recognition of John Vander Ploeg's achievements, and look to him for continuing leadership both at work and in the community.

Mr. MITCHELL of Maryland. Mr. Speaker, I thank the gentleman for his remarks.

I yield to the gentleman from Ohio (Mr. WILLIAMS).

Mr. WILLIAMS of Ohio. Mr. Speaker, I appreciate the gentleman's yielding and compliment him on taking this special order.

Mr. Speaker, it is a pleasure for me to participate today in this special order. As we all know, this week has been designated Small Business Week, and I think it is fitting that yesterday the House Small Business Committee passed H.R. 6086 as amended.

I would like to particularly take note of sections 10 and 11 of the bill. These sections are that part of the bill known as the distressed area loan program. This program was included in the bill and passed by the committee primarily through the efforts and hard work of our ranking Republican member, the Honorable JOSEPH MCDADE. The gentleman from Pennsylvania was able to take this great idea and develop bipartisan support to assist small businesses, particularly those in labor surplus areas.

The distressed areas loan program will not only bring a good deal of financial assistance to hard-hit small businesses, but will also help create jobs in those areas of this country which need it most—places like Youngstown, Ohio. So I want to take this opportunity to publicly commend my colleague from Pennsylvania for his hard work and dedication and also thank him for the privilege of working with him to help insure the program's passage.

Mr. Speaker, I would also like to thank the gentleman from Maryland, our chairman, for providing the Members of the House with this opportunity today and to commend him for the leadership he has shown in this Congress when it comes to dealing with the problems of small business.

● Mr. McDADE. Mr. Speaker, I am pleased to join the President and my distinguished colleague from Maryland in a salute to small business. In truth, every workday is small business day, but small business men and women certainly merit official recognition.

These people drive the American economy. According to the 1980 White House Conference on Small Business definition of small business as any firm employing 500 workers or less, there are now 15 million small businesses. They make up fully 99 percent of the total number of businesses in the United States, produce almost half of the GNP, and employ over half of the American work force. Furthermore, these businesses create the overwhelming majority of new jobs in our economy. An MIT study found that between 1969 and 1976 these small businesses created more than 86 percent of new jobs in the United States. More significant, smaller firms with less than 20 employees generate 66 percent of new American jobs. Can anyone doubt that it is in small businesses scattered across this land where American capitalism renews itself—daily?

Small Business' job-creating wonders would be reason enough to recognize small business' importance in this special week. But small business makes a contribution to American life in so

many other ways. We talk often in this Chamber about the need for innovation and the loss of the inventive genius in American life. Small businesses have not lost that genius and will meet that need. Indeed, a National Science Foundation study found that small businesses prioneer more innovation per research development dollar than medium or large firms. Locally, small business people provide the leadership that animates a vibrant community—a fact we should all keep in mind when considering programs to revive distressed areas. Nationally small businesses keep competition in our economy, and we all know that competition keeps down costs. No wonder the President calls small business the cornerstone of our free enterprise system.

These entrepreneurs ask for nothing more than the opportunity to build profitable businesses. But small businesses have special needs. They exist in a world of giants—big business, big government, and big labor. Consequently, our institutions and regulations must be sensitive to the problems of the small business. I am glad to say that in recent years the Congress has helped along this line. The Regulatory Flexibility Act has institutionalized the evaluation of a regulation's impact on small business. The Equal Access to Justice Act guarantees that small businessmen can fight the Federal Government in court without bearing the high cost of litigation, if the Government is in error. Patent reform has served to get innovations off the shelf of the Patent Office and on to the production line.

Last year, the President's Economic Recovery Tax Act contained many features that benefit small businessmen. Tax rate reductions and the indexing of tax brackets will definitely pay off for the many small businesses that are partnerships, proprietorships, and subchapter S corporations. Small businesses will also profit from the new accelerated cost recovery system, direct expensing, and an increase in the minimum investment tax credit for used property. Some features of the new tax law specifically apply to small businesses. Corporate tax rates have been cut for corporations earning less than $50,000. ERTA has also simplified inventory accounting methods and increases the number of permissible subchapter S shareholders.

And the Congress did not end its work last year. Soon, President Reagan will sign legislation designed to correct a problem of crucial importance to small businessmen who do business with the Federal Government. The Prompt Payments Act will impose financial penalties on Government agencies that fail to pay their bills on time. The upcoming Small Business Innovation Development Act attempts to get a fair share of. the Federal research and development dollar to a sector of the economy with a proven record of innovative excellence—small businesses.

Sure, the small businessman has his troubles today. Just ask any one of them what it is like to borrow money to expand—or even to survive—at the present interest rates. All of us must grapple with this reality. But the interest rate problem should not divert our attention altogether from the headway we have made in the last few years. I believe that these reforms will help make for a sustained growth and prosperity that are on the other side of our present economic difficulties. Small business men and women will be there. I salute them in this National Small Business Week.●

□ 1950

Mr. BEDELL. Mr. Speaker, will the gentleman yield?

Mr. MITCHELL of Maryland. I yield to the gentleman from Iowa.

Might I indicate before the gentleman speaks that our colleague, BERKLEY BEDELL, in 1964 was the first national award winner of the Small Business Administration's program to honor small business. I think that ought to be a part of the official record.

I now yield to the gentleman.

Mr. BEDELL. I thank the committee chairman.

Mr. Speaker, I first of all would like to comment on what a privilege it is to serve under the gentleman from Maryland (Mr. MITCHELL), the chairman of our Committee on Small Business, with the leadership that he furnishes us.

Mr. Speaker, with very great pleasure, I note that a constituent of mine has been selected as the Iowa Small Business Person of the Year by the U.S. Small Business Administration. This is fitting recognition of the splendid accomplishments of Joe Joyce, owner of Joyce's Foodland in Emmetsburg, Iowa.

Last night, Mr. Speaker, I had the privilege of welcoming Mr. Joyce and the other SBA award winners to Washington. They are here in town as part of the Small Business Week activities. Those people should be an inspiration to us all, and it is in this context that I am so pleased to tell you about my constituent.

Mr. Joyce purchased a small supermarket in 1970, using $25,000 he had saved from a dairy route and a hog raising operation. With no prior experience in retail food marketing, he opened up a 4,500-square-foot store and hired nine employees. Since then, he has expanded his business to a 22,000-square-foot facility and he employs 55 people.

Along the way, Joe Joyce has become a local leader in providing employment opportunities for handicapped citizens. His investments have helped restore economic life to a formerly distressed part of town. And he has expanded into several new lines of business, opening additional stores.

Mr. Joyce took a chance, risking his family's life savings when he went into this business. He is an innovator, bringing new ideas and new marketing techniques to northwest Iowa. He has provided opportunities for workers and the community to better their lot as his business has grown.

And Joe Joyce has not been a stranger to community affairs. Even while his business was growing, he was involved in community activities. He has served on the Emmetsburg Planning and Zoning Commission, is the past president of the local chamber of commerce, is involved in the Knights of Columbus and the Lions Club, and serves on the board of Willing Workers, a local center for the handicapped.

Mr. Speaker, Joe Joyce and the other SBA award winners who are in town this week help to demonstrate why I believe small business is the key to the success of our economy. The Fortune 500 companies may dominate the economic news, but it is the entrepreneurs among us—men and women like Joe Joyce—who lead our communities, who take the necessary risks, and who provide the new ideas and the new jobs our economy needs. These are the people who make America great and I am very proud of them.

I am pleased to be here as we celebrate this Small Business Week, serving on the Small Business Committee. It is very clear to me that small business is that sector of our economy which holds the opportunity for this great land of ours. It is small business which provides 80 percent of all new jobs that are created in our economy. Fifty percent of our new inventions and technology come from small business. And this is contrasted to less than 3½ percent of the Federal research and development funding that they get.

The National Science Foundation says that small business provides 25 times the amount of innovation per research dollar to that provided by similar investments in large businesses.

Shortly after he took office last year, Assistant Attorney General for Antitrust, William Baxter, was interviewed by Dun's Review. I would like to quote his remarks. They are as follows:

> There is nothing written in the sky that says that the world would not be a perfectly satisfactory place if there were only 100 companies.

Mr. Speaker, I do not want to live in a world where there are only 200 companies. I do not want to live in that world partly because I want my children to have the opportunities to start their own business and take advantage of their own capabilities in this society. But I certainly do not want to live in that type of a world, because I think we need the innovation and the job creation that comes from our small businesses.

So I am here at this time to thank the chairman for calling this special order, and I am pleased to be a part of this effort to recognize the tremendous part that small business plays in this great land of ours.

Mr. MITCHELL of Maryland. Mr. Speaker, I thank the gentleman for his remarks.

Mr. DAUB. Mr. Speaker, will the gentleman yield?

Mr. MITCHELL of Maryland. I yield to the gentleman from Nebraska.

Mr. DAUB. I appreciate the gentleman yielding, and I want to accomplish three things in my brief remarks:

First, to thank the chairman of our Committee on Small Business and, of course, our ranking member who joined you in arranging for this special order to point out the importance of small businesses to the economy and the well-being of America.

The second thing that I want to do is to note that the responsibility to provide all Americans the opportunity to join the economic mainstream cannot rest solely with the Government. Without the commitment of individuals in the private sector, our efforts cannot meet with success.

One individual who has shown this commitment is Jack MacAllister, president of the Northwestern Bell Telephone Co. in Omaha, Nebr., and his outstanding work will be recognized tomorrow when he receives the National Small Business Minority Advocate of the Year Award from the President. This prestigious honor is well deserved.

Jack's contributions to the minority small business community include the formation of a minority small business corporation capitalized at $500,000 in Omaha, fundraising efforts for the Wesley House, assistance to the Omaha Economic Development Corp. in obtaining corporate support and involvement, and efforts to organize and promote an urban business development center in Omaha.

Jack has also worked closely with the Minority Purchasing Council of the Omaha Chamber of Commerce and has successfully initiated efforts to obtain new accounts in the Community Bank, the only minority-owned bank in Omaha.

Woodrow Wilson once said that every great man of business has got some touch of the idealist in him. Jack MacAllister has put that idealism into action, and the entire community has benefited.

I take this opportunity to commend Jack MacAllister and to thank him for setting a standard of achievement and responsibility that we can all take pride in and that we should all emulate.

Now, if I might, the third mission I have in participating in this Small Business Week special order that has been brought so well to our attention by the distinguished chairman of the committee is to note that small business should be recognized all year round.

Mr. Speaker, as this is National Small Business Week our attention is rightfully diverted to the contributions that the small business community makes to our society.

It would be unfortunate if we allowed ourselves to treat small business as we do so many other institutions. To give it a day or a week so that attention may be drawn to its importance is fine for many different things but it reflects a sorry and dangerous thinking in our land if we think that that is enough for small business.

We should recognize that it is the small business community that is the engine of this country's economic machine. It is small business that employs our citizens, creates wealth, provides revenue for the Government coffers and provides the goods and services that have allowed our Nation to prosper.

But, as I have said before on this floor, we tend to too little appreciate the impact of small business because its interests are so diverse and not easily translated into a "program" or a bill that can be said to be helpful to small business and thus fulfill our obligation.

In my district we enjoy the presence of a number of large employers that represent some of the largest and well-known companies in America. But, as I travel the second district of Nebraska, I find that most of the people I meet are employed by small businesses. That the new jobs come from small business. That new development for the most part is a result of small business men and women taking risks and seeking opportunities. It often occurs to me, that if, we in this Congress possessed the imagination and the daring that I see evidenced every time I return to Omaha, Nebr., most, if not all, of the problems that we face today could he handled readily.

During these difficult economic times the agenda for small business is little different than at other times. Only the emphasis is different.

What is this agenda that determines so much of our economic future. That will determine whether or not we will have the increase in jobs necessary to provide opportunity for all Americans. Very simply it is to leave small business alone. Let the men and women of this country fulfill their imaginative schemes to become a part of the business community. Do not bog them down in expensive redtape that not only adds a cost to their enterprise but absorbs a large amount of the talent and energy of the entrepreneur.

I am sure that we do not intend this particular special order to point out some of the disagreements that may exist over what direction our economic agenda should take, and I, for one, did not come to participate in this special order to criticize, because that is too easy. I came to offer that hope that small business of America can lead us out to economic recovery if, in fact, we tend to the special needs of small business.

Mr. Speaker, last year I wrote to 11,000 businesses in my district and asked them to let me know personally of regulations that were in their mind unnecessary, counterproductive, or unduly burdensome. Once I received these responses I forwarded them to the Vice President's Regulatory Reform Task Force so that they might be incorporated into their effort. I, as did the Vice President, felt that this kind of grassroots information would provide a valuable addition to their study.

What struck me most often amid this myraid of complaints was a sense of frustration. A sense that the efforts that they expended on behalf of Government exceeded at times those that were available to their enterprise. Instead of devoting themselves to their business they were diverted into a continuing servitude to the Federal Government that created not a single job, provided not a sole good or service, and acted as a drain on the Treasury while thwarting efforts that would have contributed to it.

The agenda of small business of which I spoke is a simple one. There are, of course, bills that they would like to see passed but most often these affect in some way the behavior of the Federal Government toward them. But the basic agenda today is simply that the Federal Government undertake a fiscal policy that will reduce interest rates. Just let them do business. Allow them to save, invest, create, manage, and innovate without the weight of today's interest rates upon their shoulders.

Those of you who believe that unemployment is the largest domestic problem we face today, and I am among you, must also recognize that we will not see real improvement until such time as America's small business community can afford to hire. And to believe that we can accomplish this by means other than by reducing spending and the attendant share of Federal borrowing is a charade.

It sometimes appears that unless Congress says something is important it does not exist. And unless a problem can be solved by a Government spending program enacted by Congress it is unsolvable. But with or without National Small Business Week small business is what America is about. And surely we can draft no legislation that could hope to solve small businesses problems. What we need to do in this body is to stop thinking in terms of special interests and see that this American economy is a complicated machine whose components are beyond the tinkering of Congress. That the actions of this body that have created the current high interest rates have acted like a monkey wrench thrown into the machinery and it is up to us to remove it before it does further damage.

Let us use this time this week to take a really hard look at what makes this country go. And then let us take another look at what has caused it to slow down. I do not believe we will have to look very long to see that what makes this country go is its people, joined together in enterprise that helps both themselves and others. And what has made this country slow down is apparent enough: The interference of Government in the activities of our people. Excessive spending that has made the cost of money debilitating for most businesses, regulations that sap its energy and imagination all have made the lot of the small business person difficult, formidable and in some cases impossible.

Mr. Speaker, National Small Business Week can be an occasion that will mark a turning point in the attitude of this Congress. If we are willing to make the hard decisions and to face up to where we are and how we got here it will mark a week of real success for small business, and for our country.

□ 2000

Mr. Speaker, Small Business Week can be the occasion that would mark a turning point in the attitudes of this Congress, if we are willing to make the hard decisions and face up to our responsibilities to not ignore that entity within the economic engine that provides and can provide the stable 60 percent of our work force with their opportunity to share in this great country's economic prosperity.

I ask that my colleagues join with us in supporting decisions that affect small business. That is how we got here. This is the week to celebrate their real success and for their future and for our country, let us do what we can to help small business.

I thank the gentleman very much for bringing this special order to the floor this evening.

Mr. MITCHELL of Maryland. Mr. Speaker, I yield to the gentlewoman from Maine (Mrs. Snowe).

Mrs. SNOWE. Mr. Speaker, I thank the gentleman for yielding, and I would like to associate myself with his remarks and also to congratulate the gentleman in the well for his tremendous effort on the part of small business, as well as the gentleman from Pennsylvania (Mr. McDade), the ranking minority member on the Small Business Subcommittee. I clearly have enjoyed my service on the Small Business Committee the last two terms in Congress.

Mr. Speaker, I think it appropriate at the outset of this Small Business Week to stop a moment and reflect on the vital importance of the small business sector of our American economy.

The small business sector unquestionably represents the vast majority of the total number of business establishments nationwide. When new jobs are created, you are more likely than not going to find that growth springing from small business. The small business community originates a full 50 percent of all major innovations in this country. I might add that that figure could be significantly increased if H.R. 4326, the Small Business Innovation and Development Act is agreed to by this House. Furthermore, approximately 40 percent of the entire U.S. gross national product is gleaned from small business. Additionally, the small business sector provides opportunity for women, minorities, and disadvantaged to fulfill their desires to become totally self-reliant.

Our job, which we must not lose sight of, is to facilitate this much needed growth through coherent, steady business policy. However, one ingredient for growth in the small business sector that no government can provide is an individual's initiative. While we as legislators may help provide favorable tax laws and a beneficial business climate in which to work, unless an individual possesses the initiative to pursue his or her dream, there is virtually nothing that we as lawmakers can do. During this small business week, I would like to point to the Maine small businessman of the year as an example of someone who saw opportunity and invested himself fully to attain his goals. Mal Sibulkin, from Avon, Maine, took a concept that his mother and father devised and built a thriving business, manufacturing motivational teaching aids for the handicapped. Lauri, Inc., as the company is known, started with a few hundred dollars, an idea, and has burgeoned into a multimillion dollar corporation which now exports to 25 countries. The point is, that there are potentially millions of Mal Sibulkins in America who have the desire to contribute and the will to succeed. It is our duty to be the catalyst, to lend the helping hand that the small business men and women of this Nation need. By building a solid small business foundation for America, we insure a prosperous future. Thank you, Mr. Speaker.

Mr. MITCHELL of Maryland. Mr. Speaker, I thank both of my colleagues for their remarks. I yield to the distinguished gentleman from Pennsylvania (Mr. Bailey).

Mr. BAILEY of Pennsylvania. Mr. Speaker, I thank the gentleman from Maryland (Mr. Mitchell). I will be very brief. I serve on the Ways and Means Committee, and I want the gentleman to know that part of the work that we had tried to do to supplement and add to the efforts that the gentleman has so nobly advanced were to write tax legislation which in fact would assist in the reinvestment incentives and those types of things that the gentleman has worked so hard on.

I suppose I really cannot add much to what has been said here today except to compliment the gentleman. I know the work that he has extended. I know particularly the concerns that he has had for minority small business. One of the problems with our country has been providing equal opportunities and opportunities to move into middle-class businesses and small businesses essentially of that type, which is something that I know the gentleman has worked very hard on. I would like to bring that to the attention of the country.

I think the gentleman should be complimented for his efforts in that regard particularly; black citizens and minority citizens of all genre in our country really owe the gentleman a debt of gratitude.

Mr. MITCHELL of Maryland. I thank the gentleman for his kind remarks.

I think it important at this point in the Record to indicate that there are the names of some 50 Members of Congress who do not serve on the Small Business Committee, who have submitted for the Record tributes just tonight, tributes to the small business community of America. Last night, a large number of the members of the committee and those Members of Congress not on the committee, also submitted tributes to Small Business Week.

Mr. Speaker, I yield to the gentleman from Pennsylvania (Mr. Gaydos).

Mr. GAYDOS. Mr. Speaker, I want to thank my colleague and others for their remarks. I would like the record to show that I am in full accord with the position the gentleman has taken so adequately and eloquently in this matter, and join in his remarks.

Mr. MITCHELL of Maryland. I thank the gentleman.

Mr. Speaker, I yield back the balance of my time.

● Mr. CONTE. Mr. Speaker, Small Business Week is an important occasion to bring together the small business community to focus on the important contribution it makes to our economy and on the ways that contribution can be improved. But it is important to remember that promoting small business is a year-round task, and that in these times we must all renew our efforts to make the hurdles facing small business a little easier to surmount.

Last Sunday, the New York Times ran an article on Exxon, the largest industrial company in the world. That article started out with a telling sentence based on founding father John D. Rockefeller's own observation that the day of combination is here to stay and that individualism has gone, never to return. "Mr. Rockefeller was right," said the article. "Although we pay homage to Jeffersonian democracy, Americans have built an economy that relies on goliaths to get the job done."

Mr. Speaker, it appears that America is becoming more and more reliant on goliaths, and is permitting the independent small business to languish, according to the recent report of the President on the State of Small Business, dated March 1982, the share of the gross national product contributed by small business had declined from 42 percent in 1967 to an estimated 38 percent in 1977 and is still falling. The report also stated that the number of very small establishments is shrinking while the number of large establishments is growing. Recent reports indicate that bankruptcies are now hitting small businesses particularly hard, at record rates, if anything, the demise of very small establishments is currently on the rise.

Mr. Speaker, these figures are of great concern. Small business has been throughout our history, and continues to be, the one sector of our economy that consistently produces growth, jobs, productivity gains, and fuels the well-being of the rest of our society. A look at the state of our present economy will verify that fact. The one sector of our economy that in singlehandedly keeping the rest of this Nation's head above water right now is the high technology industry. That industry is composed of dynamic young firms which start out with a handful of employees and a good idea and then grow like wildfire. On the other hand, it is many of the old, concentrated industries, like automobiles or steel that are barely hanging on.

One reason small business has played this dynamic role in our history is because of the opportunity it offers to individuals to better their lot. How many people have realized their dreams by entering the golden door of opportunity of starting a small business? How many immigrants have come to this country, how many individuals from deprived backgrounds, how many people who never would have had a second chance have made good by taking advantage of the opportunity offered by this great Nation to go into business for themselves and get ahead?

Mr. Speaker, when we say that business is becoming increasingly concentrated, when we say that the trend is to merge and invest in making companies bigger rather than better, are we not sounding a warning about our country's future? Are we not saying we are abandoning the collective dream that has made this Nation the greatest in the world precisely because it is the most devoted lover of individual freedom and opportunity in the world?

Mr. Speaker, we must not use this Small Business Week to rest on our laurels. We in Congress and across the Nation must renew our intent to reverse the decline in importance of small business.

I am happy that the first opportunity to act on that intent is right around the corner. The Small Business Innovation Research Act may very possibly come to the floor of the House next week. And I can think of no more-appropriate way than passing that bill to reaffirm our commitment to small business. For years, the Small Business Committee has tried to break the headlock of big business and other large institutions on Federal procurement. There have been speeches, there have been laws, there have been Executive orders. And to what avail? Small business, the engine of our economic growth, the creator of 86 percent of our new jobs, the source of 24 times more innovation per research dollar than medium or large business, the employer of 47 percent of our labor force, receives only 4 percent of the Federal R. & D. budget.

The Small Business Innovation Research Act attempts to raise that measly 4 percent not by 25 percent, not by 10 percent, but by a mere 1 or 2 percent. But that 1 or 2 percent will do more for the growth of this country, and for the state or the economy, than just about any other piece of legislation this Congress will look at this year. Mr. Speaker, this bill is not a set-aside, this bill is an economic recovery act. It attempts to move Federal money, taxpayers' money, to where it will be the most productive and to where it is most needed, in keeping our edge in high technology. If we lose our edge in high technology, as we now are in danger of doing, we can kiss our economy goodby. This bill is a small step to help keep our most innovative and productive and growing sector, a sector carried forward by small business, the most innovative in the world. It is small step, Mr. Speaker, a 1-percent step, but it is a giant step for our Nation.

In sum, there are two ways to celebrate Small Business Week. There are these speeches, and there is an act, a vote next week on the innovation bill. Mr. Speaker, if we are serious about honoring the role of small business in our economy, we will pass that bill overwhelmingly. It is a job-creation bill, and it is an economic recovery bill. A vote against it is a vote against the best interest of our country and a vote against the dream that has made this country great.●

● Mr. YOUNG of Florida. Mr. Speaker, as we reflect on our great Nation's path to success, history indicates that small businessmen have led us to the industrial heights we have achieved and it is those same small businessmen who continue to serve as the foundation of our economy. Therefore, it is only fitting that we pay tribute this week to the thousands of small businessmen throughout our Nation whose initiative boosts our economy and serves as an inspiration to us all.

A constituent of mine, Joseph O'Brien, of St. Petersburg, Fla., has been singled out this week as the small businessman of the year from my State. Like many Americans, Mr. O'Brien pursued his dream of success in business, and in less than 11 years has achieved that success by building a rapidly expanding business for which the potential of growth is unlimited.

Mr. O'Brien purchased in 1970 the Bostwick Co., a very small business which marketed screens, window shades, and awnings. It was not until 1973, when he began exploring the possibility of marketing solar control films, a product designed to reduce the absorption and transmission of solar heat through glass, that Mr. O'Brien fully realized the potential for expansion that existed.

As a result of his new product line, the company, now called ITD Industries, has increased its earnings sixteenfold and employs more than 80 people. In addition to providing jobs and revenue for Pinellas County, Mr. O'Brien is also assisting our Nation by presenting new and economical ways to conserve energy by preventing the gain and loss of heat through windows.

Mr. Speaker, initiative, drive, and desire established our country as a leader in the world's industrial marketplace and it is the small businessmen of our Nation, as represented by my constituent, Mr. O'Brien, who strengthen the base of our economy by continuing to expand their operations, leading the way for future generations of businessmen to market their products so that our industrial base continues to expand as it has for more than two centuries.●

● Mr. LaFALCE. Mr. Speaker, I want to take a few moments today to pay tribute to our Nation's 15 million small businesses and the millions of small businessmen who make such an important contribution to our Nation's well-being.

It is fitting that we do this during Small Business Week, the one week of the year set aside for us to remember that ours is a Nation of small businesses and that small businesses are essential for our economic and social health.

Small business clearly is a key segment of the U.S. economy. Small firms have been the major generator of innovation over the past two decades. The National Science Foundation tells us that small firms produce 24 times as many major innovations per R. & D. dollar than large firms, and four times as many as small firms.

They employ 52 percent of the Nation's work force, account for 53 percent of business receipts, and contribute at least 50 percent of the private sector gross national product.

They have been responsible for almost all of the new net employment in the United States in the 1970's. Prof. David Birch of the Massachusetts Institute of Technology reports that almost 90 percent of all jobs in the private sector between 1969 and 1976 were created by firms with 500 or fewer employees. Two-thirds of these jobs came from firms with 20 or fewer employees.

Large businesses, in contrast, had been losing jobs even before the onset of the 1981 recession, according to Professor Birch. "Whatever they are doing * * *, large firms are no longer the major providers of new jobs for Americans," he wrote in the Public Interest last fall.

Small business, however, cannot rest on its laurels. The current economic recession hits all business—large and small. Unfortunately, the small business sector is being hit especially hard. Small business' problems are discussed in great detail in a report President Reagan released 2 months ago entitled "The State of Small Business." The President is to be commended for issuing a report that provides a wealth of information on the condition of small business. I have read it carefully and want to take a moment to review what it and other studies say about small business today.

They find that:

Business failures compiled by Dun & Bradstreet are running at near depression levels. The President's report says total business failures have risen at least 30 percent during the past year. Many of these are small businesses, since small firms account for 99.7 percent of American businesses.

Small business income has dropped 12 percent in the past 2 years.

Small businesses are paying 10 to 12 percentage points above the inflation rate on their bank loans, the highest interest rates since before World War II.

Small businesses are being crowded out of bank lending by large corporations. This is a primary finding of the President's report. The report warns that this hits small business especially hard because it relies almost exclusively on bank borrowing for capital.

The President's report makes clear that small business is being hit harder by the current recession than large business.

I have been working to help small business since I entered Congress 8 years ago. As chairman of the House Small Business Oversight Subcommittee, I have held countless hearings on small business' problems and ways of solving these problems. I have examined product liability, women in business, size standards, usury ceilings, contracting out, neighborhood business revitalization, productivity, and tax policy.

This Congress, I have continued my efforts on product liability. I have also turned my attention to other pressing issues such as the insurance problems of small business, the devastating impact of high interest rates on small business, preserving the Small Business Administration programs that provide a safety net for small business and assuring that our Government taps the innovation and job creation abilities of our Nation's 13,000 small science and high technology firms.

The House will be taking up shortly a landmark small business bill I have been working on for the past year to establish small business innovation research programs in all of the major Federal R. & D. agencies. This program will allow small firms to bring forth the innovations that are essential if our Nation is to remain competitive at home and abroad, increase its productivity, maintain its technological preeminence, and create the new jobs essential for full employment prosperity.

Many of us will have used today's special order to tell our small businessmen how important they are. The Small Business Innovation Development Act will give us the opportunity to vote our rhetoric. I am confident the bill will pass.

The innovation bill is important for small business and for our Nation. But there is much more that we need to do to assure that small business is able to help us recover from the worst recession we have experienced in 40 years.

Small business made our economy a powerful engine for the past century. We will have to rely on it even more to power us into the next century.●

● Mr. MITCHELL of New York. Mr. Speaker, the small businesses of the United States play a big role in our Nation's economy. They account for more than half of our Nation's employment opportunities. They are a major source of scientific and technological innovation. They provide the competition necessary to deter exorbitant prices and monopolistic practices.

What is the individual entrepreneur's reward for these important contributions? Extreme risk. Unfortunately, more than half of all firms with 20 or fewer employees go out of business within the first 4 years. In times of recession, high-interest rates and economic stagnation make the operation of a small enterprise especially courageous.

If the state of the economy does not bankrupt the small firm with inflation or the scarcity of capital, then public policy too often lends a hand by imposing high taxes or creating excessive paperwork.

With the help of small business, our economy has been able to grow and remain productive. With the support of small business, the Federal Government has begun to combat inflation by reducing spending, spur the economy with tax incentives and adopt a more sensible approach to regulatory and paperwork requirements. These are changes that can and should benefit all Americans.

This week, as we celebrate U.S. Small Business Week, I hope everyone will recognize the importance of small business to our economy. Individual entrepreneurs are the foundation of our economic revitalization. They deserve our support.●

● Mr. SHUMWAY. Mr. Speaker, I am delighted to have this opportunity to recognize the many contributions made by America's small businesses, and to draw attention to the fact that the President has designated the week of May 9 as National Small Business Week.

I personally consider the small business community to be the very backbone of America. All too often, the accomplishments and achievements of the small business community are overlooked as attention focuses on the big business conglomerates. It is especially fitting that we recognize the fact that some of the major inventions of this century have arisen from the innovative small business community: Photocopiers, FM radio, air-conditioning, power steering, the everyday zipper, these are but a few of the numerous developments with which small business is credited. Small business accounts for about half of all private-sector employment, and more than 40 percent of the GNP.

Perhaps most importantly, small business is indicative of the American spirit, wherein independent creativity and personal ambition are free to produce and grow at their own rate and ability. If the small businessman is a critical link in the chain of ingenuity and innovation, he is also the link most vulnerable to fracture from excessive Government regulations and burdensome tax policies. He is keenly aware of the needs of his community, and he responds to them. He is especially comprehensive of the laws of supply and demand, for they dictate his very existence.

I rely very heavily upon the small business community, which is especially important in my own congressional district. The advice of small business representatives has offered invaluable guidance as I review and consider pending legislation and administrative action. It has enabled me to work to the best of my ability to protect free enterprise and the private sector's best interests. Thus, I am delighted to honor the small business community during National Small Business Week.●

● Mr. **MAZZOLI**. Mr. Speaker, I join my colleagues in the House today in honoring our Nation's small businesses. In particular, I would like to pay tribute to Mr. George Nolan King, Kentucky's Small Business Person of the Year, who hails from my home town of Louisville.

George is the owner of Mr. Klean's Janitor and Maintenance Service, Inc., a janitorial service which began with the financial backing of former employers. George became a contractor in the SBA's 8(a) contracting program in 1972 and became successful enough to graduate from the program in 1981. The firm now employs 500 people, is Kentucky's largest black-owned business and is listed among the top 10 black-owned companies in the Nation.

George's achievements make all Louisvillians—and all Americans—proud. It is the hard work and dedication of small business persons like George—who are indeed the backbone of our economy—that have helped make our Nation great.●

● Mr. **FORSYTHE**. Mr. Speaker, I am pleased to have the opportunity to participate in this special order designating the week of May 9 as Small Business Week.

I know how concerned small businessmen are about maintaining high levels of employment and stimulating productivity and economic growth. I know because I was a small businessman for over 35 years.

It is essential for the economic welfare of the Nation that the voice of small business be heard and be heeded. I have made a special effort to open my office to small business and to maintain a continuing dialog with its leaders.

I do not have to quote statistics to prove the importance of small business in the country. Our Nation has grown strong as the land of opportunity in which each individual can aspire to financial security through hard work and enterprise. The pursuit of economic self-realization has created the most productive economy in the history of the world.

Mr. Speaker, I have been on both sides and I understand the crucial role which small businessmen play in our society. That is why it is so important for Members of Congress to identify and address the concerns which inhibit their formation and growth.●

● Mr. **AuCOIN**. Mr. Speaker, this is National Small Business Week, a time during which we commemorate the ingenuity and spirit of America's small business operators, who bring life, foresight—and jobs—to Main Street in our towns and cities.

For years, small business kept the economy humming. But as we all know too well, small business today is caught between high interest rates and what—as the events I will relate to you clearly show—can only be called sheer stupidity on the part of the Federal Government. It's frankly no wonder, as the National Federation of Independent Businesses recently put it, that small businesses are "falling like flies."

Earlier this year, in towns throughout Oregon's First Congressional District, I met with small business operators to find out what was wrong and how we here in the Congress can help. One particular account stuck in my mind because it demonstrated, in so many ways, the incredible problems faced by many small business that attempt to do business with the Federal Government. Little did I know then that the small businessman who testified before me that day, Mr. Robert LeRoy Benham, of Newberg, Oreg., would be voted Oregon's Small Businessman of the Year.

About 15 years ago, Climax Manufacturing was started as a one-man operation, grew into a family operation and, following the motto "We'll do it ourselves," now has annual sales of about $2.5 million. The company manufactures metal cutting machine tools which are used in heavy industry for maintenance of equipment.

The president of the firm is LeRoy Benham, a distinguished member of Oregon's business community chairman of the Newberg Chamber of Commerce, member of the Small Business Advisory Committee to the Oregon Economic Development Commission, and member of the district export council, his firm is a member of the National Machine Tool Builders of America.

Mr. Speaker, 11 months ago, Climax employed 47 people. Now, it employs 35 people. This, despite the conviction LeRoy Benham shared with me in February:

> One of our basic motivations is employment. We want to provide jobs. We are scrambling to try to do that. It is extremely difficult, in times like this, to preserve the capital that makes all of this work. Because if capital is dissipated, through failure to recognize the economic facts of life, it cannot recover, and we do not then have the capital to manage the upswing that we are hoping for.

What has happened to the jobs at Climax Manufacturing, Mr. Speaker? Well, one thing that happened is that Mr. Benham made the mistake of trying to help the U.S. Navy save a few dollars.

Mr. Benham's company developed a portable turning machine, capable of turning and truing large shafts, such as the propeller shafts on board ships. The Navy was interested in Mr. Benham's invention, because it represented a potential savings of hundreds of thousands of dollars over conventional maintenance procedures, which involve dismantling part of the ship to remove the propeller shaft for re-turning. Mr. Benham's machine had the advantage of being designed specifically to fit the Navy's need and was easily justified on the basis of cost savings; it paid for itself on the first use.

From here on, Mr. Speaker, I would like you to hear the story, just as Mr. Benham related it to me in his testimony last February:

> We received a request for proposal from Norfolk about Aug. 31, 1981, and submitted the proposal on Sept. 2, 1981. A price was quoted in the proposal and we included a request for progress payments because of the heavy cost burden of such a project on a small business. The request for advance payments amounted to 60 percent of the total contract price.
>
> The paper work for the award was not received until Oct. 30, 1981 and it contained significantly different progress payment provisions: It specified that 60 percent of the incurred costs would be paid instead of 60 percent of the contract price, as requested.
>
> Several times between Oct. 1 and Oct. 31, 1981 communications with Norfolk promised prompt dispatch of the contract paper work. We were misled at least twice; told that it had been sent when in fact it had not been.
>
> When we received the contract we immediately tried to renegotiate progress payment terms for terms that would be satisfactory to us and to the Navy.
>
> The Contracting Officer at Norfolk said, "We can't administer progress payments from this distance, the administration of the contract will have to be transferred to Seattle."
>
> We were asked to continue to work on the project during this time.
>
> On Oct. 9, 1981, we telexed to the Navy that we would have to stop work until we received a final contract and the first progress payment.
>
> On Nov. 3, 1981, we telexed to confirm that the administration of the contract would be transferred from Norfolk to the Defense Contract Administration Service Management Area (DCASMA) in Seattle. We assumed that this change would not take longer than three weeks and that our delivery date would not be affected by more than three weeks.
>
> The contract transfer was completed on Nov. 17, 1981, and included an amendment changing the 60% cost incurred payment provision to an 85% cost incurred payment provisions.
>
> Our attempts to renegotiate this provision were answered by DCASMA. They said that the DCASMA had no authority to negotiate the contract only to administer it.
>
> Neither Norfolk nor Seattle would accept responsibility for renegotiation of the contract. No help was given from either location in securing assistance in resolving the questions on the contract. The Navy would not honor the original Telex even though it

> was the only authority we had to continue the project.
>
> We acquiesced to the terms for progress payments given by the Navy in the hopes that it would expedite the contract and receipt of payments.
>
> The DCASMA determined that we would have to have an audit to determine that our bookkeeping was adequate to determine reasonable cost.
>
> The audit was completed without conclusion because we were in the process of setting up a new accounting system to replace the standard accounting system; our old system was better than the systems used by most small businesses in this country.
>
> On Dec. 23, 1981, we submitted form DD1195, "request for progress payment" as per instructions of the Contracting Officer.
>
> DCASMA decided an audit of our subcontractor was necessary to determine reasonable cost. His shop rate was disallowed and reduced from $27.00 per hour to $18.06 per hour. After this reduction the Navy agreed to pay 85 percent of those charges plus material costs incurred by Climax.
>
> Finally we received payment on Feb. 4, 1982. A check was cut on Feb. 2, 1982 and received by us Feb. 4, 1982. The amount of the check was incorrect—we should have received $18,076.00, but the check was for $31,152.00—$31,152 was the figure originally requested, not the figure approved by the contracting officer. The contracting officer said that we would be billed for the over payment; we have still not received a bill.
>
> We are within one week of completing the contract and have received one progress payment which was for an incorrect amount. We should have received a total of $42,500, but because of the mismanagement we will not have time to bill and receive subsequent progress payments. The final payment will be due before progress payments are likely to be received.
>
> We have incurred additional costs as a result of poor administration by the DCASMA and the Navy; the cost of money borrowed in lieu of the government's progress payments further increases the cost incurred by us.
>
> I suspect that rectification of the over payment that we received will ultimately delay our final payment—it, too, will be late—for 60 days
>
> On Nov. 17, 1981, we received a solicitation from the Naval Supply Center, Puget Sound, for a portable turning machine. We submitted a bid through our distributor, Western Machine Works of Tacoma, WA.
>
> The machine was justified for purchase on the basis of cost savings and fast payback.
>
> The award of a contract has been held-up due to a question of excessive profit. Apparently, a 15 percent profit margin is the maximum allowed profit on any government contract. The ignorance of the Federal Government about what it takes to run a business and what profit appalls me; it makes bidding to the government extremely unattractive. We are taxed on profits which is enough without being told we can't make a reasonable profit in the first place.
>
> Who will create new products and develop new systems if there is not some compensation?●

● Mr. **NOWAK**. Mr. Speaker, in view of the fact that the President has designated this week as National Small Business Week, it seems particularly appropriate to discuss the importance of a strong small business community in the vitality and growth of the Nation's economy.

As we all know, this country is being choked by a protracted recession and severe economic stagnation, with high and volatile interest rates resulting in declining sales, mounting inventories, declining productivity, and a staggering rate of unemployment of 9.4 percent, unmatched since the Great Depression. Even a cursory glimpse at this bleak economic reality moves any thoughtful citizen to contemplate the underlying causes and, more importantly, to develop a strategy to effectuate a movement toward economic revitalization. It is important to be aware, however, that the complexities attendant to our national economy renders a single, absolute formula for creating an economic recovery scheme virtually impossible. This is evidenced by the conceptual disagreement between businessmen, politicians, economists, and others as to what course the country should follow in its pursuit of economic revitalization. For example, the monetarists and supply siders have long been proponents of an entirely different philosophical approach to correcting the problems plaguing our national economy. Indeed, the current recession has created disagreement among supply siders as to how this particular economic philosophy should be implemented, as evidenced by the recent controversy among the leaders of the U.S. Chamber of Commerce.

Although we must be cognizant of the serious difficulties and complexities involved in diagnosing the country's economic ills, we have a responsibility to continue our search for a viable solution to this pressing problem. Therefore, I feel that National Small Business Week, more than being a tribute to the American entrepreneur, provides an excellent opportunity to emphasize the importance of small business in our economy and to propose that the small business community should be the foundation upon which this country can build a road to future economic growth and prosperity.

With this in mind, let me briefly discuss why I believe that small business can play a constructive role in stimulating the national economy. Small business has long been recognized as the major source of employment opportunities. For example, a well known Massachusetts Institute of Technology study indicates that two-thirds of all net new jobs created between 1969 and 1976, were created by firms of fewer than 20 employees and approximately 80 percent were created by firms with 100 or fewer employees.

In addition, according to a 1978 House Small Business Committee Report, small firms have been responsible for four times as many innovations per research and development dollar as medium sized firms and about 24 times as many as the largest firms, the net result being a net increase in employment opportunities.

It is not difficult, therefore, to realize that small business is considered by many to be the linchpin of the job generation process.

In order to fully understand the need to have small business assume this crucial role in the future vitality of our country, it is essential to recognize that the economy is undergoing significant structural changes. First, there has been a general decline in the prosperity of the Nation's older urban centers. Second, as the Nation's businesses move toward increased automation, there will be a radical restructuring in types of jobs available and the employment skills required to fill these jobs. Finally, in general terms, the economy as a whole is shifting from a heavy industrial base to a service sector oriented base dominated primarily by small firms.

In view of these economic structural changes, it is interesting to note that the current jobless-rate statistics demonstrate a strange dichotomy in our country's economic base when measured against the acute shortage of skilled workers, due in large degree to the rise in automation and technology. With respect to automation, some experts contend that 45 percent of the work force, or as many as 45 million jobs, will be affected by factory and office automation.

With regard to specific skilled labor shortages, industry studies have indicated that the tooling and machining industries presently face a shortage of 60,000 skilled workers and expect a need for an additional 250,000 workers by 1985. In addition, the American Electronics Association projects a need for over 250,000 skilled workers in the technical and paraprofessional fields by 1985.

Employers, especially small businessmen, often do not have the time or the capital to fill this human capital void. Realizing that these critical shortages have contributed to our country's declining productivity, may undermine our competitive position in world trade and threaten national defense capabilities, we can rectify the situation by channeling our efforts toward the small business sector of the economy which, as stated, has traditionally been the greatest job creator.

Another area of our Nation's economic base which deserves immediate attention is the economic deterioration of our older urban centers. There has been much debate over the issue and there are now several legislative proposals which deal with plans to provide economic incentives to distressed areas. I fully support the underlying concept of these measures, but it is my contention that the focus of these initiatives should be on job creation and the revitalization of small business. In order to foster this goal, any urban revitalization plan must take a broad, well balanced perspective. For example, although I have long been a proponent of utilizing the Federal Tax Code to stimulate small business investment and expansion, I do not feel that tax incentives alone will cure our urban ills. Tax breaks will not benefit small start up and early stage businesses who are experiencing little or no profitability. Therefore, a comprehensive revitalization plan must include provisions for some type of funding to assist small businesses in meeting their capital formation needs.

In addition, to attract small businesses to these distressed areas, there must be adequate funding to establish and maintain a viable infrastructure base, that is proper sewer and transportation systems. No firm, especially a high risk small business, will be encouraged to locate or remain in an area which does not provide a healthy commercial environment.

In closing, let us view "National Small Business Week" as a reminder that small business, our Nation's greatest job creator and innovator, has long been and should remain the backbone of a healthy and prosperous national economy.

● **Mr. ATKINSON.** Mr. Speaker, today I am proud to announce that William H. Harris has been selected as the Small Business Person of the Year for the State of Pennsylvania.

Mr. Harris was chosen by members of the U.S. Small Business Administration's Advisory Councils, which are made up of small business representatives, for special recognition because of their outstanding achievements in the small business sector. From these 50 State winners, the National Small Business Person of the Year is chosen.

In 1957, William Harris, was a diesel electrician with the Penn-Central Railroad. At that time he began a part-time cleaning operation. Sales that first year were $500. The part-time work grew steadily until in 1962 there were four employees. Sales fluctuated between $20,000 and $30,000 in the early 1960's. Marketing efforts concentrated on commercial building maintenance services, carpet cleaning, and distribution of janitorial supplies and paper products. Sales last year topped $1 million. The Harris Cleaning Service now employs 70 full-time and 90 part-time workers. It has trained unskilled or semiskilled employees to become supervisors, and the quality of its employee benefits is reflected in a low turnover rate.

Mr. Speaker, I am proud to have William H. Harris as a constituent in my congressional district, for it is persons like him who have made this country the great Nation it is today. As we all know, small business is the strength of our American system, and I am sure my colleagues join with me in expressing gratitude for the contribution William Harris and other small business persons have made in our society.●

● **Mrs. SMITH of Nebraska.** Mr. Speaker, it is my privilege to join my colleagues this afternoon to recognize National Small Business Week and salute America's 15 million small businesses. I want to express my special appreciation to the over 100,000 small businesses in Nebraska, 65,000 of which are farm and ranch operations, but still small businesses in every sense of the word and deserving of our tribute today. Also, my congratulations to the two Nebraskans being honored this week by the U.S. Small Business Administration for their accomplishments in small business: Mr. Edward D. Garner of Lincoln and Mr. Jack MacAllister of Omaha.

These two small businessmen and the millions like them across the Nation are the foundation of our economy, leaders in our communities, and at the heart of American free enterprise. Too often it is easy to take small business for granted and forget just how big small business is: Small firms represent 99.8 percent American businesses, employ 47 percent of the nongovernment work force, produce 38 percent of the Nation's GNP, and are the leaders in employment creation and innovation.

Our tribute today must, however, be realistic. The Nation's small business community was hit hard by soaring inflation under the previous administration, and even though inflation has moderated, persistent high interest rates and the recession are now taking their toll. Business failures have climbed 30 percent in the past year, reaching near depression levels, and small business income has declined in the past 2 years. During these difficult economic times, the spirit of small business people has been tested, but their enthusiasm and tenacity has kept the small business sector vital in the marketplace and provided us all with an optimistic outlook for the future.

All of our statistics, our words of appreciation and praise, and the well-earned "pat on the back" are good. But, let us send small business something more than rhetoric in the coming months. We, in both Houses of Congress and the administration, need to get down to work on a realistic budget and renew our efforts for meaningful reforms in Federal regulations and taxes that we began with last year's budget reconciliation and the Economic Recovery Tax Act. If we give small business the opportunity to grow and prosper without cumbersome, needless Federal regulations, without a stifling tax burden, and without having to compete with Uncle Sam at every turn for credit, these hard-working business men and women will answer with jobs, with increased productivity, and with a signal that we are ready to compete again as No. 1 in the world's economy.

America needs small business, and small business needs Congress to put forth a sound small business policy that is conducive to small business formation and growth. Through legislation affecting regulations and taxes and instilling discipline in our fiscal policies, we can remove some of the traditional barriers to small business success. Let us make our tribute today truly worthwhile and pledge our support to the small business community.●

● **Mr. ANDERSON.** Mr. Speaker, I am pleased to join my colleagues in honoring small businesses across the country during this Small Business Week.

We in Congress pass a lot of proclamation days and weeks; however small business is a subject which deserves the recognition. A large, diverse, and successful small business community is one of the fundamentals of our society, for, as the President has rightly said, it "is the cornerstone of our free enterprise system and since the birth of this country has represented opportunity, independence, and the fulfillment of dreams for generations of Americans."

When small business is threatened, our free enterprise system and, hence, our entire society is threatened, for the obvious alternatives to a free enterprise economy are socialism, an industrial aristocracy, or some combination thereof. It is not a clear-cut issue, of course, for in addition to our small businesses we have today the corporate giants and, goodness knows, an ample amount of governmental control of the economy.

I am concerned that this balance is jeopardized today as never in the past. Although 99 percent of all businesses are counted as small businesses by the Small Business Administration, the 10,000 largest companies provide more than one-half of the Nation's output and about one-half of the jobs. Because small businesses often operate financially from one day to the next, they are more sensitive to the vagaries of the economy than are large corporations that can "batten down the economic hatches" and ride out a prolonged recession.

With this in mind, I think that the most constructive thing we can do during Small Business Week is get started on a budget to reduce our enormous deficits and bring down interest rates. If we do not, we are likely to witness a sharp reduction in small business' influence on the economy and on our own individual lives. Let us get to work on this task.●

● **Mr. O'BRIEN.** Mr. Speaker, in my years in Congress I have on several occasions turned to the Small Business Administration on behalf of the residents of my district. I would like to relate two examples of the quick and competent action SBA consistently shows.

Earlier this year, the town of Wilmington, Ill., was inundated by flood waters. The residents did not know where to turn for help. The SBA went to Wilmington and set up a temporary office in order to be close to the flood victims. Every report from my constituents indicated that SBA's people had bent over backwards to provide assistance both courteously and quickly.

On another occasion the SBA Chicago office, headed by Richard Durkin, led the way through a lot of bureaucratic redtape to make a special loan to the Will County Sheltered Workshop in Joliet, enabling a very fine institution to expand its mission of training vocationally handicapped adults.

In both instances, Mr. Speaker, the SBA acted swiftly and with maximum concern for people who needed their assistance. I can think of no better compliment for an agency of the Federal Government.●

● **Mr. ROBERTS of South Dakota.** Mr. Speaker, I am very pleased to be able to participate in this special order in honor of Small Business Week. The President's proclamation made very clear his commitment to and respect for the accomplishments and contributions of small business. I wholeheartedly share his views and appreciate the opportunity to pay tribute to the most valuable component of our free enterprise system—the small business.

We are indeed indebted to small business for its leadership, innovation, productivity, and stamina to withstand burdensome Federal regulations, inflation, and years of increased taxation. Small business comprises 97 percent of the total businesses in this country and employs over half of the current labor force in the United States. It is small business which has taken the lead in providing new jobs to help ease our unemployment situation: 90 percent of all new jobs in this country are offered by small business. We owe a great deal to the small business sector.

We are all really here, of course, to honor the men and women who keep our small businesses going. One person, in particular, from my State of South Dakota, deserves special recognition during this week.

Kay Riordan of Keystone, S. Dak., has been named South Dakota Small Business Person of the Year. Kay has operated the National Park Service concession at Mount Rushmore since 1951 opening the first restaurant and gift shop there in a one room log building. Today the Mount Rushmore concession is considered one of the finest in the country by the National Park Service.

Miss Riordan exemplifies the spirit of small business and all it represents to Americans who value the opportunity and independence this country has to offer. Her hard work and capabilities make her especially deserving of the award she has received.

Small business is the heart of our economy and the backbone of our free enterprise system. Miss Riordan and all of the many small business people in South Dakota and the Nation really deserve our thanks for all they have done to contribute to the future of America.●

● **Mr. WEISS.** Mr. Speaker, I would like to commend the gentleman from Maryland (Mr. MITCHELL), chairman of the Committee on Small Business, and the gentleman from Pennsylvania (Mr. MCDADE), ranking minority member of the committee. Their efforts on behalf of our Nation's small businesses have been instrumental in maintaining the key role these businesses play in our economy today.

Any single faction of the economy that supplies more than half of the Nation's gross national product warrants special consideration—especially now, with the economy in dire straits, with interest rates soaring and unemployment at history-making levels, small business must become an area of particular worry.

Thriving small businesses are vital to a healthy economy. Indeed, 14 million small, independent firms serve as the backbone of American business, providing new jobs, technological innovations, and opportunities for ordinary citizens—including minorities—to achieve business success.

Urban centers, such as the portion of New York City that I represent, depend heavily on small companies for new job opportunities. Yet, unfortunately, current administration policy consistently favors large corporate industry at the expense of small business. Simply put, small businesses are not receiving the special attention they both need and deserve.

Last year, Americans were told that the enactment of Reaganomics would provide the fiscal impetus needed to put small businesses back on their feet. Since then, borrowing costs, the fiercest enemy of the small business-person, have spiraled out of control. Worse, small businesses were provided with only $6 billion in tax relief over the next 5 years, while large, highly centralized corporations received the lion's share of new tax incentives.

Furthermore, our Government continually favors big business in procuring research and development dollars, a counterproductive trend that contradicts the simple fact that small business is society's leading source of technological innovation. In fact, a National Science Foundation study completed last year revealed that small companies produce "24 times more innovations per research and development dollar than large companies." Also, it found that "small business creates half of the most significant new industrial products and processes."

Still, small businesses annually have received less than 5 percent of the Federal Government's total expenditure for research and development.

Unless Federal agencies are forced to reverse this trend away from small business involvement in research and development, and unless we can provide greater tax initiatives for small businesses rather than huge corporations, small companies will continue to suffer. As they do, our employment and productivity problems will continue to grow.●

● **Mr. LUKEN.** Mr. Speaker, small business is the foundation of this Nation's economy and the vehicle which provides many of its people the opportunity to attain independence and success. Seven days is a very short time, but Small Business Week gives us an occasion each year to consider the extensive contributions made by entrepreneurs as well as the best course we in Congress should follow to assist in the progress of small, independent businesses.

It is clear that the United States most serious concern at this time is unemployment. Each day more and more industrious workers have experienced a layoff, cutback, or RIF until we have reached a staggering 9.4-percent national unemployment rate, the highest number since World War II.

Through this, however, small business has established an impressive record of job creation. Despite inflationary and economic ills that have plagued big and small companies alike in recent years, small business has been responsible for well over 80 percent of the Nation's new jobs in the private sector, with enterprises with 20 or fewer employees responsible for a majority of those.

These statistics have led experts to speculate that in order to return the jobless to work and absorb those entering the work force, over 10 million jobs will have to be created in small enterprises this decade.

It is clear that small business has been, is, and will continue to be, the key to lowering the unemployment rate.

For that reason, I am supporting the creation of a jobs tax credit for small companies. Such a credit would lower the real cost of a new employee and therefore provide the incentive to hire more workers and give small business the chance to further decrease the unemployment rate.

The contributions made to this Nation by small firms do not stop with creating thousands of jobs. The zipper.

Air-conditioning. Automatic transmission. Xerographing. The helicopter. The jet engine. Power steering. The ballpoint pen. Cellophane. Each of these was originated by a small business or an independent inventor.

Citizens of Ohio alone have been responsible for a variety of products and services, including the light bulb and the airplane. Not long ago, Ted Hattemer of Cincinnati developed a process that made it possible to use self-adhesives as labels for commercial products. And more recently, Les Englis and Joe Peter of Vortech in Cincinnati discovered a way to cool the asbestos suits worn by firefighters, thereby permitting them to fight a fire at closer range for a longer period without endangering their lives.

In fact, studies have shown that more than 50 percent of this century's advances came from small business. And looking at the above examples, we can see that many of these inventions were the seed for large, profitable industries that today are world leaders in their fields.

Congress should not permit the intelligence and creativity of an inventor and his company to go to waste. Notwithstanding these impressive achievements, small concerns receive only 3.5 percent of the Federal Government's research and development budget. It is only equitable that Congress seek to increase this amount by requiring each Government agency to establish a small business innovation research program that would allocate a greater amount of Federal research and development funds to small business.

Underlying all small business issues is one faced by every new and growing company—locating the seed money and capital to make the best product, invent the most efficient process, or provide the best service.

Because it takes so much more money to make ends meet today than it has any time in the near past, small business owners cannot hang onto enough of their earnings to reinvest in their business. This decrease in available funds has touched off a race among the concerns that must draw from this shrinking pool of capital, which frequently results in small companies finishing dead last.

Financial institutions are forced to charge prohibitively high interest rates. They prefer to issue only large loans instead of the smaller ones needed by independent businesses and save the processing costs. Individual investors, pressured by inflation, are searching for an immediate return or tax benefits on their investment rather than the higher profits they could get risking their money in new ventures.

If we expect small business to play a role in solving the problems we face today, we must give small companies the opportunity to grow with the same advantages given to large corporations.

This is one of the greatest challenges faced by Congress today. We must examine and act upon proposals such as the small business participating debenture, which would provide both the small concern and the individual investor with favorable tax treatment while maintaining the entrepreneur's control over his business.

Further, we must seek to maintain the use of industrial revenue bonds issued by State and municipal governments, thereby increasing the amount of low-cost funds urgently needed by small companies.

Throughout this Nation's history, small business has provided the fresh ideas and the economic stability we have needed to insure continuous progress. Today we are faced with problems that appear insurmountable, and we must again seek solutions from people and entities that have relieved these pressures in the past—individual entrepreneurs and small companies. Small Business Week is a good time to realize they are still the future of this Nation.●

● Mr. WYDEN. Mr. Speaker, this week is National Small Business Week, a time to honor our Nation's small businesses and the crucial contribution they make to our economic vitality. Unfortunately, small business—devastated by the recession and caught in a ruinous financial squeeze because of unprecedented high interest rates—has nothing to celebrate this week.

Small business bankruptcies are running at the highest rate since 1932. In my home State of Oregon, where the recession arrived early and hit hard, the situation is even worse. Faced with an economy that is heavily dependent on the severely depressed housing and timber industries, Oregon small businesses are dropping like flies.

A large share of the blame for this human tragedy can be laid at the feet of an administration that stubbornly refuses to veer from an economic program that clearly is not working—a program that favors big corporate interests and ignores the plight of the small businesses that provide us with the vast majority of new ideas, new production, and new jobs.

Small businesses have traditionally been dependent on short-term bank borrowing to provide cash flow and are uniquely sensitive to interest rate fluctuations.

Small business is now being devastated by what amounts to a de facto allocation of credit in this country.

The Government goes to the head of the loan window and gobbles up over half of the total available private capital to finance the trillion dollar debt.

Big corporations grab most of what is left—and squander a large part of this money chasing each other around in a nonproductive frenzy of merger-mania. Small business owners are left to scramble after the small amount of investment capital that remains, at a price that thousands of these firms just cannot afford.

Our economy cannot recover from the worst recession in 40 years if small business continues to be shut out of capital markets, if it continues to be victimized by a Tax Code that foolishly rewards inefficiency and consumption and penalizes savings and investment in new production. When small business is shut out of effective competition it is denied a fair chance to do what it does best: Create jobs by moving ideas off the drawing board and on to the production line.

I cannot think of a better time than Small Business Week for the Congress to not only acknowledge the crucial role small business plays in our economy, but also to commit ourselves anew to an economic game plan that is fair, makes sense, and will put America back to work again.●

● Mr. RUSSO. Mr. Speaker, this week has been designated as "Small Business Week." It is a time we have set aside to recognize our small business men and women for their many contributions and services they provide our country.

I served on the Small Business Committee when I first came to Congress in 1975 until 1979. My interest in small business development and community actions are as strong today as they were while serving on the committee.

Small business plays a key role in our economy today. The contributions of small business to innovation and employment are of particular importance. Most small firms are labor intensive and over half of our labor is currently employed by small businesses. They remain among the leaders in job creation. According to research at the Massachusetts Institute of Technology, between 1969 and 1975 this sector of our economy accounted for virtually all new private sector employment. The firms of the Fortune 1000 contributed less than 2 percent of the new jobs in that period.

Many events are being held this week to honor our small business men and women. Small business is the backbone of our economy and it is only fitting that we have set aside this time to recognize them.●

● Mr. STARK. Mr. Speaker, as you know, the President has designated the week of May 10 as National Small Business Week. In accordance with this I would like to reflect upon the many contributions the small businesses of our country make to our economy and society as a whole. The Ninth Congressional District of California is fortunate to have a large number of successful and personable businesses that have had a profound

impact upon the growth of Alameda County.

I would like to single out just a few of my area's small businesses as examples of some of the businesses that are responsible for our district's growth and productivity.

First, Lady Esther's Soul Food House in Oakland was founded over 10 years ago by Lady Esther Clay. The restaurant has grown from an original seating capacity of just four, to its present capacity to seat over fifty people. This is due in a large part to the hard work of the owner, whose concern for people and devotion to her business have made her very popular. The restaurant is located at 5327 East 14th Street and is noted for the large servings of stuffed prawns and homemade cornbread. Another specialty is the Louisiana Gumbo that is served on Fridays. A breakfast at Lady Esther's will fuel anyone for a day of hard work.

Danny Polvorosa's Barber Shop was founded in 1965 as one of the first hair styling shops in Alameda County. Located at 1120 East 14th Street, the shop accepted appointments only at first, yet due to popular demand, the barber shop now features walk-in service. This business has also been successful because of the hard work of the owner, Danny Polvorosa, who treats each customer as someone special.

Jack Koujakian Marketing Consultant maintains an Alameda office at 1822 Moreland Drive as well as a San Francisco office on Market Street. Mr. Koujakian is a member of the task force on taxation and regulation of California small business employers project and was a cosponsor of the first State conference on small businesses. Mr. Koujakian holds seminars and workshops covering such interesting topics as the start of a new business, use of computers, marketing, financing of loans, and taxes. This business is especially helpful in the sense that it also encourages growth within other small businesses.

I would like to wish all these businesses continued good luck in the future and congratulate them on the outstanding work done so far.

I would also like to take this occasion to remind Members of the first in a series of hearings on May 24 by my Ways and Means Select Revenue Measures Subcommittee. These hearings are on the tax laws relating to mergers and acquisitions. I believe that current laws encourage certain mergers for tax reasons, rather than economic reasons, and that these mergers and acquisitions help place severe credit and competitive pressures on America's dynamic small business sector. It is my hope that we can make the Nation's tax laws more "neutral" with respect to mergers and acquisitions, thus providing some help to the small business sector.●

● Mr. GEJDENSON. Mr. Speaker, I am pleased to participate in this special order and to have the opportunity to discuss the importance of small business—the largest employer in my district—to the economy of the Nation and the Northeast.

Over the years, many major studies have documented the fact that small business has contributed new jobs and scientific and technological innovations to the economy well beyond the contributions of big business. Firms listed in the Fortune 1000 contributed less than 2 percent of the total growth in new jobs between 1969 and 1976, while small businesses accounted for virtually all new private sector employment in that period.

A study by David Birch of the Massachusetts Institute of Technology notes that smaller firms generate about 70 percent of all new jobs in the United States and 75 percent of those in the Northeast-Midwest region. Incredibly, Professor Birch's study also showed that in New England 100 percent of the new jobs came from expansion of the small- and medium-sized business sector. Considering that unemployment recently set a post-World War II record, these statistics take on even greater importance.

While figures vary, recent analyses show that small companies (under 1,000 employees) are somewhere between 1.8 and 2.8 times as innovative as large companies per employee.

Although much of the news in the current severe recession has focused on the losses suffered by the auto manufacturers and other industrial giants, the broadest impact has been felt by medium and small businesses. There is no question that today's economic conditions impose the same burdens on small as on large businesses. But the large businesses can more easily carry the weight of those burdens. Small businesses have more limited means for dealing with the impact of increasing costs and prices.

The high interest rates that have been a feature of our economy for the last several years have served to make even more difficult the access of small business to venture and long-term debt capital. When they can get them, small businesses are paying 10 to 12 percentage points above inflation on their bank loans. This continuous need for capital, coupled with decreasing availability of such capital to small businesses, is a major contributing factor to the decline in small business that we are experiencing today. This year, we face the prospect of more than 25,000 business failures, the greatest number since 1932.

Even in times of exceptionally high interest rates, large businesses—while they may be inhibited in making their investment decisions—still have a relatively easy time gaining access to the capital they consider essential to their operations. For investors, making loans or investments in large businesses can be justified for reasons of efficiency and the greater reserves that major enterprises often have. In this situation, smaller businesses usually get the short end of the stick, since they require greater care and monitoring on the part of investors. And yet a number of recent studies have shown that the rate of return on capital for smaller manufacturing businesses is greater than that of most other size classes.

Given these facts, it is unconscionable that the present Administration—with its professed desire to expand the national economy through business growth—has not only ignored but actually worked against the needs of small businesses. The administration consistently has sought to cut Federal programs that provide assistance to small businesses in the form of loans and loan guarantees. The Omnibus Reconciliation Act for the 1982 budget reduced all Small Business Administration (SBA) lending and guarantees by 25 percent. For the next year, the Reagan administration has requested an additional 10-percent cut in the guaranteed loan program and has proposed elimination of all direct loans. The SBA guaranteed loan has been one of the few ways small business could obtain capital in an ever-tightening market.

Mr. Speaker, we must begin to take more seriously the needs and contributions of small business and do something about them. We cannot have full economic recovery in the country without accompanying recovery in the small business sector. It is time to assess our commitment to small business and to address ourselves to the impact of tax, fiscal policy, and regulatory legislation on the small business community. Unless we do, I feel we will never see the kind of economic recovery which we all desire.●

● Mr. ANNUNZIO. Mr. Speaker, I am pleased to join my colleagues in the Congress during National Small Business Week in saluting the small businessmen in my own 11th District of Illinois and all over this country on their numerous and invaluable contributions to our Nation's growth, wealth, and prosperity.

The importance of small businesses cannot be underestimated for small businessmen employ almost half of our country's non-Government labor force. Of the 14.7 million businesses in the United States, about 12.5 million are small businesses, responsible for about 38 percent of the gross national product. They are truly essential to the future well-being of our economy, since small businesses are 24 times more innovative per research and development dollar than large firms and 4 times more innovative than the medium-sized firms. Moreover, two-thirds of all new jobs are created by firms with less than 20 employees.

In my own 11th District, many neighborhood shops and small businesses, each with their own distinctive ethnic and community flavor, have consistently served Chicagoans with initiative and ingenuity over the years. The Chicago Association of Commerce and Industry Small Business Council reports that our city is served by over 135,000 small and independent business establishments.

Throughout our history, the small businessman has played an important and indispensable role in the economic growth of the United States. Craftsmen, artisans, merchants, farmers, and fishermen immigrated to our country, bringing with them their own unique skills, and in striving to achieve the American dream of owning one's own business, they made a lasting impact on the economic development of the Nation. Ten of our Presidents were small businessmen, engaged in occupations such as ferry operator, saloonkeeper, farmer, and haberdasher.

Mr. Speaker, small businessmen are the leaders, the innovators, and the backbone of the business community. Their record of influence on our country is enormous and commendable, and their future success is crucial to maintaining our economic vitality. Small businesses are harder hit than large businesses by the current recession primarily because they rely almost exclusively on bank loans for capital. Therefore, it is essential that Congress, the President, and the Federal Reserve Board agree on steady, predictable tax, and economic policies to the end that small businesses may retain their vitality in the years to come.●

● Mr. **BROOMFIELD**. Mr. Speaker, as we observe Small Business Week, we should all reaffirm our commitment to a vital force in America's economy—the small business men and women of our country.

Our Nation was built on a solid foundation of many and diverse small businesses. These small businesses are looked upon as the realization of the "American dream" and as proof that America is a land of opportunity. They are a mirror of all that we want free enterprise to be.

The individual spirit that small business represents has made it a major contributor to the achievements and accomplishments of this Nation. Unemployment is a major problem in Michigan, as in other parts of the country. Small business continues among the leaders in employment creation. According to research at the Massachusetts Institute of Technology, between 1969 and 1976, more than 86 percent of new jobs were provided by small businesses employing fewer than 500 employees. Some 80 percent of new jobs were provided by firms having 100 employees or less. Almost 66 percent of the new jobs were provided by businesses with fewer than 20 employees.

Given our Nation's economic difficulties today, especially its unemployment situation, we cannot afford to ignore the resources and potential contributions of small enterprises. It is time for us to replace our commendation of small business with substantial and constructive action. If small business is to continue its heritage of significant contributions, it is essential that we support measures to preserve and strengthen its role today. We must unshackle it by enacting tax revisions, further regulatory reform, budget changes, and provide greater opportunity for innovative research and further encouragement for exporting.

Small Business Week is a time for celebration, but also a time for resolve. This year small business can rightly celebrate the gains it has made in getting recognition in Washington in recent years. As we salute the small business community this year, let us all resolve to provide this vibrant and dynamic sector of our economy a healthy climate so it can continue to be the lifeblood of our economic system.●

● Mrs. **SCHNEIDER**. Mr. Speaker, Congress has declared May 9 through 15 as U.S. Small Business Week. This is an appropriate time to acknowledge the many contributions that small businesses have made to the United States and our economy.

Given our economic condition, we cannot afford to ignore the influence and importance of the small business community. Their innovative spirit, their attempts to meet new challenges are essential to our economic progress. I know in my own State of Rhode Island small businesses are the backbone of our economy. We are almost entirely dependent on small businesses for new job opportunities.

According to a 1979 study, 66 percent of all new jobs in the Nation are created by firms with less than 20 employees, 77 percent are created by firms with 50 or fewer workers. Further, the 700 fastest growing small companies increased their payrolls by 519 percent between 1976 and 1981, compared to the 7-percent increase within the 500 largest companies during the same period. Looking at these statistics one can easily see how important the health of small business is to our unemployment picture and new job creation.

Small businesses act as a training ground for many workers for larger companies.

They test untried products, markets and locations not attractive to larger firms. They often conserve resources by utilizing facilities, products or processes deemed inefficient by larger businesses. In short, small business is our Nation's economic and technological pathfinder. Its vitality is our Nation's health.

The bottom line is simple: America needs small business formation and growth. We must all work together to reduce the deficit and bring down interest rates so that small business men and women can continue to make their vital contribution.●

● Mr. **ATKINSON**. Mr. Speaker, as a small businessman for over 25 years, I am proud to join with my colleagues in recognizing the tremendous contributions of small businesses during this week of May 9 designated by the President as National Small Business Week.

It is no secret that small business is the backbone of our American economic system. While there are approximately 10,000 corporations in the United States with more than 500 employees, there are more than 14 million farm and nonfarm small businesses with less than 500 employees. More impressive, however, is that small businesses comprise 97 percent of all firms; 43 percent of the GNP; 65 percent of total dollar value generated by wholesaling; 73 percent of retail sales; 57 percent of annual service sales dollars; 75 percent of construction dollar volume; and 58 percent of employment of the private nonagricultural work force. In addition, figures comprised by the Bureau of Census Survey show that 12.8 percent of small business in America are owned by minorities and women.

Small businesses are the primary provider of on-the-job training in basic job skills to the first-time employee. This means that many of the sectors of our labor force that are particularly hard-pressed, like youths, minorities, and women are likely to find their best opportunities with small business. Further, small businesses tend to do all they can to retain employees. Frequently, there are close personal relationships between management and labor in a small business concern. When small businesses are faced with a serious economic crisis they will look at trimming back employment as a last step necessity, not the first step beginning point.

As a nation, we owe a tremendous debt of gratitude to the millions of small businesses which play such a vital role in our economy. No other group has done so much to make us prosper—or is so uniquely American. The contribution of small business to the U.S. economy in terms of new jobs and innovation is astounding. In recent times, small business has created over 85 percent of our new jobs and contributed to more than half of our major innovations. Simply put,

Mr. Speaker, small business and its importance to our economy and the entire fabric of our national life cannot be overstated.

Mr. Speaker, during National Small Business Week let us rededicate ourselves to solving the problems that face small businesses today. We must realize the unique and special circumstances small businesses are confronted with. Let us pledge to reduce the regulatory burden, to bring down investment-stifling interest rates and to end the recession that is crippling our economy.●

● Mr. **PAUL**. Mr. Speaker, according to recent studies, 9 out of 10 of the new jobs created in the years ahead will be created by small businesses. But thanks to the maze of Federal regulations, the punitive tax burden, and the inflationary environment poisoned by exorbitant interest rates, it is clear that we will enjoy only a fraction of the employment opportunities and other benefits that would otherwise be provided by innovative small businesses.

In order to remove from the shoulders of our smallest businesses some of the most stifling Federal burdens, I have just introduced the Small Business Free Enterprise Act, the text of which is printed below. This bill creates no new agencies or programs, and involves no expenditures. But it would do something far more important and effective: For businesses with 20 or fewer employees, my bill would:

First, provide a 100-percent reduction in social security taxes for all qualified employees, including self-employed persons,

Second, reduce the capital gains tax to 5 percent for businesses who receive no Government subsidies or other assistance,

Third, reduce the corporate income tax to a flat 5 percent,

Fourth, allow straight line, 1-year depreciation, no maximum,

Fifth, allow cash accounting,

Sixth, eliminate minimum wage requirements, and

Seventh, eliminate the jurisdiction of OSHA.

There is every reason to believe that these reforms would give rise to a burgeoning of small, family, and community-oriented enterprises.

The qualifying criterion is simple: 20 or fewer employees. Why so simple a criterion? No one could possibly argue that a person working for so small a firm is without alternatives. In fact, subsequent to the passage of my bill, we could expect a multitude of these tiny businesses in every community. In such a competitive atmosphere, every worker would have the option of quitting and working elsewhere if he is unsatisfied with his pay or working conditions. In this environment, workers become capable, once again, of looking out for their own welfare without a mass of stifling and meddlesome Federal regulations, which destroy the alternatives open to workers, constrain the sorts of contracts they can enter into, and thus, prevent them from pursuing their own best interests. The irony in our present, depressed economy is that in our zealousness to provide for workers' welfare and happiness, we have destroyed their alternatives and their opportunities for advancement.

I would like to call the attention of my colleagues to the following excerpt from a Time magazine article of December 21, 1981. The article discusses the Italian economy—to which our own economy bears increasing resemblance—which is largely sustained by the strength of its small business sector:

> Government-subsidized industries—steel, cement, autos, shipbuilding, airlines—are losing money at a rate of $5 million a day, partly from inefficiency, partly from political pressures . . .
>
> The drain on the economy from such losses would be considerably worse were it not for the nation of profit. Small business everywhere is surprisingly strong. In the Tuscan city of Prato (pop. 160,000), for instance, the profits of family owned textile businesses amounted to $1.5 billion last year . . . Prato has 15,000 factories, of which 13,000 employ ten or fewer people. The yellow-stucco houses present strange sights: family wash hangs out of the upstairs window, while lower floors are filled with spindles, looms, and dye vats . . .
>
> The most amazing sector of the nation of profit, however, is Italy's underground economy, which never shows up on the official statistics. It is a result of the scala mobile, the official wage scale that moves up or down with cost of living indices. Most moves have been up, of course, particularly after the three powerful national labor unions won drastically higher revisions in the wage scale in 1975. Employers responded by taking advantage of a section of the labor law that exempts companies with fewer than 20 workers not only from automatic wage increases but also from compliance with regulations on benefits, safety rules, and social security. Suddenly, larger companies were chopped into smaller ones. In many cases, workers defied their unions and helped with the chopping. They did so, explains Vito Scalio, a Christian Democratic member of Parliament and one time union leader, because workers believe that unions are out of date. Says Scalio: "They still insist on representing a proletariat that insists on growing out of the proletariat class and become entrepreneurs."
>
> One result of such industrial miniaturization was a 30 percent reduction in labor costs. Another has been a patchwork of local boomlets. In desperately poor Naples, back-alley businesses have grown so fast that Mayor Maurizio Valenzi can brag: "Naples exports 5 million pairs of gloves a year, yet we do not have a single glove factory." In the village of Paganico Sabino (pop. 450), a farming hamlet 50 miles northwest of Rome, the women sit together in the sun, gossiping and knitting while their men work in the fields. The knitting needles fly purely for profit; the women are working for Armani, Missoni, Fiourcci and other top designers. Once a fortnight, a designer's representative collects completed knitwear and drops off a new supply of wool—and crisp lira notes. No talk about working conditions, tax deductions, or social security.
>
> Such activities show up nowhere in official economic surveys, but they are substantial. At least a million people are employed in unreported businesses. A million others hold two jobs, one of them also unreported. An additional 300,000 Italians are self-employed. About 15 percent of the labor force, as a result, does not officially exist—and neither do its revenues. In the view of some economists, Italy's gross national product, estimated at $393 billion in 1980, has been understated by as much as 30 percent.
>
> This strange new version of il piccolo e bello (small is beautiful), has forced social scientists to do some rethinking. Explains University of Rome Sociologist Franco Ferrarotti: "In the 1960s we predicted that the Italian family was disappearing. We were absolutely wrong . . ."

I believe that this brief excerpt illustrates the sort of benefits that my bill would provide: A burgeoning of small, innovative enterprises, and all on a human scale. I would much prefer to extend these benefits over the whole of the economy, to businesses of any size. But since this seems impossible at present, I would ask my colleagues to at least permit our smallest businesses to be bastions of free enterprise. The only alternative is continued economic decline and stagnation.

The specific provisions of my Small Business Free Enterprise Act are lifted directly from the Free Enterprise Zone Act that I introduced in the last Congress. Most of the benefits that would have been provided within the zones of the old bill would now be made available to qualified small businesses. This new bill certainly could be seen as a complement to the enterprise zone legislation which has been proposed by the administration. However, I should point out that the constitutional requirement of uniform taxation raises certain questions about an enterprise zone bill which would not arise on a small business bill. This is why I have changed the orientation of my bill. I have no doubt that my new bill would still provide a significant stimulus to the economies of our poorest cities, without confining the benefits to these areas.

The text of the Small Business Free Enterprise Act follows:

H.R. 6053

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; AMENDMENT OF 1954 CODE

(a) SHORT TITLE.—This Act may be cited as the "Small Business Free Enterprise Act".

(b) AMENDMENT OF 1954 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1954.

TITLE I—INCENTIVES

Subtitle A—Social Security Tax Reduction

SEC. 101. REDUCTION IN SOCIAL SECURITY PAYROLL TAXES.

(a) General Rule.—Subchapter C of chapter 21 (relating to social security payroll taxes) is amended by redesignating section 3126 as section 3127 and by inserting after section 3125 the following new section:

"SEC. 3126. ELIMINATION OF EMPLOYEE AND EMPLOYER TAXES FOR EMPLOYEES OF QUALIFIED SMALL BUSINESSES.

(a) In General.—If an employee is an eligible employee for any payroll period, each rate of tax specified in section 3101 or 3111 shall, for wages paid for such payroll period, be reduced by 100 percent.

"(b) Eligible Employee.—For purposes of subsection (a), an employee is an eligible employee for any payroll period if his employer is a qualified small business (within the meaning of section 1201(d)(2)) for such period."

(b) Clerical Amendment.—The table of sections for subchapter C of chapter 21 is amended by striking out the item relating to section 3126 and inserting in lieu thereof the following:

"Sec. 3126. Reduction in employee and employer taxes for employees of qualified small businesses.

"Sec. 3127. Short title."

Subtitle B—Reduction in Capital Gain Tax Rates

SEC. 111. CORPORATIONS.

(a) General Rule.—Subsection (a) of section 1201 (relating to alternative tax for corporations) is amended by striking out paragraphs (1) and (2) and inserting in lieu thereof the following:

"(1) a tax computed on the taxable income reduced by the amount of the net capital gain, at the rates and in the manner as if this subsection had not been enacted,

"(2) a tax of 5 percent of the lesser of—

"(A) the net capital gain, or

"(B) the net capital gain determined by only taking into account sales or exchanges of qualified property, plus

"(3) a tax of 28 percent of the excess (if any) of—

"(A) the net capital gain for the taxable year,

"(B) the amount of the net capital gain taken into account under paragraph (2)."

(b) Definition of Qualified Property.—Section 1201 is amended by redesignating subsection (d) as subsection (e) and by inserting after subsection (c) the following new subsection:

"(d) Definition of Qualified Property.—For purposes of this section—

"(1) In general.—The term 'qualified property' means—

"(A) any tangible property which was used predominantly by an entity in the active conduct of a trade or business, and

"(B) any interest in a corporation, partnership, or other entity,

if, for the most recent taxable year of such entity ending before the date of the sale or exchange, such entity was a qualified small business.

"(2) Qualified small business.—A person shall be treated as a qualified small business for any taxable year if—

"(A) such person is actively engaged in the conduct of a trade or business during such taxable year,

"(B) such person has at no time during such year more than 20 employees, and

"(C) such person receives no subsidies, grants, loans, or loan guarantees from federal, state or local governments for such taxable year."

SEC. 112. TAXPAYERS OTHER THAN CORPORATIONS.

Subsection (a) of section 1202 (relating to deduction for capital gains) is amended to read as follows:

"(a) Deduction Allowed.—If for any taxable year a taxpayer other than a corporation has a net capital gain, there shall be allowed as a deduction from gross income—

"(1) an amount equal to the lesser of—

"(A) the net capital gain, or

"(B) the net capital gain determined by only taking into account sales or exchanges of qualified property (within the meaning of section 1201(d)), plus

"(2) 60 percent of the excess (if any) of—

"(A) the net capital gain for the taxable year, over

"(B) the amount of the net capital gain taken into account under paragraph (1)."

SEC. 113. MINIMUM TAX

Paragraph (9) of section 57(a) (relating to tax preference for capital gains) is amended by adding at the end thereof the following new subparagraph:

"(E) Sales of certain property not taken into account.—For purposes of this paragraph, sales or exchanges of qualified property (as defined in section 1201(d)) shall not be taken into account."

Subtitle C—Corporate Rate Reduction

SEC. 121. RATE REDUCTION.

Section 11 (relating to tax imposed on corporations) is amended by redesignating subsections (c) and (d) as subsections (d) and (e), respectively, and by inserting after subsection (b) the following new subsection:

"(c) Reduction in Rate of Tax for Corporations Which Are Qualified Small Businesses.—If any corporation is a qualified small business (as defined in section 1201(d)(2)) for any taxable year, the amount of the tax imposed by subsection (a) on the taxable income of such corporation shall (in lieu of the amount determined under subsection (b)) be 5 percent."

Subtitle D—Other Incentives

SEC. 131. ACCELERATED DEPRECIATION.

(a) One Year, Straight Line Method.—Section 167 (relating to depreciation) is amended by redesignating subsection (r) as subsection (s) and by inserting after subsection (q) the following new subsection:

"(r) Rapid Depreciation for Qualified Small Businesses.—

"(1) In general.—In the case of any taxpayer who is a qualified small business (within the meaning of section 1201(d)(2)) for any taxable year, the taxpayer may elect to compute the depreciation deduction under this section with respect to any property placed in service during such taxable year by using the straight line method with a useful life of 1 year.

"(2) Coordination with section 168.—Property to which an election under this subsection is in effect shall not be treated for purposes of this title as recovery property (within the meaning of section 168)."

(b) Full Investment Credit Allowed.—Subsection (c) of section 46 (relating to qualified investment) is amended by adding at the end thereof the following new paragraph:

"(10) Special rule for property of qualified small business.—Notwithstanding any other provision of law, the useful life, for purposes of this subpart, of any property with respect to which an election is in effect under section 167(r) shall be determined without regard to that election."

SEC. 132. OPTIONAL CASH METHOD OF ACCOUNTING FOR QUALIFIED BUSINESSES.

(a) General Rule.—Section 446 (relating to general rule for methods of accounting) is amended by adding at the end thereof the following new subsection:

"(f) Optional Cash Method.—

"(1) In general.—Any taxpayer who is a qualified small business (as defined in section 1201(d)(2)) for any taxable year may elect to compute taxable income—

(A) under the cash receipts and disbursements method of accounting, and

"(B) without any requirement to use inventories under section 471.

"(2) Election.—An election under paragraph (1) may be made by any taxpayer without the consent of the Secretary for the taxpayer's first taxable year for which the taxpayer is a qualified small business."

SEC. 133. MITIGATION OF MINIMUM WAGE LAWS.

The Federal laws mandating a minimum wage shall not apply to any business and its employees for the period such business is a qualified small business (within the meaning of section 1201(d) of the Internal Revenue Code of 1954).

SEC. 134. MITIGATION OF OCCUPATIONAL SAFETY AND HEALTH ADMINISTATION JURISDICTION.

The Occupational Safety and Health Act (and the rules and regulations issued pursuant to its authority) shall not apply to any business and its employees for the period such business is a qualified small business (within the meaning of section 1201(d) of the Internal Revenue Code of 1954).

TITLE II—EFFECTIVE DATES.

SEC. 201. EFFECTIVE DATES.

The amendments made by this Act—

(1) insofar as they relate to subtitle A of the Internal Revenue Code of 1954, shall apply to taxable years beginning after December 31, 1982; and

(2) insofar as they relate to chapter 21 of such Code, shall apply to wages paid after December 31, 1982.●

● Mrs. **MARTIN** of Illinois. Mr. Speaker, small businesses have often been recognized as the backbone of the American marketplace; their importance to our economy is widely acknowledged. That really is no surprise in light of a few significant facts: 97 percent of all businesses are small businesses; that is over 15 million small enterprises; small business accounts for over 80 percent of all new jobs in the private sector; small business accounts for over 50 percent of all new technical innovations; small business contributes about 43 percent of the gross national product, and about 48 percent of the business portion of the GNP.

Those are certainly astounding statistics, but probably not as wondrous to small business entrepreneurs who well know their vital role in our economy.

I think it is appropriate that this week has been designated as National Small Business Week. Even more so, I am proud that the small business community of the 16th Congressional District of Illinois mirrors the economic contribution of small businesses nationwide. That is why I am especially pleased that Mr. Dean A. Olson has been singled out as Illinois' Small Business Person of the Year. Furthermore, his company, Rockford Acromatic Products Co., has been selected as the Small Business Administration's Regional Prime Contractor of the Year. Both are now eligible as national recipients of these well-deserved honors. It should not go unnoticed, however, that another Rockford businessman, Mr. David R. Morgan, president of Illinois Machine Products Co., was a runner-up for the honor of Illinois Small Business Person of the Year. These two men certainly exemplify the qualities of small business people not only of northern Illinois, but nationwide.

Needless to say, the past years of prolonged high interest rates and inflation have taken their toll on small businesses. That is all the more reason for recognizing the importance of small business to our economic well-being.

Today, I join my colleagues in saluting and honoring all small businesses throughout the country which symbolize the true essence of America and the free enterprise system.●

● Mr. **SILJANDER**. Mr. Speaker, thank you for the opportunity to pay homage to the backbone of our economy: America's small business.

During this week, a week declared by President Reagan to be "Small Business Week," we have had the opportunity to reflect on what part of our economy is operating most efficiently despite the recession we are in. The answer clearly is small business. The No. 1 problem in my State and district is high unemployment, and it has not passed my notice that two out of three new jobs are created by small business. In fact, 80 percent of all new jobs for minority and disadvantaged workers are created by small business.

Not all small business operators may consider themselves to be innovators, but over half of all patentable ideas in the 20th century have come from small business. Last year, nearly half of our Nation's gross national product was produced by small business.

It is clear that small business plays a crucial role in job creation, innovation, and productivity. It is in its hands that our Nation's economic recovery lies. I can illustrate that by pointing out that if every small business in America were able to hire one worker, unemployment would be eliminated.

Small business is an integral part of our heritage. It is through small business that the American dream became a reality. Businesses that started out with one or two men and an idea, have made millionaires out of poor immigrants, that has created 95 percent of the private sector jobs in this country, that has been the rocket fuel behind upward mobility in our great Nation.

John Vander Ploeg represents the kind of entrepreneur that has made our country strong. John Vander Ploeg, of Kalamazoo, was named Michigan Small Businessman of the Year for 1982. John founded Ship-Pac, Inc., in 1964 as a means of coordinating 15 different suppliers in the shipping and packaging industry. He started with two employees and earnings of $100,000. By 1981, sales had reached $6 million and Ship-Pac employed 35 people. Mr. Vander Ploeg, like many small businessmen, is not only successful on his job, but is active as a volunteer in various organizations and was recently elected vice-mayor of Kalamazoo.

I believe John Vander Ploeg represents the typical character of the small businessman. Economically, times are very hard: There is no denying that we are in a recession. Small business has been hit as hard by this recession as all other sectors of our economy. I believe, however, that small business will lead us out of this recession. Throughout the country, the creativity, hardwork, and true courage that characterizes our Nation's small businessmen and businesswomen will be the prime ingredient to our Nation's ultimate economic recovery.

It is an honor for me to be serving as a member of the House Committee on Small Business. In my short tenure, we have been able to accomplish some positive measures, but I hope we can do more, for it is sincerely my pleasure to do whatever I can to assist the men and women who, in my opinion, have made this country truly great.●

● Mr. **STATON** of West Virginia. Mr. Speaker, today more than ever in recent history small businesses in this country are faced not only with the difficult task of turning over a profit but of maintaining their very existence.

High interest rates have caused real hardships for many small businesses. Many of these businesses have seen their financial position deteriorate because of their need for increased borrowing.

This situation has now turned into a national crisis. The combination of increased borrowing for maintaining inventories has raised the burden of debt for many small businesses to the point where they are vulnerable to bankruptcy if cash flows drop significantly.

There is no better solution to the problems of these more than 9 million businesses than to simply have interest rates fall to previous levels. Interest rates at 10 percent or even 12 percent would give our national economy the stimulus to take off.

Small businesses are less able to adjust their selling prices quickly in response to rising or lowering of costs. Inventories purchased with high interest rates do not permit smaller businesses to compete actively in the marketplace.

The Economic Recovery Tax Act of 1981 is designed to provide some help through several tax provisions aimed at improving cash flow for small businesses. ERTA provides incentives for both savings and investment. Improvements in the savings and investment situation will help provide a more stable base for small business growth.

With the administration working to redirect spending and decelerate monetary growth and to provide a tax cut we can hope to soon see the economy begin to improve.

The initiation of these policy changes and a new and concentrated effort has created a period of economic readjustment for many sectors of the economy and particularly the small business in this country.

This country must work strenuously to decrease its dependence on spending borrowed money. We must revise our way of handling our finances so that we can create a sound economy through responsible money management.●

● Mr. **MARRIOTT**. Mr. Speaker, the private sector's greatest source of innovation and job creation is beginning to look more and more like an endangered species.

In 1953, small business accounted for 43 percent of the gross national product (GNP) and 52 percent of the gross business product (GBP). In 1970, that had slipped to 41 percent of the GNP, 50 percent of the GBP. By 1976, it had dropped to 39 percent of the GNP, and 48 percent of the GBP. In fact, every category of small business—mining, construction, manufacturing, wholesale trade, retail trade, finance-insurance-real estate, services, transportation-communication-utilities—has declined in its share of the GNP between 1955 and 1976.

One reason, I submit, for this state of affairs is the combination of long-term inflation with growingly excessive Government-generated paperwork and regulation, which have increased the cost of doing business to a degree that it is difficult for the smaller firm to absorb the additional financial burden. And, today's high interest rates may be the straw that breaks the back of small business.

Bankruptcies and business failures have risen almost 30 percent in the last 2 years. But, a closer look at those statistics is even more revealing.

IRS data indicate that the largest number of recorded partnership dissolutions—cases where businesses simply quit or the owners retired—were in fields dominated by small firms, with the heaviest toll in the construction industry.

Increases in business failures—instances where a business ceases, but causes no loss to creditors—during the 1980-81 period were greatest in small business industries. Failures in the construction industry were up 49 percent; they were up 47 percent in the service industry; up 41 percent in retail trade; and up 32 percent in wholesale trade.

And, outright business bankruptcies were estimated to be about 45,600 from September 1980 to September 1981. The previous year, the figure was about 36,000.

Sadly, the smaller the firm, the less its chances for survival. A business with 21 to 50 employees has a 54-percent likelihood of surviving 4 years; but, a firm of 20 employees or less has only a 30-percent chance of surviving that long. Yet, it is the survivors among these small firms that create the most jobs.

Today, my colleagues and I are reminding this body and the American people of the importance of small business to our economy. Some of the more important indicators are: Small business employs 47 percent of the Nation's nongovernment work force; small business creates 86 percent of all new private sector jobs; in fact, 75 percent of those new small business jobs are provided by firms less than 5 years old; and, small business accounts for 80 percent of new jobs for black Americans.

Minority enterprises are predominantly small businesses, as are those owned by women. It is fair to say that small business offers the best opportunity to all Americans—regardless of race, color, or sex—for a meaningful share in the American dream of successful self-sufficiency.

Small business' returns to the economy are measurable in other ways as well. For example, small firms provide twice as many innovations per employee as larger firms.

So, if we can help younger firms hang on, we will broaden the tax base, tap the most innovative segment of our economy, and harness the Nation's best job creating machinery.

So, how do we help these younger firms? It is simple enough to say we ought to do it, harder to carry out.

Unfortunately, most tax relief consists of tax credits and tax deductions that are meaningless to the new small business, which is not paying taxes, perhaps not even turning a profit during the first part of its existence.

Small business needs two things desperately: sufficient startup capital to get it into business, and economic stability and low interest rates so they can generate the capital to stay in business and, perhaps, even expand.

Small businesses do not usually generate the internal capital necessary to sustain them even after they are operating during extended inflationary periods. The central reality of economic life for small businesses is that they rely on debt capital, borrowed money, almost exclusively. In fact, about 98 percent of the new capital needs of small business are met by borrowing.

The usual reaction to this problem, even during a long period of high interest rates, is to say, "Leave them to the mercy of the marketplace," or to throw money—in the form of grants and loans—at the problem.

The first difficulty with these reactions is that the marketplace exists only in a badly distorted form. It has been distorted by a 40-year economic drunk, a paternalistic Federal Government giving away money it did not have—money, by the way, which was not even the Government's to begin with. It has been distorted by tax laws that actually encourage investors to put their money in "safe," unproductive tax shelters that create few—or even no—new jobs and often produce few—or even no—new goods. It has been distorted by a Federal Government that has lacked the resolve to correct its fiscal excesses because it grew fat on the additional taxes confiscated from people pushed into higher tax brackets by inflation. In fact, during the last two recessions, the prime rate dropped in response to economic plans announced by the administrations then in office, plans later abandoned, leaving the financial markets burned. This time, they are not buying until they are sure the Government is serious.

What about grants and loans? First of all, direct SBA loans have a loss rate of 38 percent. That is an unconscionable waste of taxpayers' money. And, guaranteed loans are only available at rates usually more than 2 points over prime. That is like giving the small business the choice of being shot dead or slowly bleeding to death.

Recently, I and several of my colleagues on the House Small Business Committee have suggested another approach to this problem. Do not tinker directly with fiscal and monetary policy, and do not abandon the tax cuts—especially since the 90 percent of small businesses who file individual tax returns have already figured those cuts into their economic plans. Instead, give small business the tools to work around the high interest rates, and use a Federal-private sector partnership as the engine to make it go.

Yesterday, for example, the committee unanimously reported out a measure that includes an important modification of the SBA's direct loan program. First, it targets money to areas with chronically high unemployment. Second, it goes first to small businesses that will create a number of new jobs. Third, instead of simply making money available for good intentions, it requires a marketing study and business plan, assuring a good chance of success for the borrower. Finally, it requires participation by State or local investors or institutions; in fact, the non-Federal money must be committed before the Federal share is disbursed.

In the same bill, we increased the funding level for small business investment companies. This program, which also requires private capital before Federal funds can be borrowed, has been estimated to return to the Federal Treasury $110 for every $1 in Federal money spent on administering it, including losses. When properly run, the SBIC program offers tremendous bang for the buck.

The 503 development company program is another that makes Federal guarantees available only after private capital is committed. Both private investors and local communities, and some States, are using this program most effectively to provide startup money to job-creating small businesses.

Finally, I have been joined by 30 of my colleagues, in both parties, in an effort to create a small business participating loan program (H.R. 5078). Tailored specifically to attract investment capital to productive small firms, and away from dead-end tax shelters, it involves no Federal money whatsoever. Instead, it provides a package of tax incentives, beginning with a modest investment tax credit, and combines that with favorable tax treatment on the participating earnings of the lender.

For example, if you own a small business, you can approach a lender for a loan of, say, $100,000. Our bill would allow the lender to charge as little as 6 percent simple interest, plus a percentage of the profits that would negotiate with the lender, for a number of years on which you both agree.

The lender would receive a $20,000 tax credit—$30,000 if you are a minority or disadvantaged firm. The interest would be taxed as ordinary income; but, the share of the profits would receive preferential long-term capital gains tax treatment. Your interest payments would be deductible as the cost of doing business. And, since it is a loan, not a security, there would be no Government redtape. You and the lender would simply work out the best mutually agreeable terms.

And, here is a key element: Although you give up no ownership in the business, the lender's share of your profits means his or her success is dependent on your success. So, the lender has a vested interest in giving you the benefit of any business expertise he or she possesses.

That element of vested interest is present in all these programs, in fact. The private sector participation will guarantee that someone is working at all times to make the investment a good investment—that is, one in which the small business succeeds. And, in protecting himself, the private investor protects the taxpayers' interest as well.

This last measure is designed primarily for the assistance of unincorporated small firms, the majority of small businesses. We are also studying a measure that would offer similar benefits to small businesses that wish to sell part of their equity to an investor. Together with the assistance already provided by SBIC's, development companies, and expected from our distressed area direct loan program, these approaches based on a partnership between the private sector and the Federal Government promise a fighting chance of insuring that our small businesses will not become the innocent casualties of a battle to rescue this Nation from the reckless and shortsighted fiscal, monetary, and buraucratic excesses of the past 40 years. Let us not let this opportunity slip away.●

● **Mr. MOLINARI.** Mr. Speaker, I welcome this opportunity to join with my colleagues in paying tribute to the small businesses of our Nation, recognizing the crucial role they play in our national economy. As a member of the Small Business Committee I am very aware of the contribution the 11 million businesses make to our economy, both in terms of gross national product and private sector employment. I am particularly pleased to serve on the Subcommittee on Energy, Environmental, and Safety Issues Affecting Small Business.

We have all heard the numbers which indicate the presence of small business in our economy. It is important that we keep this presence in mind as we debate and set our domestic economic policy, regulatory policy, and our international trade policy. We must be continually aware of the effects of these policies on the vitality and growth potential of U.S. small businesses. It is evident that small businesses are very sensitive to overall economic conditions. Measures aimed at small business recovery should be an important part of our national economic recovery policies, paying due attention to the needs of small business and recognizing that this sector can be among the most productive in our economy.

I hope that our tribute here today indicates to those involved in small businesses across the country our sensitivity to their concerns. I also hope that the future actions of this Congress will reflect a continuing sensitivity.

Thank you Mr. Speaker.●

● **Mr. DREIER.** Mr. Speaker, this being National Small Business Week I would like to take a moment to recognize this most vital sector of our economy. Small business is truly the backbone of America's economy. Numbering over 10 million and accounting for more than 96 percent of all business in this country, small businesses may prove to be our best hope for competing effectively with German precision and Japanese technology.

The 97th Congress has done a great deal to help small businesses across the Nation. We have passed the Prompt Payments Act, enacted tax reduction measures to encourage retooling and modernization, and we are about to pass the Innovation Development Act. Yet a great deal more remains to be done. Mr. Speaker, far and away, the best thing we could do for small businesses across America would be to significantly lower interest rates, and the only way we will be able to achieve this goal is if we quit playing politics with the budget and get down to the business of reducing Federal spending. In the end, all the small business legislation we can pass will not amount to anything if we do not lower these outrageous interest rates.●

● **Mr. DANIEL B. CRANE.** Mr. Speaker, Government regulations cost the American taxpayer an estimated $100 billion per year. The Federal Register has ballooned from 20,000 pages to 74,000 pages in just the last 10 years. The Code of Federal Regulations occupies 165 volumes, each packed with hundreds of pages of fine-print regulations. In fact, 1,000 pages of regulations a day were being churned out during the last days of the previous administration.

Small businesses, the backbone of our economy, are being suffocated under the weight of these regulations. Clearly, this nightmare must cease. But for this to happen, Washington lawmakers must wake up.

Under President Reagan, roughly half as many major regulations were written in 1981 as during 1980. Because of the Reagan administration's all-out war against overregulation, the 1982 savings are dramatic: about $4.8 billion in capital investment costs and $2 billion in annually recurring costs. In addition, regulatory reviews nearing completion will save $12.6 billion in capital investment costs and $7 billion in annually recurring costs.

I am currently surveying all small business owners in my congressional district, asking for their advice in battling overregulation. Specifically, I have asked them to tell me where they have found requirements that are counter-productive or simply a waste of money, what regulations cost their business the most time and money, and what they think should be done. When I receive the replies, I plan to meet with Vice President Bush, who chairs the Task Force on Regulatory Relief. At that time, we will determine the best methods of lifting the regulatory burden that is grinding down our economy.

Mr. Speaker, this is not a job that one Congressman or even one President can do alone. We must put away our partisan differences and realize that overregulation hurts everyone, customer and business person, Democrat, Republican, and Independent alike.

I urge you to work with this administration in lifting this burden from the backs of American small businesses.●

● **Mr. STANTON** of Ohio. Mr. Speaker, this week marks a special time in our Nation's calendar. It is National Small Business Week, a time when we remember and honor the important contribution of this segment of our economy to our Nation's strength and prestige.

Just as it is the source of our national strength and our international prestige, it is also the root of our current economic downturn. At a time when our country is plagued by high interest rates, unemployment, and inflation as well as a slowdown in economic growth, we must look to small business both for the causes and the cures.

For when we talk of the economy, we're talking about small business. Ninety-nine percent of the businesses in this country employ 500 or less, and represent over half the labor force in this country. Between 1969 and 1976, more than 86 percent of new jobs were provided by small business, about 66 percent of them in firms with fewer than 20 employees and 75 percent of them in firms less than 5 years old. Small businesses account for half of our private sector gross national product.

So the fact that these small businesses cannot find investment capital—or must pay exorbitant interest rates when they do (usually way above what large corporations can get the same capital for); the fact that their overhead and payroll must keep pace with spiraling inflation; the fact that small businesses cannot afford to diversify their assets to cushion themselves in times of economic stress . . . all these factors work against small businesses being able to stay afloat, let alone expand. The rate of bankruptcies among small business is increasing daily. Based on current 1982 figures, small businesses are failing at a rate of 25,000 per year.

Mr. Speaker, each of these bankruptcies represents an added burden on the unemployment rolls and a decrease in Federal tax revenues. It is obvious that if we are to solve the economic problems of this country, we must solve the problems of small business. We must find ways to: First, lower interest rates; second, increase employment; and third, increase productivity. That is a big order, and perhaps easier said than done. And yet we have an opportunity to do just this in

Congress this year if we so resolve. It means that Congress must address the specific issues that affect small business and create a climate conducive to the survival of this important sector of our economy. And we must do it now—during the next few weeks.

Mr. Speaker, there are already in Congress—well along in the legislative process—several bills on which we can take action almost immediately:

First, the small business participating debenture or loan program offers small business capital without giving up equity or having to tap existing sources of debt financing which, if available, are often unaffordable. For the investor, an SBPD offers a stated rate of return plus a negotiated share of the profits for a limited period of time.

Second, a program of matching loans, targeted to labor surplus areas, and administered by the Small Business Administration, is being authorized by the Small Business Committee this week, and could easily be implemented by this summer if we act on the legislation.

Third, and even more imminent—as far as having been duly heard and considered in multiple committees in the House—and which needs only a rule to be brought to the floor for action, is the Small Business Innovation Development Act (H.R. 4326) which will make a real contribution to reversing the decline in our Nation's productivity.

Mr. Speaker, the SBIR legislation, which has already passed the Senate by a vote of 90 to 0 and has passed the Small Business Committee 40 to 0, is an opportunity to get more bang for our Federal R. & D. bucks by earmarking a small percentage of each Federal agency's R. & D. budget for small business.

It is an accepted fact that there is a proven relationship between the drop in our Nation's productivity and the decrease in innovation in our national economy compared to other countries. Recently, the New York Times devoted an entire article in its magazine section on this problem.

We all know that the cost per innovation in a small firm is far less than in a large firm; that small firms produce up to 24 times more innovations per research and development dollar expended than large firms; and that small business receives a miniscule amount of those funds—as little as 3.5 percent overall. A recent study showed that 80 percent of industry's research and development was being carried out by only 200 firms.

President Reagan has endorsed the legislation, saying:

> In the long run, all sectors of the economy are likely to benefit from the increased competition and research incentives this legislation would provide.

Mr. Speaker, it would be naive to assume that this legislation is surely a winner during this session of Congress because of its merits and its ringing endorsement by the President, and because it is such an obvious way to improve our economy. On the contrary, since the bill passed the Small Business Committee, six other committees have demanded a review of the legislation, and four of them have raised objections or reported it with crippling amendments that would render it ineffective by exempting specific agencies from complying with the terms of the mandate. Those of us who support the legislation fear that the habitual bureaucratic resistance to change has created a tremendous groundswell of opposition and organized resistance to the legislation.

Some of the arguments that are used to oppose the legislation are either patently false, or unrealistic, or result from a misunderstanding of the facts.

For instance, the program has been compared to the SBA 8(a) minority set-aside program. First of all, the 8(a) program is not a set-aside, it is a put-aside for exclusive and noncompetitive awards to minority businesses. The SBIR program would earmark—with no additional bureaucratic redtape associated with other set-aside programs—a percentage (in the Senate version, 1 percent, in the House, 3 percent of research and development funds to be awarded on a competitive basis to small business. During the pilot program run successfully by NSF, only 400 awards have been made from 3,800 proposals received. What could be more competitive than that? And speaking of the importance of open competition being used as an argument against the bill, over 70 percent of present R. & D. contracts are awarded noncompetitively. In the vast hunk of the R. & D. funds which are administered by NIH, only nonprofit businesses are eligible to compete. Thus, someone who has come up with a cure for cancer must either market it abroad or establish a nonprofit subsidiary in order to compete for NIH support, which one small business did.

This legislation does not require an agency to establish a new program for which it wil require new funds. There should be no administration costs to be expended for this effort. It merely requires that an agency determine within its research and development needs categories of projects to be competitively opened up to bidding by small businesses. The details of which projects are included in the small percentage earmarked for small business is left entirely to the discretion of the agency. There is no reappropriation of funds from one program area to another without authorization or appropriation as claimed by critics.

Another argument against the bill claims that the Government should not be in the business of commercialization of products. However, R. & D. efforts must be measured by their eventual usefulness in meeting national needs. There has been a significant block to effective application of Federal R. & D. results due to policies and procedures which preclude effective technology transfer, a goal and policy of our Government established under the Patent Reform Act of 1980. This bill would help to accomplish that policy, seeing that it applies to small businesses as well as it has to large businesses currently benefiting from it.

In short, Mr. Speaker, there is not a single argument raised in opposition to this legislation which cannot be refuted either by the facts or by showing it to be an obvious misinterpretation of the intent of the legislation. It is time Congress took a stand on behalf of small business in this country and stopped catering to the favored status of the large corporations and universities. They have enjoyed a position of noncompetitive status and subsidy for years which has resulted in our Nation's being thrust into stagnant growth and reduced productivity. We cannot continue to lag behind the rest of the world. We must make the most productive use of our limited Federal dollars. It is imperative that this bill be enacted this year.●

● Mr. **COUGHLIN**. Mr. Speaker, President Ronald Reagan has proclaimed May 9–16, 1982, as "Small Business Week" in honor of the millions of Americans who are part of the small business community throughout our Nation.

The Small Business Administration is sponsoring a small business conference this week to focus on small business concerns and to pay tribute to the 1982 State Small Business Persons of the Year and the 1982 Small Business Advocates of the Year. Tomorrow they will be honored at ceremonies at the White House. My congratulations go to all of the honorees.

Small business, as is so often correctly pointed out, is the backbone of our free enterprise system; 95 percent of all businesses are, in fact, firms with fewer than 100 employees, accounting for almost 55 percent of all jobs. Recent studies have shown that small businesses are the growth and innovation centers of our economy: two out of every three new jobs created are in small firms which also produce two to three times as many innovations per employee as larger businesses. In the last 10 years, small businesses have created 69 percent of all new jobs.

This record of performance, growth, and innovation is one of which the hard-working small businessmen and women of our Nation can be justifiably proud. It is an unfortunate reality that the 1980's have been a time of enormous challenge for small business, testing the ingenuity, stamina, and perseverance of most small entrepreneurs.

The Small Business Administration's 1982 Annual Report notes that the small business share of GNP is declining and that bankruptcies and business failures have risen almost 30 percent in 2 years. While many of the tax law changes enacted last year are designed to benefit small businesses and assist in their expansion, current high interest rates are preventing most small firms from taking advantage of them. Cash flow problems are their biggest and most immediate concerns. All sectors of the economy will profit from lower interest rates but small business will certainly be among the chief beneficiaries. Lower interest rates, combined with tax breaks and the progress that is being made on paperwork and regulatory relief will create a more favorable climate for small business competition than has existed for many years. No economic recovery program which does not have as one of its goals the creation of a healthy climate for small business is going to succeed.

In establishing a Small Business Committee with legislative authority, this body recognized the importance and uniqueness of the small business community's problems and concerns. We must continue our legislative efforts to make sure that small businesses are given a fair shake in the marketplace, that they receive an appropriate share of Federal contracts, that they are provided with permanent relief from excessive Government regulation, and that tax policy encourages small businesses to fulfill their vital role in our economic system.●

● Mr. **SMITH** of New Jersey. Mr. Speaker, as a former small businessman and member of a family that has operated its own small business for more than 20 years, it is a pleasure for me to participate in the celebration of Small Business Week, 1982.

Unquestionably, small business is the backbone of our Nation's economy. Small firms employ about half of our private sector workforce, and account for nearly 40 percent of our gross national product.

Between 1969 and 1976, 16 million new jobs were created. One million of these jobs were created by the 1,000 largest corporations. Three million of the new jobs were in State and local governments. The remaining 12 million were created by small business. Clearly, our best hope for creating new jobs in the future lies in the small business sector.

Mr. Speaker, in order for small businesses to prosper and expand, they must have a climate that is conducive to economic growth. Excessive Government regulations and burdensome rates of taxation inhibit small business growth and prosperity. Fortunately, Congress and the President have taken concrete action to correct these problems.

The personal income tax reductions, corporate rate reductions, cash accounting provisions, estate tax reductions, individual retirement accounts and Keogh plan reforms, that were included in last year's tax bill, should prove to be beneficial to small business owners. In addition, the numerous regulatory reforms that have recently been implemented by the Federal Government should help to alleviate some of the burden that has been imposed on small business over the years.

Legislative initiatives have also been proposed to provide further regulatory relief to small business. I am pleased to be a cosponsor of the Administrative Rulemaking Reform Act, which is better known as the legislative veto. This proposed bill provides Congress with a mechanism to tell Federal regulators when they have gone too far.

The Limitation on Government Recordkeeping and Actions Act, which I am also cosponsoring, seeks to free many businesses from the obligation of maintaining records indefinitely. This legislation would limit to 4 years, in most cases, the time a Federal department or agency could require an individual or business to keep records.

The Committee on Small Business, of which I am pleased to be a member, will continue to monitor the effectiveness of two key pieces of legislation that were enacted during the 96th Congress.

The Regulatory Flexibility Act requires agencies to assess the impact of Federal regulations on small business. This legislation, if properly implemented, should provide a good deal of relief to the small business community.

On October 1, 1981, the Equal Access to Justice Act went into effect. This legislation requires reimbursement of court costs and attorneys' fees for small business owners who successfully defend themselves against the Government in civil suits.

Most small business people will never need to invoke the provisions of the Equal Access to Justice Act, but for those who believe that they have been wrongly cited for violating a Government regulation, the law puts them on a somewhat more even footing with their adversary. Moreover, the law serves notice to all Government regulators that their performance will be monitored and their fairness tested.

Mr. Speaker, because they are such a vital and efficient segment of our economy, small businesses deserve to receive their fair share of Government contracts and grant moneys. The Small Business Innovation Research Act provides that a small portion of the Federal research and development budget be set aside for grants and contracts to small high technology firms.

This legislation will help to unleash the inventive genius of our Nation's small business community. Many studies have shown smaller firms to be the most efficient users of Federal R. & D. funds, as well as one of the best sources of major innovations. Most small businesses are formed by individuals who are not afraid to take risks and this spirit has carried over into their R. & D. programs.

Small business should also benefit from the reaffirmation of the Federal Government's commitment to use, whenever possible, and economically feasible, the goods and services of private enterprise.

When Government competes without the simple economic restraints imposed on the private sector, real competition ceases to exist and the American taxpayer must carry the burden. Struggling to make ends meet, the last thing a small business owner needs is competition from the Government financed by tax moneys.

Another means of providing small businesses with a larger share of the economic pie is by encouraging their participation in export trade. The Export Trading Company Act, which I am cosponsoring, encourages the creation of export trading companies to help provide access to international markets for firms which, for a variety of reasons, have experienced difficulty tapping these markets on their own.

Exports create jobs here at home and improve our balance of trade. With the services of export trading companies, many potential American exporters—especially small- and medium-sized ones—will be able to tap growing overseas markets.

Mr. Speaker, in the next few weeks and months we will be trying to fashion an equitable budget for the 1983 fiscal year. I believe that this Congress has taken some important steps to improve conditions for the small business community. Nonetheless, some important challenges lie ahead of us. While interest rates have come down somewhat from their high point of a year and a half ago, they are still too high. I sincerely hope that we will work together in a bipartisan spirit to get these rates down to a reasonable level.

Small businesses have contributed a great deal to our national economy throughout our history. They deserve the best efforts of their elected representatives. Let us pledge to do no less.●

LEADERS BEGIN TO SEE THERE IS A TRADE WAR

The SPEAKER pro tempore. Under a previous order of the House, the gen-

tleman from Pennsylvania (Mr. Gaydos) is recognized for 60 minutes.

Mr. GAYDOS. Mr. Speaker, I ask unanimous consent that the remarks of my colleagues and member of the executive committee of the Steel Caucus, Tom Bevill, of Alabama, be inserted into the Record immediately following my remarks; and that the remarks of Congressman Adam Benjamin, of Indiana, the chairman of the executive committee of the Steel Caucus, be submitted immediately following my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GAYDOS. Mr. Speaker, for the past year European and other steelmakers have, by subsidy and dumping, carried away much of America's steel industry—stolen it job by job and plant by plant.

Soon it may be company by company because several are on the verge of bankruptcy and all are pressed.

Yet the flood of trade war imports is unabated.

They sent us apparently dumped and subsidized steel and we have sent them 121,000 jobs from industrial America in the middle of a recession.

This is what our trading partners mean when they pout and speak of free trade—they send subsidized goods, we send jobs.

In answer, 94 Members of the House of Representatives today introduced a concurrent resolution that says Congress will not allow this to go on.

This resolution says that the trade laws must be enforced or Congress will write laws that can and will be enforced.

It declares that the time is past in which a knowing wink will be given partners who violate their international trade agreements.

It asserts that this Nation's trade policy no longer should be run like the most generous domestic entitlement program that could be devised by the most giving Congress ever elected.

And finally—perhaps most importantly—it reflects a growing national consensus put forward recently by a leading business magazine.

I quote from the magazine: "For the first time in history, trade balance is a major cause of a recession."

Too much time has been used for study and too long spent discussing failed and failing theories while the basic industries go—job by job and plant by plant and company by company.

While the theoreticians spun their theories, 100 million tons of apparently dumped and subsidized steel caused and is causing long lines at the unemployment offices in industrial America.

There is discontent and anger and anguish in industrial America, Mr. Speaker.

Today as we meet there are 95,000 steelworkers made jobless by imports and 26,000 on short workweeks.

These men and women—and hundreds of thousands more in other basic industries—understand that they are not losing in a worker-to-worker competition based on efficiency.

They know that they are being ground down and thrown away in a competition with foreign governments that do things we do not do. They subsidize and cartelize and, often, protect their own markets.

These hard-working Americans are being buried by foreign governments that say, better unemployment in the United States than here.

And this happens in the name of free trade with nations whose language apparently has no comparable term that can be translated with the same meaning.

The industrial foundation of the United States—particularly steel—is on the verge of suffering irreparable damage because of imports—what the business magazine called a blitz of imports aimed at the United States.

There is no reversing this kind of damage once the deterioration takes hold.

Forget modernizing to compete—there will be little to modernize.

The American steel industry operates today at little more than 50 percent of capacity, and there is no way to make a profit that far down the scale; no way to survive, let alone gather the capital to retool.

Those who are subsidized and capitalized by their governments do not have to worry about profit, and that is one of their weapons of penetration.

Is the penetration effective?

The Nation's No. 4 steelmaker recently announced drastic cutbacks in planned capital investment and is planning to close for all time, or sell, one of its big plants.

The No. 11 steelmaker—once a leader in developing the technology adopted by their so-called more efficient competitors—is in bankruptcy.

Workers are making wage concessions in the name of competition. And plant closings are announced almost daily in steel and the other basic industries.

It is a very effective weapon.

Nevertheless, the trade laws should offer an effective counter to this kind of buccaneering. But they do not.

Cases invoking the trade laws against dumping and subsidy are pending, but the trading pace of those accused becomes more rapid, not slower.

In January and February, imported steel accounted for 26.6 and 23.3 percent of apparent domestic supply.

This comes on the heels of a 20-percent year for the buccaneers.

The reason for this may be covered in recent remarks by Hans Colliander, chairman of the OECD Steel Committee.

"My impression," said the chairman speaking of specialty steel, "is that many Europeans are unsure of the outcome—of the pending cases—and have decided to sell as much as possible now."

Looking at the 34-percent increase above 1981 for 1982, I think we can conclude the same is true generally.

Congress has a duty to look to the consequences of the failure of our trade laws and to provide leadership in what is a real crisis.

Make no mistake, Mr. Speaker, there is a blitz of generally targeted imports and this is a trade war.

In the trade war, the division now among the American people is of the battle scarred from the battle scared.

The battle scared refuse to recognize there is a war, and they persist in saying, hold out; our luck will change as we match them in efficiency and productivity.

But the more scars you collect, the less scared you are. You recognize that subsidy plays a bigger role than efficiency, that Government-encouraged cartelization means more than productivity.

There is a consensus forming on this too.

And it comes from persons other than those directly under attack.

Complaints from steelworkers and steelmakers can be expected.

But I urge the House to consider recent observations made by an international banker, John F. McGillicuddy, chairman of Manufacturers Hanover Trust, in a recent edition of Financier magazine:

> The plain fact is that . . . while we may preach the virtues of private enterprise . . . international markets are sometimes dominated by enterprise that is government controlled.
>
> We have to decide as a nation whether we want to be heavily dependent on imports for steel, machinery and other goods necessary for a balanced economy.
>
> We have to decide as a nation whether we can afford to discard the sinews of industrial strength in our rush to embrace a new post-industrial era.

To me, the terms "we" and "as a Nation" mean Congress, Mr. Speaker, and the resolution is meant to frame the commitment necessary to survive.

Present policy, unexamined and unquestioned for four decades, is losing sinew as fast as the scavengers can cut it off the living, bleeding body.

Of like mind with Mr. McGillicuddy is James F. Bere, chairman of Borg-Warner and of the advisory council on United States-Japan economic relations, who also commented in "Financier":

> We cannot forever give away our richness with too little in return.
>
> I think it is time for us to begin in the U.S. a great debate on what our economic future should be—of what our own genuine self-interest is.

Mr. Speaker, the phrase genuine self/interest should be highlighted, underlined, and written in italics because we have not done that, and because it is so important. The resolution calls on us to look to our self-interest.

On the frontlines of the war is Richard P. Simmons, chief executive officer of Allegheny-Ludlum, who testified recently before a subcommittee of the House, on the gulf between the theory of trade and the way our partners practice it:

> If free trade as such was actually practiced throughout the world, the specialty steel industry of the United States would be substantially larger . . . imports would be much lower . . . exports would be much higher.
>
> I estimate that my firm . . . would be approximately 50 percent larger if true free trade—trade based on efficiency, productivity and technology—was permitted to operate.
>
> We are unwilling combatants in a trade war initiated by other nations to serve their own political, social and economic purposes.

You see, Mr. Speaker, the specialty steel industry in America is modern, and by any expert's opinion it is the best in the world.

Even our Office of Technology Assessment, which does not hesitate to criticize when it is due, says that the U.S. specialty steel industry is among the most technologically advanced in the world.

Virtually every significant process and alloy used in the world was developed in America.

But several among the best are on the verge of failure because they stand alone against the "attack by policy" of foreign governments. Their markets are being cut by as much as half by apparent dumping and subsidy.

Just Monday, U.S. specialty producers requested an antidumping investigation of five French manufacturers.

The French are selling here at prices as much as 38 percent below what they charge at home. This is the third or fourth time U.S. specialty producers have had to attempt invoking U.S. trade laws in 6 months.

Said Mr. Simmons:

> The failure of administration after administration to enforce the trade laws . . . has led me to believe the trade laws are not adequate for the task.

Is Mr. Simmons a malcontent?

Then the House should consider recent remarks by David Roderick, chairman of the United States Steel Corp.

> We no longer compete with foreign companies, but with foreign governments. And our own Government has abandoned its primary responsibility for trade law enforcement.
>
> Trade law enforcement is a duty . . . not an elective responsibility.

Would some of the battle-scarred call Mr. Roderick a whiner, a special pleader?

They should take a look at McLouth Steel. McLouth is the technical leader that is in bankruptcy. Since 1967, McLouth has spent $375 million on capital improvements and has led in innovations such as the oxygen process and the use of continuous casters.

But steel imports, automobile imports and interest rates have put McLouth's future, and the future of its workers, in the hands of a bankruptcy court.

McLouth Chairman Milton Deaner distilled his experience for a House subcommittee:

> We must have a coherent trade policy designed to protect the U.S. market from unfair trade imports.

They are scolded for inefficiency and told to modernize. But they cannot because they must have profit for that, and imports that are dumped or subsidized keep them on the ropes.

Even when they do modernize, they cannot compete with foreign governments.

A Florida firm, Houdaille Industries Inc., can tell us how that goes.

A machine tool company, Houdaille watched as Japan's market share of numerically controlled machining centers in the United States went from 3.7 percent in 1976 to 50.1 percent in 1981.

Battle scarred rather than battle-scared, Houdaille went to Japan to find out why. And from documents of the Government of Japan, they found:

Twenty-five years of Government guidance and paternalism for the metal-cutting machine tools industry;

Resource pooling and price fixing that would cause lawyers at the U.S. Department of Justice and Federal Trade Commission to rend apart their attaché cases in anger; and,

Subsidies—including a share of the money bet on bicycle and motorcycle racing—and tax breaks unmatched anywhere for cleverness and generosity.

Experts say the pattern is typical.

You see, they have taken our books of theory and rules—"The Wealth of Nations" and the Principle of Comparative Advantage—and written new scripture, added chapters from Clausewitz on war.

The business magazine I mentioned earlier was Forbes, and for those who are interested, the discussion of trade is in the April 26 issue.

The Forbes columnist attributed the "blitz" of imports to the strength of the dollar and interest rates.

But with subsidy so strong in Europe, and the flood of steel coming from Europe, and with the hand of government so heavy in Japan, and so much coming from Japan, I think there is more at work than interest rates.

Even that redoubt of supply-side theory, the Heritage Foundation, has viewed the disintegration and decided the steel situation is serious.

In a paper titled "The Steel Import Crisis" the foundation concluded:

> During such periods of difficulty, the United States must insist that the principle of free trade is balanced by fair trade. This means that U.S. import laws must be rigorously enforced.

Rigorously means unyieldingly, Mr. Speaker, with vigor and enthusiasm.

The time for study and negotiation and waiting for the change of luck is fast passing, Mr. Speaker.

United Steelworkers president Lloyd McBride knows a lot about waiting, as he recently told one of our subcommittees:

> We studied for 5 years . . . while 100,000 steel jobs disappeared and 10 million tons of steel capacity was dismantled or set aside . . . while about 100 million tons of foreign steel entered the U.S. market . . . while efficient steel plants and operations in the United States shut down as a result of imports from less efficient steel plants overseas.
>
> Without a fair trade policy . . . we cannot hope to encourage investment in new technology in this industry.

Without investment, the industry becomes further vulnerable, suffers the hacking away of more sinew, and dies.

Meanwhile, the United States depends more and more on imported steel for everything from the zipper tabs on trousers and skirts to electric transmission towers and main battle tanks.

Mr. Speaker, this Nation's basic industry truly is in crisis, the point where it must get better or die.

The time is past for study and hope that our trading partners will see the light or even waiting for a change in luck.

Our Japanese trading partners have a saying about waiting.

They say, "To wait for luck is the same thing as waiting for death."

Mr. Speaker, the introduced resolution will end the period of waiting and put the United States on the road to considering what is our genuine self-interest.

□ 2020

Mr. BAILEY of Pennsylvania. Mr. Speaker, will the gentleman yield?

Mr. GAYDOS. It is my pleasure to recognize my colleague from an adjacent congressional district in Pennsylvania who has been a member of the Steel Caucus since its inception, and who has recently been appointed to the executive committee, my good friend, Congressman Don Bailey.

Mr. BAILEY of Pennsylvania. I thank the gentleman for yielding.

Mr. Speaker, I will not take too much time. There is not a great deal I can add to what the gentleman in the well has already said. I know it is getting late.

I serve on the Trade Subcommittee of the Ways and Means Committee.

During the process of writing our tax bill, I had occasion to learn a great deal about tax policy in this country and the impact on our trade policy and, of course, the overt trade policy that we write. Fair trade is a misnomer when applied to America's law. We really do not have fair trade laws. Our countervailing duty and antidumping statutes, quite frankly, lack the teeth necessary, the discovery, the powers that should be given to an attorney in effect to acquire the needed information in order to prosecute antidumping statutes.

Many people do not understand that our capital-intensive industries share a multitude of difficulties in this country. They are all impacted adversely by excessive foreign trade. The steel industry, of course, has suffered for many, many years with a tax law that unfortunately taxes capital. If you wanted to write off a steel mill, a depreciation of a new facility in a nation like Canada, for example, you could do so in 28 months. In Japan, even less. You would also have at your disposal various government policies, planning policies, et cetera, that would enable you to operate at a lower rate of return on capital than other industries. It is State capitalism that we are fighting. It is not really free enterprise in another country.

What Congressman GAYDOS said is 100-percent correct. The rules that we play by are different. When they play in our backyard, the Japanese, in many cases the Europeans, they play in an atmosphere of an open and free market. However, when you look at oversupply problems and government policies in Europe, you will find that when oversupply is a difficulty and we are laying people off and we are cutting back, the cash flow of these countries is affected, that the Europeans in effect export via dumping mechanisms to our country their unemployment. Obviously, it is unfair. It violates international agreements to which we are all signatory. It is clearly wrong.

I hope that in the years ahead we do begin the dialog that Congressman GAYDOS spoke of—issues like antitrust that mean something here but do not apply to the Mitsubishis of the world. Subsidy, what does it mean? In America it means a different thing than it does in Europe, where loans to steel companies, for example, come with the freedom that they not be repaid or do not have to be paid back or, if paid back at all, at low interest rates.

□ 2030

The rolling function of government. Just exactly what does it mean when we are talking about trade and tax policy?

And, lastly, if we are developing a world concept, a free world market concept of free enterprise, then we are going to have to begin to provide some ground rules that make it fair for everyone.

I particularly want to compliment the gentleman from Pennsylvania (Mr. GAYDOS) because the point the gentleman made about efficiency, particularly with our specialty steel industry, is well taken. The difficulty is you cannot compete without a finance package when you have got foreign governments picking up a sizable percentage of financial cost on deals that make it impossible for our Nation and our companies, our industry, our labor, to compete.

This nonsense about American labor being more inefficient, less productivity prone, American management being inferior, is not so. It is not true. We are being victimized. We are particularly being victimized in the capital intensive sector of our economy and I think we all owe the gentleman from Pennsylvania a debt of gratitude for the work he has done in the Steel Caucus, for the leadership the gentleman has provided, and I know because I have sat here and listened to the gentleman make speech after speech to try to drum some commonsense into this institution and into our country to do something about the penetration foreign imports are causing, the job loss they are causing in this country, and it is not free enterprise, it is not fair trade, it is an issue of victimization. We are talking about targeted industries and those industries will never be able to recover because capital will never flow back into them in the face of the risk that they have to suffer when they have foreign countries targeting those industries for extinction here.

I hope that we will do something about it and I plan to try to do something in the Trade Subcommittee to assist the gentleman in his efforts.

I want to also add that the gentleman from Indiana, Mr. ADAM BENJAMIN, who is the executive director of the Steel Caucus, and the gentleman's able assistant, is unable to be with us tonight to participate in this special order because of his work with the Budget Committee, specifically function 400 that deals with the transportation sector that involves a great deal of the utilization of our vital resources.

Let me close with one small admonition to we as a Congress and all of us as policymakers.

I served a term in the Armed Services Committee and during that tenure had an opportunity to work on the American industrial base and it became apparent the difficulties that we have.

Given the fact that we do not have a world free of military threats, it is just wrong for this country and administrations to continue to use our economic strength in this country to let it flow away, in order to gain some military or diplomatic advantage with another country, and that is exactly what is happening. Our industry and our unions are getting jawboned to death so that we pick up some small diplomatic advantage in some far corner of the globe, and a point in fact is that America can no longer stand to do that and we have got to change that policy.

I hope that we will because we are not going to be able to move on to a victorious future with a service economy that simply deals with the selling of goods and services that are not production based, particularly based upon the strength of our capital intensive industries.

Mr. GAYDOS. I wish as a matter of record to decidedly emphasize the fact that our colleague has made such meaningful and proper remarks on this very vital subject matter and that in the past he has again as a matter of record repeatedly helped the Steel Caucus in serving in his capacity on the Subcommittee on Trade, on the Ways and Means Committee, and if it was not for his cooperation many a time we would not have the invite under the circumstances which enabled the Steel Caucus to make a point at the particular time.

Before I recognize my colleague, the vice chairman of the Steel Caucus and who has given yeoman service to the caucus, I would like to make a point because I think it fits right in, that I think we just may be forced to have these special orders at least once a week, and to be as persistent as the gentleman that sits in the chair today, in a subject matter close to him, and which he over 9 months or a year period practically every second day took special orders out and repeatedly emphasized the matter of the problem which he discussed and which he, I believe, ultimately has caused a solution to be in the making.

An so I refer to our good friend and colleague because I think he illustrates what may have to be our course as a Steel Caucus to take that time and effort even after hours to make sure that we pursue this most sensitive subject matter to its ultimate conclusion, and the ultimate conclusion is an enforcible trade act.

I think that is what we are aiming for as a caucus and are concerned as a body and as the purpose of the organization.

I thank my colleague.

At this time, it is my pleasure on behalf of the Steel Caucus to recognize its hard working vice chairman, the gentleman from Ohio (Mr. REGULA).

Mr. REGULA. I thank the chairman of the Steel Caucus for yielding and I commend the gentleman for taking the time for this special order.

So many times the people in the United States think that unless they are directly affected that what happens in any single industry is of no impact on their particular lives. But there are two points I would make in terms of actions here in this Congress today to illustrate the fact that imports are creating financial problems that will have to be borne by all taxpayers in this Nation.

First of all, we are involved today in a Budget Committee markup and we have heard the statement made many times that 1-percent unemployment in the United States results in a cost of approximately $27 billion to the Federal Government. That is the resulting loss of revenues plus the attendant costs for social programs to support the unemployed.

In the Budget Committee markup, the most difficult problem is dealing with the size of the deficit for 1983. It is in large part caused by the high rate of unemployment in our economy at the present time.

As a matter of fact, if we had a level of unemployment in the 5-percent range, we would not have a very sizable deficit for fiscal 1983.

Using that rule of thumb, 1-percent unemployment causing a $27 billion loss to the taxpayers of this Nation, the loss of 200,000 jobs in the steel industry which has taken place over the past several months, and probably years, has a budget impact of approximately $5 billion, and that is an annual figure.

So that unemployment in the steel industry is not just a problem for the unemployed, or a problem for the industry alone, but it is a problem for all the people of this Nation.

Second, in the Ways and Means Committee today one of the subcommittees reported out a bill to add 13 weeks of unemployment benefits. Again, this is going to be, if passed, a sizable cost to the taxpayers.

I use those two events that are happening in Congress today to illustrate the fact that the steel problem goes beyond those directly affected.

The objective of the sense of the Congress resolution that we have introduced today, is to say, in effect, that we want fair trade as well as free trade and that we want enforcement of the antidumping laws in the United States.

We have 92 original sponsors on this resolution. I would point out to the other Members that this problem is not confined to steel. If we fail to pursue enforcement of the antidumping laws on the books in the United States, in the case of steel, we are in effect inviting the same kind of market penetration in other industries.

The people making judgments in other countries as to whether or not they can dump their unemployment in the United States in the form of subsidized products will in part make a judgment based on how rigorously we enforce the cases presently affecting the steel industry.

Therefore, I think that it is important to all Members that they support a resolution requiring or requesting the administration to diligently pursue the remedy as presently in the law to prevent dumping. If we can do it thoroughly in steel, it will preclude the same thing happening in many other industries that could affect all sections of the country ultimately.

I think it is time in the Nation's history that we take stock of the fact that we have a priceless asset in the United States, and that is the American market.

There is no other nation in the world that affords such an attractive marketplace for imports as does the United States. We have a large population. We have a very prosperous economy. We have the world's largest gross national product. Obviously, access to the U.S. market is absolutely essential to any industrialized nation that hopes to prosper in the field of exports.

I mention this because I think that it is important that in dealing with other nations in our trade negotiations we make it clear that we are not going to fritter away this asset. We make it clear that if others want to have access to our markets, it has to be done on a fair basis, and that I think it is important that we recognize the value of this asset and use it in a way that is beneficial to the people in the United States in terms of negotiations.

I think we are a little bit plagued with our long history of saying, particularly following World War II and through the various Marshall plans and others of that type, that we were going to provide free access to our market in an effort to rebuild the economies of other nations.

It seems to me that we have come to a different stage in our history when it is no longer our responsibility to give an unfair advantage to those who would export into the U.S. market at the cost of our own domestic production. We need to take a very tough bargain stance in terms of protecting this asset; namely, the U.S. market.

□ 2040

The steel industry, in response to the actions of this Congress in 1981, designed to stimulate investment, designed to stimulate research, designed to rebuild the industrial infrastructure of America has, in fact, committed over $6 billion to new construction.

In my own 16th district, ground was broken recently for a $500 million steel mill addition to the Timken Co. This type of activity is happening in a number of places and it represents a commitment on the part of the industry to remain competitive in the future to maintain a strong domestic steel industry.

Therefore, I think our responsibility goes beyond the Economic Recovery Act that was passed in 1981 to also include actions that would allow those who are investing in the future of America in the steel industry to have confidence that they will be able to compete on a fair basis with other nations for world markets, not only domestic in the United States, but markets outside the United States.

We owe it to them to use the tools of Government to insure that there is fair trade as well as free trade.

Obviously, many companies are too small in terms of their resources to adequately pursue antidumping actions. Therefore, this is a very proper responsibility of Government and what we are calling for in this resolution is to have a rigorous enforcement of the law in existence at the present time.

I think there is a concomitant matter involved here and that is that in terms of national security we need to have production facilities. On the west coast, as a good example, once the Kaiser Steel Plant is closed down, and as I understand that will happen in the near future, the total consumption of steel is 10 million tons, while the total production capacity that will be left after Kaiser closes is 1 million tons.

Now, that in effect is saying that the west coast will largely depend on imports for 90 percent of its needed steel products. In my judgment this is a dangerous situation, because in the event of world conflict of any type, we could suddenly be faced with inadequate capacity to meet our own security needs.

A second and corollary problem with that is the fact that if there is a strong surge in the free world economy in this decade, and many economists do predict that, suddenly we will have needs that far outstrip our own capacity and we will be at the mercy of those who export into the U.S. market in terms of price.

Obviously, OPEC has demonstrated to us what can happen if you have inadequate capacity to meet your market needs and have to depend on outsiders. We are drifting into that kind of an environment in the absence of positive action to prevent dumping into our marketplace and to provide protection for our industries that will insure that we have fair as well as free trade.

I think there is another element that I would point out and that is that we have a need for 13 million new jobs in our economy over the next 5 years. To create new jobs takes capital. The U.S. Chamber of Commerce has estimated that it requires on the average

$50,000 of invested capital for each new job created. In the steel industry, this means that we need an environment where our industries can earn a reasonable profit. Only by earning profits will they have available the necessary capital to make the investment to produce the new jobs. Of course, along with the direct job production that would result from enhanced capacity would be the peripheral development of other industries to supply something as basic as our steel industry.

For all these reasons, I think it is extremely important that we look ahead in the United States and give thoughtful consideration to the need to develop a fair trade attitude on the part of the other nations that export into our marketplace.

The best way to do that is to have enforcement of the antidumping statutes by an active involvement on the part of the administration.

In our resolution, I think we recognize that we do not want to get into a Smoot-Hawley type of protectionism that in the 1930's certainly had some bearing on the development of not only restrictions within our market, but in the world market place and I think perhaps in some part triggered the world depression that had a spill out in the United States.

We say in the second part that in the absence of the vigorous enforcement of antidumping statutes, we may be left with no alternative in the Congress but to attempt to deal with it in some other way; but it is our hope and I think it is clearly spelled out in the resolution that the administration will respond to the cases which have been filed with a vigorous enforcement of the existing law and thereby avoid the development of protectionism throughout the world in response to what might happen in the United States.

I hope that those who sell in the U.S. markets will, of their own volition, recognize the threat to their access to this market and will, on their own initiative, stop the practices that have given rise to this special order tonight and to the resolution that has been filed today on behalf of 92 sponsors.

Once again I say to our chairman that I appreciate the fact that the gentleman has taken this special order and that he has provided thoughtful leadership to the Steel Caucus. I hope that our colleagues recognize that this is a vital action that goes beyond the steel industry and has a profound impact on the budget problems of the United States. It has a profound impact on the entire industrial economy of this Nation, because steel is basic and a strong steel industry supports many other kinds of economic activity. If we can say to the other nations that we do not intend to have our market abused by dumping, it may well prevent this from happening in many other sections of the economy.

● Mr. BEVILL. Mr. Speaker, each week the grim statistics for America's steel industry reveal further erosion in the strength of this important contributor to the U.S. economy.

Unemployment keeps rising and now stands at approximately 96,000 steelworkers out of work and another 26,000 working short weeks. That's more than one-third of the employment force in the steel industry, which is one of the major industries in our country.

The Alabama steel story is no better—in fact, in many instances it is even worse than the national steel picture. I was deeply concerned recently to learn that United States Steel has announced plans for the indefinite closing of their Fairfield Works near Birmingham. This will idle even more workers in a State which has had the sad distinction, in recent months, of having the second worst unemployment rates in our country.

Each of the 14 counties in the Fourth Congressional District of Alabama, which I am honored to represent in this body, is now experiencing double-digit unemployment. Of course, the declining strength of the steel industry is not the prime cause of all of increasing unemployment in all of these counties; however, it does have wide-ranging effects in many other allied industries.

As a founding member of the Steel Caucus, and a member of its executive board, I have spoken with steel executives from the leading industries about the causes of their economic problems.

Of course, they cite recent years of inflation, oppressive and excessive Government overregulation and many contributing factors to their problems, however, one of their most vocal complaints is unfair foreign competition.

This country has had foreign steel companies dumping their products here, bringing severe injury to our domestic steel producers and draining dollars from our economy. In a truly free-enterprise marketplace, foreign competition would be welcomed and, indeed, would be beneficial to the consumers and to our own companies. However, these foreign companies are operating at a unique advantage over our domestic firms—many of them are heavily subsidized by their governments.

As my good friend and colleague from Alabama, Howell Heflin, pointed out very ably in the other body several days ago, European governments have subsidized their steel industries by more than $30 billion over the past 6 years and will pay out $30 billion more over the next 4. This enables foreign steel producers to sell—or dump—their steel at up to 60-percent below the international market price.

We all know how costly this has been to our economy. It has cost the American steel industry 118,000 jobs since 1971 and we have lost billions of dollars needed in capital investment to modernize our steelmaking facilities.

In the past 2 years, accelerated dumping has destroyed more than 77,000 American jobs and has eroded more than $7 billion in anticipated critical capital investment.

And almost as depressing as these gloomy statistics is the fact that laws are on our books which prohibit this dumping of steel, however our own Government has failed to enforce these laws, thereby contributing significantly to the ills which now are destroying our domestic steel industry.

I have joined with many of my colleagues in the House in cosponsoring the steel trade resolution, expressing support for the 110 petitions which our country's steel industry has filed for redress under the U.S. trade laws and agreements involving about 90 percent of the apparently dumped or subsidized steel. Let me point out that management and the labor segments of the steel industry jointly support this resolution and I would urge all of my colleagues in the House to support this resolution in favor of American steel.●

● Mr. BENJAMIN. Mr. Speaker, I concur with my colleagues of the House Steel Caucus on passage of the resolution introduced today.

I encourage expeditious action from the Ways and Means Committee in their consideration of the resolution. Though the resolution deals with steel, vulnerability to subsidy and dumping and unfair trade is a national problem, not one confined to any particular city or region.

This bipartisan resolution expresses the sense of Congress that the President expedite the processing of the 110 unprecedented steel trade cases filed this January and to recommend, if necessary, changes in the Trade Act which would strengthen the trade process.

These pending cases are to be judged by the proper agencies. The agencies should be urged to work with Congress to develop fair quota legislation to save the U.S. steel industry.

The unemployment statistics of the steel industry are the highest since the Depression. Unemployment in the steel industry reached 116,000 workers on April 24. Of these, 91,000 were on indefinite layoff status and 25,000 were working less than a full week. And numbers alone do not represent the sense of loss and despair that these steelworkers live with on a daily basis.

The steel industry produced only 1,454,000 net tons of steel last week representing 49.1 percent capacity utilization. The industry produced at 87.6 percent capacity last year at this time. The figures continue to drop and serve to paint an ominous picture to steelworkers both laid off and currently working.

Northwest Indiana has 14.4 percent unemployment with more than 19 percent unemployed in Gary alone. Job training programs, the creation of new business, and Sun Belt migration are not viable proposals for those out of work. Steel production facilities have to be treated fairly in the trade arena. They have to produce at a higher capacity and put workers back to work.

It is time to send a message to the administration, the people of the United States, and our trading partners that we are concerned about unfairly traded goods and insist that existing U.S. laws and international agreements be upheld. Our unemployed workers deserve nothing less.

Knowing that the President takes notice when a sad story makes its appearance on the front page of a newspaper or on the evening news, let our message be heard. Maybe then the President will choose to lead the country out of this dumping ground and make the United States a country other countries can compete with in a just and equitable way.

I urge adoption of the House Steel Caucus concurrent resolution and exhort continued work toward a fair trade policy.●

● Mr. O'BRIEN. Mr. Speaker, I would like to be associated with the remarks made by the chairman of the Steel Caucus.

Through no fault of its own, the state of the American steel industry continues to worsen. The problem is a result of the continued apparent violation of U.S. trade laws and international agreements by our trading partners. These laws and agreements provide penalties for importing of dumped or subsidized steel. Accordingly, the U.S. steel industry has sought relief under these laws by filing trade cases.

While the domestic steel industry has followed the appropriate procedures in pressing its grievances, its position has continued to worsen. As its operating level decreases so does its employment. All indications point to the fact that this is due to imported steel capturing our market unfairly.

Time is of the utmost importance. The concurrent resolution introduced today recognizes this. The resolution expresses the sense of Congress that the President expedite the processing of these precedent-setting cases and that the Congress should consider, if necessary, changes in the law that would strengthen the process.

This resolution is a means for Congress to show its support for the expeditious handling of the steel trade cases and its commitment to fair trade.●

Mr. GAYDOS. Mr. Speaker, I thank my colleague and all my colleagues for their participation.

I do want the record to show that this was an impromptu special order. No notices went out. The executive committee was not notified. I discussed it with the gentleman from Indiana (Mr. BENJAMIN) and we thought that because we introduced the resolution that I would put these special orders into the record and anybody that we could immediately ask would participate; but I do again, as a matter of record, promise that in the future our special orders will follow the usual pattern. Where we have 10 or 15 participating, normal notice will be sent out, because I do not want to be criticized that they were not notified this time.

I thank my colleagues.

GENERAL LEAVE

Mr. STRATTON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks, and to include therein extraneous material, on the subject of the special order today by the gentleman from Pennsylvania (Mr. GAYDOS).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

THE LATE HONORABLE LEO W. O'BRIEN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. STRATTON) is recognized for 30 minutes.

Mr. STRATTON. Mr. Speaker, as the dean of the New York delegation and in response to a request by the members of that delegation, I take this special order this evening to pay tribute to a truly great Member of Congress who passed away just about 10 days ago in Albany, N.Y., the late Honorable Leo W. O'Brien, who served in this body from 1952 to 1966 when he retired. When he passed away, he had reached the comfortable age of 81.

☐ 2050

Because Congressman O'Brien left the House in 1966, and we are all aware that things have turned over a great deal in recent years, there are probably not too many Members of the House today who would remember Leo O'Brien.

But Leo O'Brien left his mark in this House and, indeed, on this country. He was the one, as chairman of the Subcommittee on Territories of the House Interior Committee, who developed the legislative strategy that made Alaska and Hawaii the 49th and the 50th States of the Union, and not very many Members of Congress over its long history can lay claim to that kind of an accomplishment.

I happen to represent at the present time part of the district that Congressman O'Brien represented, and my distinguished colleague, the gentleman from New York, Mr. SOLOMON, also represents part of the district that Mr. O'Brien had, and he has patiently been waiting here tonight, and I would be very happy to yield to him so that he is not detained here any longer than necessary.

Mr. SOLOMON. I certainly thank the gentleman from New York for yielding and for taking this special order, as the gentleman has so eloquently said, for a truly great American who served in this House.

Not only was he an outstanding Member, as we all know, but going further, I think that he was one of the kindest, most decent human beings that I have ever known. I did not have the pleasure of serving with him as you did, but I was one of his constituents for many years, and I know myself and my family admired and respected him.

Leo O'Brien was an Irishman, and I think a true Irishman, and he always had that mischievous Irish twinkle in his eye. I never heard him say a bad word about anybody. He always had that knack, if you were down in the dumps, Leo O'Brien could pull you out of it. That is the kind of reputation he had.

I know I speak for the many people I represent now that the former Congressman did represent, and for many of his family that lives in my district, in extending the sympathy of all of the people in upstate New York to a truly, truly great man. We will all miss him.

Mr. STRATTON. I thank the gentleman for his contribution.

Leo O'Brien was essentially a newspaperman. He was born in Buffalo and later came to Albany as a reporter for several newspapers in Albany, and then he became a kind of stringer, because of his knowledge in Albany, for papers around the State, a highly popular and highly respected newspaperman.

He was close to Governor Dewey, but he was also close to Dan O'Connell, who was the Democratic leader of the city of Albany and the county of Albany. As a newspaperman, Leo O'Brien had seen a lot of politics. He had a relaxed attitude toward political issues. Although he was a loyal Democrat, he was never really a partisan, as my colleague from New York has already indicated. I never heard him blast the other party. But he took, I think, a view that spread over both parties something that was based on the good of the country.

In 1951, I happened to have a small news commentary program on the television station in Schenectady, N.Y., WRGB, the first television station in the Nation, incidentally, operated by the General Electric Co. I thought it was going along very well until in early May I got a telegram saying, "Greetings. You are ordered, Lieutenant Commander STRATTON, to report to the Navy here in Washington for duty during the Korean conflict," and that, of course, interrupted my program. But the people at the station wondered if I could suggest anybody who might do a good job in carrying it on, and I said, "Well, the only name I can recall is Leo O'Brien, who is certainly very knowledgeable on the news of the world, and maybe you could get him." And they got him. As a matter of fact, he did do an outstanding job. In fact, he did such an outstanding job that in the middle of 1952 he was elected to Congress from the Albany-Troy area, Albany, Schenectady, and Troy area, and as a newspaperman he was not sure whether we wanted to go down. He said maybe he would just stay here a few years.

But as always happens, once you get here you do decide to stay, and he stayed on for 15 years.

He had a very great sense of humor. He was one of the most respected men in this House. And the fact is that at his burial service in Albany a week ago, the pastor of the church recalled some of the humorous incidents that centered around Mr. O'Brien and also the respect in which he was held by the people of his district.

I know that all of us who serve in this body are aware of the fact that when we talk down here in the well, not everybody pays attention. And those who talk here most frequently are the ones who are probably paid the least attention. Now, Leo O'Brien very rarely took the well of the House, but when he did, people listened, because they knew that he was giving it to them from the commonsense, practical approach without any element of simple partisanship.

The big accomplishment of Congressman O'Brien, of course, was in bringing Alaska and Hawaii into the Union. And while those of us today would regard this as very normal, the fact of the matter is that there was a lot of opposition to Alaska. It was just sort of a big icebox, and there was not much that we could expect to get up there.

The argument was made that the Federal contribution was going to be far greater than we could afford.

Hawaii also had some problems, particularly at that time because of some of the influences that were in the maritime industry.

But Leo O'Brien took on this job because nobody else apparently was prepared to take it. And he was told that the way to handle it was to put the two States together, the two territories together, so they could go in in one single bill. But he decided that that would not be satisfactory because the opposition could point to the defects and that would make it twice as difficult.

So he decided to divide them up. And Alaska, as I have indicated, was supposedly the toughest one to sell, simply because of the small population and the somewhat barren area that is involved up there.

But Leo decided that instead of waiting to take the tough one last, he was going to take the tough one first. And he succeeded in 1958 in getting Alaska through.

I do not recall all of the machinations, because I was not in the House in 1958. But he counted the votes. I recall that somebody pointed out that Speaker Rayburn had suggested that he defer the vote. But Mr. O'Brien had counted the noses properly and Alaska became a member of the Union.

Then in 1959, having gotten Alaska in, he went on to bring in Hawaii. And of course that has been a great addition to our Nation, as indeed has Alaska.

The distinguished senior Senator from Hawaii, the first Representative of Hawaii when Hawaii was admitted to the Union in 1959, the distinguished Senator from Hawaii, Mr. INOUYE, was in Albany last week as one of the honorary pallbearers for Leo O'Brien. This was something that his family was proud of, and that he was proud of, and it is something that the Nation as a whole can be proud of.

As a matter of fact, when the people of Alaska wanted to name a mountain in Alaska after Leo, he said, "No, don't name it after me; name it after my grandson." So there is an O'Brien Mountain in Alaska, and I would suggest that any of the Members who have not been to Alaska might want to go up and take a look at that distinguished mountain.

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Mr. Speaker, we have all lost a great friend, a great leader, one who added luster to the House. We want to say that we are going to miss him, and we extend to his family, his wife, Mabel, and his son Bob, and the eight marvelous grandchildren, our sympathy.

Mr. OTTINGER. Mr. Speaker, I was saddened to learn this week that our former colleague and my good friend, Leo O'Brien, passed away last Tuesday, May 4. He was an extraordinary person who to an unusual degree was able to combine ability, good humor, toughness, and congeniality. I would like to say a few words about him for the benefit of those who did not have the privilege of knowing him.

When I was first elected to Congress, in 1964, the principal theme of my campaign had been to save the Hudson River, which had become strangled with pollution that robbed the river of its life and caused the river communities to turn their backs on a vital resource. The Rockefeller family, led by then-Gov. Nelson Rockefeller, deeply resented having this upstart freshman Congressman accusing the State of neglect and proposing Federal jurisdiction over what they obviously considered their private preserve. The river was threatened, however, not only from uncontrolled industrial and community pollution, but also by a State-approved pumped storage facility that the giant New York utility, Consolidated Edison, wanted to build at Storm King Mountain and by the Hudson River Expressway, an eight-lane superhighway that the State wanted to construct right in the river. I proposed legislation that would have required Federal approval of such projects and Federal participation in cleaning up the pollution and community planning to take advantage of a cleaned-up river.

Leo O'Brien was the chairman of the National Parks and Recreation Subcommittee of the House Interior and Insular Affairs Committee and this was just the kind of fight and the kind of opposition he liked to take on. The David-and-Goliath aspects of my challenging the powers that be—taking on at the same time not only the State of New York and the Nation's richest and most influential family, but also the Nation's largest utility and all the influence in Congress and the business community the utility commanded—amused him enormously.

It was roundhouse free-for-all, and Leo loved it.

Leo virtually adopted me. He showed me the ropes of how to arrange hearings and get the legislation in proper form. He showed me how to get around the opposition of powerful Congressmen who tried to kill the legislation. With his guidance we constructed a bill that would go only to his subcommittee, so that it could not be buried by the opposition. He arranged dramatic hearings in Washington and persuaded his colleagues to come to my congressional district in Westchester, N.Y., for a series of hearings along the Hudson River that produced front page stories on the river's sorry plight and on the longing of the people to restore it.

It was great theater and good policy, and Leo loved it.

Under his tutorship, I learned how things really got done in the House. He turned my legislation into a national cause célèbre. He called in chits owed him from a wide range of powers-that-be on the Interior Committee and enlisted the support of our powerful New York colleague, Gene Keogh, of the Way and Means Committee. Between them, they managed to tie the whole package together successfully in just one Congress and due to their efforts—and with an able assist from my good friend the distinguished gentleman from Michigan, JOHN D. DINGELL, who held critical related hearings in the Merchant Marine and Fisheries Committee, we got a bill enacted. Because of this I was able to return to my district with the then almost unheard of achievement of having passed a major bill in own name as a freshman in the House.

It was a stunning tour de force of old-time Democratic politics at its best, and Leo loved it.

Leo's warmth, his interest, his wit, his knowledge , his ability, his wonderful relationship with his colleagues—and his genuine concern for the ecology of the river, all came to play in this exciting fight. And his love of the fray, of a good, tough tussle against uphill odds, was apparent as he led us to success.

Leo was responsible for many other important legislative triumphs. He holds—and richly deserves—the title of "Father of Alaskan and Hawaiian statehood," handling the very delicate negotiations required with consummate skill. He also was instrumental in the creation of the Fire Island National Seashore.

Leo cared passionately about justice and, as a former reporter for 30 years, about freedom of the press. He helped me later with the Newsmen's Privilege Act. He cared enormously about the environment and the rich natural heritage of America. But he was able to temper his fervor in these causes with a good sense of perspective and an understanding of the other fellow's needs and problems. It was this rare combination of qualities brightened by his rich Irish humor that made him able to achieve his serious and important goals so effectively.

Leo retired to be with his family in 1966, although he could easily have been reelected. He thought he ought to quit while he was ahead. But he nevertheless found time to coordinate my efforts for the U.S. Senate in 1970 in the Albany area and to use his high standing with the powerful political leaders in central New York to win me the backing of the powerful Albany Democratic organization in my successful primary quest. Again, the challenge against the odds intrigued him and his wonderful human qualities prevailed in my behalf.

I am just one of many whom Leo O'Brien befriended and who will remember him fondly as a friend and respectfully for his remarkable accomplishments in Congress.

We who loved him—and our name is truly legion—will miss Leo and remember him warmly and well. We send our sincerest condolences to his fine family.

● Mr. ADDABBO. Mr. Speaker, I am at once deeply saddened and greatly honored to join my colleagues today in paying tribute to our good friend and former colleague, Leo O'Brien.

Leo was a wise and funny man, and a good friend of mine. I served with him in the House of Representatives from 1960 until 1966; Leo was my hero, my mentor, and my adviser. All of us who knew him remember his easygoing manner and his sense of humor. As a reporter, Leo was full of wisdoms and anecdotes; as a storyteller, he kept us laughing and amazed at his insights. He was a crack newspaperman and political writer for almost 30 years, where he gained vast knowledge of many issues. When he was elected to Congress in 1952 in a special election, Leo put his background to work in every area. He was a member of the Science and Technology Committee, and chairman of the House Subcommittee on Territories of the Interior Committee. In this latter position, Leo was responsible for the drafting and floor management of bills admitting Alaska and Hawaii to statehood in 1959.

We will all miss Leo—as a reporter, as a colleague, and most of all, as a friend. My deepest sympathies go to his wife, Mabel Jean, and to all of his family for their great loss.●

● Mr. BOLAND. Mr. Speaker, I was saddened to learn of the death on May 4 of our former colleague, Leo W. O'Brien. I appreciate the opportunity afforded by the gentleman from New York (Mr. STRATTON) to pay tribute to a man with whom I had the pleasure of serving in this House for 14 years.

Leo O'Brien, or "Obie" as we knew him, came to Congress after a distinguished career as a newspaperman. His training in journalism gave him an appreciation of the necessity of seeing both sides of an issue, a trait which won him both respect and friends in the House. Leo served as chairman of the Interior Subcommittee on Territorial and Insular Affairs and in that capacity became a tireless champion for the residents of the offshore territories administered by the United States. His conviction was that everything possible should be done to extend the full benefits of American citizenship to the residents of the insular areas. No one did more than Leo O'Brien to break down the barriers which prevented people of the territories from fully exercising their rights and privileges as Americans.

While he was held in special regard by residents of the territories for his efforts on their behalf, I do not believe that there was a place in this country outside of New York in which Leo O'Brien was held in higher esteem than in Alaska and Hawaii. He will be forever remembered by the citizens of those States as the most effective and determined congressional advocate of bringing them into the Union. The statehood bills which he authored and shepherded through Congress are a testament to his vision and his perseverance.

Mr. Speaker, Leo O'Brien was a man of wit and warmth. His personality and his integrity won him many friends in the House, and I was proud to have been one of them. May he rest in peace and may his wife, Mabel Jean, his son, and the grandchildren whom he loved so much, take some comfort in the knowledge that their sorrow is shared by all who knew him.●

● Mr. CLAUSEN. Mr. Speaker, I rise at this time to pay tribute to a man who served 15 dedicated years in this Chamber; a man who committed his life to truth, progress, and the Nation he loved so much. On May 4, Leo W. O'Brien passed away at a hospital in Albany, N.Y., at the age of 81 years.

Leo was elected to the Congress in 1952. He took pride in his usual good-natured manner in that he was the only Member elected on April Fool's Day. We can all respect his victory margin of 40,000 votes on that April 1.

Leo brought to Congress 30 years of exemplary dedication to his chosen profession of journalism. Leo wrote for 15 newspapers and numerous radio and television stations.

As chairman of the Subcommittee on Territorial and Insular Affairs, he was respected and admired from both sides of the aisle.

Leo's most notable accomplishment while serving in this body was the persistent guidance and nurturing of the legislation which brought our two most recent States, Alaska and Hawaii, into the Union.

The efficiency with which the vast number of hearings and compromises were carried out can be awarded to his precise organizational strategy and ability to focus the contending actors on the basic issue at hand.

The controversies involved in attempting to bring the 49th and 50th States into the United States were just few of those which Leo O'Brien approached in his forthright, laudable manner. He will be remembered by all those who served with him and all those who have followed as the professional, competent, and creative legislator he was. His accomplishments are among those which will reign as paramount in the history of this body; accomplisments which stand highest in our admiration. Leo W. O'Brien will be remembered in Congress, in the States of Alaska and Hawaii, and by all Americans as an accomplished statesman and a man of humor and commonsense.

The memory and influence of Leo W. O'Brien will be a permanent reminder to all Members of Congress of what can be done with like dedication and cooperation.●

● Mr. MARTIN of New York. Mr. Speaker, I am grateful to my colleague, the dean of New York State's delegation, for this opportunity to honor the late Leo W. O'Brien of Albany, N.Y.

I feel a kinship with Leo O'Brien that goes beyond his surname, which was my mother's maiden name. As an upstate New York Congressman assigned to the Interior Committee, I follow in his footsteps. I can only hope that my contributions to that body will begin to approach his, which included such an instrumental role in the granting of statehood to Alaska and Hawaii.

Leo O'Brien was no stranger to my congressional district and, in particular, Watertown, N.Y., where he had many friends. Among them were several former colleagues in the newspaper business he served so ably, before coming to Congress, as a bureau manager for the International News Service and as a contributor to the Syracuse Herald, the New York Times, the New York Sun, and the Albany Times-Union. His work also appeared in the Watertown Daily Times, where it enlightened many people throughout New York's northern tier. On May 7, 1982, that newspaper published an editorial tribute to Leo W. O'Brien, newspaperman, politician, and citizen. I am delighted to insert the editorial into the Record for the consideration of my colleagues in this institution which he served so well.

Leo W. O'Brien

Leo W. O'Brien, a superb newspaperman and a state maker as a congressman, has died at the age of 81. After covering Albany as a newspaperman for almost 30 years, he became a congressman and represented the capital district in Washington for seven terms. No other congressman could claim that in 14 years he created two states, but that is what Leo O'Brien accomplished, Alaska and Hawaii.

He has told the story many times about how he arrived in the capital as a new member of the House and was named to the Interior Committee, an incongruous assignment for a Democrat from Albany, N.Y. Finding the committee work something less than inspiring, he decided he would learn everything he could about the process of making new states and concentrate his efforts in behalf of Alaska and Hawaii. It is probably true that their time had come, but none of the Washington powers on The Hill really wanted to do anything on the subject except talk and promise. He decided that his objective would be to perform. Alaska became the 49th state in 1959, and then came Hawaii.

He stayed on in the House to do one more thing that was novel. Although he had risen to the second rank on the Interior Committee, he announced categorically that he would retire at the end of his seventh term, and he did exactly that, at the age of 66.

Since then he has carried out various assignments in New York State. He was named by Governor Rockefeller to the commission that studied the Adirondacks leading to the creation of the APA.

In spite of his governmental career, he was always a newspaperman at heart. He would come to Albany to vote in November. On election night he would go down to the United Press office, take off his jacket, loosen his necktie, and help his friend, the late Kirt King, put together the statewide election results. He would pound out new leads for the election roundup stories, study the way the vote was running, and then elect whoever seemed to emerge from his process of analysis. After working most of the night, he would tell Kirt King that these were the most satisfying experiences in his congressional career.

For many years he was the bureau manager for International News Service, which was owned by Hearst. That normally would have been enough of a job for most newspapermen, but he also wrote for the Syracuse Herald, the New York Times and the New York Sun, as well as the Hearst paper, the Albany Times-Union. Forty years ago one of the reasons the Watertown Times began to buy the International News Service was so that Leo O'Brien's stories would appear here. After INS merged with United Press to become UPI, he did some broadcasting in Albany and thereby expanded his popularity.

Dan O'Connell, the Albany County boss, decided that Leo ought to be a congressman, and in a special election that is exactly what happened. That quotation in his obituary which appeared in this newspaper was true, that when he won the first time, he was the first congressman ever elected on April Fool's day. And he had a majority of 40,000 votes.

The best story he ever told has been repeated occasionally on this page. He had a theory that great political leaders succeeded or failed, depending on the bumps in the road. In the early days of O'Brien's news career, he experienced the rise and fall of William S. Hackett, the mayor of Albany. Al Smith was preparing to run for the presidency in 1928. Smith decided he wanted Hackett to run for governor. Not long after, Mayor Hackett was on vacation in Havana. He was riding in an automobile which struck a bump in the road. The mayor was thrown from the jump seat in the car against the door handle and out on the street on his head, and died as a result. Franklin D. Roosevelt became the gubernatorial candidate, won that election, and went on to Washington in 1933 to win for the first time in history, four presidential terms.

Newspapers, politicians and voters lose in the death of Leo O'Brien a tremendous citizen. He may have been from an older school, but what a school that was.●

● Mr. LENT. Mr. Speaker, I rise to join in tribute to a former colleague, the Honorable Leo W. O'Brien, whose death last week saddened us all. I thank the gentleman from New York (Mr. Stratton) for his thoughtfulness in making possible this honor to an outstanding Member of the House of Representatives. Born just after the beginning of the 20th century, Leo W. O'Brien's long career as a newsman and a radio and television commentator in the Albany area covered three decades of tremendous growth and tremendous changes in our State of New York and of our Nation.

His 30 years as a reporter and commentator built an invaluable reservoir of knowledge and experience which served him admirably when he was elected to the Congress in 1952. Coupled with his warm, outgoing, witty personality, Leo O'Brien's great knowledge and experience moved him to the forefront as an influential Member of Congress.

Mr. Speaker, Leo O'Brien's seven terms in the House of Representatives were short by the usual standards of congressional service. But those years in the House demonstrated conclusively that length of service and high seniority are not the only requirements for compiling a remarkable legislative record.

To cite just one major example, Mr. O'Brien was a major force in spurring favorable congressional action to bring statehood to Alaska and Hawaii. This accomplishment alone would merit Leo O'Brien a secure place in the history of our Nation. But, our former colleague from New York added much more to his legislative accomplishments. Those of us from Long Island, for example, will always be grateful to Leo O'Brien for his successful efforts in sponsoring the legislation which created the Fire Island National Seashore. Future generations will continue to enjoy the unspoiled beauty of this marvelous ocean barrier island, thanks to the foresighted efforts of Leo O'Brien. We on Long Island owe a great deal to him.

In fact, Mr. Speaker, the people of the State of New York, and indeed of the entire Nation, owe a real debt of gratitude to Leo O'Brien. We mourn his loss. But we are comforted by the fact that his outstanding record of public service will remain an example and inspiration to all.

My wife Barbara joins me in extending our deepest sympathy to Mr. O'Brien's wife Mabel Jean, his son Robert, and other members of his family.●

GENERAL LEAVE

Mr. STRATTON. Mr. Speaker, I ask unanimous consent that all Members may be permitted to extend their remarks on the life and accomplishments of Leo W. O'Brien.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

URGING PRESIDENT TO SEEK AGREEMENT AT VERSAILLES ECONOMIC SUMMIT CONFERENCE FOR RESTRAINT IN EXPORTING NUCLEAR FUEL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. Bingham) is recognized for 20 minutes.

● Mr. BINGHAM. Mr. Speaker, I am today introducing a resolution urging President Reagan to seek agreement at the upcoming Versailles summit conference for restraint on the part of our allies in exporting nuclear fuel and technology. Specifically this resolution, which is being introduced today in the other body by Senator John Glenn of Ohio, aims to bar nuclear exports to nonnuclear weapons states that have not agreed to full-scope safeguards—that is to inspection of all their nuclear facilities by the International Atomic Energy Agency (IAEA).

While no one step will ever be sufficient to control nuclear proliferation, acceptance by supplier nations of the need for full scope safeguards is critical, and it provides an ideal opportunity for the administration to begin to achieve the goals that it has set for itself in this important area of policy.

It is well known, Mr. Speaker, that a number of countries are engaged in ambitious commercial nuclear power programs that cloak serious efforts to create nuclear arsenals. Pakistan, Argentina, and South Africa are three countries that come to mind immediately. Each of these nations has refused to accept full inspection of their nuclear power programs by the IAEA. Each continues to receive nuclear fuel and equipment from suppliers who accept only limited safeguards as a condition for export out of fear that more strict requirements imposed unilaterally will result in someone else leaping in to take their place in nuclear trade.

Even more frightening—if that is possible—is that many of the countries that have not accepted full-scope safeguards are themselves interested in becoming nuclear suppliers. South Africa and Argentina have made their intentions known in this regard, and the head of the Argentine nuclear program has even suggested that his nation will export plutonium, the material used for nuclear bombs.

By agreeing to halt exports to countries that will not provide the most basic assurances of their intentions to eschew nuclear weapons, supplier nations would be taking an obvious step toward insuring global survival. And, indeed, the possibilities for achieving such agreement on full-scope safeguards seem bright.

Canada, Australia, and the United States already insist on full-scope safeguards as a condition of nuclear export. The Soviet Union and Germany have indicated that they would agree to similar measures provided they are accepted by all suppliers. The new Government in France has sent signals that it would be prepared to take a harder line on exports. The recent debates in the United States and Europe on the dangers of the nuclear arms race can only strengthen the resolve to curtail dangerous nuclear trade.

As I pointed out, Mr. Speaker, asking for supplier acceptance of full-scope safeguards squares with the administration's expressed nuclear nonproliferation policies. Last July 16, the President stated that the United States would establish itself as a reliable nuclear supplier in order to gain the cooperation of other nations in controlling nuclear proliferation. He explained that one of the objectives of that cooperation is—

> To seek agreement on requiring IAEA safeguards on nuclear activities in a non-nuclear-weapon state as a condition for any significant new supply commitment.

Congress has spoken with a clear voice in affirming the need to develop strong cooperation among suppliers. Last July 17, the day after the President's nuclear nonproliferation policy statement, both the House and the Senate passed without a single dissenting vote resolutions outlining the dangers of nuclear weapons spread and the steps that the Chief Executive should take to check proliferation.

In the intervening year the President has had an opportunity to put his policy to work. He has agreed to send enrichment technology to Australia and to help Mexico undertake a major nuclear power program that might include the Mexicans as partners in U.S. reprocessing ventures. Likewise the administration has signaled its intention of giving our allies greater latitude in reprocessing U.S.-supplied fuel to derive plutonium. Now, with the upcoming summit, the President has a magnificent opportunity to extract pledges of cooperation from the beneficiaries of this nuclear policy.

None of us, of course, would suggest that it is enough to establish worldwide agreement of full-scope safeguards. As last year's resolutions pointed out, the safeguards regime must be improved and members of the IAEA must agree on sanctions that will be applied against countries found through IAEA inspections to be using their commercial nuclear power facilities for military purposes. In addition, suppliers must add to the list of restricted export items that have nuclear applications.

Nevertheless, acceptance of full-scope safeguards provides a good beginning, a beginning that reestablishes the United States not only as a reliable nuclear supplier but as a leader in efforts to curb nuclear weapons spread.

In this regard, Mr. Speaker, I would like to remind this body of the admonition of my distinguished colleague, Mr. Zablocki, delivered during the debate on the House resolution adopted last year. "Through the imaginative use of diplomacy," said the chairman of the House Foreign Affairs Committee, the United States can "make it evident to all countries that proliferation is in the interest of no one."

The text of the resolution follows:

H. Con. Res. 340

Concurrent resolution urging the President to seek agreement at the Versailles economic summit conference that nuclear supplier nations should export nuclear fuel and equipment only to nations that permit full-scope safeguards

Whereas the proliferation of nuclear weapons is a threat to the security of every nation in the world;

Whereas the International Atomic Energy Agency (IAEA) safeguards inspection system was created to verify that nuclear facilities in non-nuclear-weapon states are used strictly for peaceful purposes;

Whereas a number of non-nuclear-weapon states do not permit full-scope safeguards, that is, IAEA inspections of all their nuclear facilities;

Whereas only Canada, Australia, and the United States now require full-scope safeguards as a condition of exports of nuclear fuel and equipment;

Whereas certain other supplier nations have from time to time indicated that they would impose the same restrictions on their nuclear exports provided all other suppliers agree to take the same steps;

Whereas the United States has traditionally taken a leading role in developing agreement to control the spread of nuclear weapons;

Whereas on July 16, 1981, the President stated that the United States will continue "to seek agreement on requiring IAEA safeguards on all nuclear activities in a non-nuclear-weapon state as a condition for any significant new supply commitment";

Whereas on July 17, 1981, the Senate, without dissenting vote, adopted Senate Resolution 179, calling on the President to implement a series of important initiatives to strengthen the international non-proliferation regime;

Whereas such initiatives are still needed, including consultations on an urgent basis with other nuclear supplier nations to limit nuclear transfers only to non-nuclear-weapon states which have accepted full-scope safeguards;

Whereas on July 17, 1981, the House of Representatives, without dissenting vote, adopted House Resolution 177, calling on the President to take a number of significant steps to strengthen the political, institutional, and technical barriers against the spread of nuclear weapons; and

Whereas such steps are still needed, including the need to achieve restraint on the part of nuclear supplier nations:

Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That (a) the Senate and the House of Representatives, respectively, hereby reaffirm Senate Resolution 179 and House Resolution 177, and

(b) the President, as an initial step toward implementing these resolutions, should urgently seek, at the Versailles economic summit conference and through other appropriate channels, to obtain agreement from all nuclear supplier nations that they will export nuclear fuel, equipment, and technology only to those non-nuclear-weapon states that have accepted full-scope safeguards of the International Atomic Energy Agency.●

NATIONAL THEATER WEEK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. PHILLIP BURTON) is recognized for 15 minutes.

● Mr. PHILLIP BURTON. Mr. Speaker, I rise to express my support for House Joint Resolution 431, establishing a National Theater Week of June 7-13, 1982. The resolution has passed the Senate and will, I hope, be voted on by this body in the near future.

Long overdue, this resolution will honor a part of our country's heritage, the legitimate stage. Never before have we, guardians of the Declaration of Independence and the Constitution, paid tribute to the individuals and organizations who have devoted over 300 years toward one common goal—the American theater. It is also a way to trace historical years and recognize amateur and professional artists found in children's, high school, college, community, regional, and Broadway theaters. It is they who have labored long and hard to give the American public the finest theater entertainment in the world. It is our theater. Let us be proud of it.

Allow me to summarize a few of the many important facets of our theater's 300-year history. Over a century before the colonies declared their independence, the seed of theater was planted. In Virginia, for example, there are records dated, 1665, of a play being performed entitled "Ye Barre and Ye Cubb." Students of that great university, Harvard, gave a performance in 1690, of Benjamin Coleman's "Gustavus Vasa," the first play written by an American. The theater at Williamsburg of 1718, built by William Levingston, a merchant and dancing master, was the first on the North American Continent and was used for amateur productions by the students of William and Mary College. In New York, the first of many legitimate stages was the Nassau Street Theater. George Farqhar's comedy, "The Recruiting Officer," was a popular professional play of the era, along with "The Orphan," which headlined the opening of South Carolina's Dock Street Theater. The American premiere in 1773 of "She Stoops to Conquer" opened at the John Street Theater. Shortly thereafter, the Charleston Theater opened with "A Word to the Wise" and "High Life Below Stairs."

More importantly at this time, the Declaration of Independence broke the bond with the mother country and forced us to look at our own resources, to nourish our own intellectual and artistic life, to push for home grown products that bore the American mark. One of these products was Royall Tyler's drama "The Contrast." This play dealt with a study of social pretention and sides with an unlettered but shrewd Yankee against his more polished contemporaries. Let me ask my colleagues at this time: Where are these plays and theaters now? What can replace them today? Only a few printed records show they existed, and these early years I have mentioned may be disputed. Perhaps the difficulties, in part, are due to a congressional act adopted in 1778 in Philadelphia prohibiting theater altogether. Who is not familiar with the painting depicting Thomas Wignell, a theater manager, carrying a pair of candlesticks as he led President Washington to his box seat?

The era of the theater also had more than its share of difficulties. One in particular was lighting; something we now take for granted. Picture with me, if you will, a romantic love scene. The villain has been ousted from the city, the hero and heroine are about to passionately embrace in the middle of the scene. Then, just as her lips near his, a stage hand enters and snuffs the footlight candles. That is not the worst that could happen either. Many a theater found flames shooting the curtain during the second act. It was to great relief when gas jets, contained within ground glass, were introduced at the Bowery Theater in the 19th century. Besides the gas lighting, one of theater's most inventive workman, Steele MacKaye, added a simple form of air-conditioning. The 19th century proved to be an industrious step in the direction of lighting, with the introduction of the incandescent lamp. Lighting became a useful assistant in such plays as: "The Fatal Marriage" and "Bunker Hill."

But even with this new added demension, critics of the time were howling with contempt, complaining that American playwrights were imitators. But, does that make these plays any less American? What Americans really protested against them? In this age we are thankful to have these works because they at least give us some measure of the American mind and temper. As Samuel Johnson said long ago, "The stage but echoes back the public voice." And one of the resounding echoes that voice heard was a classic piece of poetic Americana that, if not put to music by an actor named Charles Durang, may have been forgotten. Every night, before the performance at the Holliday Street Theater, Durang sang the composition. That classic piece is now known by every American as the "Star Spangled Banner."

At this point in time, people of the legitimate stage were becoming world renown. Names such as: Edwin Forrest, Mary Ann Duff, Thomas Kean, Charlotte Cushman and, of course, the indomitable Edwin Booth. Booth was asked why he always looked insulted when taking his curtain calls at the end of the play. He replied, "I have given my life to these great roles. I do not consider myself an entertainer. I am an interpreter. I reveal the soul of masterpieces." I might add, the great dramatist and thespian began his serious apprenticeship in San Francisco.

The year 1831 marked the debut of the showboat in America. Surely, it was on its way to becoming a popular attraction on the waterways. Showboats along with railroads, and later automobiles, were main forms of transportation, and therefore became a motivating force in the theatre. Where they went stock, ballet, and opera companies were sure to follow. It was not unusual for these companies to assist each other in their performances. Thus was the birth of a highly crafted theatre art, musical comedy.

June 8, 1882, saw the beginning of the Actors Fund of America, an organization whose helping hand to veterans of the stage is still remembered. Also at this time, men, such as Thomas Edison, were at work with stage lighting, taking it from mere illumination to the art it is today, an art showing the smallest details, including costumes, makeup, and set design.

Now that America had more reputable craftsmen, people like Ziegfeld, Beck, Langner, and the Shuberts, were building theatres with the intent of making a permanent place for stage in America. Vaudeville was making a successful engagement on many of the stages; and people like Fanny Brice, Bill "Bojangles" Robinson, the Foys, and Nat Goodwin were receiving top billing. But at the pinnacle of that billing was a man who some consider "the Father of the American Muscial". This legislative body knows him as the first theatrical performer to receive a Congressional Medal of Honor—George M. Cohan. Such well known tunes as "Yankee Doodle Boy", "You're a Grand Old Flag", and "Give My Regards to Broadway" are stil being received warm-heartedly in this country.

President Wilson was following his fellow countrymen in regularly saluting the theatre; but the theatre was having an inner turmoil to the regret of many, and found itself in the midst of an actor's strike. Actors wanted a bargaining agent and attempted to secure one. By 1919, Equity finally gave actors the protection they wanted. About this point, recognition was bestowed upon an unknown playwright, Eugene O'Neill. To date, this man's writing remains a major contribution to the theatre world. And who could forget the other "new wave" playwrights such as: Moss Hart, Robert E. Sherwood, George S. Kaufman and Lillian Hellman among many.

Broadway was now in full swing and the musical "Showboat" broke onto the scene with worldwide acclaim. Such tunes as "Ole Man River" and

"My Man Bill" established Jerome Kern as a classic partaker of the stage. Many individuals were on the boards at this time but now, competition from Hollywood was having a heavy effect. It was due to motion pictures that stage suffered the losses of onetime thespians like Spencer Tracy, Bette Davis, James Cagney, Kathryn Hepburn, Cary Grant, Barbara Stanwyck, Humphrey Bogart, and Claudette Colbert.

Though many were heading to the west coast for "talkies," the best was yet to come for the theater. Playwrights now gave us the necessary vehicles to propel the American stage to previous unattainable heights. "Our Town," "You Can't Take It With You," "Hotel Universe," and "Abe Lincoln In Illinois" were just a few of those vehicles. Musicals were having a great turnout with composers and lyricists like Rodgers and Hammerstein who combined their talents and came up with the unforgettable "Oklahoma," that had a run of 2,248 performances. The great Agnes De Mille is also given some quite deserved credit for her choreography of the play. Besides Rodgers and Hammerstein, there were other teams of songwriting turning out hits such as George and Ira Gershwin, Irving Berlin, Lerner and Lowe, and Rodgers and Hart.

The theater, past and present, was now gaining a great deal of attention by its leaders in Washington. Members of Congress, the President and First Lady were entertaining theatrical dignitaries on Capitol Hill and at the White House. But many other officials were taking a hard-lined look at the theater and complaining about its faults. Yet the constituency of this country took a milder view and started to enjoy the entertainment that regional and community theater gave them. Children's theater was becoming common as well as inexpensive and enjoyable for the whole family with "Jack and the Beanstalk" and "Snow White." Comedies like "Come Blow Your Horn" by Neil Simon and dramas like "Who's Afraid of Virginia Woolf?" were making their debuts. And directors like: Elia Kazan, Joshua Logan, and Harold Clurman were helpful in making many plays successes. More recently we have had such plays as: "Dracula," "Grease," "Amadeus," and "The Dresser." And it is by no means that I am insinuating any of the plays mentioned are better than others. I could literally stand here for hours naming amateur and professional artists that daily do justice to the great written works.

As we know, theater has had to struggle to survive the competition of motion pictures, television, radio, and video. But, many are firm optimists and believe more is to happen in the 20th century in America than in any other comparable span of years in the history of drama. New theories and techniques, plays, theaters, schools of acting, and principles of directing—all are to be tried and every aspect scrutinized and tested.

The point of my speaking with you today is to reveal the multiplicity of forces that shaped the theater in this country's heritage. Each of these forces has had a direct bearing on the United States in some shape or form. With many of us it has already had a direct bearing on our lives and our families. How many of us were thespians? How many of our children are involved with the legitimate theater?

As the greatest nation on the face of the Earth, we must recover a significant belief that has been lost. The stages of theater are changing the stages of our lives. Theater represents at its best a victory of civilization. One of this Nation's greatest victories was the Arts and Humanities Act which was made into law in 1965. One statement in section V is quite noble. It reads:

> While no government can call a great artist or scholar into existence, it is necessary and appropriate for the federal government to help create and sustain not only a climate encouraging freedom of thought, imagination, and inquiry, but also material conditions, facilitating the release of this creative talent.

Under this pioneering law, the Committee for National Theater Week believes that House Joint Resolution 431 fulfills this need and does so at no expense to the American public or Federal Government.

I myself am inclined to agree with them, as do a number of individuals, organizations, and unions. We have just heard a few of the marvelous things the theater arts of this country have achieved. Why should we be the ones to withhold the knowledge of these marvelous people and deeds from our constituency. We made that mistake once before in 1778. Let us not repeat it. This is our National Theater Week. Let us feel privileged to celebrate it.

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PRIVATE MARKETERS' SEESAWING DOESN'T FOOL THE AMERICAN PUBLIC

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, one of the biggest issues in the controversy surrounding the striking of commemorative coins for the 1984 summer Olympics to be held in Los Angeles concerns the role of potential private marketers. One of the bills under consideration, H.R. 6058, calls for the minting of 17 coins to be sold to the public through the private marketers. I have frequently stated my opposition to this proposal, for private marketing of official U.S. coinage spells trouble. One need only look to the history of commemorative coinage in the United States for documentation of my belief.

Unfortunately, the private concerns who hope to market our Olympic coins have done nothing to dispel my reservations. In fact, their recent behavior only confirms my worst suspicions. Fortunately, these maneuverings have not fooled many Americans; a letter I received from Mr. George Lill of Niles, Ill., is proof of that.

As you know, the Los Angeles Olympic Organizing Committee made a coin marketing agreement with a consortium consisting of Occidental Petroleum, Lazard-Freres, the international banking firm and the Franklin Mint. These companies forwarded a $5-million downpayment and promised a $30-million guarantee to the Los Angeles Committee in return for exclusive worldwide marketing rights. The contract originally called for the minting of 29 different coins although the number was later reduced to 17. Nevertheless, a complete set of coins, even under the reduced program, could cost $5,000. Mr. Lill describes this proposal in the following way:

> My hearty congratulations on your seemingly one-sided stand against the attempted profiteering by the Occidental-Lizard-Freres-Franklin Mint Cartel in their attempt to corrupt the simple idea of selling one or two commemorative coins with the resulting profit going to the Olympic athletes.

Although the purpose of striking these coins is to raise money for our Olympic athletes, the General Accounting Office has estimated that for every $25 raised under the private marketing approach, only $5.40 will go toward the Olympics. It is my estimation that by the time the money ultimately reaches the athletes level, there will be less than $1 out of every $25 raised available for training purposes. Obviously, the rest of the money is going to fill the pockets of the private marketers. It is no wonder that they insist that the private marketing approach is the most lucrative. The question is for whom.

Mr. Lill also points out another serious problem with private marketing:

> The past experiences of the Canadian and Moscow Olympic coin sales with far too many coins at too great a cost, let alone the suspected corruption in the Greek Olympic coin program, should not be lightly put aside. A multiple coin program (17 to 25 coins) wouldn't be supported or tolerated by most Numismatists, let alone the general public with the present economic situation as it is.

As I have mentioned before, it was the scandals associated with the private marketing of coins that led to the termination of commemorative coinage in the United States over 25 years ago. The privately marketed Canadian Olympic coin program raised only $24 million out of $388 million worth of sales for the Canadian Olympic Committee. The fact that the marketers have been willing to share any information concerning the Russian Olympic coin sales with my subcommittee certainly implies the worst. Last September 23 I shared with you a great deal of information concerning the scandal surrounding the Greek Pan-American Games coin program.

I should hasten to add that Occidental Petroleum was involved in the Russian venture and Lazard-Freres in the Greek one. Both Mr. Lill and I agree that it seems hardly appropriate for these companies to be involved in our Olympic coin program.

In addition, the Securities and Exchange Commission recently accused the Franklin Mint of fraud involving hundreds of thousands of dollars. It seems to me that there are very large ghosts in each of these closets.

If all of this information is not enough to convince this Congress that these private marketers should not be allowed near our Olympic coins, their recent behavior regarding the contract with the Los Angeles Olympic Organizing Committee should be. As Mr. Lill puts it:

> I strongly endorse your concept of no more than a few coins being issued and sold by the Government with the resulting profit going to the athletes instead of the International sales group which is/isn't (take your pick from day to day) bidding upon the distribution of the proposed coinage.

On March 17, 1982, several Olympic athletes held a press conference in Washington, D.C. At this time, they announced that the private marketers had threatened to withdraw from their agreement if a favorable piece of legislation was not on its way to become law by March 31, 1982. This day came and went with no word from the marketers. Then, on April 9, Peter Ueberroth, the president of the Los Angeles Committee, announced that the marketers had indeed broken the agreement. The Los Angeles committee would have to return $4 million, with interest. They would also lose the $30 million guarantee.

We immediately heard cries of outrage from all those who supported the private marketing arrangement. But they were not angry at the marketers; rather, they blamed the subcommittee for dragging its feet on the legislation. Many claimed that the marketers now lacked the necessary time to lay the foundation for the elaborate program. It seemed that their permanent withdrawal was definite. The Los Angeles Committee stated that it was making arrangements to return the money to the marketers. According to the Los Angeles Committee, the Congress had kicked a gift horse in the mouth.

Then, on April 19, 1982, Lazard-Freres and Occidental sent telegrams to Representative St Germain indicating that they would both be willing to bid for the contract to market the Olympic coins. One might attribute the Franklin Mint's sudden absence to the Securities and Exchange Commission's recent accusations. Be that as it may, it appears that Lazard-Freres and Occidental are still hanging in.

Frankly, I cannot understand why the Los Angeles Olympic Organizing Committee is so thrilled with the private marketers' recent telegram. Rather than indicating their feelings of genuine altruism toward the Olympics, this seesawing reveals blatant opportunism. It seems to me that if these companies rally cared about the Olympics they would not have withdrawn from their original contract. The fact that they did surely implies that all they want was to get out of paying both the $4 million downpayment and the $30 million guarantee.

If you look at the situation objectively, you can see that these companies are in an excellent bargaining position. Should the Congress pass H.R. 6058, Lazard-Freres and Occidental have a clear advantage over any other bidder for they have already made plans and ingratiated themselves to the Olympic committees; they have what is commonly called a big head start. Since they are the only likely bidders, the Congress and the Olympic committees will probably be forced to take whatever these companies choose to offer. In my opinion, this is anything but a gift horse; I would call it more of a Trojan horse.

Mr. Lill, like many other Americans, has written to me expressing his objections to the private marketing of Olympic commemorative coins. Obviously, most Americans are not fooled by the maneuverings of these private companies. Mr. Lill writes that he will not support the Olympic coin program proposed by H.R. 6058. I do not blame him. It seems to me that if we want a successful coin program that the American public will support, we had better eliminate the excessive costs and scandal associated with the private marketing approach. We will be very sorry if we do not.

I have reprinted the entire text of Mr. Lill's letter below:

> Niles, Ill.,
> *April 28, 1982.*
>
> Re Proposed Olympic coinage.
>
> Representative F. Annunzio,
> *House of Representatives,*
> *Washington, D.C.*
>
> Dear Representative Annunzio: My hearty congratulations on your seemingly one sided stand against the attempted profiteering by the Occidential-Lazard-Freres-Franklin Mint Cartel in their attempt to corrupt the simple idea of selling one or two commemorative coins with the resulting profit going to the Olympic athletes.
>
> This Cartel in its greedy attempt to make an undisclosed profit at the expense of the U.S. government (the resulting tax payers) and most of all, at the expense of the athletes would mark a low point in the history or our country as well as mark the stupidity and duplicity of those governmental representatives who would aid the Cartel's raid upon the public.
>
> The past experiences of the Canadian and Moscow Olympic coin sales with far too many coins at too great a cost, let alone the suspected corruption in the Greek Olympic coin program, should not be lightly put aside. A multiple coin program (17 to 25 coins) wouldn't be supported or tolerated by most Numismatists, let alone by the general public with the present economic situation as it is.
>
> I strongly endorse your concept of no more than a few coins being issued and sold by the Government with the resulting profit going to the athletes instead of the International sales group which is/isn't (take your pick from day to day) bidding upon the distribution of the proposed coinage.
>
> Very Truly Yours,
> George Lill III.●

LEGISLATION REVISING PROCEDURE FOR SETTLEMENTS OF ANTITRUST CASES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. Rodino) is recognized for 5 minutes.

● Mr. RODINO. Mr. Speaker, I am pleased to introduce today a bill that would revise the procedure for settlements of antitrust cases contained in the Antitrust Procedures and Penalties Act of 1974, commonly known as the Tunney Act. The purpose of the Tunney Act was to bring public scrutiny on the Department of Justice when it negotiates settlements in antitrust cases. Past experience has demonstrated that the Department may not be immune from the massive political influence that some large antitrust litigants possess.

To be successful, settlement negotiations frequently must take place out of public view, which presents an opportunity for mischief. The complexity of antitrust law and theory further insulates settlement processes from effective public scrutiny. As a consequence of these and other factors, it is

important that the Department employ special procedures in negotiating antitrust settlements, both to minimize the possibility that improper considerations will be present in the Department's decision and to promote the appearance of complete propriety so vital to maintaining public confidence in our Government.

The Tunney Act imposes several procedural protections upon the process of settling Government civil antitrust litigation. For example, the Government must publish materials designed to give public notice of the terms of the proposed consent judgment in the Federal Register and in newspapers. In addition, the act contemplates that the Department publish a competitive impact statement, akin to an environmental impact statement, that will contain information about the proposed settlement. Defendants must file with the court a description of their contacts with Government agencies other than the Department of Justice. The public in turn may file comments on the proposal and participate in the proceedings under court order. The court then is instructed to assess whether the proposal is in the public interest.

As one of the House sponsors of the original Tunney Act, I am more committed than ever to the goals of this legislation. Its objective—to foster propriety, actual and perceived—is just as important today as it was in 1974. The basic mechanisms of the act—disclosure and public participation—continue to be the best available tools to meet these goals.

Experience under the Tunney Act has, however, uncovered three areas of legislative concern. First, the Department of Justice has recently settled two of the most important antitrust cases in its history—the IBM and A.T. & T. cases—and has taken the position that the Tunney Act procedures do not apply. According to the Department, the act has never intended to apply to dismissals as occurred in the IBM case. And while the Department has voluntarily agreed to abide by most of the rules of the Tunney Act in the A.T. & T. case, it again argues that it is not bound by the provisions of the act, because the settlement was effected by modifying an existing consent decree.

The issue of whether Tunney Act procedures apply to dismissals and decree modifications is currently in litigation. My introduction of this bill should not be read in any way as an expression of a view on the current law, nor is it intended as a comment on the current proceedings. There is, however, a need to clarify application of the Tunney Act procedures to all consensual resolutions of cases, including dismissals and modifications of existing decrees.

The possibility for political abuse is at least as great in the case of dismissals and decree modifications as in other consensual terminations of cases.

Indeed, a consensual dismissal in some instances can amount to a more serious abdication of the public interest than does a settlement in which the Government has obtained at least some degree of relief. Resolution of any uncertainty in the law is also timely—the Department has embarked on a program to review existing decrees and anticipates that many will be modified or dropped.

Experience under the Tunney Act has pointed up a second concern. Although the basic disclosure and participation techniques continue to be valid, certain of the procedural requirements would appear burdensome and ineffectual. For example, the act requires the Department to prepare a competitive impact statement, which must be filed with the court and published in the Federal Register, in every case to which the act applies. In theory, this statement should provide an informed basis for comment on the decree; in practice, it has proven to be of limited value in achieving its goals because the Department has relied upon standardized statements. Other Tunney Act requirements have also proven costly and of limited value. Among these are requirements for publication in the Federal Register of the proposed decree, the competitive impact statement, public comments and the Department's responses; and publication in general circulation newspapers in the District of Columbia of summaries of the decree, the competitive impact statement, and a list of determinative documents. One source estimates that publication alone costs the Department in excess of $400,000 a year.

Finally, under the existing Tunney Act, the court must determine whether the proposed consent is "in the public interest." This standard provides only limited guidance for the responsible judge seeking to comply with the act; at the same time it does not place a clear limit upon a judge who would reach beyond the court's duties under the act.

The bill I am introducing today makes clear that, whatever the state of existing law, its requirements will apply to all consensual resolutions of the Department's civil antitrust cases in the future. In addition, the bill would revise the Tunney Act procedures in light of experience to eliminate or reduce those requirements, such as preparation of a competitive impact statement and publication, that are costly or unnecessary. The bill contemplates a simple, vastly reduced procedure will be employed in every case. In exceptional cases, where the court makes certain specific findings, it may employ more extended procedures.

Under the bill, the Government will file a notice of its intentions to resolve a case consensually. At the time it files its notice with the court, it will also publish a brief notice in the Federal Register and file a short explanation of the settlement. During the next 60 days, the public may comment. After the public comment and any response deemed necessary by the Department, in most cases the court will grant the proposal without further proceedings. Only if certain specified tests are met will the court employ further proceedings. At the conclusion of the proceedings, the court will again consider the proposal. If it finds the proposal does not meet articulated criteria, it may order the Department to reevaluate its actions.

I believe that the procedures of the bill are superior to the current procedures in at least three respects. First, there can be no room for technical arguments over coverage—it unequivocally covers all consensual resolutions. Second, many wasteful mechanisms are eliminated. Finally, by employing definite standards, the bill affords more guidance to the courts.

I urge my colleagues to join me in supporting this constructive clarification and restructuring of Tunney Act procedures designed to protect the public interest in antitrust litigation.●

DRILL LAST, NOT FIRST, IN SCENIC OFFSHORE AREAS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. Panetta) is recognized for 5 minutes.

● Mr. PANETTA. Mr. Speaker, I am today introducing legislation in response to the ongoing threat to central and northern California's unique coastline. I feel it is time for the administration to halt its rush to develop the environmentally sensitive areas off this coast, and time to halt the seemingly endless assault on our coast's most beautiful areas. In its rush to development, the Interior Department seems to be ignoring the fact that the risks of drilling offshore of this area far outweigh the possible benefits of such drilling. Not only would such drilling have potentially devastating effects on the unique marine and coastal environments in this region, but it would also cripple the local economies should oil seepages or spills occur.

As you know, Congress acted last year to withdraw funding for appropriations for the development of certain offshore lease sale areas in fiscal year 1982. The areas withdrawn by Congress were those tracts lying in the northern four basins of the lease sale designated as lease sale 53. The extremely low resource estimates, showing that the oil and gas contained in these areas would provide oil and gas for our Nation for only a few days, spurred the Congress to proscribe spending in these areas. Along with many other Members of Congress, I am hopeful that this type of action will be undertaken again, barring development in the new areas targeted by the Interior Department for possible leasing.

It makes no sense, however, to have to continue to fight leasing offshore central and northern California, year after year, lease sale after lease sale. Local governments in central and northern California are tired of expending crucial resources, funds and staff time in opposing such sales year after year. No sooner did Congress act to bar spending in the northern basins of lease sale 53 than Secretary Watt started the process of opening up 10 times the offshore acreage surrounding these basins. In recent action, as you may know, the Interior Department issued a press release stating its intention of leaving the lease sale 53 areas out of the lease sale 73 assessment.

Far from bringing the intended rejoicing from local citizens and representatives, however, this action has outraged Californians, because the Interior Department has at the same time initiated study of 9 million offshore tracts for possible leasing, including areas off of Big Sur, Eureka, and essentially the entire central and northern California coast from 3 miles to as much as 75 miles offshore. While the deleted areas from lease sale 53 contain only three-fourths of a million acres, the new sale could contain as much as 9 million acres of offshore lands within 3 miles of the coastline from Point Concepcion to the Oregon border.

This all-out assault on the central and northern California coastline has already raised new protests from affected communities, as those who rely on fishing and tourism for revenues realize the impact such a massive drilling operation could have on these crucial industries. In California as a whole, tourism accounts for billions annually in revenues, and fishing accounts for an additional $1 billion. In the event of an oil spill, those who make their livings through tourism or fishing could be devastated financially. Even were the impossible to occur, and no spills take place, the impact on the coastal environment of drilling rigs 3 miles offshore areas like Big Sur would be heavily felt in decreased tourism and increased interference with fishing.

In addition, the environmental risks associated with proceeding with drilling offshore central and northern California are immense. According to recent Fish and Wildlife Service and Bureau of Land Management biological risk assessments and relative risk assessments, the central and northern California region is among the most sensitive in our Nation.

Central and northern California are classified as highly sensitive to effects on endangered species, coastal and pelagic birds, and marine mammals. Only central and northern California, of the areas compared, were ranked as highly sensitive to effects on commercial fisheries resources.

Of particular concern is that fact that sea otters, along with other endangered species, would be severely impacted by any drilling or offshore development anywhere near their range.

In fact, the fish and wildlife study cites a 100-percent mortality rate for all sea otters which come into contact with any oil for 25 years. Because the southern sea otter only lives within the range from Santa Cruz in the north to about Morro Bay in the south, an area targeted by the Interior Department assessment for lease sale 73, prospects for this unique animal are dim. The current southern otter population is approximately 1,800.

Finally, the fact is that the areas which the Interior Department wishes to study for leasing contain very little oil and gas in comparison with other offshore areas, not to mention onshore areas of our Nation. Particularly because the Department did move to delete the four basins which industry found most attractive last year, the areas which are left for potential leasing are low in resources.

My legislation seeks to strike a balance between the very real concerns about the economic and environmental impacts which massive offshore leasing would have on this area, and our Nation's continuing search for domestic energy sources. To this end, this bill would impose a moratorium on leasing and exploratory drilling in Outer Continental Shelf waters north of a line which essentially extends seaward from the southern San Luis Obispo County line. This legislation would not prevent drilling and exploration south of this line, where the most abundant oil and gas reserves lie. This area, the southern portion of the so-called Santa Maria basin, and the area lying seaward of this basin, do contain large amounts of oil and gas, and in fact received record bids during lease sale 53 action.

In addition, while prohibiting exploration involving drilling within the area of the moratorium, other types of exploration for oil and gas, such as seismic and magnetic exploration, would be allowed. Thus, the continuing cataloguing of these waters and their resources would be allowed.

California is willing to do its part toward meeting our Nation's energy needs. In fact, the State of California supported an earlier lease sale, lease sale 48, and that portion of lease sale 53 where over 90 percent of the hydrocarbon resources in that sale were expected to be found, in the lower portion of the Santa Maria basin. A second southern California lease sale, lease sale 68, has also been supported almost in its entirety by the State.

However, in those areas where the risks of drilling, both environmental and economic, outweigh the benefits of drilling, Californians feel strongly that leasing should not be allowed, at least until technological developments lower the risk of oil spills, such as that which polluted the Santa Barbara area for years.

Our local governments and citizens should not have to face the fear of devastating environmental and economic consequences year after year. For this reason, I am introducing this legislation, designed to lift this priceless area out of the leasing process for the next 16 years, to provide the local governments and citizens of the area the opportunity to proceed with pressing local concerns, rather than concentrating year after year on opposing short-sighted action offshore. I hope my fellow Members will give full consideration to supporting this measure, which would provide this unique and scenic area with a needed respite from the threat of drilling.

Secretary Watt has initiated a massive assault on one of our Nation's most priceless natural resources—the scenery and marine resources of Big Sur and northern California. Let us put a halt to this economically and environmentally devastating action, and allow drilling only in those areas of California where the benefits outweigh the risks involved. The areas offshore Big Sur and northern California should be among the last areas searched and developed for hydrocarbons, and not be among the first.

Industry itself has indicated that the massive offshore leasing program envisioned by Secretary Watt is "too much too fast" for it to handle. Let us then take action to withdraw the most fragile of the areas under consideration for leasing, and preserve this unique area for future generations.●

POLITICAL AND POLICY SWINGS FROM A 45-YEAR PERSPECTIVE

(Mr. FOUNTAIN asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

● Mr. FOUNTAIN. Mr. Speaker, I would like to submit for the record the thought-provoking remarks of a renowned North Carolinian, Vermont Royster of Chapel Hill, N.C., on American political trends since the days of President Franklin Roosevelt and the beginning of the New Deal.

In a recent speech before the North Carolina Citizens Association, Mr. Royster, noted journalist and editor emeritus of the Wall Street Journal, author, fellow Tar Heel and friend, has preceptively outlined some past, present and possible future trends in the swing of the political pendulum. Mr. Royster's remarks should be of great interest to members of both political parties, and to the American people.

A biographical sketch of Mr. Royster, excerpted from the March 1982 edition of North Carolina magazine, follows Mr. Royster's remarks.

Mr. Royster's speech and biographical sketch follow:

Address By Vermont Royster

It hardly seems necessary for me to say how pleased I am to be here this noon.

First of all, Raleigh is my home town. I was born in my grandfather's house on the corner of Hillsborough and Dawson streets, where now stands the Holiday Inn. Here I grew up, made the friends of my childhood and graduated from the Hugh Morson High School—where now, incidentally, stands the central Post Office.

I remember Fayetteville Street when its business occupants were grocery stores and meat markets as well as Brantley's Drug Store, which then served as the businessman's gathering place.

So though much is changed, the nostalgia remains.

I am also pleased by the invitation to speak to this group under the auspices of the North Carolina Citizens Association. When I look over the list of your past speakers I am indeed honored to be included among their number.

I must confess, however, that my pleasure is mixed with some uneasiness. I am not at all sure that I can say anything new or enlightening to this distinguished audience. The only thing I have to offer is a point of view on the current affairs of our state and nation which comes from observing them over a long period of years.

If there are any advantages of age—and I find few of them!—they lie only in the fact that if you live long enough you learn that pendulums swing in politics and public concerns just as they do in the mechanical realm.

What I plan to do is share with you some thoughts about American politics present and past. That will be a familiar subject to you. But perhaps I can offer a somewhat different perspective on our political history these past fifty years, or at least be provocative enough to stir up discussion.

Let me begin with the election two years ago of Ronald Reagan as President.

By election day it was no surprise that Mr. Reagan defeated Jimmy Carter. All the polls had predicted it. What was a surprise to journalists and politicians was, first of all, that by the spring of 1980 Mr. Reagan had become the clear forerunner for the Republican nomination and that by midsummer he had caught the imagination of the country with political ideas that can only be called revolutionary.

After all, Mr. Reagan was an ex-actor who, though a former governor of California, had for years been unsuccessful in national politics and was by then nearing 70. Moreover, nearly every political idea he preached seemed completely out of touch with the trend of American politics since the days of Franklin Roosevelt. Mr. Reagan seemed an echo of Barry Goldwater, and every politician or journalist remembered what happened to him.

The second big surprise was the sweep of the Reagan victory. It wasn't confined to any geographic area but reached across the country; except for his native Georgia. Jimmy Carter lost even the Southern states he'd won in 1976.

As if that wasn't startling enough, the Republicans riding Ronald Reagan's coattails won control of the Senate for the first time in a quarter of a century. They were only 26 seats short of capturing the House.

All this was not only a surprise but a downright shock to Democrats, to liberals of any party, to almost every political observer familiar with the legend of the power of liberal politics and of the Democratic coalition which rested upon it. A political revolution had obviously taken place but hardly anybody understood why.

What I am going to suggest—with the benefit of hindsight—is that we shouldn't have been surprised. If we journalists and others had just looked more carefully at the political record of the past half-century we should have seen the revolution (or counter-revolution, if you prefer) coming long before. Circumstances conspired to bring it in 1980, but it was coming anyway, if not under Ronald Reagan then under another.

To see why, I ask your indulgence for a journey through the past before we return to the present and venture a peek at the future.

The widely held view of journalists (myself included) and of other political observers has long been that for five decades the nation has been firmly in the grip of a Democratic party formed from, and held together by, the so-called Roosevelt coalition. This, so ran the catechism, insured that the nation's politics would remain essentially liberal in outlook and experimental in policy.

This explains why the collapse of the old coalition in 1980 seemed to come suddenly and almost inexplicably.

Historians, I think, will see things differently. At any rate, I'll suggest now that the power of that liberal Democratic coalition formed by FDR hit its peak in 1936 and has been eroding ever since.

Furthermore, that the liberal coalition lost its grip on the country as far back as the late 1940s. What followed for the next 35 years was a rare period of political indecisiveness in which the nation was unwilling to give to any political party or any political philosophy a clear mandate to govern.

The more conventional view, of course, has been understandable. Since 1932 only two Republicans before Reagan won the White House: Eisenhower and Nixon. The Eisenhower years appeared as a sort of aberration and to his personal popularity, much like the Cleveland and Wilson terms sandwiched into the long Republican era that began with the Civil War and lasted until 1932.

The two Nixon victories were thought due to a schismatic break in the ranks of the dominant Democratic party. The cause in 1968 was attributed to Lyndon Johnson's failures with the Vietnam war. In 1972 Nixon's landslide was attributed more to George McGovern's unpopularity than to Nixon's popularity. That view of Nixon as another aberration seemed confirmed by Watergate and its aftermath. The aftermath included a return of the Democrats to the White House in the person of Jimmy Carter.

Nonetheless, when the period from 1932 to 1976 is reexamined as a whole a different picture emerges.

We usually think of 1932 as being the great political watershed. But that election wasn't a personal victory for FDR or even for the Democrats. It was simply a resounding defeat for Hoover and the Republicans brought on the depression.

It was 1936 that gave birth to the legend. Partly by design, partly by accident, the Democratic Administration put together what's become known as the Roosevelt coalition:—a combination of Southern Democrats, northern urban bosses, the labor unions, farmers, minority groups such as the Blacks all mixed with a broad appeal to that otherwise undefined middle class. A philosophical underpinning was provided by the intellectuals of the media and the campus.

It was on the face of it an unlikely combination—the interests of farmers and labor unions often conflicted, as did those of blacks with traditional Southern Democrats. But its effect was devastating. Roosevelt carried all but two states in 1936. He won 62.5% of the two-party vote, all but 8 electoral votes.

Roosevelt, of course, won twice more, solidifying the legend in our minds. But in 1940 against Willkie, a political Johnny- comelately, his margin of the two party vote dropped to 55% and the Republicans carried ten states with 82 electoral votes.

In 1944 Roosevelt had the advantage of being the incumbent President in the midst of a war. Governor Dewey was thus handicapped in much of his campaigning. Yet Roosevelt slipped further. His percentage of the two-party vote dropped to less than 54%. The Republicans carried 12 states with 99 electoral votes.

If this slippage was not more remarked upon at the time it was because his third and fourth term elections were unprecedented and because the political writers were still under the spell of 1936.

That brings us to 1948. Every political journalist I know of (myself included) expected Harry Truman to lose. We were all mesmerized by the polls and by reading each other. So when he astonished us by winning, all the evidence of an erosion in the old coalition was discredited.

What failed to get the attention it deserved was the fact that the Roosevelt coalition was shattered. For the first time since 1932 the New Deal Democrats were a minority.

It's true that Truman had a comfortable margin in the electoral college—303 votes to 189 for Dewey. He also got 52% of the two-party vote. But by this time the two-party vote was by no means the whole of the matter. The Democrats had splintered at both ends of the spectrum.

The States Rights Party, or Dixiecrats, polled nearly 1.2 million votes. The Progressive Party of left-wing Democrats led by Henry Wallace won almost exactly the same. The result was that Harry Truman became our first minority President since Woodrow Wilson.

The 1948 election thus marked both the beginning of the end to the unchallenged ascendancy of the Democratic coalition, and also the beginning of a long period of American political indecisiveness.

If those of us who follow national politics didn't realize it, it was because the electorate kept confusing us in subsequent elections. The conclusions we might have drawn from the Eisenhower period were undone by the election of 1960. It put the Democrats again in the White House with Kennedy, a liberal in the familiar pattern.

Nonetheless, Kennedy won only by the narrowest of margins. In fact, there was at the time some suspicion he won only because of some peculiarities of the votes counted in Illinois and Texas. Moreover, because of the Third Party candidacy of Harry Byrd of Virginia, John Kennedy—like Harry Truman before him—was a minority President in the popular vote.

But that impression was wiped out by the landslide victory of Lyndon Johnson in 1964. Only in retrospect could we see that his sweep was compounded of sentimental appeal of the martyred Kennedy plus the ineptness of the Goldwater campaign, especially with regard to the Vietnam war.

In any event, four years later the Republicans were back again—with, of all people, Richard Nixon, risen from the political ashes. This too, though, was a squeaker. Once again we had a minority President, and though Nixon captured the White House the Democrats retained control of Congress. We all thought, and with some reason, that Nixon won only because Johnson had been unable to resolve the Vietnam war.

In 1972, as we all recall, it was Nixon's turn for a landslide—a bigger sweep of the electoral college than either Lyndon Johnson's or Franklin Roosevelt's. He carried every state except Massachusetts.

Remember, though, that much of this was attributed to the Democrats' choice of George McGovern, a man who appeared as much an extremist of the left as Goldwater had of the right, and who also ran an inept campaign. And once again the Democrats kept control of Congress even in the face of that Nixon landslide.

Let me pause, then, for a brief recapitulation.

With the single exception of Lyndon Johnson, no Democrat from 1944 through 1968 won the Presidency by a true majority of the votes. The Presidency see-sawed between the two major parties, three Democrats (Truman, Kennedy and Johnson) and two Republicans (Eisenhower and Nixon).

Three of those Presidents (Truman, Eisenhower and Nixon) had at least one house of the congress controlled by the opposition party. Three of them (Truman, Kennedy and Nixon the first time) were minority Presidents, two of them Democratic, one a Republican.

I submit that the only conclusion you could draw—at least in retrospect—from this crazy pattern was that the electorate was in one of the rare periods of our history when it was unwilling to commit itself irrevocably to either major party or to any political philosophy. Every election seemed to turn on some accident of the campaign.

I now have a confession to make. After the 1972 votes were counted I wrote that perhaps at long last the Republicans had a chance to regain the dominant role. For one thing—though we have forgotten it in the wake of Watergate—at that time Richard Nixon was a much-admired man by the voters. Charisma he had none. Experience in government he did have, and he had shown in his China move the ability to grasp the realities of the world.

I also thought that Nixon, unlike Eisenhower, would make a real effort to rebuild the Republican party as a party, something he had already begun during his days in the wilderness.

This prediction came a cropper on the rocks of Watergate. After the brief interregnum of Jerry Ford, it was the Democrats again with Jimmy Carter. And then came Ronald Reagan.

So much is history.

What conclusions can we draw from all of this? What may it suggest about the current and future course of American politics? And what will this Reagan revolution—or counter-revolution, if you prefer—mean in terms of economic and social policy for the country?

Here I must abandon the factual record and offer you only some personal and intuitive thoughts.

In the first place, as I've mentioned, I've always thought there were inherent contradictions in the liberal Democratic coalition and the policies on which it was based, that is, conflicts of interest between its various parts. Farmers want high prices and so are happy with price supports and similar farm programs. The urban dweller and industrial worker want cheap food but high industrial prices to support high wages. The middle class, those in professions and in business, want low taxes and a stable dollar. During the Depression these conflicts were suppressed because everyone was suffering. The government could offer something for everyone without too much penalizing any particular interest.

Moreover, inflation was unheard of. Taxes weren't high enough, at least in the beginning, to be onerous for any group, even the prosperous and the well-to-do. But in time—inevitably, I think—the policy of trying to give more and more to every special group began to exact a cost on every group in our society. Inflation hurts everyone, the poor most of all. So do high interest rates, the cost of borrowing money to buy automobiles or houses or whatever. So do high taxes, obviously so on the middle class but indirectly so on the nation's business because they shrink savings and shrunken savings reduce the money available for investment—whether for building houses or for new plants and equipment in industry.

In all of this lie the seeds of the Reagan counter-revolution. That they had long been sown is shown by the fact that Reagan ran and won in 1980 sounding very much like a new-style Democrat Jimmy Carter, in 1976. "Get the government off our backs." Remember? There is irony indeed!

Now comes the $64 question. Or maybe the $64 billion question. Or even the $100 billion question.

Have we truly had a durable counter-revolution ushering in a new era of economic and political policy? Or will President Reagan prove to be one more aberration, after which we return again to the Democratic political and economic liberalism that so long dominated public policy? We have, after all, been misled before by single elections.

That's a question I can't answer for you. I can only note a few interesting things, and then offer a thought on what the answer may turn.

I note first that Mr. Reagan is the first President of my adult memory to come to office with a clear idea of what he wanted to do with it. Roosevelt didn't; he changed course several times before the New Deal was born. None of the others did. However ably they performed, they improvised.

I note also that President Reagan is unique in that once in office he immediately set out to do exactly what he promised to do if elected. He immediately proposed big budget cuts and big tax cuts. I note further that in both these endeavors he had the support of the public. Had that not been the case he would not have got them approved by a stunned and reluctant Congress.

So it seems to me that the public is presently in the mood for what, for lack of a better phrase, we'll have to call a "conservative" approach to government spending and tax policy, which means a reduction in both the size and the scope of the Federal government.

But that does not fully answer our question whether Mr. Reagan leads a durable counter-revolution or will prove merely another aberration.

For one reason, parts of his policy are contradictory. He proposes cutting some parts of the budget, increasing others. This, combined with his tax cuts, increases—not decreases—the size of the government's deficits.

This isn't exactly what you would expect from a conservative Republican Administration. And—irony of ironies—it has brought indignant warnings from the most liberal of liberal Democratic spenders. Just listen to Tip O'Neill:

So now, as you all know, President Reagan is in political trouble. In addition to those horrendous sounding budget deficits the country is in a recession. Whether or not the Reagan policies caused the recession makes no difference in politics. The President in office always gets blamed for the country's ills, whatever they are. That's the American way.

But the Democrats, or at least the liberal ones, are caught in a political bind themselves. There are only two ways to reduce that deficit of which they loudly complain. Raise taxes or cut spending further. A tax increase brings political trouble; you can at least be sure the Democratic house won't try it this year with Congressional elections coming up. As for further cuts in spending, where are they to come from? Some, perhaps, from the defense budget, but there's not enough there to knock a hole in a $100 billion deficit.

That leaves the domestic budget. What cuts can the Democrats propose there? In welfare, in aid-to-education, in tobacco and other farm price supports? Or in housing subsidies? Or in the area of "entitlements," such as Social Security?

Are the Democrats going to try to out-Reagan Reagan in cutting such domestic expenses? The thought boggles the mind.

Or are they, perhaps, going to demand that the Federal Reserve once more unleash the money-manufacturing machine, run the printing presses? To do that threatens to start another inflationary spiral, which is one of the things that got the Democrats in trouble in the first place?

Frankly, if I were a Republican I would find it politically difficult to defend the Reagan budgets or to escape the consequences of what's now called the Reagan recession.

On the other hand, if I were a Democrat I'd be chilled at the thought of advocating higher taxes or further domestic budget cuts as a way of reducing those deficits. I'd be equally uneasy proposing the old Democratic prescription for curing recessions—that is, bigger government spending and never mind the deficits. That's what got the country, and the party, in trouble.

In short, both parties have their political problems because the country has new problems and neither party has, as yet, inspired the country with the confidence it has the right politics for the new times.

I wish I could tell you how all this will come out. But in some 45 years of writing about American politics I've learned only one enduring lesson. Political prognostication is a precarious business. As a Tar Heel born and bred, I'd never have predicted a decade ago that North Carolina could have a Republican governor or that it would—in this year of 1982—have two Republican Senators. That kind of thing ought to shake up Democrats as well as journalists.

It's quite possible that come November the Democratic party will make some Congressional gains; the party with the White House usually loses in these off-year elections.

It's also possible that the Democrats can regain the White House in 1984. Mr. Reagan is getting along in years and there's no other Republican in sight with his political charisma. But 1984 is a guessing game. Much can happen between now and then. Much depends on whether the recession is still with us, on whether the promises of supply-side economics have been fulfilled and the country is moving forward again.

On those questions a journalist's crystal ball is cloudy.

All I can observe is that the political mood of the country has been swinging now for several decades, that the swing didn't begin just two years ago and that pendulum swings once begun are hard to halt.

What seems to have happened—or so it seems to me—is that the old politics has played out. I do not mean that the country has turned its back on the idea, born in the Depression of the 1930s, that we the people collectively should accept a responsibility for the unfortunate among us—the old, the sick, those mired in poverty or those thrown out of work by circumstances over which they have no control. The strain of compassion runs too deep in the American people for that.

Nor do I mean we are ready to reject the idea that our government must play an active role in influencing our economic activity. That its fiscal and monetary policies must be adapted to the circumstances of the moment. We won't—and I don't think we should—go back to the *laissez faire* attitude, the hands-off policy, of the distant past.

What has come is a realization that government, too, must be restrained and that its resources too are limited. It cannot tax and tax, spend and spend in order to elect and elect, without unhappy consequences for us all. Time has taught people there ain't no such thing as a free lunch.

So I will venture the thought that the next President, be he Democratic or Republican, will have a hard time trying to return the country to those happily remembered days of the New Deal, the Fair Deal and the New Society, when we thought the government could pay for just about everything.

The future, then, belongs to the party, and to the political leader, who finds the best response to new problems. President Reagan is seeking it but we will have to wait a time before we can see whether he has found it.

And speaking of free lunches, I'm paying for this one by standing here like the fellow at the State Fair who sticks his head through a hole for everybody to throw baseballs at him!

Anyway, I thank you for listening.

Biographical Sketch

Vermont Connecticut Royster was born April 30, 1914 in Raleigh. His unusual Christian names resulted from a fading family tradition begun when two Royster brothers—one of them his great-grandfather—moved from Virginia to North Carolina in the 1800s. They decided to name all their sons for states so that the cousins could be more easily distinguished.

Thus, members of that generation of Roysters had Christian names like Arkansas, Delaware, Georgia, Alabama, Iowa Michigan, Virginia, Carolina, Wisconsin, Illinois and Vermont Connecticut (the grandfather for whom young Vermont was named). A distant relative even went through life as Nathaniel Confederate States Royster.

Young Vermont's parents—Wilbur High Royster, a Raleigh attorney, and the former Olivette Broadway (both deceased)—had two other children: Thomas Broadway Royster, a U.S. Marine Corps major killed at Tarawa in World War II, and Saravette Royster Trotter, now of Rocky Mount.

Vermont Royster was reared in Raleigh, where he got his first taste of newspapering as a high school correspondent for the News and Observer. (He later admitted that he was hooked on journalism from the time he saw his first few words in print.)

He was graduated from Hugh Morson High School in 1929, then attended the Webb School in Bell Buckle, Tenn., a prep school specializing in classical languages, for two years before entering UNC-Chapel Hill in the fall of 1931.

At UNC Vermont Royster was an actor and playwright for the Carolina Playmakers, which produced two of his original one-act plays, and worked four years on The Daily Tar Heel. He was also a campus correspondent for the Durham Morning Herald.

Mr. Royster earned a Phi Beta Kappa key, and received his AB in classical languages in 1935 in the midst of the Depression. Not surprisingly, his journalistic experience, rather than his fluency in Latin and Greek, proved his most negotiable job skill. ("When you get out of college and you have a nodding acquaintance with Euripides, it doesn't really qualify you for much else," he remarked about his career choice.)

After briefly covering night courts and police for the old New York City News Bureau, Mr. Royster joined The Wall Street Journal as a reporter in 1936. He subsequently served The Journal as a Washington correspondent (1936–40, 1945–46).

(As an officer in the U.S. Naval Reserve, Mr. Royster was called to active duty a year before Pearl Harbor. Among other assignments during the war, he commanded the USS *Jack Miller*, a destroyer escort, in the final battles in the Pacific around Japan. He completed his service as a lieutenant commander.)

Mr. Royster later served as The Journal's chief Washington correspondent (1946–48), associate editor and senior associate editor in New York (1948–58) and editor-in-chief (1958–71) and senior vice president of Dow Jones & Company, Inc., The Journal's publisher. He resigned the latter two positions in 1971 and returned to Chapel Hill. But he continued to write a regular "personal" column, "Thinking Things Over," that he started in 1964, and remained on the Dow Jones board of directors. (He is also a director of Wachovia Corporation.)

Mr. Royster now teaches part-time as Kenan Professor at UNC School of Journalism; writes for a variety of publications, from The American Scholar to The Readers' Digest and TV Guide; and appears as a radio and television commentator. He has authored three books—Journey Through the Soviet Union, A Pride of Prejudices and The American Press and the Revolutionary Tradition—and has written many chapters in books edited by others.

Vermont Royster has won every major press award. The citation for his 1953 Pulitzer Prize for editorial writing credits him with "an ability to discern the underlying moral issue, illuminated by a deep faith and confidence in the people of our country; with warmth, simplicity and understanding of the basic outlook of the American people."

Mr. Royster received the Sigma Chi Delta medal and the William Allen White Award, both for distinguished service to journalism, in 1958 and 1971, respectively. He received the Gerald Loeb Award in 1975 (for his contribution to economic journalism) and the Elijah Lovejoy Award from Colby College in 1976. In 1978 The National Press Club of Washington gave him its Fourth Estate Award "for a lifetime of service to journalism." And in April 1981 Mr. Royster became one of the first five inductees into the new N.C. Journalism Hall of Fame at UNC-Chapel Hill.

Vermont Royster served as president of the National Conference of Editorial Writers (1957) and of the American Society of Newspaper Editors (1965–66), and as a member and officer of various other distinguished groups. He holds honorary doctoral degrees from UNC-Chapel Hill, Temple University, Elon College and Colby College.

Mr. Royster married the former Frances Claypoole of New Bern in 1937. They have two daughters—Frances and Eleanor (Mrs. Leon Eidles of Dallas, Texas)—and two grandchildren.

Much of Vermont Royster's writing epitomizes English poet and critic Matthew Arnold's observation that "Journalism is literature in a hurry." The following passage typifies Mr. Royster's provocative prose: "Nothing is so corrupting to a man as to believe it is his duty to save mankind from men. He comes to evil because he must first usurp the rights of men and finally the prerogatives of God."

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Ms. Mikulski (at the request of Mr. Wright), after 1:15 p.m. today, on account of illness in the family.

Mrs. Schneider (at the request of Mr. Michel), for today, on account of illness in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Williams of Ohio) to revise and extend their remarks and include extraneous material:)

Mr. Daub, for 5 minutes, today.

Mr. Collins of Texas, for 45 minutes, today.

Mr. Paul, for 15 minutes, today.

(The following Members (at the request of Mr. Ratchford) to revise and extend their remarks and include extraneous material:)

Mr. Gaydos, for 60 minutes, today.

Mr. Stratton, for 30 minutes, today.

Mr. Gonzalez, for 15 minutes, today.

Mr. Bingham, for 20 minutes, today.

Mr. Phillip Burton, for 15 minutes, today.

Mr. Annunzio, for 5 minutes, today.

Mr. Coelho, for 5 minutes, today.

Mr. Frank, for 10 minutes, today.

Mr. Pepper, for 5 minutes, today.

Mr. Mica, for 5 minutes, today.

Mr. Rodino, for 5 minutes, today.

Mr. Panetta, for 5 minutes, today.

Mr. Ford of Michigan, for 10 minutes, on May 13.

Mr. McCurdy, for 10 minutes, on May 13.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Fountain, and to include extraneous matter, notwithstanding the fact that it exceeds two pages of the Record, and is estimated by the Public Printer to cost $1,428.

Mr. Williams of Montana, prior to the vote on the Boland amendment to H.R. 5922 in the Committee of the Whole today.

(The following Members (at the request of Mr. Williams of Ohio) and to include extraneous matter:)

Mrs. Martin of Illinois.

Mr. Wampler.

Mr. Lowery of California in three instances.

Mr. McCloskey.

Mr. Lewis.

Mr. Dornan of California.

Mr. Conte in two instances.

Mr. Findley.

Mr. Roth.

Mr. Parris in two instances.

Mr. Marriott.

Mr. Corcoran.

Mr. Bailey of Missouri.

Mr. Railsback.

Mr. Miller of Ohio in two instances.

Mr. Spence.

Mr. Goldwater.

Mrs. Schneider.

Mr. Madigan.

Mr. Fields.

Mr. Porter.

Mr. Daub.

Mr. Collins of Texas in three instances.

Mr. Lagomarsino in two instances.

Mrs. Fenwick.

Mr. Broomfield.

Mr. Snyder.

Mr. Dougherty.

Mr. Philip M. Crane.

Mr. Gilman in two instances.

(The following Members (at the request of Mr. Ratchford) and to include extraneous matter:)

Mr. Stark in three instances.

Mr. Jacobs.

Mr. Rose.

Mr. Solarz in two instances.

Mr. Ottinger in three instances.

Mr. Conyers.

Mr. Gore.

Mr. Vento.

Mr. Pepper.

Mr. Hubbard.

Mr. Ford of Michigan.

Mr. Addabbo.

Mr. Miller of California in two instances.

Mr. Volkmer.

Mr. Gibbons.

Mr. Minish.

Mrs. Kennelly.

Mr. Dyson.

Mr. Udall.

Mr. Weiss in two instances.

Mr. Gejdenson.

Mr. Fauntroy.

Mr. Ratchford.

Mr. Bolling.

Mr. Barnes.

Ms. Ferraro.

Mr. Bailey of Pennsylvania.

SENATE BILLS AND JOINT RESOLUTION REFERRED

Bills and a joint resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 159. An act to authorize the exchange of certain land held by the Navajo Tribe and the Bureau of Land Management, and for other purposes; to the Committee on Interior and Insular Affairs.

S. 792. An act to promote the development of Native American culture and art; to the Committee on Interior and Insular Affairs and the Committee on Education and Labor.

S. 835. An act for the relief of Jerry L. Crow; to the Committee on Interior and Insular Affairs.

S. 933. An act to authorize rehabilitation of the Belle Fourche irrigation project, and for other purposes; to the Committee on Interior and Insular Affairs.

S. 1501. An act entitled the "Educational Mining Act of 1982"; to the Committee on Interior and Insular Affairs.

S. 1519. An act to designate certain national wildlife refuge lands; to the Committee on Interior and Insular Affairs.

S. 1628. An act to amend the Emergency Fund Act (act of June 26, 1948, 62 Stat. 1052); to the Committee on Interior and Insular Affairs.

S.J. Res. 161. Joint resolution to designate the week commencing with the fourth Monday in June 1982 as "National NCO/Petty Officer Week"; to the Committee on Post Office and Civil Service.

ENROLLED BILL SIGNED

Mr. HAWKINS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 2863. An act to authorize the Secretary of Agriculture to sell the portion of the Tahoe National Forest known as Blyth Arena.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles.

S. 146. An act to authorize the Secretary of the Interior to assist in the preservation of historic Camden in the State of South Carolina, and for other purposes;

S. 691. An act to amend titles 18 and 17 of the United States Code to strengthen the laws against record, tape, and film piracy and counterfeiting, and for other purposes; and

S. 1131. An act to require the Federal Government to pay interest on overdue payments, and for other purposes.

ADJOURNMENT

Mr. STRATTON. Mr. Speaker, I move that the house do now adjourn.

The motion was agreed to; accordingly (at 9 o'clock and 3 minutes p.m.), the House adjourned until tomorrow, Thursday, May 13, 1982, at 11 a.m.

EXPENDITURE REPORTS CONCERNING OFFICIAL FOREIGN TRAVEL

Reports of various House committees concerning the foreign currencies and U.S. dollars utilized by them during the first quarter of calendar year 1982 in connection with foreign travel pursuant to Public Law 92-384 are as follows:

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON AGRICULTURE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1982

Name of member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
James M. Jeffords	1/6	1/8	Netherlands [3]	654.15	267.00						267.00
Floyd J. Fithian	1/4	1/6	Belgium	7,507	196.00						196.00
	1/5	1/7	Netherlands [4]	436.10	178.00						178.00
Via military aircraft 1-way							1,478.58				1,478.58

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON AGRICULTURE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1982—Continued

Name of member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
William M. Thomas	1/4	1/6	Belgium	5,507	196.00						196.00
	1/6	1/10	Netherlands	1,090.25	445.00						445.00
	1/11	1/12	Switzerland	347.30	190.00						190.00
Via military aircraft							2,957.15				2,957.15
Committee total					1,472.00		4,435.73				5,907.73

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

[3] Continued on to Rome in conjunction with his military reserve duty—no expense to the Agriculture Committee. From Rome to Bonn to Paris at request of Education and Labor Committee Chairman—no expense to Agriculture Committee

[4] To London via commerical aircraft at their own expense.

E de la GARZA, Chairman, Apr. 29, 1982.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON APPROPRIATIONS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 30, 1982

Name of member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. Joseph Addabbo	1/5	1/6	Italy		125.00						125.00
	1/6	1/9	Egypt		225.00						225.00
	1/9	1/11	Israel		180.00						180.00
	1/11	1/14	Pakistan		249.00						249.00
	1/14	1/17	Thailand		239.25						239.25
	1/17	1/20	Philippines		225.00						225.00
	1/20	1/23	United States		300.00		[3] 4,300.00				4,600.00
Hon. Bernard Dwyer	1/6	1/20	Italy		1,015.00		262.78				1,277.78
Transportation (DOD)							2,954.76				2,954.76
Hon. Jack Edwards	1/6	1/9	Egypt		225.00						225.00
	1/9	1/11	Israel		180.00						180.00
	1/11	1/14	Pakistan		249.00						249.00
	1/14	1/17	Thailand		239.25						239.25
	1/17	1/20	Philippines		225.00						225.00
	1/20	1/23	United States		300.00		4,300.00				4,600.00
Hon. Mickey Edwards	3/2	3/4	Belgium		180.00						180.00
	3/4	3/7	Poland		291.00						291.00
	3/7	3/8	Austria		83.00						83.00
	3/8	3/9	Italy		78.00						78.00
Transportation (DOD)							4,348.00				4,348.00
Hon. Clarence Long	2/11	2/12	Mexico		75.00						75.00
	2/12	2/13	Guatemala		75.00						75.00
	2/13	2/15	Honduras		150.00						150.00
	2/15	2/15	Nicaragua								
	2/15	2/16	Panama		75.00						75.00
	2/16	2/18	Costa Rica		150.00						150.00
	2/18	2/19	El Salvador				[3] 858.00				858.00
Hon. Joseph M. McDade	1/6	1/9	Egypt		225.00						225.00
	1/9	1/11	Israel		180.00						180.00
	1/11	1/14	Pakistan		249.00						249.00
	1/14	1/17	Thailand		239.25						239.25
	1/17	1/20	Philippines		225.00						225.00
	1/20	1/23	United States		300.00		[3] 4,300.00				4,600.00
Hon. Matthew McHugh	3/2	3/4	Belgium		180.00						180.00
	3/4	3/7	Poland		291.00						291.00
	3/7	3/8	Austria		83.00						83.00
	3/8	3/9	Italy		78.00						78.00
Transportation (DOD)							4,348.00				4,348.00
Hon. John T. Myers	1/6	1/9	Egypt		225.00						225.00
	1/9	1/11	Israel		180.00						180.00
	1/11	1/14	Pakistan		249.00						249.00
	1/14	1/17	Thailand		239.25						239.25
	1/17	1/20	Philippines		225.00						225.00
	1/20	1/23	United States		300.00		[3] 4,300.00				4,600.00
Hon. J Kenneth Robinson	1/6	1/9	Egypt		225.00						225.00
	1/9	1/11	Israel		180.00						180.00
	1/11	1/14	Pakistan		249.00						249.00
	1/14	1/17	Thailand		239.25						239.25
	1/17	1/20	Philippines		225.00						225.00
	1/20	1/23	United States		300.00		[3] 4,300.00				4,600.00
Hon. Eldon Rudd	1/4	1/5	Venezuela		115.00						115.00
	1/5	1/8	Brazil		285.00						285.00
	1/8	1/10	Argentina		280.00						280.00
	1/10	1/12	Chile		268.00						268.00
	1/12	1/14	Peru		150.00						150.00
	1/14	1/16	Mexico		156.00						156.00
Transportation (DOD)							3,473.37				3,473.37
Hon. Martin Olav Sabo	1/2	1/16	Antarctica		1,050.00		4,631.00				5,681.00
Hon. Charles Wilson	12/30	1/6	United Arab Emirates		994.00						994.00
	1/6	1/6	Oman		138.00						138.00
	1/6	1/10	United Arab Emirates		568.00		3,690.00				4,258.00
George Allen	1/6	1/9	Egypt		225.00						225.00
	1/9	1/11	Israel		180.00						180.00
	1/11	1/14	Pakistan		249.00						249.00
	1/14	1/17	Thailand		239.25						239.25
	1/17	1/20	Philippines		225.00						225.00
	1/20	1/23	United States		300.00		[3] 4,300.00				4,600.00
Jimmy R. Fairchild	2/11	2/12	Mexico		75.00						75.00
	2/12	2/13	Guatemala		75.00						75.00
	2/13	2/15	Honduras		150.00						150.00
	2/15	2/15	Nicaragua		0						0
	2/15	2/16	Panama		75.00						75.00
	2/16	2/18	Costa Rica		150.00						150.00
	2/18	2/19	El Salvador		75.00		[3] 882.00				957.00

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON APPROPRIATIONS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 30, 1982—Continued

Name of member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Robert B. Foster	1/8	1/11	United States		225.00						225.00
	1/11	1/14	Guam		300.00						300.00
	1/15	1/20	Australia		491.00						491.00
	1/20	1/23	New Zealand		192.00						192.00
	1/23	1/24	United States		75.00		5,505.32				5,580.32
Sandra A. Gilbert	1/6	1/9	Egypt		225.00						225.00
	1/9	1/11	Israel		180.00						180.00
	1/11	1/14	Pakistan		249.00						249.00
	1/14	1/17	Thailand		239.25						239.25
	1/17	1/20	Philippines		225.00						225.00
	1/20	1/23	United States		300.00		[3]4,300.00				4,600.00
Merwyn C. Greer	1/8	1/11	United States		225.00						225.00
	1/11	1/14	Guam		300.00						300.00
	1/15	1/20	Australia		490.00						490.00
	1/20	1/23	New Zealand		192.00						192.00
	1/23	1/24	United States		75.00		5,915.00				5,990.00
Peter J. Murphy, Jr.	1/6	1/9	Egypt		225.00						225.00
	1/9	1/11	Israel		180.00						180.00
	1/11	1/14	Pakistan		249.00						249.00
	1/14	1/17	Thailand		239.25						239.25
	1/17	1/20	Philippines		225.00						225.00
	1/20	1/23	United States		300.00		[3]4,300.00				4,600.00
Mark W. Murray	1/8	1/10	Bahrain		304.00						304.00
	1/10	1/12	Oman		276.00						276.00
	1/12	1/13	French Terr. of Afars and Issas		110.00						110.00
	1/13	1/15	Egypt		150.00						150.00
	1/15	1/16	Greece		75.00						75.00
	1/16	1/20	Morocco		375.00		3,444.55				3,819.55
Transportation (DOD)							2,859.67				2,859.67
John G. Osthaus	1/5	1/7	England		216.00						216.00
	1/7	1/10	Germany		267.00		95.49				362.49
	1/10	1/11	Austria		86.00		188.89				274.89
	1/11	1/13	Switzerland		190.00						190.00
	1/13	1/15	Spain		150.00		2,921.00				3,071.00
Terry R. Peel	1/8	1/10	Bahrain		304.00						304.00
	1/10	1/12	Oman		276.00						276.00
	1/12	1/13	French Terr. of Afars and Issas		110.00						110.00
	1/13	1/15	Egypt		150.00						150.00
	1/15	1/16	Greece		75.00						75.00
	1/16	1/20	Morocco		375.00		3,444.55				3,819.55
Transportation (DOD)							2,859.67				2,859.67
John G. Plashal	1/6	1/9	Egypt		225.00						225.00
	1/9	1/11	Israel		180.00						180.00
	1/11	1/14	Pakistan		249.00						249.00
	1/14	1/17	Thailand		239.25						239.25
	1/17	1/20	Philippines		225.00						225.00
	1/20	1/23	United States		300.00		[3]4,300.00				4,600.00
Edwin F. Powers	1/7	1/9	Austria		250.00						250.00
	1/10	1/11	Egypt		150.00						150.00
	1/12	1/14	Sudan		354.00						354.00
	1/15	1/17	Kenya		225.00						225.00
	1/18	1/20	England		324.00		2,798.00				3,122.00
Edwin F Powers	2/11	2/12	Mexico		75.00						75.00
	2/12	2/13	Guatemala		75.00						75.00
	2/13	2/15	Honduras		150.00						150.00
	2/15	2/15	Nicaragua								0
	2/15	2/16	Panama		75.00						75.00
	2/16	2/18	Costa Rica		150.00						150.00
	2/18	2/19	El Salvador		75.00		[3]882.00				957.00
Samuel Ralph Preston	1/15	1/9	Egypt		225.00						225.00
	1/9	1/11	Israel		180.00						180.00
	1/11	1/14	Pakistan		249.00						249.00
	1/14	1/17	Thailand		239.25						239.25
	1/17	1/20	Philippines		225.00						225.00
	1/20	1/23	United States		300.00		[3]4,300.00				4,600.00
Austin G. Smith	1/5	1/6	Italy		125.00						125.00
	1/6	1/9	Egypt		225.00						225.00
	1/9	1/11	Israel		180.00						180.00
	1/11	1/14	Pakistan		249.00						249.00
	1/14	1/17	Thailand		239.25						239.25
	1/17	1/20	Philippines		225.00						225.00
	1/20	1/23	United States		300.00		[3]4,066.21				4,366.21
Hunter L. Spillan	1/8	1/11	United States		225.00						225.00
	1/11	1/14	Guam		300.00						300.00
	1/15	1/20	Australia		490.00						490.00
	1/20	1/23	New Zealand		192.00						192.00
	1/23	1/24	United States		75.00		5,915.00				5,990.00
James Van Wagenen	2/12	2/13	El Salvador		75.00		42.56				117.56
	2/13	2/14	Nicaragua		75.00						75.00
Transportation (DOD)							3,058.13				3,058.13
J. David Willson	1/9	1/13	Japan		395.00						395.00
	1/14	1/16	Korea		225.00						225.00
	1/17	1/21	United States		250.00		3,723.07				3,973.07
Committee total					33,517.75		116,167.02				149,684.77
Appropriations, Surveys, and Investigations staff:											
Richard H. Ash	1/9	1/14	France		651.00		2,192.00		36.70		2,879.70
	1/15	1/22	Kenya		620.25				26.04		646.20
Robert W. Catlin, Jr	3/23	3/28	Japan		450.00		2,149.59		23.06		2,622.65
Reginald R. Clay	3/23	3/28	Japan		450.00		2,149.59		23.06		2,622.65
Jack A. DeSipio	1/30	2/3	England		488.25		1,270.00		27.39		1,785.64
	2/3	2/5	France		192.00				18.36		210.36
	2/5	2/7	Germany		195.00				6.48		201.48
Francis J. King	1/30	2/3	England		488.25		1,270.00		78.80		1,837.05
	2/3	2/5	France		192.00				31.89		223.89
	2/5	2/7	Germany		195.00				24.61		219.61
Frank T. Lyons	1/9	1/14	France		651.00		2,192.00		49.00		2,892.00
	1/15	1/22	Kenya		620.25				28.44		648.69
Joseph W. Montefiore	1/9	1/14	France		651.00		2,192.00		22.80		2,865.80

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON APPROPRIATIONS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 30, 1982—Continued

Name of member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Joseph A Vignali	1/15	1/22	Kenya		620.25				18.56		638.81
	1/9	1/14	France		651.00		2,192.00		18.76		2,861.72
	1/15	1/22	Kenya		620.25				18.85		639.13
Staff total					7,735.50		15,607.18		452.80		23,795.48

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

[3] Transportation furnished by DOD. Costs shown are comparable 1st-class commercial rate.

JAMIE L. WHITTEN, Chairman, Apr. 29, 1982.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1982

Name of member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. David Evans	12/28	1/5	Israel		675.00						675.00
Hon. Jerry M. Patterson	1/4	1/6	England		324.00		[3]128.33				452.33
	1/6	1/11	France		448.00		[3]256.59		125.17		829.76
	1/11	1/15	Ireland		424.00		[4]6,042.10				6,466.10
Jonathan Sanford	1/5	1/17	India		1,004.00		[5]2,552.00				3,556.00
Hon. Frank Annunzio	1/6	1/19	Italy		1,741.00		[4]4,710.93				6,451.93
								[3]262.78			262.78
Hon. Bruce Vento	1/6	1/19	Italy		1,741.00		[4]4,710.93				6,451.93
								[3]262.78			262.78
Hon. John J LaFalce	1/6	1/14	Italy		816.00		[4]2,892.04				3,708.04
								[6]593.89			
								[3]262.78			856.67
Curtis Prins	1/6	1/19	Italy		1,741.00		[4]4,710.93				6,451.93
								[3]262.78			262.78
Jan Shinpoch	3/18	3/23	Colombia		516.00		[5]943.67				1,459.67
								(7)			
Hon. Jerry M Patterson	/25	3/29	Colombia		430.00		[4]1,072.02		(7)		1,502.02
Hon. Henry S. Reuss	3/25	3/29	Colombia		430.00		[4]1,072.02		(7)		1,502.02
Paul Nelson	3/25	3/29	Colombia		430.00		[4]1,072.02		(7)		1,502.02
Michael Flaherty	3/25	3/29	Colombia		430.00		[4]1,072.02		(7)		1,502.02
James Orr	3/25	3/29	Colombia		430.00		[4]1,072.02		(7)		1,502.02
Mark Constantine	3/25	3/29	Colombia		430.00		[4]1,072.02		(7)		1,502.02
Jan Shinpoch	3/25	3/29	Colombia		430.00		[4]1,072.02		(7)		1,502.02
Committee total					12,440.00		36,096.67		125.17		48,661.84

[1] Per diem constitutes lodging and meals. [2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended. [3] Ground transportation. [4] Military air fare. [5] Commercial air fare. [6] Commercial-return trip. [7] Ground transportation costs not available from State Department.

FERNAND J ST GERMAIN, Chairman, Apr. 26, 1982

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON THE BUDGET, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1982

Name of member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Representative David Obey	3/2	3/4	Belgium	8,098	186.00						186.00
	3/4	3/7	Poland	23,879.70	291.00						291.00
	3/7	3/8	Austria	10,366.20	83.00						83.00
	3/8	3/9	Italy	99,528	78.00						78.00
Transportation (Department of the Army)							4,348.00				4,348.00
Representative Thomas J. Downey	3/2	3/4	Belgium	8,098	186.00						186.00
	3/4	3/7	Poland	23,879.70	291.00						291.00
	3/7	3/8	Austria	10,366.20	83.00						83.00
	3/8	3/9	Italy	99,528	78.00						78.00
Transportation (Department of the Army)							4,348.00				4,348.00
Representative Mike Lowry	3/2	3/4	Belgium	8,098	186.00						186.00
	3/4	3/7	Poland	23,879.70	291.00						291.00
	3/7	3/8	Austria	10,366.20	83.00						83.00
	3/8	3/9	Italy	99,528	78.00						78.00
Transportation (Department of the Army)							4,348.00				4,348.00
Representative Ed Bethune	3/2	3/4	Belgium	8,098	186.00						186.00
	3/4	3/7	Poland	23,879.70	291.00						291.00
	3/7	3/8	Austria	10,366.20	83.00						83.00
	3/8	3/9	Italy	99,528	78.00						78.00
Transportation (Department of the Army)							4,348.00				4,348.00
William J. Cleary	3/2	3/4	Belgium	8,098	186.00						186.00
	3/4	3/7	Poland	23,879.70	291.00						291.00
	3/7	3/8	Austria	10,366.20	83.00						83.00
	3/8	3/9	Italy	99,528	78.00						78.00
Transportation (Department of the Army)							4,348.00				4,348.00
Note:											
Group expenses (Belgium), local transportation)							243.69				243.69
Group expenses (Belgium), miscellaneous expenses									904.73		904.73
Group expenses (PolanJ), local transportation							216.09				216.09
Group expenses (Poland), miscellaneous expenses									2,202.63		2,202.63

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON THE BUDGET, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1982—Continued

Name of member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Committee totals					3,190.00		22,199.78		3,107.36		28,497.14

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

Note: Expenses not available for Austria and Italy. A supplement will be filed.

JAMES R. JONES, Chairman, Apr. 30, 1982.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON EDUCATION AND LABOR, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 and MAR. 31, 1982

Name of member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Congressman George Miller	1/3	1/5	Colombia		249.87						
	1/5	1/6	Nicaragua			$79.98					
	1/6	1/9	Dominican Rep.		225.00						
	1/9	1/12	Haiti		257.50						
	1/12	1/14	Jamaica		194.00						
Military transportation							6,770.40				7,776.75
Congressman James Jeffords	1/17	1/20	Germany	611.43	267.00						
	1/20	1/22	France		192.00						
Navy Department transportation							1,823.00				2,282.00
Committee total					1,385.37	79.98	8,593.40				10,058.75

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

Note: The Navy Department paid for round trip air fare from the United States to Europe. One-half of the air fare is reported through the Agriculture Committee and ½ of the airfare is reported through the Education and Labor Committee ($3,646 total round trip air fare).

CARL D. PERKINS, Chairman, Apr. 30, 1982.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON ENERGY AND COMMERCE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. AND MAR. 1982

Name of member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Benson, Kathleen	2/19	2/22	Germany		344.00		2,772.00				3,116.00
Davis, Sharon	2/19	2/22	Germany		344.00		2,772.00				3,116.00
Kitzmiller, William M.	2/19	2/22	Germany		344.00		2,772.00				3,116.00
Potter, Frank M., Jr.	2/19	2/22	Germany		344.00		2,772.00				3,116.00
Woo, Michael T.	2/19	2/22	Germany		344.00		2,772.00				3,116.00
Brubaker, Gerald	1/3	1/5	England		216.00		1,583.53				1,799.53
	1/5	1/9	Germany		347.00						347.00
	1/9	1/17	France		755.00						755.00
	1/17	1/20	Austria		258.00						258.00
Mathews, Nancy	1/2	1/5	England		324.00		1,634.64				1,958.64
	1/6	1/9	Germany		347.00						347.00
	1/10	1/17	France		755.00						755.00
	1/18	1/21	Austria		344.00						344.00
Stewart, Michael	1/2	1/5	England		324.00		1,208.50				1,532.50
	1/6	1/9	Germany		347.00						347.00
	1/10	1/17	France		755.00						755.00
Warner, Christopher	1/2	1/5	England		324.00		1,208.50				1,532.50
	1/6	1/9	Germany		347.00						347.00
	1/10	1/17	France		755.00						755.00
Barrett, Michael	1/2	1/5	England		324.00		1,730.24				2,054.24
	1/6	1/9	Germany		347.00						347.00
	1/10	1/17	France		755.00						755.00
	1/18	1/21	Austria		344.00						344.00
McLain, Patrick	1/2	1/5	England		324.00		1,208.50				1,532.50
	1/5	1/9	Germany		347.00						347.00
	1/9	1/15	France		559.00						559.00
Smethurst, Benjamin	1/2	1/5	England		324.00		1,208.50				1,532.50
	1/5	1/8	Germany		347.00						347.00
	1/9	1/15	France		559.00						559.00
Committee total					12,148.00		23,642.41				35,790.41

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

JOHN D. DINGELL, Chairman, April 30, 1982.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, PERMANENT SELECT COMMITTEE ON INTELLIGENCE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1982

Name of member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Michael J. O'Neil, staff			Europe		624.00		2,081.90				2,705.90
			Asia		755.00						755.00
			Africa		150.00						150.00

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, PERMANENT SELECT COMMITTEE ON INTELLIGENCE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1982—Continued

Name of member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Patrick G. Long, staff			Europe		624.00		2,095.00				2,719.00
			Asia		755.00						755.00
			Africa		150.00						150.00
Hon. Wyche Fowler, Jr.			New Zealand		160.00						160.00
Herbert Romerstein, staff			Europe		468.00		958.00				1,426.00
Committee total					3,686.00		5,134.90				8,820.90

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

EDWARD P. BOLAND, Chairman, Apr. 30,

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON MERCHANT MARINE AND FISHERIES, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1982

Name of member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Foley, Elizabeth A.	1/14	1/17	Mexico		375.00		415.00				790.00
Hubbard, Carroll, MC	3/7	3/14	Panama		525.00		[3] 1,399.00				1,924.00
Lent, Norman F., MC	1/4	1/6	Belgium	7,507	196.00		[4] 48.19		[5] 17.03		
	1/6	1/10	Netherlands	1,090.25	445.00				[5] 37.15		
	1/11	1/12	Switzerland	347.30	190.00		61.69		[5] 9.46		
					[6] 2,957.15				3,961.67		
McClung, Robin	3/21	3/28	Panama		525.00		([7])				525.00
Woodward, William	1/7	1/12	Haiti	2,400	480.00		532.00				1,012.00
Committee totals					2,736.00		5,413.03		63.64		8,212.67

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Department of Defense paid air transportation via commerical airlines
[4] Local transportation.
[5] Miscellaneous control room costs.
[6] Transportation via military aircraft.
[7] Transporttion via military aircraft. DOD did not furnish cost.

WALTER B. JONES, Chairman, Apr 28, 1982.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1982

Name of member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Stangeland, Arlan	1/4	1/6	Belgium	7,507.00	196.00	196.00	48.19	333.79	17.03	8,036.79	261.22
	1/6	1/10	Netherlands	1,090.25	445.00			89.92	37.15	1,180.17	482.15
	1/11	1/12	Switzerland	347.30	190.00	149.11	65.96	18.28	9.46	514.69	265.42
Military air transportation							2,957.15				2,957.15
Levitas, Elliott H.	1/3	1/5	Finland	4,368.00	288.00	377.40	25.00			4,745.40	313.00
	1/5	1/11	U.S.S.R.		568.78		128.00		40.00		736.78
	1/11	1/13	Hungary	6,007.19	185.78			127.71	28.71	6,134.90	214.49
Commerical air transportation							2,596.00				2,596.00
O'Hara, John P.	1/3	1/5	Finland	4,368.00	288.00	377.40	25.00			4,745.40	313.00
	1/5	1/11	U.S.S.R.		568.78		128.00		40.00		736.78
	1/11	1/13	Hungary	6,007.19	185.78			127.71	28.71	6,134.90	214.49
Commercial air transportation							2,596.00				2,596.00
Shuster, E. G.	1/3	1/5	Finland	4,368.00	288.00	377.40	25.00			4,745.40	313.00
	1/5	1/11	U.S.S.R.		568.78		128.00		40.00		736.78
	1/11	1/13	Hungary	6,007.19	185.78		25.30	127.71	28.71	6,134.90	239.79
	1/13	1/16	Austria	4,115.10	258.00	4,412.50	266.56			8,527.60	524.56
Commercial air transportation							2,517.00				2,517.00
Butler, Kenneth	1/3	1/5	Finland	4,368.00	288.00	377.40	25.00			4,745.40	313.00
	1/5	1/11	U.S.S.R.		568.78		128.00		40.00		736.78
	1/11	1/13	Hungary	6,007.19	185.78		25.30	127.71	28.71	6,134.90	239.79
	1/13	1/16	Austria	4,115.10	258.00	4,412.50	266.56			8,527.60	524.56
Commercial air transportation							2,517.00				2,517.00
Howard, James J.	1/4	1/6	United Kingdom	169.63	324.00	67.18	128.23			236.81	452.23
	1/6	1/11	France	2,508.00	448.00	1,430.72	256.59	660.94	125.17	4,599.66	829.76
	1/11	1/15	Ireland	271.00	424.00					271.00	424.00
Military air transportation							6,042.10				6,042.10
Roe, Robert A.	1/4	1/6	United Kingdom	169.63	324.00	6718	128.23			236.81	452.23
	1/6	1/11	France	2,508.00	448.00	1,430.72	256.59	660.94	125.17	4,599.66	829.76
	1/11	1/15	Ireland	271.00	424.00					271.00	424.00
Military air transport							6,042.10				6,042.10
Rahall, Nick Joe, II	1/4	1/6	United Kingdom	169.63	324.00	67.18	128.23			236.81	452.23
	1/6	1/11	France	2,503.00	448.00	1,430.72	256.59	660.94	125.17	4,599.66	829.76
	1/11	1/15	Ireland	271.00	424.00					271.00	424.00
Military air transportation							6,042.10				6,042.10
Snyder, Gene	1/4	1/6	United Kingdom	169.63	324.00	67.18	128.23			236.81	452.23
	1/6	1/11	France	2,508.00	448.00	1,430.72	256.59	660.94	125.17	4,599.66	829.76
	1/11	1/15	Ireland	271.00	424.00					271.00	424.00
Military air transportation							6,042.10				6,042.10
Hammerschmidt, John Paul	1/4	1/6	United Kingdom	169.63	324.00	67.18	128.23			236.81	452.23
	1/6	1/11	France	2,508.00	448.00	1,430.72	256.59	660.94	125.17	4,599.66	829.76
	1/11	1/15	Ireland	271.00	424.00					271.00	424.00

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1982—Continued

Name of member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Military air transportation							6,042.10				6,042.10
D'Amico, Salvatore	1/4	1/6	United Kingdom	169.63	324.00	67.18	128.23			236.81	452.23
	1/6	1/11	France	2,508.00	448.00	1,430.72	256.59	660.94	125.17	4,599.66	829.76
	1/11	1/15	Ireland	271.00	424.00					271.00	424.00
Military air transportation							6,042.10				6,042.10
Tyler, Errol	1/4	1/6	United Kingdom	169.63	324.00	67.18	128.23			236.81	452.23
	1/6	1/11	France	2,508.00	448.00	1,430.72	256.59	660.94	125.17	4,599.66	829.76
	1/11	1/15	Ireland	271.00	424.00					271.00	424.00
Military air transportation							6,042.10				6,042.10
Fryer, Jack	1/4	1/6	United Kingdom	169.63	324.00	67.18	128.23			236.81	452.23
	1/6	1/11	France	2,508.00	448.00	1,430.72	256.59	660.94	125.17	4,599.66	829.76
	1/11	1/15	Ireland	271.00	424.00					271.00	424.00
Military air transportation							6,042.10				6,042.10
Rinehart, Caryll F.	1/4	1/6	United Kingdom	169.63	324.00	67.18	128.23			236.81	452.23
	1/6	1/11	France	2,508.00	448.00	1,430.72	256.59	660.94	125.17	4,599.66	829.76
	1/11	1/15	Ireland	271.00	424.00					271.00	424.00
Military air transportation							6,042.10				6,042.10
Italiano, Joseph	1/4	1/6	United Kingdom	169.63	324.00	67.18	128.23			236.81	452.23
	1/6	1/11	France	2,508.00	448.00	1,430.72	256.59	660.94	125.17	4,599.66	829.76
	1/11	1/15	Ireland	271.00	424.00					271.00	424.00
Military air transportation							6,042.10				6,042.10
Schenendorf, Jack	1/4	1/6	United Kingdom	169.63	324.00	67.18	128.23			236.81	452.23
	1/6	1/11	France	2,508.00	448.00	1,430.72	256.59	660.94	125.17	4,599.66	829.76
	1/11	1/15	Ireland	271.00	424.00					271.00	424.00
Military air transportation							6,042.10				6,042.10
Doyle, John	1/4	1/6	United Kingdom	169.63	324.00	67.18	128.23			236.81	452.23
	1/6	1/11	France	2,508.00	448.00	1,430.72	256.59	660.94	125.17	4,599.66	829.76
	1/11	1/15	Ireland	271.00	424.00					271.00	424.00
Military air transportation							6,042.10				6,042.10
Sunia, Fofo, I. F.	1/13	1/15	New Guinea		189.00						189.00
Committee total					20,058.24		91,616.06		1,840.52		113,514.82

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[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

JAMES J. HOWARD, Chairman, Apr. 30, 1982.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON SCIENCE AND TECHNOLOGY, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1982

Name of member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Ventre		1/1	United States				1,146.00				1,146.00
	1/2	1/5	England	169.64	324.00					169.64	324.00
	1/5	1/9	Germany	773.81	370.00					773.81	370.00
	1/9	1/15	France	3,186.30	559.00					3,186.30	559.00
	1/15		United States								
Friewald		1/1	United States				1,065.00				1,065.00
	1/2	1/5	England	169.64	324.00					169.64	324.00
	1/5	1/9	Germany	773.81	370.00					773.81	370.00
	1/9	1/15	France	3,186.30	559.00					3,186.30	559.00
	1/15		United States								
Committee totals					2,506.00		2,211.00				4,717.00

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[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

DON FUQUA, Chairman, Apr. 29, 1982.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3889. A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to improve the milk price support program and provide additional authority for the disposition of dairy products; to the Committee on Agriculture.

3890. A letter from the Assistant Secretary of the Army (Manpower and Reserve Affairs), transmitting a draft of proposed legislation to repeal section 3502 and 8502 of title 10, United States Code, relating to a physical examination for each member of the National Guard called into and mustered out of Federal service; to the Committee on Armed Services.

3891. A letter from the Deputy Assistant Secretary of Defense (Comptroller-Administration), transmitting notice of the Navy's intention to omit the clause authorizing the Comptroller General to examine certain records which would otherwise be required to be included in the contract with British Petroleum of Greece, Ltd., for the delivery of aviation gasoline to the U.S. Naval Support Activity, Souda Bay, Crete, pursuant to 10 U.S.C. 2313(c); to the Committee on Armed Services.

3892. A letter from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to amend chapter 5 of title 37, United States Code, to extend the expiration date of the special pay provisions for reenlistment and enlistment bonuses; to the Committee on Armed Services.

3893. A letter from the Director of Legislation, Department of the Navy, transmitting notice of the Navy's intention to sell a naval vessel to the Government of Pakistan, pursuant to 10 U.S.C. 7307; to the Committee on Armed Services.

3894. A letter from the Director, Federal Emergency Management Agency, transmitting a report that the Agency acquired no real or personal property during the quarter ended March 31, 1982, pursuant to section 201(h) of the Federal Civil Defense Act of 1950, as amended; to the Committee on Armed Services.

3895. A letter from the Secretary of Housing and Urban Development, transmitting a report on manufactured homes data, pursuant to section 308(e) of the Housing and

Community Development Act of 1980; to the Committee on Banking, Finance and Urban Affairs.

3896. A letter from the Chairman, Board of Governors of the Federal Reserve System, transmitting the Board's second annual report on the Electronic Fund Transfer Act, pursuant to section 918 of the Consumer Credit Protection Act, as amended; to the Committee on Banking, Finance and Urban Affairs.

3897. A letter from the Assistant Secretary, Special Education and Rehabilitative Services, transmitting the annual report of the National Council on the Handicapped, pursuant to section 401(6) of the Rehabilitation Act of 1973, as amended; to the Committee on Education and Labor.

3898. A letter from the Assistant Secretary of State for Congressional Relations, transmitting Presidential determination authorizing additional economic support fund assistance for Liberia from funds earmarked for Nicaragua, pursuant to section 614(a)(1) of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

3899. A letter from the Director, Agency for International Development (Legislative Affairs), transmitting justification of an increase in the funding level of the Agency's proposed fiscal year 1982 program in Liberia, pursuant to section 653(b) of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

3900. A letter from the Acting Secretary of the Treasury, transmitting a report on the operation and status of the State and local fiscal assistance trust fund and the antirecession fiscal assistance trust fund for the fiscal year 1981, pursuant to public law; to the Committee on Government Operations.

3901. A letter from the Administrator, Veterans' Affairs, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

3902. A letter from the Assistant Secretary for Health, Department of Health and Human Services, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

3903. A letter from the Chairman, National Labor Relations Board, transmitting a report of the Board's activities under the Government in the Sunshine Act during calendar year 1981, pursuant to 5 U.S.C. 552(b); to the Committee on Government Operations.

3904. A letter from the Acting Secretary of the Interior, transmitting notice of leasing systems to be used in oil and gas lease sale No. 68, southern California, to be held on June 11, 1982, pursuant to section 8(a)(8) of the Outer Continental Shelf Lands Act, as amended; to the Committee on Interior and Insular Affairs.

3905. A letter from the Assistant Attorney General for Administration, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on the Judiciary.

3906. A letter from the Treasurer General, National Society of the Daughters of the American Revolution, transmitting the society's annual audit for the fiscal year ended February 28, 1982, pursuant to Public Law 88-504; to the Committee on the Judiciary.

3907. A letter from the Secretary of Transportation, transmitting a report covering calendar year 1981 on the use of authority to designate and rent inadequate quarters, lease family housing, and hire quarters at or near Coast Guard installations, pursuant to 14 U.S.C. 475(f); to the Committee on Merchant Marine and Fisheries.

3908. A letter from the Secretary of Transportation, transmitting the second annual report on collision avoidance systems, pursuant to section 401 of Public Law 96-193; to the Committee on Public Works and Transportation.

3909. A letter from the Secretary of Transportation, transmitting the eighth annual highway safety stewardship report, pursuant to section 203(e) of the Highway Safety Act of 1973 and sections 151(g) and 152(g) of title 23, United States Code; to the Committee on Public Works and Transportation.

3910. A letter from the Assistant Secretary of the Army (Civil Works), transmitting the Chief of Engineers report on the need for Federal improvements for small-boat navigation at Little Girls Point, Mich., in response to a resolution by the Committee on Public Works and Transportation, adopted December 9, 1975; to the Committee on Public Works and Transportation.

3911. A letter from the New England Division Engineer, Army Corps of Engineers, transmitting notice of the closing of several recreational areas in New England; to the Committee on Public Works and Transportation.

3912. A letter from the Assistant Secretary of State (Congressional Relations) and the Assistant Secretary of the Treasury (Legislative Affairs), transmitting the fourth annual report on progress in enhancing human rights through U.S. participation in international financial institutions, pursuant to section 701(c) of Public Law 95-118; jointly, to the Committees on Banking, Finance and Urban Affairs and Foreign Affairs.

3913. A letter from the Comptroller General of the United States, transmitting a report on the review of financial statements of the Federal Home Loan Bank Board, the Federal Savings and Loan Insurance Corporation, and the Federal Home Loan Banks for the year ended December 31, 1981, pursuant to section 108 of the Government Corporation Control Act (H. Doc. No. 97-179); jointly, to the Committees on Government Operations and Banking, Finance and Urban Affairs and ordered to be printed.

3914. A letter from the Secretary of Energy, transmitting the first annual revised comprehensive program management plan for wind energy systems, pursuant to public law; to the Committee on Science and Technology.

3915. A letter from the Secretary of Labor, transmitting a quarterly report of the Department covering the first quarter of fiscal year 1982, regarding the amount of funds expended for trade adjustment assistance (TAA) training and the anticipated demand for such funds during any remaining quarters, pursuant to section 236(a)(2), title XXV, of Public Law 97-35; to the Committee on Ways and Means.

3916. A letter from the Secretary of Energy, transmitting notice of a delay in submission of the comprehensive plan for municipal waste energy development, required by section 231(b) of Public Law 96-294; jointly, to the Committees on Energy and Commerce and Science and Technology.

3917. A letter from the Secretary of Energy, transmitting a report on small hydropower programs, pursuant to section 408(e) of Public Law 96-294; jointly, to the Committees on Energy and Commerce, Agriculture, Interior and Insular Affairs, Public Works and Transportation, and Science and Technology.

3918. A letter from the Assistant Attorney General, Office of Legislative Affairs, transmitting a draft of proposed legislation to authorize appropriations for the purpose of carrying out the activities of the Department of Justice for fiscal year 1983, and for other purposes; jointly, to the Committees on the Judiciary, Education and Labor, Energy and Commerce, the Permanent Select Committee on Intelligence, Post Office and Civil Service, and Foreign Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ROSTENKOWSKI: Committee on Ways and Means. H.R. 4800. A bill to reinstate certain taxes imposed on aviation, and for other purposes; with an amendment (Rept. No. 97-510). Referred to the Committee of the Whole House on the State of the Union.

Mr. SAM B. HALL, JR.: Committee on the Judiciary. H.R. 4476. A bill to amend the Administrative Conference Act, by authorizing appropriations therefor; with an amendment (Rept. No. 97-511). Referred to the Committee of the Whole House on the State of the Union.

SUBSEQUENT ACTION ON A BILL INITIALLY REFERRED UNDER TIME LIMITATION

Under clause 5 of rule X, the following action was taken by the Speaker:

Referral of H.R. 5540 to the Committee on Banking, Finance and Urban Affairs and to the Committee on Education and Labor until May 15, 1982, extended for an additional period ending not later than 5 p.m., May 17, 1982.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. WAXMAN:

H.R. 6355. A bill to make technical corrections in health and other laws amended by the Omnibus Budget Reconciliation Act of 1981 and for other purposes; to the Committee on Energy and Commerce.

By Mr. BIAGGI:

H.R. 6356. A bill to amend title II of the Social Security Act and the Internal Revenue Code of 1954 to temporarily prohibit termination of coverage in the case of State and local employees and in the case of employees of nonprofit organizations, to provide the Secretary of Health and Human Services with information necessary to evaluate problems caused by such terminations, and for other purposes; to the Committee on Ways and Means.

By Mr. DAN DANIEL (for himself, Mr. BUTLER, Mr. ROBERT W. DANIEL, Jr., Mr. Robinson, Mr. Trible, and Mr. Wampler):

H.R. 6357. A bill to amend the Immigration and Nationality Act to repeal the authority to establish an adverse effect wage rate, for nonimmigrant aliens brought into the United States for temporary agricultural labor, higher than the highest of the Federal or State minimum wage rate or the prevailing wage rate; to the Committee on the Judiciary.

By Mr. HOLLAND:

H.R. 6358. A bill to prevent retroactive recharacterization for tax purposes of certain binding lease contracts that include a terminal rental adjustment clause; to the Committee on Ways and Means.

By Mr. KINDNESS:

H.R. 6359. A bill to amend title 28 of the United States Code to provide for an exclusive remedy against the United States in suits based upon acts or omissions of U.S. employees, to provide a remedy against the United States with respect to constitutional torts, to establish procedures whereby a person injured by a constitutional tort may obtain a remedy, and for other purposes; to the Committee on the Judiciary.

By Mr. MOORE:

H.R. 6360. A bill to increase the column 1 rate of duty on melamine; to the Committee on Ways and Means.

By Mr. RODINO:

H.R. 6361. A bill to amend the Clayton Act to improve the procedures for consensually resolving civil antitrust actions brought by the United States; to the Committee on the Judiciary.

By Mr. WAMPLER:

H.R. 6362. A bill to recover costs incurred by the Department in the administration of the promotion program for wool, including costs incurred for the conduct of the wool referendum; to the Committee on Agriculture.

By Mr. DORNAN of California:

H.R. 6363. A bill to require the jackets in which phonograph records containing backward masking are packaged bear a label warning consumers of such backward masking; to the Committee on Energy and Commerce.

By Mr. HYDE:

H.R. 6364. A bill to amend title 18 of the United States Code to prohibit the robbery of a controlled substance from persons registered under the Controlled Substances Act, and for other purposes; to the Committee on the Judiciary.

By Mr. PANETTA (for himself, Mr. Clausen, Mr. John L. Burton, Mr. Lantos, Mr. Edwards of California, Mr. Fazio, Mr. Dellums, Mr. Mineta, Mr. Miller of California, Mr. Matsui, Mr. Stark, Mr. Beilenson, and Mr. Phillip Burton):

H.R. 6365. A bill to disallow the Secretary of the Interior from issuing oil and gas leases, granting certain licenses and permits, and approving certain plans, with respect to a geographical area located in the Pacific Ocean off the coastline of the State of California, until January 1, 2000; to the Committee on Interior and Insular Affairs.

By Mr. COLLINS of Texas:

H.J. Res. 483. Joint resolution proposing an amendment to the Constitution altering congressional budget procedures and procedures affecting the compensation of Members of Congress; to the Committee on the Judiciary.

By Mr. PORTER:

H.J. Res. 484. Joint resolution to provide for the designation of the month of November 1982, as "National REACT Month"; to the Committee on Post Office and Civil Service.

By Mr. BINGHAM:

H. Con. Res. 340. Concurrent resolution reaffirming Senate Resolution 179 and House Resolution 177 and urging the President to seek agreement at the Versailles economic summit conference that nuclear supplier nations should export nuclear fuel and equipment only to nations that permit full-scope safeguards; to the Committee on Foreign Affairs.

By Mr. FOUNTAIN (for himself, Mr. Jones of North Carolina, Mr. Andrews, Mr. Rose, Mr. Martin of North Carolina, Mr. Hefner, Mr. Neal, Mr. Whitley, Mr. Hendon, and Mr. Johnston):

H. Con. Res. 341. Concurrent resolution expressing the sense of the Congress that housing and homeownership are matters of the highest national priority; to the Committee on Banking, Finance and Urban Affairs.

By Mr. GAYDOS (for himself, Mr. Regula, Mr. Benjamin, Mr. O'Brien, Ms. Mikulski, Mr. Applegate, Mr. Brown of California, Mr. Bevill, Mr. Clausen, Mr. Mollohan, Mr. Murtha, Mr. Nowak, Mr. Oberstar, Mr. Ritter, Mr. Williams of Ohio, Mr. Michel, Mr. Long of Maryland, Mr. Murphy, Mr. Natcher, Mr. Fithian, Mr. Smith of New Jersey, Mr. Wortley, Mr. Edgar, Mr. Rahall, Mr. McDade, Mr. Ford of Michigan, Mr. Eckart, Mr. Forsythe, Mr. Perkins, Mr. Hyde, Mr. Corrada, Mr. Fauntroy, Mr. Coughlin, Mr. Bailey of Missouri, Mr. Walgren, Mr. Atkinson, Mr. Kindness, Mr. Clinger, Mr. Benedict, Mr. Porter, Mr. Derwinski, Mr. Lantos, Mr. Annunzio, Mr. Roe, Mr. Nichols, Mr. Bailey of Pennsylvania, Mr. Dingell, Mr. Wilson, Mr. Yatron, Mr. Staton of West Virginia, Mr. Sam B. Hall, Jr., Mr. Gray, Mr. Lowry of Washington, Mr. Marks, Mr. Fields, Mr. Napier, Mr. McEwen, Mr. Hillis, Mr. James K. Coyne, Mr. Mottl, Mr. William J. Coyne, Mr. Railsback, Mr. Ireland, Mr. Russo, Mr. Kogovsek, Mr. Fary, Mr. LaFalce, Mr. Quillen, Mr. Hansen of Utah, Mr. Foglietta, Mr. Dougherty, Mr. Schulze, Mr. Shuster, Mr. Nelligan, Mr. Walker, Mr. Ertel, Mr. Goodling, Mr. Smith of Pennsylvania, Mr. Lundine, Mr. Stratton, Mr. Smith of Alabama, Ms. Oakar, Mr. Vento, Mr. Stanton of Ohio, Mr. Pease, Mr. Weaver, Mr. Zeferetti, Mr. Shelby, Mr. Udall, Mr. Erlenborn, Mr. Reuss, Mr. Hiler, Mr. Brooks, and Mr. Evans of Indiana):

H. Con. Res. 342. Concurrent resolution expressing the sense of the Congress with respect to ongoing investigations of foreign trade practices involving steel mill products; to the Committee on Ways and Means.

By Mr. STATON of West Virginia:

H. Con. Res. 343. Concurrent resolution expressing the sense of the Congress concerning the right of children born with birth defects to life-sustaining medical treatment; to the Committee on Energy and Commerce.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

373. By the SPEAKER: Memorial of the Legislature of the State of Hawaii, relative to the establishment of a National Academy of Peace; to the Committee on Foreign Affairs.

374. Also, memorial of the Senate of the State of Hawaii, relative to the equal rights amendment; to the Committee on the Judiciary.

375. Also, memorial of the Legislature of the Territory of Guam, relative to the Filipinos who honorably served in the military forces of the United States during wartime; to the Committee on the Judiciary.

376. Also, memorial of the Legislature of the State of Hawaii, relative to the Central, Western and South Pacific Fisheries Development Act; to the Committee on Merchant Marine and Fisheries.

377. Also, memorial of the House of Representatives of the State of Michigan, relative to funding for the National Oceanic and Atmospheric Administration's Great Lakes Environmental Research Laboratory in Ann Arbor, Mich.; to the Committee on Science and Technology.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. SHUMWAY:

H.R. 6366. A bill for the relief of Analou Lasaca and Jude Anthony Lasaca; to the Committee on the Judiciary.

H.R. 6367. A bill for the relief of Susan Waldo; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 1822: Mr. Lehman.

H.R. 3117: Mr. Washington, Mr. Daschle, Mr. Howard, Mr. Conte, and Mr. Wolpe.

H.R. 3722: Mr. Philip M. Crane, Mr. Hartnett, Mr. Hansen of Utah, Mr. Corcoran, Mr. Robinson, Mr. Broomfield, Mr. Rinaldo, Mr. Campbell, Mr. Young of Alaska, Mr. Hammerschmidt, Mr. Stratton, Mr. Anthony, Mr. Bafalis, Mr. Burgener, Mr. Young of Florida, Mr. Roe, Mr. Vander Jagt, Mr. Patman, Mr. Dunn, Mr. Lott, Mr. Carney, Mr. Myers, Mr. Lungren, Mr. Hyde, Mr. Duncan, Mr. Rogers, Mr. Rousselot, Mr. Huckaby, Mr. Petri, Mr. Guarini, and Mr. McCurdy.

H.R. 4223: Mr. Bereuter.

H.R. 4399: Mr. Smith of Oregon and Mr. Volkmer.

H.R. 4789: Mr. Bereuter.

H.R. 4835: Mr. Lantos, Mr. Deckard, Mr. Hiler, and Mr. Williams of Ohio.

H.R. 4842: Mr. Smith of Oregon.

H.R. 4944: Mr. Hansen of Idaho.

H.R. 5088: Mr. Pepper, Mr. Beilenson, Mr. Traxler, Mr. Leland, Mr. Ford of Tennessee, Mr. Foglietta, Mr. Porter, Mr. Florio, Mr. McHugh, Mr. Rangel, Mr. Waxman, and Mr. Washington.

H.R. 5147: Mr. Bailey of Pennsylvania and Mr. Foglietta.

H.R. 5238: Mr. McEwen, Mr. Winn, Mr. Hartnett, Mr. Downey, Mr. Clinger, Mr. Leach of Iowa, Mr. McHugh, Mr. Hoyer, Mr. Williams of Montana, Mr. Hagedorn, Mr. McGrath, Mrs. Holt, Mr. Parris, Mr. Gramm, Mr. Richmond, Mr. Robinson, Mr. Hollenbeck, Mr. Panetta, Mr. Tauke, Mr. Mattox, Mr. Rodino, Mr. Vander Jagt, Mr. Skeen, Mr. Chappell, Mr. de Lugo, Mrs. Snowe, Mr. Garcia, Mr. Swift, Mr. Barnard, and Mrs. Schneider.

H.R. 5317: Mr. Solarz.

H.R. 5428: Mr. Dyson and Mr. Russo.

H.R. 5438: Mr. McCollum.

H.R. 5448: Mr. Bereuter.

H.R. 5517: Mr. Tauke.

H.R. 5760: Mr. Roberts of Kansas and Mr. Rinaldo.

H.R. 5894: Mr. McKinney.

H.R. 5931: Mr. Bedell, Mr. Eckart, Mr. Barnard, and Mr. Dwyer.

H.R. 5945: Mr. Davis.

H.R. 6009: Mr. Dunn and Mr. Miller of Ohio.

H.R. 6045: Mr. Shelby, Mr. Jenkins, Mr. Beard, Mr. Parris, Mr. Gephardt, Mr. Gradison, Mr. Cheney, Mr. Akaka, Mr. Luken, Mr. Findley, Mr. Whitehurst, Mr. Dickinson, Mr. Emery, Mrs. Kennelly, Mr. Nichols, Mr. Badham, Mr. Long of Louisiana, Mr. Butler, Mr. Vander Jagt, Mr. Winn, Mr. Morrison, Mrs. Fenwick, Mr. Boner of Tennessee, Mr. Erdahl, Mr. English, Mr. Reuss, Mr. Hagedorn, Mr. Roberts of South Dakota, Mr. Roberts of Kansas, Mr. Derrick, Mr. Oxley, Mr. Coelho, Mr. Madigan, Mr. Hiler, Mr. Regula, Mr. Forsythe, Mr. Rose, Mr. Leath of Texas, and Mr. Jacobs.

H.R. 6049: Mr. Kindness and Mr. Livingston.

H.R. 6050: Mr. Kindness and Mr. Livingston.

H.R. 6051: Mr. Livingston.

H.R. 6077: Mr. Yates, Mr. Ottinger, Mr. Pepper, Mr. Kogovsek, and Mr. Kildee.

H.R. 6082: Mr. Sunia.

H.R. 6100: Mr. Hughes, Mr. Panetta, Mr. Dicks, and Mr. Miller of Ohio.

H.R. 6105: Mr. Hansen of Idaho.

H.R. 6158: Mr. Addabbo, Mr. Bailey of Pennsylvania, Mr. Barnard, Mr. Bonior of Michigan, Mr. Derwinski, Mr. Forsythe, Mr. Hughes, Mr. Minish, Mr. Moffett, Mr. Petri, Mr. Rodino, Mr. Rose, and Mr. Sunia.

H.R. 6201: Mr. Mitchell of Maryland, Mr. Murtha, and Mr. Rose.

H.R. 6340: Mr. Ford of Tennessee and Mr. Smith of Pennsylvania.

H.J. Res. 172: Mr. Mottl and Ms. Oakar.

H.J. Res. 323: Mr. Washington, Mr. Roe, Mr. Dougherty, and Mr. Jeffords.

H.J. Res. 363: Mr. Dwyer.

H.J. Res. 385: Mr. de Lugo.

H.J. Res. 386: Mr. Carman, Mr. Daniel B. Crane, Mr. Dunn, Mr. Dyson, Mr. Early, Mr. Fazio, Mr. Ford of Michigan, Mr. Gephardt, Mr. Goldwater, Mr. Guarini, Mr. Lantos, Mr. Livingston, Mr. Lowry of Washington, Mr. McHugh, Mr. Moffett, Mr. Murphy, Mr. Patterson, Mr. Pepper, Mr. Peyser, Mr. Roth, Mr. Rousselot, Mr. Sabo, Mr. Siljander, Mrs. Snowe, Mr. Thomas, Mr. Winn, Mr. Wolf, and Mr. Findley.

H.J. Res. 401: Mr. Kindness, Mr. St Germain, Mrs. Holt, Mr. Long of Maryland, and Mr. Hoyer.

H.J. Res. 412: Mr. Hiler, Mr. Gilman, Ms. Fiedler, Mr. Hendon, Mr. Anthony, Mr. Hammerschmidt, Mr. Hansen of Utah, Mr. Hopkins, Mr. Dunn, Mr. Waxman, Mr. Hartnett, Mr. Hollenbeck, Mr. Kramer, Mr. Staton of West Virginia, Mr. Gore, Mr. Sawyer, Mr. Johnston, Mr. Kemp, Mr. Siljander, Mr. Snyder, Mr. Stangeland, Mr. Tauzin, Mr. Thomas, Mr. Weber of Minnesota, Mr. Young of Alaska, Mr. Philip M. Crane, Mr. Washington, Mr. Spence, Mr. Deckard, Mr. Rogers, Mr. Evans of Iowa, Mr. Smith of Alabama, Mr. Dougherty, Mr. Gradison, Mr. Walker, Mr. Edwards of Oklahoma, Mr. Courter, Mr. Dannemeyer, Mr. Emery, Mr. Findley, Mr. Gramm, Mr. Lott, Mr. Robert W. Daniel, Jr., Mrs. Holt, Mr. Carman, Mr. Fascell, Mr. Smith of New Jersey, Mr. Rousselot, Mr. Wampler, Mr. Ritter, Mr. Shumway, Mrs. Schneider, Mr. Weber of Ohio, Mr. Whitehurst, Mr. Williams of Ohio, Mr. Edwards of Alabama, Mr. Trible, Mr. Roth, Mr. Conable, Mr. Shuster, Mrs. Snowe, Mr. Bafalis, Mr. Skeen, Mr. Taylor, Mr. Brodhead, Mr. McCollum, Mr. Robinson, Mr. Green, Mr. Derrick, Mr. Parris, and Mr. Guarini.

H.J. Res. 424: Mr. Ratchford.

H. Con. Res. 52: Mr. Leland.

H. Con. Res. 222: Mr. Jones of North Carolina.

H. Con. Res. 236: Mr. McDade and Mr. Downey.

H. Con. Res. 275: Mr. Frenzel; Mr. Lowery of California, Mr. Marriott, Mr. McEwen, Mr. Young of Alaska, Mr. de Lugo, Mr. Ottinger, and Mr. Smith of Pennsylvania.

H. Con. Res. 293: Mr. Harkin, Mr. Swift, Mr. Rosenthal, Mr. Lowry of Washington, and Mr. Jeffords.

H. Con. Res. 310: Mr. Weber of Ohio, Mr. D'Amours, Mr. Smith of Alabama, Mr. Wolpe, Mr. Zeferetti, Mr. Ottinger, Mr. Whitehurst, Mr. Pepper, Mr. Guarini, Mr. Matsui, Mr. Russo, Mrs. Snowe, Mr. Mavroules, Mr. Annunzio, Mr. Brodhead, Mr. Yates, Mr. Forsythe, Mr. Walgren, Mr. McHugh, Mr. Ford of Michigan, Mr. AuCoin, Mr. Benjamin, Mr. Peyser, and Mr. Blanchard.

H. Con. Res. 319: Mr. Daschle, Mr. Heftel, Ms. Oakar, Mr. Lujan, Mr. Chappie, and Mr. Ertel.

H. Res. 447: Mr. Murphy, Mr. Sharp, Mr. Roe, Mr. Rahall, Mr. Bailey of Pennsylvania, Mr. Derwinski, Mr. Walgren, Mr. Fithian, Mr. Washington, Mr. Frank, Mr. Frost, Mr. Gore, Mr. Applegate, Mr. Mitchell of Maryland, Mr. Nelligan, Mr. Hertel, Mr. McHugh, and Mr. Weiss.

H. Res. 452: Mr. Murtha.

H. Res. 456: Mr. AuCoin.

H. Res. 457: Mr. John L. Burton, Ms. Ferraro, and Mr. Lundine.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

429. By the SPEAKER: Petition of residents of Montana, relative to action by the Congress to promote food for the hungry, peaceful settlement to tensions in the world, and priority for workers; to the Committee on Foreign Affairs.

430. Also, petition of the Faculty Senate of the University of Wisconsin, Whitewater, Wis., relative to nuclear weapons; to the Committee on Foreign Affairs.

431. Also, petition of the caucuses of the registered Democrats and Republicans of Precinct 20501, Jefferson County, Colo., relative to a reduced Federal deficit on an eventual balanced Federal budget; to the Committee on Government Operations.

432. Also, petition of the city council, New York, N.Y., relative to Federal Crime Insurance; to the Committee on the Judiciary.

433. Also, petition of the Business Council of the Democratic National Committee, Washington, D.C., relative to the safe harbor leasing provisions of the Economic Recovery Tax Act; to the Committee on Ways and Means.

434. Also, petition of the Reynoldsburg City School District employees, Reynoldsburg, Ohio, relative to social security coverage for State and local public employees; to the Committee on Ways and Means.

435. Also, petition of the city council, Erie, Pa., relative to a nuclear weapons ban; jointly, to the Committees on Armed Services and Foreign Affairs.

436. Also, petition of the city council, Rochester, N.Y., relative to the nuclear arms race; jointly, to the Committees on Armed Services and Foreign Affairs.

437. Also, petition of the city council, Toledo, Ohio, relative to a nuclear freeze by the United States, the Soviet Union, and all other nations; jointly, to the Committees on Armed Services and Foreign Affairs.

438. Also, petition of the Lewinsville Retirement Residents' Association, relative to the proposed cuts in benefits for senior citizens by the Federal Government; jointly, to the Committees on Ways and Means, Energy and Commerce, and Banking, Finance and Urban Affairs.

SENATE—*Wednesday, May 12, 1982*

(Legislative day of Tuesday, May 11, 1982)

The Senate met at 8:45 a.m., on the expiration of the recess, and was called to order by the President pro tempore (Mr. Thurmond).

PRAYER

The Chaplain, the Reverend Richard C. Halverson, LL.D., D.D., offered the following prayer:

Let us pray.

Almighty God of Abraham, Isaac, and Jacob we forget our spiritual heritage to our own peril. Grant us to heed Moses' warning to Israel as they were about to enter the land: "Take care lest you forget the Lord your God * * *. When you have eaten your fill, and have built fine houses to live in, and your herds and flocks have multiplied, and your silver and gold increased, and everything you own has prospered * * * and you say 'My own power and the might of my own hand have won this wealth for me'. * * * If you do forget the Lord your God * * * . I warn you that you shall certainly perish." (Deuteronomy 8: 11-19).

Help us Lord to contemplate the words of President Lincoln in his call for a "Day of National Humiliation, Fasting and Prayer:" "Intoxicated with unbroken success, we have become too self-sufficient to feel the necessity of redeeming and preserving grace, too proud to pray to the God who made us. We have grown in numbers, wealth and power as no other nation has grown but we have forgotten God. It behooves us then, to humble ourselves to confess our national sins, to pray for clemency and forgiveness."

Long suffering God, forgive our pride, our spiritual indifference. Bring us to repentance and renew our land. For Thy glory. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The **PRESIDENT** pro tempore. The acting majority leader is recognized.

THE JOURNAL

Mr. **STEVENS**. Mr. President, I ask unanimous consent that the Journal of the proceedings of the Senate be approved to date.

The **PRESIDENT** pro tempore. Without objection, it is so ordered.

LEADERSHIP TIME RESERVED

Mr. **STEVENS**. Mr. President, I ask unanimous consent that the time for the leadership on this side be reserved until after the special orders, and that the remarks of the two leaders appear in the Record at the normal place.

The **PRESIDENT** pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. **PROXMIRE**. Mr. President, I understand I may take 1 minute of the minority leader's time, which I will do, and reserve the remainder of his time for him.

EFFECT OF NUCLEAR WAR ON SELECTED INDUSTRIES

Mr. **PROXMIRE**. Mr. President, an obvious and even perhaps likely strategy for a nuclear attack on the United States would be to take out our economic power on a broad and deep basis. Since such an attack would have as much chance of success as an attack confined entirely to our deterrent in being and since the attack on the deterrent would only eliminate our nuclear capacity temporarily, a total economic attack on all American industries useful in any war effort might seem more logical. In the CATO policy analysis study of such a scenario, Katz and Osdoby reported on the consequences on selected industries. Here is what they found:

Since industrial societies are so well integrated, the strategy of virtually obliterating selected critical industries (2- to 3-percent survival) appears to be a way of assuring devastating, long-term disruption. As already discussed in the section on limited nuclear war, "bottlenecks" are created that eliminate key industries on which a large number of other industries directly and indirectly depend. For example, attacking petroleum refining directly affects the petrochemical industry; indirectly it would affect the heating of workers' homes, fuel and electricity for factories, fuel for farm machinery and for transportation of goods. The power of this type of economic bottlenecking is well-established. For example, the SRI study of postattack recovery made calculations that assumed that energy, specifically the petroleum refining industry, was the sole target of a nuclear attack. It found that while potentially 85 percent of the gross national product (GNP) would survive, only one-quarter of the surviving GNP—that is, only one-fifth of the preattack economy—would be able to operate in the first 2 postattack years. Thus, an effective attack would lead to an economy in which even surviving capacity would be drastically underutilized.

Only one critical sector was the target in that situation. The implications of a more systematic effort affecting several industries should be clear. Additional evidence supporting the effectiveness of this bottlenecking strategy is found in a study prepared for the U.S. Arms Control and Disarmament Agency. In this study, which was not designed to create the largest amount of economic damage and disruption, modest 10-percent reductions in the capacity of a single basic industrial sector caused an overall 30- to 40-percent reduction in over 100 defense-related sectors. As it turns out, defense-related sectors included industries with broader influence on the entire economy, such as manufacturing trucks, airplanes, and machine tools. The study concluded:

> Since the economic and institutional activities necessary to sustain a war-making capacity are highly interactive, relatively low levels of MVA (manufacturing) destruction can lead to significant reduction in the ability to support a war effort.

A nuclear war would fragment the U.S. economic system; its integration as an effective system would be seriously in question. Economic attacks would not only damage the industrial base (factories and so forth), they would also thin the ranks of the technical and managerial personnel. Moreover, they would disrupt and destroy supporting financial structures, throwing into question the value and utility of money, as well as the value and ownership of goods and property; records of financial transactions would be destroyed and the lending and borrowing system (banks and the Federal Reserve) would collapse with the disappearance of assets and the nonpayment of debts.

Also associated with extensive industrial damage is injury to the basic physical support systems. In particular, the urban infrastructure in attacked areas—transportation, utilities, housing, fuel and food distribution systems, sanitation systems, and medical care services—would emerge either badly damaged or of very limited use in supporting industrial workers. To rebuild these systems or to duplicate them elsewhere would be a lengthy but necessary process, diverting resources from the economic expansion necessary to achieve rapid full recovery.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

The casualties (dead and injured) resulting from this type of attack would be incomprehensible, even if some reduction due to strategies of civil defense (evacuation) were possible. While the monumental loss of skilled workers, managers, and economic leadership has already been noted, the key to the reality of the postnuclear attack period is the staggering burden of 20 to 30 million injured, many of whom would never again be fully productive. Who would care for them? Who would provide the support? What would be the cost to society in delayed recovery and social stability? These are almost unanswerable questions, but one thing is clear: The physical resources left after a "limited" nuclear attack will not exist after an "economic attack."

Tomorrow I shall discuss the effects of such a nuclear attack on the availability of food in our society.

CENTURIES OF GENOCIDE, TIME TO STOP

Mr **PROXMIRE**. Mr. President, I would like to register my distress over the recent killing of the honorary Turkish consul, Orhan Gunduz, in Somerville, Mass. An Armenian group called the Justice Commandos for the Armenian Genocide has claimed responsibility for the assassination.

The Boston Globe has published a number of informative reports on the incident and the community's response. In one article called "The Reaction: Outrage and Sympathy," Turkish and Armenian spokesmen in Boston and Washington expressed anger over the killing, but said they understood the terrorists' motives.

The thrust of their comments was summed up by the Rev. Vartan Hartunian, minister of the First Armenian Church in Belmont, who said that "We regret the acts of these terrorists, but we also regret the Turkish denial of our peoples' genocide." He said that the Turkish Government took out ads in the Washington Post, the Los Angeles Times, the New York Times, and other newspapers saying that no genocide had taken place in 1915.

In another article, members of Boston's Armenian and Turkish community expressed their feelings—and most interviewed requested anonymity for reasons of personal safety.

An Armenian printer from Watertown said:

> The Turks can't deny the genocide. It is in history. It is in the history books. My grandmother told me about it . . . they took my grandfather and his father, and killed my grandfather and threw him in bloody sheets and robes in front of his own father.

Mr. President, this extremely unfortunate incident is part of a centuries-old conflict between Turks and Armenians. The long history of Turkish oppression came to a vicious climax in the 1915 massacre.

Mr. President, pending before the Senate is an issue which also has a long history—the Genocide Convention. It has been over 32 years since the United Nations adopted the Genocide Convention and President Truman submitted the treaty to the Senate for ratification. Since 1948, the Senate Foreign Relations Committee has considered the treaty four times and reported it to the floor. No action has been taken.

The treaty defines genocide as certain acts "committed with intent to destroy, in whole or in part, a national, ethnical, racial, or religious group." The treaty specifies certain acts, defines them as criminal, and thus serves as a deterrent.

Mr. President, the need for this international human rights and criminal treaty is clear. It is essential that we join the long list of major nations in this world and ratify the Genocide Convention.

ORDER OF PROCEDURE

Mr. **STEVENS**. Mr. President, I ask unanimous consent that the special order for Senator Weicker be the last order for today.

The **PRESIDING OFFICER** (Mr. Warner). Without objection, it is so ordered.

Mr. **STEVENS**. Mr. President, I suggest the absence of a quorum.

The **PRESIDING OFFICER**. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. **BAKER**. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

Mr. **BAKER**. Mr. President, I should know by now that at 8:45 in the morning it is hard to arrange a schedule in sequence because of traffic and other commitments. I understand that. I am not critical of any Senator. But in order to conserve time, I ask unanimous consent that those Senators who have special orders this morning may appear and execute those special orders in any sequence, regardless of the order entered on yesterday evening.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

VITIATION OF ORDER FOR THE RECOGNITION OF SENATOR KASTEN

Mr. **BAKER**. Now, Mr. President, I am advised that the Senator from Wisconsin (Mr. Kasten) does not require his special order this morning, and I ask unanimous consent that it be vitiated.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

Mr. **BAKER**. Mr. President, Mr. Weicker, who has the first special order for this morning, has been transferred in time.

The **PRESIDING OFFICER**. That is correct.

Mr. **BAKER**. The order that the Senate has just granted will supersede that, but Senators should be on notice that Senator Weicker cannot be here until later and I expect him to seek recognition as the last speaker.

Once again, Senators Bumpers, Nickles, Bentsen, and Weicker have the remaining special orders. Now they may be recognized in whatever order they present themselves to seek recognition.

Mr. President, I suggest the absence of a quorum.

The **PRESIDING OFFICER**. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. **NICKLES**. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

RECOGNITION OF SENATOR NICKLES

The **PRESIDING OFFICER**. Under the previous order, the Senator from Oklahoma (Mr. Nickles) is recognized for not to exceed 15 minutes.

THE CONGRESSIONAL BUDGETS

Mr. **NICKLES**. Mr. President, I rise today with two purposes in mind. One is to make a couple of comments concerning the two budget proposals that are now floating around, one that passed the Senate committee and one that has been proposed and which is now being considered in the House Budget Committee.

The second purpose is to discuss the need for a constitutional amendment to balance the budget and to limit taxes. I feel these two issues go hand in hand during consideration of the Federal budget.

First, we have heard a lot of rhetoric, a lot of debate, a lot of accusations, a lot of partisan political exchanges between the Members in the Senate and in the House regarding the Senate Budget Committee proposal. Now there is an alternate proposal that is coming from the House of Representatives. Some people say this is better; some people say it is not.

Personally, I wanted to examine both in detail and have done so. I tried, as well as I could and my staff could, to compare the proposals side by side to see actually how they came about and how they stand up to each other.

I ask unanimous consent that a one-page summation of those proposals be printed in the Record at this point.

There being no objection, the summation was ordered to be printed in the Record, as follows:

COMPARISON OF THE SENATE BUDGET COMMITTEE PROPOSAL AND THE PRELIMINARY HOUSE ALTERNATIVE BUDGET PROPOSAL FOR FISCAL YEARS 1983–85

[Dollar amounts in billions]

	Senate proposal	House alternative	Difference	Percent
Summary:				
Tax increases	$95.00	$151.00	$56.00	59.0
Spending savings	314.90	270.10	44.80	14.0
User fee increases	6.00	2.90	3.10	52.0
Differences in savings:				
Defense	22.00	46.15	24.15	110.0
Entitlements, other than social security	48.60	14.30	34.30	71.0
Management savings	33.10	43.40	10.30	31.0
Nondefense discretionary	38.30	29.55	8.75	23.0
Federal pay and retirement	27.30	31.35	4.05	15.0
Net interest	105.60	105.35	.25	.2
Social security solvency actions	40.00	0	40.00	NA
Total savings	314.90	270.10	44.80	14.0

Mr. NICKLES. Mr. President, I would like to highlight some of the differences between these proposals. On the revenue side, the Senate proposal seeks to increase taxes by $95 billion. I have some reservations about that large of a tax increase, but it does not scare me nearly as much as the so-called House alternative which calls for a tax increase of $151 billion, or a 59-percent larger tax increase than that proposed by the Senate committee.

I hope my colleagues will be aware of that because I think that is a very, very significant difference.

On the spending side, we find that there is also a significant difference. The total amount of expenditures in the House alternative is $44.8 billion more than that in the Senate proposal. But also if we look at the makeup of these expenditures, you will see that there is quite a difference in priorities between the House alternative and that of the Senate. One, the alternative proposal cuts defense spending by twice that of the Senate version. Where the Senate proposal calls for cutting defense spending over a 3-year period of $22 billion, the House alternative calls for cutting defense spending by $46.5 billion.

Then if you look through the nondefense areas, you will see that the Senate proposal calls for cuts which are much greater than in the House proposal. Actually, in the total for nondefense, the Senate proposal would call for additional spending reductions of $68 billion more than that of the House alternative. Part of that would be entitlements, looking at the cut in the Senate proposal of $48.6 billion as compared to the House alternative of $14.3 billion.

Of course, we also have the social security measure that we have debated and which was discussed at length on the Senate floor yesterday. It is being discussed by the media and by all politicians now, whether or not some changes need to be made in the social security system of $40 billion.

Mr. President, the trustees of the social security system basically said that the OASI and DI trust funds will be unable to pay benefits by late 1983, under optimistic assumptions, if changes are not made.

The Senate proposal does not say whether or not we shall make those changes through tax increases or make them through future reductions in the growth in those social security programs. But to totally ignore it as the House membership has, I think, is very, very irresponsible. I think we need to save the social security system. I think that is really what the Senate proposal is doing. It does not outline how it will be saved, but it says we will save it so those funds will be there.

I think that is extremely important, Mr. President. Those who are dependent upon and rely on the social security system, if they want anything, want to know those funds are there, they are safe, they are secure. They do not want to have politicians say, "Well, we will ignore the problem and we hope benefits will not be reduced, or we hope we can come up with general revenue, or we hope we can pass a tax increase at the midnight hour to be able to keep the fund solvent."

I think it is critical and vital that we keep the social security system sound and solvent. Certainly, I think the Finance Subcommittee on Social Security at least shows some courage and initiative in that direction of recognizing the problem. Certainly, if we procrastinate on the problem, the greater the liabilities and the damage will be, and the harder it will be to make the changes necessary to be made at that time.

In my opinion, Mr. President—and here again, this is coming from a person who has not been in the Senate but for a year and a half—I hate to see the partisan political demagoguery coming across on such an important social issue for all people, Republicans and Democrats alike, in the social security system. I think it is vital that we get the social security system on a solid, solvent basis so that, a year from now, we have people receiving their checks on time and in amounts sufficient to meet their needs.

To those who advocate doing nothing, Mr. President, I think one needs to ask them the question: One, are they proposing that when the social security system is no longer solvent, they are planning on borrowing from general revenue? Two, if they plan for a social security tax increase at that time. Or, three, are they proposing that we shall have a reduction in benefits or postponement of checks. Those are the alternatives we are looking at if we do not take a sound, solid, reasonable look at the system today, now, as soon as possible, to make what changes can be made. I believe these changes can be made now, especially when it means the difference between a reduction in the growth of benefits and some individuals not receiving their anticipated social security checks on time or at all.

THE BUDGET

Mr. NICKLES. Mr. President, I wish to address this morning, again, my call for the need and my belief in the need for a constitutional amendment to balance the budget and to limit the growth of the Federal Government's taxes and spending. I think it does us some good sometimes to look at what our forefathers have thought on the issue. I have done a little homework. I have gone back historically to see what their perspective was on a balanced budget, what their perspective was on the proper role of the Federal Government.

HISTORICAL PERSPECTIVE

At the end of this Republic's first 60 years of existence, the Treasury was sitting on a $70 million surplus. What is significant about those years is that they mark the longest period of our history in which the goal of a balanced Federal budget was not just a goal, but a normal way of doing business.

What has happened to the firm resolve that once characterized the leaders of our country, the belief that debt is wrong, and should only be depended upon when there is no alternative? There is something fundamentally wrong when Government relies on debt to conduct routine business.

"The public debt is the greatest of dangers to be feared by a republican government." Those words were written by Thomas Jefferson—a man who lacked no commonsense. These words may have no meaning to many of today's so-called progressive thinkers, but to the vast majority of Americans they represent commonsense.

Mr. President, I believe that the fathers of our Constitution were no less concerned about deficit spending than many of us today. Just because specific language providing for a balanced budget was not included in the Constitution does not mean our forefathers expected deficit spending to be the norm in setting fiscal policy.

Perhaps more than any other person, Alexander Hamilton influenced the course of this country's economic policies. He wrote:

> As the vicissitudes of nations begat a perpetual tendency to the accumulation of debt, there ought to be a perpetual, anxious, and unceasing effort to redcuce that which at any time exists, as fast as shall be practicable, consistent with good integrity and good faith.

In attempting to convince 13 independent States of the need for unity under the Constitution, Hamilton wrote in the Federalist Papers No. 30

that "in the usual progress of things, the necessities of a nation, in every state of its existence, will be found at least equal to its resources."

Hamilton continues in Federalist No. 31 that the power of taxation should always be limited by the "exigencies of the nations and the resources of the community." The only exigencies or needs described by Hamilton are the "duties of superintending the national defense and of securing the public peace against violence."

Mr. President, why have we ignored these words which are the very ideas embodied in the Constitution? We have spent our resources far beyond the wildest imagination of our forefathers. They gave us clear warning.

President John Adams stated, "The consequences arising from the continual accumulation of public debts in other countries ought to admonish us to be careful to prevent their growth in our own."

President James Madison stated that one of the primary goals of his administration would be, "to liberate the public resources by an honorable discharge of public debts."

President John Quincy Adams wrote:

> Stewards of the public money should never suffer without urgent necessity to be transcended by the maxim of keeping the expenditures of the year within the limits of its receipts.

The seventh President of the United States, Andrew Jackson, viewed public debt as most disdainful:

> Once the budget is balanced and the debts paid off, our population will be relieved from a considerable portion of its present burdens and will find not only new motives to patriotic affection, but additional means for the display of individual enterprise.

Mr. President, there is no doubt that our forefathers believed debt, especially long-term debt, is a burden to the Nation and to future generations of Americans. The record of the country's first 60 years is self-evident when it comes to a balanced budget.

I urge my colleagues to join in the move toward regaining the backbone demonstrated by the Framers of the Constitution, and adopt a constitutional amendment to balance the budget and limit Federal taxes and spending.

Mr. President, I yield the floor.

RECOGNITION OF SENATOR BUMPERS

The **PRESIDING OFFICER.** The Senator from Arkansas is recognized.

DPT: VACCINE ROULETTE

Mr. BUMPERS. Mr. President, TV documentaries can be very instructive and helpful to the American people or they can be misleading, deceptive, and terribly damaging. What the viewing public has a right to expect from the networks is a right to balance. This is what they did not get on NBC's documentary entitled "DPT: Vaccine Roulette."

Mr. President, DPT, of course, stands for diphtheria, pertussis, and tetanus. It is a vaccine which we have been giving to children in this country for many, many years. This television documentary dealt only with pertussis, the medical name for whooping cough. Some of the statements contained in the hour-long documentary were absolutely false. But more importantly, they left the viewer with the inescapable conclusion that it is infinitely riskier to have your children immunized against pertussis than not to have them immunized when, in truth, the very opposite is the case.

I happen to be old enough to remember when whooping cough was considered by most parents to be the most threatening disease their child could have.

It is a terrible disease even when it is uncomplicated. My children, for example, do not know what whooping cough is. They have never seen a case of it. But children with this disease cough unmercifully, choking in the process and gasping for air. They vomit and become acutely undernourished and dehydrated. They may even destroy parts of their lungs and brains from hemorrhage, lack of oxygen, or both.

It is often complicated by disability and death, and all of this has been virtually eliminated by virtue of the DPT shots, the pertussis vaccine. People have forgotten that 40 years ago, before we had this vaccine, we had between 100,000 and 200,000 cases every year in this country; 7,000 children died every year in this country from whooping cough. Then the pertussis vaccine came along and, through continuous and determined efforts by a lot of people, in 1981 we only had 1,181 cases and between 5 and 10 deaths.

England has already experienced the adverse publicity we are now seeing. In 1974 Britain experienced this kind of unbalanced reporting, and the immunization levels dropped from 79 percent in 1973 to 31 percent in 1978. During that same period of time whooping cough increased from 2,441 cases in 1973 to 65,957 in 1978.

In England, during that period of time, there were 28 deaths, 5,000 hospital admissions, 200 cases of pneumonia, 83 cases of convulsions.

During that show it was alleged that, "Serious reactions from the whooping cough vaccine are common. It could be as low as 1 in 700 children."

Not only is that blatantly false, but, of all the studies ever conducted here and abroad, not one has come close to verifying or documenting such a finding.

Mr. President, if you consider a lump or redness or a sore spot as serious, then maybe it is correct. But if you are talking about a brain-damaged child—several were shown during the program—then you are talking about studies that show 1 in 168,000 in Scotland brain damaged, 1 in 172,092 doses in Sweden, 1 in 310,000 doses in the UK, none in 180,000 doses in Glasgow, none in 80,000 doses in London.

The National Institutes of Health brings into question the allegation that pertussis commonly causes seizures in young children; 2,700 children were studied at NIH who had seizures before the age of 7, and only 39 of them or 1.4 percent, had convulsions within 2 weeks of immunization. And of the 39 who had seizures only 10 of those had them following a DPT shot, with the remainder coming after they received other shots.

In summary, Mr. President, on May 7, 1982, Dr. Vincent A. Fulginiti, chairman of the Committee on Infectious Diseases of the American Academy of Pediatrics, testified before the Subcommittee on Investigations and General Oversight of the Senate Labor and Human Resources Committee, chaired by Senator HAWKINS, on the pertussis vaccine. Here is what he said:

> Everything we do for patients must be judged in the same light—a balance between the risks of what we do against the risk if we do nothing. All medication with whatever product carries some risk. As an individual physician, if I advise a patient to take antihistamine, penicillin, or pertussis vaccine, I am stating that the risk from following that advice is far less than the risk of the disease for which the treatment is advised. For pertussis I am absolutely convinced that the risks from disease are far more numerous and devastating than the risk from the vaccine.

Mr. President, I ask unanimous consent that Dr. Fulginiti's statement, which refutes almost point by point most of the serious allegations made in the NBC documentary, be inserted in the RECORD at this point.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

TESTIMONY ON IMMUNIZATION PROGRAMS

(By Vincent A. Fulginiti, M.D., F.A.A.P.)

Children in the United States enjoy substantial freedom from the ravages of once common communicable infectious diseases that limited life expectancy and left tens of thousands disabled in their wake. Smallpox has been eradicated worldwide, measles promises to be eradicated in this decade, and pertussis, rubella, mumps, diphtheria and tetanus have been reduced to the lowest levels in recorded history. Although improved living conditions, better nutrition and improved medical care partially contributed to the decline, the major reason for the sharp, deep reduction and, in one case, eradication of these diseases is development of effective vaccines. Many segments of our society have contributed:

1. Investigators in government, in private industry, in universities and in private practice have provided us with increased knowledge of the causes and mechanisms of these

illnesses and with effective vaccines to prevent them.

2. Industry has responded with technological and marketing skills to make large quantities of vaccine available in usable form.

3. Governmental agencies have helped by insuring standards for vaccine production, by insisting upon purity and safety and providing advice and guidance to those using vaccines. In addition, the total governmental apparatus—federal, state and local—has provided funds, personnel and programs to administer vaccines to groups of children who utilize the public health system of care. And, finally, the Food and Drug Administration and Centers for Disease Control have worked with the private sector to develop national policies, to publicize need for vaccines, to develop methods for informing patients as to the risks of diseases and the benefits and risks of vaccines, and to establish models for use in individual health personnel/patient contacts, such as the Important Information documents developed by the CDC and now in wide use in both the public and private medical sectors.

4. Private Sector.—By diligent use of vaccines as part of comprehensive well-child care, Individual physicians have ensured that we have a well protected population. The American Academy of Pediatrics is proud of its contribution to these efforts in informing physicians about vaccines as they were developed, in providing guidelines for their use, and in establishing policies designed to inform patients of benefits and risks. The Academy has always placed the welfare of children as its highest priority and the vaccine effort reflects this commitment.

Currently there are a number of threats to this effective system for control of these diseases. Among them are: (1) reduction in federal funding for the purchase of vaccine for use by state health departments and others, (2) legal suits against physicians, health departments, recommending authorities, and manufacturers for injury from vaccines, (3) sensationalism of reports of damage secondary to vaccine presented by the media in such a way as to discredit governmental agencies and physicians, to imply conspiracy, mal-intent or self-interest as a motivation among vaccine supporters, and to simplify complex decisions and judgments in vaccine policy.

Federal support for the Childhood Immunization Program is not only at one with HHS Secretary Richard Schweiker's avowed emphasis on prevention, it remains manifestly in the public interest. If the President's proposed funding level of $28.8 million holds sway during fiscal 1983 for the Childhood Immunization Program, vaccine delivery to children would be reduced to intolerably low levels. The 7 percent cut in the program imposed this year already has caused a 32 percent drop in vaccine purchases; meanwhile, the cost of vaccine has increased by 44 percent during the past two years. As a result, 33 percent fewer children are being served. An appropriation for fiscal 1983 of $32 million is essential if programs are to be maintained at their current levels. To allocate less flies in the face of compelling documentation that indicates an inverse relationship between federal support for vaccine programs and the incidence of diseases.

Our society simply cannot afford, morally or economically, to turn its back on the 3.5 million children born here each year. Based on past experience, these cuts proposed by the Administration would prove terribly costly and cruel—costly in direct dollar terms to all of our citizens for many years to come, and cruel to the unfortunate victims and their families for a lifetime. No one can quantify the pain associated with these illnesses. Deafness, blindness, cerebral palsy, retardation and severe emotional disturbance can destroy children and their families. When the capacity to prevent these conditions is at hand, failure to protect our citizens is doubly cruel.

The toll caused by injuries secondary to vaccine use can only be compensated in this country by successful pursuit of redress under the tort laws, often resulting in anguishing trials for both plaintiff and defendant. Decisions in the legal arena are often made emotionally and do not necessarily follow the facts in a particular case. The American Academy of Pediatrics has long favored a Vaccine Compensation System and is actively promoting this concept with various branches of the federal government with the view that a national system should be established to compensate fairly all persons injured as a result of the remote, intrinsic risks associated with all vaccines through no fault of the physician or the manufacturer.

Physicians have been cognizant of the need for patients and their parents to be aware of the hazards of these diseases in children, of the desirability of protection against them and of the balance between benefits and risks of the vaccines used in prevention. Each vaccine used has some risks associated with it. In developing vaccine recommendations and policy, the American Academy of Pediatrics, as well as the CDC, has advised physicians and other health personnel to inform patients and parents of the benefits and risks of vaccines.

The final threat is that which occurs because of sensationalized media accounts of vaccine side-effects. In England this type of imbalanced account of pertussis vaccine "dangers" results in loss of public confidence and an ensuing series of epidemics of whooping cough involving 102,500 children and 28 deaths. The United States is in potential danger from a similar sensationalized assault. Because of the terribly important implications for children's health, we at the American Academy of Pediatrics believe it imperative that such sensationalism not go unchallenged. For this reason I would like to detail the implications and impact of a recent major network program on disease control efforts.

The program's title, "DPT: Vaccine Roulette," the editing of interviews and statements made by the reporter and others exemplified 1) the program's imbalance as to the risks of pertussis (whooping cough) and benefits and risks of pertussis vaccine; 2) superficiality in the presentation of complex issues; and 3) biased and inaccurate statements. The importance of this negative report is in the large amount of attention given it by the media, concerned and unnecessarily frightened lay persons and physicians and health agencies.

Specific examples from the program include:

An opening stating that ". . . DPT shot can also damage to a devastating degree." The fact is that serious, permanent residual of the brain damage type is rare following DPT—once in 310,000 doses (100,000 children). The use of the phrase, "a devastating degree" is inaccurate since pertussis can cause brain damage in as many as one child in 8,000.

The listing of "learning disabilities," unspecified, as caused by DPT vaccine. I know of no evidence linking learning disability as an isolated condition to DPT. Of course, if a child develops encephalopathy, one part of the possible residual from that might be a learning disability. This is also an example of simplistic treatment of a complex area.

The statement that "This is for sure, the Whooping Cough, or Pertussis, vaccine is the most unstable, least reliable vaccine we give our children." This is inaccurate; pertussis vaccine reliably protects about 80 percent of recipients of a full series from the disease, and even if the disease occurs in a vaccinated child it tends to be mild. I don't know what is meant by "unstable," because pertussis vaccine is stable; yet another inaccuracy.

The statement that "The statistics of this country are wrong, and the danger is far greater than any doctors here have been willing to admit." This is a biased, untrue statement. Which "statistics" are wrong? Which doctors have been unwilling to admit? Reports of the Academy's Committee on Infectious Diseases and from the CDC have detailed the expected side effects and adverse reactions, as have a multitude of textbooks and scientific articles. There has been no reluctance displayed to widely disseminated information concerning reactions as they were discovered. The effect of this excerpted comment is to imply wrongdoing—there is absolutely no evidence for this and much to the contrary.

It was stated that the currently used vaccine would not be produced today if it were just being introduced. However, there is *no* effective, proved alternative even with today's methodology. Pertussis vaccine may not be ideal, but it is effective and on balance far safer than having the disease.

It was stated that ". . . in the 1930's whooping cough struck over 195,000 people and 4,800 died from the disease annually." In fact, as many as 265,000 people were *reported* to have the disease and 7,000 were reported to die annually. In a free society we depend on voluntary reporting which underestimates the actual occurrence; thus it is almost certain that many more people got pertussis and more than reported died annually.

While it was stated that pertussis began to decline prior to use of vaccine, in Massachusetts, where accurate figures were kept, pertussis hovered around the 100-300 cases/100,000 by 1970 *only after* vaccine was introduced.

It was stated that because of antibiotics, death from pertussis is a relatively rare event, yet of 1,000-3,000 cases reported annually 5-20 die. Our best estimates today are that the death rate in children hospitalized for pertussis is slightly less than one percent and higher in infants under six months of age—hardly a relatively rare event.

It was implied that in the post-discontinuation of pertussis immunization in England the epidemics that occurred were less than "U.S. officials" quoted: 66,000 cases and 12 deaths in 1978 and 21,200 cases and six deaths in 1980 were the figure cited as correct in the broadcast. In fact, the purportedly official United Kingdom sources that were quoted give the following figures:

a. Immunization rates fell from 79 percent in 1973 to 31 percent in 1978.

b. 102,500 cases of pertussis from 1977-1980.

c. 28 deaths.

d. Illness often protracted lasting 10-12 weeks.

e. 5,000 hospital admissions.

f. 200 cases of pneumonia.

g. 83 cases of convulsions.

It would appear that the U.S. "officials" are correct in their reporting. Further, the English "official sources" also pointed out that in children over five years of age (having been born during widespread use of pertussis vaccine) the attack rate of pertussis was 20-25 percent of the rate in children under five and districts with lowest vaccine use had the highest rates of disease. They concluded that this is proof of vaccine efficacy and that the epidemic occurred because of the decrease in vaccine usage.

It was stated that serious reactions from pertussis vaccine "could be as low as one in every 700 children." The term serious is not defined but rather equated with brain damage and death. The truth is:

a. Transient, non-permanent side effects such as a lump, redness or a sore injection site are common, as is fewer—from 20-50 percent in most studies. These do not result in death, permanent disability or brain damage.

b. Drs. Cody, Baraff and Cherry, in the UCLA study referred to in the program, examined children's reactions after 15,752 doses of DPT and other children after 784 doses of DT. They found:

9 convulsions in 15,752 doses, a rate of 1:1750 or 0.057 percent. None of these children was abnormal on examination.

9 episodes of collapse—the same rate—all recovered without observable sequelae.

3.1 percent of persistent crying (more than one hour) but only 1:1000 children (0.1 percent) whose cry was high pitched and unusual.

c. Other estimates and measurements of convulsions include: 1:13,000 London study, 1975-1977; 1:7,000 based on reports to CDC; 1:3,200-1:50,000 Dr. Geoffrey Edsall; 1:2,500 British study, 1948-1951; 1:3,945 British study, 1956; 1:2,666 British study, 1953-1957; 1:6,453 Dr. Justus Strom, Sweden.

Conclusion.—"Serious" reactions, defined as convulsions or collapse syndrome, occur in 1:1,750-1:13,000 injections.

"Serious" reactions, if defined as permanent brain damage, are even rarer. Consider the following:

Dr. Gordon Stewart, in Scotland: 1:168,000.

Dr. Justus Strom, in Sweden: 1:172,092.

United Kingdom Dept. Health and Social Security: 1:310,000.

Glasgow 1961-1975: 0 in 180,000.

London 1977: 0 in 80,000.

"Serious" reactions if defined as death are yet rarer, but precise figures are not even estimated owing to the rarity.

It was stated that studies on complications published from 1933 "have been forgotten." By whom? All texts, advisory bodies, manufacturers, etc., have consistently pointed out that pertussis vaccine can rarely produce brain damage and indicate other side effects.

Studies were cited by Dr. Justus Strom in Sweden that 1:40,000 children developed "destructive brain damage" after DPT. His more extensive study shows only 1:172,092 suffered brain damage, a deliberately misleading statement.

Dr. Gordon Stewart claimed his study was ingored by authorities in England. In fact, full details of his study are provided in their document. They disagreed with him, which is not the same as ignoring him.

It was stated that 1 in 13 children in the UCLA study "had persistent or high-pitched crying after the shot." The study actually recorded the following persistent crying for one hour or more occurred in 3.1 percent of the DPT group and was characterized by the authors as a "less serious" reaction, as was the high-pitched, unusual cry in 1:1,000.

The edited interview throughout the show displayed an emphasis on "proving" the program's negative points rather than obtaining full or informational answers. Examples include unbalanced emphasis on complications, simple partial answers to questions in complex areas and answers taken out of context. Brain-damaged children attributed to pertussis vaccine were shown throughout, but there were no interviews with parents of children who were damaged or died from pertussis itself. This is a blatant example of imbalance; the viewer is only exposed to children from whom he or she must feel compassion without recognizing equal grief in children and parents damaged by the disease.

It was implied that sudden infant death is caused by pertussis vaccine by citing only part of the manufacturer's package insert, highlighting it in an accompanying graphic. The program ignored the rest of the package insert statement which qualifies the validity of the association. SIDS occurs in infants under six months of age whether or not they get DPT; several studies have demonstrated this.

The allegation that the Bureau of Biologics does not wish to know adverse reactions is untrue. From my personal experience I can assure you that they are vitally concerned with adverse reactions and labor long and hard to ensure the inclusion in package inserts of adverse reactions.

It was stated that many doctors are not aware of the risks and reactions from the shots. No evidence for this generalization was given except to follow with a few interviews with parents implying that "doctors" and "interns" are unaware of DPT reactions. To generalize to "many" doctors is fraudulent at worst and deceptive at best. I personally know more than 30 pediatricians in our city and all are aware of the side reactions to pertussis vaccine, as are most of the groups of physicians to whom I've lectured throughout the U.S. in the last 20 years.

There are other examples of bias, inaccuracy and imbalance, but to cite them would be repetitive, as they involve the same or similar areas. My purpose in citing those listed above is to emphasize the impact this program had on its viewers.

The failure to balance the benefits of pertussis vaccine against both the risks of the disease and of the vaccine itself is the major failing. In overstating the case against the vaccine by (1) amount of time devoted to the negatives, (2) editing, (3) editorial comment, and (4) inaccurate presentation of some statistics, the effect has been to undermine public confidence. In the aftermath of the program, many thousands of concerned parents contacted their physicians across the country to reject pertussis vaccine, to question its use, or to report suspected "side-effects" totally disconnected with the vaccine. Wire service reports and local TV station pick-ups and reporting of the Washington show and/or the Today segment amplified this response. Some parents began to question all immunizations and the integrity of their physicians and official governmental and non-governmental bodies.

The major point in all of this is that pertussis is a terrible disease, even if uncomplicated. Children with this illness cough unmercifully, choking in the process and gasping for air. They often vomit and become acutely undernourished and dehydrated. They may destroy parts of their lungs and brain from hemorrhage, lack of oxygen, or both. Further, pertussis is often complicated by disability and death, which have largely been eliminated in the United States by widespread use of a highly effective vaccine. The vaccine is not perfect, does have a number of transient, non-permanent side-effects, but only rarely produces serious adverse effects, and even more rarely does it cause permanent damage or death. The various governmental agencies and advisory professional groups, such as the American Academy of Pediatrics and the Centers for Disease Control, have been knowledgeable about all of the benefits and risks from both the disease and the vaccine and have responsibly transmitted this information to physicians in diverse and effective ways. There has been no conspiracy to conceal facts, nor has there been any attempt to minimize or hide adverse reactions, on anyone's part.

Efforts continue in governmental, manufacturers' and investigators' laboratories to better understand the bacterium that causes pertussis, the body's response to it, and ways to make an equally or even more effective vaccine which has few or no side effects. This is not an easy task and is not readily solvable because the components of the organism which produce host immune responses also have some toxic properties. Attempts to separate these effects have proven to be difficult and, as of the moment, there is no proved new vaccine.

Pediatricians and other physicians and health workers caring for children have as their primary concern the well-being and welfare of their patients. In using pertussis vaccine they are exercising the best available scientific judgment, which clearly establishes that the vaccine prevents a major debilitating disease but is balanced by some risk. Everything we do for patients must be judged in the same light—a balance between the risks of what we do against the risk if we do nothing. All medication with whatever product carries some risk. As an individual physician, if I advise a patient to take antihistamine, penicillin, or pertussis vaccine, I am stating that the risk from following that advice is far less than the risk of the disease for which the treatment is advised. For pertussis I am absolutely convinced that the risks from disease are far more numerous and devastating than the risk from the vaccine. I consented that it be given to all four of my children. I advise my patients to receive it. I teach my students and residents about it and recommend its use to them, and as a member of the Committee on Infectious Diseases of the American Academy of Pediatrics continue to advise all physicians to use pertussis vaccine.

The NBC show tended to undermine this balanced judgment and relied upon an imbalanced view, bias and inaccuracies to carry out its destructive message. In my view, this program is not an example of responsible journalism.

CONCLUSION

Immunization has been an effective medical and public health tool and has reduced or eliminated infectious diseases which once were the scourge of childhood. This effect has resulted from a cooperative effort between government, industry and the private sector. Our efforts today are threatened by decreased governmental expenditures for vaccine, by an unwieldy legal system and by unfair medical sensationalizing of only one part of the total vaccine benefit/risk equation. We should, and must, counter each of these threats to continue to ensure a healthy childhood.

Mr. BUMPERS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. WEICKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNITION OF SENATOR WEICKER

The PRESIDING OFFICER. Under the previous order, the Senator from Connecticut (Mr. WEICKER) will be recognized for not to exceed 15 minutes.

DESIGNATION OF U.S. POST OFFICE IN HARTFORD, CONN., AS THE WILLIAM R. COTTER FEDERAL BUILDING

Mr. WEICKER. Mr. President, on September 8, 1981, Members of Congress were saddened to hear that Bill Cotter, who represented the First Congressional District in Connecticut, had passed away.

The tragedy of this loss was felt not just by those who revered Bill Cotter as a "good Democrat" or a "good friend," but more importantly by those who knew him as a good leader and a good person. From 1971 until his untimely death last year, Bill Cotter's efforts on behalf of his Hartford area constituents led them to elect him to six terms in Congress. If he had not passed away, he would undoubtedly have been elected to a seventh and successive term.

Tragically, Mr. President, the residents of the First Congressional District, and others of us who knew Bill Cotter, were suddenly deprived of his presence, and his skills as an advocate for the people of the Hartford, Conn., area.

Now, however, we have an opportunity to commemorate the career of this fine man. The opportunity to which I refer is a bill, H.R. 4569, that would designate the U.S. post office building, Hartford, Conn., as the William R. Cotter Federal Building.

Unfortunately, to date no action has been taken on this legislation, which was referred to the Senate Governmental Affairs Subcommittee on Civil Service and Post Office on November 17, 1981. The reason which has been given is that the chairman of the subcommittee, Senator STEVENS of Alaska, is concerned that the practice of naming Federal buildings in honor of elected officials is a congressional prerogative that has been subject to a great deal of abuse. This is particularly true of those who would memorialize only the careers of persons of their own particular party or political beliefs.

While I respect the concerns of my colleague in this area, efforts to commemorate the life of Bill Cotter should in no way be construed as an abuse of this practice. I do not urge Senator STEVENS to hasten the passage of this legislation out of any partisan political interests. Rather, as I stated earlier, Bill Cotter deserves to be memorialized not for any of his particular philosophical beliefs, but for the manner in which he practiced these beliefs.

During a period when blind ambition often replaced principled leadership, Bill Cotter was a man of integrity and honesty. In a Congress renowned for political infighting, Bill Cotter was able to work with Members from both sides of the aisle.

At a time when most Americans held politicians in low regard, Bill Cotter refused to fit the mold.

Mr. President, this is a time when we must take steps to recover the faith that the American people once had in their elected Federal officials. When a Member of Congress of the stature of Bill Cotter has stood before us, we cannot afford to miss an opportunity to commemorate him, not only for those who knew him, but for those who may yet be affected by his example.

Accordingly, I urge my colleague, Senator STEVENS of Alaska, to aid in the speedy passage of this legislation, and I call on him to expedite his subcommittee's consideration of the bill.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BENTSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNITION OF SENATOR BENTSEN

The PRESIDING OFFICER. The Chair recognizes the Senator from Texas.

SMALL BUSINESS WEEK

Mr. BENTSEN. Mr. President, we are acknowledging Small Business Week across this country of ours. In past years I could have said we would be celebrating Small Business Week. But that hardly seems appropriate in light of the depression now affecting that critical section of our economy.

THE NATIONWIDE DEEP RECESSION

Small- business men and women, including farmers, are bearing the brunt both of our nationwide recession and staggering level of interest rates—a recession that is in its 11th month, and likely to turn out to be one of the longest and the deepest, if not the longest and deepest, since the Great Depression.

It has seen industrial production plunge to the lowest level since June of 1977. Capacity utilization fall 11 percentage points to 71 percent just since last year. Corporate profits and investments are down as well. Unemployment has soared to 9.4 percent of the work force. That represents some 10.3 million youths, men, and women looking for work without success.

Another 1.3 million men and women in despair have given up seeking work—have decided they could not find it. Yet, they are not counted among the unemployed. When counted as they should be, altogether some 11.6 million Americans are out of work right now as I speak, the largest number frustrated in their search for jobs since 1938.

Most economists tell us it is going to get worse. Indeed, it is quite likely that later this year we will top the record of 12.8 million unemployed in the depths of the Great Depression in 1933. That is mute testimony to the economic crisis that is stalking our plants, our offices, and our homes.

So it is a tough time for small business entrepreneurs, pressed by sluggish sales on the one hand, and excessive interest rate costs on inventory and working capital on the other side.

What you have seen last year and this year is a continued reduction of inventories on the part of small business as they scramble to stay in business. They were paying off loans at the bank, meeting the interest and principal payments, by selling off part of their stock. But at some point they have to stop doing that or they do not have anything for their customers to buy.

When that point is reached, they go into bankruptcy.

NEW ECONOMIC DIRECTIONS

We are facing a situation this year where the economic policies of the administration are just not working as anyone would like. I think the administration has had a lot of good ideas, providing incentives for savings and cutting back on taxes to spark investments. Those are things I have been espousing for a long time. Those are things I vigorously worked for as chairman of the Joint Economic Committee.

Another administration step I strongly supported was the proposal to increase our Nation's defense. The Russians have spent some $350 billion more than we spent over the last decade. At the time of the Cuban missile crisis, there is no question but what we were stronger militarily. That

was why when we had that eyeball-to-eyeball confrontation between Khrushchev and Kennedy, that Khrushchev blinked, because he knew we had superiority. He said, "Never again are you going to humiliate us like that." And, the Soviets set about creating what they expected to be the world's most awesome military machine, and they have been accomplishing that.

Now, you can argue whether we are ahead or they are ahead in this weapons system or that one. But the one thing you cannot argue about is that unless we increase defense spending, they will be far ahead of us, and then the free world will be in great danger. So we do have to increase defense spending, and the administration was right in trying to do that.

The third facet of our new economic direction has the idea that the Federal Reserve for the first time in the history of this country will adopt a new way to conduct monetary policy. They did that in October of 1979, saying, "We are going to ignore interest rates and just look at the money supply in conducting monetary policy and what we will have is a modest, stable increase in the money supply." They set out to accomplish that.

There is no question in my mind but what this Nation's economic system could have absorbed any one of these approaches, and it would have been a major contribution toward our goals and objectives that are necessary for this country. We might even have been able to do two of them and get away with it.

But when you try to do all three at the same time, then you are trying to do too much, too fast, and even the great economic engine we see here in the United States, cannot handle it.

So the result: The biggest deficits this country has ever faced.

What do you do when you reach the kind of situation we now face? Do you just seek partisan answers? Do you just look for a Democratic solution or a Republican solution so that you can call it a party victory? Or do you try to work together to bring about bipartisan American solution to the concerns of our people? I think the latter is what you have to do. In addition, if you have decided that something was wrong as the administration did in 1980, and they set a new course, do you follow that economic dogma and course to the bitter end regardless, just saying, "Just give me more time to prove it will work"?

I do not think that should be done when all the projections show during the next 3 years that, without a change in course, you will have some $500 billion in deficits facing this Nation. I just do not believe this country can handle that and attain a robust recovery. I do not think it is a time for economic dogma. I do not believe it is a time for economic theologians. I believe it is a time for a mid-course correction.

I say these three new directions put together are just more than the Nation's economy can handle. So let us change some of these things.

Let us see if we can meld together these components so they can come as close as possible to meeting the objectives this country is seeking.

THE SMALL BUSINESS DEPRESSION

I know of no concern or no particular segment that is suffering more than small business. I am chairman of the Senate Democratic Task Force on Small Business. That task force is going to conduct a hearing Thursday morning, May 13, in room 1224 of the Dirksen Building, to hear from small, business men and women, themselves. All too often I think Senators are barraged with testimony from special interest pleaders or trade associations. Well, it is time we heard from the people who have to deal with the depression in small business firsthand. It is my hope that such testimony will help build momentum for quick and effective action on the part of both the House and the Senate for a budget compromise, because reducing the really staggering size of our prospective Federal deficit is the key—along with a return to a predictable, stable, and moderate monetary policy—to lower interest rates.

You cannot have a monetary policy situation where last year in the second and third quarters you had an actual contraction in the money supply, yet in the fourth quarter it soared 12.6 percent.

That is not a stable, moderate increase in the money supply. That is a highly erratic, destabilizing approach to the money supply in this country.

When Mr. Paul Volcker appeared before the Committee on Finance I asked Mr. Volcker, "Is that the way you intended it, to pursue your new approach to monetary policy?" He ducked the question. I said, "Well, Mr. Volcker, if you do not have the tools to do the job, tell us what tools you need and I will do my best, along with many of the other Senators, to try to see that we provide you with those tools to keep the growth in money at a stable and predictably moderate level". I did not get an answer to that one either—yet, a much more stable monetary policy is the kind of thing that has to be done if you are going to see interest rates come down where people can afford to buy on time again, where you will see small business people able to afford the inventories that are necessary for them to grow and to build.

I noted a moment ago that there are not many small business men and women out celebrating Small Business Week this year. That is because they are in trouble—they are in deep trouble and the end is not in sight. The vast majority of small business men and women have never faced a more difficult and agonizing situation than they face today.

I returned from Texas last week after hearing story after story about the impact of the recession and what sky-high interest rates were doing to small business. Their sales and profits are being slashed just as interest costs on inventories and working capital soar far above levels justified by inflation; we have the biggest spread between the inflation rate and the charge for money today that we have ever seen.

I want to remind my colleagues that my State of Texas has weathered the recession better, so far, than many other States. But we have learned that no State or industry has escaped the recession stalking our land—and especially the small business sector. Their limited resources makes the small business sector the most vulnerable to any recession. They do not have the big backlog of capital to carry them through these kinds of periods. The depression is led by farmers, homebuilders, realtors, lumber and furniture firms, auto dealers, producers, and their suppliers. Small business is certainly paying a price in terms of business failures during this current recession.

BUSINESS FAILURES

The overwhelming number of firms being liquidated now are small businesses. And business failures are soaring, up 45 percent in 1981 and running so far this year at more than double the 1980 level. You are going to see this become worse, because small business lags behind in an economic recovery. In fact, according to the Small Business Administration, a recovery in prospects for small businesses may still be 6 to 12 months away. In the Panhandle of Texas, the only business booming these days is the auctioneering and inventory liquidation business. Even so, too often when they hold an auction, no one shows up.

Small business men and women are the heart of this Nation's mechanism for creating new jobs. Various studies have revealed that anywhere from 60 to more than 80 percent of all new jobs are created by firms with 100 or fewer employees. Well, they are not creating many jobs today. Indeed, since last spring, over 2 million existing jobs have just disappeared. A recent survey by the National Federation of Independent Business found that only one small business in nine is looking for new workers—and 90 percent of them are scarce computer programers and other skilled specialists.

That survey also found that the average interest rates charged small business is 17.9-percent. Now, how many investments do you think you can find that will pay a 17.9 percent return, and then add to it "with safety" and "after tax"? I will tell you that the banker who loans money at 17.9 percent sure expects it back; he sure expects to have made a safe loan to you.

So what happens? You just do not make the investment and the new jobs are not created. That is the result.

With inflation running this spring at close to zero, the real interest rate—the nominal rate adjusted for inflation—is at a record high. The growth in business failures has occurred in lockstep with the rise in real interest rates.

Getting those interest rates down is the No. 1 priority for our economy to spark a recovery. That means both a sharply reduced deficit and a stable and predictable monetary policy.

If those steps are not taken soon, there may not be much of a small business sector left to welcome any eventual recovery. In my meetings at home, the distress stories I heard were not from novice farmers and small business entrepreneurs over their heads due to inexperience. I was hearing from mature, capable, experienced people who weathered earlier recessions with little difficulty. These are people with very long track records of success. Yet, they are reaching the end of their ropes and, in some cases, risk losing not only their businesses or farms, but also their car and home.

DEMOCRATIC HEARING ON SMALL BUSINESS

The Democratic Senate Task Force on Small Business hearings I mentioned a moment ago will feature two panels. They will hear first from a panel of small business men and women, followed by a panel of financial analysts. On the first panel are two small business persons of the year for their States selected by the Small Business Administration. Mrs. Suzanne Trusler is the Montana small business person of the year for 1982, and Mr. Ken Auvil was the West Virginia small business person of the year for 1980. Appearing with them is Mr. Francis Callahan, a hog farmer and bank director from Milford, Ill., Mr. Edward Lehman, a farm implement dealer from Vernon, Tex., and Mr. Ron Piercy, a small businessman from St. Louis.

Dr. David Jones, a financial expert and economist with the brokerage firm of Aubrey Lanston & Co. in New York will testify following the first panel.

Mr. President, I want to emphasize the concern which the Democratic Party traditionally has had for small business. It is a concern deeply seated in my party's belief that the foundation of our free economy is the millions and millions of small entrepreneurs who are constantly seeking new, better, and less expensive ways to provide our society with goods and services. They comprise the most innovative and hard-working business sector in America, and the Democratic Party is alarmed with the great distress we see everywhere in small business.

We Democrats are willing to work in a positive bipartisan effort to reduce our projected deficits. But we will be as partisan as necessary to protect small business and to restore that sector to good health.

Mr. President, I yield the floor.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER (Mr. MATTINGLY). Under a previous order, there will now be a period for routine morning business.

SENATOR CHRIS DODD'S DEMOCRATIC REPLY TO PRESIDENT REAGAN

Mr. ROBERT C. BYRD. Mr. President, last Saturday President Reagan delivered his sixth radio address to the Nation. He spoke about the budget compromise he had reached with Senate Republicans and the $40 billion in social security cuts contained in that compromise. At my request, Senator DODD responded on behalf of Democrats. His remarks were a particularly articulate and compelling presentation of our party's position on these issues and I ask unanimous consent that they be inserted in the RECORD.

There being no objection the remarks were ordered to be printed in the RECORD, as follows:

DEMOCRATIC RESPONSE TO PRESIDENT REAGAN'S RADIO MESSAGE

This is Senator Chris Dodd of Connecticut.

A short while ago, President Reagan spoke to us about the economy of our nation and the budget battle in Congress. As I listened to the President describe the present economic crisis and his proposals for recovery, I couldn't help but remember the President's now famous line during the 1980 Presidential debates: "There he goes again."

In short, what our President argues, is that all of our economic troubles should be laid at the doorstep of the Democratic Party, the news media, business, labor, consumer groups, in fact everyone except his administration and the Republican members of the Senate Budget Committee.

Now you and I know that that argument is absolutely ridiculous and you know something, I suspect the President does too. What America needs more than anything else at this hour of historic crisis is Presidential leadership, not campaign rhetoric. Mr. President, you're absolutely right, we are running out of time.

The economic news this morning is absolutely dismal. The number of people out of work has hit a postwar record. For the first time in 41 years, more than 10 million Americans are in the unemployment lines. This number is equal to almost the total population of the States of Wyoming, Delaware, New Hampshire, Arkansas, Alaska, North Dakota, Idaho, and my home State of Connecticut.

Interest rates, as you know, are hovering at 18 percent, making economic recovery virtually impossible. Manufacturing is off considerably, businesses are failing at record levels, housing is at a standstill and predictions are that the recession will go on longer and be deeper. And what does our President have to say about all of this? What hope does he offer our country when we need his leadership most? Our President, unfortunately, says it's all the fault of Democrats and now the news media. I believe the country expects more from our head of state than frankly, a campaign stump speech.

Now that the President's own budget, submitted in January, has been unanimously rejected by Democrats and Republicans alike in Congress, the President has decided on a new economic course. Not only has our President refused to have the very affluent in our land pay a fairer share of taxes to reduce the staggering budget deficits, he has now decided to penalize Social Security recipients in a last ditch effort to bail out his economic program.

Since the President has brought up Social Security and once again guaranteed those who receive Social Security checks that they would be protected, and that no one would be hurt by his economic program, let me tell you as clearly as I can what the economic program endorsed by our President this week will actually do.

As you know, President Reagan has endorsed a proposal passed by the Senate Budget Committee. This proposal specifically calls for a $40 billion cut in Social Security over the next three years. That works out to more than a $1,000 cut for every Social Security beneficiary in America. Let me repeat that. That works out to a $1,000 cut for every Social Security beneficiary in America.

This is not a partisan charge. It's not a trick calculation. It's simple arithmetic. There are 38 million Americans who depend on Social Security. A $40 billion cut means that each of these recipients will lose more than $1,000.

Remember now, this is the same President who a short time ago told us everyone would be protected under Social Security. The same President who last May proposed to abolish the Social Security minimum benefit. I might add that under Democratic leadership and with strong Republican support, Congress rejected this attack in 1981 as I'm sure we'll reject this new attack in 1982.

The record also reveals that the Reagan Administration has proposed a 40 percent cut in Social Security benefits for those who retire at age 62. The Administration has also been flirting with reducing the cost of living allowances below the rate needed to keep pace with inflation. The budget cuts have already left disabled Americans and students who have lost their parents with far lower payments. All of this I might add, before the Presidential Committee on Social Security, called for by President Reagan, has made any recommendations to the Congress.

Whatever our President's rhetoric may be, the record of this Administration on Social Security is abundantly clear:

Campaign promises have been broken. And those who believed in them have been forgotten. Those who depend on them may be sacrificed to pay for the Administration's unwise and unfair tax cut.

I don't happen to believe that our President has acted out of coldness of heart or meanness of spirit. I believe the President simply has refused to face the facts.

As you're no doubt aware, his tax cut will not help any of you—as you've found out by now—unless you're one of the few who has an income of more than $100,000 a year. The tax cut does nothing for the 10 million of you standing in the unemployment lines. It doesn't do anything for the 400 business men and women who go bankrupt each week. And it certainly does nothing for young couples who can't afford to buy homes at the fantastic mortgage rate of 18 percent.

I happen to believe that while the President means well, his plan is both unwise and unfair. Yet we are told again and again to hope that it will work. But frankly, hoping will not make it happen. Hoping is certainly not going to prevail against next year's $180 billion federal deficit. Hoping is not going to put 10 million people back to work. And hoping is not going to bring interest rates down, or bring this recession to an end.

For too long, we've heard the old refrain: "Prosperity is just around the corner, recovery only a day away." And all of the fault, all of the failure, can be blamed on the Democrats and now, the news media. But that is a political strategy, not an economic solution.

As Democrats, we've offered sensible alternatives I believe. These alternatives include repeal of the third year of the Reagan tax giveaway, to try and cut wasteful defense and domestic spending—and in so doing we can move toward a balanced budget. But there is one thing we shall never do. We're not going to sacrifice the elderly and Social Security beneficiaries to make up the President's budget deficit.

We know that Social Security needs to be strengthened, but we will not weaken it in order to pay for lavish tax loopholes for the affluent in this country.

It was not so long ago that our President asked this question: "Are you better off today than you were four years ago?"

If he has his way, I'm afraid, every senior citizen living on Social Security will be worse off for many years to come.

As your representatives in the House and in the Senate, we can speak out for you. But as Americans, frankly, you can and you must stand up for yourselves. The President needs a message from the American people:

Cut tax loopholes, not Social Security.

Finance home mortgages, not corporate mergers.

Provide jobs, not welfare.

Put America back to work and make government work again for everyone, not just the privileged few.

That is the hope of the Democratic Party. It's a hope we see in human terms. A hope we seek for all Americans—whether you work in a factory in Connecticut, on a farm in Iowa, or a lumber mill in Oregon.

Thank you.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER (Mr. CHAFEE). The time for morning business has expired.

DEPARTMENT OF DEFENSE AUTHORIZATION, 1983

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of S. 2248, which the clerk will state by title.

The assistant legislative clerk read as follows:

A bill (S. 2248) to authorize appropriations for fiscal year 1983 for procurements, for research, development, test, and evaluation, and for operation and maintenance for the Armed Forces, to prescribe personnel strength for the Armed Forces and for civilian personnel of the Department of Defense, and for other purposes.

The Senate resumed consideration of the bill.

AMENDMENT NO. 1397, AS MODIFIED

(The name of Mr. MITCHELL was added as a cosponsor of amendment No. 1397, as modified.)

(The following remarks occurred earlier:)

Mr. SPECTER. Mr. President, in the 2 minutes intervening between now and 10 o'clock when my amendment on the summit issue will be pending, I would like to make two brief arguments. One is that it would be most useful for the Senate to express itself in the pending amendment to urge a summit meeting at a schedule to be arrived at by the President. There was extensive analysis on this subject in the New York Times today, which I ask unanimous consent to have printed in the RECORD at this point.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

REAGAN'S FOREIGN POLICY HAS LOST MANY OF ITS HARD EDGES, AIDES SAY

(By Leslie H. Gelb)

WASHINGTON, May 11—The foreign policy of the Reagan Administration has shifted in the last year and a half, in the view of Government officials, moving away from its roots in the conservative wing of the Republican Party toward the traditional center.

Administration officials, those who have won battles and those who have lost them, say foreign policy has become less strident and more forthcoming toward the Soviet Union and more attentive toward traditional European concerns. They say the Administration is now careful to present itself as a peacemaker, in favor of arms control yet still determined to build up American military might.

In this new phase, Secretary of State Alexander M. Haig Jr. has finally emerged as the "vicar" of American foreign policy, filling the role of general manager and formulator that he said had always been promised him by President Reagan.

With few exceptions, officials maintain that Mr. Haig, for now, has won the battle to influence the President's decisions. They credit Mr. Haig's experience, compared with his colleagues, and his relentless persuasion.

A series of interviews with officials throughout the Government elicited these other points about how American foreign policy is now shaped and executed:

The standing in the White House of Secretary of Defense Caspar W. Weinberger, Mr. Haig's main rival, has fallen. Officials there and in the Pentagon assert that he has not begun to master his job and that he spends too much time traveling.

William P. Clark, the national security adviser, has generally restricted himself to the role of coordinator, but he has revitalized the National Security Council system and played a central role in building White House support for many State Department policies since he took over the post from Richard V. Allen, another rival of Mr. Haig.

The State Department, particularly at the level of Assistant Secretary of State, has more room to maneuver and is doing more to shape policy than at any time in the last 20 years.

Some policy decisions have not been made because Mr. Haig was reluctant to bring the issues to the White House for fear Mr. Reagan would decide against him or that winning would be too dear politically.

OTHER INFLUENCES ON PRESIDENT

There are elements even more important than Mr. Haig's role in producing the new phase in foreign policy, key Administration officials said: The conflicting realities of world politics have buffeted and educated Mr. Reagan, he has listened to the seemingly powerful movement against nuclear weapons at home and he grew tired of the bureaucratic battles that scarred his first year in office.

"His instincts are still confrontational and to see the world in black and white terms," one high official said. "You can see that when he speaks off the cuff. But his prepared statements are now restrained and presidential."

Career officials in the Administration are wondering how far Mr. Reagan will carry his new foreign policy line. White House officials answer: Not very far. In interviews, they maintained that the moderate trend of policy has cost them only the support of some neoconservatives, most of whom are former Democrats, but not the backing of Republican conservatives.

Their assessment seems to be that as long as Mr. Reagan does not move further toward the left, his conservative supporters have nowhere else to turn. And that judgment tends to be borne out by the fact that conservative Republican Senators such as Jesse Helms of North Carolina have not split with the President despite his going against them on key issues. The President did not, for example, declare Poland in default of its debts and did not sell advanced arms to Taiwan.

A White House political figure said that for the Republican right wing, Mr. Reagan was their man and they would stick with him, but that for the neoconservatives, he was merely their candidate. As an example of the unreliability of neoconservative support, this official and others cited the example of an article in The New York Times Magazine by Norman Podhoretz, editor of Commentary magazine, that said Mr. Reagan was not being tough enough in dealing with Moscow.

A CLEAR EXAMPLE

The clearest and most recent demonstration of Mr. Haig's pre-eminence and the Administration's new policy tone was Mr. Reagan's arms control speech at Eureka College last Sunday. Free of the colorful polemics that characterized his first year, the speech could have been given by any of the Presidents that Mr. Reagan has criticized for being too willing, in his view, to talk with Moscow without the necessary military strength. The speech also contained a specific proposal to Moscow to reduce nuclear weapons.

Behind the proposal was a months-long struggle between the State Department and the Pentagon. Mr. Reagan adopted Mr. Haig's idea for limiting the number of nuclear weapons and thereby indirectly limiting destructive power, roughly the approach used in the second strategic arms treaty so sharply attacked by Mr. Reagan. Mr. Weinberger's idea of making reductions directly in terms of destructive power was relegated to a second phase of negotiations.

In the last six months, almost every major decision by Mr. Reagan has gone in Mr. Haig's direction.

For example, without Moscow's meeting a host of conditions, Mr. Reagan is now ready to meet with Leonid I. Brezhnev, the Soviet leader, as early as next month.

Instead of declaring Poland in default, the President was persuaded by Mr. Haig to settle for a Western credit squeeze on Poland.

Instead of confronting West European allies over their desire to finance a gas pipeline from the Soviet Union and buy the gas, Mr. Reagan adopted the State Department suggestion of pressing the Atlantic allies to reduce their credits to Moscow.

DÉTENTE AND ISRAEL

Under prodding from Mr. Haig, the President dropped his insistence that Moscow moderate its behavior before arms control talks begin. In general, the President has been far more sensitive to West European desires for arms control and détente and refrains now from calling Soviet leaders liars and cheats as he once did.

Responding to Mr. Haig's entreaties that a tough line with Israel would undermine the American-Israel relationship and hopes for future compromises, the White House has stopped condemning a variety of Israeli actions. Facing right-wing pressure from Congress to sell weapons to Taiwan, even at the risk of alienating Peking, Mr. Reagan has allowed Mr. Haig to seat him on the fence.

In almost all of these cases, Mr. Haig was opposed by Mr. Weinberger and conservative supporters of Mr. Reagan in the White House and Congress.

In only one clear-cut instance did Mr. Weinberger prevail and that was on Central America. Here it was Mr. Haig who was doing the saber-rattling and Mr. Weinberger who was urging moderation. In the last few months, Mr. Haig has softened his comments considerably and has gone beyond anyone in the Administration to suggest that he offered Cuba certain incentives for cooperation with the United States that were causing Cuban leaders to agonize over their relations with Moscow.

MANY NEGOTIATIONS BY NOVEMBER

The one major continuing strand in Administration policy is the commitment to larger military budgets. But even here, Mr. Reagan has abandoned his belief that the United States had to re-establish its military strength before risking negotiations with the Soviet Union. Now the judgment seems to be that it would be risky diplomatically and politically not to negotiate.

In sum, the Administration has put itself into a position where it can be negotiating on many issues before the November elections. In each of these present, prospective and possible negotiations, Administration officials acknowledge, Mr. Reagan has taken or will take a tough bargaining position. Where he may go from there they do not pretend to know and they are not sure that Mr. Reagan knows.

In the meantime, his apparatus to deal with these issues has changed profoundly as has the power balance in the Administration.

All of Mr. Haig's key rivals have either fallen or are in some state of retreat. Richard V. Allen, the former national security adviser, is back in private life. Mr. Weinberger's influence continues to diminish in the face of repeated reports from the Pentagon and Congress that he seems to be uninformed or misinformed about many matters under his jurisdiction. The most recent example was his insistence that Soviet missiles were more accurate than American missiles, a statement he later amended to "some Soviet missiles." Edwin Meese 3d, the White House counselor, is now removed from the daily paper flow on foreign affairs and no longer oversees the activities of the national security adviser.

HAIG'S RELATIONS WITH CLARK

Mr. Haig still has problems with James A. Baker 3d, the chief of staff, and his deputy, Michael K. Deaver, but their involvement in foreign policy tends to be episodic. They have, however, in concert with other political aides in the White House and conservatives in Congress, blocked several appoints Mr. Haig wants to make to his senior staff. As several White House aides explain the situation, it is a matter of giving the conservatives some hold on personnel because they are losing their grip on policy.

This has left Mr. Clark, whose knowledge of foreign affairs is still widely regarded as limited, as the only one in a position to challenge Mr. Haig regularly on policy. But he has not done so. According to officials, one of Mr. Clark's first steps was to help Mr. Haig consolidate his leadership. "But the price for that," one senior Administration official explained, "was Al's agreement that the President has to be out front—and he has been out front. Al realizes and concedes that the President is far more interested in foreign policy than he realizes."

All the same, Mr. Clark is said to make plain to the State Department, nearly daily, that he is not its adjunct. For example, for the first time in the Reagan Administration, Mr. Clark directed his staff to rewrite a State Department telegram, in this instance a message to Peking that Mr. Clark was said to feel went beyond the President's wishes.

THE KEY COGS IN THE SYSTEM

Mr. Clark, who calls the President "my client," carries on most of his business in conversation but also submits short memorandums, particularly in the daily 9:30 A.M. meeting with the President. The only other people there regularly are Mr. Meese and Mr. Clark. Officials at the assistant secretary level are often brought in to brief the President on a specific subject, are asked a few questions and leave. At these sessions, Mr. Reagan is usually told what the State Department is doing and he generally blesses its course.

As matters stand, the Assistant Secretaries of State are the key cogs in the system. For example, it is generally accepted that Thomas O. Enders, Assistant Secretary of State for Inter-American Affairs, sets the course for Latin America, and that Chester A. Crocker, the Assistant Secretary for Africa, does about the same for his region. In other Administrations over the last 20 years, Assistant Secretaries have been bound to a system of consultation and even approval from other departments.

For example, Robert D. Hormats, Assistant Secretary of State for Economic Affairs, has been named by President Reagan to be his personal representative to the economic conference at Versailles. In the Carter Administration, this position and the task of coordinating the Government for the meeting was in the White House.

AREAS OF CONFLICT

Bureaucratic war is generally confined to areas where State Department and Pentagon responsibilities clearly overlap, such as arms sales and arms control.

Officials said Mr. Clark was trying to lay the groundwork for a stronger role for the National Security Council staff in managing the system and trying to do something about well-recognized problems such as lack of coherence in policy and order in the policy-making process.

In all of 1981 before Mr. Clark took over, only 14 National Security Decision Directives or Presidential Decision memorandums were issued. In only four months in 1982, there have been 18. For a bureaucracy that needs formal decisions to function, it is an important improvement.

As matters now stand, Mr. Reagan's foreign policy is too conciliatory for the conservatives and too strident for the liberals. However, his actions have been careful, and there have been no calamities or overwhelming errors around which political opposition could solidify. As for Mr. Haig, he is still regarded with suspicion by left and right and has not been able to develop a solid political base. Yet as long as he is able to keep the Administration out of international troubles, Mr. Reagan seems willing to back him.

Mr. SPECTER. Mr. President, the underlying message is that the debate over nuclear arms is a raging one with many different points of view and the sense-of-Congress resolution will give substance to the initiatives taken by the President and will promote momentum.

The second argument is that the amendment will be a clear and convincing statement by the Senate of the United States that it stands four-square behind the statements of policy and intent expressed by the President in Sunday's speech in Eureka. And it goes even beyond in using the word "summit," which is not to be found in the President's speech or in Secretary Haig's statement of yesterday, with the attendant inference that the summit must be prepared with extra pressure for success. Unlike SALT II where the Senate of the United States would not support the executive's initiatives, this body will place itself squarely on record as being in support of such a summit meeting. Regardless of any other considerations, that statement by the Senate in and of itself has paramount value and should be made by an affirmative vote on the amendment which I have proposed or, in the alternative, by defeating a motion to table.

Mr. PERCY addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. PERCY. Mr. President, I move to table the amendment of the Senator from Pennsylvania (Mr. Specter).

Mr. SPECTER. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment of the Senator from Pennsylvania. The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Florida (Mrs. Hawkins), the Senator from Maryland (Mr. Mathias), the Senator from South Dakota (Mr. Pressler), and the Senator from Wyoming (Mr. Simpson) are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Nebraska (Mr. Exon), the Senator from Hawaii (Mr. Matsunaga), the Senator from Rhode Island (Mr. Pell), and the Senator from Maryland (Mr. Sarbanes) are necessarily absent.

I further announce that, if present and voting, the Senator from Hawaii (Mr. Matsunaga) would vote "nay."

I further announce that, if present and voting, the Senator from Rhode Island (Mr. Pell) would vote "yea."

The PRESIDING OFFICER (Mr. Chafee). Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 32, nays 60, as follows:

[Rollcall Vote No. 98 Leg.]

YEAS—32

Baker
Brady
Byrd, Harry F., Jr.
Chafee
Cochran
Cohen
Denton
Dodd
Dole
East
Garn
Glenn
Goldwater
Hatch
Hayakawa
Heflin
Helms
Humphrey
Jepsen
Kassebaum
Kasten
Long
Lugar
McClure
Nunn
Percy
Roth
Stennis
Symms
Thurmond
Tower
Warner

NAYS—60

Abdnor
Andrews
Armstrong
Baucus
Bentsen
Biden
Boren
Boschwitz
Bradley
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chiles
Cranston
D'Amato
Danforth
DeConcini
Dixon
Domenici
Durenberger
Eagleton
Ford
Gorton
Grassley
Hart
Hatfield
Heinz
Hollings
Huddleston
Inouye
Jackson
Johnston
Kennedy
Laxalt
Leahy
Levin
Mattingly
Melcher
Metzenbaum
Mitchell
Moynihan
Murkowski
Nickles
Packwood
Proxmire
Pryor
Quayle
Randolph
Riegle
Rudman
Sasser
Schmitt
Specter
Stafford
Stevens
Tsongas
Wallop
Weicker
Zorinsky

NOT VOTING—8

Exon
Hawkins
Mathias
Matsunaga
Pell
Pressler
Sarbanes
Simpson

So the motion to lay on the table Mr. Specter's amendment (No. 1397), as modified, was rejected.

Mr. TOWER addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Will the Senator withhold, please?

May we have order in the Chamber?

The Senator from Texas.

Mr. TOWER. Mr. President, I move to recommit S. 2248 to the Committee on Armed Services with instructions to report S. 2248 forthwith, as follows—and I submit the motion to the desk.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The question is on agreeing to the motion.

Mr. SPECTER. Mr. President——

The PRESIDING OFFICER. Debate is not in order at this time.

Mr. SPECTER. A parliamentary inquiry.

The PRESIDING OFFICER. The clerk will report.

Mr. ROBERT C. BYRD. Mr. President, I ask that the clerk read the instruction.

The PRESIDING OFFICER. The clerk will read.

Mr. BAKER. Mr. President, may I have recognition for a minute?

The PRESIDING OFFICER. The Senator from Tennessee, the majority leader.

Mr. BAKER. Mr. President, the instructions are quite lengthy.

Mr. BUMPERS. Mr. President, may we have order, so that we can hear the majority leader?

The PRESIDING OFFICER. The point is well made. Will the Senators in the rear of the Chamber please conduct their conversations in the cloakroom?

Mr. TOWER addressed the Chair.

The PRESIDING OFFICER. The majority leader has the floor.

Mr. TOWER. Mr. President, let me withhold my motion, and I will explain what it is before I move it.

The PRESIDING OFFICER. Debate is not in order at this moment.

The majority leader.

Mr. BAKER. Mr. President, I think the better part of discretion is to provide a brief time for the description of these instructions, the motion that has been made by the distinguished chairman of the committee. I ask unanimous consent that there be a period of not to exceed 30 minutes for discussion, to be equally divided between the chairman of the committee and the minority leader or his designee.

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, I have no intention of asking that the instruction be read. The distinguished Senator from Maine wanted to ask a question. He was shut out because of no debate being permitted.

I just thought we would have the instruction read, so that we would know what is in the motion to recommit.

It is perfectly agreeable to me. I have no objection to the request of the majority leader.

The PRESIDING OFFICER. Is there objection?

Mr. TOWER. Mr. President, I will explain this in full. Once the motion is made, the instructions are subject to amendment. I recommend against reading the instructions, but I will be happy to respond to questions.

Perhaps the best thing for me to do is to withhold my motion to recommit with instructions and let me explain, first. Then I will offer my motion, after the explanation.

Mr. BAKER. That is satisfactory to me, Mr. President.

The PRESIDING OFFICER. Even withholding the motion does not allow debate, without unanimous consent.

Mr. BAKER. Mr. President, I renew my request that there be 30 minutes of debate on the motion, to be equally divided between the chairman of the committee and the minority leader or his designee.

The PRESIDING OFFICER. Is there objection?

Mr. SPECTER addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. Mr. President, I reserve the right to object, and I have a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. SPECTER. Is this motion to recommit subject to amendment, and if so, when?

The PRESIDING OFFICER. It is subject to amendment, and if the unanimous-consent request is agreed to, it will be at the conclusion of that time.

Mr. BAKER. Mr. President, with all deference and respect to the Chair, perhaps I misunderstood. I did not think that the motion itself was amendable but that the instructions were amendable.

The PRESIDING OFFICER. The Senator is correct.

Mr. BAKER. I thank the Chair.

The PRESIDING OFFICER. Is there objection? The Chair hears none and it is so ordered.

Who yields time?

Mr. TOWER. Mr. President, I yield myself such time as I may require.

The PRESIDING OFFICER. The Senator from Texas.

Mr. TOWER. Mr. President, the net effect of the recommendation now pending before the Senate is a reduction of $2.4 billion in budget authority and approximately $1 billion in outlays for fiscal year 1983 below that which was recommended by the Committee on Armed Services only last week.

Mr. President, may we have order?

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate, so that Senators will know what is being recommitted?

The PRESIDING OFFICER. The Senator's point is well taken. We will not proceed until there is order in the Chamber.

Will those Senators conducting conversations please do so in the cloakroom? We cannot proceed until we have order, so that the Senator from Texas can be heard.

The Senator will proceed.

Mr. TOWER. Mr. President, let me make a long story short, before I read my statement. Let me summarize it first and then read it.

The thrust of the motion to recommit with instructions to report forthwith is to permit the committee to comply with the budget resolution passed by the Budget Committee and ordred to be reported. It calls for a $5 billion reduction in outlays from the President's original request.

What we did was to meet on Monday and agree on a commitment amendment or a committee position that would achieve these reductions: and we are using this device to incorporate that committee amendment into the bill, which would permit us to make this reduction. It is as simple as all that.

Once it has been reported back, anything that has been incorporated into this as a result of that instruction is subject to amendment. In other words, the whole bill is treated as original text for the purpose of amendment. So everybody's amendments are still eligible. The amendments that were adopted prior to today have already been incorporated into the instruction. That would include the amendment by the Senator from Maine (Mr. MITCHELL), which I opposed, but we did incorporate that and other amendments that were agreed to prior to today—actually, prior to Monday—in the instruction.

The amendment offered by the Senator from Pennsylvania (Mr. SPECTER) is not incorporated but would be eligible to be reoffered. There already has been a vote on a tabling motion with respect to that amendment, and I think if he offered it again, the outcome would be predictable.

So I do not think this prejudices anybody. It is an orderly way to do business.

Mr. President, the net effect of the recommendation, as I said, is a reduction of $2.4 billion in budget authority and approximately $1 billion in outlays for fiscal year 1983 below that which was recommended by the Committee on Armed Services only last week. Thus, the total obligational authority contained in this bill is approximately $177.9 billion, a reduction of approximately $5.5 billion from the President's February 8 budget request.

Mr. President, I recognize that this action by the Committee is a very unusual legislative step and I assure you that I have agreed to this action with great reluctance. I did not want to take anything out of the President's original recommendation. My reluctance stems from the fact that the national security of this country is being jeopardized by the budgetary pressures of the moment. Our priorities are clearly out of order. I would love to say that these reductions can be justified because the military threat has decreased. Unfortunately, the contrary is true—the Soviet threat has only increased. One need only take a moment to look at the world situation today to understand this. In weaponry, the Soviets are "quantitatively" superior to us and in many areas, they are—for the first time—"qualitatively" superior as well. Nonetheless, while we debate about the level of defense spending, the Soviets "build."

Until last Friday, I was prepared to move forward on the Senate floor with the DOD authorization bill, and I am confident that such bill would have had the overwhelming support of the Senate. Nevertheless, circumstances have changed since last Friday because the Senate Budget Committee has proposed an overall budget package which has been agreed to by the President. This package recommends a reduction in the national defense function for fiscal year 1983 from $224.2 billion, the Budget Committee's outlay base, to $215.3 billion. Included in this reduction is $3.9 billion in military and civilian pay.

Monday, the Committee on Armed Services heard testimony from the Secretary of Defense, the Deputy Secretary of Defense, and the Chairman of the Joint Chiefs of Staff on their proposals for reducing the level of defense spending consistent with the President's most recent agreement. The committee concurred with most of the recommendations offered by the Dpartment of Defense. However, after careful consideration, the committee elected to forgo most of the reductions-in-force structure proposed by DOD and offered other reductions in lieu thereof. Thus, the only significant force structure reduction reflected in this bill is the early decommissioning of 13 Navy destroyers.

Mr. President, I ask unanimous consent to have printed in the RECORD this detailed summary of the latest reductions recommended by the committee.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

SUMMARY OF COMMITTEE ACTION ON FISCAL YEAR 1983 DEFENSE AUTHORIZATION BILL

	Authorization amount	Impact on 050 function
Fiscal year authorization request, S. 2248	183.452	
Previous committee action	−3.166	−3.166
Manpower impact		−.106
S. 2248 as reported	180.286	−3.372
Committe action, May 10, 1982	−2.379	−2.379
Manpower impact		−.415
S. 2248, as amended	177.907	−6.166
Charge from request (S. 2248 only, no manpower impact)	−5.545	

REDUCTIONS FROM S. 2248 RESULTING FROM COMMITTEE AMENDMENT: SUMMARY BY SERVICE

[Amounts in millions of dollars; budget authority only]

	Title I procurement	Title II R.D.T. & E.	Title III O. & M.	Service totals
Army	−512.3	−293.6	−97.0	−902.9
Navy/Marine Corps	−818.0	−171.2	−156.6	−1,145.8
Air Force	−89.5	−42.7	−157.0	−298.2
Defense Agencies/ Defensewide	−7.6	−24.1	−.4	−32.1
Total	−1,436.4	−531.6	−411.0	−2,379.0

	Title I procurement	Title II R.D.T.& E.	Title III O. & M.
ARMY			
Field artillery ammo support vehicle (FAASV)	−111.0		
Communications and electronics	−200.0		
M-1 production cap	−200.3		
Rattler (IMAAWS)		−12.9	
Command and Control		−3.0	
BMD systems technology		−200.0	
Mainsite		−10.0	
Missile technology		−5.0	
Aeronautical technology		−2.0	
Programwide activities		−5.1	
Blackhawk mods		−1.0	
Antitactical missile		−7.6	
Communication technology		−1.0	
RPV support technology		−1.6	
TRADOC studies		−1.8	
Advanced rocket control system		−15.6	
Mobile protected gun (far term)		−27.0	
Real property maintenance			−30.0
Continuing education system			−15.0
Deactivate Combat Development Exp. Command			−2.0
Recruiting/advertising			−25.0
Foreign currency adjustment			−3.0
Lower fuel prices			−21.0
Support personnel end strength reduction			−1.0
Subtotal	−511.3	−293.6	−97.0
NFIP adjustment	−1.0		
Total	−512.3	−293.6	−97.0
NAVY/MARINE CORPS			
Restructure SH-60B LAMPS III	−450.0		
Slip HARM	−81.0		
Trident mods	−285.0		−.6
Tilt fan		−36.3	
Surface ASW		−4.4	
Combat systems architecture		−2.8	
S-3A WSIP		−15.3	
Combat infor. systems conv		−8.6	
Man-machine technology		−0.4	
Ships, boats, subs technology		−9.2	
Defense research sciences		−1.1	
SSBN subsystem technology		−4.9	
Penguin		−1.6	
Electro-optic sensor		−5.4	
S. & A. support, Navy		−1.9	
Advanced air-launched ASM		−4.0	
Avionics development		−4.9	
Helicopter development		−10.1	
Enhanced modular signal processor		−1.4	
Air warfare training device		−2.0	
Air-to-air missile system		−1.0	
Defer SH-60 Variant		−9.9	
Consolidate HXM with JVX		−4.5	
Trident I (MK-500)		−26.5	
Consolidate cruise missile programs		−15.0	
Real property maintenance (MC)			−10.0
Decommission 13 ships			−95.0
Delete TAKX			−10.0
Recruiting/advertising			−15.0
Lower fuel prices			−21.0
Support personnel end strength reduction (Navy)			−3.5
Support personnel end strength reduction (Marine Corps)			−1.5
Subtotal	−816.0	−171.2	−156.6
NFIP adjustment	−2.0		
Total	−818.0	−171.2	−156.6
AIR FORCE			
Terminate A-10	−4.0		
Slip HARM	−69.0		
Consolidate cruise missile programs		−42.7	
Real property maintenance			−95.0
Lower fuel prices			−49.0
Recruiting/advertising			−5.0
Support personnel end strength reduction			−8.0
Subtotal	−73.0	−42.7	−157.0
NFIP adjustment	−25.5		
Total	−98.5	−42.7	−157.0
DEFENSE AGENCIES-DEFENSEWIDE ACTIVITIES			
OSD/JCS studies and analysis		−7.0	
Director, T. & E.		−6.0	
Defense Nuclear Agency		−11.1	
Subtotal		−24.1	
NFIP adjustment	−7.6		−.4
Total	−7.6	−24.1	−.4

TITLE IV: ACTIVE DUTY MANPOWER

[End strengths in thousands]

	Authorized levels, fiscal year 1982	Request, fiscal year 1983	Committee report, fiscal year 1983	Committee amendment, May 1982
Army	[1] 780.3	783.8	783.8	781.5
Navy	554.6	569.2	564.2	559.4
Marine Corps	192.1	194.6	194.6	191.9
Air Force	580.8	600.0	594.5	584.4
Total [2]	2,107.8	2,147.6	2,137.1	2,117.2

[1] Does not include the fiscal year 1982 supplemental request for 4,100 additional active duty personnel.

[2] Subtotals may not add to totals due to rounding

Mr. TOWER. Mr. President, the committee has taken a major step toward meeting the $215.3 billion target by incorporating in this bill some of the $9 billion reductions agreed to by the President and recommended by the Senate Budget Committee. The committee has also identified other areas in which savings might be achieved to meet this target. These will be reflected in other legislation which the Armed Services Committee and other committees will consider in the weeks and months ahead.

Let me stress that these reductions will not be painless. I, along with the overwhelming majority of the committee members, agreed with the President and the Secretary of Defense that we must do everything possible to preserve the modernization, readiness, and sustainability initiatives contained in the President's original defense budget program for fiscal year 1983. I might add that the budget outlay problem in fiscal year 1983 would not have been meaningfully improved with spending reductions on modernization initiatives since these programs spend out very slowly. Therefore, in order to achieve the desired level of outlay reductions, without ravaging our critically important modernization efforts, the committee was forced to consider reductions in programs which have a relatively fast spendout.

Mr. President, let me assure you that any significant reductions in defense, beyond those currently recommended, will most assuredly require that we reduce our force structure. Even our current force structure is spread too thin, and thus further force structure reductions will require that we reassess our ability to meet existing commitments. We cannot have it both ways.

Again let me say I am reluctant to accommodate any cuts, but it appeared to be necessary under the circumstances.

I think that there were some proposals that would result in deeper cuts in defense and I think that would seriously harm our ability to modernize our forces and maintain our readiness sustainability.

Mr. President, I intend to move to table any amendments offered to the instructions and I advise Senators that that will not be the wise way for them to try to get their amendments on the bill.

Let the instructions go because everyone's rights will be preserved and they will have the opportunity to offer those amendments to the bill as it will be amended once the committee reports back pursuant to the motion that I have offered.

I yield to the Senator from Mississippi.

Mr. STENNIS. Mr. President, I thank the Senator from Texas.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield to me briefly?

Mr. STENNIS. I am glad to yield.

Mr. ROBERT C. BYRD. Mr. President, under the order entered by the majority leader, I have control of the time on this side of the aisle. I wish to yield that control to the distinguished Senator from Mississippi because I think he should have control.

Mr. STENNIS. I thank the Senator and thank him very much.

Mr. President, how much time is there for each side?

The PRESIDING OFFICER. There are 15 minutes to each side.

Mr. STENNIS. Mr. President, I yield myself 4 minutes.

This is an unusual procedure in this way: The motion of the Senator from Texas, as I understand it, merely relates to amendments that have been agreed on by the committee. It will be pro forma, more or less, to send this bill back now to the committee for a pro forma report back immediately, you might say, of the amendments that have already been agreed to by the committee, and all rights will be preserved fully for everyone to offer amendments. It is just a new way of doing things that saves time. It does not leave anyone out.

Mr. President, let me say this. The committee had these recommendations before us. There was more than average attendance. There was good attendance, and there was active participation by virtually all the Members, after having high level proof from civilian and military authorities about these proposed reductions.

And with them all on the table some were adopted and others were modified, and there were some rejections.

That was actively participated in by the Senator from Texas and other Members from his side. I participated as did other Members from the so-called my side of the table.

Finally it was settled to where it was virtually unanimous to put in the amendments that we have settled on.

So I hope now in the interest of the bill as a whole that we can have this pro forma procedure followed and get back here and get the bill back on the floor and proceed then with amendments which are certainly in order, and I am always in favor of everyone having his opportunity.

But I do hope we will stop putting extraneous matters on this bill. I certainly feel no good bill is going to come out of the Armed Services Committee on the social security system. No sound and stirring and convincing foreign policy is going to come out of the Armed Services Committee, as good as our chairman may be in that field and others. It is going to come out of our Foreign Relations Committee.

Let us get back on the track. Everyone, though, will certainly have all his rights, as far as I am concerned, and I can heartily support these reductions and I think maybe some more could have been supported, with no great numbers, but this is just an authorization bill, and I hope that we can proceed and pass it, and I expect to be here for the contributions I can make.

I yield.

Mr. DIXON addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. DIXON. Mr. President, may I ask the Senator from Mississippi to yield time so that I may ask a question of the Senator from Texas?

Mr. STENNIS. We have 11 minutes in all. Does the Senator want 2 minutes?

Mr. DIXON. Two minutes.

Mr. President, will the distinguished Senator from Texas yield for a question?

Mr. TOWER. I would be delighted to respond to a question.

Mr. DIXON. I certainly support what the Senator from Mississippi has said about these reductions, and will be happy to support them. But is it not a fact, I ask the Senator from Texas, that if we vote for this motion to recommit with instructions the Senator has now on the motion, it will effectively strip this piece of legislation of the amendment adopted only a moment ago by a 60-to-32 vote that was offered by the Senator from Pennsylvania (Mr. Specter) and myself? Is that not true?

Mr. TOWER. It is not true because the amendment of the Senator from Pennsylvania was not adopted. A motion to table that amendment was defeated. Therefore, that amendment is still alive until after we complete this. There is no question, as I said earlier, that that amendment would not be included in the instructions.

However, it is still eligible, and it has not been acted on, and it could be offered again, and I would expect the same result to occur. So the Senator's rights are fully protected. As I said in my opening remarks, yes, it would be stripped but, in fact, it has not been acted on yet.

Mr. DIXON. So it is still before us to be acted upon when this is reported.

Mr. TOWER. You will have to just go through the formal motion of calling it up again.

Mr. DIXON. Mr. President, would the Senator repeat that?

Mr. TOWER. You just have to go through the formal motion of calling it up again.

Mr. DIXON. I thank the Senator very much.

The PRESIDING OFFICER. Who yields time?

Mr. TOWER. How much time does the distinguished Senator from Pennsylvania wish?

Mr. SPECTER. Two minutes.

Will the Senator from Texas yield for a question, Mr. President?

Mr. TOWER. Yes.

Mr. SPECTER. Is it feasible to have the modifications to the bill, which you have proposed, put before the body in the form of amendments at this time?

Mr. TOWER. Wait a minute, I am not sure I understood the question.

Mr. SPECTER. The question is, can you achieve the same result by making amendments to the bill which is currently laid before the Senate—can you make the modifications or the reductions in expenditures?

Mr. TOWER. Yes, you could, but the amendment would be divisible because it covers a lot of ground, so this is a simple device that is very often resorted to in the Senate to put a committee amendment on that has been agreed to subsequent to the calling up of the bill, and it preserves everybody's rights because the bill is fully amendable. This amendment, in fact, once incorporated in the bill and once reported, is treated as original text for the purpose of amendment.

Mr. SPECTER. But is it possible to achieve the same result by the Senator's making an amendment to the bill which is now laid before the Senate?

Mr. TOWER. It is possible, but again the amendment is divisible and would defeat the whole purpose because then there would be an inclination to pick and choose between and among the various items that have been reduced in spending, and it is a pretty long list which I have submitted for the Record, which I would be glad to give the Senator a copy for his perusal and he can see the great difficulty involved in trying to establish the committee's position by that route. This is an expeditious way of doing business.

Mr. SPECTER. But it is not necessary to submit those singly, you can submit those in a group?

Mr. TOWER. One Senator can call for a division of the amendment and it could be divided into many, many parts. So that is not an orderly way to do business.

Mr. SPECTER. I thank the Senator.

The PRESIDING OFFICER. Who yields time?

Mr. TOWER. Let me say that all amending rights to the bill are fully protected by this.

Mr. President, I suggest the absence of a quorum and I ask unanimous consent that the time be equally charged.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, will the distinguished Senator yield me a few minutes?

Mr. STENNIS. Yes. May we have order now, Mr. President?

The PRESIDING OFFICER. Will the Senator please withhold. May we have order, please.

The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I have a question of the distinguished manager of the bill, Mr. Tower. Do the instructions provide that the committee amendments, when the bill is reported back, will be considered as adopted en bloc or will the bill be brought back with committee amendments, the committee substitute, still pending?

Mr. TOWER. The bill will be brought back with the committee amendments adopted en bloc, that is to say, the amendments agreed to in committee on Monday, with the various cuts addressed to various aspects of the bill; it simply, of course, is the effect of rewriting the bill with that amendment.

We also incorporate in the instructions those amendments that were already adopted on the floor to protect those Senators and to prevent them from having to reoffer their amendments.

Mr. ROBERT C. BYRD. It does not provide that the committee substitute be agreed to when the bill is brought back?

Mr. TOWER. No.

Mr. ROBERT C. BYRD. Does it make any provisions with respect to social security?

Mr. TOWER. It makes no provision with respect to social security, so anything on social security would have to be reoffered.

Mr. ROBERT C. BYRD. I thank the Senator.

Mr. TOWER. Which I would be reluctant to see happen.

The PRESIDING OFFICER. Who yields time?

Mr. STENNIS. I yield 1 minute to the Senator from Maine, and if he needs more I will yield more.

Mr. MITCHELL. Mr. President, I simply want to thank the distinguished chairman and floor manager for his assurance that my amendment will be protected in the bill. I thank the Senator.

The PRESIDING OFFICER. Who yields time?

Mr. TOWER. I yield 2 minutes to the Senator from New Mexico.

Mr. DOMENICI. Mr. President, I rise in support of the content of the bill which would be reported back from the committee if this motion succeeds.

I want to commend the distinguished chairman in this revision. Actually this will get us very close, along with other matters the administration has submitted, to the revised targets for both budget authority and outlays for the Department of Defense as prescribed in the budget resolution which the committee reported.

I have a table indicating the general assumptions and how they compare with the existing DOD budget and I ask unanimous consent that it be printed in the Record.

There being no objection, the budget summary was ordered to be printed in the Record, as follows:

BUDGET SUMMARY: NATIONAL DEFENSE FUNCTION (050)

[In billions of dollars]

	President's budget (April reestimate)		CBO reestimate of President's budget		Senate Budget Committee baseline	
	BA	O	BA	O	BA	O
Fiscal year 1983 request	263.3	221.3	263.5	223.1	264.6	224.2
S. 2248 as reported	−3.3	−1.6	−3.3	−1.6	−3.3	−1.6
DOD proposed cuts in fiscal year 1983	−6.5	−3.2	−6.5	−3.2	−6.5	−3.2
DOD cuts already in S. 2248	+1.8	+1.3	+1.8	+1.3	+1.8	+1.3
New DOD proposed cuts	−4.7	−1.9	−4.7	−1.9	−4.7	−1.9
DOD budget after committee action	255.3	217.8	255.5	219.6	256.6	220.7
Additional cuts requiring new legislation:						
Pay raise reductions	−3.3	−3.3	−3.3	−3.3	−3.9	−3.9
Stockpile sales [1]					−.4	−.4
DOD budget after committee action plus new legislation	252.0	214.5	252.2	216.3	252.3	216.4
Senate Budget Committee recommendation	251.7	215.3	251.7	215.3	251.7	215.3
Amount over (+) or under (−) Senate Budget Committee recommendation	+.3	−.8	+.5	+1.0	+.6	+1.1

[1] The President's budget and CBO reestimate both assume outlay savings in fiscal year 1983 from stockpile sales of silver ($0.4 billion). The Senate Budget Committee baseline did not assume these savings. This analysis assumes the savings will take place in all 3 columns.

Mr. DOMENICI. I want to commend the distinguished Senator from Texas for revising the DOD authorization bill. As chairman of the Armed Services Committee and as a member of the Budget Committee, Senator Tower is caught right in the middle of the tensions and the pressures of two urgent national problems.

One problem is the pressing need to strengthen our defense capabilities to assure protection of our security interests throughout the world. The second, and equally urgent, problem is to reduce the Federal Government's budget deficits so that we are borrowing far less money and instead leave in the private economy resources needed for sustained economic recovery.

Senator Tower is helping the Senate deal intelligently with these two problems. The motion he has just offered directly addresses both the DOD authorization bill and the implications of the budget resolution which will shortly come before the Senate.

In taking his bill back to the Armed Services Committee in order to consult with the DOD and to achieve further military spending reductions, Senator Tower has acted to support the specific goals of the current budget process. He has done this, I am sure, in spite of his own well-known belief that the United States dare not shirk from the financial implications of a sound defense.

Both the budget resolution and the question of funding for our national defense programs will be debated and voted on through several additional stages before this year is over. I am confident the final outcomes on both fronts will be something both Senator Tower and I can support.

I count it a privilege to work closely with the Senator from Texas. He is one of the Senate's real strengths. I commend him again for getting us on the road to passage of the pending bill.

The PRESIDING OFFICER. Who yields time?

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield time?

Mr. STENNIS. I yield such time as the distinguished minority leader may need.

Mr. ROBERT C. BYRD. As I understand it, the instructions will provide for the committee to report back immediately, forthwith, with certain amendments.

Mr. TOWER. Yes.

Mr. ROBERT C. BYRD. But the instructions do not provide that those amendments be considered as having been adopted en bloc when that bill is reported back. I am hoping that is not part of it.

Mr. TOWER. It is my understanding that the effect is to adopt the committee amendments en bloc. It is one amendment, but it is a divisible amendment, and it just simply alters certain dollar amounts in the bill, and the bill then is brought back.

Mr. ROBERT C. BYRD. But are those amendments considered as adopted en bloc when that bill is reported back?

Mr. TOWER. I would say they would be.

Mr. ROBERT C. BYRD. I would say that would not be proper. May I ask the Chair?

The PRESIDING OFFICER. The amendment is a single amendment and it would not be considered as adopted by the Senate. It would be original text as far as the Senate is concerned because it is a complete substitute to the bill.

Mr. ROBERT C. BYRD. But the amendments could not be brought back under the instructions and considered as having been adopted en bloc when brought back?

The PRESIDING OFFICER. En bloc is not an issue since there is only one amendment. You could not, in the motion, provide that it is agreed to by the Senate, the amendment.

Mr. ROBERT C. BYRD. You could not what?

The PRESIDING OFFICER. You could not provide that the amendment is agreed to by the Senate in the motion.

Mr. ROBERT C. BYRD. That is what I was trying to say.

Mr. TOWER. I did not understand the question of the minority leader. No, it would not mean the Senate had adopted them en bloc. It would mean that they would still be subject to amendment; that is, the individual piece, as a package, could still be subject to amendment and affected by the amendment process.

Mr. ROBERT C. BYRD. That resolves my problem.

The PRESIDING OFFICER. Who yields time?

Mr. TOWER. Does anyone else seek time? I am prepared to yield back my time.

Mr. STENNIS. Mr. President, we are prepared to yield back all time if no one else wishes to speak.

Mr. TOWER. Mr. President, I yield back the remainder of my time.

Mr. STENNIS. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the motion.

Mr. ROBERT C. BYRD. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas (Mr. Tower). The yeas and nays have been ordered and the clerk will call the roll.

Mr. STEVENS. I announce that the Senator from Florida (Mrs. Hawkins) is necessarily absent.

The PRESIDING OFFICER (Mr. Gorton). Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 99, nays 0, as follows:

[Rollcall Vote No. 99 Leg.]

YEAS—99

Abdnor
Andrews
Armstrong
Baker
Baucus
Bentsen
Biden
Boren
Boschwitz
Bradley
Brady
Bumpers
Burdick
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Chafee
Chiles
Cochran
Cohen
Cranston
D'Amato
Danforth
DeConcini
Denton
Dixon
Dodd
Dole
Domenici
Durenberger
Eagleton
East
Exon
Ford
Garn
Glenn
Goldwater
Gorton
Grassley
Hart
Hatch
Hatfield
Hayakawa
Heflin
Heinz
Helms
Hollings
Huddleston
Humphrey
Inouye
Jackson
Jepsen
Johnston
Kassebaum
Kasten
Kennedy
Laxalt
Leahy
Levin
Long
Lugar
Mathias
Matsunaga
Mattingly
McClure
Melcher
Metzenbaum
Mitchell
Moynihan
Murkowski
Nickles
Nunn
Packwood
Pell
Percy
Pressler
Proxmire
Pryor
Quayle
Randolph
Riegle
Roth
Rudman
Sarbanes
Sasser
Schmitt
Simpson
Specter
Stafford
Stennis
Stevens
Symms
Thurmond
Tower
Tsongas
Wallop
Warner
Weicker
Zorinsky

NOT VOTING—1

Hawkins

So the motion was agreed to.

Mr. TOWER. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

EXTENSION OF TIME TO MAY 31 FOR COMMITTEES TO REPORT UNDER THE BUDGET ACT

The **PRESIDING OFFICER**. Is the majority leader seeking recognition?

Mr. **TOWER**. Mr. President, I yield to the majority leader.

Mr. **BAKER**. Mr. President, I have cleared this request with the distinguished minority leader and the chairman of the Committee on the Budget. I believe it has been cleared with the ranking member, the vice chairman of the Committee on the Budget.

I ask unanimous consent that the reporting requirement for committees under the Budget Act, which is May 15, which we previously changed to May 17, be extended now until May 31.

The **PRESIDING OFFICER**. Is there objection? Without objection, it is so ordered.

DEPARTMENT OF DEFENSE AUTHORIZATION, 1983

The **PRESIDING OFFICER**. The Senator from Texas.

Mr. **TOWER**. Mr. President, pursuant to the vote just taken, on behalf of the Committee on Armed Services, I report back S. 2248, with an amendment, which is at the desk.

The **PRESIDING OFFICER**. The clerk will state the amendment.

The assistant legislative clerk read as follows:

The Senator from Texas (Mr. TOWER) reports S. 2248, with an amendment in the nature of a substitute, and an amendment to the title, as follows:

On page 14, strike out all after line 6 and insert the following in lieu thereof:

That this Act may be cited as the "Department of Defense Authorization Act, 1983".

TITLE I—PROCUREMENT

AUTHORIZATION OF APPROPRIATIONS

SEC. 101. Funds are hereby authorized to be appropriated for fiscal year 1983 for the use of the Armed Forces of the United States for procurement in amounts as follows:

ARMY

For the Army: for aircraft, $1,786,914,000; missiles, $2,848,600,000; weapons and tracked combat vehicles, $4,704,985,000; ammunition, $2,733,384,000; and other procurement, $4,363,991,000.

NAVY

For the Navy: for aircraft (including aircraft for the Marine Corps), $11,167,800,000; weapons (including missiles and torpedoes), $3,810,200,000; naval vessels, $18,368,700,000; and other procurement, $3,971,758,000.

MARINE CORPS

For the Marine Corps: for procurement (including ammunition, other weapons and combat vehicles, missiles, communications and electronics, support vehicles, and engineering and other equipment), $2,198,700,000.

AIR FORCE

For the Air Force: for aircraft, $17,783,800,000, of which $186,100,000 is for the United States contribution of its fiscal year 1983 share of the cost of the acquisition by the North Atlantic Treaty Organization (NATO) of the Airborne Early Warning and Control System (AWACS); missiles, $5,269,800,000; and other procurement, $5,721,600,000.

NATIONAL GUARD AND RESERVE COMPONENTS

For aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, other weapons, and other procurement, as follows:

For the Army National Guard, $50,000,000.

For the Air National Guard, $30,000,000.

For the Army Reserve, $30,000,000.

For the Naval Reserve, $30,000,000.

For the Marine Corps Reserve, $30,000,000.

For the Air Force Reserve, $30,000,000.

The authorization of appropriations for the National Guard and Reserve components contained in this paragraph is in addition to any other funds authorized to be appropriated by this or any other Act.

DEFENSE AGENCIES

For the Defense Agencies: for procurement, $859,584,000.

REQUIREMENTS RELATING TO MULTIYEAR CONTRACTS FOR CERTAIN EQUIPMENT

SEC. 102. Notwithstanding any other provision of law, no multiyear contract may be entered into for the procurement of—

(1) F-111 weapon navigation computers;
(2) C-2 aircraft;
(3) EA-6B aircraft;
(4) A-6E aircraft;
(5) MULE laser designators;
(6) CH-53E helicopters;
(7) MLRS rocket systems; or
(8) ALQ-136 radio jammers,

until (A) the Secretary of the military department concerned has submitted to the Committees on Armed Services of the Senate and the House of Representatives a written report setting forth the justification for entering into a multiyear contract for the procurement of the equipment concerned, and (B) thirty days have elapsed after the date on which such report is received by such committees.

CERTAIN AUTHORITY PROVIDED THE SECRETARY OF DEFENSE IN CONNNECTION WITH THE NATO AIRBORNE WARNING AND CONTROL SYSTEM (AWACS) PROGRAM

SEC. 103. Section 103(a) of the Department of Defense Authorization Act, 1982 (Public Law 97-86; 95 Stat. 1100), is amended—

(1) by inserting "and each fiscal year thereafter" after "fiscal year 1982" in the matter before clause (1); and

(2) by striking out "for fiscal year 1982" in clause (3).

PROHIBITION AGAINST PROCUREMENT OF ADDITIONAL A-10 AIRCRAFT

SEC. 104. Notwithstanding any other provision of law, none of the funds appropriated to or for the use of the Air Force for fiscal year 1983, or any prior fiscal year, may be obligated after the date of the enactment of this Act for the procurement of any A-10 aircraft in any amount greater than the amount authorized for the procurement of such aircraft in the Department of Defense Authorization Act, 1982 (Public Law 97-86; 95 Stat. 1099).

PROHIBITION AGAINST PROCUREMENT OF ADDITIONAL AH-64 (APACHE) HELICOPTERS

SEC. 105. Notwithstanding any other provision of law, none of the funds appropriated to or for the use of the Army in the Department of Defense Appropriation Act, 1982 (Public Law 97-114; 95 Stat. 1565), may be obligated after the date of the enactment of this Act for the procurement of any AH-64 (Apache) helicopters unless the procurement thereof is specifically authorized by legislation enacted after the date of the enactment of this Act.

RESTRICTION ON PROCUREMENT OF TACAMO COMMAND, COMMUNICATIONS, AND CONTROL EQUIPMENT

SEC. 106. None of the funds appropriated pursuant to this Act may be obligated or expended for the procurement of any airborne very low frequency equipment for the TACAMO EC-130Q aircraft until thirty days have elapsed after the date on which the Secretary of Defense has submitted a written report to the Committees on Armed Services of the Senate and the House of Representatives discussing the feasibility of replacing such equipment with modern communication systems consistent with the planned acquisition of replacement aircraft.

CBU-90 ANTIARMOR CLUSTER MUNITION

SEC. 107. None of the funds appropriated pursuant to section 101 of this title may be used for the procurement of the CBU-90 antiarmor cluster munition until after the Secretary of the Air Force certifies in writing to the Committees on Armed Services of the Senate and the House of Representatives that procurement of such munition is essential to the Air Force inventory.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

AUTHORIZATION OF APPROPRIATIONS

SEC. 201. (a) Funds are hereby authorized to be appropriated for fiscal year 1983 for the use of the Armed Forces of the United States for research, development, test, and evaluation in amounts as follows:

For the Army, $4,161,741,000.

For the Navy (including the Marine Corps), $6,131,898,000.

For the Air Force, $10,760,643,000.

For the Defense Agencies, $2,276,384,000, of which $54,000,000 is authorized for the activities of the Director of Test and Evaluation, Defense.

(b) In addition to the funds authorized to be appropriated in subsection (a), there are authorized to be appropriated for fiscal year 1983 such additional sums as may be necessary for increases in salary, pay, retirement, and other employee benefits authorized by law for civilian employees of the Department of Defense whose compensation is provided for by funds authorized to be appropriated in such subsection.

REQUIREMENT FOR COMPETITION BETWEEN THE LANTIRN AND FLIR SYSTEMS

SEC. 202. Of the amount authorized to be appropriated in this title for the Air Force, not more than $88,700,000 is authorized for development of the LANTIRN System. However, no funds appropriated pursuant to this title for the Air Force may be obligated or expended for the development of such system until the Secretary of the Air Force submits to the Committees on Armed Services and Appropriations of the Senate and the House of Representatives a written statement certifying that the LANTIRN program has been restructured to provide a competitive demonstration between the current LANTIRN System and a suitably modified version of the Navy's F/A-18 aircraft FLIR System. The Secretary of the Air Force may not enter into any contract for the production of the LANTIRN System

until after a competitive demonstration between the LANTIRN System and the suitably modified version of the Navy's F/A-18 aircraft FLIR System has been carried out.

SUBMARINE ADVANCED COMBAT SYSTEM

SEC. 203. Of the funds authorized to be appropriated for the Navy in this title, not more than $85,937,000 is authorized for the Submarine Advanced Combat System research and development program. However, no funds appropriated pursuant to this title may be obligated or expended for the Submarine Advanced Combat System program until the Secretary of the Navy has presented to the Committees on Armed Services of the Senate and the House of Representatives a detailed explanation in writing of how the Department of the Navy plans to proceed with the phased array radar portion (phase III) of the MK-92 Fire Control System upgrade.

TITLE III—OPERATION AND MAINTENANCE

AUTHORIZATION OF APPROPRIATIONS

SEC. 301. (a) Funds are hereby authorized to be appropriated for fiscal year 1983 for the use of the Armed Forces of the United States (other than the Coast Guard) and other activities and agencies of the Department of Defense for operation and maintenance in amounts as follows:

(1) For the Army (including the Army Reserve, the Army National Guard, and rifle practice, Army), $18,675,775,000.

(2) For the Navy (including the Naval Reserve and the Marine Corps Reserve), $22,621,400,000.

(3) For the Marine Corps (including the Marine Corps Reserve), $1,513,515,000.

(4) For the Air Force (including the Air Force Reserve and the Air National Guard), $19,937,300,000.

(5) For the Defense Agencies and other activities of the Department of Defense, $5,896,010,000.

(b) In addition to the funds authorized to be appropriated in subsection (a), there are authorized to be appropriated for fiscal year 1983 such additional sums as may be necessary (1) for increases in salary, pay, retirement, and other employee benefits authorized by law for civilian employees of the Department of Defense whose compensation is provided for by funds authorized to be appropriated in such subsection, and (2) for unbudgeted increases in fuel costs and for increases as the result of inflation in the cost of activities authorized by subsection (a).

STATIONING OF E-4 NATIONAL EMERGENCY AIRBORNE COMMAND POST AIRCRAFT

SEC. 302. (a) None of the funds appropriated pursuant to this title may be obligated or expended for the stationing of the E-4 National Emergency Airborne Command Post aircraft, or associated maintenance and logistical support for such aircraft, at Andrews Air Force Base, Camp Springs, Maryland, unless the President certifies to the Congress in writing that the continued deployment of the E-4 National Emergency Airborne Command Post aircraft at Andrews Air Force Base is essential to and supportive of the national security of the United States.

(b) Notwithstanding the prohibition contained in subsection (a), funds appropriated pursuant to an authorization provided in this title for deployment and support of the National Emergency Command Authority's E-4 aircraft shall be available for obligation and expenditure for such deployment and support if (1) an alternative deployment site more than five hundred miles inland from the Atlantic coast has been selected, (2) the chairmen of the Committees on Armed Services of the Senate and the House of Representatives have been notified in writing of the selected site, and (3) thirty days have elapsed following the date on which such notification is received by the chairmen of such committees.

NAVY SHIP OVERHAULS

SEC. 303. Of the funds authorized in section 301(a)(2), not more than $2,518,800,000 may be obligated or expended for ship overhauls for the Navy.

TITLE IV—ACTIVE FORCES

AUTHORIZATION OF END STRENGTHS

SEC. 401. The Armed Forces are authorized strengths for active duty personnel as of September 30, 1983, as follows:

(1) The Army, 778,600.
(2) The Navy, 555,800.
(3) The Marine Corps, 193,300.
(4) The Air Force, 589,500.

AUTHORITY TO EXCEED END STRENGTH AUTHORIZATION

SEC. 402. (a) Section 138(c)(1)(A) of title 10, United States Code, is amended by adding the following new sentence after the first sentence: "The end strength authorized for any component of the armed forces for any fiscal year may be increased by a number equal to not more than 0.5 per centum of the total end strength authorized for such component for such fiscal year if the Secretary of Defense determines that such increase is needed to maintain a stable personnel force.".

(b) The amendment made by subsection (a) shall apply with respect to end strengths for active-duty personnel authorized for fiscal years beginning after September 30, 1981.

LIMITATION ON NUMBER OF NON-HIGH-SCHOOL GRADUATE RECRUITS

SEC. 403. Section 302(a) of the Department of Defense Authorization Act, 1981 (Public Law 96-342; 10 U.S.C. 520 note), is amended by striking out "October 1, 1981" and "September 30, 1982" and inserting in lieu thereof "October 1, 1982" and "September 30, 1983", respectively.

ACCRUED LEAVE SAVING PROVISION

SEC. 404. A member of the Armed Forces of the United States who was authorized under section 701(f) of title 10, United States Code, to accumulate ninety days' leave during fiscal year 1980 and lost any leave at the end of fiscal year 1981 shall be recredited with such lost leave and may retain leave in excess of sixty days until the end of fiscal year 1982, but in no case may such member accumulate leave in excess of ninety days.

TITLE V—RESERVE FORCES

AUTHORIZATION OF AVERAGE STRENGTHS FOR SELECTED RESERVE

SEC. 501. (a) For fiscal year 1983 the Selected Reserve of the Reserve components of the Armed Forces shall be programed to attain average strengths of not less than the following:

(1) The Army National Guard of the United States, 407,400.
(2) The Army Reserve, 258,700.
(3) The Naval Reserve, 105,500.
(4) The Marine Corps Reserve, 38,300.
(5) The Air National Guard of the United States, 101,100.
(6) The Air Force Reserve, 66,000.
(7) The Coast Guard Reserve, 10,700.

(b) The average strength prescribed by subsection (a) for the Selected Reserve of any Reserve component shall be proportionately reduced by (1) the total authorized strength of units organized to serve as units of the Selected Reserve of such component which are on active duty (other than for training) at any time during the fiscal year, and (2) the total number of individual members not in units organized to serve as units of the Selected Reserve of such component who are on active duty (other than for training or for unsatisfactory participation in training) without their consent at any time during the fiscal year. Whenever such units or such individual members are released from active duty during any fiscal year, the average strength prescribed for such fiscal year for the Selected Reserve of such Reserve component shall be proportionately increased by the total authorized strength of such units and by the total number of such individual members.

AUTHORIZATION OF END STRENGTHS FOR RESERVES ON ACTIVE DUTY IN SUPPORT OF THE RESERVES

SEC. 502. (a) Within the average strengths prescribed in section 501, the Reserve components of the Armed Forces are authorized, as of September 30, 1983, the following number of Reserves to be serving on full-time active duty for the purpose of organizing, administering, recruiting, instructing, or training the Reserve components:

(1) The Army National Guard of the United States, 14,419.
(2) The Army Reserve, 8,251.
(3) The Naval Reserve, 12,038.
(4) The Marine Corps Reserve, 678.
(5) The Air National Guard of the United States, 5,158.
(6) The Air Force Reserve, 479.

(b) Upon a determination by the Secretary of Defense that such action is in the national interest, the end strengths prescribed by subsection (a) may be increased by a total of not more than the number equal to 2 per centum of the total end strengths prescribed.

INCREASE IN NUMBER OF CERTAIN PERSONNEL AUTHORIZED TO BE ON ACTIVE DUTY IN SUPPORT OF THE RESERVE COMPONENTS

SEC. 503. (a) Section 517 of title 10, United States Code, is amended by striking out the table in subsection (b) and inserting in lieu thereof the following:

"Grade	Army	Navy	Air Force	Marine Corps
E-9	265	156	132	6
E-8	1,244	329	441	56"

(b) The columns with the headings "Army", "Air Force", and "Marine Corps" in the table contained in section 524(a) of such title are amended to read as follows:

"Army	Air Force	Marine Corps
1,351	281	95
671	267	40
234	170	21"

TITLE VI—CIVILIAN PERSONNEL

AUTHORIZATION OF END STRENGTHS

SEC. 601. (a) The Department of Defense is authorized a strength in civilian personnel, as of September 30, 1983, as follows:

(1) The Department of the Army, 378,000.

(2) The Department of the Navy, including the Marine Corps, 320,600.

(3) The Department of the Air Force, 242,800.

(4) Activities and agencies of the Department of Defense (other than the military departments), 83,000.

(b) In computing the strength for civilian personnel, there shall be included all direct-hire and indirect-hire civilian personnel employed to perform military functions administered by the Department of Defense (other than those performed by the National Security Agency) whether employed on a full-time, part-time, or intermittent basis, but excluding special employment categories for students and disadvantaged youth such as the stay-in-school campaign, the temporary summer aid program, and the Federal junior fellowship program and personnel participating in the worker-trainee opportunity program. Personnel employed under a part-time career employment program established by section 3402 of title 5, United States Code, shall be counted as prescribed by section 3404 of that title. Whenever a function, power, duty, or activity is transferred or assigned to a department or agency of the Department of Defense from a department or agency outside of the Department of Defense, or from another department or agency within the Department of Defense, the civilian personnel end strength authorized for such departments or agencies of the Department of Defense affected shall be adjusted to reflect any increases or decreases in civilian personnel required as a result of such transfer or assignment.

(c) When the Secretary of Defense determines that such action is necessary in the national interest or if any conversion of commercial and industrial type functions from performance by Department of Defense personnel to performance by private contractors which was anticipated to be made during fiscal year 1983 in the budget of the President submitted for such fiscal year is not determined to be appropriate for such conversion under established administrative criteria, the Secretary of Defense may authorize the employment of civilian personnel in excess of the number authorized by subsection (a), but such additional number may not exceed 2 per centum of the total number of civilian personnel authorized for the Department of Defense by subsection (a). The Secretary of Defense shall promptly notify the Congress of any authorization to increase civilian personnel strength under this subsection.

TITLE VII—MILITARY TRAINING STUDENT LOADS

AUTHORIZATION OF TRAINING STUDENT LOADS

SEC. 701. (a) For fiscal year 1983, the components of the Armed Forces are authorized average military training student loads as follows:

(1) The Army, 78,311.

(2) The Navy, 66,930.

(3) The Marine Corps, 20,435.

(4) The Air Force, 48,769.

(5) The Army National Guard of the United States, 18,052.

(6) The Army Reserve, 14,579.

(7) The Naval Reserve, 1,000.

(8) The Marine Corps Reserve, 2,971.

(9) The Air National Guard of the United States, 2,328.

(10) The Air Force Reserve, 1,351.

(b) The average military student loads for the Army, the Navy, the Marine Corps, and the Air Force and the Reserve components authorized in subsection (a) for fiscal year 1983 shall be adjusted consistent with the manpower strengths authorized in titles IV, V, and VI of this Act. Such adjustment shall be apportioned among the Army, the Navy, the Marine Corps, and the Air Force and the Reserve components in such manner as the Secretary of Defense shall prescribe.

TITLE VIII—ATTACK-RELATED CIVIL DEFENSE

AUTHORIZATION OF APPROPRIATIONS

SEC. 801. There is hereby authorized to be appropriated for fiscal year 1983 to carry out the provisions of the Federal Civil Defense Act of 1950 (50 U.S.C. App. 2251-2297) the sum of $144,530,000.

AMOUNT AUTHORIZED FOR CONTRIBUTION FOR STATE PERSONNEL AND ADMINISTRATIVE EXPENSES

SEC. 802. The third sentence of section 408 of the Federal Civil Defense Act of 1950 (50 U.S.C. App. 2260) is amended by striking out "$47,000,000" in the second proviso and inserting in lieu thereof "$50,000,000".

TITLE IX—SUPPLEMENTAL AUTHORIZATIONS FOR FISCAL YEAR 1982

PROCUREMENT

SEC. 901. In addition to the funds authorized to be appropriated in the Department of Defense Authorization Act, 1982 (Public Law 97-86; 95 Stat. 1099), there is hereby authorized to be appropriated to the Navy and the Air Force for fiscal year 1982 for procurement in amounts as follows:

For the Navy: for naval vessels, $283,400,000.

For the Air Force: for aircraft, $219,100,000 and missiles, $5,300,000.

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

SEC. 902. In addition to the funds authorized to be appropriated in the Department of Defense Authorization Act, 1982, there is hereby authorized to be appropriated to the Air Force for fiscal year 1982 for research, development, test, and evaluation, $16,400,000.

OPERATION AND MAINTENANCE

SEC. 903. In addition to the funds authorized to be appropriated in the Department of Defense Authorization Act, 1982, funds are hereby authorized to be appropriated for fiscal year 1982 for the use of the Armed Forces of the United States and other activities and agencies of the Department of Defense for operation and maintenance in amounts as follows:

For the Army, Army Reserve and Army National Guard, $90,200,000.

For the Navy, Naval Reserve and Marine Corps, $164,600,000.

For the Air Force, Air Force Reserve and Air National Guard, $30,300,000.

For the Defense Agencies and Defense-wide activities, $41,200,000.

INCREASE IN END STRENGTH AUTHORIZATION FOR THE ARMY FOR FISCAL YEAR 1982

SEC. 904. Section 401 of the Department of Defense Authorization Act, 1982 (Public Law 97-86; 95 Stat. 1104), is amended by striking out "Army, 780,300" and inserting in lieu thereof "Army, 784,400".

TITLE X—ADDITIONAL AUTHORIZATIONS FOR FISCAL YEAR 1982

PROCUREMENT

SEC. 1001. In addition to the funds authorized to be appropriated in the Department of Defense Authorization Act, 1982 (Public Law 97-86; 95 Stat. 1099), funds are hereby authorized to be appropriated for fiscal year 1982 for the use of the Navy and Air Force for procurement in amounts as follows:

NAVY

For the Navy: for naval vessels, $123,600,000.

AIR FORCE

For the Air Force: for aircraft (including aircraft for the Air National Guard), $137,800,000 and missiles, $12,000,000.

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

SEC. 1002. In addition to the funds authorized to be appropriated in the Department of Defense Authorization Act, 1982, funds are hereby authorized to be appropriated for fiscal year 1982 for the use of the Navy and Air Force for research, development, test, and evaluation in amounts as follows:

For the Navy: $53,969,000.

For the Air Force: $73,000,000.

TITLE XI—GENERAL PROVISIONS

SPECIAL DEFENSE ACQUISITION FUND

SEC. 1101. Section 138(g) of title 10, United States Code, is amended—

(1) by striking out "and" after "1982" and inserting in lieu thereof a comma; and

(2) by inserting ", and may not exceed $900,000,000 in fiscal year 1984" after "1983".

INCREASE DOLLAR AMOUNTS FOR REPORTS TO CONGRESS REGARDING TRANSFER OF DEFENSE ARTICLES

SEC. 1102. Section 813 of the Department of Defense Appropriation Authorization Act, 1976 (Public Law 94-106; 10 U.S.C. 133 note) is amended by striking out "$25,000,000" and inserting in lieu thereof "$50,000,000".

REPORTS ON UNIT COSTS OF MAJOR DEFENSE SYSTEMS

SEC. 1103. (a)(1) The program manager (as designated by the Secretary concerned) for each major defense system included in any selected acquisition report submitted to the Congress pursuant to section 811 of the Department of Defense Appropriations Authorization Act, 1976 (Public Law 94-106; 10 U.S.C. 139 note), shall submit to the Secretary concerned, as hereinafter provided in this section, a written report on the unit cost of the major defense system included in such selected acquisition report for which such manager has responsibility. The program manager shall submit such report to the Secretary concerned not more than seven days after the end of any quarter for which a selected acquisition report is required to be submitted to the Congress containing information on such defense system. The program manager shall include in each such unit cost report—

(A) the total program acquisition unit cost for such major defense system as of the last day of the quarter for which the report is being made; and

(B) in the case of a major defense system for which procurement funds are authorized for the fiscal year containing the quarter for which the unit cost report is submitted, the current procurement unit cost for such major defense system as of the last day of the quarter for which the report is being made.

(2) If at any time during any quarter for which a unit cost report is required under this section, the program manager of a major defense system referred to in paragraph (1) has reasonable cause to believe that (A) the total program acquisition unit cost, or (B) in the case of a major defense system for which procurement funds are authorized for the fiscal year containing the quarter for which such report is to be submitted, the current procurement unit cost has exceeded the applicable percentage increase specified in subsection (b), such manager shall immediately submit to the Secretary concerned a unit cost report containing the information, as of the date of such report, required by paragraph (1).

(3) The program manager shall also include in each unit cost report submitted for any major defense system pursuant to paragraph (1) or (2) any change from the schedule milestones or system performances with respect to such system reflected in the selected acquisition report used as the base for applying the applicable percentage increase specified in subsection (b) and that is known, expected, or anticipated by such manager.

(b)(1)(A) The Secretary concerned shall determine within seven days after any unit cost report has been submitted to him pursuant to subsection (a) whether the total program acquisition unit cost (including any increase for expected inflation) for any major defense system for which no procurement funds are authorized for the fiscal year containing the quarter for which the report is submitted has increased by more than 15 per centum over the total program acquisition unit cost for such system as reflected in the selected acquisition report which first included information on such defense system or as reflected in the selected acquisition report covering the first quarter of the fiscal year immediately preceding the fiscal year containing the quarter for which such unit cost report is submitted to the Secretary concerned, whichever selected acquisition report is later.

(B) If the Secretary concerned determines that the total program acquisition unit cost (including any increase for expected inflation) for any such major defense system has increased by more than the amount referred to in subparagraph (A), he shall notify the Congress in writing of such determination and of the increase with respect to such system within ten days after the unit cost report was submitted to him. The Secretary shall include in such notice the date on which the determination was made. Except as provided in paragraph (3), if the Secretary makes such a determination with respect to a major defense system, no additional funds may be obligated in connection with such system after the end of the thirty-day period beginning on the day on which the Secretary makes such determination.

(2)(A) The Secretary concerned shall also determine within seven days after any unit cost report has been submitted to him pursuant to subsection (a) whether—

(i) the current procurement unit cost of any major defense system for which procurement funds are authorized for the fiscal year containing the quarter for which the unit cost report is submitted has increased by more than 15 per centum over the procurement unit cost derived from the selected acquisition report which first included information on such defense system or derived from the selected acquisition report covering the first quarter of the fiscal year immediately preceding the fiscal year containing the quarter for which such unit cost report is submitted to the Secretary concerned, whichever selected acquisition report is later, or

(ii) the total program acquisition unit cost (including any increase for expected inflation) of such system has increased by more than 15 per centum over the total program acquisition unit cost for such system as reflected in the selected acquisition report which first included information on such defense system or as reflected in the selected acquisition report covering the first quarter of the fiscal year immediately preceding the fiscal year containing the quarter for which such unit cost report is submitted to the Secretary concerned, whichever selected acquisition report is later.

(B) If the Secretary concerned determines that the current procurement unit cost has increased by more than the percentage referred to in subparagraph (A)(i) or that the total program acquisition unit cost (including any increase for expected inflation) has increased by more than the percentage referred to in subparagraph (A)(ii), he shall notify the Congress in writing of such determination and of the increase with respect to such system within ten days after the unit cost report was submitted to him. The Secretary shall include in such notice the date on which such determination was made. Except as provided in paragraph (3), if the Secretary makes such a determination with respect to a major defense system, no additional funds may be obligated in connection with such system after the end of the thirty-day period beginning on the day on which the Secretary makes such determination.

(3) The prohibition contained in paragraphs (1) and (2) on the obligation of funds shall not apply in the case of any major defense system to which such prohibition would otherwise apply if the Secretary concerned submits to the Congress, before the end of the thirty-day period referred to in paragraph (1) or (2), a written report which includes—

(A) a statement of the dollar increase in total program acquisition unit cost or procurement unit cost, in both current and constant dollars, and the percentage increase for each;

(B) a statement of the reasons for such increase in total program acquisition unit cost or procurement unit cost;

(C) the identities of the military and civilian officers responsible for program management and cost control of the major defense system;

(D) except when the cost increase is due solely to termination or cancellation of the entire program for the major defense system—

(i) the action taken and proposed to be taken to control future cost growth of such system, and

(ii) any changes made in the performance or schedule milestones of such system and the extent to which such changes have contributed to the increase in total program acquisition unit cost or procurement unit cost;

(E) the identities of the principal contractors for the major defense system; and

(F) the history of the total program acquisition unit cost of such major defense system, including all changes in such unit cost, from the date of the selected acquisition report which first included information on such defense system.

(c)(1)(A) The Secretary concerned shall also determine within seven days after any unit cost report has been submitted to him pursuant to subsection (a) whether—

(i) in the case of any such system for which procurement funds are authorized for the fiscal year in which the unit cost report is submitted, the current procurement unit cost of such system has increased by more than 25 per centum over the procurement unit cost derived from the selected acquisition report which first included the information on such defense system or derived from the selected acquisition report covering the first quarter of the fiscal year immediately preceding the fiscal year containing the quarter for which such unit cost report is submitted to the Secretary concerned, whichever selected acquisition report is later, or

(ii) the total program acquisition unit cost (including any increase for expected inflation) for a major defense system has increased by more than 25 per centum over the total program acquisition unit cost for such system as reflected in the selected acquisition report which first included the information on such defense system or as reflected in the selected acquisition report covering the first quarter of the fiscal year immediately preceding the fiscal year containing the quarter for which such unit cost report is submitted to the Secretary concerned, whichever selected acquisition report is later.

(B) If the Secretary concerned determines that the current procurement unit cost of a major defense system referred to in subparagraph (A)(i) has increased by more than the percentage referred to in such subparagraph or that the total program acquisition unit cost (including any increase for expected inflation) for a major defense system referred to in subparagraph (A)(ii) has increased by more than the percentage referred to in such subparagraph, he shall notify the Congress in writing of such determination and the increase with respect to such system within ten days after the unit cost report was submitted to him. The Secretary shall include in such notice the date on which such determination was made. Except as provided in paragraph (3), if the Secretary makes such a determination with respect to a major defense system and submits a report to the Congress with respect to such system pursuant to subsection (b)(3), no additional funds may be obligated in connection with such system after the end of the sixty-day period beginning on the day on which the Secretary makes such determination.

(2) The prohibition contained in paragraph (1) on the obligation of funds shall not apply in the case of a major defense system to which such prohibition would otherwise apply if—

(A) the cost increase was due solely to termination or cancellation of the entire program for the major defense system; or

(B) the Secretary of Defense submits to the Congress, before the end of the sixty-day period referred to in such paragraph, a written certification stating that—

(i) such system is essential to the national security;

(ii) there are no alternatives to such system which will provide equal or greater military capability at less cost;

(iii) the new estimates of the total program acquisition unit cost or procurement unit cost are reasonable; and

(iv) the management structure for such major defense system is adequate to manage and control total program acquisition unit cost or procurement unit cost.

(d) As used in this section:

(1) The term "total program acquisition unit cost" means, in the case of a major defense system, the amount equal to (A) the total cost for development and procurement of, and system-specific military construction for, such system, divided by (B) the number of fully configured end items to be produced for such system.

(2) The term "procurement unit cost" means, in the case of a major defense system, the amount equal to (A) the total of all procurement funds available for such system in any fiscal year, reduced by the amount of any funds appropriated for such fiscal year for advanced procurement for such system in any year subsequent to such fiscal year and increased by any amount appropriated in years prior to such fiscal year for advanced procurement for such system in such fiscal year, divided by (B) the number of fully configured end items to be procured with such funds during such fiscal year.

(3) The term "Secretary concerned" has the same meaning as provided in section 101(8) of title 10, United States Code.

REQUIREMENTS RELATING TO THE AWARDING OF SOLE-SOURCE CONTRACTS

Sec. 1104. (a) Chapter 137 of title 10, United States Code, is amended by adding at the end thereof the following new section:

"§ 2316. Requirements pertaining to the awarding of sole-source contracts

"(a) In this section—

"(1) 'sole-source contract' means a negotiated contract for the purchase of property or services which is entered into or proposed to be entered into by a military department or defense agency after soliciting the purchase of such property or services from only one contractor; and

"(2) 'person' has the same meaning as provided in section 551(2) of title 5.

"(b)(1) The head of a military department or defense agency may not enter into negotiations for the award of a sole-source contract for more than $100,000 unless—

"(A) the head of such department or agency has first published in the Commerce Business Daily a notice that the department or agency intends to negotiate such contract;

"(B) a period of at least thirty days after the date of the first publication of the notice has expired, and all interested responsible persons have been permitted to respond or submit proposals in response to such notice within such period;

"(C) the head of such department or agency has considered all responses submitted within the thirty-day period referred to in clause (B); and

"(D) the head of such department or agency has approved the proposal to negotiate such contract.

"(2) The notice required under paragraph (1)(A) shall include—

"(A) all information pertaining to the contract that would be required to be published if the contract were to be awarded under formal advertising procedures; and

"(B) a statement that any person may respond to the notice within thirty days after the date of the publication of the notice.

"(c) The Secretary of Defense may waive the requirements of subsection (b) in the case of any contract if he determines such action is necessary because of national security reasons.

"(d) The provisions of subsection (b) shall not apply in the case of—

"(1) a classified procurement if the notice required under subsection (b)(1)(A) cannot reasonably be worded to avoid disclosure of classified information;

"(2) a procurement with respect to which disclosure of the Government's interest in the property or service to be purchased would compromise the national security;

"(3) the procurement of utility services (not including the purchase of equipment or supplies);

"(4) the procurement of perishable subsistence and services related thereto, if the head of the military department or defense agency determines that it is impracticable to comply with the thirty-day requirement referred to in subsection (b)(1)(B);

"(5) a procurement with respect to which only foreign sources are to be solicited;

"(6) a procurement from another agency, including a procurement from the Small Business Administration under section 8(a) of the Small Business Act (15 U.S.C. 637(a));

"(7) the procurement of any property or service the price of which is established by law;

"(8) a procurement that is of such urgency that the Government would be seriously injured by the delay involved in complying with the thirty-day requirement referred to in subsection (b)(1)(B);

"(9) the procurement of any property or service the cost of which is to be reimbursed by a foreign country, if the foreign country requires that the property or service be obtained from a particular source;

"(10) a procurement to be awarded as a follow-on contract or a contract for related supplies or services if such follow-on contract or contract for related supplies or services is awarded in connection with a program for the procurement of an end item of a major weapons system for which there was a contract competition evaluated on the basis of price and design factors or price and technical factors;

"(11) the procurement of personal or professional services in an amount less than $500,000, to the extent that a determination is made that only one source can provide the desired service;

"(12) the procurement of construction services if a contractor or group of contractors is already at work on the site at which such services are to be provided and it would not be practicable to allow another contractor or additional contractors to work on the same site;

"(13) procurements to be made by an order placed under an existing contract, but only if the existing contract was awarded after a notice published in the Commerce Business Daily in accordance with subsection (a);

"(14) facilities contracts when the performance required practicably can be obtained only from one source; and

"(15) procurements from nonprofit institutions.

"(e) The Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives, not later than March 1 of each year, a report on all sole-source contracts of more than $100,000 entered into by each military department and defense agency during the preceding fiscal year. Such report shall include the number of sole-source contracts entered into during the preceding fiscal year by each such department and agency that were exempt from the requirement of subsection (b) and the total dollar amount of such contracts.".

(b) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new item:

"2316. Requirements pertaining to the awarding of sole-source contracts.".

(c) The amendments made by subsections (a) and (b) shall apply with respect to contracts entered into more than sixty days after the date of the enactment of this Act.

REPEAL OF PROHIBITION ON PURCHASE OF ADMINISTRATIVE USE VEHICLES FROM FOREIGN SOURCES

Sec. 1105. Section 783 of the Department of Defense Appropriations Act, 1982 (Public Law 97-114; 95 Stat. 1591), is repealed.

PURCHASE OF CHEMICAL WARFARE PROTECTIVE CLOTHING AND ITEMS CONTAINING SPECIALTY METALS FROM FOREIGN SOURCES

Sec. 1106. Section 723 of the Department of Defense Appropriations Act, 1982 (Public Law 97-114; 95 Stat. 1582) is amended by inserting after the first colon the following new proviso: "*Provided*, That nothing in this section shall preclude the procurement of specialty metals or chemical warfare protective clothing produced outside the United States or its possessions if such procurement is necessary to comply with agreements with foreign governments requiring the United States to purchase supplies from foreign sources for the purposes of offsetting sales made by the United States Government or United States firms under approved programs serving defense requirements or if such procurement is necessary in furtherance of the standardization and interoperability of equipment requirements within the North Atlantic Treaty Organization (NATO) so long as such agreements with foreign governments comply, where applicable, with the requirements of section 36 of the Arms Export Control Act (22 U.S.C. 2776) and section 814 of the Department of Defense Appropriation Authorization Act, 1976 (Public Law 94-106; 10 U.S.C. 2351 note):".

PROHIBITION AGAINST CONSOLIDATING FUNCTIONS OF THE MILITARY TRANSPORTATION COMMANDS

Sec. 1107. (a) None of the funds appropriated pursuant to an authorization of appropriations in this or any other Act may be used for the purpose of consolidating any of the functions being performed on the date of the enactment of this Act by the Military Traffic Management Command of the Army, the Military Sealift Command of the Navy, or the Military Airlift Command of the Air Force with any function being performed on such date by either or both of the other commands referred to in this subsection.

(b) The Secretary of Defense shall submit a report to the Committees on Armed Services of the Senate and the House of Representatives explaining—

(1) any changes proposed or contemplated by the Department of Defense in the management structure or contracting authority of the three commands referred to in subsection (a);

(2) the necessity or desirability of such changes and the effect such changes likely would have on the operational readiness of each of the commands referred to in subsection (a);

(3) the consequences such changes likely would have on the ability of the fleet support elements of the Military Sealift Command of the Navy to be fully integrated and fully supportive of the operating naval fleets;

(4) the effect such proposed or contemplated changes likely would have on the Navy's ability to develop comprehensive shipbuilding, ship repair, and ship maintenance programs;

(5) the effect such proposed or contemplated changes likely would have on the identification and fulfillment of the overland movement and ocean terminal needs of the Army;

(6) the anticipated cost savings, if any, which would result from such changes; and

(7) the relationship that any new transportation organization that may be established by the Department of Defense would have with the Joint Deployment Agency.

The Secretary shall submit such report to the committees not later than March 1, 1983, together with such comments, recommendations, and proposals for legislation as he considers appropriate.

REPORT ON ALLIED CONTRIBUTIONS TO THE COMMON DEFENSE

Sec. 1108. (a) In recognition of the increasing military threat faced by the Western World and in view of the growth, relative to the United States, in the economic strength of Japan, Canada, and a number of Western European countries which have occurred since the signing of the North Atlantic Treaty on April 4, 1949, and the Mutual Cooperation and Security Treaty between Japan and the United States on January 19, 1960, it is the sense of the Congress that—

(1) the burdens of mutual defense now assumed by some of the countries allied with the United States under those agreements are not commensurate with their economic resources; and

(2) the continued unwillingness of those countries to increase their contributions to the common defense to more appropriate levels will endanger the vitality, effectiveness, and cohesiveness of the alliances between those countries and the United States.

(b) It is further the sense of Congress that the President should seek from each signatory country (other than the United States) of the two treaties referred to in subsection (a) acceptance of international security responsibilities and an agreement to make contributions to the common defense which are commensurate with the economic resources of such country, including, when appropriate, an increase in host nation support.

(c)(1) The Secretary of Defense shall submit to the Congress not later than March 1, 1983, a classified report containing—

(A) a comparison of the fair and equitable shares of the mutual defense burdens of these alliances that should be borne by the United States, by other member nations of the North Atlantic Treaty Organization (NATO), and by Japan, based upon economic strength and other relevant factors, and the actual defense efforts of each nation together with an explanation of disparities that currently exist;

(B) a description of efforts by the United States and of other efforts to eliminate existing disparities;

(C) estimates of the real growth in defense spending in fiscal year 1983 projected for each NATO member nation compared with the annual real growth goal in the range of 3 percent set in May 1978;

(D) a description of the defense-related initiatives undertaken by each NATO member nation within the real growth in defense spending of such nation in fiscal year 1983;

(E) an explanation of those instances in which the commitments to real growth in defense spending and to the long-term defense program have not been realized and a description of efforts being made by the United States to ensure fulfillment of these important NATO commitments; and

(F) a description of the activities of each NATO member and Japan to enhance the security and stability of the Southwest Asia region and to assume additional missions for their own defense as the United States allocates additional resources to the mission of protecting Western interests in world areas not covered by the system of Western alliances.

(2) The Secretary of Defense shall also submit to the Congress not more than thirty days after the submission of the report required under paragraph (1) an unclassified report containing the matters set forth in clauses (A) through (F) of such paragraph.

CRITICAL SKILL NEEDS AND SUPPLIES

Sec. 1109. The Secretary of Defense, in conjunction with the Secretary of Labor, shall conduct a study to determine the level of skilled labor needed and available in the civilian work force to accomplish the programs planned by the Department of Defense for fiscal years 1983 through 1987 and needed and available during a mobilization period. The Secretary shall submit a report on the results of such study, not later than February 15, 1983, to the Committees on Armed Services of the Senate and the House of Representatives. Such report shall include—

(1) an analysis of the expected level of the demand for skilled labor in the civilian work force, by type of skill and by regions of the country, to accomplish defense programs during fiscal years 1983 through 1987 and the expected level of the supply of such labor in the civilian work force available to meet such demand during such fiscal years;

(2) an analysis of the expected level of demand for skilled labor in the civilian work force, by skill and by regions of the country, during a mobilization period and of the ability of the present civilian labor work force to meet such a demand; and

(3) recommendations for programs or legislation to effect any improvements in the level of skilled labor in the civilian work force needed to accomplish defense programs during fiscal years 1983 through 1987 or during a mobilization period.

TECHNOLOGY TRANSFER CONTROL POLICY

Sec. 1110. (a) The Secretary of Defense shall conduct a study of the effectiveness of the technology transfer control policy formulation and related activities of the Department of Defense and shall submit the results of such study to the Congress not later than December 31, 1982, together with such comments and recommendations for such improvements as he considers appropriate. The Secretary shall specifically indicate in such report whether he favors establishing a separate office within the Office of the Secretary of Defense to manage and coordinate technology transfer control policy formulation and related activities within the Department of Defense and shall indicate his reasons for favoring or not favoring, as the case may be, the establishment of such a separate office. The Secretary shall make available sufficient manpower and fiscal resources from the Office of the Secretary of Defense and the military departments to ensure that the requested study is carried out in a complete and timely manner.

(b) The Secretary of Defense shall also submit to the Congress a written report, not later than February 15 of each fiscal year, recommending the amount of funds to be appropriated to carry out the technology transfer control policy formulation and related activities of the Department of Defense during the next fiscal year. The Secretary shall also include in such report the proposed allocation of the funds requested for such purpose and the number of personnel proposed to be assigned to carry out such activities during such fiscal year.

REPORT ON STANDARDIZATION AND INTEROPERABILITY OF NATO WEAPONS AND EQUIPMENT

Sec. 1111. Section 302(c) of the Department of Defense Appropriation Authorization Act, 1975 (88 Stat. 402; 10 U.S.C. 2451 note), is amended by adding at the end thereof the following: "The Secretary shall also include in each such report—

"(1) a description of each existing and planned program of the Department of Defense that supports the development or procurement of a weapon system or other military equipment originally developed or procured by members of the North Atlantic Treaty Organization (NATO) other than the United States and for which funds have been authorized to be appropriated for the fiscal year in which the report is submitted;

"(2) a summary listing of the amount of funds appropriated for all such existing and planned programs for the fiscal year in which the report is submitted; and

"(3) a summary listing of the amount of funds requested, or proposed to be requested, for all such programs for each of the two fiscal years following the fiscal year for which the report is submitted.

Such report shall also include a description of each weapon system or other military equipment originally developed or procured in the United States and that is being developed or procured by members of the North Atlantic Treaty Organization (NATO) other than the United States during the fiscal year for which the report is submitted.".

ADMINISTRATION BY THE SECRETARY OF DEFENSE OF SCHOOLS ON MILITARY INSTALLATIONS

Sec. 1112. Notwithstanding the provisions of paragraph (3) of section 505(c) of the Omnibus Reconciliation Act of 1981 (Public Law 97-35; 95 Stat. 443), the Secretary of Defense shall be responsible for the conduct of programs carried out with funds of the Department of Defense made available by such section, and the Secretary may not delegate such responsibility outside the Department of Defense.

TEMPORARY INCREASE IN NUMBER OF NAVY OFFICERS THAT MAY SERVE IN GRADES OF ADMIRAL AND VICE ADMIRAL

Sec. 1113. (a) Section 525(b)(2) of title 10, United States Code, is amended by striking out "15 percent" each place it appears and inserting in lieu thereof "17½ percent".

(b) Effective October 1, 1983, section 525(b)(2) of such title is amended by striking out "17½ percent" each place it appears and inserting in lieu thereof "15 percent".

MODIFICATION OF REPORTS ON CONVERSION OF PERFORMANCE OF COMMERCIAL AND INDUSTRIAL TYPE FUNCTIONS FROM DEPARTMENT OF DEFENSE PERSONNEL TO PRIVATE CONTRACTORS

Sec. 1114. (a) Section 502 of the Department of Defense Authorization Act, 1981 (10 U.S.C. 2304 note) is amended—

(1) by striking out "Department of Defense personnel" each time it appears and inserting in lieu thereof "Department of Defense civilian personnel"; and

(2) by striking out subsection (d) and inserting in lieu thereof the following:

"(d) Except as provided in subsection (a)(1), subsections (a) through (c) shall not apply to a commercial or industrial type function of the Department of Defense that is being performed by less than fifty Department of Defense civilian personnel.

"(e) In no case may any commercial or industrial type function being performed by Department of Defense personnel be modified, reorganized, divided, or in any way changed for the purpose of exempting from the requirements of subsection (a)(2) the conversion of all or any part of such function to performance by a private contractor.

"(f) The provisions of this section shall not apply during war or a period of national emergency declared by the President or the Congress.".

(b) The amendments made by subsection (a) shall become effective on October 1, 1982.

MILITARY RECRUITING INFORMATION

SEC. 1115. (a) The Congress finds and declares that in order for the Congress to carry out effectively its constitutional authority to raise and support armies, it is essential—

(1) that the Secretary of Defense obtain and compile directory information pertaining to students enrolled in secondary schools throughout the United States; and

(2) that such directory information be used only for military recruiting purposes and be retained in the case of each person with respect to whom such information is obtained and compiled for a limited period of time.

(b) Section 503 of title 10, United States Code, is amended—

(1) by inserting "(a)" before "The Secretary"; and

(2) by adding at the end thereof the following new subsection:

"(b)(1) The Secretary of Defense is authorized to collect and compile directory information pertaining to each student who is seventeen years of age or older, or who is in the eleventh grade (or its equivalent) or higher regardless of age, and who is enrolled in a secondary school in the United States, its territories, possessions, or the Commonwealth of Puerto Rico.

"(2) Directory information collected and compiled by the Secretary of Defense under this subsection may be made available to the armed forces for military recruiting purposes only.

"(3) Directory information pertaining to any person may not be maintained for more than three years after the date the information pertaining to such person is first collected and compiled under this subsection.

"(4) Directory information collected and compiled under this subsection shall be confidential and no person who has had access to such information may disclose such information except for the purposes described in paragraph (2).

"(5) The Secretary of Defense shall prescribe regulations necessary to carry out the provisions of this subsection and may authorize each Secretary concerned to issue further implementing regulations necessary to administer the program established under this subsection. Each regulation issued pursuant to this section shall be reported to the Committees on Armed Services of the Senate and the House of Representatives. Any regulations issued by the Secretaries concerned shall be as uniform as practicable.

"(6) In this subsection, 'directory information' means, with respect to a student, the student's name, address, telephone listing, date and place of birth, level of education, degrees received, academic grades and class standing, and the most recent previous educational agency or institution attended by the student.".

(c)(1) The heading for section 503 of such title is amended to read as follows:

"§ 503. Enlistments: recruiting campaigns; compilation of directory information".

(2) The item in the table of sections at the beginning of chapter 31 of such title relating to section 503 is amended to read as follows:

"503. Enlistments: recruiting campaigns; compilation of directory information.".

(d)(1) Chapter 31 of title 10, United States Code, is amended by adding at the end thereof the following new section:

"§ 520. Criminal history information for military recruiting purposes

"(a) Each State and each unit of general local government of a State is requested to make available, upon request, to the Secretary concerned any criminal history information maintained by or available to such State or unit of general local government which pertains to any person who, within ninety days before the date on which such information was requested (1) has made application for enlistment in the armed forces, or (2) has made, in connection with such person's application for enlistment, an application for participation in a program of the armed forces which requires a determination of the trustworthiness of persons who participate in such program.

"(b) In this section, 'criminal history information' means the following information with respect to any juvenile or adult arrest, citation, or conviction of any person referred to in subsection (a):

"(1) The offense involved.

"(2) The age of the person with respect to whom such information pertains.

"(3) The dates of the arrest, citation, and conviction, if any.

"(4) The place the offense was alleged to have been committed, the place of the arrest, and the court to which the case was assigned.

"(5) The disposition of the case.

"(c) Criminal history information received under this section shall be confidential and no person who has had access to any information received under this section may disclose such information except to facilitate military recruiting.

"(d) The Secretaries concerned shall prescribe regulations necessary to carry out the provisions of this section, which shall be as uniform as practicable. Any regulations issued pursuant to this section shall be reported to the Committees on Armed Services of the Senate and the House of Representatives.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new item:

"520. Criminal history information for military recruiting purposes.".

COOPERATIVE MILITARY AIRLIFT AGREEMENTS

SEC. 1116. (a) Chapter 131 of title 10, United States Code, is amended by adding at the end thereof the following new section:

"§ 2213. Cooperative military airlift agreements

"(a) Subject to the availability of appropriations, and after consultation with the Secretary of State, the Secretary of Defense may enter into a cooperative military airlift agreement with the government of any allied country for the transportation of the personnel and cargo of the military forces of such country on aircraft operated by or for the military forces of the United States in return for the reciprocal transportation of the personnel and cargo of the military forces of the United States on aircraft operated by or for the military forces of such allied country. Any such agreement shall include the following terms:

"(1) The rate of reimbursement for transportation provided shall be the same for each party which rate shall not be less than the rate charged to military forces of the United States as determined by the Secretary of Defense under section 2208(h) of this title.

"(2) Credits and liabilities accrued as a result of providing or receiving transportation shall be liquidated not less often than once every three months by direct payment to the country which has provided the greater amount of transportation.

"(3) During peacetime, the only military airlift capacity which may be used to provide transportation is that capacity which is not needed to meet the transportation requirements of the military forces of the country providing the transportation and which is not created solely to accommodate the requirements of the military forces of the country receiving the transportation.

"(4) Defense articles purchased by an allied country from the United States under the Arms Export Control Act (22 U.S.C. 2751 et seq.) or from a commercial source under the export controls of the Arms Export Control Act may not be transported (for the purpose of delivery incident to the purchase of the defense articles) to the purchasing allied country on aircraft operated by or for the military forces of the United States except at a rate of reimbursement which is equal to the full cost of transportation of the defense articles, as required by section 21(a)(3) of the Arms Export Control Act (22 U.S.C. 2761(a)(3)).

"(b) The Secretary of Defense may also enter into nonreciprocal military airlift agreements with North Atlantic Treaty Organization subsidiary bodies in the manner provided in subsection (a) and under such terms as the Secretary of Defense considers appropriate.

"(c) Any amount received by the United States as a result of an agreement entered into under this section shall be credited to applicable appropriations, accounts, and funds of the Department of Defense.

"(d) Notwithstanding chapter 138 of this title, military airlift agreements may be entered into only under the authority of this section.

"(e) In this section—

"(1) 'Allied country' means—

"(A) a country which is a member of the North Atlantic Treaty Organization (NATO);

"(B) Australia and New Zealand; and

"(C) any other country designated as an allied country by the Secretary of Defense with the concurrence of the Secretary of State.

"(2) 'North Atlantic Treaty Organization subsidiary bodies' has the meaning given such term by section 2331 of this title.".

(b) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new item:

"2213. Cooperative military airlift agreements.".

PROHIBITION REGARDING CONTRACTS FOR THE PERFORMANCE OF FIREFIGHTING AND SECURITY FUNCTIONS

SEC. 1117. None of the funds appropriated pursuant to an authorization contained in this Act or any other Act enacted after the date of enactment of this Act may be obligated or expended to enter into any contract for the performance of firefighting functions or security functions at any military installation or facility, except when such funds arc for the express purpose of providing for the renewal.

DEFENSE DEPENDENTS' EDUCATION SYSTEM

SEC. 1118. (a)(1)(A) Sections 202(e), 208, 302, 401(f), 419(a)(2), and 503(a)(2) of the Department of Education Organization Act (20 U.S.C. 3412(e), 3418, 3442, 3461(f), 3479(a)(2), and 3503(a)(2)) are repealed.

(B) The items relating to sections 208 and 302 in the table of contents of such Act are repealed.

(2) The second sentence of section 414(b) of such Act (20 U.S.C. 3474(b)) is amended by striking out "302,".

(b)(1) Section 1402 of the Defense Dependents' Education Act of 1978 (20 U.S.C. 921) is amended by adding at the end thereof the following new subsection:

"(c)(1) In carrying out subsections (a) and (b), the Secretary of Defense may request the Secretary of Education to furnish to the Secretary of Defense information, advice, and technical support concerning educational programs and practices.

"(2) The Secretary of Education may furnish to the Secretary of Defense any information, advice, and technical support requested under paragraph (1).".

(2) The second sentence of section 1410(b) of such Act (20 U.S.C. 928(b)) is amended by striking out "The Secretary of Education, in consultation with the Secretary of Defense," and inserting in lieu thereof "The Secretary of Defense".

(3)(A) Subsection (a) of section 1411 of such Act (20 U.S.C. 929) is amended to read as follows:

"(a)(1) There is established in the Department of Defense an Advisory Council on Dependents' Education (hereinafter in this section referred to as the 'Council'). The Council shall be composed of—

"(A) the Assistant Secretary of Defense for Manpower, Reserve Affairs, and Logistics (hereinafter in this section referred to as the 'Assistant Secretary'), who shall be the chairman of the Council;

"(B) twelve individuals, appointed by the Assistant Secretary, who have demonstrated an interest in the field of primary or secondary education and who shall include representatives of professional employee organizations, school administrators, sponsors of students enrolled in the defense dependents' education system, and one student enrolled in such system; and

"(C) representatives from overseas military commands and from educational organizations as designated by the Assistant Secretary.

"(2) The Director shall be the Executive Secretary of the Council.".

(B) Subsection (b)(1) of such section is amended by striking out "Secretary of Education" and inserting in lieu thereof "Assistant Secretary".

(C) Subsection (c) of such section is amended—

(i) by striking out "four times" in the first sentence and inserting in lieu thereof "once";

(ii) by striking out clauses (2) and (4);

(iii) by redesignating clauses (3) and (5) as clauses (2) and (3), respectively; and

(iv) by striking out "Secretary of Education" in clause (3) (as redesignated by clause (iii) of this subparagraph) and inserting in lieu thereof "Assistant Secretary".

(4) Section 1412 of such Act (20 U.S.C. 930) is repealed.

(c) Section 5316 of title 5, United States Code, is amended by striking out "Administrator of Education for Overseas Dependents, Department of Education.".

Amend the title so as to read: "A bill to authorize appropriations for fiscal year 1983 for the Armed Forces for procurement for research, development, test, and evaluation, and for operation and maintenance, to prescribe personnel strengths for such fiscal year for the Armed Forces and for civilian employees of the Department of Defense, to authorize supplemental appropriatioins for fiscal year 1982, to provide additional authorizations for fiscal year 1982, and for other purposes.".

Mr. TOWER. Mr. President, for the benefit of my colleagues, I think that I should ask the question on the status of the bill and the parliamentary situation. It is my understanding that the bill now is treated as original text for the purpose of amendment, just as it was prior to the recommittal motion.

Mr. DOLE addressed the chair.

The PRESIDING OFFICER. The Senator is correct. The proposed bill is now amendable in two degrees.

Mr. TOWER. Mr. President, I wanted to ask that question to assure all Senators who had amendments that their right to offer those amendments or any amendment they seek to offer will be in order. It is my understanding that we shall turn shortly to consideration of the social security amendment. I just want to say a word, Mr. President.

Regardless of what my vote on that proposal might be, I am loath to see nongermane matters offered to this bill for consideration by the Senate. Sometimes, we in the Committee on Armed Services are accused of reaching out and grabbing jurisdiction that does not belong to us. Now it seems a great deal is being conferred on us. I think it is wonderful that not only are we now devising the Nation's weapons systems and overseeing the Army, Navy, and Marine Corps, we are now being given responsibility in the field of social security. I have no doubt that we are going to be given some in the area of foreign relations. I think that we shall try to exercise our judgment on matters that we do not ordinarily consider when we get to conference.

As a matter of fact, Mr. President, I have given serious thought if, indeed, these nongermane amendments prevail, to perhaps offering an agriculture bill here. I would like to get more actively involved in agricultural policy. It occurs to me that we could take that to conference and really have a very good time with that.

This is only by way of saying, Mr. President, that I do not really think this is a responsible way to legislate. I think we are bypassing the committee process, putting too much in conference committees that are not within the jurisdiction of those committees under normal circumstances.

Mr. LONG. Will the Senator yield?

Mr. TOWER. I yield to the Senator from Louisiana.

Mr. LONG. Mr. President, I would like to have the attention of the majority leader, if I may, as well as the attention of the manager of the bill.

There are some of us who appreciate the problems of managing a bill with regard to extraneous amendments. But Senators are also sensitive about the possibility that, due to the rather severe limitations that exist on handling budget measures, the budget resolution itself as well as the reconciliation resolution, if we do not vote for an amendment on a situation such as today, we might be precluded from voting on that because of the germaneness of amendments or some other aspect of the matter.

Can we be assured that if we vote to table the amendment on the basis that it is not germane to this bill, we will have the opportunity, if we wish, to vote for the same amendment on the budget bill when that comes up or on the reconcilation bill when that comes before us?

Mr. TOWER. I yield to the majority leader for the purpose of responding.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. BAKER. Mr. President, I cannot give the Senator that assurance. I expect that there will be more to deal with on the budget resolution.

Mr. President, I point out—and perhaps this does not impress anybody in this Chamber but me, but I rather expect it does—the only stock in trade I have or the minority leader has or any other Senator has is his word in the Senate. I stood up yesterday and I said I am going to introduce this amendment, and I am. I hope the amendment will be adopted. This is not the orderly and best way to deal with this. I made that argument yesterday. But I suspect there are Senators certainly on this side, maybe even on the other side of the aisle, that relied on the statement and representation that I made that this amendment would be offered. As much as I agree with the Senator from Texas about the jurisdictional aspect of this matter and the Senator from Mississippi, the only thing I put above my esteem for them is my dedication to the commitment that I made to the Senate.

Mr. President, under normal circumstances, I would not do this. I would not offer this amendment. I would offer to table this amendment. But that is not the situation. I made a commitment to the Senate that we would do this. Mr. President, I simply have to do that. I am sorry that it discommodes the Senator from Texas, as indeed it does, and messes up this bill, as I am sure it does, or that I cannot give an assurance to the Senator from Louisiana that there will be another and later time. I suspect there will be. I do not think this issue will go away. I think it will come up, and perhaps often, in the debate on the budget resolution.

But the fundamental commitment I have, Mr. President, is to fulfill the obligation that I stated on the floor yesterday. I urge Senators to consider that I must now try to fulfill that. I hope they will support the amendment that will be offered by the Senator from Kansas and a second-degree amendment that I will offer to it; that we will get on with the sure knowledge that it will in no way prejudice this debate on the budget resolution when it comes up.

Mr. LONG. The reason I ask the question——

Mr. TOWER. Mr. President, I still have the floor. I want to make it very clear that what I had to say was no implied criticism of the distinguished majority leader because this situation was thrust upon him. It is not one that he asked for. We have to make the best of what I consider to be a bad situation. As I say, I withhold my judgment on whether I will vote for the amendment to be offered by the Senator from Kansas. If I do vote for it, I would not want that to be interpreted as endorsement of bringing extraneous matters into a military authorization bill where they do not belong.

Mr. BAKER. If the Senator will yield to me, I join him in urging Senators to understand that these are uniquely special circumstances. The fact that I offer an amendment, or the Senator from Kansas does, in no way implies that this is good practice, but it is necessary to accommodate the circumstances of this moment, those circumstances being there is an outstanding commitment that I must obey.

Mr. TOWER. Mr. President, I yield the floor.

Mr. STENNIS. Will the Senator yield to me?

Mr. TOWER. I yield to the Senator from Mississippi.

Mr. STENNIS. Mr. President, I highly commend the Senator from Texas for the very firm stand he has taken in defending this bill and fulfilling his special obligation as chairman of the Senate Armed Services Committee. I commend him for doing that in spite of the situation that our highly respected majority floor leader finds himself in on this amendment. I do not blame him for the amendment that he has already offered.

Mr. President, the time has come when committees are going to have to protect themselves, protect their jurisdiction, to carry out their responsibilities; otherwise, it will be mumbo jumbo. We are getting careless; we are ruining our committee system.

Senators can go on record as to what their favorites are, what they favor in reference to social security. I do not yield to anyone's concern about that subject matter and that it be put on a firm foundation, which includes the idea of it being a real trust fund separate from the rest of the budget; that everything be done to make it sound for the future. But I know that most of the work is going to come from the Senate Finance Committee. They have a staff that knows the subject. Then there will be a special report from a commission, if they wait long enough.

I am not making that secondary, but for this bill first things have to come first. I voted for the same purposes last night, against the amendment on social security.

Mr. LONG addressed the chair.

Mr. TOWER. Mr. President, I yield the floor.

Mr. LONG and Mr. DOLE addressed the chair.

The PRESIDING OFFICER. The Senator from Kansas is recognized.

Mr. DOLE. Mr. President, I am happy to yield to the distinguished Senator from Louisiana if he wants me to.

Mr. LONG. I was not here when we voted last night and I did not have the occasion to hear the assurances that were given on that occasion. I did notice how the vote came out last night. I just want to say, as far as the Senator from Louisiana is concerned, that we have the Senators on the floor who, as far as this Senator is concerned, could give me adequate assurance that if they wanted to table the amendment I would be willing to vote to table it, providing that they assured us that the Senate would have the opportunity to work its will freely on this particular subject on an appropriate bill, either on the revenue bill or the bill out of the Budget Committee. With that understanding, I personally would be willing to act in the ordinary legislative fashion, which is better for all of us as a practical matter.

Mr. BAKER addressed the Chair.

The PRESIDING OFFICER. The Senator from Tennessee is recognized.

Mr. BAKER. I think this is an unlikely request to be granted, but I admire the statement made by the Senator from Louisiana. The thought occurred to me, if there is a general agreement in this body that this should be on the budget resolution and not on this bill, if we could get unanimous consent that no amendment relating to this subject matter would be eligible on this, I would be glad to check on this side and see if we could dispose of it that way.

Mr. President, I am going to suggest the absence of a quorum, and I am going to put that on my hot line. The unanimous-consent request would be that no amendment dealing with social security would be eligible on the DOD authorization bill.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The Senate will be in order.

Mr. BAKER. Mr. President, I have made inquiry on this side of the aisle; and, frankly, I do not think it is wise to pursue the unanimous-consent request to provide against any amendments dealing with social security. While there are a variety of reasons for that, the most compelling reason is the one I spoke of earlier—that is, both in private conversation and in statements on the floor of the Senate, I committed myself to there being an amendment for which Senators could vote. I will stand by that commitment. Some Senators feel that that is a requirement they have represented to other people and must perform on as well.

Therefore, I will not make the unanimous-consent request at this time.

UP AMENDMENT NO. 916

Mr. DOLE. Mr. President, I send an amendment to the desk for myself, Senator Domenici, Senator Armstrong, Senator Chafee, Senator Heinz, Senator Lugar, Senator Percy, Senator Jepsen, Senator Danforth, Senator Hatch, Senator Stafford, Senator Abdnor, and Senator Kasten.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Kansas (Mr. Dole), for himself and others, proposes an unprinted amendment numbered 916.

Mr. DOLE. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask that the amendment be read.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

At the end of the committee substitute add the following:

The Social Security System is vital to the well-being of the Nation's elderly and disabled citizens and currently provides benefits to more than 36 million Americans; and

According to the Congressional Budget Office, the Social Security Board of Trustees, and the Social Security Actuaries, the old-age and survivors insurance program will be unable to pay full benefits beyond June of 1983 and the entire system faces the possibility of insolvency by 1984; the financial problems of the system only become more grave in the decades ahead; and

In light of the serious short-term and long-term financing problems, the President on December 16, 1981, established the National Commission on Social Security Reform for the purpose of making recommendations to ensure the fiscal soundness of the Social Security System; and

The National Commission on Social Security is charged with issuing its recommendations this year; and

The Senate on December 15, 1981, passed legislation authorizing inter-fund transfers among the three Social Security Trust Funds to provide that Social Security faces no funding shortage before the Commission's report is issued and before the Congress can fully consider its recommendations; and

As a Presidentially appointed commission, it operates under an Executive Order and is independent of Congress.

Therefore be it declared—

That, The full Social Security cost-of-living adjustment of 7.4 percent be paid in full on July 1, 1982, as scheduled; and be it further declared

That, The Senate hereby renews its commitment to maintaining and assuring that the Social Security system shall be preserved and strengthened so that benefits will be paid in a timely manner; and be it further declared

That, Any corrective action to be taken shall not include any more than is absolutely necessary to preserve the financial integrity of the social security system; and be it further declared

UP AMENDMENT NO. 917

Mr. BAKER. Mr. President, I send to the desk an amendment to the Dole amendment and ask for its consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Tennessee (Mr. Baker), for himself and Mr. Kasten, proposes an unprinted amendment numbered 917 to the Dole unprinted amendment numbered 916:

In lieu of the language proposed to be inserted, insert the following:

The Social Security System is vital to the well-being of the Nation's elderly and disabled citizens and currently provides benefits to more than 36 million Americans; and

According to the Congressional Budget Office, the Social Security Board of Trustees, and the Social Security Actuaries, the old-age and survivors insurance program will be unable to pay full benefits beyond June of 1983 and the entire system faces the possibility of insolvency by 1984; the financial problems of the system only become more grave in the decades ahead; and

In light of the serious short-term and long-term financing problems, the President on December 16, 1981, established the National Commission on Social Security Reform for the purpose of making recommendations to ensure the fiscal soundness of the Social Security System; and

The National Commission on Social Security is charged with issuing recomendations this year; and

The Senate on December 15, 1981, passed legislation authorizing inter-fund transfers among the three Social Security Trust Funds to provide that Social Security faces no funding shortage before the Commission's report is issued and before the Congress can fully consider its recommendations; and

As a Presidentially appointed commission, it operates under an Executive Order and is independent of Congress.

Therefore be it declared—

That, The full Social Security cost-of-living adjustment of 7.4 percent be paid in full on July 1, 1982, as scheduled; and be it further declared

That, The Senate hereby renews its commitment to maintaining and assuring that the Social Security system shall be preserved and strengthered so that benefits will be paid in a timely manner; and be it further declared

That, Any corrective action to be taken shall not include any more than is absolutely necessary to preserve the financial integrity of the social security system; and be it further declared

That, Congress will await the recommendation of the National Commission on Social Security Reform prior to ultimately deciding any binding, statutory amounts, changes or corrective actions to be taken.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROPOSED AMENDMENT TO REVISE PROVISIONS OF THE FIRST CONCURRENT BUDGET RESOLUTION RELATING TO SOCIAL SECURITY

Mr. HEINZ. Mr. President, I rise to announce that I am today proposing an amendment to the first concurrent budget resolution reported by the Budget Committee. This amendment to the budget resolution will clarify the point made repeatedly in this Chamber in the last few days that it is up to the National Commission on Social Security Reform to recommend and the Committee on Finance and the House Committee on Ways and Means to determine the appropriate level of savings or revenue increases needed in social security over the next 3 years. I anticipate that in the ensuing days, Mr. President, we will debate this issue very fully.

Let me just say that the amendment to the Senate budget resolution that I intend to propose to the budget resolution has three very simple principles at its heart.

Principle No. 1 on which we all seem to agree, is that any changes in social security, be they revenue increases or benefit savings, should be aimed at one goal and one goal only, and that is achieving solvency for the social security system.

As the Senate Budget Committee has stated, the only purpose of the numbers in its proposal is to insure the solvency of the old age and survivors insurance trust fund.

The second principle on which we all agree—indeed, it is part of the reconciliation instruction reported by the Budget Committee—is that any action taken by Congress, by the Ways and Means Committee in the House of Representatives and the Finance Committee in the Senate, should await the report by the National Commission on Social Security Reform which is by a sense of the Senate resolution as part of the reconciliation instruction encouraged to report not by the end of December but by November 11.

The third principle, on which there is I think wide agreement, although this is not necessarily shared by everyone, I suspect, is that the numbers in the budget resolution for the old age and survivors insurance trust fund of $6 billion, $17 billion, and $17 billion for the next 3 years, represent only estimates of what needs to be done.

Mr. President, my amendment to the Senate Budget Committee resolution, in effect, makes it very clear that it is going to be up to the Finance Committee and the Ways and Means Committee to deal with social security in a timely manner, immediately after the report of the Commission on November 11, and we will make it clear that what we are doing is in no way being constrained by the Budget Committee's estimate or anyone else's estimate of what needs to be done by striking the language where it appears in the budget resolution as to the specific amounts of $6 billion, $17 billion, and $17 billion in fiscal years 1983, 1984, and 1985.

We make it very clear in this amendment that it is the purpose of the reconciliation instruction only to insure the solvency of the social security old age and survivors insurance trust fund created pursuant to title II of the Social Security Act, as amended, and that the Committee on Finance and in the House of Representatives the Ways and Means Committee shall report the specific levels of new budget authority, budget outlays, and revenues and combination thereof for the social security old age and survivors insurance trust fund.

Mr. President, I suspect that this amendment will be controversial. It is not my intention to debate it now. But it seems to me, particularly in the light of the comments made yesterday attributed to Congressman Michel, the Republican leader in the House of Representatives, that the only way this body or the other body is going to do what has to be done to save the social security system is to do it independently of the debate on the Federal budget. That is a debate, of course, we take up next week and if that debate is dragged down into the morass of name calling, that this and that is slashing, this and that is hurting, this and that is balancing the budget on the backs of the social security recipients, I think we will send a terrible signal to this country that Congress is unable to agree on anything having to do with the solvency of the system, and that would be a great tragedy. It would end up with a situation where we might very well find it ultimately impossible to take action on social security's financing problems this year.

What I propose instead is a procedure that forces us to take action but at the right place and the right time. The right place, of course, is in Congress. The right time is immediately after the commission reports November 11 as directed and in no event for us to drag it out beyond December 1.

That, Mr. President, is the substance of my amendment, and I ask unanimous consent to have it printed in the RECORD at this point.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

On page 3, strike out lines 2 through 8.

On page 3, line 9, strike out "(5)" and insert "(4)".

On page 3, line 16, strike out "(6)" and insert "(5)".

On page 4, line 4, strike out "(7)" and insert "(6)".

On page 32, beginning with line 19, strike out through line 15 on page 33 and insert the following:

(c)(1)(A) In order to insure the solvency of the Social Security Old Age and Survivors Insurance Trust Fund created pursuant to title II of the Social Security Act as amended, the Senate Committee on Finance shall report changes in the laws within the jurisdiction of that committee so as to reduce outlays or increase revenues, or a combination thereof, in order to meet the appropriate levels of budget authority, budget outlays, and revenues specified in the resolution adopted by that committee pursuant to subparagraph (B) of this paragraph.

(B) Prior to the date on which the Senate Committee on Finance reports the changes in law required under subparagraph (A) of this paragraph, that committee shall adopt a resolution specifying for fiscal years 1983, 1984, and 1985 levels of new budget authority, budget outlays, and revenues, or a combination thereof, for the Social Security Old Age and Survivors Insurance Trust Fund.

(2)(A) In order to insure the solvency of the Social Security Old Age and Survivors Insurance Trust Fund created pursuant to title II of the Social Security Act, as amended, the House Ways and Means Committee shall report changes in the laws within the jurisdiction of that committee so as to reduce outlays or increase revenues, or a combination thereof, in order to meet the appropriate levels of budget authority, budget outlays, and revenues specified in the resolution adopted by such committee pursuant to subparagraph (B) of this paragraph.

(B) Prior to the date on which the House Committee on Ways and Means reports the changes in law required under subparagraph (A) of this paragraph, that committee shall adopt a resolution specifying for fiscal years 1983, 1984, and 1985 levels of new budget authority, budget outlays, and revenues, or a combination thereof, for the Social Security Old Age and Survivors Insurance Trust Fund.

(3) The changes in law referred to in paragraphs (1)(A) and (2)(A) and the resolutions referred to in paragraphs (1)(B) and (2)(B) shall take into account the recommendations of the National Commission on Social Security Reform with respect to the amount of reductions in budget authority and outlays or increases in revenues, or combination thereof, needed to insure the solvency of the Social Security Old Age and Survivors Insurance Trust Fund. Such changes in law shall be reported, and such resolutions shall be adopted, by the Senate Committee on Finance and the House Committee on Ways and Means no later than December 1, 1982.

Mr. HEINZ. I thank my colleague for yielding and I suggest the absence of a quorum.

Mr. DOLE addressed the Chair.

Mr. ROBERT C. BYRD. Mr. President, I object to the quorum call being called off. The Senator suggested the absence of a quorum. The Senator from Pennsylvania suggested the absence of a quorum.

Mr. HEINZ. I do suggest the absence of a quorum, Mr. President.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. COCHRAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. ROBERT C. BYRD. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard. The clerk will resume calling the roll.

The bill clerk resumed the call of the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. DURENBERGER). Without objection, it is so ordered.

RECESS UNTIL 1 P.M.

Mr. BAKER. Mr. President, I think it would serve the purposes of this bill and the pending amendments if the Senate would have a brief time to consider the substance of the proposals and procedures to follow.

Mr. President, I ask unanimous consent that the Senate now stand in recess until the hour of 1 p.m.

There being no objection, the Senate, at 12:08 p.m. recessed until 1 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. HUMPHREY).

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The majority leader is recognized.

Mr. BAKER. I thank the Chair. I have no need for recognition at this moment, Mr. President.

I believe that the Senator from Kansas is seeking recognition.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. DOLE. Mr. President, the pending business is the amendment of the Senator from Tennessee; is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. DOLE. Mr. President, we have taken a great deal of time to debate an amendment which does not properly belong on this bill. We have spent the last several hours listening to the other side talk about all the problems that were created by acting responsibly.

I note that the New York Times, this morning indicated that we should stop these shenanigans and get on with business. The title of the editorial is "Your Pension or Your Vote."

The Senator from Kansas suggests that is going to be the public attitude, I think, if we continue this discussion. That is why on this side we are prepared to discuss the issue for a day, a week, or a month, so that the American people will know precisely who wants to try to save the system and make it solvent and who wants to play politics with the system.

The Senator from Kansas mentioned yesterday that we have heard a lot about the 1977 act. A lot of that talk indicated that the 1977 act was a great act of courage. It was further indicated that some of us voted against the 1977 act. I think it is well to state again that the 1977 act not only cut benefits, it raised taxes. It cut benefits for an average beneficiary retiring this year at age 65. The 1977 measure resulted in a cut of $130 per month in benefits, or more than $5,000 counting CPI increases over the 3-year period.

So far those statistics have been lost on the media. I point out in addition the average taxpayer had his taxes increased over the next 3-year period, 1983–85, because of those amendments, a total of $685. The maximum taxpayer who is paying the highest social security tax on the highest wage base would pay an additional $2,280 over the next 3 years.

For the system as a whole, the 1977 amendments mean for fiscal years 1983, 1984, and 1985, $83 billion in increased taxes, and $10.3 billion in benefits—$93.3 billion.

This Senator discusses the 1977 act just to put everything in perspective. In my view that was a responsible

measure. In my view what is suggested by the Budget Committee is also responsible. I think it is time we stopped trying to kid social security recipients that somehow the financing problem is just going to go away if we do nothing. If we following the plan proposed by the Senator from Michigan or the Senator from New York, you do nothing except stand up and point fingers at Republicans or others who want to act responsibly.

I hope we might at the earliest time, when everybody has made all the political speeches they wish to make, and made every possible and every conceivable statement, that we get down to the serious business of addressing the problem of social security.

There is a problem. It is a problem that everybody recognizes will be critical come next year. There is a chance that in July of 1983 the social security checks may have to be delayed or reduced unless Congress acts responsibly.

There are a lot of things we can do. I assume we can continue interfund borrowing for a while. That might get us through another year. Sooner or later either those in this Congress or those in the next Congress are going to have to make some hard choices. Last year we did not do anything. We authorized interfund borrowing. That was the easiest and most painless thing Congress could do, and we chose that course.

I suggest that now we are getting to the point when we really have to make some difficult choices. We can all cite statistics, we can all make charges, we can make countercharges, we can all offer amendments, we can all offer counteramendments, and I assume we will continue to do that. But hopefully we will, as responsible newspapers such as the New York Times have done, lay it on the line for the American people, "Your Pension or Your Vote."

Speaking of pensions, I just wanted to touch on the fact that the other afternoon the Senator from Michigan, who gets very upset about Members' pensions, went on at great length about how Members of Congress are ripping off the system.

So I did a little checking after listening to the distinguished Senator from Michigan (Mr. RIEGLE) attack his colleagues as having a big, fat system. That may have been good for a few headlines back in Michigan, because they like to take note when Members attack Members or Members' benefits. I did a little research about that system. The Senator from Michigan charged that the congressional pension plan was fraught with abuses and that before looking at social security the Members' retirement system should be "cleaned up". Those were his words.

He also suggested that we look into the facts of the system, and I did just that. I confess to the Senator from Michigan I had not looked into the facts, and obviously he had not either. But I have now. For the RECORD and for the information of other Members, who may have been disturbed by some of the statements made, I am happy to respond to the Senator's charges.

He said, first of all, that we had a separate congressional retirement system. Wrong. Members belong to the Civil Service Retirement System (CSRS). Four occupational groups have special provisions within CSRS because of the unusual circumstances of their jobs. These are law enforcement officials, firefighters, air traffic controllers, congressional employees, and Members of Congress.

The rationale for Congressmen is that their job security is much weaker than is that of civil servants. The Senator from Michigan charged that there is a "big, unfunded liability in the Members' plan." While CSRS is largely a pay-as-you-go system, there is not necessarily an abuse. Moreover, the latest figures show only 347 former Members of Congress are now on the retirement rolls. This is less than three one-hundredths of all recipients in the program. Thus a big unfunded liability is, to say the least, an exaggeration.

The reason why so few ex-Members are on the rolls is that while the system is relatively generous to Members with long tenure, it can be a poor investment for those who serve only a short time. The reason why CSRS has not indexed the earnings in computing benefits, is that the retirement annuity is based on the average of the 3 highest years of pay. If the Member is 45, inflation will erode his salary base for 17 years until he can begin drawing an annuity (at age 62).

The Member is better off withdrawing his contributions and reinvesting them elsewhere. He receives no interest on these contributions. Of course, anyone who serves less than 5 years is not even eligible for a pension. He gets a refund only of his own contributions, plus 3-percent interest. Obviously this is not a bonanza.

CSRS is more generous for Members who have a long career and are at or near the age of 62 when they leave Congress. Yet the provisions are not as generous as those for Federal law enforcement officials, firefighters, or air traffic controllers. Both of the latter have benefits at least as generous as Congressmen, and they can retire earlier without penalty. They contribute a smaller percentage of their salaries then do Members of Congress.

The Senator from Michigan charged that Congressmen pay very little into the system. While it is not clear what he means by "very little," the facts are that Members pay a higher percentage of salary than any other group of participants in the CSRS, 8 percent versus 7 percent for most others.

When you consider that their average salary is higher, average contributions are much greater for Congressmen. As of 1980, the average retired Congressman paid in $29,756, compared with $12,383 paid by civil servants, and $21,374 by air traffic controllers.

The average monthly annuity is higher for retired Congressmen: $2,612 in 1980 compared with $1,362 for civil servants. However, congressional contributions are more than twice as high. Also, a maximum of 80 percent of final salary can be received initially. This maximum is reached after 32 years in Congress or the military. I would also remind my colleagues that CSRS pensions are subject to Federal taxation, after a time, while social security benefits are tax free.

Unlike private employees, Congressmen cannot become vested with the employer's contributions. If a Member leaves Congress after 5 years, he receives only his own contributions returned without interest. Under ERISA such an arrangement in the private sector is illegal. Private employees are entitled to the employers' contributions after 10 years.

Mr. President, I have additional facts for the RECORD.

Mr. RIEGLE. Mr. President, will the Senator yield at that point?

Mr. DOLE. When I finish.

There is some sentiment, probably correct, that Federal pensions are in general too generous. The normal cost of retirement benefits is estimated to be 36 percent of payroll, compared with 22 percent for a typical private sector plan. Senator STEVENS has proposed a reform bill which would lower the costs to about 30 percent. Congressional retirement is not singled out, however. It is just a very small part of a Federal pension system which is perhaps more generous than it needs to be. Presumably Senator RIEGLE intends to support Senator STEVENS' bill.

Funding. Senator RIEGLE is correct when he states that there is substantial general revenue funding in the CSRS. Employee contributions covered just 25 percent of 1980 retirement fund expenses. But we would expect the Federal Government to contribute substantially to the funding of benefits, because it is the employer. Employers contribute in nearly all retirement systems. It is very misleading to compare general revenue financing of social security with employer contributions of the Federal Government to CSRS.

Senator RIEGLE also criticized the unfunded liability, and said we should "bite the bullet" and put the system on a pay-as-you-go basis. He apparently was confused and failed to understand that full funding is exactly the opposite of pay as you go. A full pay-as-you-go system would be completely unfunded.

These are some of the facts concerning retirement plans which I promised the Senator from Michigan I would look into to clarify this "big abuse" he talked about on the Senate floor last Thursday. I do not believe it is a system riddled with abuses. The one criticism that can be made is that the Federal retirement system, to which Members belong, is too costly. We should address the whole system. There do not appear to be any problems specifically related to congressional retirement. Certainly, Congressmen's pensions are not nearly as lucrative as the Senator from Michigan implies.

I would be glad to answer the Senator's question.

Mr. RIEGLE. The Senator, mentioned me several times by name, so let me ask the question how much longer do you intend to speak? I may just want to seek the floor in my own right. If you are going to speak at length, I will pose the question now.

Mr. DOLE. I am not going to be speaking at any great length.

Mr. RIEGLE. Ten, fifteen minutes, half an hour?

Mr. DOLE. Ten or fifteen minutes will be more than adequate for me.

Mr. RIEGLE. Well. I would simply thank the Senator for yielding, and I will save the thrust of my comments for when he finishes. I will just say I think what you have said is a clear and deliberate distortion.

Mr. ROBERT C. BYRD. Mr. President, I ask that the Senators address each other in the second person.

The PRESIDING OFFICER. The Senator from West Virginia is correct.

Mr. RIEGLE. I would just say to my colleague, who is kind enough to yield, that I think he very cleverly and I think very deliberately distorted the thrust of my comment the other day, which was in response to a comment made by the Senator from Wyoming (Mr. Simpson) on his side of the aisle who came to the floor and said there was no pension program that pays off as quickly or as generously as the social security system.

I responded by saying that the congressional pension plan does, in fact, do so, and that has not been refuted here.

The issue that I raised, and which the Senator from Kansas has still not addressed, is the question of how long it takes to get back the amount of money that a person contributes into that plan, and that was the question I raised then, and I raise it again now, and the Senator, I think, has not answered that. I thank him for yielding.

Mr. DOLE. Mr. President, I appreciate the comments of the Senator from Michigan. A full reading of the Record will indicate that the Senator from Michigan was very distraught about this "awful retirement system" the Members of Congress have. He inferred that I should have had the facts, and I apologized then for not having the facts. I now have most of the facts, and I will be happy to check any additional inquiries be may have. I suggested at that time that this was something the Senator from Michigan should have taken care of by now after a number of terms in the House and a full term in the Senate—most of that as a member of the majority party.

But the point is that the Members' retirement question came up during a social security debate. I do not know why he raised it. It may have been in response to a statement made by Senator Simpson.

But the Senator from Kansas has a responsibility to respond when Members indicate that he should have had the information. The Senator from Kansas did not have the information. I now have part of the information. I hope to make other comments from time to time to be certain we have satisfied the Senator from Michigan, who is very concerned about any Member who might be getting any advantage in any area. I want to make certain that the Senator from Michigan and the Senator from Kansas understand that we will try to keep the record straight. It will be difficult, but we will do the best we can.

Mr. RIEGLE. Will the Senator yield further for one precise question?

Mr. DOLE. Yes.

Mr. RIEGLE. I thank him for yielding. He may or may not have the answer now.

My question would be this: On the average, as long as the Senator has raised the details, on the average, how long does it take someone who participates in a congressional retirement program to receive back, in benefit payments after retirement, the full amount of money that they themselves have contributed to that fund? That would be my question. Does it take 5 years, does it take 10 years, does it take 18 months, does it take 12 months? I would like just a precise answer to that.

Mr. DOLE. I will be glad to get that information. I do intend to speak whenever social security comes up. I think it is something we should address, although not on this bill. I will furnish that information for the Record and I will also continue to address other questions raised by the Senator from Michigan during the discussion last week.

But I would say very quickly, because I hope we can have a vote on the amendment and then move on, that the Senator from Kansas agrees fundamentally with the statements made by other Senators that, "Well, all this ought to be reserved for the Senate Finance Committee and not be a part of this legislation." The Senator from Kansas could not agree more.

But, as everyone knows, this debate was initiated by the Senator from West Virginia and the Senator from New York. In fairness to Members on this side who listened at great length to the criticism heaped upon our President and our party for trying to "rob the benefits of senior citizens," that perhaps there might be some in this country who want to hear what the facts are. And the facts are that we have a problem.

I do not care how many speeches this Senator makes or any other Senator makes or how loud we talk or whatever we may do, there is still going to be a problem. It would be nice if we could address it in a bipartisan way. The Senator from Kansas still has some hope that we can do that. But if we cannot even get an admission from the other side that the system is in trouble, then I think we are looking down the road to rather bleak prospects for senior citizens.

The do-nothing plan, as I have referred to the course those on the other side advocate is to do nothing except criticize the President, criticize the Budget Committee, and I assume criticize those of us who worked for 5 weeks trying to put together an agreement on the budget. We came very close—and we did address social security in those "Gang of 17" meetings. Theirs is a do-nothing plan. It is the get-reelected plan. It is the how-to-avoid-the-question plan. It is the fool-senior-citizens plan. It is, in effect, to take away their benefits come July 1, 1983, because we did not have the courage to act.

There are some in this body—and the Senator from Kansas believes a majority—who are willing to do what we should do to make the system solvent. That is what this debate is about—the solvency of the trust funds.

We understand that there is an advisory commission. The Senator from Kansas is a member. The Senator from Colorado is a member. The Senator from Pennsylvania is a member. The Senator from New York is a member. We understand that certain recommendations will be made. We understand foremost that there is a congressional responsibility. We cannot abdicate our responsibility to that commission, although they will make recommendations.

This Senator also understands that the Senate Finance Committee and the House Ways and Means Committee have primary jurisdiction over social security. We understand that solving the problem is not going to be easy. It is a very sensitive, emotional, controversial, political issue. This Senator believes that there are enough of

us on the Senate Finance Committee in both parties who are willing to look at some of the alternatives. And there are literally hundreds of alternatives. To stand on this floor day after day, as some have done, saying there is not any problem is just not a fact. I believe a full discussion of this will alert those who write and talk about social security. We may yet be able to help senior citizens, we may rescue those senior citizens and their benefits from those who stand on this floor day after day after day, saying: "There is no problem. The problem is President Reagan. The problem is some Republicans. The problem is the budget." There is a problem. I do not think anyone can stand here and say there is not a problem. There is a problem and it is a serious one.

We are down now to about 2 months' reserve and we are going to be down to about 2 weeks by 1984. We have 2 months' reserve right now. In 1970, we had a year of reserves. Now, this is serious.

Mr. LONG. Will the Senator yield?

Mr. DOLE. I yield to the Senator from Louisiana.

Mr. LONG. Mr. President, I am pleased to see the Senator has offered his amendment. The Senator from Louisiana wants the Senator to know that this Senator will cooperate in seeing to it that there are adequate funds to pay these social security benefits.

Now, it may be that we can find some ways to economize where there are abuses in the program. The Senator is aware of the fact that there are situations where there is abuse, where benefits were never intended. We have a lot of people on the rolls as disabled, for example, who are not really disabled; people who are handicapped, but not disabled and should not be on those rolls. Perhaps some of those people should have an advantage or perhaps we should provide a tax incentive to help some of those people find jobs. But that is not going to solve the problem. We are not going to be able to save enough money to avoid a tax increase.

Let me say to the Senator, if I may, as one who has had that unpleasant chore on occasion, "Welcome to the club." Welcome to the opportunity to ask the Senate to vote for a tax increase for social security, because that is what you are going to have to do.

I say that because I know the Senator is a statesman, he is a man of conviction, and he is a man who does his duty. He is going to have to ask the Senate to vote for a tax increase to pay for social security, and I intend to vote for it.

You may be able to so some of it by saving some money but, because of this recession, if for no other reason—and I am not saying who is responsible for it, I am just saying it is here—because of the economic facts of life, there just is not enough money flowing in the fund, as the chairman of the committee has so well pointed out, to provide these benefits. There is no way we are going to be able, with any bill that is politically feasible, to reduce spending enough to avoid having to raise taxes. We are going to have to do it.

I just hope that, in his responsibility and in his discussing this matter with those in his party and those in the White House, the chairman of the committee, the distinguished Senator from Kansas, will make it clear that we are going to have to raise taxes to pay for this and let everybody know that we are going to have to pay.

I hope the Senator will continue to maintain the same statesmanlike position he has maintained in the past that we are not going to try to finance these trust funds with leaves off the trees; that we are not going to try to finance these trust funds with a free lunch; and that we are not going to try to finance this by printing press money, or just a number that someone writes into a computer. These trust funds, and social security in particular, ought to be paid for with money that the taxpayers provide to take care of those liabilities. To do it any other way, to say we are going to do it with general revenues, when there is no general revenue out there, to say we are going to take some tax that is presently being used to pay for other expenses in Government and dedicate that to social security, when it is already needed and not adequate to provide for the other uses of Government, is not the way to measure up to our responsibility.

We are going to have to face this and vote to pay the tax. I hope that when we vote to pay it that it will be properly labeled as it should be, a bill to see that all these people to whom these promises have been made will be paid what their Government promised them.

And I say to the Senator that I have my doubts that we ought to be waiting for that committee to report.

If we have to wait past the first of the year, we are going to have difficulty raising money fast enough to keep this fund from going broke. Then we will be urged to start borrowing out of the Treasury. There is nothing there to borrow. All there is is a potential to print a bunch of money which makes the existing money less valuable when you undertake to do that.

So I would hope that the Senator would recommend to this Senate, and if he does it I will be glad to join him, that we fund this program and that we finance it with solid money, not inflation but solid money, what the public pays, to see to it that the people who have been promised the benefits, and people who rely upon this program for their existence, will receive that to which they are rightfully and justly entitled.

Mr. DOLE. I thank my distinguished colleague from Louisiana. I certainly would say without any reservation that the Senator has acted responsibly with reference to social security. I believe there is a broad base of support in this Senate for action. We have gotten a little off base in the last few days. It is my view in the final analysis that we may be able to, and should be able to, approach it as outlined by the Senator from Louisiana.

There are a number of things to be done. We do not know what the Commission will recommend, whether it will be benefit reforms, or a combination of reforms and taxes. This Senator would hope we could avoid any dipping into the general funds for the very reason stated. We do not have any. That is why we will have the debt ceiling up again in 2 or 3 weeks. We are $1,378 billion now as a ceiling, but we will have to exceed that ceiling and increase it to keep the Government going in another 3 or 4 weeks. Hopefully we can address the concerns which have been expressed. That is why the Senator from Kansas believes that the Senate Budget Committee—and their numbers may not be totally accurate—acted responsibly. They said there is a solvency program.

I have a letter in my hand from Alice Rivlin of the Congressional Budget Office which documents what the committee said. It is not just a pipedream. I will make the letter a part of the Record. It explains that we have a problem. Everybody indicates that we have problems. I would hope we could take action on this amendment and get on with the business of the Senate.

Mr. President, I ask unanimous consent that the letter I received from Alice M. Rivlin, Director, Congressional Budget Office, dated May 11, 1982, be printed at this point in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Congressional Budget Office,
Washington, D.C., May 11, 1982.

Hon. Robert J. Dole,
Chairman, Committee on Finance,
U.S. Senate.

Dear Mr. Chairman: In response to your request, the attached table shows the estimated Old Age and Survivors Insurance (OASI) trust fund balances at the start of each fiscal year as a percentage of projected annual outlays under three alternative scenarios.

The first line in the table shows the OASI balance as a percent of outlays, assuming no interfund borrowing after December 31, 1982. The table also shows the assumed status of the OASI fund if the $6 billion, $17 billion and $17 billion in added trust fund reserves included in the Senate Budget Committee's recommended resolution targets for fiscal years 1983, 1984 and 1985 were directed entirely to the OASI trust fund. Under this path, the OASI fund's balance remains positive over the period. The final estimate shows projected trust fund balances assuming that balances in all three trust funds are maintained at the same percentage of expected outlays; in other words, under the assumption that the $6 billion, $17 billion and $17 billion transfers are directed to the OASI fund and full interfund borrowing is allowed over the period. The OASI fund's balance at the start of fiscal years 1984 and 1985 in this case would be 15 percent of outlays, rising to 18 percent by the start of 1986.

These estimates are consistent with the SBC markup baseline economic assumptions and assume that the 1982 cost-of-living adjustment (COLA) is 8.1 percent. The estimates are subject to considerable uncertainty, however, since trust fund balances are sensitive to levels of economic activity and to rates of inflation. For example, if the unemployment rate were 1 percent higher than currently assumed in each year from 1983 to 1985, the trust fund balance would be 5 percent lower than shown by the start of 1986. In addition, since the actual 1982 COLA will be 7.4 percent, the trust fund balances are expected to be somewhat higher than shown.

Should you so desire, we would be glad to provide further details.

Sincerely,

ALICE M. RIVLIN,
Director.

TABLE 1.—OLD AGE AND SURVIVORS INSURANCE TRUST FUND BALANCES AT THE START OF EACH FISCAL YEAR AS A PERCENT OF YEAR'S OUTLAYS [1]

	1983	1984	1985	1986
1. Current law	8	0	−10	−18
2. Added trust fund reserves [2]				
a. Interfund borrowing expires December 31, 1982 [3]	8	5	3	2
b. Interfund borrowing extended indefinitely [3] [4]	19	15	16	18

[1] Based on markup baseline. Assumes 8.1 percent June COLA. These estimates are very sensitive to economic conditions, and could change significantly if the economy improves or worsens from assumed levels.

[2] Includes $6 billion, $17 billion and $17 billion in outlay reductions, revenue increases or a combination of both in 1983, 1984 and 1985 respectively as recommended in the Senate Budget Committee's resolution.

[3] The estimates assume added reserves. If all the added reserves result from outlay reductions, higher trust fund ratios than shown would result.

[4] Assumes all three trust funds are maintained at the same percentage of outlays at the start of each year.

Mr. DOLE. I share the view expressed by the Senator from Mississippi and others that we should not be doing this on the defense bill. Well, this Senator did not begin this action. It would be my hope we could limit the bill from here on to germane amendments.

I would say finally that the amendment introduced by the distinguished majority leader to the amendment of the Senator from Kansas, addresses the problem. Maybe after we have had this last political shot, we could settle down to working out the problem. That is the best thing we could do for American senior citizens.

I met with a few senior citizens in my office this morning. Frankly, they are a little alarmed. They do not know who to believe, the President or somebody they saw on television, or to believe no one. I think no one is ahead at this point, when it comes to social security.

Mr. ARMSTRONG addressed the Chair.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. ARMSTRONG. Mr. President, I congratulate the Senator from Kansas for his statement and for his initiative in bringing this resolution before the Senate. I completely share the sentiments he has expressed. I listened intently to his observations. I commend his leadership, and I encourage every Senator to carefully attend his recommendations.

I was especially interested, Mr. President, in the reference by the Senator from Kansas to an editorial which appears today in the New York Times under the headline "Your Pension or Your Vote." I quote briefly from the editorial:

> Sensing Republican vulnerability, the Democrats are out for blood.

Mr. President, the editorial goes on to quote one Senator as saying "Republicans would raid and loot the social security system." The editorial quotes another Senator as saying, "President Reagan is mortgaging the economic future of the elderly."

Then a bit later, to quote at some length, the editorial makes these observations to which I would also commend the attention of every Senator on both sides of the aisle.

> The Democrats are already winning this unworthy, partisan battle. Republicans are jcining them, refusing to stand alone against 36 million aroused Social Security beneficiaries. But the country can't afford such victories.
>
> Social Security needs reform. Those who deny its problems are chasing votes at the expense of their constituents. The Democrats nothwithstanding, there are ways to reduce the system's costs without trampling on the poor or stealing benefits from middle-income retirees.

The editorial continues:

> Congress's beneficence to pensioners has long run ahead of its willingness to foot the bill. Despite large increases in the payroll tax, Social Security's obligations exceed its income. Tinkering—perhaps a one-year freeze on cost-of-living increases—would get the system out of a tight corner. But that would be unfair to pensioners who count on every penny and would not solve the long-term problem. According to Social Security's actuary, the system owes $4 trillion more than it can expect to receive from those now contributing.
>
> Opportunists prefer to slip the question rather than venture on this political ice.

Mr. President, I ask unanimous consent that the entire editorial be printed in the RECORD at this point because it is an editorial that we can all well ponder.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the New York Times]

YOUR PENSION OR YOUR VOTE

Sensing Republican vulnerability, the Democrats are out for blood. Republicans would "raid and loot the Social Security system," says Senator Riegle. President Reagan is "mortgaging the economic future of the elderly," says Senator Byrd. The party that created Social Security will not hear of a Republican plan to find savings of $40 billion in the next three years. House Democrats have already prepared a budget counterproposal that leaves the sacred cow untouched.

The Democrats are already winning this unworthy, partisan battle. Republicans are joining them, refusing to stand alone against 36 million aroused Social Security beneficiaries. But the country can't afford such victories.

Social Security needs reform. Those who deny its problems are chasing votes at the expense of their constituents. The Democrats notwithstanding, there are ways to reduce the system's costs without trampling on the poor or stealing benefits from middle-income retirees.

Congress's beneficence to pensioners has long run ahead of its willingness to foot the bill. Despite large increases in the payroll tax, Social Security's obligations exceed its income. Tinkering—perhaps a one-year freeze on cost-of-living increases—would get the system out of a tight corner. But that would be unfair to pensioners who count on every penny and would not solve the long-term problem. According to Social Security's actuary, the system owes $4 trillion more than it can expect to receive from those now contributing.

Opportunists prefer to slip the question rather than venture on thin political ice. But the longer Congress delays, the larger the eventual cuts will have to be. If savings were found now, no beneficiary need suffer very much. Consider this package of reforms, which together would make the system solvent:

TAX THE BENEFITS

Suppose Social Security were, for tax purposes, treated like private pensions. Payroll contributions would be returned as tax-free benefits. But the rest of the pension would be taxed as ordinary income.

A couple scraping by on an $800 monthly check would pay little if any additional tax. But those with much larger incomes—the majority of Social Security recipients—would pay a fair share in taxes. If their payments were put in the Social Security trust fund, its short-term problems would be solved.

ELIMINATE DOUBLE-DIPPERS

Federal employees do not pay Social Security taxes. But they often become eligible for benefits by moonlighting in private jobs or working for a few years after retirement. And because the benefit formulas are so generous to low-income workers, they reap a windfall. The remedy: change the benefit formulas to distinguish Government retirees from the working poor. Or simpler yet: collect Social Security taxes from all Government employees.

RAISE THE RETIREMENT AGE

Age 65 was a reasonable retirement age in the 1930's; but 65-year-olds today expect to live to 82. By gradually raising the pension age to, say, 68, the system could reduce its liabilities by trillions of dollars and hold the payroll tax rate at current levels.

Some day, some way, such reforms will be essential to rescue a worthy system. What the demagogues will produce is a belated lunge for ill-planned cuts that punish the elderly poor. If you expect to grow old in America, don't be taken in by those who refuse to put your retirement nest in order.

Mr. ARMSTRONG. Mr. President, I also recall that on May 12 of last year the New York Times editorialized on this subject and in a slightly different context made the following observation:

> Adroit politicians don't ignore issues; they appoint commissions to study them.

In characterizing the hostility and antics of Congress in dealing with the controversial issues swirling around social security's funding crisis, the New York Times was then as it is today right on target.

The Times was also correct in its baleful observation:

> In this case, though, adroit policies doesn't make for good public policy. The longer Washington puts off a remedy for social security woes, the harder it will be to find one.

Mr. President, these points, echoed in thoughtful journals of opinion all over the country, are well taken. If there was ever an issue which could benefit from dispassionate, careful, thoughtful, bipartisan treatment, it is the issue of social security financing. Unfortunately, it has received almost exactly the opposite.

On virtually every occasion when questions have been raised regarding social security reform or the solvency of the system, the response from almost every quarter has been charges of political terrorism and self-serving declarations by people stampeding to the microphones and in front of the cameras to say, "Don't worry, folks, we are not going to let social security go belly up."

I agree with those who have said that this is not the time and place to take up the issue of social security financing and reform. We are here to consider legislation dealing with the Armed Forces of our country. I truly regret the issue of social security has been dragged out onto the floor under the rubric of this particular legislation. But now that the issue is raised, it seems to me—and I am glad that the Senator from Kansas and others who have worked on this resolution agree—that it would be wrong for us to simply let the issue go. There was some discussion that, having tabled the amendment which was considered yesterday by the Senate, we could just go on with our business.

But while I thought it was important to table yesterday's amendment, which was inaccurate in its statement of facts, intemperate in its tone in characterization of the Senate Budget Committee, I think it is more important to say more than just what we are against. It is also necessary to say what it is that we favor. That is the purpose and intent of the pending resolution.

I am reluctant to extend further the discussion of this issue while the defense bill is on the floor. Since we will vote on this important social security resolution, and properly so under the circumstances in which we find ourselves, it is important that we do so from the basis of an accurate understanding of the social security trust fund financial condition.

Therefore, Mr. President, I will discuss briefly the factual situation with which we are confronted.

The social security system, as we all know, is vital to the well-being of the Nation's elderly, and no less than 36 million of our citizens look to social security as a financial lifeline. In addition, more than 115 million Americans pay social security taxes in the expectation that some day they will receive benefits. In 1977, Congress passed the biggest social security tax increase and benefit cut package in history.

At that time, many believed that this legislation would keep the social security system solvent until the year 2035. Unfortunately, it has not worked out that way. The social security system now faces serious short-term and long-term financing problems that jeopardize the payment of benefits. The trustees of the social security system have projected that the retirement trust fund will have insufficient funds to pay full and timely benefits after June of next year unless legislative action is taken.

According to the Congressional Budget Office, the social security board of trustees, and the social security actuaries, the entire system faces insolvency by 1984. Obviously, the financial problems of the System only grow worse in the years and decades beyond 1984.

Mr. President, this realistic outlook on the social security future is shared by and confirmed by many independent authorities. May I mention briefly some of those who have independently considered this issue and arrived at the same conclusion which the Senator from Kansas and I along with so many others have so reluctantly concluded?

Among those who confirmed, in general, these findings are the National Commission on Social Security, President Carter's Commission on Pension Policy, the 1979 Social Security Advisory Council, American Academy of Actuaries, the National Retired Teachers Association—American Association of Retired Persons, the Committee for Economic Development, American Institute of Certified Public Accountants, the National Association of Manufacturers, the U.S. Chamber of Commerce, and the American Council of Life Insurance; and many, many more.

For instance, the National Commission on Social Security Advisory Council reported in March 1981, "The committee considered this an insufficient degree of financing."

The President's Commission on Pension Policy said last year:

> The most pressing problem facing social security is its ability to meet future commitments . . . In the next five years, scheduled tax revenues are not considered to be sufficient to cover expected payments.

In a floor statement on April 9, a distinguished Member of the other body made this observation, speaking to his colleagues in the House of Representatives:

> The Social Security Retirement and Survivor's Trust Fund will become unable to pay benefits sometime in mid-1982.

Of course, Mr. President, the enactment last year of interfund borrowing postponed temporarily the insolvency in the funds. But, I note this statement particularly for two reasons: First, to highlight that the identification of this problem is not some recent phenomenon. It did not first come to our attention during the deliberations of the Budget Committee a week or 10 days ago. It has been known, commented upon, and been the subject of concern by thoughtful Members of both parties in both Houses for a very long time.

In a report to the Joint Economic Committee on September 22 of last year, Alice Rivlin, the Director of the CBO, said:

> In short, although the CBO currently projects that the combined trust fund will maintain an aggregate balance sufficient to allow expected benefits to be paid over the next decade, the margin for error is very small.

In his final budget submission to the Congress, President Carter said:

> Finally, no account of future budget needs would be complete without recognition of the need to resolve the problem of social security financing.

In a statement issued in January of last year, the Department of Health and Human Services said:

> However, the margin of safety is so small that if economic conditions worsen, or if cost containment savings are not fully realized, there will be insufficient resources for benefit payments by the end of 1984. Therefore, more substantial social security financing reform needs to be addressed in the near future.

James R. Swenson, speaking on behalf of the American Academy of Actuaries, told the House Subcommittee on Social Security last year:

> It is apparent that legislation needs to be enacted to resolve the predicted short-term financing problems of the OASI portion of the program.

Testifying before House Social Security Subcommittee on behalf of the NRTA and the American Association of Retired Persons, Mr. James Hacking made the following observations on January 27, 1981; 4 months ago:

> Proposals to allow the OASI fund to borrow or receive funds from the DI and/or HI fund, in our opinion are deceptive because they do not match the magnitude of the short-term financing problem. In general, we support providing legislative authority for interfund borrowing because this would provide some flexibility. However, we do not view this as a sound solution because the possibility that the combined level of trust funds would fall to unacceptable levels or be completely exhausted would still exist. The amount of revenue generated for the OASI Fund from these devices will not ultimately be sufficient to protect the system from even minor economic downturns.

Mr. President, the American Enterprise Institute, in its publication, "Achieving Financial Solvency of Social Security," made the following observations:

> * * * According to several recent reports, however, the combined OASDHI trust funds are expected to be inadequate after 1984, so that even if the OASI trust fund is allowed to borrow from the other two funds, the short-run financing problem would remain.
>
> The gloomy long-run projects of social security are even more disturbing in light of their underlying assumptions.

The Committee for Economic Development said,

> * * * it has become apparent that the system, which has functioned so smoothly for so long, is in serious financial trouble.

In October 1980, the House Democratic study group reported:

> It is clear from both the report of the Board of Trustees of the Social Security program and the Administration's mid-session fiscal year 1981 budget review that the Social Security system is headed for cash-flow problems in the short-term. It is equally clear from the two reports that reallocation is only an interim measure and that even after reallocation additional steps either to raise aggregate revenues or to reduce future benefit obligations may be necessary for later in this decade.
>
> * * * Sometime during the first half of the next century there will be too many beneficiaries (retirees) and not enough contributors (workers).

The American Institute of Certified Public Accountants says—and I urge the attention of my colleagues to the information which I am presenting, because it gives lie to the contention that, somehow, this is a new problem that came into existence after Ronald Reagan got into the White House and after a certain group took control of the Senate Budget Committee, and that somehow, these shortfalls materialized as if by magic and are being plugged in order to provide a way to balance the Federal budget.

So I hope there will be serious consideration to these contentions.

Mr. MOYNIHAN. Will the Senator from Colorado yield for a question?

Mr. ARMSTRONG. Mr. President, the Senator from Colorado is wise enough to know that if he engages the Senator from New York at this point, it will derail his train of thought. So, in respect, I must decline to yield at this point.

I do, however, invite the attention of the Senator from New York to additional remarks of such groups as the American Institute of Certified Public Accountants in their commentaries on issues relating to social security.

> These taxes have already grown faster than the Consumer Price Index, increasing by more than 840 percent between 1962 and 1981 (as projected). Even with these increases, revenues for 1981 and later will almost certainly be inadequate to support the projected level of outlays. Consequently, unless Congress mandates new sources of revenues or future increases in social security taxes, projected revenues must be reduced.

The National Association of Manufacturers, in September 1981, said:

> For nearly half a century, three generations of Americans have relied on the social security system to help provide retirement income. Now that system is in deep financial trouble.

Testifying before a Ways and Means subcommittee in March 1981, Lowell Jones and Mike Romig of the U.S. Chamber of Commerce said:

> Unless effective action is taken by Congress this year, the OASI trust funds will be out of money early in 1982.

Kenneth P. Austin, testifying before the same subcommittee on behalf of American Life Insurance, said:

> Social security now faces severe financial problems. The entire program, OASI, faces acute short-range financial problems. The system also faces long-run deficits on the basis of what now seems to be the most reasonable economic and demographic estimates.

And yet, Mr. President, despite these and many, many other proclamations on the seriousness of the social security system's financial difficulties, some Members of Congress declared war, to use their exact words, and I quote their words, "declared war on efforts to make the social security system solvent."

They not only refused to cooperate in developing a workable plan, they ridiculed and attacked those within and outside of the Congress who have attempted to do so.

Mr. President and my colleagues, the mounting evidence of professional and citizen opinion that social security is in financial trouble and the published reports of this evidence have caused great anxiety to social security recipients.

Polling data reflects growing public apprehension about the soundness of the social security system, including a substantial majority of younger workers who simply do not believe that social security will be able to pay full benefits at the time of their retirement.

I regret to say that while I personally believe that Congress will—possibly at the very last moment, although I hope Congress does not act at the last moment—find a way to assure the funding of the social security system, these concerns, these apprehensions which are so vividly expressed in polling data from around the country are in fact well founded.

The experts tell us that within the retirement and disability (OASDI) trust funds there exists a deficit of $1.6 trillion. That is the long-term magnitude of this problem in the OASDI fund. In addition, the experts estimate the total deficit in all three trust funds—retirement, diability, and hospitalization (OASDHI) exceeds $6 trillion. On another occasion it would be helpful to try to put into perspective the enormity of a sum this size.

In the meantime, Mr. President, let me turn from the acknowledged, from the admitted danger of the long-term shortfall in the fund to the growing threat of shortrun insolvency.

The social security retirement fund, OASI, has been running on an annual cash deficit since 1975. From 1975 through fiscal year 1980, this cumulative deficit totaled $15 billion. These annual deficits steadily drained the previously accumulated reserves resulting in a drop in the fund balance from $37 billion in 1975 to an estimated $7 billion by the end of fiscal year 1983.

This would amount to only 4 percent of projected annual benefit costs or less than 1 month's payments, as pointed out earlier by the Senator from Kansas.

This is a dangerously thin margin obviously. In fact, if you do not have 1 month's funds on hand, you cannot send out full benefit checks on time.

Last year Congress approved temporary interfund borrowing from the disability and hospital insurance funds to permit benefit payments to continue. This interim borrowing provision expires in June 1983. At that time the combined reserves of all three funds will be severely depleted.

A simple extension of borrowing authority will not assure the solvency of the funds. Total end-of-the-year combined reserves in the OASDHI funds are projected at $36 billion, enough to fund less than 9 weeks of benefit payments and medicare reimbursements.

This is not a satisfactory reserve. It is a margin which is much too thin for safety. Certainly it is not the kind of margin which Members of Congress as trustees of this fund ought to provide. And in a moral sense, if not a legal sense, Members of Congress are trustees of social security.

As the law now stands, by 1985, the combined social security trust fund reserves would decline to $16 billion. That is enough to provide only 29 days of payments during the year. This is far less than is necessary to assure the timely payment of full benefits each month.

Mr. President, the $40 billion in 3-year savings which are targeted in the

Senate budget package is designed to reserve this dangerous erosion of short-term reserve balances. It would assure an 18-percent reserve margin at the end of fiscal year 1983 and fiscal year 1984 and slightly higher than that in future years, based upon our best judgment of economic conditions, which are, of course, only estimates.

This 18-percent reserve margin represents a minimum prudent level. It compares to an average end-of-year balance for the combined funds of 36 percent which was maintained as recently as 1977 through 1980 and an average year-end balance of 100 percent in years a decade age.

The prospective trust fund balances are so razor thin that even marginally higher unemployment rates or marginally higher inflation rates than those which are assumed in the CBO forecast could absorb most of the $40 billion in savings which have been suggested by the Senate Budget Committee's resolution.

Under current law, OASDHI outgo will exceed $700 billion in the period fiscal years 1983 through 1985. A 3-percent change in projected benefit costs or payroll tax receipts would absorb half of the targeted amounts.

Mr. President, there has been so much said about the recommendation of the Senate Budget Committee that additional points must be made. The Senate Budget Committee recommendation which has provoked so much commentary—and much of it, if I may say so, is not entirely consistent with the actual contents of the resolution—prompts me to make these observations:

First, the Budget Committee recommendation contemplates no action until the Commission appointed by the President has reported later this fall.

Second, the Budget Committee recommendation provides that the full 7.4-percent social security cost-of-living adjustment will be paid on schedule in July.

Third, the Budget Committee recommendation—a 3-year solvency target—represents less than 8 percent of current law benefit costs. The savings contemplated could be achieved in a variety of ways.

There has been considerable discussion on whether the $6-billion savings, the $17 billion in the next year and the $17 billion in the year after that, are cuts. We ought to be frank about exactly what is proposed. The record of the Budget Committee is absolutely, unmistakably clear on this point.

The resolution is written so as to be neutral with respect to how such savings are achieved. They could be achieved through new taxes of some kind, as suggested by the Senator from Louisiana. I do not personally favor such a move, but the budget resolution is neutral on this point precisely to maintain for the Congress and for the Senate Finance Committee the option of formulating such a recommendation.

All solvency options, even the most drastic, if one assumes, as I do, that there are no tax increases, all of the solvency options are achievable without a reduction of any current benefit levels.

Finally, I note that the Senate Budget Committee intends that none of these options be considered until the completion of the Presidential Commission's full report is available and its recommendations have been reviewed by the Congress.

Mr. President, at this point I should like to insert in the RECORD a short table pointing out the amounts necessary in 1983, 1984, and 1985 to achieve the savings which in the judgment of the Budget Committee, after reviewing information submitted by the social security trustees, by the Social Security Administration, and by other authorities, are the amounts necessary to maintain the solvency of the fund. I submit that for the RECORD and ask unanimous consent that it appear at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

SOCIAL SECURITY POLICY TARGET TO ACHIEVE SOLVENCY

[Senate Budget Committee economic assumptions; in billions of dollars]

	1983	1984	1985
Current law balance, end of year (OASDHI)	36	24	16
Balance required to maintain 18 percent end of year balance	42	47	[1] 56
Cumulative savings needed	6	23	40
Annual savings target	6	17	17

[1] The $56,000,000,000 end of year balance is 19.8 percent of following year's benefits. Unless policy action is taken to achieve this level in fiscal year 1985, however, the 18 percent level will not be reached in fiscal year 1984.

Mr. ARMSTRONG. Mr. President, the Budget Committee, which has been subjected to quite a lot of criticism—most of it, at least in this instance, unfair criticism—really has done nothing more than face the facts in its resolution. I should note in passing that there are a lot of good reasons to criticize the Budget Committee, and on some other occasion I would be glad to join those who criticize it. But the notion that somehow the Budget Committee is getting after social security recipients, trying to take something away from social security recipients, is just a classic example of criticizing the bearer of bad news. And I am not unmindful that in ancient days the practice was to behead the messenger who brought the king news which he did not wish to hear. I hope we are not going to be beheaded, but it is important that we face the facts, and that is literally all the Budget Committee has done.

First of all, the Budget Committee faced the unmistakable fact that the trust funds are in jeopardy. We are in trouble.

Second, the Budget Committee has faced the fact—and I trust this to be a fact; I am sure it is—that we are not going to let social security go broke. We are not going to do that. We are not going to have social security trust funds make late payments. We are not going to break faith with the 36 million people who have their lives organized on the assumption that they are going to get a check.

Third, the Budget Committee also has recognized and faced squarely a fact that some may be a lot less willing to face readily and that is that there are not very many options.

I compliment the Senator from Louisiana for his statement earlier. I do not agree with his proposed solution to the problem of financing social security, but he is meeting the issue head on. He has said what his approach is going to be. He has made a prediction that may be borne out—he has been known to be right—as to how we are going to solve this problem.

Option No. 1: If you start with the basic premise I have just outlined, that social security is indeed in trouble and we are not going to let it go broke, the first option to be considered is raising taxes. Since 1950, the tax for social security has increased 2,011 percent. During the same period of time, real wages have gone up, I comment in passing, 490 percent.

So it is my belief that with the tremendous increase in payroll taxes in recent years, with the mounting evidence of what this has done to small and large businesses, but particularly small businesses, with respect to their economic activity, and the realization that the average working man and woman in this country pay more in social security taxes today than in Federal income taxes, I regard it as an unwise policy and a most unlikely development that we are going to further increase the payroll tax beyond the scheduled increase. Even so, that is option No. 1.

Option No. 2 is that we might change eligibility standards, and that has been the recommendation of many of the people to whose reports I have alluded in my earlier remarks. Many people have suggested various forms of changes in eligibility standards.

Option No. 3 is that we might change the rate of increase in benefits. I do not know of any person in or out of Congress who really thinks we should or will cut the average level of benefits. There may be such a person. I do not know of anyone. what is being suggested, for the most part, is a reduction in the rate of increases in benefits in the future.

I want to make it absolutely clear that in suggesting that, in one way or another, through revenue measures or through a reduction in the rate of increase in expenditures, there be a saving of $6 billion in 1983, $17 billion the following year, and $17 billion the year after that, the Budget Committee did not pull these figures out of the air. They arrived at those figures based upon the best professional information available to us.

I do not intend to put into the RECORD at this point the Congressional Budget Office submission, which was one—although not the only one—of the professional reports on which we based our information, because the Senator from Kansas has already done so. But I note that we did not make up those figures. They are not a pipe dream. They are the best judgment of the best professional advice available to us.

Second, it has been suggested that if you take the Budget Committee's recommendations, it is going to result in a reduction in payments to the average social security recipient of $1,100 over the next 3 years. I say again that what we are talking about is a potential reduction in the rate of increase in benefits.

In fact, if you take the Budget Committee numbers, our assumptions of the economic environment, we will be operating in a full implementation of the Budget Committee's figures as savings, with none of it on the revenue side, and the average social security recipient will receive not a cut but an increase of $1,308 over the next 3 years.

Mr. President, I note that the Senator from Rhode Island is on the floor, and I believe he is seeking to have me yield for a moment. I am about to conclude my remarks, but I will yield for a question, if he wishes.

Mr. CHAFEE. I would be delighted if the Senator would yield for a question.

Mr. ARMSTRONG. I am happy to do so.

Mr. CHAFEE. The point we wish to stress here is this: Am I not correct in saying that, first, nothing shall be done so far as the social security system is concerned until the report of the National Commission is received?

Mr. ARMSTRONG. The Senator is absolutely correct.

Mr. CHAFEE. Second, that any corrective action that shall be taken, if correction is needed, shall be no more than is absolutely necessary to preserve the financial integrity of the system.

Mr. ARMSTRONG. The point of the resolution, which the Senator from Rhode Island and I and the Senator from Kansas and the Senator from New Mexico have submitted, is to say that that is our intention; that the budget resolution spells the numbers; that they are the best estimate of the Budget Committee of what action is required for solvency; and it will be, if adopted by Congress, by a reconciliation instruction.

The final action will not be taken until the report is issued; and the final action, in the determination of the Senator from Colorado, will be only that amount, and exactly that amount, we believe to be necessary to put the fund on a solvent basis.

Mr. CHAFEE. And it is the commitment of the Senator from Colorado and the other Senators who cosponsored this resolution, of which the Senator from Rhode Island is one, to assure that the social security system shall be preserved and strengthened for the benefit of current retirees and beneficiaries and for future retirees and beneficiaries. Is that not the thrust?

Mr. ARMSTRONG. That is certainly a central issue and is the firm commitment, I am sure, of all the Senators named by the Senator from Rhode Island.

Mr. CHAFEE. I thank the Senator from Colorado for his utterly lucid comments in response to my questions.

Mr. ARMSTRONG. I appreciate the inquiry from the Senator from Rhode Island.

If I may respond in kind, before completing my remarks, let me say that the Senator from Rhode Island has been one of those who have been forthright about their interest in this matter. He is prepared to do whatever it takes to put this system on a solid basis so that the funds will be there when people retire.

Second, it is my absolute determination that we are not going to let the social security system go under.

I add that not only do I not intend to let the system go under, but also it is my firm resolve and desire to put an end to the harmful speculation which in recent years has caused so much anxiety. It can be seen in polling data and even more poignantly in personal encounters with people who simply say: "I don't think social security is going to be there when I retire."

I think we have to repair that confidence on which, in the long run, not only the social security system but also our entire governing system depends.

Mr. President, I very much regret—if I may say so again—that we are taking up this matter on this bill. I did not seek to raise it here; but when it came up, I felt obligated to lay out as many facts as I could, to make clear what the issues are and what a resolution of the issues might be.

I regret that some recipients may have been frightened by unfounded suggestions that their benefits were about to be cut.

Many people profess not to see a big difference between cutting benefits and cutting the rate of increase in benefits, and that is an absolutely crucial distinction. If you do not think so, go out and talk to anybody who is a recipient.

There is a tremendous difference if you are sitting at home and do not understand parilamentary procedure and do not know how Congress works and that we are playing to the grandstand, and somebody comes on television or is in the newspaper and says, "Look how they're getting ready to cut your benefits."

That was never the intention of the Budget Committee. It was never the intention of the President.

As I pointed out when I began my remarks, every time in the last year or 15 months that someone has came forward, whether from Congress or the administration, to propound a way to save the system, they have immediately been accused of trying to wreck the system.

That is why I want to go through very carefully and point out that this concern did not surface when Ronald Reagan got to the White House. Jimmy Carter expressed it. It did not occur in the Senate Budget Committee under Republican control. It was pointed out just as vividly by the Democratic group. It is not just Republican Members who have expressed this concern about insolvency of social security. The distinguished Representative from Texas, Mr. PICKLE, my counterpart in the House, the chairman of the House Social Security Subcommittee, has been just as forthright as any Member of this body on this question.

Finally, I want to confront what perhaps is the most touchy issue of all, and it is this: How are we going to solve this problem? What options are we going to adopt finally?

The budget resolution is neutral in this respect, deliberately so. We tried to preserve the turf, the territorial integrity of the President's Commission, and we clearly tried to preserve the prerogatives of the authority of the Finance Committee of which I am proud to be a member. We are neutral in the budget resolution on this issue.

Anyone can vote for the budget resolution next week for this provision without feeling that he is making an advanced decision on the means by which we repair the damage to the social security system.

I will state, however, that it is my own opinion, just the opinion of one Member, not an opinion that I am locked into, not something I could not even change my mind on, that first it is unlikely we are going to raise payroll taxes, and I think we should not do so. Second, that the likely solution to the problem is some combination of changes in long-term eligibility standards and the rate of increase in benefits. Third, coupled with this will be some relaxation of certain aspects which now limit the right of social security recipients to earn outside income.

I think there is going to be a good give and take. I think we will address both the short- and long-run problem. I hope we will do so in a thoughtful way.

If it turns out that the result is to reduce somewhat the rate of increase to beneficiaries along the lines that might be computed from the Senate Budget Committee's figures, that does not seem an unreasonable burden to me, particularly when one considers that there will be many Americans, including many Government employees, who will not get an increase every year, that there will be many people who are retired in the private sector who will not get any cost-of-living adjustment in the next 3 years or the 3 years after that, that there will be many taxpayers, the people who support the social security trust fund who have not had any increases in recent years and may not get some in the future. So to suggest that it is wrong in principle or on its face unreasonable to restrain in some degree the rate of increase for any benefit program seems to me to be wide of the mark. That is not an unreasonable notion. It is in fact the suggestion of thoughtful persons of both parties in and out of Congress over a very long period of time.

I urge my colleagues, before they get locked into any position that makes it difficult for them to consider seriously such an idea, to go out and talk to the social security recipients. I find when I talk to the social security recipients out in my State and for that matter others who might be affected by other portions of the budget resolution, the retired Federal employees, military personnel, recipients of benefits under other index program, I do not find that after they understand what the problem is they are reluctant to consider restraint in the growth of benefits to which they might otherwise be entitled. On the contrary, I find there is a very broad and deep vein of patriotism that says, in effect, that if everyone is going to bite the bullet, if everyone is going to be restrained, if everyone is going to have to take part in whatever is necessary to get this country back on its feet economically, then we are willing to do our part of the job.

One last fact, Mr. President. This is not because I say so. It is not because the New York Times says so. It is just a fact. The longer we put this off, the harder it is going to be.

I started by quoting from the New York Times of this morning. I wish to just read the last paragraph of that editorial and ask my colleagues to think seriously about it because the longer we put this off, the harder it is going to be.

> Some day, some way, such reforms will be essential to rescue a worthy system. What the demagogues will produce is a belated lunge for ill-planned cuts that punish the elderly poor. If you expect to grow old in America, don't be taken in by those who refuse to put your retirement nest in order.

Mr. President, the most responsible thing that members of both parties can do, is to move forward on this in a thoughtful, dispassionate, nonpartisan, and unemotional manner.

Before I yield the floor, I wish to acknowledge that while I have been highly critical and I may well be critical in the future of members of either party or either House who I believe trespass on respected adherence to the facts or are unfair in their characterization of recommendations submitted by the President or the Senate Budget Committee, I nonetheless do not think this is indeed fundamentally partisan, nor do I think it should be. I acknowledge with gratitude the leadership and statesmanship of many Members on both sides of the aisle and their counterparts in the other body.

I believe, as the Senator from Kansas has said, if we can go ahead now and adopt this resolution and put all this behind us now that we have all had one last inning. I hope it is the last inning, henceforth the next time this issue comes up it can be done in a better modulated tone and in a way that deemphasizes partisan considerations and really gives full emphasis to the need to get social security back on track.

Mr. GRASSLEY. Mr. President, will the Senator yield?

Mr. STENNIS. Mr. President, will the Senator yield to me?

Mr. ARMSTRONG. Mr. President, I am happy to yield to the Senator from Iowa and also to the Senator from Mississippi.

The **PRESIDING OFFICER** (Mr. D'AMATO). The Senator from Iowa.

Mr. GRASSLEY. Mr. President, I thank the Senator from Colorado for yielding to me.

I compliment him on the clarity with which he has laid out exactly what the political as well as the economic situation is on this issue.

I wish to say that I am happy to be a cosponsor of this amendment.

Mr. President, I support the amendment being offered by the Senator from Kansas (Mr. DOLE) and the distinguished majority leader. I also add my voice to those who have already noted the unfortunate lapse of orderly procedure that has led us to add amendments dealing with social security to the defense authorization bill.

I would hope that we could all agree that social security is important enough that we should take whatever responsible actions are necessary to insure that benefits will continue to be paid on time. By now, all Senators should know that a certain minimum prudent reserve must be maintained in order to enable us to pay benefits on time. That was the assumption under which the Budget Committee was working when it called for a solvency reserve sufficient to insure timely payment of benefits. Are those who have criticized the solvency fund telling us that they think we should not maintain sufficient reserves to pay benefits on time? They criticize cuts in social security that have not so much as been discussed yet without offering a single Democratic alternative. Are they willing to present us with a detailed alternative that will allow us to maintain the solvency of the trust fund? I have not seen one, even though the distinguished chairman of the Finance Committee has asked for one repeatedly.

My point, Mr. President, is that we are waiting for the President's Commission to make its recommendations to Congress. I do not know exactly what those recommendations will be, but I assumed that they will at least allow us to maintain a sufficient fund to pay benefits on time. That is the only proposal being put forth at this time, that we should maintain a sufficient amount of money in reserve to be able to continue to pay benefits on time.

Mr. President, I regret the demagoguery that has made this resolution necessary. Nevertheless, under the circumstances I am pleased to be able to reaffirm my commitment that any actions taken with regard to social security will be aimed at meeting our obligations to this Nation's elderly population.

I yield back to the Senator from Colorado.

Mr. STENNIS addressed the Chair.

Mr. ARMSTRONG. Mr. President, I thank the Senator from Iowa and I am pleased to yield to my friend from Mississippi.

Mr. STENNIS. Mr. President, I shall be brief.

I think the Senator has made a worthwhile statement here. I know I benefited from it and I commend him. I know he is a worker and has a very difficult task on the Finance Committee.

He is chairman, as I recall, of the subcommittee that handles social security; is that correct?

Mr. ARMSTRONG. Yes, the Senator is correct.

Mr. STENNIS. That is fine.

Mr. ARMSTRONG. I appreciate his interests and thoughts on the matter.

Mr. STENNIS. Mr. President, we may not vote here on this amendment. I think it is really out of order, with all deference to everyone, but this problem is certainly common to all of us and unfortunately his characterization I think of people getting disturbed—I am talking about those who are paying in this money now, the young wage earners—people who are paying the money in are greatly disturbed, and we have to restore their confidence and then, of course, reward those who are older.

I have a bill in now, and I am going to follow up on it even more.

I just happen to run across the fact that there is a difference of about $2 billion earned by the funds that have been invested at some recent time that could have been lent out at a higher rate of interest than they were. They were lent to the Treasury Department of the Government at a reduced rate.

I do not know just which one of the Senators is handling that, but I wish to call it to their attention. I believe it is something that should be corrected and we can pick up a little money in the process if I have my facts correct. I mention that just to bring everything together.

This will be a special issue here and a special order. I do not think Senators will keep down their amendment in their Budget Committee. It will naturally come in and then we can make some progress. I am looking forward to the report from the Commission also.

I wish to bring up that bill and maybe the Senator can give his thoughts on the matter.

Mr. ARMSTRONG. Mr. President, I am very grateful to the Senator for calling our attention to this bill, and I may say to the Senator that I truly wish that it were not necessary for the Senator from Kansas, myself, and others to propose this legislation on this bill because I truly think it is out of order. I think it is in the wrong place, but we find ourselves in a circumstance where we are constrained to do so and we beg his indulgence on that matter and thank him for his interest in the social security issue.

Mr. STENNIS. I thank the Senator.

Mr. ARMSTRONG. Mr. President, I yield to the senator from Kansas.

Mr. DOLE. Mr. President, I do wish to respond. I am aware of the legislation proposed by the Senator from Mississippi.

Mr. ROBERT C. BYRD. Mr. President, I am going to demand the regular order in yielding the floor. I have no objection to the Senator getting the floor. But I hope one Senator will not yield the floor to another.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. DOLE. The minority leader is correct. I just wanted to respond to the Senator from Mississippi's question. We are familiar with the legislation. We believe it does raise some very important questions of how we invest the funds. The legislation introduced by the Senator from Mississippi, along with the Senator from Wisconsin (Mr. Proxmire) and others, I believe hearings are scheduled very shortly on that matter in our committee.

Mr. STENNIS. I thank the Senator very much.

Mr. BAUCUS addressed the Chair.

The PRESIDING OFFICER. The Senator from Montana.

UP AMENDMENT NO. 918

Mr. BAUCUS. Mr. President, I have an amendment I would like to send to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

> The Senator from Montana (Mr. Baucus) proposes an unprinted amendment numbered 918.

Mr. BAUCUS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

Mr. DOLE. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard. The clerk will read the amendment.

The bill clerk read as follows:

> At the end of the bill add the following:
>
> For the purposes of section 101 the Secretary shall make expenditures to the extent funds are available and in such amounts as are provided in appropriation acts.

Mr. ROBERT C. BYRD. Mr. President, there has been a good bit of talk here about the New York Times editorial. I want to see every financing option explored for the social security system, and I want to work with others in arriving at a solution to the problem involved. But I do not believe Congress should consider any changes in social security as part of the budget debate. That is what this is all about. The Senate Budget Committee is reported to have made recommendations for $40 billion in social security cuts. Now, the word "cuts" was not——

Mr. DANFORTH. Mr. President, will the Senator yield for a question at that point?

Mr. ROBERT C. BYRD. I will in a moment. Will the Senator allow me to complete my remarks?

Mr. DANFORTH. Of course.

Mr. ROBERT C. BYRD. The word "cuts" was not specifically used. But we heard repeatedly the statement that the $40 billion did not involve any increase in revenue. We have heard all of this talk today about the need for getting on with resolving the problem. I want to help resolve that problem but the whole matter at issue here is whether or not the Budget Committee's language, which provides for $40 billion in cuts, is going to stand.

Those of us who offered the resolution the other day were concerned about that $40 billion in cuts, and we were also concerned that the Senate would be taking action on a budget resolution that provided for $40 billion in cuts in social security before the task force, which the President himself has created, has an opportunity to make its recommendations.

The distinguished Senator from New York (Mr. Moynihan) is a member of that Commission, and we want to see what the Commission recommends, and then we can tackle the problem.

My friends on the other side of the aisle are not the only people who recognize that there is a problem. We on this side of the aisle recognize there is a problem. But to hear our friends on the other side of the aisle, they would have the press and the public believe that we do not recognize there is any problem, we on this side of the aisle, and that we are demagoging, and that only they are interested in the solvency of the social security fund.

We are concerned about that $40 billion in cuts in social security that is included in the budget resolution which will be before this Senate this coming Friday.

We simply want to make it doubly sure that those people who are depending upon a social security check are not going to see $40 billion in cuts come out of their pockets—the pockets of 36 million Americans, which amounts to an average of more than $1,000 per recipient over the next 3 years.

Mr. DANFORTH. Mr. President, is the Senator prepared to yield for a question?

Mr. ROBERT C. BYRD. Not yet. I will be glad to yield and I will yield to the Senator for a question before I yield to anyone else.

Many of us did not want to see the DOD bill brought up, for that matter, before the Budget Committee resolution was acted on by the Senate. But the DOD bill was brought up and it is before the Senate now.

We want to say for the Senate that $40 billion is not going to be taken out of the pockets of the old folks of this country to balance the budget. We are not questioning the fact that some action will have to be taken to resolve the problems facing social security, and we will join in that. Some of us may disagree as to this or that or something else, but we recognize there is a problem, but we want to debate that problem on its merits, rather than as a pawn in the budget process.

We want to take whatever action has to be taken to resolve the problems of the social security system, but we want to consider them on the merits of the Commission's recommendations.

I say that our friends on the other side are trying to becloud the issue. We are not saying that the social security problem does not have to be solved, but we are saying it cannot be resolved by taking $40 billion out of the pockets of social security recipients, and before we get the recommendations of the Commission established by the President.

The American Association of Retired Persons is opposed, as we Democrats

are, the $40 billion in cuts in social security. Are they demagogs? We Democrats in the Senate are called demagogs because we reject the $40 billion in cuts in social security in the upcoming budget resolution. We are said to be demagogs. What about the American Association of Retired Persons? They, too, have rejected the cuts. Are they demagogs? That is the largest retired group. Is it demagoguery to argue that we should first see a specific proposal, see specific recommendations, made by the President's task force? He stood before the American people last September and in a televised address asked Congress to reverse its action on the minimum social security payments. He asked Congress to restore the minimum social security payments to 3 million people which he himself had earlier asked be eliminated and, at the same time, he, too, spoke of demagoguery. In that same speech, he also said he was going to appoint a task force on social security to report back after the election in November of this year.

That task force has not yet reported its recommendations. When it makes its recommendations, then let us study those recommendations, let us then consider the problems that confront the social security system and the recommended solutions to those problems on the merits. Let us not come in here with a budget resolution on Friday that is going to have a provision that means $40 billion in social security cuts. Is it demagoguery to argue that we should see the specific proposals from the President's Commission before agreeing to $40 billion in cuts in social security? I do not believe that Congress should consider any changes in social security at all as part of the budget debate. That is all we are talking about. The budget resolution is going to be up here Friday, and there is a 50-hour time limit on that resolution.

And we do not think that any changes in social security, in order to resolve whatever problems may exist there, should be a part of the budget debate.

Where are we going to find the solutions? Just reach into thin air and pull out the solutions to the problem during the debate on the budget resolution?

Our friends on the other side of the aisle would have the people believe that only they—my friends on the other side of the aisle—only they are interested in the solvency of the social security system. Look. The Democrats created the social security program. Franklin D. Roosevelt and a Democratic Congress created the social security system. And we are not going to see that system go broke. We Democrats are committed to that. That is our baby and we are not going to see it die on the doorsteps of insolvency.

So, we Democrats are committed, too, to the solvency of the program. We are not Johnny-come-latelies as supporters of the social security program. We intend to see that its funds are solvent. The American people can rest assured that Congress is not going to let the social security system go broke.

But let us not take $40 billion out of the pockets of the people who are depending upon social security—which amounts to an average of more than $1,000 per person over the next 3 years—without debating the matter of solvency on the merits and with the benefit of the Commission's study and recommendations and viewpoints.

Now, the New York Times editorial is a good editorial. It has been quoted here on the floor by my friends on the other side of the aisle. The editorial is correct in some respects, but it is also incorrect. We are simply saying that Congress should not consider any changes in social security as part of the budget debate next week.

Now we are demagogs, our friends across the aisle say. What about our Republican friends in the House? Are they demagogs? Our friends on the other side of the aisle, who quoted the editorial from the New York Times, have they failed to read the front page? They left out that part of the New York Times. It is an article by Martin L. Tolchin, one of the most respected of news correspondents. And it is in the second column on the front page. "GOP"—what does that mean?—"GOP in House Opposes Budget by Senate Panel." Are the House Republican leaders demagogs? "Social security changes prove key objection."

> Washington, May 11.—House Republican leaders today rejected the budget plan endorsed by President Reagan and the Senate Budget Committee, objecting to proposed changes in the Social Security system and to a major tax increase in a recession.
>
> Specifically, they rejected the Senate Republican proposal to commit Congress to find $40 billion in savings in Social Security outlays before a bipartisan study commission makes its recommendations at year's end.

Now that is what we Democratic Senators have been saying. So we so-called demagogs have been joined by those House Republicans demagogs who happen to believe as we do that the Senate Republican Budget proposal to commit Congress to find $40 billion in savings in social security outlays should not become effective before the Presidents bipartisan study commission makes its recommendations at year's end. That is the whole thing. That is it, pure and simple. That is all we have been saying. We are for solvency. We so-called demagogs are for solvency in the social security system. We so-called Democratic demagogs created that social security system, and we demagogs are for solvency in that system. But we and our Republican friends over in the House, we are all demagogs, I suppose. We reject the idea of making a $40 billion cut in the budget resolution, even though the President has embraced the proposal.

Mr. DOLE. The Charlotte Observer says the same thing.

Mr. ROBERT C. BYRD. I understand the Charlotte Observer says the same thing. Mr. Dole has handed me the editorial.

Mr. DOLE. That is in North Carolina.

Mr. ROBERT C. BYRD. I know of North Carolina. I was born there.

BUDGET BATTLE: POSTPONING THE HARD CHOICES

> There's plenty of room for improvement in the Republican budget compromise President Reagan endorsed Thursday, but there's little time and little hope for much improvement. Perhaps the most glaring weakness is its failure to spell out details of its most controversial elements—$40 billion in Social Security savings over the next three fiscal years and $95 billion in new revenues over the same period.
>
> Obviously congressional leaders don't want to deal specifically with those issues until after the November elections.

Well, parenthetically, the President does not want to do so either. When he said last September that he was going to appoint a task force, he did not say it would report back before the election this November. As a matter of fact, the Speaker of the House, where those Republican demagogs all came out in support of the position that we Democrats have been taking, the Speaker of the House sought to have the recommendations of the Presidential Commission reported back in the spring of this year—in the spring—and that proposal was turned down.

So obviously, congressional leaders do not want to deal specifically with those issues until after the November election and obviously the President did not want them to be dealt with, either, until after the November election, and he so stated last September.

But, going on with the editorial, "But the key Democrats"—and I have not read it before. This is my first reading of it.

Mr. DOLE. Very good.

Mr. ROBERT C. BYRD. I thank the Senator.

> But the key Democrats in the battle continue to engage in demagogic

A new word. Not demagoguery, but demagogic—

> sniping on the social security question instead of trying to make constructive contributions to the compromise effort.

Here we are—

> Senate Minority Leader Robert Byrd, for example, says the Republican plan "mortgages the economic future of the elderly."

Well, apparently, the American Association of Retired Persons is in the same boat. And House Republican leaders are in the same boat.

Mr. President, so much for the editorials. Apparently, they do not really understand what this is all about. And I can understand that, with all of the obfuscation and all of the charges and all of the demagoguery that has come from the other side of the aisle and downtown, as well.

We have had these charges of demagoguery thrown around so much that I think we ought to quit talking about demagoguery and get on with the question before the Senate. It is my belief that any reform in social security, any revenue increase and/or benefit cut, should be considered within the context of the social security program alone and without regard to Federal budget needs—without regard to Federal budget needs.

Let us make any such reform on the basis of the merits of the case, and not solely to balance the budget.

The New York Times editorial failed to recognize that this has been the purpose and true point of our argument. It is responsible to consider changes in social security, only within the challenge and purpose of that program to provide an adequate retirement and disability safety net for all Americans. What is irresponsible is to begin to address the social security issue with the assumption that we have to cut promised benefit protection now and before the President's commission has completed its study and reported anything.

The Times editorial appears not to recognize the success and purposes of the social security program. It terms the program a "sacred cow" and speaks of the Democrats pursuing an "unworthy" battle.

Mr. President, there is nothing "unworthy" about the battle the Senate Democrats have pursued on social security during this Congress or past Congresses, or going back to the time when Franklin D. Roosevelt and a Democratic Congress established the social security program. There is nothing "unworthy" about preventing the social security minimum benefits from being eliminated for 3 million retired Americans, many of them are elderly women living close to the poverty line. There is nothing "unworthy" about preventing $88 billion in precipitous, deep, and permanent cuts over 5 years, as was proposed by this administration last year.

Incidentally, today is the first anniversary of the proposal by this administration to cut $88 billion out of social security. This is the first anniversary.

Trust and confidence and predictability have insured the integrity of the social security system. There is simply nothing "unworthy" about preventing severe benefit cuts for Americans who have retired upon the promise of a specific level of promised benefits, and there is nothing "unworthy" about preventing a 40-percent cut in benefits for Americans electing to retire at age 62—in many instances for health reasons. There is nothing unworthy about that.

Mr. President, let me ask the $40 billion question. This is the $40 billion question. Does the Senate have to debate whether to reduce buget deficits on the back of social security recipients every year? Has this become an annual event? One year ago today it was debated. The administration asked Congress for $88 billion in social security benefit cuts over 5 years. There were similar cries of social security bankruptcy then. Who was doing the talking? David Stockman—the OMB Director who fed phony numbers into a computer in order to fool the Congress and the American people. It was David Stockman who said last year, "The most devastating bankruptcy in history" would occur on or about November 3, 1982.

Last May, Stockman said this: "The question before the Congress is whether the 36 million Americans who currently depend on the social security system can count on any check at all in less than 2 years hence."

Seven months later, many of us read the December issue of the Atlantic Monthly. And this time listen to what David Stockman said. He said, "The Social Security problem is not simply one of satisfying actuaries; it is one of the here and now of budget requirements."

So there he was, baring his soul and stating the truth. He was saying that the social security problem is not simply one of satisfying actuaries; "it is one of the here and now budget requirements."

Well, last May it was clear that the $88 billion in social security benefit cuts was part of a budget plan to reduce the emerging Kemp-Roth budget gap. Last May, at the initiative of Senate Democrats, by a vote of 96 to nothing, the Senate unanimously rejected the $88 billion plan only 8 days after it was proposed. Eight days after it was launched, it was shot down.

In rejecting the $88 billion in benefit cuts, the Senate declared that the Congress would not let social security go bankrupt, nor would it precipitously or unfairly reduce promised benefits. Last May, the Senate said that any reform in social security should be considered in the context of that program alone, and without regard to other Federal budget requirements.

So I thought we had resolved the matter last May. I did not expect social security to become an issue in the budget process this year. That is a matter for the Finance Committee. But the Kemp-Roth budget deficit projections have mushroomed over the past year, so 1 year later it is clear that social security has once again become a source for reducing the tremendous budget gap.

If we seriously want social security out of the budget debate, then the Senate should take the $40 billion in benefit cuts out of the budget resolution. That is what the Republicans are saying over in the House. That is what they said yesterday. That is what the Democrats said here yesterday, with the exception of two votes, and I respect those two Members. I do not quarrel with any individual's voting his own conscience in the matter. If he sees differently, that is all right.

We Democrats want social security cuts removed from the budget resolution.

If we want social security out of the budget debate, then the Senate should take the $40 billion in cuts out of the budget resolution. The question is that simple. The House Republican leadership has already rejected the $40 billion cut plan.

So, Mr. President, I am left asking the $40 billion question. Has a majority of the Senate Republican Budget Committee abandoned their commitment to cut $40 billion in social security benefits over the next 3 years? If so, let us take this out of the budget resolution. Anything else is just smoke and mirrors. I do not see anything in the proposal which has been offered by the able Senator from Kansas which is before the Senate, which takes the $40 billion in cuts in social security benefits out of the budget resolution. It still leaves that matter up in the air.

It is irresponsible to raise the spector that we may not be able to pay social security benefits next November, as David Stockman did, or in July 1983, as the amendment by my distinguished friend from Kansas (Mr. Dole) suggests. It is outrageous to suggest that Congress would sit by and let this happen.

Congress is not going to sit by and let this happen. I put my faith in the distinguished Senator from Louisiana, the ranking member of the Finance Committee, and he has been here longer than anybody else in the Senate with the exception, perhaps, of Senator Stennis. I am sure that Senator Long and the other Democrats on that committee and on this side of the aisle are not going to sit by and see that system become insolvent. We are not going to see it go broke. It was created by our party in the beginning and we intend to stand by it.

Social security recipients have been scared enough. The working young Americans and middle age Americans paying into the system today and who have been promised benefits for the future have been scared enough. They have been scared enough by the repeated assaults on social security that have been made by this administration beginning 1 year ago today with a request for $88 billion in social security cuts.

Remedies in social security solvency can and must be found. We will have to find them. It may be difficult. Maybe the bullet will be hard to bite, but we are going to do our best to find those solutions. We Democrats stand ready to work toward those solutions. But we will not support precipitous benefit cuts aimed at reducing the Federal deficit at this time. We want to first see the recommendations of the President's task force.

Mr. President, I promised to yield to the distinguished Senator from Missouri. I yield only for a question, and I ask the Chair to protect my rights in all respects.

The PRESIDING OFFICER. The Senator from Missouri is recognized for the purpose of a question.

Mr. DANFORTH. I thank the Chair and I thank the distinguished minority leader.

The minority leader has repeatedly referred to the language of the Budget Committee and stated that it requires a $40 billion social security cut. I wonder if the minority leader can point to the language that requires such a $40 billion cut in social security benefits?

Mr. ROBERT C. BYRD. Mr. President, I have already answered that question. I said in my statement that the verbiage did not use the specific word "cuts."

Mr. DANFORTH. I did not say where did it use the word cuts; I said where does it require $40 billion in social security cuts?

Mr. ROBERT C. BYRD. Its recommendations concerning social security include $6 billion in savings the first year, $17 billion the second year, and $17 billion the third year. That adds up to $40 billion.

Mr. DANFORTH. Where is it required that that——

Mr. ROBERT C. BYRD. It says on page 610 of the First Concurrent Resolution, which the distinguished Senator is holding in his hand, "which would either increase revenues, slow program growth, or provide a combination of the two, producing the following improvements in social security solvency."

We have been told repeatedly, Mr. President, that there would be no increase in revenues to make that $40 billion effective.

Mr. DANFORTH. Who has told the Senator that?

Mr. ROBERT C. BYRD. The chairman of the Social Security Subcommittee has reportedly so stated.

Mr. MOYNIHAN. Mr. President, I believe I can respond.

Mr. ROBERT C. BYRD. Mr. President, if I may yield to the Senator from New York, who is not only on the Commission, but also on the Committee on Finance and ranking member of the Subcommittee on Social Security, and also a member of the Committee on the Budget. If I may yield to him with my full rights being preserved and only for the purpose of responding to the distinguished Senator from Missouri.

The PRESIDING OFFICER. The Senator from New York may respond to the question of the Senator from Missouri.

Mr. MOYNIHAN. Mr. President, subject to the strict understanding that my memory may play me false in this matter, at the time that the Budget Committee discussed the $40 billion for social security solvency recommendations, the Senator from Colorado, who is chairman of the subcommittee, was asked would this mean increased social security taxes. And he said certainly not, in no circumstances.

I do not have a transcript in front of me, and I have a fallible memory but an indelible impression of that exchange.

Mr. DANFORTH. So the whole thing we are debating, therefore, is what may or may not have been said by the Senator from Colorado.

Mr. MOYNIHAN. I may say further yesterday afternoon the distinguished Senator from Michigan asked his friend from Rhode Island (Mr. Chafee), was he not aware that there are $40 billion in cuts in this measure. Mr. Chafee said, "The budget resolution, which we shall take up next week, will contain a recommendation for a specific amount of cuts."

Mr. DANFORTH. Mr. President, I ask the Senator from West Virginia, who is an attorney, is it not fair to deduce from the language of the document itself the meaning of the document?

Mr. ROBERT C. BYRD. Mr. President, I would say it is fair to deduce from the vote on yesterday which tabled the Moynihan-Byrd amendment, and from the proposal which has been offered by the distinguished Senator from Kansas, it is fair to deduce from both of those matters that we have absolutely no protection against a $40 billion cut in social security. That is what was tabled yesterday, an amendment that rejected the $40 billion cuts in social security. That was tabled. So anybody can deduce whatever one wants to deduce from that.

Second, the amendment that the distinguished Senator from Kansas has just introduced does not include that in its proposal. If he would put in his proposal the additional language that $40 billion in cuts is hereby rejected, then I would join him in supporting his amendment and voting for it.

Mr. DANFORTH. Does the Senator from West Virginia disagree with the amendment offered by the Senator from Kansas?

Mr. ROBERT C. BYRD. Well, Mr. President, I would not say I disagree with it so far as it goes, but it does not go far enough.

I am going to send to the desk an amendment right now which makes it go far enough, Mr. President.

UP AMENDMENT 919

Mr. ROBERT C. BYRD. Mr. President, I send to the desk an amendment which I ask the clerk to read.

The PRESIDING OFFICER. The clerk will state the amendment.

The assistant legislative clerk read as follows:

The Senator from West Virginia (Mr. Robert C. Byrd), for himself and Mr. Moynihan, proposes an unprinted amendment numbered 919 to the unprinted amendment No. 918.

In lieu of the matter proposed to be inserted, insert:

The Social Security System is vital to the well-being of the Nation's elderly and disabled citizens and currently provides benefits to more than 36 million Americans; and

In light of the serious short-term and long-term financing problems, the President on December 16, 1981, established the National Commission on Social Security Reform for the purpose of making recommendations to ensure the fiscal soundness of the Social Security System; and

The National Commission on Social Security is charged with issuing its recommendations this year; and

The Senate on December 15, 1981, passed legislation authorizing inter-fund transfers among the three Social Security Trust Funds to provide that Social Security faces no funding shortage before the Commission's report is issued and before the Congress can fully consider its recommendations; and

As a Presidentially appointed commission, it operates under an Executive Order and is independent of Congress.

Therefore be it declared that,

The full Social Security cost-of-living adjustment of 7.4 percent be paid in full on July 1, 1982, as scheduled; and be it further declared

That the Senate hereby renews its commitment to maintaining and assuring that the Social Security system shall be preserved and strengthened so that benefits will be paid in a timely manner; and be it further declared

That any corrective action to be taken shall not include any more than is absolutely necessary to preserve the financial integrity of the social security system; and be it further declared

That Congress will await the recommendations of the National Commission on Social Security Reform prior to ultimately deciding any binding, statutory amounts, changes or corrective actions to be taken.

That the May 5, 1982, action of the Senate Budget Committee, supported by the President, calling for an arbitrary $40,000,000,000 cut in social security benefits over the next three fiscal years is hereby rejected.

Mr. ROBERT C. BYRD. Mr. President, my amendment repeats, I believe exactly—exactly—the declarations set forth in the amendment by Mr. Dole. But it adds one further paragraph, that being that the action of the

Senate Budget Committee, supported by the President, calling for an arbitrary $40 billion cut in social security benefits over the next 3 fiscal years is hereby rejected.

That is all we are asking for, Mr. President. We like the declarations set forth in the proposal by Mr. Dole, but we do not like them so well without further protection against $40 billion of cuts in social security benefits in the budget resolution coming up. This has been left out of the amendment by Mr. Dole. My amendment adds that $40 billion question which was tabled on yesterday. Since then—they probably happened at almost the same time—the House Republicans have said the same thing. They have rejected the Senate Republican proposal to Congress to assign $40 billion in savings in social security outlays before a bipartisan study commission makes its recommendation.

In sum, Mr. President, I am simply adding to Mr. Dole's amendment the proposition which we Democrats yesterday attempted, and which the House Republicans yesterday supported, rejecting the Senate Republican proposal to commit Congress to assign $40 billion in savings in social security outlays before a bipartisan study commission makes its recommendation.

Mr. RIEGLE. Mr. President, will the Senator yield for a question?

Mr. ROBERT C. BYRD. I yield for a question.

Mr. RIEGLE. Earlier, there was a question raised by the Senator from Missouri, who asked whether or not the budget resolution actually calls for $40 billion in cuts in social security. If the Senator from Missouri wants to be certain that there will not be $40 billion in cuts in social security, could he not then just cosponsor the amendment of the Senator from West Virginia? Then he would have that assurance.

Mr. ROBERT C. BYRD. If he would cosponsor the amendment, he would have the assurance of his own declaration and he would give assurance to our Republican friends in the House who have rejected the proposal embraced by Senate Budget Committee Republicans and the President.

Mr. RIEGLE. It just seems to me that anybody who wants to take the position that there will not be $40 billion in cuts or suggests that they do not want them, the way to really nail that down is to support the amendment that the Senator has just offered, either as a cosponsor or by voting for it, and that makes it crystal clear.

Mr. ROBERT C. BYRD. Absolutely. It is precisely the same position that the Republican leadership in the House took on yesterday.

Mr. RIEGLE. I thank the Senator.

Mr. Dole and Mr. Moynihan addressed the Chair.

Mr. ROBERT C. BYRD. I yield the floor.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. DOLE. I will take a minute because I know the Senator from New York has waited for some time.

I do not want to get into this argument about who is a demagog, so I went to the dictionary. I do not think it is necessary to continue this too long, but I was surprised, looking in Webster's New International Dictionary of the English Language, Second Edition, Unabridged, which I find in the office of the Official Reporters of Debates. When I went to the definition of demagog, it says, "See Democrat." I read on after seeing that. It said, "See Democrat; agent."

Then it says, "One skilled in arousing the prejudices and passions of the populace by rhetoric, sensational charges, specious arguments, catchwords, cajolery, etc.; especially, a political speaker or leader who seeks thus to make capital of social discontent and incite the populace, usually in the name of some popular cause, in order to gain political influence or office."

Mr. ROBERT C. BYRD. Will the Senator yield?

Mr. DOLE. I am happy to yield for a question.

Mr. ROBERT C. BYRD. Yes. Was not the word "democrat" in lower case?

Mr. DOLE. No, it was in caps.

Mr. ROBERT C. BYRD. Was it upper case?

Mr. DOLE. I would be glad to give it to the Senator. It is right in the dictionary. I did not print this up. I was even more shocked than the Senator must be.

Mr. ROBERT C. BYRD. Perhaps the dictionary was mistaken.

Mr. DOLE. Well, it says "Democrat" and then the word "agent." I do not know that there is any connection between the two, but I must say that that settles my case. I am not going to argue that point any more.

Mr. ROBERT C. BYRD. May I ask the Senator a question. Are we to consider that those who may be demagogging the issue on the other side and downtown are Democrats also?

Mr. DOLE. This is a 1955 edition. I cannot get it up to yesterday, as indicated by the Senator from West Virginia, but I thought it was rather striking, when I hear all these statements made, that that would just show up like that. I mean I really was pleased, to say the least.

Mr. ROBERT C. BYRD. It is very surprising but it does not answer the $40 billion question.

Mr. DOLE. It indicates that the New York Times has been reading the same dictionary, and the Charlotte Observer. Before this is over most of the editors in the country and hopefully others who report what goes on here, will agree with the Times and the Observer. We were on the defense bill last week and suddenly on Thursday we shifted to social security. Then we had a long weekend, and now we are back on social security. I think this debate is interesting and I am even willing to say that I think there are Members on that side who may want to do the responsible thing, maybe a majority, and maybe a majority, I hope, on both sides.

Here comes the dictionary now. I must say in fairness I looked up under the word Democrat to see if it would say demagogue, because I had looked under demagogue and it said "see Democrat." But it did not say that. I did not read on after the word Democrat. But it seems to this Senator that we will just have to table this amendment. This constant attack on those of us who want to save the social security system and preserve its integrity is what upsets and confuses the American people. It is just totally false to claim that we want $40 billion in cuts.

I have yet to see the Democrat plan. I have not seen a Democrat budget. All this Senator has seen and heard over the past several months is Democrats standing up accusing the President of not doing this, not doing that. Not one single budget proposal has come from the Senate Democrats. Nor is there a social security plan. The Democrat plan is to take what is a responsible position—trying to save the system—and attack that as somehow trying to cut benefits. That is pretty much what the definition says, "A political leader who seeks thus to make capital of social discontent and incite the populace."

I hope that this does not incite the populace. If it were not reported, it probably would not make any difference. Somebody is liable to report what is said on the Senate floor, however. And if it was not reported for about 2 days, we would probably go ahead and pass the social security changes that are needed after the Commission reports. This Senator hopes that we get on with it. The Senate Finance Committee is going to have a great deal of work to do on the budget proposal. We have revenue increases, $95 billion. We are going to have medicare and medicaid and social security. We would like to be spending time in our offices preparing for those very important legislative areas rather than coming over to debate this issue at this time.

Certainly, as the minority leader has correctly said, we have to face up to it. I believe that the Budget Committee has taken the first step. I think the Senator from Pennsylvania, yesterday took another step: Take the trust funds off the budget. Then there will not be that temptation to say on the floor of the Senate or in a speech

somewhere that we are trying to balance the budget on the backs of social security recipients.

As far as the House Republicans are concerned, the Senator will say this: The Senate Republicans are in the majority. We do not have the luxury of being in the minority, if that is a luxury. Having been there for 26 years, I am not so certain that is a luxury. But I believe we are in a position of responsibility. We are required to provide leadership. We told the American people in 1980 that if a Republican Senate were ever elected, we would provide leadership and not duck at the first indication that an issue might be politically sensitive.

So I commend the distinguished Senator from New Mexico, who just came to the floor, and the Republicans on the Budget Committee. Most people will sooner or later understand that what we are trying to do is to set the stage for change. As suggested by the Senator from Louisiana, maybe there will be a tax increase. I do not think that is a good idea; we have just about taxed the American people to death. Some have suggested, Congressman Claude Pepper, for one to put in general funds. We do not have any general revenues, but that does not seem to make any difference; we are used to spending money we do not have. That is the history of one party.

The other approach is to make some basic reforms that will not reduce present benefits. Changes would be phased in.

Before somebody starts pointing at charts and all these other things to distract people from the real argument, that for the most part the Democrats on the House Ways and Means Committee, on the Social Security Subcommittee, have been suggesting nearly every change that is going to be referred to later as coming from the White House. There are responsible people in the Congress in both parties and responsible people on the floor right now in both parties. The Senator from Kansas is not pointing a finger anywhere. But we have the responsibility. We are the majority party.

I assume there may have been one or two times when Republicans may have been irresponsible on the Senate floor. I cannot recall any at the moment, but there may have been a time or two over the last decade, maybe over the last 10 minutes. But in any event, we now have the responsibility. We are the majority party, as evidenced by the person who just entered, the majority leader, Senator Baker.

We believe that we are on the right track. We believe in protecting and preserving the social security system, or SSS, a solvent social security.

That is the battle cry of those of us who want to proceed in a responsible way. We are not about to cut benefits. We are going to make changes to keep the program solvent. If it requires tax increases, that is one way—not my way. It may be a mixture of things, including some reforms which could very well be the recommendations made by the Social Security Commission. I know that the Senator from New York has now looked under "Republican" and found something awful. [Laughter.] I failed to do that. I suggest that we settle, once and for all, the meaning of the word "demagogue."

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. DOLE. I yield.

Mr. ROBERT C. BYRD. I should like to quote from another dictionary, a political dictionary, by a good Republican, William Safire:

> Being denounced as a demagogue is a sure sign to a speaker that he is making powerful points with some part of the people.

[Laughter.]

Mr. DOLE. That is also an excellent definition. I think it is accurate.

Mr. President, I ask unanimous consent to have printed in the Record the editorial from the Charlotte Observer. The Senator from West Virginia left out some of the best parts earlier.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Budget Battle—Postponing The Hard Choices

> There's plenty of room for improvement in the Republican budget compromise President Reagan endorsed Thursday, but there's little time and little hope for much improvement. Perhaps the most glaring weakness is its failure to spell out details of its most controversial elements—$40 billion in Social Security savings over the next three fiscal years and $95 billion in new revenues over the same period.
>
> Obviously congressional leaders don't want to deal specifically with those issues until after the November elections.
>
> But the key Democrats in the battle continue to engage in demagogic sniping on the Social Security question instead of trying to make construcive contributions to the compromise effort. Senate Minority Leader Robert Byrd, for example, says the Republican plan "mortgages the economic future of the elderly."
>
> Sen. Byrd knows, of course, that even if the Reagan administration had submitted a balanced budget that both parties supported, Congress still would have to act soon to restrain the growth of Social Security benefits in order to prevent the bankruptcy of the system.
>
> Sen. Byrd also knows that no one who deserves to be taken seriously is advocating reductions in Social Security benefits. What's at issue is how far and how fast the benefits will increase. In recent years they've increased faster than the cost of living, and considerably faster than the cost of living for retired people.
>
> What would truly "mortgage the economic future of the elderly" would be failure to enact the cost-saving reforms necessary to preserve Social Security and prevent literal cutbacks in benefits in the near future.
>
> Sen. Byrd and House Speaker Tip O'Neill are trying to force the Republicans into a corner on the Social Security issue, hoping to exploit the fears of older Americans for political gain. It is a transparent and contemptible strategy.
>
> Not all the Democrats in Congress are guilty of that, of course, Sen. Ernest Hollings of South Carolina has been a forceful advocate of restraining Social Security increases. It's unfortunate that he and others who have taken a responsible approach to entitlement programs aren't the leaders and official spokesmen of congressional Democrats.
>
> Even though it is flawed by its lack of detail, the Republican compromise could move Congress closer to an acceptable budget—if Democrats would respond constructively and responsibly. It would reduce the projected 1983 deficit to $106 billion. That's $26 billion less than the deficit projected—using current economic assumptions—for the budget the administration submitted in February.
>
> But it falls short of the $100 billion mark that seems to have become a sort of symbolic benchmark in terms of reassuring investors and business leaders of the government's ability to control the budget. The Democrats should agree to accept the Republican compromise if the president will accept another $6 billion in defense cuts and other savings outside of social welfare programs, to bring the deficit projection down to $100 billion.

Mr. BAKER. Mr. President, all I want to say is that I am prepared to move to table the Baucus amendment, but I understand that perhaps two other Senators wish to speak on this matter. So that Senators will have an idea when that will occur and when that vote will occur, I inquire about how long we might expect Senators to speak.

Mr. ROBERT C. BYRD. Mr. Long wants 2 minutes.

Mr. MOYNIHAN. I was to speak an hour, but having lost my enthusiasm, I will take 6 minutes.

Mr. RIEGLE. Six minutes, as well.

Mr. ROBERT C. BYRD. Twenty minutes on this side.

Mr. BAKER. It would be my plan to make a motion to table at 3:30.

Mr. DOLE. The Senator from Missouri wants about 2 minutes, and the Senator from New Mexico wants about 2 minutes. I would need 1 minute to clean up after all the other speakers.

[Laughter.]

Mr. BAKER. Mr. President, in 30 minutes, at 20 minutes of 4, I will make the motion.

Mr. RIEGLE. Mr. President, will the majority leader yield?

Mr. BAKER. I yield.

Mr. RIEGLE. Inasmuch as we have an agreement on time, could we make sure that everybody gets their time?

Mr. BAKER. Mr. President, I ask unanimous consent that on the pending amendment there be debate of 2 minutes for the Senator from Louisiana, 6 minutes for the Senator from New York, 6 minutes for the Senator from Michigan, 5 minutes for the Senator from Montana, 2 minutes for the Senator from New Mexico, 5 minutes for the Senator from Missouri, and 1 minute for the Senator from Kansas—and, just because I do not want to be left out, 1 minute for the Senator from Tennessee; that at the expiration of that time, I be recognized for the purpose of making a tabling motion against the Baucus amendment.

The PRESIDING OFFICER (Mr. QUAYLE). Is there objection?

Mr. ROBERT C. BYRD. Mr. President, there is no objection

The PRESIDING OFFICER. The Chair hears none, and it is so ordered.

Mr. DOMENICI. Mr. President, has the distinguished Senator from Kansas finished?

Mr. DOLE. Yes

Mr. DOMENICI. Mr. President, I commend the Senator from Kansas for the use of the words "responsible" and "responsibility."

I am sure that many Members have alluded to the Senator from New Mexico this afternoon, but I am sure they have followed the rules of the Senate and have not done so in a personal manner, and I am glad of that.

I take full credit for being responsible. I take full responsibility for producing a truthful budget. I take responsibility for putting in this budget the truth about social security. I take full responsibility for truth in budgeting.

So long as my committee has within its jurisdiction—and I think that will be for a while—social security, medicare, and all of the other programs in the budget, I will bring a budget to the floor of the Senate that tells the truth. The truth is that social security will most probably be insolvent next year. The further truth is that it most probably needs the amounts of $6 billion, $17 billion, and $17 billion, respectively, for the fiscal years 1983, 1984, and 1985.

By putting in a budget what is most probably true about social security, I am sure one of the Senators will say, "Do you put most probable things in the budget?" Yes, we do. You surely put them in when they involve more than 36 million Americans. If a system is most probably insolvent, you do not say, "Well, that is only really probable, Senator. Prove it."

The PRESIDING OFFICER. The Senator from New Mexico has used his 2 minutes.

Mr. DOMENICI. I ask unanimous consent that I may proceed for 2 additional minutes.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. DOMENICI. I say to my good friend the Senator from Louisiana that if we get unemployment down to 5 percent, I assure him that what I just said about the truth will disappear. If we have 10 percent real growth instead of 4 and 5 percent, it would disappear. If we do a lot better and bring unemployment down from current levels, we will not have a problem.

However, I ask if you want to risk 36 million checks on all of that happening? The most probable situation is insolvency. Your Budget Committee said that before this year is out and after the National Commission on Social Security Reform reports, that Congress must act to restore solvency in social security. Immediately someone will say, "How can you take action before the year is out? The Commission does not have to report until the end of the year?" We have asked our President, and he has assured us that he will ask the Commission to report earlier, in November instead of January. The solvency action will be after the report.

All your Budget Committee has done is to say that we want to give you the truth, we want to tell the American retired people the truth. We have said that most probably we need $6 billion, $17 billion, and $17 billion to restore the social security system to solvency. We said, "Quit playing around with social security checks. Do it." We have ordered the Finance Committee to take action. We have clearly said that these numbers are our best estimate.

We have taken credit for what is most probably going to happen. We have said that the whole purpose is to restore social security solvency, not to balance the budget.

If you pull social security off the unified Federal budget as some have suggested, you have done this budget a favor. For those who think it is like Lyndon Johnson's unification of the budget—that if we do not have social security on the budget, we do not have a balanced budget—hogwash.

The social security system is insolvent. I do not care what charts you produce. CBO has given us a letter which shows the solvency situation. The distinguished chairman of the committee that will have to act on social security knows the truth about the situation. Everybody knows it.

So let us just face the issue: A truthful budget that tells the Senate precisely the facts, and then says to the Senate, "Quit playing around with 36 million social security recipients. Make the system solvent."

I hope the solvency figure is not $6 billion; I hope it is not $17 billion. I hope that when the Senate is ready to propose and pass a solvency bill, the Senate can do it with $4 billion or $12 billion. But for now, $6 billion, $17 billion, and $17 billion are the right numbers.

Instead of running around here talking as though we are doing something wrong, let us be honest with ourselves. Those who do not want social security insolvency around and do not want social security on the budget just do not want a truthful budget.

I yield the floor.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, I did want to speak to the question of the origins of the word "demagogue." As the Senator knows, it is the combination of Greek words meaning one popular with or leader of the people.

The Senator asked me if I found anything in the dictionary about Democrats, and I did—something I did know, as a matter of fact—which is that when Thomas Jefferson organized the party in about 1792, it was known as the Democratic-Republican Party. Under Jackson, we dropped "Republican," and it was lying about in 1856, when you picked it up. If it were not for the Democrats you would not have a name. But we have never really very much resented your use of it. [Laughter.]

Mr. President, a point about the difficulties we have today, which might seem exaggerated if someone came upon the scene within the last week. It is simply this:

A year ago today with no notice and no consultations the President sent to us a social security proposal that there be a 10 percent reduction for all recipients, this by changing the "bend points" and that for persons entering the system at age 62 beginning this year there be a reduction of 40 percent, to the point where the beneficiary would receive 49.5 percent of his full benefit rather than the actuarially determined 80 percent, as had been and still is the case. These were unmistakable, large reductions in benefits.

I introduced on May 20, 10 days later, a resolution saying that we will not do that. The Senator from Kansas substituted an essentially identical resolution. I cosponsored it. It passed by 96-to-0 vote.

But, Mr. President, on May 12 a year ago there began to be talk of an extraordinary instability in this system which we do not find. We have known there was a shortfall in revenues, that revenues would be below outlays during the balance of the 1980's.

We are able to show by the actuarial reports of the Social Security Administration that from 1990 to the year 2015 the system is in surplus. It reaches the point, for example, that in the year 2010 revenues are 177 percent of outlays. We know that in the period following roughly 2015, we use up the accumulated surplus and starting in the year 2025 we have difficulties. That is what we are dealing with in the President's Commission, a near-term shortfall, not a large amount of money but a real amount of money in this decade followed by a generation of surplus, then by difficulties.

We are able to show that the dependency ratio in our country does not rise but declines. It reached its highest point in 1965 and it never reaches that high point again in 90 years. We are able to show that as a percentage of the gross national product social security payments are going to decline for the next generation and only in the second third of the 21st century do they reach the level they are at today.

These are demographic facts. They have to do with this proposition that in each year of this decade about 600,000 more persons are over 65 in the population than in the previous year. Starting about 1995 that drops to 300,000. The system can be made stable. We were shocked by the assault on it a year ago. We learned of the origins of that. Having said this was budgetary in its purpose and been told that it certainly was not, we learned from Mr. Stockman's "Confessions" in December that it indeed had been.

These are the origins of our concern and it seems to me they are legitimate.

Finally, Mr. President, I am sorry he is not on the floor, but the distinguished chairman of the Budget Committee has pointed out to me that in the last several days I may have misread the possible budget compromise he presented on the morning of May 5.

He points out that there was also to be a freeze on all COLA payments other than SSI and food stamps and, therefore, there would be more social security reductions. I grant that. I would make the defense, perhaps not a successful one, that the freeze elements were clearly intended as budgetary. The solvency elements referred to the shortfall anticipated in the system.

I thank the Chair for its kind attention.

Mr. RIEGLE. Mr. President, I shall just quickly say something to my friend from Kansas who was aiming some barbed comments my way a little bit earlier. I think the reason he may be a little sensitive today is that there is a caricature of him in the Washington Post editorial cartoon today on the back door pay increases that Congress gave itself with the special $19,000 tax break. This has become an item of great controversy and, as I recall, it was the Senator from Kansas who helped author that special tax break here on the floor not all that long ago and which is now the cause of much outrage in the country. So when we talk about saving money and the question of what constitutes fair distribution of Federal money, I can understand why he might feel a little sensitive today with that cartoon.

But I think this $40 billion cut in social security is so bad that the real measure of it is that all the Republican leadership in the House of Representatives has come out against it. The Republican leader in the House, MICHEL, other Republican leaders in the House have come out against it because they think it is wrong and the Republicans on the House side are bailing out on this social security cut in wholesale numbers. I applaud them for it because it is an outrageous cut and they see it for what it is.

One thing that I think the country does not understand, and I have not seen it reported in a single press article and I say this as a member of the Budget Committee, when we put together the budget in the committee—I should say the Republicans in the committee did because it is a Republican document—all of the budget assumptions from all functions come from CBO estimates for all the different areas except the defense budget. For defense a special exemption was made and a $110 billion special increase was built into the budget numbers for the defense function. That was then hidden. It was buried in what is called the baseline deficit at the top of this worksheet which unfortunately is too small right now for people around the room to see.

After building in $110 billion in additional defense spending and then trying to hide that fact, they were left with the problem of having to make a whole other set of savings.

So they were scrambling around looking everywhere they could to find money that they could cut out of other programs. That was where the impulse and the impetus came to make this $40 billion cut in social security, and that is not the only cut that lands on senior citizens. There is also a $24 billion cut in medicare. So if we take social security cuts together with the medicare cuts, we are talking about a total of $64 billion in cuts over the next 3 years. But the point is the reason those programs are being raided, as well as students loans and any number of other human service programs, is to pay for that buried increase of $110 billion that is in here for the defense budget. That is just the hard fact in terms of where it came from in the flow of events in the Budget Committee.

I do not think it is right to make the senior citizens of this country the sacrificial lambs in terms of trying to bring down this budget deficit, especially when it is being driven by things like these bloated increases in the defense function and other sacred cows in the budget. To suggest that social security is a sacred cow in the budget I think is a misrepresentation. We in fact have all kinds of sacred cows in the budget, but social security is not one of them.

But the reason this budget document has to be addressed and why this $40 billion in social security cuts has to come out is that it is central to the fabric of the entire budget document, because of the way this $110-billion defense increase was hidden in the deficit baseline, and all these other cuts were then assumed. Unless we take and retrieve the social security cuts, and take them out, the whole budget is dishonest.

I challenge my friend, whom I respect very much, my friend from New Mexico, on the way he characterizes it. I say it is now dishonest. You cannot take the defense function and treat it one way and treat all the rest of the functions a different way, when that particular treatment yields $110 billion in added costs over 3 years, and then you try to bail it out by stealing the money from the old people of this country. This social security cut is a time bomb that is designed to go off in the faces of the senior citizens of this country right after the election.

Talk about a double standard, to come here, as was done 2 months ago, and make off with a $19,000-a-year special tax break for Members of Congress, that came off that side of the aisle, to come in here and make off with that kind of money in the face of the budget crisis we face, and then come in here less than 2 months later and say, "Now we have got to cut social security by $40 billion over the next 3 years, we have got to cut medicare $24 billion over the next 3 years," to me that is hypocritical, and that is a double standard, and I think it is wrong, and I think it makes this place look exactly the way we behave, and that is according to two standards.

We are taking it out of the hides of the senior citizens here, and we are passing the money out to our friends and to groups we favor and, in some cases, yes, even to ourselves. That is what the record shows. That is what this cartoon in the Washington Post is all about today, where it shows this money going out the back door. It is no wonder people lose faith in the Government. Yes, the senior citizens in this country are upset, and they have a right to be upset, because they have been misled time and time again by the President and by the leaders in the Republican Party on the question of social security. They say one day, "We are not going to cut it." The next day they come right back with a proposal to cut it. The minimum benefit under social security was just one of many.

The PRESIDING OFFICER. The time of the Senator from Michigan has expired.

Who yields time? Who wants time?

Mr. BAUCUS. Mr. President, I would like to take off on the general point the Senator from Michigan is raising.

The reason I am supporting the underlying Robert C. Byrd amendment is very simple. That is because I think American, particularly senior citizens and particularly social security beneficiaries, are confused.

They are not sure if Congress is trying to balance the budget on their backs. On the other hand, they are not sure of the degree to which the trust fund is really in trouble. They just do not know. I think they believe the trust fund is in some trouble. But when they see us in Congress, particulary the Budget Committee, pass a resolution calling for $40 billion of solvency measures, benefit cuts, or tax increases or whatever, it seems to me they are probably wondering, "Well, is Congress balancing the budget on the backs of senior citizens or is it not?" They do not know.

I suggest, therefore, that along the lines of the proposal of Senator HEINZ we treat social security separately; we address the payments that go into the trust fund, we look at the demographics to see what the population trends are, see what inflation is, what the unemployment rates are; we look at social security separately.

Social security is an insurance system, it is a trust fund, it is a transfer system. The reason it has some credibility in our country, some remaining credibility, is because it has been an insurance system, a trust fund, if you will.

I think it should continue that way. It seems to me, therefore, that Americans will continue to have some faith and, perhaps, even more faith in the trust fund if it is treated separately, that is, if the Subcommittee on Social Security under the chairmanship of the Senator from Colorado or the full Finance Committee under the chairmanship of the Senator from Kansas begin now to address the question of social security independent of our Federal budget problems. We are not addressing the question and, it seems to me, it is a fair inference for people to draw that, no, we are not really addressing the problems of the social security trust fund here.

We are, in fact, balancing the budget on the backs of the senior citizens.

We hear about this urgency. What are we in Congress doing about it? Sure, the President has suggested a commission that is to report later on, and there is some talk of, well, maybe a report is going to come back in December, maybe January, or maybe November. But this is May. We have many months before November, December, or January, and if we truly are trying to address the trust fund entirely separately as a trust fund, let us get on with it. The House Ways and Means Committee and the Senate Finance Committee should get to work on it and try to find a solution.

Mr. President, I do not see Congress acting quickly, and I do not see Congress acting at all to answer the basic question of addressing the solvency of the trust funds and what we should do about it. Instead we are asked to draw a number out of the air, $40 billion, in a budget resolution, not in a Finance Committee bill but in a budget resolution.

Looking at the budget and social security solvency proposals that have come from Members of this body, I know of none in favor of increased payroll taxes, very few in favor of general revenue support, and so the inference we draw from the Budget Committee's proposal is that the $40 billion savings shall be achieved through benefit cuts. I, therefore, suggest very strongly that if we are going to help restore American confidence in the trust fund we should treat social security separately, and not accept the proposal of the Budget Committee that we address it in a budget resolution.

Mr. President, in conclusion, I ask for the attention of the Senator from Kansas, if I might have the attention of the Senator from Kansas, to ask if he does not agree that it makes more sense to treat social security separately and not as a matter of the budget?

Mr. DOLE. I would say to the Senator from Montana that he makes a great deal of sense. My colleague from New Mexico may not share that view. It would seem to me particularly in this time of political crisis over social security that it would be a good idea if we could separate the trust funds. They could stand or fall on their own. That way, they would not get mixed up in the budget battle.

We have agreed in the Social Security Commission to raise that issue so there might be a recommendation when we make our report hopefully sometime in early November.

Mr. BAUCUS. I appreciate the response of the Senator from Kansas.

Mr. President, I hear his response as seeming to agree with the fundamental point I am making, which is that there is no place in the budget resolution for a provison to cut $40 billion from the social security system.

The Senator from New Mexico says he did not pull these numbers out of the air, cutting $6 billion for 1983, and $17 billion for each of the following 2 years.

Mr. President, those numbers may or may not be right. But again, I want to emphasize that if we are going to maintain American confidence in the social security system, I think we should have hearings by the Senate Finance Committee and hearings by the Ways and Means Committee over in the House, so we can find out what measures are really needed to keep the trust fund sound instead of cutting benefits for the purpose of balancing the budget.

Mr. DOMENICI. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. The time of the Senator from Montana has expired.

The Senator from Missouri.

Mr. DANFORTH. Mr. President, social security is the single most important domestic program in this country. It directly affects more people's lives than any other thing our Government does. We are not going to dismantle that system. We are not going to reduce benefits of recipients. Anyone who says we are is playing on the fears of the Nation's elderly for political advantage. Such behavior is irresponsible and reprehensible. It is the worst side of American politics.

The fact is this: The social security system is spending money faster than it is receiving money. If nothing is done to change that fact the system will not be able to meet its obligations sometime next year.

The question we face is whether we will let the system go broke or whether we will take whatever actions are necessary to guarantee that social security checks will go out without interruption next year and into the future.

The amendment in which I played a part helping to draft is a substitute for the measure advanced by Senators ROBERT C. BYRD and MOYNIHAN and is very simple. It would do three things:

First. It would assure that any corrective action taken on social security will be for the sole purpose of preserving the solvency of the social security system and will not be seized upon as a means to reduce the budget deficit;

Second. It would delay any such statutory action until the Congress has received the recommendations of the National Commission on Social Security Reform expected sometime before the end of this year; and

Third. It would not prejudge the question of whether corrective action should be in the nature of revenue increases or a change in the rate of growth of social security benefits.

The amendment also assures that all social security recipients will receive a full cost-of-living increase by July 1 of this year.

Let me say that I will never, ever be a party to the dismantling or destruction of social security. I will fight to preserve it for current recipients, for their children, and for their children's children. I was one of only nine Republicans who voted for the huge payroll tax increases enacted in 1977. That was the unpopular thing to do in 1977. But I will do the responsible thing necessary to preserve a solvent social security system regardless of its political consequences. It turns out that we did not do enough in 1977 to guarantee the solvency of the system.

The amendment offered by Senator DOLE, Senator BAKER, and others guarantees that we will take whatever further action is necessary to protect the system. I deplore those who characterize this action in any other terms and challenge them to tell us what they

would do to keep this system from going broke.

Mr. DOMENICI. Will the Senator yield for a question?

Mr. DANFORTH. Of course.

Mr. DOMENICI. Mr. President, as usual, the Senator has hit the nail right on the head and I commend him for it.

I was going to ask the distinguished Senator from Montana whether taking social security off budget or leaving it on would change the facts that the Senator from Missouri just described; namely, that social security is spending more than it is taking in.

Does the Senator from Missouri think that might change it and that might make it better and maybe by taking it off budget all of a sudden it would be getting more money in?

Mr. DANFORTH. I do not think it would be getting any more money in. I do regret that the whole question of reducing the deficit has gotten somehow mixed up with the question of making social security right. I talked at great length to the chairman of the Budget Committee yesterday and it is my understanding of the position of the Senator that all the Budget Committee is proposing is that we do a sufficient job to keep the social security system solvent.

Mr. DOMENICI. Absolutely right.

Mr. DANFORTH. And we do not use social security as a way to balance the budget in general.

Mr. DOMENICI. The Senator is absolutely right. I thank him again for stating it. I stated on the floor that I thought we had to be truthful and sensitive and the Senator just has given us the truth again in terms of daily take and daily expenditures. I explained that the truth is that that always yields an annual number and that is a deficiency and that is what we put in the budget.

The PRESIDING OFFICER. The time of the Senator from Missouri has expired.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. DOLE. Mr. President, my understanding is that the distinguished majority leader is coming back from an engagement downtown and that there will be a quorum call. I could suggest the absence of a quorum now and reserve my 1 minute while I check the cartoon in the Washington Post and reserve the minute for the majority leader. I have checked the cartoon and it looks more like the Senator from Michigan, may I add.

Mr. STENNIS. Mr. President, may I have 1 minute?

Mr. DOLE. Mr. President, I ask unanimous consent that the Senator from Mississippi may have 2 minutes.

The PRESIDING OFFICER. Is there objection? Hearing no objection, the Senator from Mississippi is recognized.

Mr. STENNIS. Mr. President, I think there has been a lot of good points ably discussed on the social security program. But, Mr. President, for the sake of our committee system—and the Armed Services Committee is a major committee and this is a major bill; the largest one for this year—it is just nonsense to think that any amendment of this kind is ever going to become law as a part of this bill.

I will tell you one group that will take care of that—the Ways and Means Committee of the House. They are the ones that have jurisdiction here. I do not think there is any doubt that it would be impossible to get an authorization bill with this matter tied to it.

On the whole, I feel we can in no way escape the amendment being offered if there is not something here from the Finance Committee when the budget matter comes up, which will be soon. So I am going to stand by the proposition of trying to protect the integrity of the committee.

I do not put any personal fault to anyone that does not vote that way. But I am interested in and concerned about and have worked on the system for a better system for the social security provisions, the whole setup. It must be made into a pure trust fund, separate and not dependent on others, but, at the same time, carry its part of the load.

I voted for the increase in 1977 that the Senator from Louisiana and others worked on so hard to try to straighten this out. I wanted to be sure the record spoke on that, Mr. President. I thank the Senator for the time.

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

Mr. BAKER. Mr. President, will the Senator withhold that for a moment?

Mr. DOLE. Yes; the Senator from Kansas still has 1 minute and the majority leader has 1 minute.

Mr. BAKER. What I would like to do, Mr. President, if Members are agreeable, is to go ahead and let Senators claim their time under the unanimous-consent order, at which time, as I recall, I will be recognized for the purpose of making a tabling motion, which I will make and ask for the yeas and nays, and then suggest the absence of a quorum so the vote would occur immediately after the quorum was rescinded.

Mr. DOLE. I think the Senator from Kansas is the only speaker. I have 1 minute.

The PRESIDING OFFICER. The Senator from Kansas has 1 minute, the Senator from Tennessee has 1 minute, and the Senator from Louisiana has 2 minutes remaining in the debate.

Mr. LONG. Mr. President, let me just say two things. First, Mr. President, I do think that Senators—and I would like to address this to all Senators who are involved—should not engage in language that really violates the rules of the Senate by suggesting that anyone is using language unworthy or doing something unworthy of a Senator by proposing his amendment, regardless of its merits.

And I would address this to my good friend, the Senator from Kansas. I do not think it is appropriate, and I urge Senators in the future not to describe the minority leader as anything other than the statesman that the minority leader is. That type of thing just sets the stage for more of the same from both sides.

Under the rules, when I came here you could not get away with it. You would just be put in your seat. All a Senator had to do was just to suggest that under rule XIX that you were out of order and you would have to sit down. We really should not be arguing about these things on an ad hominem basis. It ought to be on basis of the merits of the proposal.

On the merits, Mr. President, I personally think that the Budget Committee is really seeking to do a responsible thing. The Budget Committee knows that we are either going to have to raise taxes or we are going to have to cut benefits, and the Budget Committee recommendation says that.

Now, I believe that the initial Byrd recommendation took that into account, but this present one does not. The present Byrd proposal just talks about cutting benefits. Well, maybe speeches by Senators have indicated that they would solve the problem by cutting benefits, but that is not the budget recommendation, as I understand it. The budget recommendation is that you can do it either by raising taxes or you can do it by cutting back on expenditures or a combination of both. In either event, you ought to try to bring these expenditures within the limits of the basic revenue available to the expenditures of the social security fund.

Mr. President, I believe we are going to have to do something of that sort. While some may want to save the social security system by merely cutting the cost-of-living benefits or something else, this Senator believes that we are going to basically have to do the same thing we did in 1977. And what was that? We both raised taxes and cut benefits. We had to do both of them, otherwise the program would have been broke already.

It seems to this Senator that, basically, is what the Budget Committee is seeking to suggest. I do not think we are going to have too much choice but to do something like that sooner or later. The sooner we do it, the better it will be for the country.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The Senator from Kansas has 1 minute.

Mr. DOLE. Mr. President, I certainly agree with the distinguished Senator from Louisiana. Hopefully, now that we have had 3 days of this, we will move on to the defense bill. I know the Senator from Mississippi and the Senator from Texas are wondering what happened to the defense bill. Well, it has been covered up with social security.

Social security is a very important problem. The final responsibility is going to rest with the Senator from Louisiana, the Senator from Kansas, the Senator from New York, the Senator from Colorado, and others on the Senate Finance Committee.

We will make the determination. The Commission is not going to make it. The Budget Committee is not going to make it. The Senate Finance Committee is going to make it and then the full Senate. As I read the resolution, the Budget Committee suggests we have a solvency problem. I wish we had not had the amendment yesterday and I wish we had not had the amendment today. But we did. We have to dispose of them and move on.

I would say with reference to one comment, I hope the Senator from Louisiana was not referring to the Senator from Kansas. I have great respect for the minority leader. I was so confused, I went to the dictionary and looked up the word. But I think we have had enough of that, too.

It seems to this Senator that we have a very serious problem. We will solve it. We always have. I think we ought to start assuring the senior citizens we are going to solve their problem, not compound it, confuse it, or politicize it.

This Senator had six visitors this morning from Kansas, all social security recipients. They are frightened, and perhaps for good reason. They are not certain who to believe, whether to believe the President, to believe the Democrats, the television, the newspapers, or not to believe anyone. That might not be a bad idea for the next 30, 60, or 90 days, when perhaps we can solve this very serious problem.

I am convinced, after listening to all of the debate, including some that was less than accurate, that we will solve this problem in a bipartisan effort with Democrats and Republicans working together. That will be the only way that this Senator believes we can successfully address this serious problem.

Mr. BAKER addressed the Chair.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. BAKER. How much time remains?

The PRESIDING OFFICER. The Senator has 1 minute and then the time will have expired.

Mr. BAKER. I thank the Chair.

Mr. President, I have no need for my 1 minute but before I make the motion I contemplate making and announced previously, I will inquire—Mr. President, I yield back the remainder of my 1 minute and I move to table the Baucus amendment. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to lay on the table Mr. BAUCUS' amendment (UP 918). The yeas and nays have been ordered and the clerk will call the roll.

The bill clerk called the roll.

Mr. STEVENS. I announce that the Senator from Utah (Mr. HATCH) is necessarily absent.

Mr. CRANSTON. I announce that the Senator from Ohio (Mr. METZENBAUM) is necessarily absent.

The PRESIDING OFFICER (Mr. EAST.) Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 53, nays 45, as follows:

[Rollcall Vote No. 100 Leg.]

YEAS—53

Abdnor
Andrews
Armstrong
Baker
Boschwitz
Brady
Byrd, Harry F., Jr.
Chafee
Cochran
Cohen
D'Amato
Danforth
Denton
Dole
Domenici
Durenberger
East
Garn
Goldwater
Gorton
Grassley
Hatfield
Hayakawa
Heinz
Helms
Hollings
Humphrey
Jepsen
Kassebaum
Kasten
Laxalt
Long
Lugar
Mathias
Mattingly
McClure
Murkowski
Nickles
Packwood
Percy
Quayle
Rudman
Schmitt
Simpson
Specter
Stafford
Stennis
Stevens
Symms
Thurmond
Tower
Wallop
Warner

NAYS—45

Baucus
Bentsen
Biden
Boren
Bradley
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chiles
Cranston
DeConcini
Dixon
Dodd
Eagleton
Exon
Ford
Glenn
Hart
Hawkins
Heflin
Huddleston
Inouye
Jackson
Johnston
Kennedy
Leahy
Levin
Matsunaga
Melcher
Mitchell
Moynihan
Nunn
Pell
Pressler
Proxmire
Pryor
Randolph
Riegle
Roth
Sarbanes
Sasser
Tsongas
Weicker
Zorinsky

NOT VOTING—2

Hatch
Metzenbaum

So the motion to lay on the table the amendment of Mr. BAUCUS (UP No. 918) was agreed to.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the motion to lay on the table was agreed to.

Mr. SCHMITT. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENTS NOS. 916 AND 917

Mr. THURMOND. Mr. President, I am pleased to join the distinguished majority leader (Mr. BAKER), the distinguished chairman of the Finance Committee (Mr. DOLE), the distinguished chairman of the Budget Committee (Mr. DOMENICI) and others in sponsoring this amendment which addresses the problems in the social security system.

It is a harsh, unpleasant fact that the social security system faces grave financial problems and that the retirement trust fund may not be able to pay benefits beyond June 1983. Obviously, there is no easy, painless solution to this problem. However, in an attempt to resolve both the short-term and long-term financial problems faced by the social security system, on December 16, 1981, the President established the National Commission on Social Security Reform. It is the task of this Commission to study the problems and make recommendations by the end of this year which will insure the fiscal soundness of the system.

The amendment before the Senate states that this body will await the recommendations of the National Commission on Social Security Reform prior to making any specific changes in the social security program. It also calls for the payment of the full 7.4 percent cost-of-living adjustment in July of this year on schedule; it reaffirms the Senate's solemn commitment to preserve and protect the social security system; and it declares that any corrective actions taken by the Senate shall not include any more than absolutely necessary to preserve the financial integrity of the social security system.

Mr. President, I am confident that any abrupt reductions in social security benefits can be avoided if Congress faces its responsibilities squarely on this issue. Hopefully, it will not be necessary to make any cuts in benefit levels of current recipients. However, it may well be that the rate at which these benefits are increased in the future—the annual cost-of-living adjustments—will have to be scaled back, along with other reasonable adjustments in the program affecting future beneficiaries. After receiving the recommendations of the Presidential Commission, Congress must act promptly so that beneficiaries will be able to plan for whatever adjustments might be necessary, and so that the long-range stability of a worthwhile social security program can be maintained.

Mr. PERCY. Mr. President, I will vote to table the Baucus-Byrd amendment and support in its place the Dole amendment regarding the social security system.

The amendment offered by Senators BYRD and BAUCUS rejects the action taken by the Senate Budget Committee last week which estimates the amount of insolvency expected in the social security system over the next 3 fiscal years. By rejecting this portion of the budget resolution, this amendment ignores the fact that steps must be taken to remedy the financial problems of the social security system.

The chairman of the Budget Committee has made it very clear that the budget resolution only recognizes the estimated extent of the insolvency. It does not make any recommendations about what the Congress should do. The Budget Committee report in part states that this proposal "does not specify the extent to which the solvency gap would be filled by increased revenues and how much by reduced costs."

In other words, Mr. President, the Budget Committee as required by law, is simply stating what we all know—that the social security trust funds will be insolvent next year if Congress does not act.

The Dole amendment, of which I am a cosponsor, attempts to clarify the social security problem. First, it makes clear that the full social security cost-of-living adjustment of 7.4 percent will be paid as scheduled on July 1, 1982. Second, our amendment reaffirms our commitment any corrective action to be taken by Congress "shall not include any more than is absolutely necessary to preserve the financial integrity of the social security system."

Last, our amendment states our intention not to act on any changes in social security prior to the recommendations of the National Commission on Social Security Reform expected later this year.

Mr. President, I think it is extremely unfortunate that the issue of social security reform has become confused with our efforts to balance the Federal budget. The Senate Budget Committee is now required by law to include as part of the overall budget the revenues and expenditures of the social security system. To include it in the budget and not to reflect the best estimate we have of what will be required to make the system solvent—either by increased revenues or benefit reforms—is not responsible in my judgment.

However, it is because these issues have become clouded that I joined the distinguished chairman of the Special Committee on Aging, as my fellow Member, Senator HEINZ, and the distinguished chairman of the Finance Committee, Senator DOLE, in introducing legislation, S. 2514, to remove the social security trust funds from the unified Federal budget. I strongly believe that the question of social security financing should be considered separately, not in conjunction with the budget resolution, and that proposals for reform, no matter what their content, be considered on their own merits.

Mr. President, for that reason, I urge my colleagues to defeat the Baucus-Byrd amendment and join me in supporting this amendment.

(The names of Mr. NICKLES, Mr. BOSCHWITZ, and Mr. GORTON were added as cosponsors of UP Amendment No. 916.)

Mr. BAKER. Mr. President, if I may have the attention of Senators for a moment.

Mr. President, could we have order?

The PRESIDING OFFICER. The Senate will be in order. The majority leader has the floor.

Mr. BAKER. Mr. President, I am prepared to ask unanimous consent that the first and second degree amendments be considered en bloc. They are very similar. That would require one rollcall instead of two. I believe debate on this subject has been sustantially exhausted. I hope we can proceed immediately to a vote.

Mr. ROBERT C. BYRD. Mr. President, I have no objection.

Mr. BAKER. Mr. President, I ask unanimous consent that the first- and second-degree amendments, that is, the Dole et al. amendment, and the Baker et al. amendment, be considered en bloc by single vote.

I ask for the yeas and nays on the consolidated amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The vote will occur on the amendments en bloc.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Utah (Mr. HATCH) is necessarily absent.

Mr. CRANSTON. I announce that the Senator from Ohio (Mr. METZENBAUM) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 91, nays 7, as follows:

[Rollcall Vote No. 101 Leg.]

YEAS—91

Abdnor
Andrews
Armstrong
Baker
Baucus
Bentsen
Biden
Boren
Boschwitz
Bradley
Brady
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chafee
Chiles
Cochran
Cohen
Cranston
D'Amato
Danforth
DeConcini
Denton
Dixon
Dodd
Dole
Domenici
Durenberger
Eagleton
East
Exon
Ford
Garn
Glenn
Gorton
Grassley
Hart
Hatfield
Hawkins
Hayakawa
Heflin
Heinz
Helms
Huddleston
Humphrey
Inouye
Jackson
Jepsen
Johnston
Kassebaum
Kasten
Kennedy
Laxalt
Leahy
Levin
Lugar
Mathias
Matsunaga
Mattingly
McClure
Melcher
Mitchell
Murkowski
Nickles
Packwood
Pell
Percy
Pressler
Proxmire
Pryor
Quayle
Randolph
Riegle
Roth
Rudman
Sarbanes
Sasser
Schmitt
Simpson
Specter
Stafford
Stevens
Symms
Thurmond
Tsongas
Wallop
Warner
Weicker
Zorinsky

NAYS—7

Goldwater
Hollings
Long
Moynihan
Nunn
Stennis
Tower

NOT VOTING—2

Hatch
Metzenbaum

So the amendments (UP Nos. 916 and 917) were agreed to, en bloc.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the amendments were agreed to.

Mr. D'AMATO. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BOREN. Mr. President, I voted for the amendment offered by the distinguished chairman of the Finance Committee, Senator DOLE, and the majority leader, Senator BAKER, rollcall 101. I did so with some reservations, however. It is a mistake, I think, to "tie the Senate's hands" in a way that precludes action regarding social security this year. We may find it necessary to strengthen the social security system before the National Commission on Social Security Reform submits its final report. Nevertheless, I support the primary purpose of the amendment—the protection of social security—and vote for it on that basis.

Mr. BAKER. Mr. President, what is the business before the Senate?

The PRESIDING OFFICER. The committee substitute to S. 2248.

Mr. TOWER. Mr. President, it is my understanding that the distinguished majority leader expects us to stay here late this evening to try to dispose of our amendments to this bill. I think several Senators indicated a willingness to cooperate and offer amendments.

I urge others to do so, so that we can make substantial progress on what we came here to do, and that is, namely, the defense authorization bill.

Mr. BAKER. Mr. President, will the Senator yield?

Mr. TOWER. I yield to the distinguished majority leader.

Mr. BAKER. I thank the chairman of the Armed Services Committee.

Mr. President, I agree absolutely with the admonition of the distinguished chairman. I do urge Senators to come to the floor and offer their amendments. We will be in late tonight, well past the dinner hour. We will be in late tomorrow night as necessary to try to finish this bill tomorrow. If we do not finish it tomorrow night late we will be on it again on Friday.

Mr. President, it is my understanding that there may be an amendment or two that will be offered at this time on which there will be little or no debate.

So Senators should be on notice that there will be one and perhaps two rollcall votes in the next little bit.

So I urge them to stay on the floor.

Mr. TOWER. Mr. President, I believe that the Senator from Pennsylvania (Mr. Specter) is ready to bring up his amendment.

Before I yield the floor, I simply wish to say that I voted against the amendment just adopted not because I disagree with it in substance, but because I disagree with the inclusion of such extraneous legislative matter on a DOD authorization bill.

In my view social security legislation has no place on this bill. I regret it was intruded into this bill.

But I wish the Record to show while I did not disagree with the substance of the amendment, I voted against it for that reason.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. TOWER. I yield to the Senator from Arizona.

Mr. GOLDWATER. I merely wanted to make a statement that I voted against it for the same reason my chairman did, and I do not think this bill is any place to carry social security. I thank my friend.

The PRESIDING OFFICER. The Senator from Texas.

Mr. TOWER. Mr. President, at this point I am prepared to yield the floor.

AMENDMENT NO. 1397, AS MODIFIED

(Purpose: To express the sense of the Congress recommending a summit meeting on reducing the risk of the occurrence of nuclear war)

Mr. SPECTER. Mr. President, earlier today, as the Record will show, prior to the motion to recommit, by a vote of 60 to 32, the motion of the Senator from Illinois (Mr. Percy) to table the amendment which I had offered was defeated. At this time I think we are prepared to conclude this matter.

I have discussed the issue with the Senator from Texas, who has an amendment to offer to my amendment which is satisfactory from my point of view. At this time, I call up amendment No. 1397, as modified.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Pennsylvania (Mr. Specter), for himself, Mr. Dixon, and Mr. Mitchell, proposes an amendment numbered 1397, as modified.

The amendment, as modified, is as follows:

At the end of the bill add the following:

Sec. .(a) The Congress finds that—

(1) a general nuclear war could cause the death or mutilation of hundreds of millions of people;

(2) the damage that a general nuclear war would cause to the environment would be of unknown, unimaginable, and unprecedented kinds and degree;

(3) many survivors of a general nuclear war would, after suffering extraordinary agony, die of radiation poisoning, disease, overexposure to the elements, starvation, or similar causes;

(4) the probability of the occurrence of a general nuclear war would increase vastly and, perhaps, uncontrollably if any government initiates major hostilities or the use of nuclear weapons, regardless of the circumstances;

(5) the recent development of nuclear weapons that are capable of destroying the nuclear weapons of rival nations increases the likelihood of a preemptive nuclear strike;

(6) the governments of many nations already have nuclear weapons, and the governments of many more nations may soon develop or otherwise be able to acquire nuclear weapons;

(7) even a local or regional armed conflict or terrorist incident could escalate into a conflict involving the superpowers and leading to general nuclear war; and

(8) launched missiles carrying nuclear weapons, including those launched in error or by accident, cannot be recalled from proceeding to and devastating preassigned targets.

(b) It is the sense of the Congress that the President should, at the earliest possible date, act to convene a summit meeting with leaders of the Government of the Union of Soviet Socialist Republics for the purpose of seeking to reduce the risk that nuclear war would occur from any cause and to establish a means for better controlling the use of, and reducing the stocks of, nuclear weapons.

(c) It is the further sense of the Congress that the President of the Union of Soviet Socialist Republics should, at the earliest possible date, respond to any invitation extended to him by the President of the United States of America to attend a summit meeting to reduce the risk that nuclear war could occur from any cause and to establish a means for better controlling the use of, and reducing the stocks of, nuclear weapons.

The PRESIDING OFFICER. Time on the amendment has expired.

Mr. TOWER. Mr. President, it is my understanding that the Senator from Pennsylvania is not bound by the previous time agreement because when the motion to recommit was adopted and the committee substitute reported it reopened the bill for the Senator from Pennsylvania because his amendment was left standing in the wings as a result of that action.

The PRESIDING OFFICER. The effect of the motion to recommit was to displace all amendments pending or agreed to. It was not to undo the unanimous-consent agreement.

UP AMENDMENT NO. 920

Mr. TOWER. Mr. President, I send to the desk an amendment and ask for its immediate consideration. It is my understanding that any amendment has a time, controlled time, of 30 minutes, 15 minutes to a side.

The PRESIDING OFFICER. The Senator is correct.

The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Texas (Mr. Tower) proposes an unprinted amendment numbered 920 to amendment numbered 1937, as modified:

On page 2, strike out all after line 23 and insert the following in lieu thereof:

"(b) It is the sense of the Congress that the President of the United States should be commended for his expressed desire to meet with the President of the Union of Soviet Socialist Republics in June, 1982.

"(c) It is the further sense of the Congress that this meeting should be an essential step in a patient and persistent effort to achieve significant, balanced and verifiable reductions in the strategic arsenals of the United States and the Union of Soviet Socialist Republics and, thereby, reduce the dangers of nuclear war. Such effort should feature, after appropriate preparation and with the goal of achieving concrete results, a summit meeting between the leaders of the two nations. Such meetings should be pursued so as to achieve a more constructive framework for Soviet-American relations.

"(d) It is the further sense of the Congress that the President of the Union of Soviet Socialist Republics should, at the earliest possible date, respond favorably to the invitation extended to him by the President of the United States to meet in June, 1982, and any subsequent invitation to attend a summit meeting."

Mr. TOWER. Mr. President, I have never disagreed with the thrust of what the Senator from Pennsylvania was trying to accomplish. As I said earlier, we all desperately want to reduce the prospect of nuclear war. No one in his right mind wants a nuclear holocaust in this world. I think sometimes we disagree on how that can be accomplished.

My own concern would be how Senate action might be viewed considering the initiative the President took last Sunday.

The amendment I have offered I think puts the Specter amendment in some perspective and, considering what the President's action was last Sunday, therefore, overcomes the suggestion that might otherwise have been inherent in the Specter amendment that what the President did Sunday was irrelevant to what the Senator from Pennsylvania is trying to accomplish, and I know that was not his intent.

We have preserved here in this amendment the call for a summit, in effect and, therefore, I hope the Senator from Pennsylvania will find this amendment agreeable.

Mr. SPECTER addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. I do find the amendment entirely agreeable, and I congratulate the Senator from Texas for offering it.

In the insertion of the commendation for the President of the United States, the Senator from Texas is formalizing a specific commendation and

compliment that I had stated in the debate on my earlier amendment, and I find it most appropriate to be memorialized permanently in the amendment.

As the Record will show, the amendment which I submitted was prepared prior to the President's speech on Sunday. Had it been prepared after, I certainly would have inserted that language myself to formalize what I had said in the floor statement.

With respect to the language about "such effort should feature, after appropriate preparation and with the goal of achieving concrete results," I find it entirely appropriate and, as I have said in the earlier floor debate, that language had been suggested to me last Wednesday night at a meeting attended by the distinguished Senator from Virginia (Mr. Warner) and representatives of the State Department and the National Security Council as a substitute for the language which I had earlier put in, "at the earliest possible date." I had said in my floor statement that I regarded the language "after appropriate preparation and with the goal of achieving concrete results" to be the essential equivalent of what I had intended by "at the earliest practical date." So that is entirely acceptable.

The additional language with respect to "verifiable reductions in the strategic arsenals of the United States and the Union of Soviet Socialist Republics," is entirely acceptable as added by the Senator from Texas. I think it is a good addition.

The amendment offered by the Senator from Texas retains the essential feature of calling for the summit meeting, and makes plain the sense of the Senate that the Senate is behind this initiative of the President. So, unlike SALT II, where the Senate did not ratify and was most probably not in favor, it is plain to the Soviet Union and the world that the Senate stands behind such a summit meeting. I find this a most acceptable resolution of the issue.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Texas.

Mr. TOWER. Mr. President, I would like the Record to show that I offered this amendment on behalf of myself, Mr. Percy, and Mr. Jepsen, and I would like to ask the Senator from Pennsylvania if he would simply accept this amendment and incorporate it into his amendment.

Mr. BAKER. Mr. President, will the Senator yield to me before the Senator answers?

The PRESIDING OFFICER. The majority leader.

Mr. BAKER. Mr. President, I wholeheartedly agree with that request. I might point out that since, under the circumstances of the moment, it would require unanimous consent to permit the Senator from Pennsylvania to accept this amendment, but if he is agreeable to accepting this amendment, I am agreeable to putting that unanimous-consent request.

Mr. SPECTER. Mr. President, I am agreeable to accepting it.

Mr. BAKER. Mr. President, I ask unanimous consent that the Senator may accept the amendment of the Senator from Texas, notwithstanding the previous action of the Senate in that respect.

The PRESIDING OFFICER. Without objection, the amendment is so further modified.

Mr. BAKER. Mr. President, have the yeas and nays been ordered on the Specter amendment, as further modified?

The PRESIDING OFFICER. They have not.

Mr. SPECTER. I ask for the yeas and nays.

Mr. TOWER. Mr. President, I think this is somewhat noncontroversial at this point, but I think there are a lot of Senators who wanted to register themselves on this issue. Therefore, I ask for the yeas and nays.

Mr. GOLDWATER addressed the Chair.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Pennsylvania as further modified. The clerk will call the roll.

Mr. TOWER. No; not all the time is yielded back, I do not believe.

The PRESIDING OFFICER. The time is on the second degree amendment which had been accepted as modified.

Mr. BAKER. Mr. President, I ask unanimous consent that the Senator from Texas and the Senator from Pennsylvania may each have 2 minutes for further debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, make that 5 minutes to the side.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

MR. TOWER. Mr. President, I yield 1 minute to the Senator from Arizona.

Mr. GOLDWATER. Mr. President, I think it is a rather important subject to dispose of in 2 minutes. My question is, Is it proper for the Senate to say that "it is the further sense of the Congress that the President of the Union of Soviet Socialist Republics should at the earliest possible date" since when do we get into the business of telling foreign governments what to do? If we are going to tell the Soviet Socialist Republics what to do I can add some strong language, but I question the propriety of doing this.

MR. STENNIS. Mr. President, if I may ask a question——

MR. GOLDWATER. I have not had my question answered.

MR. TOWER. I will respond to the Senator from Arizona. In fact, that was my idea because I believe that while calling on our President to do certain things we should be calling on the Soviet Union to respond because it is my view that it is the Soviet Union that has created the tension that has built up the military machine that might ultimately lead us to nuclear war, and I do not see why we should not say, "Mr. Brezhnev, we are not just urging our own President, we are urging you to cooperate in the quest for peace and the avoidance of nuclear war."

MR. GOLDWATER. We do not say "urge," we say "should."

MR. TOWER. Well, he should.

MR. GOLDWATER. This is very serious.

MR. TOWER. I think it is serious.

MR. GOLDWATER. I agree with everything you say, but I do not agree that it is proper for this body to tell any government's leader what he should do.

Mr. TOWER. Mr. President, it is part of the amendment now, so that is the way the amendment stands.

Mr. GOLDWATER. OK.

Mr. STENNIS. Mr. President, does the President of the United States really want us to pass this resolution? If he does not, I do not see where we come in, especially on this bill.

Mr. TOWER. I would respond to the Senator from Mississippi by saying that I have not made an inquiry of the President of the United States, but I think I could give some assurance that the administration does not find this amendment objectionable in its present form.

Mr. STENNIS. Well, if that satisfies the Senator, all right.

Mr. TOWER. It may not satisfy the Senate.

Mr. STENNIS. But really there is no real push from the President on this, no expression of need.

Mr. TOWER. No, there is no push from the administration. As the Senator from Mississippi knows, I opposed the amendment originally, but, in that we have made it, in my view, more relevant, I find it acceptable. The administration does not find it objectionable.

Mr. President, I yield back the remainder of my time.

Mr. STENNIS. Mr. President, if I may have just 1 minute.

Mr. TOWER. Mr. President, I reclaim whatever time I have remaining and yield it to the Senator from Mississippi.

Mr. STENNIS. I will be very brief, Mr. President. I do not want to go to extremes, but I think it is a very solid and sound reason that on this bill we should not be intervening with the Chief Executive in a kind of a casual way on this measure. Because if he wants something like this from the Senate, the Foreign Relations Committee should examine it, go into it, go into the background and the whys and the wherefores and then come in here with carefully drawn language and put the pressure behind it and pass it. That is my version of it. I leave off my support on this amendment on this bill.

Mr. TOWER. I yield back whatever time I have remaining.

Mr. SPECTER addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. By way of very brief reply, while I have great respect for the comments made by the distinguished Senator from Mississippi (Mr. Stennis), I would point out that the language here has been very carefully drawn, both in the initial stage and on the substitute amendment by the disinguished Senator from Texas which is now before this body. It has been carefully considered and I submit it is relevant on the Department of Defense authorization bill at this time, because when this body is being asked to authorize the expenditures of billions of dollars for nuclear weapons, it is an appropriate occasion to take up the subject of summit talks to limit the use or the amounts of such nuclear weapons. I have agreed that we should be strong and have voted in the past for the B-1, the MX, and last year's defense authorization bill; there is no inconsistency between talking at the summit level and maintaining that kind of strength.

With respect to the comment by the distinguished Senator from Arizona, I submit that it is an appropriate matter for this body to make a recommendation to the President in the context of our constitutional responsibilities in the field of foreign affairs and that, having done so, the addition by the Senator from Texas to make the same statement to Soviet President Brezhnev was an appropriate addition.

In our country, anybody can make any comment or any request at any time, under the principles of freedom of speech, so long as it is done in a noninflammatory, nonfighting words, kind of way. It is, in that context, appropriate for any American to speak out and I think most appropriate for the Senate of the United States to speak to both the United States President and the Soviet President in the context of the matter which we are now considering.

Mr. MITCHELL. Mr. President, I support the pending amendment because I believe that it contains language which should be included in this year's Defense authorization legislation.

This amendment, which I am cosponsoring, places the Congress on record as acknowledging that the results of a general nuclear war in the modern age would cause the death and mutilation of hundreds of millions of people; that the recent development of nuclear weapons that are capable of destroying the nuclear weapons of rival nations increases the likelihood of a preemptive nuclear strike; and that many survivors of a nuclear war, after suffering extraordinary agony, would die of radiation poisoning, overexposure to the elements, starvation, and other causes. The amendment concludes by expressing the sense of the Congress that President Rea at the earliest possible date, sho convene an American-Soviet summit to aggressively pursue ways in which the threat of nuclear war can be reduced.

President Reagan last Sunday announced his intention to seek negotiations with the Soviet Union to discuss the issue of strategic arms control and strategic arms reductions. While difficult questions remain concerning the nature of the proposals which the United States should advance when these talks begin, the President must be credited with placing on the record his desire to commence negotiations in this most important subject area.

The American people, and I believe most Members of this Congress, now want the President's general statement of intent translated into specifics. This is where this amendment is helpful. It specifically calls for the convening of a summit meeting—that is, a face-to-face discussion between heads of state, at the earliest possible date.

This is not an issue which can be discussed only when it is convenient for both sides to do so; it is an issue which demands immediate, serious, and continuing attention. The American people recognize this; we should too. I submit that the amendment is timely because its passage will place the Senate on record that its Members expect immediate action, and action at the highest level.

This amendment complements the Kennedy-Hatfield Nuclear Weapons Freeze Resolution (S.J. Res. 163) of which I am a cosponsor. That resolution calls for the United States and U.S.S.R. to pursue a complete halt to the nuclear arms race and to decide when and how to achieve a mutual and verifiable freeze on the testing, production, and further deployments of nuclear warheads, missiles, and other delivery systems. In my judgment a formal meeting between Chairman Brezhnev and President Reagan would be an excellent way to begin the consultative process called for in Senate Joint Resolution 163.

The PRESIDING OFFICER. Who yields time?

Mr. SPECTER. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Pennsylvania (Mr. Specter). The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Utah (Mr. Hatch), is necessarily absent.

I further announce that, if present and voting, the Senator from Utah (Mr. Hatch), would vote "yea."

Mr. CRANSTON. I announce that the Senator from Ohio (Mr. Metzenbaum), is necessarily absent.

The PRESIDING OFFICER (Mr. Rudman). Are there any other Senators in the Chamber wishing to vote?

[Rollcall Vote No. 102 Leg.]

The result was announced—yeas 92, nays 6, as follows:

YEAS—92

Abdnor
Andrews
Armstrong
Baker
Baucus
Bentsen
Biden
Boren
Boschwitz
Bradley
Brady
Bumpers
Burdick
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Chafee
Chiles
Cochran
Cohen
Cranston
D'Amato
Danforth
DeConcini
Denton
Dixon
Dodd
Dole
Domenici
Durenberger
Eagleton
Exon
Ford
Garn
Glenn
Gorton
Grassley
Hart
Hatfield
Hawkins
Hayakawa
Heflin
Heinz
Helms
Hollings
Huddleston
Humphrey
Inouye
Jackson
Jepsen
Johnston
Kassebaum
Kennedy
Laxalt
Leahy
Levin
Long
Lugar
Mathias
Matsunaga
Mattingly
McClure
Melcher
Mitchell
Moynihan
Murkowski
Nickles
Nunn
Packwood
Pell
Percy
Pressler
Proxmire
Pryor
Quayle
Randolph
Riegle
Roth
Rudman
Sarbanes
Sasser
Schmitt
Simpson
Specter
Stafford
Stevens
Symms
Tsongas
Wallop
Warner
Weicker
Zorinsky

NAYS—6

East
Goldwater
Kasten
Stennis
Thurmond
Tower

NOT VOTING—2

Hatch
Metzenbaum

So Mr. Specter's amendment (No. 1397), as further modified, was agreed to.

Mr. SCHMITT. I move to reconsider the vote by which the amendment was agreed to.

Mr. TOWER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I should like to ask the distinguished majority leader what he sees in store for the evening. I should like to ask him about the program for the evening and if he could ascertain how many amendments there are that are going to be called up on each side.

Mr. BAKER. Mr. President, I thank the minority leader. I think his question is most relevant in the circumstances of this moment.

Let me say first that, as I announced on the floor this morning and notified by hotline from our cloakroom, it is the intention of the leadership to ask us to stay well past the dinner hour tonight. I guess that means approximately 10 o'clock.

I regret doing that, Mr. President, since this is Wednesday and not our regular late evening, but there is no way we are going to finish this bill unless we get on this bill and we have not yet gotten to it.

I wonder if I may inquire of Senators on this side of the aisle how many amendments they have and if they are prepared to offer them at this time.

I see two hands, Mr. President, on this side. I surmise there may be others.

Mr. TOWER. There are at least two on the other side that I know of.

Mr. ROBERT C. BYRD. Mr. Glenn, Mr. Bentsen, Mr. Hart, Mr. Levin, Mr. Nunn.

Mr. TOWER. This is wonderful. We can do a lot of business tonight. I expect we can stay until 1 o'clock.

Mr. ROBERT C. BYRD. And Mr. Jackson.

Mr. BAKER. Mr. President, I thank the minority leader for that.

I assume there are several amendments on each side. I hope that as we proceed to consider these, we can work out time agreements.

Mr. President, I shall make every effort to obtain unanimous consent to stack votes if votes are ordered between 6:30 and 8 p.m. I cannot guarantee that we can do that, because it requires unanimous consent and I cannot get that at this moment. But I shall make every effort to stack votes between 6:30 and 8 p.m.

Senators should be on notice that we shall work during that period; that they should be prepared to offer amendments during that period; and that we shall be in until approximately 10 o'clock this evening.

Mr. SARBANES. Will the majority leader yield?

Mr. BAKER. Yes; I yield to the Senator from Maryland.

Mr. SARBANES. If we are moving along tonight, might it be possible to do as much as possible and maybe not stay as late tomorrow night?

Mr. BAKER. Mr. President, I am happy to say that I am willing to stay as long as the Senate is willing to stay. If we are making good progress and it is the will of the membership, I am willing to stay later tonight.

Mr. ROBERT C. BYRD. Will the majority leader yield?

Mr. BAKER. Yes; I yield.

Mr. ROBERT C. BYRD. In the meantime, I will try to ascertain if Members on my side who have amendments would agree to time limitations on those amendments.

Mr. BAKER. I thank the minority leader. I will do the same on my side and perhaps he and I can compare notes on that.

I yield the floor, Mr. President.

Mr. TOWER addressed the Chair.

The PRESIDING OFFICER. The Sentor from Texas is recognized.

Mr. TOWER. Mr. President, the Senator from Maine has an amendment which he would like to offer. I think we can dispose of it in a relatively short period of time, and therefore I yield the floor.

The PRESIDING OFFICER. The Senator from Maine.

UP AMENDMENT NO. 921

(Purpose: To clariy the intent of the Mitchell unprinted amendment No. 910, previously adopted)

Mr. MITCHELL. Mr. President, I send to the desk an unprinted amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated. The legislative clerk read as follows:

The Senator from Maine (Mr. Mitchell) proposes an unprinted amendment numbered 921.

Mr. MITCHELL. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike section 1117 and insert in lieu thereof the following:

PROHIBITION REGARDING CONTRACTS FOR THE PERFORMANCE OF FIREFIGHTING AND SECURITY FUNCTIONS

Sec. 1117. None of the funds appropriated pursuant to an authorization contained in this Act or any other Act enacted after the date of enactment of this Act may be obligated or expended to enter into any contract for the performance of firefighting functions or security functions at any military installation or facility, except when such funds are for the express purpose of providing for the renewal of contracts in effect on the date of enactment of this Act.

Mr. MITCHELL. Mr. President, on Thursday the Senate approved an amendment which I offered prohibiting contracting out services at military installations for firefighting and base security functions. Subsequently, a question arose as to whether or not the amendment prohibited the renewing of contracts in existence as of the date of the enactment of this act.

That was not my intention. I now offer a substitute amendment which is identical in form and substance to the previous language except that it adds the following language:

Except when such funds are for the express purpose of providing for the renewal of contracts in effect on the date of enactment of this Act.

I have discussed this with the distinguished chairman of the Armed Services Committee. I understand that he is willing to accept it, and I therefore ask approval of the amendment.

Mr. TOWER. Mr. President, this is a constructive amendment to what I thought was an undesirable amendment in the first place, because I believe the original amendment is going to cost us several millions of dollars by proscribing a management practice designed to save money, and that is the contracting out, because it forbids it, even though it would save money on defense. This is where we in the Congress sometimes mandate inefficiency and waste in the Defense Department.

The Senator from Maine, in offering his amendment, does improve this situation somewhat because we are in a situation where we have a base that is being closed or being put on inactive status and you cannot contract out for the security of it. This does not really make any sense; to put a military establishment out there simply for that purpose thwarts any savings that might occur.

I think that this is a constructive amendment. It does permit the renewal of contracts that have already been let, as I understand it.

Mr. MITCHELL. Indeed, it does.

Mr. TOWER. I am prepared to accept the amendment for the majority side.

Let me ask the Senator from Maine if he has cleared this with Senator Stennis.

Mr. MITCHELL. Yes; I have.

Mr. TOWER. Senator Stennis is agreed. In that case, I am prepared to accept the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

So the amendment (UP No. 921) was agreed to.

Mr. BENTSEN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. MITCHELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 1441

(Purpose: To amend section 12 of the Military Selective Service Act to make persons who fail to comply with the registration requirements of such act ineligible for certain educational benefit.)

Mr. MATTINGLY. Mr. President, I would like to send to the desk and have called up printed amendment No. 1441.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Georgia (Mr. Mattingly) for himself and Mr. Hayakawa, proposes printed amendment numbered 1441.

Mr. MATTINGLY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

AMENDMENT No. 1441

At the end of the bill, add the following:

ELIGIBILITY FOR ASSISTANCE UNDER TITLE IV OF THE HIGHER EDUCATION ACT OF 1965

SEC. 1117. (a) Section 12 of the Military Selective Service Act (50 U.S.C. App. 462) is amended by adding at the end thereof the following new subsection:

"(f)(1) Notwithstanding any other provision of law, any person who is required under section 3 to present himself for and submit to registration under such section and fails to do so in accordance with any proclamation issued under such section, or in accordance with any rule or regulation issued under such section, shall be ineligible for any form of assistance or benefit provided under title IV of the Higher Education Act of 1965.

"(2) Each person who—

"(A) is applying for any form of assistance or benefit described in paragraph (1); and

"(B) is required to present himself for and submit to registration under section 3,

shall certify to the satisfaction of the Secretary of Education that has presented himself for and submitted to such registration.

"(3) The Secretary of Education shall verify with the Director each certification under paragraph (2).

"(4) In the case of any person whose certification under paragraph (2) is not verified by the Director, the Secretary of Education shall notify such person that he has failed to establish to the satisfaction of the Secretary of Education that he has complied with the registration requirement under section 3.

"(5) Any person who receives a notification pursuant to paragraph (4) shall have thirty days following notification to provide the Secretary of Education materials establishing that he has complied with the registration requirement under section 3. If the Secretary of Education finds that the materials provided establish compliance, he shall take no further action under this subsection. If the Secretary of Education finds that the materials provided do not establish compliance, the Secretary of Education shall determine that the person is ineligible for any form of assistance or benefit described in paragraph (1) and shall take such actions as may be necessary to deny the person such assistance and benefits. The Secretary of Education may, in his discretion, afford such person an opportunity for a hearing to establish his compliance or for any other purpose.".

(b) The amendment made by subsection (a) of this section shall take effect on October 1, 1982.

Mr. MATTINGLY. Mr. President, on behalf of Senator HAYAKAWA and myself, we offer this amendment. As I see it, this amendment falls within the category of rights responsibilities.

Under our form of government, we seek to safeguard our individual and collective rights, privileges and liberties by the proper exercise of our responsibilities toward society and those members of it who equally seek to insure our liberties.

There are two elements essential to the preservation of liberty in our country. One is a strong national defense, and the other is the education of our citizens. These two go hand in hand in a democracy and insure our democratic principles.

In 1980, President Carter initiated a national draft registration system. It required that all male citizens must formally register for military service when they become 18 years old. This requirement has been upheld by the highest court in our land and is supported by President Reagan. Registration is the law and the law should be obeyed.

The overwhelming majority of young people do abide by this law of draft registration. They are liberty loving and respect the law of the United States. If a young man feels he is a conscientious objector, he will have ample opportunity to make that declaration if a draft is ever instituted. I hope we will never have to have a draft. But as long as we have the law, all men reaching the age of 18 should and must register for it.

If a young man decides he will ignore this law, he should not be eligible for financial assistance from the Federal Government. An educated citizenry is as essential to the preservation of liberty and law as is a strong national defense. Now, there are those who through no fault of their own must come to the Federal Government for help in securing a postsecondary education. For these students, adequate Federal financial aid programs must be available.

We cannot afford to have an elite in this country who feel they are above the law. The defense of our country is a responsibility of all citizens.

My distinguished colleague from California, a man who knows a great deal about the value and role of postsecondary education, and I have joined together to offer this amendment. It would make those who fail to comply with draft registration ineligible for student assistance or benefits under title IV of the Higher Education Act of 1965.

Those who are ready and willing to accept dollars from the taxpayers of our Nation must at the very minimum be ready to obey the laws of this country. I feel it is the duty and responsibility of all to serve their country. For those who have legitimate religious problems with bearing arms, there is a long history of alternative service in the military. This cannot be used as an excuse to violate the law.

Mr. President, I know that there may be some who object to this and might say, "Well, only a small percentage of those eligible for registration have failed to do so and why pass an amendment that deals with so few in number."

Mr. President, I will not deal in numbers. Numbers or dollars saved are insignificant when compared to the principle involved. I say to my colleagues that if there were only one who sought to exercise his individual privilege without fulfilling his collective responsibility, I would offer the amendment. The taxpayers of our country should not be expected to give financial aid by tax dollars to those who are not willing to live up to their duty and responsibility to America.

Mr. President, I ask unanimous consent that the names of Senator NICKLES and Senator NUNN be added as cosponsors of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MATTINGLY. Mr. President, I yield to the Senator from California.

Mr. HAYAKAWA. I thank the distinguished Senator from Georgia.

I ask unanimous consent that the names of the following Senators be added as cosponsors of the amendment: the Senator from New Hampshire (Mr. RUDMAN), the Senator from Alabama (Mr. DENTON), the Senator from Wyoming (Mr. WALLOP), the Senator from Louisiana (Mr. LONG), the Senator from South Carolina (Mr. THURMOND), the Senator from New Hampshire (Mr. HUMPHREY), the Senator from North Carolina (Mr. EAST), the Senators from Idaho (Mr. MCCLURE and Mr. SYMMS), the Senator from Arizona (Mr. DECONCINI), the Senator from Indiana (Mr. QUAYLE), and the Senator from Iowa (Mr. JEPSEN).

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HAYAKAWA. Mr. President, I thank the distinguished Senator from Georgia (Mr. MATTINGLY) for cosponsoring this amendment with me. I know he is strongly committed to the belief that with rights and benefits come responsibilities. I agree with him that those who are ready and willing to accept dollars from the taxpayers of our Nation must, at the very minimum, be ready to obey the laws of the land.

On January 7, President Reagan announced his intention to continue registration under the Selective Service System, a policy I believe essential to the mobilization capacity of this Nation in the event of a national emergency. Furthermore, the President provided a grace period extending to February 28 in which one could register without penalty. However, thousands refused to comply with the law by this deadline, indicating their unwillingness to accept their national obligation. At the same time, there are members, of this nonregistrant group who continue to demand Federal benefits such as student financial aid.

Mr. President, I am offering today with my distinguished colleagues, an amendment which will deny Federal educational assistance to students who have not met their responsibilities and complied with the law by registering with the Selective Service System.

This amendment seeks not only to increase compliance with the registration requirement but also to insure the most fair and just usage of Federal education benefits. During these times of extreme budgetary constraints, times when even the most worthwhile programs are cut back drastically, this Government has every obligation to see that Federal dollars are spent in the most fair and prudent manner possible. If Federal dollars are spent fairly, well and good. But if they are spent on those who are not willing to meet their obligations to the Government, that does not seem to me at all just. If students want to further their education at the expense of their country, they cannot expect these benefits to be provided without accepting their fair share of the responsibilities to that Government.

Mr. President, it has been America's commitment to freedom and independence which has allowed such tremendous importance to be placed on higher education. The integrity of this philosophy is being seriously shaken when those who blatantly refuse to abide by the law of the land are eligible for Federal education assistance.

The rights and privileges of citizenship must be counterbalanced by the responsibilities of citizenship. In order to share in the freedoms that we all enjoy in this society, the responsibilities for protecting the Nation must be accepted. Registering for the Selective Service is to accept a share of that obligation. And it must be remembered that registration means only that; in the event of a national emergency a classification process would follow. There would be ample opportunity to request deferment, to be classified as a conscientious objector, or to choose a branch of service.

The Selective Service System was established for a very important purpose. The success of this system is crucial to the security of this country. Right now, America does not have a draft, and there are no plans to reinstate it. It is because we do not have a draft that the success of the Selective Service becomes so vital.

No one rejects the idea of war more that I. However, I am fully aware that not everyone in the world holds this view. I am deeply concerned that men failing to register with the Selective Service System are putting the welfare and security of this country in jeopardy. These nonregistrants reject the view that freedom and national independence have a price.

Mr. President, I am not saying that I am entirely happy with this system. In fact, I believe all Americans should have to register with the Selective Service or alternative services. However, the responsibilities of registering with the Selective Service System should be gladly accepted. If it is not, then America has every right to deny those who are unwilling to do so financial assistance to advance their education.

America has done so much for so many in the area of education. It is a real travesty when those who will not register can turn around and apply for grants, loans, and all types of education benefits. Never has this philosophy of willingness to serve your country been more eloquently stated than when President Kennedy in his inaugural address to the Nation stated "* * * and so, my fellow Americans, ask not what your country can do for you; ask what you can do for your country * * *" Today, Mr. President, I put this same question before this body. Shall we allow nonregistrants to ask this country to provide for their educational needs when they have no intention of fulfilling their national obligation? The answer is clearly, no.

Mr. President, this proposal is a timely one. We are currently considering legislation which seeks to authorize funds to provide for the best defense of this Nation. My legislation seeks to expend tax dollars only for those individuals willing to meet this obligation. This is not only a just cause but an important signal to every American that this Congress will not tolerate any willful, blatant rejection of the responsibilities which come with living in a free nation.

Mr. MATTINGLY. Mr. President, I ask unanimous consent that the names of Senator BENTSEN and Senator RANDOLPH be added as cosponsors of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RANDOLPH. Mr. President, what is the situation with respect to time? I should like to speak.

Mr. TOWER. There is no controlled time, so the Senator can seek the floor in his own right.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. RANDOLPH. Mr. President, I wish to recall for the RECORD a crucial vote I cast on the evening of August 12, 1941, in the House of Representatives.

Debate at times was bitter, even angry. We were considering the extension of the Selective Service draft, which passed by a 203-to-202 vote.

I am not a carping critic, and I trust the judgment and the conscience of Members of Congress.

Those of us who were in support of the extension of the Selective Service draft were characterized as warmongers. Many speakers who were opposed to the draft, declared that there was not a country in the world that would think of attacking the United States of America, or actually attack the United States of America.

I remind my colleagues now in this Chamber that the Japanese did attack us at Pearl Harbor, on December 7, by sea and from the skies. Destruction to our ships and aircraft was massive, as thousands in our Armed Forces were killed and injured.

I know now that many of those who had voted against the draft realized later that in the successful prosecution of our part in World War II, the verdict constituted a wise decision.

Yes, our Republic was well served by that action. What happened and what followed is proof positive that the affirmative action of Congress was right and that the United States of America needed strengthening through the draft rather than to have our Armed Forces built only from volunteers.

On the night of June 10, 1981, the able Senator from Kansas (Mrs. KASSEBAUM) offered an amendment to the military registration appropriation transfer bill, to include women, as well as men, for registration. I was privileged to join as a cosponsor, which failed by a vote of 40 to 51. I feel the amendment should have won. We needed an assessment of womanpower of this country, as we were to have an assessment of manpower. It is very important to possess that information, and that knowledge.

The bill on final passage was enacted by a vote of 58 to 34. Again I emphasize, in my opinion, that both men and women should have been included.

Having said that, and having gone back many years, to the year of 1941, and the year of 1981, the basic situations are the same. The Senator from California (Mr. HAYAKAWA) has said that he abhors war and every Member of Congress, either in the House of Representatives or the Senate, could make the same statement. But we must realize that in the abhorrence of war we must be very careful that we do not slip into a condition of weakness in the Nation. I stress the moral fiber of our Nation. Senator HAYAKAWA in essence was pleading that we also have a built-in character structure.

We need now a Selective Service System with a draft in force in our country. There is a considerable number of those who volunteer, who are capable and understanding of their responsibilities. I do not downgrade volunteers. But I do say we have now, under a volunteer system, those persons in the Armed Forces of the United States, the necessary individuals who have the education, the training, the techniques, and the ability, to handle sophisticated weapons.

We need a stepped up program of expertise which would result if we had the draft rather than only the volunteer system.

Mr. President, I am grateful that Senators HAYAKAWA and MATTINGLY have given me the opportunity to cosponsor this vital amendment. It should pass by a large margin.

Mr. TOWER. Mr. President, I think this is a splendid amendment. I commend Senator MATTINGLY and Senator HAYAKAWA. As a matter of fact, Senator HAYAKAWA advanced this notion to me some time ago and I encouraged him on it but independently Senator MATTINGLY arrived at the same idea. The two of them happily got together, two very distinguished Senators, and presented us with an amendment that I think is certainly reasonable.

I do not know why anyone should be permitted to claim the benefits of that which are financed out of the pockets of the taxpayers of this country if they are not prepared simply to register for a draft, and if we should ever have to have a draft for mobilization purposes, it would be to defend our country, to secure the rights and benefits of those who benefit under this program.

It is an eminently fair amendment, and for my part I hope the Senate will agree to it.

I would be interested in hearing what my distinguished friend from Mississippi has to say.

Mr. STENNIS. Mr. President, really this suits my pattern of thinking, and it is very timely and it is certainly relevant.

I thought of the proposition here where some youngster might have overlooked signing up or might have misunderstood it or had not been correctly informed, but he is not going to be penalized for that because he still has complete control of the situation. All he will have to do is just to comply with the law, and that will automatically make him eligible so far as this prohibition or restriction is concerned. It is very timely and fair and I think a real boost to the entire military concept.

So I commend these Senators for the work they did on the amendment.

I am heartily in favor of the amendment.

Mr. JEPSEN. Mr. President, the Hayakawa amendment is an amendment that establishes the following administrative process to protect the individual's due process rights. We wish to point that out.

I also point out that the chief purpose of the amendment is to encourage greater compliance with the registration requirement. Registration is the law of the land. And this amendment is not meant to punish as many nonregistrants as possible. The amendment is based on the principle that it is fundamentally unfair to allow an individual to benefit from our country's generous assistance if he is unwilling to contribute to its defense.

I point out that the failure to register is not a victimless crime in that the registration pool is reduced on a one-to-one basis by those who do not register. The result is that the person who obeyed the law would increase his probability of being drafted in time of national emergency while the nonregistrant would be without obligation by virtue of having broken the law.

I would like, on a more positive note, to say that by the end of the most recent grace period of nonregistrants about 550,000 eligible young men had still not registered. I would suggest to you that those 93 percent of Americans, those young people who have registered, I congratulate and commend them.

I would urge the adoption of this amendment immediately.

● Mr. DURENBERGER. Mr. President, the questions posed by the Mattingly-Hayakawa amendment are both subtle and fundamental. They touch upon such concepts as equity, responsibility, duty, and the obligations of Government.

I voted to reinstate Selective Service registration. I believe that registration is a relatively painless but absolutely vital element of the total force posture. It is a price we must pay for our commitment to a volunteer military rather than peacetime conscription. Without a system of registration we cannot be assured of our ability to mobilize in the event of an emergency. This point was recognized by the Gates Commission which recommended abolishing the draft and relying on a volunteer force of career military personnel. It has been made repeatedly since then. Our Active and Reserve Forces are not sufficiently large to handle a long-term national emergency, no matter how unlikely such an emergency might be. It is, therefore, vital that we have the ability to mobilize quickly in the event that Congress should declare a national emergency. Registration gives us this ability.

Registration is a legal obligation. It has been a Federal statute since 1973, when the Selective Service Act was modified to abolish the peacetime draft. Registration was temporarily suspended by President Ford, but the law was never changed. And, as was pointed out during the debate over resumption of registration, the rights of all Americans are protected by this law. For instance, conscientious objectors do not prejudice their case or compromise their ethics by registering. Registration is not a declaration of willingness to serve in the military. It is instead simply an act which provides to the Government a pool of names—a data base—which can be screened for possible service in the event that Congress, not the President, declares an emergency. If Congress were to reinstate the draft, registrants would have every right to declare conscientious objection to service.

So it is clear that registration is both a needed component of our overall security policy and a legal obligation as well. It is, therefore, clear that those who fail to register have made a conscious decision to violate the law, just as much as a person who fails to pay his taxes has made a conscious decision to violate the law. In either event, the statute provides for severe penalties.

I have no sympathy with lawbreakers. As the most recent report by the Director of Selective Service makes clear, only a small number of people—less than 7 percent of the total eligible population—have failed to register. In many cases, this is due to a simple lack of understanding or awareness. In other cases, this represents a deliberate flouting of the law. It should not be tolerated.

This brings me to the amendment at hand. I cannot vote for it, despite my strong feelings about those who violate the law. Let me explain why.

First, there are already the means by which to punish those who do not register, and to deter others who might think of avoiding this legal obligation. The law provides for up to 5 years' imprisonment and a fine of up to $10,000. While such extreme sanctions would not likely be imposed, the fact is that they are available. To add to these a denial of title IV assistance is a case of overkill.

Second, this amendment would put the burden of proof on the applicant rather than on the Government. It is proposed that all who apply for title IV must show proof of registration. This reverses the traditional approach, which would require the Government to prove that a person had violated a law before taking or withholding action.

Finally, the effect of the amendment would be to draw artificial distinctions among a common class of lawbreakers when no distinctions should be drawn. We would deny Federal assistance to those lawbreakers who apply for title IV grants and loans. But we would impose no comparable punishment on the lawbreakers who do not apply for title IV assistance. In other words, we would be punishing middle-class lawbreakers more than we punish those who are wealthy enough to pay their own way through college, and more than those who do not attend college at all.

Let me restate that I have no tolerance for those who flout the law or ignore a fundamental duty of citizenship. And I find it ironic that we often provide more assistance to people who do not serve in the military than to those who do. That is why I wish to see a GI bill restored. But I must reluctantly conclude that the prepared amendment is inappropriate and disproportionate and I cannot support its passage.●

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from Georgia. (Putting the question.)

The amendment (No. 1441) was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that I may be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TOWER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. MATTINGLY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 922

(Purpose: To establish an Office of Inspector General in the Department of Defense)

Mr. PRYOR. Mr. President, I have an amendment which I send to the desk at this time.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Arkansas (Mr. PRYOR) proposes an unprinted amendment numbered 922.

Mr. PRYOR. Mr. President I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the substitute insert the following new section:

Sec. . (a)(1) Chapter 4 of title 10, United States Code, is amended by adding at the end thereof the following new section:

"§ 140c. Inspector General

"(a) There is established in the Department of Defense an Office of Inspector General. The Office shall—

"(1) conduct and supervise audits and investigations relating to programs and operations of the Department;

"(2) provide leadership and coordination and recommend policies for activities designed (A) to promote economy, efficiency, and effectiveness in the administration of, and (B) to prevent and detect fraud and abuse in such programs and operations; and

"(3) provide a means for keeping the Secretary of Defense and the Congress fully and currently informed about problems and deficiencies relating to the administration of such programs and operations and the necessity for and progress of corrective action.

"(b)(1) There shall be at the head of the Office an Inspector General who shall be appointed by the President, by and with the advice and consent of the Senate, without regard to political affiliation and solely on the basis of integrity and demonstrated ability in accounting, auditing, financial analysis, law, management analysis, public administration, or investigations. The Inspector General shall report to and be under the general supervision of the Secretary or, to the extent such authority is delegated, the Deputy Secretary next in order of precedence below the Secretary, but shall not report to, or be subject to supervision by, any other officer of the Department.. Neither the Secretary nor the Deputy Secretary next in order of precedence below the Secretary shall prevent or prohibit the Inspector General from initiating, carrying out, or completing any audit or investigation, or from issuing any subpoena during the course of any audit or investigation.

"(2) In addition to the other duties and responsibilities specified in this Act, the Inspector General of the Department of Defense shall carry out the duties and responsibilities specified in paragraphs (A) through (D) of this subsection.

"(A) The Inspector General of the Department of Defense shall examine and review the growth in costs of major defense programs, and shall report on the causes of such growth to the Secretary of Defense and, where appropriate to the Congress. In carrying out his responsibilities under this paragraph, the Inspector General of the Department of Defense shall—

"(i) have authority to require the military departments and the agencies of the Department of Defense to furnish the Inspector General with quarterly reports on all major defense programs, and such other reports as the Inspector General may request relating to growth in cost of any contract for which there have been annual expenditures of more than $5,000,000; and

"(ii) conduct investigations of major defense programs in which growth in cost has been excessive.

"(B) The Inspector General of the Department of Defense shall advise the Secretary of Defense with respect to excessive profits obtained by government contractors on contracts with the heads of agencies described in section 2302(1) of title 10, United States Code, for property described in section 2302(b) of such title and for services, except for contracts awarded under competition and contracts and related subcontracts in an amount less than $5,000,000. For purposes of the preceding sentence, the term 'subcontract' means any agreement or purchase order to perform all or part of the work or to furnish any materials, required for the performance of any contract to which such sentence applies. In carrying out his responsibilities under this paragraph, the Inspector General of the Department of Defense shall—

"(i) have the authority to require each contractor to submit an annual report to the Inspector General that discloses the contractor's total profit during the preceding year and the percentage of such profit made on contracts to which this paragraph applies; and that profits be reported in a manner consistent with section 15 of the Defense Acquisition Regulations;

"(ii) have the authority to review the books and records of any contractor if the profit percentage reported under subparagraph (i) exceeds for any year the base line profit percentage, which shall be computed on the basis of a ratio that will provide the contractor with a predetermined return on his investment and which shall be established by the Secretary of Defense;

"(iii) report all cases of excessive profits to the Secretary of Defense; and

"(iv) recommend the amount of excessive profits to be returned to the United States by the contractor, after the consideration of the degree of financial risk assumed by the contractor; the nature of the property or services provided under the contract; the degree to which the contractor was required to invest in new facilities and equipment to carry out the contract; and the extent to which the contractor has attained quantity and quality of production, efficiency of operation, and reduction of costs.

"(C) The Inspector General of the Department of Defense shall establish, control, and direct an Office of Acquisition Compliance to assist him in carrying out his responsibilities under paragraphs (A) and (B) of this subsection. The Office shall be subject only to the general supervision of the Secretary of Defense, and shall not report to or be supervised by any official of the Department of Defense who has been delegated responsibilities with respect to the acquisition of goods and services. The Office shall be staffed by auditors, investigators, and attorneys, who shall not be uniformed members of any military service on active status.

"(D) The Inspector General of the Department of Defense is authorized, personally or through his representatives in the Office of Acquisition Compliance, to examine any books, documents, papers, or records of any contractor subject to paragraph (b) of this subsection or of any subcontractor of the contractor, that directly or indirectly relate to the contract or subcontract. The Inspector General may conduct such examination at any time until final payment on such contract has been made.

"(E) Each contract subject to paragraph (B) of this subsection shall include a statement describing the provisions of subparagraphs (iii) and (iv) of such paragraph and to the regulations promulgated by the Secretary of Defense to implement such subparagraphs.

"(F) Nothing in paragraph B of this subsection limits the authority of the Inspector General of the Department of Defense to examine any contract entered into by the heads of agencies described in section 2302(1) of title 10, United States Code, which is not subject to paragraph (b).

"(3) The Inspector General may be removed from office by the President. The President shall communicate the reasons for any such removal to both Houses of Congress.

"(4) For the purposes of section 7324 of title 5, the Inspector General shall not be considered to be an employee who determines policies to be pursued by the United States in the nationwide administration of Federal laws.

"(5) The Inspector General shall, in accordance with applicable laws and regulations governing the civil service—

"(A) appoint an Assistant Inspector General for Auditing who shall have the responsibility for supervising the performance of auditing activities relating to programs and operations of the Department, and

"(B) appoint an Assistant Inspector General for Investigations who shall have the responsibility for supervising the performance of investigative activities relating to such programs and operations.

"(c)(1) It is the duty and responsibility of the Inspector General—

"(A) to provide policy direction for and to conduct, supervise, and coordinate audits and investigations relating to the programs and operations of the Department;

"(B) to review existing and proposed legislation and regulations relating to programs and operations of the Department and to make recommendations in the semiannual reports required by subsection (d)(1) concerning the impact of such legislation or regulations on the economy and efficiency in the administration of programs and operations administered or financed by the Department or the prevention and detection of fraud and abuse in such programs and operations;

"(C) to recommend policies for, and to conduct, supervise, or coordinate other activities carried out or financed by the Department for the purpose of promoting economy and efficiency in the administration of, or preventing and detecting fraud and abuse in, its programs and operations;

"(D) to recommend policies for, and to conduct, supervise, or coordinate relationships between the Department and other Federal agencies, State and local governmental agencies, and non-governmental entities with respect to (i) all matters relating to the promotion of economy and efficiency in the administration of, or the prevention and detection of fraud and abuse in, programs and operations administered or financed by the Department, or (ii) the identification and prosecution of participants in such fraud or abuse; and

"(E) to keep the Secretary and the Congress fully and currently informed, by means of the reports required by subsection (d) and otherwise, concerning fraud and other serious problems, abuses, and deficiencies relating to the administration of programs and operations administered or financed by the Department, to recommend corrective action concerning such problems, abuses, and deficiencies, and to report on the progress made in implementing such corrective action.

"(2) In carrying out the responsibilities specified in paragraph (1)(A), the Inspector General shall—

"(A) comply with standards established by the Comptroller General of the United States for audits of Federal establishments, organizations, programs, activities, and functions;

"(B) establish guidelines for determining when it shall be appropriate to use non-Federal auditors; and

"(C) take appropriate steps to assure that any work performed by non-Federal auditors complies with the standards established by the Comptroller General as described in subparagraph (A).

"(3) In carrying out the duties and responsibilities established under this section, the Inspector General shall give particular regard to the activities of the Comptroller General of the United States with a view toward avoiding duplication and insuring effective coordination and cooperation.

"(4) In carrying out the duties and responsibilities established under this section, the Inspector General shall report expeditiously to the Attorney General whenever the Inspector General has reasonable grounds to believe there has been a violation of Federal criminal law.

"(d)(1) The Inspector General shall, not later than April 30 and October 31 of each year, prepare semiannual reports summarizing the activities of the Office during the immediately preceding six-month periods ending March 31 and September 30. Such reports shall include, but need not be limited to—

"(A) a description of significant problems, abuses, and deficiencies relating to the administration of programs and operations of the Department disclosed by such activities during the reporting period;

"(B) a description of the recommendations for corrective action made by the Office during the reporting period with respect to significant problems, abuses, or deficiencies identified pursuant to subparagraph (A);

"(C) an identification of each significant recommendation described in previous semiannual reports on which corrective action has not been completed;

"(D) a summary of matters referred to prosecutive authorities and the prosecutions and convictions which have resulted;

"(E) a summary of each report made to the Secretary under subsection (e)(2)(B) during the reporting period; and

"(F) a listing of each audit report completed by the Office during the reporting period.

"(2) Semiannual reports of the Inspector General shall be furnished to the Secretary not later than April 30 and October 31 of each year and shall be transmitted by the Secretary to the appropriate committees or subcommittees of the Congress within thirty days after receipt of the report, together with a report by the Secretary containing any comments the Secretary deems appropriate.

"(3) Within sixty days of the transmission of the semiannual reports of the Inspector General to the Congress, the Secretary shall make copies of such report available to the public upon request and at a reasonable cost.

"(4) The Inspector General shall report immediately to the Secretary whenever the Inspector General becomes aware of particularly serious or flagrant problems, abuses, or deficiencies relating to the administration of programs and operations of the Department. The Secretary shall transmit any such report to the appropriate committees or subcommittees of Congress within seven calendar days, together with a report by the Secretary containing any comments such head deems appropriate.

"(e)(1) In addition to the authority otherwise provided by this section, the Inspector General, in carrying out the provisions of this section, is authorized—

"(A) to have access to all records, reports, audits, reviews, documents, papers, recommendations, or other material available to the Department which relate to programs and operations with respect to which that Inspector General has responsibilities under this section.

"(B) to make such investigations and reports relating to the administration of the programs and operations of the Department as are, in the judgment of the Inspector General, necessary or desirable;

"(C) to request such information or assistance as may be necessary for carrying out the duties and responsibilities provided by this section from any Federal, State, or local governmental agency or unit thereof;

"(D) to require by subpena the production of all information, documents, reports, answers, records, accounts, papers, and other data and documentary evidence necessary in the performance of the functions assigned by this section, which subpena, in the case of contumacy or refusal to obey, shall be enforceable by order of any appropriate United States district court: *Provided*, That procedures other than subpenas shall be used by the Inspector General to obtain documents and information from Federal agencies;

"(E) to have direct and prompt access to the Secretary when necessary for any purpose pertaining to the performance of functions and responsibilities under this section;

"(F) to select, appoint, and employ such officers and employees as may be necessary for carrying out the functions, powers, and duties of the Office subject to the provisions of title 5, governing appointments in the competitive service, and the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates;

"(G) to obtain services as authorized by section 3109 of title 5, at daily rates not to exceed the equivalent rate prescribed for grade GS-18 of the General Schedule by section 5332 of title 5; and

"(H) to the extent and in such amounts as may be provided in advance by appropriations Acts, to enter into contracts and other arrangements for audits, studies, analyses, and other services with public agencies and with private persons, and to make such payments as may be necessary to carry out the provisions of this section.

"(2)(A) Upon request of the Inspector General for information or assistance under paragraph (1)(C), the head of any Federal agency involved shall, insofar as is practicable and not in contravention of any existing statutory restriction or regulation of the Federal agency from which the information is requested, furnish to such Inspector General, or to an authorized designee, such information or assistance.

"(B) Whenever information or assistance requested under paragraph (1)(A) or (1)(C) is, in the judgment of the Inspector General unreasonably refused or not provided, the Inspector General shall report the circumstances to the Secretary without delay.

"(C) The Secretary shall provide the Office with appropriate and adequate office space at central and field office locations of the Department, together with such equipment, office supplies, and communications facilities and services as may be necessary for the operation of such offices, and shall provide necessary maintenance services for such offices and the equipment and facilities located therein.

"(f)(1) The Inspector General may receive and investigate complaints or information from an employee of the Department concerning the possible existence of an activity constituting a violation of law, rules, or regulations, or mismanagement, gross waste of funds, abuse of authority or a substantial and specific danger to the public health and safety.

"(2) The Inspector General shall not, after receipt of a complaint or information from an employee, disclose the identity of the employee without the consent of the employee, unless the Inspector General determines such disclosure is unavoidable during the course of the investigation.

"(3) Any employee who has authority to take, direct others to take, recommend, or approve any personnel action, shall not, with respect to such authority, take or threaten to take any action against any employee as a reprisal for making a complaint or disclosing information to the Inspector General, unless the complaint was made or the information disclosed with the knowledge that it was false or with willful disregard for its truth or falsity.

"(a)(1) Nothing in this section shall be construed to authorize the public disclosure by any individual of any information which is—

"(A) specifically prohibited from disclosure by any other provision of law; or

"(B) specifically required by Executive order to be kept secret in the interest of national defense or the conduct of foreign affairs.

"(2) Nothing in this subsection shall be construed to authorize or permit the withholding of information from the Congress, or from any committee or subcommittee thereof.

"(h)(1) There are transferred to the Office—

"(A) the offices of the Department referred to as the 'Defense Contract Audit Agency', the 'Defense Audit Service', and the 'Office of Inspector General, Defense Logistics Agency', and that portion of the office referred to as the 'Defense Investigative Service' which has responsibility for the investigation of alleged criminal violations and program abuse; and

"(B) such other offices or agencies, or functions, powers, or duties thereof, as the Secretary may determine are properly related to the functions of the Office and would, if so transferred, further the purposes of this section, except that there are not transferred to the office under subparagraph (B) program operating responsibilities.

"(2) The personnel, assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds employed, held, used, arising from, available or to be made available, of any office or agency the functions, powers, and duties of which are transferred under paragraph (1) are transferred to the Office.

"(3) Personnel transferred pursuant to paragraph (2) shall be transferred in accordance with applicable laws and regulations relating to the transfer of functions except that the classification and compensation of such personnel shall not be reduced for one year after such transfer.

"(4) In any case where all the functions, powers, and duties of any office or agency are transferred pursuant to this subsection, such office or agency shall lapse. Any person who, on the effective date of this section, held a position compensated in accordance with the General Schedule, and who, without a break in service, is appointed in the Office to a position having duties comparable to those performed immediately preceding such appointment, shall continue to be compensated in the new position at not less than the rate provided for the previous position, for the duration of service in the new position.

"(1) the term 'Secretary' means the Secretary of Defense;

"(2) the term 'Department' means Department of Defense;

"(3) the term 'Office' means the Office of Inspector General of the Department of Defense established by subsection (a); and

"(4) the term 'Inspector General' means the Inspector General of the Department of Defense appointed pursuant to subsection (b).".

(2) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new item:

"140c. Inspector General.".

(b) Section 5315 of title 5, United States Code, is amended by adding at the end thereof the following new paragraph:

"Inspector General, Department of Defense.".

Mr. PRYOR. Mr. President, this bill proposes to authorize an unprecedented $180 billion to the Department of Defense; as a part of the proposed $260 billion defense budget for fiscal year 1983. These funds need to be watched. Indeed, we need every possible check and control over these funds. In short, we need an independent "Inspector General" at the Defense Department.

I am, therefore, proposing an amendment to establish an independent "Inspector General" at DOD.

In 1978, Congress created the Office of Inspector General for almost every Federal department except for the Department of Defense. Thanks to the leadership of the Senator from Missouri (Mr. EAGLETON), the Congress took one of the most cost-effective and sensible actions in our country's history. As a result we have saved billions of taxpayers' dollars.

In May of last year—almost exactly a year ago—the House of Representatives, through the efforts of the distinguished chairman of its Government Operations Committee, Congressman JACK BROOKS of Texas, passed legislation creating an Inspector General in the Department of Defense.

I believe it is critical for the Senate to act now. I had hoped that the Senate by today would have approved legislation like the House approved almost a year ago, but we have not. Last December I considered proposing such an amendment to the Defense appropriation bill, but refrained because I thought such legislation would be brought before the full Senate early this year. Had that happened, I would not, of course, be proposing this amendment.

Mr. President, why am I so impatient? It is because the taxpayers are impatient and the stakes are so high. We are spending today at the rate of almost a billion dollars a day, Monday to Friday of every week for Defense Department activities. Every weekday without an IG is a billion dollar opportunity lost.

The American people want a Department of Defense that is plainly subject to the same controls as those in other Government agencies. We have an Inspector General at the Agriculture Department with 880 staff members who keeps an eye on less than $20 billion. but we have no Inspector General at the Pentagon to watch over $260 billion.

Yes, we have auditors and inspectors within the Defense Department. In fact, we have 18 separate organizations, and 18,000 people in various services who work on small parts of the puzzle. This situation is fragmented, however, and as a result no one is fully responsible or accountable.

Nowhere in Government is a responsible and totally independent Inspector General needed more than at the Defense Department. We need someone, Mr. President, who is "mean as a junkyard dog," to use a phrase of the present administration. We need someone who is not a family pet or a house puppy. It should be a person who has enough independence and power to strike fear in the hearts of anyone tampering with tax dollars—whether the wrongdoer is military, civilian, contractor, or lobbyist.

And we need someone now, Mr. President. Already millions has been misspent. We will soon approve gargantuan spending increases. Yet all indications from the Defense Department are that any future Inspector General should be "different" from those at other agencies. The Pentagon feels that an exception should be made, and that any function along this line should be carried out by one of their own.

Let me illustrate this position by referring to the testimony of William H. Taft IV, general counsel to the Defense Department, at a Senate hearing last June 18:

> Those provisions which establish the independence of the Inspector General in the Department of Defense are completely inconsistent with the hierarchical commander, subordinate relationship that is at the heart of any military organization and is embodied in the chain of command . . . These provisions do not encourage the individual to work with the Secretary as part of his team. In our view, the Secretary of Defense must have the ability to terminate any review process or investigation that the Inspector General may initiate which would jeopardize national security.

Mr. President, we must now invest in an Inspector General for the Defense Department the resources and authority to perform the job the taxpayer needs and deserves.

We need an IG who is not "part of the management team" at the department. We do not need more of the "buddy system"—we need hard-nosed investigations, led by a person not obligated to the Secretary of Defense for his or her job but whose only obligation is to the President, the Congress, and the American people. We need an Inspector General who is independent, Mr. President. An IRS auditor should not feel like a teammate of someone being audited and neither should an Inspector General be a buddy of the program manager of a program being audited.

We need to prevent improper assertions of national security classifications which are designed solely to keep an Inspector General from making embarrassing revelations of waste or misconduct. Unfounded claims of national security are occurring—witnesses have so testified and press reports have revealed specific incidents. The watchdog should not be kept on a tight statutory leash or forced to wear blinders. He or she should be able to look anywhere and everywhere for waste, fraud, and abuse, cost overruns or excessive profits of contractors

The General Accounting Office has stated the following:

> We supported the Inspector General Act of 1978 and other legislation that has centralized internal audit and investigative activities in certain federal agencies under statutory inspectors general. We believe such legislation is beneficial because it would insure that:
>
> High level agency attention is given to promoting economy and efficiency and combating fraud, waste, and abuse:

> The work of audit and investigative units in those agencies and throughout the government is better coordinated; and
>
> Both the Congress and agency heads receive information on problems involving economy and efficiency and fraud and abuse.

This amendment is modeled after H.R. 2098 in large part. In testimony before congressional committees in July 1978 and August 1980, GAO supported the concept of an Inspector General for Defense and reported that such an office was feasible and desirable. Further, GAO supported passage of H.R. 2098 in an August 19, 1981, letter to the chairman, Senate Committee on Governmental Affairs.

As to Defense Inspector General legislation, GAO has said:

> Our reviews of the internal audit agencies, DCAA, and the inspector general organizations have given us a good understanding of Defense's oversight organizations and how internal controls can be improved. We believe the inspector general's degree of independence, congressional report responsibility, unrestrained scope of work, and combined auditing and investigating capabilities as contemplated under H.R. 2098 and S. 1932 would result in improved internal controls and better congressional oversight of Defense activities.

We need checks and balances like those created by the Inspector General Act. The Inspectors General provide independent reviews to the agency and the Congress and this allows decisions to be made on unbiased and complete information. They are watchdogs for the taxpayer. As we look back on their performance we can say that their creation in 1978 in many civilian agencies was truly one of the most cost-effective actions the Congress has ever taken. They have demonstrated that value of promoting efficiency and economy, and I believe it is time to unleash yet another independent Inspector General on the one department where we have the most to gain—the Department of Defense.

I do not believe that we should set apart the DOD-IG from the role which has proved so effective. We should not make an exception for the Defense Department. I am aware of the objections of the Department of Defense to an independent IG—that national security interests are involved and that we need to protect against unauthorized disclosures—but I am not convinced that this is the obstacle it has been portrayed to be by DOD officials.

Mr. President, there is not an agency in existence today that does not deal with sensitive, and often highly classified information, yet, I have seen no situations where an IG compromised an agency by intentional or inadvertent disclosure. For example, the IG at the Department of Energy has responsibility over the national laboratories which provide the technology and production facilities for this country's entire stock of nuclear warheads, and the presence of an independent—I stress independent—IG has not proven to be a threat to these programs.

Programmatic savings are possible within DOD, but history has shown that "management team" savings are limited by the vested interests present. An independent IG has no such vested interests but rather a duty to the taxpayers. It is imperative that we act quickly to provide just such a position—the taxpayers deserve to be represented in DOD. This IG must know that the Congress supports an independent IG at DOD and if we are going to expect the DOD-IG to be a real IG, then we must give this individual the necessary authority, resources, and independence to do the job. Otherwise, we give the Secretary of Defense a puppy instead of a watchdog—and the taxpayers will lose in the end, and an inefficient, costly procurement system will continue to lose the confidence of our people.

This amendment would establish a statutory Office of Inspector General in Defense modeled after the 15 statutory civil agency inspectors. The Inspector General, to be appointed by the President with the advice and consent of the Senate, would be under the general supervision of the Secretary or Deputy Secretary. However, neither the Secretary nor Deputy Secretary could prevent the Inspector General from initiating, carrying out, or completing any audit or investigation, or from issuing any subpena during the course of any audit or investigation.

The proposed Inspector General would have wide latitude in performing audits and investigations throughout the Department. Responsibilities would include keeping the Secretary and the Congress informed of fraud, abuses, and deficiencies; recommending corrective action; and reporting on progress made in implementing the corrective action. "Whistle-blower" complaints would also be received and investigated. Semi-annual reports to the Congress would be required.

In carrying out these responsibilities, the Inspector General would be required to comply with standards established by the Comptroller General of the United States for audits of Federal establishments, organizations, programs, activities, and functions. In addition, the Inspector General would be required to expeditiously report to the Attorney General whenever he or she had reasonable grounds to believe that Federal criminal law had been violated.

The Inspector General's office would include the Defense Audit Service, the Defense Contract Audit Agency, the Defense Logistics Agency Inspector General, and the portion of Defense Investigative Service responsible for the investigation of alleged criminal violations and program abuse.

Additionally, the amendment I propose would provide that the IG is to:

First, examine and review defense program cost growth and report the causes to the Defense Secretary and the Congress through a requirement of quarterly reports by each agency on all contracts exceeding $5 million in annual costs;

Second, advise the Secretary regarding excessive contractor profits; and

Third, establish and direct an Office of Acquisition Compliance.

This amendment would give clear specific authority to the Inspector General to review cost overruns, excessive profits and noncompliance with contracting laws and procedures. It would give teeth to the watchdog in a clear, unambiguous statutory obligation mandate by Congress.

Mr. President, we see today in the Department of Defense that in the procurement area alone 60 percent of all procurement of the Department of Defense is sole source without competitive bids. We see, according to the General Accounting Office, a 132 percent cost growth in many of the major procurement and weapons systems that the Department of Defense is involved with.

I strongly support, Mr. President, the idea and the concept of an independent Inspector General, an individual nominated by the President and confirmed or at least advised and consented to by the Senate of the United States.

UP AMENDMENT NO. 923

(Purpose: To amend the amendment relating to the establishment of an Office of Inspector General in the Department of Defense)

Mr. BENTSEN. Mr. President, I send an amendment to the desk in the nature of a substitute amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

> The Senator from Texas (Mr. Bentsen) for himself, Mr. Danforth, Mr. Eagleton, Mr. Inouye, Mr. Exon, Mr. Pryor, Mr. Bradley, Mr. DeConcini, Mr. Baucus, Mr. Cranston, Mr. Pell, Mr. Randolph, Mr. Melcher, Mr. Proxmire, Mr. Chiles, Mr. Riegle, Mr. Burdick, Mr. Dixon, Mr. Bumpers, Mr. Levin, Mr. Ford, Mr. Boren, and Mr. Robert C. Byrd, proposes an unprinted amendment numbered 923 in the nature of a substitute for the Pryor amendment.

Mr. BENTSEN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Amendment No. 923

To the amendment (No. 922) intended to be proposed by Mr. Pryor.

In lieu of the language proposed to be inserted, insert the following:

Sec. . (a)(1) Chapter 4 of title 10, United States Code, is amended by adding at the end thereof the following new section:

" 140c. Inspector General.

"(a) There is established in the Department of Defense an Office of Inspector General. The Office shall—

"(1) conduct and supervise audits and investigations relating to programs and operations of the Department;

"(2) provide leadership and coordination and recommend policies for activities designed (A) to promote economy, efficiency, and effectiveness in the administration of, and (B) to prevent and detect fraud and abuse in such programs and operations; and

"(3) provide a means for keeping the Secretary of Defense and the Congress fully and currently informed about problems and deficiencies relating to the administration of such programs and operations and the necessity for and progress of corrective action.

"(b) (1) There shall be at the head of the Office an Inspector General who shall be appointed by the President, by and with the advice and consent of the Senate, without regard to political affiliation and solely on the basis of integrity and demonstrated ability in accounting, auditing, financial analysis, law, management analysis, public administration, or investigations. No member of the Armed Forces, active or reserve, shall be appointed Inspector General of the Department of Defense. Except as provided in paragraph (2), the Inspector General shall report to and be under the general supervision of the Secretary or, to the extent such authority is delegated, the Deputy Secretary next in order of precedence below the Secretary, but shall not report to, or be subject to supervision by, any other officer of the Department. Except as provided in paragraph (2), neither the Secretary nor the Deputy Secretary next in order of precedence below the Secretary shall prevent or prohibit the Inspector General from initiating, carrying out, or completing any audit or investigation, or from issuing any subpoena during the course of any audit or investigation.

"(2) Notwithstanding the second and third sentences of paragraph (1), the Inspector General shall be under the authority, direction, and control of the Secretary with respect to:

(A) intelligence activities:

(B) counterintelligence activities; or

(C) operations planning determined by the Secretary to be sensitive to the national security.

"(3) With respect to the activities listed in subparagraph (2) tahe Secretary of Defense may prohibit the Inspector General from initiating, carrying out, or completing any audit or investigation, or from issuing any subpoena, after the Inspector General has decided to initiate, carry out or complete such audit or investigation or to issue such subpoena, if the Secretary determines that proceeding with such audit, investigation or subpoena could compromise, undermine, reveal or otherwise represent a threat to such activities.

"(c) Within 30 days after exercising the authority described in subparagraph (3) the Secretary shall transmit a statement of the reasons therefore, to the appropriate committees or subcommittees of the Congress and to the Committee on Government Affairs of the Senate and the Committee on Government Operations of the House of Representatives.

"(3) The Inspector General may be removed from office by the President. The President shall communicate the reasons for any such removal to both Houses of Congress.

"(4) For the purposes of section 7324 of title 5, the Inspector General shall not be considered to be an employee who determines policies to be pursued by the United States in the nationwide administration of Federal laws.

"(5) The Inspector General shall, in accordance with applicable laws and regulations governing the civil service—

"(A) appoint an Assistant Inspector General for Auditing who shall have the responsibility for supervising the performance of auditing activities relating to programs and operations of the Department, and

"(B) appoint an Assistant Inspector General for Investigations who shall have the responsibility for supervising the performance of investigative activities relating to such programs and operations.

"(c)(1) It is the duty and responsibility of the Inspector General—

"(A) to provide policy direction for and to conduct, supervise, and coordinate audits and investigations relating to the programs and operations of the Department;

"(B) to review existing and proposed legislation and regulations relating to programs and operations of the Department and to make recommendations in the semiannual reports required by subsection (d)(1) concerning the impact of such legislation or regulations on the economy and efficiency in the administration of programs and operations administered or financed by the Department or the prevention and detection of fraud and abuse in such programs and operations;

"(C) to recommend policies for, and to conduct, supervise, or coordinate other activities carried out or financed by the Department for the purpose of promoting economy and efficiency in the administration of, or preventing and detecting fraud and abuse in, its programs and operations;

"(D) to recommend policies for, and to conduct, supervise, or coordinate relationships between the Department and other Federal agencies, State and local governmental agencies, and non-governmental entities with respect to (i) all matters relating to the promotion of economy and efficiency in the administration of, or the prevention and detection of fraud and abuse in, programs and operations administered or financed by the Department, or (ii) the identification and prosecution of participants in such fraud or abuse; and

"(E) to keep the Secretary and the Congress fully and currently informed, by means of the reports required by subsection (d) and otherwise, concerning fraud and other serious problems, abuses, and deficiencies relating to the administration of programs and operations administered or financed by the Department, to recommend corrective action concerning such problems, abuses, and deficiencies, and to report on the progress made in implementing such corrective action.

"(2) In carrying out the responsibilities specified in paragraph (1) (A), the Inspector General shall—

"(A) comply with standards established by the Comptroller General of the United States for audits of Federal establishments, organizations, programs, activities, and functions;

"(B) establish guidelines for determining when it shall be appropriate to use non-Federal auditors; and

"(C) take appropriate steps to assure that any work performed by non-Federal auditors complies with the standards established by the Comptroller General as described in subparagraph (A).

"(3) In carrying out the duties and responsibilities established under this section, the Inspector General shall give particular regard to the activities of the Comptroller General of the United States with a view toward avoiding duplication and insuring effective coordination and cooperation.

"(4) In carrying out the duties and responsibilities established under this section, the Inspector General shall report expeditiously to the Attorney General whenever the Inspector General has reasonable grounds to believe there has been a violation of Federal criminal law.

"(d)(1) The Inspector General shall, not later than April 30 and October 31 of each year, prepare semiannual reports summarizing the activities of the Office during the immediately preceding six-month periods ending March 31 and September 30. Such reports shall include, but need not be limited to—

"(A) a description of significant problems, abuses, and deficiencies relating to the administration of programs and operations of the Department disclosed by such activities during the reporting period;

"(B) a description of the recommendations for corrective action made by the Office during the reporting period with respect to significant problems, abuses, or deficiencies identified pursuant to subparagraph (A);

"(C) an identification of each significant recommendation described in previous semiannual reports on which corrective action has not been completed;

"(D) a summary of matters referred to prosecutive authorities and the prosecutions and convictions which have resulted;

"(E) a summary of each report made to the Secretary under subsection (e)(2)(B) during the reporting period; and

"(F) a listing of each audit report completed by the Office during the reporting period.

"(2) Semiannual reports of the Inspector General shall be furnished to the Secretary not later than April 30 and October 31 of each year and shall be transmitted by the Secretary to the appropriate committees or subcommittees of the Congress within thirty days after receipt of the report, together with a report by the Secretary containing any comments the Secretary deems appropriate.

"(3) Within sixty days of the transmission of the semiannual reports of the Inspector General to the Congress, the Secretary shall make copies of such report available to the public upon request and at a reasonable cost.

"(4) The Inspector General shall report immediately to the Secretary whenever the Inspector General becomes aware of particularly serious or flagrant problems, abuses, or deficiencies relating to the administration of programs and operations of the Department. The Secretary shall transmit any such report to the appropriate committees or subcommittees of Congress within seven calendar days, together with a report by the Secretary containing any comments such head deems appropriate.

"(e)(1) In addition to the authority otherwise provided by this section, the Inspector General, in carrying out the provisions of this section, is authorized—

"(A) to have access to all records, reports, audits, reviews, documents, papers, recommendations, or other material available to the Department which relate to programs and operations with respect to which that Inspector General has responsibilities under this section;

"(B) to make such investigations and reports relating to the administration of the programs and operations of the Department as are, in the judgment of the Inspector General, necessary or desirable.

"(C) to request such information or assistance as may be necessary for carrying out the duties and responsibilities provided by this section from any Federal, State, or local governmental agency or unit thereof;

"(D) to require by subpena the production of all information, documents, reports, answers, records, accounts, papers, and other data and documentary evidence necessary in the performance of the functions assigned by this section, which subpena, in the case of contumacy or refusal to obey, shall be enforceable by order of any appropriate United States district court: *Provided*, That procedures other than subpenas shall be used by the Inspector General to obtain documents and information from Federal agencies;

"(E) to have direct and prompt access to the Secretary when necessary for any purpose pertaining to the performance of functions and responsibilities under this section;

"(F) to select, appoint, and employ such officers and employees as may be necessary for carrying out the functions, powers, and duties of the Office subject to the provisions of title 5, governing appointments in the competitive service, and the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates;

"(G) to obtain services as authorized by section 3109 of title 5, at daily rates not to exceed the equivalent rate prescribed for grade GS-18 of the General Schedule by section 5332 of title 5; and

"(H) to the extent and in such amounts as may be provided in advance by appropriations Acts, to enter into contracts and other arrangements for audits, studies, analyses, and other services with public agencies and with private persons, and to make such payments as may be necessary to carry out the provisions of this section.

"(2)(A) Upon request of the Inspector General for information or assistance under paragraph (1)(C), the head of any Federal agency involved shall, insofar as is practicable and not in contravention of any existing statutory restriction or regulation of the Federal agency from which the information is requested, furnish to such Inspector General, or to an authorized designee, such information or assistance.

"(B) Whenever information or assistance requested under paragraph (1)(A) or (1)(C) is, in the judgment of the Inspector General, unreasonably refused or not provided, the Inspector General shall report the circumstances to the Secretary without delay.

"(C) The Secretary shall provide the Office with appropriate and adequate office space at central and field office locations of the Department, together with such equipment, office supplies, and communications facilities and services as may be necessary for the operation of such offices, and shall provide necessary maintenance services for such offices and the equipment and facilities located therein.

"(f)(1) The Inspector General may receive and investigate complaints or information from an employee of the Department concerning the possible existence of an activity constituting a violation of law, rules, or regulations, or mismanagement, gross waste of funds, abuse of authority or a substantial and specific danger to the public health and safety.

"(2) The Inspector General shall not, after receipt of a complaint or information from an employee, disclose the identity of the employee without the consent of the employee, unless the Inspector General determines such disclosure is unavoidable during the course of the investigation.

"(3) any employee who has authority to take, direct others to take, recommend, or approve any personnel action, shall not, with respect to such authority, take or threaten to take any action against any employee as a reprisal for making a complaint or disclosing information to the Inspector General, unless the complaint was made or the information disclosed with the knowledge that it was false or with willful disregard for its truth or falsity.

"(g)(1) Nothing in this section shall be construed to authorize the public disclosure by any individual of any information which is—

"(A) specifically prohibited from disclosure by any other provision of law; or

"(B) specifically required by Executive order to be kept secret in the interest of national defense or the conduct of foreign affairs.

"(2) Nothing in this subsection shall be construed to authorize or permit the withholding of information from the Congress, or from any committee or subcommittee thereof.

"(h)(1) There are transferred to the Office—

"(A) the offices of the Department referred to as the 'Defense Contract Audit Agency', the 'Defense Audit Service', and the 'Office of Inspector General, Defense Logistics Agency', and that portion of the office referred to as the 'Defense Investigative Service' which has responsibility for the investigation of alleged criminal violations and program abuse; and

"(B) such other offices or agencies, or functions, powers, or duties thereof, as the Secretary may determine are properly related to the functions of the Office and would, if so transferred, further the purposes of this section,

except that there are not transferred to the Office under subparagraph (B) program operating responsibilities.

"(2) the personnel, assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds employed, held, used, arising from, available or to be made available, of any office or agency the functions, powers, and duties of which are transferred under paragraph (1) are transferred to the Office.

"(3) Personnel transferred pursuant to paragraph (2) shall be transferred in accordance with applicable laws and regulations relating to the transfer of functions except that the classification and compensation of such personnel shall not be reduced for one year after such transfer.

"(4) In any case where all the functions, powers, and duties of any office or agency are transferred pursuant to this subsection, such office or agency shall lapse. Any person who, on the effective date of this section, held a position compensated in accordance with the General Schedule, and who, without a break in service, is appointed in the Office to a position having duties comparable to those performed immediately preceding such appointment shall continue to be compensated in the new position at not less then the rate provided for the previous positions, for the duration of service in the new position.

"(i) For purposes of this section—

"(1) the term 'Secretary' means the Secretary of Defense;

"(2) the term 'Department' means the Department of Defense;

"(3) the term 'Office' means the Office of Inspector General of the Department of Defense established by subsection (a); and

"(4) the term 'Inspector General' means the Inspector General of the Department of Defense appointed pursuant to subsection (b).".

(2) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new item:

"140c. Inspector General.".

(b) Section 5315 of title 5, United States Code, is amended by adding at the end thereof the following new paragraph:

"Inspector General, Department of Defense.".

Mr. BENTSEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. KASTEN). Without objection, it is so ordered.

Mr. BENTSEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mr. BENTSEN. Mr. President, first let me congratulate the senior Senator from Texas for presenting what I think is a well-reasoned and well-balanced defense bill. We have a situation where the Russians have spent some $350 billion over the last decade in expenditures beyond that which we spent. We have a situation where back at the Cuban missile crisis we were substantially ahead and in the eyeball-to-eyeball confrontation between Khrushchev and Jack Kennedy, finally, Khrushchev blinked. The reason he did was because we were so far ahead in our military might.

That was the time when Khrushchev said, "You will never again embarrass us like this," and set about the defenses and the military strength of the Soviets.

Now, you can argue over who is ahead, whether we are ahead in this weapons system or they are ahead in that weapons system. But the one thing you cannot argue about is if we do not increase defense expenditures in this country, they are going to be substantially ahead of us and then the free world will be lost, and we will lose everything our forefathers tried to bring us in this country.

So now we are in a situation for competing for finite resources in the country, trying to decide what can be done. I served for years on the board of a defense industry. I was chairman of the audit committee. I know the problems

that develop as you try to accelerate defense production and how you can develop choke points in that production.

I also know that today you have a lot less subcontractors than you had at the time of the Vietnam war. I also know that today we are trying to do some of the things that gave Lyndon Johnson problems in having guns and butter at the same time. And yet I know that we have no other choice but to increase defense expenditures. But the one thing we must do in increasing those defense expenditures is to see that the taxpayers' money is wisely spent.

I spent 16 years building a business. The one thing I understood is you could expect what you inspect. You could expect what you inspect. If they know that you are going to be auditing and you are going to be checking on them and you are going to try to see that that money is wisely spent, then they spend it, to the best of their ability, in a wise and judicious manner and in a manner to try to see that they live up to the expectations of those who might designate them with the responsibility and then come back with the audit.

We set about setting up independent inspectors general for other agencies and departments, but, at the time we did that, we held off on the Defense Department, we held off on Treasury, and we held off on Justice, because we said they were different. We wanted to be sure and we wanted more time to study it.

Now the General Accounting Office has come in and said, "We have studied it. We have looked at it. We think it ought to be an independent Inspector General."

Then Secretary Carlucci came over and said, "I am concerned. I am concerned about matters of intelligence. I am concerned about matters that might affect national security."

I am not sure I fully buy the argument—in fact, I really do not—the idea that auditors for some reason or other cannot clear national security status as well as any other American. I think they are just as much patriots as any other Americans. But out of an abundance of caution in trying to insure in that kind of a situation that we do not have a problem, I have changed the original amendment I had and said in those instances that affect national security, that are sensitive to the national security, and in those instances which are intelligence matters, the Secretary of Defense would have authority over those auditors. But in all the other instances of expenditures of the taxpayers' money, this is an independent Inspector General. If they made a bust, if they have blown it on how they have spent our money, then they will not be free from embarrassment by that audit.

There cannot be a situation where one of them comes up to the Secretary and says, "Please stop that one. Please stop that one because that is going to embarrass us with the decision we made."

They will not be able to do it. That audit will take place, regardless of whom it might embarrass, and the country will be better informed for it.

I occupy an office in the U.S. Senate in the Russell Building that was occupied by Harry Truman. Harry Truman performed a great service in World War II as a Senator by being chairman of the Preparedness Committee. There were not many fellows who were tougher than Harry Truman was in trying to see that the taxpayers' money was properly spent.

I think it is in that mood, with that kind of an objective, that I have offered this amendment.

The amendment of the Senator from Arkansas is a good one. I have tried to improve upon it in order to meet the objection and the concern of Secretary Carlucci. I believe we have done that.

Mr. President, as I said earlier, I commend my friend the distinguished chairman of the Armed Services Committee—the senior Senator from Texas—for bringing to the floor a well-balanced and carefully considered program to meet this country's defense requirements in the years ahead.

Senator STENNIS, the ranking minority member of the committee, has long been renowned for his commitment to our national defense and also deserves the thanks of the Senate for a job well done.

It seems to me, Mr. President, that the effort to make maximum effective use of finite resources is one of the great challenges facing America in the decade of the eighties.

For many years now we have permitted the Soviets to outspend us on defense by hundreds of billions of dollars. In the process we have seen our adversary eliminate many of the strategic and military advantages we held for so long. We have seen new vulnerabilities develop in our defense posture and we have witnessed, time and again, a Soviet determination to expand their sphere of influence and control.

We are attempting to shore up our defense effort and repair the damage of decades during a time of economic uncertainty. It is not a simple task. It cannot be accomplished overnight. There are obvious constraints on what we can spend and what we can produce efficiently in the short term.

Obviously, Mr. President, if we want a national defense that is truly second to none and is capable of defending our freedoms against the forces of repression. We must be prepared to sacrifice in the cause of defense. At the same time, we must appreciate that there are economic and political limits to what can be achieved.

The committee and the Congress have made a sound and responsible beginning. We are working in a practical, honest, and realistic way to balance the imperatives of national defense against the realities of recession and record budget deficits.

We began the process last year when Congress appropriated nearly $200 billion for strategic and conventional weapons, research and development, operations and maintenance, and manpower requirements. The Armed Services Committee's recommendation currently before the Senate addresses our strategic and manpower needs in a balanced, responsible, cost-effective manner.

It continues the process of steady, controlled, real growth in defense spending that should enable us to restore America's military might without destroying the fundamental strength of our free market economy.

However, as we accept the commitment to insure that America does not come out second best in the vital area of national defense, we must also redouble our efforts to eliminate wasteful, unnecessary spending in all Federal programs, starting with defense, which is the area where we can least afford waste or inefficiency.

I commend my colleagues on the committee for saying no to programs that are ineffective or excessively costly in relation to current needs and resources. However, notwithstanding the committee's efforts, I believe we must carefully scrutinize the recommendation before us to make certain that our defense needs are not being met at the expense of our overall economy.

I believe—and I know my colleagues on both sides of the aisle will agree—that the demand for economy and efficiency in Government is an indispensable element in our search for an appropriate response to the very difficult economic challenges that face America in the decade of the eighties.

At a time of emerging differences on how this country should invest its resources and manage its economy, America cannot tolerate waste, fraud, or mismanagement in an area vital to our national security.

It is for this reason, Mr. President, that I send to the desk an amendment to establish within the Department of Defense an independent, objective Inspector General, with authority to conduct audits and investigations to weed out waste and fraud in defense spending and programs.

My amendment is designed with only one purpose in mind: To save the American taxpayers money without sacrificing vital national security interests.

Reduction of waste, fraud, and abuse in Federal spending has been a high priority of every Congress and every administration in recent history.

Numerous studies and hearings have been conducted to determine the best means to accomplish this objective. Back in 1978, Congress passed the Inspector General Act to establish Offices of Inspector General in certain departments and agencies. These offices were given independent authority to conduct audits and investigations relating to programs and operations.

Under the act, the Inspectors General were also empowered to recommend policies for activities designed to promote economy, efficiency, and effectiveness in the administration of Federal programs. They were given a mandate to prevent and detect fraud and abuse.

Passage of the act was a strong expression of congressional commitment to eliminating inefficient, wasteful, and unnecessary Federal spending and programs. The 1978 act excluded the Departments of Defense, Education, Justice, State, Treasury, and AID because the activities of these agencies were sufficiently different from those covered by the act that it was felt additional study was needed before applying the provisions of the act to these agencies.

These studies have been completed and statutory Inspectors General have been established for the Education and State Departments. I see no logical reason for the continued exclusion of these remaining departments and agencies from the substantive provisons of the act.

In addition to the numerous studies commissioned by the House and Senate Governmental Affairs Committees on this issue, the General Accounting Office conducted an in-depth study of the audit and investigative units within the Department of Defense.

GAO published its findings in a report, dated February 5, 1982, entitled, "Who Is Watching the Defense Dollars," and recommended enactment of legislation to centralize audit and investigative activities in Federal agencies under statutory Inspectors General.

More specifically, GAO stated:

> We believe the Inspector General's degree of independence, congressional report responsibility, unrestrained scope of work, and combined auditing and investigating capabilities as contemplated under H.R. 2098 and S. 1932 would result in improved internal controls and better congressional oversight of defense activities."

Mr. President, the amendment I am offering is similar to legislation endorsed by GAO, with the only difference being the inclusion in the amendment to insure that the Secretary of Defense will maintain control over all activities related to intelligence matters and sensitive to national security.

Inclusion of this language provides a proper balance of the need for Congress and the American taxpayer to have a credible, independent means of monitoring the hundreds of billions of dollars we appropriate for our national defense, and the need for the Secretary to have control over activities vital to our national security.

I recall just 6 months ago when we were debating the defense appropriations bill for 1982, many Members of the Senate proposed amendments to get at what the Director of OMB, Mr. Stockman, had referred to as a "swamp of waste in inefficiency" in the Department of Defense. Most of these amendments were dismissed as arbitrary or not sufficiently specific to warrant across-the-board cuts in defense spending.

The general feeling was that there was waste in the Department of Defense, but we were unable to identify and eliminate it without jeopardizing legitimate programs essential to our national defense.

With an independent Inspector General in the Department of Defense, responsible to Congress as well as the Secretary, we will have additional information at our disposal when making spending decisions a national defense.

We will be better able to monitor how the hundreds of billions of dollars we appropriate for defense are being spent.

My amendment also provides for improved supervision, coordination, and cooperation of the more than 18,000 auditors, investigators, and support personnel employed by the Department of Defense, at a cost of $500 million a year.

While the majority of these auditors and investigators are employed by the military services, approximately 5,600 are employed in management level functions of the Department, without central coordination and supervision.

Recognizing that these individuals perform important duties it is nonetheless remarkable, almost incomprehensible, that they lack common supervision, coordination and direction. Even more remarkable, is the fact that the work of these auditors and investigators is subject to the veto of the Secretary, at his discretion.

The idea that the Secretary can negate the initiation or conduct of any audit or investigation, is totally opposite to what Congress intended in authorizing the Inspector Generals' program.

As a very minimum, I believe it is essential that we have an independent Inspector General within the Pentagon, with freedom to conduct audits and investigations without interference or obstruction from the agencies involved.

If it comes to the attention of the Inspector General that a mistake has been made in the selection, development, or operation of a weapon or program, the person responsible for that mistake should not be able to lobby the Secretary to call off the Inspector General to avoid the embarassment of the mistake being made public. This would do nothing to enhance our national security, nor increase the public's confidence in the ability or willingness of the Defense Department to police itself.

I had the privilege of serving on the board of directors of a company engaged in defense work before coming to the Senate in 1971.

During the Vietnam war, I chaired an independent audit board, responsible for looking into all of the programs and operations of the corporation. If I learned anything from that experience it is—you can expect what you inspect. If a department or agency knows it is subject to close scrutiny and inspection by a tough, independent auditor, it will be a lot more careful about how it runs its program and spends its money.

And that, Mr. President, is really the heart of my amendment. I want to insure that the Congress and American taxpayers have a credible, independent means of determining that the money we appropriate for our national defense is not wasted by reason of fraud, abuse, or mismanagement.

Unfortunately, the Pentagon opposes my amendment and is on record as opposing any legislation to create an independent Inspector General within the Pentagon. It is their opinion that in order to preserve the integrity of the chain of command the Inspector General for the Department must be under the authority, direction and control of the Secretary. In other words, the Secretary should have the right to call off any audit or investigation he finds unfavorable.

With all due respect to the present Secretary, Mr. President, I find this to be the height of arrogance. If we are to have anything other than a cosmetic Office of Inspector General, we must have independent authority to conduct audits and investigations without interference. Anything less will be a sham, and the public will recognize it as such.

The Pentagon has also objected to the creation of an independent Inspector General on the grounds that it might jeopardize or lead to the disclosure of information related to our national security.

This is a legitimate concern, Mr. President, and I have included language in my amendment giving the Secretary complete authority, direction and control over the activities of the Inspector General with respect to intelligence; counterintelligence; and operations and programs sensitive to our national security.

Further, with respect to the disclosure of information that might jeopardize national security, I have included language in my amendment specifically prohibiting the disclosure of any information which is prohibited from disclosure by any other provision of law, or required by Executive order to be kept secret in the interest of national defense or the conduct of foreign affairs.

I think this more than adequately guards against the disclosure of sensitive intelligence operations, or information related to national security.

Mr. President, I want to stress again the importance of a tough, independent Inspector General within the Department of Defense, as proposed by my amendment and legislation I introduced in December to establish Inspectors General for the Departments of Defense, Justice, Treasury and AID (S. 1932). I think that it is significant that companion legislation introduced in the House by Chairman Brooks, was adopted by a vote of 344 to 65 on May 19, 1981.

This is clear evidence of the broad, bipartisan support for putting a tough, independent Inspector General in the Department of Defense.

Mr. President, I would also like to call to the attention of my colleagues a recent article by the noted columnist, Mr. James Kilpatrick, that appeared in several newspapers around the country on this very issue.

Commenting on the various proposals before the Congress concerning the establishment of an Inspector General for the Department of Defense, Mr. Kilpatrick stated:

> The situation cries out for the appointment of one take-charge Inspector General, responsible solely to the President and the taxpayers, with authority and professional staff to investigate anything, anywhere, in the whole defense establishment.

Mr. President, my amendment accomplishes exactly what Mr. Kilpatrick recommends.

Mr. President, we are trying to make maximum effective use of finite resources under recession conditions. I believe every Member of the Senate has an obligation to use every means available to combat waste, fraud, and abuse in Government spending. My amendment is a good place to start, and I respectfully urge its adoption.

I am pleased to yield to the Senator from Texas.

Mr. TOWER. Will the Senator yield for a question?

Mr. BENTSEN. I am happy to yield.

Mr. TOWER. I do agree with the thrust of what he is trying to do. We all want the Defense Department to operate more efficiently. We want them to save money. I would hasten to say I think probably the Defense Department is probably no more guilty than other agencies of Government in terms of waste and inefficiency. I remember what Mr. McIntyre, the Director of OMB under President Carter said. He said they rated all of the spending agencies of Government, and the Defense Department got a C. All the rest of them flunked.

Mr. BENTSEN. It was in such a big flux.

Mr. TOWER. It is a lot of money that the Defense Department spends, and I think the Senator from Texas is quite right in saying that the taxpayers want an accounting of it. They are entitled to that.

There are some things which concern me. Although if these questions were raised by OMB I think they would be suspect as being self-serving, but they may be legitimate after all.

For example, it may be professional military judgment that spending a little more money on something might make it more combat-effective or provide for better survivability of our troops. I wonder what kind of judgments are going to be tolerated by the auditor in these matters.

For example, we could save a lot of money on the M-1 tank if we did not put blowout panels on it, but we would also not assure the survivability of the crew if the tank is hit.

The question is, where is this auditor going to come up on vital questions of this kind? It may be that in some training exercise they will want to use live ammunition instead of dummy ammunition. Obviously, dummy ammunition is cheaper. There are a lot of cheaper ways that you can do things but they might not be conducive to combat-effectiveness or the survivability of our boys. I wonder if the Senator from Texas has any comment on that question.

Mr. BENTSEN. I would be happy to comment on that.

First, let me tell a little story about the M-1 tank. I was down at Hood the other day and I told them I wanted to drive the M-1 tank. I had heard so many problems about it, so much criticism about it. They said, "Fine." I said, "How do you get into it?" They said, "Just like you get on a horse." I said I could handle that.

The chairman of the Armed Services Committee has been in it, I am sure. They do not have a wheel in the thing but there is a control bar.

I got that thing started and started down a hill about 20 miles an hour. I went through a ravine with water splashing and up the other side at about 30 miles an hour.

The senior Senator from Texas might be surprised with what I was thinking about, but I was really thinking about if I just had that on the Houston Freeway I would be able to handle the situation.

Mr. TOWER. I would like to have it on Rock Creek Parkway.

Mr. BENTSEN. When you talk about a quality question, I think that is a legitimate concern, but that is the same kind of a problem you run into when you are auditing in the Department of Education. They say, "Yes, but we want to talk to you about the quality of the education, and do you as an auditor have the judgment to understand what we are trying to seek here?"

When you get into hard numbers for an auditor, there is no question but what there are considerations beyond just what the lowest bidder might bring in, and that becomes a judgmental matter. It becomes a question on which the auditor has to be counseled by the type of people the Senator is talking about. If an auditor is worth his salt, he is going to be doing that. Any evaluation he makes has to be done with the understanding that that is part of the backgound and the consideration in dealing with numbers.

I think the same thing can be said if you are in other departments, in other agencies. There will be things that will not be just hard numbers. There will be qualitative questions involved.

I really do not think that excepts the Defense Department. I know the Defense Department does not want someone from the outside auditing them. I know the Defense Department does not want someone coming up with something that might embarrass them and they not have any control over it. But I think in the days we are facing now, with a very substantial increase in defense expenditures, more than any time in the past, the taxpayers have a right to demand that we get our full dollar's worth on the expenditures, that the audits be done, and that they be independent audits.

Mr. GOLDWATER. Will the Senator yield?

Mr. BENTSEN. Yes.

Mr. GOLDWATER. Mr. President, I can well understand the concern of anyone in this body about escalating costs of military equipment. I can understand Members of this body wanting to take almost any steps to correct it. I think the first step to suggest would be the inspectors general. But we now have them almost running out of our ears.

What I am afraid of is if we make this type of appointment, No. 1, I do not know where we would go to find one man qualified to be an inspector general over all the different services and all the different departments and units of the services. I do not know the answer to how many staff he would have to have. Would he be required to limit the size of the staff?

I think he would wind up with a very, very large staff, necessarily, even to get the job done or to begin to get the job done.

Mr. President, we now have OMB and the General Accounting Office working in this field. As the Senator knows, over every major weapons system, we have what we call program managers, or PM's, who go from the rank, usually, of captain up to major generals. If I have one suggestion in this field that I have made, but it has not received very good reception, it is that we rotate our officers in the services in the Pentagon too often. I think we would get a better job done if we let them get their field service in, let them get their sea service and their air service, pick out the managerial types, put them in the Pentagon, and leave them there, so they can become extremely expert in the field of management.

I should like to see managers, for example, who are able to detect the very instant of an increased cost and go immediately to the concerned committee of the Congress and report that so that we then give them the help they need to correct this.

There is a group of us who have been working in this field. We have a suggestion floating around now that pretty much follows the idea of inspector general. We are not sure yet whether it will go that way or whether we might be better off with the managerial concept. We are trying to get a proper investigation of the whole problem so that we can come up with better management.

I have to say to my friends that it is a problem of management. It is management on the manufacturing side, it is management on the military side. We do not generally do a good enough job because of the lack of experience.

Mr. President, I would hesitate to vote for the Office of Inspector General for the reasons I have outlined. I think I have been as close to this as any member of the Committee on Armed Services. For example, this year, more on the idea that I might set an example, I picked out a helicopter the cost of which had increased from an original $2.5 million to $16 million and from $9 million to $16 million in about 4 months. We had a thorough investigation of it and the subcommittee of which I am chairman decided not to have it in the Senate budget. And it is not there. The House, of course, will put the entire thing in, the effort has gone for naught.

What I had hoped was that this might serve as an example so that each chairman of each subcommittee could pick out a weapons system that he or others felt had gotten out of hand and make it plain to the manufacturer that we are not married to the idea that we have to buy it. Maybe this would set an example. It did not and we are going to wind up buying those helicopters at an exorbitant price, although they have come down a little bit.

Mr. President, I am in sympathy with what the distinguished Senators are trying to do. I think they have been wise in bringing it to the attention of the Senate. But I can assure both of them that the Senate Committee on Armed Services has been very, very interested in this for years. Under Senator STENNIS, we spent days trying to solve this very intricate problem. But I do believe it rests more in the individual project management of the services and the management by the manufacturer, with the understanding that the Senate and the House committees are not going to stand still for exorbitant overrun in prices.

Mr. President, because we are on this subject, right now, with inflation having been practically stopped, we still have manufacturers claiming increased prices because of inflation. Those are the kind of things I hoped we could stop.

I wish I could give my wholehearted support. I support the idea. I can just see a runaway office there, where we almost have people, as I say, running out our ears.

Mr. **PRYOR**. Mr. President, will the distinguished Senator from Arizona yield for a question?

Mr. **GOLDWATER**. I yield the floor.

The **PRESIDING OFFICER**. The Senator from Arkansas is recognized.

Mr. **PRYOR**. Mr. President, I should like, if I might, to address myself to two or three points that the Senator from Arizona has been long associated with and involved deeply in with regard to our military programs in this country.

One of those concerns the Senator has so eloquently expressed is how many positions is this creating, is this going to be a runaway office, this, that, and the other. For the Senator's information, it is my understanding that in the Bentsen amendment as a substitute for the Pryor amendment—my amendment—we have come to the same conclusion in both of these approaches to the establishment of this office that, actually, there are four particular audit agencies that would be moved under the heading of the Office of Inspector General. That would be a total of 3,986 individuals who are presently on board. That would be the Defense Contract Audit Agency, the Defense Audit Service, the Defense Investigative Service, the Criminal Unit, the Defense Logistics Agency, the IG office. That would total some 3,986 individuals.

We would not be hiring new personnel. We would be transferring personnel, I say to my very distinguished friend from Arizona.

Mr. President, I should like to make a point and I think this point will help to clarify some of the concerns of some of those people who have voiced an objection to the creation of an independent Inspector General. There has been a question raised that the Secretary of Defense would lose all audit control or investigative control. To allay those fears, I say to my distinguished friend and also to my colleagues that this will still leave 14,300 auditors, investigators, and inspectors under the direct control of the Secretary of Defense. It would leave 3,986 individuals under the control of the Office of Inspector General. That total by the way, Mr. President, is that we have today in the Department of Defense 18,295 auditors, investigators, and inspectors who are on the payroll at this time.

All I can say, very honestly, Mr. president—I probably should not say this—is that it looks like we are inspecting the inspectors and auditing the auditors. I feel we must bring this under control.

It is true that we would be creating only one new job. That job is the Office of Independent Inspector General, whose name would be sent to the Senate by the President, nominated, with the advice and consent of the Senate necessary for that individual to assume that position.

Mr. **TOWER**. Mr. President, in my opinion, the Department of Defense is unique. It involves doing something that is not similar to what any other Department does—Department of Education, HUD, DOT, or any of these. What is involved here is combat-effectiveness and survivability of our troops. I submit that the professional judgment of the people in that Department in such matters in a relative sense is far more important than the professional judgment of functionaries in other Departments insofar as administration and expenditure of funds and control over operations.

My great fear, Mr. President, is that this Inspector General, independent of any control by the Secretary of Defense, could seriously interfere with the operation of the command and control structure of the Department of Defense. It would be a tragedy if, in an effort to provide some oversight to save a little money, we precipitated inefficiencies or ineffectiveness in the combat operations of the uniformed services of the United States.

Mr. President, I know that this is the kind of thing anybody would want to vote for. Inspector General sounds like motherhood. Everybody wants to save money. If you want to save money, you have to vote for an IG. But again, I submit that sometimes the judgment of an auditor about how to save money might be the kind of judgment that would, if implemented, jeopardize the life of an American soldier, sailor, airman, or marine. We had better reflect carefully on these things before we cast a vote that, on the face of it, appears to be good.

I know it would be difficult to explain a negative vote, but I think we must consider the uniqueness of the Department of Defense.

Mr. **ROTH** addressed the Chair.

The **PRESIDING OFFICER**. The Senator from Delaware is recognized.

UP AMENDMENT NO. 924

(Purpose: To amend the Inspector General Act of 1978 to establish an Office of Inspector General in the Department of Defense and for other purposes)

Mr. **ROTH**. Mr. President, I send an amendment to the desk to the original text.

The **PRESIDING OFFICER**. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Delaware (Mr. ROTH) proposes an unprinted amendment numbered 924.

Mr. **ROTH**. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

The amendment is as follows:

At the end of the Bill (S. 2248) add the following:

That this Act may be cited as the "Inspector General Amendments of 1982".

DEPARTMENT OF DEFENSE OFFICE OF INSPECTOR GENERAL

SEC. 2. (a) The Inspector General Act of 1978, Public Law 95-452, is amended—

(1) by inserting "the Department of Defense," after "Commerce," in section 2(1);

(2) by redesignating subparagraphs (C) through (M) of section 9(a)(1) as subparagraphs (D) through (N), respectively;

(3) by inserting after subparagraph (B) of such section the following new subparagraph:

"(C) of the Department of Defense, the office of that department referred to as the 'Defense Audit Service', and that portion of the office of that department referred to as the 'Defense Investigative Service' which has responsibility for the investigation of alleged criminal violations and program abuse;";

section 11(1); and

(5) by inserting "Defense," after "Commerce," in section 11(2).

(b) Section 8 of the Inspector General Act of 1978 is amended to read as follows:

"ADDITIONAL PROVISIONS WITH RESPECT TO THE INSPECTOR GENERAL OF THE DEPARTMENT OF DEFENSE

"SEC. 8. (a) No member of the Armed Forces, active or reserve, shall be appointed Inspector General of the Department of Defense.

"(b)(1) The last two sentences of section 3(a) do not apply to the Inspector General of the Department of Defense.

"(2) The Inspector General of the Department of Defense shall be under the authority, direction, and control of the Secretary of Defense.

"(c) In addition to the other duties and responsibilities specified in this Act, the Inspector General of the Department of Defense shall—

"(A) be the principal adviser to the Secretary of Defense for matters relating to the prevention and detection of fraud, waste, and abuse in the programs and operations of the Department;

"(B) initiate, conduct and supervise, through the Defense Audit Service and the Defense Criminal Investigative Service such audits and investigations in the Department of Defense (including the military departments) that the Inspector General deems appropriate;

"(C) provide policy direction for audits and investigations that the Inspector General may initiate, conduct and supervise regarding waste, fraud, and abuse and program effectiveness.

"(D) investigate fraud and abuse uncovered as a result of other contract and internal audits, as the Inspector General deems appropriate;

"(E) develop policy, monitor and evaluate program performance, and provide guidance with respect to all Department * * *

* * * * *

"(F) monitor and evaluate the adherence of Department auditors to internal audit, contract audit, and internal review principles, policies, and procedures;

"(G) develop policy, evaluate program performance, and monitor actions taken by all components of the Department in response to contract audits, internal audits, internal review reports, and audits conducted by the Comptroller General of the United States;

"(H) request occasional assistance as needed from other audit, inspection, and investigative units of the Department of Defense (including military departments); and

"(I) give particular regard to the activities of the internal audit, inspection, and investigative units of the military departments with a view toward avoiding duplication and insuring effective coordination and cooperation.

"(d) Notwithstanding section 4(d), the Inspector General of the Department of Defense shall expeditiously report suspected or alleged violations of chapter 47 of title 10, United States Code (Uniform Code of Military Justice), to the Secretary of the military department concerned or the Secretary of Defense.

"(e) The Inspector General of the Department of Defense is authorized to establish such rules and instructions as may be necessary to carry out the provisions of this Act.

"(f) In carrying out section 6(a)(2), the Inspector General of the Department of Defense is authorized to make such investigations and reports relating to the administration of the programs and operations of the Department as are, in the judgment of the Inspector General or the Secretary of Defense, necessary or desirable.

"(g)(1) In carrying out section (7)(a), the Inspector General of the Department of Defense may receive and investigate complaints or information from an employee of the Department or a member of the Armed Forces.

"(2) The Inspector General of the Department of Defense shall not, after receipt of a complaint or information from an employee of the Department or a member of the Armed Forces, disclose the identity of or information that could be attributed to that employee or member without the consent of that employee or member, unless the Inspector General determines such disclosure is unavoidable during the course of the investigation.

"(3) Section 7(c) shall apply to employees of the Department of Defense and members of the Armed Forces who have authority to take, direct others to take, recommend, or approve any personnel action with respect to employees of the Department of Defense or members of the Armed Forces.

"(h)(1) Each semiannual report prepared by the Inspector General of the Department of Defense under section 5(a) shall include a listing of each contract audit conducted by the Department during the reporting period. Each such report shall be transmitted by the Secretary of Defense to the appropriate committees or subcommittees of the Congress and to the Committee on Governmental Affairs of the Senate and the Committee on Government Operations of the House of Representatives.

"(2) Any report required to be transmitted by the Secretary of Defense to the appropriate committees or subcommittees of the Congress under section 5(d) shall also be transmitted, within the seven-day period specified in such section, to the Committee on Governmental Affairs of the Senate and the Committee on Government Operations of the House of Representatives.

"(3)(A) Any report prepared by the Inspector General of the Department of Defense under section 5 shall not include information which is—

"(i) specifically prohibited from disclosure by any other provision of law;

"(ii) specifically required by Executive order to be protected from disclosure in the interest of national defense, national security, or in the conduct of foreign affairs; or

"(iii) a part of an ongoing criminal investigation.

"(B) Notwithstanding subparagraph (A)(iii), any report prepared by the Inspector General of the Department of Defense under section 5 may include information with respect to a part of an ongoing criminal investigation if such information has been included in a public record.

"(i)(1) If the Secretary of Defense determines that it is appropriate for purposes of preserving the national security interests of the U.S. to prohibit the Inspector General of the Department of Defense from initiating, carrying out, or completing any audit or investigation, or from issuing any subpena, after the Inspector General has decided to initiate, carry out, or complete such audit or investigation, or issue such subpenas, the Inspector General shall submit a statement concerning the prohibition within 30 days to the appropriate committees or subcommittees of the Congress and to the Committee on Governmental Affairs of the Senate and the Committee on Government Operations of the House of Representatives. Any such statement shall include the views of the Inspector General concerning the prohibition.

"(2) The Secretary shall, within 30 days after making such determination in paragraph (1), transmit a statement of the reasons therefore to the appropriate committees or subcommittees of the Congress and to the Committee on Governmental Affairs of the Senate and the Committee on Government Operations of the House of Representatives.

"(3) Notwithstanding paragraphs (1) and (2), if the portions of the statement required by such paragraphs would necessarily reveal intelligence or counterintelligence activities, sensitive operations plans, ongoing criminal investigations of the Department of Defense, or other information the disclosure of which may constitute a serious threat to the national security, the Secretary is only required to transmit such portions of such statements to the Majority and Minority Leaders of the Senate and the House of Representatives and the Speaker.

"(j) The provisions of section 1385 of title 18, United States Code, shall not apply to audits and investigations conducted by, under the direction of, or at the request of the Inspector General of the Department of

Defense to carry out the purposes of this Act.".

Mr. BENTSEN. Mr. President, parliamentary inquiry. Is this an amendment to the original text of the bill?

The PRESIDING OFFICER. The Senator is correct.

The Senator from Delaware.

Mr. ROTH. Mr. President, the Governmental Affairs Committee has been involved in lengthy and extensive hearings and discussions on providing a statutory IG for the Department of Defense. S. 2274, the bill which the committee was preparing to mark up had broad bipartisan support, the cosponsors included Senator Chiles, Senator Cohen, Senator Durenberger, Senator Mattingly, Senator Nunn, Senator Sasser, as well as Senator Jackson.

The concept of an IG in the Department of Defense is not a new one. It is one that has been kicked around for roughly 5 years.

Special credit and public recognition should be given to the initiator of the idea. And the author of the original legislation regarding inspectors general which was the ranking member of the committee, Senator Eagleton of Missouri.

In 1978, when most of the statutory IG's were created for the civil departments, no IG was created at the Department of Defense due to the special concern of the differing needs and mission of that Department.

As a result, a special task force was created by this Congress to study the need and form of an IG for the Department of Defense, and what his scope of authority should be.

The amendment that I am now offering is based in part on those recommendations. It is important to keep in mind that the Governmental Affairs Committee was in the process of reaching a consensus on the issue of a statutory inspector general at DOD should be created.

I am pleased to say that in addition to the committee member who strongly support the IG, we have also received support from the Armed Services Committee, from the administration, and from the Pentagon itself. I note that a number of the provisions included in our amendment are also incorporated in Senator Bentsen's amendment.

To be very candid, Mr. President, it seems to me it would be more appropriate to have permitted the Governmental Affairs Committee to proceed as it was so that it could have been processed through the regular markup procedure and then brought to the Senate floor as separate legislation.

We had reached an agreement, a bipartisan agreement, within the committee that the committee would act on this legislation this year and in time for action to be taken in the Senate as well as in the House.

There are a number of differences between my amendment and that of the Bentsen amendment. For example, the Roth amendment would not rely solely on the Secretary of Defense to report to the Congress whenever an investigation or inspection is prohibited by the Secretary. The Roth amendment specifically authorizes the Inspector General himself to report to Congress within 30 days of any determination by the Secretary of Defense to prohibit any IG investigation, inspection, audit, review or subpena.

The Roth amendment also specifically authorizes the IG to give the Congress his views of the Secretary's reasons for any veto action.

I think it is perfectly obvious that this language makes the proposed IG as authorized by the Roth amendment more independent from the control of the Secretary of Defense than the IG authorized under the Bentsen amendment.

I point out, also, that my amendment amends the 1978 Inspector General Act rather than the Department of Defense authorization bill. This, too, is an important difference, for it preserves and protects the basic oversight responsibility of the Governmental Affairs Committee.

I also point out that my amendment would transfer to the Office of Inspector General those auditors of the DCAA—that is the Defense Contract Audit Agency—that deal with postaward audits.

I think it is very important to understand that DCAA has both preaward audit and postaward audit, and that we are dividing that responsibility. I, for one, would be concerned if the IG, who is responsible for auditing the operations of the Department of Defense, became involved in preaward audit, because then he is auditing and reviewing his own work. This would be a conflict of interest.

This proposal was originally suggested by Senator Eagleton as well as a number of other Democrats on the Governmental Affairs Committee.

I would look with considerable alarm and concern if we established the precedent today, that the IG become involved in the very operation he is supposed to be reviewing.

Mr. President, my amendment would require the Secretary of Defense to report his reasons for issuing a veto or preventing an investigation of any case or the issuance of a subpena. My amendment would allow the Secretary to prohibit an investigation only when the national security interests of the Nation are clearly at stake.

The Roth amendment, unlike the Bentsen amendment, would allow only those portions of any report from the Inspector General or the Secretary of Defense which would compromise our national security to be excluded from any such report. Even these portions of such reports would be required to be submitted to the majority and minority leaders of the House and the Senate, as well as to the Speaker.

The Roth amendment also provides for the transfer, as I have already mentioned, of the postaward audit function of a defense contract audit agency to the new Inspector General's office, thereby greatly expanding the resources of the office.

I again point out that the DCAA provides a great number of audit services to the Defense Department, and its role in contract administration is crucial. Any changes in its structure must be carefully made in order to insure that its management responsibilities are not destroyed in the effort to strengthen the Inspector General.

Mr. ROTH. Mr. President, I send to the desk a substitute in lieu of my earlier amendment.

The PRESIDING OFFICER. The Chair advises the Senator that the amendment is not in order. The Senator retains the right to modify his first degree amendment, but he does not have the right to amend it unless the Senate acts on that amendment.

Mr. ROTH. I ask for the yeas and nays on my original amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is not a sufficient second.

The yeas and nays were not ordered.

Mr. ROTH. Mr. President, the Roth amendment would provide for a civilian Inspector General in the Defense Department and would not permit any military personnel to assume the Inspector General position. It provides for a statutory permanent office in the Department of Defense. The IG would be appointed by the President, not the Secretary of Defense. This would add another measure of independence from the Secretary.

The Roth amendment provides the Inspector General with the authority to specifically set policy for all audits and investigations in the Department of Defense, including the military departments. This would allow the Inspector General complete control over all fraud, waste, and abuse and program effectiveness issues. This would allow the Comptroller at the Defense Department to maintain audit policy responsibilities over the budget and audits relating to the budget. The Bentsen amendment does not recognize these differences in audit policy.

The Roth amendment specifically sets out the Inspector General responsibilities with regard to contract and internal audits, internal review principles, policies, and procedures and specific congressional authority to monitor, review, and require assistance from the military departments, with a view toward avoiding duplication and assuring effective coordination and cooperation. The Bentsen amendment

does not specifically state these duties and responsibilities.

Mr. TOWER. Mr. President, will the Senator yield?

Mr. ROTH. I yield.

Mr. TOWER. Mr. President, I ask for the yeas and nays on the amendment of the Senator from Delaware.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. BENTSEN. Mr. President——

The PRESIDING OFFICER. The Senator from Delaware has the floor.

Mr. BENTSEN. He loses the floor if he asks for the yeas and nays.

Mr. ROTH. I had my hand up.

The PRESIDING OFFICER. The Senator from Delaware has the floor.

Mr. BENTSEN. Mr. President, does that mean that the Chair recognized him?

The PRESIDING OFFICER. The Chair recognized the Senator from Delaware after the yeas and nays were ordered.

Mr. BENTSEN. After the Chair talked to me, spoke to me, and the Chair turned and decided to recognize him.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. PRYOR. Mr. President, I make a point of order.

Mr. ROTH and **Mr. TOWER** addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware has the floor.

Mr. TOWER. Mr. President, will the Senator yield, without losing his right to the floor?

Mr. ROTH. I yield, without losing my right to the floor.

The PRESIDING OFFICER. The Senator from Texas.

Mr. TOWER. Mr. President, let me urge the Senator from Delaware to yield to the Senator from Texas, if the latter feels that he has been unfairly treated here. Let him have the floor, and then the Senator from Delaware can resume.

Mr. ROTH. I will be happy to yield to the Senator from Texas.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mr. BENTSEN. I must say that I was seeking recognition to offer a substitute. I want that understood. I do not want to take advantage of anyone, any more than I think I was being taken advantage of. That is what I am offering, a substitute to the amendment of the Senator from Delaware if that is acceptable.

The PRESIDING OFFICER. The Senator from Delaware has yielded to the Senator from Texas. The Senator from Texas is recognized.

UP AMENDMENT NO. 925

(Purpose: To amend the amendment relating to the establishment of an Office of Inspector General in the Department of Defense)

Mr. BENTSEN. Mr. President, I offer a substitute to the amendment of the Senator from Delaware.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Texas (Mr. Bentsen) for himself, Mr. Danforth, Mr. Eagleton, Mr. Inouye, Mr. Exon, Mr. Pryor, Mr. Bradley, Mr. DeConcini, Mr. Baucus, Mr. Cranston, Mr. Pell, Mr. Randolph, Mr. Melcher, Mr. Proxmire, Mr. Chiles, Mr. Riegle, Mr. Burdick, Mr. Dixon, Mr. Bumpers, Mr. Levin, and Mr. Mitchell, proposes an unprinted amendment numbered 925 as a substitute for unprinted amendment numbered 924.

Mr. BENTSEN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

To the amendment (No. 924) intended to be proposed by Mr. Roth.

In lieu of the language proposed to be inserted, insert the following:

Sec. . (a) (1) Chapter 4 of title 10, United States Code, is amended by adding at the end thereof the following new section:

"§ 140c. Inspector General

"(a) There is established in the Department of Defense an Office of Inspector General. The Office shall—

"(1) conduct and supervise audits and investigations relating to programs and operations of the Department;

"(2) provide leadership and coordination and recommend policies for activities designed (A) to promote economy, efficiency, and effectiveness in the administration of, and (B) to prevent and detect fraud and abuse in such programs and operations; and

"(3) provide a means for keeping the Secretary of Defense and the Congress fully and currently informed about problems and deficiencies relating to the administration of such programs and operations and the necessity for and progress of corrective action.

"(b) (1) There shall be at the head of the Office an Inspector General who shall be appointed by the President, by and with the advice and consent of the Senate, without regard to political affiliation and solely on the basis of integrity and demonstrated ability in accounting, auditing, financial analysis, law, management analysis, public administration, or investigations. No member of the Armed Forces, active or reserve, shall be appointed Inspector General of the Department of Defense. Except as provided in paragraph (2), the Inspector General shall report to and be under the general supervision of the Secretary or, to the extent such authority is delegated, the Deputy Secretary next in order of precedence below the Secretary, but shall not report to, or be subject to supervision by, any other officer of the Department. Except as provided in paragraph (2), neither the Secretary nor the Deputy Secretary next in order of precedence below the Secretary shall prevent or prohibit the Inspector General from initiating, carrying out, or completing any audit or investigation, or from issuing any subpoena during the course of any audit or investigation.

"(2) Notwithstanding the second and third sentences of paragraph (1), the Inspector General shall be under the authority, direction, and control of the Secretary with respect to:

(A) intelligence activities;

(B) counterintelligence activities; or

(C) operations planning determined by the Secretary to be sensitive to the national security.

"(3) With respect to the activities listed in subparagraph (2) the Secretary of Defense may prohibit the Inspector General from initiating, carrying out, or completing any audit or investigation, or from issuing any subpoena, after the Inspector General has decided to initiate, carry out or complete such audit or investigation or to issue such subpoena, if the Secretary determines that proceeding with such audit, investigation or subpoena could compromise, undermine, reveal or otherwise represent a threat to such activities.

"(c) Within 30 days after exercising the authority described in subparagraph (3) the Secretary shall transmit a statement of the reasons therefore, to the appropriate committees or subcommittees of the Congress and to the Committee on Governmental Affairs of the Senate and the Committee on Government Operations of the House of Representatives.

"(3) The Inspector General may be removed from office by the President. The President shall communicate the reasons for any such removal to both Houses of Congress.

"(4) For the purposes of section 7324 of title 5, the Inspector General shall not be considered to be an employee who determines policies to be pursued by the United States in the nationwide administration of Federal laws.

"(5) The Inspector General shall, in accordance with applicable laws and regulations governing the civil service—

"(A) appoint an Assistant Inspector General for Auditing who shall have the responsibility for supervising the performance of auditing activities relating to programs and operations of the Department, and

"(B) appoint an Assistant Inspector General for Investigations who shall have the responsibility for supervising the performance of investigative activities relating to such programs and operations.

"(c)(1) It is the duty and responsibility of the Inspector General—

"(A) to provide policy direction for and to conduct, supervise, and coordinate audits and investigations relating to the programs and operations of the Department;

"(B) to review existing and proposed legislation and regulations relating to programs and operations of the Department and to make recommendations in the semiannual reports required by subsection (d)(1) concerning the impact of such legislation or regulations on the economy and efficiency in the administration of programs and operations administered or financed by the Department or the prevention and detection of fraud and abuse in such programs and operations;

"(C) to recommend policies for, and to conduct, supervise, or coordinate other activities carried out or financed by the Department for the purpose of promoting economy and efficiency in the administration of, or preventing and detecting fraud and abuse in, its programs and operations;

"(D) to recommend policies for, and to conduct, supervise, or coordinate relationships between the Department and other Federal agencies, State and local governmental agencies, and non-governmental entities with respect to (i) all matters relating to the promotion of economy and efficiency in the administration of, or the prevention and detection of fraud and abuse in, programs and operations administered or financed by the Department, or (ii) the identification and prosecution of participants in such fraud or abuse; and

"(E) to keep the Secretary and the Congress fully and currently informed, by means of the reports required by subsection (d) and otherwise, concerning fraud and other serious problems, abuses, and deficiencies relating to the administration of programs and operations administered or financed by the Department, to recommend corrective action concerning such problems, abuses, and deficiencies, and to report on the progress made in implementing such corrective action.

"(2) In carrying out the responsibilities specified in paragraph (1)(A), the Inspector General shall—

"(A) comply with standards established by the Comptroller General of the United States for audits of Federal establishments, organizations, programs, activities, and functions;

"(B) establish guidelines for determining when it shall be appropriate to use non-Federal auditors; and

"(C) take appropriate steps to assure that any work performed by non-Federal auditors complies with the standards established by the Comptroller General as described in subparagraph (A).

"(3) In carrying out the duties and responsibilities established under this section, the Inspector General shall give particular regard to the activities of the Comptroller General of the United States with a view toward avoiding duplication and insuring effective coordination and cooperation.

"(4) In carrying out the duties and responsibilities established under this section, the Inspector General shall report expeditiously to the Attorney General whenever the Inspector General has reasonable grounds to believe there has been a violation of Federal criminal law.

"(d)(1) The Inspector General shall, not later than April 30 and October 31 of each year, prepare semiannual reports summarizing the activities of the Office during the immediately preceding six-month periods ending March 31 and September 30. Such reports ahall include, but need not be limited to—

"(A) a description of significant problems, abuses, and deficiencies relating to the administration of programs and operations of the Department disclosed by such activities during the reporting period;

"(B) a description of the recommendations for corrective action made by the Office during the reporting period with respect to significant problems, abuses, or deficiencies identified pursuant to subparagraph (A);

"(C) an identification of each significant recommendation described in previous semiannual reports on which corrective action has not been completed;

"(D) a summary of matters referred to prosecutive authorities and the prosecutions and convictions which have resulted;

"(E) a summary of each report made to the Secretary under subsection (e) (2)(B) during the reporting period; and

"(F) a listing of each audit report completed by the Office during the reporting period.

"(2) Semiannual reports of the Inspector General shall be furnished to the Secretary not later than April 30 and October 31 of each year and shall be transmitted by the Secretary to the appropriate committees or subcommittees of the Congress within thirty days after receipt of the report, together with a report by the Secretary containing any comments the Secretary deems appropriate.

"(3) Within sixty days of the transmission of the semiannual reports of the Inspector General to the Congress, the Secretary shall make copies of such report available to the public upon request and at a reasonable cost.

"(4) The Inspector General shall report immediately to the Secretary whenever the Inspector General becomes aware of particularly serious or flagrant problems, abuses, or deficiencies relating to the administration of programs and operations of the Department. The Secretary shall transmit any such report to the appropriate committees or subcommittees of Congress within seven calendar days, together with a report by the Secretary containing any comments such head deems appropriate.

"(e) (1) In addition to the authority otherwise provided by this section, the Inspector General, in carrying out the provisions of this section, is authorized—

"(A) to have access to all records, reports, audits, reviews, documents, papers, recommendations, or other material available to the Department which relate to programs and operations with respect to which that Inspector General has responsibilities under this section;

"(B) to make such investigations and reports relating to the administration of the programs and operations of the Department as are, in the judgment of the Inspector General, necessary or desirable;

"(C) to request such information or assistance as may be necessary for carrying out the duties and responsibilities provided by this section from any Federal, State, or local governmental agency or unit thereof;

"(D) to require by subpena the production of all information, documents, reports, answers, records, accounts, papers, and other data and documentary evidence necessary in the performance of the functions assigned by this section, which subpena, in the case of contumacy or refusal to obey, shall be enforceable by order of any appropriate United States district court: *Provided*, That procedures other than subpenas shall be used by the Inspector General to obtain documents and information from Federal agencies;

"(E) to have direct and prompt access to the Secretary when necessary for any purpose pertaining to the performance of functions and responsibilities under this section;

"(F) to select, appoint, and employ such officers and employees as may be necessary for carrying out the functions, powers, and duties of the Office subject to the provisions of title 5, governing appointments in the competitive service, and the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates;

"(G) to obtain services as authorized by section 3109 of title 5, at daily rates not to exceed the equivalent rate prescribed for grade GS-18 of the General Schedule by section 5332 of title 5; and

"(H) to the extent and in such amounts as may be provided in advance by appropriations Acts, to enter into contracts and other arrangements for audits, studies, analyses, and other services with public agencies and with private persons, and to make such payments as may be necessary to carry out the provisions of this section.

"(2)(A) Upon request of the Inspector General for information or assistance under paragraph (1)(C), the head of any Federal agency involved shall, insofar as is practicable and not in contravention of any existing statutory restriction or regulation of the Federal agency from which the information is requested, furnish to such Inspector General, or to an authorized designee, such information or assistance.

"(B) Whenever information or assistance requested under paragraph (1)(A) or (1)(C) is, in the judgment of the Inspector General, unreasonably refused or not provided, the Inspector General shall report the circumstances to the Secretary without delay.

"(C) The Secretary ahall provide the Office with appropriate and adequate office space at central and field office locations of the Department, together with such equipment, office supplies, and communications facilities and services as may be necessary for the operation of such offices, and shall provide necessary maintenance services for such offices and the equipment and facilities located therein.

"(f)(1) The Inspector General may receive and investigate complaints or information from an employee of the Department concerning the possible existence of an activity constituting a violation of law, rules, or regulations, or mismanagement, gross waste of funds, abuse of authority or a substantial and specific danger to the public health and safety.

"(2) The Inspector General shall not, after receipt of a complaint or information from an employee, disclose the identity of the employee without the consent of the employee, unless the Inspector General determines such disclosure is unavoidable during the course of the investigation.

"(3) Any employee who has authority to take, direct others to take, recommend, or approve any personnel action, shall not, with respect to such authority, take or threaten to take any action against any employee as a reprisal for making a complaint or disclosing information to the Inspector General, unless the complaint was made or the information disclosed with the knowledge that it was false or with willful disregard for its truth or falsity.

"(g)(1) Nothing in this section shall be construed to authorize the public disclosure by any individual of any information which is—

"(A) specifically prohibited from disclosure by any other provision of law; or

"(B) specifically required by Executive order to be kept secret in the interest of national defense of the conduct of foreign affairs.

"(2) Nothing in this subsection shall be construed to authorize or permit the withholding of information from the Congress, or from any committee or subcommittee thereof.

"(h)(1) There are transferred to the Office—

"(A) the offices of the Department referred to as the 'Defense Contract Audit Agency', the 'Defense Audit Service', and the 'Office of Inspector General, Defense Logistics Agency', and that portion of the office referred to as the 'Defense Investigative Service' which has responsibility for the

investigation of alleged criminal violations and program abuse; and

"(B) such other offices or agencies, or functions, powers, or duties thereof, as the Secretary may determine properly related to the functions of the Office and would, if so transferred, further the purposes of this section,

except that there are not transferred to the Office under subparagraph (B) program operating responsibilities.

"(2) The personnel, assets, liabilities, contracts, property, records and unexpended balances of appropriations, authorizations, allocations, and other funds employed, held, used, arising from, available or to be made available, of any office or agency the functions, powers, and duties of which are transferred under paragraph (1) are transferred to the Office.

"(3) Personnel transferred pursuant to paragraph (2) shall be transferred in accordance with applicable laws and regulations relating to the transfer of functions except that the classification and compensation of such personnel shall not be reduced for one year after such transfer.

"(4) In any case where all the functions, powers, and duties of any office or agency are transferred pursuant to this subsection, such office or agency shall lapse. Any person who, on the effective date of this section, held a position compensated in accordance with the General Schedule, and who, without a break in service, is appointed in the Office to a position having duties comparable to those performed immediately preceding such appointment shall continue to be compensated in the new position at not less than the rate provided for the previous position, for the duration of service in the new position.

"(i) For purposes of this section—

"(1) the term 'Secretary' means the Secretary of Defense;

"(2) the term 'Department' means the Department of Defense;

"(3) the term 'Office' means the Office of Inspector General of the Department of Defense established by subsection (a); and

"(4) the term 'Inspector General' means the Inspector General of the Department of Defense appointed pursuant to subsection (b).".

(2) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new item:

"140c. Inspector General.".

(b) Section 5315 of title 5, United States Code, is amended by adding at the end thereof the following new paragraph:

"Inspector General, Department of Defense.".

Mr. BENTSEN. Mr. President, there is a basic major difference between the amendment of the Senator from Delaware and that of the Senator from Texas and the big difference is that the amendment of the Senator from Texas and that of the Senator from Arkansas and that of the Senator from Missouri, Senator Eagleton, puts a lot more authority with the Inspector General than does that of the Senator from Delaware. The Senator from Delaware gives the Secretary of Defense a great deal more control over that Inspector General.

Mr. President, at this point I would like to have unanimous consent to have printed in the Record a column from the noted columnist James Kilpatrick, talking about a defense watchpuppy, in which he addresses this very issue.

There being no objection, the column was ordered to be printed in the Record, as follows:

Defense Watchpuppy?

(By James Kilpatrick)

Politics, so the saying goes, is the art of the attainable. You will seldom find a better example of that rule in operation than you will find in the matter of providing an inspector general for the Department of Defense. What is needed is an independent watchdog. What we are likely to get is a subordinate watchpuppy instead.

By way of background: Six years ago, prompted by reports of massive fraud in welfare expenditures, Congress came up with the concept of entirely independent inspectors general. The idea was to create a corps of professional auditors and investigators who would be free to do their job, in the hackneyed phrase, without fear or favor.

Today, 10 Cabinet departments and five other agencies have such inspectors general. They have saved the taxpayers millions of dollars. In 1978, efforts began to extend the concept to the Department of Defense—and with good reason. It is commonly acknowledged that the Department of Defense, with the most money to spend, is the most wasteful of all departments. The month rarely passes without a horror story of cost overruns, padded contracts or notorious mismanagement.

This is not to suggest that Defense lacks auditors of its own. On the contrary. The department employs 18,000 inspectors of high and low degree, scattered over 18 major subdivisions; without their services, the waste would be more monumental than it is. But despite the labors of 11 coordinating committees, an impression remains of a multilegged beast with neither head nor tail. Eleven coordinating committees probably are incapable of coordinating a light bulb with a socket.

The situation cries out for the appointment of one take-charge inspector general responsible solely to the president and to the taxpayers, with authority and professional staff to investigate anything, anywhere, in the whole defense establishment. Last year the House responded to the need: The House passed a bill to create precisely such an officer.

Now the House bill is bogged down in the Senate. The Department of Defense regularly sends witnesses to testify that the department "strongly supports" an inspector general, to which affirmation should be added a footnote reading, "in a pig's eye." The department will accept an IG only if he is "under the authority, direction and control" of the secretary of defense. The Pentagon brass think it "essential to any military organization" that channels of command be preserved. The idea of a wholly independent watchdog is an idea they regard very cooly.

What to do? Sen. Bill Roth of Delaware, chief sponsor of IG legislation, sees half a loaf as better than none. Bowing to the department's objections, he has come up with a compromise proposal that he regards as the only attainable legislation. There would be a presidentially appointed inspector general for defense with power to investigate anything he wanted to investigate. The secretary of defense, whoever he might be, could muzzle the watchdog by flatly prohibiting the IG to probe any deeper, but in that event the secretary would have to explain his veto to the appropriate committees of Congress.

Sen. Roth probably is right: This may not be the best bill, but it is the best bill that has a prayer of winning Senate approval.

Very well. If agreement can be reached on the Roth compromise, the taxpaying public will be well-served. An energetic inspector general, given sufficient staff and an adequate budget, should be able to expose some of the more infuriating examples of waste in the Pentagon. If it turns out in a couple of years that the watchdog is no more than a puppy, the act can always be reconsidered.

Mr. BENTSEN. Speaking directly to this issue, Mr. Kilpatrick says that perhaps Senator Roth is right, that maybe we ought to settle for half a loaf, in terms of an Inspector General for the Defense Department.

I frankly do not think we have to do that. The only exceptions that I provide for in my amendment is to allow the Secretary of Defense control of situations where national security interests might be jeopardized or where intelligence matters might be involved. Those are the only exceptions I provide.

With respect to the Defense Contract Audit Agency, the Senator from Delaware has made the point that those persons working on preaward contract information, should be separate and different auditors from those working on postcontract audit. Of course, they should. And any Inspector General worth his salt would see that this would be divided. But what we have today is 5,600 auditors in management positions in the Defense Department who really do not have one single coordinated effort being made.

The Inspector General must have the ability and the authority to plow ahead when he sees something that is embarrassing, when he sees a waste of the taxpayer's money; and he should not have the Secretary of Defense blowing the whistle on him. That is the major difference.

I think we should go all the way in trying to accomplish this objective and I believe that Senator Roth's amendment does not bring that about.

I am happy to yield to the Senator from Delaware.

Mr. ROTH. Mr. President, I point out that broadly speaking the difference between the two pieces of legislation is a question of semantics.

As I understand the Senator's amendment, he has limited the powers of veto to areas basically involving national security. The same is essentially true of my proposal. I do provide as recommended by the Boutte Commission that the Inspector General be subject to the authority, control, and direction of the Secretary. However, the Inspector General will report directly to Congress, and I would point out that the areas in which the Secretary can veto are strictly limited.

Under the Roth amendment the areas where the Secretary could veto the initiative to audit or request a subpena on the part of the Inspector General would be where it would reveal intelligence or counterintelligence activities, sensitive operations planned, ongoing criminal investigation of the Department of Defense, or other information the disclosure of which may constitute a serious threat to the national security.

So, the authority of the Secretary of Defense is very clearly limited and circumscribed to those areas involving the preservation of national security interests. It was my bill language which Senator BENTSEN has incorporated so in the event the Secretary does veto an action, that veto must be reported to the Governmental Affairs Committee in addition to the other appropriate committees.

This is a valid check to insure the effective independence of the Inspector General and one that has met with on the whole general approval.

Mr. President, many of us on the Governmental Affairs Committee have long been dedicated to the idea of creating an effective Inspector General in the Department of Defense. We regret that it is coming up this way because as I have already mentioned we thought it would have been more appropriate if the committee itself could have completed its work and reported the legislation for early action as separate legislation.

I am pleased that Senators on both sides of the aisle are supportive of the concept and are supportive of the approach we in the Governmental Affairs Committee have taken to insure the effectiveness of the Inspector General. I urge that the Senate adopt my amendment.

Mr. President, it is my intent to make a motion to table the pending amendment. But I do not want to cut off any discussion or debate that anyone may care to make.

Mr. PRYOR. Mr. President, will the Senator from Delaware yield for a question?

Mr. ROTH. I yield.

Mr. PRYOR. On page 2 of the Senator's amendment, section 8, paragraph (2) it states, and I will quote from my copy of the amendment:

> The Inspector General of the Department of Defense shall be under the authority, direction, and control of the Secretary of Defense.

Is this the intent of the Senator's proposal?

Mr. ROTH. I say to the distinguished Senator from Arkansas this language was recommended by the Boutte Commission which was set up in 1978 by Congress. I have already pointed out that this language is circumscribed or limited with respect to the independence of the Inspector General by subsequent portions where it is expressly provided that the only area in which the Secretary of Defense can veto an audit is where, and I quote again, "It would reveal intelligence or counterintelligence activities, sensitive operations planned, ongoing criminal investigations of the Department of Defense, or other information the disclosures of which may constitute a serious threat to the national security."

As I have already indicated, where there is such veto, then both the Secretary and the Inspector General are authorized to report directly to appropriate committees of the House and Senate the reasons for the veto, and very importantly it gives the Inspector General the authority to issue a statement giving his point of view on the Secretary's action.

While the Inspector General comes within the authority, direction, and control of the Secretary of Defense, the fact remains that his capability to initiate audits, his capability to take his point of view to Congress, would be fully implemented by my amendment.

This administration has gone a long way in supporting the creation of an Inspector General. This is something that has been under discussion for several years and, as I said earlier, I am pleased that there has been a broad consensus of support for the legislation under consideration in the Governmental Affairs Committee.

As I mentioned, the bill has bipartisan support on that committee. We have the OK from the Armed Services Committee and, most importantly, the administration itself agreed to the legislation we are now considering.

The point I want to make to the distinguished Senator from Arkansas is on this particular aspect the differencs between the Bentsen amendment and the Roth amendment are primarily a matter of semantics. I think if you will look at the Bentsen amendment, it provides likewise the power of veto in the same general areas.

Mr. PRYOR. If I am not mistaken, and if the Senator will correct me if I am wrong, I do not find that the Senator from Texas has offered in his amendment language that states, and I quote once again:

> The Inspector General of the Department of Defense shall be under the authority, direction, and control of the Secretary of Defense.

We are not simply trying to create a job of Inspector General. We are trying to create the office of an independent Inspector General and I do not know of any language in the 1978 Inspector General Act or subsequent acts creating Inspectors General in the departments of Government that have anything similar to the language offered by the distinguished Senator from Delaware.

Mr. ROTH. As the Senator from Arkansas well knows that is the whole purpose of the reporting mechanisms we have created in this legislation. Up to a year or so ago no action was taken on the Inspector General because there were strong differences of opinions as to how it should be done. It was with that view in mind that I adopted the basic language of authority, direction and control recommended by the Boutté Commission which was created, during the Carter administration, by Congress in 1978. I have been concerned about what I think the distinguished Senator from Arkansas has been concerned about.

I drafted the procedures that would create a check on the authority of the Secretary to veto or override the initiatives of the Inspector General.

We felt that the best way to make certain that the Inspector General was able to take the kind of action he or she thought was necessary, was to provide that both the Inspector General and the Secretary would have to report to the appropriate committees of Congress and the Governmental Affairs and Government Operation Committees.

I would assume that Congress has confidence in its own committees of oversight so that if the Secretary is preventing for any reason whatsoever audits to be made or subpenas to be issued these committees would take appropriate action to correct that situation.

At the same time, I think there is general agreement that there are sensitive areas in the Department of Defense whereby we would not want certain information to be released that is harmful to the national security of this Nation.

I would point out to the distinguished Senator from Arkansas that essentially both the Bentsen amendment and the Roth amendment use the same approach. The Bentsen amendment has incorporated a number of the provisions that are contained in the Roth bill that was considered by the Governmental Affairs Committee.

So in any event I think both bills, while slightly different in language, generally handle this question of sensitivity and control in the same manner.

Mr. EAGLETON. Mr. President, I shall be brief.

Without making a line-by-line comparison between the Roth approach and the Bentsen approach, I think it is a fairly accurate summary to say that in 90 percent of the matters dealt with, the Roth approach and the Bentsen approach are virtually identical.

As I see it, there are two significant areas of disagreement between the Roth and the Bentsen approaches.

Senator BENTSEN would transfer all of DCAA to the new Office of Inspector General. Senator ROTH would transfer roughtly half of DCCA. He would leave those auditors involved in contract advice or preaward work where they are, but would transfer those auditors engaged in past—award work to the IG on that issue whether to transfer all or part of DCAA, quite candidly, I agree with Senator ROTH.

The second major area of disagreement between the Bentsen and Roth approaches deals with the independence of the Inspector General. I think it is very clear, that under the Bentsen language the Inspector General, insofar as the statutory language can insure it, would be a more independent Inspector General than he would be under the Roth language. I think this is the essential difference on that issue.

On that issue, I side with Senator BENTSEN. Thus, I am in the dilemma of being almost of two minds—liking part of what Senator ROTH does, liking part of what Senator BENTSEN does.

Further, may I say, Mr. President, I have had a long connection with the Inspector General legislation. I was the principal author of the 1978 act that set up the Office of the Inspector General in 12 departments of Government. At that time, we considered including the Department of Defense in the original bill. Some Senators objected to that, so we decided instead to instigate the study of the audit, investigation and inspection units in which was conducted in 1979 and 1980. It is an outgrowth of the 1978 work and the study and the continuing need for an Inspector General at the Department of Defense that brings us to this point today.

Quite frankly, I would have preferred that this bill emerge, through the normal legislative process, out of the Governmental Affairs Committee, where the original Inspector General legislation was initiated and where the hearings and considerable work has been done. But here we are in this posture.

Because I like the Bentsen amendment on the key issue of independence, I am going to support it. I expect that in conference the DCAA issue can be resolved more to my liking, if Bentsen prevails.

If the Bentsen amendment should fail, then I will offer my own substitute, which is identical in each and every respect to Senator ROTH's, including the splitting of DCAA except that, it treats the independence issue differently. On that issue, my substitute would take the Bentsen language.

I yield the floor.

● Mr. DIXON. Mr. President, I thank my dear friend from Texas for giving me the opportunity to join him on this amendment.

I have supported the Defense Department's budget requests in the past but I have always been concerned with the large cost overruns associated with many of the Defense Department programs.

I am also concerned with the amount of sole-source contracting being done by the different branches of our Armed Forces. I have spoken out on this floor on what I perceive as the abuse in sole-source contracts. I cite the Army's M9 program and the Navy's low-altitude aerial reconnaissance camera as but two examples.

With over 10.3 million Americans out of work, I find it inconceivable that the Department of Defense must give out contracts on a sole-source basis when there are companies in our country who want to bid on these projects but are prohibited because a decision is made to give the contract to a specific company.

Mr. President, a permanent Inspector General for the Defense Department is an asset to the work performed by the General Accounting Office. The administration called for inspectors general to eliminate waste, fraud, and abuse in all Government agencies. Mr. President, the time has come for the Department of Defense to be treated as other Federal agencies are treated.

I hope my colleagues will support this amendment and indicate to the taxpayers of the country that we are serious in making sure their money is spent wisely and efficiently.●

● Mr. LEVIN. Mr. President, I am pleased to voice my strong support for this amendment offered by Senator BENTSEN and cosponsored by myself and others to create a strong and truly independent Inspector General within the Department of Defense. There could be no stronger need and no better time than now to extend to the Defense Department this proven and well-respected tool for improving fiscal accountability and ferreting out waste and fraud in the Defense Department.

In creating the existing Inspector General, the Congress considered the independence of the Inspector General to be the key to its effectiveness. In order to statutorily preserve and guarantee that independence, the Congress specifically removed the Inspector General from the direction, control, and authority of the agency head, so that the Inspector General would have sole authority and control over matters investigated and reported on.

The uniqueness and gravity of the Defense Department's mission in protecting the Nation's security and its intelligence activities is clear. So, too, is the understanding that in certain circumstances, a threat to intelligence activities or our security may require that a particular investigation be halted or a particular report be withheld. It is for that specific reason that this amendment clearly allows the Secretary of Defense to prohibit the Inspector General from initiating or conducting any investigation which is a threat to intelligence activities or the national security. At the same time, to insure that the Congress has continuing oversight over this veto provision, the Secretary is required to report to the appropriate committees whenever this veto is exercised.

The Defense Department has voiced its full support for the establishment of a statutory Inspector General at the Defense Department, provided the special nature of its mission were considered and special accommodations in the Inspector General concept were made. This amendment does that, and, importantly, it does it while maintaining the Inspector General's authority and independence to freely investigate and report on all other matters, that is, all matters except those where national security or intelligence matters would be threatened.

Despite the balance this amendment strikes between the competing uniqueness of the Inspector General concept—its independence and the Defense Department's mission to secure the national security—the Defense Department persists in opposing this amendment. The Department prefers instead a proposal which places the Inspector General under the specific direction and control of the Secretary for all purposes. This opposition persists despite Mr. Carlucci's statements in front of the Governmental Affairs Committee that the Department only needed to be able to veto reports that "jeopardize national security."

That need has been met in this amendment and there is then no remaining reason for retaining the Inspector General under the specific "direction, control, and authority" of the Secretary of Defense. The Inspector Generals created at the other Federal agencies function under the "general supervision" of the agency head. With this amendment's strong national security protections, so too should the Inspector General at the Defense Department.

I think we all recognize that the Defense Department does differ in some crucial respects from other agencies, and this amendment certainly well-recognizes that. In one respect, however, the Department is very similar to other agencies, and that is, in its responsibility to insure that tax dollars are spent wisely, with minimal waste and inefficiency. And it is that responsibility which a strong and independent Inspector General can help an agency—any agency—achieve.

With special veto authority over investigations and reports which jeopardize national security, the Department still insists on further control over the Inspector General, all under the cloak of protecting national security. This amendment gives the Department what it has said it needs and wants, and what the Congress has said an independent Inspector General requires.

Proposals to expand the Secretary's control over the Inspector General would create little more than the facade of an Inspector General, while institutionalizing an Inspector General's office which has no independence, no authority, and certainly, little ability to investigate waste and inefficiency in the Department. And that, Mr. President, is something we all know is needed at the Department, certainly as much as it is needed at other agencies with even smaller budgets and fewer opportunities for waste and inefficiency.●

Mr. TOWER. Mr. President, it is my understanding that the Senator from Delaware intends to move to table the amendment of Senator Bentsen to his amendment. I ask unanimous consent that when such tabling motion is made that the vote occur at 8 o'clock.

The PRESIDING OFFICER (Mr. Jepsen). Is there objection? Without objection, it is so ordered.

Mr. ROTH addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. ROTH. Mr. President, if no one wants to comment further, I move to table the Bentsen amendment in the second degree to the Roth amendment to the original text, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

RECESS UNTIL 8 P.M.

Mr. TOWER. Mr. President, I move the Senate stand in recess until the hour of 8 o'clock.

The motion was agreed to and, at 7:14 p.m., the Senate recessed until 8 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. Jepsen).

Mr. BAKER. Mr. President, what is the question before the Senate?

The PRESIDING OFFICER. The question is on agreeing to the motion to table the amendment of the Senator from Texas which is an amendment to the amendment of the Senator from Delaware to the language proposed to be stricken by the committee substitute to which is pending an amendment of the Senator from Arkansas and the amendment of the Senator from Texas.

On this question, the yeas and nays have been ordered.

Mr. BAKER. I say I never heard a more eloquent reason to table something.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from New Mexico (Mr. Domenici), the Senator from Minnesota (Mr. Durenberger), the Senator from Utah (Mr. Hatch), the Senator from South Dakota (Mr. Pressler), the Senator from New Mexico (Mr. Schmitt), and the Senator from Vermont (Mr. Stafford) are necessarily absent.

Mr. CRANSTON. I announce that the Senator from South Carolina (Mr. Hollings), the Senator from Louisiana (Mr. Johnston), and the Senator from Ohio (Mr. Metzenbaum) are necessarily absent.

The PRESIDING OFFICER. Are there any Senators in the Chamber who have not voted?

The result was announced—yeas 45, nays 46, as follows:

[Rollcall Vote No. 103 Leg.]

YEAS—45

Abdnor
Andrews
Armstrong
Baker
Boschwitz
Brady
Chafee
Cochran
Cohen
D'Amato
Denton
Dole
East
Garn
Goldwater
Gorton
Grassley
Hatfield
Hawkins
Hayakawa
Heinz
Helms
Humphrey
Jepsen
Kassebaum
Kasten
Laxalt
Lugar
Mattingly
McClure
Murkowski
Nickles
Nunn
Packwood
Quayle
Roth
Rudman
Simpson
Specter
Stevens
Symms
Thurmond
Tower
Wallop
Warner

NAYS—46

Baucus
Bentsen
Biden
Boren
Bradley
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Cranston
Danforth
DeConcini
Dixon
Dodd
Eagleton
Exon
Ford
Glenn
Hart
Heflin
Huddleston
Inouye
Jackson
Kennedy
Leahy
Levin
Long
Mathias
Matsunaga
Melcher
Mitchell
Moynihan
Pell
Percy
Proxmire
Pryor
Randolph
Riegle
Sarbanes
Sasser
Stennis
Tsongas
Weicker
Zorinsky

NOT VOTING—9

Domenici
Durenberger
Hatch
Hollings
Johnston
Metzenbaum
Pressler
Schmitt
Stafford

So the motion to lay on the table Mr. Bentsen's amendment (UP No. 925) was rejected.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. BAKER. I move to reconsider the vote by which the motion was rejected.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. BAKER. Mr. President, we are over by 6 minutes and 25 seconds. I do not want to delay things, but I would remind my colleagues that last night we were over 11 minutes twice. This is the first vote after a recess. Now, surely, if we are going to have some flexibility someplace, there ought to be some accommodations to the fact that we at least have some consideration for our colleagues under the circumstances.

Mr. President, some Senators were seeking the floor to make a motion to table. I am prepared now to yield the floor so that they can do that. I do not intend to make it a practice of dilatory procedures to try to hold up a rollcall. But I do remind Senators that, from time to time, the leadership on both sides have tried to accommodate Senators when it is the first vote after a recess or under extraordinary circumstances.

Mr. President, I yield the floor.

Mr. CRANSTON addressed the Chair.

The PRESIDING OFFICER. The Senator from California.

Mr. CRANSTON. Mr. President, the vote had been announced for 8 o'clock. Senators were on notice. The delay was primarily because of the closeness of the vote, obviously. I recall the time when Senator Metzenbaum was engaging in the same practice and there was great criticism from the other side of the aisle.

Mr. BAKER. Mr. President, if that is the way we are going to do it, I wish to state that now we will end the rollcalls at 15 minutes.

Mr. BENTSEN. Mr. President, I move to lay the motion on the table.

Mr. BAKER. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table the motion to reconsider. The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Minnesota (Mr. Durenberger), the Senator from Utah (Mr. Hatch), the Senator from South Dakota (Mr. Pressler), and the Senator from Vermont (Mr. Stafford) are necessarily absent.

Mr. CRANSTON. I announce that the Senator from South Carolina (Mr. Hollings), the Senator from Louisiana (Mr. Johnston), and the Senator from Ohio (Mr. Metzenbaum) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 42, nays 51, as follows:

[Rollcall Vote No. 104 Leg.]

YEAS—42

Baucus
Bentsen
Biden
Boren
Bradley
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Cranston
DeConcini
Dixon
Dodd
Eagleton
Exon

Ford
Glenn
Hart
Heflin
Huddleston
Inouye
Jackson
Kennedy
Leahy
Levin
Long
Matsunaga
Melcher
Mitchell
Moynihan
Pell
Proxmire
Pryor
Randolph
Riegle
Sarbanes
Sasser
Stennis
Tsongas
Zorinsky

NAYS—51

Abdnor
Andrews
Armstrong
Baker
Boschwitz
Brady
Chafee
Cochran
Cohen
D'Amato
Danforth
Denton
Dole
Domenici
East
Garn
Goldwater
Gorton
Grassley
Hatfield
Hawkins
Hayakawa
Heinz
Helms
Humphrey
Jepsen
Kassebaum
Kasten
Laxalt
Lugar
Mathias
Mattingly
McClure
Murkowski
Nickles
Nunn
Packwood
Percy
Quayle
Roth
Rudman
Schmitt
Simpson
Specter
Stevens
Symms
Thurmond
Tower
Wallop
Warner
Weicker

NOT VOTING—7

Durenberger
Hatch
Hollings
Johnston
Metzenbaum
Pressler
Stafford

So the motion to lay on the table the motion to reconsider was rejected.

The PRESIDING OFFICER. The vote now recurs on the motion to reconsider.

Mr. BAKER. Mr. President, I am perfectly willing to have a voice vote on this.

Mr. BENTSEN. Mr. President, it is obvious that the votes are with the majority leader. I congratulate him. We gave him a pretty good run for his money.

Mr. BAKER. You sure did. I hope you got it out of your system.

The PRESIDING OFFICER. The question is on agreeing to the motion to reconsider.

The motion to reconsider the vote was agreed to.

The PRESIDING OFFICER. The question recurs now on the motion to table. The yeas and nays have already been ordered.

Mr. BAKER. Mr. President, before we start, is there a desire for a rollcall vote at this time? Will the Senator from Texas ask unanimous consent to vitiate the roll call?

Mr. BENTSEN. Mr. President, I ask unanimous consent to vitiate the roll call.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The question now is on agreeing to the motion to lay on the table.

The motion to lay on the table UP amendment No. 925 was agreed to.

Mr. BAKER. Mr. President, what is the question before the Senate?

The PRESIDING OFFICER. The question recurs now on the Roth amendment to the language proposed to be stricken by the committee substitute, on which is pending a Pryor amendment to which is pending a Bentsen amendment.

Mr. TOWER and **Mr. EAGLETON** addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mr. TOWER. Mr. President, have the yeas and nays been ordered on the Roth amendment?

The PRESIDING OFFICER. They have not.

Mr. EAGLETON. Mr. President, prior to the recess which occurred around 7:30 p.m., I announced my intention, if the Bentsen substitute failed, to offer yet another substitute, which would be identical to the Roth amendment except on the question of the independence of the IG. Having observed the two most recent rollcall votes and facing up to reality, I see no point in pursuing that amendment at this time, because I think the result would be virtually identical with the most recent rollcall vote.

Now the question before the Chamber is the Roth amendment, and I wish to say a word on it.

Mr. President, as I indicated earlier, I believe that under the Bentsen proposal, an inspector general would have had a much greater cloak of statutory authority in where independence is concerned than he does have under the Roth language. This is my only misgiving with the Roth proposal. Nevertheless, I still think that, even with the Roth language, as well-qualified, committed inspector general will have ample inherent authority to discharge his duties.

Mr. President, I am going to ask Senator Roth, though, if he does not think we should have a rollcall vote on this matter, because I think it is one of the more important issues this body will decide in this session.

Mr. ROTH. Mr. President, I say to my distinguished colleague from Missouri that I give him credit and recognize the key role that he has played for the past several years in the creating of statutory inspectors general.

As I said earlier, the Roth amendment does provide for a strong Inspector General. We do provide a means of oversight of any veto action on the part of the Secretary. The Inspector General is free to initiate any audit review, investigation, or subpena. In the event that the Secretary vetoes any audit because of national security issues, then he and the Inspector General are required to report the reasons back to the Governmental Affairs Committee, to the Government Operations Committee of the House, to the Armed Services and other appropriate committees. We have made certain that there is very tough overview of the whole approach.

Mr. PERCY. Will the Senator yield for just a comment?

Mr. ROTH. Yes, Mr. President, I am happy to yield to the distinguished Senator from Illinois.

Mr. PERCY. Mr. President, I want to say that Senator Chiles and I sat through every one of the confirmation hearings on the Inspector General. To the author of that legislation; I believe deeply in it. I stayed with Senator Bentsen on this because I thought his was the toughest one. Even though our committee would have lost jurisdiction because of that amendment, I stayed with it because I felt the toughness was warranted.

In this case, with the assurance given by the chairman of the Committee on Governmental Affairs that we will accept those reports from the Secretary of Defense, we will have that oversight, we will penetrate it deeply and give it the same sort of scrutiny we have given all other inspectors general, I intend to vote with Senator Roth in this particular instance. I have confidence that he will vigilantly—he has pledged to the Senate that he will vigilantly carry out that responsibility.

Mr. BENTSEN. Will the Senator from Delaware yield to the Senator from Texas?

Mr. ROTH. I am happy to yield.

Mr. BENTSEN. Mr. President, I think that what Senator Roth is proposing is certainly a move in the right direction. I obviously felt that mine gave a stronger statutory authority and established better independence of the Inspector General and put a more severe limitation on where the Secretary of Defense could exercise veto power, but obviously that amendment did not pass. Since it did not, I will be pleased to vote for the amendment of the Senator from Delaware.

I certainly want to congratulate Senator Eagleton on the work that he has done. He has been a pioneer. I certainly appreciate the cooperation and help of the distinguished Senator from Arkansas, who has worked long and hard on this issue.

I also suggest to the Senator from Delaware on the parliamentary question that perhaps we could take such steps as are necessary so his amendment finally gets attached to the committee bill itself rather than to the underlying legislation.

I will be pleased to cooperate in that regard.

Mr. ROTH. Mr. President, I appreciate very much the words of the distinguished Senator from Texas.

Does the Senator from Texas withdraw his substitute to the Pryor amendment?

Mr. BENTSEN. Yes, the Senator from Texas does withdraw his substitute in order that the Senator can attach his amendment.

The PRESIDING OFFICER. The Chair advises it would take unanimous consent to do that.

Mr. BENTSEN. Mr. President, I ask unanimous consent to accomplish that objective.

The PRESIDING OFFICER. Is there objection?

The Chair hears and sees none, and it is so ordered.

UP AMENDMENT NO. 926

(Purpose: To amend the Inspector General Act of 1978 to establish an Office of Inspector General in the Department of Defense and for other purposes)

Mr. ROTH. Mr. President, I then send an amendment as a substitute to the Pryor amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Delaware (Mr. ROTH) proposes an unprinted amendment numbered 926.

Mr. ROTH. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the language proposed to be stricken by the committee substitute, add the following:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Inspector General Amendments of 1982".

DEPARTMENT OF DEFENSE OFFICE OF INSPECTOR GENERAL

SEC. 2. (a) The Inspector General Act of 1978 (Public Law 95-452) is amended—

(1) by inserting "the Department of Defense," after "Commerce," in section 2(1);

(2) by redesignating subparagraphs (C) through (M) of section 9(a)(1) as subparagraphs (D) through (N), respectively;

(3) by inserting after subparagraph (B) of such section the following new subparagraph:

"(C) of the Department of Defense, the office of that department referred to as the 'Defense Audit Service', and that portion of the office of that department referred to as the 'Defense Investigative Service' which has responsibility for the investigation of alleged criminal violations and that portion of the Defense Contract Audit Agency responsible for post award audit work with this transfer consisting of no less than 1,400 positions and"

(4) by inserting "Defense," after "Commerce," in section 11(1); and

(5) by inserting "Defense," after "Commerce," in section 11(2).

(b) Section 8 of the Inspector General Act of 1978 is amended to read as follows:

"ADDITIONAL PROVISIONS WITH RESPECT TO THE INSPECTOR GENERAL OF THE DEPARTMENT OF DEFENSE

"SEC. 8. (a) No member of the Armed Forces, active or reserve, shall be appointed Inspector General of the Department of Defense.

"(b)(1) The last two sentences of section 3(a) do not apply to the Inspector General of the Department of Defense.

"(2) The Inspector General of the Department of Defense shall be under the authority, direction, and control of the Secretary of Defense.

"(c) In addition to the other duties and responsibilities specified in this Act, the Inspector General of the Department of Defense shall—

"(A) be the principal adviser to the Secretary of Defense for matters relating to the prevention and detection of fraud, waste, and abuse in the programs and operations of the Department;

"(B) initiate, conduct and supervise, through the Defense Audit Service and the Defense Criminal Investigative Service such audits and investigations in the Department of Defense (including the military departments) that the Inspector General deems appropriate;

"(C) provide policy direction for audits and investigations that the Inspector General may initiate, conduct and supervise regarding waste, fraud, and abuse and program effectiveness;

"(D) investigate fraud and abuse uncovered as a result of other contract and internal audits, as the Inspector General deems appropriate;

"(E) develop policy, monitor and evaluate program performance, and provide guidance with respect to all department activities relating to criminal investigation programs;

"(F) monitor and evaluate the adherence of Department auditors to internal audit, contract audit, and internal review principles, policies, and procedures;

"(G) develop policy, evaluate program performance, and monitor actions taken by all components of the Department in response to contract audits, internal audits, internal review reports, and audits conducted by the Comptroller General of the United States;

"(H) request occasional assistance as needed from other audit, inspection, and investigative units of the Department of Defense (including military departments); and

"(I) give particular regard to the activities of the internal audit, inspection, and investigative units of the military departments with a view toward avoiding duplication and insuring effective coordination and cooperation.

"(d) Notwithstanding section 4(d), the Inspector General of the Department of Defense shall expeditiously report suspected or alleged violations of chapter 47 of title 10, United States Code (Uniform Code of Military Justice), to the Secretary of the military department concerned or the Secretary of Defense.

"(e) The Inspector General of the Department of Defense is authorized to establish such rules and instructions as may be necessary to carry out the provisions of this Act.

"(f) In carrying out section 6(a)(2), the Inspector General of the Department of Defense is authorized to make such investigations and reports relating to the administration of the programs and operations of the Department as are, in the judgment of the Inspector General or the Secretary of Defense, necessary or desirable.

"(g)(1) In carrying out section (7)(a), the Inspector General of the Department of Defense may receive and investigate complaints or information from an employee of the Department or a member of the Armed Forces.

"(2) The Inspector General of the Department of Defense shall not, after receipt of a complaint or information from an employee of the Department or a member of the Armed Forces, disclose the identity of or information that could be attributed to that employee or member without the consent of that employee or member, unless the Inspector General determines such disclosure is unavoidable during the course of the investigation.

"(3) Section 7(c) shall apply to employees of the Department of Defense and members of the Armed Forces who have authority to take, direct others to take, recommend, or approve any personnel action with respect to employees of the Department of Defense or members of the Armed Forces.

"(h)(1) Each semiannual report prepared by the Inspector General of the Department of Defense under section 5(a) shall include a listing of each contract audit conducted by the Department during the reporting period. Each such report shall be transmitted by the Secretary of Defense to the appropriate committees or subcommittees of the Congress and to the Committee on Governmental Affairs of the Senate and the Committee on Government Operations of the House of Representatives.

"(2) Any report required to be transmitted by the Secretary of Defense to the appropriate committees or subcommittees of the Congress under section 5(d) shall also be transmitted, within the seven-day period specified in such section, to the Committee on Governmental Affairs of the Senate and the Committee on Government Operations of the House of Representatives.

"(3)(A) Any report prepared by the Inspector General of the Department of Defense under section 5 shall not include information which is—

"(i) specifically prohibited from disclosure by any other provision of law;

"(ii) specifically required by Executive order to be protected from disclosure in the interest of national defense, national security, or in the conduct of foreign affairs; or

"(iii) a part of an ongoing criminal investigation.

"(B) Notwithstanding subparagraph (A)(iii), any report prepared by the Inspector General of the Department of Defense under section 5 may include information with respect to a part of an ongoing criminal investigation if such information has been included in a public record.

"(i)(1) If the Secretary of Defense determines that it is appropriate for purposes of preserving the national security interests of the United States to prohibit the Inspector General of the Department of Defense from initiating, carrying out, or completing any audit or investigation, or from issuing any subpoena, after the Inspector General has decided to initiate, carry out, or complete such audit or investigation, or issue such subpoenas, the Inspector General shall submit a statement concerning the prohibition within 30 days to the appropriate committees or subcommittees of the Congress and to the Committee on Governmental Affairs of the Senate and the Committee on Government Operations of the House of Representatives. Any such statement shall include the views of the Inspector General concerning the prohibition.

"(2) The Secretary shall, within 30 days after making such determination in paragraph (1), transmit a statement of the reasons therefore to the appropriate committees or subcommittees of the Congress and to the Committee on Governmental Affairs of the Senate and the Committee on Government Operations of the House of Representatives.

"(3) Notwithstanding paragraphs (1) and (2), if the portions of the statement required by such paragraphs would necessarily reveal intelligence or counterintelligence activities, sensitive operations plans, ongoing criminal investigations of the Department of Defense, or other information the disclosure of which may constitute a serious threat to the national security, the Secretary is only required to transmit such portions of such statements to the Majority and Minority Leaders of the Senate and the House of Representatives and the Speaker.

"(j) The provisions of section 1385 of title 18, United States Code, shall not apply to audits and investigations conducted by, under the direction of, or at the request of the Inspector General of the Department of Defense to carry out the purposes of this Act.".

Mr. ROTH. Mr. President, I see no reason for further debate on this matter. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. ROTH. Mr. President, the Senator from Delaware is ready for the vote.

The PRESIDING OFFICER. Does any Senator desire recognition?

The Chair advises the Senator from Delaware that the vote would first occur on the Roth amendment (UP No. 924) to language proposed to be stricken by the committee substitute, to which is pending the Pryor amendment.

Mr. ROTH. I ask unanimous consent that I may withdraw that amendment.

The PRESIDING OFFICER. Is there objection?

The Chair hears none and sees none, and it is so ordered.

Mr. TOWER. Mr. President, may we have order, please.

The PRESIDING OFFICER. The Senate will be in order.

Mr. ROTH. Mr. President, what is the pending business?

The PRESIDING OFFICER. The question now is on the Roth amendment offered as a substitute to the Pryor amendment.

The yeas and nays have been ordered.

Mr. TOWER addressed the Chair.

The PRESIDING OFFICER. The Chair will recognize the Senator from Texas.

Mr. TOWER. Mr. President, before the vote occurs, I might suggest to the Senate that there are some other amendments that are scheduled to be offered this evening. There will be further rollcall votes after this one. As a matter of fact, I wish we could go even later tonight because there is a good prospect we will be in all night tomorrow night if we do not continue tonight, and there will be a lot of votes late tomorrow. It occurs to me it would be better to have them late tonight rather than tomorrow night.

I just thought I should put the Senate on notice that we have some more votes scheduled for consideration this evening.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. STEVENS. I announce that the Senator from Minnesota (Mr. DURENBERGER), the Senator from Utah (Mr. HATCH), and the Senator from South Dakota (Mr. PRESSLER) are necessarily absent.

Mr. CRANSTON. I announce that the Senator from South Carolina (Mr. HOLLINGS), the Senator from Louisiana (Mr. JOHNSTON), and the Senator from Ohio (Mr. METZENBAUM) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 94, nays 0, as follows:

[Rollcall Vote No. 105 Leg.]

YEAS—94

Abdnor
Andrews
Armstrong
Baker
Baucus
Bentsen
Biden
Boren
Boschwitz
Bradley
Brady
Bumpers
Burdick
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Chafee
Chiles
Cochran
Cohen
Cranston
D'Amato
Danforth
DeConcini
Denton
Dixon
Dodd
Dole
Domenici
Eagleton
East
Exon
Ford
Garn
Glenn
Goldwater
Gorton
Grassley
Hart
Hatfield
Hawkins
Hayakawa
Heflin
Heinz
Helms
Huddleston
Humphrey
Inouye
Jackson
Jepsen
Kassebaum
Kasten
Kennedy
Laxalt
Leahy
Levin
Long
Lugar
Mathias
Matsunaga
Mattingly
McClure
Melcher
Mitchell
Moynihan
Murkowski
Nickles
Nunn
Packwood
Pell
Percy
Proxmire
Pryor
Quayle
Randolph
Riegle
Roth
Rudman
Sarbanes
Sasser
Schmitt
Simpson
Specter
Stafford
Stennis
Stevens
Symms
Thurmond
Tower
Tsongas
Wallop
Warner
Weicker
Zorinsky

NOT VOTING—6

Durenberger
Hatch
Hollings
Johnston
Metzenbaum
Pressler

So Mr. ROTH's amendment (UP No. 926) was agreed to.

Mr. ROTH. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. JEPSEN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

THE PRESIDING OFFICER. The question now recurs on the Pryor amendment as amended.

The amendment (UP No. 922), as amended, was agreed to.

Mr. ROTH. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. JEPSEN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 927

(Purpose: To eliminate the authorization of appropriations for fiscal year 1983 for additional retention, operation, and maintenance expenses of Titan II missiles)

Mr. DOLE. Mr. President, I send an unprinted amendment to the desk on behalf of myself, my distinguished colleague from Kansas (Mrs. KASSEBAUM), and the Senator from Montana (Mr. MELCHER).

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Kansas (Mr. DOLE), for himself, Mrs. KASSEBAUM, and Mr. MELCHER, proposes an unprinted amendment numbered 927.

On page 15, line 13, strike out "$5,269,800,000" and insert in lieu thereof "$5,196,000,000".

On page 22, line 3, strike out "$19,937,300,000" and insert in lieu thereof "$19,931,100,000".

Mr. DOLE. Mr. President, I shall explain this amendment in about 5 or 6 minutes. There may be some opposition to the amendment.

I think the issue is fairly clear cut. Some of us have Titans in our States. The State of Kansas, the State of Arkansas, and the State of Arizona do.

It was our understanding they were to be phased out starting in fiscal year 1983, and we welcome that phaseout.

This amendment has the support of the Department of Defense and the Air Force, each of whom intended the phaseout to start in fiscal year 1983.

On February 26 of this year, the Subcommittee on Strategic and Theater Nuclear Forces held hearings and received testimony about Titan missile retirement.

Mr. EXON. Mr. President, could we have order, please, in the Senate so I might hear the Senator from Kansas.

The PRESIDING OFFICER. The Senate will be in order.

Mr. DOLE. I thank my colleague from Nebraska.

Witnesses from the Department of Defense and the Air Force testified that the planned retirement of Titan is consistent with the President's stress on modernization of our strategic forces. They also testified that the proposed phaseout of Titan is not expected to have any adverse impact on START negotiations and that it can be halted at any time if a world crisis should make that action appropriate.

The chairman of the subcommittee described five reasons for retiring Titan.

First, was a dollar savings which would assist in strategic weapon modernization.

Second, was a lesser accuracy of the Titan missile.

Third, was the Titan's lesser survivability.

Fourth, was safety, which I might indicate is a very strong reason in the States, at least the State of Kansas.

The fifth and final reason was the adoption of a new targeting doctrine in which Titan missiles no longer fitted.

Dr. Wade, principal deputy under the Secretary of Defense for Research and Engineering, and General Davis, commander of the Strategic Air Command, both stated they agreed with these reasons for retiring Titan starting in fiscal year 1983.

The Senator from Kansas is in agreement with the administration's plan to phase out the Titan system in fiscal year 1983 or at least to start that phaseout.

This Senator has been concerned with the safety and reliability of the Titan system for a number of years.

Kansas, as I indicated earlier, is one of three States housing the Titans which have become a source of concern to local residents and airmen alike. A series of minor incidents culminated in a fatal accident at the site in Rock, Kans., in 1978.

The danger and unreliability of the Titan missiles gained national attention when a missile exploded in Damascus, Ark., on September 18, 1980.

Congressional hearings, an Air Force study, and many communications between Congressional Members and the Department of Defense have resulted in significant safety improvements in the past 4 years.

However, the reliability of, and strategic need for, the Titan system is still doubtful.

Titan missiles first became operational in 1962, two decades ago.

They were designed for an operational life of about 10 years. They have already doubled that design parameter. As a matter of fact, if we follow the planned phaseout schedule of the Department of Defense, the last Titan missile will not be removed from its silo until sometime in 1987.

The Armed Services Committee report linked the Titan removal delay to the delay in MX missile procurement funding.

My understanding of the administration position is that the retirement of the Titan system is not related directly to the MX.

Ordinarily, this Senator might agree with the somewhat indirect connection. In this case, however, we are talking about extending an old and difficult-to-maintain system which has a high fuel-leak propensity and which has already been involved in several very serious accidents.

We should not prolong the phase out of the Titan missile force on a year-by-year basis. It should be phased out deliberately and in accordance with the present schedule starting in fiscal year 1983.

Mr. EXON. Mr. President, I request order in the Senate.

The PRESIDING OFFICER (Mr. RUDMAN). The Senate is not in order. The Senate will be in order.

Mr. EXON. Mr. President, this Senator for one has to take exception with the amendment that has just been offered by my friend and colleague from Kansas, and I doubt very much that we can dispose of this matter in a very short period of time.

I think this is one of those key decisions that requires the Senate to become involved.

The Senator from Kansas has every right to offer his amendment, of course, but I suspect and suggest it is a self-serving amendment because really what he is saying to the Senate is he does not want his State of Kansas to take what he describes as an unnecessary risk.

All kinds of risks are going to have to be taken if we are going to begin to close the "window of vulnerability" that the Senator from Kansas and the President of the United States made much ado about in the last Presidential campaign.

Mr. President, it is interesting to note that those who have been on this floor talking most about defense are now those who whimper when we want to maintain some 52 of these Titans in their present silos, essentially located in three or four States.

I think it is interesting to note also, that 2 or 3 weeks ago in his last prime time newscast or press conference, as it is properly called, the Great Communicator came before the people of the United States and he said essentially that the United States of America was inferior to the Soviet Union in ICBM's at least as far as megatonnage was concerned.

I do not believe that statement was true, and I dismissed it at the time as nonsense, but at least the Commander in Chief of the United States said that was true and it has caused some repercussions.

If it is true, as the President of the United States, our Commander in Chief says, that we are inferior in ICBM's to the Soviet Union today, what sense does it make, Mr. President, to begin dismantling of up to one-third, approximately one-third, of our total megatonnage by accommodating the Senator from Kansas, who seems to be fearful of having those weapons of war in his State?

I am sure, as you and the other Members of the Senate know, Mr. President, each one of those Titans represents 9 megatons, and they remain, Mr. President, a serious concern to Soviet planning, and the very thought that the President of the United States or the Senator from Kansas would suggest that we unilaterally begin the disarmament of America at a time when the President of the United States, our leader, says we are inferior, does not make any sense to this Senator from Nebraska.

Safety and reliability, I am going to touch on that: We had expert testimony in the Armed Services Committee, on which I serve, on this very matter, and while I am sure that the Senator from Kansas is well intentioned in his presentation, I would simply cite to him—and he was there at some of those subcommittee meetings—that it was quite clear that neither the President of the United States, the Department of Defense, nor the Air Force made a very good presentation in suggesting that we start phasing out, on a monthly basis beginning this October, those Titans, 1 month at a time.

The talk about saving money is ridiculous on the face of it. It is going to cost $500 or $600 million, according to the Department of Defense and the Air Force, to maintain those Titans in their present launching sites for 5 or 6 more years. That might sound like a lot of money, but when you are talking about a $223 billion defense buildup, and when you compare it with the fact that the same Department of Defense, which wants to save $600 million in 5 years by taking out all of our 52 Titans, is the same Department of Defense that wants to save money by spending $500 million on bringing one old wornout World War II battleship out of mothballs. It is nonsense, and anyone who looks at it from the standpoint of what is best for America will recognize it, and I hope the U.S. Senator will do that if the Senator from Kansas insists on a vote on the proposition he has just offered.

I think, Mr. President, it is clear that I rise in opposition to the amendment which has been offered to delete the funding provided in this bill to retain in service the Titan II missiles.

In a way I am delighted that this amendment has been offered. It will give the entire Senate and the Nation an opportunity to better understand the kinds of issues which the Armed Services Committee has been dealing with since the President announced his strategic nuclear force modernization program last October.

The Titan missile part of this proposed program, has been one of the best kept secrets in Washington and elsewhere. The land-based portion of the administration's strategic modernization plan calls for:

First, cancellation of the MPS basing mode for the MX missile, the basing mode which is still the first choice of our military leaders.

Second, deployment of the MX missile on schedule but in existing and vulnerable silos which, with no degree of hardening, will begin to protect.

Third, deferral of the decision on the permanent MX basing mode until 1984.

Fourth, early retirement of our 52 Titan II missiles.

Under this proposal we would have begun taking Titan missiles out of their silos at an average rate of one per month over a period of 52 months beginning in October of this year.

The principal rationale cited for this, which I would term unilateral disarmament, was that this retirement would save $500 million over the next

5 years, an average of about $100 million or slightly in addition per year.

Mr. President, I am all in favor of saving money wherever possible. But this was one of the most shortsighted proposals I have seen since coming to the Senate 3 years ago. At the time we were supposed to save a total of $500 million the administration proposed spending over $4.3 billion to deploy MX missiles in existing Minuteman silos where vulnerability is growing by the week.

So I am quite prepared to discuss at length the best possible utilization of the defense dollar. These issues cannot be considered in isolation. It is true that the Titan missiles are older and do not possess the pinpoint accuracy to qualify them as hard-target kill nuclear weapons

However, each of our 52 Titan missiles has a 9-megaton warhead. Our Titan missile force consists of about one-third of our overall land-based ICBM megatonnage. If I were a Soviet defense planner I would sure be worried about these 468 megatons aimed at me.

It was not our intention to decommission the Titans until we had the MX missile deployed in a survivable basing mode, and I think that is a key point.

Mr. President, I was so concerned about this proposal that I wrote to Senator JOHN WARNER, chairman of our Strategic and Theater Nuclear Forces Subcommittee, and requested a hearing on this subject. That hearing took place on February 26 of this year. The senior Senator from Kansas attended part of that hearing. What more did he learn? Nothing. What additional justification other than costs was presented for taking out the Titans? None.

So what has been the action of the Armed Services Committee following its evaluation of its entire land-based missile question? We canceled the militarily unsound idea of MX deployment at Minuteman silos and saved over $4.3 billion. Now we are talking about real dollar savings, but we did not take that action on monetary grounds alone. We did it because it made good, sound military sense.

The committee also advanced the decision on a permanent survivable MX basing mode to December 1, 1982.

Finally, the committee also retained the Titan missile in service. Regarding the Titan, the committee stated in its report:

> Their high megatonnage warheads have long constituted an important element of the United States strategic capability. While the TITAN II missiles do not possess hard-target kill capability, their unique large-yield characteristics do contribute to the U.S. nuclear deterrent and free up other, higher accuracy missiles for targets which require such accuracy. Consequently, the committee believes that retirement of the TITAN II missile force should be deferred until a plan for survivably basing the MX has been received and approved by Congress.

Mr. President, I would like to turn to the specific points which were made in the "Dear Colleague" letter which was circulated to all Members regarding this amendment being offered by the Senators from Kansas: Point 1:

> The planned retirement of the Titan missiles is consistent with the President's stress on modernization of our strategic forces.

Mr. President, I have already addressed this issue, but I want to talk about it some more. The President's modernization program included a delay in the survivable basing mode for the MX and called for the now discredited interim deployment of MX missiles in vulnerable silos.

The Armed Services Committee has already revised these plans. We have already demonstrated our willingness to go along with the strategic force plans, but only when those plans are in our best interest and under no other circumstances.

Point 2:

> The phase-out will not have an adverse impact on our START negotiations, because the Soviet Union has long been aware of our intentions to remove them.

Why in the world, Mr. President, on the very eve of the initiation of START negotiations, would we dismantle one-third, or nearly one-third, of our land-based ICBM megatonnage? It is a question that begs for an answer. What did we get in return from the Soviets? We got nothing. We got nothing, that is what we got in return. This is pure and simple unilateral disarmament. The Titan's represent a real capability. They are deployed right this minute. When it comes to START negotiations, are we going to disregard a Soviet system because they might be contemplating its retirement? Whatever happened to the window of vulnerability about which we heard so much during the last election? Whatever happened to the principle of negotiating from a position of strength that we heard from the President just this past week?

Point 3 from the Dear Colleague letter from my friend and colleague from Kansas:

> If additional funds were made available they would be used for strategic force modernization, rather than for extension of Titan missile life.

Well, as the President is prone to say, well, we are funding the President's strategic force modernization program based on military policy considerations, not based on fiscal considerations. Every portion of this program which made military sense has been funded by the Congress. There is no need for further funding in this category. And the Titan's are truly a bargain if there ever was one as they exist right now and as the threat continues to exist from the Soviet Union.

Point 4 from the Dear Colleague letter from my colleague from Kansas:

> The phase-out of Titan could be halted at any time if world conditions should dictate.

That is really an interesting and intriguing one.

Mr. President, this point makes the least sense of all. Once the Titan missiles are pulled out of their silos, this is what will happen. Their liquid fuel will be removed and stored at one location. The missiles themselves will be stored at another location. The warheads will be removed and taken to yet another location and possibly be recycled. The silos will be covered over and placed in a caretaker status in conformity with SALT rules. Now Mr. President, the last time I checked, the flight time of an ICBM from the Soviet Union to the United States was, give or take, approximately 30 minutes. The world condition I am worried about is a Soviet attack on our land-based ICBM's and bombers on the ground and missiles in the sea from the Soviet Union. Titan missiles, with their silos covered over and their parts in three different locations around the country, cannot be reassembled and made ready to launch in 30 minutes, I suggest. Would it take 30 days, 3 months, or a year?

If we are in the middle of a window of strategic vulnerability, why would we dismantle any nuclear weapon system, before we have to, in the absence of a bilateral arms reduction agreement? The President recently stated that the Soviets have a definite margin of superiority in nuclear weaponry. How could the President make that statement on the one hand and propose unilateral ICBM disarmament on the other? The logic escapes me and I hope the logic escapes the other Members of the U.S. Senate, especially those who have supported a strong defense on the part of the United States of America.

A final point raised in support of this amendment relates to the safety aspect of Titan missiles. Following the second of two accidents involving these missiles, with their inherently volatile liquid fuel, the Air Force made an exhaustive study of this issue. This study was completed early last year and the group which made this analysis was headed by Gen. Bernie L. Davis, then commander of the Air Force Training Command and now commander in chief of the Strategic Air Command.

Mr. President, I ask unanimous consent that the entire study be printed in the RECORD at the end of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. EXON. Mr. President, the conclusion of the study was that "with proper funding and reasonable priority, the Titan can remain a viable, safe and supportable part of the Nation's strategic deterrent posture." The study made several recommendations on how to provide an extra margin of safety now and in the future. Consequently, the Air Force embarked on a Titan safety improvement program and the funds provided in this bill before the Senate today will continue these safety improvements as we retain these missiles in service. So, while I understand the legitimate concerns of those who must live and work near Titan missile sites in Kansas, Arkansas, and Arizona, I am satisfied that the safety issue is now receiving the increased attention it deserves.

And, as the record clearly indicates, we have been assured by every high-level Air Force officer that with the new precautions now in place the Titans are as safe as they could be expected to be. I would just simply say that any weapon of destruction is not something that is ever totally safe under any circumstances. Therefore, we have to measure the risk involved.

I, frankly, believe that if the citizens of Kansas, Arkansas, and Arizona understood the need for keeping those Titans in place until we develop something that will take their place in our overall deterrent posture, there would be very few, if any, of the people of those States that would not be willing to continue to live with those 9 megaton monsters in their State.

Therefore, Mr. President, I hope that my colleagues will join me, along with the Armed Services Committee, in defeating this amendment. Certainly, in light of the current strategic balance and in the absence of a negotiated arms reduction agreement, we should not retire an entire nuclear weapon system prematurely or begin to do so, which the amendment of the Senator from Kansas would begin.

It seems to me, Mr. President, that we should remember very well that there was never a plan until last October when the present window of vulnerability President made the announcement to begin to retire the Titan until the MX was in place. It was a new innovation, one that I am sure still leaves the real military experts in the Department of Defense in somewhat of a quandary.

But we all know and we all understand the general muscling that goes on among those in high defense positions in the United States of America under this administration. It was acceptable, Mr. President——

Mr. TOWER. Will the Senator yield for a question?

Mr. EXON. Mr. President, I do not care to yield at this time.

Mr. President, I would simply say that when Jimmy Carter was President of the United States, it was acceptable for past and present military leaders to take pot shots at will. That is not tolerated under this administration.

I would say, for the information of the full Senate, that my friend and colleague, the distinguished chairman of the Armed Services Committee, just informed me that he was on my side but if I am going to demagog it, he might switch.

I do not believe that my friend from Texas would, under any circumstances, do anything that he felt would be injurious to the defense of the United States.

Mr. TOWER. Will the Senator yield for a question?

Mr. EXON. I will yield for a question in just a moment, as soon as I finish my statement.

I started to say I do not believe my friend from Texas would vote in any injurious way, regardless of how he feels about any statement I might make here today about the present management of our whole world defense posture. I think entirely too much of the patriotism and good judgment of the Senator from Texas.

Let me close Mr. President, by simply saying that this amendment which has been offered by the Senator from Kansas is one that I do not believe he has carefully thought out, and I believe in all sincerity that should the Senator from Kansas fully understand the impact of pulling out these Titans before we have a replacement he indeed would not vote for his own amendment.

Mr. President, I yield the floor.

EXHIBIT 1

PANEL ASSESSES TITAN 2 MISSILE'S SAFETY

(Analysis by a 62-member U.S. Air Force Review Group of the Sept. 19, 1980, Titan 2 missile explosion accident near Little Rock AFB, Ark. (AW&ST Jan. 12, p. 23) began when Air Force Secretary Hans Mark ordered a definitive assessment of the weapon system's safety and supportability now and in the future. An evaluation of the Titan 2 weapon condition and safety report was prepared by Ogden Air Logistics Center. An executive committee, directed by Gen. Bennie L. Davis, commander of the Air Training Command, with advice from Lt. Gen. Howard M. Leaf, Air Force Inspector General, was formed to provide senior level guidance. Members were Eugene H. Kopf, USAF principal deputy assistant secretary for research, development and logistics; Maj. Gen. William W. Hoover, director of military application, Dept. of Energy; Maj. Gen. John J. Murphy, commander, Ogden Air Logistics Center; Dr. Richard Wagner, associate director for nuclear testing, Lawrence Livermore National Laboratory, and Col. Walter S. Yager, commander , 6555th Aerospace Test Group. Because of the importance to the U.S. strategic defense triad of the Titan 2 system. Aviation Week & Space Technology is reprinting the review group report in full.—Ed.)

The Titan 2 weapon system is safe and supportable. Since its initial deployment in 1962, the missile and related support equipment have been adequately maintained and kept current to meet safety and operational requirements. The physical condition of the missile is good. Some support equipment has deteriorated, but has been kept adequate through review, repair and replacement as necessary over the years. The launch crews have the technical knowledge and training to ensure the safe, effective operation of the system. Maintenance procedures are basically sound, and maintenance personnel are capable of providing required support safely and efficiently. The result is that overall system safety has been maintained at acceptable levels.

While the system is assessed basically safe, it also is potentially hazardous, and there can be no guarantee that accidents will not happen. As a consequence, an extensive crisis management capability with effective public safety procedures is in place and being further strengthened to provide an added margin of safety. Interface with responsible public officials and the press also is being refined to assure responsiveness and candor in the event that another accident should occur. At the end of this report, major recommendations found in the appendices are summarized. They are intended to better assure system currency in the future, and to extend the margin of safety for accident prevention and response. Overall, with proper funding and reasonable priority, the Titan can remain a viable, safe and supportable part of the nation's strategic deterrent posture.

BACKGROUND

The Titan 2 weapon system was first deployed by the Air Force at Davis-Monthan AFB, Ariz., in December, 1962. Shortly after, two other wings, with 18 launch complexes each, were established at Little Rock AFB, Ark., and McConnell AFB, Kan.

The Titan 2 weapon system consists of an inertially guided, liquid fueled, two-stage intercontinental ballistic missile (ICBM) and associated ground equipment necessary to maintain the missile in its underground launch complex. The launch complex encompasses both aboveground (topside) and underground facilities. Aboveground facilities, for example, include communications antennas, vehicle parking areas, security fencing, lighting and surveillance systems, weather instruments, propellant and electrical connections and an access portal for entry into the underground portion of the launch complex.

The underground facilities include the missile silo, blast lock area, interconnecting cableways and launch control center. The missile silo is a nine-level area, 146 ft. deep and 55 ft. wide. The Titan 2 missile, in its environmentally controlled atmosphere, is suspended in the launch duct in the center of the missile silo. Various support equipment is situated on nine separate levels to provide electrical power, air conditioning and ventilation, environmental protection, and hazard sensing and associated corrective action. A walkway or cableway extends from the missile silo to the blast lock area. The blast lock area provides protected entry from the access portal to the hardened facility and between the launch control center and the missile silo. The launch control center (LCC) is a three-level, shock-isolated cage suspended from a reinforced, concrete domed roof structure. The majority of the equipment needed to monitor and control the status of the missile and its support equipment is located on Level 2 of the LCC.

The status of each missile and launch complex is monitored 24 hr. a day by a four-member crew of two officers and two enlisted personnel. The crew is trained in launch and emergency procedures and routinely

monitors equipment operation, maintains communication with headquarters and oversees maintenance activities.

Maintenance at the missile complex is performed by technicians from maintenance squadrons at the support base. The teams of technicians travel from 20 to 70 mi. from the support base daily to accomplish repair or replacement tasks at the remotely dispersed sites.

The Titan 2 weapons system represented the forward edge of technology when it was developed, and it is still an efficient design for its purpose. Although the number of Titan 2 missiles is relatively small, these weapons represent over one-third of the total nuclear yield currently available from the land-based ICBM force. The weapon system is operated by the Strategic Air Command (SAC) to cover targets assigned by the National Command Authority (NCA) in the single integrated operational plan (SIOP).

POTENTIAL HAZARDS

The reactive, toxic nature of the propellants and the high explosive and toxic components of the warhead pose potential hazards to those residing near Titan 2 missile sites and convoy routes. Years of experience have demonstrated that the elements of the Titan weapon system posing these hazards can be effectively used and safely handled. Yet, those years also have shown that accidents are possible, and that a sustained effort must be made to prevent mishaps and contain their results. To assess past actions and present proposals, an understanding of the nature of these hazards is required.

The warhead perhaps has caused the most public concern—quite naturally, given its awesome destructive power when employed according to design. In a plausible accident environment, however, it is the most forgiving and least hazardous of the potential hazard sources associated with the Titan. Under only the most extreme circumstances could the warhead react adversely to the external stimuli generated in an accident. Even in the extreme abnormal environment experienced in the accident at Damascus, Ark., the warhead remained safe and relatively intact. Given the specifics of that accident, the warhead reacted according to its design. Because of the far-reaching consequences of a premature nuclear yield, exacting attention was devoted during design and deployment of the Titan 2 system to preclude such an event, even under the most adverse accident environments. The worst plausible outcome of such an environment would be a conventional, high explosive detonation with limited scattering of warhead components. Resultant radiation and toxic hazards would be minimal.

Less forgiving and inherently more hazardous are the propellants. Mishaps involving propellants are more likely to produce a serious hazard, and the hazard will have a greater potential to affect more of the public adversely. The warhead is ruggedly constructed and, when deployed, is encased in the reentry vehicle (RV); propellants are more dependent on the containers in which they happen to be placed. On base, on the road, and topside at the missile site, propellants are in very heavy duty, compartmented trailers which are highly resistant to damage. Even with these precautions, propellants are more likely to be released in an accident than are the hazardous components of the warhead. During operations involving propellant flow to or from the missile, propellants are routed through piping and flexible hoses from topside trailers to reside for long periods inside the missile.

The thin-skin design of the missile is necessary to provide the light weight required to reach targets over 5,000 mi. away with the large payload. The result of that design, however, is a container which is sensitive to mishandling. While steps have been and are being taken to reduce the probabilities of mishandling, the possibility of inadvertent propellant release remains a concern which must be clearly understood and carefully avoided.

The fuel, an equal mixture of hydrazine and unsymmetrical dimethyl hydrazine (UDMH) called Aerozine 50, poses the less serious hazard of the two propellants. Should it be released in an accident, it can create irritations in small concentrations and more serious injury in massive doses. It is colorless, flammable and, in certain vapor concentrations, explosive. It is hypergolic (ignites upon contact) with the oxidizer.

The oxidizer, nitrogen tetroxide (N_2O_4), is the more dangerous propellant component. Though visible as a reddish-brown gas nitrogen dioxide (N_2O_4), it vaporizes rapidly and impacts health much further downwind than fuel. Upon contact, its effects occur rapidly and are not as easily reversed as those of fuel. Liquid N_2O_4) can cause severe chemical burns. NO_2 can cause severe irritation to the eyes, nose and throat. In sufficient concentration, NO_2 can cause serious lung damage.

The long-term environmental impacts of the oxidizer and fuel are similar. After a relatively short period of time, both propellant components decompose to nitrates.

The most significant differences between the hazards posed by the warhead and the propellants, and between those posed by the two propellant components, are the potential evacuation distances involved. In those accidents where a nonnuclear detonation of the warhead high explosives could occur, evacuation of non-essential personnel should be 1 mi. from the point of possible detonation. Should such a detonation take place, the subsequent evacuation distance would be 300 ft. beyond the visible fragments. The most severe of plausible oxidizer accident scenarios could require a downwind evacuation corridor up to 6 mi. in length. Similar severe fuel accident scenarios would generate much shorter evacuation distances.

A major hypergolic reaction between the propellant components of the type apparently experienced at Damascus, but producing a maximum of unconsumed oxidizer under weather conditions worse than at Damascus, is estimated to generate a need to evacuate up to a 6-mi. circle, albeit with more time to initiate the evacuation. That circle reduces to a corridor when upper wind directions are known. These estimates are subject to revision, and refined engineering analyses of the dynamics of hypergolic reactions are under way at this time.

A review of the hazards places the task of assessing the safety and supportability of the Titan 2 weapon system in the proper context. Quite clearly, such an assessement requires an evaluation of the overall system's capability to prevent accidents that would generate these hazards, and to minimize undesirable consequences to those nearby should such accidents occur. Necessarily, this involves a review of those functions that contribute to the ability to both prevent accidents and contain their consequences—design safety, system currency, operation and maintenance of the system, crisis management and, as a thread connecting all these functions, the overall management structure that places emphasis on safety, evaluates the system's ability to support it, and modifies the system accordingly.

DESIGN SAFETY

The design of the Titan 2 weapon system began with emphasis on safety. The design of modifications to that system also are influenced by a continual emphasis on safety. This applies to both the warhead and the missile that carries it.

Warhead

Warhead design places safety first when technical tradeoffs are required or funding priorities are in question. The air force and Dept. of Energy nuclear safety communities continue to ensure that this is the case. The Nuclear Weapon System Safety Group (NWSSG) periodically reviews weapons in the stockpile to reconsider safety, determine if hardware or procedural improvements possibly need to be made to meet more stringent or more quantifiable criteria implemented since the original design of a weapon, and set forth or revise weapon system safety rules for the weapon in question.

Even though nuclear safety may not directly contribute to operational effectiveness, the national-level emphasis given to nuclear safety concerns has insured that the Titan 2 warhead has been engineered since the outset to provide assurance against an inadvertent or premature nuclear yield.

Safety devices have added weight at some expense to missile performance in terms of range. These devices also have necessarily affected overall system reliability somewhat by increasing the complexity of the system; however, the effect is minimized by redundancy and quality assurance programs. A sequential series of independent events and actions, both before launch and during flight, must occur in precisely the right manner to produce a nuclear yield at the target. The safety devices and features provide a high degree of assurance that the warhead will not inadvertently or prematurely produce a nuclear yield. For example, in the early 1960s, before the system was fielded, a device was added to prevent electrical power from reaching the warhead in the event of a fire. Modifications and replacements also have been made in handling equipment to forestall or limit abnormal environments. For example, the new RV transporter, by carrying the RV lower, provides a more stable platform over the road. The new Pettibone crane, used in removing and replacing the RV on site, replaced a crane that was becoming unsupportable and potentially hazardous.

As standards have become more stringent, the system has moved to meet them, to continually improve system safety. The review group recommends further technical changes to the Titan warhead to bring it into line with design practices instituted after the warhead was built, further lowering the remote chance of an inadvertent or premature nuclear yield. Also recommended are a study to determine how the conventional ordnance system in the missile might be made even less susceptible to electrical faults and a reexamination of the crane and reentry vehicle sling used in mating and demating operations to identify potential failure points.

Missile

Safety was also a major consideration in the design of the missile. For example, missile quick disconnect fittings for the propellants were designed to eliminate any large leaks that might otherwise arise during propellant transfer operations, adding weight at the expense of range. Various monitoring circuits were built into the missile to rapidly and reliably identify potential problems, with some impact on performance efficiency. Missile sequential enabling and firing commands were required, at some cost to reliability. As with the warhead, design and modification standards have become more stringent since the basic design of the Titan 2 was completed. The missile system has applied the new standards to improve the margin of weapon system safety.

Modifications to the missile and its direct support equipment are scrutinized under the USAF system safety program. This program, instituted in its present form since Titan 2 was initially designed, requires that modifications be analyzed as to both the safety of the specific component-level chances required and, in turn, the potential safety impact of the modification on the entire program.

The USAF system safety program generated the establishment of a Titan 2 weapon system safety group (WSSG) to review modifications involving safety concerns and review and make recommendations on safety issues involving the weapon system. The Titan WSSG includes representatives from the Air Force inspection and safety center, Strategic Air Command, operational missile units, the Strategic Missile Evaluation Sqn., medical and environmental health organizations, the Air Force Logistics Command (AFLC) Safety Staff, AFLC depot system and item managers, and various civilian contractors. A WSSG program typically includes activities throughout all phases of design, development, testing, checkout, modification, production, training and servicing the subject system. Thus, the WSSG plays a key role in the Titan 2 modification development-through-incorporation cycle.

In the early 1970s, a coded switch modification was incorporated to enhance nuclear surety by providing an additional barrier to inadvertent or unauthorized launch. This modification increased system complexity by adding one more hurdle to cross in series with those already existing. This was soon followed by propellant tank pressure transducers, which provide the missile crew with a digital readout of pressure inside each of the propellant tanks. They eliminated pressure switches which had presented a potential leak point and provided only a visual warning light for a high or low pressure indication. More recently, the system has moved to replace aluminum with stainless steel poppets in the quick disconnects used in uploading and downloading propellants—to provide greater assurance that the quick disconnect will work as designed. The incident at Rock, Kan., led to this design. All three of these modifications enhanced safety, yet added weight and complexity. All were judged to be worthwhile tradeoffs.

Realistically, what cannot be done to Titan design, however, is to thicken its skin to make it more impervious to the kind of dropping incident that generated the accident at Damascus, Ark. To accommodate that concern, the system has instead looked to the design of support equipment and maintenance procedures to desensitize the system. Briefly, procedural changes already in place include lanyarding parts and tools, raising the rubber flaps around the edge of the work platforms, and lowering work platforms below technicians working in the launch duct with the missile. A safety net to place below technicians working in the launch duct has been prototyped and the procurement process has begun.

Missile system support equipment has been modernized or replaced to enhance safety over the years. Except for real property installed equipment, these modifications are under the scrutiny of the WSSG. The most recent example stressing accident prevention is one that flows from the Damascus accident, involving the aforementioned rubber flaps around the inner edge of the work platforms. These were intended to prevent objects from falling through and eventually striking and puncturing the missile. Yet, this happened at Damascus. The possibility of upgrading these flaps and closing off present openings, along with the completed procedural changes more fully discussed in the maintenance section below, is aimed at preventing recurrence. The review group recommends that flap upgrade be quickly evaluated and implemented if the modification would add to safety. Another recent example of a prevention-oriented modification is the Chem-pump, used for propellant transfer operations, which came about as a result of lessons learned from an accident that occurred in the private sector but had application to Titan 2. This effective application of the safety program, including crossfeed and corrective action, resulted in replacement of certain internal parts of the pump which were found to be incompatible with oxidizer.

Possibly less obvious safety modifications are those that relate to limiting the consequences of an accident should one occur. This group provides particular support to such modifications, many of which have been under active consideration since the Rock, Kan., accident. But most have not yet been implemented—they take both time and dollars to deploy. The process might, however, be accelerated with sufficient priority and funding.

Those safety modifications deemed especially important are: runoff ditches and holding basins for hardstands topside to contain spills; systems to place vapor suppressants on oxidizer and fuel leaks in-silo, topside and on the road; water recirculation or renewal systems to wash down in-silo fuel leaks; exhaust shaft propellant vapor burners or scrubbers to reduce emitted oxidizer or fuel vapors; a remote (or automatic) tank venting capability, and manual overrides to water and fan controls for crew use under missile potential hazard team (MPHT) direction during in-silo hazard situations; various indicators remoted in digital form into the launch control center (LCC) to allow the crew to keep the missile potential hazard net (MPHN) advised during such a situation; and LCC modifications to allow the crew to safely remain in the control center to assist the MPHT until the situation is resolved. None of these is absolutely necessary to system safety, but all are desirable, especially for the more encroached complexes, i.e., those with high population densities in the immediate vicinity of the site. These complexes should get first priority for installation when appropriate modifications to the current system become available. Funding priority for rapidly completing development and accelerating deployment of these spills management initiatives needs to be established and sustained. Spills management, overall, has the potential to add considerably to the margin of safety of the Titan 2 system in the years to come.

In the vein of containing accidents, certain salutary modifications have been or already are being made. For example, the antenna system for the radio-type maintenance net (RTMN) has been replaced with one which substantially reduces "dead spots" in the silo and improves the quality of communication. Further improvement is still necessary. The RTMN is important not only to the day-to-day interface between and among operations and maintenance, but also as the primary means of communication during emergencies and the only means of voice communications during propellant operations requiring the use of the rocket fuel handlers clothing outfit (RFHCO).

Also related to accident containment, as well as day-to-day operations, are clothing and equipment to protect those who must work in a hazardous environment. The Biopak 45 is a new, modern, self-contained breathing apparatus to replace the less satisfactory Chemox units. Fielding has been delayed until certification, required after installments of communication devices, is complete. Still needed in this area, and presently under study, are a new fixed vapor detection system in the silo to meet current Air Force Occupational Safety and Health (AFOSH) and proposed National Institute of Occupational Safety and Health (NIOSH) standards, a new portable vapor detector to do the same, and more sustainable rocket fuel handlers clothing outfits (RFHCO) that offer improved protection against toxic environments. Perhaps an even more compelling reason for replacing these three, however, is the need to provide a more reliable means of meeting even the standards for which the equipment was originally designed. This concern is referred to as currency, rather than design, incorporating the need to repair, then eventually replace, equipment whose adequacy has been compromised by the aging process

CURRENCY

Design safety and system currency are closely related. While the Titan 2 and its support equipment are continually updated to meet current, often more stringent standards, existing equipment also is reviewed to ensure that aging has not caused it to fall below current standards. And work continues to provide assurances that it will be possible to support the Titan 2 system as it ages, repairing or replacing worn parts or subsystems with items of at least equivalent quality. This is the essence of currency.

Warhead

In pursuit of currency, the limited life component (LLC) program replaces warhead components before the age-out cycle is complete. The review group recommends that the exchange cycles of these components by aligned with other service-life limited components in the reentry vehicle, so that associated potentially hazardous operations might be accomplished less frequently. There is also a randon selection program to withdraw and evaluate weapons from the field to ensure that aging is not proceeding faster than expected. If a particular component is shown to be degraded, a program will be established to assure that it is repaired or replaced in a timely manner. Finally, there is a very active materiel deficiency reporting system which identifies to the depot all problems encountered with the warhead, reentry vehicle and support equipment for correction, possible fleet-wide alerting, and future preventive action.

This process applies to warhead and associated reentry vehicle (RV) handling equipment as well. While the replacement of the RV transporter and Coles crane with new

models was partly motivated by safety of design, the aging of these components also was a factor. Aging appears to be the primary factor in the failure rate now being experienced by components in the RV sling used in RV mating and demating operations. While these failures have not placed the warhead in danger of becoming involved in an accident that would pose a hazard to the public, the group recommends that the sling be analyzed further and that parts be replaced. The stringent standards employed in these reviews are the same as those used in the design process. As safety is first priority for design, so safety reviews are first priority for currency.

Missile

The currency program for the missile system is also extensive. The scheduled maintenance program for the Titan 2 missile requires SAC technicians to perform a corrosion damage and leakage inspection of the airframe on a regular basis. Portable vapor detectors (PVDs), capable of measuring parts of propellant per million parts of air, are used periodically to check for any propellant leakage. The Titan 2 support depot is experimenting with an acoustic method to anticipate possible cracks or leaks in the missile airframe. Anomalous conditions and the corrective actions are tracked and analyzed by SAC, depot engineers, and systems specialists. The reliability and aging surveillance program (RASP) provides a structural assessment of a random sample of Titan 2 airframes each year. The RASP program includes visual, X-ray, and dye penetration inspection of all external and internal welds and structural members, with particular emphasis on high stress areas. Deficiencies are repaired by a special depot team. Analysis of RASP findings over the past 10 years reflects no increase in the frequency of structural defects.

The service life analysis program (SLAP) encompasses the engineering evaluations, hot fire static tests, and analyses required to detect services life limiting conditions of the rocket engines and its components. All applicable aging and surveillance data are compiled, analyzed, and maintained in SLAP files. Service life degradation trends are identified and evaluated for effects which could impact readiness or safety. Corrective actions are determined and appropriate action is taken to maintain operational integrity and viability.

Most missile support equipment also is carefully examined. Fixed equipment is examined in-silo; mobile equipment is inspected on base. That which shows signs of wear in critical areas is repaired or replaced. That which has critical deficiencies, as a result of design, manufacturing, or normal wear and tear is subject to reporting under the material deficiency reporting (MDR) system, which alerts the rest of the operational wings, SAC, and the depot to the problem. While the review group recognizes some problems with this system and recommends that all MDRs and MDR status reports be sent through the depot system manager to improve responsiveness, MDRs still have a considerably beneficial effect. Depot will investigate the problem identified by the MDR and determine if it may be fleet-wide. In any event, the problem will be fixed; if it is fleet-wide, it will result either in a fleet-wide repair, possibly at the depot, or in a fleet-wide replacement with a thoroughly tested substitute.

A particluar problem with Titan is the fact that real property installed equipment (RPIE), e.g., plumbing, air conditioning, etc., does not receive this same treatment. While it is inspected, and MDRs are submitted, it is not included within a formalized reliability and aging surveillance program. So far, these systems have not been sufficiently degraded to seriously impact the weapon system, but the group recommends that a system be developed for RPIE similar to that for other elements of the Titan system.

Another problem with Titan, as with all older systems, is the difficulty of keeping special levels of seldom-used but much needed parts, when these parts are no longer available from the original manufacturer. This is an especially difficult problem for larger subassemblies for which repair is no longer feasible, and the original manufacturer is no longer in business. An updated, often improved product normally will be selected as the replacement in such cases, but with attendant delays in acquiring the new item. Titan shares with all other systems delays in the modification or replacement development and deployment process. This area should be reviewed for possible improvement.

While there are problems with the system, rigorous inspections and evaluations have produced corrective modifications which, along with regular maintenance, have kept missile hardware in good condition. An example of these modifications is a new guidance system which represents a significant improvement over its predecessor. Another such modification is the mobile propellant transfer system (PTS) update which was undertaken due to aging of PTS trailers and associated systems. A safety concern arose due to excessive minor failures which could have resulted in minor leaks and personnel exposures.

Another important modification, still under way, is the replacement of propellant system seals on the missile with a new type that is extremely resistant to the corrosive effects of the oxidizer. These elastomer seals have considerably reduced minor leaks and should extend the cycle for required propellant down and up loads necessary to fix such leaks. That, in turn, will reduce the exposure of the missile and reentry vehicle to the type of activity that provides the greatest possibility of an accident. Other modifications were similarly generated and motivated. These include the combined system test set, improved ordnance electrical wiring and improvements to the oxidizer burner propane trailer. Several other such modifications are either under way or in the planning and budgeting process.

The review group proposes additional emphasis on certain of these planned programs and modifications or additions to that list. Included are those mentioned earlier, beginning with the in-silo fixed vapor detection system. Of greater immediate concern than its failure to meet current AFOSH and proposed NIOSH standards in terms of detection ability is its excessive downtime, eliminating the best current system to detect propellant leaks in the launch duct. The fixed system is currently out of commission some 40 percent of the time. The magnitude of this deficiency is reduced somewhat by the fact that technical data procedures require the fixed vapor detection system to be operating before missile propellant transfers can be conducted.

Also, most accidents involving the missile would occur when maintenance is being performed in the launch duct. When the fixed system is inoperative, a portable vapor detector (PVD) is required to be present and operating properly during all activities in the launch duct. And there are work-around actions that can be taken. They include procedures to watch other, albeit less satisfactory, indicators more carefully, to visit and sample the launch duct more often with a PVD, to visit and sample the launch duct more often with a PVD, and to remote a portable vapor detector or similar item from the launch duct or exhaust shaft to the launch control center (LCC). They also include substitution of usable parts from other sites to ensure that the fixed system is fully operational on encroached sites. But there is a need for a long-term solution. The present fixed system will not be supportable beyond 1983; if a system that will detect levels as specified in proposed safety and health standards cannot be made available by then, an interim, reliable and supportable system needs to be procured and installed, with attendant technical data and training in its use.

The portable vapor detector (PVD) was mentioned as a possible part of the near-term work-around. The PVD has its own problems, brought on with age. False indications of vapors and supportability have become problems with this key item. It needs to be replaced soon with a more reliable system. A new PVD prototype is scheduled for deployment in August, 1981. This important program must not be allowed to slip. Also, an additional, more capable, system is needed for bioenvironmental engineers to do diagnostic work in post-accident environments.

Finally, the RFHCO protective clothing worn by those who must work directly with the propellants, and required for many accident recovery oprations, is beginning to wear out. A new and improved design is being studied which will enhance the protection afforded the wearer. But the need for more suits in good repair is immediate. New zippers have been purchased. Action has been taken to return repairable suits to the units and to purchase additional suits of the old type to prevent future shortages. The momentum of both the near-term and long-range solutions needs to be maintained. Funding will be a key to maintaining that momentum, as it will with all the other modifications endorsed or proposed in this report.

As a related matter, service engineering funds are used to provide for initial evalution of hardware anomalies, conduct enginering studies, and perform logistics assessment analyses for the Titan system. Most Titan modifications are developed through service engineering contracts. Yet, several important projects have been deferred and others are to be deferred in Fiscal 1981 because of service engineering funding shortfalls. The group recommends supplemental funding be provided for service engineering in Fiscal 1981 and that subsequent annual service engineering requirements identified by depot be adequately funded.

OPERATIONS

Warhead, missile, and support hardware which meets stringent specification and which is kept in good condition is not enough to guarantee safety. Those who work with the system daily are an essential part of the safety equation. The missile crews have the technical knowledge and training to ensure the safe, effective operation of the system. Their checklists are explicit, exacting, repeatedly exercised and continuously evaluated. Moreover, safety is paramount in every procedure and situation. As is stated in their governing directive: "Adherence to safe operating procedures and nuclear weapon system safety rules is mandatory and will be given prime consideration in the planning, scheduling, beiefing, and conduct of all missile combat crew activities."

The crews are carefully selected to meet explicit standards, including emotional stability, security clearance eligibility and physical criteria. The continuing ability to meet these standards is monitored and managed under the personnel reliability program. While the crew force has become younger, it is no less reliable. Its proficiency relies on a comprehensive training program.

Formal training is provided by both Air Training Command (ATC) and SAC. ATC trains in the functions of the missile and support equipment and the theory of operation. Then SAC trains how to operate the missile support and individual safety equipment, as well as the coordination required by a missile crew. Extensive training is given on performing the many operations and emergency checklists. Procedures are practiced again and again to assure the crew's ability to react to any situation. Unit upgrade checkout programs involve weeks of procedures training, simulator "rides," and intensive evaluations of new missile crew members until the standardization criteria are met and they are declared mission ready. Only then is one eligible for crew duty.

Crew evaluation is thorough and continuing. Standardization crews conduct initial crew evaluations and as a minimum, annual reviews. The 3901st Strategic Missile Evaluation Sqn., a headquarters SAC unit, randomly evaluates selected crews on weapon system knowledge, safety and emergency war order procedures. Additionally, the SAC inspector general conducts no-notice operations inspections of the crews in the missile procedures trainer (MPT) and in an operational control center. The results of these inspections/evaluations are reviewed and any significant crew deficiencies are trained out immediately, while adverse trend information is fed back into a continuing training program for its enrichment.

This group notes the need for an improved missile procedures trainer (MPT) for each Titan 2 wing. The current MPT is capable of providing training and evaluation of only 30 percent of the possible malfunctions a crew could encounter and procedures they are expected to be able to perform. Although the remaining 70 percent is being accommodated by less desirable training methods, a state-of-the-art MPT is needed to provide more realistic hands-on training. Expansion into multiple hazard training, also called for in this report, can be handled on current trainers, although it could be more effectively accomplished on an improved model.

The crew procedures are the result of years of development and refinement. Each is thoroughly evaluated and, when employed as a checklist, requires demand-response performance. Thus, safety and procedural control is inbedded in every action. The review group recommends that certain emergency procedures be elaborated in the form of refined evacuation data bases and decision matrices and consolidated spill mitigation/recovery data bases and matrices. These would assist the crew and every level in the missile potential hazard team (MPHT) with whom the crew interfaces in coordinating actions in the event of an accident. But such data bases and decision matrices are not absolutely essential to proper and expeditious accident response. Their importance will be assessed in context in the crisis management section below.

Those procedures currently available to the crew are augmented by an elaborate safety system that includes hazard sensing and warning equipment, safety equipment, protective clothing and equipment, and explicit safety requirements. Improvements that this group recommends in hazard sensing and warning and crew protection have been discussed earlier under design and currency. Perhaps the most important of these from an operational point of view is providing a means to ensure that the crew will be able to safely remain in the capsule in the event of a major propellant spill, to allow continued interface with maintenance team members and the MPHT. While the crews are presently quite capable of obtaining indicators of problems and protecting themselves in a wide range of scenarios, the proposals cited would provide an additional margin of safety.

Overall, the missile crews are knowledgeable, well-trained, and are capable of operating the system safely and effectively. Improvements can be made at the margin in procedures and hardware to assist the crews in preventing and containing accidents, but fundamental safety is apparent.

PANEL URGES MISSILE BASING CHANGES

(Analysis by a 62-member U.S. Review Group of the Sept. 19, 1980, Titan 2 missile explosion accident near Little Rock AFB, Ark. (AW&ST Jan. 12, p. 23) began when Air Force Secretary Hans Mark ordered a definitive assessment of the weapon system's safety and supportability now and in the future. An evaluation of the Titan 2 weapon condition and safety report was prepared by Ogden Air Logistics Center. An executive committee, directed by Gen. Bennie L. Davis, commander of the Air Training Command, with advice of Lt. Gen. Howard M. Leaf, Air Force Inspector General, was formed to provide senior level guidance. Members were Eugene H. Kopf, USAF principal deputy assistant secretary for research, development and logistics; Maj. Gen. William W. Hoover, director of military application, Dept. of Energy; Maj. Gen. John J. Murphy, commander, Ogden Air Logistics Center; Dr. Richard Wagner, associate director for nuclear testing, Lawrence Livermore National Laboratory, and Col. Walter S. Yager, commander, 6555th Aerospace Test Group. Because of the importance to the U.S. strategic defense triad of the Titan 2 system, Aviation Week, & Space Technology is reprinting the review group report in full. Part 1 of the report appeared Feb. 2, p. 54. Following is the conclusion—Ed.)

The maintenance team within the Titan 2 system is fully capable of ensuring a viable weapon system. The personnel who maintain the system are trained professionals who have the technical knowledge and mechanical skills to properly service and maintain the system. The hardware, maintenance procedures and policies are considered adequate to provide required system support safely and effectively. In addition, the technical orders are comprehensive and sufficiently complete to support and maintain the weapon system.

The technicians who maintain the Titan 2 system are selected on specific aptitude levels, emotional stability, color vision, security clearance eligibility, and a special physical profile factor. The entrance requirements have remained the same for years. At the same time, the age and experience of technicians today do not favorably compare to those of several years ago. While this is a problem endemic to all Air Force career fields, it could affect future Titan 2 supportability. Currently, training fills in somewhat where experience is lacking, upgrade to higher skill levels continues on track, and evaluation programs indicate that acceptable work is being done. Strong leadership must be exerted, however, to insure that maintenance personnel continue to approach their work with an attitude that is disciplined and professional.

Of considerable concern is the shortage of technicians in certain selected career fields, notably propellant transfer specialists (PTS) and nuclear weapons specialists. This leads to a related concern—a shortage of middle-level supervisors. Retention is the key to the problem, and a level two selective reenlistment bonus (SRB) for all Titan maintenance specialties and special pay for hazardous duty (SPHD) for PTS technicians may be the answer. The review group highly recommends these actions. In the munitions area, the key instead may be a special experience identifer (SEI), to let the personnel system know that a munitions technician or supervisor has Titan background, so that he or she might be brought back after a tour elsewhere in the broad munitions field. The group recommends that such an SEI be established.

In the maintenance environment, training plays a particulary important role. Technical training is conducted by Air Training Command (ATC) using curricula which are updated based on annual ATC course reviews, equipment modifications meetings and, to a lesser extent, SAC/ATC Titan 2 training conferences and training feedback programs. Unit training follows at each Titan 2 wing with specific job qualification training, upgrade and recurring training, and management and special technician training.

The review group recognizes a need to improve training at both the ATC and unit levels, centering on the need for unit trainers for the PTS technicians and refurbishment of Sheppard Technical Training Center trainers a PTS trainer at ATC is nearing completion and a statement of operational need (SON) is being initiated to develop unit level PTS trainers: their expeditious completion and use is supported by this report. PTS is a particularly difficult area to train realistically; good trainers can considerably improve the quality of initial and recurring training.

The group also recognizes the beneficial impact of the recent institution of the centralized training branch (CTB) in Titan units. This organizational modification creates an atmosphere that emphasizes the learning experience over getting the job done and getting home. Those who have experienced it on both sides, trainer and trainee, are virtually unanimous in their assessment of the beneficial effects of this approach.

Even with task-certified technicians, some tasks receive special safety emphasis. Quality Control (QC) inspectors monitor and evaluate a large portion of these actions. For example, 75% of the liquid propellant flow operations are inspected, and in the case of the more critical fill and drain disconnects from a loaded missile tank, QC inspectors are on the the scene 100% of the time. This, of course, requires the QC inspectors to wear the Rocket Fuel Handlers Clothing Outfit (RFHCO) and join technicians on the scene in the launch duct. All

technicians are initially and then periodically evaluated by QC on each task they are certified to perform. Additionally, like the operations crews, they are subject to evaluation by the 3901st SMES and SAC IG. A senior wing staff member, the Wing Deputy Commander for Maintenance, reviews each unqualified grade with the technician, his supervisor, trainers, evaluators, and if the area was safety related, wing safety. Lessons learned are fed back into shop briefings, initial and recurring training, the evaluation program, and proposals to change procedures and equipment. At least quarterly, the wing commander or vice commander reviews evaluation trends and analyses to identify emerging problem areas and determine corrective actions.

Hardware, procedures and maintenance policies for the system appear to be largely in good condition, and are capable of providing the required system support. In addition, the hardware, procedures and policies are under continuing review for upgrade. Technicians at all levels report deficiencies they encounter. Some of the deficiencies and consequent recommendations referenced earlier in the design and currency sections surfaced in this way.

The technical order system is used to disseminate information, instructions, and safety procedures. Criteria and procedures to ensure that they are current, comprehensive and complete were implemented prior to the inception of Titan. Still, this group found that they are not republished as frequently as they might be, and could in some cases be fruitfully reorganized.

For all technical orders, changes pile up in the books, forcing the technician to refer to the changes frequently in the course of a task. In some technical orders, the basic organization also drives the technician to continually cross-reference. To the extent possible, this needs to be remedied. It generates a greater possibility of losing track of key steps, and thus increases, however slightly, the possibility of an accident.

The review group recognizes and emphasizes the continuing need for strong leadership and discipline to enforce strict compliance with technical orders. Overall, despite these problems, the review group assesses that maintenance technicians, procedures and equipment appear capable of maintaining the Titan 2 weapon safely. The overall record of maintainers in preventing accidents has been good but could be improved. Steps are being taken to improve it; relevant initiatives have been discussed above. The overall record of maintenance personnel in containing and recovering from accidents and assisting in public protection demonstrates their courage and inventiveness, and indicates that they are well-prepared to assist in resolving hazardous situations.

ACCIDENT PREVENTION

A review of the safety record of the Titan 2 weapon system reveals that, overall, it has been a safe weapon system. A comparison of the Titan 2 safety record with like portions of the private sector containing similar hazard potential depicts Titan 2's record as favorable. There has been only one missile accident in the field in the 18 years that Titan 2 has been deployed that has resulted in any injury to the public. A few others have involved casualties among those directly involved with the system, but procedures and hardware, in place or being planned, would have prevented many of these accidents, and averted most of the resultant casualties.

The safety designed into the Titan 2 weapon system, its modifications, and the continuing efforts to keep the system current and in good physical condition, are reflected by the low number of major mishaps caused by materiel failure. Over the life of the system, there have been seven major mishaps attributable to materiel failure, and of these, only one occurred at an operational unit. The remainder occurred during either preparation for or during flights at the Vandenberg AFB, Calif., test facility.

In working to make the system safer, for the public and for the crew member and technician, each accident is closely examined to determine its cause in order to prevent similar accidents from occurring in the future. Two independent review boards are formed in the wake of each major accident to look for causes and make recommendations, recommendations which get priority attention throughout the system. Such boards were formed after the 1978 spill at Rock, Kan.—resulting in new procedures to prevent and contain oxidizer spills in the silo. As stated earlier, many hardware initiatives were also begun there, many of which have been or are about to be deployed in the field. This review group recommends accelerated completion of the development and deployment of these spills management initiatives. The 1980 fuel leak and resultant explosion at Damascus have already led to the tethering of tools, planned deployment of catch nets, lowering of additional work platforms, raising of protective flaps, and possible additional procedural and hardware changes.

Of concern is the number of mishaps, mostly minor but including the major mishaps at Rock, Kan., and Damascus, Ark., which resulted from personnel error. Since 1976, mishaps caused by personnel error have shown a sharp rise. This adverse trend must be reversed. Strong leadership is required to promote discipline in the use of technical order procedures and to foster an acceptance of responsibility by each technician for the quality of his/her work.

It is recognized that prevention of accidents may not always be possible. Even in a demand-response environment, with good leadership and discipline, using check and double-check procedures, mishaps can and sometimes do occur. In those infrequent circumstances, an additional margin of safety is required, a capability to mitigate, contain, and resolve the situation, while minimizing undesirable consequences to the public and preventing casualties to those nearby.

CRISIS MANAGEMENT

The system to minimize these consequences can be described as crisis management. An assessment of Titan 2 crisis management capabilities requires identification of the full range of plausible accident scenarios, establishment of the tasks necessary to successfully deal with such scenarios, and a critical evaluation of the capability of the system to execute the required tasks. In this report, the group excluded from consideration those routine, minor mishaps which present no threat to the public, and those worst conceivable cases that are so improbable their likelihood is virtually zero. What remains is a set of plausible warhead and propellant accident scenarios that provide the basis for assessing adequacy and ensuring an appropriate margin of safety.

In the context of plausible and stressful accident scenarios, successful crisis management consists of an appropriate combination of assured indication and proper diagnosis of a problem, notification of relevant agencies, immediate damage limitation actions, public warning, evacuation and support, containment and resolution of the hazardous situation, and restoration of the affected area so that the evacuees can safely return and resume normal activities. A continual, frank, and constructive interface with state and local officials, the news media and the public must occur throughout.

Not all of the tasks need be carried out in every accident, depending on the nature and seriousness of the hazard posed. And even in serious accidents, an ability to immediately limit damage well may compensate for shortcomings in warning and evacuation, or, less desirably, an ability to warn and evacuate expeditiously and effectively may compensate for shortcomings in immediate damage limitation. In either event, clearly a key task is indication; without it, strength in either immediate damage limitation or warning and evacuation may be for naught in a major accident. To a greater or lesser degree, depending on the accident, the key tasks of indicator diagnosis, damage limitations, warning and evacuation need to play together to assure successful crisis management for a broad range of plausible hazard scenarios on-base, during movement to and between sites, on-site topside, and in the silo.

Numerous safeguards have been implemented to anticipate and deal with potential mishaps. Both the warhead and the propellants are monitored continually and handled only by fully certified technicians. Handling procedures are carefully designed and managed to anticipate possible problems, and to have proper response capabilities at the ready—just in case. On base, infrequent and limited exposures clearly minimize potential hazards. Nevertheless, procedures are conservative, and the technicians are carefully trained, certified, and supervised. On the road and at the missle complex, the hazards become greater, and the consequent precautions proliferate—reaching their peak during RV removals and replacements and PTS uploads or downloads when the number of on-site technicians and supervisors and on-base monitors is at a maximum.

Additionally, Titan 2 bases, Numbered Air Force (NAF), Headquarters SAC, and various technical supporting agencies continually prepare for the possibility that crisis management procedures may be required. Base disaster and public affairs programs provide response plans that are coordinated with higher headquarters and increasingly with state and local governments. These plans are being improved and refined. Key preparations at many levels are exercised regularly; integrated, realistic, multi-level, joint exercises are recommended. When problems are noted, corrective actions are taken to strengthen the overall system.

For the least likely, most stressful of plausible scenarios, certain near-term and projected initiatives, to be discussed below, will provide an additional margin of safety. Many of these were discussed earlier in the report under design, currency, operations, and maintenance. These will be summarized briefly. Where new areas are introduced, the treatment is expanded here.

Indication of emergencies would be enhanced by interim and follow-on improvements to the portable and fixed vapor detection systems, and remoting certain indicators to the capsule. Notification within the Air Force is deemed to be satisfactory, and no significant improvements are assessed as being available at the margin. Diagnosis and direction would be reinforced by a new RTMN, consolidated spills management and revised evacuation data bases and matrices, and actions to better secure the control center and minimize the possibility of crew evacuation. Other items under diagnosis and direction include improvements to MPHT organization and equipment, a secure voice capability for the ready-to-field Inter-base Radio Net, clarification of on-base and on-scene commander and adviser roles, and joint, realistic exercises.

The group recommends that these exercises be made more realistic by injecting more stressful public affairs inputs, conducting certain exercises off-base, on the road or at actual missile sites, to include stressful propellant and warhead related scenarios, and integrating state and local officials into such exercises. The latter will first require completion of ongoing Titan base-state and base-local agreements and derivative planning with state and local officials. This should be done in conjunction with the establishment of agreed planning criteria arrived at with the help of the Federal Emergency Management Agency (FEMA).

While the base-level team to be exercised is reasonably well-structured and well-prepared today, there needs to be clarification of the role of the wing commander in the field. In the command post, the wing commander can be bogged down with imputs and demands from every quarter. Clear procedures, agreed to at every level, need to be established to allow commanders to use their senior staff to interface with the on-scene commander, with the public and press, and with higher headquarters, except for key communications with each of these agencies. This will allow them to step back, overview the total situation, consider the options, and reach well-conceived decisions.

In the field, particularly at the two bases where the Titan wing is a tenant organization, the relationship between the initial response force on-scene commander and the Titan wing commander's on-scene representative needs to be clarified. The situation is complicated further in serious accidents that generate the dispatch of a SAC follow-on response force, led by a general officer. Then the relationship becomes triangular. Draft Defense Nuclear Agency (DNA) doctrine would indicate that the general officer should stand above and possibly relieve both the initial on-scene commander and the wing maintenance representative, expanding the team and orchestrating all activity on and off the site. Exercises and actual events would indicate that this doctrine needs to be clarified and possibly modified based on experiences to date. Further exercises may be a vehicle for testing, and eventually disseminating and inculcating doctrine once that clarification takes place.

Such exercises need to integrate more realistically higher headquarters, involving the members of the Missile Potential Hazard Team (MPHT). The MPHT is a group of operations, maintenance and crisis management technical experts from every portion of the Titan 2 system—key representatives from various parts of the wings, Numbered Air Force and SAC Headquarters, Ogden Air Logistics Center, and appropriate civilian contractors. These experts are interconnected in real-time, primarily by the SAC Telephone Network (STN). They are brought together in conference to assure that the best technical advice is available to determine the most prudent approach to containing, then resolving a situation where an accident is imminent or has occurred.

While the review group recommends a number of initiatives to improve the responsiveness and effectiveness of the MPHT, the basic concept is sound. Properly implemented, in a potentially hazardous situation it can provide those on the scene with the ability to take standard actions covered in technical data and urgent actions immediately required to contain a situation prior to MPHT formation. Non-time urgent, non-standard actions with potentially serious consequences can be deferred for deliberations by technical experts from across the array of organizations with expertise in Titan. The unit decides if and when to form its own MPHT, and then whether to request connection to outside expertise. It can informally go to depot, while formally escalating to its Numbered Air Force, SAC headquarters, the depot, laboratories and contractors in turn, as the consensus of those already on the net indicates the additional input is needed. The wing remains the focal point for proposing and executing actions, but decisions necessarily are by consensus. While the unit has available to it considerable day-to-day technical expertise to include quality control, technical engineering, and a contractor representative, the full array of expertise available to it through the MPHT cannot be duplicated at every wing.

To improve MPHT implementation, in addition to realistic exercises, a consolidated data base and associated decision matrix is needed for immediate mitigation, containment, and resolution of propellant spills on base, on the road, topside, and in the silo. It should be updated as new hardware and procedures become available in the field. This would go hand-in-hand with a refined data base and associated decision matrix indicating whether evacuation would be required, who should leave and where they should go.

While such evacuation data bases and decision matrices currently exist, ongoing efforts, including this review, would indicate revision is required. Such revised data bases and decision matrices would have all MPHT members using the same guidance at the outset, and facilitate well-conceived, well-concerted action on a more timely basis than present procedures might permit.

Also needed for the MPHT are improvements in the area of its membership. For example, the 3901st Strategic Missile Evaluation Sqn.—an organization with an impressive array of system knowledge, talent and experience—has been omitted in past accidents. 3901st representation is highly recommended. Occasionally, other expertise should be solicited as well—organizations such as Air Force Rocket Propulsion Laboratory, Sandia National Laboratories, Los Alamos National Scientific Laboratory, Environmental Protection Agency, Dept. of Transportation, etc.

SAC or the depot should maintain an inventory of such agencies with their relevant expertise and a list of contact points to be available on a 24-hr. basis if possible. To assure that the key contractor is available on this basis in the future, the review group recommends consideration of a contract with the Martin-Marietta Corp. Reorganization of the MPHT requires consideration. There are so many members of operational necessity that net management capabilities and procedures are easily and frequently overwhelmed. The group suggests that a multi-tiered system might provide the required access and information transfer in a more manageable and reliable net. For example, specifically recommended is a net for technical experts, to develop alternatives, linked with a net for managers, to deliberate on the alternatives and decide on an approach to resolving the problem. Such a system would also assist in net discipline, a continuing problem in past accidents. In any system, net discipline needs to be improved through continuous operator training, given their turnover, and user training over and above the recommended recurring exercises.

Net effectiveness also can be enhanced by improved hardware. Either a new, MPHT-dedicated system should be procured, or leased lines should be added to the SAC telephone network (STN) presently used by the MPHT. These should improve communication quality and reduce the probability of preemption of MPHT members on the net. As specified in present directives, no non-push-to-talk telephones or two-way speaker phones should be used by MPHT members. Proper instruments should be funded where MPHT members may not now have access to them, and Inspector General attention should be directed to enforcing compliance in this area.

Immediate damage limitation and eventual problem containment and resolution would be bolstered by fan and water spray overrides, and a variety of spills management hardware and associated procedures. Improved portable detection gear and protective clothing also are supported. Public warning and evacuation would benefit from reinforcement of the propellant convoy, discussed below, and the establishment of joint planning criteria based on the aforementioned evacuation data base and decision matrix.

In the context of such criteria, joint Air Force/state and local warning and evacuation planning needs to be done in the near-term, on a site-by-site basis. That planning would be the basis for joint selection and deployment of an effective immediate warning system, probably a high-decibel siren, integrated with systems to warn those beyond the reach of the sirens and to inform all potential evacuees of the preferred routes and the final destination.

Joint site-by-site planning also needs to be completed concerning possible Air Force support in providing transportation to those who need it to evacuate, relocation centers for those who do evacuate, and help for those who may need to have actions taken regarding the area that has been evacuated. These plans need to be incorporated into community education programs to familiarize the public with missile safety, hazards, and evacuation procedures.

All of these joint actions—especially those affecting immediate warning and assured evacuation—are important particularly for the most heavily encroached sites, notably 571-7, 570-9, and 571-5 at Davis-Monthan, and 532-9 at McConnell. Expedited action should be accomplished at 571-7 on a prototype exhaust shaft oxidizer burner or scrubber, and on an effective immediate warning and evacuation scheme. If this is not practicable, this site should be considered for conversion to training status, retaining the possibility of its return to alert at higher Defense Conditions (DEFCONS).

Further encroachment should be strongly discouraged to prevent real estate development from creating situations at other sites similar to the one that exists around 571-7, where 1,000 households are estimated to exist within 1 mi. and many times this number are estimated to exist within 5 mi. This particularly applies to the first mile, within which large numbers of high-density dwellings would make time/distance evacuation requirements difficult to meet in a major uncontained propellant spill. However, unlikely such an occurrence may be, we need to be able to deal with it should it occur. The case for discouragement could be centered around a missile compatible use zone (MICUZ) concept, now under study at the Air Force Engineering and Services Center (AFESC). The concept needs to be refined and worked closely with local officials and planning and zoning boards for implementation.

There is a need to reinforce propellant convoys, to conduct them in a manner similar to RV conveys in order to better anticipate and be able to react in case of an on-road accident. The review group recommends that local authorities be prenotified; a route identified and followed which avoids populated areas to the extent possible; a helicopter equipped with a loud-hailer type loudspeaker fly overhead; an evacuation notification team (ENT) go along; and convoy location be carefully tracked along the way. The tracking would be done by a propellant transfer evacuation and safety team (PTEST), formed in the wing command post in the manner described in SACR 355-5 for on-site PTS operations. If a mobile immediate warning system (probably a truck-mounted high-decibel siren) were developed and procured, it might accompany the convoy.

Finally, there is a need to improve communication with the public in any future accidents. This thread emerges from past exercises and actual crises such as Damascus. Four lessons are clear. First, there is a need to ensure that expeditious, authoritative statements concerning any accident flow from responsible local Air Force spokespersons to state and local officials, the news media and the public (especially those potentially or actually affected by evacuation).

Second, these public statements rapidly should confirm the presence or absence of nuclear weapons in the accident, and frankly discuss safety features and potential hazards that flow from the accident. This clearly is within the limits of current policy—policy that this group believes should be strengthened. That strengthening already is under way.

Third, procedures should be refined to provide timely notification and an ongoing flow of information to interested members of Congress and their staffs and other federal agencies such as DOE and FEMA. And fourth, interagency agreements should be established to coordinate government-wide public affairs responsibilities, procedures and activities in nuclear accident situations.

In most cases, the successful accomplishment of these communication responsibilities during an emergency will require rapid reinforcement of local public affairs resources from higher headquarters. Procedures will be improved further by forming a rapid-reaction Community Action Team, to provide a more timely and comprehensive interface with adversely affected communities. To provide an in-place capability during the critical early hours of an emergency and to strengthen civil relationships in an ongoing way, the group recommends that local public affairs resources be augmented by the creation of an officer and an enlisted public affairs position in each of the two tenant Titan wing staffs. These positions should be manned on a priority basis.

Despite the proposed improvements, the group judges that the Titan 2 crisis management system is able today to successfully manage a full range of plausible accidents in the unlikely event one should occur. The improvements proposed would add to the robustness of that system, and extend the margin of safety that already exists. The combined efforts of Air Force, other federal agencies, and state and local officials can successfully minimize undesirable consequences to the public and prevent casualties among those whose only involvement with the system may have been their proximity to a mishap site.

MANAGEMENT

At the outset of this overview, the important role of strong management which stresses and assesses safety and makes modifications to enhance it was noted. That thread ran throughout each of the functions discussed. We saw it in design, in the way the system scrutinizes hardware and modifications to ensure that they meet high standards. We saw it in currency, in the way the system ensures that hardware aging problems are uncovered and corrected before they become serious, and the supportability of the system is sustained. We saw it in operation and maintenance, in the way that the system ensures that well-screened, well-trained people work on the warhead and missile hardware, with proper procedures and equipment available to them. We saw it in the way that lessons were learned from accidents, to improve the ability of design, currency, operations, and maintenance to prevent and contain serious mishaps. And we saw how the crisis management system continues to be refined, to ensure that all relevant resources, Air Force, other federal agencies, state, and local, are kept ready to respond to protect the public should an accident occur. The review group suggests that nearly all the deficiencies and problem areas identified elsewhere in the report can be resolved in a timely manner if they receive continued management emphasis and funding priority.

OVERALL ASSESSMENT

The Titan 2 weapon system represents a capable and important instrument of U.S. national policy. Commensurately, it imposes a compelling responsibility for safety. Consequently, safety has been a pervasive and paramount consideration in every stage of the Titan 2 life cycle.

The basic design was and is safe. System currency is being maintained adequately. Operations and maintenance procedures are adequate to ensure safety and supportability. In these areas, the group concurs with the Assessment Report on Titan 2 weapon condition and safety provided to the Congress in early 1980. That report is valid, and we agree with the great majority of its findings, although its assessment is incomplete. We have attempted to review a wider array of factors here. Collectively, these factors represent a considerable capability to prevent accidents. In addition, a comprehensive crisis management capability provides an extra margin of safety—just in case. Thus, the Titan as a weapon system is assessed as safe and supportable.

RECOMMENDATIONS

As with any technologically complex system, military or civilian, improvements can be suggested.

The most significant recommendations of this study are summarized below. The attached appendices provide more detailed discussion and additional recommendations. These initiatives are intended to maintain the supportability of the system and to provide an extra margin of safety now and in the future. They are intended to reduce further the probability that mishaps, especially serious accidents, will occur; and that should they occur, to further increase the probability that they will be responded to in a manner that provides for public safety. (Those recommendations marked with an asterisk should be adopted at the most encroached sites first.)

1. Recognizing the important role of personnel in complementing hardware and procedural improvements, reemphasize the key role of leadership and acceptance of responsibility, together with technical order discipline, at every level in operating and maintaining the system.

2. Improve maintenance personnel retention.

a. Establish Level 2 SRB for all Titan 2 maintenance technicians. Waive the bonus level determination rules.

b. Secure special Pay for Hazardous Duty for Titan 2 Propellant Transfer Specialist technicians.

3. Improve the ability of the missile crew to detect, mitigate and control potential mishaps.

*a. Remote various sensor readouts (i.e., launch duct temperature, vapor detector annunciator panel, etc.) into the LCC.

b. Ensure that the crew can safely remain in the LCC in the event of major propellant mishaps.

c. Provide the capability to manually override automatic controls (i.e., purge fan, launch duct sprays, etc.) together with the ability to regenerate vapor and fire suppression water with a recirculation or a more rapid renewal system.

*d. Develop a remote (or automatic) tank venting capability for crew use at MPHT direction.

4. Mitigate the effects of the often inoperative current fixed vapor detector system.

a. Expedite procurement of a state-of-the-art fixed vapor detector system until the final design (meets all standards) can be deployed.

b. In the interim, remote a portable vapor detector or similar item from the silo or exhaust shaft to the launch control center (LCC).

c. Cannibalize as necessary to keep fixed vapor detector systems operational at the most encroached sites.

5. Improve spills management procedures.

a. Develop a consolidated spills management data base/decision matrix.

*b. Expedite the development of hardware and procedures to scrub/burn/supress/neutralize/remove major in-silo propellant spills and resultant vapors. Procure an interim prototype burner for the most encroached site, 571-7, in the near term.

*c. Also develop procedures and equipment to contain/suppress/neutralize/remove on-road and topside propellant spills and resultant vapors.

d. Conduct realistic exercises with rigorous accident scenarios to strengthen base- and higher headquarters-level MPHT and Disaster Control Group capabilities to deal with various accident scenarios.

6. Improve ability to react to an accident to protect and inform the public.

a. Review, refine, and republish data base, decision matrix, and SAC Regulation 355-5 on procedures for warning and evacuation for warhead and propellant hazards on base, on the road, topside and in the silo.

b. Develop and test in combined exercises, joint Air Force, state, and local warning and evacuation criteria and plans tailored to both propellant convoys and individual missile complexes.,

c. Select and deploy an immediate warning system (probably a siren) for missile complexes and propellant convoys. Place such a system at the most encroached site, 571-7, in the near term. Integrate this system with joint propellant convoy and missile complex warning and evacuation schemes. These schemes should include the means to provide evacuees with routing and relocation destination information.

d. Reinforce propellant convoys to be able to better react to an on-road accident, including helicopters with loud-hailer type loudspeaker overhead, and evacuation notification team (ENT), immediate warning system (siren on truck), and spill suppression and neutralization equipment.

e. Permit local Air Force officials to communicate with the public responsively and candidly in accidents. Provide them rapid clearance to confirm or deny the presence of nuclear weapons and to discuss hazards and safeguard.

f. Refine and implement the missile compatible use zone (MICUZ) concept to discourage further encroachment of Titan 2 missile complexes. In the meantime, act to discourage encroachments by high density developments within 1 mi. of missile sites.

7. Ensure that priority attention and funding continue to be devoted to expedite important ongoing improvement programs such as RTMN upgrade, RFHCO, portable vapor detector, interbase radio system, operations crew missile procedures trainer, unit level PTS trainers, and installation of quick disconnect filter screens.

8. Ensure future supportability.

a. Adequately fund service engineering requirements.

b. Establish special supply levels for low usage, yet essential Titan 2 system hardware.

Mr. TOWER addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mr. TOWER. Mr. President, I think of very good reasons for opposing the amendment of the Senator from Kansas. However, I reject some of the arguments offered by the Senator from Nebraska.

When he says the military is muzzled by this administration, I think that is fallacious on the face of it. I think the tendency on the part of a lot of the administration, Democrat and Republican, is to subordinate the judgments of professional military men to civilians. But the fact is I think this administration has given more opportunities for the expression of professional military judgment than any administration I have known of in previous years. The pride and the morale that is extant in the armed services today is greater than it has been in the two decades that I have been in the Senate. That is attributable to this President. That is pride and morale on the part of professional military men.

I am sorry that what could have been a reasonable argument for the retention of the Titan missile for the time being turned into a partisan tirade.

I might say that the phrase "window of vulnerability" was not created by this administration. It was created by Secretary Harold Brown, Secretary of Defense in the previous administration, who testified before the Senate Armed Services Committee that by the year 1982 we would face a "window of vulnerability."

Let us try to get this thing in perspective. The question is whether or not the Titan missile contributes substantially to our need for a deterrent.

They are old. They are a soft target weapon. They do not contribute a great deal to the U.S. nongenerated SIOP forces, but they do have some value and they should not be retired, at least while we are undergoing negotiations. Pursuant to the President's proposal on Sunday, the United States apparently in those negotiations will table some negotiations that involve the reduction of throw weight, and in that event it would occur to me that the Titans would be a useful bargaining chip, although from other standpoints it is questionable whether or not the Soviet defense planners regard them terribly seriously.

I think this administration is doing a great deal to rehabilitate the strategic capability of the United States. I have disagreed with the administration on a strategic issue or two, and disagreed publicly, but the fact is the overall strategic program of this administration is calculated to get us where we need to be if we are to deter nuclear war against the United States or nuclear blackmail against the United States. I think this administration is to be commended.

I do oppose the amendment of the Senator from Kansas, but certainly not for many of the reasons stated by the Senator from Nebraska.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. DOLE. Mr. President, I appreciate the statements made by both Senators, even though they may be in opposition to the amendment. I expected a rather political statement by the Senator from Nebraska, but that does not address the problem. I assume, according to the argument of the Senator from Nebraska, that we ought to have the horse cavalry, because if we had that, it would do away with a lot of this armament thing.

A lot of us have said we cannot cut defense spending over the years, but I think this year may be a bit different. Particularly, with an outmoded system that the Defense Department and the Air Force say ought to be phased out on schedule.

Along comes an amendment for $80 million. Maybe $80 million is not much to the Armed Services Committee but it is to the Nutrition Committee.

Mr. TOWER. Will the Senator yield?

Mr. DOLE. I yield.

Mr. TOWER. I have already taken on the Senator from Nebraska. I would not like to take on the Senator from Kansas on the question of the Armed Services Committee being concerned with questions of public policy.

Mr. DOLE. I understand they have a very tight budget.

Mr. TOWER. We just reduced it by $2.5 billion.

Mr. DOLE. It is very tight, with that big reduction.

But here is an attempt to put $80 million into the pot. That is pennies to the Armed Services Committee. I might say $80 million in defense is not much. Again, I do not quarrel with the committee. They do an outstanding job. They spend more money than most all other departments combined. Some of it is spent wisely. Most is spent wisely.

But then our own administration says we do not need this any more, that we ought to start a phaseout. When somebody comes along in the committee, and we know how committees operate, and says, "Let us put in $80 million, delaying the phaseout for a while," I just suggest as one who supported this as long and as diligently as the Senator from Nebraska, I think we ought to look at this from a fiscal standpoint.

I would say as far as Kansans are concerned, they are not wincing because Titans have been there. They have been there for 20 years. We are willing to take the risk. In fact, if they have a better missile, maybe the Senator can use his Titan silos somewhere. We are not shrinking from our commitment in the State of Kansas, in the State of Arkansas, or the State of Arizona.

I went to that hearing, and I heard all these reasons. In fact, General Davis was asked, "If we can get $500 million, would you put it in the Titan?"

He said no, he would use it for modernization. The phaseout can be stopped at any time.

I have to admit I was a little puzzled when I left that hearing. We are puzzled pretty easily in the Finance Committee, but when I left that hearing I was puzzled. It is not expected to adversely affect it. In fact, they have been considering phasing out Titans since 1974, but they were sort of used as a bargaining chip, a small bargaining chip, in the SALT negotiations.

It seems to this Senator that we have all the talk around the country of nuclear freeze and everything else and we just want to make one moderate step, to start phasing out one a month starting in October of an outmoded system.

If we do not want to take that one little step, that little $80 million step, I doubt that we are going to accomplish

much more in the weeks and months ahead.

I commend the committee for their diligence. I commend the Senator from Nebraska. He is on that committee. He is an expert; this Senator is not. I commend the distinguished chairman and others who have worked long and hard.

Mr. President, I do not think anybody worked very hard and long on this amendment. Someone said, "Let us put in $80 million. OK, they put in $80 million." In the Nutrition Subcommittee, $80 million is a lot of money; not in the Defense Committee.

As the Senator suggests, maybe, if things get bad, as the Senator from Nebraska predicts, we can stop the phaseout. I guess there are only 17 left in Arkansas; one phased out on its own. But there are still 18 in my State, there are still 18 in Arizona. We are willing to take the risk if necessary.

Why take the additional risk just because somebody said, "Oh, we ought to delay the phaseout," when it is supported by the Department of Defense, it is supported by the Air Force, and I hope it is going to be supported by a majority in this body?

Mr. EXON. Mr. President, I thank my friends from Texas and Kansas for their remarks. If my remarks about the management of our overall defense posture, especially our deterrent posture, was offensive to them, I apologize. But it is my honest opinion, and I think once in a while it should be said, it seems strange to me that when someone has the audacity to get up on the floor of the U.S. Senate and question anything that is done with regard to defense at 1600 Pennsylvania Avenue, in some people's minds, it is next to treason.

Mr. President, I am not going to take the time to read these, but I ask unanimous consent to have printed in the RECORD immediately following the remarks that I shall make a letter from Mr. Harold Brown, whose name was mentioned here, in regard to his opposition to beginning the phaseout of Titan II's at this time; also, a letter sent to me by Gen. Russell E. Dougherty, former SAC Commander in Omaha, Nebr., who happens to know something about this issue. He testified at great length in front of our subcommittee on this very subject, warning that this was not the time to take it out.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. EXON. It is true, Mr. President, and I am sure that my friend from Kansas does not wish to mislead the U.S. Senate, that these missiles have been considered for phaseout for some time. But I emphasize once again that I know of no plan to phase out these missiles until we have something new to take their place. I submit to the Senate that we have nothing like that now. We are not going to have in the near future, as fast as many of us would like, because of the present administration's delay of the MPS basing mode for the MX.

Mr. President, I am not sure that any more extensive debate is necessary on this. I do not know whether there is any other Member on the floor who has been involved in those hearings who wishes to say anything, but I hope that if this comes to a rollcall vote, the Members of the Senate will vote it down. I think if they vote it down, they will be voting for the best interests of the military posture of the United States of America with the threat that presently confronts us.

EXHIBIT 1

SCHOOL OF ADVANCED INTERNATIONAL STUDIES,
THE JOHNS HOPKINS FOREIGN POLICY INSTITUTE,
Washington, D.C., February 1, 1982.

Hon. J. JAMES EXON,
U.S. Senator from Nebraska,
Washington, D.C.

DEAR SENATOR EXON: The questions about the Titan II retirements contained in your letter of January 15 are pertinent ones. It had been the plan of the Carter Administration to phase out the Titans when the MX missile phased in. That would have begun the Titan dismantlements in 1986; the Reagan administration's proposals of last October would complete the Titan II phaseout at that time, after beginning them this year.

As is the case for your Janury 15 letter, I will not address the issue of a survivable mode for basing the MX missile; my views on this have been made known publicly and at length. With respect to the Titan II missiles themselves, their contribution to our strategic capabilities are not large. But neither are their costs. Thus the decision is a matter for judgment. The Titans add only a modest number of aim points, small compared to the existing total of aim points and small compared to the number of Soviet ICBM reentry vehicles. However, they are a significant portion of our ICBM deliverable megatonnage, and thus can be expected to make some contribution to deterrence. Reducing our ICBM capabilities, however marginally, seems to me to advance neither strategic arms negotiations nor to redress concerns about the "window of vulnerability," no matter how overblown some of those concerns were to begin with.

It is true that there had been safety concerns about the Titan II missiles and their liquid propellants. Perhaps the best argument for early retirement of the Titans is that, should there be further accidents, it might make public acceptance of present deployment of ICBMs difficult to maintain. But the last Titans, under the administration proposal, will not be phased out earlier than they would have been under the previous plan; thus the safety and public relations problems remain.

On balance, I conclude that, especially in the light of the delay in deployment of the MX in a more survivable basing mode, it would have been wiser to retain the Titan IIs through the middle 1980's, as the Carter administration had proposed.

Sincerely yours,

HAROLD BROWN.

AIR FORCE ASSOCIATION,
Washington, D.C., February 12, 1982.

Hon. J. JAMES EXON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR EXON: Thank you for your recent letter asking for my views on the phase out of the Titan II ICBM system. I have been out of town most of the week, but want to recap the points I passed orally to Greg several days ago:

While serving as CINCSAC, I reevaluated the stragetic value of the aging Titan IIs on a regular basis. The last such detailed look was just before I retired in 1977. The result remained constant—the Titans should not be phased out until a better and more modern ICBM replacement system came "on line." This same situation would seem to obtain today. The fact that Titan II represents our only large warheads in current arms limitation counting; that Titan II costs are mainly "sunk" costs; that it is a significant system in-being, relatively inexpensive (but not cheap) to maintain; that the improvements made in the aftermath of the accident in 1980 have enhanced the safety of Titan II operations; and that MX will not come "on line" for several years nor will it compete for the Titan II basing structures, would seem to validate that desirability of their retention.

It is my understanding that the Air Force recommended the deactivation of Titan II based on the need to modernize our strategic land-based missile system and the fiscal trade-off pressures imposed by economic constraints on future budgeting. Also, I surmise that the initial decision to deactivate the Titan II missile was driven by the Administration's public announcement that the MX could be deployed effectively in those Titan silos. With the Defense Department now accepting the results of Air Force's study and electing Minuteman silos for the initial MX deployment, it would seem that the only argument for retiring the system without a quid pro quo in arms reductions on the other side is one of fiscal constraints.

I agree with the basic concern you expressed that we might be on the threshold of phasing out the Titan IIs unilaterally, prior to an operational deployment of MX. If it were necessary or feasible to use our Titan silos for MX basing, that would affect my thinking, but it isn't; that judgment has now been validated by the recently announced decision on MX basing in the Minuteman fields. My thought in this instance would be different if it were decided to employ any portion of our attrition stockpile of Minuteman IIIs to the Titan II silos, but I know of no decision to do this—additional Minuteman IIIs (even Minuteman IIs) would be better than the Titan IIs, and the Titan IIs are better than nothing.

The contributions of Titan II to the SIOP are undeniable, albeit liquid fueled, lacking modern accuracies, and requiring larger crews for support. The gap in operational ICBM megatonnage vis-a-vis the Soviets, brought on by an unreplaced deactivation of Titan, will exacerbate an already perilous strategic imbalance and seem to weaken our START negotiating position. The strategic requirement for Titan II during the mid-1980s will, in my opinion, continue until the adverse SIOP impacts are redressed by the B-1, ALCMs and MX operational deployments. (And, I know you are aware of how strongly I feel about the need for these strategic modernizations.) It is not inconceiv-

> able that some additional Minuteman IIIs could be used in Titan II launchers; but retaining launcher silos without operational missiles on such launchers is pretty "thin soup" for START negotiations.
>
> I appreciate the fact that viewpoints vary on the value Titan II has as a "bargaining chip" in the START negotiations with the Soviets, and that one cannot be too adamant in such subjective issues. In fact, some respected arms control experts play down the strategic importance of Titan II, arguing that its operational utility has declined over the years to the point of negligible impact. Nevertheless, today's operational Titan IIs, on launchers, represent fifty or so large operational ICBMs in our current inventory and I think that your point is well-taken—it makes good sense to keep Titan II in place during the START negotiations until MX becomes operational or until Minuteman IIIs are deployed in the Titan II launches. If we have in hand a comparable negotiating concession from the Soviets justifying deactivation of Titan IIs, such concession is not known to me.
>
> We have already experienced several instances of unilateral draw-down and slowdown of our strategic force modernization. Thus, it seems to me that unilateral deactivation of the Titan II operational missiles is bound to have an adverse effect on our negotiating leverage in START.
>
> Senator, I appreciate the fact that you would seek my views in this matter and was glad to provide them orally to Greg, and in this letter. I would hope that fiscal constraints will not deny us the essential strategic modernization recommended by the President nor force us to forego any of the strategic advantages that we now have, until and unless we can negotiate a relatively improved situation vis-a-vis the Soviets. I think you have put your finger on one such possibility, and I commend your vigilance.
>
> Respectfully,
>
> RUSSELL E. DOUGHERTY,
> *General, USAF (Ret.).*

Mr. LEVIN. Mr. President, I am in opposition to the amendment from my colleagues from Kansas to prematurely begin the retirement of the Air Force's Titan II intercontinental ballistic missiles (ICBM) in fiscal 1983.

Considering the uncertainties surrounding the MX ICBM modernization program, the Armed Services Committee on which I serve decided it would be prudent to reject the administration's proposal to begin dismantling the Titan II's in fiscal year 1983.

I share that opinion, especially considering the expert Air Force testimony we have received before our committee and its Strategic Forces Subcommittee that these Titan II ICBM's still represent a useful and impressive component of our strategic nuclear forces and still contribute to the deterrent of nuclear attack by the Soviet Union.

There are several major reasons why our Titan II missiles should not be dismantled—reasons which directly contradict the claims made by the authors of this amendment in their "Dear Colleague" letter urging its adoption. The authors state, "the planned retirement of the Titan missiles is consistent with the President's stress on modernization of our strategic forces."

Mr. President, I suggest that the exact opposite is true. Rather than be consistent with the President's strategic modernization program, retirement of the Titan's actually is in direct contradiction to the goals and objectives of this plan to upgrade our deterrent Triad.

The major purpose of this program to spend approximately $180 billion—in constant fiscal year 1981 dollars—during the next 5 years to modernize our nuclear forces is to close the alleged "window of vulnerability" now opened wide before us, according to administration spokesmen, including the President himself.

Premature retirement of the Titan II missiles would instead throw open that supposed window even wider, according to both the Chief of Staff of the Air Force, Gen. Lew Allen, and the Commander in Chief of the Strategic Air Command, Gen. Bennie Davis.

If we are worried about the increased vulnerability of the United States to Soviet nuclear attack or diplomatic blackmail during the middle part of this decade, it makes no sense whatsoever to throw away useful strategic nuclear capabilities before replacement weapons systems can be deployed in sufficient numbers.

Yet this is what the amendment by our colleagues from Kansas would have us do.

Supporters of this amendment no doubt will argue that the Titan's represent only a limited military capability which we can afford to discard. Testimony before our committee strongly contradicts these assertions.

Last November, General Davis, who, as SAC commander, has the responsibility for targeting and deploying our strategic forces under an overall war plan known as the single integrated operations plan, or SIOP, stated:

> Phasing out the . . . TITAN will result in fewer weapons committed to the SIOP, reduced target coverage and less megatonnage.

He also said:

> As an operational commander, I would have preferred to keep the B-52D and TITAN on board until the B-1 and MX enered the inventory.

This year, at a special hearing on the proposed Titan retirement, General Davis went even further by declaring:

> In conclusion then, sir, I would say that although the TITAN is an old weapon system, it does make a positive contribution to the SIOP today.
>
> Under current conditions, I find the TITAN II quite useful in SIOP planning.
>
> The employment of Titan II against softer, large area targets is quite effective.
>
> The TITAN II was, and remains, a highly effective weapon for use against a collection of targets that can all be damaged by a single, high yield weapon.

General Davis' testimony was echoed eloquently by his predecessor as SAC commander, Gen. Richard Ellis, who is held in universally high respect by members of the Armed Services Committee because of the candor with which he expressed his opinion on military matters.

Shortly after he retired as the Nation's top nuclear commander, General Ellis testified about the proposal to retire the Titans by stating:

> Well, the TITAN has certain advantages, antiquated as it may be. It is a very large weapon and against certain types of targets it is particularly effective.

He concluded:

> Additionally, I would hope that we would not give away systems like the TITAN. It is the only heavy missile we have.

Earlier this year before our committee, Secretary of Defense Weinberger admitted, that retirement of the Titan's could reduce our abilities to bargain from a position of strength in future arms control talks. He said:

> From an arms control perspective, we recognize that there may be disadvantages for unilaterally retiring any system when negotiations are in progress or are contemplated.

Last year, on the floor of the Senate we heard many statements that we should not cut any major weapon system from the President's strategic program because it would undermine his bargaining position in arms control talks with the Soviets.

If that logic is valid, Mr. President, a vote by the Senate to retire our Titan missiles beginning in fiscal year 1983 would undercut the President's negotiating position less than 1 week after he announced his major initiative to resume strategic arms control negotiations.

Mr. President, the final arguments supporters of this amendment put forth are that the Titan's should be dismantled because they are unsafe and expensive; that retiring them will reduce the risks they pose to their surrounding communities and save $500 million which could be spent for other strategic programs. To achieve such a saving while paying such a high price in present military capability can only be termed a false economy.

The issue of the safety of Titan II missiles is perhaps the most compelling of the arguments that the authors of this amendment make for their position. Remembering the tragic accidents at Titan missile installations in Kansas and Arkansas, I think my colleagues should be commended for offering this amendment, because it demonstrates a strong concern for the well-being of their constituents.

I myself have been involved personally with one of the victims of the Titan missile accident in Rock, Kans., which the authors of this amendment mention in their "Dear Colleague" letter. One of the Air Force Security

Police sergeants decorated for bravery because he risked his own life to help evacuate civilians living near the damaged silo is a constituent of mine from Three Oaks, Mich.

Sgt. Michael W. Yardley of Three Oaks, Mich., inhaled some of the highly toxic fumes from the Titan missile fuel and was retired on a disability pension from the Air Force. Because of this involvement, I share the concerns of my colleagues from Kansas about the safety of the Titan missiles.

Yet testimony before our committee by the Air Force has established that a major safety improvement program was initiated after the latest accident, in 1980 in Damascus, Ark., and that the Titan retirement is not being proposed for safety reasons by the administration. The Air Force considers the Titans to be safe to operate if this improvement program is carried out, and I think the expense of that program would be a small investment to maintain this component of our strategic forces.

In summary, Mr. President, retirement of the Titan missiles in fiscal year 1983 would be a strategic military and economic mistake for the United States, and I urge the defeat of this amendment.

Mr. President, as I said, I must oppose the amendment of my friend from Kansas. Titan II missiles represent a significant portion of the capability of the land-based leg of our triad, something on the order of 30 percent of our ICBM megatonnage.

Megatonnage is one measurement of strategic nuclear power. It is one measurement by which we are inferior to the Soviets. There are other measurements in which we are superior to the Soviets. Megatonnage is one where we are not. As a matter of fact, it is that very measure of capability that the President has pointed to as a measure of our inferiority. I see no reason to prematurely give up that much capability without anything in return from the Soviets.

It is certainly something worth putting on the bargaining table and not unilaterally giving up.

Mr. President, there are only two reasons I know of to give up that capability. One is the $500 million which we will allegedly save over a period of 5 years. I point out that we are in the midst of a $180 billion modernization program, a $180 billion nuclear modernization program. To give up that much megatonnage to save less than three-tenths of 1 percent of the cost of the entire strategic modernization program, in my opinion, makes no economic sense whatsoever.

The other reason which is offered to give up this megatonnage is the safety reason. I know that our friends from Kansas and Arkansas are very much concerned. Frankly, I would be, too, if the Titans were in my State, because of the accidents that we have had. We went into this quite carefully at the hearings. I think we satisfied ourselves as a committee that there is no justification to retire the Titans prematurely for that reason.

As a matter of fact, even though the administration supports this early retirement, they do not do so based on the safety factor. The Army and the Air Force are satisfied that the Titans are safe and that the modernization program which has been undertaken, the safety program, has indeed made them safer.

So, as much as it is understandable how our friend from Kansas can be concerned about the safety issue, at least to the extent of our ability on the committee, we have explored it and I think we were unanimously satisfied that the safety issue has been met.

Mr. President, prematurely retiring this much megatonnage makes no military sense, makes no economic sense, and makes no commonsense.

Mr. DOLE. Mr. President, does the Senator from Nebraska support the MX or is this just a way to stall that decision?

Mr. EXON. What MX is the Senator talking about, Mr. President?

Mr. DOLE. Any of them. Pick out one.

Mr. EXON. I take the position of most of my colleagues on the Committee on Armed Services that the MX missile should not be built until, if, and when this administration makes up its mind and quits dillydallying about the basing mode for that MX.

While I am on my feet, Mr. President, I might say that I know that the Senator from Kansas, as he said earlier, is very much concerned about the nutrition programs. I know he means that sincerely. He says if we can save $80 million here, we can put it in nutrition programs. I say to the Senator from Kansas that there will be other opportunities to make other reductions in the defense program and we can put all the money he wishes into nutrition.

Mr. DOLE. Mr. President, I say to the Senator from Nebraska that I am not certain where to put the money. I am just suggesting that $80 million is a consideration. The Senator from Kansas recognizes that this has the support of most members of the Committee on Armed Services. I understand that. The Senator from Kansas also believes that the administration——

Mr. EXON. Mr. President, may I interrupt again? I am having great difficulty hearing the Senator from Kansas. If we could have order on the floor, I would appreciate it very much. I am trying to listen.

The PRESIDING OFFICER. The Senator cannot hear the debate. Anyone in the Chamber wishing to talk will please leave the Chamber. The Senate will be in order.

Mr. DOLE. Mr. President, I think we have debated the matter fully enough. The Senator from Kansas is concerned about it. If it is the will of the Senate that we continue these outmoded missiles, 20 years old—they should have been retired 10 years ago—then I do not want to hear too many speeches on the Senate floor later about missiles in the country or in the world. If, in fact, we are going to take this one little step toward phasing out this outmoded missile system, then I think we can let the American people know that we understand the problem.

Mr. STENNIS. Mr. President, I shall be quite brief. I think I can review the history of the development of these missiles.

This is the Titan missile, which is the largest one that we have ever had. Here is more megatonnage and it is one that—I have heard the expression many times—it is said that maybe we should have stayed with the large ones longer. But we went with the smaller missile with, frankly, better accuracy. For 4 years at least, as I recall, we have approved in the committee and the Congress has approved the MX missile, but we never did finally agree on the basing mode. That was the thing that held it up. There might have been one or two in opposition in our committee, very respected opposition. But the committee was almost unanimous on it and it was almost that way here on the floor and in the House.

Moneys were appropriated for the missile and then the preliminary part of the planning on the basing mode and the missile itself, the new MX missile, is still in the R. & D. stage, but progress is being made. There is money in this bill, I am sure, for continuation of that part of the plan. Still, certainly to my disappointment and many others, I think we have not perfected a basing mode. Congress put certain limitations on the basing mode, and when tested out they did not get it over. Finally the matter was abandoned, but it is still being considered for a new basing mode.

Until we make progress in that direction—let me pause here. There is nothing the matter with the old Titan missile, as I understand it. I believe we can hit Russia with it.

Mr. DOLE. Or some other target.

Mr. STENNIS. There is nothing the matter with it. It is not as accurate. It is not as good in its aim as others, but it is still a powerful weapon, with deterrent force. I think that is one of the main values of the new MX missile.

I would like to see our friend from Kansas be satisfied, but I believe this is one exception we have to make.

Mr. DOLE. Sort of the Kansas-Tennessee Tombigbee.

Mr. STENNIS. I know. We get around. Anyway, this is going backwards, I am afraid, too fast under all the conditions.

I do not consider them outmoded and useless or beyond proper use. This is not a small amount of money to me. This is a lot of money. However, with the cost of weaponry, this is not big money by comparison.

I hope that the Senate sees fit to keep these missiles in at least until we make some appreciable strides forward on the new one.

The PRESIDING OFFICER. Is there further debate?

Mr. DOLE. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, I do not wish to cut off debate if someone wants to continue, but I move to table the amendment offered by the Senator from Kansas. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table the amendment of the Senator from Kansas (Mr. Dole). The yeas and nays having been ordered, the clerk will call the roll.

The bill clerk called the roll.

Mr. STEVENS. I announce that the Senator from Rhode Island (Mr. Chafee), the Senator from Utah (Mr. Hatch), and the Senator from South Dakota (Mr. Pressler) are necessarily absent.

Mr. CRANSTON. I announce that the Senator from South Carolina (Mr. Hollings), the Senator from Ohio (Mr. Metzenbaum), the Senator from Alabama (Mr. Heflin), and the Senator from Louisiana (Mr. Johnston), are necessarily absent.

The PRESIDING OFFICER (Mr. Warner). Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 32, nays 61, as follows:

[Rollcall Vote No. 106 Leg.]

YEAS—32

Baucus
Bentsen
Biden
Boren
Boschwitz
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Cranston
Dodd
Eagleton
Exon
Ford
Glenn
Hayakawa
Humphrey
Inouye
Leahy
Levin
Long
McClure
Mitchell
Nunn
Quayle
Sarbanes
Sasser
Stennis
Thurmond
Tower
Warner
Zorinsky

NAYS—61

Abdnor
Andrews
Armstrong
Baker
Bradley
Brady
Bumpers
Burdick
Cochran
Cohen
D'Amato
Danforth
DeConcini
Denton
Dixon
Dole
Domenici
Durenberger
East
Garn
Goldwater
Gorton
Grassley
Hart
Hatfield
Hawkins
Heinz
Helms
Huddleston
Jackson
Jepsen
Kassebaum
Kasten
Kennedy
Laxalt
Lugar
Mathias
Matsunaga
Mattingly
Melcher
Moynihan
Murkowski
Nickles
Packwood
Pell
Percy
Proxmire
Pryor
Randolph
Riegle
Roth
Rudman
Schmitt
Simpson
Specter
Stafford
Stevens
Symms
Tsongas
Wallop
Weicker

NOT VOTING—7

Chafee
Hatch
Heflin
Hollings
Johnston
Metzenbaum
Pressler

So the motion to lay on the table Mr. Dole's amendment (UP No. 927) was rejected.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. BAKER. Mr. President, could I inquire of Senators if there is any need for a rollcall vote now on the amendment itself. I am prepared to——

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. BAKER. I yield.

Mr. GOLDWATER. I think there is a need for a rollcall vote. I think the Senator from Nebraska performed something my father warned me against. He did not know when to close the sales book.

The whole committee that I know of is in favor of the position of the Senator from Nebraska. I think if we had a chance to vote on it up-or-down the vote might be different. I think we should have a vote on it.

Mr. EXON. Mr. President, I learn very hard, but I learn. I understand that it is not proper in some instances to vote for a tabling motion when it is not offered by the right side.

Therefore, I request the yeas and nays on the amendment offered by the Senator from Kansas.

Mr. BAKER. Mr. President, am I not correct that the yeas and nays have already been ordered?

The PRESIDING OFFICER. The Senator from Tennessee is correct. The yeas and nays have been ordered.

Mr. BAKER. I must say in all candor based on the statements by the Senators from Nebraska and Arizona I think it would be futile to ask unanimous consent to vitiate the yeas and nays. I had planned to do that.

Before we proceed, however, I wish to make an inquiry of the Senate. I have two pages of amendments yet to be considered that we know of and before we go on let me read these amendments or rather read the listing of them and see if there are others that are going to be offered that we know about or perhaps some of them on here will not be offered but we need to plan on how late we are going to stay tonight and what time we are going to come in tomorrow.

I am perfectly willing to stay tonight as long as we can make good progress, but it is also my intention to ask the Senate to resume consideration of this bill in the morning at a very early hour, perhaps as early as 9:15 a.m.

Let me go over the list and see if there are Senators who wish to delete their names from this list, or perhaps add other amendments. These proposed amendments are as follows:

An amendment by Senator Gorton, one by Senator Hart, one by Senator Warner, the CF-747 amendment by Senator Jackson, two amendments on carriers by Senator Hart, binary weapons by Cochran and Pryor, a sense of the Congress resolution by Senator Cochran, a Glenn amendment on MX, a Wallop amendment on space-base lasers, a Levin amendment on administrative use of vehicles, a Heinz amendment on specialty metals, the Siberian pipeline by Garn, Nunn-Warner on accidental nuclear war study, Levin on unit-cost support, Nunn on JCS reorganization, Stafford on section 6 schools, Pryor on combat earth movers, Roth-Glenn-Nunn on NATO military cooperation, Hart on arms control, Levin on the B–1 bomber, Garn on a sense of the Senate on Reserves, Levin on Rapid Deployment Force, Moynihan-Dixon on Maybank, and Dixon on cameras on RF4.

Those are a lot of amendments and I devoutly wish for no more.

Could I inquire is there anyone who has anything he must add to that list of amendments?

Mr. PROXMIRE. Mr. President, will the majority leader yield?

Mr. BAKER. I yield.

Mr. PROXMIRE. I have three amendments that I think have been cleared by the staff on both sides. It will just take a few minutes.

Mr. BAKER. Is the Senator willing to do those tonight?

Mr. PROXMIRE. I am delighted to do them tonight.

Mr. BAKER. I thank the Senator.

Mr. LEVIN. Mr. President, will the Senator yield?

Mr. BAKER. I yield.

Mr. LEVIN. I have one cleared, I understand, and I would be happy to do it tonight. I have another one I am trying to work out that might be cleared.

Mr. BAKER. I thank the Senator from Michigan.

Are there other Senators who have amendments that they wish to add or delete?

All right.

I see no further response.

Mr. President, we have a big problem on our hands and that big problem is we really need to try to finish this bill by tomorrow night, obviously late tomorrow night.

But I think it is worth our time now to stay a little while longer and do the amendments by the Senator from Wisconsin, the one amendment, perhaps two amendments of the Senator from Michigan, and I estimate it will be past 11 p.m. when we finish.

ORDER FOR RECESS UNTIL 9 A.M. ON TOMORROW

Mr. BAKER. Mr. President, I ask unanimous consent that when the Senate completes its business tonight it stand in recess until the hour of 9 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEADERSHIP TIME REDUCED TO 5 MINUTES EACH ON TOMORROW

Mr. BAKER. Mr. President, I ask unanimous consent that the time allocated under the standing order be reduced to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR PERIOD FOR TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that the time, if any, remaining between then and 9:15 be devoted to morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR THE CONSIDERATION OF DEPARTMENT OF DEFENSE AUTHORIZATION BILL ON TOMORROW

Mr. BAKER. Mr. President, I ask unanimous consent that at 9:15 the Senate resume consideration of the DOD authorization bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. I thank the Chair.

Before we go out tonight, Mr. President, I very much want to find an amendment we can lay down and make pending for tomorrow because I do not want to start in the morning and then waste time trying to gather momentum. So I ask the managers of the bill on both sides to try to find some amendment, some worthwhile amendment, and preferably one that will require a rollcall vote by 10 or 10:30 in the morning.

Mr. DOMENICI. Worthwhile, did you say? [Laugher.]

Mr. BAKER. Mr. President, I withdraw the word "worthwhile."

Mr. TOWER. I think I can assure the majority leader that we can get to a vote by 10 o'clock.

Mr. BAKER. Mr. President, I apologize to Senators for taking this additional time for housekeeping details, but we are prepared now to go forward with the vote on the amendment.

Mr. DOLE. Mr. President, while there are so many Members here, I will take just a minute because I do not really believe that, if the amendment is understood, the vote will be very close. All the Senator from Kansas is trying to do is to do what the Defense Department and the Air Force say we ought to do, to start to phase out the Titans. They are 20-year-old weapons. They started talking about a phaseout in 1974, and they were used as a bargaining chip at that time, and it has not been done. Now, it just seems to this Senator we have had a lot of talk about a freeze and all this talk about what we are going to do to cut the defense budget. All we are trying to do is to do what the Defense Department for once says we can do and save $80 million, and the Air Force supports it.

Those who do not have the Titan II's in their State—and I do not quarrel with either Senator from Arizona—but we are no less patriotic, as inferred by the Senator from Nebraska, than others. In Kansas we are as patriotic as the people in Nebraska. We do not play football as well, but we are just as patriotic. [Laughter.] "I will say to the Senator from Arkansas that one of these was phased out on its own, it blew up.

They leak a lot.

Mr. PRYOR. That is correct.

Mr. DOLE. The people of Wichita like Wichita and they would like to keep it that way. These missiles may hit Moscow, but they will hit Wichita first. [Laughter.] So I will say to my colleagues who are sitting off in some other place, do not worry about these Titan II missiles. They are old, leaking, and creaking. So the Senator from Nebraska has got a plan, delay the phaseout for a year. Why? Because they do not serve any useful purpose. They are not part of the START talks. We have a President who says "Get rid of them," and I appreciate the Senator from Nebraska supporting our President, but do not oversupport him.

Here is $80 million he does not want for defense. I have heard more statements on this floor about how much we are spending for defense, and here we have a chance to save just a penny or two, in the Armed Services Committee lingo; $80 million you would never miss it on the way to the conference. (Laughter.)

So it just seems to this Senator that we can do what is right before we go to bed.

Mr. PERCY. Mr. President, will the Senator yield for a question?

Mr. DOLE. I yield.

Mr. PERCY. I think the only thing that bothers me about this amendment is that 4 days after the President has made a proposal to the Soviets that we sit down and really talk strategic arms reduction, and we will be willing to talk megatonnage reduction, that we here in the Senate take an action which would unilaterally start to cut it down. How does the Senator answer that?

Mr. DOLE. That is very easy. The Senator from Kansas has attended this little subcommittee hearing on February 26, in the time of this administration, the Reagan administration. He came in in January 1980, as I recall. I was there when General Davis and others were there, and he was asked, "If we had $500 million, would you use it for more Titans?" He said, "No; we would use it for modernization."

The President is aware we are phasing out the Titan when he made the statement last week or at the commencement address at Eureka College. I am supporting the administration. The Defense Department says we do not need the $80 million, and the Air Force says we do not need the $80 million. Senator Exon says we do need it, and he is an expert and the Senator from Kansas is not.

It is not that we have Titans in Kansas. We are willing to take another good missile if you have another good missile, but they are outmoded, and this is a chance to strike a blow for freedom—that is what we have all been talking about here—and get unshackled from heavy defense spending and do something else with the $80 million. That is much less than we have to worry about in the other programs.

Mr. BAKER. Mr. President, I have no desire to try to shorten this debate, but maybe this will be an incentive for some. When and if we get through this rollcall vote we will continue with the Proxmire amendment and the Levin amendment or amendments. But after the next vote there will be no more rollcall votes today.

Several Senators. Vote!

Mr. GLENN addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio is recognized.

Mr. GLENN. Mr. President, I will be very brief. [Laughter.]

I only respond to the Senator from Kansas by saying I will bring up an MX amendment which does change some things in the balance.

I voted with Senator Exon this evening because I think there are some very serious doubts about the MX, whether we are on the right track with it, whether we are just recreating once again vulnerability and just trying to make a new mode that will really correct an existing vulnerability that was perceived as the reason for going to MX to begin with.

If we do change the MX tomorrow, I would rather see the Titan remain in place. The Titans remain to this day the missile we have that is capable of throwing the greatest throw weight, the greatest megatonnage, and I do not want to see that done away with the potential for changing the MX that I will bring up tomorrow morning. So I am voting to retain this. I think we still need it. I think the $80 million is well spent to retain it. We do have maintenance problems with it, but it is the most effective throw weight vehicle we have in our arsenal today, and it is too early to throw it away, particularly if we change the MX, which I hope we do tomorrow.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Kansas.

Mr. EXON. Mr. President, I know my colleagues are anxious to get on with things, and I was not going to say any more. I made a lengthy speech on this that few, if any, heard or listened to.

I do think this is a very serious matter. My talented and clever friend from Kansas has a way of mellowing the Senate with his humor, but this is not a humorous matter. The President of the United States himself, within the last month, went on national television and said, "We are inferior to the Soviet Union in ICBM's."

I have never been able to understand why the President of the United States would be pulling out beginning October of this year at the rate of one a month the Titans if he really believes we are behind the Soviet Union in megatonnage. I think that is the critical thing we must understand.

The hearings that we held on the subject in great detail showed that if we were going to unilaterally start disarmament by taking out the Titans, which we had 52 this year, which would happen if we go along with the amendment offered by the Senator from Kansas, we would be starting to dismantle up to approximately 33 percent of the total megatonnage that we have right now without any action on the part of the Soviet Union at all.

Clearly when we held a hearing on this within the Armed Services Committee it was clear, and I think unanimously reported from the Armed Services Committee, that it would be wrong to start dismantling this system now. The Titans were never supposed to be dismantled until an MX or something like it was in place to give us the megatonnage that we need.

You can make fun of this missile if you want to, you can talk about the danger to Wichita, Kans., but I can assure every Member of this body that that 9 megatonnage Titan II missile is no laughing matter to a Soviet planner.

As I said earlier, it is not as accurate as our other missiles, but if the Soviet Union should launch an all-out nuclear attack against the United States, we could launch those Titan II's—God help us if that ever happens, but we could—and it would not be critically important as to how close to the exact location that Titan landed in the Soviet Union.

I do not know that it is going to do any good to argue this further in great detail. I know the Presiding Officer, who is the chairman of the subcommittee, held extensive hearings on this at my suggestion. But if no one else cares to defend the actions of the Armed Services Committee I will do so, and I say that I think if we adopt the amendment offered by the Senator from Kansas we do not know what we would do with regard to further exposure under the present circumstances from the Soviet Union.

Mr. President, I yield the floor.

Several Senators. Vote!

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Kansas. The yeas and nays have been ordered, and the clerk will call the roll.

Mr. RANDOLPH addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia is recognized.

Mr. RANDOLPH. I presume I am not out of order, but I wonder if Members would remain at their desks and this would go very speedily?

The PRESIDING OFFICER. Does the Senator from West Virginia put that in the form of a unanimous-consent request?

Mr. RANDOLPH. No, I would not.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Utah (Mr. Hatch), the Senator from Maryland (Mr. Mathias), the Senator from South Dakota (Mr. Pressler), and the Senator from Idaho (Mr. Symms) are necessarily absent.

Mr. CRANSTON. I announce that the Senator from South Carolina (Mr. Hollings) and the Senator from Ohio (Mr. Metzenbaum) are necessarily absent.

The PRESIDING OFFICER (Mr. Goldwater). Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 40, nays 54, as follows:

[Rollcall Vote No. 107 Leg.]

YEAS—40

Abdnor
Andrews
Bumpers
Burdick
Chafee
Cochran
D'Amato
DeConcini
Dole
Domenici
Durenberger
Grassley
Hart
Hatfield
Hawkins
Heinz
Jackson
Kassebaum
Kennedy
Long
Matsunaga
Mattingly
Melcher
Moynihan
Murkowski
Packwood
Pell
Proxmire
Pryor
Randolph
Riegle
Roth
Rudman
Schmitt
Simpson
Specter
Stevens
Tsongas
Wallop
Weicker

NAYS—54

Armstrong
Baker
Baucus
Bentsen
Biden
Boren
Boschwitz
Bradley
Brady
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Cohen
Cranston
Danforth
Denton
Dixon
Dodd
Eagleton
East
Exon
Ford
Garn
Glenn
Goldwater
Gorton
Hayakawa
Heflin
Helms
Huddleston
Humphrey
Inouye
Jepsen
Johnston
Kasten
Laxalt
Leahy
Levin
Lugar
McClure
Mitchell
Nickles
Nunn
Percy
Quayle
Sarbanes
Sasser
Stafford
Stennis
Thurmond
Tower
Warner
Zorinsky

NOT VOTING—6

Hatch
Hollings
Mathias
Metzenbaum
Pressler
Symms

So Mr. Dole's amendment (UP No. 927) was rejected.

Mr. EXON. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. LEVIN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I will inquire if the manager is now prepared to go ahead with more amendments this evening. I have already announced there will be no more rollcalls tonight, but I hope we can dispose of three, four, or more amendments before we quit for the day.

Mr. TOWER. If the Senator will yield, we have three amendments by Senator Proxmire and one amendment by Senator Levin in sequence by a gentleman's agreement, not a formal agreement.

UP AMENDMENT NO. 928

(Purpose: To modify the requirements relating to the initial period of active duty for training of all persons enlisting in a reserve component of the Armed Forces)

Mr. PROXMIRE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Wisconsin (Mr. Proxmire), for himself and Mr. Thurmond, proposes an unprinted amendment numbered 928.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill, add the following new section:

ACTIVE DUTY FOR TRAINING OF PERSONS ENLISTING IN A RESERVE COMPONENT OF THE ARMED FORCES

Sec. —. (a) Section 511(d) of title 10, United States Code, is amended by striking out the second sentence and inserting in lieu thereof "Each person enlisted under this subsection shall perform active duty for training for twelve weeks or for such other period as the Secretary concerned determines to be necessary to complete the basic military training prescribed by such Secretary. The period of active duty for training shall commence within 270 days after the date of the enlistment, if practicable.".

(b) The amendment made by this section shall be effective with respect to persons enlisting on or after the date ninety days after the date of enactment of this section.

Mr. PROXMIRE. Mr. President, the military Reserve and the National Guard are as vital to the defense of our country as are the regular active duty forces. It is these men and women on which this country relies to instantly step out of their civilian careers and into the roles of trained military personnel literally overnight.

As critical to our Nation as these people are, our mechanisms for recruiting them and conducting their basic training contain several limitations which needlessly restrict these programs' ability to attract talented young people.

Each of the regular services, the Reserves, and National Guard forces have programs to permit recruits to enlist but not begin active duty training until a later date. For those enlisting in the regular forces, this delay can be up to 270 days (9 months). Those enlisting in the Reserves or National Guard can wait up until only 180 days (6 months).

This double standard unfairly discriminates against the Reserve or National Guard forces because potential recruit—typically a high school senior or college student—cannot consider enlisting until December or January. However, the regular service recruiters have the 3 preceding months to convince a potential recruit to enlist in their programs. Needless to say, this 3-month advantage permits regular recruiters to function throughout the school year and enables them to attract students—the perfect candidates for which the Reserve or National Guard programs are best suited.

The active duty period is similarly limited in its effectiveness. The current law requires that the initial active duty period for National Guard or reserve personnel be a minimum of 12 weeks, including basic training. Several of our more enlightened services have established self-paced segments in their basic training programs. The brightest of the recruits can finish these so that they have completed their entire training requirements before the statutory 12-week minimum has passed. This forces the Reserve or Guard to totally demoralize these ambitious, intelligent new members of the military community by giving them menial or "make-work" tasks to pass the remaining time. Clearly, it would be to the advantage of both the individuals and the services for those individuals to be returned to their civilian capacities. Thus, cost to the Government would be reduced, morale would not be destroyed, and the individuals would realize that they were being rewarded for their diligence rather than being punished with unsuitable duty.

This pending amendment to S. 2248 would extend the permissable period between enlistment and the beginning of initial basic training from 180 to 270 days for Reserve and National Guard personnel. This amendment would also alter the 12-week initial basic training requirement by permitting the training to be the equivalent of 12 weeks. The equivalent standard would be set by the Secretary of the service concerned.

I trust that my colleagues will share in my belief that our Reserve and National Guard programs are worthy of the upgrading which would result from these amendments.

Mr. President, I have had a chance to discuss this with the manager of the bill. I understand there is no objection.

Mr. THURMOND. Mr. President, the amendment appears to be a reasonable and sound one. We are willing to accept it.

The PRESIDING OFFICER. The amendment is accepted by the committee.

The question is on agreeing to the amendment of the Senator from Wisconsin.

The amendment (UP No. 928) was agreed to.

Mr. THURMOND. Mr. President, I move to reconsider the vote by which the amendment of the Senator from Wisconsin was agreed to.

Mr. PROXMIRE. I move to lay that motion of the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 929

(Purpose: To provide a period of open enrollment in the Survivor Benefit Plan to persons who, but for age, were entitled to retired pay before December 1, 1980)

Mr. PROXMIRE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated. The legislative clerk read as follows:

The Senator from Wisconsin (Mr. Proxmire) proposes an unprinted amendment numbered 929.

At the end of the bill add the following new section:

OPEN ENROLLMENT PERIOD FOR SURVIVOR BENEFIT PLAN

Sec. . (a)(1) A person who, before December 1, 1980, performed the number of years of service required by clauses (2) and (3) of section 1331(a) of title 10, United States Code, for entitlement to retired pay under chapter 67 of such title and who is not at least 60 years of age on the date of enactment of this Act may elect to participate in the Survivor Benefit Plan and may designate an effective date under section 1448(e) of such title during the open enrollment period specified in subsection (b).

(2) A person who—

(A) became entitled to retired pay under chapter 67 of such title before the date of enactment of this Act;

(B) is a participant in the Plan; and

(C)(i) elected not to participate in the Plan at the maximum level; or

(ii) in the case of an eligible person who is married, elected to provide an annuity under the Plan for a dependent child and not for the person's spouse, may, during the open enrollment period specified in subsection (b), elect to participate in the Plan at a higher level or to provide an annuity under the Plan for such spouse at a level not less than the level provided for the dependent child.

(3) Any election under this subsection shall be made in the same manner as an election under section 1448 of such title and shall be effective when received by the Secretary concerned. Notwithstanding the last sentence of section 1452(a) of such title, the reduction in retired pay prescribed by the first sentence of such section shall, in the case of a person making an election under paragraph (1), begin on the first day of the first month beginning after such election is effective.

(b) The open enrollment period is a period of twelve months beginning on the first day of the month that begins 30 days after the effective date of this Act.

(c) If any person making an election under subsection (a) dies before the end of the two-year period beginning on the date of the election, the election is void and the amount of any reduction in the retired pay of such person that is attributable to the election shall be paid in a lump sum to the person's beneficiary under the Plan (as designated under such election).

(d) Sections 1449, 1453, and 1454 of title 10, United States Code, are applicable to individuals making elections and to elections under this section.

(e) For the purpose of this section—

(1) the term "Survivor Benefit Plan" or "Plan" means the program established under subchapter II of chapter 73 of title 10, United States Code; and

(2) the term "Secretary concerned" has the meaning given such term in section 101(5) of title 37, United States Code.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the name of the distinguished Senator from South Carolina (Mr. Thurmond) be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

RESERVE AND NATIONAL GUARD SURVIVOR BENEFIT PLAN OPEN SEASON

Mr. PROXMIRE. Mr. President, the 95th Congress enacted legislation which extended to the National Guard and Reserve Forces the survivor benefit plan which had previously been available only to active duty regular personnel. This plan permitted Guard or Reserve members who had served enough years to earn retirement pay at age 60 and those who had begun receiving such retirement pay to elect to receive a reduced annuity in return for that person's surviving spouse or surviving dependent child being able to receive an annuity after the death of the retired member. The survivor's annuity payment, however, would be subject to dollar-for-dollar reductions for each dollar that the surviving person received from social security as the result of that same member's death.

The 96th Congress enacted legislation which would limit the extent of this social security offset so that it could not decrease the survivor's annuity payments by more than 40 percent of that annuity. No provision was made at that time for those individuals who had already elected not to participate in the survivor benefit plan, or had elected to participate at less than the maximum extent to reconsider their election because of the significant effect of the change in the social security offset provision.

Mr. President, Congress recognized the need to create an "open season" for affected persons to reconsider their nonelection or reduced election of this plan. However, the provision included in the Omnibus Reconciliation Act of 1981 for that purpose created this open season only for regular service retirees and not to those who would become eligible for their retirement pay only upon attaining age 60—those retiring from Reserve or National Guard duty.

Mr. President, I am proposing this amendment to S. 2248 which will create a 12-month open season for those who were not afforded this opportunity to reconsider in our previous legislation.

Mr. THURMOND. Mr. President, we feel that this amendment is fair and reasonable. We are willing to accept it.

The PRESIDING OFFICER. The Chairman accepts the amendment.

The question is on agreeing to the amendment.

The amendment (UP No. 929) was agreed to.

Mr. THURMOND. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PROXMIRE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 930

(Purpose: To extend certain educational loan repayment benefits to commissioned officers who are serving in pay grade O-1 or O-2 in the Selected Reserve of any of the Armed Forces)

Mr. PROXMIRE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

> The Senator from Wisconsin (Mr. PROXMIRE) proposes an unprinted amendment numbered 930.

Mr. PROXMIRE. I ask unanimous consent that further reading be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> At the end of the bill add the following new section:
>
> AUTHORIZATION TO REPAY LOANS OF CERTAIN COMMISSIONED OFFICERS IN THE SELECTED RESERVE
>
> SEC. . Section 902 of the Department of Defense Authorization Act, 1981 (10 U.S.C. 2141 note), is amended—
>
> (1) by inserting "or commissioned officer serving in pay grade O-1 or O-2 who previously served as an enlisted member in" after "as an enlisted member of" in subsection (a)(2)(A); and
>
> (2) by inserting "or are appointed" in subsection (g) "enlist or reenlist" the first place it appears.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the name of the distinguished Senator from South Carolina (Mr. THURMOND) be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

STUDENT LOAN REPAYMENT PROGRAM—EXTENSION TO OFFICERS

Mr. PROXMIRE. Mr. President, I am deeply concerned about the ability of our Reserve Forces to attract and retain high quality young men and women. We need more people who are better qualified to efficiently handle the increasingly complex responsibilities of the American military. Our national security for this and future generations is dependent on just such valuable assets.

The 96th Congress took a major step toward achieving that goal by including a provision in the 1981 defense authorization which authorized the Secretary of Defense to pay up to certain levels of student loans for each year of service which an enlisted man or woman served after entering the program. Reserve and National Guard personnel could benefit as well as regular active duty personnel, but at reduced levels of support.

The principal weakness of the program as it affects members of the Reserve and National Guard components is that it does not extend to the area where the recruiting need is the greatest—junior officers. Under the present law, an enlisted member of the service is no longer eligible for the student loan repayments if he or she accepts a commission. This has proven to be a strong deterrent to the type of individual which the services should be trying hardest to attract and retain—those with ambition, education, and an orientation toward a career in the military. The classic example that must be corrected is of a bright enlisted person who takes advantage of the program to get a college degree, but who will not sign up for OCS because that will mean a loss of the repayments on his or her loan when commissioning occurs. In the other typical situation that must be overcome, a recent college graduate would be more inclined to enter the service if he or she could enroll in OCS and seek a commission if loan repayments would be available. Too often, that example of highly desirable individual would choose not to join the Reserves or Guard at all rather than enlist or seek a commission that cannot include the loan repayment benefits.

To resolve this problem, I am proposing this amendment to S. 2248 which would extend the benefits of this successful program to Reserve and Guard officers in the pay grades of O-1 and O-2 who have been promoted from the enlisted ranks.

I am confident that my colleagues will join me in supporting this provision, which is essential to reestablishing a strong corps of highly qualified young Reserve and Guard officers.

Mr. THURMOND. Mr. President, we feel that this amendment is fair and reasonable. We are willing to accept it.

The PRESIDING OFFICER. The chairman accepts the amendment.

The question is on agreeing to the amendment.

The amendment (UP 930) was agreed to.

Mr. THURMOND. I move to reconsider the vote by which the amendment was agreed to.

Mr. PROXMIRE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Are there other amendments?

The Senator from Michigan.

UP AMENDMENT NO. 931

Mr. LEVIN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

> The Senator from Michigan (Mr. LEVIN) for himself and Mr. QUAYLE, proposes an unprinted amendment numbered 931.
>
> On page 53, line 19, after "exist" insert: "and their impact on mutual defense efforts".
>
> On page 54, line 17, strike the period and insert the following: ; and
>
> (G) a description of what additional actions the Executive Branch plans to take should the efforts by the United States referred to in clauses (B) and (E) above fail, and, in those instances where such additional actions do not include consideration of the repositioning of American troops, a detailed explanation as to why such repositioning is not being so considered.
>
> On page 54, line 22, strike "F" and insert "G".

Mr. LEVIN. Mr. President, on behalf of myself and my colleague from Indiana (Mr. QUAYLE) I have sent this amendment to the desk. I ask that the Senate adopt it tonight.

Some of our NATO allies and our ally, Japan, are failing to contribute sufficient resources to our common defense.

Our amendment requires the Secretary of Defense to inform the Congress what actions the executive branch will take should efforts to obtain increased defense contributions by our allies fail and, in those instances where such additional actions do not include consideration of the repositioning of American troops, a detailed explanation as to why such repositioning is not being considered.

Our amendment makes it clear that Congress expects more vigorous action in this area, and that Congress expects the executive branch to consider all

options available to the United States in obtaining results from our allies.

Both the executive branch and our allies should recognize that patience of the American people is not unlimited about the inequitable defense burdens being borne by them, and the citizens of some of the other NATO nations.

The American taxpayers are faced with a stagnant economy, reduced expenditures for domestic programs and increasing defense budget burdens, as evidenced by the bill now before us. It is a wonder that they have any patience left at all with some of our NATO allies and Japan. Our amendment would send this message, also.

Mr. President, the funds authorized in this bill represent further great expansion of the resources expended annually by the United States to meet its mutual security commitments to its allies in NATO, Europe, and Japan.

The administration is asking American taxpayers to bear an increasingly heavy burden to defend themselves and our allies.

For example, the percentage of our country's gross national product which we devote to defense spending has increased steadily during the past 3 years from about 5.2 percent to a projected 6.3 percent under the budget contained in this bill. The average percent of gross domestic product—a similar measure—our NATO allies devote to defense was only 3.5 percent in 1980, the latest available figure. When Japan's defense spending is included in this total, the percentage appears even worse—only 2.9 percent.

Part of this increased burden is militarily justified. However, the increased tensions in Europe due to imposition of martial law in Poland, the everpresent potential for continuing instability in the region of the Persian Gulf, and the expanding Soviet military and political threat in the Far East, underscore the importance of improved military preparedness by all NATO nations and Japan—not just the United States.

Unfortunately, most non-U.S. member nations of NATO, collectively and individually, and Japan, have failed to fully appreciate these growing threats to our mutual security, and have failed to respond adequately with the more sustained defense efforts now warranted.

These failures are demonstrated inescapably by the failure of many NATO nations to meet the twice-reaffirmed, 3 percent annual real growth commitment in defense spending, and by the failure of Japan to increase its defense spending in 1982 and 1981 to levels necessary to meet its already-agreed-to mutual, self-defense commitments.

It is ironic that Japan is an economic superpower—fully capable of increasing its defense spending to improve its sorely deficient self-defense capabilities and to meet its commitments.

This irony is mirrored in the case of our NATO ally, the Federal Republic of Germany, one of Europe's strongest nations economically. Despite that strength, the West German defense budget is expected to show either no real growth, or a real decline, in 1982, according to our own Government's projections.

In addition, we spent almost the entire 12 months of 1981 attempting to get the West Germans simply to sit down at the bargaining table to discuss whether they would contribute to the cost of repositioning American troops in their country closer to the front lines where they could better defend against Warsaw Pact aggression.

This repositioning proposal is known as the Master Restationing Plan, and it will directly benefit the West Germans. Yet, they were not even willing to name negotiators for almost 1 year. That hardly is a demonstration of a cooperative attitude from a NATO ally.

The failures by many of our NATO allies and Japan to meet their mutual defense commitments have been exhaustively documented by our Government in several forms. Much of this evidence is contained in the Report on Allied Commitments to Defense Spending produced by our Department of Defense in response to language I authored in the fiscal 1981 and 1982 Defense Authorization Act. The fiscal year 1983 bill now before us contains a similar requirement, also at my initiative.

Known as the Burdensharing Report, this document has contained the following conclusions and information during the past 2 years:

> Politically, the failure of our allies collectively to achieve at least the 3% judged necessary to keep the East/West balance from tipping further against NATO could be seen by Moscow as a weakening of our collective resolve;
>
> Militarily, failure of many of the allies to achieve the 3% goal will affect equipment modernization plans, delay implementation of the Long Term Defense Program and result in widespread shortfalls in meeting NATO force goals;
>
> Critical deficiencies and shortfalls exist in most areas, with progress judged to be less than satisfactory in at least 60% of the measures identified in the conventional (NATO) Long Term Defense Program areas."
>
> Weighted average real growth in annual defense spending, compared with 3% commitment, is projected to be lowest it has been since commitment established: between "1.0% to 2.1%" in 1982.

Japan's performance in contributing to the common defense is even more dismal, Mr. President, as both the Burdensharing Reports and testimony before congressional hearings demonstrates.

Last year, the Burdensharing Report stated:

> . . . U.S. encouragement for the Japanese to do significantly more in their own defense is neither unwarranted nor excessive. In fact, with almost total dependence on imported oil, Japan simply must do more to meet its defensive needs at home to help compensate for the intensive and extensive U.S. effort in Southwest Asia—in Japan's behalf as well as our own.

This year and last, the report concluded:

> Japan . . . ranks last or next to last on all of the ratio measures surveyed, and thus, quite clearly appears to be contributing far less than its share or what is is capable of contributing. This validates our major emphasis over the last several years on getting the Japanese to increase their defense spending.

High-ranking Defense Department officials have testified both to our committee and to the House Foreign Affairs Asia Subcommittee about Japan's inadequate contributions to the common defense. Their conclusions were as follows:

> . . . they are still fundamentally unable to provide effective, meaningful self-defense against the threat facing Japan in the '80s. . . . substantially more significant efforts will be required. . . .
>
> We are interested in actual Japanese capabilities to defend their territory, their surrounding seas and skies and their sea lanes to 1,000 miles, missions they say are authorized for them to perform. We believe the Japanese can calculate what it will cost them to achieve these capabilities and that those costs will ex-one percent of Japan's gross national product;
>
> If Japan should decide it is in its interest, it could with its economic vitality do significantly more for its own self-defense than any other U.S. ally in the world. Such actions would have meaningful results for Japan's own security and for the stability of the entire Free World.

The executive branch also has asked Congress to reinforce its efforts to urge the Japanese and our NATO allies to increase their defense efforts. Assistant Secretary of Defense West stated to the House Foreign Affairs Subcommittee:

> . . . we hope the Congress and this Committee will participate and play a significant role in convincing Japanese leaders of the wisdom of substantive U.S.-Japan defense cooperation. . . .

Deputy Defense Secretary Frank Carlucci responded to one of my questions at a hearing by saying:

> Support of the Congress for increased allied defense efforts to promote more effective defense capability would be welcome.

Passage of our amendment would respond positively to the executive branch's request for congressional reinforcement, and to the urgings of the American people that our NATO allies and Japan must bear a more equitable share of the mutual security burdens.

● **Mr. QUAYLE.** Mr. President, I am pleased to cosponsor Senator LEVIN's amendment concerning the contributions of our allies to the common defense. I do so for the following reasons.

On numerous occasions during the past few months, the Senate Armed Services Committee has received expert testimony about the defense expenditures of our allies. In general, the formal testimony has been quite complimentary in nature, leaving the impression that, with minor exceptions, most countries have been carrying their share of the load.

Quite a different picture, however, has been conveyed in response to our questions, and most of us were left with the disquieting feeling that there is a general consensus that they are not doing enough. Certainly, on a statistical basis one is hard pressed to prove that our allies are contributing their fair share to the defense burden.

Several recent meetings in my office with representatives of our allies have served to heighten, rather than alleviate, my concern.

Another consistent factor in hearings and other meetings has been the reluctance of Government people to criticize our friends across the seas. The attitude seems to be that the best way to get our allies to increase their defense expenditures is to keep our concerns off the front pages, and let quiet diplomacy do its job. I do not share that view.

I think it is time to bring the problem out of the closet.

Over and over, we have heard comment in recent months about the unprecedented Soviet arms buildup. We have all been exposed to the classified data and have become alarmed about the scope of, and implications of, the Soviet military buildup.

President Reagan has responded to that threat by defining a defense program which requires a significant commitment to an enhancement of the U.S. military posture. Most of us believe that even with our strained economy it is mandatory for us to expand our defense efforts.

Mr. President, something is fundamentally wrong when we and our allies can look at the same threat data and the United States believes it requires a large expansion of our defense efforts, while our allies move along with essentially a business as usual approach.

I believe that we should both be expanding our defense programs, in coordinated fashion, because if we do not, we will be unevenly prepared to respond to future threats.

This amendment tries to get to the heart of the matter by requesting a report which answers several important questions.

In the simplest sense the questions are:

First, what do we expect our allies to do?

Second, are they doing it?

Third, if not, why not?

Fourth, what are we doing to get them to face up to the issue of contributing their fair share?

Fifth, what is the impact of their failure to respond?

Necessarily, Mr. President, the report will be classified, but we have a responsibility to our constituents in these times when we are calling upon them to make unprecedented sacrifices, to provide assurance that our allies are also doing their fair share of providing for our mutual defense.

Based on where we are right now, I cannot provide them with that assurance, and I believe this amendment will help resolve the issue.●

Mr. LEVIN. Mr. President, I understand that this amendment is now acceptable to the manager of the bill. I thank the manager, our chairman (Mr. TOWER), for his work with Senator QUAYLE and myself on this amendment.

Mr. TOWER. Mr. President, it is the intention of the committee to accept the amendment. I should say I am prepared to accept it as chairman of the committee. It is my understanding that it has been cleared also with Senator STENNIS.

There is, of course, increasing debate, Mr. President, in this country about the advisability of maintaining U.S. forces in Western Europe. I think a lot of that discussion is somewhat obscured by emotion, and what is lacking in the debate is an objective analysis of the facts.

I think the practical effect of this amendment will be to provide the administration an opportunity to explain why it is not in the national interest of the United States to remove U.S. troops from Western Europe. I might note, Mr. President, that we are not in Western Europe simply for altruistic reasons. We are there because we believe it is in our national interest to be there and because it is axiomatic that when you are confronted by a great adversary, it is prudent to maintain your defense perimeter as far from your own shores as possible and as close to his as possible.

Aside from that strategic consideration, the value of Western Europe and its resources to the free world is well understood and does not even need comment. Our cultural and historic ties with Western Europe make it incumbent upon us to manifest an interest in the continued freedom and security of Western Europe.

So we are there, Mr. President, not just to defend the Europeans, but to defend our own interests. That, of course, is the criterion against which we must judge all of our troop deployments, wherever they might be in the world. That is the question of whether or not it is, indeed, in our national interest. In this instance, it is.

Mr. President, we certainly should insist that our European friends do everything they can to defend themselves, and that they contribute an adequate portion of their gross national product to their own defense. I might add further that they should be prepared to accept the deployment of weapons that will not only defend their security, but assure the security combat effectiveness of our own troops that are stationed in that part of the world.

I am prepared to accept the amendment of the Senator from Michigan.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (UP 931) was agreed to.

Mr. LEVIN. Mr. President, I thank the chairman of the committee, Senator TOWER, for his cooperation on this with Senator QUAYLE and myself. His work and the work of the staff has been most helpful. I think we have reached a conclusion here which we all can live with. It is after the result which we all seek, which is a greater contribution, a fair contribution by all our allies to the mutual defense. I think this amendment now achieves that.

The PRESIDING OFFICER. Are there other amendments to this bill?

Mr. TOWER. Mr. President, I do not believe there are any other amendments pending to be considered this evening. I, therefore, suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, there are two or three minor matters that must be dealt with.

First of all, may I inquire of the distinguished manager of the bill if he is prepared to agree on his side that when we resume consideration of this bill tomorrow, the Roth-Glenn-Nunn amendment dealing with NATO military cooperation will be the pending amendment?

Mr. TOWER. Mr. President, I am prepared to agree that that should be the pending amendment and those gentlemen are already to go on that, so I do agree that that should be the first one that we take up in the morning.

Mr. BAKER. May I put that in the form of a unanimous-consent request?

Mr. President, I ask unanimous consent that when the Senate resumes consideration of the pending bill, the Roth-Glenn-Nunn amendment dealing with NATO military cooperation be the pending amendment.

THE PRESIDING OFFICER. Without objection, it is so ordered.

● Mr. SCHMITT. Mr. President, for over a decade we have allowed our national defense to deteriorate. We have underfunded our defense budget resulting in a failure to procure new, modern weapons, to continue research and development on new weapons systems, and to provide the type of military which our Nation needs to survive. The threat to the free world is greater today than ever before. Our way of life, Western political and economic systems, and Western ideas and traditions are under attack.

During this previous decade, the United States did not deploy new strategic systems, it failed to modernize our military forces, and it allowed the strategic and tactical balance to shift away from the United States and its allies toward the Soviet Union and its allies. During this same period, the Soviet Union has continued to build up its military strength, both strategic and conventional. The Soviet Union has outspent and outproduced the United States.

The result of this imbalance is that the United States and NATO are outnumbered in virtually all weapons systems in Europe. The United States bases its security on strategic weapons built in the 1960's while the Soviet Union has a new bomber, a new submarine, and several generations of new intercontinental ballistic missiles (ICBM's). The Soviet Union today can threaten U.S. and Western interests in the Middle East, Africa, Southwest Asia, and even in the Western Hemisphere.

Mr. President, the Soviet military buildup is not defensive in nature. In fact, the Soviets have continued to use their military strength in aggressive activity. The most blatant example of this aggression is their invasion of Afghanistan in December 1979. Other examples include their support for terrorists throughout Western Europe, their support for revolution and war throughout Africa and Southwest Asia, and their support for revolution in our own hemisphere. There can be no doubt of what Soviet intentions are.

The Soviet Union established a military-industrial complex which subjugates the whole political and economic process within the Soviet Union. The U.S.S.R., in essence, maintains a wartime economy. That economy is supported, in part, by the West. It has been the West which has provided the Soviet Union with the grain, the technology, and the consumer goods which has allowed it to continue to produce military equipment at a frightening level. The unilateral restraint that the West in general and the United States in particular has exercised over the last decade had done little, if anything, to slow the pace of Soviet military production. And that military buildup is continuing.

Mr. President, the defense budget we have before us is not one which I support enthusiastically. It is always sad to spend such a large part of the national budget for the production of military weapons. This budget, however, is necessary. It has been forced upon us by the threat posed by the Soviet Union and its allies. We have no choice but to spend what is necessary to defend the United States, our allies, and our interests throughout the world. To do less would be to fail in our responsibility to our citizens as well as all freedom-loving people throughout the world.

Mr. President, the American people support the President's program to rebuild our national defense. Last year we began that process. The bill before us continues to redress the strategic and tactical military imbalance that has resulted from the massive Soviet buildup. It will take years but it must be done.

I offer my congratulations to the administration and to the Senate Armed Services Committee for presenting the Senate with a good defense bill. It continues the programs which we began last year. There are some issues of special concern which the bill addresses. First and foremost is the status of our Reserve and National Guard Forces. In any environment, and especially with an All-Volunteer military, the Reserves and Guard Forces form the backbone of our national defense. Yet, we have failed to modernize the equipment which we provide to these men and women who voluntarily serve their nation and have the experience and drive necessary for a viable defense. This bill seeks to begin addressing that problem. I am glad to see that the committee added funding for the National Guard and the Reserves.

The bill also contains funding for the deployment of the 50 Minuteman III missiles as replacements for Minuteman II's, a program which I have worked on for a number of years. Related to that program is the funding for the Minuteman extended survivable power (MESP) program which is critical if the President is to have any flexibility in any conflict.

The potential of space-based lasers will be explored more completely with the funding for the Air Force contained in this bill. It is vital that we begin moving lasers out of the laboratory and begin developing the systems work needed to build a space-based laser. This weapon is unique in that it offers the potential of making nuclear weapons obsolete. Whether that is, in fact, feasible will only be determined through the program proposed by the administration and one which I have encouraged and supported for many years.

The renewed interest in ballistic missile defense (BMD) is a welcome sign. The development of this technology, which is solely defensive in nature, offers the potential of providing defense against ballistic missiles not only for our ICBM force, but, in the long run, for our civilian population.

I would be remiss if I did not express disappointment with the bill in some areas. First, it was, I believe, a mistake to delete the funding for the procurement of the first nine MX missiles. Since the last deployment of a new ICBM by the United States, the Soviets have deployed numerous generations of ICBM's and are developing a number of new ones. Yet we continue to discuss and debate the need for the missile and its basing mode. Last October, the President announced his strategic policy to the Nation. The deployment of the MX missile is a key element in that policy. The actions of the Armed Services Committee serve to disrupt the upgrade of our strategic forces and continues to leave open that window of vulnerability for an even longer period.

The failure of the administration and the Congress to fully grasp the significance and potential of space is extremely disturbing, especially in light of the aggressive space policy of the Soviet Union. Space offers the potential of solving numerous military as well as civilian problems. The technology developed in the space program has already permanently altered our economy as well as our way of life. Our military, as well as our civilian population, is increasingly dependent on space for communications. Yet, there is no clear policy or understanding of the total role of space.

The most blatant example of the lack of a space policy is the debate about the fifth Shuttle. After three successful flights of the Columbia, the Department of Defense has failed to articulate their position on the size and makeup of our Shuttle fleet. It appears that the Congress may have to take the lead in the formulation of a space policy.

The deletion of $107.8 million from civil defense greatly disturbs this Senator. Civil defense is a major part of the President's strategic policy. The Soviet Union as well as many of our NATO allies firmly believe in the need and benefit of a good civil defense program. Yet, the Armed Services Committee cut the President's proposal by 40 percent. Protecting our civilian population is the most critical aspect of defense. Civil defense offers that possibility. I hope that the committee will reconsider its position with regard to this issue.

Lastly, I am concerned that the initiatives, begun last year by Secretary Carlucci, to cut waste and inefficiency in the defense budget may have been put on the backburner. If we are going to provide the type of defense which this Nation needs, efficiency in research and development as well as production is vital. The elimination of fraud, waste, and abuse is necessary to restore confidence in the integrity of the budget. I urge the administration to continue and expand the initiatives begun last year. In my role on the Senate Appropriations Defense Subcommittee, I intend to pursue these issues.

In conclusion, Mr. President, after reviewing the Soviet threat briefing which was presented to the Senate, I am more convinced than ever of the need for increased spending for national defense. Throwing just money at the problem will not solve it. However, a carefully formulated program with the resources to implement it will reduce the threat to the United States. At the same time, efforts to control and reduce nuclear and nonnuclear weapons through negotiations must continue. This budget and the policies of the Reagan administration effectively accomplish these goals.●

AMENDMENT OF NATIONAL HOUSING ACT

Mr. BAKER. Mr. President, Calendar Order No. 509 is cleared on this side of the aisle for action by unanimous consent, if it is agreeable to the minority.

Mr. ROBERT C. BYRD. Mr. President, there is no objection to proceeding with that bill.

Mr. BAKER. I thank the Senator.

I ask that the Chair lay before the Senate H.R. 6038.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (H.R. 6038) to amend section 235 of the National Housing Act.

Mr. GARN. Mr. President, passage of this bill is cleared with all my colleagues on the Banking Committee and I urge the Senate to accept this 6-month extension of the 235 home buyer assistance program.

Because the program expired on March 31, the committee members make the following directions to the Department of Housing and Urban Development about reinstituting the program:

We intend that when the section 235 program expires on September 30, 1982, full use will have been made of all available contract authority. The Department of Housing and Urban Development is reminded that authority allocated to one State may be redistributed to another when the HUD Secretary determines that the original allocation cannot be put to use in the current fiscal year.

We expect that in making any redistribution from the remaining reservations of contract authority throughout the Nation, the Secretary of HUD will take into consideration, among other factors, an area's previous record of converting reservations into firm commitments and the expected ability of an area to use any additional authority in an expeditious manner.

It is also the intent of Congress that the period between March 31, 1982, and the enactment of this act shall not be counted in determining the date on which reservations previously made shall lapse.

The PRESIDING OFFICER. The bill is before the Senate and open to amendment. If there be no amendment to be offered, the question is on the third reading and passage of the bill.

The bill (H.R. 6038) was ordered to a third reading, was read the third time, and passed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

The motion to lay on the table was agreed to.

FILING DATE FOR SENATE COMMITTEE REPORTS EXTENDED TO MAY 28, 1982

Mr. BAKER. Mr. President, I ask unanimous consent to vitiate earlier orders of the Senate relating to the reporting date of Senate committees in accordance with the provisions of section 402 of the Budget Reform Act of 1974.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I ask unanimous consent that the reporting date for Senate committees specified in section 402 of the Budget Reform Act of 1974 be extended from May 15, 1982, until 5 p.m. on Friday, May 28, 1982.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, it is the opinion of the leadership, with which I believe the minority leader agrees, that the additional time granted by this request is needed by committees so that they may comply with the Budget Act requirements. The Senate, as you know, is somewhat late in completing action on the First Concurrent Budget Resolution, and that has prompted a number of committees to request additional time to comply with the resolution.

S. 907—REENGROSSMENT FOR PURPOSE OF AMENDMENT

Mr. BAKER. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to request the return from the House of Representatives of the engrossed copy of S. 907.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Further, I ask unanimous consent, Mr. President, that S. 907 be reengrossed if and when it is returned from the House to reflect the following change, which I send to the desk.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, line 21, in proposed subsection (a) of section 351 of title 18, United States Code, after the phrase "head of a department listed in section 101 of title 5 or the second ranking official in such department," insert: "the Director or Deputy Director of Central Intelligence,".

EXECUTIVE SESSION

Mr. BAKER. Mr. President, on today's Executive Calendar there are items cleared for action by unanimous consent on this side. I invite the attention of the minority leader, if he will, to those appearing on pages 3, 4, and 5 of today's calendar, including those names on the Secretary's desk, and ask if the minority is in a position to consider all or any part of those nominations at this time.

Mr. ROBERT C. BYRD. Mr. President, the minority is ready to proceed with Calendar orders numbered 753 under Department of Defense and 754 under Air Force on page 3, and all nominations on page 4, all nominations on page 5, and all nominations on page 6.

Mr. BAKER. And 7?

Mr. ROBERT C. BYRD. And 7.

Mr. BAKER. I thank the minority leader.

Mr. President, I ask unanimous consent that the Senate now go into executive session for the purpose of considering the nominations just identified.

There being no objection, the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. The nominations will be stated.

Mr. BAKER. Mr. President, I ask unanimous consent that the nominations just identified be considered and confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are considered en bloc and confirmed en bloc.

The nominations considered and confirmed en bloc are as follows:

Department of Defense

Gen. John W. Vessey, Jr., 703-07-1974, Army of the United States (major general, U.S. Army) under the provisions of title 10, United States Code, section 142, to be Chairman, Joint Chiefs of Staff, a position of importance and responsibility designated by the President under subsection (a) of section 601.

In the Air Force

Gen. Robert C. Mathis, U.S. Air Force (age 54), for appointment to the grade of general on the retired list pursuant to the provisions of title 10, United States Code, section 1370.

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 601, in grade as follows:

To be general

Lt. Gen. Jerome F. O'Malley, 171-24-0533.

In the Army

Gen. John A. Wickham, Jr., 092-20-1086, Army of the United States (major general, U.S. Army) under the provisions of title 10, United States Code, section 601(b)(1), to be reassigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601(a), in the grade of general.

In the Navy

Vice Adm. Robert F. Schoultz, U.S. Navy, having been designated for command and other duties of great importance and responsibility in the grade of vice admiral within the contemplation of title 10, United States Code, sections 5086(a) and 601, for reappointment while so serving.

The following-named officer having been designated for command and other duties of great importance and responsibility in the grade of admiral within the contemplation of title 10, United States Code, section 601, for appointment while so serving as follows:

To be admiral

Vice Adm. Sylvester R. Foley, Jr.

Marine Corps

Lt. Gen. William J. White, U.S. Marine Corps, age 57, for appointment to the grade of lieutenant general on the retired list pursuant to the provisions of title 10, United States Code, section 1370.

Department of Justice

William A. Kolibash, of West Virginia, to be U.S. attorney for the northern district of West Virginia for the terms of 4 years.

Marvin E. Breazeale, of Mississippi, to be U.S. Marshal for the southern district of Mississippi for the term of 4 years.

Gilbert G. Pompa, of Texas, to be Director, Community Relations Service, for a term of 4 years. (Reappointment).

Nominations Placed on the Secretary's Desk in the Air Force, Army, Coast Guard, Marine Corps, Navy

Air Force nominations beginning John O. Ahnert, Jr., to be lieutenant colonel, and ending Manuel A. Thomas, Jr., to be lieutenant colonel, which nominations were received by the Senate and appeared in the Congressional Record of April 14, 1982.

Air Force nominations beginning Walter S. Sorenson, to be determined, and ending Carl W. Reddel, to be permanent professor, U.S. Air Force Academy, which nominations were received by the Senate and appeared in the Congressional Record of May 3, 1982.

Air Force nominations beginning Woodrow M. Ivandick, to be determined, and ending Kenneth H. Flemming, to be permanent professor, U.S. Air Force Academy, which nominations were received by the Senate and appeared in the Congressional Record of May 3, 1982.

Air Force nominations beginning Patrick J. Behnke, to be determined, and ending David O. Swint, to be permanent professor, U.S. Air Force Academy, which nominations were received by the Senate and appeared in the Congressional Record of May 3, 1982.

Air Force nominations beginning Randal G. Abraham, to be determined, and ending Steven G. Zenishek, to be determined, which nominations were received by the Senate and appeared in the Congressional Record of May 3, 1982.

Army nominations beginning Stephen I. Alpern, to be colonel, and ending Jarel Zoitick, to be major, which nominations were received by the Senate and appeared in the Congressional Record of April 14, 1982.

Army nominations beginning Julius L. Bedynek, to be colonel, and ending Catherine L. Wilhelmsen, to be captain, which nominations were received by the Senate and appeared in the Congressional Record of April 19, 1982.

Army nominations beginning Hector J. Acosta, to be second lieutenant, and ending Scott Lloyd Zonis, to be second lieutenant, which nominations were received by the Senate and appeared in the Congressional Record of April 19, 1982.

Coast Guard nominations beginning Samuel E. Burton, to be lieutenant commander, and ending James B. Ellis, II, to be commander, which nominations were received by the Senate and appeared in the Congressional Record of May 3, 1982.

Marine Corps nominations beginning Clifford M. Accree, to be major, and ending David J. Young, to be major, which nominations were received by the Senate and appeared in the Congressional Record of May 3, 1982.

Navy nominations beginning Randall Otto Abshier, to be commander, and ending Lawrence N. Wiltzius, Jr., to be commander, which nominations were received by the Senate and appeared in the Congressional Record of April 19, 1982.

Navy nominations beginning Frederick Key Abell, Jr., to be ensign, and ending Dorothy Jane Zink, to be ensign, which nominations were received by the Senate and appeared in the Congressional Record of April 19, 1982.

Navy nominations beginning Kurt F. Baker, to be ensign, and ending Frank J. Weingartner, Jr., to be ensign, which nominations were received by the Senate and appeared in the Congressional Record of April 26, 1982.

Navy nominations beginning Edwin McCullough Anderson, to be commander, and ending David Chester Vonrump, to be commander, which nominations were received by the Senate and appeared in the Congressional Record of April 26, 1982.

Navy nominations beginning Brent S. Frampton, to be ensign, and ending Ronnie D. Thomas, to be commander, which nominations were received by the Senate and appeared in the Congressional Record of May 3, 1982.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nominations were confirmed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I ask unanimous consent that the President be immediately notified that the Senate has given its consent to these nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate now return to legislative session.

There being no objection, the Senate resumed the consideration of legislative business.

SURGE PLANNING

Mr. JEPSEN. Mr. President, one of the major themes in the current debate over the defense authorization bill is getting the most capability for our defense dollar. We often lack the creative solutions necessary for reaching this goal.

There is one area in which we have made encouraging progress, however. The Army, through its Army Materiel Readiness Command Headquarters at Rock Island, Ill., has begun implementing new contracting procedures to significantly enhance our ability to surge defense production. These new procedures have been described in an article by George T. Nickolas, an Iowan who is chief of the Policy, Plans, and Control Division at the Rock Island Arsenal. The article appears in the first quarter 1982, Defense Management Journal.

Widespread implementation of these procedures could significantly reduce th ability of the Department of Defense and the industrial base to respond in a crisis. Mr. President, I ask unanimous consent that the article entitled, "Ready Response to a Surge: New Contracting Techniques" by George T. Nickolas be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Ready Response to a Surge: New Contracting Techniques

(By George T. Nickolas)

Adequate industrial production in the event of a mobilization requires planning. Since World War II, the Department of Defense has relied mainly on provisions of the Defense Production Act of 1950 for the procedures and authority needed to accommodate that planning. Contractors who agree to become mobilization producers sign agreements with DoD to produce definite quantities of certain critical items on a schedule established by military planners. But what happens in a situation such as the conflict in Vietnam, for which there is no formal mobilization or implementation of war powers? In these situations, the defense industrial base must still accelerate in order to produce the ammunition and weapons needed, but, until recently, we lacked a structured method for accomplishing a non-wartime surge.

Now, however, the U.S. Army Armament and Materiel Readiness Command has developed techniques and a contract provision that enhance the government's ability to respond effectively to such a combat situation. These measures enable the government to gather the production and procurement planning data needed to formulate logistics plans and acquisition strategy. More importantly, the contract provision makes available a formal vehicle for increasing quantities and accelerating contractors' delivery rates at all levels of production. Given the current state of the nation's defense industrial base, adequate planning provisions for non-wartime buildup are essential.

SOME BACKGROUND

In late 1980, the House Armed Services Committee held extensive hearings concerning the condition of the defense industrial base; its report was not encouraging.[1] Typical of the testimony given was that of Mr. Harry Gray, chairman of the board and chief executive officer of United Technologies, who stated: "The supplier network that forms the base of our country's defense industry is shrinking at an alarming rate."[2] Paralleling Mr. Gray's comments, various other industry managers noted that many small forging and casting companies were closing, largely because of environmental, health, and safety laws and regulations imposed by the federal government.

These closures have dramatically affected production and procurement lead times. Between 1976 and 1980, for example, the production lead time for aluminum forgings increased from 20 to 120 weeks. Similarly, according to Harry Gray, "In 1978, normal lead times for one of our military jet engines was 19 months. Today the Air Force has to order that engine 41 months before delivery." [3]

MANPOWER PROBLEMS

Contributing to lags in production and procurement is a critical shortage of skilled personnel. A survey by the National Tooling and Machining Association projects a shortfall of 250,000 journeymen machinists by 1985. Another association survey indicates a current shortage of 20 percent among forging industry personnel and looks for this to increase to 42 percent by 1990.[4] Under full mobilization during World War II, thousands of people from all walks of life, many of them unskilled, were able to be trained in a matter of weeks to build weapons and aircraft engines. Today, production of highly sophisticated military equipment requires complicated equipment, highly trained operators, and tight tolerances. Retraining an operator on an automobile assembly line to produce high technology aerospace parts, for instance, takes a full year.[5]

SURGE PLANNING VERSUS MOBILIZATION PLANNING

Conditions such as these complicate both surge and mobilization planning but especially the former, which, unlike the latter, must proceed without various laws which apply only in the event of war or national emergency. Planning for a mobilization is an ongoing process, the purpose of which is to bring the armed forces to a state of readiness for war or other national emergency by assembling and organizing the natural resources needed. Implementation requires a declaration of war or other national emergency, at which time many wartime powers become available to enhance the production of war materiel and to relegate consumer goods to secondary consideration.

Surge planners also seek to prepare for acceleration of the U.S. industrial base, but to support combat operations such as might take place during an undeclared war, in assisting a friendly foreign government, or in the event of an imminent national emergency. Though rapid response is critical in providing surge support, war powers are not available to facilitate implementation. Instead, surge planned contractors must use the facilities and equipment on hand at the time and do so while fulfilling current commercial contractual obligations and surge requirements from other services.

DoD must rely on a combination of contractual actions in order to escalate logistics operations sufficiently to meet combat requirements during a surge. To accommodate rapid acceleration of production, Headquarters, U.S. Army Armament Materiel Readiness Command, Rock Island, Illinois, implemented a surge contracting techniques program in October 1980. These techniques, based on what a proposed surge contractor says he can produce using existing equipment and facilities, are really a package of contractual provisions, requirements, option clauses, and prepositioned instruments which will permit ARRCOM to step up, in some cases unilaterally, a contractor's monthly production rates of required items.

CURRENT PLANNING INADEQUACIES

ARRCOM's package uses some elements of the program currently in place to accomplish defense industrial preparedness planning, supplementing and adapting its procedures where necessary. The cornerstone for DoD industrial preparedness planning has been the identification of defense contractors as mobilization base planned producers for items on an industrial preparedness planning list. When the nation mobilizes for war, these contractors, who have executed DD Form 1519, "DoD Industrial Preparedness Program Production Planning Schedule," will be the initial producers of war supplies. In preparing Form 1519, the contractor agrees to a production schedule that his company will produce to on mobilization day plus a certain number of months. This production schedule provides for accelerated deliveries, taking into account known constraints such as shortages of skilled and semiskilled workers, training and learning periods, equipment voids, material shortages, and construction of new or expansion of existing buildings.

A major drawback to these plans—and one that ARRCOM's surge planning techniques seek to overcome—is that there is often inadequate coordination between planned producers and their sub-tier structure, notwithstanding detailed procedures in the industrial preparedness planning manual, DoD 1005.3M. Thus, the ability to increase production to the agreed-upon schedules may never materialize. Planned producers may be basing their estimates of accelerated production rates on the presumed availability of subcontractors and material suppliers already committed to another prime planned producer. In the event of mobilization, a contractor himself may have the capacity to meet the schedules specified in his DD 1519, but the subcontractors he relies on at the second, third, or even lower levels may not. Therefore, the surge production plan developed by ARRCOM modified this aspect of industrial preparedness planning procedures.

THE SURGE PLANNING PROCESS

Integral to that plan is the surge items list, based on the industrial preparedness planning list of end items and components essential to combat consumption and mobilization planning. The surge list includes, in addition to items on the industrial preparedness planning list, others not on that list because of restrictions in its size or because the items have only recently transitioned from a development manager to a readiness manager and thus are not yet on the industrial preparedness list. For each entry on the surge items list, ARRCOM requires a surge production plan, which enables planners to determine industry's capabilities for producing items needed. Previously, planners could only estimate those capabilities; the production plans, required as part of every contract, give them more firm data.

A surge production statement of work, placed in each contract in the form of a data item description clause, requires that the contractor prepare and furnish to the procuring contracting officer, within a stated period of time after date of award, the surge production plan. In it, the contractor must explain how he plans to accelerate his production and that of his subcontractors using existing facilities and equipment. As the following description suggests, the plan is a fairly comprehensive document.

Each plan is to cover the period from production buildup through peak production, the monthly peak production, and, if any, possible cost-effective alternatives. Surge planned producers must also identify current and potential constraints on their ability to sustain high volume production under surge conditions. Examples of such constraints, which require some action or priority consideration by ARRCOM planners, include single source vendors already at maximum capacity in meeting peacetime requirements, material shortages, long production lead time items, and critical skill shortages. In addition, contractors must list other government agencies and commercial and foreign customers for which they are manufacturing a surge item or similar items.

Also required as part of the plan is data on manpower and technical skills constraints and on recruitment and training efforts necessary to expand employment from peacetime to surge production levels. In preparing his plan, the contractor is to assume that the only available priority assistance for material would be that pursuant to provisions of the Defense Priority System. In addition, he must require a surge plan in all his contracts with subcontractors and vendors for pacing or critical items which could affect his ability to accelerate promptly to surge levels of production. Thus the surge production plan mandates planning down to the lowest level of subcontractors; all levels are to include in their contracts the same provisions contained in the contract awarded by the Army to the prime contractor. This requirement provides reasonable assurance that the prime will be able to attain his surge production capability; without this commitment from the lowest level contractor, the entire plan would be meaningless.

Contractor revisions to a surge production plan are obligatory whenever variations are necessary or conditions change which will affect the contractor's ability to accelerate production according to schedule. Also called for under the plan is data on the contractor's ability to accelerate to a maximum single shift production level, to a premium time effort, and to multishift operations. This information will be part of a data item description on DD Form 1423, "Contract Data Requirement List," submitted along with the proposal for the end item itself. The ARRCOM contract will allow the contracting officer to implement the contractor's plan to one of the several levels indicated; the contractor, in turn, can immediately commence work to that level.

SURGE OPTION CLAUSES

Two option clauses developed by ARRCOM complement the surge production plan. The first allows the contracting officer to require that the contractor provide a specified quantity of items on demand. The contracting officer will select the delivery rate for these items from among those identified by the contractor in his surge production plan.

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[1] U.S. Congress, House Committee on Armed Services and House Committee on Armed Services Panel on the Defense Industrial Base, H.A.S.C. 96-69, Capability of the U.S. Industrial Base, 96th Congress, 2nd session, 1980.

[2] Ibid., p. 45.

[3] Ibid., p. 44.

[4] Ibid., p. 486

[5] Ibid., p. 49.

The purpose of the second option clause is to support surge production requirements when a contract does not provide for that support by means of a surge production plan. Such procurements generally involve components that are not considered long lead time items but which are part of an identified surge item. Within 70 days following award of contract, the clause requires that the contractor submits a delivery schedule which covers the option clause quantity up to the contractor's maximum capability at various rates of production. The contractor has to supply much of the same delivery and build-up data required in the surge production plan but does not have to specify the methodology to be used in attaining those delivery rates, the list of long lead time items, or other impediments to achieving higher rates of delivery.

These option clauses are new in that they enable the government to increase monthly delivery rates and add quantities to a contract. Current contract option clauses only allow addition quantities at the end of contract deliveries and at the same rate as the original deliveries, unless a higher rate is agreed to in subsequent negotiations. The new clauses already incorporate options for higher rates, to be exercise at the contracting officer's discretion.

PRE-POSITIONED CONTRACTUAL INSTRUMENTS

ARRCOM's package of surge contracting techniques also includes a procedure for starting production from a cold base, that is, when a surge item planned producer does not have an active contract. Under this procedure, the government negotiates a basic ordering agreement with a surge planned producer for certain items and can place an order against that agreement if a surge situation develops. A current technical data package, updated annually, is part of the agreement. The basic ordering agreement is thus a pre-positioned contractual instrument, the purpose of which is lessening the administrative lead time required to award a contract and commence production of needed materiel.

When a solicitation results in several competitive bids on a surge item but requirements are sufficient to support only one contract, the government can negotiate such an instrument with the unsuccessful offerors, who become surge planned producers of that item. A new technical data package to support the basic ordering agreement is not necessary, because the contractors already have the one from which they prepared their bid. ARRCOM also plans to use these agreements for routine procurement of similar items, thereby providing the contractor with a tangible benefit from his agreement to become a surge planned producer. By providing a vehicle for moving into production with minimum lead time, basic ordering agreements also enhance mobilization capabilities. Previously, the government awarded a contract to one supplier and encouraged others to become mobilization base contractors by executing DD 1519s. But when an emergency arose, it still had to work out a formal contract, and negotiations delayed production of the required items. Pre-positioned agreements drastically cut down on administrative lead time during critical periods.

An improved readiness posture is the major but not the only benefit of ARRCOM's package of surge contracting techniques. As contractors begin to submit surge plans and data, a host of options will become available to readiness planners. By developing computer programs based on different world situations, planners can play surge plans against those situations to determine the outcome and assess the shortfalls of the industrial base. Such exercises can help us determine whether we should seek additional sources for items, construct new facilities or equip contractor-owned-and-operated facilities, and stockpile critical and long lead time items and materials. Because surge plans are predicated on what is actually available in the way of personnel, machines, tools, and material, they are especially useful in these exercises.

While surge option clauses, unilateral surging provisions, and basic ordering agreements will all shorten contractor response time to evolving emergencies, none of these provisions require deviation from defense acquisition regulations or changes to current statutes. Also, the surge data item discription in government contracts is a way of directly paying a contractor for performing defense planning; and because the contractor identifies the cost of preparing the plan, the government knows the actual cost of the planning effort. Previously, though a contractor who signed a DD 1519 also prepared a mobilization plan, he did so without direct reimbursement, and therefore the cost became part of his overhead.

ARRCOM began developing these surge contracting techniques in April 1980 and implemented them on October 1, 1980. They overcome some of the problems noted in the House Armed Services report and enhance the Army's ability to meet surge requirements. The innovation and leadership shown by the Army in developing and testing surge contracting techniques provides a basis for improving DoD's ability to respond in periods of crisis. By adopting similar techniques, other DoD components can also be better prepared to surge.

(George T. Nickolas is chief of the Policy, Plans, and Control Division of the Procurement and Production Policy and Plans Office at Headquarters, U.S. Army Armament Materiel Readiness Command, Rock Island, Illinois. His twenty years of experience in Army procurement has included work in both the development and production phases of major systems acquisition, most recently as principal contracting officer on the Division Air Defense System during the early stages of R&D procurement. A graduate of Augustana College, Mr. Nickolas also attended the University of Iowa Law School and holds a master's degree in procurement and contract management from the Florida Institute of Technology.)

TROOP WITHDRAWALS FROM NATO

Mr. PERCY. Mr. President, earlier this year the Foreign Relations Committee asked the Defense Department to prepare an estimate of the cost of withdrawing U.S. troops from NATO and to provide statistics comparing United States and European troop strengths over the past two decades. The committee has now received this information.

The troop withdrawal cost study estimates that to restation in the United States all U.S. Army and Air Force units now deployed in Europe could cost the United States $17 billion extra in defense outlays over the next 5 years. This would not include the additional cost of providing greater mobility for these forces in order to return them to Europe in time of war.

After considering all options, the Defense Department study concludes "in all cases, the cost of returning the forces and headquarters and of refurbishing or constructing the appropriate base facilities in the continental United States would result in increased outlays through the next 5 years." The conclusion we must all draw from this is that U.S. troop withdrawals from Europe cannnot be seen as a cost-saving measure.

Other statistics provided by the Defense Department indicate the following:

Current U.S. troop strength in Europe is 329,000, slightly higher than the average for the decade of the 1970's, but well below the average for the decade of the 1960's. Thus the recent small increases in U.S. force strength in Europe simply compensate for some of the troop reductions of the Vietnam era.

The active duty forces of European NATO countries are estimated at more than 3.2 million men and women. This is a significant increase from the relatively low force levels recorded in 1975, and demonstrates that European contries are increasing their overall force structure.

In addition to the buildup in European active duty forces, European reserve forces have increased by nearly 2 million since 1970. These forces would be available to defend Western Europe against any Warsaw Pact attack. By comparison, U.S. reserve strength has declined by almost 1.5 million during the same period.

The Europeans have made progress in the area of burden sharing, and the NATO 3 percent real defense growth goal is being met. A slight decline in the rate of European increase is expected for 1982, but despite the recession, European defense spending will continue to increase in real terms.

I conclude from these statistics that the case for U.S. troop withdrawals from Europe is very weak, that withdrawals would cost U.S. taxpayes dearly, and that the Europeans are making significant efforts to strengthen their defensive capabilities. Therefore, I want to reinforce my pledge to oppose vigorously amendments which require the withdrawal of U.S. forces from Europe.

I ask unanimous consent that the information received by the committee, to which I referred earlier, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

TABLE A.—COST OF U.S. DEFENSE COMMITMENT TO NATO

In recent years, the Department of Defense has provided a summary of the costs of the U.S. contribution to NATO. This summary has been prepared by "allocating" U.S. forces to various regions of the world where they might be needed and then determining the cost of maintaining those forces. The Department is currently reviewing and updating the methodology to solve some of the shortcomings involved in such an approach. The two most salient shortcomings are:

U.S. forces are multi-purpose. While large U.S. forces are available to meet any aggression by the Soviet Union and its allies they are also available to meet a threat to U.S. security in other regions of the globe.

Much of the U.S. force structure not directly allocable to Europe supports our NATO strategy and deterrent posture indirectly. Our strategic nuclear forces and RDJTF are examples.

With respect to withdrawals, we have developed an interim estimate of the effect on Defense outlays of withdrawing troops from Europe and restationing them in the U.S. In all cases, the costs of returning the forces and headquarters and of refurbishing or constructing the appropriate base facilities in CONUS result in increased outlays through the next five years.

RESTATIONING COSTS: ILLUSTRATIVE U.S. TROOP WITHDRAWALS FROM EUROPE

[Outlays in billions of dollars]

	Fiscal years—	
	1983	1983-87
Option 1: 1 Division, 2 TFW	0.1	0.8
Option 2: 1 Corps, 5 TFW	.4	8.5
Option 3: All Europe-deployed USA and USAF forces	.8	17.0

If it is our intent to maintain the capability to defend against aggression by the Warsaw Pact, additional mobility forces must be purchased to transport the troops back to Europe when necessary. These costs are shown in the table below.

RESTATIONING COSTS WITH PROVISION OF MOBILITY FORCES

[TOA in billions of dollars]

	Fiscal years—	
	1983	1983-87
Option 1: 1 Division, 1 TFW:		
Restationing costs	0.1	0.8
Additional mobility	2.1	4.3
Total	2.2	5.1
Option 2: 1 Corps, 5 TFW.		
Restationing costs	.4	8.5
Additional mobility	2.2	11.2
Total	2.6	19.7
Option 3: All USA and USAF Forces:		
Restationing costs	.8	17.0
Additional mobility		
Total	.8	17.0

In Options 1 and 2, enough mobility assets are procured (airlift and fast sealift) to return these forces to Europe by M+30. In Option 3—complete USA and USAF withdrawal—no such capability is procured due to its enormous cost, and therefore, no capability for rapid return exists.

Costs in these three options are based on generic costs of restationing Army and Air Force units in both new and refurbished bases in the U.S. We are about to conduct a study of the specific basing actions that would probably be taken if any of these three levels of withdrawal were to be undertaken. We will then price out these actions to obtain a more precise estimate of the costs of withdrawal.

If the costs of restationing U.S. forces in Europe seem high, it must be remembered that we are talking of moving and relocating about one-third of our active Air Force and Army tactical forces from the bases where they have been permanently stationed for thirty-seven years. This involves a massive movement of men and material (e.g., 800,000 tons of Army ammunition), not to speak of rethinking our entire NATO strategy.

TABLE B.—TRENDS IN U.S. AND ALLIED TROOP STRENGTH IN EUROPE

Question: Why is it that U.S. has increased its troops in Europe by 58,000 since 1975 while the allies have decreased their forces by 56,000?

Answer: U.S. forces ashore in Europe as of 31 December have increased from 278,000 in 1975 to 310,000 in 1981, a total of 32,000. At the same time, European Active Military strength increased from 3,039,000 to 3,212,000, an increase of 173,000.

U.S. MILITARY MANPOWER IN EUCOM AREA, END CALENDAR YEAR

[In thousands]

	1975	1981	Increase/decrease
Army	193.8	217.0	
Navy:			
Ashore	14.7	12.3	
Afloat	22.9	16.7	
Marine Corps:			
Ashore	1.3	1.2	
Afloat	1.9	1.9	
Air Force	68.4	79.5	
Total ashore	278.1	310.0	+31.9
Total afloat	24.8	18.6	−6.2
Total	303.0	328.6	+25.6

NATO AVERAGE MILITARY STRENGTH

[In thousands]

	1975	1981	Increase/decrease
Norway	38.4	39.9	
Denmark	34.0	32.3	
Northern flank total	72.4	72.2	
Germany	490.8	495.0	
Netherlands	107.0	107.2	
Belgium	103.1	108.6	
Luxembourg	1.1	1.2	
UK	347.7	330.9	
France	585.2	575.2	
Central region total	1,634.9	1,618.1	
Turkey	584.1	741.2	
Greece	185.1	186.2	
Italy	458.9	504.9	
Portugal	103.7	89.6	
Southern flank total	1,331.8	1,521.9	
NATO Europe	3.039.1	3,212.1	+173.0
United States	2,098.0	2,120.0	+22.0
Canada	78.2	82.8	+4.6
Total	2,176.2	2,202.8	+26.6

TABLE C.—NATO MILITARY STRENGTH

[Average annual strength in thousands]

	1962	1963	1964	1965	1966
Northern flank.					
Norway	36	38	39	40	37
Denmark	48	49	50	49	47
Subtotal	84	87	89	89	84
Central region:					
Germany	368	402	430	428	461
Netherlands	138	133	125	120	125
Belgium	121	118	117	117	115
Luxembourg	2	2	2	2	2
United Kingdom	482	463	458	452	450
France	1,009	782	669	595	590
Subtotal	2,120	1,900	1,801	1,714	1,743
Southern flank:					
Turkey	520	529	526	511	552
Greece	180	176	176	178	179
Italy	478	446	428	451	458
Portugal	142	164	172	181	182
Subtotal	1,320	1,315	1,302	1,321	1,371
NATO Europe	3,524	3,302	3,192	3,124	3,198
United States	2,275	2,701	2,691	2,666	2,853
Canada	126	123	118	111	106
Subtotal	2,851	2,824	2,809	2,777	2,959
NATO total	6,590	6,337	6,002	5,900	6,156

	1967	1968	1969	1970	1971
Northern flank:					
Norway	37	37	37	37	36
Denmark	49	47	44	42	45
Subtotal	86	84	81	79	81
Central region:					
Germany	453	454	457	455	472
Netherlands	121	119	117	112	113
Belgium	118	114	108	108	107
Luxembourg	1	1	1	1	1
United Kingdom	440	420	401	384	384
France	579	572	568	571	569
Subtotal	1,712	1,680	1,652	1,631	1,646
Southern flank:					
Turkey	550	564	607	625	615
Greece	180	180	179	179	179
Italy	455	478	486	522	526
Portugal	190	200	219	229	244
Subtotal	1,375	1,422	1,491	1,555	1,564
NATO Europe	3,173	3,186	3,224	3,264	3,291
United States	3,298	3,436	3,467	[1] 3,294	2,714
Canada	105	99	96	91	87
Subtotal	3,403	3,535	3,563	3,385	2801
NATO total	6,576	6,721	6,786	6,649	6,091

	1972	1973	1974	1975	1976
Northern flank.					
Norway	38.0	39.0	39.9	38.4	39.0
Denmark	42.0	38.7	34.5	34.0	30.9
Subtotal	80.0	77.7	74.4	72.4	69.9
Central region:					
Germany	457.0	465.4	475.0	490.8	493.2
Netherlands	114.7	110.5	110.3	107.0	105.7
Belgium	107.0	106.6	105.2	103.1	107.4
Luxembourg	1.1	1.1	1.1	1.1	1.1
United Kingdom	380.6	376.6	358.5	347.7	336.6
France	574.0	580.6	584.6	585.2	585.3
Subtotal	1,634.4	1,640.8	1,634.9	1,634.9	1,629.3
Southern flank:					
Turkey	560.7	563.4	573.9	584.1	674.4
Greece	195.7	184.3	185.9	185.1	186.3
Italy	540.7	547.9	533.8	[2] 458.9	454.8
Portugal	260.4	276.4	282.4	[3] 103.7	83.4
Subtotal	1,547.5	1,572.0	1,576.0	1,331.8	1,398.9
NATO Europe	3,262.0	3,290.6	3,285.3	3,039.1	3,098.1
United States	2,324.3	2,205.6	2,146.0	2,098.0	2,075.0
Canada	82.0	82.5	82.0	78.2	78.0
Subtotal	2,406.3	2,288.1	2,228.0	2,176.2	2,153.0
NATO total	5,668.3	5,578.7	5,513.3	5,215.3	5,251.1

TABLE C.—NATO MILITARY STRENGTH—Continued

[Average annual strength in thousands]

	1962	1963	1964	1965	1966
	1977	1978	1979	1980	1981
Northern flank:					
Norway	38.7	39.6	40.0	39.7	39.9
Denmark	31.8	32.8	33.0	32.7	32.3
Subtotal	70.5	72.4	73.0	72.4	72.2
Central region.					
Germany	495.0	491.3	492.1	490.4	495.0
Netherlands	102.5	106.1	106.9	107.0	197.2
Belgium	106.9	108.7	107.3	107.7	108.6
Luxembourg	1.2	1.2	1.2	1.2	1.2
United Kingdom	325.6	320.0	324.3	329.7	330.9
France	584.0	581.4	577.8	574.6	575.2
Subtotal	1,615.2	1,608.7	1,609.6	1,610.6	1,618.1
Southern flank:					
Turkey	771.2	720.5	697.8	717.2	741.2
Greece	186.5	186.4	186.5	186.2	186.2
Italy	475.3	488.9	490.4	500.3	504.9
Portugal	79.5	81.6	81.2	88.1	89.6
Subtotal	1,512.5	1,477.4	1,455.9	1,491.8	1,521.9
NATO Europe	3,198.2	3,158.5	3,138.6	3,174.7	3,212.1
United States	2,060.0	2,033.0	2,050.0	2,075.0	2,120.0
Canada	78.4	79.0	79.3	81.8	82.3
Subtotal	2,138.4	2,112.0	2,129.3	2,156.8	2,202.3
NATO total	5,336.6	5,270.5	5,267.9	5,331.5	5,414.4

[1] U.S. withdrawal from SEA.

[2] NATO approved restructuring of Italian Armed Forces.

[3] Demobilization of Portuguese Armed Forces following withdrawal from Angola.

TABLE D.—*U.S. military personnel in EUCOM geographical area*[1]

[Nearest thousand—approximate]

End:	
1950	145
1951	346
1952	405
1953	427
1954	404
1955	405
1956	398
1957	393
1958	380
1959	380
1960	379
1961	417
1962	416
1963	380
1964	374
1965	363
1966	366
1967	337
1968	316
1969	300
1970	291
1971	303
1972	307
1973	300
1974	300
1975	303
1976	308
1977	318
1978	325
1979	330
1980	323
1981	329

[1] Includes Army, Air Force, Navy (ashore and afloat) and Marine Corps (ashore and afloat). Includes small numbers on military personnel in Non-NATO countries in the EUCOM Geographical area such as Spain, Austria and Switzerland.

TABLE E.—TRENDS IN RESERVE MANPOWER STRENGTHS

The following are the reserve military manpower strengths for the European NATO countries excluding France and Greece. These figures do not necessarily include all reserve personnel but only personnel with military training who are liable under current national legislation to be called-up for active military service and are included as such in current national mobilization plans.

	Total Europe[1]	United States
End year:		
1961	2,355,000	1,413,000
1962	2,425,000	1,320,000
1963	2,691,000	1,345,000
1964	2,794,000	1,337,000
1965	3,010,000	2,143,000
1966	3,100,000	2,173,000
1967	3,245,000	2,163,000
1968	3,596,000	2,245,000
1969	3,622,000	ND
1970	4,114,000	3,051,000
1971	4,855,000	2,627,000
1972	5,046,000	2,551,000
1973	5,198,000	2,369,000
1974	6,260,000	ND
1975	6,585,000	ND
1976	6,569,000	1,540,000
1977	6,339,000	1,252,000
1978	6,174,000	1,194,000
1979	6,260,000	1,184,000
1980	5,976,000	1,482,000
1981	6,020,000	1,596,000

[1] Excluding Greece and France

NO: No data

Note.—This is a rough first cut at these numbers. We are continuing to attempt to refine them.

TABLE F.—REAL CHANGE IN DEFENSE EXPENDITURES[1]

[Constant 1980 prices and exchange rates, U.S. fiscal year bases]

	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982
Belgium	4.0	6.7	8.3	6.8	2.5	6.7	2.2	2.0	0.2	−2.7
Canada	1.7	−2.4	3.6	2.6	3.8	−0.2	−0.9	5.1	3.0	3.0
Denmark	−3.8	3.5	2.0	−1.7	2.4	4.4	0.2	0.7	0.1	0.6
France	3.7	1.6	2.9	4.1	4.9	5.0	2.5	3.9	3.5	3.5
Germany	5.1	4.5	−1.4	0.2	−0.5	3.1	1.8	1.9	3.4	0.7
Greece	−3.3	0.4	61.7	−4.2	19.8	4.9	−2.9	−8.8	5.6	−3.0
Italy	−1.3	−0.2	−2.9	−0.7	4.5	1.4	2.6	4.9	−1.2	1.2
Luxembourg	4.3	8.7	6.2	7.1	−2.4	7.9	3.5	16.3	7.1	4.1
Netherlands	−0.7	−0.2	3.5	−0.7	11.0	−4.8	3.9	−1.5	3.4	2.2
Norway	1.9	1.0	5.2	0.4	1.5	7.7	1.9	1.8	2.5	3.3
Portugal	−4.7	27.4	−29.9	−18.4	−7.1	2.4	2.9	10.0	2.8	0.0
Turkey	2.0	1.1	71.1	11.6	2.5	0.0	2.6	2.0	3.1	2.4
United Kingdom	1.8	−3.9	3.9	−2.1	−2.3	−0.6	3.0	2.7	2.1	3.4
United States	−8.7	−2.0	−0.8	−3.7	0.9	1.5	3.4	4.9	5.4	6.6
Non-United States NATO	2.4	0.8	3.0	0.6	1.9	2.1	2.2	2.6	2.6	2.1
Total NATO	−4.3	−0.8	0.8	−1.8	1.4	1.8	2.9	3.8	4.1	4.6

[1] Based on NATO definition of defense spending.

APPOINTMENT ON BEHALF OF THE VICE PRESIDENT

The **PRESIDING OFFICER**. The Chair, on behalf of the Vice President, in accordance with Senate Resolution 392, 97th Congress, 2d session, appoints the following former Senators to be members of the study group on Senate Practices and Procedures: the former Senator from Kansas, Mr. Pearson, and the former Senator from Connecticut, Mr. Ribicoff.

THE TRIAL OF JOHN HINCKLEY

Mr. **HEFLIN**. Mr. President, many times during my service here in the Senate I have addressed this body on the problem of crime in the United States, a problem that, I believe, is one of the two most serious domestic problems now facing America. Today, I shall speak of one particular crime, and the implications it has for our entire country.

On March 30, 1981, our Nation was shocked and saddened by the attempted assassination of President Reagan and three other persons. Luckily, none of these was killed.

Now, nearly 14 months later, the trial of John W. Hinckley, Jr., the accused assassin, is in process.

In the time since President Reagan was shot, an attempt was made to assassinate Pope John Paul II. The militant who made the attempt has been tried and sentenced, and now is serving time.

Last fall, President Anwar Sadat of Egypt was tragically killed, by a group of Moslem fanatics. This group has been tried, found guilty, and executed.

Meanwhile, nearly 14 months after the attempted assassination of our President, a shooting in full view of dozens of witnesses, a shooting captured on film by news cameras, 13 months later, the accused assassin is standing trial.

This inordinate, inexcusable delay highlights the contrast between the justice rendered by the Italian and Egyptian court systems and that rendered by the U.S. system of criminal justice. Admittedly, our judicial system does contain greater safeguards for persons accused of crimes, greater presumptions of innocence until guilt is proven. These safeguards protect certain rights with which we are endowed.

In no way do I intend for it to seem that I am advocating a disavowal of these basic rights or an abandoning the safeguards of our system. Still, this contrast does highlight a weakness in our system which has invited the contempt of many who tire of seeing those who are perceived to be guilty to serious crimes getting soft treatment, or even being set free altogether, a weakness that can only serve to exacerbate the epidemic of violent crime that is sweeping across our country.

Where does our judicial system develop this weakness? What are its causes? Does it spring from such characteristics of our system as temporary and interlocutory appeals on certain evidentiary rulings, or maybe from some other characteristic? Or is the cause rooted even deeper, broader, more firmly?

Despite my experience as a State supreme court chief justice, I must freely admit that I do not readily know answers to all these questions. I do, however, know that something needs to be done to control this alarming increase in crime without prejudicing the rights of those accused of committing the crimes.

As the crime in our streets becomes even more vicious, irrational, and frightening, Americans are paralyzed because of fear. The are hiding themselves in their homes, protected by two or three different locks on each door and burglar bars on the windows. People in cities and suburbs, and even rural areas, are living in constant fear of their safety.

The latest statistics on crime released by the FBI show that, during 1980, the crime rate continued to increase. All offenses in the crime index rose in 1980—murder by 7.4 percent, forcible rape by 8 percent, robbery by 18 percent. The news is not all bad however—even though the number of crimes continued to rise, the rate of increase was substantially slower than previous years.

This smaller increase in crime illustrates the hard work being done by law enforcement agencies across the country. They certainly deserve a pat on the back for their efforts, but I am sure they would rather have some substantive help in the form of anticrime legislation.

Last year, the members of the Conservative Democratic Caucus decided that substantive steps needed to be taken in our battle against crime. Ideas were presented to the full Democratic Caucus, which agreed that crime should certainly be a top legislative priority. Our distinguished colleague from Delaware, Senator Biden, then took the lead in bringing together all the diverse elements to form a broad-based, cohesive, comprehensive package to fight against crime. It was planned that this legislation would be introduced as amendments to the Department of Justice authorization bill, but cloture was invoked, preventing the offering of these amendments.

These ideas were also put together in legislation, Senate bill 1455, which I have had the privilege of cosponsoring with several of my colleagues on this side of the aisle. The components of this bill come together in a complete anticrime package, designed to fight violent crime and crime organizations, and to improve the administration of the criminal justice system. Many months later, this legislation is still pending at the subcommittee level.

This bill is by no means the lone piece of substantive crime legislation pending here in Congress. On April 9, 1981, I introduced Senate bills 953 and 954, legislation designed to wage a national war on violent crime. This legislation contains a series of measures designed to establish an overall, coordinated program to modernize and improve our system of criminal justice, making it more effective in the battle against crime. Some provisions of this legislation include establishing a career criminal provisions, assessing an additional 5-year sentence for the use of a handgun in commission of a felony, and making available to the States financial and technical assistance to further unify our effort against crime. This legislation is also pending at the subcommittee level.

Just recently, I have cosponsored another piece of anticrime legislation, Senate bill 2411, the Justice Assistance Act of 1982, introduced by the distinguished Senator from Pennsylvania, Arlen Specter. This bill would redesign and reauthorize Federal criminal justice assistance to aid State and local law enforcement efforts. This is also presently pending at the subcommittee level.

By no means is this all of the currently pending crime legislation. There is also S. 186, to provide financial assistance to States to improve their criminal justice systems; S. 494, to strenghten the mandatory penalties for firearm use in felonies; S. 814, concerning the administration of criminal justice with respect to organized crime; S. 1025 and S. 1339, concerning robberies from pharmacists; S. 1046, to help States assist the victims of crimes; S. 1676, the Motor Vehicle Theft Law Enforcement Act; S. 1688, the Career Criminal Life Sentence Act of 1981; this litany of pending legislation could go on almost endlessly.

Last year, there was a lot of publicity about the recommendations of the Attorney General's Task Force on Violent Crime, and there was a great deal of talk about the need for a strong stand against crime. This year, we can look back and see little action mixed with that talk, and we can find little, if any, substantive, anticrime legislation passed to enact the task force's recommendations, or establish a hard line against crime.

Just as it has happened too many times in the past, Americans have been subjected to a great deal of talk concerning the need to control crime in the United States, but there has been very little real action by the Federal Government toward solving this problem. While I admit that it is probably impossible to rid our streets completely of criminal violence, I do firmly believe that, here in Washington, steps can be taken which can considerably decrease this violent activity, and allow all Americans to again enjoy peaceful lives.

As their Senators, their representatives in the Federal Government, it is our responsibility to do something to protect these citizens from this widespread epidemic of fear. It is our responsibility to take steps which will put criminals behind bars, and let other Americans out from behind the ones they have used to fashion their own protective prison.

There is a desperate need for action against crime. I do not know of an illustration that can point out this urgent necessity for action any better than the fact that nearly 14 months after the wounding of the President of the United States, his press secretary, a Secret Service agent, and a Washington policeman, the accused, John Hinckley, Jr., is now standing trial for a shooting which he has admitted.

Crime is a problem with which we can no longer afford to attach partisan concerns. For far too long the members of one party have been too worried about what will happen if the other party gets credit for the solution. The important thing for us to be concerned with is not who gets the credit for doing something about crime, but that something is done about crime.

We can no longer afford to stand and point fingers. It is time for a successful, bipartisan approach to our fight against crime. I hope each member here sees the need to step forward in our fight against crime. I hope that we can fulfill our responsibility to protect the people of America, and take bipartisan steps to enact some responsible, substantive anticrime legislation.

To help with this approach, I am calling for the establishment of a Senate crime caucus, to bring together across partisan lines, all of us who are concerned with the problem of crime. Hopefully, this caucus on crime could serve as an impetus for us to actually accomplish something in our fight against crime by enacting some substantive legislation.

Only by doing this can we take the bars off the windows of the homes of America, and take the fear out of the hearts of the American people.

Thank you Mr. President.

SENATOR McCLURE'S ACTION ON THE BUDGET

Mr. SYMMS. Mr. President, a perspective not rooted in the gentle banks of the Potomac—that has been the hallmark of the career of my senior colleague, Jim McClure. For Jim McClure's roots are of pioneer stock and firmly planted in the rugged banks of Idaho's great Snake River.

It is not surprising then to me that Senator McClure, as chairman of the majority's conference, played a key role in forcing progress on the budget process by helping forge an agreement between the White House and the Senate Budget Committee.

A front page article in the May 7 edition of the Los Angeles Times by Jack Nelson vividly reported Jim McClure's firm recommendation to the President that economic progress must be taken now. Hardly 48 hours after the President's meeting with Senator McClure and the other Republican Senate leaders, an agreement was reached.

The Senate and the country can thank Jim McClure for his leadership.

I note with great interest that Senator McClure's action was virtually unreported in the Idaho media. I ask unanimous consent that the entire Los Angeles Times article, entitled "Concern on Economy Forces Budget Action," be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Los Angeles Times, May 7, 1982]

CONCERN ON ECONOMY FORCES BUDGET ACTION

(By Jack Nelson)

WASHINGTON.—Republican congressional leaders clustered in the stately quiet of the Cabinet Room and President Reagan listened with pursed lips and clenched jaw as Sen. James A. McClure of Idaho delivered a grim, gloves-off message from beyond the Potomac.

The country is hurting. The economy is fragile. Well-managed companies and well-managed farms are right on the edge of bankruptcy. They can't wait for a more refined solution while we haggle over the terms," he told the President.

"Something has to be done, and done now. We've got to get our act together. There's no doubt the economy is going over the cliff if we don't produce a budget document soon."

Hardly 48 hours after that Monday afternoon meeting, the White House announced that it had reached agreement with Senate Republicans on a new budget approach—a small but indispensable first step toward ending the paralysis that has gripped U.S. economic policy-making for months.

The episode illustrates a profound new fact of political life here: From congressional loyalists to the White House inner circle, there is pervasive fear that the country has entered a period of extreme economic peril, a period so grave that even Reagan's steadfast faith in his own policies must bend.

And intensifying the uneasiness of many of the President's staunchest supporters has been concern that he himself may not fully recognize what they see as the new reality and what must be done to avoid disaster, both for the Republican Party and for the nation.

"We've all been wringing our hands," Senate Finance Committee Chairman Robert J. Dole (R-Kan.) said this week, "and there's no doubt about the anxiety on Capitol Hill and out in the country. And the anxiety is real out in the country, because jobs and farms are at stake."

Echoing a point made by McClure, Dole added, "In Washington, sometimes, he don't know whether it's political or genuine anxiety."

McClure said, "Those who stay in Washington as the President and most of his staff do—and I don't mean to be critical—don't feel the emotion."

Nor are the Reagan's supporters under any illusions that his move this week to compromise with Senate Republicans is the end of the struggle or the end of the need to be flexible.

Reagan's decision to embrace the plan put forward by Senate Budget Committee chairman Pete V. Domenici (R-N.M.) and the committee's prompt approval of the plan to do little to relieve the anxiety of Republicans for two reasons. First, the plan involves so many sensitive taxing and spending issues that it still faces an uphill battle to win approval, especially in the Democratic-controlled House.

Second, even if Congress finally adopts the Dominici approach, there is no assurance it will bring down interest rates and thus let recovery bloom.

"Some people are saying, "Hell, what makes you think it will have an impact even if you get the deficit down," Dole said. "And I don't know of anybody who really believes that, just because the Senate Budget Committee passed it, it will be binding on other committees.

Dole, who has repeatedly warned that the economy is being hurt by failure of the President to reach accord with Congress on a budget that would lower his projected deficits, said Republicans have to get a budget plan through the Senate and shift the burden to the House "or we can't point our fingers at the Democrats."

Key Republicans in Washington are deeply concerned that, regardless of the outcome of the budget fight, the nation may face a continuing recessison that could cause an even steeper rise in bankruptcies, which already are occurring at a rate not seen in almost 50 years.

"There's no doubt about the bankruptcies," McClure said. "The evidence is all around us."

"I'm pretty nervous," said a leading Washington lobbyist who served as a Reagan campaign adviser and as an official in the Nixon and Ford administrations. "If these levels of interest rates stay for several months we'll have a real shakeout and some thrift industries and industrial companies will go under.

"I personally believe this is the shakiest economic situation we've had since the 1930s, although I think we know enough and have enough safeguards to avoid another depression," he said.

88 OUT OF 10,000 FIRMS

During the first 14 weeks of 1982, the pace of bankruptcy filings equaled 83 out of every 10,000 companies, according to Dun & Bradstreet. If that rate continues through the rest of the year, it would be the highest yearly rate since 1933, when it reached 100 out of every 10,000.

The question of business failures, and the resulting damage to the economy as a whole, is so sensitive for some Republican senators that they refuse to discuss it on the record. One, who refused to be identified, said, "We're close to having a dangerously large number of thrift institutions and manufacturers go bankrupt. And there's growing concern that the economy will go over the cliff and the President and the party will topple along with it."

The economic situation is so severe, some Republican senators say, that their constituents have relatively little interest in placing political blame for their plight.

Sen. John C. Danforth, who is running for reelection and has just returned from visiting all 114 counties in Missouri, said, "The interest rate problem is very serious and touching not just the big guys, but the little guys. And most people aren't really that concerned about allocation of blame between the White House and Congress or between Democrats and Republicans.

"Their view is that the government is not living up to its responsibility."

Although Sen. John Heinz (R-Pa.) expressed concern that a continuing recession and high interest rates could cost the Republicans control of the Senate in the November elections, he said, "Many of us feel a budget solution is essential and urgent because of economic and political consequences that could reach well beyond the 1982 elections."

There may be "a few weeks of grace" remaining for Reagan and Congress to reach an accord on a budget that will reduce deficits and perhaps bring down interest rates, Heinz said, but if the delay is any longer than that, "It could permanently cripple the President's economic program."

AIDES RELIEVED

At the White House, where some of Reagan's closest aides have shared other Republicans' anxiety over the economy and the budget impasse, there was relief that Domenici and Republicans on the Budget Committee had come up with a plan the President was willing to accept.

But there also was awareness that the plan—which would reduce deficits by $188 billion and raise taxes by $95 billion over three years—could face significant opposition in the Senate and an even tougher battle in the Democratic-controlled House.

Reagan, in a brief press conference in the White House Rose Garden Thursday, deflected a question about whether he would blame the Democrats for the recession if they oppose the budget proposal. If the Democrats come up with a better proposal, he said, "we'll be very willing to listen."

He called his acceptance of the Domenici proposal "an important step" toward a fair compromise. From the beginning, he said, his goal was "that I believe the American people, in this time of economic distress, should have had the assurance of seeing the Democratic and Republican leadership in the Congress and in this Administration stand before them together and say that we have agreed on a plan to help cure this recession and reduce these deficits. . . ."

A senior Reagan aide who refused to be identified left no doubt the President is prepared to blame the Democrats for the continuing recession if they oppose the budget plan.

"It's a budget that shows a consistent downward trend in deficits and should spur the economy if we can get it passed," he said. "I think we can get it through the Senate and if the Democrats play politics with it in the House, we'll just have to make sure the country knows who's to blame."

MESSAGES FROM THE HOUSE

At 9:58 a.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 4441. An act to amend title 17 of the United States Code with respect to the fees of the Copyright Office, and for other purposes;

H.R. 5539. An act to amend and supplement the Federal reclamation laws, and for other purposes; and

H.R. 6132. An act to amend section 5590 of the Revised Statutes to provide for adjusting the rate of interest paid on funds of the Smithsonian Institution deposited with the Treasury of the United States as a permanent loan.

ENROLLED BILLS SIGNED

At 12:59 p.m., a message from the House of Representatives, delivered by Mr. Gregory, one of its reading clerks, announced that the Speaker has signed the following enrolled bills:

S. 691. An act to amend titles 18 and 17 of the United States Code to strengthen the laws against record, tape, and film piracy and counterfeiting, and for other purposes; and

H.R. 2863. An act to authorize the Secretary of Agriculture to sell the portion of the Tahoe National Forest known as Blyth Arena.

The enrolled bills were subsequently signed by the President pro tempore (Mr. THURMOND).

At 1:14 p.m., a message from the House of Representatives, delivered by Mr. Berry, announced that the House has passed the following bill and joint resolutions, without amendment:

S. 146. An act to authorize the Secretary of the Interior to assist in the preservation of historic Camden in the State of South Carolina, and for other purposes;

S.J. Res. 145. Joint resolution authorizing and requesting the President to proclaim "National Orchestra Week"; and

S.J. Res. 170. Joint resolution to designate the week of November 7, 1982, through November 14, 1982, as "National Hospice Week".

The message also announced that the House has agreed to the following concurrent resolutions, without amendment:

S. Con. Res. 62. Concurrent resolution to congratulate Hadassah, the Women's Zionist Organization of America, on the celebration of its seventieth anniversary; and

S. Con. Res. 82. Concurrent resolution expressing the sense of the Congress that the people of the United States should observe the month of May 1982 as Older Americans Month.

The message also announced that the House has passed the following bill and joint resolution, each with an amendment, in which it requests the concurrence of the Senate:

S. 1808. An act to authorize an Under Secretary of Commerce for Economic Affairs; and

S.J. Res. 59. Joint resolution designating the square dance as the national folk dance of the United States.

The message further announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 5145. An act to amend title 5, United States Code, to provide training opportunities for employees under the Office of the Architect of the Capitol and the Botanic Garden, and for other purposes; and

H.R. 6294. An act to provide supplemental authorization in order to stimulate the sales and production of housing.

ENROLLED BILLS SIGNED

At 7:01 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the Speaker has signed the following enrolled bills:

S. 146. An act to authorize the Secretary of the Interior to assist in the preservation of historic Camden in the State of South Carolina, and for other purposes; and

S. 1131. An act to require the Federal Government to pay interest on overdue payments, and for other purposes.

The enrolled bills were subsequently signed by the President pro tempore (Mr. THURMOND).

HOUSE BILLS REFERRED

The following bills were read the first and second times by unanimous consent, and referred as indicated:

H.R. 4441. An act to amend title 17 of the United States Code with respect to the fees of the Copyright Office, and for other purposes; to the Committee on the Judiciary.

H.R. 5145. An act to amend title 5, United States Code, to provide training opportunities for employees under the Office of the Architect of the Capitol and the Botanic Garden, and for other purposes; to the Committee on Governmental Affairs.

H.R. 6132. An act to amend section 5590 of the Revised Statutes to provide for adjusting the rate of interest paid on funds of the Smithsonian Institution deposited with the Treasury of the United States as a permanent loan; to the Committee on Rules and Administration.

H.R. 6294. An act to provide supplemental authorization in order to stimulate the sales and production of housing; to the Committee on Banking, Housing, and Urban Affairs.

HOUSE BILLS PLACED ON THE CALENDAR

The following bill was read the first and second times by unanimous consent, and placed on the calendar:

H.R. 5539. An act to amend and supplement the Federal reclamation laws, and for other purposes.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that today, May 12, 1982, he presented to the President of the United States the following enrolled bill:

S. 691. An act to amend titles 18 and 17 of the United States Code, to strengthen the laws against record, tape, and film piracy and counterfeiting, and for other purposes.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-3427. A communication from the Secretary of Energy, transmitting, pursuant to law, a comprehensive municipal waste energy development plan; to the Committee on Energy and Natural Resources.

EC-3428. A communication from the Administrator of the Energy Information Administration, transmitting, pursuant to law, a report entitled "Demonstrated Reserve Base of Coal in the United States on January 1, 1980"; to the Committee on Energy and Natural Resources.

EC-3429. A communication from the Director of the Congressional Budget Office, transmitting, pursuant to law, a report entitled "The Clean Air Act, the Electric Utilities, and the Coal Market"; to the Committee on Environment and Public Works.

EC-3430. A communication from the Assistant Secretary of the Treasury (Legislative Affairs), transmitting, pursuant to law, a report on the activities of the regional development banks in the development of renewable energy resources in developing countries, dated April 1982; to the Committee on Foreign Relations.

EC-3431. A communication from the Attorney-Advisor of the Department of State, transmitting, pursuant to law, a report on international agreements, other than treaties, entered into by the United States in the 60-day period prior to April 4, 1982; to the Committee on Foreign Relations.

EC-3432. A communication from the Mayor of the District of Columbia, transmitting, pursuant to law, his response to the report of the General Accounting Office entitled "The District of Columbia Should Assess Its Needs Before It Makes Major Acquisitions of Space"; to the Committee on Governmental Affairs.

EC-3433. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of legislation adopted by the Council on April 6, 1982; to the Committee on Governmental Affairs.

EC-3434. A communication from the Under Secretary of the Interior, transmitting, pursuant to law, a report on the Department's disposal of certain coal leases and permits on the Northern Cheyenne Indian Reservation in Montana; to the Select Committee on Indian Affairs.

EC-3435. A communication from the Secretary of Education, transmitting, for the information of the Senate, notice that the report on the unique educational needs of Guam, the Virgin Islands, and the Northern Mariana Islands will be sent to the Congress on or about June 30, 1982; to the Committee on Labor and Human Resources.

EC-3436. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the semiannual report of the Office of Inspector General, Community Services Administration, for the period October 1, 1981, through March 31, 1982; to the Committee on Governmental Affairs.

EC-3437. A communication from the Secretary of Agriculture, transmitting a draft of proposed legislation to improve the milk price support program and provide additional authority for the disposition of dairy products; to the Committee on Agriculture, Nutrition, and Forestry.

EC-3438. A communication from the Director of Selective Service, transmitting, pursuant to law, the semiannual report of the Director of Selective Service for the period October 1, 1981, through March 31, 1982; to the Committee on Armed Services.

EC-3439. A communication from the Secretary of the Air Force, transmitting, pursuant to law, a report on selected major weapons systems that will breach unit cost thresholds; to the Committee on Armed Services.

EC-3440. A communication from the Assistant Secretary of the Army (Installations, Logistics, and Financial Management), transmitting, pursuant to law, a report on a study with respect to converting the Guard Service function at Fort Knox, Ky., and the decision that performance under contract is the most cost-effective method of accomplishment; to the Committee on Armed Services.

EC-3441. A communication from the Assistant Secretary of the Navy (Shipbuilding and Logistics), transmitting, pursuant to law, a report on a study with respect to converting the civilian education and training (apprentice instructors) function at the Navy shipyard, Portsmouth, N.H., and the decision that performance under contract is the most cost-effective method of accomplishment; to the Committee on Armed Services.

EC-3442. A communication from the Chairman of the Federal Trade Commission, transmitting, pursuant to law, the fourth annual report concerning the enforcement of the Debt Collection Practices Act; to the Committee on Banking, Housing, and Urban Affairs.

EC-3443. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "The Federal Reserve Should Move Faster To Eliminate Subsidy Of Check Clearing Operations"; to the Committee on Banking, Housing, and Urban Affairs.

EC-3444. A communication from the Acting Secretary of the Interior, transmitting, pursuant to law, the financial exhibits of the Colorado River storage project and participating projects for fiscal year 1981; to the Committee on Energy and Natural Resources.

EC-3445. A communication from the Acting Secretary of the Interior, transmitting, pursuant to law, a notice on leasing systems for the Oil and Gas Lease Sale No. 68, southern California, scheduled for June 11, 1982; to the Committee on Energy and Natural Resources.

EC-3446. A communication from the Secretary of Energy, transmitting, pursuant to law, the first annual revised comprehensive program management plan for wind energy systems; to the Committee on Energy and Natural Resources.

EC-3447. A communication from the Director of the Office of Legislative Affairs, Agency for International Development, transmitting, pursuant to law, a justification of an increase in the funding level of the proposed fiscal year 1982 program in Liberia; to the Committee on Foreign Relations.

EC-3448. A communication from the Director of the Office of Personnel Management, transmitting a draft of proposed legislation to amend section 3109 of title 5, United States Code, to clarify the authority for the appointment and compensation of experts and consultants as Federal employees, and for other purposes; to the Committee on Governmental Affairs.

EC-3449. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "More Effective Leasing Procedures and Practices Could Help GSA Reduce Delays In Meeting Federal Space Needs"; to the Committee on Governmental Affairs.

EC-3450. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations for the cost of attendance under the Pell grant program; to the Committee on Labor and Human Resources.

EC-3451. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report on the President's eighth special message for fiscal year 1982; pursuant to the order of January 30, 1975, referred, jointly, to the Committee on Appropriations and the Committee on the Budget.

EC-3452. A communication from the Chairman of the Federal Trade Commission, transmitting, pursuant to law, the 12th annual report of the Federal Trade Commission on the impact of competition and on small business of the development and implementation of voluntary agreements and plans of action to carry out provisions of the international energy program; to the Committee on Energy and Natural Resources.

EC-3453. A communication from the Secretary of Energy, transmitting, pursuant to law, a report on small hydroelectric programs; to the Committee on Energy and Natural Resources.

EC-3454. A communication from the Fiscal Assistant Secretary of the Treasury, transmitting, pursuant to law, the first annual report on the financial condition and results of the operation of the hazardous substance response trust fund; to the Committee on Finance.

EC-3455. A communication from the Chairman of the U.S. International Trade Commission, transmitting a draft of proposed legislation to provide authorization of appropriations for the U.S. International Trade Commission for fiscal year 1984; to the Committee on Finance.

EC-3456. A communication from the Assistant Secretary of State for Congressional Relations and the Assistant Secretary of the Treasury for Legislative Affairs, transmitting, pursuant to law, the fourth annual report in response to title VII, human rights, of the International Financial Institutions Act; to the Committee on Foreign Relations.

EC-3457. A communication from the Assistant Attorney General (Legislative Affairs), transmitting, pursuant to law, the report of the Attorney General on the U.S. trustees program established in the Bankruptcy Reform Act of 1978 for the period October 1, 1980, to September 30, 1981; to the Committee on the Judiciary.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. TOWER, from the Committee on Armed Services, with an amendment in the nature of a substitute, and an amendment to the title:

S. 2248. A bill to authorize appropriations for fiscal year 1983 for procurement, for research, development, test, and evaluation, and for operation and maintenance for the Armed Forces, to prescribe personnel strengths for the Armed Forces and for civilian personnel of the Department of Defense, and for other purposes.

By Mr. MURKOWSKI, from the Committee on Energy and Natural Resources, without amendment:

S. 2177. A bill to amend title III of the Colorado River Basin Project Act, Public Law 90-537 (82 Stat. 885), as amended by Public Law 95-578 (92 Stat. 2471), and Public Law 96-375 (94 Stat. 1505) (Rept. No. 97-389).

By Mr. D'AMATO, from the Committee on Banking, Housing, and Urban Affairs, with an amendment in the nature of a substitute:

S. 2260. A bill entitled: "Securities—Commodities Accord Amendments of 1982 (Rept. No. 97-390).

By Mr. PERCY, from the Committee on Foreign Relations, with amendments:

S. 2398. A bill to provide for increased participation by the United States in the African Development Fund (Rept. No. 97-391).

By Mr. PACKWOOD, from the Committee on Commerce, Science, and Transportation, without amendment:

S. Con. Res. 60. A concurrent resolution disapproving the Federal Trade Commission trade regulation rule relating to the sale of used motor vehicles.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. MITCHELL:

S. 2519. A bill for the relief of the Grace Baptist Church, Portland, Maine; to the Committee on the Judiciary.

By Mr. HART:

S. 2520. A bill to authorize the Secretary of the Interior to lease additional lands to be used in conjunction with an existing oil shale lease; to the Committee on Energy and Natural Resources.

By Mr. JEPSEN:

S. 2521. A bill to amend chapter 47 of title 10, United States Code (Uniform Code of Military Justice), to improve the military justice system, and for other purposes; to the Committee on Armed Services.

By Mr. HAYAKAWA (for himself, Mr. HELMS, Mr. NICKLES, Mr. EAST, and Mr. THURMOND):

S. 2522. A bill to amend the Food Stamp Act of 1977 to establish certain employment requirements for the food stamp program; to the Committee on Agriculture, Nutrition, and Forestry.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. COCHRAN:

S. Con. Res. 95. A concurrent resolution to express the sense of Congress with respect to certain negotiations regarding chemical weapons; to the Committee on Foreign Relations.

By Mr. GLENN:

S. Con. Res. 96. A concurrent resolution reaffirming Senate resolution, S. Res. 179 and House resolution, H. Res. 177 and urging the President to seek agreement at the Versailles Summit Conference that nuclear supplier nations should export nuclear fuel and equipment only to nations that permit full-scope safeguards; to the Committee on Foreign Relations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. MITCHELL:

S. 2519. A bill for the relief of the Grace Baptist Church, Portland, Maine; to the Committee on the Judiciary.

GRACE BAPTIST CHURCH

● Mr. MITCHELL. Mr. President, the bill that I am introducing today is intended to rectify unfair treatment that the Grace Baptist Church of Portland, Maine, is receiving from the Internal Revenue Service. This church faces a serious financial burden, possibly totaling $30,000 in retroactive tax assessments and future liabilities, if the IRS is successful in its challenge to the social security status of the church's lay employees.

Religious organizations are exempt from social security taxes. Until 1976, religious organizations could file a waiver certificate to permit their employees to be covered by social security. In 1976, the law was changed retroactively so that if a religious organization paid social security taxes for any employee for three consecutive quarters, that organization was deemed to have filed a waiver, even if it had not actually done so. This was done as an administrative convenience for those organizations that desired coverage and withheld social security taxes but had never filed a waiver.

Lay employees at the Grace Baptist Church never desired to be covered by social security. Before the law was changed in 1976, the church never filed a waiver certificate. However, the IRS has ruled that the church waived its social security exemption in 1974 when it paid social security taxes for one employee who was employed for less than 1 year.

The church was confused over its liability for this exemployee's taxes. On the advice of the IRS, it paid the taxes until the matter could be resolved.

Unfortunately, the IRS then reversed its position and ruled that the church is liable for social security taxes on all its employees from 1976 through 1978. My bill would clear the Grace Baptist Church of this liability. The church has clearly been caught in an unintended effect of the 1976 law change.●

By Mr. HART:

S. 2520. A bill to authorize the Secretary of the Interior to lease additional lands to be used in conjunction with an existing oil shale lease; to the Committee on Energy and Natural Resources.

LEASE OF CERTAIN OIL SHALE LANDS

● Mr. HART. Mr. President, I am introducing today a bill to remove a statutory obstacle to the development of one of the four prototype oil shale leases issued in 1974. The bill would authorize the Secretary of the Interior to issue an "offsite" lease for surface operations necessary to support open pit mining of tract C-a, the only prototype lease suitable for this method of operation.

I am offering this bill in an effort to get prompt congressional action on this single, narrow issue. This is the only statutory change needed for the first generation of oil shale development. The change itself is noncontroversial. It is supported by the administration, all members of the Colorado congressional delegation, Gov. Richard D. Lamm of Colorado, industry, and environmentalists.

But approval of this change in the law has been impossible because of disagreements over other possible changes in the law. In both this Congress and the previous Congress, the Committee on Energy and Natural Resources has reported legislation making other, essentially unrelated, changes in the Mineral Leasing Act to greatly expand the authority of the Secretary of the Interior to issue future oil shale leases. I and several other Senators have opposed these open-ended proposals, and in the face of these strong disagreements the committee's bill has not been considered by the full Senate.

It is tragic to hold Rio Blanco hostage to these disagreements. Just yesterday the company announced the temporary closure of its office in Meeker, and a temporary cutback in its staff at the project site and its Denver headquarters, while it reassesses its situation in light of the continued failure of Congress to authorize its off-tract lease. But the consequences of the current congressional stalemate are even greater. The open-pit operation which would be made possible by the offsite lease has the potential to be the most efficient way to recover oil shale, and it is in the national interest to enable Rio Blanco to determine whether this method of operation will work.

I urge my colleagues to join me in agreeing to enact this limited bill, to let Rio Blanco move forward, without adding to it any controversial amendments. To reduce the chance of any controversy over this bill, the language I am proposing today is taken from the offsite leasing provisions of S. 1484, the broader oil shale leasing bill reported by the Energy Committee last December. Besides restricting the bill to one offsite lease to be used in conjunction with tract C-a, I have made only one other change in the committee's provisions. That change is in the provisions allowing a Governor to recommend to the Secretary whether to lease specific lands, and the change merely clarifies that the Secretary's issuance of an offsite lease is subject to judicial review, on procedural grounds only, if the Secretary has not sought the Governor's recommendation as required by the committee's provision. This change essentially restores to this provision, which is the product of an agreement among Secretary of the Interior James G. Watt, Colorado Gov. Richard D. Lamm, and Utah Gov. Scott M. Matheson, the explicit recognition of the right to a procedural lawsuit. This explicit reference to a procedural lawsuit was a key element of the agreement among the Secretary and the Governors, and was deleted by the Energy Committee on technical grounds which have been resolved in a slight redrafting of the provision.

Of course, enactment of this bill would not preclude action on a broader oil shale leasing bill. I hope it will be possible for all of us to reach agreement on a bill addressing other issues. But first let us solve this pressing problem.

I ask unanimous consent to include in the Record at this point the text of the bill.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2520

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 21 of the Act entitled "An Act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium in the public domain," approved February 25, 1920, (41 Stat. 437, 30 U.S.C. 241), is amended by inserting at the end thereof the following new subsection:

"(d)(1) The Secretary may lease to the holder of the Federal oil shale lease in the State of Colorado known as C-a additional lands (not to exceed six thousand four hundred acres) necessary for the disposal of oil shale wastes and the materials removed from mined lands, and for the building of plants, reduction works, and other facilities connected with oil shale operations (which lease shall be referred to hereinafter as an "offsite lease"). An offsite lease may serve only that Federal oil shale lease and may not be transferred except in conjunction with the transfer of that Federal oil shale lease.

"(2) An offsite lease shall include no rights to any mineral deposits.

"(3) The Secretary may issue offsite leases after consideration of the need for such lands, impacts on the environment and other resource values, and upon a determination that the public interest will be served thereby.

"(4) An offsite lease for lands the surface of which is under the jurisdiction of a Federal agency other than the Department of the Interior shall be issued only with the consent of that other Federal agency and shall be subject to such terms and conditions as it may prescribe.

"(5) An offsite lease shall be for such periods of time and shall include such lands, subject to the acreage limitation contained in this subsection, as the Secretary determines to be necessary to achieve the purposes for which the lease is issued, and shall contain such provisions as he determines are needed for protection of environmental and other resource values.

"(6) An offsite lease shall provide for the payment of an annual rental which shall reflect the fair market value of the rights granted and which shall be subject to such revisions as the Secretary, in his discretion, determines may be needed from time to time to continue to reflect the fair market value.

"(7) An offsite lease shall remain subject to leasing under the other provisions of this Act where such leasing would not be incompatible with the offsite lease.

"(8) In determining whether to offer or issue an offsite lease, the Secretary shall consult with the Governor and appropriate State, local, and tribal officials of the State where the lands to be leased are located, and of any additional State likely to be affected significantly by the social, economic, or environmental effects of development under such lease, in order to coordinate Federal and State planning processes, minimize duplication of permits, avoid delays, and anticipate and mitigate likely impacts of development.

"(9) The Secretary may issue an offsite lease after consideration of (A) the need for leasing, (B) impacts on the environmental and other resource values, (C) socioeconomic factors, and (D) information from consultations with the Governors of the affected states.

"(10) Before determining whether to offer or issue an offsite lease, the Secretary shall seek the recommendation of the Governor of the State in which the lands to be leased are located as to whether or not to lease such lands, what alternative actions are available, and what special conditions could be added to the proposed lease to mitigate impacts. The Secretary shall accept the recommendations of the Governor if he determines that they provide for a reasonable balance between the national interest and the State's interests. The Secretary shall communicate to the Governor, in writing, and publish in the Federal Register the reasons for his determination to accept or reject such Governor's recommendations. The Secretary's decision to accept or reject the Governor's recommendation shall not be subject to judicial review, and a decision of the Secretary to issue an offsite lease shall not be subject to judicial review under this paragraph except on the grounds that the Secretary's decision was made without observance of the consultative actions required by this paragraph.".●

By Mr. JEPSEN:

S. 2521. A bill to amend chapter 47 of title 10, United States Code (Uniform Code of Military Justice) to improve the military justice system, and for other purposes; to the Committee on Armed Services.

MILITARY JUSTICE ACT OF 1982

Mr. JEPSEN. Mr. President, today I am pleased to introduce the Military Justice Act of 1982. This bill would make a number of useful changes in trial and appellate procedures under the Uniform Code of Military Justice. Furthermore, the bill would for the first time since the adoption of the Uniform Code in 1951 establish a statutory scheme for the prosecution and punishment of drug offenses committed in the Armed Forces.

The bill is a composite of a number of legislative proposals which in past years have been transmitted to the Congress by the Department of Defense and proposals which have been made by various qualified individuals who are knowledgeable of and concerned about the administration of military justice.

Since 1951 the Uniform Code of Military Justice has proven to have been a fair and efficient framework for the administration of justice and maintenance of discipline in our Armed Forces. The Congress has from time to time made a number of minor changes in the code to improve its operation. Although the military justice system continues to operate in a fairly efficient and effective manner today, I believe the time has come for the Congress to review the overall operation of the system. The bill which I am introducing today provides an ideal vehicle for that review. It is my intention, as chairman of the Senate Armed Services Committee Subcommittee on Manpower and Personnel to schedule and conduct hearings on this bill to receive the views and comments of the Department of the Defense, the individual armed services, as well as other interested persons and organizations, such as the judges of the U.S. Court of Military Appeals.

I commend this bill to each of my colleagues and ask that you join me in my efforts to insure that our Armed Forces are not only properly manned and equipped but also have the appropriate and adequate tools to insure justice and discipline within their ranks.

Mr. President, I ask that by unanimous consent the bill and a summary of its major provisions be printed in the Record.

There being no objection, the bill and summary were ordered to be printed in the Record, as follows:

S. 2521

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Military Justice Act of 1982."

Sec. 2. Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of chapter 47 of title 10, United States Code (Uniform Code of Military Justice).

Sec. 3. (a) Section 801 (article 1) is amended by striking out clause (13) and inserting in lieu thereof the following:

"(13) 'Judge advocate' means—

"(A) an officer of The Judge Advocate General's Corps of the Army or the Navy;

"(B) an officer of the Air Force or the Marine Corps who is designated a judge advocate; or

"(C) an officer of the Coast Guard who is designated a law specialist.

"(14) 'Record' means a writing relating the proceeding and testimony, or audiotape, videotape, or similar material from which sound or sound and visual images may be reproduced depicting the proceedings.".

(b) Section 806(a) (article 6(a)) is amended—

(1) by striking out "and Air Force and law specialists of the" and inserting in lieu thereof "Air Force, and "; and

(2) by adding at the end thereof the following new sentence: "However, no person may be assigned any duty to be performed by a judge advocate under this chapter unless such person is at the time of the performance of such duty a member in good standing of the bar of a Federal court or the highest court of a State or territory.".

(c) Section 815(e) (article 15(e)) is amended by striking out "of the Army, Navy, Air Force, or Marine Corps, or a law specialist or lawyer of the Coast Guard or" and inserting in lieu thereof "or a lawyer of the".

(d) Section 816 (article 16) is amended—

(1) by inserting "orally on the record or" before "in writing" in clause (1)(B); and

(2) by striking out clause (3) and inserting in lieu thereof the following:

"(3) summary courts-martial, consisting of one commissioned officer.

However, except in those cases of a general court-martial in which the findings announced include a finding of guilty of an offense for which that court-martial may adjudge the death penalty and those cases in which a military judge has not been detailed to the court, a court-martial shall consist of only a military judge after findings are announced.".

(e) Section 819 (article 19) is amended—

(1) by striking out "six months" both places it appears and inserting in lieu thereof "one year";

(2) by striking out "a complete record of the proceedings and testimony has been made," in the third sentence; and

(3) by striking out the comma after "accused" in the third sentence.

(f) Section 826(a) (article 26(a)) is amended by striking out the period at the end thereof and inserting in lieu thereof the following: "and except in those cases of a general court-martial in which the findings announced include a finding of guilty of an offense for which that court-martial may adjudge the death penalty, shall determine and announce the sentence of the court-martial to which he has been detailed.".

(g) Section 827 (article 27) is amended—

(1) in subsection (b)(1), by striking out "of the Army, Navy, Air Force, or Marine Corps or a law specialist of the Coast Guard,"; and

(2) in subsection (c)(3), by striking out ", or a law specialist,".

(h) Section 832(a) (article 32(a) is amended by striking out "No charge" and inserting in lieu thereof "Unless the investigation otherwise required by this article is waived in writing by the accused, no charge".

(i) Section 833 (article 33) is amended by striking out "the investigation" and inserting in lieu thereof "any investigation conducted under section 832 of this title (article 32)"

(j) Section 834 (article 34) is amended—

(1) by strikng out subsection (a) and inserting in lieu thereof the following:

"(a) Before directing the trial of any charge by general court-martial, the convening authority shall refer it to his staff judge advocate. The convening authority may not refer a charge to a general court-martial for trial unless he has been advised orally or in writing by that staff judge advocate that the charge alleges an offense under this chapter and, unless the investigation has been waived by the accused, that the charge is warranted by the evidence indicated in the report of investigation. If that advice is given in writing, such written advice shall accompany the charge or specification if it is referred to trial."; and

(2) by adding at the end thereof the following new subsection:

"(c) The requirements of this section are binding on all persons administering this chapter but failure to follow them does not constitute jurisdictional error.".

(k) Section 838(c) (article 38(c)) is amended to read as follows:

"(c) In any court-martial proceeding resulting in a conviction, the defense counsel may forward for attachment to the record of proceedings a brief of such matters as he feels should be considered in behalf of the accused on review (including any objection to the contents of the record which he considers appropriate), may assist the accused in the submission of matters under section 860 of this title (article 60), and shall, subject to regulations of the President, perform other acts authorized by this chapter.".

(l) Section 34(b) (article 41(b)) is amended by striking out "one" and inserting in lieu thereof "three".

(m) Section 842 (article 42) is amended by striking out ", law specialist," both places it appears.

(n) Section 846 (article 46) is amended by adding at the end thereof the following new sentences: "Pursuant to section 659(h) of title 28, United States Code, United States marshals shall execute any such process which may be delivered to them for such purpose. Any process issued under this section also may be executed by any person designated for such purpose by the Secretary concerned.".

(o) Section 849 (article 49) is amended—

(1) in subsection (d), by striking out "read" and inserting in lieu thereof "admitted"; and

(2) in subsection (f), by striking out "read" and inserting in lieu thereof "admitted".

(p) Section 851 (article 51) is amended—

(1) in subsection (a), by inserting "(if members are required to determine the sentence)" after "on the sentence";

(2) in subsection (d), by striking out "a military judge only" and inserting in lieu thereof "only a military judge pursuant to an approved request by the accused under clause (1)(B) or (2)(C) of section 816 of this title (article 16)"; and

(3) by adding at the end thereof the following new subsection:

"(e) Subsections (a), (b), (c), and (d) do not apply to the proceedings of a court-martial composed of only a military judge after the announcement of findings pursuant to the last sentence of section 816 of the title (article 16). During such proceedings, the military judge shall determine all questions of law and fact arising during those proceedings and shall adjudge in appropriate sentence.".

(q)(1) Section 853 (article 53) is amended to read as follows:

"§ 853. Art. 53. Court to announce action and advise of rights to appeal and to submit matters to the convening authority

"A court-martial shall announce its findings and sentence to the parties as soon as determined and, if the accused has been found guilty of any offense, shall advise the accused of his right to appeal and of applicable requirements of section 861 of this title (article 61) and of his right to submit matters to the convening authority under section 860 of this title (article 60).".

(2) The item relating to section 853 (article 53) in the table of sections at the beginning of subchapter VII is amended to read as follows:

"653. 53. Court to announce action and advise of rights to appeal and to submit matters to the convening authority.".

(r) Section 854 (article 54) is amended—

(1) by striking out the last sentence of subsection (a);

(2) by striking out "shall contain the matter and" in subsection (b); and

(3) by striking out subsection (c) and inserting in lieu thereof the following new subsections:

"(c) A complete record of the proceedings and testimony shall be prepared when—

"(1) the sentence as approved by the convening authority includes death; or

"(2) the sentence as approved by the convening authority includes discharge, dismissal, or confinement at hard labor for more than one year, and a notice of appeal has been timely filed under section 861 of this title (article 61).

"(d) In all other cases, the record shall contain such matter as the President may prescribe.

"(e) A copy of the record of the proceedings of each general and special court-martial shall be given to the accused as soon as it is authenticated.".

(s)(1) Subchapter VIII is amended by inserting after section 857 (article 57) the following new section:

"§ 857a. 57a. Suspension of sentence by military judge

"(a) In every case in which a military judge determines and adjudges a sentence, the military judge may suspend the execution of all or any part of that sentence for a stated period of time not exceeding two years. Any sentence or part of a sentence so suspended, if such suspension is not sooner vacated under the authority of section 872 of this title (article 72) shall be remitted upon—

(1) the expiration of the stated period of time of such suspension;

(2) the death of the accused;

(3) the discharge of the accused from the service which terminates the accused's status as a person subject to this chapter; or

(4) the release of the accused from active duty in the armed forces, whichever occurs earlier.

"(b) In any case in which a military judge suspends the execution of all or any part of a sentence, such sentence or the part of such sentence which is suspended may be executed only if such suspension is vacated pursuant to section 872 of this title (article 72). No convening authority or other reviewing authority under this chapter may change such a suspended sentence or the suspended part of such a sentence to a less or equally severe sentence unless such authority also orders that the execution of that sentence or part of that sentence as changed be suspended. However, a convening authority and other authority having the power under this chapter to approve or disapprove a sentence in whole or in part may approve or disapprove, in whole or part, any sentence or part of any sentence the execution of which has been suspended by a military judge, and if such sentence or part of such sentence as suspended is approved, any such authority may change the stated period of such suspension to any lesser period of time.

"(c) In determining the expiration of any period of suspension of the execution of any sentence or part of any sentence under this section, such period shall be deemed to begin on the date such sentence or part of such sentence, as suspended, is announced under section 853 of this title (article 53).".

(2) The table of sections at the beginning of such subchapter is amended by inserting after the item relating to section 857 (article 57) the following new item:

"857a. 57a. Suspension of sentence by military judge.".

(t)(1) Section 860 (article 60) is amended to read as follows:

"§ 860. Art. 60. Action by convening authority

"(a) The convening authority shall be notified of the findings and sentence of a court-martial after the announcement of the sentence. After consideration of any matters submitted under subsection (c) or the expiration of the time for filing of such matters, if none are filed, the convening authority or any officer exercising general court-martial jurisdiction shall act on the sentence. In so acting, he, in his sole discretion, may disapprove the sentence, approve the sentence in whole or in part, or change the sentence to any less or equally severe sentence.

"(b) In his sole discretion, the convening authority may set aside a finding of guilty and dismiss the charge and specification.

"(c) Within 10 days after the sentence is announced the accused may submit any matters for consideration by the convening authority in the exercise of his discretion to approve the findings and sentence. If the accused shows that additional time is necessary to submit such matters, the convening authority may extend the period for submission for not more than 30 additional days.

"(d) In the case of any general court-martial in which a finding of guilty has resulted or any special court-martial in which the sentence includes a bad conduct discharge, the convening authority shall refer the record of such court-martial to his staff judge advocate, who shall submit his written recommendation thereon. The convening authority shall consider such recommendation and any rebuttal to that recommendation submitted by the accused under subsection (e) before acting under this section. The written recommendation shall include such matters as may be prescribed by the President. Any such written recommendation and any rebuttal to that recommendation submitted under subsection (e) shall be attached to the record.

"(e) The accused shall be afforded an opportunity to rebut the recommendation of the staff judge advocate, and any matters attached thereto, whether or not the accused submitted matter under subsection (c). The accused shall have 5 days from receipt of the recommendation in which to submit any matters in rebuttal. The convening authority may, for good cause, extend that period. Failure to rebut the recommendation or any matters attached to it shall constitute waiver of any objection thereto.".

(2) The item relating to section 860 (article 60) in the table of sections at the beginning of subchapter IX is amended to read as follows:

"860. 60. Action by convening authority.".

(u)(1) Section 861 (article 61) is amended to read as follows:

"§ 861. Art. 61. Notice of appeal: withdrawal of appeal

"(a)(1) In every case subject to review under section 866 or 869(a) of this title (article 66 or 69(a)) except a case in which the sentence as approved by the convening authority includes death, the accused, if he wishes further review of such case under this chapter, shall file with the convening authority a notice of appeal. Such notice of appeal shall be signed by the accused and defense counsel and shall be filed within ten days after the accused receives notice in writing of the convening authority's action on the sentence, unless the convening authority, for good cause shown or otherwise in his discretion, extends that period for not more than 30 additional days. Failure to file a notice of appeal within such period bars review under section 866 or 869(a) of this title (article 66 or 69(a))."

"(2) A notice of appeal filed pursuant to paragraph (a) should identify the issues which the accused believes should be considered on review of the case. Such additional matters as the accused deems appropriate may be attached to the notice of appeal and any such matters will be forwarded as though part of the notice of appeal. The failure to identify an issue in the notice of appeal does not constitute a waiver of that issue by the accused on review.

"(b) If the convening authority, in his sole discretion, believes such action is warranted by any matter identified in or attached to a notice of appeal, he, at any time before the record is forwarded to the Judge Advocate General under section 865(a) of this title (article 65(a)), may revoke any previous action taken under section 860 of this title (article 60) which approved any finding of guilty or any sentence and order a rehearing under section 863 of this title (article 63) or a proceeding in revision under section 862(b) of this title (article 62(b)).

"(c) The accused may withdraw at any time a notice of appeal previously filed. Any such withdrawal shall be in writing and shall be signed by the accused. Such a withdrawal shall bar all further review under sections 866, 867, and 869(a) of this title (articles 66, 67, and 69(a)).".

"(2) The item relating to section 861 (article 61) in the table of sections at the beginning of subchapter IX is amended to read as follows:

"861. 61. Notice of appeal: withdrawal of appeal.".

"(o)(1) Section 862(a) (article 62(a)) is amended—

(A) by inserting "(1)" after "(a)"; and

(B) by inserting at the end thereof the following new paragraph:

"(2)(A) In any trial by court-martial over which a military judge presides and in which the sentence may include a discharge or dismissal, the convening authority may direct that the United States appeal any order or ruling which terminates the proceedings with respect to any charge or specification or which excludes evidence which is substantial proof of a fact material to the proceedings, except that no such appeal may be directed from an order or ruling which is, or amounts to, a finding of not guilty. Such an appeal may be directed regardless of whether or not such order or ruling has first been returned to the court for reconsideration under paragraph (1). Notice of a direction to appeal an order or ruling under this paragraph shall be provided to the military judge in writing within seventy-two hours after such ruling or order is announced or after a decision on reconsideration of such ruling or order is announced if such ruling or order has been returned to the court for reconsideration under paragraph (1). Any appeal directed under this paragraph shall be diligently prosecuted.

"(B) Appeals under this paragraph shall be forwarded by an appropriate means directly to the cognizant Court of Military Review and shall ordinarily have priority over all other types of proceedings before that court. In determining an appeal under this section, the Court of Military Review shall take action only with respect to matters of law, notwithstanding section 866(c) of this title (article 66(c)). Such appeals may be considered by the Court of Military Review sitting en banc or by panel.

The decision of the Court of Military Review on the appeal under this paragraph shall not be subject to further review except in post-trial proceedings under sections 866, 867, or 869 or this title (articles 66, 67, or 69). However, nothing in this section limits the authority of any court to issue any writ pursuant to section 1651 of title 28, United States Code.

"(C) Any delay directly attributable to an appeal under this section shall not be charged to the United States or the accused in deciding any issue as to denial of a speedy trial.".

(2) The item relating to section 862 (article 62) in the table of sections at the beginning of subchapter IX is amended to read as follows:

"862. 62. Reconsideration, appeal by the United States, and revision.".

(w) Section 863 (article 63) is amended by—

(1) striking out subsection (a); and

(2) striking out "(b)".

(x)(1) Sections 864 and 865 (articles 64 and 65) are amended to read as follows:

"§ 664. Art. 64. Review by a judge advocate

"(a) All cases not subject to appeal, and all cases subject to appeal but not appealed, under section 866 or 869(a) of this title (article 66 or 69(a)) shall be reviewed by a judge advocate, as prescribed by regulations of the Secretary concerned. The judge advocate shall determine—

"(1) whether the court had jurisdiction of the accused and the offense;

"(2) whether the charge and specification stated an offense; and

"(3) whether the sentence was within the limits prescribed by law.

"(b) If the judge advocate determines that corrective action is required by law, he shall recommend such action to an officer exercising general court-martial jurisdiction over the accused and that officer may—

"(1) disapprove or approve the findings or the sentence, in whole or in part;

"(2) change the sentence to any less or equally severe sentence;

"(3) except where the evidence was insufficient at trial to support the findings, order a rehearing on findings or sentence; or

"(4) dismiss the charges.

"(c) If a rehearing is ordered, but the convening authority finds a rehearing impracticable, he may dismiss the charges.

"(d) If the officer exercising general court-martial jurisdiction does not take the action recommended by the judge advocate (except where the charges are dismissed or other action is taken which is more favorable to an accused than that recommended by the judge advocate), the record of trial and action thereon shall be sent to The Judge Advocate General for review under section 869(b) of this title (article 69(b)).

"(e) A review required by this section may not be performed by a judge advocate who has previously acted as investigating officer, military judge, court member, trial counsel or assistant trial counsel in the same case.

"865. Art 65. Disposition of records

"(a) After acting under section 860 of this title (article 60) and receiving any papers timely filed under section 861 of this title (article 61), the convening authority shall send the record of trial in a case subject to appeal and appealed under section 866 or 869(a) of this title (article 66 or 69(a)) to the appropriate Judge Advocate General.

"(b) Except as otherwise required by this chapter, all records of trial and related documents in cases other than those described by subsection (a) shall be transmitted and disposed of as the Secretary concerned may prescribe by regulation.".

(2) The items relating to sections 864 and 865 (articles 64 and 65) in the table of sections at the beginning of subchapter IX are amended to read as follows:

"864. 64. Review by a judge advocate.
"865. 65. Disposition of records.".

(y) Section 866 (article 66) is amended—

(1) by adding after the second sentence in subsection (a) the following: "Any decision of a panel may be reconsidered by the court sitting as a whole in accordance with such rules."; and

(2) by striking out subsection (b) and inserting in lieu thereof the following:

"(b) The Judge Advocate General shall refer to a Court of Military Review the record in every case of trial by court-martial—

"(1) in which the sentence, as approved under section 860 of this title (article 60) extends to death; or

"(2) in which—

"(A) the sentence, as approved under section 860 of this title (article 60) extends to dismissal of a commissioned officer, a cadet, or midshipman, to dishonorable or a bad conduct discharge, or to confinement for more than one year; and

"(B) the accused has timely filed a notice of appeal as provided by section 861 of this title (article 61) and such appeal has not been withdrawn.".

(2) Section 867 (article 67) is amended—

(1) by striking out "or for mental or physical disability," in subsection (a)(2);

(2) by inserting "and the presiding judge informs the President that a retired judge or senior judge is not available for temporary service" after "illness or other disability" in subsection (a)(3);

(3) by striking out subsection (a)(4);

(4) by striking out "affects a general or flag officer or" in subsection (b)(1); and

(5) by striking out "board of review" in subsection (c) and inserting in lieu thereof "Court of Military Review".

(aa)(1) Subchapter IX is amended by inserting after section 867 (article 67) the following new section:

"§ 867a. Art. 67a. Retirement and survivor annuities for judges of the Court of Military Appeals

"(a) The provisions of subsection (b) (relating to retirement), subsection (d) (relating to computation and payment of retired pay), subsection (e) (relating to election to received retired pay), subsection (g) (relating to coordination with civil service retirement), subsection (h) (relating to retirement for disability) and subsection (i) (relating to revocation of election to receive retired pay) of section 7447 of the Internal Revenue Code of 1954 (26 U.S.C. 7447) shall apply to judges of the United States Court of Military Appeals as established by section 867(a) of this title (article 67(a)) except that in construing those provisions for purposes of this section—

"(1) the term 'United States Court of Military Appeals' applies in place of the term 'Tax Court';

"(2) the term 'judge' shall be construed to mean the chief judge or a judge of the United States Court of Military Appeals, but does not include any person performing judicial duties pursuant to subsection (b) or section 867(a)(3) of this title (article 67(a)(3)); and

"(3) in any determination of the length of service of any person as a judge of the United States Court of Military Appeals there shall be included only periods of service (whether or not consecutive) during which such person served as a judge of the United States Court of Military Appeals under this chapter.

"(b) If a judge of the Court of Military Appeals is temporarily unable to perform judicial duties because of illness or other disability, or if there is a vacancy on the court, the presiding judge of the court may call upon any person who has elected to receive retired pay under the provisions of section 7447 of the Internal Revenue Code of 1954, as made applicable to judges of the Court of Military Appeals by subsection (a), to perform such judicial duties with the court as may be requested of such person for the period of such illness, disability, or vacancy, or for any lesser period or periods specified by the presiding judge, except that in the case of any such person—

"(A) the aggregate of such periods in any one calendar year may not exceed 90 days without the person's consent; and

"(B) the person shall be relieved of performing such judicial duties during any period in which illness or disability of such person precludes the performance of such duties.

"(2) Any act, or failure to act, by a person performing judicial duties pursuant to paragraph (1) shall have the same force and effect as if it were the act, or failure to act, of a judge of the Court of Military Appeals, but any such person shall not be counted as a judge of the court for purposes of the second sentence of section 867(a) of this title (article 67(a)).

"(3) Any person who is performing judicial duties pursuant to paragraph (1) shall be paid, in lieu of retired pay, the same compensation as a judge and shall be paid the same allowances for travel and other expenses as a judge.

"(c)(1) Any person who has elected to receive retired pay under the application of 7447(e) of the Internal Revenue Code of 1954 (26 U.S.C. 7447(e)) to judges of the United States Court of Military Appeals in accordance with subsection (a) who thereafter—

"(A) accepts any civil office or employment under the Government of the United States (other than the performance of judicial duties pursuant to subsection (b)); or

"(B) provides legal services to a client in a matter arising under this chapter,

shall forfeit all rights to retired pay under the application of such section of the Internal Revenue Code of 1954 for all periods beginning on or after the first day on which such person accepts such office or employment or provides such legal services.

"(2) Any person who has elected to receive retired pay as described in paragraph (1) who thereafter during any calendar year fails to perform judicial duties required of such person under subsection (b) shall forfeit all rights to retired pay under the application of such section of the Internal Revenue Code of 1954 for the 1-year period which begins on the first day on which the person so fails to perform such duties.

"(d) The provisions of section 7448 of the Internal Revenue Code of 1954 (26 U.S.C. 7448) except clauses (1)-(4) of subsection (a) of that section, shall apply to judges of the United States Court of Military Appeals as established by section 867(a) of this title (article 67(a)), except that in construing those provisions for purposes of this section—

"(1) the term 'United States Court of Military Appeals' applies in place of the term 'Tax Court';

"(2) the term 'judge' shall be construed to mean the chief judge or a judge of the Untied States Court of Military Appeals, including any person receiving retired pay under the application made by subsection (a) of provisions of section 7447 of the Internal Revenue Code of 1954 (26 U.S.C. 7447) to judges of the United States Court of Military Appeals whether or not such person is performing judicial duties under subsection (b);

"(3) the term 'chief judge' shall be construed to mean the chief judge of the United States Court of Military Appeals;

"(4) the term 'judge's salary' shall be construed to mean the salary of a judge received under section 867(a) of this title (article 67(a)), retired pay received under the application made by subsection (a) of the provisions of section 7447 of the Internal Revenue Code of 1954 (26 U.S.C. 7447) to judges of the United States Court of Military Appeal, and compensation (in lieu of retired pay) received under subsection (b)(3); and

"(5) the term 'United States Court of Military Appeals judges survivors annuity fund' applies in place of the term 'Tax Court judges survivors annuity fund';

"(6) the term 'a judge of the United States Court of Military Appeals' applies in place of the term 'a member of the United States Board of Tax Appeals, as a judge of the Tax Court of the United States, and as a judge of the Tax Court' as used in section 7448(n) of the Internal Revenue Code of 1954 (26 U.S.C. 7448(n)); and

"(7) the term 'after enactment of the Act making this section applicable to judges of the United States Court of Military Appeals' applies in place of the term 'after enactment of this section' as used in section 7448(q) of the Internal Revenue Code of 1954 (26 U.S.C. 7448(q)).".

(2) The table of sections at the beginning of such subchapter is amended by inserting after the item relating to section 867 (article 67) the following new item:

"867a. 67a. Retirement and survivor annuities for judges of the Court of Military Appeals.".

(bb) The text of section 869 (article 69) is amended to read as follows:

"(a) The record of trial of a general court-martial shall be examined in the Office of The Judge Advocate General if—

(1) any finding of guilty or sentence has been approved under section 860 of this title (article 60);

(2) the accused has timely filed a notice of appeal required by section 861 of this title (article 61); and

(3) such record is not required to be referred to a Court of Military Review under section 866(b) of this title (article 66(b)).

If, as the result of such examination, any finding of guilty or any part of the sentence is found to be unsupportable in law, the Judge Advocate General may modify or set aside any finding of guilty or sentence, in whole or in part. If the Judge Advocate so directs, any record examined under the subsection shall be reviewed by a Court of Military Review under section 866 of this title (article 66), but in that event there shall be no further review by the Court of Military Appeals except under section 867(b)(2) of this title (article 67(b)(2)).

"(b) The Judge Advocate General may modify or set aside, in whole or in part, any finding of guilty or sentence in any court-martial not reviewed by a Court of Military Review or examained in the Office of The Judge Advocate General under subsection (a), on the ground of newly discovered evidence, fraud on the court, lack or jurisdiction over the accused or the offense, or error prejudicial to the substantial rights of the accused. When such a case is considered upon application of the accused, the application must be filed in the Office of The Judge Advocate General by the accused on or before—

"(1) October 1, 1983; or

"(2) the last day of the two-year period beginning on the date the sentence is approved under section 860 of this title (article 60),

whichever is later, unless the accused establishes good cause for failure to file within that time. Action may be taken under this subsection notwithstanding section 876 of this title (article 76).

"(c) If the Judge Advocate General sets aside any findings or sentence, he may, except where the setting aside is based on lack of sufficient evidence in the record to support the findings, order a rehearing. If he sets aside the findings and sentence and does not order a rehearing, he shall order that the charges be dismissed. If the Judge Advocate General orders a rehearing but the convening authority finds a rehearing impractical, the convening authority may dismiss the charges.

"(d) If, as the result of examination of a record of trial under subsection (a) or (b), the Judge Advocate General believes that clemency action should be taken, he may recommend such action be taken by the Secretary concerned. In the event of such a recommendation, the Secretary concerned may modify or set aside, in whole or in part, any finding of guilty or sentence and may order that the charges be dismissed.".

"(cc) Section 871 (article 71) is amended—

(1) in subsection (a)—

(A) by striking out "or involving a general or flag officer"; and

(B) by striking out "except a death sentence" and inserting in lieu thereof "except that he may not suspend a death sentence";

(2) by striking out "(other than a general or flag officer)" in subsection (b);

(3) by striking out subsections (c) and (d) and inserting in lieu thereof the following:

"(c) That part of a sentence which imposes, unsuspended, a dishonorable or bad conduct discharge may not be executed—

"(1) until the end of the 40 day period beginning on the day sentence is announced; or

"(2) if a notice of appeal as required by section 861 of this title (article 61) has been timely filed and such appeal has not been withdrawn, until affirmed by a Court of Military Review, and, in cases reviewed by it, the Court of Military Appeals,

whichever is later.

"(d) Any other court-martial sentence or part thereof may be ordered executed by the convening authority when approved by him. The convening authority may suspend the execution of any sentence, except a death sentence."; and

(4) by adding at the end thereof the following new subsection:

"(e) A judge advocate shall advise the convening authority, orally or in writing, as to an appropriate sentence to be ordered executed before execution of any general court-martial sentence or any special court-martial sentence that includes a bad conduct discharge.".

(dd)(1) Subchapter X is amended by inserting after section 112 (article 112) the following new section:

"§ 912a. Art. 112a. Controlled substances

"(a) As used in this section—

"(1) 'administer', 'controlled substance', 'deliver or delivery', 'distribute', 'manufacture', 'narcotic drug', 'practitioner', and 'ultimate user' have the meanings set forth in section 102 of the Controlled Substances Act (21 U.S.C. 802), and 'phencyclidine' has the meaning set forth in section 310 of the Controlled Substances Act (21 U.S.C. 830);

"(2) 'dispense' means to deliver a controlled substance to an ultimate user or research subject by, or pursuant to the order of, a practitioner, and includes the prescribing or adminstering of a controlled substance and the packaging, labeling, or compounding necessary to prepare the substance for such delivery;

"(3) 'marihuana' means all parts of the plant botanically classified as genus Cannabis. The term 'Cannabis' includes all species of the genus Cannabis. 'Marihuana' means all parts of the Cannabis plant, whether growing or not;

"(4) 'opiate' means a mixture or substance containing a detectable amount of any narcotic drug that is a controlled substance listed in Schedule I or II, other than a narcotic drug consisting of (A) coca leaves; (B) a compound, manufacture, salt, derivative, or preparation of coca leaves; or (C) a substance chemically identical a mixture or substance described in subclause (A) or (B);

"(5) 'possess' means to exercise knowing dominion or control over a substance, whether or not such dominion or control is exercised exclusively by the accused or by the accused jointly with another person or persons;

"(6) 'Schedule I', 'Schedule II', 'Schedule III', 'Schedule IV', and 'Schedule V' refer to the schedules of controlled substances established by section 202 of the Controlled Substances Act (21 U.S.C. 812), as amended from time to time by the Attorney General pursuant to the authority of section 201 of the Controlled Substances Act (21 U.S.C. 811);

"(7) 'traffic' means (A) to sell, pledge, transfer, distribute, dispense, or otherwise to dispose of to another person, whether or not as consideration for anything of value; or (B) to buy, receive, possess, or obtain with the intent to do any act described in subclause (A); and

"(8) 'use' means the accused's knowing introduction into his body, or the introduction by some person other than the accused into the body of the accused when the accused intends for such introduction to occur, of a substance, whether such introduction be by injection, inhalation, ingestion, or by any other means.

"(b)(1) Any person subject to this chapter who manufactures or trafficks an opiate is guilty of trafficking in opiates and shall be punished as a court-martial may direct, except that such punishment may not exceed the punishment set forth in paragraph (2).

"(2) The punishment imposed by a court-martial for an offense under paragraph (1) may not exceed—

"(A) dishonorable discharge, confinement at hard labor for 25 years, forfeiture of all pay and allowances, and reduction to the lowest enlisted grade if the opiate weighs 100 grams or more; or

"(B) dishonorable discharge, confinement at hard labor for 20 years, forfeiture of all pay and allowances, and reduction to the lowest enlisted grade if the opiate weighs less than 100 grams.

"(c)(1) Any person subject to this chapter who manufactures or trafficks a controlled substance other than an opiate is guilty of trafficking in drugs and shall be punished as a court-martial may direct, except that such punishment may not exceed the punishment set forth in paragraph (2).

"(2) The punishment imposed by a court-martial for an offense under paragraph (1) may not exceed—

"(A) dishonorable discharge, confinement at hard labor for 25 years, forfeiture of all pay and allowances, and reduction to the lowest enlisted grade when the controlled substance is listed in Schedule I or II or is phencyclidine (PCP) and is—

"(i) a kilogram or more of a narcotic drug other than an opiate;

"(ii) 500 grams or more of phencyclidine (PCP); or

"(iii) 5 grams or more of lysergic acid diethylamide (LSD);

"(B) dishonorable discharge, confinement at hard labor for 20 years, forfeiture of all pay and allowances, and reduction to the lowest enlisted grade when the controlled substance is listed in Schedule I or II or is phencyclidine (PCP) and is—

"(i) less than a kilogram of a narcotic drug other than an opiate;

"(ii) less than 500 grams of phencyclidine (PCP); or

"(iii) more than 50 kilograms of marihuana, 10 kilograms of hashish, or one kilogram of hashish oil;

"(C) dishonorable discharge, confinement at hard labor for 15 years, forfeiture of all pay and allowances, and reduction to the lowest enlisted grade when the controlled substance is not a narcotic drug, phencyclidine (PCP), or lysergic acid diethylamide (LSD) but is—

"(i) listed in Schedule I or II, except when it is less than one kilogram of marihuana, less than 200 grams of hashish, or less than 20 grams of hashish oil; or

"(ii) listed in Schedule III;

"(D) dishonorable discharge, confinement at hard labor for 10 years, forfeiture of all pay and allowances, and reduction to the lowest enlisted grade when the controlled substance is—

"(i) listed in Schedule IV; or

"(ii) less than one kilogram but 30 grams or more of marihuana, less than 200 grams of hashish, or less than 20 grams of hashish oil; or

"(E) dishonorable discharge, confinement at hard labor for five years, forfeiture of all pay and allowances, and reduction to the lowest enlisted grade when the controlled substance is—

"(i) listed in Schedule V; or

"(ii) less than 30 grams of marihuana.

"(d)(1) Any person subject to this chapter who possesses a controlled substance is guilty of possessing drugs and shall be punished as a court-martial may direct, except that such punishment may not exceed the punishment set forth in paragraph (2).

"(2) The punishment imposed by a court-martial for an offense under paragraph (1) may not exeed—

"(A) dishonorable discharge, confinement at hard labor for 15 years, forfeiture of all pay and allowances, and reduction to the lowest enlisted grade when the controlled substance is 30 grams or more of an opiate;

"(B) dishonorable discharge, confinement at hard labor for 12 years, forfeiture of all pay and allowances, and reduction to the lowest enlisted grade when the controlled substance is—

"(i) less than 30 grams of an opiate;

"(ii) 30 grams or more of a narcotic drug other than an opiate; or

"(iii) phencyclidine (PCP) or lysergic acid diethylamide (LSD);

"(C) dishonorable discharge, confinement at hard labor for eight years, forfeiture of all pay and allowance, and reduction to the lowest enlisted grade when the controlled substance is not an opiate, is not 30 grams or more of a narcotic drug other than an opiate, and is not phencyclidine (PCP) or lysergic acid diethylamide (LSD) but is—

"(i) listed in Schedule I or II, except when it is less than one kilogram of marihuana, 200 grams of hashish, or 20 grams of hashish oil; or

"(ii) listed in Schedule III;

"(D) dishonorable discharge, confinement at hard labor for five years, forfeiture of all pay and allowances, and reduction to the lowest enlisted grade when the controlled substance is—

"(i) less than one kilogram but 30 grams or more of marihuana, less than 200 grams of hashish, or less than 20 years of hashish oil; or

"(ii) listed in Schedule IV; or

"(E) dishonorable discharge, confinement at hard labor for two years, forfeiture of all pay and allowances, and reduction to the lowest enlisted grade when the controlled substance is—

"(i) less than 30 grams of marihuana; or

"(ii) listed in Schedule V.

"(e)(1) Any person subject to this chapter who uses a controlled substance is guilty of using drugs and shall be punished as a court martial may direct, except that such punishment may not exceed the punishment set forth in paragraph (2).

"(2) The punishment imposed by a court-martial for an offense under paragraph (1) may not exceed—

"(A) dishonorable discharge, confinement at hard labor for five years, forfeiture of all pay and allowances, and reduction to the lowest enlisted grade when the controlled substance is used—

"(i) aboard a military vessel or aircraft;

"(ii) while engaged in the performance of duties as a sentinel or look-out; or

"(iii) during time of war; or

"(B) dishonorable discharge, confinement at hard labor for two years, forfeiture of all pay and allowances, and reduction to the lowest enlisted grade in any case not described by clause (A).

"(f)(1) It shall be a defense to any charge under this section that the accused's conduct was authorized by the provisions of the Controlled Substances Act (21 U.S.C. 801 et seq.) or the Controlled Substances Import and Export Act (21 U.S.C. 951 et seq.) or was authorized or required by any other lawful authority when such defense is raised by the evidence and the court-martial is not convinced beyond reasonable doubt that the basis for that defense does not exist.

"(2) It shall be a defense to any charge under subsections (d) and (e) of this section that the controlled substance possessed or used was obtained or used by the accused from, or pursuant to a valid prescription or order issued by, a practitioner acting in the course of his professional practice when such defense is raised by the evidence and the court-martial is not convinced beyond reasonable doubt that the basis for that defense does not exist.

"(g) Nothing in this section limits the authority of the President under section 856 of this title (article 56) to further limit the maximum punishments which may be imposed by a court-martial for offenses under this section.".

(2) The table of sections at the beginning of such subchapter is amended by inserting after the item relating to section 912 (article 112) the following new item:

"912a. 112a. Controlled substances.".

(ee) Section 963(a) (article 136(a)) is amended—

(1) by striking out "of the Army, Navy, Air Force, and Marine Corps";

(2) by striking out clause (2); and

(3) by redesignating clauses (3)-(7) as clauses (2)-(6), respectively.

Sec. 4. Chapter 79 of title 10, United States Code, relating to correction of military records, is amended as follows:

(a) Section 1552 is amended by adding at the end thereof the following new subsection:

"(f) The authority of subsection (a) may be exercised with respect to a record of courts-martial under chapter 47 of this title and related administrative records only to—

"(1) correct a record to reflect the action taken by reviewing authorities under such chapter; or

"(2) change a discharge or dismissal of such court-martial, or to issue a new discharge, when such correction is determined appropriate as a matter of clemency."

(b) Section 1553(a) is amended by striking out "general".

Sec. 5. Section 7(b)(1) of the Military Justice Amendments of 1981 (Public Law 97-81, 95 Stat 1089) is amended to read as follows:

"(b)(1) The amendments made by section 2 shall apply to each member whose sentence by court-martial is approved on or after January 20, 1982—

(A) under section 864 or 865 (article 64 or 65) of title 10, United States Code, by the officer exercising general court-martial jurisdiction under the provisions of such section as it existed on the day before the effective date of the Military Justice Act of 1982; or

(B) under section 860 (article 60) of title 10, United States Code, by the officer empowered to act on the sentence on or after the effective date of the Military Justice Act of 1982.".

Sec. 6. (a) Except as otherwise expressly provided, the amendments made by sections 3, 4, and 5 of this Act shall be effective on the first day of the sixth month that begins after the date of enactment of this Act.

(2) The amendments made by section 3 of this Act shall not apply to any case in which, before the effective date of this Act, any charge has been referred to trial, and in any such case all proceedings under chapter 47 of title 10, United States Code, shall be conducted in accordance with the laws in effect on the day before the effective date of this Act.

(3) The amendments made by sections 4 and 5 of this Act shall not apply to any request for correction of a military record or request for review of a discharge of dismissal that is pending before a Board for Correction of Military Records or a Discharge Review Board on or before the effective date of this Act.

(b)(1) Notwithstanding the amendments made to section 867(a)(4) of title 10, United States Code, by section 3(2)(3) of this Act—

(A) Any individual who is a senior judge of the United States Court of Military Appeals on the date of enactment of this Act and who is no receiving retired pay under the application of section 7447(e) of the Internal Revenue Code of 1954 (26 U.S.C. 7447(e) to judges of the Court of Military Appeals in accordance with section 867a(a) (article 67a(a)) of title 10, United States Code, as added by subsection 3(aa)(1) of this Act, may be assigned offices in a Federal building and may be provided with a staff assistant, whose compensation may not exceed the highest rate prescribed for grade GS-9 of the General Schedule under section 5332 of title 5, United States Code.

(B) If a judge of the United States Court of Military Appeals is temporarily unable to perform judicial duties because of illness or another disability, or if there is a vacancy on the court, the chief judge of the court may call upon a senior judge, with the consent of the senior judge, to perform judicial duties with the court for the duration of the disability or vacancy. Any act, or failure to act, by an individual performing judicial duties pursuant to this subparagraph shall have the same force and effect as if it were the act (or failure to act) of a judge of the United States Court of Military Appeals, but such individual shall not be counted as a judge of the Court of Military Appeals for the purposes of the second sentence of section 867(a) (article (a)) of title 10, United States Code. Any individual performing such judicial duties pursuant to this subparagraph shall, in lieu of retired pay, be paid the same compensation as a judge of such court and shall be paid the same allowances for travel and other expenses as a judge of such court.

(2) Section 867a (article 67a)) of title 10, United States Code, as added by section 3(aa)(1) of this Act, shall take effect on the date of enactment of this Act, except that, with respect to a judge who is a judge of the United States Court of Military Appeals on the date of enactment of this Act, the term "15 years or more" as used in section 7447(b) of the Internal Revenue Code of 1954 (26 U.S.C. 7447(b)), as made applicable to judges of the United States Court of Military Appeals by section 867a(a) (article 67a(a) of title 10, United States Code, as added by this Act, shall be read as "10 years or more".

Summary of Major Provisions of S. 2521, the Military Justice Act of 1982

The bill would make a number of substantive and technical changes in the military justice system. Among the most important of these changes are the following:

(1) Sentencing by a Military Judge: Presently under the Uniform Code of Military Justice (UCMJ), a military judge must be detailed to preside over all general courts-martial, and except in certain limited circumstances, all special courts-martial in which a bad conduct discharge may be included as part of the sentence. In any case in which a military judge is detailed to preside over the court-martial, except in a case in which the death penalty may be imposed, the accused may request that he be tried and sentenced by that military judge rather than by a court-martial composed of military members. The bill would change this procedure by providing that in every case in which a military judge presides over the court-martial, except in a case in which the death penalty could be imposed, the military judge would determine and adjudge the sentence. This is consistent with the criminal sentencing procedures now utilized in Federal district courts as well as most state courts. The accused would still retain his option of requesting the entire trial before a military judge.

(2) Power of Military Judge to Suspend Sentences: Presently, a court-martial, whether it be composed of members or of only a military judge, has no authority to order that the execution of any part of the sentence adjudged by that court-martial be suspended. The power to suspend the execution of a court-martial sentence presently may be exercised only by the convening authority and certain other reviewing officials. Under the bill, in any case in which a military judge determines the sentence, that military judge would be empowered to order that the execution of the sentence, or any part of the sentence, be suspended for a period of time not exceeding two years. This change is consistent with the new power granted to military judges to determine sentences in most cases. The existing power of the convening authority and certain other reviewing authorities to order the suspension of the execution of court-martial sentences would remain intact.

(3) Increased Sentencing Power of Special Court-Martial: Presently, the maximum sentence that may be imposed by a special court-martial is bad conduct discharge, confinement at hard labor for six months, forfeiture of two-thirds of pay per month for six months, and reduction to the lowest enlisted grade. Under the bill this maximum sentencing authority would be increased to include confinement at hard labor for a period not exceeding one year and forfeiture of two-thirds of pay per month for not longer than one year. This would increase the period for which confinement could be adjudged to that period traditionally recognized as the benchmark distinguishing misdemeanors from felonies.

(4) Pretrial procedures: Under present law and practice, no charge may be referred for trial by general court-martial unless that charge has first been investigated pursuant to the provisions of Article 32, UCMJ (10 U.S.C. 832), and the report of that investigation has been referred to the convening authority's staff judge advocate. Although not required by statute, the Manual for

Courts-Martial requires that the staff judge advocate make written recommendations to the convening authority. Furthermore, the convening authority must personally determine whether the charge alleges an offense under the UCMJ and whether the charge is warranted by the evidence in the report of investigation. Under the bill, several changes would be made. First, an accused would be permitted to waive his right to a pretrial investigation. Secondly, the bill would make it clear that the advice of the staff judge advocate could be either oral or in writing. Finally, the bill would relieve the convening authority of making the essentially legal determinations relative to the form and sufficiency of the allegation and the evidence by requiring only that the convening authority be advised by his staff judge advocate as to the sufficiency of the allegation and evidence in those cases where such determinations need be made at all. Even if the staff judge advocate found the allegation and evidence sufficient, the convening authority would be free not to refer the case to a general court-martial. However, if the staff judge advocate found that the allegation did not state an offense under the UCMJ or that the evidence in the report of investigation did not warrant the allegation, the convening authority could not refer the charge to a general court-martial.

(5) Review by the Convening Authority: Under present law, both the findings and sentence of a general court-martial are reviewed for legal sufficiency and sentence appropriateness by the convening authority after trial. In the case of a special court-martial in which the sentence includes bad conduct discharge, such reviews must be conducted by both the convening authority and by the officer exercising general court-martial jurisdiction. The required determinations related to the findings are primarily legal determinations related to sufficiency of the evidence, rulings on motions, and other matters of a technical nature. Under the bill, these portions of the post-trial procedures would be changed in several ways. First, only the convening authority, and not both the convening authority and the general court-martial convening authority, would be required to act upon a special court-martial case involving a sentence including a bad conduct discharge. Second, the convening authority would no longer be required to review the case for legal sufficiency. Rather, the convening authority would, in his sole discretion and in his role as commander, disapprove the sentence, approve the sentence in whole or part, or change the sentence to any less or equally severe sentence. Furthermore, the convening authority, in his sole discretion, could set aside any finding of guilty and dismiss the charge. Under present law, the convening authority may take each of these actions; however, he must first resolve certain legal issues. Under the bill, the convening authority could take his action without having to resolve those legal issues. Under present law, before the convening authority acts on a general court-martial sentence, and before the general court-martial convening authority acts on a special court-martial sentence including a bad conduct discharge, the case must first be referred to the staff judge advocate or legal officer for his written opinion. Under the bill, such cases would still be referred to the staff judge advocate, but for written recommendations only, and those recommendations would need only to address such matters as may be required by Presidential direction.

(7) Further Appellate Review: Under present law, every court-martial in which the approved sentence includes death, or punitive discharge or confinement at hard labor for one year or more or in which the accused is a flag or general officer must be reviewed by a Court of Military Review, even if the accused does not desire such an appeal. Furthermore, every general court-martial case in which a finding and sentence have been approved and for which review by a Court of Military Review is not required must be reviewed in the Office of The Judge Advocate General. Under the bill, only those cases involving the death penalty would continue to be so reviewed absent an appeal by the accused. That is, an accused may appeal to a Court of Military Review any case in which a punitive discharge or confinement at hard labor in excess of one year were imposed. (Note that under present law, a Court of Military Review must review all cases involving confinement at hard labor of one year or more. Under the bill, cases involving confinement only in excess of one year would qualify for appeal to a Court of Military Review). However, the burden would be upon the accused to file such an appeal. The same burden would be placed upon an accused in a general court-martial not appealable to a Court of Military Review if the accused wishes that case to be reviewed in the Office of the Judge Advocate General. The failure of an accused to file a timely notice of appeal would bar further review of the case by a Court of Military Review or in the Office of The Judge Advocate General. (However, the Judge Advocate General would retain the plenary authority to take action under Article 69 (b), UCMJ, in cases not appealed under this procedure). The bill also would require that all cases not subject to appeal, and all cases subject to appeal but not appealed, be reviewed by a judge advocate in accordance with regulations of the Secretary concerned. This would insure every court-martial case be reviewed at least once (and in most cases twice) by a judge advocate before the findings and sentence are final.

(8) Interlocutory Appeals by the Government: Under present law, if a military judge makes an order or ruling which terminates a proceeding with respect to a charge or which excludes substantial proof of a material fact, the Government's only viable recourse is to return the case to the military judge with a request that the order or ruling be reconsidered. That is, the Government has no clear authority to obtain an appellate review of that order or ruling. Under the bill, the Government, in addition to or rather than seeking reconsideration, could appeal such an order or ruling directly to a Court of Military Review. Such an appeal would be expedited to the fullest extent possible and could be heard by a Court of Military Review sitting en banc, by a panel of the Court, or by one judge of the Court appointed by the Chief Judge for that purpose. The decision by the Court of Military Review on such an appeal could not be further appealed to the Court of Military Appeals or any other court by either the Government or the accused during the pendency of the trial. However, the decision of the Court of Military Review could be subjected to immediate review by the Court of Military Appeals and other appropriate courts pursuant to the All Writs Act (28 U.S.C. 1651). Additionally, the decision of the Court of Military Review would be the proper subject for appeal by the accused during normal post-trial review and appeal. This authority could be used by the Government only in cases in which a military judge presides over the trial and in which a discharge or dismissal may be included in the sentence. The authority could not be utilized if the order or ruling in question is, or amounts to, a finding of not guilty.

(9) Controlled Substance Offenses and Punishments: Presently, the Uniform Code of Military Justice does not expressly proscribe offenses involving controlled substances. As a result, offenses involving controlled substances are charged either as a violation of a lawful general regulation of the armed force concerned in violation of Article 92, UCMJ, or as a disorder or neglect prejudicial to good order and discipline in the armed forces under Article 134, UCMJ. How these offenses are charged is dependent upon the individual policies of the armed service concerned. In some cases, the manner in which a controlled substance offense is charged is dependent upon the nature of the substance itself. As a result members of one armed force may be subject to prosecution under Article 92 of the UCMJ, while a member of another armed force is charged with a 7 violation of Article 134, UCMJ, for identical conduct. This can also result in military members being faced with different possible punishments for identical conduct. Because of the different ways controlled substance offenses are charged and punished, there has been extensive litigation challenging the charging and punishing scheme presently available under the UCMJ. Under the bill a new punitive article, Article 112a, would be added to the UCMJ which would expressly make punishable the trafficking (including sale, transfer, or receipt for the purpose of sale or transfer), manufacture, possession, or use of controlled substances. Controlled substances would include these substances listed for control in Schedules I through V of the Controlled Substances Act (21 U.S.C. 802), including substances added to those Schedules by rule of the Attorney General pursuant to the provisions of the Controlled Substances Act. The bill further would provide a scheme of maximum punishments which would insure appropriate distinctions in maximum punishments based upon the nature and quantity of the substance involved. Although the bill would by statute provide for maximum permissible sentences for various controlled substance offenses committed under various circumstances, the President would still retain his authority under Article 56, UCMJ, to provide for maximum punishments less severe than those which would be established by the bill.

(10) Retirement and Survivor Annuity Program for Judges of Court of Military Appeals: Presently, a judge of the United States Court of Military Appeals is eligible for only the retirement and survivor annuity benefits provided by the Civil Service retirement program. The other Article I "legislative courts" each have a retirement system with greater benefits available to the judges of those courts. Under the bill, judges of the Court of Military Appeals would be granted identical retirement and survivor annuity benefits as are presently provided judges of the United States Tax Court under sections 7447 and 7448 of the Internal Revenue Code of 1954 (26 U.S.C. 7447; 7448). Under the bill, judges of the Court of Military Appeals Court (A) would retire (1) upon attaining the age of 70; or (2) upon becoming permanently disabled, and (B) would retire (1) after attaining 65 years

of age and 15 years of service on the Court; or (2) when the judge is not reappointed at the expiration of a term of office after serving for 15 years or more on the Court and declaring in writing his willingness to accept reappointment. A retired judge's retired pay would be determined under the identical formula used to determine the rate of retired pay for judges of the Tax Court.

By Mr. HAYAKAWA (for himself, Mr. HELMS, Mr. NICKLES, Mr. EAST, and Mr. THURMOND):

S. 2522. A bill to amend the Food Stamp Act of 1977 to establish certain employment requirements for the food stamp program; to the Committee on Agriculture, Nutrition, and Forestry.

EMPLOYMENT REQUIREMENTS FOR THE FOOD STAMP PROGRAM

Mr. HAYAKAWA. Mr. President, as a member of the Nutrition Subcommittee, I have taken a special interest in the food stamp program. There are few Federal programs which receive as much criticism from the public as does this. One of the more common complaints, moreover, involves the issuance of benefits to the long-term voluntarily unemployed. Today I will address this concern by introducing legislation which would, if successful, eliminate most of the long-term voluntarily unemployed from the food stamp program.

The opposition to supporting the voluntarily unemployed is certainly understandable. People all over the country have seen examples which indicate the existence of a class of able-bodied persons who would rather collect public assistance than take jobs that are available to them. During my tenure as a Senator from California, I have also been made aware of numerous events which indicate the existence of such a class. I would like to take this opportunity to recount just a few of them.

A couple of years ago, olive growers in Glenn and Tehama Counties in California asked for my help. I was told that there was no one to pick their ripening olives because the Immigration and Naturalization Service had rounded up work crews of illegal Mexicans and deported them just at harvest time. The olive growers' organization there sent telegrams in September to President Carter, the Department of Agriculture, and the Department of Labor. In these telegrams, the growers asked if the Government would legally admit the Mexicans needed to harvest the crop. Without such help, they continued, the crop would be lost by November.

By the time a reply was received on December 15, harvest had already passed. However, the reply from the Department of Labor said that there never had been a labor shortage in these counties. And, in a very important sense, the Department was right. All that was needed were 1,000 workers, and official statistics indicated that there were plenty of able-bodied persons available for work. In these two counties there were thousands of persons receiving food stamps and 8.9 percent and 5.4 percent unemployment, respectively. In addition, thousands more unemployed persons could be found in neighboring counties.

The growers made efforts to recruit these unemployed persons. The availability of this work was heavily advertised. However, there were very few unemployed persons who showed up for work. And of the few that did, most found the work to be too demanding, and quit after half a day.

With few Americans willing to work on the farms, and the loss of most of the illegal Mexicans, the farmers were left extremely short of labor. As a result, the 80 affected olive growers lost about half of their crops.

A more recent story was relayed to the Senate Agriculture Committee just a few weeks ago at a food stamp hearing. Testifying at this hearing was Don Rosendahl, the president of the Fresno County Farm Bureau. As a grower, Mr. Rosendahl had a problem similar to that of the olive growers. Last summer he had 50 acres of boysenberries in production. When it came to harvest time, the illegal workers were so intimidated by the border patrol that they left Mr. Rosendahl's ranch. Thus he was left with a ripening crop and few people to do the harvest.

Fearing the loss of his crop, Mr. Rosendahl tried everything he could to recruit workers. He took out radio and newspaper ads. He put signs along the highways, and called the employment development department. But on the best day, he was only able to get 70 workers out of the 300 needed. And many of these 70 were illegal aliens.

On the surface, it would appear that Mr. Rosendahl should have been able to get the help he needed. At the time, there were 25,000 persons unemployed in this county. This figure represents 8.6 percent of the total work force, and does not include the elderly, disabled, sick, and the hard-core unemployed. The number represents simply those who are able bodied and supposedly willing to work. There were at the same time, 59,000 persons receiving food stamps, most of whom were able bodied. Furthermore, the work was not difficult, required no training and yielded the average worker $7.20 an hour. Yet for some reason, the unemployed were not interested, and Mr. Rosendahl lost over half of his crop.

But agriculture is not the only industry which has difficulty finding workers. In the past, the California Employment Development Department has issued quarterly reports predicting labor supply and demand. While these are only predictions, the reports usually prove to be very accurate. Their last report, covering the last quarter of 1981, predicted that in most metropolitan areas there would be a need for workers to fill slots which required little or no skills. Many of these areas also experienced high unemployment over the same period.

For example, Monterey had 10.6 percent unemployment in the last quarter of 1981 while there was expected to be a strong demand for waiters and waitresses, chambermaids, short-order cooks, and kitchen helpers. The strong demand, of course, indicates a shortage of persons willing to work in these low-skilled, low-status jobs.

Sacramento, our State capital, had 9.6 percent unemployment over the period. Yet there was demand for persons to work as grocery cashiers, telephone solicitors, cooks, kitchen helpers, and home service workers. San Diego had 7.7 percent unemployment while there was a shortage of persons willing to be waiters and waitresses, stock clerks, and kitchen helpers.

These are only some examples. There are other areas as well which had high unemployment at the same time that there were jobs that people were not willing to fill. In fact, almost every metropolitan area listed in the report was predicted to have a need for persons to fill some positions which required little or no skills.

I find it hard to believe that voluntarily unemployed persons exist only in California. A study recently done in Baltimore had some interesting results. This study, published in the Federal Reserve Bank of Richmond Economic Review, looked at the long-term unemployed; people unemployed for 6 months or more. The study found that "almost half (43.4 percent) of those surveyed acknowledged that they would not accept some of the jobs available to them." In fact 35 percent of the respondents thought that they could get a job but would not want it because it either "paid too little, was menial, was too demanding physically, or was simply not of the respondent's liking." And 48.9 percent of those surveyed thought they would be successful in finding a job if they actively looked, and an additional 15.3 percent thought that they would have at least a fair chance. In general, the study concludes, the responses "indicate that a number of unemployed workers could get some sort of job, yet chose instead to remain unemployed." My guess is that this study could be repeated in any number of American cities.

These examples show that there are jobs in our country which go unfilled. If many people find this unsettling, it is understandable. We assume that unemployed Americans would prefer working to living on welfare. But for many unemployed, the voluntarily unemployed, this apparently is not the case.

Every year, the Government spends literally billions of dollars through various programs to support the voluntarily unemployed. However, I believe that support of persons who are not willing to help themselves is a luxury we simply cannot afford, especially in these difficult economic times.

For too long, we have neglected the millions of working Americans who have been forced to support those who don't want to work or are not willing to take jobs which they feel are beneath them. For too long, we have forgotten the millions of working Americans whose parents, grandparents, or great-grandparents came to this country and toiled away their lives at the less desirable jobs in society in order to survive and to gain a foothold in society for their families. For too long, we have forgotten the taxpayers who now work in low-status jobs. How can we ask all these people to give their money to assist persons who are not willing to take available jobs? It should not be the role of government to support with tax dollars the voluntarily idle, especially those who are just waiting around to find the job which they believe "fits them." Through my legislation, we can clarify the Government's role, and in the process, save the taxpayer what CBO estimates to be as much as $1.5 billion annually.

To some, the idea of removing the voluntarily unemployed from the food stamp program may seem to lack compassion. However, I believe it is the other way around. The Government is lacking compassion by encouraging people to remain idle. Very often, people turn down low-paying jobs because it makes more sense financially to be on assistance.

The disincentives of the welfare system are well documented. In the Baltimore study cited above, 11.8 percent of those long-term unemployed surveyed indicated that they had declined a job because of low pay, and a much larger percentage indicated that they had a reservation wage higher than the minimum wage. According to studies done in Seattle and Denver in the 1970's (the Seattle and Denver income maintenance experiment), family members who were provided a guaranteed income over a 5-year period reduced their work efforts "by amounts ranging from 11.4 percent in the case of husbands to 25.3 percent in the case of wives to 55 percent in the case of some male nonheads of households."

Charles Hobbs, in his book the Welfare Industry, calculated that in a base year, the typical welfare family of four received cash and in-kind welfare benefits equivalent to an amount slightly higher than the median family income in that year. In the 1960's Leonard Hausman, of Brandeis University did a study which showed that an increase in welfare payments "from $82 to $162 caused a decline of over 36 percent in market work effort." And a more recent study done by Irwin Garfinkel of the University of Wisconsin concluded that the average employment rates of welfare mothers "decreased by about 4.5 percent as the annual guarantee in Government support increased by $1,000."

I recently had the food stamp division of the California State Department of Social Services perform an analysis for me evaluating the resources available to an average welfare household of four. The results of this analysis indicate that it makes more sense for the wage earner of the household to stay home than to work a minimum wage job full time.

If the wage earner is unemployed, then he or she is eligible to receive monthly $601 in AFDC—aid to families with dependent children—and $90 in food stamps. This gives the household a total net monthly income of $691.

However, if this parent worked a minimum wage job 40 hours a week, then his or her gross pay would be $589 per month. From the $589 we would have to subtract the expenses a working parent would incur. According to the department of social services, transportation costs would be at least $24 a month, and the withholding taxes which would be deducted from the parent's paycheck would amount to $54. Also, as most families in this income range would, according to the department, send their children to a day care center, there would be this additional expense. The department estimates that the cost of day care for three children, would be at the least, $195 a month.

After these expenses are taken into account, the parent is left with $316. Both then we must add in his or her allotment of government assistance. AFDC would come out to be $87 a month and food stamps would be $122 a month. This would leave the household of a working parent with a net income of $525 a month, which is $166 less than the net income for the household of the unemployed person. Even if the working parent did not incur any child care expenses, there would still only be a $29-a-month incentive for the parent to go to work.

When it makes more sense to sit home rather than work at a low-paying job, it is easy for a person to become dependent on public assistance. It is easy for the involuntarily unemployed to become voluntarily idle, and easy for the voluntarily idle to remain so.

Once a person is unfortunate enough to become dependent on assistance, the welfare system sentences him or her to a life of economic squalor. Welfare becomes a way of life, the only life some of these people will know. Work and the work ethic, the basis for success in our society become foreign to them. By being unemployed, these persons lose the chance to gain the basic human dignity which is derived from being an earning, productive member of society. They lose the opportunity to gain the foothold so necessary for working one's way up the economic ladder. Their children grow up without having the example of a working adult before them. These children may even grow up with a poor self-image as they watch their friends' parents working while their own parents are idle. In these ways, the system denies people the opportunity to lift themselves and their families up into the mainstream of American society.

Our elaborate welfare system, in a sense, also denies many new immigrants the opportunities of our own forebears. Farmers in my State often joke about how they tend to lose their illegal workers once they become citizens. Of course, the fact that many of these workers quit and go on public assistance is no joke to either the farmers or the workers. These immigrants, like our own forebears, came to this country looking for better lives for themselves and their families. They knew that with a lot of hard work, and a little luck, they too, could have the opportunity to live the American dream. Yet through a system which encourages persons to sit at home rather than take low-paying jobs, our Government leads these new Americans into the welfare trap. While our own forebears had the incentives to do the work necessary to start up the economic ladder, today we provide disincentives for new immigrants to do the same.

We cannot simply stand back and watch our welfare system swallow up millions of Americans into the welfare trap. My proposal represents decisive and positive action by eliminating one of the disincentives which lead the unemployed into this trap.

My proposal, however, is in no way intended to affect those persons who are involuntarily unemployed, those who live in areas where there simply are no jobs. To assure that such persons are not removed from the program, my legislation gives the Secretary of Agriculture authority to waive my provision in counties or jurisdictions which have more than 10 percent unemployment or which are determined not to have enough jobs to fill the needs of the unemployed. In addition, my proposal is targeted at only the long-term unemployed. One's benefits are not cut off until 31 days after unemployment benefits run out. As most people receive unemployment compensation for 26 weeks, a person would have over 7 months to find a job before losing eligibility in the food stamp program. For those who do not qualify for unemployment assistance, benefits are lost only after 60 days of unemployment.

There are those who might say that my proposal could lock a skilled worker into a low-paying job. After 7 months of being laid off, a skilled worker would have to take any job available to remain eligible for food stamps. Once in this job, the logic follows, the person would not have the time to look for a job in which he could utilize his skills. However, my legislation squarely addresses this problem. In order to remain eligible for food stamps, a person has to work only part time—20 hours a week, leaving ample time for a thorough job search.

Some persons may contend that my legislation is bad politically in these times of high unemployment. While I am not known to base my actions on what is good or bad for my political career, I believe that the current unemployment situation makes my proposal even better politically. My proposal seeks to remove the long-term voluntarily unemployed from the program, not those people who have suddenly become unemployed and honestly want to work. If we remove the long-term voluntarily unemployed from the program, then there will be enough savings to assure that minimal cuts are made in benefits received by those truly needy—including those who simply cannot find work. In addition, we can help protect the new involuntarily unemployed from falling into the welfare trap where they could join the thousands and thousands of persons tied into lives with no future.

My proposal will also help make the food stamp program more acceptable to the public. It seems as if we discuss food stamps every year. This is partly because the program has such a poor image. My proposal will address one of the problems which help give this program such a bad image. By improving the image of the program through proposals such as mine, we can insure that the integrity of this program is preserved and that benefits continue to flow to those who cannot help themselves.

Mr. President, the legislation which I am introducing today provides this body with some excellent opportunities. By removing the long-term voluntarily unemployed from the food stamp program, we can move the program closer to its proper function of helping only the truly needy and assure the program's integrity. We can remove one of the incentives for the unemployed to remain out of work, and in this way, both close off one of the doors into the welfare trap, and increase the productivity of the Nation. We can achieve significant budgetary savings. And we can assure the public that we do not intend to use their money to subsidize able-bodied persons who are not willing to help themselves.

ADDITIONAL COSPONSORS

S. 479

At the request of Mr. Robert C. Byrd, the Senator from Montana (Mr. Baucus), the Senator from Nevada (Mr. Cannon), and the Senator from Arkansas (Mr. Bumpers) were added as cosponsors of S. 479, a bill to designate the first Sunday in June of each year as "National Shut-In Day."

S. 603

At the request of Mr. Zorinsky, the Senator from Iowa (Mr. Jepsen) was added as a cosponsor of S. 603, a bill to amend title 17 of the United States Code to exempt nonprofit veterans' organizations and nonprofit fraternal organizations from the requirement that certain performance royalties be paid to copyright holders.

S. 1782

At the request of Mr. Weicker, the Senator from California (Mr. Hayakawa) was added as a cosponsor of S. 1782, a bill to amend section 305 of the Federal Property and Administrative Services Act of 1949 pertaining to contract progress payments made by agencies of the Federal Government, providing for the elimination of retainage in certain instances, and for other purposes.

S. 1929

At the request of Mr. Burdick, his name was withdrawn as a cosponsor of S. 1929, a bill to amend the Public Health Service Act and the Federal Cigarette Labeling and Advertising Act to increase the availability to the American public of information on the health consequences of smoking and thereby improve informed choice, and for other purposes.

S. 2000

At the request of Mr. Dole, the Senator from Rhode Island (Mr. Pell) was added as a cosponsor of S. 2000, a bill to amend title 11, United States Code, to establish an improved basis for providing relief under chapter 7, and for other purposes.

S. 2001

At the request of Mr. Hatch, the Senator from Wisconsin (Mr. Kasten) was added as a cosponsor of S. 2001, a bill to amend the Lanham Trademark Act to prohibit any State from requiring that registered trademark be altered for use within such State and to encourage private enterprise with special emphasis on the preservation of small business.

S. 2127

At the request of Mr. Cohen, the Senator from Pennsylvania (Mr. Heinz) was added as a cosponsor of S. 2127, a bill to revise the procedures for soliciting and evaluating bids for Government contracts and awarding such contracts, and for other purposes.

S. 2147

At the request of Mr. DeConcini, the Senator from Arizona (Mr. Goldwater) was added as a cosponsor of S. 2147, a bill to require amendment of the Internal Revenue Code of 1954 to provide a simple income tax with low marginal rates and to require the Secretary of the Treasury to propose legislation to establish such an income tax.

S. 2226

At the request of Mr. Lugar, the Senator from Vermont (Mr. Leahy), the Senator from West Virgina (Mr. Randolph), the Senator from Minnesota (Mr. Durenberger), the Senator from West Virginia (Mr. Robert C. Byrd), and the Senator from Florida (Mr. Chiles) were added as cosponsor of S. 2226, a bill to amend the National Housing Act to provide for emergency interest reduction payments and for other purposes.

S. 2360

At the request of Mr. Warner, the Senator from Idaho (Mr. McClure), and the Senator from Texas (Mr. Tower) were added as cosponsor of S. 2360, a bill to provide that States may enter agreements with the United States under which the State will retain a portion of the Federal unemployment tax for the purposes of administering the unemployment compensation program and the employment service program as currently provided under Federal Law, to allow States to retain unemployment compensation funds in State-managed funds, and for other purposes.

S. 2459

At the request of Mr. Stafford, his name was withdrawn as a cosponsor of S. 2459, a bill to strengthen certain national resources, facilities, and services for deaf-blind individuals and other handicapped individuals, and for other purposes.

S. 2466

At the request of Mr. Hatch, the Senator from Pennsylvania (Mr. Heinz) was added as a cosponsor of S. 2466, a bill to amend the Tariff Schedules of the United States to provide for rates of duty on imported roses consistent with those maintained by the European Economic Community on imports of roses from the United States and other nations.

S. 2512

At the request of Mr. Levin, the Senator from Tennessee (Mr. Sasser) was added as a cosponsor of S. 2512, a bill to extend the deadline for enrolling in college in order to qualify for student benefits under the Social Security Act, to provide that the amount of unnegotiated social security checks shall be returned to the social security trust funds, and for other purposes.

SENATE JOINT RESOLUTION 58

At the request of Mr. Hatch, the Senator from Nevada (Mr. Cannon) was added as a cosponsor of Senate Joint Resolution 58, a joint resolution proposing an amendment to the Constitution altering Federal fiscal decisionmaking procedures.

SENATE JOINT RESOLUTION 190

At the request of Mr. Burdick, the Senator from Nebraska (Mr. Zorinsky), the Senator from Illinois (Mr. Dixon), the Senator from Mississippi (Mr. Cochran), the Senator from North Dakota (Mr. Andrews), the Senator from Florida (Mr. Chiles), the Senator from Minnesota (Mr. Durenberger), and the Senator from Alabama (Mr. Heflin) were added as cosponsors of Senate Joint Resolution 190, a joint resolution to authorize and request the President to designate "National Family Week."

SENATE CONCURRENT RESOLUTION 89

At the request of Mr. Glenn, the Senator from West Virginia (Mr. Robert C. Byrd) was added as a cosponsor of Senate Concurrent Resolution 89, a concurrent resolution expressing the sense of Congress that the U.S. Fire Administration should continue to make arson research and training an important and integral part of its mission and continue to support the antiarson and fire safety efforts of States and localities in order to reduce lives and property damage lost by fire and arson.

SENATE RESOLUTION 354

At the request of Mr. Exon, the Senator from Arkansas (Mr. Bumpers), and the Senator from Texas (Mr. Bentsen) were added as cosponsors of Senate Resolution 354, a resolution expressing the sense of the Senate with respect to an immediate resumption of negotiations with the Government of the Soviet Union for an extension of the existing long-term grain sales agreement, and for other purposes.

AMENDMENT NO. 1354

At the request of Mr. Jackson, the Senator from New Jersey (Mr. Bradley) was added as a cosponsor of amendment No. 1354 intended to be proposed to S. 2332, a bill to extend the expiration date of section 252 of the Energy Policy and Conservation Act.

AMENDMENT NO. 1397

At the request of Mr. Mitchell, his name was added as a cosponsor of amendment No. 1397 proposed to S. 2248, a bill to authorize appropriations for fiscal year 1983 for procurement, for research, development, test, and evaluation, and for operation and maintenance for the Armed Forces, to prescribe personnel strengths for the Armed Forces and for civilian personnel of the Department of Defense, and for other purposes.

AMENDMENT NO. 1441

At the request of Mr. Robert C. Byrd, his name was added as a cosponsor of amendment No. 1441 proposed to S. 2248, a bill to authorize appropriations for fiscal year 1983 for procurement, for research, development, test, and evaluation, and for operation and maintenance for the Armed Forces, to prescribe personnel strengths for the Armed Forces and for civilian personnel of the Department of Defense, and for other purposes.

At the request of Mr. Hayakawa, the Senator from Alabama (Mr. Denton), the Senator from Wyoming (Mr. Wallop), the Senator from Louisiana (Mr. Long), the Senator from South Carolina (Mr. Thurmond), the Senator from New Hampshire (Mr. Humphrey), the Senator from North Carolina (Mr. East), the Senator from Idaho (Mr. McClure), the Senator from Idaho (Mr. Symms), the Senator from Arizona (Mr. DeConcini), the Senator from Indiana (Mr. Quayle), the Senator from Iowa (Mr. Jepsen), and the Senator from New Hampshire (Mr. Rudman) were added as cosponsors of amendment No. 1441 proposed to S. 2248, supra.

At the request of Mr. Mattingly, the Senator from West Virginia (Mr. Randolph), and the Senator from Texas (Mr. Bentsen) were added as cosponsors of amendment No. 1441 proposed to S. 2248, supra.

SENATE CONCURRENT RESOLUTION 95—CONCURRENT RESOLUTION RELATIVE TO CHEMICAL WEAPONS

Mr. COCHRAN submitted the following concurrent resolution; which was referred to the Committee on Foreign Relations:

S. Con. Res. 95

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that the President should—

(1) promote actively negotiations among the member countries of the ad hoc working group on chemical weapons of the Committee on Disarmament, established by the United Nations General Assembly and meeting in Geneva, Switzerland, for the purpose of drafting a treaty for the complete and effective prohibition of the development, production, and stockpiling of all chemical weapons and on their destruction; and

(2) communicate to the Government of the Union of Soviet Socialist Republics the willingness of the Government of the United States to proceed immediately with bilateral negotiations for the purpose of concluding such a treaty.

Sec. 2. The Secretary of the Senate shall transmit a copy of this concurrent resolution to the President.

Mr. COCHRAN. Mr. President, I am today submitting a concurrent resolution that addresses the issue of a comprehensive treaty to ban chemical weapons.

This concurrent resolution recognizes the long-standing policy of the United States in support of a ban on chemical weapons. Since the Geneva Protocol of 1925, the United States has taken a leadership role in behalf of negotiating such a treaty. In view of the President's recent indication of his willingness to negotiate an arms control agreement with the Soviet Union, I feel it is appropriate at this time that the Congress encourage and commend his efforts. I also feel that we should take every opportunity to point up the need for a ban on chemical weapons and our support for the negotiating efforts of the administration to move forward toward a treaty on chemical weapons.

The concurrent resolution I am submitting today would express the sense of the Congress that the President should actively promote negotiations within the multilateral forum of the Committee on Disarmament at Geneva, and that he should express to the Soviet Union the willingness of our Government to enter into bilateral negotiations to conclude a treaty banning chemical weapons.

During consideration of the Defense authorization bill, I will offer this concurrent resolution in the form of an amendment. Whether or not the Congress authorizes the production of the new binary form of chemical weapons, I believe that the United States should continue to exercise leadership in behalf of a treaty to ban chemical weapons.

SENATE CONCURRENT RESOLUTION 96—CONCURRENT RESOLUTION RELATING TO NUCLEAR SUPPLIER EXPORT CONTROLS

Mr. GLENN submitted the following concurrent resolution; which was referred to the Committee on Foreign Relations:

S. Con. Res. 96

Whereas the proliferation of nuclear weapons is a threat to the security of every nation in the world;

Whereas the International Atomic Energy Agency (IAEA) safeguards inspection system was created to verify that nuclear facilities in non-nuclear-weapon states are used strictly for peaceful purposes;

Whereas a number of non-nuclear-weapon states do not permit full-scope safeguards, that is, IAEA inspections of all their nuclear facilities;

Whereas only Canada, Australia, and the United States now require full-scope safeguards as a condition of exports of nuclear fuel and equipment;

Whereas certain other supplier nations have from time to time indicated that they would impose the same restrictions on their nuclear exports provided all other suppliers agree to take the same steps;

Whereas the United States has traditionally taken a leading role in developing agreement to control the spread of nuclear weapons;

Whereas on July 16, 1981, the President stated that the United States will continue "to seek agreement on requiring IAEA safeguards on all nuclear activities in a non-nuclear-weapon state as a condition for any significant new supply commitment";

Whereas on July 17, 1981, the Senate, without dissenting vote, passed Senate Resolution 179, calling on the President to implement a series of important initiatives to strengthen the international non-proliferation regime;

Whereas such initiatives are still needed, including consultations on an urgent basis with other nuclear supplier nations to limit nuclear transfers only to non-nuclear-weapon states which have accepted full-scope safeguards;

Whereas on July 17, 1981, the House of Representatives, without dissenting vote, passed House Resolution 177, calling on the President to take a number of significant steps to strengthen the political, institutional, and technical barriers against the spread of nuclear weapons; and

Whereas such steps are still needed, including the need to achieve restraint on the part of nuclear supplier nations: Now, therefore, be it

Resolved, by the Senate (the House of Representatives concurring) That—

(1) The Senate and the House of Representatives, respectively, reaffirm S. Res. 179 and H. Res. 177; and

(2) the President, as an initial step toward implementing such resolutions, should urgently seek at the Versailles Economic Summit Conference and through other appropriate channels to obtain agreement from all nuclear supplier nations that they will export nuclear fuel, equipment, and technology only to those non-nuclear-weapon states that have accepted full-scope safeguards of the International Atomic Energy Agency.

NUCLEAR SUPPLIER EXPORT CONTROLS

Mr. GLENN. Mr. President, the first anniversary of Israel's sudden attack on Iraq's Osirak reactor outside Baghdad will be upon us in barely a few weeks, on June 7. I have no need to reiterate to my colleagues the deep concern which that attack provoked throughout the world not only with respect to a possible conflict in the Middle East, but also with respect to the terrible threat posed by the spread of nuclear weapons to additional nations.

As my colleagues will recall, the Senate Foreign Relations Committee held extensive hearings on the Israeli raid. While many opinions were voiced as to whether the raid was justified in view of the threat posed by Iraq's nuclear program, I think it is fair to say that one point became clear to all of us studying this problem. This was the fact that the international nonproliferation regime urgently needed to be strenghtened in a number of important respects. It became clear that supplier restraint in transferring sensitive nuclear technology capable of producing weapons-usable materials required much stricter enforcement and that loopholes in the list of covered technologies needed to be closed.

It also became clear that the safeguards and inspections implemented by the International Atomic Energy Agency required considerable upgrading and that their coverage needed to be expanded. Finally, it was evident that U.S. nonproliferation policy on international restrictions over dangerous nuclear trade had to be clarified and that early discussions with other nuclear supplier nations on these matters were vitally important. During the course of these hearings I submitted a resolution calling on the President to take immediate action to achieve these and other essential improvements in the international nonproliferation regime. That resolution, Senate Resolution 179 was agreed to without a dissenting vote on July 17, 1981, the same day as the House, also without dissenting vote agreed to a similar resolution, House Resolution 177, calling on the President to strengthen international barriers against the spread of nuclear weapons.

Mr. President, the timing of these actions by the House and by the Senate overwhelmingly urging the President to take firm action on the nonproliferation front in conjunction with other supplier nations was especially important. As the legislative history of these resolutions makes clear, it was the intent of both Houses to encourage the President in the strongest possible manner to bring up the question of enhanced nonproliferation controls with the other Western nuclear supplier countries at the Ottawa economic summit conference which began 2 days later on July 19. Surely, given the dramatic events of the previous month, there could hardly have been a more opportune occasion for seeking agreement among the parties involved on these matters.

To my deep regret, however, President Reagan and his counterparts apparently spent little time, if any, on this matter so vitally important to world peace. The most positive proof of the low priority that nonproliferation matters received can be seen from the text of the concluding communique of the conference: Nonproliferation is barely mentioned, and then only in paragraph 32 (out of 38) in the context of a joint statement about nuclear energy. The wording of this paragraph is instructive because it shows that nonproliferation was not even considered a matter of importance in its own right, but merely a subject of concern because it might adversely affect public attitudes toward nuclear energy use within the nations participating at the summit conference. Here is what the communique said:

> (32) In most of our countries progress in constructing new nuclear facilities is slow. We intend in each of our countries to encourage greater public acceptance of nuclear energy, and respond to public concerns about safety, health, nuclear waste management, and nonproliferation. We will further our efforts in the development of advanced technologies, particularly in spent fuel management.

To think that the Israeli raid, which dominated the headlines for weeks and triggered overwhelmingly supported expressions of congressional concern over the need to strengthen the international nonproliferation regime should result in so meager a statement from the Ottawa Conference is appalling.

Mr. President, additional evidence has come to light recently which further demonstrates the low priority that the Reagan administration gave to nonproliferation concerns at the Ottawa Summit. In recent testimony before the Senate Permanent Subcommittee on Investigations, it was revealed that at the summit meeting, the President discussed the export of sensitive technologies with our allies. The focus of these discussions was not, however, the improvement of international proliferation controls, but rather the tightening of the rules on the transfer of technology to the Soviet Union. While this subject is, to be sure, an important one, the fact that secret high level meetings were held with the key suppliers on this issue, but not on the issue of nonproliferation controls constitutes a serious failure in the conduct of American foreign policy.

On June 4–6, 1982—literally on the eve of the anniversary of the Israeli raid—President Reagan will attend another summit conference with our major allies at Versailles. Once again, he will have the opportunity to raise at the highest level the urgent need to strengthen the barriers against the spread of nuclear weapons. I believe the Congress should go on record once again urging the President to undertake the negotiations in this field that are so badly needed. This is the purpose of the resolution that I am submitting today, and which is being submitted in the House by Congressman Bingham.

The resolution has two principal elements. First, it explicitly reaffirms Senate Resolution 179, so as to leave absolutely no doubt as to the Senate's strong views in this area. Second, the resolution identifies one specific recommendation from last year's resolution—that the President seek agreement among other supplier countries that nuclear exports will be made only to those non-nuclear-weapon states that have accepted full-scope safeguards—as a first objective in negotiations on nonproliferation that the President is called upon to initiate at the Versailles Summit meeting.

My resolution seeks to underscore the urgency of the problem and to provide the President with a discrete, crystallized negotiating issue for his upcoming meeting. Because my resolution is, thus, a reiteration of action

previously taken by the Senate, I have every expectation that it will be promptly considered by the Senate Foreign Relations Committee and that a vote on the Senate floor will be possible well before the time of the Versailles Summit.

Besides reendorsing the importance of further limitations on transfers of sensitive nuclear equipment, materials, and technology, and improving the system of international safeguards, my resolution singles out gaining agreement with other supplier nations on establishing full-scope safeguards as an export criterion for several reasons. First, getting adherence to full-scope safeguards by nations around the world has been a longstanding objective of U.S. foreign policy and would directly address the proliferation risks in a number of key countries.

If all the suppliers could agree that these nations would receive nuclear technology only after they allowed international inspections on all of their nuclear facilities, the risk of these nations pursuing nuclear weapons programs through unsafeguarded, indigenously built facilities could be greatly reduced. Second, gaining supplier acceptance for this export criterion is by no means a farfetched objective. From time to time, there have been strong indications from a number of suppliers that they would accept this export criterion if it were universally adopted. Canada, the United States, and Australia have already made it a part of their nonproliferation control system, and at the 1980 Nonproliferation Treaty Review Conference additional supplier countries appeared favorably disposed toward this option.

Finally, as my resolution states explicitly in its preamble, gaining supplier country acceptance of full-scope safeguards as an export criterion is already a policy objective of the Reagan administration, as articulated last year in the President's policy statement on nuclear proliferation. Thus, my proposal is aimed at achieving widespread bipartisan congressional and Presidential support for this key objective.

AMENDMENTS SUBMITTED FOR PRINTING

FIRST CONCURRENT RESOLUTION ON THE BUDGET

AMENDMENT NO. 1447

(Ordered to be printed and to lie on the table.)

Mr. HEINZ submitted an amendment intended to be proposed by him to the concurrent resolution (S. Con. Res. 92) setting for the recommended congressional budget for the U.S. Government for the fiscal years 1983, 1984, and 1985, and revising the congressional budget for the U.S. Government for the fiscal year 1982.

(The remarks of Mr. Heinz on this amendment and the text of the amendment appear earlier in today's Record.)

DEPARTMENT OF DEFENSE AUTHORIZATION, 1983

AMENDMENT NO. 1448

(Ordered to be printed and to lie on the table.)

Mr. JACKSON. (for himself, Mr. Gorton, Mrs. Kassebaum, Mr. Eagleton, Mr. Danforth, Mr. Symms, Mr. Melcher, Mr. Wallop, Mr. Proxmire, Mr. Dole, Mr. Dodd, Mr. D'Amato, Mr. Moynihan, Mr. Pell, Mr. Mathias, and Mr. Burdick) submitted an amendment intended to be proposed by them to the bill (S. 2248) to authorize appropriations for fiscal year 1983 for procurement, for research, development, test, and evaluation, and for operation, and maintenance for the Armed Forces, to prescribe personnel strengths for the Armed Forces and for civilian personnel of the Department of Defense, and for other purposes.

NOTICES OF HEARINGS

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. McCLURE. Mr. President, I would like to announce for the information of the Senate and the public that hearings will continue on S. 2305, the Federal Energy and Mineral Resources Act of 1981, on Monday, May 17, beginning at 10 a.m. in room 3110 of the Dirksen Senate Office Building. Testimony will be received from administration witnesses.

For further information regarding this hearing you may wish to contact Mr. Gary Ellsworth of the committee staff at 224-7146.

SUBCOMMITTEE ON AGRICULTURAL PRODUCTION, MARKETING, AND STABILIZATION OF PRICES

Mr. COCHRAN. Mr. President, I wish to announce that oversight hearings on the Federal crop insurance program have been scheduled before the Senate Agriculture Subcommittee on Agricultural Production, Marketing, and Stabilization of Prices. The hearings will be held on Thursday and Friday, May 20 and 21, beginning both days at 10 a.m. in room 324, Russell Building.

The subcommittee has invited witnesses to testify on the effectiveness of the marketing of the program, general producer attitude toward the program, and the adequacy and cost of the coverage.

Anyone wishing further information should contact Denise Alexander of the Agriculture Committee staff at 224-2035.

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON SECURITY AND TERRORISM

Mr. BAKER. Mr. President, I ask unanimous consent that the Subcommittee on Security and Terrorism, of the Judiciary Committee, be authorized to hold a hearing during the session of the Senate at 10 a.m. on Wednesday, May 12, to consider S. 1959 and S. 1963, regarding the transfer of responsibility for the receiving of notification from foreign agents from the Department of State to the Department of Justice.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. BAKER. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Wednesday, May 12, at 10 a.m., to hold a business meeting to consider pending calendar business.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

SUBCOMMITTEE ON CONGRESSIONAL OPERATIONS AND OVERSIGHT

Mr. BAKER. Mr. President, I ask unanimous consent that the Subcommittee on Congressional Operations and Oversight, of the Committee on Governmental Affairs, be authorized to meet during the session of the Senate at 9 a.m. on Thursday, May 13, to hold an oversight hearing on oversight of the Consumer Price Index.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. BAKER. Mr. President, I ask unanimous consent that the Judiciary Committee be authorized to hold a full committee hearing on S. 2419, a bill to amend title 28 of the United State Code, regarding venue, during the session of the Senate at 1:30 p.m. on Thursday, May 13.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

ADDITIONAL STATEMENTS

LOCAL CONTENT LEGISLATION FOR THE AUTO INDUSTRY

● **Mr. HART.** Mr. President, many industries have been hurt by the current recession, but few have suffered as severely as our auto industry. The domestic auto industry is in a depression, affecting entire States and regions of our Nation.

The statistics are alarming. In January of this year, the industry utilized only 43.6 percent of its productive capacity—the lowest rate ever measured for any industry. Auto sales in 1981 were off by 32 percent from sales in 1978, the industry's last healthy year.

In fact, sales are at their lowest level in 20 years, and car production is lower than at any time since February of 1952. Naturally, these figures produce economic troubles for auto suppliers as well.

The most disturbing effect of the current recession is on auto industry jobs. Over 750,000 workers have lost their jobs, resulting in revenue losses and unemployment compensation increases which total $25 billion. Adverse economic conditions, along with the rising market share of imported autos, presage further reductions in employment in the future. By 1985, employment in the domestic auto industry is expected to decline by 800,000 jobs, with 400,000 of those losses coming from the auto supplies industry.

The recession is also undermining long-range efforts to preserve the United States as the world's leading auto producer. Drawing on working capital to meet enormous losses, companies have had to shelve ambitious investment plans. Japanese automakers now have 25 percent of our domestic market; the total import share is over 30 percent. If something is not done soon, we might be importing 25 percent of our parts by 1985, and 35 percent by 1990.

Because of the conditions I have described, "local content" legislation has been introduced in the House and Senate to promote the important goals of stimulating foreign automakers to build their plants near their markets, as well as keeping American companies from sending work—and jobs—to other countries.

Under these bills, rigorous domestic content requirements would be imposed over a 3-year period for vehicle manufacturers that sell over 100,000 vehicles in the United States. After 1984, vehicle manufacturers would have to meet prescribed minimum domestic content percentages for their U.S. fleet: Those selling 100,000-150,000 vehicles must include a 25-percent United States/Canadian content; 150,000-200,000, 50 percent; 200,000-500,000, 75 percent; and over 500,000 vehicles, 90 percent.

Given the current state of the auto industry, such legislation deserves serious study. A strong and healthy auto industry is critical to our industrial recovery. A strong auto industry is critical because of employment, development of technology, and links to other industries. The domestic automakers, for example, buy 21 percent of all the steel produced in this country, and 60 percent of all synthetic rubber. Even in the disastrous year of 1981, the industry employed nearly 2.2 million workers. In fact, no postwar recovery from a recession has generated sufficient momentum without major support from our auto industry.

The United Auto Workers have estimated that local content legislation will create 868,000 jobs in the auto and auto-suppliers industries by 1985. Many of these jobs would go to minority workers now laid off by the recession.

Supporters of the local content legislation argue that the free market approach is not working. Many of our foreign competitors have intervened at crucial stages to assist their ailing auto industries. A few nations have long had local content requirements for automobiles.

Local content advocates are also concerned that a growing economy may not be sufficient to revive the ailing auto industry. Also limited commitments to restrain imports cannot provide the basis for long-term stability.

Our goal as a nation must be to guarantee the survival of a modern automobile industry. A variety of steps can be and must be taken to achieve that goal. If all else fails, however, local content must be kept in abeyance as a last resort.

Local content rules must not result in increased trade barriers. Such legislation should not encourage our competitors to adopt similar rules to protect their ailing industries. It must not risk triggering retaliation against U.S. exports. This scenario must not replicate the 1930's "Begger-Thy-Neighbor" policies which accounted in part for the worldwide depression. Moreover, local content rules must not violate the international obligations we have sworn to uphold as part of GATT.

American automakers are undergoing major efforts to adjust their methods to changing world conditions. Local content rules must be fashioned so as not to be inconsistent with the more efficient production techniques inherent in the new world trade in parts.

Local content laws should also be designed so as not to raise the prices of cars, adding to inflationary pressures throughout the economy.

The short-term gains of local content legislation are considerable and, under the direct circumstances, may be necessary. But the industry and the autoworkers would be better served by long-term approaches that successfully integrate our industrial strengths with the needs of a changing world.

Local content legislation is not an easy issue. It demands further study and debate. As we do so we must focus on ways to find jobs for those hit by the current recession—and to solve the fundamental problems ailing the auto industry.

No one idea can serve as a panacea. Only a comprehensive approach can restore the health of our automakers. In the short run, the Federal Reserve Board should expand the money supply to lower interest rates, encourage investment, and allow people to buy cars. To aid the jobless, full funding for job services should be restored, as well as an expansion in unemployment insurance. But general macroeconomic policy is not sufficient. We also need policies, such as restructuring corporate taxes to allow for expansion, and offering a new capacity stock to finance new investment, that will rebuild our industrial base.

We need to fight protectionist practices of foreign nations so that our companies can effectively compete in foreign markets. We also should do a better job of promoting the sale of our auto supplies abroad, and as replacement parts for imported cars at home.

There may be different views on how to revitalize our auto industry. But there should be no disagreement that a strong and revitalized auto industry is in our national interest. Our task now is to develop a program that will allow us to compete successfully—and to find jobs for our workers—in the 1980's and beyond.●

NATIONAL SMALL BUSINESS WEEK

● Mr. CANNON. Mr. President, I want to take this opportunity to join with many of my colleagues in recognition of National Small Business Week, which has been proclaimed for the week of May 9 through 14. I feel it is most fitting that we salute small businesses because they are the backbone of our economy.

The vast majority of new jobs which are created come through the small business community. An encouraging percentage of these businesses are minority owned and women owned. Studies have also shown that many new inventions are generated at the small business level. Thus, it is important that a climate for the continued viability and strength of small businesses be a focus of Federal policies.

I wish it were possible to report that the small businesses of my State of Nevada are in good shape. Unfortunately, this economic bloc has been the hardest hit by the recent past history of unprecedented high interest rates. A small business is simply not in a position, generally, to weather the squeeze created by these high rates of interest. It is a sad development that bankruptcies are running at very high levels and that most of these bankruptcies are of small businesses. Our record levels of unemployment reflect the impact of these bankruptcies. It is imperative that the projected budget deficits be significantly reduced, sending a signal to financial markets that pressure on available capital will abate. Only in this way will these killing interest rates come down. No other signs of upturn in the economy will substitute for a reduction in interest

rates as a way of restoring confidence and vigor in the small business community. And no other signs of upturn will last long if the small business community continues to falter.

If we can provide the right climate for the small business community, unemployment will fall, productivity will increase, and the whole economy will benefit. The small business community can lead us out of the current stagnant situation.

I hope this recognition of the vital role of small business men and women will stimulate our best efforts to assist them in the upcoming budget debate. Hopefully, our recognition of small businesses will last through the months ahead and not just during National Small Business Week.

I would also like to take a moment to pay tribute to Nevada's Small Businessman of the Year, Mr. Donald M. Gadsby. Mr. Gadsby is president of Precision Rolled Products, Inc., of Reno, Nev. This metal bar specialty firm was started in 1975 in Pennsylvania and moved to the Reno area in 1979. Its high quality products have produced sales exceeding $20 million by 1981. It has provided employment and economic stimulus, as well as a product vital to many other industrial activities. It is a typical small business venture so important to our economy, and Mr. Gadsby has demonstrated remarkable entrepeneurial skills in guiding his company to its present strong position.●

POLAND: DECLARE THE DEFAULT

● Mr. GARN. Mr. President, the crisis in Poland continues—the Polish people continue to fight for their political and economic freedom. On Friday, May 7, the Wall Street Journal printed an excellent analysis of the public uprising in Poland and the policy options now facing the United States, written by my good friend and colleague from Wisconsin, BOB KASTEN. BOB KASTEN is to be commended for the leadership he has provided on this issue, an issue I have also taken a great deal of interest in as chairman of the Senate Banking Committee. His article is timely, well written, and makes an important contribution to the current foreign policy debate. I commend the article to the attention of all my colleagues, and I ask that it be printed in the RECORD at this point.

The article follows:

[From the Wall Street Journal, May 7, 1982]

POLAND: DECLARE THE DEFAULT

(By Robert W. Kasten, Jr.)

Nearly five months have passed since the Soviet-backed imposition of martial law in Poland. Four thousand Poles have been detained without an accounting. Lech Walesa remains in confinement, movement toward democracy has been crushed and Stalinistic repression continues. Yet even the brutality of martial law can't stop the Poles from fighting for a say in the way their country is run.

Tens of thousands of demonstrators are openly defying the martial law authorities by staging pro-Solidarity rallies in the streets of Warsaw, Gdansk and other cities. Protest marches erupted in violence on May 3 when demonstrators were beaten and teargassed by riot police. Radio Solidarity continues to broadcast, and Solidarity activists will continue to press their demands for political and economic reform.

The U.S. can no longer stand idly by while the Polish people battle for political and economic freedom. We have been unable to persuade our NATO allies to join us in imposing tough sanctions against the Soviets and the Polish military regime. Many members of Congress now believe we have waited long enough. It is time for the U.S. to stand up for Poland by declaring the military government in default and cutting off credit to the Soviet bloc.

TRY TO BREAK DOWN COMMUNISTS

The crisis in Poland provides an unprecedented opportunity to hasten the breakdown of the Soviet Communist system. The bankruptcy of Poland, and the economic troubles of Romania and other Soviet-satellite countries, couldn't have come at a worse time for the USSR.

Analysts expect the prevailing world price for oil to stabilize at about $30 per barrel and stay there during 1982. That translates into a serious $6-per-barrel drop in oil sales revenue for the Soviet Union. Such a decline in oil prices could unsettle the Soviet economy at any time under any circumstances, but this year its impact is bound to be more severe because of other Soviet bad news: poor grain harvests for the past three years, a low world price for gold and weaker demand for Soviet goods due to the economic slowdown in the West.

If we cut off credit to the Soviet bloc, we will force the Russian leaders to pay the full price for the Communist system they have imposed on their own people and those of Eastern Europe. What we are witnessing is not the bankruptcy of Poland: It is the failure of the Soviet-style economy. A continuing supply of Western credit is shoring up this unworkable system, preventing necessary and fundamental economic reforms. The West has won the economic battle—why continue to pour money down the Communist sinkhole to subsidize the Soviet empire?

Yet our NATO allies seem eager to continue subsidizing East-West trade. U.S. Under Secretary of State James Buckley was essentially ignored when he traveled to Europe in quest of a tougher allied stance toward credits for the Soviet bloc. West Germany has approved $517 million in new Soviet export credits since Janaury, despite its denunciation of the Soviets for their role in the Polish crackdown. Construction of the Siberian natural-gas pipeline, which is being built with Western credits and which will supply the Soviets with approximately $8 billion a year in hard currency when completed, is going ahead as scheduled. As far as our allies are concerned, it's back to business as usual.

At the very least, what has happened in Poland should force us to reconsider the value of our trade and economic relationships with the Soviet bloc. Extending the benefits of expanded trade was supposed to depend on the Soviets' "good behavior." The Soviet Union has certainly benefited, using its East European allies as a conduit for Western goods and technology, essentially forcing those countries to absorb the hard currency debts that the Soviets would otherwise be compelled to pick up.

The Soviet gross national product is only 60 percent as large as ours, but the Soviet investment in arms has been much larger—exceeding the U.S. investment by 80 percent to 90 percent during the last five years. It's no coincidence this buildup occurred during "detente," when the West supplied the Soviet bloc an estimated $80 billion in credits.

U.S. SHOULD DO WHAT IS RIGHT

When Poland's debt payments were stretched out in April of last year, the NATO allies included a so-called "tank" clause, calling for a declaration of default in the event of "exceptional circumstances" such as internal repression. These "exceptional circumstances" have now occurred, and Poland has fallen behind in payments to almost all its Western creditors,. The trade that was intended to bind East to West "with hoops of gold" is binding our own hands instead.

The Polish government argues it cannot make payments on its debts to the West until we grant additional credits. It's fair to say that the pro-Solidarity marches taking place in Poland are one of the few things preventing some of our allies from jumping in. Western banks have yet to reschedule Poland's 1982 debts. They are waiting to see what position Western governments will take.

The current demonstrations could prove a turning point in Poland's political and economic crisis, and in U.S. foreign policy as well. Time after time—Czechoslovakia in 1968, Afghanistan in 1979—we have let ourselves become so worried about allied reaction to tough sanctions that we failed to do what was right. Now a new administration has a chance to reverse this foreign policy trend, to restore America's credibility, to weaken the Soviet economic system, to help the Polish people, to lead instead of following. Now is the time to declare Poland in default.●

LEADING AMERICAN NUCLEAR PHYSICIST ON THE NUCLEAR ARMS RACE

● Mr. CRANSTON. Mr. President, perhaps the most distinguished nuclear physicist in the United States today is Nobel Prize winner Hans Bethe, who has been involved in the U.S. nuclear weapons program since the Manhattan Project.

In a recent interview with Los Angeles Times staff writer Robert Scheer, Dr. Bethe spoke with force, conviction, and authority on several issues central to the current national arms control debate.

Key points made by Bethe are as follows:

On superiority:

There is no deficiency in armaments in the United States: we don't need to catch up to the Russians, if anything, the Russians have to catch up to us . . . . our military people know this, but they always talk about the vulnerability of our nuclear ICBMs, and never talk about those of the Soviets. The Russians are much more exposed to a possible first strike from us than we are to one from them.

On U.S. weakness:

We are repeating the mistake of 1960 when people talked about the missile gap. The missile gap did in fact, exist, but it was the other way around. We had lots of missiles and the Russians didn't. It took the Russians a decade before they caught up with us . . . . I believe we have repeated the missile gap story once more, and it is just as wrong as it was in 1960.

On the possibility of a Soviet first strike:

I don't think that either country is going to make a first strike because it is absolutely crazy to do so. But suppose there were a first strike from the Russians, and suppose they could destroy all our Minuteman missiles. It wouldn't make the slightest difference. Would we be defenseless? Not at all. We have the submarine force with an enormous striking power.

On arms control and the Reagan administration weapons buildup:

It is just paradoxical to build up your weapons and then have arms control. Any weapons buildup on our part is only an incentive to the Russians to do the same. So if we want reduction in armaments, let's reduce from our present position.

I applaud Dr. Bethe for his lucid, commonsense statements and I congratulate the Times and Mr. Scheer for the public service of publishing the reasoned interview with Dr. Bethe.

I commend this interview to my colleagues' attention and that its full text be printed in the RECORD.

The interview follows:

[From the Los Angeles Times, Apr. 11, 1982]

AMERICA'S DEAN OF ATOMIC PHYSICISTS SAYS U.S. NOT VULNERABLE

(By Robert Scheer)

Nobel Prize-winning theoretical physicist Hans A. Bethe has been continuously involved with the U.S. nuclear weapons program since his participation in the Manhattan Project, which developed the first atomic bomb. Bethe, a refugee from Nazi Germany, was the chief of the theoretical physics division of the Los Alamos Scientific Laboratory in New Mexico during the war years and later returned to the laboratory to work on the development of the hydrogen bomb.

From 1959 to 1969, Bethe served as a member of the strategic military panel of the President's Science Advisory Committee which, among other things, dealt with the development of the anti-ballistic missile. He continued as a consultant to the U.S. government on nuclear weapons matters through the Carter years.

A professor at Cornell University, Bethe was recently interviewed while he was a visiting professor at the California Institute of Technology, Pasadena. Caltech President Marvin L. Goldberger, himself a leading physicist and the chairman of the President's Science Advisory Committee on which Bethe served, has called Bethe "one of the great physicists of the 20th Century."

SCHEER. Do you agree with the Reagan Administration that we need more nuclear weapons to counter the Soviet threat?

BETHE. I would like to state that there is no deficiency in armaments in the United States: we don't need to catch up to the Russians—if anything, the Russians have to catch up to us. The Russians have their forces mostly in ICBMs (intercontinental ballistic missiles), a type of weapon that is becoming more and more vulnerable. I think our military people know this, but they always talk about the vulnerability of our nuclear ICBMs and never talk about those of the Soviets. The Russians are much more exposed to a possible first strike from us than we are to one from them.

Q. Do we have the means of deterring a Soviet first strike?

A. I don't think that either country is going to make a first strike because it is absolutely crazy to do so. But suppose there were a first strike from the Russians, and suppose they could destroy all our Minuteman missiles. It wouldn't make the slightest difference. Would we be defenseless? Nor at all. We have the submarine force with an enormous striking power.

Q. But the submarine-launched missiles are said to lack the necessary accuracy to retaliate effectively.

A. The submarine-launched missiles, the new generation, are going to be extremely accurate. President Reagan himself has said the Trident II missile will be accurate enough to hit any hard target. This is one point where I would endorse the Administration's program: we should have the most accurate missile for our submarines. Also, we have a good bomber force.

Q. Yet the President refers to the bomber force of B-52s as ancient and incapable of penetrating into the Soviet Union.

A. They themselves cannot penetrate Russia, either today or tomorrow, but they are getting equipped with cruise missiles. Cruise missiles are probably the most accurate weapon that has yet been invented. The Russians don't have them, and I consider them most important, just as a penetration aid for our bomber force. Our bombers don't need to penetrate the Soviet Union. It would be an unnecessary exposure. Once they have cruise missiles on board, they launch them from outside the Soviet Union and to get, say, within 200 miles of the Soviet Union, they don't need to penetrate a screen of Russian air defenses. The cruise missiles, as you know have devices to follow the terrain, and find their way by comparing with a map. And they are going on our bombers this year, perhaps even this month.

Q. What about the general argument that the Carter Administration's policies left this country vulnerable to a Soviet attack?

A. On the contrary, the most important progress in weapons in the last decade, I would say, was the cruise missile, which was developed under Carter. Now in case of an all-out Soviet attack, of course, some of our bombers would probably be destroyed on airfields. However, a long time ago we dispersed our bombers over many many smaller airfields so that, on warning, a lot of them will take off. And, of course, you take off those which are armed with cruise missiles before any others. I don't see that there is any cause for us to be alarmed by the possibility of a major Soviet attack.

Q. So what is this emphasis on U.S. weakness all about?

A. I believe we are repeating the mistake of 1960 when people talked about the missile gap. The missile gap did, in fact, exist, but it was the other way around. We had lots of missiles and the Russians didn't. It took the Russians a decade before they caught up with us . . . and even then their missiles were not as good as ours because they largely used liquid missile propellant, whereas we went to solid propellant in the 1960s. I believe we have repeated the missile gap story once more and it is just as wrong today as it was in 1960.

Q. But what about these statements that President Reagan and others make that the Soviet have just undertaken the "most unrelenting military buildup in the history of the world"?

A. That is true, they have kept building missiles, constantly, and in tremendous number, and in much larger numbers than makes any sense. Why? Chiefly, they wanted to catch up with us. Now they have more missiles than we, but in general the numbers are very comparable in the Soviet arsenal and in ours. Both are close to the ceiling permitted by SALT II (Strategic Arms Limitation Treaty). The only way to ensure that they don't surpass us more is to have an arms control agreement.

Actually, ours is a much better arsenal because our forces are better distributed. Less than half our missiles are ICBMs, a weapon, as I said before, which is getting vulnerable; we have 1,050, they have 1,400. In submarines, while the numbers are about the same, we have more serviceable ones. Then we have the bombers which, together with the cruise missiles, are a formidable force, while they have not paid any attention to their bombers at all. Most of their bombers are propeller driven, totally obsolete, and without penetration aids; you can write them off. Yes, the Russians have built, unrelentingly, more and more missiles. There is no question—but it is irrelevant.

One more point on that. The SALT agreements are very much to our advantage because they limit the number, on which the Russians are very good, and they don't limit the technology, on which we are very good. So we can put the most sophisticated technology into the given number of missiles, which is what we have done in the case of the cruise missile, for instance.

Q. One justification of the arms race is that the Soviets are aiming at gaining the capability to win a nuclear war.

A. I quite believe that we could win an arms race. But it is, of course, absolutely crazy to think of winning a nuclear war. You cannot win a nuclear war, neither they nor we, even if some fraction of the population might survive. The Russians are very cautious, so they will not risk starting a nuclear war. They have publicly stated that they want arms control, and probably we could get arms control more easily from them now than ever before. I don't think we were doing badly before. I think SALT I was excellent, and SALT II was good, though not excellent. In my opinion, we could get a lot of agreements from them, but our negotiators have to be willing to negotiate, which means to make concessions. There was the Russian proposal of a two-thirds cutback (in Europe); instead of rejecting it out of hand, I think what we should have done is to say, "This is a possible negotiating position, now let's talk. Just how do we specify that cutback? What do we do about missiles, what do we do about your SS-20, what do we do about planes carrying nuclear weapons? Could we agree, perhaps, that this be a first step, and that further steps are to follow which would make us free of missiles in Europe?" But instead of accepting it as a basis for negotiations, we said, "No, that's impossible." I think that way you don't get an agreement.

Q. What do you make of the decision to build the MX missile?

A. The MX is a first-strike weapon. It makes no sense in any other way. The MX

has extremely good accuracy. I want to give President Reagan credit for abolishing that completely crazy shell game which Carter and (former Secretary of Defense Harold) Brown had proposed. I think that was out of this world. Instead, Reagan proposes, "Let's develop the MX and, in the meantime, let the Pentagon think where to deploy it. They will probably find some way to do it." It would have been politically impossible to say immediately, "Let's not develop the MX at all." Maybe in three years the Pentagon will not have come up with any good method of deployment, and then they can say, "All right, we give it up."

One other point concerning arms control. I think it is just paradoxical to build up your weapons and then have arms control. Any weapons buildup on our part is only an incentive to the Russians to do the same. So if we want reduction in armaments, let's reduce from our present position. But negotiations are always a lengthy affair. Perhaps a challenge would be a quicker way to get results. Professor (Robert F.) Bacher of Caltech and George Kennan of Princeton have, therefore, proposed a series of small steps: We reduce the number of our weapons by, let us say, 5 percent, and challenge the Russians to do likewise. If they don't, we go no further. If they do, we continue and perhaps a new spirit grows.

Q. We talked before about how you cannot win or survive a nuclear war. What do you make of the view of, say, Edward Teller, who believes that you can? Do you meet with Teller?

A. I meet Teller from time to time. I agree with Teller on the matter of nuclear electric power generation, which is a totally different subject from nuclear weapons. One of the things I wish you would emphasize from time to time in your writings is that the two things have very little to do with each other. They have less to do with each other than dynamite for mining purposes and explosives in conventional bombs. So Teller and I agree on the need for energy, including nuclear energy, but we don't talk about military matters. I did, at one time—it must have been two years ago; I listened to him about some of the specific military equipment that he advocated, just in order to learn not to argue and when it comes to matters like surviving a nuclear war, we agree not to discuss it.

Q. How is it that there is a disagreement about the presumably objective scientific question of whether or not we can survive a nuclear war?

A. I think there are many different ways you can understand the word "survival." Surely, if the attack were limited to ICBM's, even though fallout spread across the country, without an attack on cities the country would survive, there is no question about that. There would be lots of casualties, but recovery would be entirely possible, and might even be fairly quick. But if you talk about an all-out nuclear war, with attacks on industry and attacks on cities and so on, then I would think that, while there will be survivors, the United States as a functioning society would not survive. Such an attack, it has been estimated by the Defense Department, could mean 100 million casualties, but that doesn't fully describe it. The important thing is the aftereffect.

For instance, there would almost certainly be a total breakdown of transportation. Everything in this country depends on transportation. Once many highways and railroad beds are made into rubble and the remaining highways are so radioactive that no truck driver will go on them, you cannot bring food to the cities. Nor can you bring fertilizer to the farms, nor energy to either place. I simply cannot understand how anybody can believe that we can recover from that in any short order.

One of the great mistakes that most people make when they talk against nuclear war is that they put the emphasis on radioactivity. That isn't the worst part. It may be the most widely spread effect, but it is not the worst part. The worst part is the death of people by third-degree burns, and that there is no possible medical help for them. We must expect that many of the explosions would be set off in the air, not on the ground. Heat radiation from the fireball, that is infrared rays and even visible light, is enormous. It increases faster than the area of destruction by blast, so most of the death would come from this source. Many people would be burned directly. Many people would get third-degree burns, and you cannot save a person like that if you don't bring medical help immediately. There will be no medical help because hospitals will be destroyed along with other buildings.

However, that is not the end of it. The thermal radiation sets newspapers on fire, even stacked newspaper. It sets wooden buildings on fire. So even if people are inside the normal kind of houses that we have in this country, which are mainly built of wood, they will burn up inside the house. If they go outside the house, they will burn up directly. The next thing, of course, is buildings collapsing by blast and burying people. If you talk about a large city with office buildings, people can go into shelters in the cellar but, in the meantime, the building above them will collapse or, at least, there will be yard-deep layers of shattered glass. How will they ever get out? Even if they get out, the heat radiation, will cause fires all over the place, and many secondary fires, because blast will destroy gas lines and the gas will begin to burn. It is not certain but there is a high possibility that these fires will cause a so-called firestorm, which means the fire consumes all oxygen, and the people down in the shelter will not get any oxygen. So I think that protection of the city population by shelters is totally futile if you have a direct attack on the city. Let me add here that I do not think that even an all-out nuclear war would destroy all life on earth.

Q. How do you feel, I mean you've been with this issue, with this bomb, for such a long time, and then one day you pick up the newspaper and some person says we can recover from general nuclear war in two to four years. What are your thoughts?

A. He is crazy.

Q. What about the clock on the cover of the Bulletin of Atomic Scientists showing how close we are to midnight? Are we now in a more dangerous moment? What has happened to our thinking?

A. The main increase of danger, in my opinion, is psychological. People are scared when the Reagan government says we are in mortal danger and need to increase our armaments. But I am scared when he claims that more arms, especially nuclear ones, can protect us. It creates a war psychology. Human beings who are very scared don't act rationally. My greatest fear is that it will make the American people less rational, and then anything can happen. Many of the wars in history have happened because of fear. If there comes an all-out nuclear war, I think it will come because of fear. I believe that in this respect Franklin Roosevelt is right again: we have nothing to fear but fear itself. In my opinion, we have nothing to fear from the Russians, nor the Russians from us, but fear itself, namely the fear that each country creates about the other.

Q. Did you think at the time of the atomic bomb's discovery that we would be here now?

A. No. I was very much afraid in 1946. My wife and I discussed this matter and concluded that probably within 10 years there would be a nuclear war. That has not happened and it is a ray of hope. It has not happened because the statesmen, both in this country and in the Soviet Union, have clearly recognized that nuclear war is unthinkable. It is impossible, it would make such destruction that we have to use every means to avoid it. This realization seems to have escaped the present government. I think the real danger lies in this loss of understanding. Until the end of the Carter Administration, whether the President was Republican or Democrat, it was a generally recognized principle: Nuclear war must be avoided by all means. We are now told that this is not so. So here is a psychological difference. I think it is traditional, and therefore perfectly legitimate, if you want to win an election, to play up the relative armaments of the United States and the Soviet Union; that is good election propaganda. But once you are the government, you must not make this primitive approach the basis of your military and foreign policy. That is very dangerous.

Q. We've all read about (Dr. J. Robert) Oppenheimer and his feelings of guilt. What can you add to that? You've been intimately connected with this for much of your life.

A. Having worked on the weapon does not give me a monopoly on deciding. All I can do is to try to tell people what I think about nuclear weapons, and I will continue to do so long as they let me. The decision has to be made by the government.

A single missile will destroy a city without having any soldier putting his life on the line. We have some 9,000 strategic weapons. Every one of them is bigger than the Hiroshima bomb. The Russians have a similar force. After hitting military targets, if you direct the remaining weapons against cities, you can destroy at least 5,000 cities of over 100,000—there are maybe 200 of those in each country. Why would you need more than 200 weapons?

Warfare has become totally different because the destructive power is greater than the totality of the things you can destroy. That has never happened before. The destruction can happen in an hour or two, instead of in five years. If it happens over five years, you can recover in part, again and again, you can adjust to it, you can bring help to the city which has been hit. If in two hours all our cities are destroyed, no help can be brought. That is not a difference in size, but a difference in kind. Against missiles there is no defense. This is a subject on which I worked quite carefully and industriously for many years before '68, looking at many ways how to tell decoys from missiles, and so on. Whatever you did, the offense could always fool the defense and could do it better. So anti-ballistic missiles for city defense are technically nonsense.

Let me come back to the question of survival once more. If there is an all-out attack on the Soviet Union and the United States, there will afterwards be no United States nor a Soviet Union.●

PROGRESS ON THE B-1 BOMBER

● Mr. GLENN. Mr. President, a few short months ago in this chamber, we wisely—and overwhelmingly—voted to move ahead with the B-1 bomber as a much-needed replacement for our aging B-52 fleet that has served this Nation so well.

At that time, there were voices raised that the B-1 would be a program that would be marked by great cost overruns and delays in reaching deployment as an operational aircraft. It would be far better, these critics argued, to skip over the B-1 and bet everything on the advanced technology bomber, or "Stealth" aircraft. We prudently stuck with the program that called for the B-1 bomber and we also enacted legislation—very stringent legislation—that required close scrutiny of the B-1 program at the highest levels of government. We required a certification from the President himself as to the attainability of the program's cost and deployment objectives.

Lest there be any misunderstanding, I do not oppose the Stealth program. I am fully in favor of moving ahead as rapidly as possible with the Stealth R. & D., including application of results of that R. & D., not only to a separate and completely new Stealth aircraft, but to other vehicles and equipment as well. What I do oppose is the full commitment of this Nation's air security future to these new concepts at this time. There are still very serious questions that remain to be answered with regard to some of the Stealth concepts.

Those who oppose the B-1 do so almost solely on the basis of costs, and I agree that those costs are huge, and escalation of B-1 costs would almost certainly result in some reconsideration of the program. But, Mr. President, while the B-1 with its combat assured capability is costly, not having that capability when needed could be disastrous. We cannot take that chance.

To those who still insist on the "Stealth-only" option, who largely ignore the assured combat capability issue and concentrate only on costs, I want to pose the question as to whether they are willing to initiate legislation in this Chamber that will require the same careful documentation of costs of "Stealth" aircraft as are now operating in oversight of the B-1 program. Those who are so active in squeezing every nickle in the B-1 program are often strangely silent when it comes to applying the same standards to "Stealth." I realize that Stealth costs are less certain at this stage of development, but if that is to now become our only basis, then it would seem to be a reasonable and consistent proposal to apply that yardstick across the board.

Mr. President, I have been a strong and consistent supporter of the B-1. I still am. But I am also among those who have watched most closely the costs and progress of the program. I am thus pleased to introduce into the RECORD today a recent letter to me from Mr. Robert Anderson, the chairman of the board and chief executive officer of Rockwell International Corporation.

Mr. Anderson's own "bottom line" as to progress to date is encouraging: the new bomber is ". . . meeting or beating schedules and cost requirements and is in excellent position to continue this posture throughout the life of the program." I ask that Mr. Anderson's letter be printed in full in the RECORD.

The letter is as follows:

ROCKWELL INTERNATIONAL CORP.,
May 3, 1982.

Hon. JOHN H. GLENN,
U.S. Senate,
Dirksen Senate Office Building,
Washington, D.C.

DEAR JOHN: Referring to your comments reported in the press concerning the importance of keeping B-1B costs within projected funding levels, I want to assure you that all of us at Rockwell International share that desire and are determined to fulfill our cost and schedule commitment to the Air Force.

Our confidence is reinforced by the experience gained in the very successful B-1A development program in which $6 billion has already been invested. As you know, we were able to retain a highly skilled and experienced team, more than 38,000 tools, as well as approximately two and one half shipsets of usable materials and parts. These valuable assets permitted us, as well as many of our subcontractors, to get started very quickly on production of the new airplane.

Progress since announcement of the B-1B contract has been outstanding. More than 1400 B-1B parts already have been fabricated, all on schedule, and more than 12,000 of the required 17,000 engineering drawings required to build the B-1B have been released. In addition, some 21,000 manufacturing orders to build parts and 37,000 orders for tooling have been issued. Without question, the solid B-1A experience and retained assets have contributed significantly to this record.

Buildup of the necessary manpower also is progressing very well, and we have added over 5000 people to our work force since contract go-ahead. It may be of interest to note that approximately half of those persons were recalled from layoff or transferred from other Rockwell divisions and most have prior B-1B work experience.

Throughout the B-1A research program, Rockwell has maintained contact with many of our subcontractors and this network of companies throughout the United States is rapidly being placed under contract on the B-1B. Already, more than 50 major purchase orders which will total about $750 million have been placed. Most of this work will be performed under fixed-price type contracts, which is another expression of the confidence the B-1B industry team shares in the many proven aspects of this program. We believe there are few programs with the strength and vitality of the B-1B, and we, as a team, are determined to keep this momentum going.

Rockwell management's solid commitment to the B-1B is reflected in the $400 million dollar capital investment we will be making with more than $200 million scheduled to be spent this year.

In summary, Rockwell is meeting or beating schedules and cost requirements and is in excellent position to continue this posture throughout the life of the program. We are completely confident of our ability, not only to meet or exceed our contractual requirements, but also to produce an advanced military airplane that will do all that is expected of it to insure our country's defense well into the next century.

Sincerely,

BOB.●

NATIONAL SMALL BUSINESS WEEK

● Mr. DOMENICI. Mr. President, the week of May 9 to May 15, 1982, has been proclaimed "Small Business Week." This gesture recognizes the achievements of this important sector, and pays tribute to the men and women who have dedicated their lives to the success of their businesses and the prosperity of the economy. They have done more than their share to provide jobs and to promote innovation. According to research at the Massachusetts Institute of Technology, between 1969 and 1976, more than 86 percent of new jobs were provided by small businesses employing fewer than 500 employees. Some 80 percent of new jobs were provided by firms having 100 employees or less. Almost 66 percent of the new jobs were provided by the 2 million small businesses with fewer than 20 employees. Amazingly, almost 95 percent of all commercial enterprises in the United States are classified as small businesses by the Small Business Administration. This is a significant contribution, and small business persons deserve our respect, our support and our thank you.

Most small businesses are sole proprietorships owned, managed and run by individuals who thrive on challenge and are willing to take a risk for the implementation of an idea. Small businesses are the building blocks of capitalism and make up the cornerstone of the American private enterprise system. Each time a new business starts, faith is expressed again in our economic system—a system driven by competition, the profit motive and the desire to excel. The perpetuation of the small business persons' spirit is essential to the success of our democratic way of life, as well as to the health and vitality of American business. That spirit is something that the small business person never losed, constantly uses, and calls upon when the going gets tough. It is what makes him succeed when others fail.

The small business person is a champion of change, a saleman of ideas, a

competition with himself to achieve his own goals. He is a tireless worker, is aggressive, and independent. He combines a "can-do" attitute with successful management techniques and sound marketing strategies. He is first and foremost an entrepreneur who, by virture of his commitment to our political and economic heritage, is the undecorated hero in American society, yesterday, today, and tomorrow.

Small business has also played an important role in providing economic opportunities for minorities and women. Minorities control about 4 percent of all businesses and are concentrated in retail trade, services, and construction.

Entrepreneuse is an infrequently used feminine form of entrepreneur. Women entering the work force have a self-employment rate that is exceeding men threefold. Small businesses owned by women is the fastest growing segment of the American small business community. They now own approximately 7 percent of the small businesses in America and deserve special mention in this tribute.

Small Business Week provides an excellent and appropriate occasion to honor the success of all small business owners and to highlight the accomplishments of the Outstanding Small Business Persons selected this year. Each one represents a success story that affirms the American dream. I want to honor the award winner from New Mexico.

Authur J. Connelly is president of Quadco, Inc. from Farmington, N. Mex. I want to tell his story as it appears in the Small Business Week program

With a 1948 Ford pickup and very little equipment, Jerry Connelly founded Quadco, Inc., in 1966 as an oil production equipment repair service. He soon expanded his line to include meter oil production equipment repair service then drilling instrumentation. In 1970, he introduced an electronic sensor designed to detect and prevent blowouts during drilling of oil and gas wells. Connelly made a name for his company by working closely with the manufacturer of his equipment to perfect the system. Offering a range of oil field tool sales, repair and rental services, the company opened offices in seven cities in Wyoming, New Mexico, Utah, North Dakota, Alaska, and Colorado during the 1970's. Noting a trend toward drilling deeper oil wells, Connelly purchased a casting jack which enables smaller drilling rigs to drill deeper, thus cutting costs of purchasing larger drilling rigs. From 1971 to 1981 the company's sales increased from $411,000 to $15 million. Endeavors like this are vital and necessary for the continued prosperity of America. We need people with the same philosophy and enthusiasm. We need to create an atmosphere where this energy is freed to dream, work and grow.

The President, and members of this Congress understand and appreciate the role small business plays in our nation. We are proud of you and the many, many others like you.●

DRUNK DRIVING BILL

● Mr. SARBANES. Mr. President, I want to indicate my strong support of S. 2158. The appalling statistics on drunk driving, a nationwide tragedy, makes this legislation necessary to establish a strong national deterrent, including mandatory punishment.

Mr. President, I represent a State which is often cited for its highway safety and drunk-driving programs, an effort which has resulted in increased arrests of drunk drivers and reduced traffic fatalities in Maryland. However, throughout the country, the carnage from drunk driving continues.

I have joined in cosponsoring this legislation to combat drunk driving through State-level alcohol-traffic safety programs. I also joined many of our colleagues in urging the President to take a firm leadership role in finding solutions to the problems of drunk driving. These are essential steps in curbing the tragic suffering caused by the drinking driver epidemic.

It is important to bear in mind the extent of the horrendous damage done by drivers who are intoxicated. The National Highway Traffic Safety Administration and the National Safety Council agree that drunk driving is the largest cause of violent death in this country, causing 26,000 deaths and 750,000 injuries annually. Property and personal injuries result in over $5 billion in damages and untold human suffering.

Although Maryland and some other States are doing an admirable job with the resources available to them to combat drunk driving, we still need to give law enforcement personnel the tools they need to attack this problem on a national scale: minimum sentencing, better recordkeeping, and uniform procedures for license suspension and revocation. S. 2158 would establish these minimum standards. The bill would also encourage the establishment of recordkeeping systems which would help police and judges and motor vehicle administrators identify habitual offenders who are arrested repeatedly in different jurisdictions.

Mr. President, I wish to commend the Senator from Rhode Island, the Senator from Missouri, and the Senator from Oregon for their outstanding leadership in guiding this bill through the Senate. It is time to establish a strong national deterrent to drunk driving. S. 2158 seriously addresses this problem, which is truly national in scope.●

THE SIXTH ANNIVERSARY OF THE FOUNDING OF THE MOSCOW GROUP FOR MONITORING THE HELSINKI ACCORDS IN THE U.S.S.R.

● Mr. DOLE. Mr. President, today, the 12th of May, 1982, marks the sixth anniversary of the founding of the Moscow Helsinki Monitoring Group. A courageous group of 11 human rights activists, led by Prof. Yuri Orlov, put their professional careers, their freedom, and in some cases, their lives on the line to establish an organization that would monitor the Soviet Government's compliance with the human rights provisions of the Helsinki accords. Subsequently, others joined the ranks of the Moscow Group, and shortly thereafter, Helsinki Groups were formed by human rights activists in other parts of the Soviet empire: In Lithuania, the Ukraine, Armenia, and Georgia.

Similar organizations were also formed to review specific problems for human rights in Soviet society: psychiatric abuse for political purposes, restrictions on religious freedom, limits on the rights of the handicapped, and others. In addition, the concept of citizens groups organized to monitor compliance with the Helsinki accords was extended to other nations, with the founding of Charter 77 in Czechoslovakia, KOR in Poland, and—here in our country—the U.S. Helsinki Watch.

The activity of the Moscow Helsinki Monitoring Group could not help but draw the enmity of the government in a country in which independent political activity is considered illegal. And indeed, it was not long before the Moscow Helsinki monitors experienced the familiar knock on the door, the apartment searches, confiscation of literature and personal papers, and in many cases trials on charges of anti-Soviet agitation, trumped-up criminal charges such as "petty hooliganism," or—in the case of Anatoly Shcharansky—ludicrous accusations of spying for the American CIA.

Six members of the original Moscow Helsinki Group were forced to emigrate from their homeland. Ten others have been sentenced either to prison in the Soviet labor camp system or to internal exile in the vast reaches of Soviet Siberia. The latest victim of government reprisals against the Moscow Helsinki monitors is Ivan Kovalev, arrested on August 26, 1981, and sentenced on April 2, 1982, to 5 years imprisonment in a strict regime labor camp and 5 years of internal exile to follow, this for alleged "anti-Soviet agitation and propaganda," a Soviet legal euphemism for criticizing the police of the Soviet empire.

THE "VICTIM OF DÉTENTE"

In connection with Soviet repression of the Moscow Helsinki Monitoring Group, I would like to call the attention of my esteemed colleagues to an article by Robert Kaiser that appeared on May 7, 1982, in the Washington Post, concerning the fate of Yuri Orlov, the founder of the Moscow Helsinki Monitoring Group.

The article follows:

A Victim of Détente

(By Robert G. Kaiser)

This month one could celebrate—though few will—the 10th anniversary of Richard M. Nixon's first visit to Moscow. That visit inaugurated the era of détente, and if it had lived up to its initial promise, 10 years of détente would have been a lot to celebrate.

Instead we have a lot to mourn—for example, Yuri Orlov. Yuri Orlov is a human victim of the détente that never really materialized. He made the mistake of taking the promise of better East-West relations too seriously.

Today Orlov is an inmate of a Soviet prison camp. His wife and friends fear he has contracted a virulent, lethal tuberculosis that could end his life. This is his reward for contracting a different disease years ago, a virus that infects only minds, not bodies. For want of a proper medical term, we could call that virus freedom.

May 1972 was an exciting time in Moscow, particularly for Russians who ached to see their isolated country join the rest of the world for the last quarter of the 20th century. Yuri Orlov, a physicist, was one of those Russians. A small man of intense energy and great humor, he had just moved back to Moscow after a semi-voluntary internal exile in Armenia, where he had spent 15 years.

Orlov had a way of getting into trouble for speaking his mind. In 1956, after hearing about Nikita Khrushchev's famous "secret speech" denouncing Stalinism, Orlov had spoken out in a Communist Party meeting (he was a member) at the Institute of Theoretical and Experimental Physics where he worked. He had criticized past party practices as anti-democratic, and pleaded for change.

Orlov's remarks were received enthusiastically by his colleagues, but party bureaucrats attacked him viciously and saw to it that he lost his job and could not find another one in Moscow. He ended up moving to Armenia, where he eventually did so well that he was elected to the Armenian academy of sciences.

When he returned to Moscow in 1972, Orlov was palpably excited by the atmosphere he found. He was fascinated by the public struggle then going on between the Soviet state, on one side, and Alexander Solzhenitsyn and Andrei Sakharov on the other. And he was intrigued that he could meet and talk with foreigners—a novel experience.

Orlov was drawn increasingly into activist dissident behavior. After the Helsinki agreement on European security was signed in 1975, he became a member of the "Helsinki Watch" group in Moscow, an informal organization of dissidents who declared themselves monitors of Soviet compliance with the humanitarian provisions of the agreement. For more than a year this group was able to distribute its findings on alleged Soviet violations of Helsinki's "Basket 3" on human rights.

Then Jimmy Carter came into the White House trumpeting his concern for human rights. Carter quickly wrote a personal letter to Sakharov and sent it through the diplomatic pouch, an affront to the Soviet leaders which infuriated them. On Feb. 8, 1977, Carter told a press conference he saw no connection between his speaking out on human rights in the Soviet Union and the strategic arms limitation talks he wanted to conduct with the Soviets. Two days later, as if to demonstrate that they, too, saw no connection, the Soviet authorities arrested Yuri Orlov.

There followed a trial on charges of anti-Soviet agitation. It was a classic example of Soviet jurisprudence.

Orlov was sentenced to seven years in a "strict regime" labor camp, plus five years of internal exile in a remote corner of the country.

Of the four years since, Orlov has spent two in punishment cells and special prisons, often on a diet of 1,700 calories a day (about half what a man of 57, like Orlov, ought to have). He has been punished for continuing to protest, mostly against prison conditions. In camp and prison Orlov has had one medical problem after another. Doctors have told him he should not expect to live out his sentence, once even telling him, wrongly, that he had cancer. He has had kidney and prostate problems, bad teeth, low blood pressure, rheumatism, cystitis, chronic headaches from an old injury, and more. The news that he now has active tuberculosis reached Orlov's wife in Moscow from relatives of fellow prisoners who had recently visited the camp where he is currently being held.

Orlov has survived all this with his courage and spirit intact, as far as we know. His letters to his two sons and his wife (he is permitted very few, all of them censored) are full of enthusiasm for life, for Russian literature, for the struggle he continues to wage.

In one of those letters Orlov, a great nature-lover like so many Russians, described the barren surroundings. "Regretfully there are no trees here," he wrote. "But I still walk a lot on the ridges, and in one corner (of the compound) there is a spot with pure water, and in the water there is beautiful green moss. I looked at it for long spells during the first, always dreary days. The Japanese watch their tiny gardens in the same way, which brings comfort to the spirit."

That green moss may comfort Yuri Orlov's spirit, but it does little for those of us who knew him in a world where trees are plentiful, but men of Orlov's qualities are rare.

Mr. DOLE. Finally, although cynics might assert that the Moscow Helsinki Monitoring Group has been effectively silenced by the Soviet KGB, their voice has not been completely stilled. The three remaining members still at liberty—Elena Bonner, wife of academic Andrei Sakharov; Naum Meiman; and Sofya Kalistratova—have managed to continue compiling documents reporting on the status of human rights in the U.S.S.R. and the fate of those brave souls who stand up for their rights against the Soviet police state. These documents have reached the U.S. Commission on Security and Cooperation in Europe. As Cochairman of that Commission, I am pleased to report that the Commission plans to publish its second thematic survey of these documents in the near future. I am sure that my colleagues look forward to familiarizing themselves with the valiant efforts of the Moscow Helsinki Monitoring Group, and that they join with me in commemorating the sixth anniversary of the founding of this noble organization.●

SYNFUELS—PAY NOW OR LATER?—WE SHOULD AVOID THE MISTAKES OF THE PAST

● **Mr. RANDOLPH.** Mr. President, in September 1980 an article was published in the National Journal which stated that "rising energy prices and $17.5 billion from the Synthetic Fuels Corporation are making it practical to produce oil from shale, liquids and gases from coal." A document quoted in that article was a white paper report published by Exxon when they bought the majority interest in the Colony oil shale project in Colorado. The message in this report, "The Role of Synthetic Fuels in the United States' Energy Future", said that synthetic fuels not imported oil should fill the projected 15 million barrels-per-day gap by the year 2000 between U.S. demand for conventional oil and gas and expected domestic production. The Exxon article concluded that, "synthetic fuels development was critically important to national security and to the standard of living in the future."

Exxon has announced its decision to discontinue construction of that same Colony oil shale project, after an investment of more than $500 million, "because of current market conditions and sharply escalating cost. The project's fate was sealed, according to company officials when Exxon recently lowered its projections of oil prices and worldwide energy use for the rest of this decade."

Mr. President, many energy companies, oil, mining, utilities, and manufacturers are making internal decisions to reverse commitments they have recently made to develop synthetic fuels from coal. Why, because today we seldom pick up a newspaper or a magazine, or turn the television on without hearing about falling oil prices and an oil glut. Why, because the present administration feels that the promise to decontrol conventional gas supplies will give us years of domestic security. Why, because the present administration has radically decreased Department of Energy research funds for synthetic fuel demonstration projects saying that industry will now develop these "mature" processes on their own.

These factors have led to the abandoning of further substantial synthetic fuels efforts in the private and industrial sectors. I submit this as illogical. We are faced today with circumstances that have created a temporary oversupply. Oil price increases which occured in 1979 and 1980 reduced oil consumption through conservation. Until recently, oil production from Mideastern countries was higher than their revenue needs required. Third, worldwide recession is reducing oil demand, closing factories and mines

and putting millions of people out of work.

Mr. President, I believe oil prices will rise again and I believe a more thoughtful study of future market requirements and long term returns on investment might lead to a different conclusion—the current economic climate is conducive to development of synthetic fuels from coal. Recently, David Gushee and Paul Rothberg, of the Congressional Research Service at the Library of Congress, coauthored an article exporing the advantages of proceeding with synfuel development now with a strong Synthetic Fuel Corporation presence. They state:

> Clearly, the future price uncertainty of world oil, coupled with the already worrisome uncertainties about interest rates, the technologies, present and possible future occupational and environmental requirements, local sociopolitical concerns, and energy demand prospects, make such a commitment solely by private investors almost out of the question. Perhaps only Exxon, among synfuels interests currently active, is big enough and rich enough to proceed on its own in the face of such risks.
>
> Thus, if the Nation wants synfuels in the foreseeable future, the answer to our first question—is SFC (or some comparable mechanism) still necessary—is unequivocally yes. Is now, with oil prices falling, a good time to build? We say yes, there is no better time, provided that the Nation still wants the synfuels option and provided further that real interest rates retreat and approach their historic levels. This conclusion is based on the observable fact that plant construction cost indexes rise with rising world oil prices and fall with falling oil prices.

Mr. President, we must set specific, mandatory long range synthetic fuels objectives and then stick by them. Even in the current budgetary climate, we must show commitment and full support for alternatives fuels and the synthetic fuel provisions of the Energy Security Act of 1980.

We must not take a step backward again as we did in 1955, when a decision was made by the administration to eliminate all Government involvement in development of coal gasification, oil shale, and other alternative energy projects. Senator O'Mahoney of Wyoming, and I coauthored the Synthetic Liquid Fuels Act, signed into law by President Franklin Roosevelt in 1944. I regret that President Dwight Eisenhower ordered the program ended on the assumption that, if needed, private industry would anticipate and correctly respond to insure that the Nation had adequate fuel supplies. The events during the past decade show this was not to be the case. This week's Exxon announcement shows it will not be the case now. The money spent on synthetic fuels are investments in our future. They are, in fact, of equal importance and must interlock with the highly visible defense effort now being debated for national security purposes. If synfuel development had been permitted to reach its commercial potential in the forties and fifties, much of the international tension being experienced regularly in the Mideast and the current situation in the Falkland Islands would have been negated.

Mr. President, I ask that the article "Synfuels and the Synthetic Fuels Corporation" be printed in the Record as we continue to monitor the development and changing circumstances in the synthetic fuels area.

The article follows:

Tri-State Synfuels Co. To End U.S. Accord on Study of Fuel Plant

Henderson, Ky.—Tri-State Synfuels Co. said it plans to end a $45 million agreement with the Energy Department under which it was studying a proposed $3.5 billion synthetic-fuels plant.

The joint venture between Texas Eastern Corp. and Texas Gas Transmission Corp. said, "The level of expenditures required of the partners to pursue the work program as contained in the (agreement) cannot be justified under present energy economic conditions." Both Texas Eastern and Texas Gas Transmission are primarily natural gas distributors.

Under the agreement, signed early last year, the Energy Department was to provide $22.4 million to help finance the cost and feasibility studies, while the joint venture was to have borne the remaining $22.6 million. A spokeswoman for the partnership declined to disclose how much has been invested to date.

Originally, the partners were to have decided by early next year whether to proceed with construction of the plant, which would have made liquid fuels, natural gas and chemicals from high-sulfur coal deposits in the Henderson, Ky., area. But in January, they proposed a year's delay in deciding whether to give the project the green light. They also proposed scaling back the proposed size of the plant and limiting its products to gasoline, liquefied petroleum gas and natural gas.

Yesterday, the joint venture said it was holding talks with the Energy Department on details of the project's termination. Meanwhile, the spokeswoman said, Texas Eastern "plans to maintain a low level of spending" to protect its option to reactivate the project in the future, if possible.

Synfuels and the SFC

(By David E. Gushee and Paul F. Rothberg)

Times are a lot different now than they were in 1980 when the Congress passed the Energy Security Act, creating the Synthetic Fuels Corporation (SFC) and authorizing it to spend up to $20 billion to accelerate the production of synfuels. Oil Prices were then rising; they are now falling. Oil supplies were then tight; there is currently a glut. Two years ago, many companies were jumping on the synfuels bandwagon; today, some companies previously interested in synfuels are backing off. During 1979 and 1980 Congress was creating the SFC; over the past several weeks, some 20 Members in the House have sponsored H.R. 5404, a bill to kill the Corporation. A similar initiative is being developed in the Senate.

Given these changes, is SFC still essential to the creation of a domestic synthetic fuels industry? If so, is now, when oil prices are falling, a good time to go ahead and build synfuels plants?

With respect to the need for SFC, one must look at what is known about synfuels economics. Despite the uncertainties associated with estimating costs for plants for which there is no U.S. commercial experience, one uniform reality exists—synfuels would cost today more than conventional oil costs today.

Any hope for attractive synfuels economics is based on assumptions about the future cost of synfuels compared to the future price of conventional oil. A plant built today, for example, will produce synfuels tomorrow at a price only modestly affected by future inflation, since most of the cost of synfuels produced will be dictated by the size and carrying cost of the initial capital investment. Future increases in operating costs will be relatively small compared to the construction and financing costs involved.

Therefore, for any given synfuels plant using currently available technology, increases in world oil price after the plant has begun to produce are necessary for profitability and faster rates of increases will improve the profitability of that plant.

Unfortunately, the same seems likely to be true for any synfuels plants to be built after any future increase in oil price, so long as current economic relationships remain essentially unchanged. Recent history has shown that rising oil prices foreshadow rises in plant construction costs. Thus, by the time a plant could be built, the new higher price of oil, which seemed to make synfuels economically attractive, would be reflected in higher plant investment costs leading to higher product costs than originally expected. For future plants too, therefore, profitability will probably depend on rises in world oil prices after the plants are built and in operation.

Any private investor wishing to build a synfuels plant, therefore, must be an optimist and assume that world oil prices will rise after the plant has been built—and will rise at a rate fast enough to overcome the discounted present value of future income. Such an assumption requires a supreme act of faith. It will take more than five years to build a plant, perhaps even ten by the time uncertainties about environmental and other requirements are resolved. Oil price gurus have a hard enough time forecasting next year's oil price. But the investor has to have enough faith in his own forecast—five to 10 years out for starters and an additional 10 to 20 years for full payback—to put somewhere between $4 and $5 billion on the line for a commercial 50,000 barrels per day plant.

Clearly, the future price uncertainty of world oil, coupled with the already worrisome uncertainties about interest rates, the technologies, present and possible future occupational and environmental requirements, local sociopolitical concerns, and energy demand prospects, make such a commitment solely by private investors almost out of the question. Perhaps only Exxon, among synfuels interests currently active, is big enough and rich enough to proceed on its own in the face of such risks.

Thus, if the Nation wants synfuels in the foreseeable future, the answer is our first question—is SFC (or some comparable mechanism) still necessary—is unequivocally yes.

Is now, with oil prices falling, a good time to build? We say yes, there is no better time, provided that the Nation still wants the synfuels option and provided further that real interest rates retreat and approach their historic levels. This conclusion is based on the observable fact that plant construction cost indexes rise with rising world oil prices and fall with falling oil prices. This is not to say that world oil prices dictates construction costs, only that it, among other major factors, affects them. Today, the chemical plant construction index is falling, as it has for some six months now. Capital cost of a synfuels plant started now will benefit from this softening of construction costs. Further, it looks like oil prices and other factors of inflation will (barring unforeseen eruptions in the Middle East) be relatively soft for the next several years—the time horizon for plant construction. In other words, investment levels required for synfuels plants may never be cheaper than they are now.

On the other hand, should today's high interest rates continue throughout the period of soft oil prices, the costs of carrying this capital investment could be so high as to overcome the benefits of stable or falling construction costs. If interest rates come down to more historic levels, though, then the oil price path takes on critical importance.

What about future oil prices? As indicated earlier, experts hedge a lot. Nonetheless, most of them believe that oil prices will begin firming well before the end of the 1980's and will resume their climb at rates faster than general inflation through the 1990's and thereafter. Within this consensus, the biggest doubt is the exact times, not the general shape of the future price path. Thus, for any synfuels plant built now, with "bargain rate" construction costs, future oil price increases assuredly would eventually lead to profitability. The major uncertainty is how soon and whether the rise will come at the right time to provide investment attractiveness relative to other investment opportunities.

For the SFC, (assuming that it exercises good judgment) this probable future oil price path would assure that any drain on its assets over the long term would be limited. Should the oil price stay soft until about 1987, synfuels project capital needs will be held down; should the oil price rise soon enough and fast enough thereafter, the first generation of plants will become profitable will within private sector time limits, thus reducing SFC costs. On the other hand, should oil prices stay soft for an additional five years or so, SFC will probably have to cover some portion of the capital payback needs for those years. And should interest rates not fall, then SFC would probably have to carry the burden of that impact as well.

The equation is one, therefore, of making guesses about the timing of future oil price changes and interest rates and testing their impacts on SFC. Compared to the periods in the past, however, when oil prices were rising and later softening, the present equation seems to be about as favorable for synfuels investment as the Nation could hope for.

So we answer our two questions as follows:

Yes, the SFC is still essential if the Nation wants the synfuels option.

Yes, now seems to be about as good a time as we will ever have.●

ARGENTINA AND THE ARMS EXPORT CONTROL ACT

● Mr. **PERCY**. Mr. President, the administration recently transmitted a letter to the committee pursuant to section 3(c)(2) of the Arms Export Control Act, which states that a "substantial violation" by Argentina of United States-Argentinian arms sales agreements "may have occurred." There have been several requests for the text of the letter.

I, therefore, ask that this letter be printed in the RECORD.

The letter referred to follows:

DEPARTMENT OF STATE,
Washington, D.C., April 30, 1982.

Hon. CHARLES H. PERCY,
Chairman, Committee on Foreign Relations, U.S. Senate.

DEAR MR. CHAIRMAN: I am providing the following information pursuant to section 3(c)(2) of the Arms Export Control Act.

On April 2 Argentine military forces occupied the Falkland Islands (known to the Argentines as the Islas Malvinas), which have been the subject of a long-standing dispute between the United Kingdom and Argentina. Argentine forces taking part in these operations were reportedly equipped with a variety of defense articles that had been furnished to Argentina under the Foreign Military Sales program, including destroyers, submarines and landing craft, and C-130, A-4 and S-2 aircraft. The use of these items by Argentina is limited, under the agreements governing their sale, to purposes consistent with the United Nations Charter and the Inter-American Treaty of Reciprocal Assistance (the Rio Treaty).

In these circumstances, I must report on behalf of the President, pursuant to section 3(c)(2), that a substantial violation by Argentina of these agreements may have occurred.

As you know, U.S. security assistance to Argentina remains subject to the prohibitions contained in Section 725 of the International Security and Development Cooperation Act of 1981. In addition, the Department is suspending until further notice all deliveries to Argentina of defense articles and services for which commitments were made prior to October 1, 1978.

The Administration intends to continue its efforts to encourage and assist in a peaceful resolution of this dispute at the earliest possible moment.

Sincerely,

POWELL A. MOORE,
Assistant Secretary for Congressional Relations.●

TV AND THE FIRST AMENDMENT

● Mr. **HOLLINGS**. Mr. President, the Chairman of the Federal Communications Commission, Mark Fowler, has spent the first year of his term traveling about the country urging that we repeal the various political broadcasting laws.

The Chairman seems to believe that the broadcasting industry is competitive enough so that any candidate or anyone who wishes to present a controversial issue can get on the air. The Chairman also seems to believe that these political broadcasting laws inhibit debate and violate the first amendment.

I find the Chairman's position hard to swallow—as I am sure anyone would who has run for office or who has attempted to gain access to broadcast time. First of all, we all know too well that you cannot get elected without relying heavily on radio and television. There is just no argument about that because there is no other way to effectively reach the general public quickly and with timely information. If the political broadcasting laws did not exist, we would all have to depend upon the beneficence of the local broadcaster—a beneficence that would certainly be tested if the local broadcaster backed a certain candidate or a certain position on a controversial issue. All of this talk about competition in broadcasting is more theory than reality, particularly when it comes to television. The Chairman of the Commission, in fact, knows the benefits of these laws very well since he used to file political broadcasting complaints for then-candidate Ronald Reagan when he was running for President and felt that a local broadcaster had treated him unfairly.

As for the argument that these laws violate the first amendment, the Supreme Court has consistently found that these laws are well within the first amendment. Last year, in the Carter-Mondale case, the Supreme Court had an opportunity to reverse its position, but it firmly refused to do so. The Court's reasoning is well founded: The key first amendment right is the public's right to know, and in an environment where there are no genuine alternatives, the political broadcasting laws forward this very important right.

To further impress upon my colleagues the value of these laws, I recommend the recent editorial written by Marvin Stone for U.S. News & World Report and the recent piece by the conservative columnist, Patrick Buchanan. Both of these men are very familiar with the political processes in this country, and both agree that the political broadcasting laws are very important to forward these processes. I ask that both of these pieces be printed in the RECORD.

The material follows:

TV AND THE FIRST AMENDMENT

(By Marvin Stone)

It has been said before on this page: The airwaves belong to the people. That may come as a surprise to Mark Fowler, chairman of the Federal Communications Commission, who is interviewed on pages 43-44.

Fowler would like to repeal all formal supervision over radio and television programs. Out the window would go the legal requirement that when time is given or sold to a candidate for political office, equal opportunity be accorded to rival candidates. Erased also would be the "fairness doctrine" that, when controversial views are aired, provides holders of contrary opinions a chance to reply.

Along with these major regulations, Fowler astonishingly would abolish all remaining consideration of program quality and public service as touchstones for licensing. The only government function he approves is that of a traffic cop—keeping the

channels open. In other words, anything goes.

Wrangles over FCC controls have been going on for years. Names change, but the arguments stay the same: That there's room on the air to guarantee proper variety; that program supervision violates the First Amendment; that market forces will take care of providing viewers with what they want because they vote with the dial, tuning out what they don't like.

In the end, these contentions don't hold water. To begin with, the capacity of the medium remains limited. Ingenuity of engineers has made it possible to increase the number of TV stations to more than 1,000. But is that a lot for a country of more than 230 million souls? The fact is that the air is crowded, and not everybody who wants and can afford a station can have one. Chairman Fowler himself, who used to represent persons applying for radio and TV licenses, suffered a disappointment recently when a former client lost out to a rival for an FM permit. Cable service will add volume, it's true, but just how much of a forum?

In this restricted medium—unlike print, which can be distributed in unlimited quantities—what actions do support or undermine the First Amendment? The words are: "Congress shall make no law . . . abridging the freedom of speech, or of the press." The equal-time law and the "fairness doctrine," aimed at assuring citizens the right to exercise free speech, would seem more supportive of the First Amendment than against it. The government gives away free to owners of broadcast stations the privilege of occupying the air-waves. If it also gave the owners a veto over who could be seen on TV, that would seem to be the real violation of the First Amendment.

Complaints against obscenity and violence on TV seem to be heeded less and less as we are exposed to more and more sewage piped into our homes. If a child can walk into a room, touch a switch and see a man calmly shoot another and walk away, damage has been done. There have been surveys indicating that such viewing boosts crime. One psychiatrist offers a more graphic illustration in the case of a patient who knocked a man unconscious with a pool cue and wondered why the victim could not get up—they always do on TV.

It's hard to believe that the marketplace is going to correct all this. If a bad mousetrap fails to sell, the manufacturer quits making it. But when a viewer switches stations, the demand for something different has a long route to travel before it gets back to the decision maker. Even worse, if something is missing, how is dial choice going to supply it?

We believe firmly in cutting back onerous government regulations where possible, and President Reagan campaigned on that position. But he also campaigned against permissiveness and violence and obscenity. In our society, television is an all-pervasive force, able to do great good or great damage. It seems beyond reason that Mr. Reagan's appointee at the FCC is willing to tell TV-station owners that henceforth they may keep their licenses no matter how irresponsibly they behave.

REAGANISM ADULTERATED

(By Patrick J. Buchanan)

Mr. Reagan's men had best send a scouting party over to the FCC to check out the lieutenant they put in charge of that particular bureaucratic outpost. Because Mark Fowler, chairman—gunning for Libertarian of the Year—is about to give away the store.

Citing the late Justice William O. "Wild Bill" Douglas as his mentor, Fowler is preparing to unleash the national networks from all requirements of fairness and balance in news and commentary; to dismantle entirely the modest pollution control equipment that keeps the rawest sewage of the permissive society out of your living room.

The "fairness doctrine" that requires broadcasters to present both sides of controversial issues and the "equal time" provision for candidates should be scrapped as "censorship provisions" of federal law, says Fowler. For the FCC to threaten stations with loss of license for failing to comply is a "frightening specter . . . antithetical to our most precious freedom, speech itself.

"The simple fact is that no newspaper and no newsmagazine is subject to second guessing by a government agency when it comes to fairness. . . . It's one thing for stations to follow principles like fairness or equal time. I call that not only sensible but good business. It's another when the government enforces these rules. I call that 'censorship.'"

Unsurprisingly, Fowler has been received by broadcasters with the enthusiasm a junior high principal might be accorded if he announced to the assembled student body that henceforth there would be no more "censorship," i.e., no more chaperones, on the school hayride.

But what Fowler is preaching is not Reaganism; it is ideological claptrap.

If Bill Moyers of CBS informs his evening news that the good guys in Central America are the left-wingers the United States always opposes, it is not a censorship of Moyers to require CBS also to air the administration point of view. How "frightening" a "specter" can the fairness doctrine be, when not a single radio or television station within memory has lost its license for the most egregious abuse?

And because the U.S. Supreme Court has declared "anything goes" in the printed word, producing a proliferation of dirt and filth unimagined a generation ago, is that solid precedent and sound argument for redirecting that sewer into the car radios and homes of the people who elected Mr. Reagan to curb cultural pollution?

Let the "market mechanism" work, demands Fowler. Well, the market mechanism produced 42d Street. Is the First Amendment an unfulfilled promise if I can't get the same peep shows and porno shop productions with a flick of the switch on my television set?

"It seems beyond reason," writes Marvin Stone of U.S. News, "that Mr. Reagan's appointee at the FCC is willing to tell TV-station owners they may keep their licenses no matter how irresponsibly they behave." Yet that is exactly what Fowler is telling them.

Eliminate equal time and the fairness doctrine and the nation's networks have been given unrestricted license to savage candidates they oppose, to silence opinions they detest, to shut off the microphones to Middle America. Did not the conservative movement suffer enough from such abuse of power in the Vietnam era, to preclude our being the ones responsible for legitimizing it?

How would the Right-to-Life Movement, so abhorred by the trendies who occupy the peaks of broadcasting, ever get a fair hearing? Yet here we have Reagan's appointee at the FCC telling us that for Reagan's friends to insist on a fair hearing for Reagan's positions—on economics, abortion or El Salvador—is a violation of the constitutional rights of Roone Arledge.

Fowler, who invokes the Founding Fathers, might do well to read one. Jefferson's model was not some Middle Eastern bazaar, but the town meeting, which he writes was "called to discuss . . . and to decide matters of public policy . . . Now, in that method of political self-government, the point of ultimate interest is not the words of the speakers, but the minds of the hearers . . . What is essential is not that everyone shall speak, but that everything worth saying shall be said. To this end, for example, it may be arranged that each of the known conflicting points of view shall have, and shall be limited to, an assigned share of the time available. The vital point . . . is that no suggestion of policy shall be denied a hearing because it is on the one side of an issue than another."

When they labored for Ronald Reagan's revolution, how many conservatives thought they would be working to displace Thomas Jefferson—with "Wild Bill" Douglas?●

INTELLIGENCE EDUCATION

● Mr. **WALLOP**. Mr. President, I am pleased to bring to the attention of this body an academic development which may exercise significant influence in public affairs. The dean of the University of Wyoming's College of Arts and Sciences, Dr. Joan Wadlow, acting in her capacity as an officer of the International Studies Association, has just published a new guide for teaching intelligence as an academic subject. The guide's authors are professors associated with the Consortium for the Study of Intelligence, a body of academics who have undertaken a long and detailed study of this country's intelligence requirements in the 1980's.

When I came to the Senate and became a member of the Intelligence Committee, I noted, sadly, that little of this country's excellent academic talent was being devoted to this important function of government. As a consequence, the field was dominated by people whose lack of understanding of these important matters was matched by their lack of commitment to this country and its cause in the world. Therefore, the public discourse on intelligence consisted of sterile opposition between those who insisted that everything that American intelligence had done was right, period, and those who saw intelligence primarily as a threat to civil liberties. But good intelligence and civil liberties are not naturally opposed. I have spent much energy trying to make this point.

On the other hand, I have also pointed out that we cannot afford to conduct our intelligence business with our minds set on justifying anything the intelligence agencies have ever done. We simply have to decide what should be done to safeguard our freedoms in this increasingly unfree world, and then figure out the best way to do it. Fortunately, 3 years ago, the Consortium for the Study of Intelligence brought together some of the finest academics from some of this country's best universities for the kind of serious study we need. Now the weight of academic opinion on intelligence is constructive.

I have applauded the consortium's work primarily because I have learned from it and, having learned, I have been better able to discharge my responsibilities. Now I see that professors associated with it have developed a curriculum by which university students can become knowledgeable on these important matters. The fact that this curriculum is being presented to the country's academic institutions by the dean of the University of Wyoming is cause for both satisfaction and pride. No, the State of Wyoming claims no special knowledge in the field of intelligence. But we folks from the high plains have a reputation for commonsense. As least I hope that is what has led both myself and Wyoming's Dean Wadlow to think well of this approach to intelligence.

I offer the proposed curriculum to be printed in the RECORD.

The curriculum is as follows:

INTELLIGENCE—THE EVALUATION OF A NEW TEACHING SUBJECT

(Roy Godson and Richard Shultz)

In light of the importance of intelligence to a nation's security and foreign policy, it might be assumed that intelligence has been the subject of a great deal of academic attention. In fact, until recently the opposite has been the case, and this has generally remained true even though the academic study of national security has grown tremendously over the last twenty years. According to two independently conducted surveys of more than five hundred colleges and universities in 1979-1980, fewer than twenty-five offered a course entirely devoted to intelligence.

The teaching of intelligence has evolved gradually during much of the post-World War II period. In the initial phase from the 1940s to the early 1970s, there were few, if any, courses devoted exclusively to intelligence. Intelligence was generally studied, if at all, within the context of more broadly gauged courses on foreign policy and national security. And it focused primarily on analysis and human collection methods (espionage). Consequently, the major elements of intelligence were not examined systematically.

There were some important exceptions. For example, for almost a quarter of a century Harry Howe Ransom of Vanderbilt University has been teaching and writing about intelligence. Since the mid-1960s Ransom has periodically offered a variety of courses ranging from specialized topics to an undergraduate seminar entitled "Secret Intelligence Agencies and Democratic Governments." In the latter case, the course objectives included: (1) a survey of the problems of secret agencies in a democratic government; (2) the nature, function, and processes of strategic intelligence; (3) the origins, evolution, and performance of the CIA in both intelligence and covert action roles; and (4) intelligence agency accountability.

Lyman B. Kirkpatrick of Brown University is a second important exception. A former senior intelligence officer who retired from the CIA in 1965, Kirkpatrick has offered courses on "The Role of Intelligence in World Politics" and "Intelligence and Policymaking." In ways somewhat similar to the approach taken by Ransom, Kirkpatrick included a comparative component in his courses, although the primary focus was on the United States. Additionally, the Ransom and Kirkpatrick courses tended to be oriented toward analysis, human source collection, and the overall organization of the U.S. intelligence community. Less emphasis was placed on counterintelligence, technical collection, and covert action in world history.

In sum, during the early period—with some exceptions—entire courses on intelligence were not offered in American universities and the subject matter where it did appear was limited. How can this state of affairs be explained?

We have not undertaken a systematic study of this question but we offer two possibilities. First, for various cultural and political reasons, the study of intelligence has been regarded as *ultra vires* by academicians. Secondly, until the latter half of the 1970s the publicly available materials on intelligence were judged to be insufficient to engage in serious teaching and scholarship.

During the 1970s this situation began to change. First, the amount of available material dealing with intelligence, particularly American intelligence, and its relationship to national security and U.S. foreign policy grew enormously. This includes the writings of former intelligence officials, congressional documents resulting from oversight activities, and documents released under the Freedom of Information Act. Also, the British government began to allow former intelligence officials to write about their wartime successes. Secondly, the executive and congressional investigations of intelligence in the United States, and the unprecedented debates that ensued, made intelligence a very controversial public policy issue.

About the same time—that is, in the mid-1970s—the number of courses increased. The overall number remained small, however, and their scope was still limited, with the emphasis almost exclusively on the American experience. Generally one can find courses that took a more historical view, beginning with World War II. Others focused on such issues as organizational dynamics and decisionmaking, or the analysis and estimates process. Still other courses reflected the preoccupations of the Sen. Frank Church committee, focusing almost exclusively on real or alleged intelligence abuses. Few courses attempted to examine systematically the four major elements of intelligence—clandestine collection, analysis, counterintelligence, and covert action. Even fewer took a comparative approach, examining foreign intelligence services now, or in other historical contexts. [While it is beyond the scope of this brief overview to identify each course offered in 1979, both the Consortium for the Study of Intelligence (CSI) and the National Intelligence Study Center (NISC)—as noted in the article on resources—collected many of these syllabi, and NISC has published the findings in 1980 in "Teaching Intelligence."]

By the late 1970s the evolution of teaching in this area took a new turn. First, as more individual courses were developed, a group of academics from several institutions came together to form the Consortium for the Study of Intelligence. The Consortium's membership includes political scientists (particularly specialists in international relations and U.S. foreign policy), historians, sociologists, and professors of international and constitutional law. CSI established the following goal:

1. To encourage teaching on both the graduate and undergraduate levels in the field of intelligence, as it relates to national security, foreign policy, law, and ethics.

2. To promote the development of a theory of intelligence—what is it, and what is its place in American national security policy? Comparative analysis with the practice and experience of other nations will be emphasized.

3. To encourage research into the intelligence process itself—analysis and estimates, clandestine collection, counterintelligence, and covert action; and to determine the feasibility of measuring efficiency or setting standards of efficiency so that the product can be improved.

4. To study the tensions between intelligence activities and the democratic and constitutional values of our society, and to seek the development of principles and methods for reconciling the two.

The Consortium does not have links with any government, and is funded solely by American foundations.

The Consortium has now convened five policy-oriented research colloquia which were designed to examine systematically, in an unclassified setting, the individual elements of foreign intelligence and their relationships to each other. To achieve these objectives, papers were commissioned from specialists. They were critiqued and discussed at the colloquia by scholars and intelligence specialists from the executive and legislative branches of the United States and other governments. The revised papers, critiques, and summary of the discussions at these meetings have been published in a five-volume series *Intelligence Requirements for the 1980's.* These volumes have been adopted by a number of teachers for classroom use—in the United States and abroad.

The second major aspect of CSI's work, and one which is increasing, is to expand and encourage teaching of the subject. To this end the Consortium organized an eight-day seminar on "Intelligence for Teaching Faculty" at Bowdoin College in Maine during the summer of 1981. From more than six hundred applicants, the CSI Curriculum Committee (consisting of Professors Adda Bozeman, Paul Seabury, Frank Trager, and Roy Godson) selected academicians of a variety of ranks and disciplines from twenty-five universities to participate in eight days of intensive discussions.

The seminar discussed the major elements of intelligence in comparative perspective and focused on teaching and research on the subject as it relates to national security, foreign policy, law, and ethics. In addition to members of the Consortium, speakers included former senior CIA officials and intelligence specialists from the National Security Council and congessional staffs. The essay "Foreign Intelligence: A Course Syllabus" in this special issue of IS Notes presents an extensive discussion of the seminar proceedings.

Faculty reaction to the work of the Consortium and the increasing number of courses suggests that interest in the subject of intelligence is burgeoning. Most teachers report great student interest, not an insignificant factor in this stage of academic life. Many faculty members also report that their initial reservations about negative reactions by university curriculum committees have proven to be unwarranted. Teaching

materials now are available and we would expect that intelligence studies will continue to grow in the 1980s.

On the basis of an evaluation of the seminar by the participants and the CSI Curriculum Committee, CSI is planning to hold a second seminar in the summer of 1982, for which it is now accepting applications. The seminar, to be held again at Bowdoin College, will begin on Friday, July 16, and conclude on Saturday, July 25, 1982. A format similar to the first seminar will be adopted. Additionally, CSI is planning to conduct shorter, two-day seminars on intelligence at several regional sites in 1982. The first will be held in Chicago on April 16-17, 1982, under the direction of Sam C. Sarkesian and Abby Chack, Executive Secretary of the Inter-University Seminar on Armed Forces and Society. (Applications for these seminars should be sent as soon as possible to Roy Godson at Georgetown University.)●

CUTS IN STUDENT SOCIAL SECURITY BENEFITS UNFAIR

● Mr. SASSER. Mr. President, I should like to address a matter of crucial importance to some 250,000 high school seniors who are planning to attend college this fall and are relying on social security student benefits to help finance their education.

Last year, the administration was successful in pushing through changes in social security affecting student benefits. These changes were included in the Omnibus Reconciliation Act of 1981. They included the elimination of social security benefits for new student beneficiaries not enrolled in college full time before May 1, 1982. And for current recipients, beginning in August, the amount of benefits will be reduced each year by 25 percent of the August 1981 amount.

There were many of us who felt, like myself, that these benefit reductions were unduly harsh. These benefits have been essential to the education of many Americans over the years.

These benefits are not a handout. They are directly related to the amount of earnings lost due to the death, disability or retirement of the parent. According to a report by the Congressional Research Service, these benefits are much more than a form of educational assistance, they also serve as basic income support to replace a part of the lost earnings of the parent upon which the student depended up until the time the parent either retired, became disabled or died.

Reduction of student benefits is an unfortunate occurrence. However, to further compound the situation the Social Security Administration failed to officially notify some current high school seniors of the eligibility changes, phaseout and subsequent elimination of the benefits under the Reconciliation Act. Furthermore, an undetermined number of students received erroneous information about their eligibility for future benefits.

This has made it most difficult for many students to adequately plan their post-secondary careers. Indeed, without these benefits it will be impossible for many students to continue their education past high school, when through no fault of their own they were led to believe that financial help would be forthcoming.

It is therefore imperative that Congress take the steps necessary to alleviate these difficulties. The legislation S. 2512 introduced by my good friend from Michigan, Mr. LEVIN, is an attempt to rectify the unfair treatment accorded these high school seniors (84 percent of which come from families with income below $20,000). In my home State of Tennessee, some 4,700 students are affected. We owe it to these students and students across the country not to pull the rug out from under their dreams for a higher education.

I also support the return of some $255 million in unnegotiated social security checks to the social security trust funds where they belong. At a time when the administration is proposing $40 billion in cuts in the social security system the return of this money to the social security trust funds will help alleviate some of the short-term finanical diffculties facing the system.

We must do all that we can to insure that the social security system remains strong and solvent. I have worked hard in this regard, and will continue to work to guarantee that hard working Americans can safely rely on a secure retirement and receive the rights and benefits that they and their children are entitled to. I lend my full support to this legislation and urge the Senate to pass S. 2512 at the earliest possible date.●

FURTHER THOUGHTS ON ARMY MODERNIZATION

● Mr. HART. Mr. President, on May 10 my distinguished colleague from Idaho, Senator SYMMS, printed in the RECORD an article on Army modernization from the Armed Forces Journal. The article ridicules one of the proposals made to the Congressional Military Reform Caucus by the military reform group—the defense thinkers who have developed many of the basic reform concepts. The idea it ridicules as "off-the-wall" and a "suicide battalion" is a proposal for testing the concept of light infantry battalions equipped with cross-country motorcycles.

Mr. President, the reform group has offered a number of sound arguments for testing this concept. They have pointed out how the balance between infantry and tanks could be changed dramatically if infantry could move faster and more quietly than tanks. Cross-country motorcycles could give infantry this capability.

But the reform thinkers are not the only ones proposing this concept for consideration. The National Guard's recent study, Vista 1999, proposes on page 30 "innovations such as the use of light, rough terrain motorcycles for rifle or light units."

I thought my colleagues, especially my distinguished colleague from Idaho, would like to know that this idea—so strongly ridiculed by the Armed Forces Journal—is supported by the National Guard. The Vista 1999 study, I would point out, was signed by 15 National Guard generals.●

NATIONAL SMALL BUSINESS WEEK

● Mr. D'AMATO. Mr. President, small businesses comprise the very foundation of our economy. Over 96 percent of all businesses in the United States are small. They produce 43 percent of the private sector gross national product. Small businesses provide virtually all new private sector employment, as well as more than half of all major innovations.

Given this impressive list of accomplishments, we must remain ever cognizant of the importance of small businesses in our society. We must also be aware of the special needs of small business. For these reasons, we have designated the week of May 9 as "National Small Business Week."

Now is the time to evaluate and emphasize the indispensible role of small businesses to the American society. They provide the goods and services that all Americans need and enjoy. Who are the small businessmen we praise today? They are the farmers who grow our food. They are the tailors who mend our clothes. They are the auto mechanics working in the corner garage keeping our cars running smoothly.

I cringe at the thought of a world void of small businesses. The opportunity for an individual to start a business of his or her very own has made this country great. Small businesses are subject to the intense competition of the free enterprise system. Unfortunately, they do not have the vast resources available to big business. Consequently, small businesses are unable to compete on an equal basis. The 100 largest firms in the United States spent well over $13 billion for advertising in 1980 alone.

Mr. President, this incredible marketing advantage virtually eliminates small business from the competitive forum. We must insure the small businessman a fighting chance. The industrial development bond program, the Small Business Administration guaranteed loan fund, and the various other assistance programs which I so ardently support are essential to the survival of small business. We must nurture small businesses to provide them an equitable opportunity for success.

As a member of the Senate Small Business Committee, and as chairman of its Subcommittee on Urban and Rural Economic Development, the concerns of small business are a top priority of mine. I regard providing a favorable atmosphere for small business as critical for our economy. I shall not shirk my responsibility to the small business community.

The previous efforts of the administration and Congress resulted in a lowering of inflation by three-tenths of 1 percent in March. This equals an annual drop in prices of 3.6 percent. This is the first such decrease in 17 years and largest since November 1953. This decrease in prices is a very positive sign. According to the National Federation of Independent Business, less than one-third of all small businesses planned on raising prices in the first quarter of 1982. This is a clear indication that dangerous inflationary expectations have decreased dramatically.

Yet, there is still much to be done. We must insure the continued growth of small business. There can be no question our foremost priority is the availability and affordability of capital for the expansion and refurbishing of plant and equipment. In the National Federation of Independent Business' most recent quarterly economic report, 33 percent of all member businesses reported that high interest rates and the difficulty to secure financing is the single most important problem currently facing the business community. Recognizing the disastrous effect of high interest rates, I authored the successful amendment to the third continuing resolution preventing the enforcement of the heinous Revenue Ruling 81-216. In my long-term effort to bring down these destructive high interest rates, I have given my strongest support to the effort to get the Federal deficit under control.

In addition to my commitment to IDB's I cosponsored a number of successful elements of the Economic Recovery Tax Act to assist small business. The vital components of this revolutionary program include the new accelerated capital cost recovery system which allows accelerated depreciation for capital expenditures; extension and broadening of the targeted jobs tax credit; estate tax reduction allowing the transfer of a family business from one generation to the next without burdensome complications; expensing of $5,000 of equipment in 1982, increasing to $10,000 by 1986; and increasing the amount of accumulated earnings a business may retain without being subject to federal taxation of retained earnings. I believe these measures will help small business and therefore benefit the entire country.

We have taken a bold step in the right direction. Yet, by no means have we reached our ultimate goal. We must continue in our effort to nurture small businesses in their effort toward growth and expansion. Today's big businesses were yesterday's small businesses. Let us give today's small businesses an equal chance to succeed.

There are several pending bills which I have sponsored critical to the strengthening of the small business sector. The first, S. 881, guarantees small businesses will receive more Federal contracts for outside research. Specifically it requires an additional 1 percent to be set aside by all Federal agencies. I hope we can soon have S. 881 on the President's desk for signature. Another bill increases the deduction for investment purposes. This bill, S. 1420, gives small business an added incentive to borrow for expansion. Expansion means growth; growth for their business, their community and the entire country.

During National Small Business Week, we are dedicated to the preservation of one of the most valuable sectors of our society. The growth of our economy depends upon the economic performance of small business. We must provide a positive environment. Inflation must be brought down. Corporate taxes have been lowered and must be kept at reasonable rates. The preservation of small business is the preservation of a strong, viable, and efficient American economy.●

ENVIRONMENTAL PROTECTION AGENCY

● Mr. LEAHY. Mr. President, since last year, I have been very disturbed about the cuts the administration has made in the budget of the Environmental Protection Agency. I was glad to see that the Budget Committee did not accept the administration's assumptions.

However, the additional funding assumed by Senate Congressional Resolution 92 will not be nearly enough to accommodate a minimally acceptable EPA effort to control toxic hazards in the air and water and to faithfully enforce our environmental laws.

Therefore, when the budget resolution reaches the floor, I intend to offer an amendment to increase EPA's funding for operating programs.●

FOOD STAMP FRAUD AND ABUSE

● Mr. EAGLETON. Mr. President, as my colleagues well know, I am an ardent supporter of the food stamp program. It serves as a lifeline for millions of low-income Americans. The average food stamp household has a gross income of about $325 a month and has cash assets of $66. Over half of the food stamp households have no liquid assets at all and at least half do not own a car or other motor vehicle. Half of all recipients are children, elderly or disabled persons, or single-parent heads of households.

With all other Americans I share a deep concern over fraud and abuse in the food stamp program. Fraud and abuse, undoubtedly, cost the taxpayers millions of dollars annually and, in so doing, they jeopardize the continued existence of the program. To terminate food stamps because of fraud, though, would be ludicrous. As Dr. Jean Mayer, the world-renowned nutritionist and president of Tufts University, has said:

> The food stamp program has been almost singlehandedly responsible for the major social advance made by the Nation in the 1970's: the essential elimination of the malnutrition due to poverty that could be found in every ethnic group in America in the 1960's.

The story that is not often told, however, is that in recent years the Congress has probably approved more antifraud and abuse provisions for the food stamp program than any other Federal program. During recent hearings before the Appropriations Subcommittee on Agriculture, Rural Development, and Related Agencies, I requested the Food and Nutrition Services to prepare a list of the antifraud and abuse provisions added to the food stamp authorization since 1979. The list includes 38 separate anti-fraud and abuse provisions. What was disturbing to me and should be disturbing to all Americans, Mr. President, is that as of March 26, 1982, about 80 percent of these provisions had not yet had final rules issued to implement them.

Mr. President, President Reagan continues to claim that his administration seeks not to reduce aid to the truly needy, the handicapped, the elderly, and our Nation's children, but to only eliminate fraud and abuse and to stem the growth in entitlement programs. Perhaps if more time were spent by the administration in implementing the authority the Congress has provided to rid the food stamp program of fraud and abuse, this administration would not have to put forth budget proposals which, according to the Congressional Budget Office, would result in 92 percent of all elderly and disabled households either being terminated from the program or having their benefits reduced, and which would result in the elimination of 42 percent of the benefits now provided to low-income working families.

Mr. President, I urge my colleagues to review carefully what the President has proposed for the food stamp program, its impact on the working poor, the elderly, and the handicapped, and review this administration's record in implementing the antifraud and abuse provisions we have given them. Only then should you make up your mind as to whether you can support further massive cuts in the food stamp program, especially at this time when unemployment is reaching record high levels. Let us not turn the clock back to when malnutrition was a daily fact of life in our country.

Mr. President, I ask that the list of antifraud and abuse provisions be made a part of the Record at this point.

The list follows:

LIST OF ANTI-FRAUD AND ABUSE PROVISIONS

Provision: Income of Ineligible Aliens (Sec. 115).

Purpose: Requires counting of income of ineligible alien to household except for alien's pro rata share (formerly all alien income excluded).

Status: Proposed rule issued January 16, 1981; final rule in clearance.

Provision: Verification (Sec. 116).

Purpose: Permits States to verify an eligibility factor identified by an error-prone profile.

Status: Proposed rule issued August 1980; final rule issued January 13, 1981.

Provision: Photo Identification (Sec. 117).

Purpose: Mandates photo ID's to transact an ATP in certain urban areas.

Status: Proposed rule issued January 23, 1981; final rule issued October 9, 1981; to be implemented by November 1982.

Provision: Reporting Illegal Aliens (Sec. 118).

Purpose: Requires States to notify Immigration and Naturalization Service of known illegal aliens.

Status: Proposed rule issued January 16, 1981; final rule in clearance.

Provision: Computerization and 75 percent Funding (Sec. 119 and 129).

Purpose: Permits States to receive 75 percent funding for ADP development (but not operation) if system meets standards set by Secretary.

Status: Proposed rule issued August 11, 1981; final rules in clearance.

Provision: State Compliance with Law (Sec. 120).

Purpose: Secretary shall refer to OIG for investigation reported cases with a pattern of noncompliance.

Status: No rulemaking, considered self-implementing.

Provision: Financial Audit of High Participating States (Sec.123).

Purpose: Require OIG to conduct special audit of any State when the food stamp participation exceeds 60 percent of total population.

Status: No rulemaking, considered self-implementing.

Provision: Forfeiture of Property Used in Illegal Food Stamp Transactions (Sec. 124).

Purpose: Permits USDA to retain goods bought by investigators with coupons during investigations.

Status: No rulemaking, considered self-implementing.

Provision: State incentives for reducing errors (Sec. 125).

Purpose: Permits States to earn 55 Percent–65 percent administrative funding by reducing quality control error rate.

Status: Proposed rule issued October 3, 1980; final rule issued January 23, 1981.

Provision: State liability for errors (Sec. 26).

Purpose: Holds States liable for quality control dollar error rates which exceed standards set by Secretary.

Status: Proposed rule issued October 3, 1980; final rule issued January 23, 1981.

Provision: Wage matching and information disclosure (Sec. 127).

Purpose: Permits States to access Social Security Administration (SSA) wage files to match information provided by applicants (Act delayed access to unemployment compensation wage files until January 1983. 1981 Farm Act: requires wage match to SSA and unemployment compensation files by January 1983).

Status: Proposed rule issued July 10, 1981; final rule in clearance.

THE OMINIBUS BUDGET RECONCILIATION ACT OF 1981 (AUGUST 13, 1981)

Provision: Family Unit Requirement (Sec. 101).

Purpose: Prevents households from artificially dividing to obtain more food stamps.

Status: Interim rule issued September 4, 1981.

Provision: Boarders (Sec. 102).

Purpose: Prevents households from artificially dividing to obtain more food stamps.

Status: Interim rule issued September 4, 1981.

Provision: Retrospective Accounting (Sec. 107).

Purpose: Requires State agencies to calculate benefits using known rather than anticipated circumstances.

Status: Interim rule in clearance.

Provision: Periodic Reporting (Sec. 108).

Purpose: Requires households to report circumstances periodically or be terminated.

Status: Interim rule in clearance.

Provision: Eligibility of Strikers (Sec. 109).

Purpose: Prevents housholds from striking and thereby becoming eligible for food stamps or increasing their benefits.

Status: Interim rule issued September 4, 1981.

Provision: Prorating First Month's Benefits (Sec. 110).

Purpose: Compute benefits based on date of application.

Status: Interim rule issued September 4, 1981.

Provision: Disqualification Penalties for Fraud and Misrepresentation (Sec. 112).

Purpose: Increases the penalty for recipient fraud and misrepresentation.

Status: Proposed rule in clearance.

Provision: Improved Recovery of Overpayments (Sec. 113).

Purpose: Requires households to repay overissuances.

Status: Proposed rule in clearance.

Provision: States' Share of Collected Claims (Sec. 114).

Purpose: Permits State agencies to keep 25 percent of any over-issuances they recover, except those from State agency error.

Status: Proposed rule in clearance.

THE 1981 FOOD AND AGRICULTURE ACT (DECEMBER 22, 1981)

Provision: Energy Assistance Payments (Sec. 1306).

Purpose: Restricts the kinds of State energy assistance payments that can be excluded from the calculation of benefits.

Status: Proposed rule not yet issued.

Provision: Attribution of Income and Resources to Sponsored Aliens (Sec. 1308).

Purpose: Counts as an alien's income and resources the income and resources of the alien's sponsor.

Status: Proposed rule not yet issued.

Provision: Resources (Sec. 1309).

Purpose: Permits USDA to simplify the assessment of vehicles.

Status: Proposed rule not yet issued.

Provision: Work Requirements (Sec. 1311).

Purpose: Disqualifies a certified household for two months if the head of the household quits a job.

Status: Proposed rule not yet issued.

Provision: State Issuance Liability (Sec. 1312).

Purpose: Makes State agencies liable for coupon losses and ATP losses. Makes issuing agents liable in some cases.

Status: Proposed rule not yet issued.

Provision: Access of Comptroller General to Information (Sec. 1313).

Purpose: Gives the Comptroller General access to food stamp case files.

Status: Final rule not yet issued.

Provision: Notice of Verification (Sec. 1317).

Purpose: Requires States to place on the application form a warning that information may be verified and that incorrect information could lead to denial and prosecution.

Status: Final rule not yet issued.

Provision: Information (Sec. 1321).

Purpose: Requires State agencies to match food stamp cases with wage information from Social Security and unemployment compensation agencies.

Status: Proposed rule in clearance.

Provision: Minimum Mandatory Court Sentence for Criminal Offenses: Work Restitution Program (Sec. 1324).

Purpose: Permits imprisonment for the first criminal conviction and requires imprisonment for subsequent criminal convictions for illegal use of food stamps. Permits sentencing to work restitution to repay losses to the Federal or State government.

Status: Final rule not yet issued.

Provision: Social Security Account Numbers (Sec. 1327).

Purpose: Requires food stamp applicants to furnish social security account numbers as a condition of eligibility.

Status: Proposed rule issued April 2, 1982.

Provision: Workfare (Sec. 1333).

Purpose: Permits any political subdivision to require food stamp recipients to work as compensation for their food stamps.

Status: Proposed rule in clearance.

Provision: Disclosure Provision (Sec. 1319).

Purpose: Requires disclosure of casefile and other information to law enforcement and other officials.

Status: Final rule being drafted.

Provision: Elimination of 60-day Continuation of Benefits (Sec. 1316).

Purpose: Eliminates carryover of certification for 60 days when recipient moves.

Status: Final rule being drafted.

Provision: Posting Signs in Retail Stores (Sec. 1314).

Purpose: Requires stores to post signs explaining how to report violations.

Status: Proposed rule not yet issued.

Provision: Authority Granted to OIG to Carry Firearms (Sec. 1337).

Purpose: Allows OIG to carry firearms, make arrests without warrant and execute arrest warrants.

Status: Final rule issued.●

BRIDGE REPAIR FUNDING LEVELS ARE ENCOURAGING

● Mr. SASSER. Mr. President, I have had a longstanding interest in the continued strong Federal effort to help repair our Nation's bridges. I want to express my appreciation to the Senate Committee on Environment and Public Works for increasing the authorization levels for the Federal bridge repair program at their markup of S. 2315, the Federal Aid Highway Act of 1982, this Monday.

In 1982, $900 million was authorized for the Federal bridge repair program. The committee has seen fit to authorize $1 million for 1983 and $1.3 billion for the following 3 years. I applaud this recognition of the importance of adequate funding to resolve what the Department of Transportation has recently estimated to be a $47 billion problem—the repair of our Nation's bridges.

The committee's action follows hearings held on February 10, 1982, in response to my concern that the Federal bridge repair program was being inadequately administered. I submitted testimony at that hearing, and I appreciate the effect that that hearing has had on the renewed interest in bridge repair on the part of the chairman of the Subcommittee on Transportation, Senator Symms of Idaho.

After the Perkins Street Bridge in Memphis, Tenn., collapsed in 1980, killing one motorist, I requested that the General Accounting Office study the effectiveness of the existing bridge program. That study concluded that more stringent criteria for selecting bridges to receive funding could be adopted so that limited funds could be used more effectively. Following the publication of this report by GAO. I introduced a bill, S. 1649, to reform the program according to GAO's recommendations. I am, again, gratified that the committee has seen fit to adopt a modification of provisions in my bill relating to the criteria for selecting bridges for funding.

The State of Tennessee has acted to provide additional funds for bridge repair, but State funds alone cannot handle the entire job. I am, therefore, pleased at the Senate Environment and Public Works Committee's renewed interest in bridge repair.●

SEPARATING SOCIAL SECURITY FROM THE UNIFIED BUDGET

● Mr. HEINZ. Mr. President, yesterday, I introduced a bill, S. 2514, along with Senators Dole, Percy and Durenberger, which would remove the Social Security OASI, DI, and HI Trust Funds from the unified Federal budget. Yesterday, I indicated that one of the distinct advantages of this bill would be that it would allow us to clarify to what extent the Social Security Trust Funds contribute to the Federal budget deficits.

I now have two independent reports of the precise impact my bill would have on the deficit in the unified Federal budget:

The Congressional Budget Office based its estimate on the so-called baseline assumptions used by the Senate Budget Committee in reporting the first budget resolution.

The Congressional Research Service provided estimates based on a different set of economic assumptions, the intermediate II-A and II-B assumptions used by the Social Security Trustees in their latest report on the financial operations of the social security system.

Although based on different economic assumptions, both reports agree on the fundamental impact of my bill—it would substantially reduce the deficit in the unified Federal budget.

According to the CBO, the Federal deficit under the unified budget would be reduced by a total of $30.3 billion for fiscal years 1983, 1984, and 1985, if my bill were enacted. According to the Congressional Research Service the unified budget deficit would be reduced by $15.9 billion in fiscal year 1983–85 under II-A assumptions and by $34.9 billion under the more realistic II-B assumptions.

If one assumes that the Congress will—because it must—fully address the issues of social security solvency at a later point this year, then these reductions in the budget deficit would, in fact, be realized and constitute a genuine improvement in the fiscal management of the affairs of our Nation.

Mr. President, let me repeat what I said yesterday: I fully recognize that separating social security from the unified budget will not solve either the social security financing problem or the problem of budget deficits. But the events of the past 2 days have only reinforced my original conclusion: that this change absolutely must be made if we are to proceed in an orderly fashion to address the separate—but urgent—problems of social security financing and the Federal budget deficit. I urge my colleagues to join me in cosponsoring this legislation.

Mr. President, I ask that the CBO and CRS reports be printed in full in the Record.

The material follows:

Congressional Budget Office,
Washington, D.C., May 12, 1982.

Hon. John Heinz,
Chairman, Special Committee on Aging, U.S. Senate, Washington, D.C.

Dear Mr. Chairman: Your staff requested an analysis of the budgetary impacts of removing the Old Age Survivors Insurance (OASI), the Disability Insurance (DI), and the Health Insurance (HI) trust funds from the unified budget. A brief analysis is attached.

The analysis estimates that, relative to the baseline used by the Senate Budget Committee for its markup of the first budget resolution for 1983, the unified budget deficit would be reduced from $182 billion in fiscal year 1983 to $172 billion as a result of removing the three trust funds from the unified budget. There would be, however, a compensating increase in the off-budget deficit leaving the total federal deficit unchanged.

We would be pleased to answer any questions you might have about this analysis.

Sincerely,

Alice M. Rivlin,
Director.

Moving the Social Security Trust Funds Off Budget

We have examined the accounting changes that would result if the Old Age Survivors Insurance (OASI), the Disability Insurance, and the Health Insurance trust funds were moved out of the unified federal budget.

The estimates have been developed relative to the baseline used by the Senate Budget Committee in its recent markup of the first budget resolution for 1983. As shown in Table 1, the markup baseline shows unified budget deficits rising from $182 billion to $232.5 billion in fiscal years 1983 to 1985. There is also an off-budget deficit of $21.4 billion in 1983 and $20.2 billion in 1985, bringing the total federal deficit to $203.4 billion and $252.7 billion in fiscal years 1983 and 1985, respectively.

TABLE 1.—BUDGETARY TOTALS CONSISTENT WITH MARKUP BASELINE

[By fiscal year, in billions of dollars]

	1983	1984	1985
Revenues	645.0	702.0	780.0
Outlays	827.0	918.0	1,012.5
Budget deficit	182.0	216.0	232.5
Off-budget deficit	21.4	20.7	20.2
Total deficit	203.4	236.7	252.7

The markup baseline estimates are based on the economic assumptions used by the Senate Budget Committee for the reported first budget resolution. The baseline estimates for the Social Security trust funds also assume extension of interfund borrowing beyond its current expiration date, December 31, 1982. In addition, the baseline projections assume that current law Social Security benefits would be paid, presumably out of general revenues, even when total trust fund reserves were exhausted.

Removing the three funds from the unified budget would lower both outlays and revenues. Since outlays from these trust funds are projected to exceed revenues throughout the period, the net impact would reduce the unified budget deficit in each year, as shown in Table 2.

TABLE 2.—IMPACT OF REMOVING THE SOCIAL SECURITY TRUST FUNDS FROM THE UNIFIED BUDGET

[By fiscal year, in billions of dollars]

	1983	1984	1985
Markup baseline revenues	645.0	702.0	780.0
Change to revenues	−195.2	−214.4	−243.9
Revenues after change	449.8	487.6	536.1
Markup baseline outlays	827.0	918.0	1,012.5
Change to outlays	−205.3	−228.1	−250.4
Outlays after change	621.7	689.9	762.1
Markup baseline deficit	182.0	216.0	232.5
Change to deficit	−10.1	−13.7	−6.5
Budget deficit after change	171.9	202.3	226.0

The reduction in the unified budget deficit, however, will be exactly offset by the increase in the off-budget deficit. The total Federal deficit would remain unchanged as a result of shifting the social security trust funds to an off-budget status, as shown in table 3.

TABLE 3.—TOTAL IMPACT ON THE FEDERAL DEFICIT OF MOVING THE SOCIAL SECURITY TRUST FUNDS OFF-BUDGET

[By fiscal year, in billions of dollars]

	1983	1984	1985
Change to unified budget deficit	−10.1	−13.7	−6.5
Change to off-budget deficit	+10.1	+13.7	+6.5
Net change to total deficit	0	0	0

Congressional Research Service,
The Library of Congress,
Washington, D.C., May 12, 1982.

To Hon. John Heinz.

From Dave Koitz, Specialist in Social Legislation Education and Public Welfare Division.

Subject: Estimates of Reduction in the Federal Budget Deficit of Removing OASDHI From Unified Budget.

In response to your request, the following table was prepared showing the impact for fiscal years 1983, 1984, and 1985 of removing the Old-Age, Survivors, Disability and Hospital Insurance (OASDHI) programs from the Federal budget. The estimates shown in the table were computed using Trust Fund projections made under the Intermediate II-A and II-B assumptions in the 1982 OASDI and HI Trustees Reports. Alternative II-A assumes the adoption of policies which would result in economic growth resembling that of the more robust economic expansions that have occurred in the past. These assumptions are practically identical to those in President Reagan's 1983 budget submitted to Congress in February 1982. Alternative II-B assumes future economic growth that on average is similar to the performance of the economy over the last 30 years.

Supplementary data necessary for the analysis was supplied by the Office of the Actuary of the Health Care Financing Administration and the Office of Research and Statistics of the Social Security Administration.

The assumption was made these three programs would be excluded from the Federal budget as is the case for a number of other programs now categorized as "off budget" items. For purposes of analysis, the estimates which follow also assume that the operations of the three trust funds are combined. Such commingling of funds, however, is not permitted under current law, except that interfund borrowing is authorized until December 31, 1982. The interfund borrowing authority would assure the payment of OASI benefits only until July 1983 under both sets of intermediate assumptions. After that point, the timely payment of OASI benefits could not be assured.

Thus, an analysis that adhered strictly to current law would show lower OASI outlays for fiscal years 1983–85 because the income to the OASI Trust Fund would be insufficient to pay the benefits that are due and there would be no assets in the Trust Fund to cover the shortfall. This analysis assumes all current law OASI benefit obligations are met during fiscal years 1983–85 by shifting resources from the DI and HI Trust Funds to the OASI Trust Fund (although not necessarily on the required payment date of each month).

REDUCTION IN FEDERAL BUDGET DEFICIT ARISING FROM PROPOSAL TO REMOVE OASDHI TRUST FUNDS FROM THE UNIFIED BUDGET

[In billions of dollars]

	Amount of deficit reduction	
	Trustees' intermediate II–A projections	Trustees' intermediate II–B projections
Fiscal year:		
1983	5.5	10.1
1984	9.1	13.6
1985	1.3	11.2

Source: Congressional Research Service, based upon projections contained in the 1982 OASDI and HI Trustees' Reports. Estimates of certain intragovernmental transactions, not appearing in the Trustees' Report, were supplied by the Social Security Administration and the Health Care Financing Administration. (May 12, 1982) ●

ENFORCING THE FOURTH AMENDMENT BY ALTERNATIVES TO THE EXCLUSIONARY RULE

● Mr. DENTON. Mr. President, the National Legal Center for the Public Interest recently published, as part of its series on the judiciary and judicial system, an excellent monograph that I wish to bring to the attention of my colleagues.

The monograph was written by one of our most eminent jurists, Judge Malcolm R. Wilkey of the U.S. Court of Appeals for the District of Columbia Circuit. It is entitled, "Enforcing the Fourth Amendment by Alternatives to the Exclusionary Rule." As the title suggests, the monograph is a treatment of the many disadvantages of the rule of alternatives that would better apply the search and seizure provisions of the fourth amendment.

Mr. President, the exclusionary rule has been surrounded by controversy since the Supreme Court stated it nearly 70 years ago in Weeks against United States. The controversy is only now reaching a peak.

The Attorney General's Task Force on Violent Crime recently recommended that the Attorney General support legislation to modify the rule so that evidence would not be excluded from Federal criminal proceedings if obtained by an officer acting in the reasonable, good faith belief that his conduct conformed to the fourth amendment.

Three bills have been introduced in the Senate to propose alternatives to the rule. For the first time since the rule's inception, a Senate committee held hearings, on March 25, on whether and in what manner the rule should be abolished or modified.

Among those testifying before the Criminal Law Subcommittee was Judge Wilkey, who brought extensive experience on suppression of evidence under the fourth amendment. Judge Wilkey believes that the rule should be abolished and replaced by provision for independent disciplinary action against the offending officer and a civil tort action against the Government. Judge Wilkey believes, to paraphrase an expression used by Justice Cardozo that often appears in discussions concerning the shortcomings of the exclusionary rule, that the criminal should not go free because the constable has blundered.

Judge Wilkey's conclusions are well stated in his monograph, which I commend to my colleagues. He referred to it throughout his testimony and submitted it to the subcommittee as his written statement.

I commend the National Legal Center for the Public Interest for undertaking to enlighten the Congress and the public on this very important issue. We all should read Judge Wilkey's monograph before we consider the exclusionary rule legislation now before us.●

SUPPORT OF GRADUATE EDUCATION

● Mr. TSONGAS. Mr. President, in February of this year, I introduced Senate Resolution 318, which opposes the elimination of graduate and professional students from the guaranteed student loan program. Since that time, literally thousands of students, parents, college administrators and concerned citizens from across the Nation have written to me.

These people are distressed about the President's proposals to reduce financial assistance to students seeking a higher education, particularly students in the graduate and professional schools. They are perturbed that an administration that seriously questions the readiness of our armed services and the future of our Nation's security cannot see the extent of damage these proposals will do to our economic, education and defense systems. These individuals clearly recognize that a Federal retreat from education and a failure to guarantee access to education to everyone, regardless of their incomes, will truly be our window of vulnerability.

Paul Gray, president of the Massachusetts Institute of Technology, makes this point very well in a recent article that I submit for the Record.

The article follows:

Support of Graduate Education

Some 23 years ago, in the wake of Sputnik and a President Eisenhower's request, Congress enacted the National Defense Education Act. In doing so, it said that "the security of the nation requires the fullest development of the mental resources and technical skills of its young men and women. . . . We must increase our efforts to identify and educate more of the talent of our Nation. This requires programs that will give assurance that no student of ability will be denied an opportunity for higher education because of financial need."

Since that time, broad bipartisan support in both Congress and the White House has continued to reaffirm the importance of federal support for successive generations of students.

Now a president committed to enhancing our military preparedness and to strengthening the economy has embarked, in his 1983 budget proposals, on a course that would place these goals in jeopardy. In reversing the bipartisan developments of more than two decades, these budget proposals would eliminate federal support of certain grant programs; eliminate support of the loan program begun by the National Defense Education Act, now called the NDSL Program; and reduce both eligibility for and federal support of the Guaranteed Student Loan Program.

While these proposals are all hurtful, severely affecting both undergraduates and graduate students, perhaps the most serious is the elimination of graduate student eligibility for the Guaranteed Student Loan Program.

In the past, graduate students have been able to borrow up to $5000 per year under the program. This year, about half the country's graduate students are using guaranteed student loans to help defray their costs of education. The Administration has proposed that graduate students now use instead a variation of the federal PLUS program, designed for parents of undergraduate students Yet all indications are that these loans simply will not be made available to graduate students who, with only their future careers to offer as collateral, will not be regarded as suitable risks by lenders. Even if such loans were to become available, the program's terms, requiring immediate repayment or accrual of 14 percent interest while the student is still in school, would make PLUS loans an intolerable burden.

If this proposal is accepted by Congress, the effect on graduate and professional education could be devastating. Many students planning on graduate study will be discouraged, and many now in the midst of their studies will be unable, financially, to complete their programs. Inevitably, social and economic diversity in enrollments will narrow, as educational opportunity will be tied more closely to economic status. In the long run, declines in the quality or quantity of graduate enrollments will impair the ability of the research universities to conduct basic research. The most likely result will be a reduction in our nation's capacity to innovate, to lead in science and technology, to compete successfully in international markets, and to secure our defenses.

The Guaranteed Student Loan Program should not be closed to graduate students. Rather, Congress should establish reasonable financial criteria for student eligibility, as some urged before the Middle Income Student Assistance Act of 1978 made all students eligible without regard to need. Other equitable ways of reducing the cost to the government should be considered as well. But the in-school interest subsidy and the federal guarantee to lenders, which are essential components of the program, should be retained.

Excellence in graduate education and in basic and applied research requires the continued engagement of the ablest and brightest young women and men. This objective—manifestly in the broadest national interest—requires continued ready access to loan funds, access provided by the Guaranteed Student Loan Program.●

HISTORIC PRESERVATION

● Mr. TSONGAS. Mr. President, I alert my colleagues to the fact that we are once again faced with a battle to save the Historic Preservation Fund and the National Trust from being eliminated.

For those of us who support historic preservation, the enormous benefits seem self-evident.

First. Preservation conserves energy. New construction eats up the equivalent of a gallon of gas for every eight bricks. The savings from rehabilitation of our old buildings can save prodigious amounts of energy.

Second. Preservation generates new jobs and private investment. The tax incentives for historic preservation, for example, have resulted in $1.3 billion of new private investments in 2,200 projects.

Third. Preservation helps revitalize our cities. The recent emphasis on urban preservation has provided housing and jobs, and has improved the quality of life for city dwellers.

Few programs offer as much: Conservation, economic growth, and urban revitalization. Yet Federal support for historic preservation has always been paltry. We should be able to find $25 million or more to devote to historic preservation in a Federal budget of $750 million. Yet every year we have an enormous battle with the executive branch and within the Congress to obtain that amount. Worse, the Reagan administration is committed to the elimination of Federal dollars for historic preservation altogether, a sum that would hardly pay for 10 percent of a B-1 bomber.

In Massachusetts and other States throughout the Nation, there has been a tremendous grassroots effort to save historic preservation. The work of this movement is directly responsible for saving the program last year, but the fight continues.

The facts are irrefutable. Historic preservation is a guarantor of our cultural heritage and an economic bargain besides. I wholeheartedly support preservation, and will continue to fight for continued funding in the Senate.●

FRANK E. PARRILL HONORED

● Mr. DE CONCINI. Mr. President, on May 19, 1982, one of my constituents, Mr. Frank E. Parrill, will be honored at the Department of Agriculture's Annual Honor Awards Ceremony. Mr. Parrill has dedicated 37 years of his life to the Soil Conservation Service, but will be receiving an award for the exceptional leadership he has demonstrated in the development and implementation of the natural resources conservation program on the Navajo Indian Reservation. I would like to add my congratulations to those of the Department and express my sincere gratitude to Mr. Parrill for a job well done.

Prior to July 1, 1977, the Soil Conservation Service (SCS) was not legally authorized to provide technical assistance on any Indian reservation. Such assistance was provided through the Bureau of Indian Affairs, Department of the Interior. But on that date, as a result of an agreement signed by the Department of Interior and the Department of Agriculture, SCS was permitted to begin providing technical assistance on Indian reservations. After the agreement was executed, the tribal officials of the Navajo Tribe in Arizona contacted SCS requesting that an intergovernmental personnel agreement (IPA) be established to assign one of USDA's employees to help provide assistance to the tribe, particularly in the area of range management. Under the agreement, the tribe and SCS agreed to share salary expenses. Fortunately for Arizona and the Navajo Tribe, Mr. Frank Parrill was selected to provide the assistance requested.

Mr. Parrill's achievements over the past 4 years have been nothing short of remarkable. During his initial year, Mr. Parrill initiated a soil and water conservation district campaign on the Navajo Reservation. By the end of this month, 12,145,202 acres of reservation land will be incorporated into five local conservation districts, each operating under a Navajo board of supervisors. These districts are organized under tribal law provided for under a memorandum of agreement signed by the tribe and SCS. In addition, Mr. Parrill has worked tirelessly to provide individual SCS assistance to Navajo land users, the first time such technical assistance has been available to Navajo ranchers. He has also provided instruction to the tribal grazing committee members who are responsible for overseeing local land use on the reservation.

From the beginning, Mr. Parrill has been extremely innovative in development an awareness of the need for resource programs. Primarily through his efforts, a range resource program for the Tribal Department of Resources has been prepared, resulting in the development and publication of the Navajo Nation Range Management Handbook. Mr. Parrill is the coauthor of this handbook.

All of Mr. Parrill's achievements have been accomplished despite language barriers, cultural, and religious differences, limited understanding of Navajo customs and politics and with a minimum of supervision and guidance from his SCS supervisor. It is a remarkable record and I am proud to count Mr. Parrill among my constituents. Mr. Parrill epitomizes the very best of Government employees.

Unfortunately, Mr. Parrill's IPA terminated on May 8, 1982. Fortunately, however, he will be remaining in Arizona in a liaison position so he can continue his work with the Navajo communities out of the capital of the Navajo Nation, Window Rock.●

JOHN HART INDUCTED INTO HOME BUILDERS' HALL OF FAME

● Mr. LUGAR. Mr. President, I rise today to commend a Hoosier who will on Saturday, May 15, be inducted into the National Association of Home Builders' Hall of Fame. John Hart deserves this recognition. Few people in Indiana or in the country for that matter, know more or have done more to warrant this prestigious award.

As chairman of the Senate Housing and Urban Affairs Subcommittee, I have been able to call John frequently for expert advice. His is the counsel of experience over 35 years in the building business, he has built over 11,000 residential units. John is knowledgeable about all aspects of construction—single-family and multifamily homes as well as industrial and commercial structures.

His leadership in the National Association of Home Builders, the Indiana Home Builders, and the Builders Association of Greater Indianapolis all attest to tireless effort on behalf of the homebuilding industry. John has answered calls from the Federal, State, and municipal governments to share his knowledge gained in the private sector. He has consequently served as chairman of the Federal National Mortgage Association, adviser to the Federal Home Loan Mortgage Corporation, chairman of the Indiana State Housing Finance Board, and for many years as an effective elected representative in the Indiana State Legislature.

I join John Hart's friends and family in recognizing his outstanding career, and I applaud the National Association of Home Builders for its wisdom in electing John to the Home Builders Hall of Fame.●

POLISH-AMERICAN CENTURY CLUB, HAMTRAMCK, MICH.

● Mr. LEVIN. Mr. President, on Sunday, May 16, the Polish-American Century Club of Hamtramck, Mich., will celebrate the official dedication of an original mural depicting the history of Poland. This mural, designed and painted by Dennis Orlowski—a well-know Michigan artist—highlights some of the more-significant cultural, scientific, and political landmarks of the Polish people. These events range from the 966 acceptance of Christianity by Poland, the Battle of Grunwald in 1410, the partition of Poland in 1939, and ends with representations of Pope John Paul II and Lech Walesa.

The mural demonstrates, throughout its 60-foot length, just how much the Polish people have given to the world and just what a debt the world owes to Poland. I hope that the mural will serve to remind us of that debt and that the drawing of Lech Walesa will suggest to us the best way we can discharge it—by doing all we can, individually and collectively, to keep the flame of freedom burning bright in Poland and here in this land as well.●

HUGH M. BROWN RETIRES AFTER 35 YEARS SERVICE WITH STEELWORKERS

● Mr. SASSER. Mr. President, I want to take this means of recognizing the work of a very loyal and dedicated member of organized labor, Mr. Hugh M. Brown, who is retiring after 35 years of service. He has served as legislative representative and coordinator for district 35 of the United Steelworkers for many years. He has championed the cause of working people and has been a forceful and effective advocate of their position on important issues.

Hugh Brown began his work with organized labor with the old American Federation of Labor. He later became the staff representative in district 35 for the steelworkers. He was later appointed as a subdistrict director with supervision of the Memphis and Nashville offices and their 40 local unions. He later became the legislative coordinator.

In addition to his work with the union, he has been very active in community affairs in Memphis and has been involved in any number of worthwhile projects and endeavors. He has served on the board of directors of many of these groups, including United Way, Goodwill Industries, and First Offenders, and is treasurer and a member of the board of St. Luke Methodist Church.

Hugh Brown has served the working people and his community faithfully and well and he deserves special recognition as he begins a richly deserved retirement. I want to join his many other friends in wishing him and his wife Frances and their family every success and good health and much happiness in the years ahead.●

REDUCING AND LIMITING STRATEGIC NUCLEAR ARMS

● Mr. MITCHELL. Mr. President, I have stated publicly that I welcome the President's announcement that he is seeking a face-to-face meeting with his Soviet counterpart, Party Chairman Brezhnev, on the subject of reducing and limiting strategic nuclear arms. While I wish the President had begun this effort sooner, I nevertheless believe that it is imperative that superpower strategic nuclear arms negotiations begin in earnest at the earliest possible date. I believe that the President's recent speech provides heartening evidence that he, too, now sees the merit of engaging in such arms control discussions.

The emphasis of the Nation's arms control debate now shifts. The question no longer is: "Will President Reagan include serious arms control negotiations in his defense program?" Instead, the question now is: "Is the President's negotiating approach realistic, and will his proposals lead to an enhancement of U.S. security and world peace?"

Earlier this week, Senator Edmund Muskie, my predecessor in this body and our country's former Secretary of State, expressed his views on this latter question. In his response to the "Eureka Address," Senator Muskie cautioned that the President's proposals, first, may be interpreted by the Soviet leadership as an invitation for the Soviet Union to unilaterally disarm; second, may effectively preclude the achievement of more modest arms control and reduction measures; and third, could have the eventual effect of insuring that the Soviets actually do succeed in gaining a true military edge over the United States.

Senator Muskie's arguments, as always, are well-conceived and expertly expressed. I commend his remarks to the attention of my colleagues, and request that they appear in the RECORD at this point.

The remarks follow:

DEMOCRATIC RESPONSE BY FORMER SECRETARY OF STATE, EDMUND S. MUSKIE

The President's speech is an ambitious attempt to address the relationship between the United States and the Soviet Union. We all long for a new understanding with our chief adversaries that can lessen tension in the world and lower the dangers and costs of the arms race. We must have the courage to get control of the nuclear genie and negotiate the arsenals downward.

In his call for real and substantial reductions in the strategic weapons on both sides the President—16 months into his term—is responding to a genuine and widespread popular desire as demonstrated in the nuclear freeeze idea to call a halt to the arms race, and to say "enough"!

However, in order to make progress we have to get to practical specifics—something we can get on with now.

The President is proposing dramatic reductions in the weapons on which the Soviets are most dependent—land-based missiles—while our country would have to make less of an adjustment in its overall, more balanced TRIAD of forces. There has to be some rough equality or parity in such a sensitive area for a proposal to be acceptable to both sides. I don't think the Soviets will unilaterally disarm.

What troubles me about the program announced today is that it may be a secret agenda for sidetracking disarmament while the United States gets on with rearmament—in a hopeless quest for superiority in these things.

If START, as described by the President, proves to be a non-starter, we may wind up without both a bold beginning on reductions and the more modest achievements of SALT. In any case, the real question is: how do we get from here to there? What do we do for the next few years while attempting to reach agreement on such major reductions?

Consider Mr. Meese's remarks of Friday. He stated that the Reagan Administration does not "feel bound by" the SALT II treaty—if it interferes with military plans the Pentagon may be contemplating. This, despite Secretary Haig's stated policy of living within the unratified treaty as long as the Soviets do the same. General Jones, the chairman of the Joint Chiefs, continues to assert the military values of the treaty to this country's security, and he and others have stated the Soviets are abiding by it. (But they admit that our side refuses to ask any questions about Soviet compliance in Geneva.)

I am afraid that what this may mean is that we are declaring a "free for all" for several years, in the arms race, in which there will be no treaty constraints on arms for the first time since President Nixon signed the SALT I accords in 1972. We are breaking an important bipartisan tradition. And, more importantly, the result may be to undermine the national security of the United States.

The Soviets will not stand still while we build yet more. We cannot expect them to abide by rules that we ignore, or just the rules that favor us—under SALT.

The hard facts are that the Soviets are able to move faster than we to more dangerous weapons breakouts from the SALT II treaty. For example, they can quickly double, or triple, or quadruple the number of warheads (bombs) on their land-based missiles—if SALT II is not observed. There is nothing comparable that we can do under the Reagan defense budget. Thus, this Administration may actually wind up guaranteeing that the Soviets achieve superiority—a position they do not now enjoy. We will be the ones who lose in a new round in the arms race, that is unnecessary.

What we seem to have—as strange as it may sound—is a Reagan policy of trusting the Russians to unilaterally restrain themselves while we pursue a $1.6 trillion defense buildup.

The contradictions in our policy will only tempt the Soviets, as with many voices the Administration suggests both abiding by a treaty and scrapping it when convenient.

What are we to make of the Secretary of Defense's argument to Congress that the defense budget must not be cut lest we be prevented from pursuing arms reductions—while at the same time some argue that Soviet behavior in the world is a major factor in determining whether or not we even talk to them about reducing arms? This is "double-whammy" linkage. Tell the Congress the people will not get arms talks unless Congress votes a big defense budget. Tell the Soviets that, if they conform to our rules, and unilaterally restrain themselves while we build, they can have a deal that cuts mainly into their forces. This suggests a unilateral arms race.

In short, the Administration has no plan for the time between now and when—years down the road—the U.S. is able to strike a seemingly impossible deal with the Soviets. There will be no free rides in the interim.

The only way to hold the Soviets in check while modernizing our weapons is to give formal approval, in some way, to the unratified SALT II treaty. This is the way to freeze the balance at rough parity—a base from which to seek mutual and verifiable reductions.

The arms balance, and the nuclear peace, cannot hold on the slender thread of an expired SALT I treaty and a SALT II treaty that has not been approved under our constitutional processes.

Breakout will occur on both sides and we will be worse off, with no arms control and an all-out arms race, under the current policy.

The SALT II treaty provides a known restraint—given the ceilings it imposes on the other side's forces—and observing it keeps alive the process of negotiating with Moscow about controlling and reducing arms. The more we distrust the Russians, the more we fear them, the more valuable this treaty becomes to us.

Mr. President: how do we get from where we are now to where we all want to go without keeping in place what we have? ●

ON COMMUNICATION WITH THE SOVIET UNION

● Mr. LEVIN. Mr. President, recently I came across a speech originally delivered in 1960. The speech, entitled "On Communication with the Soviet Union," was given by our colleague, Senator HAYAKAWA. At that time, S. I. HAYAKAWA was known as a semanticist and not as a politician. As a semanticist, his work in tracing the relationship between thought and action, between symbol and referent, illuminated a large part of the linguistic world in which we live. The speech that he gave then sought to use several ideas generated by general semantics and apply them to the problems of communication between the Soviet Union and the United States. He focused particularly on problems heightened by and associated with the growing nuclear forces which each country had some 22 years ago.

His analysis of the course of action we ought to consider—what he labeled his "crazy idea"—was to simply suggest that we ought to talk with the Russians and, even more important, that we ought to listen to what they have to say. We have made a great deal of progress in opening up lines of communication since Senator HAYAKAWA made this suggestion back in 1960. But there is more that we can and should do.

I recommend his speech to my colleagues, not only for the specific suggestions he makes, but also for the insight that his semantic analysis of our communication patterns provides. I particularly call the attention of my colleagues to his discussion of the way the language we use and the views we adopt operate as "self-fulfilling prophecies." As the then Professor HAYAKAWA said,

> Everyone who says that war is inevitable helps to bring the war closer; everyone who says that war is not inevitable helps, in a tiny but real way, to prevent it from happening.

As a professor and as a Senator, SAM HAYAKAWA has, in many ways, done many things to prevent war from happening.

Mr. President, I ask that the text of Senator HAYAKAWA's speech be printed in the RECORD.

The speech follows:

ON COMMUNICATION WITH THE SOVIET UNION

(By S. I. HAYAKAWA[1])

In traditional societies, for example among Orthodox Jews, marriages are arranged by professional matchmakers. Among the problems of the matchmaker is the fact that the marriage schemes which he concocts to the satisfaction and delight of two sets of parents are sometimes frustrated by the fact that the two young people concerned are not interested in each other. With his professional standing, to say nothing of his fee, in jeopardy, what does the matchmaker do? A favorite trick under these circumstances is to rely on what the sociologist Robert K. Merton has called the "self-fulfilling prophecy." The matchmaker says to David, "Have you noticed how Ruth looks at you?" To Ruth he says, "David thinks you're wonderful. He can hardly keep his eyes off of you." Up to now David and Ruth have scarcely glanced at each other. But after this build-up, when they next meet, they look at each other with special interest—and things may begin to happen.

I tell you this story not to warn you against matchmakers, but to illustrate the profound difference between the statements in the physical sciences and statements about human relations—a difference that affects us all. The matchmaker's statements, "David is fascinated by you, Ruth," and "Ruth is fascinated by you, David," are not true at the time he makes them, but if they are believed by Ruth and David, they may become true. What characterizes the self-fulfilling prophecy is its capacity of becoming true if it is believed. The prophecies of the physical sciences do not affect the outcome. If Galileo says that two cannonballs of unequal size dropped simultaneously from the Leaning Tower of Pisa will hit the ground at the same time, his prophecy does not affect the outcome of the experiment. But statements about human relations are not like physical science statements. If someone says, "I have no friends; everybody hates me," and he believes his own statement, he will treat everyone—even those who are trying to be helpful or friendly—as an enemy; thereby he makes his statement come true; he soon finds himself without a friend in the world.

Now the reason I wish to speak on the subject of self-fulfilling prophecies is that today the whole world is threatened with extinction by them: first, there is the prophecy apparently widely current among Russians that eventually, one of these days, the western capitalist powers, in particular the USA, will attempt to destroy the Soviet Union by armed force. Second, there is the prophecy widely current in the western world, expecially the USA, that the Soviet Union is planning some day to attack us. On both sides there are those who say, "Its got to come. One of these days, there is going to be a showdown." And those who say this usually believe that they are stating an objective fact—like the prophecies of the physical sciences: "There will be snow next winter in Minnesota. We do not know exactly on what day the first snowfall will come, but it will come, and Minnesota will be blanketed in snow."

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[1] Address given at opening ceremonies of the International Conference on General Semantics, Honolulu, July 30, 1960. An earlier version of this address was given at the commencement exercises of Long Beach State College, Long Beach, California, June 10, 1960. A shorter version was published in the New York Times Magazine, July 31; the full text appeared in the Honolulu Advertiser in installments, August 11, 12, 13.

On both sides, too, influential people have believed these prophecies and acted upon them. Americans, believing the Russians are preparing to attack, have stockpiled atomic and hydrogen bombs, have ringed the USSR with bases, and are feverishly working on new weapon developments—all of which activity further convinces the Russians of what they already believe, namely, that we are preparing to attack, so that Russians too have stockpiled atomic and hydrogen bombs, made alliances with governments and anti-governmental revolutionary groups in all parts of the world, and are feverishly working on new weapon developments—all of which convinces the Americans of what we already believe, namely, that the Russians are preparing to attack. So it goes on and on in what is perhaps the hugest and most fantastic vicious circle the world has ever seen.

It takes more than a little imagination to conceive of how huge and fantastic our world insanity is, as of this very moment. Let me specify:

First of all, during the Second World War, we unconsciously glided from the concept of war as a struggle between armies and navies and fighting forces to the concept of "total war." Total war is, in our times, a fascist revival of an ancient concept—the kind of war waged by Genghis Khan or Tamerlane in which no distinction was made between slaughtering an opposing army and slaughtering the civilian population—you just went out and slaughtered. When Mussolini revived this technique in Ethiopia and Hitler in Warsaw and Rotterdam, we were, as Lewis Mumford has pointed out, horrified; but before the Second World War was over, the allied nations were doing it too—systematic destruction of entire cities, including civilian populations, by air attacks, by napalm, and by atomic bomb. Mumford believes that this acceptance of the concept of total war was the greatest moral abdication of the western powers of our century—an abdication which led inevitably to our obsessive reliance upon atomic and hydrogen bombs in preparation for wars to come.[2]

Secondly, having committed ourselves, on both sides of the Iron Curtain, to nuclear weapons—which means to a policy not of armies and navies and air forces fighting each other, but of mass extermination—we have increased our capacity for destruction to a degree that cannot be called, even in charity, anything but insane.

You must all know the old joke about the man who liked pancakes, and therefore could not see why he should be sent to a psychiatrist just because he kept a trunk full of pancakes in his room. The trunk full of pancakes is sober sanity compared to our accumulation of nuclear weapons.

According to Time magazine (May 2, 1960), Major General Johm B. Medaris, recently retired chief of the Army's Ballistic Missile Agency, quoted an estimate that the United States already has an atomic stockpile equalling "ten tons of TNT for every man, woman and child on earth."

The Federation of American Scientists has said that, "With the stockpile . . . that now exists it is possible to cover the entire earth with a radiation level which for ten years would remain sufficiently intense to prove fatal to all living beings on land."

Also, says the Federation, "One superbomb destroys everything within a radius of five to ten miles and has a lethal fallout over an area of about 7,000 square miles, or a square about 85 miles to a side." This means that a single bomb would make the entire Los Angeles Area from about Oxnard in the north to Santa Ana in the south unlivable. And no one is permitted to tell us, for what are called "security" reasons, how many hundreds or thousands of such bombs we already have. This is security?

With each day, then, we are heading more and more surely towards not simply a war that nobody wants, but towards the destruction of civilization. General Douglas MacArthur said in this connection in 1955 before the American Legion that present tensions are

". . . kept alive by two great illusions. The one, a complete belief on the part of the Soviet world that the capitalist powers are preparing to attack it. . . . And the other, a complete belief on the part of the capitalist countries that the Soviets are preparing to attack us. Both are wrong. Each side, so far as the masses are concerned, is equally desirous of peace. For either side, war with the other would mean nothing but disaster. Both equally dread it. But the constant acceleration of preparation may well, without specific intent, ultimately produce a spontaneous combustion."

And what would this spontaneous combustion, whether set off purposely or accidentally, mean? Whole regions, especially around the great cities of America and of Western and Eastern Europe, and no doubt in other parts of the world as well, will not only be destroyed, but rendered uninhabitable for decades to come with radioactive wastes. For generations to come, babies will be born among survivors all over the world with genetic damage due to fallout.

Yet, in spite of the obvious dangers in our present courses of action both in the USA and USSR, we seem helpless to alter them. We are like a small party in a boat in the river above Niagara Falls, approaching closer and closer to the edge. The USA and USSR, instead of rowing away from the brink, row madly towards it with their continued preoccupation with the armaments race. Other nations not involved in our quarrels but in the same human boat nervously grip the gunwales in the wan hope that perhaps they may survive the catastrophe. This attitude is known as neutralism.

Many writers have pointed out the dangers inherent in our present national course, especially our excessive reliance on the policy of nuclear deterrence. I have no doubt that officials and citizens in the Soviet Union are also aware of the dangers. Yet we are not able on either side to change our course.

Why this is so is clear, I believe, to participants in this International Conference on General Semantics. Students of anthropology among you know how deeply rooted cultural patterns are, and how difficult they are to change except in the face of vastly altered circumstances. Sociologists here know about institutional inertia, and how social institutions, once they are well established, continue to do what they have been set up to do, whether it needs doing any longer or not. Students of psychology are acquainted with compulsive behavior—the way in which neurotic individuals repeat over and over again those very actions which got them into trouble in the first place, because they are too ridden with anxieties to try any other courses of action. Students of economics are aware of the degree to which industries acquire vested interests in those particular forms of madness that are most profitable to them. And as students of general semantics we have all studied the causes, in neurosis, in cultural inertia, and in language habits, of evaluative inflexibility.

Let me elaborate somewhat on the problem of language habits—the semantic problems that go to the very root of our thinking about war and peace. The psychiatrist Jerome D. Frank argues that the very words we use in our discussions have either radically changed in their meanings or lost their meaning altogether because of the fantastic destructive power released by our new weapons technology; hence, "we commit ourselves to a false conclusion even before we have started to think." Let me quote from Dr. Frank's analysis:

"For example, we automatically refer to our nuclear arms policy as one of defense, yet there is no defense in the strict sense of the term. . . . In pre-atomic days it was a comforting thought that for each new offense weapon, a genuine defense was eventually developed. Even though the protection it afforded was never perfect, it was adequate. Today, when one fighter-bomber with nuclear weapons carries more destructive power than all the bombers in World War II, a defense that is even 90 percent effective would not prevent vast destruction. But in using the word 'defense' to justify continued arming, we automatically slip into thinking of it in its old connotation. For example, Robert Nathan recently spoke of our creating a 'massive defensive shield.' There is no shield against nuclear weapons. . . .

Another phrase which no longer means anything is 'balance of power,' and concepts implied by it, such as 'catching up' with the Russians, are equally meaningless. For phrases implying relative strength have no meaning when each side can destroy the other many times over. What does 'catch up' mean when, according to President Eisenhower, we can already bring 'near annihilation' to Russia? And how do we know when we have caught up? We are said to have about 35,000 atom bombs; Russia, 10,000. Are we balanced or not?

A third phase which is rapidly losing its meaning is 'national security.' These words imply that one nation can be secure at the expense of the security of other nations. No nation can control the fall-out it receives from atomic explosions anywhere in the world. . . . Every inch of the globe can soon come under observation or attack from earth satellites. . . . In today's world, either all nations are secure or none is. . . .

One sign that a person's thinking processes have gone seriously awry is inability to detect absurdities. For example, if a patient can see nothing wrong with the statement, 'Bill Jones' feet are so big he has to put his pants on over his head,' psychiatrists worry about the intactness of his intellectual processes. Our failure to take account of the changed meanings of words leads us to make statements which are almost as absurd.... This is the kind of semantic tangle in which we find ourselves today.... One must fight the tendency to deny the extent and immediacy of the danger [of the present situation], and make sure the words one habitually uses in thinking about the problem are appropriate. Only in these ways can the real nature of the issues be kept in mind."[3]

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[2] Lewis Mumford, "The Morals of Extermination." *Atlantic Monthly*, October, 1959.

Is there any escaping the destruction with which the world is threatened? Since this is a question involving human relations, any answer we give involves necessarily the self-fulfilling prophecy. If we say no, if we say that our present national policy is the only possible one, we shall help bring on the destruction we fear. If we say yes, if we say we must continue to look for ways and means out of our predicament, we enhance the possibility of our finding a solution. To a large degree the future fate of the world rests in the sum-total of our private decisions: everyone who says that war is inevitable helps to bring the war closer; everyone who says that war is not inevitable helps, in a tiny but real way, to prevent it from happening.

At this point, let me remind you of something that Alfred Korzybski used to say in his seminars. He would quote from A. E. Housman the famous lines:

> I, a stranger and afraid
> In a world I never made.

Then Korzybski would thunder, "Don't be afraid. With your evaluations you made that world. With other evaluations you can make a different one!" Korzybski, with his long experience in the study of mental illness, saw clearly the degree to which the self-fulfilling prophecy operates in all human affairs, and the extent to which we create the worlds we live in. At the international level, no less than at the private level, the world is the creation of our evaluations.

Those who say that a solution can and must be found to the international impasse in which we find ourselves, those who are determined that the entire problem must be confronted in new and unprecedented ways, will turn inevitably to the subject of improved communication with Russia—because in the past few decades we have learned much about the degree to which problems of communication are involved in all human problems. Cultural exchanges, whether of concert artists, ballet troupes, art exhibitions, agricultural experts, athletic teams, or tourists, should certainly be encouraged. But even as we encourage this form of exchange, we must be prepared for the possibility that as we get to know each other better, we may possibly have even greater reason than we do now to dislike each other. But even this outcome will not be altogether a disadvantage, since dislike based on knowledge of each other is very much more manageable than our present dislike and distrust, which are based to a great extent on fearful conjectures made from both sides of the Iron Curtain as to the nature and purposes of the people on the other side.

But another facet of communication fascinates me as I think of the problems of the USA and the USSR. Successful communication, as we all know, is psychotherapeutic in its effect, whether we think of psychotherapy narrowly as applied to the psychiatrist and his client, or broadly as applied to the clearing up of the lesser misunderstandings and delusions that becloud relationships between people in normal business and family contacts. In this broad sense of psychotherapy in which no pyschiatrist is involved and in which the problem is the unblocking of communications between parent and child, between employer and employee, between teacher and student, there is always the general question, who is to be the psychotherapist and who the patient? And to this question, there is a general answer, namely, that since listening is at the heart of psychotherapy, whoever has the emotional strength and the courage to begin listening to the other fellow instead of shouting at him can be the psychotherapist for the other. Hence, the emotionally secure mother can act as psychotherapist for the child; but the emotionally strong child can also act as psychotherapist for an upset mother. The general rule then is this: whether you are parent or child, employer or employee, teacher or student, if you yourself have the firmness and security of internal organization to listen patiently to the other fellow, even when you feel that you know he is wrong, you can start the psychotherapeutic process rolling.

Perhaps the same principle can be applied to our relations with Russia. If we really believe what we say about our way of life, if we are sure of its superiority to communism, if we sincerely believe that our nation is founded on sounder moral principles than any dictatorship, then, instead of putting up walls of security regulations around ourselves to guard against communications from Communist sources, we should be welcoming them. The simplest and most effective way of establishing communication, as every psychiatrist and mother knows, is to listen

Hence I would propose that, far from preventing the dissemination in our midst of Communist propaganda, we should invite hundreds, if not thousands, of Soviet teachers and professors and journalists and parliamentarians and jurists and plant managers to come here and explain their way of life, their national purposes, their hopes for the future, their accusations against us, before every college campus, every luncheon club, every union membership meeting, every chapter of the American Association of University Women, every church group and public forum in the country.

The patient, by talking out to his psychiatrist his bitter memories, present frustrations, and fears for the future, gradually overcomes his bitterness, his frustration, and his fear. If the Russians are bitter towards us, frustrated by us, or fear us, and if indeed we have no aggressive military designs that they need to fear, let them come and tell us what's eating them, so that they can get over it. let them come and compare their picture of us with us as we are. Let us try to understand their view of the world as they see it, and then let us debate with them, vigorously but rationally, so that they will understand our view of the world as we see it and report that view back to their compatriots on their return. Let us invite them, at our own expense and with no strings attached, to join the perpetual town-meeting in which we are all engaged in a free society, and to lay their ideas alongside of ours for comparison and discussion. For the price of one medium-size bomber, I am sure we could pay the traveling expenses of two or three thousand Soviet lecturers and their translators for three-month lecture tours. We have tried bombers of all sizes, but none of them have reduced international tensions. Is it not time we tried something different?

The funny thing about human beings, including you and me and the Russians, is that we tend to respect the intelligence of, and eventually to like, those who listen attentively to our ideas even if they continue to disagree with us. Suppose we listened to the Russians. Of course we would find ourselves disagreeing much of the time. But suppose we continued listening anyway, in order to get a clear conception of what it is that we are disagreeing with. Some of our ideas may be influenced; we will certainly get new information; also we may find ourselves re-evaluating some things which we thought we already understood.

But what would happen to the Russians doing the talking? Also, what will be the effects on Russian public opinion of two or three thousand Russian lecturers going back home to tell their local newspapers and friends and colleagues of the attentive consideration with which their views were received in America? And what will be the effect of public opinion in India, Africa, Japan, and elsewhere in the world of the invitation of Russian speakers to America as contrasted with the Russian jamming of Voice of America broadcasts to countries behind the Iron Curtain?

But aside from propaganda victories which we might gain from such a move as I have suggested, there is the more serious matter of the self-fulfilling prophecy. The Russians have long said, and they continue to say, that they want peace. Nevertheless, on the basis of their aggressive actions in North Korea and Hungary (to speak only of recent events), we call them, with some justification, liars and hypocrites. But what would happen if we took their protestations of peaceful intention seriously? Is there a chance that if we acted on the assumption that they really wanted peace, the self-fulfilling prophecy would begin to operate, and they would begin to seek peace?

I do not know the answer to this question. But I do know that Mahatma Gandhi, in his struggle for Indian independence, always insisted on treating the British as sincere and honorable. There must have been many times when he didn't particularly feel like treating them so, but he persisted in this course. Ultimately, as we all know, he elicited from the British sincere and honorable behavior—and independence. I also know that the dangers of world destruction confronting us today are tremendous and that the Russians fear the holocaust no less than we. Finally, I know that our present policy of threatening to blow the hell out of the Russians and their policy of threatening to blow the hell out of us are suicidal—for us and the Russians as well as for everyone else within reach of atomic fallout, which means the whole human race.

So, crazy as my idea may sound of inviting communist speakers here by the thousands to give us their pitch, it is clear that the only solutions for the problem of human survival that we can hope for are ideas that must of necessity sound crazy when first stated—like the idea of atomic energy itself.

Freedom, including freedom of thought and speech, is one of the most cherished ideas in American tradition, and as we contemplete the precious freedoms we enjoy, we often feel sorry for those people behind the Iron Curtain because they are not free to hear ideas which are in conflict with their own communist doctrines. But how much fredom have we permitted ourselves

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[3] "The Great Antagonism," Atlantic Monthly, November, 1958.

when it comes to listening to communist ideas? Are we not almost as tightly enclosed within our own ideology as they in theirs?

So, in return to my plea that we listen seriously to the Russians, let us demonstrate to the Russians and to the world that when we talk about freedom, we mean the freedom to examine their ideas no less than freedom to discuss our own. For there is an operational difference between "freedom" (Soviet variety) and our own kind of freedom. Let us operate on that operational difference—and show that it is a difference that makes a big difference indeed. We have nothing to lose but our anxieties. We have much to gain—perhaps human survival itself.●

REFORMING THE SPECIAL PROSECUTOR PROCESS

● **Mr. DANFORTH.** Mr. President, much criticism and controversy have been generated by the special prosecutor provisions of the Ethics in Government Act of 1978, which require the appointment of a temporary, independent prosecutor to investigate alleged criminal activities by senior executives and campaign officials. My colleague from the State of Maine, Senator Cohen, has studied this question in depth. He is chairman of the Senate Subcommittee on Oversight of Government Management, which has held extensive hearings on the special prosecutor process and concluded that revisions of the law are warranted.

Senator Cohen, who brings to this issue his past experience as a member of the House Judiciary Committee, has written an article called, "Reforming the Special Prosecutor Process," which recently appeared in the American Bar Association Journal. In this article, Senator Cohen outlines the history and operation of the special prosecutor provisions. He reviews the criticism of these provisions and makes specific proposals to revise the law.

I call the attention of the Senate to Senator Cohen's article as a good starting point for discussion of this issue, and I ask that the text of his article be printed in the Record.

The article follows:

[From the American Bar Association Journal, March 1982]

Reforming the Special Prosecutor Process

(By William S. Cohen)

The special prosecutor provisions of the Ethics in Government Act of 1978 (28 U.S.C. § 591-98), which require the appointment of a temporary independent prosecutor to investigate alleged criminal activities by senior executive and campaign officials, have received much scrutiny recently. Although the special prosecutor concept and the precise process adopted by Title VI of the act have generated much controversy since their inception, the criticism has escalated in response to the cases that have arisen in the three years since the act's passage.[1]

Approximately one year after the act was adopted, the first special prosecutor was appointed to conduct an investigation of the alleged cocaine use by Hamilton Jordan, President Carter's White House chief of staff. After a six-month investigation accompanied by extensive media attention, Jordan was exonerated by the special prosecutor. The second appointment of a special prosecutor, once again to investigate alleged cocaine use, followed within four months, and again there was prolonged media attention. The allegations led to the resignation of Timothy Kraft, the subject of the investigation, as the manager of President Carter's re-election campaign. Like the Jordan case, this one also ended in a decision by the special prosecutor not to seek a criminal indictment.

In addition to many stories in the press detailing the developments of each investigation, the events generated strong editorial comment in major newspapers. Some writers argued that the value of the special prosecutor law was "trivialized" when it was used to investigate charges of drug use and similar "private, off-duty peccadillos." Others viewed the statute as well-intentioned yet far too sweeping. Conversely, some writers argued that the two cases indicated that the act was working precisely as it was intended and that the special prosecutor appointment was essential to clear the name of the subject of the investigation.

There also has been substantial criticism leveled against the act by present and past Department of Justice officials, as well as by many who supported the special prosecutor provisions in the past. Some of the contentions made by these critics focus on specific aspects of the law. Some argue that the act's coverage is too broad, that it triggers a special prosecutor investigation too easily, and that the period for preliminary investigation is too short. Other critics attack the special prosecutor process on broader bases, charging that the required investigations are "a ridiculous waste of time," that the act creates unfair, more stringent application of criminal laws to elected officials, and that it institutionalizes distrust of the attorney general and Department of Justice.

The most direct attack on the law was launched in April of 1981, when Attorney General William French Smith expressed "severe reservations" concerning the constitutionality of the law, primarily on the grounds that it violates the doctrine of separation of powers by lodging the prosecution of federal offenses in an officer who is not appointed by or subject to the attorney general or the president.

As chairman of the Senate Subcommittee on Oversight of Government Management, I believed that Congress should evaluate the criticisms to determine whether amendments to the act were warranted. I was concerned that the doubts raised would impede the act's effectiveness Last fall, after hearings and extensive investigation, the subcommittee concluded that significant changes in the law are necessary.

The act requires the attorney general to conduct a preliminary investigation whenever he receives "specific information" that any designated executive or campaign official has violated a federal criminal law, other than a petty offense. On completion of the preliminary investigation, or in any case, at the end of 90 days, the attorney general must report to the Special Prosecutor Division of the United States Court of Appeals for the District of Columbia Circuit, established by the act. Unless he concludes that the matter is "so unsubstantiated that no further investigation or prosecution is warranted," the attorney general must apply for the appointment of a special prosecutor, in which case the court has no discretion to deny the appointment.

Once appointed, the special prosecutor has extensive powers. He has all the powers of the attorney general and the Department of Justice to investigate all matters within his jurisdiction, which is defined by the court. The special prosecutor is removable only by the attorney general for gross impropriety or physical or mental incapacity, and the special prosecutor may obtain judicial review of his removal.

The act also establishes procedures for judicial and congressional oversight of the special prosecutor and imposes strict limitations on disclosure of facts concerning the preliminary investigation and special prosecutor phases of the process. Under a sunset provision, the special prosecutor provisions will expire in October, 1983, unless extended by Congress.

The basic purpose of the special prosecutor provisions is to assure public confidence in the impartial investigation of alleged wrongdoings by government officials. Prompted by the events of Watergate, Congress recognized that actual or perceived conflicts of interest may exist when the attorney general is called on to investigate alleged criminal activities by high-level administration officials. When conflicts exist or when the public believes there are conflicts, public confidence in prosecutorial decisions is eroded, if not totally lost.

Unfortunately, the dangers of conflict of interest were not unique to Watergate. They are inherent in our system of government. The attorney general is a political appointee of the president, at times a close adviser to the president, and part of an administration that may aspire to re-election or have other political objectives. From a political perspective, it is understandable that an attorney general might seek to avoid any embarrassment the investigation of a senior official would bring to the administration. The result of this loyalty could be to under-investigate or totally ignore allegations of wrongdoing.

Historical experience demonstrates that in the absence of a statutory mandate, attorneys general have been reluctant, even in the recent past, to appoint independent prosecutors to handle investigations of persons close to the administration. For example, no special prosecutor was appointed to investigate allegations of the attempted bribery of Carter administration officials by fugitive financier Robert Vesco or of perjury by former Treasury Secretary G. William Miller during his confirmation hearings.

In the "Carter Peanut Warehouse Case," in which there were allegations of improper financial dealings between the Carter family business and the 1976 Carter election campaign, Attorney General Griffin Bell did appoint an independent prosecutor, yet required him to clear all prosecutorial decisions with the head of the Criminal Division of the Department of Justice. Only after strong criticism by Congress and the media did Bell vest the prosecutor with total independence. Since a number of these activities were under investigation by the Department of Justice before the effective date of the Ethics in Government Act, the attorney general technically was not required to appoint a special prosecutor. Still, the failure to refer the allegations to special prosecutors may have damaged public confidence in the investigations.

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[1] Since submission of this article for publication the special prosecutor law has received renewed attention. In December the Department of Justice concluded that the law was not triggered by allegations that then National Security Adviser Richard Allen accepted payments from Japanese journalists to arrange interviews with the first lady. In December Attorney General William French Smith also petitioned the court for a special prosecutor to investigate allegations that Secretary of Labor, Raymond J. Donovan, was involved in payments made to union officials, and a special prosecutor now is investigating this matter.

These cases prove that the decision to appoint outside counsel must not lie with the attorney general alone. The special prosecutor provisions achieve this goal by prescribing defined circumstances in which the attorney general must conduct a preliminary investigation, appoint a special prosecutor, and report his activities to the court.

The special prosecutor process should not be interpreted as impugning the integrity of an attorney general or the Department of Justice. Throughout our system of justice, safeguards exist, either through the form of mandatory recusal or disclosure requirements, against actual or perceived conflict of interest. These requirements frequently are imposed on judges, attorneys, and elected officials and do not reflect adversely on these individuals. Rather, the public is assured that decisions are impartial and fair when these individuals withdraw to avoid conflicts of interest.

The special prosecutor provisions must be retained to guard against actual or perceived conflict of interest. An endorsement of the process, however, does not suggest that the present law is perfect. To the contrary, there are significant deficiencies that must be addressed in order to make the law equitable and to achieve its state purpose.

Although the goal of the special prosecutor process is to assure that investigations of high-ranking officials are conducted fairly and impartially, the present act creates inequities by requiring costly, exhaustive, and lengthy investigations of officials in cases that ordinarily would not be pursued by the Department of Justice. This inconsistency results from the very low standards that trigger the preliminary investigation and appointment of a special prosecutor.

Recall that the attorney general must conduct a preliminary investigation whenever he receives "specific information" that a covered person has engaged in criminal activity. That standard does not allow the attorney general to consider the credibility of the source of the allegation but rather requires a preliminary investigation for even those allegations from sources known by the Department of Justice to be unreliable. These kinds of allegations rarely would be pursued in the case of an ordinary citizen. This failure to incorporate credibility into the standard invites manipulation of the process by an accuser who wishes to subject an official to an inveatigation for a variety of motives, including reprisal or political advantage. The Jordan case, in which the allegation was made in a plea-bargaining attempt, illustrates how the mechanism can be used to gain leverage with the Department of Justice in charges against the accuser himself.

The standard governing the appointment of a special prosecutor, under which the attorney general must seek appointment unless he can state that the allegations are "so unsubstantiated that no further investigation or prosecution is warranted," further encourages an uneven application of the law. Even allegations with little or no factual support can set a special prosecutor investigation in motion, simply because the attorney general has been unable to exhaust every shred of evidence, follow up every lead, or interview every potential witness. In the Jordan case, Attorney General Civiletti was forced to seek a special prosecutor, despite the fact that he believed the allegations did not warrant prosecution because there were witnesses who refused to testify voluntarily.

In conducting a preliminary investigation, the attorney general is acting as all prosecuting attorneys do when allegations of criminal conduct first come to their attention. At this stage the prosecutor screens cases to determine which allegations meet threshold levels requiring additional, more intensive investigation. The present appointment standard is, however, far lower than the standard employed by other prosecutors in both the federal and state judicial systems and strips the attorney general of the discretion to dismiss frivolous allegations.

Similarly, the present standard ignores the legitimate use of prosecutorial discretion and the prosecutorial guidelines that the Department of Justice has developed to standardize its policies of law enforcement. It is a well-established principle that prosecutors enjoy wide latitude in determining when, whom, how, and even whether to prosecute for apparent violations of criminal law. By failing to incorporate these policies into the standard, the act often results in the appointment of a special prosecutor in cases that are not, or only rarely, pursued by the Department of Justice.

Both Jordan and Kraft were alleged to have possessed cocaine in violation of 21 U.S.C. § 844(a). At my subcommittee's hearing both present and past Department of Justice officials testified that a violation of this federal law is seldom prosecuted and that on identical sets of facts in ordinary circumstances no prosecution would be pursued. Civiletti testified that neither the Jordan nor the Kraft cases, "under the ordinary principles and standards of the Department of Justice under the past administration and this administration, or any administration, merited extensive investigation or prosecution."

Automatic referral to a special prosecutor in these types of cases serves no valid public purpose but rather imposes substantial burdens on public officials. It creates a dual standard of justice: one for the citizenry at large and another for our public officials.

To lessen the inequities of the present low standards of investigation and appointment, the act should be amended in the following ways:

First, a preliminary investigation should be required only when the attorney general receives "specific information sufficient to constitute reasonable grounds to investigate" that a covered person has committed a federal criminal violation. In determining whether "reasonable grounds" exist, the attorney general should consider (1) the degree of specificity of the information and (2) the credibility of the source of the allegation.

Second, the appointment standard should be raised to require appointment only when the attorney general has "reasonable grounds to believe that further investigation or prosecution is warranted." The attorney general should base this determination on factual evidence supporting the allegations and the clearly established prosecutorial guidelines of the Department of Justice. The attorney general should be permitted to justify his decision that no appointment is necessary on a showing to the court that the department or the United States attorney for the district in which the violation was alleged to have occurred would not, as a matter of established practice, prosecute this violation. The present law's requirement that the attorney general fully report his reasons for not seeking a special prosecutor provides the necessary check on any possible abuse of his discretion in this area.

Even when the allegations prove groundless, the special prosecutor process subjects officials to extreme expense and the stigma of a criminal investigation. In the Jordan case, despite the special prosecutor's conclusion that the allegations were of no evidentiary value, Jordan incurred legal fees exceeding six figures, which was more than twice his annual salary. Kraft also bore extensive costs, including legal fees for his case challenging the constitutionality of the act. The investigations also can generate extensive, adverse publicity that, as in the case of Kraft, could force the official to resign from office. In the light of these costs, it is crucial that the coverage of the act be restricted to only those officials who pose realistic dangers of conflict of interest.

The coverage of the present act is excessively broad. There are currently 124 federal executive positions covered, 93 of which are in the Executive Office of the President. Many of these positions are unknown to the public, as well as remote from the Department of Justice. For example, the act covers three positions in the Council on Environmental Quality and positions in the Council on Wage and Price Stability. It also covers the director of staff of the first lady. Investigations of individuals holding these and similar positions, who are close to neither presidential nor Department of Justice decision making, would create little danger of real or perceived conflict of interest if conducted by the Department of Justice.

The length of time that an official can remain covered by the special prosecutor law also is too extensive. The law provides that an executive official continues to be covered "during the incumbency of the president or during the period the last preceding president held office, if such preceding president was of the same political party as the incumbent president." An official could resign and have no further contact with the administration, yet continue to be covered for as long as 16 years after he or she leaves office—eight years if the president under which he or she serves is reelected and eight more years if the succeeding president is of the same political party. There is little realistic fear of conflict of interest or favoritism if an official has been out of office this long.

Equally disturbing is the fact that length of coverage turns on which political party is in power. This standard for the application of criminal law is unique in our system and amounts to, in the words of former Attorney General Edward Levi, the "politicalization of the administration of justice." There is no evidence to substantiate the premise of this standard, which is that one political party will be more lenient in prosecuting former officials who are its own members. Indeed, a new administration may be more reluctant to prosecute its predecessors of the opposite party, fearing that prosecution would be perceived as an act of vindictiveness.

Ironically, while the act's scope is overbroad in these respects, it is underinclusive by failing to include a class of persons who are indeed close to the president and present perhaps the greatest dangers of conflict of interest: the president's family. The "Billygate Affair," in which President Carter's brother was suspected of having an improper relationship with the Libyan government, illustrates the problems that may arise when the Department of Justice handles investigations of the president's relatives. Although a Senate subcommittee concluded that there was no evidence of actual favoritism extended by the Department of Justice in that case, there was much speculation in the press over whether the president's brother would be investigated impartially. That speculation jeopardizes public confidence in the impartiality of the ultimate decision in these cases.

The act should be amended to cover those situations that present the greatest threat of conflict of interest. First, the number of executive officials subject to the special prosecutor process should be limited to the president, vice president, Cabinet members, director and deputy director of the Central Intelligence Agency, commissioner of internal revenue, and those senior officials in the Executive Office of the President and the Department of Justice who are truly close to either presidential or Department of Justice decision making. In addition, the act should be extended to cover family members of the president during the president's incumbency. For this purpose, the president's "family" would be defined as the president's spouse, parents, children and their spouses, and brothers and sisters and their spouses.

Fairness also requires a standardized period of coverage for all officials. To remedy the excessive length of coverage, the act should be amended to cover all executive officials for the incumbency of the president under which they serve, plus one year. This proposal recognizes that the dangers of conflict are strongest during the entire administration in which an official serves and also covers a period of "residual influence" an official may have after leaving office. Most important, this reduced coverage is politically neutral and does not create great disincentives to public service by covering officials long after they leave office and long after the threat of conflict has waned.

There are additional areas of the law that require amendment in order to assure that the process is fair and invoked only in those situations where actual threats of conflicts exist. For example, the name "special prosecutor," which conjures up associations of Watergate, should be changed to "independent counsel" in order to minimize the adverse publicity borne by the subject of the investigation. To reduce the extensive financial burden that a special prosecutor investigation imposes on the public official, the court should be given the discretion to award attorney's fees to subjects to cover costs that would not have been incurred by private citizens. Finally, to safeguard against abuse of the broad powers of the special prosecutor, the attorney general should be empowered to remove the special prosecutor on a showing of "good cause" as long as this decision is made public, is reported to the congress, and is subject to judicial review.

As Justice Holmes once said, "The life of the law is experience." Over the past three years we have had the benefit of experience to review the wisdom and exercise of the special prosecutor law. Our experience shows that the special prosecutor process is necessary to assure public confidence in investigations of high-ranking officials but that the law achieves its goal imperfectly.

Far from diluting the law, these recommendations will assure that both public officials and private citizens are treated impartially — and equally — under the law.●

COMMENDATION OF MAJ. GEN. JOHN B. CONAWAY

● Mr. HUDDLESTON. Mr. President, since April 1981 Maj. Gen. John B. Conaway, a Kentuckian, has served as the Director of the Air National Guard of the United States. We in Kentucky have always been proud of John and his accomplishments. He has a most distinguished service record, and he has made major contributions to the development and implementation of the total force policy. We are particularly proud, however, that those outside of the State have also recognized John's achievements. Recently, the Legislature of the State of Mississippi enacted a resolution commending John for his outstanding service and leadership.

Mr. President, I ask that a copy of that resolution be inserted in the Record:

The resolution follows:

Senate Concurrent Resolution No. 619

Whereas, Major General John B. Conaway has enhanced the image of the Air National Guard of the United States by his appointment as its Deputy Director in 1977 and his subsequent appointment as its Director, with promotion to Major General on April 1, 1981; and

Whereas, General Conaway is a Kentucky native who attended undergraduate pilot training at Greenville Air Force Base, Mississippi, in 1957; and

Whereas, General Conaway's abilities, and his dedication to the principles that made our nation great, enabled him to advance at a fast pace, progressing through the following levels of command in the Kentucky Air National Guard between 1965 and 1977: Flying Instructor, Squadron Operations Officer, Group Deputy Commander for Operations, Group Commander, Wing Chief of Standardization, Wing Chief of Safety, Wing Director of Operations; and

Whereas, he served as Vice Commander of the 123rd Tactical Reconnaissance Wing which has units in Kentucky, Arkansas, Nevada and Idaho; and

Whereas, General Conaway's military decorations and awards include the Legion of Merit, the Air Force Meritorious Service Medal, the Air Force Commendation Medal, the Combat Readiness Medal, the National Defense Service Medal, the Armed Forces Expeditionary Medal, the Armed Forces Reserve Medal and the Kentucky Distinguished Service Medal; and

Whereas, General Conaway's commitment to the 'Total Force" policy of a strong national defense, and his continuing strong support of the Air National Guard and the National Guard Associations of the United States and Mississippi has brought recognition to himself and to the air reserve forces:

Now, therefore, be it resolved by the Mississippi State Senate, the House of Representatives concurring therein, That we do hereby acknowledge and express appreciation for the outstanding service and leadership of Major General John B. Conaway during his tenure as Director of the Air National Guard of the United States, National Guard Bureau, Washington, D.C.

Be it further resolved, That copies of this resolution be forwarded to the National Guard Association of Mississippi for appropriate presentation to General Conaway, and that copies be made available to members of Mississippi's Congressional Delegation and to members of the Capitol Press Corps.●

JEROME CAVANAGH

● Mr. LEVIN. Mr. President, the Detroit Institute of Arts is honoring Jerome P. Cavanagh, former mayor of Detroit, by naming a wing of the institute in his honor. I rise today to call this event to the attention of my colleagues in the Senate and to indicate just how appropriate this honor is.

Jerome Cavanagh was a strong supporter of the arts and of the city of Detroit. As a founder of New Detroit—the Nation's first major urban coalition—he was instrumental in the effort to bind up the wounds the city suffered during the riots of 1967 and in the attempt to solve the problems which caused them. In that process, Mayor Cavanagh never forgot that the critical task we all face is not just to improve the physical lot of people, but also to lift their spirits as well. He knew that a part of any public figures' job was to make sure that people had access to the best that any society has to offer. And he knew that art was one of the purest expressions of the aspirations that all human beings share.

Jerome Cavanagh's support of the arts in general and the Detroit Institute of Arts in particular, his efforts as mayor of Detroit and as a citizen, his concern for all people, his record in public life, and his accomplishments in his private activities all testify to his worth. And the honor that the Detroit Institute of Arts does in naming a wing after him will memorialize that worth for all times.●

PROGRAM

Mr. BAKER. Mr. President, when the Senate reconvenes tomorrow, it will do so at 9 a.m., pursuant to the order previously entered.

Under the order previously entered, the time for the recognition of the two leaders under the standing order is reduced to 5 minutes each.

The Senate will resume consideration of the pending bill and the pending amendment at 9:15 a.m., and the time, if any, between the recognition of the two leaders and 9:15 a.m. will be devoted to the transaction of routine morning business.

ORDER FOR ROUTINE MORNING BUSINESS TOMORROW

I ask unanimous consent that Senators may be permitted to speak for not more than 1 minute each during that period.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. On tomorrow, when the Senate resumes consideration of this bill, the pending amendment will be the Roth-Glenn-Nunn amendment dealing with NATO military cooperation.

I expect a number of votes during the day. I expect tomorrow to be a very late day, later than this day has been, notwithstanding that it is now 17 minutes after 11 in the evening.

I hope to be able to finish this bill, and the leadership intends to stay as long as it is practical to do so in order to attempt to do that and to move to other important business.

RECESS UNTIL 9 A.M. TOMORROW

Mr. BAKER. Mr. President, if there is no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until 9 a.m. tomorrow.

The motion was agreed to, and at 11:17 p.m. the Senate recessed until tomorrow, Thursday, May 13, 1982, at 9 a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 12, 1982:

Department of Defense

Gen. John W. Vessey, Jr., 703-07-1974, Army of the United States (major general, U.S. Army) under the provisions of title 10, United States Code, section 142, to be Chairman, Joint Chiefs of Staff, a position of importance and responsibility designated by the President under subsection (a) of section 601.

In the Air Force

Gen. Robert C. Mathis, U.S. Air Force (age 54), for appointment to the grade of general on the retired list pursuant to the provisions of title 10, United States Code, section 1370.

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 601, in grade as follows:

To be general

Lt. Gen. Jerome F. O'Malley, 171-24-0533FR, U.S. Air Force.

In the Army

Gen. John A. Wickham, Jr., 092-20-1086, Army of the United States (major general, U.S. Army), under the provisions of title 10, United States Code, section 601(b)(1), to be reassigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601(a), in the grade of general.

In the Navy

Vice Adm. Robert F. Schoultz, U.S. Navy, having been designated for command and other duties of great importance and responsibility in the grade of vice admiral within the contemplation of title 10, United States Code, sections 5086(a) and 601, for reappointment while so serving.

The following-named officer having been designated for command and other duties of great importance and responsibility in the grade of admiral within the contemplation of title 10, United States Code, section 601, for appointment while so serving as follows:

To be admiral

Vice Adm. Sylvester R. Foley, Jr., U.S. Navy.

In the Marine Corps

Lt. Gen. William J. White, U.S. Marine Corps, age 57, for appointment to the grade of lieutenant general on the retired list pursuant to the provisions of title 10, United States Code, section 1370.

Department of Justice

William A. Kolibash, of West Virginia, to be U.S. attorney for the northern district of West Virginia for the term of 4 years.

Marvin E. Breazeale, of Mississippi, to be U.S. Marshal for the southern district of Mississippi for the term of 4 years.

Gilbert G. Pompa, of Texas, to be Director, Community Relations Service, for a term of 4 years.

In the Air Force

Air Force nominations beginning John O. Ahnert, Jr., to be lieutenant colonel, and ending Manuel A. Thomas, Jr., to be lieutenant colonel, which nominations were received by the Senate and appeared in the Congressional Record of April 14, 1982.

Air Force nominations beginning Walter S. Sorensen, to be determined, and ending Carl W. Reddel, to be permanant professor, U.S. Air Force Academy, which nominations were received by the Senate and appeared in the Congressional Record of May 3, 1982.

Air Force nominations beginning Woodrow M. Ivandick, to be determined, and ending Kenneth H. Flemming, to be permanent professor, U.S. Air Force Academy, which nominations were received by the Senate and appeared in the Congressional Record of May 3, 1982.

Air Force nominations beginning Patrick J. Behnke, to be determined, and ending David O. Swint, to be permanent professor, U.S. Air Force Academy, which nominations were received by the Senate and appeared in the Congressional Record of May 3, 1982.

Air Force nominations beginning Randal G. Abraham, to be determined, and ending Steven G. Zenishek, to be determined, which nominations were received by the Senate and appeared in the Congressional Record of May 3, 1982.

In the Army

Army nominations beginning Stephen I. Alpern, to be colonel, and ending Jarel Zoltick, to be major, which nominations were received by the Senate and appeared in the Congressional Record of April 14, 1982.

Army nominations beginning Julius L. Bedynek, to be colonel, and ending Catherine L. Wilhelmsen, to be captain, which nominations were received by the Senate and appeared in the Congressional Record of April 19, 1982.

Army nominations beginning Hector J. Acosta, to be second lieutenant, and ending Scott Lloyd Zonis, to be second lieutenant, which nominations were received by the Senate and appeared in the Congressional Record of April 19, 1982.

In the Coast Guard

Coast Guard nominations beginning Samuel E. Burton, to be lieutenant commander, and ending James B. Ellis, II, to be commander, which nominations were received by the Senate and appeared in the Congressional Record of May 3, 1982.

In the Marine Corps

Marine Corps nominations beginning Clifford M. Acree, to be major, and ending David J. Young, to be major, which nominations were received by the Senate and appeared in the Congressional Record of May 3, 1982.

In the Navy

Navy nominations beginning Randall Otto Abshier, to be commander, and ending Lawrence N. Wiltzius, Jr., to be commander, which nominations were received by the Senate and appeared in the Congressional Record of April 19, 1982.

Navy nominations beginning Frederick Key Abell, Jr., to be ensign, and ending Dorothy Jane Zink, to be ensign, which nominations were received by the Senate and appeared in the Congressional Record of April 19, 1982.

Navy nominations beginning Kurt F. Baker, to be ensign, and ending Frank J. Weingartner, Jr., to be ensign, which nominations were received by the Senate and appeared in the Congressional Record of April 26, 1982.

Navy nominations beginning Edwin McCullough Anderson, to be commander, and ending David Chester Vonrump, to be commander, which nominations were received by the Senate and appeared in the Congressional Record of April 26, 1982.

Navy nominations beginning Brent S. Frampton, to be ensign, and ending Ronnie D. Thomas, to be commander, which nominations were received by the Senate and appeared in the Congressional Record of May 3, 1982.

EXTENSIONS OF REMARKS

FUTURE UNCERTAIN FOR COOPERATIVE RESEARCH UNITS

HON. HAROLD L. VOLKMER

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. VOLKMER. Mr. Speaker, along with its cuts in many education and research programs, the administration has once again proposed the elimination of Cooperative Wildlife and Fisheries Research Units. Two such units are located at the University of Missouri-Columbia, and are of particular concern to me. I rise today to urge the Appropriations and Budget Committees to provide the necessary funds to operate this useful, productive program.

The cooperative program began in 1935, and there are now 50 of these research units nationwide. These units utilize the combined physical and financial resources of the U.S. Fish and Wildlife Service, State conservation departments, and State land grant universities. In addition to training wildlife and fishery personnel, these programs support valuable research in resource management.

The Missouri units have been especially useful in meeting local and national needs. Graduates have held important positions in the Missouri Conservation Department, the University of Missouri and other major universities and colleges, private firms, the U.S. Fish and Wildlife Service, and other Federal agencies. Research results have been used in the vital development of management schemes for various species of fish and wildlife, including deer, bass, and mourning doves. Other worthwhile studies include the assessment of wildlife habitat quality and the effects of water development projects. Recent findings will be used by the National Park Service in devising a new management plan for Missouri's popular Ozark riverways.

An article in the April 1982, Missouri Conservationist describes these units and their uncertain fate. I am submitting this article to the Record for my colleagues' information, and urge you to support funding for this important, useful program.

Future Uncertain for Cooperative Research Units

(By Jim Murphy, Student Intern, Columbia, Mo.)

Some people have all the luck. Mark Kaiser, for instance, spent a good part of the last two years paddling and walking the Current and Jacks Fork rivers. If you were among the thousands of Missourians who recently floated our Ozark National Scenic Riverways, you may have seen him anchored near a lazy river bend or prowling the shaded backwater pools across a gravel bar. Chances are he was scribbling in a notebook or peering through binoculars, his attention rooted to a blue- and rust-colored wading bird familiar to any Ozark canoeist—the green heron.

Kaiser has much more than a casual interest in these herons. A graduate student in the Missouri Cooperative Wildlife Research Unit, a part of the School of Forestry, Fisheries and Wildlife at the University of Missouri-Columbia, he is investigating the ecology of green herons on Ozark streams. His float trips involved long hours of quiet, careful observation and painstaking recording of everything he saw relating to his subjects. Kaiser's master's degree thesis will provide needed basic information to wildlife biologists about the feeding behavior and nesting habitats of these aquatic birds.

That's the pure research part of the project, describing how the green heron fits into an Ozark stream ecosystem. Like most projects undertaken by the Missouri wildlife unit, Mark's study also has a practical, problem-solving side. The question here is: How does man's recreational use of these streams affect feeding and nesting of the heron, a colorful and necessary member of these rivers' wildlife?

Kaiser's research found that green herons stop feeding and loafing along the river channel in direct proportion to the number of disturbances, primarily canoeists. Sometimes the birds will fly to nearby backwaters and return after the floaters pass. Constant disturbance, which is common on summer weekends as flotillas of canoes blanket many stretches of the Current and Jacks Fork, often results in a heron completely abandoning the river for the day. Visual avoidance of humans is characteristic of nesting sites as well. The birds often choose thick stands of honey locust and boxelder for this purpose.

The National Park Service, managing agency for the riverways, provided the major share of funds for this wildlife unit project. Besides helping train a professional wildlife biologist, the park service will use Mark's findings in formulating a new management plan for the riverways.

Fishing is another popular form of riverways recreation. Ron Marteney, a graduate student in the Missouri Cooperative Fishery Research Unit, spent last summer studying rock bass (goggle-eye), a favorite quarry of many anglers on Ozark streams. Marteney's project was aimed at gathering information to fill the many gaps in biologists' knowledge about rock bass in Missouri. He studied and recorded size and age structure, growth and food habits of rock bass populations on several stretches of the upper Jack's Fork and Current rivers.

Marteney accomplished some of his objectives by regularly electro-fishing (shocking) the selected stretches from March to November, usually at night to avoid interfering with canoeists or fishermen. Learning about and using modern research techniques and equipment, such as electro-fishing, radio monitoring and computer analysis, is an important part of many unit projects.

Marteney was accompanied on his night floats by two other fishery unit students. One investigated and compared the rivers' smallmouth bass populations. The other studied the characteristics of black and golden redhorse sucker populations and how these rough fish are affected by gigging, a fall and winter sport with many devotees in the Ozarks. Marteney also did some daytime floating and even snorkeling to find out what kind of habitats rock bass use.

These projects may sound like more fun than work. Many of the students would agree the field work is an enjoyable necessity of most wildlife and fisheries research. But for every hour a student spends outdoors, at least one hour, and often more, is spent indoors in order to compile, organize and analyze the data. The final product, thesis or dissertation, is far more than an academic exercise. The three riverways fisheries studies, like the green heron research, will provide National Park Service biologists and managers with detailed information they want and need but otherwise could not afford to gather. The benefits of cooperative unit projects are mutual for both graduate student and government agency.

The Missouri cooperative units' oldest and closest association has been with the Missouri Department of Conservation. The association began July 2, 1937, when the newly created Conservation Commission, in its first official action, authorized participation in a Cooperative Wildlife Research Unit to be located at the University of Missouri. A wildlife conservation building, one of the first in the nation, had been completed on the Columbia campus the previous year. (Separate fishery units were created starting in 1962; Missouri's was among the first, established that same year.)

For many years, the Department's fisheries and wildlife research biologists and their lab equipment occupied the lower floor of the building, which later was named Stephens Hall in memory of E. Sydney Stephens, the first Conservation Commission chairman. When the Department's research biologists moved into their new building in 1970, it was a short haul—just a few blocks down the street and still on university property. The tradition of a close working relationship that has evolved between the cooperative units and the Department probably exceeds Ding Darling's fondest hopes.

Darling, a nationally known editorial cartoonist and outspoken conservationist in the 1930s, took the lead in promoting the establishment of cooperative wildlife research units at land-grant colleges across the country. Professional wildlife management was in its infancy. Darling envisioned a program in which graduate students would get hands-on, practical experience in wildlife research, the basis for wise management, by tackling current questions and problems. Advice and assistance would come from both university professors and "real world" professionals, particularly in state conservation agencies.

Darling's energies and some of his money bore fruit when the Iowa Wildlife Unit began operation in 1935. Responsibility for

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

coordinating a variety of projects, allocating the funds and supervising graduate students at each unit was given to unit leaders and assistant leaders, who are biologists in the U.S. Fish and Wildlife Service. This federal agency oversees the program nationwide.

Both Missouri units have three principal funding and cooperating agencies—the U.S. Fish and Wildlife Service (one-half of the operating budget), the University of Missouri's School of Forestry, Fisheries and Wildlife (one-third) and the Department of Conservation (one-sixth). The wildlife unit also receives funds annually from the Wildlife Management Institute, a non-profit national conservation organization. Cooperators directly fund the operating budget, which is about one-third of each unit's total annual budget. The other two-thirds are primarily grants earmarked to meet specific research needs of cooperators and other contributors. The Department provides many grants and contracts and shares expertise, equipment and facilities on an ongoing basis.

Missouri's cooperative units have a respected and successful history. Unfortunately, the future looks less promising. In early 1981, the Reagan administration announced elimination of all units nationwide for the fiscal 1982 budget. Friends in Congress quickly came to the rescue, and another year's funding was approved, but without the additional money needed just to stay even these days. Wildlife Unit Leader Tom Baskett doesn't expect to see his assistant leader, lost through promotion last year, replaced in the near future. University appropriations from the state also are missing with the budgetary axe.

The money pinch affects individual projects, too. Inflation may eat up a grant before a project is finished. This is when the cooperators' part of the budget becomes all-important. Baskett and Fishery Unit Leader Richard Anderson spread their funds among many projects and assure that each is completed, no small comfort to a graduate student these days. The cooperative units and their federal staff are an important part of the university's graduate program in fisheries and wildlife. Almost every project is helped by one of the units.

Though Baskett, Anderson and Fishery Unit Assistant Leader Charles Rabeni receive their salaries from the Fish and Wildlife Service, they are given university appointments as professors and each teaches one upper-class or graduate course a year. Most important, each man serves as advisor and closest collaborator to five or more master's and doctoral students at any given time. Baskett, Anderson and Rabeni share supervision of the units' 40-plus projects with six university faculty, three in wildlife and three in fisheries.

Though small compared to the faculties at some other units, the Missouri cooperative units have an enviable record in securing a steady stream of grants. Past performance is the reason. Research project topics are as diverse as Missouri's wildlife and fishes and their habitats. And Baskett, Anderson and Rabeni don't let their students have all the fun. They regularly take on research in their own areas of expertise and interest.

For instance, mourning doves, migratory game birds popular with Missouri hunters, have long interested Baskett. In his 27 years as wildlife unit leader, he has supervised a great number of projects investigating the mysteries of dove biology, ecology and management. The information gathered has been invaluable to the Fish and Wildlife Service, the agency responsible for all migratory wildlife, and many state conservation agencies. The more that is known about a species and all the factors affecting its existence, the better the success in wisely managing its populations.

Regulated hunting is an important tool in the managenment of white-tailed deer populations. The extent of unregulated hunting, poaching, and its effects on deer long has puzzled Missouri's deer biologists and conservation agents. Ron Glover's master's project is a detailed look at who poaches deer, when and where. The Department's conservation agents provided him with the facts surrounding 655 closed-season deer poaching violations over a two-year period and information about 452 individuals arrested in 250 of those cases.

Glover's analysis of this mountain of data found that more than half the deer poaching occurred on Fridays, Saturdays and Sundays and that 75 percent of the violations took place between September and February. For 90 percent of those convicted, the offense was their first known wildlife code violation. Nearly two-thirds of the poachers were individuals previously unknown to the local conservation agent.

On a more optimistic note, almost 60 percent of the 393 convictions resulted from public cooperation. Without citizens' help, agents are hard-pressed to protect the wildlife that belongs to all Missourians. Glover's study should help conservation agents here and in other states develop more efficient and effective patrol strategies to both deter and apprehend deer poachers. The findings also will help Missiouri deer biologists make more precise estimates of the total illegal kill, now thought to rival the number taken legally.

Fishery Unit Leader Anderson's special interest is fisheries management of lakes and ponds, specifically predator-prey relationships between largemouth bass and bluegills. Pioneering studies in the 1960s and '70s by Anderson and his students showed the desirability of minimum and slot-length limits for bass to prevent their over-harvest while maintaining the quality fishing Missouri anglers want. What anglers want and how management can achieve ecologically sound, quality fishing are questions with some answers now, thanks to fishery unit studies. Department fisheries biologists use these management techniques, particularly minimum-length and slot-length limits, on many of the state's streams, community lakes and large impoundments.

The Department's Little Dixie Lake and its 22 research ponds have been used extensively the past 20 years for fishery unit projects. The lake and surrounding wildlife area are only 10 miles from Columbia. Doctoral student Steve Cutreuter used some of those ponds last summer. He is developing a model that will tell fisheries biologists what to expect from various management decisions.

Charles Rabeni brought a new dimension to the Missiouri fishery unit when he was appointed assistant leader in 1979. A specialist in stream ecology, Rabeni's expertise has prompted the unit to pursue grants for projects such as the three on the Current and Jacks Fork rivers. Rabeni's own research includes a study of the role of crayfish, important prey for smallmouth and rock bass, in Ozark streams. Another of his projects focuses on the ecology of Ozark springs. Increasing recreational and other uses of Missouri's many springs and spring-fed streams demand an understanding of the biological structure and function of these unique aquatic environments.

Misuse and abuse of Missouri's waters occurs with alarming frequency. Gary Whelan's master's project is looking into the effects of heavy metals contamination in the Big River in eastern Missouri. This is one of several related projects at the Fish and Wildlife Service's Columbia National Fisheries Laboratory, located a few miles from the college campus.

Whelan's share of this U.S. Army Corps of Engineers-funded research program involves finding out how lead and cadmium affect 24 species of benthic organisms—the tiny creatures, primarily insects, that live along the stream bottom. Lethal doses of lead and cadmium are known for many stream organisms, especially game fishes. What isn't known, and what Whelan is trying to find out, is how continual but non-lethal exposure to these heavy metals affects normal functioning among benthic communities and, in turn their predators farther up the aquatic food chain.

Whelan documented fairly high concentrations of both heavy metals and found biological concentration of cadmium occurs up the Big River food chain. However, he didn't find the metals accumulating in fishes he checked, with the exception of suckers. Suckers are a stream's vacuum cleaners and they feed almost exclusively on benthos. Department fisheries and water quality biologists also had noted suckers' tendency to accumulate high levels of lead and cadmium, prompting a warning to Big River giggers last year.

This project and the more than 40 others now underway through Missouri's Cooperative Fishery and Wildlife Research Units play vital roles in assisting and complementing the Department's research and management efforts. In addition, the units have provided the Department with many employes whose lab and field research abilities have been proven.

Past Missouri unit graduates include Department Assistant Director Allen Brohn, Wildlife Division Chief Dean Murphy, Fisheries Division Assistant Chief Stan Michaelson, Information Officer Jim Keefe and former Director Carl Noren, just to mention a few.

Conservation in Missouri has realized many benefits from the cooperative research units' work. Without support from either the university or the Fish and Wildlife Service, the cooperative units would cease to exist. The loss would be a major one—for the university, its graduate students, the Department and for all Missourians who enjoy fish and wildlife. The ultimate beneficiaries of cooperative unit projects are, after all, fish and wildlife.●

THE OCCASION OF THE 50TH ANNIVERSARY OF THE ORDINATION OF FATHER JOSEPH COONEY

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. CONTE. Mr. Speaker, I want to call to the attention of my colleagues today the great honor of one of my constituents, Father Joseph Cooney, who later this month will be celebrating the anniversary of his ordination

to the priesthood. Father Cooney was ordained on May 21, 1932, and I thought it would be wise to call to the attention of my colleagues in the Congress this tremendous accomplishment.

Father Cooney is a native of Worcester, Mass., and was graduated from Holy Cross College there. He was ordained in Springfield, Mass., in 1932. He has served in several communities of my State, including Worcester, West Springfield, Pittsfield, Holyoke, Hinsdale, Easthampton, and Leeds. Retired now, his last service was 10 years ago as the pastor of the Immaculate Conception Church in Easthampton.

Time will not permit me to list all of his tremendous accomplishments, but some of his efforts included serving as the chaplain of the Hampden County House of Correction and as pastor of three parishes in western Massachusetts. He also worked part time at the U.S. Veterans' Administration Medical Center and the Hampshire County Hospital. Every Saturday, Father Cooney celebrates a Mass for the elderly in Florence, Mass., and offers a daily Mass at his home.

It gives me a great deal of pleasure and satisfaction to know that a man so dedicated to the concept of helping mankind lives in my district, and is celebrating 50 years of selfless, devoted help and love for his fellow man. For 50 years, Father Cooney has been helping all of his brothers of the world, following the teachings of a man who said, "Whatsoever you do to the least of my brothers you have done unto me." Father Cooney truly exemplifies being a Christian.

I know that many people would have been tempted to sit back and not do all of the things that Father Cooney has done. Instead, he has stayed with his faith and has followed the teachings of Saint Paul, who said, "I have finished my course, I have fought the good fight, I have kept the faith."

Father Cooney, you have kept the faith.

Thank you, Mr. Speaker.●

HEAD START PARENTS APPEAL FOR PROGRAM

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. MILLER of California. Mr. Speaker, I continue to get letters from Head Start parents who both testify to the ways in which this program has dramatically improved their lives and those of their children, and express their concerns about Head Start's future. We know that Head Start works; that Head Start is cost effective. And yet, even today, it serves only 25 percent of the eligible children, and faces substantial erosion from inflation and cutbacks in supportive services—CETA, title XX, child care, food, and medicaid. We need to listen to the parents of Head Start children and keep this exemplary program working. Another letter from a Head Start parent follows:

> Due to an earlier hearing problem, my child has developed a very bad speech handicap. Even living with her we could understand very little of what she said. We had to go mostly on her actions. We tried to get her help, but due to a shortage of speech therapists in this area, and the people that could help us refusing to admit she had a speech problem, she has gone too long without the trained help she has needed. But upon enrollment in Head Start, she was examined again, and listed as having a speech handicap. Head Start went one step farther to help my daugher. They found a speech therapist that comes into our home and works with her twice a week. The progress is great. She not only talks a lot plainer, but is a more outgoing child because she can make herself understood better. As a result of Head Start, our child and our whole family has been helped.●

FRANK J. PHILLIPS—LITERARY LAWYER

HON. BILL LOWERY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. LOWERY of California. Mr. Speaker, today's lawyers come in a variety of shapes and sizes, providing a diversity of services to virtually every segment of the community. One of my constituents, attorney Frank J. Phillips, practices a type of law which, while quite common in cities like New York and Chicago, was unheard of in San Diego until recently. He practices literary law, representing both writers and publishers.

A recent Frank Rhodes column in the San Diego Union profiles Mr. Phillips. I would like to take this opportunity to commend the article and Mr. Phillips' accomplishments to the attention of my colleagues.

> Four years ago next month, young Frank J. Phillips opened here a type of law practice previously unthinkable in San Diego.
>
> He would practice literary law, representing both writers and publishers.
>
> San Diego never was a book-publishing center, so how has it all worked out and what has he learned?
>
> "I have learned," he said, "that more want to be writers than those who can really write."
>
> Phillips seems sympathetic toward these people, just as he is amused by those who attend writers' meetings and belong to writers' clubs when they have no intention of writing. He is convinced they are filling a social need in their lives.
>
> Several hundred writers, aspiring and established, have, as he says, "entered my door" in the four years, some to become clients, and Phillips' observations here are based on their visits.
>
> Those who did not become clients had mistakenly assumed Phillips could sell their work. "They needed an agent, not an attorney."
>
> Many San Diegans delude themselves into believing that writing is a profitable way to get out of working for a living, Phillips said.
>
> "They have read about the success of a first book and the money that went with it. So they just sit down and pound out a lot of words that mean nothing.
>
> "Others who want to become movie actors think they can get there by first writing a movie. Getting into movies or television as a writer is very difficult. Personal contacts are necessary."
>
> Phillips said: "People don't read as much as they used to and the market for fiction is tight." But unpublished writers don't seem concerned about it, he added.
>
> People don't read as much as they once did for the same reason the fiction market is tight: television, Phillips agreed.
>
> Those coming to Phillips are about evenly divided, men and women.
>
> San Diego does have many good and successful writers, Phillips said.
>
> For his clients among them, he performs chiefly in such subjects as copyright, contracts with publishers and renegotiation of contracts.
>
> "Writers don't read their contracts, so they have no way of understanding them. After a contract is signed, a writer will go to the publisher and want something done and the publisher will say, 'I don't have to.'"
>
> This is where Phillips enters a dispute. Fortunately, he said, these differences usually can be settled through negotiations.
>
> "Some publishers do take advantage of writers and are open to attack," Phillips said. "Here something can be accomplished for the writers." On the other hand, Phillips represents publishers some of the time.
>
> The publishers' biggest problem is getting writers to deliver finished manuscripts on schedule. Advances have been paid on most of today's books, he said.
>
> "Publishers don't like to admit losses, but most books today lose money," Phillips said. "Very few writers receive royalties from book sales. They get the advance and that's all."
>
> In many cases good literary works fail to make the grade for lack of promotion by the publishers, Phillips said. Book publishers take a strange view of advertising.
>
> "They will advertise a book that succeeds, then expect the name of the publishing house to sell a half-dozen others."
>
> Phillips said the 10 percent of beginning writers who make the grade do not accomplish it on talent and strength of story alone.
>
> "They know a publisher or manage to get an agent (who sells their work) and agents today are hard to get. They are too busy taking care of established writers to take on beginners.
>
> Phillips, a native San Diegan didn't like practicing labor law in Washington, D.C., and moved back here after receiving a master's degree in journalism from the University of Missouri.
>
> "It was risky," he says of becoming a literary lawyer here. "But it has paid off and has been a good experience." He also has a commercial practice, and is "getting heavily into computers."●

LET US END THE BUDGET DEADLOCK

HON. STAN PARRIS

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. PARRIS. Mr. Speaker, since the beginning of this year, this House and the other body have been paralyzed by the failure to reach a meaningful budget compromise.

Much of the debate regarding this impasse has been partisan with the Democrats blaming President Reagan for failure to compromise and the Republicans blaming Speaker O'Neill for his failure to compromise.

I have heard from many of my constituents who simply wish the Congress and the President would sit down and do the work necessary to reach a reasonable compromise. I could not agree with them more. It is time to end this political speechmaking and get on with the business of governing.

There was recently printed an excellent article by James J. Kilpatrick which clearly summarizes my opinion and what I believe to be the consensus of the American citizenry. I heartily commend it to my colleagues' attention.

The article follows:

Washington.—It is time to talk common sense on this matter of a federal budget for fiscal '83 and thereafter. We have had entirely too much, on both sides, of playing to the galleries, of striking ideological attitudes, of looking to the elections in November. Knock it off, I would say to the president and to Speaker Tip O'Neill. Just knock it off.

We start with fundamentals: The prospective deficits are too large. It is almost immaterial that in times past, as a percentage of the gross national product and as a percentage of total spending, the nation has survived relatively larger deficits. The prospective federal borrowings are a major factor in keeping interest rates at the absurdly high levels that now maintain.

Call it Catch-22 or call it a vicious circle: So long as the deficits stay high, the interest rates stay high; so long as the interest rates stay high, unemployment stays high. Bankruptcies soar. The economy remains in recession. The key to recovery lies in reducing these fantastic rates of interest; and the key to these rates of interest lies in doing something positive about the deficits.

OK? The prospective deficits can be reduced in two ways only—by increasing revenues, or by reducing outlays, or of course by a combination of both.

Let me interject one more fundamental proposition: National security comes first. No other function of the national government is even close. After we have met the requirements for a strong defense, we can talk about the needs of health, education, welfare, housing, the farmers, the old folks, the college students, the arts and sciences and all the rest.

Those are the starting points, and so far as I can perceive, these propositions attract nearly universal support. Our problems are not problems in kind; they are problems of degree.

If this is the case, it ought to be possible for men of good will to find acceptable common ground. I happen to believe that the president's ideas on tax reduction are basically sound: By cutting the rates of taxation on both business and individuals, enough new economic activity should be generated that in time we produce more tax revenue than the former rates would have produced. But the structure of a tax reduction plan is not cast in concrete. As a tool for reducing the prospective deficits, the program of tax reduction can be adjusted.

The same common-sense rule applies to federal outlays. These ruinous deficits are largely a product of the entitlement programs that have gone out of control. Never mind the partisan politics: Both Republicans and Democrats are responsible for these loose cannons. We simply are spending too much on food stamps, school lunches, health care, crop subsidies, business subsidies, educational grants and other programs. Nothing but political cowardice stands in the way of making responsible reductions in Social Security benefits.

Mr. Reagan will have to yield on parts of his defense budget. The Democrats' chief spokesman, Richard Bolling of Missouri, may be quite right when he insists that the president's program amounts to too much, too fast. The concept of strong defense comes first, but within that concept reasonable minded men may disagree. The less imperative defense measures can prudently be postponed.

But by the same token, Mr. Bolling and Speaker O'Neill will have to yield on nondefense items. A decent society must meet the minimum social needs of those who are truly unable to fend for themselves. All of us understand that. But the '83 budget is still larded with fat. If we are in earnest about reducing the deficits, as a key to everything else, then the merely desirable social programs must be cut to the bone. Nothing in the whole fiscal problem strikes me as mysterious—and damned if I see why it should be so hard to resolve.●

SCHOOL BOARD TRIBUTE TO CONGRESSMAN ROBERT McCLORY

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. FINDLEY. Mr. Speaker, our colleague from the 13th District of Illinois, Congressman Bob McClory, will retire at the end of this Congress. Congressman McClory's service to his congressional district and to the Nation is receiving recognition in many quarters, including the educational institutions in his part of the Nation.

Recently, the North Chicago Public Schools—Elementary School District 64—adopted a resolution commending Congressman McClory for his service. That resolution speaks eloquently of the affection and respect in which our colleague is held by his constituents. In addition, the members of the school board, in the presence of the school district's capable superintendent, Dr. Charles Thomas, presented Mr. McClory with a plaque expressing their appreciation.

Mr. Speaker, the text of this resolution signed by Audrey Nixon, president of the Board of Education for Elementary School District 64; Marjorie P. Hart, secretary; Joseph A. Bakshis, member; Tony Glogovsky, member; William McKinley, Jr., member; Algene Norwood, member; Mark I. Wegener, member; Lieutenant Daniel Stewart, Navy representative; and FTCS Stewart Margolis, Navy representative, is attached to these remarks:

RESOLUTION FOR CONGRESSMAN ROBERT McCLORY

Whereas the Honorable Robert McClory has for the past twenty years served as a member of the United States House of Representatives,

Whereas throughout his tenure in Congress, he has served both his local constituents and the citizens of the United States with honor and distinction,

Whereas Congressman McClory has given of his time, skill, energy and support to preserving Impact Aid, a program vital to our school district,

Whereas Congressman McClory and his entire office staffs both locally and in Washington have always been cordial, receptive, responsive and sensitive to the particular needs of the North Chicago Schools: Now, therefore, be it

Resolved, on this 26th day of April 1982 that the North Chicago Elementary School District 64 Board of Education expresses its sincere appreciation to Congressman Robert McClory for the outstanding service he has rendered to the North Chicago Schools, and be it further resolved that the Board wishes for Congressman McClory, on the occasion of his retirement, many years of good health and happiness.●

TURKEY IS VITAL TO THE SECURITY OF THE WEST

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. SOLARZ. Mr. Speaker, at a time when the Soviet Union has engaged in a massive military buildup which has given them a substantial edge in the conventional balance of power in Europe, it is essential that the United States recognize the vital strategic role that Turkey plays in helping to reduce that imbalance.

The security of the southeastern flank of NATO is largely dependent upon Turkey's capability to fully carry out its NATO responsibilities. Turkey's unique geographical location enables it to fulfill a number of crucial functions for the NATO allies.

First, Turkey fields the second largest ground force in NATO, trailing only the United States in this regard. It is estimated that these forces, together with Greece's, tie down 26 Warsaw Pact divisions that would otherwise be available for redeployment on the critical central front.

Second, by virtue of its control of the Bosphorus and the Dardanelles, Turkey is in a position to bottle up the Soviet Black Sea Fleet in wartime, thereby making it considerably easier for the U.S. 6th Fleet to maintain NATO's control over the Mediterranean.

Third, Turkey's radar system insures that the 6th Fleet will have invaluable early warning of any Soviet air attack, which makes the fleet much less vulnerable to any such attack.

Fourth, U.S. intelligence facilities in Turkey provide critical intelligence on Soviet strategic programs and troop deployments. These facilities have become more important than ever before, as a result of the loss of our intelligence facilities in Iran.

Finally, Turkey provides a physical barrier between the Soviet Union and the Middle East, blocking what would otherwise be unimpeded Soviet access to Syria and Iraq.

It seems to me that in light of all of these considerations, it is very much in the interest of our own country to provide Turkey with the assistance that it needs in order to be able to fully discharge its responsibilities to the NATO alliance. Turkey's armed forces are still recovering from the adverse effects on the ill-considered arms embargo that we imposed on it from 1975 to 1978. It will take a number of years, and many billions of dollars, for Turkey to complete its modernization program and be in a position to fulfill all of its NATO obligations.

In recognition of Turkey's extraordinary strategic importance, the Congress last year approved a 50-percent increase in military and economic aid to Turkey, from $450 to $700 million. This year, the administration has recommended an additional $115 million aid increase, bringing combined aid to Turkey up to $815 million. Even this level of aid, substantial as it is, pales against Turkey's actual needs. According to administration officials, for example, the $465 million in military assistance it has requested for Turkey represents only one-third to one-half the amount of aid that Turkey needs and could absorb.

I realize that at a time when the U.S. deficit is projected to soar to $182 billion, there is a strong feeling among some of my colleagues that we need to cut back on foreign aid, including aid to Turkey. Tempting as it may seem, I urge my colleagues to reject this logic. For in the final analysis, our aid to Turkey is a small price to pay for the benefits that we receive. Turkey is simply invaluable to the NATO alliance. If Turkey's assets were lost to NATO, we could not begin to afford to replace them. I urge my colleagues to recognize Turkey's unique role within NATO, and to continue to support the aid program for this irreplaceable ally.●

THE OCCASION OF THE 50TH ANNIVERSARY OF THE ORDINATION OF MSGR. JOHN MACPHERSON

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. CONTE. Mr. Speaker, I rise today to commend and honor one of my constituents, Father John T. MacPherson, who was ordained to the priesthood on May 16, 1932. On this occasion of his 50th anniversary of his ordination, I thought it would be wise to call to the attention of my colleagues in the Congress this tremendous accomplishment.

Father MacPherson, who is now retired, is the pastor emertius of St. Mary of the Assumption Church in Northampton, Mass. He is a native of Worcester, Mass., and was graduated from Holy Cross College there. He then attended St. Mary's Seminary up in Baltimore and then came to Springfield.

Monsignor MacPherson has served all over my district of western Massachusetts. He has served in Sheffield, Dalton, Ware, Holyoke, Greenfield, and Northampton. For a time, he also served in Harrisburg, Pa., and Chicopee Mass. From 1942 to 1962, he was the rector of St. Michael's Cathedral in Springfield. He was then named the pastor of the Blessed Sacrament Church in Greenfield, where he remained until 1968. And, on November 14, 1963, he was named a domestic prelate for Pope Paul VI.

Mr. Speaker, the devotion of this man to God and his fellow man is truly amazing and worthy of recognition. I am proud that such an individual lives in my First Congressional District in Massachusetts and hope that God will watch over him for all the days that he has left to him.

Thank you, Mr. Speaker.●

PROTECT CIVIL RIGHTS FOR THE HANDICAPPED

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. VENTO. Mr. Speaker, April 28 marked the 5-year anniversary of the implementation of section 504 of the Rehabilitation Act of 1973. For our Nation's millions of disabled citizens these regulations guarantee equal opportunities in employment and education. They are, in effect, a "Civil rights act" for the handicapped.

Implementing these regulations was, and still is, a long and difficult task. It represents a major step forward for the handicapped members of our society. Section 504 was written only after extensive comments and testimony were considered and now, when so many people are beginning to reap the benefits of the regulations, the Reagan administration is proposing to remove or water down many of the most crucial provisions.

The Department of Justice, along with the Bush Task Force on Regulatory Relief and the Office of Management and Budget, have proposed major revisions to the HEW guidelines that currently are in effect. The bottom line of these proposals is that the implementation of section 504 will be completely dependent on costs. The social or personal worth of the individual is not taken into account; neither is the potential for achieving independence from Federal, State or local support programs. But perhaps the most disturbing aspect of the proposed guidelines is the lack of any consideration for equal opportunity.

I have received many letters from handicapped persons, parents, and friends of the handicapped and concerned citizens. They are saddened and disappointed to learn of the administration's proposals. But they are also determined to fight for the rights of disabled Americans. They are determined not to let all of their hard work over the past 10 years go for nothing. I share this determination.

It is hard to believe that the current administration can consider civil rights to be little more than a budget item.

Mr. Speaker, I urge my colleagues to strongly oppose those efforts to weaken section 504. The current regulations are useful, necessary, and well worth preserving. I strongly urge the administration to withdraw and reconsider this proposed weakening of section 504.

On March 4, 1982, the National Council on the Handicapped unanimously adopted a resolution concerning section 504. Soon thereafter the Minnesota State Council for the Handicapped endorsed this resolution. In this resolution, the handicapped of this Nation show their strong commitment to protecting their hard-won rights. I would like to bring the resolution to the attention of my colleagues, and urge their support for maintaining the current 504 regulations:

Section 504 of the Rehabilitation Act of 1973, and existing Section 504 regulations, are currently considered by the disabled population of this nation as the cornerstone of their civil rights. And as a highly effective tool for achieving equal opportunity, Section 504 and existing regulations have an equally important effect in helping the nation as a whole to assimilate the disabled as productive and effective citizens.

It has come to the attention of the National Council on the Handicapped that the Administration is studying changes in Section 504 regulations—changes that are both substantive and major. The National Council on the Handicapped wishes to advise the President and the Congress that any material changes in Section 504 regulations that weaken or diminish substantive or procedural rights as set forth in the existing regulations is ill advised in the extreme.

Although the National Council on the Handicapped does not oppose technical changes to make the regulations more effective, any material change that weakens them or significantly reduces federal role in enforcement, will constitute a giant step backward into the dark past—a past all too often filled with deprivation, discrimination and despair.

In the judgment of the National Council on the Handicapped, weakening Section 504 regulations would be considered by this nation's disabled citizens, their families and friends, as intolerable.●

SYNFUELS—A NATIONAL DEFENSE ISSUE

HON. MARILYN LLOYD BOUQUARD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mrs. BOUQUARD. Mr. Speaker, I am pleased to see that the Evans/Corcoran amendment will not be considered by this body this week. This amendment would push the clock back to 1973, the painful days of the Arab oil embargo when we were first taught the lessons of dependence on unstable sources of energy supply. The Evans/Corcoran amendment would ask us to again narrow this country's options and tell the world that we were not serious about developing our own energy resources. In this Congress, once again, a temporary oversupply in the oil market is being used as a rationale for mortgaging our energy future. A bizarre alliance of zealous free marketeers and those who are simply against any large energy project defeated synfuels legislation in 1976. The same extreme coalition is now trying to drive a stake through the heart of the infant Synfuels Corporation.

Just last week, the Exxon Corp. announced that they will arrest their oil shale development activity at the Colony project with TOSCO. Let me remind the Members that Exxon is the company most capable of carrying out large energy projects on its own, it is the company that provided the reason for the inclusion of a "credit elsewhere test" in the synfuels legislation, and yet it is saying it simply cannot do it on its own. The private sector is once again telling us, as they have for a decade, that they will not build these plants because they must make corporate investment decisions chiefly based on the near-term prospects for the price of oil. This is why we need a strong Federal Synfuels Corporation program, because the Federal Government should be making decisions based on the long-term interest of this entire Nation.

I ask this House whatever happened to the concept of a "national security reserve" from synfuels production? Has this institution lost its corporate memory as to why it passed a synfuels bill by a 15- to- 1 margin in the last Congress?

Some Members are saying that our energy circumstances are different now than they were after the 1973 embargo. I certainly agree with that argument. Let me summarize what is different. Federal funding for direct energy research and development is at its lowest level since 1976 and all the technology programs are headed downward. The request for coal research is at its lowest level in 9 years. The coal-conversion demonstration projects have been scrapped by Mr. Stockman and the whole R. & D. program which was just beginning to pay handsome dividends is on a going-out-of-business curve. Interestingly enough, funding for nuclear fission research and development is at only one-third of the 1977 level, and solid research programs in solar energy and conservation are on the verge of termination. How other nations must wonder when they see the United States suffering the self-inflicted wounds of the past two adminstrations. I would also remind the Members that we have armed conflict in the Atlantic for the first time since the Second World War. This conflict may have something to do with offshore oil, which is not a reassuring circumstance from a global energy perspective.

I hope that the Members of the House will consider this synfuels issue carefully, and not allow the Nation to be caught shortsighted again. Do not turn back the clock, keep our energy options open. The SFC funding is an important element of our defense budget.●

CONTRA COSTA SUPERVISORS SUPPORT NUCLEAR FREEZE

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. MILLER of California. Mr. Speaker, the movement to limit the production of nuclear weapons continues to grow as increasing numbers of men and women—in this country and around the world—recognize the futility of a military policy which relies on the obliteration of human society.

The voters of California will have the opportunity to vote for a freeze this fall, and I believe that an overwhelming percentage of the residents of my State will emphatically send a message to policymakers in Washington, Moscow, and other nuclear powers to stop this costly, perverse, and potentially catastrophic policy.

One of the very unique features of the freeze campaign is that it includes both conservatives and liberals, Democrats and Republicans, young and old. It is a movement which already includes a majority of Americans, and its numbers continue to swell.

The nuclear bomb which destroyed Hiroshima in 19 was a 12½-kiloton bomb. Jonathan Schell, in his profound book on the effects of nuclear war, "The Fate of the Earth," estimates that in an exchange of nuclear weapons with the Soviet Union, 10,000 megatons of atomic explosive force would be loosed on the United States. Sixty percent of our population could be exterminated with just 300 megatons.

This is not a policy based on protecting ourselves or defeating the Soviets, and the same holds true for that country's weapons planners. This is total insanity, a policy which if ever exercized means the obliteration of all human life.

The people of this country appear to have recognized the stupidity of such a policy, and they are speaking out. They will not countenance spending $900 million a day on weapons while vital human needs wither. They will not abide an administration which professes to support limiting the proliferation of nuclear weapons, but which advocates the expenditures of billions of dollars on futile civil defense programs and hundreds of millions of dollars on the production of additional nuclear warheads next year.

I am pleased that several cities in my congressional district have already passed resolutions supporting the nuclear freeze, and I congratulate Pittsburg and Martinez, Calif., for taking that initiative.

In addition, the county board of supervisors has recently passed resolution 81-456 calling on the President and the Congress of the United States to request the Soviet Union to join in the suspension of nuclear arms manufacturing. I am very gratified that the supervisors have taken this action, and I want to share the text of their resolution with all Members of the House.

The resolution follows:

RESOLUTION 81/456

Whereas we, as elected officials, are alarmed by an international political climate that increasingly presents nuclear war as a "rational" possibility; and

Whereas we are also alarmed at the nuclear arms race and the race to spend tremendous amounts of public funds on the arms race; and

Whereas present medical and scientific evidence shows that nuclear war, even a

"limited" one, would result in death, injury, and disease on a scale unprecedented in human history; and

Whereas medical disaster planning for a nuclear war is meaningless since most hospitals would be destroyed, most medical personnel dead or injured, most supplies unavailable, and those who survive initially would eventually die; and

Whereas the economic, ecological, and social fabric on which human life depends would be destroyed in the United States, the Soviet Union, and most of the rest of the world; and

Whereas worldwide fallout would contaminate much of the globe for generations, and the atmospheric effects would severely damage all living things; and

Whereas the present costs of preparation for nuclear war are so draining the national resources that local officials are unable to provide adequately for the general welfare, the very function we were elected to perform; and

Whereas we will not encourage the storage and transportation of nuclear weapons in Contra Costa County;

Now, therefore, be it resolved that we, the Board of Supervisors of the County of Contra Costa, California call on the President and Congress of the United States to ask the Soviet Union to join in a temporary suspension of nuclear weapons production, while seeking a permanent, international nuclear weapons ban. We make these pleas from a sense of crisis, and call upon our President and Congress to act with an equal sense of urgency.●

HERE'S TO THE DOERS

HON. ANDREW JACOBS, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. JACOBS. Mr. Speaker, it is reassuring to know that once in a while unsung civic heroes are sung about a little bit.

Joseph Humbles is an especially hard-working, public-spirited citizen of Indianapolis and all of us who live there are the richer in many ways because of his tireless efforts on behalf of our community.

[From the Indianapolis Star]

Talkers, complainers, second-guessers we always have in rich supply. We never can get too many of the kind of persons represented by this year's Jefferson Awards winners—doers who may fail to make the world as good as they'd like, but do not fail for want of trying.

They are triumphs of the power of virtue, a quality some consider quaint. Not the beneficiaries, who have seen its fine works.

The Indianapolis Star is honored to honor these outstanding 10, but they are not alone. There are thousands of others who quietly and persistently labor much of their lives, doing good works and enriching the world around them. They add immensely to the happiness of others and their impact frequently extends far beyond this state's borders.

Awards were presented at a luncheon yesterday to Patricia Turner-Smith, Patricia L. Price, Joseph T. Maled, Joseph E. Humbles, and Lelia Chernish, all of Indianapolis; Rose Mary Peterink, Fort Wayne; George E. Lane, Bruceville; Sarah Hunt, Columbus; James B. Hill, Marion, and Charles R. Golay, Cambridge City.

Their biographies in The Star Sunday showed a rich mix of backgrounds, from a teacher in China in the 1920's to a home-grown industrialist and a forklift operator who gives lifts by van to the elderly on his own time. Most striking is the number who are not content with driving to success in one voluntary activity, but seek out different good work to be done.

So, too, did Thomas Jefferson through a life of dizzying achievement persist in finding new good to pursue. What a blessing!

The Star is grateful to the distinguished judges, headed by Gordon St. Angelo, who helped select these outstanding Hoosiers for all of us to thank and emulate.●

U.S. POLICY ON EAST BLOC A PATCHWORK

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. SOLARZ. Mr. Speaker, in light of Congress' upcoming consideration of the continuation of the most-favored-nation trading status for Romania, I urge my colleagues to take note of the fact that serious problems exist in Romania, particularly in regard to the oppression suffered by Romania's minority populations and the long-standing, unresolved difficulties encountered by Romanian citizens who wish to emigrate, particularly to Israel.

Mr. Speaker, I am inserting in today's CONGRESSIONAL RECORD, the text of the following article which recently appeared in Newsday regarding U.S. policy toward Romania:

U.S. POLICY ON EAST BLOC A PATCHWORK

(By Roy Gutman)

WASHINGTON.—The Secretary of State was blunt. Romania, he told President Nicolae Ceausescu, could not receive additional U.S. credits until it got its finances in order. In the meantime, the United States would make no final decisions.

But, unbeknownst to Alexander M. Haig Jr., on the same mid-February day that he held 4½ hours of talks with Ceausescu in Bucharest, the National Security Council in Washington formally decided to deny the requested $65 million in commodity credits.

Romanian diplomats learned of the decision several days later in The Washington Post. Weeks later, embarrassed U.S. diplomats were still trying to explain it away to their Romanian counterparts.

State Department officials currently cite the incident as an illustration of the uncertainty, confusion and crossed signals at the top of the Reagan administration over how to deal with eastern Europe in light of the Polish crisis.

Two competing policy goals are at stake. One is to encourage Warsaw Pact countries to develop the greatest possible political and economic independence from the Soviet Union, a policy known as "differentiation." The second is to lend money on a business-like basis, that is with confidence that it will be repaid.

For more than a decade, these two objectives were compatible and mutually reinforcing, underpinned by the assumption that the Soviet Union, with its gold and oil resources, would provide a financial "umbrella" for its military allies, guaranteeing their bills in the west should they default.

This assumption was shattered by the Polish crisis. While Moscow did sell some of its gold reserves in order to help the Poles, it did not step in to prevent a Polish default. That was averted only because the Reagan administration and other western creditors chose not to foreclose. Now, U.S. officials say, no Warsaw Pact country, including the Soviet Union, is judged to be very creditworthy. This is why the administration has begun to urge western European governments not to bail out Moscow with low-cost credits. Less certain is how to devise a policy that differentiates between the Soviet union and its allies. Romania is a test case.

For more than a decade, Romania has ingratiated itself with the west and has infuriated the Kremlin by maintaining the most independent foreign policy in the Warsaw Pact.

On the other side of the ledger are its police state system, economic mismanagement, food shortages and domestic tensions. One western European foreign minister recently predicted that Romania would be the next Poland, that is, the next site of labor unrest within the Warsaw Pact. U.S. officials say there were scattered signs of politically related violence late last year, but no hint of widespread unrest.

In addition, there are Romania's financial problems. Its debt to the West was estimated at $11.8 billion at the end of last year, second only to Poland's $26 billion. Partly as a result of western bank withdrawals of deposits in Romania as the Polish situation worsened, Bucharest last year fell two to three months behind in repayments.

Although talks with private banks are under way, nothing will fall into place until Romania works out a new agreement with the International Monetary Fund, U.S. officials said. Romania got a $1.3 billion three-year line of credit last year, but it was suspended because Bucharest had failed to make the economic reforms required by the IMF.

In the case of the $65 million U.S. commodity credit, it originally had the support of the State, Commerce and Agriculture Departments and opposition of the Treasury and the Budget Office, officials said.

A senior aide said the State Department decided not to seek a decision on the funds while talks proceeded between Romania and its creditors, but the staff of the National Security Council pushed for a flat rejection. Some State Department officials said they viewed the NSC move as muscle-flexing by hard-liners who would prefer to "pull the plug" on trade and credit ties with Warsaw Pact states.

Such an attitude, which was also reflected in the debate over the Polish insolvency, can only encourage hard-liners in Moscow to try to tighten the screws on Romania, heightening east-west tensions and jeopardizing a decade of the differentiation policy, U.S. diplomats said.

The debate now turns on what to do next if, as expected, Romania is able to reach agreements with the IMF and its private creditors.

State Department officials said the $65-million commodity credit will then become a live issue again. A White House official disagreed. "If you're going to do it at all, you're really better off giving it away because lending isn't going to help their financial situation, it will make it worse," he said.

He said the administration was considering offering Romania feed grains worth $60 million to $70 million under the Public Law 480 Food-for-Peace program, which can be repaid in soft currency.

That was news to at least one senior State Department official with responsibility for eastern European affairs. Another senior aide characterized it as "an idea some people have had" but whose time had not yet come.

"From a political standpoint, our policy is one of differentiation. But from a strictly commercial-and-financial standpoint, Romania is not creditworthy now," said the White House official. He added that financial decisions should be made on financial, not political, grounds.

But setting such priorities, a State Department official said, implied a political decision that would eventually rob the differentiation policy of any meaning.●

WASTEWATER PROJECT FUNDING NEEDED

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. HUBBARD. Mr. Speaker, as debate begins today on the emergency supplemental appropriations bill, Mr. James E. (Buddy) Ward, the mayor of Princeton, Ky., has written me a letter urging speedy passage of the bill in order for cities like Princeton to receive the funding necessary to begin construction of wastewater treatment facilities. I believe Mayor Ward's letter is one which should be shared with my colleagues and I wish to do so at this time:

DEAR REPRESENTATIVE HUBBARD: We are writing this letter to express our concern over the continuing delay in appropriation of Federal funds associated with construction of wastewater treatment works. As you know, on December 29, 1981 President Reagan signed the Municipal Wastewater Treatment Construction Grant Amendments of 1981 into law authorizing up to $2.4 billion per year for construction of wastewater treatment works during fiscal year 1982 through 1985. Although the construction grant funding has been authorized, Congress has not approved the necessary appropriations bill to make the funds available to each state for use. It is our understanding that the proposed construction grant funding, which will be administered by EPA, is included as a portion of HR 5922 which is still being reviewed in the House Appropriations Committee and has yet to be introduced on the House floor.

Construction of a new wastewater treatment plant to serve the City of Princeton is vital to continued growth of our City. We have recently submitted project plans and specifications to the Kentucky Department for Natural Resources and Environmental Protection for review and approval and are hopeful of receiving Federal funds during Fiscal Year 1982 to construct the proposed wastewater treatment facilities. We, therefore, ask for your assistance and support in approving the appropriations bill, HR 5922, when it reaches the House floor.

Your continuing cooperation and assistance on behalf of the City of Princeton is greatly appreciated. Should you have any questions or need additional information, please don't hesitate to contact me.

Yours truly,

JAMES E. WARD,
Mayor.●

HOUSE CONCURRENT RESOLUTION 309 CONGRATULATING HADASSAH, THE WOMEN'S ZIONIST ORGANIZATION OF AMERICA, ON THE CELEBRATION OF ITS 70TH ANNIVERSARY

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 11, 1982

● Mr. FORD of Michigan. Mr. Speaker, House Concurrent Resolution 309 which congratulates Hadassah, the Women's Zionist Organization of America on the celebration of its 70th anniversary, enjoys broad bipartisan support. In addition, it is supported by the sponsors of House Resolution 374, a similar proposal drafted by the gentleman from Pennsylvania (Mr. MCDADE). Further, an identical resolution has passed the Senate with 40 cosponsors.

As the largest women's volunteer organization in America, with 370,000 members, Hadassah has seven decades of remarkable achievement behind it. Hadassah has contributed to the health, education, and safety of countless thousands of people through its comprehensive program of medical research, treatment and social welfare.

Since World War II, under the auspices of the Jewish Agency for Israel, Hadassah has helped to resettle in Israel and rehabilitate over 100,000 children from 72 lands. In addition to this rescue work, Hadassah established a comprehensive system of vocational education to train young men and women with useful skills.

Hadassah founded and maintains the Hadassah-Hebrew Medical Center in Jerusalem, Israel. This center has established a tradition of excellence in teaching, research, and treatment for all peoples of the region regardless of religion, race, or nationality on the basis of the oath of the Hebrew physician: "You shall help the sick, base or honorable, stranger or alien or citizen because he is sick."

Hadassah's contribution as a humanitarian service organization is especially significant at this time, when citizen groups are being urged to play a greater role in promoting the general wellbeing. Through the dedicated work of its members, Hadassah has striven to help promote democratic ideals and create a better society for all peoples.

It is timely and appropriate to honor Hadassah by adopting this resolution.●

THE CONFLICT IN CYPRUS

HON. CHARLES ROSE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. ROSE. Mr. Speaker, on April 22, my colleagues Mr. BROOMFIELD and Mr. YATRON, conducted a special order calling for a peaceful settlement to the conflict in Cyprus. Although I was not able to join them on that day, I would like to take this opportunity to associate myself with their remarks and share some thoughts of my own on the necessity of resolving the current conflict in Cyprus.

For some time now, Turkish military forces, equipped with U.S. armaments, have occupied the small island nation of Cyprus. As a result of this occupation over 200,000 Cypriots have been forced to leave their homes and villages, and they have essentially been forced to live as refugees within their own homeland. The economy in Cyprus has deteriorated quite steadily since this occupation, and without a peaceful settlement, it seems likely that this deterioration will continue. The effects on the personal dignity of the Cypriots of this occupation have no doubt been substantial and, for all practical purposes, are probably immeasurable.

The intercommunal negotiations conducted by the United Nations between the Greek Cypriot and Turkish Cypriot representatives have thus far yielded no results, other than diplomatic rhetoric. As we well know, rhetoric sounds good, but usually hides a failure to face the real issues, in this case a tragic and illegal occupation of the Cyprus nation.

Mr. Speaker, I think it is time that Congress send a message to the people of Cyprus assuring them of our continuing interest in this illegal occupation, and also to the United Nations, urging them to deal with the real issues here and forget the diplomatic rhetoric. A resolution to the conflict is important for not only the people of Cyprus, but the world as a whole. The solvency of the nation of Cyprus should be a concern of all nations, and the Cypriots right to live free in their own homeland should also be a concern.

I would like to join my colleagues in calling for the resolution of this conflict, and in calling upon the United Nations to work harder at achieving an equitable and peaceful settlement on the island of Cyprus.●

UCLA DEBATE TEAM WINS NATIONAL CHAMPIONSHIP

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. DORNAN of California. Mr. Speaker, I would like to recognize the outstanding performance of the UCLA debate team at the recent national championships.

The UCLA debate team won the national championship in the competition sponsored by the Cross Examination Debate Association, the largest national collegiate debating society in America. UCLA's outstanding achievement was recognized at the final tournament of the year, the Great Western Invitational held at the University of Nevada at Reno, April 1-5, 1982.

On the road to the national championship, the UCLA debate team placed first 24 times this season. In addition, a new college record of 11 tournament wins in one season was set by Lisa Allred of Burbank and Keith Fink of Bel Air. Other team members making significant contributions to the national championship were Evan Caminker of Cypress, graduating senior Robert Hartmann of Huntington Beach, Gia Rae Paladino of Burbank and Michael Veregee of Portland, Maine.

Led by Thomas Heinkel Miller, director of forensics for UCLA's College of Letters and Science, Division of Honors, the win capped a near perfect year. In the past 2 years the team has finished second and third in the Nation.

Other team members helping to dominate the 250 other colleges and universities in the competition were Katie Buckland of Westlake Village, Kimberly Doo of Turlock, Zakia Feres of Cerritos, Timothy Fulkerson of San Francisco, Bill Grisolia of Kansas City, Kans., Robert Louk of San Marino, Laura Lovett of San Diego, Steve Oetting of Sherman Oaks, Daria Roithmayr of Moss Point, Miss., Hal Shwimmer of Beverly Hills, Ted Spanos of Bakersfield, and Arthur Wang of Redlands.

Assisting the team were coaches Ron Carr of Alhambra, Kevin Beachem of Los Angeles, Gina Liudzuis of Glendale, Rich Simon of Northridge, Brad Zerbe of Washington, D.C., and administrative assistant Hazel Richmond of Los Angeles. Deans E. Bradford Burns, Gerald Kissler, and Eugene Weber were invaluable in their unceasing support for forensics.●

MISSOURI'S SMALL BUSINESSMAN OF THE YEAR

HON. WENDELL BAILEY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. BAILEY of Missouri. Mr. Speaker, President Ronald Reagan has declared the week of May 9-15, 1982 as Small Business Week. During this commemorative occasion, we recognize small businesses as the cornerstone of our free enterprise system. More importantly, we recognize the men and women behind those businesses—people whose entrepreneurial spirit have succeeded in making America the land of opportunity, independence and fulfilled dreams.

Missiourian James Held is a prime example of that spirit and success in our small businesses. His story is one I would like to share with you.

During the age of prohibition, mushrooms replaced the outlawed wine casks in the damp wine cellars of Stone Hill in Hermann, Mo. Hermann was widely known for its winemaking from 1847 to 1917—it was the third largest winery in the world. But not until 1965, when Jim Held took over Stone Hill, did the grape presses once again begin to churn. With only $1,500 in capital, 4 acres of grapes, and an ancient handpress, Jim Held reopened Stone Hill. He set his sights on once again making Hermann foremost in fine wines.

The Stone Hill Winery Co. now employs between 16 and 22 people and produces 54,000 gallons of 16 different wines annually. Each year, some 135,000 people visit the old restored winery, and some 30,000 come for the Oktoberfest in the fall.

Jim Held recently won honors as Missouri's Small Businessman of the Year. Judges in the statewide small business competition were particularly impressed with the entire Held family's commitment to the winery operation. Jim's wife, Betty, and their four children have toiled long and hard for 17 years in the winery. And their efforts are paying off. The wines have won six gold medals at the Missouri State Fair. The Stone Hill Winery Co., with its rich past, should enjoy an equally rich future—for the Jim Held family, for Hermann, Mo. and for small businesses all across our great Nation.●

GOVERNOR DE LA MADRID

HON. BILL LOWERY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. LOWERY of California. Mr. Speaker, as a member of the Commission of the Californias, I would like to join with the vice chairman and head of the California delegation to the Commission, Dr. Albert Anderson, in saluting Roberto de la Madrid, Governor of Baja California and a great and respected friend of the Commission.

I would also like to draw the attention of this house to the following articles by Frank Rhoades concerning Governor de la Madrid:

ARTICLES CONCERNING GOV. DE LA MADRID OF BAJA CALIFORNIA

(By Frank Rhoades)

MEXICALI.—"Nobody addresses me as governor," said the governor of Baja California.

"Everybody calls me by my first name," said Roberto de la Madrid.

Roberto likes that.

He has introduced into the governor's office a casual atmosphere previously unknown there.

No stiff business suit for this head of state. He had hustled into his big executive office in the state building, wearing a short-sleeved sport shirt with a multi-colored neckerchief knotted at the throat.

Ruben Radilla and I had been waiting there as his luncheon guests. Ten years had passed since Ruben introduced me to Roberto, at the time a Tijuana oil distributor, one who had never dreamed of becoming governor.

There was a brief delay before the three of us really got together in the executive office. A women's bowling team was being excorted in to pose with Roberto for news photographers.

The women presented to Roberto a blue and yellow outfit that looked like a warm-up suit. Despite the temperature of 70 degrees, he wore the jacket all during the 15-minute conversation with the bowlers.

Such posing is an almost daily occurrence because Roberto has become known as "the sports governor."

During four years and five months of his six-year term, he has built for the public throughout the state 368 facilities for all kinds of athletics.

The bowlers left and Roberto said: "It's nice of you guys to come over." He hadn't changed in the least as governor. His fair skin, blue eyes and pearl-toothed smile gave off the same old glow.

Personality and his eloquence in both Spanish and English just may be the greatest asset to his political life.

He never turns off the personality and the warmth that makes even a stranger feel that de la Madrid, at the moment, would rather see him than anyone else alive.

Too, his fine English vocabulary is a thing to be prized at a time when his state is crying for tourists from north of the border.

As governor, Roberto makes 70 key appointments. To fill the jobs, he has chosen young men, average age, 26. They are good looking, wearing business suits for the most part, and virtually all speak English.

"They've got the go," Roberto said. He made a fist and jabbed the air.

Walking around the executive office, Roberto plainly looked like a man of great vitality and much younger than his 60 years.

"I take a two-hour workout early each morning," he said. "Otherwise, I couldn't take the pressure. I see 300 to 400 people a day.

"Anybody who has a problem wants to see the governor. You can't turn any of them down. I tell many, 'I can't do anything for you directly, but I will intercede for you.'

"Then I phone the appropriate department head and ask questions about the problem. I do all business by phone. I haven't dictated 4½ letters in the 4½ years I have been governor. Letters only increase paper work.

"Much of the time, nothing can be done about a caller's problem, like a woman I saw a few minutes ago. In a divorce, her husband got their children and she wanted them back."

Only part of the 300 to 400 people the governor sees daily come as lone individuals. The others come in groups representing organizations. Roberto addresses them from the podium of a chamber that contains 78 theater-style seats.

Others are members of civic clubs that request him as a speaker.

"And besides all these people, there are the ones who wait for me outside the church or stop me while I'm jogging," the governor said.

I looked around the executive office once more. Furnishings included a conference table that seats 14, divan, chairs, the governor's desk, and a carpet so deep it was like walking in snow.

Altogether, the office in its elegance was fit for any chief executive.

Roberto gave the signal that we were leaving for lunch by slipping into the coat of his white leisure suit. Then he put on a brown suede hat with fashionably turned-down brim. He looked jaunty.

Mexicali.—The governor of Baja California Norte got up from the luncheon table and stepped to a small buffet to cut us a plate of assorted cheeses.

Roberto de la Madrid was not downgrading the dignity of his office, because only three of us were in a private dining room at the Bum Bum Restaurant, all old acquaintances.

But somehow it did point up once again the casual touch that has become characteristic of his administration. Earlier in the day he had said: "Nobody addresses me as governor. Everybody calls me by my first name."

We didn't need the cheese. We had found the table laden with great portions of oysters on the halfshell, fresh shrimp and crab legs. Moreover, the entree was still to come.

Roberto placed the cheese on the table and I said something about the food being so good and he said: "I usually eat lunch in my office. It's catered from here."

I was puzzled by the name of the restaurant, which is pronounced Boom Boom. And I had been surprised that we could enter the little private dining room through a sliding glass door on the sidewalk.

I never got a satisfactory explanation of the name, but it seemed safe to assume it is a salute to good food. Presidents of Mexico and visiting ambassadors always eat there.

Talking about the drain on a Baja governor's time, Roberto said: "We do less socializing than we did before.

"I belong to no clubs. I must attend some ceremony most every evening, but I don't stay. I limit speeches to 12 or 15 minutes and I don't show up until time to talk. When that is finished, I leave. I never eat."

One Bum Bum waiter poured three glasses of white wine and another served the main course: baked sea bass and totuava, green beans and three-inch ears of corn.

(The wine went virtually untouched. Roberto took a single sip, and the third man at the table, Roberto's old pal, Ruben Padilla, is almost a teetotaler. And I always say who wants white wine when you can have golden tequila and orange juice.)

The governor became suddenly very serious. He said: "Ensenada is destined to become the most solid city in the state. Because it has everything: tourists, industry, fishing, mining, commerce, the port and agriculture."

Roberto has an office in Tijuana and another in Ensenada. He said: "I go to Tijuana (his hometown) once a week, because it has the most problems of the major cities. I go to Ensenada every two weeks."

De la Madrid and Padilla went through the sliding glass door to Roberto's Ford LTD. I stayed behind for a moment to talk to the restaurant owner, Aziz Nahoul, who came here long ago from Beirut.

I complimented him on the food and he said: "This was nothing special for the governor. It was just our commercial fare."

We backed away from the curb in the LTD, a motorcycle policeman on hand to clear the way through traffic. I didn't know it, but we were headed for the governor's mansion.

Padilla made some crack about the governor having no driver and Roberto said: "We do our own driving, my wife and I both."

It was plain from the way he said it that the de la Madrids had rejected chauffeurs.

"We are going to the house," Roberto enlightened us.

"The house" is the governor's mansion, and it is, indeed, a showplace. Not overly furnished but elegant. On one sitting room wall was a recent portrait of the state's first lady, still looking for all the world like Elizabeth Taylor.

Padilla wanted to see the conditioning room where Roberto takes a two-hour workout each morning to be equal to "the pressure" of his gubernatorial duties. He had said he comes in contact with 300 to 400 people daily.

Padilla looked at all the exercising equipment and I tried to draw Roberto into a discussion of his participation in athletic pastimes.

He is the horseman who, years ago, organized Tijuana's first charros. He is a veteran on the tennis court and recently has taken up golf.

But Roberto wanted to discuss his archery. In the foyer of the mansion, he showed us two arrows. One needlepointed arrow had been shot clean into the feathered end of the other. Both still were coupled.

"You shoot at 100 feet," Roberto said. "The odds against doing it once are 1 million to 1. The odds against doing it again are 10 million to 1." He was speaking now with solid satisfaction. "This is my second."

But the elation didn't last. He soon was talking about the Baja budget coming up 20 percent short due to devaluation of the peso.

"I'm going to Europe this summer. It was a trip I had canceled because of inflation. Now I'll go looking for industrial investors."

He'll do business with them if he gets them into the Bum Bum, and they like tequila.●

OPPOSES SUGAR PROGRAM

HON. LYNN MARTIN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mrs. MARTIN of Illinois. Mr. Speaker, during the consideration of the 1981 farm bill, I, along with a majority of this body, voted against the establishment of a sugar price support program. When the sugar program was put back in the bill in conference, I supported the farm bill with the assurance that the cost of the program to Government and consumers would be minimal, if there was any cost at all.

Now, less than 1 year later, we are informed that import quotas are needed to protect the Federal budget from massive outlays in supporting sugar prices. Further, we are informed that the cost of these import restrictions to consumers will easily exceed $1 billion and may go as high as $3 billion.

Mr. Speaker, the auto industry in my district is suffering from the rigors of international competition and we are not barring auto imports. The farmers in my district are experiencing depression-level income and no measures to restrict meat imports are on the Legislative Calendar. But sugar consumers across the country are going to be pickpocketed to protect sugar prices. Such action can only confuse our trading partners and makes a farce of our commitment to free trade.

I realize that sugar is the world's most political crop and my objection to this program is not a result of the absence of sugar production in my district. In fact, my part of Illinois grows one heck of a lot of corn, and the market for corn sweeteners is greatly benefited by higher sugar prices. There is a principle of free trade involved, however, that should not be easily abandoned to support commodity prices. How can we conduct negotiations with Japan on quantity limits and criticize the European Economic Community for barring our exports when we engage in trade protectionism.

The cost to consumers of maintaining sugar prices and its inconsistency with free trade are not acceptable. I am announcing my cosponsorship and support of legislation to repeal the sugar price support program and I urge my colleagues to also consider such action.●

STATEMENT ON INTRODUCTION OF A BILL TO PREVENT RETROACTIVE TAX RECLASSIFICATION OF A BINDING CONTRACT FOR LEASE OF A MOTOR VEHICLE

HON. KEN HOLLAND

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. HOLLAND. Mr. Speaker, today I am introducing legislation to prevent a retroactive change in tax treatment of certain binding contracts for lease of motor vehicles before publication of a new rule either by statute or by prospective regulations.

NEED FOR LEGISLATIVE ACTION

The need for this legislation arises because the Internal Revenue Service has taken the position that the inclusion of a terminal rental adjustment clause in a motor vehicle lease causes the lease to be treated for tax purposes as a conditional sales contract, thereby reclassifying the transaction into something other than what the parties negotiated for their business purposes. The tax consequences of this reclassification policy, of course, is that depreciation deductions and investment tax credits otherwise available to an owner-lessor with respect to his leased property are disallowed.

Terminal rental adjustment clauses have been used by the motor vehicle fleet leasing industry for more than 30 years to insure that rental payments during the course of a lease reflect the true cost of using the vehicle during the period in question. These clauses provide a means of adjusting the total rental price of a leased vehicle, either upward or downward or both, at the end of the lease or actual use by the lessee to reflect the amount realizable by the lessor upon sale or other disposition of the vehicle. The presence of such clauses in the standard industry lease has for three decades protected the lessor's interest in the salvage value of his fleet against neglect or abuse by lessees. Similarly, a rental adjustment clause enables a lessee to reap the rewards of turning in a vehicle in such good condition that its resale value exceeds the parties' original salvage value estimate.

Notwithstanding the important business purposes served by rental adjustment clauses and its own longstanding audit position that recognized contracts with such clauses as true leases, the Service adopted its new position and stated in a technical advice memorandum published in May 1980 by the national office as LTR 8019120 that it would be applied retroactively. This action by the Service, applicable to existing as well as future contracts, was taken without benefit of any prior notice to Congress or to the public and without any public hearings allowing interested parties to express their views.

Moreover, despite a subsequent ruling by the U.S. Tax Court in the April 1981 *Swift Dodge* case that the new Service position is wrong, the IRS continues to apply the new position retroactively in auditing selected motor vehicle fleet lessors. This is a clear case where retroactive application of a change of position concerning the tax effects of a contract binding on the parties ought not be permitted. Prompt legislative action is, therefore, necessary to insure that no changes in the tax treatment of motor vehicle leases with terminal rental adjustment clauses occur absent a change in the law or a prospective change in Treasury Department regulations after adequate notice and hearings.

EFFECT OF THE BILL

The bill that I am introducing today is not the first legislation which has been proposed in response to the new IRS position concerning the tax effect of terminal rental adjustment clauses in motor vehicle fleet leases. Following publication of LTR 8019120, the then chairman of the Committee on Ways and Means, our former colleague, Mr. Ullman, introduced H.R. 8073 (96th Cong.) and held hearings on it and other legislation in September 1980. H.R. 8073 would have required the IRS to determine the tax treatment of automobiles and truck leases executed prior to January 1, 1981, without regard to the presence of rental adjustment clauses. I reintroduced his proposal in March 1981 as H.R. 2837 and, in May 1981, identical legislation was introduced in the Senate by Mr. Armstrong, of Colorado, as S. 1111.

Shortly thereafter in June 1981, our colleague from Florida, Mr. Gibbons, introduced legislation which took a different, and in my view improved, approach from that taken in the earlier bills. Under Mr. Gibbons' bill, H.R. 3857, legislative action by Congress would have been required before the IRS could reclassify an automobile or truck lease either prospectively or retroactively because of the presence of a terminal rental adjustment clause.

In continuing the legislative effort on this subject, I have followed Mr. Gibbons' bill closely. Because it is intended to achieve the same basic purposes as H.R. 3857, my bill differs from the Gibbons bill in only two respects. First, my bill covers leases of all types of motor vehicles, including trailers. Second, my bill would allow changes in the tax treatment of motor vehicle leases with terminal rental adjustment clauses to be effected either by congressional legislative action or by prospective Treasury Department regulations.

In proposing this response to the new IRS position, I do not mean to suggest that I believe a change in the historic tax treatment of motor vehicle fleet lessors is warranted, even on a prospective basis. To the contrary, I view my bill, in accordance with the theory and result of the Tax Court decision in *Swift Dodge*, as declaratory of existing law. Therefore, my bill is based on the premise that neither Congress nor the Treasury Department would consider any such changes until the Department has conducted a major policy level study of the economic and tax issues bearing on the question whether there is a sufficient reason to deny fleet lessors the depreciation deductions and investment tax credits otherwise allowed owner-lessors of depreciable business property. My bill does not require such a study. However, it certainly contemplates that no change would be made without a thorough analysis of these issues.

Moreover, if such a study indicated a need for change, my bill anticipates that any proposals for change to be effected at the administrative level would be in the form of a major legislative regulation which would be developed by all interested policymakers within the Service, the Treasury Department, and the Administration. Finally, my bill expressly provides that no such legislative regulation could be finally adopted until it had been considered in open, public proceedings in which, after due notice, opportunity was provided for comment and participation not only by affected business taxpayers but also by interested members and representatives of the public.

In conclusion, it is also important to note that the bill being introduced today is revenue neutral. It merely prevents the IRS from changing a position it has generally followed on audit for close to three decades until either Congress or the Treasury Department acts to effect such a change. Moreover, uniform application of the new IRS position to motor vehicle fleet lessors could be costly to the Government when the expenses connected with unproductive tax controversies and litigation on an industry-wide basis are considered.

This bill is thus an equitable and reasonable response to the question of how motor vehicle fleet leases with terminal rental adjustment clauses should be treated for Federal tax purposes. I urge its prompt enactment.●

THE RETIREMENT OF W. ERSKINE RUNCIE

HON. JOSEPH G. MINISH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. MINISH. Mr. Speaker, as a member of the House Committee on

Banking, Finance and Urban Affairs, I am used to dealing with the concerns of the American financial community as an institution. Today I would like to note an event which shows the human side of banking, the retirement last month of Mr. W. Erskine Runcie of Maplewood, N.J., after 55 years' exemplary service with the Maplewood Bank and Trust Co. I can certainly agree with the assessment of Dr. John Runcie, Mr. Runcie's son, that in this era of transient lifestyles, such loyalty and longevity are noteworthy.

Mr. Runcie's association with Maplewood Bank and Trust began in 1927, before the Great Depression, when he went to work as a transit clerk. Advancing as a teller, a general bookkeeper, and loan clerk, he was appointed assistant treasurer of the bank in 1942. After service in the Army Air Corps in North Africa and Europe, Mr. Runcie returned to assume the post of assistant trust officer, later becoming vice president and trust officer. In 1969, he became executive vice president and trust officer and a member of the board of directors, advancing to president in a few months. In 1973, he became chairman of the board of directors. Since stepping down from that position, Mr. Runcie has continued to serve as director and consultant to the trust department.

Born in Philadelphia, Mr. Runcie has been a lifelong citizen of Maplewood, which has benefited from his energies just as the bank has. Treasurer of the town civic association and of St. George's Episcopal Church, where he has been an active member of the congregation, vestryman, and member of the choir for many years, Mr. Runcie still found time to enhance his financial expertise by continuing to take courses in banking at Rutgers University and elsewhere.

Not the least of Mr. Runcie's contributions to society has been his raising a devoted family, including John, James, now an attorney in Burlington, Vt., and Sally R. Hayward of Grand Forks, British Columbia. He and his family now look forward to his retirement with his devoted wife, Carol. I would predict that Mr. Runcie's retirement from the banking profession will free him to contribute even more of himself to his family and to the people of Maplewood.

Mr. Speaker, I feel it appropriate to congratulate Mr. Runcie on his exemplary career and wish him the happiest of retirements.●

BUILDING AMERICA TOGETHER

HON. TOM RAILSBACK

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. RAILSBACK. Mr. Speaker, I would like to take this opportunity to share with my colleagues the recent achievement of one of my constituents, Andrew Burwell.

Andrew, a distinguished and active high school student at Galva High School, is the recent winner of the Illinois Voice of Democracy Scholarship Program. I wish to submit for the RECORD a copy of his winning essay.

The Voice of Democracy Scholarship Program is an annual national competition for secondary school students sponsored by the Veterans of Foreign Wars of the United States. This year more than 250,000 students participated in the contest competing for five national scholarships, including a first prize of a $14,000 scholarship. The contest theme this year was "Building America Together."

I wish to extend my congratulations and commendation to Andrew for his patriotic and exemplary essay. I hope my colleagues will find his work stimulating and enjoyable. The essay follows:

1981-82 VFW VOICE OF DEMOCRACY SCHOLARSHIP PROGRAM—ILLINOIS WINNER, ANDREW BURWELL

The last beam of light peers through the paper thin crack of the heavy steel door, then no more. The heavy door is shut, and you are in the world's first time machine. It is through a small instinct that suddenly you feel a miracle. You are heading back in time. You then hear a sound, a voice far in the distance saying, "We the people, in order to form a more perfect union."

The voice becomes louder and louder, suddenly a jolt. Time has stopped. The voice is heard at its climax, as if it is coming from right outside your time machine. The voice once again bellows out,

"We the people in order to form a more perfect union," then continues on, "establish justice, insure domestic tranquility, provide for the common defense, promote the general welfare and secure the blessings of liberty to ourselves and our posterity do ordain and establish this constitution for the United States of America."

Chills run down your back. You recall from your history class that this was the reading of the Preamble, the introduction to the Constitution, and one of the first and most important steps in "Building America Together".

Your mind falls into a deep thought, and you realize that it was the Preamble that introduces the Constitution with a statement of aims. It is the Preamble that firmly bases the Constitution on we Americans. You then recall the line,

"We the people do ordain and establish this constitution for the United States of America," and notice the verb "do" is in present tense. Thus does the Preamble allow for future flexibility and is renewed each day by we the people.

The Constitution, our guidebook up through history for America has given to us our stability in government today. The amendments too have given us rules by which we Americans followed. Our new government was at work.

Your thoughts reverberate through a scan of America's past. You recall Washington and his great leadership as President and chief political figure during the first ten years of our new government. You recall purchases of land such as that of the Louisiana Territory to make room for our growing country. Then suddenly a rumble, the rumble of cannons, guns, and screaming men. You remember the moments of war by which our countrymen fought endlessly to keep our country prestigious and free. Some were killed and some survived. These men are the bodies which allowed our country to be the "land of the free and the home of the brave."

Our country was at a constant growth. Industry and agriculture began to grow and seemed never to halt. Inventions such as steam locomotives, cotton gins, telegraphs and steel plows came in great use. These inventions aided in our building of America because of the fact that they brought in more people, people who strived to be Americans. These were the people who wanted to help build up America's pride, a pride that would keep building.

Tears have formed in many eyes. Part of that tear was for happiness and part for sadness. You close your eyes and ponder on all the recollections of America's past. Upon opening your eyes, a beam of light enters your time machine once again. You have stopped. You open the door and step onto the vast land of freedom. It is the present time, nineteen eighty-one. You are not back at home but on the front steps of the Capitol Building in Washington, D.C. You think about what we, the people of America, are doing now to build our country together. Unity pops into mind. America has unified and begun to cope with many of today's possibilities of war and depression by settlements rather than disputes. We stand tall for our fellow Americans and support them in time of need. We are able to work together and build today's technology.

Computers aid us in achieving easier ways of organization and knowledge. New types of energy are being found so that America can continue prospering into the future.

Men are being trained to fight honorably for our country in case of war. Then there is you. You are helping in the building of America by going to school and obtaining the education you need. An education that could someday lead you to the place of importance like that of Jefferson, Washington, Lincoln and all the other people in America's history.

As you proceed to lead back to your time machine, you notice that it is gone. Then suddenly with a wonder of suspicion, a small instinct once again enters your mind. An instinct that tells you, we learned from the past and are forever grateful, but to maintain our freedom and prestigiousness, we must continue prospering and building America together into the future.●

WOOL PROMOTION PROGRAM

HON. WILLIAM C. WAMPLER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. WAMPLER. Mr. Speaker, today I am introducing legislation, at the request of the U.S. Department of Agriculture, that amends the National Wool Act of 1954 to allow the Department to recover its costs incurred in connection with the promotion program under the act.

The Department provides oversight on research, education, and promotion programs for a number of agricultural commodities. With the exception of the promotion program for wool, the Department is fully reimbursed for its costs.

This bill proposes to eliminate the Federal funding of costs incurred in the administration of the promotion program by authorizing the reimbursement of these costs from payments due to wool producers under the wool support program. Estimated costs will approximate $23,000 or 23 cents per wool producer per year. In addition, the proposed bill provides for the recovery of the Department's costs incurred in the conduct of the wool referendum. Reimbursement to the Department in 1982 is estimated at $128,000 or about $1.28 per producer. If enacted into law, this bill would place the promotion program for wool on a comparable basis with similar type programs which are administered by the Department.●

A TRIBUTE TO MR. J. WILMER CRONIN

HON. ROY DYSON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. DYSON. Mr. Speaker, today I would like to rise in tribute to a man who epitomized the virtues of Maryland and the United States. J. Wilmer Cronin died April 28, 1982, but his contributions to his community, State, and country will live on forever and be matched by few. His love of humanity and democracy made him a true leader in his community and profession. Never one to personally impress upon others the depth of his involvement and commitment to the lives of Marylanders and Americans, it must be left up to his friends and admirers, those who loved and respected this great man, to honor him with words today and with profound affection in our hearts forever.

For 62 years Senator Cronin worked as editor, publisher, and owner of Maryland's Hartford Democrat and Aberdeen Enterprise. He toiled in all aspects of the newspaper business, and was especially proud that his paper was an open forum for community debate and discussion. His dear friend, Eleanor Tydings Ditzen said of him:

> He was a high minded man of great character, unflappable calm, and quiet effectiveness. He had time always for all good causes. He worked hard for his community, his country, his state, and of course, his nation. He was a great leader and a great friend. I think that the world was a better place because of Wilmer Cronin and I wish there were more people like him.

He was a faithful and true advocate of the democratic process, volunteering tireless hours in his community, working with a wide variety of people on a staggering array of projects and causes. He loved his fellowman and strove to help improve the lives of all citizens, black and white, rich and poor. His love and commitment to equality under the law, exemplified by his 63 years as an attorney, enhanced his ability to counsel and aid those who needed his help most. Long-time friend, William S. James, State Treasurer of Maryland, has said:

> I had sincere affection and admiration for him. He had an interest in practicing law but at the same time he was ready to support all worthy causes and worthy organizations. He used his newspaper as an instrument of public trust. In a democracy like ours, the highest accolade you can pay is that a person was one of good citizenship—Wilmer Cronin was a good citizen in our community.

He was a Democrat, but was loved, indeed revered, by men and women of both parties. His service in the Maryland House of Delegates and Senate underscored his commitment to public service and is remembered fondly by his friends. Louis Goldstein, comptroller of the State of Maryland, stated:

> For 44 years I knew this wonderful man and worked with Wilmer Cronin as a member of the Maryland General Assembly. He was a dedicated family man of many titles. He accumulated these titles just as he accumulated his many friends, through a long life of active, dedicated interest and service to his community, his county, his state and his nation. I will always remember the kindness that he and Mrs. Cronin extended to me in 1940 when I was the youngest member of the Maryland delegation going out to Chicago—who didn't know too much about the way of the world and they acted as advisor and chaperone and I came back home without getting into trouble. Wilmer Cronin's life was full of interest and was full of people. People knew him as an outstanding attorney, as an advisor, a legislator, a newspaper editor and publisher, as an elected and appointed official. In all of his careers and each of his endeavors, Wilmer Cronin was of service to his fellow citizens. His was a life of enthusiastic service in many fields and at many levels and countless numbers of us benefited from his advice, his help and his friendship. He truly dedicated a life of service to others. His very essence was giving. His presence will be missed, but his legacy of love, respect and service to his wonderful family and his fellow citizens will always remain.

Throughout his life, J. Wilmer Cronin believed in democracy and in making it work for all citizens. Because of this, he was the recipient of many awards for service to his community, State and country. Yet these awards were small tokens of our feelings for this wonderful, gentle man. No award or tribute can truly describe the depth of our feelings for him, and how sadly he will be missed by those who worked with him, were helped by him, and were touched by his love and his goodness.

J. Wilmer Cronin was ours and we loved him beyond the telling of it. He was such a part of Harford County and the State of Maryland that it is difficult to think of either without him. He was always totally ours and he always made us feel so completely his. In victories he taught us sharing. In defeats he taught us to be without hate, to learn, to rally, to accept the challenges of life, to move forward and to try again. Senator Cronin believed that good men and women together could accomplish anything—even the most impossible of dreams. Regardless of what opposed him in life, he constantly sought to find that touchstone within the soul which would release that impulse for fair and honest solutions.

We watched him season with the years, watched the gray come into his hair. Best of all, we watched him slowly become what he was. His life, I believe, was the fulfillment of the American dream. We will miss him, but we will never forget the legacy he left.●

PERSONAL EXPLANATION

HON. DAN MARRIOTT

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. MARRIOTT. Mr. Speaker, I was unable to be present on the floor on the House of Representatives yesterday for rollcall Nos. 66, 67, and 68. Had I been present I would have voted "yea" on H.R. 6294, Emergency Housing Authorizations Act for 1982, "yea" on H.R. 3481 Pre-Trial Services Act, "yea" on H.R. 861 Trial Services Act.●

SAN DIEGO ESSAY CONTEST

HON. BILL LOWERY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. LOWERY of California. Mr. Speaker, young people often display wisdom beyond their years as illustrated in the following essays concerning the elderly, written by San Diego City schools, sixth grade students.

I applaud these students' efforts and call the attention of my colleagues to their fine work.

Old Age Is Our Nation's Concern

(By Armone Genaro, Del Mar Heights School)

All of us grow old. Therefore it is important to have something to look forward to in our old age. For instance, let's take housing. Our Nation should provide the elderly with good low-cost housing because most senior citizens are retired from active employment and live on limited income, which means they cannot afford high mortgage or high rental payments.

Also, the majority of our nation's senior citizens cannot afford expensive medical care. It becomes apparent then that in order for the elderly to enjoy good health and adequate medical treatment our nation must provide medical programs which are in keeping with the needs and financial abilities of the elderly.

Such things as hospitals, clinics, and educational programs about physical fitness and nutrition must be available to all citizens of our nation, namely the elderly.

The senior citizen has a lot to offer our nation. People should not be forced to retire at the age of sixty-five unless they want to voluntarily. Older citizens have accumulated many years of experience and have gathered much knowledge. The young citizen could profit from being in close contact with a senior citizen in work situations. They also offer our nation mature leadership.

Everyone needs a time to relax and have fun. This is especially true for the senior citizen. Our nation should provide the elderly with recreational programs which offer the older citizen an opportunity to take part in enjoyable activities, such as lawn bowling, shuffleboard, golfing, jogging, swimming, and dancing. These activities promote good physical and mental health.

If our nation can assist in fulfilling these needs, we shall have something to look forward to in our old age.

What I Think Our Country Should Be Doing for the Elderly

(By Clarissa Mahon, Juarez School)

I am not against what our government is doing for the elderly now but I think our country should be doing a little more for them.

To be old should not be to be forgotten. To be old should not be to become a second-class citizen. To become old should not be a reason to suffer loss of dignity.

Too many times old people are forgotten by relatives, friends, and loved ones. Too many times they are put off into a home or a hospital and forgotten.

There should be provision for helping children and grandchildren care for their parents or grandparents.

Sons, daughters, and grandchildren should plan to take care of their mother and father. Remember one of the ten commandments was: "Thou Shalt Honor Thy Mother and Father."

Older people like to see younger people. They enjoy kids being around them. I think the community should become more involved in activities that expose the youth of the area to the elderly.

Public transportation should be easily available for the elderly and the handicapped. The federal government should assist local governments in providing this transportation.

I think older people should have easier access to voting. They should be able to vote by mail, so they do not have to get up and go to a voting post.

I think the elderly should have better protection. Senior citizens are victims to violent crime each year. And most of the elderly are handicapped.

The elderly need assurance that when they grow old, they will have enough to eat and a place to go when they are sick. They need to know we care.

What I Think Our Nation Should Be Doing for the Elderly

(By Alexia Harris, Pacific View Elementary School)

Elderly people are very important in our community. They are sixty-five years or older, and appear to know very much. We can always use them. Unfortunately, many people don't feel this way.

Many problems confront the elderly. For instance, the elderly have many health problems. They are threatened with diseases, and some are handicapped. There aren't enough ramps for them. Employment is also quite a problem. Less employment means less money for them. Some elderly people are placed in retirement homes and are forgotten. Thus loneliness becomes a real threat to them. Because of all those problems, we all are scared to grow old.

The unemployment situation for the elderly could be changed if a company for only the elderly was created. The company would find jobs for the elderly, so they wouldn't have to.

The transportation situation could be helped by an organization set up for carpooling. People could volunteer their time and drive elderly persons where they want to go.

Since many elderly are often lonely in retirement homes or at their homes, a special group of concerned people could stop by their house or retirement home for an hour each day. Maybe a center could be created for senior citizens where they could call, day or night, and someone would come over right away.

The best solution for everything would be community centers where the elderly could get anything they needed or wanted.

In the year 2000 there is supposed to be an increase in the elderly population. So if we solve these issues now, maybe people won't be afraid to grow old.●

THE PALMETTO PARK ROAD BRIDGE

HON. DAN MICA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. MICA. Mr. Speaker, the Palmetto Park Road Bridge is located in the Southern portion of Palm Beach County in the city of Boca Raton, Fla. This bridge, which is a doubleleaf lift bridge, was constructed in 1928 and spans the Intracoastal Waterway, one of the busiest segments of waterway in the United States. This bridge carries between 13,000 and 14,000 vehicles per day, and is the central bridge connecting Boca Raton, Fla., with the residential and recreational area along the Atlantic Ocean.

This bridge has only a 7 ft. clearance above the Waterway for Intracoastal boat traffic, and must be opened for all but the smallest boats. During 1980, the bridge opened approximately 22,000 times to allow for the passage of boat traffic. During the worst month it averaged opening 70 times per day.

The bridge has deteriorated structurally to a point where it is now posted for a maximum load limit of 5 gross tons. The machinery operating the bridge is mechanically unreliable, antiquated and difficult to keep in repair. It was closed for repair a total of 57 days in 1981.

A recent inspection, accomplished by the Florida Department of Transportation (FDOT) in accordance with State and Federal guidelines resulted in the lowest sufficiency rating for a movable bridge in the entire forth district of the FDOT.

The lack of an adequate bridge has caused substantial delay and congestion to motorists using Palmetto Park Road. It has been estimated that the total cost to the public created by this inadequate bridge in 1980 was $4,600,000. This total includes time lost while the bridge was raised for boat traffic, time lost for adverse travel incurred by the public during the time when the bridge was closed for emergency repairs, and actual cost of making the emergency repairs to the bridge.

If a new, reliable, higher and wider bridge was constructed, it is estimated that the public would save in excess of $3,500,000 per year. With the higher bridge clearance, the number of bridge openings would be reduced by at least 75 percent.

In addition, the 5-ton load limit on the inadequate bridge causes substantial delays for emergency vehicles such as firefighting equipment. There is substantial adverse travel incurred by service vehicles such as sanitation trucks and commercial vehicles which exceed the 5-ton load limit.

The numerous bridge openings increase the response time incurred by emergency vehicles as police, fire and ambulance services in servicing the approximately 11,000 residents of Boca Raton who live east of the bridge between the Intracoastal Waterway and the Atlantic Ocean.

There are numerous businesses along Palmetto Park Road in this vicinity whose businesses are severely impacted by the numerous closings of this bridge for emergency repairs.

The existing bridge is continuing to deteriorate to the point where, at a date in the not too distant future, it will be necessary, in the interest of public health, welfare and safety, to

close it to vehicular traffic. When this happens, there will be a substantial hardship on the citizens of Palm Beach County and the city of Boca Raton, caused by adverse travel, delay, congestion and decreased level of emergency services which will be caused by this permanent closing.

Mr. Speaker, I ask that the Committee on Public Works and Transportation and the Appropriations Committee make every effort to authorize and appropriate the necessary funding to allow replacement of the Palmetto Park Road Bridge.●

IMPORTANT NEW DATA ON AGENT ORANGE

HON. THOMAS A. DASCHLE

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. DASCHLE. Mr. Speaker, I wish to bring to the attention of my colleagues a letter which appeared in the New England Journal of Medicine from the two physicians at the Emory University School of Medicine. The letter documents three cases of thoracic soft tissue sarcoma in persons who served in Vietnam and were exposed to agent orange. The significance of this letter is that it corroborates the findings of case-control studies in Sweden and a National institute of Occupational Safety and Health (NIOSH) analysis of four U.S. cohorts exposed to phenoxy herbicides or trichlorophenols.

The Swedish studies reported a five- to six-fold increased risk of soft-tissue sarcoma in lumberjacks exposed to herbicides and the NIOSH analysis reported an increased mortality rate in workers exposed to similar chemicals. For the benefit of my colleagues, phenoxy herbicides and trichlorophenols both contain the same toxic chemical found in agent orange, dioxin. Considering the wealth of human data now available linking soft tissue sarcomas with exposure to dioxin, the Veterans' Administration should immediately compensate those Vietnam veterans suffering from this disease, as well as the families of those veterans who have died from soft tissue sarcomas.

Following is the text of the letter:

[From the New England Journal of Medicine, May 6, 1982]

Thoracic Soft-Tissue Sarcoma in Vietnam Veterans Exposed to Agent Orange

To the Editor: Case-control studies from Sweden report a fivefold to sixfold increased risk of soft-tissue sarcoma in lumberjacks exposed to herbides containing phenoxyacetates. Long-term follow-up studies in cohorts of industrial workers employed in the manufacture of these chemicals have disclosed seven cases of soft-tissue sarcoma to date. On the basis of studies in laboratory animals, it is currently thought that dioxin (2,3,7,8-tetrachlorodibenzo-p-dioxin), an impurity present in these chemicals, may be the carcinogen. However, more follow-up and further studies are needed to define the true risk of malignant disease and the actual carcinogenic substance or substances involved.)

In Vietnam, where approximately 2 million troops were stationed for various periods between 1962 and 1971, nearly 45 million kg of Agent Orange and other defoliants were used. Follow-up of the veterans and their families to date has not revealed any serious untoward effects of such exposure, except for chloracne. So far there has been no excess incidence of cancer of any kind. We now report three cases of thoracic soft-tissue sarcoma in persons who served in Vietnam and were exposed to Agent Orange.

Patient 1 worked in Vietnam as a member of a helicopter-rescue unit of the United States Air Force in areas where defoliants were used during 1966 and 1967. In July 1979, at the age of 46, he underwent resection of a right upper-lobe lung lesion, which was diagnosed as inflammatory fibrous histiocytoma. He died in July 1981 with progressive lung and brain lesions.

Patient 2 was a United States Marine in Vietnam during 1966 and 1967, stationed in areas where defoliants were being used. Twice he was "completely soaked with Agent Orange." In December 1979, at the age of 32, he underwent a left pneumonectomy for a mediastinal fibrosarcoma. In June 1981, pulmonary metastases developed. He is currently receiving combination chemotherapy.

Patient 3 was in the United States Army in Vietnam in 1971, serving in areas where defoliants were used. In January 1981, at the age of 31, he was evaluated for a left pleural effusion. At exploratory thoracostomy in August 1981 a pleural/diaphragnatic leomyosarcoma was noted and resected.

Soft-tissue sarcomàs are rare neoplasms. If there is a true risk of these neoplasms in veterans who served in Vietnam, follow-up studies should be able to define it. If there is an increased risk of malignant disease in these veterans, then a more critical question that has to be addressed is: Are the defoliants causative, or is some other unidentified environmental factor responsible, acting alone or in concert with the defoliants?

P. Ravi Sarma, M.D.,
Julian Jacobs, M.D.,
Emory University, School of Medicine.●

BANNING MEXICAN-AMERICAN SCHOLARSHIP ASSOCIATION

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. LEWIS. Mr. Speaker, under the leave to extend my remarks in the Record, I include the following:

Resolution

Whereas the Banning Mexican-American Scholarship Association is deserving of special recognition and highest praise for their 13 years in promoting and rewarding of high standards of academic achievement; and,

Whereas awards are given regardless of ethnic background to any worthy student with judging based entirely on scholastic record, need and individual potential; and,

Whereas, the purpose and results of the highly successful cooperative endeavor has received the recognition from many persons, both within and without the community, including the U.S. Senate, the U.S. Congress, Riverside County Board of Supervisors, and the city of Banning: Therefore, be it

Resolved, That on this day, the 27th of May 1982, the U.S. House of Representatives proclaims its appreciation and commends for its service to the community and to the county the Banning Mexican-American Scholarship Association.●

PERSONAL EXPLANATION

HON. TOM CORCORAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. CORCORAN. Mr. Speaker, yesterday, due to a previous commitment, I was not present and voting on the House consideration of H.R. 861, National Trails System Act, and H.R. 3481, Pretrial Services Act. Had I been present, I would have voted for passage of both of these bills.●

HAPPINESS IS: NOT HAVING TO WORRY ABOUT RING AROUND THE COLLAR

HON. CARL D. PERKINS

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. PERKINS. Mr. Speaker, for many years the area around Owingsville, Ky., in my congressional district has been fortunate to have as its resident sage Mr. Russ Metz, publisher of the Bath County News Outlook.

Mr. Metz is a distinguished Kentucky newspaperman, and aside from publishing a fine paper he writes a syndicated column which appears in numerous other publications.

Like many of the great humorists of our country, he has a way of employing wit to deliver an important message. That is what he has done in a recent column, and I would like to share it with Members of this body for inclusion in the Record:

[From the Bath County News Outlook, Owingsville, Ky.]

Happiness Is: Not Having To Worry About Ring Around The Collar

(By Russ Metz)

President Reagan has rightfully complained that television newsmen keep interviewing "some fella out of South Succotash someplace who has just been laid off," says Arthur Hoppe in the San Francisco Chronicle.

Consequently, Reagan said, "I'm Scrooge to a lot of people. And, if they only know it, I'm the softest touch they've had in a long time."

The problem, of course, is that the television newsmen have consistently and perhaps even deliberately (who knows?) picked unhappy fellas to interview. These grousers and whiners have naturally given the president a bad image and he has every reason to be sore.

In an effort to balance the picture in some small way, I had a talk with Robertson (Bob) Cratchit of Upper Succotash and his cheery little unemployed family.

Cratchit had worked for 19 years at the Great Succotash Succotash Factory as a lima bean sorter until the plant was forced to close down, its product unable to compete with cheaper and better made Japanese succotash.

"Best thing that's happened to me in my life," said Cratchit, chortling merrily as he ushered me into what the family calls "the living room," that being the room in which the family lives. "Woke up the other morning and for the first time in 19 years I said to Mrs. Cratchit, 'Thank God it's Monday.' "

Mrs. Cratchit put down the kazoo on which she had been playing "Happy Days Are Here Again" in a rousing fashion. "I'll admit I was a mite worried at first where our next meal was coming from," she said, "seeing that Mr. Cratchit wasn't bringing home any more factory-damaged succotash. But you'd be amazed how much money we lucky leisure-time folks save over those poor souls who have to work every day."

"You bet," agreed Cratchit enthusiastically. "The bus to the plant used to cost me 50 cents each way. That's $5 a week right there, plus union dues, wear and tear on my lima bean sorter and bleach for my tee-shirts so I'd be safe from ring round the collar. But now, ha, ha! who cares about ring around the collar any more?"

Mrs. Cratchit smiled at her husband's exuberance. "He's been a new man since we sold the car," she confided. "Not only have we saved a fortune in gas, repairs, monthly payments and sawdust for the transmission, but Mr. Cratchit no longer wakes up at night screaming, 'The last parking place in the world has just been taken!' "

Cratchit grinned ruefully, "I guess I've saved another fortune on blood pressure pills and double martinis," he said. "But the main thing is that I've scads of time now to spend with my manly little son here. Aren't you glad Daddy lost his job, Tiny Tim?"

"Golly, yes!" cried Tiny Tim gaily as he cleaned his bowl. "This Alpa helper sure does beat that old succotash all hollow."

Cratchit touseled the lad's hair. "Not watching television has done him a world of good. And there was certainly no point watching if after the electricity was turned off. But we do plan to listen to the radio once summer comes and our neighbor opens his window."

Mrs. Cratchit beamed at her menfolk. "We women have it lots easier, too," she said. "I always did dread cleaning the oven, beating the rug and dusting all the furniture."

"Well, well," said Cratchit, attempting to contain the little family's bubbling spirits. "I don't really think it's seemly for us to crow over our blessings while there are still so many poor unfortunates out there toiling their lives away . . ."●

MORE ON ALL-SAVERS CERTIFICATES

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. STARK. Mr. Speaker, following is the latest information supplied to me concerning the purchase of all-saver certificates. As the letters from the Federal Reserve and Treasury note, purchases continue to remain way below many projections.

This is a program which has done little to spur savings, while it has contributed to the unfairness of the Tax Code by providing investment shelters to only those in the upper income brackets.

It is due to expire on December 31, 1982. Let us pray that it rests in peace—to be remembered only as an unwise experiment, unworthy of progeny.

Board of Governors of the
Federal Reserve System,
Washington, D.C., May 4, 1982.

Ms. Jayne Boyle,
Staff, House Ways and Means Committee,
Washington, D.C.

Dear Ms. Boyle: Enclosed is a table indicating the growth of All Savers Certificates at commercial banks and thrift institutions (other than credit unions). As you can see, the inflows to ASCs have continued very small, suggesting that the peak in outstanding balances—and the impacts on depository institution savings—will be well short of many projections.

I hope you will find these data useful. I shall send you another update in a few months.

Sincerely,

Michael J. Prell,
Associate Director.

MONTHLY INFLOWS INTO ALL-SAVER CERTIFICATES

[In billions of dollars]

	Total	Commercial banks	Mutual savings banks	Savings and loan associations
1981:				
October	32.6	12.8	3.3	16.5
November	7.4	4.1	.8	2.5
December	2.9	1.7	.4	.8
1982:				
January	2.5	1.1	.3	1.1
February	1.6	.7	.2	.7
March	2.1	1.0	.3	.8
Memo: Outstanding balances at the end of March	49.1	21.4	5.3	22.4

Department of the Treasury,
Washington, D.C.

Hon. Fortney H. Stark, Jr.,
House of Representatives,
Washington, D.C.

Dear Mr. Stark: In response to your letter concerning All Savers Certificates, I am enclosing a table which shows the estimated amount of All Savers Certificates purchased since October 1, 1981, by month. Sales in the first month were larger, but have tapered off dramatically since then. At the time the legislation was enacted, the Savings and Loan Industry predicted that some $240 billion of Certificates would be issued during the life of the program. The Treasury Department projected a figure of $120 billion, but it appears that even this may turn out to be an overestimate.

As you are aware, the key question in evaluating the impact of the All Savers Certificates concerns the source of the funds used to purchase them. To date, we have seen no evidence that they come from "new" saving, but merely represent money withdrawn from other financial investments, probably municipal bonds (because of their tax-exempt status) and passbook accounts in particular. Personal savings, both in dollars and as a percent of disposal personal income, did increase in the fourth quarter of last year according to the national income accounts, but that may have resulted from other provisions of the Economic Recovery Tax Act, or, indeed, from other aspects of the general economy.

As the table shows, issued Certificates have been fairly evenly divided, so far, between Savings and Loans and Commercial Banks. Continued high interest rates have had a very bad effect on the asset position of Savings and Loans. Many find themselves with large portfolios of home mortgages paying interest at rates well below what they must offer current depositors. The $20 billion they have received by issuing All Savers Certificates, to the extent that it was not offset by withdrawals from regular accounts, has improved their position.

While the Treasury Department is continuing to monitor the sale of these Certificates, we are not planning any on-going analyses which would generate quarterly reports which might be of help to you. When the program is a bit older, we will carry out the mandated study which is to be submitted to Congress by June 1, 1983. We had not planned to issue any preliminary versions of that study, but if any portions are completed early we will certainly share them with you. In the interim, if there are any further questions you have about All Savers Certificates, we would be glad to try to answer them for you.

Sincerely,

John E. Chapoton,
Assistant Secretary (Tax Policy).

All-Savers Certificate Flows

The Economic Recovery Tax Act of 1981 authorized depository institutions to issue tax-exempt All Savers Certificates (ASCs) to help the institutions reduce their cost of funds and to facilitate the flow of credit to the housing industry. The Certificates became available to the public on October 1, 1981, and the preliminary data on ASCs is as follows:

ASCs Deposit Flows

[In billions of dollars]

	October	November	December	January	Total
Savings and loans	16.5	2.5	0.8	1.1	20.9
Mutual savings banks	3.3	.8	.3	.4	4.8
Commercial banks	12.8	4.1	1.7	1.0	19.6
Credit unions	2.7	NA	NA	NA	3.5
Total	35.3	7.4	2.8	2.5	48.8

	Percent
ASC annual investment yields:	
Oct. 1	12.61
Oct. 4	12.14
Nov 1	10.77
Nov. 29	8.34
Dec. 28	10.16
Jan. 24	10.76
Feb. 21	10.79

PERSONAL EXPLANATION

HON. ROBERT A. YOUNG

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. YOUNG of Missouri. Mr. Speaker, unfortunately I was absent yesterday and was unable to cast my vote in support of H.R. 6294, the Emergency Housing Assistance Act. If I would have been present, I would have voted "yes."●

"FARM CALL-IN" GREAT SUCCESS FOR FARMERS AND MEMBERS OF CONGRESS

HON. TOBY ROTH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. ROTH. Mr. Speaker, I participated in yesterday's "Farm Call-In," and was really impressed by the American farmers' grasp of the big picture in American agriculture.

I learned a lot from this program, and believe we owe the Agriculture Council of America a debt of thanks for making this exchange of views possible.

Talking to farmers from Georgia, Mississippi, Kansas, Missouri, and Wisconsin, I learned that the American farmer, no matter where he lives, or what he produces, has one overriding concern: interest rates. Our work here directly affects each and every American farmer. The farmer is depending on our good judgment to see him through this crisis in the farm economy. To this end, a balanced Federal budget and positive Federal agricultural policy should be top priorities of all Representatives of farming areas.

Declining numbers of farmers means a fainter voice on their behalf in the House of Representatives. But every congressional district, urban or rural, has a major stake in the success and productivity of the American farmer. If ever this farmer needs action to protect his income and markets, it is now. I think the 70 Members of Congress who gave of their time and energy to man the phones at the call-in displayed tremendous concern for and awareness of the difficulties facing farmers today.

Another primary concern voiced by the farmers I spoke with is unfair competition from imports and unreasonable barriers to export of domestic agricultural products. Casein imports were the No. 1 problem cited by dairy farmers. We have simply got to take the steps necessary to put American producers on an equal footing with their foreign competitors. For too long our producers have been at a woeful disadvantage in the international marketplace through the fault of those who determine American import/export policy. I think it is time the Congress stepped in and acted where other avenues have consistently failed.

Certainly, yesterday's "Farm Call-In" afforded both farmers and Members of Congress a unique opportunity to affirm common goals and gain new perspectives on the state of our farm economy. I hope that this event will provide the impetus for concrete action in the remaining months of the 97th Congress to insure a prosperous future for American agriculture, with special emphasis on the small family farm. If we can make our ideals a reality, the "Farm Call-In" would have surely accomplished its goal of fairness for the American farmer.●

IN OPPOSITION TO ANY ATTEMPTS TO REDUCE SOCIAL SECURITY BENEFITS

HON. STAN PARRIS

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. PARRIS. Mr. Speaker, I would like to express my opposition to any attempts to reduce social security benefits in the budget process. While we all recognize that the social security system faces serious financing problems that will require action in the near future, I do not believe the budget is the appropriate place to take that action. If Congress mixes social security with the budget process, we will be jeopardizing both a budget compromise and a responsible, long-term solution to the dilemma facing social security.

In recent weeks, there has been much misinformation circulating about social security and its relationship to the budget. The fact is that social security is funded from three separate trust funds and is completely independent from the rest of the budget. Any savings from reductions in social security benefits cannot be transferred to the general fund so social security cuts will not reduce the true deficit. It would be inappropriate and unwise for Congress to make any changes in social security until the President's Commission on Social Security Reform has completed its work and issued its report. Even then, congressional action should be based on a well-planned, bipartisan effort to insure that we will be addressing the long-term needs of social security without reducing benefits paid to current beneficiaries.●

AIR TRAFFIC CONTROL BILL

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. FORD of Michigan. Mr. Speaker, the Committee on Post Office and Civil Service today reported out H.R. 6310, the Air Traffic System Personnel Improvements Act.

This bill is designed to insure the rebuilding of the Nation's beleagured air traffic control system. Unless corrective steps are taken by this Congress the system will continue to limp along for some time.

I urge the House to move expeditiously to insure that this will not happen.

This bill is designed to address three problems now faced by the Federal Aviation Administration. First, it would insure sorely needed personnel management improvements at the agency. Second, it would improve sagging morale of FAA employees. And third, it would facilitate the prompt return of the air traffic control system to full capacity—a move that is essential to economic recovery of the Nation's airlines industry.

The administration's air traffic control bill (H.R. 5038) would do none of these things. It ignores serious management problems and does nothing to restore the system to full capacity.

There is now incontrovertible evidence of critical management shortcomings within the Federal Aviation Administration. If these are not corrected, there is every likelihood that, in the near future, the Nation will be confronted with another painful dispute involving air traffic controllers.

At the same time, the Nation's airlines are in an economic tailspin with losses in the millions and layoffs in the thousands. Related industries have been severely affected.

A return to profitability expected later this year as a result of improved economic conditions could be thwarted by a failure to remove the slot allocation system and return the air traffic control system to its prestrike level. In order to prevent the system from being overworked during the controller shortage, the FAA restricted flight slots at 22 major airports. This situation will continue until the system is rebuilt.

After many days of hearings by the full committee and the Subcommittee on Investigations on the administration's proposed Air Traffic Control Revitalization Act (H.R. 5038)—and having the benefit of a convincing independent study—there were strong arguments for the committee to move ahead with legislation to encourage a speedy rebuilding of the air traffic control system and guarantee an improved labor-management atmosphere over the long term.

If Congress fails to act, there is every reason to believe the airline industry will suffer and we will be faced with future employee-management crises.

In March, a special task force commissioned by the Department of Transportation and the Federal Aviation Administration released a painstaking study of employee-management relationships within the FAA. It concluded that management deficiencies were rife and that they contributed significantly to last summer's strike. It warned that these conditions still exist.

"The air traffic control system has been an organization under siege," the report said. "It still is."

Ironically, a 1970 report reached similar conclusions and made a number of recommendations. Sadly, it was ignored. Had attention been paid to it, we probably could have avoided last year's costly strike and its painful aftermath.

The committee seeks to prevent, to the extent possible, a repetition of this unfortunate history.

For the most part, I am not persuaded that the administration's proposal would effectively speed or aid the rebuilding effort. And it fails to address management problems.

From our hearings, staff investigations, and independent studies of the current air traffic control situation, a number of problems are apparent.

First, the rebuilding effort is behind schedule. Although the FAA Administrator continues to hold to his original prediction that the system will be back to full capacity by the end of 1983, there is a lack of evidence to support his optimism. The Chairman of the National Transportation Safety Board testified before our committee that the schedule could not be met. The Board's own report found it will be at least percent mid to late 1984 before the work force will be restored to full personnel strength. The dismal record of the scandal-plagued FAA Training Academy (the graduation rate for center trainees is only 50 percent) indicates it is unlikely the FAA will be able to meet even the Safety Board's estimate. More importantly, however, if the Administrator's timetable is met, return to full capacity may come too late to save many ailing airlines.

Second, morale of those controllers who remained on the job, as well as the morale of flight service station and airways facilities personnel, is deteriorating. The task force report tells us that the spirit of cooperation that developed right after the strike is evaporating. For the working controllers this is not surprising. They can look forward only to continued excessive overtime, stringent leave restrictions, and the arduous chore of providing on-the-job training for a steady stream of inexperienced trainees. The flight service station and airways facilities personnel are understandably dismayed by the FAA's announced intention to furlough them without pay.

Third, the task force report also makes clear that the FAA's rigid, paramilitary, and insensitive management was as much to blame for deteriorating labor-management relations as union militancy. Both sides were equally to blame for the strike. But only the rank-and-file employees suffered the extreme penalty of dismissal. The problems of the rank-and-file employees which, during the 1970's led to dramatic increases in transfers, early retirements, resignations, and grievances, were and are real. Stress was and is real. Yet although these problems were documented as early as 1970, the FAA has done little to remedy them.

The bill under consideration deals with the personnel management problems at the FAA, and the failure of past FAA administrators to address them. It requires the Administrator to establish a personnel management improvement program sensitive to people problems and a productive work environment and to give serious consideration to the personnel management recommendations of the task force report. It establishes an advisory committee to oversee the establishment, implementation, and conduct of the program, and provide advice and recommendations to the Administrator. Finally, it requires the Administrator to report annually to the Secretary of Transportation, the National Transportation Safety Board, and the Congress on the progress of the program.

The bill would speed the rebuilding effort and permit the air traffic control system to be returned to prestrike capacity by removing the existing bar which precludes the rehiring of former controllers by the FAA. It would not entitle any former controller to reemployment, nor would it prohibit case-by-case determinations, made in accordance with existing civil service suitability regulations, that individual controllers are not suitable for reemployment. It would permit former controllers to apply for reinstatement, and if they are determined suitable for Federal employment, individuals could be rehired by various facility chiefs. Drawing on the existing talent pool which the former controllers constitute is the only way the system can be returned to prestrike capacity in a timely fashion. We must recognize that and then move to deal with any problems the rehiring of former controllers may create.

The bill deals with sagging employee morale in a number of ways. First, by setting a specific early target for returning the system to full capacity (January 1, 1983), the employees will know that indeed there is light at the end of the tunnel. They will know that by the end of the year their workweeks will have returned to normal and they will be able to take well-deserved vacations. They will also know that the rehiring of former controllers will substantially ease the burden of providing on-the-job training since fewer trainees will be needed and more experienced controllers will be available to provide the training. The legislation also provides 10-percent premium pay for providing on-the-job training.

Second, the bill forbids the FAA from furloughing or riffing these employees during the rebuilding period thereby assuring they will not suffer the pay cuts which have been threatened by the Administrator.

Third, the bill provides an incentive bonus if the system is rebuilt by the target date. The bonus will be equal to 10 percent of the pay received by the employee during the entire rebuilding period (August 3, 1981 to January 1, 1983). Any rehired controller who participated in the strike would not receive the bonus.

Finally, the bill revises the existing second career training program to address the problems which have been identified in the past, so it can again be funded and made available to controllers who no longer are able to control air traffic.

This approach seems far wiser than the provisions of the administration's bill, which recommend permanent pay increases above what other Federal employees would receive. That proposal would do nothing to return the system to full, safe operations or end costly delays to airlines. It would, instead, establish a controversial precedent in singling out one group of Federal workers for special pay treatment and would certainly have an adverse impact on the morale of other Federal workers.

A permanent pay increase of the magnitude recommended by the administration for some FAA employees cannot be justified in light of the present budget crisis and the administration's position on pay increases for all Federal workers. In terms of reaching the objective, the bonus approach has far more merit.

SUMMARY OF H.R. 6310

Sec. 1.—Short title.

Sec. 2.—Incentives bonus.

One-time 10 percent bonus to all eligible employees (about 25,000) if secretary certifies by January 1, 1983, that system can operate at full capacity and slot allocation program is terminated.

Fired controllers not eligible for bonus.

Bonus is 10 percent of basic pay received between August 3, 1981, and date of certification.

Sec. 3.—Suitability determinations.

Opens door for rehiring of fired controllers by providing that fired controllers shall not as a class be deemed unsuitable for employment in any position in FAA.

Individual suitability determinations shall be made by OPM.

Sec. 4.—Premium pay limit.

Repeals Government-wide limit on payment of premium pay in excess of maximum rate for GS-15 ($57,500).

Sec. 5.—Prohibition on RIFs and furloughs.

Prohibits riffing or furloughing any essential FAA employee during rebuilding period (from date of enactment to date of certification).

Sec. 6.—Pay for on-the-job training.

Authorizes 10 percent premium pay for time spent in providing on-the-job training to another controller.

Sec. 7.—Second career training.

Substantially revises second career training program for air traffic controllers to address several criticisms of the program.

Similar to provisions of H.R. 3700 (Mr. FORD) but several significant provisions added, such as requiring repayment of training expenses if controller fails to complete training program.

Sec. 8.—Personnel management improvements.

Requires FAA Administrator to establish a personnel management improvement program and implement certain specified recommendations drawn from the task force report. Administrator reports annually to Congress and Secretary of Transportation.

Establishes advisory committee to oversee Administrator's management improvement program and provide advice to Administrator.●

A TRIBUTE TO ELEANOR CROUCH

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. LAGOMARSINO. Mr. Speaker, I would like to bring to the attention of my colleagues the fact that there will be a testimonial dinner on Friday, May 21 in Santa Paula, Calif. to honor one of that city's outstanding citizens, Eleanor Crouch.

Eleanor began her career of service as a volunteer who unselfishly gave of her time and her energy to her community. Later she commenced 13 years of public service to her beloved Santa Paula by serving on both the recreation commission and the planning commission. She was then elected to the Santa Paula city council and also served two terms as that city's mayor.

It is always a pleasure for me to recognize the wonderful community service rendered by our local citizens. Without such conciencious public spirited individuals, our communities would certainly suffer. Therefore, it is particularly gratifying for me to bring to the attention of my colleagues the honor that the citizens of Santa Paula are bestowing on one of their favorite community leaders, Eleanor Crouch.●

EMERGENCY CB VOLUNTEERS SHOULD BE HONORED

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. PORTER. Mr. Speaker, today I am introducing a joint resolution authorizing the President to designate the month of November 1982 as "National REACT Month." REACT is an acronmy for Radio Emergency Associated Citizens Teams.

The purpose of this resolution is to honor and recognize the many citizens across this country who have chosen to volunteer their time to become members of a REACT team.

REACT volunteers monitor their own CB radios on emergency Channel 9 to assure highway safety and emergency communications. REACT volunteers have established a 24 hour monitor of the emergency channel, and in the case of an accident or disaster, local teams work to maintain essential communications links. Their work speeds the arrival of emergency help in a crisis situation. Countless lives have been saved as a result of the efforts of the many outstanding individuals participating in this fine organization.

Since its establishment in 1962, REACT has grown to 1,500 teams across the country. In addition, teams are active in nine Canadian Provinces, Puerto Rico, the Virgin Islands, Guam, Australia, the Philippines, South Africa, Trinidad and Tobago, West Germany and Venezuela.

Last year REACT International received the 1982 President's Volunteer Action award in recognition of the exceptional public service the orgainzation has provided all over the world. REACT is celebrating its 20th anniversary in 1982 and I believe it to be fitting that we designate the month of November as "National REACT Month" to honor these remarkable citizen volunteers.●

CLEAN AIR ACT

HON. MILLICENT FENWICK

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mrs. FENWICK. Mr. Speaker, as you know, the American Lung Association declared last week to be Clean Air Week. I would like to speak for the millions of people in the United States who are over the age of 65 in urging the House to reauthorize a strong Clean Air Act.

I am not an expert in atmospheric pollution. What I do know, however, is that our aging population is growing and as it grows, more and more people will be especially susceptible to smog. Persons over the age of 65 are considered to be more sensitive than any other group to ambient air pollution.

We must look at the issue of clean air in human terms. Just what does it mean when a county exceeds the national ambient air quality standards. An American Lung Association study shows that in my own home county of Somerset, N.J., over 23,000 elderly people would be risking adverse health effects. For those of us who welcomed the expectation of progress toward healthful air quality advanced in the Clean Air Act, any weakening of the standards in nonattainment areas is most distressing. Moreover, for the many elderly residents in New Jersey, a change in the law that would allow higher auto emission standards is unacceptable. Carbon monoxide is a known toxin which is particularly harmful to people with respiratory illness and heart disease. No. This is no time to retreat from the Clean Air Act.●

NEW ROCHELLE, N.Y., CITY COUNCIL SPEAKS OUT FOR A NUCLEAR WEAPONS FREEZE

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. OTTINGER. Mr. Speaker, I am including in today's RECORD an excellent letter I recently received from the mayor and members of the City Council of New Rochelle, N.Y., which I represent, supporting a mutual and verifiable freeze on the testing, production, and deployment of nuclear weapons. I commend Mayor Leonard C. Paduano, and city council members Elly Doctorow, Don Zaccagnino, and Robert Schaefer for this very important endorsement of the nuclear weapons freeze.

As a cosponsor of the Kennedy-Hatfield resolution, which calls for a mutual and verifiable nuclear arms freeze, and as a sponsor of the grassroots call to halt the nuclear arms race, I am gratified to see so many Americans rise up to proclaim that they will not accept a continuation of the senseless, costly, and destabilizing arms race. I am particularly delighted that Mayor Paduano and members of the New Rochelle City Council have added their important voices to this effort.

As the city council's letter noted:

From every perspective—morally, socially, economically, and even militarily—the "arms race" has been obsolete. Current capabilities on both sides are ample to assure total devastation of all continents within hours.

I commend this important letter to the attention of my colleagues:

CITY OF NEW ROCHELLE,
New York, April 27, 1982.
Hon. RICHARD L. OTTINGER,
Rayburn House Office Building,
Washington, D.C.

DEAR CONGRESSMAN OTTINGER: Responding to public outcries within this municipal jurisdiction calling for the prompt and definitive freeze on testing, production and deployment of nuclear weapons through a mutual agreement between the United States and the Soviet Union, the New Rochelle City Council as individuals records herewith its formal subscription to such a freeze.

Additionally, and in further reflection of local popular opinion, the signatories to this document strongly urge the swift reduction of nuclear arsenals by both global powers following the freeze on escalation.

It is appropriate that this message be conveyed in the spirit of applying "common sense" to remedying the suicidal predicament in which mankind has catapulted itself during recent decades. Ours is the community where Thomas Paine composed the original "Common Sense" which helped to galvanize our forefathers into a resolute and stalwart band dedicated to the attainment of life, liberty and the pursuit of happiness.

Those basic values are threatened again today as nuclear proliferation relentlessly multiplies the very real danger of catastrophic destruction, obliterating our human population and much of the entire planet.

From every perspective—morally, socially, economically and even militarily—the "arms race" has been obsolete. Current capabilities on both sides are ample to assure total devastation of all continents within hours.

Accordingly, in the name of "common sense," the Council Members of the City of New Rochelle hereby endorse the concept of a "nuclear freeze" with attendant reduction of arsenals with the added hope that negotiations toward that end will be prompt and fully successful. On behalf of the people of this community, we respectfully solicit your "good offices" toward achievement of these vitally important objectives.

Very truly yours,
Leonard C. Paduano,
Mayor.
Elly Doctorow,
Member of Council.
Don Zaccagnino,
Member of Council.
Robert Schaefer,
Member of Council.●

THE MENTAL HEALTH ASSOCIATION IN ORANGE COUNTY, INC.

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. GILMAN. Mr. Speaker, I know that many of my colleagues are aware that May is Mental Health Month. The mental health services that are provided by more than 850 chapters of the Mental Health Association throughout our Nation clearly indicate the value of Federal support for mental health programs. During this mental health month, I would like to give appropriate recognition to the Mental Health Association in my own 26th Congressional District in New York.

Members and volunteers of the Mental Health Association in Orange County, Inc., work toward the improvement of mental health through a wide range of activities in social action, education, advocacy, and information. The Mental Health Association aims to monitor and evaluate mental health services, to work for improved care and treatment of the mentally ill and emotionally handicapped; to improve methods and services in prevention, detection, diagnosis, and treatment of mental illness; and to promote public knowledge of, and interest in, mental health. The association operates the Orange County Help Line; social club rehabilitative programs; and a directory of human resources.

The social club rehabilitation program aids former hospital patients in their transition from hospital to community independence, and assists local residents who require help and support in order to remain in the community. During 1981, the Mental Health Association operated four social clubs, in four different locations, each week.

The Help Line is a countywide, toll-free information referral and crisis intervention service in operation 24 hours a day, 365 days a year. During 1981, 10,720 calls for help were answered by the Help Line, and 1,799 calls were made to people living alone and unable to get out.

The Directory of Human Resources, a 267 page reference, provides comprehensive data on over 200 human service agencies and organizations servicing Orange County residents. It is currently used by over 200 Orange County agencies, but was not updated in 1981 due to staff cutbacks.

Despite recent reductions in staff, the Mental Health Association in Orange County has substantially increased the overall level of services that it provides. This is due to emergency funding from the United Way, recruitment of additional volunteers, and a strong commitment from staff and board members.

The Mental Health Association is committed to move forward to meet the many mental health needs of Orange County residents. In like manner, we in Congress must join in the commitment to the improvement of mental health services for community residents throughout our Nation. In Orange County alone, thousands of residents have benefited from the services provided by the Mental Health Association. Mental illness is a serious problem, but mental health services are highly successful in rehabilitating those who suffer from mental difficulties, allowing them to live as active and contributing members of society. I urge my colleagues to offer their support of these vital programs, as we consider the fiscal year 1983 budget, by endorsing continued Federal funding for mental health funding at levels adequate for the continued work of the Mental Health Association, and other similar organizations.●

UNION BAPTIST CHURCH CELEBRATES ITS 130TH ANNIVERSARY

HON. PARREN J. MITCHELL

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. MITCHELL of Maryland. Mr. Speaker, on Sunday, May 2, 1982, and Monday, May 10, 1982, Baltimore's historic Union Baptist Church celebrated its 130th anniversary. This institution, formerly known as the Old North Street Church, is marked by continuous outstanding work and is a pillar of strength in our community.

Union Baptist Church was organized on May 10, 1852, by the Rev. John Carey with 52 members. During her 130 years of existence, there have been three church edifices and eight ministers. The most distinguished of those was the Reverend Dr. Harvey Johnson, who pastored Union for 50 years. It was under his dynamic leadership that the church grew to 3,028 members and moved to its present location and built the present edifice. Further, Dr. Johnson was an early civil rights leader in both the city and the State. After organizing a group which was the prototype for what subsequently became the NAACP, he was invited to come to the Niagra movement for that group's national founding.

There has been an array of outstanding pastors who have led this congregation in its social-action oriented ministry to both its parishioners and the larger community. The Reverend Dr. Vernon, the present minister, is well known locally and nationally for this style of ministry.

The minister emeritus, the Reverend Dr. Baxter L. Matthews, erected the Harvey Johnson Community Center during his pastorate. A number of program ministries and activities are regularly held there: tutorial projects, recreation, children, youth and adult groups, administrative offices and community groups. Additional properties adjacent to the church, have been

purchased which house a day care center for 250 children.

To expand the church's community-outreach ministry, the Union Baptist Development Corp. was recently formed. This group has purchased property in the community to operate a laundromat. They have also renovated section 8 apartments for low-income renters as well as a coffee house.

Union's understanding of the mission of the church is demonstrated by its commitment to a number of local, State, national, and international projects. Further, special projects and emergencies are also responded to. A number of clergymen were ordained at Union and over 15 churches have grown out of Union, among which are: Macedonia, Perkins Square, Trinity, and Providence Baptist Churches.

On Sunday, May 2, 1982, at the 11 a.m. service, the guest speaker was Dr. William B. McClain, professor of preaching and worship at Wesley Theological Seminary in Washington, D.C. Dr. McClain is a native of Gadsen, Ala. and a graduate of Clark College in Atlanta. He received his master's and a doctorate degree from Boston University. A clergyman of the United Methodist Church, he formerly pastored in Boston. In addition, he taught at Boston College, Drew, Northeastern, and Harvard Universities. Also, he has lectured at an additional 10 major universities and seminaries.

Articles written by him have been published by a number of national periodicals as well as contributions of chapters to several books. He has written three books, the most recent being, "Traveling Light: Christian Perspectives on Pluralism and Pilgrimage, 1981." Also, he wrote the preface and coauthored the section on "Negro Spirituals" in the recently released "Songs of Zion," 1981.

Several special services were held to celebrate the church's founding and I am very pleased to point to Union Baptist with heartfelt pride.●

THE TIME TO SAIL

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. UDALL. Mr. Speaker, I have had a chance to serve with more than 1,000 men and women in the House of Representatives. One of the very best is the gentleman from Georgia, JACK BRINKLEY, who is retiring from public service. In a recent letter to his friends and constituents, he reflected on his years here and said some incisive and interesting things. I am sure they will be of interest to all my colleagues. I was especially interested in the pledge he made when he first ran for Congress, to "remember who I am, where I am from, and who sent me." He has been a voice of independence and has vigorously represented the south Georgia region from whence he came. It is worth a few moments of the Members' time to read the fine statement of this good man.

The statement follows:

THE TIME TO SAIL

I've always remembered a Millard Grimes column when he was leaving the *Enquirer* years ago. Quoting Frost, he spoke of a fork in the road offering a choice of two paths and his decision to take the path less traveled.

I feel about the same way in announcing my withdrawal from public service. For a long time my family and I have considered the happy prospect of a return to private life where family things can come first again. Therefore, after completion of my term in 1982, I shall not be a candidate for public office again.

Let me answer in advance two questions which might naturally be wondered about.

First, my health is fine and I hope for quite a few more happy birthdays.

Also, my political health is fine, and I believe those who "Back Jack" could handle another election, or several other elections, reasonably well, because my relationship with the people back home has always been one of friendship and service. I understand that the opposition party has recently conducted polls across Georgia and I have no idea as to what the results are. But even though they were picking and asking the questions, it would be interesting for that poll to be made public.

ANOTHER TIME AND ANOTHER SEASON

In 1966 one of my most important campaign messages employed the familiar words, "There is a time for every season; a time to speak and a time to be silent." After eight elections to Congress, there is another time and another season for me.

I have been faithful to the Edmund Burke philosophy of putting constituent interest always, ever, before my own;

I have not sought or received improved financial status from public life, but in terms of good will, I have been doubly blessed;

I have built an attendance and voting record which I commend to our future Representatives as a high standard of service and the first line of responsibility.

In summary, after doing my best as a Representative of the people, I welcome the change of season and face it without regret. The time to sail is on the high tide.

This has been my most successful year ever in Congress. As Chairman of the Military Installations and Facilities Subcommittee, major achievements have been attained in both military construction and civil defense law. Also, as a member of the Veterans' Affairs Committee, I have seen the fruition of a long standing dream for a regional cemetery at Fort Mitchell.

The decision is a timely one. Reapportionment has been attended to in a fair and objective manner without the temptation to which our District might have been subjected had there been no incumbent. In my testimony to the Reapportionment Committee last May, I was careful to offer my best judgment "without regard to incumbency." That outcome provides continuity for an excellent, well-rounded, national defense-oriented Third District.

Another factor related to tenure. To delay too long would do myself and my family the disservice of being put unnecessarily in the 1982 political arena; to announce too early would limit effectiveness within the Congress. Halfway through the term, between the First and Second Session of Congress, seemed to be the best time.

PROUD TO BE A DEMOCRAT

The inspiration of public office is serving people and that's where the exhilaration is, too. There's more satisfaction in giving people a helping hand than having political power. Although I'm proud to be a Democrat, I couldn't be a very good party man because I couldn't vote simply on the party-line basis. To have made a pledge, and to have tried to keep it . . . "to remember who I am, where I'm from, and who sent me," has assured a Third District of Georgia uniqueness and independence, which is reflected in my voting record. I have not been a "yea sayer" for Presidents or groups, but have honestly tried to hear the voices of others and exercise my own independent judgment in casting my ballot. As a product of Georgia, naturally, my votes reflecting my own conviction are more often than not in consonance with those of the people who sent me.

Sometimes it gets lonesome when there is another promise to keep—to go with men of either party in pursuit of right, as you see it, or to go it alone if necessary in opposition to wrong. But not often. I can vouch for the fact that public officials by and large care about people, about fairness and about right.

This leads me to a word about candidates. They are offering to serve, and it seems to me that we should treat each and every one of them with respect and courtesy. To presume the best in others is good practice and reflects credit to ourselves. The candidate himself should stand for something.

MY WIFE

At this point a word about my wife, Lois, seems to be in order. She has been a good soldier in the finest of traditions. She is a veteran of the Washington scene during my early years in Congress. We have lived in Silver Spring, Sleepy Hollow, Vienna, Alexandria, the Methodist Building in D.C. and in McLean. She has displayed immense fortitude, along with our children, who, because of our sojourn, have attended all too many schools and have lived in all too many neighborhoods.

Lois has dealt with a tornado, break-ins, and being alone, but has still managed to treat the role of homemaker as a high calling. She is a high credit to me.

GOODBYE

In conclusion, I wish to sincerely thank all citizens of the 3rd District. Congressional service has been the highest of privileges. But because those "miles to go and promises to keep" have been arduous ones, through long skies and crowded terminals, homecoming looms as a great attraction. My fondest hope is for your welcome and continued goodwill.

It will be a time where I can be at the controls of an airplane again, as I was before; a time where I can experience the drama of a courtroom, or solitude of the Library of Congress, or excitement of the classroom—as I did before; it will be a time when I can put my family first again, as I did before.

There is a time for every season! And for every season one should be glad and give thanks. I am, and I do.●

JUNIOR WOMEN'S CLUB OF WATERBURY, CONN.

HON. WILLIAM R. RATCHFORD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. RATCHFORD. Mr. Speaker, I rise today to extend my congratulations to the Junior Women's Club of Waterbury, Conn., which today is celebrating its 50th anniversary. Since the founding of the organization by Mrs. Lewis G. Merrill, its members have provided many hours of volunteer time for worthwhile projects in the community. Some of the club's more noteworthy activities include compiling a guide for the handicapped about access to buildings in the area, assisting elderly residents in engraving their valuables as a deterrent to theft, and raising funds for local scholarships and charities.

It is appropriate and important that we commend the Waterbury Junior Women's Club's selfless efforts on behalf of the community at this milestone of achievement. Their 50 years of service is a testimony to the spirit of voluntarism which continues to be a vital and indispensable element in our efforts to maintain and improve the quality of life available to all Americans.●

TAX LAW CHANGES

HON. DAN MICA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. MICA. Mr. Speaker, with recent changes in our tax law which applies to Members of Congress, I feel it is appropriate to disclose not only the effect this new legislation had upon my taxable income but to also make available a full financial disclosure as well as the latest information regarding funds my reelection committee has raised on my behalf.

First, regarding the new tax legislation, deductions were provided for Washington living expenses for Members of Congress. I have personnally introduced legislation, H.R. 6316, to repeal this measure.

With regard to my personal finances, this legislation has reduced my taxable congressional salary from $60,662 to $50,562. I would also like to note that for the 3 years I have been a Member of Congress, I have paid over $25,000 in Federal income taxes on an annual salary of $60,662.

Also during calendar year 1981, I received $4,950 in honorariums for seven separate presentations. They were: the Brookings Institute, McDonald Corp., Cosmotology Association, National Realtors Association, American Security Council, and Railroad Progress Institute.

My assets under the catagories set forth by the rules of the House are between $170,000 to $665,000 and they are as follows:

1. My Florida Residence.
2. Interest in property in West Palm Beach.
3. Interest in property in Palm Beach County.
4. My Virginia Residence.
5. Interest in certificates of deposit.

My liabilities are between $90,000 and $300,000, again under requirements set forth by the rules of the House. They include:

1. A mortgage on my Florida Residence.
2. Notes on property in Palm Beach County.
3. A personal note with the Bank of Palm Beach and Trust Company.
4. A mortgage on my Virginia Residence.
5. A personal note with the National Bank of Washington.

According to a financial statement that was prepared for me in 1981, my net worth is $176,914. I had no other substantial income other than those listed here.

To date, the Committee to Reelect Congressman Dan Mica has raised $175,000, spent $60,000, and with all bills paid has approximately $115,000 cash.

Since a potential opponent has indicated he will have a $500,000 budget, the committee will of course continue their efforts to raise funds.

Of the total raised, over 94 percent of the contributions are under the Federal Election Commission's $200 reporting limit. Of the total contributions, 1395 have been individual contributors and 57 have come from political action committees.

I am pleased that my support has been broad in its range. It has come from senior citizens, businessmen and women, housewives, and blue collar workers as well as from business and labor political action committees. I have always been proud of this trend and I fully expect it to continue.●

THE CRUEL PLIGHT OF AMERASIAN CHILDREN

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. OTTINGER. Mr. Speaker, I am including in today's Record an important editorial which recently appeared in the New York Times concerning the plight of the children of American soldiers in Asia.

These Amerasian children generally live in great poverty and are considered to exist outside the mainstream of their society. They are often persecuted, and face widespread discrimination in their countries.

As a cosponsor of the Amerasian Immigration Act (H.R. 808), introduced by the gentleman from Connecticut (Mr. McKinney) I strongly believe that the United States should share responsibility in securing a better future for these forgotten sons and daughters of U.S. citizens. H.R. 808 would allow Amerasians their right to immigration to the United States under the immigration preference for sons and daughters of U.S. citizens.

As the New York Times editorial states:

> Everywhere, the Amerasians are marked, by their blond pigtails, or black skin, or blue eyes. With American fathers, they should be able to lay claim to American citizenship. Official obstruction or insufficient proof often makes this impossible. Unless they can soon lay claim to America's conscience, it will be too late.

I commend this excellent editorial to the attention of my colleagues:

[From the New York Times, May 9, 1982]

FATHERS, MOTHERS, AND CHILDREN

For Michael Harbert, Mother's Day came early this year, on a winter day in Saigon. Mr. Harbert and three other Vietnam veterans were there to discuss unresolved legacies of the war. They ran into some on the street. "You can see bomb craters and understand that people can fill them in," he says, "but when you see a 16-year-old child who looks like your brother. . . ."

Outside his hotel, a middle-aged mother pressed a thick envelop of photos into his hand and said, before ducking away in fright, "These are American children. Please help us."

There are many of them, fathered by Americans, mostly soldiers. Amerasians, they are called, and only some, like the boy and girl pictured on the left, are in Vietnam. Others, like the three on the right, are in Korea, or in other countries. In Vietnam, the youngest are now 8. In Korea, still with 38,000 American troops, Amerasian babies are born each month.

The children in Korea are often persecuted as half-breeds. Some of those in Vietnam, orphaned and homeless, run the streets with other *bui doi*, the dust of life. Everywhere, the Amerasians are marked, by their blond pigtails, or black skin or blue eyes. With American fathers, they should be able to lay claim to American citizenship. Official obstruction or insufficient proof often makes that impossible. Unless they can soon lay claim to America's conscience, it will be too late.

Why can't they come? The reasons differ by country. Children from Korea can be readily adopted here, as is illustrated by the untiring work of the Rev. Alfred Keane, a Maryknoll priest. But many are by now too old, or otherwise technically ineligible. Those in Vietnam cannot get out; the Vietnamese Government won't let them out while ours has been indifferent about letting them in.

One reason is fear of numbers. There are perhaps 80,000 Amerasians—though by no means all would come to the United States even if they could. Another is fear of fraud. These children would have such a hard time proving citizenship, officials have insisted, better not even tempt them.

To its warm credit, the Reagan Administration recently reversed that callous policy. It now supports a bill to admit Amerasian children, devised by Representative Stewart McKinney of Connecticut. The Senate sponsor is Admiral Jeremiah Denton of Alabama, a longtime prisoner of war. They would not increase the total number of people admitted to the United States. Instead, they would grant proper priority to those Amerasians with sponsors willing to support them.

This measure would help in Korea, where many mothers are determined, however painfully, that their children escape a bleak future. Enactment would also be the place to start trying to persuade Vietnam to relent, especially if America's interest is clearly children, not propaganda. It is, in short, a humane and sensible bill.

Still, for three years, if failed to move. This spring, at last, there have been signs of interest from Romano Mazzoli of Kentucky, Chairman of the House Immigration subcommittee. And last week Alan Simpson of Wyoming, his Senate counterpart, promised prompt hearings and action.

It's a promise worth remembering. If relief falters now, it will take another year to revive. That risks elicits from Father Keane an apt Mother's Day thought for Senator Simpson, for Representative Mazzoli, for Judiciary Committee Chairmen Thurmond and Rodino—and for all the rest of us:

"Think how long a year is," says Father Keane, "in the life of a child."●

FATHER ALBERT B. PALOMBO—40TH ANNIVERSARY OF PRIESTHOOD

HON. CHARLES F. DOUGHERTY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. DOUGHERTY. Mr. Speaker, on May 30, 1982, Father Albert B. Palombo will mark the 40th anniversary of his ordination to the Roman Catholic priesthood. Father Palombo has been pastor of Mater Dolorosa Church for 37 years, ministering to the spiritual and human needs of the people of the Frankford area of Philadelphia. I ask my colleagues to join with me in this joyful celebration in Father Palombo's life.

Father Palombo was ordained to the priesthood on May 30, 1942 by the late Denis Cardinal Dougherty of Philadelphia. In the early years of this priestly life, he served throughout southeastern Pennsylvania. First, as assistant pastor, then acting pastor, at St. Anthony's Parish, Easton, Pa., he began his long, faithful service to the Italian-American communities of our region. Among the good works for which Father is remembered during the years of World War II, were his efforts to procure and transport coal, then difficult to get, to the homes of those most needy of the Italian community. In addition, he is remembered for writing letters every month to all the boys of St. Anthony's serving our Nation in the Armed Forces.

In March 1945, Father Palombo was sent to Norristown, Pa. There he served the communities of Holy Saviour Church and Our Lady of Mount Carmel Chapel. After only 6 months he was sent to Mater Dolorosa Parish, the Italian-Catholic Church in northeast Philadelphia.

During his 37 years at Mater Dolorosa, Father Palombo has never ceased giving and serving the people of the parish. He worked hard to build the parish on firm, spiritual, and economic ground. He has labored on behalf of the needs of the children of Mater Dolorosa, always providing for educational and recreational needs. He has insured the beauty of the parish church by his constant care and interest in its physical condition. Finally, Father Palombo has shown his continual support for the work and presence of the Sister Servants of the Immaculate Heart and now, the Salesian Sisters of St. John Bosco, who conduct Mater Dolorosa School.

Father has continually reached out to newly arrived Italian immigrants and their families, aiding them through the difficulties of relocation and life in America. When it was necessary, he procured lodgings for many of these people and helped them to settle into homes and jobs. In many cases, he supplied, and still supplies, food and clothing. Father has worked tirelessly on behalf of these pilgrims as they seek to become contributing members of America.

Throughout these 40 years of priestly life, Father Palombo has been known for his compassion for the poor and the needy, not only caring for those placed under his care as pastor, but anyone in need. No one is turned from his door. Therefore, with the people of Mater Dolorosa, I join in the happiness and respect we have for Father Albert B. Palombo's long and faithful service to God, the church and the people he has been called to serve.●

DEDICATION OF THE AUDITORIUM OF THE LAW SCHOOL, UNIVERSITY OF SOUTH CAROLINA IN HONOR OF SENATOR STROM THURMOND

HON. FLOYD SPENCE

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. SPENCE. Mr. Speaker, the esteem in which the senior Senator from my State is held by his fellow South Carolinians was further demonstrated recently when the auditorium of the University of South Carolina School of Law was named the Strom Thurmond Auditorium. A bust of the Senator was also unveiled in the lobby of the school.

Throughout his life, Senator Thurmond has had a strong interest in education and in young people. He has also assisted the university law school and its programs on numerous occasions. The Thurmond fund, established several years ago by friends who wished to honor him, now exceeds $500,000 and will be used to provide faculty endowments and student scholarships. This most recent and well deserved tribute was in recognition of these contributions and others that Senator Thurmond has made during a long and distinguished public career equaled by few men.

Mr. Speaker, I was among those privileged to attend the dedication of the Strom Thurmond Auditorium on April 2. I would like to share with my colleagues the remarks made on this occasion by the principal speaker, Dr. James B. Holderman, president of the University of South Carolina, and the Honorable William French Smith, Attorney General of the United States, and also remarks made by Senator Thurmond in response.

DR. JAMES B. HOLDERMAN, PRESIDENT OF THE UNIVERSITY OF SOUTH CAROLINA

Mr. Chairman, Mr. Attorney General, Distinguished Guests, Senator Thurmond, Mrs. Thurmond, the Thurmond Family, Ladies and Gentlemen:

It is a distinct pleasure and honor on behalf of the entire University family today for me to welcome you to these particular ceremonies.

It is a challenge for any university to find ways to thank those to whom we are continuously in debt. We must tax our most creative genius to find an opportunity to show gratitude for people whose contributions are endless and whose energies are seemingly tireless on our behalf.

Several years ago, a fund was started here at the University of South Carolina, particularly in the College of Law, by a group of South Carolina citizens who wanted to honor Senator Strom Thurmond for his many contributions to his state and his nation. More than $500,000 has been raised to endow scholarships and faculty chairs at this School of Law through that fund drive honoring this, our Senior Senator.

Senator Thurmond has long taken a substantial interest in our Law School and in the system of justice in South Carolina. He has helped us in so many ways, obtaining speakers of national importance to address the School of Law and the rest of the University, and recently he helped one of our most outstanding professors in obtaining the Directorship of the prestigious National Institute of Justice. He has often assisted our graduates in finding positions upon their leaving Carolina, and that is not bad for somebody who went to Clemson. We feel it is a part of his continuing penance, but we are grateful for it.

The University feels there is no better way to recognize his contributions to this institution and to the future of our laws, our youth and our nation, than to name the auditorium in the University of South Carolina School of Law the Strom Thurmond Auditorium.

Under the terms of the Thurmond Fund, about one-half of the money raised through the drive will be used to fund faculty endowments, with the other half going toward scholarships. Thirty University of South Carolina law students, eleven of them minority students, received scholarships for this spring through the Thurmond Fund. We expect to have about $50,000 available in the next year for scholarships for students, many of whom would not otherwise be able to come to law school at all. Most of the Thurmond scholarships are awarded on the basis of both financial need and academic performance. Without them, many students would not have a chance to further their education.

Along with these scholarships, the Thurmond Fund will provide money to endow two faculty chairs this fall at the Law School and provide the funds to provide outstanding legal scholars to the University as visiting professors. The importance of these endowments is even greater in these times of increasing financial exigency.

We are honored as an institution because Senator Strom Thurmond has allowed us to take this opportunity to thank him. This is a perfect setting to bring immortality to this man—an auditorium—a law school auditorium—the site of lectures, where thousands of students each year explore the intricacies of the law; a site where continuing legal education, particularly in this modern era, is ever under way; a site where the University chooses to hold countless outside programs; a site where graduations are held each January for mid-term legal graduates and hundreds of graduates will go into the profession from this very room; a site where the University holds its general faculty meetings, where the policy of this University is often set; a site for special convocations where, in the past year, the University has honored Madame Sadat and Australia's Prime Minister Fraser.

As the largest academic auditorium on this campus, it is most appropriate to name it for the most active, living South Carolinian, perhaps the most active South Carolinian ever, one of whom we are most proud. Today, he joins the ranks of other distinguished citizens for whom locations on this campus are named: Thomas Cooper, the LeContes, Rutledge, Russell, Gambrell, Osborne, Currell, and Leiber—very good company for them to be in.

We congratulate you, Senator, and we thank you for allowing us to do this with you.

HON. WILLIAM FRENCH SMITH, ATTORNEY GENERAL OF THE UNITED STATES

Thank you very much, Dean Lightsey.

I would like to add to that designation President Holderman just made. He said that Senator Thurmond was the most active South Carolinian. I would like to expand that by saying I think he is also the most active Washingtonian possibly ever, as well.

As then-Governor Strom Thurmond once told a captive audience at a state prison here in Columbia, "I am happy to be here, and I am glad to see you here."

In dedicating this facility to Senator Thurmond, you are continuing the proud traditions of this great University. South Carolina's William Johnson, the first great dissenter on the United States Supreme Court, helped to found the predecessor to this institution. Hugh Legare, the South Carolina lawyer who became Attorney General of the United States, attended this college. Now you have chosen to associate this institution with the latest in a long line of great South Carolina lawyers, Strom Thurmond, the Chairman of the Judiciary Committee of the United States Senate and President Pro Tempore of the Senate. Adding Chairman Thurmond to Johnson and Legare completes the representation of this University in all three branches of the Federal government.

The decision of this Law School to honor Strom Thurmond is especially appropriate. His career has been devoted to the improvement of both education and the law. He was a teacher and educator himself. At the age of twenty-two, he was a member of the Edgefield County Board of Education, and later he served as Superintendent of Education. As Governor and Senator, the improvement of education has been his continuing goal.

The Senator's legal career has also been illustrious in private practice and in public service. He served as city attorney and county attorney. Elected at the age of thirty-five, he was South Carolina's youngest Circuit Judge. Now, as Chairman of the Senate Judiciary Committee, Senator Thurmond has as much influence in the course of Federal law as anyone in the United States.

No one needs to tell the people of South Carolina why Chairman Thurmond is deserving of any honor they can bestow. Nevertheless, I have a personal debt to the Senator. His graciousness to me has been equaled only by his effective advocacy of legal reforms to which I am also devoted. As the leader in the effort to achieve passage of the Federal Criminal Code, Senator Thurmond is striving to bring law and order and reason to the entire corpus of the Federal Criminal Law.

As sponsor of a proposal to modify the Exclusionary Rule, the Senator is attempting to correct the anomaly in our Law that excludes probative evidence even when it was obtained in reasonable good faith conformity with the Fourth Amendment.

Senator Thurmond's sponsorship of habeas corpus reform evinces his balanced concern for the legitimate rights of defendants and his recognition of the need for finality in criminal process.

His leadership in the effort to pass criminal forfeiture legislation will help law enforcement get at the profits of crime.

And all of this is just a sampling of the many areas in which Senator Thurmond is actively working to promote a safer and more just America.

His leadership in the confirmation of Sandra Day O'Connor as the first woman on the United States Supreme Court allowed all Americans to gain a better appreciation of his skill and grace. I would also like to compliment Mrs. Thurmond in that respect. She was superb as a hostess during a period which was really quite trying in terms of the process that had to be gone through during that period.

Like another distinguished lawyer of an earlier age, Oliver Wendell Holmes, the Chairman is an inspiration to all of us who have reached a certain age. Justice Holmes, while a member of the Supreme Court, took a long walk every afternoon with his colleague, Justice Brandeis. According to a story that many of you have probably heard, Holmes, who was then ninety-two, paused during one such walk to gaze in frank admiration at a beautiful young woman who passed by the two Justices. Turning to Brandeis, Holmes said, "Oh, what I would not give to be seventy again." If Holmes had only known Strom Thurmond, and the tremendous energy he exudes, he might have said instead, "Oh, what I would not give to be eighty again."

Mr. Chairman, I look forward to many more years of working with you. Your continuing leadership in government will guarantee many more pleasant events like this one today—events honoring you for contributions to better government for South Carolina and the nation as a whole.

I, like so many of your colleagues, will always be proud to join in honoring you.

RESPONSE BY SENATOR THURMOND

Dr. Holderman, Dean Lightsey, Attorney General Smith, Judge Simons, Judge Wilkins, Governor McNair, Mr. Walter Brown, Judge Mason, Other Distinguished Guests, Members of the Board of Trustees, Members of the Faculty, Members of the Student Body, Members of my Family, and Friends:

Dr. Holderman and Attorney General Smith, I wish first to express my deep appreciation to you for those kind, generous, and flattering remarks.

The University of South Carolina has an outstanding President. He is known throughout the country as a great educational leader, and we are very proud that he determined to make South Carolina his home.

The Law School here has been very fortunate to have able Deans, and many of them have been very prominent as lawyers and have served our state well. I remember Robert Figg was Dean here a few years ago and did such a fine job, and there are many others. Today, we are very fortunate to have Dean Lightsey here, a man who has distinguished himself as one of the best deans in the United States. He succeeded a very able and dedicated dean, Richard Day.

As I thought about how I would respond to this magnificent honor, I realized that words seem almost inadequate for this task. When I consider the greatness of this institution—the University of South Carolina—and this law school, I am humbled by the knowledge that my name will be linked with the outstanding tradition which has been established here.

President Holderman and Dean Lightsey, you are to be commended for the exemplary jobs that you have done in establishing the Law School as a premier institution of legal education. I commend the Board of Trustees for the fine leadership they have provided over the years in making available the opportunities and amassing the talent and resources to achieve the excellence that distinguishes this University and this law school.

To the faculty and staff, I offer congratulations for the high standards of education that have been established and maintained here. To the students, I extend the challenge to take full advantage of the opportunity you have for education, for growth, and for achievement. To the alumni and friends of the University, I charge you to continue your support of this fine program, for I believe that even greater success awaits this law school in the future.

When Alexis de Tocqueville visited this Country in the early 1800's he observed that lawyers seemed to be involved in almost every transaction in the new democracy in America. More recently, it has been observed that hardly an issue is raised by government that is not ultimately resolved as a legal question.

Of course, not everyone shares my high regard for attorneys. You may recall Shakespeare's great play, "Henry IV," which tells the story of the conspiracy to overthrow the king and seize the throne. Early in the planning for the revolt, one of the conspirators says, "The first thing we do, let's kill all the lawyers." I trust no one here today would share that sentiment.

Law is the foundation of our free society, and education in the law—as well as an educated citizenry in general—keeps that foundation strong. Oliver Wendell Holmes once likened the law to a magic mirror, "wherein we see reflected not only our own lives, but the lives of all men that have been." He concluded by saying, "When I think on this majestic theme, my eyes dazzle." I would agree with his conclusion: the goal of justice under law is the crowning jewel of American democracy.

As a lawyer and a teacher myself, I have always had a special interest in education generally, and in legal education in particular. I shall always regard my years as a teacher, coach, and county school superintendent in Edgefield County as among the most satisfying of my life. The education I received in the law from my father, and my years as a country lawyer in Edgefield, could not have been more rewarding. My service on the bench could not have been more challenging with the awesome responsibilities it brought upon me.

As I stand before you today on this most special occasion for me, I stand committed to what you are doing here at the University of South Carolina Law Center, and I pledge to you my continued support for this outstanding program.

I shall always be indebted to this Law School because of my theft in 1968 of one of its brightest and most promising law students, my wife Nancy. She still questions whether the Law School was negligent in failing to press charges against the thief.

Each of us has an obligation to the continued well-being of higher education. The government, the business community, and graduates of our institutions of higher learning have a responsibility as partners to assure that the same and better opportunities are available in the future. The government takes from higher education good minds. While some think that government should take all the responsibility to support higher education, this is not and cannot be true. However, government should do its share. Private corporations and other members of the business community take from higher education its bright students to assure prosperity for their companies in future years. What they take out they should put back for the future. Those who have graduated from our institutions of higher learning owe, in large measure, their success to those colleges and universities from whence they came. To keep higher education strong, we must have a partnership of the takers—government, business, and our alumni—to support the source of their success.

My life has been devoted to the law, my energies have been given to serving our State and Nation and to perfecting our government and our laws. My hopes for the future of our Nation are strongly bound up in my faith in the wisdom of our people, and in the belief that this wisdom will guide us in the perfection of our laws and of justice. You, as lawyers and students, as teachers, as friends with an interest in this great University, can take pride, as I do, in the commitment that has been made here to excellence in the education of lawyers, judges, and leaders for our State and Nation.

I am very pleased that the campaign we waged to raise funds for the University of South Carolina Law School, to provide scholarships for needy, worthy students in law and the chairs for meritorious and distinguished visiting professors of law, was successful in raising over half a million dollars.

Many people within and without the State cooperated and assisted with this goal, but no one performed greater assistance in this worthy project than my good friend, General Emory Sneeden, Associate Dean of the Law School. Dean Sneeden was my former Chief Counsel on the Judiciary Committee of the United States Senate and rendered magnificent service there and I am grateful for the outstanding endeavors and strenuous effort he put forth in aiding to bring this project to fruition.

In closing, I wish to thank the Board of Trustees, President Holderman, Dean Lightsey, the students, the faculty, the staff, and the friends of this great law school. To have this auditorium at the Law School of South Carolina named in my honor is a humbling experience for me, because I owe so much to you and to all the people of South Carolina for the opportunities afforded me for public service. This is an honor I shall always cherish. No one could receive a greater honor than have his name forever inscribed as a part of a great facility dedicated to the high principles of education and justice. Again, I am grateful and thank you.●

FOOD SAFETY

HON. EDWARD R. MADIGAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. MADIGAN. Mr. Speaker, last summer, the Food Safety Amendments of 1981, a comprehensive bill modifying the three laws which regulate our food supply, was introduced in the House and the Senate. Another bill revamping the food safety laws was introduced early this year. The bills reflect the growing concern that our food safety laws are antiquated and in need of reform.

The basic laws and concepts which regulate the safety of food are over 20 years old. Improvements in quantitative analytical methods now allow the detection of trace elements in part per billion rather than parts per million. Scientists can detect the presence of compounds we never knew were in a food product.

However, regulatory judgments are being made within a legislative framework established before development of this new technology. This has lead to inferences, sensationalism, and inaccuracies about the possible risks which may result from the use of foods, food additives, and food packaging materials.

The inflexibility of the Delaney clause, an amendment to the Federal Food, Drug and Cosmetic Act, has caused consumers to agonize through scares on cranberries, saccharin, bacon, peanuts, and beer. Dealing only in risk, the Delaney clause gives no consideration to potential benefit.

As a result, consumer confidence in the food system has eroded despite the fact that the United States has the most wholesome, affordable food supply in the world. We should be concerned that the possibility for additional scares and sensationalism will increase as consumption of processed food products increases.

The ability to detect trace elements in food has also caused scientists to debate the significance of allowing such small amounts of substances in food products. More scientific input is needed to insure that Government officials do not make decisions which, in the case of nitrite, unnecessarily threaten to remove a large amount of our food supply. Consumers must be allowed to continue to benefit from a safe, abundant food supply.

The Congress now has the opportunity to improve the existing laws which regulate this country's food safety. The flexibility necessary to use scientific advances without creating unnecessary anxiety for consumers should be the heart of the scrutiny.●

NIGHTMARE IN NICARAGUA

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. LAGOMARSINO. Mr. Speaker, I would like to bring to the attention of my colleagues the following Reader's Digest article, "Nightmare in Nicaragua." It is must reading; it reveals the truly desperate situation in Nicaragua.

NIGHTMARE IN NICARAGUA

(By Ralph Kinney Bennett)

For the people of Nicaragua, politics these days can be brutally simple: do what the Sandinista government says. Or die. When 18 farmers in one village refused to join Sandinista "mass" organizations, they were accused of being contras (counter-revolutionaries) and executed by security forces. In other towns, farmers and shop owners simply disappear. Sometimes their bodies are found in a public place, presumably as examples of the fate of contras.

The Sandinista National Liberation Front (FSLN) came to power in Nicaragua with the overthrow of dictator Anastasio Somoza in July 1979. It promised free elections, respect for human rights, "political pluralism," and a mixed economy combining "responsible" government control with free enterprise.

Now, after nearly three years of Sandinista rule, Nicaragua has assumed the trappings of a Marxist military dictatorship. The promise of free elections has been ignored. Human rights are being grossly violated by a government that terrorizes, imprisons and kills without compunction. Political pluralism has become a sick joke—nine Marxist commandantes, heavily influenced by Cuba, wield the only real power.

The government has seized key industries—banking, foreign exchange, fisheries and mining—and its daily threats to seize more are strangling the once-booming economy. By some estimates, more than 100,000 Nicaraguans have fled their country since the FSLN takeover.

The internal agony of Nicaragua is compounded by recent developments of international implication. For example, the Sandinista government has:

Welcomed the help of Cuban, Soviet and other communist-bloc allies to arm and train an army of close to 50,000 men and a militia of 200,000—in a country whose total population (around 2.5 million) is less than that of Los Angeles.

Turned Nicaragua into a training center, transfer point and sanctuary for guerrillas and terrorists from Libya, the Middle East and the rest of Latin America.

Taken an active role in prosecuting the war in El Salvador while funneling weapons and other materials to revolutionaries throughout Central America.

A walk through the marketplaces of Managua or outlying towns reveals a growing sense of hopelessness and fear. Thousands of prisoners languish in overcrowded jails, and the deeply rooted Catholic Church has come under increasing attack. "We overthrew Somoza, but now our revolution has been stolen from us," complains a restaurant worker.

Today more than 5000 Cubans work in Nicaragua, including 1500 military and security advisers. Cuban operatives hold key positions throughout the Sandinista government. Other Cubans are advisers and bodyguards of high FSLN officials, operate within the police, in the government-controlled television and radio, and in monitoring the telephone system.

A drab Marxist cosmopolitanism has settled over the country. In the lobby of the Inter-Continental Hotel, Russian technicians and engineers meander about in ill-fitting tropical shirts and sloppy sandals. In the streets one hears the conversation of East Germans, Czechs, Poles, Hungarians and North Koreans—all present in Managua presumably to put "scientific Marxist principles" to work. Leftist terrorists from Argentina, Chile and Colombia help with interrogation and torture, bringing refinements, which have included placing a prisoner in a cell with the decaying bodies of execution victims, or in a barrel filled with ants, or "Operation Sandwich," putting the victim between two thin mattresses on a concrete floor and then beating him with clubs.

"You can't see any bruises," says a man held by the Sandinistas for 11 months without being charged, and tortured repeatedly. "But you are reduced to jelly. You can't even crawl."

The government still boasts that it is "committed to a pluralistic society" and that opposition parties are permitted to organize. However, they may not name candidates—and, of course, there are not elections. "There are many political parties, it is true," says a Managua attorney. "But only one has its own mountain." He gestures toward a prominent peak overlooking the city. In mammoth block letters, FSLN is spelled across its slope. On the radio, the FSLN anthem (with the words "We fight against the Yankee enemy of humanity") is heard more often than the national anthem. And the blue-and-white Nicaraguan flag is a minor distraction in the panoply of red-and-black FSLN banners that wave all over Managua.

In a speech last August, Defense Minister Humberto Ortega declared: "Marxism-Leninism is the scientific doctrine that guides our revolution. We have not promised the elections that they [the Nicaraguan middle class] think we are going to promote, and we are never going to discuss power." He later made a chilling challenge to the Sandinista militia to draw up lists of "bourgeois" enemies of the government * * * and personal safety if the complaints go beyond such mundane matters as broken water mains or long lines at government offices.

One of the most effective weapons against dissent is the use of government-organized mobs (las turbas). These are generally recruited from the local Sandinista defense committees, groups urged by the government to spy on neighbors and look for "counter-revolutionary activities." Commandante Daniel Ortega was moved to elevate them to las turbas divinas (the divine mobs.)

Las turbas have attacked and demolished the tin-roofed homes of contras in the squalid barrios. In time of crisis, he said, "they will be the first to appear hanging along the roads and highways of the country."

This moved business leaders to compose an open letter to the government protesting "a new genocide in Nicaragua for exercising the right to dissent." Three of those who signed the letter were arrested by the Sandinista police and imprisoned for six months.

The Sandinistas take great pains to maintain a facade of dissent and free expression. The commandantes hold well-orchestrated "beef" sessions on television every Friday night, during which they answer planted questions and hear the people's complaints.* * * They have destroyed businesses, upset rallies of other political parties, threatened to disrupt Catholic masses and broken up Protestant services with clubs and rocks.

Although Nicaragua still has a handful of independent radio stations, they have been repeatedly harassed and censored. Two of them—Radio Amor and Radio Mi Preferida—were put off the air by las turbas last year.

Similarly, the only independent newspaper, La Prensa, has been attacked by mobs and shut down by the government six times for reporting news that the Sandinistas felt reflected badly on them. "Outsiders say we still have press freedom," says La Prensa's feisty editor, Pedro Joaquin Chamorro, Jr. "But press freedom is something on a scale of one to a hundred, and ours is just a little bit up on that scale."

As the FSLN tightens its grip, hopes of a democratic evolution in the Sandinista government have all but disappeared. "Our government is a dictatorship," declared Dr. Jaime Pasquier, the Sandinista U.N. ambassador to Geneva when he defected last June. "It always will be a dictatorship."

Many Nicaraguans plainly hope that the United States and neighboring nations will somehow aid in delivering them from the FSLN. Says a prominent citizen who has relatives in the government: "We suffered terribly in the war against Somoza, and we want peace. But now I am convinced that our only hope lies in forcing the Sandinistas out."

To accomplish this, thousands of Nicaraguans are prepared to fight. These include native Indians, hundreds of whom have been killed by the FSLN, as well as guerrillas of the Nicaraguan Democratic Union operating along the Honduras border under the legendary Fernando "Blackie" Chamorro. Though he helped overthrow Somoza, Chamorro now feels the revolution was "stolen" by the commandantes.

The United States and its partners in the Organization of American States must face the deadly facts of the Sandinista dictatorship and its threat to peace in Central America. To prevent a second Cuba in the Western Hemisphere, organization members must act in concert to support the liberation of Nicaragua by Nicaraguans.●

EXPLANATION OF VOTE ON H.R. 6294

HON. GENE SNYDER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. SNYDER. Mr. Speaker, yesterday I was one of the small handful of Members of this body who voted to reject, H.R. 6294, the Emergency Housing Authorization Act of 1982. Several of my colleagues have questioned my vote on this measure and I would like to share my thoughts on the matter with you.

I had mixed feelings about the idea of a housing stimulus measure all along. On one hand, I have never been a big fan of the idea of the Federal Government bailing out private companies or industries. On the other hand, it is clear that if any industry needs and deserves being "bailed out," it is the housing industry since it is a victim of high interest rates created by Government policies of the past.

These mixed feelings carried me up to the final minutes of the vote undecided, and in fact I initially voted for H.R. 6294 but changed my vote to nay.

There were two primary reasons that swayed me at the end. First, this measure was considered under suspension of the rules—a procedure generally reserved for noncontroversial measures with relatively small price tags. A $1 billion authorization does not fit that category. I also would have preferred open and free debate and the opportunity to consider amendments to provide a transfer of existing funds to finance the program.

My second reason was a resolution I received from the Home Builders Association of Northern Kentucky, urging me to oppose housing stimulus subsidies because economic subsidies are part of the problem and will prolong the cure.

A copy of that resolution follows:

RESOLUTION

Whereas, economic subsidies to various and sundry industries by the U.S. Government has contributed to uncontrolled spending and excessive debt, and

Whereas, previous subsidized housing programs will require payments of enormous sums of money by the Government for years to come to a select few who profit from such ventures, and

Whereas, such programs have increased the public debt, overburdened the taxpayers

of this and future generations, and created public and personal obligations far in excess of the "real value" received.

Now, therefore be it resolved that the members of this Association petition the U.S. Congress and the Administration to oppose the adoption of the Lugar-Patterson Housing Stimulus Programs (S. 2226 and H.R. 5834) which call for housing subsidies at taxpayers expense.

Be it further resolved that members of this Association urge the U.S. Congress and Administration to take actions which will lower interest rates and provide a solid economic recovery for this nation.

Adopted this twelfth day of April, Nineteen Hundred Eighty Two.●

REVAMP THE JOINT CHIEFS OF STAFF

HON. RICHARD BOLLING

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. BOLLING. Mr. Speaker, the following article, "Revamp the Joint Chiefs of Staff," by John G. Kester, who was special assistant for former Secretary of Defense Harold Brown, appeared in the May 5, 1982, Wall Street Journal. It makes sense about what may be the greatest single weakness in the Defense Establishment of the United States.

REVAMP THE JOINT CHIEFS OF STAFF

(By John G. Kester)

While what's left of Her Majesty's fleet closes on the Falklands, some salvos of more lasting significance for the U.S. will be muffled deep in the Rayburn House Office Building. A House subcommittee has opened hearings on Gen. David C. Jones's proposal to redesign the Joint Chiefs of Staff, which he chairs until June. Smoke and fulmination may confidently be predicted. Spending issues pale when there are bureaucratic interests at stake. Yet no defense initiative this year can so permanently affect the direction of the armed forces.

Unlike Mr. Weinberger's budget, General Jones's 40-year-overdue reform will cost nothing. It is not the child, however, of any of the President's budgeteers or wastecutters or defense intellectuals. Its father is an introspective lame-duck Air Force general who once was an aide to Gen. Curtis LeMay. For his trouble he has received spotty support and some backbiting from uniformed colleagues, most of whom are waiting to see which way the congressional wind is blowing. And there has been only a diffident pat on the head from a Defense administration that so far doesn't seem to care that the ships, tanks and missiles it is buying for the year 2000 are directed by a top military staff that has barely entered the era of indoor plumbing.

The uniformed head of our armed forces is not a person but a committee, the Joint Chiefs of Staff. And since it was set up in 1942 and put into law in 1947, the JCS each year has become more of a bad joke. The members, who are also respectively heads of the Army, Navy, Air Force and Marine Corps, are often talented. But they have a built-in conflict of interest. Even in the JCS conference room, the "tank," they inevitably work for the bureaucratic interests of their respective services, and not for the collective armed forces.

NOT ENTHUSIASTIC ABOUT SERVING

The staff that serves the JCS is answerable in fact not to the committee, but to the individual services. It keeps the chiefs cataleptic whenever a service's parochial interests are at stake—which is most of the time—on the issues that matter. Talented officers approach service on the staff of the JCS with the enthusiasm of sailors ordered to chip paint; most manage to find other things to do. That the JCS seldom actively causes harm is no excuse for endless sins of omission. It certainly is no reason to continue a misfit arrangement that effectively shuts out the U.S. military from helping shape national security policy.

The JCS never was anyone's ideal. It was a post-war compromise between the Army, which wanted a single general staff, and the Navy, which wanted to be left alone, aided by the Air Force, which would have traded bombers for balloons if necessary to obtain independence from the Army. Later a chairman was added, but with no power to direct the organization and with the proviso that the JCS staff works for the committee, and not for him.

The JCS does only one thing well: It makes sure that no ideas get very far that do not have the backing of each of the military services. It guarantees that no military planners ever take too seriously President Eisenhower's warning a quarter-century ago that "separate ground, sea and air warfare is gone forever." It is the embodiment of what he called "service systems of an era that is no more."

General Jones has rightly compared the JCS to a conglomerate in which the operating divisions have the only seats on the board, select and run the corporate staff, and can veto anything the parent wants to do. Consequently, it does not do much. The JCS committee can't agree on basic strategy, or even tactics, except that there must be a role for each service (remember the Iran raid?) It cannot agree on allocating dollars among competing defense programs, except that each service should get all it wants. It cannot agree on anything promptly, because staffing a proposal usually takes not weeks but months. Its officers learn to think small, and stick to protecting the interests of their own service, which controls their next assignment.

The attitude goes all the way to the top: General Westmoreland was not unique when once he revealingly described himself not as a JCS member, but as "the Army's representative on the Joint Chiefs of Staff." The current Navy member testified last month that, "I am a naval officer first."

Some consequences of the present organizational failure are obvious. Others are not. Dean Acheson groused that the JCS was capable only of "oracular utterances," which Henry Kissinger called "non-aggression treaties among the various services unrelated to a coherent strategy." Eisenhower complained that if he had organized his World War II staff like the JCS he would have been fired, and Gen. Maxwell Taylor called for abolishing the JCS and going to a single chief of staff. The same notion was proposed 20 years ago in a master's thesis by an obscure lieutenant colonel named Alexander Haig, who worried about excessive influence by the State Department.

The less apparent costs of JCS paralysis flow from the fact that defense decisions have to be made anyway. Someone has to figure out how to cut up the limited resources and how to fit them to strategy. The JCS begs off. As a result we continue to rely on civilian systems analysts planning for battlefields they have never seen and professors concocting strategies unimpeded by service prerogatives. Budgets and strategy also suffer. With the blessing of the JCS, the country continues to buy four independent tactical air forces, one for each service. Civilians still have to wrestle the Army and Air Force so that the tanks of one will fit inside the planes of the other.

What the country has long needed is a unified general staff not answerable to the Army, Navy and Air Force bureaucracies, and with a single uniformed individual in charge, under the Secretary of Defense. What General Jones has proposed does not go so far, but it at least moves in the right direction. He would add a four-star vice chairman of the JCS, to give the chairman an alter ego not tied to a single service, and would authorize the chairman to advise the President without JCS concurrence. He would have the staff work for the chairman and would do away with the current rule that any JCS paper can be vetoed by any of the four services at any of four levels of staffing. He could have done more—such as seeking for the chairman some of the power to promote officers that is now the exclusive province of the separate services.

Officers, intent on maintaining service prerogatives can be expected to castigate the Jones plan. A line of admirals already is firing broadsides. (The Navy never wanted to be part of the defense department, anyway.) Some will claim that reorganization could lead to an elite German style, general staff. They know even less about politics than they do about German history. The German army in World War I had power because the Kaiser wanted it to. In World War II the Germans had simply an army general staff. One of the reasons they lost the war was its inability to coordinate with the fleet and Goering's Luftwaffe, while military policy was devised by an erratic former corporal and his political admirers.

In the U.S., the uniformed military are not exactly on the verge of dominance. Since 1945 they have steadily lost ground as contributors to national security policy, while rival organizations have multiplied—the Secretary of Defense's civilian staff, the Office of Management and Budget, the National Security Council, congressional staffs, the Arms Control Ageny, the CIA, the State Department, even the Energy Department, all have staffers eager to play at military policy. The problem today is not a man on a white horse. It is that we have five men jostling each other on the back of a camel. The question is whether the professional—as contrasted with the four service bureaucracies—will be heard from at all.

EFFECTIVE ORGANIZATION NEEDED

The Soviets have a unified general staff. So do the Germans (at last), the French, the Canadians and the British, thanks partly to the efforts of the late Lord Mountbatten. Freedom is not inherently threatened by having defense forces organized to work. Civilian control matters—but surely there are more sensible ways than continuing a military organization less effectively organized at the top than the average university.

Panic and military disaster usually have been prerequisites for military reorganization in the U.S. General Jones is the first officer in a generation to try while in office, and before the need becomes dramatized in ways no American would enjoy. The Army's chief of staff has said that he would go even further toward a unified staff; but General Jones's proposals are a first step, and will need all the public support that can be mustered.

The most tragic waste would be for Congress to play Goldilocks, fretting irresolutely about whether one solution is too hot, another too cold. We know the present JCS system is not just right. General Jones's idea is not perfect, either, nor need it be final. But it is a meaningful beginning. His message is that the country should expect more from its senior miltary staff than the porridge currently cooked by the JCS. Because there really are bears out there.●

GARCIA OP-ED ON POVERTY

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. WEISS. Mr. Speaker, I think eveyone understands how important definitions often are in our legalistic society, but few could directly alter as many lives as our definition of poverty. On May 4, my colleague from New York City, Representative Garcia, published an insightful commentary in the New York Times that raises significant questions about a Census Bureau study that presents alternative definitions of poverty.

Normally, such an academic study with different interpretations of who is actually poor would not, by itself, provoke great concern. But as some Members might recall, and as Majority Leader Wright firmly pointed out last summer, the unseen "mystery" reconciliation bill passed by this body last July included language which enabled the administration to redefine poverty for the purpose of scaling back social welfare programs. Because this is likely to become such an important issue—ethically as well as politically—I strongly encourage my colleagues to review Congressman Garcia's article, which I request be reprinted here:

[From the New York Times]

ANOTHER NAME FOR POVERTY

(By Robert Garcia)

Washington.—If the Reagan Administration adopts a Census Bureau report that discusses the inclusion of noncash benefits in defining poverty, the poor may wind up in even greater trouble than they are in now.

The report, requested by Congress, proposes three different methods of measuring poverty. All of them include noncash benefits—for example, food stamps, Medicaid for the poor, Medicare for the elderly, rent supplements, and subsidized school lunches—in defining what the poverty level should be. None of the methods increases the material well-being of the nation's poor.

If it became policy, the report, instead, would move the poor above an imagined poverty level and further away from the lifeline of social-assistance programs.

The report is potentially dangerous for a number of reasons. It can be used as an excuse for increased cuts in welfare programs at a time when many of our country's underprivileged are barely hanging on at the edges of the economic abyss.

What makes it even more repugnant is the double standard it sets up for the rich and the poor.

Fairness requires that if noncash benefits, which are also known as "inkind benefits," are included in computing the total income level of the underprivileged, then they must also be included in computing the total income of those above the poverty line, which today is defined as $9,300 for a family of four.

If food stamps, Medicaid, and other noncash benefits are included in determining the total income of the poor, then health insurance and life insurance policies paid by employers, as well as tax-free interest and other noncash subsidies must be included in determining the total income for the middle class and wealthy.

All Americans enjoy noncash benefits. They are an integral part of the relationship between the Federal Government and the people. I agree, however, that social assistance programs may need re-evaluation if they are to be made more effective. But performing acts of statistical prestidigitation that do not actually make these programs work more effectively—but only appear to make them do so—will not aid the truly needy.

What is worrisome is that the only real "benefit" this report will have will be to justify the Administration's cutbacks of programs that help the poor. This is even more frightening now that the Office of Management and Budget can change the definition of poverty without the approval of Congress, a change introduced by the Reagan Administration. O.M.B. could include noncash benefits in a new definition of poverty. So far, it has not announced plans to do so, but the specter of this change stares coldly at the poor because of the report.

Another major difficulty with the report is that it does not account for the varying needs of those receiving noncash benefits. For instance, the more health care a person uses, the more noncash benefits that person receives; this would in turn raise the person's income level; therefore, the more ill a person is, technically, the wealthier that person is. Of course that's absurd, but it gives an indication of some of the potential pitfalls that may follow from the report.

President Reagan recently made a plea for tuition tax credits for families that send their children to private schools. This is an example of a noncash benefit that he advocates for Americans above the poverty line. The problem is that the President is not making enough of an effort to aid families who are truly desperate. We don't need an approach that will make it easier for him to neglect the poor.

The Census Bureau report proposes no solutions to the poverty and despair creeping through our urban centers and rural outbacks. We cannot wish away the economic anguish surrounding us. We must confront these difficulties with our imagination and a will to see that all Americans have real hope and that they do not merely face a re-evaluation of their present misery. It's a waste of time and money to simply tell the poor that they are no longer poor.

Congressional hearings are to be held next month to fully consider the report and its possible impact on the needy. Congress cannot stand aside and let the poor be forgotten. We must work to ensure that this report will not become another weapon to be used against America's underprivileged.●

A SURCHARGE: THE WORSE TAX?

HON. JACK FIELDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. FIELDS. Mr. Speaker, I am submitting for the Record today an excellent article that recently appeared in the Wall Street Journal entitled "The Surtax: Republicans Head for the Cliff."

Since coming to Congress, I have consistently opposed all attempts to increase the level of taxation on working Americans because I believe very strongly that individual taxpayers have been overtaxed for far too long. I have often said that Americans should be able to spend or save a greater share of their hard-earned income the way they want and not as Washington dictates.

With the passage of the Economic Recovery Tax Act of 1981, we are finally beginning to reverse this overbearing level of taxation and I feel it would be most inappropriate to now eliminate these tax reductions by establishing a surtax on some of the most productive members of our society.

While I continue to be very concerned about the possibility of large Federal deficits, I do not believe increased taxes are the solution to our long-term economic recovery. In fact, the majority of historical evidence strongly indicates that higher taxes do not increase employment nor stimulate economic growth. Rather, tax increases exacerbate the problems of unemployment, low productivity, and economic stagnation.

I would urge my colleagues to read this article carefully to avoid repeating the economic errors of the past.

The text of the article follows:

[From the Wall Street Journal, April 22, 1982]

THE SURTAX: REPUBLICANS HEAD FOR THE CLIFF

(By George Gilder)

Howard Baker and other Republican leaders are contemplating the possibility of a temporary surtax of 4% on individual income taxes. The alleged purpose of this bold proposal in the middle of a recession year is to cut the deficit, control inflation and reduce interest rates. House Budget Committee Chairman James R. Jones, Democrat of Oklahoma, calls this surtax "a responsible recommendation that should be considered."

In their desire to offer early leadership to the tax-hike movement, however, these congressional leaders seem to have rejected a host of equally "effective" and "responsible" policies for achieving their goals. Nowhere, for example, do they mention, as an

antidote to the interest-rate problem, resorting either to rain dancing or levitation. They also have ignored far more promising and less taxing remedies, such as declaring a five-year congressional recess. The recess idea has the advantage of removing these Republican leaders from Washington without electoral catastophes in 1982 and 1984 that would replace them with more Democrats like Mr. Jones, who might well raise taxes even faster.

DID NOT ACHIEVE THEIR GOALS

This is not to deny at all that a tax hike this year might solve the interest-rate problem. It probably would bring interest rates radically down—by causing a depression. Even Sen. Baker might regard this policy as something of a riverboat gamble.

Before we accept the surtax idea, however, it is worth considering the results of a similar surtax in the relatively booming economy of 1968. As Michael Evans of Evans Economics has documented, the surtaxes of 1968 and 1969 achieved none of their goals. Inflation spurted higher, interest rates rose, a recession ensued, the stock market crashed and even the deficit increased.

The deficits projected by the Reagan administration are substantially smaller as a proportion of GNP than those of 1975 and 1976, which were followed by a brisk economic recovery and declining inflation. They are substantially smaller than deficits undergone in recent years by such low-inflation and high-growth economies as Japan, Switzerland, Germany and Austria.

Deficits are always a problem because they compete with the private sector for savings. But a large deficit accompanied by higher savings, as in Japan and Switzerland, will cause few problems, particularly in a recessionary year. The Carter administration, on the other hand, lowered the deficit from 3.9% of GNP to 1.1% of GNP between 1976 and 1979 by allowing taxes to rise through inflation. Rising income taxes, however, destroy savings three ways: by taxing most highly those very earnings most likely to be saved, by deterring acquisition of additional earnings and by taxing the returns to savings (interest payments) at the highest rates.

The Carter administration virtually eliminated the deficit by this means but also virtually eliminated U.S. personal savings, which dropped to 3.7% of GNP in December 1979, the lowest level in 30 years and the lowest level in the industrialized world. As a result of this splendid Carter victory over the deficit, interest rates nearly doubled, inflation soared, the economy collapsed and the deficit then leaped to over $60 billion.

In 1981, Congress followed this tax-hike policy once again. By deferring the tax cut to October and cutting it to 5% (1.25% over the entire year), Congress allowed Social Security tax hikes and bracket creep to inflict an approximate 10% tax hike on most incomes. This effective "surtax" in 1981 did not reduce interest rates. It merely deepened the recession and increased the deficit by triggering increases in a large number of recession-related or inflation-indexed government programs, such as welfare, unemployment compensation, Social Security, civil service pensions, trade adjustment assistance and various loan guarantees (that is, subsidies).

It is hard to believe that serious Republican politicians could consider the continuation of such suicidal policies. But Republicans in Congress have shown a deep lemming strain for much of this century. Although the unaccustomed heights and burdens of senatorial leadership positions may give some of our statesmen vertigo, thus arousing the old instinct to head for the cliffs, there is no reason for the administration to follow them over the edge.

The White House should stop paying attention to economists, media voices and old-line politicians who seem to have forgotten the past and are apparently determined to repeat it.

If Congressmen were really interested in dealing with the problem of high interest rates and huge deficits, they would stop taxing "unearned" income at effective rates over 100% adjusted for inflation—stop taxing inflationary capital gains and spurious inflationary yields on bonds. They would stop hacking away at picayune but useful government programs and face the tough decisions on entitlements, necessarily including Social Security and government pensions. They would halt the growth of guarantees and subsidies for loans to favored borrowers, which necessarily raise the rates for everyone else. They would stop playing games with the nation's businesses, granting them leasing benefits one moment and threatening to withdraw them the next.

GOVERNMENT SHOULD NOT PANIC

The economy is basically sound. While the auto and housing industries are failing, oil and gas entrepreneurs are overcoming the energy crisis. Meanwhile forms in high technology are launching a new age of productivity in services and creating a personal computer industry that will soon outsell the auto business. All that is needed is a stable government that does not panic at statistical shadows and palter about tax hikes while already taxing the real yield from our precious savings.

The administration's "huge" tax cuts are trivial when adjusted for inflation. Therefore their repeal means dramatic tax increases. Tax increases, in general, will produce less savings, more inflation, more unemployment and larger deficits. They are the cause of our problem, not its solution.●

IN MEMORIAM TO THE REVEREND HORACE B. McKENNA

HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. FAUNTROY. Mr. Speaker, I want to share with Members of the House the passing of the Reverend Horace B. McKenna, a Jesuit priest here in the District of Columbia, whose ministry to the poor made the church a reality. His service to the least of these through programs such as SOME (So Others May Eat), his demonstrations in support of peace, his belief in the need for provisions for the laborer as well as the landowner, his work in establishing Sursum Corda, a low income housing project, and his visitations to the sick and the imprisoned will be missed. Few people have given so much in the tireless advocacy for the poor, the homeless, and the sick as the late Reverend Horace B. McKenna.

As Members reflect on his work and on the work that others now must do, I would urge that they look at this man's life as a model for public service. While all of us cannot serve in quite the same way that Reverend McKenna did, all of us can help to ease the burdens for those who have so little. The story about Reverend McKenna appeared in the Post this morning. I commend it to each Member.

[From the Washington Post, May 12, 1982]

THE REV. HORACE B. McKENNA, JESUIT PRIEST, DIES AT 83

(By Colman McCarthy)

The Rev. Horace B. McKenna, 83, a Jesuit priest for 53 years whose ministry to the poor made him a revered figure among Washington's hungry and homeless, died yesterday at Georgetown University Hospital after a heart attack.

As an assistant pastor at St. Aloysius Church, at North Capitol and I streets NW, Fr. McKenna was the cofounder in 1977 of SOME (So Other Might Eat). It was a program operated from a fumigated former dog shelter at 71 O St. NW and it grew out of a daily sandwich line established at St. Aloysius rectory in the late 1960s. Five years ago, 200 citizens were served two meals a day at SOME. Yesterday, a volunteer reported the number of guests now totals 800 a day, and growing.

Archbishop James Hickey of the Archdioses of Washington said yesterday that Fr. McKenna was "a strong advocate and devoted servant [of the poor]. From his days as a pastor in Southern Maryland to his long years in service in the District, Fr. McKenna has been a striking example of Jesus' call to serve 'the least of these.'"

A short physically fit man who lived in a sparsely decorated room next to the second-floor library in St. Aloysius rectory, Fr. McKenna's Irish friendliness often camouflaged his intensely burning drives for social justice and peace. Last month, he told an interviewer that the time had come for "some hunger marches. . . . We need something to make this man [President Reagan] realize that he's spending our food money on armaments."

Fr. McKenna's own willingness to march was on display as recently as August 1980 when he joined a large group of peace activists protesting an arms exhibit by the Air Force Association at a Washington hotel. Fr. McKenna said that "this intended war show" was turning the hotel "into a bargain basement for death, destruction and annihilation."

Among his fellow Jesuits of Washington, Fr. McKenna was a role model of a priest who combined service to the poor with a robust spiritual life. He embraced the modernized liturgies created after the Second Vatican Council, but the new trappings, he believed, were not meant to replace the enduring necessities of interior prayer and community worship.

As a young priest, Fr. McKenna went in 1931 to serve in St. Peter Claver parish in St. Mary's County, Md. He was to remain there, in service to the black poor, until 1953, when he came to Washington.

In his unpublished memoirs, a rich collection of stories about both his personal development as a priest and of friends as diverse as Dorothy Day and Cardinal Patrick O'Boyle, Fr. McKenna recalled a meeting in

1937 when southern Maryland landowners were told that the government would pay them for not growing wheat.

"I sat in the back with the black people, as I always liked to do . . . [They] were not landowners, they were laborers. They had to work the plows, and they had to work the thresher . . . So I stood up and I said to the speaker: 'You have made provision for the owner who doesn't plant. Now what provision are you making for the laborer?' Well, they turned around and looked at me as if I were Lenin or Trotsky! I thought it did them good to have some realization that the laborer was involved in these operations."

At St. Aloysius, Fr. McKenna relished the pastoral ministry: celebrating mass, hearing confessions, preaching the love of God, visiting the sick and the imprisoned, and raising money for the poor families of his parish. He helped establish Sursum Corda, a housing project for the poor. He also expanded SOME so that it offered medical care and counseling services.

Fr. McKenna, a cheerful man who delighted in sharing his wry comments with friends and strangers, spoke recently of his death: "When God lets me into heaven, I think I'll go off in a corner sometime for a half an hour, and sit down and cry, because the strain is off, the work is done, and I haven't been unfaithful or disloyal."

Fr. McKenna was born in New York City, one of 12 children of a chemist. He entered the Society of Jesus in 1916 at St. Andrew-on-the-Hudson in Poughkeepsie, N.Y., and was ordained in 1929. He received honorary degrees from four Jesuit colleges.●

HOUSE CONCURRENT RESOLUTION 330

HON. BARBARA B. KENNELLY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Ms. KENNELLY. Mr. Speaker, I have introduced along with my colleague Mr. Frank a resolution calling on the Soviet Union to allow Ida Nudel to emigrate to Israel.

Ida Nudel is currently in the process of applying for an emigration visa and it is important we continue to demonstrate our support for her right to emigrate.

For the benefit of my colleagues I am inserting the text of this resolution in the Record at this point.

H. Con. Res. 330

Whereas the Universal Declaration of Human Rights and the International Covenant on Civil and Political Rights guarantee to all citizens the right to freedom of religion, the right to hold opinions without interference, the right to freedom of expression, and the right to emigrate;

Whereas the Final Act of the Conference on Security and Cooperation in Europe commits the signatory nations to respect individual rights and freedom, specifically the right to emigrate to the country of one's choice to rejoin relatives;

Whereas the Soviet Union has signed the Final Act of the Conference on Security and Cooperation in Europe, has subscribed to the general principles set forth in the Universal Declaration of Human Rights, and has ratified the International Covenant on Civil and Political Rights;

Whereas Ida Nudel first applied in 1971 to emigrate from the Soviet Union to Israel with her sister, whose exit visa was approved and who now resides in Israel and is Ida Nudel's only close relative;

Whereas Ida Nudel has devoted herself for more than a decade to the plight of Jewish Prisoners of Conscience and is known as the guardian angel for her activities on their behalf;

Whereas Ida Nudel endured years of harassment and surveillance after her application for an exit visa, including interrogation by the Soviet authorities;

Whereas Ida Nudel was charged by the Soviet courts of "malicious hooliganism" for hanging a banner on her balcony which read, "KGB, give me my visa", and was sentenced in 1978 to four years of internal exile after a trial in which no witnesses were allowed to testify on her behalf;

Whereas Ida Nudel was released from internal exile in March 1982; and

Whereas Ida Nudel is once again in the process of applying for an emigration visa, and the denial of her original application to emigrate, on the grounds that she allegedly had knowledge of state secrets, cannot possibly be a valid reason for such a denial 11 years later: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that the President, acting directly or through the Secretary of State, should—

(1) urge the Government of the Soviet Union to accept Ida Nudel's visa application and allow her to emigrate to Israel to join her sister, in accordance with the Final Act of the Conference on Security and Cooperation in Europe, the Universal Declaration of Human Rights, and the International Covenant on Civil and Political Rights; and

(2) inform the Government of the Soviet Union that the Government of the United States, in evaluating its relations with other countries, will take into account the extent to which such countries honor their commitments under international law, especially commitments with respect to the protection of human rights.

Sec. 2. The Clerk of the House of Representatives shall transmit a copy of this concurrent resolution to the President with the request that the President further transmit such copy to the Ambassador of the Union of Soviet Socialist Republics to the United States.●

HUMAN RIGHTS—GUATEMALA

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. BONKER. Mr. Speaker, the Subcommittee on Human Rights and International Organizations has followed the situation in Guatemala closely. Last July we had a comprehensive hearing with the Inter-American Affairs Subcommittee, and since then have carefully documented the "Violations of the Lucas Garcia regime."

A coup took place on March 23 by Gen. Rios Montt, which followed the non-Democratic elections. I welcome and support the new President's promises to reform the government and put an end to human rights violations.

The administration has proposed $250,000 in IMET for Guatemala in its supplemental fiscal year 1983 foreign aid request. It has also informally requested congressional permission to reprogram $50,000 in IMET now, as well as grant licenses for the sale of $3.7 million worth of helicopters to the Guatemala Army.

Today, at a meeting of the House Foreign Affairs Committee, we continued consideration of the administration's supplemental request. I put the administration on notice that I am concerned about their request for Guatemala, for a number of reasons. Time and time again, the Reagan administration has ignored the instructions of the Congress, both as articulated in the law, and in the committee report accompanying the foreign aid bill. Other subcommittee chairmen are familiar with this phenomenon.

It is my concern that if the Congress does not make its concerns about Guatemala explicit, the administration will ignore existing human rights laws, and steamroll ahead with plans for military assistance.

What assurances does this committee have that the Reagan administration will not provide military support to countries with poor human rights records? How can we be sure that their initial request will not be followed with larger and larger support even if the human rights conditions are still poor?

I believe that the Congress should make it clear to the Reagan administration that we will not support any military assistance to Guatemala until it is clear that the human rights situation has really changed. I would like to see these conditions met:

First. The government is complying with internationally recognized human rights standards.

Second. It is exercising complete control over the army, police, security forces, and militias.

Third. It is committed to holding free and fair elections with the participation of all democratic elements within a reasonable period.

Fourth. It has investigated and brought to justice those responsible for the murders of three U.S. church people last year: Fr. Stanley Rother. Brother Miller, and Mennonite Missionary John Troyer.

Fifth. No Army officers or civilians have been prosecuted for human rights violations: Gen. Rios Montt has yet to charge, try, or punish a single military officer for the thousands of assassinations committed during the Lucas Garcia presidency. Until there has been a thorough housecleaning of the army, police, and security forces,

we can only expect that the system of repression in Guatemala will continue.

Sixth. Gen. Rios Montt has included many senior military figures from the Lucas Garcia presidency in his administration: Lucas' deputy chief of staff of the army is now the army chief of staff. The former president of the Bank of the Army is now the Finance Minister. The new director of the police held that post during the repressive administration of President Arana (1970-74). Some of the military zone commanders from the previous regime continue to hold their posts.

If the Reagan administration could be depended upon to abide by section 502B of the Foreign Assistance Act, legislation prohibiting military assistance from human rights violators, we would not need to single out Guatemala. But human rights laws were circumvented last year when the administration approved the sale of $3.2 million in jeeps and trucks to the Lucas Garcia regime, and the administration repeatedly requested the authority to sell helicopter spare parts.

I am opposed to such military assistance to Guatemala at this time for the following reasons:

First. The new government has only been in power for 6 weeks. It has not established a record upon which we may judge it. There is no evidence that human rights violations in the countryside have ceased. We should proceed cautiously until the direction of the new government is clear.

Second. According to press reports and church sources in Guatemala, massacres and atrocities in the Indian areas continue: According to the London Economist of May 1, many old line army officers ignore the President's orders, and massacres still occur. One such massacre in the village of La Virgen La Estancia claimed the lives of 22 men, women, and children.

Third. The newly created civilian militias are a potential source of human rights violations: Gen. Rios Montt is carrying out a program to arm as many as 55,000 "civilians" to serve as civil defense forces in the countryside. According to his press adviser, some 30,000 retired army personnel have already been armed. Guatemala has been ravaged by right-wing death squads, cooperating with the army for years. Until we are assured that the newly created militias do not turn into a right-wing vigilante death squad, like El Salvador's Orden, we should not provide military assistance to Guatemala.●

HUMAN RIGHTS VIOLATION IN THE SOVIET UNION

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. GILMAN. Mr. Speaker, I rise to take this opportunity to join my colleague from Connecticut (Mr. Moffett) in introducing House Concurrent Resolution 336, expressing the sense of the Congress concerning the noncompliance by the Soviet Union of their international agreements on human rights.

There are currently 500,000 Jews in the Soviet Union who have applied for exit visas and are trapped in a country which they can neither leave nor live in freely. In 1981, only 9,447 Jews were permitted to emigrate from the Soviet Union, representing a decline in emigration of 82 percent since 1979, when 51,320 Jews were permitted to emigrate. Only 289 Soviet Jews were allowed to emigrate in March 1982. The total for the first 3 months of 1982 is 862, compared with 11,977 in 1979, 8,875 in 1980, and 3,506 in 1981. If emigration continues at its present pace, fewer than 3,500 of the 500,000 Jews who are waiting will be allowed to emigrate this year.

The quality of life for Soviet Jews, as well as for others who have sought unsuccessfully to emigrate from the Soviet Union, has declined substantially. Soviet authorities continue to persecute these citizens with verbal harassment, arrests, and imprisonment.

Mr. Speaker, when the Soviet Union agreed to participate in the conferences which led to the signing of the Helsinki accords, it gave both verbal and written acknowledgement of its promise to end religious persecution, and to allow its citizens to emigrate freely. Resolution 336 which we have now introduced calls upon the Soviet Union to honor this commitment, to fulfill its promise.

House Concurrent Resolution 336 calls upon the Soviet Union to comply with the Helsinki Final Act, the Universal Declaration of Human Rights, the International Declaration of Human Rights, the International Covenant on Civil and Political Rights, and other international agreements relating to human rights, by pursuing a more humane emigration policy and ceasing harassment of Jews and others seeking to emigrate. We believe that the Soviet Union's compliance with internationally recognized emigration rights would significantly promote improved relations between the United States and the Soviet Union. Accordingly, our resolution asks the President to convey our concerns to the Soviet officials at every opportunity, including those occasions when our nations are involved in negotiations relating to trade and commerce and to science and technology exchange.

I have joined my colleagues on many occasions in our joint efforts to improve the human rights situation in the Soviet Union. The Soviet Union must recognize that we will not let this issue be forgotten that we will continue to work to achieve this goal, and we will not be deterred nor discouraged.

Accordingly, I ask my colleagues to give their wholehearted support to this resolution and join in our efforts to end the violation of human rights by the Soviet Union.●

THE BEST OF THE BEST

HON. SAM GEJDENSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. GEJDENSON. Mr. Speaker, I would like to bring to the attention of my colleagues the recent accomplishment of the East Lyme High School Band in winning the festival of States competition.

Many of the best high school bands in the country are invited annually to the festival of States competition in St. Petersburg, Fla. This year, East Lyme, Conn., Viking Band was so honored.

The East Lyme Band competed against 10 other prestigious high school banks in both field, marching and stage competition. I join my colleagues in extending congratulations to the 200 well deserving members of the delegation. Their hard work and dedication has earned them the title of "the best-of-the-best."●

REPUBLICAN ATTACK ON SOCIAL SECURITY

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. WEISS. Mr. Speaker, Republicans and President Reagan made lofty campaign promises to older Americans while on the campaign trail in 1980.

At a senior rally, candidate Reagan told the elderly unequivocally:

> I will support and defend the integrity of the social security system, the foundation of the economic life of millions of Americans. That system will be strong and reliable and protected under a Reagan administration.

However, those promises have been shattered by the actions of the administration. In fact, President Reagan and his supporters have compiled the most antiaging record in the history of our Nation.

Nowhere is this more evident than in the area of social security. The 1981 administration-backed Omnibus Reconciliation Act wiped out the minimum monthly benefit for present and future retirees, terminated the $255 lump-sum death benefit for covered workers who die without a surviving spouse or entitled child, and phased out benefits to college students whose parents are deceased, retired, or disabled. Subsequently, the minimum was restored for persons eligible to receive social security before 1982.

In addition the administration tried unsuccessfully to impose the deepest cuts ever in social security's history amounting to $82 billion over 5 years. However, widespread public and congressional opposition forced the administration to abandon those proposals, at least temporarily.

But now, the administration and its supporters have launched a third offensive against social security. This package would slash social security benefits by $40 billion over the next 3 years by directing the National Commission on Social Security Reform to develop recommendations to implement this objective.

This Commission was supposedly created to come to its own independent conclusions and to propose sound and sensible recommendations to strengthen social security's financing. Instead, the Commission is being called upon to balance the budget on the backs of the elderly so the affluent in our society can receive the third full installment on a massive tax reduction. This is just another blatant example of the administration's preferential treatment for the well heeled at the expense of the elderly, the sick, and the disabled.

I am unalterably opposed to the administration's approach to mortgage the future security of the elderly to preserve a huge tax cut for the rich and a quantum jump in spending for the Pentagon. This will only add to the economic misery of our elderly citizens. It will force many older Americans into poverty and on to the public assistance rolls. It is simply a meat-ax approach that is unfair, unwise, and unworkable.

I urge my colleagues in the House to reject any proposal to cut benefits in the social security program. There are clearly more effective and equitable ways to reduce the budget deficit than to impose massive cuts on people who can least afford them.●

LEGISLATION INTRODUCED TO CHANGE CALCULATION OF THE INSURED UNEMPLOYMENT RATE

HON. DON BAILEY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. BAILEY of Pennsylvania. Mr. Speaker, yesterday, Mr. Ford of Tennessee and I introduced H.R. 6340, which would restore fairness, equity, and realism to the way in which the insured unemployment rate is calculated.

As you know, Mr. Speaker, the Omnibus Budget Reconciliation Act, enacted last year, changed the way in which this rate was calculated. Under that act, claimants for extended benefits—the 13 weeks of unemployment benefits which individuals are eligible for following the regular 26-week program—are no longer included in the calculation of the insured unemployment rate. This has resulted in States triggering off the extended benefits program sooner than they otherwise would.

Under previous law, the insured unemployment rate was calculated by dividing the average weekly number of individuals filing claims for regular unemployment benefits or Federal/State extended benefits by the average monthly covered employment. Using this formulation, States will continue on the extended benefits program rather than trigger off, as did Michigan last fall, even though their unemployment levels are high. The triggering off was the consequence of the thresholds States had to reach in order to provide extended benefits. Those thresholds will change again in September as a result of reconciliation. As these thresholds increase, their combined effect with an underestimated insured unemployment rate is almost certain to result in more States triggering off the extended benefits program later this fall. Present estimates are that more than 10 States would trigger off if the new reconciliation State triggers were now in effect.

The legislation we have introduced will restore some realism and accuracy to the term "insured unemployment rate." In addition, it will bring fairness and equity to the extended benefits program by providing continuity of benefits in times of back-to-back recessions and high unemployment. We urge our colleagues to join us in supporting this bill and seeing it enacted before the State triggers change again in September and extended benefits stop because of the combined effects of the thresholds and the way in which the insured unemployment rate is currently calculated.

I have appended a copy of the bill for inclusion in the Record and ask that it be printed following my remarks.

H.R. 6340

A bill to amend Section 203(e)(1)(A) of the Federal-State Extended Unemployment Compensation Act of 1970 (as amended) with respect to the determination of the insured unemployment rate

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

DETERMINATION OF INSURED UNEMPLOYMENT RATE

(a) Section 203(e)(1)(A) of the Federal-State Extended Unemployment Compensation Act of 1970 (as amended by section 2402 of the Omnibus Budget Reconciliation Act of 1981) is amended by striking out "individuals filing claims for regular compensation" and inserting in lieu thereof "individuals filing claims for compensation (including regular, extended, and sharable regular compensation)".

(b) The amendment made by subsection (a) shall apply for purposes of determining whether there are State "on" or "off" indicators for weeks beginning after August 13, 1981, and for purposes of determining whether there are suspension periods on or after the date of the enactment of this Act. For purposes of making such determinations for such weeks, such amendment shall be deemed to be in effect for all weeks, whether beginning before, on, or after August 13, 1981, or the date of the enactment of this Act.●

ISRAEL AND THE U.N.

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. FRANK. Mr. Speaker, I am sorry that I missed yester day's vote on House Concurrent Resolution 322 which expresses the House's support for Israel as a member of the United Nations. I am even more sorry that the House was compelled by the irresponsibility of many member nations to adopt this resolution. But given that irresponsibility, adoption of this resolution was a necessity. It would be inconceivable for the United States to continue to participate in a United Nations that would expel Isreal for exercising its right to exist. As important an international forum as the United Nations is, the United States should not remain a member and contribute generously to the U.N. if it were to destroy its credibility by expelling the only democratic nation in the Middle East. I strongly support this resolution.●

DO WE REALLY WANT TO ELIMINATE INFLATION?

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. McDONALD. Mr. Speaker, it has been suggested that our current economic condition should not be referred to as a recession or a depression, but rather it should be called a hangover. After a 50-year binge of reckless Federal fiscal policies, we are suffering from the effects of uncontrolled spending and ever-increasing deficits. Those policies have lead us to a national debt in excess of $1 trillion and to a point of near economic collapse.

We have begun to take a sobering look at those policies and at the condition that they have inflicted upon us. Economic sobriety is necessary and absolutely essential. However, it must be recognized that the hangover that follows such binge is unavoidable. The symptoms of a hangover are not pleasant and the only proven cure for a hangover is time. The same is true of our economy.

There are those who advocate "quick fixes" and "sure cures." There are also those who find the hangover intolerable and yearn for another drink from the bottle of red ink and high inflation. Such solutions have not worked in the past and will not work now.

If we are serious about bringing Federal spending under control and balancing the budget, then we must allow the inevitable economic hangover to take its course and not revert to the proverbial "hair of the dog" logic.

For a more detailed discussion of this topic, I recommend the following editorial written by Lindley H. Clark as it appeared in the Wall Street Journal on May 11, 1982, to the attention of my colleagues:

DO WE REALLY WANT TO ELIMINATE INFLATION?

Disinflation has proceeded farther and faster than most of us considered likely. The consumer price index at last report in March actually fell at an annual rate of 3.3 percent the first time since August 1965 that the index has shown even a one-month decline.

Some special factors have contributed to this result. The strong dollar holds down import costs. The shakiness of the Organization of Petroleum Exporting Countries, together with reduced world demand, brought a sharp oil price decline. Bumper crops have cut into food prices.

The most important single factor in the decline, however, is the Federal Reserve System.

Someday someone may come up with a wonder cure for inflation, something that will restore price stability without any pain. For the moment, though, we're stuck with the old-fashioned remedy: Slow the growth rate of the nominal gross national product. Nominal GNP is made up of two parts—real (inflation-adjusted) growth in output of goods and services, and inflation.

The real aim, of course, is to slow the inflation. But no one has yet devised a way to deal directly with price upsweep; you have to slow the growth of the whole thing and hope that at least some of the slowdown comes in prices.

There are a couple of major ways to attack the whole thing. The government can tighten up its budget by reducing spending or raising taxes or both. If the government merely raises taxes, it must use the revenue either to reduce its deficit or to expand its surplus. If it merely spends the extra money it substitutes federal spending for private spending, which is of no help against inflation.

Fiscal restraint, moreover, can't go it alone. No matter how much money the Treasury pulls out of the economy by running a surplus, its anti-inflation effort can be overcome by a Federal Reserve that is strong-willed enough. The Fed can, if it chooses, pour enough fresh, new money into the private economy to offset the Treasury's best efforts.

It would be nice, if somewhat idealistic, to hope that at some time in the future the fiscal and monetary authorities could work in perfect harmony. There has been a harmony, of sorts, in the past year and a half, but it has consisted mainly of the administration encouraging the central bank to do its thing.

Fiscal policy has been expansionary, deliberately so. The idea was to cut taxes to stimulate savings and investment. The aims were several. By many calculations, U.S. investment had been lagging behind the pace of earlier years, retarding productivity and costing us markets at home and abroad. Higher investment, moreover, would help to keep the economy moving along while it got rid of inflation.

No one in authority actually said that we could accomplish all of this without a recession, but on the other hand no one talked about the pain to come.

Of course the administration's economists hoped that the Federal Reserve would be able to slow money-supply growth gradually over a period of three or four years. The central bank more or less delivered a monetary slowdown, but it was hardly a thing of beauty. The money supply yawed like a seasick sailor.

So the recession began last July, just as recessions have always begun when governments have finally mustered the will to try to get rid of inflation. A more gradual monetary slowdown might have mitigated the recession but it probably wouldn't have prevented it.

"There is," the Council of Economic Advisers said in this year's Economic Report, "a short-lived tradeoff between unemployment and the rate of inflation. This means that policies designed to reduce inflation significantly will temporarily increase unemployment and reduce output growth."

Well, the unemployment rate stood at 7.2 percent last July when the recession began, and it had risen to 9.4 percent last month; it could go even higher. The tradeoff? The consumer price index last July rose at an annual rate of about 13 percent. No one expects the index to continue declining, as it did in March, but the underlying rate is no more than half what it was last July.

So we have shown once again that we know perfectly well how to push inflation down. We've done it so many times in the postwar years that it's hard to forget the technique. But every time we've had inflation down we've decided the cost was too high and we've let it back up.

To be sure, no policy maker has actually said, "This has gone on long enough; let's have a little inflation." The approach is much more circumspect. As we have suffered amid a recession induced by financial restraint someone has noticed that the economy has a lot of "slack"—unemployed workers and plant. So he has announced that they were going to be very careful, adding just enough stimulus to put those idle plants and people back to work.

It has never worked. The unemployment statistics tell us precious little about how those idle workers will fit the jobs created by new monetary and fiscal stimulus. The capacity utilization figures tell us no more about the age, efficiency and usability of those idle plants. The carefully applied stimulus has always wound up generating a new upsurge of prices.

This background helps to explain why it's so hard now to convince markets that disinflation is for real; everyone is waiting for the Fed once again to reverse course. So interest rates stay high and the recovery prospects remain weak.●

THE NUCLEAR ARMS RACE DEMANDS OUR ATTENTION NOW

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. BARNES. Mr. Speaker, the issue of United States-Soviet arms control negotiations is now back on the front page where it belongs. One of the efforts which has helped focus national attention on the Reagan administration's failure to move forward on arms control is a resolution, House Concurrent Resolution 443, authorized by Congressman Clement J. Zablocki. As chairman of the House Foreign Affairs Committee, our colleague from Wisconsin is one of the House's top experts on the security needs of our Nation and on our foreign policy. Continuing in his leadership, Mr. Zablocki today testified before the Senate Foreign Relations Committee on behalf of the urgent need for nuclear arms control. In that testimony, he argued in support of a congressional resolution preserving the SALT II agreement and building on it in upcoming United States-Soviet arms control negotiations.

He also summed up the current very dangerous nuclear weapons race by saying:

> It is, I submit, perhaps the most important issue with which we have to deal in this session of Congress. Nor is it an exaggeration to say that the very survival of mankind may depend on what we do—or, God, forbid, do not do—on this question.

So that our colleagues can see the details of Mr. Zablocki's analysis, I am submitting for the RECORD his complete testimony.

The complete statement follows:

STATEMENT OF HON. CLEMENT J. ZABLOCKI

Mr. Chairman, I appreciate the opportunity to testify today before this distinguished Committee on the subject of nuclear arms control. Our two Committees have had a long, fruitful relationship in our joint effort to strengthen U.S. foreign policy. I am sure that the actions of the two Committees on the profoundly important issue of nuclear arms control will be no exception.

As you well know, Mr. Chairman, mounting concern in recent months over the effectiveness of the Reagan Administration's arms control policy has generated numerous proposals to reduce the growing stockpiles of nuclear weapons. In response to these proposals, both the House Foreign Affairs Committee and the Senate Foreign Relations Committee have been conducting far-reaching hearings on U.S. arms control policy and the best means of avoiding nuclear war and enhancing deterrence.

At the outset it must be stated that while Congress cannot be responsible for ongoing negotiations in strategic arms reduction, Congress can and should establish flexible guidelines to which U.S. negotiators can adhere in conducting future arms reduction talks. Much as the Jackson amendment to the SALT I executive agreement set the general guidelines for the subsequent negotiation of the SALT II Treaty, a joint resolution of the Congress can set the general guidelines for subsequent negotiations on strategic arms reduction. Furthermore, Congress has a responsibility to act decisively on agreements presented to them. For this reason, Mr. Chairman, I endorse efforts undertaken in both the House and the Senate to favorably dispose of SALT II, either by executive agreement or Treaty.

As you know, Mr. Chairman, the various arms reduction proposals introduced in the Congress have taken a number of forms. Two basic approaches have been most prevalent. The first calls for a mutual U.S.-Soviet freeze on nuclear wapons development. This approach has been sponsored by Senators Kennedy and Hatfield and Representatives Markey and Conte. The second approach is sponsored by Senators Jackson and Warner and is endorsed by the Reagan Administration. It essentially argues that an equitable arms control agreement at sharply reduced levels of forces is only possible after a U.S. nuclear weapons buildup which forces the Soviet Union to make concessions.

Two central elements are missing from both of these proposals that are crucial to a positive, definitive Congressional input on the U.S. negotiating posture for strategic arms reductions. The first element concerns how to address existing arms limitations and controls. The second concerns how U.S. arms control strategy and defense modernization efforts are to be coordinated in order to form a sound national security policy.

Because of these shortcomings, a third approach is needed. Mr. Chairman, such an approach is embodied in House Joint Resolution 443, which I introduced on March 17. I was delighted to learn you subsequently introduced Senate Joint Resolution 171, which is virtually identical. The two resolutions establish the fundamental guidelines for the conduct of the Strategic Arms Reduction Talks (START), to which President Reagan is committed. These guidelines are:

(1) Present limitations and controls on current nuclear weapons and their delivery systems should be preserved while pursuing equitable and verifiable reductions through various means:

(2) Every possible means should be employed to avoid the testing and deployment of new and destabilizing nuclear weapons; and

(3) Ongoing negotiations in Geneva on land-based intermediate-range nuclear missiles should eventually be merged into the START negotiations.

The final element of both H.J. Res. 443 and S.J. Res. 171 is that the START negotiations should begin immediately. I presume that this objective has the President's full support, as a result of his May 9 speech on strategic arms reductions. The President's speech was a most welcome, long overdue initiative in keeping with the sentiments of the American public. His call for major reductions should complement the Congress' efforts to produce effective arms control agreements and reinforce the objectives of H.J. Res. 443 and S.J. Res. 171.

Mr. Chairman, our resolutions provide the two central elements missing from other Congressional arms reduction resolutions. First, H.J. Res. 443 and S.J. Res. 171 argue for the preservation of existing limitations and controls on current nuclear weapons and their delivery systems.

I believe the prospects for reductions in nuclear weapons will be greatly enhanced by continued adherence to existing limitations provided in treaties already negotiated, including SALT II. These include:

Limits on the number of strategic submarines;

Limits on the number of strategic launchers;

Limits on the number of MIRVed ICBMs;

Limits on the number of MIRVed bombers (cruise missile carriers);

Limits on the number of cruise missiles deployable on each MIRVed bomber;

Limits on the size and throwweight of missiles; and

Limits on deployment and testing of ABM systems.

As is well known, SALT II is in hand with its limitations being adhered to by both sides even though formal instruments of ratification have not been exchanged. If it were ratified, it would lead to full implementation of its dismantling provisions, most notably, a reduction by over 10% in the Soviet strategic force levels, or some 250 delivery systems. Ratification would ensure that its terms would be observed by both sides throughout the conduct of the START negotiations.

SALT II thus provides a baseline for new talks on reductions. Because that baseline is one with which the Soviet Union is familiar they would be more willing to negotiate from it than from a totally new framework like START or a freeze alone.

By drawing on the existing controls from SALT II, whether ratified or simply reaffirmed by this Joint Resolution, and by also directing the incorporation of INF negotiations into START talks, our resolutions represent an improvement from other Congressional efforts because they do not disregard the contributions made to strategic stability by arms control agreements reached over the past decade. The important gains of "customary approaches" to arms control should not be dismissed. H.J. Res. 443 and S.J. Res. 171 reaffirm these gains.

The second missing element addressed in our resolutions concerns the inter-relationship of U.S. arms control and defense modernization efforts. Here both the Kennedy-Hatfield and Jackson-Warner approaches may unwittingly produce negative results.

The freeze proposal could destroy needed flexibility to bargain over new U.S. systems in exchange for reciprocal Soviet restraint. Under conditions of a freeze, strategic forces could not be replaced or modernized. Without the advantage of modernizations completed more recently on Soviet systems, U.S. forces could fall into a position of insufficient capability to maintain U.S. deterrence. In order to avoid that possibility, the United States would be put in the politically awkward if not untenable position of abrogating the terms of a freeze.

On the other hand, the Jackson-Warner proposal, supported by the Adminstration, seems to assume that a successful outcome from negotiations can be achieved only through a massive unilateral increase in the U.S. nuclear arsenal. That approach discounts the incentive shared by the United States and the Soviet Union for reducing the dangers of confrontation by limiting nuclear arms. Uninhibited modernization could derail negotiations.

H.J. Res. 443 and S.J. Res. 171 produce neither negative result. Our resolutions permit defense modernization within the limits of SALT to provide a practical basis for U.S. negotiators to bargain with the Soviets. At the same time, the resolutions recognize that any addition of new destabilizing weapons to either sides' nuclear arsenals will jeopardize arms control and thus should be avoided. New systems should be pursued only if they contribute to the preservation of essential equivalence and the ultimate objective of achieving significant reductions.

In addition to addressing these two missing elements in other arms reduction resolutions, H.J. Res. 443 and S.J. Res. 171 have several advantages over the other two approaches.

For example, while the freeze proposal is designed to be simple and straightforward—and admittedly draws much of its support from that fact—that approach does not offer a simple solution. The freeze is actually a "two-step" approach, calling for negotiations first on "when and how to implement" a freeze, and negotiations after that on reductions. I question whether in actual negotiations the issues involved in a "freeze" can be separated from those involved in reductions. Accordingly, I fear that the freeze proposal unnecessarily complicates the process.

By contrast, H.J. Res. 443 and S.J. Res. 171 offer a more direct, "one-step" approach to reductions, because they rely on SALT limits to provide the baseline for those reductions. If the Administration approaches the Soviet Union with an all-new proposal based on either a freeze or on new definitions and new units of account, the Soviet response could be similar to their rejection of the U.S. initiative in March 1977.

By taking this approach, H.J. Res. 443 and S.J. Res. 171 promise to lead the U.S. to an agreement with the Soviet Union more quickly than the other approaches. By providing a framework for incorporating INF talks as well, those negotiations may also have a greater prospect of success with timeliness related to NATO's plans for nuclear modernization.

In addition, in the crucial area of verification, freeze supporters argue that the monitoring to verify compliance with the terms of a freeze would be less demanding than what would be required to verify compliance with the terms of an agreement like SALT.

In the first place, either approach will eventually require monitoring capabilities for a reductions regime, since reductions are the common objective; and since the capabilities for monitoring activities with respect to SALT II compliance already exist, nothing is saved by reducing the requirement for those capabilities now. Monitoring Soviet activities pursuant to SALT II provisions for verification also provide valuable information about their forces and capabilities.

In the second place, verification of a freeze appears less demanding only in terms of monitoring system characteristics as revealed through test activities. Since tests would be banned under a freeze, any such activities would be prima facie evidence of a violation. On the other hand, a freeze would also prohibit production of launchers and warheads. No capability presently exists to monitor production of either, if efforts were taken to conceal them; accordingly, verification of compliance with such terms would impose greater requirements than now exist.

In addition to the improvements discussed above in comparison with the freeze, H.J. Res. 443 and S.J. Res. 171 also improve on the administration-backed proposal in several other ways as well. For example:

Preservation of SALT constraints called for in our resolutions will limit the possibilities for the Soviet Union's establishing a position of significant advantage over the United States before negotiations succeed;

No prospective actions in violation of SALT limitations could be used to extract concessions from the United States; and

Finally, preservation of the provisions of SALT guards against Soviet fractionation of MIRV warheads on ICBMs thereby reducing U.S. ICBM vulnerability.

While making essential improvements to both the Kennedy-Hatfield and Jackson-Warner proposals, H.J. Res. 443 and S.J. Res. 171 preserve many of the key assumptions of both.

Our resolutions embody the following principles of the freeze resolution:

A strategic relationship of rough parity or essential equivalence now exists between the United States and the Soviet Union;

Nuclear arms control negotiations should begin immediately;

Arms control talks should lead to an agreement on substantial and verifiable reductions in nuclear weapons.

Our resolutions also embody the following principles of the Administration-backed resolution:

Arms control negotiations should be directed toward an agreement on substantial and verifiable reductions in nuclear weapons;

U.S. negotiators should be given necessary bargaining room, thereby increasing the prospect of an agreement that will meet each side's requirements for a balanced deterrent;

Negotiations should address force reductions directly. Only then can the United States avoid the situation that a prior freeze could produce—namely, that prolonged negotiations under frozen conditions would weaken the U.S. deterrent by comparison with Soviet strategic forces, which have been modernized more recently.

On the basis of these commonalities, H.J. Res. 443 and S.J. Res. 171 serve as a "bridge" between the two other approaches to arms reductions. However, it goes beyond both approaches in several important respects. Now that the question of whether or not the Administration will undertake arms control talks has been answered, these resolutions address the substantive question of how.

Finally, in presenting my arms reduction proposal, I would like to emphasize the bipartisan support that arms control has enjoyed over several Administrations. That bipartisan support has led to several arms control milestones whose limits I want to preserve. These include the ABM Treaty, the SALT I Interim Agreement, the SALT II agreement, the Limited Test Ban Treaty, as well as the verification provisions of these agreements which have permitted knowledge of each other's activities so as to prevent the fear and insecurity that can give rise to another pointless arms race.

I intend to sustain that bipartisan support in seeking positive action on H.J. Res. 443. The resolution now has over 60 cosponsors, both Democratic and Republican, from all ideological perspectives.

Adoption of our resolutions would serve as a practical and meaningful Congressional statement that instructs the Administration to conduct Strategic Arms Reduction Talks (START) as part of a coherent national security policy, necessarily integrating arms control with the modernization efforts that may be needed to support our objectives in negotiations. Although we may not use the term "freeze," our resolutions embody many useful elements of the freeze proposal by mandating the preservation of strategic arms limitations now being observed by both superpowers.

By bridging the freeze resolutions and the Administration's view regarding nuclear arms reductions, our resolutions will allow Congress to present a strong and realistic position that should be accepted by this Administration as it pursues the arms reductions we all want. Most importantly, by reaffirming the positive contributions that past arms control efforts have made, and by insisting that those gains be preserved, our resolutions will help to assure that future negotiations will take place under conditions that can best prevent instability as reductions are made and best assure that mutual deterrence remains fully intact.

In conclusion, Mr. Chairman, I believe the resolutions we have introduced provide a significant, effective and practical outline of what U.S. objectives in START should be. They reflect a common-sense realization that we must preserve what has already been achieved in nuclear arms control and build on such achievements. Freeze proponents should have no doubt that our resolutions will spur genuine movement in arms control. The Reagan Administraiton should have no concern that our resolutions will arbitrarily cancel its nuclear modernization program. H.J. Res. 443 and S.J. Res. 171 will, however, enable Congress to do what it does best in foreign policy: provide a guiding hand in the conduct of crucial foreign policy matters like the START negotiations.

Mr. Chairman, progress in arms control has never been more important to the survival of mankind. It is my hope that H.J. Res. 443 and S.J. Res. 171 will form the basis for Congressional action to help encourage such progress.

Thank you very much.

COSPONSORS OF H.J. RES. 443

Frank Annunzio (D-IL).
Les Aspin (D-WI).
Michael Barnes (D-MD).
Tony Coehlo (D-CA).
Berkley Bedell (D-IA).
Charles E. Bennett (D-FL).
Lindy Boggs (D-LA).
David R. Bowen (D-MS).
Julian Dixon (D-CA).
Bernard J. Dwyer (D-NJ).
Larry DeNardis (R-CN).
Bob Edgar (D-PA).
John N. Erlenborn (R-IL).
John G. Fary (D-IL).
Vic Fazio (D-CA).
Millicent Fenwick (R-NJ).
Paul Findley (R-IL).
Harold E. Ford (D-TN).
L. H. Fountain (D-NC).
Edwin B. Forsythe (R-NJ).
Bill Frenzel (R-MN).
Benjamin A. Gilman (R-NY).
William F. Goodling (R-PA).
Lee H. Hamilton (D-Ind).
Cecil Heftel (D-HI).
Dennis Hertel (D-MI).
Frank Horton (R-NY).
Andrew Jacobs (D-IN).
Tom Lantos (D-CA).
John LeBoutillier (R-NY).
Norman F. Lent (R-NY).
Bill Lowery (R-CA).
Mike Lowry (D-WA).
Paul N. McCloskey, Jr. (R-CA).
George Miller (D-CA).
Norman Y. Mineta (D-CA).
Dan Mica (D-FL).
Austin J. Murphy (D-PA).
Henry J. Nowak (D-NY).
Mary Rose Oakar (D-OH).
Jerry M. Patterson (D-CA).
Claude Pepper (D-FL).
John Edward Porter (R-IL).
Melvin Price (D-IL).
Nick Joe Rahall, II (D-WV).
Robert A. Roe (D-NJ).
Marge Roukema (R-NJ).
Frederick W. Richmond (D-NY).
Martin Olav Sabo (D-MN).
John F. Seiberling (D-OH).
James F. Sensenbrenner (R-WI).
Philip R. Sharp (D-IN).
Olympia J. Snowe (R-ME).
Gerry E. Studds (D-MA).
Morris K. Udall (D-AZ).
Ted Weiss (D-NY).
Jim Wright (D-TX).
Gus Yatron (D-PA).
Leo C. Zeferetti (D-NY).
William H. Gray, III (D-PA).
Ike Andrews (D-NC).
Fortney H. Stark (D-CA).
Stephen L. Neal (D-NC).

Total: 63 (46 Democrats; 17 Republicans).●

IN MEMORY TO THE 6 MILLION

HON. WILLIAM H. GRAY III

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. GRAY. Mr. Speaker, several times during the past few years I have been priviledged to take part in an annual ceremony which pays tribute to the 6 million Jewish martyrs who perished in the Nazi Holocaust.

The memorial service takes place in Philadelphia at a magnificent public monument built to honor the memory of the Holocaust victims—the first such public monument built in the United States.

On Sunday, April 18, more than 4,000 Greater Philadelphians gathered at the monument for the annual tribute. For all of those who took part, Mr. Speaker, and for all of us who recognize the enormous inhumanity of the Holocaust, the program serves as a reminder that even today, nearly 40 years after the Holocaust, man's inhumanity to his fellow man remains evident.

The keynote speaker at this year's memorial service was Jerome J. Shestack, a leading Philadelphia attorney and internationally recognized fighter for human rights. Mr. Shestack, who has served as president of Amnesty International, addressed this issue in his comments to the assembled audience. I commend Mr. Shestack's remarks to the attention of all of my colleagues. He rightly points out that the meaning of the Holocaust is not simply that 6 million Jewish men, women, and children were slaughtered while the world largely ignored their plight—although that fact alone is enough to shock our consciousness.

Rather, as Mr. Shestack so eloquently states, the further meaning of the Holocaust is that as many as 6 million other persons were similarly slaughtered because of their racial or religious views. Its meaning is that this slaughter was possible because the world turned its head; that in the past 40 years, the civilized world has turned its head away from similar behavior; and that today, sadly, in spite of all we think we have learned from the past, we can point to ongoing violence, religious, and racial persecution, and political supression being carried out with the same righteousness that marked the Nazi reign of terror.

Mr. Speaker, I offer the text of Mr. Shestack's comments for the RECORD:

REMARKS OF JEROME J. SHESTACK

We meet today in a Memorial Service for the Six Million Martyrs murdered in the Holocaust.

How do we express ourselves about the Holocaust—so deep and pervasive in its evil that, try as we will, we cannot fathom or penetrate it.

Some are so overwhelmed with the horror of the Holocaust that they are moved to silence. And it is true that the tragic dimension is so huge that it makes literature and art, and even prayer, trivial or impertinent.

But we cannot be silent. For the world was silent when the Holocaust took place. Surely, now we know that evil grows in silence.

Many have tried to understand the Holocaust. We have read the history, the literature, the diaries. Yes, we should study and learn—not because it will lead to understanding, but, because it demonstrates that there can be no understanding of this cosmic horror.

Elie Wiesel said, "I who was there still do not understand." In the end, the monumental evidence of the Holocaust leaves us weak and trembling:

Trembling at the depravity that is possible by other human beings.

Trembling at our inability to comprehend God's irrational mystery.

In every generation we will have to wrestle with that mystery. Not as Jacob wrestled in the night with the angel of the Lord, for Jacob was triumphant. Rather, we must wrestle with the revelation that during the Holocaust humans became beasts and God's mercy was eclipsed.

Jacob emerged from his encounter limping. We emerge carrying a heavy stone on our faith, a burden to remain with us through the ages.

But, we must do more that wrestle with our faith. We must do more than remember. Rather, we must—if we are to give any meaning at all to the memory of the Six Million—resolve "Never Again." What does that mean? Is it merely a slogan? What is it we are resolving against?

The concentration camps of Europe came about because some men conceived and built them, but, also because other men and women let them exist.

The Holocaust was encouraged because all over the world there was silence, and complicity, and inaction.

What are we allowing to exist today? Allowing to exist by our silence, by our divisions, by our apathy, by our lack of exertion? Are we honoring the Six Million or failing them?

When we Jews and Gentile alike do not act against anti-Semitism, when we accept it passively, when we are not aggressive against it, we fail the memory of the Six Million.

When we stand by and do not protest the Soviet repression of Jews, Catholics and others, we fail the memory of the Six Million who also could not leave.

When we do not join those who fight against the terrorism that links the Red Brigades, the PLO, the Bader-Meinhof, and their supporters, we fail the memory of the Six Million.

When we stand by and see 15,000 people tortured and made to disappear by a brutal regime of State terror in Argentina, we fail the memory of the Six Million.

When we remain ignorant of the brutal mass murder of millions of innocent people in Cambodia in genocidal proportion, we fail the memory of the Six Million.

When we fail to speak out against the apartheid of millions of black people in South Africa, forced into a new mold of concentration camp, we fail the memory of the Six Million.

When we do nothing about the abused and restrained around the world; when we stand silent in the face of open or subtle discrimination that denies persons their equal human right to dignity and respect, we fail the memory of the Six Million.

At today's ceremonies we were to hear from Jacobo Timmerman. He cannot be here because he is ill, but he wishes he could have been at this ceremony to pay his respect. Jacobo Timmerman was abducted in Argentina and tortured because he heroically spoke out and warned against the brutal and anti-Semitic regime in his country. Warnings are not always welcome. In every generation there are those who say, "Don't rock the boat," "Don't make waves." Yet history has cruelly taught us that silence never helps Jewish causes. And as Timmerman has told us so dramatically, it is only a short step from silence to complicity.

Silence never helps Jewish causes. Nor does silence help other human causes. The Holocaust was not only an extermination of Jews. It was an obliteration of human worth, a debasement of all humanity.

We meet today to honor the Six Million. Nothing can ever give meaning to their tragedy. But, let us at least resolve to give meaning in our hearts to the words "Never Again."

Let us resolve that Never Again will horror intimidate us. Let us resolve that Never Again will inaction paralyze us. Never Again will theories of accommodation compromise us. Never Again will expediency postpone our public indignation. Never Again will we forget that we are all survivors through the generations of our faith.

We meet here to keep faith with the Six Million. May God grant us the courage to do so. May God grant us the will to do so.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, May 13, 1982, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

MAY 14

8:00 a.m.

Appropriations

Legislative Branch Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1983 for the Library of Congress, Congressional Research Service, Office of Technology Assessment, and the Copyright Royalty Tribunal.

S-128, Capitol

10:00 a.m.

Appropriations

District of Columbia Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1983 for the Government of the District of Columbia, focusing on the Department of Housing and Human Development, Rental Accommodations Office, Office of Business and Economic Development, Convention Center Board, Convention and Visitors Association, Retirement Board, and the Lottery and Charitable Games Control Board.

1223 Dirksen Building

Energy and Natural Resources

Business meeting, to consider pending calendar business.

3110 Dirksen Building

Finance

International Trade Subcommittee

Taxation and Debt Management Subcommittee

To hold joint hearings on S. 2058 and S. 2051, bills promoting fair international trade practices in the services sector.

2221 Dirksen Building

MAY 17

9:30 a.m.

Finance

Savings, Pensions and Investment Policy Subcommittee

To hold hearings on S. 1910, modifying the tax treatment of certain retirement annuities for clergymen and lay employees; and to review certain ERISA statutes or regulations that inhibit mortgage investments by pension funds, and the Department of Labor's current class exemption efforts regarding pension fund investments in residential housing financing.

2221 Dirksen Building

MAY 18

9:30 a.m.

Governmental Affairs

Civil Service, Post Office, and General Services Subcommittee

To hold hearings on S. 46, providing that certain military service, which is covered by social security, be included in the aggregate period of service on which a civil service annuity is based.

3302 Dirksen Building

*Labor and Human Resources

To hold hearings on the nominations of William F. Harvey, of Indiana, and Annie L. Slaughter, of Missouri, both to be a member of the Board of Directors of the Legal Services Corporation.

4232 Dirksen Building

10:00 a.m.

Agriculture, Nutrition, and Forestry

Business meeting, to mark up S. 2352, S. 2392, S. 2480, and S. 2493, bills authorizing funds for the food stamp program and providing for increased State responsibility.

324 Russell Building

Appropriations

HUD-Independent Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1983 for the Department of Housing and Urban Development.

1224 Dirksen Building

Commerce, Science, and Transportation

To hold hearings on the nomination of Heather J. Gradison, of Ohio, to be a member of the Interstate Commerce Commission.

235 Russell Building

Energy and Natural Resources

To hold oversight hearings on Federal property management and disposal.

3110 Dirksen Building

Select on Indian Affairs

To hold oversight hearings on the implementation of Indian education programs.

6226 Dirksen Building

2:00 p.m.

Appropriations

Foreign Operations Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1983 for the Agency for International Development, focusing on the trade and development program, international disaster assistance, and American schools and hospitals abroad program.

1223 Dirksen Building

MAY 19

9:30 a.m.

Governmental Affairs

Federal Expenditures, Research and Rules Subcommittee

To hold hearings on Senate Joint Resolution 93 and S. 2278, measures reaffirming the policy of relying on the private sector to meet public requirements for goods and services, and Office of Management and Budget Circular A-76, relating to Federal procurement policy.

3302 Dirksen Building

Labor and Human Resources

Labor Subcommittee

To resume oversight hearings to review the Pension Benefit Guaranty Corporation premium rate increases.

4232 Dirksen Building

10:00 a.m.

Agriculture, Nutrition, and Forestry

Business meeting, to continue markup of S. 2352, S. 2392, S. 2480, and S. 2493, bills authorizing funds for the food stamp program, and providing for increased State responsibility.

324 Russell Building

Appropriations

HUD-Independent Agencies Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1983 for the Department of Housing and Urban Development, and the Neighborhood Reinvestment Corporation.

1224 Dirksen Building

Armed Services

To hear and consider the nominations of Adm. James D. Watkins, U.S. Navy, to be Chief of Naval Operations, and Gen. Charles A. Gabriel, U.S. Air Force, to be Chief of Staff for the Air Force, and to consider other routine military nominations.

212 Russell Building

Energy and Natural Resources

Business meeting, to consider pending calendar business.

3110 Dirksen Building

Environment and Public Works

Toxic Substances and Environmental Oversight Subcommittee

To resume hearings on S. 1866, revising regulatory procedures relating to safe drinking water requirements, and S. 2131, authorizing funds through fiscal year 1986 for the safe drinking water program.

4200 Dirksen Building

Select on Indian Affairs

To continue oversight hearings on the implementation of Indian education programs.

6226 Dirksen Building

MAY 20

9:30 a.m.

Commerce, Science, and Transportation

Aviation Subcommittee

To hold hearings on S. 1770, authorizing funds to conduct a study to determine the adequacy of certain industry practices and Federal Aviation Administration rules and regulations.

235 Russell Building

*Environment and Public Works

To hold hearings on S. 1606, establishing a Federal supplemental property insurance fund for nuclear powerplants, and providing for the cleanup of the damaged Three Mile Island Unit No. 2 nuclear power reactor (TMI-2).

4200 Dirksen Building

Governmental Affairs

Federal Expenditures, Research and Rules Subcommittee

To hold hearings on S. 1782, eliminating percentage retention on Federal Government construction contracts, and S. 1882, improving the effectiveness and fairness of the Federal Government's contractor suspension and debarment programs.

3302 Dirksen Building

10:00 a.m.

Agriculture, Nutrition, and Forestry

Agricultural Production, Marketing, and Stabilization of Prices Subcommittee

To hold oversight hearings on the implementation of the Federal crop insurance program of the Department of Agriculture.

324 Russell Building

Energy and Natural Resources

To resume hearings on S. 1844, to facilitate the development of interstate coal pipeline distribution systems by granting the Federal power of eminent domain to those interstate pipelines which are determined to be in the national interest.

3110 Dirksen Building

MAY 21

9:00 a.m.

Finance

Taxation and Debt Management Subcommittee

To hold hearings on miscellaneous tax bills, S. 1485, S. 2075, S. 2424, and S. 2425.

2221 Dirksen Building

9:30 a.m.

Energy and Natural Resources

Energy Regulation Subcommittee

To hold hearings on S. 1626, removing the requirement for Federal regulation to allow the competitive market system to establish petroleum pipeline transportation rates while maintaining safeguards to protect the industry and consumers against unlawful discrimination.

3110 Dirksen Building

10:00 a.m.

Agriculture, Nutrition, and Forestry

Agricultural Production, Marketing, and Stabilization of Prices Subcommittee

To continue oversight hearings on the implementation of the Federal crop insurance program of the Department of Agriculture.

324 Russell Building

MAY 24

9:30 a.m.

Commerce, Science, and Transportation

Aviation Subcommittee

To hold hearings on proposed committee amendments to S. 508, Airport and Airway System Development Act of 1981 (pending on Senate Calendar), extending the funding level through fiscal year 1987 for airport improvement and development programs.

235 Russell Building

Finance
Energy and Agricultural Taxation Subcommittee
To hold hearings on S. 1713, providing an exemption for farmers from capital gains taxation on the income received from the sale of easement rights, provided the funds are rolled over into the purchase of new farmland or used for capital improvements in the existing farm, and S. 1485, clarifying the intent of the investment tax credit for poultry houses and greenhouses.
2221 Dirksen Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To receive testimony from public witnesses on proposed budget estimates for fiscal year 1983 for certain programs under the subcommittee's jurisdiction.
1224 Dirksen Building

2:00 p.m.
Finance
To hold hearings on the administration's New Federalism proposal.
2221 Dirksen Building

MAY 25

9:00 a.m.
Governmental Affairs
To hold hearings on the annual report of the Postmaster General.
3302 Dirksen Building

9:15 a.m.
Appropriations
State, Justice, Commerce, the Judiciary and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1983 for the Federal Trade Commission.
S-146, Capitol

9:30 a.m.
Agriculture, Nutrition, and Forestry
Rural Development, Oversight, and Investigations Subcommittee
To hold oversight hearings to review the energy needs of rural communities.
324 Russell Building

Appropriations
*HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1983 for certain programs which fall within the jurisdiction of the subcommittee.
1224 Dirksen Building

Commerce, Science, and Transportation
Merchant Marine Subcommittee
To hold hearings on S. 2414, extending Federal Maritime Commission jurisdiction to intermodal shipments of cargo to and from the United States transported through Canadian ports, and requiring the filing of tariffs for such shipments.
235 Russell Building

Energy and Natural Resources
Energy Regulation Subcommittee
To resume hearings on S. 1626, removing the requirement for Federal regulation to allow the competitive market system to establish petroleum pipeline transportation rates while maintaining safeguards to protect the industry and consumers against unlawful discrimination.
3110 Dirksen Building

Governmental Affairs
Oversight of Government Management Subcommittee
To hold oversight hearings on social security disability terminations, focusing on the Social Security Administration's decision to accelerate the required review of disability eligibility, the continuing deficiencies in the system, and the resulting impact on claimants.
1318 Dirksen Building

10:00 a.m.
Environment and Public Works
Business meeting, to resume markup of proposed amendments to the Clean Air Act (Public Law 95-95).
4200 Dirksen Building

Foreign Relations
Business meeting, to mark up certain nuclear arms reduction proposals.
4221 Dirksen Building

MAY 26

9:30 a.m.
Agriculture, Nutrition, and Forestry
Rural Development, Oversight, and Investigations Subcommittee
To continue oversight hearings on the energy needs of rural communities.
324 Russell Building

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
3110 Dirksen Building

Environment and Public Works
Toxic Substances and Environmental Oversight Subcommittee
To resume hearings on S. 1866, revising regulatory procedures relating to safe drinking water requirements, and S. 2131, authorizing funds through fiscal year 1986 for the safe drinking water program.
4200 Dirksen Building

Governmental Affairs
Permanent Subcommittee on Investigations
To hold hearings on certain alleged mismanagement practices within the Department of Energy.
3302 Dirksen Building

2:00 p.m.
Select Committee to Study Law Enforcement Undercover Activities of Components of the Department of Justice
To hold an organizational business meeting.
Room to be announced

MAY 27

9:30 a.m.
*Appropriations
State, Justice, Commerce, the Judiciary and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1983 for contributions to international organizations of the Department of State, and the Securities and Exchange Commission.
S-146, Capitol

10:00 a.m.
Energy and Natural Resources
Public Lands and Reserved Water Subcommittee
To hold hearings on S. 1964 and S. 1965, bills designating certain wilderness areas in the Mark Twain National Forest in Missouri as components of the National Wilderness Preservation System, S. 2021, providing for the disposal and acquisition of certain Federal lands in New Mexico, and S. 2405, providing for certain lands in New Mexico to be included in the Cibola National Forest System and into the existing Sandia Wilderness.
3110 Dirksen Building

Environment and Public Works
Business meeting, to resume markup of proposed amendments to the Clean Air Act (Public Law 95-95).
4200 Dirksen Building

Governmental Affairs
Permanent Subcommittee on Investigations
To continue hearings on certain alleged mismanagement practices within the Department of Energy.
3302 Dirksen Building

JUNE 8

9:30 a.m.
Banking, Housing, and Urban Affairs
Securities Subcommittee
To resume hearings on S. 1869, S. 1870, S. 1871, and S. 1977, bills revising or repealing certain provisions of the Public Utility Holding Company Act of 1935.
5302 Dirksen Building

JUNE 9

9:30 a.m.
Select on Indian Affairs
To hold hearings on law enforcement problems on Indian reservations including the authority and effectiveness of the Bureau of Indian Affairs police, tribal police, and the Federal Bureau of Investigation, and the quality of U.S. prosecution of criminal offenses.
6226 Dirksen Building

JUNE 10

9:30 a.m.
Banking, Housing, and Urban Affairs
Security Subcommittee
To resume hearings on S. 1869, S. 1870, S. 1871, and S. 1977, bills revising or repealing certain provisions of the Public Utility Holding Company Act of 1935.
5302 Dirksen Building

JUNE 14

9:00 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To hold hearings on S. 2469, providing for improved international telecommunications.
235 Russell Building

JUNE 15

9:00 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To continue hearings on S. 2489, providing for improved international telecommunications.
235 Russell Building

JUNE 16

9:30 a.m.
Commerce, Science, and Transportation
Merchant Marine Subcommittee
To hold oversight hearings on Federal Government cargo preference.
235 Russell Building

10:00 a.m.
Environment and Public Works
Environmental Pollution Subcommittee
To hold oversight hearings on the implementation of the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (Super Fund).
4200 Dirksen Building

JUNE 17

9:00 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To resume hearings on S. 2469, providing for improved international telecommunications.
235 Russell Building

Select on Indian Affairs
To hold hearings on S. 1735, providing for the use and distribution of funds awarded the Pembina Chippewa Indians in specified dockets of the U.S. Court of Claims.
5110 Dirksen Building

JUNE 23

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold oversight hearings on the implementation of the National Materials and Minerals Policy Act of 1980 (Public Law 96-479).
235 Russell Building

SEPTEMBER 21

10:30 a.m.
Veterans Affairs
To hold hearings to receive American Legion legislative recommendations for fiscal year 1983.
318 Russell Building

CANCELLATIONS

MAY 13

10:00 a.m.
Appropriations
Military Construction Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1983 for Air Force national programs.
1224 Dirksen Building

2:00 p.m.
Governmental Affairs
Federal Expenditures, Research and Rules Subcommittee
To resume hearings on proposed legislation improving the efficiency of the Federal procurement system.
3302 Dirksen Building

Labor and Human Resources
Business meeting, to markup S. 2036, providing for State and local employment and training assistance, and S. 1889, authorizing funds for the establishment of a national institution to promote international peace and resolution of international conflict.
4232 Dirksen Building

MAY 18

10:00 a.m.
Environment and Public Works
Business meeting, to consider pending calendar business.
4200 Dirksen Building

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UNITED STATES OF AMERICA

Congressional Record

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SECOND SESSION

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Congressional Record

PROCEEDINGS AND DEBATES OF THE 97th CONGRESS, SECOND SESSION

HOUSE OF REPRESENTATIVES—*Thursday, May 13, 1982*

The House met at 11 a.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

We pray, O Lord, that the nations will know peace in the world even as individuals will know peace in their hearts. Help us to see clearly that we are stewards of this world, which You have created for us, and we must share with people from every land the responsibility for working for justice and peace. So that we may have the power to witness to Your love, we ask that Your Spirit enlighten and turn our hearts toward Your light, that seeing You, we may go forward to do the good works that honor You and bring joy to Your creation. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. LUNGREN. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. LUNGREN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 293, nays 73, answered "present" 1, not voting 65, as follows:

[Roll No. 74]

YEAS—293

Addabbo
Akaka
Albosta
Alexander
Anderson
Annunzio
Anthony
Aspin
AuCoin
Badham
Barnard
Beard
Bedell
Beilenson
Benedict
Benjamin
Bennett
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Boner
Bonior
Bonker
Bouquard
Bowen
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown (CA)
Broyhill
Burgener
Burton, Phillip
Byron
Carman
Chappell
Chappie
Clausen
Coelho
Collins (IL)
Collins (TX)
Conable
Conte
Conyers
Corcoran
Coyne, James
Coyne, William
Craig
Crane, Daniel
Crane, Philip
D'Amours
Daniel, R. W.
Daschle
Davis
de la Garza
Deckard
Derrick
Dicks
Dingell
Dixon
Donnelly
Dorgan
Dougherty
Dowdy
Downey
Duncan
Dunn
Dwyer
Dymally
Early
Eckart
Edwards (AL)
Edwards (CA)
Edwards (OK)
Emery
English
Erdahl
Evans (DE)
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fithian
Flippo
Florio
Foley
Ford (MI)
Ford (TN)
Fowler
Frank
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gephardt
Gibbons
Gilman
Gingrich
Glickman
Gonzalez
Gore
Gradison
Gramm
Green
Guarini
Hall (OH)
Hall, Ralph
Hall, Sam
Hammerschmidt
Hance
Hansen (ID)
Hatcher
Heckler
Hertel
Hightower
Hillis
Holland
Holt
Horton
Howard
Hoyer
Hubbard
Huckaby
Hughes
Hunter
Hutto
Hyde
Ireland
Jeffords
Jenkins
Jones (OK)
Jones (TN)
Kastenmeier
Kazen
Kemp
Kennelly
Kildee
Kogovsek
Lagomarsino
Lantos
Latta
Leath
LeBoutillier
Lehman
Lent
Levitas
Long (LA)
Long (MD)
Lowery (CA)
Lowry (WA)
Lujan
Luken
Lundine
Madigan
Markey
Marlenee
Marriott
Martin (NY)
Matsui
Mattox
Mavroules
Mazzoli
McClory
McCurdy
McDonald
McEwen
McHugh
McKinney
Mica
Michel
Mikulski
Miller (CA)
Mineta
Minish
Moakley
Molinari
Mollohan
Montgomery
Moore
Moorhead
Mottl
Murphy
Myers
Napier
Natcher
Nelligan
Nelson
Nowak
Oakar
Oberstar
Obey
Oxley
Parris
Pashayan
Patman
Patterson
Paul
Pease
Pepper
Perkins
Pickle
Porter
Price
Pritchard
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Richmond
Rinaldo
Robinson
Rodino
Roe
Rogers
Rosenthal
Rostenkowski
Roth
Roukema
Roybal
Rudd
Russo
Sabo
Santini
Sawyer
Scheuer
Schulze
Schumer
Seiberling
Shamansky
Shannon
Sharp
Shelby
Shumway
Shuster
Siljander
Simon
Skeen
Skelton
Smith (IA)
Smith (NJ)
Snowe
Snyder
Solarz
Spence
St Germain
Stangeland
Stokes
Studds
Swift
Synar
Tauke
Tauzin
Taylor
Thomas
Traxler
Udall
Vander Jagt
Vento
Volkmer
Walgren
Wampler
Watkins
Waxman
Weaver
Weber (OH)
White
Whitley
Whitten
Williams (OH)
Wilson
Winn
Wirth
Wolf
Wolpe
Wortley
Wright
Wyden
Wylie
Yatron
Young (MO)
Zablocki
Zeferetti

NAYS—73

Archer
Atkinson
Bafalis
Bailey (MO)
Barnes
Bereuter
Bethune
Brown (CO)
Carney
Cheney
Clinger
Coats
Coleman
Coughlin
Dannemeyer
Daub
Derwinski
Dickinson
Edgar
Emerson
Evans (IA)
Fiedler
Fields
Fountain
Gejdenson
Goodling
Gregg
Gunderson
Hagedorn
Harkin
Hartnett
Hendon
Hiler
Hollenbeck
Hopkins
Jacobs
Jeffries
Johnston
Kindness
Kramer
Leach
Lee
Lewis
Loeffler
Lott
Lungren
Martin (IL)
Martin (NC)
McDade
McGrath
Miller (OH)
Mitchell (MD)
Morrison
Petri
Roberts (KS)
Roberts (SD)
Roemer
Rousselot
Schroeder
Sensenbrenner
Smith (AL)
Smith (NE)
Smith (OR)
Solomon
Staton
Stenholm
Stump
Walker
Washington
Weber (MN)
Whittaker
Yates
Young (FL)

ANSWERED "PRESENT"—1

Ottinger

NOT VOTING—65

Andrews
Applegate
Bailey (PA)
Bliley
Bolling
Brown (OH)
Burton, John
Butler
Campbell
Chisholm
Clay
Courter
Crockett
Daniel, Dan
Dellums
DeNardis
Dornan
Dreier
Dyson
Erlenborn
Ertel
Evans (GA)
Evans (IN)
Foglietta
Forsythe
Ginn
Goldwater
Gray
Grisham
Hamilton
Hansen (UT)
Hawkins
Hefner
Heftel
Jones (NC)
LaFalce
Leland
Livingston
Marks

☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

McCloskey
McCollum
Mitchell (NY)
Moffett
Murtha
Neal
Nichols
O'Brien
Panetta
Peyser
Pursell
Rhodes
Ritter
Rose
Savage
Schneider
Shaw
Smith (PA)
Stanton
Stark
Stratton
Trible
Weiss
Whitehurst
Williams (MT)
Young (AK)

Messrs. **LOEFFLER**, **CARNEY**, **KRAMER**, **ATKINSON**, **BAFALIS**, and **FOUNTAIN**, changed their votes from "yea" to "nay."

Mr. **EDWARDS** of Alabama changed his vote from "nay" to "yea."

So the Journal was approved.

The result of the vote was announced as above recorded.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 6038. An act to amend section 235 of the National Housing Act.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 2158. An act to amend title 23, United States Code, to authorize and direct the payment of an incentive grant for highway safety programs to any State in the first fiscal year during which the State adopts provisions relating to driving while intoxicated; to establish a national driver register, and for other purposes.

The message also announced that the Secretary be directed to request the House of Representatives to return to the Senate the bill (S. 907) entitled "An act to amend sections 351 and 1751 of title 18 of the United States Code to provide penalties for crimes against Cabinet officers, Supreme Court Justices, and Presidential staff members, and for other purposes."

☐ 1120

SMALL BUSINESS FIRMS IMPORTANT TO AMERICAN'S ECONOMY

(Mr. **SHAMANSKY** asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. **SHAMANSKY**. Mr. Speaker, during Small Business Week, May 9 through 15, it is appropriate that Congress recognize the importance of these firms to America's economy. The more than 10 million small businesses in the United States employ over half the private sector work force. They traditionally have been leaders in both job creation and technological innovation.

One firm in Columbus, whose president was recognized this year by the Small Business Administration as Ohio's small business person of the year, illustrates the significance of such enterprises. A young Greek immigrant, Anthony Zanetos, put $75 into a candy kitchen in 1913. In 1946 his son Thomas joined him as a partner. Today, Anthony-Thomas manufactures 3.5 million dollars' worth of candy each year, employs more than 110 people and operates numerous stores.

However, successes like Anthony-Thomas' are only part of the small business picture. High interest rates and tax changes which did not assist small businesses as much as advertised, helped lead to record small business failures. Small businesses need our help—principally by reducing as soon as possible the huge Federal deficit fueling high interest rates.

This week let us not only praise small businesses, let us aid them. Thank you.

UNSPECIFIED CUTS IN SOCIAL SECURITY

(Mr. **HERTEL** asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. **HERTEL**. Mr. Speaker, $40 billion of unspecified cuts in social security have been approved by the Republican majority in the Senate budget committee. These $40 billion in cuts by 1985 were warmly endorsed by President Reagan. While claiming this enormous reduction would not cut anyone's social security benefits, these assertions are as appalling as they are preposterous; $40 billion is more than twice the annual estimated Federal funds appropriated for the social security administration; $40 billion represents 24 percent of the total trust funds of social security which have been contributed by individuals. This new proposal dramatically confirms the deeply ingrained intention of the Reagan administration to cutback the social security system. Last year, I was shocked and appalled by the callousness of the Reagan administration's social security cuts. In the May 27, 1981, Detroit News I read that the Reagan administration was only worried about the timing and not the substance of their social security cutbacks. Those cuts were aimed at the very people who have made this country great. The men and women who fought two World Wars at home and abroad, who lived through the worst depression in our Nation's history, and who have suffered the most incredible inflation. I think it is an outrage that these people who made this Nation great by their hard work and sacrifices, and most importantly, their ability to instill values that have nurtured succeeding generations, should be victimized by the administration's callous proposal.

Last year, the administration moved to cut the cost-of-living allowances for all social security recipients. They proposed cutting payments to those who retire at the age of 62 by 25 percent. Those people who would have been cut are the ones who have paid into the system the longest; from the days of their very first jobs, with every paycheck spanning as long as 45 years. I was elected to protect the benefits that these people were promised by the Federal Government; the benefits that they earned and paid for through the social security fund over many years. It is important that we work to protect and adequately fund the social security system. There are many sensible ways to do this, but the Reagan administration has only proposed that we protect the system by cheating the very people who have paid into it, with their own money, the longest. This cannot and shall not be allowed. It is monstrous that this administration which created the largest deficit in history by tax breaks for the richest oil corporations would try to reduce social security beneficiaries.

NEED FOR TOUGHER CRIMINAL LAWS

(Mr. **SKELTON** asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. **SKELTON**. Mr. Speaker, when a convicted murderer such as Sirhan Sirhan can even be considered for parole, it is no wonder that the American people have little faith in the criminal justice system. I certainly oppose such a parole.

Here it is only 14 years after Sirhan gunned down Senator Robert F. Kennedy in a Los Angeles hotel in front of literally hundreds of witnesses. There has never been any question of his guilt, and never any question that his act was calculated, premeditated, and coldblooded. The death of Senator Kennedy was a tragedy for his family and for our Nation—millions of Americans loved and respected this dynamic political leader. He was struck down on the eve of one of his greatest political triumphs, at a time in our Nation's history when his leadership could have helped bring our Nation together.

The Sirhan situation clearly shows the need for tougher criminal laws and tougher sentencing of convicted criminals. The most lenient sentence Sirhan should have been able to receive was to be locked up for life with no possibility of release.

On the Federal level, we need legislation establishing constitutional procedures for the imposition of the death penalty, and legislation providing for mandatory sentencing of violent criminals. I have introduced such legislation, and I urge the Judiciary

Committee to begin hearings on these measures.

NATIONAL LAW ENFORCEMENT HEROES MEMORIAL

(Mr. **BIAGGI** asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. **BIAGGI**. Mr. Speaker, this Saturday, May 15, is Police Memorial Day. In honor of this special occasion, I am introducing legislation today that would authorize a national monument to all those police officers who are killed in the line of duty.

This National Law Enforcement Heroes Memorial would be built on Federal grounds near FBI headquarters here in Washington. No Federal dollars would be required. The memorial would be funded solely by private contributions. An advisory panel, composed primarily of active or retired police officers, would develop recommendations on the design and precise location. The Secretary of the Interior would be in charge of constructing the memorial.

As a 23-year veteran of the New York City Police Department, I firmly believe that such a memorial is long overdue. Nearly 1,200 police officers were killed in the line of duty during the prior decade. While this memorial would serve as a special tribute to this supreme sacrifice, it would also serve as a constant reminder of the need to better protect those who continue to protect us.

☐ 1130

HOUSE REPEALS BALANCED BUDGET LAW

(Mr. **WALKER** asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. **WALKER**. Mr. Speaker, last evening a significant action took place in this House, an action that went almost unnoticed, but an amendment was added to the urgent supplemental appropriations bill to repeal the law requiring a balanced budget. That means that the urgent supplemental appropriations bill now is not just neutral on the idea of a balanced budget; it has become hostile to the idea of a balanced budget. It would abandon totally our commitment to a balanced budget in this country.

That is clearly unacceptable. What must be done now is to seek a withdrawal of that amendment in the Senate. We hope those efforts will be successful, but I want to make it clear that the bill that left this House is antibalanced budget. It flies in the face of the wishes of the vast majority of the American people and of some 34 States who have petitioned the Federal Government to balance its budget.

Balanced budgets do not just happen. They cannot be just so many words. Actions speak much louder than words. Not only did this House yesterday vote against putting teeth into the balanced budget law, we actually passed a bill that repeals that law. The action of this House yesterday was clearly, very clearly, totally irresponsible.

PRESIDENT REAGAN APPLAUDED ON NUCLEAR ARMS PROPOSALS

(Mr. **TAUKE** asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. **TAUKE**. Mr. Speaker, as one of the original cosponsors of the nuclear freeze resolution (House Joint Resolution 434) I applaud President Reagan's plan for the reduction of nuclear arms.

Speaking at Eureka College, last Sunday, the President proposed that the United States and the Soviet Union each reduce their arsenals of nuclear missiles by one-third. No more than half of the remaining missiles could be based on land. This latter point is particularly important, since large, land-based missiles contribute the most to nuclear instability; they are the likeliest first-strike weapons, and the weapons most vulnerable to a first strike.

This first phase of arms reduction would be followed by a second in which, to use the President's words, the United States will—

> Seek to achieve an equal ceiling on other elements of our strategic nuclear forces including limits on the ballistic missile throwweight at less than current American levels.

If both phases of the President's proposal were implemented, the United States and the Soviet Union would be left in clearly defensive positions, and the threat of a first strike by either power would shrink dramatically.

This is the sort of creative thinking about arms control that all Americans should support and applaud. Many of us had feared that in the necessary push to modernize our strategic forces, arms control had been pushed aside and almost forgotten. We had become concerned that unintentionally, a climate might be created in which the use of nuclear weapons could become much more likely. This concern gave birth to the nuclear freeze movement, Ground Zero, and other organizations.

President Reagan has now responded to this concern with a proposal that strikes me as both realistic and hopeful, and he deserves our encouragement and support.

PUT SOCIAL SECURITY OFF-BUDGET

(Mr. **WEBER** of Ohio asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. **WEBER** of Ohio. Mr. Speaker, I want to preserve social security and I want this Congress to adopt a budget. That is why I favor bipartisan efforts to take social security out of the unified budget and make it once again an off-budget trust account as it was for its first 30 years.

With social security going broke in 1983, we have to deal with that problem, but we do not have to decide how to handle that problem in this budget.

In my opinion, there was insufficient reason in 1968 for putting social security into the budget. Social security was running a surplus and it was put in as window dressing to make the budget look good for political purposes.

Today, social security has become an unnecessary obstacle to the budget process. This proposal is an attempt to separate the two questions—the budget and social security—because this would be a better process for solving both problems which do not have to be solved at the same time.

We need a budget now, but we can afford to wait on the social security question for the guidance of the bipartisan commission which will report next fall. I do not suggest that we sweep the social security problem under the rug, but create a process where its separate problems can be addressed separately.

EARLY PASSAGE OF EXPORT TRADING COMPANY LEGISLATION URGED

(Mr. **MORRISON** asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. **MORRISON**. Mr. Speaker, there is much talk these days of bipartisan initiatives and proposals to assist our economy and increase employment. To label some of these measures as bipartisan, to this observer, amounts more to wishful thinking than reality. Yet, the thought is a correct one. We really must find legislation on which a consensus can be formed that will help lead our economy back to a position of strength and vitality.

In that regard, there is a bill currently being considered in Committee that is remarkable for its truly bipartisan credentials. The legislation has over 120 cosponsors in the House, almost evenly divided between the two parties. A version of the measure passed the other body by a unanimous vote. Both President Reagan and his predecessor have strongly endorsed it. The National Governors' Association twice has unanimously adopted resolutions urging its passage. A broad cross section of the business community enthusiastically endorses it.

The Export Trading Company legislation which will hopefully soon come to the floor for our consideration is a remarkable trade bill. Passage of the legislation would create over 300,000 new American jobs by encouraging small and midsized companies to begin to export their goods and services. By combining the products, skills, and resources of several U.S. companies to enhance their export capabilities, and by providing "one stop" export ge services such as market research, financing, documentation, transportation, and after-sales services, export trading companies will help mobilize our significant untapped export resources. By expanding the market for U.S. products, and by making those products more competitive in the world market, export trading company legislation will, without additional Federal expenditures, give our private sector the tools to do the job we all know it can do.

I urge my colleagues on both sides of the aisle to give this important legislation their strong support.

CONGRESS MUST NOT REVERT TO POLICIES WHICH CREATED ECONOMIC DISASTER

(Mr. HUNTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HUNTER. Mr. Speaker, I am constantly amazed at how certain of my colleagues can so completely ignore the wishes of the American people as expressed through the 1980 elections. In a Pavlovian response they immediately react to the word "budget" with proposals of higher taxes, reduced defense outlays, and ever-increasing Government social spending. Mr. Speaker, Congressman JONES' budget proposal seeks to permanently bury the American taxpayer in the failed policies of the past.

If enacted, this formula for economic stagnation would place $150 billion in new taxes on the backs of America's wage earners while stripping $46 billion from our efforts to restore America's defense capabilities.

Mr. Speaker, we have come a long way in restoring the economic health of this Nation. We have made great strides in our efforts to control inflation, and the economic indicators point toward recovery. This is not the time to revert to a set of policies which created the economic disaster from which we are trying to extricate ourselves.

BUDGET COMMITTEE PROPOSES TO RAISE INCOME TAXES

(Mr. MARTIN of North Carolina asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MARTIN of North Carolina. Mr. Speaker, late—very late—last night the House Budget Committee came to what will be adopted today by that Budget Committee. It is an agreement that basically will raise taxes significantly over the next 3 years. I think we have got to put this in perspective, Mr. Speaker.

After years of automatic tax increases, with taxes rising much faster than inflation, this fiscal year will take $623 billion in taxes, which is an increase over last year—it is not a decrease; it is an increase. There has been a lot said that the tax cut we passed last year was too big, the largest tax cut in history. Yet, in fact, with that tax cut, annual revenues will not decrease. They will not go down over the next 3 years. They will rise by $157 billion over the next 3 years.

This year, revenues will be $623 billion. By 1985 they are forecast by the Congressional Budget Office to go up to $780 billion under current law. That is a 25-percent increase over this year, and is a faster rate of increase than inflation. What the House Budget Committee Democrats are proposing is to raise taxes even faster, to raise taxes by 36 percent to $846 billion, by 1985. Mr. Speaker, that partisan proposal will cause taxes to rise at a rate two-thirds faster than inflation.

Mr. Speaker, I am including a longer statement on this subject in the section on Extensions of Remarks.

☐ 1140

JOHN MAYNARD KEYNES AND THE LAFFER CURVE

(Mr. LUNGREN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LUNGREN. Mr. Speaker, many of my colleagues especially those majority members of the Budget Committee would be surprised to learn that John Maynard Keynes subscribed to the Laffer curve theory, that at higher and higher tax rates, less work, investment, and Government revenues result.

In 1933 it was Keynes himself who wrote:

> Nor should the argument seem strange that taxation may be so high as to defeat its object, and that . . . a reduction of taxation will run a better chance, than an increase, of balancing the Budget.

This is exactly what the marginal tax reductions of President Reagan's economic program are all about: working toward a balanced budget through greater economic productivity, not through increased tax rates and a weaker economy.

But the majority of the Budget Committee would prefer, instead, to substantially increase taxes in order to work toward a balanced budget. These are old and tried policies that have clearly failed us.

Listen to what Keynes had to say about increasing taxes to achieve this aim.

> (This resembles) a manufacturer who, running at a loss, decides to raise his price, and when his declining sales increase the loss . . . decides that prudence requires him to raise the price still more.

So Keynes would agree, Mr. Speaker, that in our present budget debate, raising taxes certainly does not make good business or economic sense.

COMMONSENSE NEEDED TO SOLVE BUDGET PROBLEMS

(Mr. PARRIS asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. PARRIS. Mr. Speaker, it is time for this Congress to talk commonsense on the matter of a Federal budget for fiscal year 1983 and thereafter.

We are in a vicious cycle. So long as the deficits stay high, the interest rates stay high; so long as the interest rates stay high, unemployment stays high, bankruptcies soar, and the economy remains in recession.

The key to recovery lies in reducing these fantastic and unacceptable rates of interest, and the key to reducing those rates of interest lies in doing something positive about reducing the deficits. This is the starting point, and I simply do not understand why we should find ourselves in a situation that is so difficult to resolve.

Mr. Speaker, it ought to be possible for men of good will to find acceptable common ground for solution of our economic problems. It is time for us to get on with the business of governing this Nation in a responsible way at an early time and end this political and economic paralysis that grips us now.

SEPARATING SOCIAL SECURITY FROM BUDGET CONSIDERATIONS

(Mr. McCOLLUM asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. McCOLLUM. Mr. Speaker, I wish to take this opportunity to commend my good friend and colleague, our Republican leader, the gentleman from Illinois (Mr. MICHEL), for his statements yesterday and his proposal yesterday to bring the Republican leadership foursquare in favor of the proposal that I have been advocating for a long time to remove the social security trust fund completely from the budget and separate it out where it should be in an entirely separately considered matter.

There is no reason for us to see the politicizing of social security that has

been going on on the floor of this House and in the committees and in the newspapers that scares the daylights out of many of our retired senior citizens totally without any reason or necessity.

We have a social security trust fund that needs revision, that needs study, and that needs care. We have a commission currently studying that problem which will report back at the end of the year, and we as Members of the House know good and well that when this is all said and done, we are going to make sure the social security system is sound and the trust funds are there, and that those who are about to retire will receive the benefits they have earned.

Mr. Speaker, there is no reason to see my colleagues on the other side of the aisle in the Democratic Party making spurious partisan political attacks, concerning social security and the budget and I commend the gentleman from Illinois (Mr. MICHEL) for his efforts to take social security out of the budget and place it off budget where it belongs inasmuch as it is separately funded out of social security taxes instead of general revenues and never belonged in the budget in the first place.

THE BALANCED BUDGET SECTION DELETED

(Mr. FOWLER asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. FOWLER. Mr. Speaker, I offer the following message as a public service announcement.

We were just treated in the well of the body to some crocodile tears shed by the gentleman from Pennsylvania (Mr. WALKER) over a Republican amendment that was offered yesterday which deleted the only section in the body of U.S. law that would have required a balanced budget. That amendment was offered by the Republicans, it was supported and passed.

Mr. Speaker, I could only say that those of us who try to practice what we preach when we try to bring down these glaring deficits, now approaching $200 billion as a result of the policies of this administration, should point out that it was a Republican amendment that has made our task more difficult.

The SPEAKER pro tempore (Mr. SEIBERLING). The time of the gentleman from Georgia (Mr. FOWLER) has expired.

TAX BREAKS FOR THE RICH

(Mr. ALEXANDER asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. ALEXANDER. Mr. Speaker, yesterday's Washington Post reported that the Attorney General, William French Smith, late last year personally invested $16,500 in an oil and gas tax shelter that gave him four times that amount in tax deductions.

I have no quarrel with the Attorney General. He has made financial sacrifices to enter public service. Dun & Bradstreet's Business Monthly currently reports that the Attorney General placed over $1 million in a blind trust in order to be a member of the President's Cabinet.

It is entirely proper for citizens to take full advantage of tax breaks allowed by law, and it is no crime to be rich.

The villain is the Tax Code. There is something wrong with a tax system which lets wealthy investors "launder" taxable income through a tax shelter to turn it into capital gains, taxed at a rate much lower than that paid by middle-income taxpayers whose income does not permit them those opportunities.

Once again, Mr. Speaker, we see the inequity of a Tax Code that favors the rich—a bias that the Reagan administration has sought to strengthen rather than to reform.

PROVIDING FOR CONSIDERATION OF H.R. 5890, NATIONAL AERONAUTICS AND SPACE ADMINISTRATION AUTHORIZATION, 1983

Mr. HALL of Ohio. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 460 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 460

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5890) to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Science and Technology, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendment thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER pro tempore. The gentleman from Ohio (Mr. HALL) is recognized for 1 hour.

Mr. HALL of Ohio. Mr. Speaker, I yield the customary 30 minutes to the gentleman from Tennessee (Mr. QUILLEN), for purposes of debate only, pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 460 is a simple open rule providing for the consideration of H.R. 5890 which authorizes appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities and research and program management and for other purposes. The rule provides for 1 hour of general debate to be equally divided and controlled by the chairman and ranking minority member of the Committee on Science and Technology. The rule also provides for one motion to recommit.

H.R. 5890 authorizes $6.6 billion for NASA's activities during fiscal year 1983. The largest single item in the authorization is $1.7 billion for the continued activities of the Space Shuttle program. Also included in the bill is an authorization of $15 million requested by the administration for the Department of Commerce to assume management and operation of a civil land remote sensing space satellite system.

Mr. Speaker, I know of no controversy on this rule and I urge my colleagues to adopt it.

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may use.

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The able gentleman from Ohio has described the provisions of the rule, and to some extent also the provisions of the bill.

There is no controversy on the rule. It is a 1-hour open rule. Mr. Speaker, the bill makes authorizations for NASA for 1983.

I urge adoption of the rule. I urge the passage of the bill when it is presented to the Members on the floor.

I have no requests for time and I yield back the balance of my time.

Mr. HALL of Ohio. Mr. Speaker, I have no further requests for time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PERMISSION FOR COMMITTEE ON SCIENCE AND TECHNOLOGY TO HAVE UNTIL MIDNIGHT, TUESDAY, MAY 18, 1982, TO FILE REPORTS ON H.R. 6324, NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION AUTHORIZATION, AND H.R. 6323, ENVIRONMENTAL PROTECTION AGENCY AUTHORIZATION

Mr. FUQUA. Mr. Speaker, I ask unanimous consent that the Committee on Science and Technology may have until midnight on Tuesday, May

18, 1982, to file its legislative reports on H.R. 6324, the National Oceanic and Atmospheric Administration fiscal year 1983 authorization, and H.R. 6323, the Environmental Protection Agency fiscal year 1983 authorization, and that such filing be deemed to be in compliance with section 402(a) of the Congressional Budget Act of 1974 with respect to fiscal year 1983 authorizations.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION AUTHORIZATION, 1983

Mr. FUQUA. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5890) to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida (Mr. Fuqua).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 5890, with Mr. Anthony in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from Florida (Mr. Fuqua) will be recognized for 30 minutes, and the gentleman from Kansas (Mr. Winn) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Florida (Mr. Fuqua).

Mr. FUQUA. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of H.R. 5890, which would authorize fiscal year 1983 funds for the National Aeronautics and Space Administration Act and for NOAA Landsat activities.

I want to congratulate Mr. Flippo, chairman of the Subcommittee on Space Science and Applications and Mr. Glickman, chairman of the Subcommittee on Transportation, Aviation and Materials for their leadership in bringing this legislation to the floor. They have done an outstanding job in perfecting this legislation. I also want to acknowledge the efforts of Mr. Winn, Mr. Hollenbeck, and Mr. Goldwater on the other side of the aisle.

We have witnessed three near perfect flights of the Space Shuttle which have renewed our Nation's confidence in our own greatness and demonstrated to the world that we are again first in space. But we cannot rest on our laurels because the competition in international space activities is increasing at a rapid rate. Our space program plays a positive role in exerting world leadership in political, economic, as well as military arenas which we must exploit to advantage.

Mr. Chairman, the bill before us represents a very austere budget. The committee, I believe, has acted in a very responsible manner. The committee in considering this legislation has stayed within the President's request for space activities while adding $35.1 million to the administration's request for aeronautical activities.

In the aeronautics program, the committee is recommending an authorization of $267.1 million for fiscal year 1983 which is less than the amount appropriated for aeronautical research in fiscal year 1981. So no one can say we are not holding the line. Included in this category are a host of aeronautical research projects that will eventually return many times their initial investment. One need only look at the annual balance of payments to prove this. In 1980, for example, U.S. companies sold over $12 billion in civil aerospace products to foreign customers. This was the largest single, favorable contribution to our balance of payments. This success can be credited, in large part, to past Federal investments in aeronautical research. So, I think the lesson is clear. If we want to continue to enjoy the benefits of leadership in this area, we must continually develop better technology.

NASA's activities are designed to maintain U.S. leadership in aeronautical and space research and technology and its utilization. More specifically, the objectives of NASA activities are to:

Extend our knowledge of the Earth, its environment, the solar system, and the universe;

Expand the practical applications of space technology;

Develop, operate, and improve manned and unmanned space vehicles;

Improve the civil and military usefulness of aeronautical vehicles;

Disseminate pertinent findings to potential users; and

Promote international cooperation in peaceful activities in space.

The NASA fiscal year 1983 budget authorization of $6,647,300,000 provides for progress toward achievement of these objectives at a pace consistent with the constrained Federal fiscal environment. I am including in the Record a comparison of the NASA fiscal year 1981 and fiscal year 1982 operating plans, the NASA fiscal year 1983 budget request and the committee action on the fiscal year 1983 budget.

Space program elements in the budget provide for progress in development of the operational capability and use of the Space Shuttle and related systems; in technology development for application of space capabilities to remote sensing of the Earth's surface and atmospheric conditions, to materials processing, and to communications; in exploration of the solar system and expansion of our knowledge of the universe; and in advancing the technology necessary for U.S. leadership in space. Major areas of emphasis include:

Design, development, test, and evaluation of the Space Shuttle to be completed in fiscal year 1982. The manufacture of orbiter vehicles will continue on a schedule consistent with the requirements of the Department of Defense and civil users. The Space Shuttle is progressing toward the initial operational flight scheduled for early fiscal year 1983. Two successful orbital flight tests have been completed, and two additional orbital flight tests are scheduled during fiscal year 1982 leading to this operational capability. The Space Shuttle, the first reusable Earth-to-orbit transport vehicle, will be the key element in the space transportation system which will also include upper stages to provide high altitude orbit and planetary capability, and the Spacelab being developed by the European Space Agency to provide a new capability for conducting experiments in space. This space transportation system will provide the basic capability for a new era of operations in and utilization of space. The fiscal year 1983 program continues development of improved Shuttle performance and preparation for the initial demonstration of the capability of the Space Shuttle to rendezvous with and repair spacecraft in orbit.

Space science flight missions and research and analysis to expand human knowledge of the Earth's environment, the solar system, and the universe. Specifically, work will continue on the Galileo orbiter and probe mission to Jupiter as the next step after Voyager in exploration of the outer planets; on the Space Telescope to provide a quantum jump in our ability to observe the universe; on the Gamma Ray Observatory to study extremely high energy phenomena and on the refurbishment of the Solar Maximum Mission spacecraft and instruments to return this system to full operational status with the aid of the Shuttle.

Space applications flight missions and ground-based activities to develop the technology to use space capabilities in meeting needs on Earth. For example, Landsat-D will be launched in fiscal year 1982 and, in fiscal year 1983, work will continue in preparation for launch of the Landsat-D spacecraft to extend and improve Earth resources observations from space; on the Earth Radiation Budget satellite to measure the exchange of energy between the Earth and space; on the search and rescue locator system to be flown on weather satellites initially in 1982; and, on the upper atmospheric research satellite experiments to monitor the upper atmosphere. Preparation for materials processing experiments taking advantage of the space environment, and technology development in advanced satellite communications are also part of the applications program. The fiscal year 1983 budget reflects a deemphasis of Federal Government involvement in major space demonstration projects with greater reliance on industry to support development with commercial applications.

Space research and technology activities emphasizing the longer range aspects of technology which are crucial to future U.S. leadership in space.

Aeronautical research and technology activities in the budget are necessary to advance the aeronautical technology base for safer, more economical, efficient, and environmentally acceptable air transportation systems which are responsive to current and projected national needs; to maintain the long-term competitive position of the United States in the international aviation marketplace; and to support the military in maintaining the superiority of the Nation's military aircraft. The fiscal year 1983 program continues emphasis on the fundamental research and technology base in all disciplines and speed regimes vital to aeronautics. Specific technology efforts will continue directed toward major improvements in low-speed and high-speed aircraft, with priority accorded to advancing national security objectives.

Mr. Chairman, I want to further discuss the significance of the Space Shuttle program. There are many reasons why the Space Shuttle is an important and logical step in manned space flight and the U.S. space program:

First, the Shuttle is our only manned space activity.

Man has worked hard to achieve—and has indeed achieved—the freedom of mobility on land, the freedom of sailing on his oceans, and the freedom of flying in the atmosphere. And he has discovered that he can also have the freedom of space. Man has learned to fly in space, and man will continue to fly in space. Given this fact, the United States cannot forgo its responsibility—to itself and to the free world—to have a part in manned space flight. And the Space Shuttle is clearly the most meaningful and useful manned space program for the coming decade.

Second, the Space Shuttle is needed to make space operations less complex and less costly.

Today we have to mount an enormous effort every time we launch an expendable space vehicle. The reusable Space Shuttle gives us a way to avoid this. This airplane-like spacecraft makes a launch into orbit an almost routine event at a cost much less than the expendable launch vehicles. This is possible by not throwing everything away after we have used it just once—just as we do not throw away an airplane after its first trip from Washington to Los Angeles.

The Shuttle also allows for less cost to payload development. A satellite that will be launched in the Shuttle will no longer have the environmental, structural, weight, and other associated constraints as those launched on an ELV. If an anomaly should occur to the satellite, the Shuttle makes it possible to retrieve or repair, eliminating the need to throw away a costly satellite.

Fourth, the Shuttle will encourage far greater international participation in space flight.

Since the initiation of the development of the Shuttle program many European nations have been participating in a joint program to develop the Spacelab. The Spacelab program is a cooperative effort between NASA and the European Space Agency (ESA). ESA is designing and developing the flight hardware. The Spacelab will initiate a new era for space experimentation. Considerable international utilization of the Shuttle/Spacelab capability is now underway and future activity is being planned. In their long-range planning, other nations see the transition from the demonstration phase to the operational and commercial application aspects of space exploitation. Within this framework, the trend is toward greater flexibility, larger instruments, and instrument groupings, and longer mission durations. The capabilities of the Shuttle/Spacelab offer new opportunities in the exploration and use of space.

The globally televised launch and return of the first three flights of *Columbia* calls to mind the proven significance of the space program in the arena of international relations and understanding and, thus, in the preservation of world peace. Because of the magnitude and ambitious character of NASA's space program, the United States can look back on a long and fruitful history of collaboration with European and other nations. Future opportunities for international cooperation will greatly exceed past joint activities because of the Space Shuttle program.

The initiation of routine space transportation operations in late 1982 will mark the culmination of about 20 years of planning, designing, and development of a reliable, readily accessible, and economically superior method to operate in space, for the purpose of expanding Earth-bound man's control over his destiny as an inhabitant of the only known life-supporting body in the solar system.

The Space Shuttle and NASA's future planning toward human permanence in space is the main element of NASA's conformance to the Space Act of 1958. It is currently structured to support a space program that meets the objectives of the past administration's civil space policy. As we move into the 1980's and prepare to respond to new challenges that will face us, we should review these policies and plan for the future, particularly with a view toward technology-driver projects that will help to provide the United States with the leadership in technology and its applications that is mandated by the Space Act.

One of these new challenges that appears as an important issue when considering the international aspects of the Space Shuttle is the challenge of international competition in space.

After over coming the Soviet Union's initial lead in space in the early sixties, the United States has generally maintained overall leadership in exploiting the various advantages that space offers. More recently, however, the United States has begun to lag the U.S.S.R. in some areas, such as long-duration manned orbital flight with its opportunities for extensive experimental and empirical data in such areas as life sciences, materials processing, assembly and repair, manned observations, and command and control. Other countries are becoming increasingly competitive. In particular, the current vigor of Soviet manned space program activity indicates continued expansion of capabilities and an increase in military space operations. During 1980 and 1981 the U.S.S.R. launched nine manned flights including a 185-day space station mission, the longest in history and more than double the length of the longest U.S. mission to date—Skylab-3, 84 days.

Increasing competition to U.S. operations in space can also be expected from the European Economic Community which, through the European Space Agency (ESA), is developing its own space transportation system, the expendable Ariane, scheduled to become operational in 1982 after its third and fourth test flight, now planned for this year. Ariane, designed to compete with the U.S. Shuttle and already drawing customers from it, will be able to launch Atlas-class payloads to geosynchronous transfer orbit (1,700 kg) while follow-on versions in development or planning have capabilities beyond that—up to 2,420 kg. Even a fully reusable crew and supply transport vehicle, the Hermes, is being studied for a two-stage version of Ariane V. In Japan, orbital capability will be provided by the Japanese-developed "N" launch vehicle, also to compete with the United States in the provision of launch services to geosynchronous orbit.

On the other hand, the emerging user community for the Space Shuttle includes numerous foreign countries whose initial response to the Shuttle program's offer of launch services has been excellent. Among the dozens of spacecraft sponsors that have already reserved space for their pay loads are such international missions, as Insat, Arabsat, Telesat, Palapa, Spacelab, MEA/MAUS, and Solar Polar, with the result that the first 60 operational flights of the space transportation system are already almost completely booked.

International involvement has been an important feature of the Space Shuttle program since its inception. Nine member countries of ESA—Belgium, Denmark, France, Germany, Italy, the Netherlands, Spain, Switzerland, and the United Kingdom—entered into an agreement in September 1973 with the United States to undertake, as an ESA special project funded entirely in Europe, possibly in excess of $800 million, to design, develop, manufacture, and deliver to NASA a space laboratory, called Spacelab, for use with the Shuttle. Austria, an ESA observer, is also contributing to the Spacelab development. ESA delivered the first Spacelab flight unit earlier this year.

Also, the National Research Council of Canada (NRCC) undertook in June 1975 to design, develop, and manufacture a Space Shuttle attached remote manipulator system (RMS) at Canadian expense. The RMS will deploy payloads from the Shuttle cargo bay, retrieve them, and perform certain payload servicing operations in space, all under remote control from the orbiter flight deck.

In summary, while previous international undertakings in space have amply demonstrated that the lifestyles and general well-being of mankind can be enhanced by reaching out beyond the Earth's atmosphere to exploit the unique properties of space, the Space Shuttle is the first significant quantum leap with the potential to make those operations a routine international activity. With its introduction, the United States, thus, is offering the services of a new, unique and highly useful transportation system to the world, comparable in its significance to the railroad some 100 years ago and the DC-3 aircraft 46 years ago.

I urge the support of my colleagues for H.R. 5890.

TABLE I.—FISCAL YEAR 1983 NASA AUTHORIZATION COMMITTEE RECOMMENDATION'S

[In thousands of dollars]

Line item	Fiscal year 1981 operating plan	Fiscal year 1982 operating plan	Fiscal year 1983 NASA request	Committee action
1(a)(1) Space Shuttle	1,995,000	2,163,000	1,718,000	1,706,500
1(a)(2) Space flight operations	679,200	895,900	1,707,000	1,699,000
1(a)(3) Expendable launch vehicles	54,400	31,200	42,800	42,800
1(a)(4) Physics and astronomy	323,700	323,500	471,700	463,500
1(a)(5) Planetary exploration	175,600	205,000	154,600	177,600
1(a)(6) Life sciences	42,188	39,500	55,700	55,700
1(a)(7) Space applications	331,550	325,800	316,300	330,300
1(a)(8) Technology utilization	8,800	8,000	4,000	9,000
1(a)(9) Aero. research and technology	271,400	233,000	232,000	267,100
1(a)(10) Space research and technology	110,700	111,000	123,000	128,000
1(a)(11) Space tracking and data analysis	339,900	402,100	508,900	498,900
Subtotal—Research and development	4,334,338	4,738,000	5,334,000	5,378,400
Subtotal—Construction of facilities	116,950	98,700	100,000	100,000
Subtotal—Research and program management	1,071,064	1,103,300	1,178,900	1,168,990
Total	5,522,352	5,940,000	6,613,900	6,647,300

Mr. WINN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of H.R. 5890, the National Aeronautics and Space Administration Authorization Act.

At a later date I will offer an amendment to reduce the authorization for aeronautical research and technology from $267.1 million to $232 million requested by the President.

At this time, Mr. Chairman, I yield to the ranking Republican on the Space Science and Applications Subcommittee, the gentleman from New Jersey (Mr. HOLLENBECK), who would like to make some opening remarks at this time.

Mr. HOLLENBECK. Mr. Chairman, I rise in support of H.R. 5890, the National Aeronautics and Space Administration authorization for fiscal year 1983. This bill provides for a sound NASA program for the coming year and includes the administration request in title II of the bill to authorize appropriations for the NOAA Landsat activities.

At the outset I want to congratulate the gentleman from Alabama (Mr. FLIPPO) the chairman of our Space Science and Applications Subcommittee, for the fine work he has done in bringing this legislation to the floor. He and I have worked in harmony throughout the authorization process to bring the best possible consensus bill to the floor. I appreciate his cooperation in this effort, as well as that of the gentlemen from Kansas (Mr. WYNN) and Florida (Mr. FUQUA).

Mr. Chairman, let me speak for a few moments about some of the highlights of this legislation. We all know that throughout the seventies NASA and its budget came under increasing criticism from the public and toughening scrutiny from the Congress. The glamour of the Moon landings had long since faded, the spotlight of national attention dimmed. One year ago, last April, all of this changed. I doubt there was a single American who was not filled with pride and awe when the magnificent Space Shuttle *Columbia* first roared into the heavens. This was truly NASA's finest hour. Since that time, we have seen three near perfect flights of the national space transportation system and an increasing amount of public support for the space program. The Space Shuttle is the first reusable space vehicle. It will be used to carry many different types of payloads to and from low Earth orbit. It is without doubt the technological marvel of our time that will once again move the United States to its preeminent position in space that we once occupied during the Apollo program. The American public realizes now that not only is our new space program glamorous, but it also will give us a real return on our tax dollar investment.

I am pleased that there was bipartisan support for the space portion of the NASA authorization bill, which included an 11-percent increase over fiscal year 1982. While we did rearrange some funding within line items, the bottom line was that we kept the administration's request. The aeronautics portion of the bill reflects a $35.1 million increase over the NASA request. I personally supported this increase because of my commitment to civilian aeronautics research, and my feeling that the administration position shortchanges the future of American aeronautics.

Major aspects of the bill in space activities include a $23-million reduction to cancel the solar maximum retrieval mission; a $5-million increase for phase B studies of the controversial high energy upper stage issue; increases in data analysis from our series of solar system satellites that would have otherwise been "turned off" in 1983; funding provisions for the Hawaiian Infrared Telescope Facility; and reductions in the space tracking and data analysis, and research and program management areas.

Mr. Chairman, I emphasize that this bill reflects our continued commitment to a number of programs that would have otherwise been substantially reduced or eliminated, and an effort to preserve those which are vital to America's future.

I urge my colleagues to support H.R. 5890.

Thank you.

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Mr. FUQUA. Mr. Chairman, I yield 6 minutes to the distinguished chairman of the Subcommittee on Space Science and Applications, the gentleman from Alabama (Mr. FLIPPO).

Mr. FLIPPO. Mr. Chairman, I rise in strong support of H.R. 5890, the NASA authorization.

Mr. Chairman, in a brief summary of the items contained in the NASA budget for fiscal year 1983, I would like to report to you that it preserves the Space Shuttle production schedules leading to an operational fleet of four orbiters that support the civilian and military needs from launch sites on both coasts. It supports continued development of the Space Telescope. It provides funds to keep the schedule for the Galileo mission to Jupiter for a 1985 Shuttle launch on the IUS. It provides for continued support for flight missions such as the Voyagers I and II and the Pioneers 6 through 11 that have been launched and are now returning very valuable scientific data. It provides for continued development of Landsat-D for launch in 1982 and for Landsat-D prime for launch in 1985. It supports preparation for the early years of the Shuttle operations leading to the initial flight rate capability of 24 flights per year. it authorizes continuation of U.S. support to the International Solar Polar Mission with only the European spacecraft. It provides for the deletion of funds for the Venus orbiting imaging radar mission. It provides for launch and the initial operation of the tracking and data relay satellite system. It lowers the NASA civil service employment levels by 433 from the previously planned level of 21,632.

Mr. Chairman, I am aware of the hard choices which must be made where there are many worthwhile and important programs to support because in order to provide funds to restore support to the planetary university community, and to continue operations of eight Pioneer spacecraft, and to continue operation of the infrared telescope facility, we had to delete a NASA proposed Space Shuttle/solar maximum mission retrieval/repair demonstration activity.

Mr. Chairman, NASA is one of the few Federal agencies whose spending power has decreased over the last 15 years. The spending power in the NASA budget is less than one-third of what it was 15 years ago. While NASA spending represented more than 4 percent of the Federal budget outlays in 1966, it represents less than 1.7 percent of the Federal budget outlay for 1982.

Mr. Chairman, these trends do not recognize the positive contributions which the NASA programs make to national defense, to the Nation's economy, to the monitoring of our natural resources, to energy and mineral exploration, and to the expansion of scientific knowledge.

Mr. Chairman, this legislation is assessed to have no long-run adverse inflationary effect on prices and costs in the operation of the national economy.

The most significant economic effects of NASA spending are in the long-run productivity advances from new technologies developed for the space and aeronautics programs. They have contributed greatly to advances in communications, to improved aircraft, to the development of remote sensing satellites, and to other innovations which have both improved the productive capacity of our industry and they have stimulated the development and the growth of many new industries.

Mr. Chairman, in developing the bill before us today, I want to thank the gentleman from New Jersey (Mr. HOLLENBECK) for his efforts, and I want to recognize the dedicated efforts of the members of the Committee on Science and Technology and, in particular, my colleagues on the Subcommittee on Space Science and Applications. Each member of the subcommittee on both sides of the aisle has made significant contributions. As always, we have depended on the judgment of the gentleman from Florida (Mr. FUQUA), the chairman of the full committee, and the gentleman from Kansas (Mr. WINN) for their personal insights into the complex problems that have come before us.

Mr. Chairman, I think that it is important that we consider the economic impact of this budget in many respects. Whereas everyone knows unemployment is a major problem in our Nation today, significant structural changes are quietly taking place in the economy. The number of manufacturing jobs enjoyed by the people of the United States and the workers of the United States is decreasing significantly, while at the same time the growth industries are aeronautics, computers, electronics, and communications. Those growth areas are coming from the technology developed from the science investments made by the Members of Congress and the Federal Government in their Federal expenditures many years ago. They either developed those industries or they provided the focus for the development of those industries. And to the degree that our economy benefits from it today, it is a direct result of those expenditures in the past. To the extent that we do not pay attention to the necessary expenditures in this important area today, it is to that extent that we will penalize the economy of the future.

Mr. Chairman, in conclusion, I want to address NASA's advanced program plans and the need for long-range goals. This committee has continuously urged increased emphasis by NASA on advanced programs. I remain deeply concerned about the need for revitalization of this important area in order to maintain our technological leadership and our potential for providing mature, well understood definition of future systems.

I am talking specifically about the scope and the depth of our preparations for those future actions and concepts which NASA and DOD and perhaps our European allies will have to develop to meet major space needs over the next 10 to 15 years. At present, the scope and the depth are missing. I am concerned that the protected failure to augment our insufficiency in the area of advanced programs could place this Nation in a situation where the technology would not be ready for us to respond with deliberation, efficiency and effectiveness to the new needs that we will be facing. If we are willing to live with this position of impotency, then undoubtedly we will have to launch a high-priority crash program at some future time, with the attendant problems and costs associated with it. There is a continuing need to insure U.S. preeminence in space for many national reasons, and I fear that we are not going in that direction.

Mr. Chairman, let me now cover the provisions and legislative history of the bill in more detail:

The bill contains two titles—title I which authorizes appropriations for NASA and title II which authorizes appropriations for NOAA Landsat activities.

This bill was reported by the Committee on Science and Technology on April 28, 1982, by voice vote. The committee recommended changes to nine research and development budget line items, and reduced the research and program management line item. The committee also adopted an amendment to title II, the NOAA Landsat authorization, which would prohibit the use of funds authorized in title II to transfer land remote sensing system ownership or management to the private sector without approval of the authorizing committees of the House and Senate.

For the benefit of the committee, I will summarize the bill and the actions taken.

The NASA fiscal year 1983 budget request was $6,612,900,000. The actions recommended by the Committee on Science and Technology result in a budget authorization of $6,647,300,000 which is $34.4 million more than the request.

The differences between the committee action and the administration's request are summarized as follows:

A. Space Shuttle.—$5.0 million decrease for performance augmentation; $6.5 million decrease in Space Shuttle Production activities related to the Solar Maximum Mission repair demonstration.

B. Space Flight Operations.—$5.0 million increase for phase B studies of a high energy upper stage; $8.0 million decrease in Space Transportation Operations activities related to the Solar Maximum Mission repair demonstration; $5.0 million decrease in Development, Test and Mission Support.

C. Physics and Astronomy.—$1.0 million increase for High Energy Astronomical Observatory data analysis; $9.2 million decrease for activities related to the Solar Maximum Mission repair demonstration.

D. Planetary Exploration.—$12.0 million increase for Mission Operations and Data Analysis; $11.0 million increase for Research and Analysis.

E. Space Applications.—$4.0 million increase to continue Technology Transfer activities; $5.0 million increase in Materials Processing; $5.0 million increase for studies of a 30/20 gigahertz flight demonstration program.

F. Technology Utilization.—$5.0 million increase.

G. Aeronautical Research and Technology.—$35.1 million increase for systems technology activities.

H. Space Research and Technology.—$5.0 million increase in advanced space propulsion activities.

I. Space Tracking and Data Analysis.—$10.0 million decrease reflecting a further adjustment in the Tracking and Data Relay Satellite System payment schedule.

J. Research and Program Management.—$10.0 million decrease.

With regard to title II, the NOAA Landsat authorization, the committee adopted the administration request of $14,955,000 but also adopted an amendment to title II which would prohibit the use of funds authorized in title II to transfer land remote sensing ownership or management to the private sector without approval of the authorizing committees of the House and the Senate.

In considering the NASA fiscal year 1983 budget request and the NOAA fiscal year 1983 budget request for Landsat activities, the Subcommittee on Space Science and Applications held 14 days of hearings in February and March 1982 to review the status of NASA space and NOAA Landsat activities. Testimony was taken from representatives of NASA, the U.S. Air Force, the National Oceanic and Atmospheric Administration, and the industrial and scientific community. The aeronautics activities of NASA were considered separately by the Subcommittee on Transportation, Aviation and Materials, and will be discussed in detail by the gentleman from Kansas (Mr. GLICKMAN).

The NASA budget for fiscal year 1983 before you:

Preserves the Space Shuttle production schedules leading to an operational fleet of four orbiters supporting civil and military needs from launch sites on both coasts;

Supports continued development of the Space Telescope;

Schedules the Galileo mission to Jupiter for a 1985 Shuttle launch using the inertial upper stage;

Continues support for flight missions such as Voyager and Pioneer that have been launched and are returning valuable scientific data;

Provides for continued development of Landsat-D for launch in 1982 and Landsat-D for launch in 1985;

Supports preparation for the early years of Shuttle operations leading to an initial flight rate capability of 24 flights per year;

Authorizes continuation of U.S. support to the international solar polar mission with only the European spacecraft;

Deletion of funds for the Venus orbiting imaging radar mission;

Launch and initial operation of the tracking and data relay satellite system; and

Lowers NASA civil service employment levels by 433 from the previously planned level of 21,652.

As a Member of Congress, I am aware of the hard choices which must be made when there are many worthwhile and important programs to support. In order to provide funds to restore support to the planetary university community, to continue operation of eight Pioneer spacecraft, and to continue operation of the Infrared Telescope Facility, we had to delete a NASA-proposed Space Shuttle/solar maximum mission retrieval/repair demonstration activity.

NASA is one of the few Federal agencies whose spending power has decreased over 15 years. The spending power in the NASA budget is less than one-third of that 15 years ago. While NASA spending represented 4.4 percent of Federal budget outlays in fiscal year 1966, NASA spending represents less than 0.78 percent of Federal budget outlays in fiscal 1982. These NASA budget trends do not recognize the positive contributions which the NASA programs can make to national defense, the Nation's economy, monitoring of our natural resources, energy and mineral exploration, and the expansion of scientific knowledge.

Mr. Chairman, this legislation is assessed to have no adverse long-run inflationary effects on prices and costs in the operation of the national economy. NASA expenditures are labor intensive, with approximately 85 percent of spending directly for jobs and the remainder for materials. NASA employs about 22,000 civil servants and supports about 117,000 contractor employees. Assuming a multiplier effect of 2.5, the total, short-run employment effect on the U.S. economy is about 350,000 jobs. This represents less than one-half of 1 percent of the total civilian labor force in the United States—far too small to have a significant national effect, although there could be small industrial and regional employment and price changes influenced by NASA expenditures.

The most significant economic effects of NASA spending are the long-run productivity advances from new technologies developed for the space and aeronautics programs. Many direct advances in communications satellites, improved aircraft including more energy efficient aircraft, remote sensing satellites, and other innovations have both improved the productive capacity of industry and stimulated the development and growth of many new businesses. Indirectly, through the development and dissemination of advanced technologies to U.S. firms, the spinoffs from the space and aeronautics programs have been applied in virtually every sector of the economy.

Although it is difficult to assess the results of the various macroeconomic studies of the effects of NASA spending on GNP, it is clear from analyses done by the Midwest Research Institute, Chase Econometrics, Inc., and others, that NASA high-technology expenditures have returned more to the economy in substantial and long-lasting productivity gains than has been spent. Since these gains are through spinoff commercial advances, there are extra returns above and beyond the primary goal of NASA programs: the successful completion of the various R. & D. mission assignments. Therefore, any gains which show positive returns to GNP in the long run indicate a noninflationary, significant return to the citizens of the United States.

In developing the bill before us today, I want to thank the gentleman

from New Jersey (Mr. HOLLENBECK) for his efforts. I want to recognize the dedicated efforts of the members of the Committee on Science and Technology and in particular my colleagues on the Subcommittee on Space Science and Applications. Each member of the subcommittee on both sides of the aisle has made a significant contribution. As always, we can depend on the gentleman from Florida (Mr. FUQUA), the chairman of the full committee, and the gentleman from Kansas (Mr. WINN), the ranking minority member of the committee, for their knowledge and personal insight into these complex programs. Their diligent effort continues to be of immeasurable help in establishing a sound bill and strong NASA program.

Fiscal year 1983 marks the beginning of the Space Shuttle operational era with the fifth flight of the Shuttle, STS-5. A total of 28 operational flights are planned through fiscal year 1985 enabling NASA to maintain the U.S. position as a world leader in space transportation.

Space transportation is indeed an expanding business and, as with any business, when the market expands, so does the competition. The predominately French Arianespace Co. is actively marketing launch services with the ESA-developed Ariane rocket in direct competition with the United States. NASA is currently evaluating strategies to compete effectively with the Ariane within the arenas of both user pricing and added capabilities offered by the Shuttle.

The funds requested in the bill, together with reimbursements collected for launch services from customers, will provide for five operational Shuttle missions in fiscal year 1983 and also support the long-lead procurement of solid rocket boosters, external tanks, spare equipment, ground support equipment, and the manpower necessary to plan for and conduct operational missions in fiscal year 1984 and beyond.

Spacelab, a key element of the space transportation system, provides a versatile, general purpose laboratory which will conduct its initial mission in late 1983. Fiscal year 1983 funding requested by NASA for Spacelab will support procurement of the second flight unit and spare equipment from ESA. Successful implementation of these efforts is expected to aid NASA's continued promotion for the use of Spacelab by additional reimbursable users. NASA is currently scheduling Spacelab missions for the Germans and payloads for the French and Japanese.

Mr. Chairman, I now want to discuss the rationale for a number of important actions of the committee.

HIGH ENERGY UPPER STAGE

The additional funding in support of the system definition studies for a high-energy upper stage is crucial to the future orbital transportation needs of this Nation. The funding of this vital study area is consistent with the committee's desire to have NASA in the position of being the executive procurement agency.

To fully utilize the space transportation system's operational capability, it is imperative that we have the capability for transportation to geosynchronous orbit of payloads from 15,000 to 35,000 pounds depending upon future needs. Those future needs can be a mixture of operational capabilities in placing a payload to geosynchronous orbit in an expendable manner, placing a payload in geosynchronous orbit and recovering the orbital transfer vehicle for reuse again from an orbital base, and conducting payload round trips to geosynchronous orbit. Such an orbital transportation system should permit economical access high Earth orbits.

I believe it is the sense of the committee that this is the perfect timing for such a vital study effort which will influence this Nation's orbital transportation capabilties to the end of this century. Therefore, I strongly support the additional $5,000,000 for completion of competitive studies of an orbital transfer vehicle.

PLANETARY RESEARCH AND ANALYSIS

The programs carried out under this budget line item provide the framework and basis for the Nation's program of planetary exploration. Most of the research and analysis programs are carried out at universities through the country. It is in this area where the invaluable contribution of the academic community to planetary exploration is strongly felt. Activities under the program include the analysis and synthesis of data—including lunar rock samples—from past missions, the acquisition of new information from planetary astronomy and meteorite studies, a variety of supporting laboratory research efforts, and the planning of future planetary exploration.

The fiscal year 1983 budget request would support only a little more than half the effort undertaken 2 years earlier at a time when the planetary research and analysis activity was already so constrained that only a minimal effort could be mounted to study the newly returned Voyager data. As such, the budget request places in jeopardy the entire planetary exploration program. The restoration of $11,000,000 in this area will bring the program back to the level of fiscal year 1982 and will prevent the further erosion of this valuable technological resource. Specifically, the restoration will prevent the closing of the new Infrared Telescope Facility on Mauna Kea in Hawaii, and of the Lunar Curatorial Facility at the Johnson Space Center in Houston; will allow the continued analysis of data from the Voyager, Pioneer Venus, and Viking spacecraft; will reestablish a viable program of theoretical, observational, and laboratory studies which are required for understanding the origin and evolution of the solar system; and will support the continued planning of the future low-cost planetary exploration missions recommended by the Solar System Exploration Committee under Dr. Noel Hinners' chairmanship.

MATERIALS PROCESSING IN SPACE

The materials processing in the space program is establishing a research base on the role of gravitational influences in the processing of materials, particularly those of high-technological interest. There is a growing awareness, now, that phenomena such as convection, sedimentation, and bouyancy during fluid phase processing can limit the perfection and performance of an extremely wide range of materials and processes from semiconductor crystals to biological separation techniques. The key to obtaining this knowledge lies in sound research and in the ability to eliminate gravity for times long enough for measurement and experimentation.

The materials processing in the space program has a strong commitment to the former; and, the Shuttle now provides the unique and complementary opportunity for the latter. The benefits to both terrestrial as well as space processing can well be substantive—a view clearly shared by Russia, Europe, and Japan, who all now have active MPS programs as well. The NASA MPS program also assists in the commerichlization of space processing by establishing unique arrangements for industry/Government-risk sharing in proof-of-concept joint endeavors. These no-exchange-of-funds programs produce benefits, not only to American industry, but to the research based NASA MPS program as well.

During the last 5 years, NASA has supported a technology transfer program which has been critical in providing the opportunity to diverse user groups to test and evaluate new, emerging satellite remote sensing technology and adapt it for everyday use in solution of their natural resources management problems. The success of this program has been unquestioned; it has been applauded by numerous public and private user groups, and has served as prime model for foreign governments which are planning to enter the satellite remote sensing arena. Now, as we enter into a new era of satellite remote sensing with Landsat-D and emerging microwave sensors, it is more critical than ever, that we continue a technology transfer program. I put forth the following rationale to support my recommendation:

First, since we have spent approximately $1 billion on developing excellent Landsat hardware, it seems very shortsighted not to appropriate modest funding for the testing, evaluation, and transfer of the technology to people who need to use it.

Second, users will be faced with the integration of a new technology in the Landsat-D thematic mapper in the near future with improved geometric, radiometric, and spectral characteristics. The adaptation of this technology will require a critical bridging process for the user community. If this bridging is not completed, much of which has been previously accomplished can be lost.

Third, termination of technology transfer will result in serious damage to the users' perception of program credibility at a time when an adequate user base is critical to the success of the U.S. civil operational land remote sensing satellite system. In addition, foreign satellite remote sensing systems will soon be operational and will be supported by aggressive market development and technology transfer efforts.

Fourth, remote sensing is still in an early phase of development, although the benefits are potentially large, the user community as well as the private remote sensing industry is still small, and perceives a high risk which impedes significant investment in the near future without some Government bridging.

Finally, NASA is mandated by the space Act of 1958 as well as the Stevenson-Wydler Technology Act of 1980 to maintain technology transfer and dissemination activities, particularly aimed at State and local governments and private industries. It is crucial to the success of the U.S. civil operational land remote sensing satellite system that this mandate continue to be carried out.

COMMUNICATIONS

As our Nation embarks into what is now being called the information era, there will be increased demands on the Nation's communications systems, and in particular, our space communications satellite industry. Recent forecasts of the communications needs of the public, private sector, and Government, have indicated that a new generation of space communications systems employing advanced communications technology will be required in the 1990's.

Unless new technology is made available, the growth of this major new industry will be arrested. The cost of services to the public will increase, new business and jobs will not be created, the productivity of the whole Nation will suffer, and very importantly, the United States will lose the lead to Japan and Europe in one of the few high-technology areas that we still dominate.

The economic security of the Nation depends on our support of advanced high-risk technology development programs such as NASA's communication program. Previous sessions of Congress recognized this requirement to insure the continued preeminence of U.S. industry and asked NASA to increase its efforts in developing the advanced technology. Starting in 1979, NASA has been developing the advanced technology required to permit a more efficient use of the orbit and radio spectrum resources and thereby enable the large increases in capacity required.

NASA is to be commended on their rapid and effective response to our national needs and for their role as a catalyst in bringing focus to the technology development in this country. As they have done in the past with the Syncom, ATS, and CTS experimental satellites, NASA must now advance their activities to include the flight testing of the advanced technology essential to our continued preeminence in this very important field NASA should proceed now to effectively keep pace with competition from abroad in advanced satellite systems. A balanced program of basic research and development including feasibility flight testing is essential to the accomplishment of these goals. As a consequence NASA should proceed in fiscal year 1983 with the continuation of the proof-of-concept technology development and test program including the system definition studies required to initiate the proof of feasibility flight test phase of their program.

ADVANCED SPACE PROPULSION

To maintain the U.S. leadership in the development and effective utilization of liquid rocket propulsion systems, it is necessary to maintain the research and technology program being conducted by NASA.

The program involved research and technology for advanced Earth-to-orbit propulsion, orbital transfer propulsion, and onboard auxiliary propulsion systems.

The objective of the NASA program is to develop technology for continued improvements in performance, flexibility, and reusability of liquid rocket propulsion systems for future space transportation vehicles. The program involves technology for reusable propulsion systems for lower cost operations: High performance, variable thrust for more versatile orbital transfer operations; high reliability, efficient, and long-life position control and station-keeping propulsion for large space systems.

Specifically, work on advance high-pressure oxygen-hydrogen propulsion emphasizes technology advancement that will allow the future upgrading of life and performance of large, high-performance engines. This technology effort builds upon the knowledge established to date by the Space Shuttle main engine. Advances are applicable to the current engine as well as future higher performance configurations.

In orbit transfer vehicle propulsion. the program focuses on technology to enable a versatile, longlife, and reusable propulsion system capable of satisfying requirements for manned geosynchronous missions in the mid-to-late 1990's. In addition to reusability, this effort is focusing on facilitating maintenance and repair of a space-based vehicle, and on providing low-thrust operational capability for missions involving the orbital transfer of large flexible structures.

Research and development of onboard auxiliary propulsion systems for large space platforms or stations is focusing on new propellant combinations to reduce resupply costs while providing long service life.

In addition to putting the Nation in a position to embark on aggressive space initiatives, the strengthening of NASA space propulsion research and technology base through this program will contribute a partial means of offsetting a decline in the industrial base in the chemical propulsion field.

Mr. Chairman, in conclusion I want to address NASA's advanced program plans and the need for long-range goals. This committee has continually urged increased emphasis by NASA on advanced program planning. I remain deeply concerned about the need for revitalization of this budget area to insure our technological leadership and our potential for providing mature, well understood definition of future systems.

I am talking specifically about the scope and depth of our preparations for those future actions and concepts which NASA, the DOD, and perhaps our European allies will have to develop to meet major space needs over the next 10 to 15 years. At present, this scope and depth are missing. I am concerned that protracted failure to augment our insufficiency in the area of advanced programs could place this Nation in a situation where technology would not be ready for us to respond to the new needs with deliberation, efficiency, and effectiveness. Unless we are willing to live with this position of impotence, the only other choice would then have to be to launch a high-priority crash program at some future time, with its attendant disadvantages of cost, risk, social disruption, and so forth.

What are some of these emerging needs?

First, there is the continuing need to insure U.S. preeminence in space for reasons of national morale, political prestige, advancement of U.S. science and technology and educational motivation and stimulation. The development of new space systems goals and advanced programs beyond the basic Space Shuttle is a necessary consequence of this need for continued vitality in space, particularly in the light of a—to all appearances healthy and dynamic—Soviet space station program.

Second, studies have indicated that users of space transportation will need—in the early 1980's—more onorbit time and more onboard power than the Shuttle can provide. This applies particularly to such areas as space processing, space technology, and life sciences, as well as free-flyer capability. As a consequence, economies of scale will force a growing number of individual satellite functions to aggregate on common space platforms, with payload size and mass tending to increase during the next two decades. This requires increased emphasis on the construction of large structures in orbit, powered by new orbital power augmentation systems. It also puts a premium on the ability to service these systems adequately in orbit. The committee is keenly aware that the capability for continuous manned orbital operations is not yet at hand in this country, and neither are the vehicles and techniques for space construction, operation, and servicing in either low Earth or geostationary orbit. This need calls for an extension of the Shuttle capabilities, for the development of permanent manned facilities in orbit, and for a manned geosynchronous mission capability.

In the context of the clear needs which are presently forseen, proper planning for the future will result in a balanced civilian space program which will make major contributions to our economy and national prestige.

Mr. Chairman, that concludes my statement, I urge passage of the bill as amended by the Committee on Science and Technology.

Mr. FUQUA. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Tennessee (Mrs. Bouquard).

□ 1210

Mrs. BOUQUARD. Mr. Chairman, this is the first major research and development bill that is beng considered in this 97th session of Congress. I want to congratulate the gentleman from Alabama and the gentleman from Kansas on the modifications they agreed on through the administration's request. I also want to commend the chairman of the full committee, Mr. Fuqua, the gentleman from Florida, for his leadership in devising a compromise bill which strengthens NASA programs where the administration request was weak. In this budget climate, this bill is clear testimony that strong congressional support remains for research and development programs. The enhancements made by the committee are very modest in terms of total authorization requests, but they are high leverage add-ons and set-asides. I hope that the Budget Committee will reinforce this congressional concern for R. & D. by providing a sufficiently high cap to avoid any problems with NASA's appropriations funding for fiscal year 1983. This bill funds aeronautics and space technology at strong levels, and at the same time recovers the NASA role in civilian aeronautics which the Reagan administration has unfortunately chosen to reduce significantly. The energy role in NASA, although involving several hundred people, is very important. I am particularly concerned about it in the sense that the NASA-Lewis Research Center, in particular, has had a strong management and technical role for DOE R. & D. The committee report for this bill, I would remind my colleagues, has language that indicates the sense of the committee and I hope the House in sustaining the NASA role in terms of the number of slots that should be protected for this key energy activity.

The major reimbursable programs that NASA is conducting for DOE and other agencies include: Photovoltaic conversion; wind turbo generators; solar heating and cooling; advanced automotive propulsion; electric and hybrid vehicles; industrial gas turbines; fuel cell systems; and solar power satellites.

I am very pleased that the committee insisted that NASA maintain a strong role in energy R. & D. because it appears that their programs will go forward at fiscal year 1982 levels. The Honorable Ron Mottl of Ohio, who is very familiar with the work NASA is doing at the Lewis Research Center in support of energy research, made an impassioned plea before our committee to restore this cut to NASA. I support and applaud his efforts and I intend to do all I can to protect and sustain NASA's role in this vital area.

I would like to take a moment to commend our chairman of the Subcommittee on Space Science and Applications, the Honorable Ronnie G. Flippo, from Alabama for his outstanding work in structuring this bill. I have the pleasure to serve on this subcommittee and I can attest to the many hours that Mr. Flippo has expended in the spirit of compromise to bring forth this package. I would say to this body that no one knows this bill better than our chairman of the subcommittee and I truly feel that the Congress is well served in carrying out its legislative responsibilities.

Mr. Chairman, I would be remiss if I did not mention the chairman of the full committee, the Honorable Don Fuqua of Florida, who demonstrated a great deal of patience and understanding in order to achieve the end result which is a bill that not only the Committee on Science and Technology can be proud of but beyond that—the entire Congress.

Mr. Chairman, I urge my colleagues to support this bill as an investment in our national technological future. I am proud to be a member of the subcommittee, and I am particularly pleased to be able to endorse the bill and the report language which are indicative of our committee's strong feelings about the great NASA program. We see obvious triumphs, like the Shuttle missions which have been accomplished, and as remarkable as these are, I would remind my colleagues that NASA is carrying out successful technology and managing important R. & D. work every day in space, aeronautics, and energy, and that this bill gives them the tools to do this important work.

Thank you, Mr. Chairman.

Mr. WINN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I appreciate the work that the committee has done in bringing this legislation to the floor. However I must admit that I do oppose the bill as currently reported. Not because I oppose the objectives of NASA but because I object to the inability of the committee to come to grips with the difficult policy decisions while staying within the Reagan budget. A budget that has already been increased by 11 percent above the fiscal year 1982 level. In light of the fact that many other agencies face major reductions, I believe that this is an extremely healthy growth for NASA.

The legislation before us today proposes that we add another $35 million to this already substantial budget. I do not deny the fact that these additions to the aeronautics program are laudable, but someone must ask the question whether we can afford such additions. Under any other circumstances I would probably support such additions, but at this point I believe I have an obligation to oppose any further increases to an already burgeoning Federal deficit.

The real problem we face with this legislation is the fact that we are not coming to grips with the policy decision of how to distribute the limited resources between the space and aeronautics activities while retaining the overall budget level as proposed by the administration. Instead of addressing that issue, this legislation merely authorizes further increases in the Federal deficit we can have the luxury of avoiding those difficult decisions. I for one accept the basic distribution that the administration makes between space and aeronautics. I think it is correct to place so much emphasis on the space activities such as the Space Shuttle. Admittedly, there is a $1 million reduction in the aeronautics program from fiscal year 1982 but associated with the reduction is a major policy shift that will emphasize the basic aeronautical research activities. This restructuring, I believe, is more than adequate to retain and strengthen the health and vitality of the aeronautics industry.

The administration has already expressed its strong commitment to the NASA programs by submitting a budget that is approximately 11 percent above the fiscal year 1982 level. I applaud and support that increase. But I cannot and will not support this business-as-usual attitude of continually adding money to these budgets. Mr. Chairman, if we cannot exercise the fiscal discipline to avoid adding to a budget that has already been increased by 11 percent, then when will we?

I would like to reiterate the importance of this action we are considering in this bill. This is the first authorization to be considered in fiscal year 1983. We have the opportunity to set the proper tone for our bipartisan efforts toward achieving a balanced budget. Should the proposed bill pass, we will have ignored the pressing reality of the times. I call on each of you to demonstrate your fiscal responsibility and vote against the proposed bill. At the appropriate time I will offer an amendment to reduce the budget to the Reagan budget level. I would hope that my colleagues would support that amendment and oppose this unwarranted budget increase.

Mr. FUQUA. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Kansas (Mr. GLICKMAN), who is chairman of the Subcommittee on Transportation, Aviation, and Materials.

Mr. GLICKMAN. Mr. Chairman, first of all, I want to compliment both my colleague from Florida and my colleague from Alabama for their extraordinary work on the bill as well as my colleague from Kansas (Mr. WINN), and particularly, the gentleman from Michigan (Mr. DUNN), who has acted in a very aggressive role on the subcommittee.

We have worked long and hard in authorizing money for aeronautics research in America. We passed a measure out of committee which is $267 million, which is approximately $4 million less than what was authorized by the Congress last year.

So let us set the record straight. In aeronautics programs this bill is less than what was authorized last year and we believe that the aeronautics work of NASA at their centers, Lewis in Cleveland and Langley in Norfolk and the Ames Center and Moffett Field in San Francisco, the Jet Propulsion Laboratory, and everywhere else has provided the foundation for America's traditionally strongest industry, building airplanes, and I would venture to say to those who watched last night the demise of Braniff Airlines have begun to realize that maybe perhaps the building of airplanes in America is being jeopardized by a lot of factors.

In 1981 export sales of aerospace products, the bulk of which are civil aircraft, were $17 billion. Imports were about $4 billion. The resulting $13 billion which was a net positive contribution to our balance of trade was the largest of any U.S. manufacturing industry. U.S. suppliers have built 90 percent of the free world's civil air fleet by dollar value. Our airplanes are the best ambassadors offering superior quality, safety, comfort and reliability at an economic cost. They speak well of America to the operator and user alike. But these results just did not happen. They came because we had the best products in the world and one of the big reasons that we have the best airplanes in the world has been the long standing partnership between Government and industry in developing aeronautical technical knowledge. This partnership is one of the all-time great bargains.

The total amount spent on aeronautic research by NASA over the last 65 years and their predecessor is less than one-half the dollar value of U.S. aeronautical exports in 1981 alone. We have received many values for these aeronautical works in terms of wing design, in terms of materials, but the fact of the matter is that the U.S. aviation industry has been dominating the world for 30 or 40 years and is being seriously jeopardized today, jeopardized by the Airbus Industry, which is now building half the widebodies in the world at the expense of Boeing and McDonnell-Douglas and Lockheed and all the rest.

The fact of the matter is that our aviation industry is in serious trouble, not only the manufacturing but also the operations, and again I go back to yesterday's news. One of the reasons that Braniff Airlines went bankrupt or is in the process of doing so has to be because of the utilization costs of fuel and all of the other operating costs of operating older technology airplanes.

Mr. Chairman, now is the time to withdraw. Competition from Europe and Japan is becoming a serious threat.

A recent study by the Commerce Department shows aerospace exports in 1982 actually will decline for the first time and a concurrent 4-year trend in rising imports will result in the first ever drop in aerospace trade surplus.

We have seen this kind of thing happen in the auto industry, but whoever thought it could happen in airplanes?

The fact of the matter is the aviation industry is going the way of the U.S. auto industry. Now is not the time to experiment with one of our few remaining winners. We have a system that works.

I would say to my colleague from Kansas who talked about the budget, the fact of the matter is, so everybody knows in this room, the amount of aeronautics in this bill is less than we spent last year, authorized and appropriated. It is less than we authorized and appropriated in 1980. It is less than we authorized and appropriated in 1979. In fact, if you look at aeronautics, it has been falling dramatically, not just in the Reagan administration, it happened in the Carter administration, too. And what has happened to the aviation industry in America? It is also falling the same way.

What do the French and Germans and Japanese think about our efforts to reduce aeronautics? They think we are crazy. Here you had a monopoly in one of the strongest industries in the world and you no longer have it. Fine, we will do research, we will build the best airplanes in the world and your aircraft workers in California and Missouri and Kansas and New York State will be out of business because we will take it away just like we did in the auto industry, and they rub their hands together.

And all I say is that we at least provide the amount in this bill which is less than what we authorized and appropriated last year.

The CHAIRMAN. The time of the gentleman from Kansas (Mr. GLICKMAN) has expired.

Mr. FUQUA. Mr. Chairman, I yield 1 additional minute to the gentleman from Kansas (Mr. GLICKMAN).

Mr. GLICKMAN. If we do not at least authorize what we authorized last year in the same general range, then we send another signal to the rest of the world and to the thousands and thousands of aircraft workers in California, in Texas and Kansas and everywhere else, that this industry is going to be depressed, and again I point out to my colleagues that the amounts authorized in aeronautics have shown no increase either with or without inflation for the last 4 or 5 years.

So I urge adoption of the bill both the space part of the bill and the aeronautics part.

□ 1220

Mr. WINN. Mr. Chairman, I yield 3 minutes to the gentleman from Michigan (Mr. DUNN).

Mr. DUNN. Mr. Chairman, let me begin by thanking both the ranking member, the gentleman from Kansas (Mr. WINN) and my honorable chairman, the gentleman from Florida (Mr. FUQUA) for what they have shown me as a freshman Republican and the chance to speak forth on issues, and I deeply appreciate that.

The noted policy shifts in aeronautics R. & D. were instituted largely in response to industry positions regarding the proper R. & D. role of NASA. The statements of several key industry representatives, at the joint hearings held in Wichita, Kans., last August, identified basic research and investigation, rather than system validation, as the best expenditure and prioritization of NASA's aeronautics funds. They indicated that the free enterprise system is very efficient in capitalizing on applicable military and NASA research results but not in motivating companies to do high risk research. Research and development is not the only answer and perhaps not even the most important; other factors such as trade relations and financial arrangements play a major role in creating a healthy U.S. industry. Some of these other factors have and are continuing to be addressed by the administration and Congress.

In reviewing the aeronautics proposed budget there was a large increase of $19.5 million in the technology base area. Much of the increase is attributable to transferring high risk elements from the systems technology area. For example, sizable basic efforts still continue under the terminal configured vehicle and advanced rotorcraft programs.

I generally agree with the policy shifts that have been proposed by the administration. At the same time, however, I hope that we do not become trapped by semantics in defining the proper NASA role. As noted recently by an industry executive, the future success of the U.S. aircraft manufacturers in world markets will directly depend upon the success of NASA in performing the basic advanced aeronautical research. Because of the unique and expensive facility requirements associated with aeronautical R. & D., the role of NASA in providing a national resource for aeronautical basic research is unquestioned. Assuming that the incentives are sufficient, and the risks are not overly great, industry should then assume the responsibility for follow-on applications research.

The administration's approach of providing the proper incentives to the industry in the form of tax advantages for R. & D. will work but its effects will not evidence themselves for several years. As such I have advocated an orderly transition that would include continued Federal support of existing high-risk civilian R. & D. system technology projects that offer significant potential for cost savings.

While I feel the aeronautics program did not receive its equitable share of the 11-percent increase in the NASA budget I feel more strongly that we must set a precedent of fiscal responsibility in this first authorization to be considered. If we fail to hold the line on this one we open the gates for business as usual. With the critical state of the economy we can ill afford to let this happen.

Mr. WINN. Mr. Chairman, I have no further requests for time.

Mr. FUQUA. Mr. Chairman, I yield 4 minutes to the gentleman from Ohio (Mr. MOTTL).

Mr. MOTTL. Mr. Chairman, I want to give my strong support to this bill and I would like to point out to my colleagues two important aspects of how this bill clearly demonstrates the need for a strong Federal role in research and development. This bill corrects two major defects, which were unfortunately contained in the President's budget submission for NASA. The fiscal year 1983 request did not contain the level of funding that is needed to support NASA's historically strong role in providing the technology base for civilian aircraft development. I do not have to dwell on the fact, for my colleagues, that for decades now our strong international posture in aviation has been largely a result of NASA providing a strong technical base for both civilian aircraft manufacturers as well as the Department of Defense and their specific military needs. I want to congratulate the gentleman from Kansas (Mr. GLICKMAN) on recognizing the major shortfall in funding for aeronautical technology in the administration's request and I am very grateful to the gentleman from Alabama (Mr. FLIPPO) and the full committee chairman, Mr. FUQUA, for supporting the significant restoration of funding in this area.

I think I can speak with some familiarity about the NASA aeronautical role since I am very familiar with the Lewis Research Center in Cleveland, Ohio, and many of my constituents work there in a variety of professions. The Lewis Laboratory is a world renowned "center of excellence" and I was very concerned about the future role of the center when the first deliberations began surrounding the fiscal year 1983 request. My concern about the role of the center is somewhat alleviated with the actions that the Science and Technology Committee have taken. I would like to just mention briefly some of the important restorations in aircraft propulsion that are so critical to NASA providing this high quality research and technology base. The committee bill adds $4 million for very advanced high-temperature engine core technology and also, adds additional aeronautical research and technology base funding for work at Lewis and some of the other NASA aeronautical laboratories. A total of $6 million is provided for this level of effort, and a significant fraction of that as I understand it, is for the very basic and yet critical propulsion work at the Lewis Lab.

In the case of two major programs, the administration requested no money, that is they had actually intended to cancel both the propfan project which is aimed at a very advanced turboprop system for commercial aircraft and also, unfortunately, the energy efficient engine which Lewis has had a continuing technology role. I am pleased that the committee saw fit to restore $12 million for the turboprop systems activity which will assure an ongoing program to eventually demonstrate a commercial aircraft driven by advanced turbofan engines that promises to be extremely fuel efficient. Given this country's driving need to conserve energy, this should be a national priority program. The energy efficient engine work has to do with providing the technology so that industry can develop advanced fan jets which consume much less fuel than present day engines and at the same time are environmentally acceptable. This is another critical program slated to be canceled, and the committee has judiciously added $7 million.

I think it is worth noting here, Mr. Chairman, that it is rather clear to the Science and Technology Committee and should be to the whole House, that industry is not simply going to undertake this very risky advanced aviation development on their own. The do not have the funds to do it; they just cannot and will not pick up funding for these high risk programs. Unfortunately, the administration's position that the NASA aeronautical effort should be constrained to the basic activity and not involve any significant civilian systems technology work. I think it is not only an unfortunate choice of itself, but will give people the wrong impression about NASA's role in aircraft technology development, that it might have a new emphasis in supporting chiefly military aviation development. I think given the historical success of the program that would be most unfortunate change in the NASA role.

I should also like to say something about NASA's energy role, since again I am very familiar with it from my contacts at the Lewis Research Center. Lewis has had as many as 350 to 400 people working in energy R. & D. over the past 5 or 6 years and their performance has been outstanding. They are acknowledged by industry to be the premiere Government managers of DOE programs in conservation R. & D. wind energy R. & D., fuel cell, and some aspects of the fossil energy program. They have also done excellent in-house work to support their management assignments for DOE and have even received the accolades of several of the auto manufacturers for their excellent track record in carrying out the work for development of advanced technology for the automotive engines of the nineties. I think the laboratory has carried out the proper Federal role in energy and I want to commend the leadership of the Science and Technology Committee, including Mrs. Bouquard, the gentlelady from Tennessee, and the chairman of the Subcommittee on Energy Research and Production, for their strong report language which directs NASA to maintain a key capability of at least 160 full-time personnel at Lewis working directly in energy through fiscal year 1983. I am further pleased to note that the committee has gone on record by taking the position that they do not expect the DOE programs that the laboratory is responsible for to be phased out after fiscal year 1983. I think, again, it is unfortunate that the administration has taken the shortsighted position on these critical programs that do not involve large outlays of funds and which should have not been cut on the basis of a misunderstanding by some key people in OMB as to what constitutes the proper Federal role in research and development.

Mr. Chairman, this is a good bill. I hope that the authorization level in this bill will be covered in the House budget resolution agreement which is soon to be arrived at so that the Appropriations Committees can appropriate money for these excellent programs at the levels we are authorizing today. I am confident that the NASA role in space, aeronautics, and energy will continue to be a big plus for the Nation.

Thank you.

Mr. FUQUA. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from California (Mr. Brown), a member of the committee.

Mr. BROWN of California. Mr. Chairman, I rise to support the NASA authorization bill, H.R. 5890.

I want to congratulate the Honorable Don Fuqua, of Florida, chairman of the Committee on Science and Technology and the Honorable Ronnie Flippo, of Alabama, chairman of the Subcommittee on Space Science and Applications and the Honorable Dan Glickman, chairman of Transportation, Aviation and Materials Subcommittee, for bringing this bill to the floor. I also want to thank the minority under the leadership of the Honorable Larry Winn, of Kansas, at the full committee level and the Honorable Harold Hollenbeck, of New Jersey, and Barry Goldwater, of California, at the subcommittee level for their assistance and cooperation in getting the best bill that we could under the circumstances.

What are these circumstances that make it so difficult to bring forward a very good bill? As I see them they are, first, the lack of a coherent space policy, which of course means a lack of leadership, and second, as everyone knows, we are faced with a very restrictive, very constrained budget situation. In fact, with respect to NASA and our space program, the constrained budget situation is merely the other side of the coin—our lack of a space policy. When we do not have a space policy then the budget policy drives decisions and in this year the policy is to cut the budget.

Having congratulated the committee leadership for bringing this bill forward, I want to make it clear that personally I would very much like to have more resources in the fiscal year 1983 budget for NASA.

Further, if the administration does not intend to provide the kind of space policy and space leadership that has been evident in the past—then it is up to the Congress to move forward and establish a policy. I commend subcommittee Chairman Ronnie Flippo for holding hearings last fall on the future of our space program. This was a first step toward developing a long-range policy. Much of the testimony presented in that hearing corroborated my belief that we need long-term goals if we are to have an efficient and effective program.

Only when we have reviewed and reaffirmed our policies and have them clearly in mind can we decide the best course of action to achieve the progress which we all want.

Now, I would like to describe a few specific ways in which the lack of a civilian space policy in the face of a constrained budget situation affects both programs and the resources needed to carry them out.

A prime example is the militarization of the space program. It is clear that we are facing a policy vacuum in the civilian areas and also a demand for greater and greater military capability. Because of these two factors the civilian space program is being taken over by the military. For example, the General Accounting Office has reported that 20 percent of NASA's budget for fiscal year 1983 is in direct support of the military. This is over $1 billion which should be counted as an addition to the military budget but which is being brought forward under the guise of supporting a civilian space program.

I want to assure the Members that if this billion dollars were spent on truly civilian space programs we could fund a strong program of planetary exploration, a strong program of astronomy and astrophysics and a strong program of aeronautics and space applications which we could expect to return economic and social dividends in the very near future.

The planetary program provides an example of what could be done but is not. There is only one planetary project in development—the Galileo mission to Jupiter, which would send a spacecraft to that planet with an orbiter and a probe. No other missions are in development, which virtually guarantees a large gap in our planetary program in the future. Further, although Galileo development is funded in the budget submitted by the administration, the science and engineering support provided to that project would be cut. Fortunately, the bill before us today would add $23 million back to the planetary program and would restore, among other things, some of the science and engineering support needed by Galileo. The planetary program was impacted severely by the cancellation of the Venus orbiting imaging radar (VOIR) mission in the 1983 budget. Further cuts in the budget proposed by the administration would cause existing, functioning spacecraft to be turned off. In particular Pioneers 6, 7, 8, and 9 which are in orbit around the Sun and returning useful data, would be turned off. Pioneers 10 and 11 which have gone past Saturn and Jupiter and are now speeding out of the solar system would be turned off. The Pioneer Venus spacecraft, still returning useful data in orbit around the planet Venus, would be turned off. The Mars Viking Lander would be turned off.

Funds available to university researchers to analyze data would be reduced by about 50 percent. The infrared telescope facility in Hawaii would be shut down. The lunar curatoral facility in Texas would be shut down. The supporting research program would be reduced by about 50 percent.

From all of this it should be clear that the budget submitted by the administration was basically a "going out of business" budget for the planetary program. The $23 million that the committee would add back to this budget would mitigate these reductions and keep the planetary program alive. Unfortunately, a great deal more money needs to be added to make the program truly vigorous as it has been in the past.

Title II of the bill would authorize the National Oceanic and Atmospheric Administration to operate the Landsat program and would authorize $15 millon for this purpose for fiscal year 1983. Landsat, which is a program of land remote sensing, is the fruit of earlier NASA applications work. Now that the program is able to become operational it is being transferred to NOAA, the agency which has been running our weather satellite program for about 20 years. The administration has proposed that the Landsat program be transferred to the private sector as soon as possible despite the obvious lack of a market which would support a commercial operation at this time. The problem is that there is simply no remote sensing industry to take over this system. In other words, the land remote sensing situation is not analogous to the communications satellite situation. In that earlier case the government-developed satellite communication technology was handed off to private industry but there existed at the time a massive communications industry which took over and supported the communications satellite systems.

Since there is clearly no possibility of commercialization of land remote sensing at the present, it would appear that the transfer to the private sector is being pushed for purely budgetary and ideological reasons.

The Landsat program represents a significant national capability and has the potential for contributing to our national wealth. I am very concerned that this capability and potential may be lost through hasty actions inspired by short-term budgetary considerations. In the long term it is probably important to take advantage of the creativity and entrepreneurship of the private sector in order to maximize the application of land remote sensing. But this transfer must be done in such a way as to protect the overall national interest. In other words, it would require careful consideration of many factors. Taxpayers have put a great deal of money into developing this capability and I am sure that we do not want to throw it away just because we are in a tight budget year and because we lack a guiding space policy.

As a final example of how the lack of coherent policy makes for inefficiency and makes tight budget problems even worse, let me mention the agency flip-flop with respect to upper stages.

The inertial upper stage (IUS) and the Centaur have been off-again, on-again as upper stages for the last 3 years, at least. The changes in preferred upper stage have caused changes and therefore significant, major costs in the mission such as Galileo and ISPM that need to fly on these upper stages. Thus, the lack of policy causes program impacts and once again we see an interaction between budget and policy considerations.

Mr. Chairman, I want to reiterate that I support this bill even though I have pointed out a great many weaknesses that I see in the programs which it would fund. I hope that we can do better in future years but, for now, we must move ahead as best we can.

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Mr. FUQUA. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Ohio (Ms. Oakar).

The CHAIRMAN. The Chair will advise the gentleman from Florida (Mr. Fuqua) that he has 6 minutes remaining.

Ms. OAKAR. I thank the gentleman for yielding.

I certainly want to commend the chairman, and all responsible for this very important bill.

Mr. Chairman, I certainly support the bill wholeheartedly. Let me repeat my testimony which I have before the Science and Technology Committee:

> The contributions of Lewis have been a source of strong local, regional, and national pride for more than 40 years. Today this wonderful Research Center employs 2,700 highly skilled men and women, and it generates thousands of support-service jobs as well as millions of dollars in income and tax revenues for the State of Ohio. So, needless to say, it is a very, very valuable asset not only to our area but also to the country.
>
> My appearance here today reflects my serious concern about Lewis Research Center, which is located in my congressional district. For this reason, Mr. Chairman, I applaud your decision to have this hearing, and I must say I was very heartened by the Secretary of Defense Weinberger's letter indicating how valuable NASA is to complement the work that is done in our Defense Department.
>
> Federal laboratories like Lewis are designed to carry out activities that are high risk and too expensive for industry to undertake by itself. Also, the Government should do those things that require unique facilities involving such a large investment that they cannot readily be duplicated or the combination of expertise and facilities cannot be copied. And, I must say, other countries in the world have a healthy complement of government working with private industry, and they are doing it very, very successfully; and so are we. It would be tragic to end that kind of complement.
>
> I also believe that Federal labs should perform activities on the basis of national interest. Private sector incentives to do such research and development simply do not exist. I have always felt that federal laboratories such as Lewis constitute unique national resources in terms of available expertise and physical plant capability for doing such high technology work. At a time when all Americans desire our great country to be No. 1 in technology and national defense, it would be unbelievably ironic to close this internationally acclaimed center.
>
> This morning I want to concentrate on something that I know is especially interesting to your committee, Mr. Chairman, and that is Lewis' contributions, primarily, to the U.S. aeronautical effort; and to touch on areas such as energy, space, and transfer technology. Aeronautical propulsion has been the mainstream effort at Lewis since its beginning. The main objective of the Lewis aeronautical program is to provide technology that will make for safe, more economical, more efficient, and more environmentally acceptable air transportation systems. Lewis plays a critical role in our national defense effort by supporting the Air Force in maintaining a technology base for developing superior military aircraft. Let me simply stress that the Lewis Center carries out vital national defense responsibilities that cannot be assumed by the military, especially in aviation. And, obviously, Secretary Weinberger's letter confirms that.
>
> Because the Defense Department is motivated primarily by immediate military needs and requirements, it cannot become involved in long-term research and development to the extent that Lewis Research can. It is precisely because Lewis has the necessary freedom and flexibility to engage in long-term research and development that makes it so essential to the development of technology to meet our national defense needs. Thus, Lewis fulfills an important purpose by relieving the military of the responsibility to invest limited manpower and resources into advanced research and development on defense-related technology—a purpose that Lewis fulfills admirably with its highly skilled scientists, engineers, technicians, and other personnel.
>
> The Lewis mission in aeronautical propulsion has led to the development of special laboratory skills in physical, chemical, mechanical, metallurgical, electrical, and electronic research, and has resulted in a number of large facilities to stimulate the environment in which an aircraft engine or spacecraft power system must operate. The total investment over a period of years in the physical plant is $300 million, including the new National Computer Center established at Lewis last year, due in part to the help of this committee. The physical plant has an estimated replacement cost of over $1 billion.
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> Mr. Chairman, Lewis Research has compiled an impressive record in major technical accomplishments in aviation and space since the ground for the center was broken in 1941. I think it is worth mentioning that in 1981, Lewis' large wind energy systems received the 33d prestigious 1R-100 award, which has been made to this Center since 1963 by Industrial Research Magazine, a very distinguished magazine in the industry. Only a handful of industry groups and no Government organizations can match this record. Lewis' aeronautics, space, and energy programs are supported by an advanced materials capability that is unique in the free world.
>
> Since we are discussing an agency decision that must be made in the 1980's, I think it is worthwhile to enumerate some of the major aeronautics efforts which the Center has been engaged in through the last decade. The aeronautics work has included a partnership—and a healthy one—with General Electric and Pratt-Whitney on the development of superior, fuel-efficient aircraft engines for the existing commercial airplane fleet. Lewis has looked at new ways to power vertical and short takeoff commercial and military aircraft and studied new concepts for advanced components, including compressors and turbines for military and civilian engines not yet on the drawing boards. At the same time, the Center's staff is developing ways of testing new materials under conditions that are not yet a reality for commercial or military engines.
>
> In short, Mr. Chairman and members of this committee, the Lewis Center is on the frontier of aviation, and no private engine company can afford this high-risk work or—I might add—have the expertise to match the unique in-house capacity which this Center possesses.
>
> Lewis Research has played a critically important role in the research on the kind of propulsion system used to launch our space shuttle, the Columbia, into Earth orbit. The same propulsion technology also made possible the safe return of the Columbia to its picture-perfect landing. Certainly, as the rest of the world joins us in marveling at these breathtaking triumphs in our exploration of the boundaries and mysteries of space, we shoud give all of the support we can to a facility such as Lewis whose contributions to our country's achievements in space have so long been the source of national pride and the object of international applause.
>
> Indeed, it is in our country's best interest to continue these types of programs.

In the area of energy conservation, Lewis has been actively engaged in the design, development, and testing of the Stirling engine, an advanced automotive engine that promises significant fuel savings, superior to that of today's conventional internal combustion engine. During 1981, the first automotive Stirling engine was tested and all engine performance goals were met or surpassed. A second generation Stirling engine is projected to provide a 50-percent improvement—50-percent improvement—in fuel economy over the conventional spark-plug system it is designed to replace.

At a time when we are involved in a serious national effort to develop alternate forms of energy and lessen our dependence on uncertain and expensive sources of oil, it makes little sense to discuss the possibility of closing this facility whose contribution to energy conservation in its work on this type of engine and other projects has been enormous.

As part of NASA's Technology Utilization Program, Lewis Research has achieved unparalleled success in transferring its technological expertise to a broad and diverse range of human needs, such as computers, communications, transportation, home appliances, food products, and medicine. In bio-medicine, for example, Lewis Research has developed a cyclotron used by the internationally acclaimed Cleveland Clinic for the radiation treatment of patients suffering from cancer and other serious diseases. And we know that this kind of medical procedure—which has proven to be so successful—will be used to treat future cancer patients. More than 230 patients have received this treatment, and I might add that 80 percent were from outside of our county. This kind of transfer technology as developed by Lewis improves the quality of our lives and enriches the productive energies of our people.

Mr. Chairman, I do not consider any budget cuts which may be proposed for NASA for fiscal year 1983 to be in the national interest: To emphasize this point, let me say again how delighted I am that you were able to apprehend the letter from Secretary Weinberger. Hopefully this letter will be part of our record here for this wonderful committee. Neither do I think that NASA's work can be turned over to the military—which has been rumored for many weeks. Therefore, any proposal whose purpose or effect would be to terminate Lewis Research Center suggests a serious lack of understanding of Lewis' vital role in aviation, energy, space, and transfer technology research, and creates a dangerously distorted perception of our basic national security needs and interests.

And just as Ron Flippo's subcommittee came to Lewis Research Center—and, indeed, I believe other members of the committee have been to Lewis Research Center and toured that facility—I would like to personally invite, as a representative from the district, not only this committee but the President of the United States and the members of his Cabinet, to come out into the field and tour this outstanding center. It is a source of national pride and a beacon of the highest form of technology research and development found anywhere in the world.

I want to thank you very much for the opportunity to testify, Mr. Chairman. And I think that if we are united as a coalition of Members of Congress who are interested in maintaining our number one status in technology and our strong national defense, we can not only save our center but other areas of the country in the field of research done by NASA. Thank you very much.

Mr. FUQUA. Mr. Chairman, I yield 4 minutes to the gentleman from Hawaii (Mr. AKAKA).

Mr. AKAKA. Mr. Chairman, I rise in strong support of H.R. 5890, the NASA Authorization Act of 1983, as reported out of committee.

The members of the House Science and Technology Committee have worked long and hard in carefully reviewing both NASA programs and the fiscal year 1983 budget request submitted by the administration. Every step of the way, this committee has been subjected to tremendous pressure—pressure to slash the budget further—pressure to increase the budget for specific programs—pressure to do away with programs altogether and pressure to fund new ones.

The committee has held extensive hearings and conducted serious research. And, over a period of months, the members of this committee have made some very difficult decisions, on the basis of what is best for the future of our space program. This committee has done its very best to keep NASA and our space enterprise alive and well, in the face of soaring budget deficits and an administration which is apparently willing to sacrifice the conduct of basic research on the altar of political expediency.

What we have before us is a bill which will guarantee that in fiscal year 1983, NASA will not be forced to live with a "shut-down" budget. It is critically important to the long-term future of this Nation that NASA be funded at a level which will allow the agency to continue to carry out its mission.

NASA's mission is not simply to send men to the Moon, or to develop and finance the world's first reusable launch vehicles. NASA does more than give each one of us an opportunity to meet and talk with astronauts and provide our constituents with color photographs of various NASA activities. All across the board NASA emphasizes, conducts, and carries out the same kind of high-risk, long-term research and development of technology which private industry is both unable and unwilling to carry out. These research efforts provide our Nation with the very same technological base which has made us a leader in the field of technology during the last 20 years.

Let me read you three short parts of the 1958 Space Act which detail NASA's responsibilities and list the objectives of our space activities:

> The expansion of human knowledge of phenomena in the atmosphere and space; and preservation of the role of the United States as a leader in aeronautical and space science and technology and in the application thereof to the conduct of peaceful activities within and outside the atmosphere; the improvement of the usefulness, performance, speed, safety and efficiency of aeronautical and space vehicles.

These are but three of NASA's responsibilities. There are many more which I simply do not have time to list. With me today, I have 435 copies of the first two pages of the 1958 Space Act. I urge my colleagues to look at these pages before we vote on this bill to see the magnitude and the scope of the activities which in 1958 the Congress of the United States directed NASA to carry out.

As a Congress, we have a responsibility to show the courage and wisdom to make decisions which may, at times, appear politically unattractive. For my part, I am sorry that the budget submitted by the Reagan administration was at least $35 million short in funding NASA for fiscal year 1983. I am sorry but I am unwilling to gamble with the long-term future of this Nation. I am unwilling to play partisan politics to meet arbitrary target budget figures. I am unwilling to vote to take critical funding away from NASA—funding which NASA so desperately needs to continue to develop the technology America needs to maintain a sound technological base.

I urge each of my colleagues to cast a vote in strong support of this bill, as reported out of committee. Any Member of this House who votes for amendments to this bill must bear the full responsibility for a sure decline in our ability to carry out space-related R. & D., just as surely as he will bear the responsibility for insuring that the United States loses its leading edge in the field of aeronautics. I do not believe that we can allow our aeronautics industry to go the way of both our auto and steel industries and I can guarantee you that is precisely what will happen should funds for aeronautics be slashed from the fiscal year 1983 NASA budget.

Mr. LOWERY of California. Mr. Chairman, I rise in support of H.R. 5890 and I encourage passage of the amendment that will be offered by Mr. WINN to bring the aeronautics portion of the NASA budget back to the administration's request.

I must take exception to this committee's action, however, on the proposed revisions of NASA's space transportation upper stages program and related changes in the Galileo mission to Jupiter and the International Solar Polar Mission (ISPM).

Last year, after reviewing the NASA fiscal year 1982 budget request to develop a modified Centaur to support planetary exploration programs, this committee directed NASA and the DOD to conduct a joint study to determine our Nation's upper stage requirements and to define the most appropriate program for meeting these needs. Both agencies proceeded to examine current and projected mission requirements and evaluated the following upper stages against those requirements: inertial upper state (IUS), Centaur, Transtage, interim orbital transfer vehicle (IOTV).

The agencies concluded that the IUS is the only available stage capable of meeting the near-term Earth-orbiting requirements and, with modifications, could satisfy NASA and DOD Earth-orbiting missions through the 1980's. However, the study clearly indicated that the Centaur is the only vehicle capable of meeting near-term NASA planetary requirements, particularly the need for a Galileo combined Orbiter/Probe mission on a direct trajectory to Jupiter. Additionally, it was determined that the Centaur will satisfy the future envisioned and proposed NASA planetary missions through the mid-1990's.

Such findings led NASA and the DOD to recommend that the Air Force continue IUS development and production while NASA begin developing the Centaur. In the intervening four months since this report was released, nothing has significantly changed to warrant reprogramming monies from Centaur to IUS in the NASA budget.

In fact, an IUS/Galileo mission, utilizing the IUS on a Delta-Vega trajectory, was specifically rejected by the joint study:

> An IUS Galileo . . . on a Delta-Vega trajectory (provides), at best, major compromise to the mission . . . In addition to mission deficiencies, the combination of weight and CG location for a Galileo combined spacecraft with kick stage would represent a load to the generic IUS which is greater than design limits. This fact would require, as a minimum, structural modifications to stiffen that upper stage . . . While it is apparent that a mission with a combined Galileo spacecraft can be accomplished with upper stage performance characteristics equivalent to an IUS, it is not clear that such a mission could be accomplished without major science compromises as well as high cost and schedule risks which would make a single launch in 1985 undesirable . . .

Because this committee's decision to cancel Centaur has very serious ramifications on our civilian space program, not to mention our defense, intelligence, and telecommunications capabilities, I believe it is necessary to reiterate the compelling reasons for proceeding with Centaur development for Galileo:

> IUS cannot meet high energy upper stage requirements for NASA, DOD, and commercial missions;
>
> Failure to move decisively now to develop a high energy upper stage for Shuttle will result in an increasing loss of business to foreign competition;
>
> Development of a "new" high energy upper stage, coupled with the decision to reprogram IUS for Galileo, will cost at least $700-$800 million more than Centaur, take at least two years longer to complete, and yield no significant performance improvement;
>
> Launching Galileo on Centaur in 1986 has two critical advantages over a 1985 IUS/Galileo mission: cost and benefit.

First, IUS cannot meet high energy upper stage requirements for NASA, DOD, and commercial missions. IUS has a basic design capability of 5,000 pounds to geosynchronous orbit compared to 10,000-13,000 pounds for Centaur (depending on which Centaur configuration is utilized). Consequently, as lift requirements increase, the need for an adequate upper stage intensifies. Again, the joint NASA/DOD study accurately summarized this issue:

> The collective trends illustrated as a result of the current analysis of earth-orbiting payload requirements show that in the late 80's, a need will exist to deliver payloads greater than 5,000 pounds into geosynchronous orbits and that the existing vehicles of the 1980's will determine the spacecraft designs of the late 1980's and the early 1990's. The results also indicate that geosynchronous spacecraft development/growth rate was slowed considerably during the last decade. Should a higher performance vehicle become available at affordable per flight cost, by 1985, spacecraft requirements will grow and effectively utilize the carrier capability in the late 1980's.

Second, failure to move decisively now to develop a high energy upper stage for Shuttle will result in an increasing loss of business to foreign competition. Unquestionably, launches for foreign payloads, mainly communications satellites, yield a large, favorable balance of payment to the United States. It is almost an assurance that the failure to continue Centaur development for the Shuttle will open this launch market to the Europeans and Japanese.

INTELSAT and COMSAT have indicated that commercial payload developers desire spacecraft with lift capacities which far exceed existing carrier capability. According to the joint study, INTELSAT would probably plan earlier conversion to Shuttle capability if Centaur proceeded through development.

Significantly, the Direct Broadcast Satellite Corp., in a recent letter to this committee, stated that as a practical matter, the IUS will not be used for commercial space programs because of its cost and lack of flexibility. The letter goes on to say that what is clearly needed is a flexible, high-performance, and reasonably priced upper stage of the kind we thought we had in the Centaur program.

Finally, NASA can convincingly justify a sole-source procurement for Centaur, despite a 1986 Galileo launch date and vociferous protests. Sole-source procurements are authorized under 10 U.S.C. 2304(a)(10) and NASA Procurement Regulation 3-210.

Because of the requirement for maximum practical competition in the conduct of Government procurements, agency decisions to procure sole-source must be adequately justified and are subject to close scrutiny.

However, the General Accounting Office (GAO) will not substitute its judgment for that of NASA when reviewing the justification for a sole-source procurement, but will only determine whether the agency decision has a reasonable basis. Hence, the burden is on the protester to make a clear showing that NASA's decision is unreasonable.

As we learned last year, "time-is-of-the-essence" is a circumstance that along may justify a sole-source award. The timing for the launch of a space mission is clearly within NASA's discretion and the GAO has held that mere disagreement with a contracting agency's discretionary decision is not grounds to disturb it. To be sure, if Galileo and ISPM are to use a high energy upper stage, time is of the essence.

Alternatively, I would point out that Centaur design, production, and launch operations teams are now at work on continuing orders extending through 1984. NASA management and support staffs are also functioning. Tools and equipment for production, testing, and launch support exist now in mature form.

Centaur for the Shuttle has been studied by three NASA Centers and various contractors. Safety aspects have undergone particularly close scrutiny again over the last several years. Consequently, sole-source procurement of the Centaur would take advantage of this wealth of hardware and experience.

Moreover, the development of Centaur would, in fact, initiate a more meaningful competition within the Shuttle's upper stage program. By allowing Centaur to compete with IUS for Shuttle launches, just as the Atlas/Centaur now competes with the Ariane, the question is not "competition or no competition," but "development competition or production competition." Incisively, a production competition, focusing on price and performance, is in the best interests of the American taxpayer and our civilian space program.

In summary, developing a new high performance stage would unquestionably take longer than modifying an existing stage. To run a full competition, as contemplated by this committee, would also delay the availability of a high performance stage. A new stage also would not approach the maturity and reliability of a modified Centaur, and undoubtedly, costs would be much higher than for a modified Centaur.

I strongly urge my colleagues to pursue Centaur development in the NASA fiscal year 1982 and 1983 budgets for a 1986 Galileo launch as has been approved previously by the

Senate authorizing committee for NASA.

Thank you.

Mr. NELSON. Mr. Chairman, I rise in support of the bill H.R. 5890, which would authorize funds for NASA in fiscal year 1983.

I want to commend the chairman of the committee, my colleague from Florida, Mr. FUQUA, and also the distinguished gentleman from Kansas, the ranking minority member, Mr. WINN, for their guidance in the formulation of this bill.

I would also like to thank our chairman of the Subcommittee on Space Science and Applications, Mr. FLIPPO, for the leadership he exhibited during our many days of hearings on this bill. He was also ably supported by the ranking minority member of the subcommittee, Mr. HOLLENBECK.

Mr. Chairman, I also have the pleasure to serve on the Budget Committee and as a result, I have been afforded a perspective which allows me to support this bill.

At this time, let me express my concern over the entire Federal role in research and development, a role which has been strong and necessary, especially since World War II, in maintaining America's preeminent position in science and technology. About half of our total national investment in research and development in recent years has come from various agencies of the Federal Government. The United States has led the free world in this investment both as a percentage of GNP and in the absolute size of its investment—over $60 billion in 1980—which is twice that of the nearest industrialized country, Japan. This is one of the main reasons that U.S. scientists have been in the forefront of every scientific and technological discipline, and why our economic, political, and military supremacy remained essentially unchallenged in the two decades following World War II. But there are signs that our scientific leadership is gradually being eroded. According to the National Research Council, U.S. fundamental research now constitutes only about one-third of the world total, and another third done in the Soviet bloc and the remainder in Western Europe and Japan. Total research and development expenditures by the major European countries have risen from less than half the U.S. level in 1965 to two-thirds today.

There has also been a steady decline in the percentage of GNP we invest in research and development. According to the National Science Foundation, between 1963 and 1978, this index declined 22 percent in the United States while it rose 13 percent in France, 33 percent in Japan, and 62 percent in West Germany. Japan, in particular, has been accelerating the pace of its research and development investments which in 1980 reached about 2.2 percent of its GNP—nearly the same as the United States.

The implications of this decline are serious not just for our national prestige or the number of Nobel prizes we win, but for our competitiveness in world markets. Testimony by the able subcommittee chairman of our aviation subcommittee, Mr. GLICKMAN, pointed out some horrible statistics to us as to foreign competition. These statistics which I am sure he would be pleased to discuss with each and everyone of you are very sobering indeed and I urge you to support this bill for that purpose alone.

Studies have indicated that research and development and technical innovation affect industrial and national productivity and competitiveness in international trade. Those U.S. industries that spend relatively large amounts on research and development—aerospace, electronics, pharmaceuticals, and information processing—are generally the ones that have maintained their competitive edge and level in manufactured exports, foreign direct investments, and licensing. It is precisely in these areas that the Japanese are now accelerating their research and development efforts.

Mr. Chairman, this is an adequate budget. We had to make some tough decisions to hold the line on the President's request but we addressed those issues and essentially perfected a bill that we can live with.

I urge my colleagues to vote for this bill. Thank you, Mr. Chairman.

● Mr. DYMALLY. Mr. Chairman, I rise in support of H.R. 5890, authorizing appropriations for the National Aeronautics and Space Administration for fiscal year 1983.

Aeronautical progress has been and will continue to be vital to our country. Until the end of the 1970's, the United States held a preeminent position in civil and military transport aircraft. The United States provided 90 percent of the worldwide commercial transport aircraft market. In the past decades, it was characteristic for new-generation aircraft to possess greatly improved economics and capabilities brought about by increases in speed and capacity. Such improvements were provided by research advances in airframe and engine technology. These technologies were developed in the United States through an effective partnership of Government and industry. The greatly improved speed, capacity, and efficiency of these aircraft may be found in the approximately 5,000 passenger-carrying aircraft in use worldwide today and mostly built in the United States. Most of the major technology developments contributing to the evolution of transport aircraft, such as the axial flow jet engine, the swept wing and the high-bypass-ratio turbofans, have been made possible in large measure by NASA research.

In the 1980's and beyond, continued aeronautics progress is imperative to this country. The U.S. military superiority must be preserved, and the U.S. aeronautical industry must be able to compete successfully in the rapidly changing international environment that is threatening our preeminent position in world aviation. European and other foreign governments have recognized the attractive potential of an expanded air transport market. They have initiated collaborative government and industrial programs aimed at overcoming the competitive advantages of the U.S. industry in terms of market size, manufacturing capabilities, and technology. Specifically, the foreign governments have provided powerful support in financing, in sponsorship of research and technology, and in development of new aircraft.

The next generation of transport aircraft will feature new technology advances in aerodynamics, in structures and materials, in electronics and human factors, and in propulsion. Examples of such new technology include large composite primary structures, active controls, improved power plants, engine-airframe integration and boundary layer control. Such advances offer the potential for dramatic improvements in the fuel efficiency and system capacity of aircraft and virtually could make obsolete all aircraft now in flight, production and design. Such technology advances requires a decade of long-term high risk research. In the 1990's, world aeronautical leadership will depend heavily on the initiation and support of research and development processes necessary for the successful production and operation of more efficient aircraft.

The high technology requirements of commercial aircraft benefit a broad range of other industries. There is a direct technology transfer of advanced commercial technology to the military, providing improved effectiveness in both transport aircraft and combat aircraft.

By congressional charter and, in the national interest, a primary role for NASA is to assist in bringing about these technological successes. The indispensable ingredient to assure continued aviation leadership in the world is a broad, advanced technology base. NASA provides the basic discovery, reseach, verification, and validation necessary as an essential national resource through its continuing efforts in transport research.

Mr. Chairman, I urge adoption of the fiscal year 1983 NASA authorization bill.●

● Mr. CLAUSEN. Mr. Chairman, as a member of the Congressional Space Caucus, I rise in support of H.R. 5890. Although the United States has long been a leader in the field of space exploration and application of this technology for commercial purposes, it is one of the few developed countries in the world lacking a national space policy.

In response to increasing concern over the status of America's space program, 46 of my colleagues and I formed the bipartisan Congressional Space Caucus, in order that Congress gain a greater knowledge of and interest in the benefits that have accrued, and will continue to accrue, from a strong national space policy.

Mr. Chairman, America's space exploration program is not a partisan issue. The frontiers that we gain, the advances in technological development that are generated by the space program benefit all Americans. Other benefits are not as tangible, but just as important—the ability of our achievements in space exploration to raise our sights to new horizons, to increase our confidence in our capabilities to reach still further.

In the aftermath of the Space Shuttle *Columbia's* first flight, President Reagan said that "the Space Shuttle did more than prove our technological abilities. It raised our expectations once more. It started us dreaming again". Faced as we now are with this measure, the authorization of NASA, we face again a decision of whether to cross the threshold of routine and relatively inexpensive access to space. Where will our expectations and dreams take us? With our vote on H.R. 5890, we will set the course of the space program for many years to come.

Once again, I wish to state my support for this measure, and urge your support as well.●

● Mr. SHAMANSKY. Mr. Chairman, I rise in support of H.R. 5890, authorizing appropriations for the National Aeronautics and Space Administration for fiscal year 1983.

The Lewis aeronautical program is focused on technology that will provide safer, more efficient, economical, and environmentally acceptable air transportation systems. Lewis contributes significantly to our national defense effort by maintaining an aeronautical propulsion technology base enabling the military to develop superior aircraft. Lewis is the key U.S. center for fundamental long-range aeronautical propulsion research.

The Lewis role is vital to the national defense. The military must focus on near-term development of weapons systems. It does not become involved in long-term research and development to the extent that NASA does. But, Lewis has the necessary prerequisites to engage in vital long-term research and development that is an essential complement to the military work. This same capability enables Lewis to carry out civil aeronautics research and development that are high risk and too long term for the aircraft industry to undertake by itself.

Specifically, in the area of aeronautical propulsion, Lewis has pioneered in the development of special skills that resulted in a collection of large facilities to simulate the environment in which an aircraft engine must operate. Lewis possesses unique and critical capabilities including wind tunnels, laboratories and support facilities for aeronautical research and development in important technology areas applicable to future military and civil aircraft. This capital investment in facilities is valued at $1 billion. Also, Army rotorcraft propulsion and power transmission laboratories are colocated at Lewis.

Lewis has compiled an impressive record of major technical accomplishments in aviation since the ground for the Center was broken in 1941.

This unique NASA facility has made tremendous contributions in the areas of transonic compressors, air-cooled engine technology, bearing and lubrication technology, high temperature materials, aeroelasticity in turbine engines, high-performance inlets and nozzles, and internal combustion fluid dynamics. In addition, Lewis has made steady progress in studying the role of cobalt in high-temperature gas turbine alloys. This study is a significant step in the U.S. effort to reduce our dependence upon imported strategic metals.

Lewis represents a wealth of American scientific and engineering expertise which can keep the United States in the forefront of aerospace technology.

Mr. Chairman, I urge adoption of the fiscal year 1983 NASA authorization bill.●

● Mr. HEFTEL. Mr. Chairman, I would like to commend the Science and Technology Committee for its excellent work on the NASA authorization bill. I believe the Chairman's efforts to provide sufficient funding for programs which NASA is currently involved in was responsible and prudent. I was particularly pleased to note that the committee increased funding for planetary exploration programs by a level that will provide for, among other things, continued operation of the Infrared Telescope Facility (IRTF) in Hawaii. This telescope, which is the most sensitive astronomical infrared telescope in the world, has already proven its cost effectiveness and ability to monitor data from space. It simply does not make sense to close down a 3-year-old facility that cost $10 million to build.

Mr. Chairman, I urge my colleagues to join with me in passing this reasonable and carefully crafted legislation.●

Mr. FUQUA. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

Mr. WINN. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

H.R. 5890

Be enacted by the Senate and House of Representatives of the United States of America in Congress assembly,

TITLE I

SEC. 101. There is hereby authorized to be appropriated to the National Aeronautics and Space Administration to become available October 1, 1982:

(a) For "Research and development", for the following programs:

(1) Space Shuttle, $1,718,000,000;

(2) Space flight operations, $1,707,000,000;

(3) Expendable launch vehicles, $42,800,000;

(4) Physics and astronomy, $471,700,000;

(5) Planetary exploration, $154,600,000;

(6) Life sciences, $55,700,000;

(7) Space applications, $316,300,000;

(8) Technology utilization, $4,000,000;

(9) Aeronautical research and technology, $232,000,000;

(10) Space research and technology, $123,000,000; and

(11) Tracking and data acquisition, $508,900,000.

(b) For "Construction of facilities", including land acquisition, as follows:

(1) Construction of data analysis facility, Hugh L. Dryden Flight Research Facility, $4,500,000;

(2) Rehabilitation and modification of utility systems, Goddard Space Flight Center, $2,840,000;

(3) Modifications to the 4- by 7-meter low speed tunnel, Langley Research Center, $7,200,000;

(4) Modifications to upgrade the transonic dynamics tunnel, Langley Research Center, $9,000,000;

(5) Modification of rocket engine test facility for altitude testing, Lewis Research Center, $995,000;

(6) Modification to 450 PSI air system in engine research building, Lewis Research Center, $2,920,000;

(7) Rehabilitation of airfield, Wallops Flight Center, $2,150,000;

(8) Space Shuttle facilities at various locations as follows:

(A) Modifications to solid rocket booster refurbishment and subassembly facilities, John F. Kennedy Space Center, $1,700,000;

(B) Modification of manufacturing and final assembly facilities for external tanks, Michoud Assembly Facility, $17,845,000;

(C) Minor Shuttle-unique projects, various locations, $1,860,000;

(9) Space Shuttle payload facility: Rehabilitation and modification for payload ground support operations, John F. Kennedy Space Center, $1,740,000;

(10) Repair of facilities at various locations, not in excess of $500,000 per project, $15,000,000;

(11) Rehabilitation and modification of facilities at various locations, not in excess of $500,000 per project, $20,000,000;

(12) Minor construction of new facilities and additions to existing facilities at various locations, not in excess of $250,000 per project, $4,000,000; and

(13) Facility planning and design not otherwise provided for, $8,250,000.

(c) For "Research and program management", $1,178,900,000, and such additional or supplemental amounts as may be necessary for increases in salary, pay, retirement, or other employee benefits authorized by law.

(d) Notwithstanding the provisions of subsection (g), appropriations hereby authorized for "Research and development" may be used (1) for any items of a capital nature (other than acquisition of land) which may be required at locations other than installations of the Administration for the performance of research and development contracts, and (2) for grants to nonprofit institutions of higher education, or to nonprofit organizations whose primary purpose is the conduct of scientific research, for purchase or construction of additional research facilities; and title to such facilities shall be vested in the United States unless the Administrator determines that the national program of aeronautical and space activities will best be served by vesting title in any such grantee institution or organization. Each such grant shall be made under such conditions as the Administrator shall determine to be required to insure that the United States will receive therefrom benefit adequate to justify the making of that grant. None of the funds appropriated for "Research and development" pursuant to this Act may be used in accordance with this subsection for the construction of any major facility, the estimated cost of which, including collateral equipment, exceeds $250,000, unless the Administrator or his designee has notified the Speaker of the House of Representatives and the President of the Senate and the Committee on Science and Technology of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate of the nature, location, and estimated cost of such facility.

(e) When so specified and to the extent provided in an appropriation Act, (1) any amount appropriated for "Research and development" or for "Construction of facilities" may remain available without fiscal year limitation, and (2) maintenance and operation of facilities, and support services contracts may be entered into under the "Research and program management" appropriation for periods not in excess of twelve months beginning at any time during the fiscal year.

(f) Appropriations made pursuant to subsection (c) may be used, but not to exceed $25,000, for scientific consultations or extraordinary expenses upon the approval or authority of the Administrator and his determination shall be final and conclusive upon the accounting officers of the Government.

(g) Of the funds appropriated pursuant to subsections (a) and (c), not in excess of $75,000 for each project, including collateral equipment, may be used for construction of new facilities and additions to existing facilities, and for repair, rehabilitation, or modification of facilities: *Provided*, That, of the funds appropriated pursuant to subsection (a), not in excess of $250,000 for each project, including collateral equipment, may be used for any of the foregoing for unforeseen programmatic needs.

Sec. 102. Authorization is hereby granted whereby any of the amounts prescribed in paragraphs (1) through (12), inclusive, of section 101(b)—

(1) in the discretion of the Administrator or his designee, may be varied upward 10 percent, or

(2) following a report by the Administrator or his designee to the Committee on Science and Technology of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate on the circumstances of such action, may be varied upward 25 percent,

to meet unusual cost variations, but the total cost of all work authorized under such paragraphs shall not exceed the total of the amounts specified in such paragraphs.

Sec. 103. Not to exceed one-half of 1 percent of the funds appropriated pursuant to section 101(a) hereof may be transferred to and merged with the "Construction of facilities" appropriation, and, when so transferred, together with $10,000,000 of the funds appropriated pursuant to section 101(b) hereof (other than funds appropriated pursuant to paragraph (13) of such section) shall be available for expenditure to construct, expand, or modify laboratories and other installations at any location (including locations specified in section 101(b)), if (1) the Administrator determines such action to be necessary because of changes in the national program of aeronautical and space activities or new scientific or engineering developments, and (2) he determines that deferral of such action until the enactment of the next authorization Act would be inconsistent with the interest of the Nation in aeronautical and space activities. The funds so made available may be expended to acquire, construct, convert, rehabilitate, or install permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment. No portion of such sums may be obligated for expenditure or expended to construct, expand, or modify laboratories and other installations unless (A) a period of thirty days has passed after the Administrator or his designee has transmitted to the Speaker of the House of Representatives and to the President of the Senate and to the Committee on Science and Technology of the House of Representatives and to the Committee on Commerce, Science, and Transportation of the Senate a written report containing a full and complete statement concerning (i) the nature of such construction, expansion, or modification, (ii) the cost thereof including the cost of any real estate action pertaining thereto, and (iii) the reason why such construction, expansion, or modification is necessary in the national interest, or (B) each such committee before the expiration of such period has transmitted to the Administrator written notice to the effect that such committee has no objection to the proposed action.

Sec. 104. Notwithstanding any other provision of this Act—

(1) no amount appropriated pursuant to this Act may be used for any program deleted by the Congress from requests as originally made to either the House Committee on Science and Technology or the Senate Committee on Commerce, Science, and Transportation,

(2) no amount appropriated pursuant to this Act may be used for any program in excess of the amount actually authorized for that particular program by sections 101(a) and 101(c), and

(3) no amount appropriated pursuant to this Act may be used for any program which has not been presented to or requested of either such committee,

unless (A) a period of thirty days has passed after the receipt by the Speaker of the House of Representatives and the President of the Senate and each such committee of notice given by the Administrator or his disignee containing a full and complete statement of the action proposed to be taken and the facts and circumstances relied upon in support of such proposed action, or (B) each such committee before the expiration of such period has transmitted to the Administrator written notice to the effect that such committee has no objection to the proposed action.

Sec. 105. It is the sense of the Congress that it is in the national interest that consideration be given to geographical distribution of Federal research funds whenever feasible, and that the National Aeronautics and Space Administration should explore ways and means of distributing its research and development funds whenever feasible.

Sec. 106. This Act may be cited as the "National Aeronautics and Space Administration Authorization Act, 1983".

TITLE II

Sec. 201. (a) The Secretary of Commerce is hereby authorized to plan and provide for the management and operation of a civil land remote sensing space satellite system, including the LANDSAT D and D' satellites and associated ground system equipment transferred from the National Aeronautics and Space Administration; to provide for user fees; and to plan for the ownership and operation of future civil operational land remote sensing space satellite systems by the private sector when in the national interest.

(b).There is authorized to be appropriated $14,955,000 for the fiscal year 1983, for the purpose of carrying out the provisions of this title.

Mr. FUQUA (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the Record, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

COMMITTEE AMENDMENTS

The CHAIRMAN. The Clerk will report the first committee amendment.

Mr. FUQUA. Mr. Chairman, I ask unanimous consent that the committee amendments be considered en bloc, except for the committee amendment on page 2, line 22.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

The Clerk read as follows:

Committee amendments: On page 2, line 7, strike out "$1,718,000,000" and insert "$1,706,500,000".

On page 2, line 9, strike out "$1,707,000,000" and insert "$1,699,000,000".

On page 2, line 12, strike out "$471,700,000" and insert "$463,500,000".

On page 2, line 14, strike out "$154,600,000" and insert "$177,600,000".

On page 2, line 17, strike out "$316,300,000" and insert "$330,300,000".

On page 2, line 19, strike out "$4,000,000" and insert "$9,000,000".

On page 2, line 24, strike out "$123,000,000" and insert "$128,000,000".

On page 3, line 1, strike out "$508,900,000" and insert "$498,900,000".

On page 4, line 20, strike out "$1,178,900,000" and insert "$1,168,900,000".

On page 10, after line 24, add the following:

(c) No monies authorized by this title shall be used to transfer to the private sector the ownership or management of any civil land remote sensing space satellite system and associated ground system equipment unless (1) the Secretary of Commerce or his designee has presented, in writing, to the Speaker of the House of Representatives and the President of the Senate, and to the Committee on Science and Technology of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate, a comprehensive plan for the proposed transfer, and (2) each such committee has transmitted to the Secretary written notice (within 30 days after receipt of the plan) to the effect that such committee has no objection to the proposed action.

Mr. FUQUA (during the reading). Mr. Chairman, I ask unanimous consent that the committee amendments, with the exception of the committee amendment on page 2, line 22, be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

The CHAIRMAN. The question is on the committee amendments, excepting the committee amendment on page 2, line 22.

The committee amendments, excepting the committee amendment on page 2, line 22, were agreed to.

The CHAIRMAN. The Clerk will report the remaining committee amendment.

The Clerk read as follows:

Committee amendment: On page 2, line 22, strike out "$232,000,000" and insert "$267,100,000".

AMENDMENT TO THE COMMITTEE AMENDMENT OFFERED BY MR. WINN

Mr. WINN. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment to the committee amendment offered by Mr. Winn: On page 2, line 22, strike "$267,100,000" and insert in lieu thereof "$232,700,000".

Mr. WINN. Mr. Chairman, the amendment that I am offering will reduce the aeronautics portion of this authorization by approximately $35 million. In my opinion, we are encountering here the first true test of who really wants to work to hold down our budget deficits. I believe that this is the first annual authorization bill to make it to the House floor this session. Not surprisingly, we are confronted with a $35 million addition to the administration's budget request. However, let me point out that we are not talking about food stamps, or aid for dependent children, or social security, or aid for education, or any of those other politically volatile budget items that cause such anguish when we are confronted by potential budget reductions. Instead, we are talking about the National Aeronautics and Space Administration.

As has been pointed out in the general debate, NASA received an 11-percent increase for fiscal year 1983 in the administration request. This is obviously an extremely generous increase at a time of real frugality for most other agency budgets. And yet, we have Members who saw fit to add $35 million to that already ample NASA budget. At a time when we are talking about a fiscal year 1983 budget deficit of well over $100 billion, I find an addition of this magnitude indefensible in the face of an 11-percent increase in the administration request over the previous year.

The administration has come to grips with a very difficult situation. They are faced with having to make priority decisions as to how to spend a limited number of resources. I for one can appreciate the fact that this is a difficult situation when you have such meritorious programs as the space and aeronautics activities at NASA. In my opinion though they have made a good compromise between the space and aeronautics activities. They have made substantial increases in the research and technology base activities which should go a long way toward meeting the long term needs of the aeronautics industry.

Unfortunately, though, this body has not been able to come to grips with that dilemma. Instead of accepting the very healthy growth in the NASA budget as a limit and debating the distribution within that limit, we have avoided the tough decisions by simply adding more money.

Mr. Chairman, this is the trap we have been in for the past two decades. Every time we are confronted with a problem we attempt to solve it with more Federal expenditures. We all know what that has resulted in: A Federal debt in excess of $1 trillion. When will it stop?

Mr. Chairman, let me restate though that the issue here goes beyond the simple subtraction of $35 million from this authorization bill. The real issue here is whether the House has the will to make the budget cuts necessary to reduce the size of our budget deficit. NASA will not be hurt by subtracting the $35 million from this bill, in fact the agency does not support the $35 million addition. If we cannot make the relatively easy decision to bring this bill down to the administration's generous budget request, then we have no hope of making the difficult decisions further on down the road on much tougher budget reductions.

Mr. Chairman, I urge adoption of my amendment.

□ 1240

Ms. OAKAR. Mr. Chairman, I rise in strong opposition to the amendment that would reduce funding for NASA aeronautical research and development and space programs.

I believe these cuts are very ill considered, and certainly not in the best interests of national security interests of our country at a time when we are really looking into the defense expenditures and securing our national security, and it would appear that we are being pennywise and pound foolish.

NASA facilities play a vital role as a high technology support base for our national defense effort, and provide the expertise and capability for advanced research and development work in aeronautics, energy conversion, and technology transfers in medicine, communications, and transportation. It is important to emphasize that these kinds of research and development projects or programs, especially those related to our national defense, cannot be easily transferred to the private sector. NASA facilities have the personnel and the physical plant resources to do this work more efficiently and economically than could the private sector.

I was pleased that the Secretary of Defense has openly acknowledged in a letter to OMB that any cuts in funding for NASA facilities, such as Lewis Research Center, which would be a major center affected by the gentleman's amendment, in Cleveland, Ohio, would not be consistant with the needs of the Department of Defense. Secretary Weinberger said:

> NASA aeronautics research facilities and technical capabilities have been and will continue to be critical to the development of military aircraft.

Lewis Research Center, for example, is one of the biggest assets to this country, and is recognized around the world for its pioneering work in the development of superior military and civilian aircraft engines, propulsion systems used by our Space Shuttle, and a large number of very successful energy conversion projects, such as a wind machine that produces low-cost electricity.

Mr. Chairman, the Administrator of NASA, Mr. James Beggs, stated before the House Committee on Science and Technology in February that,

> This administration is strongly committed to the maintenance of an independent NASA charged with pioneering new enterprises and technologies that will enhance the ability of the United States to conduct operations in space and aeronautics * * * and maintain the competitive posture of this country in aeronautics and space technology.

Mr. Chairman, the $35 million reduction that this amendment and others claim to save are a high price to pay in the long term for the eventual loss of our qualitative edge over the Soviet Union in research and development technology merely because we are pressured by political passions of the moment to reduce spending in an irresponsible and indiscriminate way.

Let me just cite one example of what the Soviet Union does in terms of its space and research projects. The CIA has analyzed the Soviet space and research program from the available data, and concluded that it is dominated by military objectives. Current CIA evidence suggests that the Soviet Union is spending at least 2 percent of its gross national product for space and research programs, programs that must be kept in mind that have military purposes. The CIA also estimates that 11 percent of Soviet defense spending is space related and aeronautics related. In contrast, the United States now spends about 0.8 of 1 percent of its gross national product for space and aeronautics programs.

The fact is that the gap represents a potentially dangerous situation wherein the United States would eventually trail the Soviet Union in the application of space-related and research technology to military strategies and techniques.

A former Director of Defense Research and Engineering in the Department of Defense has warned that one result of the large resource invested by the Soviet Union in its research and space programs might very well be American military inferiority within a period of 10 years or less.

Mr. Chairman, last November all members of the Ohio delegation in Congress cosigned a letter sent to the President expressing concern over proposed cuts in NASA funding in general, and Lewis Center in particular, and urged his rejection of any proposal that endangers the continued fine operation of our NASA facilities. Therefore, I urge my colleagues to reconsider the long-term impact on our national security of cuts in the NASA budget which serve only to deprive us of our leadership over the Soviet Union in research and development technology, and thus compromise our national defense.

□ 1250

Mr. LOWERY of California. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the Winn amendment.

Mr. Chairman, first of all, I would like to commend the chairman of the subcommittee and the chairman of the full committee for their efforts in bringing the NASA bill to the floor. I, too, am an avid aeronautics and space supporter. I represent one of the most high technology districts in America.

Clearly, the administration has demonstrated its support for the U.S. civilian space agency with an 11-percent increase. All I have been hearing and I know all my colleagues have been hearing about these days are reductions in most Federal agencies, yet NASA is growing stronger. Why, then, even with this level of support, do some of our colleagues continually insist on "nickel-and-diming" the budget up to unacceptable levels? I would hope that my colleagues across the aisle will support a reduced deficit, not one that continues to grow.

Mr. Chairman, I strongly support the Winn amendment to reduce the NASA budget to the administration's request.

Mr. FLIPPO. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I, too, wish to speak in opposition to the amendment by the gentleman from Kansas (Mr. WINN), and I would like to put this matter in its proper perspective.

What we are talking about in the bill before the House at this time is an amount of about $6.6 billion. That is $6.6 billion, and the debate that is taking place at this time is over $35 million, less than one-half of 1 percent.

So we can see that we are really not debating here at this time the merits of whether or not aeronautics ought to have an additional $35 million or whether it ought to have $17 million or some magic number, because the magic numbers are not there at all. It is a judgment call as to what we want to do.

What we are really talking about is a matter of symbolism. The gentleman from Kansas (Mr. WINN) feels that we should not exceed the Reagan budget numbers. He has stated that. The Reagan budget numbers are those, as suggested to the committee, that are only $35 million different from the Budget Committee's numbers that are submitted here. Congress and the committee have worked their will in proper procedure and determined that in the judgment of the House or the committee, aeronautics ought to receive this amount and NASA ought to have one-half of 1 percent or $35 million more in that regard.

So it is a symbolic fight. That is all it is about. It is less than one-half of 1 percent. I believe that the committee has a right and the members of the committee have a right to have some scintilla of input into the budget numbers that the President is offering to us, and after all, if there is anything so very perfect about the numbers being presented by the administration, I fail to see why, if we followed every line item in the presentation of the administration that is being presented to the Congress, you would have, I believe, an agreed deficit somewhere in excess of $150 billion.

So, I do not see that there is an all-encompassing wisdom included in the finite numbers, not in the administration's presentation nor in our committee's presentation. But to put it in the proper perspective, in my opinion, we are talking about less than one-half of 1 percent, and that matter if not worth all of the time and effort that we seem to be putting into it.

Mr. NELSON. Mr. Chairman, will the gentleman yield?

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. FLIPPO. If I have time left, I will yield to the gentleman from Florida, and then I will yield to the other side.

Mr. NELSON. Mr. Chairman, this budget has been crafted very carefully, and there are just flat going to be times when we disagree with the Office of Management and Budget, and this is one of those times. For the sake of the future of our country, in our opinion, this additional item needs to be there.

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. FLIPPO. I yield to the distinguished gentleman from Pennsylvania for a further inquiry.

Mr. WALKER. Mr. Chairman, I thank the gentleman for yielding.

I just wanted to find out, based upon the gentleman's statement, whether or not he would be any more enthusiastic about cutting if we were moving toward a balanced budget. The gentleman expressed dismay about a $100 billion deficit. This gentleman is also concerned about that.

I would ask the gentleman whether or not he would be more responsive if we were moving toward a balanced budget.

Mr. FLIPPO. Mr. Chairman, I am a strong supporter of a balanced budget, and I voted that way the previous time when the tax cut put us in this dangerous situation.

Mr. WALKER. Mr. Chairman, if the gentleman will yield further, I just wanted to point out to the gentleman that we will have an opportunity later on this afternoon to vote for a balanced budget in this context as well.

Mr. FLIPPO. I would be most pleased to be voting for a balanced budget, and I wish we had that opportunity.

Mr. DUNN. Mr. Chairman, will the gentleman yield?

Mr. FLIPPO. I yield to the gentleman from Michigan.

Mr. DUNN. Mr. Chairman, I will say to the gentleman from Alabama that I have a question for him.

Mr. Chairman, I am not sure what the gentleman is saying. He said that this $35 million is only a symbol and it is less than a half percent and it is not that important. On the other hand, he said the Reagan numbers, if we believe them are already $150 billion in arrears with our numbers.

Is the gentleman suggesting that the $150 billion in arrears is not enough and we should add $35 million to it?

Mr. FLIPPO. Mr. Chairman, I think the gentleman knows very well that I am not suggesting the budget deficit should exceed that. I think the gentleman knows that from our experience.

What I am saying is very clear, that the bill before us today has $6.6 billion in it, and the gentleman is making a symbolic argument over $35 million.

After all, I believe the gentleman on this side has already offered $17 million or perhaps $16 million, but in either case, what are we talking about? Whether it is $17 million, $15 million, or $16 million or $35 million, it is a scintilla of the amount we are dealing with here.

Mr. DUNN. Mr. Chairman, if I might, I will ask one more question.

The **CHAIRMAN.** The time of the gentleman from Alabama (Mr. FLIPPO) has expired.

Mr. GLICKMAN. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

I had thought about and talked briefly with some of my colleagues on both sides about trying to compromise this issue, and I have decided that it is not worth compromising because the compromise may be in some respects the life or death of companies like Boeing, United Technologies, Pratt & Whitney, Rockwell, General Dynamics, and many general aviation companies, not today but over a period of years.

The fact of the matter is that the Winn amendment would cut $35 million out of aeronautics. The fact of the matter is that the Winn amendment would cut approximately $35 million from what we authorized last year, about $45 million from what we authorized in 1981, and about $70 million from what we authorized in 1980.

What I am telling my colleagues is that we have been going down in aeronautics anyway, and the figure that the committee brings us today is no greater than it was last year, so we are not going up.

What happened here is that we had a large increase in the space side of about 11 percent and the administration chose to take some money out of the aeronautics side. I guess what I am saying is that we have an industry in America that desperately needs that technology transfer help, and that is the aerospace industry.

Let me tell the Members what the amendment offered by the gentleman from Kansas (Mr. WINN) would do so that we will have some feeling about it. The energy-efficient jet engine technology program that has produced modifications in the new engines made by Pratt & Whitney and GE that go into the 757's and 767's and have resulted in tremendous energy efficiency would be axed; that would be dropped in its entirety. The composite primary aircraft structures, the new composite materials, graphite, making airplanes later, would be dropped in the Winn amendment.

The advanced turboprop would be dropped. We have heard of Prop Fan. This is a new propeller that would be energy efficient, particularly used for short haul. That is new technology, and it could be the wave of the future for short-haul transports, and it would allow us to leapfrog the competition. That would be dropped as a result of the Winn amendment.

There are many other areas. There is the terminal configured vehicle, which is an airplane that NASA flies to help pilots decipher cockpit display equipment. It is being used in the 757's and 767's directly as a result of NASA's work. It would be dropped as a result of the Winn amendment.

Work on the advanced rotorcraft technology, the helicopter transmission research, and other new methods are involved. For example, we have a tilt rotor that takes off like an aircraft and flies like an airplane. That would be dropped as a result of the Winn amendment.

What the Winn amendment would leave us with is what is called basic research and technology. This is an area the administration says we should pursue; let us have the Government doing only very, very basic research, and let us leave all the systems technology work to private industry.

It just does not work that way. In the first place, private industry and the aircraft industry today do not have a lot of bucks to spend on this kind of work. Second of all, they thrived over the years because of this kind of work. Third of all, this is the par excellence example of an industry in which we have had technology transfer from the Government. Fourth of all, do we think Airbus Industries of France is cutting their air systems technology work? Do we think that MITI in Japan is cutting their work to develop competitive aircraft? Of course not. If they are, they have got to have their heads examined as much as we do.

The fact of the matter is that not only are NASA's centers at Lewis and Langley and Ames and the Jet Propulsion laboratory dependent upon the defeat of the Winn amendment, but the fact of the matter is that jobs, hundreds of jobs in southern California, in Washington State, in Ohio, in Kansas, and in New York State and Florida, and wherever else they build airplanes, and the indirect suppliers are directly affected by the Winn amendment.

□ 1300

Yes, it is over the aggregate budget the President recommended; some magic figure that somebody at OMB developed. But the aeronautics budget is less than what we authorized and appropriated last year. It is less than what we spent the year before. In fact, the curve has been going down, not up.

If I would have had my way, this amount would have been much more than it is this year. But we have brought you a number that we consider to be a minimum of what can support a dynamic aircraft industry in America.

I would like to give my colleagues these numbers so they know. In 1980 we authorized $308 million in aeronautics; in 1981, $271 million in aeronautics; and in 1982 we authorized $284 million in aeronautics. Now the administration wants to go to $232 million.

Obviously, in my judgment, this reflects a philosophical change which I just philosophically disagree with. I want to preserve a dynamic growing aircraft industry. It truly is our No. 1 industry in terms of exports, except for agriculture.

By voting for the Winn amendment I think that we hasten the day when the unemployment lines will increase at aircraft plants all over America. I urge my colleagues to defeat this amendment.

Mr. DeNARDIS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I attempted to be recognized earlier because I wanted to enter into a brief colloquy with the distinguished gentleman from Kansas (Mr. WINN), the ranking member of the committee, and the author of the amendment that is presently before us.

While I would still invite him to reply, if need be, the other gentleman from Kansas (Mr. GLICKMAN), who has just spoken, has answered a number of the questions that I was going to ask my distinguished colleague and friend.

Based on what the other gentleman from Kansas has said about the impact of this particular amendment on civil aeronautics research and development of a very sophisticated and very important type, I rise in opposition to the amendment. The author of the amendment has made a very articulate case for budget reductions generally. I was going to ask him about the specific nature of the impact of his amendment on civil aeronautics research, and that has been answered.

I would invite the author of the amendment, if he feels that the answer has been misleading or needs to be clarified, to clarify it. But based on what I have heard here about the impact of that amendment, I think it would be foolhardy to eliminate or seriously retard some of the programs that have been enumerated.

I know in my own State of Connecticut important work is being done by United Technologies, by Pratt & Whitney as a subsidiary of United Technologies.

It is not simply a question of jobs, although that is important to be sure. But it is a question of moving to an advanced state of the art in aeronautics.

I believe that there exists now an imbalance between expenditures on the military side and expenditures on the civil side, and I believe the amendment, if it carries, will further hamper civil aeronautics research.

So, for those reasons, I would strongly oppose the amendment. As I have said earlier, I further invite the author of the amendment, if he feels some clarification is necessary, to respond in his own time.

Mr. PEASE. Mr. Chairman, I move to strike the requisite number of words and rise to oppose the amendment.

I would like to begin by commending my former colleagues on the Science and Technology Committee. I am proud to be an alumnus of that committee. I think it continues to do excellent work and an example of that is on the floor today.

I would also like to commend in particular my colleague from Kansas (Mr. WINN) not for offering this amendment in particular, but for the good work that he continues to do on that committee and for the fact that I suspect that today he is being a loyal soldier for the administration.

I am especially grateful to our other colleague from Kansas (Mr. GLICKMAN) for the recitation he made both in general debate and again here on the floor a few minutes ago about the pattern of authorization levels for the research contained within this bill.

It is clear that we are not throwing caution to the wind and spending money hand over fist on aeronautical research.

What is clear is that we are spending less money on aeronautical research than we did before. The pattern is clearly established, and we need to take that into account as we vote on this amendment.

Let us put this in perspective, the perspective not only of appropriations or authorizations for NASA or for science in general, but for the entire Federal Government. Where we stand today is that the administration made a tragic mistake last year in its economic recovery program and put us, through a combination of its defense spending increases and its tax decreases, into a very, very large fiscal hole, building in enormous deficits over the next several years.

As a result of the pressure from those deficits, resulting from the program enacted last year, OMB is desperate to find cuts in spending that will help reduce that deficit. We cannot blame at all OMB for trying. But we can, as a Congress, exercise our independent judgment as to whether those cuts are good or whether they are ill-conceived.

I think anyone who looks at the kinds of figures the gentleman from Kansas (Mr. GLICKMAN) provided just recently will come to the conclusion that this particular cut is ill conceived.

Why should we shortchange aeronautical research in the United States because of a mistake that was made in the budget as a whole last year? There is no good reason at all for doing that.

We need to be sure in the Science and Technology Committee and here on the floor that we are providing adequate resources for research in aeronautical and space applications. The judgment of the committee is that more money than the administration has asked for needs to be authorized, and yet even that is less than has been authorized in recent years.

It seems to me that it would be a tragic mistake in terms of the future of U.S. space and aeronautical corporations, for the future of jobs in this country, for the future of our balance of payments, for us to say that in order to help in a minuscule way to overcome a mistake that was made on the budget as a whole last year, we must at this time cut money from the heart of a very, very important program.

So I would ask my colleagues to take that into perspective and to reject this amendment. As it happens, my district is quite close to the Lewis Research Center in Cleveland. I have known the director there, Dr. McCarthy, and I know the new director, Andrew Stofan, very well. Many of my constituents work there, and I visited the center as recently as 3 or 4 months ago. I know the kind of work that is going on there. It is important work that needs to continue if we are to have an aerospace industry worthy of the name in future years.

So, again, I ask my colleagues to reject this amendment and I yield back the balance of my time.

Mr. DUNN. Mr. Chairman, I move to strike the requisite number of words and rise in support of the amendment.

I would like to engage the gentleman from Alabama (Mr. FLIPPO) in a colloquy if I may. Perhaps we could start with what the gentleman and I agree on.

We both believe that aeronautical research is important. Does the gentleman agree?

Mr. FLIPPO. Will the gentleman yield?

Mr. DUNN. I yield to the gentleman from Alabama.

Mr. FLIPPO. I will be glad for the gentleman to make his statement, and then I will be glad to respond to that.

Mr. DUNN. Where we get into an area of disagreement, I think, is the gentleman's reference to $17 million of the taxpayers' money as being infinitesimally small and to $35 million as measly. There we would disagree.

But I would like to state to the gentleman that we do have, and you do have an opportunity here to deal with that measly $35 million, by voting for the Winn amendment. I am going to propose an amendment that will transfer $25.5 million out of the space programs to aeronautics, which surely the gentleman could not object to, because it is so small. This will protect the taxpayers, protect the aeronautical portion of the budget, and we will all be happy.

Will the gentleman agree with me?

□ 1310

Mr. FLIPPO. I think the gentleman knows very well that I will not agree with him, and I think the gentleman is trying to misrepresent and put a different connotation on the statements that I made there. But I expect that from the gentleman from Michigan. I have watched him work in other ways.

The gentleman knows very well that I do not consider $17 million a measly amount of money, nor $35 million a measly amount of money.

Mr. DUNN. I was using the gentleman's words.

Mr. FLIPPO. Yes; the gentleman does very well in selecting specific areas that serves his own purpose in doing that.

The gentleman knows very well that I was speaking of that amount of money in terms of the total amount of money that is in this bill, and the total amount of money that is in this bill is $6.6 billion. The gentleman and I are discussing $35 million, which, as I pointed out to the gentleman, was less than one-half of 1 percent, or in the neighborhood of one-half of 1 percent. The gentleman from Kansas at one time I believe on this side offered the $35 million in debate here, he offered to split that, and it is my understanding that that offer was made. If that is not correct, I will repeal that statement. But if he did, then we are talking about $17 million, and that is not one-half of 1 percent of $6.6 billion.

Mr. DUNN. If I could reclaim my time——

Mr. FLIPPO. Well, if the gentleman would like, I will be glad to speak after him. The gentleman asked me a question. I am trying to answer the gentleman's question. The gentleman attempted to misrepresent the position of the gentleman from Alabama, and I am trying to state it correctly. If the gentleman wants the time, I will be glad to yield back to him.

Mr. DUNN. I think the gentleman has ably restated his position. We both agree that we are dealing with less than half of 1 percent of this money. So how can the gentleman object to taking it out of the $6.6 billion and putting it back into this very

vital program, the aeronautic research?

Mr. FLIPPO. I will be glad to help the gentleman find his $17 million in other programs at this and future times. It will be my pleasure to assist in that effort and to assist in balancing budget efforts as well.

Mr. DUNN. The gentleman can do it with this vote.

Mr. FLIPPO. I will promise the gentleman that he will have an opportunity to see my votes in the future that will do that.

Mr. DUNN. I thank the gentleman.

Mr. WINN. Mr. Chairman, will the gentleman yield?

Mr. DUNN. I yield to the gentleman from Kansas.

Mr. WINN. I thank the gentleman for yielding.

Let me point out to the Members here on the floor that I am not representing any parochial interest. I am not being a good soldier for the administration in trying to protect the taxpayers of this country. I am not interesting in splitting the difference of 17 or 35. I am not interested in making a deal. I am trying to figure out how we can balance the budget, even though it has been pointed out time and time again that we have already received an 11-percent increase.

To my friend from Connecticut, let me point out that the Administrator does not get involved in any of the programs that my colleague from Kansas mentioned and got people all stirred up. "We are going to lose all these jobs, we are going to cost all of this technology," that is a bunch of hooey.

The Administrator can make these decisions and wants to be in a position to make these decisions with the help of my colleague from Kansas, with the help of my colleague from Alabama. It is just a matter of money, and it is a matter of principle.

Mr. WALKER. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, first of all, I want to commend our committee on the hard work that has been done in developing this proposed authorization that we are discussing here today. In spite of all this sincere labor, I feel that this bill demonstrates the practiced approach of too many of our colleagues to continue to operate as if the grand old pot is unlimited. Our country is experiencing the acute fallacies of that kind of mind set. I call on this Congress to reverse this all too familiar trend by supporting the amendment proposed by the gentleman from Kansas (Mr. WINN). How much longer are we going to listen to the foolishness of criticizing the President for his budget deficits while we vote to expand those deficits?

As noted, the NASA proposed budget has been by no means slashed. To the contrary, it has been accorded a healthy 11 percent increase. That should even sit well with my colleagues who support the concept that funding for all Government programs should be at a pace at least keeping up with the cost of living. That 11 percent is almost 8 percent above what the inflation rate has been for the past 6 months. I am sure that most of us would agree that that increase has some merit to it, based upon NASA's prior successes and its somewhat unique capacity amongst Federal programs to produce tangible and beneficial results.

However, those who support this proposed bill hunger for even more than that 11 percent. While a small increase in relative terms, it represents more growth over an already substantial increase. It is time that this Congress begins to set an example that we have been preaching all too often these days. Deficits are the problem. They are the major problem confronting this economy. And one step toward reducing them is to begin cutting the budget.

I find it difficult to believe that with all of the genius and talent that resides in NASA that they could not find ways to more efficiently operate under a $6.613 billion budget that would permit them to undertake some of the projects that have been eliminated.

As my honored colleague has said, we have a chance to start our fiscal year 1983 authorization process off on a reasonable foot.

Let me emphasize again this point. This is the first authorization bill we have toward 1983. The decision that we make with regard to this bill is a precedent. Are we going to stick with the budget, or are we not going to stick with the budget? If you support the Winn amendment, you are saying we are going to stick with at least the President's budget. I happen to think we should go even further, and I will be offering an amendment to that effect in a little bit. But I support the Winn amendment as the first step that we need, and I ask the Members to join me in a mutual attack on budget deficits.

Mr. AKAKA. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I oppose this amendment because it will essentially gut the budget for research in aeronautics in fiscal year 1983. I want to point out to my colleagues that the $267.1 million authorization figure set by the House Science and Technology Committee for aeronautical research and technology is well below the fiscal year 1982 authorization and below the fiscal year 1982 appropriation of $270.6 million. You may remember that in 1980, the Congress of the United States decided that it was necessary to spend $308 million for aeronautical research and technology. This trend of rapid decline in funding for research in aeronautics and technology is frightening.

It is frightening because it indicates to me that some people in the administration and in Congress have decided that we don't have to invest in continued R. & D. in aeronautics. What these people are saying is that it is just fine with them to sacrifice our ability to compete in the international marketplace in aeronautics. For years, we have been leaders in the field of aeronautics. We have built the best airplanes with the most sophisticated and efficient technology. And, I want to stress the fact that there are other nations in the world just waiting for the American Government to make it crystal clear that the United States simply does not want to compete in aeronautics anymore.

Do my colleagues who support this amendment really want to buy French and Japanese aircraft all the time for the next decade? If you support this amendment, that is exactly what you do support.

For the first time in history, America's leadership in aviation is being seriously challenged. Now is not the time to cut back further on Government support for aeronautics research. With a 2-percent projected decline in exports for 1982, now is not the time to support this amendment. If this amendment passes, I can guarantee you that we are responsible for laying the groundwork to make sure that our aeronautics industry goes the way of our domestic auto and steel industries. We do not need another failing industry in this country. We have enough. We do not need to lay the groundwork for more subsidies to failing industries in the years to come. We have had enough. We cannot continue to develop sophisticated technologies, export them and abandon them, only to buy them back from foreign governments.

I strongly oppose this amendment and urge my colleagues to do the same. Our future in aviation depends on it.

ROTORCRAFT RESEARCH FOR MILITARY AND CIVILIAN MARKETS

The rotorcraft market represents a rapidly expanding and important part of the aeronautics industry. Currently, helicopters represent over 60 percent of the U.S. military aircraft fleet. Helicopers have recently assumed an increasingly important role in civil applications, including corporate transportation, industrial applications, and public services. Their unique capabilities suit them particularly well for remote area operations, such as forest management, resource exploration, and construction projects.

This aircraft employs two unique and significant capabilities. It takes off and lands vertically, and it can sustain flight in a hover. The helicopter requires a minimum investment in facilities and equipment and can serve congested and remote areas equally well. Current technology is making possible a much more economical and competitive aircraft for low-speed applications.

The research which will generate the necessary rotorcraft technology is being accomplished by a combination of military and NASA cooperative programs and projects. The technology base for rotorcraft is still in the infancy stage compared to that of fixed-wing aircraft. Helicopter research must provide rapid and visible advances. Such advances will provide an improved understanding of the very complex helicopter aerodynamics and dynamics, and will provide a data base for use by the manufacturers in designing our future military and civil helicopters.

The NASA rotorcraft program covers the essential disciplines of aerodynamics, propulsion, structure, and flight controls. The research is directed at the individual and integrated technology advances which hold promise for future civil and military systems. The program will also emphasize all-weather rotorcraft capability for instrument flight in remote-site operations.

The research activities are essential to future military helicopter improvement, and will also be beneficial to the U.S. industry in its efforts to establish and maintain a competitive posture with the rapidly expanding nationally supported rotorcraft industries of Europe.

Mr. Chairman, I yield back the balance of my time.

Mr. GINGRICH. Mr. Chairman, I move to strike the requisite number of words and I rise in opposition to the amendment.

Mr. Chairman, I have to confess a certain hesitation in getting up here because I think my conservative credentials are fairly strong and, in fact, later on during this debate I hope to support the gentleman from Pennsylvania when he offers an amendment which will attach a requirement that we will obey the balanced Budget Act which is now the law of the land, and I will do so quite candidly.

I think we need to continue to raise that issue until the House leadership brings a constitutional amendment to the floor and allows us to vote on disciplining the Congress constitutionally. I frankly think we need a balanced budget.

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. GINGRICH. I yield to the gentleman from Pennsylvania.

Mr. WALKER. I thank the gentleman for yielding.

I think the gentleman makes a good point. I think it points out something that needs to be emphasized when we go to the balanced budget language later on. We would not have to resort to this kind of balanced budget approach if in fact we could get a constitutional amendment out on the floor which about 34 States have petitioned for, and that this effort to attach it to all authorization bills and all appropriations bills is aimed very directly at saying that there may be a more responsible approach, but that responsible approach is being withheld from this House by the Judiciary Committee at this point.

Mr. GINGRICH. I agree and I think that the gentleman is doing the House's work in forcing attention to the fact that we should have a chance to vote on that constitutional amendment.

Having said that—I think my record is one of being rather conservative on budget matters—I think that this particular amendment is peculiarly unwise. I think that in fact the President's budget for NASA is absurdly small. I think we have robbed this Nation of over a million jobs in the last decade by not spending adequately on space and on aeronautics research.

The reality is that every conservative who voted to keep the Panama Canal should confront the fact that we had to first build a Panama Canal; that everyone who talks about how we have to be strong nationally on defense, has to recognize that our national strength, as the recent Argentinian attack on a British destroyer showed, is based on high technology, on high research, an ability to invest in the kind of future, which is very different from the one we have been drifting toward.

This budget, more than any other budget that comes to this floor is the seed corn of the future. The essence of all conservatism is not to starve people to death with frugality but to be frugal, precisely, to be able to invest in the seed corn.

For a generation this Nation has used research and development as a substitute for tariffs. In fact, we oppose tariffs in most of the world because through research and development we created jobs by building better aircraft, better computers, and other high technology items.

It is a tragedy that the Office of Management and Budget fails to recognize the central importance to our future, to our economic future, to our national security future, of this kind of research and development and I think it would be a terrible signal to every young person trying to decide whether or not to go into engineering, to cut the budget which would say, yes, we want to build better equipment; yes, we want to build a better future; yes, we want you to become an engineer, because there will be a job in the future.

Any American who thinks we will be stronger by cutting research in aeronautics need only look at the Japanese and French programs to recognize the competition for jobs we face in the future.

Mr. GLICKMAN. Mr. Chairman, will the gentleman yield?

Mr. GINGRICH. I yield to the gentleman from Kansas.

Mr. GLICKMAN. I thank the gentleman for yielding.

I want to thank my colleague from Georgia for a very thoughtful statement and I want to amplify on something the gentleman said about strength.

During our hearings on this subject we received letters from the Secretary of Defense, Mr. Weinberger, and the Under Secretary of Defense for Research, Mr. DeLauer who both testified to the critical role of NASA aeronautics in the production of military airplanes.

So it does not just relate to civil technology, which is critical, but also has great spinoffs in military technology and it just does not make any sense.

I think the gentleman has made an excellent statement.

Mr. GINGRICH. I thank my colleague and let me close by saying I do not see how anybody who wants to see jobs in this country, that pay well, or how anybody who is concerned about our national defense, can vote for a budget any smaller than the one this committee brought out which, as I testified at the time, I think is frankly too small.

I commend the committee for its work. I think it is vital we keep this full budget, and I urge everyone to vote against the amendment.

Mr. MOTTL. Mr. Chairman, will the gentleman yield?

Mr. GINGRICH. I yield to the gentleman from Ohio.

Mr. MOTTL. I appreciate the gentleman from Georgia yielding and I want to commend him for his fine speech on behalf of defeating this amendment.

I want to join him and the gentleman from Kansas (Mr. GLICKMAN) and the gentlewoman from Ohio (Ms. OAKAR) for their fine statements with regard to keeping important R. & D. in this budget for NASA.

I just want to reiterate that Lewis, a great think tank in Cleveland, Ohio, is so important to NASA and the country that we keep it going with the necessary funding. If we are going to keep the foreign imports down we have to have this invaluable R. & D. going on at Lewis to make sure that our manufacturers of airplanes and automobiles

have the latest research and development.

I join with my colleague in vigorously opposing this amendment and ask that the Members would join with us in defeating the Winn amendment.

Mr. FUQUA. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

I hope that we can bring this to a vote very soon and I do not intend to take the full 5 minutes allotted, but I want to commend the gentleman from Georgia and the gentleman from Kansas, and others who have spoken in opposition to this amendment.

The fact has been that the budget for space activities is an 11-percent increase. That is true. That is in space activities, primarily related to the Space Shuttle in order to keep that program on schedule and on time. Now let me address the aeronautics issue. NASA asked OMB for $371 million. That is what they went to OMB for. And they went back on this program on three different occasions to plead their case with OMB.

They were unsuccessful. OMB reduced it by $139 million below what NASA had pleaded with them to approve.

Statements have been made by the gentleman from Kansas (Mr. GLICKMAN), the Secretary of Defense wrote a letter to the Administrator of NASA and to OMB, suggesting the importance of this to the military program. Let me state again, the military supports this aeronautical research.

We have about $12 billion in balance of payments that comes directly from the civilian aeronautics program.

The Senate Committee has already added $64 million in this particular program.

As has been pointed out by others, the aircraft industry in this country is not equipped, nor are they financially able to support this type of basic research and the advanced programs that NASA is conducting. It is a good program. It is money well spent.

As has been pointed out in other conversations and debates by the gentleman from Alabama (Mr. FLIPPO) there are spending programs that cause problems and there are spending programs that help solve problems.

□ 1330

This is a spending program that helps solve problems. It creates jobs in this country. It creates technical know-how and it creates a strong America.

Mr. Chairman, I urge defeat of the amendment.

The CHAIRMAN pro tempore (Mr. ZEFERETTI). The question is on the amendment offered by the gentleman from Kansas (Mr. WINN) to the committee amendment.

The question was taken; and the Chairman pro tempore announced that the noes appeared to have it.

Mr. FRENZEL. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN pro tempore. Evidently a quorum is not present. Pursuant to the provisions of clause 2, rule XXIII, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device, if ordered, will be taken on the pending question following the quorum call. Members will record their presence by electronic device.

The call was taken by electronic device.

The following Members responded to their names:

[Roll No. 75]

ANSWERED "PRESENT"—365

Addabbo
Akaka
Albosta
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Atkinson
AuCoin
Badham
Bafalis
Bailey (MO)
Barnes
Beard
Bedell
Beilenson
Benedict
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Blanchard
Bliley
Boggs
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown (CA)
Brown (CO)
Broyhill
Burgener
Burton, Phillip
Byron
Carman
Carney
Chappie
Cheney
Clausen
Clay
Clinger
Coats
Coelho
Coleman
Collins (IL)
Collins (TX)
Conable
Conte
Conyers
Corcoran
Coughlin
Coyne, James
Coyne, William
Craig
Crane, Daniel
Crane, Philip
Crockett
D'Amours
Daniel, Dan
Daniel, R. W.
Dannemeyer
Daschle
Daub
Davis
de la Garza
Deckard
Dellums
DeNardis
Derrick
Derwinski
Dickinson
Dicks
Dixon
Donnelly
Dorgan
Dougherty
Dowdy
Downey
Duncan
Dunn
Dwyer
Dymally
Early
Eckart
Edgar
Edwards (AL)
Edwards (CA)
Edwards (OK)
Emerson
Emery
English
Erdahl
Evans (DE)
Evans (IA)
Fary
Fascell
Fazio
Ferraro
Fiedler
Fields
Findley
Fish
Fithian
Flippo
Florio
Foley
Ford (MI)
Ford (TN)
Forsythe
Fountain
Fowler
Frank
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gejdenson
Gephardt
Gibbons
Gilman
Gingrich
Glickman
Gonzalez
Goodling
Gore
Gradison
Gramm
Green
Gregg
Guarini
Gunderson
Hagedorn
Hall (OH)
Hall, Ralph
Hall, Sam
Hammerschmidt
Hance
Hansen (ID)
Hartnett
Hatcher
Heckler
Hefner
Heftel
Hendon
Hertel
Hiler
Hillis
Holland
Hollenbeck
Holt
Hopkins
Horton
Howard
Hoyer
Huckaby
Hughes
Hunter
Hutto
Hyde
Ireland
Jacobs
Jeffries
Jenkins
Johnston
Jones (OK)
Jones (TN)
Kastenmeier
Kazen
Kemp
Kennelly
Kildee
Kindness
Kogovsek
Kramer
Lagomarsino
Lantos
Leach
Leath
LeBoutillier
Lee
Lehman
Leland
Lent
Levitas
Lewis
Loeffler
Long (LA)
Long (MD)
Lott
Lowery (CA)
Lowry (WA)
Lujan
Luken
Lundine
Lungren
Madigan
Markey
Marriott
Martin (IL)
Martin (NC)
Martin (NY)
Matsui
Mattox
Mavroules
Mazzoli
McClory
McCollum
McCurdy
McDade
McEwen
McGrath
McHugh
McKinney
Mica
Mikulski
Miller (CA)
Miller (OH)
Mineta
Minish
Mitchell (NY)
Moakley
Molinari
Mollohan
Montgomery
Moore
Moorhead
Morrison
Mottl
Murphy
Myers
Napier
Natcher
Nelligan
Nelson
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Oxley
Panetta
Parris
Pashayan
Patman
Patterson
Paul
Pease
Pepper
Perkins
Petri
Pickle
Porter
Price
Pritchard
Pursell
Railsback
Rangel
Ratchford
Regula
Reuss
Richmond
Rinaldo
Ritter
Roberts (KS)
Roberts (SD)
Robinson
Rodino
Roe
Roemer
Rogers
Rosenthal
Rostenkowski
Roth
Roukema
Rousselot
Roybal
Rudd
Russo
Sabo
Savage
Sawyer
Scheuer
Schroeder
Schulze
Schumer
Seiberling
Sensenbrenner
Shamansky
Shannon
Sharp
Shaw
Shelby
Shumway
Shuster
Siljander
Simon
Skeen
Smith (AL)
Smith (IA)
Smith (NE)
Smith (NJ)
Smith (OR)
Snowe
Snyder
Solarz
Solomon
Spence
St Germain
Stangeland
Staton
Stenholm
Stokes
Studds
Stump
Swift
Synar
Tauke
Tauzin
Taylor
Thomas
Traxler
Udall
Vander Jagt
Vento
Volkmer
Walgren
Walker
Wampler
Washington
Watkins
Weaver
Weber (MN)
Weber (OH)
Weiss
White
Whitley
Whittaker
Whitten
Williams (OH)
Winn
Wirth
Wolf
Wolpe
Wortley
Wyden
Wylie
Yatron
Young (AK)
Young (FL)
Young (MO)
Zablocki
Zeferetti

□ 1340

The CHAIRMAN pro tempore. Three hundred and sixty-five Members have answered to their names, a quorum is present, and the committee will resume its business.

RECORDED VOTE

The CHAIRMAN pro tempore. The pending business is the demand of the gentleman from Minnesota (Mr. FRENZEL) for a recorded vote.

A recorded vote was ordered.

The CHAIRMAN pro tempore. The Chair will remind the Members that this is a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 169, noes 204, not voting 59, as follows:

[Roll No. 76]

AYES—169

Archer
Badham
Bailey (MO)
Beard
Benedict
Benjamin
Bereuter
Bethune
Biaggi
Bliley
Broomfield
Brown (CO)
Broyhill
Burgener
Byron
Carman
Carney
Chappie
Cheney
Clausen
Clinger
Coats
Collins (TX)
Conable
Conte
Conyers
Corcoran
Coughlin
Craig
Crane, Daniel

Crane, Philip
Crockett
D'Amours
Daniel, Dan
Daniel, R. W.
Dannemeyer
Daschle
Daub
Deckard
Derwinski
Dickinson
Dougherty
Dunn
Edwards (AL)
Edwards (OK)
Emery
Erdahl
Erlenborn
Evans (DE)
Fields
Findley
Fish
Forsythe
Fountain
Frenzel
Gilman
Goodling
Gradison
Gramm
Gregg
Gunderson
Hagedorn
Hall, Sam
Hammerschmidt
Hansen (ID)
Hartnett
Hendon
Hiler
Hopkins
Horton
Hughes
Hunter
Hyde
Jacobs
Jeffries
Jenkins
Johnston
Kastenmeier
Kazen
Kemp
Kindness
Kramer
Lagomarsino
Leach
LeBoutillier
Lee
Lent
Loeffler
Lott
Lowery (CA)
Lujan
Lungren
Madigan
Marriott
Martin (NC)
Martin (NY)
Mazzoli
McDade
McDonald
McEwen
McGrath
Michel
Miller (OH)
Mitchell (NY)
Montgomery
Moore
Moorhead
Morrison
Myers
Napier
Natcher
Nelligan
Parris
Pashayan
Patman
Paul
Petri
Porter
Reuss
Rinaldo
Ritter
Roberts (KS)
Roberts (SD)
Robinson
Roemer
Rogers
Rosenthal
Roth
Roukema
Rousselot
Rudd
Russo
Sawyer
Schroeder
Schulze
Sensenbrenner
Shaw
Shumway
Shuster
Siljander
Skeen
Smith (AL)
Smith (NE)
Smith (OR)
Snowe
Snyder
Solomon
Spence
Stangeland
Staton
Stenholm
Stump
Tauzin
Vander Jagt
Walker
Wampler
Washington
Weaver
Weber (MN)
Weiss
Whitley
Whittaker
Whitten
Winn
Wolf
Wolpe
Wortley
Wylie
Young (AK)

NOES—204

Addabbo
Akaka
Albosta
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Atkinson
AuCoin
Bafalis
Barnes
Bedell
Beilenson
Bennett
Bevill
Bingham
Blanchard
Boggs
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Breaux
Brinkley
Brodhead
Brooks
Brown (CA)
Burton, Phillip
Clay
Coelho
Coleman
Collins (IL)
Coyne, James
Coyne, William
Davis
de la Garza
Dellums
DeNardis
Derrick
Dicks
Dingell
Dixon
Donnelly
Dorgan
Dowdy
Downey
Duncan
Dwyer
Dymally
Early
Eckart
Edgar
Edwards (CA)
Emerson
English
Evans (IA)
Fary
Fascell
Fazio
Ferraro
Fiedler
Fithian
Flippo
Florio
Foley
Ford (MI)
Ford (TN)
Fowler
Frank
Frost
Fuqua
Garcia
Gaydos
Gejdenson
Gephardt
Gibbons
Gingrich
Glickman
Gonzalez
Gore
Green
Guarini
Hall (OH)
Hall, Ralph
Hance
Hatcher
Heckler
Hefner
Heftel
Hertel
Hillis
Holland
Hollenbeck
Holt
Howard
Hoyer
Huckaby
Hutto
Ireland
Jones (OK)
Jones (TN)
Kennelly
Kildee
Kogovsek
Lantos
Leath
Lehman
Leland
Levitas
Lewis
Long (LA)
Long (MD)
Lowry (WA)
Luken
Lundine
Markey
Marks
Martin (IL)
Matsui
Mattox
Mavroules
McCollum
McHugh
McKinney
Mica
Mikulski
Miller (CA)
Mineta
Minish
Mitchell (MD)
Moakley
Moffett
Molinari
Mollohan
Motti
Murphy
Nelson
Nowak
Oakar
Oberstar
Obey
Ottinger
Oxley
Panetta
Patterson
Pease
Pepper
Perkins
Pickle
Price
Pritchard
Pursell
Rahall
Railsback
Rangel
Ratchford
Regula
Richmond
Rodino
Roe
Rostenkowski
Roybal
Sabo
Savage
Scheuer
Schumer
Seiberling
Shamansky
Shannon
Sharp
Shelby
Simon
Smith (IA)
Smith (NJ)
Solarz
St Germain
Stark
Stokes
Studds
Swift
Synar
Tauke
Thomas
Traxler
Vento
Volkmer
Walgren
Watkins
Waxman
Weber (OH)
White
Williams (OH)
Wirth
Wright
Wyden
Yatron
Young (FL)
Young (MO)
Zablocki
Zeferetti

NOT VOTING—59

Aspin
Bailey (PA)
Barnard
Boland
Brown (OH)
Burton, John
Butler
Campbell
Chappell
Chisholm
Courter
Dornan
Dreier
Dyson
Ertel
Evans (GA)
Evans (IN)
Fenwick
Foglietta
Ginn
Goldwater
Gray
Grisham
Hamilton
Hansen (UT)
Harkin
Hawkins
Hightower
Hubbard
Jeffords
Jones (NC)
LaFalce
Latta
Livingston
Marlenee
McClory
McCloskey
McCurdy
Murtha
Neal
Nichols
O'Brien
Peyser
Quillen
Rhodes
Rose
Santini
Schneider
Skelton
Smith (PA)
Stanton
Stratton
Taylor
Trible
Udall
Whitehurst
Williams (MT)
Wilson
Yates

□ 1350

Messrs. ROEMER, FRENZEL, and WOLPE changed their votes from "no" to "aye."

So the amendment to the committee amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

AMENDMENT OFFERED BY MR. WALKER

Mr. WALKER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WALKER: On page 11, after line 13, insert the following new section:

SEC. 202. No funds authorized under this act shall be expended in violation of section 7 of Public Law 95-435.

Mr. WALKER. Mr. Chairman, the bill we have before us is the first authorization bill this House will consider in this session. It therefore sets some important precedents, and I think it is important to recognize that what we do on this bill can well send a signal as to what we are going to do with regard to the budget looking down the road some months to come.

Now, I happen to be an advocate of the program that is before us. I happen to support NASA. I think it is one of the most vital and important programs that we have. As an advocate of this agency, I think it is particularly important that I am offering this amendment, which is essentially a balanced budget amendment, because what I am saying here is that I am going to be willing to offer this amendment not only on authorizations that I do not happen to believe in, but on authorizations that I happen to believe in very strongly.

This is going to be the first in a series of efforts. Members can expect to hear this amendment come up on virtually every authorization bill and every appropriations bill that comes before this House until—until that time when we get some real action on a balanced budget; namely, a constitutional amendment to balance the budget, on the floor. If we cannot do it by that means, what we can do is begin the process of saying that the law of the land will be obeyed.

What is the law of the land? The law of the land is stated very clearly in Public Law 95-435. That law says this:

> Beginning with fiscal year 1981 the total budget outlays of the Federal Government shall not exceed its receipts."

What does my amendment that I am offering here do in the context of that law? It says that none of the funds under this bill may be spent in violation of the law. Therefore, what we would be saying if we adopt this amendment to all authorizations and all appropriations is that a balanced budget is what we want to require.

□ 1400

Now, that is going to be a decision that is up to each Member of this House because we are going to be asked to do this time and time and time again, and we are going to be evaluated by our constituents and by the American people on whether or not we really are going to back up the words we hear so often or whether or not people are for balancing the budget.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I will be glad to yield to the gentleman after I finish my statement.

Mr. Chairman, what is happening around here is that our current congressional process with regard to budgeting is entirely suspect. We have no better example than some of the language that is being spoken on this floor today with regard to this bill where Members defend spending as being something that they consider to be for the good of the country, that some spending is good and other spending is bad and this spending happens to be good. We are told that all the time that this spending does not represent very much, so, therefore, we can go ahead and approve it. We hear that all the time, and for that reason our process becomes suspect. Our will to do something about balancing the budget and reducing the deficits is suspect, and it is suspect across the length and breadth of this country.

And yet the law is clear. The law says—and a vast majority of this House supported that law—that a balanced budget is required.

It seems to me that the will of the American people is clear as well. In poll after poll, when they are asked whether they believe in balancing the budget, they say flatly, yes, they think the Federal Government should balance its budget.

The will of the States is clear. Literally 34 States have petitioned this Congress to balance its budget, and I think that that makes it very clear that the State governments across this country believe it is important that we have a balanced budget.

Only in this Congress, only here do we lack the will, and I think it is important to recognize that the problem is ours. It is nice to talk about the President's budget deficits, but in all honesty the President has no obligation to balance the budget. We do. We are the people who authorize the money, we are the people who appropriate the money, and it is up to us to decide whether or not the budget is going to have big deficits or whether or not the budget is going to have no deficits.

That is what this amendment seeks to do. That is what this amendment will continue to seek to do as we move forward. We are going to say flatly that we are either for a balanced budget or against it.

So let me frame the question. The amendment says that the money authorized in this bill can only be spent in compliance with the law, a law that requires flatly a balanced budget. Are we for a balanced budget, or are we opposed to a balanced budget?

Our votes on this bill and the others that will follow it will tell the whole story.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I will be pleased now to yield to the gentleman from Ohio.

Mr. SEIBERLING. Mr. Chairman, I would like to ask the gentleman, is he also going to offer his amendment to the defense authorization bill and the defense appropriation bill?

Mr. WALKER. Mr. Chairman, I say to the gentleman that I fully intend to offer it to the defense appropriation bill and to the authorization bill. I intend to offer it across the board, I will say to the gentleman.

The CHAIRMAN. The time of the gentleman from Pennsylvania (Mr. WALKER) has expired.

(On request of Mr. KEMP, and by unanimous consent, Mr. WALKER was allowed to proceed for 2 additional minutes.)

Mr. KEMP. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from New York.

Mr. KEMP. Mr. Chairman, I would like to offer the very same question as my friend, the gentleman from Ohio.

Do I understand that the gentleman is considering offering this amendment to the defense bill?

Mr. WALKER. Mr. Chairman, I will say to the gentleman flatly, that I am going to offer this amendment to the defense authorization bill and to the defense appropriation bill.

Mr. KEMP. Mr. Chairman, I say to my friend, the gentleman from Pennsylvania, for whom I have great affection and regard, that I would be deeply concerned about starting a process that would hinder any efforts to rebuild our defenses at this critical time when the Soviets have greatly expanded their military forces. Likewise there are major domestic needs which must be met. I think it would be a mistake, to attempt to add this amendment to every single piece of legislation.

Mr. WALKER. Mr. Chairman, let me say to the gentleman from New York that that is not the case. We would still have hundreds of billions of dollars worth of spending because there is obviously an amount of receipts coming into the Federal Government that is in the hundreds of billions of dollars. It will be a decision as to priorities and as to what we do, but the law of the land is clear. If we do not do this, we are in violation of the law.

The point I made yesterday is that if we were continuing along the track we seem to be going in the last year of trying to reduce Government growth, then I would say maybe the responsible course would be to ignore some provisions of the balanced budget law. We cannot ignore the law when what is happening is that we have now made conscious decisions yesterday and again today on this floor to move Government spending up and to start the growth of Federal spending all over again.

In that kind of a context, I think the law should be obeyed, and I think it is high time we recognized flatly what the law says.

The best approach to this would be to go to a constitutional amendment to balance the budget. I would say to the gentleman that if we could get such an amendment to come out of the Committee on the Judiciary, at that point we might not find this approach necessary. Until that time I think it is absolutely necessary to go forward on this course.

Mr. KEMP. Mr. Chairman, I appreciate the need for this debate, but I still think passing this amendment would be a mistake. For this reason I am going to vote against the amendment.

The CHAIRMAN. The time of the gentleman from Pennsylvania (Mr. WALKER) has again expired.

(By unanimous consent, Mr. WALKER was allowed to proceed for 2 additional minutes.)

Mr. WALKER. Mr. Chairman, I would simply say to the gentleman from New York and to the Members from the other side of the aisle who applauded so vigorously that I think that they will then be evaluated based upon how they are voting on a balanced budget.

I am perfectly willing to take my case to the American people, and I am perfectly willing to have them take their case to the American people on where we stand on this vital issue. I think my constituents would agree with my position, and maybe their constituents would agree with theirs.

Mr. GIBBONS. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from Florida.

Mr. GIBBONS. Mr. Chairman, I appreciate the gentleman's yielding.

We have got a couple of bills that deal with the tax collecting agencies of the U.S. Government, the ones that collect the revenue. Does the gentleman intend to put this amendment on those bills?

Mr. WALKER. Mr. Chairman, I intend, I say flatly to the gentleman, to put this amendment on each authorization bill and appropriation bill that comes through this body.

Mr. HOPKINS. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from Kentucky.

Mr. HOPKINS. Mr. Chairman, the law the gentleman was referring to, is that the law that was attempted to be removed on the floor of the House yesterday?

Mr. WALKER. Mr. Chairman, I would say to the gentleman, yes, it is, but, of course, that repealer has not become law, and so this is still the law of the land.

I would hope that we are not going to repeal that law. I think it expresses the will of Congress, and I think it still expresses the will of the American people. Any repeal of that law will be a clear signal that this Congress has abandoned its commitment to a balanced budget.

Mr. SEIBERLING. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I will not take 5 minutes, but I would just like to point out that the only way this would work is if the gentleman would also offer a similar amendment to the Kremlin budget.

How can we repeal in effect the defense budget without the other side being subject to the same restraints? The same thing applies all across the board.

I could hardly believe my ears. Is this a farce that we are carrying on here, or is this a genuine deliberation?

The President of the United States this year submitted an unbalanced budget. In fact, it is the most unbalanced budget we have had in our history. Last year he signed an unbalanced budget. Did he break the law? The gentlemen from Pennsylvania says he will apply this amendment across the board to every single bill. Yet how would we know which particular one unbalanced the budget?

I would remind the Members of Emerson's saying, "A foolish consistency is the hobgoblin of little minds." If the gentleman's position is not a foolish consistency, I do not know what is. It is time that we quit this farce and faced the realities of the world instead of acting as though we can put it all into a rightwing straitjacket.

Mr. HEFNER. Mr. Chairman, will the gentleman yield?

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. SEIBERLING. I yield to the gentleman from North Carolina.

Mr. WALKER. Mr. Chairman, I yielded to the gentleman, and I ask him, will he yield to me?

Mr. SEIBERLING. Mr. Chairman, I have the time, and I yield to the gentleman from North Carolina.

Mr. HEFNER. Mr. Chairman, I have a suggestion. We have been debating in the Budget Committee. We have problems in the Budget Committee with deficits.

Would it be in order to amend this to put the deficit off budget?

Mr. SEIBERLING. Mr. Chairman, I thank the gentleman from North Carolina (Mr. HEFNER), and I yield back the balance of my time.

Mr. WALKER. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. The gentleman from Ohio (Mr. SEIBERLING) has yielded back the balance of his time.

Mr. DUNN. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I do not think the gentleman is being of little mind at all. He is simply asking his colleagues to adhere to the law of the land. This has been the law of the land since 1978. The farce is what this U.S. Congress has been doing since 1978.

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. DUNN. I yield to my colleague, the gentleman from Pennsylvania.

Mr. WALKER. Mr. Chairman, I thank the gentleman for yielding.

I think that the gentleman makes an absolutely valid point. This is the law of the land, and the gentleman from Ohio who just made that statement voted for that law. When we were talking about putting this law into the bill and were instructing conferees, the gentleman from Ohio in 1978 voted for that law.

□ 1410

So I would say if it is a foolish law, the gentleman was certainly a part of that foolishness. I do not happen to think it is. I think it expresses the will of the American people. It is extremely important that what we do is consistent with law. That is exactly what this amendment says. It is consistent with law and I urge you to vote for it.

Mr. SEIBERLING. Will the gentleman yield?

Mr. DUNN. I yield back the balance of my time.

Mr. LEVITAS. Mr. Chairman, I move to strike the requisite number of words.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. LEVITAS. I yield to the gentleman from Ohio.

Mr. SEIBERLING. I thank the gentleman. I did not indicate the law as foolish. At the time it was passed, we planned to bring the budget into balance. We did not expect Ronald Reagan tc come along.

Second, I certainly did support that law, and I was referring to the foolish consistency of the gentleman's position, not the law.

Mr. LEVITAS. I would like to ask the gentleman from Pennsylvania this question, because, as he knows, and as the gentleman from California (Mr. ROUSSELOT) knows, I am a strong supporter and cosponsor of a constitutional amendment for a balanced budget. I hope we pass it at this session. In fact I was surprised that the balanced budget provision in the law that this amendment refers to was actually repealed by a bill which passed the House on yesterday.

But if the gentleman from Pennsylvania is suggesting that it is violation of the law for Congress, under the circumstances, to amend, or otherwise deal with the existing statutory provision, is the gentleman suggesting that President Reagan violated the law when he submitted a budget that was out of balance, and is that an impeachable offense?

Mr. WALKER. Will the gentleman yield?

Mr. LEVITAS. I will be happy to yield.

Mr. WALKER. The point is what the Constitution states is this body and the other body have the responsibility for the appropriations and authorization process. All the President is submitting is a recommendation. His is not the budgeting process. Ours is the budgeting process.

I am simply requiring that we do our job, that we comply with the law. We passed the law in the first place. I think it is important that we present that kind of a pattern to the President, and then if he exceeds that spending over and above law, then I think that we would have a case for criticizing him.

Mr. LEVITAS. Is the gentleman suggesting if the President is aiding and abetting or procuring and soliciting a violation of the law by proposing, encouraging, entreating a violation of the law, or signs bills which, in fact, violate the law, that he may be guilty of an impeachable offense? Is that the point the gentleman is making?

I am suggesting the gentleman is embarrassing the President.

Mr. WALKER. If the gentleman will yield, I do not think anything of the kind. I think the embarrassment rests right here in this House. We have been the ones that spent that money, who sent it down for the President to spend.

If there is an embarrassment, the embarrassment is here in this body where the deficits have been steadily rising ever since that 1981 cutoff date.

I would think that what we want to do is begin to correct that problem right here and now. By correcting that problem we can start in the authorization process in 1983 and in the appropriations process for 1983 by clearly saying that we stand behind the law and we are for balanced budgets.

Mr. LEVITAS. I think the gentleman is raising a very serious question. I am prepared to vote, as I have in the past, during the budget process for a balanced budget if someone will introduce one. I am prepared to support a constitutional amendment for a balanced budget.

But President Reagan, who is struggling just as this Congress is, with a budget that is out of balance, I think to put him on the spot and accuse him of being guilty of an impeachable offense on the floor of this House does a disservice to the President and to his administration at this time.

Mr. SEIBERLING. Will the gentleman yield?

Mr. LEVITAS. I am happy to yield to the gentleman from Ohio.

Mr. SEIBERLING. I think it also should be noted that the majority of us on this side voted for the Obey substitute last year to the budget resolution which would have provided that by the following year, 1983, we would have had a balanced budget.

What is more, we voted against the Reagan budget resolution, and we voted against the Reagan tax cut which produced this imbalance.

So I ask the gentleman who is being consistent around here?

Mr. KEMP. Mr. Chairman, will the gentleman yield?

Mr. LEVITAS. I yield to my friend from New York.

Mr. KEMP. What I want to say to my friend from Ohio is this. The Democratic tax cut was larger than the bipartisan Conable-Hance tax cut.

Mr. SEIBERLING. I did not vote for it.

Mr. KEMP. On the one hand the gentleman says that the Democratic tax cut would have—the Democratic budget would have balanced the budget by 1983. That is patently absurd. There is not anyone who believes it.

Let me turn to my friends here for a moment and speak to them. I beg you, please recognize one thing. It is impossible to balance the budget given the recession. They blame it on President Reagan. We blame it on President Carter. I blame it on Paul Volcker. But, irrespective of who you blame it on, there is a recession. Because of it you cannot balance the budget by 1982. You cannot just tell the U.S. Government that it has to stop spending for vital defense, vital housing, vital environmental, vital educational programs, that any money going into this economy at this point would be a mistake.

I say to my friend, it is a mistake to put this onto every single authorization and every appropriation.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

(By unanimous consent Mr. LEVITAS was allowed to proceed for 2 additional minutes.)

Mr. LEVITAS. I yield to the gentleman from New York.

Mr. KEMP. Do me a favor. Do not applaud. It is tough enough to do this without having you applaud.

Let me ask the gentleman a question. Which budget are you talking about, the unified budget or the total research budget? Are we talking about on-budget items? Are we talking about outlays, loan authority, credit subsidies, guarantees, synfuels? How far would you go, I would ask my friend. Is there not a danger your proposal would have denied us the chance to reduce taxes and restructure the tax system to stimulate the ecomomy? Surely you would not say that we should raise taxes to balance the budget?

Would you rather have the budget in balance at a $1 trillion spending figure, or would your rather have a deficit at a $600 billion spending figure?

I agree with Milton Friedman. The problem in the economy is not just the deficit. The problem is the level of spending and borrowing, the degree to which private resources are absorbed and the Government allocates resources that are needed in the private sector.

So what would you rather have, a budget in balance at a high level of spending and borrowing, with runaway off-budget credit subsidies? Or would you rather tolerate a temporary deficit when we have the hope that we can restructure the tax and fiscal policy of this country to establish the kind of economic growth that I believe will do more to get the deficits down than the gentleman's amendment?

Mr. LEVITAS. I want to reclaim my time, Mr. Chairman.

Mr. KEMP. I am going to be drummed out of the conference.

Mr. LEVITAS. I would like to reclaim my time.

I just want to reclaim my time and make one point, and then I will yield whatever time I have left to the gentleman.

The fact of the matter is this, this is not theater, this is not a debating society. This is the House of Representatives of the United States. I suggest to the gentleman from Pennsylvania (Mr. WALKER) that the President of the United States and the Congress are dealing with very serious matters, and to accuse the President of violating the law and being guilty of an impeachable offense at this time is unseemly and wrong.

I think the gentleman ought to put it in the context of balancing the budget through the budget resolution rather than in this manner, because I think we have no choice except for the Judiciary Committee to proceed if a violation of the law is being committed.

Mr. KEMP. Mr. Chairman, I move to strike the requisite number of words and rise in opposition to the amendment.

I simply would like to say to my friends on this side of the aisle that ELLIOTT LEVITAS is right. This is not theater, although it seems to be at times. This is an extremely important matter to colleagues on both sides of the aisle.

But I just want to speak to my comrades in arms in some of these battles to reduce Federal spending, balance the budget, and encourage full employment without inflation.

□ 1420

I believe you are making a mistake if we are going to face this issue on every single measure. As the President himself has said, he would take a budget in deficit if it was necessary to repair the damage that was done to the Nation's defense by 10 years of disinvesting in conventional and strategic weapon programs. We do not want to set a dangerous precedent. I share my colleague's goal of balancing the budget. I would help him meet his goal. But to do it in this way I think is basically a mistake.

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. KEMP. I yield to the gentleman from Pennsylvania.

Mr. WALKER. I appreciate the gentleman yielding, because I think he has posed some excellent questions. I would say to the gentleman that the Federal Government in fiscal year 1983, by the budget projections that we have seen, will collect over $700 billion in revenue. All my amendment would say is that we have to live within those revenues.

We can decide priorities within those revenues; the President can determine priorities within those revenues. But we would have to stay within the revenue collection of the Federal Government.

Mr. KEMP. Does the gentleman not recognize that an expenditure on behalf of a capital investment, either for domestic purposes for the infrastructure of our country or for the infrastructure of the defense of our Nation, is to be treated in the same way as the spending for a transfer payment program? Does the gentleman believe in borrowing for those vital domestic and international needs that are necessary for the defense and security of this country?

Mr. WALKER. If the gentleman will yield, I think it is clear what was said in section 7. It says: "Total budget outlays."

Mr. KEMP. Right.

Mr. WALKER. And so it seems to me that it is a case of how much the Federal Government is spending.

Mr. KEMP. Can it borrow?

Mr. WALKER. It says "budget outlays," so I assume that the Federal Government could borrow, so long as the outlays did not exceed receipts.

Mr. KEMP. The gentleman assumes, but can he give us assurance?

Mr. WALKER. All I can say to the gentleman is what the law of the land says, and all this gentleman is attempting to do is to say that we ought to be in compliance with the law of the land.

Mr. KEMP. I appreciate that.

Mr. WALKER. I think that is clearly in the best economic interests of this country.

Mr. HYDE. Mr. Chairman, will the gentleman yield?

Mr. KEMP. I yield to the gentleman from Illinois.

Mr. HYDE. I thank my friend for yielding, and I just want to say this: I have confidence in the leadership on this side of the aisle, I have confidence in the judgment of the members of the Budget Committee who represent my party, and I would much rather let them handle this problem and provide the leadership than have everyone on the floor jumping up doing their own thing. We are going to look futile. We do look futile. I trust you, I trust BOB MICHEL, I trust TRENT LOTT, I trust DEL LATTA, and I just pray that you have the energy and stamina to continue in your work.

Mr. KEMP. I appreciate my friend's trust. I hope all of my colleagues know that I am not asking for you to trust us blindly. I do not think you should put your responsibilities on our shoulders any more than I should do the same to you. I am just telling you, as a

Member from this side of the aisle, that I understand the sincere nature of this drive. I share it. But I do not want to put it as the sole goal of our budget policy.

Our goals for America are a safe defense and a strong, growing, dynamic national economy. To just suggest that we are going to put a balanced budget ahead of every other goal is to take our party backward, not forward. It is not always easy for us, but we have to keep the central goals of budget policy at the front of our minds.

Mr. LEWIS. Mr. Chairman, will the gentleman yield?

Mr. KEMP. I yield to the gentleman from California.

Mr. LEWIS. I thank my colleague for yielding.

To shift a bit of focus, the original purpose of the gentleman was, in part, other than to realistically think that there would be a majority vote, to get this amendment on any bill. The point is that there is languishing within the House, with broad bipartisan support, a measure that would bring before the body the question of a balanced budget constitutional amendment. Democrats and Republicans are supporting that. It is very clear, however, that the leadership is not allowing that bill to move to the floor, even though 34 States have sent us resolutions to pass such a bill.

The CHAIRMAN. The time of the gentleman from New York (Mr. KEMP) has expired.

(By unanimous consent, Mr. KEMP was allowed to proceed for 2 additional minutes.)

Mr. LEWIS. If the gentleman will yield further, it is very important for us to recognize and the country should recognize that Democrats and Republicans alike support a constitutional amendment in that regard. It is the leadership of this House that is out of touch with the Democrats of America, as well as the rest of us, and the gentleman is attempting to make that point, even though he knows full well——

Mr. KEMP. Let me say to my friend from California—who is a very good diplomat, and I appreciate his friendship very much—he is right. This is an important debate. I hope I am not demeaning the debate. I only got up on my feet because I am afraid if we seek a balanced budget in this manner, we are going to end up hurting our cause, not helping our cause. I greatly respect and admire the gentleman from Pennsylvania. He and I have done a lot together. All the same, I do not think that this is the best way to try to control the U.S. Government or our defense effort or our space effort or our housing effort or our domestic economy. I do not believe we should interject an arbitrary decisionmaking into this process.

Mr. HILER. Mr. Chairman, will the gentleman yield?

Mr. KEMP. I yield to the gentleman from Indiana.

Mr. HILER. The chairman of the Republican Conference, by no means—current and future chairman of the Republican Conference, is by no means suggesting, by saying he has questions whether a balanced budget should be the most important priority of this Congress, is by no means suggesting that he embraces the past spending habits of the Democrat majority?

Mr. KEMP. The gentleman knows that I am not embracing the failed policy of tax and spend, spend and tax—from either side of the aisle. I just want to say to my colleagues on both sides of the aisle that our goal should not just be a balanced budget without regard to the overall level of taxes and expenditures. We have to look at the total Federal use of resources through all appropriations, entitlements, credit programs, and Government-sponsored enterprises. Our budget goal should be to set total Federal activities at a level which meets our defense and social needs without impinging on the ability of producers and workers to maintain a strong and growing economy.

The CHAIRMAN. The time of the gentleman from New York (Mr. KEMP) has again expired.

Mr. KEMP. Mr. Chairman, I ask unanimous consent that I may proceed for 1 additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. SEIBERLING. Reserving the right to object, Mr. Chairman, will the gentleman deign to recognize me at some point?

Mr. KEMP. Of course I would, and I hope the gentleman recognizes that I have been trying to speak to that part of the aisle which has the most serious problem with this amendment.

Mr. SEIBERLING. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. HILER. The gentleman would also agree that the way we are ultimately going to balance this budget is by having not only fiscal restraint but also having policies of economic growth, policies that revolve around not increasing taxes, I would suggest to the gentleman.

Mr. KEMP. I am afraid we could not have cut taxes in 1981 if we had had this amendment.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. KEMP. I yield to my friend, the gentleman from Ohio.

Mr. SEIBERLING. Mr. Chairman, I would just like to point out two things. One is that the majority of the Members on the Democratic side of the aisle voted last year for the Obey resolution which would have produced a balanced budget by 1983. And the second thing I would like to point out is that it is quite obvious that on the Republican side there is some difference of opinion. The gentleman himself last year was the one who said we—referring to Republicans—no longer worship at the alter of a balanced budget.

Mr. KEMP. No; I said that I do not.

Mr. SEIBERLING. I suggest you fellows get together and decide what you are going to do.

Mr. KEMP. I just have a second left.

Do not blame my colleagues for my views. I said that I do not worship at that shrine. I am still not worshiping at the shrine of a balanced budget. I am worshiping at the shrine—if you will pardon the term—of high levels of employment—putting this Nation back to work.

The CHAIRMAN. The time of the gentleman from New York (Mr. KEMP) has again expired.

(By unanimous consent, Mr. KEMP was allowed to proceed for 1 additional minute.)

□ 1430

Mr. KEMP. How we get there is the subject of a fierce debate but I respect the gentleman's opinion. Redistribution of wealth is not going to get us there. I want my friend to respect my position, which is that there had to be a restructuring of the Tax Code to restore our economy. You cannot get the deficit down without getting this Nation back to work. We are operating at $500 billion below the capacity of the U. S. economy, and with 9-percent unemployment we are not going to get the deficit down until we get this Nation back to work.

An amendment requiring a balanced budget in the current circumstance will not further this goal. This is not to say that I may not support the President in adopting a constitutional resolution. I may yet do so.

The point is, I say to my colleagues, that immediate concern over the unified budget deficit will lead us to unwise policy decisions. We are here to make policy decisions which are right for America, not to focus on arbitrarily established measures of budget balance.

Mr. HILER. My Chairman, I move to strike the requisite number of words and I rise in support of the amendment.

Mr. Chairman, I think the question here is not so much whether we are going to have a balanced budget in 1983, but I think we have to look at what is bringing this discussion even to the front.

We have a budget before us today that has an increase of 11 percent plus $35 million. I think that the gentleman from Pennsylvania is saying that it is time we set priorities, time we bring fiscal restraint to this body, time we begin to assess the fact that we do have a significant deficit and it is time to estabish priorities.

I would suggest that if the gentleman on any bill, any authorization bill comes up which is significantly over the President's request, that he will continue to offer this amendment.

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. HILER. I yield to the gentleman from Pennsylvania.

Mr. WALKER. I thank the gentleman for yielding.

First of all, I want to make a couple of points in reply to my good friend from New York.

I think the gentleman from New York knows that this gentleman has solidly supported the idea of tax cuts and I also support the idea of growth.

I happen to believe that you do not grow by having the Federal Government growing faster. I think you grow by the Federal Government beginning to retract its own rate of growth. My amendment is one way to arrive at that.

Second, I would say to the gentleman from Ohio, who talked to us about consistency. He has now admitted that he voted for this balanced budget approach in 1978, but that is not consistent with his position today. Then he got up and he said that he voted for a balanced budget for 1983 but he is not willing to accept this amendment which is also for a balanced budget in 1983.

I think his consistency is a little bit in question.

And finally, I would like to point out that all the hooting and hollaring that has been heard on the floor in favor of not supporting a balanced budget is coming from exactly those people who have been regularly criticizing the President of the United States for the deficits in his budget.

I think now is the time when we say whether we are for deficits or against deficits.

Mr. JOHNSTON. Mr. Chairman, I move to strike the requisite number of words and I rise in support of the amendment.

Mr. Chairman, I do not think the spending habits of this body are peculiar to either side of the aisle. But last week, in the Budget Committee, when Dave Stockman testified before us, along with other experts, one number came out of that testimony that scared me worse than any number that I have heard since I got up here. And that is that if we do not change our ways, by 1983 the Federal Government will be spending 24 percent of the gross national product.

Now, when State and local spending, which hovers between 19 and 20 percent of the gross national product, is added to that you see an economy 44 percent controlled by Government.

Now, somehow or another we collectively are going to have to bring down that share. How we do it is a matter of negotiation. But I can tell my colleagues we cannot live with 44 or 45 percent of this economy controlled by Government. There is not going to be enough money out there for the private sector to do its job. And bills like this, and bills like the one we passed May 11, a billion dollar subsidy for 74,000 home buyers are taking over the economy. These bills, are the types of bills that have built us to the point where we are on the threshold of a socialist economy. And I do not know who did it, I do not care who did it, but I know what we have to do to stop it, and that is slow down spending. This bill is overbudget and we should not support it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. WALKER).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. WALKER. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 121, noes 248, not voting 63, as follows:

[Roll No. 77]

AYES—121

Archer
Atkinson
Badham
Bailey (MO)
Benedict
Bliley
Bolling
Bonior
Brodhead
Broomfield
Brown (CO)
Carman
Carney
Chappie
Clausen
Coats
Coleman
Collins (TX)
Conable
Corcoran
Coyne, James
Craig
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Dannemeyer
Daub
Dunn
Edwards (OK)
Emerson
Erlenborn
Fiedler
Fields
Fithian
Frenzel
Gingrich
Goodling
Gradison
Gramm
Gregg
Gunderson
Hagedorn
Hall, Ralph
Hall, Sam
Hammerschmidt
Hansen (ID)
Hartnett
Heftel
Hendon
Hiler
Hillis
Hopkins
Hunter
Jacobs
Jeffries
Johnston
Kazen
Kramer
Lagomarsino
Latta
Lee
Lewis
Loeffler
Lowery (CA)
Lujan
Lungren
Martin (IL)
Martin (NY)
McCollum
McDade
McDonald
McEwen
McGrath
Miller (OH)
Moorhead
Morrison
Murphy
Myers
Napier
Natcher
Parris
Pashayan
Patman
Paul
Pickle
Regula
Ritter
Roberts (KS)
Roberts (SD)
Robinson
Roemer
Roth
Rousselot
Rudd
Russo
Schulze
Sensenbrenner
Shumway
Siljander
Skeen
Smith (AL)
Smith (NE)
Smith (OR)
Snyder
Solomon
Spence
Stangeland
Stark
Staton
Stenholm
Stump
Taylor
Vander Jagt
Volkmer
Walker
Wampler
Whittaker
Winn
Wortley
Young (FL)

NOES—248

Addabbo
Akaka
Albosta
Alexander
Annunzio
Anthony
Applegate
Aspin
AuCoin
Bafalis
Barnes
Beard
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boner
Bonker
Bouquard
Bowen
Breaux
Brinkley
Brooks
Brown (CA)
Broyhill
Burgener
Burton, Phillip
Chappell
Cheney
Clay
Clinger
Coelho
Collins (IL)
Conte
Conyers
Coughlin
Coyne, William
D'Amours
Daschle
Davis
de la Garza
Deckard
Dellums
DeNardis
Derrick
Derwinski
Dickinson
Dicks
Dingell
Dixon
Donnelly
Dorgan
Dougherty
Dowdy
Downey
Duncan
Dwyer
Dymally
Eckart
Edgar
Edwards (AL)
Edwards (CA)
Emery
English
Erdahl
Evans (DE)
Evans (IA)
Fary
Fascell
Fazio
Ferraro
Findley
Fish
Flippo
Florio
Foley
Ford (MI)
Ford (TN)
Forsythe
Fountain
Fowler
Frank
Frost
Fuqua
Garcia
Gaydos
Gejdenson
Gephardt
Gibbons
Gilman
Glickman
Gonzalez
Gore
Green
Hall (OH)
Hance
Hatcher
Heckler
Hefner
Hertel
Holland
Hollenbeck
Holt
Horton
Howard
Hoyer
Huckaby
Hughes
Hutto
Hyde
Ireland
Jenkins
Jones (NC)
Jones (OK)
Jones (TN)
Kastenmeier
Kemp
Kennelly
Kildee
Kindness
Kogovsek
Lantos
Leach
Leath
LeBoutillier
Lehman
Leland
Lent
Levitas
Long (LA)
Long (MD)
Lott
Lowry (WA)
Luken
Lundine
Madigan
Markey
Marks
Marriott
Martin (NC)
Matsui
Mattox
Mazzoli
McCurdy
McHugh
McKinney
Mica
Michel
Mikulski
Miller (CA)
Mineta
Minish
Mitchell (MD)
Mitchell (NY)
Moakley
Moffett
Molinari
Mollohan
Moore
Mottl
Nelligan
Nelson
Oakar
Oberstar
Obey
Ottinger
Oxley
Panetta
Patterson
Pease
Pepper
Perkins
Petri
Porter
Price
Pritchard
Pursell
Rahall
Railsback
Ratchford
Reuss
Rinaldo
Rodino
Roe
Rogers
Rosenthal
Rostenkowski
Roukema
Roybal
Sabo
Savage
Sawyer
Scheuer
Schroeder
Schumer
Seiberling
Shamansky
Shannon
Sharp
Shaw
Shelby
Shuster
Simon
Smith (IA)
Smith (NJ)
Snowe
Solarz
St Germain
Stokes
Studds
Swift
Synar
Tauke
Tauzin
Thomas
Traxler
Udall
Vento
Walgren
Washington
Watkins
Waxman
Weber (MN)
Weber (OH)
Weiss
White
Whitley
Whitten
Williams (OH)
Wilson
Wirth
Wolf
Wolpe
Wright
Wyden
Wylie
Yatron
Young (AK)
Young (MO)
Zablocki
Zeferetti

NOT VOTING—63

Anderson
Andrews
Bailey (PA)
Barnard
Boland
Brown (OH)
Burton, John
Butler
Byron
Campbell
Chisholm
Courter
Crockett
Dornan
Dreier
Dyson
Early
Ertel
Evans (GA)
Evans (IN)
Fenwick
Foglietta
Ginn
Goldwater
Gray
Grisham
Guarini

Hamilton
Hansen (UT)
Harkin
Hawkins
Hightower
Hubbard
Jeffords
LaFalce
Livingston
Marlenee
Mavroules
McClory
McCloskey
Montgomery
Murtha
Neal
Nichols
Nowak
O'Brien
Peyser
Quillen
Rangel
Rhodes
Richmond
Rose
Santini
Schneider
Skelton
Smith (PA)
Stanton
Stratton
Trible
Weaver
Whitehurst
Williams (MT)
Yates

☐ 1450

Messrs. MARTIN of North Carolina, LeBOUTILLIER, MADIGAN, ROSTENKOWSKI, BROYHILL, BETHUNE, FOUNTAIN, and PETRI changed their votes from "aye" to "no."

Messrs. PATMAN, STANGELAND, and HAGEDORN changed their votes from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. DUNN

Mr. DUNN. Mr. Chairman, I offer an amendment in the nature of a substitute,

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mr. Dunn: Strike all after the enacting clause and insert in lieu thereof the following:

TITLE I

Sec. 101. There is hereby authorized to be appropriated to the National Aeronautics and Space Administration to become available October 1, 1982:

(a) For "Research and development", for the following programs:

(1) Space Shuttle, $1,898,000,000;

(2) Space flight operations, $1,690,500,000;

(3) Expendable launch vehicles, $42,8000,000;

(4) Physics and astronomy, $461,000,000;

(5) Planetary exploration, $176,700,000;

(6) Life sciences, $55,700,000;

(7) Space applications, $328,600,000;

(8) Technology utilization, $9,000,000;

(9) Aeronautical research and technology, $257,500,000;

(10) Space research and technology, $127,800,000;

(11) Tracking and data acquisition, $496,400,000;

(b) For "Construction of facilities", including land acquisition, as follows:

(1) Construction of data analysis facility, Hugh L. Dryden Flight Research Facility, $4,500,000;

(2) Rehabilitation and modification of utility systems, Goddard Space Flight Center, $2,840,000;

(3) Modifications to the 4- by 7-meter low speed tunnel, Langley Research Center, $7,200,000;

(4) Modifications to upgrade the transonic dynamics tunnel, Langley Research Center, $9,000,000;

(5) Modification of rocket engine test facility for altitude testing, Lewis Research Center, $995,000;

(6) Modification to 450 PSI air system in engine research building, Lewis Research Center, $2,920,000;

(7) Rehabilitation of airfield, Wallops Flight Center, $2,150,000;

(8) Space Shuttle facilities at various locations as follows:

(A) Modifications to solid rocket booster refurbishment and subassembly facilities, John F. Kennedy Space Center, $1,700,000;

(B) Modification of manufacturing and final assembly facilities for external tanks, Michoud Assembly Facility, $17,845,000;

(C) Minor Shuttle-unique projects, various locations, $1,860,000;

(9) Space Shuttle payload facility: Rehabilitation and modification for payload ground support operations, John F. Kennedy Space Center, $1,740,000;

(10) Repair of facilities at various locations, not in excess of $500,000 per project, $15,000,000;

(11) Rehabilitation and modification of facilities at various locations, not in excess of $500,000 per project, $20,000,000;

(12) Miner construction of new facilities and additions to existing facilities at various locations, not in excess of $250,000 per project, $4,000,000; and

(13) Facility planning and design not otherwise provided for, $8,250,000.

(c) For "Research and program management", $1,168,900,000 and such additional or supplemental amounts as may be necessary for increases in salary, pay, retirement, or other employee benefits authorized by law.

(d) Notwithstanding the provisions of subsection (g), appropriations hereby authorized for "Research and development" may be used (1) for any items of a capital nature (other than acquisition of land) which may be required at locations other than installations of the Administration for the performance of research and development contracts, and (2) for grants to nonprofit institutions of higher education, or to nonprofit organizations whose primary purpose is the conduct of scientific research, for purchase or construction of additional research facilities; and title to such facilities shall be vested in the United States unless the Administrator determines that the national program of aeronautical and space activities will best be served by vesting title in any such grantee institution or organization. Each such grant shall be made under such conditions as the Administrator shall determine to be required to insure that the United States will receive therefrom benefit adequate to justify the making of that grant. None of the funds appropriated for "Research and development" pursuant to this Act may be used in accordance with this subsection for the construction of any major facility, the estimated cost of which, including collateral equipment, exceeds $250,000, unless the Administrator or his designee has notified the Speaker of the House of Representatives and the President of the Senate and the Committee on Science and Technology of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate of the nature, location, and estimated cost of such facility.

(e) When so specified and to the extent provided in an appropriation Act, (1) any amount appropriated for "Research and development" or for "Construction of facilities" may remain available without fiscal year limitation, and (2) maintenance and operation of facilities, and support services contracts may be entered into under the "Research and program management" appropriation for periods not in excess of twelve months beginning at any time during the fiscal year.

(f) Appropriations made pursuant to subsection (c) may be used, but not to exceed $25,000, for scientific consultations or extraordinary expenses upon the approval or authority of the Administrator and his determination shall be final and conclusive upon the accounting officers of the Government.

(g) Of the funds appropriated pursuant to subsections (a) and (c), not in excess of $75,000 for each project, including collateral equipment, may be used for construction of new facilities and additions to existing facilities, and for repair, rehabilitation, or modification of facilities: *Provided*, That, of the funds appropriated pursuant to subsection (a), not in excess of $250,000 for each project, including collateral equipment, may be used for any of the foregoing for unforeseen programmatic needs.

Sec. 102. Authorization is hereby granted whereby any of the amounts prescribed in paragraphs (1) through (12), inclusive, of section 101(b)—

(1) in the discretion of the Administrator or his designee, may be varied upward 10 percent, or

(2) following a report by the Administrator or his designee to the Committee on Science and Technology of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate on the circumstances of such action, may be varied upward 25 percent,

to meet unusual cost variations, but the total cost of all work authorized under such paragraphs shall not exceed the total of the amounts specified in such paragraphs.

Sec. 103. Not to exceed one-half of 1 percent of the funds appropriated pursuant to section 101(a) hereof may be transferred to and merged with the "Construction of facilities" appropriation, and, when so transferred, together with $10,000,000 of the funds appropriated pursuant to section 101(b) hereof (other than funds appropriated pursuant to paragraph (13) of such section) shall be available for expenditure to construct, expand, or modify laboratories and other installations at any location (including locations specified in section 101(b)), if (1) the Administrator determines such action to be necessary because of changes in the national program of aeronautical and space activities or new scientific or engineering developments, and (2) he determines that deferral of such action until the enactment of the next authorization Act would be inconsistent with the interest of the Nation in aeronautical and space activities. The funds so made available may be expended to acquire, construct, convert, rehabilitate, or install permanent or temporary public works, including land acquisition, site reparation, appurtenances, utilities, and equipment. No portion of such sums may be obligated for expenditure or expended to construct, expand, or modify laboratories and other installations unless (A) a period of thirty days has passed after the Administrator or his designee has transmitted to the Speaker of the House of Representatives and to the President of the Senate and to the Committee on Science and Technology of the House of Representatives and to the Committee on Commerce, Science, and Transportation of the Senate a written report containing a full and complete statement concerning (i) the nature of such construction, expansion, or modification, (ii) the cost thereof including the cost of any real estate action pertaining thereto, and (iii) the reason why such construction, expansion, or modification is necessary in the national interest, or (B) each such committee before the expiration of such period has transmitted to the Administrator written notice to the effect that such committee has no objection to the proposed action.

Sec. 104. Notwithstanding any other provision of this Act—

(1) no amount appropriated pursuant to this Act may be used for any program deleted by the Congress from requests as originally made to either the House Committee on Science and Technology or the Senate Committee on Commerce, Science, and Transportation,

(2) no amount appropriated pursuant to this Act may be used for any program in excess of the amount actually authorized for that particular program by sections 101(a) and 101(c), and

(3) no amount appropriated pursuant to this Act may be used for any program which has not been presented to or requested of either such committee,

unless (A) a period of thirty days has passed after the receipt by the Speaker of the House of Representatives and the President of the Senate and each such committee of notice given by the Administrator or his designee containing a full and complete statement of the action proposed to be taken and the facts and circumstances relied upon in support of such proposed action, or (B) each such committee before the expiration of such period has transmitted to the Administrator written notice to the effect that such committee has no objection to the proposed action.

Sec. 105. It is the sense of the Congress that it is in the national interest that consideration be given to geographical distribution of Federal research funds whenever feasible, and that the National Aeronautics and Space Administration should explore ways and means of distributing its research and development funds whenever feasible.

Sec. 106. This Act may be cited as the "National Aeronautics and Space Administration Authorization Act, 1983".

TITLE II

Sec. 201. (a) The Secretary of Commerce is hereby authorized to plan and provide for the management and operation of a civil land remote sensing space satellite system, including the LANDSAT D and D' satellites and associated ground system equipment transferred from the National Aeronautics and Space Administration; to provide for user fees; and to plan for the ownership and operation of future civil operational land remote sensing space satellite systems by the private sector when in the national interest.

(b) There is authorized to be appropriated $14,955,000 for the fiscal year 1983, for the purpose of carrying out the provisions of this title.

(c) No moneys authorized by this title shall be used to transfer to the private sector the ownership or management of any civil land remote sensing space satellite system and associated ground system equipment unless (1) the Secretary of Commerce or his designee has presented, in writing, to the Speaker of the House of Representatives and the President of the Senate, and to the Committee on Science and Technology of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate, a comprehensive plan for the proposed transfer, and (2) each such committee has transmitted to the Secretary written notice (within 30 days after receipt of the plan) to the effect that such committee has no objection to the proposed action.

Mr. DUNN (during the reading). Mr. Chairman, I ask unanimous consent that the amendment in the nature of a substitute be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. DUNN. Mr. Chairman, I think the best way to explain this amendment would be to take the time and recap what has happened previously.

We started out with an administration request for total NASA funding of $6.613 billion. In that request was very little money for aeronautics. Many members on the committee, including myself, felt that aeronautics should receive a bigger portion of that budget.

The committee reported out $6.613 billion, plus $35.5 million for aeronautics. This results in a total funding increase for NASA of 11 percent, plus the $35 million.

What my amendment would do is take the numbers back to the administration request of $6.6 billion, and at the same time transfer $25.5 million from space back into these very vital aeronautical programs. I think it is a reasonable compromise.

As my colleagues on this side of the aisle have stated earlier in debate, this would result in less than one-half of 1 percent coming out of the air and space program. That transfers into the $25 million that will revitalize the very important aeronautical programs. It keeps it at a total request of an 11-percent increase, an 11-percent increase for NASA at a time when many other Government programs are being either cut or asked to hold to the 1982 level.

I believe my amendment is an equitable and fair position.

Mr. WINN. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the Dunn amendment.

Mr. Chairman, I stand to support the Dunn amendment and urge very careful consideration of its provisions because it ties in directly with a major concession made by the administration. We have just learned that a significant policy shift has been made by the administration which puts $30 million back into NASA's aeronautics program in both fiscal year 1982 and fiscal year 1983. While Mr. Dunn's amendment calls for adding only $25.5 million back into aeronautics, and maintains the President's overall budget for NASA, we can work out the details in conference. The new administration's proposal is outlined as follows:

The administration has agreed to add $30 million to aeronautics in each fiscal year 1982 and fiscal year 1983 without changing the total from the President's budget. The reductions in fiscal year 1982 would be taken by relatively minor reductions (less than 1 percent); $20 million from Space Shuttle and operations; $7 million from space science and applications; and $3 million for tracking and data acquisiton. In fiscal year 1983 the administration would make a similar set of reductions in amounts of $14 million from shuttle operations; $2 million from spacelab development and procurement; $7 million from science and applications; $2 million from space research and technology; and $5 million from tracking and data acquisition. In light of the present status of the programs, we believe these reductions can be made without serious program impacts.

The additional aeronautics money would be applied approximately as follows:

[In millions of dollars]

	Fiscal year—	
	1982	1983
Advanced turboprop systems	3	10
Energy efficient transport	5	1
Energy efficient engine	8	8
Composite primary aircraft structures	1	2
Terminal configured vehicle	7	4
Turbine engine hot-section technology	1	2
Advanced rotorcraft technology	5	3
Total	30	30

This concession on the part of the administration is a magnificent victory for the Space Science and Technology Committee. We have voiced strong opposition to unacceptable reductions made by NASA in their aeronautics program in both fiscal year 1982 and fiscal year 1983, now. We are very pleased to report this major policy change by the administration. I urge acceptance of this important initiative which will be lost if the administration's budget is exceeded. This amendment will give us the aeronautics program we urgently need while maintaining an overall responsible budget limit.

Mr. FUQUA. Mr. Chairman, I rise in opposition to the amendment.

Mrs. KENNELLY. Mr. Chairman, will the gentleman yield?

Mr. FUQUA. I yield to the gentlewoman from Connecticut.

Mrs. KENNELLY. I thank the gentleman for yielding.

Mr. Chairman, I rise to speak against the amendment. I do not believe NASA's aeronautics program should be cut at all.

It is my good fortune to represent the First Congressional District of the State of Connecticut, the home of Pratt & Whitney, a subsidiary of United Technologies Corporation. This company has been a leader in aeronautical technology and economic development for space research. It has also been a continual backer of the research which has made our aerospace industry the success it has been over many years.

This is not the time to cut funding for NASA. I believe that would be irresponsible and shortsighted. We must continue to keep our aeronautical industry competitive. By passing this bill without amendment, we can continue the NASA program and at the same time show private industry that the Government of the United States still supports economic development in the important aerospace industry—whether it be commercial or defense oriented.

Mr. FUQUA. Mr. Chairman, I rise in opposition to the amendment.

It is somewhat ironic that now we find that the administration admits that they need $30 million additional in the aeronautics program. I appreciate their admission and recognition of the fact of this important program, and by the action of the committee today, already we have rejected efforts to reduce that $35 million that was added back by the committee.

Now, my good friend, the gentleman from Kansas (Mr. WINN) reports that NASA has agreed to reprogram some $30 million out of the space side of the budget into aeronautics.

□ 1500

I do not know where they plan to get money from. And they came up and testified in support of all the budget figures that they had recommended in the space area. If they have 30 extra millions of dollars, I hope that the subcommittee chaired by the gentleman from Alabama will thoroughly review that budget, and if there is fat in that budget, that we can take it out, and that the Congress can exercise its responsibility in the committees on where the money should be spent.

Furthermore, we have a method whereby reprograming action can take place, and if that is what NASA would propose to do, committees—both the authorizing and the appropriating committees—would be pleased to review that during the normal course of business. Also, the Administrator of NASA has indicated that he wants to find some $18 million for the solar maximum mission, the retrieval mission, out of 1982 money, and $24 million out of 1983 money, and add that to the $30 million in fiscal year 1983 money. That is some $54 million that they want to shift around in the budget. I think we as a Congress have a right to set the priorities. It is our responsibility, and I hope that this House will act in a responsible manner and support the committee and not support the amendment offered by the gentleman from Michigan.

Mr. DYMALLY. Mr. Chairman, will the gentleman yield?

Mr. FUQUA. I will be happy to yield to the gentleman from California, a member of our committee.

Mr. DYMALLY. Mr. Chairman, I rise to oppose the amendment.

Mr. FLIPPO. Mr. Chairman, will the gentleman yield?

Mr. FUQUA. I yield to the gentleman from Alabama.

Mr. FLIPPO. Mr. Chairman, I would like to assure the Chairman that we certainly will undertake a very thorough study of all of these accounts, and I want the Chairman to know also that I am delighted that we now have a major policy decision by the administration that has been offered to us here, because it is very hard to get a major policy decision of any kind at the appropriate time so that the committee can operate in a timely fashion. These last minute, midnight policy changes are not the way to go, so what we need is well thought out, well studied programs, careful hearings that give all interested people an opportunity to have an input into them.

Mr. FUQUA. It is my understanding from the amendment of the gentleman from Michigan that these moneys will come out of the Shuttle, out of space flight operations, out of physics and astronomy, out of planetary programs, and if there is $54 million floating around in the NASA budget, I want the committees of the Congress in a responsible fashion to determine where those funds are spent and the priorities that we determine as the elected Representatives of the people, and not in some other fashion that has been indicated, so that I hope that we will reject the amendment of the gentleman from Michigan and proceed with this bill as it has been reported out of both subcommittees and the full committee, and reported to this floor.

Ms. OAKAR. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment very, very strongly.

Mr. Chairman, I said earlier that the United States spends about eight-tenths of 1 percent of its GNP for space programs, while the Soviet spends 2 percent, which is 11 percent of their defense program, which is space related, looking for a military, space-related program in the Soviet Union.

Mr. Chairman, in his budget for fiscal year 1983, the President has proposed $6.6 billion in funding for the National Aeronautics and Space Administration (NASA), an increase of some $700 million over fiscal year 1982. Despite this increase, I am concerned by what I see as short-sighted spending priorities by this administration in terms of our country's investment in space exploration, aeronautics, and other kinds of advanced research and development (R. & D.) efforts.

In particular, I am concerned that one of NASA's finest facilities—the Lewis Research Center of Cleveland, Ohio, which is located in my 20th Congressional District—faces a somewhat uncertain future in the long term and in fact, has been marked for cuts in funding and personnel levels in the President's fiscal year 1983 budget. Such cuts are incomprehensible in light of the outstanding international reputation Lewis Research has earned as a leader in the fields of aeronautical R. & D. energy technology, space exploration, and medical technology utilization. It appears that the administration has adopted an inconsistent policy on this point, that is, to propose greater spending in order to strengthen our national defense but at the same time propose cuts in funding and personnel at Lewis Research—a facility that has provided the capability and expertise in developing the kinds of sophisticated technology essential to the strengthening of our national defense.

When our investment in aeronautics, space exploration, and related R. & D. work is measured against that of the Soviet Union, what emerges is a comparison that suggests a growing and dangerous disparity between our spending on aeronautics and space-related R. & D. and Soviet spending on the same. In my judgment, the Office of Management and Budget (OMB) has wielded its budget ax in an indiscriminate and heavy-handed manner in those areas of the budget affecting NASA facilities and programs. OMB, whose record to date in fashioning budget cuts has fallen short of minimum standards of fairness and wisdom, cannot and should not be allowed to arrogate to itself the kind of technical knowledge and institutional expertise that are basic to a proper understanding of the importance of NASA-run programs which fulfill our national security needs and interests.

It is time for all of us to realize that we are in danger of gambling the future security of our country when we sacrifice our long-term qualitative edge in R. & D. technology to the narrow and short-sighted demands of the moment for across-the-board cuts in Federal spending. Such a policy of being penny-wise and pound-foolish becomes particularly irresponsible and risky when the gamble involves the possibility of losing our technological superiority to our principal adversary—the Soviet Union.

In the opinion of many Western experts, the Soviet space program is largely under the direction—some would say domination—of the military establishment. One of the branches of the Soviet military establishment is the Strategic Rocket Force which conducts all space rocket launches for both military and civilian purposes, although the primary mission of the Strategic Rocket Force is to launch nuclear missiles. Also, it is worth

noting that most of the individuals who are considered as probable high officials in the Soviet space program have strong military or defense industry backgrounds.

A former director of Defense Research and Engineering in the Department of Defense has warned that one result of the large resource investment by the Soviet Union in its space program might very well be American military inferiority within a period of 10 years or less. In testimony before Congress in 1975, this Defense Department official expressed his concern that, "the Soviet effort right down the line in space has as its primary objective a superior military directed capability."

The CIA has analyzed the Soviet space research program from the available data and concluded that it is dominated by military objectives. Current CIA evidence suggests that the Soviet Union may be spending about 2 percent of its GNP for space programs—programs, it must be kept in mind, that serve military purposes. The CIA also estimates that 11 percent of Soviet defense spending is space related.

In contrast, the United States now spends about eight-tenths of 1 percent of its GNP for space programs. The fact is that the gap represents a potentially dangerous situation wherein the United States could eventually trail the Soviet Union in the application of space-related technology to military strategy and tactics.

There is enough evidence gathered by the CIA and the Defense Department to indicate that the Soviet space program has a strong preference for military space missions. The implication of this, of course, is that the Communist Party leadership of the Soviet Union assigns high value and great importance to the strategic and military benefits of its space program. In fact, the CIA and the Defense Department project both an increased share of space expenditures relative to the total Soviet defense budget and a larger slice of the Soviet GNP pie for its space program and related research and development activities.

Mr. Chairman, current comparisons between the U.S. and U.S.S.R. on space-related spending show trends that should be troubling to any American who is concerned about preserving our qualitative edge in R. & D. technology. The rationale and guiding purpose of our space program should not be the placement into orbit of satellites that can be converted to military use against a potential opponent. Nor should our space program be guided by an effort to establish military bases on nearby celestial bodies.

However, our investment in space-related programs must reflect a determination to compete effectively with the Soviet Union in the development of technology in order for us to maintain our current qualitative advantage. Our investment must also reflect a realistic understanding of Soviet motives and missions in its space programs. On this latter point, it should be emphasized that since the sending into orbit of Sputnik in 1957 and through 1980, the Soviet Union has launched 1,846 payloads into space, of which 1,088, or 59 percent, have been for strictly military purposes.

During this same time, the United States has launched 1,036 payloads into space, of which 446, or 43 percent, have been military by mission. In 1980 alone, the Soviet Union launched 132 payloads into orbit, compared to only 16 for the United States.

It is commonly accepted that U.S. military space flights have proven to be extremely vital in providing accurate information on military-related activities throughout the world. Many defense analysts argue that this kind of information gathered from satellites acts as a safeguard against nuclear miscalculation by the major powers. Such a safeguard becomes all the more crucial and compelling in the absence of internationally ratified agreements for open skies and on-site inspection.

If the military photoreconnaissance missions performed by U.S. satellites function as an important safeguard and potential deterrent against provocation or miscalculation, then it is in our own best interests as a nation to maintain these missions on a par with the Soviet Union. Central to the performance of these missions is the appropriate allocation of the funds to NASA to provide the technical analysis and support data necessary for the proper institutional evaluation of, and scientific justification for, these missions.

The United States and the Soviet Union are signatories to a treaty banning weapons of mass destruction from Earth orbit and all military activities on other celestial bodies. While the Soviet Union has not placed nuclear bombs aboard its spacecraft, the Kremlin has, however, tested a fractional orbit bombardment system (FOBS). This testing has involved the use of a dummy warhead, with the launch of a satellite from the Soviet Union on a path bypassing the United States and the return of the test warhead to Earth before the end of the first orbit. The United States in contrast, has not developed or tested a system comparable to the Soviet FOBS.

Mr. Chairman, it is my firm conviction that our budget for funding programs under NASA must not be so shortsighted as to deprive us of our qualitative leadership in research and development and advanced technology and thus compromise our national security and defense needs. We have a serious responsibility to invest wisely in the future strength and safety of our country by allocating adequate resources to programs that encourage technological innovation and productivity. But I worry when I learn that the Soviet Union has twice as many engineers and scientists as we do and turns out engineers and scientists at five times the rate that we do.

We must begin now to make a commitment to the maintenance of a space program, aeronautics, and related research and development pursuits that preserves our No. 1 position and protects our vital national security interests. In this respect, NASA facilities such as Lewis Research Center should be given high priority in the allocation of Federal budget dollars.

To close, I would like to illustrate the points I have made with some imagery borrowed from Greek mythology.

In Greek mythology, Icarus was a young man who sought to escape his imprisonment with wings of wax made by his father. Icarus fell into the sea and drowned, however, because he flew with his wax wings too near the Sun.

Mr. Chairman, I for one do not intend to sit idly by and watch while proposals are put forth to fashion for NASA—Lewis Research, in particular—a budget made of wax wings because of misguided demands for indiscriminate budget cuts. Let us not consign our country's future strength and safety to a fate by drowning because the passion of the moment dictated wings of wax.

Mr. WINN. Mr. Chairman, will the gentlewoman yield?

Ms. OAKAR. I am happy to yield to the gentleman from Kansas.

Mr. WINN. I thank the gentlewoman for yielding.

I would just like to clarify for the Members' attention that my colleague from Alabama brought up the concern that these policy changes by the administration are last-minute or midnight decisions. I somewhat agree with that. But I would like to point out to my colleague from Alabama that this bill was brought to the floor with 1 day's notice. If we would have a little more notice perhaps this last-minute decision would not have been necessary.

I thank the gentlewoman for yielding.

Mr. AKAKA. Mr. Chairman, will the gentlewoman yield?

Ms. OAKAR. I will be happy to yield to my friend from Hawaii.

Mr. AKAKA. Mr. Chairman, I rise in strong opposition to this amendment. While I am pleased that my colleague offering this amendment has chosen not to take the full $35 million out of the budget for aeronautics, I am seriously disturbed by the fact that he proposes an across-the-board cut of $25 million in NASA's space programs. The fact is that this will cripple NASA's ability to carry out the responsibilities Congress directed it to carry out in 1958, under the terms of the Space Act.

We cannot afford to cut funding for NASA anymore. As all of you must know, the cost of developing the Space Shuttle has been a tremendous drain on NASA resources. While I am proud that the United States does have the world's first reusable launch vehicle, I am very concerned that other programs risk utter extinction for lack of funding, as a direct result of the phenomenal amount of money eaten up by the Shuttle.

The committee has worked long and hard to achieve a balance in NASA programs, with in some cases, minimal funding just to keep vital programs alive and to keep critical teams of scientists and engineers together.

This proposed across-the-board cut will do irreparable harm to many NASA programs in fiscal year 1983. This cut is shortsighted, inappropriate, and downright dangerous to the long-term and short-term health of many NASA programs.

I urge my colleagues to soundly defeat this amendment, for it is an antispace program amendment. I urge my colleagues to rely on the wisdom and foresight shown by the full committee and to accept the committee's recommendations for the fiscal year 1983 NASA budget.

Certainly, we, as a Congress, would be irresponsible if we were to turn this issue into a mundane and self-serving battle of parties and battle of politics. The long-term health and future of our space enterprise depends upon our ability to show the courage to fund long-term basic research, even in times of serious budgetary problems. If we do not invest in basic research now, we will find that the bill we will have to pay in the coming years will be an embarrassing one and a crippling one. The soundest and best economic investment that we can make in our economy lies in the area of basic research. Quick fixes for our economic problems simply do not work. We need to show the courage to invest in the future of this country. I can guarantee you one thing: If our technology dies, so does our future. If you vote for this amendment, you should know that you have contributed to making America a second-rate nation—all for the sake of political expediency. I strongly oppose this amendment and I urge my colleagues to do the same.

The CHAIRMAN. The question is on the amendment in the nature of a substitute offered by the gentleman from Michigan (Mr. Dunn).

The amendment in the nature of a substitute was rejected.

The CHAIRMAN. Are there other amendments to the bill?

If not, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore. (Mr. Long of Louisiana), having assumed the Chair, Mr. Anthony, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 5890) to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes, pursuant to House Resolution 460, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them.

The amendments were agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. DUNN

Mr. DUNN. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. DUNN. I am, Mr. Speaker.

The SPEAKER pro tempore. The gentleman qualifies.

The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. Dunn moves to recommit the bill H.R. 5890 to the Committee on Science and Technology with instructions to report back the same forthwith with the following amendment: On page 2, line 22, strike "$267,100,000" and insert in lieu thereof "$232,700,000".

Mr. DUNN. Mr. Speaker, the point of this is to say to this body, and even though I am a member of the committee and a strong supporter of our space program in its entirety, that if we cannot in a $6.6 billion budget deal with between us reducing $35 million, then I would have to ask the Members of this body, where are we going to begin to cut?

The proposal that came from the administration represented an 11-percent increase—an 11-percent increase for NASA at a time when many other areas of our Government are being asked to cut back. If we cannot between us find $35 million, then——

PARLIAMENTARY INQUIRY

Mr. GLICKMAN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. Does the gentleman yield for the inquiry?

Mr. DUNN. I yield just for an inquiry. The gentleman will state his parliamentary inquiry.

Mr. GLICKMAN. Mr. Speaker, I would ask if the numbers in the motion to recommit are in fact the same numbers in the committee bill as amended by the Winn amendment?

Mr. DUNN. Yes, Mr. Speaker. They are the same numbers as in the Winn amendment.

The SPEAKER pro tempore. The Chair will inquire, is the gentleman from Kansas (Mr. Glickman) raising a point of order?

Mr. GLICKMAN. Yes, Mr. Speaker, I am raising a point of order.

Mr. DUNN. Regular order, Mr. Speaker.

The SPEAKER pro tempore. The Chair will state that, the gentleman's point of order is not timely. It comes too late.

The gentleman from Michigan (Mr. Dunn) will proceed.

Mr. DUNN. As I was saying, Mr. Speaker, though I am a strong supporter of NASA funding, an 11-percent increase in this year, 1982, during a period of budget austerity represents to me a strong commitment by this House as a whole to NASA.

Mr. Speaker, I urge my colleagues to vote for the recommittal, and I yield back the balance of my time.

The SPEAKER pro tempore. The gentleman from Florida (Mr. Fuqua) is recognized for 5 minutes in opposition to the motion to recommit.

Mr. FUQUA. Mr. Speaker, the House in the Committee of the Whole rejected this identical amendment on a rollcall vote a few minutes ago. Since that time the gentleman from Michigan had offered an amendment, which was also defeated, to include more money in the aeronautical portion of the bill.

What the motion to recommit does is to reduce the amount of money authorized in the committee bill for the aeronautical program. We have debated the issue. The debate was very lengthy, and the amendment was defeated by a very good margin in the Committee of the Whole.

Mr. Speaker, I urge the House to reject the motion to recommit with instructions.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. WALKER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the

point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 277, nays 84, not voting 71, as follows:

[Roll No. 78]

YEAS—277

Akaka
Albosta
Alexander
Andrews
Annunzio
Anthony
Applegate
Archer
Aspin
Atkinson
Bafalis
Barnes
Beard
Bedell
Beilenson
Benedict
Benjamin
Bennett
Bethune
Bevill
Biaggi
Bingham
Blanchard
Bliley
Boggs
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown (CA)
Burton, Phillip
Byron
Carman
Carney
Chappell
Chappie
Clausen
Clay
Clinger
Coelho
Coleman
Collins (IL)
Collins (TX)
Conte
Conyers
Corcoran
Coughlin
Coyne, James
Coyne, William
Daniel, Dan
Daniel, R. W.
Davis
de la Garza
Deckard
Dellums
DeNardis
Derrick
Derwinski
Dickinson
Dicks
Dingell
Dixon
Donnelly
Dowdy
Downey
Duncan
Dwyer
Dymally
Eckart
Edgar
Edwards (AL)
Edwards (CA)
Edwards (OK)
Emery
English
Evans (DE)
Evans (IA)
Fary
Fascell
Fazio
Fenwick
Ferraro
Fiedler
Fields
Findley
Fish
Fithian
Flippo
Florio
Foley
Ford (MI)
Ford (TN)
Fowler
Frank
Frost
Fuqua
Garcia
Gejdenson
Gephardt
Gilman
Gingrich
Glickman
Gonzalez
Gore
Gradison
Green
Hall, Ralph
Hall, Sam
Hammerschmidt
Hance
Heckler
Hefner
Heftel
Hertel
Hollenbeck
Holt
Hopkins
Horton
Howard
Hoyer
Huckaby
Hutto
Hyde
Ireland
Jenkins
Jones (NC)
Jones (OK)
Jones (TN)
Kastenmeier
Kazen
Kennelly
Kildee
Kogovsek
Kramer
Lagomarsino
Lantos
Leach
Leath
Lehman
Leland
Lent
Levitas
Lewis
Long (LA)
Long (MD)
Lott
Lowery (CA)
Lowry (WA)
Lujan
Luken
Lundine
Lungren
Madigan
Markey
Marks
Marriott
Martin (IL)
Matsui
Mattox
Mazzoli
McCollum
McCurdy
McDade
McEwen
McGrath
McHugh
McKinney
Mica
Mikulski
Miller (CA)
Mineta
Minish
Mitchell (NY)
Moakley
Molinari
Mollohan
Moore
Moorhead
Morrison
Mottl
Murphy
Myers
Natcher
Nelson
Oakar
Oberstar
Obey
Oxley
Panetta
Parris
Patman
Patterson
Pease
Pepper
Perkins
Petri
Pickle
Porter
Price
Pritchard
Pursell
Rahall
Railsback
Ratchford
Regula
Reuss
Rinaldo
Robinson
Rodino
Roe
Rogers
Rosenthal
Rostenkowski
Roukema
Rousselot
Roybal
Sabo
Savage
Sawyer
Scheuer
Seiberling
Shamansky
Shannon
Sharp
Shaw
Shelby
Simon
Skeen
Smith (IA)
Smith (NJ)
Snowe
Snyder
Solarz
Spence
St Germain
Stark
Stokes
Studds
Swift
Synar
Tauke
Thomas
Traxler
Udall
Vander Jagt
Volkmer
Walgren
Wampler
Washington
Watkins
Waxman
Weber (OH)
Weiss
White
Whitley
Whitten
Williams (OH)
Wilson
Winn
Wirth
Wolf
Wolpe
Wortley
Wright
Yatron
Young (AK)
Young (FL)
Young (MO)
Zablocki
Zeferetti

NAYS—84

AuCoin
Badham
Bailey (MO)
Bereuter
Brown (CO)
Broyhill
Burgener
Cheney
Coats
Conable
Craig
Crane, Daniel
Crane, Philip
Dannemeyer
Daschle
Daub
Dorgan
Dunn
Emerson
Erdahl
Erlenborn
Forsythe
Fountain
Frenzel
Goodling
Gramm
Gregg
Gunderson
Hagedorn
Hall (OH)
Hansen (ID)
Hartnett
Hendon
Hiler
Hughes
Hunter
Jacobs
Jeffries
Johnston
Kemp
Kindness
Latta
LeBoutillier
Lee
Loeffler
Martin (NC)
Martin (NY)
McDonald
Michel
Miller (OH)
Mitchell (MD)
Napier
Nelligan
Ottinger
Pashayan
Paul
Ritter
Roberts (KS)
Roberts (SD)
Roemer
Roth
Russo
Schroeder
Schulze
Schumer
Sensenbrenner
Shumway
Shuster
Siljander
Smith (AL)
Smith (NE)
Smith (OR)
Solomon
Stangeland
Staton
Stenholm
Stump
Tauzin
Taylor
Walker
Weber (MN)
Whittaker
Wyden
Wylie

NOT VOTING—71

Addabbo
Anderson
Bailey (PA)
Barnard
Boland
Brown (OH)
Burton, John
Butler
Campbell
Chisholm
Courter
Crockett
D'Amours
Dornan
Dougherty
Dreier
Dyson
Early
Ertel
Evans (GA)
Evans (IN)
Foglietta
Gaydos
Gibbons
Ginn
Goldwater
Gray
Grisham
Guarini
Hamilton
Hansen (UT)
Harkin
Hatcher
Hawkins
Hightower
Hillis
Holland
Hubbard
Jeffords
LaFalce
Livingston
Marlenee
Mavroules
McClory
McCloskey
Moffett
Montgomery
Murtha
Neal
Nichols
Nowak
O'Brien
Peyser
Quillen
Rangel
Rhodes
Richmond
Rose
Rudd
Santini
Schneider
Skelton
Smith (PA)
Stanton
Stratton
Trible
Vento
Weaver
Whitehurst
Williams (MT)
Yates

☐ 1520

The Clerk announced the following pair:

On this vote:

Mr. Addabbo for, with Mr. Hawkins against.

Messrs. FOUNTAIN, NAPIER, and STUMP changed their votes from "yea" to "nay."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

☐ 1530

GENERAL LEAVE

Mr. GLICKMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous material on the bill, H.R. 5890.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kansas?

There was no objection.

INTERNATIONAL CENTER ACT

Mr. FARY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 1611) to amend Public Law 90-553, to authorize the transfer, conveyance, lease and improvement of, and construction on, certain property in the District of Columbia, for use as a headquarters site for an international organization, as sites for governments of foreign countries, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

Mr. STANGELAND. Reserving the right to object, Mr. Speaker, and I will not object, I would like to ask the gentleman if he could briefly explain the bill to us.

Mr. FARY. If the gentleman will yield, Mr. Speaker, S. 1611 is almost virtually identical to H.R. 4716, a bill reported unanimously by the House Committee on Public Works and Transportation on October 7, 1981.

Mr. Speaker, S. 1611, amends Public Law 90-553, enacted on October 9, 1968, and known as the International Center Act, to expand and bring to completion the planned international center within the federally owned Bureau of Standards site at Van Ness Street and Connecticut Avenue in Northwest, Washington, D.C.

Passage of the International Center Act in 1968 was essential to partially alleviate the critical shortage of suitable space for location of chanceries and related facilities of foreign governments in the Nation's Capital, an issue of increasing concern to the Department of State in the discharge of its Federal functions.

The site for the center, located at the south half of the Old Bureau of Standards site in Northwest Washington, was to be developed by the Secretary of State from proceeds of sale or lease to foreign governments or an international organization. Development controls and a master plan applicable to the site were approved and adopted by the National Capital Planning Commission on June 3, 1971.

The International Center was to provide chanceries for approximately 14 foreign governments and a headquarters building on a parcel, not to exceed 8 acres, for the Organization of American States (OAS). The latter was intended to provide multilingual conference and other facilities needed for a diplomatic center and to obtain a proper density of development, adjacent to the Connecticut Avenue corridor and the metro system.

In 1973, it was found that sufficient capital was not available from potential purchasing governments to fund the development of the site in absence of clear evidence to complete at least the first phase of site development. Public Law 93-40, signed in May 1973, authorized $2.2 million to allow the Secretary of State to initiate site development. The remaining site development costs would be provided through the sale or lease of property at the center to foreign governments; such sales would also provide funds to reimburse the Treasury for all funds expended from the appropriation of the $2.2 million. The chancery section project ultimately will be constructed at no cost to the Government, and the cost of actual construction of chancery facilities will be borne by the foreign governments.

Development of chancery sites at the International Center has proceeded in accordance with master plans and site and building plans approved by the National Capital Planning Commission (NCPC). The General Services Administration has had overall responsibility for demolition, excavation, site preparation, streets, parks, and utilities. Each foreign government then builds its own chancery, at its expense, on land leased at the center.

The chancery lots are being developed in two main phases. This is necessary since the University of the District of Columbia formerly occupied two buildings located on four of the chancery lots.

Phase 1 which provides for the preparation of 10 of the planned 14 lots is essentially completed.

As of October 1, 1981, the Department of State has signed leases with eight countries: Jordan, Israel, Ghana, Yemen, Bahrain, Libya, Kuwait, and Qatar. Discussions on the remaining plots are now being conducted with various governments.

S. 1611 will amend the International Center Act to provide for a 12-acre expansion area known as the Northwest Quadrant, adjacent to the present site to accommodate chanceries and related facilities for up to eight additional governments within the existing federally owned area.

The additional 12 acres together with the 34 acres available under the original act, will accommodate approximately 23 chanceries of smaller to medium-sized foreign missions.

The bill provides for the development of a headquarters facility for an international organization, other than the Organization of American States as contemplated in the original act, in order to complete the International Center in accordance with the Federal element of the comprehensive plan for the National Capital. The OAS has occupied alternative space, thus, the Department of State has concluded lease negotiations with the International Telecommunications Satellite Organization.

Last, the bill authorizes the Department of State to utilize proceeds realized from the lease, sale or exchange of land in the International Center to defray development costs, as is the current practice at the center. The project would be completed without any additional request for appropriated funds. The Secretary is also authorized to utilize proceeds, subject to appropriations, for maintenance and security on those properties within the site which have not been conveyed to a government or international organization, and for surveys and plans related to development of additional areas within the Nation's Capital for chancery and diplomatic purposes.

Mr. Speaker, the U.S. Government, as part of its international obligations, is required to assist foreign governments to obtain suitable premises for chanceries in the District of Columbia in accordance with the Vienna Convention on Diplomatic Relations of 1961, which entered into force as a treaty for the United States on December 13, 1972. Of equal importance, there is a growing need for reciprocity involving the substantial problems of the U.S. missions overseas. The Department of State is now unable to meet these obligations due to the current unavailability of suitable chancery sites in the District because of security, costs and restrictive zoning problems. This situation is now creating an adverse impact on our foreign relations and the ability of the United States to support our needs abroad.

Accordingly, enactment of this legislation will assist in alleviating this critical problem by providing additional suitable sites for the location of foreign missions in a securely protected international enclave, as well as assist the United States abroad with respect to our missions, through reciprocity.

Last, enactment of this legislation, which has the support of the administration, will also create additional jobs and economic stimulation locally both through the General Services Administration site development and construction of facilities by participating governments.

Mr. Speaker, I urge enactment of S. 1611.

Mr. STANGELAND. Mr. Speaker, I thank the gentleman for his explanation.

Mr. Speaker, as the ranking Republican member of the Subcommittee on Public Buildings and Grounds, I would like to express my support for this legislation, providing for the completion of the planned international diplomatic center. This site, located within the federally owned Bureau of Standards property in Northwest Washington, would provide some of the space necessary for chanceries of foreign governments, and would fulfill our obligations to assist these governments in accordance with the 1961 Vienna Convention.

Providing suitable locations for these chanceries is becoming more and more difficult in the city of Washington. Due largely to extraordinary costs, security problems and restrictive zoning provisions involving these facilities, representatives of our State Department have expressed their concern that this tract of land may be the last parcel available for foreign Governments to locate their chanceries.

In addition to our international obligations, it is essential that we look at this legislation on a pragmatic basis. For example, overseas we are demanding better security and facilities for our missions. If we are to insist upon these improvements, we should provide reciprocal treatment to foreign governments.

As the chairman pointed out, S. 1611 will expand the current International Center to allow for small- and medium-sized chanceries. Furthermore, the International Telecommunications Satellite Organization would build a magnificient headquarters building on an 8-acre parcel within the property.

A highlight of the bill is that it will cost the American taxpayer nothing. Since S. 1611 authorizes the State Department to use proceeds realized from the lease, sale or exchange of land in the International Center to defray costs of development, no additional request for appropriations is necessary.

Both this administration and the previous one have supported legislation to expand the International Center. During the 96th Congress, the House approved similar legislation but the Senate failed to act in time on it. Finally, I would like to commend Chairman Howard, the ranking member, Mr. Clausen and the chairman of the subcommittee, Mr. Fary, for their instrumental efforts in supporting this much-needed expansion. I urge my colleagues to vote in support of S. 1611.

Mr. CLAUSEN. Mr. Speaker, will the gentleman yield?

Mr. STANGELAND. Further reserving the right to object, Mr. Speaker, I yield to the gentleman from California.

Mr. CLAUSEN. Mr. Speaker, I also wish to express my support for S. 1611, companion legislation to H.R. 4716 which passed the Committee on Public Works and Transportation earlier this session. As pointed out to me during a meeting I held with State Department officials on the House version of the legislation, passage of a bill is essential if the United States is to live up to its international commitments to provide suitable space to house chanceries of foreign governments. S. 1611 is particularly attractive since ultimately there will be no expenditure of taxpayer dollars because the project will be funded from lease proceeds of foreign governments with chanceries located within the international center site.

S. 1611 provides for the logical continuation and expansion of the International Center on Connecticut Ave., originally authorized by the Congress in 1968 (Public Law 90-533). The center presently provides one large international organization building site along Connecticut Ave., along with 14 chancery locations. Three of them are already occupied—Israel, Kuwait, and Bahrain are in their buildings or close to it. Generally, as has been pointed out previously, this legislation, amending the original act, proposes to allow the International Telecommunications Satellite Organization (INTELSAT) to locate its headquarters there and add an additional nine chancery lots to the project.

This bill is long overdue and it is crucial that we approve S. 1611 in a timely fashion. I commend the chairman, Mr. Howard, as well as Mr. Fary and Mr. Stangeland for their efforts to house foreign chanceries in an acceptable manner. I urge my colleagues to vote in favor of S. 1611.

● Mr. HOWARD. Mr. Speaker, I rise in support of this legislation and would first like to commend the chairman of the Subcommittee on Public Buildings and Grounds, the Honorable John Fary; the ranking minority member of the Subcommittee on Public Buildings and Grounds, the Honorable Arlan Stangeland; and the ranking minority member of the full Committee on Public Works and Transportation, the Honorable Don Clausen; for their fine work in bringing this legislation before the House for consideration today.

Mr. Speaker, the legislation proposed in S. 1611 is almost identical to legislation that was previously in the House and Senate during the 96th Congress, and was passed by the House. However, the Senate was unable to complete action on the bill before the end of the 96th Congress.

The need for passage of this legislation has become pressing. The United States, Mr. Speaker, is host, within our Capital City, to over 140 foreign government missions and 22 public international organizations. We have a special obligation to assist them to locate suitable missions in the Capital City pursuant to the Vienna Convention on diplomatic relations. Reciprocity in relations between governments has become a growing issue, thereby increasing the importance to the administration for enactment of this legislation. The United States has now begun to apply new restraints on a reciprocal basis on foreign missions within the United States, where necessary to assist our missions abroad to obtain adequate treatment. However, the difficulty faced by the Federal Government in assisting foreign governments to find suitable chancery locations in the Nation's Capital has placed our Government in a very difficult position at a time when we are seeking improved or more secure locations in many areas abroad.

Mr. Speaker, S. 1611 is supported by the administration, the Mayor of the District of Columbia, and the National Capital Planning Commission. S. 1611 will accomplish several objectives of the Federal Government, without a request for any additional appropriated funds.

Generally, this legislation provides for the expansion and completion of the Federal International Center in Washington, D.C., authorized by Public Law 90-553 in 1968, as follows:

First, by expansion of space within the federally owned site providing for 23 chanceries of foreign governments.

Second, by substituting the International Telecommunications Satellite Organization (INTELSAT) as the public international organization authorized to develop a headquarters building on part of the site, in place of the Organization of American States, as originally planned in the 1968 act.

Third, by providing for the completion of all work required by the Federal side from nonappropriated funds made available from the proceeds of the sale, exchange, or lease of the property to foreign governments and international organizations. In this regard, the financial plan for the International Center continues to assure that the Treasury will be reimbursed the $2.2 million appropriation made available to initiate this project by the Congress in 1973.

Mr. Speaker, S. 1611 is legislation designed to cost the Government nothing and yet, at the same time, allow our Government to fulfill its responsibilities to foreign nations. This legislation is reasonable and responsible and should have been acted on during the 96th Congress. Thus, I urge passage of S. 1611.●

Mr. STANGELAND. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The clerk read the Senate bill, as follows:

S. 1611

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first section of the Act approved October 8, 1968 (Public Law 90-553, 82 Stat. 958), is amended—

(1) in the first sentence by striking out "sell or lease" and inserting in lieu thereof: "develop in coordination with the Administrator of General Services for, or to sell, exchange, or lease";

(2) by striking out "Van Ness Street, Reno Road, and Tilden Street" and inserting in lieu thereof: "Yuma Street, 36th Street, Reno Road, and Tilden Street, except that portion of lot 802 in square 1964, the jurisdiction over which was transferred to the District of Columbia for use as an educational facility"; and

(3) by striking out "he" and inserting "the Secretary".

Sec. 2. Section 2 of such Act of October 8, 1968 (Public Law 90-553), is amended to read as follows:

"Sec. 2. Upon the request of any foreign government or international organization and with funds provided by such government or organization in advance, the Administrator of General Services is authorized to design, construct, and equip a headquarters building or legation building or related facilities on property conveyed pursuant to the first section of this Act.".

Sec. 3. Section 3 of such Act of October 8, 1968 (Public Law 90-553), is deleted, and sections 4 to 6 of such Act, inclusive, are renumbered as sections 3 to 5, including references thereto. The first sentence of renumbered section 3 is amended to read as follows "The Act of June 20, 1938 (D.C. Code, secs. 5-413 to 5-428), shall not apply to buildings constructed on property transferred or conveyed pursuant to this Act including section 3 of this Act as in effect January 1, 1980.".

Sec. 4. Section 4 of such Act of October 8, 1968 (Public Law 90-553), as renumbered by this Act is amended by—

(1) inserting "demolition or removal of existing structures, site preparation, and the" immediately after "The";

(2) striking out "and" immediately before "(d)";

(3) inserting "(e) other utilities, and (f) related improvements necessary to accomplish the purposes of this Act," immediately after "the fire alarm system,"; and

(4) inserting "or contiguous to" after "within".

Sec. 5. Section 5 of such Act of October 8, 1968 (Public Law 90-553), as renumbered by this Act is amended by—

(1) inserting ", exchange," after "sale" in the first sentence, and by inserting ", exchanges," after "sales" in the second sentence thereof; and

(2) adding at the end thereof the following: "The Secretary may retain therefrom a reserve for maintenance and security of those public improvements authorized by this Act which have not been conveyed to a government or international organization under the first section of this Act, and for surveys and plans related to development of additional areas within the Nation's Capital for chancery and diplomatic purposes. Amounts in the reserve will be available only to the extent and in such amounts as provided in advance in appropriations Acts.".

Sec. 6. The Act of October 8, 1968 (Public Law 90-553), is further amended by adding at the end thereof the following new section:

"Sec. 6 This Act may be cited as the 'International Center Act'.".

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 4716) was laid on the table.

GENERAL LEAVE

Mr. FARY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the Senate bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

LEGISLATIVE PROGRAM

(Mr. LOTT asked and was given permission to address the House for 1 minute.)

Mr. LOTT. Mr. Speaker, I have asked for this time for the purpose of inquiring of the distinguished majority whip if he would tell us the schedule for next week.

Mr. FOLEY. If the gentleman will yield, the bill just competed concludes the business for today and for the week.

The House will not be in session tomorrow.

It is my intention later to ask unanimous consent that when the House adjourns today, it adjourn to meet at noon on Monday, May 17. We have no legislative business scheduled for Monday, but Monday is Former Members' Day, and the House will convene at 11 a.m. and will then recess until noon for the purpose of receiving former Members in the Chamber.

On Tuesday, the House will meet at noon and consider the Private Calendar, the Consent Calendar, and H.R. 6068, intelligence authorizations, fiscal year 1983, an open rule with 1 hour of debate. We intend to take the rule and general debate only.

On Wednesday and the balance of the week, the House will complete consideration of H.R. 6068, intelligence authorization, fiscal year 1983, and will consider the following bills:

H.R. 5842, National Science Foundation authorizations, an open rule with 1 hour of debate;

H.R. 5726, National Bureau of Standards authorizations, fiscal year 1983, an open rule with 1 hour of debate;

H.R. 6158, the Olympic coin bill, subject to a rule being granted;

H.R. 6267, Net Worth Assistance Act, subject to a rule being granted;

H.R. 4326, Small Business Innovation Research Act, subject to a rule being granted; and a House concurrent resolution, yet to be numbered, first budget resolution, 1983, subject to a rule being granted.

The House will meet at 10 a.m. on Wednesday, Thursday, and Friday, and will adjourn at 3 p.m. on Friday.

I cannot give any assurance to Members at this time as to whether we will in fact have a Friday session next week, but it is anticipated that there will be possibly very extensive business next week.

Mr. LOTT. Maybe I missed it, but did the gentleman point out why we would not have any votes on Tuesday, May 18?

Mr. FOLEY. Tuesday is the day of the Pennsylvania primary. We have tried to keep the voting light, but cannot guarantee that there will be absolutely no votes at all.

Mr. LOTT. Is that the only primary?

Mr. FOLEY. And Oregon. There is an Oregon primary on that day too.

Mr. LOTT. But we had votes this Tuesday, this past Tuesday, even though there was a Nebraska primary. Is there something different involved here? Could the gentleman explain?

Mr. FOLEY. The problem is that we do not take every primary day off, as the gentleman has just pointed out; but sometimes the primaries affect Members in both parties on both sides of the aisle who are in fact involved in managing the legislation for either the majority or the minority. It makes it difficult, in those circumstances, to schedule legislation for a vote.

And I repeat: We are not giving an assurance that there will be no votes on Tuesday. We are scheduling the rule and general debate. But as the gentleman knows, unless there is an undertaking to postpone the votes, a vote could be had on the rule and on going into Committee, and so forth.

Mr. LOTT. Let me pursue just a couple of items here, as far as bills that are not on the schedule.

I notice that regulatory reform is still not listed and the Justice Department authorization is not listed, both of which have been already passed by the Senate and have been sitting here in the House for well over a month. Is there any reason for that? And can we anticipate any time in the near future that these bills, both of which I thought were of a great deal of importance, will be considered here?

Mr. FOLEY. The Judiciary Committee has not yet requested the Justice Department authorization bill, and I think a similar situation still exists with respect to the Regulatory Reform Act.

Mr. LOTT. I believe that the regulatory reform bill has been reported by the full Judiciary Committee and is waiting action by the Rules Committee or the whole House.

☐ 1540

Mr. FOLEY. The gentleman is correct, it is waiting for action by the Rules Committee and to my knowledge the chairman of the Judiciary Committee has not requested a rule at this time yet from the Committee on Rules.

I will say that, as I have said many times here, speaking personally, I strongly support the legislation. I am a cosponsor of it, as is the gentleman from Georgia, who I observe on his feet, and I am not only a cosponsor, but the distinguished majority leader, the gentleman from Texas (Mr. WRIGHT) is a cosponsor of the legislation.

Mr. LOTT. If I may reclaim my time. Everybody in the world seems to be for it. If there is anything like motherhood and apple pie it is regulatory reform.

What is the problem?

Mr. LEVITAS. Mr. Speaker, will the gentleman yield?

Mr. LOTT. I yield to the gentleman from Georgia.

Mr. LEVITAS. I appreciate the gentleman from Mississippi yielding.

I want to, first of all, agree that the gentleman from Washington, our distinguished majority whip, and the gentleman from Texas, our distinguished majority leader, are both very supportive of this legislation.

The fact of the matter is, however, that bill was reported out of the Judiciary Committee on February 28, 1982. That bill has got broad bipartisan support. It is an important piece of legislation.

I must say to my distinguished friend, Mr. Speaker, that my patience has now been exhausted. I think we have acted reasonably in a gentlemanly fashion, with restraint. There is no reasonable excuse for not having that bill on the calendar next week. There is no excuse.

I am advised by the chairman of the subcommittee that is handling this bill that he is prepared to go forward, and I think there are forces at work in high places in this body that are keeping that bill from coming to the floor. I think it is a disgrace and this is the first time I have said publicly the sense of outrage that I feel about this particular matter.

If the gentleman will continue to yield, I am told that the Senate bill on this matter, which passed, I believe 94 to nothing in the Senate, is being held at the Speaker's table with a scenario being worked out that it is going to be referred to a lot of different committees as a means of assuring that it will not ever be brought to the floor.

I wonder if the distinguished majority whip could comment on some of these points.

Mr. FOLEY. Mr. Speaker, will the gentleman yield?

Mr. LOTT. I yield to the gentleman from Washington.

Mr. FOLEY. I thank the gentleman for yielding.

I have no knowledge of any such plan.

I would only repeat that the bill, as the gentleman knows, has been reported by the full Judiciary Committee and the normal process would be to take up a House reported bill and not to take up a Senate reported bill or Senate passed bill until it was done as a part of the legislative process on the floor.

To my knowledge, there is a clear procedural path here that is regular.

It is true that the bill has not yet been requested for a hearing by the Rules Committee, by the chairman of the Judiciary Committee, but I did speak to the majority leader just a few minutes ago when he was on the floor and he told me that it was his hope that this bill could be scheduled, not next week, but before the House takes its Memorial Day recess.

Obviously procedures have to be undertaken for that to occur, but that is the majority leader's statement to me and he is a committed and strong supporter of the legislation, as the gentleman knows.

Mr. LOTT. I would like to bring up a question about the most important item of all on the agenda for next week. The last item that the gentleman from Washington mentioned, the House concurrent resolution, the first budget resolution of 1983, I understand was just reported by the Budget Committee this afternoon. Under the law of the Budget Act, the law of the land, that budget must lay over for at least 10 days before it is taken up by the whole House for consideration.

There are a lot of Members who do not know what was in the chairman's mark and there have been changes from that.

Now, there were a great deal of accusations last year about how the budget was forced through this House on the part of my colleagues on this side of the aisle.

I have to express my concern about this resolution being listed for, I presume, Wednesday or Thursday of next week, in violation of the law, and before the Members have had a chance to look at it, and I would just like to know what is going on.

Are we just going to ignore the law?

Mr. FOLEY. If the gentleman will yield, I think that the gentleman is a distinguished member of the Committee on Rules and he knows that the bill does not have to wait for 10 days if a rule waiving that particular requirement is granted.

But I can assure the gentleman, without any question, that all Members on both sides of the aisle will have significantly more time to study and consider the budget resolution than any Member on either side had last year to consider the Reconciliation Act which was written overnight, brought here on the floor, not able to be read or studied, not even adequately printed, and voted on the same day.

We intend that Members have an adequate time to understand the committee's budget and what is the rule.

Mr. LOTT. I think that is highly debatable about how much time we had last year.

It looks like we are talking about the possibility of Members having the possibility of seeing this budget 1 or 2 days, since a number of our Members are already gone, and it will not be available before tomorrow, or Monday more than likely, at the very earliest.

So at the optimum Members are going to have a day or two if this schedule is honored to see what is in this budget.

Mr. FOLEY. Well, I just want to say that we have not placed this on the schedule with any intent to preemptively consider the bill without Members having an adequate time to study it.

It was placed on the schedule today in the event that there was an opportunity to consider it next week.

The gentleman from Mississippi is one of the distinguished members of the Committee on Rules. No consideration other than he has described could be taken without a rule and we have no intention on this side to create a bitter and confrontational incident over the scheduling of the legislation.

Now we are all under the injunction of the President of the United States that he hopes that a budget will be promptly enacted and the Congress can act expeditiously. I am sure the gentleman from Mississippi would want to proceed as expeditiously as possible. But I will certainly say that we do not intend that anything that we objected to last year in the preemptory consideration of the legislation on reconciliation would be repeated on this side.

Mr. LOTT. I have to comment on a couple of things.

No. 1: The gentleman does keep reminding me that I am a member of the Rules Committee, which I wish he would not speak of quite so often, especially in view of the fact that the gentleman is right, yes, I know the Rules Committee regularly ignores the law and will just waive whatever is necessary to bring something like this up.

And beyond that, it seems curious to me that after 4 months of standing up in the stands and booing everybody and not doing anything on the budget, all of a sudden the Budget Committee now has moved this out and proposes to move it without the membership having an opportunity to even see what is in this budget, or to allow any other budget to be developed using that budget as a mark.

And there are going to be I assume two or three different ideas about how changes should be made in that budget.

I would like the Members to at least have a chance to see what has been reported by the Budget Committee before we bring it up, comply with the law and give the Members at least a week or 10 days to look at what is in this budget.

Mr. FOLEY. I could not agree more that the Members ought to have an opportunity to know what is in the budget.

I cannot agree with the gentleman that Members of Congress need 10 days to examine a budget resolution.

Mr. LOTT. Would the gentleman agree that the Members could at least use 2 or 3 days in which to look at it because, based on this budget, and when the budget will be printed that the committee has acted on, they will not have 2 or 3 days. I am not talking about an inordinate delay. I want us to act before the Memorial Day recess.

Mr. FOLEY. I am sure the gentleman will not be dissatisfied with the scheduling of the budget.

I am not speaking for the budget chairman, but I know his sentiments, and his sentiments are that we approach this budget resolution seriously and without unnecessary rancor and procedural difficulties. So I am sure the gentleman is not going to have the problem that he fears of Members being forced to vote on a budget resolution without adequate preparation and consideration and both sides, I think, feel that is perhaps the most singly important act that we will undertake this year in the Congress.

Mr. LOTT. I feel reassured by the gentleman's comment and I am sure the chairman will give us the time that the law allows to see what is in the budget.

Mr. WALKER. Mr. Speaker, will the gentleman yield?

Mr. LOTT. I yield to the gentleman from Pennsylvania.

Mr. WALKER. I thank the gentleman for yielding.

It does not come as a surprise to this gentleman that we ignore the law on budget matters. But, be that as it may, the point that I wanted to make was that I think there is a meeting, am I not right, going on between the Speaker and the minority leader at the present time——

Mr. LOTT. I hope so.

Mr. WALKER [continuing]. To try to resolve this schedule? And I would simply reflect to the gentleman, that I think it might be worthwhile to object to the unanimous-consent requests until we find out just exactly what the schedule might be to assure ourselves that not only will we have time to examine this budget, but there will be time allocated for Members who might wish to develop an alternative budget so they can use the base line data included in the Budget Committee's recommendations?

☐ 1550

Mr. LOTT. Mr. Speaker, I feel reassured at the Speaker's meeting with the distinguished minority leader that they will be able to resolve this in the best possible bipartisan manner.

REQUEST FOR ADJOURNMENT TO MONDAY, MAY 17, 1982

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 11 a.m., on Monday, May 17, 1982.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

Mr. WALKER. Mr. Speaker, reserving the right to object, I reserve the right to object simply to make the point that I just made.

I think that, because of the questions of scheduling involved here and whether or not we are going to have an agreement between the Speaker and the minority leader, this gentleman will feel constrained to object until that point when we have resolved those kinds of scheduling difficulties; so therefore, I do object.

The SPEAKER pro tempore. Objection is heard.

REQUEST THAT CONSENT CALENDAR BE CALLED ON TUESDAY NEXT

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that the Consent Calendar be called on Tuesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

Mr. LEVITAS. Mr. Speaker, reserving the right to object, I reserve the right to object to make this observation and ask a question.

It had been my intention, Mr. Speaker, to object to all of the unanimous-consent requests, including the request for dispensing with Calendar Wednesday next week, because I have now come to the conclusion, or I came to the conclusion, that this business about regulation reform scheduling had been forgotten by the leadership and needed to have some way at least to get their attention; but in light of the welcome assurances I received earlier and heard the majority leader express, I do not intend to object to those requests this week.

I intend to do so, and serve notice that I will do so, on each occasion hereafter, unless there is some specific commitment made; but I would like to make one inquiry, if I may.

In the remote event that we do not actually get to the budget next week because of the discussions now underway, would there be any possibility that consideration might be given to scheduling regulation reform during next week, because otherwise there would be a relatively light calendar.

Mr. FOLEY. Well, I think I would have to say to the gentleman that many of the matters that are on the schedule are subject to a rule being granted and that, of course, would apply as well to regulatory reform if it were scheduled. We do have some very extensive legislation if we were to take up all those matters that are scheduled.

I think the gentleman knows that the Capital Net Worth Assistance Act is major legislation. The Small Business Innovation Research Act is major legislation, to say nothing of the regulatory reform or the first budget resolution.

I would hope that the gentleman would allow us to try to bring this legislation to the floor within the scope of time that I mentioned, rather than holding us to an effort to substitute it for next week, which would be very difficult.

Mr. LEVITAS. Mr. Speaker, further reserving the right to object, I want to make it clear that last suggestion I made was one that was being offered in a constructive way and no other fashion, on the assumption that there may be some other scheduling problems next week and the possibility, remote though it may be——

Mr. FOLEY. I would be delighted.

Mr. LEVITAS. What I am asking, could it be done?

Mr. FOLEY. It could be done, subject to the procedural requirements that a rule would have to be granted and if a rule did not lay over for the requisite time, it would have to be adopted by a two-thirds vote or some other procedure.

I think the gentleman knows the rules very well. All I can say is that there is no other impediment, except the usual one that we have not yet gone to the Rules Committee on this bill.

Mr. LEVITAS. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

Mr. WALKER. Mr. Speaker, I object.

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that business under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER pro tempore. Objection is heard to the gentleman's unanimous consent request by the gentleman from Pennsylvania (Mr. Walker).

Mr. FOLEY. The gentleman from Pennsylvania, (Mr. Walker), I understand, objected to my unanimous consent request that the Consent Calendar be called on Tuesday next, Mr. Speaker.

The SPEAKER pro tempore. The gentleman is correct.

Mr. FOLEY. I had just asked, and I did not hear the gentleman yet respond, although I have a sense of what he will do.

REQUEST TO DISPENSE WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

Mr. WALKER. Mr. Speaker, I object.

The SPEAKER pro tempore. Objection is heard.

PERMISSION FOR COMMITTEE ON AGRICULTURE TO HAVE UNTIL MIDNIGHT TOMORROW, FRIDAY, MAY 14, 1982, TO FILE REPORTS ON H.R. 2035 AND H.R. 6164

Mr. FOLEY. Mr. Speaker, I make this request on behalf of the gentleman from Texas (Mr. de la Garza), chairman of the Committee on Agriculture.

Mr. Speaker, I ask unanimous consent that the Committee on Agriculture may have until midnight Friday, May 14, to file reports on the bill (H.R. 2035) to authorize certain employees of the Department of Agriculture to carry firearms in the performance of their duties, and the bill (H.R. 6164) to implement the Agreement on the International Carriage of Perishable Foodstuffs and on the Special Equipment To Be Used for Such Carriage (ATP), and for other purposes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

Mr. WALKER. Mr. Speaker, reserving the right to object, it is my understanding that that has not been cleared with the minority.

Is the gentleman aware of any such clearance that has taken place?

Mr. FOLEY. Mr. Speaker, if the gentleman will yield, I am aware of the usual practice of the Committee on Agriculture, which is to clear these matters; I was chairman of the committee, as the gentleman knows, and we always cleared it with the gentleman from Virginia (Mr. Wampler). He is on the floor and I think he can speak to the issue himself.

Mr. WALKER. Mr. Speaker, further reserving the right to object, I would be glad to yield to the gentleman from Virginia on whether or not that is an appropriate request and whether or not it has been cleared with him.

Mr. WAMPLER. Mr. Speaker, will the gentleman yield?

Mr. WALKER. I am glad to yield to the gentleman.

Mr. WAMPLER. I would say to the gentleman from Pennsylvania that the majority did consult with me on this matter and I certainly have no objection to it at all. It seems like a timely thing to do.

This, indeed, is an important piece of legislation and we are very anxious to get the reports filed so that we can move on with the bill.

Mr. WALKER. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

AUTHORIZING THE SPEAKER TO DECLARE A RECESS ON MONDAY, MAY 17, 1982, TO RECEIVE FORMER MEMBERS OF CONGRESS

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that it shall be in order for the Speaker to declare a recess on Monday, May 17, 1982, subject to the call of the Chair, for the purpose of receiving in this Chamber former Members of Congress.

Mr. WALKER. Mr. Speaker, reserving the right to object, and I understand what it is the gentleman is doing as it was reflected on the schedule; however, I would say to the gentleman that we are still in this bind, that we do not know what the schedule is going to be for next week and that is in the process of being resolved. I wish we could leave these questions until we do have some resolution of that schedule, and until that time, this gentleman will be constrained to object.

Mr. FOLEY. Mr. Speaker, will the gentleman yield?

Mr. WALKER. I would be glad to yield to the gentleman.

Mr. FOLEY. I am very sorry that the gentleman from Pennsylvania would disappoint former Members of both parties who have come to this city for the purpose of participating in the standard annual reception of former Members, but the gentleman has it in his power to make an objection at this time and if the gentleman is constrained to do so, there is nothing apparently that I can do to dissuade him; but I would suggest that the gentleman might think a bit, that there are distinguished Members from both sides of the aisle who have gone to some trouble to visit the city to have an opportunity to meet with their former colleagues and their present colleagues and that the gentleman has already made, I think, a sufficient point of his dissatisfaction not to impose it further on former Members of the House.

Mr. LOTT. Mr. Speaker, will the gentleman yield?

Mr. WALKER. Further reserving the right to object, I yield to the gentleman from Mississippi.

☐ 1600

Mr. LOTT. First of all, I think we are going to be in session tomorrow. There would be plenty of opportunity for this request to be made tomorrow, so that this occasion could be held for our former Members without any problem. I just want to make that point.

Also, I might say, I would like to make the point the gentleman has been making here. We need to get some understanding about what is going to be the score now with the budget resolution, and as far as some of the former Members that will be here next week, I am sure at least one of them, H. R. Gross, would be very happy if the gentleman from Pennsylvania made this objection.

Mr. WALKER. Further reserving the right to object, I yield to the gentleman from California (Mr. Rousselot).

Mr. ROUSSELOT. I appreciate my colleague yielding.

I do not think any of us want to stand in the way of our former colleagues meeting. The question is, under a recess, what else will be done?

Mr. FOLEY. I will give the gentleman immediate assurance no other purpose will be taken for this recess except to receive former Members of the House.

Mr. ROUSSELOT. What about coming back into session?

Mr. FOLEY. We intend to have no further legislative business following the reception of the former Members of the House. The House will adjourn.

Mr. ROUSSELOT. Well, I appreciate the gentleman's description. I think our concern is that many of us that have some interest in this budget want to understand what the total process will be, whether there will be adequate time for printing of all the various potential amendments and all the other problems that exist, as our colleague from Washington well knows.

So I think it is correct that my colleague from Pennsylvania is trying to determine, and our whip, Mr. Lott, is just trying to get a determination as to what the total process on this important budget that we have been waiting for for such a long time, what it will be.

Mr. FOLEY. If the gentleman would yield to me, I give the gentleman from Mississippi (Mr. Lott) my strong feeling that it is the intention on our side, and the intention of the chairman of the Budget Committee, to proceed in a way that does not create any unnecessary confrontation or difficulty over the scheduling or consideration of the budget resolution. We are not interested in doing that.

We are certainly not going to repeat any of the problems that were raised last year in the consideration of the Reconciliation Act. But if the gentleman is not satisfied with that and intends to object to every unanimous-consent request, he can do so. He has the power to do so. But my concern is that he has already required the House to meet tomorrow. If he repeats the objection tomorrow, it will meet on Saturday. We will have Calendar Wedneday next Wednesday. We will not have the Consent Calendar, and Members who have legislation on the Consent Calendar will not have an opportunity for it to be heard.

I think the gentleman has made the point quite well. Now the question is whether he wants to throw a cloud over the annual reception of the Members of Congress from both parties who have come to Washington for that usual meeting, and if he wishes to do that, it is in his power to do that as well.

Mr. WALKER. Further reserving the right to object, I certainly would not in any way want to indicate that I did not believe the assurances of the gentleman from Washington. He has always been clear and honorable in his statements to me.

If I understand correctly, the gentleman has given us the assurance that the recess that he is asking for would be strictly for the purpose of taking care of the special recognition for the former Members of Congress, and this Member certainly would not want to stand in the way of that very narrowly defined request.

Therefore, I withdraw my reservation of objection.

Mr. ROEMER. Mr. Speaker, reserving the right to object, I reserve the right to object and direct a few comments to my good colleague and good friend from Washington.

I know the gentleman is in a difficult position here. But I want him to realize that there are a number of Members of this House of Representatives not all of whom are on the other side of the aisle who believe that it is in the best interest of our party and our Nation that we deal with the budget crisis that we have, and the only way to prepare for such a debate is to have the parameters of time clearly stated.

The gentleman from Washington has already made the very wise and true point that last year we did not have such time. He remembers last year I voted with the gentleman from Washington because we did not have such time. I hope the gentleman from Washington realizes, regardless of our party, it is deeply felt across this body that we understand where we are headed and when we are headed there that we have enough time to deal with it.

Mr. FOLEY. I appreciate the gentleman's sentiments.

If the gentleman will yield, again, I can only repeat that there is nothing to be gained, in my judgment, and I think the judgment of our leadership and the leadership of our colleagues across the aisle, in involving ourselves in a dispute over process.

Now, maybe we will have some disagreements over process, but I am satisfied we will not have one that can come down to anything like a charge of preemptory consideration without adequate time for Members to know what is in the budget resolution. We are not seeking to do that.

I am satisfied that the Members on both sides of the aisle within reason will be satisfied with the procedures when they are undertaken.

I cannot assure the gentleman that there will be a full 10 days. We have not used the full 10 days, in my memory, any time since the Budget Act has been in effect. We have always had a rule that has shortened that statutory 10-day period, and indeed, most of the time there has been no dispute about shortening it from either side of the aisle or from either side of the Rules Committee that issued the rule. So I do not want to imply that the full 10 days will be offered, but I am satisfied that there will be sufficient time to understand the Budget Committee's action and to be prepared in any other way that Members wish to in order to proceed with the budget consideration.

As I said before, it is probably the most important single legislative act that we will undertake this year. On the other hand, I think all Members would like to see an expeditious consideration of it within the bounds of proper consideration and deliberation.

Mr. ROEMER. Further reserving the right to object, I respect the gentleman from Washington's statement. I think it both fair and accurate. But I want to add that the reason that the law gives us 10 days to look at the budget is because this Congress does not work full time. I point a finger not only at myself and all Members here, but Congresses past. We will drift out of here tonight, many of us, and not come back until Monday night. This is not a full-time operation even in the most efficient of times.

The reason 10 days is given is not because Members take 10 days to read it, because we never know for certain what is going on and when it will happen.

I further reserve the right to object, Mr. Speaker, by making a final point that it is in the best interest of this body for us to act. We are prepared to act if we know the parameters of time.

Mr. Speaker, I withdraw my reservation of objection.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

FURTHER LEGISLATIVE PROGRAM

(Mr. FOLEY asked and was given permission to address the House for 1 minute.)

Mr. FOLEY. Mr. Speaker, I wonder whether the gentleman from Pennsylvania, having removed the Consent Calendar from consideration next week, and having pending the possibility of Calendar Wednesday, would consider the possibility of not objecting if we move to adjourn the House over until Monday.

There are Members who have already left the city, I am sure, from both sides of the aisle, expecting that would be the procedure, and nothing that I can see can be accomplished by a pro forma meeting tomorrow, which has no legislative business scheduled and which cannot really place any additional assurances that the gentleman has not already received that his concerns are understood on this side.

Mr. WALKER. Mr. Speaker, will the gentleman yelld?

Mr. FOLEY. I yield to the gentleman from Pennsylvania.

Mr. WALKER. I thank the gentleman for yielding.

I understand the gentleman's point. The only thing that I could think of that would apply here would relate to the filing of that Budget Committee report and how that would be affected by whether we were in session tomorrow or not in session tomorrow.

I think the gentleman makes an excellent point. I think that probably with the objections that I have rendered previously, we can assure that the length of time next week could be extended if need be, but I do have that concern.

Can the gentleman give me any indication at all what we are dealing with in terms of filing times for the Budget Committee's report?

Mr. FOLEY. If the gentleman will permit, I am not sure. My information is that the Budget Committee has just concluded its action and ordered the bill reported, and it is not yet ready for filing and pròbably would not be ready for filing until Monday, I am told, which will probably be the day of filing the report.

☐ 1610

Mr. WALKER. If the gentleman will yield further, do I understand correctly then, if we were not in session tomorrow there would be no way it could be filed tomorrow anyhow, and so therefore it would have to go over until Monday?

Mr. FOLEY. That is right.

Mr. WALKER. I thank the gentleman.

If the gentleman would yield further, if he would renew the request with regard to tomorrow, I would not object.

Mr. ROEMER. Mr. Speaker, will the gentleman yield?

Mr. FOLEY. I yield.

Mr. ROEMER. Mr. Speaker, I thank the gentleman for yielding.

Under the rules, what would happen with the Monday filing? Would the gentleman adhere to the schedule he set forth earlier in process for next week, on a Wednesday operation?

Mr. FOLEY. I am sorry.

Mr. ROEMER. As I understood it, the gentleman said the bill would not be filed until Monday.

Mr. FOLEY. Yes.

Mr. ROEMER. If that is true, as the gentleman and I understand it, what happens to the gentleman's proposed schedule that he gave to the House a few moments earlier about a Tuesday, Wednesday, or Thursday debate?

Mr. FOLEY. Well, the filing of the report would, in the absence of a rule, require a 10-day period of time before the budget resolution could be brought to the floor. If the Rules Committee met for that purpose and granted a rule at some shorter time, then that rule would have to be adopted by the House. It would have to be adopted by a two-thirds vote if it did not lie over for 1 day. I am satisfied that there are sufficient procedural safeguards, if anyone is really concerned about it, that the House itself would have to consent to the consideration and scheduling of the budget on any, what I call fast track.

Mr. ROEMER. Yes.

Mr. FOLEY. And frankly, I think the arguments of many would be made—the gentleman has made one from this side of the aisle, the gentleman from Pennsylvania on the other side—that they did not consider there was sufficient time to understand and proceed on the budget. I am just satisfied that is not going to be our problem. We put it on the schedule merely to give Members notice that under conditions of the schedule next week there was a possibility.

Mr. ROEMER. I thank the gentleman.

HOUR OF MEETING ON MONDAY, MAY 17, 1982

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourns to meet at 11 a.m. on Monday, May 17, 1982.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

RENEWING AMERICA'S HUMAN RESOURCES

(Mr. SEIBERLING asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. SEIBERLING. Mr. Speaker, one of the most crucial problems facing the American economy is how to make the most effective use of our most important national resource, our people. Unfortunately, Reaganomics, with its 10 million unemployed and its drastic cuts in funding for education, has brought this problem into sharp focus by our human resources.

The lead article in the Outlook section of last Sunday's Washington Post, by Pat Choate, senior policy analyst for economics at TRW, Inc., and Noel Epstein, former education editor of the Washington Post, dealt with this problem.

The writers point out some simple facts:

First, about half of our productivity growth comes from increases in individuals' skills and knowledge, not machines.

Second, despite the lengthening unemployment lines, we are suffering from shortages of critical workers.

Third, this problem will worsen dramatically in coming years when technological change confronts a work force trained for an older era.

Fourth, we have no choice but to retrain millions whose current jobs are disappearing and who will be needed for new kinds of work.

In short, we have to invest more in people or we will get precious little out of the machines. Unfortunately, current policies are going in the opposite direction and thereby killing American hope for economic, military, social renewal. One after another, we are cutting or ending programs that invest in people, from job training to public school assistance, from day care to college aid to basic research. We are not even seriously addressing such crucial problems as helping the displaced workers.

Mr. Speaker, the article suggests a number of actions needed to reverse this disastrous trend. One proposal is an individual training account, jointly funded by employers and employees, which would support retraining to any worker whose job has been eliminated. I am working on a bill to provide for a Government retraining voucher by which the unemployed worker could be given retraining by an employer with the Government picking up a portion of the cost. This will help employers as well as workers, but it should be particularly helpful to small businesses which usually do not have the resources to pick up the tab for extensive worker retraining.

It is not too late to start taking the essential measures to restore to American workers the skills needed to enable American industry to remain competitive and provide meaningful employment to all Americans. But time is running out.

The full text of the article follows these remarks:

[From the Washington Post, May 9, 1982]

WORKERS OF THE FUTURE, RETOOL! NOTHING TO LOSE BUT YOUR JOBS

(By Pat Choate and Noel Epstein)

You can stop looking for one of those "new ideas" everyone seems to be hunting for in American politics. It's about to hit us over the head, whether we want it or not.

Right now the idea is trapped in a yawn of a phrase—"human capital"—but that should not deter anyone from appreciating its power. What it means is that the prevailing wisdom is nonsense, that we certainly cannot revive our economy or our national defense merely by pumping more investment into microchips or megabombs, robots or rocketry.

Consider some simple facts of "human capital":

American productivity relies as much, if not more, on people—you remember them—as on machines. Traditionally, about half of our productivity growth comes from increases in individuals' skills and knowledge.

Despite our lengthening unemployment lines, we are suffering from shortages of critical workers, from machinists to engineers. The result: bottlenecks, higher prices and lower quality in both domestic and defense products.

This problem will worsen dramatically in coming years when greatly accelerating technological change confronts a work force which, for the most part, could not find its way home in the Techno-Era around the corner.

We have no choice but to equip ourselves for the future that's upon us. We have to retrain the millions whose current jobs can be kissed goodbye and who will be needed for new work. We have to boost the skills of the still-employed and pound knowledge into millions of adults who are functionally illiterate. We have to ensure, once and for all, education, training and job opportunities for women, blacks and Hispanics, who will make up the overwhelming majority of new workers.

In short, we have to invest in people or we'll get precious little out of the machines. That fact has been dawning on many people.

MIT's Lester Thurow, an adviser to the Democratic National Committee: "The economy is not going to thrive unless there is a major effort to upgrade the American labor force from the top to the bottom."

The Pentagon's Defense Science Board: A "major contributor to the increased lead times and costs currently afflicting the defense community is a continuing shortage of skilled labor."

The House Wednesday Group, a caucus of moderate Republicans: An unreleased Army training study in 1977-78 "found that 17 percent of the tank commanders in Europe and 21 percent of those in the United States 'did not know where to aim when employing battlefield gunnery techniques.'" Similarly, the survey uncovered men in charge of firing surface-to-air missiles who couldn't "differentiate between the silhouettes of Soviet and American planes."

The National Alliance for Business, on the need to train on-the-street youth, disproportionately black and Hispanic: "If you look out a decade at the demographics, it is clear that we will be doing all this out of economic necessity rather than out of any moral concern . . ." Forget justice; think profits.

Yet so far there has been little but rhetoric. That can't last—unless America wishes to sit back and watch its inevitable decline. Without serious action, that's what's ahead. Bet on it. The forces at work are unstoppable.

Start with the displaced workers from Akron or Detroit or other decaying cities who've begun their migratory treks for work elsewhere, reminding some Sun Belt folks of "The Grapes of Wrath." We can expect more warnings like the one issued recently by the Texas labor chieftain who told the cars and hitchhikers from Michigan and elsewhere to stay out, that "jobs are no longer available in Texas," that they are not wanted.

We can expect these episodes because the ranks of such modern-day Okies are going to expand as technology and foreign competition continue to do their nasty work—with the displaced largely unaware of and unprepared for the jobs for which they will be needed.

Management analyst Peter Drucker, for example, anticipates that through the 1980s and 1990s, 10 million to 15 million manufacturing jobs will disappear from the American landscape. Even if he is only half right—and some think he is entirely right—you can wave farewell to 5 million to 7.5 million manufacturing jobs, starting yesterday.

In other words, brace yourself: The economic, social and political panic created in 1980-81 by the loss of a mere 300,000 auto industry jobs will multiply 16 to 25 times—unless the dispossessed are redirected toward and retrained for new jobs.

That millions of new jobs are being created—in addition to the existing ones tragically going begging in hard times—there is no doubt. A survey last year by the American Electronics Association, for example, estimates that 671 of its member companies will create more than 140,000 paraprofessional spots (engineering aides, laser technicians, drafters, assemblers and the like) and over 113,000 professional places (chiefly engineers, computer analysts and programmers) by 1985.

The National Tooling and Machining Association projects a shortage in three years of more than 240,000 machinists, those people who make the tools and other devices needed to make everything else.

Millions of slots will emerge in the design, production, installation, operation and servicing of the robots that are going to populate American industry. While as recently as 1979 we had only 2,000 of these technological wonders, business leaders expect robot ranks to multiply a hundredfold—to at least 200,000—just eight years from now.

Other jobs will open in fiber optics, which has the capacity to revolutionize communications by making copper wire obsolete, and in genetic engineering, which, for starters, will change the face of agriculture and medicine. And this is to say little of the explosion of computer applications we can anticipate in the office as well as the home—in banking, insurance, health, education, communications and other service fields.

There will be far too many new spots, of course, for all to be filled by the displaced, even if they acquire the skills and knowledge to do so. But what seems little appreciated is that the Techno-Era's employes will have to come chiefly from the people already working, and that this will hold true for well into the next century. There simply isn't anybody else. Just as economic survival dictates technological advance, so demography is destiny.

What the demographers' population figures tell us is that with much of the post-World War II baby-boom generation now into its thirties, our labor force growth rate is slowing dramatically. In fact, unless we suddenly import large numbers of highly skilled individuals from abroad, more than 90 percent of the American work force in 1990 and more than 75 percent in the year 2000 will be composed of those working here now. The largest need, then, will be to train and retrain today's workers.

The figures also tell us that the ranks of young workers, aged 16 to 25, are shrinking—by about 16 percent in this decade—and that an increased portion of this smaller youth force will be black and Hispanic.

That means, for one thing, that it will be the military against business, the Joint Chiefs versus McDonald's, in a rivalry for the young. Something will have to give. More women in the military? A draft? More grandparents behind fast-food counters?

Martin Binkin, a senior fellow at the Brookings Institution who specializes in military manpower issues, remarks: "The decline in the number of youths unquestionably is going to contribute to, and provide added pressure in, the debate on renewing conscription in coming years." According to the Wall Street Journal, Burger King has already begun recruiting employes among the elderly.

The increased portion of minorities among scarcer youth (and in the prime-age labor force as well because of retirement patterns and other factors) will produce another intriguing clash; prejudice versus pocketbooks. Will fear of deep American decline finally move us to do what speeches about dreams and justice have not? In the words of Robert B Hill, former research director of the National Urban League:

"If America wants its Social Security checks to keep being paid in coming years, it had better ensure full opportunity and productivity for minorities and women."

Definitely women. The population tallies tell us that the primary source—indeed, two-thirds—of new workers in this decade will be women. While about half of adult women already work, we can reasonably expect that number to climb to 60 percent or above by 1990.

Will we at last break down job barriers against women? Will sufficient day care facilities finally be provided? More flexible work hours?

As the Bureau of Labor Statistics remarks in its understated manner: "Given that much of the increase in female labor force activity will probably come from mothers, employers may have to review their personnel practices (such as provision of day care) to attract these workers."

Okay, those are some of the inescapable needs ahead and the people available to meet them. What, specifically, will a national "human capital" drive require? How do we, for example, redirect and retrain millions of displaced workers?

It would be folly to do it by expanding the maze of 22 separate training programs already on the books—from Trade Adjustment Assistance to aid for redwood forest lumberjacks. That would just bury the effort beneath confusion, fragmentation, bureaucracy and the political pork barrel. What's needed is a single, fresh approach.

Try this one: an Individual Training Account (ITA), jointly funded by employer and employe, that guarantees retraining—and, if necessary, help with the movers—to any worker whose job goes poof. Say the company and individual each put up $500 a year, up to a total over six years of $3,000 each, and that each would get back the cash plus interest if it is not used by retirement.

The money would finance retraining vouchers to be used, as with the GI Bill, at any institution the displaced worker chooses. Moreover, as with Individual Retirement Accounts (IRAs), these Individual Training Accounts would inject an additional pool of capital for executives to finance more new technology and jobs. No bureaucracy. No money directly to vocational schools or businesses or other institutions. No overhead. A clean approach.

Before any workers are retrained, though, it would be nice if they knew where they were needed. Current federal job-vacancy information is so incomplete, untimely and unspecific as to be virtually useless. That's why the Houston papers are such big sellers in Detroit these days—for the help-wanted ads.

It's past time for Washington to collect useful information about job vacancies and to insist that the computerized job listings of each state finally be connected to each other, which, absurdly, they now are not.

What about immediate shortages of critical workers? Note that Atlantic Research Corp. of Alexandria is offering staff members a $1,000-a-head bonus to land new workers for hard-to-fill jobs, ranging from communications test equipment technicians to electronic engineers. More broadly, the National Science Foundation has forecast a 47 percent shortage of industrial engineers in this decade. In such areas as California's Silicon Valley, bidding wars for engineers, computer professionals and other skilled workers are so intense that they have spawned annual job turnover rates of 80 to 100 percent.

Clearly, Adam Smith's "invisible hand" has palsied: His "marketplace" is not filling these and other needs (shortages of machinists and engineers have been plaguing us for 10 or 15 years, with scarcely any relief from supply-and-demand curves). So, if you'll pardon the expression, we've got to give the marketplace another hand. We'll have to define more sharply our vital defense and domestic needs. We'll have to create special government and business fellowships to attract and hold on to top-quality teaching faculty, who are being lured away with fatter paychecks from industry. We'll have to give special cash breaks to draw qualified students to essential (and expensive) fields of study.

During World War II, the National Emergency Production Act financed the training of 7.5 million skilled workers, popularly symbolized by "Rosie the Riveter" at aircraft and shipbuilding yards. (Indeed, a large portion of today's skilled workers were trained then and are now in or heading toward retirement. To wit: Today's 300,000 machinists have an average age of 58.) There is nothing stopping us from meeting our less massive critical skills needs today—except our will to do so.

Next, how do we boost the skills of the still-employed, from clerical workers to the executives whose weak thinking and rotten management are heavily responsible for our current predicament? Much of this training task is now paid for by business, as it should be. The private sector, led by the largest corporations, shells out an estimated $30 billion annually to train workers. But smaller employers—who create most new jobs and hire the majority of American workers—are least able to foot these bills.

What's mainly needed is to help the smaller guys invest in people as much as in machines—while making sure taxpayers don't subsidize any corporation for doing what it should and would be paying for anyway. One possible approach: a training tax credit. It would apply only to training above and beyond what a business historically has done itself. (If you wonder how we keep the corporate folks honest, remember that they already report the highest training outlays possible to the Internal Revenue Service for tax-deduction purposes.)

In this way, only the training needed would be done. If the credit isn't used, there would be zero cost to taxpayers.

Finally, the issue of education, where we need an effort far exceeding our late-1950s response to the Soviet launching of Sputnik. We must, for one thing, develop students' critical thinking, their ability to analyze and organize and express information—the essence of the liberal arts. We obviously must also sharpen their knowledge of math, science and specific technologies. These are all areas in which students are not exactly excelling these days, to put it mildly.

As the National Assessment of Educational Progress reports, "The gap between the number of highly skilled workers needed and the number of students prepared for higher-level jobs is widening. Clearly we are not cultivating the raw materials, our future workers, who will be vital both for economic progress and ultimately for economic survival."

So what are we doing about this? With many large school systems in or near bankruptcy—particularly those with the heaviest concentrations of minority students—we're slashing national aid for the disadvantaged, for math, for science and for other education programs. It's as if we were bent on making sure that essential instruction disintegrates further. That's a sure-fire formula not only for American economic and defense erosion but for creating a large and brooding underclass, permanently locked out.

It's also a sure-fire formula for intensified decay of hard-hit cities, whose best single shot at rekindling economic growth lies in their human capital. The industrial Northeast, with its troubled metropolises from Chicago to New York, still has an immense advantage over others in its vast pool of skilled labor—if existing and future workers are educated and retrained for new jobs.

The education needs do not stop there. We have to attack the anti-blue-collar arrogance that discourages our children from learning skilled trades. We must overhaul a vocational education system that has failed miserably in important respects. William E. Hardman, executive vice president of the National Tooling and Machining Association, remarks:

"Many of our vocational schools have better equipment than contract tool shops—except they don't know what to do with it in most cases. . . . If our members had as much money as the vocational education system to spend on training for this purpose, we could no doubt end the skill shortage in four years and ensure that we never fall behind again."

Then we've got to reverse the decline in American teacher competence. Full fellowships to lure qualified students into teaching could be one step, intensive summer retraining institutes for today's teachers another. Retraining is essential, for example,

if teachers are to teach the varied uses of computers; forget about having those shiny toys in schools if most teachers really don't know what to do with them, as is now the case.

All this by no means exhausts the issues wrapped up in the human capital agenda. But it should make one thing crystal clear: We are currently in the process of killing American hope for economic, defense and social renewal. One after another, we are cutting or ending programs that invest in people, from job training to public school assistance, from day care to college aid to basic research monies. If that were not enough, we are not even seriously addressing such crucial problems as helping the displaced workers lost in the confusion of change.

The supply-side crowd obviously thinks that people don't count as much as machines. If that mindset continues, the historians can start writing their books about the decline of America.

DIVERTING THE MISSOURI RIVER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Missouri (Mr. COLEMAN) is recognized for 15 minutes.

Mr. COLEMAN. Mr. Speaker, I take this time today, to inform my colleagues about the very serious problem of diverting Missouri River water out of its basin for a coal slurry pipeline and other projects.

Mr. Speaker, the State of South Dakota has contracted to sell water from the Oahe Reservoir—which is connected to the Missouri River—to Energy Transportation Systems, Inc. (ETSI) for a coal slurry pipeline project. As I understand the agreement, ETSI will pay South Dakota $1.4 billion over the 50-year lifetime of the contract, in return for as much as 16 billion gallons of water per year. This water will be transferred from the Oahe Reservoir to the Powder River Basin coal mining region in Wyoming, where it will be mixed with coal; a coal slurry pipeline will then carry the 50-50 mixture from Wyoming approximately 1,300 miles to Arkansas, where utilities in Arkansas, Louisiana, and Oklahoma are expected to purchase the coal.

The drought and killer heat waves we have experienced in the Midwest in the last several years have made us realize that water, or the lack thereof, is the most serious long-range problem now confronting our region and the Nation—potentially more serious than the energy. Just as Americans have discovered the hidden energy costs in a multitude of products, they are vowed to discover the hidden water costs. According to water experts, you can begin with the water that irrigated the corn that was fed to the steer, and find that a single Kansas City steak may have accounted for 3,500 gallons. The water that goes into producing a 1,000 pound steer would float a naval destroyer. It takes 14,935 gallons of water to grow a bushel of wheat, 60,000 gallons to produce a ton of steel, 120 gallons to put a single egg on the breakfast table.

We can hardly ignore the impact of diversion on the cities and towns that utilize the Missouri River for drinking water. For example, in Missouri, nearly 70 percent of the population receive their drinking water from the Missouri River, including those who reside in our two largest metropolitan areas, Kansas City and St. Louis.

The South Dakota, ETSI coal slurry pipeline sale raises significant concern for those of us in downstream States. The sale will result in a large-scale transfer of water from one basin to another. It is the precedent set by this interbasin transfer which most deeply concerns me.

When water is used for irrigation, municipal consumption, or industrial applications within a water basin, about 60 percent of the water returns to the basin. On the other hand, should the Oahe Reservoir be tapped for the ETSI coal slurry pipeline, we will see water from the Missouri River eventually ending up in Arkansas—outside the basin, and not one drop of the ETSI pipeline water will ever be returned to the Missouri River Basin.

While 20,000 to 50,000 acre-feet of water from a reservoir containing 23 million acre-feet does not seem like much at this time, future interbasin transfers of large quantities of water could have a far-reaching effect. Already there are proposals on the drawing board that would siphon off 10 million acre-feet per year, which is nearly half the annual flow of the river at Sioux City, Iowa.

One of these proposals, the feasibility of which is currently being studied by the Army Corps of Engineers, involves the construction near St. Joseph, Mo., of a 600-mile long canal to divert some 3.9 million acre-feet of Missouri River water per year for industrial, municipal, and agricultural uses in Kansas, Nebraska, Colorado, Oklahoma, New Mexico, and Texas.

Before we arrive at a point of no return regarding Missouri River water diversion, I believe we must begin considering multi-State, or even national policies to protect our precious water resources. Our history books are filled with independent, uncoordinated, State-by-State attempts to deal with water claims. Unfortunately, as of now, there has been no initiative undertaken on the part of the 10 basin States to come together to work out a plan for future utilization of the river. As a result, the upstream States are in the cat-bird seat—and able to call the shots as they profiteer Missouri River water.

Mr. Speaker, at the present time, the Army Corps of Engineers is considering an application, by ETSI, for a permit for the construction of the water supply pipeline intake structure. I and 12 of my colleagues, representing more than 6 million users of water in the Missouri River Basin, have contacted the corps to express our opposition to approval of the permit. As we pointed out, Congress is currently considering legislation dealing directly with the issue of interstate and interbasin transfer of water in coal slurry pipelines. This measure, H.R. 5278, contains provisions to prohibit the sale or transfer of interstate waters outside a State unless the sale or transfer of water is agreed to by the remaining States in the drainage basin. It is the responsibility of Congress to determine Federal policy in reference to the question of interbasin transfers of water. Final administrative approval of the ETSI transaction before Congress has acted on this vital subject would represent an attempt to usurp the proper role of Congress in determining Federal policy. In addition, we pointed out that the environmental impact statement prepared on the ETSI proposal was premised on the utilization of the Madison Formation as the primary water source, and dealt with the utilization of the Oahe Reservoir for that purpose in only a cursory fashion, and that it did not take into consideration the possible effect of the interbasin transfer on downstream States. We are all aware that the Colorado River is virtually exhausted by the time it reaches Mexico. The distribution of its water by the U.S. Supreme Court to the seven Western States through which it flows has not worked. Because of a tangle of unreasonable demands and court decisions, these States and Mexico have legal rights to more water than the Colorado River contains.

If the same situation is to be avoided in reference to the Missouri River, a comprehensive study of the water needs and of the water availability in the entire basin must be conducted, with special consideration given to the effects of large-scale interbasin diversions on the downstream States. In light of the clear interdependence between economic productivity, community well-being, and water supplies, I feel it is incumbent to thoroughly examine any proposal that would divert water from the Missouri River Basin.

The best solution to the problem surrounding Missouri River water diversion will be the implementation of an interstate compact on water use by the 10 basin States. It will be through the cooperative efforts of governments, industry, agriculture, and other groups that a fair and equitable water policy will be initiated. While it is obvious the House of Representatives is prepared to address the issues currently facing the basin, I believe the main responsibility for the formulation of the compact lies with the States. The firm acceptance of their responsibilities to each other could lead to the resolution of the issues surrounding the use of Missouri River water. Without such a resolution, Congress must act.

□ 1620

THE ORDEAL OF WAYNE CRYTS AND HIS SUPPORTERS IN GRAIN ELEVATOR AFFAIR

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Missouri, (Mr. Emerson) is recognized for 60 minutes.

GENERAL LEAVE

Mr. EMERSON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of my special order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. EMERSON. Mr. Speaker, I rise today on behalf of a growing number of hard-working American farmers who are being innocently victimized by the serious problem of grain elevator bankruptcy and the prolonged litigation that invariably results from such insolvencies. More specifically, I rise on behalf of one individual farmer who, at great personal sacrifice, has taken the lead in trying to correct what is obviously a very unjust consequence of imperfect laws.

While the problem of grain elevator bankruptcy is not a new one, it is a problem that has been occurring with a frightening regularity in recent years and one that has become a tremendous source of fear and insecurity among our Nation's farm producers. Of the more than 140 such insolvencies that have occurred nationwide since 1974, one of the most devastating and highly publicized instances took place in New Madrid County, Mo., in August of 1980. As the Member of Congress who represents this part of Missouri, I have been, and continue to be, deeply involved in this particular case.

To bring to your attention the grave injustice that pervades this situation, a brief history of the case is in order: On August 11, 1980, the owners of the James Brothers Ristine Warehouse in New Madrid County filed bankruptcy petitions in the U.S. Bankruptcy Court for the Eastern District of Arkansas. Venue was proper since the James Brothers also operated several grain warehouses in the State of Arkansas, and those facilities are also involved in the bankruptcy litigation. At the time of this filing, the James Brothers were holding grain valued in excess of $5,000,000 and for which the warehouses had issued valid receipts to the farmers who had deposited that grain.

On August 15, 1980, the Bankruptcy Court appointed an Arkansas resident as bankruptcy trustee, and authorized him to operate the Ristine Warehouse, as well as four other Missouri facilities owned by the James Brothers. Almost immediately and with the blessing of the Bankruptcy Court, the trustee refused to honor the farmers' receipts for the grain stored in those elevators. In short, the owners of that grain found themselves unable to take possession of assets that, in some cases, represented virtually the entire product of a year's hard work and financial investment.

In the weeks that followed, the Bankruptcy Court granted the trustee even greater authority over the stored grain, including empowering him to force farmers to deliver and sell to the warehouse as-yet undelivered grain which had been under contract to the James Brothers. In other words, in addition to denying farmers access to their property, the Bankruptcy Court ordered that contracts for the delivery of grain to the warehouse be honored, while at the same time refusing to honor equally valid receipts held by the blameless customers of the warehouse.

As you can well imagine, as the litigation surrounding this bankruptcy dragged on, the farmers whose grain was stored in the Ristine Warehouse became more and more exasperated. Then, in January of 1981, when resolution of the situation was still not in sight, one of these frustrated farmers, Wayne Cryts, announced that, if there had been no legal determination of ownership of the grain by February 16, he would go to the Ristine Warehouse and retrieve his grain.

Despite serious efforts by Missouri State officials, several national farm organizations, and myself, to arrange a compromise before February 16, no resolution to the problem was found. Thus, on that day, Wayne Cryts and several hundred supporters from across the Nation traveled to the Ristine Warehouse to retrieve his grain. Upon arrival at the warehouse, Cryts and his supporters were met by several Federal marshals and FBI agents. After informing the farmers of the laws they would be violating, these agents stepped aside, and the group removed Cryts's 31,000 bushels of soybeans and moved them to a warehouse in a neighboring community.

Mr. Speaker, Wayne Cryts moved his soybeans on February 16, 1981—well over 1 year ago. During that time, endless litigation has resulted in no resolution of the real problem. Wayne Cryts and other farmers whose grain was stored in good faith almost 2 years ago still have nothing to show for their hard work or their financial risk. In the meantime, trustee's fees and legal costs have virtually consumed the assets of the farmers who own the grain involved in this dispute. In short, the damage has been done, and the only real victims of that damage are the farmers of this Nation who depend on a reliable system of grain storage.

Senator Robert Dole and I have tried repeatedly to secure a legislative solution to the gross injustice that the Ristine episode represents. The U.S. Senate has, on three separate occasions, voted in favor of remedial amendments to the Federal Bankruptcy Code. Unfortunately, my companion measure has not yet come to the floor of this House for a vote.

In recognition of this problem, the U.S. Department of Agriculture has not only expressed its support for a legislative solution, but has conducted a "Special Task Force" study of grain elevator bankruptcy and recommended several administrative actions to alleviate the threat posed by the unique nature of such insolvencies.

In short, there is no doubt that the laws which allow tragic situations as the one in my district need to be changed. The administration and a substantial segment of the U.S. Congress have acknowledged this need. One man is responsible for the modest progress that has been made in correcting this flaw—at great personal risk, Wayne Cryts took the extra step that was needed to bring this problem to national attention, and to make it possible for people like Senator Dole and myself to gain widespread support for remedial legislation.

For taking that step, Wayne Cryts right now sits in a jail in Arkansas. As the result of violating the highly questionable mandates of the Bankruptcy Court, Mr. Cryts has been found guilty of civil contempt of court—not by a jury, not after a just appeals process, but by the will of a lone bankruptcy judge.

Several weeks ago, Mr. Cryts was offered immunity from prosecution if he would name those farmers who assisted him in removing his assets from the Ristine Grain Elevator. He refused, and was ordered to appear once again before the Bankruptcy Court on April 28, which he did. Again, he was asked to name his supporters—this time upon the threat of incarceration if he did not obey. Not unexpectedly to those of us who know Wayne Cryts and recognize his commitment to this cause, he chose to go to jail rather than place his friends in jeopardy.

Today, Mr. Cryts is still incarcerated—a prisoner not only of the courts, but of his own commitment to real justice. That he violated the letter of the law is not questioned; however, if the intent of the law is fairness and protection of the innocent, he is not guilty. I cannot resist the temptation to point out that the real perpetrators of the Ristine situation, the James brothers, have at no time been in

danger of incarceration—the law has certainly provided them with protection, while resulting in the imprisonment of one of the victims of their failure.

For these reasons, I have asked the President of the United States to intercede on Mr. Cryts' behalf by invoking his constitutional authority to grant pardons. In view of the tremors that this case has sent through the entire farm community, I believe that such a gesture would go a long way toward demonstrating that the Federal Government is, in fact, sensitive to the unique vulnerability and difficulties faced by our Nation's agricultural producers.

Toward that same end, I have introduced a resolution expressing the sense of Congress that this tragic episode, as well as the larger problem of grain elevator bankruptcy, represent a grave injustice that demands correction by this Congress. The text of the resolution is as follows:

H. Con. Res. —

Concurrent resolution expressing the sense of the Congress concerning the health of the agricultural community, in light of the Wayne Cryts affair

Whereas agriculture is the most productive sector of the U.S. economy;

Whereas the American farmer produces much more food and fiber than can be consumed or exported immediately;

Whereas the American farmer needs to store this excess production in public and private grain storage facilities;

Whereas excess agricultural production is vital to our national economy and the health of our citizens;

Whereas between 1974 and 1982 140 of these grain storage facilities have failed;

Whereas these failures result in severe and undue hardship to individual farmers;

Whereas farmers need adequate protection when these failures occur;

Whereas it often takes years for the courts to resolve the legal status of ownership in cases of grain storage facility failure;

Whereas Wayne Cryts a Missouri soybean farmer, removed his agricultural products from a failed facility, because of protracted legal delays;

Whereas Wayne Cryts held valid proof of ownership for his products;

Whereas a Federal Grand Jury refused to indict him for the act of removing his products: Now, therefore, be it

Resolved, That it is the sense of the Congress that, as demonstrated by the Wayne Cryts situation the integrity of the Nations grain storage system is in jeopardy.

Mr. EMERSON. Mr. Speaker, I also include in the Record at this point an article which appeared in the Wall Street Journal on Wednesday, May 12, 1982:

[From the Wall Street Journal, May 12, 1982]

A Missouri Farmer Gets His Beans Back and Becomes a Hero

(By Lynda Schuster)

Puxico, Mo.—This tiny town near the Arkansas border hardly seems a hotbed of radicalism. Townspeople say that only two things usually get them heated up: The Puxico High School Indians, who last won the state basketball championship in 1952, and the county sheriff, the first Republican elected hereabouts since 1928.

Yet on a rainy morning last year, some 2,000 farmers from across the country rallied to the side of Wayne Cryts. They drove 78 trucks past Federal Bureau of Investigation agents and federal marshals, broke into a sealed grain elevator and made off with thousands of bushels of soybeans that had been impounded by a federal bankruptcy judge.

After a lot of delayed court hearings, Mr. Cryts (rhymes with rights) now is in jail because he refuses to tell Judge Charles W. Baker who helped him, and the judge won't let him out until he gives names. In the meantime, Mr. Cryts is becoming a folk hero throughout farm country, with ballads being written in his honor and national politicians rushing to his support."I'm not going to give in, and neither is the judge," he says, tensely puffing on a cigaret in a prison conference room.

ROOT OF THE PROBLEM

Many farmers feel they are being pushed to the limit as never before. Mr. Cryts certainly felt that way when the grain elevator where he stored his soybeans, along with the grain of other farmers, filed for bankruptcy and the judge ordered all the farmers' grain sold to pay the operator's debts. In the judge's mind, the farmers' warehouse receipts weren't proof enough of ownership.

That infuriated Mr. Cryts. Like many overextended young farmers in these parts, he already owed hundreds of thousands of dollars because of high interest and production expenses and low crop prices. He was sure that losing a year's harvest would break him entirely. Besides, he wasn't about to let his beans pay for someone else's bills.

Mr. Cryts, who is a national leader of the militant American Agriculture Movement, a grass-roots political organization that led farmers' protest marches on Washington in 1978 and 1979, decided he wasn't going to take it anymore. So he and the other farmers who heeded the call for help from the organization moved in to reclaim his 31,000 bushels of soybeans on that rainy morning in February 1981.

The Cryts case has inflamed farmers from the Mississippi Valley to the Great Plains who think the federal bankruptcy law is grossly unfair. The recession has caused a rash of grain-elevator failures across the country, in which farmers have lost millions of dollars. They see Mr. Cryts's actions as a rebellion against the unfair law.

"JAIL THE JUDGE"

"The guy has guts," says Bobbie McAlister, a clerk at Pope County Detention Center in Russelville, Ark., where Mr. Cryts is being held. (He was jailed in Arkansas because that's where the elevator operators filed for bankruptcy.) "Someone has got to stand up for working people or we're going to get squashed."

Puxico agrees. It is decked out in yellow ribbons for its "hostage," and tractors sport signs of "Free Wayne—Jail the Judge." A radio station in Moberly, Mo., raised $10,000 in three hours for his defense fund. A national civil-rights group has volunteered to defend him. Missouri Congressman Bill Emerson, a Republican, has personally taken up his cause. And lawyer F. Lee Bailey has taken on his case.

"This is a very American issue of personal property," says Marvin Meeks, national president of the American Agriculture Movement, which has taken a room in a Little Rock, Ark., motel to organize a petition drive. "It's the same as if a garage went under while your car was in for repairs. How would you feel if some judge decided it was part of the garage's assets and ordered it sold?"

Legal experts say that Judge Baker acted within his powers that were broadened under the 1978 Federal Bankruptcy Act. Many don't think too highly of Mr. Cryts's method of protest either, and suggest that there are more conventional ways of trying to effect change.

"The law says that you just can't grab your property once bankruptcy proceedings start," says Lawrence King, a professor at New York University School of Law who specializes in bankruptcy law. "We would have a heck of a system if everyone decided to take matters into his own hands the way this guy did."

Mr. Cryts says he acted out of desperation. The 35-year-old father of two was counting on about $250,000 from the sale of the soybeans to pay back the $120,000 production loan he took out in the beginning of that year. What with payments also due on about $800,000 of other loans, the only way out was to start selling the 2,000 acres he farms with his father, brother and brother-in-law.

"This land has been in our family six generations," he says in his Missouri twang. "I just couldn't live with myself if I had to sell because someone had stolen my property and made me go broke."

He says that it "just came into my head" one day to try to get his grain out of the elevator in Ristine, some 60 miles from Puxico. It is one of 11 elevators operated by Donald, G.E. and Robert James in Arkansas and Missouri. Donald James was found guilty of issuing warehouse receipts for grain without a valid license, which is a felony in Arkansas. He was given a sentence of five years, three of which were suspended, and is approved for parole this coming July.

Word got out of Mr. Cryts's intent to raid the grain elevator if ownership wasn't decided by Feb. 16, 1981. Eddie Sifford, who runs a feed mill in Puxico, says that he was amazed by the crowd of farmers milling around the elevator in Ristine that morning. "I got there early and still had to park about a mile from the elevator," he recalls. "They were parked four deep from as far away as Oregon."

Mr. Sifford says there was one "real tense moment" when Mr. Cryts approached the line of FBI agents and federal marshals, with the 2,000 other farmers close behind huddling under trash bags against the rain. One marshal confronted him, saying that they were going to prevent him from entering the elevator; Mr. Cryts responded that he was there to claim his personal property. They stared at each other for about a minute and shook hands, and Mr. Cryts climbed back into his truck to lead the convoy through the line of officers, Mr. Sifford says.

DIDN'T WARRANT KILLING

The federal marshals were led by Howard Safir, assistant director for operations of the U.S. Marshals Service in Washington, D.C. He says that he recommended to the Justice Department that the ringleaders be arrested later for taking the grain, rather than opposed at the site. "Based on intelligence, we believed the farmers were willing and able to fight," Mr. Safir recalls. "My concern was some folks would be killed, primarily some farmers. It didn't warrant killing people over basically a civil dispute."

Mr. Cryts stored the beans in another elevator for a while and eventually distributed them among farmer friends to sell. A grand jury in St. Louis refused to return a conspiracy indictment against him. But he was taken into custody a couple of weeks ago on a civil contempt charge. He says he won't tell Judge Baker the names of the farmers because he can't remember some of them.

Besides, he says, he just can't see implicating "all those guys who risked so much to help me." He adds bitterly, "Why doesn't the judge ask the FBI. They took some pretty good pictures of us all."

PLOWING THROUGH MAIL

So Mr. Cryts whiles away the days by plowing through the mountain of mail that pours in from well-wishers across the country and giving interviews on the telephone to local radio stations. His lawyers say that the first order of business is to get the judge to set bond so that Mr. Cryts can get back to his farm. Then they want to test the constitutionality of the bankruptcy code as it applies to farmers

The law amounts to "legal theft" as it stands right now, asserts Perry Chestnut, executive director of the American Constitutional Association. The association, a nonprofit group based in Klamath Falls, Ore., is coordinating Mr. Cryts's defense. "This case is bringing into question the whole system of storage that most farmers use." Mr. Chestnut says. "What good is a warehouse receipt if it isn't accepted as clear title when the elevator goes broke? And why must farmers stand in line with all the other creditors?"

Whatever the outcome of the case, Mr. Cryts has managed to capture the imagination of farmers throughout the country. Alice James of Campbell, Mo., says in her "Ode to Wayne Cryts":

Like a song that has the rhythm
But it needs a little rhyme,
Mr. Cryts keeps singing softly,
"Just a bushel at a time."
Though his song is not completed,
He keeps singing of their rights,
And the farmers of America
Believe in Mr. Cryts.

□ 1630

Mr. SENSENBRENNER. Mr. Speaker, will the gentleman yield?

Mr. EMERSON. I yield to the gentleman from Wisconsin.

Mr. SENSENBRENNER. I thank the gentleman from Wisconsin for yielding, and I would like to highly commend him for his almost single-handed crusade in behalf of Mr. Cryts and for a change in the bankruptcy law that has allowed this ridiculous situation to occur.

As the gentleman from Missouri has stated, the other body on three separate occasions has adopted remedial legislation so that farmers who do store their produce in grain elevators that go bankrupt will be protected. However, this House and, most particularly, the Judiciary Committee of the House of Representatives, has not taken it upon itself to even seriously consider this very serious and meritorious legislation.

The role of being an obstructionist is not unusual for the Judiciary Committee. I believe we could go on at great length on the number of meritorious proposals that have not even received a public hearing within the Judiciary Committee, including substantial reform of the Bankruptcy Code, legislation dealing with abortion and school prayer issues, the Criminal Code, and several other issues.

I think that the obstructionism of the Judiciary Committee is going to become a major issue in this House and perhaps in this fall's election campaign, and I think that the Cryts situation and the fact that there are certain members of the committee on the Judiciary Committee who think that the 1978 Bankruptcy Code reforms were printed on stone tablets and refuse to seriously consider amendments thereto is really not in the public interest.

So I hope that the gentleman from Missouri keeps on plugging on this particular issue. It is a very important issue, not only as it regards our farmers in the agricultural provisions of the Bankruptcy Code, but the generic issue of bankruptcy reform which, in my opinion, is equally necessary.

Mr. EMERSON. I thank the gentleman for his comments.

Mr. VOLKMER. Mr. Speaker, will the gentleman yield?

Mr. EMERSON. I yield to my colleague, the gentleman from Missouri.

Mr. VOLKMER. Mr. Speaker, I wish to also commend the gentleman in the well for leading the effort here in the House to reform the bankruptcy laws so that we can protect our farmers when they store their product, their grains, in the commercial elevators. And, too, we have to take the time, I am sure, today to at least thank Wayne Cryts for what sacrifices he has made in order to bring attention not only to his personal plight, but the plight of every farmer potentially who stores his grain in any commercial elevator. As we go into these bad times that we are now facing in agriculture, these same circumstances are bound to occur elsewhere unless we do make those changes in the bankruptcy law.

I look forward to continuing to work with the gentleman in the well for two things—one, the release of Wayne Cryts. I think what has happened to him is reprehensible, in light of the total situation. It reminds me of some things in Poland, where Lech Walesa is jailed by the Polish authorities over there, an innocent human being, as we basically look upon him. The same thing with Wayne Cryts. He is trying to preserve his own farming operation rather than going bankrupt as a result of actions of others. And I think he has pointed this out to farmers all over the Nation.

Just the other day some of us took part in the call-in program over in the caucus room in the Cannon Building. I talked to farmers from Nebraska who were very cognizant of the situation with Wayne Cryts and also were apprehensive of the fact that we had not taken action yet. This has been brought to our attention. The gentleman introduced this legislation over a year ago, and it has been to the attention of the House all of this time. Therefore, I hope, and I understand that maybe in the near future, the Judiciary Committee may soon take up the legislation. I hope they do and I work to see that they do.

I wish to say in closing that I will say to the gentleman in the well that this is an outstanding effort on his part, and I will continue to work with him in this regard on both issues, the freeing of Wayne Cryts and also the changes in the Bankruptcy Code to protect our farmers. I think all of the farmers in America owe the gentleman in the well a debt of gratitude for the work he is doing.

Mr. EMERSON. I thank my colleague from Missouri, and I want him to know how deeply I appreciate his sincerity and the contribution that he has made in cooperating with us to try to get a solution to this problem.

Mr. VOLKMER. I have been more than happy to join in the legislation and also the resolution just introduced.

Mr. EMERSON. I appreciate the gentleman's contribution.

Mr. ROBERTS of Kansas. Mr. Speaker, will the gentleman yield?

Mr. EMERSON. I yield to the gentleman from Kansas.

Mr. ROBERTS of Kansas. I thank the gentleman for yielding.

Mr. Speaker, I would also like to commend my colleague, the gentleman from Missouri (Mr. Emerson), for calling this special order. I share his sense of concern and real frustration on the part of the ordeal suffered by Wayne Cryts and the example being set by Wayne for every farmer who has the same kind of problem. I am a cosponsor of the gentleman's resolution. I am a cosponsor of the gentleman's bankruptcy reform legislation. I have also joined Senator Nancy Kassebaum in the other body in asking the Justice Department to conduct a review of this entire case.

It is not very often that we have a special order in this body to discuss the problem of one individual farmer, and that man's name is Wayne Cryts and he does happen to reside in my colleague's district; but, in truth, Mr. Speaker, this special order is in behalf of every farmer who toils long hours to raise and harvest a crop and then store it in a warehouse. This special order is in fact on behalf of the producer who is being victimized, in my personal opinion, by unfair and unrealistic bankruptcy laws. This special order is about the need to reform our Federal bankruptcy statute. Wayne Cryts is the victim of a judicial system that is protecting some but not all citizens.

Now, legal scholars may disagree that the Wayne Cryts case represents a threat to a real institution in farm country. To date, farmers have always put their faith and trust in what is called a warehouse receipt. Farmers have always believed that a warehouse receipt was as good as the grain in the bin. However, during the ordeal suffered by Wayne Cryts in Missouri, farmers throughout this country are being told that once the grain is deposited in the hands of a warehouse operator, it becomes the property of the warehouse operator. It is my firm conviction, along with thousands of farmers in this Nation, that the warehouse receipt does not transfer ownership to anyone. It merely requires the warehouse operator to store the commodity and return a like product upon demand of the holder of the warehouse receipt.

If the bad news is that Wayne Cryts remains incarcerated in a Missouri jail, the good news has to be that it does focus attention for this body to act on legislation to reform the Bankruptcy Code, to act on the legislation that my friend and colleague has introduced. It has been almost 14 months that the House Judiciary Committee has had bankruptcy reform legislation awaiting action. They have yet to act. It is a matter of simple justice.

□ 1640

Mr. EMERSON. Mr. Speaker, I yield to the gentleman from Illinois (Mr. Simon), my friend from across the river.

Mr. SIMON. I thank my colleague from Missouri and I commend him for his leadership.

I have been pleased to join in cosponsoring the legislation which would have prevented this kind of misfortune. We have had similar incidents in my district.

The gentleman is probably the only person on the floor now who knows where Murphreysboro, Ill., or Quality, Ill., are, and they have had bankrupt elevators. That legislation ought to see the light of day so that we can protect the American farmers more adequately.

There is a more personal tragedy right now and that is Wayne Cryts.

I have written, as has the gentleman from Missouri to the President urging him to pardon Wayne Cryts. I do not question that the bankruptcy judge may be technically correct. But sometimes applying the law in all its cold, harsh technicality is not justice, and in this case Wayne Cryts is not receiving justice and, in fact, he has become a hero, as he should be, to the farmers in my district and the farmers from the gentleman's district.

I think we have to see that Wayne Cryts somehow is released from prison where he is unfairly and improperly incarcerated while those who caused all this disaster walk the streets freely, and that just does not make sense.

And the second thing we have to do is obviously to pass legislation that gives some kind of protection to the American farmer who takes his grain to the elevator, thinks he is protected, and suddenly he can lose that farm. And that has happened to too many farmers in my district, to too many farmers in the gentleman's district, and to too many farmers around this country.

Again I commend my colleague from Missouri. The gentleman has aggressively moved on this and it is the kind of leadership that makes me proud to serve in this body.

Mr. EMERSON. I thank the gentleman for his comments which are so true about the injustices that are being done here.

I think we are also going to find that something is going to have to be done about the immunity statutes under which Mr. Cryts is being held.

Our colleague from Arkansas (Mr. Bethune), who wanted to be with us this afternoon, but due to the lateness of the hour could not be, and the gentleman from Idaho (Mr. Hansen), have both raised very serious questions.

My understanding is that they were intended, designed, to be used to break up criminal conspiracies of a major magnitude—the Cosa Nostra—and they are being applied here in a civil contempt fashion and an awful lot of people are questioning whether or not these statutes are being applied in accordance with the letter and the spirit for which they were intended.

Mr. SIMON. If my colleague will yield further, they are probably being applied improperly as far as the letter of the law, but certainly not the spirit of the law, not the intent of this body.

Mr. EMERSON. I thank the gentleman.

Mr. COLEMAN. Mr. Speaker, will the gentleman yield?

Mr. EMERSON. I yield to the gentleman from Missouri (Mr. Coleman).

Mr. COLEMAN. I appreciate my colleague yielding and I want to join with my other colleagues who have praised the gentleman in the well for his outstanding leadership on a very, very difficult issue, one which happens to have been taking place in the gentleman's district but his leadership and what we are talking about here today transcends the 10th District of Missouri. It goes throughout this country, as our friend from Kansas just pointed out.

We are talking about the real basic integrity of the procedure that an individual farmer gives his crop from his field to a larger market to feed this country, and that is through the local grain elevator. If you call into question the integrity of that institution which is being called into question because of the poor financial management or because of bankruptcy laws, or whatever reason, we are seeing a phenomena develop which will have significant impact upon our abilities in this country to transfer grains throughout our country into overseas markets.

So I want to join with my colleague in his statement today.

He mentions that we had a bill in conference, the farm bill of 1981. Both of us, the gentleman in the well and myself, were members of that conference committee. We fought long and we fought hard to keep the language that the Senate put on that bill, keep it in that conference and keep it in the report and have it passed finally in the version of the 1981 farm bill.

I guess we were successful through 11 hours of the 12 hours that came through that conference, and as I recall there was a great amount of discussion about how the turf was going to be divided up.

I do not think farmers care about turf except when they plow the ground.

What we were talking about in the conference was about who was going to get credit, whether it would come through the Judiciary Committee or go through the Agriculture Committee, was it going to go through the House of Representatives or come through the Senate. Who cares about that?

The real question was, as the gentleman pointed out, Are we going to have protection for the American farmer when it is necessary?

Well, we all know what happened to that conference. We had tremendous letters passed around saying that there were going to be hearings, expeditious proceedings through the Judiciary Committee on this bill and what could we do when the leadership of the conference said this is the way it is going to be and that is the way it was going to be.

We are still waiting here in May for that legislation to be brought forward.

I understand that the bankruptcy bill that is being discussed and marked up very soon in Judiciary will not help our farmers any. We are going to have to take our case now to the Rules Committee on the floor of the House again. But I think it is good to point our that we had the opportunity, we fought for that, but because of turf battles and the leadership around here the farmers today are paying for it.

What farmers are? The farmers in my district. This is not just a southeast Missouri phenomena or northwest Missouri.

We see two grain elevators going out of business because one of the farmers got an insufficient funds check, inquired and found out that not only was there insufficient funds for the check, there was insufficient grain in the elevator.

The grain that he and his farm friend had deposited in the local grain elevator in Chillicothe and Gallatin, Mo., suddenly was not there.

I do not know what other people in this country call it, but we do not call that insufficient or poor management, the farmers in my area call it plain stealing.

I think that is what it really boils down to.

Wayne Cryts is in prison today in Arkansas because he wanted to get his own beans out of an elevator where he deposited them, just as every other American would go to the bank and make a deposit in his bank account, knowing full well that he had the confidence when he walked out of that bank that it was guaranteed by the FDIC or the Federal Government, and if somebody misused that money that he would be paid back.

I think it is time, Mr. Speaker, that we provide some sort of confidence that the American farmer can go into a warehouse and say, "I am depositing this and I have confidence that I am going to get either my money or my grain back from that."

To see Wayne Cryts languishing in jail. Farmers in my area do not understand that kind of justice. Frankly I do not either. We do need to change the bankruptcy law. We need to change some other laws but I do think that it is important that we address ourselves to this issue today.

I just point out a few of the headlines that are appearing in the newspapers back home. "Grain shortfalls put Missourians in financial bind."

There are some people in my district who are losing over $100,000 worth of money. This is not something academic. This is money. This is as if you were wiped out of $100,000, that they then have to go out and pay back for the tractor and the land, the bank. They will not have that $100,000 for this year.

"Elevator loads hurt operators, farmers." "Missouri farmers fear huge losses." Fear they should because the loss in one of our elevators is estimated at $750,000.

"State licensing of elevators puzzles farmers."

It is ironic that the person who ran them had a history of doing the same thing to farmers over in the State of Kansas before he came to the State of Missouri.

There is something wrong with a system that allows this to happen. We screen people much better for less important things in our society. We ought to put something in place, Federal, State, whatever the answer is.

I know the gentleman works closely with me and others who are concerned about this to find out what the best solution is. Something has to be done and we look to the principle that Wayne Cryts stands for and I thank the gentleman in the well for taking time for this special order.

Mr. McCURDY. Mr. Speaker, will the gentleman yield?

Mr. EMERSON. I yield to the gentleman from Oklahoma.

Mr. McCURDY. I would like to commend the gentleman for his leadership on this issue and to associate myself with his remarks.

This issue has arisen even in my district in southwestern Oklahoma with a bankruptcy with an elevator and I again want to commend the gentleman for his leadership and associate myself with his remarks because I think this is a very pressing issue and certainly one that is the most important issue to those people who are faced with it.

Mr. EMERSON. I thank the gentleman.

Mr. ROBERTS of South Dakota. Will the gentleman yield?

Mr. EMERSON. I yield to the gentleman from South Dakota.

Mr. ROBERTS of South Dakota. I thank my colleague for yielding and I certainly appreciate the gentleman's efforts on behalf of Mr. Cryts down in Missouri.

I appreciate the gentleman's efforts on behalf of bankruptcy legislation that can in fact correct some of the inequities.

I have deep concerns, too, about Mr. Cryts who is incarcerated, and I have great concern.

I happen to be a farmer and use the elevator storage system at great length, and I have a lot of neighbors back in South Dakota, and I guess all across this Nation, and when we in fact put our grain in that elevator and get a warehouse receipt, we expect that when we go there to get that grain or sell that grain it is going to be there.

Now the gentleman is telling me—the gentleman is telling me that the laws of our land say that if that particular elevator goes bankrupt and I am paying them storage on grain that is mine, that the bankruptcy court ties up my grain; is that correct?

□ 1650

Mr. EMERSON. Well, that is a fact in this one particular case in the bankruptcy court in Arkansas. That is how the law has been construed.

Mr. ROBERTS of South Dakota. Well, that is very difficult. In other words, the warehouse receipt really does not mean anything to myself or my neighbor; is that correct?

Mr. EMERSON. Well, that is what an awful lot of people are questioning and one reason that I have introduced this resolution, of which the gentleman is a cosponsor, to inquire into the soundness of our whole grain elevator storage system, because incidents such as this, in which Wayne Cryts has been involved, really call the whole question to the fore here. Is a valid warehouse receipt, or what we have understood to be a valid warehouse receipt, worth the paper that it is printed on anymore?

Mr. ROBERTS of South Dakota. Well, OK, let me pose a problem. As I said, I use warehouses and I put that grain in there and then I go take a Government loan on that grain. I either deliver the grain or pay the loan off.

In this instance, if that bankruptcy court would have tied up my grain, then I would have been in default to the Federal Government and may very well end up in jail because of their wrongdoing; is that correct?

Mr. EMERSON. Well, that is true in this particular case. An offer of payment was made and it was refused. There was a waiver by the CCC for the time being, as I understand, pending the resolution of the case in bankruptcy. There still is no resolution. This is one of the big problems and one of the points my bill tries to address.

Time has been the great robber here. It has been almost 2 years since that bankruptcy occurred and farmers really do not know any more today than they knew then, where they stand in relation to their crops.

Mr. ROBERTS of South Dakota. Well, I would suggest that farmer, Mr. Cryts, like most of us, has that grain obligated, the dollars that come from it then.

I just cannot believe that that is happening in this great country. We fight the elements of the weather, Mother Nature, and we can handle that. Now we are pitted against the judicial system of this type of bankruptcy law that can, in fact, steal our grain.

Mr. EMERSON. The gentleman says we are pitted against the judicial system. This is where it gets a little heavy. Mr. Cryts has not been convicted of anything. The Federal grand jury refused to indict him. The grand jury refused to indict him. He has not been tried and convicted. He is being held under a certain contempt statute in a very, very technical aspect of the law that really does not bear very much relation, if any, to what has indeed transpired.

Mr. ROBERTS of South Dakota. Well, it is a strange situation.

Mr. EMERSON. Very strange.

Mr. ROBERTS of South Dakota. Well, I certainly commend the gentleman and I hope that the judiciary brings about the gentleman's legislation and that we get it to the floor.

Incidentally, I am a cosponsor of that and we certainly need it and we need it now.

I thank the gentleman for yielding.

Mr. EMERSON. I thank the gentleman from South Dakota.

Mr. MORRISON. Mr. Speaker, will the gentleman yield?

Mr. EMERSON. I would be delighted to yield to the gentleman from Washington, my friend, Mr. MORRISON.

Mr. MORRISON. Mr. Speaker, I thank my colleague, the gentleman from Missouri, for this effort and the chance for us to make a point here to the Nation that, indeed, an inequity exists and that we do need action by a committee of this Congress to resolve that. I guess my voice is coming from the far west, proving that this is not just a situation within a limited number of States, but indeed affects agriculture in this entire Nation.

Mr. Speaker, I hear the expression "farm crisis" used freely these days. We do have a crisis in our farm country and that specific emergency involves the growing frequency of grain elevator bankruptcies.

During the period from 1974 to 1981, approximately 130 bankruptcy proceedings involving commodity warehouses were filed in 22 States. These bankruptcies have posed special and unique problems for farmers. The legal delays involved in these bankruptcy proceedings can mean economic disaster since future operations depend upon the ability of the producer to sell this year's crop at the most opportune time. The real victim of elevator bankruptcies is the commodity producer. Two grain marketing firms have filed a chapter 11 bankruptcy in Washington State during the past month. One of the firms is holdng over $14 million of farmer's commodities which is stored in four different States.

The Federal Government has allowed the bankruptcy laws of this land to deny the farmer the products of his work. All he asks is the protection of his rights of ownership of his product.

The distinguished chairman of the Courts Subcommittee, Senator DOLE, and my colleague and friend on the House Agriculture Committee, BILL EMERSON, have introduced legislation which will give the farmer deserved and welcome relief in solving the problems experienced by farmers when elevators go bankrupt.

Passage of this bill would go a long way to prove our Government can be of assistance to the farmer and not an obstacle.

I am pleased to hear that a Judiciary Subcommittee markup has finally been scheduled next week on the grain elevator bankruptcy bill. Let us get it through the committee process and to the House floor for a vote. I am confident that the Members of this body will see the inequity of this situation and will vote for a bill to remedy the problem.

Mr. EMERSON. Mr. Speaker, I thank the gentleman for his contribution and his support.

Mr. BAILEY of Missouri. Mr. Speaker, will the gentleman yield?

Mr. EMERSON. I am delighted to yield to my friend and colleague, the gentleman from Missouri (Mr. BAILEY).

Mr. BAILEY of Missouri. Mr. Speaker, to my friend and colleague, the gentleman from Missouri (Mr. EMERSON), I say thank you from a lot of people in Missouri and in my district through central Missouri who come up to me in the supermarkets and on the streets and they say, "What are you doing in Congress about the incarceration, the jailing of Wayne Cryts?"

I frankly have to respond to them by saying, "Well, we have the bills in the committee that would probably solve this."

And I would say this, they are not pleased with those answers. Are they pleased in the gentleman's district with the type of answers that I am able to give to my people in my district?

Mr. EMERSON. Not at all.

Mr. BAILEY of Missouri. Is the gentleman able to say to them some sort of reasonable answer about whose grain it is?

Are we able to make any sort of logical argument to a farmer about title to grain? I am not.

I do not think that title transferred to thousands of bushels of grain when you store the grain and pay for storing it in a storage facility. I do not think there is any doubt about title to grain—does the gentleman?

Mr. EMERSON. No. It is sort of like taking your suit to the cleaners and while it is there, the dry cleaner goes bankrupt and you go to retrieve your suit and they say, "Well, you can't have it because the dry cleaner went bankrupt."

I think that is a fair analogy. You know, your suit is the asset of the dry cleaner, which we all know is a ridiculous proposition.

Mr. BAILEY of Missouri. Does the elevator owner ever claim title to the grain? He does not contend that he owns the grain that has been stored in his facility.

Mr. EMERSON. No; there are circumstances in which he could have a lien on it for storage costs and what have you. There are circumstances in which that would occur; but generally speaking, certainly the producer is the person who retains title.

Mr. BAILEY of Missouri. He never intended, when he stored his grain and is paying a storage fee on it, to transfer title, did he?

Mr. EMERSON. Absolutely not.

Mr. BAILEY of Missouri. And it does not occur to me that the elevator operator ever intended to take title to the grain. It is simply a bailment procedure.

Mr. EMERSON. That is correct.

Mr. BAILEY of Missouri. He is simply storing it for the benefit of both those parties involved.

Mr. EMERSON. This is a bailment transaction.

Mr. BAILEY of Missouri. A simple bailment.

Mr. EMERSON. Yes.

Mr. BAILEY of Missouri. Well, how then, what is the length of time that this controversy can go on? Information comes to me that the bankruptcy law of 1977 was really the culprit, if we might use those words, of doing in the validity of a warehouse receipt; that before the bankruptcy changes, that the title has generally been regarded as remaining firmly in the hands of the farmer until certain changes were made in the Federal Bankruptcy Act of 1977; is that basically true?

Mr. EMERSON. That is my general understanding; although let me make it clear that I am neither a lawyer nor a bankruptcy expert; but my understanding is that, yes, there was a much clearer view of where the producer stood in relation to his bailed goods under the pre-existing bankruptcy law than under the current law.

Mr. BAILEY of Missouri. Well, the Uniform Commercial Code provides a lot of remedies for liens on goods that are what people generally refer to as fungible. I have had that offered as some defense for the situation that we have brought ourselves into now with Wayne Cryts' incarceration, that the grain is a fungible product and therefore you cannot tell one bean from another bean.

It occurs to me that maybe the judge might be interested in fungible farmers. Perhaps he cannot tell one farmer from another farmer, and clearly, farmers all across my district in Missouri, every farmer is interested in this. It is not just Wayne Cryts' story. It is every farmer's story, that that grain belongs to the farmer and it does not belong in the bankruptcy court of any elevator operator. The title never did transfer.

Do you suppose some judge might think that all farmers are alike because they may wear bib overalls and the John Deere hat? Maybe this judge would like to substitute other farmers, because I know farmers in my district would drive to Arkansas and would take the place of Wayne Cryts in order to join with him in speaking out against this ludicrous situation where the title of the grain simply has not passed, the title belongs to the farmer and should never be involved in the bankruptcy of an elevator.

□ 1700

Mr. EMERSON. The gentleman is correct.

Mr. BAILEY of Missouri. Well, maybe we can just all put on our bib overalls here in Congress and join the farmers all across this Nation, saying we can do our best to see that this situation is reversed. Perhaps we can say to Wayne Cryts from here that we are on his side, that we think there should be legislation, and we can get Congress to act.

I thank the gentleman from Missouri for taking the time, and appreciate his yielding the time to me now to make these statements.

Mr. EMERSON. I thank my colleague. I share his frustration when people come up to me on the street out there and say, "What are you going to do and how soon is it going to happen?" I can say, "Yes, we are trying to amend the bankruptcy law, we are probably going to try to amend the immunity statutes." And people say, "What has he been convicted of?" They say, "Did the grand jury not indict him?" No, the grand jury did not. "Don't you have to be tried and convicted?"

"Well, he is being held under civil contempt, under some vague immunity statutes designed to bust up the Cosa Nostra." It is pretty hard to explain.

Mr. BAILEY of Missouri. Let me ask you a question that might relate to that.

What difference does it make to the bankruptcy court who assisted this farmer in retaining goods that clearly he had title to?

Mr. EMERSON. That is a very good question.

Mr. BAILEY of Missouri. I mean, why is that contemptuous?

Mr. EMERSON. As a matter of fact, I think it is probably well known who did assist him. Certainly U.S. marshals were present, FBI agents were present when he went in to retrieve his grain. There were front-page newspaper photographs.

Mr. BAILEY of Missouri. Has this judge asked the FBI agents who were present, or the U.S. marshals who were present, who assisted him?

Mr. EMERSON. I do not know if they did or not.

Mr. BAILEY of Missouri. Is that what he is after?

Mr. EMERSON. Yes. This is the technicality: Mr. Cryts' refusal to name those of his friends and neighbors who helped him retrieve his grain, for refusing to name them. This statute, written to give immunity to someone in the Cosa Nostra if they would squeal on the godfathers, is being applied to a soybean farmer who does not feel that it is his role to talk on his friends and neighbors who helped him go in to get his beans for which he felt he had plenty of proof of ownership—namely, valid warehouse receipts.

Mr. BAILEY of Missouri. If that is contempt in this judge's opinion, he certainly has a certain view of it that is contrary to all of the logic of the people that I talked to here in Congress and in Missouri.

Perhaps, though, from your situation, we can go from this anger about the situation in Missouri to a new law, and that is certainly what we need to accomplish here in Congress, so that we can say to this judge in Arkansas, "You simply have taken the very wrong, the very incorrect route in solving a very meaningful problem to a lot of Missouri farmers."

Mr. EMERSON. I agree with the gentleman, and thank him.

Mr. BAILEY of Missouri. I thank the gentleman for taking the time for this special order.

● Mr. GLICKMAN. Mr. Speaker, the incarceration of Wayne Cryts has focused national attention on the problem of grain elevator bankruptcies and underlines the importance of quick action to change the law to help insure that no more farmers will be forced into a similar desperate situation because of undue delay in bankruptcy proceedings.

I am an original cosponsor of H.R. 6034, legislation to amend the Bankruptcy Code to provide for expedited determination of interests in grain and the proceeds from the grain in cases involving the bankruptcy of grain elevators. This bill was introduced by my colleague, CALDWELL BUTLER, after the Subcommittee on Monopolies and Commercial Law held 2 days of hearings on the grain elevator bankruptcy problem in early March. This legislation is a direct response to the testimony given before the subcommittee on how best to alleviate the problems faced by farmers who find themselves victimized by elevator failures. I am glad to say that a number of Kansans have been heard on this, including Marvin Webb of the Kansas Grain Inspection Service, who testifed before the subcommittee. Members who have joined with CALDWELL BUTLER and me on the bill include Chairman RODINO, HAMILTON FISH, JACK EDWARDS, MIKE SYNAR, TOM HARKIN, DOUG BEREUTER, JERRY HUCKABY, IKE SKELTON, and BERKLEY BEDELL. I am relieved that Chairman RODINO has indicated to me that markup of H.R. 6034 will take place on May 19. I am sure he realizes my commitment to seeing this move forward and I am glad that markup has been scheduled.

Because grain stored in a bankrupt elevator is often the sole marketable asset of the farmer's operation, the economic viability of the entire farm is endangered by the generally slow pace set by the presiding bankruptcy judge. H.R. 6034 goes to the heart of this problem. The bill mandates that the judge must establish a timetable up front for determining the interests of all the parties and that these procedures must be shortened as much as practically possible "to the greatest extent feasible."

It is clear that the farm sector of our economy is in a severely weakened position. High interest rates and the inflationary costs of production are not being offset by increases in commodity prices. At this time, we must insure that outside forces—such as a bankrupt elevator operator—do not complicate an already bad situation and put farmers out of business. As a member of both the House Agriculture and Judiciary Committees, I am greatly disturbed by the unecessary dangers farmers presently face when they store their grain. Several of us have been working to change the bankruptcy laws as they relate to farmers in this area for over a year. It is imperative that we act on this legislation as soon as possible.

However, let us not delude ourselves into thinking that this change in the Bankruptcy Code will solve the underlying problem that led to all of this. Bankruptcy law revisions, no matter how broad, cannot restore lost, stolen, or converted grain. We must protect farmers from being caught by fraudulent or careless marketing practices of a few elevator operators. It is impossible to restore the farmer's grain if the elevator has insufficient supplies. Once we get this bankruptcy legislation through, we may need to focus on preventing such losses through the establishment of an FDIC-like grain elevator insurance fund, or some other mechanism to more adequately protect farmers.●

● Mr. HAMMERSCHMIDT. Mr. Speaker, I would like to commend my distinguished colleague, Mr. EMERSON, for taking the time today to address the broad problems surrounding grain elevator bankruptcies which have been highlighted in the news this week by the tragic circumstances of farmer Wayne Cryts.

The outpouring of sympathy and support for Mr. Cryts, who defied a court order by taking possession of grain for which he held valid documents of ownership, has been substantial. This incident should give new impetus for immediate revisions of the present bankruptcy law.

I have already joined with my colleagues, as a cosponsor of legislation to amend the Bankruptcy Act regarding farm produce facilities. Basically, H.R. 3984 would improve the procedures by which a farmer who has stored grain in a warehouse may retrieve his assets from the bankrupt estate, and places the full force of Federal law behind warehouse receipts as a valid proof of ownership. The present delays in bankruptcy proceedings causes irreparable damage to farmers across the Nation. Resolving the bankruptcy of grain elevators and warehouses is difficult and complex. However, I believe that H.R. 3984 offers the best and most comprehensive approach to dealing with this volatile situation.

The House and Senate Judiciary Committees have held hearings on the problems posed for the agricultural communities of our Nation by farm produce storage facility bankruptcies; and, legislation along these lines has received widespread support from many segments of the agricultural community who view it as a fundamental necessity to assure economic stability to the farmers. The list of organizations which seek legislative relief are many and include the National Governor's Conference, the Grange, American Farm Bureau, the U.S. Department of Agriculture, and various State agriculture departments.

In addition, during consideration of the 1981 farm bill, I supported inclusion of the Dole provision along these lines; unfortunately, however, this provision was dropped by the conference committee due to a jursidictional inquiry by the chairman of the Judiciary Committee.

Over the past several years in a number of States, there has been a steady annual increase in the number of crop elevator insolvencies. Perhaps the most serious outcome of these failures is that farmers have been unable to obtain quick distribution of the crop assets they rightfully hold in these elevators. Farmers in Missouri, Kansas, Indiana, Iowa, Nebraska, Illinois, and Arkansas have seen thousands of bushels of grain, soybeans, and other crops paralyzed during bankruptcy court proceedings.

In the last decade, farmers have received a low of 7 percent of their claims and a high of 59 percent of their claims in elevator bankruptcy proceedings. H.R. 3984 will give the farmer some relief through a legally defined procedure that puts him on equal footing with the other creditors standing in line at the bankruptcy court.

The recent bankruptcies of grain elevators and subsequent court proceedings have sent shock waves throughout the farm community. The Cryts case, in particular, has undermined the confidence of farmers and the entire area in grain elevators generally, especially in small country elevators.

The beleaguered American farmer, who has faced many obstacles—embargoes, escalating costs, and depressed farm prices—and who depends upon the sale of his products to finance the next year's production costs should not have to worry over a possible bankruptcy proceeding which may devastate his entire livelihood. Should the American farmer be forced to stand idly by and witness his crops sold to satisfy the grain elevator's creditors if the warehouse in which his crops are stored goes bankurpt?

H.R. 3984 would address these inequities in our current bankruptcy law. I would urge my colleagues on the Judiciary Committee to press forward for prompt consideration of this emergency bill. Let us spare other farm families from enduring the plight of "Wayne Cryts." ●

● Mr. WAMPLER. Mr. Speaker, I rise to join my colleague Mr. EMERSON of Missouri to express concern about the Federal bankruptcy laws and the effect they are having on the farmers who store their grain in country elevators.

While Virginia has not been particularly plagued by this problem, there was in fact an elevator bankruptcy in Phoenix, Va. some years ago that could have caused a problem but did not because the size of the elevator was very small and the number of complaints was few. In fact, there was only one complaint in the amount of $600 that was claimed by a farmer in the bankruptcy case. Fortunately also, the ruling on the claim came within 6 months of the time the claim was filed.

Countrywide the problem is much more extreme, however, and only yesterday in the Wall Street Journal the issue involving Mr. Cryts was discussed at some length. I also can assure you that the mail I have been receiving and the telephone calls coming into the staff of the House Committee on Agriculture reflect concern across the country about this problem.

It is time that we act on this subject and it may be time that we examine the major bankruptcy amendments that were enacted into law 2 or 3 years ago. I understand that my colleague from Virginia, Mr. BUTLER, has a bill which he is supporting in the Judiciary Committee, and I am hopeful that that measure can be reported out in a form that will be acceptable to most of those interested in this legislation.

In summary I would like to say that what we are seeking is that the citizens are very upset about this subject involving elevator bankruptcies and bankruptcy laws in general. It is time that we take action and I hope that the House will see movement on this matter in the very near future.●

NATIONAL LOBSTER PROFIT SHARING ACT OF 1982

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oklahoma, (Mr. MCCURDY), is recognized for 10 minutes.

Mr. McCURDY. I am proud to appear before my colleagues today to introduce the National Lobster Profit Sharing Act of 1982. This legislation is the work product of the regionalization of Congress. This act can work to soften the regional advantages held by the States of Maine and Massachusetts, New Hampshire, Rhode Island, Connecticut, New York, and New Jersey and help balance the Federal budget at the same time.

The premise of the bill is that the lobster sources of this country, limited to a few Northeastern States, should be viewed as national resources and the benefits derived from the taxation of these resources should be enjoyed by all of America—not just the lobster farming industry and those States who by geological chance find these resources within their borders.

By establishing a permanent national tax on the production of lobsters, the National Lobster Profit Sharing Act of 1982 will assure the Federal Treasury a share of the $75 million per year lobster industry. The act would establish a 30-percent Federal landing tax on lobsters fished directly out of the Atlantic Ocean. The act would make 75 percent of the revenue from the tax available for reduction of the Federal deficit. If the tax were currently in effect, $17 million would be raised for deficit reduction in 1982.

The bill would require half of the remaining 25 percent go to States in the form of block grants for repair of the aging infrastructure of this country and the other half for further development of alternative sources of lobster.

We in the Southwest are disturbed by the affects of the Canadian lobster industry on our own domestic production. We are afraid that by undermining the American producers of lobster, the Canadians are forcing domestic lobster prices up and threatening survival of the industry. I feel it is extremely important that a portion of the tax on lobster production, a nonrenewable resource, should be devoted to further development of that resource and toward research for renewable lobster sources.

And finally, the National Lobster Profit Sharing Act of 1982 will reduce the fiscal disparities between a few lobster-producing States and the rest of the Nation by limiting State lobster production taxes to 1980 levels. A handful of lobster-producing States have sought to gain the greatest possible economic advantage from their positions as net-lobster harvesters at the expense of the rest of the Nation. Revenue from State taxation of lobster production pours into the coffers of those States. It allows them to promote powerful new location incentives for business and industry at the expense of the rest of the nonlobster-producing States.

Now, let me assure my respected colleagues from the States of Maine, Massachusetts, New Hampshire, Rhode Island, Connecticut, New York, and New Jersey that I have no intention of seriously introducing a bill called the National Lobster Profit-Sharing Act of 1982. I have no desire to penalize these fine States for their proximity to the Atlantic Ocean, natural habitat for the nationally renowned "Maine lobster."

But, nor do I intend to stand idly by while a group calling itself the Northeast-Midwest Congressional Coalition seeks to punish crude oil producing States like my own with something called the National Crude Oil Profit-Sharing Act of 1982. The absurdity of seizing upon another region's sudden good fortune, in this case the rise in domestic oil and natural gas production, by attaching a national severance tax goes against everything we stand for in this great Congress.

We are here to represent the best interests of our districts—not hurl specially devised schemes at each other as rocks are thrown between enemies in a streetfight.

I wonder why my colleagues from the Northeast and Midwest did not propose a severance tax on natural resources familiar to their own areas. Iron ore, coal, zinc. Why pick on crude oil producers?

I do not know the true motivation of the authors of H.R. 6330. I doubt that my good colleagues who have signed their names to this bill would admit to demagoguery or an attempt merely to earn a few votes at home. No, I suspect they would have us believe that a severance tax on crude oil will finance block grants and help balance the budget like the bill says.

Let me talk for just a minute on what a bill like this would accomplish. It would literally destroy oil and gas production in my State. We are finally gaining in our struggle for energy independence so I ask, is this the time to drop a bomb on the entire domestic industry—reducing it to an economic wasteland? I am sure OPEC members are rubbing their hands in anticipation of a national severance tax on U.S. oil.

The bill would result in higher prices for oil and gas. We have only to look at the leveling off of oil and gas prices over the past 2 years to know what increased production at home has done to our domestic energy costs. An increased supply has led to a reduction in cost to the consumer.

I would suggest that if my colleagues who have introduced H.R. 6330 truly want to help consumers—soften the blow of decontrol—let us impose a tax on imported oil.

The Crude Oil Profit-Sharing Act of 1982 is small minded, regressive, and nothing short of proclaiming civil war. I am afraid it exhibits a tremendous ignorance of the cost and benefit of energy production. I have, over the past 18 months, invited several of my colleagues from non-energy-producing States to visit Oklahoma and inspect an oil well to their own satisfaction. Many have already done so. Others, including one of the cosponsors of H.R. 6330, have agreed to come in the future. My intent is to show what is involved in producing oil.

As I am sure the gentlewoman and the gentleman from Maine will attest, there is probably much more to lobster harvesting than dropping a net into the Atlantic. Let me assure you, bringing crude oil to the surface is no small chore. There is a tremendous expense. My State, for instance, is currently involved in trying frantically to make rural roads and bridges receptive to the heavy equipment that must pass over them to gain access to remote oilfields in the State.

We are also struggling with related problems like water shortages, land and water pollution, damage to prime farmland and housing shortages—all direct results of the oil and gas production boom in the State.

The State of Oklahoma has maintained a 7-percent severance tax on oil and natural gas since the early 1970's. Estimates are that in 1982, the State will realize approximately $650 million in revenue from the tax.

The sponsors of H.R. 6330 would have us believe that Oklahoma and other oil producing States are greedily gobbling up excessive revenues from State taxes on oil production. That revenue is being used, they say, to attract industry and people from the Northeast and the Midwest. Perhaps that is true to a limited extent. But, much of the revenue is being spent to encourage more oil and gas production. It is an investment that is not even considered by the authors of H.R. 6330.

Yes, I am sure this bill is an enticement for the State of New York. It would receive $504 million in block grants with no production investment. That, my friends in the House, is a windfall.

The people of my State, the neighboring State of Texas, and other energy-producing States are upset at the introduction of this bill. It breeds hostility toward the good people of the Northeast and Midwest. It sets us apart from the energy-consuming States we are trying diligently to supply. It divides.

Mr. Speaker, I still believe that we are truly a group of united States. Sometimes, I am afraid however, the work product of Congress does not reflect our unity.

I would at this time strongly urge my fellow colleagues in the House to help me avoid any further waste of taxpayers' dollars, which come to us from all the States including Oklahoma and Vermont, Texas, and Minnesota, by further consideration of the absurd National Crude Oil Profit-Sharing Act of 1982.

□ 1710

GENERAL LEAVE

Mr. McCURDY. I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks in conjunction with my special order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

LEGISLATION INTRODUCED TO ADDRESS THE EFFECT OF FARMLAND VALUES ON SMALL FOUNDATIONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. Madigan) is recognized for 5 minutes.

● Mr. MADIGAN. Mr. Speaker, I am pleased to introduce today a measure to assist small private charitable foundations in their efforts to serve the needs of their local communities. In agricultural States such as Illinois, it is common for people to donate farmland to small charitable foundations for the support of local libraries, parks, recreation facilities, and other community service projects.

Under current law, in order to qualify as a tax-exempt private "operating" foundation, a foundation must annually distribute, for charitable purposes, an amount equal to a percentage of the value of its assets. If a foundation does not distribute the necessary amount, the Internal Revenue Service will assess a tax penalty equal to the difference between the amount distributed and an amount equal to a percentage of the value of the income-producing assets.

In 1969, when the distribution requirement was added to the Internal Revenue Code, small private foundations, supported primarily by agricultural holdings, had no problem meeting the distribution requirements. However, since that time the value of an acre of farmland has increased much faster than the per-acre gross return. In Illinois, since 1969, the average value of farmland has increased by 333 percent while the per-acre gross return for corn and soybeans has increased by only 231 and 235 percent, respectively. As land values outpace income, the distribution requirement for qualifying as a private operating foundation becomes more difficult to meet for small foundations whose primary income-producing resource is farmland. One bad growing season due to drought or flood or the continued escalation of farmland values could result in a foundation being forced to sell a portion of its farmland and distribute the proceeds in order to avoid the imposition of the tax penalty. Such a result would be counterproductive as it would reduce the ability of the foundation to fulfill its charitable purpose in future years.

The bill I am introducing today will insure that these foundations will not suffer a diminished capacity to perform their vital community functions due to a bad crop or the further extraordinary escalation of farmland values. This measure will allow small private foundations to determine the value of their farmland for distribution requirements by using a valuation method currently used for valuing inherited farmland—section 203A(e) of the Internal Revenue Code.

At a time when we are asking the private sector to shoulder more responsibility for community services, we need to encourage the continuation of generous and caring local charitable activity. This bill will assist that effort by assuring potential donors of agricultural land that their charitable intentions will not be frustrated due to an outdated and inflexible tax formula.●

AMENDMENT TO THE GUARANTEED STUDENT LOAN PROGRAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. Corcoran) is recognized for 10 minutes.

● Mr. CORCORAN. Mr. Speaker, you may recall that yesterday I engaged in a colloquy with Messrs. Natcher and Conte during discussion of the urgent supplemental appropriations bill. Specifically, I addressed the matter of escalating costs to the Federal Government because of the guaranteed student loan program.

I am worried that rising borrower participation and borrower defaults will continue to accelerate over the upcoming years and, thus, Federal costs to the GSL program will also continue to rise. Having studied these projected costs, I am deeply concerned that current GSL policies and law will impede any progress we can ever hope to have in bringing down Federal losses within this program.

In my statement submitted yesterday and in legislation I have introduced today, I am proposing that we further scrutinize the GSL program and that we make changes that would insure good and sound management practices in the administration of this loan program.

Among other changes, my legislation will require that a responsible adult cosign the borrower's GSL loan application and that the participating educational institutions closely monitor the status and progress of their GSL borrowers once they graduate or withdraw from school. I believe that these two requirements will greatly facilitate loan repayment matters.

We, as responsible lawmakers, must address the weaknesses inherent in the GSL program and not simply feed dollar upon dollar into this poorly constructed program. I believe that my legislation provides a good starting point for a thorough examination of existing GSL policies.

The legislation proposed constitutes a good business approach to financing and increasing the quality of the Nation's human resources. The importance of enhancing the development of this resource cannot be overemphasized. For instance, the extent of technological competition between countries and the inescapable fact that the technological capacity of this country is below standard suggests the necessity of revising the current GSL program that will not restrict future progress but rather will provide an investment in our citizens' future opportunities for themselves and for our country.●

FURTHER LEGISLATIVE PROGRAM

(Mr. LOTT asked and was given permission to address the House for 1 minute.)

The SPEAKER pro tempore. Without objection, the gentleman from Mississippi (Mr. Lott) is recognized.

There was no objection.

Mr. LOTT. Mr. Speaker, I ask to proceed for 1 minute for the purpose of further discussion of the schedule for next week, and perhaps the beginning of the next week.

Mr. FOLEY. Mr. Speaker, will the distinguished Republican whip yield?

Mr. LOTT. I will be glad to yield to the majority whip.

Mr. FOLEY. Mr. Speaker, the gentleman from Mississippi (Mr. Lott), the Republican whip, and I have just left a meeting of the joint leadership chaired by the Speaker, and including the distinguished Republican leader (Mr. Michel), the distinguished majority leader (Mr. Wright), the distinguished chairman of the Rules Committee (Mr. Bolling), the distinguished chairman of the Budget Committee (Mr. Jones), and it is our intention to announce a detailed program with respect to the budget which I believe Mr. Lott, the Republican whip, will suggest has the joint concurrence of both leaderships.

It is the intention of Mr. Jones, the chairman of the Budget Committee, to file the report on the first budget resolution by midnight, on Monday next, the 17th of May. It will then be the intention of the leadership that all Members be now notified that all who wish to offer any amendments or substitutes for consideration by the Rules Committee, for consideration on the floor during the budget deliberation, have such amendments or substitutes prepared in writing and submitted for printing in the Record, a copy to the Committee on Rules and a copy to the Committee on the Budget, not later than Wednesday noon, on the 19th of May.

Those proposed amendments or substitutes will then be printed as available to the Rules Committee and all Members on Thursday morning, the 20th of May. The Rules Committee will meet on Thursday morning for consideration of the rule, and it is the intention of the Rules Committee to conclude deliberations and to report a rule by midnight, Thursday.

It is then the intention of the leadership to schedule general debate on the budget to commence at 10 a.m., on Friday, and to continue on Saturday, the 22d of May, until general debate has been concluded.

Following that, we will schedule legislative sessions for Monday and the balance of the week of May 24, for consideration of the budget resolution, and Members will be notified that amendments will be in order, that consideration of the budget amendments will be in order on Monday, when the House meets on the 24th of May.

I would ask my colleague from Mississippi if that is his understanding of the schedule discussed by the joint leadership?

Mr. LOTT. That is my understanding. I would like to say that I think it is very helpful that the leadership, on a bipartisan basis, has been able to get together and discuss this matter and work out the details clearly, so that they can be stated as they have been by the gentleman from Washington here today, so that our Members can be notified both from the Record and their offices can be contacted through the whip system, so that the membership will be on notice as to what the process will be, and will know when they should have their amendments or substitutes printed in the Record, and when the Rules Committee will meet.

I am pleased that the House will be meeting on Friday and Saturday for the general debate, if necessary, on the budget resolution, and I think by extending the time until the following Monday before we actually begin taking up the votes on amendments and substitutes, it will give our Members a chance to properly develop their understanding of the Budget Committee's reported resolution, to develop their own positions and their debate, if they want to participate in it.

I think that this is the type of leadership cooperation that will in the future, I hope, be very helpful for both sides of the aisle, and certainly it is helpful for the membership to know in advance what they can count on. That is why we were objecting earlier today about the uncertainty as to when this matter would be called.

I especially want to say a word of thanks to the distinguished majority whip for his efforts in helping to bring about this understanding. I would like to clarify a couple of points. I would emphasize that the gentleman from Washington said that on Wednesday, by Wednesday noon, Members should file for printing in the Record, with copies to the Budget Committee and to the Rules Committee, their substitutes or amendments. Is that the understanding of the gentleman from Washington?

☐ 1720

Mr. FOLEY. The gentleman is correct. Wednesday noon would be considered the deadline, and Members should have filed for the Record with copies to the Rules Committee and the Budget Committee by that time and day.

Mr. LOTT. That will be Wednesday, May 19.

Mr. FOLEY. Wednesday, May 19.

Mr. LOTT. It would appear in Wednesday's Record, but would be available in that printed form before the Rules Committee meets the following morning on Thursday.

I want to clarify that the Members will need to do that if they have any substitutes or amendments, and we will notify the membership in detail as has been set out here.

Mr. FOLEY. Will the gentleman yield further?

Mr. LOTT. I will be glad to yield.

Mr. FOLEY. I believe it is also our intention, as the gentleman from Mississippi and I have discussed, to provide notification to our individual Members' offices tomorrow of this agreement, with a request to each office that the Member be notified by telephone tomorrow, in person, of these arrangements, so that all Members will have maximum notice of the undertaking between the joint leadership.

Mr. LOTT. I recognize it may be necessary to consider this further, but would the gentleman have an idea of what time we would come in on Saturday and the following Monday, which would be a week from this coming Monday?

Mr. FOLEY. The usual time to come in on Friday would be 10 a.m. and I assume that we would come in Saturday at 10 a.m. I assume we would meet the following Monday at noon.

Mr. LOTT. I thank the gentleman. Again I think that this is an agreed schedule that will give the Members the opportunity they need to be heard and have their amendments or substitutes properly considered.

Mr. FOLEY. I thank the gentleman.

DON'T INCREASE TAXES FASTER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. Martin) is recognized for 15 minutes.

Mr. MARTIN of North Carolina. Mr. Speaker, do not increase taxes faster, it is not necessary. Taxes are rising fast enough already. Over the last decade, of runaway fiscal spending and rampant inflation, taxes on the American people have risen much faster even than inflation. Should not that be enough, Mr. Speaker?

The only reason that $623 billion in revenues is not enough in this fiscal year 1982 is simply because of the unrepentant extravagance of the liberal increases in spending. Even with taxes rising half again faster than inflation, spending for all these Great Society free rides has grown even faster! When can we tell the taxpayers that is enough, Mr. Speaker?

Last night and today, the Democratic-dominated House Budget Committee, with its arbitrary excess majority of 18 Democrats and 12 Republicans, has fashioned a partisan budget resolution for the next fiscal year, 1983, which will raise taxes even faster yet. After 3 months of sniping against the President's budget proposal and his attempts to get Congress to restrain its appetites to tax and spend, it is notable that we finally have a Democratic Party alternative. Now we can look at their proposal and we see that all it is is higher and higher taxes.

The following table puts the issue in perspective based on forecasts by the Congressional Budget Office (CBO):

Total revenues:	*Billion*
Fiscal year 1982 current law	$623
Fiscal year 1985 current law	780
Fiscal year 1985 Democratic budget	848
Revenue Increases Over Fiscal Year 1982	
Fiscal year 1985:	*Percent*
Current law	25
Annual average	7.7
Fiscal year 1985:	
Democratic budget	36
Annual average	10.8
Forecast average inflation rate	6.7

Mr. Speaker, the first thing that emerges from these facts and CBO forecasts is that taxes are not going down as a result of the 1981 tax cuts; they are going up $157 billion. All that can be said is that they are not going up as fast. The 1981 so-called largest tax cut in history has merely cut the tax increases roughly in half.

The second thing that emerges is that the result of this hard-fought tax cut is that tax revenues are still going to rise slightly faster even than inflation. Federal annual revenues thus are going to rise 25 percent over the next 3 years, if we leave the tax code unchanged with no additional tax increases. That is a rate exceeding the consensus forecasts of inflation for that period by roughly one-sixth.

The third thing that emerges is that the budget resolution offered now as the official leadership position of House Democrats does not accept those built-in real tax increases as being enough. Neither do they accept the additional revenues that President Reagan has indicated he would accept. They want more, $150 billion over 3 years. They propose to raise taxes by 36 percent over the 3-year period. That is an additional $68 billion in 1985 over and above the $157 billion increase already provided by current law. For some dissidents, even that is not enough. They want even more.

The House majority party's leadership and budget committee majority is proposing that taxes rise at an average annual rate two-thirds faster than inflation.

Is that enough, Mr. Speaker?

The only apparent way to stop this restoration of the liberal principle of tax and tax, spend and spend, is for the taxpayers to rise up and put a stop to it. It is time for American voters to tell you loud and clear: "That's enough, Mr. Speaker."

ISRAELI INDEPENDENCE DAY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. Annunzio) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, at midnight, May 14-15, 1948, the fifth and sixth days of Iyar 5708, under the Jewish calendar, the British mandate for Palestine came to an end, and the independent State of Israel was born. I am pleased to join in the 34th anniversary commemoration of this historic event, which represents the outcome of centuries of struggle by the Jewish people to obtain political and religious freedom.

From the destruction of the Second Temple in A.D. 70 and their final heroic stand against the Romans at Massada in A.D. 73, until May 14, 1948, the Jewish people were without a homeland, and in the diaspora—dispersed throughout the world but without loss of their identity.

During these tragic centuries, they were politically, socially, and physically persecuted, and practically prohibited from engaging in religious rituals and cultural celebrations. This sad history of abuse culminated in the Holocaust, a conscious effort to completely erase the existence, the culture, and the history of a proud and compassionate people. However, the spirit of the Jewish people never waivered, nor did their hope and determination that one day, they and their children would be able to seek new lives of freedom and human dignity in the land of their forefathers.

Seen in the context of this history of oppression, the establishment of the State of Israel was a turning point in the 2,000-year struggle by the Jewish people to achieve self-determination. The Jewish people, who had suffered

many centuries of persecution, and had experienced the bitterness and despair of an existence without even the most basic human rights, were finally able to write proudly into their proclamation of independence a pledge that their new State:

> will rest upon the foundation of liberty, justice, and peace as envisioned by the prophets of Israel. It will maintain complete equality of social and political rights for all its citizens, without distinction of creed, race, or sex. It will guarantee freedom of religion and conscience, of language, education and culture. It will safeguard the holy places of all religions. It will be loyal to the principles of the United Nations Charter.

Israel's citizens developed their new nation with vigor and enthusiasm, having accomplished in a few short years what most nations failed to achieve in decades. The countryside was transformed from a wasteland of swamps, deserts, marshes, and eroded hills into a modern agricultural and technological state. What makes Israel's story even more remarkable is that this was all done in the presence of hostile neighbors, who repeatedly tried to destroy this tiny nation. However, the commitment of Israel's people to peace in the Middle East has never been abandoned, nor has their willingness to make great sacrifices in order to achieve this goal.

Mr. Speaker, I join the citizens of Israel and their friends in the 11th District I am honored to represent, and throughout the world, in the celebration of the 34th anniversary of the founding of the State of Israel. This event is a source of inspiration, encouragement, and hope for people all over the world who still seek the right to determine the course of their own destiny, and the right to live in freedom and dignity, without fear of persecution.●

SPACE PROGRAM IS WISE INVESTMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Colorado (Mr. Wirth) is recognized for 5 minutes.

● Mr. WIRTH. Mr. Speaker, since its inception, the space program has been one of the wisest investments the United States has made.

Our efforts in space have had tremendous spinoffs to our entire society. Major advances in electronics and communications technology, for example, have been made possible by space research. These advances have created new industries and thousands of new jobs. From pacemakers for heart patients to breakthroughs in solar energy, the space industry has sparked innovation which has improved the lives of all Americans.

I today rise in support of the NASA authorization bill as reported by the Science and Technology Committee, and against the amendments being offered to delete funding.

The committee has shown its understanding of the need to restrain Federal spending and reduce the enormous Federal deficits in its recommendations. But it has struck a careful balance between this need and the need to refuse to allow major parts of our space enterprise to wither and die.

The committee's authorization recommendation, for example, does not include major funding for new launches. But unlike the administration's recommendation, it realizes that support for space researchers working on the projects of the future must not be summarily cut off. The $23 million above the administration request which the committee recommends to keep research alive for projects like the Venus orbiting imaging radar mission can nurture the preliminary work on such projects until in a less difficult budget year the new projects may actually be launched. The administration's proposal would allow the scientific enterprise which has developed around such planned projects to deteriorate. I personally believe the administration's "no new launch" policy is shortsighted and that we need to plan new projects now.

The committee also rejects the administration's shortsighted plan to turn off six spacecraft which are now providing us with important scientific data. The committee recognizes that the investments made in the development and launching of these spacecraft must be maintained, now that they are providing us with valuable information.

For example, the Pioneer crafts now in interplanetary orbit are helping us understand the effects of the Sun on our own environment and climate. The Pioneer spacecraft which have passed Jupiter and Saturn hold the promise of providing us with our first information from outside our own planetary system. And the Pioneer orbiting Venus is sending us valuable data from the planet, which is being interpreted at the University of Colorado in my home of Boulder.

Mr. Speaker, the administration plans to simply turn off these valuable spacecraft, for a minuscule budgetary savings. I believe that the public knowledge they are providing is too important to be dismissed in such a fashion—particularly considering the huge investments we have already made in them.

The bill under consideration would also authorize funds for aeronautical research and technology of a modest but important amount. This funding would allow continued research into such important fields as energy-efficient engines and advanced turboprops.

Finally, this bill includes a sensible proposal for Landsat, the remote sensing program which has provided valuable data to a variety of users on such subjects as land-use planning, decertification, and effective management of the Earth's resources. The potential for Landsat in the coming years is vast. The administration has taken the position that this valuable resource should be transferred as quickly as possible to the private sector, although the only private proposal to come forth to date would turn this program into a monopoly. This bill simply asks that the proposal to transfer this public resource to the private sector be submitted for approval before the administration seeks ways to implement it. It does not state that the Landsat program should not be transferred, only that this important decision should be carefully reviewed.

Mr. Speaker, this is a year for difficult budgetary decisions. No one in this Chamber would argue against the need to reduce the size of the Federal deficit.

But we also need to have a longer view of the budgetary decisions we are making. The programs which the administration proposed to cancel, and which the Science and Technology Committee proposes to restore, amount to a total of only $34 million over the original February request. But this modest amount of funding can go a long way toward maintaining the carefully developed base of space research our Nation has built up over a number of years. We must not turn our back on the vast future potential of such research for our entire society.●

REQUEST FOR MODIFIED CLOSED RULE ON BUDGET RESOLUTION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oklahoma (Mr. Jones) is recognized for 5 minutes.

Mr. JONES of Oklahoma. Mr. Speaker, pursuant to a requirement of the Democratic Caucus Manual (M IX) I would like to advise all Members that I may request a modified closed-rule for consideration of the first concurrent resolution on the budget for fiscal year 1983 and the revised concurrent resolution on the budget for fiscal year 1982.

GUS PEREZ—VFW SPEECH CONTEST WINNER FOR TEXAS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. de la Garza) is recognized for 5 minutes.

● Mr. de la GARZA. Mr. Speaker, if my constituent Gus Perez is any example of the young architects of democracy who will guide America in the future, I would say that the blueprint our Founding Fathers passed down to us for building America is in good hands.

Mr. Perez, a senior at Alice High School in Alice, Tex., recently came to Washington as a guest of the Veterans of Foreign Wars because of his speech on the theme of "Building America Together." His speech was selected as the best from my home State and I am doubly proud that he is from my congressional district. The VFW just recently made his speech available to me. Therefore, I would like to take this opportunity to share the words of Gus Perez with you:

1981-82 VFW Voice of Democracy Scholarship Program Texas Winner, Gus Perez

On July 4, 1776, the Second Continental Congress officially declared independence and formed the United States of America by adopting the Declaration of Independence. Thus, the foundation had been set for the building of America.

What our founding fathers did, more than 200 years ago, was a great achievement, but their acomplishment has not yet been completed. If they had given up on July 5, 1776, their great accomplishment would have been in vain, and this great nation would not be where it is today.

Today, this great nation is the equivalent to a tall and mighty skyscraper, standing on a firm framework. We are the builders, the workers, of this symbolic structure. This proud responsibility has been passed down through generations and shall be so forever.

The Declaration of Independence is the solid base where construction and building began. The Constitution is the blueprint provided by many gifted architects to guide us towards the construction of America.

The construction of America has been a long and tedious task; yet still the work goes on due to the perseverance of many Americans. Without us, united in a common goal, this project would never have been launched, and July 4, 1776, would only be an insignificant date of the past.

Every man, woman and child has the responsibility—no, the obligation—to make a positive contribution in his or her own way. We have the freedom to choose the leader who will guide us and unify us towards building America together.

We choose these leaders by simply voting. Each vote can represent a rivet that bonds the framework of girders to a unified form, an ounce of cement to the outside wall that will help give the building its support, or an inch of electrical wire that will eventually help the building operate.

Unfortunately, there are fragmentary groups, within the workers, who not only voice dissatisfaction but try to destroy what we build. Therefore, it is our job to build and rebuild where destructive forces wield their power. It is also our duty to check and recheck for any hidden weaknesses that may crumble our structure and to use corrective measures for these flaws. Ironically, our structure becomes even stronger with the freedom to dissent.

We, as Americans, take pride in our ability to meet challenges and produce ingenious results with the least possible waste. We have increased our awareness not only in preservation but conservation of our natural resources, and this includes our minds. This provides the necessary activity in our structure—our country—so that it will not lie dormant and vulnerable to decay. If our building were left unattended, it would be reclaimed by the elements, and we must insure that his never happens.

On July 4, 1976, we celebrated the 200th anniversary of the foundation that was laid for our country. We are still growing, learning, working, and building America together! ●

VA'S WALTER A. NELSON

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. Mottl) is recognized for 5 minutes.

● Mr. MOTTL. Mr. Speaker, I would especially like to commend Mr. Walter A. Nelson, Director of the Veterans' Administration's Veterans Canteen Service, upon his retirment.

Mr. Nelson, a native of Natick, Mass., entered VA service on March 19, 1946, with a temporary appointment as Assistant Chief, Canteen Division, Branch Office No. 1 in Boston, Mass. After achieving career status, he advanced to the New York Office of the Veterans Canteen Service. He became Director of the Canteen Service in 1979, and began the operation of the Veterans Canteen Service as a sound Government-owned corporation. His management skills have enabled the Veterans Canteen Service to show a better cash flow and productivity index than such major wholesale/retail firms as Sears, K-mart, Ward's, and J. C. Penney. The Veterans Canteen Service, during fiscal year 1981, had sales of over $160 million.

The Veterans Canteen Service, under Mr. Nelson's direction, has been sensitive to patient needs and the concerns of hospital management. Products are sold which are in keeping with the patient population, case-mix and length of stay.

During Mr. Nelson's tenure as Director, the Canteen Service began feeding hospital volunteers, and increased the quality of food service to prevent the loss of productive time which occurred when employees left the medical center grounds for lunch.

Mr. Nelson's professionalism and managerial skills are well illustrated by two steps taken in the last 18 months. All fiscal activities for the Canteen Service were centralized at the Veterans Canteen Service finance center in St. Louis, Mo. This set the stage for management improvements in fund accountability, inventory, and sales. This step also reduced the size of the Canteen Service. In fiscal year 1981, Mr. Nelson abolished two of five field Canteen Service offices, which reduced administrative overhead by about 30 positions, which then became available to VA medical center canteens for direct service activities.

The 50th anniversary of the Veterans' Administration was a source of pride to all VA employees. Walter Nelson thought VA patients should be involved in the celebration, and at his instigation each hospitalized veteran was given a $5 canteen book. Dr. Jack Ewalt, Director of the Department of Medicine and Surgery Mental Health and Behavioral Sciences Service, said, "You had a great idea in giving each a gift, a gift that for many offered a rare opportunity to buy something they wanted. It was good for their morale and mental health." The individual thank-you letters from patients numbered in the hundreds, and were not only touching but reflected increased morale.

Mr. Nelson will retire on May 14, 1982, after 40 years of service to the Veterans' Administration. I want to congratulate him for a job extremely well done. His loyalty to the mission of the VA Department of Medicine and Surgery, and his concern and compassion for patients and fellow employees, will be sorely missed.●

EXEMPTION OF HOME RECORDING OF TELEVISION PROGRAMS FOR PERSONAL USE FROM COPYRIGHT LAW

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington (Mr. Foley) is recognized for 5 minutes.

Mr. FOLEY. Mr. Speaker, last October 16, 1981, the Ninth Circuit Court of Appeals ruled that any individual using a video cassette recorder (VCR) to record television programs could be subject to copyright infringement under the Copyright Act. Moreover, the court found that manufacturers and retailers of the VCR and advertising agencies involved in promoting the VCR could be liable for contributory infringement damages.

In response to this decision, and on behalf of the many million Americans who own and enjoy video recording equipment, I introduced H.R. 5250 to definitively exempt from copyright law the home recording of television programs for personal use.

I introduced H.R. 5250 to insure VCR users the right to record television programs so long as the recording is not made either directly or indirectly for commercial advantage, and is used in the privacy of their home. My bill would protect consumers from the threat of copyright liability and the potential burden of a royalty tax on the purchase of VCRs and blank recording tapes. This bill will not protect those who record a copyrighted program for financial gain in violation of the exclusive rights granted to the copyright holder by the Copyright Act.

A statutory royalty provision, as has been proposed by some of my colleagues, will only create an unnecessary and impractical regulatory bureaucracy, and will result in greater inequities since there is no way that a

statutory royalty scheme can reflect the varied uses to which home VCR's are put by an individual. H.R. 5250 directly addresses and ends consumer concerns over invasion of privacy and enforcement problems which might occur if the Government were to begin to regulate home video recording.

Mr. Speaker, I have appended a copy of H.R. 5250 for inclusion in the record, and over the coming days will actively be seeking the support and cosponsorship of my colleagues on this measure.

H.R. 5250

A bill to amend the copyright law to exempt private, nonprofit recording of copyrighted works on video recorders from copyright infringement

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 1 of title 17 of the United States Code is amended by inserting at the end thereof the following new section:

"§ 119. Limitation on exclusive rights: Private use

"Notwithstanding the provisions of section 106, it is not an infringement of copyright for an individual to record copyrighted works on a video recorder if the recording is made without any purpose of direct or indirect commercial advantage and is to be utilized in a private home.".

Sec. 2. The table of sections for chapter 1 of title 17 of the United States Code is amended by inserting after the item relating to section 118 the following:

"119. Limitation on exclusive rights: Private use.".

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mrs. Schneider (at the request of Mr. Michel) for today on account of illness in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Coleman) to revise and extend their remarks and include extraneous material:)

Mr. Madigan, for 5 minutes, today.

Mr. Corcoran, for 10 minutes, today.

Mr. Martin of North Carolina, for 15 minutes, today.

Mr. McDade, for 60 minutes, May 20, 1982.

(The following Members (at the request of Mr. McCurdy) to revise and extend their remarks and include extraneous material:)

Mr. Gonzalez, for 15 minutes, today.

Mr. Annunzio, for 5 minutes, today.

Mr. Coelho, for 5 minutes, today.

Mr. Wirth, for 5 minutes, today.

Mr. Jones of Oklahoma, for 5 minutes, today.

Mr. de la Garza, for 5 minutes, today.

Mr. Mottl, for 5 minutes, today.

Mr. Fuqua, for 5 minutes, today.

Mr. Savage, for 20 minutes, June 8, 1982.

(The following Member (at the request of Mr. Foley) to revise and extend his remarks and include extraneous material:)

Mr. Foley, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Lowery of California, during general debate on H.R. 5890 in the Committee of the Whole today.

Mr. Nelson, during general debate on H.R. 5890 in the Committee of the Whole today.

(The following Members (at the request of Mr. Coleman) and to include extraneous matter:)

Mr. Lowery of California in two instances.

Mr. Rousselot in two instances.

Mr. Derwinski in four instances.

Mr. Paul in three instances.

Mr. Martin of North Carolina.

Mr. Lent.

Mr. Conable.

Mr. Pursell.

Mr. Hyde.

Mr. Rudd.

Mr. Dougherty in two instances.

Mr. Philip M. Crane in two instances.

Mr. Coughlin.

Mrs. Heckler.

Mr. Edwards of Oklahoma.

Mr. Solomon.

Mr. Lewis.

Mr. Conte in two instances.

Mr. McCloskey.

Mr. Shumway.

Mr. Marriott.

Ms. Fiedler.

Mr. Bethune.

Mr. Gilman in two instances.

Mr. Erdahl.

Mr. Collins of Texas.

(The following Members (at the request of Mr. McCurdy) and to include extraneous matter:)

Mr. Mazzoli.

Mr. Ford of Michigan.

Mr. Pepper.

Mr. Hoyer in two instances.

Mr. Miller of California.

Mr. Lundine.

Mr. Waxman.

Mr. Mavroules.

Mr. Markey.

Mr. Dorgan of North Dakota.

Mr. Jones of Oklahoma.

Mr. Studds.

Mr. Gore.

Mr. Wyden.

Mr. Applegate.

Mr. Ireland.

Mr. St Germain.

Mr. Won Pat.

Mr. Gejdenson.

Mr. Hughes.

Mr. Simon.

Mr. Ottinger.

SENATE ENROLLED JOINT RESOLUTIONS SIGNED

The SPEAKER announced his signature to enrolled joint resolutions of the Senate of the following titles:

S.J. Res. 145. Joint resolution authorizing and requesting the President to proclaim "National Orchestra Week"; and

S.J. Res. 170. Joint resolution to designate the week of November 7, 1982, through November 14, 1982, as "National Hospice Week."

ENROLLED BILL SIGNED

Mr. HAWKINS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title which was thereupon signed by the Speaker:

H.R. 6038. An Act to amend section 235 of the National Housing Act.

JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. HAWKINS, from the Committee on House Administration, reported that that committee did on May 12, 1982, present to the President, for his approval, a joint resolution of the House of the following title:

H.J. Res. 361. Joint resolution to grant official recognition to the international ballet competition.

ADJOURNMENT

Mr. FOLEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 30 minutes p.m.), under its previous order, the House adjourned until Monday, May 17, 1982, at 11 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3919. A letter from the Assistant Secretary of the Navy (Shipbuilding and Logistics), transmitting notice of the Navy's decision to convert to contractor performance the data transcription/data entry function at the Naval Air Station, Miramar, Calif., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

3920. A letter from the Secretary of Education, transmitting the results of the Department's study of teacher training programs in bilingual education, pursuant to section 723(a)(5) of Public Law 95-561; to the Committee on Education and Labor.

3921. A letter from the Secretary of Health and Human Services, transmitting a draft of proposed legislation to extend and amend various health authorities, and for other purposes; to the Committee on Energy and Commerce.

3922. A letter from the Director, Defense Security Assistance Agency, transmitting an agreement between the U.S. Government and the Government of New Zealand concerning the pricing of military training, pursuant to section 21(g) of the Arms Export Control Act; to the Committee on Foreign Affairs.

3923. A letter from the Assistant Secretary of Treasury for Administration, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

3924. A letter from the Director, National Legislative Commission, the American Legion, transmitting the audit report of the organization for calendar year 1981, pursuant to section 3 of Public Law 88-504; to the Committee on the Judiciary.

3925. A letter from the Comptroller General of the United States, transmitting a report on the Federal Reserve System's efforts to implement pricing for check clearing and automated clearinghouse services (GGD-82-22, May 7, 1982); jointly, to the Committees on Government Operations and Banking, Finance and Urban Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DELLUMS: Committee on the District of Columbia. H.R. 5595. A bill to amend the District of Columbia Self-Government and Governmental Reorganization Act to increase the amount authorized to be appropriated as the annual Federal payment to the District of Columbia. (Rept. No. 97-512). Referred to the Committee of the Whole House on the State of the Union.

Mr. ST GERMAIN: Committee on Banking, Finance and Urban Affairs. H.R. 6149. A bill to provide for increased participation by the United States in the African Development Fund. (Rept. No. 97-513). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CONTE:

H.R. 6368. A bill to amend title 38, United States Code, to extend the delimiting period within which a Vietnam-era veteran may use educational assistance under chapter 34 of that title upon discharge or release from active duty from the present 10 years to 20 years, but not later than December 31, 1999; to the Committee on Veterans' Affairs.

By Mr. FORD of Tennessee:

H.R. 6369. A bill to provide a program of Federal supplemental unemployment compensation, and for other purposes; to the Committee on Ways and Means.

By Mr. ZABLOCKI (for himself, Mr. Fascell, Mr. Bingham, Mr. Solarz, Mr. Barnes, Mr. Wolpe, Mr. Broomfield, Mr. Gilman, and Mr. Leach of Iowa):

H.R. 6370. A bill to amend the Foreign Assistance Act of 1961 and the Arms Export Control Act to authorize additional international security and development assistance programs for fiscal year 1983, and for other purposes; to the Committee on Foreign Affairs.

By Mr. CORCORAN:

H.R. 6371. A bill to amend the Higher Education Act of 1965 to make certain alterations in Federal, State, and private programs of low-interest insured loans for students in institutions of higher education; to the Committee on Education and Labor.

By Mr. DOWNEY:

H.R. 6372. A bill to amend the Internal Revenue Code of 1954 to assure that living expense deductions of Members of Congress be substantiated and auditable; to the Committee on Ways and Means.

By Mr. EDWARDS of Oklahoma (for himself, Mr. Conable, and Mr. Taylor):

H.R. 6373. A bill to authorize Federal agencies to accept volunteer service of individuals and nonprofit organizations to carry out certain activities of such agencies; to the Committee on Post Office and Civil Service.

By Mr. FOWLER (for himself, Mr. Frenzel, Mr. Jenkins, and Mr. Matsui):

H.R. 6374. A bill to amend the Internal Revenue Code of 1954 to provide an alternative method of allocation of property taxes for cooperative housing corporations; to the Committee on Ways and Means.

By Mr. HEFTEL:

H.R. 6375. A bill to provide additional funding from the Department of Defense for allocation under the impact aid for education program, and for other purposes; to the Committee on Education and Labor.

By Mr. HENDON:

H.R. 6376. A bill to withdraw the National Wilderness Preservation System and other lands from operation of the general mining and mineral leasing laws, to insure adequate inventories of resource values in such areas, and for other purposes; jointly, to the Committees on Agriculture, Interior and Insular Affairs, and Rules.

By Mr. HUGHES (for himself, Mr. Sawyer, Mr. Rodino, and Mr. Moakley):

H.R. 6377. A bill to amend title 18, United States Code, to clarify the applicability of offenses involving explosives and fire; to the Committee on the Judiciary.

By Mr. LENT:

H.R. 6378. A bill to amend the Internal Revenue Code of 1954 to provide for the equal corporate income taxation of certain cooperative corporations and competing investor-owned businesses; to the Committee on Ways and Means.

By Mr. MADIGAN:

H.R. 6379. A bill to amend the Internal Revenue Code of 1954 to add a method of valuing farmland owned by a private foundation for purposes of determining whether the foundation is an operating foundation; to the Committee on Ways and Means.

By Mr. MARTIN of North Carolina:

H.R. 6380. A bill to amend the Internal Revenue Code of 1954 to permit the disclosure of the names and addresses of persons receiving permits to produce distilled spirits for fuel use to certain State agencies for use in enforcing State laws; to the Committee on Ways and Means.

By Mr. WAXMAN:

H.R. 6381. A bill to provide for the location of the National Center for Health Statistics; to the Committee on Energy and Commerce.

H.R. 6382. A bill to revise title IV of the Public Health Service Act; to the Committee on Energy and Commerce.

H.R. 6383. A bill to make technical changes in the laws relating to the administration and coordination of the National Institute of Mental Health, the National Institute of Alcohol Abuse and Alcoholism, and the National Institute on Drug Abuse; to the Committee on Energy and Commerce.

H.R. 6384. A bill to extend title XVII of the Public Health Service Act; to the Committee on Energy and Commerce.

H.R. 6385. A bill to amend the Public Health Service Act to extend the programs of assistance to medical libraries; to the Committee on Energy and Commerce.

By Mr. WYDEN:

H.R. 6386. A bill to amend title 18, United States Code, to provide a mandatory penalty for the commission of a third or subsequent robbery or burglary while in the possession of a firearm; to the Committee on the Judiciary.

By Mr. WAXMAN:

H.R. 6387. A bill to transfer the National Center for Health Services Research and the National Institute for Occupational Safety and Health to the National Institutes of Health; to the Committee on Energy and Commerce.

By Mr. BIAGGI (for himself, Mr. Murphy, Mr. Wolf, Mr. Winn, Mr. Ottinger, Mr. Marriott, Mr. Richmond, Mr. Rahall, Mr. Chappell, Mr. Pepper, Mr. Fazio, Mrs. Fenwick, Mr. Roe, Mr. Corrada, Mr. Fithian, Mr. Won Pat, Ms. Mikulski, Mr. LeBoutillier, Mr. Jacobs, Mr. Parris, Mr. Long of Maryland, Mr. Smith of Pennsylvania, Mrs. Holt, and Mr. Beard):

H.J. Res. 485. Joint resolution authorizing the Secretary of the Interior to construct a National Law Enforcement Heroes Memorial; to the Committee on House Administration.

By Mr. HOWARD (for himself, Mr. Clausen, Mr. Anderson, Mr. Roe, Mr. Breaux, Mr. Mineta, Mr. Evans of Georgia, Mr. Albosta, Mr. Boner of Tennessee, Mr. Stangeland, Mr. Clinger, Mr. Hatcher, Mr. Smith of Pennsylvania, Mr. Erdahl, Mr. Derwinski, Mr. O'Brien, Mr. Forsythe, Mr. Solarz, Mr. Annunzio, Mr. Coats, Mr. Weiss, Mr. Madigan, Mr. Lagomarsino, Mr. Zeferetti, Mr. Fazio, Mr. Horton, Mr. Lantos, Mr. Frenzel, Mr. Washington, Mr. Hughes, and Mr. Panetta):

H.J. Res. 486. Joint resolution authorizing and requesting the President to issue a proclamation designating the period from October 3, 1982, through October 9, 1982, as "National Schoolbus Safety Week of 1982"; to the Committee on Post Office and Civil Service.

By Mr. MOORHEAD:

H.J. Res. 487. Joint resolution authorizing and requesting the President to proclaim 1983 as the "Year of the Bible"; to the Committee on Post Office and Civil Service.

By Mr. WEAVER (for himself, Mr. Brown of California, Mr. Daschle, Mr. Bedell, Mr. Albosta, Mr. Lowry of Washington, Mr. Richmond, Mr. Phillip Burton, Mr. Jones of Tennessee, and Mr. Seiberling):

H. Con. Res. 344. Concurrent resolution expressing the sense of the House of Representatives that the Secretary of Agriculture should provide additional opportunities for public, scientific, and professional comment and prepare a supplementary environmental impact statement with respect to proposed regulations revising the National Forest System resource management planning process; to the Committee on Agriculture.

By Mr. ROGERS:

H. Res. 466. Resolution expressing the sense of the House of Representatives that social security benefits to be provided in fiscal year 1983 should not be reduced and that removal of the receipts and disbursements of the social security trust funds from the unified budget should be actively considered by the House of Representatives; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. WYDEN introduced a bill (H.R. 6388) for the relief of the estate of Timothy Jones; which was referred to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 146: Mr. Conyers.

H.R. 326: Mr. Dornan of California.

H.R. 808: Mr. Bailey of Pennsylvania.

H.R. 1763: Mr. McCurdy.

H.R. 1852: Mr. Hansen of Idaho.

H.R. 3575: Mr. Hartnett, Mr. Hiler, Mr. Hyde, Mr. Miller of California, and Mr. Spence.

H.R. 3760: Mr. Roe, Mr. Oberstar, Mr. Lehman, Mr. Hawkins, Mr. Daschle, and Mr. Roybal.

H.R. 3984: Mr. Mattox, Mr. Clay, and Mr. Montgomery.

H.R. 4498: Mr. Gejdenson, Mrs. Chisholm, Mr. Mattox, Mr. Vento, Mr. Rosenthal, Mr. Fuqua, Mr. Mitchell of Maryland, Mr. Tauke, Mr. Gray, Mr. Roemer, Mr. Gregg, and Mr. Lantos.

H.R. 5133: Mr. Obey.

H.R. 5192: Mr. Daschle, Mr. Dickinson, Mr. Gore, Mrs. Martin of Illinois, Mr. Moakley, Mr. Patman, Mr. Staton of West Virginia, and Mr. Wyden.

H.R. 5465: Mr. Matsui and Mr. Roybal.

H.R. 5596: Mr. Deckard.

H.R. 5755: Mr. Fauntroy, Mr. Florio, Mr. Goodling, Mr. Gray, Mr. Hagedorn, Mr. Hertel, Mr. Long of Maryland, Ms. Oakar, Mr. Pease, Mr. Savage, and Mr. Weiss.

H.R. 5835: Mr. Foglietta and Mr. Jacobs.

H.R. 5853: Mr. Ford of Michigan, Mr. Whitehurst, Mr. Andrews, and Ms. Oakar.

H.R. 5976: Mr. Dreier and Mr. Forsythe.

H.R. 5987: Mr. LeBoutillier.

H.R. 6036: Mr. Vento, Mr. Edwards of California, Mr. Washington, Mr. Lowery of California, and Mr. Markey.

H.R. 6098: Mr. Gilman, Mr. Erdahl, Mr. Petri, Mrs. Roukema, Mr. Jeffords, Mr. DeNardis, Mr. McGrath, Mr. Lent, Mr. Craig, Mr. Roe, and Mr. Wortley.

H.R. 6100: Mr. Evans of Delaware.

H.R. 6119: Mr. Edgar and Mr. Seiberling.

H.R. 6131: Mr. Conable.

H.R. 6135: Mr. Brinkley and Mr. Sawyer.

H.R. 6267: Mr. Simon, Mr. Heftel, Mr. Aspin, and Mr. Guarini.

H.R. 6294: Mr. Young of Alaska, Mr. Edwards of California, and Mr. Mitchell of Maryland.

H.R. 6315: Mr. Nelligan.

H.J. Res. 172: Mr. Paul.

H.J. Res. 359: Mr. Addabbo, Mr. Akaka, Mr. Anderson, Mr. Annunzio, Mr. Bailey of Pennsylvania, Mr. Barnes, Mr. Beard, Mr. Biaggi, Mr. Boner of Tennessee, Mr. Bonior of Michigan, Mr. Brinkley, Mr. Brodhead, Mr. Brown of Califorina, Mr. Brown of Ohio, Mr. Campbell, Mrs. Chisholm, Mr. Coats, Mr. Coleman, Mr. Collins of Texas, Mr. Conyers, Mr. Craig, Mr. Dannemeyer, Mr. de la Garza, Mr. DeNardis, Mr. Derwinski, Mr. Dickinson, Mr. Donnelly, Mr. Dorgan of North Dakota, Mr. Dornan of California, Mr. Dreier, Mr. Dymally, Mr. Early, Mr. Edwards of California, Mr. Edwards of Oklahoma, Mr. Findley, Mr. Ford of Tennessee, Mr. Fountain, Mr. Frank, Mr. Fuqua, Mr. Gejdenson, Mr. Gradison, Mr. Horton, Mr. Jones of North Carolina, Mr. Lantos, Mr. Latta, Mr. Leath of Texas, Mr. Lewis, Mr. Loeffler, Mr. Marks, Mr. Miller of California, Mr. Minish, Mr. Moakley, Mr. Moorhead, Mr. Mottl, Mr. Myers, Mr. Panetta, Mr. Pashayan, Mr. Perkins, Mr. Railsback, Mr. Rangel, Mr. Rinaldo, Mr. Roberts of Kansas, Mr. Roth, Mrs. Roukema, Mr. Rudd, Mr. Sabo, Mr. Shumway, Mr. Siljander, Mr. Skeen, Mr. Smith of Iowa, Mr. Snyder, Mr. Spence, Mr. Stangeland, Mr. Stark, Mr. Tauzin, Mr. Traxler, Mr. Vander Jagt, Mr. Weber of Ohio, Mr. Whittaker, Mr. Williams of Ohio, Mr. Wolpe, Mr. Wyden, Mr. Young of Missouri, and Mr. Zeferetti.

H.J. Res. 416: Mr. Boner of Tennessee, Mrs. Smith of Nebraska, and Mr. Paul.

H.J. Res. 454: Mr. Lee, Mr. Shaw, Mr. Hefner, Mr. Dreier, Mr. Derrick, Mr. Hyde, Mr. Molinari, Mr. Edwards of Alabama, Mr. Hartnett, Mr. Walgren, Mr. Addabbo, Mr. Dwyer, Mr. Chappell, Mr. Nichols, Mr. Bedell, Mr. Foley, Mr. Fascell, Mr. Barnard, Mr. Roe, Mrs. Chisholm, Mrs. Boggs, Mr. Ginn, Mr. Young of Florida, Mr. Scheuer, Mrs. Schneider, Mr. Anthony, Mr. Porter, Mr. Shelby, Mr. Lewis, Mr. Leach of Iowa, Mr. Smith of Iowa, Mr. Mica, and Mr. Shamansky.

H. Con. Res. 13: Mr. Dornan of California.

H. Res. 464: Mr. Aspin, Mr. Beilenson, Mrs. Chisholm, Mrs. Collins of Illinois, Mr. Conyers, Mr. Dellums, Mr. Edwards of California, Mr. Fauntroy, Mr. Fazio, Mr. Howard, Mr. Rodino, Mrs. Schroeder, Mr. Simon, and Mr. Smith of Pennsylvania.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 6030

By Mr. HILLIS:

—At the end of the bill, add the following new section:

RESTRICTION ON PURCHASE OF FOREIGN-MADE MOTOR VEHICLES

Sec. 902. (a) Chapter 141 of title 10, United States Code, is amended by adding at the end thereof the following new section:

"§ 2394. Restriction on purchase of foreign-made administrative motor vehicles

"The Secretary of a military department may award a contract or agreement for the purchase of administrative motor vehicles that are to be used outside the United States or Canada only to the lowest responsible bidder from the United States or the host nation. This section does not apply to contracts or agreements for an amount less than $50,000.".

(b) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new item:

"2394. Restriction on purchase of foreign-made administrative motor vehicles.".

SENATE—*Thursday, May 13, 1982*

(Legislative day of Tuesday, May 11, 1982)

The Senate met at 9 a.m., on the expiration of the recess, and was called to order by the President pro tempore (Mr. THURMOND).

PRAYER

The Chaplain, the Reverend Richard C. Halverson, LL.D., D.D., offered the following prayer:

Let us pray.

Father in Heaven, the Lord Jesus said that greatness means service, that those who would be greatest in His kingdom should be the servants of all. In this prestigious place, where position and power prevail, may we never forget the powerless ones without whom the business of the Senate would come to a standstill.

We thank Thee for those who maintain buildings and grounds, who run the people movers, who keep electrical equipment functioning. We thank Thee for those who keep the records, who study bills, who do the detailed work required by committees, who record the minutes. We thank Thee for the very busy people in the cloak rooms, for those who answer phones, who file. We thank Thee for receptionists, for those who prepare and serve meals and those who provide security. Thank Thee, Lord, especially for the pages, for their courteous attention to the needs of the Senators, their readiness to serve, their hard work and the care and diligence they give to their studies.

Help us never to take for granted those who serve with such dedication or underestimate the importance of their tasks to the whole body. Bless them, encourage them, and supply all their needs. We ask this in the name of Him who was the Suffering Servant for all people. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The majority leader is recognized.

THE JOURNAL

Mr. BAKER. Mr. President, I ask unanimous consent that the Journal of the proceedings of the Senate be approved to date.

The PRESIDENT pro tempore. Without objection, it is so ordered.

HISTORICAL SERIES

Mr. BAKER. Mr. President, this morning, I bring to my colleagues attention a matter of intellectual excellence and a matter of Senate pride.

In 1973, the Foreign Relations Committee began publishing a "Historical Series" of executive session transcripts and hearings dating back to 1947. Recently, the committee published the 11th volume of the series which covers the major events of 1959. These volumes not only provide an efficient and historically significant means of releasing important documents for a wide audience; they also prevent the need for costly document-by-document declassification for individual researchers.

But there is another dimension to this achievement, Mr. President, and it is one that the Foreign Relations Committee of the Senate and the Senate Historian's Office can be most proud. The House Foreign Affairs Committee has also been publishing its executive session transcripts for the corresponding years, however, as Congressional Quarterly reports, the House has contracted the editorial services to outside sources, at a cost to date of over $100,000. The staff of the Senate Foreign Relations Committee and the Senate Historical Office have produced the same services for the Senate at no additional cost.

In a letter to the Foreign Relations Committee, Prof. Burton Beers of North Carolina University wrote:

> Without exception, these volumes bear all the marks of historical editing at its finest. In their published form these materials have proved quite useful in my teaching and research.

We should all be proud of the distinguished efforts of the committee and the Senate Foreign Relations office. Indeed, we in the Senate are most fortunate to have the Historian's Office at our disposal. It continually provides unique and revealing insights into this institution, its leaders, and its policies. I personally am grateful to the Historian's Office for the invaluable assistance that they delivered to me and my staff throughout numerous projects since I became majority leader, and I look forward to working with them shortly on several additional projects.

Mr. President, I ask unanimous consent that the text of Professor Beers' letter, and reviews on the historical series from the Journal of American History and the New York Times Book Review be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

NORTH CAROLINA
STATE UNIVERSITY,
DEPARTMENT OF HISTORY,
Raleigh, N.C., April 27, 1982.

Hon. CHARLES H. PERCY,
Chairman, Committee on Foreign Relations,
U.S. Senate, Washington, D.C.

DEAR SENATOR PERCY: The most recent volume in the "Historical Series" entitled Executive Sessions of the Senate Foreign Relations Committee has just reached me over your signature. I now have several of these publications, dating back to Volume VII. Without exception, these volumes bear all the marks of historical editing at its finest. In their published form these materials have proved quite useful in my teaching and research.

My thanks go to the Foreign Relations Committee for authorizing the publication of this series. I look forward to coming volumes.

Sincerely yours,

BURTON F. BEERS,
Professor.

REVIEW NO. I (March 1978)

Executive Sessions of the Senate Foreign Relations Committee (Historical Series). (Washington: Government Printing Office, 1976, Vol. I: *Eightieth Congress, First and Second Sessions, 1947-1948.* 470 pp. Paper, $4.05. Vol. II: *Eighty-First Congress, First and Second Sessions, 1949-1950.* vi + 840 pp. Paper, $6.65. Vol. III, Part 1: *Eighty-Second Congress, First Session, 1951.* vi + 639 pp. Tables, appendixes, and notes, Paper, $5.25. Vol. II, Part 2: *Eighty-Second Congress, Second Session, 1952.* iii + 700 pp. Tables, appendixes, and notes. Paper, $5.65.)

In 1976, the Senate Foreign Relations Committee, in a step of major importance for historians, decided to publish its executive session transcripts, beginning with the first session of the Eightieth Congress in 1947. For students of American foreign relations, this historical series has the potential of ranking second only to the Department of State's *Foreign Relations of the United States* as a published source of materials on the post-World War II period. It is the hope of the Foreign Relations Committee to make this a continuing series, with a published volume for each session of Congress. The committee published eight volumes in its historical series, beginning in 1973, in a format that dealt only with a particular issue of subject matter: "Legislative Origins of the Truman Doctrine," "Foreign Relief Act: 1947," "Foreign Relief Assistance Act of 1948," "The Vanderberg Resolution and the North Atlantic Treaty," "The Military Assistance Program: 1949," "Extension of the European Recovery Program: 1949," "Economic Assistance to China and Korea: 1949-50," and "Reviews of the World Situation: 1949-50." The narrow approach has been dropped in favor of a chronological series covering a wide range of issues in each volume. The committee's transcript regulations permit declassification of executive records twelve years from the date the record was made. It is the expressed hope of the committee to publish the transcripts on important issues from 1947 up to that changing date. All historians will applaud and support this objective.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Before turning to the particular volumes under review, a few words about the general format. The volumes include selected executive session transcripts. Therefore, not every transcript of every meeting is published. Each volume, however, also includes a list of the unpublished transcripts in the National Archives and indicates their availability to scholars in accordance with the rules of that agency. The printed verbatim transcripts have a minimum of editorial revision. The texts were submitted in galley proof both to the Department of State and to the participating senators for review and comment. The present chairman of the committee, John Sparkman, assures historians that "no changes or deletions of substance were recommended" (Vol. I. p. iii). There are occasions, however, where it is indicated in the original record that "discussion continued off the record," and, of course, nothing then exists to publish, since the original reporter took nothing down. Each volume also has an appendix that includes documents, primarily copies of legislative bills and resolutions, referred to in the executive sessions. Finally, each subject that the senators are discussing is introduced by a brief, but generally excellent, editorial introduction explaining the general background of that meeting. The editorship is of a high level and most unobtrusive.

While the volume on the Eightieth Congress (1947-48) does not reprint the "Legislative Origins of the Truman Doctrine" or other specific subjects mentioned in the first paragraph of this review, it does cover testimony by George Marshall on the difficulties and uncertainties of the China situation in 1947 and Dean Acheson on John Carter Vincent. There are discussions on Latin America, the United Nations, the munitions trade, and U.S. information services abroad. Bipartisanship was not always present, as revealed in the debate over the Potsdam agreement, which saw a key state department document leaked to New York *Times* columnist James Reston. The senators also revealed some opposition to sending American students overseas when Tom Connally said, "It is my experience that whenever we send one of these fellows abroad he comes back not worth a damn. He has foreign ideas and foreign views. . . ." The Texan was strongly seconded by Henry Cabot Lodge, who replied, "I have seen so many Harvard fellows that have gone to Oxford and Cambridge. I don't see that it does them any good at all."

The volume on the Eighty-First Congress (1949-50) is a much meatier volume that deals with the nomination of Dean Acheson as secretary of state, the relief of Palestine refugees, disloyalty within the Department of State, the Genocide Convention, the Mutual Defense Assistance Program, and the charter of the Organization of American States. Acheson was grilled and regrilled on his alleged relations with Alger Hiss. The secretary defended himself with great skill and noted that not only he, but John Foster Dulles, had recommended Hiss for appointment to the Carnegie Foundation. Acheson did, however, accept some sentences written by Arthur Vandenberg as a press statement by himself condemning communism. The debate over disloyalty in the state department brought on a partisan debate and much political maneuvering, but the discussion over the Genocide Convention brought forth some Southern anger against the state department experts lecturing them on "morality." But some of the most interesting testimony was by the Assistant Secretary of State for Far Eastern Affairs, Dean Rusk, testifying on behalf of aid to Bao Dai and the French. Rusk said that "Ho Chi Minh, who takes his orders from the Kremlin," is in a civil war "which has been in effect captured by the Politburo," and, if "Indochina goes Communist, Thailand is likely to wave with the wind and bow to that kind of pressure." He did conclude that it was primarily a political and not a military problem and that if the United States intervened to any large extent "then it would be our problem".

The Eighty-Second Congress (1951) struggled with the two major issues of troops-to-Europe and the Far Eastern questions revolving around the dismissal of General Douglas MacArthur; the latter hearings, already published, are not repeated. Other subjects were food relief to India, the Mutual Security Act, and the nominations of Chester Bowles and Philip Jessup. The basic concern of the Foreign Relations Committee on the troops-to-Europe question centered around the constitutional question of whether the President had to consult Congress. The implications of the decision were fully explored in a wide ranging discussion. On food relief to India, considerable antagonism surfaced against Nehru, and Chester Bowles, in his nomination hearings, went off the record on his comments on the Indian leader. China policy continued to cause problems on the issue of who was responsible for the loss of China to the communists. At one point it was suggested that if they could find five John Sparkmans to serve on an investigative commission, the question would be honestly answered. William Fulbright suggested the only place you would find five of them would be in a "convent." When another colleague suggested Fulbright must have meant "monastery," Fulbright stood corrected.

In sum, this is a most important series, and the Senate Foreign Relations Committee is to be commended for its publication. Historians have had too few sources from the Senate side; almost all the material has come either from presidential or Department of State sources. The role of the foreign relations committees has too often been obscured, and this series should help correct that situation.

UNIVERSITY OF TULSA,
THOMAS BUCKLEY.

[From the New York Times Book Review Section, Aug. 10, 1974]

INSIDE TALK

(By Daniel Yergin)

Today, while captains of capitalism and veteran anti-Communists are busy doing business with the Russians and telling us what a great guy Secretary Brezhnev is, many former critics of America's anti-Communist crusade come close to criticizing the Nixon Administration for being "soft" on Russia. Such confusion reminds us how powerful and simple was the consensus that came into existence in the late 1940's and continued to provide a foreign policy framework until Lyndon Johnson's Vietnam disaster in the late 1960's.

By the end of 1946 United States policymakers had agreed on a basic outlook. They were convinced that the Soviet Union was an aggressive, insatiable revolutionary power, out to gobble up the entire world. And they had redefined the idea of "security" so that it was a reverse image of Fortress America—what happened in Bulgaria might not be merely regretted but also now directly involved American security.

But these policymakers were short of policy. Only in 1947 did they begin to find the policies and programs to fit their ideas. We have learned much in recent years about the basic evolution of America's postwar world system from the State Department's Foreign Relations series as well as from declassification of executive department files. Now the Senate Foreign Relations Committee has inaugurated a major new source with the publication of its executive (closed session) hearings. The first six volumes, covering years 1947-50, deal with several births—the Truman Doctrine, the Marshall Plan, NATO—as well as American policy in China, Korea and elsewhere in Asia. The record of Senators and Secretaries, speaking frankly in give-and-take without publicity's glare, reveals much about the basic assumptions that lasted a generation. These volumes also help us to understand that once-valued state of suspended debate known as bipartisanship, as well as the troubled role of Congress in foreign policymaking.

After World War II, Americans, to their surprise, found themselves living in an atmosphere of constant crisis. Events outran their comprehension. The veteran American Ambassador to Greece complained with some nostalgia at one hearing that what was the trouble in Greece at the time of the Truman Doctrine was "a social revolution and not one of the nice old revolutions we used to have in the old days."

The source of all problems, policymakers had come to believe, was the Soviet Union. This menace had to be fought. "Senator," Dean Acheson said in 1947, "I think it is a mistake to believe that you can, at any time, sit down with the Russians and solve questions. I do not think that is the way our problems are going to be worked out with the Russians. I think they will have to be worked out over a long period of time and by always indicating to the Russians that we are quite aware of what our own interests are and that we are quite firm about them and quite prepared to take necessary action." Senator Vandenberg summed up the whole effort—the "basic abstraction" of American foreign policy, he said, is "that we are undertaking to resist Communist aggression."

This question of Russian aims, and the American interpretation of them, has been at the heart of the debate between orthodox and revisionist historians over the origins of the cold war. The issue is not merely an academic debate, for the basic question is as central today as it was in 1947: what connection was there (and is there) between the repressiveness of the Soviet political system and that country's behavior in the international system? The experience of Hitler, who did pursue a world revolutionary foreign policy, seemed to make the connection axiomatic. Stalin does little better than Hitler in the humanitarian category, but he did play a different game in the international arena, one of caution, conservatism and consolidation.

Yet some revisionists also paint with much too broad a brush. Even if the civil war in Greece was a domestic affair, that does not mean that a leftist Greece would not have fallen into Stalin's embrace. That said, there remains much reason to conclude that Stalin's aims were limited. But American policymakers, as these volumes show, factored out the ambiguities, came to a rigid conclusion and acted on them. When the Korean War broke out, Acheson was puzzled—it was "quite an un-Russian risk to take"—and yet knew, without much evidence, that the Kremlin was "the central motivating power."

These volumes show the rigid interpretative structure at work, and how it led to the greatest tragedy in postwar American foreign policy, the attitude towards the Asian revolutions. Both the executive branch and the Senators recognized that Chiang could not govern China, that Mao's forces were much more effective at winning support, and that much of this situation resulted from Chiang's own behavior. The Americans toyed with the notion that the Chinese Communists might turn out to be mammoth Titoists, but finally rejected any such conclusion. These Communists, Acheson insisted, were "really a tool of Russian Imperialism in China." Fortunately, after the failure of their expensive subsidy to Chiang, the Americans recognized the futility of intervention, and limited themselves to such schemes as planning to "buy up little drink stands" (as one general suggested to the Senators) to serve as intelligence-gathering outposts.

The executive branch officials also insisted that Indochina was a crucial battleground between the United States and Russia. United States assistance to the French began, according to Acheson, with such things as "walkie-talkie machines," but soon he was reporting tires and parts for guns and airplanes. The French, of course, would have to go, but perhaps a Third Force was possible. "If the French can move fast enough and if these people in the Bao Dai government can inspire the people with the idea that they represent the national movement and they are anti-Russian and that it is the right thing, this may take hold, and you will have an indigenous state out there that will have some hope," said Acheson.

But what if Bao Dai could not pull it off, Acheson was asked. He replied, "Then we are in bad shape, because Ho Chi Minh, who is the other possiblity, is a very clear enemy of ours and we can't expect anything from him except to go along with Moscow. Those are our choices." But Acheson was confident: If Ho Chi Minh can organize those people to fight so can we, we can go ahead, that will be useful."

Yet through these years of hearings, the Senators were not pushovers. Again and again they asked probing questions, seeking the hard evidence to justify ever expanding American commitments. Senator Green worried that in Vietnam "we are getting into a position where we are rather defending in part what is left of French colonial policy, and also supporting against the revolutionaries an unpopular king . . . and a corrupt government there." Senator Connally wondered if any American military had identified "any Russians" in the Korean battle and pointed out that making such a charge "without any proof, might be a pretty bad piece of business." Even Senator Vandenberg plaintively inquired of Acheson whether "there is anything that you can have up your sleeve" should the Russians prove responsive "to this rigid program you are laying down, whether you have found anything that you could use to encourage agreement."

The answer was no, and the Senators fell back. Bipartisanship finally meant little more than going along with the executive. The Senators depended for their information on State and Defense, neither of which made a practice of revealing information from field officers that might contradict the official line—as for instance, on the orientation of Mao and Ho in regard to Moscow. And so, despite the executive sessions, the Senators were only taken into partial confidence, convinced by what they were permitted to hear. Until the Foreign Relations Committee can develop its own independent sources of information, it will be an appendage, both it and the full Senate unable to check and balance the executive.

Of course, the Senators could have declared that the programs were not justified by the information they were given, but that was too dangerous a move. For, as Vandenberg told his colleagues, during the Truman Doctrine debate, "We are confronted, ourselves, with the fundamental fact that if we desert the President of the United States at the moment we cease to have influence in the world forever." And so the Senators on the Foreign Relations Committee probed but retreated in the face of advocates like Acheson, men of urgency not deliberation, sure of their information, convinced of the validity of their interpretation of world politics, not cynics or skeptics, but, tragically, true believers.

RECOGNITION OF THE MINORITY LEADER

The PRESIDENT pro tempore. The minority leader is recognized.

CHILDHOOD IMMUNIZATION

Mr. ROBERT C. BYRD. Mr. President, a little more than a year ago when the Senate was considering the administration's first two sets of Federal budget cutting proposals, Senator Bumpers offered an amendment to the reconciliation resolution to restore $6 million for childhood immunization programs in fiscal years 1982 and 1983. Senate Democrats strongly supported the Bumpers amendment; however, our colleagues from the other side of the aisle voted—as a group—to defeat it.

The Bumpers amendment, like other Democratic amendments to the budget reaffirming this Nation's fundamental commitment to our elderly citizens and to our children, was not offered in a partisan fashion. The future welfare of this Nation's children is not—or should not be—a partisan issue. Unfortunately, the amendment, like other Democratic amendments to the budget, was defeated by a party line vote. Ninety-six percent of my colleagues from the other side of the aisle voted to defeat the Bumpers amendment—only two Republican Senators joined our efforts to preserve immunization funding.

None of us wants to see a child harmed by a disease our Nation has the technology to erase inexpensively. Most serious childhood diseases are preventable. We do not want to treat children for disabling conditions that should have been prevented in the first place. Immunization for children represents one of the most humane Federal actions ever undertaken; it has eliminated a great deal of suffering and worry for both children and their families.

It was not so very long ago that many of us knew children left with blindness and impaired vision from measles. It was not just a rare occurrence. Unfortunately, evidence indicates that significant cutbacks in immunization could possibly reverse some of the most important accomplishments made by this Nation to prevent severe illness and disablement. We could return to the days when measles, whooping cough, polio, and other once commonly feared diseases needlessly threatened young lives.

Less than 2 months ago, I expressed reservations on the Senate floor regarding the early impact of the administration's budget cuts in Federal immunization funding. Today, I find those reservations turning into reality. Last week, in testimony presented before the Senate Labor and Human Resources Committee's Subcommittee on Investigations and Oversight, the dangers of the Reagan administration cutbacks in immunization were detailed.

The Domenici budget plan—endorsed by the President—would freeze immunization funding at fiscal 1982 appropriation levels for the next 3 years. Already it appears that one-third fewer children are being immunized against diseases because of budget cutbacks and higher vaccine costs. Failure to immunize these children today will result in higher future medical bills, not to mention more human suffering.

I ask unanimous consent that an article from the May 8, 1982, Washington Post describing last week's Senate immunization hearing be printed in the Record in full.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Washington Post, May 8, 1982]

Budget Cutbacks Reduce Immunizations, Hill Told

One-third fewer children are being immunized against diseases as a result of higher vaccine costs and Reagan administration budget cutbacks, a Senate subcommittee was told yesterday.

Dr. Vincent A. Fulginiti, chairman of the committee on infectious diseases of the American Academy of Pediatrics, said the delivery of vaccines to children "would be reduced to intolerably low levels" if Reagan's proposed funding level of $28.8 million for the program in 1983 is not increased.

"The 7 percent cut in the program imposed this year already has caused a 32 percent drop in vaccine purchases," Fulginiti told the Senate Labor and Human Resources subcommittee on investigations. "Meanwhile, the cost of vaccine has increased by 44 percent during the past two years."

As a result, he said, 33 percent fewer children are being served in the immunization program.

"Based on past experience, these cuts proposed by the administration would prove terribly costly and cruel—costly in direct dollar terms to all of our citizens for many years to come, and cruel to the unfortunate victims and their families for a lifetime," Fulginiti said.

But Dr. William H. Foege, director of the federal Centers for Disease Control, said that because the program has become more efficient and the backlog of immunizations has been eliminated, "it should be possible to reduce costs."

Foege said he has been assured by Health and Human Services Secretary Richard S. Schweiker that the immunization program will be carefully monitored for any adverse effects.

He added that states and localities are expected to pick up through block grants the slack federal financing of immunizations.

Foege and Fulginiti defended the safety record of the immunization program, although they acknowledged that vaccines have some risks. They criticized some reports in the news media as presenting an imbalanced picture of the risks of vaccine against whooping cough.

Sen. Paula Hawkins (R-Fla.) said, "It would be tragic if efforts to eliminate or control communicable disease were to become hampered because the public's confidence was so eroded as to cause frightened segments of the population to oppose and reject vaccines."

Mr. President, I yield to Mr. Proxmire any time he may need.

Mr. PROXMIRE. I thank the distinguished minority leader.

ON AMERICA'S FOOD SUPPLY—CONSEQUENCES OF A SOVIET NUCLEAR ATTACK TO KNOCK OUT THE ECONOMY

Mr. PROXMIRE. Mr. President, today I follow up my report on the CATO analysis of the consequences of a Soviet nuclear attack on this country by considering the effect of a U.S.S.R. nuclear attack designed to destroy our economy and its effect on the availability of food.

This study by Katz and Osdoby reports the following consequences:

The U.S. food system (production, processing, distribution) is both highly integrated and dispersed. Since food may travel 1,000 miles or more from production to consumer, the system depends very heavily on effective transportation and organization. For example, almost one-third of the population lives in counties that produce less than a 2-week supply of their grain needs, and half the population lives in counties with 2 months or less production capability. Approximately two-thirds of the Nation's food (as measured by calories) is produced in the north central tier of States from Indiana to Colorado, which themselves contain only about one-quarter of the population. Moreover, this system is dependent on petroleum (farm equipment), electricity (particularly dairy), and fertilizers and pesticides. If, for example, dairy farms lost electricity, many cows could not be milked adequately. Without proper milking, a cow would simply dry up in less than a week until it calved 9 months later. Finally, almost 90 percent of U.S. processing capacity (canning, baking, and packaging) would be in regions destroyed or severely damaged by the attack.

The severe limitation of energy supplies, particularly the large-scale loss (97 to 98 percent of petroleum refining capacity; the loss of key chemicals (such as pesticides and fertilizers) and the regional and national economic and social disorganization resulting from any size attack, would deeply affect the Nation's food supplies. The results of attacks A-1 through A-4 on the Nation's food distribution, processing, and production systems would be as follows. First, sufficient basic production capacity in most food categories in the midrange would survive because the Farm Belt is not directly attacked and fallout is not generated. There are real limitations on the use of this capacity, however, due to: Inadequate fuel for running farm machinery and transportation; disruption of electricity production through loss of fuel supplies and key workers; shortages of fertilizer and pesticides to maintain productivity because of the severe losses in petroleum refining and heavy damage to the related chemical industry; uncontrolled population migration and social disorganization, and possibly radioactive fallout. Second, because of widespread urban destruction the transport and distribution system would be severely disrupted, raising the possibility of a sufficient food supply but no effective means to distribute it. Regional maldistribution exacerbated by hoarding contains the seeds of profoundly disruptive political as well as survival problems. For example, in theory over 200 days of grain supply could be available; for the surviving population, however, there is no certainty that food would be permitted to leave the producing areas by local residents. Third, food-processing industry losses of potentially 80 to 90 percent would lead to insufficient capacity even if supplies of raw foodstuffs were adequate, and cause spoilage and shortages.

Therefore, while mechanization, automation, and widespread use of chemical fertilizers and pesticides have made American food production comparatively very efficient, they have also created a situation in which large urban populations distant from their suppliers are totally dependent for food supplies on a system that is highly vulnerable to nuclear attack.

Finally, as we noted in the discussion of limited nuclear war, many other nations that depend on U.S. food production will be affected. A disruption or partial destruction of U.S. agriculture will have implications throughout the world food market, dramatically cutting supplies and increasing prices. For surviving supplier nations food could quickly become a major political weapon; for consumers it could become a focal point of desperate conflict in international affairs. From a humanitarian and political perspective this vulnerability is a serious concern.

Mr. President, tomorrow I shall continue reporting on this analysis by discussing the consequences of such a nuclear attack on the Nation's energy production.

AMERICAN JEWS AND THE HOLOCAUST

Mr. PROXMIRE. Mr. President, in the April 18 New York Times Magazine, Lucy Dawidowicz writes of American Jews' attempts to save their European brethren from wholesale massacre at the hands of the Nazis. In her article, "American Jews and the Holocaust," she describes the plight of the Rumanian Jews as an example of the futility of the American Jewish community's rescue attempts.

Rumania staunchly allied itself with Germany on the Eastern front. As a result of heavy losses at Stalingrad in the winter months of 1942–43, Rumania's dictator Ion Antonescu came to the realization that Germany might not win the war. In order to appear conciliatory to the West, Antonescu announced he would allow 70,000 Rumanian Jews to emigrate to Palestine. But he stipulated that Jewish organizations would have to pay $100 per Jewish head to defray travel expenses.

According to Dawidowicz, Antonescu's offer was reported in the New York Times, February 13, 1943. Jewish leaders negotiated for the Rumanian Jews' release in Bucharest, Washington, and London. Although Jewish organizations were prepared to deposit the money in a Swiss bank to prevent it from falling into enemy hands, the State Department withheld its approval. Finally on July 22, President Roosevelt approved an initial transfer or $25,000. But it was too late.

As soon as Antonescu had made his offer, Adolf Eichmann and the German Foreign Office insisted that the Jews not be released. The Mufti of Jerusalem, a Nazi sympathizer, also protested to Hitler that the Jews not be allowed to enter Palestine. So Antonescu reneged. The Rumanian Jews remained interned in Transnistria, where 100,000 had already died, until 1943, when Antonescu had a change of heart and allowed them to emigrate.

Mr. President, although interned in terrible conditions, these 70,000 Jews were the lucky ones, compared to the 6 million Jews who perished in concentration camps. Although American Jews were unable to prevent genocide from occurring, there is something that we, as U.S. Senators, can do about the international problem of genocide.

The Genocide Treaty, which declares genocide of an ethnical, national, racial, or religious group an international crime, was introduced in the United Nations in 1948, in the aftermath of World War II. In all, 85 nations have ratified the treaty, although the United States is not one of them. Is it now time for the United States to ratify the treaty, becoming the 86th nation to do so? I call upon my colleagues to act on this treaty now.

Mr. President, I thank the distinguished minority leader and yield the floor.

ORDER OF BUSINESS

Mr. BAKER. Mr. President, we have an order to resume consideration of the bill at 9:15 a.m. I see no Senator seeking recognition at this moment.

If there is no objection by the minority leader, I suggest the absence of a quorum and ask unanimous consent that the time be charged equally against our remaining time.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. COCHRAN). Without objection, it is so ordered.

S. 2523—GUARANTEED STUDENT LOAN LEGISLATION

(Introduced by Mr. DOMENICI, for himself, Mr. HATFIELD, Mr. DOLE, and Mr. MCCLURE.)

Mr. DOMENICI. Mr. President, I rise today to introduce legislation that would reform the guaranteed student loan program. I am pleased that the distinguished chairman of the Appropriations Committee, Senator HATFIELD, the distinguished chairman of the Finance Committee, Senator DOLE, and the distinguished chairman of the Energy Committee, Senator MCCLURE, are joining me in this effort. Briefly, our proposal tightens income eligibility for the program, requires students to assume responsibility for 9 percent interest every year of the loan, and allows the Federal Government to provide greater assistance to our neediest students.

Currently, there is no income cap on eligibility for the program, and students are forgiven all interest costs while they are in school. The legislation we propose would maintain eligibility for graduate students, would keep the interest rate at 9 percent, and would keep the current origination fee at 5 percent. Our proposal is substantially different from the administration's budget recommendation and would provide loans for 550,000 more students.

Mr. President, our national economic crisis has required all of us to reexamine our priorities and our goals for the broad range of Federal activities. Many of us, who are strong supporters of a sound and robust national defense, have reached the conclusion that we must compromise on funding levels lower than we might otherwise support. Similarly, those of us who support entitlement programs designed to assure basic income and dignity for our less fortunate citizens understand that there are limits to the Nation's ability to increase expenditures for such programs. Loath as we are to forgo or postpone action on any of our national goals and aspirations, the state of our economy limits how much we can do. All of us must reevaluate priorities and make difficult choices.

The unfettered growth of entitlement programs is of particular concern to me. The continued escalation of entitlement spending has forced reductions in discretionary programs. It continually squeezes the choices available to the Appropriations Committee. In no area am I more concerned about the trade off between entitlement and discretionary programs than in the area of student aid.

Federal support for student aid is composed of one large entitlement, the guaranteed student loan program, and several discretionary appropriated programs—the Pell grants and the campus-based programs which allow colleges to help students they judge to be in need. The guaranteed student loan program provides financial assistance to students from all income groups, while the Pell grant and the campus-based programs are targeted on students from lower-income families.

The guaranteed student loan program is an entitlement. Expenditures for that program have increased by 3,000 percent in the last 5 years. Its growth rate has been faster than the growth rate of social security, medicare, or medicaid. It has grown faster than prices, faster than wages, faster than taxes—and its growth is clearly unsustainable. If the program is not reformed, the fiscal year 1983 cost will be $3.9 billion—growth of 34 percent over 1982—34 percent in 1 year alone.

In contrast, appropriations for the Pell grants and the campus-based programs—those programs most targeted on students who have the most restricted access to education—have declined in each of the past 4 years. This is not just a phenomenon of the past 1 or 2 years—but also of the years predating the Republican majority in the Senate and our recent attempts to bring the Federal budget under control. As the guaranteed student loan program has continued to grow, it has consumed resources that could have gone to the Pell grant program, college work-study, and other programs for the most needy students.

I know that many of my colleagues are tempted not to make any changes in the guaranteed student loan program. It is a popular program, and many of our friends, constituents, and even our own relatives benefit from it. However, I believe that the present priorities are fundamentally wrong. Broadly stated, I believe that it is our primary responsibility to preserve access to higher education for the broad range of students. We cannot afford to allow higher education to become available only to the more affluent students and families. America needs the talents and skills of all our young people in order to compete and prosper in the years ahead. We must work to preserve the programs that aid students who would otherwise be unable to attend any post-secondary institution. In this climate of limited fiscal resources, this means that we must also work to restrain the growth of the guaranteed student loan program, before that program absorbs all the available Federal resources for higher education. We must stretch the Federal dollar to serve as many students as possible.

My colleagues and I are offering today, Mr. President, a vehicle to reduce the escalating costs of the guaranteed student loan program. Under my proposal, graduate students would still be eligible for loans.

That is a major change from the administration's proposal. Suddenly eliminating aid to graduate students could have serious effects on students engaged in advanced studies of all disciplines, including scientific research and technological development. The reform we propose maintains eligibility for graduate students.

Mr. President, the second major element of my proposal is that students are required to assume responsibility for 9 percent interest for every year that they hold the loan, including the period that they are in school. Presently, loans are entirely interest free during the period that students are in school. I am certain that my colleagues agree with me that the difference between 9 percent interest and current market rates still represents a substantial Federal subsidy for the students. I do not propose to eliminiate Federal subsidy. Further, I propose that the actual out-of-pocket costs for students be deferred until after they leave school or graduate.

Claims and arguments have been made that the modest changes we are

introducing today will shut down the program. These assertions are groundless. This proposal has been developed over many months of careful negotiations with students, college and university officials, banks, savings and loans, and State guarantee agencies. I have been encouraged to continue my efforts by many of these individuals, and I have received strong assurances that lenders will continue to participate in the program and to make loans to students. Students, parents, and families should not panic or suddenly change their plans due to the strong political rhetoric that they may be hearing from the Capitol. The program will continue and loans will be available.

The essence of my proposal, Mr. President, is not new. Historically, support for this reform has existed on both sides of the aisle. In 1980, Senator METZENBAUM, my distinguished colleague from Ohio, succeeded in amending the Higher Education Act reauthorization on the floor of the Senate to require students to pay 9 percent interest for every year that they hold a loan. He was successful in that effort and the Higher Education Act as passed by the full Senate that year contained that provision.

Presidents Carter and Reagan both recommended that students assume responsibility for 9 percent interest for every year of the loan. President Carter proposed this legislation as part of his fiscal year 1982 budget, and President Reagan also recommended this provision in his budget last year.

I remind my colleagues of this history, not to prove that this policy is necessarily the only appropriate policy that could be adopted regarding guaranteed student loans, but to remind them that the Senate has already endorsed this policy before us and that this is not a partisan issue. Individuals from both political parties who are concerned about the future of higher education in this country have recommended the kind of legislation that I am introducing today.

I urge my colleagues to thoughtfully consider what is being stated here today and to support this legislation. I look forward to receiving assistance and support from the distinguished chairman of the Labor and Human Resources Committee, Senator HATCH, and the distinguished chairman of the Subcommittee on Education, the Arts, and the Humanities, Senator STAFFORD. I am confident that we can all work together to preserve access to higher education for all of America's deserving young people.

I am pleased to have the distinguished cosponsors that I have, Senator HATFIELD, Senator DOLE, and Senator MCCLURE, and I thank them for joining me in this effort.

Mr. President, I ask unanimous consent that some explanatory material regarding the proposal incorporated in this bill be inserted in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

COMPARISON OF MAJOR PROVISIONS OF THE CURRENT GUARANTEED STUDENT LOAN PROGRAM, THE ADMINISTRATION'S PROPOSAL, AND SENATOR DOMENICI'S PROPOSAL

	Current law	Administration's proposal	Senator Domenici's proposal
Program eligibility	Undergraduates and graduates	Undergraduates only	Undergraduates and graduates.
Income limitation	Students from families whose adjusted gross income is over $30,000 are limited to borrowing their financial need..	All students are limited to borrowing their financial need	Students from families whose adjusted gross income is over $25,000 are limited to borrowing their financial need. Students from families with adjusted gross incomes over $40,000 (adjusted for family size) may not borrow at all.
Origination fee	5 percent of the loan	10 percent of the loan	5 percent of the loan.
Interest rates	9 percent	9 percent for the first 2 yr after graduating; market rates after that.	9 percent.
In-school interest	Paid by the Federal Government	Paid by the Federal Government	Student is responsible for payment, but allowed to borrow the money up front.

SAVINGS FROM DOMENICI GSL PROPOSAL [1]

[In millions of dollars]

GSL funding	Fiscal year 1983		Fiscal year 1984		Fiscal year 1985		Fiscal years 1983–85, outlays
	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays	
CBO baseline	3,903	3,687	4,345	4,311	4,050	4,158	12,156
Domenici proposal savings	−289	−144	−819	−684	−1,290	−1,173	−2,001
Domenici proposal	3,617	3,545	3,519	3,622	2,750	2,975	10,142

[1] Based on CBO economic assumptions and assuming October implementation. It assumed interest rates are lower, savings will be greater.

Mr. DOMENICI. Mr. President, I send the bill to the desk and ask that it be printed in the RECORD and referred to the appropriate committee.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2523

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Guaranteed Student Loan Reform Act".

INSCHOOL INTEREST PAYMENT PROGRAM AUTHORIZED

SEC. 2. Part B of title IV of the Higher Education Act of 1965 (hereafter in this Act referred to as the "Act") is amended by inserting after section 427A the following new section:

"INSCHOOL INTEREST PAYMENT

"Sec. 427B. (a)(1) Each student who receives a loan for study at an eligible institution—

"(A) which is insured by the Secretary under this part;

"(B) which was made under a State student loan program (meeting criteria prescribed by the Secretary), and which was contracted for, and paid to the student, within the period specified by subsection (d); or

"(C) which is insured under a program of a State or of a nonprofit private institution or organization which was contracted for, and paid to the student, within the period specified in subsection (d), and which is insured under a program covered by an agreement made pursuant to section 428(b),

shall, in accordance with the provisions of this section, make an inschool interest payment on such loan to the eligible lender under circumstances described in paragraph (2).

"(2) (A) Each student who receives a loan described in clause (A), (B), or (C) of paragraph (1) shall—

"(i) provide to the lender a statement from the eligible institution, at which the student has been accepted for enrollment, or at which the student is in attendance, which—

"(I) sets forth such student's estimated cost of attendance; and

"(II) sets forth such student's estimated financial assistance; and

"(ii) meet the requirements of subparagraph (B).

"(B) For the purpose of clause (ii) of subparagraph (A), a student qualifies for a loan made, insured, or guaranteed under this part if the adjusted gross income of such student's family—

"(i) is less than or equal to $25,000; or

"(ii) is greater than $25,000 but is less than or equal to $40,000, adjusted to the amount set forth in subparagraph (E), and the eligible institution has provided the lender with a statement evidencing a determination of need for a loan and the amount of such need, subject to the provisions of subparagraph (F).

"(C) For the purpose of paragraph (1) and this paragraph—

"(i) a student's estimated cost of attendance means, for the period for which the loan is sought, the tuition and fees applicable to such student together with the institution's estimate of other expenses reasonably related to attendance at such institution, including, but not limited to, the cost of room and board, reasonable transportation costs, and the costs for books and supplies;

"(ii) a student's estimated financial assistance means, for the period for which the loan is sought, the amount of assistance such student will receive under subparts 1 and 2 of part A, and parts C and E of this title, any amount paid under the Social Security Act to, or on account of, the student which would not be paid if he were not a student, and any amount paid the student under chapters 32, 34, and 35 of title 38, United States Code, plus other scholarship, grant, or loan assistance; and

"(iii) the determination of need and of the amount of a loan by an eligible institution under subparagraph (B) (ii) with respect to a student shall be calculated by subtracting from the estimated cost of attendance at the eligible institution the total of the expected family contribution with respect to such student plus any estimated financial assistance reasonably available to such student.

"(D) The Secretary shall submit a separate schedule of expected family contributions to the President of the Senate and the Speaker of the House of Representatives not later than the submission of, and in accordance with the procedures for, the proposed schedule of expected family contributions under section 482.

"(E) The maximum amount of adjusted gross income of a family of a student under clause (ii) of subparagraph (B) of this paragraph shall be the amount set forth in column 1 for a family with the number of dependents set forth in column 2:

"Column 1	Column 2
$42,000	2
$44,000	3
$46,000	4
$48,000	5
$50,000	6
$52,000	7
$54,000	8
$56,000	9
$58,000	10
$60,000	11.

If there are 12 or more dependents in a family, the maximum adjusted gross income limitation shall not apply. The number of dependents of a family for the purpose of this subparagraph shall be determined by the appropriate income tax return required to be filed under the Internal Revenue Code of 1954 for the taxable year prior to the calendar year in which the determination is made.

"(F) For the purpose of a student described in clause (ii) of subparagraph (B), the amount of the loan which is qualified for this part is the amount of the need of such student as determined by the eligible institution plus the amount of the estimated inschool interest payment required under this section, except that, if the amount of need is equal to or more than $500, but is less than $1,000, the amount of the loan which is qualified shall be $1,000 plus the amount of the estimated inschool interest payment required by this section.

"(b) Each student who receives a loan for study at an eligible institution described in clause (A), (B), or (C) of paragraph (1) of subsection (a) and who qualifies under paragraph (2) of subsection (a) shall pay to the eligible lender, from the proceeds of the loan, the estimated amount of inschool interest, determined under subsection (c), at the time the loan is disbursed.

"(c)(1) Except as provided in paragraph (3) of section 428(a), the portion of the interest on a loan which a student pays under this section shall be equal to the total amount of the interest on the unpaid principal amount of the loan which will accrue prior to the beginning of the repayment period of the loan, or which accrues during a period in which principal need not be paid (whether or not such principal is in fact paid) by reason of a provision described in section 428(b)(1)(M) or in section 427(a)(2)(C); but, except as provided in paragraph (3) of section 428(a), such portion of the interest on a loan shall not exceed, for any period, the amount of the interest on that loan which is payable by the student after taking into consideration the amount of any interest on that loan which the student is entitled to have paid on his behalf for that period under any State or private loan insurance program.

"(2)(A) Based upon information supplied by the student, each eligible lender shall determine the estimated portion of the interest to be paid under this section from the proceeds of the loan.

"(B) Each eligible lender shall establish such procedures and accounts as may be necessary to carry out the inschool interest payment required by this section, including procedures for adjusting, as necessary, the inschool interest payment. The procedures required under this subparagraph shall provide for increasing the inschool interest payment made by student whenever the provisions of section 427(a)(2)(C) or section 428(b)(1)(M) applies to the interest on the loan. The procedures required under this subparagraph shall also provide for returning any portion of the inschool interest payment to the student whenever—

"(i) the student ceases to carry at an eligible institution at least one-half of the normal full-time academic workload as determined by the institution; or

"(ii) the repayment period of the loan begins prior to the anticipated date of the beginning of the repayment period.

"(d) The period referred to in subparagraphs (B) and (C) of paragraph (1) of subsection (a) shall begin on the effective date of the Guaranteed Student Loan Reform Act and end at the close of September 30, 1986, except that, in the case of a loan made or insured under a student loan or loan insurance program to enable a student who has obtained a prior loan made or insured under such program to continue his education program, such period shall end at the close of September 30, 1990.

"(e) Notwithstanding any other provision of this Act or any other law, the amount of the inschool interest payment made under this section shall be treated as unpaid principal for the purpose of the repayment of the loan by the borrower, except that no interest shall accrue on the inschool interest payment until the beginning of the repayment period.

"(f) Notwithstanding any other provision of this Act or any other law, the amount of the inschool interest payment made under this section shall be considered unpaid balance of principal for the purpose of section 438 of this Act, relating to the payment of special allowances.".

AGREEMENTS

Sec. 3. (a) Section 428(a)(1) of the Act is amended to read as follows:

"Sec. 428. (a)(1) In order to participate in the program authorized by this part, each student who receives a loan for study at an eligible institution which is described in clause (A), (B), or (C) of section 427B(a)(1) shall pay the inschool interest payment in accordance with section 427B.".

(b)(1) Section 428(a) of the Act is amended by striking out paragraphs (2), (3), (4), (5), and (6) of such section.

(2) Section 428(a) of the Act is further amended by redesignating paragraphs (7) and (8), and all references thereto, as paragraphs (2) and (3), respectively.

(c)(1)(A) Section 428(a)(3)(A)(i) of the Act (as redesignated by subsection (b)(2)) is amended to read as follows:

"(i) which is described in section 427B(a)(1);".

(B) Section 428(a)(3)(A) of the Act (as redesignated by subsection (b)(2)) is amended by inserting "inschool" before "interest".

(2) Section 428(a)(3)(B)(i) of the Act (as redesignated by subsection (b)(2)) is amended by striking out "on which an interest subsidy is payable under this section" and inserting in lieu thereof "which are described in section 427B(a)(1)".

(d) The matter preceding clause (A) of section 428(b)(1) of the Act is amended by striking out "entitling students who receive loans which are insured under a student loan insurance program of that State, institution, or organization to have made on their behalf the payments provided for in subsection (a)" and inserting in lieu thereof "enabling students who receive loans which are insured under a student loan insurance program of that State, institution, or organization, to participate in the program authorized by this part".

(e) The heading of section 428 of the Act is amended to read as follows:

"AGREEMENTS WITH STATES AND NONPROFIT PRIVATE INSTITUTIONS AND ORGANIZATIONS".

MAXIMUN LOAN LIMITATIONS

Sec. 4. (a) Section 425(a)(1) of the Act is amended—

(1) by inserting "(plus the amount of the inschool interest payment under section 427B)" after "$2,500" in the matter preceding clause (A);

(2) by inserting "(plus the amount of the inschool interest payment under section 427B)" after "$5,000" in the matter preceding clause (A);

(3) by inserting "(plus the amount of the inschool interest payment under section 427B)" after "$2,500" in clause (A); and

(4) by inserting "(plus the amount of the inschool interest payment under section 427B)" after "$1,500" in clause (B).

(b) Section 425(a)(2) of the Act is amended—

(1) by inserting "(plus the amount of the inschool interest payment under section 427B)" after "$12,500"; and

(2) by inserting "(plus the amount of the inschool interest payment under section 427B)" after "$25,000".

(c) The matter preceding division (i) of section 428(b)(1)(A) of the Act is amended—

(1) by inserting "(plus the amount of the inschool interest payment under section 427B)" after "$2,500"; and

(2) by inserting "(plus the amount of the inschool interest payment under section 427B)" after "$5,000".

(d) Section 428(b)(1)(B) of the Act is amended—

(1) by inserting "(plus the amount of the inschool interest payment under section 427B)" after "$12,500"; and

(2) by inserting "(plus the amount of the inschool interest payment under section 427B)" after "$25,000".

(e) Section 428A(a)(1)(A) of the Act is amended—

(1) by inserting "(plus the amount of the inschool interest payment under section 427B)" after "$2,500";

(2) by inserting "(plus the amount of the inschool interest payment under section 427B)" after "$5,000";

(3) by inserting "(plus the amount of the inschool interest payment under section 427B)" after "$12,500"; and

(4) by inserting "(plus the amount of the inschool interest payment under section 427B)" after "$25,000".

(f) Section 428A(a)(2)(A) of the Act is amended—

(1) by inserting "(plus the amount of the inschool interest payment under section 427B)" after "$2,500";

(2) by inserting "(plus the amount of the inschool interest payment under section 427B)" after "$5,000";

(3) by inserting "(plus the amount of the inschool interest payment under section 427B)" after "$12,500"; and

(4) by inserting "(plus the amount of the inschool interest payment under section 427B)" after "$25,000".

(g) Section 428B(b)(4) of this Act is amended by inserting "(plus the amount of the inschool interest payment under section 427B)" after "$2,500".

TECHNICAL AND CONFORMING AMENDMENTS

Sec. 5. (a)(1) Section 421(a)(3) of the Act is amended to read as follows: "(3) to provide for an inschool interest payment program for qualified students for loans described in section 427B(a)(1),".

(2) Section 421(a)(4) of the Act is amended by striking out "section 428(a)(1)(C)" and inserting in lieu thereof "section 427B(a)(1)(C)".

(3) Section 421(b)(2) of the Act is amended by striking out "for payments under section 428 with respect to interest on student loans and".

(b) Section 425(a)(1)(A) of the Act is amended by striking out "section 428(a)(2)(B)(i)" and inserting in lieu thereof "section 427B(a)(2)(C)(i)".

(c)(1) Section 428(b)(1)(A)(i) of the Act is amended by striking out "section 428(a)(2)(C)(i)" and inserting in lieu thereof "section 427B(a)(2)(C)(i)".

(2) Section 428(b)(1)(I) of the Act is amended by striking out "who is eligible for interest benefits under section 428(a) (1) and (2)" and inserting in lieu thereof "who is described in section 427B(a) (1) and (2)".

(3) Section 428(b)(2)(A) of the Act is amended by striking out "to determine the amount of the payment which he must make with respect to that loan" and inserting in lieu thereof "to carry out the provisions of this part with respect to that loan".

(d)(1) Section 428(b)(3) of the Act is amended by striking out "section 428(a)(2)(A)" and inserting in lieu thereof "section 428B(a)(2)(A)".

(2) Section 428B(c)(2) of the Act is amended by inserting after "part" a comma and the following "as in affect on September 30, 1982,".

(e) Section 430(d) of the Act is amended by inserting after "section 428(a)(4)" a comma and the following "as in effect on September 30, 1982,".

(f) Section 432(b)(2) of the Act is amended by inserting after "section 428" a comma and the following: "as in effect on September 30, 1982,".

(g) Section 434 of the Act is amended by striking out "section 428(a)(1)(C)" and inserting in lieu thereof "section 427B(a)(1)(C)".

(h) Section 435(a) of the Act is amended by striking out "section 428(a)(1)" and inserting in lieu thereof "section 427B(a)(1)".

(i)(1) Section 435(g)(3) of the Act is amended by inserting after "section 428(a)(1)" a comma and the following: "as in effect on September 30, 1982, and section 427B(a)(1)".

(2) Section 435(g)(4)(A) of the Act is amended by inserting after "section 428(a)(1)" a comma and the following: "as in effect on September 30, 1982, and section 427B(a)(1)".

(j)(1) Section 437(a) of the Act is amended by inserting after "section 428(a)(1)" a comma and the following: "in effect prior to October 1, 1982, or who has received a loan described in clause (A), (B), or (C) of section 427B(a)(1)".

(2) Section 437(b) of the Act is amended by inserting after "section 428(a)(1)" a comma and the following: "in effect prior to October 1, 1982, or who has received a loan described in clause (A), (B), or (C) of section section 427B(a)(1)".

(k)(1) Section 438(b)(1) of the Act is amended by inserting after "principal" in the parenthetical the following: "but including the inschool interest payment made under section 427B".

(2) Section 438(b)(4)(A) of the Act is amended by inserting after "section 428(a)" a comma and the following: "as in effect on September 30, 1982,".

(3) Section 438(b)(5) of the Act is amended—

(A) by inserting "as in effect on September 30, 1982" after "section 428(a)" in clause (A)(i);

(B) by striking out "or" at the end of clause (A)(ii)'

(C) by striking out "and" at the end of Clause (A)(iii) and inserting in lieu thereof "or"; and

(D) by inserting after subclause (iii) of clause (A) the following new subclause:

"(iv) on which an inschool interest payment is made under section 427B; and".

(4)(A) The first sentence of section 438(c)(1) of the Act is amended by inserting after "section 428(a)(3)(A)" a comma and the following: "as in effect on September 30, 1982,".

(B) The second sentence of section 438(c)(1) of the Act is amended by inserting after "section 428(a)(3)(A)" a comma and the following: "as in effect on September 30, 1982,".

(l) Section 487(b)(1)(C) of the Act is amended by striking out "section 428(a)(2)(A)(i)" and inserting in lieu thereof "section 427B(a)(2)(A)(i)".

(m) Section 431(d)(1) of the General Education Provisions Act is amended by inserting after "sections 428(a)(2) (D) and (E) and" a comma and the following: "as in effect on September 30, 1982, section 427B(a)(2)(D), and section".

EFFECTIVE DATE; TRANSITION PROVISIONS

Sec. 6. (a) The amendments made by this Act shall take effect October 1, 1982.

(b)(1) The holder of a loan with respect to which payments are required to be made under section 428 of the Higher Education Act of 1965 as in effect on September 30, 1982, shall be deemed to have a contractual right, as against the United States, to receive from the Secretary of Education the portion of interest which has been so determined. The Secretary shall pay this portion of the interest to the holder of the loan on behalf of and for the account of the borrower at such times as may be specified in regulations in force when the applicable agreement entered into pursuant to subsection (b) of such section was made, or, if the loan was made by a State or is insured under a program which is not covered by such an agreement, at such times as may be specified in regulations in force at the time the loan was paid to the student.

(2) There are authorized to be appropriated such sums as may be necessary for payments under section 428 of the Higher Education Act of 1965 as in effect on September 30, 1982.

(3) The provisions of paragraphs (1) and (2) of this subsection shall apply only with respect to loans made prior to October 1, 1982.

● Mr. HATFIELD. Mr. President, I rise to join my distinguished colleague, Senator Domenici in cosponsoring legislation to revise the guaranteed student loan program in an effort to curb its growth. This program is but one in a long list of those we must reevaluate to restrain their costs and therefore reduce the deepening Federal deficit.

I am happy to hear that my good friend from New Mexico, the chairman of the Senate Budget Committee, agrees with me in realizing that there must be budgetary constraints on defense as well as on the entitlement programs. I commend the Senator on his very able leadership and stewardship of the budget in these very trying times.

A large measure of the reason we are facing a fiscal crisis across the Nation is due to the runway costs associated with the entitlement and defense programs.

It is distressing to note that the mandatory spending programs, which include the entitlements, represent more than 60 percent of our Federal budget. When we add the mushrooming defense budget, we are left with an amount for all nondefense discretionary programs that is less than 9 percent of total Federal expenditures for vital areas such as education, health, research, and disease prevention, agriculture, transportation, energy, housing and so forth.

The guaranteed student loan program is but one of many entitlements with a growth rate that must be restrained. Failure to act will result in a continuing shrinkage of all discretionary programs to serve the economic and social well-being of our Nation. Our budget and appropriations processes will become little more than a check-writing operation to pay for these open-ended entitlement and burgeoning defense programs while the Federal deficit continues to grow.

The guranteed student loan program is the largest of the Federal student assistance programs, and is the only entitlement in the Department of Education. The other student aid programs, such as Pell grants, work study, and direct loans, are targeted principally on students from lower income families. The GSL programs serves low-income, middle-income, and often fairly well-to-do students. This bill is aimed at restraining loan volume by limiting the availability of loans to students above $40,000.

The escalating cost of the guaranteed student loan program is not only devouring resources that could be directed to the Pell grant and campus-based programs, but it is now beginning to threaten Federal support for elementary and secondary education programs as well. This year, the President requested a $978 million supplemental for the guaranteed student loan programs and rescissions totaling $960 million for the elementary and secondary education programs. Clearly, this tradeoff is unacceptable.

I am aware that expenditures for the guaranteed student loan program have increased by 3,000 percent in the last 5 years, which is a faster growth rate than those of social security or medicaid. If the program is not reformed, I understand the fiscal year 1983 cost will be $3.9 billion, constituting a growth rate of 34 percent in a single year.

I agree with my colleague from New Mexico that all students should have the opportunity for postsecondary education. As a former college professor and dean, I am acutely aware of the value of our Nation's diverse system of higher education. The diversity and breadth of our Nation's schools has strengthened higher education. The fact that students from all economic groups have been able to study at these institutions has been of great benefit to our Nation. We must strive to preserve the programs that insure access to higher education for students who would otherwise be unable to attend. America needs their talents to compete and prosper in the years ahead.

I am pleased to join Senators Domenici, Dole, and McClure on this legislation. The President has proposed several revisions to the guaranteed student loan program. While I commend the President for his efforts to reform the program, I am concerned about the effects of several of his proposals. For example, suddenly eliminating aid to graduate students could have serious adverse effects on advanced studies in all disciplines, including scientific research and technological development. The reforms we ultimately enact should maintain eligibility for graduate students.

While I realize there may be provisions in our bill needing further examination and refinement, I feel this effort represents a commitment to a responsible restraining of entitlements. It is a start, and I know Chairman Domenici joins me in our desire to obtain the assistance and support from the distinguished chairman of the Labor and Human Resources Committee, Senator Hatch, and the distinguished chairman of the Subcommittee on Education, the Arts, and the Humanities, Senator Stafford in perfecting a bill to address the financial needs of all deserving postsecondary students within the limitations of sound fiscal policy.●

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business.

FRAUD IN COMMODITY INVESTMENTS

Mr. ROTH. Mr. President, in February of this year, the Permanent Subcommittee on Investigations, which I chair, held hearings on the subject of fraud in commodity investments. It was shown that commodity fraud schemes account for customer losses of over $200 million a year, and are growing. Particularly susceptable to this fraud are those who can least afford to be cheated, such as retirees and other persons on fixed incomes. Subcommittee investigators discovered that well-organized criminal elements systematically create fraudulent operations, unfettered by the existing regulatory structure.

The Commodity Futures Trading Commission, empowered with exclusive regulatory jurisdiction over commodities trading, has neither the staff nor the resources to control commodity fraud. Yet, the Commission jealously guards its regulatory domain by preventing State officials from taking action to stop commodity fraud schemes operating in their States, despite their proven ability to do so.

As a result of these findings, I, together with Senators Rudman, Nunn, and Chiles, and Senators Proxmire, Stevens, and Murkowski, introduced a bill which we felt would provide more adequate regulation in this crucial area. Our bill, S. 2210, was designed to allow State authorities to devise commodity fraud operations. A special provision of S. 2210 would have granted State regulatory jurisdiction over certain contracts not traded on contract exchanges. These instruments, known as leverage contracts and dealer options, have enjoyed a curious exemption from State regulation for which we see no reason. The CFTC, which retains exclusive jurisdiction over these contracts, has failed to provide adequate rules to insure proper trading.

S. 2210 was not accepted by the Senate Agriculture Committee in its consideration of the CFTC reauthorization package. The bill which the Agriculture Committee has reported out, S. 2109, contains none of the substantive positions of S. 2210. However, the merits of our positions have not diminished.

Senator Rudman and I intend to propose an amendment to S. 2109 which would permit the States to exercise commodity antifraud jurisdiction. This jurisdiction would allow the States to proceed against fraud at the local level. The amendment would, however, prevent the States from devising regulations designed to usurp other regulatory powers of the CFTC. The amendment is drafted to insure that the States may not interfere with the legitimate industry, while at the same time allowing for swift and effective action where fraud is found. Only the fraudulent operators need fear this amendment.

Under this amendment, leverage and dealer options contracts may be fully regulated by the States. Although these contracts are now traded by only seven companies nationwide, the CFTC has evidenced neither the ability nor the desire to provide for proper regulation of these unique instruments. At the same time, the States are ready and willing to assume this responsibility. In light of the existing regulatory void, there is no reason to prevent the State authorities from providing protection to investors in their States.

We have also included a provision which would broaden the liability of persons who control other individuals who actually violate the Commodity Exchange Act. If these controlling persons have acted in bad faith or have directly or indirectly induced the violation, then the controlling person would also be liable for the underlying violation. S. 2109 now requires the CFTC to show both bad faith and inducement. We feel, in light of the extensive commodity fraud hearings conducted by the Permanent Subcommittee on Investigations, that requiring both criteria would create too high of a burden of proof and would be used as shield by fraud operators.

One area that our original bill, S. 2210, did not address was the concept of user fees, although this topic was covered extensively in the CFTC's original proposal. Despite the Commission's support, however, the Agriculture Committee totally dismissed the user fee concept.

Senator Rudman and I feel very strongly that the CFTC user fees should be effected and, therefore, offer a second amendment to S. 2109 which would impose a relatively small

user fee on those who use and profit from the operation of the commodity markets. Under this proposal, fees will be charged to commodity traders for each side of a commodity trade. The fees will go to offset the funding of the CFTC. In this way, commodity traders will assume the primary responsibility for the regulation of their industry.

The commodity industry can well afford this role. The markets have enjoyed a growth rate of over 50 percent a year. Trading volume has nearly tripled in the last 5 years. This means hundreds of millions of dollars in commissions to the brokerage community, and equally huge income from the interest that the firms make on customer deposits.

The industry itself is composed, primarily, of the more sophisticated, wealthier investor. In fact, the average futures trader has an income of $63,680 with an overall net worth of $446,521. Furthermore, these traders have evidenced a willingness to pay brokerage fees and exchange trading fees. Thus, it seems particularly fitting that the industry assist in the financial costs of commodities futures regulation.

Our amendment provides for a user fee of 6 cents on each trade on a commodity market made by those who contribute to the funding the industry's self-regulatory programs, and 12 cents for each trade made by those who are not called upon to pay for the industry's efforts at policing itself. This fee is only a fraction of the cost of a postage stamp and will be borne by an industry that receives hundreds of millions of dollars in income each year from those markets. For other regulated commodity investments, namely, dealer options on commodities and leverage transactions, a $3 fee would be assessed when the investment is sold. The amendment, if enacted, would affect approximately one-half of the CFTC's operations. This, in addition to service charges and other sources of income to the CFTC, would relieve the taxpayers of most of the burden they now bear in paying for the regulation of a trillion dollar industry that caters to a limited clientele.

During consideration of the orginial version of S. 2109, which contained a similar provision, the Agriculture Committee expressed concern that a fee of 6 cents would sour the industry's interest in forming a nationwide self-policing body, the National Futures Association, which would also be funded by the industry and for that reason did not report the bill with a user fee provision. A 6 cent fee is not so burdensome as to cause such dire consequences. In fact, the lower rate for members of the NFA should encourage, rather than discourage membership.

These concerns are further negated when viewing the securities industry. Under current law, securities brokers and dealers must pay for the operations of the National Association of Securities Dealers (NASD), the only national securities association registered with the SEC. This fee requirement does not appear to have hampered NASD membership.

The fee that we propose is also inconsequential when compared to other fees that a trader pays in these markets. A fee of about $2 is paid to the exchange for floor execution of each trade; a commission of $50 or more is paid to the brokerage firm; and deposits made by the trader range from a few hundred dollars to several thousand dollars for each and every contract. An additional fee of a few pennies, as we propose, would hardly be noticed.

In recent years, the commodity industry has prospered while the CFTC has struggled under severe resource limitations. The CFTC budgets for the past 5 years have not even kept up with inflation, and its employment level has been virtually flat. It is headed on a collision course with fiscal reality.

We believe that the CFTC should be helped, not in the old ways which strained the Federal budget and overtaxed the public, but through greater support from the very industry whose reputation and credibility, and even its prosperity, depend so heavily on the existence of a strong regulator. Thus, our amendment also includes increased CFTC authority to charge greater fees for services which are provided to the commodity industry, such as registration, audits and contract market approval. These service fees will shift even more of the costs of the CFTC from taxpayers to those commodity traders who receive more direct benefits.

The adoption of these two amendments would provide much needed antifraud powers to the States and funding for the CFTC while at the same time addressing the rampant growth of commodity fraud. I urge favorable consideration of these amendments by the Senate.

AIRLINE-GOVERNMENT SUMMIT CONFERENCE NEEDED

Mr. CANNON. Mr. President, Braniff's failure is a great disappointment and emphasizes the need for immediate action on my resolution (S. Res. 379) calling for an Airline-Government Summit Conference to discuss the very difficult economic condition of this entire industry. I introduced this resolution last month because of my concern about the recession's severe impact on airline passenger traffic in combination with the effects of the PATCO strike and a $7 billion increase in the industry's fuel bill.

Despite these economic traumas, the Government is continuing to pursue some short-term policies such as ticket tax increases and fuel import fees that could further add to the airlines' financial troubles. The fact that Government has gotten out of the business of telling airlines where they may fly and what they may charge is not synonymous with Government indifference to the airline industry's health and future, at least it is not for me. We can pursue Government policies that assist the airlines through this troubled period and that are not inconsistent with our belief in free enterprise. I am uging my colleagues and the administration to join me in supporting S. Res. 379 and voicing their commitment to help the companies and employees of the airline industry. My commitment to free enterprise and allowing businessmen to make their own marketing decisions is absolutely firm. I am equally committed to opposing the Nero philosophy of Government, so if I can help push the Government to examine its own policies and their potential negative impact on the airlines, I intend to pursue that effort vigorously.

Today's disastrous economy has business failures in general at a record high and is threatening several key, capital intensive industries in this country. It is time for this administration to accept its responsibility for the economy and to pursue realistic policies which reduce interest rates, reduce the deficit, and restore economic growth before major industry failures grow well beyond one airline company.

SENATOR DIXON RECEIVES NATHAN HALE AWARD

Mr. PERCY. Mr. President, earlier this month the Reserve Officers Association of the United States Department of Illinois bestowed its prestigious Nathan Hale Award on my distinguished colleague from Illinois, Senator Alan J. Dixon. Senator Dixon gave the keynote address at the department's convention on May 1, at the Chanute Air Force Base Officers Club in Rantoul, Ill.

In the short time Senator Dixon has been in the U.S. Senate he has exhibited a great deal of knowledge about the pressing defense requirements facing the Nation. He has spoken out for a stronger, more cost-effective national defense.

I have the highest regard for my colleague from Illinois. We have a tremendous working relationship that transcends our different political affiliations and brings, I believe, great credit to the citizens of that great State we both represent. Few other

States can boast of the strong bonds we share, the close relationship our staffs have, and the bi-partisan spirit with which we approach problems facing constituents from Illinois.

Mr. President, I ask unanimous consent that the remarks Senator Dixon gave following his being honored with the Nathan Hale Award be printed in the Record.

There being no objection, the remarks were ordered to be printed in the Record, as follows:

Thank you very much for honoring me here tonight with the Nathan Hale Award. He and many others like him have paid the ultimate price for this country so that most of us have not had to. You do a worthwhile thing with this award by keeping alive this memory of that kind of devotion.

You also do a worthwhile thing by serving in the Reserve Forces.

During my campaign for the Senate in 1980, I said one of my goals if I were elected would be the upgrading of the Reserve and National Guard programs.

It is a goal we are still pursuing through some difficult economic times. But I do think my staff and I have been active in doing what we can.

For example, we have helped a Marine unit stay up at Glenview, rather than being disbanded.

We in the Illinois congressional delegation have worked to maintain or increase the use of Fort Sheridan.

We've visited bases and talked with reservists, and I hope you know we are as close as a telephone call or a visit.

There is little question that the Reserve and National Guard components represent a significant portion of the military strength of the United States—the figure is 40 percent.

That figure shows these forces are indispensable to the national defense.

We in the Congress must continue to work for the "total force" approach to military staffing. That means well-defined roles, the sensible assignment of equipment buys, and adequate support funding.

It also means continuing to improve recruiting and increase training time for both the Reserves and National Guard.

The decade of the 1980's will present us with hard choices in this country, but strong national defense based on a top-notch Active and Reserve military force must remain a top priority.

That military force must be capable of defending not only this country, but also of meeting our treaty obligations around the world.

Spending the taxpayers' money—and figuring out just what is available to spend—is about the only thing you hear about in Washington these days.

How we allocate that money is a difficult proposition, but I want to assure you I am aware of the needs of our Reserve Forces, and I'll do all I can to help you meet those needs.

Again, thanks for inviting me here tonight, thanks for this splendid award, and thanks for doing what you do for this country.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there morning business? If not, morning business is closed.

DEPARTMENT OF DEFENSE AUTHORIZATION, 1983

The PRESIDING OFFICER. The Senate will now resume consideration of the pending business, which the clerk will state by title.

The legislative clerk read as follows:

A bill (S. 2248) to authorize appropriations for fiscal year 1983 for procurements, for research, development, test, and evaluation, and for operation and maintenance for the Armed Forces, to prescribe personnel strength for the Armed Forces and for civilian personnel of the Department of Defense, and for other purposes.

The Senate resumed consideration of the bill.

Mr. TOWER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROTH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 932

(Purpose: To express the sense of the Congress that the member countries of NATO must more effectively pool their resources for their common defense)

Mr. ROTH. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Delaware (Mr. Roth), for himself, Mr. Glenn, Mr. Nunn, Mr. Heinz, Mr. Andrews, Mr. Ford, Mr. Garn, Mr. Armstrong, Mr. Cohen, and Mr. Kasten proposes an unprinted amendment numbered 932.

Mr. ROTH. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill, add the following new section:

Sec. . (a) The Congress finds that—

(1) the United States remains firmly committed to cooperating closely with its North Atlantic Treaty Organization (hereafter in this section referred to as "NATO") allies in protecting liberty and maintaining world peace;

(2) the financial burden of providing for the defense of NATO Europe and for the protection of the interests of NATO member States in areas outside NATO's geographic boundaries has reached such proportions that new cooperative approaches among the United States and its NATO allies are required to achieve and maintain an adequate collective defense at acceptable costs;

(3) although the NATO member countries collectively possess more than half again as many people as and more than twice the gross national product of the Warsaw Pact countries, the loosely organized defense efforts of the fourteen armed nations of the North Atlantic Alliance produce a collection of national military forces that is qualitatively uneven, quantitatively inferior, and has only a limited ability to rearm, repair, reinforce, support, supply, or even communicate with one another;

(4) the need for a credible conventional deterrent in Western Europe has long been recognized in theory but has never been fully addressed in practice, largely because of the existence for many years of United States nuclear superiority in Europe;

(5) United States nuclear superiority in Europe has now been lost, leaving European, Canadian, and American forces in Western Europe more vulnerable to the threat of attack by the overwhelmingly superior conventional forces of the Warsaw Pact countries;

(6) a more equitable sharing by member countries of the North Atlantic Treaty Organization of both the burden and the technological and economic benefits of the common defense would do much to reinvigorate NATO with a restored sense of unity and common purpose;

(7) NATO's duplicative defense-industrial system and inadequate collective conventional deterrent do not provide the Soviet Union with incentives to agree to meaningful and mutual arms reductions; and

(8) a decision to pool the enormous technological, industrial, and economic resources of NATO member countries will not only lead to lower than otherwise necessary defense costs, but will provide a powerful inducement for the Soviet Union to enter into a meaningful arms reduction agreement so that both Warsaw Pact countries and NATO member countries can devote more of their energies and resources to peaceful and economically more beneficial pursuits.

(b) It is the sense of the Congress that—

(1) the President should propose at the summit meeting of the heads of government of the member countries of NATO, scheduled to take place in June 1982 in Bonn, Federal Republic of Germany, that the NATO allies of the United States join the United States in agreeing to—

(A) pool their defense efforts and resources to create, at acceptable costs, a credible, collective conventional force for the defense of the North Atlantic Treaty area;

(B) establish a cooperative defense-industrial effort within Western Europe and between Western Europe and North America that would ultimately reduce the otherwise necessary defense costs of the United States and other NATO countries, by providing a larger production base while eliminating unnecessary duplication of defense-industrial efforts;

(C) share, equitably and efficiently, the financial burdens, as well as the economic benefits, including jobs, technology, and trade, of NATO defense; and

(D) begin negotiations promptly to establish the strategies, structures, policies, and programs to give full effect to the agreements described in clauses (A) through (C); and

(2) to assure the NATO allies of the United States that the policy described in paragraph (1) has the full support of the American people, the President should work with the Congress in developing the implementing strategies, structures, policies, and programs, and should present such agreements with the European members of the Alliance voting on a united and collective basis, and with Canada, to the Congress for approval.

Mr. ROTH. Mr. President, the amendment that my distinguished colleagues, Mr. Glenn and Mr. Nunn, and I have submitted calls on the President to propose, at the NATO summit this June, that serious negotiation begin on creating a NATO-wide defense industrial system.

This amendment has been cosponsored by Senators Ford, Garn, Armstrong, Cohen, Andrews, Heinz, and Kasten.

The idea of combining the talents, resources and energies of the free peoples of the West is, of course, not new. It lies at the heart of the original purpose for which NATO itself was formed. But in practice neither NATO as a military organization, nor the defense industries supporting it have functioned as unified and integrated systems.

There is, in short, less to NATO than meets the eye.

On paper, NATO looks impressive. In terms of numbers of people under arms, and total amount spent on defense, the West would appear to be more than adequately strong to meet the Warsaw Pact threat.

But the statistics hide a grim reality. As a military force, NATO actually functions as a collection of 14 separate national defense efforts.

Each member determines what it will buy and when it will buy it. Consequently, NATO forces are quantitatively uneven and qualitatively inferior to the Warsaw Pact. They have only a limited ability to rearm. repair, reinforce, support, supply, or even communicate with one another. One could almost say that NATO equipment is a hodge-podge of custom-built parade pieces.

Similarly, the NATO defense industrial base is fragmented into wasteful and duplicative national efforts. Each of the 14 NATO nations with armed forces tries to maintain some kind of defense industry, despite gross inefficiencies of scale.

Mr. President, NATO can no longer afford to live in a make-believe world of giving complacent lip service to allied cooperation, while its individual members pursue divergent and even conflicting defense policies.

A number of developments are converging to render current strains in NATO qualitatively different from those that have erupted in the past. In fact, the situation is so serious that I fear that if something dramatic is not done soon, the security system that has kept the peace and provided the baseline for prosperity in Western Europe will collapse in the not too distant future.

First, the relentless growth in Soviet military power is driving the industrial democracies apart, rather than bringing them together to meet the common threat. Soviet strategic parity with the United States and nuclear superiority in Europe has caused many Europeans to doubt the American commitment to European defense. They simply do not believe that the United States would risk New York to save Berlin.

Yet the Europeans remain as reluctant as ever to bear the costs of fielding a credible conventional deterrent. An apparently growing number are even seeking refuge in neutralism, and in unilateral disarmament.

Other Europeans seem to want to go well beyond détente in seeking economic ties to the Eastern bloc. Concerns that accommodation may bring costs to European independence are ignored or downplayed as cold war-mongering.

On this side of the Atlantic, these events in Europe have begun to generate a blacklash. The question being asked with increasing frequency is: "Why should the United States defend those who will not defend themselves? Or worse yet, why should the United States defend those who do not want to be defended?"

These questions are being asked against the backdrop of the already astronomically high, and still escalating costs of defense.

Calculations concerning general purpose forces are difficult to make. Nevertheless, it has been estimated that more than 60 percent of the defense budget will be spent on defending Western Europe. And given a reasonable projection of cost growth, Western Europe will probably cost us $2¼ trillion in the next decade.

According to a recent Heritage Foundation study, the cost of major weapons systems has been rising at about 10 percent per year, as measured in constant dollars. Obviously, the NATO target of 3-percent annual real budget increases will not even keep pace with cost growth.

In fact, the pressure of rising defense costs is compelling some NATO countries to drastically cut their defense industrial capabilities. This trend is so serious that one analyst has termed it the "structural disarmament" of the West. Formerly significant producers of first class military equipment such as Great Britain are retrenching. Were it not for sales to the Third World, especially to OPEC countries, Britain and France might be virtually out of the modern defense equipment business.

The demise of Western Europe defense industries would not, as some might think, lead to a commensurate increase in the sales of American military equipment to our Allies. Rather, it will lead to a progressive decline in total Allied military strength as the Allies simply procure less and less.

There are a number of reasons defense costs have skyrocketed. But one of the most important is that too many countries are making the same sorts of things, and there is too much duplication of research and development. In other words, we are not getting the maximum return on our defense dollar investment.

NATO forces today have seven kinds of tanks; and six separate communications systems are under development. Other equipment is equally nonstandardized. This short-sighted approach means that production runs are too short to sustain output at acceptable costs.

In this country, 8 of the 13 production lines building Navy aircraft, for example, are turning out fewer than 20 planes a year. Three of these lines will each produce in fiscal year 1983 only six aircraft. This has led to what the Senate Armed Services Committee, under the very able leadership of the distinguished Senator from Texas, Mr. Tower, has correctly termed "exorbitant unit costs and wasted resources."

Pooling the West's financial, technological and industrial resources in a meaningful fashion would not magically whisk away all our defense problems. We must also abandon our penchant for confusing complexity with effectiveness, and for funding every program on the Pentagon's "wish-list." We need much stricter prioritizing among alternatives. We need to take a close look at the organization and structure of our own Armed Forces. And we badly need to streamline our procurement procedures.

But a broader-based NATO system would make a major contribution to bringing down costs over time. Eight years ago, one expert, Thomas C. Callaghan, estimated that removing unnecessary duplication would result in $10 billion in yearly savings. How much would be saved by larger production runs would depend on what requirements NATO identified. But clearly they would be in the tens of billions of dollars. Competition for defense contracts would be broadened and deepened. New talents and skills would be tapped to assure the best possible results at the least possible costs.

The prospect of lower costs would, in turn, facilitate the creation of a truly effective and credible collective conventional deterrent. Western Europe could be treated as a single geopolitical entity. NATO forces would become far better integrated through using common and interoperable weapons systems.

Perhaps even more importantly, a decision to pool the West's defense would infuse NATO with a restored sense of unity and common purpose. Both the financial burdens and the benefits of jobs, technology, and trade would be shared more equitably. The Europeans would have greater access to our market, but in return, they would have to maintain larger and more powerful conventional forces which would be procuring much of their equipment from American producers.

In fact, the larger NATO-wide market would provide American subcontractors in particular with new business opportunities. This is a particularly important point because one of the most serious defense-industry problems is the shrinking subcontractor base.

And finally, a NATO-wide defense-industrial system would provide the Soviet Union with a powerful incentive to agree to meaningful arms reductions. The West's fragmented and inefficient system has no doubt contributed to the Soviet belief that the so-called correlation of forces has tipped in their favor. Let us disabuse the Soviets of this notion. Let us demonstrate conclusively that our system of democracy and free enterprise cannot only outperform the Soviet system economically, but can also provide a viable and permanent collective defense.

In so doing, we will demonstrate to the Soviets the futility of trying to engage the combined West in a futile arms race. No responsible democratic government can place its faith in the willingness of the Soviet Union to abide by the rules of good international behavior. But at the same time, it is clearly in the interests of both sides to explore all avenues by which the enormous burden of defense expenditures can be reduced.

The adoption of this amendment would be a clear signal to the President, to our allies, and to the Soviet Union that the Congress rejects unilateralism. I have received a letter from the administration that indicates that such an expression would be highly welcome. I will just read the relevant passage from a letter to me from Mr. Duberstein:

> Although the Administration shares your interest in increasing arms cooperation with our allies and has taken positive steps to do so, until the climate of Congress would support stronger initiatives, we hesitate in proposing such an undertaking at the NATA Summit.

This amendment provides just such assurances. Backed by strong congressional resolve, the President could go to NATO with a positive and far-reaching proposal that would do much to reestablish lagging American leadership.

The specific shape of the system would emerge from negotiations that will undoubtedly be arduous. Special interests in all countries will have to be persuaded that they will benefit in the longer term from a much larger market. National differences in practice and in philosophy will have to be reconciled. Agreements on strategies, structures and programs would have to be hammered out in a multisided negotiating crucible.

But the NATO nations would not come to these talks bereft of experience. The multilateral trade negotiations can provide a useful model. As in the MTN's, business, labor, and the Congress should be consulted at every stage. The Congress would of course have to enact implementing legislation, as well as approve any agreement. There will be, in short, many safeguards.

The NATO nations have also in recent years made some progress in enhancing armaments cooperation on an ad hoc basis. Much of this progress is due in no small measure, I might add, to the efforts of my distinguished cosponsor, Mr. Nunn. No one is more aware than he just how difficult it is to get the NATO democracies to pull together on the same oar in the same direction.

Nevertheless, there now exists a track record of experience, according to a letter I have received from Presidential Assistant Kenneth Duberstein, there are now 11 memorandums of understanding between the United States and other NATO countries providing for coproduction or other forms of armaments cooperation. Within NATO committees have been established to promote standardization, interoperability or commonality of weapons.

These are all welcome steps in the right direction. But these measures are either very limited in scope, or are essentially bilateral in nature. They do not fit into a comprehensive political or institutional framework. They are essentially piecemeal attempts to deal with the much larger problem: how to preserve the alliance by providing for our common defense at acceptable costs.

This amendment on NATO defense-industrial cooperation is, of course, not a panacea for all of NATO's ills. Nor would its implementation be easy. But it is an important and dramatic step toward bringing the NATO nations back together to address our common security concerns in concert.

It is time to drop the "no trespassing" and "keep out" signs from our defense industrial policies. If the industrial democracies are going to preserve our shared values and way of life in the last 20 years of this century, we simply must pull together.

Mr. President, I yield the floor.

Mr. TOWER. Mr. President, I want to thank the Senator from Delaware for his initiative on an extremely important matter. I have some reservation about dealing with this matter on the Senate floor as an amendment to the Department of Defense authorization bill. There have been no hearings held on it in the Armed Services Committee. I think perhaps the matter is under advisement in the Foreign Relations Committee. There is some question as to jurisdiction, as to where it might belong, whether in the Armed Services Committee or in the Foreign Relations Committee. We will not attempt to resolve that here.

We have talked a great deal in the Armed Services Committee over the years about standardization and interoperability, and about some better, more efficient and rational utilization of the defense industrial capabilities of the various NATO countries.

It is a matter on which we would like to hold hearings, but I would have to agree that timeliness is of the essence in this particular instance, with the NATO summit occurring in June. Therefore, I think we are justified in considering this legislation in this bill. Absent the time constraint, perhaps this amendment might be better considered later.

We are prepared to support this amendment, but I would like to say to my colleagues that if we support this we better understand what we are doing because we are talking here about a "two-way street" in defense procurement. We cannot expect West European nations to purchase all of its defense requirements in the United States. We are going to have to purchase things from them. If we are going to preserve in the various European capitals a political climate which supports increased defense spending, which we have urged our NATO partners to do, we are going to have to be willing to make some purchases from those countries.

I would point out that in the 5 years previous to last year, NATO Europe bought on the average six times as much military hardware in the United States as the United States purchased from NATO Europe. For 1980, NATO Europe purchased nine times as much military hardware from the United States as the United States purchased from it.

We are going to have to understand that we are going to have to give these people some offsets in terms of U.S. purchases from them, or the political climate in those countries for support of high defense spending will deteriorate and we might, in effect, strangle the goose that lays the golden egg. I anticipate that there will always be an enormously favorable trade balance for the United States in terms of the sale of arms between and among the NATO partners.

It is always going to be in our benefit because we have a bigger industrial base. We have a bigger capability. We can produce a greater quantity, and therefore it is logical that we could expect that we will sell more to them than they will sell to us.

There are two amendments pending to this bill that we should think very seriously about in terms of their

impact on what we are trying to do with this amendment.

One amendment would restrict the purchase of military equipment from Europe that contains certain specialty metals.

I might say that they purchase more equipment from us with specialty metals than we purchase from them. But, because of some recession in the steel industry in this country, some people think we ought to restrict specialty metal imports, when what we, in fact, might be doing is jeopardizing millions of dollars of purchases from this country for $4 million or $5 million of U.S. purchases abroad.

Another amendment concerns administrative-use vehicles for U.S. military forces. There are informal agreements that we will purchase administrative-use vehicles from the British, the Germans, and Italians as a partial offset of their enormous defense purchases from us.

If we pass the amendment today that restricts U.S. purchases of administrative vehicles from Britain, Germany, and Italy, we are going to create a political problem for friendly governments. There is going to be pressure on them in their respective parliaments and among their constituents to reduce their purchases from the United States. Just for the sake of a few hundred jobs in this country, we might be risking thousands. For the sake of a few million in military sales, we may be risking billions in purchases by the Europeans from the United States. We must understand that; that if we really believe in rationalization, standardization, and interoperability, we have to also believe in the "two-way street." Our Secretary of Defense has to be able to conclude deals with our NATO allies for occasionally purchasing some equipment which they produce efficiently and well and in good quality as only a partial offset of what they buy from us.

The Italians are really in a difficult position, for example, because they purchase a very great deal from the United States. We purchase virtually nothing from them in the way of military hardware. It has created a political problem there for a friendly government and threatens enormous dollar sales from the United States to Italy.

We must not proceed willy-nilly. We have to use good judgment. In passing protectionist legislation here, we better understand the consequences of what we do. For maybe the sake of saving a few jobs over the short term, we might be risking thousands of jobs in the United States and billions of dollars.

I commend the Senator from Delaware for this initiative. It is the right initiative. I hope that we can proceed with greater rationalization, standardization, and interoperability. As he points out, there are several different types of tanks, several different types of aircraft, several different types of communications gear, and I think we need to move in that direction.

I think our European friends will support us if we are prepared to.

As a matter of fact, they talk constantly about what they call RSI—rationalization, standardization, and interoperability—in the various seminars I have attended over there. They seem to be more conscious of the need to move in that direction than we do. So I am glad that this has been proposed to reflect our own consciousness on this matter.

For my part, I support and am prepared to accept the amendment offered by the Senator from Delaware.

It is my understanding that the Senator wants a record vote on it. I hope that there will be a strong show of support in the Senate. If it passes only marginally or fails, it will be an empty-handed President who would go to the June NATO summit, the Senate having rejected the notion of rationalization, standardization, and interoperability.

I ask my colleagues to think of the consequences of their votes. I hope that we will have a strong manifestation of support for this amendment. I hope it will be a unanimous manifestation of support for this amendment.

My friend, the distinguished ranking member, is not on the floor. It is my understanding that this measure has been cleared with him.

I see the distinguished Senator from Washington on the floor. Perhaps he might enlighten us on the position on the minority side.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TOWER. Mr. President, I am informed that the minority side does support the amendment. There have been some minor changes. It is my understanding that it is supported on the other side, and Senator Glenn and Senator Nunn had a hand in the formulation of this amendment.

Therefore, I yield to Senator Jackson at this time for any comments he may have.

Mr. JACKSON. Mr. President, I support the amendment, and I know of no objection on this side of the aisle.

The amendment does address a problem we have had for many, many years, ever since NATO came into being in 1949. This, of course, relates, among many other things, to the need to standardize weapons.

I believe that the amendment is most appropriate in light of the fact that the President will be meeting with the leaders of NATO later, in the month of June. This amendment does not tie his hands. Basically, it expresses the very things that the President certainly will want to have on the agenda in his meeting with the NATO leaders.

So I hope that the Senate will adopt this amendment. I am sure it will be a unanimous vote.

Mr. TOWER. Mr. President, I am aware that the amendment offered by Senators Roth, Glenn, and Nunn was introduced on May 3, 1982, as a separate resolution which was referred to the Senate Foreign Relations Committee.

I also recognize that the distinguished chairman of the Foreign Relations Committee had intended to address this resolution during committee hearings on NATO to be held later this session.

I ask the chairman of the Foreign Relations Committee to set aside any objections that he might have to this amendment on jurisdictional grounds. The substance of this amendment—improved defense cooperation in the North Atlantic Alliance—is one in which both the Foreign Relations and Armed Services Committees have a substantial interest.

I would offer to have the two committees work together in the next several weeks and during Conference Committee action on this bill to strengthen this sense of the Congress resolution.

Mr. PERCY. Mr. President, I would have preferred that the Foreign Relations and Armed Services Committees would have had time to hold hearings on this resolution to clarify the concepts presented. However, I recognize that the resolution is time sensitive, being oriented to the June NATO Summit.

I agree that both the Foreign Relations and Armed Services Committees have a coordinate interest in this topic. I appreciate the proposal that the two committees work to improve this resolution, if necessary, over the next several weeks.

With this agreement, I support the amendment offered by Senators Roth, Glenn, and Nunn.

Mr. TOWER. I thank the chairman of the Foreign Relations Committee for his cooperation on this important matter.

● Mr. GLENN. Mr. President, I am pleased to join my colleagues from Delaware and Georgia in raising this issue, which I firmly believe could lead to both a more effective and a more-reasonably priced NATO defense system.

This amendment calls on the President to propose at the June NATO summit that our allies in that alliance begin in earnest to effectively pool their vast resources—those human, technological, and financial assets which provide the basis for our common defense.

For too long, NATO has relied upon the American nuclear deterrent to the neglect of conventional forces. Indeed, the present NATO system has permitted Western Europe to get by on the cheap. It functions as a loosely knit collection of national defense efforts, which is a highly inefficient way to operate. Reliance on the American nuclear superiority has permitted, if not encouraged, our allies to adopt defense industrial policies inspired more by concerns of their internal economic needs and issues of national prestige, rather than to focus their efforts on the real needs of our common defense. But the rules have changed. The Soviet Union has changed them, and NATO had best address the reality of Russia's challenge.

Mr. President, the Soviets have attained parity with our strategic nuclear superiority that once existed over Europe. The Soviets have fashioned a vast ability to project military power around the globe. What their challenge means is that the industrial democracies of the West must get their act together, as the saying goes, and fashion a more cooperative defense industrial system—one that will also help to bring down the costs by eliminating fragmentation and duplication and by providing for larger, more productive production systems.

The advantages of a more cooperative, more equitable sharing of the burdens and benefits of the alliance will help strengthen NATO in numerous ways. It will send a strong signal to the Soviet Union, helping to encourage the Soviets to participate seriously in arms reduction.●

● Mr. GRASSLEY. Mr. President, I feel that my vote against the amendment offered by the Senator from Delaware (Mr. Roth) needs a word of explanation. I am not opposed to cooperating with our allies politically and militarily, nor do I oppose greater standardization of military equipment. I wonder, though, if the Roth amendment doesn't carry a good thing a bit too far. In other words, I believe there is a right way and a wrong way to do things. The right way to bring about standardization of NATO equipment is through industrial cooperation, not industrial integration. In reading the amendment, it seems to me that it leans too much toward the latter, to the point where I am concerned at the implications for maintaining our independent defense industrial base.●

Mr. TOWER. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The bill clerk called the roll.

Mr. STEVENS. I announce that the Senator from Colorado (Mr. Armstrong), the Senator from Pennsylvania (Mr. Heinz), the Senator from Kansas (Mrs. Kassebaum), and the Senator from Nevada (Mr. Laxalt) are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Delaware (Mr. Biden), the Senator from South Carolina (Mr. Hollings), the Senator from Kentucky (Mr. Huddleston), the Senator from Massachusetts (Mr. Kennedy), the Senator from Hawaii (Mr. Matsunaga), the Senator from New York (Mr. Moynihan), the Senator from Rhode Island (Mr. Pell), and the Senator from Maryland (Mr. Sarbanes) are necessarily absent.

The PRESIDING OFFICER (Mr. Brady). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 87, nays 1, as follows:

[Rollcall Vote No. 108 Leg.]

YEAS—87

Abdnor
Andrews
Baker
Baucus
Bentsen
Boren
Boschwitz
Bradley
Brady
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chafee
Chiles
Cochran
Cohen
Cranston
D'Amato
Danforth
DeConcini
Denton
Dixon
Dodd
Dole
Domenici
Durenberger
Eagleton
East
Exon
Ford
Garn
Glenn
Goldwater
Gorton
Hart
Hatch
Hatfield
Hawkins
Hayakawa
Heflin
Helms
Humphrey
Inouye
Jackson
Jepsen
Johnston
Kasten
Leahy
Levin
Long
Lugar
Mathias
Mattingly
McClure
Melcher
Metzenbaum
Mitchell
Murkowski
Nickles
Nunn
Packwood
Percy
Pressler
Proxmire
Pryor
Quayle
Randolph
Riegle
Roth
Rudman
Sasser
Schmitt
Simpson
Specter
Stafford
Stennis
Stevens
Symms
Thurmond
Tower
Tsongas
Wallop
Warner
Weicker
Zorinsky

NAYS—1

Grassley

NOT VOTING—12

Armstrong
Biden
Heinz
Hollings
Huddleston
Kassebaum
Kennedy
Laxalt
Matsunaga
Moynihan
Pell
Sarbanes

So the amendment (UP No. 932) was agreed to.

Mr. TOWER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, if I may have the attention of the Senate for a moment, this is going to be a long, long day. I estimate we will be in at least until midnight. There are a great number of amendments to be dealt with. I thank all Senators for getting an early start. I understand another amendment will be ready soon.

I wish now to tell Senators that I think it is important that we try to be at or on the floor or near the floor so as to be ready to vote within the timeframe allotted. It has nothing to do with our count on yesterday. If we have 15 or 20 votes today, we had better try to do them in that time.

Mr. STENNIS. Mr. President, will the Senator yield to me?

Mr. BAKER. I yield to the Senator from Mississippi.

Mr. STENNIS. In keeping with that problem just stated, maybe some of these amendments will be just as effective if we do not have a rollcall vote and consume all the time. We can have good explanations, and we can call for a voice vote. I thought perhaps the leadership, all the way around, could carry out that possibility. As a member of the minority I just bring it up and encourage it.

Mr. TOWER. Mr. President, will the majority leader yield to me?

Mr. BAKER. I yield.

Mr. TOWER. It is my intention, in cooperation with my distinguished colleague, the ranking member, Senator Stennis, to dispose of as many amendments by voice vote as possible. However, quite a few of these amendments the committee regards as meritorious, and we believe we can accept, so we will not consciously have a surfeit of rollcall votes. But certainly there are some that should be disposed of by rollcall votes, and will be.

Mr. BAKER. Mr. President, I yield now to the Senator from Utah.

UP AMENDMENT NO. 933

(Purpose: expressing the sense of the Congress that members of the National Guard of the United States and the Reserve Forces of the Armed Forces of the United States deserve public recognition for their vital contribution to our national defense and that members of these forces need the support and cooperation of their civilian employers in order to train and remain ready to respond to national emergencies)

Mr. GARN. Mr. President, I send to the desk an amendment expressing the sense of the Congress that members of the National Guard of the United States and the Reserve Forces of the Armed Forces of the United States deserve public recognition for their vital contribution to our national defense. It is a noncontroversial amendment.

I listed 51 cosponsors to be sent with the amendment to the desk and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Utah (Mr. Garn), for himself, Mr. Hayakawa, Mr. Leahy, Mr. Goldwater, Mr. Randolph, Mr. Tsongas, Mr. Hollings, Mr. Mitchell, Mrs. Hawkins, Mr. Murkowski, Mr. Nickles, Mr. Stennis, Mr. Chiles, Mr. Sarbanes, Mr. Roth, Mr. Proxmire, Mr. Ford, Mr. Exon, Mr. Abdnor, Mr. Stafford, Mr. Inouye, Mr. Burdick, Mr. Mattingly, Mr. Lugar, Mr. Huddleston, Mr. Cannon, Mr. Kasten, Mr. Heflin, Mr. Pressler, Mr. Andrews, Mr. Percy, Mr. Thurmond, Mr. Johnston, Mr. Wallop, Mr. Cohen, Mr. Hatch, Mr. Laxalt, Mr. Warner, Mr. Schmitt, Mr. D'Amato, Mr. Durenberger, Mr. Symms, Mr. Humphrey, Mr. Jepsen, Mr. Bradley, Mr. Dole, Mr. Harry F. Byrd, Jr., Mr. Stevens, Mr. Grassley, Mr. Bumpers, Mr. Cochran, Mr. Nunn, and Mr. Tower proposes an unprinted amendment numbered 933.

Mr. GARN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, add the following:

Since the National Guard and Reserve Forces of the United States are an integral part of our total force policy for national defense and need to be ready to respond, on short notice, to augment our Active Forces in national emergencies;

Since attracting and retaining sufficient numbers of people to serve in the Guard and Reserve in a no-draft environment is a difficult challenge; and

Since the support of employers and first-line supervisors to grant reservist-employees time off for military training without detriment to earned vacation, promotions, and job benefits is essential for securing a strong Guard and Reserve Force: Now, therefore, be it

Declared, That it is the sense of the Congress that the citizen-military volunteers who serve our Nation as members of the National Guard and Reserve require and deserve public recognition of the role they play in our national security, and particularly the support and cooperation of their civilian employers, in order to be fully ready to respond to national emergencies.

Sec. 2. The Congress urges all citizens, including employers and firstline supervisors of employees who are members of the National Guard or Reserves of the United States, to recognize the vital need for a trained, ready National Guard and Armed Forces Reserve in our national defense and to abide by the Veteran's Reemployment Rights Act by granting time off for military training exclusive of earned vacation and also grant them equal consideration for job benefits and promotions as all other employees.

Mr. TOWER. Mr. President, Senator Garn has discussed this matter with both Senator Stennis and myself. We think the amendment has great merit and should be passed, and on behalf of the majority I am prepared to accept it.

I yield to my distinguished friend from Mississippi.

Mr. STENNIS. Mr. President, I am familiar with this amendment and I commend the authors of it heartily. I think it is a recognition of the Guard and Reserve and they will really appreciate it. I am glad to join in.

Mr. GARN. I thank my colleagues.

The PRESIDING OFFICER. Is there further debate?

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. GARN. I will be glad to yield.

Mr. GOLDWATER. Am I one of the cosponsors?

Mr. GARN. If you are not, I ask unanimous consent, Mr. President, that Senator Goldwater be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GOLDWATER. I thank the Senator for making this recognition of the Guard and Reserve possible. I spent 37 years of my life in the Guard and Reserve, and I cannot speak too highly of these men who really contribute as much to our regular forces as the regular forces themselves.

I know I am speaking to a man who like myself served long in the Guard.

Mr. GARN. I thank the Senator from Arizona.

Mr. TOWER. Mr. President, I am delighted to note that Senator Goldwater has spent 37 years in the Guard and Reserve. I have even more time. I have spent 39 years in the Naval Reserve, and I commend Senator Garn for his amendment and I am delighted to accept it.

Mr. GARN. Mr. President, may I say that I am happy to observe that I am not old enough to have served as long as either one of my distinguished colleagues. [Laughter.]

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Utah.

The amendment (UP No. 933) was agreed to.

Mr. GARN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. TOWER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. TOWER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. HART. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 934

(Purpose: To require a report on the adoption of a maneuver style of warfare)

Mr. HART. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Colorado (Mr. Hart) proposes an unprinted amendment numbered 934.

Mr. HART. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the committee substitute, insert a new section as follows:

REPORT ON MANEUVER WARFARE CONCEPTS

Sec. . (a) Not later than January 1, 1983, (1) the Secretary of the Army shall submit a written report to the Committees on Armed Services of the Senate and the House of Representatives on the extent to which maneuver warfare concepts are being or have been incorporated into the policies and training of the Army, and (2) the Secretary of the Navy shall submit a written report to such Committees on the extent to which such concepts are being or have been incorporated into the policies and training of the Marine Corps. Each such report shall explain the manner in which such concepts have been or are being incorporated into the policies and training of the military service concerned and indicate the extent to which field manuals and other doctrinal, operational, and training publications reflect such concepts.

(b) As used in subsection (a), the term "maneuver warfare concept" means pertaining or envisioning an armed conflict as time-competitive observation-orientation-decision-action cycles in which the object is to destroy the enemy's cohesion by maintaining a consistently faster cycle.

Mr. HART. Mr. President, this amendment relates to one of the military reformers' most fundamental concepts: maneuver warfare. It involves no money. It merely directs the Secretary of the Army and the Secretary of the Navy to report to the Armed Services Committee, no later than January 1, 1983, on the extent to which maneuver warfare is being incorporated into the doctrine, the field manuals, the policies and the training of the Army and the Marine Corps. It in no way directs that maneuver warfare shall be so incorporated. It is simply a request for information.

What is maneuver warfare?

Maneuver warfare refers to an overall concept or "style" of warfare. It has an opposite, the firepower-attrition style. Firepower-attrition is warfare on the model of the battle of Verdun in World War I, a mutual casualty inflicting and absorbing contest where the goal is a favorable exchange rate. The conflict is more physical than mental. Efforts focus on the tactical level with objectives usually set in terms of terrain. Defenses tend to be linear, "forward defense"; attacks frontal, battles set-piece, and movements preplanned. "Maneuver" really means "movement," and movement is used primarily to position firepower so as to inflict maximum casualties.

In contrast, maneuver war is warfare on the model of Genghis Khan, Stonewall Jackson's Valley campaign, the German blitzkrieg, General Patton's campaigns, the landing at Inchon, and almost all Israeli campaigns. The goal is destruction of the enemy's cohesion, not piece-by-piece physical destruction. The objective is as much the enemy's mind as his body. Depending upon the opponent and the circumstances, defenses often are organized in depth, with strong reserves; attacks are concentrated against enemy weaknesses; battles are fluid, and movements change constantly as the situation develops. Firepower is generally a servant of maneuver, used to create openings in enemy defenses and, when necessary, to annihilate the remnants of hostile forces after their cohesion has been shattered.

A key to understanding maneuver warfare is to realize that not all movement is maneuver. Maneuver is relational movement. Maneuver is not simply a matter of moving or even of moving rapidly. Maneuver means moving and acting consistently more rapidly than the opponent.

Recently, the concepts behind maneuver war have been elucidated, organized and expanded into an overall theory of conflict. This theory was developed by Colonel John Boyd, USAF (Ret.) and is appropriately known as the "Boyd theory."

Colonel Boyd was the father of energy management air combat tactics. More recently, he has devoted himself to studying the nature of conflict in general. He has observed that in any conflict situation, all parties go through repeated cycles of observation-orientation-decision-action. The potentially victorious party is the one with an observation-orientation-decision-action cycle consistently quicker than his opponent's (including the time required to transition from one cycle to another). As the faster party repeatedly cycles inside his opponent, the opponent finds he is losing control of the situation. Because of his longer cycle time, his reaction is facing a later action than the one it was intended to oppose, and is irrelevant. Instead of achieving convergence, he finds himself facing ever-widening divergence. At some point, he realizes there is nothing he can do to control the situation or turn it to his advantage. At that point, he has lost. Often, he suffers mental breakdown in the form of panic or passivity and is defeated before he is destroyed physically.

The Boyd theory is the theory of maneuver warfare. In maneuver warfare, if the enemy is destroyed physically—and sometimes that is not necessary—that is not the decision but the denouement. The real defeat is the organizational/mental/systemic breakdown caused by the enemy's realization that the situation is beyond his control, which is in turn a product of our ability consistently to cut inside the time of his observation-orientation-decision-action cycle.

Historically, maneuver warfare has been the most promising style of warfare for the force which must fight outnumbered. In the past, while we have had individual commanders who used maneuver warfare, our general style has been firepower/attrition. We could afford to fight that way, since we outnumbered our opponents in manpower and, especially, materiel. Now, we must plan to fight outnumbered, which means we must seriously examine the potentials offered by a maneuver style of warfare.

In fact, there is already substantial movement toward maneuver warfare in some of the services. The Marine Corps has been the leader in looking at maneuver warfare. The 2d Marine Division at Camp Lejeune, N.C., has officially adopted maneuver warfare as its doctrine, has formed a maneuver warfare board to teach the concept within the division, and is attempting to practice it in field exercises. It is also being taught as doctrine at the Marines' Amphibious Warfare School at Quantico. More recently, the Army has incorporated the Boyd theory into its doctrine, as part of its briefing, "Air/Land 2000." Maneuver warfare concepts are also being expressesd in the draft of the Army's new basic field manual, FM 100-5. The new National Guard study, "Vista 1999," a look at the future of the Army and Air National Guard, also calls for the adoption of maneuver warfare.

All of these individual efforts are extremely praiseworthy, and reflect great credit on those who are promoting them. However, because many of the initiatives for maneuver warfare are local, it is difficult to know exactly what is happening, where it is happening, and how one effort relates to others. This amendment would provide the information necessary to see the larger pattern of doctrinal change, and to see how all the efforts interrelate. Such information would not only be of interest to the Congress—which certainly should be interested in something which costs no money, yet has substantial potential for improving our military capability—but also to the services themselves.

I hope the distinguished chairman of the committee and the Senate will support the amendment, and I hope that our colleagues will see the advantage in pursuing information along this line.

Again, it costs no money, and it compels nothing beyond the providing of some information. But the information which it directs be gathered will be of great use to the services as well as to the Congress. The move toward a maneuver style of war may, seen in the future in retrospect, have proven far more important in terms of success in combat than many of the weapon systems we are authorizing here. It is worth some effort on our part to have a clear picture of its progress.

I urge adoption of the amendments.

Mr. TOWER addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mr. TOWER. I would like to ask a question of the distinguished Senator from Colorado. I first might say I am also a great believer in maneuver warfare, particularly when one is outnumbered. I know that my sainted great grandfather, P. R. Goodwin, a distinguished corporal in H Company of the Mississippi infantry, belonged to an army commanded by Nathan Bedford Forrest that was very good at maneuver warfare. I appreciate Senator HART's reference to Stonewall Jackson. Indeed, the Confederates were superior at maneuver warfare and exacted a horrible toll from the Yankees. As a matter of fact, I think Yankee casualties outnumbered Confederate casualties in the magnitude of about 3 to 2. In the final analysis, however, they did not win the war. The Germans were excellent at maneuver warfare in World War II. Erwin Rommel had a great ability to create superior forces out of inferior resources and accomplish his military objectives. We are all familiar with the great armored campaigns that the Germans waged during World War II. They were good, the best in the world. Probably we will never see a better Army from the standpoint of its professionalism than the German Wehrmacht from World War II. But they also lost.

That is not to say there is no validity in maneuver warfare. I believe that there is. I think Senator HART is absolutely right when he says we are not going to match the Soviets in manpower when you consider that they have a land army of almost 3 million, with reserves that are staggering in numbers in terms of soldiers that they could mobilize for land operations. We do have to think in maneuver terms.

Let me suggest, too, that means we are going to have to have superior equipment. If we are going to have inferior numbers, we have to be technologically at least as good as the enemy, if not better, in addition to being smarter than he is.

I am prepared to accept the amendment of the Senator from Colorado, but I want to raise one question with him. Does he believe that the Armed Services Committee or the Congress should get into the business of dictating tactical doctrine to the professional military people?

I would have some problem with that if that is his long-range intent.

Mr. HART. The distinguished chairman of the committee and floor manager of the bill is certainly well within his rights to raise that question, and it is a pertinent question.

That is by no means the intent of this Senator or this amendment. In terms of trying to define what the proper role of a Member of the Congress should be vis-a-vis the military, this Senator's judgment is that it has to be something more than just being accountants and bookkeepers approving numbers of dollars that various services want in gross terms.

On the other hand, I think it would be well beyond our capability, and in the case of most of us our competence, to try to substitute our judgment on purely military matters. That is not my intent, nor is it the intent of this amendment. This is an informational amendment and an effort on the part of at least one Member of Congress, hopefully the committee and the Senate, to get information as to the progress being made particularly by the Army and the Marine Corps in moving in this direction.

As I indicated in my statement, it well may be that the service chiefs and the senior commanders can convince us that moving in this direction is not a good idea and give us some rational reasons why. I think the Senator's statement earlier is a very powerful statement in support of the reasons why they should be at least thinking along these lines.

But I think our role should be to work with the services, to ask serious and, hopefully, penetrating questions not only about weapons systems, which we probably spend 90 or 95 percent of our time on as members of that committee, but also about tactics and strategy and doctrine. If we believe, as the Senator from Texas does, that we are for the first time perhaps in our Nation's history facing a potential adversary that we cannot overwhelm with numbers of people and weapons, then we are going to have to prepare to engage in combat and use more brainpower at it.

It is because of that conviction that I have become interested in seeing the progress that particularly the land forces are making in adapting training and style of combat to take account of superior thinking and not just superior weapons and superior numbers.

Therefore, I do not in any way suggest that we ought to force any doctrine on any service, but we ought to encourage transition where it is important to our national survival. I think that is well within our scope of competence.

Mr. TOWER. I certainly agree with the Senator from Colorado that it is important that the Congress, and particularly the Senate Armed Services Committee, be enlightened on this matter. There has been some controversy raised with respect to maneuver warfare, and perhaps the study that is requested by the Senator from Colorado will go a long way toward resolving some of this controversy.

I might say I would be very interested in seeing the results myself. I think that the study can serve a useful function. I am not sure that General Meyer and General Barrow agree that it would, but I think for our information it is a good thing to have. After having expressed my caution, let me say that certainly I feel that it is incumbent upon us to be as well informed as we can be, and therefore I support the Senator's request for the study.

Mr. GOLDWATER. Will the Senator yield for a moment?

Mr. President, with the assurance of the Senator from Colorado that he has no intentions of Congress getting into the problems of tactical and strategic decisions, I think his amendment will be a good one, to keep the Congress posted on the subject of maneuverability. He referred to the new infantry manual, which I have referred to many times, written by General Starry. It is a new rewrite of the old infantry manual, but it lays particular stress on maneuverability. In the last 10 days I sent a rather lengthy report around to each member of the Armed Services Committee relative to my visit with the rapid deployment force down in Florida, and their whole stress is on mobility.

I might point out that the doctrine, if you want to call it that, that has governed the teachings of our armed services, beginning with Clausewitz on the ground, Douhet in the air, and Mahan on the sea, all stress maneuverability. In fact, the only example I can think of where we were not maneuverable might have been Custer; he was just immobile to the point that he got the hell knocked out of him.

So I think it is a nice move.

I hope that the Senator will visit with the different services so that they understand just what it is we want. I think it will be an educational experience for the Members of this body, many of whom do not understand either the subject of stability or mobility, and I am glad that the chairman has taken the amendment.

Mr. President, I ask unanimous consent to have printed in the RECORD a letter I wrote to Senator TOWER on May 3, 1982.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MAY 3, 1982.

Hon. JOHN TOWER,
U.S. Senate,
Washington, D.C.

DEAR JOHN: As I pointed out in a recent letter, I have been able, in the last couple of weeks, to get out and visit some Air Force installations as well as some joint headquarters. For your interest, I am passing along my comments on a visit to MacDill Air Force Base, Florida, on April 17, 1982.

MacDill AFB, as some of you know, is the headquarters of the United States Readiness Command. Although I was unable to meet with the Commander-in-Chief at Readiness Command, General John Starry, of the United States Army, I did speak at length with Lt. General M. Brickel, United States Air Force, Vice Commander of Readiness Command. General Brickel brought me up to date on the progress being made in improving our ability to rapidly move our forces to respond to contingencies throughout the world.

The primary mission of the Readiness Command is to maintain a continuous capability to reinforce or augment the other unified or specified commands. To perform its mission, Readiness Command has an operational command of Army component consisting of two headquarters, nine divisions, and four separate brigades. They also have command of an Air Force component of fifty-one tactical units of the Ninth and Twelfth Air Forces here in the United States. The current inadequacy of both sea and airlift limits Readiness Command's ability to move forces as rapidly as desired, but the proposed additional C-5 aircraft should help to alleviate the intertheater airlift problem. The inadequacy of intratheater airlift assets, however, remains largely unaddressed.

Overall, I was impressed with the strides being made by the Readiness Command in developing a capability to rapidly move our forces to meet worldwide contingencies. As I have before, I would urge any of you who have the opportunity to get out and visit our military installations and talk with not just the installation commanders, but service personnal of all ranks. You can get a very good idea of how the taxpayers' money is being utilized. By and large, I believe you will be satisfied with what you see.

With best wishes,

BARRY GOLDWATER.

Mr. TOWER. If the Senator will yield, I am reminded that Custer's big mistake was that he divided his force in an effort to try to outmaneuver the Indians and in the process was outmaneuvered and decimated. We all know what that gallant general's ultimate fate was. But we will not get into that discussion right now. I think we will get on with the committee's business.

I am prepared to accept the amendment of the Senator from Colorado. It is my understanding that he has discussed it with the Senator from Mississippi.

Mr. HART. The chairman of the committee is correct.

Mr. TOWER. And the Senator from Mississippi, I understand, is also prepared to accept the amendment.

Mr. HART. That is my understanding as well.

Mr. TOWER. Mr. President, I yield to the Senator from Mississippi. I have indicated my assessment of the amendment to the Senator from Colorado.

Mr. STENNIS. Mr. President, the amendment is entirely acceptable to me. I have heard most of the debate, and I think the amendment is justified.

Mr. HART. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (UP No. 934) was agreed to.

Mr. TOWER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HART. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 1448

(Purpose. To make adjustments in authorizations for the procurement of aircraft)

Mr. JACKSON. Mr. President, I call up printed amendment No. 1448.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Washington (Mr. Jackson), for himself, Mr. Gorton, Mrs. Kassebaum, Mr. Eagleton, Mr. Danforth, Mr. Symms, Mr. Melcher, Mr. Wallop, Mr. Proxmire, Mr. Dole, Mr. Dodd, Mr. D'Amato, Mr. Moynihan, Mr. Pell, Mr. Mathias, and Mr. Burdick, proposes an amendment numbered 1448.

Mr. JACKSON. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the committee substitute add the following new section:

ADJUSTMENTS IN AUTHORIZATIONS FOR PROCUREMENT OF AIRCRAFT

Sec. . (a) None of the funds authorized to be appropriated under this Act or appropriated in prior fiscal years may be obligated or expended after the date of enactment of this Act for the reestablishment of production facilities for manufacturing additional C-5 aircraft or for the procurement of any additional C-5 aircraft.

(b) Notwithstanding section 101 of this Act, funds are hereby authorized to be appropriated for fiscal year 1983 for Air Force procurement for aircraft in the amount of $17,333,800,000, of which $186,100,000 is authorized for the contribution of the United States in fiscal year 1983 for the cost of the acquisition by the North Atlantic Treaty Organization (NATO) of the Airborne Early Warning and Control System (AWACS); and of which $350,000,000 is authorized for the procurement of the most cost-effective commercial wide-body cargo aircraft. In procuring commercial wide-body cargo aircraft, priority shall be given to procurement, through competitive bidding, of the most cost-effective commercial wide-body aircraft which are available as surplus. The commercial wide-body aircraft procured under the preceding sentence shall be (1) suitable for conversion to military cargo configurations, and (2) owned by domestic companies on the date of enactment of this Act.

(c) Notwithstanding section 901 of this Act, in addition to funds authorized to be appropriated in the Department of Defense Authorization Act, 1982 (Public Law 97-86; 95 Stat. 1099), there are hereby authorized to be appropriated to the Air Force for fiscal year 1982 for procurement for aircraft an amount not to exceed the sum of $120,000,000.

(d) Notwithstanding any other provisions of law, the $120,900,000 amount which is authorized and appropriated by law for the Civil Reserve Air Fleet enhancement program is hereby authorized for procurement, through competitive bidding, of the most cost-effective commercial wide-body aircraft which are available as surplus. The aircraft procured with funds under the preceding sentence shall be (1) suitable for conversion to military cargo configurations, and (2) owned by domestic companies on the date of enactment of this Act.

Mr. JACKSON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. JACKSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JACKSON. Mr. President, I ask for the yeas and nays on the pending amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. JACKSON. Mr. President, I yield the floor.

UP AMENDMENT NO. 935

(Purpose: Amendment to Amendment No. 1448)

Mr. GORTON. Mr. President, I offer an amendment in the nature of a substitute to the pending amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Washington (Mr. Gorton) for himself, Mr. Jackson, and Mr. D'Amato proposes an unprinted amendment numbered 935 in the nature of a substitute to amendment numbered 1448.

Mr. GORTON. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In lieu of the language proposed to be inserted, insert the following:

ADJUSTMENTS IN AUTHORIZATIONS FOR PROCUREMENT OF AIRCRAFT

Sec. . (a) None of the funds authorized to be appropriated under this Act or appropriated in prior fiscal years may be obligated or expended after the date of enactment of this Act for the reestablishment of production facilities for manufacturing additional C-5 aircraft or for the procurement of any additional C-5 aircraft.

(b) Notwithstanding section 101 of this Act, funds are hereby authorized to be appropriated for fiscal year 1983 for Air Force procurement for aircraft in the amount of $17,333,800,000, of which $186,100,000 is authorized for the contribution of the United States in fiscal year 1983 for the cost of the acquisition by the North Atlantic Treaty Organization (NATO) of the Airborne Early Warning and Control System (AWACS); and of which $350,000,000 is authorized for the procurement of the most cost-effective commercial wide-body cargo aircraft. In procuring commercial wide-body cargo aircraft, priority shall be given to procurement, through competitive bidding, of the most cost-effective commercial wide-body aircraft which are available as surplus. The commercial wide-body aircraft procured under the preceding sentence shall be (1) suitable for conversion to military cargo configurations, and (2) owned by domestic companies on or before May 13, 1982.

(c) Notwithstanding section 901 of this Act, in addition to funds authorized to be appropriated in the Department of Defense Authorization Act, 1982 (Public Law 97-86; 95 Stat. 1099), there are hereby authorized to be appropriated to the Air Force for fiscal year 1982 for procurement for aircraft an amount not to exceed the sum of $120,000,000.

(d) Notwithstanding any other provisions of law, the $120,900,000 amount which is authorized and appropriated by law for the Civil Reserve Air Fleet enhancement program is hereby authorized for procurement, through competitive bidding, of the most cost-effective commercial wide-body aircraft which are available as surplus. The aircraft procured with funds under the preceding sentence shall be (1) suitable for conversion to military cargo configurations, and (2) owned by domestic companies on or before May 13, 1982.

Mr. GORTON. Mr. President, I am pleased to join with Senator Jackson and the other cosponsors of this amendment in our mutual effort to insure that the Air Force obtains its needed airlift capability and that, in doing so, the Pentagon purchase only what is needed. The amendment is particularly important to me as I am convinced that by its adoption Congress will be exerting its proper oversight responsibility concerning what represents, in this case, an extravagant Department of Defense proposal.

In 1980, it was Congress which forced the Pentagon to study its ability to move the developing Rapid Deployment Force (RDF) to the trouble spots for which it was designed. The result of that congressional initiative, the congressionally mandated mobility study, or CMMS, highlighted just how serious our airlift shortfall is. Unfortunately, for reasons the Pentagon has never adequately explained, the Defense Department proposed that we eliminate this shortfall by building more of the enormous and expensive C-5 cargo planes. When carefully studied, however, the CMMS reveals that our actual airlift shortfall can be handled by buying far less expensive and readily available commercial cargo aircraft. In light of these findings, Congress must again force the Pentagon back into the bounds of reason on the matter of airlift.

As we all know, the C-5 has the attribute—which the Pentagon claims is vitally needed—of carrying outsized equipment. This material, which has the unreducible dimensions of tanks

and the like, is the only category of military airlift cargo the commercial wide-body plane cannot handle. While this would seem to be a telling point on behalf of purchasing more C-5's, one must reflect on the fact that the CMMS scenarios—military scenarios testing the highest needs of RDF airlift requirements—demonstrated not that we needed more outsized lift, but rather showed that the existing 77 C-5's could handle the entire outsized load. There is one condition to this finding: The Air Force must purchase additional planes capable of carrying the oversized and bulk loads. The outsized airlift requirements were never more than 27 percent of the required airlift, despite subsequent and dubious claims which have included POMCUS and sealift outsized requirements to create the impression that the C-5 is needed. When just the airlift requirement is studied, it becomes apparent that by purchasing the less expensive commercial cargo planes, we can free the C-5 to handle the outsized load it was designed for while erasing the remaining airlift capability shortfall.

Some have feared that such a change might alter the planned RDF unit deployment schedules in a way which could reduce the military effectiveness of the force by delaying the transport of priority outsized cargo. Yet internal Air Force memorandums and independent analysis indicate otherwise. The Air Force has granted the claims of equality in RDF deployment under the CMMS, continuing, however, to argue for the C-5 on the basis of even greater flexibility given by having more outsized lift. I submit that we cannot afford this greater flexibility, a flexibility not proven to be necessary even by its own most rigorous studies.

In rejecting the Pentagon's request for the C-5, and instead substituting commercial wide-body aircraft, we fulfill the requirements the Air Force itself has identifed. We meet the critical airlift requirements at least 3 years sooner, and we save the American taxpayers between $4 and $5 billion over the next several years. This enormous savings, which was earlier disputed by the Pentagon, was admitted by Air Force officials testifying before a House hearing early last week.

In determining the best wide-body cargo plane alternative, the amendment leaves the matter essentially up to the Air Force. But there is little doubt that the best such airplane available is the Boeing 747. Boeing has made four proposals to the Air Force, all offering firm-fixed prices and featuring the 747, a time-tested and reliable product. The 747 has the additional benefits of a far superior range than either the C-5 or other commercial cargo wide-bodies, of carrying a greater payload than any of the others, and of flying faster than its commercial competitors and the C-5. Also contained in this amendment is a provision that existing used 747's, planes currently a liability to airlines hard hit by the Nation's economic slump, will be purchased and refurbished by Boeing.

This is particularly important in light of the front page news today about the closure of Braniff Airlines due to its financial difficulties.

Again, this offer is made with a fixed price tag.

Under this proposal, domestic airlines would receive a much-needed financial shot in the arm. The Air Force would meet its designated airlift needs with a final delivery by 1989 final delivery schedule for the C-5. The Air Force would get refurbished surplus planes which will come with a guarantee already given to the Air Force by Boeing, and the Boeing Co. has offered to private company maintenance for the lifecycle of these planes. As with any purchase involving the 747, such offers are made with a tremendous degree of reliability, based on the 747's record during over 12 years and 11 million flight hours of commercial service.

The Pentagon's proposal is, on the other hand, a much greater risk. The C-5's have not performed up to promised standards, and have, indeed, been sent back to the shop for rewinging, adding $1.6 billion to the program's cost. In addition, the Air Force has a list of some 200 other desired modifications, none of which, to my knowledge, are included in the price offered by Lockheed for the next 50 of these planes.

In my work and personal dealings, I have long held to the maxim: "Fool me once, shame on you. Fool me twice, shame on me." I believe this applies well to our decision here today. I do not trust as accurate cost figures provided on a production line dormant since 1972, and on a plane with a long list of unfulfilled user demands.

Because of the general excellence of the work done by Senator Tower and the members of the Armed Services Committee, and particularly in light of their undertaking to trim this authorization bill to meet the defense mark approved by the Senate Budget Committee last week, the full Senate will have few opportunities to demonstrate its resolve to force achievable savings while protecting capability. This is as it should be. However, the sponsors of this amendment have located and, by this amendment are attempting to eliminate, a clearly unjustified and extravagant Pentagon request.

We agree with the Air Force in its description of our airlift demand as urgent, and we hope the Members of the Senate recognize that our efforts have been directed toward finding a solution which is cost effective, militarily effective and which lessens our airlift shortfall without undue delay. Our objective has been to prevent the Pentagon from choosing a costly long-term program—one which would be in considerable jeopardy should our budget picture not improve—and instead to acquire the vitally needed airlift quickly and inexpensively. There is little doubt that airlift has been treated as a weak sister in defense spending priorities. We must not support programs—such as the proposed C-5 restart—which makes airlift even less able to survive the budget process and which further delays our acquisition of needed airlift capability.

With the substantial savings possible, with the effectively equal military potential, and with a timeline more conducive to enhancing our airlift needs, those supporting this amendment can correctly claim to be preventing waste while enhancing strength.

I commend this amendment to the Senate both in connection with its military wisdom and because of the fact that it is obvious that the defense budget will be under further pressure. This pressure can be better taken in this fashion than in any other proposal with which we will be presented.

I thank the Chair.

The PRESIDING OFFICER (Mr. Denton). The Senator from Washington.

Mr. JACKSON. Mr. President, I want to commend my distinguished colleague for an excellent statement explaining the reason for the pending amendment.

Mr. President, the reasons that I am offering this amendment can be summarized as follows:

First. We need to cut some of the growth in the defense budget over the next few years to bring our Nation's economy back to health.

Second. We need to look for places to cut where we do not affect our military readiness.

Third. We need to cut where significant savings can be found.

Fourth. We can do all of these things by prohibiting the production of new C-5 aircraft.

To that end, this amendment will permit us to save $6 billion as measured in fiscal year 1982 dollars by buying used commercial widebody aircraft instead of new C-5's. For hauling oversize and bulk cargo, commercial widebody cargo aircraft are less costly to buy, less costly to operate, less costly to maintain, more reliable, more capable, and immediately available. There is simply no justification for buying an expensive plane with very large doors to haul oversize and bulk cargo. As I will prove in the course of this debate, there is not a shortage of aircraft capable of hauling the large outsized cargo. We can save these billions of dollars and still improve our military readiness.

We can do this and still meet military requirements because the facts are as follows:

First. The current practice of the military is to use our existing fleet of 77 C-5's to haul all types of military equipment.

Second. These planes are our only way to haul the required outsized equipment needed in the early days of an RDF mission.

Third. If we require the Air Force to dedicate these aircraft to their optimum use of hauling outsize equipment, then we can more than double our outsized capability; that is, we can effectively add 1.5 times the capability of proposed additional 50 C-5's.

Fourth. This constitutes more additional outsized capability than the congressionally mandated mobility study recommendation of enhancement of our outsized capability by acquiring 10 million ton-miles/day of additional capacity.

Fifth. When the Air Force is forced to use the existing C-5's for predominantly outsized equipment, the shortfall in our existing airlift capabilities swings even more heavily to the hauling of oversize and bulk cargo.

Sixth. This shortfall can be most readily met in cost and schedule by purchasing used commercial widebody aircaft which are available as surplus equipment for sale by our domestic airlines at a small fraction of the cost of a new C-5.

These facts, which I will discuss in detail later, lead me to offer this amendment with Senator GORTON and others.

Mr. President, I would like to detail, which I will do a little later on in the debate, the amendment, but I would like at this time to yield to the distinguished Senator from Wisconsin (Mr. PROXMIRE) who has spent a lot of time on this problem and is as well-versed as anyone in the Senate.

Mr. PROXMIRE. Mr. President, I thank my good friend, the senior Senator from Washington.

Mr. President, it is important to know the history of the C-5A before entering into a vote on the Jackson amendment. There are many Members who were not present in this body when the C-5 program was started. There are many who were not here when the Air Force repeatedly testified that this aircraft had no significant problems.

There are many who were not here when Congress was repeatedly misled by the need for a wing fix for the C-5 and its associated cost.

I am not going to speak today on the basis of personal opinion. I am going to speak on the basis of an extraordinarily thorough study of this issue by the General Accounting Office. The GAO issued a report on the C-5A wing fix 2 weeks ago. That report revealed why the wings failed on the C-5A, why the taxpayers have to pay for the cost of repairing the wings, and why the taxpayers may have to pay for any new problems in the future.

The General Accounting Office study demonstrates that the C-5A wing cracks occurred because Lockheed deviated from contract specifications. The wing problems stem from Lockheed's decision to reduce the weight of the wings to offset weight increases elsewhere in the plane and, as a result, the wings were weakened. This directly caused the cracking problem the Air Force for years refused to admit even existed.

Mr. President, in the early 1970's the Pentagon and Lockheed agreed to convert the C-5 contract from a fixed price to cost plus in the context of a larger package designed to extricate Lockheed from impending losses on defense contracts. That first Lockheed bailout should be distinguished from the second bailout in which the Federal loan guarantees were provided for the Lockheed commercial L-1011 aircraft.

The point is that the first bailout had the effect of relieving the company from financial responsibility for the wing cracks. The company and the Pentagon agreed that any subsequent deficiencies should be paid for by the American taxpayer not the company. What a sweetheart deal. They build a faulty plane, they know the wings have been weakened, the Pentagon knows the wings have been weakened, the Pentagon knows there will be a need for a wing fix, and the decision is to pass that obligation on to the taxpayer.

Among the unanswered questions in this case is why the Air Force agreed to change the contract in view of the fact that they knew that wing cracks had occurred already in the C-5A aircraft.

One theory is that the Air Force was not aware of the seriousness of the wing crack problem prior to converting the C-5A contract to cost-plus. That is one theory. But it does not appear to be a reasonable excuse, since the wing cracks were widely publicized and intensely studied at the time by the Air Force itself. They knew the facts; 74-four Pentagon reports noted the wing problems—74 Pentagon reports, Mr. President.

The Air Force knew that once the C-5A went into production Lockheed had great difficulty keeping the weight within contract specifications. The GAO states that the Air Force had data in 1967 indicating airframe weight problems in the original design. In fact Air Force technical advisors recommended that structural tests be conducted on an accelerated basis to determine the effect of weakening the wing on mission capability. But Lockheed refused to accelerate testing.

In 1969 and 1970 the static tests on the C-5A displayed fatigue cracks in the wing—this during the period of time when the Air Force retained a legal right to negotiate a settlement for deficiencies in the aircraft.

But in May 1971 the Air Force gave away its legal position and transferred the financial responsibility to the backs of the taxpayers.

I remember well the day that the former chairman of the Defense Appropriations Subcommittee was informed by the Air Force that the C-5A wings would have to be fixed.

That former chairman was Senator McClellan of Arkansas. It was in a markup meeting in the Capitol. When an Air Force representative confirmed what the staff had said on the subject, Senator McClellan responded, "You mean that what PROXMIRE has been saying all these years has been true—you will have to have new wings?" The affirmative answer was greeted with a remarkable lecture which extended well beyond the markup session. I think the Air Force got the word—but it was too late.

So what happened? The original plan called for building 120 C-5's at a cost of $28 million each or $3.4 billion for the total package. Because of cost overruns the quantity was reduced to 81 aircraft. Eventual costs were $62 million each or about $5 billion for the program. Then came the wing crack problem. The service life of the C-5 was reduced from 30,000 to 7,500 hours and the Air Force decided upon a wing fix at $20 million per plane for 77 aircraft, 4 having crashed or burned, or a $1.6 billion total. The final costs of procurement plus the wing fix will be $82 million each or $6.6 billion.

Mr. President, that includes a $2 billion cost overrun on the original acquisition. The story of that overrun is long and complex. It involves the testimony of Mr. Ernest Fitzgerald before the Joint Economic Committee in 1969. Mr. Fitzgerald, who was a weapons analyst, had been decorated as the top weapons analyst in the Air Force the year before. Under intense questioning, Mr. Fitzgerald confirmed the $2 billion estimate which heretofore the Air Force had denied. Mr. Fitzgerald was correct and history recorded that the C5-A suffered the largest cost overrun in the history of the country to that time. But the program went forward, including, the wings repair.

And who got the work for the wing modifications? Well no other than the Lockheed Co. and with a solesource award. Why? Because no other aircraft firm would compete for the program. The Air Force was insisting on an urgent time schedule and only Lockheed had the equipment and production line open for the fix. So the firm that caused the problems in the first place received the contract for repairing their deficiencies and charged the bill including a substantial profit—once again—to the taxpayers.

The GAO makes a remarkable statement in its report conclusions. They point out that one of the reasons why the C-5 program incurred so many difficulties was "the selection of the original C-5A contractor who offered the lowest bid but whose proposal was neither technically superior nor the most cost effective." That is their language. That is as close to a definition of a "buy-in" as one will see in a Government document.

This brings us up to the new wings. Here the GAO makes a startling observation. They find that Lockheed has refused to warrant the C-5A's new wings. Instead, the Air Force agreed to a limited warranty on the test model and a 1-year warranty for design and workmanship for each aircraft.

This is a limited warranty of limited use. If ever there were justification for making a contractor provide a thorough, complete, exhaustive, comprehensive warranty—this was the situation. Lockheed's total liability for warranty costs under the wing fix contract is limited to $20 million.

It is with this backdrop that the Senate today considers the Jackson amendment.

The Senator from Washington makes a compelling case. Let me add a few words. Boeing is not a major entity in my State, in Wisconsin. But this firm, I think all of us know, has an excellent record in producing military and civilian aircraft on time at cost and with great reliability.

I am sure that, as with all corporations, big corporations—especially with defense contractors, because it is a difficult and uncertain technology—I am sure that they have made some mistakes, and they may make some in the future. But, day in and day out, Boeing has served our Nation very well. Thus, we should pay particular attention when they suggest that the Federal Government can save billions by purchasing an alternative aircraft.

The costs of 50 new C-5's are estimated at $100 million each, or $5 billion in 1980 dollars. This works out to $160 million each, or $8 billion after inflation over the life of the program.

Boeing has offered to build modified 747's for $58 million each, or about $2.9 billion in 1981 dollars. They have offered to modify existing 747's for a cost of $12 million plus the used market value of the aircraft. The 747 has a longer range and a greater payload than the C-5. The ton-mile costs are also far less than the C-5. The C-5's advantage is that it can carry outsized equipment, such as tanks. But the C-5 probably will require tanker aircraft for aerial refueling, whereas the 747 would not, and this must be taken into consideration when calculating total program costs.

Given these conditions, the amendment by the Senator from Washington is the most cost-effective aircraft alternative to the airlift requirements debate.

Right now our Nation is faced with the unparalleled combination of high interest rates, high unemployment, and mammoth deficits for as far as the eye can see. The Senate should not refuse to seize every opportunity to reduce spending, while, at the same time, actually increasing our military preparedness. And that is what the Jackson amendment would do. That is the remarkable asset of the Jackson amendment. We will improve our military capability while earning a dividend for the taxpayers.

Mr. President, I thank my good friend from Washington. I yield the floor.

Mr. JACKSON. Mr. President, I yield to the Senator from New York.

The PRESIDING OFFICER. The Senator from New York.

Mr. D'AMATO. Mr. President, I thank the Senator from Washington.

Mr. President, I rise in support of this amendment. I decided to cosponsor this amendment because I believe it provides the most timely and cost-effective solution to our pressing needs for increased strategic airlift capability.

The purchase of commercial wide-body cargo aircraft to meet our airlift requirements makes good sense. The aircraft already exist in large numbers, can be quickly acquired and cheaply converted to military configurations. Buying these aircraft now puts additional airlift in the Air Force inventory more rapidly than would any other course of action. Cost savings resulting from this amendment will make possible future purchases of aircraft to replace C-141's and C-130's in the Air Force inventory.

My amendment in the nature of a substitute requires any commercial wide-body aircraft bought pursuant to the amendment be "owned by domestic companies on May 13, 1982." This provision will prohibit the purchase of foreign-owned wide-body aircraft under this program.

Given the depressed state of our domestic airline industry, I see no justification for spending American taxpayers' money to buy aircraft from foreign air carriers. This aspect of this legislation, while not its main objective, takes on additional importance in light of Braniff Airlines' decision to file for protection from its creditors under the provisions of Federal Bankruptcy law. Purchases of aircraft from foreign air carriers strengthens their competitive position versus our U.S. flag international air carriers. The specific intent of the section of my amendment is to flatly prohibit purchases of aircraft which were not owned by U.S. companies as of May 13, 1982. If this amendment becomes a conference issue, I will ask for language in the conference report making this point unmistakably clear.

This is a particularly significant matter because of the large positive impact this provision will have on our ailing domestic air carriers. As of the end of the first quarter of this year, U.S. airlines posted losses of more than $1 billion for the last 6 months. As you know, several other major airlines are on the brink of bankruptcy. One of the beneficial side effects of this measure will be to inject much needed funds into these domestic air carriers, thus preserving thousands of people's jobs.

In closing, I ask my colleagues to lend their support to this measure because it makes good military sense, is fiscally responsible, and has a positive impact on a segment of industry which is presently in serious trouble.

Thank you, Mr. President.

Mr. TOWER addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mr. TOWER. Mr. President, this is a very difficult issue to resolve. I think that there is great merit in the argument advanced by the Senators from Washington, Senator JACKSON and Senator GORTON. It is a very difficult issue for even the most objective men to arrive at a conclusion.

The Armed Services Committee has concluded that we are short of airlift. As a matter of fact, we have been concerned for some time about our total lift capability, both air and sea. It has been a matter of growing conviction in the Armed Services Committee that our mobility capability is inadequate. It is inadequate because our mobility needs have grown far beyond our ability to provide them.

These needs have grown for essentially two reasons; that is, the improved mobilization for deployment of the Warsaw Pact forces, which necessitates an ability on our part for a rapid response in the event of hostilities and making adequate provision for our forces in Western Europe; second, the fact that Western interests are now being seriously challenged in Southwest Asia and, indeed, in other parts of the world, to the extent that we must have the capability for mobilization and deployment by air and by sea in a timely fashion.

Given our deployment needs, the Armed Services Committee requested a study of required mobility forces from the DOD. This study was entitled "The Congressionally Mandated Mobility Study." It recommended a balanced enhancement of our deployment capabilities in programs for airlift, sealift, maritime prepositioning, and land-based prepositioning.

The airlift program recommended by the congressionally mandated mobility study was for the acquisition of 20-million-ton miles per day of airlift capability. Of this amount, the study recommended that 10-million-ton miles per day be outsized airlift capable of lifting the largest pieces of military equipment.

The Department of Defense announced in late January of this year that it intended to procure 44 KC-10 advanced cargo tanker aircraft and 50 C-5B strategic airlift aircraft, to offset part of the 20-million-ton mile shortfall. The committee did not take any issue with the KC-10 recommendation.

Regarding the C-5 program, the congressionally mandated mobility study did not provide sufficient information to evaluate the need for additional outsized aircraft, so the committee undertook an exhaustive evaluation of the C-5 program and its alternatives, which included buying new 747 commercial wide-body aircraft, used 747's, and the civil reserve air fleet (CRAF) enhancement program, which has been ongoing for some time.

The committee undertook this evaluation of the C-5 and the alternatives knowing that the C-5 is the best military airlift aircraft presently available.

But it came to our attention that volumetrically a 747 had as much lift capability as a C-5. As a matter of fact, the 747 has a slightly greater volume than the C-5. The C-5, on the other hand, is designed as a military aircraft, designed for easy loading, and designed for operation in rather austere facilities, on austere fields, without requiring too much in the way of support equipment. As a matter of fact, the aircraft airframe is lower so it can be loaded from the ground fore and aft. The 747, on the other hand, would require special loading equipment and could not be retrofitted to the kind of loading configuration that the C-5 is, nor could it carry the outsized cargo that a C-5 can carry.

So the question is this: Do the current numbers of C-5's that we have, the current inventory, provide us with enough outsized capability in the event of hostilities, in the event of the need to move a vast amount of outsized equipment, in a very timely way? Further, is the added cost of the C-5 justified because it does possess these unique qualities when there are available the 747's that, from the established point of volume, can carry as much?

So we have to weigh this question to see if the 747's are a good buy. It really is an economical way, at least volumetrically, to get at our airlift problem. The only unresolved question, then, is whether it can fulfill the military requirement in such a way that it could be utilized as well or marginally as well as the C-5 in the event of a requirement for a great deal of airlift in a short period of time.

The committee came to the conclusion that the additional cost of the C-5 was justified, and I am seized of that same conviction and conclusion myself.

It is a very difficult choice to make.

The proposal made by the Senators from Washington is a very attractive proposal. The 747's could have great utility. But in my view, the possible scenarios that we can envision would provide us with a military requirement that I think the C-5 is best configured and designed to fulfill. Therefore, it is my hope that the Senate will sustain the committee position.

Mr. GOLDWATER. Will the Senator yield?

Mr. TOWER. I yield.

Mr. GOLDWATER. Mr. President, I rise to oppose the amendments offered by the distinguished Senators from Washington.

I would like to preface my remarks by saying that this is not a pleasant task for me because I have known the Boeing Co. intimately. I think I have flown every airplane they have built since the late 1930's. It is difficult to oppose ideas which come from that company.

On the other hand, I have been very close to Lockheed for all of the life of that company, and I have likewise flown practically everything they have ever made, including the C-5.

When we originally talked about this, that is, people from Boeing and myself, I was of the understanding that regardless of the fact that we were buying more C-5's, when that purchase is completed we are still about 20 percent short on any M-day airlift needs. I was of the opinion that the suggestion that would be made by Senator Jackson would be to buy surplus 747's and DC-10's in addition to the C-5's, a program that I could very, very easily support.

Mr. President, I intend to speak more on it, but I would like to refer to a letter written by Gen. Lou Allen, back in March, in which he states:

> The principal attraction to this offer is that the used aircraft could be presumably purchased at lower cost and would have sufficient life to provide many years of service to the Air Force. A major concern is that of the 30 747's identified by Boeing as available for this purpose, 12 are owned by United States firms and are already available to us in emergencies for passenger and bulk additional capability. But by acquiring these aircraft, a collateral result may be to improve the financial and competitive position of foreign carriers relative to United States flag carriers.

I will say that the amendment suggested by the Senator from New York will destroy the chances of 18 of those being purchased. So what we are looking at, Mr. President, is an opportunity to buy 12 surplus 747's, unless we go into the business of contracting with Boeing for additional 747's to be delivered as new aircraft down through the years.

I should like to address myself to some of the aerodynamic problems that the 747 will present, and these have to be considered.

There have to be modifications in the 747 in order to handle outsized cargo or odd-sized cargo. What does this mean? The 747 deck, or the floor, is about 20 to 22 feet above the ground level. It means that we would have to develop loading equipment to get the heavy material, the outsized material, up to the level that it can get on to the floor.

I have no idea what those loaders are going to cost; I have no idea what they are going to weigh, but I know that it is going to be impossible to have those loaders at every place in this world that we are going to have to ship military cargo in the event of hostilities.

What happens aerodynamically when you remove the floor of a wide carrier or remove the floor of any carrier? It presents an aerodynamic problem that will require complete redesign because that floor is an integral part of the aerodynamic structure of the aircraft.

I do not think the sponsors of this amendment have thought about that, but it is something that we have to think about.

On the other hand, the C-5 has been designed to drive equipment into and out of. It does not require special loading devices. It merely needs a place to land and unload.

There is no refueling capability in the 747, and while I will have to admit it is not a relatively high cost item, it is going to cost money and it is going to take time.

Mr. President, I hate to bring this up because I think people might get the wrong idea about the aircraft; it is a perfectly safe airplane for passengers, but if you have ever flown in the rear-end of a 747, it does have a distinctive wobble. This is of no danger at all to passengers, but I do not know what is going to happen if we put heavy equipment in there and we develop that aerodynamic flutter in the tail section. A movement might be set that could be disastrous to the aircraft or to its mission.

Those are just a few of the things that we have to consider, Mr. President, as we think about the adoption of the Jackson amendment.

Seventeen mobility studies over the past 12 years have reached the same conclusion—outsized airlift is critically short. Aircraft are designed for different purposes, as you well know, Mr. President. The 747 would require disassembly of outsized cargo; ground support equipment, as I have mentioned, to lift the cargo to the hold,

and probable reinforcement of the cargo platform. In fact, in my opinion, it will require the complete replacement of the cargo platform, as I hope some pictures which Senator Nunn told me he would have will show, in order to get——

Mr. NUNN. Mr. President, we have been able to get those up, and I think, as the Senator has pointed out, is a most vivid demonstration of what is wrong with the Jackson amendment.

Mr. GOLDWATER. People cannot see it, but this type of presentation shows the need to remove the cargo floor of the 747 in order to get any of our heavier outsized equipment into it, which, as I have just said, is an aerodynamic effort that is going to cost a lot of money and take a lot of time, because it really means the redesign of the aircraft in order to make it flyable and safe without that great structure strength in the middle.

The cost situation: The 747's would cost more in the near term. In fact, it exceeds the President's program for airlift by $2 billion in the next 3 years. Real cost saving is less than $1 billion, Mr. President, not $6 billion, since the Air Force needs their own organic maintenance, a cost increment more than warranted by the priorities of outsized requirements and special capabilities of the C-5. As I mentioned, the C-5 was designed just for this purpose, to carry heavy equipment, outsized equipment, such as the M-1 tank, the 16 tank, artillery pieces, heavy rolling stock, helicopters, and so forth.

The C-5 has the off-ramp capability because of high flotation landing gear and off-pavement maneuverability. The flexibility is there; with some 24 landing wheels, it gives it the opportunity to land on soft dirt where the landing gear of the 747, with all of the weight concentrated on a few wheels, would probably not be capable of performing in that area.

All the senior Army and Marine Corps field commanders agree that outsized airlift is our greatest priority, and their preference is for the C-5 versus the 747.

Mr. President, I have been asked why it is that I do not push for the C-17, when I so strongly advocated the building of this aircraft and finally after years of beseeching the Air Force we had some idea of what they wanted. But what they want and what the C-17 amounts to, now that it is on paper, is an airplane really too small to handle the heavy lift requirements that the C-5 will provide. I think sometime in the future we might look at the C-17 again, and if we can upgrade it in size, and so forth, it might fit into the picture.

Mr. President, to boil this all down, I think the C-5 does a job that has to be done and that the 747 cannot do. The C-5 offers greater flexibility in what we can carry, where we can take it, how we can plan to respond to threats, and how we can react to unforeseen developments. The C-5 flexibility in my mind is clearly worth the extra cost.

The Senator from Wisconsin talked at great length today about the wing problems of the C-5. We all know about those wing problems. I think I can put my finger on the reason those wing problems occurred—because no aircraft company in the history of this country had ever built an airplane as big as the C-5.

What Lockheed did, in my humble opinion, was to build a larger aircraft using the wing concept of the C-130, and as brilliantly conceived as the C-130 roof and wings are, they were not capable of sustaining the great loads of the C-5. But those are things that no aerodynamic engineering could have proved by computers, slide rules, or anything else. We were into a new field completely. The C-5 has responded in a magnificent way. It has completely supported all of our airlift requirements in the Middle East or wherever we had equipment to be taken.

I return to the concept I tried to make at the outset: that if the Senators from Washington want to add 747's and DC-10's to the C-5 buy, I would be perfectly willing to go with them on such a concept, because we need it. The C-5's are not going to handle our heavy airlift requirements. Let me say quickly that in war, we transport only about 5 percent of our materiel by air. The remainder of it has to go by sea. So speed is of the essence, and speed with size is something we have to have.

With due respect to Boeing and the 747 and to Douglas with the DC-10, I do not believe that this aircraft will fulfill the requirements that our Armed Forces need today and tomorrow and in the coming years.

I hope the Senate will defeat the amendment offered by my friend from Washington.

Again, it is not easy for me to speak against any proposal coming from Boeing. I probably have had more intimate associations with Boeing than anybody else in this body, and I have tremendous respect for them. But I also have tremendous respect for our Armed Forces, and I want to see them travel around in the best we can get; and, in my humble opinion, that is the C-5.

Mr. President, I yield at this time to the Senator from Georgia.

Mr. NUNN. Mr. President, I thank my colleague and friend on the Armed Services Committee, the Senator from Arizona. I do not believe anyone here has studied the whole question of air power, particularly the airlift question, more than the Senator from Arizona. I am very grateful for his comments, which I think reflect the essence of what the Army is all about.

I am going to speak a few minutes and then yield to my colleague from Georgia, Senator Mattingly.

Mr. President, we have on display in the Chamber what I think is the most vivid demonstration anybody could have about the debate that is going on here today. You are not comparing apples and apples. You are comparing an apple with an orange. These are two different airplanes, designed for two totally different purposes, with two totally different capabilities. If you just look at the charts, you can see the situation very vividly. It brings out in picture form exactly what one witness after another witness after another witness has said. Every uniformed witness who has appeared before the Armed Services Committee on this issue, every Department of Defense witness, every witness we have had, had pointed out the difference.

This is not to denigrate the C-47. The C-47 was not built to carry outsize loads. This is to say that the outsize load is the key to this issue. You can talk about full weight all you want. You can talk about how far the planes will fly without refueling. You can talk about any number of factors that are interesting but irrelevant.

The question is, do we want the military forces of the United States of America to be able to arrive in far distant places with the kind of equipment, in the early stages of war, that is absolutely necessary for them to survive and fight?

You can see very vividly what it takes to load a 747, the amount of space that is required to load the 747 and the C-5. That picture shows it.

On this side, we have the same picture from a different angle—the 747 with side-door loading. Not only does it have a small loading capacity, but also, you have to lift it, and the equipment to lift it with cannot fly on the 747 without complete disassembly and reassembly.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. NUNN. I yield.

Mr. GOLDWATER. The outsize cargo might fit into the middle or up forward, but this is a typical airline fuselage. As it goes aft, it becomes smaller. So what you are talking about aft, a few feet past the middle entrance door, is a growing restricted space; and even though the cubic content might be the same, it is not the same in square inches or square feet.

Mr. NUNN. Mr. President, I am going to yield in a moment, and I will have remarks that go into considerable detail from military witnesses about the outsize load. As I said, all of them are unanimous on that—any to whom I have had access.

I just want to make one point. If we want a bill to really relieve the pressures of the airline industry—and there is no doubt that they have pressures, and there is no doubt that we want to continue to have a strong airline industry in this country. If we want to help the problems Boeing has—and no doubt they have problems that are similar to those of the airline industry. I hope Boeing does well. I think they are one of the great corporations of our Nation. If we want that kind of bill, let us get it on the floor and debate it. Let us not do it at the expense of the military of our country. Let us not do it at the expense of the marines, who will be on the other end when that equipment comes off and they will not have the firepower to defend themselves in the Persian Gulf. Let us not do it at the expense of the U.S. Army forces, many of whom will be sitting there waiting for the equipment they need in order to have any chance in NATO. Let us get another bill here and call it a relief bill for the airline industry. I am very saddened by the problems of Braniff Airways, and I hear this circulating all around this Chamber. There is no question about what is going on. Many people are receiving calls from the airlines saying, "We are in trouble. Let's buy 747's."

Of course, that would help their problems, but it would not help the U.S. Army, the U.S. Marine Corps, and the U.S. Air Force in trying to prevent the continued lack of an airlift that is absolutely essential for any kind of scenario we can envision in the Persian Gulf or NATO.

Mr. President, I believe that to let votes be influenced by headlines today with respect to Braniff Airlines would be very, very shortsighted for our national security. If we want to help Braniff, if we want to help the other airlines, let us put the cards on the table and get a bill here that relates to airline relief. Then let us debate it in a logical way and put it in the overall economic considerations of our country.

At this moment, we have International Harvester, another great company, which has made a great contribution to our Nation. International Harvester has great difficulties. They are in great financial stress, and anyone who reads the business press knows that. But I do not think anyone is going to propose that in order to help International Harvester, we knock the M-1 tanks out of this bill and buy combines. I do not believe International Harvester is going to produce that tank. But that is about the same thing that is being talked about here today.

I will admit that it is stretching it a little, because the 747 is an airplane, but it will not carry the essential equipment needed to defend this Nation, any more than we can defend Europe or the Persian Gulf with an International Harvester combine.

Mr. President, there is one other point that I believe will come out loud and clear in this debate, and I hope it will. The "Dear Colleague" letter circulated by my good friend from Washington and his cosponsors makes reference to the same figures we had before our hearings and as claimed by the Boeing letter that has been circulated, saying that $6 billion in savings can be made in the defense budget by this kind of amendment.

I should like to observe that there was no support whatsoever for that figure in the Armed Services Committee hearing, and that came about after the letter was circulated. There was no support whatsoever for that figure.

The Department of Defense refuted the figure; the Department of the Air Force refuted the figure. Everybody who testified refuted it. The true figure, if you look at the life cycle costs, according to the Department of Defense, according to the Department of the Air Force—I have heard no rebuttal of this from anyone; maybe we will hear it during the debate—is $1 billion. You are talking about $1 billion difference over the entire life cycle of the 747 or the C-5, whichever this body decides to go with today.

To put it in proper perspective, the initial acquisition cost is about $2 billion, but the life cycle cost is $1 billion. The upfront acquisition difference is $2 billion in the first 5 or 6 years, where this program would be implemented, but the overall life cycle, including acquisition costs, diminishes.

The overall lifecycle difference is $1 billion, and that includes acquisition costs, maintenance costs, and so forth. One of the main reasons for this big difference is the fact that Boeing projects a lot fewer airplanes, about 10 fewer airplanes, for what they say would be the equivalent on C-5. The Air Force and the Department of Defense say that about 10 more airplanes would be required, considering the essential fact that no matter what number of planes you get, if you bought 200 747's, you still could not get in the essential equipment that has to be there if you are going to have any chance to survive.

There is one other figure that I think the Budget Committee itself may be interested in and the people who are struggling so hard to get our deficits down because the Boeing proposal would buy existing aircraft that is already there or can be bought in an early stage. Again I want to put this in perspective; I do not want it to be misunderstood. Because of that, the first 3 years, that is, 1983, 1984, and 1985, the years we are struggling with in the budget, those 3 years, during that period of time the Boeing proposal, that is the Jackson amendment, will increase outlays by $1.9 billion.

So whatever our deficit is, I read figures varying from $105 billion to $180 billion in 1983; I read figures that show we are going to have anywhere from $450 billion to $600 billion over the next 3 years. Depending on whose figures we read and what the assumptions are, whatever number we prefer on the deficit problem facing this country, and it is a serious problem, if Senators vote for the Jackson amendment, Senators can add $1.9 billion to that in outlays over the next 3 years. Again to put it in perspective, the life cycle cost of the C-5 is $1 billion more, but the outlay figures in the first 3 years, if the Jackson amendment passes, are going to increase the outlay problem and the deficit by about $2 billion. And if Senators want the figures on that for 1983, it would make a difference of $381.5 million; for 1984 $950 million, and for 1985 $595.2 million, a cumulative total of $1.9984 billion that we are talking about increasing the deficit in the next 3 years.

So make no mistake about it. Anyone who votes for this amendment today is voting to increase the deficit in the next 3 years. They are also voting again in fairness to decrease the life cycle cost over 20 years by $1 billion. But again the question is whether we want our forces to survive and if we really want our forces to survive and be able to fight they have to have something to fight with. Tent poles and bullets are not going to get the job done. They have to have some heavy equipment.

There is one final point that I think has been overlooked in all the coverage I have seen. It was not overlooked in the hearing, but it is a very, very important point. That is the question of if after looking at these pictures, after hearing this debate, after listening to the testimony of P. X. Kelly, the testimony of Kelly Burke, the testimony of every military witness we have had—Senators will hear it before the day is over—if after all of that Senators conclude that they want a smaller cargo carrier capability and they are not worried about what happens when the Marines are waiting for the outsize equipment, they are not worrying about what happens when the Army is waiting, if Senators conclude all of that which I think would be totally erroneous then they have to ask themselves how do we go about acquiring the 747 if we want to buy 747's or if we want to have access to 747's. Let us look at the perspective.

We do not have to buy them. They are already out there. We have a program called the Civilian Reserve Air Fleet program. That program has been going on since 1952 in various stages.

But in recent years we have what is called the enhancement program. That means that the Department of

Defense will pay the airlines up-front money to be able to get access to the plane for a period of time to shore up the cargo-carrying section, and so forth, and then the plane goes back into the commercial fleet. It is used to carry passengers, and then it is on call for the Air Force in an emergency.

Let us suppose the British had tried to run the Queen Elizabeth II now for the last 15 years by buying it instead of using it as they are doing today in a crisis. That is the analogy. They do not have to buy these planes and if they decide to buy the 747's, make no mistake about it, compared to the CRAF program, the program which is available, which the Department of Defense is utilizing, which they plan, they plan to utilize in 1984 and 1985 by letting the wide-bodied jets like the 747 and the DC-10, by letting them compete as to which one should go into that program, then they are wasting an awful lot of money.

We have an Air Force chart that shows that we can get 55 747's in the CRAF program over the period of the lifetime of the aircraft for $3 billion. For $3 billion we can get 55 of them, and if we want to buy them and maintain them and keep them in the fleet we are getting ready to spend $15 billion, and that is what the Jackson amendment is about.

So we are not saving $6 billion by this amendment; we are saving $1 billion over the lifetime if we vote for the Jackson amendment, but if we decide to buy the 747's we are making a mistake.

We should lease them like any sensible economic analysis will show and we can save $12 billion in that respect.

So I urge my colleagues to pay careful attention to this debate. If the C-5 side of the debate loses on the merits, then I will accept that. But I think it would be a tragedy for our Nation if we let the problems of the airlines decide this debate when in fact what is at stake is the national security of our country.

I will be delighted to yield to the Senator from Georgia.

Mr. MATTINGLY. I thank the Senator from Georgia, Senator Nunn.

The PRESIDING OFFICER (Mr. Simpson). The Senator from Georgia is recognized.

Mr. MATTINGLY. Mr. President, I rise to support Senator Nunn and Senator Goldwater, and I rise to oppose the amendment of the Senator from Washington and urge my colleagues to support the President's airlift program as approved by the Armed Services Committee.

Some of the facts I will be giving will be repeated as we have heard them before. But we have heard a lot of debate here in the Chamber about the relative merits of the C-5B and the 747.

Under all the conflicting claims, under all the statistics, under all the oratory, and the home-State boosterism, I think everyone in this body will agree that we need to increase our airlift capacity and that we need to increase it now.

The main thrust of this effort should be to increase airlift capacity and God forbid that this capacity would fit combat conditions in the most cost-efficient manner possible. The President's airlift program, as reported out by the Armed Services Committee, does just that.

I shall address several points of comparison between the two proposals under consideration today.

I think the military and the budgetary advantages of the committee proposal will be clear in each of these cases.

First, we have the area of cost. The advocates of the amendment to cut the President's program claim that it is going to save money. But the reality is, as Senator Nunn said, according to the testimony on April 16 of this year, the amendment actually costs more money in the short run, about $2 billion more than the President's program over the next 3 years.

In the long run, the life cycle cost to buy and operate the 747 is actually only slightly lower than the C-5.

When all these factors are taken into account and a very evenhanded comparison is made, the committee proposal to buy C-5's will cost only about $1 billion more over the next 20 years. That is a small price to pay for the C-5's proven ability to handle priority outsize cargo and the special capabilities of the C-5 which cannot be provided by any other existing aircraft.

The next point to consider is the procurement timetable which has not been brought up. The backers of the amendment say the 747 can be put on the flight line at least 3 years earlier than the C-5.

But the Air Force disagrees with this comment. According to their research, the difference would be closer to 1 year, and certainly speed is of the essence. But the demonstrated advantages of the C-5's—the world's biggest and best military airlifter—more than make up for this slight delay.

Up until now, I have stated some comments and have argued as if we face an either/or decision. Fortunately, that is not the case. By spending a modest amount on the civil reserve air fleet, as Senator Nunn says, we can add the proposed 747 oversize bulk capability for a fraction of what it would cost using the amendment under consideration. This goes back to the point I made earlier about looking for a cost-effective method to increase airlift capability.

Experts in this area agree that the CRAF program is the best way to do this. The Department of Defense is currently evaluating an expanded CRAF program in light of the current depressed conditions in the civil airline market. The bottom line is very simple. The authors of the amendment are asking the taxpayers and my colleagues to pay $15 billion for capacity that can be obtained for $3 billion. That is hardly cost effective.

But I think there is another area we need to look at. There are major threats which we should consider in relation to our Armed Forces for which they must be prepared, and for them to have the capability to approach these threats. To overlook these threats would be erroneous at this time. There is an unswerving dedication on the part of the Soviet Union with respect to this country; there is the fragile NATO alliance; there is an instability in the Middle East and the Persian Gulf region; there is widespread turbulence to be anticipated in Third World countries, and tasks have to be assigned to the Armed Forces to approach and to meet those problems.

The strategic review that has been going on should prompt questions about how we must approach our programs to make sure that we contribute to the readiness in carrying out these important strategic tasks with which we are confronted and on which we are voting now. The question should be what is the definition adopted for task readiness, the simultaneous readiness of all the supporting elements necessary to move a task force from the United States to a foreign battlefield, because when all is said and done the issue is mobility, combat mobility, for outsize and offsize military equipment which number in the hundreds.

The C-5 is the cornerstone of the effort to enable our forces to protect our national interests anywhere in the world. In addition to its military value, the C-5 makes sense on the balance sheet. I urge my colleagues to look at all the facts. The President's program, supported by the Department of Defense and the Armed Services Committee, addresses the priority airlift requirements in the most cost-effective fashion.

If Lockheed and Boeing were merged and were one company, what would they offer here on the floor of the Senate today in order to haul outside equipment, to meet combat capability? I say it would be the C-5, and I think if we look rationally at the problem and look for a resolution of this problem we will vote against this amendment and support the C-5. I thank the Chair.

Mr. STEVENS addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. Mr. President, as chairman of the Defense Appropriations Subcommittee, I do not lightly oppose the administration's position, any position, on the defense budget. As a matter of fact, I think the position I am taking in the long run is consistent with the defense goals of the administration.

One of the things I think we must do as we revise this bill is to put the CX back into it, and to do that requires some thinking about the mix of the procurement items in this bill.

I think the record will show that I have rarely taken a position counter to any major budget proposal on defense, but when I do adopt a contrary position it comes on the basis of a strong conviction based on the fact that there is a basic flaw involved in the budget decision.

There is, in my considered opinion, such a basic flaw in the Pentagon's decision to revive production of the C-5 transport aircraft.

The entire airlift enhancement program involves complex decisions and a bewildering array of options. In this situation, and confronted last year with congressional refusal to proceed with the CX program, I can certainly understand why and how the Defense Department selected the C-5B alternative.

The problem with the C-5 is that its selection is not the final solution. Building 50 more C-5's is simply a stopgap measure. The Air Force, in testimony before the Defense Appropriations Subcommittee that I chair, made it clear that the CX is still essential to our military airlift requirements and is indeed moving forward under funding currently available for research and development. What we will have by the end of this decade, under the strategy sketched out by the Air Force at our hearings, is a mix of improved aircraft already in the inventory—C-130's, C-141's, C-5A's, and others—coupled with new C-5B's and the C-17 that would be built under the CX program selection. Supposedly, this mix would meet all our requirements.

The major single argument in favor of building more C-5's, however, was the need for more outsized cargo capability. Currently, the C-5 is the only aircraft that has that outsized capability—the loading access that can handle the great bulk of some equipment and weapons that are required in a forward deployment situation.

However, the C-17 would also provide that outsized capability almost as quickly as the new C-5B's could be brought onboard. So the question occurs: If it is essential that we develop and acquire the new C-17 transport that is far more capable than the C-5, and if we can do it almost as quickly as building new C-5B's, why should we consider the C-5 option at all? If we are looking for stopgap aircraft enhancement until the C-17 is available, why not turn to a much more capable cargo hauler that is available much sooner than the C-5B? That is the cargo version of the 747 that the Senator from Washington believes we should turn to instead of the expensive and troublesome C-5.

The 747 does not have outsized capability, true. But it can haul oversized cargo better than any other aircraft. It can haul more cargo farther and faster than the C-5. It is immediately available. We can buy some aircraft right away from domestic airlines that have more of the 747's than they can use right now in this difficult economic period. All you have to do is look at the morning paper to see how difficult it really is.

These aircraft, I am told, are already configured to be adaptable for military cargo as part of the civilian reserve air fleet (CRAF). And we can build more 747's to military specifications, again, more quickly and more inexpensively than the C-5. But I am not here to argue to buy more 747's.

I recognize the 747 has certain deficiencies that trouble the Air Force. It sits high, and special equipment is needed to load and unload cargo. But there are even more serious drawbacks to the C-5, in my opinion, and I am confident the Air Force can overcome the loading problems if it is necessary to send the 747 into austere air fields.

While we turn to the 747 as a proven and reliable interim airlift enhancement, we should also move ahead with the CX program as the best permanent solution to military airlift requirements, both for outsized cargo and for operation in and out of small, primitive airfields that we would have to use for intratheater airlift.

It was the refusal of Congress last year to appropriate more money for the CX program that forced the Department to turn to the C-5 concept, a concept which was rejected in the CX competiton. The C-5 did not qualify under the airlift requirement study that was mandated by Congress.

I am frank to say that last year I expressed reservations about the need to build a new cargo transport for the Air Force. I did so on the basis of funding requirements, not on the basis of needs of the Air Force. I am convinced that the complex airlift demands make it essential that we move forward with a new aircraft that can handle all cargo and operational requirements of the military deploy problems we face in the Rapid Deployment Force concept.

Accordingly, I believe any amendment to alter the budgeted airlift enhancement program must include increased funding to accelerate research and development of the C-17. At least $200 million would be required under the Air Force research and development program to restore this program to the original level and to achieve an initial operating capability for the C-17 in 1988, which I consider to be the year of need, or 1989, at the latest.

Mr. President, I would like to point out that while my position does not reflect the specifics of the Defense budget proposal before the Senate now, I do not think it is a major departure from the basic Air Force policy on airlift enhancement. We must continue to rewing the existing C-5A's— and they are doing that. The C-5A's will then be capable of flying at full capacity instead of the restricted 25 percent of capacity that they have been flying at in the past. And there are 75 or more existing C-5A's. We must continue to improve on other existing aircraft, also. We should provide immediate cargo expansion capability in a proven and reliable transport and the available 747 would do that as an interim measure.

But we should not open up a new line of C-5's as interim measures because when we do so we commit ourselves to buying 50 of the C-5's, rather than going to the C-17's, to buy 64 of those. If we go into the C-5 acquisition, we will put off the acquisition of the aircraft that is needed, the one that was designed specifically for the task ahead of us and the one that came out of a congressionally-mandated study and competition that led to, under the CX competition, the C-17.

I want to see us accelerate the C-17 program to bring online aircraft designed to be fully capable to meet all airlift transport needs. The C-17 is designed to meet all current airlift shortfalls by the end of this decade or sooner.

I think that is an offer the Pentagon cannot refuse and they ought to recognize where some of us are coming from. We can have a more effective and less costly approach if we go now to the C-17. It is one that guarantees the continuation of our CRAF capability and, at the same time, offers assistance to some of our troubled domestic airlines.

I hope the Senate will accept that alternative. As chairman of the Defense Appropriations Subcommittee, I am convinced, after hearings that I have personally conducted, that it is the best alternative for the Nation.

Mr. President, I have some quotes from the hearings that we conducted. General Allen said:

> I think, speaking for myself, I would rather have it if I could get the C-17 on a time schedule close to that of the C-5.

That was the testimony just this week, General Allen saying he would rather have the C-17 than to have the C-5B at all at this time.

I said to him:

> We are talking about an interim solution now, an interim solution in terms of wide bodied availability over this near term using CRAF and still concentrating on the C-17 which, as I take it,

I repeat this, Mr. President—

> which, as I take it, all of you would agree is the best airplane for the RDF, ultimately. Isn't that right?

I asked that question of all of these people who appeared for the Air Force. They all nodded their heads. General Allen said:

> I think, without any question, we would agree with that.

General Burke said:

> General Allen could speak with a little more authority than I, but I just don't think of the C-5 as an outdated airplane. I think it is a superb airplane. But I think the C-17 would have been a better one.

Now, we are faced here with not a decision coming out of a congressionally mandated study which led to the CX and then to the C-17. We are faced here with a policy decision based upon a reading of what we did in the Congress last year that we would not commence the CX program. The Department of Defense went to its next best alternative, and I think it was the next best alternative, and said:

> All right, we will reopen the C-5 line.

The cost of that and the cost of this acquisition will delay the acquisition of the C-17's—the planes that we need most—well into the next decade. I just do not believe that that is the right decision.

Mr. President, let me state to the Senate that the C-5B will cost us $6.4 billion; that is to acquire 50 of them. To acquire 50 C-17's will cost $10 billion. But we are going to buy them anyway. And it will cost nowhere near that to buy an interim airplane during the period of time between the time we can get the C-17's on line.

Our real needs are not 50, Mr. President. Our needs for the Rapid Deployment Force and for the airlift necessary to augment the forces in Europe in the event of a problem there are 130. That is the defined minimum needs to meet the airlift requirements for outsized and oversized cargo. That is going to cost $13 billion.

Mr. President, it will cost us $16.4 billion to get 50 C-5B's and 50 C-17's, which is the current plan. It would cost $13 billion, less money, to get the full 130 C-17's.

Now, I cannot understand anyone that does not follow that just on simple arithmetic. We do not need an expensive stopgap. We need the C-17. We need it to start as soon as possible. We need to have it delivered as soon as possible and we certainly need the full complement. As I said, we can get the full complement of 130 C-17's for about $3.5 billion less money than going through this expensive stopgap procedure.

Mr. President, I support the amendment because it would give the Appropriations Committee the discretion to look at the airlift requirements and to meet the needs of the country.

The PRESIDING OFFICER. The Senator from California is recognized.

Mr. HAYAKAWA. Mr. President, today I am happy to speak in favor of Senator JACKSON's amendment to deploy new and/or modified commercial 747's as an alternative to the reopening of the C-5 production line. I had hoped this decision would be made by the Defense Department instead of Congress. But, it has come before us and, after careful consideration, I believe the procurement of the 747 would be the best alternative for several reasons.

The refurbished widebodied 747 has proved capable of meeting the wartime requirements of the Air Force by providing effective air transportation of outside and oversize equipment. This is evidenced by its present use in identical operations by the Civil Reserve Air Fleet (CRAF). The 747 can more than adequately meet the urgent need of airlift equipment and up to 4 years sooner than the C-5. The savings in funding as well as in operation and support will amount to billions of fiscal year 1983 dollars.

In addition to its meeting our military needs, the 747, if procured, would provide a needed boost to our country's industries and economy. By purchasing aircraft which are presently unused, we will be providing assistance to the financially distressed airline industry. Also, the refurbishing will be done, largely by subcontractors thereby providing jobs for the unemployment and opportunities for small businesses. Our economy needs a leg-up and the purchase of the 747 will offer a needed helping hand to the State of California and the Nation as a whole.

I believe that purchase of the 747 is the best and most cost-efficient alternative.

I thank the Chair.

The PRESIDING OFFICER. The Senator from Mississippi is recognized.

Mr. STENNIS. Mr. President, if I were to express my personal choice, I certainly would not want to choose between my two colleagues on the Armed Services Committee, both of whom are of such great value to our committee and to this entire body. I refer to Senator JACKSON, of Washington, and Senator NUNN, of Georgia. I have additional personal reasons, too. I do not want to choose between them and I would be excused, rather than doing so. By the way, I want to mention that neither of these Members has tried to talk to me in a special way about this matter.

As far as the 747 is concerned, it could not have had a more able presentation here than that presented by the Senator from Washington, and assisted by his colleague from the same State.

I know most of us who have been trial lawyers know the story about the old lawyer in the courtroom who was pressing his point on an important matter. The judge started off, before actually ruling, by complimenting him. The lawyer said, "Judge, I appreciate your attitude, but do not compliment me out of court."

I do not want to compliment the 747 out of court. I remember when the Senator urged me to go by and see the 747 while it was in the making, and to meet the fine gentleman who was the president of Boeing at that time.

To get down to the substance of this matter, this question of cargo delivery has been before the committee for a long time, and is quite a problem. Air cargo has always wound up being a second choice; that is, we would put it off, or we would not put in the full request in the bill, but would delay for one reason or another. The pressures of the times have changed somewhat, and it seems to me that we ought to move forward.

Of course, there are points here which favor each one, but when it comes right down to the military value, the military needs, and the military demands, it seems to me that the decision falls in favor of the plane built primarily as a military plane, the C-5.

I really think we ought to move forward and make a decision. What I said about the military value includes the landing and the positioning of the weaponry and supplies of various kinds, even concerning battle formation, with such forces such as the amphibious forces of the Marines. That is the task, of getting the big job done, and that will be the job in the future. That is what the plane is made for, not only to carry cargo but to be able to unload it's cargo quickly, in order for that cargo to perform the job at hand.

There is a small difference in cost, but I do not see that difference as determinative.

So with those things primarily in mind, and with the unanimity of the military witnesses in this matter, it comes down to the point that the military will have to use and fly this plane.

Of course, we did give a trial to the idea of renting the craft, but I believe now we had better move forward with the C-5.

Mrs. KASSEBAUM. Mr. President, I think the statements we have heard so far certainly illustrate the confusion on this issue, not only the confusion in savings between these two models, but it shows how frequently we find figures to fit the assumptions that we want to make. However, it is troubling for those of us who are trying to decide which would be the best plane for carrying equipment and meeting our mobility needs.

I believe there are two points I would like to ask clarification about.

One of them was in the comments of the senior Senator from Georgia, who certainly has expertise on defense issues which I greatly respect, as I do the Senator from Washington.

The Senator from Georgia in his comments offered the testimony of several before the Armed Services Committee regarding the need to have the C-5. Gen. Lew Allen said, "It is worth the difference," having the C-5.

The Senator from Alaska just quoted General Allen as saying that it would be far better to have the 747 as an interim plane while we needed to move forward with the C-17, that it would be a savings for the interim period.

I believe this certainly illustrates the confusion that we have in trying to decide which would be the best plane.

In response to the junior Senator from Georgia saying that the issue is combat mobility, it is my understanding that one C-5 can carry one M-1 tank. If we are anxious to move our M-1 tanks into combat, is it not far quicker and far less expensive to send them by ship? I wonder if someone can answer that, as far as combat mobility?

Mr. NUNN. I will be glad to answer that. The most efficient way of getting heavy equipment to any remote spot is by sealift. The problem is unless you have prepositioned equipment and you have it there in advance, you do not get sealift equipment there until about day 20. So it is during the first 15 or 20 days that we have such a tremendous shortfall of outsized equipment. If you assume that the war does not start or that you have 20 days notice before war starts, and you start getting your ships out there, then the Senator is correct. But that is an assumption that we do not believe we can make in the Persian Gulf, NATO, or any place else.

It is true that the sea is the best way to move the outsized load, the best way to move any kind of outsized load. It is more efficient than the C-5 or any other aircraft. But the problem is it will not get there quickly enough. No better example exists than the 1973 war, the Israeli conflict. If it had not been for the C-5, according to Golda Meir and President Sadat, the C-5 made the difference in the war because they got the equipment there in time.

I think it is important to note three quotes on that point.

This is a quote by Henry Kissinger:

> In the first full day of the airlift we had more than matched what the Soviet Union had put into all the Arab countries (Egypt, Syria, and Iraq) combined in all the four previous days . . . and had perhaps enhanced Arab conviction that the United States was the key to a peace settlement.

Another quote from Anwar Sadat:

> . . . Colossal U.S. transport aircraft landed, loaded with tanks and sophisticated equipment . . . the United States was now taking part in the fighting by supplying Israel . . . I did not intend to fight the entire United States of America.

Golda Meier says, and I quote her:

> For generations to come, all will be told of the miracle of the immense planes from the United States bringing in the material that meant life to our people.

So that is the situation, the first 20 days where you have to have that airlift.

Mrs. KASSEBAUM. But the Senator does not think the 77 C-5's that we already have could meet that need?

Mr. NUNN. There is no doubt about it, according to all the military witnesses and all the analyses. We asked that question over and over again in the hearing. I do not want to take a lot of time on the answer, but let me just summarize by saying every military witness including Kelly Burke, Air Force; Secretary Carlucci, DOD; Gen. John Vessey, Army; Gen. P. X. Kelly, Marine Corps, each one of them said the existing fleet would not meet that capability. As a matter of fact, even with the 50 C-5's we will still have a shortfall in outsized airlift, but we will increase our outsized capability by approximately 400 percent in the early stages of a war by this purchase. So there is no doubt about that fact.

The Boeing Co. comes up with this chart so that if you used the C-5's for nothing but outsized equipment under the least demanding scenario, under the congressional mandated mobility study, after 28 days they would be in pretty good shape with the Boeing compared with the Lockheed C-5. The problem with that is that you cannot pick out the 28th day. You may have lost the war on day No. 18. You may have lost it on day No. 15. That is a very interesting intellectual exercise that is irrelevant to the debate.

Mr. JACKSON. Will the Senator from Kansas yield for a comment on this point?

Mrs. KASSEBAUM. I would be happy to.

Mr. JACKSON. May I say that this whole debate gets down to a question, Mr. President, of management of the airlift. That is, the four scenarios that we looked at in the committee—and we had a hearing on this specific problem—can be met if you use the 77 C-5's to carry the outsized equipment supplemented by DC-10's or 747's, wide-bodied jets.

The military would love to have every plane with a wide door, regardless of the costs. There is not any dispute about the additional cost here. There is a $4½, $5, $5½ billion difference. It is an avoidable cost that must be saved.

Much has been said here about the Yom Kippur war. I was deeply involved in some aspects of that problem.

The interesting thing is that the Israelis used El Al planes to move their cargo from the United States to Israel, and they were able to fly nonstop. The truth is that the C-5 had to be refueled, and that was a very, very dangerous situation.

The only place that the refueling could occur was in the Azores. Our allies in Western Europe denied us the use of their fields.

There is a good example because we could have almost been caught in the situation where they would not be able to get the cargo there because it requires refueling.

The difference in the aircraft in that regard—and I think we ought to make it a part of the Record—is that with the 75-ton payload the 747 has a range of 5,600 nautical miles and the C-5, when they rewing it has a range of 3,900 nautical miles.

With all due respect, they should have built the plane right in the first place. We are spending $1.6 billion, Mr. President, to rewing the 77 aircraft. That is what it is costing to be able to carry the designed payload.

I have a high regard for the Lockheed Co. They do a lot of fine work in both shipbuilding and in space. We have a shipbuilding company in Seattle. But I think the record should be made clear that the range specifically on this rewinged plane is 3,900 nautical miles against 5,600 for a 747.

May I says that the GAO study in connection with the Yom Kippur example of readiness said, and I quote from the study on page 2:

> In GAO's opinion, however, the relatively small quantities of outsized equipment delivered in this manner had no decisive effect on the war's outcome. And the ton-mile costs for the C-5 and the C-141 aircraft were 40 cents and 20 cents, respectively. At the same time, a commercial cargo configured 747 provided service at a ton-mile cost to the command of only 11 cents.

I repeat—and that is a part of the costs here—40 cents per ton-mile for the C-5 and 11 cents per ton-mile for the 747.

Mr. President, there is not any real dispute about the costs. Let me state it as simply as I can about costs.

Is there anyone in this Chamber who honestly believes that you are not going to have fairly high costs when you reopen a production line that has been closed for what, 9 years? For 9 years. That is just a cold, hard fact of life.

I mention this because the other fact, of course, I think speaks for itself. More than 700 747's have been sold in the commercial market, and I asked Gen. Kelly Burke how many C-5 versions have been sold as cargo aircraft. The answer was none.

The marketplace is still a pretty good arbitrator of costs.

Mr. LONG. Will the Senator yield for a question?

Mr. JACKSON. The distinguished lady from Kansas has the floor. I will be glad to yield.

Mrs. KASSEBAUM. I am happy to yield.

Mr. LONG. I would just like to ask a question because I really am poorly informed on the subject and hope to learn something by the debate.

There are some pictures in the back of the Chamber, one is "747 side door loading" and the other says "typical C-5 load." For which one of these planes is the Senator speaking? Which is he advocating?

Mr. JACKSON. I am advocating that the Congress ask the Defense Department to go out into the marketplace to buy used aircraft and the number of planes available including the Braniff announcement of last night will be very substantial. I am asking, as the amendment provides, to go out and purchase wide-bodied commercial jets that are available.

The American people, Mr. President, are going to ask why, with all these surplus commercial wide-bodied jets available, is the Congress of the United States asking to start up a production line to provide a wide door that is not needed to meet requirements. The story is—and it is very clear to me—you manage your airlift in a way in which you use the C-5's and that is important in that regard, to take care of what we call the outsized equipment. Bear in mind that, by volume and by weight, the 747 can carry more weight over a greater distance nonstop at a lower cost than the C-5.

Mr. LONG. Does the Senator then claim that the 747——

Mr. JACKSON. Or the DC-10.

Mr. NUNN. Mr. President, I just want to enlighten the Senator from Louisiana on that very good question he asked.

The pictures here show the difference between what you get from the 747 and what you get from the C-5. The problem with the 747 is that it is not a useful aircraft. The problem is that it will not carry the equipment you have to have on the ground in the first 15 days. I will have on the Senator's desk a computer printout of the equipment which will show all the items that will not fit into the 747.

It is very important to realize that 52 percent of the mechanized armored division equipment will not fit on the 747.

Senator Jackson makes the point that the only thing you are getting in a C-5 is the weight bearing. That is the only thing that matters when you are trying to get outsize equipment. That is the key to it. You cannot win the war unless you have units and equipment arriving near the same time.

Senator Jackson said three of four times this morning—and the Senator from Kansas talked about this—that if they just managed the existing fleet well, they would not need any more C-5's, that they would be able to carry the outsize equipment. The Air Force did a direct study on this point, and the chart shows very vividly that that is not the case. If they use the ones they have now and the ones they are going to purchase, they will still have a shortfall with respect to getting the outsize equipment there on time.

It is true that this proposal will save about a billion dollars over the whole lifetime of the 747 or the C-5. But what it amounts to is that you are saving a billion dollars but you are going to lose the war, unless you have 20 or 30 days' notice.

Mr. LONG. Mr. President, I do not know much about airplanes, but I was in the amphibious force during World War II. We had amphibious boats that would go up on the shore. If the water was not too deep, if the water was no more than 5 feet deep, you could get across the sandbar and roll onto the beach and roll the tanks off, to take on the enemy.

It would not have helped too much to have a standard-type ship—that is, if you had to have a hull and a depth of 10 feet or deeper. Then you could not get to the sandbar, much less get across it.

If I understand the Senator's argument, it is that if you are using something like the 747 and assuming that you are trying to take something over there for combat, the question is that you could get the material in, but the problem would be how to get it out when you got there.

Mr. NUNN. The Senator is correct.

If the Senator will look at these pictures, he will see that you have to have a huge lift to be able to load anything on the 747, and that lift will not fit into the 747. You have to have a C-5. If you buy these 747's, you have to have a C-5 to put the lift in so that you can load the 747.

It amounts to this: If you want to lose the war a billion dollars cheaper, you go along with this proposal, unless you assume that you will have an enemy kind enough to let you know 30 days in advance that the war is about to start, in which case you can get the sealift there. The sealift is the most efficient way, more efficient than the C-5 or the 747. The ideal situation is that you have enough warning time so that you can get the ships there on time.

Mr. LONG. For this type of work, you need a plane designed to do this particular task, not just a plane that is out on the market in surplus.

Mr. NUNN. That is right.

If people are concerned about the defense of the country and the first 15 days of any war, they will vote against the proposal of the Senator from Washington. If they are concerned about bailing out the airline industry—and we may want to do that in the right kind of bill—then they should vote in favor of that proposal.

I am concerned about the airline industry. It is a legitimate concern, but it should not be confused with the national security of our country. We should not be talking in terms of bailing out the airline industry when it is going to cost us many hundreds of American lives, perhaps thousands, while they are sitting there with tent poles and utensils and bread but no big equipment with which to defend themselves.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. GLENN. Mr. President, I regret having to get into this matter and take sides between two very good friends who both feel very strongly about the positions they have taken in this matter.

I agree with the statement by Senator Goldwater earlier today that it is too bad they are not considering whether we are going to buy both of these planes, because we really could use both of them to guarantee the mobility we may need one of these days. But we are not doing that. We are making a choice here today.

The unfortunate thing is that they are both good airplanes for their purposes. The 747 undoubtedly would be cheaper to operate. It is excellent long range. But it comes down to the bottom line of what will do the combat job and what will not.

The distinguished Senator from Washington put his finger on it a little while ago when he said what could be carried in one airplane or the other. When you come down to that kind of analysis, it seems to me you determine what your vote should be in this matter—the combat job to be done, starting at the far end, in some remote area.

The argument here is with respect to outsize equipment. No one disputes that. Mr. Carlucci, in his testimony on what was needed in the congressionally mandated mobility study said there is a call for 25 million additional airlift tons per mile per day, of which 10 million should be outsize. The budget proposal calls for 17 million, of which 8 million is for outsize. That leaves us with a big deficit.

General Vessey, to answer Senator Long's question, was asked about the percentages of various Army units which were outsize and specific equipment which required a C-5 for air transport—not just normal equipment. General Vessey said 41 percent of the Army mechanized equipment is outsized equipment, which can only be loaded and offloaded combat ready from a C-5. Vessey said this was also true of 52 percent of their armored divisions, 25 percent of their infantry divisions, about 60 percent of their motor transport brigade, and 45 percent of an engineer brigade and very high percentage of a cavalry brigade unless the helicopters are reassembled after being lifted off a 747. He indicated that the following equipment can only be carried on a C-5—combat engineer vehicle, CH-47 helicopter, 8-inch self-propelled howitzer, 155-millimeter self-propelled howitzer, armored vehicle launch bridge, a Lance missile carrier, the M-88 and armored cavalry vehicle, a 12-ton supply van, the division air defense gun, the 5-ton truck with 12-ton communications van—it can be carried in a 747 but must be reassembled after being lifted off the plane—and, of course, the M-1 and M-60 tanks.

In conclusion, Vessey confirmed that there are hundreds of items that can only be carried on the C-5.

To summarize this, General Burke, in his testimony, used 5-day increments for the outsize requirements in each of the CMMS scenarios as to what the shortfall would be in outsize equipment. He said we are consistently short of outsize mobility, both today and some shortfall, even after the purchase of 50 additional C-5's. Upon further questioning as to the magnitude of the current outsize shortfall in the first 5-day increments, General Burke stated, "It is on the order of 2,500 tons per day."

That is not just normal supply that comes by ship or by other airplanes, or anything like that. That is just the outsize equipment shortfall they see for the 5-day scenario.

So when we come down with those troops out there on the beach or inland or wherever they have been landed or wherever the combat is about to occur or is occurring will we be able to land the materiel that is absolutely necessary to conduct combat?

When we come down to that it seems to me that we regrettably have to come down on the side of the C-5. I would wish to see both of them purchased.

Now, as far as some of the other capabilities—we have talked about the outsize cargo—but there is the ability to go onto a shorter runway 4,000-foot runway, and the C-5 does that. It drives on and drives off. It can be loaded more rapidly.

The support equipment might be a fairly minor item but because there is enough 747 support equipment available just from the airline's use, that would not be necessarily the deciding criteria we would want to include, but there would be new support equipment needed in the Air Force, and I am sure it could be obtained rapidly, but now there would be no new support equipment people who are familiar with that.

The C-5 also has an airdrop capability, if we wish to use that, and that would not necessarily be for outsize equipment, but it has that as an additional feature and, of course, it has the cargo floors already in it that will take off with many of these higher weights.

The previous Secretary of Defense, writing from his position at the School of Advanced International Studies, Mr. Harold Brown, has written to Senator Nunn, and I think his letter is worth including in the Record, and I shall quote from it.

He states that his views have been asked for and he is glad to give them:

> (1) We need to at least double our long-range airlift capability in order to be able to move ground force equipment rapidly to great distances quickly. Unless we do that, added sustaining capability by sealift, which is also needed, will have no forces in place to sustain.
>
> (2) We already have enough passenger capability with military and civil aircraft. Bulk and oversize military equipment lift capability needs to be increased somewhat. But the most critical need is outsize capability—

Not oversize, but outsize, that which cannot get into anything else, not just oversize, something that requires a big airplane, but one that is outsize that will only fit the C-5.

I repeat:

> But the most critical need is outsize capability, which can handle tanks and can also move helicopters without disassembly except for rotor stowage.
>
> (3) My own preference, in office, had been the new CX, designed specifically for intercontinental airlift of outsize payloads and with advantages in improved unloading capability, more airfields availability, and added capability in the role of intra-theater airlift.
>
> But given the uncertainty of cost and of development and procurement, the longer time to achieve a capability, and Congressional reflection of these concerns, I agree with the view of the present Administration that an existing aircraft or a slight modification thereof is a more practical solution.
>
> (4) I continue to believe that the outsize capability is the requirement that should govern the decision. For that reason, the C-5B seems to me the preferred solution. No other existing aircraft, even with major modifications, can meet the requirements for carrying outsized equipment.

He goes on to close with another paragraph on the end, but I think that pretty well states it, Mr. President, and if you look at it from the combat end, we have people out there fighting and they have to have outsize equipment delivered to them that nothing else can carry, and I might add that I think the Pentagon should take this into account in future design of equipment to make sure that it is more easily air transportable than perhaps they have been reading into their designs in the past.

We do not want to have equipment that has to be transported halfway around the world to some place where combat is underway and then have to design a special vehicle just to get the stuff there. We can design equipment that will probably do the job and still be transportable within existing airplanes.

So I think that is a little lesson to be learned from all this quite apart from the debate here today.

But we come back to my opening remark that the combat job to be done has to be the bottom line.

We look then at these statements from our military planners as to what is needed for the outsize equipment, not normal transport, and it seems to me we only can come to the conclusion that we have to get the C-5.

Mr. LONG. Mr. President, will the Senator yield?

Mr. GLENN. I yield.

The PRESIDING OFFICER. The Senator from New Hampshire has the floor.

Mr. GLENN. I was yielding just for a question. Does the Senator have a question?

Mr. LONG. It is just a question.

Please understand that the Senator from Louisiana has an open mind. I am not committed to either side and I am committed merely to my own conscience to try to do what I think is right about the matter.

Do I understand it to be the Senator's view that if we are trying to fly by airlift some support troops who will be dropped in who will land by surprise to try to help someone, for those troops to have a chance they are going to have to be sustained by heavy artillery.

Mr. GLENN. That is correct.

Mr. LONG. And to try to defend themselves against heavy artillery, if they do not have it, is a rather hopeless task.

Do I understand the Senator's position to be that we need something like that C-5 airplane in order to get the heavy artillery in there?

Mr. GLENN. I shall answer the Senator's question by saying we cannot define every combat scenario with which we might be faced. Obviously, one time there might be outsize equipment needed in the way of 8-millimeter self-propelled howitzers or 150-millimeter self-propelled howitzers to be absolutely critical. At another time it might be delivery of an M-1 tank or multiple tanks. At another time it might be bringing in some attack helicopters that we lost some of those, or it might be an 8-inch self-propelled howitzer and an 155-inch self-propelled howitzer, and all sorts of things, whatever the combat situation is.

So we cannot just say that in every situation we would need that type artillery but certainly we need the flexibility of providing any of these outsized items in a particular combat situation. If we do not have that we are

just running an unnecessary risk and we have people out there who need that equipment. It is that simple to me.

I yield the floor.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. HUMPHREY. Mr. President, as the occupant of the chair knows the Senator from New Hampshire was on his feet seeking recognition and in any case hoping to have an opportunity to speak. I have just learned that Senator Thurmond is late for an appointment and if my colleagues would be willing I ask unanimous consent, Mr. President, that it be in order for the Senator from New Hampshire to be recognized after the Senator from South Carolina.

The PRESIDING OFFICER. Without objection, it is so ordered.

The PRESIDING OFFICER (Mr. Murkowski). The Senator from South Carolina is recognized.

Mr. THURMOND. Mr. President, I rise to oppose the pending amendment which would alter the strategic airlift program recommended by the Reagan administration and approved by the Senate Armed Services Committee.

I would like to see both planes bought. I think we need both, the C-5's and the 747's, but that is not the issue before us today. The issue is which will we take now at this particular time, which is more urgent now, the C-5's or the C-747's, and my position is that the C-5's are urgent at this time.

The importance of strategic airlift is its flexibility and its responsiveness. There is little doubt that the ability to move men and material to a trouble spot anywhere in the world is vital to our own national security and that of our allies.

The thrust of the pending amendment is to terminate the recommended Defense Department procurement of C-5B aircraft and substitute in its place purchases of a freighter configured version of the 747 commercial passenger aircraft.

Mr. President, there are a number of reasons why this amendment should be defeated but I would like to center my comments on what I feel is the main argument against this proposed shift in our airlift program.

Simply stated, the most urgent need in the area of airlift is the requirement to transport outsized or bulk items of military equipment and only the C-5 can move the majority of this equipment.

Outsize cargo, as opposed to oversize cargo, includes such items as helicopters, howitzers, the Lance missile carrier, the M-1 and M-60 tanks, armored vehicle launch bridges, the division air defense gun, 5-ton trucks with 12-ton common vans, and other similar items of great bulk and weight. These items can only be carried by the C-5.

These, and hundreds of other items which only the C-5 can move, are the items that our military planners say we need greater capability to transport. In fact, Gen. John Vessey, the nominee to be Chairman of the Joint Chiefs of Staff, testified that large percentages of the equipment of various Army divisions fall into the outsize category. General Vessey told our committee that outsized equipment makes up 41 percent of the mechanized divisions, 52 percent of the armored divisions, 25 percent of the infantry divisions, 60 percent of the motor transport brigades, 45 percent of the engineer brigades and a high percentage of the cavalry brigades.

Mr. President, the need to move more outsize cargo was proven in the congressionally mandated mobility study. This study documented a strong need for at least an additional 10-million-ton miles per day of outsize capable airlift. Gen. Lew Allen, Air Force Chief of Staff, recently stated:

> Given the special importance of the outsize cargo, we view the shortage of outsize capable, intertheater airlift as the most serious deficiency in our airlift forces.

Mr. President, the C-5 was designed from the first drawing to meet military requirements. Conversely, the 747 was designed to transport passengers in the commercial market. Even when modified, the 747 cannot compete with the C-5 as a military cargo system, especially in the movement of outsized cargo.

Mr. President, proponents of this amendment should listen to the statements made by our defense leaders on this subject. I would like to quote a few of these statements.

Defense Secretary Caspar Weinberger:

> The B-747-220-F just does not have the military utility of the C-5. The roll-on, roll-off features of the C-5, truck bed height of the cargo deck, the 5 foot higher ceiling, the capacity to carry 70 troops in addition to their cargo, and the aerial refueling capability are formidable advantages which the lesser cost of the 747 does not offset.

Deputy Secretary of Defense Frank Carlucci:

> When we started the budget review process, we had a general review of the strategy and we had all the CINC's (Commander in Chief's) in. I was personally impressed by the fact that the CINC's emphasized strategic mobility as their highest priority.

Air Force Chief of Staff Lew Allen:

> We cannot see the future clearly, we would be ill advised to restrict our buy to aircraft that do not have outsize capability or needed military utility.

Army Gen. John Vessey:

> This airlift package, plus other parts of the President's budget, will mean that we will be able to reinforce four times the force in the first ten days.

Gen. R. H. Barrow, Marine Commandant:

> The ability to carry outsized cargo is among our most critical deficiencies. The C-5 aircraft provides us with the maximum flexibility in this area and; therefore, has my very strong support.

Gen. P. X. Kelley, Assistant Marine Commandant:

> We have today, I believe for the first time a consensus among both the users and the suppliers on a responsible and reliable program which goes a long way toward redressing the shortage of strategic airlift. The credibility of the United States, sir, to deploy adequate combat capability on a global basis is the issue.

Lt. Gen. Robert Kingston, Rapid Deployment Force Commander:

> In testimony before the Senate Seapower Subcommittee, General Kingston stated he would make strategic airlift his No. 1 priority.

Mr. President, it is therefore clear that the Defense Department and our military leaders strongly endorse procurement of the C-5B to enhance our military airlift capabilities.

While there are other good arguments against this amendment, I believe the unique and proven military capabilities of the C-5 and the urgent need for more outsize cargo airlift are sufficient reasons to support the Senate Armed Services Committee and the Defense Department on this issue.

Mr. President, this is a serious amendment. It proposes that the Senate reject the recommendations of the Defense Department in a $16 billion program. Despite the size of this program, the authors of the amendment are asking the Senate to reject the requests of the Air Force, the Army and the Marines.

Not one, not a single one of our military leaders, nor a civilian defense official, favors buying the 747 for this critical resupply mission instead of the C-5.

Those that do favor it are the manufacturer of the 747, some airlines that would benefit from sale of their surplus planes, and some subcontractors that would benefit from the conversion work.

In fact, if this amendment passes we would be favoring certain airlines that want to get rid of their old 747's and not helping at all those airlines which have no 747's to sell. Thus, we would be aiding selected airlines, and not the industry as a whole.

Mr. President, the Senate should think carefully about its responsibility to the men who wear the uniform. No one knows what requirements in the way of airlift we will need for the future. A military plane such as the C-5 can do it all, it could go into the Falklands and numerous other locations in the Middle East, Europe or elsewhere.

Now this Senate has a responsibility to those men and women whom we ask to wear the uniform to defend our country. Are we going to buy a military aircraft that we know can provide them with the supplies they need, or are we going to reduce the military capability of our forces to help the airlines through yet another financial bind?

Mr. President, this is a serious matter. We are talking about military capability which could mean life or death to our own forces or those of our allies.

There is a sizable list of military equipment the 747 cannot carry. With more C-5's we enhance our capability to get this equipment to our fighting units, but if we convert 747's we do not enhance this capability.

Gen. John Vessey, our new Chairman of the Joint Chiefs, has testified that only—I repeat only—the C-5 can carry a number of essential firepower systems. His testimony revealed:

The 747 cannot carry the combat engineer vehicle.

The 747 cannot carry the CH-47 helicopter.

The 747 cannot carry the 12-ton communications van.

The 747 cannot carry the 12-ton supply van.

The 747 cannot carry the AH-64 and AH-1G/S attack helicopters.

The 747 cannot carry the 8" self-propelled howitzer.

The 747 cannot carry the armored vehicle launch bridge.

The 747 cannot carry the 155 mm. self-propelled howitzer.

The 747 cannot carry the Lance missile loader transporter.

The 747 cannot carry the infantry fighting vehicle.

The 747 cannot carry the cavalry fighting vehicle.

The 747 cannot carry M-1 main battle tank.

The 747 cannot carry the division air defense gun.

The 747 cannot carry the M-60 battle tank.

Mr. President, these are but a few examples of items the 747 cannot carry. General Vessey noted further that there were hundreds of items that could only be carried on the C-5. In fact, he testified that 41 percent of all Army mechanized equipment is outsize and specific equipment which can only be loaded and offloaded combat ready on a C-5.

Mr. President, our military leaders—without exception—have testified to the need to transport more of the heavier equipment required by initial deployment forces. The C-5 can meet this requirement, the 747 cannot. The supporters of this amendment say that the current force of 77 C-5's can do this job, but the military and the civilian leaders of our Nation say otherwise. I ask you who are the experts on this subject, those who want to buy 747's or those who have the responsibility to supply any forces we might have to commit to some faraway place?

Mr. President, I urge that the Senate reject this amendment as to do otherwise would reduce the capability of our military forces to sustain themselves should they face some future life or death situation.

I wish to thank the distinguished Senator from New Hampshire.

The PRESIDING OFFICER (Mr. MURKOWSKI). The Senator from New Hampshire is recognized.

Mr. HUMPHREY. Mr. President, the proponents of buying the 747 often say that the argument boils down to one of management of cargo; that the admitted deficiencies of the 747 aircraft for accommodating military vehicles and weapons can be overcome, can be finessed, if you will, through management techniques. It is just a matter of matching up the right cargo with the right aircraft.

That might be so, if we were running a civilian air freight company, Mr. President. If we were simply landing at Kennedy Airport, Los Angeles, or Chicago, where we would have plenty of time and lots of equipment to painstakingly unload the 747. But that is not what we are talking about. We are not talking about running a civilian airline. We are talking about supplying our troops with these weapons and vehicles and other kinds of supplies.

We are talking about not profits for a civilian airline. We are talking about sustaining our military people. We are talking about life or death. We are talking about victory or defeat. We are talking about national interests and those of our allies.

And there are very great differences between these aircraft. Both are fine and both are exemplary for the purposes for which they were designed, but the 747, even the freighter model, is not designed for the combat theater.

As my colleagues can see from these photos and others reproduced which they may have in their offices, the cargo floor of the 747 is 16 feet off the ground. In order to unload or to load a 747, it is necessary to have a scissor-type elevator or some kind of unloading equipment that can reach the height of 16 feet. And for expediting loading or unloading, you need two, because there are two entrances on the 747, the front and the side door.

Interestingly enough, as the Senator from Georgia has pointed out, the 747 cannot even accommodate this equipment within its cargo hold which is absolutely essential to unloading the aircraft itself. So it is necessary to precede the 747 with a C-5 carrying equipment which would be used to unload the 747. Unless, of course, by some means we could preposition this equipment. I wonder if Iran would be willing to preposition some of these unloading platforms, these elevators, so they would be there when the 747's land.

And even if we were to send off a couple of C-5's in advance of mobilization to emplace these loading platforms, how do we know that, once hostilities heat up, those fields will be available. We do not know that at all. Indeed, in a hostile environment, it is quite likely some of them would not be available.

What I am saying is that however excellent our efforts would be to deploy these elevators, they may not be available to us when it came time for the 747's to land, since they might not be available and the 747's would have to defer to an alternative field.

On this subject of the loading elevators, Mr. President, it is not enough simply to have two. We are talking again about a hostile environment, and inviting targets for adversary aircraft to attack. We want to get these airplanes unloaded very quickly. We will need plenty of these loading platforms in the case of the 747—not just two, many, many, scores in the hostile environment.

Even if we happen to have enough of them in the right place, think of how much time is takes to unload an aircraft of this kind in a hostile environment. It is not just a matter of rolling equipment or driving equipment off, as is the case with the C-5's. It is a matter of hauling this loading platform to the plane—and you have to haul it, it is not self-propelled, you have to pull it up to the plane and painstakingly push cargo out onto it and lower it and move the cargo, and so on. It would take a very long time. This is just not the airplane for this purpose.

If we were running a civilian outfit, it would be wonderful. It stands far above the C-5 in that kind of capability. But in the kind of scenario, the kind of environment we are talking about, the 747 cannot even begin to approach the C-5.

And this leads us to, and others have already adequately covered the ground, the considerations of landing surface. The 747 needs a well-prepared runway; the C-5 does not.

Mr. President, focusing again on this argument—and it is the only halfway good argument the 747 proponents have. They have really conceded that there is really no argument about capabilities, superiority of the C-5 versus the 747.

The only good argument they have is this issue that if we just manage that cargo right, if we do not mind too much splitting up the equipment of a division—and that is another consideration. It might not be able to land that split equipment in the same place and in the same fashion that it took off at the same place.

In any case, they make the argument that if you just match up equipment with aircraft you will have no problem whatever.

Mr. President, I wish to engage the Senator from Georgia in a colloquy on

this point. Has the Senator from Georgia analyzed this argument? Does he have any statistics, any data, on how a unit might be mismatched with equipment and split up cargoes in this fashion?

Mr. NUNN. Mr. President, I would give the Senator from New Hampshire a twofold answer on that question. First of all, unit integrity, according to all the military testimony, getting all the unit's equipment there at the same time, so the unit will be in a position to defend itself, is very, very important. So when they are loading these planes, the C-5's, it is virtually impossible to load only outsized equipment on those planes. It is virtually impossible, because you do not want all your tanks there with no ammunition. Neither do you want your ammunition there with no tanks; neither do you want your artillery tubes there with no ammunition. So you try to get equipment there that go together.

That means you get as much outsized equipment on the C-5's as you can, plus some other type of equipment that is not outsized.

Senator JACKSON's argument—and I think a lot of people have focused on this argument—would be a good argument if it was accurate. Unfortunately, it is not accurate. His argument is if you managed the fleets of existing C-5's better than the Air Force is now managing them—in other words, if you did not take any of the C-5's space and use anything other than outsized equipment, fill the C-5's up with outsized equipment, nothing else, that you would have enough existing C-5's to do the outsized job.

We asked the Air Force to test that out under that kind of assumption. First of all, that assumption is fallacious. You really cannot manage it that way without greatly damaging your unit integrity. So this is a fallacious assumption. For the purposes of this, the Air Force did make that assumption.

Mr. HUMPHREY. It is a highly unrealistic assumption.

Mr. NUNN. Totally unrealistic.

Mr. HUMPHREY. I have seen situations in the civilian airplane industry where whole operations would be fouled up for hours by the breakdown in one piece of equipment such as an elevator like this. And it feeds on itself. It is an unrealistic belief or assumption to think that we are going to be operating under ideal circumstances in a hostile environment.

Mr. NUNN. The Senator is entirely correct.

But for the purposes of this discussion we asked the Air Force to do that. General Kelly Burke went through a computer run, using the Boeing argument and the Boeing assumption. They used sophisticated computer models and years of experience in looking at the four scenarios which we have.

General Burke charted the outsized requirements prior to the arrival of the first sealift, which is always the key when the sealift begins.

General Burke outlined the current capability of the C-5 fleet when it carries only outsized equipment. In other words, the fallacious assumption. He indicated that when he used the computer run on that kind of an assumption, the shortfall during just the first 5 days in scenario No. 1, and there were 4, is on the order of 2,500 tons per day.

So there is a very serious shortfall, even if you used the perfect world type scenario that was portrayed by the Boeing kind of argument.

Also, there is a chart on that. I do not know that I can verbalize this chart. On one side it shows the tons in thousands that are needed. It shows the demand. It shows what would happen with a current force of 77 C-5's. It goes through that and shows the shortfall on every day under the kind of unrealistic assumption.

So that argument is completely rebutted by the Air Force.

Mr. HUMPHREY. Is the Senator referring to the chart based on the congressionally mandated study?

Mr. NUNN. The Senator is correct. There are two or three charts here, but the one I am specifically referring to says, "Outsized cargo comparison demand capability, CMSS, scenario number three."

Mr. HUMPHREY. My point is that this is based on a study mandated by Congress.

Mr. NUNN. That is correct. It is the mandated mobility study. I know of no argument on the other side. If there is one, I would like to hear it.

Mr. HUMPHREY. The Department of Defense has drawn up a number of charts with different kinds of scenarios. In every case, in the critical part of the scenario, the critical part of the battle, in plain English, very early on, even in the best situation within the first 2 weeks we run short of airlift capability to accommodate outsized cargo. That situation exists even if we buy the C-5's as now proposed. If we opt instead for the 747, the situation is even worse.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Washington.

Mr. GORTON. Mr. President, during the course of the last 3 hours or so, three of the very distinguished Senators who oppose this amendment, the wise and respected senior Senator from Arizona, the distinguished senior Senator from Ohio, and our President pro tempore, have begun their remarks by stating that both of the proposed forms of airlift capacity were important, both were efficient, both were helpful. Each of them has expressed the view that we really ought to be making both purchases, the new C-5's and the 747's.

With all respect to each of them, that set of statements illustrates something of the unreality of the opponents on this amendment.

We are not going to get both at the same time. In fact, almost every Member here must recognize the fact when a budget resolution finally goes through this body there is going to be less for 1983, 1984, and 1985 available for our national defense buildup than the President asked for or than the chairman of the Armed Forces Committee has agreed to.

As in everything else in this particular controversy, we must weigh various goods against one another. We are not going to have all of these various opportunities, any more than we are going to have all of the rest of the weapons systems which the Pentagon might desire.

What that does, it seems to me, Mr. President, is to reduce the arguments of the opponents to the abstract nature of arguments taken in the absence of any airlift capability whatsoever.

Under circumstances like that, it might well have been the case if we were making one buy of one type of aircraft we would purchase the C-5.

What has been almost ignored during the course of this argument, however, is that we are speaking of the purchase of 48 to 50 new aircraft for major airlift capabilities to add to 77 C-5's, which are already in existence and in service in the Air Force, though many of them, one may say, incidentally, as the Senator from Wisconsin did, are not much good because they were designed wrong in the first place and have to be rewinged at a tremendous cost to the taxpayers of the United States.

If the Senator from Georgia is correct, that the only thing we are concerned with is outsized capacity or capability, his argument would be a good one. But he cannot so define this debate. We, as Members of this body, and as serious persons concerned about the defense of the United States, must, even within the framework of military capability as well, be concerned about the total bulk capacity of the aircraft which we are to purchase; we must be concerned about their speed; we must be concerned about their range.

My distinguished colleague, the senior Senator from Washington, pointed out graphically that at the time of the 1973 war in Israel only the 747 could get from the United States to Israel without the necessity to refuel, and only by the blind luck that we had the ability to refuel in the Azores were the C-5's of any use whatsoever.

It would seem to me obvious that the question before us would be a close question if there were no difference in cost on the part of these aircraft whatsoever, simply because of the fact that the 747 will move more cargo, it will move that cargo faster, and it will move that cargo further without being refueled than will the C-5. It would seem to me under those circumstances the better part of wisdom to have both types of aircraft available immediately in the Air Force even if there were no cost difference whatsoever.

The Senator from Georgia, however, has added two additional factors in connection with that cost, stating that nowhere is there any indication of the multibillion-dollar savings proposed for the 747, and pointing out that even if his figures are accepted the costs for the 747 in the next 3 years would be greater than those for the C-5.

Let us examine both of those questions for just a moment.

Last week in a hearing before a House appropriations subcommittee dealing with the national defense, the Deputy Assistant Secretary of the Air Force for Logistics, Mr. Mosemann, in specific response to a question agreed that there was a $4.5 billion difference over the life of these aircraft.

And, Mr. President, that question was premised on the purchase of new 747's, not the purchase of 747's already existing and owned by various airlines. That $4.5 billion figure becomes $5.7 billion when one reflects on the precise content of the amendment which is before this body at the present time.

But the Senator from Georgia went on to say, "Well, do not worry about those long years in the future," counseling it has probably gotten us through many of the problems we face today, because in the next few years it would probably cost more to have the 747's under this proposal. That also is a statement which bears some examination.

In fact, with this amendment there will be an immediate savings of more than $20 billion in fiscal year 1982, because no costs will attend the 747 program then, and that amount would be involved in the proposal from the Armed Services Committee.

Likewise, next year there would be a difference of some $75 million under which the C-5 would be more expensive than the 747.

It is true that by fiscal year 1984, if we worked at the fastest possible schedule, there would be $125 million more spent on the 747's than on the C-5's and an additional $40 million in fiscal year 1985.

So through fiscal year 1985, at full speed, at maximum purchase rates, there would be approximately a $70 million difference between the two purchases. But at the end of fiscal year 1985, we would have 42 aircraft in service for the Air Force under the 747 purchase; we would have two C-5's for that difference in expenditure. If we desire to stretch out the 747 program, it probably can be done much more easily than the C-5.

In connection with the C-5, we will spend some $5 million before we have received a single aircraft simply because there is no C-5 production line. It must be started all over again.

The Members of this body are responsible for the security of the United States. There is a good and lively question. The Air Force and the Army would rather have something which they have designed themselves. They would rather have something that no one else has. Of course they would. They have always made choices like this when they were permitted to do so.

But we have a responsibility for the fiscal condition of the United States as well. We have the duty to weigh the validity of a particular differential against its cost and against its ready availability.

In connection with this amendment, we can either provide a major additional airlift capacity much more quickly, 3 years more quickly, at a tremendous saving of money in the outyears or we can provide it still more quickly, but without as great a difference, at a less cost even in 1984 and 1985.

Mr. President, this is exactly what we are going to do. We are not going to do as the President pro tem suggested, buy both of these. We are not going to pass a defense budget that is higher than that proposed by the administration or at the present time by the Budget Committee. In fact, by the time we are finished, every Member here knows we are going to be spending less. There is no single place in the entire defense budget that savings like this are available at such a minuscule difference in capacity, even from the point of view of those people who are seeking these aircraft, simply because in so many of these areas the 747 does a better job.

The one argument the other side can make is in connection with outsized capacity, and that simply has to ignore the presence of 77 of these C-5's at the present time.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. GORTON. The Senator will yield.

Mr. DOLE. Mr. President, the Senator from Washington and other Senators are both, of course, experts in this area. Some of us have an interest only because it may affect our State, and I confess to that. I lean very heavily in the direction of the 747, because if there were modifications, those modifications would be done in Wichita, Kans. In addition, the Wichita plant builds the nose section.

Mr. President, may we have order? I want to ask one question.

The PRESIDING OFFICER. The Senate will please come to order.

Mr. DOLE. I think it is very difficult for some of us who are not on the committee, in fact maybe even some who are on the committee, to really fully understand this massive legislation and the total cost and the total impact, not only on the budget but on everything else that we are going to consider.

To make certain I understand it correctly, we do have some C-5's now. We are not just starting from scratch with one plane that you can drive in and the other you have to load a little differently. Are there not some C-5's available now?

Mr. GORTON. The Senator is correct. There are 77 C-5's at the present time, and the second buy about which we are talking varies between 48 and 50 additional aircraft. So that even if all of them were a type other than the C-5, the great majority of the heavy airlift numbers would be in favor of the C-5.

Mr. DOLE. I assume those 77 are in good condition and available for use?

Mr. GORTON. Unfortunately, I have to say to the Senator from Kansas, as he knows from listening to earlier portions of the debate, the C-5 was not designed very well in the first instance, and we are now in the process of spending $1.6 billion to put new wings on all of those aircraft. There are also a number of other questions the Air Force has raised about them, of significantly less importance but 200 different questions raised about them. I think one can say that after we have spent this additional $1.6 billion, we may have what the opponents of this amendment are talking about as a real C-5. They had very real problems when they were first brought into the Air Force.

Mr. DOLE. Mr. President, if the Senator will yield for just one additional question, I have talked to some Members who say if the American people did not do anything maybe the world would not come to an end. But that is not the choice before us, and I am persuaded by the arguments of people on both sides that both of these planes have great capabilities. We have 77 of the C-5's. We could have a lot of these 747's around. This Senator is convinced, at least at the outset, that we may be making the right choice with the amendment offered by Senator JACKSON and Senator GORTON and others from the savings side.

I listened to the statement of the Senator from Wisconsin earlier today and I have listened to others. It seems to me, notwithstanding what may be perceived as a selfish interest because of the activity in Wichita, that the Jackson amendment certainly deserves

support from the cost-savings standpoint in addition to all the other arguments made in favor of that position.

I thank the Senator.

Mr. GORTON. I thank the Senator from Kansas, but I would point out that all who have studied this problem feel that our armed services do need additional airlift capacity now. Of course, in that connection, one of the great advantages of this amendment is that it will be received as much as 3 years sooner than what otherwise would be the case.

Mr. DANFORTH addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. BAKER. Mr. President, will the Senator permit me to interrupt for a moment?

Mr. DANFORTH. Certainly.

Mr. BAKER. Before the Senator from Missouri proceeds, may I inquire how many other Senators intend to speak on this? As I indicated earlier today, it is my intention at some point to make a tabling motion, perhaps against the Jackson amendment. I do not want to do that while Senators still have things they want to say, but I would like to do it as soon as possible. It is now 10 minutes to 2. I thought we had an informal target time of 1:30 to vote on this matter. If there are other Senators who wish to speak, either on the floor or within the hearing of my voice in their offices, I hope they will come to the floor right away so we can get on with this business. We have a big, big agenda of amendments that must be dealt with.

Mr. TOWER addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mr. TOWER. I am just wondering if there is any possibility we could get an agreement to vote at a time certain, say, at 2:30.

Mr. BAKER. Mr. President, I certainly echo that request. I am perfectly willing to do that. I see the Senator from Washington.

Mr. JACKSON. I am prepared to do that.

Mr. TOWER. What occurs to me is we could divide the remaining time equally between the two sides. I think under that circumstance we could get the speakers here a little more quickly.

Mr. BAKER. Mr. President, I see a general agreement, it would appear, developing on the floor, judging by both the number and velocity of the head wavings, and I am going to put that unanimous-consent request in just a moment.

Mr. NUNN. Mr. President, Senator BIDEN is on a plane coming in, and I understood that he would be here at 1:30. He wants to speak on this subject. It is not just a matter of a vote; he wants to speak on it. I hope that he will be here soon.

I also know that Senator GARN would like to speak on it, as well as Senator SASSER, on our side. I know that Senator ROTH would like to speak on it. So we have four speakers.

I would be able to complete my remarks in a very brief time, but I suggest that I see no way we are going to conclude the debate much earlier than 3 o'clock, no matter what we do.

If the majority leader would like to get a time certain to vote at 3 o'clock, to vote on the motion to table——

Mr. TOWER. If the Senator will yield, I had intended to make some remarks. I will not make my remarks, in the interest of accommodating other speakers.

Mr. NUNN. I would prefer that the Senator from Texas make some remarks. I would not object, on the basis of that assurance.

Mr. TOWER. If we can get 40 minutes equally divided, I think that will accommodate the number of speakers.

Mr. BAKER. Mr. President, I think we are quibbling over minutes now. I see that the minority leader has not yet reached the floor, but I would like to get this agreement while we can, and I will put it at this time. If the minority leader has an objection, perhaps he can come to the floor and make it. I hope he does not have any objection.

Mr. President, I ask unanimous consent that the vote on or in relation to either of the two amendments occur at 3 p.m. I ask unanimous consent that the time between now and 3 p.m. be divided equally between the chairman of the committee and the distinguished Senator from Washington (Mr. JACKSON).

I further ask unanimous consent that at 3 o'clock, I be recognized for the purpose of making a tabling motion against one of the two amendments.

Mr. NUNN. Mr. President, reserving the right to object, and I hope I will not have to object——

Mr. DOMENICI. Mr. President, reserving the right to object, something completely irrelevant to this matter came to my mind. I wonder if the majority leader might assure me that we would have time between now and 3 o'clock to discuss a very exciting idea. I think we should take the military budget off budget. [Laughter.]

Mr. BAKER. Mr. President, all I can say is that if we take the military budget off budget, we will have a surplus, and I would be in the vanguard of proposing another tax cut.

Mr. DOMENICI. I thank the majority leader.

Mr. TOWER. Will the Senator add me as a cosponsor?

The PRESIDING OFFICER. The Senate will be in order.

Mr. BAKER. Mr. President, I am advised that the minority leader does not object to the request if it is satisfactory to the Senator from Washington and the Senator from Georgia.

Mr. NUNN. Will the majority leader repeat the request?

Mr. BAKER. I ask unanimous consent that a vote on or in relation to the Jackson amendment or Gorton amendment occur at 3 p.m.; that the time between now and 3 p.m. be divided equally between the chairman of the Armed Services Committee and the distinguished Senator from Washington (Mr. JACKSON); that at 3 p.m. I be recognized for the purpose of making the tabling motion against one or the other of the two amendments.

Mr. NUNN. I have no objection.

The PRESIDING OFFICER. Is there objection?

Mr. BAKER. Mr. President, the suggestion has been made that if it is not tabled, we proceed immediately to vote.

Mr. JACKSON. That is right.

Mr. NUNN. I object to that, and I do so only to protect——

Mr. BAKER. Let me work that vineyard a little. Let us get what we can get right now. Let me put the request I have just stated.

The PRESIDING OFFICER. Is there objection?

Mr. JACKSON. Mr. President, I object, unless we are going to deal with this matter realistically. It is not just the motion to table.

Mr. BAKER. Mr. President, I hope the Senator will not object. I said I will try to work it out. We cannot work out everything at once. I do not think there is a person in the Chamber who wants to finish this bill more than I do. We are going to stay very late tonight to do it.

Will the Senator from Washington give me a little time to try to work that out? I assure him that I will do my best to obtain a time limitation on any subsequent debate, assuming that the amendment is not tabled.

Mr. NUNN. I say to the Senator from Washington that if the motion to table fails, I do not intend to unduly delay the Senate in reaching a conclusion, but I should like to have a period of time—we can make it a very short period of time—to repeat for those who may be in the Chamber some of the arguments, summarize some of the arguments, after the motion to table, if the motion to table fails.

Mr. JACKSON. Mr. President, we had an informal understanding that we would try to bring this to a vote at 1:30. We have people leaving. We have waited here for someone to arrive on behalf of the Senator from Georgia. It is now 5 minutes of 2. The vote was supposed to be at 1:30. We are pushing it out to 3 o'clock.

I can only say that if we cannot dispose of this amendment, whether it is by motion to table or, if that fails, then by a vote up-and-down on the amendment, I think it is not unreasonable to insist that that should be done. Otherwise, it is wide open again, and we have people leaving all afternoon.

Mr. BAKER. Mr. President, how much time does the Senator suggest for debate, in the event the tabling motion does not carry?

Mr. JACKSON. We have been on this matter since 5 minutes of 11. Certainly, more than 15 minutes.

Mr. BAKER. Fifteen minutes on a side?

Mr. JACKSON. No, 15 minutes all told. Our side will take 3 minutes.

Mr. NUNN. Mr. President, if the Senator from Washington would make that 20 minutes equally divided, so that we would vote not later than 3:20, with equally divided time, I would agree.

Mr. JACKSON. That is fine.

Mr. TOWER. The vote on the tabling motion would take 15 minutes.

Mr. NUNN. Delete the 3:20. Twenty minutes after the conclusion of the tabling motion vote.

Mr. BAKER. Mr. President, I amend my request to provide that in the event the tabling motion against the Jackson amendment or the Gorton amendment does not prevail, there will be 20 minutes of debate on the pending question, to be equally divided between the chairman and the Senator from Washington or the author of the amendment.

The **PRESIDING OFFICER.** Is there objection? The Chair hears none, and it is so ordered.

Mr. BAKER. I thank all Senators.

Several Senators addressed the Chair.

The **PRESIDING OFFICER.** The Senator from Missouri still has the floor.

Mr. TOWER. Mr. President, on whose time is the Senator from Missouri speaking?

Mr. DANFORTH. On the time of the Senator from Washington.

Mr. JACKSON. On my time.

Mr. DANFORTH. Five minutes.

Mr. JACKSON. Whatever time the Senator from Missouri wants.

Mr. TOWER. Mr. President, will the Senator yield to me, on my time.

Mr. DANFORTH. I yield.

The **PRESIDING OFFICER.** The Senate will be in order.

Mr. TOWER. Mr. President, while there are a few Senators on the floor, it would be wise for the Senate to be advised that immediately following the disposition of the amendment of the Senator from Washington (Mr. JACKSON), it is our intention to proceed on amendments to be offered by the Senator from Colorado (Mr. HART) on the aircraft carriers. It is my understanding that he has two amendments, one of which would delete one of the carriers and the second of which, if that prevails, would substitute a light carrier for the remaining carrier.

I hope that if the Senator from Colorado comes to the floor, we can arrive at a time agreement. This is an extremely important series of amendments. Therefore, I hope Senators will be present for the debate and the action on those amendments.

The **PRESIDING OFFICER.** The Senator from Missouri.

Mr. DANFORTH. Mr. President, the amendment offered by the Senators from Washington is precisely the sort of proposal the Senate ought to be looking for in these times of severe budget constraints, since it is designed to fill an urgent military need more quickly and more economically than would the Pentagon's chosen course of action.

Mr. RANDOLPH. Mr. President, the Senate is not in order.

The **PRESIDING OFFICER.** The Senator is correct.

Mr. RANDOLPH. I dislike to interrupt the Senator, but this is not fair to the Senator who speaks, regardless of his viewpoint on the pending measure.

The **PRESIDING OFFICER.** The Senator is correct. The Senate will come to order.

Mr. DANFORTH. I thank the Chair and I thank the Senator from West Virginia.

The Defense Department's handling of the whole issue of military airlift enhancement has been a classic example of mismatching military tools and military needs. As we consider this amendment, it is especially important that we not lose sight of the military problem we face. Everyone agrees that the United States is not as capable as it should be of moving men and materiel quickly to the many places around the world where we may be called upon to fight. The Pentagon, at the direction of Congress, did an exhaustive study of the types and amounts of military hardware and supplies which would be needed to meet threats in distant parts of the globe. We now know what we lack.

The congressionally mandated mobility study showed that we lack the ability to get our men and machines to remote airstrips. This is partly due to the fact that some of our hardware, like the M-1 tank, will not fit in a small airlifter. It takes a widebody. Another major problem is that widebodies cannot land on short runways.

On August 28, 1981, the Air Force announced that it had found a solution to both of these problems. On the basis of a nearly year-long competition, it chose a design for a new aircraft, to be known as the C-17, capable of taking outsize equipment like the M-1 tank into remote airstrips. However, the Secretary of Defense, overruling the Chiefs of the Air Force, Army and Marines, decided to proceed not with the C-17 but with the purchase of 50 enormous C-5 cargo planes, at a total cost of over $8 billion. We already have an inventory of 77 C-5's. This is the plane that invented the term "cost overrun." This is the plane whose wings leak so badly that the taxpayers are having to throw in another $1.5 billion for brand new wings. More importantly, this is the plane that cannot land on short runways.

One thing should remain clear. Regardless of whether the pending amendment passes, the need to get outsized equipment to remote airstrips will not be met. That, however, is a question for another day.

The question before the Senate today is much more limited. The question is, How we can best supplement our fleet of 77 C-5's with aircraft capable of carrying bulk and oversized cargo to large airstrips overseas? It is a question which the Defense Department apparently failed to ask, since it overlooked the possibility of using existing widebody aircraft like the Boeing 747 and the McDonnell Douglas DC-10. The Pentagon's own numbers make it clear: We can solve this aspect of our airlift problem years faster and billions of dollars cheaper if we do not ask Lockheed to start up the old C-5 line. Given the airlines' excess supply of commercial widebodies and the ease with which such aircraft can be converted into superior military airlifters, it would be a profound mistake to resurrect the granddaddy of the cost overrun. The Secretary of Defense wants to restart the Edsel line at a time when there are perfectly good automobiles overflowing the sales lot.

I urge my colleagues to support the amendment.

The **PRESIDING OFFICER.** Who yields time?

Mr. EAGLETON. Mr. President, will the Senator from Washington yield me 3 minutes?

Mr. JACKSON. Mr. President, I yield whatever time the Senator from Missouri may require.

The **PRESIDING OFFICER.** The Senator from Missouri.

Mr. EAGLETON. Mr. President, I commend my colleague from Missouri for his excellent remarks and I identify with everything he said. I shall only add a brief few words of my own.

Mr. President, I rise today to speak in support of the Jackson-Gorton amendment.

In my opinion, this amendment appropriately focuses attention on perhaps the singlemost glaring deficiency of the Reagan military revitalization program—that of failing to adequately address the military's considerable intercontinental airlift requirements. Whatever the disagreements between the Congress and the Executive over the level and general thrust of planned defense expenditures, no one argues that the United States has anything but a serious—and potentially fatal—airlift shortfall.

To support this contention, I cite the following examples of recent Pentagon statements on the subject.

In a March 1, 1982, letter to Senator JACKSON, Secretary of Defense Weinberger stated "the overriding consideration is that a significant airlifter shortfall exists now."

On March 19, 1982, in hearings before the Senate Armed Services Committee, General James R. Allen stated "there is still a major shortfall in our overall strategic airlift capability."

On April 16, 1982, in Airlift Hearings before the same committee, Deputy Secretary of Defense Carlucci stated "the requirement for strategic airlift is an urgent requirement."

As concern has mounted over the past several years about the growing military threat posed by third world nations, increased emphasis has been placed on strengthening U.S. force projection capabilities. For instance, if all goes as planned, the so-called Rapid Deployment Force will make its official debut on January 1, 1983. Originally conceived in 1977, the rapid deployment force has become the focus of U.S. force projection plans and programs. The future success of the rapid deployment force will, in large part, depend on our ability to transport men and equipment rapidly to remote regions of the globe. How to insure that we will be prepared to meet this challenge is a matter of considerable debate—even among the military's highest ranking and most capable leaders.

Legitimate disagreement persists over how to best proceed. Reagan administration officials propose—and the Armed Services Committee agrees—that we should begin by immediately expanding our fleet of C-5's. Their rationale for this approach is that the most serious of our airlift shortcomings is in transporting "outsize" cargo—generally agreed to mean the M-1 tank and its support vehicles. In order to increase our "outsize" carrying capability, the administration would have us commit to a $9 billion program to build 50 C-5's.

The Jackson-Gorton amendment quite properly questions the wisdom of placing such an emphasis on "outsize" cargo—especially given the considerable cost of the C-5 and its checkered history. It is important to note that the C-5 was never the first choice of any of the military departments. The Air Force, Army and Marine Corps all favored development of a new intratheater airlifter such as the C-17. In fact, it is generally understood by all involved that the C-5 proposal offers only an interim solution at best and does little to meet long-term need. If this is true—and I believe it is—then the determination that needs to be made today is not one of simply selecting between the C-5 and some smaller aircarrier but rather one of deciding what is the best interim solution to fill the void between now and when a new airlifter can be pressed into service.

A review of the findings of the congressionally mandated mobility study shows that the recommendation that "outsized" carrying capability be increased by acquiring additional capacity can be met in the near term by simply requiring better utilization of existing C-5 assets. If this is done, then the single most glaring shortfall in existing airlift capabilities becomes hauling oversize and bulk cargo. This requirement can be most quickly satisfied by purchasing used commercial widebody aircraft which can be readily obtained from domestic airlines at a fraction of the cost of a new C-5. Estimates show a potential savings of $6 billion over the next 20 years if this course were pursued.

Given the circumstances, I urge my colleagues to vote for the Jackson-Gorton amendment which, if adopted, would: prohibit the restart of the C-5 production; authorize funding for procurement of the most cost-effective commercial widebody cargo aircraft instead of the C-5; and require that the first priority be given to procurement of surplus commercial cargo aircraft currently owned by domestic companies.

This amendment offers Senators the opportunity to cast a vote for increased military capability at a substantial cost savings. This year, more so than in years past, the Congress is going to have to make some hard decisions with respect to overall defense expenditures. I would hope that this body would move swiftly to adopt the Jackson-Gorton proposal before it is forced to trim back much needed readiness improvement items—the traditional action of past Congresses that have had to conform to budget constraints.

Mr. TOWER. Mr. President, I yield 2 minutes to the distinguished Senator from Delaware.

Mr. ROTH. Mr. President, I rise in opposition to the amendment. Others have already much better stated the case as to why the C-5 is the plane we need, and it seems to me that the critical determination in this vote should be what are the military needs.

I have been impressed by such statements as those made by Lieutenant General Kingston, when he says, "If I were given nonconstrained outsize airlift options, the strategy and deployment flow would be much, much more outsize capability demanding to better meet the spectrum of threats."

Mr. President, in contemplating the military airlift needs of this country, we have to ask three questions. First, what are our needs? Second, what kinds of equipment would best meet those needs? And third, how much does it cost?

Both the administration and the Armed Services Committee have recommended that we need to beef up the so-called outsized airlift capability in order to meet the global threats to our security interests.

After careful examination of the available choices, the committee has given its expert judgment that the C5-B is the most effective aircraft. In brief, the C5-B can, in the committee's judgment, do everything the alternatives can do, plus it has capabilities that are absent from any other aircraft. In its off the shelf form, the C5-B can carry large combat equipment that cannot be loaded on alternatives even if the alternatives have been reconfigured. Furthermore, this equipment can be literally rolled on and rolled off the aircraft. No special equipment would be needed.

Special capabilities, in other words, have already been built into the C5-B design. It not only can accommodate large military equipment, but can carry a host of equipment that no other aircraft can. Furthermore, since it has a large number of landing wheels that spread the enormous weight of large military equipment, the C5-B can even operate on dirt airfields such as those that are found in many parts of the world.

We are then left with the question as to whether or not this extra capability is worth the cost.

As I have learned in chairing hearings in my own Government Affairs Committee on Defense Procurement, projecting the costs of defense purchases into the future is a very hazardous business. But nevertheless, we have to make good faith efforts to do so. Otherwise, we might as well buy anything and everything. Or nothing at all. Neither course would serve our security interests well.

The best approach to cost estimating that I have seen projects the total cost over the expected useful life of the equipment to be purchased. By this measurement, as presented by the Department of Defense to the Armed Services Committee, the added cost of procuring C5-B's is approximately $1 billion over a 20-year period. I am convinced that, given the distinct capability superiority of the C5-B, this is a reasonable price to pay to safeguard our vital interests.

I yield back the floor.

Mr. TOWER. Mr. President, I yield 2 minutes to the distinguished Senator from Delaware.

Mr. BIDEN. Mr. President, I am pleased to join with Senator NUNN, Senator ROTH, and the chairman of the full committee and others of my colleagues in supporting the plan to secure additional C-5 aircraft in order to strengthen America's airlift capability.

The Air Force wants these planes. The Army needs them to carry extra-large equipment on a moment's notice.

The Armed Services Committee wisely approved the President's request for this program. I have a special and parochial knowledge of the versatility and effectiveness of these planes because many of them are assigned to the Dover Air Force Base in Dover, Del.

The C-5 has proven its responsiveness in numerous military crises requiring rapid transport of huge quantities of equipment around the globe, and if we are ever to be fully capable of rapid deployment and having a RDF that in fact means something, we need sufficient airlift.

Right now, according to a congressionally mandated study of mobility requirements, we do not have enough. But with the Air Force plan for additional cargo planes, including the C-5, we will be able to quadruple our reinforcement capability in the critical first 10 days of a distant conflict, according to Gen. John Vessey, nominee for chairman of the Joint Chiefs of Staff. That is his view.

Other planes, the 747's, may cost less, but they are less capable. Only the C-5 can carry such potentially critical items as the M-60, M-1 tanks, CH-47 helicopters, 8-inch and 155-millimeter self-propelled howitzers, division air defense guns, and 12-ton supply vans.

In fact, General Vessey testified that 41 percent of the Army's mechanized equipment is outsized, which can be loaded and off-loaded, combat ready only from a C-5.

It would be extremely unfortunate, Mr. President, for America's security posture if we were pennywise and pound foolish by purchasing less capable aircraft when we actually need the unique capability of the C-5.

The distinguished junior Senator from Missouri, said we should not be building an Edsel. I would suggest we should not be buying an Edsel. We have an Edsel here. We have a picture of one, a side-loading Edsel. That is what we should not be buying rather than in the way in which he characterized it.

We have a plane that works and works well.

I yield the floor and I thank my colleague for yielding the time.

Mr. TOWER. Mr. President, I yield to the Senator from Tennessee, 5 minutes to the junior Senator from Tennessee.

Mr. SASSER. I thank the distinguished chairman of the Armed Services Committee for yielding to me.

Mr. President, I oppose the Jackson amendment to delete the C-5B buy from the 1983 DOD authorization. I say that with all deference to the able Senator from Washington (Mr. JACKSON) who has been a staunch advocate of a strong national defense. He has been, and he continues to be, supportive of a high degree of military preparedness.

Let me note, however, today my reasons for opposing the Jackson amendment. First, we need to add to our airlift capacity, and we need to add to it now. Our present fleet of C-5's is simply not adequate to meet our national security needs if a defense emergency arises.

This has been amply verified by the testimony of many of our general officers, including those associated with the concept of developing the Rapid Deployment Force.

Indeed, with the purchase of the C-5's as directed by the Armed Services Committee, we can increase our overall airlift capacity by an average of 30 percent and, in some cases, increase it as much as 400 percent in the case of security emergencies that might arise in certain theaters of conflict, such as the NATO area.

Second, the C-5B, unlike the 747, is uniquely fitted for our airlift capability. Let us look at the photographs at the rear of the Chamber here which indicate that the C-5 has structural characteristics that are not available for the 747, which well should be. The 747 was designed as a civilian air carrier, and the C-5 from its very inception was designed as a heavy military airlifter.

According to various Department of Defense reports and memoranda that have been delivered to my distinguished colleague from Georgia (Mr. NUNN) the C-5 has the best—and I repeat, the best—capability of bringing outsized military equipment, especially firepower capability, to the field of battle in the quickest possible time.

Those of us who remember the last Arab-Israeli war will recall the C-5A's that landed at Tel Aviv, discharging M-60 tanks that had only to be armed and crewed and they were ready to go in just a matter of moments.

The C-5 is a military aircraft. It has been and it will always be. It does not need to be redesigned, it does not need to be retrofitted as the 747 would have to be in the years ahead.

I appreciate the contention of some of my colleagues that the domestic aircraft industry is in trouble. Certainly this is a matter of concern for all of us, and I appreciate the argument that we should look at the surplus capacity of the domestic airline industry and press 747's into service there.

But, Mr. President, we can already exercise that option with the civilian reserve air fleet program. In this program we can obtain surplus 747's on an as-needed basis at a substantially lower cost than would be contemplated under the Jackson amendment.

I know that my colleagues on the Armed Services Committee will go into all the facts and go into the figures in great detail. But in the brief materials that I have read there really is no long-range appreciable cost difference in obtaining the C-5's, as directed by the Armed Services Committee, and a comparable number of 747's.

In sum, Mr. President, the C-5 is a military aircraft. It was designed from the ground up to perform a role in our military capability. It is uniquely suited to bring about the greatest and most effective payload delivery when we need to airlift our troops and material to different conflict spots around the world.

For this reason, and for the reason that we can already obtain 747's on an as-needed basis through the civil reserve airfleet program, I urge my colleagues to oppose the Jackson amendment.

Mr. President, I have a letter directed to the distinguished Senator from Georgia (Mr. NUNN) from the former Secretary of Defense, Dr. Harold Brown which I would like to at this time read into the RECORD. He says:

SCHOOL OF ADVANCED
INTERNATIONAL STUDIES,
May 13, 1982.

Hon. SAM NUNN,
U.S. Senate, Dirksen Senate Office Building, Washington, D.C.

DEAR SAM: You have asked my views on the current issue of how best to increase strategic airlift capability. The main points, it seems to me, are these:

(1) We need to at least double our long-range airlift capability in order to be able to move ground force equipment rapidly to great distances quickly. Unless we do that, added sustaining capability by sealift, which is also needed, will have no force in place to sustain.

(2) We already have enough passenger capability with military and civil aircraft. Bulk and oversize military equipment lift capability needs to be increased somewhat. But the most critical need is outsize capability, which can handle tanks and can also move helicopters without disassembly except for rotor stowage.

(3) My own preference, in office, had been the new CX, designed specifically for intercontinental airlift of outsize payloads and with advantages in improved unloading capability, more airfields availability, and added capability in the role of intra-theater airlift.

But given the uncertainly of cost and of development and procurement, the longer time to achieve a capability, and Congressional reflection to these concerns, I agree with the view of the present Administration that an existing aircraft or a slight modification thereof is a more practical solution.

(4) I continue to believe that the outsize capability is the requirement that should govern the decision. For that reason, the C5B seems to me the preferred solution. No other existing aircraft, even with major modifications, can meet the requirements for carrying outsized equipment.

(5) For bulk or oversized cargo, if any expansion in capability is needed beyond that inherent in purchase of additional outsize capability, a CRAF program using existing commercial aircraft that would remain the property of the airlines seems to me the appropriate solution. Since there is little current production under way of new widebodied commercial aircraft, this would entail paying for modification and extra operating costs of existing airframes. Commercial in-service ratios are probably low enough to allow such modificaiton without great disruption.

Sincerely,

HAROLD BROWN.

Mr. TOWER. Mr. President, I yield 3 minutes to the Senator from Utah.

Mr. GARN. Mr. President, I will be very brief. I realize everyone is anxious to vote on this.

I do oppose the Jackson amendment, and rather reluctantly, because let me say that I was stationed in Washington and more than half of my 10,000 hours of flying time has been in Boeing aircraft, and I suppose that would bias me toward Boeing more than any other manufacturer because I have flown Boeing.

But I also spent 11 years flying in the Military Airlift Command, and that is what we are talking about, airlift in C-5's, 747's, C-141's, and I spent a good deal of time sitting on a lot of ramps, flying a lot of cargo all over the world.

So it simply gets down to the bottom line. These pictures show it very well, and that is all our colleagues have to look at, the difficulty of loading the 747 as compared to a C-5. On either side of the Chamber the pictures tell the story.

From personal experience I can tell you those pictures do not lie. It is an extremely more difficult situation because of the height to load the 747. It is a fine airplane. It simply will not be able to carry the cargo that the C-5 does. In a way it is sort of like a Coke bottle. The front end opening up simply is not big enough. You can get it down inside the fuselage, which might take care of the problem, but you cannot with the difference of not being able to load out of both ends of the aircraft virtually at ground level. I simply cannot tell you what a difference that means in terms of time and being able to operate many times in fields that are not prepared and do not have all of the equipment around.

The 747 simply could not perform that function. So I would urge my colleagues to vote against the Jackson amendment on just the basis of practicality, and I hope that my personal experience, not from a theoretical standpoint or looking at numbers or any figures, charts, graphs, but from the 11 years of flying in the Military Airlift Command, would indicate that the C-5A would certainly do a much better job for the type of cargo we are talking about hauling in a military emergency.

I thank the Senator from Texas.

Mr. TOWER. I yield 2 minutes to the Senator from Georgia (Mr. MATTINGLY).

The PRESIDING OFFICER. Who yields time?

Mr. MATTINGLY. One last comment, Mr. President. I think we all have friends on the floor, as has been said before, and we should put aside the interests of States from which we all come, whether it be a Boeing State or a Lockheed State or some State which builds parts for those companies. I think the one thing we need to look at here is what is in the interest of national security of our country.

And I think, to repeat once again, today, if we were standing on this floor and there had been a merger yesterday of the Lockheed and Boeing Cos., what would they be offering for the aircraft here today? Which one would they offer that would be the best and at the lower cost, the one suited for military combat conditions and able to deploy the combat equipment, as the facts are so ably stated by the Department of Defense, within a 20-day period of time?

Mr. President, I would say they would not be concerned about bailout. What they would be concerned about was what was right. And what is right is that we need more airlift capacity, we need more capacity that it can send outsized equipment to the front immediately. I think this new corporation called Lockheed-Boeing would recommend the typical C-5.

Mr. President, I thank the Chair.

Mr. JACKSON. Mr. President, parliamentary inquiry. How much time do I have remaining?

The PRESIDING OFFICER (Mr. BRADY). Twenty-two minutes.

Mr. JACKSON. And how much time does the chairman of the committee have remaining?

The PRESIDING OFFICER. About 17 minutes.

Mr. TOWER. Mr. President, I suggest the absence of a quorum and ask unanimous consent that the time consumed be equally divided between the two sides.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. TOWER. Mr. President, I yield myself such time as I may require. I would just like to say a brief word.

In the final analysis, even though the proposal by the Senator from Washington (Mr. JACKSON), who I think is one of the most valued military experts in the history of the Congress of the United States, a man whose judgment I have always respected and admired, and with whom I have worked for a long time and from whom I have learned so much, is a meritorious suggestion, in the final analysis, Mr. President, the question is not one of cost but of combat effectiveness and survival of American military men.

If the balloon goes up, we are going to have to go to war with what we have. If we have to airlift men and outsized equipment in a hurry, we are going to have to have the aircraft configured to do the job and to operate off some rather austere fields.

I think in the final analysis, if we have to fight, our ability to mobilize, reinforce, and deploy will be far better served by opting to buy the C-5. Therefore, I oppose the amendment of the Senator from Washington. I believe what we pay for the C-5 is worth it in terms of the capability that it will give us in a time of crisis in which not only the national interest but the lives of Americans will be at stake.

I yield to the Senator from Georgia such time as he may require.

STRATEGIC AIRLIFT—READINESS, REQUIREMENT, AND RESOURCES

Mr. NUNN. Mr. President, today's debate should not just focus on which aircraft—the C-5 or 747—should be purchased by the Department of Defense which has requested additional C-5B's and KC-10's, and which have been approved by both the Senate and House Armed Services Committees. Today's debate should really be about the readiness of our combat forces. It should focus on this Nation's ability to apply its combat power when and where it is needed to protect our vital interests. It should be about the ability to respond to a wide range of contingencies, many of which are unpredictable and uncertain as events of recent weeks demonstrate.

It should be about the ability to supply and sustain our fighting personnel with the types of equipment that have the ability to change the tide of a battle. It should be about the time-honored and tested principle of warfare embodied in Nathan Bedford Forrest's dictum that victory belongs to he who "gits thar fustest with the mostest." In my opinion, today's debate will prove conclusively that it is the Department of Defense's requested airlift program of C-5's that meets this test.

AIRLIFT ISSUES CONFUSED

Airlift has been a stepchild of our overall military capabilities and resources since the early 1970's with many false starts during this period such as the AMST and the CX program. The primary users of airlift—the U.S. Army and U.S. Marines—do not budget for the airlift aircraft. These aircraft are provided by the Air Force who can fly much of their assets into battle without airlift.

With this background, it is no surprise that many of the questions surrounding the airlift program included in the fiscal year 1983 DOD budget request needed examination. The committee hearing cycle provided concrete answers and the committee recommended approval of the requested airlift program. However, some unresolved issues developed when the Boeing proposal was submitted at a late date and Chairman Tower decided to hold a special airlift hearing on April 16, 1982. I applauded the chairman's initiative and joined Senator Jackson in supporting this hearing.

This hearing had a most distinguished panel of civilian and military witnesses including Deputy Secretary of Defense Frank Carlucci, Air Force Chief of Staff Gen. Lew Allen, Army Vice Chief of Staff Gen. Jack Vessey, Marine Assistant Commandant and former RDF Commander Gen. P. X. Kelley, and Air Force Deputy Chief of Staff for Research and Development Lt. Gen. Kelly Burke. During his opening statement at the hearing, Chairman Tower posed six precise and appropriate questions, and I quote these questions from the chairman's opening statement:

> First, as airlift capabilities are augmented, what is the need for additional outsize lift?
>
> Second, what are the cost differences between procuring roughly equivalent amounts of C-5B airlift and 747 airlift, the latter for both existing and new aircraft?
>
> Third, how do equal cost alternatives of C-5B and 747 aircraft improve force deployment capabilities?
>
> Fourth, what are the specific military advantages of a C-5B?
>
> Fifth, does it make sense to place 747's in the Department of Defense's organic airlift inventory?
>
> And lastly, what efforts should the Department of Defense undertake to ensure that 747 aircraft—currently surplus to the needs of U.S. commercial carriers—remain available as U.S. assets for use in times of crisis?

Mr. President, the hearing provided clear-cut and persuasive answers to all of the chairman's questions. I would like to take his questions and the answers provided by the DOD and military witnesses one by one. I stress that the material I will be citing is strictly from DOD testimony and statements.

I. FIRST, WHAT IS THE NEED FOR ADDITIONAL AIRLIFT

The Boeing Co. contends that better management of the existing C-5 fleet of airplanes would suffice in meeting military requirements. Boeing Co. contends that the C-5's are used to carry all types of cargo—outsize, oversize, and bulk—and that there would be enough outsized airlift if the C-5 only carried the outsize firepower equipment. In other words, the Boeing Co. would have you believe the military has enough outsized airlift today to meet the need to move combat firepower and support over strategic ranges.

Mr. President, each and every witness at the special airlift hearing completely and totally disagreed with the Boeing Co. that we have sufficient outsize airlift today. In fact, I cannot find a single senior military leader today who does not support the critical need to add to our strategic outsize airlift. The following are quotes from the DOD witnesses at the April 16, 1982 airlift hearing:

> Secretary Carlucci. We face a very significant outsize constraint . . . We clearly need more outsize capability.
>
> General Vessey. This study (CMMS) along with several others has documented once again the need for additional mobility forces and particularly the need to lift outsize cargo.
>
> General Kelley. If there is anyone in this room who truly believes we could move sufficient outsize equipment . . . and I mean move it simultaneously because that is what the requirement would be—worldwide, simultaneously—in the paltry 77 C-5s that we have available in the Military today, then I am wasting my breath.
>
> General Kelley (continued). When you ask "Don't we have enough to lift the Rapid Deployment Force?" the answer has to be relative in that, if you want me to not be very rapid and take an inordinate period of time to deploy the force, 77 C-5s can hack it. If you want me to provide credible closure capability, in my professional opinion, 77 C-5s do not hack it.
>
> General Burke. The CMMS was the 17th study on airlift that the Department of Defense has done in the last dozen years, none of which has failed to show there is a critical shortage of airlift and particularly a critical shortage of outsize airlift.

Mr. President, the hearing went much further than the stated and experienced judgments of our most senior uniformed military personnel. Lt. Gen. Kelly Burke provided a detailed analytical foundation based on sophisticated computer models and years of experience to determine the airlift requirements. In just looking at the four scenarios in the congressionally mandated mobility study, General Burke charted the outsize requirements for each and every day prior to the arrival of the first sealift. General Burke outlined the current capability of the C-5 fleet when it carries only outsize equipment. I stress this fact—the analysis was done with the C-5 carrying only outsize equipment. General Burke indicated the shortfall during just the first 5 days in CMMS Scenario I "is on the order of 2,500 tons per day." It would take many more C-5's than even the President's budget requests to completely eliminate that shortfall in the least demanding of the four scenarios studied. General Burke then went on to explain that this shortfall would then become a carryover backlog for the second 5-day period, which also produces additional shortfall of its own.

The total outsize requirement for any period is not only the outsize requirement for that period but also the accumulated outsize shortfall for all previous periods. In other words, the ability to carry that firepower and combat support equipment which the operational commanders in the field have determined is essential to their mission cannot be met with the current fleet of C-5's and will not be completely met with the additional 50 DOD is requesting.

NATO REQUIREMENT

In an important NATO scenario, the cumulative outsize demand versus the cumulative outsize capability shows that in just the first 15 days the shortfall is on the order of 100,000 tons and 100,000 tons represents a significant amount of firepower which cannot be delivered with our current C-5 fleet carrying only outsized equipment. Mr. President, I doubt that even Boeing's imaginative analysts can "manage away" 100,000 tons. The same shortfall exists in the remaining two scenarios as well. I ask unanimous consent that these official DOD charts, and a letter dated April 23, 1982, be entered in the Record at this point.

There being no objection, the material was ordered to be printed in the Record, as follows:

Department of the Air Force,
Washington, D.C., April 23, 1982.

Hon. Sam Nunn,
Committee on Armed Services,
U.S. Senate, Washington, D.C.

Dear Senator Nunn:

1. This is in response to your request for additional information concerning alternative airlift programs. All of the information in response to your questions is based on Air Force estimates and analyses which show that 55 B747s are needed to close Scenario I in approximately the same overall time as the 50 C-5Bs. Boeing believes that 48 B747s are the proper equivalent and for that reason I have included the information which would result if the Boeing view were correct.

2. The following answers to the questions contained in your letter to me of April 19, 1982 are numbered to correspond to the questions.

(1) The difference in the budget impact of the DOD program and a program which substitutes B747s for the C-5Bs in the DOD program are plotted in Attachment 1. The B747s are purchased at a rate which closely follows the Boeing accelerated buy profile, but is limited to the TOA available for the C-5B. A 55 aircraft B747 buy is shown. The net result is that although the authorizations are essentially the same into FY 85, the outlays from FY 82 through FY 85 for the B747 are $2 billion higher than the outlays for the C-5s.

(2) The total life cycle cost to obtain the equivalent B747 capability through CRAF in fiscal year 82 dollars is $2.5B for 48 B747 or $2.9B for the 55 B747 force. These figures have been adjusted to account for the difference in utilization rates between the CRAF (10.0 hr/ac/day) and organic airlift (12.5 hr/ac/day) and for the differences in the CRAF contract period of 18 years vice the 20 year life cycle which we use for organic computations. The result of these adjustments is that 1.56 CRAF modifications are required for each primary authorized aircraft which is to be replaced.

(3) Attachment 2 contains the four charts which were used in the April 16 presentation to the SASC. In addition, there is a plot of the cumulative outsize demand for Scenario III versus the cumulative capability of both the current and the proposed force of

C-5s. The chart also contains a demand curve if one assumes that half of the day 8 through day 15 demand were to be prepositioned. In both cases, we are still short of the demand although the proposed program nearly meets the requirement in the case of assumed additional prepositioning.

(4) The measure of effectiveness, which I presented in my briefing, Brigade Days in Theater, is a measure of our ability to get fighting forces, properly equipped, to the places needed and, in my judgment, is the most illustrative measure of the value of airlift. In establishing the number of B747s needed to make up an equal Life Cycle Cost (LCC) force in comparison to the Air Force program several LCC estimates can be considered. By using the LCC comparison presented in my briefing, an equal LCC force would contain 58 B747s. These additional B747s would result in the following table:

ARMY AND MARINE BRIGADE DAYS IN THEATER—EQUAL LIFE CYCLE COST

	W/50 C-5	W/58 747	Difference in percent
Scenario I	50	46	9
Scenario II	110	105	5
Scenario III	120	97	24
Scenario IV	138	107	29

(5) The NATO CRAF was considered in performing the CMMS analysis in Scenario III and IV. In presenting the DOD program to the Congress and in evaluating the number of brigade days improvement that a C-5 force offers in comparison to a B-747 force the NATO CRAF was not included in order to make the comparison consistent across all scenarios. In Scenario III and IV inclusion of any NATO CRAF would have the effect of improving the oversize and bulk delivery thus increasing the demand for outsize capability in order to maintain a balanced airlift force.

3. I hope this information will be useful. We continue to believe the balanced airlift program proposed in the President's budget is the best possible within the funding available.

Kelly.

Enclosures.

COMPARISON OF BUDGET IMPACT—C-5B/747

	1982	1983	1984	1985	1986	1987
Total obligational authorization:						
C-5B	270.0	860.0	2,171.5	2,308.7	2,506.6	725.0
747	166.1	897.0	2,213.3	2,061.6		
Ann diff	−103.9	+30.0	+41.8	−247.1		
Cum diff	−103.9	−73.9	−32.1	−279.1		
Outlays:						
C-5B	21.6	182.2	629.4	1,424.7	2,024.2	2,167.2
747	93.0	563.7	1,579.7	2,019.0	884.2	134.2
Ann diff	+71.4	+381.5	+950.3	+595.2	+1,140.0	−2,033.0
Cum diff	+71.4	+452.9	+1,403.2	+1,998.4	+858.4	−1,174.6

Mr. NUNN. Mr. President, the need for more C-5 outsize aircraft is supported by much testimony over the years. I would cite a few more examples and ask that the remainder be inserted in the Record. Charts and graphs are important in an analytical context, but our military commanders make the point with much more authority.

Secretary of Defense Harold Brown in testimony before the Senate Armed Services Committee, June 5, 1980:

> We have a critical need for intertheater airlift of outsize cargo.

Secretary of Defense Cap Weinberger in his annual posture statement:

> To provide additional capacity for moving our large weapon systems and vehicles, we plan . . . to produce 50 additional C-5N aircraft. The C-5 is our most flexible mobility resource; it is aerially refuelable and can carry a wide mix of unit equipment to any theater.

Gen. Lew Allen, Air Force Chief of Staff in a speech to the Air Force Aviation Convention, Los Angeles, Calif.

> The demand for the movement of Army "outsize" cargo—which can be moved today only by the C-5—will increase fivefold between now and 1985.

Gen. Edward C. Meyer, Army Chief of Staff, in response to question:

> What is the Army's most pressing requirement in terms of airlift?

Stated:

> The major deficiency in the current airlift fleet's capability is its limitation in carrying outsize cargo. . . . For worldwide contingencies the shortfall in intertheater airlift of outsize cargo is the Army's most constrained factor. (Senate Armed Services testimony, Feb. 22, 1980.)

Gen. James Allen, Commander in Chief, Military Airlift Command, said,

> Requirements to NATO at C+15 are more than double the capability of currently available in-flight refueled C-5s. (Senate Armed Services testimony, March, 1982.)

Maj. Gen. Robert D. Russ, Air Force director of operational requirements, in an article entitled "We Have To Get There In Time," Airlift Operations Review, October 1981:

> All of these major efforts plus others will add to our airlift. . . . We will still be short of airlift in general, but desperately short of airlift to carry the outsize equipment vital to our principal customers, the Army and Marine Corps.

U.S. military posture for fiscal year 1983, prepared by organization of the Joint Chiefs of Staff, page 55:

> There is adequate passenger lift capability within the CRAF to support most major planned deployments. However, cargo airlift, especially for outsize equipment such as self-propelled howitzers, fighting vehicles, attack helicopters and support vehicles . . . is less than adequate to meet early deployment and sustainability requirements.
>
> Mobility shortfalls are especially pronounced when multiple, simultaneous contingencies are considered. Although some military mobility needs can be met by commercial carriers, the features listed above (flexibility to operate in all areas of the world, responsiveness to changing needs of combat, ability to perform and survive near the combat objective, and capability to load an offload military equipment and supplies with a minimum of local support and equipment) require dedicated military mobility forces for the rapid projection and sustained support of combat forces.

OPERATIONAL COMMANDERS

The priority of outsized airlift has also been stressed by many of our operational commanders:

Gen. Bernard Rogers, Supreme Allied Commander, Europe in a letter April 15, 1982:

> Airlift and its outsize capability are essential to our mission. At present, airlift assets are insufficient to satisfy the requirements of our military plans. This critical airlift shortage is well documented in the Congressionally Mandated Mobility Study. If sufficient outsize airlift were not available for our planned deployments, we could fail to have balanced and adequate forces available at the proper place within critical time limits. Our initial combat forces and their combat support and combat service support which are to be deployed require outsize airlift. Lack of sufficient outsize airlift impacts adversely on the orderly buildup of forces in theater.

Gen. Robert Barrow, Commandant of the Marine Corps, in a letter March 24, 1982, stated:

> The ability to carry outsize cargo is among our most critical deficiencies. The C-5 aircraft provides us with the maximum flexibility in this area and; therefore, has my very strong support.

Lt. Gen. Robert C. Kingston, current RDJTF commander, in a letter April 14, 1982, stated:

> It should be clearly understood that all of our planning has been constrained to existing airlift assets. If I were given unconstrained outsize airlift options, the strategy and deployment flow would be much, much more outsize capability demanding to better meet the spectrum of threats. We should procure additional outsize capability to accommodate ground force growth and to improve our deployment and employment flexibility.

The Commander of the 101st Airborne Division at Fort Campbell, Ky., in a message that April states:

> Outsize airlift allows the firepower intensive elements to deploy in a rear ready to fight configuration. The buildup of forces in an operation requires that initial reconnaissance, logistics and maneuver elements arrive prepared to move immediately to an objective area. As an example, the difference between deploying 6 UH-60 Helicopters in a C-5A versus 2 in a C-141 means a delay of several days before adequate lift is available to move combat elements to an objective.

General Prillaman, the commander of the Second Armored Division at Fort Hood, Tex., states:

> Outsize aircraft availability is critical to our wartime mission. The absence of sufficient outsize cargo carriers is a serious flaw in the strategic concept for rapid deployment of NATO and the role the 2d Armored Division is expected to play in executing that strategy.

The commander of the 18th Airborne Corps and 82d Airborne at Fort Bragg, N.C.—and I should add that many forget that light infantry units such as the 82d Airborne have outsize requirements—said:

> The requirement for outsize airlift is not available to move out helicopters and numerous pieces of combat service support equipment, our ability to seize key facilities in operational areas will be severely degraded. The quick, decisive seizure of these objectives is critical to the establishment of tactical fighter aircraft basing: the opening of seaports to meet arriving combat equipment, and the opening of the additional air facilities necessary for the building of significant logistical installations.

The commander of the Army Forces Command, General Cavazos, who is in charge of all Conus-based U.S. Active and Reserve Army units said:

> While additions to all airlift are desirable, there are some nonmilitary resources which can be made available in a crisis to move bulk and oversize cargo. Outsize airlift, however, is a finite resource—only the military has it and there is no alternative supply. The addition of more strategic outsize airlift capability is essential for FORSCOM units to deploy for many of our missions. Without adequate outsize airlift capability, we risk degradation of our force's capability for rapid deployment and subsequent employment for missions other than a display of force.

Mr. President, the quotes from our military commanders stressing the need for more outsize airlift go on, and on, and on, and I have them from the division commander at Fort Polk, the commander of our forces in Korea, the commander of our U.S. Army forces in Europe, our Marine commander of the 2d Marine Division, and so on. I will ask unanimous consent that these statements, letters and official messages be included later in the Record. Mr. President, I do not believe any further evidence is needed to document the outsize shortfall, but I would cite the congressionally mandated mobility study as one analytical study which specifies the need to add 10 million ton-miles per day of additional outsize airlift. It is the most recent and very authoritative. However, I want to add a note here about the CMMS and the use of planning scenarios. Gen. Kelly Burke stated that,

> The CMMS considered four scenarios that were first selected in a general sense by the Congress and reviewed by the Joint Chiefs of Staff and matched as closely as possible to actual war planning that is done by the JCS.

General Burke hastened to add—

> Not that anyone holds out that we can write a scenario that will predict exactly how war unfolds.

This is a key point. No computer model or analytical scenario can precisely duplicate what Clausewitz termed the "fog" and "friction" of war. Just as it is misleading for Boeing to base their analysis on only one CMMS scenario—the lightest one needless to say—it is misleading to depend strictly on one study for all the answers. However, this is one of 17 major mobility studies in the past 12 years, all of which highlight the shortage of airlift and, in particular, the need for additional outsize airlift. I will ask unanimous consent later that an Air Force summary of these studies be included in the Record.

These studies with the testimony and statements of our military commanders around the world refute without question the attempt by Boeing to dismiss the outsize requirement.

THE VALUE OF OUTSIZE EQUIPMENT

The issue of the outsize requirements in tons, or ton-miles per day or cumulative shortfalls presents only one dimension of the problem. The second dimension is the value of this outsize equipment in a combat context.

General Vessey indicated that 41 percent of the Army mechanized equipment is outsize, which can only be loaded and off-loaded combat ready from a C-5. General Vessey said this was also true of 52 percent of their armored division equipment, about 60 percent of their motor transport brigade equipment, 45 percent of an engineer brigade equipment, and the key 20 percent of an air cavalry combat brigade. I will later ask that a chart showing the Army outsize percentages be included in the Record.

There are significant percentages, and they represent important combat equipment, both in terms of value to the mission and in the overall numbers needed for the various scenarios.

Outsize equipment is not just tanks and fighting vehicles as some suggest. General Vessey indicated that, for instance, the following equipment can only be carried on a C-5: Combat engineer vehicle; CH-47 helicopter; 8" self-propelled howitzer; armored vehicle launched brigade; Lance missile carrier; M-88 recovery vehicle; armored cavalry vehicle; 12 ton supply van; division air defense gun; 5 ton truck/12 ton communication, command, and contol van; M-1 and M-60 tanks

I showed General Vessey two long computer printouts of the outsize equipment for two of the scenarios studied. I asked General Vessey to validate the fact that these printouts I am holding here represent item after item of outsize equipment that can only be carried by the C-5. General Vessey and the Army reviewed the list and confirmed this fact for the record. Both General Vessey and Gen. P. X. Kelly confirmed that there are presently hundreds of combat items which can only be carried on the C-5. On each Senator's desk is a copy of these printouts and they show hundreds and hundreds of combat and combat support equipment.

Mr. President, we are not talking about tentpoles which can be carried in bulk pallets. We are talking about anti-armor weapons, communications equipment, fighting vehicles, water trucks, fuel trucks, artillery, air defense weapons, tanks, engineer equipment, and more—all of which must arrive at the proper time and in the proper order to build up and apply combat power. Further, both General Vessey and General Kelley indicated the Army and Marine Corps outsize requirements will increase in the next 10 years.

QUESTION NO. 1: THE ANSWER

Mr. President, the unambiguous answer to the chairman's question No. 1 is: The demonstrated and critical need is for additional strategic outsize airlift to move the combat power of our military. This is not my conclusion; this is not Lockheed's conclusion; this is not Boeing's conclusion. This is the conclusion of all the military witnesses at the hearing, our senior military commanders around the world, the civilian leadership of the DOD over several administrations, years of testimony, years of studies, and just plain commonsense.

QUESTION NO. 2: COSTS

The chairman's second question related to the important area of cost. He asked,

> What are the cost differences between procuring roughly equal amounts of C-5B airlift and 747 airlift, the later for both existing and new aircraft?

The answer was again clear as the chart displayed on the floor shows. General Burke's testimony established that the Air Force and OSD estimate on the basis of their computer models and loading calculations that it would take 55 747's to compare to the 50 C-5B's requested. For these two different fleets, the cost differential is not the $6 billion the Boeing Co. tosses around with much abandon, not $5 billion, not $4 billion, not $3 billion, not $2 billion, but roughly $1 billion over the 20-year lifecycle of the programs—a little

under $50 million a year for the military capability provided by the C-5 that is so critical to our men in the field.

In answer to my question to each witness:

> When you look at the difference in lifecycle costs of $1 billion, is there a priority that warrants that additional expenditure? Does the outsize airlift priority warrant that kind of money difference?

Each witness answered in the affirmative.

IS IT WORTH THE DIFFERENCE

Secretary Carlucci. There is no doubt about it; it does warrant the difference.

General P. X. Kelley. An unequivocal yes, it does warrant the difference.

General J. Vessey. It is essential to carry out the plans we have.

General Lew Allen. It is worth the difference.

General Kelley Burke. Yes. It does come out of our budget and we don't have outsize cargo airlift. The country needs it.

CRAF

Mr. President, the cost differential between the two is not the only cost that should be considered. When considering adding bulk and oversize airlift, one must look at the CRAF—Civil Reserve air fleet program.

The CRAF program is one of the best bargains our taxpayers have. It is a partnership that has been in existence since 1952 and has proven effective in various levels of emergencies while operating in a peacetime mode. It is essentially a program whereby commercial freighter and passenger aircraft such as the B-747 and DC-10 are available to DOD for both peacetime contracts and in emergencies to augment organic airlift. CRAF currently represents 40 percent of our total airlift capability and virtually every cargo B-747 and DC-10 owned by U.S. domestic carriers is already committed to the CRAF.

There are three stages of CRAF in which these aircraft become available to DOD. Stage I can be activated by the commander in chief of the Military Airlift Command and the aircraft are available immediately. Stage II provides additional augmentation during an emergency not requiring national mobilization, and stage III is activated in a national emergency.

This is a key point. The bulk and oversize assets represented by the 747 and DC-10 are available to DOD today. DOD does not need to purchase organic airlift to have this capability.

Mr. President, the difference between obtaining additional oversize and bulk capability in CRAF as opposed to buying 747's is $12 billion—not $1 billion, not $2 billion, not $6 billion, not $7 billion, not $8 billion, not $9 billion, not $10 billion, not $11 billion, but $12 billion. The cost chart shows that the lifecycle cost of 55 747's in CRAF is $3 billion—buying them would cost $15 billion.

Mr. President, what the Boeing Co. has not told anyone is that their proposal will cost $12 billion more than the most cost-effective way to have this bulk and oversize capability, which is via the CRAF program. There is no dispute on this point. If the C-5 was available as a commercial aircraft, CRAF would be the most cost-effective way to obtain this capability. But it is not a commercial aircraft, Mr. President, it is a unique military airlifter designed to carry combat equipment and there is no demand for this in the commercial sector.

What else did Boeing forget to tell you about costs. They did not tell you the outlays if you purchase 747's—the dollars to be spent—for the next 3 years—fiscal year 1983, fiscal year 1984, fiscal year 1985—would be $2 billion more than the President's airlift program—not $50 million a year, not $500 million a year but $2 billion in the next 3 years. The 747, then, is not $6 billion less than the C-5 program. Adding organic 747 capability is $12 billion more than we can get it in CRAF and would be $2 billion more in outlays.

Mr. President, I believe the same imaginative Boeing analysts who "managed away" over 100,000 tons of outsize shorfall must be doing the "artful arithmetic" which claims to represent $6.6 billion in savings to the taxpayers when it actually would cost $12 billion more than necessary. Can we call it "savings" when it costs $12 billion more to buy the 747 than it would cost to get them via CRAF?

ANSWER NO. 2

Mr. President, the answer to the chairman's question No. 2 about the cost differences is abundantly clear:

CRAF is the most cost-effective way to add the oversize and bulk capability the 747 represents. This is $12 billion less than buying them for organic airlift which would be $15 billion. Buying them for organic airlift would also cost $2 billion more in outlays in the next 3 years over the C-5 program which is, over 20 years, only $1 billion more than the 747. Is the outsize military capability represented by the C-5 worth the difference? The unanimous answer is yes and the testimony I cited indicated.

This is not my conclusion; this is not Lockheed's conclusion; this is not Boeing's conclusion. This is the conclusion of the DOD witness.

QUESTION NO. 3

The chairman's third question was,

> How do equal cost alternatives of C-5B's and 747 aircraft improve force deployment capabilities?

The answers here again all favor the President's C-5 program.

Secretary Carlucci testified as follows:

> If we compare the performance of the DOD program with the Boeing alternative during this initial period in each of the CMMS scenarios, we find that the DOD program is considerably better at deploying Army and Marine Corps forces. This result is particularly striking should we need to reinforce Europe subsequent to a Persian Gulf deployment. In that case, we find that the DOD program provides at least a third more capability to deliver Army or Marine units than the Boeing alternative.

I asked General Vessey about the improvements in Army ability to deploy forces to Southwest Asia. General Vessey answered that, in a general, unclassified context,

> You can say it improves the additional combat power by a third across the scenarios.

In answer to the same question in the NATO context, General Vessey indicated that the airlift package, plus other parts of the President's budget, would mean

> That we will be able to reinforce four times the force in the first 10 days.

I asked,

> Are you saying it increases our overall capability by 400 percent?

General Vessey answered, "that is correct."

Mr. President, this program in this scenario represents a 400-percent improvement in the first critical 10 days.

There are other ways to measure effectiveness of equal cost forces. Gen. Kelly Burke wrote me a letter on April 23, 1982, to answer some followup questions from the hearing and presented an analysis of the effectiveness of equal lifecycle cost forces. This is an "apple-to-apple" comparison to obtain an idea of which performs the mission better for the same money.

General Burke analyzed 50 C-5's and 58 747's in the 4 CMMS scenarios. The number of 58 747's was determined by the Air Force to be that number which would cost the same as the 50 C-5's. General Burke dealt with the measure of "Army and Marine Brigade Days in Theater." This is the measurement of the ability to get fighting forces, properly equipped, to the places needed when they are needed. In each and every scenario the C-5 equal cost force outperformed the 747, ranging from 10 percent better to 30 percent better. General Burke further stated that "50 C-5B's provide a clear edge over 48 747's."

General Burke even did the same comparison using a combination of new and used 747's to make up an equal lifecycle cost fleet to 50 C-5's. Using 75—that is right—75 747's as compared to the same 50 C-5's, the C-5 still outperformed the 747 in all four scenarios in getting fighting forces to the places and at the times needed. According to General Burke,

> The DOD program closes the forces more quickly in each of the CMMS scenarios and provide significantly better closure in Scenarios III and IV which are most closely related to our planning scenarios.

Secretary Carlucci confirmed this fact in a May 6, 1982, letter to the chairman of the board of Boeing which stated:

> Both Air Force and OSD computer models show that 50 C-5Bs provide more capability in each of the 4 CMMS scenarios than an equal cost force of commercial freighters.

In each and every case, the significant addition of more 747's was not helpful since the constraint was the outsize equipment which only the C-5 can carry. The 747 simply cannot carry this equipment whether you have one 747 or 100 747's. Once you bump into the outsize constraint, only C-5's will help.

Assistant Secretary of the Air Force Dr. AL Keel has just provided my office with some additional analysis comparing the DOD program to the Boeing program, using their assumptions.

In Scenario I, after 15 days, the DOD program delivers about 22,000 tons. The Boeing program, with Boeing assumptions on use of C-5's, delivers about 12,000 tons total—90 percent of which is late. Not only does the Boeing proposal deliver 50 percent less than the DOD program, but 90 percent of it is delivered late. This is the lightest scenario and the one on which they based their proposal.

In Scenario II, which is the "heavy" scenario, after 15 days, the DOD program delivers almost 35,000 tons. The Boeing proposal delivers 22,000 tons, 95 percent of which is late.

Mr. President, these two points should be emphasized. The Boeing program delivers 13,000 tons less and 95 percent of the total tonnage they deliver is late. When you talk about 12 to 13,000 tons less equipment and even that they do deliver is 90 to 95 percent later than required, it could spell the difference between victory and defeat.

There is another important point here that General Burke emphasized in his testimony. He explained that the percentages which show the C-5 outperforming the 747—

> Greatly understate the difference. It is merely the comparison between outsize capability and nonoutsize cargo capability. I have not factored in the flexibility and responsiveness. We did not penalize the 747 for how they would get the heavy loads in there, how they were going to get extra people in to assemble the equipment, whether they could find airfields that are suitable.

ANSWER NO. 3

Mr. President, the answer to the chairman's third question is that the proposed C-5 program—when compared to an equal lifecycle cost 747 force—outperforms the 747 in each and every scenario. It does this when using several measures of effectiveness including closure time and brigade days in theater. The Boeing proposal delivers much less and that they do deliver is extremely late.

This is not my conclusion, this is not Lockheed's conclusion; this is not Boeing's conclusion; this is the conclusion of the top-level military and civilian witnesses at the hearing and the OSD and Air Force analysis.

QUESTION NO. 4

The chairman's fourth question was,

> What are the specific military advantages of a C-5B?

Mr. President, it will be a pleasure to deal with this issue since it is a completely one-sided answer. The C-5 is a military airlifter from the ground up but I have a number of photographs which can provide this answer much more dramatically. The photographs on the floor are duplicated in photographs on the Senator's desks.

The first two photographs show a side-by-side comparison of the loading of C-5 and a 747. Just looking at the type of equipment and the loading features side by side tells the whole story.

The entire line of combat and combat support vehicles can be driven right onto the C-5 while bulk pallets are being lifted over 16 feet with combersome loading equipment up to the loading position of the 747.

The next series of photographs is another view of the different loading/unloading capabilities of C-5 and 747. Much emphasis is given the opponents to the fact that the C-5 has wide doors. These photographs show exactly what the difference between a small door and a large door means in combat firepower.

According to General Burke,

> When the airplane industry builds a commercial freighter they make the assumption it will spend the bulk of its life operating between main terminals where there will be ample and adequate support equipment and people. They don't pay for extra features for it to operate in places that are remote and don't have such equipment.

Another aspect of the 747 and C-5 comparison relates to the disassembly and reassembly issue. The C-5 delivers literally the hundreds of different firepower and combat support equipment in ready-to-fight condition. Army attack helicopters go on and, in turn, come off combat ready with fuel and armaments. Whithin a few minutes, they fly off to be employed as needed.

On the 747, the Cobra attack helicopter takes 3 to 4 hours to disassemble and another 3 to 4 hours to reassemble at the other end. You then have to flight test the helicopter. General Kelley testified that:

> The AF-IT Cobra takes 10 men 3.5 hours to disassemble to put in the 747 and ten men 3.25 hours to reassemble.

He further testified that in a RDF situation it is extremely difficult to do these processes.

> It is not only enemy action one has to contend with but also the windstorms and sandstorms. This was an extremely difficult time, putting together a helicopter under those kinds of conditions.

Of course, any equipment that could be disassembled to fit in the 747 can also be carried in the C-141.

The C-5 has a great deal of unique military capabilities which the 747 does not in addition to the outsize ability: Aerial refueling, airdrop, soft field landing and taxi, off runway capability, drive through loading/unloading and the ability to carry bulk, oversize, and outsize all at the same time.

First, just as photographs provide the best explanation of the differences between the C-5 and the 747, the unique military and other capabilities of the C-5 are best understood in some examples from its past history.

Some of the outstanding airlift accomplishments by the C-5A include: A nonstop Chicago-to-Moscow flight with an 85-ton superconducting electromagnet; 1,650,000 pounds of equipment, tanks, and helicopters to the beseiged airbase at Da Nang, Vietnam, in 1972 on one span of only 10 missions, with an average ground time of only 32 minutes from touchdown to takeoff; 14,000-mile roundtrips with 10,763 tons of cargo including M-48 and M-60 tanks and helicopters in the 1973 Israeli airlift; and a 100-bed mobile hospital, purification units, and communication equipment for relief operations and earthquake-damaged Nicaragua in 1972. No other plane in the world could match this performance.

There are several unique missions: A C-5 Galaxy flew to Hakodate Air Base on Japan's northernmost island off Hokkaido to pick up a Soviet Mig-23 jet fighter nicknamed "Foxbat," the most advanced plane in the Soviet arsenal at the time. The supersonic jet was transported by the C-5 to a Japanese air force base for further inspection by Japanese and United States experts.

During the Zaire crisis of 1978, a C-5 participated in the rescue and evacuation operations requested by the French.

In 1974, a C-5 successfully demonstrated the feasibility of air launching ICBM's with the air drop and subsequent firing of a Minuteman 1 missile.

Mr. President, the C-5 is the only aircraft in the world then, now, and in the future capable of these military unique feats. There is no comparison. To be fair to the 747, it should be compared to the DC-10, not the C-5. The C-5 is not a commercial passenger plane turned freighter although the C-5 can carry 70 passengers at the same time it is carrying a full load of combat equipment. In fact, this is exactly what General Richardson, Deputy Chief of Staff of the Army, suggested. He said:

> Comparing the C-5 and the 747 is like comparing apples and oranges. A more appropriate comparison of the 747 would be to the DC-10.

ANSWER NO. 4

Mr. President, the answer to the chairman's fourth question is that the C-5 Galaxy is a unique, one-of-a-kind military airlifter unparalleled in its ability to deliver combat firepower in military circumstances.

This is not my conclusion; this is not Lockheed's conclusion; this is not Boeing's conclusion. This is the conclusion of the military witnesses and the documented history of this unique military airlifter which now has over a decade of service and more than 5 billion ton-miles of operations.

What do these military features mean? They mean the C-5 can airdrop essential equipment in difficult terrain; they mean the aircraft can be refueled in-flight to provide extended range; they mean it can operate in austere field conditions; they mean it can load and unload firepower equipment in ready-to-operate condition; they mean it can carry to crewmembers who operate these firepower systems.

QUESTION NO. 5

Mr. President, the chairman's fifth question was,

> Does it make sense to place 747's in the Department of Defense organic airlift?

This simple answer is "no". The simple reason is $12 billion. To procure and operate the 747's that Boeing would have the Department of Defense buy for organic airlift is $12 billion more than obtaining that same equivalent capability via the Civil Reserve air fleet or CRAF program for $3 billion.

Witness after witness and analysis after analysis has shown that CRAF is the most cost effective way to add oversize and bulk capability. Bulk and oversize cargo capability represented by the 747 can be added in this fashion. The outsize capability of the C-5 cannot—there is no commercial equivalent. This is the most attractive feature of the CRAF program—the ability to expand cargo airlift capability at 5 to 6 times less cost than procuring and operating organic military airlifters.

As stated previously, Lt. Gen. Kelly Burke has completed an analysis that shows the total liftcycle cost to obtain the equivalent Boeing 747 capability through CRAF in fiscal year 1982 dollars is $2.5 billion for 48 Boeing 747's or $2.9 billion for the 55 Boeing 747 force which the Air Force insists is the appropriate number for comparative purposes. He goes on to say,

> These figures have been adjusted to account for the difference in utilization rates between the CRAF (10.0 hr/AC/day) and organic airlift (12.5 hr./AC/day) and for the differences in the CRAF contract period of 16 years vice the 20-year lifecycle which we use for organic computations.

We have already documented the fact that the Air Force analysis and testimony shows that the 20-year life cycle cost of 55 Boeing 747's as organic airlift in fiscal year 1982 dollars is $15 billion. This is where the $12 billion difference comes in. The capability represented by the Boeing proposal is available in CRAF for $3 billion. In organic airlift, that same cost is $15 billion for the number of planes the Air Force model insists is correct. CRAF is less expensive by $12 billion.

Mr. President, there are a number of other reasons why it does not make any sense to have commercial freighters organic to the Military Airlift Command other than the most persuasive argument of cost. In an emergency situation, the capability represented by our commercial wide-bodied cargo and passenger aircraft are available to us today. The Department of Defense does not need to purchase these aircraft to obtain this capability. Many of these commercial aircraft operate contract to the Military Airlift Command today flying passengers and cargo to meet certain peacetime requirements. They are available now and they are available in emergencies.

Let me say a little bit about used aircraft. From my conversations with top military personnel and from the testimony during the hearings, it is evident to me that the Department of Defense has no intention of buying used 747's. The very idea that the Department of Defense should purchase, sight unseen, aircraft with tens of thousands of flying hours, with different types of avionics equipment, in unknown condition, with major modifications needed, is absurd. When Boeing first started circulating their used aircraft proposal, they cited various numbers of aircraft owned by domestic and foreign carriers that would be available to the Air Force for purchase. Included in the list which Boeing presented as part of their proposals were two 747's owned by Iran. That is right, the Boeing Co. apparently did not even take their own used aircraft proposal seriously. Many of the used planes cited are not even the freighter versions. Again, even the domestic used airplanes are available to the Air Force in emergencies and just like the average American citizens, the Air Force has no intention of buying a 10-year-old used model in uncertain and unspecified condition.

ANSWER NO. 5

Mr. President, the answer to the chairman's fifth question is that it makes absolutely no sense to place 747's in the Department of Defense's organic airlift fleet. This is not my conclusions; this is not Lockheed's conclusion; this is not Boeing's conclusion; this is the conclusion of the military and civilian witnesses at the hearing and the documented reports from the Department of Defense over the years.

QUESTION NO. 6

The chairman's last question was,

> What efforts should the Department of Defense undertake to insure that 747 aircraft—currently surplused to the needs of U.S. commercial carriers—remain available as U.S. assets for use in times of crises?

Mr. President, I admit that the answer to this question is not as certain or as clear as the answers to the first five.

We are all painfully aware of the current domestic economic problems which are impacting many industries and many individual citizens. The airlines industry is just like any other business looking for shelter in a storm. The skies are not clear and calm in the airline industry.

However, it does not logically follow that the burden of absorbing the slack in the airline industry should fail in the domain of the Department of Defense. I am certain that the Department of Defense has no intention of purchasing combines and farm tractor equipment from a major manufacturer that is in trouble in this area. If our Government decides to adopt policies to assist certain industries, such as the airline industry, it certainly can provide much more effective assistance than a $12 billion program to absorb surplus aircraft excess to current demand. This is no bargain for either the taxpayer nor the Department of Defense which is faced with a critical shortage of airlifting military outsize equipment not lifting the profit margins of the domestic airline business.

Mr. President, the Department of Defense has indicated a commitment to a renewed and revised CRAF program. Both Deputy Secretary of Defense Carlucci and Chief of Staff of the Air Force Lew Allen have indicated that they intend to consider the Boeing 747's in that context. Under the CRAF program, the Department of Defense would modify certain airplanes at no cost to the industry and then pay a differential operating cost while these aircraft remain in the civilian fleet. In this fashion, these aircraft would be available to our Government in emergencies just as they are today.

There is another aspect to this availability issue. Much emphasis is given by the opponents of the President's airlift program to the fact that these 747's may not be available since they could be sold overseas. I find it interesting that the same Boeing proposal indicates a certain number of aircraft owned by foreign carriers that are available for purchase at so-called bargain prices due to the lack of demand. I wonder why Boeing thinks that these foreign carriers who are attempting to sell us 747's are so interested in buying 747's that are excess in the United States.

The Air Force is working on a new CRAF enhancement program to begin in fiscal year 1984. The fiscal year 1982 Defense Authorization Act allowed more flexible contracting authority for the Air Force in the CRAF program—principally in allowing operating cost increases to be reimbursed as a lump-sum payment, as annual payments or a combination thereof. This could be an attractive program for the airlines since there would be an upfront payment for operating costs that would actually be incurred over a 16-year period. For example, the Air Force estimates that, of a contract for CRAF enhancement of a Boeing 747 for a total $35.1 million, $19.3 million would be an offset for increased operating cost that would be given to the contractor immediately upon completion of the contract.

Mr. President, as I stated at the beginning of the answer to this final question, I cannot point to a chart or one single DOD statement that says unequivocally every single wide-bodied aircraft will be available 1 year from now, or even 5 years from now. Just as no one could have predicted the devastating tornado and hailstorm that hit Altus Air Force Base in Oklahoma 2 days ago and completely destroyed three C-5 aircraft which the Air Force preliminary indications are cannot be repaired. There are no replacements for these C-5's in the commercial passenger fleet. There are no replacements for these C-5's in the commercial freighter fleet. These three C-5 aircraft represent the ability to carry 18 Harrier jet aircraft, or 210 passengers while carrying a full cargo of equipment.

But as long as the 747's are owned by U.S. carriers, and current world economic conditions indicate they will be, they are available to the Department of Defense. We have a surge capability in bulk and oversize capacity. There is no surge capability in outsize equipment. All we have is the existing number of C-5's which has tragically been reduced by three airplanes in just the last 2 days.

Mr. President, there is another fact and that is NATO has committed 49 747 equivalents to the CRAF program. This represents another surge capability in the bulk and oversize area.

Mr. President, I can only conclude that the Department of Defense is pursuing a reasonable course to insure that the surge in the bulk and oversize area is available, as it is now, in times of emergencies. With the foreign carriers attempting to sell their surplus 747's in the United States, I do not believe that the danger of many U.S.-owned 747's finding their way overseas is sizable quantities is likely. There is a possibility, however, that some could find their way into the overseas NATO CRAF program which would be helpful to us.

In conclusion, Mr. President, the chairman's six questions have been answered and the answers all support the requested and recommended airlift enhancement program of additional C-5B's and KC-10 cargo/tanker aircraft. In summary, the requirement for additional outsize airlift which only the C-5 can provide, is well-documented and pursuasive. The costs of the two programs is equally clear. The best bargain for the U.S. taxpayer would be to obtain additional 747 bulk and oversize capability in the CRAF program which is $12 billion less than DOD purchasing these aircraft outright. When equal cost forces of C-5's and 747's are compared, the C-5 outperforms the 747 in every scenario. This is the case even when dozens of additional 747's are added. They simply cannot meet the outsize firepower requirements no matter how many airplanes are added.

The military advantages of the C-5 including aerial refueling, adverse field conditions, airdrop, delivery of combat equipment in ready-to-fight condition, and ease of loading and unloading, plus the flexibility to carry outsize, oversize, and bulk with 70 passengers on board cannot be matched by any commercial aircraft.

Mr. President, we are not deciding today what is good for the U.S. domestic airline industry. We are deciding on whether or not our combat units in the field will have the wherewithal to defend and sustain themselves in battle protecting America's vital interests. We are deciding on whether or not this Nation will improve its ability to apply combat power when and where it is needed, not whether or not financial assistance is appropriate for one particular ailing aircraft producer. We are deciding whether or not this Nation will provide our military the ability to "get there firstest with the mostest," or "whether we will relegate them to arriving lastest with the leastest."

Mr. President, I ask unanimous consent that the material to which I referred during the course of my statement be printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

WHAT OUR MILITARY FIELD COMMANDERS SAY ABOUT THE NEED FOR OUTSIZE (C-5) AIRLIFT

General Smith, Commander, 24th Infantry Division, Fort Stewart, Ga.—The question of strategic airlift, in particular outsize airlift, is extremely important to the 24th Infantry Division. Several exercises such as Gallant Knight 82 have shown that outsize airlift is a critical asset and that present assets are not sufficient to meet the planned closure requirements, especially those of the Mechanized Forces.

It is absolutely essential that equipment and personnel arrive in a ready-to-fight condition.

General Kingston, Commander, Rapid Deployment Joint Task Force, MacDill AFB—If I were given unconstrained outsize airlift options, the strategy and deployment flow would be much, much more outsize capability demanding to better meet the spectrum of threats.

Clearly, the acquisition of an outsize system that inherently has oversize and bulk capability yields the greatest flexibility for the RDJTF or any other strategic deployment planning.

General Prillman, Commander, 2d Armored Division, Fort Hood, Tex.—If equipment does not arrive in ready-to-operate condition, the division cannot be employed until the deficiencies have been corrected and the consequent delay could be fatal to NATO.

Outsize aircraft availability is critical to our wartime mission. The absence of sufficient outsize cargo carriers is a serious flaw in the strategic concept for rapid reinforcement of NATO.

General Kelley, Assistant Commandant Marine Corps.—Again, I must emphasize our critical requirement to transport helicopters in support of commitment of the NTPF/MPS Forces. Outsized airlift to meet the stipulated 10-day response must be sufficient in quality and capability to deliver these helicopters without significant disassembly/reassembly requirement. Currently, only the C/5 provides this capability.

General Bagnal, Commander, 101st Airborne Division, Fort Campbell, Ky.—Outsize airlift allows the firepower intensive elements (primarily Army aviation) to deploy in a near-ready-to-fight configuration.

General Cavazos, Commander, Forces Command.—A good example of the outsize airlift requirement is our plan to reinforce NATO. Forces Command units need more than 240 C-5 plane loads immediately.

The addition of more strategic outsize airlift capability is essential for Forces Command units to deploy for many of our missions.

General Rogers, Commander in Chief, U.S. European Command.—If sufficient outsize airlift were not available for our planned deployments, we could fail to have balanced and adequate forces available at the proper place within critical time limits—our inability to meet this total need puts at risk our forward deployed forces.

General Mackmull, Commander, XVIII Airborne Corps, Ft. Bragg, N.C.—In summary, the global character of U.S. interests makes it imperative that we maintain the ability to deploy effective combat forces worldwide with great dispatch.

RAPID DEPLOYMENT
JOINT TASK FORCE, OFFICE OF THE
COMMANDER,
MacDill Air Force Base, Fla., Apr. 14, 1982.

Hon. SAM NUNN,
U.S. Senate,
Washington, D.C.

DEAR SENATOR NUNN: As the Commander of the Rapid Deployment Joint Task Force (RDJTF), I appreciate your invitation to provide an RDJTF perspective on the issues of airlift adequacy in general and selecting the proper balance in cargo carrying capability of additional strategic airlift.

In regard to those in Congress that contend there is no strategic airlift shortfall, I must assume they are not referring to RDJTF type deployments to Southwest Asia. I have a significant strategic airlift shortfall now. The Congressionally Mandated Mobility Study (CMMS-1981), sent to Congress on May 21, 1981, indicates my current strategic airlift shortfall will grow to 25 million ton miles/day (MTM/D) by FY 1986, unless additional strategic airlift aircraft are purchased. Further, DOD, through sixteen other major studies over the past several years, has confirmed that deployment scenarios across the board have a severe shortage of strategic airlift aircraft. The issue then reduces itself to that of determining the required cargo mix—outsize/oversize and bulk—for additional strategic airlift.

Current RDJTF capability plans reflect the use of the total strategic airlift capability, including outsize assets, and it should be clearly understood that all of our planning has been constrained to existing airlift assets. If I were given unconstrained outsize airlift options, the strategy and deployment flow would be much, much more outsize capability demanding to better meet the spectrum of threats. Having said that, I should also point out that my current Army ground force consists primarily of mobile light Infantry units and less than one Mechanized division. Even with this, the outsize carrying capacity would be inadequate if my optimum SWA force of outsized helos and Mechanized units were up front in the flow. Deploying current RDJTF units in accordance with the constrained deployment schedule for Scenario I, CMMS, indicates our outsize cargo fraction is approximately 15 percent of total airlift over the first 15 days. Since about 30 percent of our current airlift capability is outsized, the outsize demand is adequately satisfied in this capability constrained scenario, which I judge to be risky. It would appear then, that the airlift shortfall would be primarily in oversize and bulk capacity and this would be a correct assessment if only current, constrained contingency capabilities were considered. However, I must emphasize that my unconstrained requirements would be much more outsize intensive today; furthermore, there are two additional factors that must be considered; future force size and operational flexibility.

The size and composition of the RDJTF is scheduled to change over the next three years. These additional and heavier forces will provide a larger inventory of combat forces from which to task organize for a particular scenario. There are scenarios which may require the RDJTF to use intertheater airlift to deploy some Mechanized units along with mobile light Infantry. While moving Mechanized units by air is certainly not the preferred method of movement the flexibility to use this strategic option, if the situation presents itself, is absolutely essential. Consequently, a deployment scenario could require a disproportionate balance of outsize cargo to be moved by airlift within the first 20 days. Further, there are other scenarios of interest which envision tailoring light-heavy force packages for airlift deployment. These flow options could include organizing antitank teams from highly mobile Infantry units and heavier Mechanized units. These type organizations generate unusually high outsize cargo requirements.

In a scenario where we would need to move Mechanized units along with mobile light Infantry, the outsize cargo fraction could be high as 32% of total airlift over the first 15 days. This demand exceeds the FY 1986 programmed outsize capability. The results of this type of scenario are not intended to preempt the source selection process on specific aircraft, but rather to provide essential rationale supporting acquisition of derivative airlift systems. Clearly, the acquisition of an outsize system that inherently has oversize and bulk capability yields the greatest flexibility for the RDJTF or any other strategic deployment planning.

Unit closure times are developed on assumptions relative to how rapidly an enemy force could make units available for combat at a certain decisive geographic point. This point is sometimes defined by terrain or physical location such as an airfield or seaport. Unit closures are established to insure the enemy is denied access to these decisive geographic points. To accomplish this, I must insure the deployment sequence is such that RDJTF forces can pose an early, credible deterrent to aggression, and failing deterrence, generate favorable fractional exchange ratios (greater than 1) at critical engagement sites. Maximum exploitation of mobility and defensible terrain are critical elements in such engagement scenarios.

While this may appear to be simplistic, it is far from that. Difficulty arises in identifying and countering the full spectrum of enemy capabilities. Essentially, the objective here is to be able to meet the most probable enemy force projection capability. Should the enemy behave as we expect him to, then the closure times are inelastic and consequently, deemed to be most critical. Unfortunately, the ultimate criticality of force closures will not be known until the actual confrontation unfolds.

In summary my views are:

We have a significant strategic airlift shortfall now.

We should procure additional outsize capability to accommodate ground force growth, and to improve our deployment and employment flexibility.

Sincerely

ROBERT C. KINGSTON,
Lientenant General, USA,
Commanding.

Mr. NUNN. Mr. President, I just want to try to sum up a couple of things.

Mr. President, I want to emphasize again this whole issue of cost. The Boeing proposal says there is a $6 billion cost differential. The Department of Defense and the Air Force rebut that, and I think very thoroughly and very analytically. We have charts, we have analyses, we have the backup on it. It shows that the life cycle cost of the C-5 is $16 billion; the life cycle cost of the 747 is $15.1 billion. There is about $1 billion in difference in life cycle cost.

I hope the Senator from New Mexico will pay close heed to this because the Budget Committee, of course, is deliberating on the deficits now.

The second point that I think everyone needs to recognize is that because you are buying existing aircraft, used aircraft under the Jackson proposal, the outlays for the next 3 years are $2 billion more than the outlays under the committee approach. That means we are increasing the deficit over the next 3 years, the 3 years we are trying and struggling to get the deficit down, by $2 billion.

The third point I would like to make, and I am a bit frustrated that this point never seems to be reported very thoroughly, or it has not been so far, is that if you are going to go the 747 route, and I think that would be a sad mistake, but if you are, then why buy existing aircraft when they are available under the CRAF program? The CRAF program has been in existence since 1952. We have the enhanced CRAF program where they can go in and lease the planes for a period of time, take them and make certain repairs to them, shore them up for cargo purposes, put them back in the commercial fleet, and have them on call in any kind of an emergency.

When we are talking about cost, the difference between acquiring the 747's and leasing the 747's is the difference between $3 billion lifetime and $15 billion, which is a $12 billion differential. I think that pretty well explains the cost situation.

Mr. President, I have put on everyone's desk a list of quotations from the key military commanders around the United States and those abroad, which I hope people will look at before they vote. I shall not read all of those. There are two pages from almost every key military player in any kind of rapid deployment mobilization. They all come down strongly on the fact that we have to have outsize capability.

That gets us to the pictures. If Senators will look at the pictures before they vote, I believe they will come to the conclusion that the 747 was not built for heavy outsize military equipment. (Pictures not reproducible in RECORD.)

On everyone's desk, Mr. President, there is also a computer printout. This has been verified by the U.S. Army, by the Vice Chief of Staff Vessey, who will be the new Chairman of the Joint Chiefs. Every one of these items on this printout cannot fit into the 747. It is not just three or four items. There are hundreds of items on this list. We have key equipment that has to be on the ground if our troops are going to survive.

Mr. President, you cannot get a combat engineer vehicle in a 747. You cannot get a CH-47 helicopter. You cannot get the 8-inch self-propelled howitzer. You cannot get the 155 millimeter self-propelled howitzer. You cannot get an armored vehicle. You cannot get the Lance missile carrier. You cannot get the M-88 recovery vehicle. You cannot get the armored cavalry vehicle. You cannot get the 12-ton communication and control van. You cannot get the air defense gun; you cannot get the tanks; you cannot get the attack helicopters. You cannot get the water distribution trucks that would be essential in any kind of Middle East situation. You cannot get the attack helicopter, the fuel distribution trucks, the Hawk air defense, the Lance missile, the Huey helicopter, and on and on.

Mr. President, I urge my colleagues to take a look at the military situation.

We are on a military bill. This is not a Chrysler bailout bill, this is a military bill. We are supposed to be talking about national security. We can get another bill up here if we want to have a bill for the relief of the airlines. I regret as much as anyone here the distress that our airline industry is in. But I think it is a very tenuous proposition to try to influence the vote on crucial military issues with the argument that the airlines would be benefited.

Mr. President, I do not believe anyone seriously would propose that we substitute International Harvester combines for M-1 tanks in this bill because International Harvester is in trouble. I do not believe people would seriously propose this. Yet, because they are both airplanes, people are not looking at the fundamental difference, too many people, between the C-5 and the 747.

There it is, Mr. President. It is there for anyone to see. So I urge my colleagues to take a close look at the equipment, take a close look at the military argument. There is not a single uniformed military person that I know who is supporting this amendment.

If you answer the question as I have, you will come down strongly opposed to the amendment we are about to vote on and you will be voting in the interest of our national security.

Mr. JACKSON. Mr. President, I yield myself such time as I may need. Then I shall yield to the Senator from Alaska.

Mr. President, the overriding issue facing Congress is: How much are we going to be able to cut out of the defense budget? Let us be candid. I speak as one who, in my 30th year, has strongly supported the defense budget. But let us not kid ourselves. With a deficit running, Mr. President, as high by some estimates as $180 billion, are we going to turn around and approve the funding here of a program that clearly, by their own statements on the part of spokesmen for the Department of Defense, has capital costs alone of $5 billion more?

I reject the idea that the 747 and the C-5 are about the same with regard to operation and maintenance. That is just nonsense. Incidentally, the 747 was never bailed out, speaking of bailouts. I have a recollection, and I voted for it, that we have bailed out Lockheed. We saved them. I think it was a good idea. I voted for it. But when it comes to sound business practices, let us face it, Mr. President, the best evidence that one can offer is the success of the 747 in the marketplace.

If this C-5 is as good and as efficient as has been alleged here, first of all, they would have sold them in the marketplace. They did not sell any in the marketplace. Over 700 747's were sold. We have had to refit the C-5 wings. And today, when we talk about the C-5 in the pictures, what the C-5 supporters are not saying is that there is in the budget impact of $1.6 billion to do something that is fundamental in aerodynamics. That is, you have to have wings that will fly.

Mr. President, whom are we kidding here? When you have to re-wing all 77, you have problems. We have not heard that about a 747 or DC-10, Mr. President.

The real issue that we have to face is how much are we going to cut out of the defense budget? Are we going to say that we are going to OK this, which means that we are going to take it out of something else? Because the cuts in the defense budget are going to be substantial. Let us not kid ourselves.

How anyone can say that they are going to vote, in effect, over the time frame that we are talking, to pay $5 billion more for aircraft when that can be avoided, I can only say that the American public will begin to wonder whether we are really serious about cutting the budget and reducing the rate of growth in spending for defense in particular.

Clearly, Mr. President, this is the area in which to begin those cuts. If we do not do it here, where are we going to cut it? Are we going to take it out of weapons systems? Are we going to demobilize various military units?

This is going to come back to haunt people. What are they going to say, with all those planes that Braniff today has as surplus? They say, "Well, we are starting up a new production line to produce more wide-bodied jets." I say to you, Mr. President, the people, the public, are not so foolish as to buy the nonsense that we should turn around and open up a new production line where the record, Mr. President, has been one of overruns, where the record is very, very clear that the plane that has been turned out required additional appropriations to make it airworthy to carry out its assigned role and mission.

Mr. President, I ask you, is that what we want to subsidize? Is this the way we start the great debate on the defense budget, where we are going to make cuts by announcing we are going to spend more instead of spending less?

Just one final thing, Mr. President. With all these doors out here, let us look at the record. The truth is, Mr. President, that they have been using the C-5 for outsize but predominantly for oversize and bulk cargo. If the C-5 were used, Mr. President, fully for the purpose that obviously it was designed to take care of—and that is outsize equipment—there is no problem at all of meeting the various scenarios that we dealt with.

Mr. President, I would like to explain the amendment in detail so that it will be very clear what the precise intent of the amendment is. First, the amendment statutorily prohibits the use of any funds authorized or appropriated by this act, or funds appropriated in prior years, to be used for restarting the production line for the C-5 aircraft, and it also prohibits the use of any funds for procurement related to production of additional C-5 aircraft. The amendment would not, of course, impact upon the existing operations at the Marietta, Ga., plant operated by Lockheed to rewing the existing fleet of 77 C-5's or other activities to revamp the existing fleet of C-5's. The intent is to make sure that we do not start activities toward production of additional C-5's.

The second part of my amendment reduces the budget request for Air Force procurement by a total of $450 million in fiscal year 1983. The administration's proposed budget contained $800 million in fiscal year 1983 for procurement of additional C-5 aircraft. Thus, my amendment would leave $350 million of that total for procurement of the most cost-effective commercial widebody cargo aircraft which are available as surplus, as long as these aircraft are appropriate models for conversion to cargo airlift to meet military airlift requirements and are owned by domestic companies on the date of enactment of this act. The language in the amendment pertaining to the NATO AWACS funding was reiterated from section 101 to make it clear that the amendment did not vitiate that specific authorization.

This part of the amendment is intended to insure that the aircraft that we purchase are indeed the most cost effective by any one of a number of possible measures. However, the aircraft are to be cargo aircraft—and not cargo/tanker aircraft, and I believe that by any rule of measure the B-747 will be proven to be the most cost effective. However, we are not specifying in the amendment that the aircraft be B-747's, rather we leave that to the Department of Defense to determine in an honest and fair evaluation of the competing commercial widebody aircraft. For instance, on the basis of cost per ton-mile, I believe commercial experience will bear out the fact that the B-747 is more cost effective than the competition.

There are many aircraft currently owned by domestic airlines and domestic companies which are available for purchase as surplus over the current needs of those companies. To be eligible for purchase under this amendment, the test is that they should be commercial widebody aircraft which are appropriate models for conversion to military cargo aircraft. Some commercial widebodies, because of their design, do not have the strength in their wings to facilitate hauling large

cargo loads over long distances. Many also do not have sufficient range. I think it is also important to explain that we restrict the purchase of surplus planes to the domestically owned aircraft on the date of enactment of this act to preclude domestic firms from purchasing abroad used aircraft from foreign companies and then, in turn, selling them to the U.S. Government. The intent of putting a priority on the purchase of surplus, domestically owned widebody aircraft is to obtain a bargain for the Federal Government, while at the same time providing some important infusion of cash into the troubled airline industry of our country which, without new sources of ready cash, may not survive the current economic downturn.

A second change to the authorizations in S. 2248 is to reduce the supplemental authorization for fiscal year 1982 by $99.1 million, eliminating authorizations related to C-5 procurement during this fiscal year. This amendment does not affect the requested $120 million for KC-10 tanker/cargo aircraft as requested by the administration in the supplemental.

The last element of my amendment is to redirect the $120.9 million already authorized and appropriated for CRAF enhancement to be used during the current, and perhaps next, fiscal year to procure the most cost-effective commercial widebody aircraft which are available as surplus, appropriate for conversion to military needs, and domestically owned as required for the authorizations in fiscal year 1983. This, then, is a detailed description of the provisions and intent of my amendment.

I should point out that $60 million requested for C-5 spares and support equipment in fiscal year 1983 has been retained for similar purposes related to the procurement of commercial widebody aircraft. Second, I would note that $50 million was authorized and appropriated in fiscal year 1982 for the procurement of widebody aircraft, and those funds are available already to buy either used or new commercial widebody cargo aircraft.

I think it is also important to point out that the C-5 and the C-141 do not meet the test of being a commercial widebody aircraft under this amendment.

Mr. President, I would like to address the question of the cost savings to be achieved by the purchase of B-747's to meet the shortfall in our airlift capabilities, as opposed to the C-5 to haul oversize and bulk cargo. I was disturbed during a recent hearing on April 16, at which the Department of Defense presented figures for the 20-year life cycle costs for purchasing C-5's and B-747's. I was disturbed because I had information to the contrary with which I challenged the statements of the Department at the hearing. This information was prepared by the Aeronautical Systems Division of the Air Force in Dayton, Ohio which had calculated the 20-year life cycle cost for the B-747. These are the people who are in charge of procurement of new aircraft for the Air Force. They are clearly schooled in incorporating all the necessary factors to establish the costs associated with Government purchase of the B-747's. The Air Force Deputy Assistant Secretary for Logistics, Mr. Mosemann, testified on May 4 before the House Appropriations Committee and answered a question regarding life cycle costs of the C-5 and B-747, using the ASD figures.

Mr. President, their figures indicated a cost saving to the American taxpayer, in current dollars, of about $6 billion over a 20-year period, including purchase, operation, and support of the B-747's in comparison to the C-5. As their basis for comparison, Mr. President, they compared 48 B-747's to 50 C-5's. The chart that is provided from table C-9 of the CMMS shows that the B-747, as an oversize and bulk carrier, is 20 percent more capable than the C-5, and yet the Department of Defense chose to compare 55 B-747's to 50 C-5's. Moreover, the Pentagon added 40 percent to the cost established by the Aeronautical Systems Division for the B-747. This, in my mind, calls into grave question the accuracy of the Pentagon's figures and raises the specter that efforts were made to adjust the figures to narrow the cost savings between the C-5 and the B-747. Under any fair comparison, Mr. President, I believe that the facts will establish that the B-747 is significantly cheaper to purchase and operate over a 20-year life cycle cost than the C-5. I would only submit that if the C-5 were that good a carrier that the commercial airlines would have been much more interested in buying the C-5 than the B-747 for their use. However, not a single C-5 was ever sold to a domestic or foreign airline for freighter purposes. Moreover, not a single C-5 was ever sold to any of our allies for their military capabilities. Clearly, the C-5 is not by its reputation and by its cost considered to be a competitor to the B-747 for hauling oversize and bulk cargo.

These ASD cost figures, Mr. President, reflect the price of new B-747's. If we buy used B-747's as a first priority in the purchase of commercial widebody aircraft, the savings will be even more. In fact, the savings in fiscal year 1982 dollars could be about a billion dollars more in comparison to the new B-747's. Thus, there is even a greater bargain for the American taxpayes if we buy aircraft from the surplus available from domestically owned companies.

I wish I had, Mr. President, as much confidence in the price of the C-5 as I have in the price of the B-747, both in terms of the initial acquisition cost and the life-cycle costs. The C-5 has not had a particularly noteworthy history in terms of achieving the stated cost and performance objectives that were the basis of awarding the contract initially to the Lockheed Corp. The fact is that there were massive cost overruns initially and that the plane simply did not and could not perform according to the design specifications. We are currently suffering an added expense to the taxpayers to rewing the existing fleet of 77 C-5's at a cost of $1.6 billion. This massive cost overrunning and shortcoming of performance may not accrue to the new C-5's proposed to be purchased; however, the Military Airlift Command recently prepared a lengthy list of improvements which should be incorporated into the new C-5 if it were to go back into production. Moreover, many of these improvements should be, in the eyes of the Military Airlift Command, incorporated into the existing fleet of C-5's. Thus, we may not in fact buy these planes for the $128 million in fiscal year 1982 dollars that is currently being contemplated. Rather with changes that are contemplated by the Military Airlift Command, we may have massive additional charges due to Government-ordered changes in the plane that would not be covered by the Lockheed fixed-price proposal. The answers to my questions from the March 19 hearing before the Senate Armed Services Committee indicate that 18 changes have already been identified as improvements which the Pentagon also concurs should be made and many others are likely to be forthcoming. This gives the taxpayer little hope that further cost overruns for the C-5, predicated on Government-initiated changes, are unlikely to occur.

The fiscal year 1983 request is for $800 million toward the reopening of the production line and for procurement of C-5 aircraft. Over the lifetime of this initial purchase program of 50 additional C-5's, the expected expenditures in year-of-expenditure dollars will be $8.1 billion. The following chart shows the budget authority and the cumulative deliveries of C-5 aircraft by fiscal year.

[Dollars in billions]

	Funding	Cumulative deliveries
Fiscal year:		
1982	$270.0	
1983	800.0	
1984	2,159.4	
1985	2,194.6	2
1986	2,312.5	12
1987	321.0	24
1988		44
1989		50
Total	8,068.0	50

This chart demonstrates that we will have committed in excess of $5.4 billion before we receive delivery of the first C-5 aircraft. But this procurement action is probably just the toe in the door to a purchase of up to 200 additional C-5 aircraft. Moreover, as indicated in information provided to the Congress, these additional planes beyond the 50 would not be at the current fixed-price proposal of the Lockheed Co.

The question of the work for people living in Georgia versus Washington State has been interjected into the debate by the media. I believe that it is unfair to both Senator NUNN and to myself to have this issue interjected. I believe that our records will establish that the first priority in our judgment is what is best for the Nation, and the impact of the labor markets in our home States is considerably down the list in our decisionmaking as to what programs we will support and what programs we will not support. I will note that my amendment urges the purchase of used B-747's. As a consequence, if this amendment is adopted and the used aircraft are purchased, the jobs for converting these aircraft to a military version will not accrue to Washington State other than through perhaps some subcontracting work, because the bulk of the work will be performed at a Boeing facility in Wichita, Kans. and not in Seattle, Wash., or the surrounding cities.

In the discussion of this option of buying B-747's to meet military cargo needs for oversize and bulk equipment, I have sensed that a large part of the resistance to buying this type of aircraft is the NIH problem; that is, not invented here. The resistance to buying a civilian design and manufactured plane for a military purpose could stay precedent in the minds of some military people which could reduce the opportunities which they have over time to initiate new aircraft of their own special design. I would only suggest, Mr. President, that the precedent has already been set, because the Pentagon chose to buy the DC-10 in a military tanker/cargo version for meeting predominately tanker requirements.

Mr. President, the issue of how to meet our mobility requirements to provide a projection of our military forces into troubled areas of the world prior to the beginning of hostilities has been a major source of discussion in the Congress over the last several years. Clearly, the least expensive options are prepositioning on land and at sea and sealift, including fast sealift, in which ships that can steam at high speeds are used to haul the heaviest equipment into the theater of potential conflict. The role of airlift is to provide an early presence prior to the arrival of sealift from distant ports but in the same general timeframe as some prepositioned maritime ships which provide capability of delivery of outsized cargo.

I think it is important that my colleagues have an appreciation of what we are contemplating in the Rapid Deployment Force missions. The basic fact is that the amount of men and material to be delivered to a potential theater of conflict is very large. For instance, if we compare the level of manpower and hardware to be delivered in Scenario II into the Persian Gulf region, by day 5 the amount of men and material is equal to one-half that delivered to the beaches of Normandy from England by day 5. Considering that England was 30 miles away from Normandy and the Persian Gulf is 6,000 miles away from the United States, it is easy to comprehend the magnitude of the effort to deploy a Rapid Deployment Force into a remote theater one-quarter of the way around the world. Basically, there is simply no way to achieve this type of deployment by air. To invade Normandy, we used virtually everything that would float to deliver men and equipment across the English Channel. It is clear that we will have to depend in large part upon prepositioning and fast sealift in order to begin to meet the requirements for an RDF mission. In particular, prepositioning equipment in the region, or at least in Europe, as opposed to storing it in the continental United States, is critical to maximizing the capability of our existing airlift and any new airlift capabilities that we obtain. To haul equipment from Europe instead of the continental United States cuts the distance in half and nearly doubles the capability to meet airlift requirements with a given number of planes.

I think it is important to explore the military's resistance to using the C-5's for outsized cargo predominately, in light of what is really entailed in moving a unit by air to a potential theater of conflict. A typical unit for early deployment by air may have 15,000 tons of equipment and supplies. With a 75-ton per mission load for either C-5's or 747's, this unit would require 200 planeloads to be delivered to obtain its full military capability in the field. It strains credibility to say that one must mix oversize and bulk with outsize on C-5's in order to achieve proper closure of the unit when you have so many planeloads to be delivered before closure is achieved.

It should be a straightforward exercise to assemble the unit at the point of embarkation in a way where the C-5's haul predominately outsized equipment. With computers, it is a trivial task to keep track of where each plane is, when it will arrive, and what unit equipment should be ready for loading.

Our ability to get our force into a region and to sustain it requires optimal use of prepositioning and sealift. It is simply infeasible to airlift the entire RDF into a potential area of conflict and sustain it, especially NATO, without ample sealift and prepositioning, including outsized equipment. To try and establish a coherent and analytic framework for making decisions about the relative contributions to an RDF mission to be derived from sealift, prepositioning, and airlift, the Congress required by law that the congressionally mandated mobility study (CMMS) should be prepared. The CMMS was submitted to the Congress in May 1981. While there had been several airlift studies over the past several years, this was to be the definitive study because it considered the role of the other options for delivery of all types of equipment.-

The CMMS sets out the required delivery dates of various military units to the forward area of operations in each of four scenarios. These dates are, in some instances, very ambitious and perhaps even imprudent. If these required delivery dates were met for certain units, the only way they could be achieved is by airlift, and yet that cost may be prohibitive in relationship to the military utility of the units. I think an illustrative example will make my point. The CMMS shows that in one scenario the addition of 20 MTM/day of outsize capability would result in a military decision to add to the list of units to be airlifted several military units, including one unit with nearly 100,000 tons of equipment.

It would take 44 days to deliver that unit with the current addition of 13.1 MTM/D through the purchase of an additional 50 C-5's and 44 KC-10's. We would have to buy twice as much additional airlift as currently requested just to move this one unit by air by roughly the required delivery date. We would have to spend $25 billion to move one support unit—not a combat unit—into the theater on the schedule established by the military. This is beyond all budgetary reason. That cost would exceed the annual budget for all our strategic programs. Fast sealift could deliver the same cargo load faster than this current airlift enhancement for only $3 billion invested in seven roll-on, rolloff ships. Airlift for this unit is simply not realistic.

Airlift is made up of two components. One is the intertheater airlift requirement for delivering both men and their equipment. The other aspect of the airlift requirement is the intratheater requirement to deliver equipment to the forward area of operations. This equipment arrives by intertheater planes like the C-5 at a major airport in a rear area, and by sealift at ports, and by the pre-positioning of equipment in the region. By proper utilization of the intratheater capability and optimization of sealift and pre-positioning, the intertheater airlift requirements can be minimized. Moreover, some versions of the intertheater airplanes do have the austere field capability to land very near the forward area of operations, and thus further minimize the intertheater airlift requirements, as I will explain later.

The C-5 aircraft is an intertheater airplane capable of hauling outsized equipment—that is the equipment which does not fit in a C-141 or a B-747—to a major airfield in all likelihood removed by a considerable distance from the forward area of operations for the Rapid Deployment Force. Our existing fleet of 77 C-5's is being rewinged so that after the conversion is completed, each C-5 will be capable of hauling up to 100 tons of outsized cargo per mission. The C-5 is optimally designed for hauling outsized equipment due to the very large doors and the ability to load all outsized equipment with little, if any, disassembly. This is the role to which the C-5 should be applied. With regard to hauling oversize and bulk equipment, the C-5 can haul oversize and bulk equipment, but the cost for each plane and its life cycle costs are not competitive with that of alternatives, and the utilization of this very expensive aircraft to haul the more routine oversize and bulk airlift requirements is a mismanagement of a valuable and expensive resource.

The addition of 50 C-5's to our existing airlift capabilities would be negated to a significant degree by the lack of an intratheater outsize-capable aircraft. There are three reasons for this reduction in the utility that the additional C-5's would provide to airlift requirements. One negative factor is that it is necessary to deliver the outsized equipment earlier if it is to be delivered to a rear airport, because 2 to 4 days will be necessary to move it to the front. Thus, it will take more planes to obtain the same closure of equipment than if an intratheater outsize-capable aircraft could deliver equipment directly to the front. A second factor is that because the outsized equipment must travel by land to the front, other outsized equipment will be necessary to haul it to the front since many outsized pieces of hardware are not suitable for long distance over-the-road travel. Thus, even the types of outsized equipment that must be delivered by certain days changes. A third contributing factor to the reduced utility of the C-5's is that because they are a source of major congestion at airports, the C-5's flying into the region may be diverted to even more remote airfields to unload their outsized cargo further exacerbating the early delivery requirements to maintain the same closure date and further lengthening the supply lines requiring additional equipment to haul the outsized equipment to the front. These three factors make a major reduction in the contribution that 50 additional C-5's would make in comparison to the C-17 which can haul outsized equipment, both intertheater and intratheater directly to the forward operations area where the closure distances are very short.

In the hearing before the Senate Armed Services Committee on April 16, the Air Force presented a chart for each CMMS scenario purporting to show the amount of airlift capability for outsized equipment that was needed by 1986 in 5-day increments, and the shortfall with the existing fleet of 77 C-5's. These charts were simply wrong. They either show the total airlift requirement for bulk, oversize, and outsize or show the outsize equipment fully planned to go by sea. The tonnages in the charts were not limited to outsized equipment that would be airlifted under the recommended airlift enhancements of program A or B in the CMMS. If the outsize-capable C-5's are used to haul predominately outsized equipment, there is no shortage of C-5's to meet the Scenario I outsized requirements for all units planned to be airlifted by the program A 20 MTM/D enhancement. Moreover, the requirements of Scenario II can be met by the existing fleet of C-5's, except for the movement of one support group involved in construction activities. As described more fully earlier, it does not make sense to airlift this unit when the arrival of the unit in the forward operations area is only improved by a few days' time compared to sealift.

The other remaining scenario of importance, Scenario III, deals with a NATO reinforcement. This scenario is simply not well designed if it is dependent upon airlift to provide the heavy equipment deliveries. The requirements for ammunition, personnel, and general expendibles requires that airlift be used to a very large extent for this scenario for oversize and bulk capability independent of the delivery of outsized equipment. Basically, the outsized equipment and much of the oversized equipment will have to be provided through prepositioning and sealift. The totals being suggested for delivery outstrip all airlift capabilities, and the cost of acquiring those planes to provide the airlift is simply prohibitive.

To illustrate my point, the cost of an Army division's equipment is about $1.8 billion. It would require only a purchase of 15 C-5's to equal that amount. Compared to prepositioning in Europe, it would take those 15 C-5's 78 days, using the calculations of the CMMS, to deliver the equivalent hardware for that division. It is a very poor investment to buy aircraft to deliver the equipment late, rather than prepositioning the equipment itself, where it may be needed to dissuade a potential aggressor.

The charts used in the April 16 hearing also understated the ability of our existing 77 C-5's to do the job. For instance, the charts showed for Scenario I a maximum capability each day of about 1,200 tons of outsized equipment delivered. If we use the nominal 64 primary authorized aircraft (PAA) as assumed by the Air Force and a 2-day roundtrip per plane, this corresponds to an average load of only 37 tons of outsized equipment per C-5 mission for an aircraft with a nominal 120-ton capacity. Other data presented to the committee in answers to questions show an average C-5 mission to carry only about 30 tons or less of outsized equipment for the various scenarios. As shown in table C-9 of the CMMS—inserted later in this statement—the average outsized load for a C-5 when used predominately for outsized equipment is about 65 to 70 tons for the various military units with significant outsized requirements. Thus, if we simply require the Air Force to use the capacity from the nominal 12.2 MTM/D by nearly twofold. This increase constitutes the additional 10 MTM/D of outsized capability recommended in the CMMS, and no additional C-5's need to be purchased to fulfill that recommendation.

In response to a question that I put to the Air Force, we received back an answer with attached charts which I believe is also a rather revealing way to illustrate the lack of need for additional outsized-capable aircraft.

Mr. President, I ask unanimous consent that the answer and one of the tables be inserted in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CUMULATIVE OUTSIZE CARGO CLOSED IN THEATER

Question. In a response to the staff of the Senate Armed Services Committee to the following question, the Air Force provided a table which appears to show total cargo including that carried by sea. Please provide the data which shows the additional cargo carried by air. Also please provide the data in terms of millions of ton miles per day.

Answer. In developing an answer to this question, it was discovered that the data reported in the CMMS computer runs is outsized cargo in the aggregated requirements file and the C-5 deliveries file actually include the oversized and bulk filler cargo that would be a normal part of the C-5 sorties that carry outsized cargo. The amount of outsized cargo alone cannot be determined from the CMMS runs. The CMMS baseline cases have been rerun on the new model and three revised tables generated: (1) showing outsized cargo delivered to final destination, which can be compared to the requirements in CMMS Volume II; (2) showing outsized cargo delivered to ports of debarkation in the theater, and (3) converting the tons delivered to average million ton-miles per day for each time period of outsized airlift capability actually achieved in the computer simulations. This table is based on the cumulative data in Table 2.

Million ton miles per day is a convenient way of expressing a hypothetical capability of a fleet of aircraft but it is not a statement of expected capability in any particular scenario. It is calculated by multiplying the following attributes for each aircraft and summing over aircraft types: inventory, payload, utilization rate (hours per day), blockspeed and a productivity factor. A common payload for such a calculation is 75 percent of maximum allowable cabin load. This method was used to describe the various force levels examined in CMMS. It is useful in describing a generic amount of airlift or in placing several different aircraft types on a common basis, but it is not a good predictor of actual capability.

Actual capability is subject to many variations in the attributes that make up the MTM/D calculation, particularly in payloads. The computer modeling in CMMS accounted for the variability in aircraft payloads due to different densities in unit equipment payloads. Because of variations in payloads and variations in the time phased requirements for forces, detailed computer modeling is needed to evaluate the capability of an existing or proposed airlift fleet (along with sealift and prepositioning) to meet the force movement requirements. This method was used to evaluate various force levels in CMMS.

Table 3 expresses the data in Table 2 in MTM/D by multiplying the data in Table 2 by the average distance to the theater and dividing by the number of days. It shows the MTM/D of outsized airlift actually achieved in each of the CMMS scenarios.

TABLE 3.—IMPACT OF ADDITIONAL OUTSIZE-CAPABLE AIRCRAFT IN CMMS SCENARIOS

[Average daily million ton miles per day]

	1986 baseline [1] 12 MTM/D	+10 MTM/D	+15 MTM/D	+20 MTM/D
Scenario I:				
5	2.00	2.77	4.33	4.83
10	3.27	4.97	5.28	5.76
15	3.84	7.25	9.77	11.13
30	3.97	7.31	7.80	9.13
45				
60				
Scenario II:				
5	3.43	7.66	7.66	[2] 7.49
10	4.69	7.44	7.78	8.31
15	5.58	7.65	8.10	8.54
30	4.51	6.78	7.33	9.10
45	3.45	5.34	7.76	11.57
60				8.73
Scenario III:				
5	1.15	1.51	1.60	2.24
10	2.00	3.53	4.31	4.54
15	2.37	5.87	6.23	6.70
30	4.05	4.94	5.14	6.40
45	3.67	4.01	4.35	4.90
60	3.45	[2] 3.26	3.49	3.73
Scenario IV:				
5	2.00	2.77	4.33	4.96
10	3.27	4.97	4.97	5.76
15	3.84	7.25	6.35	11.20
30	4.06	8.88	7.38	10.44
45	4.10	8.26	6.83	9.28
60	4.27	8.15	6.33	8.78

[1] MTM/D means million ton miles per day.

[2] The addition of outsize capable airlift can alter the order in which units are moved. This produces faster unit closures although the outsize cargo moved in a specific time period may be reduced.

Mr. JACKSON. Mr. President table 3 that I have included for the Record shows the MTM/D of outsized tonnage actually delivered for the various scenarios in the CMMS. The current fleet of C-5's provides 12 MTM/D of capability according to the testimony of the Air Force. Column one shows that they never use as much as half of that capability in any scenario for any given time period. In fact, it would appear that the average utilization is about 25 to 30 percent for outsized cargo, meaning that the planes are used predominately for hauling oversize and bulk cargo.

The table also shows that by adding an additional 20 MTM/D for a total of 32 MTM/D of capability to haul outsized cargo, this 20 MTM/D increment frequently results in only 3 or 4 MTM/D of additional outsized cargo delivery so that the utilization of this additional capability would be even more heavily oriented toward oversize and bulk cargo.

The most revealing point is that the outsized delivery in MTM/D with the 20 MTM/D addition never exceeds the capability of the existing fleet of 77 C-5's. If the planned deliveries with the equivalent of 123 additional C-5's do not exceed our existing capability, then it seems pointless to buy 50 C-5's until the planned deliveries actually tax our existing capability.

The basic reason that the Department of Defense claims there is a shortfall in their outsize-capable aircraft requirements is that the CMMS simply overstated the amount of outsize requirement. The CMMS was structured to deliver the respective units in the RDF mission serially with the C-5's being used to haul oversize and bulk once each unit's outsized equipment had been delivered. This results in an over-estimation of the shortfall in outsize capability because the planes are simply not being used to haul predominately outsized hardware. When they are in fact used in this mode, the capability of the existing fleet of C-5's is magnified dramatically. Moreover, the Air Force does not consider its ability to generate the full complement of C-5 aircraft to occur at the date of commencement of the RDF mission. Rather several days go by before the full complement of available aircraft is activated. This is at variance with other considerations in the CMMS where actions are initiated prior to the day of launching the RDF mission. This indicates that the Air Force is not responding to the possibility of an impending mission and mobilizing this capability accordingly, but rather waiting until the clock starts to run before bringing its C-5 assets to a state of readiness.

What I am basically saying is that if the assets that are available are mismanaged, then it is quite likely that we will never have enough airlift capability to meet our requirements. When those existing 77 C-5's are properly managed and dedicated to the movement of predominately outsized equipment, the shortfall in our capability actually shifts to the oversize and bulk requirements where much less costly commercial widebody aircraft can be utilized with as much military utility as the C-5 for this purpose.

On April 1, Deputy Assistant Secretary Mosemann sent a list of questions to various organizations within the Department of Defense to elicit answers pertaining to the Boeing proposal. I ask unanimous consent that a copy of his memorandum be printed in the Record.

There being no objection, the memorandum was ordered to be printed in the Record, as follows:

Department of the Air Force,
Washington, April 1, 1982.

Subject: Outsize airlift requirements.

Various Congressional committees are caveating support of the KC-10/C-5 procurement program pending completion of DOD analysis of the B-747 alternative. For example, the SASC has scheduled a hearing on the subject for 14 April.

In consultation with OSD (PA&E and USDR&E), I have structured the following efforts. These have, in turn, been communicated to Col. Morrison (SA), Col. Goven (AC), Col. Bevelhymer (RD), Maj. Mikolijcek (XO), LTC Miller (SAFLL) and LTC Rex Newman (DAMO-SSW). In addition, I have suggested to General Brown of MAC that his staff participate with these organizations.

This is to confirm that the following data is required by 12 April 1982:

1. Rerun CMMS models with current DOD program data using both the proposed additional C-5Bs and the alternate of B-747s in the outsize role (OSD PA&E will take the lead).

2. Reaffirm or redefine definition of "outsize" considering the Boeing list of equipments that can be carried on B-747 with disassembly.

This shall include consideration of time and effort to disassemble; time and effort, people and equipment, additional airlift or prepositioning resources associated with reassembly and test.

In addition, this analysis shall consider the likelihood and implications of "port clogging" at the in-theatre off-load points resulting from reassembly efforts. (AF/SA will take the lead.)

3. Feasibility of dedicating C-5As to outsize loads exclusively as proposed by Boeing. (AF/SA and MAC.)

4. Can the six inch clearance requirement for loading outsize vehicles be objectively demonstrated? (MAC will take lead.)

5. Identification of training and other start-up costs associated with B-747 acquisition as compared with C-5 acquisition. (AF/AC and OSD PA&E.)

8. C-5 vs B-747 ground times, especially in consideration of differences in loading feasibility and impact on overall closure times. (AF/SA take lead.)

7. CRAF vs AF ownership as the preferred means of obtaining B-747 capability. (AF/SA take lead.)

These analyses should be available no later than 12 April. If any difficulties are encountered which would impact this schedule, it is requested that the lead office discuss with SAFALG.

L. K. Mosemann II,
Deputy Assistant Secretary,
(Logistics).

Mr. JACKSON. Mr. President, on April 8, the Military Airlift Command submitted its responses to the request of the Mosemann memorandum, and I ask unanimous consent that the Military Airlift Command memorandum be printed in the Record.

There being no objection, the memorandum was ordered to be printed in the Record, as follows:

Memorandum

April 8, 1982.

Reply to Attention of: XPW (Col. Arent, 3169).

Subject: Outsized airlift requirements.

To: HQ USAF/LET.

1. The following comments refer to Mr. Mosemann's memorandum for AF/CVA, same subject, which was provided to this headquarters by members of your staff.

a. Reference paragraph 3. Our preliminary review of the proposed Boeing solution indicates that Boeing did not exclusively dedicate C-5A for outsize but used the C-5A in accordance with our planning practices. The C-5A is scheduled to carry outsized cargo first, then we use any excess C-5A capability to move oversized and bulk cargo. Our standard practice is to look ahead for outsized requirements before committing the C-5A to bulk/oversized missions.

b. Reference paragraph 4. Loadability of an aircraft is determined by dimensional clearance, pounds per linear foot, pounds per square foot, and restraint available to secure the load. The 6-inch or greater loading clearance is desirable and is the accepted baseline clearance for normal loading. If the clearance is less than 6 inches, then MAC policy is to refer to TO 1 C-XXX (i.e., C-130, C-141, C-5)-9. The criteria for the loading are established by the Air Transportability Test Loading Agency. To provide operational flexibility and to reduce the potential for aircraft damage, the 6-inch clearance is desirable and should be considered for new aircraft design. However, to make optimum use of our existing aircraft, we routinely load aircraft at less than the 6-inch clearance.

c. Reference paragraph 6. The following average ground times are planning factors used for the C-5A and the B747. These ground times can vary based on a number of factors including the qualification of the ground crews, simultaneous loading/unloading and fueling, and limiting factors at the onload or offload stations. However, it must be noted that, in all analyses we have conducted with aircraft productivity constrained by UTE rate, differences in ground times such as listed in the following table produce no significant effect on unit closure time.

GROUND TIMES

Aircraft	Onload	En route	Offload
C-5A	3.7	2.3	3.3
B-747	4.3	1.8	3.3

d. Reference paragraph 7. We believe that the most practical approach to use in addressing this subject is to consider the options in relationship to cost.

(1) Civil carrier ownership and commitment to the CRAF would eliminate O&M costs and thus be the least cost approach.

(2) Some form of AF ownership and lease-back arrangement should be the next least cost consideration. However, in both of these options, we must presuppose that the industry needs the aircraft. Since Boeing states that there are 40 US and 19 foreign B747s on the market, it would appear that there is surplus capability. Should that in fact be true, then both of these options could be impractical solutions.

(3) The next lease cost option would be AF ownership with the aircraft placed in units of the MAC-gained Reserve Forces. This option would result in reduced O&M costs.

(4) The final option we would consider is the AF ownership of B747s and their assignment to active duty units. This and the previous option would be more costly, but the questions (concerns) that have been voiced about nonavailability of CRAF in contingencies short of a national emergency would be answered.

2. These comments should prove helpful in your reply to Mr. Mosemann. Please notify us if we can be of any further assistance.

Brig. Gen. Donald D. Brown,
USAF, Deputy Chief of Staff, Plans.

Mr. JACKSON. Paragraph 1-A of this memorandum makes it very clear that the Military Airlift Command does use, as a planning practice, the C-5's to haul outsized cargo first. Thus, there is no disagreement between the Military Airlift Command and Boeing's proposal regarding the feasibility of doing this. However, they also confess to using C-5's for oversize and bulk cargo. Paragraph 1-C also points out that the criticisms about the lengthy and difficult loading and unloading of the B-747 in comparison to the C-5 are ill-founded, because the ground times for the two aircraft in loading, stops in route for refueling, and unloading are in sum the same for the two aircraft. Thus, loading is not a shortcoming in the B-747's ability to meet the Military Airlift requirements. The argument is also made that the B-747 needs special equipment for loading and unloading which is true. However, even though these loaders are available at most of the major airports in the world, due to the commercial operations of B-747's throughout the world as cargo freighters, the loader for the B-747 can be hauled in the lower cargo bay of the aircraft so that on its very first load the requisite equipment necessary for loading and unloading can be taken to the field in the B-747. Consequently, this argument is not an impediment of a serious nature to the B-747's field capabilities. Also, paragraph 1-D of this Military Airlift Command memorandum puts the CRAF program in a better perspective.

Clearly, the cost to the Government for meeting oversize and bulk capability is minimized if a CRAF program is successful. However, efforts to expand the CRAF program have been very unsuccessful in recent years. Moreover, the existing fleet of planes proposed for the CRAF program may not be all available over time, because some of the airlines with planes committed to the CRAF program may go bankrupt, and the planes would either be lost or sold overseas so that they would not be available for the CRAF program. Given the inability in recent years to expand the CRAF program, the purchase of used B-747's available from airlines will insure that for the least-cost option the Government is able to obtain and maintain oversize and bulk capability which might otherwise disappear. If the domestic airlines expand their operations over time, these planes could in fact be leased back to the domestic industry for use, while lowering the cost to the Federal Government from its ownership. I believe this memorandum by the Military Airlift Command makes it very clear that many of the criticisms and concerns expressed by the officials in the Pentagon regarding using B-747's in lieu of C-5's to expand in the near-term our airlift capabilities are unfounded.

Other aspects of this memorandum from Mr. Mosemann were addressed by the systems analysis group and the planning analysis and evaluation group within the Department of Defense. These comments, along with the comments of the Military Airlift Command, were condensed into a memorandum prepared by Brig. Gen. John Shaud, and the proposed memorandum was recommended for signature and transmittal to the Assistant Secretary, Mr. Mosemann. Mr. President, I ask unanimous consent that the draft memorandum prepared by General Shaud be printed in the Record to establish the judgment and understanding of the military experts at the working level in the military services and the Department of Defense.

There being no objection, the memorandum was ordered to be printed in the Record, as follows:

Department of the Air Force,
Washington, D.C.

Memorandum for SAF/ALG.

Subject: Outsize Airlift Requirements (Your Memo, 1 Apr. 1982)—Information Memorandum.

The following information is provided concerning the Boeing Company's 17 March 1982, B-747 proposal and how it compares with the C-5/KC-10 Airlift decision.

a. OSD (PA&E) is still in the process of rerunning the CMMS scenarios in their model. Preliminary results for one scenario show that units close somewhat (3-5 days) sooner using the C-5 than using the B-747. However, the CMMS model cannot account for differences in clearance requirements (6" vs 3"), equipment disassembly, or dedicating the C-5 to carry primarily outsize.

b. AF/SA analysis thus far using C-5s or B-747s reflect a difference in unit closures of 2-5 days, depending on which of Boeing's assumptions are used. These closure differences could be further reduced by adding additional B-747s. This difference in a 30-day closure is within the range of modeling uncertainty. Therefore, based on the Boeing assumptions, SA analysis does not dispute the Boeing claim of equality between the DOD program and their alternatives. Attachment 1 is a detailed explanation of the AF/SA work done thus far.

c. Reference Question 2. The definition of outsize remains unchanged. It is cargo that exceeds 828 inches long by 117 inches wide by 105 inches high in any dimension. The disassembly done by Boeing to reduce some outsize equipment to oversize dimensions for air transportability does not violate any existing Air Force or Army practices, or AR 220-10 (Preparation for Overseas Movement of Units). Today, the Army units disassemble equipment to acceptable limits to be consistent with the intended mission and to most efficiently use available aircraft. While the Army does this today they would prefer not to do it in the future. Aerial port congestion is driven more by aircraft size, ground maneuverability characteristics, and daily sortie rates than by the reassembly operations carried out in the vicinity of the offload area.

d. Reference Question 3. Our preliminary review of the proposed Boeing solution indicates that Boeing did not exclusively dedicate the C-5A for outsize cargo movement, but used the C-5A in accordance with our planning practices. The C-5A is scheduled to carry a unit's outsize cargo first, then we use any excess C-5A capability to move oversize and bulk cargo for each unit with a defined RDD. Boeing's analysis was accomplished in exactly this manner. With the current shortfall of outsize life capability, the standard practice of the Military Airlift Command in flow planning for today's war plans is to look ahead to the next unit for outsize requirements before committing the C-5A to bulk/oversize missions.

e. Reference Question 4. Loadability of an aircraft is determined by dimensional clearance, pounds per linear foot, pounds per square foot, and restraint available to secure the load. The six inch or greater loading clearance is desirable and is the accepted baseline clearance for normal loading. If the clearance is less than six inches, then MAC policy is to refer to T.O. 1 C-XXX (i.e., C-130, C-141, C-5)-9. The criteria for the loading is established by the Air Transportability Test Loading Agency. To provide operational flexibility and to reduce the potential for aircraft damage, the six inch clearance is desirable and should be considered for new aircraft design. However, to make optimum use of our existing aircraft, MAC routinely loads aircraft at less than the six inch clearance.

f. Reference Question 5. The training costs for the B-747 are included in the acquisition price. This includes initial aircrew training for eight crews and 140 maintenance personnel. Total logistics support is similar to the KC-10. An additional $175M would be required for training equipment/instructional system development for ongoing training. The acquisition cost for 50 C-5Bs in the DOD budget is $8.1B compared to the cost of 48 B-747s for $4.6B (Gov't estimate).

g. Reference Question 6. The following average ground times are planning factors used for the C-5A and the B-747. These ground times can vary based on a number of factors, including the qualification of the ground crews, simultaneous loading/unloading and fueling, and limiting factors at the onload or offload stations. It should be remembered that, although it may take a little longer to load a B-747 with oversize or bulk cargo, these aircraft can carry more cargo than a C-5A. However, it must be noted that in all analyses we have conducted with aircraft productivity constrained by UTE rates, differences in ground times, such as listed in the following table, produce no significant effect on unit closure time.

GROUND TIMES

Aircraft	Onload	En route	Offload
C-5A	3.7	2.3	3.3
B-747	4.3	1.8	3.3

h. Reference Question 7. We believe that the most practical approach to use in addressing this subject is to consider the options in relationship to cost. Attachment 2 further explains the summary below.

(1) Civil carrier ownership and commitment to the CRAF would eliminate O&M costs and thus be the least cost approach.

(2) Some form of Air Force ownership and lease back arrangement should be the next least cost consideration. However, in both of these options we must presuppose that the industry needs the aircraft. Since Boeing states there are 40 U.S. and 19 foreign B-747s on the market, it would appear there is a surplus capability. Should that, in fact, be true, then both of these options could be impractical solutions.

(3) The next least cost option would be Air Force ownership with the aircraft placed in units of the MAC gained Reserve Forces. This option would result in reduced O&M costs.

(4) Finally, Air Force ownership and assignment to active duty units. These last two options would be more costly, but the question (concerns) that have been voiced about nonavailability of CRAF in contingencies short of a national emergency would be answered.

The difference between the Boeing proposal and the DOD program lies in the unique military utility and full range of loading flexibility provided by the C-5 aircraft. Also, the DOD program addresses the airlift shortfall with a balanced outsize/oversize cargo procurement strategy. We hope the above information will be useful for the upcoming SASC hearing. We will be happy to provide additional information as needed.

2 Attachments:

1. SAGM Memo For Record, 8 Apr 82 w/atch (S).
2. The B-747 CRAF vs Air Force Ownership (U).

The B-747: Civil Reserve Air Fleet Versus Air Force Ownership

CRAF ENHANCEMENT

The Civil Reserve Air Fleet (CRAF) Enhancement Program provides the most cost effective option for the acquisition of additional airlift capability. The aircraft can be retrofitted to a convertible configuration and carriers reimbursed for additional operating costs for approximately $35M per aircraft. This is not only less than the $58M acquisition costs of new B-747s offered by Boeing, but it also saves $4M to $5M per year in operating and support costs since these costs are not faced with a CRAF enhancement option. However, this form of program is not the only option available for a B-747 force. A CRAF Enhancement Program, while truely cost effective, does have some drawbacks in the area of aircraft availability. The current program structure has aircraft in Stage III of the CRAF. This means that they would only be available to the DOD after the President or the Congress had declared a national emergency. They would not be available for the broad spectrum of conflicts below this level. In addition, although these aircraft would be committed to the CRAF for 16 years, the contractor could terminate his commitment under the CRAF enhancement contract at any time by simply refunding unamortized portions of the modification and operating funds provided by the government. While it is highly probable that these aircraft would remain in the CRAF anyway, the carrier does have the option of selling or leasing his aircraft to a foreign carrier, in which case the aircraft would be lost from the CRAF. If these drawbacks are assumed strong enough to overcome the cost effectiveness of the program, there are some intermediate options which should be considered.

BUY/LEASE ARRANGEMENT

The first would be a program in which the government bought B-747 aircraft, modified them to a convertible configuration and then leased them back to interested carriers. This option would have two elements of cost to the government. B-747 acquisition cost would run $25M to $45M, depending on model and age, and modification and added operating costs would run $35M. Therefore, an average aircraft would cost $70M. However, there would be no O&S costs and there would be a return to the government of $7M to $8M per year per aircraft in lease revenue. An option within this leasing plan would be to have a holding company, or companies, purchase the aircraft and lease them to the government for modification and sub-lease to interested carriers. This would avoid the acquisition costs and place the option on a par, financially, with the original CRAF Enhancement Program.

Availability under such a program would be more controllable. If a carrier decided to divest itself of an aircraft, it would return it to the government which could lease it to another carrier. However, if the government failed to find a carrier interested in leasing the aircraft, it would not be available for a contingency since it would not have the necessary support structure to provide crews, maintenance and parts. Therefore, availability is improved, but it is not as sure as it would be if the Air Force owned and operated the aircraft. An added amount of risk is injected into any leasing arrangement through the assumption that the civil carriers want to retain B-747 aircraft. It can be demonstrated that there is a base number of wide body, long range aircraft which are needed to support certain kinds of routes. However, the aircraft which carriers might be willing to sell are probably assets they feel represent overcapacity or inefficiency. In this case, they would be unwilling to lease them back from the government.

BUY AND ASSIGN TO GUARD OR RESERVE

This option would increase availability but would involve higher acquisition and operating costs than a basic CRAF Enhancement Program. The new or used aircraft would be purchased by the Air Force and placed in National Guard or Air Force Reserve units where they would be flown at lower utilization rates than aircraft in the active force. This would result in lower costs than would be faced with the aircraft placed in the active force. However, availability would not be as good as the active force option.

THE B-747: CRAF VERSUS AIR FORCE OWNERSHIP

Options	Cost effective	Availability	Comments
CRAF enhancement program.	1	4	Most cost effective, available for national emergency.
Buy/lease arrangement.	2	3	Approaches most cost effective, dependent on carrier desire to lease.
Guard/Reserve	3	2	Less costly than active, lower availability than active.
Active Force	4	1	Most costly, best availability.

Mr. JACKSON. Mr. President, this memorandum makes it very clear that the CMMS model does not account for dedicating the C-5 for carrying primarily outsized equipment. As such, it is flawed and overstates the outsize requirement and thus the shortfall in our current outsize capability. This point is expressed in paragraph A. The Systems Analysis Division indicates that the ability to deploy the forces in the field with additional C-5's or additional B-747's is the same within the uncertainty of their modeling capability for meeting scenario I. Specifically, this memorandum says that the Systems Analysis Division does not dispute the Boeing claim of equality between the DOD program and their altenatives. In fact, their modeling shows that the Boeing program would achieve the unit closures in the same time as the DOD program within the estimating error of their modeling. Thus, the shortfall in airlift capabilities can be made up by either adding additional C-5's or additional B-747's because the requirement for additional capacity is really to haul oversize and bulk.

Great hoopla is made of the requirement to disassemble some outsized equipment in order to make it oversized and thus fit into a B-747. This is expressed in paragraph C where is states: "The Army units today disassemble equipment to acceptable limits to be consistent with the intended mission and to more efficiently utilize available aircraft." The acquisition costs of the C-5 compared to the B-747 has also become a point of considerable debate, but in fact this memorandum makes it clear that the Government's own estimate in year-of-expenditure dollars, there is a difference of $3.5 billion in the costs between the B-747 and the C-5. Efforts by the Department of Defense in the Pentagon to inflate the costs of the B-747's beyond those developed in the field are regrettable because there is seemingly no basis for these escalations beyond those routinely developed by field organizations where the actual purchases are conducted.

The bottom line of this memorandum is that the difference between the Boeing proposal and the DOD program lies in the unique military utility and full range of loading flexibility provided by the C-5 aircraft. I would submit that these considerations are luxuries and not necessities and do not warrent the excessive expenditure of funds to achieve the slight flexibility improvements which the additional C-5's would provide.

Mr. President, there has been a lot of discussion about the limitations of the B-747 with regard to hauling military cargo. I would ask unanimous consent that the following unclassified excerpt from table C-9 of the CMMS be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE C.9.—AVERAGE PAYLOADS ACHIEVED AT MAXIMUM ACL FOR 3,100 NAUTICAL MILES CRITICAL LEG FOR MILITARY AND CIVILIAN AIRCRAFT [1] [2] [3] [4]

Tons/mission	C-5A		B-747
	Outsize [5]	Oversize [6] and bulk	
Air Force	49.6/49.9	69.2/69.5	89.3
Airborne	59.0/59.2	71.3/71.9	89.1
Airmobile	40.8/40.9	68.8/68.9	89.1
Ammunition	NA	NA	96.8
ACR	85.0/85.5	84.2/86.3	87.7
Armored	85.0/85.5	84.2/86.3	87.7
CBAC	37.7/37.8	72.6/74.8	87.7
CS	92.8/95.4	87.4/88.6	89.0
CSS	74.2/75.0	62.9/62.9	79.7
Infantry	82.4/83.0	78.4/79.0	87.5
Marines	90.6/92.9	75.7/75.8	88.0
Mechanized	83.4/86.1	83.3/84.3	87.1
Navy	49.6/49.9	69.2/69.5	89.3
Prepo	42.6/42.6	29.8/29.8	89.1
Resupply	NA	NA	96.8

[1] Average payloads for aircraft capable of aerial refueling are expressed. Without Aerial Refueling/With Aerial Refueling.

[2] Payload weight includes: passengers, bulk, oversize, outsize (C5/C-X only) cargo.

[3] Payloads exclude weight of pallets and nets (354 lb) for cargo loading.

[4] All vehicles were loaded to their maximum capacity with bulk cargo after vehicle loading, excess aircraft space/payload filled with bulk cargo.

[5] Payload when aircraft is moving predominately outsize cargo.

[6] Payload when aircraft is mostly oversize and bulk cargo.

[7] Bulk only.

Mr. JACKSON. Mr. President, this unclassified table shows that the B-747, for each different military unit, carries more oversize and bulk cargo per mission than does the C-5. Second, it shows that the payloads for using the C-5 for predominately outsized cargo have already been established and that they are quite high in terms of the average tonnage per mission, reflecting the fact that the density of the cargo is sufficient to give a good payload per mission from each C-5 flight when dedicated predominately to outsized cargo.

Clearly, it is a matter of management, and I think and I hope, Mr. President, that it is also a matter of prudence.

I now yield to the distinguished Senator from Alaska for such time as he may need.

Mr. STEVENS. Mr. President, I feel like a child born out of wedlock at a family reunion, because I am really not for either the C-5 or 747 under the circumstances. I want to get the C-17 going, as it should be.

We hear a lot of talk about the C-5 and 747. Each one of them have their role in defense, but Congress started the process of trying to get an aircraft that would meet the needs of the Rapid Deployment Force, and that plane is the C-17. When we had the committee hearings last week, I asked, for instance, General Allen of the Air Force:

> I take it all of you would agree that the best airplane for the RDF ultimately is the C-17, isn't that right?

General Allen answered,

> I think without any question we would all agree with that.

We have Kelly Burke making the statement to Senator Andrews:

> I was and am a strong supporter of the C-17. If we get the C-17 on anywhere near the same time schedule as these other alternatives, I would not support the C-5 today.

The only reason the C-17 is not on the same time schedule is because the Department of Defense misread our signal last year.

Unless this amendment passes, we are going to start an interim program which has an $18 billion life cycle cost. The plane we need, the C-17—a minimum of 128 to 130 planes—to meet our airlift capabilities is going to cost about $32 billion.

I submit to the Senate that if we do not pass this amendment now and stop starting up a new C-5 line, and get to the C-17's now, it is going to cost us more money to get the same airlift. We ought to go to the C-17's.

I propose to offer an amendment to this bill later on, not to increase the budget but to give us the opportunity in the Appropriations Committee to use a portion of this money to get the C-17 back on schedule.

It would take $200 million this year to get the C-17 back on schedule to have a delivery in late 1988. That program is the best program for the country. I support this amendment because I think we need the flexibility.

Incidentally, in answer to the comment of the Senator from Georgia about the CRAF progam, I remind the Members of the Senate that the planes that are sold by Braniff, planes that are sold by these other airlines and go out of airline ownership—they will all go abroad or go into some other form of operation—are no longer in the CRAF program. Once they are sold, we cannot rely on them. The best thing to do right now is to buy some of them, and I say a minimum—I do not think as much as the Jackson amendment would authorize, a minimum number—and then, when they are converted, lease them back to the airlines when the economy comes back, but meanwhile stay on course for the C-17.

Mr. President, unless we have the C-17, which is the all-around capability that is needed by the Rapid Deployment Force, the billions of dollars we are committing to the Rapid Deployment Force will be meaningless. We must have the C-17 to make the Rapid Deployment Force concept work.

Mr. BIDEN. Will the Senator from Texas yield me a minute?

Mr. TOWER. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The time of the Senator from Texas has expired. The Senator from Washington has 5 minutes.

Mr. JACKSON. I yield the Senator 1 minute.

Mr. BIDEN. I thank the Senator very much. In listening to this debate, I think an amendment to the Senator's amendment would be in order.

Ford Motor Co. is having trouble selling buses. We have a short supply of them, and we are stockpiling buses. I think in terms of armored personnel carriers we might as well use yellow schoolbuses. We can save money. So long as they are not shot at, we will be all right and we can use them to transport a lot of things. I would suggest in order to keep these bus companies from going out of business we consider the fact that we buy a number of buses, particularly Ford. I like the Ford better than Chrysler. They do not do as well but they have that big Ford emblem in the front that looks more military.

Mr. JACKSON. I will just comment quickly.

I assume the Senator, if he is buying an airplane, would want to buy an airplane with good wings.

That is all I have to say, Mr. President. I yield back my time.

Mr. TOWER addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mr. TOWER. If the Senator from Washington is prepared to yield back his time——

Mr. JACKSON. I yield.

Mr. TOWER. And the time has expired, I would like to yield some time to the distinguished majority leader, if it is agreeable to the Senator from Washington.

Mr. JACKSON. May I just ask my colleague if he needs time?

Mr. GORTON. It is perfectly appropriate to yield to the majority leader.

Mr. BAKER. I do not want to do that, Mr. President.

Mr. President, are the parties ready to yield back their time?

Mr. JACKSON. I am ready to yield back the time.

Mr. BAKER. Mr. President, under the order am I to be recognized?

Mr. NUNN. Mr. President, may I ask unanimous consent that we have an additional 2 minutes on each side?

Mr. BAKER. Mr. President, I would rather go ahead and vote.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. BAKER. Mr. President, I move to table the Jackson amendment and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON, I announce that the Senator from South Carolina (Mr. Hollings), is necessarily absent.

The PRESIDING OFFICER (Mr. Gorton). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 39, nays 60, as follows:

[Rollcall Vote No. 109 Leg.]

YEAS—39

Baker
Baucus
Biden
Boren
Bradley
Byrd, Harry F., Jr.
Chiles
Cochran
Cohen
Cranston
Denton
East
Exon
Garn
Glenn
Goldwater
Grassley
Hart
Hatch
Helms
Huddleston
Humphrey
Jepsen
Johnston
Kasten
Laxalt
Levin
Long
Mattingly
Nickles
Nunn
Percy
Roth
Sasser
Stennis
Thurmond
Tower
Tsongas
Zorinsky

NAYS—60

Abdnor
Andrews
Armstrong
Bentsen
Boschwitz
Brady
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chafee
D'Amato
Danforth
DeConcini
Dixon
Dodd
Dole
Domenici
Durenberger
Eagleton
Ford
Gorton
Hatfield
Hawkins
Hayakawa
Heflin
Heinz
Inouye
Jackson
Kassebaum
Kennedy
Leahy
Lugar
Mathias
Matsunaga
McClure
Melcher
Metzenbaum
Mitchell
Moynihan
Murkowski
Packwood
Pell
Pressler
Proxmire
Pryor
Quayle
Randolph
Riegle
Rudman
Sarbanes
Schmitt
Simpson
Specter
Stafford
Stevens
Symms
Wallop
Warner
Weicker

NOT VOTING—1

Hollings

So the motion to table Mr. Jackson's amendment (No. 1448) was rejected.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. BAKER. Mr. President, I inquire: Are the yeas and nays ordered on the Gorton amendment?

The PRESIDING OFFICER. They are not.

Mr. BAKER. Mr. President, with this vote I wonder if Members are prepared now to vote on Gorton without further debate. I understand that 20 minutes are provided for to be equally divided under the previous order.

Mr. JACKSON. We are ready to yield back our time.

Mr. NUNN. I object.

The PRESIDING OFFICER. Objection is heard.

There are 20 minutes of debate equally divided.

Who yields time?

Mr. TOWER. Mr. President, does anyone seek the time under my control?

The PRESIDING OFFICER. Does the Senator from Georgia seek time?

Mr. NUNN. Yes.

Mr. TOWER. Mr. President, I yield 5 minutes to the Senator for Georgia.

Mr. NUNN. Mr. President, while everyone is in the Chamber, we have had a long debate this morning. Senator Jackson has presented his view very well. Senators on that side of the issue have presented their views very well. I think we presented the substance of our view as well as possible.

I think what Senators have not focused on here, and this is the indication of this vote, is that this Jackson amendment or Gorton amendment will pass. That is the indication.

What I think that Senators are not focusing on is the fact that they want to buy the 747's. They do not have to buy them. They can lease them. They are already there. They are in the commercial fleet. These are Air Force figures and Department of Defense figures.

They can get the same number of these airplanes under the CRAF program, and that is a program where they bring them in, they shore them up, they come out of the commercial fleet for a temporary period of time, and then they are available for an emergency.

Senators can get the same capability that their votes indicate they want. Instead of spending $15.1 billion over the lifetime, which is what the Jackson proposal calls for, they can spend $3 billion.

What we are about to decide would be the equivalent of Great Britain having bought the *Queen Elizabeth II* 10 years ago and kept it up as part of their merchant fleet instead of calling on it in emergency.

The CRAF program is the most efficient way to get the 747 or the DC-10, whatever the case may be, capability.

That would also be the most effective way to get the C-5 capability. But the C-5 was built for military airlift purposes, as you can easily see from the picture, and the C-5 is not in the component.

Mr. GARN. Mr. President, will the Senator from Georgia yield for a question?

Mr. NUNN. I would be glad to yield for a question.

Mr. GARN. I will ask the Senator a question: When you talk about the CRAF program and the cost of leasing versus buying, what I would really like to say is I am amazed that the Senate made this decision because I feel very strongly that if this decision is upheld and we do not buy any C-5's, there is no point in buying 747's. The issue is not the cost. The 747 will not do the job.

I spent 11 years in MAC flying military lift airplanes. I sat on ramps for 11 years watching them being loaded

and unloaded, and the 747 will not do it. Those pictures should explain it to all of you. You get into a field that has been destroyed, and that equipment is waiting there to unload it, you cannot unload that 747. But the C-5 can go to some other place and drive the stuff out.

I do not understand it, but I think what the Appropriations Committee, the Defense Appropriations Subcommittee, had better do then, if this is the decision of this body, is to go for the C-17. I think any money—I think the 747 is a wonderful airplane for commercial uses, but it is not designed for and will not perform the functions necessary in a wartime situation that the C-5 will.

So if we kill the C-5 we had better kill the 747, not waste one dime on it, get them for the airlines on leases, and we had better go ahead with the C-17.

Mr. NUNN. I would agree.

Mr. GOLDWATER addressed the Chair.

Mr. NUNN. I do not control the time.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. TOWER. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. Six-and-a-half minutes.

Mr. TOWER. I yield 1 minute to the Senator from Arizona.

Mr. GOLDWATER. Mr. President, just before the last vote the Senator from Washington asked a question: "Do you want an airplane with wings?" I want to ask the Senator do you want to fly an airplane you cannot get anything into? And how much is it going to cost to completely rebuild the 747 so that it will handle the adequate freight required?

Mr. JACKSON. The average estimated cost of those planes that are now surplus, and we have got a big surplus as of yesterday with the demise of Braniff, will run about $33 million with an additional $12 million to convert—against the cost of a C-5 of $128 million.

Mr. GOLDWATER. And we still have not heard how much it is going to cost to build that lift and how we are going to get that lift around the world, unload these airplanes, when they land in Timbuktu. You are not worried about that?

Mr. JACKSON. No, no, wait a minute. The 747 has a self-contained unloading system, and I would point out again, and I want to emphasize this over and over again, we heard so much about the Yom Kippur war, it was the Israelis taking El Al 747's, I will say to the Senator.

Mr. GOLDWATER. I am not talking about the Yom Kippur war. I am talking about getting the equipment on a 747, and you cannot do it.

Mr. JACKSON. Well, you can when you are not dealing with——

Mr. GOLDWATER. You can put a little box on there.

Mr. JACKSON [continuing]. When you have on size, you have 77 of them to do it.

Mr. GOLDWATER. Then we will get along with camels.

Mr. JACKSON. The trouble is that there are those—I will take it on my time.

The PRESIDING OFFICER. The Senator from Texas does have control of the time.

Mr. TOWER. I am prepared to yield back the remainder of my time.

Mr. JACKSON. I yield back the remainder of my time.

The PRESIDING OFFICER. The majority leader.

Mr. BAKER. The two amendments are so similar that we ought not to be put to the test of voting twice or at least not voting at all by rollcall.

I ask unanimous consent that the two amendments be considered en bloc. Have the nays and yeas been ordered in either case?

The PRESIDING OFFICER. They have been ordered on the first-degree amendment.

Mr. BAKER. Mr. President, I ask unanimous consent, if the Senator from Washington has no objection, that the yeas and nays be vitiated.

Mr. NUNN. I object.

Mr. BAKER. Let me put it this way: I ask unanimous consent that the first two amendments be considered en bloc.

Mr. NUNN. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. NUNN. Has all time been yielded back?

The PRESIDING OFFICER. All time has been yielded back.

UP AMENDMENT NO. 936

(Purpose: To limit the use of funds made available for commercial, wide-body aircraft to make payments under the Civil Reserve Air Fleet program)

Mr. NUNN. Mr. President, I propose an amendment and send it to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Georgia (Mr. Nunn) proposes an unprinted amendment numbered 936:

At the end of the language proposed to be stricken in the bill insert the following new section:

FUNDS FOR COMMERCIAL WIDE-BODY AIRCRAFT

Sec. . Notwithstanding any other section of this Act or any other provision of law, the funds authorized by this Act for the purchase of surplus, commercial, wide-body aircraft shall only be available to make payments permitted under the terms of Subchapter II of Chapter 931 of title 10, United States Code, as originally enacted in Section 915 of the Department of Defense Authorization Act, 1982 (P.L. 97-86, 95 Stat. 1099).

Mr. JACKSON. Mr. President, point of order.

The PRESIDING OFFICER. The Senator from Washington will state his point of order.

Mr. JACKSON. Mr. President, this is an amendment in the third degree and it is clearly out of order.

The PRESIDING OFFICER. This is an amendment to the language proposed to be stricken by the committee substitute. It is a first-degree amendment.

Mr. MATTINGLY addressed the Chair.

The PRESIDING OFFICER. The Senator from Georgia.

UP AMENDMENT NO. 937

(Purpose: To limit the use of funds made available for commercial, wide-body aircraft to make payments under the Civil Reserve Air Fleet program)

Mr. MATTINGLY. Mr. President, I offer a second-degree amendment to the amendment of the Senator from Georgia (Mr. Nunn).

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Georgia (Mr. Mattingly) proposes an unprinted amendment numbered 937:

In lieu of the language proposed to be inserted insert the following new section:

FUNDS FOR COMMERCIAL WIDE-BODY AIRCRAFT

Sec. . Notwithstanding any other section of this Act or any other provision of law, any funds appropriated pursuant to an authorization contained in this Act for the purchase of surplus, commercial, wide-body aircraft shall only be available to make payments permitted under the terms of Subchapter II of Chapter 931 of title 10, United States Code, as originally enacted in Section 915 of the Department of Defense Authorization Act, 1982 (P.L. 97-86, 95 Stat. 1099).

Several Senators addressed the Chair.

The PRESIDING OFFICER. Debate is not in order at this point.

Mr. TOWER. Mr. President, has all time expired?

The PRESIDING OFFICER. All time has expired.

Mr. NUNN. Mr. President, parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state his parliamentary inquiry.

Mr. NUNN. Would not this amendment provide that any wide-bodied aircraft that is put into the airlift program have to be under the CRAF program, thereby saving $12 billion?

The PRESIDING OFFICER. The Chair will have to rule that the Senator is not stating a parliamentary inquiry.

The question is on agreeing to the second-degree amendment offered by the junior Senator from Georgia. All in favor——

Mr. NUNN. Mr. President, I ask for the yeas and nays.

Mr. JACKSON. Mr. President, I move to table.

The PRESIDING OFFICER. Is there a sufficient second?

Mr. JACKSON. I withdraw my motion.

Mr. BAKER. Mr. President, what is the parliamentary situation?

The PRESIDING OFFICER. The question is on agreeing to the amendment of the junior Senator from Georgia (Mr. Mattingly) as a substitute for the language of the amendment of the senior Senator from Georgia (Mr. Nunn) to the language proposed to be stricken by the committee amendment.

Mr. DOLE. Mr. President, parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Kansas will state his parliamentary inquiry.

Mr. DOLE. Is the Mattingly amendment the amendment that is pending?

The PRESIDING OFFICER. The Senator is correct.

Mr. DOLE. I move to table the Mattingly amendment and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kansas to lay on the table Mr. Mattingly's amendment. The clerk will call the roll.

The bill clerk called the roll.

Mr. CRANSTON. I announce that the Senator from South Carolina (Mr. Hollings), the Senator from Illinois (Mr. Dixon) and the Senator from Maryland (Mr. Sarbanes), are necessarily absent.

I further announce that, if present and voting, the Senator from Illinois (Mr. Dixon), would vote "yea".

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 53, nays 44, as follows:

[Rollcall Vote No. 110 Leg.]

YEAS—53

Abdnor
Andrews
Bentsen
Boschwitz
Brady
Bumpers
Burdick
Cannon
Chafee
D'Amato
Danforth
DeConcini
Dodd
Dole
Domenici
Durenberger
Eagleton
Ford
Gorton
Hatfield
Hawkins
Hayakawa
Heflin
Heinz
Inouye
Jackson
Kassebaum
Kennedy
Leahy
Lugar
Mathias
Matsunaga
McClure
Melcher
Metzenbaum
Mitchell
Moynihan
Murkowski
Packwood
Pell
Pressler
Proxmire
Pryor
Randolph
Rudman
Schmitt
Simpson
Specter
Stafford
Stevens
Symms
Wallop
Warner

NAYS—44

Armstrong
Baker
Baucus
Biden
Boren
Bradley
Byrd, Harry F., Jr.
Byrd, Robert C.
Chiles
Cochran
Cohen
Cranston
Denton
East
Exon
Garn
Glenn
Goldwater
Grassley
Hart
Hatch
Helms
Huddleston
Humphrey
Jepsen
Johnston
Kasten
Laxalt
Levin
Long
Mattingly
Nickles
Nunn
Percy
Quayle
Riegle
Roth
Sasser
Stennis
Thurmond
Tower
Tsongas
Weicker
Zorinsky

NOT VOTING—3

Dixon
Hollings
Sarbanes

So the motion to lay on the table UP amendment No. 937 was agreed to.

Mr. JACKSON. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. TOWER. Mr. President, I ask unanimous consent that I may proceed for 3 minutes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. TOWER. Mr. President, it is my understanding the Senator from Georgia (Mr. Nunn) intends to withdraw his amendment so it will not necessitate a vote on that but we will go immediately to the amendment of the Senator from Washington.

Let me say that we have about 17 amendments that are on the schedule, about 3 or 4 of which can be disposed of with colloquys. Some are major amendments that will require rollcall votes.

The Senator from Colorado (Mr. Hart) has indicated that he is willing to agree to our time limitations on his first carrier amendment, and some time might be yielded back. So do not anybody schedule themselves according to these time agreements.

Let me say that the majority leader has expressed his intention to stay in tonight until we finish the bill. That means we will be in very late, perhaps all night. I would urge Senators with amendments to bring those amendments to the floor once the ones informally or unofficially have been disposed of, because if we have to wait around here for hours or so, I think we will simply try to go to third reading. I think it is reasonable to do that if there are no amendments.

Let me say one thing further. Some more amendments are being floated here. Some have budgetary impact that I cannot ascertain right now. But I will say this: Any amendment that adds money to outlays or budgetary authority without some offset or compensation I will move to table. I believe that is my commitment as far as the budget resolution is concerned, and my commitment as chairman of the committee pursuant to our meeting of last Monday in which we made some rather painful reductions in the authorization bill to try to accommodate that.

So I want to put Senators on notice that that is what I intend to do if we are to exercise any kind of budgetary discipline and responsibility around hear.

Mr. NUNN addressed the Chair.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. NUNN. Mr. President, I rise for the purpose of withdrawing my amendment, but I would like to comment based on the last comment of the chairman.

The PRESIDING OFFICER. Who yields time?

Mr. NUNN. Will the chairman yield 1 minute? I am going to withdraw my amendment.

Mr. DOLE. I ask unanimous consent that the Senator be granted 1 minute.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. NUNN. We have just added $2 billion in outlays over the next 3 years when we voted on the Jackson amendment. We spent all Monday trying to cut out less than that. So when we add this amendment, this bill is now out of sync with the budget resolution, $2 billion over on outlays. I leave it up to the Members to take that into consideration. I do not know what you want to do about it. It seems to me that the chairman of the Budget Committee ought to have something to say about it. We have unwound all the efforts the Budget Committee has made in trying to cut. You are adding $2 billion in outlays over the next 3 years when you vote for the Jackson amendment.

Mr. STEVENS. Mr. President, I ask for 1 minute to answer that. That is simply not the case. The Appropriations Committee has stated its goal of restoring the C-17, of keeping its acquisition to an absolute minimum. This is an authorization figure. There is absolutely no assurance that we will spend one dime on this program. I guarantee the Senator I will keep it to the minimum possible to get the C-17 going. I have the amendment in my desk and will offer it later on this afternoon.

Mr. NUNN. If the Senator will yield, if that is the case, all of this is just authority. None of it has been appropriated.

Mr. President, I withdraw my amendment.

THE PRESIDING OFFICER. The amendment is withdrawn.

The question is on the amendment of Senator Gorton.

Mr. BAKER. Is the Gorton amendment the pending question?

The PRESIDING OFFICER. It is.

Mr. BAKER. Have the yeas and nays been ordered?

Mr. President, I renew my request that the two amendments be considered en bloc.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. BAKER. Mr. President, have the yeas and nays been ordered on either amendment?

The PRESIDING OFFICER. They have been ordered on the first-degree amendment.

Mr. BAKER. Is there now an objection to vitiating the order for the rollcall?

Mr. President, I ask unanimous consent that the order for the yeas and nays on the consolidated amendment be vitiated.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The question is on agreeing to the amendment.

The amendments (UP 935 and No. 1448) were agreed to.

Mr. JACKSON. Mr. President, I move to reconsider the vote by which the amendments were agreed to.

Mr. TOWER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ANNOUNCEMENT OF POSITION ON VOTE

Mr. ROBERT C. BYRD. Mr. President, I voted against tabling the Jackson-Gorton amendment because I felt that Senator Jackson was entitled to an up-or-down vote on his amendment. Had a rollcall vote occurred on that amendment, I would have voted against the amendment, as I had previously informed Mr. Jackson.

ORDER OF PROCEDURE

Mr. TOWER. Mr. President, it is our intention to dispose of the amendment to be offered by the Senator from Wyoming (Mr. Wallop) which will take only a few minutes and will be disposed of by a voice vote. Following that, I hope the Senator from Colorado will be prepared to offer his amendment.

I ask unanimous consent that when the Senate proceeds to consideration of the first Hart amendment, there be controlled time of 2 hours to be equally divided between the Senator from Colorado and the Senator from Texas.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. TOWER. I yield to the minority leader.

Mr. BAKER. Mr. President, I understand that Senator Wallop's amendment will not require a rollcall vote.

Mr. WALLOP. It will not.

Mr. BAKER. Has a request been put for a time limitation on the carrier amendments?

Mr. TOWER. Yes.

Mr. BAKER. Has it been granted, Mr. President?

The PRESIDING OFFICER (Mr. Quayle). It has not been granted.

Is there objection to the unanimous-consent request? Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I have an amendment on the C-17 to earmark $2 million of R. & D. money to get the C-17 back on. After the discussion has gone so far, I am perfectly willing to have a time limit of 15 minutes on a side to get that done. I would like to ask unanimous consent to have a time agreement of 15 minutes on a side.

Mr. TOWER. Mr. President, I am unprepared to agree to that now. If the Senator will withhold that, I think we can work something out.

Mr. STEVENS. Very well, Mr. President.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. BAKER. Mr. President, I have nothing further. I yield the floor.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. ROBERT C. BYRD. Mr. President, will the distinguished majority leader state what the program is for the rest of the afternoon? I heard the distinguished Senator from Texas state what the program is. I would like to have the majority leader's expression.

Mr. BAKER. Mr. President, I must say to my friend, the minority leader, that I do so with fear and trepidation, because I know my remarks will not be well received by my colleagues in the Chamber.

For a variety of reasons, Mr. President, it is absolutely essential that we try to finish the bill today—not because it has to be passed today, but simply because we have other matters that are piling up. It will be very difficult to carry this over until tomorrow. I very much fear that we shall have complications that we cannot deal with. We have the budget resolution that does qualify tomorrow and it is essential that we reach that resolution as soon as possible, in my judgment.

Therefore, Mr. President, I must say that the Senator from Texas was correct when he said that tonight, we shall be in session very late, perhaps all night.

Mr. ROBERT C. BYRD. Mr. President, will the distinguished majority leader yield?

Mr. BAKER. Yes, I yield.

Mr. ROBERT C. BYRD. Mr. President, word has gone out from both the majority leader and the minority leader that there will be no rollcall votes tomorrow and there will be no rollcall votes on Monday. Tomorrow and Monday, the attendance will not be the very best, I would say, here, so I urge my colleagues, those on my side, to be prepared to stay in as late as is necessary to complete action on the bill tonight so that those Senators who do plan to be away from the city tomorrow, based on our earlier assurances, will not miss votes on tomorrow.

Mr. President, I join the distinguished majority leader in hoping that we can reduce time as much as possible on amendments and that Senators will be prepared to call up their amendments and finish action on this legislation today so that Senators can, indeed, be sure that there will not be rollcall votes tomorrow.

Mr. BAKER. Mr. President, I thank the minority leader. Of course, I am prepared to stay in as late as possible in order to finish this bill tonight. If we do not finish this bill tonight, it is my intention to continue right into tomorrow with whatever break is necessary to let us change clothes and refresh ourselves as best we can.

I hope that is not thought of as a threat, Mr. President, because we really need to finish this bill tonight. I urge Senators to come to the floor, present amendments, discuss them in as brief a time as possible, and forego rollcall votes when it can be done.

Mr. BUMPERS. Mr. President, will the majority leader yield?

Mr. BAKER. Yes, I yield.

Mr. BUMPERS. Does the majority leader have any feel for how many amendments are going to be offered, or possibly offered?

Mr. BAKER. I have not kept a list today. I yield to the chairman of the committee. Maybe he can give us the number.

Mr. TOWER. Mr. President, I have on my list about 20, at least 3 of which have been identified as amendments that will be dealt with by colloquy and possibly withdrawn. Some may not be offered. I have discussed some with Senators who are not certain yet whether or not they will offer amendments. But there are some so-called big-ticket amendments that certainly are going to take some time: the carrier amendments of the Senator from Colorado (Mr. Hart), the amendment on the MX of the Senator from Ohio (Mr. Glenn).

Senator Stevens has just announced his intention to call up a couple of amendments that we had no prior knowledge of and I have no idea how long they will take, if they are important amendments, serious amendments. The Senator from Arkansas (Mr. Pryor) has one to delete the armored earth mover. I think that one will require some debate.

The Senator from Michigan (Mr. Levin) has about four amendments, one on administrative-use vehicles and one on the B-1, deleting the B-1, which is somewhat more than a noncontroversial issue.

Senator Levin also has one to add $100 million to the rapid deployment force. Senator Heinz has one on specialty metals. Senator Garn has one on the Siberian pipeline. That one probably will take some time.

So we have some things to occupy us. I urge those Senators who do not feel strongly about their amendments or who have some foreknowledge that they may be beaten on them not to offer them. I was not just looking directly at the Senator from Colorado when I said that.

Mr. **BUMPERS.** Mr. President, the chairman overlooked one little old amendment here on chemical warfare.

Mr. **TOWER.** Mr. President, I am sorry. I did not mean to overlook that one, because that is one that is certain to provoke a considerable amount of enthusiasm here.

Mr. **BUMPERS.** Mr. President, how much time does the Senator estimate? We might get a time agreement on that. Senator Garn and Senator Hart are both here.

Mr. **TOWER.** Mr. President, why not go ahead and proceed with the amendment of the Senator from Wyoming. I shall be available in the cloakroom to discuss these matters with anyone who is willing to cooperate. I certainly am.

UP AMENDMENT 938

The **PRESIDING OFFICER.** The Senator from Wyoming.

Mr. **WALLOP.** Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The **PRESIDING OFFICER.** The amendment will be stated.

The bill clerk read as follows:

The Senator from Wyoming (Mr. Wallop) for himself, Mr. Garn, Mr. Schmitt, Mr. Warner, Mr. Nickles, and Mr. Symms proposes an unprinted amendment numbered 938.

Mr. **WALLOP.** Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

The amendment is as follows:

SPACE LASER PROGRAM

Sec. . The Secretary of Defense shall expend such funds as are authorized and appropriated for an on-orbit laser weapons system to produce such system as quickly as technology will allow, and to that end he shall:

(1) provide that a program for accomplishing that goal be managed in a streamlined and efficient manner;

(2) restructure the Defense Advanced Research Project Agency (DARPA) Triad technology programs so that system integration concepts and designs are pursued vigorously and concurrently with technology development;

(3) direct the Department of the Air Force to conduct an aggressive analytical effort to ensure that the capability is maintained to integrate DARPA's Triad technology into a future on-orbit system demonstration within a decade;

(4) ensure that sufficient funds are requested from the Congress to permit an aggressive, balanced research and technology effort to be pursued consistent with the foregoing provisions;

(5) provide the Congress by December 1, 1982 with a report describing the programmatic and management actions that must be taken to achieve the goals set forth in this section and the steps taken to date.

Mr. **WALLOP.** Mr. President, this amendment is in behalf of Senator Garn, Senator Schmitt, Senator Warner, and Senator Nickles.

Mr. President, basically the amendment directs the Secretary of Defense to expend such sums as may be authorized and appropriated, to produce an on-orbit laser weapons system, preferably within the decade. It asks them to restructure the DARPA Triad technology programs so that system integration concepts and designs are pursue vigorously and concurrently with technology development.

Mr. President, Senator Warner has been most cooperative in this matter. We have had experts testifying before us. In every instance, what was a couple of years ago referred to as a sort of Flash Gordon dream is now recognized as clearly within the capability of this country, and clearly within the capability of the Soviet Union. It behooves us to get on with a coordinated program that has a goal of defending the American people.

Mr. President, General MacArthur, following both commonsense and the Western tradition of statecraft which began with Aristotle, found it necessary to remind us that "in war there is no substitute for victory." When MacArthur spoke 30 years ago, he did not find it necessary to remind us that there is also no substitute for survival. If you do not plan to come out of a conflict alive, your plans are not worth much. Thirty years ago we knew that. This Government was making excellent preparations to defend the lives and homes of the American people from Soviet attack.

During the 1950's, we spent about $50 billion—real dollars in those days—to provide ourselves with a first-class air defense system. The Soviets could have come in force. Few if any would have gotten through. As the missile age began, this country was far ahead in developing defenses against ballistic missiles. Up until the mid-1960's, while this Government might have not been too keen on the fine points of strategy, it had a firm grip on the basic duty of all governments: to protect the civilian population.

Then the doctrine of mutual assured destruction became fashionable. It became fashionable to think in utopian terms, to neglect the hard realities of life. If only we could destroy the Soviet Union, and the Soviets could destroy us, and neither of us was able to protect ourselves we would all live happily ever after. Robert McNamara and the civilian and military dynasty he started wanted so much for this condition to be real that they imagined it was real. As a consequence, we have scrapped our air defense system, scrapped a promising ABM system, and slowed down our research and development on new technology for defensive weapons. Such R. & D. as we have done has been intended to keep the dream world of the late 1960's—assured second strike, and MAD—from slipping away.

But technology has advanced in recent years, and the Soviets have made the most of it. Not only does their missile force outclass ours, but more importantly, their defensive weapons and their plans for developing more, outclass ours. Just look at the Soviet air defense system. Look at the new ABMX-3 ground-based ABM system. Observe how new technology allows some air defense systems to give substantial protection against ballistic missiles to lightly attacked targets—that is, to the majority of targets. Then look at the reports that our own national intelligence estimates and our own Under Secretary of Defense expect the Soviet Union to test a laser weapon in space as early as next year but no later than 1988.

This is the real world. Any number of people can give us plausible scenarios as to how the Soviet Union could defeat us while minimizing damage to itself. Nobody, but nobody, can describe for us how we might use the weapons we have or which are being planned to defeat the Soviets and, above all, to preserve our own lives.

The American people, like people anywhere, have certain reasonable priorities. First they want their Government to do everything possible to safeguard their lives and homes. They would like to be protected at least as well as the Soviet people are, and they have the right to that. Then they want their Government to be able to maintain the country's independence. That requires the ability to prevent us from being beaten in war. These are the priorities that some of us have tried to push on the Department of Defense.

The reason I began to urge the Defense Department to build a space laser weapon—having looked into the technology enough to convince myself that it is feasible—is threefold: First, this weapon, unlike so many others now being bought or developed, could make the difference between the Soviet Union winning a war against us or not. Above all, this weapon would make the difference between millions of American dying and living. Last, it is a weapon, not of destruction, but one solely of protection.

If we do not build a space laser weapon or an equivalent protection, how are we going to deal with the fact that the Soviet Union has an insurmountable advantage over us in counterforce warheads? Is anyone here proposing that we outbuild them in missiles? I see no such proposal in this bill, nor have I seen it anywhere else. Do we then propose to accept, indefinitely, Soviet superiority in this key field? Well, the Secretary of Defense can say "No" all day long, but so long as he does not come up with a plan for neutralizing the Soviet missile force, his actions will continue to say: Yes,

the United States accepts, indefinitely, inferiority in prompt counterforce weapons. Yes, we will keep our public in unnecessary danger.

If we do not build a space laser weapon, how are we going to deal with the fact that the Soviet Union can, at any time, kill the majority of the American people yet steadily, daily, they decrease the number of their own people vulnerable to a counterstrike? By what reasoning will we elected officeholders explain to the American people that, though the Soviet Government is doing all it can to provide its own people with limited but ever-growing active defense the American people must remain naked to missile attack? How do we explain that? How will we explain it when the Soviet Union's first laser goes into orbit, and then is joined by a second and a third, and so on? The Defense Department tells us these Soviet lasers will not be militarily important. I categorically tell you that nobody in this country now knows how good those Soviet lasers will be. Furthermore, even once they are up, we will not have good information about the factors which make lasers militarily effective—such as retarget time, beam jitter and beam quality. So I repeat. If we do not build a space laser ourselves, how are we going to explain to the American people that, despite commonsense, they should be content in their defenselessness while the other side builds defensive weapons?

I have been pressing the DOD to build a space laser weapon because I know that the balance of power is now against us and is growing worse; because this weapon, if it works for us, can turn the balance around; because if the Soviets get it before we do.they can use it to make our inferiority permanent; and because I know that peace in the world depends on the ability of the American people to defend themselves, and, above all, because I think it immoral not to do everything possible to defend the lives of the American people.

When after looking at the technology, I published my article on space lasers in the Strategic Review (fall, 1979), detractors in the Department of Defense tried to give the impression that space lasers were Buck Rogers stuff—a nice dream but not for real, not today. Well, in the 2½ years since that time the detractors have had to concede every single technical point. Today, everyone who has looked at the data from Gen. Kelly Burke, the Air Force's Chief of Research, on down, agrees that we could build a space laser if we wanted to. Today nobody will argue with Eastman Kodak's statement that, if properly funded it could begin quantity production of 10-meter, segmented laser-quality mirrors in 5 years. Today nobody argues with TRW's statements that the company is capable of building a 10 megawatt laser for space. Indeed there is broad agreement that the laser TRW is now building may put out nearly that much. Today nobody argues with Lockheed's claim that pointing and tracking mechanisms more accurate than two-tenths of a microradion exist. Today anyone with access to certain Air Force programs knows that the technology for a surveillance system to serve a space laser exists. What, then, is the argument against putting all of these technologies together into a system?

The paltriest, but most common, argument was made by Dr. Cooper, current Director of DARPA, in testimony before Senator Warner's subcommittee. He said that we just could not manage a bigger program efficiently. Well, that may be so. Maybe the people we have managing in this area just do not know how to do any better. But look at the Soviets. They are managing a space laser program three to five times our own and they are expected to put something in orbit soon. My preference would be that the American Secretary of Defense, armed with a legal mandate to build a laser weapon, should put into key places people who actually want to do it. That would be a remarkable departure from recent practice. Imagine, actually appointing people who want to do what the President has said he wants to do. At any rate, any talk that the immaturity of the technology prevents us from putting together a test model of a space laser is simply misinformed.

Who else agrees? The GAO, our own efficiency experts, looked at the technology and said that, in effect, we are wasting money by going so slowly. Their preferred option is to add $400 million to this year's budget and build a demonstrator. Anyone else? Last spring, OMB, renowned for budget-cutting skepticism, suggested that a new program be increased drastically. What might have led them to do it? Regardless of the reason, OMB and GAO have finally demolished the arguments that the technology is immature and that we are doing everything that we can efficiently do.

The DOD bureaucracy has one last argument. We really should wait, to build the infrared lasers we know how to build, and instead put our money on the short-wavelength lasers we do not yet know how to build. He have heard this sort of thing before from the DOD. Do not build—continue perfecting weapons and putting them off. Because we have listened, we have slipped behind in quantity and quality of strategic weapons. More importantly, we have lost time.

How important is time? Circa 1966, both we and the Soviets set out to build a 10-warhead, counterforce missile. Theirs was the SS-18, ours was the MX. Today the Soviets have not only built the SS-18, but are completing their fourth modification of it. The MX has yet to fly. How long can elected officeholders continue to follow the self-indulgent advice of this bureaucracy? How long will we consider as experts people who so consistently lose?

Because I do not think we can trust the bureaucracy, my amendment would require the Secretary of Defense to take the technology now available and build a demonstrator weapon. I do not mean to close the door on the future. We should continue to try for better lasers and for better equipment to handle them. But time will not permit us the self-indulgence of endless procrastination.

Because time and money are scarce, my amendment directs the Secretary of Defense to manage the effort to build a space laser demonstrator weapon using the procedures used to build our intelligence satellites and other special items. On the Intelligence Committee we have solid experience with these methods of management. They have produced technical marvels in about half the time the DOD uses to procure less complex systems. The technical marvels have cost substantially less than they would had they been bought according to the DOD procurement bible, regulation A-109. There is not secret to these procedures. They simply allow things to be done almost as rationally as they were in the old days, before MacNamara's efficiency experts made the Pentagon so damned inefficient.

In short, this amendment says, "Do it!" Do it as quickly as technology (not regulations on the whims of bureaucrats) will allow, do it by using the most efficient management tools we have, and do it before the Soviets do. To vote against this amendment is to vote for the proposition that the United States should continue indefinitely to accept strategic inferiority and absolute vulnerability, and that the Soviet Union's development of laser weapons is not very worrisome. I suggest that the American people—and their President—disagree with every point of that proposition.

Let me now turn to what the lasers which this amendment proposes to demonstrate, could do.

The lasers we are proposing to build as soon as possible are chemical lasers. They work like rocket engines, and use hydrogen and flourine as fuel. Chemical lasers work best in space. The laser light is produced directly by the burning of chemical fuels—no external power is needed—under extremely low pressure. On Earth, we need huge machines to create such an environment. In space it is there for free. Also, in space there is no turbulence to affect the perfect stillness the platform needs for accuracy, and no impediment whatever to the beam which, of course, propagates at the speed of light.

Even a single, small laser system of the kind that we could put together from pieces of spacecraft currently in use, plus some old test lasers, could purge the skies of enemy satellites in short order, could defend itself against the kind of antisatellite interceptor the Soviets now have, and therefore could act as a defender for any of our satellites we chose to defend. Whichever nation is first with a laser weapon in orbit may be in a position to dictate what payloads are allowed to enter space safely, and which will be shot down.

As few as four "primitive" 5 megawatt/4 meter lasers would destroy every single long-range bomber launched against us, and a significant proportion of Soviet submarine-launched ballistic missiles. But they could only kill some 50 ICBM's. Twenty-four 5/4's would give us protection against just about all SLBM's, protection against all SS-18's, plus a few other missiles. But 24 10-megawatt, 10-meter lasers would kill Soviet ICBM's—even assuming they were twice as hard as they are—at a rate of two per second. That would mean that we would kill 1,000 boosters during a coordinated 5-minute launch (plus 250 second burn time). If Soviet missiles are made like normal liquid fueled missiles, that is, painted or anodyzed aluminum, we would get them all.

At any rate, even a few American lasers in orbit would make it much more difficult for the Soviet Union to plan a coordinated, counterforce attack on the United States. Even a few American lasers would "thin out" any Soviet missile attack and make it possible for ground-based ABM interceptors to do their job. As the number of American lasers grew, the American people could once again be confident that their Government was protecting their lives and homes. The United States now has over 400 naval ships to protect the ocean approaches to this country. It is hardly improper to think that the United States should have several dozen armed space stations to protect our country from threats which can come to us through space.

COST

Not surprisingly, there is a great deal of disagreement about how much money it will take. Some of the disagreement is honest and inevitable, since we are dealing with something that has not been done yet. But some of the controversy is clearly designed to scare off potential supporters. That is why I am not addressing the issue of funding at this time. Once we decide to build a demonstrator, I think the discussion of funding will become more honest.

THE CHOICE

We are faced with two sharply contrasting sets of claims in this field. The bureaucracy's claims which are reflected in the Armed Services Committee's report, and my claims, backed by the only source of facts in the field: the aerospace industry. We will have a chance to examine the claims, and choose in whom we put our trust. When the Soviets launch their laser, we will all be on record.

The bureaucracy had claimed that our laser program is well-funded, and that it could not efficiently use any more money. But the GAO, our own efficiency experts, found that to be nonsense. Just to make efficient use of the technology, and to move toward a weapon in a rational way, they said, would take an additional $350 million per year.

Of course it never made any sense to say that our program could not efficiently be bigger and faster, because we know that the Soviets have a space laser program three to five times as big as ours, and that their program is due to bear fruit long before ours. If our bureaucrats do not know how to make good use of the technology they have, perhaps we should hire ourselves some new managers. In addition, Senator Warner noted, in his questioning of Dr. Cooper, that of course this country could, if we wanted, take existing technology and build a space laser weapon now. But Dr. Cooper, instead of opposing the laser program, directly implied that any funds spent to that end would somehow be spent imprudently. Mr. President, the bureaucracy may have its own definition of injudiciousness or imprudence but, as far as I am concerned, imprudence means falling behind the Soviets in a vital area of strategic weaponry.

The detractors in the defense bureaucracy, like the Englishmen who argued against radar almost half a century ago on the ground that "the bomber will always get through" and like the Presidential adviser who, in 1949, said that ballistic missiles were impossible and satellites were just foolish talk, believe that the Soviets could always insulate their missiles against laser radiation. They have been forced to admit that the lasers we are building could destroy any missile the Soviets have already built or are now planning to build. But they suggest that we not build lasers until we can build them powerful enough to destroy missiles 100 times as hard as the Soviets' missiles are now. Simple insulation will not work. Recall how the insulation on the shuttle fuel tank ripped off in flight. As for building missiles out of the same materials that warheads are made of, let them try. I doubt they will succeed. But if they do, I hope we will have developed better lasers by then. And even if somehow we have not, we will have made obsolete the Soviet Union's strategic rocket force which has taken that poor country one generation of hard labor and privation to provide. That alone would be worth the cost.

The strategic weapons bureaucrats ask for your trust on the basis of their own position. They cannot ask on the basis of the record they have compiled in recent years. If President Reagan's wise decision to develop strategic defenses for this country continues to be carried out with the same level of judgment and skill that has characterized the MX program, then we can count on debating about paper studies when the Soviet Union controls the skies above us.

Mr. President, I do not believe it is prudent to plan to be inferior in a vital field of weaponry. I do not believe it is prudent to plan to leave the United States defenseless against enemy missiles and bombers when a defensive weapon is available.

Industry says and the GAO confirms that the technology is here now to start building space laser demonstrators. The Air Force's NORAD says we need it. Everyone agrees that the Soviets will orbit one before us. Unless our instincts for survival have been really dulled by bureaucracy, I believe we are going to vote for this amendment.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. WALLOP. I am happy to yield.

I yield to the Senator from Arizona.

Mr. GOLDWATER. I understand that there is no money involved in this amendment now?

Mr. WALLOP. We are not seeking to add money, though I believe that that is shortsighted. But given the constraints that we are now operating under, I believe the report that we asked for will tell us how much we should spend and must spend in order to achieve the goals contained in the amendment.

Mr. GOLDWATER. Mr. President, I want to congratulate the Senator. He has been very, very persistent in this area, an area that I have great interest in. I ask that he carry my name as a cosponsor.

Mr. WALLOP. I thank the Senator from Arizona. I ask unanimous consent that the Senator from Arizona (Mr. Goldwater) be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STENNIS. Mr. President, will the Senator yield?

Mr. WALLOP. Yes; I yield.

Mr. STENNIS. Mr. President, I remember the Senator's work from last year, and his keen interest. I found out there was more than I realized to what he said. I am glad to support the Senator.

Mr. WALLOP. I thank the Senator from Mississippi. It gives me great

pleasure to receive those words from him.

Mr. President, I yield the floor for the moment.

Mr. WARNER. Mr. President, I am pleased to cosponsor the amendment offered by the distinguished Senator from Wyoming. He has indeed been a driving force in the Senate on this subject for quite some time. Much of the interest that has been expressed in space-based laser defensive systems in the Congress and among the general public can be attributed to his outstanding leadership.

I wish also to commend the distinguished Senator from New Mexico (Mr. Schmitt), whose experience gained from his work in the space programs of our Nation, both military and civilian, have contributed greatly to the decisions made for space in the fiscal 1983 authorization bill.

The pending amendment is the product of lengthy and intensive consultations between Senator Wallop, Senator Schmitt, Senator Tower, myself, and others as well as discussions between Members of this body, representatives of the House Armed Services Committee—including its ranking member, Congressman Dickinson—and members of the administration. Our conversations have been conducted in good faith and in the interest of accomplishing an agreement that is both responsible and constructive.

These meetings had special urgency because the House Armed Services Committee, in its action on the counterpart to S. 2248, H.R. 6030, reduced the funds sought for research and development of space-based lasers from $156.2 million to $85 million. We were advised in the course of our discussions that the effect of this reduction would be to terminate virtually all work now underway on promising, near-term laser technologies. In addition, these cuts would do violence to important laser weapon subsystem developments with applicability to short wavelength laser technologies. The House Committee recognized that lasers with these wavelength characteristics hold considerable promise for longer term laser weapons and advocated the restructuring of the U.S. space laser program to achieve accelerated development of short wavelength systems.

The Senate Armed Services Committee has consistently advocated the pursuit of a balanced laser development program designed to bring on line at the earliest feasible time an effective weapon system.

Mr. President, after careful personal review of the President's space-based laser program and several hearings by the Strategic and Theater Nuclear Forces Subcommittee which dealt with this matter, I am persuaded that the administration's request is consistent with the committee's position. I believe the language offered by the Senator from Wyoming reflects the goals and programmatic initiatives that are incorporated in the current administration space-based laser development effort.

I believe the amendment proposed by the Senator from Wyoming is helpful, however, because it indicates the strong support that exists in the Senate for an aggressive R. & D. effort aimed at developing at the earliest feasible time, preferably not later than 1992, and, ultimately, utilizing an appropriate laser system for a number of important defensive missions. In view of the action of the House Armed Services Committee which is fundamentally at odds with the Senate Armed Services Committee's and the administration's approach to this technology program, I believe this expression of the will of the Senate will be of great assistance to us in bringing back from conference the President's space-based laser program.

I urge the adoption of this amendment.

Mr. WALLOP. Mr. President, of all the things that we have sought to do, or will seek to do in this bill, none offers the promise of defense the way this one does. The space laser cannot melt cities. It will not maim people. It will simply help Americans avoid the engines of destruction that are aimed at us through space or through the stratosphere. It is, as weapons go, rather civilized. We are trying for a way to protect the American people, so that they will not be held hostage to the threat of Soviet nuclear destruction.

I yield to the Senator from New Mexico.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. SCHMITT. Mr. President, I want to state my strong support for the pending amendment that the distinguished Senator from Wyoming has offered. It is a step in the right direction if we are ever going to exploit the rapidly developing technology of directed energy and lasers in particular. It is also consistent with a strong position which the Senate has adopted in the past with regard to space-based lasers. Last year, for example, the Senate voted 91 to 3 in support of an amendment which I cosponsored and which added $50 million to the administration's request for space-based lasers.

The amendment also directed the Secretary of Defense to establish a Program Management Office within the Air Force to conduct a systems definition program which is the first step to any space demonstration of a laser weapon.

Mr. President, this year's defense budget includes the funding for the type of program which the Senate encouraged last year.

That in itself is a great step forward by the administration.

In addition, the Air Force Program Management Office has been in existence for over 8 months. After carefully reviewing the plans of the Department of Defense, I am in support of their program and their objectives, although I think we are going to find that considerably more has to be done as we build this program in the future.

We are confronted with a military-industrial complex within the Soviet Union that continues to not only outproduce us in both conventional and nuclear weapons but also outproduce our estimates of their production goals. We are being challenged by a totalitarian system that functions with a wartime economy. Clearly, the United States is not prepared at this time to match Soviet production of armaments in absolute quantity.

The United States, however, does have and has maintained a technological lead over the Soviet Union. Recently, that lead has been significantly narrowed due to technology transfer, both legal and illegal, as well as our own failure to invest in research and development at the levels required, such as that concerned within this amendment. If we, the United States and our allies, are to remain free, then we must increase our defense spending in those areas where our qualitatively superior weapons can make Soviet quantitative superiority obsolete. Technology should be and has been our strong suit. If it ever becomes a weak suit, we are finished.

Totalitarian societies such as the Soviet Union find it more difficult to develop and utilize new technologies due to the nature of their systems. We must, therefore, exploit this area.

Laser technology and other directed-energy technologies is such an area.

We have not even begun to understand the potential of this technology. A space-based laser weapon offers the potential, for example, of finally making ballistic missiles obsolete. If space lasers prove their potential, then a ballistic missile defense (BMD) could protect not only our military assets, but also our economic and human resources and those of our allies in the free world.

It is vital that the Department of Defense proceed with a program that emphasizes research and technologies development for lasers in general. Clearly, lasers offer the potential for many missions, although other directed-energy weapons should not be ignored.

Therefore, it is important that research and development in the broad range of directed-energy weapons continue. As the technology for specific directed-energy programs mature, weaponization of that technology should take place.

It is also important that the various services have adequate funds to do the systems definition required for weaponization. The budget request for the Air Force will accomplish that purpose with regard to space-based lasers.

The administration's program, contained in this bill, will begin—and I underline and emphasize "begin"—putting together the type of program which we need. It will, however, require additional funding beginning next year as well as a more clearly defined purpose to the program. In the area of space-based lasers, an on-orbit demonstration is a vital part of that program provided it is done prudently. The administration and the Department of Defense should be on notice that the Senate will carefully review their fiscal year 1984 and out-year requests for directed energy weapons programs. The Senate is also prepared to take the initiative in this area if the program of the Department of Defense is found lacking.

Mr. President, technology, including directed-energy technology, will provide the United States with new strategic policy options. It offers the potential of making ballistic missiles obsolete and of protecting our civilian population from any form of ballistic attack, and also potentially provides defense from airborne attack. It must also be emphasized that laser weapons are primarily defensive weapons in nature. Their development and deployment will allow the United States to move away from major investments in offensive strategic weapons as strategic deterrent to a much more acceptable and humanistic form of weaponry, and that is the weapons of defense.

Mr. WALLOP. Mr. President, I ask unanimous consent that the Senator from California (Mr. HAYAKAWA) be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WALLOP. Mr. President, I also offer the Senator from Virginia my thanks for the effort that he has made to accommodate this, and I believe we have provided a program with some direction and some definition where none existed to the extent that we sought in this amendment.

Mr. President, I ask unanimous consent that the following Senators be added as cosponsors for my amendment on space-based lasers, Unprinted Amendment No. 938, the Senator from Georgia (Mr. MATTINGLY), the Senator from North Carolina (Mr. EAST), and the Senator from New York (Mr. D'AMATO).

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment of the Senator from Wyoming.

The amendment (UP No. 938) was agreed to.

Mr. WALLOP. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. WARNER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. WALLOP. Mr. President, I also thank the Senator from Colorado for his courtesy and patience.

UP AMENDMENT NO 939

(Purpose: To defer authorization of funds for one *Nimitz*-class aircraft carrier)

Mr. HART. Mr. President, I have at the desk an unprinted amendment, and I ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> The Senator from Colorado (Mr. HART) proposes an unprinted amendment numbered 939.

Mr. HART. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> On page 14, line 23, delete the figure "$18,368,700,000" and insert in lieu thereof the figure "$14,678,700,000."

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator from Colorado yield?

The PRESIDING OFFICER. There are 2 hours on this amendment, under the previous agreement, equally divided.

Mr. HART. I am glad to yield to the Senator from Virginia.

Mr. HARRY F. BYRD, JR. I thank the Senator. The chairman of the committee is not present, but I do not think that is necessary.

Mr. WARNER. The Senator from Colorado may proceed.

Mr. HART. I thank the Senator from Virginia.

Mr. President, the amendment is very simple. It would delete from the bill $3.690 billion by deferring the authorization of the second *Nimitz*-class carrier. I stress that it defers consideration of the carrier. It does not attempt to decide whether or not we shall build a second carrier of this class. Rather, it defers consideration of the question until some future year, perhaps as early as the next fiscal year, when the state of the economy is better, until a time when we could afford to authorize the ship if we determined we needed it.

As my colleagues are aware, it is my intention to offer two amendments related to the carriers. Let me attempt to make clear the difference between them. This amendment is related solely to the question of how much we can afford to spend this year for aircraft carriers. It has no relationship to the question of what kind of ships, or what kind of aircraft carriers, we should build. It defers the whole debate on that subject, insofar as it relates to the second of the two carriers in the bill. The Senate may ultimately decide to build another carrier of the *Nimitz* class, or a larger number of smaller carriers instead. By supporting this amendment, Senators would not prejudge that case, and this amendment has nothing to do with any positions on those issues. It is purely a judgment on whether we can afford to spend as much for defense as the bill has provided, and it reflects the judgment that, in view of the current state of the economy, we cannot afford those two carriers in fiscal 1983.

My other carrier-related amendment, which I will offer subsequently, does deal with the issue of what kind of Navy we should build. It substitutes two 40,000-ton light carriers for the first of the *Nimitz*-class carriers in this bill.

But this amendment presently before the Senate makes no such determination. It is, in the customary language of committee reports, a deferral "without prejudice" of one *Nimitz*-class carrier.

Mr. President, the reason I propose deferring one carrier is very simple. We cannot afford it this year. Due to the projected massive deficits we face, the economy is in the most precarious state it has been in for perhaps half a century. Unless we take dramatic action to reduce the $630 billion in deficits which are projected over the next 3 years, interest rates cannot come down, the housing and auto industries will not be able to recover, and we will be seriously flirting with depression conditions throughout our economy.

As the Senator from Georgia has observed with regard to the actions just taken, we have just increased by rather large amounts—some $2 billion or more over the next 3 years—outlays for defense spending. The question was raised as to what steps could be taken by the Senate to offset that decision. This amendment offers, in one swift stroke, the ability to offset that increased expenditure.

This dramatic, deficit-reducing action must be comprehensive. It must consist of restraints on both defense and nondefense spending as well as revenue increases. Deferring one carrier is a sensible form of defense spending restraint.

Mr. President, in the face of these economic facts, we cannot this year provide everything the Defense Department wants. If the economy were booming, I would perhaps favor keeping this $3.690 billion in the bill, although I would propose spending it differently. But in the face of recession—in some areas, depression—and a soaring deficit, we must reduce Federal spending; and we must include the defense portion of the total budget.

The defense budget must carry its share of this reduction. The desires of the Pentagon cannot be evaluated apart from the state of the economy. This is not just a matter of fairness, or of an arbitrary sharing of the load. Rather, it is a recognition of a basic political and social fact: the American people will not accept cuts in areas which affect their direct interests adversely unless they clearly see that everyone is making similar sacrifices. They will not accept the creation of a privileged class—whether it is an income group or a segment of our society—where some categories of spending are exempt from the cuts which are falling heavily on others. In view of the seriousness of the economic situation, this is truly a situation where, as Benjamin Franklin said many years ago, we will either hang together or we hang separately.

If we agree—as I believe a majority of the American people agree—that the defense budget must do its share in the battle to control the deficit, then deferring one of the two nuclear-powered supercarriers in this bill is a logical step. Each of these ships is a commitment of not just $3.7 billion—which is enough in itself—but of far more: of somewhere between $12 and $17 billion for a carrier battle group.

The Navy, the Defense Department, and the administration—who are the advocates of this carrier—all concede that it does not go to sea by itself. So the issue is not just outlays of overall budget authority of $3.6. It is an overall outlay and expenditure of $12 billion to $17 billion. Those carriers do not fight alone. The Navy says it needs Aegis escorts, at $1 billion each; SSN-688 class attack submarines as escorts, at about $600 million each; aircraft; antisubmarine escorts; and logistics ships. Authorizing the carrier is a commitment to all of these, not just to the carrier itself. Clearly, we should have more confidence that the economy and the budget can support this sort of commitment than we can have today.

Deferring one of the carriers is not just a symbolic act, in terms of the budget.

It defers a commitment of between $12 and $17 billion in both budget authority and outlays, until we can have a clearer idea or whether the future economy will be able to support that commitment.

It saves us $3.690 billion in budget authority this year.

It saves outlays. Calculating from standard naval ship construction outlay rates, it should save about $80 million this fiscal year, $424 million in fiscal year 1984, and $664 million in fiscal year 1985. That is over a $1 billion reduction in the Federal deficit over the next 3 years.

Furthermore, contrary to what the Navy has argued, it does not cost us more money to defer one carrier. The Navy has claimed—and I suspect we will hear this claim repeated here on the Senate floor this afternoon—that it can save $754 million if both carriers are authorized this year, compared to authorizing one carrier this year and one in a subsequent year. On March 26, the Comptroller General sent a letter to the Senate Armed Services Committee evaluating this claim. In that letter, the Comptroller General states:

> When the interest costs associated with the funding differences are considered and these differences are expressed in terms of their present value, the claimed cost avoidance (if both carriers are authorized this year) is reduced or even negated.

He subsequently adds:

> The Navy is projecting a cost avoidance of $754 million, or 10 percent, if funds for the multiship approach are authorized and appropriated rather than the single ship approach. The funds authorized and appropriated for the two approaches would, however, be spent over a different number of years and the amount spent in each fiscal year would be different . . . Because the outlay streams differ both in terms of annual outlays and in terms of duration, we considered the interest costs associated with the funding (which in turn influence the deficit) and expressed the outlay streams in terms of their discounted present value. Taking these factors into consideration, the results depend on many variables, including the interest rate(s) assumed and the outlays per year projected for each alternative. Varying any of these factors can change the results.

He goes on to lay out the assumptions by which his calculations are made.

> The present value of the two funding approaches using a discount rate of 10 percent as prescribed by the Department of Defense (DOD) shows that the multiship alternative is about 2 percent less costly (compared to the 10 percent claimed by the Navy). Using a 13.97-percent discount rate based on the 12-year Treasury bond yield, the approximate period of outlays, our analysis shows that the single ship annual approach is less than 1 percent less costly that is, that deferring one carrier actually saves money).

Then I continue the quote from the Comptroller General's opinion:

> Results affecting the budget deficit are obtained by including the compounded interest effect on the two projected outlays streams. The Office of Management and Budget used variable interest rates obtained from the 90-day Treasury rates presented in the budget projected to 1994 when compounding the outlays. These calculations showed that the multiship approach has a slightly less negative effect on future year's budget deficit. Our calculations using 13.97 percent reversed the result and the single ship annual approach had the lesser effect on the deficit.

That is the Comptroller General. The point, put simply, is that there may be a slight saving by authorizing both ships this year, or there may be a slight saving if we defer one carrier.

But there is certainly on the part of this unbiased objective observer no clear savings of $754 million. Which of these options that I have outlined occurs depends on future movements of interest rates, which are difficult to predict. But clearly, there is no basis for the Navy's claim of a 10-percent saving. Indeed, there is no firm basis for claiming any savings at all by authorizing both ships this year. It might work out that way, but it might work out to the contrary.

Nor does deferring one carrier delay the achievement of the Navy's goal of a 15-deployable carrier Navy. Why? Deferring one carrier naturally means that carrier will be delivered later—although how significant that will be by the end of this decade is difficult to say, since by then the survivability and utility of the large carrier may be seen in a very different light. But as the Congressional Research Service pointed out in a paper of March 5, "The Navy's Five-Year Shipbuilding Plan: What of the Fifteen-Carrier Battlegroup Goal?" These two carriers do not seem to be enough to reach that goal. This study by the Library of Congress Congressional Research Service states the following:

> It seems widely to be assumed that the administration's 5-year plan will produce a 15-carrier battlegroup Navy. The administration has not made such a claim, however, and an analysis of the plan and a careful reading of its testimony raises serious questions as to whether that is in fact the case . . . Commissioning of the *Carl Vinson* later this year will bring the Navy to 15 carriers, 13 of which are deployable (one—currently the *Lexington*—is routinely to be assigned as a training ship and one—currently the *Saratoga*—is to be undergoing its 2-year-long ship life extension program). Over the next decade, however, the Navy will presumably want to retire the *Coral Sea* and the *Midway* and replace the *Lexington* with another ship dedicated to the training role. Thus, the carrier authorized in fiscal year 1980, plus the two requested in the fiscal year 1983 budget, might only sustain as few as 13 deployable carriers for battlegroups.

So we are not delaying the achievement of the 15-deployable carrier force, because it does not appear that, even with two carriers in this bill, we will even begin to obtain that force.

Even the Navy is not fully committed to two super-expensive ships in a year when the deficit must be held down. My colleagues will find ample proof of this on their desks. It is a copy of a recent issue of Navy Times. The headline is, "Navy would forego CVN to insure raise in October." In the subsequent article, the Secretary of the Navy, Mr. John Lehman, announces he would rather have one of the *Nimitz*-class carriers stricken from the bill than have the pay raise cut.

If the Navy does not take its own request seriously; can we be expected to do so?

Mr. TOWER. Mr. President, will the Senator yield at that point just for a comment on that?

Mr. HART. I am almost finished with my statement. Then I will yield.

Nor should we let this essentially false issue distract us from the other carrier question: What kind of carriers do we need? I hope we can place that issue before the Senate very shortly.

Mr. President, I will yield to the Senator from Texas and then I will yield to the Senator from Arizona.

Mr. TOWER. Just yield the floor.

Mr. HART. Yes; I yield to the Senator from Texas.

Mr. TOWER. Mr. President, I have here a communication from the Secretary of the Navy in the matter just mentioned by the distinguished Senator from Colorado. It is from Secretary Lehman embarked in the U.S.S. *John F. Kennedy* CVN 67 in the Indian Ocean.

He is not present among us obviously.

I have strongly supported keeping military pay even with inflation. A 4-percent raise should be sufficient to cover the 12 months of inflation ending October 1982. If inflation is greater than 4 percent, I would favor reducing force levels sufficient to pay the difference.

Certainly, deferring the second CVN would not be necessary to make up such a difference. If there is a difference this amount should be made up in early retirement of older ships.

Sincerely, John F. Lehman, Secretary of the Navy.

Mr. HART. Mr. President, I am impressed by the date line of that letter more than I am impressed by the Secretary's attempt to rehabilitate his more candid statements that are imprinted in the Navy Times of April 19, 1982.

I ask unanimous consent to have printed in the RECORD the entire interview containing the statement by the Secretary of the Navy that he would be willing to forgo the second nuclear carrier in order to maintain pay commitments.

There being no objection, the interview was ordered to be printed in the RECORD, as follows:

[From the Navy Times, Apr. 19, 1982]

NAVY WOULD FORGO CVN TO INSURE RAISE IN OCTOBER

(By Rick Maze)

WASHINGTON.—The Navy would sacrifice one proposed nuclear-powered aircraft carrier if necessary to insure that Navy people get a pay raise this year and that personnel programs are funded, Navy Secretary John F. Lehman, Jr., said.

Lehman, in an interview with *Navy Times*, said, "If cuts are made, and we see no place where cuts can be made, we would take cuts in programs, go down to one carrier instead of two, go down to one attack submarine, rather than cutting into personnel compensation."

He also said that as the Navy grows by about 130 new ships, those ships will not necessarily be homeported in current areas of fleet concentration. "We need a wider home porting our Navy in general. We are too concentrated. We are not going to load these 130 ships into San Diego and Norfolk until they sink under all of the steel."

Lehman admitted the wider homeporting of ships will make programs such as keeping people assigned to the same geographic region for an entire career more difficult, if not impossible, but said, "You cannot have everything." Competing requirements, including geographic stability for sailors, military considerations and industrial base, must be considered when home ports are chosen, he said, "We don't want the Soviets to just be able to find three or four ports."

The Navy intends to begin a test of career basing sailors in October. The test will involve boiler technicians with more than five years of service.

Pay continues to be his "number one priority, above procurement, aircraft, ships and readiness," the SecNav said. "It is the top of the top of the list. My personal pledge, and the CNO's, is to keep our people even with inflation."

Calling the Navy an "island of serenity" when compared with civilian industry, Lehman said that the Navy's dependence on congressional budget approval can be disruptive, but that Navy people should not be "cry babies."

He said that he believes inflation has been licked and that without inflation, ". . . we will not need a pay raise every year."

"Our force structure is too small to meet the commitments we have today and there is nothing more expensive than losing a war," Lehman said in defense of the large Navy buildup being called for in the Reagan administration's five-year budget request. The Navy buildup is justified, he said, because of the "hostile environment" against the Navy during the Carter administration that put the Navy through "a period of suppression."

Here is an edited transcript of the *Navy Times* interview with the SecNav:

QUESTION: When you started your term as SecNav, you said that care for Navy and Marine Corps personnel was one of your highest priorities. However, to many people, the current budget emphasis on this defense buildup is hardware. There are not a lot of new and innovative things proposed in the personnel area right now, leading to the feeling that personnel are being forgotten. Can you give some assurance that personnel have not been forgotten?

LEHMAN. I don't know how they could get that, because the CNO and I have testified at every one of the committees (House and Senate Armed Services and Appropriations Committees) and said that if cuts are made, and we see no place where cuts can be made, we would take cuts in programs rather than cutting into personnel compensation. That is our number one priority, above everything else; above procurement, aircraft, ships, readiness and other personnel. It is the top of the top of the list.

Our pledge, my personal pledge and the CNO's, is to keep people even with inflation. Right now I believe we have brought compensation back right to where it ought to be, that is as of the October pay raise. Now, we are determined to make up whatever has been lost to inflation in the period between the Oct. 1, 1981, pay raise and Sept. 1, 1982.

We have tentatively budgeted for eight percent, but it looks like inflation could be lower than that. My guess is that it may come out to be somewhere between four and six percent overall inflation for the year. The last two months it has been running zero.

I think inflation really has been licked. That means that this annual anxiety over "will we get the pay raise or not" will disappear because, except for adjustments within rates and for bonuses, the basic pay level should remain valid. If it is a zero state of inflation, we will not need a pay raise every year.

QUESTION. Rep. Bill Nichols (D-Ala.), chairman of the House Armed Services Subcommittee on Military Personnel and Compensation, is suggesting cutting end-strength to guarantee adequate, eight percent military pay raises next fiscal year. Is the Nichols proposal necessary? Is this the situation we have reached, choosing between adequately paying the people we have or growing in numbers to man a larger fleet?

LEHMAN. If that is what we have to do to do it, that is what we will do rather than accepting no pay raise. But, end-strength is like cutting force structure. What are we going to give up? We are still spread too thin.

If we are going to cut end-strength and force structure, we are going to have to cut commitments.

QUESTION. Then how do you man a growing fleet if you are losing people?

LEHMAN. You don't. That is what I am saying. If you cut end-strength, you cut ships too. There is no point in buying ships without the end-strength to man them.

QUESTION. In your mind, is that the situation we have reached? Is that the choice we have to make?

LEHMAN. No, I don't think so. I think we have submitted an austere budget that includes the pay raise, an expansion in end-strength and an expansion in ships and aircraft. I don't think we can afford to cut any of that. I will not support any cuts. We went right to the bone last August in the round of cuts we went through with OMB (Office of Management and Budget). There is nothing more to be cut without cutting commitments.

Our force structure is too small to meet the commitments we have today and there is nothing more expensive than losing a war.

QUESTION. Through what appears to be inadequate planning, the Navy manpower area has turned financially bleak this fiscal year. Promotions were canceled for one month, both officer and enlisted, and SRB entitlements were trimmed to allow less early receipt of bonuses. Is this just a one-time oversight or are personnel programs going to face bleaker times?

LEHMAN. This happens every year as part of the congressional budget cycle. They tell us to plan for a supplemental (appropriation) every year to meet the pay raise, then inevitably the supplemental gets delayed. That is part of our annual authorizing process. It is like when they invented airconditioning in the 30s and kept Congress in session all year long.

QUESTION. You believe then that this is not an example of how personnel are losing emphasis in the budget process?

LEHMAN. No, there is just no evidence that people are losing interest in the personnel issue. All of our leaders, at Defense, me, the CNO, have said repeatedly . . . that we would give up anything rather than giving up adequate compensation, liveability and improving living standards.

The fact that we have won most of the battles pushes it off the headlines. We have achieved the policy battle. We won the issue that personnel is the underlying, most important issue for the Navy. Now that we

have succeeded in getting that recognition, we don't have to be making campaigns all of the time to stay there.

We are not willing to accept any erosion of benefits, any reduction in pay through a pay cap or any slowing down of improving deployment schedules. We put forward a new plan to reflect more flexible deployment schedules that will provide a substantial increase in homeport time for Navy personnel. There is absolutely no lessening.

QUESTION. You have to admit that by cancelling promotions for officers and enlisteds for one month, morale is affected.

LEHMAN. Well, we don't expect our Navy families to be cry babies. They live in the United States. The United States is a democracy that depends on its Constitution, on the annual authorizing of legislation and appropriations. You have to live with this situation that is part of democracy. You have uncertainties in the budget and from the budget itself.

So far, we haven't missed a payroll, or failed eventually to deliver. If they think this is disruptive, they ought to be working in industry today. Compared to the kind of turmoil in promotions and demotions and layoffs and RIFs (Reductions In Force) in industry, the Navy is an island of serenity.

QUESTION. Last night, (April 5), you approved increases in Aviation Officer Continuation Pay to levels based on FY '82 pay tables, yet the future of the aviation bonus is still in doubt. If you were faced with the choice of either paying the bonus only to pilots—not naval flight officers—or losing the bonus all together, a choice that might have to be made soon, which way would you lean?

LEHMAN. I would cancel the bonus for all aviators if they start to discriminate against helicopter pilots, whose retention is even higher than NFOs, and other pilots: P-3 pilots, attack pilots, NFOs, carrier NFOs, VP NFOs. That would be nonsense.

If Congress were to try to micromanage that way, then I would drop the bonus and go to what the Air Force is doing—just paying increased flight pay.

I think the bonus is one of the most cost-effective savings to the taxpayer that I have seen since I have been in government. It would be very short-sighted indeed if Congress were not to renew the bonus or extend it. I will work very hard to see that the bonus is extended. It is the best possible expenditure of money that guarantees very tangible and substantial cost savings.

QUESTION. Adm. Thomas B. Hayward's term as Chief of Naval Operations is over soon. Do you have any comments on his tour as CNO and about Hayward's relief, Adm. James D. Watkins, whom you worked with when he was Vice Chief of Naval Operations?

LEHMAN. Of course, Jim Watkins was my choice as his relief. I think that Jim is a leader. I think that he is a superb leader and that he will use his real range of leadership qualities. One of the reasons I think so much of him is that he is an extremely strong, capable guy. He is not a passive, low-profile person.

The Navy needs a very strong CNO to follow a very strong CNO. Tom Hayward has been a strong CNO.

Tom bridged a very difficult period and the success that we have been having this year, the congressional support and the popular support and not having to make promises but actually seeing results, has been due in no small measure to the fact that Tom was able to preserve a very strong base against a very determined opposition within the Carter administration.

Tom was able to maintain a very strong base in that hostile environment without crossing the bounds of propriety and loyalty and so forth. I think that is a tremendous accomplishment.

QUESTION. You said the past administration was anti-Navy. Would you say that the current administration favors the Navy over the other services?

LEHMAN. No, only in relative terms because the Navy went through such a period of suppression under the last administration. The view of Harold Brown, the former Secretary of the Air Force (and former Secretary of Defense), was keep them out of harm's way and give them little ships to do convoying and the Air Force and Army will take care of the central front, the only place where the threat is.

This administration thinks that is a kind of sandbox, sophomoric view of the world, and the President and this administration is committed to restoring the Navy to the role it has traditionally played. It is in no way denigrating or reducing the commitment to modernize the other services, but the Navy is the only service that has actually been through a major force level reduction over the last 15 years. The Air Force has actually expanded, as has the Army, from 13 to 16 divisions. The Air Force has expanded to 26 divisions and is going, under the Reagan administration, to 44.

If you look at the share, the Navy is actually getting less real growth in outlays over the five-year plan than either of the other two services. This has been more a mistaken view in the press than a real budgetary reality.

QUESTION. Maybe that is because of the Navy's big ticket items being up front? (Two fully funded nuclear-powered aircraft carriers.)

LEHMAN. Yes, we have taken a marked departure from past policies where you had a lot of high-flown rhetoric and shoving it to the out years of the five-year plan and saying we are going to get well next year.

We have decided to face up to it and make Congress face up to it. If you want to expand the Navy to meet the commitments, here it is this year, not next year or the year after. This is the only real year. Out years of the POM (Program Objectives Memorandum), I have always believed, are just fantasies.

Putting the investment up front is the only real way you save money, the only way you make it affordable. We have negotiated a procurement policy with Newport News (Shipbuilding and Dry Dock Company) that will save at least $750 million for the taxpayer by fully funding the carriers. Now, GAO has submitted a report confirming our estimates and saying they are a little conservative.

QUESTION. The combination of the tough crackdown on drug use in the Navy and Project Upgrade have weeded a lot of people out of the service. Was the weeding process really necessary in your view? Did the programs have to cut so deeply into personnel numbers at a time when the Navy is growing?

LEHMAN. I think it is great, that it shows that the pride-and-professionalism really reflects what the fleet wants, that the petty officers, warrant officers, chiefs, division officers and commanding officers really wanted this. I have reviewed the people that have been bottom-blown and the Navy is well shunt of them.

I think it has been a very successful policy. I am just delighted that recruiting and retention is good enough to enable us to take such a step. I don't think it is too deep. Quality begets quality and the faster you can flush the no-loads from the system, the tauter, the more excellent a team you are going to have and the faster your retention of the right kinds of people is going to improve.

QUESTION. Rumor has it that you are considering stepping up to relieve Frank Carlucci as Deputy Secretary of Defense, allowing Carlucci to replace David Stockman as Director of the Office of Management and Budget. Is there any truth to this speculation?

LEHMAN. I have heard that rumor, but never from any authoritative place. Let me say that my firm intention is to stay right here in the Navy and Frank Carlucci's firm intention is to stay as Deputy Secretary of Defense.

I think he has been the best Deputy Secretary of Defense of many, many years, and I think it would be tragic for the department if he were to be moved anywhere else right now because his expertise is superb in management of what is a vast, interagency enterprise. He has proved that he knows what the main levers of force are in this building and has really brought them under control for the first time.

I believe my place is here in the Navy, at least for the next three years. I think it would be a disservice to the Navy to make moves at this point in time along the lines that have been speculated in the press.

It is a good rumor, but it has been around rather longer than rumors tend to last in this town, which says there is not much basis to it or it would have happened.

To prove all of the changes we have set in motion in the Navy will take me and my team and the new CNO at least two or three years to get them firmly in place. It would be a great disservice to the Navy to change anybody at this time.

Mr. HART. Mr. President, I yield to the Senator from Arizona.

Mr. GOLDWATER. Mr. President, I start by asking my friend from Colorado a question.

Is it his intention just to strike one of the two big carriers?

Mr. HART. It is the intention of the amendment presently before the Senate to defer action on the second requested nuclear carriers without prejudice.

Mr. GOLDWATER. Mr. President, I rise in support of the amendment of my friend from Colorado, even though I recognize full well the arguments in favor of a large carrier. The other day I heard our good friend and colleague, Senator GLENN, who has flown from the carrriers, tell of the safety involved in the wide deck and the long deck and the larger the ship the less the roll, and I concur with all of that.

It is not a question of safety with me. It is a question of the vulnerability of all of our ships at sea today.

I do not cite what happened down off the Falkland Islands as the inspiration for this because I think I have been very consistent in this position through the years that as modern weaponry improves particularly in the missile field we are going to see more and more vulnerability amongst the navies of the whole world.

This missile that was used the other day off the Falkland Islands would not be called a highly sophisticated, modern missile in comparison with what we have in our inventory, and what certainly I would assume the Soviets have in their inventory.

It is a fact, Mr. President, that wc build a giant ship that offers a giant target, and even though our naval aviators are flying, in my opinion, the best defense aircraft ever built to defend these carriers, the F-14 with the Phoenix missiles, the enemy or the potential enemy now has the Backfire bomber, and he has them in sufficient quantities to launch not just one but as many as he cares to.

No matter how expert our aviators are they would be very hard put to defend a ship of the size of the carrier we are talking about against an attack from a missile launched at almost any distance one wanted to launch it.

So even if we have a good defense, I think this is one case where the offense is a little bit ahead of the defense.

It is a strange thing in the history of warfare. We have always developed defenses and we have said that there is no offense that can win it, and we have developed offenses, and we have said that there is no defense that can counter it.

As we grow older and as history grows older, we see more and more sophisticated and accurate weapons developed, and it is mainly for that reason that I would like to see this year's budget restricted to the building of one supercarrier, and I think we should explore, with all the techniques we have, the possibilities involved in the smaller carrier, even though I recognize it is going to mean probably a change in the type of aircraft that we use—even though it might not be but I think it would.

So, Mr. President, I am happy to support my friend from Colorado in this, even though I hastily admit that if I were a Navy pilot flying off a carrier, I would like to probably have that great big deck to look at instead of a little one. But also as a Navy pilot I would know that somebody out there can just blow a big hole in that thing every time they want to.

Mr. HART. Mr. President, I thank the Senator from Arizona for his comments, which go right to the mark.

I want to supplement what he has said about the threat to carriers from the Backfire bomber. Let us just state to our colleagues the total Soviet threat to our carrers that is presently available to the Soviet Union. The source for these facts, for these data, is from the International Institute for Strategic Studies, "The Military Balance 1981-82."

First of all, the submarines, the Soviet submarine fleet, total of 290 entire shipping submarines armed with torpedoes or a combination of anti-ship cruise missiles and torpedoes. That 290 submarine fleet includes:

> Submarines: Total of about 290 (*Polmar* source) anti-shipping submarines armed with torpedoes or a combination of anti-ship cruise missiles and torpedoes.
>
> Includes: at least 69 submarines armed with anti-ship cruise missiles, 47 of which are nuclear powered. Includes one *Oscar* class, which can launch SS-N-19 anti-ship missiles while submerged (missiles have range of over 200 miles and warhead of over 1,000 pounds); 17 *Charlie* and *Papa* classes which can also launch anti-ship missiles while submerged (missiles have a range of about 30 miles); plus older classes which fire SN-3 or SSN-12 anti-ship missiles but must surface to do so. NB: these missiles have shaped-charge warheads of over 1,000 pounds. The shaped charge is specially designed to penetrate deep into U.S. carriers to hit magazines, fuel storage etc. before exploding. These submarines all also carry torpedoes.
>
> Over 200 torpedo-armed attack submarines, of which at least 52 are nuclear powered. These include submarines of the *Alpha* class, which are the fastest and deep-est diving subs in the world. The Soviet conventional subs are very quiet on battery, and our ASW forces have great difficulty finding them.
>
> 294 major surface ships, 30 ships of destroyer size or larger are armed with anti-ship missiles, many of which are the large, powerful SSN-3 or SSN-12.
>
> 834 minor surface combatants, including 149 armed with anti-ship missiles (including 21 of the *Nanuchka* class which are large enough for operations in the Mediterranean and are also armed with air-defense missiles), and 220 armed with torpedoes.
>
> Naval bombers: at least 300 armed with anti-ship missiles. The total includes at least 70 supersonic Backfire naval bombers. The bombers are supported by naval reconnaissance aircraft (100 aircraft, some fitted out with sophisticated electronics to jam our air defenses), and 190 fixed-wing ASW aircraft.

The PRESIDING OFFICER (Mr. ABDNOR). Who yields time?

Mr. TOWER. Mr. President, I yield 10 minutes to the Senator from Maine.

Mr. COHEN. I thank the chairman for yielding.

Mr. President, I rise in opposition to the amendment proposed by the Senator from Colorado. First, I point out that the purpose of the amendment is based, I assume, on trying to save some money in the defense budget. The second part of the argument used by the Senator from Colorado is one of vulnerability of carriers. We should not be mistaken here about what the Senator has in mind. He seeks to delete both of the large deck carriers the committee has approved, and to substitute two light carriers. This will follow in the next amendment.

But we should not soothe our sensibilities by telling ourselves we are only going to defer one of those aircraft carriers until the economy is in better shape. The objective is to delete both of them included in the bill.

It is interesting to listen to the latter part of the Senator's argument because he is talking about vulnerability, and I could not help but note a major magazine that came out this week that had on its cover a ship with a missile headed toward it, and it said, "are big ships doomed?"

I think the cover, frankly, was overdrawn. After the sinking of the H.M.S. Sheffield, the cover should have asked the question: "Are small ships doomed?" Because the Sheffield was, in fact, not a big ship, but a small ship; a little ship.

Now presumably the editors of this magazine were trying to make the point that if you can sink a small ship, you, of necessity, can sink a big ship. Again I would submit to my colleagues that the deductive process is wrong. It is wrong because it is in reverse. If you can sink a large ship, you, of necessity, can sink a smaller one, because a smaller ship, while still capable of being painted on a radar, is still big enough to be picked up by radar. And it has less speed, less armor, less active and passive defense systems and, therefore, is less survivable.

So the lesson of that particular incident in the Falkland Islands is that all ships are vulnerable. It is a question of the degree of vulnerability, and to my colleague from Arizona, whom I admire a great deal, I point out that everything is vulnerable. Every system we have is vulnerable. The Minuteman missile system is vulnerable. We all know that.

We are trying to figure out a way to build an MX missile. We have spent 4 years now trying to figure out how to place an MX missile in a mobile basing system. We have gone through the entire array of alternatives from vertical-launched MX missiles to horizontal-launched, to a race track with a visor over the top, to President Carter's diffuse land-based missile system, to President Reagan's initial suggestion, and that of Caspar Weinberger, that we should have them in hardened silos. Then we find out we should not have them in hardened silos. Everything is vulnerable; the B-52's are vulnerable as well, because they cannot get off the ground in time.

If there is any lesson about the Falkland Islands, it is that airstrips can be targeted preemptively and taken out. That is what happened with the Argentinian Air Force. They are now rendered immobile on the Falkland Islands because their airfields were vulnerable, and they were destroyed by the British.

You talk about Trident submarines. They are perhaps less vulnerable and harder to detect, even if they are also hard to communicate with, but we are still worried about our opponents' ASW capability and their potential to detect them.

So it is a situation where even if we go into space, let us say to the Senator from Arizona, even if we go into space with our laser system, we are vulnerable. We have a Space Shuttle up there which may pick up a few of those laser systems, and we also know the Soviets have killer satellites to destroy our satellites. There is nothing we can build that is not vulnerable to being destroyed. It is only a question of the degree of vulnerability. In the end everything can be undone by a greater amount of bombing, by a bigger or smarter bomb, and that, it seems to me, should not obscure the real issue here, and that is that we are committed to the principle of projecting power.

If we are, in fact, committed to projecting power, the next question is how do you get there from here? Are you going to be able to fly all of our troops over from the United States to the Persian Gulf? That assumes, No. 1, you are going to have some bases to land on, and we are not too sure about that.

Are we going to strap them to a missile and launch them over there? Are we going to put them in a Trident submarine and convey them that way? The answer is, no. There is only one way to get them there under current circumstances, and that is by projecting power with a capable carrier battle group.

I just came back from the Middle East in February. The fact of the matter is we have determined that the Persian Gulf is one of our vital national interests that we have chosen to defend. But, those people in the Persian Gulf do not want to have the land-based presence of troops on behalf of the United States. If we had our choice we would put our troops over there to guard those oilfields, if we deemed it necessary. But we cannot do that for two reasons: First, I am not sure that our own people would accept it; and, second, the Arab nations do not want us there.

They want to have our presence nearby. They want to feel us, but they do not want to see us. And you can do that only with a sea presence; an over-the-horizon presence.

So if you talk about our power protection capabilities, the question has to be asked: Are ships doomed, all ships doomed? Are carriers obsolete in the age of the missile?

It seems to me that if the answer is yes, this debate is over. Because if that is the answer, you should cancel the carriers in the budget, cancel the Aegis cruisers, the destroyers, the frigates, the SL-7's. Cancel them all. Because if we determine they are all vulnerable and they will be destroyed, do not build them.

But if you come to the conclusion, as I do, that the proper answer is that the carriers remain an important instrument of diplomacy and of our protection, the question becomes: Which of the carriers is least vulnerable, which is least costly, and what combination of vulnerability and cost produces the best purchase of security for the American people?

And that is what this debate should really be focused upon. I think Senator HART has done a service in raising the issue, because it is a legitimate one that ought to be debated without preconceived bias or by trying to paint it black or white. It is not black or white.

Let me refer quickly to the real cost of these platforms. I think there are some valuable lessons to be derived from what is taking place down in the Falkland Islands. We recently turned to our British allies, and we passed a resounding resolution in this body to support them. In the recent past they were faced with similar problems to the ones we face today; perhaps even of greater magnitude—runaway domestic problems at a time when they had to modernize their military. What they chose to do was to retrench and cut back on all their forces, but especially they cut back on their navy. They made the specific decision to go with smaller carriers primarily equipped for antisubmarine warfare, and they are now paying the price. They have had to mobilize a major portion of their naval assets, as well as a large number of merchant vessels, just to get a sufficient force 8,000 miles away to dislodge 7,000 troops on an island inhabited by 1,800 people and 6,000 sheep.

Now, I admire what they are trying to accomplish with what they have. But I will tell you, if we offered them a Nimitz class aircraft carrier today, they would take it today, and quickly. In fact, I agree with a recent editorial in the Wall Street Journal that indicated that when the British had adequate forces back as recently as 1977, the Argentines were forced to back down.

Ironically, it also appears that if the Argentines had waited one more year, the problems of the British would have been even greater, because they were about to retire the HMS *Hermes*, one of the two light carriers they have left, and the other, HMS *Invincible*, had been sold to Australia. And they would not have had any long-range bombing assets, for example, because they were going to retire all the Vulcan bombers next year. So, if the Argentines had waited 1 more year the British would not be in the position they are today, which, while it is not a good one, is better than it could have been.

Can we afford to place ourselves in a similar position? I submit to you we were the umbrella under which England restructured her forces to aid us against the Soviets. And I admire them for what they have done. They are one of our most loyal allies. But where is the umbrella under which we can restructure our forces toward smaller, less capable platforms.

The Senator from Colorado has just cited some impressive statistics about the threat from the Soviet Union. They are outbuilding us 2 to 1 in major surface ships, 5 to 1 in submarines, and 29 to 1 in other naval construction. The question then is, Can we really afford not to go forward with these two aircraft carriers?

Let me also make it clear that what the Soviets are producing are not cheap, and they are not simple, and they are not ineffective.

What the Department of Defense and the Secretary of the Navy have requested is authorization to build two aircraft carriers, not simultaneously, but in series, and to purchase some material more efficiently to produce real savings. And even the Comptroller General, who has been cited here today, has said that we can save $754 million, or 10 percent of the total cost, and that the savings projected by the Navy were reasonable. They did not disagree with that.

Indeed, they briefed our subcommittee on this particular matter, and they agreed with the claim that the shipbuilders could, in fact, save that 10 percent, and that it still might be conservative.

Second, the Comptroller pointed out that if the Navy and the contractors were permitted to meet their planning schedule, they could deliver each carrier 22 months earlier than the original traditional plan.

In fact, if we get early delivery of the *Teddy Roosevelt*, as we expect, the Navy and the Nation will have 58 months, or almost 5 years, earlier use from these ships.

Mr. President, this equates to readiness and improved capability, and a decreased strain on our enlisted personnel because of better peacetime rotation patterns. And these savings can be achieved through reduced escalation, through economic order quantities, through the reduction in nonrecurring costs, and of improved productivity.

I think we have also all seen in the past that it takes a long time to build ships. Now we have an opportunity to get two major ships a total of 44 months earlier than you ordinarily would receive them at a savings of some $754 million. In view of the nature of the threats that we face in various parts of the globe, in view of our responsibilities to defend those areas of interest, then I submit to you we cannot afford to defer—which is a nice way of saying "kill"—an aircraft carrier under the amendment of the Senator from Colorado.

Mr. GLENN. Will the Senator yield?

Mr. TOWER. Mr. President, I promised the Senator from Virginia time, and then I will yield next to the Senator from Ohio. I yield 10 minutes to the Senator from Virginia.

Mr. HARRY F. BYRD, JR. Mr. President, the amendment offered by the distinguished Senator from Colorado has some appeal. I oppose it, however, for several basic reasons.

I think that each of us must judge for ourselves whether our Navy does or does not need two additional nuclear-powered aircraft carriers. In my judgment, we do need two additional nuclear-powered aircraft carriers. The Navy believes that it does, the top military people in our Government believe that it does, and the President of the United States favors the two additional nuclear aircraft carriers.

If we do need those, then the best and the most economical way to get those two carriers is to authorize both of them in this 1983 defense authorization bill. The cost in obtaining the two carriers will be less by authorizing both at this point. And also the delivery date will be earlier.

Now these carriers must, if we are going to have a 15-carrier battle group, there must be new carriers to replace the old carriers which must be taken out of service during the 1980's.

The distinguished Senator from Colorado mentioned a letter from the Comptroller General dealing with costs. Now what he did not read and what I would like to read from that letter is this statement:

> We believe that the Navy's estimate of the cost avoidance of $754 million, or 10 percent of the estimate cost, is reasonable based on our analysis of their cost-estimating assumptions and techniques.

So I would observe that the report, on the whole, supports the conclusions of the Department of the Navy with respect to the funding of the two nuclear carriers.

Now, I want to address the part mentioned by the distinguished Senator from Colorado, and I will quote that part of the Comptroller General's report:

> When the interest cost associated with the funding differences are considered and these differences are expressed in terms of their present value, the claimed cost avoidance is reduced or even negated.

Now how did they reach that conclusion?

They reached that conclusion by this assumption:

> The equation assumes that the cost of the carriers will be financed entirely out of the deficits, when, in fact, to be accurate each Government program should be charged its proportion, in this case about 13 percent instead of the 100 percent assigned on the assumptions.

I think that reasoning certainly does not stand up, and, as a matter of fact, the entire letter, if one reads the entire letter—and I have this letter which I will ask later to be made a part of the RECORD, the letter from the Comptroller General, addressed to the chairman of the Committee on Armed Services and the chairman of the Subcommittee on Defense Appropriations in the House of Representatives—the entire letter taken in its totality sustains the Navy's position, the Government's position, that by authorizing both of these carriers this year the cost avoidance or cost saving will be $754 million.

I say again, Mr. President, that the basic point, as I see it, in this debate on the Hart amendment, and the subsequent one to come, is that we believe we need two additional nuclear aircraft carriers. If we believe we do not need them, then obviously the Hart amendment would have appeal. But if one believes, as does the Senator from Virginia, as does the overwhelming majority of the Senate Armed Services Committee, as does the U.S. Navy, as does our President, that we do need two additional nuclear aircraft carriers, then I say the logical thing to do is to authorize both of those carriers in this bill. As a result of that, the Government will find it the most economical way to obtain the two additional carriers and at the same time will get speeded up delivery on those two carriers.

Mr. President, I may ask for additional time later on, but at this point I ask unanimous consent that the letter from the Comptroller General going into the whole question of cost avoidance be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

COMPTROLLER GENERAL
OF THE UNITED STATES,
Washington D.C., March 26, 1982.

Subject: Request to fully fund two nuclear aircraft carriers in fiscal year 1983 (MASAD-82-27).

Hon. JOHN G. TOWER,
Chairman, Committee on Armed Services, U.S. Senate.

Hon. JOSEPH P. ADDABBO,
Chairman, Subcommittee on Defense, Committee on Appropriations, House of Representatives.

Your letters of February 5, and February 9, 1982, requested that we review the Navy's proposal for fully funding two nuclear aircraft carriers in fiscal year 1983 to determine if their projected improved delivery schedule and cost avoidance estimate are achievable. We found the improved delivery of 22 months is reasonable under the assumption made by the Navy and can be achieved if certain events happen as planned. The Navy's estimate of the cost avoidance of $754 million, or 10 percent of the estimated cost, is reasonable based on our analysis of their cost estimating assumptions and techniques. However, when the interest costs associated with the funding differences are considered and these differences are expressed in terms of their present value, the claimed cost avoidance is reduced or even negated. This consideration does not account, in dollar terms, for the value of the early delivery made possible by the multiship approach.

In conducting this review, we obtained and analyzed data related to the delivery and cost estimates and interviewed personnel in the Office of the Secretary of Defense; the Navy; Office of Management and Budget; Congressional Budget Office; and the contractor, Newport News Shipbuilding Company. We also used some economic analysis techniques to attempt to determine the economic effects of the funding alternatives. We analyzed this information to determine if the Navy's schedule and cost avoidance projections are achievable. Because of the time constraints, we were not able to verify the accuracy of the improved schedule and cost avoidance in detail; however, we did review the reasonableness of the underlying assumptions on which these projections are based.

We did not examine the military need for the two carriers nor did we address such issues as the proper force level structure, small versus large carriers, procuring adequate carrier aircraft, and other battle group ships to meet the improved carrier delivery schedule nor did we look at the availability of necessary trained personnel.

BACKGROUND

The Navy is seeking $6.8 billion in its fiscal year 1983 budget proposal to fully fund two nuclear aircraft carriers, the CVN-72 and CVN-73. According to the Navy, the carriers are required to replace two of the older carriers—the Coral Sea and the Midway—which are scheduled to be decommissioned after nearly 45 years of service. Thus the two proposed carriers, along with the CVN-71, which was funded in fiscal year 1980 and is currently under construction, will maintain the number of carriers at 15.

According to the Navy, full funding both carriers in fiscal year 1983 will result in a delivery date for each which will be about 2 years earlier than would be possible if they used the single ship annual approach. Also, the Navy believes it can achieve cost avoidance of $754 million, about a 10-percent savings. Navy officials said that the improved delivery schedule is the critical factor. The savings in both time and money are based on comparing the full funding of two carriers in fiscal year 1983 versus full funding one in fiscal year 1984 and one in fiscal year 1986.

IMPROVED DELIVERY SCHEDULE

The Navy is projecting that by fully funding the two carriers in fiscal year 1983, rather than funding the two as single ship annual procurements, each carrier delivery can be improved approximately 22 months. The 22 months improved delivery is due to a saving of:

About 10 months due to the earlier start of work afforded by full funding in fiscal year 1983 instead of a year later.

About 12 months actual construction time compression due to the economies accruing from series construction. These series construction economies result from such things as a stable workforce which can move from carrier to carrier without the gaps that normally occur and the production efficiencies regarding material and work flow that could be accomplished with multiship construction of carriers. Also, phasing the two new carriers in with the CVN-71 to achieve optimum labor and work flow could have an additional shortening affect beyond the projected 22 months.

The Navy believes that the contractor is in a position to build carriers faster than it has in the past. In the 1970s, the contractor added modern, potentially more productive facilities to its yard. These facilities were to be used to produce large, commercial ships. However, the commercial shipbuilding market is currently depressed, thus freeing these facilities for use in constructing carriers. The CVN-71, which is about 10- to 15-percent complete, is the first carrier being constructed using these facilities. The Navy and the contractor believe these modern facilities will permit productivity gains enabling an early delivery of the CVN-71. The Navy has not considered these improvements, however, in the delivery of the CVN-72 and CVN-73 because (1) the results have not been proven to date and (2) other variables, such as how the contractor will phase its work between the new and old facilities, would affect how the expected productivity gains will accrue to the series ships.

In December 1981, the Navy executed a modification to the CVN-71 contract that offers an incentive to the contractor to deliver the carrier approximately 14 months earlier than the current contract delivery date of February 1988. The projected delivery dates of the CVN-72 and CVN-73 are predicated on the CVN-71 delivering earlier than February 1988. The projected CVN-72 and CVN-73 improved delivery is also based on the following events

Providing sufficient fiscal year 1982 Research, Development, Test and Evaluation funds to the contractor during the spring of 1982 for planning purposes;

Awarding a long-lead contract in October 1982; and

Having fiscal year 1983 funds appropriated in time to award the basic ship construction contract by January 1983.

If these dates are not met, the delivery dates of the CVN-72 and CVN-73 could slip, but we were unable to find out the extent of the possible slippage. Neither the Navy nor the contractor could provide us with data linking these milestones with possible resulting slippages.

According to the Navy, the CVN-72 and CVN-73 are the same configuration as the CVN-71—the design is stabilized.

Looking at the three ships together as a series construction, the multiship procurement of the CVN-72 and CVN-73 will facilitate the earlier delivery of the CVN-71. If the contractor does not get the CVN-72 and CVN-73, some of the motivation to deliver the CVN-71 early could be lost. If delivery schedules are to be improved, we believe that the contractor must quickly begin and effectively implement the planning necessary to phase in the CVN-72 and CVN-73 with the CVN-71. This would also enhance the potential achievement of optimum labor, material and work flow, and optimum facilities use.

COST AVOIDANCE

The Navy's multiship cost estimate is based on the projected improved delivery and economies to be gained from series construction of the CVN-72 and CVN-73. The Navy projects that $754 million can be avoided by fully funding the two carriers in fiscal year 1983. The projected cost avoidance is attributable to reduced escalation, economic order quantities of ship sets, reductions in nonrecurring costs, and improved productivity and labor use.

Table 1 shows the funding profiles for the multiship proposal and the single ship annual approach. The cost avoidance projection of $754 million is obtained by comparing these two approaches.

TABLE 1.—CVN-72 AND CVN-73 ALTERNATIVE FUNDING PROFILES

[In millions of dollars]

	Fiscal year					Total
	1982	1983	1984	1985	1986	
Single ship annual approach	475	583	3,056	945	2,965	8,024
Multiship proposal	475	6,795				7,270
Cost avoidance		−6,212	3,056	945	2,965	754

Assuming the single ship annual approach, the two carriers would be funded as follows:

Fiscal year 1982—First increment of nuclear long lead for CVN-72.

Fiscal year 1983—Second, increment of nuclear long lead for CVN-72. Nonnuclear long lead for CVN-72.

Fiscal year 1984—Remainder of funding for CVN-72. First increment of nuclear long lead for CVN-73.

Fiscal year 1985—Second increment of nuclear long lead for CVN-73. Nonnuclear long lead for CVN-73.

Fiscal year 1986—Remainder of funding for CVN-73.

The multiship proposal contains partial long-lead funding for nuclear components for the CVN-72 in fiscal year 1982 and full funding in fiscal year 1983 for the CVN-72 and CVN-73.

The Navy's projected $754 million cost avoidance results from:

Reduced escalation resulting from early procurement and improved delivery. The escalation portion of both estimates is based on the January 1982 Office of the Secretary of Defense's inflation indexes and escalation clauses in the shipbuilding contracts. The Navy estimates that of the $754 million projected savings, approximately $304 million, or 41 percent, is due to the reduced escalation costs resulting from improved delivery.

Economic order quantities of ship sets. Approximately $250 million, or 33 percent, of the $754 million cost avoidance results from savings due to economic order quantities of ship sets buys of both the Government and the contractor furnished equipment. This represents about a 10-percent reduction in the cost of the Government and the contractor furnished equipment over the single ship annual approach. According to the Navy, there is some risk that there may be difficulties in obtaining some of their Government furnished equipment to meet the projected construction schedule. However, both the Navy and the contractor believe this will not cause disruptions to the improved carrier delivery schedule. They feel subcontractors involved will make an extra effort to meet delivery schedules if more than one ship set is ordered.

Reductions in nonrecurring costs. Approximately $100 million, or 13 percent, of the cost avoidance is the result of savings in nonrecurring and startup costs. This is from being able to plan for, procure, and make multiple use of jigs and molds, and so forth, for two ships instead of one. According to the contractor, the reduction in paperwork alone in the procurement of equipment and material will result in a significant cost avoidance.

Improved productivity and labor use. Approximately another $100 million, or 13 percent, of the avoidance results from the improved productivity and labor use resulting from the series construction. Ship construction is a highly labor intensive industry and thus, labor hour savings can have a significant affect on cost. The Navy's estimate for labor hours was based on those contracted for on the CVN-71. An adjustment was made for series production using the labor-hour reduction experienced on the CVN-68 and CVN-69. This resulted in approximately a 3-percent labor production improvement which was used in projecting the CVN-72 and CVN-73 labor hours.

The contractor observed that the Navy's potential cost avoidance of $754 million is low. According to contractor personnel, the cost avoidance could be 30 to 40 percent low. We did not examine the support for their estimate.

ANALYSIS OF COST AVOIDANCE

The Navy is projecting a cost avoidance of $754 million, or 10 percent, if funds for the multiship approach are authorized and appropriated rather than the single ship annual approach. The funds authorized and appropriated for the two approaches would, however, be spent over a different number of years and the amount spent in each fiscal year would be different. The enclosure shows the Navy's projections of the outlay streams for the two funding approaches.

Because the outlay streams differ both in terms of annual outlays and in terms of duration, we considered the interest costs associated with the funding (which in turn would influence the deficit) and expressed the outlay streams in terms of their discounted present value. Taking these factors into consideration, the results depend on many variables, including the interest rate(s) assumed and the outlays per year projected for each alternative. Varying any of these factors can change the results.

The present value of the two funding approaches using a discount rate of 10 percent as prescribed by the Department of Defense (DOD) shows that the multiship alternative is about 2 percent less costly. Using a 13.97-percent discount rate based on the 12-year Treasury bond yield, the approximate period of outlays, our analysis shows that the single ship annual approach is less than 1 percent less costly.

Results affecting the budget deficit are obtained by including the compounded interest effect on the two projected outlays streams. The Office of Management and Budget used variable interest rates obtained from the 90-day Treasury rates presented in the budget projected to 1994 when compounding the outlays. These calculations showed that the multiship approach has a slightly less negative effect on future years' budget deficit. Our calculations using 13.97 percent reversed the result and the single ship annual approach had the lesser effect on the deficit.

Although we have demonstrated here that the cost difference of 10 percent in the two funding approaches can be reduced or negated, such comparisons involve only the estimated cost of the alternatives. The Navy puts much more emphasis on the improved delivery schedule offered by the multiship approach. The need for the carriers within the schedule offered by this approach is the driving factor rather than the potential savings. The Navy also believes that the multiship approach will strengthen the shipbuilding industrial base. We believe there are potential savings which will accrue to the CVN-71 if the commitment is made to fully fund the CVN-72 and CVN-73 in fiscal year 1983. The extent of these savings depends on how far along in construction the CVN-71 is when the CVN-72 and CVN-73 are phased in. Additional savings may accrue to the three ships because of productivity improvements which may be achieved if the commitment is made now for the two carriers.

FUNDING ALTERNATIVES TO FULLY FUNDING CVN-72 AND CVN-73 IN FISCAL YEAR 1983

Alternatives to fully funding the two carriers in fiscal year 1983 do exist. The single ship annual approach and incrementally funding the carriers are two. If the single ship annual approach is used, which the Navy used as a basis of comparison to the multiship proposal, the projected improved delivery and cost avoidance is lost.

Early in its preparation of the fiscal year 1983 budget, the Navy proposed a plan to incrementally fund the two carriers. Table 2 shows the funding profile for this proposal. Though not a legal requirement, there has been, since the early 1950s, an agreement between DOD and the Congress, implemented through DOD directives, that Navy ships would be fully funded in a single year. Using their proposed incremental approach, the Navy projected essentially the same improved delivery and cost avoidance and outlays as if fully funded. However, a problem with incremental funding is that funds planned to be budgeted in future years may not be. This may cause disruptions in a program and such instability may cause schedule delays and cost overruns. The Office of the Secretary of Defense and the Office of the Management and Budget told the Navy that the full-funding concept should be used to request funding for the CVN-72 and CVN-73.

TABLE 2.—INCREMENTAL FUNDING PROFILE FOR CVN-72 AND CVN-73

	Profile	Amount
Fiscal year:		
1982	Some nuclear and nonnuclear long lead for CVN-72, some nonnuclear long lead for the CVN-73, and some prefabrication for both the CVN-72 and CVN-73 [1].	$658
1983	Some nuclear and nonnuclear long lead and prefabrication for both the CVN-72 and CVN-73.	1,306
1984	Remainder required to fund the CVN-72. Some nuclear and nonnuclear long lead and some prefabrication for the CVN-73.	3,292
1985		
1986	Remainder required to fund the CVN-73	2,033
Total		7,289

[1] The Congress disallowed $183 billion for some nonnuclear longlead components in its fiscal year 1982 budget.

CONCLUSION

The Navy is projecting that by fully funding the CVN-72 and CVN-73 in fiscal year 1983—

Each carrier can be delivered 22 months early and

A cost avoidance of $754 million (about 10 percent) can be achieved.

We found improved delivery of 22 months is reasonable under the assumptions used by the Navy and can be achieved if the certain events happen as planned. These events are:

The Navy must award—

Sufficient research and development funds to the contractor in spring 1982 for planning purposes,

A long-lead contract in October 1982, and

The basic construction contract by January 1983.

The contractor must—

Deliver the CVN-71 earlier than the February 1988 contract delivery date, and

Quickly begin and then effectively implement the planning necessary to phase in the CVN-72 and CVN-73 with the CVN-71 to achieve optimum labor, material and work flow, and optimize facilities use.

If one or more of these events do not occur, the projected delivery dates of the CVN-72 and CVN-73 could slip.

According to the Navy, it can achieve a 10 percent, or $754 million, cost avoidance using the multiship approach instead of the single ship annual approach. We believe that the Navy's estimate of the cost avoidance of $754 million, or 10 percent of the estimate cost, is reasonable based on our analysis of their cost estimating assumptions and techniques. However, when the interest costs associated with the funding differences are considered and these differences are expressed in terms of their present value, the claimed cost avoidance is reduced or even negated. This consideration does not account, in dollar terms, for the value of the early delivery made possible by the multiship approach.

As discussed with your offices, due to time constraints, we did not obtain official DOD comments on this report.

As arranged with your offices, unless the contents are publicly announced earlier, we plan no further distribution of this report until 30 days from the date of the report. At that time we will send copies to interested parties and make copies available to others upon request.

MILTON J. SOCOLAR,
for Comptroller General of the United States.

Enclosure.

CVN-72 AND CVN-73—ESTIMATE OF OUTLAYS

[In millions of dollars]

Fiscal year	A—Single ship annual approach	B—Multiship approach	Delta (B to A)
1982	72	72	
1983	210	235	25
1984	422	482	60
1985	524	780	256
1986	774	929	155
1987	1,102	1,374	272
1988	1,246	1,423	177
1989	1,246	1,092	−154
1990	1,115	655	−460
1991	785	175	−610
1992	354	53	−301
1993	112		−112
1994	62		−62
Total	8,024	7,270	−754

Mr. TOWER. Mr. President, I yield 10 minutes to the Senator from Ohio.

Mr. GLENN. I thank the distinguished floor manager of the bill.

I would say to the distinguished Senator from Colorado I believe it is good that he is bringing this up so we can have a discussion on it. I think it particularly appropriate to have his figures of a few moments ago of the number of ships the Soviets have which, it seems to me, in this case, makes the best case I can think of on why we need the two carriers now. When the distinguished Senator says they have 1,000 subs with certain weaponry, the figures are very valid, I agree—it shows the enormity of the threat and the problem we are up against in trying to keep a naval presence all over the world to do exactly what we have to do to fulfill our commitments. It seems to me that the distinguished Senator from Colorado has made an excellent case for why we need those two carriers and why we need them now.

As the Senator from Maine said a few moments ago, we get those ships sooner this way.

The second point I would like to address very briefly is one of cost. I believe the distinguished Senator from Colorado also said that he had no objection to having the two carriers sometime, but that in this year's budget it was not the time to put the two carriers in but we should hold one back.

Mr. President, I would say that would be a mistake and for a very good reason. It is more costly to do it that way.

The Navy figures that because of reduced escalation costs, we would save, by building the two carriers at the same time, CVN-72 and CVN-73, $304 million. The economic advantage of quantity savings from multiple ship set buys adds another $250 million, if you buy two ships together. The reduced startup, setup, and other nonrecurring costs adds another $100 million. Improved manpower productivity adds another $100 million by their estimates.

Those figures total up to some $754 million of estimated savings if we go ahead and do the two ships at one time.

Obviously, those are estimates and might be challenged in some respect. But if we have the threat that we face at sea, and if we face the number of Soviet ships and the building Soviet Navy, which the distinguished Senator from Colorado carefully enumerated to us a little while ago, that makes the case in spades for going ahead with the two carriers now instead of waiting.

A BARGAIN FOR NATIONAL SECURITY

Skyrocketing budget deficits have generated mounting pressure to trim defense expenditures. Although certain cuts may be wise, the suggestion that we reduce or eliminate our purchases of new aircraft carriers surely is not. The aircraft carrier continues to be a first-line bulwark in our efforts to keep the peace, and the nuclear-powered *Nimitz*-class carriers provide the most economical means of defending our interests around the world.

Years of neglect have reduced the U.S. Navy's effectiveness as an instrument of diplomacy, dangerously weakened a key element in our conventional military capability, and limited our foreign policy options. While American interests—and those of our allies—have become ever more dependent on the foreign supply of raw materials and the outcome of events in distant lands, our shipbuilding programs have not kept pace either with our commit-

ments or with our changing vulnerabilities. If we now fail to upgrade our fleet via-a-vis that of the Soviet Union, we will further erode our diplomatic flexibility and make our national security perilously dependent on nuclear weapons.

The diplomatic advantage of the aircraft carrier lies in its ability to establish a quick and credible military presence without the potential political problems that often occur with land bases. Nowhere is this capability more valuable than in the Persian Gulf-Indian Ocean region. There the Soviets and their surrogates threaten not only our friends in the Middle East, but the energy jugular of the entire industrialized free world as well. Despite efforts to diversify our sources of supply, the United States, Western Europe, and Japan continue to derive 20, 53, and 64 percent of their oil imports, respectively, from the Persian Gulf.

Despite their own vulnerability, Middle Eastern nations are reluctant to have U.S. ground forces stationed on their territory. This, coupled with Soviet aggression in Afghanistan and Iranian hostility in the region, gave birth to the much publicized rapid deployment force. The problem is that the bulk of the RDF's combat power is located within the United States and may not be able to respond in those crucial first hours of a crisis. Only American aircraft carriers can provide the over-the-horizon military presence in that and other areas that can reassure our friends and give pause to our adversaries. The question, therefore, becomes what kind of carrier is most economical and best suited to the task.

Opponents of the 90,000-ton *Nimitz*-class aircraft carrier claim that its size and cost make it both vulnerable and prohibitively expensive. Far better, these critics argue, to build greater numbers of conventionally-powered carriers that are about half the displacement tonnage of the nuclear carriers. This would reduce the ability of Soviet reconnaissance to target our naval air arm because aircraft would be dispersed among more and smaller carriers over a larger area. These smaller ships are also said to be more economical, since two or three of them could be bought for the price of one *Nimitz*-class carrier.

In trying to get the greatest on-target capability per dollar spent, however, the facts are otherwise. Indeed, whether in terms of survivability, capability, or cost, the larger carrier is superior to its smaller counterpart. With respect to survivability, the wartime life expectancy of any aircraft carrier largely depends on its ability to avoid detection or to protect itself in combat.

The small carrier is no less detectable than the *Nimitz*-class carrier because each is equally targetable. The flight deck of the small aircraft carrier would be roughly 800 feet long, only 200 feet shy of the monster nuclear vesssel. To today's sensors that can pinpoint objects the size of baseballs from hundreds of miles away, the relative seeability of any aircraft carrier is a distinction without a difference. In fact, the smaller carrier, because of its limited cruising range and greater replenishment requirements, could be more easily tracked by enemy intelligence.

An aircraft carrier's combat capabilities hinge on a combination of active and passive factors, including the assistance it can lend its escorting vessels and the reciprocal aid the escorts can provide in turn. The large-decked *Nimitz*-class carrier can carry an airwing of 98 airplanes—including defensive interceptors—as well as a sizeable contingent of attack and antisubmarine aircraft.

By contrast, Mr. President, smaller carriers, able to accommodate less than 40 airplanes, could well force the Navy back toward the days when limited hangar space and fuel capacities dictated single-purpose attack or antisubmarine carriers. It is likely that a small carrier, with its reduced airwing and thus reduced defensive capability, could require an even larger number of escort ships to provide the same degree of protection that is provided by the larger carrier's more numerous aircraft. Moreover, returning to the smaller carrier would require the close grouping of several single mission carriers to achieve the broad-gaged combat power that one *Nimitz*-class carrier can project by itself.

With respect to durability under hostile fire, Mr. President, the *Nimitz* carriers can stand up to far more punishment than can smaller ships. For one thing, the size of the *Nimitz* carrier and the extra power provided by its nuclear plant have enabled designers to better protect the sensitive heart of any warship—the ammunition magazines and flammable fuel storage cells. The large carriers are also equipped with massive armor plating, extensive firefighting facilities, and more than 2,000 watertight compartments, making them far less vulnerable to conventional torpedo or missile attacks. The smaller 40,000-ton carrier's weight and power limitations make it impossible for it to carry as much protection.

Basic, grocery-store arithmetic shows that the taxpayer gets far more combat capability per dollar from the larger carrier. The small carrier would need at least the same number and kind of escort ships to accompany it as the large carrier. But, as I have pointed out, the small carrier has only 38 airplanes compared to 98 airplanes on the large carrier. If we divide the costs of these aircraft carriers and their escort ships by the planes each type carrier can launch, then we find that it costs $245 million to base each plane on the small carrier as opposed to $121 million per plane on the large carrier.

Over its long service life, the larger carrier also will be less expensive to maintain and operate. It makes more efficient use of the large investment that goes into logistics and maintenance of naval aviation. The *Nimitz* class carrier also makes better use of highly skilled technicians, and its nuclear reactor provides more power at lower costs over the service life of the ship than would conventionally fueled powerplants. If we compare the life-cycle costs of two light carriers and aircraft against a nuclear carrier with its aircraft, the two light carriers will cost $3 billion more than the larger vessel, even though the *Nimitz* class ship has about 20 percent more aircraft than both small carriers combined. But that is not all: The larger carrier's economy of scale also results in lower overhead costs per aircraft launched. And the efficient launching of aircraft is, after all, the true bottom line when comparing aircraft carriers.

If the aircraft carrier is relevant to our national security needs and the larger *Nimitz* class nuclear carrier is better suited to the demands of deterrence and consequences of combat than smaller carriers, how should we go about getting the ships we need at the best possible price?

Quite simply, Mr. President, this year's defense legislation should provide for the building of two *Nimitz* class ships. The near-parallel construction of two carriers will permit a more efficient use of our shipyards and of the highly skilled—and, unfortunately, diminishing—pool of specialized labor. The savings resulting from this construction plan—as opposed to the traditional one-at-a-time approach—could be as much as $750 million. And we would be adding two carriers to our fleet nearly 2 years earlier in the bargain.

The debate now raging over defense spending can be healthy and productive—but only if it leads to greater public understanding of the wide range of complex problems that confront us. But the debate could be disastrous if budgetary myopia causes us to focus exclusively on the size of the deficit—and to ignore even greater threats to our national security.

The PRESIDING OFFICER. Who yields time?

The Senator from Colorado.

Mr. HART. Mr. President, let me respond briefly to some of the arguments made by the other side and then I shall yield to my colleague from Arkansas.

First, Mr. President, the comments of the Senator from Ohio are interesting but irrelevant to the matter before the Senate. The point of the amendment before us is whether to purchase two *Nimitz* class carriers. It has nothing whatever to do with the relative merits of big and small carriers.

I do point out, however, to the Senator from Ohio this fact: We are not talking about one-for-one tradeoffs. The Senator from Colorado has spent a great deal of time arguing the merits of both aircraft carriers. He has never argued that the small aircraft carrier is the equivalent of a larger aircraft carrier. That would be nonsense. So one-to-one comparisons about why the *Nimitz* carrier is better than a smaller carrier are irrelevant to any debate on this amendment.

We have, aside from the argument of the Senator from Ohio here, what I consider to be the fairly phony savings estimates by the Navy—self-serving if not phony—in the range of three-quarters of a billion dollars for building two carriers at once. It reminds me of the joke about the man who comes home at night and finds two fur coats in his closet and asks his wife about it; she says, "I bought two because they were on sale." That would, I suppose, make some sense if you did, in fact, save three-quarters of a billion dollars. But the General Accounting Office disagrees.

Mr. President, it is interesting to this Senator and, I hope, others, that in a body that debates the health and well-being and future of our economy almost constantly, and certainly every time some kind of domestic spending question arises, that mysteriously and magically flows out of these doors in all directions when we come to the 25 or 30 percent of the budget represented by defense spending. I hear from colleagues on both sides of the aisle constantly in committees, on the floor, in speeches, in newspapers, about the deficit, the deficit, we have to get down the deficit.

Some of us have just come from a couple of weeks in the Budget Committee, very unhappy weeks in the Budget Committee, worrying about how to reduce the deficit in 1983, 1984, 1985. No one said anything this afternoon about the deficit. Why is that? Because defense has nothing to do with the deficit? I do not think so. If Senators on this floor, including many who have spoken on this issue generally, are concerned about the $500 and $600 billion in deficits over the next 3 years, this amendment offers them the chance to do something about that.

Mr. President, does anyone seriously argue that we are going to solve the deficit problem without making cuts in defense, or that the cuts in the defense budget made this week are going to satisfy the requirements of seriously reducing the deficit in fiscal 1983? I think not.

I ask my colleagues who are opposed to this deferral where they intend to make further cost savings or deficit reductions in the military budget. It would be interesting to know what their options and alternatives are.

The Senator from Maine argued so eloquently about the weakened state of the British Navy. Let us ask ourselves why. It is because of the weakened state of the British economy. If we continue to debate defense issues as if they were totally unrelated to the health of this country's economy, we will, in fact, end up like the British in both regards. So if we want a strong Navy, let us get a strong economy or we shall end up with two or three 20,000-ton carriers and that will be it. We are not going to get a strong economy unless we attack the 25 or 30 percent of this Federal budget that the defense budget represents.

Mr. President, we cannot afford two *Nimitz* class carriers this year. It is that simple. I do not care how much capability they have. It is not some abstract argument about what wonderful ships these are. We just cannot afford it.

Mr. President, I do not know what possesses my colleagues, as I have indicated, when it comes to the issue of defense, that somehow, the economic impact of defense spending suddenly has nothing to do with anything.

I only respond very briefly, finally, to my colleague from Maine, who talks about the vulnerability issue. You do not have to sink an aircraft carrier to defeat it. All you have to do is disable it. Mr. President, I do not know how many tons of bombs it can absorb or how many torpedoes it can take or how many cruise missile hits it can take before it sinks. That is not the issue. What does it take to disable it? What does it take to put it out of commission?

What disabled the *Sheffield* was not sinking. It was fire. A nuclear aircraft carrier, or any aircraft carrier for that matter, is a floating gasoline station. You do not have to sink it. All you have to do is start a fire on board and that carrier is out of commission. That is what one missile or one torpedo will do.

When I talked about the size of the Soviet threat, this was not an argument in favor of building aircraft carriers. That threat is not just a gross number of ships. Those are ships specifically designed—submarines, surface ships, and naval bombers—to disable aircraft carriers. Those are not abstract numbers. That is a carefully designed Soviet Navy that is nowhere near the Imperial Japanese Navy. It is an anticarrier navy. And building two more decks at sea is not going to cause the Soviet Union any greater trouble. I have quoted the statistics, and those statistics will take care of two more carriers as well as they would take care of probably three or four more. It is an anticarrier Soviet Navy. We are playing right into their hands.

I think we better get this economy healthy, and then we can talk about how to build the kind of Navy that we need for the future.

The Senator from Ohio talked about the U.S. shipbuilding program not keeping pace. The reason it has not kept pace is not because we are not spending money. It is because we are spending money on fewer and fewer ships. We cannot afford as many ships as the Soviet Union because each one of them costs too much, whether they are surface ships or subsurface ships.

The number of ships we are building is directly related to protecting that carrier. We talk about 94 aircraft on the deck of that carrier, and we talk about Aegis cruisers and more destroyers and more frigates, and all of them are designed to protect that deck.

Now, if that is called power projection, I will eat your hat. More and more of the assets of the carrier task group are not designed to take that carrier into a high-threat environment. They are designed to stand off and protect the carrier from being sunk or disabled. That is not what I call power projection.

The Chief of Naval Operations is on record, testifying before the Senate Armed Services Committee, that the last thing you want to do with that *Nimitz* aircraft carrier is go in search of that anticarrier navy because you will get it sunk.

So more and more the power projection ship which is the hallmark and the centerpiece of the U.S. Navy has to stand back and protect itself.

I yield to the Senator from Arkansas.

Mr. BUMPERS. Mr. President, I cannot add much to what the Senator from Colorado has just finished saying in response to the arguments of the Senators from Maine and Ohio.

I preface my remarks by saying it occurs to me that we ought to do something different around here just out of pure boredom.

We have had a world war mentality in defense, certainly, ever since I have been in the Senate, and based on what I can learn about our defense posture, the weapons we have, the ships we have, and so on, we have been suffering from that same mentality since the end of World War II. It reminds me of the automobile business. In my young adult years Detroit assumed that the world economic growth was going to be limitless, and that we had a resource base that would last forever. People demanded bigger cars, with more gadgets and more chrome, and Detroit was more than happy to provide it. All of a sudden, about 4 years ago, Detroit began to realize that the whole ball game had changed

and everybody in the world knew it except us.

Now, here we are about to authorize two more ships that will each cost a minumum of $3.5 billion in current year dollars, with another billion to a billion and a half to put 90 planes on board. My guess is—and I am trying to keep this within reasonable limits without engaging in a lot of hyperbole—that by the time these two aircraft carriers are completed, you will have between $5 billion and $7 billion invested in each of them.

That is a lot of change, $7 billion, even by the defense-spending standards we are adopting these days. If this were a perfect world I would be happy to vote against the Senator's amendment. If we had an unlimited amount of money and we did not have a budget problem, if we had unlimited manpower and no problems with recruitment, and we had an unlimited resource base, that would be a perfect world and I would vote against the amendment. Unhappily, this is not a perfect world. We do not have an unlimited amount of money. On the contrary, we have what the Senator has just described—an economy that 2 years ago was a mess and is now a shambles. Instead of telling the American people that suddenly we have broken out in a spate of sensibility, commonsense, and rational thinking, we come here and tell the American people that we are increasing the 1983 budget by only $33 billion.

The 1983 budget the President submitted us was only $33 billion more than this year's budget. But what nobody has bothered to say, from the President on down, is that 102 percent of that increase is for defense—a $34 billion increase in defense.

So not only is the entire increase in the budget allocated to defense, but defense is to receive $1 billion more than the total increase in the Federal budget.

I cannot say it any better than Senator HART has already said it. If this economy collapses, it will not make any difference how many aircraft carriers you have.

Mr. President, the real world dictates that we need to project power. Nobody denies that. Hot spots develop all over the world. We never know when we are going to be asked to project power in two or three places at one time. Certainly, from that standpoint, it is good to have aircraft carriers—the more the better.

But it does not make any sense to me to put this much manpower and this much money into one ship. Nobody denies that these big *Nimitz*-class carriers serve a very useful purpose. However, I will say this: The second year I came to the Senate I bet I heard 10 Senators stand up and say, "Just one more, that is all we want, just one more of those big *Nimitz*-class carriers." And it was approved over my objection. So, the carriers in this budget will not be the first or, I expect, the last that will ever pass over my objection.

How many times do you hear about how many ships the Soviet Union has compared to how many we have? Why, you cannot pick up U.S. News & World Report that you do not see it. But how many times do you ever find, even in small print, on page 87 that the U.S. Navy has twice the tonnage that the Soviet Union has. You cannot have it both ways. You cannot squawk about them having a numerical supriority in ships and continue to do exactly what we have been doing since World War II, and that is building more of these big behemoths, and then try to match the Soviets in numercial superiority. You cannot do it. As great as this Nation is, we cannot do it.

There has been a lot said about the vulnerability of the carrier. I had a long conference with Harold Brown in my office last week, along with four or five Senators who just wanted to talk about a whole lot of things—battleships, B-1, MX, C-5's, all of those things. I am an admitted fan of Harold Brown. With absolute due respect to the present Secretary of Defense, I personally think Harold Brown is the best Defense Secretary we ever had; a very bright, sensible man. And he just made the obvious observation—all surface ships are vulnerable and becoming more vulnerable all the time.

Tanks are also becoming more vulnerable all the time. Nobody suggests that we try to match the Soviet Union with 40,000 to 50,000 tanks. It would be insane. But it is not insane to have three tow-missiles and their follow-on systems for each tank the Soviet Union has. As a matter of fact, I think that is what I would rather have.

When Israel got in trouble—and I am digressing—in the 1973 war, and the Syrians were on one side and the Egyptians were on the other and they were about to overwhelm the Israelis, we sent some tanks, but that is not the main thing we sent them. We sent them tow, wire-guided missiles, and that is what turned the tide of battle in that war.

You can say that these aircraft carriers, these gigantic battle task force brutes, are equipped to deal with any contingency, and in a sense, theoretically, they are.

A British admiral said that if the crew of the *Sheffield*, a destroyer, had been on the ball, the ship might have survived. They had antimissile missiles on board, and the successful attack did not have to happen. What that admiral was saying is that this is not a perfect world. If the crews at their battle stations had seen the Argentine missile coming and fired an antimissile missile, they might have hit it. But it is not a perfect world.

One other thing: Harold Brown said the other morning that it does not take very much to put an aircraft carrier out of commission. You do not have to sink it. A lot of people do not know that a lot of our antimissile missiles are not made to penetrate thick armor or hit the gas tanks referred to earlier. All you have to do is lay a 10-pound bomb on the catapult. You put the catapults on the *Nimitz* out of commission—you can do it with a hand grenade—and you put the carrier out of commission. You drop 10-pound bombs on the catapults of an aircraft carrier in which we have $7 billion invested, and you might as well just turn around and bring it back to Newport News, because that is what you will have to do with it. The same thing can happen to the smaller carrier we are talking about.

Incidentally, I am just saying this for debate. Actually, this amendment simply defers one aircraft carrier. You can make the judgment later on as to whether you want one *Nimitz*-class carrier or two or three smaller ones. I for one, believe we should disperse our naval and air power.

The other day, the Secretary of the Navy was pretty cute. He called those British carriers in the Falklands "Hart-sized carriers." The Secretary of the Navy should not be talking like that. He should not be trying to denigrate a Senator who has spent all his Senate life on the Armed Services Committee and has very thoughtfully tried to come up with some rational changes that make good economic and military sense.

In the first place, the Secretary of the Navy was wrong. The carriers that Senator HART has always said we should go for will carry twice as many planes as both the British carriers down there—two little carriers, about 20,000 to 25,000 tons each, protecting 40 ships. Two little British carriers with 18 Harriers and a few helicopters protecting a 40-ship fleet. They cannot even launch a high-performance airplane. Nobody would suggest that a Harrier is any match for an F-14. Of course they are not. We are talking about carriers that would carry 40 to 45 planes, twice as many as both those carriers down there carry, which are guarding 40 ships.

Mr. TOWER. Does the Senator mean it is as many as both or each?

Mr. BUMPERS. Each of the carriers advocated by Senator HART will carry twice as many planes as both British carriers.

Mr. TOWER. As many as both put together?

Mr. BUMPERS. That is right. There are 18 Harriers on those 2 carriers.

Mr. TOWER. They have helicopters.

Mr. BUMPERS. They have helicopters.

Mr. TOWER. But some of Senator Hart's aircraft would be helicopters, because they are ordinarily part of the total mix of aircraft on a larger carrier.

Mr. BUMPERS. The point I am leading up to is very simple. If the British lose one of those aircraft carriers down there—which they very well could in the next few days—they will still have another one. If you send anyone of our *Nimitz* class carriers down there and it is knocked out, you are out of business and your fleet is out of business, and you are not going to invade anything, because you cannot give your fleet air cover. It would then be absolute insanity to think about invading the Falklands. It would even be folly to talk about invading Cape Hatteras without air cover, and you would not have it.

Every ship is vulnerable. All I am, saying is that it is better to have two ships that are vulnerable than one.

Mr. President, it seems to me that since this is not the best of all worlds and since the kind of economy the United States has is imperfect, we should think about it. When are we going to start thinking about it?

The American people, in every poll I have seen, say the economy is our No. 1 problem. There is not a soul in this body who would not stand up tonight or at any other time and say that the basic problem with our economy is the $182 billion deficit we are facing next year. There is not another soul in the Senate, from the most liberal to the most conservative, who would say that he is not for a strong defense. But everybody is for a cost-effective defense. We just happen to see the cost-effectiveness of various items through different eyes.

Last year, when we debated this defense authorization bill on the floor of the Senate, Senators will recall that 10 consecutive readiness item amendments were submitted and defeated. What we wound up with was a defense authorization bill that protected the B-1 bomber. In order to protect the B-1 bomber, we denied ourselves not only those readiness items, but we also, actually cut the authorizations for tactical aircraft by 18 percent and shipbuilding by 20 percent. I do not know what we are sacrificing this year in order to build two carriers.

Mr. President, we cannot survive as a nation economically if we do not deal with the budget. Our defense is strong. Nikita Khrushchev once said, "We will bury you," and every newspaper in the United States went bonkers. So did a lot of politicians. Old Khrushchev kept saying, "We didn't mean militarily; we simply meant economically."

I cannot help believe that if he were around today, he would have a little grin on his face.

Mr. President, I hope that the Senate will heed the warning of the Senator from Colorado and say No. 1, that we will be sensible about balancing the budget and trying to get our budget deficit down. One aircraft carrier deferred will save us a lot of money.

No. 2, if we go the route he is talking about, we will be changing a mind-set concerning military procurement that should be changed around here.

That is about it for me, Mr. President. I see that my time is up, and I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. TOWER. Mr. President, I yield 10 minutes to the distinguished Senator from Alabama.

Mr. DENTON. I thank the chairman.

Mr. President, I have total faith in the good will and sincerity of the Senator from Colorado and the Senator from Arkansas, both of whom I consider friends. I have respect for the opinions they have offered on this debate. It is a difficult debate.

I will make simple points because I believe that it is impossible to go through the entire litany of arguments about capability, vulnerability, and cost, considering the time constraint.

The first point I will make is that I think we can afford to trust the U.S. Navy in their judgment on this issue. They, too, have devoted years of their lives to this country, and it is their collective opinion that we maintain a certain mix of battleships, aircraft carriers, submarines, destroyers, and so on.

I happen to share the general judgment that they have presented on this.

I believe we will make an error if we continue to talk in presumptuous phrases beginning "we cannot afford to do this or that." It is irrevocably justifiable economics to authorize this multiship procurement. They are going to have side-by-side shipyard utilization, and dockside equipment commonality, and intertransfer of manpower utilization, commonality of transportation for the work force—all of those things that the Navy and the shipyards involved realize are going to save us money. I assure the Senate they will.

All I am asking is that the Senate take the Navy's word for the Navy's business. They have shown us that they have come out of the old divisions among themselves, battleship versus carrier. Why? Because desperation is upon them. They have a 1½-ocean Navy for a 4-ocean commitment.

If necessity is the mother of invention, then desperation is the mother of unity and objectivity.

I believe that my former colleagues in the Navy are extremely objective about this proposal. I think they are absolutely right about what they are proposing. I believe we in this body should, as Senators, respect that.

I think that we should recognize that in Vietnam we permitted a superior military force to lose an issue, which, had we left it to the military, would have been won. I think Congress may have intervened in a political way that interfered with success.

I believe we would not have lost the issue over there, we would not have lost the people, the minerals, the oil off Vietnam. We would not now be losing access to the minerals in Africa, the opportunities in Latin America, were we politically perceiving our military as accurately as our military perceives its own problems.

Respectfully, I would rather trust the services themselves to come up with the force structure that they think is best. I ask the Senate to consider that point as we debate this issue today.

I ask the Senate to consider that the aircraft carrier, the nuclear carrier, is the queen of the chessboard in the war at sea. Yes, we could exchange that queen for pawns. But what intelligent chessplayer would? On that larger carrier we have the superior capacity for all-weather operation. We are going to have the dispersion, the movement of many small defense units because we will have a lot of ships in the air, aircraft that can truly bring over-the-horizon force to bear against enemy elements deployed against them at sea.

It makes no sense, I say to the Senator from Colorado, to talk about a 200-mile missile launched from a submarine against a carrier, because the submarine and the missile have no way of seeking out that carrier that easily.

That is why usually we talk about a 14-mile missile, with which one can see what he is aiming at and can fire at it and zap it.

There are some exotic ways one can arrange to get that done, but it is impractical, truly overexpensive.

The *Queen* is what the Navy wants to use. It sweeps the board, it clears the seas, it controls the seas, and there has not been, as Admiral Hayward has said, a battle at sea won since World War I by the side that did not control the air. We are talking about World War II. We are talking about Korea. We are talking about Vietnam. We are talking about today in the Falklands. There has not been a victory at sea without control of the air since World War I.

The way to get that is with the means of controlling the air, and that is the CVN.

I invite the attention of my colleagues to the fact that spending to regain our military strength is not to be seen simply as an attack on our economic self-interest.

In the past 15 years we have suffered tremendously in our domestic economy from the weakening in our military strength and from the perceived weakening of our understanding of how to use that military strength.

I ask the Senate to understand that we have lost a lot of economic advantage. Who in this body would now maintain that OPEC would have tripled the price of oil in one day had we not demonstrated a lack of commonsense in our international orientation and a lack of intelligence about what we can do with our military forces and how to do it?

I say they would not have. It was not even in their best interest to do so.

What are the economic repercussions of that, of the nonavailability of minerals in Africa, of the strategic minerals to which we had access and no longer do? What are the repercussions for our economy? If businessmen understood this, we would not be arguing this budget authorization for the armed services, for equipment, the way we are arguing it. We are arguing it as if it is simply this or that.

To be strong is economically beneficial. To be weak, and we have permitted ourselves to become so, is economically disastrous, and that is what is happening to us. It is happening to us in Latin America, in Africa, in the Mideast, and in the Far East. I ask that that simple point be considered. I trust the good will of those here debating this.

I will stop at this point and simply ask the Senate to remember that the Navy knows its business best. Let us respect that. I think that the facts that the Navy brought out about the economics of the "two for one" are valid. I believe the carrier, the large carrier, is misperceived by some, and not seen as being the queen that it is—capable of doing the best, the most, to control the sea of any unit out there.

What other airfield is less vulnerable? Yes; there is some vulnerability to the queen on the chessboard just as there is to a pawn. But the big carrier is less vulnerable than the smaller carrier. If has the armor and protection, more planes, more sophisticated electronics and, yes, it takes electronics to win the modern war, to fight the modern battle.

If Senators look at the article that was brought up by Senator Cohen, the esteemed chairman of the subcommittee, in this debate, they will find that it talks about Mr. McNamara having doubted carriers. But it notes that, 2 years later, McNamara changed his mind and approved the construction of three nuclear age supercarriers, and that the deciding factor was the Vietnam experience. While many aircraft were damaged, and many were destroyed, on land bases by Communist guerillas, the carrier steamed in the Gulf of Tonkin and the South China Sea with complete impunity.

As to the argument that it cannot survive, no unit will survive in a nuclear war with the Soviet Union.

What we are trying to do is preclude that war from happening. Getting these aircraft carriers out there, yes, will cause the Soviets to build more and more anticarrier units. They are doing it because they know that the carrier is the queen of the sea. They know it is the key to control of the air and thus control of the sea.

I will stop at this point, Mr. President.

The PRESIDING OFFICER. Who yields time?

Mr. HART. Mr. President, how much time is remaining on the part of the proponents of the amendment?

The PRESIDING OFFICER (Mr. Boschwitz). Twenty minutes and 15 seconds.

Mr. HART. Mr. President, I yield 2 minutes to the Senator from Michigan.

Mr. LEVIN. I thank my friend from Colorado.

Mr. President, I support Senator Hart's amendment to defer authorization of one of the two aircraft carriers proposed for fiscal year 1983.

Senator Hart and Senator Bumpers have set forth the military limitations of these carriers as well as the economic challenges we face here at home. Those challenges are truly frightening. We have deficit projections which stagger the imagination, and we have millions of unemployed people who stagger from job interview to job interview without ever finding work, and we know that if we do not get these deficits down, we are not going to get these people back to work.

That was what I thought motivated us to set aside this bill last week and to consider it after the Armed Services Committee had an opportunity to propose $5 billion in savings which would make this authorization consistent with the Senate Budget Committee recommendation.

Mr. President, that result or the result that we received from the Armed Services Committee fell short of meeting the Budget Committee recommendation. According to the budget summary released by Senator Domenici on May 11 this bill is $1 billion over the Budget Committee mark, using their baseline assumptions, and that is if you accept the premise of the Armed Services Committee relative to revenue generated by stockpile sales and retired pay legislation. It is $1.5 billion over the Budget Committee mark if you share the skepticism of the Budget Committee about those premises.

One way or another we are $1 billion to $1.5 billion short of the outlay savings required to meet the minimal requirements and recommendations of the Budget Committee.

It is true we could still edge toward that recommendation if we found that money in the other authorization bills which count toward the national defense function, military construction, and DOE nuclear weapons, but those bills combined total about $10 billion, and their spend-out obligational rate is relatively low. So we are not likely to get $1 billion to $1.5 billion in those two bills. That would represent a 10-percent cut in those bills, when all we can manage in this bill was $3.5 billion out of a total of $224 billion or about 1.5 percent in cuts.

Mr. President, the difficulty is greater than that. The savings we have made in this bill do not help us nearly enough to meet the target established by the Budget Committee for fiscal year 1984 and fiscal year 1985.

I have been trying to get official estimates of the out-year implications of the changes we made in the Armed Services Committee, and I do not have them yet. I believe, however, that the savings resulting directly from the changes in this bill are $4.5 billion in fiscal year 1984 and $4.7 billion in fiscal year 1985.

But the Budget Committee recommended that we save $7 billion in fiscal year 1984 and $10 billion in fiscal year 1985. By my mathematics that leaves us $2.5 billion short of the savings the Budget Committee recommended for 1984 and $5.3 billion short of the 1985 recommendation, and we are not at all likely to get that kind of money then unless we start to make plans for it now.

If those figures are inaccurate, I certainly would appreciate the chairman of the Armed Services Committee correcting them because they are critical figures. They are shortfall figures which are going to create a dreadful trap for us in 1984 and in 1985.

We are going to have to cut the O. & M. account, which most everybody has said has already been the most shortchanged, or we are simply not going to meet the goals set by the economic realities that we face in this country.

If we start then to cut procurement, given the rate of outlays in the procurement accounts, we are not going to get the savings we need. Only if we start to cut procurement now, procurement such as this aircraft carrier, can we get the savings we need.

I would not argue, Mr. President, that we cut procurement for militarily essential programs. But the carriers simply are not our top priority for the reasons Senator Hart and Senator Bumpers have well set forth.

Hyman Rickover told us that these carriers would last about 2 days, in his words, in the face of a concentrated Soviet submarine attack. Dr. Richard DeLauer called the 600-ship Navy, built around such carrier, a "target-rich environment."

Given the budget restraint we face, we cannot afford to spend $7 billion to build carriers that require billions more to defend in both aircraft and in other ships required to form defensive task forces, and we cannot afford to build ships and to use ships which we cannot afford to lose. It gets to be a vicious circle, and it ends up in a circular argument that concludes at the poorhouse.

There is, Mr. President, an inadequate military justification then for these carriers. There is a massive economic justification for deferring and delaying their construction, the construction of the one carrier which this amendment would defer.

To those who say it is cheaper to build two carriers than one I ask if it is cheaper to build two than one, why not build three or four or five, and really get a significant economic advantage from buying in quantity? The answer is because we can go broke saving money like that.

Mr. TOWER. Mr. President, if the Senator will submit such an amendment, I would be glad to vote for that.

Mr. LEVIN. It will not get many votes and, by the way, the chairman knows that I have so many amendments——

Mr. TOWER. That is right.

Mr. LEVIN. The answer to the question of why not buy two or three or four or five and really get the advantage from buying in quantity is because we can go broke saving money like that, and we can go broke without adequately increasing the military strength of the United States.

Mr. President, I have indicated the economic shortfalls in this bill, and again if my figures are incorrect, if it is incorrect that we are $1 billion short of the Budget Committee mark for 1983, and if it is incorrect that we are short by $2.5 billion in 1984 and $5.3 billion in 1985, I would hope the corrected figures could be forthcoming from the chairman. We have tried to get those figures from the Budget Committee. So far we have not received them in a form we can use. But we are continuing to try.

In times of economic constraint, such as these, with the shortfalls we have in this bill in terms of not meeting the Budget Committee recommendation either this year, next year, or the year after, this carrier should be deferred, and I urge my colleagues to support the Hart amendment.

The **PRESIDING OFFICER.** Who yields time?

Mr. TOWER. Mr. President, I yield 6 minutes to the distinguished Senator from Mississippi.

Mr. STENNIS. Mr. President, I certainly thank the distinguished Senator from Texas.

We have to learn from our experience the best we can.

The first time I came on this committee they gave me a triple dose of antiaircraft warnings and talks, and it disturbed me greatly. But let me say parenthetically here that I have no word of criticism at all with those who are saying: "Be careful and consider the small carrier, too."

But I found out, as one year followed another, that the carrier came nearer to being the stabilizer, the front-runner, the one that we depended on and had in reserve to go anywhere anytime with unlimited power, than anything else. Nothing has ever been put together in the recorded history of mankind that is stronger than the power that this colony of people has, with these antisubmarine planes, fighter planes, defensive planes, everything.

But, they have to be replaced at some point, and that is why we have to keep bringing along some new ones. They do not last forever, although they have a good lifetime. I remember casting the deciding vote as to whether the *Kennedy* carrier would be a nuclear- or conventional-powered carrier. I make a mistake in voting for conventional power. Well, that is just part of it as it came along.

As an example, about 2 years ago, South Yemen and North Yemen were on the verge of war, right there in the oil supply sealanes, and we get half of our oil from abroad. The President ordered a carrier, as a show of force, and it made a dashing run from somewhere in the South Pacific, straight through, full speed. And when it got there it was ready to go into action had that been necessary.

Things quieted down over there. The fighting gradually stopped. Everyone could see this carrier, see its supporting ships and planes, and the oil supply lanes stayed open, not only for us but our allies, nations all over the world allied with us.

It went on that way for I do not know how long, but things quieted down.

Thus, it was a great stabilizer with all the group built around it. They had the planes when they got there, as I say offensive planes, defensive planes, antisubmarine planes, everything.

I found out gradually over the years that here is, after all, the best, most effective, quick defense, offense, if necessary—which, God forbid that we would have to use—that we could have.

They are versatile, they adjust to any circumstance almost, and they go here and there, encircling the world. So I wish we did not have to spend this money. I looked at those figures a long time, and they looked mighty high, but they stand up and they make a pretty good case for this saving money, too. They claim they are going to save $750 million by getting two at once. I was suspicious of that at first, but the case holds up pretty well.

I do not buy the idea that we are second rate or anything like that, but to keep from being second rate we have got to be doubly sure we are first rate and stay ahead.

I believe in the long run we may have to go to smaller carriers in order to put them in more places. Anyway, let me put in this claim, that one of these carriers is just to replace one that went in on the Stennis amendment in 1978 and was vetoed. It was approved here on the floor and in the House and went to the President, and I think we already had the money in the appropriation bill when he vetoed it.

The House then failed to override the veto. So I say this one is the delayed delivery for the one for 1978. I think the next year we put in another carrier, and that one stuck. So this is one for the one that was vetoed and then one new one.

So, Mr. President, I think this goes as part of the package. This is one case where we are not overdoing things. The carriers are not plagued by trouble keeping them out of order half the time or any part of the time.

This is a necessary replacement, keeping us ahead. That is the big difference—they will keep us ahead in these uncertain years.

I thank the Senator for the time. I yield back my time.

Mr. TOWER. Mr. President, I yield 3 minutes to the Senator from Virginia.

Mr. WARNER. Mr. President, I was particularly impressed with the remarks just made by the distinguished ranking minority member of the Armed Services Committee. I think the arguments on behalf of the proponents have been succinctly stated with the opening remarks of the distinguished Senator from Maine, and I shall, therefore, be very brief.

I have been through many carrier battles in the last dozen or so years, both in the Pentagon and here in the Congress. It seems to me that the most fundamental argument on behalf of the carriers is to go back over the history of our military participation worldwide and see what has happened to the airfields that were, in large part, paid for and developed by the United States of America at a cost to the American taxpayers.

I mention airfields because, as the distinguished Senator from Maine so eloquently put it, this Nation's defense is predicated on the forward deployment of its troops—troops which must have air cover.

Therefore, I put the following facts in the record for the benefit of my colleagues:

Airfields now being used by the Soviets and built by Americans: in Vietnam and in Cuba. Airfields controlled by the Soviets or their clients today: Cuba, Ethiopia, South Yemen, and Libya. Airfields politically inaccessible today: Morocco, Algeria, and France. Airfields heavily restricted to U.S. forces by host nations: Greece, Turkey and, to some extent, Saudi Arabia.

If we are to have the forward deployment of our troops, then it is absolutely essential to protect them with air cover.

It is for that reason that I rise in opposition to the distinguished Senator from Colorado.

I might say now that I would like to be among those that apologizes for the reference to the carriers now in the Falklands in connection with the Senator's name. That is a clear misstatement of fact. But I would say to the distinguished Senator from Colorado, if a *Nimitz* carrier were in the British fleet today in my judgment there would have been no loss of life by either side. The air cover that would have ben provided by that carrier would have been sufficient to protect the tragedies to the *Sheffield* and, in all probability, the Argentine fleet would have never ventured out with the presence of a nuclear attack carrier in that area.

There are, of course, several justifications for a nuclear aircraft carrier. Some of these are:

POWER PROJECTION

With its typical complement of approximately 24 fighter, 36 bomber, 16 antisubmarines, 3 photo-reconnaissance, 4 electronic jamming, and other miscellaneous aircraft—total of 95—the CVN is able to project enormous firepower ashore and at sea at great distances from the carrier itself.

EASILY ADAPTABLE TO VARIETY OF THREATS

The CVN can easily alter the number and type of onboard aircraft to fit a variety of situations, as well as submarine threat, aircraft or cruise missile threat, air support for amphibious landings, power projection ashore, and so on.

VULNERABILITY AND AVAILABILITY

Unfortunately, in today's environment all weapons systems will be vulnerable during periods of hostilities. The key question is "compared to what" is the CVN vulnerable? Unlike a land base—the CVN's only known alternative—

The CVN is not easily pretargeted because of its 30-plus knot speed and its excellent maneuverability. Even if the CVN is targeted by strategic weapons, it can move 12 miles or more during time of flight of ICBM's;

The CVN can be positioned in the proximate area of hostilities; and

The CVN does not require the prior consent of a host nation on a situation-by-situation basis to conduct operations, because it can conduct operations from international waters.

SYMBOL OF U.S. INTERESTS

In addition to its wartime capability, the carrier is truly an instrument of peacetime diplomacy. In 106 situations between 1946 and 1975, the aircraft carrier responded quickly to troubled areas of the world to indicate U.S. interests and to provide a stabilizing influence on the crisis of the moment, that is, Anglo-French invasion of Suez, United States landing in Lebanon, Formosa Straits crisis, Vietnam, Arab-Israeli, India-Pakistan, Jordanian conflicts, Cuban missile crisis, and so forth.

With an aircraft carrier, the United States can influence local events without violating a country's territorial sovereignty. An Army division or an Air Force wing does not have the luxury of being able to operate in the same unconstrained fashion.

The British certainly wish that they had not deactivated their larger carrier given the Falkland Island dispute.

Regarding the two CVN's in fiscal year 1983 budget, the 15 carrier battle groups are required to provide a "reasonable" degree of comfort in safeguarding our vital strategic interests; we now have only 13 carrier battle groups.

By fully funding two CVN's in fiscal year 1983, we can save approximately $754 million and receive each CVN 22 months earlier than if one is authorized now and one later.

With a light carrier, you get the following:

GREATER COST FOR LESS CAPABILITY

At best, the Navy could procure two light carriers for one CVN. This does not, however, account for the greater number of ships required to escort these more numerous and more vulnerable light carriers, or the cost overruns which inevitably plague the first ships of any new class. It also does not account for the approximately $850 million worth of oil required to operate two light carriers for 15 years compared with $0 required to operate one CVN because of the 15-year life of the CVN's nuclear propulsion plant.

The endurance of oil-burning light carriers, at 20 knots, is approximately 8,000 miles—a matter of days before a vulnerable and logistically cumbersome at sea replenishment must be conducted. Compare this with the 1.5 million miles (about 15 years) that the CVN can travel without replenishing its nuclear fuel.

INCREASED VULNERABILITY

It is not possible—because of its relatively small size—to equip a light carrier with the survivability features that it must have, given the present and future Soviet submarine and cruise missile threat. It is because of its larger size that the CVN can be equipped with these essential survivability features. We cannot have it both ways.

With only 38 vice 95 aircraft, the light carrier will have to use many of these aircraft just to protect itself, leaving relatively few aircraft to project the offensive power which justifies the carrier's existence.

With only two vice four catapults, the light carrier would be easier to put out of commission.

The light carrier is significantly more susceptible to pitch and roll and in high sea states would be unable to launch even a "protective" screen of aircraft; between 1965 and 1974, the accident rate for all types of aircraft on *Essex*-class carriers (44,700 tons) was twice that of large *Forrestal/Kitty Hawk* ships (80,000 tons).

The light carrier would be capable of sustaining speeds of only 25 knots vice the 30-plus knots of the CVN.

REDUCED FLEXIBILITY

With the U.S. Navy having far fewer ships than the Soviet Navy, our aircraft carriers must be that much more mission flexible—able to confront the enemy in high- and low-threat areas and able to adapt to the type of threat that presents itself; that is: submarine, aircraft, cruise missile, or a combination thereof. Because of its limited size, the light carrier would not be able to accommodate the number or variety of aircraft needed to adapt quickly and effectively to what we must assume will be a multi-faceted attack.

The following estimate of outlays for the CVN-72 and CVN-73 illustrates how $754 million is saved from 1982-94 when compared with the single-ship procurement approach:

	(A) Single ship annual approach [1]	(B) Multiship approach [2]	Outlay difference (B – A)
Fiscal year:			
1982	$72	$72	$0
1983	210	235	25
1984	422	482	60
1985	524	780	256
1986	774	929	155
1987	1,102	1,374	272
1988	1,246	1,423	177
1989	1,246	1,092	–154
1990	1,115	655	–460
1991	785	175	–610
1992	354	53	–301
1993	112		–112
1994	62		–62
Total	8,024	7,270	–754

[1] Fiscal years 1984–86.

[2] Two in fiscal year 1983.

Mr. President, I ask unanimous consent to have printed in the RECORD two messages received from operational fleet commanders who endorse the large carriers.

There being no objection, the messages were ordered to be printed in the RECORD, as follows:

MAY 5, 1982.

Commander-in-Chief of Pacific Fleet:
To CNO
ZEM
Uuclas
Personal for ADM Hayward from Watkins
Section one of two
Subj: Congressional issue—CYN

1. As an operational commander I am appalled by the current CYN procurement budget debate. I find it incredible that responsible legislators would consider using the opinions of a casual observer, no matter how well intentioned, as a substantive basis for taking issue with one of our most essential requirements for national security. Careful analysis over a number of years is being challenged by pundits who advocate larger numbers of smaller carriers instead of the more capable large deck carriers. I must honestly question whether we would ever see "large numbers" clearly indicate that survivability of small ships is measured in minutes, not hours or days. I am professionally distressed that we may now be denied the CYN capability proven necessary to prevail at sea by years or stringent analysis and operational experience—because of a shallow and emotional challenge based upon one view of exercise ocean venture 81—an exercise presumably designed to test tactical concepts, not force requirements.

2. In my view, maritime superiority is a national security imperative; we cannot prevail without it. The CVN is the cornerstone in rebuilding this Nation's maritime power. In my testimony before the Preparedness Subcommittee of the Senate Armed Services Committee on 5 March 1982, I described our net assessment process and results which clearly demonstrate that large-deck carriers are essential for success in any conflict with our most probable adversary. In that testimony I also stated that several more carrier battle groups are needed to assure victory and establish Pacific maritime superiority and strongly supported Navy's shipbuilding goal of achieving 15 deployable carrier battle groups in this decade. Our force level requirements are based on the best analytic techniques available and are well scrubbed. Time and time again we in the Navy have come to the conclusion that the *Nimitz* class nuclear carrier is the most cost effective alternative because of its greater efficiency, capability of carrying Tomcat/Phoenix combination, tactical flexibility, and structural strength.

3. The CVN is the most potent weapons system in our arsenal and gives us air superiority at sea—wherever and whenever we deem it vital to our interests. It provides a capability which allows us to support national interests in areas such as the northern Arabian Sea which far removed from accessible land bases when it was first necessary to bring U.S. influence to bear in that remote area. It is our large aircraft carriers that provide the primary difference between our offensive capability and that of the Soviet Union. I am convinced that large aircraft carriers will continue to be the dominant factor in naval warfare well into the future. It is evident that the Soviets also are convinced; witness their aircraft carrier shipbuilding program. The aircraft carrier provides the flexibility and endurance which are the heart of any warfare strategy at sea. Her speed, concentrated air power projection, maneuverability, and sustainability give her capability unmatched at sea by any alternative weapon system.

4. Air power which the large nuclear powered carrier provides is also a key element in defense and survivability of any naval force at sea.

A *Nimitz* class carrier is the least vulnerable of all sea-based platforms. Her aircraft combined with the missile defense provided by her escorts are the best combination possible to counter antiship missile threat. The Tomcat fighter with Phoenix missiles is the most combat effective system we have against Soviet air to surface threat. Because small carriers are constrained in the numbers and mix of aircraft they can carry, they simply cannot provide defense in depth that larger carriers can and still provide the offensive punch necessary to carry the war to a potential enemy. Modern, long-range missiles have forced us to adopt the defense in depth concept with its outer air battle component. Only large-deck carriers can provide sufficient and capable assets in the outer air battle realm, where enemy long-range bombers must be intercepted prior to launch of their supersonic antiship missiles. Small deck carrier defenses would be beaten back and defeated by sustained attack.

5. *Nimitz* class CVN was superbly designed with survivability in mind. Redundancy in systems and more than 2,000 watertight compartments were incorporated to permit these ships to go in harm's way, to accept battle damage, and to continue to fight. In 1969 the nuclear powered carrier *Enterprise* had nine 500 pound bombs explode on her flight deck—the equivalent of being hit by six Soviet guided missiles. Not only did *Enterprise* survive, but within several hours—not days or weeks—was judged capable of conducting flight operations. This survivability is critical to our naval strategy which combines initiative, mobility and offensive action in high-threat environments.

6. Cost is of course important, but must be kept in perspective with the necessity to sustain tactical air power at sea in the face of an increasing Soviet maritime threat. Every study of the large versus small deck carrier has shown that the most cost effective solution to our carrier requirements is the larger, more survivable, carrier. Small deck carriers are simply less efficient in mission capability and more vulnerable due to their design characteristics. They lack sufficient tactical air to provide for their own defense. Two light carriers at half the cost of the CVN would not provide the level of capability and survivability inherent in one CVN. Thus, the CVN is the Navy's choice because it provides greater efficiency, tactical flexibility, and survivability.

7. I know you are well aware of these facts but I am compelled to let you know how strongly I feel about this issue and solicit your strongest possible defense of these essential ships. Only budgeteers have defeated our carriers since the early days of World War II; since then they have never been defeated in combat.

8. Warm regards.

MAY 5, 1982.

Commander-in-Chief of the Atlantic Fleet:
To: CNO Washington, D.C.
BT
UNCLAS personal for Adm. Hayward from Train
Subj: Need for CVNS

1. As proposals surface in opposition to fiscal year 1983 procurement of two Navy CVNS, the following points bear reiteration from the Atlantic Fleet perspective:

A. The focal issue is how best to maintain tactical air superiority at sea. This superiority is our foremost tactical advantage over burgeoning Soviet open ocean offensive capability. The 90 aircraft of an embarked air wing of a CVN provides this advantage through flexible targeting, the capability to concentrate firepower anywhere in a vital ocean area, and the ability to attack land, air, surface, and subsurface threats concurrently.

B. The CVN, at the heart of the battle force, combines high speed, maneuverability, sustainability in ordnance, fuel and spares, as well as the ability to strike, hide in the open ocean, and strike again up to 700 NM away in a 24 hour period.

C. From the lessons learned in World War II continuing through recent studies of carrier mission effectiveness and survivability, results have consistently favored the large deck over the small. The *Nimitz* class CVN incorporates capabilities not achievable with smaller carriers and current technology. The defensive challenge is more effectively coordinated for a single integrated carrier task force than for two or more geographically dispersed groups of lesser capability. The *Nimitz*, because of redundancies, compartmentation, and other safety factors inherent in larger hulls, is less vulnerable even if it were struck. The large deck carrier can operate and support an air wing with a full spectrum of offensive/defensive capabilities to respond to the enemy selected threat or combination of threats.

D. Survivability of a carrier compared to that of a fixed land base is conclusive. The carrier is difficult to locate, target, and hit. A land base is none of these. Further, we have never lost an aircraft carrier in peacetime as we have some airfields due to a change in another Nation's policies.

E. To execute Atlantic fleet strategy in support of our political commitments, I need at least 11 large deck CV's if all tasks must be performed simultaneously; four in the north Atlantic to contain the Soviets north of the GIN gap, two to contend early on with a Cuban threat and then insure the resupply of Europe, more than two to support Cinceur in the Sixth Fleet, one in the Indian Ocean, one in SLEP, and one working up to prepare for SEA. Without this number, in a general war my responsibilities will have to be discharged sequentially, and with the sequence likely a Soviet, not a United States choice. Since having 11 large deck CV's in the Atlantic fleet is unlikey in the near term on the basis of economic, political, industrial base, and manning constraints, and since the present six large deck carriers dictate a high risk strategy, additional CV's need to be of the greatest capability. The addition of two CVN's will allow carrier battle groups to exercise tactics in concert as they would in combat, will allow the flexibility to respond without so frequently drawing down forces committed elsewhere, and will improve the readiness of existing forces by negating the requirement for sustained wartime tempo of operations. Most important, the level of risk to our Nation will be reduced as the level of deterrence increases.

2. If forced to choose, I would prefer one CVN to two CVL's. The one CVN concentrates both military striking and defensive power. One CVL has too scant military capability to operate alone in most combat situations. When two VCL's operate together, they approach the power of a CVN but have the added burden of trying to coordinate offensive and defensive operations in an environment where radio communications are likely to be unuseable and reveal the presence of the carriers to the enemy.

3. Not only is it militarily more efficient to operate one CVN vice two CVL's, it costs less to put each aircraft to sea. Doubling the volume of a ship approximately doubles its cost, but it increases the effective size of the flight deck by more than twice. Since about the same area must be reserved to launch and land aircraft irrespective of the size of the flight deck, increases in the fight deck lead to large increases in the areas available to store, service, and maintain aircraft. Studies show the cost per aircraft spot are from 10 to 30 percent lower for a CVN than for two CVL's.

4. Warm regards.

Mr. LEAHY. Mr. President, among the half dozen salient features of the U.S. defense strategy for the 1980's proposed by President Reagan and members of his administration, perhaps none has provided so clear and compelling a case for review and reconsideration as the planned construction of two *Nimitz* class carriers. The principle invoked by the administration—that American sea power commitments can best be satisfied by the construction of these enormous and costly ships—recalls an era when such ships enjoyed a measure of immunity against smaller surface vessels and, when properly supported, against submarines as well. In this frame of mind, such ships become island bases, transporting the nucleus of a potent military system to far corners of the world.

Mr. President, the value of a powerful Navy cannot be questioned. The nuclear age has demonstrated once again that the element of mobility afforded by our naval resources is crucial to the survival of American military power in an age of potentially all-encompassing war, and that in a limited conventional war a powerful naval force is essential to the projection of adequate military power in far corners of the world.

But is the size of ships a proper yardstick of naval requirements in an age which calls for the maximum possible dispersal of military power? Even as this debate takes place the world sees in the South Atlantic a limited albeit tragic testing of some premises upon which the strengths and weaknesses of naval power have been based during nearly four decades of maritime peace.

It is far too early to draw firm conclusions from what has occurred in those cold stormy waters around the Falklands, but one inescapable impression is that a single missile accurately targeted by sophisticated electronic devices and equipped with a small but powerful explosive can cripple and sink large ships. In a war without the limitations which distance, weather, and resource problems have imposed on the United Kingdom and Argentina in this instance, surface ships must expect to be exposed to massive air power and to missiles which hide themselves by hugging the ocean surface until reaching their target. Technological advances in torpedo warfare are also enormous. In the context of the debate this evening concerning plans to proceed with the construction of two *Nimitz*-class aircraft carriers, I am persuaded that we must address the possible danger all of these developments in warfare technology poses to aircraft carriers as requested by the bill.

The Falkland Islands crisis has joined the debate concerning the *Nimitz*-class carriers on several fronts: the virtues of size; vulnerability; cost-effectiveness; and alternative uses for the same resources. Concerning the first—size—I have not yet been able to determine what advantage can be obtained by investing so large a portion of our resources in these carriers. As has been noted by naval experts:

> By relying on these carriers for long-range strikes against ship and land targets . . . an essential part of our nation's peacetime deterrent is dependent on the number and survivability of a few carriers. In four or five regions vital to U.S. interest, the deployable carrier force would be inadequate to deter military enterprises on land, to avoid surprises, and would invite regional pre-emptive attacks.

Neither concentration nor dispersal is an attractive alternative: Because carriers must be surrounded by an armada of smaller vessels to provide some protection for the great ships, they present an enormous and enormously attractive target to an enemy contemplating a nuclear strike. By dispersing one or two carriers among several regions we incur the expense of making each vulnerable to intensive missile attacks. Neither option, moreover, poses for the Soviet Union the problem of trying to attack many naval targets, each of which might strike Soviet targets and thus pose a threat which the Soviet Union could not ignore.

Mr. President, the message in this case is a simple one: The technology of our era, and for the foreseeable future, certainly favors the attacker. This being the case, the corollary is an emphasis upon dispersal, rather than on concentration of resources. We must give serious attention to Admiral Rickover's somber assessment in January that an all-out war would see Soviet submarines succeed in sinking these great ships within 2 days. The concept of a grand ship showing the flag in distant seas no longer meets the exigencies of our age. In the case at hand, a large number of smaller ships equipped with an arsenal of potent missiles presents an appropriate response to the challenge presented by the Soviet menace.

Military history is replete with instances of obsolete conceptual thinking, holding nations hostage while they spend enormous sums on military systems likely to prove of marginal value in the next conflict. In war this frame of mind can prove tragic, as submarine warfare demonstrated to Great Britain at the outset of World War I, and as the maginot line taught the French in 1940. But we need not wait for war to test the weakness of a massive investment in these two aircraft carriers. In an armed peace, such as that which burdens us now, we pay a fearful price for undertaking military programs which simply are not cost-effective and which, in fact, deny us access to other programs—military and nonmilitary alike—which have demonstrated their value. The prospect of spending at least $6 billion constructing these two aircraft carriers, and the prospect of assembling new carrier groups at a cost of $25 billion, cannot be considered lightly. We have entered an age in which we are acutely aware that our national resources are not unlimited. Our economy has been weakened and we are asked to shoulder enormous new costs for our national defense. We must determine to our full satisfaction that every expenditure in our national budget meets a real need, or we shall suffer the consequences of further deficits and continued economic stagnation.

Mr. President, I would like to conclude my remarks by supporting two amendments proposed by my distinguished colleague from Colorado, Senator HART: First, to defer construction of one *Nimitz*-class carrier; and the second to replace the second aircraft carrier with two light carriers. The first amendment meets a pressing requirement to insure that every dollar of defense expenditure is weighed against limitations imposed by our current economic crisis; the second meets the equally important obligation we all share to recognize the need for as effective a military system as possible in light of our international commitments and our enduring hope to deter war in our time.

Mr. MITCHELL. Mr. President, when a vote occurs on the carrier question, I will support the recommendation of the Committee on Armed Services to authorize two *Nimitz*-class vessels in fiscal year 1983.

I will do so because I believe strongly that our Navy must be improved in order to preserve and protect our Nation's security interests overseas, and because I am convinced that if we do not expand to 15 carrier groups, we may be unable to respond in a flexible and effective manner to serious contingencies which may arise in the future.

My specific reasons for supporting the procurement of two carriers include the following:

First, I believe that our country requires the additional capability which these two nuclear vessels can provide. At the present time, our Government operates 13 aircraft carriers, though at any one time a far fewer number are available for active deployment. Due to the routine maintenance, repair, and overhaul needs of these complex vessels, and due to the stress which deployment places on carrier personnel, it is the Navy's standard practice to have on station only 30 percent of our Nation's carrier force at any one time.

This means that it is not uncommon for only 5 or 6 of our 13 carriers to be fully available to meet our security requirements on the seas. Events of the past several years suggest that we need more carriers deployed or at least ready to deploy rapidly.

This Nation's carrier needs were graphically illustrated following the hostage crisis in Iran and the invasion by the Soviet Union of Afghanistan. At one point subsequent to these important events, the *Nimitz* was "on station" in the Indian Ocean for over 7 months. The difficulties which such extended deployments create should be self-evident. Logistical support is an enormous task and personnel management and discipline difficulties multiply rapidly during long cruises. We should have enough carriers to permit periodic overhauling, servicing, and repair work without being forced to stretch thin our carriers, the centerpieces of America's fleet.

Our needs are many.

We need the platform from which 24 fighters, 33 bombers, 16 antisubmarine aircraft, 3 photo-reconnaissance aircraft, and 3 electronic-jamming aircraft can be launched. Each supercarrier gives us that ability with its 800-foot runway.

We must have the capacity to project firepower ashore and at sea from great distances. Supercarriers give us that capability.

We need to be able to adapt to a variety of at sea military threats, such as those which emanate from enemy submarines, cruise missile carriers, and hostile land-based forces. The two 90,000-ton vessels which the committee recommends for authorization each possess weapons systems and support systems capable of responding to these sources of enemy force.

Second, I will support the request for the two supercarriers because it makes economic sense given our security requirements.

We last authorized a nuclear carrier in the fiscal year 1979 budget. If we want to achieve the goal of building and maintaining 15 carrier battle groups, and if we are going to be able to retire the oldest existing carriers when they should be retired, we must move ahead and authorize these two vessels now.

The General Accounting Office, an adjunct of the legislative branch, confirms the Navy's contention that over $750 million will be saved if we authorize both of these vessels this year rather than one this year and another in a subsequent year.

Third, I will support procurement of the two nuclear carriers because these vessels are extremely useful to the United States in peacetime crises as well as during wartime situations.

Over 100 times since the Second World War, carriers have been sent to waters off distant lands to demonstrate U.S. interest in crises, or to provide support for allies facing destabilizing or regime-threatening events. While the United States should exercise sparingly its ability to influence local events overseas, it should never give up that ability. Procurement of these two vessels will insure that our country retains the ability which it has used effectively in the past.

Fourth, I support these vessels because I believe that their maneuverability, advanced electronics, and sophisticated protective systems make them no more vulnerable than the other major naval surface combatants in our fleet, or in the fleets of our potential adversaries.

In an age when an orbiting space vehicle can identify small objects on Earth, it is not possible to guarantee that any naval surface combatant—including a carrier—is totally invulnerable to attack. We can, however, be reasonably confident that our supercarriers, because of the defensive systems possessed by the carrier battle groups, have sufficient air and sea cover to insure that they are not the "sitting ducks" which their detractors claim them to be.

Indeed, they are well guarded. The nuclear carrier *Nimitz*, for example, normally is accompanied by two guided missile cruisers armed with surface-to-air missiles, rocket-launched torpedoes, as well as helicopters whose purpose is to protect the carrier from submarine and surface vessel attacks.

In addition, the *Nimitz* is accompanied by its own complement of nuclear attack submarines and by a *Spruance* class destroyer which concentrates on antisubmarine warfare. These substantial vessels are in addition to the carrier's 24 supersonic F-14's, which can guard the battle group, as well as attack ground targets.

Mr. President, in the past I have stated my strong support for the effort to revitalize our Navy. Authorization by this body of the two carriers contained in the committee's bill is an important part of this effort.

I cannot help but point out that the United Kingdom would consider itself very fortunate to have two large carriers now in place off the Falkland Islands, the possession of which it seeks to regain. Indeed, I understand that British naval authorities deeply regret having deactivated their one large carrier prior to the Argentine invasion of the Falklands.

If the United Kingdom had a large carrier, rather than, or in addition to, the two jump-jet platforms which are now on station in the South Atlantic, its task would be measurably easier. As the editorial in Tuesday's Wall Street Journal summed up the situation:

> . . . The Falkland Islands episode is a classic example of the need to maintain strong general purpose forces, even in this nuclear-weapons age, and illustrates the danger of letting your conventional military capabilities languish.

I believe that there is general agreement in this Senate that the United States, since the Second World War, has also allowed its naval force to deteriorate. We must reverse this trend. Approval of both *Nimitz* class carriers in this authorization legislation will be a major step in the proper direction.

● Mr. KENNEDY. Mr. President, I support the amendments offered by my distinguished colleague, Senator HART, to defer funding for one of the two *Nimitz* class aircraft carriers requested for fiscal year 1983, and to replace the other with two 40,000-ton light carriers. Large surface ships are increasingly vulnerable and costly. I believe that the administration's decision to procure these *Nimitz* class nuclear-powered aircraft carriers and to structure our fleet around them is unwise and wasteful.

Mr. President, there is no doubt that the *Nimitz* class carriers are extremely capable vessels. But in this age of satellite detection systems, long-range laser and computer guided antiship missiles, long-range cruise missiles, and tactical nuclear warheads, large surface ships are extremely vulnerable targets.

Today the bulk of our naval capability is structured around 13 aircraft carriers. The loss of even one of these ships would severely reduce U.S. naval effectiveness. Furthermore, this limited number of highly valuable targets allows the Soviet military, or any potential adversary, to concentrate its forces on one mission that could cripple U.S. naval power in a region.

To meet the defense challenges of the coming decades, the United States must do much more than throw money at defense problems and blindly persist in old habits. We must spend wisely and effectively on a coherent defense posture. On land and at sea we must diversify our forces and increase our mobility while reducing our vulnerability. If we are to successfully enhance our naval capabilities, then we must build greater numbers of smaller carriers and ships in contrast to the practices of the past.

President Reagan has asked for nearly $7 billion for the *Nimitz* carriers. This request is unwarranted. The deferral of one of these ships would save nearly $4 billion. And the construction of two smaller carriers to replace the second *Nimitz* would represent a more efficient and more effective use of funds which will enhance our national security.

Mr. President, it is clear that Congress must trim the defense budget if we are to insure social and economic health for this Nation. But we must not do so at the expense of the security of the American people or our allies. The requests for the *Nimitz* class carriers offer us an opportunity for responsibility in terms of both our national security and our national budget. Even the Secretary of the Navy, John Lehman, has indicated that if cuts are to be made in the naval budget, large carriers should be the first to go. The chairman designate of the Joint Chiefs of Staff, Gen. John Vessey, recently concurred with this view. So I ask my colleagues to join Senator HART and myself in support of a sensible alternative to the administration's requests—two amendments which will better enhance our security at literally half the cost of President Reagan's program.

Mr. TOWER. Mr. President, I am prepared to yield back the remainder of my time. I understand the Senator from Colorado wants to make a few additional remarks and then yield back his time. So we will give him the last word.

Mr. HART. The Senator may want to reserve some of that time. I may say something terribly provocative.

Mr. TOWER. I will reserve my time, but will not use it unless the Senator says something terribly outlandish.

Mr. HART. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HART. Mr. President, the fundamental issue before the Senate is primarily an economic issue, secondarily a military issue. There is no way the Senate, the Congress, or this country is going to solve our economic problems with the size military budget we have before us on the floor of the Senate today. There is no way the size of this budget can be reduced enough in either outlays or budget authority to make a real difference in rehabilitating this country's economy without a measure of the sort represented by this amendment.

So I would hope those Members of the Senate that genuinely believe what they profess to believe about budget reductions, about fiscal responsibility, about fair shares and equal sacrifice, will take that into consideration at a time when we are being asked to do something very extraordinary and that is authorize the construction of two $3.7 billion nuclear-powered aircraft carriers.

Now if this request had come up at a time of economic prosperity, health, growth and opportunity, that would be one thing. But to bring this request up before the American people and the Congress of the United States at one of the most difficult economic times in recent American history, when everyone agrees there must be reductions in spending, and to put this proposal forward with any degree of seriousness boggles this Senator's mind.

I think we have no choice but to reduce spending. We cannot do that without taking the defense budget into consideration to a greater degree than we have done to date where only token reductions have been made.

Finally, Mr. President, I think we desperately need to preserve our shipbuilding options for the 1980's and 1990's without committing ourselves to a smaller and smaller Navy, which is what this decision involves. This is not a decision to expand the size of the U.S. Navy. Let us be clear about that. This is a decision to build a smaller Navy.

We have not heard one word today about manpower. We have an All-Volunteer Force. There are over 6,000 men on board one of these ships and there are thousands and thousands more in the carrier task group. I do not know what the manpower levels are for a carrier task group. But we are not just building one ship, we are building over a dozen ships. And if we authorize this nuclear aircraft carrier, that is a commitment to tens of billions of dollars to additional ships to escort and protect this carrier, in addition to the aircraft.

So we have before us in the U.S. Senate one of the most important military and one of the most important economic decisions this body will make this year. This is a decision affecting tens of billions of dollars of military spending, not one ship.

I cannot help but believe that when this defense budget was put together sometime last year that someone in the Defense Department in the Office of the Secretary or in the Secretary of the Navy's Office or somewhere, said, "Well let's put in an additional carrier because we can always drop it and we will still have one."

And yet, if my scenario is correct, here we are seriously debating at a time of monstrous deficits buying another aircraft carrier and a carrier task group at a time when this Nation simply cannot afford it.

We have barely touched on the issue of vulnerability. We will get to that next.

The Senator from Alabama suggests we ought to trust the Navy. When the next amendment comes along, I will suggest to him and to our colleagues, there is a substantial portion of the Navy, unfortunately, after it retires, which is questioning the Navy's own wisdom.

Mr. President, this is fundamentally an economic choice, a choice having to do immediately with $3.7 billion. It is a choice over the next 5 to 10 years having to do with $12 to $17 billion. It is a choice which will seriously contribute to the unhinging of the Federal budget and fiscal policy, continued recession and depression, and high interest rates and economic failure.

That will not make this Nation stronger, and no amount of nuclear aircraft carriers will fill that gap.

I yield back the remainder of my time.

Mr. TOWER. Mr. President, I yield back the remainder of my time, and I move to table the amendment of the Senator from Colorado. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas. The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Illinois (Mr. DIXON), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Maryland (Mr. SARBANES), the Senator from Nevada (Mr. CANNON), and the Senator from Massachusetts (Mr. TSONGAS) are necessarily absent.

I further announce that if present and voting, the Senator from Illinois (Mr. DIXON) would vote "yea."

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 63, nays 32, as follows:

[Rollcall Vote No. 111 Leg.]

YEAS—63

Abdnor
Andrews
Armstrong
Baker
Bentsen
Biden
Boren
Boschwitz
Brady
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Chiles
Cochran
Cohen
D'Amato
Danforth
DeConcini
Denton
Domenici
Durenberger
East
Garn
Glenn
Grassley
Hatch
Hawkins
Hayakawa
Heflin
Heinz
Helms
Humphrey
Inouye
Jackson
Jepsen
Johnston
Kasten
Laxalt
Long
Lugar
Mattingly
Mitchell
Murkowski
Nickles
Nunn
Packwood
Percy
Pressler
Quayle
Roth
Rudman
Sasser
Schmitt
Simpson
Specter
Stennis
Stevens
Symms
Thurmond
Tower
Wallop
Warner
Weicker
Zorinsky

NAYS—32

Baucus
Bradley
Bumpers
Burdick
Chafee
Cranston
Dodd
Dole
Eagleton
Exon
Ford
Goldwater
Gorton
Hart
Hatfield
Huddleston
Kassebaum
Kennedy
Leahy
Levin
Mathias
Matsunaga
McClure
Melcher
Metzenbaum
Moynihan
Pell
Proxmire
Pryor
Randolph
Riegle
Stafford

NOT VOTING—5

Cannon
Dixon
Hollings
Sarbanes
Tsongas

So the motion to lay on the table Mr. HART's amendment (UP No. 939) was agreed to.

Mr. TOWER. Mr. President, I move to reconsider the vote by which the motion to lay on the table was agreed to.

Mr. WARNER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. TOWER. Mr. President, may we have order, please.

Mr. President, I yield to the majority leader.

Mr. BAKER. Mr. President, if the Senator from Texas and the Senator from Colorado will permit, there are two names on the Executive Calendar that need to be cleared tonight. It will not take but just a moment.

EXECUTIVE SESSION

Mr. BAKER. Mr. President, Calendar Orders Nos. 751 and 752 under Nuclear Regulatory Commission are cleared on this side. Will the minority leader consider taking them up at this moment?

Mr. ROBERT C. BYRD. Yes, Mr. President. The minority has cleared those two nominees and is ready to proceed.

Mr. BAKER. I thank the minority leader.

Mr. President, I ask unanimous consent that the Senate now go into executive session for the purpose of considering the two nominations under Nuclear Regulatory Commission on today's calendar.

There being no objection, the Senate proceeded to the consideration of executive business.

Mr. BAKER. Mr. President, I ask unanimous consent that they be considered en bloc.

The PRESIDING OFFICER. Without objection, the nominations are considered en bloc and confirmed en bloc.

The nominations considered and confirmed en bloc are as follows:

NUCLEAR REGULATORY COMMISSION

James Kilburn Asselstine, of Virginia, to be a member of the Nuclear Regulatory Commission for the remainder of the term expiring June 30, 1982.

James Kilburn Asselstine, of Virginia, to be a member of the Nuclear Regulatory Commission for the term of 5 years expiring June 30, 1987. (Reappointment.)

THE CONFIRMATION OF JAMES K. ASSELSTINE AS A MEMBER OF THE NUCLEAR REGULATORY COMMISSION

Mr. SIMPSON. Mr. President, I do want to take this opportunity to comment briefly on the nomination of James K. Asselstine to be a member of the Nuclear Regulatory Commission.

Jim is known to the Members of this body. He has assisted the members of the Environment and Public Works Committee for the past 5 years. Each and every one of us who serve on that committee have benefited immeasurably from his able and dedicated service as a member of the professional committee staff—and a professional he is in every sense of the word.

Since January 1981, he has been serving as chief counsel of the Nuclear Regulation Subcommittee. Jim was minority counsel to the subcommittee from 1978 to 1981. He was a staff attorney in the Regulations Division, Office of Executive Legal Director, Nuclear Regulatory Commission in 1977-78. Prior to that time, he served as assistant counsel to the congressional Joint Committee on Atomic Energy 1975-77 and was a legal intern and staff attorney of the Atomic Safety and Licensing Appeal Panel, U.S. Nuclear Regulatory Commission in 1973-75.

Jim graduated from Virginia Polytechnic Institute with a B.A. degree in 1970 and received his juris doctor degree in 1973 from the University of Virginia. He presently resides in Alexandria, Va., with his wife, Bette.

It is a compliment indeed, to the Senate as an institution, that a committee staff person has been selected for such an important position of this nature in the executive branch.

But Jim Asselstine is one of those class-type staff persons who demonstrates the importance—the absolute need we have as Members of Congress—of having sound, balanced expertise available to us on the extremely technical and wide ranging issues that we must face daily.

He has performed with such grace and skill in this arena and those are the qualities which made him an outstanding selection to serve as a member of the Nuclear Regulatory Commission.

Recently the Senate debated and passed the Nuclear Waste Management Act of 1982. This legislation was carefully drafted and researched and it moved rather briskly through this body with the fine cooperation of the Energy and Natural Resources Committee, the Subcommittee on Nuclear Regulation and the Armed Services Committee. A significant portion of the credit for the negotiations and the agreed compromise that went into that effort were the result of the skills and abilities of Jim Asselstine. During his tenure on the Nuclear Regulation Subcommittee staff, there has been produced some significant legislation on nuclear waste, on reducing of licensing delays for nuclear powerplants and implementing the "lessons learned" as a result of the accident at Three-Mile Island. His contributions on all these issues have been extraordinary.

As one time ranking minority member of the Nuclear Regulation Subcommittee and now as chairman, I have relied on Jim. I have trusted him. I will always do so. His knowledge of nuclear issues is solid indeed. It was developed through years of experience dealing with the most extraordinarily difficult and technical aspects of nuclear policy and regulation. Jim's experience in the NRC Regulations Division and Atomic Safety and Licensing Appeal Panel provide him with a unique perspective on the regulatory responsibilities of the Commission. This background has clearly enriched his current involvement in the development of nuclear policy and guidelines here in the legislative branch. As counsel to the Nuclear Regulation Subcommittee, he has unfailingly presented the technical details—as well as the policy options of nuclear issues—in a balanced and articulate manner.

Jim's integrity and sound judgment have served each Member of the Senate well. His advice, counsel and personal judgment are always presented just like that—and not as pronouncements from "The Great Oz" or as final "facts of the matter." This is the quality that particularly sets him apart from some staff persons who never seem to make that critical distinction when preparing their principals for debate on the difficult questions that confront us.

And, finally, I come to the traits of the man himself which make this nomination such an outstanding one. Jim's conscientiousness, dedication, and high degree of professionalism have been consistently demonstrated in the performance of his duties as the chief counsel to the Nuclear Regulation Subcommittee. His dependability, calmness, and good sense will serve the Commission well—of that we may be fully confident—because those traits have served our committee so well in a remarkable fashion.

It has been such a rich personal pleasure and enjoyable experience for me to learn right along with Jim the intricacies and highly technical details of the nuclear issues which came before the jurisdiction of this committee. His ability to take a complex issue and to clearly and coherently present the details of a difficult subject have been immeasurably helpful to me personally.

I had some serious reservations about the awesome nature of this task as a freshman Senator when I had been here just a little over 2 months—and suddenly found myself sitting in a helicopter with Jim Asselstine headed for Three-Mile Island. But with Jim's guidance, advice, and expertise I survived the experience. Furthermore, his role in the development of the nuclear waste legislation—which the Senate debated and approved last week—must be remembered as one of his significant contributions to nuclear policy in this Nation.

So I have deep mixed feelings—great feelings that the United States of America will have his skills and knowledge to assist it in the serious decisions on nuclear energy—and a real sadness that I feel as I lose his capable counsel. I have a sincere belief that he will be a most extraordinary member of the Nuclear Regulatory Commission and will take on to that body those qualities of competence, excellence, integrity and dedication which have earned him my deepest and utmost respect and confidence. I venture that every Member of this institution feels as I do.

I wish Jim Asselstine well—and Godspeed in this new career phase of his life.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nominations were confirmed.

Mr. ROBERT C. BYRD. I move to lay that nomination on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I ask unanimous consent that the President be immediately notified that the Senate has given its consent to these nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate now return to legislative session.

There being no objection, the Senate resumed the consideration of legislative business.

Mr. BAKER. I thank all Senators.

DEPARTMENT OF DEFENSE AUTHORIZATION, 1983

The Senate continued with the consideration of the bill (S. 2248).

Mr. HART and Mr. TOWER addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mr. TOWER. Might I inquire of the Senator from Colorado what kind of time control he is willing to agree to?

Mr. HART. Mr. President, I certainly think 1½ hours equally divided, and probably not all of that time being used.

Mr. TOWER. Mr. President, I think on this side we would not need a whole 45 minutes.

Why not make it 1 hour and 15 minutes, 45 minutes allocated to the Senator from Colorado and 30 minutes to the Senator from Texas.

Mr. HART. Mr. President, given the size of the last vote, I think the Senator from Texas has the right to be careful.

Mr. TOWER. Mr. President, is that agreeable to the Senator from Colorado?

Mr. HART. Yes.

Mr. TOWER. Mr. President, I ask unanimous consent that the time allotted to the next amendment by the Senator from Colorado be 1 hour and 15 minutes divided as follows: 45 minutes to the Senator from Colorado, 30 minutes to the Senator from Texas.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PERCY. I reserve the right to object.

Mr. HART addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois has reserved the right to object.

Mr. PERCY. I withdraw my right to object.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Colorado.

UP AMENDMENT 940

(Purpose: To delete authorization of funds for one *Nimitz* class aircraft carrier and add funds for two light aircraft carriers of the Type 45 class)

Mr. HART. Mr. President, I have at the desk an unprinted amendment and I request its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Colorado (Mr. HART) proposes an unprinted amendment numbered 940.

Mr. HART. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is os ordered.

The amendment is as follows:

On page 14, line 23 delete the figure "$18,368,700,000" and insert in lieu thereof "$18,638,700,000 of which not more than $3,480,000,000 shall be available only for the procurement of two light aircraft carriers of the Type 45 class."

Mr. HART. Mr. President, I ask that we have order in the Senate.

The PRESIDING OFFICER. The Senate will be in order.

Mr. HART. I thank the Chair.

Mr. President, since the Senate is clearly not in the mood to seriously consider economic issues, or apparently to seriously consider the problems of the impact of defense spending on our economy, this amendment goes to a more direct military issue. I think I can state it quite simply. It would delete the authorization for one of the *Nimitz*-class aircraft carriers, at a cost of almost $3.7 billion, and authorize in its place two 44,000-ton light carriers at a cost of $3.48 billion.

Let me make two introductory points about the facts surrounding this amendment.

First of all, the light carrier proposed in this amendment is of the class labeled "Type 45" by the Navy.

Last year, the authorization bill passed by the Congress required the Navy to study a variety of light carrier designs and recommend the one which, if it were to build light carriers, it would prefer. The Navy's choice was the so-called Type 45, the one contained in this amendment. It is a ship of 44,000 tons, capable of operating conventional as well as V/STOL aircraft. There is no question here of buying the ship before we have the aircraft to go on it. This ship can operate existing high performance aircraft.

Second, while this amendment substitutes two light carriers for one *Nimitz*, the future goal would be a 3-for-1 ratio. The lead ship of this new class, or the lead ship, for that matter, of any new class, always has substantial costs above the costs of the follow-on ships. That is the case with the first light carrier, which would cost about $1.9 billion, according to the design estimates of the Navy. Follow-on ships are currently estimated to cost about $1.5 billion each, so at present three of those Type 45 carriers would cost about $4.6 billion, compared to $3.69 billion for a *Nimitz*.

But, Mr. President, given the course of follow-on ships and their costs, one could be easily convinced by classified Navy design studies that the light carrier costs can be brought down closer to the 3-to-1 ratio. Indeed, one alternative to the so-called Type 45 carrier, also of the same tonnage, 44,000, is currently estimated to cost just $1.2 billion for the follow-on ships, thus giving the 3-to-1 ratio.

The PRESIDING OFFICER (Mr. RUDMAN). Will the Senator from Colorado suspend?

The Senate in not in order. Will those who do not have appropriate business on the Senate floor please retire to the cloakroom?

Mr. HART. I thank the Chair.

Mr. President, the vote the Senate will soon cast on this amendment will be of historic importance. The administration has decided to embark on a shipbuilding program designed to give this Nation clear naval supremacy. I fully support that goal. Four years ago, in 1978, I joined former Senator Robert Taft, Jr., of Ohio, in a white paper which called for a maritime strategy and clear naval superiority. We are an island nation, and in my view, we cannot permit any other nation to control the seas. It must be clear to all that we have control of the sea, and that any naval war will result in a clear American victory.

It is not quite as simple as that, and then telling the Navy they can have anything they want.

Deciding we want naval supermacy is one thing; obtaining it is something else. Obtaining it requires more than the desire to have it, and more than a commitment of resources. It requires building the right kinds of ships, within a correct understanding of what the future holds for naval warfare. If we fail at this task, then all our desires and all our money will go for naught. We will end up building a seagoing maginot line, a naval museum rather than an effective Navy.

Let us be very clear about one thing from the outset: From the Soviet standpoint, there is virtually no difference between a 13-carrier U.S. Navy and a 15-carrier Navy. There may be a difference to our own Navy, in terms of meeting peacetime deployment requirements, making overhaul schedules more convenient, and shortening the length of cruises—and those are important. But there is virtually no difference to the Soviets in such a small change.

If, on the other hand, the Senate supports this amendment, we will have decided to make a crucial change in direction that could well make the difference in this Nation's survival.

We will have a chance to increase the number of carriers to a point that will make a major difference for the Soviets. For example, instead of the four additional *Nimitz*-class carriers which appear to be needed to provide 15 deployable carriers, we would add 11 carriers—almost doubling the size of our carrier force.

In the April issue of Armed Forces Journal, Dr. William R. Van Cleve—a man noted for his advocacy of a strong defense—discusses the problem of carrier numbers in an article titled, "Strategy and the Navy's 1983-87 Program: Skepticism Is Warranted!" He states:

> The centerpiece of the Navy's FY83 shipbuilding request are two nuclear-powered carriers, priced at a whopping $3.4 billion each. Even with these, carrier levels will not exceed 14.
>
> Yet, one of the most self-evident facts of strategy is that numbers are important. Whatever the cost-effectiveness experts say, restricting an otherwise awesome offensive capability to a very few aim points is not a particularly good idea . . . The fewer and more valuable the targets, the more they invite attack. Likewise, the fewer and more valuable the individual assets one has, the greater the pressure to keep them as much as possible out of harm's way.
>
> Increased offensive capability foreshadowed for the Navy by the 5-year program is welcome, but a distribution of that capability across a larger number and wider variety of platforms would help.

Just two more—or even four more—*Nimitzes* will not affect the numerical situation in a meaningful way. But this is only part of the reason why buying a few more large carriers will not make any difference to the Soviets.

By focusing most of our resources on the large carrier task force, we are building a navy which is largely irrelevant to fighting the Soviet Navy.

The Soviet Navy is first a submarine navy, second a land-based air navy, and only third a surface navy.

Admiral Gorshkov, the commander of the Soviet Navy, has been quite explicit about the fact that his is first of all a submarine navy. He has written:

> As is well known, through the will of the CPSU Central Committee a course has been charted in our country toward the construction of an ocean-going navy whose base consists of nuclear-powered submarines of various types. . . . However, a modern navy, whose mission is to conduct combat operations against a strong enemy, cannot be only an undersea navy. The underestimation of the need to support submarine operations with aircraft and surface ships cost the German high command dearly in the last two wars. . . . Therefore, we, while giving priority to the development of submarine forces believe that we have a need not only for submarines, but also for various types of surface ships.

The point is clear, both in the admiral's words and in the structure of his fleet: The surface ships are a secondary element, and they are there primarily to support the submarines, which are the basis of the Soviet Navy.

Our current naval leadership, uniformed and civilian, places heavy emphasis on the need to be able to fight the Soviet Navy. I agree with that. But, unfortunately, their own naval building program calls for precisely the wrong kind of navy for that task. While the Soviet Navy is first a submarine navy, second a land-based air navy, and only third a surface navy, the U.S. Navy is seeking to build a fleet centered around the large carrier—which is to say a navy designed to fight first a surface navy, second a land-based air navy, and only third a submarine navy. It is exactly backward.

How does the big carrier relate to the task of fighting submarines? Very poorly. Earlier this year, when I asked this question of Admiral Hayward, he said that no one in uniform would advise using a *Nimitz*-class carrier to fight submarines. Secretary Lehman, when asked about the role of the big carrier in fighting submarines, said that the submarines have to come out and attack it. In other words, it serves as a target.

Thus, while the survivability of a Navy built around a small number of big carriers is a major consideration, an even more basic problem may be its relevance. The big carrier simply does not relate to the primary task in fighting the Soviet Navy, which is going after the Soviet submarine force. Authorizing additional *Nimitz* class carriers will just make the irrelevance grow, and, as I noted earlier, it will eat up all the funding so there will be little money left over for the ships and aircraft which are relevant. Truly, we will have built a seagoing maginot line, a defense irrelevant to the forces opposed to it.

The need for numbers and the need to recognize the Soviet Navy for what it is—primarily a submarine navy—drives us to smaller carriers in larger numbers. However, the supporters of building our Navy around a small number of large carriers can quote many serving naval officers of high rank in support of their position. Does this really reflect the merits of the large carrier, or are we instead dealing with the usual tendency of a bureaucratic organization to rally around the flag—the old flag, in most cases, and the most expensive flag with the highest bureaucratic prestige value?

Perhaps the best way to put the Navy's arguments in perspective is to look at their own testimony from just last year. One year ago, the Navy wanted to recommission one or possibly two light carriers, the *Oriskany* and the *Bonne Homme Richard*. These ships are almost the exact same size as the light carriers of the Type *45* class proposed in this amendment—about 44,000 tons full load displacement. Just 1 year ago, the Navy wanted these light carriers very badly.

In the Senate Armed Services Committee hearing on February 5, 1981, the Chief of Naval Operations, Admiral Hayward, spoke about reactivating these two light carriers. He said,

> I made the recommendation (to reactivate them) last year; I have not changed my mind about that. It is still an intelligent option to take this time . . . I fully support the reactivation of USS *Oriskany*.

The Navy also stated its belief that carriers of about 40,000 tons have real fighting value. Secretary Lehman stated in testimony that,

> An augmenting force of four to six smaller carriers would be a highly desirable enhancement of the Navy's at-sea air capability. Such ships would increase our offensive carrier battle group striking power as well as provide some relief for the large deck commitments to lower threat areas and scenarios.

The Secretary, of course, said he first wants more *Nimitzes*, but the point is, he does not dispute the fighting value of light carriers.

Mr. President, the advantage of greater numbers of ships is obvious. It is obvious to the Navy, and the professional views I have just cited support it. I believe it is obvious to the large majority of the Members of the Senate.

What, then, is the basis for supporting additional *Nimitz*-class carriers? I believe the heart of the matter is the Navy's argument that the large carrier is not only superior to the light carrier on a one-for-one basis—something that is obvious, and that I have never contested—but that the *Nimitz*-class carrier is vastly superior, to the point of being much less vulnerable than light carriers. This is the impression the Navy has sought to convey in many of the Armed Services Committee hearings I have attended. We see a stream of testimony, articles, speeches by the Secretary of the Navy, and others, to

this effect, especially at budget time. The large carrier is painted in such glowing colors that its capabilities seem to outweigh the inherent disadvantage of having only a very small number of ships.

Is this portrayal accurate?

I believe there is compelling evidence that it is not. In fact, the evidence suggests that these large carriers have serious vulnerabilities, vulnerabilities which mean disaster for a Navy dependent on a small number of such ships.

Few people know more about the nuclear-powered aircraft carrier than Adm. Hyman G. Rickover. He is the father of the nuclear Navy, and for years has fought for all nuclear powered ships, especially the *Nimitz*-class carriers.

Earlier this year, Admiral Rickover testified before the Joint Economic Committee. He was asked by Senator PROXMIRE about the survivability of the big carrier. The exchange was as follows:

> Senator PROXMIRE. Now the Defense Department's fiscal year 1983 budget requests funding for two nuclear-powered aircraft carriers at a construction cost of about $6 billion. It does not include the cost of the planes which is considerably more than $6 billion. In fact, it is more than twice that. Considering the capability of the Soviet submarines, how long do you think one of these aircraft carriers would last in the case of an all-out war?
>
> Admiral RICKOVER. About 2 days.

That is the father of the nuclear carrier talking. That is one of our most distinguished experts about the nuclear carrier. He gives them 2 days against the Soviet submarine force.

Mr. President, the Senator from Alabama, Senator DENTON, a distinguished and noted authority on naval matters, with a distinguished military career, talked about that we should trust the Navy. We should trust, I think he said, what the Navy wants. They know what is best for our defenses.

That would be fine except for two problems. One is history is replete with experts in other nations' navies or other nations' defenses which have predicted wrong and they have so structured our forces and people have so depended upon those so-called experts that nations' national securities have suffered and nations have fallen.

But there are other experts as well, and I shall quote a few of those. Here is one quote:

> Let us hope that historians look back one day and say that one of the consequences of the sinking of the *Sheffield* was to focus thought on the growing vulnerability of surface ships, on the idea that future surface ships must not be larger and more complex versions of today's but ships that take advantage of new technologies and on disbursing our Navy and especially its air power into more numerous, smaller platforms. If the loss of the *Sheffield* does help point us toward a naval strategy for the 21st century its sinking will not have been in vain.

That quote is from Adm. Stansfield Turner.

Another quote:

> Our Navy is threatened by swarms of Soviet cruise missiles launchable at long range from on, under, and over the seas, but planned forces make it easy for the Soviets by limiting rather than multiplying the number of targets we will present. The crux of the problem is the aircraft carrier. It is the picture of the Navy's creating a seaborne Maginot Line, structured around its carrier, that most confounds its friends and critics. For the balance of this century the technological context between less detectable and better penetrating cruise missiles on the one hand, and a future naval Maginot novel redoubt on the other favors the attacker. More and more naval resources are required to protect the carrier while the possibilities for a useful carrier role continue to diminish.

The source of that quotation is the former Chief of Naval Operations, Adm. Elmo Zumwalt, and a former vice admiral, Adm. Worth Bagley.

In a recent book, "Defense or Delusion? America's Military in the 1980's," Prof. Thomas H. Etzold of the Naval War College writes:

> In the Navy's war games, an unwritten rule prohibits the sinking of any American aircraft carrier. The carriers are so few in number and the Navy's tasks in war so great that to do without one is literally inconceivable. In more than 5 years of experience as an umpire and adviser in high-level naval war games, I have witnessed the unwillingness of senior naval officers to permit carriers to be sunk, even when taken under overwhelming attack. On some occasions, indeed, it has been impossible to obtain the agreement of the senior officer in the game merely to put the carrier—or carriers—out of action for a few hours, to simulate lesser damage. The carrier's sacrosanct role in modern naval thought prevents, in many if not all cases, the realistic assessment of possible results of combat even in the Navy's own internal games and analyses.

Remember that Professor Etzold is writing as one who has personally observed the distortion he talks about.

That quotation is from a book by Professor Thomas of the Naval War College.

Finally, Mr. President, this quotation:

> Keep up your fight against the big aircraft carriers. You are right. But be sure to keep naval aviation strong based aboard smaller carriers. Our flag officers know the true vulnerability of our carrier battle groups.

That quotation is in a letter to me from retired Vice Adm. George Steele.

Mr. President, there are naval experts and there are naval experts, and for some reason the naval experts in uniform and in the Pentagon seem to believe that we should trust their judgment and leave it to them to decide how our fleet of the future is to be designed, but there is a disturbing pattern of retired senior naval officers who say just the contrary.

I have read those quotations in the RECORD. These are very senior naval officers, and perhaps most disturbing, if not even shocking, is the statement which I quoted from Professor Etzold which said that the Navy rigs its own war games and exercises so carriers cannot be sunk. They cannot be put out of commission. That is the kind of unbiased Navy that we have advising the Senate so we can continue to build big aircraft carriers that the Navy says cannot be sunk or even disabled or even put out of commission for a few hours. We can continue down that course and think that we are making this Nation stronger if we wish. But I say to my colleagues here tonight, and I wish there were more to debate and discuss what is perhaps one of the most important issues to face this country's long-term national security, we are not making this Nation stronger.

I think we are making it weaker. We are making it weaker economically because of decisions that we just made, but I think we are also making it weaker from the structure of our forces.

We are building a navy that the father of the nuclear navy and the nuclear aircraft carrier says can be sunk. Its centerpiece can be sunk in 2 days. We are building a navy that is premised on self-deception. We cannot even conduct war games that are realistically conducted.

We are building a navy that senior retired and sometimes active duty officers say is not the properly constructed navy. I think it is time that we began to be honest with ourselves. Sure, they provide jobs; sure, they keep shipyards going; sure, they make people in the Pentagon happy; and, sure, they give admirals big decks to command.

But that is not the issue. These are decks and these are ships that are increasingly vulnerable to a Soviet Navy that is not designed like the Navy of the past. It is designed, as Admiral Gorshkov himself has said, around submarines, and those submarines are designed to sink 15 carriers. It does not strengthen this Nation at all to put 2 more large carriers to sea surrounded by 12 or 15 billion dollars' worth of ships designed to protect the carrier, and 94 or 98 aircraft increasingly committed to the defense of the carrier.

You can call that power projection if you want to, well, all night, but it is not power projection. It is self-defense.

If I were going to sea in one of these carriers, I would want all the self-defense I could get because the attack is coming, and I related that attack in connection with the last amendment, and it was never responded to. That is a Soviet Navy sized and shaped subsurface, surface, and from the air, designed to sink 15 ships, and they will do it.

So I think this Nation is at a crossroads, and I think the Senate is at a crossroads. We can continue to say to ourselves, as Senators have said here tonight, "This is the last time I am going to vote for a big carrier. We will consider the light carriers next year."

I have heard that for 5 straight years, and the Navy keeps sending over requests for *Nimitz*-class carriers.

We are either going to turn the Navy around or we are not. The Navy is not going to turn itself around. Admirals come and admirals go, and as they go they tell the truth, and as they stay in office in the Pentagon they do not, and they are not making this country stronger by asking for two more carriers. That is not the issue.

The issue is whether we are going to have a navy that can defeat the Soviet Navy, and that is why this amendment is so important. One way to defeat the Soviet Navy is to disperse our air assets at sea, and this is a step in that direction.

I ask my colleagues to seriously consider this amendment and not vote the way the White House wants you to vote, not vote the way you think is economically important to this State or this shipyard or whatever, but are we building a navy that is going to survive in the combat zone of the future. I think the answer is clearly, "No."

I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Maine.

Mr. COHEN. I yield for myself such time as I may need.

Mr. President, I think the Senator from Colorado raises an important issue here, but I think we ought to place it in the context of his prior amendment.

First, the Senator argued that we cannot afford a big carrier right now. He said, let us just defer it until economic times are better, and then we will talk about it. However, it is quite clear from his last statement that even if we could afford it, even if prosperity were here today or tomorrow, he would still oppose the construction of another *Nimitz*-class carrier, because they are vulnerable.

First, we cannot afford them and, second, if you could they are vulnerable. He scoffs at the big carrier as not being capable of power projection.

Well, if the *Nimitz*-class carrier is not power projection, I do not know what two light carriers do in the way of projecting power.

I point out that last year Libya found out that these carriers had some capability of projecting power when we had an engagement between two of their aircraft and two of our F-14's.

During the last amendment debate, the point again was made that we have more tonnage of naval vessels than the Soviet Union; that we have some fixation as to greater tonnage in this country. Well, in that same debate it was pointed out that the Soviets are building the *Oscar* and *Typhoon* class submarines, and they are the largest submarines in their classes in the world. Not only that, but in a recent report in the Baltimore Sun, it was announced that the Soviet are now starting work on a large nuclear aircraft carrier.

There is a reason for this. In spite of the fact that they are a land-based power, and they do not need access, as we do, to raw materials that are located far from their shores they are building a strong navy. They have been building a submarine force capable of at least striking our surface ships.

Now they want to project power much as we have projected power over the years, and they are going to challenge us at every single point on the globe and they need the capability to project power outside the cover of their own land-based airpower.

So apparently it is all right for the Soviet Union to build big *Oscars* and big *Typhoons* and big aircraft carriers, but it is not right for the United States, even though we need the access to the raw materials coming from distant shores far more than does the Soviet Union.

Now, the Senator does raise an interesting point about the H.M.S. *Sheffield* once again. If we look at the lesson of the *Sheffield*, it is not a question of are big ships doomed; the question is are all ships doomed, because if you can sink a big carrier you surely can sink a small one. I think it is a legitimate question to look at. The question the Senator from Colorado raises about how much more survivability you get by having two targets as opposed to having one.

Let me submit to you that if the Soviet Union is going to have no trouble destroying 15 big carriers, they will have even less trouble destroying two more light ones. Another missile is all they need. One more missile will take out a light carrier. The *Sheffield* was a classic example. What did it have? It had nothing. It had no air cover; it had no antimissile missile; it had no guns; and it had no protection. It was sitting out there naked and vulnerable, and it was shot down.

There is no question about it that if you put a ship out there without cover, it is going to get shot down. But that is not to argue that if you have two more carriers, limited in capability, these aircraft carriers will not be shot down as well. So I do not think the argument that if you have two targets as opposed to one you get more survivability withstands analysis.

What do you get with the light carriers? You get fewer aircraft. The Senator from Colorado mentioned, I believe, study No. 45. That design would carry 38 aircraft. I submit to you that half of those 38 are F-18's that are needed to defend the ships—and, by the way, those F-18's which, I understand, also are opposed by a number of Members of this Congress, so you cannot put the F-18's on, it is too expensive, and its cost overruns have eroded its credibility, so we go back to the F-14's.

With F-14's on a 40,000-ton carrier you would have less aircraft, maybe 34. Now you are down to 34, half of which you have to use as the defensive power of the small aircraft carrier. You have nothing left to project power.

Talk about power projection. You are going to send 15 aircraft across to some point of the globe. That is power projection? At what cost? Of course, the Senator from Colorado has cited, according to the information I had at the hearing, that it would cost roughly $3.4 billion for those two light carriers. So it would be $3.4 billion versus $3.6 billion, and you would still end up with 20 percent less aircraft on board that carrier.

What else would it have? It has fewer aircraft, less armor because it is lighter, less fuel, and less ammunition. It has fewer catapults, if we go to the catapult system with the smaller deck; it would have two as opposed to four on a big deck.

It has a slower speed. The average speed is about 25 knots as opposed to over 30 for the larger carrier. So the larger ship is a more mobile ship. The smaller one has less endurance because it is conventionally powered. The volume allowed for aircraft fuel and ordnance is very much smaller. Think about what you have to have in terms of refueling capacity——

Mr. HART. Will the Senator yield at that point?

Mr. COHEN. I will yield when I have finished.

Mr. HART. I was just unclear on one comment where you said it has less endurance because of less volume. What does that mean?

Mr. COHEN. What I am suggesting is the large deck nuclear-powered aircraft carrier has more usable volume for fuel and ordnance for its aircraft, and does not have to use any of its own volume for its own fuel. Moreover, it is designed to absorb hits as opposed to the light carrier which does not have that kind of armor protection because the displacement is less. You have less armor, and thus you have less protection.

The Senator cites the *Sheffield*, and I think the *Sheffield* is a pretty good example of a surface ship out there that did not have adequate protection, either air protection or any armor protection.

Mr. HART. I did not cite the *Sheffield*. Admiral Turner cited the *Sheffield*.

Mr. COHEN. I guess Admiral Turner is a retired admiral, and we should weigh this in balance in taking his recommendations.

The suggestion that you cannot trust anyone in the military as long as they are in the military is totally self-defeating. If we cannot trust our military advisers to come forward and give us their best estimation, we ought to give up now.

But it seems that we have to wait until they become 80 years old and are going to retire, and then they offer their respective wisdom as to the mistakes they made. If that is the case, then we are all in trouble if we cannot accept the recommendation of our military advisers.

General Vessey is the new Chairman of the Joint Chiefs, and I suppose you might just as well say, "Chairman, we just cannot trust you. We do not accept your judgment as to your analysis of this military situation, so we are not going to listen to you."

Mr. HART. The Senator knows that was not the argument that was made.

Mr. COHEN. I know the point is we have to trust someone, and if your suggestion is that you cannot trust anyone unless they retire——

Mr. HART. I did not make that statement.

Mr. COHEN. Then I withdraw that statement.

The statement was also made by the Senator from Colorado that in times of confrontation with the Soviet Union on one of those big carriers you would have 2 days.

Mr. HART. Will the Senator yield once again? That was not my statement. That was Adm. Hyman Rickover's statement.

Mr. COHEN. I understand, but the Senator is citing it with approval. I assume he is adopting that theory.

Mr. HART. All I know is what the father of the nuclear navy has publicly stated in testimony before the Congress.

Mr. COHEN. He got religion at the age of 80 after spending all of his life in the Navy promoting something else.

In any event, he said 2 days. Fair enough.

I have a telegram from Admiral Watkins, the Commander in Chief of the Pacific Fleet and the new Chief of Naval Operations, and he said you would have a matter of minutes or hours with the light carriers, not even days. So if you want to match 2 days against a couple of hours, that is a choice we will have to make.

But I would like to say to the Senator from Colorado—and I have worked with him on this committee, and I have enjoyed it—that I have supported his efforts to get studies from the Navy. They have not always been easy to come by, as I have said on many occasions privately and publicly. I also think that what he is trying to achieve in getting more ships has some merit to it, provided you use the light carrier concept as a supplement to and not a substitution for the big deck.

What step is the Navy taking to move at least halfway in that direction to get more ships with some force projection capability? The LHD-1 is a classic case. The Navy is proceeding with the construction of the LHD-1, which is, by the way, a 40,000-ton ship. The same dimensions the Senator from Colorado has argued for—a 40,000-ton carrier.

It is an amphibious assault ship, essentially. It will have AV-8B Harriers which the Senator from Colorado has pushed for for the past 4 years, and I have supported him. It will have also marines on board. It will have LCAC, air-cushion landing vehicles. You could use that 40,000-ton amphibious assault ship as an assault carrier to supplement the large deck.

Mr. HART. Will the Senator yield for an observation on that point?

Mr. COHEN. Yes.

Mr. HART. I think the Navy movement in the direction of that type ship is a welcome one, and I have supported it and will continue to urge it.

But two observations must be made. One is that this is to be used as a carrier after it has landed its marines and disembarked everything else that was on there. Then it goes back to get its aircraft, and then it comes back to the battle area to put those aircraft into operation.

On the issue just mentioned by the Senator, I have a letter from a recognized naval expert, Mr. Norman Polmar, who addresses the very issue the Senator has just made. He talks about the limitations of that type ship, the LHDX. Then he says:

> This is not to preclude the light carriers being used in an ad hoc amphibious role or embarking mine countermeasure helicopters, but to say that the LHD is a light carrier is to drop a "red herring"—and a smelly one at that—into the discussion.

Mr. COHEN. I did not suggest it was a light carrier. What I suggested was the Navy is moving in the direction of trying to multiply the number of ships which have a V/STOL capability, in which the Senator from Colorado has had a great interest. They are moving in that direction. As a consequence you are going to have big decks, and you are going to have that 40,000-ton surface ship which will carry AV-8B Harriers and will also have an amphibious assault capability.

It seems to me we are up to the size the Senator is seeking, and the only thing that is different is the CTOL, conventional takeoff and landing capability.

I will yield in a moment to the Senator from Alabama and the Senator from Ohio.

I am a layman. I went out to the Indian Ocean last February, and I had a chance to be on the U.S.S. *Kennedy*, and I was on the *Eisenhower* before that. And I watched the flight operations. I was impressed with the skill that is required to come in and land on a big deck at nightime.

I also had the experience of being lifted by a helicopter over to one of the destroyers that was escorting the U.S.S. *Kennedy*. On the same day, in the same sea conditions, I had lunch with the commander of the ship and some of the people that were on board. We could barely hold on to our plates and glasses. They were sliding all over that place because you have a different capability as far as working in rough seas. You did not at all have any pitch and roll on the large deck carrier, but there was considerable pitch and roll on the smaller ship. That has to be a factor to a pilot coming in for a landing. Again, I am a layman in that. I have not had the experience, but I will yield to Senator Glenn and Senator Denton on that particular issue.

Mr. President, we have a limitation on our time. I will certainly want to reserve time for other Senators to speak on this issue. I think the Senator from Colorado raises a valid point, but the point, when analyzed, does not hold up; that is, you do not get more for your money by creating two ships of less capability at roughly the same cost as one with limited power projection capability.

I would close by quoting the words of Winston Churchill:

> Nothing in the world, nothing that you may think of or anyone may tell you, no arguments, however specious, no appeals, however seductive, must lead us to abandon that naval supremacy upon which the life of our country depends.

I would submit to you that we should not sacrifice what is a winning combination of aircraft on board a capable large deck carrier for the surface appeal—if I can use that term—of simply engaging in an amebalike process of subdividing these ships into two smaller, less capable aircraft carriers.

Mr. DENTON addressed the Chair.

The PRESIDING OFFICER (Mr. Schmitt). Who yields time?

Mr. COHEN. I yield 5 minutes to the Senator from Alabama.

The PRESIDING OFFICER. The Senator from Alabama is recognized for 5 minutes.

Mr. DENTON. Mr. President, I will not take that much time. I thank the Senator.

I submit that I am guilty of having been a Navy admiral. There is a former Marine officer in this room without that stigma who is a much more distinguished career aviator than myself; namely, the Senator from Ohio. I will leave to him the refutation of the economics offered by the distinguished Senator from Colorado. I am sure that he will prove, with details, the general conclusion the Navy reached with its study that at equal cost force structures the CVN, the nuclear carrier, wins every time over the conventional carrier and the smaller carrier.

I also defer to the remarks by our distinguished chairman of the subcommittee, the Senator from Maine, who eloquently put forth the case. I believe it needs no elaboration.

Worth Bagley and Stan Turner were classmates of mine. I know them well, and I respect them. But I consider that they have differences of opinion with the rest of the Navy, the center of gravity of the Navy today on this subject, as we have differences of opinion within this body on matters in which we have equality of interest at times and sometimes equality of knowledge.

But neither of those gentleman are aviators, and neither of them are carrier aviators. My friend from Ohio was one of the best, with an outstanding combat career in Korea, followed by a feat for which we all honor him. So I will leave to him the bulk of these remarks.

But we are both carrier aviators. I do not think the Senator from Colorado meant to imply that we necessarily have to retire before we start telling the truth. I will say more stupid things than that in this Chamber, and I know he did not mean to say what it sounded as though he was saying. But it did sound that way to most of us.

As I say, I am sure that I will stumble or have stumbled worse, and I know he did not mean that.

The senior Senator from Arizona is also an aviator, but not a carrier aviator. He may have differences of opinion with us over the merits of this issue.

We are a fairly sincere group in the Navy. I knew a lot of honest admirals. Although a few of them might slant an exercise now and then, I was not noted for doing that.

As a lieutenant I set up some exercises to prove that a carrier was not as invulnerable as was being represented, not by fake exercises but just realistic ones.

We used to have carriers surviving in the exercises I set up as a lieutenant, and I can refer you to my record, in which the survival time might average 48 hours against nuclear threat then in being, but the carriers were bottled up in the Mediterranean.

I certainly agree with the Navy's contention that the CVN is the best at equal cost force structures every time and I strongly recommend that we table this amendment.

I think that the action taken today already is going to be a signal to the Soviet Union that we are determined in this body to rebuild our strength, that we are going to do it at some sacrifice, but with the realism that there is a relationship between the domestic economy and our military strength, how we regard it, and the respect with which we regard it.

I yield to the Senator from Ohio.

The PRESIDING OFFICER. Who yields time?

Mr. COHEN. How much time remains?

The PRESIDING OFFICER. Eleven minutes.

Mr. COHEN. I yield 6 minutes to the Senator from Ohio.

Mr. GLENN. Thank you, Mr. President.

I would like to address a question to the Senator from Colorado. I asked earlier about the economics of this. I think we need to come back to a basic question: What are we purchasing with these billions of dollars we are spending? We are purchasing mobile airpower. We are purchasing air power that can be anywhere on the oceans of this world. So you come back to the basis of the number of aircraft to project that power. That is the basic thing we are buying. All of this talk about numbers of ships and so on is a smokescreen for everything else except that one fact, the number of aircraft you can bring to bear at a certain spot around this world.

If you put it on that basis, the economic basis, let us make some comparisons. The Senator from Colorado said we should go to two of the small carriers. Each one of those small carriers will provide a mobile airpower projection base for about 35 aircraft. A small carrier task force includes all the ships necessary to go along with that carrier to escort it, to be the picket ships, the submarine ships, the early warning ships, and all the rest. A small carrier, as a task force with its outlying ships to give it that security, costs somewhere around $8.6 billion. For those 35 airplanes at the cost of $8.6 billion, that comes out to an airpower projection cost of $245 million per aircraft at sea on station. Those figures include the cost of the airplane.

I can make another case. The small deck carrier, since it cannot provide the same amount of vital protection for ASW, ECM, all those things necessary at sea, because it only holds 35 airplanes, may require an additional couple of picket ships. You may have to provide a little bit of additional protection that the big carrier can furnish itself. So the small deck augmented task force, still with 35 airplanes, comes out to about $10.3 billion. That comes out to $294 million per airplane at sea.

Now, let us go to the big one, the *Nimitz*. It carries 2½ times the airplanes. Instead of 35 on each small deck, it will hold, on a single deck, 98 airplanes. You can have the whole gamut of fighter attack, antisubmarine, early warning, electronic countermeasures, fighters, tankers, the whole range of aircraft necessary to go to sea and protect a big carrier task force. With 98 airplanes your cost of the whole task force does go up, to $11.9 billion as opposed to the $8.6 billion. But how much is your cost per airplane for air power projected at sea anywhere in this world? Your cost per aircraft goes to less than half of the small deck carrier cost. It is $121 million per aircraft to protect that power anywhere in the world with a balanced force.

Your small deck carrier comes out to $245 million per aircraft and your small deck carrier augmented then comes out to $249 million.

Let us talk economics. I would challenge the Senator from Colorado to talk economics. The economics are that if you go to the big carrier, you get your projected air power at half the cost per aircraft than you would with the small carrier, where you up your cost to more than double for power projection aircraft at sea. So those are the economics of it.

The Senator from Colorado also mentioned something about how, if we made certain expenditures, we could go to 12 of the smaller carriers. He said that would cost us whatever the figure was. I guess it would be multiplied out times the $3 million per aircraft per carrier, as though those carriers were usable, singly, alone at sea. Nobody but an idiot would put a carrier alone at sea. We are talking about carrier task forces.

If those 12 small carriers that the Senator from Colorado mentioned are multiplied out times the number of task forces that each would have to operate with, which would be 12 task forces at $8.6 billion, the cost then goes up to $103.2 billion. We do not just put carriers out to sea. The cost of the carrier is the cost of everything that is required to put that carrier at sea and project that power. You are talking about the task force that goes along with it.

I will repeat the figures. The distinguished Senator from Colorado was out for a moment. You go with the *Nimitz* carrier with 98 aircraft and the cost of the whole carrier task force is about $11.9 billion. The cost per aircraft, which are the economics the Senator was talking about, is $120 million. If you go to a small deck carrier with 35 aircraft, the cost of that task force goes down, true, to $8.6 billion, but the cost per aircraft put at sea in a power projection mode is $245 million, more than double the cost per aircraft at sea in the case of the *Nimitz* class.

If you take a small deck carrier, augment it with some additional protection which the small carrier cannot

provide for itself, at $10.3 billion, it comes out to $294 million per aircraft for power projection.

To me, if we want to talk economics, all of the economics are on the side of the big carrier.

The PRESIDING OFFICER. The Senator's time has expired. Who yields time?

Mr. COHEN. I yield to the Senator from Virginia.

How much time have I remaining?

The PRESIDING OFFICER. Five minutes.

Mr. COHEN. I yield 4 minutes.

Mr. HARRY F. BYRD, JR. Mr. President, the Senator from Ohio, the Senator from Maine, and the Senator from Alabama have each made a very effective case in opposition to the amendment offered by the Senator from Colorado. I know how hard the Senator from Colorado has worked on this matter. He has certainly rendered a service not only to the committee but to the Senate for the information he has developed in regard to the entire carrier program.

But I have been persuaded by all of the testimony before the Armed Services Committee—and it has been amplified by the comments just made by the distinguished Senator from Ohio (Mr. Glenn)—that the most effective aircraft carrier, the most cost-effective ship, is the large carrier.

I have also been persuaded that it is the least vulnerable of any ship that we have. I have been impressed by the testimony by Navy experts that if we go to the small carrier in order to give that 40,000-ton ship the survivability of the larger carrier, it would require going to 56,000 tons. Then the statement was made by the naval officers testifying, the Chief of Naval Operations and others, that if you are going to 56,000, from a cost-effective basis, you would be much better off to go to the *Nimitz* class 90,000-ton carrier.

Mr. President, I think the evidence is clear that if we want two additional carriers, the way to do that is to go to the *Nimitz* type nuclear-powered carrier.

Incidentally, the two carriers which the Senator from Colorado would substitute for the one nuclear-powered carrier, his two, would be conventional powered carriers. I think that is going in the wrong direction at this time. I feel that the Nation would be better off if we rejected the amendment of the Senator from Colorado and authorize today the two nuclear-powered carriers of the *Nimitz* class.

Mr. COHEN. Mr. President, how much time do I have?

The PRESIDING OFFICER. The Senator from Maine has 2 minutes.

Mr. COHEN. I yield it to the Senator from Ohio.

Mr. GLENN. Mr. President, I want to make one additional point. The Senator from Colorado is specifically proposing that we do away with one *Nimitz* carrier and replace it with two smaller carriers. He indicated that we would get two ships for the price of one, roughly. But we would not, Mr. President. Two carriers mean two task forces, unless you are going to sit them side by side, which accomplishes nothing. You may as well have two carriers which carry twice the airplanes. So that means two task forces.

When split that way, it is $8.6 billion for a small task force or $10.3 billion for an augmented small deck task force. We come out with it being $17.2 billion or $23.6 billion for those two carriers to go to sea as opposed to the one larger carrier going to sea at the $11.9 billion. Rather than save money, it becomes a decided economic disadvantage if we go that route.

I yield whatever time there is back to the Senator from Maine.

Mr. HART. Mr. President, I see a contradiction between the comments made by the distinguished chairman of the Budget Committee and the Senator from Ohio. The chaiman of the Budget Committee knows, and we know, if you accept that economic premise, certainly, arithmetically, certain consequences flow. The only problem with the case made by the Senator from Ohio is that I, and certainly people much more militarily expert than I, do not accept those fundamental assumptions about the cost of a light carrier task group or the per-plane cost or protection, and so on.

In fact, Mr. President, many experts, a number of very qualified experts, believe that the cost of that conventional light carrier task group that is being discussed here this evening is about exactly half of the total cost, the $8 billion cost or whatever it is, that the Senator from Ohio assumes. Even if one assumed those base-line numbers of $8.7 billion or whatever, the issue is not cost effectiveness. The issue is military effectiveness.

Mr. President, we talk about military matters in these bureaucratic cost-effectiveness terms, which seems to me to be so abstract from the real needs of what our defenses are.

The Senator from Maine earlier minimized the difficulty of two targets as if, well, two targets are that much easier than one target. I think that bears a lot more debate and consideration than the Senator from Maine gave it. Many military experts, many naval experts believe that you substantially, exponentially compound the problems of an attacker by dispersing the targets. That is certainly the theory behind Admiral Turner's arguments. It is certainly the theory behind Admiral Zumwalt's arguments. It is certainly the theory behind Admiral Bagley's arguments, and many, many others. By building two more carriers, I do not care how much they cost or what their capabilities are or what kind of aircraft you have on them, you do not substantially compound the problems of the Soviet Navy in defeating our Navy.

The Senator from Maine talked about the need, or certainly, that we have to go in this direction. I have heard that argument for 5 or 6 years around here—certainly, this is the direction we have to go in. My question is when? If these nuclear aircraft carriers, these *Nimitz* class carriers are so sacrosanct, if these are the only kinds of decks we can put to sea, it is going to be well into the 21st century before we can ever "move in the direction" that I have heard my colleagues on the Senate Committee on Armed Services for years say we have to move in and the Senator from Maine says we have to move in. I have heard this argument from the Navy itself for years.

"Certainly, the Senator is right; certainly, this is the direction we have to move in." I want to know when? Do we get 15 nuclear *Nimitz*-class carriers at sea? Is that it? That is about 20-25. That is presuming we have economic recovery, and based on the vote we just cast on the last amendment, I have serious doubts about that any time in the near future.

As I said when I opened the debate on this amendment, I do not think the Senate is really serious about balancing the budget or economic recovery, given the last vote. It certainly did not seem to me to be a serious economic recovery vote. Given that set of circumstances and the mindset across the river about we cannot think about moving in this direction until we get all these 15 *Nimitz* aircraft carriers at sea and all the other vessels and all the high performance combat items, then we move in the direction of supplementing those carriers that we all agree poor Senator Hart is right about.

Mr. President, that will be too late. That will be too late.

The Senator from Maine starts out his argument about the tremendous punch this carrier had—against the Soviet Union? No; Libya. If the U.S. Navy were going to war with Libya, I think we would be in pretty good shape. But that is not the issue before the Senate tonight. The issue is the U.S. Navy going to war against the Soviet Navy.

I would take a *Nimitz* aircraft carrier and sail it into the Gulf of Sidra and put my F-14's against Colonel Qadhafi's whatever they were. That is easy. That is not the threat.

Mr. COHEN. Does the Senator have something better on the light carrier that he is going to put up against the Soviet Union?

Mr. HART. You can send the same kind of aircraft up against Colonel Qadhafi; that is where you need the light carrier.

Mr. COHEN. What the Senator wants is the same kind of aircraft, the F-14 or the F-18, to go up against the Soviet Union.

Mr. HART. What I want is a Navy that can survive the Soviets' submarine threat. The Chief of Naval Operations says he is not going to take those carriers into the high-threat environment that the Soviet represents, land-based air or whatever. That was the threat that that *Nimitz* carrier went up against, land-based air. The CNO says he is not going to do that.

Mr. President, the issue before the Senate, as I have said, I think, is a profoundly serious one. It unfortunately will not unfold itself in terms of who is right, who is wrong, probably before it is too late. Then I think the U.S. Senate can get itself back together after a lot of American ships are lost and reconstruct the record and debate about where we went wrong. But I do not think this Nation is going to be well-served by a navy that is built totally around 15 aircraft carriers in the 1980's, 1990's and the 21st century.

In conclusion, Mr. President, since the Senator of Maine is fond of Winston Churchill, I shall quote from Winston Churchill:

> By steadily increasing the size of destroyers, they will turn from being hunters to being the hunted.

I yield back my time, Mr. President.

Mr. THURMOND. Mr. President, I rise in opposition to this amendment because it is militarily unsound and technologically flawed. This issue was debated in 1980 and rejected. The arguments for smaller aircraft carriers have not become more viable or convincing in the ensuing 2 years.

It is very misleading to claim that there is a military advantage in having smaller aircraft carriers because of greater dispersal of aircraft assets. The truth is that two small carriers have only about two-thirds of the aircraft of a *Nimitz* class carrier. They may be dispersed, but a much higher percentage of the aircraft would be needed just to protect the carrier. This results in a great loss of deliverable combat power.

These conventional oil burning light carriers require frequent underway refueling which would optimize the enemy's target acquisition against our carriers. A *Nimitz* carrier has a 15-year supply of fuel for its reactors allowing it to travel about 1.5 million miles before replenishment of its nuclear fuel.

The light carriers would be subject to the cost overruns and delays in delivery associated with new ship designs whereas the *Nimitz* class carrier is a proven design with the last such carrier being delivered ahead of schedule.

Additionally, light carriers are more susceptible to pitch and roll during high seas. This greatly increases the danger to the pilots during launch and recovery operations. The accident rate on light carriers is much higher than that on large aircraft carriers.

Mr. President, the need is for aircraft carriers that have a great degree of flexibility in their mission capability and are survivable in a high threat environment. The *Nimitz* class aircraft carrier provides these options and light carriers do not.

Mr. HART. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. COHEN. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Maine has 45 seconds remaining.

Mr. GLENN. Mr. President, I will only respond with a couple of comments here because the time is very short.

I talked combat capability earlier, and the Senator from Colorado and the Senator from Arkansas were talking the economics of this thing. I addressed the economics of it, and now the Senator from Colorado is talking combat effectiveness. You cannot have it both ways.

Mr. HART. Two separate amendments. The last amendment was an economic amendment. This amendment is a military amendment.

Mr. GLENN. I see. That explains it then, I guess, but it comes down to the fact that per aircraft, airpower projected at sea with the big carriers is $121 million per aircraft. With the small-deck carrier, that cost goes up because the number of airplanes you can carry goes down, so your cost of projection per aircraft is $245 million. The small-deck carrier task force augmented goes up to $294 million. From a cost effectiveness or a combat capability standpoint, the best bet is on the big carrier.

The PRESIDING OFFICER. All time on the amendment has expired.

Mr. TOWER. Mr. President, I move to table the amendment of the Senator from Colorado.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment of the Senator from Colorado.

Mr. HART. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. The Senator from Colorado requests the yeas and nays.

Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from New Jersey (Mr. Brady), the Senator from Missouri (Mr. Danforth), the Senator from Idaho (Mr. McClure), and the Senator from Wyoming (Mr. Wallop) are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Nevada (Mr. Cannon), the Senator from Illinois (Mr. Dixon), the Senator from South Carolina (Mr. Hollings), the Senator from Maryland (Mr. Sarbanes), and the Senator from Massachusetts (Mr. Tsongas) are necessarily absent.

I further announce that, if present and voting, the Senator from Illinois (Mr. Dixon) would vote "yea."

The result was announced—yeas 72, nays 19, as follows:

[Rollcall Vote No. 112 Leg.]

YEAS—72

Abdnor
Andrews
Armstrong
Baker
Bentsen
Boren
Boschwitz
Bradley
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Chiles
Cochran
Cohen
D'Amato
DeConcini
Denton
Dole
Domenici
Durenberger
East
Exon
Garn
Glenn
Goldwater
Gorton
Grassley
Hatch
Hatfield
Hawkins
Hayakawa
Heflin
Heinz
Helms
Humphrey
Inouye
Jackson
Jepsen
Johnston
Kassebaum
Kasten
Laxalt
Long
Lugar
Mathias
Mattingly
Metzenbaum
Mitchell
Moynihan
Murkowski
Nickles
Nunn
Packwood
Percy
Pressler
Quayle
Randolph
Roth
Rudman
Sasser
Schmitt
Simpson
Specter
Stafford
Stennis
Stevens
Symms
Thurmond
Tower
Warner
Weicker
Zorinsky

NAYS—19

Baucus
Biden
Bumpers
Chafee
Cranston
Dodd
Eagleton
Ford
Hart
Huddleston
Kennedy
Leahy
Levin
Matsunaga
Melcher
Pell
Proxmire
Pryor
Riegle

NOT VOTING—9

Brady
Cannon
Danforth
Dixon
Hollings
McClure
Sarbanes
Tsongas
Wallop

So the motion to lay on the table Mr. Hart's amendment (UP No. 940) was agreed to.

Mr. TOWER. Mr. President, I move to reconsider the vote by which the motion to table was agreed to.

Mr. BAKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER OF BUSINESS

Mr. BAKER. Mr. President, there is a matter that I believe can be dealt with in just a few moments.

I ask the minority leader if he is in position to take up H.R. 5118 which is at the desk at this time.

Mr. ROBERT C. BYRD. Yes.

ARIZONA WATER SETTLEMENT ACT

Mr. BAKER. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on H.R. 5118.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the House agree to the amendment of the Senate to the bill (H.R. 5118) entitled "An Act to provide water to the Papago Tribe of Arizona and its members, to settle Papago Indian water rights claims in portions of the Papago reservations, and for other purposes", with the following amendments:

Page 4, line 1, strike out "December 12, 1980", and insert "December 11, 1980,".

Page 6, line 25, strike out "December 12, 1980", and insert "December 11, 1980,".

Page 7, line 11, strike out "December 12, 1980", and insert "December 11, 1980,".

Page 9, line 19, strike out "(e)", and insert "(e)(1)".

Page 9, line 23, strike out "(1)", and insert "(A)".

Page 10, line 4, strike out "(2)", and insert "(B)".

Page 10, after line 9, insert:

"(2) There is hereby authorized to be appropriated by this Act, in addition to other sums authorized to be appropriated by this Act, a sum equal to that portion of the total costs fo phase B of the Tucson Aqueduct of the Central Arizona Project which the Secretary determines to be properly allocable to construction of facilities for the delivery of water to Indian Lands as described in subparagraphs (A) and (B) of paragraph (1). Sums allocable to the construction of such facilities shall be reimbursable as provided by the Act of July 1, 1932 (Public Law 72-240; 25 U.S.C. 386(a)), as long as such water is used for irrigation of Indian Lands."

Page 22, line 9, strike out "Notwithstanding", and insert "Except as otherwise provided in section 7 of this Act, notwithstanding".

Mr. GOLDWATER. Mr. President, the House of Representatives yesterday approved H.R. 5118 as amended by the Senate, with three additional amendments. The first technical amendment corrects a mistake in dates in sections 2, 3, and 4. They now read December 11, 1980, and not December 12, 1980, as was previously printed.

The second technical amendment clarifies the intent of section 11 in that the extension of the statute of limitations does not affect the obligations of the Papago Tribe contained in section 7, that is, dismissal of the tribe's pending lawsuit and waiver of present and future water claims relative to the named water basins.

The third amendment says that those costs for construction of that part of phase B of the Tucson aqueduct which are allocable to delivery of water to Indian lands are authorized by this act.

I ask that the Senate concur with the House amendments to H.R. 5118.

Mr. DeCONCINI. Mr. President, I am indeed pleased the House of Representatives has acted so quickly on H.R. 5118 which was passed by the Senate just 2 days ago, May 11, 1982. I am also pleased the House has accepted the Senate amendments incorporated in S. 2114, the Senate bill introduced by myself and Mr. Goldwater.

I do, however, have certain misgivings regarding the House amendment which has been incorporated in the bill and which is before us now. The amendment adds those costs to the bill which are attributable to the costs of phase B of the Tucson aqueduct of the central Arizona project. Some of my apprehension results from the fear that my colleagues might interpret this amendment as adding new costs to the bill. These are not new costs, Mr. President. These are costs which will result from the allocation of CAP water by the Secretary of Interior to the Papago Indian Reservation.

It must also be made clear that these funds, authorized in section 4(e)(2) of this act, are intended to be appropriated in conjunction with funds authorized and appropriated under Public Law 90-537, in the properly coordinated construction of the aqueducts delivering water to the Tucson area.

I have previously discussed this amendment with the tribal representatives and with the other principle entities and individuals which have historically contributed to the development of this legislation. They have all indicated their acceptance of the amendment if it is deemed necessary to the passage of the bill by the Members of the House of Representatives. It seems clear, Mr. President, that Members of the House are insistent on the inclusion of this amendment and so, in deference to the will of my constituents, the amendment is accordingly acceptable to me.

I would like to once again commend Congressman Morris Udall for taking the lead in the development of this legislation, and, in addition, my senior colleague, Senator Goldwater, for joining me in the introduction of the bill in the Senate, and for his efforts to attain congressional approval.

I sincerely hope, Mr. President, that the President of the United States will concur in the need for the legislation and will join the people of the State of Arizona in this important step forward.

Mr. BAKER. Mr. President, I move the Senate concur in the House amendments to the Senate amendment.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Tennessee.

The motion was agreed to.

DEPARTMENT OF DEFENSE AUTHORIZATION, 1983

The Senate resumed consideration of S. 2248.

Mr. BAKER. Mr. President, I might say, while we are interrupted, that first I thank the managers for giving us this opportunity to deal with this matter and, second, to say it continues to look like a very, very late evening, and it is still the firm intention of the leadership to finish this bill tonight.

Mr. TOWER. I think we can.

UNANIMOUS-CONSENT AGREEMENT

Mr. TOWER. Mr. President, for the information of my colleagues I am about to propound a consent agreement on time for an amendment to be offered by the Senator from Ohio (Mr. Glenn) on the deletion of MX funds. It is my understanding he is prepared to agree to an hour and 15 minutes, 45 minutes under his control and 30 minutes under mine.

Mr. GLENN. Yes.

Mr. TOWER. So, if he is recognized to offer his amendment, I ask unanimous consent that the time on his amendment be 1 hour and 15 minutes, to be divided 45 minutes for the Senator from Ohio and 30 minutes for the Senator from Texas.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. TOWER. Mr. President, I might add after that it is to be hoped that Mr. Moynihan will be recognized for an amendment on the Maybank amendment which he is prepared to agree to an hour's time on. I will not ask that because I do not know that it has been cleared all the way around.

Mr. President, following the amendment of the Senator from New York (Mr. Moynihan), provided he is recognized after the amendment of the Senator from Ohio is disposed of, there are a number of amendments that I think can be dealt with by voice vote to be offered by Mr. Gorton, Mr. Nunn, Mr. Warner, Mr. Levin, Mr. Heinz, Mr. Cranston, and Mr. Hart, and I would hope that we could deal with all of those following the amendment of the Senator from New York, and then there are some controversial amendments that follow that that will involve rollcalls, I think, on about four or five issues to try to give Members an idea of what the schedule is beginning to shape up as.

I feel more optimistic now, if these Senators will all cooperate, that we can finish without having to stay here to the crack of dawn.

The PRESIDING OFFICER. Does the Senator from Ohio desire recognition?

Mr. GLENN addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio is recognized.

Mr. GLENN. I thank the Chair.

Mr. President, I yield myself such time as I may require.

The PRESIDING OFFICER. Does the Senator have an amendment at the desk?

Mr. GLENN. Yes.

UP AMENDMENT NO. 941

(Purpose: To set aside $565,000,000 for research, development, test, and evaluation of a new intercontinental ballistic missile system in lieu of research, development, test, and evaluation on the MX missile system or on basing of the MX missile system.)

Mr. GLENN. Mr. President, I send to the desk an unprinted amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Ohio (Mr. GLENN) proposes an unprinted amendment numbered 941.

Mr. GLENN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 19, line 13, strike out "$4,455,341,000" and insert in lieu thereof "$2,743,041,000".

On page 21, between lines 9 and 10, insert the following:

LAND-BASED INTERCONTINENTAL BALLISTIC MISSILE

SEC. . (a) None of the funds appropriated for the Air Force under this title may be obligated or expended for research on or development, testing, or evaluation of the MX missile of the basing of the MX missile.

(b) Of the funds authorized to be appropriated for the Air Force under this title, not more than $565,200,000 is authorized for research, development, test, and evaluation on a new intercontinental ballistic missile system consisting of the optimum combination of missile features and land basing modes that will result in the capability of the system to survive an attack by the intercontinental ballistic missiles of a hostile foreign nation and to deliver a devastating counterattack.

The PRESIDING OFFICER. Who yields time?

Mr. GLENN. Mr. President, I yield myself such time as I may require.

The PRESIDING OFFICER. The Senator from Ohio is recognized.

Mr. GLENN. Mr. President, we can start out by asking why do we need an MX? I think that is a good question. In particular, why do we need this particular MX?

The theory is abroad in the land and accepted as gospel for the last few years that we are vulnerable to a first strike.

Mr. President, the perception is that we need an MX because our land-based fixed-point missiles become vulnerable to increasing accuracy and megatonnage of what the Soviets can launch in this direction, and the theory goes that we could be held hostage once we had a first strike that knocked out a number of MX missiles, that we then would realize that the Soviets in turn still have a sufficient number left that we dare not reply, so the theory goes that we are vulnerable.

We have some 23 percent of our total strategic nuclear force in ICBM silos.

Let us assume for the sake of the debate tonight that they are in fact vulnerable. So we want to design a new missile system that is somehow supposed to correct that vulnerability.

So we start out and what we have done is we have built an MX missile that is a big new missile, and I do mean big, and we have gone through a whole tantalizing series of possible solutions of how to base that big new booster, that 192,000 pound booster, as a matter of fact, and that parade of solutions has been the multiple protective shelter system that we saw turned down in the desert area. We have had proposals for small submarines. We have had all kinds of proposals for hiding a missile that large but all to no avail.

So here we are going ahead with all the research, all the development for a booster so large that the only place we figured out where to put it to date is to put it back in one of those same holes already targeted by the Soviets that made us vulnerable in the first place.

The Pentagon has been charged with coming up with a better basing system. I have had briefings on what they are considering as many other Senators here have had, and I think we probably all would agree that if we proceed the route that the Pentagon is charting for us right now as far as basing modes are concerned the cost of the missile itself is going to be comparatively small compared to the overall system.

I am not at liberty because of security classifications to go into all of those different methods, those basing modes, on the floor tonight, but I think there are a sufficient number of Senators who have had those briefings that there is general knowledge of what I am talking about.

The types of deception, the types of hiding of these missiles that are being talked about, are going to be tremendously expensive, and some of them have been out in public print. The huge new airplane that Secretary Weinberger proposed at one time, the deep hole solution, where we go down hundreds and hundreds of feet instead of just the shallow silos we have now, the dense pack, as it is called, which is the one that has been written about just recently, which puts all of these holes right in tight together and depends on a fratricide system in case an attack occurs, Mr. President, none of these really answers the problem, the original problem, that caused us to be vulnerable in the first place, vulnerable because we had fixed geographic point vulnerability.

These could not be moved around, and that is the reason why they are vulnerable now, the ones that are going to be placed in the old Titan silos already targeted by the Soviets. What have we gained? What are we in the process of gaining with a system we just put a great big new booster on beyond the size of anything we have had up until now, and put it in that same old hole that the Soviets already have targeted, and repeat once again the vulnerability that got us into trouble in the first place?

Now, Mr. President, what I propose to do with this amendment is to eliminate $1.7 billion in MX missile R. & D. for the current MX, but I would take $560 million now authorized for MX basing mode R. & D. and direct DOD to begin development of a new missile with its basing mode, which is the important thing in this, so that it will give us an optimum chance for a survivable ICBM system that can deliver a devastating counterattack.

That is what we thought the MX was going to be doing for us to begin with, and yet it is not. Right now the current plan is no farther along than to put those missiles back into the same Titan holes that the Soviets already have targeted, and we call this progress.

You go to some of these new basing systems, these deep holes or the airplane, the dense pack, as it is called, and once again they place the MX missile in geographically targeted spots, repeating the same vulnerability mistakes we made to begin with.

It just seems commonsense to me if we are going to an MX—and I do not debate that, I mean a new missile—that we do it in a different way. We do it including the basing mode in the original design, and to me that would mean probably going to a much smaller missile than anything we have proposed so far.

I do not specify in this amendment any particular basing mode or missile, but it does require looking at other missiles than the MX.

The amendment does permit, I would add, DOD to consider something that has been suggested in the past, and that would be to use the Trident II or an adaptation of the Trident II as a common missile, as it has been called, as well as a refurbished Minuteman with upgraded guidance, perhaps.

Smaller missiles of this type offer far more flexible mode options. They are less attractive targets, for one thing. Can you imagine what the first Soviet strikes would be against? The first, the very first, Soviet strikes would be against those Titan silos with the big new MX in it that is supposed to be so invulnerable, and that is the only reason why we are developing it.

A smaller missile in smaller hardened silos or one that is more easily defended by a nonnuclear ballistic missile defense or one that is better because it has better deception potential due to reduced mass and electronic signatures, one that has a mobility potential for cross country or helicopter lift or whatever is one, the type, that I think we should be moving toward.

Is this folly? Is this ridiculous to think we would accept such thing as a mobile in this country?

Well, let us look at what gives us pause when we look at other nations. What worries our European NATO allies is the SS-20. Why does it worry them? Because they know that we cannot guarantee knocking it out in Europe if war starts, because it is mobile.

We do not know where it may be. We do not know where to aim. We do not know what roads it is going to go down or what canals it will be on or whether it will even be in an airplane some place. We do not think they have developed that system, but it certainly is within the weight-carrying capability of an aircraft, so it gives us fits in our planning, and we do not know whether we could knock all those out, and we would try to develop a system to try to knock them out if a war starts in Europe.

Why are the Soviets, on the other side, so concerned about our Pershing missiles coming back into Europe? It is because they will not be in those missile parks if a war starts. They will be off either on a canal down the road, they will be in some place you cannot possibly target enough warheads to hit every place they may be, so they are a good deterrent.

Yet in this country we are going to fixed base, fixed geographical points, once again, and that is supposed to somehow give us more protection because it is bigger. That is the only advantage it has now, bigger with a new guidance system, perhaps with a little increased accuracy, big weight-carrying advantage. But that is of no concern or we would not have knocked out the Titan last night that gives us our biggest throwweight and biggest megatonnage.

The main thing is to consider what is in the Soviet mind that might lead them to a first strike on the United States. The thought that will lead them in that direction is the thought that they will not get obliterated in return; in other words, deterrence. If we go to a smaller missile, if we go to one that is more mobile, if we go to one that is not a sitting-duck target for a Soviet attack, then we cast that doubt in the Soviet mind about whether they can make a first strike against the United States without facing retribution in kind back from a guaranteed reply potential that we would have in this country.

Let us look at the Soviet SS-18 for just a moment. The Soviet SS-18, 308 of them by our estimates, not limited to 10 warheads per booster, that is 3,080. But that big booster has a capability of 40 or even more warheads per booster, with its throwweight capability. That means that right now if the Soviets want to make a breakout with the SS-18 it means they can have some 12,000 warheads just on that SS-18.

I would ask would not that be a target we would shoot for if the shoe were on the other foot? You can bet we would. We would be shooting just as fast as we could get to knock out those SS-18's as fast as we could get to them.

The same thing, the same kind of psychology, obviously would be in the Soviet minds if they decided to fire toward us. They would shoot for those MX's, for our newest missiles, and those that are the most accurate.

So, Mr. President, what I propose is not to eliminate a new missile at all. What I am saying is that our current missile, the MX as we know it now, the 192,000 pound one, is going to be a fixed-base missile no matter what. There is no way to make a 192,000-pound missile into anything other than a fixed-point target for Soviet attack, and if we are going in that direction I think we are off on the wrong foot. We ought to just forget it, and say that our sub forces, which are some 53 percent of our strategic—carry some 53 percent of our strategic—arsenal will do the job for us in the indefinite future because they are largely undetectable under water and can hit anywhere in the Soviet Union, and to just forget the MX because we really do not need it.

I would not prefer to see us go that route. But I would say if we go with the current MX, we are deluding ourselves only, because we are certainly not fooling anyone in the Soviet Union that by placing a big new booster in the same old hole they already have targeted that we have somehow lessened our vulnerability to a first strike. So we have to consider the basing mode in the design of the missile.

We have tried for about the last 4½ years that I know of to get the Pentagon to come up with a basing mode. And we now have them on a short leash once again. We are saying by whatever the date is they have to come up with a basing mode. But I would say that as long as they are continuing work on the current MX, it has to go into a fixed geographical point, that we are wasting our money and we might just as well save that $1.7 billion that I propose to save with this amendment and go ahead with a new missile that will have a basing mode that we can use.

Now, this money that we have spent on the MX so far will not be entirely wasted, I am sure of that. Because there have been some new accuracies developed for guidance systems, it can be developed to another booster or another missile. There are all sorts of things that have come out of the studies as far as engine specifics and new grain for the propellant fuel in the booster. Things like that can be adapted to a different booster, so it is not a total loss.

And we would certainly want to make use of all of those things we can. The basics are there. But we have proceeded with a 192,000-pound missile that is not going to have anything to do except sitting in a specific geographic spot which is what caused the vulnerability of our whole land-based ICBM group to begin with.

So I think we should save this $1.7 billion. I think we can go ahead with a new MX basing mode. The Pentagon, through all of their search for basing modes, has been spectacularly unsuccessful so far in coming up with any basing mode. I have talked to them just recently about their current feelings. They are not yet ready to recommend any one of the modes. And I will tell every Senator here that from what I have seen, the basing modes that I have seen proposed are going to make the cost of the missile look small by comparison, because they are so exotic and would require so much work, so much construction, that they are going to exceed the cost of the booster itself, I think, many times over.

I yield the floor and reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. WARNER addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. WARNER. I wonder if the distinguished Senator from Ohio might engage in a colloquy with me and the time being charged to the respective parties.

The distinguished Senator has proposed in essence that we abandon a program in which we have now invested $3 billion. While there will be some, I think, relatively minor benefits to other areas of nuclear research and development, nevertheless, this is an almost astonishing abandonment of a heavy investment of funds.

I really think that, in view of the fact that the first flight test of the MX is but 8 months away, that it would be highly inappropriate at this time to abandon all that work for a system, Mr. President, which has been studied, I suppose, as carefully as any system in the history of strategic warfare in this country. The road mobile system has been looked at, in my memory, for over two decades. And it has been the decision of several Presidents, several Secretaries of Defense, several Chairmen of the Joint Chiefs and others that it is simply not adaptable to our strategic deterrent complex of weapons for many reasons.

Let us start with, I think, probably the principal reason, that we in the United States enjoy an open and free society, in sharp contrast to the police state of the Soviet Union. As such, the amount of security that would be required to have such a missile as the road mobile system in the United States, coupled with the possible threat of danger to our citizens, those two reasons have been insurmountable. I call on my distinguished colleague to address those points. I think it would be helpful to our colleagues who are listening now and studying this if we performed this by way of a colloquy rather than just speech after speech.

Mr. GLENN. Does the Senator wish for me to reply to that?

Mr. WARNER. Yes.

The PRESIDING OFFICER. If the Senator will yield to the Chair, the Senator made a request that the time be divided between the individual participants. Is that agreeable to the two participants?

Mr. GLENN. That would be fine with me.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GLENN. Let us say, on security requirements, the same thing would apply as any place in Europe. The Pershings are not kept in one spot. They are moved around. Security is provided. It is accepted there. There would be no difference. The missile sites here would probably be not much larger than that if we design the proper missile.

Although, let me make a specific point. I am not tailoring this process to any particular type of booster. I specifically stayed away from that. I wanted the Pentagon to consider the basing mode in what they are doing. We do not have a basing mode.

Right now, to go ahead and just make the MX as another fixed geographic point target for the Soviets to shoot at, with the additional expenditures of funds that is going to be required, to me makes no sense.

The Senator very properly makes the point that we have already invested $3 billion. But I come back to the basic question: What is the combat capability? What is the combat capability? The combat capability is that we might just as well get those old Titans in the hole, except this has a little more throw weight than the Titan. So, really, we have not solved the problem of the geographic point vulnerability that got us into the problem to begin with.

We put $3 billion in, so we salvage what we can and take our losses. But why proceed with the huge expenditure of funds that is necessary to carry out the remainder of this program when it is not going to solve the problem we set out to solve in the first place?

(Mr. D'AMATO assumed the chair.)

Mr. WARNER. But the Senator is well aware of the action that was taken, first of all, in the subcommittee, of which I am privileged to chair in the Armed Services Committee, whereby we abandoned the interim concept of putting the MX in Minuteman silos and Titan silos. And the Senator is absolutely correct. I concur. It was abandoned. The full committee recommended that action and that is reflected in the bill.

So we are now at a juncture where in excess of $3 billion has been expended for this MX missile and we have to develop a basing mode. The Pentagon has done a good deal of work in connection with Dense Pack. We have yet to consider that basing mode formerly here in the Senate. As such, it seems to me the President should have the opportunity to go forward and explore what may well be the very last element for the survival of the MX; namely, the Dense Pack basing mode. Now, there are some reverse slope concepts. There is the Big Bird concept, which I, myself, think is impractical, and I think the distinguished Senator from Ohio shares that view.

Mr. GLENN. I do.

Mr. WARNER. But, nevertheless, I bring to the Senator's attention that we are asking our colleagues to abandon $3 billion in investments to perhaps build in a further delay in the land-based deterrence by a brief colloquy of an hour and 15 minutes—no disrepect meant to my distinguished colleague—without any hearings on this initiative proposed tonight. I believe that is just more than our colleagues can accept.

Mr. GLENN. I would reply to the distinguished Senator from Virginia that if that was the only consideration that had been given this, then I would agree with him completely. But the Senator knows that he and I both have been concerned about this basing mode for many years.

I personally have been involved with looking into this basing mode with more trips back and forth to the Pentagon and more trips from the Pentagon to my office than were perhaps warranted, trying to find out what the basing mode was going to be or work out some concept that would once again, which I started out with, reduce the geographic point vulnerability that got us into this whole MX thing to begin with.

We are solving it by basically going back to something that is so big that it will, once again, be put at a fixed geographic point.

Now, the Mesa concept, the Big Bird concept, all of these things that he mentioned a moment ago are things that are going to be tremendously expensive, far beyond any $3 billion, if we go ahead and prosecute them. The systems in the world right now that are the ones we worry about the most—in fact, in SALT II, we were so concerned about a system that was not going to be at a fixed point that the Soviets had, the SS-16, we took the special precautions of making sure that was prohibited under SALT II and they could not do that.

One reason was that we were so concerned we would not know where they were. We could not target them. Yet here we are deciding on another missile. This is not something new, as the Senator suggests. This is something we have been considering for roughly the last 4 years. I brought this up on the floor some 3 years ago. From my trips back and forth to the Pentagon, in getting away from a geographical point of vulnerability, I have yet to find anyone in the Pentagon who has not said that going with a smaller missile, which would be more flexible, which could be moved around, is not the best way to go. It is cheaper and it implants the greatest doubt of first strike success in the Soviet minds because they do not know where to aim to hit it. It creates the greatest deterrence.

But the only reason ever given is the social interface of the United States that Americans would never accept what is accepted as a norm in Europe, what is accepted as a norm in the Soviet Union, which gives both sides the greatest concern. That is vulnerability.

I find that just an unacceptable answer.

I will repeat again. I am not pushing toward that. I am saying we should come up with whatever basing mode there is in conjunction with the booster as developed, and not end up with an impossible basing mode such as the huge booster, such as we are doing right now.

Mr. WARNER. The Senator has answered my next question. That is if the Pentagon has always felt this was a concept that should be put forth, first, why did they not bring it to the Congress of the United States so we could explore it in hearings?

Mr. GLENN. Social errors.

Mr. WARNER. Then what evidence have we tonight that we can share with our colleagues that in these mere few minutes suddenly swing around a decision which has been blockaded, so to speak, for three decades?

Mr. GLENN. For three decades?

Mr. WARNER. I would think for 30 years they have been looking at the concept of the deployment of weapons in this country.

Mr. GLENN. I see. We do deploy them.

Mr. WARNER. In a mobile system?

Mr. GLENN. Not in a mobile system, but we ask the communities which are near them to accept them. There is no risk. The booster does not light itself off and go squirting around the countryside, as the Senator knows. The worst thing it could do, if ignited inside the silo, would be to burn in place.

Mr. WARNER. I appreciate that. But mobility means either rail, road, or barge. Am I not correct?

Mr. GLENN. Road, rail, barge, air.

Mr. WARNER. I think the Senator and I have pretty well agreed that the air concept of the Big Bird——

Mr. GLENN. If we go to the big 192,000 pounds, yes. If we have the much smaller one, I do not eliminate air from that.

Mr. WARNER. Then we will put air in for the purpose of discussion.

But, again, what evidence have we to share with our colleagues tonight that that social interfacing can be accepted?

The Senator from Ohio is asking us to cancel a $3 billion program and make a very dramatic restart based on what I might say is the hope that there could be a social interface.

I raise this point to which to address my inquiry. We are experiencing in this country what I regard as a very healthy movement; namely, more and more citizens becoming concerned with all aspects of nuclear power, whether it is power or weapons, studying it. Unfortunately, we have not given them, in my judgment, adequate leadership to direct them on a course that would not stop civilian nuclear power and not stop these resolutions which say, "We do not want anything in our country related to nuclear fission whatsoever, be it civilian power or military weapons."

I think suddenly tonight if we were to go the course the Senator recommends this would fuel this popular movement all over America. and we would suddenly be confronted with the situation where all communities would pass resolutions that they do not want any nuclear weapons in their areas.

Mr. GLENN. Let me ask the distinguished Senator from Virginia what basing mode he faces at this time and how it would improve our intercontinental ballistic posture to get away from the fixed mode.

Mr. WARNER. I think this program should be completed, as it will be in 8 months, and then to study, as the President promised, and I was in his office not more than 4 days ago when this very subject was discussed. He said "I will see that this administration brings forth a basing mode not later than December 1, 1982."

I think he is entitled to that opportunity.

Mr. GLENN. I am sure the Senator from Virginia is more familiar with the basing mode than I am. What basing mode does the Senator think would be suitable now to get away from the fixed-point vulnerability?

Mr. WARNER. I have some hesitation on deep ground, but possibly on steep slope.

Mr. GLENN. Have we any cost estimates on those?

Mr. WARNER. I have seen only the rough figures, but certainly my recollection is that they were under what we had for the Carter system on the racetrack. I do not have the cost figures.

Mr. GLENN. I have not seen any figures.

Mr. President, I just feel that we have agonized and the Pentagon has agonized over the basing modes of this booster. They started out with the 192,000-pound booster without knowing what basing mode they would have. They have been unable for the last 4 years to develop a satisfactory basing mode. On the ones I have been briefed upon by the Pentagon, they do not look any more satisfactory than the previous ones the country turned down. I think if we are really concerned about the fixed-point vulnerability of our land-based ICBM's, we have to take a new look at this thing and go back to a system that will be flexible. That does not mean it has to be off Federal lands. It does not mean it has to go up and down the highways or through our cities, necessarily. It means it does have to be flexible enough that it can be mobile, it can be moved around on Federal lands or wherever. It could be at sea. It could be an adaptation of the Trident. It could be a whole series of things I would want them to study that are impossible to even contemplate as long as we stick with the 192,000-pound MX.

Mr. WARNER. I have one last question of the distinguished Senator and then I will yield to my colleagues who are anxious to express their views.

The distinguished Senator from Ohio has been in the forefront of all the considerations of the arms limitations discussions. It would seem to me if we were to take this radical departure now it might well complicate the talks which the President has indicated will commence as early as June. In other words, we would be injecting a new element, an unknown, into this equation, and in all probability numbers that are far greater than anticipated now for the MX.

Mr. GLENN. I think last night on this floor we were concerned about throw weights and megatonnages in doing away with the Titans. That did not seem to be a real consideration last evening. I wanted to keep those Titans in their holes for that very reason, that we have a known capability there and we are giving it up. We really cannot have it both ways. We cannot have little concern by the administration last evening in favoring doing away with the megatonnage throw weight of the Titans, which is a considerable thing, the booster that has the biggest throw weight and megatonnage capability of anything in our arsenal. If we are doing away with those and being concerned with the MX being a bargaining chip when it is nonexistent—we have only spent $3 billion, a lot of money, but we are about to spend a lot more than that, and there are times, I think, when you have gone off on the deep end on a concept that is not viable, is not working, is not giving us the additional security that we thought we were providing with it, we are not getting away from a geographic fixed point vulnerability that got us into trouble to begin with—it seems to me it makes sense to cut our losses, go to a system that will give us more flexibility and give us a better deterrent in that Soviet mind that they do not know where to shoot at in this country and so they better not do it because they will get obliterated.

Mr. WARNER. But to get back to this consideration, does not the framework complicate the negotiations? You do not know the number involved, the number of warheads, and the question of verification of mobile systems.

Mr. GLENN. On the verification aspect, I think there is doubt that this would fit into the SALT II, so I think we would be in violation of it. I do not think going to a mobile would be. We are permitted to develop on new system and if that is our system, we can develop a mobile. The Senator will probably recall that one of the things during the SALT II debate we were most concerned was the mobile the Soviets have, the SS-16. We could not have a strike back. We did not know where it was going to be. Therefore, as far as we were concerned, it was certainly a deterrent in our thinking here to cope with Soviet nuclear weaponry. Think of how it would be if we had a system and they did not know where we were going to be.

Mr. WARNER. Mr. President, I yield to the Senator from Utah.

Mr. GARN. Mr. President, the Senator from Ohio and I are not normally on opposing sides of the issue. In fact, for the past 8 years, we have found ourselves on the floor, as former naval aviators, arguing the same point. So I think it is strange for us to be on different sides.

I think it is a grave mistake, after all these years, to simply take out all the R. & D. funds and abandon this missile. I recall back in 1976, when I first became involved in the Armed Services Committee, more than 6 years ago, I asked for an appointment with President Gerald Ford. I went down and said, "I realize I am only a second-year

Senator, but I have spent a lot of time on this and for whatever my opinions are worth, I would like to express them to you."

I said, first of all, with what the Soviets are doing, since we unilaterally made a decision in 1959 to deploy no more than 1,000—550 Minuteman II's, while the Soviets were working on their SS-18's, SS-19's, SS-20's, and now the mobile SS-16, although I think it is difficult to pick a basing mode, at that time I thought he ought to make a decision. The first one was to proceed with the development of the MX missile itself, so we do not have delays and do not have great cost escalations in the development of the missile while we try to decide on a basing mode; and second, try to build a B-1 to beef up our Triad. Unfortunately, he deferred. Because of the election, he did not want to make those decisions. He lost the election, President Carter came in, killed the B-1 and waited 3 years to decide on the MX. Then in my opinion, he picked the most ludicrous of all the basing modes of the 25 or 30 that could possibly be studied.

I know I get accused of saying I just feel that way because he wanted to put it in my State or Nevada. I have never refused or said I would not accept MX in my State. I said I did not want that basing mode because I did not feel it was survivable, simply not survivable at all. It did not matter where you put those missiles, the Soviets simply could overwhelm it, could target all 46 shelters with 2 warheads each. It was absolutely unsurvivable before you ever completed it.

So, I think President Ford made a mistake. I think President Carter made a grave mistake in not proceeding. Now, in 1982, 6 years later, we are on the floor saying, let us not even build the missile. In my analysis of basing modes, where I think the biggest mistake has been made is we have tried to find one best solution. There is no one best solution. If we look at some combinations, all of them had some warts on them, some problems—either with arms control or verification.

I still feel that if we give up the MX, I see no way that we can achieve an arms control agreement. I see no incentive whatsoever for the Soviet Union to give up their SS-18, with 308 of them in place; no incentive whatsoever for them to give up their 300 SS-20's in Eastern Europe. I have never seen them give anything up for something, most of the time, let alone something for nothing.

I understand, the Senator and I have talked about this many times, about road mobile. We talked about it in 1979 when the SALT treaty was up. I agree, it is a great system. They would have a hard time finding it. I do not know whether we could sell it politically to have them roaming around the roads. We had a hard enough time trying to sell anything in the western Utah desert, let alone roaming the roads.

Forgetting that situation, it may fit or may not, may be in opposition to SALT II; I just cannot imagine how in the world we would ever work out the verification of that system. I really believe if we want to say let us forget arms control and go ahead and have a deterrent, it might be a good idea.

With the Soviets being difficult on agreeing to adequate verification—you know we agreed on that in 1979; there was not adequate verification of fixed points. Despite the fact that the technology has improved somewhat, I do not see any way we can get adequate verification for a mobile system or get the Soviets to agree to one we can verify in their country.

Mr. GLENN. Does the Senator recall it was the Soviets who insisted that NTM, National Technical Means, be their own? We accept that, satellite all sorts of monitoring, because we have no help from the Soviet Union. What is sauce for the goose is sauce for the gander.

Let them have some NTM problems over here. I do not see that as a problem.

Mr. GARN. I do, because I felt at the time very strongly that we needed on-site monitoring, in-field monitoring, because National Technical Means, after losing Iran, as the Senator knows, without giving away any classified information, could not give us some of the items we needed, throw weight and so on, their test sites, in a few seconds.

The Senator from Ohio knows a lot more about rockets and lifting off and so on than I do. I have never been on one, though I hope to some day. He knows how valuable that is. You do not get that from satellites. You cannot get that from satellites at this time.

I do not know how we are going to find mobile systems hiding in the forests, how the Soviets are going to be convinced it is adequate on both sides.

I feel very strongly that this inhibits the arms control process. I feel that, after all these years, we should still proceed with that missile, not defer at all the building of the missile while we continue for only 8 months to try to come up with a solution, I think the Senator knows what my preference has been for a long time.

I think we made a great mistake in the antiballistic missile treaty, that we should have proceeded with some kind of passive defense. I still think that is a better deterrent than building new offensive weapons systems. My basing mode would be the MX 82,000 pounds, starting with the low-adds, which can be built soon, the medium-level system, also the isoatmospheric.

Senator WALLOP has tried very hard to push us to a faster development on space-based laser. We are well behind the Soviets. I believe a layered defense is a lot less risky than many systems talked about, and by the middle 1990's, we can have all three layers that will give us more protection.

Mr. GLENN. I am sure the Senator remembers we agreed if we went into a new generation of MX missiles, we felt they were vulnerable to a Soviet first strike. That is because they are at fixed geographic points and can be targeted. Those targets do not move. And the Soviets have them already in their computers, all set up to go. If we go with a missile as big as this one is going to be in some kind of fixed form, at a fixed launch point—it may have some different entries and exits from that point, but it is going to be at basically a fixed point, because it is so big we cannot make it anything but a fixed-point-based missile.

It escapes me how this really corrects anything or how this gives us additional bargaining power. All we can say is it is new, a little bigger, a little more throw weight, megatonnage capacity. We are not concerned about that or we would not have given away the Titans last night.

Mr. GARN. Mr. President, I do not think you can compare the Titans, with a much bigger band, with the MX. They do not have nearly the accuracy as far as hard target capability. I think that is where the deterrent has to come. I am not one who believes in the philosophy of some who say we can blow up Moscow or Leningrad. I do not want to live in a country that says the deterrent is to kill millions of people. I would rather target their ability to wage war, which, in this case, is their land-based ICBM's.

But I am taking too much time and there are others who want to speak. I just want to say I feel it would be a grave mistake not to continue with the development of the MX missile while we determine a basing mode for it.

Mr. GLENN. Mr. President, how much time remains on each side?

The PRESIDING OFFICER. Nineteen minutes and three seconds for the Senator from Ohio; 13 minutes and 56 seconds for the Senator from Virginia.

Mr. WARNER. Mr. President, I yield 5 minutes to the distinguished Senator from New Mexico.

Mr. SCHMITT. I thank the Senator from Virginia. I have enjoyed the discussion very much. It is illustrative of a great deal of background and experience on all of these issues. As the Senator from Ohio knows, however, you develop more options with more thrust. His option was to go under an Earth orbit. My option was to go to the Moon, and that is the difference between an Atlas and a Saturn. I would just like to add that perspective to this discussion, that, yes, the MX is a big missile. As a consequence, it has more thrust, and also as a consequence it provides options. It provides options for launching a variety of things, not just reentry vehicles. It appears to provide the option of seriously considering the only means that we have of slamming shut the window of vulnerability, and that is a consideration of launch on warning, launch to orbit.

That is something that we must be willing to consider and may have to consider at some point in our future.

Why do I say that, Mr. President? I say that because I personally do not believe that the Soviets can negotiate arms reduction under current circumstances. They have created within their boundaries a military-industrial complex that is on a wartime footing, for which there is no substitute. Unlike our own democracy, our own free enterprise system, once the weapons have been produced to the degree that the people want them, then those industrial components can be diverted to other endeavors—endeavors in a free nation.

The Soviet leadership cannot afford to do that. they cannot afford either to have tens of millions of Soviet citizens out of work, because the military-industrial complex to the production of the kinds of goods that a free people normally would get.

I have to admit that I may be more skeptical than most about the feasibility of any kind of negotiated arms agreement. This does not mean we should not be doing it. It is always wise to talk. You learn a great deal if you talk and listen at the same time.

But I think we also have to ask ourselves the question of why do the Soviets have fixed-base missiles, intercontinental ballistic missiles. Obviously, they built a lot more of them. Again, relating back to this military-industrial complex, not only built a lot more, they are replacing a lot more and they are doing it periodically with new generation weapons. But why do they feel they can get away with it? Because they made the decision that we will never launch a first strike. They have that option. That is a very important thing to remember. We are not a first strike offensive nation. In this unfortunate area of military activity, they consider it as one of their options.

In addition, they have worked extensively on ballistic missile defense systems. It would not surprise me to see them move to break out of the ABM treaty, either as soon as it expires or even before it expires. We must be cognizant of that.

I increasingly think this bill that is before us begins to recognize the necessity of the United States moving in research and development and eventually procurement for ballistic missile defense.

The answer, as the Senator from Utah has indicated, to the vulnerability of any land-based missile system is a defensive system.

I do not believe that we are going to be able to have a mobile system for some time on land, although we certainly should do everything we can to upgrade and improve not only the capabilities of our undersea mobile system but also the defense of that system.

In summary, Mr. President, the fundamental reason that I support continued development of the MX is that I believe it does put us in the posture of developing ballistic missile defenses that we need to have anyway, and it gives us a whole new set of options because it is a big booster. The very reason the Senator from Ohio does not like it is the reason I like it.

The PRESIDING OFFICER. Who yields time?

Mr. WARNER. Mr. President, I would be glad to yield to the distinguished Senator from Michigan.

Mr. GLENN. I yield to the Senator from Michigan.

Mr. LEVIN. Mr. President, I yield myself 5 minutes. I support the Glenn amendment to redirect the MX missile research and development program toward the goal of producing a survivable missile in a militarily and cost-effective basing mode.

Frankly, I have doubts that such a basing mode exists, no matter what size and shape of MX missile we decide to develop. But proceeding with development of the largest MX missile proposed, the 192,000-pound, 92-inch diameter missile, just complicates and confounds the search for a survivable deployment scheme.

Such complications are both needless and expensive, and they lie at the heart of the dilemma which so far has plagued several administrations during the past decade—how to deploy a new missile to modernize the land-based leg of our strategic deterrent Triad in a way which is militarily, economically, environmentally, and politically affordable, and one which is compatible with efforts at nuclear arms control.

If one believes in the vulnerability of our land-based missiles, it would appear that the only basing mode solution to this hypothetical weakness would rely heavily on deception and mobility.

Some basing mode which would make the Soviets uncertain where our intercontinental ballistic missiles are based, thus reducing their confidence in launching a successful first strike against them, would seem to require us to be able to move our ICBM's from silo to silo or shelter to shelter without Soviet detection of their precise location. The mobility of the MX would be reinforced by whatever deceptive means we employ to "mask" its ultimate location, each time it is moved.

The requirement to move the presently proposed 71-foot MX behemoth insures that moving it periodically will be a major enterprise that would take such a long time that the Soviets would find it easier to monitor and pinpoint its final location. In addition, the weight of the missile, combined with that of its huge transporter, would be so large—almost 1 million pounds—that it could only be moved over specially reinforced roads.

Testimony before our Strategic Forces Subcommittee graphically brings home these points.

On March 2, 1981, the Air Force's Chief of Research and Development, Lt. Gen. Kelly Burke, stated the following about the problems with the interim silo basing mode proposed for MX:

> The MX is so large that, once assembled, it cannot be transported over roads. It is a million pound vehicle. So it will have to be assembled on-site, in the silo, which is differently than we do the Minuteman. The way it would work is, the transporter would bring in the stages, one at a time. * * * So, wherever we go, we are apt to have to do some shoring up of bridges to make these movements.

He concluded that moving such a large missile, along with the requirement to assemble and insert it into a silo in stages, would take probably 8 to 10 days.

You cannot try to hide a missile for that long a period of time and retain much confidence in its deceptiveness, especially in this open society of ours.

Any deceptive basing scheme requiring us to shuttle such a large missile among various shelters, whether it is "Dense Pack" or "Six Pack," as Washington Post editorial cartoonist Herb Block has invented for the MX, probably would suffer from the same problems.

We would reduce these problems considerably if the missile involved in these exercises were smaller.

If we were going to base the MX in deep underground silos or in a continuous patrol aircraft, a smaller missile makes even more sense, since it would impose more manageable lifting and transporting requirements on any specially designed aircraft or subterranean shelter.

The prospect of dropping the present 192,000 pound MX from an aircraft strikes me as close to defying the laws of nature, Mr. President, in view of the stories told about the way the wings of our C-5A almost buckled when it dropped even the lighter Minuteman missile in an experiment some years ago.

The wisdom of redirecting the MX missile R. & D. program to investigate and develop a smaller missile also is borne out by the fact that the AF has acknowledged it is considering the smaller Trident II missile and the much smaller Minuteman III ICBM as candidates for some of the alternative basing modes under review, and that some changes might well have to be made to the present MX to make it compatible with some of these basing modes.

Designing a basing mode around a missile is a dubious proposition, Mr. President. It is putting the "cart before the horse." We have inherited the present MX missile from the now discredited multiple protective shelter basing scheme. We should jettison it and, if a new land based system is otherwise needed and desirable, design a survivable basing mode in conjunction with a missile most suited to that basing mode, not try to make the present white elephant fit whatever deployment scheme is finally selected.

The Glenn amendment before us today would permit us to make this more cost and militarily effective decision.

Finally, on this point, Mr. President, I am aware that opponents of this amendment would argue that stacks of studies as tall as the MX missile itself have determined that the presently proposed missile is the most "cost-effective" vehicle to deliver a particular number of nuclear warheads.

I would only respond that there has been ample testimony that essentially the same levels of militarily effective destructive power can be delivered by a force of smaller missiles. Whatever gains in ease of deployment would far outweigh any minor losses in relative effectiveness, especially since the former would contribute more to the overall survivability and deterrent power of our ICBM force than would the latter based in a more compromised and less survivable mode.

It is for all these reasons that I urge my colleagues to pass the Glenn amendment today.

The PRESIDING OFFICER. Does the Senator from Ohio yield additional time to the Senator from Michigan?

Mr. GLENN. I yield such time as the Senator may require.

Mr. LEVIN. I thank the Senator.

At this time, as we are discussing the ways to modernize the land-based leg of our strategic Triad, it also would seem appropriate to address the entire issue of the alleged "window of vulnerability" and our supposed strategic "inferiority."

If you would permit me to mix a few metaphors, Mr. President, it is this alleged "window of inferiority" which has driven our seemingly frantic and sometimes fanciful efforts to find an acceptable MX deployment plan.

This window of nuclear vulnerability is supposedly so drafty that the President of the United States seems to truly believe that, as he stated at his March 31, 1982, press conference, "the Soviet Union does have a definite margin of superiority."

When asked in a followup question whether he was "saying that the United States was vulnerable now, right today, to a nuclear attack that (it) could not retaliate on," the President responded:

> There would be possible, because of some of (our) Triad, retaliation, but the Soviets' great edge is one in which they could absorb our retaliatory blow and hit us again.

Defining nuclear superiority in these terms is not only incorrect, with all due respect to the President, but it also implies that the nation possessing such an alleged advantage actually could "win" a nuclear war.

Yet the President completed his non sequitur by responding to a second followup question by stating:

> I just have to say that I don't think there could be any winners—everybody would be a loser if there's a nuclear war.

If no nation could win a nuclear war, Mr. President, of what advantage is it to a nation to possess what some regard as nuclear "superiority?" Logic would argue that there is no advantage to this condition.

But let us also respond to this issue in less theological terms and analyze the strategic nuclear forces at our disposal to determine whether the President is correct in his assessment of our inferiority.

For the purposes of argument, let us assume that our ICBM's are as vulnerable as some contend. I do not believe they are, but let us assume so for this discussion.

At a later press conference, President Reagan elaborated on his theory of our vulnerability in the following exchange. He was asked whether the Soviets could "strike us with impunity" with their strategic forces. He answered:

> I think I spoke of that the other night. That, yes, we would have surviving missiles in our submarines, airborne, of those planes that were airborne at the time of such an attack. Their missiles are aimed at our silos, our ballistic missiles, land-based missiles.
>
> But, would our retaliation result in further devastation of the United States?

The response to the President's own question is that any retaliation by the United States may result in our further devastation, regardless of whether our retaliation is delivered by ICBM's, submarine-launched missiles or bombers.

The President is dismissing too lightly the capabilities inherent in our submarine and bomber forces, and even the small number of ICBM weapons surviving in this "worst case" analysis, to accomplish retaliatory options far more "controlled" than the "surrender or suicide" form of massive retaliation to which he seems to be referring.

We have had such limited nuclear options in our war plans for many years, Mr. President, regardless of whether the prospects for controlling a nuclear war are realistic.

Two years ago, the Defense Department even printed general examples of the types of options we could carry out and the many types of targets we could destroy without engaging in a mutually suicidal countercity attack with the Soviets.

I ask unanimous consent to have this list printed in the RECORD at this point, and point out that any 1 of our 31 nuclear missile submarines has the capability to destroy many of these types of targets. Our bomber forces possess even greater targeting flexibility.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

OPTIONS

> We target installations associated with:
>
> War supporting industry: ammunition factories, tank and armored personnel carrier factories, petroleum refineries, and railway yards and repair facilities.
>
> Industry that contributes to economic recovery: Coal, basic steel, basic aluminum, cement, and electric power.
>
> Conventional military forces: Kasernes, supply depots, marshalling points, conventional airfields, ammunition storage facilities, and tank and vehical storage yards.
>
> Nuclear forces: ICBM/IRBM LF's and LCC's nuclear weapons storage sites, long-range aviation bases (nuclear capable aircraft), and SSBN bases.
>
> Command and control: Command posts and key communications facilities.

Mr. LEVIN. Mr. President, the Defense Department further testified that:

> Policy also dictates that the President be able to choose from a variety of preplanned strike options in order to limit further damage to the U.S. and its allies, control escalation, and end the fighting as quickly as possible.
>
> The existence of a variety of preplanned strike options against target subsets of differing size and composition provides flexibility. It allows the President to control the focus and scale of retaliation and insures that a counter-city response is not the only one available.

These policies have not changed with the change in administrations, Mr. President, as a trip to the Strategic Air Command for a discussion with the experts of the Joint Strategic Target Planning quickly demonstrates.

As long as we can execute a range of these options after a Soviet first strike, I believe we are not inferior to the Soviets, nor do I think we are facing a gaping "window of vulnerability."

The theoretical vulnerability of one leg of our strategic Triad should not be confused to mean that our overall nuclear deterrent is weak and ineffective, and I am afraid that the President has not been sufficiently informed as to this important distinction.

If necessary, we can do much more than simply retaliate once against the Soviets with an all-out attack on their cities, and we will maintain these flexible strategic nuclear capabilities even

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without throwing good money after bad on an overly large MX missile or a flawed basing scheme.

A close and careful reading of the testimony before our Armed Services Committee clearly contradicts the theories of the "window of vulnerability" and of our strategic inferiority.

Our Nation's top nuclear commander, Gen. Bennie L. Davis, chief of the Strategic Air Command, and Defense Secretary Weinberger himself provide this evidence.

On February 26, 1982, General Davis said:

> As long as the other two legs of the Triad—the bombers and SLBM's—remain survivable, the Soviets will face nearly insurmountable problems in timing a strike that could destroy all the forces of our Triad, including the ICBM's.

This statement may be an excellent argument for modernizing our bombers and missile submarine forces to insure their survivability, but it certainly does not support the theory that our strategic forces are inferior or could not deter or fight a nuclear war. Even some of ICBM's would survive a Soviet first strike, General Davis said.

Secretary Weinberger declared on February 2, 1982:

> We recognize that it is the very strength of the Triad which not allows us the time to find a suitable and survivable long-term MX basing mode by relying on our still survivable and highly capable submarine and bomber forces.

These words also support the need to improve our bomber and submarine forces to protect against their possible compromise in the future. But the words "still survivable and highly capable submarine and bomber forces" should be emphasized, and I commend them to my colleagues and the President. They close the window of vulnerability with a resounding slam.

Secretary Weinberger's statement also supports the wisdom of the Glenn amendment, which would permit us to make the best use of our time available to develop a more suitable and effective long-term basing mode for the MX.

I urge adoption of the amendment.

Mr. WARNER. Mr. President, may I put a question to the distinguished Senator from Michigan, on my time?

The PRESIDING OFFICER (Mr. DURENBERGER). The Senator from Virginia.

Mr. WARNER. Mr. President, I ask the distinguished Senator from Michigan a question, if I may. Will the Senator yield for a question?

Mr. LEVIN. I am happy to yield.

Mr. WARNER. The zero-based option plan which the President of the United States put forward to initiate the realms of arms reduction talks with respect to theater nuclear weapons—is that a program which the distinguished Senator from Michigan felt was a bold step on the part of our President?

Mr. LEVIN. It was a bold statement and a very welcome statement and one that is not acceptable to get us too far, but I was happy to see it.

Mr. WARNER. Nevertheless, a basic part of that is to call on the Soviets to dismantle their SS-20's, which pose the greatest threat to Europe today.

I ask this of the distinguished Senator: How would it appear to the negotiators, to NATO, who are concerned about the SS-20, if tonight the U.S. Senate were suddenly to stop this principal land-based system and approve a request for funds to start building a road-mobile system in this country much like the one we are asking to be dismantled in Europe today?

Mr. LEVIN. It would improve our negotiating position if we decided to proceed with a missile which was survivable, instead of one which is not, because a missile which is survivable is a much greater threat and would enhance our negotiating position, rather than putting in another fixed-point missile. We are building a 192,000-pound missile. It cannot be moved. It is a behemoth.

Mr. WARNER. I suggest to the distinguished Senator that if we are to make any progress in arms control—and many of our colleagues here advocate, as I do, that we should make progress—we could not in good faith ask the Soviets to dismantle the SS-20's and tonight take action to begin research and development on a road-mobile system in this country.

Mr. LEVIN. It may be the most effective way to get them to move, if we show them we are building something similar which threatens them. Quite the opposite.

Mr. WARNER. I thank the Senator.

Mr. President, I yield to the distinguished Senator from Indiana.

Mr. QUAYLE. I thank the chairman of the subcommittee.

Mr. President, I, too, question whether we will ever be able to satisfactorily solve the MX basing issue, but I oppose the Glenn amendment for the following reasons:

First, I believe that the problems that we have seen with basing the MX—namely, the question of vulnerability to Soviet missile attack—are common to all land-based missiles, whether they be large—like the MX—or small, like the proposed smaller missile.

The capability of our national technical means is such that even small, fixed-site missiles are probably going to be detectable. The small missiles may be less detectable than MX, but I believe they will be detectable.

We keep talking of "deceptive basing" of such missiles, but I submit that we can never be certain that, however small the missiles, they can be made undetectable to satellite and other surveillance means in the 1990's and beyond.

Second, while I concur with the Senator from Ohio that smaller missiles can be made more mobile, the Congress has thus far rejected road-mobile systems on grounds of social acceptability. I doubt that we shall change our views on that subject.

Third, small missiles on continuous patrol aircraft are certainly technically feasible. But thus far the Senate Armed Services Committee has not looked with favor on such an approach.

Aside from that, a precipitous move to airborne basing might be seen as a duplicitous move by the Soviet Union, since the President has just announced that as a first step in the START process we are recommending a cap on the number of land-based missiles. Aircraft-based missiles seem to avoid that constraint, and might be seen as an acceleration of the arms race by the Soviet Union, and by the American public.

Fourth, I also see no useful purpose in stopping MX missile development when we are nearly at the point of having completed development. To scrap the MX missile at this time, and to initiate development of a new missile, seems wasteful.

I believe the better course of action is to:

First, complete MX missile development as planned, so that it is available for deployment, if that is the wish of the President and the Congress.

Second, continue the MX basing effort, directed at finding a satisfactory solution by December 1, 1982.

Third, concurrently review MX alternatives, including Trident, so that if there is no solution to MX basing, we are prepared to move to an alternative.

Fourth, pursue START negotiations with the highest possible priority, with the intention of reaching a mutually equitable, verifiable arms agreement with the Soviets, hopefully at sharply reduced force levels.

We will factor the results of such negotiations into our future strategic planning.

In summary, although I am skeptical about our ever finding a satisfactory solution to MX basing, I am willing to await the results of the efforts now underway before making any irrevocable judgment about the fate of the MX system.

I am willing to let the chips fall where they may, rather than make a hasty move to a new concept.

Mr. President, I want to add one thing. On this MX issue, time is running out. We have been talking about this basing system and what we are going to do for months and months.

If you want to set December 1 as the magic date, that is fine. As a member of the Armed Services Committee and as one U.S. Senator, I assure Senators that if we do not do something by December 1 that is acceptable to Congress, a majority in both Houses, you might as well forget it—forget basing the MX, because it is not going to happen.

We have kicked this thing around and we have continued to kick it around, and we get all sorts of discussions at the last minute: "Oh, yes, we are going to get a basing mode." We have heard that too long. That is the last chance, period, so far as I am concerned.

If we do not come to grips with this in the next few months, you might as well hang it up. I am serious about it, and I think other people are serious about it.

I applaud the Senator from Ohio for bringing up this matter. I disagree with him in doing it this way, at this time, but I will be with him if we do not get this thing resolved by December 1 and in a way that is acceptable to Congress.

Mr. GLENN. Mr. President, will the Senator yield?

Mr. QUAYLE. I yield.

Mr. GLENN. What I am trying to do is to bring attention to this. Rather than it being something that somehow sneaked up on us in the last few months, this is something we have been considering for 4 years, trying to get a satisfactory basing mode, and we are no further along than we were 4 years ago, because they decided to go for such a big booster an such a big machine that there is no way to make it anything but a fixed point machine so far.

Of all the methods they have tried, none has been satisfactory; and the studies going on right now that I have seen make the $3 billion we already have invested small by comparison to what the basing mode is going to cost.

I do not want to prolong this matter into the night. I believe we have aired this enough. What it boils down to, as a summary, is that we thought we were vulnerable because our ICBM's could be targeted at fixed points by the Soviets. We decided to build a new MX. We made it so big that it is vulnerable because it has to be left at a fixed point. This is not progress. It means we are just perpetuating the same old vulnerability that got us in trouble to begin with, and it does not make any sense to me.

I think before the distinguished floor manager of the bill wishes to make any closing arguments I will be happy to yield back the remainder of my time.

Mr. WARNER. Mr. President, I move to table the pending amendment.

Mr. GLENN. I have not asked for the yeas and nays.

I ask for the yeas and nays on this amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. WARNER. Mr. President, I simply by closing say that I think the President of the United States should have the option within the next few months to complete the test on the MX missile and to determine the basing mode which he is committed to do by no later than December 1.

Mr. President, I yield back the remainder of my time.

Mr. GLENN. Mr. President, I yield back the remainder of my time.

Mr. WARNER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. WARNER. I made a motion to table the pending amendment.

The PRESIDING OFFICER. The motion to table was not in order at the time that it was made because time had not been yielded back.

Mr. WARNER. I now move to table the pending amendment.

Mr. GARN. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. GLENN. Mr. President, I ask unanimous consent that I may send an amendment to the desk.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GLENN. There was a small error in the figures on the other one. This amendment changes it around just a little bit. But this is the correct amendment.

I ask unanimous consent that it replace the other amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment will be so modified.

The modified amendment is as follows:

On page 19, line 16, strike out "$10,760,643,000" and insert in lieu thereof "$9,026,343,000".

On page 21, between lines 9 and 10, insert the following:

LAND BASED INTERCONTINENTAL BALLISTIC MISSILE

SEC. . (a) None of the funds appropriated for the Air Force under this title may be obligated or expended for research on or development, testing, or evaluation of the MX missile or the basing of the MX missile.

(b) Of the funds authorized to be appropriated for the Air Force under this title, not more than $565,000,000 is authorized for research, development, test, and evaluation on a new intercontinental ballistic missile system consisting of the optimum combination of missile features and land basing modes that will result in the capability of the system to survive an attack by the intercontinental ballistic missiles of a hostile foreign nation and to deliver a devastating counterattack.

Mr. WARNER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. WARNER. I made a motion to table. The yeas and nays have been ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment of the Senator from Ohio.

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Idaho (Mr. McClure), is necessarily absent.

Mr. CRANSTON. I announce that the Senator from Nevada (Mr. Cannon), the Senator from Illinois (Mr. Dixon), the Senator from South Carolina (Mr. Hollings), the Senator from Maryland (Mr. Sarbanes), and the Senator from Massachusetts (Mr. Tsongas) are necessarily absent.

The PRESIDING OFFICER. Are there other Senators in the Chamber who desire to vote?

The result was announced—yeas 65, nays 29, as follows:

[Rollcall Vote No. 113 Leg.]

YEAS—65

Abdnor
Andrews
Armstrong
Baker
Bentsen
Biden
Boren
Boschwitz
Brady
Byrd, Harry F., Jr.
Byrd, Robert C.
Chafee
Chiles
Cochran
Cohen
D'Amato
Danforth
DeConcini
Denton
Dole
Domenici
Durenberger
East
Exon
Ford
Garn
Goldwater
Gorton
Grassley
Hatch
Hawkins
Heflin
Heinz
Helms
Huddleston
Humphrey
Jackson
Jepsen
Kassebaum
Kasten
Laxalt
Long
Lugar
Mattingly
Murkowski
Nickles
Nunn
Packwood
Percy
Pressler
Quayle
Roth
Rudman
Sasser
Schmitt
Simpson
Stafford
Stennis
Stevens
Symms
Thurmond
Tower
Wallop
Warner
Zorinsky

NAYS—29

Baucus
Bradley
Bumpers
Burdick
Cranston
Dodd
Eagleton
Glenn
Hart
Hatfield
Hayakawa
Inouye
Johnston
Kennedy
Leahy
Levin
Mathias
Matsunaga
Melcher
Metzenbaum
Mitchell
Moynihan
Pell
Proxmire
Pryor
Randolph
Riegle
Specter
Weicker

NOT VOTING—6

Cannon
Dixon
Hollings
McClure
Sarbanes
Tsongas

So the motion to lay on the table was agreed to.

Mr. TOWER. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. WARNER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. TOWER. Mr. President, I see that the Senator from New York (Mr. Moynihan) is here and available to offer his amendment on the Maybank

amendment. I believe that is an amendment to repeal the Maybank amendment or to modify it.

Mr. MOYNIHAN. To modify.

Mr. TOWER. The Senator from New York has kindly agreed to a time limitation of 1 hour. Therefore, I ask unanimous consent that the time on the Moynihan amendment be limited to 1 hour to be equally divided between the Senator from New York and the Senator from Texas.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TOWER. Before Senator Moynihan calls up his amendment, we expect, at the conclusion of the consideration and disposition of the Moynihan amendment, to take up amendments that are, I think, noncontroversial by Mr. Gorton, Mr. Nunn, Mr. Warner, Mr. Levin, Mr. Heinz, Mr. Cranston, and Mr. Hart, which I think could be disposed of by voice vote. Then, from that point, we will take up some amendments that are controversial. There will be several amendments dealing with chemical and biological warfare, an amendment by Senator Levin that would delete the funds for the B-1, an amendment relating to specialty metals, and an amendment by Mr. Stafford on section 6 schools.

I would expect that, beyond those that we can probably dispose of by voice vote, we could expect four or five that I think probably have to be disposed of by rollcall votes. I expect this amendment offered by the Senator from New York will have to be disposed of by a rollcall vote.

So if Senators will cooperate and agree to rather short time limitations, I think we could move right along and perhaps complete this at not too unreasonable an hour.

Mr. LEVIN. Will the Senator from New York yield to me for a very brief colloquy with the distinguished chairman of the Budget Committee?

Mr. MOYNIHAN. May I say to my friend from Michigan that I do not have the floor.

Mr. TOWER. I yield to the Senator from Michigan for a question

Mr. LEVIN. I am wondering if I could have a very brief colloquy with the chaiman of the Budget Committee, who is in the Chamber. It should take no more than 3 minutes.

Mr. DOMENICI. I would be delighted.

Mr. TOWER. Mr. President, I yield the floor so that the Senator from Michigan may seek it in his own right.

The PRESIDING OFFICER. The Senator from Michigan is recognized.

Mr. LEVIN. I wonder if the distinguished chairman of the Budget Committee would help me out on some of the figures involved in this authorization bill. He was kind enough, at my request, to ask the CBO to analyze the bill in front of us to tell us how much this bill cuts from the defense function, how much this authorization bill would cut. The recommendation of the Budget Committee, as I understand it, was that the defense function be cut by $5 billion in 1983, $7 billion in 1984, and $10 billion in 1985. And this bill represents about 95 percent of the defense function, the way I compute it.

I am wondering if the Senator from New Mexico would agree that the CBO reported as follows: That this bill reduces estimated outlays by $2.6 billion in 1983, $2.4 billion in outlay in 1984, and $1.3 billion in outlays in 1985.

Mr. DOMENICI. Mr. President, I am delighted to respond to the question. The answer is, yes, that is the information contained in a letter directed to the distinguished Senator who is asking the question. It is from the Congressional Budget Office dated May 13, 1982. We ought to make that letter a part of the Record, if there is no objection.

I ask unanimous consent that the letter be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

CONGRESSIONAL BUDGET OFFICE,
U.S. CONGRESS,
Washington, D.C., May 13, 1982.

Hon. CARL LEVIN,
Russell Senate Office Building,
Washington, D.C.

DEAR SENATOR LEVIN: Senator Domenici, Chairman of the Senate Budget Committee, has asked me to respond to you regarding your letter to him dated May 12, 1982 in which you requested a cost estimate of the revised bill S. 2248, the Department of Defense Authorization Act, 1983.

The enclosure shows our tentative estimates for the amendments as we understand them recognizing that the speed of events has precluded our reviewing actual revisions to bill language. The estimates shown are based on conversations with Budget Committee and Armed Services Committee staff.

This bill is one of the three major defense authorization bills required annually. Consequently, it is not discernible whether or not individual bills are consistent with budget resolution amounts especially when possible appropriations may be less than the authorization.

When measured against the President's February budget request for items in this bill, the savings from revised S. 2248 are as follows:

[By fiscal year, in billions of dollars]

	1983	1984	1985	1986	1987
Estimated authorization amounts	−5.9				
Estimated outlays	−2.6	−2.4	−1.3	−0.5	−0.1

I hope this information is useful; should you so desire, we would be pleased to provide further detail on these estimates.

Sincerely.

ALICE M. RIVLIN,
Director.

ESTIMATED AUTHORIZATION AND ESTIMATED OUTLAY SAVINGS FROM AMENDMENTS TO S. 2248

[By fiscal year, in millions of dollars]

	1982	1983	1984	1985	1986	1987
Cost of S. 2248 as ordered reported on Mar. 31, 1982:						
Authorization amount [1]	1,529	229,137	300			
Estimated outlays	102	128,940	50,372	28,265	9,933	5,383
Amendments: Title I—Procurement:						
Authorization amount		−1,436				
Estimated outlays		−148	−504	−442	−170	−82
Title II—R.D.T. & E.:						
Authorization amount		−532				
Estimated outlays		−305	−184	−34	−7	
Title III—O. & M.:						
Authorization amount		−411				
Estimated outlays		−338	−63	−7		
Subtotal:						
Authorization amount		−2,379				
Estimated outlays		−791	−751	−483	−177	−82
Cost of active military strength changes:						
Authorization amount [1]		−200				
Estimated outlays		−194	−6			
Total amendments:						
Authorization amount [1]		−2,579				
Estimated outlays		−985	−757	−483	−177	−82
Revised cost estimate:						
Authorization amount [1]	1,529	226,558	300			
Estimated outlays	102	127,955	49,615	27,782	9,756	5,301

[1] The bill does not state specific amounts; the authorization amount shown here is an estimate.

Mr. LEVIN. Would the Senator agree that this bill, which represents 95 percent of the Defense Department cuts for those 3 years, is $6.3 billion in outlays against the recommendation of the Budget Committee of $22 billion in outlays for the entire defense function?

Mr. DOMENICI. I think the answer to that question is obvious. Yes; I do not think there is much relevance to the authorizing bill and the ultimate outlays per year. There is a relationship, but I think the Senate should know that the outlays for all authorization bills are ultimately governed by the appropriation bill, not by the authorizing bill.

I commend the committee for going back to work and trying to reduce the authorizations because to the extent that they do, it makes the job of the appropriators easier in terms of coming in within the mark recommended in the budget, and it also to a great extent puts the authorizing committee in the real business of determining policy. If they have an authorizing bill that is three times as big as the amount you are going to appropriate, then obviously to that extent they relinquish much of their jurisdiction to the Appropriations Committee. In this case, there are two remaining bills, including MilCon and DOE, and they will have to modify those. I think they plan to. Ultimately, the appropriators will have to come in within the mark. This authorization alone, if funded 100 percent, which is not usually the case, would not reduce the dollar figures in this function as recommended to this point by the Budget Committee.

Mr. LEVIN. I agree with my friend's comments, of course, being an expert on the budget function. But I think he will agree that this gives us less than one-third from what the Budget Committee would ultimately recommend the defense function to be reduced. I do agree there are two other bills to come, the DOE energy bill and the MilCon bill. I thank my friend for getting these figures corrected. I do thank my friend for yielding for this colloquy.

Finally, I thank the distinguished Senator from New York.

Mr. TOWER. Mr. President, I just want to point out that it was not anticipated that we would have to reduce from this bill or the other bills we consider in this session the total outlay savings for fiscal 1984 because that can be determined then when we consider the fiscal 1984 bill and consider spending or outlay items. In fact, most of what is seen here for fiscal 1984 is out of programs. When we consider the fiscal 1984 bill, obviously we get into O. & M. funds and other matters which will result in some outlay savings. I do not think it was ever anticipated that we would have to produce in this bill or in our MilCon bill, the pay bill, or the Department of Energy bill all of the outlay savings which are anticipated in 1984.

Mr. DOMENICI. Will the Senator yield?

Mr. LEVIN. Yes.

Mr. DOMENICI. I think the Senator from Texas is correct. On the other hand, I do think it is for the Senate and the Congress ultimately, as they look at the appropriations bill, which is a budget authority appropriation, which carries with it outyear projections as to what that budget authority will cost. I think they have a chance to take a look at whether it is realistic that we will achieve the outyear savings or not, and the appropriators have to look at that, too.

Thus, it sets some guidelines, some guide posts, against which you measure the 1983 appropriations.

The Senator from Texas is correct, you do not make the outyear savings in 1983, but you look at the 1983 to see if it is achievable, and perhaps it has some bearing on how much you appropriate and whether you support that which appropriators appropriate. It is in that regard that we set those outyear numbers. They do not have to be achieved until then, but you look at their achievability in terms of the programs that affect change in 1983. I think the Senator from Texas would agree with that in terms of how it occurs and why it is a policy matter that you have to decide upon each appropriation bill.

Mr. LEVIN. I yield the floor.

UP AMENDMENT NO. 942

(Purpose: To relieve economic dislocations)

Mr. MOYNIHAN. Mr. President, for myself, Mr. D'Amato, and Mr. Dixon, I send an unprinted amendment to the desk for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from New York (Mr. Moynihan), for himself, Mr. D'Amato, and Mr. Dixon, proposes an unprinted amendment numbered 942.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 67, after line 13, insert the following new section:

SEC. (a) The Secretary of Defense should conduct a test program during fiscal year 1983 in accordance with this subsection to test the effect of exempting certain contracts of the Department of Defense from the provisions of section 2392 of title 10, United States Code and paying a price differential under such contracts for the purpose of relieving economic dislocations. Under such test program, the Secretary of Defense may exempt from the provisions of such section any contract (other than a contract for the purchase of fuel) made by the Defense Logistics Agency during fiscal year 1983 if the contract is to be awarded to an individual or a firm located in a Labor Surplus Area, as defined and identified by the Department of Labor, and if the Secretary determines—

(1) that the awarding of such contract will not adversely affect the national security of the United States:

(2) that there is a reasonable expectation that bids will be received from a sufficient number of responsible bidders so that the award of such contract will be made at reasonable cost to the United States;

(3) that the price differential to be paid under such contract will not exceed 2 percent; and

(4) the value of such contract, when added to the cumulative value of all other contracts awarded under the test program, will not exceed $3,000,000,000.

(b) Not later than April 15, 1983, the President shall submit a report to Congress on the implementation and results to that date of the test program authorized by subsection (a). The report shall include an assessment of the costs and benefits of the test program.

Mr. MOYNIHAN. Mr. President, I would first like to express my appreciation to the Senator from Texas, the distinguished chairman, for arranging for this matter to be brought up at this hour of the night. The discussion need not be lengthy, the subject having been debated so many times before in this Chamber.

In 1952, President Truman ordered to be issued Defense Manpower Policy 4B, requiring that it be Government-wide policy to set aside some procurement contracts for labor surplus areas, LSA's.

A labor surplus area is defined as an area that has rates of unemployment 20 percent higher than the national rate.

It happened, however, that in that very same year, 1952, our former colleague, Senator Burnet R. Maybank of South Carolina introduced an amendment which exempted the Department of Defense from this Government-wide provision. That amendment, the Maybank amendment as it came to be known, was reenacted in each Congress for the succeeding 28 years.

Only last year, with the courteous cooperation of the junior Senator from Virginia, who I see is now on the floor did another view prevail. Those of us who felt that President Truman had not only been correct in his judgment as to social policy, but wise in his judgment as to defense policy, persuaded the Congress to drop the Maybank restriction for a limited period, for a limited amount of procurement contracts of the Defense Logistic's Agency. It was agreed that there would be a trial of the original set-aside policy identified with President Truman.

It could equally well be associated with an earlier President who similarly understood the necessary relation between domestic economic policy and defense policy. I refer to President John Adams, who saw to it that navy yards were established and maintained in virtually every State on the Atlantic seaboard, insuring that not only the costs of defense would be shared by the citizens of the Nation, but also that the returns of defense outlays would also be equitably shared.

I urge my colleagues to keep in mind the wisdom of John Adams; it is relevant to the matter before us. A set-aside program such as I propose to continue would insure that nonstrategic defense dollars were fairly distributed throughout the Nation. There are labor surplus areas in 47 States. There are 1,170 at the most recent count in the United States. Around and among the bustling cities and thriving agricultural communities in almost every State, we find today places suffering genuine economic distress.

May I make the point, Mr. President, that more than half of these LSA's are in the South or the West. I ask unanimous consent to have printed in the Record at the end of this debate the Department of Labor's most current list of the counties and municipalities that they now list as labor surplus areas.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. MOYNIHAN. Mr. President, last year, the distinguished Senator from Virginia, Mr. Warner, and I discussed this matter and it was agreed that we would support a trial program that would hopefully demonstrate conclusively the effects that a suspension of Maybank would have on the Defense Establishment and local economies.

I suggest tonight that it is too early to make any final judgments. Certainly it is to early to conclude that the Maybank suspension trial program has somehow failed.

Although it has been a very short trial, we have some preliminary data. They seem to me to warrant the judgment that we were right to go forward in this matter. The costs involved were small; the rewards, we may infer, were considerable. Indeed, during this week in which it was announced that unemployment in this country has soared to its highest level since World War II, it seems to me absolutely vital that we keep alive a program that has funneled Federal spending to areas where the rate of unemployment is even higher than the national average. And done so at such low cost.

During this period, the Defense Logistics Agency awarded 5,554 contracts, valued at $4,940,000. Of these, 1,181 contracts went to labor-surplus areas; 3,703 went to firms in non-labor-surplus areas.

A price differential, Mr. President, was paid on only 248 of the 1,881 contracts that went to the labor surplus areas—about 13 percent of the contracts. Altogether, the cost to the Department of Defense was 1.9 percent on these 248 contracts—in this case, $556,000, offsetting an arguably considerably greater cost in unemployment insurance, in economic decline, in economic inactivity, which is the characteristic of these situations. Some 21,000 jobs were retained or created as a result. The local areas in 47 States were better off; in my view, the country was better off because of it.

The amendment I have submitted to the Senate tonight would simply extend the test program through the next fiscal year, with one important distinction.

I wonder if I may have the attention of the distinguished and respected chairman of the Armed Services Committee as I tell him of this distinction. I say to the Senator from Texas, in the experiment as it has been conducted, the Defense Logistics Agency has been obliged at times to pay a differential as great as 5 percent.

We have learned so far from the trial that the average LSA contractors's difference amounted to just 1.9 percent. I have, accordingly, changed the price differential permitted in the progam. I would reduce it to a maximum 2-percent difference.

It seems to me that it would be in order in this most extraordinary piece of legislation—in which we are authorizing spending in excess of $250 billion—that we allow for the possibility that 3 billion dollars' worth of nonstrategic contracts might be let to labor surplus areas in 47 States, provided that the price differential did not exceed 2 percent.

I would say, Mr. President, that this is not merely good social policy. I think President Truman was right in thinking it wise defense policy.

It is a fact that defense outlays in the United States today are extraordinarily biased against some regions of the Nation and in favor of others. This has not been the intention of any of the persons responsible for the thousands of decisions that have led to this situation, but that has been the result. A result John Adams knew better than to allow to take place. That was why the U.S. Navy was there in the War of 1812 when we needed it.

Some have suggested that this might be simply a regional matter. Let me note that the U.S. Department of Labor, in its most recent announcement of States with newly determined labor surplus areas, on April 30, 1982, lists the following States: Florida, Georgia, Illinois, Iowa, Kentucky, Ohio, Pennsylvania, Tennessee, and Virginia. This is national. It is not a matter of concern only to a few States. It is not even regional in nature. It has to do with different parts of all our States, some parts of which thrive, some of which do not.

President Truman proposed this policy in 1952 in a period of prosperity. We are now in the deepest econmic depression since the 1930's. We have 9.4 percent of our workers workers unemployed. The rate has risen from 7.2 percent last July, when the current recession began, to 9.4 percent. Just the day before yesterday, a member of the President's Council of Economic Advisers forecast that unemployment would pass 10 percent in this year—10 percent. One has to look back to the 1930's to find such a number.

Meanwhile, thanks to the farsightedness of the Senator from Virginia and others, we have in place a trial program which seems to be successfully diverting a small portion of Federal spending to the areas most severely afflicted by the recession.

It is my simple purpose tonight to propose an amendment which makes the test a little tougher, a degree more competitive. It would cut the price differential from 5 percent to 2 percent, because that is what the trial has told us will do the job. That is what the actual bidding turned out to warrant, on average.

It seems to me to be a fair and reasonable continuation of a policy recently adopted by the Senate and the Congress. We do not propose to add radical innovations at this point. We would simply continue a measure we agreed to last year—in less difficult unemployment straits.

We hope, with a much, much larger defense outlay, it might have wider effects than the 248 contracts involved in the first few months of the program in 1981.

I see on the floor the revered former chairman and ranking member of the Committee on Armed Services, whose report comes before us today. I would like to take this opportunity, if he would allow me—and he is always so gracious in these matters—to read aloud the counties in Mississippi that are eligible for set-aside contracts under the program; Alcorn, Attala, Benton, Bolivar, Coahoma, George, Greene, Grenada, Holmes, Jackson, Jefferson, Jefferson Davis, Kemper, Madison, Marshall, Montgomery, Noxubee, Panola, Quitman, Sharkey, Stone, Tate, Tunica, Warren, Washington, Wilkinson and Winston counties. I wonder if there are very many more counties in Mississippi.

I make the simple point that this is national; 47 States are involved. My State is involved. There is not a Senator on the floor whose State is not involved. It is not a question of States versus States. It is a matter of equity and, in my judgment, good sense. I hope this might be an amendment accepted by the managers of the bill.

I certainly will not try their good will by speaking further. I yield the floor.

Mr. TOWER. Mr. President, I yield myself such time as I may require. I think I owe a debt of gratitude to the distinguished Senator from New York for commenting on the positive impact that defense spending has on the economy. I think that is too often overlooked. Many people, who advocate reducing defense spending so that we may adequately fund social programs, fail to take into consideration that defense procurement probably provides more in the way of employment per dollar spent than any other aspect of Federal spending.

As a matter of fact, it is estimated that of every dollar that goes into defense procurement, 46 percent, or 46 cents, comes back to the Treasury because it goes into the pockets of people who are employed and who pay taxes.

Procurement spending for defense has a fallout effect. It not only creates jobs directly, it creates jobs indirectly. But it is also overlooked when we talk about cutting defense spending. Somehow defense spending is wrecking the economy.

Defense spending is providing jobs. It does not seem proper to me to cut procurement spending on defense to fund a welfare program to provide assistance for someone who is unemployed when, in fact, for every $2 billion you spend on procurement, you create 100,000 jobs, directly or indirectly.

I am a little bit puzzled to see that some of the prime advocates of reduced defense spending want defense contracts placed in their areas because they are job producers.

I note that some of the people who voted for the deletion of an aircraft carrier favor channeling defense jobs into their States. New York will get $400 million in some contracts out of the CVN-72's and CVN-73's. It will provide 26,727 jobs, directly or indirectly.

I point out further that those who want us to channel defense contracts into labor-surplus areas also want an Inspector General—some of them. They want to impose this kind of restraint or that kind of restraint on defense spending. This adds cost to defense, when you pursue a program of this kind.

It is like prohibiting contracting out—forbidding contracting out. So the very people abvocating it want to cut defense spending, and forbidding contracting out adds about $50 billion or $60 billion on the defense bill.

Some of the people who want to cut defense spending and channel jobs into labor-surplus areas will fight to the death to preserve Davis-Bacon, which costs us $750 million a year on military construction.

Mr. President, I know that the Senator from New York is loftily motivated. He is perhaps the most eloquent and persuasive Member of this body. He has had a splendid education, because he attended the same school I did, the London School of Economics and Political Science. We came away with some similar impressions and instincts but some that are somewhat diverse.

I understand the humane motivation behind what he is trying to do; but if he succeeds, he is adding cost of defense—adding costs—and not creating any more jobs.

Why is a man in an area that does not have a labor surplus less entitled to a job than a man who does live in an area with a labor surplus?

I can tell you that the unemployed in the less-affluent areas of Texas are just as miserable as the unemployed in the less-affluent areas of New York. Well, they are less miserable, because they live in Texas; and that, of course, is paradise. [Laughter.]

Most Texans, when they die, do not want to go to Heaven; they just want to go back to Texas.

When we provide jobs through defense, we provide them for people in the areas that have the industrial capacity and the technological know-how and the available labor skills to do a job that is required, to provide security for the people of the United States of America, and that is the way contracts should be let. The more we tinker with it, the more inequitable things are going to become, the more we are going to spend for defense, and the less big bang we are likely to get for the buck.

The PRESIDING OFFICER. (Mr. Hatch). The Senator from New York.

Mr. MOYNIHAN. Mr. President, I believe the matter is set forth as clearly as it might be.

I should like to make the point that last year, we agreed to set aside $5 billion, with a 5-percent differential. Tonight we propose a $3 billion maximum for the next fiscal year and a differential of 2 percent.

Let us save this Chamber from the temptation of regionalism and sectarianism that would define the defense budget as a zero sum game in which some win and others lose. For then we shall divide not just our regions, but also our people against each other. Let us seize this opportunity to share the benefits of defense spending, to which the Senator from Texas has referred, with less fortunate communities.

I do not think supporters of my amendment need fear being described as persons against defense. I have voted for every defense bill that has come to this body during my time here, if my recollection is not wrong.

I hope we may do this in a spirit of sharing and of patriotism and not of partisanship and regionalism.

I invoke simply the wisdom of John Adams, and shall say very little more.

Mr. President, I say to the Members of this Chamber, which is not representative of the population of our Nation but of its States, that it might beware the rejection of so modest a proposition as we put forward.

If there is no other Senator who wishes to speak on behalf of the amendment, as I believe there is not now, I am happy to yield back the remainder of my time, if the distinguished chairman wishes to do so.

Mr. TOWER. If the Senator will withhold some of his time, the Senator from Virginia would like to make a brief statement, and then we will be prepared to yield back the remainder of our time.

Mr. MOYNIHAN. That is agreeable.

Mr. WARNER. Mr. President, the distinguished Senator from New York raises the fact that a test was prepared. The test results have not been made official, but I have examined them, and I will take 1½ minutes to acquaint my colleagues with the unofficial results.

The increased costs and results in net loss in jobs, as a result of an 11-month study, are as follows:

DOD paid unnecessary price differential of $1.5 million. The effect was to add 2,300 jobs in one part of the country and lose 2,368 in another part of the country—a net loss of 68 jobs. Thus, we paid $1.5 million to lose 68 jobs.

I broke down the $1.5 million, and about half of it was to hire new Government employees to administer the program, a $795,000 differential.

So I say to my colleagues that the test has been performed, and it has basically come out a wash.

The PRESIDING OFFICER. Who yields time?

Mr. MOYNIHAN. Mr. President, how much time have I available?

The PRESIDING OFFICER. Five minutes and forty-one seconds.

Mr. MOYNIHAN. Mr. President, I would like to respond to the statement just made by the distinguished Senator from Virginia. I draw his attention to a letter from Mr. Frank Carlucci, the Deputy Secretary of Defense, addressed to the Honorable Melvin Price, chairman of the Committee on Armed Services in the other body. The letter is dated April 14, 1982.

Mr. Carlucci reports that

> a price differential was paid on 248 contracts valued at $29,817,042. The price differential amounted to $555,912 on 1.9 percent of overall value of these contracts.

If there are undisclosed reports different from the one which Mr. Carlucci submitted a month ago, I would ask that they be laid before the Senate.

In any event, I ask unanimous consent to have printed in the Record at this point the letter from the Deputy Secretary of Defense, in which he reports the information that I have given the Senate.

There being no objection, the letter was ordered to be printed in the Record, as follows:

The Deputy Secretary of Defense,
Washington, D.C. 20301, April 14, 1982.

Hon. Melvin Price,
Chairman, Committee on Armed Services, House of Representatives, Washington, D.C.

Dear Mr. Chairman. Attached is a report which describes our activities under the Maybank Amendment Test that was performed under Section 724 of the FY 1981 Defense Appropriation Act, Public Law 96-527. This provision requires that the Defense Logistics Agency (DLA) conduct a test of increasing the placement of contract awards in labor surplus areas (LSA's) by paying a price differential to LSA firms of not more than five percent.

Congress limited the test to a total cumulative sum of contract awards not to exceed $3.4 billion. The test results as of 30 September 1981 indicate that DLA awarded 5,584 contracts valued at $494,871,214. Of these $5,584 awards, a price differential was paid on 248 contracts valued at $29,817,042. The price differential amounted to $555,912 or 1.9 percent of overall value of these contracts. DLA administrative expenses related to the test to date are estimated at $174,385.

Under the test where bids were received on a contract requirement from both LSA and non-LSA firms and where the bid price of the LSA bidder was higher than the five percent limitation, DLA awarded the resultant contract to the lower non-LSA bidder. DLA made 658 such awards to firms in non-LSA areas at an aggregate value of $87,649,871. Had there been no five percent limitation on LSA awards and had DLA

been required to award to the lowest LSA bidder, the amount of these awards would have been $110,999,010. This represents and average premium of 26.6 percent, amounting to $23,349,339. The premiums on individual contracts would have ranged from 5.1 percent to 107.2 percent.

The DoD is continuing this test into fiscal year 1982 in accordance with Public Law 97-86, the DoD fiscal year 1982 Authorization Act and Public Law 97-114, the DoD fiscal year 1982 Appropriation Act.

Sincerely,

Frank C. Carlucci.

Mr. MOYNIHAN. I rest with the last information presented to us on this matter from the Deputy Secretary of Defense.

Mr. TOWER. Mr. President, the Senator might wish to withhold his time. The Senator from Louisiana wishes to make a couple minutes worth of remarks.

I yield him 2 minutes.

Mr. LONG. Mr. President, at the moment unemployment figures are high in the State of Louisiana and perhaps we could benefit from such an amendment. But I believe that most of us would prefer to settle for a system by which we know who made the best bid and under which every State or every community benefits from the best bid.

I say that because in years gone by I have been involved in these fights between competing communities. I can recall situations when bids in the area which I had the honor to represent might be as much as $50,000 low on bids on construction amounting to hundreds of millions of dollars and to have the delegation of another State seeking to have the award made to their area rather than ours on the basis the bids were close enough so they should get the business because there were other considerations that might be brought into play.

The trouble with that is it leads to all sorts of favoritism and all kinds of mischief. Everyone then is headed down to the White House to twist the President's arm and remind the President or his administration that they supported him and that their area is entitled to special consideration for political, geographical, or other reasons.

I honestly think rather than getting into all the different considerations that might be raised, knowing how important it is to one community or the other that their concern should prevail in this type of bidding contest for the Nation's business, we would all be better off if we simply let it go by the low bid.

That is one thing that everyone can see. The sealed bids are taken, the bids are opened, someone makes the low bid, and so they get the business, and in the end whether you get the business or do not, it is easy enough to explain to the constituents why they win or why they failed as the case may be.

In the last analysis we are better off with a system that tells us fairly who made the best bid and who did not.

I would hope we would settle for that.

The PRESIDING OFFICER. Who yields time?

Mr. TOWER. Mr. President, I am prepared to yield back the remainder of my time if there are no other speakers.

Mr. MOYNIHAN. Mr. President, my distinguished friend and colleague, the Senator from New York, is on his feet. I am happy to yield to him such time as he may require.

Mr. President, how much time remains?

The PRESIDING OFFICER. Three minutes and forty-one seconds remain.

Mr. MOYNIHAN. I am happy to yield to my friend and colleague from New York.

The PRESIDING OFFICER. The Senator from New York.

Mr. D'AMATO. Mr. President, I am pleased to support the amendment proposed by the senior Senator from the State of New York and rise to support this amendment which I cosponsor. This amendment will have the effect of extending for 1 year a test program which gives labor surplus area firms a preference in competing against nonlabor surplus area firms for award of defense supply contracts. A similar amendment, the Moynihan-Warner compromise, passed the Senate last year by a vote of 87 to 9.

Since the background of this situation has been amply articulated by others, I will not take up more of my colleagues' time repeating the same material. Instead, I will get to the heart of the matter. There are two different major aspects of this issue which I will discuss in order.

First, I very strongly believe that this test program should be completed so that we can determine once and for all the impact of ending the application of the Maybank amendment to defense procurement. Defense Manpower Policy No. 4 which would provide a preference to firms in labor surplus areas when competing against firms from nonlabor surplus areas for award of defense supply contracts admittedly attempts to use defense procurement dollars to support a social purpose: alleviating hardship in economically depressed areas. I think that that is the purpose that this Senate should be in favor of. Until this comprehensive test is completed, we will not know whether or not this policy is cost effective.

If there ever was a time to explore the possible positive impact of this labor surplus area preference, now is clearly and without question the right time. With unemployment at its highest level since World War II, this test will not disadvantage anyone. It will help those most in need.

Many criticize the use of defense programs to achieve social goals. I have voiced such criticisms myself. I believe that if we carefully reviewed the statutes and regulations governing defense procurement, we would choose to eliminate many of the provisions which bias the procurement process in favor of various social goals. Doing so would undoubtedly increase the efficiency and economy of defense procurement by a significant amount.

However, that same careful review would show that some policy goals should continue to receive the support of the Senate. I firmly believe the labor surplus area preference provided under the authority of Defense Manpower Policy No. 4 is such a policy. If the Senate agrees to this amendment, as I hope it will, the product of this test program will be an adequate data base upon which to calculate accurately the cost effectiveness of this policy. We will, for once, have the ability to make a reasoned judgment on the question of whether we should pursue a particular policy.

There is preliminary data available from that part of the study which has been completed between February 1981 and September 1981. The preliminary data is very favorable to this amendment, based on the Defense Department's own numbers. I will not repeat all of that information again. I will simply state that the additional cost to the taxpayer of this program over the 8-month period in question was only $555,912 on contracts worth $29,817,012, a difference of only 1.9 percent. I note that these were the Department's own figures, and I have strong reason to believe that the real cost of the program was significantly less because of computation errors in the way the Defense Department arrived at those figures.

What did the Nation get for its half million dollars? It got a stronger national defense, because additional firms were kept alive and in the defense industrial base which would otherwise have failed or have switched to nondefense related production. It got a decrease in expenditures for unemployment compensation, and an increase in tax revenues. How much was that worth? Certainly, much more than the half million dollars it cost.

The second major aspect of this debate is, to put it bluntly, a sectional issue between the so-called Frost Belt and the so-called Sun Belt. It is clear that those States which have seen booming aerospace and defense industries fear that the application of the labor surplus area preference to defense supply contracts is the first step toward the application of this policy to all defense contracts. That fear is unfounded.

It is a self-evident fact that no amount of preference will create another major military jet engine manufacturer, another major tank producer, or another shipyard capable of building nuclear-powered aircraft carriers. Contracts for major defense systems go to those firms which are capable of building them. It should be clear to everyone without any further explanation that only major, multibillion-dollar corporations have that sort of capability. You can list the small number of firms capable of competing for those contracts on the fingers of both hands.

This amendment will benefit small firms, the second and third tier contractors and subcontractors who do supply-related contracts. They make such things as combat rations, tentage, sleeping bags, and other material of that sort. These firms are a vital part of our defense industrial base. Without them, we literally could not go to war. They employ large numbers of workers with relatively low skill levels. The injection of funds this amendment would produce would make a real difference in these depressed areas which are eligible for the labor-surplus area preference.

Senator MOYNIHAN, my distinguished and articulate colleague from New York, has pointed out that these labor-surplus areas exist all over the country. If you examine this matter fairly, you must conclude that this measure will benefit all areas of the country. It is not a welfare program. It is a program which will have a definite and direct positive effect on our defense industrial base at minimal cost.

In closing, I ask my colleagues to lend their support to this amendment. If we fail to act now, we will lose a historic opportunity to obtain the data we must have to make a reasoned final decision on this issue. We will also lose the opportunity to make a positive contribution to the process of easing the economic pain this country is now suffering.

Thank you, Mr. President.

Mr. LEVIN. Mr. President, I would like to express my support for this amendment to continue the program to exempt certain Defense Logistics Agency purchases from the restrictions of the Maybank amendment. I believe this move both appropriate and cost effective, particularly in the economic hard times which continue to persist throughout our Nation.

The Maybank amendment exempts the Department of Defense from procuring its nonstrategic goods and services in accordance with Federal Defense Manpower Policy No. 4A. This policy encourages the Government to target its purchases of goods and services to private businesses in high-unemployment cities and counties, known as labor-surplus areas. The Maybank amendment allows DOD to circumvent this national procurement policy in purchasing nonstrategic goods.

I wish to emphasize the nonstrategic nature of these goods, Mr. President. We are not talking about tanks and guns and planes and ships. We are talking about paper clips, and shoelaces, and hats and envelopes. Continuing this exemption to the Maybank amendment will not harm our national defense.

The Maybank amendment, in my opinion, should be eliminated once and for all, but I know that the majority of this body probably would disagree. Repealing Maybank would have a net positive effect on the Federal budget. Supporters of the Maybank amendment have argued that giving preference to firms in labor-surplus areas increases procurement costs for DOD and thus wastes scarce defense dollars.

Nothing could be further from the truth. Studies have shown that the increase in costs would only be about 2 percent or less. This is a very small figure for an investment which would directly and indirectly create tens of thousands of new jobs. In fact, the Defense Department's latest report on last year's exemption to Maybank showed it cost only an additional $555,912, or only 1.9 percent of the value of the few contracts involved. It has been noted that for every unemployed person who finds a job, the Government saves $16,000. Multiplied by 20,000 jobs, this would mean a savings of almost $320,000,000—far offsetting the minimal cost increase due to continue this limited exemption of Maybank. Can any Federal employment maintenance program match this performance in creating jobs and strengthening the private sector?

The latest DOD report shows that this Maybank exemption created or retained some 21,000 jobs, Mr. President.

These preliminary numbers demonstrate that the supporters of the Maybank amendment are employing a false economy in making their argument. Exempting DLA from Maybank would generate jobs and revenues, and it would be an economic benefit to the entire Nation.

It has been argued that exempting DLA from Maybank would harm small businesses and restrict competition. Small businesses are protected by the Small Business Act, which gives highest priority in awarding contracts to small businesses, whether or not they are located in labor-surplus areas.

Competition, moreover, would not be restricted in labor-surplus areas. Firms in such regions would only be given preference if their bids produced a reasonable price for the goods and services being purchased, thus retaining the advantages of a competitive environment.

Supporters of the Maybank amendment have argued that this is a Sun Belt-Frost Belt issue, I don't believe it is. More than half of the labor-surplus areas in the country are in the South and West. Targeted procurement is in the national interest and not merely of regional benefit. The DLA report shows that half of the contracts awarded under this exemption last year went to firms in the South and West.

Unemployment is a national phenomenon, and exempting Maybank will enable the Federal Govenment to employ a highly effective macroeconomic tool to treat this problem on a fair and nationwide basis. We face austere budgets, and direct spending on employment maintainance programs has been cut to the bone. In this context, it is incumbent upon us to employ DMP-4A to the fullest possible extent. The Department of Defense accounts for between two-thirds and three-quarters of all Federal Government procurements. To have the department once again exempt from the policy is to cripple this policy when it is needed most. The Nation will benefit when unemployment is reduced, and this exemption will assist in this reduction effort.

Mr. President, I wholeheartedly endorse targeted Federal procurement for areas of high unemployment on the basis that this is a prudent Federal action that will maximize the impact of already approved and planned expenditures, without exacerbating the Nation's unacceptable rate of inflation and unduly increasing defense costs.

EXHIBIT 1

LABOR SURPLUS AREAS ELIGIBLE FOR FEDERAL PROCUREMENT PREFERENCE FROM JUNE 1, 1981, THROUGH MAY 31, 1982

The rate of unemployment in an area must be at least 20 percent higher than the national rate to qualify as a "Labor Surplus Area."

ELIGIBLE LABOR SURPLUS AREAS

Alabama

Autauga County.
Barbour County.
Bibb County.
Birmingham City.
Blount County.
Bullock County.
Butler County.
Calhoun County.
Chambers County.
Chilton County.
Choctaw County.
Clarke County.
Clay County.
Colbert County.
Conecuh County.
Cullman County.
Dallas County.
Elmore County.
Escambia County.
Franklin County.
Gadsden City.
Greene County.
Hale County.
Jackson County.
Lauderdale County.
Lawrence County.
Limestone County.

Lowndes County.
Balance of Madison County.
Marengo County.
Marion County.
Marshall County.
Mobile City.
Monroe County.
Morgan County.
Perry County.
Pickens County.
Randolph County.
Russell County.
Sumter County.
Talladega County.
Tallapoosa County.
Walker County.
Washington County.
Wilcox County.
Winston County.

Alaska

Angoon Division.
Bethel Division.
Bristol Bay Borough Division.
Cordova-McCarthy Division,
Fairbanks Division.
Haines Division.
Kenai-Cook Inlet Division.
Ketchikan Division.
Kobuk Division.
Kodiak Division.
Kuskokwim Division.
Matanuska-Susitna Division.
Nome Division.
Outer Ketchikan Division.
Prince of Wales Division.
Seward Division.
Sitka Division.
Skagway-Yakutat Division.
Southeast Fairbanks Division.
Upper Yukon Division.
Valdez-Chitina-Whittier.
Wade Hampton Division.
Wrangell-Petersburg Division.
Yukon-Koyukuk Division.

Arizona

Apache County.
Cochise County.
Gila County.
Graham County.
Navajo County.
Santa Cruz County.
Yuma County.

Arkansas

Ashley County.
Bradley County.
Chicot County.
Clay County.
Cleburne County.
Cleveland County.
Crawford County.
Dallas County.
Fort Smith City.
Franklin County.
Greene County.
Hot Spring County.
Jackson County.
Lawrence County.
Lee County.
Little River County.
Logan County.
Balance of Miller County.
Mississippi County.
Monroe County.
Montgomery County.
Newton County.
Ouachita County.
Phillips County.
Poinsett County.
Prairie County.
Randolph County.
Scott County.
Searcy County.
Balance of Sebastian County.
Sharp County.
St. Francis County.
Stone County.
Texarkana City Ark.
Van Buren County.
White County.
Woodruff County.

California

Alpine County.
Amador County.
Berkeley City.
Butte County.
Calaveras County.
Compton County.
Del Norte County.
El Dorado County.
Fresno City.
Balance of Fresno County.
Glenn County.
Humboldt County.
Imperial County.
Balance of Kern County.
Kings County.
Lake County.
Lassen County.
Madera County.
Mariposa County.
Mendocino County.
Merced County.
Modesto City.
Mono County.
Balance of Monterey County.
Nevada County.
Oakland County.
Ontario City.
Placer County.
Plumas County.
Salinas City.
San Benito County.
San Bernardino City.
Balance of San Bernardino County.
Balance of San Joaquin County.
Santa Cruz County.
Shasta County.
Sierra County.
Simi Valley City.
Siskiyou County.
Balance of Solano County.
Balance of Stanislaus County.
Stockton City.
Sutter County.
Tehama County.
Trinity County.
Tuolumne County.
Yolo County.
Yuba County.

Colorado

Archuleta County.
Conejos County.
Costilla County.
Huerfano County.
Lake County.
Ouray County.
Pueblo City.
San Juan County.

Connecticut

Ansonia Town.
Bridgeport City.
Griswold Town.
Killingly Town.
Meriden City.
New Haven City.
Plainfield Town.
Putnam Town.
Seymore Town.
Sprague Town.
Sterling Town.
Thomaston Town.
Thompson Town.
Torrington City.
Voluntown Town.
Waterbury City.
Winchester Town.

Delaware

Kent County.
Sussex County.
Wilmington City.

District of Columbia

Washington, D.C. City.

Florida

Bay County.
Franklin County.
Glades County.
Gulf County.
Hardee County.
Hendry County.
Hernando County.
Indian River County.
Lake County.
Miami Beach City.
Miami City.
Okeechobee County.
Balance of Polk County.
St. John County.
St. Lucie County.
Sumter County.
Taylor County.
Washington County.

Georgia

Augusta City.
Burke County.
Chattahoochee County.
Chattooga County.
Cherokee County.
Fannin County.
Glascock County.
McDuffie County.
Stewart County.
Taliaferro County.
Walker County.
Warren County.
Wilcox County.

Idaho

Adams County.
Benewah County.
Boise County.
Bonner County.
Boundary County.
Camas County.
Clark County.
Clearwater County.
Gem County.
Idaho County.
Kootenai County.
Lemhi County.
Lewis County.
Power County.
Valley County.

Illinois

Alexander County.
Bond County.
Boone County.
Calhoun County.
Chicago City.
Clark County.
Clay County.
Clinton County.
Cumberland County.
Decatur City.
East St. Louis City.
Edgar County.
Effingham County.
Fayette County.
Franklin County.
Gallatin County.
Greene County.
Hamilton County.
Hardin County.
Jackson County.
Jasper County.
Jefferson County.
Jersey County.
Johnson County.
Joliet City.

Kankakee County.
Knox County.
La Salle County.
Madison County.
Marion County.
Massac County.
Montgomery County.
Ogle County.
Peoria City.
Perry County.
Pope County.
Pulaski County.
Putnam County.
Richland County.
Rockford City.
Saline County.
Shelby County.
Springfield City.
Tazewell County.
Union County.
Vermilion County.
Waukegan City.
Wayne County.
White County.
Whiteside County.
Williamson County.

Indiana

Adams County.
Anderson City.
Blackford County.
Cass County.
Crawford County.
Daviess County.
De Kalb County.
Dearborn County.
Elkhart County.
Fayette County.
Fountain County.
Franklin County.
Ft. Wayne City.
Gary City.
Grant County.
Greene County.
Hammond City.
Harrison County.
Henry County.
Balance of Howard County.
Jackson County.
Jasper County.
Jay County.
Jefferson County.
Jennings County.
Knox County.
Kokomo City.
La Porte County.
Lagrange County.
Balance of Lake County.
Lawrence County.
Balance of Madison County.
Marshall County.
Martin County.
Miami County.
Muncie City.
Noble County.
Ohio County.
Orange County.
Perry County.
Putnam County.
Randolph County.
Ripley County.
Rush County.
Scott County.
Shelby County.
South Bend City.
Balance of St. Joseph County.
Starke County.
Steuben County.
Switzerland County.
Tipton County.
Union County.
Vermillion County.
Wabash County.
Washington County.
Wayne County.
White County.
Whitley County.

Iowa

Appanoose County.
Floyd County.
Winnebago County.

Kentucky

Bath County.
Bell County.
Boyd County.
Bracken County.
Breathitt County.
Butler County.
Caldwell County.
Calloway County.
Carlisle County.
Carter County.
Clay County.
Clinton County.
Crittenden County.
Edmonson County.
Elliott County.
Estill County.
Floyd County.
Fulton County.
Graves County.
Grayson County.
Harlan County.
Hart County.
Hickman County.
Jackson County.
Johnson County.
Knott County.
Knox County.
Lawrence County.
Lee County.
Leslie County.
Letcher County.
Lewis County.
Lincoln County.
Magoffin County.
Marion County.
Marshall County.
McCreary County.
Menifee County.
Metcalfe County.
Monroe County.
Montgomery County.
Morgan County.
Nelson County.
Owsley County.
Perry County.
Powell County.
Pulaski County.
Robertson County.
Rockcastle County.
Russell County.
Spencer County.
Todd County.
Trimble County.
Washington County.
Wayne County.
Whitley County.
Wolfe County.

Louisiana

Alexandria County.
Allen Parish.
Ascension County.
Avoyelles County
Beauregard County.
Catahoula County.
Concordia County.
East Carroll County.
Evangeline County.
Franklin Parish.
Grant Parish.
Iberville County.
Livingston County.
Madison Parish.
Morehouse County.
Balance of Ouachita Parish.
Balance of Rapides Parish.
Richland Parish.
Sabine Parish.
St. James Parish.
St. Landry Parish.
Tangipahoa Parish.
Union Parish.
Vernon Parish.
Washington County.
Webster Parish.
West Carroll County.
West Feliciana County.

Maine

Androscoggin County.
Aroostook County.
Hancock County.
Knox County.
Somerset County.
Waldo County.
Washington County.

Maryland

Allegany County.
Baltimore City.
Calvert County.
Caroline County.
Cecil County.
Dorchester County.
Garrett County.
Kent County.
Queen Annes County.
Somerset County.
Washington County.
Wicomico County.
Worcester County.

Massachusetts

Acushnet Town.
Adams Town.
Alford Town.
Ashby Town.
Ashfield Town.
Ayer Town.
Berkley Town.
Blackstone Town.
Bourne Town.
Boylston Town.
Brimfield Town.
Brockton City.
Brookfield Town.
Carver Town.
Cummington Town.
Dighton Town.
Dunstable Town.
Edgartown Town.
Fall River City.
Falmouth Town.
Florida Town.
Freetown Town.
Gloucester City.
Granville Town.
Hardwick Town.
Harvard Town.
Harwich Town.
Haverhill City.
Holbrook Town.
Holland Town.
Kingston Town.
Lakeville Town.
Leyden Town.
Mashpee Town.
Mendon Town.
Merrimac Town.
Middlefield Town.
Millis Town.
Millville Town.
Monroe Town.
Montague Town.
New Ashford Town.
New Bedford City.
New Marlborough Town.
Newburyport City.
North Adams Town.
Orleans Town.
Phillipston Town.
Plainfield Town.

Provincetown Town.
Rehoboth Town.
Rochester Town.
Rockport Town.
Royalston Town.
Sandwich Town.
Savoy Town.
Shirley Town.
Taunton City.
Tolland Town.
Tyringham Town.
Upton Town.
Ware Town.
Wareham Town.
Wellfleet Town.
West Tisbury Town.
Westport Town.
Worthington Town.

Michigan

Alcona County.
Alger County.
Allegan County.
Alpena County.
Antrim County.
Arenac County.
Baraga County.
Barry County.
Bay County.
Benzie County.
Berrien County.
Branch County.
Calhoun County.
Cass County.
Charlevoix County.
Cheboygan County.
Chippewa County.
Clare County.
Clinton County.
Clinton Township.
Crawford County.
Dearborn City.
Dearborn Heights City.
Delta County.
Detroit City.
Dickinson County.
East Lansing City.
Balance of Eaton County.
Emmet County.
Flint City.
Balance of Genesee County.
Gladwin County.
Gogebic County.
Grand Rapids City.
Grand Traverse County.
Gratiot County.
Hillsdale County.
Houghton County.
Huron County.
Balance of Ingham County.
Ionia County.
Iosco County.
Iron County.
Isabella County.
Jackson County.
Kalamazoo City.
Kalkaska County.
Balance of Kent County.
Keweenaw County.
Lake County.
Lansing City.
Lapeer County.
Leelanau County.
Lenawee County.
Livingston County.
Luce County.
Mackinac County.
Balance of Macomb County.
Manistee County.
Marquette County.
Mason County.
Mecosta County.
Menominee County.
Midland County.
Missaukee County.
Monroe County.
Montcalm County.
Montmorency County.
Muskegon County.
Newaygo County.
Balance of Oakland County.
Oceana County.
Ogemaw County.
Ontonagon County.
Osceola County.
Oscoda County.
Otsego County.
Pontiac City.
Presque Isle County.
Redford Township.
Roscommon County.
Roseville City.
Saginaw City.
Balance of Saginaw County.
Sanilac County.
Schoolcraft County.
Shiawassee County.
St. Clair Shores City.
St. Clair County.
St. Joseph County.
Sterling Heights City.
Taylor City.
Tuscola County.
Van Buren County.
Warren City.
Balance of Washtenaw County.
Waterford Township.
Balance of Wayne County.
Westland City.
Wexford County.
Wyoming City.

Minnesota

Aitkin County.
Becker County.
Carlton County.
Cass County.
Clearwater County.
Cook County.
Crow Wing County.
Hubbard County.
Itasca County.
Kanabec County.
Koochiching County.
Mahnomen County.
Marshall County.
Morrison County.
Pine County.
Red Lake County.
Roseau County.
Balance of St. Louis County.

Mississippi

Alcorn County.
Attala County.
Benton County.
Bolivar County.
Coahoma County.
George County.
Greene County.
Grenada County.
Holmes County.
Jackson County.
Jefferson County.
Jefferson Davis County.
Kemper County.
Madison County.
Marshall County.
Montgomery County.
Noxubee County.
Panola County.
Quitman County.
Sharkey County.
Stone County.
Tate County.
Tunica County.
Warren County.
Washington County.
Wilkinson County.
Winston County.

Missouri

Bollinger County.
Butler County.
Carter County.
Clark County.
Douglas County.
Dunklin County.
Franklin County.
Howell County.
Jefferson County.
Maries County.
Mississippi County.
Moniteau County.
Oregon County.
Pemiscot County.
Ripley County.
Shannon County.
St. Louis City.
Stoddard County.
Stone County.
Texas County.
Washington County.
Wayne County.
Webster County.

Montana

Glacier County.
Lincoln County.
Mineral County.
Ravalli County.
Sanders County.

Nevada

White Pine County.

New Jersey

Atlantic City.
Balance of Atlantic County.
Bayonne City.
Camden City.
Cape May County.
Balance of Cumberland County.
East Orange City.
Elizabeth City.
Balance of Hudson County.
Jersey City.
Newark City.
Balance of Ocean County.
Passaic City.
Paterson City.
Sussex County.
Trenton City.
Union City.
Vineland City.

New Mexico

Balance of Bernalillo County.
Catron County.
Guadalupe County.
Luna County.
Mora County.
Rio Arriba County.
San Juan County.
San Miguel County.
Taos County.

New York

Buffalo City.
Cattaraugus County.
Cayuga County.
Chenango County.
Clinton County.
Balance of Erie County.
Essex County.
Franklin County.
Fulton County.
Genesee County.
Greene County.
Hamburg Town.
Hamilton County.
Herkimer County.
Jefferson County.
Lewis County.
Montgomery County.
Mount Vernon City.
Balance of Nassau County.

New York City.
Balance of Niagara County.
Niagara Falls City.
Orange County.
Orleans County.
Oswego County.
Balance of Rockland County.
Schoharie County.
St. Lawrence County.
Balance of Suffolk County.
Sullivan County.
Utica City.
Warren County.
Wyoming County.

North Carolina

Brunswick County.
Cherokee County.
Clay County.
Balance of Cumberland County.
Franklin County.
Graham County.
Halifax County.
Hoke County.
Person County.
Robeson County.
Swain County.
Tyrrell County.
Vance County.
Warren County.
Wilmington City.

North Dakota

McHenry County.
Rolette County.
Sioux County.

Ohio

Adams County.
Akron City.
Ashtabula County.
Athens County.
Auglaize County.
Belmont County.
Brown County.
Canton City.
Cincinnati City.
Clermont County.
Cleveland City.
Crawford County.
Dayton City.
Definace County.
Elyria City.
Erie County.
Fayette County.
Fulton County.
Guernsey County.
Hardin County.
Harrison County.
Henry County.
Highland County.
Hocking County.
Huron County.
Jackson County.
Jefferson County.
Lawrence County.
Lima City.
Lorain City.
Balance of Lorain County.
Balance of Lucas County.
Balance of Mahoning County.
Mansfield City.
Marion County.
Medina County.
Monroe County.
Morgan County.
Morrow County.
Noble County.
Ottawa County.
Paulding County.
Perry County.
Pike County.
Putnam County.
Sandusky County.
Scioto County.
Seneca County.
Shelby County.
Balance of Summit County.
Toledo City.
Balance of Trumbull County.
Tuscarawas County.
Warren City.
Warren County.
Williams County.
Wyandot County.
Youngstown City.

Oklahoma

Choctaw County.
Coal County.
Haskell County.
Latimer County.
Pittsburg County.
Pushmataha County.
Sequoyah County.

Oregon

Baker County.
Clatsop County.
Columbia County.
Coos County.
Crook County.
Curry County.
Deschutes County.
Douglas County.
Grant County.
Harney County.
Hood River County.
Jackson County.
Josephine County.
Klamath County.
Lake County.
Balance of Lane County.
Lincoln County.
Linn County.
Tillamook County.
Union County.
Wallowa County.
Wheeler County.

Pennsylvania

Altoona City.
Armstrong County.
Bedford County.
Balance of Blair County.
Bradford County.
Bristol Township.
Cambria County.
Cameron County.
Carbon County.
Chester City.
Clarion County.
Clearfield County.
Clinton County.
Columbia County.
Crawford County.
Elk County.
Erie City.
Fayette County.
Forest County.
Fulton County.
Greene County.
Huntington County.
Jefferson County.
Juniata County.
Balance of Lackawanna County.
Lawrence County.
Balance of Luzerne County.
Lycoming County.
Mifflin County.
Monroe County.
Montour County.
Northumberland County.
Philadelphia City.
Pike County.
Potter County.
Reading City.
Schuylkill County.
Scranton City.
Snyder County.
Somerset County.
Sullivan County.
Susquehana County.
Tioga County.
Washington County.
Wayne County.
Westmoreland County.
Wilkes-Barre City.
Wyoming County.

Puerto Rico

Aguadilla Municipio.
Arecibo Municipio.
Bayamon Municipio.
Caguas Municipio.
Mayaguez Municipio.
Ponce Municipio.
Balance of Puerto Rico.

Rhode Island

Bristol Town.
Central Falls City.
Charlestown Town.
Johnston Town.
New Shoreham Town.
North Providence Town.
Providence City.
Warren Town.
West Warwick Town.

South Carolina

Allendale County.
Barnwell County.
Colleton County.
Georgetown County.
Marion County.
Marlboro County.
McCormick County.
North Charleston City.
Union County.

South Dakota

Buffalo County.
Corson County.
Mellette County.
Shannon County.
Todd County.

Tennessee

Bledsoe County.
Campbell County.
Cannon County.
Carroll County.
Claiborne County.
Clay County.
Cocke County.
Crockett County.
Cumberland County.
DeKalb County.
Decatur County.
Dickson County.
Fayette County.
Fentress County.
Franklin County.
Gibson County.
Grainger County.
Grundy County.
Hamblen County.
Hancock County.
Hardeman County.
Hardin County.
Haywood County.
Henderson County.
Henry County.
Jackson County.
Jefferson County.
Lake County.
Lauderdale County.
Lawrence County.
Lewis County.
Lincoln County.
Macon County.
McMinn County.
Meigs County.
Monroe County.
Morgan County.
Overton County.
Perry County.

Pickett County.
Polk County.
Putnam County.
Rhea County.
Roane County.
Scott County.
Sevier County.
Stewart County.
Van Buren County.
Warren County.
Wayne County.

Texas

Brownsville City.
Balance of Cameron County.
Cass County.
Dimmit County.
El Paso City.
Balance of El Paso County.
Balance of Hidalgo County.
Killeen City.
Laredo City.
Loving County.
Marion County.
Maverick County.
McAllen City.
Newton County.
Port Arthur City.
Balance of Potter County.
San Augustine County.
Starr County.
Texarkana City Tex..
Val Verde County.
Balance of Webb County.
Willacy County.
Zapata County.
Zavala County.

Utah

Garfield County.
Piute County.
Sanpete County.
Wasatch County.

Vermont

Essex County.
Grand Isle County.
Lamoille County.
Orleans County.

Virginia

Alleghany County.
Bath County.
Brunswick County.
Buena Vista City.
Caroline County.
Covington City.
Dickenson County.
Grayson County.
Highland County.
Lancaster County.
Lee County.
Northampton County.
Northumberland County.
Page County.
Radford City.
Richmond County.
Russell County.
Smyth County.
South Boston City.
Suffolk City.
Sussex County.
Warren County.
Westmoreland County.
Williamsburg City.

Washington

Adams County.
Chelan County.
Clallam County.
Columbia County.
Cowlitz County.
Douglas County.
Ferry County.
Franklin County.
Grant County.
Grays Harbor County.
Jefferson County.
Kittitas County.
Klickitat County.
Lewis County.
Okanogan County.
Pacific County.
Pend Oreille County.
Skagit County.
Skamania County.
Stevens County.
Tacoma City.
Wahkiakum County.
Whatcom County.
Yakima City.
Balance of Yakima County.

West Virginia

Braxton County.
Calhoun County.
Clay County.
Fayette County.
Greenbrier County.
Harrison County.
Huntington City.
Jackson County.
Lewis County.
Lincoln County.
Logan County.
Marion County.
Marshall County.
Mason County.
McDowell County.
Mingo County.
Nicholas County.
Pendleton County.
Pocahontas County.
Preston County.
Putnam County.
Raleigh County.
Randolph County.
Ritchie County.
Roane County.
Summers County.
Taylor County.
Balance of Wayne County.
Webster County.
Wetzel County.
Wirt County.
Wyoming County.

Wisconsin

Clark County.
Forest County.
Janesville City.
Kenosha City.
Lincoln County.
Marquette County.
Menominee County.
Milwaukee City.
Oconot County.
Racine City.
Balance of Rock County.
Rusk County.
Sawyer County.
Taylor County.
Trempealeau County.
Vilas County.
Washburn County.
Waupaca County.
Bayfield County.
Balance of Calumet County.

POLITICAL JURISDICTIONS INCLUDED

Alabama

Autaga County.
Barbour County.
Bibb County.
Brimingham City in Jefferson County.
Blount County.
Bullock County.
Butler County.
Calhoun County.
Chambers County.
Chilton County.
Choctaw County.
Clarke County.
Clay County.
Colbert County.
Conecuh County.
Cullman County.
Dallas County.
Elmore County.
Escambia County.
Franklin County.
Gadsden City in Etowah County.
Greene County.
Hale County.
Jackson County.
Lauderdale County.
Lawrence County.
Limeston County.
Lowndes County.
Madison County less Huntsville City.
Marengeo County.
Marion County.
Marshall County.
Mobile City in Mobile County.
Monroe County.
Morgan County.
Perry County.
Pickens County.
Randolph County.
Russell County.
Sumter County.
Talladega County.
Tallapoosa County.
Walker County.
Washington County.
Wilcox County.
Winston County.

Alaska

Angoon Division.
Bethel Division.
Bristol Bay Borough Division.
Bristol Bay Division.
Cordova-McCarthy Division.
Fairbanks Division.
Haines Division.
Kenai-Cook Inlet Division.
Ketchikan Division.
Kobuk Division.
Kodiak Division.
Kuskokwim Division.
Matanuska-Susitna Division.
Nome Division.
Outer Ketchikan Division.
Prince of Wales Division.
Seward Division.
Sitka Division.
Skagway-Yakutat Division.
Southeast Fairbanks Division.
Upper Yukon Division.
Valdez-Chitina-Whittier.
Wade Hampton Division.
Wrangell-Petersburg Division.
Yukon-Koyukuk Division.

Arizona

Apache County.
Cochise County.
Gila County.
Graham County.
Navajo County.
Santa Cruz County.
Yuma County.

Arkansas

Ashley County.
Bradley County.
Chicot County.
Clay County.
Cleburne County.
Cleveland County.
Crawford County.
Dallas County.
Fort Smith City in Sebastian County.
Franklin County.
Greene County.
Hot Spring County.
Jackson County.

Lawrence County.
Lee County.
Little River County.
Logan County.
Miller County less Texarkana City Ark.
Mississippi County.
Monroe County.
Montgomery County.
Newton County.
Ouachita County.
Phillips County.
Poinsett County.
Prairie County.
Randolph County.
Scott County.
Searcy County.
Sebastian County less Fort Smith City.
Sharp County.
St. Francis County.
Stone County.
Texarkana City Ark., in Miller County.
Van Buren County.
White County.
Woodruff County.

California

Alpine County.
Amador County.
Berkeley City in Alameda County.
Butte County.
Calaveras County.
Compton City in Los Angeles County.
Del Norte County.
El Dorado County.
Fresno City in Fresno County.
Fresno County less Fresno City.
Glenn County.
Humboldt County.
Imperial County.
Kern County less Bakersfield City.
Kings County.
Lake County.
Lassen County.
Madera County.
Mariposa County.
Mendocino County.
Merced County.
Modesto City in Stanislaus County.
Mono County.
Monterey County less Salinas City.
Neveda County.
Oakland City in Alameda County.
Ontario City in San Bernardino County.
Placer County.
Plumas County.
Salinas City in Monterey County.
San Benito County.
San Bernardino City in San Bernardino County.
San Bernardino County less Ontario City.
San Bernadino City.
San Joaquin County less Stockton City.
Santa Cruz County.
Shasta County.
Sierra County.
Simi Valley City in Ventura County.
Siskiyou County.
Solano County less Fairfield City.
Vallejo City.
Stanislaus County less Modesto City.
Stockton City in San Joaquin County.
Sutter County.
Tehama County.
Trinity County.
Tuolumne County.
Yolo County.
Yuba County.

Colorado

Archuleta County.
Conejos County.
Costilla County.
Huerfano County.
Lake County.
Ouray County.
Pueblo City in Pueblo County.
San Juan County.

Connecticut

Ansonia Town.
Bridgeport City.
Griswold Town.
Killingly Town.
Meriden City.
New Haven City.
Plainfield Town.
Putnam Town.
Seymour Town.
Sprague Town.
Sterling Town.
Thomaston Town.
Thompson Town.
Torrington City.
Voluntown Town.
Waterbury City.
Winchester Town.

Delaware

Kent County.
Sussex County.
Wilmington city in New Castle County.

District of Columbia

Washington DC., city in District of Columbia.

Florida

Bay County.
Franklin County.
Glades County.
Gulf County.
Hardee County.
Hendry County.
Hernando County.
Indian River County.
Lake County.
Miami Beach city in Dade County.
Miami city in Dade County.
Okeechobee County.
Polk County less Lakeland City.
St. John County.
St. Lucie County.
Sumter County.
Taylor County.
Washington County.

Georgia

Augusta city in Richmond County.
Burke County.
Chattahoochee County.
Chattooga County.
Cherokee County.
Fannin County.
Glascock County.
McDuffie County.
Stewart County.
Taliaferro County.
Walker County.
Warren County.
Wilcox County.

Idaho

Adams County.
Benewah County.
Boise County.
Bonner County.
Boundary County.
Camas County.
Clark County.
Clearwater County.
Gem County.
Idaho County.
Kootenai County.
Lemhi County.
Lewis County.
Power County.
Valley County.

Illinois

Alexander County.
Bond County.
Boone County.
Calhoun County.
Chicago City in Cook County.
Clark County.
Clay County.
Clinton County.
Cumberland County.
Decatur City in Macon County.
East St. Louis City in St. Clair County.
Edgar County.
Effingham County.
Fayette County.
Franklin County.
Gallatin County.
Greene County.
Hamilton County.
Hardin County.
Jackson County.
Jasper County.
Jefferson County.
Jersey County.
Johnson County.
Joliet City in Will County.
Kankakee County.
Knox County.
La Salle County.
Madison County.
Marion County.
Massac County.
Montgomery County.
Ogle County.
Peoria City in Peoria County.
Perry County.
Pope County.
Pulaski County.
Putnam County.
Richland County.
Rockford City in Winnebago County.
Saline County.
Shelby County.
Springfield City in Sangamon County.
Tazewell County.
Union County.
Vermillion County.
Waukegan City in Lake County.
Wayne County.
White County.
Whiteside County.
Williamson County.

Indiana

Adams County.
Anderson City in Madison County.
Blackford County.
Cass County.
Crawford County.
Daviess County.
De Kalb County.
Dearborn County.
Elkhart County.
Fayette County.
Fountain County.
Franklin County.
Fort Wayne City in Allen County.
Gary City in Lake County.
Grant County.
Greene County.
Hammond City in Lake County.
Harrison County.
Henry County.
Howard County less Kokomo City.
Jackson County.
Jasper County.
Jay County.
Jefferson County.
Jennings County.
Knox County.
Kokomo City in Howard County.
La Porte County.
Lagrange County.
Lake County less Gary City.
Hammond City.
Lawrence County.
Madison County less Anderson City.
Marshall County.
Martin County.

Miami County.
Muncie City in Delaware County.
Noble County.
Ohio County.
Orange County.
Perry County.
Putnam County.
Randolph County.
Ripley County.
Rush County.
Scott County.
Shelby County.
South Bend City in St. Joseph County.
St. Joseph County less South Bend City.
Starke County.
Steuben County.
Switzerland County.
Tipton County.
Union County.
Vermillion County.
Wabash County.
Washington County.
Wayne County.
White County.
Whitley County.

Iowa

Appanoose County.
Floyd County.
Winnebago County.

Kentucky

Bath County.
Bell County.
Boyd County.
Bracken County.
Breathitt County.
Butler County.
Caldwell County.
Calloway County.
Carlisle County.
Carter County.
Clay County.
Clinton County.
Crittenden County.
Edmonson County.
Elliott County.
Estill County.
Floyd County.
Fulton County.
Graves County.
Grayson County.
Harlan County.
Hart County.
Hickman County.
Jackson County.
Johnson County.
Knott County.
Knox County.
Lawrence County.
Lee County.
Leslie County.
Letcher County.
Lewis County.
Lincoln County.
Magoffin County.
Marion County.
Marshall County.
McCreary County.
Menifee County.
Metcalfe County.
Monroe County.
Montgomery County.
Morgan County.
Nelson County.
Owsley County.
Perry County.
Powell County.
Pulaski County.
Robertson County.
Rockcastle County.
Russell County.
Spencer County.
Todd County.
Trimble County.
Washington County.
Wayne County.
Whitley County.
Wolfe County.

Louisiana

Aleandria City in Rapides Parish.
Allen Parish.
Ascension Parish.
Avoyelles Parish.
Beauregard Parish.
Catahoula Parish.
Concordia Parish.
East Carroll Parish.
Evangeline Parish.
Franklin Parish.
Grant Parish.
Iberville Parish.
Livingston Parish.
Madison Parish.
Morehouse Parish.
Quachita Parish less Monroe City.
Rapides Parish less Alexandria City.
Richland Parish.
Sabine Parish.
St. James Parish.
St. Landry Parish.
Tangipahoa Parish.
Union Parish.
Vernon Parish.
Washington Parish.
Webster Parish.
West Carroll Parish.
West Feliciana Parish.

Maine

Androscoggin County.
Aroostook County.
Hancock County.
Knox County.
Somerset County.
Waldo County.
Washington County.

Maryland

Allegany County.
Baltimore City in Baltimore City.
Calvert County.
Caroline County.
Cecil County.
Dorchester County.
Garrett County.
Kent County.
Queen Annes County.
Somerset County.
Washington County.
Wicomico County.
Worcester County.

Massachusetts

Acushnet Town in Bristol County.
Adams Town in Berkshire County.
Alford Town in Berkshire County.
Ashby Town in Middlesex County.
Ashfield Town in Franklin County.
Ayer Town in Middlesex County.
Berkley Town in Bristol County.
Blackstone Town in Worcester County.
Bourne Town in Barnstable County.
Boylston Town in Worcester County.
Brimfield Town in Hampden County.
Brockton City in Plymouth County.
Brookfield Town in Worcester County.
Carver Town in Plymouth County.
Cummington Town in Hampshire County.
Dighton Town in Bristol County.
Dunstable Town in Middlesex County.
Edgartown Town in Dukes County.
Fall River City in Bristol County.
Falmouth Town in Barnstable County.
Florida Town in Berkshire County.
Freetown Town in Bristol County.
Gloucester City in Essex County.
Granville Town in Hampden County.
Hardwick Town in Worcester County.
Harvard Town in Worcester County.
Harwich Town in Barnstable County.
Haverhill City in Essex County.
Holbrook Town in Norfolk County.
Holland Town in Hampden County.
Kingston Town in Plymouth County.
Lakeville Town in Plymouth County.
Leyden Town in Franklin County.
Mashpee Town in Barnstable County.
Mendon Town in Worcester County.
Merrimac Town in Essex County.
Middlefield Town in Hampshire County.
Millis Town in Norfolk County.
Millville Town in Worcester County.
Monroe Town in Franklin County.
Montague Town in Franklin County.
New Ashford Town in Berkshire County.
New Bedford City in Bristol County.
New Marlborough Town in Berkshire County.
Newburyport City in Essex County.
North Adams Town in Berkshire County.
Orleans Town in Barnstable County.
Phillipston town in Worcester County.
Plainfield Town in Hampshire County.
Provincetown Town in Barnstable County.
Rehoboth Town in Bristol County.
Rochester Town in Plymouth County.
Rockport Town in Essex County.
Royalston Town in Worchester County.
Sandwich Town in Barnstable County.
Savoy Town in Berkshire County.
Shirley Town in Middlesex County.
Taunton City in Bristol County.
Tolland Town in Hampden County.
Tyringham Town in Berkshire County.
Upton Town in Worcester County.
Ware Town in Hampshire County.
Wareham Town in Plymouth County.
Wellfleet Town in Barnstable County.
West Tisbury Town in Dukes County.
Westport Town in Bristol County.
Worthington Town in Hampshire County.

Michigan

Alcona County.
Alger County.
Allegan County.
Alpena County.
Antrim County.
Arenac County.
Baraga County.
Barry County.
Bay County.
Benzie County.
Berrien County.
Branch County.
Calhoun County.
Cass County.
Charlevoix County.
Cheboygan County.
Chippewa County.
Clare County.
Clinton County.
Clinton Township in Macomb County.
Crawford County.
Dearborn City in Wayne County.
Dearborn Heights City in Wayne County.
Delta County.
Detroit City in Wayne County.
Dickinson County.
East Lansing City in Ingham County.
Eaton County less Lansing City-Eaton.
Emmet County.
Flint City in Genesee County.
Genesee County less Flint City.
Gladwin County.
Gogebic County.
Grand Rapids City in Kent County.
Grand Traverse County.
Gratiot County.
Hillsdale County.
Houghton County.
Huron County.
Ingham County less East Lansing City.

Lansing City-Ingham.
Ionia County.
Iosco County.
Iron County.
Isabella County.
Jackson County.
Kalamazoo City in Kalamazoo County.
Kalkaska County.
Kent County less Grand Rapids City.
Wyoming City.
Keweenaw County.
Lake County.
Lansing City in Eaton County.
Ingham County.
Lapeer County.
Leelanau County.
Lenawee County.
Livingston County.
Luce County.
Mackinac County.
Macomb County less Clinton Township.
Roseville City.
St. Clair Shores City.
Sterling Heights City.
Warren City.
Manistee County.
Marquette County.
Mason County.
Mecosta County.
Menominee County.
Midland County.
Missaukee County.
Monroe County.
Montcalm County.
Montmorency County.
Muskegon County.
Newaygo County.
Oakland County less Farmington Hills City.
Pontiac City.
Royal Oak City.
Southfield City.
Troy City.
Waterford Township.
Oceana County.
Ogemaw County.
Ontonagon County.
Osceola County.
Oscoda County.
Otsego County.
Pontiac City in Oakland County.
Presque Isle County.
Redford Township in Wayne County.
Roscommon County.
Roseville City in Macomb County.
Saginaw City in Saginaw County.
Saginaw County less Saginaw City.
Sanilac County.
Schoolcraft County.
Shiawassee County.
St. Clair Shores City in Macomb County.
St. Clair County.
St. Joseph County.
Sterling Heights City in Macomb County.
Taylor City in Wayne County.
Tuscola County.
Van Buren County.
Warren City in Macomb County.
Washtenaw County less Ann Arbor City.
Waterford Township in Oakland County.
Wayne County less Dearborn City.
Dearborn Heights City.
Detroit City.
Livonia City.
Redford Township.
Taylor City.
Westland City.
Westland City in Wayne County.
Wexford County.
Wyoming City in Kent County.

Minnesota

Aitkin County.
Becker County.
Carlton County.
Cass County.
Clearwater County.
Cook County.
Crow Wing County.
Hubbard County.
Itasca County.
Kanabec County.
Koochiching County.
Mahnomen County.
Marshall County.
Morrison County.
Pine County.
Red Lake County.
Roseau County.
St. Louis County less Duluth City.

Mississippi

Alcorn County.
Attala County.
Benton County.
Bolivar County.
Coahoma County.
George County.
Greene County.
Grenada County.
Holmes County.
Jackson County.
Jefferson County.
Jefferson Davis County.
Kemper County.
Madison County.
Marshall County.
Montgomery County.
Noxubee County.
Panola County.
Quitman County.
Sharkey County.
Stone County.
Tate County.
Tunica County.
Warren County.
Washington County.
Wilkinson County.
Winston County.

Mississippi

Bollinger County.
Butler County.
Carter County.
Clark County.
Douglas County.
Dunklin County.
Franklin County.
Howell County.
Jefferson County.
Maries County.
Mississippi County.
Moniteau County.
Oregon County.
Pemiscot County.
Ripley County.
Shannon County.
St. Louis City in St. Louis City.
Stoddard County.
Stone County.
Texas County.
Washington County.
Wayne County.
Webster County.

Montana

Glacier County.
Lincoln County.
Mineral County.
Ravalli County.
Sanders County.

Nevada

White Pine County.

New Jersey

Atlantic City in Atlantic County.
Atlantic County less Atlantic City.
Bayonne City in Hudson County.
Camden City in Camden County.
Cape May County.
Cumberland County less Vineland City.
East Orange City in Essex County.
Elizabeth City in Union County.
Hudson County less Bayonne City.
Jersey City.
Union City.
Jersey City in Hudson County.
Newark City in Essex County.
Ocean County less Brick Township.
Dover Township.
Passaic City in Passaic County.
Paterson City in Passaic County.
Sussex County.
Trenton City in Mercer County.
Union City in Hudson County.
Vineland City in Cumberland County.

New Mexico

Bernalillo County less Albuquerque City.
Colonie Town.
Catron County.
Guadalupe County.
Luna County.
Mora County.
Rio Arriba County.
San Juan County.
San Miguel County.
Taos County.

New York

Buffalo City in Erie County.
Cattaraugus County.
Cayuga County.
Chenango County.
Clinton County.
Erie County less Amherst Town.
Buffalo City.
Cheektowaga Town.
Hamburg Town.
Tonowanda Town.
West Seneca Township.
Essex County.
Franklin County.
Fulton County.
Genesee County.
Greene County.
Hamburg Town in Erie County.
Hamilton County.
Herkimer County.
Jefferson County.
Lewis County.
Montgomery County.
Mount Vernon City in Westchester County.
Nassau County less Glencove City.
Hempstead Town.
North Hempstead Town.
Oyster Bay Town.
New York City in Bronx County.
Kings County.
New York County.
Queens County.
Richmond County.
Niagara County less Niagara Falls City.
Nigara Falls City in Niagara County.
Orange County.
Orleans County.
Oswego County.
Rockland County less Clarkstown Town.
Orangetown Town.
Ramapo Town.
Schoharie County.
St. Lawrence County.
Suffolk County less Babylon Town.
Brookhaven Town.
Huntington Town.
Islip Town.
Smithtown Town.
Sullivan County.
Utica City in Oneida County.
Warren County.
Wyoming County.

North Carolina

Brunswick County.
Cherokee County.

Clay County.
Cumberland County less Fayetteville City.
Franklin County.
Graham County.
Halifax County.
Hoke County.
Person County.
Robeson County.
Swain County.
Tyrrell County.
Vance County.
Warren County.
Wilmington City in New Hanover County.

North Dakota

McHenry County.
Rolette County.
Sioux County.

Ohio

Adams County.
Akron City in Summit County.
Ashtabula County.
Athens County.
Auglaize County.
Belmont County.
Brown County.
Canton City in Stark County.
Cincinnati City in Hamilton County.
Clermont County.
Cleveland City in Cuyahoga County.
Crawford County.
Dayton City in Montgomery County.
Defiance County.
Elyria City in Lorain County.
Erie County.
Fayette County.
Fulton County.
Guernsey County.
Hardin County.
Harrison County.
Henry County.
Highland County.
Hocking County.
Huron County.
Jackson County.
Jefferson County.
Lawrence County.
Lima City in Allen County.
Lorain City in Lorain County.
Lorain County less Elyria City.
Lorain City.
Lucas County less Toledo City.
Mahoning County less Youngstown City.
Mansfield City in Richland County.
Marion County.
Medina County.
Monroe County.
Morgan County.
Morrow County.
Noble County.
Ottawa County.
Paulding County.
Perry County.
Pike County.
Putnam County.
Sandusky County.
Scioto County.
Seneca County.
Shelby County.
Summit County less Akron City.
Toledo City in Lucas County.
Trumbull County less Warren City.
Tuscarawas County.
Warren City in Trumbull County.
Warren County
Williams County
Wyandot County
Youngstown City in Mahoning County

Oklahoma

Choctaw County
Coal County
Haskell County
Latimer County
Pittsburg County
Pushmataha County
Sequoyah County

Oregon

Baker County
Clatsop County
Columbia County
Coos County
Crook County
Curry County
Deschutes County
Douglas County
Grant County
Harney County
Hood River County
Jackson County
Josephine County
Klamath County
Lake County
Lane County less Eugene City
Lincoln County
Linn County
Tillamook County
Union County
Wallowa County
Wheeler County

Pennsylvania

Altoona City in Blair County
Armstrong County
Bedford County
Blair County less Altoona City
Bradford County
Bristol Township in Bucks County
Cambria County
Cameron County
Carbon County
Chester City in Delaware County
Clarion County
Clearfield County
Clinton County
Columbia, County
Crawford County
Elk County
Erie City in Erie County
Fayette County
Forest County
Fulton County
Greene County
Huntingdon County
Jefferson County
Juniata County
Lackawanna County less Scranton City
Lawrence County
Luzerne County less Wilkes-Barre City
Lycoming County
Mifflin County
Monroe County
Montour County
Northumberland County
Philadelphia City in Philadelphia County
Pike County.
Potter County.
Reading City in Berks County.
Schuylkill County.
Scranton City in Lackawanna County.
Snyder County.
Somerset County.
Sullivan County.
Susquehanna County.
Tioga County.
Washington County.
Wayne County.
Westmoreland County.
Wilkes-Barre City in Luzerne County.
Wyoming County.

Puerto Rico

Aguadilla Municipio in Puerto Rico.
Arecibo Municipio in Puerto Rico.
Bayamon Municipio in Puerto Rico.
Caguas Municipio in Puerto Rico.
Mayaguez Municipio in Puerto Rico.
Ponce Municipio in Puerto Rico.
Puerto Rico Less Aguadilla Municipio.
Arecibo Municipio.
Bayamon Municipio.
Caguas Municipio.
Carolina Municipio.
Guaynabo Municipio.
Mayaguez Municipio.
Ponce Municipio.
San Juan Municipio.
Toa Baja Municipio.

Rhode Island

Bristol Town.
Central Falls City.
Charlestown Town.
Johnston Town.
New Shoreham Town.
North Providence Town.
Providence City.
Warren Town.
West Warwick Town.

South Carolina

Allendale County.
Barnwell County.
Colleton County.
Georgetown County.
Marion County.
Marlboro County.
McCormick County.
North Charleston City in Charleston County.
Union County.

South Dakota

Buffalo County.
Corson County.
Mellette County.
Shannon County.
Todd County.

Tennessee

Bledsoe County.
Campbell County.
Cannon County.
Carroll County.
Claiborne County.
Clay County.
Cocke County.
Crockett County
Cumberland County
De Kalb County
Decatur County
Dickson County
Fayette County
Fentress County
Franklin County
Gibson County
Grainger County
Grundy County
Hamblen County
Hancock County
Hardeman County
Hardin County
Haywood County
Henderson County
Henry County
Jackson County
Jefferson County
Lake County
Lauderdale County
Lawrence County
Lewis County
Lincoln County
Macon County
McMinn County
Meigs County
Monroe County
Morgan County
Overton County
Perry County
Pickett County
Polk County
Putnam County
Rhea County
Roane County
Scott County
Sevier County

Stewart County
Van Buren County
Warren County
Wayne County

Texas

Brownsville City in Cameron County
Cameron County less Brownsville City
Cass County
Dimmit County
El Paso City in El Paso County
El Paso County less El Paso City
Hidalgo County less McAllen City
Killeen City in Bell County
Laredo City in Webb County
Loving County
Marion County
Maverick County
McAllen City in Hidalgo County
Newton County
Port Arthur City in Jefferson County
Potter County less Amarillo City-Potter
San Augustine County
Starr County
Texarkana City Tex in Bowie County
Val Verde County
Webb County less Laredo City
Willacy County
Zapata County
Zavala County

Utah

Garfield County
Piute County
Sanpete County
Wasatch County

Vermont

Essex County
Grand Isle County.
Lamoille County.
Orleans County.

Virginia

Alleghany County.
Bath County.
Brunswick County.
Buena Vista City.
Caroline County.
Covington City.
Dickenson County.
Grayson County.
Highland County.
Lancaster County.
Lee County.
Northampton County.
Northumberland County.
Page County.
Radford City.
Richmond County.
Russell County.
Smyth County.
South Boston City.
Suffolk City.
Sussex County.
Warren County.
Westmoreland County.
Williamsburg City.

Washington

Adams County.
Chelan County.
Clallam County.
Columbia County.
Cowlitz County.
Douglas County.
Ferry County.
Franklin County.
Grant County.
Grays Harbor County.
Jefferson County.
Kittitas County.
Klickitat County.
Lewis County.
Okanogan County.
Pacific County.
Pend Oreille County.
Skagit County.
Skamania County.
Stevens County.
Tacoma City in Pierce County.
Wahkiakum County.
Whatcom County.
Yakima City in Yakima County.
Yakima County less Yakima City.

West Virginia

Braxton County.
Calhoun County.
Clay County.
Fayette County.
Greenbrier County.
Harrison County.
Huntington City in Cabell County.
Wayne County.
Jackson County.
Lewis County.
Lincoln County.
Logan County.
Marion County.
Marshall County.
Mason County.
McDowell County.
Mingo County.
Nicholas County.
Pendleton County.
Pocahontas County.
Preston County
Putnam County.
Raleigh County.
Randolph County.
Ritchie County.
Roane County.
Summers County.
Taylor County.
Wayne County less Huntington City-Wayne.
Webster County.
Wetzel County.
Wirt County.
Wyoming County.

Wisconsin

Bayfield County.
Calumet County less Appleton City-Calumet.
Clark County.
Forest County.
Janesville City in Rock County.
Kenosha City in Kenosha County.
Lincoln County.
Marquette County.
Menominee County.
Milwaukee City in Milwaukee County.
Oconto County.
Racine City in Racine County.
Rock County less Janesville City.
Rusk County.
Sawyer County.
Taylor County.
Trempealeau County.
Vilas County.
Washburn County.
Waupaca County.

To this annual list of labor surplus areas were added 54 areas effective July 1 through September 1, 1981. Then 11 more areas were added October 1 through December 1, bringing the total number of areas to 1,124.

Effective October 1, 1981 the following 3 labor surplus areas were added:

LABOR SURPLUS AREA

Miami City.
Queen Annes County.
Athens County.

POLITICAL JURISDICTION INCLUDED

Miami City in Dade County, Florida.
Queen Annes County, Maryland.
Athens County, Ohio.

Effective November 1, 1981, 6 labor surplus areas were added to the list:

LABOR SURPLUS AREA

Elmore County.
Tallapossa County.
Ontario City.
Androsocoggin Co.
Howell County.
Clark County.

POLITICAL JURISDICTION INCLUDED

Elmore Co., Alabama.
Tallapossa Co., Alabama.
Ontario City in San Bernardino Co., California.
Androsocoggin Co., Maine.
Howell Co., Missouri.
Clark Co., Wisconsin.

Effective December 1, 1981, 2 more areas were added:

LABOR SURPLUS AREA

Bridgeport City.
Seymour Town.

POLITICAL JURISDICTION INCLUDED

Bridgeport City in Connecticut.
Seymour Town in Connecticut.

LABOR DEPARTMENT ADDS 19 AREAS TO LABOR SURPLUS LIST

The Department of Labor has designated 19 additional areas in nine states as "labor surplus" because of high unemployment. Employers in such areas are eligible for preference in obtaining Federal procurement contracts.

The additions, effective May 1, 1982, are in Florida, Georgia, Illinois, Iowa, Kentucky, Ohio, Pennsylvania, Tennessee, and Virginia. They bring the total number of current labor surplus areas to 1,170 out of a possible 4,100.

Labor surplus areas are designated by the Department of Labor to give potential government contractors preference in bidding on procurement contracts if the work is to be performed in these areas.

The 19 new areas are:

Florida, Collier County.

Georgia, Barrow, Floyd, Murray, and Whitfield Counties.

Illinois, Rock Island City and balance of Rock Island County.

Iowa, Davenport City, balance of Scott County, Dubuque City, and balance of Dubuque County.

Kentucky, Covington City, balance of Jefferson County, and Louisville City.

Ohio, Portage County.

Pennsylvania, Beaver County.

Tennessee, Loudon and Obion Counties.

Virginia, Petersburg City.

The initial list of labor surplus areas for the current 12-month period (June 1981 through May 1982) was announced last June. To have made the list, an area's average unemployment rate during 1979 and 1980 must have been at least 20 percent higher than the national average during the same two years. Since the average national rate during the reference period was 6.6 percent, an area's rate must have been at least 7.9 percent to be included.

The PRESIDING OFFICER. The time of the proponents of the amendment has expired.

Mr. TOWER. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back the question is on agreeing to the amendment of the Senator from New York.

Mr. MOYNIHAN. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New York.

On this question, the yeas and nays have been ordered and the clerk will call the roll.

Mr. MOYNIHAN. Mr. President, has the rollcall begun?

The PRESIDING OFFICER. It has not.

Mr. MOYNIHAN. Mr. President, has the rollcall begun?

The PRESIDING OFFICER. No.

Mr. MOYNIHAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TOWER. Mr. President, I ask for the yeas and nays on the amendment of the Senator from New York.

The PRESIDING OFFICER. Is there a sufficient second?

Mr. MOYNIHAN. Mr. President, I believe the yeas and nays have already been ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New York. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Idaho (Mr. McClure) is necessarily absent.

Mr. CRANSTON. I announce that the Senator from Illinois (Mr. Dixon), the Senator from South Carolina (Mr. Hollings), the Senator from Maryland (Mr. Sarbanes), the Senator from Massachusetts (Mr. Tsongas), and the Senator from Michigan (Mr. Riegle) are necessarily absent.

I further announce that, if present and voting, the Senator from Illinois (Mr. Dixon) and the Senator from Michigan (Mr. Riegle) would vote "yea."

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 45, nays 49, as follows:

[Rollcall Vote No. 114 Leg.]

YEAS—45

Baker
Baucus
Biden
Boschwitz
Bradley
Brady
Burdick
Byrd, Robert C.
Chafee
Cohen
Cranston
D'Amato
DeConcini
Denton
Dodd
Dole
Durenberger
Eagleton
Ford
Glenn
Hart
Hatfield
Hayakawa
Heflin
Heinz
Inouye
Jackson
Kennedy
Leahy
Levin
Lugar
Mathias
Matsunaga
Melcher
Metzenbaum
Mitchell
Moynihan
Pell
Percy
Quayle
Randolph
Rudman
Sasser
Specter
Stafford

NAYS—49

Abdnor
Andrews
Armstrong
Bentsen
Boren
Bumpers
Byrd,
  Harry F., Jr.
Cannon
Chiles
Cochran
Danforth
Domenici
East
Exon
Garn
Goldwater
Gorton
Grassley
Hatch
Hawkins
Helms
Huddleston
Humphrey
Jepsen
Johnston
Kassebaum
Kasten
Laxalt
Long
Mattingly
Murkowski
Nickles
Nunn
Packwood
Pressler
Proxmire
Pryor
Roth
Schmitt
Simpson
Stennis
Stevens
Symms
Thurmond
Tower
Wallop
Warner
Weicker
Zorinsky

NOT VOTING—6

Dixon
Hollings
McClure
Riegle
Sarbanes
Tsongas

So Mr. Moynihan's amendment (UP No. 942) was rejected.

Mr. TOWER. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. WARNER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. TOWER and Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mr. TOWER. Mr. President, there are several Senators here who are ready to present their amendments. Most of these which are about to be presented are noncontroversial and can be accepted by a voice vote. I believe we can dispose of about six or seven such amendments. Then we are prepared to get into some matters that I think are somewhat controversial.

I believe the Senator from Vermont (Mr. Stafford) is prepared to offer an amendment, which will be followed by amendments by several other Senators which are not controversial.

The PRESIDING OFFICER. The Senator from Washington.

AMENDMENT NO. 1399

(Purpose: To require a report on the teaching of military history in military service schools)

Mr. GORTON. Mr. President, I call up my amendment No. 1399.

The PRESIDING OFFICER. The clerk will read the amendment.

The legislative clerk read as follows:

The Senator from Washington (Mr. Gorton), for himself, Mr. Sasser, and Mr. Chiles, proposes amendment No. 1399.

Mr. GORTON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill insert a new section as follows:

REPORT ON THE TEACHING OF MILITARY HISTORY IN MILITARY SERVICE SCHOOLS

SEC. . The Secretary of each military department shall conduct a survey of each school and training program under his jurisdiction with a view to determining the extent to which, if at all, military history is taught in such school and training program. The Secretary of each military department shall submit the results of the survey conducted by him to the Committees on Armed Services of the Senate and the House of Representatives not later than January 1, 1983.

Mr. GORTON. Mr. President, I am pleased to join with a number of other Members in offering four amendments to the 1983 Department of Defense authorization bill. The studies required by these amendments can, in some respects, give us the long-range potential for an even healthier national defense system. The studies would require that new thought be given to some very old problems: How to organize the military to achieve our national defense goals, how to improve fighting strength at the unit level, how to select the most successful warfare tactics, and how to give our officer corps a proper historical perspective of military affairs. I am particularly pleased to have Senators Chiles and Sasser join me in support of the amendment relating to military history.

Many have raised the concern that the future leaders of our military will not be sufficiently familiar with the quirks of military engagement, and many fear that they will be unaware of the extent and importance of the constant interplay of technology and luck on the battlefield. Instead, critics charge we are producing technocrats who may not be aware of how quickly carefully memorized charts and figures are blown out the window by the first winds of war. A former staff member to Senator Nunn, Jeffrey Record, wrote a thought-provoking article, "The Fortunes of War," for the April 1980 issue of Harper's magazine. I commend this reading to the Members of the Senate, and I ask unanimous consent that it be printed in the Record for that purpose at the end of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. MOYNIHAN. Mr. President, I send an amendment to the desk.

Mr. GORTON. Mr. President, I have the floor.

Mr. MOYNIHAN. I ask the Senator to forgive me, Mr. President.

Mr. TOWER. Mr. President, there is so much confusion. I am not surprised that the Senator from New York is unaware that somebody is holding the floor. We can hardly hear anything.

The PRESIDING OFFICER. The Senate will be in order. The amendment of the Senator from Washington is pending.

Mr. **GOLDWATER**. Mr. President, I yielded the floor to make a unanimous-consent request when all hell broke loose. May I have the floor?

Mr. **GORTON**. Mr. President, I am happy to yield to the Senator from Arizona.

Mr. **GOLDWATER**. Mr. President, I wanted to ask to be added as a cosponsor of the Senator's amendment. As the Chairman of the Board of the Air Force Academy, I wanted to say there is considerable history of this type.

Mr. **GORTON**. Mr. President, I am delighted to have as an additional cosponsor the Senator from Arizona. I am pleased to ask unanimous consent that that be done.

The **PRESIDING OFFICER**. Without objection, it is ordered.

Mr. **GORTON**. Mr. President, I am not certain that the critics are right, but I have not been comforted to learn of the few required military history courses. In my view, history is underemphasized to Americans across our educational system. To find that military history may be undertaught in our service academies is, of course, of great concern to me, and I hope to the rest of the Congress.

Nevertheless, this amendment does not make any requirements as far as the course of academic pursuits that these academic academies give. It simply asks for a report to Congress by next year on the extent to which they are offered and actually taken by the student in our military academies.

I assure my colleagues that I am requesting only a 1-year evaluation, not an ongoing review. The House has already inserted similar language into its report, and I hope the Senate will today put forth its inquiry into this matter as well.

EXHIBIT 1

[From Harper's, April 1980]

THE FORTUNES OF WAR

(By Jeffrey Record)[1]

What has passed for the study of war in the service academies in recent decades gives some cause for alarm. Increasingly since the end of the second world war, the curriculum has been slanted in a manner that has produced an officer corps overconfident—nay, arrogant—about its ability to direct, manage, and control that most awesome and unpredictable of human experiences, the clash of arms and men on a battlefield.

The service academies have had their share of public attention during the past few years, what with the cheating scandals, the admission of women, and the "liberalization" of curricula. Practically no note has been taken, however, of what has happened at the very core of military education, in the subject area that distinguishes West Point, Annapolis, and Colorado Springs from the liberal-arts campus—namely, the study of armed conflict. The salient development here has been the decline of the study of war's history as the foundation stone of the military curriculum.

History is a victim of an increasing disposition of military educators many of whom are not professional students of war but rather touring officers getting "tickets punched" on the way up the promotion ladder—to treat war as a science. The empirical record of the past has given way to war technology and techniques of command as objects of inquiry. The focus is on tactics, strategy logistics, the marshaling of hardware, and the organization of ever-unfolding technology (e.g., the "electronic battlefield"). This rationalization or "scientification" of warfare breeds a disconcerting hubris in its practitioners because it de-emphasizes, if it does not altogether deny, the role of what Frederick the Great called "His Sacred Majesty Chance"—whimsy, the irrational or unpredictable event or circumstances. *Fortuna*—in shaping victory or defeat on the battlefield. It is a hubris that disregards the elder Moltke's wise caution that "no plan of operations can look with any certainty beyond the first meeting with the . . . enemy," because it cannot govern "the independent will of the opposing commander." The study of history, in contrast, is a humbling experience; the historical record bulges with one aborted attempt after another by the best and the brightest to identify, assemble, and manipulate the ingredients of military triumph.

Inattention to the history of warfare is perhaps the greatest weakness in the training of American military officers. The lack of all but a cursory familiarity with the object of their chosen profession has encouraged a mentality characterized by unwarranted confidence in the malleability of war, and by a faith that most, if not all, problems on the battlefield are susceptible to technological or administrative solutions. It has also fostered an insidious conviction that leadership is little more than a question of good management.

I draw these conclusions from more than a decade of intimate association with military men both on and off the battlefield, from countless conversations with officers from all branches of our armed forces, and from familiarity with the curricula of our professional military academies.

West Point, Annapolis, and Colorado Springs provide their charges with only momentary glimpses of the history of war. Of the 373 courses of instruction that make up West Point's academic program, seventeen are offered in electrical engineering, of which one at most is required; twenty-six in mathematics (two required, including one titled "Advanced Placement Calculus, Multivariable Calculus, Introduction to Linear Algebra. Differential Equations, and Probability Theory and Statistical Inference"); and five courses in military history, of which at most two are required. Moreover, both required courses—"History of the Military Art" and "Advanced History of the Military Art"—focus mainly on warfare in the twentieth century. The two millennia spanning the campaigns of Alexander the Great and Napoleon receive comparatively little treatment, as does the history of military thought, for which no course is offered. (But then, what did Clausewitz or Alfred T. Mahan know about semiconductors, electromagnetics, and microprocessors?)

A cadet at the United States Air Force Academy receives even less exposure to military history: five courses (one required) out of a total of 394 offered, including twenty-two in electrical engineering and some sixteen in the techniques of management.

At Annapolis, would-be Farraguts, Deweys, and Nimitzes may graduate with a knowledge of what happened at Mobile, Manila, and Midway, but not at Actium, Trafalgar, and Jutland: the Naval Academy's sole required course in military history is "American Naval Heritage."

Our military academies produce some gifted students of war (both MacArthur and Patton were exceptionally well read in the history of their profession), but for the most part the schools grind out officers captivated by the idea that a science of war exists and that this most complex, uncontrollable, and least understood of all human activities can be "managed" given the proper tools and requisite faith in its manageability. It is an officer corps, as historian Edward N. Luttwak has noted, that treats the enemy "as a mere inventory of targets" and warfare as little more than "the orderly administration of firepower."

It is an officer corps inadequately tutored in the more fundamental truths of warfare, which can be learned only on the battlefield and through a thorough knowledge of history. It is an officer corps that is intellectually indisposed to accept the dominant role of *Fortuna* in war; that embraces the pretensions of Henri Jomini but neglects the cautions of Clausewitz; that regards the Vietnam war as all but irrelevant to its own future; that still ascribes the failure of American arms in Indochina to the malevolent machinations of a timid if not morally suspect civil authority; and that places less value on the study of war as a human encounter than on the ability to balance an equation, draft concise memorandums, and salute smartly.

In all fairness, it must be said that the American military's assumptions about the nature of war are not unrepresentative of those that we as a society have made about human endeavor in general—at least until recently. The American political ethic was formed primarily by children of Montesquieu and Locke, rather than by progeny of Hobbes and de Maistre. Our Constitution reflects a pronounced confidence in the role of reason in human affairs.

The subsequent history of the United States has tended to shield these assumptions. With the exception of the Civil War and short-lived outbursts of racial and industrial strife, our country has managed to resolve without resort to major violence, most internal problems that continue to tear other nations asunder. As a nation we have been extraordinary lucky. Ours for the taking was the richest continent on the planet. Insulated by vast expanses of ocean, we were free to subdue and organize it with little interference from abroad. Our principal adversary was not a foreign foe but nature itself, whose challenges we mastered through technological innovation. We have never been invaded, wasted by famine, or ravaged by plague. We have waged comparatively few wars and have been unambiguously defeated in only one of them. We have never fought a war that irreparably damaged our country or society. No other nation has had so few skirmishes with the Four Horsemen of the Apocalypse.

In short, there is little in the American historical experience to encourage proper respect for the inherrent infirmity or paradox of human endeavor. Although Vietnam has tempered the American public's faith in the tractability or manageability of war, there is little evidence that it has had the same result among the military. The spirit of "can do"—"The difficult we can do immediately, the impossible takes a little longer"—still flourishes at West Point, reflecting persistent confidence that a commander can impose his will on the battlefield simply by applying proper technologies and leadership techniques. The failure of U.S. military leadership—despite an overwhelming preponderance of measurable resources at its command—to impose its will on the North Vietnamese, and the virtual immunity of the Indochinese conflict to technological resolution, appear to be lessons largely lost on the Pentagon.

An excellent example of the American military's continuing unregenerate faith in the capacity of technological innovation to determine outcomes on the battlefield is its ongoing infatuation with "smart" antitank weapons. Indeed, one of the more dangerous illusions being entertained in certain quarters of the Pentagon these days is the belief that such weapons, if simply deployed in sufficient numbers, can neutralize, if not defeat, the powerful Soviet tank armies that for so many years have petrified NATO military planners. It is an illusion especially pervasive among unmechanized U.S. infantry forces, like the marines and the army's 82nd Airborne Division, which are institutionally indisposed to accept the fact that, however elegantly equipped, light infantry forces, which still make up more than half of U.S. ground forces, can rarely be a match for armored or mechanized forces.

In their embrace of the new laser- and wire-guided antitank weapons, the army and marine corps characteristically pursued a technological "fix" for a problem essentially structural in nature; it is more the lack of mobility and less a deficiency in firepower that cripples foot infantry in the face of advancing armor. Even more characteristically, the marines and the army's infantry branch, ever on the lookout for a means of dethroning the tank as queen of the land battle and restoring infantry to the prominence it enjoyed in the centuries from gunpowder to Guderian, failed to appreciate either the inherent limitations of the new antitank guided missiles or the degree to which they could be effectively countered by comparatively cheap measures based on common sense.

Whether guided to the target by wire or laser beam, antitank guided missiles (ATGM), such as the U.S. TOW and Dragon, have one thing in common: they are "line of sight" weapons that can hit only those targets that are visible to the naked eye of the ATGM gunner or the person "designating" the target during the entire flight of the missile. Some ATGMs, such as the TOW, take as much as fifteen seconds to reach targets at optimum ranges, during which time the gunner or designator himself must remain exposed to the threat of hostile fire.

These deficiencies of ATGMs have been carefully noted by Soviet military planners and tacticians. Traditional heavy Soviet emphasis on night operations, camouflage, and the use of smoke has been expanded in an attempt to obstruct the clear vision so necessary to ATGM gunners. Virtually every first-line Soviet tank and armored fighting vehicle has been equipped with externally mounted smoke dispensers that can render an entire armored column invisible within a few seconds. Soviet mastery of the art of camouflage has been increasingly directed toward the specific problems posed by ATGMs. Night fighting, always prominent in Soviet doctrine, is now regarded as providing a combat environment particularly well suited for avoidance of the ATGM threat.

Moreover, the Soviets understand that the same eccentricities of Central Europe's terrain, climate, and demography that might inhibit their own high-speed armored operations also inhibit the employment of ATGMs in defense against such operations. Like such natural barriers as forests and mountains, the urban sprawl that has engulfed much of the North German plain since World War II constitutes no less an obstacle to the use of "smart" anti-armor weapons than to the use of armor itself. Tanks behind buildings are just as invisible to an ATGM gunner as tanks behind hills or tree lines—or, for that matter, tanks shrouded in the thick morning fog that lies heavily on the North German plain during much of the year.

Thus it would seem that Soviet shrewdness, German terrain and urbanization, and the heavens themselves—factors beyond the control of any American or Allied commander—have conspired to downgrade the putative effectiveness of a technological innovation that is still regarded in some quarters as revolutionary. ATGMs are no less vulnerable than any other weapon to the whims of *Fortuna*, or, as we have seen, to the "independent will of the opposing commander." In short, their introduction does not render a potential conflict in Europe more tractable or its outcome less uncertain.

Persistent faith in the tractability of war is both unfounded and dangerous. It is unfounded because it underestimates the importance of what Clausewitz termed "friction" in war—that which separates the theory of war from reality. It is dangerous because the penalty for miscalculation in war is death. It ignores the extent to which the outcome of combat is determined by factors over which commanders and armies have little control—indeed, cannot even foresee. As Clausewitz wrote in his monumental On War.

No other human activity is so continuously or universally bound up with chance . . . Absolute, so-called mathematical factors never find a firm basis in military calculations. From the very start there is an interplay of possibilities, probabilities, good luck and bad that weaves its way throughout the length and breadth of the tapestry. In the whole range of human activities, war most closely resembles a game of cards.

The proper study of war is the study of history, not the study of electrical engineering, parade manuals, football, or even military tactics. As Clausewitz repeatedly emphasized, "historical examples . . . provide the best kind of proof in the empirical sciences. This is particularly true of the art of war." Note that Clausewitz speaks of the art rather than the science of war. Note also that the German general staff, which for almost a century produced the most gifted generalship in the Western world, elevated the systematic study of military history to a position equal in importance to the preparation of operational plans. The German general staff's success in what historian T. N. Dupuy has called "institutionalizing military excellence" rested to no small degree on a profound respect for Fortuna derived from rigorous inquiry into past campaigns; from 1817 onward, despite numerous reorganizations in the general staff, its Division of Military History remained a prominent and distinctive feature.

If cadets and midshipmen at our professional military schools spent less time practicing close-order drill and memorizing meaningless axioms and more time exploring the true nature of the object of their profession, they, too, might gain the profound respect for Fortuna that every great captain has exhibited. For example, they might learn that the success of Hannibal's generalship at Cannae hinged precisely on rigid Roman adherence to the discipline that characterized Roman legions; that the Spanish conquest of the Aztec and Inca empires was due not to the superior arms the conquistadores carried in their hands but to the far more deadly viruses they carried in their bodies; that the Spanish Armada was destroyed less by Drake's "sea dogs" than by wind; that Frederick the Great's famous order of march was the product primarily of the propensity of his troops to desert; that the success of the American War of Independence was clinched by a French king's unwise political decision; that Napoleon's Grand Army was destroyed in Russia not by the wily tactics of Kutuzov but by subzero temperatures; and that Wellington's victory at Waterloo was gained only through flagrant disobedience of orders.

They might learn that McClellan failed to crush Lee at Antietam because a Union corps commander assumed that a bridge was the proper way to cross a creek; that a Confederate detachment's search for shoes determined the location of the Civil War's bloodiest battle; that Missionary Ridge was overrun by Federal troops who had been instructed not to do so; that mosquitoes dictated the timing and location of the U.S. Army's campaigns in both the Mexican-American and Spanish-American wars; that dysentery accounted for more than 90 percent of British losses in the Crimean War; that measles and diphtheria played a far greater role than the U.S. Cavalry in deciding the outcome of the Indian wars; that the Russian disaster at Tannenberg in 1914 was attributable in no small part to a long-standing personal feud between the two principal Russian commanders; that its own preparatory artillery fire guaranteed the defeat of the British Army at Passchendaele; and that famine, not Foch, brought the Germans to the peace table in 1918.

They might learn that the freezing of Lake Ladoga prevented the Germans from capturing Leningrad during the second world war; that the Allied strategic bombing campaign during that same conflict probably prolonged rather than shortened German resistance; that Rommel was beaten in North Africa less by Montgomery than by distance; that "Market Garden," the great Allied airborne assault on Holland in 1944, was crushed as much by fog in England as it was by German forces in the drop zones; and that the real foundation of Israeli military prowess is a social structure vastly superior to that from which Arab armies are drawn.

By assiduous probing of the historical record, cadets and midshipmen also might develop a healthy respect for the difficulties of translating technological advances into battlefield successes. They might learn, for example, that new technologies are virtually worthless if unaccompanied by appropriate changes in force structure and tactics, and that such changes are usually long in coming; that some 500 years separated the introduction of gunpowder and its full exploitation in war; and that the horror of

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[1] Jeffrey Record, formerly legislative assistant for military affairs to Sen. Sam Nunn of Georgia, is now a senior fellow at the Institute for Foreign Policy Analysis in Washington, D.C. He is the author of Sizing Up the Soviet Army (Brookings Institution).

World War I was to a large extent the product of a deadly combination of twentieth-century weapons and nineteenth-century tactics. The disconcerting truth is that the tactical lessons to be learned from the impact of the rifle, machine gun, barbed wire, and entrenchments on attacking massed infantry were already glaringly apparent at Malvern Hill in 1862, at Gettysburg a year later, and during the Japanese siege of Port Arthur in 1904-05.

They might learn that the consequences of new technologies are not easily predictable in advance; that the full exploitation of the crossbow in the Middle Ages was delayed in 1139 by a papal ban on its use by Christians against Christians; that the ability to preserve food in tins contributed as much as railroads to the strategic mobility of Union armies during the Civil War; that the substitution of steam propulsion for sail during the nineteenth century severely restricted the global reach of many navies; that the first tanks were designed primarily as barbed-wire crushers; that what came to be the most effective antitank weapon of World War II—the German 88 millimeter gun—was designed to shoot down aircraft; and that the mechanization of infantry has had little appreciable effect on the pace at which it can advance into enemy territory.

Finally, the future officers corps might learn that even profound technological superiority is no guarantee of success in combat; that history is littered with battles and wars—the Little Big Horn, Isandhlwana, Adwa, the Chinese Civil War, Vietnam—in which the loser enjoyed vast technological advantage; that true grit and not the Welsh longbow destroyed the French feudal array at Crecy; that low Russian morale and not superior Japanese gunnery proved decisive in the great naval engagement off Tsushima in 1905; that France in 1940 had more and better tanks than the Germans; that Russian manpower and not the superior quality of Allied arms defeated the Third Reich; and that hand-to-hand fighting on Iwo Jima and Okinawa rather than the atomic bomb sealed the fate of Japan in 1945.

These observations about the history of warfare should not be misconstrued as a conclusion that command and technology are irrelevant in war. On the contrary, generalship and weaponry have always exerted a significant influence on the battlefield, and in many instances that influence has been decisive. Few would subscribe today to the proposition, implicit in *War and Peace* and in Tolstoy's subsequent writings on Napoleon's campaign in Russia, that the outcome of any violent human conflict is predetermined by cosmic forces. Napoleon's presence on the battlefield did make a substantial and often crucial difference, as did the presence of Alexander the Great, Hannibal, Caesar, Marlborough, Gustavus Adolphus, Frederick the Great, Lee, Jackson, Grant, Sherman, Moltke, and Manstein. Nor can the importance of technology be denied: the stirrup, gunpowder, screw propeller, rifle, Maxim machine gun, internal combustion engine, tank, airplane, wireless radio, radar, ballistic missile, and nuclear weapon have exercised profound influences on the conduct of war. Certainly in modern war, technological expertise is essential.

Generalship and technology, however, are but two of the major influences at play on the battlefield. Significantly, most of the major determinants—weather, terrain, troop morale, lack of complete information about the enemy—are beyond the immediate control of the commander. Of critical importance is the necessity to remember that generalship and technology can dominate war only with the permission of *Fortuna*. Great commanders are invariably lucky men.

Acceptance of these realities is critical for any military leadership—particularly one still obsessed with the notions that leadership is a question of technique and that technology can control Chance—and can be gained only through a thorough knowledge of war's history. If West Point and our other professional military schools are to produce a genuine military elite, as opposed to simply cultivating the values of elitism, they must accept the fact that the study of war is the study of history.

A "historically illiterate" officer corps, which counts on science as the guide to triumph and therefore ignores *Fortuna*, could lead this country into disaster by its overconfidence. Ignorance of history is dangerous. It is not enough for officers to get some inkling of *Fortuna* secondhand. They need to be immersed in it in a way that can come only from an intensive exploration of history. Better to learn about *Fortuna* by precept of historical example than on the battlefield—when it may be too late.

Mr. JEPSEN. Mr. President, will the Senator yield?

Mr. GORTON. Yes, I am happy to yield.

Mr. JEPSEN. Will the Senator include me as a cosponsor?

Mr. GORTON. I ask unanimous consent that that be done.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TOWER. Will the Senator yield to me for a question?

Mr. GORTON. I certainly will.

Mr. TOWER. Mr. President, when this was mentioned to me by the Senator from Washington, I asked him if this was any kind of suggestion that the Congress should get into the business of prescribing curriculums at the military academies. He assured me that is not the case. I think it would be worthwhile to have that assurance now.

Mr. GORTON. Mr. President, I make that assurance for the RECORD at this point.

Mr. TOWER. Mr. President, I am prepared to accept the amendment of the Senator from Washington. I ask the Senator from Mississippi (Mr. STENNIS) if he has any objection.

Mr. STENNIS. The sad fact is that over here, we just could not hear what was going on. I did not want to say anything about it. I shall have to ask the Senator to tell me.

Mr. TOWER. This is the amendment of the Senator from Washington that asks for a report on the teaching of military history in military academies. The Senator has assured us it is not an attempt to get involved in the prescription of curriculums to the academies.

Mr. STENNIS. I thank the Senator. That is certainly agreeable to me. I commend him for his amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 1399) was agreed to.

UP AMENDMENT NO. 943

(Purpose: To relieve economic dislocations)

Mr. MOYNIHAN. Mr. President, I have an unprinted amendment at the desk. I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will state the amendment.

The legislative clerk read as follows:

The Senator from New York (Mr. MOYNIHAN) for himself and Mr. D'AMATO, proposes an unprinted amendment numbered 943.

On page 67, after line 13, insert the following new section:

SEC. . (a) The Secretary of Defense should conduct a test program during fiscal year 1983 in accordance with this subsection to test the effect of exempting certain contracts of the Department of Defense from the provisions of section 2892 of title 10, United States Code and paying a price differential under such contracts for the purpose of relieving economic dislocations. Under such test program, the Secretary of Defense may exempt from the provisions of such section any contract (other than a contract for the purchase of fuel) made by the Defense Logistics Agency during fiscal year 1983 if the contract is to be awarded to an individual or a firm located in a Labor Surplus Area, as defined and identified by the Department of Labor, and if the Secretary determines—

(1) that the awarding of such contract will not adversely affect the national security of the United States;

(2) that there is a reasonable expectation that bids will be received from a sufficient number of responsible bidders so that the award of such contract will be made at reasonable cost to the United States;

(3) that the price differential to be paid under such contract will not exceed 7½ percent; and

(4) the value of such contract, when added to the cumulative value of all other contracts awarded under the test program, will not exceed $3,000,000,000.

(b) Not later than April 15, 1983, the President shall submit a report to Congress on the implementation and results to that date of the test program authorized by subsection (a). The report shall include as assessment of the costs and benefits of the test program.

Mr. MOYNIHAN. Mr. President, my esteemed colleague (Mr. D'AMATO) and I have discussed the matter and concluded that there may have been honest concerns about the amendment voted on a few moments ago, because it involved unacceptable costs, nonweapons procurement in the amount of $3 billion where the contracts for labor surplus areas of some 47 States would be permitted a price differential in excess of 2 percent. We now propose an identical amendment that would reduce that last figure to 1.5 percent.

Mr. President, I make the simple point and shall not elaborate further that during the 1980 Presidential campaign, if my recollection serves, the current President of the United States said he favored the Defense Manpower Policy 4B of his predecessor, President Truman. I am prepared to be corrected by any Member of the body with a better memory. I admit to not having the quotation in front of me, but I remember that in the Middle West, perhaps it was in Cleveland, in the middle of the campaign, Candidate Reagan said he was for such a measure.

The PRESIDING OFFICER. The Senate Chamber is not in order.

Mr. MOYNIHAN. Mr. President, I make the point that this is a unifying proposal with respect to a divisive defense budget.

I see my distinguished colleague is on his feet.

Mr. GOLDWATER, Mr. President, will the Senator yield?

Mr. MOYNIHAN. I am happy to yield.

Mr. GOLDWATER. I just want to say the Senator's memory is correct.

Mr. MOYNIHAN. I thank my colleague from Arizona.

Mr. President, I yield the floor, although I see my distinguished colleague, who is my cosponsor, has risen. I believe he arose before the Senator from Indiana.

The PRESIDING OFFICER. The Senator from New York.

Mr. D'AMATO. Mr. President, I rise in support of this amendment because I think it is important that we demonstrate to the Nation's unemployed, to those regions that are deeply distressed, that we do recognize a responsibility, yes, in the letting of Government contracts and that the dollar implications, as proven by last year's formula given by the Defense Department in their statistics, were minuscule; $559,000, maybe, was the course—maybe.

I suggest, in a time when we have areas that have 12, 13, 14 percent unemployment, this is the right direction in which to move. We are talking nickels and dimes, literally. If we want to demonstrate that we have a commitment to see to it that this tremendous defense spending we are approving, going forward within this Nation, is not going to be regionalized, sectionalized, we are going to recognize that there are areas of this country that have tremendous job dislocations, particularly in the letting of small defense contract bids, a 1.5-percent differential will be recognized.

Mr. President, I think that is a small price we can pay. I urge my colleagues and I hope that we do recognize it. Coming from the conservative, the ultraconservative from New York, I make a plea that we open our hearts and minds.

Mr. TOWER. Mr. President, this is essentially the same amendment with the figures changed. It is a reduction from 2 percent to 1½ percent. I do not intend to belabor the matter. I intend to vote against it because the principle is bad regardless of what the figures are. It is not substantially different from the previous amendment. Therefore, I intend to vote against it. I am prepared to vote unless others want to speak.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized.

Mr. HEINZ. Mr. President, I rise in support of the Moynihan and the D'Amato amendment.

Developing a strong base of contractors for the Defense Department can only improve the efficient expenditure of our defense dollars.

It makes even more sense in these troubled economic times to direct contracting dollars to firms located in areas experiencing high unemployment.

Such an initiative will enhance the flow of private investment capital into depressed areas, create jobs, and thus a healthy economic infrastructure.

These areas had previously been discriminated against by the Maybank amendment.

The restrictions established by the Maybank amendment were modified by the Congress in 1980, by a 1-year test program that directs the Defense Logistics Agency to purchase some of its requirements from firms located in high unemployment areas.

This set-aside program was extended to 1982 to allow businesses located in labor surplus areas preference in competing on up to $5 billion worth of DLA contracts.

The preliminary data available from this set-aside for labor surplus areas is encouraging.

The program created or retained 21,073 jobs.

Of the 248 contracts reported, 132 valued at $8,547,876 went to firms in Northeastern and Midwestern States, while 116 contracts worth $17,134,004 were awarded to businesses in the South and West. Businesses in 47 States have been affected by the program. This program must be continued. It will diversify and expand the industrial base and create jobs and stimulate the flow into depressed areas, decreasing Federal support in the form of welfare, food stamps, and housing subsidies, while generating economic growth and ultimate revenues to the Federal Government.

The Moynihan-D'Amato amendment will create jobs without authorizing the expenditure of additional Federal dollars.

The extension of this small set-aside for labor surplus areas for another year will allow us to gage even further the positive results to be gained from departing from the provisions of the Maybank amendment.

Mr. MOYNIHAN. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New York (Mr. MOYNIHAN). The clerk will call the roll.

The legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Idaho (Mr. MCCLURE) is necessarily absent.

Mr. CRANSTON. I announce that the Senator from Illinois (Mr. DIXON), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Maryland (Mr. SARBANES), the Senator from Massachusetts (Mr. TSONGAS), the Senator from Virginia (Mr. HARRY F. BYRD, JR.), and the Senator from Georgia (Mr. NUNN) are necessarily absent.

I further announce that, if present and voting, the Senator from Illinois (Mr. DIXON) would vote "yea."

The PRESIDING OFFICER (Mr. NICKLES). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 48, nays 45, as follows:

[Rollcall Vote No. 115 Leg.]

YEAS—48

Andrews
Baker
Baucus
Biden
Boschwitz
Bradley
Brady
Burdick
Byrd, Robert C.
Chafee
Cohen
Cranston
D'Amato
DeConcini
Dodd
Dole
Domenici
Durenberger
Eagleton
Ford
Glenn
Hart
Hatfield
Hawkins
Heflin
Heinz
Inouye
Jackson
Kennedy
Leahy
Levin
Lugar
Mathias
Matsunaga
Melcher
Metzenbaum
Mitchell
Moynihan
Pell
Percy
Quayle
Randolph
Riegle
Rudman
Sasser
Specter
Stafford
Stevens

NAYS—45

Abdnor
Armstrong
Bentsen
Boren
Bumpers
Cannon
Chiles
Cochran
Danforth
Denton
East
Exon
Garn
Goldwater
Gorton
Grassley
Hatch
Hayakawa
Helms
Huddleston
Humphrey
Jepsen
Johnston
Kassebaum
Kasten
Laxalt
Long
Mattingly
Murkowski
Nickles
Packwood
Pressler
Proxmire
Pryor
Roth
Schmitt
Simpson
Stennis
Symms
Thurmond
Tower
Wallop
Warner
Weicker
Zorinsky

NOT VOTING—7

Byrd,
Harry F., Jr.
Dixon
Hollings
McClure
Nunn
Sarbanes
Tsongas

So Mr. MOYNIHAN's amendment (UP No. 943) was agreed to.

Mr. MOYNIHAN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. D'AMATO. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. TOWER. Mr. President, may we have order? Senators are trying to present amendments. It occurs to me that we can finish much earlier this evening if Senators will take their seats and stay in the Chamber.

The **PRESIDING OFFICER**. Senators standing in the aisles will please take their seats and remove themselves from the back of the Chamber.

The Senator from Texas has the floor.

Mr. **TOWER**. Mr. President, I yield the floor.

UP AMENDMENT NO. 944

(Purpose: To strike out a provision relating to payments and arrangements made under section 6 of the Act of September 30, 1950 (Public Law 874, 81st Congress) as modified by section 505(c) of the Omnibus budget Reconciliation Act of 1981)

Mr. **STAFFORD**. Mr. President, I have an unprinted amendment at the desk which I call up and ask for its immediate consideration and that it be stated.

The **PRESIDING OFFICER**. The amendment will be stated.

The legislative clerk read as follows:

> The Senator from Vermont (Mr. Stafford), for himself and Mr. Metzenbaum, proposes unprinted amendment numbered 944.
>
> On page 58, strike out lines 9 through 18. Redesignate the succeeding sections in title XI accordingly.

Mr. **STAFFORD**. Mr. President, I offer this amendment to strike section 1112 from S. 2248, the DOD authorization for fiscal year 1983 and the supplemental authorization for fiscal year 1982. The section I seek to strike, section 1112 on page 58 of the printed bill provides the Secretary of Defense with sole authority for the administration of schools on military bases.

On its face, the provision of section 1112 seems straight-forward and harmless; yet, the intention to provide the Secretary of Defense with this authority contravenes policy which Congress had established and repeatedly reaffirmed. When this policy is examined, I believe my colleagues will agree to strike section 1112 from the bill and avoid contradicting established congressional affirmations and ignoring the traditional procedures by which this issue should be resolved.

Permit me to explain further.

During congressional consideration of the Omnibus Budget Reconciliation Act last year, Congress approved the proposal to provide funding for the so-called section 6—impact aid—schools in the DOD budget. At the same time, Congress instructed the Secretary of Defense to delegate responsibility for the administration of these schools to the Secretary of Education.

These schools are operated on military bases where no public education facilities are located off base in nearby areas. Section 6 schools traditionally have been administered by the Department of Education and its predecessor agency, and by instructing DOD to delegate administrative authority to the Department of Education, Congress was only continuing a long-established practice.

Last December, Congress again reaffirmed its support for this practice. At that time, a section of the defense appropriations bill proposed eliminating that part of the Omnibus Budget Reconciliation Act which mandated DOD funding and Ed administration of section 6 schools.

At that time, I offered an amendment to strike that provision. I was joined by my distinguished colleague, Senator Roth, chairman of the Governmental Affairs Committee. Our arguments then could be summarized as follows:

First, Congress had already insured continued Department of Education administration of these schools through the Omnibus Budget Reconciliation Act;

Second, the Governmental Affairs Committee had never discussed this issue even though it has primary jurisdiction over the structure of the Department of Education and governmental reorganization; and

Third, the Education, Arts and Humanities Subcommittee, which oversees the impact aid program, has never acted on this matter except to reaffirm continued administration of impact aid by the Department of Education.

At that time, the Senate agreed with these arguments by striking the language in the DOD appropriations bill which would have transferred administrative authority from Education to DOD. This was only December 3, I say to my colleagues. The arguments we are making today are as valid now as they were then in December, and I hope my colleagues will do again what they did then: vote to strike this provision.

Since the Senate last voted on this issue, I have pursued this matter with the Secretary of Education and the Secretary of Defense. I share with my colleagues the replies I received from both individuals regarding the administration of section 6 schools.

Both Secretary Bell and Secretary Weinberger indicated to me that discussions are continuing regarding the mandate Congress placed upon them in the Budget Reconciliation Act.

Secretary Bell has assured me that:

> In an effort to implement section 505(c), staff members from this Department and the Department of Defense have been working together to clarify the roles of the two Departments regarding the section 6 schools.

He later added that he is hopeful that the two Departments "will conclude this matter in a way that is eventually satisfactory and consistent with the law."

Secretary Weinberger, too, stated that he is hopeful of concluding an agreement soon. He admitted some "uncertainty how to proceed" because of "the pending disestablishment of the Department of Education."

I remind the Secretary to differentiate between fact and fancy, between law and proposal. The fact is that these section 6 schools are to be under the ultimate purview of the Department of Education. This is so stipulated by section 505(c) of the Reconciliation Act which reads:

> The Secretary of Defense shall delegate to the Secretary of Education responsibility for the conduct of programs with funds so available.

The fancy is that the Department of Defense can circumvent this provision simply by slipping in a seemingly innocuous provision into legislation without consulting the committees with primary jurisdiction over impact aid and the Department of Education.

The law remains the same. Impact aid is a program administered by the Department of Education. While Secretary Weinberger may be uncertain how to proceed, I remind him that the law is certain, final, and in the statute books.

I, furthermore, advise the Secretary of Defense not to predicate his argument upon what he calls the pending disestablishment of the Department of Education. Although the President has announced his desire to do so, no legislation has been sent to the Senate by the administration to abolish the Department. And, if it were to do so during this Congress, I doubt very much if that legislation would pass.

Therefore, Mr. President, I urge the Secretary of Defense to continue his discussions with Secretary Bell on this matter. He should observe what is stipulated in law now, not what may never be.

In closing, I add that this debate is more than a jurisdictional matter. It is fundamentally an educational issue affecting children in this Nation. In this regard, I note that many of the prominent education organizations—the Council of Chief State School Officers, the National Association of State Boards of Education, the National School Boards Association, and the American Association of School Administrators, to name a few—all support my amendment and the retention of section 6 administration in the Department of Education.

Mr. President, I ask unanimous consent to have printed in the Record letters from these organizations.

There being no objection, the letters were ordered to be printed in the Record, as follows:

National Association of State
Boards of Education,
Washington, D.C., May 13, 1982.

Hon. Robert T. Stafford,
Dirksen Senate Office Building,
Washington, D.C.

Dear Senator Stafford: The National Association of State Boards of Education sup-

ports the Stafford/Roth Amendment to S2248, the Defense Authorization bill. The transfer of responsibilities from the Department of Education to the Department of Defense has not been given any thoughtful consideration by the appropriate Senate committees. Further, Congress mandated continued Department of Education administration of section 6 impact aid schools last year under the Omnibus Budget Reconciliation Act.

Therefore, NASBE urges all Senators to vote for the amendment, insuring the administrative control of these schools remains with the Department of Education. NASBE is very grateful to you and Senator Roth for introducing this amendment and offers any assistance you need to insure its passage.

Sincerely,

Anita Epstein,
Director, Government Affairs.

National School Boards Association,
Washington, D.C., May 12, 1982.

Hon. Robert T. Stafford,
U.S. Senate, Dirksen Senate Office Building,
Washington, D.C.

Dear Senator Stafford: The National School Boards Association wishes to go on record in support of the Stafford/Roth Amendment to S. 2246 to delete Section 1112. NSBA is opposed to Section 1112, which attempts to place full administrative control of Section 6 schools with the Department of Defense. We offer several reasons for our objections:

Section 6 schools have been administratively controlled by the federal education agency, formerly HEW and more recently the Department of Education, since they came into existence in the 1950's.

The Omnibus Reconciliation Act of 1981 (P.L. 9735): 95 Stat. 443, paragraph 3, section 505C states that "the Secretary of Defense shall delegate to the Secretary of Education responsibility for the conduct of programs with funds so available."

There have been no hearings held to date.

NSBA believes that to transfer control of Section 6 schools would not be in the best interest of the future of public education. Section 6 schools have historically been administered by education. The Omnibus Reconciliation Act of 1981 stated that the Department of Education should have administrative control, and there has been no opportunity for the public to express its opinions in a hearing to date. For these reasons, the NSBA supports the Stafford/Roth Amendment, which is an attempt to keep administrative control of Section 6 schools in the Department of Education.

Very truly yours,

Thomas A. Shannon,
Executive Director.
Rayma C. Page,
President.

American Association of School
Administrators,
Arlington, Va., May 13, 1982.

Hon. Robert T. Stafford,
U.S. Senate, Dirksen Senate Office Building,
Washington, D.C.

Dear Senator Stafford: Since 1950 the federal government has provided financial assistance for local educational agencies to compensate for the loss of revenue resulting from the impact of federal activity. This impact aid program has always been administered and monitored by the federal government's education agency.

The American Association of School Administrators (AASA) feels strongly that the U.S. Department of Education should continue to administer the impact aid programs. We are especially concerned about those children for whom local agencies are unable to provide education because the federal activity is too large for the local area to support. These "Section Six" school districts must continue to be administered by the U.S. Department of Education if we are going to have any reasonable hope of maintaining program continuity and equal educational opportunity for children of military dependents.

Therefore, AASA strongly endorses your effort to continue the established practice of having the "Section Six" schools administered by the Department of Education.

Sincerely,

Joseph J. Scherer,
Associate Executive Director.

Mr. **STAFFORD**. Mr. President, I hope that the Senate will adopt my amendment.

Mr. **JEPSEN**. Mr. President, here we go again. The Department of Defense has the funds to pay its checks to the Department of Education to be further handled and processed by more bureaucracy, to write another check back to the Defense Department and send it back to the commander at the local level who in turn hands it to the superintendent of schools. It is bureaucracy at its worst and just another effort to keep the Department of Education in existence, using dependent children as pawns and hostages to try to justify the existence and pay for additional nonessential bureaucrats.

Let us understand why we are here and why we are with this thing in the first place.

The first question that must be answered here is why the administration chose to have the Department of Defense administer section 6 schools in fiscal year 1983.

I submit the facts are that the primary reason is that Senator Stafford's committee did not include funds or authority for section 6 schools in fiscal year 1982. The 18 section 6 schools, the local school boards, the military parents, and 35,000 dependent schoolchildren were left to fend for themselves.

It was under Senator Tower's leadership that funds were restored in the defense budget to fund for the education of these 35,000 youngsters.

The Department of Education was not interested in them when they had to foot the bill, so they dropped it as if it were a hot potato. Now they come back and say, "Let the Department of Defense pay for it but let us handle the money and let us do our thing so we can justify and grab and hold onto what obviously has been mandated and that is the reorganization of the Department of Education."

I suggest that you vote down this amendment and that we get on with the matter.

Mr. **DeCONCINI** addressed the Chair.

The **PRESIDING OFFICER** (Mr. Nickles). Will the Senator withhold for just a moment? The Senate is not in order. The Senate will be in order.

The Senator may proceed.

Mr. **DeCONCINI**. Mr. President, I support the amendment being offered by the distinguished chairmen of the Education Subcommittee and the Governmental Affairs Committee, Senators Stafford and Roth.

This bill contains a provision that would take from the Department of Education its authority to administer section 6 schools. If enacted this administrative authority would be shifted to the Department of Defense. This action if successful will change a Federal Government policy that has been in place for approximately 30 years. These section 6 schools are funded by Public Law 81-874, commonly known as impact aid for federally affected areas. These schools are federally owned and operated and for the most part are located on military bases. The schools educate over 30,000 children who reside on Federal land, and as I previously mentioned are administered by the Department of Education, and prior to the Department were administered by its predecessor, the Office of Education. These schools are found throughout the United States and Puerto Rico.

As recently as last year, by enactment of the Omnibus Budget and Reconciliation Act, the Congress recognized and reaffirmed the significance and importance of leaving the administrative responsibility of section 6 schools with the Department of Education. The act, while requiring the Department of Defense to fund section 6 schools, continued to require that the Department of Education administer them. In my judgment, it is only logical to have those who possess the expertise and experience in administering schools and educational programs to continue to do so.

Not only is there a substantive argument for his amendment, there is also a procedural reason to support it. It is my understanding that neither the Governmental Affairs Committee, which has primary jurisdiction over the structure of the Department of Education, nor the Senate Subcommittee on Education, which has jurisdiction over the impact aid program, has examined this issue through hearings. I congratulate Senators Stafford and Roth for recognizing this apparent attempt to circumvent the appropriate committees and to avoid a thoughtful and thorough discussion of the issue. I urge my colleagues to support their amendment which would continue the Department of Education's administration of these schools.

I thank the Chair.

Mr. **METZENBAUM**. Mr. President, I rise to support this amendment offered by Senator Stafford, Senator Roth, and others. It is only right that this amendment should be adopted. It would allow the Department of Education to retain its authority to administer the section 6 schools as presently is being done.

For over 20 years these schools have been the responsibility of the Office of Education and the Department of Education. Why change it now? The Omnibus Budget Reconciliation Act of 1981 reaffirmed that the section 6 schools would be funded by the Department of Defense but administered by the Department of Education.

That seems to be an entirely reasonable arrangement. The function of these schools is education, and it is only logical, therefore, that they should be administered by the Federal department responsible for education which can offer its experience in school administration and its expertise in education programs.

This amendment is supported by the overwhelming majority of the education community of this country, I think it almost might be said by the education community in toto: The American Association of School Administrators, the National School Boards Association, the National Association of State Boards of Education, the Council of Chief State School Officers, the National Education Association, and the National PTA, among others.

Now, furthermore, there is a procedural question involved here. Normally when a change of this kind is proposed, it would go to the appropriate committee holding jurisdiction. Neither the Committee on Governmental Affairs, which has jurisdiction over the structure of the Education Department, nor the Committee on Education, with jurisdiction over the impact aid program, has had the opportunity to hold hearings on this issue, to give it the careful attention and thoughtful discussion it deserves.

For these reasons, Mr. President, I hope my colleagues will join me in supporting this amendment.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. ROTH. Mr. President, I rise in support of the amendment offered by the distinguished Senator from Vermont to strike section 1112 from S. 2248, the Department of Defense appropriation bill. This authorizing language would transfer administrative responsibility for the section 6 impact aid schools from the Department of Education to the Department of Defense. This is not only bad policy, but is bad process as well, and I will explain why.

First, however, I must say that I have a sense of déjàu is discussing this issue. The Congress accepted the retention of the section 6 schools in the Department of Education in the Omnibus Reconciliation Act of 1981, and in December of last year the Senate turned aside an effort to transfer these programs through authorizing language placed in an appropriations bill. I trust that my colleagues will act today as they did on these two previous occasions, and by accepting this amendment, preserve the postion of these important education programs under the authority of the Secretary of Education.

I would point to three reasons for the retention of these programs in their current status. In the first place, as previous speakers indicated, the impact aid programs have been under the control of Federal education officials since the early 1950's. These people understand the programs, and most importantly the programs are operating well under these individuals' authority. This is not surprising because educators are the people with the background and the expertise to carry out the Federal level responsibility for the impact aid schools.

Second, in considering what might occur if the programs were to be sent over to DOD, I think it important to remember that the mission of the Defense Department is to protect our national security, not to educate our children. If this language in S. 2248 were allowed to stand we would be forced to train an entire new bureaucracy which is not conversant with education programs. Moving these programs into a department the size of DOD also could lead to the education activities becoming lost in what is a massive bureaucracy.

The ultimate effect of these circumstances would be tremendously disruptive to programs that presently are operating in an effective manner. To my mind this represents a clear instance of "if it ain't broke, don't fix it."

Finally, as I have pointed out in the past, Mr. President, amendments such as this are a clear infringement on the authority of the Committee on Governmental Affairs. This is a reorganization issue. Reorganization issues, as stipulated in Senate rule XX, are under the jurisdiction of the Governmental Affairs Committee. Yet the committee has not considered or approved any such organizational change. For this reason as well, our proposed amendment should be accepted.

Mr. President, the dependents of our military personnel need and deserve the opportunity to receive a quality education. The language of S. 2248 would permit the disruption of these impact aid programs. I encourage my colleagues to let the children come first by supporting this amendment to keep the section 6 impact aid schools under the authority of the Department of Education.

Mr. STAFFORD addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. STAFFORD. Mr. President, will the distinguished Senator yield to me just long enough for me to ask unanimous consent that Senator Randolph be added as a cosponsor?

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RANDOLPH. Mr. President, the several speakers, notably the chief sponsor of the amendment, Senator Stafford from Vermont, and his cosponsors Senator Roth and others, it seems to me have presented what is a well-reasoned approach. This process has been tested by the educational processes of time in reference to those who receive education near the Armed Forces installations throughout the country.

I also take the opportunity to express appreciation for the very effective work done by Senator Stafford as he chairs the Subcommittee on Education, Arts and Humanities in the Committee on Labor and Human Resources.

I trust that Members will carefully consider the amendment, its substance, and also its need.

I thank the Chair.

Mr. MELCHER. Mr. President, I ask unanimous consent that I also be added as a cosponsor of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JEPSEN addressed the Chair.

Mr. MELCHER. Mr. President, did the distinguished Senator from Iowa wish me to yield to him?

The PRESIDING OFFICER. The Senator from Montana has the floor.

Mr. MELCHER. Mr. President, this function of the Federal Government relationship to schools has nothing to do with the mission of the Defense Department to provide our national security. This is a basic question of running a public school, a question of public education.

The public school system and how it is managed and how the education is carried out are really the issue. These are schoolchildren, schoolchildren of military parents, who need a quality education, and I believe that if we are going to start here making this little shift, it is the opening shot to end a Federal responsibility of helping to provide quality education where there is an obvious Federal responsibility for helping to finance public school education. I am talking about impact aid.

What does the military know about the public school education system, Not a great deal, and they are not supposed to. The States do know how to set up the requirements for quality schools, quality education in a public school system.

I think of more practical importance on this is that this transfer of administration will result in duplicating administrative costs and be contrary, absolutely contrary, to every sound principle of Federal, State, and local cooperation.

Since it involves schoolchildren and schoolchildren of people who are serving us in our Armed Forces, I think we have an absolute responsibility here to make certain that the schools are operated in the best system possible. And that certainly is under the present system with the Department of Education cooperating with the States, cities, and school administrators.

I strongly urge the adoption of the amendment. I think if it should fail it would be a very serious step backward.

Mr. JEPSEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. JEPSEN. Mr. President, I thought maybe I would steamroller this a little bit with a little appeal to a sense of fairness and a little emotion, and it did not work.

Let us set the record straight, and then I will yield to my distinguished colleague, Senator Stafford.

The section 6 schools are now and always have been locally administered. Funds have always been disbursed through military finance channels. The Department of Education has never had responsibility for any of the aspects normally associated with administration of a school system, for instance, choice of curriculum, selection of personnel, and so forth.

Congress gave DOD responsibility for funding the section 6 schools. The schools had been funded by the military prior to 1950, and in some cases since the 1800's, quite different than has been presented to this body.

It is inefficient and unnecessary to have two Federal agencies involved in what is essentially a local operation. Senator Stafford would have the Department of Defense issue a check to the Department of Education who, in turn would issue a check back to the military at the base level. There is no need for the duplication.

Likewise it is inappropriate to have funds appropriated in one department's budget for use by another department.

It is the administration's intention that DOD have sole responsibility for administration of section 6 schools in fiscal year 1983.

It is entirely appropriate that DOD have this responsibility. The schools are located on military bases, are subject to the decisions of school boards composed of military personnel, educate no one other than onbase military dependents, have their funds disbursed through military finance offices, and make their purchases through base procurement offices.

Deletion of the general provision would be potentially disruptive to the schools. Pursuant to the action of the Congress in the Reconciliation Act, and the administration's intentions in fiscal year 1983, the schools and DOD have expended a great deal of effort to insure incorporation of the schools in the DOD budgetary cycle.

Now that DOD funds the section 6 program, Senator Stafford desires the Department of Education to administer the program. However, it was his subcommittee that originally deleted all funds and authority for section 6 schools. He would have had the schools fend for themselves at the local level.

Mr. KENNEDY. Mr. President, I rise in support of the amendment offered by my distinguished colleagues from Vermont and Delaware. Their proposal would preserve the decision made by this body just 10 months ago. It would retain jurisdiction for 23 section 6 schools in the Department of Education.

The Defense authorization bill now before us makes the Department of Defense responsible for the education of 30,000 children residing on Federal land. Now that may seem like a sensible proposal since most of these children are attending classes in schools on military bases. After all, the Defense Department is now paying for these schools out of their appropriations.

But, make no mistake about it, this seemingly innocuous and insignificant provision is really a back-door plan for dismantling the Department of Education—piece by piece, program by program.

Last week this body voted to deny the Department of Education jurisdiction for the overseas schools overturning laws already on the books. This week we are being asked to let the Defense Department run the section 6 schools. Next week we may be voting to relocate other programs.

Clearly there are differences among us on the need for a Department of Education. Clearly this administration has planned the demise of the Department.

But I want to be just as clear—the decision on the future of the Department must be made only after a full and fair and open public debate. There have been no hearings to discuss and consider the transfer of section 6 schools. There has been no consultation with Members of this body whose committee assignments make them responsible for considering the future of the Department.

I object to this kind of legislating and I do not believe the people of this country sent us here to conduct business this way.

Let me say now that I strongly support continuing the Department of Education. I believe that those who educate our children should have a voice at the highest councils of Government and when the time comes I will fight to preserve that seat at the Cabinet table. But that time is not now. I urge my colleagues to support the Stafford-Roth amendment.

Mr. SASSER. Mr. President, I rise today to announce my support for the amendment offered by the Senator from Vermont (Mr. Stafford).

The Stafford amendment merely reaffirms a position taken by the Senate on two occasions in the past year. The amendment clearly states that the authority for administering education programs for children of military personnel will remain with the Department of Education. The Secretary of Education has had this authority since 1960, and I can see no reason to change that now.

Language adopted by the Congress last year, placed the financial burden for section 6 schools—those schools for the children of military personnel—with the Department of Defense. This language was designed to guarantee to these school systems continued funding recognizing the importance of providing educational opportunities to the children of military personnel.

However, the language also set out that the Department of Education would continue to have administrative responsibility for these schools. And it is appropriate that the Education Department maintain administrative control of these schools.

It is the Education Department which has had administrative responsibility of these schools for more than 20 years. And it is the Education Department—not the Department of Defense—which has the expertise and experience in administering schools and educational programs.

In December of last year, the Senate once again supported Department of Education administration of section 6 schools.

So, when we look at the history behind this issue, we see that the Senate Labor and Human Resources Committee—which has responsibility over education programs—supported retaining Department of Education authority over section 6 schools, a position supported by the Senate in the Reconciliation Act.

The chairman of the Senate Governmental Affairs Committee—whose committee has the responsibility over Government organization—supports retaining Department of Education authority over section 6 schools.

Neither of these committees has had the opportunity to hold hearings on the matter.

Neither of these committees has had the opportunity to study the implications of removing only one section of our school systems from the administrative authority of the Department of Education.

Therefore, I urge my colleagues to oppose this administrative transfer, and support the amendment by the Senator of Vermont and leave administrative responsibilities for education with the Department of Education.

Mr. LEVIN. Mr. President, I rise to support the Stafford-Roth amendment. I do so as a member of both the Armed Services Committee and the Governmental Affairs Committee.

As a member of the Armed Services Committee, I understand why we reported out this particular provision relative to DOD control over section 6 schools. Given the mandate of the reconciliation bill of last year, DOD is required to fund these institutions and this provision of the bill simply extends their funding responsibilities to administrative functions as well.

Now there may well be a necessity for such a course of action. But Mr. President, the Governmental Affairs Committee, which has jurisdiction over the Department of Education structure and the Senate Subcommittee on Education, Arts, and Humanities, which has jurisdiction over the impact aid progam, have not had an opportunity to consider this issue. The fact that the chairmen of those two committees are proposing this amendment speaks to the institutional interest and need to examine the issues before a decision on them is made by the full Senate.

Without prejudging the merits of the issue, I believe they deserve that opportunity. I do not recall this being an issue of major consideration in armed services and I think the Senate would be better served if other committees, with this issue more central to their mission, gave us the benefit of their thinking before we made a final judgment. For that reason, I urge my colleagues to support the Roth-Stafford amendment.

Mr. DODD. Mr. President, the Department of Education has answered the need for a Cabinet-level agency to coordinate Federal education programs. It symbolizes ongoing reverence for the crucial role of education in a free society. I am aware that both the Department of Education and, indeed, the Federal role in education are under attack. But defense appropriations are the wrong vehicle for debate on the Department of Education. Until this body has had the opportunity to address the Department's role in our educational system, it is inappropriate to discard its functions.

Section 6 of impact aid provides funding for military schools, including money for construction and repair of facilities. So-called military schools are not limited in definition to the service academies, or even to those schools located on military bases. Section 6 funds are allocated as well to many local school districts that are educating the children of military personnel. Those school districts are part of this country's education system. They should no more be under military jurisdiction than should school systems in anybody's hometown. Section 6 properly belongs in the Department of Education budget. The Department of Education has the professional expertise to most effectively allocate these funds and oversee their use.

Mr. President, I will vote in favor of the Stafford-Roth amendment striking section 1112 from this bill.

● Mr. LEAHY. Mr. President, I fully support the amendment offered by Senators STAFFORD and ROTH to allow the Department of Education to continue to administer the section 6, impact education aid program.

The Omnibus Reconciliation Act of 1981 recognized the importance of leaving the administrative responsibility for section 6 schools with the Department of Education. It does not make sense to shift administrative responsibility for this program from the Department of Education to the Department of Defense. It is the latter, the Department of Education, which has the necessary expertise and experience with the impact aid education programs. Moreover, the Senate Governmental Affairs Committee, with primary jurisdiction over the structure of the Department of Education, has not held any hearings on this issue. I support the efforts of Senator STAFFORD, chairman of the Education Subcommittee of the Senate Committee on Labor and Human Resources, to prevent the transfer of this program's administration to the Department of Defense.●

Mr. STAFFORD. Mr. President, I ask unanimous consent that the able Senator from North Dakota (Mr. BURDICK) be added as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STAFFORD. Mr. President, I am prepared to vote and I move the adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Vermont.

The amendment (UP No. 944) was agreed to.

Mr. STAFFORD. I move to reconsider the vote by which the amendment was agreed to.

Mr. ROTH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HEINZ. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

Mr. TOWER. Mr. President, will the Senator from Pennsylvania withhold? The distinguished Senator from Kansas has been waiting for a long time. She understood she would be permitted to go next. If the Senator from Pennsylvania will defer to her, she has a matter that is noncontroversial.

Mr. HEINZ. Mr. President, I would be happy to do so. Is there anybody waiting in line after her?

Mr. TOWER. The Senator from Pennsylvania is.

Mr. HEINZ. It is my good luck.

CONTRACTING OUT

Mrs. KASSEBAUM. I thank the Senator from Pennsylvania and the chairman of the Armed Services Committee for giving me a brief time to engage in a colloquy on a subject which I think is of concern and importance to many of us here.

Mr. President, as debate continues on the Defense authorization bill I would like to bring to the attention of my colleagues an aspect of the Senate bill which, although adopted by the committee with the laudable goal of reducing Government spending, may ultimately lead to greater costs and inefficiencies.

I am referring to the Government-wide policy of "contracting out." Since 1955, it has been the Federal Government's policy to encourage Federal agencies to hire private firms to perform various commercial and industrial functions instead of Federal employees.

As implemented by OMB directives, this policy permits an agency to eliminate Federal employee positions and contract with private business if it can be shown that such a change would result in at least a 10-percent cost savings. Over the past 7 years, the Department of Defense alone has converted 20,000 positions to performance by private contractors in accordance with this policy.

Despite directions to the contrary from the conferees on the fiscal year 1982 Defense authorization bill, the administration submitted its fiscal year 1983 budget request with 17,000 fewer civilian personnel slots, anticipating that these positions would be transferred to private contractors. The Senate Armed Services Committee has recommended that an additional 11,000 Federal employee positions be eliminated over the next fiscal year.

Quite frankly, Mr. President, I support the motiviating philosophy behind the contracting-out policy—namely, the saving of tax dollars. Under normal conditions, contracting with private firms is appropriate for certain basic support functions if a real savings can be shown to result.

However, Mr. President, we are not operating under normal conditions. Nationwide unemployment is at its highest level since the depression, and the economy has yet to recover from the depths of a severe recession. It is true that statistics have shown that

under normal economic conditions those Federal employees who have been displaced by private contractors have typically found employment elsewhere. Yet, given the existing economic uncertainties, I am not satisfied that the same would be true today. Any cost savings achieved as a result of reduced overhead costs might well be more than offset by the costs associated with the likely job dislocation. At a time when Federal agencies are already cutting back on numbers, we may well be adding further to the rolls of the unemployed.

My primary concern with the contracting-out policy is its affect on those persons whose jobs would be eliminated by a decision to convert to a private contractor. Most Government employees potentially affected by a decision to contract out have established roots in their communities which stand to be disrupted. Some of these people will have to accept less desirable positions at lower pay, others will be forced into early retirement, and undoubtedly some will be out of work altogether. It seems to me that these are factors which should be considered before a decision to contract out is made. I am not satisfied that present policies and procedures adequately incorporate these considerations into the decisionmaking process.

This past week the Senate adopted an amendment offered by Senator MITCHELL which prohibits the Department of Defense from contracting out firefighting and security functions. I did not vote for this amendment because, in my view, it does not go far enough. The serious questions which have been raised about the practice of contracting out apply to all functions performed by DOD personnel. Accordingly, I believe there should be a 1-year moratorium on contracting out within the Department of Defense. This would provide a reasonable opportunity for the Congress and the executive branch to study fully the implications of converting to private contractors.

It is my hope that in conference the Senate and House will adopt language addressing this issue and thereby avoid further personnel disruption until we have had a chance to analyze the consequences of contracting-out policies.

I thank the chairman of the Armed Services Committee for the opportunity to speak to this issue. I yield to the Senator from Washington.

Mr. JACKSON. Mr. President, I shall be very brief.

I would like to associate myself with the remarks of the distinguished junior Senator from Kansas. I think she makes a lot of sense in light of the problems that we face currently in this country with people being displaced right and left in the employment field. I think the wise course is not to make any further move at this time, a moratorium, if you please.

I would hope that when we are in conference we can have some language in our report, I would say to my distinguished colleague from Kansas, that will move in that direction, to provide some better policy directive at least over the next fiscal year.

I commend the distinguished junior Senator for an excellent statement.

Mrs. KASSEBAUM. I thank the Senator from Washington. That completes our colloquy. We hope that this will be seriously considered at the time of the conference.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. HART. Mr. President, a parliamentary inquiry. Does the Senator from Colorado have at the desk an unprinted amendment related to SALT II?

The PRESIDING OFFICER. The Senator does not.

Mr. HEINZ addressed the Chair.

The PRESIDING OFFICER. The Senator from Colorado has the floor.

Mr. TOWER. Would the Senator from Colorado withhold? The Senator from Pennsylvania was kind enough to yield to Mrs. KASSEBAUM. If we can dispose of his shipyard amendment we could then proceed with the Senator form Colorado.

Mr. HART. That will be fine.

UP AMENDMENT NO. 945

(Purpose: To restrict the construction of naval vessels in foreign shipyards.)

Mr. HEINZ. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Pennsylvania (Mr. HEINZ), for himself, Mr. PELL, Mr. COCHRAN, Mr. MITCHELL, Mr. GORTON, Mr. DODD, Mr. SARBANES, and Mr. HEFLIN, proposes an unprinted amendment numbered 945.

Mr. HEINZ. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill, add the following new section:

RESTRICTION ON CONSTRUCTION OF NAVAL VESSELS IN FOREIGN SHIPYARDS

SEC. . (a) Chapter 633 of title 10, United States Code, is amended by adding at the end thereof the following new section:

"§ 7309. Restriction on construction of naval vessels in foreign shipyards

"(a) Except as provided in subsection (b), no naval vessel, and no major component of the hull or superstructure of a naval vessel, may be constructed in a foreign shipyard.

"(b) The President may authorize exceptions to the prohibition in subsection (a) when he determines that it is in the national security interest of the United States to do so. The President shall transmit notice to Congress of any such determination, and no contract may be made pursuant to the exception authorized until the end of the 30-day period beginning on the date the notice of such determination is received by Congress."

(b) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new item:

"7309. Restriction on construction of naval vessels in foreign shipyards.".

Mr. HEINZ. Mr. President, this amendment is almost identical to the bill I introduced a few weeks ago, S. 2285, which would prohibit the construction of U.S. naval vessels in foreign shipyards. It would also prohibit the construction of really major components of the hull or superstructure.

The reason for this amendment is very simple. Since 1968 the provisions in appropriations acts have prohibited such construction. These appropriations provisions have been in the law, but without putting this into law permanently, as we seek to do today, there is no guarantee that these prohibitions will remain in effect. We must not export thousands of skilled industrial jobs when are experiencing intolerably high unemployment rates and undergoing expansion of our fleet.

At the end of 1981, the number of workers engaged in naval construction had fallen to about 58,000, and it is expected, in spite of the buildup of the Navy, to fall to around 45,000, given current budget work.

In the last 5 years we have seen no less than 21 shipyards go out of business. That leaves only 26 in our active domestic base.

It is the intention of this amendment to strengthen our industrial base and thus allow the shipbuilding industry to plan its growth in ways which will increase efficiency of production, reduce unacceptable losses, and do so while achieving the mix of warships necessary to meet our growing naval needs.

Mr. President, I want to also point our that our amendment would permit the President to authorize exceptions to this general prohibition on the construction of naval vessels or their components in foreign yards when he determines that it is in the national security interest to do so, with the only proviso being that he must give Congress 30 days in which to consider his decision.

We would not prohibit the repair of naval vessels overseas, nor would we prohibit the purchase of standard shipboard equipment, weapons, ammunition, nor the leasing of foreign-built ships.

Further, the amendment would not restrict our participation in regional security agreements in any way, nor does it prevent the purchase of standardized weapons from our allies.

Mr. President, in sum, I believe this amendment is an absolutely vital, totally necessary, signal to the American shipbuilding industry. We want to signal them, their workers, and our citizens, that we are serious about restoring our defense shipbuilding capability. This is the signal, this is the sign, this is the policy that we need. I hope all my colleagues will join in supporting the amendment.

Mr. DODD. Mr. President, I rise in strong support of the amendment offered by the senior Senator from Pennsylvana, (Mr. Heinz).

The amendment offered by my distinguished colleague would prohibit the construction of U.S. naval vessels or major components of the hull or superstructure of such vessels in foreign shipyards. This prohibition may only be circumvented if the President certifies that it is in the national security interest of the United States to do so and then informs the Congress and allows the Congress 30 days to consider the waiver.

I believe this amendment is an important step in insuring the continued viability of the shipbuilding industrial base in this country. A strong and viable naval shipbuilding industry is essential if the United States is to meet its international commitments and maintain a strong national defense. As a maritime nation, the United States must be able to rely on its own resources to build the naval vessels our Navy requires.

I might point out, Mr. President, that this amendment is entirely consistent with a longstanding policy decision by the Congress. In every year since 1968, the Department of Defense Appropriations Act has included a similar prohibition on the construction of U.S. naval vessels in foreign shipyards. The effect of this amendment will be simply to institute this prohibition into permanent law, obviating the need to include this provision in the Department of Defense Appropriations Act each year.

Normally, one would not consider it necessary to enact such a provision into permanent law, Mr. President, as it is in our clear national security interests to maintain a strong naval shipbuilding industrial base within the United States and prohibit foreign construction. However, last year we witnessed a situation where members of the administration actually suggested that the United States might consider procuring certain warships in other countries. The acceptance of this amendment will insure that there is no uncertainty about the will of the Congress in this matter.

I would also bring to my colleagues' attention an ad placed in the Washington Post on April 22, 1982, by a West German company offering diesel-electric attack submarines for sale. So this amendment does not simply address conjectures or unlikely possibilities. The fact is that other nations have seen how our shipbuilding industrial base has steadily eroded and are looking for opportunities to get into the market.

I urge my colleagues to support this amendment to keep our vital shipbuilding industry afloat and its skilled work force employed.

Mr. TOWER. Mr. President, I wonder if the distinguished Senator from Pennsylvania would be kind enough to respond to a question?

As the Senator knows, we set as an objective the construction of a 600-ship Navy. If we are going to achieve that goal, I think it is going to require all of the usable yard space in the country for that purpose. It might require the rehabilitation of some older yards. It might even require some construction in Navy yards, which we have not done for some time.

I do not anticipate that we would use so much yard capacity that we would be forced, to meet our Navy ship requirements, to go to foreign yards. However, in that eventuality, if there an escape clause in the amendment of the Senator that will permit, in the interest of national security, so certified by the appropriate party, that we would be permitted to contract with foreign yards?

Mr. HEINZ. The answer I would give to the Senator from Texas is that under such circumstances, I would imagine the President would, under his general authorization to make exceptions based on national security need, do what the Senator suggest.

Mr. TOWER. Would this prohibit any kind of coproduction arrangement between the United States and a foreign country, or let us say our NATO allies, for a particular type of ship, perhaps a small ship of some type, which might be utilized in guarding the coastal areas?

Mr. HEINZ. The answer is that it does not prohibit such production.

Mr. TOWER. It does not prohibit one of our domestic shipbuilding companies from entering into a coproduction arrangement with a foreign shipbuilding company?

Mr. HEINZ. No, and it does not prohibit the purchase of standardized weapons from our allies either, and I imagine that most coproduction arrangements would be involved with some kind of coproduction program.

Mr. TOWER. I thank the Senator. I believe his amendment can be disposed of by a voice vote. I feel there is a strong support for his amendment.

Mr. HEINZ. A voice vote would be satisfactory.

THE PRESIDING OFFICER (Mr. Wallop). The question is on agreeing to the amendment.

The amendment (UP No. 945) was agreed to.

Mr. HEINZ. I move to reconsider the vote by which the amendment was agreed to.

Mr. TOWER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

(The following proceedings occurred after midnight:)

UP AMENDMENT NO. 946

Mr. HART. Mr. President. I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> The Senator from Colorado (Mr. Hart) purposes an unprinted amendment numbered 946.

Mr. HART. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> To be inserted at the appropriate point in the bill.
>
> Since, it is essential that the United States and the Soviet Union actively cooperate to prevent the use of nuclear weapons and the outbreak of nuclear war, and
>
> Since, it is in the national security interest of the United States to limit the size and capabilities of Soviet strategic nuclear forces, and
>
> Since, the SALT II Treaty is the result of careful negotiations by three administrations, Democratic and Republican, and
>
> Since, the SALT II Treaty is balanced, well-crafted and verifiable agreement which the Joint Chiefs of Staff have determined would enhance strategic stability and mutual security, and
>
> Since, the SALT II Treaty permits the necessary modernization of U.S. strategic nuclear forces to ensure an adequae deterrent, and
>
> Since, our national security has been enhanced because of American and Soviet adherence to the provisions of the SALT II Treaty since it was negotiated and signed,
>
> Therefore, it is the sense of the Senate that the SALT II Treaty should be reported to the full Senate by the Senate Foreign Relations Committee within thirty days for amendment and disposition and that it shall become the pending business at that time.

Mr. HART. Mr. President, the amendment we are considering calls on the Committee on Foreign Relations to report the pending SALT II treaty, amended as needed to the floor of the Senate for ratification within 30 days.

I strongly believe it is time for the Senate to ratify that treaty, Mr. President, and it is time for us to seriously take it up and consider it.

In the nuclear age, we all know that our national security cannot be assured by the simple acquisition of additional military resources. Providing for the security of the United States requires that we do more than maintain well-trained and combat-ready Armed Forces; it requires that we do more than procure the most effective

and most advanced military equipment. It requires that we do more than maintain a strong and survivable nuclear deterrent.

Controlling the Soviet nuclear threat through verifiable, reliable limits is as essential to our national security as maintaining an adequate convention military posture.

How, specifically, would the ratification of SALT II enhance U.S. national security?

First, this treaty would require the Soviet Union to dismantle 250 strategic nuclear systems, or 10 percent of its missile and bomber force. I remind my colleagues that these are reductions in forces, not a simple cap on existing levels. The United States would not be required to dismantle any of its strategic nuclear weapons systems.

Second, it would slow Soviet acquisition of additional strategic nuclear weapons. With SALT in place, the Soviets cannot build additional ICBM launchers; they cannot exceed rigid limits on so-called warhead "fractionation"; and they cannot deploy more than 820 land-based missiles with multiple warheads.

Third, it would reduce uncertainty over Soviet intentions by allowing us to determine with confidence the size and character of the Soviet stategic arsenal. With SALT II, we know how many missiles, submarines, and bombers the Soviets have. We know the kinds of changes the Soviets are likely to make in their strategic forces between now and the expiration of the treaty. SALT II would allow us to estimate with considerable precision the nature and the dimensions of the Soviet nuclear threat through the middle of this decade.

Fourth, SALT II would set limits on a number of new Soviet nuclear weapons programs. For example, it would ban the deployment by the Soviets of more than one new type of ICBM.

Fifth, it would guarantee regular United States-Soviet exchanges of information on important nuclear issues, such as the deployment of warheads and the flight-testing of missiles, through the Standing Consultative Commission.

Sixth, it would permit the modernization of U.S. strategic nuclear forces to insure a strong deterrent, including the deployment of long-range cruise missiles, the MX missile, and the Trident submarine program.

I remind my colleagues that, in their testimony before the Senate Foreign Relations Committee in the summer of 1979, the Joint Chiefs of Staff endorsed the ratification of SALT II, arguing that U.S. security would be enhanced by the treaty's passage. They also testified that the treaty was adequately verifiable. The Senate Select Committee on Intelligence concurred in that assessment. I continue to believe that ratification of this agreement is very much in our national security interest and that it is verifiable by national technical means.

Mr. President, during Senate consideration of the treaty in 1979, our senior military leaders listed an impressive set of possible penalties and increased dangers we would face in the event of SALT's rejection—whether outright or by a failure to act on the agreement. I think their testimony warrants reexamination.

First, our senior military leaders testified that the failure to ratify SALT could precipitate a more severe Soviet threat than we would face under SALT. Adm. Noel Gayler, former Commander-in-Chief of our forces in the Pacific, said:

> The first consequence (of a rejection of the Treaty) would be more weapons in the hands of the Russians.

Second, our senior military leaders said that the failure to ratify SALT could have another adverse consequence—monitoring Soviet strategic forces would be made more difficult. General Barrow, Commandant of the Marine Corps, said:

> If this Treaty were rejected, our knowledge of the threat we face and must defend against would necessarily diminish, (because there probably would be) no restrictions on Soviet programs and no prohibition against concealment.

Third, they expressed their concern that without a cap on the strategic competition, we would be less able to invest needed resources in our conventional forces, given budgetary constraints.

Fourth, they suggested that the failure to ratify SALT could deprive us of the only reasonable way we have to reduce the dangers of nuclear war. Gen. Russell Dougherty, former Commander-in-Chief of the Strategic Air Command, said:

> The military significance (of the SALT process) is transcended by its moral significance to humanity, because it's the only reasonable way in which the horrors of full-scale nuclear war can be ameliorated.

What our senior military commanders said in 1979 with respect to SALT II remains as relevant today as it was 3 years ago.

Mr. President, the President has declared his readiness to resume negotiations with the Soviet Union to reduce strategic nuclear forces. I welcome that commitment wholeheartedly.

But before we proceed to the next round of negotiations, let us take advantage of the agreement we have already concluded.

Ratification of SALT II would materially advance the objectives of those who call for a complete freeze on nuclear weapons.

It would facilitate the achievement of deeper reductions in strategic forces, as advocated by the Reagan administration.

Nothing in the treaty is incompatible with the pursuit of more ambitious goals in arms control.

Mr. President, SALT will not, of course, end the nuclear arms competition between the two superpowers, But it would put a powerful brake on it now—not years down the road, when the United States and the Soviet Union conclude the upcoming round of negotiations. SALT II is a solid achievement. Despite what Secretary Haig said Tuesday before this committee, I do not regard—and I do not believe the American people regard, SALT II as a dead agreement. If the treaty is good enough to abide by—and apparently the administration feels it is—then why is it not good enough to ratify? If we can monitor compliance well enough to know that the Soviets have not violated the agreement, then why are not our verification capabilities good enough for purposes of verification? The administration's position is not logically consistent.

Mr. President, I think we should ratify SALT II now, without further delay, and then proceed to negotiate a better and more far-reaching agreement as quickly as possible.

I have agreed to withdraw my amendment, reluctantly, Mr. President, because of the explicit opposition of this administration to the ratification of the SALT II Treaty. I believe the administration's position is ill-advised and contrary to the national security interests of this country. I continue to believe that if the SALT II Treaty is good enough to abide by, it is good enough to ratify.

As I withdraw my amendment, however, I want to underscore how important it is that we not permit SALT II to become a dead agreement. I strongly urge my colleagues to support a sense of the Senate resolution, calling upon the President to advise Soviet leaders that this country fully intends to abide by the terms of the treaty, as long as the Soviet Union does the same.

I therefore, intend to introduce tonight a resolution to that effect with a number of my colleagues, Senators Baucus, Biden, Bumpers, Byrd, Cranston, Leahy, Pell, and Tsongas, Bradley, Exon, Ford, Levin, Melcher, Sarbanes, and Nunn.

Mr. President, the message of the American people is clear and unambiguous: the time is right to resume serious negotiations to end the unclear arms race. Let us affirm our support of the SALT II treaty and then get on with the critical business of reducing the nuclear weapons of the two superpowers and reducing the likelihood of nuclear war.

Mr. President, I ask unanimous consent that it be in order to introduce a resolution the operative clause of which reads as follows:

Therefore, be it resolved by the Senate and the House of Representatives of the United States of America in Congress assembled that the United States shall continue to abide by the terms and provisions of the SALT II treaty so long as the Soviet Union continues to abide by the terms and conditions of the SALT II treaty.

Mr. BAKER. Mr. President reserving the right to object, did I understand the Senator to ask unanimous consent to introduce a free-standing resolution, or a resolution as an amendment to this bill?

Mr. HART. As I indicated in my statement, Mr. President, it is a free-standing resolution. It requires unanimous consent to be able to introduce it at this point.

Mr. BAKER. Yes, I understand, but for referral?

Mr. HART. For referral.

Mr. BAKER. I have no objection to it.

The PRESIDING OFFICER. The resolution will be received and appropriately referred.

Mr. PROXMIRE. Mr. President, I send an amendment to the desk——

The PRESIDING OFFICER. The amendment of the Senator from Colorado is still pending.

Mr. BAKER. Mr. President, I understood the unanimous-consent request was that it be in order to introduce it, notwithstanding the pendency of this bill, and that it be received and referred.

The PRESIDING OFFICER. That is correct, but the Senator from Colorado had an amendment at the desk which was the pending amendment.

Mr. HART. Mr. President, I withdraw my amendment.

The amendment (UP No. 946) was withdrawn.

THE BITTER FRUIT OF SALT: A RECORD OF SOVIET DUPLICITY

Mr. SYMMS. Mr. President, the booklet reprinted below entitled "The Bitter Fruit of SALT: A Record of Soviet Duplicity" by David A. Sullivan is a well-documented description of 91 cases of Soviet diplomatic duplicity in arms control negotiations. The book analyzes, in detail, Soviet negotiating and compliance behavior in SALT I, SALT II, the Threshold Test Ban Treaty, the Limited Test Ban Treaty, the Kennedy-Khrushchev agreement, the Biological Warfare Convention, and several other arms control agreements and treaties.

Several new Soviet SALT violations are described, such as Soviet deployment of air-to-surface missiles with a range greater than 600 kilometers on TU-95 Bear bombers, and Soviet deliberate interference with U.S. national technical means of SALT verification through camouflage and concealment. These violations are established using official U.S. Government sources and Soviet unclassified documents.

In early 1981, the Reagan administration stated that the United States would comply unilaterally with both SALT I and SALT II, which are respectively expired or unratified, as long as the Soviets did nothing to undercut the treaties. More recently, the Reagan administration has stated that there is no evidence that the Soviets have violated SALT I or SALT II. There are many administration officials, however, who now believe, on the contrary, that the Soviets have, in fact, violated SALT. The book reprinted below supports this view. It deserves to be read carefully by all Senators and Congressmen concerned with arms control and U.S. national security.

Mr. President, I ask that a press release and the pamphlet be printed in the RECORD.

The material follows:

NEW SALT STUDY REVEALS DECEPTIONS, VIOLATIONS BY SOVIETS: REAGAN WARNED ON NEGOTIATIONS WITH KREMLIN

Washington, D.C.—A new study of strategic arms limitation treaties (SALT) negotiated between the United States and the Soviet Union documents flagrant Soviet violations of the provisions of the SALT I treaty which expired in 1977 and the SALT II agreement to which the Reagan Administration has been unilaterally adhering, even in the absence of Senate ratification. The Conservative Caucus sponsored a news conference today to make the findings of this new book, The Bitter Fruit of Salt: A Record of Soviet Duplicity (published by the Texas Policy Institute), available to the public.

The author of the study, former CIA official David S. Sullivan and the writer of the book's foreword, Brigadier General Albion W. Knight, U.S. Army (Retired) were joined at the news conference by Howard Phillips, National Director of The Conservative Caucus, Huck Walther of the U.S. Defense Committee, and Philip Cox of the American Security Council.

"The pattern of Soviet SALT negotiating deception and diplomatic duplicity (including disinformation ploys, forgeries, treaty violations and hostile propaganda campaigns) suggest that arms control treaties have served only to lull the U.S. into complacently and unilaterally deactivating its existing strategic forces and reducing its planned strategic forces," Sullivan charged in his book. "I have documented 14 examples of Soviet negotiating deceptions in SALT I and II and 30 cases of other arms control treaty violations. I also describe 47 examples of Soviet treaty violations, disinformation ploys and diplomatic deception ploys. Most of my evidence is from unclassified, official U.S. Government sources," Sullivan continued.

"Former American leaders have recently acknowledged that they were fundamentally deceived by the Soviets on key issues during both SALT I and II," Sullivan said. "I provide conclusive evidence to demonstrate that the Soviets have successfully exploited détente and SALT negotiations in order to achieve a destabilizing level of strategic superiority over the U.S. This crucial advantage provides them with negotiating leverage. That, coupled with the Soviet Union's propensity for deception as part of its negotiating strategy, makes it unlikely that the United States will be able to negotiate equitable SALT III and theater nuclear force (TNF) agreements," Sullivan said.

Sullivan also provided examples of "U.S. unilateral restraint in strategic programs" and said that the Soviets "have continued their strategic buildup relentlessly."

Gen. Knight commented that "the real meaning of this new study is that the Soviets cannot be trusted no matter who is President. In my foreword to the book (page vi), I outline nine prerequisites—nine questions—that must be answered before the President can tell the American people that an arms control agreement can make them safe. Two of these prerequisites are described in detail in Sullivan's book. In my view, the President has not adequately come to grips with any of these questions. If and when the President answers these prerequisites, he should come to the conclusion that the United States should not proceed with new arms control talks with the Soviets," Knight said.

Howard Phillips said that the findings of this study "will be distributed to key opinion makers in Congress, in the media, and in the Executive Branch by The Conservative Caucus."

The Bitter Fruit of Salt is one of the many publications on international and military affairs written by David Sullivan. A graduate of Harvard University (BA cum laude, 1965) and Columbia University (MIA, 1971), Sullivan is considered to be one of the most knowledgeable people in the U.S. on Soviet violations of SALT.

The Conservative Caucus is a non-partisan grass roots lobby founded in 1974, with 400,000 supporters nationwide.

THE BITTER FRUIT OF SALT: A RECORD OF SOVIET DUPLICITY

(By David S. Sullivan)

FOREWORD

(Brig. Gen. Albion W. Knight, U.S. Army (Ret.))

[Note: Charts referred to in this article have been omitted.]

The Reagan administration has resumed the United States Government's journey down the slippery arms control trail. Negotiations on theater long range nuclear missiles began in Geneva in November 1981. Talks begin soon on reducing strategic nuclear forces. While some are pleased about renewing the arms control process, others believe it is incompatible with President Reagan's goal of restoring our "margin of safety" and "closing the window of vulnerability". Arms control agreements have strengthened the Soviet Union and weakened the United States. Before setting out again for new arms control agreements, the United States Government should make a very careful examination of the past agreements, the pitfalls in negotiations, and identify why the past agreements failed before trying to create new agreements.

This book by David S. Sullivan is a significant contribution toward such an examination, should it be made. More important, it gives the American people an authoritative bench mark from which to measure the arms control progress of the Reagan administration. The "fatally flawed" SALT II Treaty could not be ratified by the then Democrat-controlled U.S. Senate because the American people doubted that the Soviet Union could be trusted. Mr. Sullivan reviews the record of Soviet violations of the SALT I Interim Agreement and the ABM Treaty of 1972. He confirms that, in the area of arms control, as noted by President Reagan in January 1981, the Soviet leaders will "lie, cheat, commit any crime" to gain their objective.

The Nixon, Ford and Carter administrations knew of these arms control violations, but refused to make them public or to challenge the Soviet Union because, apparently, to do so might jeopardize the success of the on-going SALT II negotiations. Many supporters of Ronald Reagan hoped and expected that one of the early acts of his administration would be to lay those arms control violations on the table before the Standing Consultative Commission, the body established by SALT I for that purpose. Yet, at the May 1981 meeting of the SCC, the Reagan administration failed to do so.

The Reagan administration apparently believes it can convince the Senate and the American people to support its arms control negotiations with an untrustworthy partner. They will be surprised when that support will not be forthcoming. One reason why the American people will reject the Reagan effort, just as they did the Carter effort, is that they understand the basic truth that you do not play cards at the same table with a confirmed cheat. David Sullivan describes very clearly the extent of that cheating. It is one of the prerequisites to renewed arms control negotiations that the record be cleared on the degree and extent of Soviet cheating. The Reagan administration cannot sweep this grisly record under the rug. It is upon this rock of absense of trust that any new arms control agreement will be smashed.

As the table of contents suggests, this book is also about Soviet deception and use of diplomacy and international law as a weapon of war during the process of negotiation. It is also about the tendency of American negotiators to look the other way and even excuse the Soviet duplicity. This stems from a fundamental belief that many American arms control enthusiasts have that the fact of an agreement is far more important than substance.

Mr. Sullivan's book demonstrates that the Soviet Union uses arms control as a weapon of their unending ideological war by all Marxist-Leninists against all who do not share their interpretation of history. This war is deadly serious because the Soviet leaders possess nuclear weapons with enormous destructive potential. Those weapons give them the tools of intimidation by which they hope to gain their political objective of world domination. A focus of Mr. Sullivan's book is upon the abject refusal of American negotiators to recognize that they are participants and our nation the victims of that ideological war.

Mr. Sullivan explores Soviet behavior and intentions in SALT as thoroughly as the public evidence allows. Of particular interest is the obscure but highly significant "Beecher intercept" of a reported conversation of Soviet leader Brezhnev in Moscow during the climatic last moments of SALT I negotiations in May 1972. This little-known intercept provides conclusive evidence of Soviet negotiating deception in SALT I. As William Safire wrote in The New York Times of August 6, 1981 (Deception Managers," page A-23):

"The first inkling of duplicity came to us in May, 1972, via 'Gamma Guppy' our tuning in to limousine telephone conversations between Leonid Brezhnev, Andrei Gromyko, and Soviet missile designers at the Moscow summit conference. These transcripts quoted Mr. Brezhnev talking about a 'main missile' that had never been mentioned in SALT negotiations, which turned out to be the SS-19. The surprised Henry Kissinger considered this 'sharp practice'."

There are disturbing reports that Dr. Henry Kissinger ordered the CIA to suppress this intercept within the intelligence community. Moreover, it was also reportedly suppressed within the Executive Branch and kept from the Congress. (See Congressional Record, August 2, 1979, p. 22493, and Human Events, August 2, 1980, p. 4–6.) Dr. Kissinger's own public justifications of the SALT I agreements beg the old Watergate question: What did Kissinger really know about the Soviet SALT deception, and when did he know it? Congressman Jack Kemp has asked: did Kissinger attempt during the SALT I negotiations to suppress or coverup intelligence data indicating Soviet SALT deception and violations? Further, did Kissinger knowingly misrepresent the key provisions of SALT I to the Congress in 1972, as Senator Henry Jackson has charged?

If either of the above questions are answered in the affirmative, then the real Watergate, a national security Watergate within Watergate, was the ratification of SALT I and the ABM Treaty under false pretenses.

Indeed, it now seems clear that the SALT I would not have been ratified in 1972 had there been more widespread knowledge among both Nixon administration defenders of SALT I and key senators of the withheld "Beecher Intercept" intelligence. The significance of the June 1972 SALT I coverup directed by Henry Kissinger is now clear: Kissinger was duped in the negotiations by the Soviets on all the key issues, covered up the evidence, then lied about it to the Congress.

If the SALT I Interim Agreements On Strategic Offensive Weapons was disadvantageous to the U.S. and negotiated and ratified through deception, then we must examine the utility to our national security of the SALT I ABM Treaty. Both SALT I agreements are integrally linked in their internal provisions. If one agreement is now proven to be duplicitously negotiated and justified, it sheds a bad light on its companion agreement the ABM Treaty. The terms of the ABM Treaty was already disadvantageous to the U.S., requiring that the U.S. give up an advantage in ABM's in exchange for what proved to be illusory constraints on Soviet offensive forces. What Mr. Sullivan has done is to completely undercut the premises upon which the ABM Treaty is still based. The strategic rationale supporting the ABM Treaty has been shattered by the failure of offensive arms control negotiations and a decade-long buildup of Soviet counterforce capability.

In this book, David Sullivan identifies two of the major prerequisites for new arms control agreements: (1) the need to clear the record on Soviet arms control violations, and (2) the need for firmness by American negotiators in the face of untrustworthy, duplicitous Soviet negotiators. Other prerequisites are equally apparent: (3) the need to assess whether it is technically possible to verify any new agreement, (4) the need to identify critical linkages to Soviet aggressive behavior around the world, (5) the need to identify the actions required to close the "window of vulnerability" so that they would not be foreclosed by new agreements, (6) the need to identify new concepts and technology which would permit "end-running" the present Soviet nuclear superiority so that they, too, would not be foreclosed by new agreements, (7) the need to stop adhering to expired and unratified arms control agreements, and (8) the need for an accurate assessment of the strategic position of the United States vis-a-vis the Soviet Union so that we do not attempt to negotiate while in a nuclear blackmailable condition.

The arms control process has been viewed far too frequently as an exercise in international diplomacy totally isolated from the political conditions and objectives of either the United States or the Soviet Union. David Sullivan's book is a reminder that such a view is both fallacious and dangerous to the safety and survival of the American people.

Mr. Sullivan's book leads to the fundamental question that the Reagan Administration ought to ask itself before traveling too far down the dead end street of arms control (or reduction) agreements with the Soviet Union: Why should the Soviet Union be willing to reduce the number of their nuclear weapons when they are their key means for becoming and remaining a superpower? Until that question is answered, we shall keep deluding ourselves that the arms control process can bring us "peace". Unfortunately the only kind of "peace" arms control can bring us is that which was offered the British people by Neville Chamberlain.

ALBION W. KNIGHT,
Brigadier General, U.S. Army (Ret.)

As the Marquis de Custine wrote in 1839:

The Russian's Byzantine policy, working in the shadow, carefully conceals from us all that is thought, done and feared in their country. We proceed in broad daylight; they advance under cover, the game is onesided. The ignorance in which they leave us blinds us; our sincerity enlightens them. We have the weakness of loquacity; they have the strength of secrecy. There, above all, is the cause of their cleverness.

Phyllis Penn Kohler, editor and translator, Custine's Eternal Russia, Monographs in International Affairs (Washington: Advanced International Studies Institute 1976), p. 114.

"Can it really, be true that Soviet negotiations for the Strategic Arms Limitation Treaties are nothing more than part of the preparations for war? That would place Soviet leaders in no better odor than Adolf Hitler."

Kingdoms Of The Blind: How The Great Democracies Have Resumed the Follies that so Nearly Cost Them Their Life, by Harold W. Rood (Carolina Academic Press, Durham, N.C., 1980)

"Soviet propaganda systematically seeks to conceal the enormous Soviet armament buildup—at the same time it accuses the U.S. of pursuing an aggressive and militaristic policy, and in this way provide itself with a pretext for further increases in the production of arms in the USSR. The Soviet leadership has never paid any serious attention to its treaties with Western states. . ."

SALT—The Soviet Perspective, by Dr. Igor S. Glagoler (The Institute of American Relations, 1979, p. 17).

In 1978, the famous American Kremlinologist George F. Kennan stated that Soviet President Leonid Brezhnev is "a man confidently regarded by all who know him as a man of peace."[1] Is Brezhnev's concept of

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Footnotes at end.

peace based on achievement of Soviet military preponderance through arms control negotiations? An advisor to President Reagan, Laurence Beilenson, wrote recently: "When we play SALT treaties with the USSR for our lives and justify our conduct by our ability to catch Soviet cheating, we are—to be polite—unwise . . . The intelligence process has been almost as untrustworthy as treaties . . . if treaties and intelligence are untrustworthy, then SALT treaties based on them must be undependable." [2] What does the record of SALT I and II tell us about Brezhnev's intentions and the value of arms control in safeguarding U.S. national security?

SUMMARY

Former top American leaders have recently acknowledged that they were fundamentally deceived by the Soviets during the negotiations on each of the key issues of both Strategic Arms Limitation Treaties—SALT I and SALT II. Conclusive evidence presented in detail below shows that the Soviets have successfully exploited detente and SALT negotiations in order to achieve a destabilizing level of strategic superiority over the U.S., in particular, a counterforce capability. This crucial advantage provides negotiating leverage, which is coupled with the Soviet Union's propensity for deception as part of its negotiating strategy and with its circumventions and violations of the agreements. Soviet bad faith makes it unlikely that the United States will be able to negotiate equitable SALT III and theater nuclear force (TNF) agreements.

International stability will be served by a return to at least U.S.-Soviet strategic equality which, in turn, demands the enhanced survivability, increased numbers, and boistered lethality of U.S. strategic weapons. While renewed SALT III negotiations can accompany the required U.S. strategic buildup to restore parity, these negotiations can in no way be allowed to hinder or block the American return to at least parity. Any eventual SALT III or TNF treaty should provide both U.S. intercontinental and NATO theater nuclear stability and balance with the Soviets. If a SALT III treaty can codify true equality and a stable strategic balance, a solid foundation will be established for negotiation of real and deep reductions equally apportioned on each side.

If on the other hand, the Soviets reject an American demand for parity, then perhaps this will finally be conclusive evidence that the Soviets are seeking only unilateral advantages in SALT.

The Marxist-Leninist ideology, especially as reflected in external Soviet propaganda, is fundamentally hostile to Western hopes for mutual, equitable arms control. The U.S. has negotiated arms control since 1963 hoping that the U.S. and the Soviets could cooperatively limit their strategic forces. But equality and strategic stability have proven to be impossible, because Marxism-Leninism unfortunately actively seeks to totally destroy the structure and fabric of Western society. Soviet ideology denies the possibility that there can ever be cooperative relations with the West, until after the Proletarian Revolution abolishes Capitalist Society. The Soviet achievements of a strategic counterforce capability and overall strategic supremacy through arms control were the direct result of ideological hostility.

But even beyond the obstacles to equitable arms control posed by uncompromising Marxist-Leninism, modern diplomatic history suggests that arms control treaties themselves can inherently do no more than codify the developing configuration of power between the US and USSR. This power relationship would be present irrespective of an arms control treaty, suggesting that such treaties are irrelevant.

In addition to this fundamental ineffectiveness of arms control treaties, they are neither inviolate nor enforceable. Modern diplomatic history demonstrates that powerful nations have systematically circumvented and even violated arms control agreements when it served their interests. Specifically, long before Strategic Arms Limitation Talks (SALT) began in 1969, the Soviets violated two significant arms control treaties—one in the 1920s which even entailed universal onsite inspection, and another in the late 1940s.

The Soviets violate their own Constitution, and use international law and diplomacy as an instrument of policy in international power struggle. The Soviets have been flagrantly violating since 1933 the basic agreement establishing the basis of US-Soviet diplomatic relations. Official US State and Defense Department documents of 1959 and 1962 authoritatively accused the Soviets of over 50 Treaty violations since 1917. The assumptions about Soviet abandonment of Marxist-Leninist objectives that prevailed since 1963 and throughout the decade of detente of the 1970s are belied by the diplomatic record since then. The Cold War never ended for the Soviets.

The pattern of Soviet SALT negotiating deception and diplomatic duplicity (including disinformation ploys, forgeries, treaty violations, and hostile propaganda campaigns) suggests that arms control treaties have served only to lull the US into complacently and unilaterally deactivating its existing strategic forces and reducing its planned strategic forces. Meanwhile, the Soviet strategic buildup has been relentless. Arms control treaties so far have served Soviet national interests, but not those of the US. The cooperation hoped for in US assumptions about arms control is negated by the totally hostile objectives of Marxism-Leninism.

Soviet SALT violations have added Soviet strategic advantages even beyond those already embodied in the unequal provision of the SALT Treaties themselves. The Soviets have also developed "breakout" capabilities without being challenged. The continuous shift of the balance of power in Soviet favor has prevented both equitable negotiation of SALT treaties and their enforcement.

Because an unfavorable strategic balance has made SALT agreements themselves inherently ineffective, inequitable, destabilizing, and unenforceable an American strategic buildup to regain at least strategic parity with the Soviets will restore international security and bolster world peace far better than another SALT agreement.

The Soviets have authoritatively stated repeatedly that they will not comply with the unratified SALT II Treaty.

Candidate Reagan opposed the SALT II Treaty during the 1980 campaign, describing it as "fatally flawed" and unequal. President Reagan has also stated that the US cannot verify SALT II. There is recent evidence of two new and significant Soviet violations of the SALT II Treaty, in addition to at least 27 other reported Soviet SALT violations. Nevertheless, the US is still unilaterally complying with SALT II, despite President Reagan's opposition to it, its nonverifiability, its failure to be ratified, and Soviet disavowals and violations.

The Soviets thus have all the benefits of US compliance with SALT II, while they themselves have accepted no obligations.

A further disadvantage of continued US SALT II compliance is the fact that it hinders the US strategic buildup needed in the near term to restore the survivability of US strategic forces and regain at least parity. But present US strategic plans through 1985 even under President Reagan are postulated upon continued acceptance of severe strategic inferiority. The US is not even striving for strategic parity over the next five years, thus needlessly prolonging the dangerous "window of vulnerability."

I. THE SHIFTED STRATEGIC BALANCE

The most dramatic shift in the world balance of power in world history occurred during the last 20 years almost unnoticed by most Americans. Even before the 1962 Cuban missile crisis the Soviet Union embarked on a massive, relentless military buildup. Authoritative Soviet statements show that the buildup was intended to achieve overall military superiority over the United States. Soviet perseverance and willingness to devote huge resources to military programs has finally allowed them to achieve overall military superiority. In the 1970's, Soviet defense outlays steadily increased, while those of the U.S. declined.

A Blue Ribbon Department of Defense Panel reported authoritatively to the President and the Secretary of Defense on the shifting balance of military power. The panel warned gravely that there is: "convincing evidence that the Soviet Union seeks a pre-emptive first strike capability * * * there is no longer any certainty that our nuclear deterrent will remain credible * * * weakness of the U.S.—of its military capability and its will—could be the gravest threat to the peace of the world."

What is remarkable about this judgement is that it was made eleven years ago, in September 1970. (See Supplemental Statement to Report of Blue Ribbon Defense Panel, September 30, 1970, pp VII, IX, and XI.) It may have seemed to some like alarmism then, but because it was not heeded, the warning is all too accurate today. In fact, Soviet leaders stated as early as 1971 that the strategic balance had shifted in their favor. Since then, a decade of further U.S. military decline has occurred, and the Soviets have now achieved overall military superiority. They now have deployed the first strike capability feared in 1970. Soviet strategic superiority was enshrined in the SALT II Treaty, and will last at least until 1990, if not beyond. (See Chart 1, Chart 2, Chart 3.) It is now going to require extraordinary efforts to restore the military balance.

After ten years of one-sided U.S. arms control and U.S. accommodation through detente, there is now overwhelming evidence that the Soviets have been exploiting detente and Strategic Arms Limitation Treaties (SALT) to retard U.S. defense programs and to lull the U.S. into a false sense of security, while they moved to acquire military superiority and overall geopolitical supremacy.

In retrospect, the balance sheet of the ten year policy of detente is for us (i.e., the West) a simple negative. While contributing to a weakening of our military and defense readiness, detente has paralyzed us in the ideological dispute, and, not least, had an influence on the destabilization of our democratic social system.

This statement is now a commonplace assessment of detente and arms control in the West. It is a quotation from the West German centrist leader K. Biedenkopf. What is unusual is that such a statement can be quoted approvingly by the Soviets themselves. It appeared in Kommunist of July 1980 (pp. 70–81) as an example of the persistence of detente despite the increasing realistic assessment of detente's dangers in the West. The Soviets believe that even though many Westerners now realize that detente has gravely weakened the West, it is so mortally weakened that there is now no alternative to detente and further appeasement.

And the U.S. has even provided significant financial credits, trade, grain, and technology to the Soviets over the past decade, all of which have been directly useful to the Soviet military buildup. Indeed, it has been reported that in 1981 the equivalent of over 2.2 billion dollars was provided as an almost direct U.S. subsidy to the Soviet military effort, due to resumed U.S. sales of grain to the Soviets at below production cost and on credit provided by the U.S. in a real sense, U.S. plowshares are helping to forge Soviet swords. This is in addition to the total Warsaw Pact hard currency debt to the West of over 60 billion dollars, which can also be regarded as a direct Western subsidy to the Soviet military buildup. Moreover, there are reliable reports that the U.S. in 1972 allowed the sale to the Soviets of ball bearing production equipment which was used in the Soviet ICBM MIRV program to increase Soviet ICBM accuracy.

Even the chief architect of detente and SALT, former Secretary of State Henry Kissinger, has belatedly recognized this reality and publicly acknowledged the relentless and aggressive thrust of Soviet military and foreign policy. In 1979, Kissinger forecast extreme danger for the *early* 1980's.

> The 1980's could turn into a period of great instability . . . we could be heading into a *period of maximum peril* . . . by some time in the *early 1980's* the Soviet Union will have the capability to destroy with a reasonable degree of confidence most of our land-based ICBM's. In the same period of time we will not be able to destroy the Soviet ICBM force. This creates a gap in the design of the two forces that is bound to have a geopolitical consequence, *especially since we are clearly inferior in forces capable of local intervention* . . . the military balance is beginning to tilt ominously against the U.S. in too many significant categories of weaponry . . . *To conduct business as usual is to entrust one's destiny to the will of others* and to the self restraint of those whose ideology highlights the crucial role of the objective balance of forces . . . Never in history has it happened that a nation achieved *superiority* in all significant weapons categories without seeking to translate it at some point into some foreign policy benefit. (Emphasis added.)[3]

One of Kissinger's former deputies, William Hyland, grimly stated in November 1978, "We are already witnessing the political consequences resulting from a shift in the overall military balance . . ."[4] Hyland's statement came *after* the fall of Southeast Asia in 1975, Angola in 1976, and Ethiopia in 1977. Hyland's statement was made even *before* the Iranian revolution of 1978 and American hostage fiasco of 1979–1980, the belated discovery of the Soviet combat brigade in Cuba in 1979, the brutal Soviet invasion of Afghanistan in 1979, the Soviet military threats to intimidate Poland in 1980–1981, and the Soviet-Cuban takeover of Nicaragua in 1978, and assault on El Salvador in 1980–1981.

The Communist Party of the Soviet Union (CPSU) program of as early as 1961 stated plainly:

> The *chief aim* of the foreign policy of the CPSU is to ensure peaceful conditions for the building of a communist society in the USSR (and) the development of a world system of socialism . . . (Emphasis added.)[5]

Article 28 of the 1977 Soviet constitution specifically commits the Soviet Union to support "wars of national liberation," and the Brezhnev Doctrine commits the Soviets to use military force to preserve any regime once it becomes communist.

A Soviet ideological statement written for internal communist party use in the mid-1970's is consistent with Hyland's realistic 1978 assessment. Soviet communist party leaders have stated authoritatively that:

> *Soviet military superiority* . . . reliably restrains the aggressive aspirations of imperialistic reaction, blocking its efforts to export counterrevolution, *and* is facilitating the struggle of other peoples for social progress and revolution. (Emphasis added.)

This doctrinal pronouncement clearly means that Soviet military superiority enables them to pursue their worldwide revolutionary aspirations without interference by the U.S. It can be characterized as a Soviet reversal of the Dulles "massive retaliation" doctrine. With strategic nuclear checkmate achieved through SALT negotiations, the Soviet world revolutionary movement is on the offensive. And as a Soviet ideologue stated in 1975, "Peaceful coexistence is a specific and *highly effective* form of class *antagonism* and historical *competition* between world socialism and world capitalism. (Emphasis added.)[6]

Never before in postwar history has the Soviet strategic threat been so dangerous and the strategic balance been so unfavorable to the U.S. This situation has been a long time in developing. It is largely due to the SALT process, which also entailed U.S. unilateral restraint. The terms of SALT I in 1972 were unequal, to the disadvantage of the U.S., and the Soviet strategic buildup since 1972 has been unprecedented. Meanwhile, the U.S. has unilaterally deactivated massive strategic forces. The SALT II treaty, which still binds only the U.S., preserved and increased Soviet advantages, and codified U.S. inferiority throughout the decade of the 1980's.

The stated U.S. purpose of SALT I was to make U.S. strategic forces more survivable and the world balance of strategic power more stable. Neither side was to be permitted to develop a first-strike, counterforce capability. Fundamental U.S. SALT II objectives were the same. But instead of assuring the survivability of our strategic forces, the reverse has occurred. SALT has allowed the Soviet threat to U.S. forces to grow. Most of the now reduced U.S. strategic forces are now vulnerable to a Soviet first-strike, counterforce threat, and the Soviets seem to be developing both offensive and defensive capabilities designed to enable them soon to "break out" of all existing arms control agreements.

The U.S. and the Soviets were evenly matched at strategic parity in 1969, the year SALT negotiations began. But by 1971, the year before SALT I was signed, the Soviets recognized that the "correlation of forces" of strategic power had shifted in their favor and that they were increasingly approaching strategic superiority over the U.S. By the mid-1970's, the change was boldly acknowledged and by the late 1970's, it was described as irreversible. As the late Soviet Defense Minister, Marchal Grechko, stated in March 1975:

> The correlation of forces in the world has changed in favor of socialism, and to the detriment of imperialism. The community of socialist states and their armies is growing and developing. Imperialism no longer has a military advantage.[7]

And V. Kulish, a former General Staff officer and noted Soviet strategic analyst, added in 1979:

> The growth in the forces of peace, progress, and socialism is exerting an increasingly significant and comprehensive influence on contemporary world politics . . . the new disposition of forces has created favorable preconditions for introducing the principles of peaceful co-existence (i.e. the Soviets have stated elsewhere that peaceful co-existence means intensified ideological warfare) into the practice of international relations . . . the attempts to reverse the process of the historic change in the correlation of forces in favor of progress are doomed to fail.[8]

The decisive shift in the strategic balance during the decade of SALT and detente is accepted by all as fact. While this can be partially attributed to the relentless Soviet strategic buildup, the responsibility is also clearly attached to U.S. policies and actions. These include severe unilateral U.S. restraints on strategic programs the provision to the Soviet Union and communist bloc countries of financial credits, trade, grain, technologly, and other direct and indirect assistance, and a U.S. reluctance to acknowledge Soviet exploitation of detente. Indeed, there was even a tendency to excuse and apologize for Soviet behavior.

According to such authorities as Senator Henry Jackson, American appeasement of the Soviets under the failed detente and SALT policies of past administrations has contributed to increasing Soviet superiority.[9] Richard Perle, formerly an aide to Senator Jackson on arms control and now Assistant Secretary of Defense for International Security Policy, has criticized the spirited and moral weakness of the West during the decade, and has compared West accomodations Soviets during the decade of the 1970's to the West's appeasement of expansive Nazi Germany and aggressive Japan during the decade of the 1930's.[10]

During 1980, the Reagan campaign promised to restore a "margin of safety" to the U.S. strategic posture. Renegotiation of the unequal, destabilizing SALT II treaty was called for. Further, decrease in Soviet global adventurism was to be linked to any further progress in arms control. That linkage was formalized as the result mainly of two developments, the Soviet Combat Brigade in Cuba and the Soviet invasion of Afganistan. One-sided detente, in which the West made all the concessions while the Soviets continued to expend their sphere of influence and wage ideological cold war, was deemed unacceptable

Since his election, President Reagan has continued to express his dissatisfaction with detente and Soviet aggressive behavior. For example he stated at a press conference on January 29, 1981:

> So far, detente's been a one-way street that the Soviet Union has used to pursue its own aims . . . their goal must be the promotion of world revolution . . . they reserve unto themselves the right to commit any crime, to lie, to cheat . . .

Professor Eugene V. Rostow, the former Chairman of the nonpartisan Committee on the Present Danger and now the Director of the U.S. Arms Control and Disarmament Agency, also expressed his dissatisfaction with SALT, recognizing the danger of allowing our forces to remain vulnerable to the Soviet threat:

> The paralyzing specter of Soviet military superiority could prevent us from defending our national interests with force if diplomacy and deferrence fail. In short, we could be exposed to nuclear blackmail . . . Since 1972, we have endured the most dangerous period of the Cold War, and called it 'detente.' . . . The Soviet drive for empire is accelerating in momentum and is becoming more and more difficult to contain and to confine . . . Unless effective *containment* is restored, we cannot expect to pursue detente and arms control fruitfully."

These words articulate the disappointment felt in large segments of the American policy elite and public about the results so far from detente and the SALT process.

Professor Rostow also reiterates the need to tie the future of strategic arms control to new and accelarated strategic programs by the U.S. Defense Department to restore a margin of safety and to improve Soviet behavior throughout the world. He, too, recognized that Soviet aggressive actions throughout the world have become so pervasive that they have finally awakened the West from the illusions of detente and have placed the continuation of detente and SALT in jeopardy.

The revoluntionary intentions of the Kremlin oligarchy have so badly destabilized the world state system that the "good faith" basis of "trust" assumed by Americans to be part of all arms control negotiations has finally been called into question. The open-ended Soviet military buildup and quest for world hegemony clearly demonstrate that the Soviets have never shared U.S. arms control objectives. The U.S. has long sought genuine stability, equality, cooperation, and reductions in nuclear armaments through SALT. Guided by Marxist-Leninist concepts, the Kremlin leaders instead have sought and won unilateral advantages and strategic superiority in SALT negotiations.

II. THE SOVIET APPROACH TO SALT

A Soviet General, A. Kornyienko, explained the unprecedented growth of Soviet military forces and military industry when he made the following admission as long ago as 1969 in the classified General Staff journal Military Thought:

> Strengthening of its defenses is now the foremost political function of the Soviet state. . . . Never before has the internal life of the country been subordinated to a war so deeply and throughly as at the present time.[12] (Emphasis added.)

Before proceeding into SALT III, Americans should understand clearly how the Soviets used the SALT process to achieve their dramatic gains in strategic nuclear forces. In all fairness, it can be said that they could not have been so successful without U.S. assistance. The critical issue is, in retrospect, should we ascribe their success to tough negotiating practices, to their clever use of deception techniques, to U.S. self-imposed negotiating deadlines and the need to show progress, to U.S. naivete in negotiating with the Soviets, to U.S. commitment to minimal deterrence which favored the unilateral deactivation of U.S. forces and ignored the significance of Soviet advantages, or to U.S. policy that simply misjudged Soviet doctrine and intentions? To a certain extent, all of these factors contributed to the Soviet success in the SALT I and II negotiation process.

To the United States, SALT was viewed as a cooperative enterprise in confidence building, mutual amelioration of tension, threat, and danger. In U.S. eyes, SALT has had the same "mutuality" as mutual assured destruction (MAD). Rather than being a "zero-sum game," with a winner and a loser, SALT was viewed as a process whereby both sides and the whole world could gain through cooperation, mutual concessions and mutual advantages. Under the rules of detente agreed to in May 1972 in the Declaration of Principles of U.S.-Soviet Relations, seeking unilateral advantages is illegitimate.

But the Soviets have acted as though they regard SALT, like their ideological approach to all diplomacy, to be a zero-sum game in which one side must win and the other must lose. Unilateral advantages at the expense of the other side are the standard Marxist goal. As one columnist, Hal Piper, recently explained:

> A further reason arms control does not enhance security is that it is conducted in a shystering spirit . . . shystering is inevitable so long as one side, the Soviet Union, holds to its view of the world as an arena of class struggle in which there can be no true cooperation, as history will have only one ultimate winner.[13]

SALT has been an integral element of Soviet military policy. There is ample evidence that the Soviet military, specifically, the General Staff and the Defense Council, has dominated Soviet decisionmaking. Most experts believe that Soviet military dominance in SALT stems from their equally important dominance of Soviet defense planning. Soviet negotiators view SALT as subservient to long-term military plans—their long-term military plans. They have no concept of mutual accommodation, concession, and cooperation which could lead to a mutually satisfactory middle ground. The Soviet objective in SALT, based upon Marxist-Leninist ideology, has simply been to gain unilateral advantages, which once achieved are stubbornly defended. At the same time, the Soviets seek to induce complacency and raise false hopes on the U.S. side.

The Soviets may not recognize a distinction between diplomacy and war, being Clausewitzian in their approach to both. One Sóviet military theorist stated in 1971, before SALT I was signed, that Soviet diplomacy is war. Military Thought, the classified journal of the General Staff (the Soviet agency most responsible for negotiating SALT) stated that:

> In fact, a nation's diplomatic activity becomes a part of those non-military means of policy implementation which . . . are contained within the concept of the content of war.[14]

If Soviet diplomacy is inseparable from war preparation, then it is understandable that Soviet diplomatic practice includes the use of such ruses of war as camouflage, concealment, deception, and disinformation. A Soviet military writer noted in 1978 the following aspects of deception in war:

> It must be said how important it is to conceal one's true intentions, manpower, equipment, and combat resources from the enemy. Frequently, in order to achieve this. . . it is necessary, for example, to use military cunning, sometimes on a very large scale.[15]

And former U.S. Secretary of State Dean Acheson recognized in 1959 that:

> In the present century the Soviet state has perfected the use of negotiation, including negotiation by mass conference, as a method of warfare.[16]

Soviet patience and tenacity in negotiations are well known, because they believe that the correlation of world power forces is constantly shifting in their favor and will eventually force the U.S. to make further SALT concessions. For example, one Soviet authority on arms control, well known in the West, General H. Trofimenko, has written:

> The basic objective factor which made these (SALT) agreements possible consists of the military-economic might of the Soviet Union, and as a result of it, the change in the correlation of forces in the world in favor of socialism.[17]

In contrast to the U.S. instinct for mutual trust, cooperation, common interests, the Soviet practice in SALT is to provide false information (disinformation) and misleading concepts in order to bolster its negotiating positions. Whether one should regard this as duplicity and deception or merely tough or astute negotiating practices is difficult to say. Is mutual trust and common interest a sine qua non of strategic arms control; or, does this merely reflect idealism, naivete, or questionable assumptions about the political non-utility of strategic power on the U.S. side?

We can usefully recall that the history of Soviet foreign policy contains many examples of diplomatic falsifications, forgeries, disinformation ploys, and negotiating deceptions (see below). The duplicity of Soviet diplomacy and Soviet noncompliance with international agreements are well known.

Dr. Kissinger testified to Congress in 1972 that:

> The possibility always exists that the Soviets will treat the Moscow (SALT I) agreements as they have sometimes treated earlier ones, as just another tactical opportunity in the protracted conflict. If this happens, the United States will have to respond. . . . If this agreement were being circumvented, obviously we would have to take compensatory steps in the strategic field . . . the two countries have a unique opportunity right now to move into an entirely different relationship of building additional trust. . . . If it turns out that through legalistic interpretations of provisions of the agreement or through failing to specify numbers about which we have left absolutely no doubt as to our interpretation . . . if it should turn out that those numbers are being challenged in any significant way at all, then this would cast a doubt. It would not only threaten disagreement, but it would threaten the whole basis of this new relationship. . . .[18]

We will return to this warning at the end of this book, to see if it has been heeded by the Soviets or by the U.S. The conclusive evidence of Soviet negotiating deception in SALT presented below should raise serious and legitimate questions about their "good faith" in the entire SALT and arms control negotiating process. Moreover, the Soviet SALT circumventions and violations discussed below also bring into question Soviet intentions in SALT.

In 1973, a reliable report from British intelligence described meetings in which Brezhnev was telling Eastern European communist leaders about Soviet SALT successes:

> We are achieving with detente what our predecessors have been unable to achieve using the fist . . . trust us, comrades, for by 1985, as a consequence of what we are now achieving with détente, we will have achieved most of our objectives in Western Europe. We will have consolidated our position . . . and a decisive shift in the correlation of forces will be such that, come 1985, we will be able to extend our will wherever we need to . . .[19]

And the Chief of the Soviet General Staff, Marshal Ogarkov, told U.S. Congressman Breckenridge in 1978 that, "Today the Soviet Union has military superiority over the U.S., and henceforth the U.S. will be threatened. You had better get used to it."[20]

These and many other warnings were explained away by U.S. Intelligence and policymakers because they were inconsistent with the pursuit of détente. However, most U.S. policymakers have now come to express publicly their misgivings over being misled in many particulars that, in retrospect, are now recognized to be very important.

III. SOVIET SALT I DECEPTION

Many knowledgeable defense analysts are still understandably skeptical of the conclusion that the Kremlin oligarchs deliberately misled American leaders on all the key issues of SALT I in Moscow during May 1972. Those analysts correctly believe Soviet negotiating deception to be inconsistent with the Preambles of the SALT I Agreements. There can be no doubt that they are right. Both the SALT I Interim Agreement on Strategic Offensive Arms and the SALT I Anti-Balistic Missile Treaty explicitly stated in their Preambles that their fundamental purposes included the "strengthening of *trust* between states" (emphasis added). And as the Carter Administration's February 1978 *White Paper* on Soviet SALT I compliance stated, "Confidence and *trust* . . . are important to mutual efforts to establish and maintain strategic arms limitations." Moreover, both the U.S. and the USSR pledged in the Declaration of Principles of U.S.-Soviet Relations of May 29, 1972, to accept "equal security" and not to seek "unilateral advantage."

It is important to note, however, that while the Soviets were pubicly professing an interest in strengthening *trust* and *equal security* and eschewing *unilateral advantages,* the Soviet military was privately stressing the twin themes of total conflict and constant struggle with the U.S. As indicated earlier, the Soviet military dominates Soviet defense planning, and this also gives it the decisive role in Soviet SALT decisionmaking and negotiating. The following statement appeared in a classified Soviet General Staff publication, Military Thought, in early 1972:

> Lenin stressed that "stepped up military preparations for a serious war require . . . protacted, intensive and disciplined work on a mass scale" . . . one important task of party and people, as was emphasized at the 24th CPSU Congress (1971), is "all-out increase in the defensive might of our homeland" . . . this is no temporary or transitory task; it is a constant, continuous task, preceding from the international situation, from the fact that the world is divided into two systems—socialist and capitalist. . . .[21]

Further, in May 1972, Kommunist, the Soviet communist party journal stated: "The military-technology policy of the CPSU is directed toward creating and maintaining military superiority. . . ."[22]

Clearly, to Soviet leaders, diplomacy is part of war preparation, which is avowedly the foremost function of the Soviet state. The above statements are authoritive evidence that Soviet military and political leaders approached the SALT I negotiations in May 1972 with total conflict, constant struggle, and military superiority as their negotiating strategy. (This evidence was available in May 1972, but it was ignored by U.S. Intelligence and policy-makers.)

In SALT I the key issues involving deception or successful efforts mislead U.S. negotiators, efforts that involved the top Soviet military and political leaders, are as follows.[23]

The Heavy ICBM Issue: Soviet negotiators, including Brezhnev himself, made many false statements from 1971 to May 1972 which had the effect of misleading the U.S. about the size of their then-secret new, large ICBM, the SS-19. The Soviets themselves considered the SS-19 to be a heavy ICBM, which it was by U.S. standards. They argued falsely that an agreed definition of a heavy ICBM was unnecessary. Their most significant deception was their many false statements during the negotiations that they did not intend to replace light ICBMs (the SS-11) with heavy ones, the precise opposite of their plans as confirmed by events, and contrary to Article II of SALT I. Article II prohibits the replacement of light ICBMs with heavy ICBMs. They also falsely claimed that both sides already knew which ICBMs were heavy, and that this understanding would not change during the five year term of SALT I. The Soviets actually argued several times that the U.S. could "trust" them not to convert light ICBMs into heavy ICBMs. In order to deflect U.S. concerns, they also suggested that a missile like the SS-19 could be banned, even as they were planning to deploy it widely as the replacement for the SS-11. Finally, the Soviets also deceptively bargained to successfully persuade the U.S. to abandon attempts to gain an agreed definition of a heavy ICBM.

The SS-19 turned out to be 400 percent heavier in throwweight than the small SS-11, and its volume is about 50 to 60 percent greater. The SS-19 deployment helped to quintuple the Soviet counterforce threat to the U.S. by the expiration of SALT I in 1977. Even the Carter Administration conceded that the SS-19 was more deadly than the super heavy SS-18, because of the SS-19's enhanced accuracy and larger deployment.

Important intelligence evidence indicating Soviet deception on the SS-19 was reportedly acquired in May 1972. Congressman Jack Kemp has described this evidence in the CONGRESSIONAL RECORD, citing William Beecher ("United States May Reply to Soviet Rays," Boston Globe (October 10, 1976), p 7.) The United States reportedly eavesdropped on Soviet communications in Moscow in May 1972, during SALT I negotiations. According to the CONGRESSIONAL RECORD and to Beecher:

> "By way of example, one source noted that in May 1972, in the hours immediately preceding agreement on the SALT I pact in Moscow, a conversation was intercepted in which Soviet Party Chairman Leonid *Brezhnev* checked with a top weapons expert to get assurance that an about-to-be-concluded formula covering permissible *silo* expansion would allow the Soviets to deploy a *bigger* new missile then under development. That intercept provided the first solid information that the SS-19, as it is now known, was destined to replace some of the relatively small SS-11 missiles, which comprise the bulk of the Soviet ICBM force. The SS-19 has three to four times the throwweight of the old missile." CONGRESSIONAL RECORD (August 2, 1979), p E4076, emphasis added.)

This highly significant intercept reportedly occurred on May 26, 1972, just before SALT I was signed. It indicated that the SS-19 was a large, heavy ICBM and that Brezhnev intended the SS-19 to replace the light SS-11 on a large scale precisely in violation of Article II. Yet Brezhnev had deceptively told U.S. negotiators that the U.S.S.R. did not intend to replace light ICBMs with heavy ICBMs. Thus this reported intercept conclusively confirms Brezhnev's negotiating deception on the SS-19. Brezhnev knew that the SS-19 would violate Article II, but he also knew that the U.S. did not then know about the SS-19.

THE SLBM CEILING AND REPLACEMENT BASELINE ISSUE

The Soviets made the false claim in May 1972 that they had 48 submarines operational and under construction carrying 768 SLBMs. The Soviets maximized their claimed baseline in order to minimize their deactivation. In fact, however, the U.S. belatedly discovered only in 1978 that they had far fewer in 1972 at the time of SALT I. This deception allowed the Soviets to significantly minimize and also to postpone for four years the required deactivation of older weapons.

Most significantly, the Soviets claimed in May 1972 that "geographical asymmetries" required that they be allowed a three-to-two advantage over the U.S. in SLBMs and submarines. This claim was accepted as accurate by the U.S. It was proven fallacious by the long-range of their SS-N-8 SLBM demonstrated in late 1972, only after the signing of the SALT I agreement in Moscow. And the Soviets have even exceeded the 62 submarines with 950 SLBMs that they are allowed.

They also deceptively codified their original SLBM plan for 950 SLBMs by 1977 under the guise of a "freeze."

The H Class of about 6 submarines carrying about 27 modern SLBMs was hidden within the 950 SLBMs allowed, thereby saving them from deactivation. The U.S. discovered this only in 1978.

According to Dr. Kissinger, Brezhnev promised in May 1972 to deactivate about 24 G Class submarines carrying about 67 SLBMs. These subs and missiles are still reportedly operational. Thus Brezhnev reneged on his pledge.

Between 1972 and 1974, the Soviets reportedly tried to exploit a loophole in SALT I—the failure to define a modern SLBM—in order to maintain the right to deploy modern SLBMs in the 67 G-Class launchers, which were not counted in the 950 Soviet SLBMs allowed. This would have circumvented the Protocol to SALT I.

THE MOBILE ICBM ISSUE

In May 1972, Brezhnev himself pledged not to "build" mobile ICBMs during SALT I. Moreover, the Soviets falsely claimed that neither side had mobile ICBMs, so a ban was unnecessary. In fact, however, the Soviets already had a mobile ICBM program underway, which they were extensively concealing and camouflaging. According to The New York Times, the Soviets have built over 100 SS-16 mobile ICBMs, which are still being heavily camouflaged and concealed. These covert missiles were not counted in either SALT I or SALT II, but they could add further to U.S. disadvantages if brought out of hiding suddenly during a crisis.

The above issues were the key issues of SALT I. Thus, Soviet negotiating deception was involved in the resolution of each of the key issues of SALT I.

Soviet SALT I deception consisted of negotiating ambiguous provisions which deliberately contained loopholes favorable to the Soviets, all the while misleading the U.S. into believing that real limitations were being imposed on Soviet forces. There is hard evidence that SALT I placed no constraints on either the original Soviet ICBM and SLBM numerical launcher plans, or their qualitative modernization plans through 1977.

The Soviets also made the false propaganda claim in May 1972 that SALT I "avoided a new round in the arms race" and contained no Soviet unilateral advantages. In fact, however, conclusive evidence indicates that SALT I merely codified preexisting planned Soviet force levels, and the relentless Soviet strategic buildup aimed at superiority continued unchanged through 1977.

It is only proper to note that there has been widespread discussion of a highly classified CIA study by this writer, demonstrating that SALT I did not in fact constrain Soviet programs. The following references to this study are drawn from open sources. According to Air Force magazine (December, 1978, p. 25 and January 1979, p. 17):

"The study . . . cites specific, documented instances when the late Marshal A. A. Grechko—until his death in 1976, the Soviet Defense Minister—issued dictates to Brezhnev concerning what was and was not acceptable to the Soviet military in the Politburo's SALT posture . . . The Soviet military five-year plan predetermines Moscow's SALT negotiating positions in a binding way."

According again to Air Force magazine (March 1979, p. 51):

"It is difficult to envision how SALT II will contain Soviet strategic developments. As with SALT I, U.S. critics contend that the SALT II Agreement merely codifies planned Soviet strategic deployments—a view substantially bolstered by the CIA analysis done by former CIA employee Dave Sullivan. Sullivan's analysis, based on U.S. intelligence monitoring of Soviet communications, reportedly illustrates quite clearly that the Soviet military has not allowed the SALT process to infringe on planned Soviet strategic forces and programs. . ."

By 1979, the Soviets were privately acknowledging that SALT I was a "Soviet victory" and a "defeat" of the U.S.[24] Soviet Ambassador to the U.S. Dobrynin stated after SALT I was signed, "Frankly, we were elated at the results of SALT I."[25]

In addition, Soviet military camouflage, concealment, and deception reportedly increased after SALT I began in 1969. Since 1972 the Soviets have enacted a massive camouflage, concealment, and deception program involving all Soviet strategic forces. This massive camouflage and concealment program was approved by the Politburo and Defense Council, and was coordinated with SALT negotiating deception. This program itself constitutes a violation of the provisions of the agreements themselves, which prohibit deliberately impeding or interfering with national technical means (NTM) of verification (reconnaissance satellites). This is because it has deliberately and clearly interfered with U.S. national technical means of verification. The importance of deliberate Soviet camouflage, concealment, and deception can be recognized in the role it had in misleading U.S. intelligence estimates of both the basic Soviet ICBM and SLBM levels during SALT I.

There has long been strong evidence that Soviet camouflage, concealment, and deception related to their SALT-constrained strategic forces is deliberately intended to interfere with and impede U.S. national technical means of SALT verification. In 1966, the Soviets published a Dictionary of Definitions of Military Terms. This dictionary contained a definition of "maskirovka," the Soviet term for camouflage, concealment, and deception. Maskirovka included: ". . . creating deliberate interference with technical means of reconnaissance." (Colonel P. I. Skeybeda, ed., Dictionary of Definitions of Military Terms (Moscow: 1966), pp 228–229.) This revealing definition of maskirovka appeared six years prior to the 1972 signing of SALT I, which precisely prohibited just such deliberate interference with NTM. Moreover, the Soviets have stated that they have long deployed concealed ICBM launchers, and they have even shown on Moscow television examples of some of them concealed as woodpiles.[26] Such deployment completely circumvents all SALT I and II ceilings on launchers.

As even the Carter Administration State Department White Paper on SALT II verification of August 1979 stated: "Deliberate concealment efforts are themselves a violation, and if detected could be grounds for abrogating the treaty, even if we are not certain what activity is being concealed . . . concealment measures designed to impede verification would themselves be violations. . . ."

Another significant misleading Soviet argument in SALT I negotiating is described in Ambassador Gerard Smith's recent book, Doubletalk: The Story of SALT I. Smith, who was chief of the SALT I delegation, reveals that the Soviets claimed in 1971 during SALT I that they "did not believe the strategic balance was undergoing any genuine change and there was no basis for the (American) concerns expressed about Soviet programs."[27] According to Smith, the Soviet SALT I delegation Chief Semenov stated that:

"The U.S. had been modernizing its strategic armaments, and naturally the Soviet Union was doing the same. Our (American) concerns were unfounded. This development (i.e., Soviet modernization) had in fact no bearing on the strategic relationship."

These Soviet statements were again utterly deceptive. In 1971, only the Soviets knew the scope and capabilities of their then-secret modernization programs. In fact, by 1971, the quantitative strategic balance had already shifted against the U.S. and during the 1972–1977 period of SALT I the Soviet counterforce threat to the U.S. increased more than five-fold due to their SS–19 and SS–18 modernization programs. Thus, during SALT I, the strategic balance shifted in favor of the Soviets in both numbers of delivery vehicles and in the qualitative factor of counterforce capability.

Smith also conceded his fears that the Soviets were using SALT I and the SALT process to gain superiority over the U.S. He stated further: "I never stopped worrying during SALT about the Soviets' possibly using the negotiations to mask deployment of a much larger missile force than the U.S." [28] Unfortunately, Smith's worst fears were in fact realized, as Figure 1 illustrates. The U.S. gave up a potent ABM capability for defending ICBMs, in exchange for no constraints on Soviet offensive programs. The U.S. thus gave up an advantage in ABMs for worse than nothing, a huge Soviet buildup in the very counterforce capability that our ABM was designed to thwart. In retrospect, SALT I was clearly detrimental to U.S. national security interests.

FIGURE 1.—*Summary of SALT I Results, 1969–1977*

Soviet Union

Achieve quantitative and qualitative strategic offensive and defensive superiority.

Add 250 intercontinental Backfire bombers

Add 1,000 new launchers of ICBMs and SLBMs during the period (648 more missile launchers than the U.S.)

Deploy about 6,000 new MIRV counterforce warheads on new ICBMs

Deploy heavy ICBMs in place of light ICBMs in violation of Article II

Build over 100 mobile SS–16 ICBMs as a covert strategic reserve

Improve deployed ABM, increase ABM R&D

United States

Decline to strategic offensive and defensive inferiority (despite adding considerable countervalue capability).

Scrap 250 B–52 bombers

Maintain since 1967 lesser number of ICBMs and SLBMs

Deploy about 7,000 new (mostly small-yield, inaccurate) MIRV and SRAM warheads (only 1,700 of which are counterforce capable)

Scrap ABM, significantly reduce ABM R&D

As Senator Jackson pointed out in 1972, SALT I: "Confers on the Soviet Union the authority to retain or deploy a number of weapons based on land and at sea that exceeds our own in every category, and by a 50% margin. Is this parity? . . . The agreement gives the Soviets more submarine-launched missiles, more submarines, more payload, even more ABM radars. In no area of the SALT I agreements is the U.S. permitted to maintain parity with the Soviet Union." Moreover, at the start of SALT I in 1969, Secretary of State Rogers said that the Soviets had achieved strategic parity, and that this made SALT I negotiations possible. But by 1972, President Nixon reported that the Soviet missile forces had approximately doubled in numbers since 1969.

IV. CONFIRMATION OF SOVIET SALT I DECEPTION

Former SALT I negotiator Gerard Smith, former Defense Secretary James Schlesinger, former Defense Secretary Melvin Laird, former Secretary of State Henry Kissinger, former President Richard Nixon, the leading Senate critic of SALT, Senator Henry Jackson, and even 1976 President candidate Jimmy Carter have all confirmed that the U.S. was misled by the Soviets on the SS–19 ICBM, the key issue of SALT I by all accounts.

Gerard Smith testified to the Senate Armed Services Committee in July 1972:

"If they (the Soviets) tried to deploy in SS–11 holes a missile substantially larger in volume than the SS–11, that would be considered a heavy missile, . . . and would be a violation . . . We will have to look at what comes along (in new Soviet ICBMs) . . . we have put them on clear notice that any missile having a volume significantly larger than their SS–11, we will consider that as incompatible with the Interim Agreement.[30]" (Emphasis added.)

Former Defense Secretary Schlesinger conceded two years later in March 1974:

"What we were unprepared for was the enormous expansion of Soviet throwweight represented by the SS–X–19 as the potential replacement for the SS–11 . . . the SS–17 and SS–19 can no longer be treated as light missiles . . . (the) breadth, depth, and momentum (of the Soviet strategic R&D program) as now revealed come as something of a surprise to us . . . subsequent to the signing of the (SALT I) agreement, we see a Soviet research and development program of astonishing breadth and depth . . . Many people, particularly people in the arms control community, have been surprised by the strength of those programs.[31]" (Emphasis added.)

Former Defense Secretary Laird charged in December 1974:

There is no question that if . . . SS–X–19 missile deployment will go forward in 1975 with a volume of 50 percent greater than the SS–11, such deployment would be in violation of the 1972 (SALT I) interim Agreement . . .[32]

(The distinction between negotiating deception and a violation is difficult for most observers to make, partly because the SALT provisions are imprecise and ambiguous. The deception in the case of the SS–19 was deliberately intended by the Soviets.)

According to Dr. Henry Kissinger's authoritative biographers, Marvin and Bernard Kalb, Kissinger understood Soviet negotiating strategy in SALT even before the negotiations began in 1969. Kissinger believed then that Soviet strategy "would be to engage in arms talks to lull the Americans into a false sense of security."[33]

On June 15, 1972, Dr. Kissinger tried to synthesize the agreed wording of Article II and the U.S. Unilateral definition of a heavy ICBM. Thus he made a U.S. Unilateral Statement appear to be binding on the Soviets. Kissinger told Senators:

"First, there is the safeguard that no missile larger than the heaviest light missile that now exist can be substituted . . . as far as the break between the light and heavy missiles is concerned, we believe we have assurances. . . ."

Kissinger did not specify the Soviet "assurances," but they presumably were the Soviet statements that the U.S. could "trust" them not to convert light ICBMs into heavy ICBMs, and that they did not plan to do so.

This June 15, 1972 policy statement is wholly inconsistent with the evidence of Brezhnev's May 1972 deception in the Beecher intercept above. Serious questions about the dissemination and analysis of intelligence in June 1972 are raised by this inconsistency. Several published accounts of this problem suggest that key intelligence evidence was suppressed.

Kissinger later made four admissions, however. He himself evidently was lulled by the Soviets, and their "assurances" turned out to be completely deceptive. First, on December 9, 1975, he stated that: "We obviously did not know in 1972 what missiles the Soviet Union would be testing in 1974. . . ."[34] More explicitly, Kissinger openly acknowledged on August 12, 1979, on national television:

"What we did not understand at the time (May 1972) and on which we had no evidence whatever at the time, because it didn't exist, was that the Soviet Union would construct a missile (the SS–19) which was sort of half-way between the SS–11 and the SS–9 . . . It was simply our lack of knowledge that such a missile existed or could be built . . . I would call it (Soviet deployment of the SS–19 after SALT I was signed) sharp practice."[35]

"Sharp practice" in SALT negotiation on the key issue of SALT I must be regarded as Soviet negotiating deception.

Kissinger also testified to the Senate Foreign Relations Committee in 1979 that:

"We resorted to (unilateral statements) ourselves to perhaps an excessive degree in 1972, and in speaking to a group of Congressmen in the White House at the time (i.e. on June 15, 1972, as noted above), I mentioned unilateral statements that we had made as a restraint on Soviet conduct. I think experience has shown that the unilateral statements that we have made are not a restraint on Soviet conduct, that they do not bind the Soviet Union."[36]

This is a remarkable retraction of his 1972 attempt to make a U.S. unilateral statement defining a heavy ICBM appear binding on the Soviets because of undisclosed Soviet "assurances."

Finally, on August 12, 1979, Kissinger also confessed on national television, "I think the Soviets have pressed against the legal limits of SALT I." Thus, even to Kissinger, SALT I's greatest apologist, the Soviets have come close to violating SALT I, possibly circumventing SALT I. But as noted, he said in 1972 that if SALT I was circumvented by the Soviets, or exploited as a tactical opportunity in the protracted conflict, the U.S. would have to deploy compensating strategic programs. This we have not done, despite the clearcut Soviet circumventions and violations described below.

Most authoritatively of all, we have former President Nixon's statement made in 1980:

First they (the Soviets try to *deceive* us, in order to disguise their intentions and make us relax our will . . . in some cases, such as substitution of the heavy SS–17 and SS–19 ICBMs for the light SS–11s, Soviet force modernization exploited loopholes in the SALT I Agreement *contrary to our understanding of that Agreement.*[37] (Emphasis added.)

Such a fundamental U.S. misunderstanding of the terms of SALT I constitutes conclusive confirmation of Soviet negotiating deception.

Senator Henry Jackson confirmed Soviet SALT I deception on June 28, 1976, in a very telling statement:

My interpretation (in 1972) as to what the Soviets could do with the SS–11 has turned out to be absolutely true. (Jackson predicted in 1972 that the Soviets would replace the light SS–11 with a heavy ICBM as large as the SS–19.) And what the understanding was on the part of the President's representatives was contrary to that. And as you know, Secretary Laird has said that it is a complete *violation* of the understanding that they (the Nixon Administration) had . . . *We (the Senate) were lied to in SALT I . . . We were lied to by the Secretary, the now Secretary of State Kissinger* . . . It turned out that the things we predicted were right . . . Secretary of Defense Melvin Laird has since corroborated it, that *they* (the Nixon Administration) *were misled* (by the Soviets).[38] (Emphasis added.)

Finally, Presidential candidate Jimmy Carter himself even recognized that in general the Soviets had out-negotiated the U.S. in SALT I and II. During the 1976 campaign he stated that "in many instances we've been out-traded by the Soviet Union," and he asserted that he would be "much tougher in negotiations." This did not prove to be the case, however, in his own resolution of SALT II.

The SS–19 was the key issue of SALT I, and Brezhnev himself played an important role in negotiating on this and all issues of SALT I. As a former top CIA executive, Cord Meyer, wrote in 1980: "The Soviets in the SALT I negotiations succeeded in winning crucial advantages by hard bargaining and by the *deliberate concealment* of the fact that new types of ICBMs were ready for testing." And as Winston Churchill II stated in his recent book *Defending The West* (Arlington House, Westport, Conn., 1981): "The naivete of western governments and negotiators was matched only by the calculating cynicism of their Soviet counterparts. No sooner was the SALT I agreement signed than the Kremlin launched a test program of an entire new generation of four ICBM systems. . . . This massive strategic superiority over the United States. . . . Henry Kissinger and Cyrus Vance were babes in arms when it came to dealing with the Russians, and Kissinger has had the frankness to admit as much." The conclusive confirmation of Soviet deception on the SS–19 in SALT I indicates that the Soviets were quite capable of deception on the somewhat less important SLBM and SS–16 mobile ICBM issues of SALT I as well. Moreover, other independent evidence also conclusively demonstrates these deceptions.

But Brezhnev was cleverly disingenuous about his SALT I negotiating deception at the time of May 1972 Moscow SALT I Summit. President Nixon reports that Brezhnev told him then:

"If we are trying to trick one another, why do we need a piece of paper? We are playing clean on our side. The approach of 'catching each other out' is quite inadmissible." [39]

This Brezhnev statement was his ultimate SALT I deception.

V. SOVIET SALT II DECEPTION

Most of the above evidence was in the public record well in advance of the culmination of SALT II in 1979. In fact, much more evidence of Soviet SALT I deception is available as well. Accordingly, one must assume the Soviet surprises or deceptions decribed above were known and accepted by U.S. leaders as strictly "political" or inconsequential when compared to the more weighty objectives of continuing detente and accommodating the Soviet Union. Alternatively, the evidence described above could have been ignored, or even suppressed actively in the early years of SALT II. In any case, during the seven years of SALT II negotiations that followed the 1972 Moscow Summit, the Soviets continued to expand and elaborate their SALT I pattern of negotiating ambiguous provisions which deliberately contained loopholes favorable to them, all the while misleading the U.S. into believing that real limitations were being imposed on Soviet forces. The Soviets even expanded their already highly effective concealment and disinformation techniques. Soviet negotiating deception in SALT II was thus wider in scope and equally demonstrable.

Surprisingly, in SALT II the U.S. still believed in Soviet good will, good faith, and that the Soviets could be trusted. Kissinger stated in late 1974, just after the Vladivostok SALT II Summit, that with "*good will*" a SALT II treaty could be achieved. On September 28, 1978, President Carter stated that the Soviets were negotiating "*in good faith*" on SALT II. Izvestiya stated on May 6, 1979, just on the eve of the Vienna SALT II Summit: "The SALT II agreement presupposes mutual trust and the creation of an atmosphere of good will which would promote the improvement of relations between the USSR and the U.S." (Emphasis added.) Moreover, Soviet spokesman Georgiy Arbatov (Director of Moscow's Institute for the Study of the USA and Canada and an important mouthpiece for disinformation) stated to a credulous Newsweek on May 28, 1979: "I would like to reiterate that we conducted (SALT II) negotiations in *good faith* with representatives of three U.S. administrations." (Emphasis added.) As noted, the Carter State Department declared in February 1978 that: "Confidence and trust . . . are important to mutual efforts to establish and maintain strategic arms limitations."

Should good will, trust and assumptions of common interest guide the U.S. approach to SALT, or should they be replaced by mutual respect, which includes respect for the fact that our negotiating adversary was described recently by President Reagan as liars, cheats, and criminals? The only apparent lesson learned from Soviet deception in SALT I seemed to be Carter's understandable but question-begging, subtle omission of the word "trust" from the Preamble to SALT II.

In regard to the SALT II negotiations, it would not be unfair to raise this question: why did the United States SALT II negotiating team exhibit such trust in, indeed charity toward, the Soviet side, in light of the ample evidence of Soviet SALT I duplicity? Many of the identical ploys were used by the Soviet negotiators on exactly the same issues or on comparable issues.

The several examples below illustrate the record of bad faith in the negotiations by the Soviet Union during the SALT II negotiations.[40]

THE HEAVY AND "NEW-TYPE" ICBM ISSUES

The Soviets actually deceived the U.S. twice on their heavy SS-19 ICBM. SALT I's Article II was preserved in the November 1974 Vladivostok SALT II accord, but again without an agreed definition of a heavy ICBM. The Vladivostok accord was the basis for SALT II, and Article II was thus carried forward into SALT II unchanged.

The Soviets insisted on imprecise and ambiguous constraints on "new-type" ICBMs in SALT II, and refused to agree to a heavy ICBM definition or to any ICBM characteristic baseline data. These deceptively negotiated loopholes provided further Soviet unilateral advantages allowing them to develop and deploy all five of their new ICBMs, much as the SS-19, the SS-N-8, and the SS-16 slipped through the deceptively negotiated loopholes of SALT I.

The Soviets continued encryption of telemetry signals in missile R & D during SALT II since 1974, which indicates that the Soviets deceptively wish to hide many characteristics of their new ICBMs and SLBMs. These new missiles are bound to be more lethal. And the Soviets have continued to expand their massive camouflage, concealment, and deception program related to strategic forces throughout SALT II.

THE BACKFIRE BOMBER

The Soviets provided false Backfire range data during SALT II in 1976 and 1977. This disinformation significantly misled U.S. intelligence, at least temporarily.

Brezhnev made a blatantly false summit statement in SALT II denying the Soviet Backfire bomber's intercontinental range and refueling capabilities, in the face of agreed U.S. intelligence to the contrary. Backfire has range better than the oldest B-52s and Bison bombers, both of which do count. The Backfire's exclusion is thus another strange example of Brezhnev's statements being regarded as more reliable than U.S. intelligence.

The Soviets also refused to agree to a definition of a heavy bomber, much as they deceptively refused in SALT I to agree to a heavy ICBM definition. Just as the SS-19 was protected from constraint by this refusal, the Soviets have sought to protect Backfire and their additional three new bombers known to be under development from constraint by refusing to agree to a definition of a heavy bomber.

THE NUMERICAL CEILINGS ISSUE

The Soviets made false claims that SALT II embodied equal numerical ceilings, despite their knowledge of their advantage of over 648 missile launchers, their heavy ICBM monopoly, their still-growing throw-weight and counterforce advantages, their exclusion of 400 intercontinental Backfire bombers and over 350 mobile SS-20s and SS-16s, and their possession of a huge reserve of up to 1,300 refire missiles. The Soviets thus deceptively agreed to equal SALT II limits on launchers, while preserving their freedom to circumvent all the launcher ceilings through possession of extra missiles usuable for refire or covert firing from soft sites.

The Soviets were able to agree to the constraints in the SALT II Protocol on mobile ICBMs because they had already tested and produced enough SS-16s, and U.S. technical means of verification could not confidently identify how many had been produced or where they were stored. But if past Soviet behavior in SALT I can be used as a guide, we can logically assume that the Soviets had a plan to produce a given number of SS-16s and they have completed that production run, confident that the United States would not be able to make an issue out of their breach of the agreement for lack of hard evidence in sufficient time.

The U.S. was thus again deceived into believing that SALT II would constrain Soviet mobile ICBM production, when in fact it is only the far less advanced U.S. mobile ICBM (MX) program which is being constrained by SALT II. Under any circumstances, the ban on mobile ICBM production is totally unverifiable.

The Soviets made a false SALT II claim that they do not have cruise missiles with a range greater than 600 kilometers. This unilateral advantage has allowed them to exclude about 250 submarine-launched cruise missiles on 3 classes of submarines, and over 100 air-to-surface cruise missiles carried on the Bear bomber.

This deception is confirmed by the recent DOD book, Soviet Military Power, page 61. This official source reveals for the first time that the AS-3 Kangaroo air-launched cruise missile (ALCM) has a range of "650" kilometers, and that it is carried on two variants of the Bear bomber. Yet the Soviets officially stated in the SALT II Data Exchange of June 18, 1979, that they had "zero" heavy bombers equipped for cruise missiles with range greater than 600 kilometers.

Thus there is another officially confirmed, blatant, Soviet SALT II falsification, and 105 Bear bombers should therefore count in the 1,320 ceiling on MIRVs and ALCM equipped bombers.

Beyond the fact that the Backfire is intrinsically a heavy, intercontinental bomber and therefore should count in the SALT II ceiling of 2250 delivery vehicles, the Soviets have reportably also tested a new air-launced cruise missile with a range well in excess of 600 kilometers from the Backfire bomber. This is the "AS-6", which according to open sources, has a range of 700 to 800 kilometers. The AS-6 is reportedly deployed on the Backfire bomber.

Thus the Backfire should also be counted under the 1320 ceiling on MIRVs and ALCM equipped bombers. And this constitutes another blatent Soviet falsification.

It is especially ironic for the Soviets to have falsified the range of their AS-3 Kangaroo ALCM in 1979, and argued that Backfire with AS-6 should not count. For just two years earlier, on April 14, 1977, a Pravda editorial stated that: "Heavy bombers carrying cruise missiles with a range of more than 600 kilometers must be equated to MIRV missiles and accordingly entered into the established ceilings for such missiles." The Soviets thus meant for only U.S. bombers equipped with long-ranged ALCMs to count under the 1,320 MIRV/ALCM bomber ceiling, but not their own Bear and Backfires equipped with long-range ALCMs.

The Carter Administration admitted that the U.S. succeeded in exempting from SALT II constraints our Forward Based Systems (FBS) in NATO but only by allowing both the Soviet heavy ICBM monopoly and the Backfire exemption. The U.S. made two important concessions, in exchange for what turned out to be an illusory Soviet concession. The U.S. thus paid twice for exempting our FBS, but U.S. FBS were constrained by the SALT II Protocol afterall, and moreover are still negotiable in SALT III. Meanwhile, superior Soviet theater nuclear systems remained totally exempt from SALT II.

Moreover, the U.S. has long agreed to count many of our SLBMs which are dedicated to NATO targets in the Warsaw Pact in both the SALT I and SALT II intercontinental balance. The U.S. intercontinental force total is thus really significantly below the present wholly inadequate level.

These Soviet SALT II deceptions and negotiating successes are also based on solid evidence. One commentator's observation on the Backfire issue provides a further example of the problem. In justifying its exclusion from SALT II, SALT II apologist Strobe Talbott notes that:

"Brezhnev considered it a matter *personal honor* that Backfire not be negotiated as part of SALT. He had given his word to two American administrations that the plane was not a heavy bomber and therefore was not within the jurisdiction of SALT.[41]" (Emphasis added.)

But in light of his confirmed 1972 SALT I deceptions, Brezhnev's "personal honor" in SALT is open to serious question. And the Soviets deceptively used the concept of "radius of action" to exclude Backfire. The Backfire has intercontinental range for one-way missions similar to those programmed for B-52s. They knew that under the most important criterion for defining a heavy bomber, i.e. range, the Backfire would clearly qualify. And another reason for counting Backfire was the installation of long-range AS-6 ALCMs on it. Moreover, Talbott also surprisingly confirmed that the Soviets gave the U.S. false Backfire range data.[42]

Perhaps the best explanation for U.S. toleration of these deceptions was Kissinger's 1974 famous rhetorical question posed in response to news reporters' queries on the then-stalemated SALT II Agreement:

"What in the name of God is strategic superiority? . . . What is the signficance of it operationally, politically, militarily . . . at these levels of numbers? What do you do with it?"

This viewpoint was certainly shared by President Carter, whose belief when he assumed the Presidency was that one or two Poseidon submarines were by themselves ample to deter the Soviet Union. Thus Soviet negotiating deception to achieve unilateral advantages was tolerated out of a wholly unrealistic U.S. belief in minimum deterrence in which any Soviet advantages were completely meaningless.

Five years later, when he testified on SALT II in July 1979, Henry Kissinger's view had undergone significant modification. He then confirmed that strategic superiority was both politically and militarily meaningful:

"My (1974) statement reflected fatigue and exasperation, not analysis. If both sides maintain the balance, then indeed the race becomes futile and SALT has its place in strengthening stability. But if we opt out of the race unilaterally, we will probably be faced eventually with a younger group of Soviet leaders who will figure out what can be done with strategic superiority."[43]

By late 1979, President Carter also seemed to be changing some of his notions about the Soviets. On December 31, 1979, Carter openly conceded on national television that Brezhnev had deceived him regarding the Soviet explanation of their invasion of Afghanistan. Carter stated that Breshnev's response to his note protesting the Soviet invasion of Afghanistan:

"Was obviously *false*. . . . The tone of his message to me . . . was completely inadequate and completely *misleading*. He is not telling the facts accurately. . . . *My opinion of the Russians has changed more drastically* in the last week than even the previous two and a half years before that . . . . this action of the Soviets has made a more dramatic change in my opinion of what the Soviets' ultimate goals are than anything they've done in the previous time I've been in office. . . .

As Senator John Warner stated in a Senate speech on January 2, 1980: "In view of the President's statement that Brezhnev lied to him about Afghanistan, it might well be that Brezhnev lied during the SALT II negotiations." President Carter certainly fundamentally misunderstood Soviet intentions, by his own admission. It is fair to conclude that the Soviets were even more deceptive in SALT II than they were in SALT I.

Brezhnev's SALT I and II negotiating deceptions suggest that he would agree with Stalin's 1913 statement:

"A diplomat's words must contradict his deeds—otherwise what sort of a diplomat is he? Words are one thing—deeds something entirely different. Fine words are a mask to cover shady deeds. A sincere diplomat is like dry water or wooden iron."[24]

The results of SALT II are summarized in Figure 2.

FIGURE 2.—*Summary of Salt II Results, 1977–85*

Soviet Union: increase quantitative and qualitative strategic offensive and defensive superiority. 1985 warhead total: over 14,500—mostly counterforce.

Add over 6,500 more warheads, mostly counterforce capable

Test and deploy five new-type ICBMs to achieve counterforce supremacy

Deploy Typhoon SLBM, SS-N-18 MIRVed SLBM

Test and deploy three new bombers, in addition to the 400 exempted Backfires with ALCMs

Soviets exempt over 3,000 second-line strategic delivery vehicles from SALT II

Further increase ABM R&D, modernize Moscow ABM, mass produce components

Legitimize SS-18 and SS-19 heavy ICBM monopoly

Maintain over 100 covertly stockpiled mobile SS-16 ICBMs

United States: Decline further to minimum deterrence posture. 1985 warhead total: less than 11,900 (mostly small, inaccurate, vulnerable).

Deploy Trident SLBM, ALCMs on B-52

Add less than 2,700 more soft target warheads on SLBMS and vulnerable ALCMs

Test MX ICBM

But, in apparent ignorance of the above evidence, SALT apologist Strobe Talbott has claimed as recently as late 1979 that U.S. and Soviet Salt objectives are identical:

"In SALT, however the object has not been for one player to beat the other—Neither side has sought to check the other's king . . . to play to win would be to seek 'unilateral advantage' or 'strategic superiority.' "[45]

We would be better advised to heed Zbigniew Brzezinski's early assessment of Soviet SALT objectives. Six years before he became President Carter's national security advisor, Brezinski made this prophetically accurate statement in Newsweek in 1971:

"My concern is that the Soviet leaders—particularly the Soviet military—may be deliberately exploiting SALT to attain military superiority over the U.S.

"One wonders how Brzezinski allowed President Carter to so fundamentally misunderstand Soviet intentions in SALT II and detente, as Carter admitted."

Alexandr Solzhenitsyn reflects reality. Solzhenitsyn stated in a speech to the AFL-CIO on July 9, 1975

"Take the SALT talks alone: in these negotiations your opponent is continually deceiving you. Either he is testing radar (i.e., SA-5 and SA-10 air defense radars in an ABM mode) in a way which is forbidden by the agreement; or he is violating the limitations on the dimensions of missiles" (i.e., through SS-19 deployment). . . .

SALT is an exceptionally complex process and the treaties are an equally complex product, as clearly evident in the SALT II treaty and its accompanying amplification. Nonetheless, there seem to be some rather basic and easily understood conclusions one can draw that are worth serious consideration in preparing for SALT III.

The Soviets have achieved major strategic advantages from their SALT I and II deceptions—SS-19 exemption, overwhelming ICBM and SLBM superiority, exclusion of mobile ICBMs, exclusion of Backfire bombers, exclusion of strategic reserve ICBMs, and overall quantitative and qualitative strategic superiority.

The Soviets are committed to their five-year defense plans, and they use the SALT process to preserve their long-term commitments to their new programs. The evidence clearly shows that the Soviets do not change their force plans because of SALT. They make their five year defense plans first, and then defend these secret plans from SALT constraints. In contrast, the U.S. has no long-term defense plan, and the U.S. allows SALT to adversely affect its strategic programs. So far, the SALT process has codified Soviet future plans, while impeding U.S. plans.

The intelligence asymmetry (open versus closed society) is a severe handicap to arms control. The SALT negotiations have been conducted using mostly U.S. data. This process can be compared to playing poker with an opponent who knows your cards as well as his own, and who also cheats.

The Soviets have a sustained SALT camouflage, concealment and deception program centrally directed at the Politburo/Defense Council level and coordinated as part of their SALT negotiating strategy. Operational concealment is directly linked to negotiating deception. The closed nature of their society greatly magnifies the effectiveness of this massive program and further exacerbates the intelligence asymmetry.

The SALT decade may be described as a decade of dangerous U.S. strategic decline, and the SALT process contributed to that decline. The SALT process seems to have contributed more directly to U.S. national insecurity than to security. No positive U.S. political or military objectives have been achieved in SALT I or II.

Finally, it is clear that Marxism-Leninism is totally incompatible with equitable arms control. The only arms control possible to the Soviets is one-sided constraints on American arms, while their own remain unconstrained.

VI. INTELLECTUAL ORIGINS OF U.S. ARMS CONTROL AND MINIMUM DETERRENCE PHILOSOPHY

As noted, former Secretary of State Henry Kissinger constructed the philosophic structure of detente in the late 1960s. In 1969, Kissinger believed that the Soviet Union was absorbed in its own economic problems and domestic reforms, had rejected the revolutionary thrust of their ideology, and had embraced global stability. The Soviets had become a satisfied, status quo superpower, in his view. Kissinger cited no evidence or analysis explaining the Soviet Volte face. Kissinger's benign perception of the USSR resulted in his detente strategy of graceful U.S. accommodation to Soviet power and abdication of a vigilant U.S. world role. Neo-Spenglerian nations of inexorable American decline permeated Washington policymaking during the 1970s. In the late 1970s, American leaders rejected an "inordinate fear of communism," and actually believed that weakening American military power made the world safer. They put their hopes in arms control and appeasement.

But there also were much earlier philosophical underpinnings of Kissinger's minimum deterrence, detente and arms control philosophy. These underpinnings were equally unempirical, but were surprisingly persuasive. After the trauma of the October-November 1962 Cuban Missile Crisis, American leaders were ready to draw back from the abyss of Soviet initiated nuclear confrontation, and begin building bridges for convergence with the Soviets. They concluded that nuclear weapons had very limited political utility. A study was published in June 1963 by Vincent P. Rock which was to have enormous influence on American detente, minimum deterrence, and arms control philosophy, even through the present. Rock's 1963 "Phoenix" paper, entitled Common Action for the Control of Confict: An Approach to the Problem of International Tensions and Arms Control, (Institute for Defense Analyses, June 1963) was one of the pioneering advocacies of appeasement, unilateral disarmament, and convergence. Rock's views were extremely influential during the 1960s and 1970s, and are worth quoting at length.

Rock argued in 1963 that "the stability of the strategic balance was closely related to the level of tension in the international environment." The U.S. should therefore do everything possible to reduce tension with the Soviets. Rock believed that "Interdependence already exists between the U.S. and the Soviet Union . . . If conflict is to be controlled, common action which helps to shape the nature of their mutual interdependence is necessary. Arms control and disarmament represents a direct approach to the most dangerous aspect of their mutual involvement . . . The environment for arms control and disarmament can be improved, first, by a wide range of actions designed to enhance restraint on the employment of force or the threat of its use, and, second, by constructive common action designed to expand the area of common purpose between the two societies." (Emphasis added.)

Rock elaborated in 1963 on his concept of mutual interdependence and common purpose: "There is an urgent need for *cross-national* diffusion of interest, purposes, and enterprises . . . Existence of common purposes, and programs for achieving them, would provide a positive incentive for actions to reduce reliance on military force . . . This development signifies a recognition on both sides of the costs and futility of nuclear war . . . To admit the possibility that the two societies exist together indefinitely is to open the possibility that their fate may be *interdependent.*" (Emphasis added.) Rock thus concluded that "conflict will be controlled and the convergence of perceptions of what is equitable will be enhanced." (Emphasis added.)

Certain objectives for "common action" were needed. So Rock advocated the following goals to control U.S.-Soviet conflict:

1. "Convergence of values and purposes" must be sought.

2. "Interrelationships of the two sides" must be developed.

3. Force must be restrained so as to result in the "cross-national diffusion of power."

4. "New and expanded cross-national arrangements and organizations will be required, within which transactions can gain a momentum of their own.

Rock added that "substantial shifts of resources will be required to swing the emphasis in the Soviet-American confrontation from conflict to one in which experiences of mutual gain predominate." To him, "The earth was a single system," which suggests an eventual convergence evolving into world government: "The task facing the people and leaders of both the U.S. and the Soviet Union is to manage and direct a *growing interdependence* so as to ensure the control of conflict." (Emphasis added.)

Without presenting evidence or analysis, Rock believed that "a decline in the importance of ideology" was occurring in the USSR, and that "there is a continuing struggle within the Soviet Union to increase the allocation of resources to consumer goods."

In summing up his convergence advocacy Rock concluded:

"Today, American security may be imagined as resting on a three-legged stool. It is perched precariously because one leg is a mere stub. One good leg represents deterrence of Communist aggression. The other stands for the development of Free World strength and cohesion. The stub symbolizes the frustrated aim of achieving a significant basis of understanding of entente with the Soviet Union."

Rock was thus actually advocating a US-Soviet alliance, derived from an expansion of "interdependence which serves the mutual interest." A "Balance of Peace" would replace the "Balance of Terror."

Rock's 1963 recommendations for achieving convergence and entente emphasized the reduction of military expenditures, unilaterally if necessary. He suggested that the U.S. "seek to develop a tacit understanding to reduce the level of military expenditures," and "step-by-step disengagement measures" to reduce political conflict. He actually suggested U.S.-Soviet "collaborration." Finally, he advocated:

1. "US assistance in the development of Soviet agriculture."

2. "The spread of Western technology in the Soviet Union" would be in the "longer-run interests of the United States."

3. "The US should . . . reduce its restrictions on trade with the Soviet Union.

History was strongly influenced by Rock's recommendations. The Rock strategy of interdependence, convergence, accommodation, appeasement, and entente provided the rationale for the:

1. 1963 no-inspection Limited Nuclear Test Ban Treaty.

2. The 1963 US credit sale of wheat to the Soviets. This was the basis for the increase thereafter of trade (on US credit) with the USSR.

3. The 1964 unilateral arms control reduction of US enriched uranium and plutonium production, unreciprocated by the USSR.

4. The 1964 bilateral consular convention.

Rock's philosophy also strongly contributed to:

1. The US unilateral deactivation of the 100 Thor and Jupiter IRBMs in early 1963.

2. The US unilateral deactivation of over 2,000 B-47 bombers beginning in 1963, and 70 B-58 bombers in 1967.

3. The US unilateral deactivation of 185 Atlas and Titan I ICBMs in 1963, and the cutback in Titan II deployment from the planned total of 250 to only 54.

4. The US unilateral cutback in 1963 of planned Minuteman ICBM deployment from up to 10,000 to 2,000 to only 1,000.

5. The US unilateral cancelation in 1963 of the B-70 bomber and the Skybolt air-to-surface missile.

6. The unilateral reduction in US air defense interceptors and missiles beginning in 1963.

7. The US unilateral disarmament proposal to the United Nations in 1964.

8. The 1967 unilateral US cutback in ABM development plans and advocacy of opening SALT negotiations.

9. The prevalance of minimum deterence philosophy in the US.

The result of Rock's and Kissinger's unsupported convergence philosophy has been devastating. After 18 years of one-sided US arms control and US accommodation of the Soviets through detente, there is now overwhelming evidence that the Soviets have been ruthlessly exploiting detente and SALT to retard US defense programs and to lull the US into a false sense of security, while they moved to acquire military superiority and overall geopolitical supremacy.

Has Soviet ideology changed, mellowed, or been abandoned, as Rock and Kissinger postulated? As noted, Article 28 of the 1977 Soviet Constitution specifically commits the USSR to support "wars of national liberation." In the mid-1970s, Soviet Communist Party leaders wrote that "Soviet military superiority is facilitating the world revolutionary struggle." This doctrinal pronouncement clearly means that, as in 1963, Soviet military power and now overall superiority enables them to pursue their world-wide revolutionary aspirations without interference by the US.

VII. UNILATERAL U.S. STRATEGIC RESTRAINTS IN SALT I AND II

A major thrust of the new Reagan Administration's approach to arms control has been to pay lip service to building up the U.S. strategic posture to achieve a margin of safety and to pay lip service to making arms control contribute to, not subtract from national security. Previously, the result of arms control's dominance of strategic planning was U.S. unilateral restraint. That dominance was the cause of the dangerous shift in the strategic balance that was allowed to take place over the past 15 years. As former Defense Secretary Brown has stated, when the U.S. builds, the Soviets build, but when we deactivate, the Soviets keep building.

U.S. spending on strategic forces and the megatonnage carried in strategic weapons have both declined significantly since 1963. (See Figure 3.) The numbers of U.S. strategic delivery vehicles and warheads (counting medium bombers and air defense missiles) have also declined since 1963. Effective U.S. air defense were deactivated finally by 1974, and our token ABM defenses were deactivated in 1976. We have never had a viable civil defense. Since SALT began in 1969, we have reduced the number of deployed strategic delivery vehicles by 410. The number of deployed U.S. strategic nuclear warheads has dropped by over 560 since 1977.

If planned forces are also considered, 710 more U.S. delivery vehicles and over 6,000 more U.S. warheads have been cut since 1977.

As figures 4, 5, and 6 illustrate, the U.S. has allowed SALT I and II to severely constain its forces, either directly or indirectly.

The juxtaposition of Soviet gains and U.S. unilateral restraint has led to the following types of concerns, all of which were expressed during the Senate SALT II hearings:[46]

All U.S. ICBM's are already, in 1981, vulnerable to first strike from relentlessly improving Soviet ICBM counterforce capabilities. (The window of vulnerability opened in 1980, as Secretary Brown conceded.)

Most U.S. strategic bombers are likewise, even now, vulnerable and by 1985, all will be vulnerable, due to continuing Soviet advances in SLBM and air defense capabilities. Already about 70 percent of our bombers are vulnerable on the ground, and the initially survivable 30 percent on alert face ever diminishing prospects of penetrating the already quite formidable and improving Soviet air defenses.

With two legs of our strategic Triad now almost totally vulnerable, the vulnerability of our strategic forces is at an all-time high. But in addition, all our command and control systems are also unprecedently vulnerable.

Due to the dangerous erosion of ICBM and bomber survivability, we are now and will continue throughout the 1980's to be unduly reliant on the third leg of our Triad, the sea-based SLBM force, for most of our deterrence. But many of our SLBMs are already dedicated to NATO targets in the Warsaw Pact, and therefore should not be counted in the intercontinental balance. Moreover, despite this dependency, the number of our deployable submarines, SLBMs, warheads, and megatonnage, was dramatically decreased by the Carter Administration by deactivating our ten Polaris submarines prematurely. And by opposing the construction of extremely low frequency (ELF) submarine communications, SLBM survivability was also reduced. While only about 50 percent of our much-reduced force of only 31 remaining SLBM submarines is on patrol at any one time, reportedly only three submarines or as few as 48 U.S. SLBMs, may be in communication with the National Command Authority at any one time, and hence capable of retaliation.

Constraints on U.S. Forces due to SALT I and U.S. unilateral cutbacks during SALT I and II

1963: Deactivate 2,000 B47s, 70 B-58s, 185 Atlas and Titan I ICBMs, 100 thor and Jupitor IRBMs, 200 Titan IIs cutbacks.

Ongoing Soviet Buildup: Retain 700 TU-16 Badgers and TU-22 Blinders; Retain 209 SS-7/8 ICBMs, retain 600SS-4/5s.

1967: U.S. freezes ICBM force at 1,054; SLBM force frozen at 656.

1969-1977: Over 250 B-52 bombers scrapped. By 1969 Soviets equal U.S. in ICBMs and SLBMs, add 1,000 new launchers beween 169-1977, over 400 backfire bombers through 1985.

1972: SALT I required US ABM program to be reduced from 4 planned sites to only 1.

1973: ABM R & D drastically cut.

1976: ABM deactivated. Moscow ABM upgraded; ABM R & D increases 5-to-1 over U.S.; nationwide ABM breakout capability, components mass-produced.

1977-1980: B-1 bomber canceled; Four-year delay in initial operational capability for: MX ICBM (number of missiles and warheads also cut): Three new Soviet bombers in R&D; SS-19, SS-18 fully deployed; five new ICBMs in advanced R&D.

FIGURE 4

Trident SLBM and submarine (construction rate also cut).

Soviet Typhoon ahead of Trident, SS-N-8 operational since 1973.

Air Launch Cruise Missile. New Soviet ALCMs, SLCMs in advanced R&D.

Ground Launch Cruise Missile.

Submarine Launch Cruise Missile.

ALCM A Canceled.

160 Polaris SLBMs deactivated.

Earliest Soviet Y, old G, and H classes kept.

SRAM production ended.

400 Hound dog ASMs deactivated.

Soviet AS-3, 4 kept.

Deployment of 100 Minuteman IIIs canceled.

200 Soviet MIRVed ICBMs, 1,000 warheads deployed per year since 1974, to continue through 1985.

Minuteman III production line dismantled.

Over four Soviet ICBMs in production.

All the above U.S. programs were started before SALT I was signed. In contrast, all Soviet offensive and defensive programs were codified by SALT I and II and proceeded to full deployment as originally planned.

The evidence shows that the Soviets defend their rigid five-year defense plan from SALT constraints. But the U.S. has a rolling one-year plan, and allows SALT to constrain its force plans.

The Soviets have spent over $100 billion more than the U.S. on strategic offensive forces alone during the decade of SALT.

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ILLUSTRATIONS OF U.S. STRATEGIC CUTBACKS DURING SALT II NEGOTIATIONS

The U.S. cutbacks listed below occurred between 1974 and 1979, and were either unilateral or were related to U.S. SALT II negotiating proposals.

Delivery vehicles cut: 120—SLBMs on five delayed Trident submarines; 160—SLBMs on ten deactivated Polaris submarines; 130—B-52 ALCM carriers for eventual deactivation; 50—MX ICBMs canceled; 250—B-1 bombers canceled; total, 710—Canceled delivery vehicles.

Warheads cut; 960—on five delayed Trident submarines; 160—on ten deactivated Polaris submarines; 2,600—on 130 canceled B-52 ALCM carriers 1,500—on fewer and down-loaded MX ICBMs; 960—by not maximizing planned B-52 ALCM loading; total, 6,180—warheads forfeited.

Worst case excursions

	Warheads forfeited
Delivery vehicles cut:	
150 more MX canceled	2,100
100 Minuteman III canceled	300
400 Hound Dogs deactivated	400
ALCMs on canceled B-1s	5,000
Cancellation of SRAMs	1,000
Withdrawal of tactical warheads from Europe	1,000
SALT II penalty for more than six Trident submarines or more than 120 B-52 ALCM carriers	650
Total	10,450
	(in addition to 6,180)

For further details, see David S. Sullivan, Arms Control and U.S. foreign Policy: Fatal Flaws of SALT II (Washington, D.C.: Foreign Affairs Council 1980, pp 14-22.) Reproduced with permission, international Security Review.

FIGURE 5

Survivability in the SLBM area remains one of the great unknowns. The Soviets are reportedly spending over three times more than the U.S. on antisubmarine warfare (ASW), and they have well over twice as many attack (ASW) submarines as the U.S. As Rear Admiral Harvey, former Director of Naval Intelligence, noted in 1978, the Soviets:

"Extensive ASW R & D effort . . . is the area in which we could be expected to know the least, because it does not have the manifestations in the open seas that their weapons and platforms do."[47]

Because these 48 SLBMs probably constitute our actual strategic deterrent at any one time, they could, therefore, suddenly become vulnerable to an unanticipated Soviet breakthrough in ASW, one that we would be unlikely to be able to detect.

In sum, the entire U.S. strategic deterrent could soon be rendered vulnerable, and worse, we might not even know until it was too late to react. And U.S. intelligence has an unbroken, scandalous 20-year record significantly underestimating the quantity, quality, and budget of Soviet strategic forces.

As Henry Kissinger openly confessed to a stupified NATO Conference in Brussels on September 1, 1979:

"The amazing phenomenon about which historians will ponder is that all this (dramatic growth of the Soviet strategic power since 1963) has happened without the United States attempting to make any significant effort to rectify that state of affairs. . . . It cannot have occurred often in history that it was considered an advantageous military doctrine to make your own country deliberately vulnerable."

FIGURE 6

SUMMARY OF CONTINUED U.S. STRATEGIC CUTBACKS UNDER DEFENSE SECRETARY WEINBERGER, 1981-1985

ICBMs: No deployment of 100 stockpiled Minuteman IIIs; no upgrade of Minuteman power and airborne launch control.

Reduction in MX from 200 to 100 missiles, in nonsurviving basing mode, with no ABM defense.

Premature and abrupt deactivation of 52 Titan IIs carrying a high percentage (33 percent) of our ICBM megatonnage.

SLBMs: Continued Polaris submarine deactivation—loss of 160 high megatonnage SLBMs—26 percent of our SLBM megatonnage.

Cutback in 1 Trident submarine.

Reduction of Trident construction rate from 1½ to 1 per year.

Delay to 1992 completion of Kings Bay Trident sub base.

One year delay in ELF deployment decision.

Bombers and ALCMs: Premature and abrupt deactivation of 80 B-52Ds, carrying heavy megatonnage—19 percent of our bomber megatonnage.

Reduction of ALCM yearly production rate from 480 to 440 per year, delay of B-52 ALCM initial operational capability one year to December 1982.

Cancellation of KC-10 tanker aircraft procurement.

Failure to deploy sufficient ALCMs on B-1.

No inland basing and increased alert rate for B-52 force.

Defense: Deletion of proposed funding for space laser research and development.

Reduction of Patriot Air Defense missile system.

No acceleration of ABM R&D.

A total of 26 percent of our existing megatonnage is being unilaterally deactivated, with no quid pro quo being either asked for or gained in Soviet restraint.

(Source: Congressional Record, December 11, 1981, p. S-15124.)

VII. SOVIET COUNTERFORCE CAPABILITY UNDERCUTS CONTINUATION OF SALT

In the mid-1950's, the Soviets engaged in a major internal debate concerning the nature of war and the role of nuclear weapons. In the process, they recognized the potential decisiveness of nuclear weapons and the great advantage that could accrue to the antagonist who would be first to strike.

Surprise, previously a military factor of secondary importance, became recognized as a primary factor because without it, a prudent opponent would have to preempt himself to avoid being the object of a potentially decisive first strike. Accordingly, in about 1955 surprise became one of the most important elements of Soviet military doctrine and, along with it, the need to fight a preemptive war—that is, to strike the first blow against an opponent poised to strike. This however, was insufficient, as analyzed by Herber Dinerstein in a January 1985 Foreign Affairs article, because under these conditions, it is the opponent who chooses war; the Soviet Union simply makes the best of it in seeking by earlier action to blunt the opponent's first blow. As long as the Soviet Union has no hope, in its first strike, of hitting the opponent's striking forces effectively enough to preclude retaliation, the initiation of war is an act of extreme desperation.[48]

Dinerstein's prophetic conclusion, then, goes to the heart of our present concerns over the Soviet advantages developed through SALT, and even linkage:

If the Soviet Union should continue to gain technologically while the NATO alliance made little progress, the Soviet Union would be able to make war without fear of the consequences. It will be difficult to attain the ability to eliminate the opponent's nuclear striking forces in a single blow. But that is the goal which the Soviet leaders must strain to reach. If they should acquire such preponderant military strength, they would have policy alternatives even more attractive than the initiation of nuclear war. By flaunting presumably invincible strength, the Soviet Union could compel piecemeal capitulation of the democracies. This prospect must indeed seem glittering to the Soviet leaders.[49]

This is precisely why the foregoing examination of Soviet and U.S. behavior during the decade of SALT and detente is so important and essential to understand before SALT III begins.

Prevention of a Soviet first-strike, counterforce capability has always been the prime, the fundamental U.S. objective in SALT. President Nixon stated in his 1972 Report to Congress on Foreign Policy that: "Our forces must be maintained at a level sufficient to make it clear that even an all-out surprise attack on the U.S. by the USSR would not cripple our capability to retaliate. . . ."

Senator Jackson also pointed out in 1972 that the primary U.S. objective in SALT I was to preserve the survivability of U.S. forces: "The intent of the SALT I Agreements is to enhance our security by enhancing the survivability of our deterrent."[50]

The often forgotten but highly significant U.S. Unilateral Statement in SALT I of May 9, 1972, stated that a permanent offensive limitation SALT treaty (SALT II) would have to be reached within at least five years, by 1977. (Over nine years have now passed since that ominous deadline was set.) The U.S. Unilateral Statement went on to say that if a severe Soviet counterforce threat to the survivability of our strategic forces developed in the meantime, this could constitute grounds for abrogation of both the SALT I Agreements—the ABM Treaty and the Interim Agreement—on the basis of jeopardy to our supreme national interests.

Many experts believe that the Soviet counterforce threat described above is now so severe that there is ample justification for abrogation of the ABM Treaty in order to build a ABM. The SALT I Interim Agreement expired in 1977, and the U.S. should end unilateral compliance with this agreement. The SALT II Treaty was never ratified, therefore it is illegal to continue U.S. unilateral compliance with it.

Moreover, the Jackson Amendment to SALT I was designed for the Congress to support and reaffirm the U.S. Unilateral Statement of May 9, 1972. The Jackson Amendment, Public Law 92-448 passed overwhelmingly by both the House and Senate by September 30, 1972, reemphasized that the paramount, most fundamental U.S. objective in SALT II was to constrain the Soviet threat to the survivability of our forces.

It is seldom remembered, but in 1972 a highly significant proposal by Senator Edward Brooke was added to the Jackson Amendment. It stated that SALT II negotiations would be based on "the preservation of longstanding U.S. policy that neither the Soviet Union or the U.S. should seek unilateral advantage by developing a first-strike potential."[51] The Brooke Amendment added that the success of SALT I depended on both sides eschewing first-strike potential.

A first-strike potential is first and foremost a counterforce capabaility. Yet SALT I allowed the Soviet counterforce threat to grow by a factor of five from which it stood when SALT I was signed in 1972 to SALT I's expiration in 1977. As then Defense Secretary Melvin Laird testified on SALT I to the Senate on July 24, 1972:

If the Soviet Union goes forward with a program. . . which appears to be a concerted attempt to undermine the survivability of the Minuteman deterrent force, we would view this with great concern. In my view, such a program would be contrary to the intent of the agreements that have been arrived at in SALT (I). . . . I think the intent of this agreement would be violated.[52]

In March 1977, the U.S. proposed a SALT II framework which would have partially reduced the Soviet counterforce advantage. The Soviets summarily rejected the U.S. proposal with disdain. This episode should have provided conclusive evidence that the Soviets are not interested in equitable arms control which will stabilize the strategic balance.

SALT II would have allowed the Soviet counterforce threat to grow still more, to the overwhelming level of a nuclear blackmail capability. Thus, the SALT process has completely failed to achieve the most fundamental U.S. SALT objective: preservation of a survivable U.S. deterrent.

Gerard Smith long ago recognized the most difficult problem in negotiating arms control with the Soviets, when he wrote to President Nixon as early as May 1969: "If either side is striving for or appears to be striving for an effective counterforce first strike capability, then there is no hope for strategic arms control."[53]

But the whole thrust of the Soviet strategic buildup of the 1970's, planned by the Soviets as early as 1963, was to achieve just such a first-strike capability against the U.S. Why did it take us so long to recognize the growth of the threat? How can we negotiate with an adversary which is constantly striving to undermine strategic stability and the fundamental purposes of arms control?

Compounding the offensive systems imbalance is the sobering fact that the Soviets possess a balanced array of highly capable strategic defenses. As a result of further U.S. unilateral restraint and cutbacks, the U.S. now has no effective strategic defenses at all. The Soviets already have the world's most extensive ABM and air defense missile and interceptor systems. Moreover, the Soviet ABM and air defense systems are being rapidly modernized. And their air defense missiles and radars probably have a significant ABM capability in certain scenarios. The Soviets have probably already developed the capabilities to "breakout" of the SALT I ABM Treaty into a rapidly deployable, nationwide ABM defense. They also have a huge civil defense system which promises to significantly limit casualties and damage in nuclear war, and an operational antisatellite (ASAT) system. Their emphasis on ASW has been noted above. Further, they are expediting development of advanced charged particle beam and laser weapons technology, and they may well achieve an exotic ABM and space defense capability before the U.S.

If arms control is ever to be able to contribute to U.S. national security interests, a wholly new beginning must be made and completely rethought, new theories and principles developed. Arms control thinking must accept the reality that the Soviets have entirely different and hostile objectives in negotiations which so far have been fundamentally incompatible with those of the U.S. The Soviets have disdain and contempt for those Americans who believe arms control is a cooperative process. To the Soviets, arms control is a weapon of political conflict. Soviet military doctrine embraces warfighting, and is totally competitive. It provides no guide to the Soviets for determining how much military capability is enough. More is always better under a warfighting doctrine. Their warfighting doctrine, guided by Marxist-Leninist principles, provides the impulse for deceptive negotiations aimed at unilateral advantage.

IX. INTERNATIONAL LAW AS A SOVIET WEAPON

S. Krylov, a Professor of International Law at Moscow State University, wrote in 1957 in Izvestiya:

"The Soviet Union. . . From the very first days of its existence has accurately and loyally observed the international obligations which it has assumed. The scrupulous observance by the Soviet Union of the treaties and agreements which its representatives have signed is recognized even by those who are unfavorably disposed toward it."

But Soviet treaty violations are indisputable. According to an official U.S. State Department Soviet Affairs Note of August 10, 1959:

"Few nations can match the USSR in vociferous protestations of loyalty to international obligations. However, such declarations—which are typical of Soviet propagandists and scholars alike—diverge widely from actual Soviet practice. In the years since the Bolshevik Revolution the Soviet government, while consistently accusing others of bad faith in international dealings, has not hesitated to violate its own treaty obligations when such action appeared to be in its interest."

The Soviets use international law, like warfare and subversion, as an instrument of policy. A soviet international legal expert has succinctly stated:

"Those institutions of international law which can facilitate the accomplishment of the stated tasks (of Soviet foreign policy) are recognized and applied in the USSR; those which contradict these aims in any way are rejected." (F. I. Kozhevnikov, The Soviet State and International law, Moscow, 1948, p. 25.)

And, as V.I. Lenin declared frankly in 1918 in regard to the March 1918 Soviet/German Brest-Litovsk peace treaty: Yes, of course we are violating the treaty. We have already violated it 30 or 40 times.

The official 1959 State Department document mentioned above authoritatively concluded that: "The history of the last 40 years provides numerous examples of deliberate treaty violation by the Soviet regime. A cursory examination of the public conventions entered into by the Soviet Union during this period reveals well over 50 violations. The USSR has disregarded treaty provisions inconvenient to itself, has unilaterally denounced conventions to which it was a party, has threatened abrogation as a means of intimidation, and has on several occasions attacked fellow signatories to treaties of friendship and non-agression."

X. THE SOVIET SALT VIOLATIONS AND TREATY COMPLIANCE RECORD

An advisor to President Reagan, Laurence Beilenson, stated in a recent book:

"We consider ourselves sagacious in staking our survival on treaties with the USSR, whose ideology blesses cheating as a virtue." (Survival and Peace in the Nuclear Age, Laurence W. Beilenson, Regnery-Gateway, Chicago, 1980, p. 62.)

Nikita Khrushchev stated on January 6, 1961: "The fight toward disarmament is an active fight against imperialism, for narrowing its war potential." These two statements sum up the Soviet approach to SALT.

Analysis of Soviet compliance with Strategic Arms Limitation Treaties (SALT) has been complicated by the ambiguity of many of the provisions of the agreements. But this ambiguity was deliberately intended by the Soviets and is the direct result of Soviet negotiating deception to create loopholes to protect their strategic programs from constraints.

Analysis of Soviet SALT compliance is also hindered by the well known ambiguity of US intelligence data and judgements. This ambiguity also stems largely from Soviet behavior. Since 1972, the Soviets have enacted a massive camouflage, concealment, and deception program involving all Soviet strategic forces. As noted, this program has deliberately and clearly interfered with US national techical means of verification. The harmful effects of Soviet camouflage, concealment, and deception can be recognized in the role it had in misleading U.S. intellegence estimates of both the basic Soviet ICBM and SLBM levels during SALT I. These were the key verification parameters of SALT I, and U.S. intelligence miscounted both of them.

Thus the Soviets negotiate ambiguous SALT provisions, and then try to confound U.S. monitoring and analysis of their compliance behavior by throwing sand in our eyes.

To add injury to insult, the Soviets often deliberately circumvent and even violate arms control treaties and other treaties. Nevertheless, the Soviets have had the gall to claim frequently that the U.S. should "trust" the Soviet to comply with SALT agreements.

This section analyzes the public evidence showing that the Soviets deliberately violate SALT and other arms control treaties. The conclusion that the Soviets have violated SALT treaties should not be surprising, however, when viewed against the background of the history of Soviet diplomatic behavior and treaty violations since the Bolshevik Revolution of 1917. Moreover, the conclusive evidence of Soviet negotiating deception throughout the SALT negotiations is indicative of Soviet compliance behavior. This pattern of negotiating deception, operational camouflage and concealment, and treaty violations is part of a much larger Soviet effort in diplomatic duplicity which involves progaganda, disinformation ploys, and "active measures" of covert action and subversion designed to totally defeat the West. All of these elements of Soviet foreign policy and diplomacy will be treated below.

A. EARLY WARNINGS ABOUT SOVIET INTENTIONS IN ARMS CONTROL

The 1961 volume Arms Control and Disarmament, edited by the late Donald G. Brennan, has long been the "bible" of arms control philosophy. In this volume, Robert R. Bowie of Harvard University prophetically defined the problem of negotiating arms control agreements with the Soviets:[54]

"All plans for arms control have one common feature: they presuppose some form of cooperation of joint action among the several participants regarding their military programs." (Emphasis added.)

Twenty years ago, Bowie went on to ask: "is such cooperation feasible between major powers whose national purposes are in basic conflict?"

Bowie then warned that arms control would be made difficult because of political conflict: "Military forces are only the reflection of political hostility. They are not the source or origin of tensions and conflicts among nations. Consequently, it is futile to try to regulate or reduce military forces separately from their underlying political causes."

Most significantly, Bowie also warned about the nature of Soviet intentions in arms control negotiations:

"In the Communist view, the conflict between their system and any other is irreconcilable and will be resolved only by the ultimate victory of the Communist order . . . The Communists would not make or carry out any arms agreement in good faith. Any means are legitimate in seeking to promote Communist advance. Treaties are only instruments for pursuing their basic aims and will be violated or evaded as suits their interests. . . . It would be rash indeed to disregard these lessons in devising and analyzing any arms control proposals. The grounds for distrusing the Soviet Union and its purposes should make even the optimistic cautious. The record of broken agreements should warn us not to rely on Soviet promises or good faith as the basis for arms control measures . . . The only safe course is to accept at face value the constant Communist assertions of their basic hostility to our social order."

In the retrospect of twenty years of experience with Soviet arms control negotiating and compliance behavior, Bowie's warnings seem fundamentally sound.

Another prophetic warning must again be noted. Dr. Henry Kissinger, the chief architect of detente and SALT, warned Senators in 1972 that:

"The possibility always exists that the Soviets will treat the Moscow (SALT I) agreements as they have sometimes treated earlier ones, as just another tactical opportunity in the protracted conflict. If this happens, the United States will have to respond . . . If this agreement were being circumvented, obviously we would have to take compensatory steps in the strategic field . . . the two countries have a unique opportunity right now to move into an entirely different relationship of building additional trust . . . If it turns out that through legalistic interpretations of provisions of the agreement or through failing to specify numbers about which we have left absolutely no doubt as to our interpretation . . . if it should turn out that those numbers are being challenged in any significant way at all, then this would cast a doubt. It would not only threaten disagreement, but it would threaten the whole basis of this new relationship . . .[55]" (Emphasis added.)

But has the US responded to Soviet SALT circumventions and violations? Has the US been willing to enforce SALT compliance, to the detriment of the detente relationship?

The Soviet Constitution ostensibly guarantees human rights and freedoms to all Soviet citizens. Yet the record is equally clear that the Soviet Communists have fundamentally violated their own constitution by arbitrarily denying basic human rights to their own citizens supposedly protected by their constitution. If a regime will violate its own constitution, will it uphold treaties?

The record of Soviet non-compliance with arms control treaties since these warnings were issued will suggest that evasion, circumvention, and violation are endemic to Soviet diplomatic behavior. The SALT negotiating and compliance record confirms that the Soviets have entirely different and hostile objectives in arms control which are fundamentally incompatible with those of the US. Thus the Soviets have found evasion, circumvention, and violation of arms control agreements to be in their interest, and have behaved accordingly. They have circumvented, evaded, or violated SALT agreements in order to further the shift in correlation of forces in their favor. Yet, contrary to Kissinger's pledge, thus far the US has failed to respond with compensatory strategic programs or even to challenge Sovet SALT violations.

B. THE SOVIET SALT VIOLATIONS

There is reason to believe that the Soviets view all arms control negotiations to be a sham, useful only for propaganda purposes. The Soviet historian, E. V. Tarle, wrote in the 1930s:

"The idea of disarmament has been one of the most favored forms of diplomatic dissimulation of the true motive and plans of those governments which have been seized by a sudden "love of peace." This phenomenon is very understandable. Any proposal for the reduction of armaments could invariably count upon broad popularity and support from public opinion."[56]

Soviet arms control behavior is consistent with the above statement, which was cited again in the standard Soviet text on diplomatic history, Istoria Diplomatii, Moscow, 1945.) The Soviets always claim to be peace-loving, but they nevertheless build up their military forces, both during negotiations and in circumvention or violation of arms control treaties. Moreover, the Soviets control Russian public opinion and manipulate it in the West. Soviet peace propaganda has successfully obfuscated Soviet SALT cheating, and instead made the US seen to be the main villain in arms control.

In the Spring 1980 issue of International Security Review, Senator Gordon Humphrey stated that the Soviet Union is guilty of 27 violations of the SALT I ABM Treaty, SALT Interim Agreement, SALT II, and other arms control agreements. Several others have become public since then. Humphrey also stated that the Nixon, Ford, and Carter Administrations either suppressed these violations from the American people, or distorted or misleadingly presented them.

According to Humphrey, the SALT violations "coverup" began under the Nixon Administration and was orchestrated by Dr. Henry Kissinger, who continued to perpetuate the coverup under the Ford Administration. It was continued and expanded under the Carter Administration, which extended the coverup to Soviet violations of SALT II. The violations as outlined by Humphrey are as follows:[57]

1. SALT I violations—ABM Treaty

Soviet SAM testing in ABM mode;

Soviet deployment of ABM Battle Management Radars;

Soviet ABM camouflage;

Soviet falsification of ABM deactivation;

Soviet creation of a new ABM Test Range without prior notification;

Soviet development of a rapidly deployable, mobile ABM.

2. SALT I violations—Interim agreement

Soviet deployment of the heavy SS-19 ICBM as the replacement of the light SS-11 ICBM, which is the most dangerous of all Soviet SALT violations;

Soviet failure to deactivate old ICBMs on time, and falsification of official reports;

Bringing back ICBM equipment to a deactivated ICBM complex;

Keeping 18 SS-9 ICBMs at an ICBM test range, illegally operational;

Soviet deployment of IIIX silos with a configuration too similar to a missile-launch silo;

Soviet massive use of deliberate camouflage concealment, and deception, which actually increased after 1972:

Encryption of missile telemetry

Camouflage of ICBM testing, production, deployment

Concealment of SLBM submarine construction, berthing, dummy subs, berthing tunnels;

Constructing over 68 strategic submarines, when only 62 were allowed;

SS-20 IRBM deployment, which should count as ICBM deployment;

Violation of Brezhnev's pledge not to build mobile ICBMs;

Deploying SS-11 ICBMs at SS-4 MRBM sites, probably having a covert soft launch capability.

Keeping about 1,300 to several thousand old ICBMs stockpiled for both covert soft launch and rapid reload of silos for refire.

3. Other arms control violation

Over eight Soviet underground nuclear tests probably over 150 kilotons, in violation of the 1974 Threshold Test Ban Treaty. Several of these high yield underground tests are unambiguous violations;

Over 30 unambiguous Soviet ventings of radioactive debris from undergound nuclear tests in violation of the 1963 Limited Test Ban Treaty. These ventings are all unequivocal, and resulted in the spread of radioactive debris outside of Soviet borders;

In addition to the Soviet Combat Brigade deployed in Cuba, Soviet deployment to Cuba since 1970 of Golf and Echo class submarines carrying long-range nuclear missiles, deployment of nuclear-capable MiG-23 fighter bombers to Cuba, deployment of long-range Bear bomber type aircraft capable of carrying nuclear bombs and missiles to Cuba, all in direct violation of the 1962 and 1970 Agreements Prohibiting Offensive Weapons and their support facilities in Cuba. This arms control violation is even more serious than SS-19 deployment.

The now confirmed April 1979 germ warfare accident at Sverdlovsk, indicating conclusive Soviet violation of the 1975 Convention banning germ warfare. Moreover, there is now also conclusive evidence of Soviet use of biological toxins in Southeast and Southwest Asia. And the Soviets also have an intercontinental delivery capability for Biological Warfare (BW) weapons. This Soviet arms control treaty violation is easily understandable, and all by itself it has graphically demonstrated the duplicitous Soviet approach to arms control. The Director of Political-Military Affairs of the State Department, Richard Burt, has directly accused the Soviets of violating the 1975 BW Convention.[58]

4. SALT II violations

Soviet Typhoon SLBM encryption;

Reported Soviet camouflage of new submarines;

SS-18 Mod X ICBM encryption;

SS-NX-19 SLBM encryption;

SS-20 IRBM encryption and deployment;

Continued stockpiling of SS-16 mobile ICBMs;

Soviet AS-3 Kangaroo deployment on Bear bombers;

Soviet AS-6 deployment on Backfire bombers.

Reported Soviet rapid reload/refire exercises for the SS-18 cold-launched ICBMs.

C. Analysis of the SALT violations

The raising of compliance issues with the Soviets has, as noted, been complicated by the ambiguity of the provisions of arms control agreements, which is largely the result of Soviet negotiating deception, and also by the usual ambiguity of our intelligence caused principally by Soviet camouflage, concealment and deception. But there nevertheless has long been more than adequate evidence to challenge Soviet SALT violations. The shift in the strategic balance in Soviet favor, and US advocacy of a minimum deterrence posture in which Soviet strategic advantages are deemed meaningless, are the principal causes for US acquiescence in the Soviet SALT violations. Soviet circumventions and violation have shifted the strategic balance further in Soviet favor, which in turn has made it more provocative and dangerous for the US to challenge these violations.

As Ambassador Seymour Weiss, former Director of the State Department's Office of Political-Military Affairs, has so succinctly stated:

"Once a democracy has committed itself to a major, formal arms control treaty, a treaty seen as the linchpin of a broader policy of detente, finding the partner in violation of that treaty tends to undermine its own foreign policy. It amounts to an admission of past failure. Violations—and their political as well as military implications—must be explained to the electorate and to one's allies. This means that further arms control proposals will be difficult if not impossible to advance. The consequences are almost endless and all bad, from the point of view of those supporting arms control and those who insist agreements must be and in fact are verifiable. *The violation must be made to go away.* It did not occur, or if it did it was a passing aberration, or no military or political consequence, unworthy of open discussion. At all costs, the process of arms control must be protected. These are not overstatements. It is this pressure of political events that bears most heavily on verification, that causes even relatively clear-cut violations to be rationalized away. *Unfortunately, our failure to confront the Soviets can only be interpreted by them in one way: as proof that the massive shift in the "correlation of forces" away from capitalism and toward socialism has left the leaders of the West no choice but to accommodate themselves to the Soviet position that violations have occurred.* This, in their view, is a "forced concession" caused by Soviet possession of superior power. The Soviet world view allows them no other interpretation of our acquiescence in the face of *overwhelming objective evidence that the Soviets have violated SALT and other arms control agreements and the West has taken no action to reputiate or modify them. (Emphasis added.)*"[59]

Amb. Weiss has thus answered the question of why the US has not acted upon Kissinger's warning that the US would abrogate if the Soviets were circumventing or cheating. Detente and continuing the SALT process are more important than preserving US national security.

Roberta Wohlstetter has also written that:

"The cheater in an arms agreement and the side cheated . . . *both need to preserve the illusion that the agreement has not been violated.* The British fear of an arms race (i.e., in the 1930s) so skillfully manipulated by Hitler, led to a (1935) naval agreement, in which the British . . . tacitly revised the Versailles Treaty. *And British fear of an arms race prevented them from recognizing violations of the new agreement.*" (*The Washington Quarterly*, Autumn, 1979, p 57, emphasis added.)

The Carter Administration defined a SALT violation as a Soviet action which is deliberate, is contrary to the purpose, intent, and precise terms of the SALT agreement, and which results in a significant increase in Soviet strategic power. A violation should be easy to define, however, as simply a confirmed Soviet act which is contrary to the terms of the agreement.

But using the loose Carter definition of a violation, Soviet deployment of the SS-19 ICBM should be recognized as a violation.

This is the single most dangerous Soviet SALT violation, because it has nearly doubled the Soviet counterforce threat to the United States.

Even using the above loose Carter violation definition, the SS-19 case is a precise violation for the following reasons. Soviet SS-19 deployment was deliberate. It was contrary to the purpose, intent, and precise terms of the SALT I Interim Agreement's Article II. This provision simply and clearly bans heavy ICBMs from replacing light ICBMs, and the SS-19 is a heavy Soviet ICBM replacing the light SS-11. The Soviets knew in 1972 that their then-secret SS-19 was a heavy ICBM under the U.S. definition.[60] They regarded it as a heavy ICBM themselves. No agreed definition of a heavy ICBM was necessary for the US to try to enforce Article II. The plain sense of Article II is clear without a definition. Finally, the SS-19 has given the Soviets a significant increase in their military power. But despite their own loose definition of a SALT violation and the above facts which precisely fit it, the Carter Administration explicitly refused to classify the SS-19 as a Soviet SALT violation. So did the Ford and Nixon Administrations before it.

In 1974, former Defense Secretary James Schlesinger stated that the SS-19 was clearly not a light ICBM, and was at least a "medium" missile.[61] (But, as noted, the Soviets themselves have always regarded the SS-19 to be a heavy ICBM all along.) Under the US definition of 1972, the SS-19 was clearly a heavy ICBM. It took the U.S. as long as until early 1975, over 5 years after the first SS-19 silo was started, 3 years after its first test, and after the signing of the Vladivostok Aide Memoire, to raise the question of the SS-19 with the Soviets for the first time. And even then, the U.S. did not bring a charge of Soviet SALT violation. Instead, the U.S. conceded to the Soviets that the heavy SS-19 counterforce, first strike weapon was really a light missile and not a heavy one after all. This was the surprising resolution of an issue at the core of U.S. national security. The Soviets could only conclude that if the U.S. was unwilling to try to enforce a fundamental provision of SALT I, the way was open for further violations.

Another signficant Soviet SALT violation deserves repetition. Soviet military camouflage, concealment, and deception reportedly increased after SALT I negotiations began in 1969. As noted, since SALT I was signed in 1972, the Soviets have enacted a massive camouflage, concealment, and deception program involving all Soviet strategic forces. This massive camouflage and concealment program was approved by the Politburo and Defense Council, and was co-

ordinated with SALT negotiating deception. Both SALT I and II state that "deliberate concealment measures which impede verification by national technical means" will not be used by either side. The Soviet program itself constitutes a violation of the provisions of both the SALT I and SALT II agreements which prohibit deliberately impeding or interfering with national technical means (NTM) of verification (reconnaissance satellites). This is because it has both deliberately and clearly interfered with U.S. national technical means of verification. The deleterious effects of deliberate Soviet camouflage, concealment, and deception can be recognized in the role it had in misleading U.S. intelligence estimates of both the basic Soviet ICBM and SLBM levels during SALT I.

As even the Carter Administration State Department White Paper on SALT II verification of August 1979 stated: "Deliberate concealment efforts are themselves a violation, and if detected could be grounds for abrogating the treaty, even if we are not certain what activity is being concealed * * * concealment measures designed to impeded verification would themselves be violations * * *"[62] Thus any Soviet concealment of strategic activity is a SALT violation, if we only can establish that it is deliberate.

The intentions underlying Soviet stragetic behavior are among the most difficult intelligence questions to resolve. But there has long been strong evidence that Soviet camouflage, concealment, and deception related to their SALT-constrained strategic forces is deliberately intended to interfere with and impede U.S. national technical means of SALT verification. For only one example, in 1966 the Soviets published a Dictionary of Definitions of Military Terms. This dictionary contained a definition of "maskirovka," the Soviet term for camouflage, concealment, and deception. Maskirovka included: ". . . creating deliberate interference with technical means of reconnaissance." (Colonel P.I. Skeybeda, ed., Dictionary of Definitions of Military Terms (Moscow: 1966), pp. 228-229.) This revealing definition of maskirovka appeared six years prior to the 1972 signing of SALT I, which precisely prohibited just such deliberate interference with NTM. Such a definition is surely still accurate.

Moreoever, the Soviets have openly stated that they have long deployed concealed ICBM launchers, and they have even shown on Moscow television examples of some of them concealed as woodpiles. The Soviets evidently want the US to believe that they have concealed ICBM launchers. Such concealed ICBM deployment completely circumvents all SALT I and II ceilings on launchers.

The Soviets have actually had the gall to accuse the US of deliberate concealment. This is tantamount to a Soviet accusation of a US SALT violation. The US has not, however, engaged in deliberate concealment.

A third Soviet SALT violation deserves repeating. The Soviets made a false SALT II claim that they do not have cruise missiles with a range greater than 600 kilometers. This falsification is a unilateral advantage which has allowed them to exclude about 250 sea-launched cruise missiles and over 100 air-to-surface cruise missiles carried on the Bear bomber.

The deception and violation is confirmed by the recent DoD book, Soviet Military Power, page 61. This official source reveals for the first time that the Soviet AS-3 Kangaroo air-launched cruise missile (ALCM) has a range of "650" kilometers, and that it is carried on two variants of the Bear bomber.

Yet the Soviets officially stated in the SALT II Data Exchange (an integral part of the SALT II Treaty) of June 18, 1979, that they had "zero" heavy bombers equipped for cruise missiles with range greater than 600 kilometers.[63]

Thus there is an officially confirmed Soviet SALT II falsification, and the Soviets are in violation of SALT II by not counting their 105 Bear bombers in the 1,320 ceiling on MIRVs and ALCM equipped bombers.[64]

It is especially ironic for the Soviets to have falsified the range of their AS-3 Kangaroo ALCM in 1979. For just two years earlier, on April 14, 1977, a Pravda editorial stated that: "Heavy bombers carrying cruise missiles with a range of more than 600 kilometers must be equated to MIRV missiles and accordingly entered into the established ceilings for such missiles."[65] The Soviets evidently thus meant for U.S. bombers equipped with long-range ALCMs to count under the 1,320 MIRV/ALCM bomber ceiling, but not their own.

Moreover, the Soviet Backfire bomber reportedly carries AS-6 air-to-surface cruise missiles with a range of 700 to 800 kilometers.[66] Yet they also refuse to count these bombers in SALT II as well.

We need now to consider the Soviet SALT violations listed above in more detail. We will examine the SALT I ABM Treaty, the SALT I Interim Agreement, and the SALT II Treaty.

1. SALT I ABM TREATY VIOLATIONS

a. The Soviets reportedly tested SA-5 air defense radars in an ABM mode between 50 and 60 times from 1973 through 1976. Then from 1978 through 1980 the Soviets reportedly tested SA-10 air defense radars in an ABM mode.[67] A U.S. unilateral statement does define rather precisely what ABM mode testing entails. But as in the case of Article II and the SS-19 discussed above, U.S. unilateral statements need not be considered. Both Articles II and VI of the ABM Treaty include obligations concerning ABM components which include not testing them in an ABM mode. In attempting to enforce Soviet compliance with Articles II and VI, the U.S. could have relied solely on the agreed obligations pertaining to prohibition of ABM mode tests. This was not done. The Soviets have clearly violated both these Articles, as well as the U.S. unilateral definition.

b. Since 1972, the Soviets have deployed ABM Battle Management Radars. The Soviets have reportedly built over four large radars which have inherent battle management capabilities in addition to early warning capabilities.[68] Article I prohibited an ABM defense of the entire territory of the USSR and the development of even the "base" for such a large area defense. These four large Soviet battle management radars clearly provide a base for a nationwide ABM defense. They therefore can be considered violations of an explicit, agreed provision of the ABM Treaty.

c. ABM camouflage has reportedly been detected since 1972. This activity falls under the above discussion of how all Soviet strategic camouflage and concealment is deliberate, and therefore is a violation of SALT I and II.

d. The 1978 State Department "White Paper" on Soviet SALT compliance contained a notable revelation. In 1973, the Soviets falsified the number of ABM test range launchers they had deactivated, in order to come below the 15 allowed by Article IV of the Treaty. The Soviets were informed by the U.S. that their deactivation report was false, but they have never been required by the U.S. to fully deactivate their excess ABM range launchers according to secret procedures for this very purpose agreed to in 1974. The Soviets thus stand in violation of Article IV of the ABM Treaty.

e. The Soviets have even created a completely new, additional ABM Test Range, in violation of Common Understanding B of the ABM Treaty. The Common Understanding specified the Soviet ABM test range existing in 1972 as Sary Shagan, and the Soviets stated "that there was a common understanding on what ABM test ranges were." Nevertheless, without prior notification, the Soviets deployed an ABM radar at the Kamchatka ICBM impact area in 1974, thereby violating the Common Understanding and also Article IV, which states that additional test ranges must be agreed to prior to their creation. The U.S. was not asked prior to the Soviet deployment of the ABM radar to Kamchatka, not did the U.S. agree to it. What the U.S. did do was to quietly reclassify the Common Understanding B into a U.S. Unilateral Statement, thereby accepting Soviet violation of Article IV.

f. The Soviet ABM-X-3 system reportedly developed after 1972, is rapidly deployable, reportedly having some mobile components. It is reportedly being mass produced for deployment around Moscow and also stockpiled for probable later rapid deployment. Article I, which prohibits developing a territorial defense or even a base for a territorial defense, is therefore being violated. Moreover, Common Understanding C defined mobile ABM systems as any ABM not being "permanent, fixed types." The Soviet ABM-X-3 is not a permanent fixed type. Yet, while the Soviets agreed to Common Understanding C, they are also violating it.

2. SALT I INTERIM AGREEMENT VIOLATIONS

a. The SS-19 case has already been discussed. It must be considered either a circumvention or violation of Article II. The U.S. showed that it was willing to tolerate this most significant SALT violation by redefining a heavy ICBM to exclude the SS-19. Yet the heavy SS-19 helped to increase the Soviet counterforce threat to the U.S. by a factor of 5 after 1972. This was set-back to U.S. national security comparable to the loss of the Vietnam War, and to Soviet offensive weapons deployment to Cuba in 1962 and after 1970. By tolerating, condoning, and even apologizing for this Soviet SALT violation, the U.S. confirmed that it was willing to allow the Soviets to continue to upset the strategic balance to its advantage. All other Soviet SALT violations are dwarfed in significance by the SS-19 case. Yet the SALT process goes on without challenge to its negative impact on U.S. security.

b. There are many reliable reports that the Soviets failed to deactivate old SS-7 and SS-8 ICBMs on time between 1975 and 1980. There are also reports that they falsified a large number of their required reports on this deactivation. The Soviets thus, clearly violated Article III and the Protocol, as well as the secret deactivation procedures agreed to in 1974. They also ignored the U.S. warning of 1973 on the need for accuracy in reports to the Standing Consultative Commission. According to the State Dept. SALT compliance White Paper of February 1978, the Soviets even admitted in March 1976 that they had failed to deactivate old

ICBMs on time as required. This can be regarded as a violation admitted by the Soviets.

c. The Soviets reportedly brought back ICBM equipment to at least one deactivated ICBM complex. This equipment was reportedly for the mobile SS-16 ICBM, or for the mobile SS-20 IRBM, which use the same equipment. It thus violated U.S. Unilateral Statement B, which stated that mobile ICBM development was inconsistent with the objectives of SALT I.

d. The text of the SALT II Treaty revealed for the first time that the Soviets had 18 SS-9 Fractional Orbital Ballistic System (FOBS) ICBMs at their Tyuratam Test Range. The SALT II Treaty also revealed that these 18 ICBMs had been part of the Soviet operational ICBM force all along since 1972. Yet they never were counted by the U.S. in the Soviet ICBM total allowed under SALT I. This extra deployment of operational ICBMs violated the Article I limit on fixed ICBM launchers, and showed the gullibility inherent in the U.S. failure to require the Soviets to declare their ICBM total in 1972.

e. The IIIX Launch Control silo problem is still controversial. Beginning in 1970, the Soviets reportedly first deployed IIIX silos. According to official sources of 1972 and 1976, U.S. Intelligence mistakenly counted the first 11 of these silos in the total of 1618 Soviet ICBM that the U.S. announced in May 1972. Soviet deception activities caused this U.S. miscount. The Soviets reportedly will probably deploy a total of about 150 IIIX silos, which are quite similar to ICBM launch silos. This whole program circumvented the Article I limit on fixed Soviet ICBMs, and again illustrates the danger of not requiring a Soviet numerical declaration, even if it could be relied upon.

f. The Protocol establishes a limit of 62 on Soviet strategic ballistic missile submarines. Leaving aside the problem that the Soviets were able to exclude 24 G Class ballistic missile submarines and seven H Class ballistic missile submarines from this total, the Soviets have reportedly exceeded the 62 limit since 1977. This is a violation of the Protocol. The Soviets reportedly now have over 68 SSBNs.

g. The Soviets have reportedly deployed over 250 mobile SS-20 MIRVed IRBM launchers. These mobile launchers reportedly also are equipped with at least one refire missile each, so at least 500 IRBMs are involved, each carrying three warheads. (The SS-16 mobile ICBM reportedly uses the same launcher.) The SS-20 itself reportedly has a range estimated to be very close to the 5000 kilometer definition of an ICBM. Even assuming that the SS-20 is below this range, it can easily be covertly modified to be an SS-16 ICBM by removing one or two warheads, or by adding a third stage. Hence, Soviet SS-20 deployment violates the U.S. Unilateral Statement B stating that mobile ICBMs are inconsistent with SALT I. The mobile SS-20s also circumvent the SALT I limit on fixed ICBM launchers.

h. In May 1972, Soviet President Brezhnev reportedly personally pledged to President Nixon that the USSR would not "build" mobile ICBMs.[69] However, the New York Times has reported that the Soviets have "built" over 100 SS-16 mobile ICBMs.[70] This production clearly violates Brezhnev's solemn pledge, and also violates the U.S. Unilateral Statement B against mobile ICBM deployment. It also circumvents the SALT I limit on fixed ICBM launchers.

i. There are reports that the Soviets have deployed SS-11 ICBMs at SS-4 and SS-5 MRBM/IRBM soft sites.[71] This deployment is in direct violation of the Article I ban on further deployement of fixed ICBM launchers. These SS-11s could be covertly available for launch from these soft sites.

j. The Soviets are reported to have stockpiled over at least 1300 to 2000 old and new ICBMs, which are in excess of their 1400 fixed ICBM launchers. These stockpiled ICBMs probably have several purposes. First, there is reportedly strong evidence that the Soviets are training to rapidly reload SS-18 ICBM silos for rapid refire in a nuclear war. Some of the extra ICBMs are evidently for this purpose. But given the fact that over 1000 SS-11 ICBMs are unaccounted for (having been replaced by newer missiles), and given the evidence of SS-11s at MR/IRBM sites, there is reason to believe that the Soviets plan to covertly launch SS-11s from both known and hidden soft sites. Finally, there is also reportedly a large stockpile of deactivated SS-7 and SS-8 missiles also available for covert soft launch. This stockpiled ICBM refire and soft launch capability circumvents or violates the Article I limit on fixed ICBM launchers.

3. SALT II TREATY VIOLATIONS

Before discussing SALT II violations, we need to address the legal status of the treaty. According to a 1972 study commissioned by the US Arms Control and Disarmament Agency, ". . . the prevailing view in Soviet international law literature is that treaties are not self-executing." (The Soviet Legal System and Arms Inspection, by Zigurds L. Zile, Robert Sharlet, and Jean Love, Praeger, N.Y., 1972, p. 311).

Before a treaty can become binding and be executed, the Soviets need a Supreme Soviet or Council of Ministers edict directing the USSR government to comply with the treaty.

Such a Council of Ministers edict was promulgated in October 1972, just after the SALT I agreements were ratified on both sides, directing all Soviet government organs to comply with the provisions of SALT I. The Soviet government nevertheless violated SALT I, even while acknowledging that it was binding.

SALT I compliance was indefinitely extended on both sides in October 1977, by means of parrallel US. Soviet statements. The status of SALT II compliance obligations on the Soviet side is much less clear, however. Since early 1980, when President Carter ordered the SALT II Treaty's ratification to be suspended indefinitely, the Soviets have authoritatively stated several times that they are not bound to comply with SALT II until the US ratifies it. Carter also committed the US to unilateral compliance with SALT II, without even asking for a parallel Soviet compliance commitment statement. The US has restated again under the Reagan Administration that the US will comply with SALT II as long as the Soviets do nothing to "undercut" it. Leaving aside the vague meaning of actions which undercut SALT II, unilateral US SALT II compliance is unsatisfactory. Again, the Reagan Administration has failed to even ask for a Soviet parallel statement committing the USSR to a SALT II compliance policy pending SALT III negotiations.

First, the Soviets have all the benefits of US compliance with SALT II, while themselves accepting none of the obligations. This situation is also illustrated by the fact that the Soviet government has issued no parallel compliance statement or SALT II compliance edit. Nor in two Administrations has the US even demanded or requested a parallel compliance statement.

Second, on January 29, 1981, President Reagan criticized SALT II as being unverifiable as regards limits on Soviet warhead numbers, or "fractionation." In the same press conference in which he called the Soviets liars and cheats, President Reagan said: "There is no verification as to the number of warheads on (Soviet) missiles, no method for us to do this."

Thus President Reagan himself has stated that the US cannot verify Soviet compliance with a key aspect of SALT II—warhead limits. And the Russians themselves have authoritatively declared that they will not comply with SALT II until the US ratifies the Treaty. It is unrealistic for the US to unilaterally comply with a treaty which we know the Russians will not comply with, and which we cannot verify. And Navy Secretary Lehman has stated that continued US unilateral compliance with the SALT II Treaty is illegal, contradicting Section 33 of the 1961 Arms Control and Disarmament Act.

a. The Soviets have reportedly continued and even increased their missile telemetry signal encryption activities, despite SALT II provisions which require the accessibility of all telemetry needed by the U.S. to verify certain parameters. This continued encryption violates Article XV and its Second Common Understanding. The new SS-20 Typhoon SLBM is reportedly being encrypted almost totally, which actively interferes with U.S. ability to determine whether the Typhoon SLBM is a banned heavy SLBM. The Soviets are also reportedly almost totally encrypting the SS-18 Mod X, interfering illegally with the U.S. ability to determine the number, size, and type of warheads carried on it. Moreover, the Soviets reportedly are almost totally encrypting the telemetry on their SS-NX-19 SLCM. This encryption interferes with the U.S. ability to determine whether this SLCM has a prohibited range longer than 600 kilometers or carries miltiple warheads. Finally, high levels of SS-20 encryption reportedly continue. This encryption hampers U.S. ability to determine whether SS-20 range is being extended or whether fewer warheads are being tested.

b. The reported Soviet stockpiling of over 100 mobile SS-16 ICBM circumvents the SALT II provisions which ban SS-16 production and deployment. This action directly violates the Protocol to the SALT II treaty.

c. The most serious Soviet SALT II violations are their reported exercises testing a rapid reload/refire capability with their SS-18 ICBM. This activity completely circumvents all the SALT II ceilings on Strategic Nuclear Delivery Vehicles: 2250, 1320, 1200, and 820.

In conclusion, negotiating arms control agreements with and verifying compliance by a closed society requires the best intelligence capability in the world. The Soviet record of noncompliance with existing SALT and other arms control agreements over the last decade has been widely and justifiably criticized. Due to the intensity and duration of the violations controversy, the U.S. public has naturally lost confidence in the integrity of the arms control negotiating process and in the integrity of U.S. enforcement of Soviet compliance with arms control agreements. Before further progress can be made in arms control negotiations with the Soviets, confidence in the integrity

of the arms control process and its benefits must be restored.

If, however, the Soviet compliance record does not warrant respect, then it may be futile to resume negotiations. Moreover, there have reportedly been severe deficiencies in the quality of U.S. verification intelligence and compliance enforcement leverage.

4. POOR VERIFICATION INTELLIGENCE

Part of the problem in the bad U.S. record of arms control verification and compliance enforcement is due to poor U.S. verification intelligence. Reportedly, degradation of U.S. National Technical Means (NTM) of intelligence monitoring capability has been due to effective Soviet espionage, deliberate, official, high level Carter Administration compromises and revelations during the SALT II debate, loss of Third Country facilities, reported underfunding of advanced technical collection, reported malfunctions of certain collectors, and reported obsolesence of some collectors. The effects of insufficient intelligence collection, a prevasive analytical underestimative bias, and long term faulty analysis upon verification have been severe. In particular, bad analysis and a deeply ingrained underestimative bias have been encouraged within CIA.

Examples of problems with NTM of intelligence monitoring drawn from unclassified sources are as follows.[72]

It is unfortunate that several significant compromises of U.S. NTMs of intelligence collection have recently occurred as a result of Soviet espionage successes (the Boyce-Lee and Kampiles cases);

There have reportedly been reductions in the funding of existing and especially planned NTMs for future collection;

There have recently been losses of U.S. NTM capabilities in Third countries, such as Iran and Turkey;

The CIA has a very bad record of monitoring the simple quantitative constraints of SALT I since 1972. It is highly significant that the U.S. miscounted both the Soviet ICBM and SLBM totals under SALT I. Soviet camouflage, concealment, and deception played a rule in these miscounts. Moreover, due to the underestimative bias and to Soviet concealment and negotiating deception, U.S. intelligence also failed to project either the heavy SS-19 or the long range SS-N-8 at the time SALT I was signed in 1972;

During SALT I, the Soviets increased their camouflage, concealment, and deception efforts, which has constituted deliberate impedence of U.S. NTM collection. Moreover, beginning in early 1977, Soviet efforts to deny SALT related information reportedly intensified across the board and were discussed in the Soviet press;

Certain NTM collection systems reportedly have degraded over time due to obsolescence and also to reductions in auxiliary programs.

According to the Senate Intelligence Committee, certain key intelligence evidence and analysis related to Soviet SALT compliance behavior has reportedly been withheld by the CIA from officials with a need to know.

There have also been problems hampering the policy-making function of verification:

The strategic balance shifted during the 1970s in favor of the Soviets. This shift severely limited U.S. leverage both to negotiate and to enforce arms control agreements;

The U.S. has been willing to agree to some arms control agreements which have no verification provisions at all, such as the 1975 Biological Warfare Convention.

A recent White House study has reportedly been undertaken to evaluate the quality of U.S. Intelligence.[73] One conclusion of this Top Secret study reportedly is: "The American intelligence community, chiefly the CIA, has routinely failed to predict major political and military developments before such developments become irreversible and before they become blatantly obvious, even to the general public."

The report further indicated "massive and virtually inexplicable intelligence failures that have occurred during the last 15 years." These included the following:

Abject failure to predict the massive Soviet buildup of nuclear missiles during the 1960s;

Wholesale failure to understand the characteristics of Soviet missiles under development prior to SALT I;

Failure to predict the major improvements in accuracy of Soviet ICBMs in the late 1970s;

Consistent gross misstatement of Soviet global objectives.

These CIA estimative and analytical failures have been conclusively documented in unclassified critiques by Albert Wohlstetter and the present author.

Finally, the report concluded that "the U.S. ICBM force will be totally vulnerable to a Soviet missile attack, and at least five years (of a 10 year 1980-1990 period of vulnerability) can be attributed to miscalculations engendered by erroneous intelligence produced by the CIA." Such a bad record for analysis suggests major doubts about CIA's ability to monitor and verify Soviet SALT compliance, and also the credibility of CIA judgements about verification, verifiability, and Soviet compliance behavior.

In addition, the CIA has completely failed to understand Soviet SALT negotiating deception.[74] The following checklist of factor was not even deemed noteworthy to CIA's estimators:

As described above, the many false Soviet statements in May 1972 misleading the United States about the size of their then secret, heavy SS-19 ICBM; the false Soviet statement that they did not intend to replace light ICBMs with heavy ones during SALT I; and their suggestion that the SS-19 could be banned even as they were planning to deploy it widely. SS-19 deployment helped to quintuple the Soviet counterforce threat to the United States by 1977;

The false Soviet SALT I claim to having 48 submarines operating and under construction with 768 SLBMs, as of May 1972, when, in fact, the Soviets had far fewer at the time. This allowed the Soviets to minimize and postpone the required deactivation of old weapons.

The Soviet "geographical asymmetries" argument, later proven phony, which they used to gain a huge SLBM superiority over the United States in SALT I.

The false Brezhnev pledge not to "build" mobile ICBMs during SALT I when, in fact, the Soviets had an ongoing mobile ICBM program and, according to the New York Times, have built over 100 SS-16 mobile ICBMs uncounted in SALT I or II;

The false Soviet propaganda claim in May 1972 that SALT I avoided a new arms race and contained no Soviet unilateral advantages, when, in fact, the Soviet strategic build-up continued unchanged. In 1979, the Soviets privately acknowledged SALT I as a "Soviet victory" and a "defeat" for the United States.

The Soviets' insistence on imprecise and ambiguous constraints on "new type" ICBMs in SALT II, and their refusal to agree to a heavy ICBM definition or to any ICBM characteristic baseline data. These loopholes provided for unilateral Soviet advantages;

Continuous Soviet encryption of telemetry signals in missile R & D since 1974, which indicates that the Soviets wish to hide many characteristics of their new ICBMs and SLBMs. These new missiles are bound to be more lethal;

Brezhnev's false statement in SALT II denying the Backfire bomber's intercontinental range and refueling capabilities, in the face of agreed U.S. intelligence to the contrary;

The false Backfire range data provided by the Soviets in 1976 and 1977. This disinformation significantly misled U.S. intelligence.

The false Soviet claim that SALT II calls for equal numerical ceilings, despite their heavy ICBM monopoly, their still growing throw-weight advantage, the exclusion of 400 intercontinental Backfire bombers and 350 SS-20s and SS-16s, and their possession of a huge reserve of 1,300 refire missiles;

The false Soviet claim that they do not have cruise missiles with a range greater than 600 kilometers. This unilateral advantage allowed them to exclude from SALT II about 250 sea-launched cruise missiles and over 100 air-to-surface cruise missiles carried on the Bear bomber;

The massive and expanding Soviet program of camouflage, concealment and deception, involving all Soviet strategic forces. This camouflage and concealment was combined with negotiating deception, and it reportedly expanded during the years of SALT I and II. It represented a violation of these agreements because it was deliberate and clearly interfered with U.S. national technical means of verification.

CIA still actively denies the evidence of Soviet SALT deception, and tries to suppress analysis of Soviet SALT deception.

One must concur with the following statement made by the Reagan Administration's new CIA Director, Mr. William Casey, on February 13, 1981:

"The most frequent criticism is that our (CIA) interpretations and assessments have shown a tendency to be overly optimistic, to place a benign interpretation on information which could be interpreted as indicating danger. It's our obligation to present conclusions which emphasize hard reality undistorted by preconceptions or by wishful thinking. . . . I found in SALT I, for example, that some of the (CIA) judgments were soft. They leaned toward a kind of benign interpretation rather than a harder interpretation of assessing or viewing a situation as being more dangerous."

It must be hoped that Casey will take note of those CIA officials responsible for inaccurate SALT and strategic intelligence.

Finally, former CIA analyst Willian T. Lee has tabulated the following listing of erroneous CIA Soviet estimates, most of which are underestimates.[75] These are shown in Figure 7. Lee's evaluation of CIA's estimates and analysis is cause for grave concern. As Fred Ikle has asked, how could such a large organization have been so wrong for so long? It is probably too late for a Congressional investigation into the causes, because the damage to our national security has already been so severe that we may never recover.

D. IMPLICATIONS OF THE SOVIET SALT VIOLATIONS [76]

The Republican Party Platform of July 1980 explicitly accused the Carter Administration twice of a "cover-up" of Soviet violations of SALT I, II, and other arms control agreements:

"The Republican party deplores the attempts of the Carter Administration to cover-up Soviet noncompliance with arms control agreements, including the now overwhelming evidence of blatant Soviet violation of the Biological Warfare Convention by secret production of biological agents at Sverdlovsk. . . . We pledge to end the Carter cover-up of Soviet violations of SALT I and II, to end the cover-up of the Soviet violation of the Biological Warfare Convention. . . ."

And, as Ronald Reagan reaffirmed in his first press conference after the election: "I ran on the Platform; the people voted for me on the Platform; I do believe in that Platform, and I think it would be very cynical and calloused of me now to suggest that I'm going to turn away from it."

A serious, long-term cover-up has indeed occurred. Former Senator James Buckley, Senators Jake Garn and Gordon Humphrey, former Defense Secretary Laird, and retired Chief of Naval Operations Admiral Zumwalt have taken the lead in exposing Soviet SALT violations and circumventions over the years.

The American people deserve to be told officially in at least general terms of the serious dangers already posed to U.S. national security by past Soviet SALT deceptions, violations and circumventions, and the extent to which they have been misled on Soviet SALT compliance and the negative effects of detente by past administrations.

Figure 7.—BOX SCORE OF INTELLIGENCE UNDERESTIMATES

	Underestimates	Overestimates	Near the mark
Weapon system deployments:			
Heavy bombers		X	
Medium bombers	X		
1st generation ICBMs		X	
IR/MRBMs	X		
3rd generation ICBM's	X		
2nd generation SLBM's	X		
ABM deployments		X	
Advanced nuclear-powered ASW submarine	X		
Ground and Air Force modernization 1970's:			
Tanks and armored personnel carriers	X		
Self-propelled guns	X		
Operational-tactical missiles	X		
Fighters and fighter-bombers	X		
Helicopters	X		
Transports	X		
SAM's	X		
Selected technologies:			
1st A-bomb test	X		
1st H-bomb test	X	X	X
ICBM MIRV's	X	X	
4th generation ICBM's MIRV deployment rate	X		
Accuracy yields		X	
SLBM MIRV's	X		
Operational tactical Missiles and aircraft			
Avionics & electronics	X		
Soviet defense expenditures:			
1960–76 period	X		
1976–80 period	X		

Source: The underestimates of the scale and pace of Soviet modernization and deployment programs for the Ground Forces, Frontal Aviation and Military Transport Aviation in the 1970s have been inferred from the pertinent sections of the annual Posture Statements by the various Secretaries of Defense.

But the U.S. has been, over the last decade, unable to enforce Soviet compliance with SALT and other arms control agreements. Our weak enforcement record and our failure to challenge between 20 and 35 reported cases of Soviet arms control noncompliance or circumvention has been due principally to the shift in the strategic balance against us. Another factor has been the prevalence of minimum deterrence thinking among US leaders. Unless we are to finally succumb to Soviet hegemony, there are compelling reasons that we now need to reverse the burden of proof in SALT compliance. The Soviets should be considered guilty of arms control violations unless they are willing to prove their innocence by providing complete data.

On May 12, 1981, a bipartisan group of 21 Senators led by Senators Garn and Stevens signed a letter to President Reagan accusing the Soviets of violating the SALT I ABM Treaty. The letter pointed out that President Reagan himself had criticized the bad Soviet SALT compliance record during the 1980 campaign. The Senators stated that the Soviets "continue with a standard practice which contradicts the very spirit of SALT." These Soviet violations are inconsistent with continued U.S. unilateral compliance with SALT I and II.

The Soviets have already gotten away with actions which the U.S. told them and the world in 1972 would result in our abrogation of the SALT I agreements. During the SALT I ratification hearings before Congress in 1972, top American leaders assured Congress that U.S. policy was that three specific Soviet SALT violations would not be tolerated. They stated that if the Soviets deployed *heavy ICBMs* to replace light ICBMs, produced *mobile ICBMs* contrary to a Brezhnev pledge, or constructed *more than 62 strategic submarines*, the U.S. would abrogate the agreements.

All the above Soviet violations and many others (reportedly 20 to 35) have nevertheless occurred. Yet the U.S. has still not protested these violations. Our abrogation threat was forgotten.

The Soviets should now be made to explain fully their reported 20 to 35 SALT and other arms control treaty violations or circumventions in the SALT Standing Consultative Commission established for this purpose, or in diplomatic and multilateral channels. They should also be made to understand that U.S. dissatisfaction with the record of Soviet arms control deception, violation, circumvention, and breakout potential could stand in the way of further progress in all arms control negotiations.

The most militarily dangerous Soviet SALT and arms control violations or circumventions reportedly are:

1. Widespread deployment of the counterforce capable SS-19 heavy ICBM, in addition to their authorized monopoly of 308 SS-18s.

2. ICBM stockpile, refire, and soft-launch capability, adding further to the counterforce threat. In addition, the Soviets have stockpiled mobile ICBMs and are deploying inter-mediate range mobile missiles which are easily convertible into mobile ICBMs.

3. Underground testing of high-yield nuclear warheads with increased counterforce potential;

4. Testing of air defense radars and missiles in an ABM mode, providing the breakout potential for a nationwide ABM defense;

5. Building new large ABM battle management radars and a rapidly deployable new ABM system, adding further nationwide ABM defense breakout potential; and

6. Maintenance of a confirmed biological warfare and intercontinental delivery capability. (In 1977, Soviet Foreign Minister Gromyko told the U.N. that such weapons were "cruel and barbaric.")

7. The presence of Soviet *Offensive* weapons in Cuba since 1970 (to include Soviet strategic submarines, intercontinental bombers, and fighter bombers and also their support facilities) is a direct, ongoing violation of the accords ending the 1962 Cuban missile crisis.

Altogether, these dangerous violations potentially give the Soviets both offensive and defensive breakout capabilities that cannot be offset by the U.S.

The backdrop of Soviet SALT deception, violations and circumventions has at last become so severe that the fundamental "good faith" basis of all arms control negotiations has been called into question.

Challenge of Soviet noncompliance with improve the prospects for a serious renegotiation of SALT II on more equitable terms in SALT III talks. Compliance challenge will also provide strong justification for President Reagan's promised *strategic force buildup* required to reestablish the margin of safety needed for a secure, more stable world peace. Additionally, it will provide sound rationale for the increased intelligence collection and analytical assets needed to improve our national technical means of SALT verification. Finally and most significantly, by at long last insisting on early and complete Soviet SALT compliance, the U.S. properly and rightfully seeks to uphold the fundamental integrity of existing arms control agreements. The U.S. thus seeks to preserve the future viability and integrity of the entire arms control negotiating process. But this may ultimately be impossible in the face of massive Soviet violations.

E. THE RECORD OF SOVIET DIPLOMATIC DUPLICITY

In conclusion, we also need to examine a brief and incomplete compilation of examples of Soviet diplomatic duplicity. The table below on Soviet treaty violations is notable for the fact that it is drawn from an official U.S. government document published in 1962. The other examples of Soviet forgeries, disinformation, and diplomatic deception are also extracted for the most part from official U.S. government publications. Many more examples of Soviet diplomatic duplicity are available, but were not included because research into them is still underway.

1. SOVIET DISINFORMATION PLOYS

a. The "Trust" Deception of Western Intelligence of the 1920s.

Soviet intelligence used false emigres and defectors to infiltrate all Western intelligence services. Western intelligence also financed the whole Soviet deception operation throughout the 1920's, including the Soviet use of false emigre front groups and double agents.

b. The "Bomber Gap" of 1955.

The Soviets flew the same new Bison bombers over Moscow several times, making them appear more numerous then they were. U.S. Intelligence then over-estimated the number of Soviet bombers.

c. The "Missile Gap" of 1957 to 1961.

Premier Khrushchev made provocative "rocket rattling" threats during this period. He also repeatedly boasted that the USSR was mass producing missiles and portrayed Sputnik as evidence of Soviet superiority in ICBMs. These threats and boasts had the intended effect of causing U.S. intelligence to greatly overestimate Soviet ICBM deployment in this period.

d. Soviet Foreign Minister Gromyko and Soviet Ambassador Dobrynin Lied to President Kennedy during the 1962 Cuban Missile Crisis.

In September and early October 1962, Soviet Foreign Minister Gromyko and Soviet Ambassador to the U.S. Dobrynin both falsely assured President Kennedy personally twice that there were no Soviet offensive missiles in Cuba.

e. The "Top Hat-Fedora" Deception on Soviet Biological Warfare and Missile Accuracy Capabilities, 1969, 1973.

According to writer Edward J. Epstein, Top Hat and Fedora (Soviet diplomats who worked as espionage agents for the FBI in New York) reported in 1969 that the Soviets were worried about being behind the U.S. in chemical warfare (CW) and biological warfare (BW) capability.[77] Largely because of this information, President Nixon reportedly decided to avert a U.S.-Soviet arms race in this area by renouncing these capabilities unilaterally, in the hope that the Soviets would do the same. Nixon, therefore, unilaterally destroyed all U.S. BW capabilities, greatly reduced U.S. CW capabilities, and signed the 1972 Convention Prohibiting Biological Warfare Capabilities (ratified in 1975 by both the US and the USSR.) By 1973, however, Soviet military equipment captured in the Yom Kippur War revealed that Soviet CW and BW defenses were superior to the U.S. and also that the Soviets had actually accelerated their development of CW and BW offensive capability in 1969. By 1973, it appeared that Top Hat and Fedora were really double agents working for the KGB, and that they had provided the U.S. with significant disinformation. The Soviet BW accident at Sverdlovsk in 1979, the reported expansion of Soviet BW facilities after 1975, and the recent physical evidence of Soviet BW agents picked up in Asia altogether confirm that the Soviets are massively violating the 1972 BW Convention. According to the London Daily Telegraph an FBI source reportedly also claimed that the Soviets were having trouble perfecting missile accuracy. This too turned out to be disinformation. The FBI has reportedly recently confirmed that Fedora was a double agent.

f. The "Trigon" Disinformation Report on Former Secretary of State Kissinger, 1977.

In early 1977, the Soviets reportedly planted what appeared to be disinformation in a report from a valuable CIA agent in Moscow named "Trigon."[78] According to an article in Newsweek, the disinformation indicated that Kissinger was trying to undermine Carter Administration SALT policy, and seemed intended to severely embarrass Kissinger. All Soviet disinformation schemes are known to receive approval from the Politburo, so this was good evidence of Soviet willingness to humiliate U.S. leaders even to the detriment of ongoing SALT negotiations.

g. Soviet Forgeries of Statements by President Carter and Vice President Mondale, 1977–1978.

In 1977, the Soviets went so far as to actually forge a statement by President Carter, and in 1978 they forged a statement by Vice President Mondale. These forgeries were intended to harm U.S. foreign relations. Even in the harshest of days of the Cold War, the Soviets had refrained from forging Presidential-level statements. Again, these forgeries were approved by the Politburo, and they are direct evidence of the hostility and contempt felt by Brezhnev toward top U.S. leaders. There have been at least 20 other Soviet forgeries since 1976 which have been officially confirmed by the U.S. government. There has been a Soviet Forgeries Offensive since 1976.

h. False Soviet Statements in 1979 Denying That Their Brigade in Cuba Had a Combat Capability.

The Soviets reportedly tried to allay U.S. fears over the role of their combat brigade in Cuba, by arguing deceptively that their combat brigade did not have a combat capability. Several deceptive diplomatic notes were reportedly sent to mislead U.S. leaders.

i. Anti-"Neutron Bomb" Covert Action and Propaganda Campaign, 1977–1979.

From 1977 through 1979, the Soviets used disinformation, propaganda and covert action through front groups and press plants to organize mass opposition in Europe to the deployment of enhanced radiation warheads in NATO. This campaign was extended in 1980 and 1981 into generating opposition to NATO modernization of Theatre Nuclear Forces. The Reagan State Department published an official expose of massive and longstanding Soviet disinformation, forgeries, and propaganda in October 1981. More recently, the State Department has exposed the "Holocaust Again In Europe" documents as Soviet forgeries intended to undermine the planned U.S. deployment of Pershing II IRBMs and GLCMs in Europe.

j. Soviet Propaganda Themes Are Disinformation.

An excellent unclassified summary of the main Soviet propaganda themes has recently been published by the U.S. International Communications Agency, entitled Soviet Propaganda Alert-Project Truth, October 15, 1981. This official U.S. government report summarized Soviet propaganda themes as follows:

Support for "national liberation" movements is justified in terms of putting them on the road to the higher plane of existence enjoyed by the Soviet Union.

The foreign and domestic policies of Western countries are criticized because they are dedicated to the preservation of the status quo and are opposed to progressive change.

Western military measures are portrayed as inherently aggressive because they are directed against the Soviet Union and the progressive principles for which it stands.

Anti-imperialism (ant-Americanism) is claimed to be good because it represents a movement against the ancient regime and toward historical progress. The methods used in the anti-imperialist struggle are sometimes harsh but are justified by the ends.

The Soviet Union is the natural ally of Third World countries and all others who have freed themselves from imperialism (i.e. Eastern Europe.)

The U.S. is escalating the arms race, provoking conflict, and trying to counter every aspect of Soviet influence in the world in its efforts to regain the military-strategic superiority it once possessed.

The U.S.S.R. has always been and continues to be dedicated to the struggles for peace, its military might is intended only to defend itself and other peoples who want and deserve help in defending themselves.

The U.S. is not seriously interested in arms control negotiations.

The U.S. is introducing sinister new weapons, such as the neutron weapon, the Pershing II, the MX, and chemical and biological weapons.

The false or misleading nature of each of these themes should be obvious, but the Soviets have nevertheless been quite effective in persuading a large portion of world and even domestic US public opinion that the U.S. is the real villian of arms control. The Soviets bombard the world with shrill and blatantly hostile Anti-American propaganda on a daily basis. The US, in contrast, usually neither notices nor responds. It should be difficult to understand how the US can negotiate SALT in "good faith" or "trust" compliance with such an uncompromisingly hostile "partner."

As a Soviet ideologue has typically stated: "There is not one field (i.e. including arms control) in which there is not waged an embittered ideological war by the two social systems . . . In the ideological field, there is not, and never will be, peaceful coexistence. There can not be an ideological truce between Capitalism and Socialism."

2. SOVIET DIPLOMATIC DECEPTION PLOYS

a. Nazi-Soviet Non-Aggression Pact—August 1939.

This agreement was reached suddenly and took the world by surprise. It precipitated the beginning of World War II. The Soviets had been openly negotiating a potential military alliance with the British and the French. Simultaneously with these open negotiations, but in secret, the Soviets were negotiating the nonaggression pact with the Nazis. The deception stemmed from the concurrency of secret negotiations and the surprise factor. The Soviets simply took the best deal offered to them.

b. In 1973, the Soviets Violated the 1972 Basic Principles of US-Soviet Relations During the Yom Kippur War.

In this case, the Soviets reneged on their 1972 pledge to engage in mutual consultations in the event that nuclear war was threatened, and they sought unilateral advantage by encouraging the Egyptian attack on Israel. They also threatened unilateral intervention against Israel, and made a nuclear threat against the U.S.

c. Soviet MBFR Data Falsification.

The Soviets grossly falsified the Order of Battle data they provided to NATO in 1976 on their conventional forces. The credibility of the Soviet data has, not surprisingly, become a significant stumbling block for five years in the ensuing negotiations.

3. SOVIET TREATY VIOLATIONS

a. With Soviet aid and encouragement, North Vietnam broke the Paris Accords on Peace in Southeast Asia throughout the 1973–1975 period.

b. The Soviets also violated two arms control treaties in the 1920s and 1940s. According to Laurence Beilenson in his brilliant book, *The Treaty Trap*,

"There are . . . two cases where the Soviet abetted violations of disarmament treaties. The Soviet Union was not a party to the Treaty of Versailles, but . . . it abetted the breach by Germany of its disarmament provisions, and helped Germany to defeat the provisions for verification of performance.

The peace treaties of the wartime Allies—including the USSR and the United States—of 1947 with Rumania, Bulgaria, and Hungary each had clauses specifically limiting the military forces of each of the three countries, a disarmament provision. The clauses were not given even token performance. The breachs began and continued while the USSR dictated the conduct of the three countries." [79]

c. There are recent charges by high Reagan Administration officials that the December 1981 imposition of martial law in Poland was directed by the Soviets, and that the Soviets have directly threatened military action against Poland, intimidated its leaders, and ordered basic human rights of the Polish people to be violated by the

Polish Communist Party and Polish Army. Eugene V. Rostow, Director of the US Arms Control and Disarmament Agency even went so far on NBC-TV on December 22, 1981, as to charge that the Soviets have *violated* the UN Charter by their aggressive actions in Poland. Other high Reagan Administration officials have also accused the Soviets of *violating* the 1975 Helsinki Accord by their suppression of the basic human rights of the Polish people.

d. Violation of the Litvinov Agreement

An *official* U.S. State Department document, *Soviet Affairs Notes* of August 10, 1959, directly accuses the Soviets of many treaty violations, including violation of the basic agreement establishing U.S. Soviet diplomatic relations.

In 1933, the U.S. recognized the government of the USSR following negotiations and an exchange of letters between Soviet Foreign Minister Litvinov and President Roosevelt in regard to various outstanding differences between the two nations. Litvinov stated in a letter to President Roosevelt of November 16, 1933:

"It will be the fixed policy of the Government of the Union of the Soviet Socialist Republics . . . not to permit the formation or residence on its territory of any group or organization which has an aim (of) the overthrow or the preparation for the overthrow of, or the bringing about by force, of a change in the political or social order of the whole or any part of the United States, its territories or possessions. (Emphasis added.)"

However, Foreign Minister Litvinov's solemn pledge produced no effect whatever upon the activities of the Third International, or Comintern, which continued to carry out its role as the organizer and directing center of the World Communist movement from its Moscow headquarters. The purpose of the Comintern, clearly defined in its statutes and theses, was "the struggle by all available means, including armed forces, for the overthrow of the international bourgeoisis and the creation of an international Soviet Republic." Thus the Comintern, located in Moscow with the permission and aid of the Soviet government, as explicitly committed to overthrowing the U.S. government by force.

The Comintern was formally dissolved in 1943, but Soviet-inspired communist activity in the U.S. continued unabated. Evidence of systematic violation of the Litvinov agreements after 1945 was brought to light by convictions under the U.S. Alien Registration Act of 1940, which made it a criminal offense "to organize or help to organize any society, group, or assembly of persons who teach, advocate, or encourage the overthrow or destruction of any government in the U.S. by force or violence." The trial and conviction in 1949 in a U.S. Federal Court in New York of 11 communist leaders, revealed that the American Communist Party, acting upon orders of the USSR issued by Dmitri Manuilsky, (Comintern Leader and in 1949 Foreign Minster of the Ukranian Soviet Socialist Republic and therefore an official member of the Soviet Government), had returned to a policy of violent revolution.

Despite continuous Soviet violation of the very agreements establishing U.S.-Soviet relations, the U.S. still seems to believe that the USSR is a nation capable of normal adherence to international law. Soviet propaganda, covert action, subversion, and espionage inside the U.S. has increased markedly over the last decade.

According to a new book by James L. Tyson, Target America: The Influence of Communist Propaganda on US Media, there are at least 4,000 active Soviet propaganda agents within the US, spending over 240 million dollars a year on Soviet propaganda inside the US. This activity is a blatant violation of The Litvinov Agreement, and in itself should make the USSR unfit to negotiate with on SALT.

e. Figure 8 reflects a number of other Soviet treaty violations. It is extracted from an official U.S. government book entitled Soviet Treaty Violations, Department of Defense, November 5, 1962.

FIGURE 8.—*History of Major Soviet Treaty Violations*

The Agreement May 7, 1920. Soviet regime signs treaty with independent Georgian republic, pledging no interference in Georgia's internal affairs.

The Result February 1-12, 1921. Soviet troops invade Georgia, in step leading to absorption of Republic into USSR.

March 16, 1921. In trade agreement with Britain, Soviet Union pledges not to engage in propaganda in that country.

May 26, 1927. Britain ends agreement because of Soviet violations, including failure to stop propaganda as promised.

June 5, 1922. Soviet Union concludes friendship agreement with Czechoslovakia.

June 29, 1945. USSR compels Czechoslovakia to cede Carpatho-Ukraine to the Soviet Union.

December 12, 1943. USSR and Czech government-in-exile sign treaty of friendship and mutual assistance.

February 25, 1948. Czechoslovak government forced to accept communist ultimatum, as USSR completes arrangements to force it into its satellite empire. Ultimatum compels appointment of a cabinet of Moscow followers and climaxes Soviet postwar drive to absorb once-independent Czechoslovakia.

December 17, 1925. USSR signs non-aggression and neutrality pact with Turkey.

March 20, 1945. USSR denounces this pact, begins campaign to secure control of Black Sea straits.

August 31, 1926. USSR concludes non-aggression pact with Afghanistan.

June 14, 1946. USSR forces Afghanistan to cede border territory of Kishka.

September 28, 1926. USSR makes non-aggression pact with Lithuania, later extending this agreement through 1945.

June 15, 1940. Soviet troops invade Lithuania.

August 3, 1940. Lithuania is annexed by Soviet Union.

September 27, 1928. Soviet Union adheres to Kellog-Briand pact for renunciation of war.

By 1939. USSR violates this pledge—40 invasions of Poland, Lithuania, Lativa, Estonia, Rumania, and Finland.

January 21, 1932. USSR agrees to non-aggression pact with Finland.

November 30, 1939. Soviet military forces invade Finland.

February 5, 1932. Soviet Union signs non-aggression pact with Latvia.

June 16, 1940. Soviet troops inváde Latvia.

August 5, 1940. Latvia is forcibly incorported into the USSR.

May 4, 1932. Soviet Union pledges non-aggression in agreement with Estonia.

June 16, 1940. Soviet military forces invade and occupy Estonia.

August 6, 1940. Estonia is annexed by USSR.

July 25, 1932. Soviet Union signs non-aggression pact with Poland.

September 17, 1939. Soviet troops invade Poland.

May 4, 1934. USSR-Poland extend non-aggression pact for 10 years.

September 29, 1939. USSR signs agreement with Nazi Germany to partition Poland.

June 9, 1934. USSR recognizes Rumania, guarantees its sovereignty.

June 27, 1940. Soviet army invades Rumanian provinces of Bessarabia & No. Bukovina. Soviet occupation of these areas completed in four days.

September 15, 1934. USSR enters League of Nations, pledging thereby "the maintenance of justice and a scrupulous respect for all treaty obligations in the dealings of organized peoples with one another."

August 23, 1939. USSR makes treaty with Nazi Germany, termed "a joint conspiracy to deprive Poland, Estonia, Latvia, Lithuania, Finland, and Rumania of their independence and territorial integrity."

August 21, 1937. Soviet Union signs non-aggression pact with Republic of China.

October 2, 1949. USSR breaks relations with ROC after recognizing Communist Chinese regime it helped to gain power.

July 30, 1941. USSR concludes agreement with Polish government-in-exile pledging mutual aid and cooperation.

April 25, 1943. USSR breaks relations with Polish government-in-exile on pretext of Polish request for Red Cross investigation of Katyn Forest massacre.

August 14, 1945. USSR enters into treaty with Republic of China, containing these pledges: "each high contracting party undertakes not to conclude any alliance and not to take any part in any coalition directed against the other high contracting party. The treaty comes into force immediately and shall remain in force for a term of 30 years."

February 14, 1950. These pledges were broken when the USSR made a new agreement with Communist Chinese regime it had helped create. Soviets did not even bother to change the basic wording. The new treaty also pledged: "Both high contracting parties undertake not to conclude any alliance against the other high contracting party and not to take part in any coalition or actions or measures directed against the other high contracting party . . . The present treaty will be valid for 30 years."

March 10, 1947. Council of Foreign Ministers, meeting in Moscow, agrees that all German prisoners of war should be repatriated by December 31, 1948.

August 3, 1955. Soviet regime furnishes West German Red Cross with data on the health and whereabouts of only 20 of the approximately 14,000 Germans known to be still held in the USSR.

May 4 & June 30, 1949. Four Power Agreements of New York and Paris guarantee U.S., British, French, and Soviet joint control of Berlin, all access routes to and from the city and freedom of movement within the city.

September 20, 1955. USSR unilaterally transfers Soviet control over all access routes to and from Berlin to East German regime.

August 13, 1961. Construction of Berlin Wall completely prohibits free passage from Soviet sector to the Western sectors.

July 27, 1953. Military armistice established between UN Command and opposing communist forces, assisted by USSR, China & North Korea. Armistice agreement

pledges signers to "cease introduction into Korea of reinforcing military personnel."

July 11, 1955. UN Command details long list of armistice agreement violations by Communist parties.

May 6, 1957. UN Command, in another of series of official complaints, charges that Communists have sent troops into Korea's demilitarized zones six times in a period of less than four months.

January 14, 1956. USSR signs agreement with Yugoslavia, pledging $110,000,000 in credits for industrial construction.

August 4, 1956. USSR pledges an additional grant of $175,000,000, bringing total to $285,000,000.

May 28, 1958. Yugoslav sources disclose USSR has postponed for 5 years the grant to Yugoslavia amounting to $285,000,000. This represented an attempt to retaliate against Yugoslavia for its refusal to accept the CPSU's ideological leadership.

September 24, 1941. USSR pledges adherence to Atlantic Charter, which provides that agreeing countries seek no aggrandizement, that the countries desire no territorial changes not made in accord with freely-expressed wishes of the people concerned, and that they respect the right of all peoples to choose their own form of government.

Against these promises stands the USSRs record of occupation and domination of Rumania, Estonia, Latvia, Lithuania, Czechoslovakia, Tannu Tuva, Afghanistan territory, Hungary, East Germany, Albania, Bulgaria, Poland, North Korea, Mongolia.

January 29, 1942. USSR, with Iran and Britain, signs treaty of alliance, providing for military use of Iranian territory only until end of military operations against Germany.

Soviet Union refused to withdraw its troops from Iran at the end of World War II.

February 4-11, 1945. At Yalta Conference, USSR agrees on various postwar measures, including adoption of a resolution that the liberated peoples of Europe should have the opportunity to solve their economic problems by democratic means.

East Germany, Hungary, and Czechoslovakia, and other countries which were forced into postwar roles as satellites of the Soviet Union.

February 11, 1945. USSR, at Yalta conference, agrees to declaration that Polish provisional government "shall be pledged to the holding of free and unfettered elections as soon as possible on the basis of universal suffrage and secret ballot.

January 5, 1947. Soviet Union refuses to participate in meeting with Britain and US to secure compliance with the 1945 agreement pledging free elections in Poland.

January 19, 1947. Communist-controlled fraudulent election carried out under conditions of Soviet military occupation.

April 11, 1945. USSR signs 20-year treaty of friendship, mutual aid, and cooperation with Yugoslavia.

September 29, 1949. Soviet Union denounces this agreement.

June 14-18, 1945. President Truman and Premier Stalin agree, in an exchange of letters to "free access by air, road, and rail from Frankfort and Bremen to Berlin for United States forces."

April 1, 1948-May 12, 1949. USSR imposes the Berlin Blockade by severing all land and water routes between Berlin and West Germany. Western allies supply Berlin by airlift.

March 1962. USSR harasses flights by allied airplanes between Berlin and West Germany.

July 17-August 2, 1945. At Potsdam conference, USSR agrees that there should be uniform treatment of the German people throughout Germany.

East Germany today continues to be a rigidly controlled Soviet satellite. Its people have been denied free elections, isolated from the people of West Germany, and victimized by the same kind of regimentation, police rule, and economic restrictions imposed on the peoples of all the Soviet Bloc states in Europe.

October 19, 1956. USSR-Japanese Joint Declaration pledges the Soviet Union to refrain from interference in Japan's internal affairs.

1958. During the weeks preceding Japanese elections of May 22, Soviet radio beams propaganda at Japan violently opposing the reelection of Premier Kistri's government.

1959-1960. USSR threatens Japan with the possibility of nuclear war if Japan ratifies United States-Japan Security treaty, signed January 19, 1960.

XI. CONCLUSION

As the journal of the Communist Academy in Moscow put it in 1930: "The road to true disarmament is to be seen not in diplomatic agreements, but in the proletarian revolution."

The 6th Comintern Congress stated in Moscow in 1928 that: ". . . Disarmament and the abolition of war are possible only with the fall of capitalism."

These statements accurately describe Soviet behavior in the 1970s, equally as well as they describe Soviet behavior in the 1920s.

It is important to note that after the Cuban Missile Crisis of October-November 1962, it became increasingly difficult to publish, officially, criticism of Soviet diplomatic behavior. This is because in the aftermath of Cuba many American leaders believed that the Cuban crisis demonstrated that the Cold War was over, and that detente and accommodation with the Soviets were now to be sought. But the Cold War was never over to the Soviets.

In conclusion, we should recall the warning that Former Secretary of State Acheson wrote in 1958: "No matter how plainly the Russians talk and act we simply refuse to believe what they say and to understand the meaning of what they do . . ."[60]

Soviet noncompliance with treaties is now indisputable, as is the record of Soviet forgeries, deceptions, and disinformation ploys. How can the U.S. continue arms control negotiations with so unreliable a nation as the Soviet Union? As Laurence Bellenson, an advisor to President Reagan, has pointed out, arms control treaties in any case can not be relied upon to keep the peace. Only adequate U.S. military forces will do that.

But as bad as Soviet treaty non-compliance actions have been, we also can not ignore Soviet words. As noted, Stalin said in 1913: "Words have no relation to actions, otherwise what kind of diplomacy is it? Words are one thing, actions another. Good words are a mask for concealment of bad deeds. Sincere diplomacy is no more possible than dry water or wooden iron."[61]

V.I. Lenin stated: "Promises are like pie crusts, made to be broken."[62]

As Laurence Bellenson concluded in his famous and authoritative book, The Treaty Trap: "The pattern of evidence (i.e. in modern diplomatic history) is that treaties of disarmament have been broken by powerful nations . . . the central pattern is habitual unreliability in performance and recurring treaty reliance . . . (Treaties have) been only a formal recording of the then respective strengths of the parties making it, and (have) lasted only by reason of the continuance of such relative strengths, irrespective of the treaty."[63]

Who needs SALT? US national security and world peace would be far better served by an acceleration of unilateral US strategic programs designed to restore at least US-Soviet strategic parity. The world was far safer in fact during the Cold War years of US strategic superiority, before the US invented SALT, to its own disadvantage.

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UP AMENDMENT NO. 947

(Purpose: To express the sense of the Congress that the President take certain diplomatic actions relating to the development, production, stockpiling, and use of bacteriological and toxin weapons)

Mr. PROXMIRE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Wisconsin (Mr. PROXMIRE) proposes an umprinted amendment numbered 947.

At the end of the bill add the following new section:

VERIFICATION UNDER CONVENTION ON BACTERIOLOGICAL AND TOXIN WEAPONS; USE OF SUCH WEAPONS

SEC. . (a) The Congress recognizes that—

(1) the United States and the Union of Soviet Socialist Republics are parties to the Convention on the Prohibition of the Development, Production, and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on Their Destruction, done at Washington, London, and Moscow on April 10, 1972 (hereafter in this section referred to as the "Convention");

(2) Article I of the convention prohibits each party to the convention from developing, producing, stockpiling, or otherwise acquiring or retaining certain microbial or other biological agents or toxins or certain weapons, equipment, or other means of delivering such agents or toxins;

(3) the convention does not contain provisions establishing procedures for inspection or verification of suspected violations of the terms of the Convention; and

(4) under Article XI of the Convention any state party may propose an amendment to the Convention, and any such amendment shall enter into force after a majority of the state parties to the Convention has accepted such amendment.

(b) It is the sense of the Congress that the President should—

(1) at the earliest practicable time, propose, on behalf of the United States, an amendment to the Convention to establish comprehensive procedures for investigating and verifying suspected violations of the terms of the Convention and to establish standards for distinguishing between research on biological weapons and toxins for defensive and peaceful purposes, permitted by the Convention, and research on such weapons and toxins for hostile purposes, prohibited by the Convention; and

(2) undertake such diplomatic and international initiatives as necessary to condemn strongly the use of toxins, mycotoxins, or other biological weapons, directly or indirectly by the Union of Soviet Socialist Republics or its allies in Laos, Kampuchea, Afghanistan, or in any other country.

Mr. PROXMIRE. Mr. President, this amendment has been discussed with the majority and minority managers of the bill. As far as I can tell, there is no objection to it.

Mr. President, this is a sense of the Congress resolution that calls upon the President to amend the Biological Warfare Convention to include verification procedures and to establish standards for distinguishing between defensive and offensive research on biological weapons.

In addition, the resolution asks the President to undertake diplomatic and international initiatives to condemn the Soviet Union's use of toxins, mycotoxins or other biological weapons—directly or indirectly—in any country.

Mr. President, they have been using those, or we have all the evidence to indicate they have been, in Southeast Asia.

Since this is a simple resolution, it does not mandate Presidential action. But it does indicate the depth of congressional alarm over the increasing evidence of the use of biological agents by the U.S.S.R. or its allies in various parts of the world. It is a two-pronged resolution. In the short term, it calls for diplomatic action against these specific activities—a position that the administration already has taken to some degree and which would be reinforced by a congressional statement. For the long run, this resolution urges that the Biological Warfare Convention be reopened and that specific amendments be proposed by the United States to provide for verification procedures and to clarify some ambiguous language about permitted as opposed to prohibited research activities.

A little history is necessary to understand the current situation.

THE NIXON UNILATERAL ACTION

On March 25, 1969, President Nixon renounced the use of lethal biological weapons and agents and all other methods of biological warfare. He declared that the United States would confine its biological research to defense activity such as immunization and safety measures. Further he ordered the destruction of existing American stockpiles of biological weapons.

This was a unilateral action by the United States but it, in turn, triggered negotiations that led to the drafting of the 1972 Convention on the Prohibition of Biological and Toxin Weapons. Please notice, Mr. President, the inclusion in the title of that convention the term "Toxin Weapons." This is a point to which I shall return.

This Biological Warfare Convention was adopted by the Senate on January 22, 1975. It has been ratified by 76 nations including the U.S.S.R.

It bans the development, production, and stockpiling of biological and toxin weapons and requires the destruction of existing stocks other than those used for "prophylactic, protective, or other peaceful purposes." There are no agreed upon definitions as to what prophylactic, protective, or peaceful purposes means. There are no quantities of agents or toxins cited that are permitted for peaceful purposes. There is no dividing line between peaceful and offensive or military use.

Article V of the convention instructs all parties to cooperate and consult with regard to any problems arising under the terms of the convention. But there is no mechanism for verification under the treaty and the measures for cooperation have no compliance requirements. A significant case can be taken to the Security Council of the United Nations but inasmuch as the U.S.S.R. has a veto in that Council, this often is an unproductive device.

Article XI of the convention permits any party to the convention to propose an amendment changing the terms of the convention. An amendment enters into force after a majority of the parties have accepted it. Thus, my resolution is consistent with the language of the convention.

SUSPECTED VIOLATIONS OF CONVENTION

Mr. President, in early April 1979, an anthrax epidemic spread through Sverdlovsk, a city of 1.2 million people, 875 miles east of Moscow. Because the city is off-limits to foreign visitors, this information did not reach the West for almost 1 year and to this date some of the data is contradictory.

The incident was suspicious for several reasons. First, it took place near a facility that for years U.S. intelligence agencies had suspected as being related to biological weapons research. Second, attention was drawn by the estimate of fatalities—ranging between 40 and 1,000. Anthrax is not unheard of in the Urals where there have been periodic outbreaks of the disease, but the type of anthrax appeared doubly curious. Again, although there are various medical interpretations that can be made, it appears that the form of anthrax was pulmonary rather than intestinal. Pulmonary is the rarest form of anthrax and likely is the one type that would be produced for military purposes.

Thus, we had the evidence of a suspicious facility with physical characteristic suggesting biological research, venting stacks, animal pens, refrigeration, revestments, and intense security, coupled with an outbreak of a rare form of anthrax in the vicinity.

Evidence of an accident began to trickle into the hands of U.S. experts. Clinical reports from informed personnel gave credence to the pulmonary anthrax version of the incident as opposed to the Russian admission that anthrax was present but was related to the eating of infected meat.

In February and March of 1980 the administration made inquiries of the U.S.S.R. about this incident. The Russians reacted with hostility.

This led to the forming of an investigation team representing various experts in and out of government. The investigation has been publicly documented, in detail by Leslie H. Gelb, writing for the New York Times magazine in November of 1981.

Mr. President, I ask unanimous consent that the portion of the Gelb article dealing with the investigation team be placed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times Magazine, November 1981]

(By Leslie H. Gelb)

It was almost a year after the incident at Sverdlovsk before the United States finally set about a serious investigation. A group was established with representation from the Joint Chiefs of Staff, the National Security Council, the State Department and other agencies. Several outside experts were also called in, including Dr. Philip Brachman of the Center for Disease Control in Atlanta, the leading American expert on anthrax; Joshua Lederberg, president of Rockefeller University and winner of the Nobel Prize in Physiology or Medicine, and Paul Doty, a professor of biochemistry at Harvard University. Matthew Meselson, another Harvard biochemist, served as an independent consultant.

The group's first move was to find out what had been discovered by spy satellites and other means back in the spring of 1979, when the incident occurred. They found a significant amount of information, the importance of which had been overlooked at the time. For all the expertise assembled, it soon became clear that it would not be easy to determine the truth.

The working group's first hypothesis was that there had been a problem at a facility producing anthrax vaccine. The Russians do give between one million and two million anthrax innoculations each year; more than one factory might be needed to provide that quantity of vaccine. But the working group also had substantial evidence that the Russians used only an avirulent strain for their vaccinations—a strain that could not have caused the epidemic that occurred.

The group's second hypothesis was that the outbreak had been produced by a single explosion involving virulent, airborne anthrax spores. Critical to any such scenario was the testimony of the key secondhand witness, which has been backed up just this fall by new testimony from other secondhand witnesses highly regarded by the CIA in an interview, Dr. Brachman said that the clinical evidence provided by the secondhand witness was "probably consistent only with inhalation anthrax"—very high fever, suddenness of the onset of the disease, trouble breathing, the large number of cases and, in particular, the high mortality rate. The symptoms of intestinal anthrax, he said, were quite different, and that version of the disease is usually not lethal. He did cite one form of it in which there is trouble with breathing—further complicating the problem of distinguishing between pulmonary and intestinal anthrax.

Placing all responsibility for the outbreak on pulmonary anthrax, however, was no answer. A single, deadly cloud, the group concluded, could have wreaked havoc in the first day or so, but it would thereafter have dispersed; a thin layer of spores would have settled over a wide area. That could not result in the concentration of spores in any one place that would be necessary to produce a continuing flow of pulmonary anthrax cases over a six-week period.

What could the continuous source of lethal anthrax be? The possibility that anthrax spores were leaking over a six-week period from the military facility was explored but discarded, on the assumption that such a leak would have soon been discovered. The Russians were claiming that all of the anthrax deaths had been caused by contaminated meat being sold on the black market; that possibility was considered by the members of the group but discarded. They could find no historical precedent for an outbreak of intestinal anthrax causing so many deaths over a period of several weeks.

As time went by, the members of the group became somewhat uncertain about diagnostic distinctions between intestinal and pulmonary anthrax. Thus the group came to concentrate more and more on one fact: the unprecedented numbers of people who had been struck down in that brief time.

The judgment of the working group—the explanation the C.I.A. still sticks with—has two chapters. Initially, it holds, there was an explosion at the factory in Sverdlovsk, causing a sudden huge release of virulent spores being used for the development of biological weapons. The quantity released was large enough to cause a number of deaths from pulmonary anthrax. After the explosion and the initial wave of pulmonary anthrax cases, the C.I.A. believes, the long-lived spores settled to the ground, where they were eaten by cattle, and the meat from these infected animals was sold on the black market. Then, theoretically, there was a second wave of anthrax—of the intestinal variety—filling out the six weeks.

There is one important fact that this theory has never been able to resolve: None of the witnesses reported even a single case of intestinal anthrax.

Other, nonmedical factors contributed to the working group's conclusion. One was the arrival in Sverdlovsk, shortly after the anthrax outbreak, of Soviet Defense Minister Dmitri Ustinov. The trip was not on his usual itinerary.

Another factor was Moscow's private denial that it had imposed a quarantine in the Sverdlovsk area. Material obtained by the C.I.A. offers convincing evidence that there had actually been some form of quarantine.

For some members of the group, the clincher was a satellite photograph of a building in Military Compound 19 one year after the anthrax epidemic. The structure had been virtually abandoned. There were no animals in the pens. The snow had not been shoveled. As in the Sherlock Holmes tale, the indirect piece of evidence, the absence of the expected, was damning: The dog had not barked.

Mr. PROXMIRE. It is difficult to summarize the results of the investigative team. There was substantial evidence of unusual activities and deaths, yet conflicting evidence which did not allow for a clear cut analysis.

The major point is that the United States had no procedures for inspection or verification relating to the incident. Thus, while suspicions linger, strong suspicions held by many, the United States has no protection under the terms of the Convention.

The Senate took note of the situation on May 14, 1980, when it passed a resolution dealing with compliance with the Convention by the U.S.S.R. This was a Proxmire resolution but I would credit Senator JAVITS, Senator CHURCH, and Senator DOLE with providing the leadership in the Foreign Relations Committee which resulted in its unanimous approval by the Senate. The House passed an identical measure on May 19, 1980. Mr. President, I ask unanimous consent the 1980 resolution be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

S. RES. 405

Expressing the sense of the Senate with respect to compliance by the Soviet Union with the Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on Their Destruction.

Whereas the United States and the Union of Soviet Socialist Republics are parties to the Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on Their Destruction, done at Washington, London, and Moscow on April 10, 1972;

Whereas Article I of the Convention prohibits each Party to the Convention from developing, producing, stockpiling, or otherwise acquiring or retaining certain microbial or other biological agents or toxins or certain weapons, equipment of means of delivery designed to use such agents or toxins; and

Whereas on March 17, 1980 the Government of the United States inquired of the Government of the Union of Soviet Socialist Republics as to the nature of an outbreak of pulmonary anthrax near the city of Sverdlovsk, Union of Soviet Socialist Republics, during April 1979 and has not received a satisfactory reply: Now, therefore, be it

Resolved, That it is the sense of the Senate that the President should—

(1) urge and request the Government of the Union of Soviet Socialist Republics promptly to exchange such scientific data as may be necessary to resolve any dispute regarding the nature of the outbreak of pulmonary anthrax near Sverdlovsk, Union of Soviet Socialist Republics, as provided for by Article V of the Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on their Destruction; and

(2) undertake consultative and cooperative measures through appropriate international procedures, as provided by Article V of the Convention, or, if necessary, lodge a complaint with the Security Council of the United Nations, as provided by Article VI of the Convention, if the Government of the Union of Soviet Socialist Republics fails to make available such data.

SEC. 2. The Secretary of the Senate shall transmit a copy of this resolution to the President with the request that such copy be further transmitted to the Government of the Union of Soviet Socialist Republics.

TOXIN WARFARE

Mr. PROXMIRE. The well-known incident at Sverdlovsk is sufficent on its own to justify reopening the Biological Warfare Convention. But now

even more compelling evidence is at hand.

Since the mid-1970's there have been reports from Southeast Asia that lethal chemicals or agents have been employed by Soviet-backed forces. On September 13, 1981, Secretary of State Haig first disclosed that the agent called yellow rain is a combination of three mycotoxins.

Toxins are chemicals derived from natural sources such as certain fungi and snake venom. Mycotoxins, as a type of toxin, often cause blurred vision, dizziness, vomiting, and internal hemorrhaging before killing the victim.

The State Department conclusion is based on two arguments. First, U.S. laboratory analyses of leaf and stem samples brought from Kampuchea and Laos had up to 20 times the level of mycotoxins expected to occur naturally. Second, the symptoms of the victims are consistent with mycotoxin poisonings.

Our Government believes that the Soviet Union is producing these weapons and then farming them out for trial on distant battlefields. As evidence, the State Department cites the need for sophisticated large-scale laboratories and cool, not tropical, climates to make mycotoxins. These conditions are found in the U.S.S.R. but not in Laos, Kampuchea, or Afghanistan.

THE 1980 REVIEW CONFERENCE

The Biological Warfare Convention comes up for review by member states periodically. The last such review occurred during March 3–21 of 1980. At that time the Swedish delegation attempted to add teeth to the treaty by providing for an expert consultative committee under the U.N. Secretary-General, empowered to investigate complaints of violations.

The Russians argued that since no nation had yet raised a complaint under the convention, there was no need to change the procedures. About two-thirds the way through the conference the United States raise the issue of Sverdlovsk but the Russians answered that the reveiw conference was no place to amend the convention or answer questions about specific incidents. As a result the conference concluded without accomplishing much. A further review conference will be held sometime between 1985 and 1990.

Mr. President it is unlikely that another review conference will accomplish more than the last. They are not much more than a sounding board for complaints which then are routinely dismissed by the other side.

STRONGER MEASURES NEEDED

This convention is flawed. When the Nixon administration testified on the need to ratify the convention, they acknowledged that it could not be verified. They did not think it so important since there was a very low probability that the U.S.S.R. would violate the convention.

While flawed, the convention is redeemable. We are faced with two choices. We can either improve the convention to the point that we have assurance, by national technical means or onsite verification, that its terms are being adhered to, or we can drop all pretext of compliance and join with the U.S.S.R. in a race to develop, test, and use biological weapons with all the terrible consequences that entails.

Actually it is not a choice at all. There is only one clear-cut alternative that makes sense. And that is to redraft that convention so that it is unambiguously clear as to intent, definition, application, and verification procedures.

At the same time, the Senate should support the most vigorous condemnation of Soviet actions in Laos, Kampuchea, and Afghanistan which appear to be violations of the convention itself. World opinion is an amorphous entity. But it can be an effective tool in the international arena.

Mr. President, I seek support for this resolution.

Mr. TOWER. Mr. President, it is the opinion of the chairman of the committee that this is a meritorious amendment, and I am prepared to accept it.

Has the Senator cleared it with the distinguished Senator from Mississippi?

Mr. STENNIS. Mr. President, it is acceptable on this side.

Mr. TOWER. Mr. President, if my distinguished friend and mentor from Mississippi accepts it, I cannot refuse.

Mr. PROXMIRE. Mr. President, I thank my good friends from Texas and Mississippi. I appreciate it.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wisconsin (Mr. PROXMIRE).

The amendment (UP No. 947) was agreed to.

Mr. PROXMIRE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HEINZ. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 948

(Purpose: To delete the amendment in the bill to the specialty metals clause)

Mr. HEINZ. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Pennsylvania (Mr. HEINZ), for himself, Mr. ROBERT C. BYRD, Mr. RANDOLPH, Mr. SPECTER, Mr. MOYNIHAN, Mr. DIXON, and Mr. METZENBAUM, proposes an unprinted amendment numbered 948.

Mr. HEINZ. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike section 1106. Renumber succeeding sections accordingly.

Mr. HEINZ. Mr. President, this amendment is the so-called specialty metals amendment.

Let me take one moment to explain to my colleagues what specialty metals are. A lot of people think that there are only one or two kinds of specialty steel, that it is just a question of maybe a little stainless flatware. Indeed, nothing could be further from the truth. Specialty metals do include special steel, but they also go further than that. They include such items as high speed steel that we make jet engines out of and their bearings. Forgings, extrusions, super alloys, titanium-based alloys. Those are tool steel.

Stainless steel, we think of stainless steel cutlery, but the numbers of nuts, screws, fittings, rivets, aircraft structurals, jet engine components, fuses, naval reactor valves, and pumps, are a literally endless procession of components made out of stainless steel. Valve steel for reciprocating engines; high temperature alloys essential to jet engines and reactors; titanium alloys so essential to airframes, airframe fasteners, jet engine blades, hydraulic tubing; alloy bar, again essential to naval reactors, special vacuum grades of alloy bar steel, landing gear, and so forth.

Mr. President, I mention all of this because the fact is that specialty metals are an indispensible building block not just of many, industries in this country but an indispensible component of our national defense effort.

As we debate the Department of Defense authorization bill, I think it is enormously important that we recognize just how vital our specialty metals are.

Mr. President, I hope every Member of this body also realizes that the United States has the most efficient specialty metals industry in the world. A lot of people think, when you say specialty metals or specialty steel, it is the same as carbon steel. Clearly, it is not.

Our specialty metals and specialty steel companies, with more efficiency, less hours per ton, higher productivity, can outproduce the Europeans and the Japanese, who are supposed to be able to beat us at anything. We can beat and we do beat them every day of the week in specialty steel.

In spite of the fact that the specialty steel industry is efficient, it is being murdered right now, has been for the last year—some people say has been for the last 7 years—not by any more efficient competitors but by inefficient competitors who are supported by their foreign governments to the tune of billions of dollars a year in subsidies, supported through a variety of practices that allow them to dump their steel in this country at far below cost.

They are obtaining increase subsidies time and time again from our NATO allied countries, specifically Italy, the United Kingdom, West Germany, and Spain. I am not quite sure what category to put France in, but I will throw it in, out of deference to our long friendship to the French people. The fact is that as we debate tonight, this tremendous surge of unfair subsidized competition, including specialty metals coming down this gigantic super highway to the United States, it is not a two-way highway. There are many lanes on it, and the traffic is moving very fast, but it is going in one direction. Trade, Mr. President, is not a two-way street in this industry.

What this amendment does is to recognize the unfairness of foreign competition with respect to this particular category of components of metals.

Right now we have the Defense Department purchasing, week in and week out, subsidized foreign government-dumped products, products from countries and industries against which countervailing duty suits, section 301 unfair trade practice suits, antidumping suits are pending.

In a 6-month period starting on July 17, 1980, and running through January 5, 1981, the Defense Department made 34 separate purchases, some as high as 71,000 pounds at a time, of imported foreign specialty steel products from the very people against whom Secretary Baldrige, our Secretary of Commerce, self-initiated for the first time in the trade history of the U.S. antidumping and countervailing duty suits—including several of our NATO allies.

Mr. President, I should like anybody in this Chamber to stand up and let me and anybody else in this country know how we can—and this is what the bill that is before does—repeal the so-called specialty metals provisions of the law that protect our specialty metals industry from exactly what I have described.

I should like to know how anybody could stand up and say, "No, we want to create a huge loophole in our specialty metals clause that has been on the books all these years since 1972. We really need that loophole right now, even though 100,000 steelworkers are out of work, even though unemployment in the specialty steel industry is 23 percent, even though, for example, imports of alloy and stainless steel rod are up around 44 percent and 47 percent, respectively."

Mr. President, this is not just a few dribs and drabs of imports that we are talking about.

Looking at the first quarter of 1980 to the fourth quarter of 1981, looking at the five countries named in the 301 case on which the U.S. Special Trade Representative agreed to take action a few months ago, in stainless steel sheet and strip there is a 120-percent increase, up 1,359 percent in the case of Great Britain alone.

Stainless steel: a 338-percent increase, 960 percent up in the case of the United Kingdom alone.

Stainless bar: a 141-percent increase overall, up 419 percent in the case of Italy, a 196-percent increase in the case of France.

And so it goes, time after time.

Mr. DENTON. Mr. President, will the Senator yield?

Mr. HEINZ. I will yield in 1 minute, as soon as I have finished my statement.

Mr. President, this amendment I offer is designed to strike from the bill what the Committee on Armed Services has sought to do—namely, to eliminate those protections on which we have depended these many years, and I hope my colleagues will support this amendment.

Mr. President, I ask unanimous consent that the name of the Senator from New York (Mr. D'AMATO) be added as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HEINZ. I am happy to yield to the Senator from Alabama for a question.

Mr. DENTON. Mr. President, I ask the distinguished Senator from Pennsylvania to realize that Birmingham, the major city in my State, is called the Pittsburgh of the South.

I recognize the validity of the Senator's allegations regarding the probability that countervailing duty and antidumping charges may very well be sustained against a number of our friends, nations which in a number of ways are our allies.

I sympathize and support the general thrust of the Senator from Pennsylvania in challenging the foreign practices vis-a-vis the specialty steel situation in the United States. Although in some steel categories we have very, very high labor costs, in specialty steel, we have only 15 percent labor costs; yet, we are noncompetitive with our NATO allies, or at least a number of them.

However, notwithstanding that trade situation in steel and in consideration of the other military-industrial agreements by which the United States enjoys a not disadvantageous trade position with respect to those allies, would it not be more suitable to take up this imbalance in the steel trade in another forum than the defense authorization bill we are now considering?

Mr. HEINZ. I should like to respond to the Senator's question. I think we have to understand that the authorizing committee, the Senate Committee on Armed Services, has done something very unusual and not well appreciated by some people. What they have done in an authorizing bill is to strike language that has been in our appropriations bills since 1972. If the Armed Services Committee had left the Appropriations Committee alone—I do not happen to serve on either, so I cannot wave the flag of total righteous indignation on behalf of the Appropriations Committee; I can only do it as an interested observer—but if the Armed Services Committee had kept its hands off the appropriations language, we would not be here today—this morning, at 12:30—debating this matter. I agree with the Senator. We would not be here if section 1106 of the bill had not been put in.

Mr. DENTON. Is the Senator not aware that in today's newspapers our Secretary of Commerce was quoted as indicating that it was possible, in view of these suits, that we would not only find countervailing duty suits to be justified, but also might rule that any punitive measures might be retroactively enforced.

Would that not justify the action taken by the committee, realizing that we are dealing with allies who have shed blood, and who remain committed to do so in a military sense? I submit that the two subjects should be divorced and considered separately, in the proper context.

Mr. HEINZ. As I understand the Senator's question, he is asking this: Is it not sufficient protection against the importation of these subsidized specialty metals that the Secretary of Commerce has done what the Senator describes? The answer is no.

We might be encouraged that he has said some things; but unfortunately for all of us, the cases that he was addressing in his statement regarding the existence of critical circumstances happen to apply only to carbon steel, not to specialty steel.

In carbon steel, the same thing happens: There are subsidies; there is dumping across the board. But the carbon steel cases were filed in some instances by the Department of Commerce in December and by the industry subsequently.

The Secretary will have to make a preliminary determination of countervailing duty by June 10, but it will not have any direct effect on specialty steel. The main specialty steel case that is pending is the section 301, the unfair trade practices case, and that he has not commented on.

Mr. DENTON. I await his comment. But, being from a State which also has interests——

Mr. HEINZ. If the Senator is from a State which has that interest, I will be happy to add his name as a cosponsor.

Mr. DENTON. I have a national interest in my mind, also.

I believe this amendment would impede and injure the defense relationships which have been intact for many years, since 1948, when NATO was formed. I find those security relationships to be separate from those policies which, in our Nation and theirs, address different interests, and therefore, different propensities for inequitability. I would prefer to keep that out of this situation.

Mr. HEINZ. I am not going to try to change the Senator's mind. I only observe that we seem to have gotten along, all things considered, pretty well with our NATO allies to date. We would like them to act perhaps differently from the ways thay have acted on occasion. They probably feel the same way about us.

Mr. DENTON. That is right. We have some relations in wheat and so on with the Soviet Union, and they have some interest in gas, and I think we should be realistic.

Mr. HEINZ. I do not argue with the Senator on that point at all. I think that is very true. But what is also true is that as of today the law that the Senator is objecting to—the substance of my amendment, in fact, is current law—is current law today. What we are trying to do is keep current law from being gutted.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. HEINZ. I yield.

Mr. GOLDWATER. Mr. President, I just wish to inject a thought in this whole area.

The United States depends on foreign countries for 63 percent of its critical metals. For years we were prohibited from buying cobalt from Rhodesia. We had to buy it from the Soviet Union who in turn bought it from Rhodesia, and we paid five times the price for it.

We cannot build stainless steel without cobalt. We have no titanium in this country. Yet we cannot build stainless steel without titanium. We do not have much manganese or magnesium. Without those we cannot build stainless steel.

I can tell my friend from Pennsylvania, knowing the aircraft industry as I do, we are dreadfully short of stainless steel. We are short of things like landing wheel struts, nose wheel struts, wherever stainless steel is required.

I will also add, and I do not wish to get my friend from Pennsylvania upset, but the manufacturers of stainless steel have not kept abreast of the modern methods of producing stainless steel, so we are importing it from Belgium, Germany, and even Japan a little bit.

I suggest that the real source of evil here has been our State Department down through the years that has prohibited us from buying the essential needed minerals that we do not find in our country.

I will just add one additional little bit: If we would allow the Department of the Interior to allow more exploration of our western lands we might be able to turn up these precious metals that we do not have in this country.

I certainly am sympathetic with the position that the Pennsylvania steel people and the Alabama steel people find themselves in, but this is nothing that was born yesterday. This has been going on a long, long time.

Mr. ROBERT C. BYRD. Mr. President, I rise in strong support of the amendment offered by the Senator from Pennsylvania (Mr. HEINZ), and I commend him, as chairman of the Steel Caucus, for offering this amendment. I am an original cosponsor of the amendment.

It is quite appropriate for the Senate to discuss the economic health of the American specialty metals industry in the context of the Department of Defense authorization bill. Our specialty metals industry has long been recognized as a valuable military asset in itself. As such, that critical asset cannot be allowed to deteriorate. This country cannot afford to allow our specialty metals industry to be undermined by economic or political forces from outside the United States.

Yet, that is precisely what is happening at present. The domestic specialty metals industry is vigorously pursuing a "section 301" unfair trade complaint against foreign producers. The section 301 complaint, which I and other members of the Steel Caucus urged Trade Representative Bill Brock to investigate, alleges that foreign governments are subsidizing specialty metals producers in their own countries. Subsidized goods will always be sold more cheaply than goods produced in a rigorously competitive manner.

The purpose of this amendment is to prevent the American Government from adding to the damage done to our domestic specialty metals industry by unfair foreign competition.

HISTORY OF THE "BUY AMERICA" REQUIREMENT

The fiscal year 1973 DOD appropriations bill contained language that required the Department of Defense to purchase domestically produced specialty metals, except when: a sufficient quantity or satisfactory quality of domestically produced metals were not available, or in emergency circumstances.

That requirement remained in effect from fiscal year 1973 through fiscal year 1977. In fiscal year 1978, a waiver of the "buy America" requirement was enacted. The rationale for the waiver of the buy America requirement for specialty metals was to bolster the efforts that the United States and other NATO countries were taking to achieve interoperability and standardization of material and equipment.

Although I am sensitive to a need for NATO countries to pursue further standardization and interoperability of their weapons and equipment, that program cannot be used to shield European NATO members from the buy America requirement for specialty metals. The adverse economic effects in America that result from the unfair trade practices of foreign specialty metals producers greatly diminish what gains may occur, if any, from the standardization program.

The waiver of the buy America requirement has been used in too broad a manner. Instead of using the waiver in a selective fashion to bolster standardization programs, the Department of Defense has applied the waiver more routinely than Congress intended.

In fiscal year 1982, Congress removed the option to waive the buy America requirement with regard to specialty metals. The bill before the Senate would reestablish the waiver provision.

Congress was correct in removing the waiver last year, and the amendment to delete the waiver from the bill before the Senate is a sound and necessary step.

MILITARY APPLICATIONS OF SPECIALTY METALS

I have made reference to the American specialty metals industry as a valuable military asset. The industry is on the cutting edge of high technology, and in order to remain competitive, extensive research is carried out constantly within the industry. Those research programs are of a long-term nature, and long-term procurement contracts add greatly to the stability and technical integrity of those research programs. Continued research into heat-resistant and corrosion-resistant metals is essential for the production and use of modern weapons.

Specialty metals are widely used in weapons and components. Some of the commonest, unclassified uses of specialty metals are for jet engine parts, naval reactor components, gun barrels, aircraft fasteners, and special machine tool parts.

Due to the severe demands of combat, weapons and equipment have to be designed to withstand extreme heat, cold, stress, abrasion, or corrosion. Specialty metals are designed and produced with those qualities engineered into them.

STRATEGIC AND CRITICAL MINERALS ARE USED IN SPECIALTY METALS

The special qualities required by the military uses of specialty metals are achieved through the use of minerals and other substances. Many Senators, including a number of Senators from the Western United States, have addressed the Senate on the subject of strategic and critical minerals. These minerals include chromium, cobalt, tungsten, titanium, nickel, managanese, copper, slicon and others.

The reason why these minerals are important is that they are used in the production of specialty metals. The strategic uses of these minerals are not in their raw mineral form—they are in the form of jet aircraft and missile components, or in other weapons or equipment.

Specialty metals are, in effect, the endusers of stragetic and critical minerals. It is the minerals, combined with the high-technology processes of the specialty metals producers, that makes these substances vital to our national security. The high-alloy content, technological properties, and the unique processing techniques that must be used for specialty metals to meet the exacting specifications required for military applications makes these materials nearly impossible to replace.

LOSS OF DEFENSE INDUSTRIAL BASE AND JOBS

The unique qualities that make specialty metals valuable also makes the industry vulnerable to unfair competition. The equipment necessary to manufacture specialty metals is complex and expensive.

The investment needed to keep a producing facility at a competitive, state-of-the-art level is enormous. The constant research into improving metallurgical technology necessitates a long-term capital commitment on the part of management.

Even more critical than the expensive equipment or extensive research programs are the highly specialized and finely trained workers in the specialty metals industry. The employees in this industry develop their skills over a number of years. Once these employees are lost, as many are now due to the unfair flood of subsidized imports of specialty metals into America, they remain lost permanently. Even now, thousands of employees of the specialty metals industry are on layoff. This country runs the risk of losing these specialized, experienced workers to other jobs outside the industry. In the event of a mobilization, this country could be approaching the stage where we are caught critically short—without enough experienced workers to produce the materials we would need in an emergency.

Several specialty metals producers are near the point of no return. Despite making the investments in the most modern equipment, and improving productivity to equal the best rates in the world, these producers are suffering staggering losses and have put their plants up for sale.

These are the facts which provide the backdrop for the amendment offered by the Senator from Pennsylvania. The question that we must address in not whether the adoption of this amendment will have a marginal effect on NATO standardization programs. It is the far more serious and fundamental question of whether the U.S. Government will add to the specialty metals industry's problem, or will help the industry and its workers solve those problems.

The choice for me is clear. Specialty metals producers in West Virginia, or which employ West Virginians, need help. The industry as a whole needs help—not more nails in its coffin.

The specialty steel sector of the specialty metals industry is in especially desperate straits. That industry is currently operating at approximately 47 percent of capacity. Total manhours worked in 1981 dropped to 35 percent compared to 1980. That is not a recession, like the one that almost every business and worker in America is suffering through now. That is a depression. Faced with that bleak economic situation, the industry now discovers that its own Government may add to the forces that are determining the specialty metals producers in America. A strong American special metals industry is absolutely vital to the defense of the United States.

The Armed Services Committees of the Senate and the House have studied this matter with great care and have recognized the tremendous value of the specialty metals industry. We should not risk permanent injury or even total loss of this vital industry, which is where the industry is heading at present. We have to recognize that the point of no return is closer to a number of American businesses and industries now than at any time since 1933.

We cannot afford to come any closer to the edge of disaster with specialty metals. There will be no opportunity in the event of an emergency situation or a quick mobilization to call up the various foreign producers of specialty metals and ask for spare parts for our jet engines or for our naval reactors or for our specialized machine tools. We obviously need to retain our own productive capacity.

The American specialty metals industry is as modern as any in the world. Virtually every significant advance in technology in the industry has been initiated by the American industry. Our foreign competitors admit this. The American industry is as productive as any in the world.

The reason why this industry is in trouble is that our trading partners are engaging in grossly unfair practices. Dumping and subsidization of specialty metals imports have been alleged by the domestic industry in complaints filed with the Office of Special Trade Representative Bill Brock.

It is easy to understand why our trading partners are subsidizing their specialty metals producers. Those foreign governments recognize the critical importance of a strong specialty metals industry in each of their own countries, and that is what the U.S. Government had better recognize in this case before it is too late.

I find it difficult to believe that American Government officials would defend the economic health and wellbeing of foreign countries while, at the same time, sacrificing the economic health of a vital American industry.

I hope those officials appreciate the fact that the existence of a waiver of the Buy America requirement is impossible to justify to a worker who has lost his job to unfair competition. It is equally impossible to try to explain to that worker that his own Government was against him.

UP AMENDMENT NO. 949

Mr. ROBERT C. BYRD. Mr. President, I send an amendment to the desk, and amendment to the amendment by Mr. HEINZ, and I ask that it be stated by the clerk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

> The Senator from West Virginia (Mr. ROBERT C. BYRD) for himself and Mr. HEINZ proposes an unprinted amendment numbered 949 to amendment 948.

Mr. ROBERT C. BYRD. Mr. President, I ask that the amendment be read.

The PRESIDING OFFICER. The clerk will read the amendment.

The assistant legislative clerk read as follows:

> In section 1106, strike all after the first colon through the end of the section, and insert in lieu thereof the following:
>
> "*Provided,* That nothing in this section shall preclude the procurement of foreign produced specialty metals used in the production or manufacture of weapons or weapons systems made outside of the United States except those specialty metals which contain nickel from Cuba if such procurement is necessary to comply with agreements with foreign governments requiring the United States to purchase supplies from foreign sources for the purposes of offsetting sales made by the United States Government or United States firms under approved programs serving defense requirements or if such procurements is necessary in furtherance of the standardization and interoperability of equipment requirements within the North Atlantic Treaty Organization (NATO) so long as such agreements of section 36 of the Arms Export Control Act (22 U.S.C. 2776) and section 814 of the Department of Defense Appropriation Authorization Act, 1976 (Public Law 94-106; 10 U.S.C., 2351 note).".

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mr. TOWER. Mr. President, I agree that we must support our domestic industry, but I do not want to see our domestic metal workers out of a job. I think the amendment that has been proposed is more calculated to lose American jobs, if it is adopted, than if we follow the position established by the Armed Services Committee.

Any restriction would at best only result in an insignificant gain for the U.S. specialty metals industry, and it can hurt it in the long run.

The DOD estimates that in 1980 DOD and U.S. defense contractors used only 2 to 4 percent of the total U.S. specialty metals industry output.

I think this is an important statistic: Total imports of specialty metals in finished equipment and raw stock by DOD and U.S. defense contractors amounted to only $4 to $8 million in 1980. Contrast this to the fact that DOD estimates that the defense equipment manufactured in the United States and shipped to European members states of NATO contained $44 million in U.S. special metals.

Further, this amendment would place all U.S. defense purchases in Europe in jeopardy.

Now, this jeopardizes millions of dollars of defense purchases made in this country. What we are doing here, if we adopt this, is to embarrass friendly governments that are purchasing military equipment from the United States in ratios that vary from 3-to-1 to 9-to-1. That is what we are doing.

Now, this morning we passed, 87 to 1, a very nice resolution urging the President to go to the NATO summit and talk about rationalization, standardization, interoperability. Here is what we said:

> Share more equitably and efficiently the financial burden as well as the economic benefits, including jobs, technology and trade of NATO defense.

Eighty-seven Senators voted for that this morning. Are you going to repudiate it tonight? If this amendment is passed, then I think we ought to reconsider this and not embarrass the President of the United States by saying:

> Go to NATO and talk about the two-way street, in effect; talk about standardization, interoperability, but tell those Europeans we ain't buying anything from them. We want them to buy all from us.

I cannot imagine anything that has created bigger problems in terms of the ability of our NATO allies to support high levels of defense spending than this kind of Buy America stuff that we do on defense.

Let me note again that they buy nine times, last year they bought nine times, as much defense equipment from us as we bought from them.

You can jeopardize that if you want to. You can go after this mindless protectionist legislation, and the parliaments in Europe are going to have a difficult time sustaining the level of defense spending that we want them to sustain because every time we ask them to increase their defense spending remember we are asking them to buy more from the United States, because they do buy more.

Now, I would like to read a portion of a letter from Secretary Haig and from Secretary Weinberger. It says:

> Dear Mr. Chairman,
>
> We are taking the unusual step of writing this joint letter to you because of the harm to our national economic, political, and security interests contained in two restrictive provisions of the 1982 DOD appropriation bill, specialty metals and administrative use vehicles. These amendments give a clear signal to our allies that we are all for a line standardization, interoperability except where it might have a local economic consequence regardless of how minor that consequence may be.

In another portion of the letter they say:

> Our allies have noted at the highest government levels that the removal of the specialty metals exception will damage alliance interests militarily, industrially, politically, and we agree with their conclusion.

Some of our allied friends have pleaded with us on this. They say:

> We want to buy American equipment. It is good, we need it for our defense. But can't you remove this? It is an embarrassment to us.

Let us take the Italians. They buy nine times as much equipment from us as we buy from them. As a matter of fact, we buy virtually nothing from them. I think the position this puts a friendly government in, which has to go to parliament and defend its purchases of American goods, is very embarrassing when it has to respond to the question of "Why do the Americans discriminate against us?"

Now, the proper forum for this kind of thing is not on this bill. I would say that the proper legislative approach would be in general legislation addressed to the whole business of trade.

There has been a claim that foreign special metal producers use unfair trade practices. This claim, if true, is directed at the wrong source. A number of cases concerning allegations of unfair trade practices are pending before the U.S. Special Trade Representative of the Department of Commerce, and there have been no decisions made in those cases. Thus the United States has established a decisionmaking process by which to come to a decision on allegations of foreign unfair trade practices.

It would be presumptuous for the Senate to take action before the mechanism that has been established has made a decision. If the Special Trade Representative decides in favor of domestic specialty metal producers, then the appropriate course of action would be for the United States to set a tariff on all imports of specialty metals from the country involved.

Mr. President, I hope that this amendment will not be adopted. It will fly in the teeth of policy already established by the Senate in the Culver-Nunn amendment to the 1976 DOD Authorization Act, which was designed to encourage rationalization and standardization.

If we could move in that direction it would only benefit American industry. But I implore you not to adopt an amendment that creates political problems for our friends, creates economic problems, and may result in a reduction of their defense purchases from the United States and cost us more jobs than this amendment could save.

So why should we jeopardize thousands of jobs, billions of dollars worth of defense business for just a few jobs and a few dollars' worth of defense business?

Mr. STEVENS addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. Mr. President, I agree with the Senator from Texas about the question of whether we should be addressing this matter in this bill. This is an amendment to the appropriations bill. It really is an amendment to the Department of Defense Appropriations Act of 1982. We looked into that matter in the last session and we found that because of exceptions that were allowed in the fiscal years 1978 through 1981, American industry had lost about $399 million annually in business in specialty metals.

We had been looking into this subject to see whether we went too far in the 1982 appropriations bill, and we intended to try to modify the provision in the 1983 act. The authorizing committee has seen fit to try to repeal a section of the appropriations bill, which I find to be unusual. It is a process which I hope will not be repeated.

When we spend time in holding hearings to try to determine whether our amendment in the 1982 act was proper or whether it should be modified, it disturbed some of us to find that we spent the time on those hearings only to have the Defense authorization bill seek to amend the appropriations bill.

Nonetheless, the matter is before us. It seems to me that we have to address the question directly. I think that that involves the assessment of the extent to which our allies are really supporting the effort that we are making throughout the world. We still see our allies at less than 3 percent of their gross national product devoted to defense, and we are at 7 to 8 percent. We see that they come to us and they argue: "But to the extent that we do spend money, we ought to get credit for it because we do not like to buy America provisions." And whether you like it or not, this is a buy America provision. And it removes an exception for specialty metals that existed for a 3-year period that almost destroyed the specialty metals industry of this country.

Incidentally, I would say to the Senator from West Virginia, I do not know why he left out of his amendment the chemical warfare protective clothing. If you are going to offer a substitute for Senator Heinz' amendment, I would hope you would consider that problem as well, because we have been going into it in committee and trying to find out where we may have gone too far with this provision in the appropriations bill. I think the Senator from West Virginia and the Senator from Pennsylvania are trying to address that problem of adjusting the Appropriations Committee action rather than totally erase it as proposed in the authorizing bill.

From my point of view, until our allies get to the point where they are dedicating as much of their gross national product to defense as we are, it behooves this country to remember to buy America, because we are shouldering the defense costs of the world. To have these people come in and tell us that we cannot use protective measures to keep our specialty metals industries going, industries that we will need if they fold up, then I think we are wrong. And I urge the Senate not to delete, as the defense authorization bill would completely, this provision of the appropriation bill.

I am sort of ambivalent here toward the amendment offered by Senator Heinz and the amendment offered by the distinguished Senator from West Virginia. Again, as I say, if the Senator wants to get as specific as his amendment does, then I think we ought to include the question of chemical warfare protective clothing.

For my part, I would like to see the whole section 1106 out of this bill and let those of us who started this provision refine it in the process that comes from the Appropriations Committee. Because, Mr. President, we lived under the exception for a 4-year period. And if we go back to that, which is what the committee bill would put us into, we will lose our specialty metal capabilities in the country.

Mr. PERCY addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. PERCY. Mr. President, I have worked closely with the distinguished Senator from Pennsylvania and the distinguished Senator from West Virginia as fellow members of the Steel Caucus. We have specialty steel manufacturing in Illinois. It is an important industry and an industry which we try to promote in many ways.

However, I think there is a much larger principle involved with respect to this amendment. I may surpise my distinguished friend from West Virginia when I say that I think the overwhelming issue is whether or not we are going to go protectionist, particularly with respect to a region where we have a $15 billion trade surplus. The trade surplus we have with Europe is essential to this country. It is paying for our oil; it has helped in balancing our payments with Japan. If we start going protectionist, our allies will do the same thing.

Let us take one segment of our economy, important to many, many States here. An attempt was recently made in the European Community by France to limit corn gluten feed and put an absolute limitation on its importation.

I contacted 10 countries. I happened to be out of the country at the time and I met with the Ambassadors from each of the European countries and asked them to transmit our messages back loud and clear that such limits would cost the farmers of this country hundreds of millions of dollars. And by a vote of 8 to 2 they defeated that protectionist effort just 3 weeks ago, indicating that our allies believe in freer trade, for the most part, and they would not want that protectionist element to come in.

Just about 4 or 5 months ago, Spain tried to limit the importation of soybeans and soybean oil because they wanted to sell olive oil. And that again was decisively defeated because our allies went for freer trade rather than protectionism.

Now in the case of this amendment, we would lose not only the benefit of being essentially, as we have been for 40 years, a freer trade country, trying to hold down tariff barriers, because we are the biggest benefactors of the world in freer trade, but in this case we would also have the distinction of losing the benefits of the standardization of the weapons systems deployed by the member states of the North Atlantic Alliance.

The specialty metals waiver has been the keystone of U.S. efforts to increase standardization for the member states of the North Atlantic Alliance. The buy American restriction on foreign made specialty steel has been waived for our own good, not only to help standardization throughout NATO, but also recognizing, as the chairman of the Armed Services Committee said, that defense trade is a two-way street. Protectionist measures enacted on our part will ultimately come back to haunt us.

Let us look at military sales. The United States currently sells huge volumes of military equipment to its friends and allies. We are importing a relatively small volume of foreign-made military equipment. For example, the current ratio of transatlantic defense trade with our NATO allies runs about 6 to 1 in favor of the United States. If we were to prohibit any importation of military equipment containing foreign-made special metals, our friends and allies may well retaliate, and a good export market could be lost. Those exports include a lot of American-made steel. We would lose that business. I think on net the steel industry would be behind.

Mr. TOWER. Will the Senator yield?

Mr. PERCY. I yield for a question.

Mr. TOWER. The Senator is right. We are jeopardizing more jobs than we might be saving. Actually, they buy more special metals from us in the things that they buy than we buy from them either in finished or raw form. It would be foolish to jeopardize the jobs of the very people this amendment is supposed to correct.

Let me correct one thing that the distinguished Senator said. In fact, during the period 1976 to 1980 we enjoyed a 6.3 to 1 advantage over our NATO allies in procurement, but in 1980 we had an advantage of 9.4 to 1, almost 10 to 1, and the trend is still going up.

Mr. PERCY. Mr. President, I believe I still have the floor.

Mr. HEINZ. Will the Senator yield for a question?

Mr. PERCY. Yes.

Mr. HEINZ. It was just stated that Europeans buy by a ratio of 6 to 1 more military equipment from us than we do from them. Does the Senator from Illinois believe that our amendment in some way prohibits the DOD from procuring finished weapons or weapons systems made outside the United States that contain foreign specialty steel?

Mr. PERCY. What I do know is that the waiver has permitted us to take an important step toward standardization, that has included the NATO AWACS program, the AV-8B Harrier, the advanced medium- and short-range air-to-air missiles system, and the Rapier program.

Mr. HEINZ. If the Senator will yield further, he is incorrect. This amendment does not prohibit the purchase of any of that. I hope the Senator will take another look at the amendment as perfected by Senator Byrd, cosponsored by me.

I know the Senator does not intend to make an inaccurate statement, but, frankly, this Senator will tell him that it says in the amendment that it will simply not prohibit DOD procurement of weapons systems or finished weapons that contain foreign specialty metals.

There was another statement, if I might go further, made by the Senator from Texas, that the Europeans buy more raw specialty steel from us than we do from them.

Let me tell you something. They do not buy anything from us, and we do buy a fair amount from them.

Mr. TOWER. What I said was that they buy more specialty metals from us contained in the systems they buy from us than we buy from them in systems and raw in the aggregate. That is what I said.

I believe the Senator from Illinois has the floor.

Mr. PERCY. I have.

Mr. TOWER. I would simply like to say the Senator from Illinois is right because this says production and manufacture of weapons or weapons systems, but it does not say anything about subsystems or coproduction arrangements, which would be jeopardized by the passage of this amendment.

Mr. PERCY. It is the understanding of the Senator from Illinois that coproduction would be seriously jeopardized by this.

I admit that the amendment offered by the Senator from West Virginia improves the amendment. The statements I made would have applied directly to the original amendment. It has been improved. But still I think it is a matter of grave concern. Without any question, this issue is being watched very closely by European countries.

I offer for the Record as an indication this reference. The Foreign Relations Committee has received an unusual joint letter signed by the Secretary of Defense and the Secretary of State, which has been inserted into the Record by Senator Tower.

I ask unanimous consent to insert into the Record at this point a letter I received from the delegation of the Commission of the European Communities signed by the head of the delegation, dated May 13, 1982, indicating their alarm at the possibility of this kind of an amendment, and a letter from the Ambassador of the Federal Republic of Germany dated May 11, 1982, indicating similar alarm.

There being no objection, the letters were ordered to be printed in the Record as follows:

Delegation of the Commission
of the European Communities,
Washington, D.C., May 13, 1982.

Hon. Charles H. Percy,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.,

Dear Senator Percy: The Delegation of the Commission of the European Communities understands that efforts are being made to maintain in the Department of Defense fiscal year 1973 Authorization Bill provisions that would restrict the access of E.C. manufacturers to the Department of Defense procurement of specialty metals, administrative vehicles and protective clothing, and to certain technical data.

You will undoubtedly recall that the European Community expressed its grave concern to the U.S. Government with the introduction of such protective measures into the fiscal year 1982 Appropriations Act.

I therefore wish to restate the European Community's concern with the introduction and possible maintenance of such protection in circumstances where both the United States and the European Community make considerable efforts to preserve free trade.

Furthermore, the proliferation of such restrictive provisions would prejudice further negotiations regarding the coverage of the GATT Agreement on Government Procurement.

It is also of concern that the memoranda of understanding negotiated with E.C. Member States are subject to unilateral amendments. Such action can only undermine the value and credibility of such understandings.

The Delegation of the Commission of the European Communities, consequently, urges that these restrictive provisions be eliminated.

I hope that you will fully appreciate our views on this matter.

With best regards,

Sincerely,

Hermann da Fonseca-Wollheim,
Charge d'Affaires.

The Ambassador of the Federal
Republic of Germany,
Washington, D.C., May 11, 1982.

Hon Charles H. Percy,
U.S. Senate Dirksen Senate Office Building, Washington, D.C.

Dear Senator Percy: As I understand, efforts are under way to reintroduce the so-called "Specialty Metals" and "Administrative Use Vehicles" clauses into the 1983 Department of Defense Authorization Bill to be discussed on the floor of the Senate these days. I might recall that the inclusion of these clauses into the 1982 Appropriations Bill has caused great concern in the Federal Republic of Germany. The Defense Committee of The German Bundestag passed a resolution on February 11, 1982, expressing its expectation that those clauses be repealed. It pointed out the severe consequences for transatlantic cooperation with regard to standardization and interoperability of weapons systems within NATO. I might also mention that the Armed Forces of the Federal Republic of Germany purchase more than five times the amount in defense equipment in the United States than the U.S. Forces procure from German sources. I am pleased to note that the Secretary of State as well as the Secretary of Defense are strongly advocating the re-instatement of the previous legal status and, consequently, are proposing appropriate language to be included in the 1983 DOD Authorization Request. In the interest of continuing unimpeded armaments cooperation, I hope that the administration's efforts toward this end will be successful.

I should like to ask you, dear Senator Percy, to exert your influence in the U.S. Senate to help the administration's proposal to be passed. A renewed inclusion of the restrictive provisions in a 1983 Budget Bill would undoubtedly cause irritation on the part of Germany and harm the credibility of the willingness on the U.S. side to continue cooperation in the armament field.

Sincerely yours,

Peter Hermes.

Mr. PERCY. Mr. President, if this amendment passes the weapons systems of the NATO Alliance would over time become progressively less standardized.

This is not to suggest, of course, that there are not special concerns unique to defense matters that must be taken into account. The sources for defense hardware must be sufficiently diversified to protect against a situation in which a sole supplier located abroad could be vulnerable to disruption in a crisis or in time of war. For this reason, it is longstanding U.S. policy to encourage licensed coproduction—an approach, I might add, that insures that U.S. jobs and manufacturing capability can be expanded even in cases of foreign-designed military hardware. In addition, I do not believe that the United States should grant foreign suppliers a price differential; all weapons competitions should be fairly determined on the basis of the cost, quality, and availability of the equipment to be procured.

Last year, the Congress deleted the specialty metals waiver from the fiscal year 1982 defense appropriations bill. This action was taken without debate; indeed, I doubt that very many Members even knew that the bill, as reported by the Appropriations Committee, included this provision. For reasons that remain a mystery to me, the Defense Department failed to highlight their concern over this action until after the legislation was enacted.

Our allies in Europe, though, were not so quiescent. In the week following final passage of the bill, virtually every European Ambassador in Washington was in to see Secretary Weinberger. The Common Market and the North Atlantic Assembly protested the action, and the United States was asked in the North Atlantic Council whether it still believed in NATO standardization and the two-way street. On February 16, the Defense Committee of the German Bundestag wrote Senator Tower to register their dismay with the restriction.

Mr. President, as I said before, were the waiver authority to be deleted from the bill reported by the Armed Services Committee, a number of important multinational weapons development programs could be adversely affected. Moreover, repeal of the waiver could sharpen European concerns about American reliability and good faith, concerns that have already been enhanced by our decision last year to terminate further procurement of the Franco-German Roland air defense missile system.

Earlier this year I attended the Wehrkunde Conference on Allied Security, which met in Munich. I came away from that Conference convinced that nothing would be more tragic than for the United States inadvertently to take steps which would divide the NATO alliance at just the time we must stand shoulder-to-shoulder to meet the threats posed by the continuing Soviet military buildup and its oppressive role in the imposition of martial law in Poland. On February 25, I wrote President Reagan and offered him my full support in reinstating the specialty metals waiver authority.

I think the amendment, though improved by the Senator from West Virginia, still would be looked upon as a protectionist amendment. I think on balance we would lose. We would lose in two different ways. We would be looked upon as being protectionist and there would be retaliation against us. We would weaken our case on every appeal we made to the European community on a European protectionist issue. Second, we would lose on the standardization program that we have been the leaders in instigating.

The PRESIDING OFFICER (Mr. Andrews). The Senator from Georgia.

Mr. NUNN. I will not take but just a moment at this late hour. I want to agree with everything the Senator from Texas and the Senator from Illinois have said on this subject. They are entirely correct. If we pass this amendment, we are sending a signal that we are not interested, indeed, in a two-way street; that we are not interested in standardization; that we are not interested in interoperability.

The most distressing thing about the NATO alliance, as far as I am concerned, and I share the frustration of the Senator from Alaska about our allies not doing more than they are doing, even more frustrating than that is NATO spends more money than the Warsaw Pact. We spend more money every year than the Warsaw Pact, but we get a lot less in return.

I will not say that everything hangs on this amendment, but this is a very important symbol. I remember very well the Senator from Iowa, Senator Culver, spent 3 years working to try to get a provision in the law that says the Buy American Act can be waived to further standardization and interoperability in NATO. To improve the defenses of our country was what he was trying to do. He was trying to do that, and he did that by getting this amendment passed that is now threatened again unless the armed services' version prevails. I think it is very important that this amendment be defeated.

I completely endorse the remarks of the Senator from Texas. I urge my colleagues on this side to recognize that what is being repealed is an amendment that Senator Culver worked on for many, many hours, for a long period of time, because he deeply believed that not only would it improve the security of the Alliance, but also that it would be in the long run and in the broader scope help our American economy.

We have a very favorable balance of trade. We have a very favorable balance of military procurement. While this may help small pockets where specialty steel is an important item, and I certainly have a sensitivity to that, it is going to hurt American jobs overall.

If you want to cost this country more jobs, you can certainly do so by supporting this amendment. I urge you not to.

● Mr. SPECTER. I rise in support of the amendment offered by my distinguished colleague from Pennsylvania (Mr. Heinz). This amendment will delete section 1106 of the bill, the provision which amends current law by adding certain waivers to the requirement that DOD purchase domestically produced specialty metals.

Since 1972, language has been contained in Department of Defense bills requiring that the Department purchase domestically produced specialty metals. Beginning in fiscal year 1978, however, certain provisions were added to this Buy America requirement. These provisions proved to be ambiguous and ineffective and detrimental to American industry. Last year, Congress decided to remove the waiver provisions and return to the original wording of the legislation.

Now is not the time to take action which will further undermine our crippled steel industry, which is so vital to a strong national defense. Unemployment levels in the industry have reached over 99,000 employees and the industry as a whole is operating at 50 percent capacity, even lower than the years of the Great Depression. Within the specialty industry, unemployment is approximately 25 percent, capacity utilization is down by more than a third, while import penetration increased from 11.6 percent in the first quarter of 1980 to 21.2 percent in the last quarter of 1981.

A major reason for the current depression in the steel industry is the dumping of government-subsidized, foreign steel on American markets. This year, the steel industry has filed extensive antidumping and countervailing duty suits against a wide range of foreign producers. In total, several dozen suits have been filed with the primary culprits being countries in the EEC, including Belgium, France, West Germany, Italy, Luxembourg, the Netherlands, and the United Kingdom. The original purpose of the waiver provisions were to help NATO and in part, EEC nations, and comply with certain bilateral agreements. These waiver provisions are certainly inappropriate when these same countries are dumping government-subsidized steel on American markets. It is particularly unfair to American industries who are required to make a profit in the marketplace to stay in business, and who must compete with these foreign companies who cannot earn a profit but who remain in business because of billions of dollars of government subsidies.

Mr. President, various studies, including one by the Senate Armed Services Committee, have found that the specialty industry is essential to national defense. Recent actions by foreign companies and governments are driving American producers out of business and threatening our future national security. This industry is responsible for making a wide variety of defense-related materials including engine bearings, tooling to manufacture aircraft parts and other defense materials, naval reactor valves, jet engine components, landing gear, and a vast array of other critical parts and materials for various weapons systems. Reinstituting the waiver provisions will only further undermine this critical industry.

Further, House Armed Services Committee conducted a study that found that these waiver provisions are ineffective and have not worked in the interests of the United States. This study concluded that these provisions are subject to confusing interpretations by the Department of Defense. While there may be some cost savings in purchasing government-subsidized foreign steel, these savings are more than offset by loss of employment and tax revenues and undermining of the capability of American steel industry to provide for our national security.

I hope that my colleagues will join me in supporting this amendment to delete section 1106.●

Mr. TOWER. Mr. President, I move to lay the amendment of the Senator from Pennsylvania on the table. I ask for the yeas and nays.

Mr. HEINZ. Mr. President, will the Senator withhold for 1 minute?

Mr. TOWER. I shall withhold for 1 minute provided I do not lose my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HEINZ. Mr. President, I simply want to ask the Senator from West Virginia if he will consider perfecting his amendment—I do not believe the yeas and nays have been ordered as yet—by adding the following words:

Mr. TOWER. Mr. President, I did not yield for that purpose. I yielded for a question.

The PRESIDING OFFICER. The Senator from Texas has the floor.

Mr. TOWER. Mr. President, I move to table the amendment of the Senator from Pennsylvania.

Mr. ROBERT C. BYRD. Mr. President, will the Senator from Texas withhold his request for a moment and let the Senator from Pennsylvania finish his sentence? I should like to respond to it.

Mr. HEINZ. The Senator from Texas has the floor. He has been very courteous and I do appreciate that.

Mr. TOWER. All right, provided I do not lose my right to the floor.

Mr. HEINZ. Mr. President, I ask the Senator from West Virginia if he is

willing to add, after the word "Cuba" the words "or chemical warfare protective clothing produced outside the United States or its possessions."

Mr. ROBERT C. BYRD. Mr. President, I so modify my amendment.

The PRESIDING OFFICER. Without objection, the amendment is modified.

The amendment, as modified, is as follows:

In section 1106, strike all after the first colon through the end of the section, and insert in lieu thereof the following:

"*Provided*, That nothing in this section shall preclude the procurement of foreign produced specialty metals used in the production or manufacture of weapons or weapons systems made outside of the United States except those specialty metals which contain nickel from Cuba or chemical warfare protective clothing produced outside the United States or its possessions if such procurement is necessary to comply with agreements with foreign governments requiring the United States to purchase supplies from foreign sources for the purposes of offsetting sales made by the United States Government or United States firms under approved programs serving defense requirements or if such procurement is necessary in furtherance of the standardization and interoperability of equipment requirements within the North Atlantic Treaty Organization (NATO) so long as such agreements with foreign governments comply, where applicable, with the requirements of section 36 of the Arms Export Control Act (22 U.S.C. 2776) and section 814 of the Department of Defense Appropriation Authorization Act (Public Law 94-106; 10 U.S.C. 2351 note):".

Mr. HEINZ. Mr. President, I thank the Senator from Texas.

Mr. TOWER. Mr. President, I move to lay on the table the amendment of the Senator from Pennsylvania.

The PRESIDING OFFICER. Is there a sufficient second for the yeas and nays? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table the amendment of the Senator from Pennsylvania. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Idaho (Mr. McClure) is necessarily absent.

Mr. CRANSTON. I announce that the Senator from Illinois (Mr. Dixon), the Senator from South Carolina (Mr. Hollings), the Senator from Maryland (Mr. Sarbanes), and the Senator from Massachusetts (Mr. Kennedy) are necessarily absent.

I further announce that, if present and voting, the Senator from Illinois (Mr. Dixon) would vote "nay."

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 59, nays 36—as follows:

[Rollcall Vote No. 116 Leg.]

YEAS—59

Armstrong
Baker
Boschwitz
Bradley
Byrd, Harry F., Jr.
Chafee
Chiles
Cochran
Cohen
Cranston
Danforth
Denton
Dodd
Dole
Domenici
East
Garn
Goldwater
Gorton
Grassley
Hart
Hatch
Hatfield
Hawkins
Hayakawa
Helms
Humphrey
Jepsen
Johnston
Kassebaum
Kasten
Laxalt
Leahy
Long
Lugar
Mathias
Mattingly
Mitchell
Murkowski
Nickles
Nunn
Packwood
Pell
Percy
Pressler
Proxmire
Pryor
Quayle
Roth
Schmitt
Simpson
Stafford
Stennis
Symms
Thurmond
Tower
Tsongas
Wallop
Warner

NAYS—36

Abdnor
Andrews
Baucus
Bentsen
Biden
Boren
Brady
Bumpers
Burdick
Byrd, Robert C.
Cannon
D'Amato
DeConcini
Durenberger
Eagleton
Exon
Ford
Glenn
Heflin
Heinz
Huddleston
Inouye
Jackson
Levin
Matsunaga
Melcher
Metzenbaum
Moynihan
Randolph
Riegle
Rudman
Sasser
Specter
Stevens
Weicker
Zorinsky

NOT VOTING—5

Dixon
Hollings
Kennedy
McClure
Sarbanes

So the motion to lay on the table was agreed to.

Mr. TOWER. Mr. President, I move to reconsider the vote by which the motion to table was agreed to.

Mr. WARNER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD and Mr. TOWER addressed the Chair.

The PRESIDING OFFICER. The question now occurs on the amendment of the Senator from West Virginia, as modified.

The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I supported the amendment offered by Mr. Heinz, by me, and other Senators. That amendment was tabled. So the amendment I have offered now, which is to be voted on, is an effort to make allowance for the concerns that have been expressed by the Department of Defense with respect to "offset" agreements that the United States has with other countries.

I strongly support the total deletion of the waiver of the "Buy America" requirement—which is what the Heinz amendment would have accomplished. From fiscal year 1973 through fiscal year 1977, no waiver of the "Buy America" requirement for special metals existed. The waiver was put in place in fiscal year 1978, in an effort to bolster NATO's standardization programs.

Congress repealed the waiver of the "Buy America" requirement last year. The waiver was repealed in 1981 because it was not working. The Department of Defense routinely applied the waiver with respect to procurement actions—which is not what Congress intended when it allowed the waiver to be used beginning in fiscal year 1978. Congress intended that the waiver of the "Buy America" requirement be applied in a judicious and limited manner, in circumstances where the requirement would be exceedingly difficult or impossible to fulfill.

The overly broad use of the waiver is unacceptable. That is one reason why the Heinz amendment, to strike the waiver entirely, is meritorious. However, I recognize that certain limited situations may arise where the waiver is appropriate. For that reason, my amendment permits a waiver of the "Buy America" requirement in the case of "finished products"—complete weapons or weapons systems that the Department of Defense may procure.

The Senator from Pennsylvania (Mr. Heinz) and I have been willing to make this concession to those who are pressing for a totally unrestricted waiver, because the industry affected, the American specialty metals industry, is in desperate straits.

Mr. President, this amendment substantially defends current law. The fiscal year 1982 Defense appropriations bill allows no waiver of the "Buy America" requirement. National policy is set already. The current law allows no waiver.

The amendment I have offered now, and which will be voted on now, and which is cosponsored by Mr. Heinz, would allow a waiver for finished products; complete weapons, such as jets, missiles, or other weapons. European weapons sales to the United States would not be jeopardized under the provisions of this amendment. It is a fair amendment to Europeans.

However, that is not entirely the point, Mr. President. It is time somebody stood up for the American economy. It is time somebody stood up for American workers. It is time somebody stood up for American jobs.

The American specialty metals industry is in very bad shape. It needs help, not more undercutting.

As I say, this amendment would allow finished products, complete weapons or systems, to be bought; and I think this is a significant concession to those who have argued against the Heinz-Byrd amendment which has just been tabled. This is a compromise, and I hope the Senate will support this amendment.

Mr. STEVENS. Mr. President, the amendment of the Senator from West Virginia is quite close to an amendment of the Appropriations Committee to modify the provisions of the 1982 Defense Appropriations Act, but we do not allow the waiver. In 4 years, from 1978 to 1981, there had been no protection at all for the specialty metals industries of our country.

The result of the provisions that had been riders on appropriations bills from 1978 to 1981 had been to lead the specialty metals industries into a decline in which they lost almost $400 million a year because of this foreign competition.

We have been looking at this with the idea that we should modify the rider for the 1983 appropriations bill. I remind the Senate that the provision we are modifying just went into effect on October 1. We do not really yet have a track record of it.

I know that many people have had calls from ambassadors from foreign nations. However, as a practical matter, I join the Senator from West Virginia in asking what is going to happen to the domestic specialty metals industry unless it has the same protection of the "Buy America" provisions that other industries have had. We restored that protection. We may have gone too far in preventing waivers.

The Senator from West Virginia, with his amendment, does provide for waivers in this area in terms of the finished products.

I urge the Senate not to erase what we started in 1982 by trying to restore the special metals industries. If this provision had not been in the bill, we intended to modify this provision in the supplemental appropriations bill as it came to the Senate—the 1982 supplemental appropriations bill.

The defense authorization bill from the Armed Services Committee has seen fit to amend the appropriations bill. I emphasize that. We held hearings on it. I do not think the Armed Services Committee held any hearing in this matter. I think it is time we looked at the question of what we do with specialty metals and what kind of protection remains in our Federal law to protect our domestic special metals industry.

I support the Senator from West Virginia.

Mr. HEINZ. Mr. President, will the Senator yield?

Mr. STEVENS. I yield.

Mr. HEINZ. I thank the Senator for yielding.

Mr. President, I support this amendment. I think it is a very reasonable compromise. It will permit us to buy weapons systems, major kinds of weapons, acquisitions from our allies in NATO.

I think it will permit the kind of flexibility that will allow us to avoid any of the earlier criticisms that were leveled against the original amendment I offered, even though my amendment simply sought to strike a rider or a part of this DOD bill that sought to strike, in turn, something the Appropriations Committee had put in the 1982 appropriations bill.

So, Mr. President, I hope our colleagues will adopt the Byrd-Heinz amendment.

Mr. TOWER. Mr. President, this amendment would jeopardize American jobs, not save them. It would jeopardize the sales we make to NATO Europe.

This is a sore political and economic point with our NATO allies. It militates against the nationalization and inoperability which we have already endorsed in this body by an 87-to-1 vote today.

The same objections that were lodged against the amendment by the Senator from Georgia (Mr. Nunn) and the Senator from Illinois (Mr. Percy) still obtain.

So I think we must do what most Senators probably thought they were doing when they voted to table in the first place. I am sure most Senators thought they were taking the Byrd amendment down with tabling the amendment by the Senator from Pennsylvania.

Therefore, I move to table the amendment of the Senator from West Virginia.

The PRESIDING OFFICER. The question is on the motion to table the amendment.

Mr. ROBERT C. BYRD. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table the amendment of the Senator from West Virginia. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The bill clerk called the roll.

Mr. STEVENS. I announce that the Senator from Idaho (Mr. McClure) is necessarily absent.

Mr. CRANSTON. I announce that the Senator from Illinois (Mr. Dixon), the Senator from South Carolina (Mr. Hollings), the Senator from Massachusetts (Mr. Kennedy), and the Senator from Maryland (Mr. Sarbanes) are necessarily absent.

I further announce that, if present and voting, the Senator from Illinois (Mr. Dixon) would vote "nay."

The PRESIDING OFFICER. Are there Senators in the Chamber who have not voted?

The result was announced—yeas 56, nays 39, as follows:

[Rollcall Vote No. 117 Leg.]

YEAS—56

Armstrong
Baker
Boschwitz
Brady
Byrd,
  Harry F., Jr.
Chafee
Chiles
Cochran
Cohen
Cranston
Danforth
Denton
Dodd
Dole
Domenici
East
Garn
Goldwater
Gorton
Grassley
Hart
Hatch
Hawkins
Hayakawa
Helms
Humphrey
Jepsen
Johnston
Kassebaum
Kasten
Laxalt
Leahy
Long
Lugar
Mathias
Mattingly
Mitchell
Murkowski
Nickles
Nunn
Packwood
Percy
Pressler
Proxmire
Quayle
Roth
Schmitt
Simpson
Stafford
Stennis
Symms
Thurmond
Tower
Tsongas
Wallop
Warner

NAYS—39

Abdnor
Andrews
Baucus
Bentsen
Biden
Boren
Bradley
Bumpers
Burdick
Byrd, Robert C.
Cannon
D'Amato
DeConcini
Durenberger
Eagleton
Exon
Ford
Glenn
Hatfield
Heflin
Heinz
Huddleston
Inouye
Jackson
Levin
Matsunaga
Melcher
Metzenbaum
Moynihan
Pell
Pryor
Randolph
Riegle
Rudman
Sasser
Specter
Stevens
Weicker
Zorinsky

NOT VOTING—5

Dixon
Hollings
Kennedy
McClure
Sarbanes

So the motion to lay on the table Mr. Robert C. Byrd's amendment (UP No. 949), as modified, was agreed to.

Mr. TOWER. Mr. President, I move to reconsider the vote by which the amendment was tabled.

Mr. JEPSEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. TOWER. Mr. President, Senator Hart, I believe, is prepared to offer an amendment on binary and chemical warfare, and I think others have joined with him. I am uncertain at this moment how many amendments on that subject we have because I know there are several of them which are involved.

Could the Senator enlighten me on that?

Mr. HART. My understanding is one amendment. The Senator from Oregon may have an amendment also.

Mr. TOWER. Yes. The Senator from Oregon has one and the Senator from Colorado has one, and I do not know of any others—the Senator from Mississippi.

Mr. COCHRAN. It is my understanding there are three amendments on this subject that I am aware of: the Hart-Cochran amendment, the Hatfield-Pryor amendment, and then a Cochran sense-of-the-Congress resolution that would be a amendment that would be a third amendment.

Mr. TOWER. I would suggest that we can take those amendments in sequence since they deal all with all the same subject matter, and I think those are going to be our toughest amendments of the evening. I think after that it is going to be a little easier. If the Senator from Georgia will forbear, I know he has amendments that I think are going to be acceptable, and it might be wise to get a time agreement to proceed on this.

Let me ask the Senator from Colorado if he is prepared to enter into a time agreement.

Mr. HART. An hour-and-a-half?

Mr. TOWER. An hour-and-a-half? Let us not have a time agreement and talk a little while and perhaps try again.

UP AMENDMENT NO. 950

(Purpose: To authorize funds for the procurement of equipment and materials to defend or protect against chemical munitions in lieu of funds for the production of lethal binary chemical munitions or the procurement of equipment or tooling to produce such weapons)

Mr. HART. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Colorado (Mr. Hart) for himself, Mr. Cochran, Mr. Pryor, Mr. Burdick, Mr. Durenberger, Mr. Eagleton, Mr. Hatfield, Mr. Heinz, Mr. Huddleston, Mrs. Kassebaum, Mr. Kennedy, Mr. Matsunaga, Mr. Melcher, Mr. Mitchell, Mr. Pell, Mr. Pressler, Mr. Proxmire, Mr. Riegle, Mr. Sarbanes, Mr. Tsongas, and Mr. Weicker proposes an unprinted amendment numbered 950.

Mr. HART. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 19, between lines 5 and 6, insert the following new section:

CHEMICAL WEAPONS

Sec. 108. (a) Notwithstanding any other provision of law, after the date of enactment of this Act none of the funds authorized under this Act or any other Act may be obligated for the production of lethal binary chemical munitions or for the procurement of equipment or tooling to produce such munitions.

(b) Of the funds authorized to be appropriated for the Army under this title, not less than $54,000,000 is authorized only for the procurement of equipment or materials to defend or protect against chemical weapons.

(c) As used in this section, the term "lethal binary chemical munitions" shall have the same meaning given such term in section 818(b) of the Department of Defense Authorization Act, 1976 (Public Law 94-106; 50 U.S.C. 1519).

On page 14, beginning with "$2,733,384,000" on line 17 strike out all through $4,363,991,000" on line 18 and insert in lieu thereof "$2,705,384,000; and other procurement, $4,417,991,000".

On page 14, line 24, strike out $3,971,756,000" and insert in lieu thereof "$3,945,156,000".

Mr. HART. Mr. President, may we have order in the Chamber?

The PRESIDING OFFICER. The Senate will be in order. Those Members desiring to converse retire to the cloakroom. Those Senators standing in the aisle will please retire to the rear of the Chamber or the cloakroom.

Mr. HART. Mr. President, I ask unanimous consent that Mr. Chip Blacker of my staff have floor privileges during the consideration of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HART. Mr. President, this amendment is relatively simple and straightforward. It prohibits the expenditure of $54 million contained in the bill for the production of lethal chemical munitions, binary weapons, and it transfers the same $54 million for the procurement of defensive equipment for troops.

Mr. President, the Chamber is not in order.

The PRESIDING OFFICER. The Senator makes an excellent point. The Chamber is not in order. The Senator from Minnesota will retire from the well. [Laughter.] Other Senators who are conversing will retire to the cloakroom. The hour is late and the way to expedite the business of the Senate is to pay attention to the individual who is recognized to speak.

The Senator from Colorado.

Mr. HART. I thank the Chair.

Mr. President, this amendment is offered on behalf of myself, the distinguished Senator from Mississippi (Mr. Cochran), the Senator from Arkansas (Mr. Pryor) and a variety of other sponsors.

The basis for this amendment, Mr. President, can be, I think, fairly stated in a straightforward manner.

The already existing quantities of both 155-millimeter and 8-inch nerve gas artillery projectiles are more than ample for U.S. artillery requirements for at least 30 days of chemical warfare in Europe.

Chemical artillery fire is generally less effective than conventional artillery fire for causing casualties to well-protected troops.

By forcing troops into protective posture, chemical weapons degrade mission performance and slow the tempo of military operations. Since firing more chemical rounds means firing fewer conventional rounds, there is an optimum rate for the disposition of these munitions dependent upon the amount required to force the other side into a protective posture. Firing more chemical rounds than this optimum mix means reducing, not increasing, combat effectiveness.

The number of chemical rounds needed to force the other side into protective gear is relatively small, perhaps 5 percent of the total number of artillery rounds. For a 30-day campaign in Europe, this translates into a requirement for 200,000 to 300,000 chemical rounds. We know from unclassified sources that the existing stockpile of U.S. nerve gas artillery projectiles in Europe substantially exceeds this figure.

In addition, Mr. President, contrary to popular belief, U.S. stocks of serviceable nerve gas artillery projectiles are not deteriorating. Recent tests have shown no substantial deterioration of the chemical rounds. Due to improved maintenance and inventory programs, the stockpile of serviceable munitions is actually increasing. Some types of chemical munitions are deteriorating, but these do not include the 155 millimeter and 8-inch shells. With proper maintenance, the current stocks of artillery rounds can remain in excellent and useable condition for the indefinite future.

The 155-millimeter and 8-inch artillery shells are not obsolete, nor are they becoming so. Both these munitions are fully compatible with currently deployed artillery weapons and can be fired to their full range.

Binary chemical weapons have not been field tested. In addition to revealing possible design faults, field testing is needed to develop "munitions effectiveness" tables, which presently do not exist for the binary shells. Only testing in the field can provide information to determine the safety, reliability, and effectiveness of the binary weapons which this bill procures. And open-air field testing is likely to encounter stiff opposition from a whole variety of citizens and citizen organizations.

Binary chemical weapons would place greater demands on our airlift and sealift capabilities than would our existing unitary munitions. Binary shells (with bursters) are actually heavier than unitary munitions which we presently have in stockpile, and they occupy three to four times the volume. In times of crisis, binary weapons would have to compete for space with other, more important kinds of military equipment.

Finally, Mr. President, and I think perhaps most importantly, our NATO allies are extremely unlikely to accept any new deployments of chemical weapons. Both public and governmental opinion in Europe is so opposed to the deployment of additional chemical munitions on European soil that none of our allies would sanction such a move. And we have been given no evidence by the administration of the intent to deploy these weapons in Europe or any acceptance of those weapons by our European allies. Any attempt to deploy such new weapons would only create an intense and divisive debate on the issue and endanger the deployment in Europe of our existing stocks. Even the conservative press in Europe has warned repeatedly that any decision by the administration to proceed with the deployment of binary weapons would precipitate a crisis of the first order in NATO.

The production of binary weapons will be expensive. Cost estimates run as high as $5 billion over the coming decade for the administration's program. In light of budgetary constraints, we must make every effort to insure that all defense expenditures can be justified as necessary and essential to our national defense. Chemical weapons satisfy neither requirement.

The Soviet program in chemical warfare represents a serious threat to our forces, not because we are not keeping up, but because we are so ill-prepared to deal with a chemical weapons attack on the battlefield and to conduct military operations in a contaminated environment. Our forces constitute a very inviting target in the field. As a consequence, our highest priority in meeting the Soviet challenge must be to complete the acquisition of American capabilities to protect our forces against the effects of chemical weapons. This requires special defensive equipment and the placement of advanced warning devices on our fighting vehicles to warn of an attack. Our chemical defensive posture is still inadequate and it must be improved. And that will require expenditures of the amount set forth in this amendment to adequately protect and defend our forces and our equipment.

Because we have not engaged in the manufacture of chemical weapons for 12 years, we are in a position to draw the sharpest of distinctions between American restraint and Soviet excesses. We should not surrender that advantage by embarking on a course of action that is ill-conceived and unnecessary.

Mr. President, I support, and I think my colleagues support, practical and effective steps to counter the Soviet threat in chemical warfare; I support the maintenance of an adequate retaliatory capability which we presently have in our inventory. But I strongly oppose the needless and costly expansion of the U.S. arsenal of lethal chemical weapons.

Mr. President, we are on the verge of breaking out into a rather unlimited nuclear arms race which we all hope we can avoid, whether through negotiations or self-restraint. What we do not need on top of that is an unrestrained chemical arms race. This amendment is designed to prevent that from happening.

The administration's proposal to launch out a $4 to $5 billion investment in a new generation, or several new generations, of chemical munitions, I think, threatens to not only engage this Nation in a very, very dangerous race with the Soviet Union, but it threatens, in a vital way, the consensus that exists among our European and NATO allies as to what our posture should be with regard to chemical warfare agents.

If we engage in this race and our allies are not on board—and they are not on board—then we threaten to strain even further an alliance which is in very, very difficult trouble.

Mr. President, I think it would show substantial wisdom and good judgment on the part of the U.S. Senate if we were to reallocate the funds presently contained in this bill for chemical warfare procurement and, instead, use that, as it should be used, to procure the proper defenses for our own forces which would constitute the greatest deterrent to any use of chemical munitions in the European battlefield or elsewhere.

Mr. President, I yield to my colleague and cosponsor, the Senator from Mississippi.

Mr. COCHRAN addressed the Chair.

The PRESIDING OFFICER (Mr. COHEN). The Senator from Mississippi.

Mr. COCHRAN. Mr. President, I thank the Senator from Colorado. I am pleased to join him in sponsoring this amendment. It is not often that I find myself in opposition to a position of the Committee on Armed Services, but, in my view, the provision in this bill authorizing the production of the binary chemical weapons runs contrary to what I believe should be the policy of our Government on chemical weapons.

My views and concerns on the question of chemical weapons have been expressed since 1977, when I joined with several of my colleagues, when I was a Member of the House, in sponsoring a resolution to urge the President then to declare a moratorium on the manufacture of chemical weapons, including the so-called binary agents.

The resolution further urged the President to destroy 3,000 tons of lethal agents from our stockpiles as an indication of U.S. sincerity in behalf of seeking a treaty to ban these weapons. The final provision of that resolution stated that the President should urge the participants at the Committee on Disarmament to rapidly conclude a treaty banning chemical weapons.

The question of producing the binary weapons comes at a very significant time—a time when we are involved in an active debate on the issue of arms control. The arms control debate has consumed a lot of our attention during the past several weeks and even months. But it has given all of us an opportunity to look at the arms race, the relative strengths and weaknesses of the superpowers, and their relative ability to wreak havoc upon each other and virtually destroy the planet.

But I am hopeful that this debate will give impetus to negotiations on the subject and lead to some positive steps to reduction in nuclear arms, as well as chemical weapons.

I am confident the President and his administration are capable of negotiating a ratifiable treaty that will provide the security that all humanity has to design. I commend President Reagan for taking the initiative and providing the leadership that is required to move toward negotiations that result in an arms reduction treaty. This process, of course, could take months or even years. But I am convinced that he is moving in that direction and will continue to provide leadership in that area.

But I am not convinced that the authorization of the new binary chemical weapons will contribute in any way to expediting this process. Instead, the production of these weapons may have the opposite effect.

We have the necessary chemical and conventional weapons to provide the appropriate deterrence against the possibility of Soviet first use. But our historic and continuing policy not to make use of chemical weapons, and our previous decision to stop production after building up our stockpile over several years, is evidence of our longstanding policy on the use of chemical weapons and our Nation's willingness to go forward toward a complete ban of chemical weapons.

I hope that our discussion tonight will help establish the fact that there are many of us who feel that we ought to clearly state a policy that would keep the United States in the forefront of leadership on this issue and would help to convince our allies and our potential enemies alike that we are willing to take the necessary steps to equip ourselves to adequately defend against the use of chemical weapons, but not to engage in an arms race, as it were, in this area of binary munitions and chemical weapons.

Our President on May 9 in his address at Eureka, Ill., stated:

> In the 40-nation Committee on Disarmament the United States seeks a total ban on all chemical weapons.

It seems to me that a decision to produce the binary weapons will send the wrong signal to our allies and other nations working with us in the Committee on Disarmament.

It may also send the wrong signal to the Soviet Union and encourage a greater effort on their part to develop and produce even more lethal forms of weapons, rather than negotiating a treaty to ban them.

It is hard to predict how the Soviet Union or others will correlate the President's statement on the issue of chemical weapons and a decision here in the Senate to provide millions of dollars to begin the production of chemical weapons.

Mr. President, I do not think there is any evidence that the weapons are vital to U.S. security interests. In fact, their production may, in the long run, lessen the potential for concluding a verifiable and effective treaty.

It is much easier to produce a new weapons system than to produce an arms control agreement. I support the bill before us generally, but I feel we can accomplish the rebuilding of our

defense capability without the production of binary chemical weapons. I certainly hope that a majority of the Senate will speak out tonight in opposition to the inclusion of funding for these binary weapons.

In conclusion, Mr. President, to this Senator it is simply unthinkable that the United States would ever use the weapons that we are being asked to produce in this legislation.

I yield the floor.

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Mr. President, I rise in opposition to this amendment because its purpose is contrary to the goal of a balanced and credible chemical deterrent capability.

The United States has not produced chemical munitions since 1969. Since that time our stockpile has deteriorated to a point that makes our deterrent capability doubtful at best. Additionally, a number of the launcher systems used for stockpiled weapons have been removed from our active inventory.

The unilateral restraint that the United States has displayed is rapidly bringing this Nation to the point of chemical disarmament. What has our restraint gained us? Besides a chemical deterrent capability with almost no credibility, we have gained nothing.

The Soviets, on the other hand, now have one-third of their shells, rocket warheads, or bombs in Eastern Europe loaded with some form of chemical payload. The Soviets have 106 chemical plants in operation with half producing or being capable of producing chemical substances for military use.

Some Members of Congress believe that what we have is good enough for deterrent purposes. This is not true. The inventory is old, deteriorating, and rapidly becoming unusable. By the end of this decade, the usable portion of the stockpile will be almost nil.

We cannot maintain this complacent attitude. It will result in the United States being dangerously susceptible to chemical attacks in time of war. The events in Laos, Kampuchea, and Afghanistan are real, and we must not be blind to their implications.

History shows us that strong chemical preparedness deters its use by our enemies. The Germans and Japanese chose not to use chemical weapons against us because they were aware of our ability to retaliate in kind.

Mr. President, I strongly urge my colleagues to reject this amendment because of the precarious position in which it will put our Nation.

Mr. President, several months ago I made a trip to NATO where I visited with our troops on the front lines. One comment I heard consistently from these soldiers, both officers and enlisted men, was their concern that the Soviets would use chemical warfare against them. They were very concerned that the United States had no capability in this field and, thus, no deterrent against a Soviet attack.

Mr. President, I reported this finding to the Armed Services Committee of the Senate and recommended that we take steps to correct it. The need for a chemical deterrent is clear.

The Chairman of the Joint Chiefs, Gen. David Jones, stated the Joint Chiefs support the modernization of the U.S. chemical munitions stockpile. It is suported by military officers in general.

Mr. President, I bring to the Senate in this debate firsthand concern on this issue from the officers and enlisted men whose lives are at stake in the front lines in Europe. They want a deterrent to chemical weapons. They fear a Soviet attack if we do not have it. Are we going to support our troops in Europe or not?

All of our defense authorities say we need this capability. Our soldiers in NATO are pleading for this deterrent. The Senate must approve this amendment and thereby let our soldiers know we will give them the means to deter the Soviets from use of the terrible weapons.

Mr. President, I could go on and speak for an hour or more on this subject. I hope the Senate will not adopt this amendment for the sake of our soldiers who are on the front line protecting the free world today. I hope the Senate will not adopt this amendment.

Mr. WARNER. Mr. President, I salute our distinguished colleague from South Carolina for his statement on this subject.

Mr. President, I rise in opposition to the amendment offered by the Senators from Colorado, Arkansas, Mississippi, and others. I do so at this time, as I have on a number of occasions in the past, not out of any enthusiasm for chemical warfare, but rather because I am convinced that the only sure means of preventing such warfare requires a fundamentally different approach from that advocated by the amendment's sponsors.

I believe President Reagan's program for chemical preparedness represents the proper—and necessary—alternative approach. His agenda calls for an aggressive arms control effort to achieve a global, verifiable chemical disarmament agreement, increased investment in defensive equipment and clothing, improved training, destruction of hazardous and obsolete agents and their replacement with modern, safe, binary munitions.

This approach differs from that endorsed by the amendment's sponsors in a fundamental way: It recognizes that 6 years of negotiating with the Soviet Union in our present chemical readiness posture has yielded no real progress toward the effective, verifiable ban on chemical weapons we all seek.

Underlying this disappointing record is a central fact: The U.S. current capabilities for engaging in sustained chemical warfare operations are so inferior to those of the Soviet Union as to provide them with little real incentive to conclude an agreement which would eliminate the considerable advantages they enjoy in this area today.

This incentive is lacking for essentially one reason: The credibility of the U.S. retaliatory stockpile has diminished steadily over a 13-year period of neglect. Since 1969, the United States has unilaterally refrained from the production and open-air testing of chemical munitions. Consequently, we maintain today a chemical arsenal which not only lacks credibility as an inducement to the Soviet Union to give up what is widely believed to be a vast and highly potent offensive chemical capability; it also is in danger of losing its credibility as a deterrent.

Mr. President, much of the debate about the need for binary munitions production has centered on the status of our chemical stockpile. Many, including the proponents of the pending amendment, have asserted that the U.S. chemical arsenal is more than adequate for deterrence purposes. I would like to address that point in some detail.

The Subcommittee on Strategic and Theater Nuclear Forces, which I chair, held a number of in-depth hearings in March 1982 on chemical warfare matters. Particular emphasis was placed on a thorough review—in closed session and, to the degree it was possible to do so, in open session—of the condition, safety, deliverability, and reliability of the U.S. chemical inventory—all of which bear on its deterrent effectiveness.

Unfortunately for the purposes of this debate, detailed information concerning the condition and disposition of our chemical weapons arsenal is classified; therefore, I am not able to discuss it in open session. Similarly, our best intelligence assessments of Soviet chemical stockpiles are also classified. The reasons for holding this information closely are obvious; on the one hand, precise data concerning our chemical retaliatory capability could be of considerable use to a would-be adversary. On the other hand, intelligence sources and methods could be compromised by the divulgence of estimates of Soviet capability.

Mr. President, I say this by way of explanation to my colleagues who have not had an opportunity to engage in the kind of systematic, careful study of this matter that other members of the Armed Services Committee and I have had. Regrettably, I cannot share with them in the open record my detailed findings.

The subcommittee's classified record, however, makes it unambiguously clear that the condition of our stockpile is unsatisfactory. I invite—and, indeed, encourage—Members of the Senate to acquaint themselves personally with the record of these hearings.

I simply say that, to the degree Members of the Senate may be inclined to disapprove the President's program for chemical preparedness in the belief that our present stockpile is satisfactory, such is not the case.

I would like to try to explain, in an unclassified way, the nature and magnitude of the problem we face in posing a realistic deterrent to Soviet chemical warfare with our present retaliatory arsenal. I direct the attention of my colleagues to a chart now being displayed in the back of the Chamber. I think certain facts will become quite clear. As this chart shows, the vast majority of the U.S. chemical stockpile either now is or shortly will be obsolete, ineffective, or undeliverable. While the numbers reflecting the quantities of agent represented in these various categories have been removed for reasons of classification, the proportions suggest that the percentage of the American chemical arsenal that is in a ready condition—including having the necessary delivery systems in the active inventory—to pose a realistic retaliatory capability is a very small fraction of the total arsenal we maintain.

Mr. President, I cannot stress that too strongly. The coupling of the chemical itself with a delivery system to propose a realistic retaliatory capability is a very small fraction of the total arsenal we maintain. The yellow on the chart is that which is deliverable.

It is not more reasonable to credit U.S. chemical retaliatory capabilities with all of the munitions presently in the stockpile—regardless of their status—than it is to count mothballed aircraft at Davis-Monthan Air Force Base as part of our ready, active tactical and strategic airborne capabilities or mothballed ships tied up at naval shipyards around the United States as part of our maritime power vis-a-vis the Soviet Union.

Mr. President, the issue here after all is deterrence. A grave disservice is done to the American public and our allies when it is blithely asserted that there is nothing wrong with the U.S. chemical deterrent, that it is more than adequate to destroy the world's population many times over, or that the binary modernization program represents a mindless and unnecessary expenditure of public funds. The truth is that today, a real danger exists that a potential adversary—equipped, trained, and prepared for chemical warfare—will not be deterred by an American retaliatory capability comprised largely of antiquated and undeliverable weapons, bulk agents that would take many months to deploy in weaponry, and munitions whose age and uncertain condition pose increasingly great hazards to U.S. personnel.

If the United States is to restore a measure of credibility to its chemical stockpile, it must undertake to replace at a minimum, some portion of its arsenal with new chemical munitions.

As I mentioned a short while ago, an important part of the administration's program to restore the deterrent value of our stockpile involves the destruction of the dangerous and obsolete munitions and bulk agents now comprising much of the U.S. chemical inventory. There can be no question that prudent policy dictates the destruction in a safe manner of increasing quantities of hazardous unitary chemical systems.

I note, Mr. President, that even some of the most outspoken critics of the binary modernization program, such as the senior Senator from Colorado, have acknowledged the importance of demilitarizing these weapons and their toxic agents. I only ask this question: Does the prospect of the United States unilaterally disposing of vast quantities of its chemical stockpile—if undertaken without replacement—increase or decrease the effectiveness of our chemical deterrent? Would such an action encourage or discourage a potential adversary from perpetrating chemical attacks against U.S. personnel? Would such unilateral action be more likely or less likely to result in progress at the arms negotiating table where we seek a comprehensive and verifiable chemical disarmament treaty?

In each case, I think there can be little doubt that the unilateral dismemberment of the U.S. chemical deterrent—such as it is—will not advance the national security interests of the United States. In fact, I concur with President Reagan, who on February 8, 1982, certified to the Congress that the production of binary chemical munitions is "essential to the national interest." A balanced program, such as that proposed by the administration, and recommended by the Armed Services Committee, which calls for the replacement of demilitarized munitions on a less than one-for-one basis, appears to me to be—in the absence of an effective and verifiable chemical disarmament agreement with the Soviet Union—the only way we can responsibly proceed.

Mr. President, let me say a few words about the binary weapon itself. As a chart now on display in the rear of the Chamber illustrates, the principle behind the binary munition is a simple one: Unlike "unitary" weapons which contain lethal chemical agents, binaries package two chemicals in such a way as to make them harmless until mixed, following weapon launch. Notwithstanding the often-heard allegation concerning the complexity of this weapon, its simplicity should be manifest. When that simplicity is translated into ease of transport, maintenance, combat operation, and demilitarization, the case for the binary approach to chemical stockpile modernization is intuitively compelling.

Mr. President, the U.S. Congress has, in several previous votes related to the binary program, gone on record as stating its belief that the United States must have the option to replace existing retaliatory systems with modern, safe binary weapons. As a result of these votes, the Nation now has under construction at Pine Bluff, Ark., a production facility capable of fabricating such weapons. It was the hope of many of us, myself included, that the mere act of authorizing and appropriating funds for such construction—signaling our determination, if necessary, to abandon more than a decade of unilateral restraint in chemical weaponry—would promote greater willingness on the part of the Soviet Union to agree to means whereby a chemical disarmament treaty could be verified. Regrettably, the Soviet Union has indicated no such willingness. Consequently, due to a lack of progress in resolving outstanding differences over verification provisions, the unfaltering improvement in the U.S.S.R. chemical warfighting capability, and the as yet unchecked slide of our own retaliatory capabilities into obsolescence and ineffectuality, the administration has been forced to request funds to initiate production of binary munitions.

Let there be no mistaking our purposes, however, in embarking on a program for chemical predparedness. The United States stands ever ready to conclude a comprehensive and verifiable agreement providing for the elimination of all chemical weapons from the face of the Earth. This is a goal the Reagan administration and the Senate Armed Services Committee share with those Members on the other side of the binary issue.

But, I must reiterate the concern I expressed a moment ago. Absent a demonstrated willingness on the part of the United States to take what actions it must to maintain an effective deterrent to Soviet aggression employing chemical weapons, why shouid the U.S.S.R. give up a potent warfighting capability?

If they gain through unilateral U.S. action the effective chemical disarmament of the United States, without having to sacrifice their own prodigious capabilities, why agree to a treaty that would require them to eliminate their chemical warfighting

assets? Why give up instruments of warfare that, as the examples of Afghanistan, Laos, and Kampuchea demonstrate, have considerable tactical utility, have been invested in at great expense to the Soviet Union, and are, at this juncture, utterly unmatched by the North Atlantic Treaty Organization—giving rise to a potentially decisive Warsaw Pact advantage over NATO. What on Earth would ever prompt the U.S.S.R. to accede to U.S. demands for mandatory onsite inspection in support of a chemical disarmament agreement? The simple answer is that the Soviet Union will never agree to a verifiable chemical ban under present circumstances.

Mr. President, we must do all we can to induce the Soviets to join us in insuring the complete and verifiable elimination of all chemical weapons. I believe, as does the President of the United States and the Senate Armed Services Committee, that the balanced program I have described and upon which the administration intends to embark is an essential step toward that end. I urge my colleagues to oppose the pending amendment. It would strike the most important component of that program from the standpoing of providing an incentive to the Soviets, and it would relegate the United States indefinitely to the position of inferiority vis-a-vis Soviet chemical capabilities and without any inducement for them to give up their growing advantage in this area.

Mr. PRYOR addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. PRYOR. Mr. President, I rise tonight, or rather this morning, in support of the amendment offered by the very distinguished Senator from Colorado (Mr. HART), and my colleague and neighbor, Senator COCHRAN, of Mississippi.

I applaud both of these fine gentlemen and Senators for their positions, their statements, and their work on this issue.

I can truthfully say, Mr. President, that I do not think that there is any defense decision that we are going to make this year, or even next year or the next few years, which will have broader moral implications or more impact on our relationship with our allies than our vote on whether to fund production of a new breed, or as some people in the Pentagon say, "a new generation of lethal nerve gas weapons."

Over the past weeks, we have witnessed outcries of public anguish, both here and abroad, over the administration's decision to repeal a 13-year ban on chemical weapons production and replenish our stockpiles of agents which even the Pentagon ranks at the top of the list of immoral weaponry.

The administration assures us that a new buildup of chemical stockpiles is a preventive measure. We are told that the binary weapons are not meant to be used, but to serve as merely a deterrent to the Soviet Union's strong chemical warfare capability. The only way to convince the Soviets to renounce chemical weapons, the Pentagon argues on this point, is to have them ourselves.

But the truth is, Mr. President, we have those weapons ourselves. We have those weapons in huge stockpiles.

In the testimony that we have received, I have come down on the side of those people, those scientists, those individuals who say that our weaponry in the chemical warfare area has not deteriorated, that we have today an adequate supply.

The administration provides a weak justification for a multimillion-dollar expenditure that, in the opinion of numerous defense experts, will add very little to our already adequate nerve gas stockpiles and do devastating damage to our international image.

Engaging in a senseless game of chemical weapons brinkmanship, as one European radio commentator recently described it, is the "logic of lunatics, a logic of death." In fact, we are on the eve of engaging in a race that neither the Soviet Union nor the United States can win.

The Defense Department wants to create an illusion of strength by destroying our current stocks of ready-mixed nerve gas and replacing them with safer to handle binary projectiles that combine during flight to produce a lethal agent. Yet, the Pentagon's desire for the latest, most sohisticated chemical weaponry ignores one compelling fact. The United States already has an enormous stockpile of chemical weapons, enough to exterminate human life several times over. There is no evidence that binary weapons would improve our military effectiveness.

Just last week, Rear Adm. Thomas D. Davies, the former assistant director of the U.S. Arms Control and Disarmament Agency under Presidents Nixon, Ford, and Carter, gave this analysis during a May 5 hearing of the Senate Appropriations Committee:

> The safety record of our current stockpile of munitions is excellent * * * We already have an adequate stockpile, and its location or distribution is not likely to be improved by the introduction of binaries, nor in my opinion will the start of binary nerve gas production frighten the U.S.S.R. into more productive negotiations. In fact, the most likely outcome is that the U.S.S.R. will start some equivalent production of its own, increasing the already large stockpiles and adding to the difficulty of ever constraining this weapon.

Dr. Matthew Meselson, of Harvard University, an adviser on chemical weapons to every President from Kennedy to Reagan, agreed that our capabilities are adequate in a May 2 interview in the New York Times. "We already have more than enough artillery shells," he said. "They are not deteriorating, contrary to a myth that is prevalent; they are not obsolescing, contrary to a second myth." Former Secretary of Defense Harold Brown, in Senate testimony in 1980, called existing stockpiles a credible deterrent that could cause tremendous damage. Estimates show that we have enough nerve gas artillery shells in current stockpiles to aggressively wage chemical warfare in Europe.

But even if we have enough weapons to mount an adequate defense, we must ask ourselves a broader question: Who will be the victims of chemical warfare? Certainly not the soldiers, geared in masks and protective clothing. We would be dooming to a gruesome death innocent civilians. In the words of Dr. Meselson:

> A civilian goes down into his cellar, the way civilians do to avoid high explosive fire—he's going down into his gas chamber. * * * We can calculate the ratio of military to civilian deaths under various kinds of scenarios. With chemicals, you might end up killing 20 civilians for every soldier; with high explosives far, far less.

Mr. President, one of the great authorities today on chemical weapons and chemical warfare has testified recently before the Senate Appropriations Committee and has visited informally with many Members of the U.S. Senate. This individual is Dr. Saul Hormats. Dr. Hormats is the former Director of Development for the Army's chemical munition program, and he explained last week:

> All we would do would be to confuse the battle and prolong the battle. They could not see what military value there was for prolonging the battle, because it meant merely they would suffer more casualties, and why should their men die for no reason?

Dr. Hormats also said that, in contrast,. he estimates that less than 1 percent of the existing weapons that we now have in our stockpile would fail to fire.

Mr. President, these are statements by a man who is responsible and who accepts responsibility today for being a part of manufacturing much of our chemical stockpile of chemical warfare.

Not only former military people, not only present-day scientists and physician, and people who are gravely concerned about this issue have come forward in the last several months to testify about chemical warfare, religious leaders today are calling upon Congress to face up to the inhumane, abhorrent consequences of chemical warfare. "Nerve gas is an antipersonal weapon which kills the civilian population in an area where it is used. Troops outfitted with protective clothing and equipment are spared its horrible death," the leaders said in a February petition to Congress. "The President's decision to launch an arms race in chemical weapons—an area where arms control has been working—should be opposed by civilized people everywhere, beginning with the United States Congress."

The Pentagon ignores another important stumbling block in its haste to build up chemical arsenals. We have no place to put this new stockpile of nerve gas and chemical weaponry we are about to produce. Our European allies have refused to admit binary nerve gas or chemical weapons on their soil. We have seen no assurances—absolutely no assurances whatsoever—that any country in Europe is going to allow us to store or to deploy this "new generation" of nuclear agents or warfare on their soil.

President Reagan's decision to move forward with binary nerve gas production was met with an outpouring of enraged commentary from the European press. "Beware Europeans, you will be the first victims of a chemical conflict," one Paris newspaper cautioned. To many of our allies, the U.S. decision seemed hypocritical in view of our recent diplomatic offensive against the Soviets over their alleged involvement in use of "yellow rain."

Richard Burt, Assistant Secretary for Political and Military Affairs in the State Department, testified during recent Senate hearings that the administration's decision to begin chemical weapons production was "a unilateral decision." But that logic ignores the fact that in order to be effective, chemical weapons would have to be deployed in Europe and none of our allies are willing to take them on their soil. Authorizing this program would commit us to an expenditure of millions—eventually billions—with no prior thought, or assurances as to how or where or when we would use these weapons.

It is in some respect the MX missile debacle all over again, building weapons, creating weapons, manufacturing weapons, with no place to put them.

Finally, I think we need to examine our defense priorities. The production of nerve gas as outlined by the President is going to squander resources that could be put to better use in a buildup of conventional forces.

As columnist Anthony Lewis has recently written, "To start producing a new generation of chemical weapons would be a dangerous step politically and a pointless one militarily. It would cost at least six billion in the next 5 years. It would be an extreme example of technological folly: A clever, costly cure for a problem that does not exist."

Professor Meselson emphasizes, finally, that chemical weapons are not only inhumane and immoral but also of questionable effectiveness, hardly worth this major investment of national resources during such austere years.

I am hard pressed to find the logic tonight in the Defense Department's insistence that chemical weapons are critical to our national defense.

Commonsense and an overwhelming body of scientific evidence tell us otherwise. We have heard the familiar rallying cry at the Pentagon. "Give us more weapons," they ask us, "Just in case we need them." In this instance, that argument is totally indefensible. We have more than enough chemical weapons to defend ourselves and our allies.

We have enough chemical weapons to kill all the inhabitants on the face of the globe, and producing a new generation of binary nerve gas would be a pointless step militarily, a financially draining step economically, and a dangerous step politically. I think it is a step that we cannot afford.

Mr. CRANSTON. Mr. President, will the Senator yield?

Mr. PRYOR. I am glad to yield to my friend from California.

Mr. CRANSTON. Mr. President, I applaud the leadership of the Senator from Arkansas and his courage in taking on this issue as forcefully as he has.

I listed with care to the Senator's statement, and he covered the ground very, very thoroughly. I agree with all of his points. I would have expressed some of them myself, but I will not since the Senator from Arkansas has done them so thoroughly.

I also congratulate the Senator from Colorado for his leadership on this issue. It is a very important matter relating to the appropriate use of American resources, the appropriate approach to national defense and to the issue of arms control. This is a very vital matter.

I wish to see this administration carry on the work undertaken by three preceding administrations in a row, now interrupted by this administration, to get back to the task of seeking to develop an adequate international agreement that would preclude the use of these weapons.

I deplore the use of the these weapons by the Soviets, if they are using them. I know there are reports that indicate that they may. They have not been fully verified. It is a terrible step backward if that is what the Soviet Union is doing.

But instead of emulating the Soviet Union when they transgress let us get to the task of halting this very unpleasant threat to the lives of so many people.

I once again applaud the two Senators for their comments.

Mr. President, I am a cosponsor of the amendment to prohibit the expenditure of any funds from the fiscal year 1983 defense appropriation for the production of lethal binary chemical weapons.

The Reagan administration has proposed to put the United States back in the business of producing binary chemical weapons. This decision reverses the position of the last three administrations—both Republican and Democratic—on this issue. In 1969, President Nixon determined that it was neither necessary nor in the national interest to continue to produce chemical weapons. Presidents Ford and Carter concurred in that judgment.

President Reagan, however, has determined that for national security reasons it is in the interest of the United States to produce chemical weapons. I disagree. I do so only after very careful study.

This administration argues that the United States should begin to produce chemical weapons again to have an adequate deterrent. And it argues that the United States should produce chemical weapons because of allegations that the Soviets or their surrogates are using chemical weapons in Southeast Asia and in Afghanistan.

I am deeply concerned about the reports of chemical weapons usage in Southeast Asia and Afghanistan. I will continue to support our country's efforts to investigate these reports and bring relevant information to the attention of the world community. If these reports are true, it represents a tragic step backward. But I question whether the most appropriate response to these reports is for the United States to start production of chemical weapons. What would we gain other than fueling another aspect of the arms race? After studying this issue very closely, I have concluded that we would gain very little from such action and that we would stand to lose a great deal.

I agree with the President that we need to have a sufficient deterrent against a possible Soviet first use of chemical weapons. But we already have that deterrent. The United States has a sufficient stockpile to deter against possible first use by the Soviets. Producing binary weapons would add only marginally to this deterrent.

To have an effective response to chemical weapons warfare and to have an effective deterrent, it is essential for us to have adequate defense for U.S. troops so that in the event of a chemical weapon attack, our troops could continue to fight. This means our troops must have good defensive equipment and good training.

I have strongly supported providing these requirements and I will continue to do so. But despite increased levels of funding, the military is still not able to certify that our troops are adequately equipped or trained. It is

pointless to proceed with a new generation of offensive chemical weapons, as the President has asked, if our own troops will be poisoned by the use of such weapons. It would be far better to concentrate on providing equipment and training, which this amendment proposes to do.

This is the most appropriate response to assertions of Soviet buildup of chemical weapons and to charges of use of chemical weapons. It is the best deterrent. Production of binary chemical weapons divert us from this primary task.

Renewing production of chemical weapons poses other problems. Our European allies have made it clear that they will not permit deployment of these new chemical weapons on their territory. This poses a serious logistical problem for the United States. If we cannot deploy the new binary weapons in Europe, we must store them here in this country. This is what the President has proposed to do. But in a time of crisis, chemical weapons will have to compete for precious cargo space with more important kinds of equipment that needs to be transported immediately. These weapons will have little utility and little deterrent value if this is the case.

Finally, I would raise the issue of arms control. What do we gain by fueling another aspect of the arms race? We have an adequate, credible deterrent. Instead of adding to the arms race, should we not be trying to control it? President Ford initiated the effort to negotiate a comprehensive chemical weapons ban with the Soviets. We made substantial progress on this goal. Unfortunately, the Reagan administration has chosen to let these talks lapse. We should revive this effort and look for ways to make such an arms control agreement satisfactorily enforceable and verifiable. I strongly urge the administration to review this matter and begin as soon as possible to work toward the goal of a comprehensive chemical weapons ban.

Given these concerns, it does not make sense to proceed with the production of binary chemical weapons. It is not in our national security interest. It will not make us more secure. It will, however, put added strains on the NATO alliance. It will cost more money and expend limited and scarce resources. I urge my colleagues to join in deleting funds for production of binary chemical weapons.

Mr. MOYNIHAN. Mr. President, will the Senator yield for a question?

Mr. PRYOR. I am glad to yield for a question.

Mr. MOYNIHAN. If I may simply say to the distinguished Senator from Arkansas, he surely would agree that the use of chemical agents in war is now banned by international treaty, the Geneva Treaty of 1925, and to prepare for such warfare, would he not as a distinguished attorney as well as a distinguished Senator, agree is to anticipate a violation of a treaty which we now have reason to believe the Soviets have violated which we think should be a horrendous fact on which we should base a major diplomatic initiative in the world and which initiative would only be weakened if we appeared prepared to emulate them?

Mr. PRYOR. I think the Senator is absolutely correct, and I further state that we are already prepared, but for us to overprepare I think it would certainly be an implication that this country is getting ready to repeat the horrors or to repeat the mistakes of the Soviet Union, and I see no worthwhile gain for this country in overpreparing or making that statement to not only our own people but also the world community.

I think the Senator's point is very, very well taken.

Mr. TOWER. Mr. President, I join the distinguished chairman of the Strategic and Theater Nuclear Forces Subcommittee, Senator WARNER, in opposing this amendment.

The subcommittee has done a very thorough job in reviewing the considerations and issues that underpin the President's initiatives.

I believe that the careful and thoughtful case for the President's chemical readiness program, described in the committee's report language—which I ask unanimous consent to have printed in the RECORD—has been muddied somewhat by the incessant introduction into the debate of a number of misleading and specious issues.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CHEMICAL PREPAREDNESS

[In millions of dollars]

	Fiscal year 1983 request	Fiscal year 1983 recommendation	Change from request
Protective measures:			
R.D.T. & E	$236	$235.85	$0.15
Procurement [1]	189	189	0
O. & M	73	73	0
Military construction [2]	9	9	0
Total [3]	508	507.85	−.15
Demilitarization:			
R.D.T. & E	13	13	0
O. & M	61	61	0
Military construction [2]			
Total [3]	74	74	0
Retaliatory.			
R.D.T. & E	32	32	0
Procurement [4]	54	54	0
O. & M [5]	18	18	0
Military construction [2] [6]	19	19	0
Total [3]	123	123	0
Total program	705	704.85	−.15

[1] Includes Army stock fund for war reserve individual protective equipment.

[2] Will be considered in separate legislation.

[3] Subtotals may not add to totals due to rounding.

[4] Includes production equipment: $24,000,000 in fiscal year 1983; $34,000,000 in fiscal year 1984.

[5] Maintenance.

[6] Includes $1,000,000 maintenance facility on Johnston Island.

The administration's request for funds in fiscal year 1983 associated with chemical warfare preparedness fall into three basic categories: protective measures, demilitarization of the existing stockpile and retaliatory weaponry. The proportion of the total request of $705 million sought for such purposes going to protection is 72 percent; for demilitarization, 11 percent; and for retaliatory purposes, 17 percent. A separate section is provided at this point in the report because of the multi-service, multi-account nature of the administration's program for chemical readiness.

The bulk of the funding requested for chemical defense, $503 million, is associated with research and development of new individual and collective protective systems, decontamination, alarm and reconnaissance equipment and medical technology research. For these purposes, the committee recommends the authorization of $235.85 million, a reduction of $150,000 in the Navy's medical development account. An additional $189.0 million is requested, and approved to procure off-the-shelf equipment which will address some of the most immediate and critical shortcomings in U.S. chemical defenses.

The administration seeks $61 million in operations and maintenance funding for demilitarization of obsolete and dangerous chemical munitions and agents currently in the Nation's retaliatory stockpile. These funds and the $18 million requested for research and development on demilitarization techniques are believed to be particularly important elements of a responsible approach to the maintenance of a credible chemical deterrent. The committee commends the administration for committing significant resources to addressing this long-neglected and onerous national responsibility.

The most controversial aspect of the President's program for chemical preparedness is the $104 million requested in this legislation for modernizing the U.S. chemical retaliatory arsenal. As is discussed elsewhere in this report, the committee believes this portion of the request to be an indispensable part of the comprehensive approach to deterring the outbreak of chemical war announced by the administration. Consequently, the committee strongly supports the $54.1 million sought for procurement of components for the production of 155mm binary chemical artillery shells and Bigeye spray bombs. It also endorses the request for $31.6 million for research and development associated with these and other chemical munitions and $18 million for maintaining and restoring certain unitary munitions already in the stockpile.

The funds recommended for authorization by the committee represent a first step intended to correct significant deficiencies which exist in the U.S. chemical preparedness posture. They are requested, and, recommended for authorization, to deter Soviet first-use of chemical agents and to provide an incentive to the U.S.S.R. to engage in a comprehensive, global and verifiable accord to reach zero-levels in chemical weaponry.

Their expenditure for the authorized purposes should not be construed as committing the United States irrevocably to a chemical rearmament program. To the contrary, the funds approved for demilitarization R.D.T. & E. and for the introduction of binary munitions which are easily and readily dismantled, supports the objective of an early and complete chemical disarmament agreement.

The committee states categorically its preference for a world without chemical weapons: its belief that the verifiable elimination of chemical stockpiles from the United States, the U.S.S.R.'s and all other nations' arsenals is the goal it ardently hopes will be pursued; and its readiness to work for the prompt enactment of legislation to dismantle the American retaliatory capability as soon as such a comprehensive and verifiable ban is in place.

CHEMICAL WARFARE

The committee completed a comprehensive review of Soviet capabilities to conduct chemical warfare and examined the readiness of U.S. forces to defend themselves and, if necessary, respond to chemcial attack. Officials from the intelligence community, the Office of the Secretary of Defense, and the uniformed services were asked to provide information from their various perspectives about the magnitude of the threat of chemical warfare facing U.S. military forces.

The Strategic and Theater Nuclear Forces subcommittee held a series of in-depth hearings on this subject. Witnesses, both those representing government agencies and the armed services and those not affiliated with the government, were called by the subcommittee to testify on a variety of chemical warfare issues.

These hearings had special importance in light of two separate, yet related developments in recent months. First, mounting evidence has become available that appears to support the contention that the Soviets and Soviet-supplied allies are engaged in the use of chemical weaponry in Southwest and Southeast Asia. This demonstrated willingness to employ those horrible instruments of modern war—in violation of several international agreements—has grave implications for U.S. national security.

Secondly, the President, in January, 1982, certified that production of binary chemical munitions was essential to the national interest. In doing so, the President departed from the policy followed by his three predecessors, and proposed to initiate such production as part of a comprehensive, balanced program intended to enhance dramatically the United States' chemical preparedness posture.

This program consists of several elements: (1) a commitment to pursue a verifiable chemical disarmament accord with the Soviet Union; (2) a considerable investment in chemical protective equipment and the research and development necessary to field the most effective defensive systems possible; (3) improved training in chemical warfare operations for U.S. military personnel; (4) initiation of a technology development effort to dispose of obsolete and hazardous chemical weapons and agents, and (5) a production program to replace unserviceable unitary chemical munitions with safe, modern binary weapons.

The committee believes that the administration's program represents the best hope for achieving a satisfactory chemical arms control agreement and for deterring an outbreak of chemical warfare. Once implemented, it should deny the Soviet Union any appreciable advantage it might otherwise gain from maintaining an offensive chemical arsenal. In addition, by making it clear that the United States will, in the absence of such an agreement, maintain the ability to respond to *any* Soviet use of chemical munitions, it will provide a positive incentive for the USSR to begin productive chemical disarmament negotiations.

As a consequence of the committee's hearings on this subject, the following conclusions are inescapable:

(a) In the absence of a credible deterrent, defensive protection alone cannot deter the outbreak of chemical war. Such a posture permits an adversary to fight the war in ways and under circumstances of his choosing;

(b) The credibility of the U.S. chemical deterrent is becoming increasingly marginal: a large proportion of that deterrent is in bulk form, rather than munitions, and is, for all intents and purposes, unusable. A further portion is in a form not compatible with current launcher systems. The remainder is in unitary munitions, which, under the best of circumstances, are inherently hazardous to U.S. personnel because of the toxic agent contained within, and are becoming more so as increasing numbers of those weapons begin to develop leaks;

(c) The threat of Soviet use of chemical weapons—under present circumstances—is great and is increasing. The Soviet Union has trained and equipped its forces systematically for chemical warfare. They appear in Southwest (and, through surrogates, in Southeast) Asia to have demonstrated a willingness to employ such weapons when it suits their purposes to do so. It is evident from the USSR's warfighting doctrine that they expect the battlefields of the future to provide ample opportunity for effectively utilizing chemical munitions.

(d) Chemical disarmament is an important national objective. The United States, however, has been unable to obtain Soviet agreement to a verifiable arms control accord so long as the United States maintains its inferior chemical posture. A credible deterrent is a necessary precondition for negotiating a satisfactory accord.

(e) Binary weapons are more militarily effective and, therefore, a more credible deterrent than the unitary weapons they will replace. The binary chemical stockpile proposed by the President will be smaller, yet significantly more effective, than today's inventory.

These conclusions revalidate the committee's support in previous years for improving the U.S. chemical defensive posture and for modernizing the retaliatory arsenal with binary munitions. They also justify the committee's endorsement of the administration's approach to this difficult issue.

Mr. TOWER. For example, some have suggested that this decision must not go forward until our NATO allies have assured us of their enthusiastic support for this program. Given the emotionalism usually attending any public discussions of warfare in Europe—and especially nuclear and chemical warfare—it is hardly surprising that opponents of the binary program should insist upon this consideration; to do so virtually insures that the chemical modernization program would not go forward. The import of making such prior consent a part of U.S. policy is that a decision that is and by its nature must be, an American national security judgment would be subordinated to European consensus. Clearly, should we elect to deploy binary chemical weapons in Europe, such action would be undertaken with the consultation and consent of our European allies.

I suppose, similarly, should we elect to deploy such weapons to the Middle East, to Latin America, to Korea, or to any other area where their deterrent value should be deemed essential, we would engage in appropriate discussions with host nations involved.

But, Mr. President, it is dangerous and imprudent to insist that, in the face of a truly global chemical threat, manifested by the apparent equipping by the Soviets or their proxies with chemical ordnance indicates that any of our allies should be accorded a veto power over our decision to produce binary munitions.

Following this flawed logic to its inevitable conclusion, one would be forced to ask our allies whether or not we could transport chemical munitions within the United States, whether they could be located in one site or another within the continental United States, or whether, indeed, any chemical agent and munitions could be disposed of. Certainly none of the advocates of continued unilateral restraint in chemcial preparedness is suggesting that such interference on the part of our allies in these decisions, which are uniquely American responsibilities, would be appropriate. Neither would be their interference in the U.S. decision to enhance the credibility of its chemical deterrence.

Mr. President, I believe if the amendment of the Senator from Colorado is adopted that what it does is really enhance the prospects that gas will be used against Americans and against Europeans.

I do not know of any time in history when the possession of a particular type of weapon encourages the opponents to use that same kind of weapon. I do not know of any time when a retaliatory capability did not deter the opponent if he knew that the enemy possessed that retaliatory capability.

If we adopt an agreement—and I hope we do—that reduces strategic nuclear weapons, that reduces theater nuclear weapons, I hope we get to the zero-based option.

If we are not armed with adequate chemical weapons, the temptation on the Soviets to use them against us should they decide to engage in a war in Western Europe might be too strong to resist.

The best historic example of deterrence is the fact that Hitler ordered his generals in World War II not to use chemical weapons against the allies even when his army was in extremis, because he knew of the capability to retaliate against them, and knew we would retaliate in kind.

What fools we will be if we expose ourselves to this enormous capability the Soviets possess and not try to deter it with some capability of our own. We virtually insure the fact that then if we go to war civilians will die and our soldiers will die.

I know there is a wave of emotion in this country; there are a lot of people who think if we do not possess nuclear weapons, there will never be a nuclear war; if we do not possess chemical weapons, chemical weapons will never be used. But, in fact, the fact that we do not possess a deterrent increases the likelihood that horrible weapons will be used against us.

Mr. President, I am concerned about the outcome of this amendment. There is a lot of sentiment abroad, people do not understand the arcane business of arms or deterrence, and a lot of election-year jitters around. But I hope that the Senate will act in a statesmanlike way and not on what they consider to be a popular whim of the moment.

The security of the United States may depend on it. I think the security and safety of the people of Western Europe almost certainly depend on it.

Mr. President, I move to table the amendment of the Senator from Colorado.

Several Senators addressed the Chair.

Mr. BUMPERS. Mr. President, will the Senator withhold?

The PRESIDING OFFICER (Mr. Mattingly). The question is on agreeing to the motion of the Senator from Texas to lay on the table the amendment of the Senator from Colorado.

Mr. TOWER. I will withhold for a moment, but I am being badgered by a number of my colleagues because it is 3 o'clock in the morning and they want to get some action and they want some votes. I will withhold but I ask for what purpose.

Mr. COCHRAN. There are two statements which I would like to have printed in the Record on behalf of two other Senators.

Mr. TOWER. I defer to the Senator from Mississippi.

Mr. COCHRAN. Mr. President, I ask unanimous consent that the Senator from Missouri (Mr. Danforth) be added as a cosponsor to the amendment, and that his statement be printed in the Record.

The PRESIDING OFFICER. Without objection, it is so ordered.

The statement follows:

● Mr. DANFORTH. Mr. President, I rise to oppose President Reagan's request that Congress approve funding to enable the United States to reenter the chemical weapons race. Last May, in an exceedingly close vote, the Senate approved $20 million for the construction of a manufacturing facility for binary chemical munitions. This May, the Defense Department is asking Congress to take a giant leap and approve a request for funds to get the United States back in the business of making lethal nerve gas and other chemical weapons.

Approval of this request would be a fundamental reversal of a policy announced by President Nixon in 1969. For 13 years, our Nation's policy has been to oppose the proliferation of chemical munitions and nerve gas rather than join in an endless effort to devise more dangerous and vicious ways to kill people.

Needless to say, we cannot afford to be unprepared for chemical warfare. The Soviet Union, for example, has compiled an impressive arsenal of chemical weapons. Moreover, they have shown a capability and willingness to use such weapons. The evidence is strong that Communist forces have used chemical agents in both Indochina and Afghanistan.

The Defense Department argues that we must respond in kind with a program which could cost the taxpayers more than $2 billion over the next several years. I disagree. We should not forget that the United States already possesses an enormous stockpile of chemical munitions and nerve gas. To resume production of new munitions at this point would have more symbolic than military significance. It would send the wrong signal to other nations, particularly our allies in Western Europe, nearly all of whom categorically oppose the storage of such weapons on their soil. At a time when the international community has denounced Communist use of chemical agents, the United States can ill afford to follow in the transgressor's footsteps. We must condemn such basic disregard for humanity.

The administration argues that we must have these new weapons so we will be able to negotiate a chemical weapons treaty with the Soviets. We must not forget that even the primitive chemical agents used by both sides during World War I proved to be so horrifying that, in 1925, every major nation of the world, including the United States and the U.S.S.R., signed a protocol in Geneva banning their use. If we catch the Soviets red-handed, and cannot bring the Geneva protocol to bear, we cannot expect that our tacit endorsement of the use of chemical weapons will produce a meaningful arms reduction agreement with the Soviets.

In addition to international considerations, we must be realistic about the practicality of resuming chemical weapons production. In my judgment, producing a new stock of binary chemical weapons is entirely impractical. In view of budget constraints, Congress should scrutinize any new multibillion dollar weapons program very carefully. We do not have to look very closely at this program to see that the proposed new binary munitions have never been field tested. I do not see how we could approve a multibillion-dollar weapons program where we don't even know that the weapons would work.

Finally, Mr. President, the Senate must realize that deadly chemical agents do not kill highly protected and trained soldiers. In a chemical battle, only civilians—unprotected men, women, and children—would be killed. In the case of chemical weapons, the best defense—in fact the only defense—is not a good offense. It is a good defense.●

Mr. COCHRAN. Mr. President, I further ask unanimous consent that a statement by Mr. Durenberger be printed in the Record.

The PRESIDING OFFICER. Without objection, it is so ordered.

The statement follows:

● Mr. DURENBERGER. Mr. President, 2 years ago, Congress chose to add funding to the military construction bill to begin work on the Pine Bluff chemical weapons facility. It did so not because this funding had been requested by the Department of Defense, but rather because of its own concerns. I did not share those concerns, and I voted against this funding. I intend to do so again today.

We are all familiar with the arguments offered in support of binary chemical weapons. They are safer to handle, we are told, because they do not become lethal until the chemical components are mixed after the weapons have been fired. They ease logistics, we are told, because they can be shipped in bulk. They will add to our deterrent, we are told, because they will let the Soviets know that we can respond in kind if they choose to violate the treaty to which we are both signatories, and resort to first use.

But, as a recent series of articles in the Army Times makes clear, few of these arguments are as compelling as their proponents would hope. It is not at all clear to me why chemicals which present a massive problem of toxic waste disposal should be seen as any safer than our existing stockpiles. We are already spending time and money trying to dispose of the millions of tons of nerve gas and other chemical agents which have accumulated over the years. We do not really have a solution. And it is anticipated that we will spend billions over the next few years simply trying to dispose of those agents which have begun to decompose and which present a massive public health threat to this country. What plans do we have for binary chemical weapons and their components when they, too, become obsolete?

Just as important, it is not clear that these weapons will necessarily be any safer for their military users than existing weapons. In the first place, we have not conducted open-air testing of actual binary weapons. If the Army should apply for permission to do so, I would be inclined to urge my colleagues to deny this permission simply because of the hazards presented by such testing. But the point is that without actual open-air testing of real weapons, instead of simulations, we cannot be sure that binary weapons will perform as they are designed to perform. Saul Hormats, the former director of development at the Army Chemical Systems Laboratories, has stated that we can anticipate a failure rate of 20 to 30 percent in artillery rounds and 50 percent in Bigeye bombs without open-air testing. This is hardly safe for our fighting troops.

What about the issue of simplified logistics? At one point, the Army was claiming that binary chemical artillery rounds would weigh some 40 percent less than existing artillery rounds, permitting a major increase in shipping volumes in the event of a conflict. After some examination, however, it was found that binary weapons will actually weigh more than existing rounds. The Army had overlooked such things as fuses, shipping canisters, and so forth. And, as Matthew Meselson, an authority on chemical weapons has stated, shipping two chemicals in separate containers will actually require more volume than shipping existing weapons. So once again, the claims of the proponents are not as clear as one might hope.

Finally, what about the deterrent value of chemical weapons? There is no question that Soviet troops are well trained in chemical warfare operations. There is no question that their vehicles are fitted with filters and overpressure systems to permit continued operations in a contaminated environment. And, as many of the H'mong refugees living in Minnesota can testify, such Soviet allies as Vietnam are using chemical agents—mycotoxins and other forms of "yellow rain"—against helpless populations. An item in today's paper provides further evidence that the Soviet Union is building, using, and transferring to its allies, chemical weapons which are used against Cambodians, H'mong, and the freedom fighters of Afghanistan.

They are doing so in part because thcy are not deterred from resorting to these horrible weapons of mass destruction. Refugees and peasants cannot strike back with comparable weapons. But this is not the case for the United States. We have a major stockpile of chemical weapons. I agree that some of these weapons are deteriorating. And I agree that some of these weapons no longer fit our current arsenal of launchers and artillery tubes. But some reports indicate that we have as many as 3 million rounds of 155-millimeter chemical shells, which are suitable for existing artillery. And there are literally tons of bulk chemical agents which can be transferred into bombs and shells if we wish. In other words, we have a deterrent stockpile. So why must we add to it?

Ultimately, the real threat of chemical weapons is twofold. First, troops who must climb into cumbersome protective suits simply cannot fight as well as troops who are unencumbered. This is a simple problem of human engineering, but it is real and it is threatening. It is particularly pertinent for such activities as servicing combat aircraft between sorties. Much of our defensive posture in Europe and elsewhere relies on rapid turnaround rates for our combat aircraft so that we can maintain a high number of sorties. If the people who must service, refuel, and reload our aircraft are forced to button up, they cannot work as fast and our combat effectiveness will suffer. This is also true, of course, for the infantry.

But will this threat be reduced by building binary weapons? I think not. No sensible military commander will wait until he has been attacked before ordering his troops to don protective gear. Instead, he will give the order as soon as he has the slightest suspicion that the enemy might—just might—resort to chemical weapons. And, if he is cautious, he will assume that there is a threat of chemical attack as soon as hostilities have begun. In other words, we can do nothing except to recognize the necessity to put on protective gear. This means that we should be devoting every effort to developing protective suits which permit the maximum possible freedom of motion.

We can and should seek to insure that the Soviets will also be forced into protective suits so that they do not obtain any advantage through the force multiplier of the threat of chemical weapons. Their efficiency must be reduced as much as ours. To some extent, it will be, because we already have the chemical agents in our arsenal to pose a credible counterthreat. Just as important, Soviet troops who plan to conduct chemical operations know that they must march through contaminated areas—areas which they themselves have poisoned—so they will have a further incentive to don their own protective gear.

But the best way we can reduce their advantage is simply to begin realistic and regular training exercises ourselves. The Soviet Army does so. We do not. Our protective gear is not adequate, and our training—while substantially better than was the case 10 years ago—is still insufficient.

In short, the threat of chemical weapons is one which we can solve without investing several billion dollars in new binary weapons. We already have the means to force the Soviets into protective gear in the event of combat. Our deterrent is in place. But we do not have the kind of protective gear or the kind of training which will permit our troops to operate with the maximum efficiency on a battlefield which has been or might be contaminated.

Finally, of course, the ultimate victims of chemical warfare will be civilians, and not the military men who can wear protective gear. Artillery rounds are confined in range. If we should be forced to fire chemical artillery shells—whether existing shells or new binary shells—we can be sure that those shells will fall into the areas we are trying to protect. The devastation which would follow a conflict in Europe is already massive. Should we add to it by building more weapons which blanket huge areas with lethal effects? I say no.

Consequently, I see no reason to invest millions this year and billions over the next few years in weapons which are neither needed nor even as efficient as their proponents claim. That is why I joined 11 of my colleagues in writing to the Armed Services Committee last March, urging that funds for binary weapons be denied. That is why I have repeatedly voted against this program. It is why I will later join Senator COCHRAN in introducing a resolution urging negotiations on the control and abolition of chemcial weapons. And it is why I am about to vote to delete the funding for this program.

Mr. President, I ask that the letter which I mentioned be introduced into the RECORD, along with two articles from the Army Times and an editorial from the Minneapolis Star and Tribune.

The material follows:

U.S. SENATE,
Washington, D.C., March 12, 1982.

Hon. JOHN TOWER,
Chairman, Committee on Armed Services,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: On February 8th, the President notified Congress that his Administration intends to resume the production of lethal chemical weapons, the first such directive since President Nixon cancelled production in 1969. The Department of Defense has requested more than $30 million to begin actual procurement of binary chemical weapons. We oppose the Administration's decision and have joined in introducing legislation to prohibit the expenditure of any funds to produce binary chemical weapons. This legislation has been cosponsored by a bipartisan coalition of Senators.

We oppose the Administration's decision to resume the production of lethal chemical weapons because it will not enhance our national security. Renewed production of chemical weapons would, in fact, undermine efforts to restore our military capability by diverting important defense resources to a nonessential program.

We are concerned about Soviet capabilities in the area of chemical warfare and mindful of the threat these weapons might pose to our national security. For these reasons, we seek practical and effective military measures to reduce this threat. The critical issue is how best to respond to the Soviets. The production of binary chemical weapons is not necessary for the national defense. nor is it necessary to deter Soviet first use. Our current stockpiles are adequate for that purpose. Our principal emphasis should be the acquisition of additional protective and defensive equipment for U.S. combat forces to reduce the effects of a chemical weapons attack.

The decision to resume the production of chemical weapons will not enhance our national security. It will not restrain Soviet activities. It will result in a needless diversion of defense resources.

We urge this Committee and our Senate colleagues to oppose appropriations for the procurement of lethal, binary chemical weapons.

Sincerely.

Nancy Landon Kassebaum, David Pryor, William Proxmire, Edward M. Kennedy, Thad Cochran, George J. Mitchell, Gary Hart, Lowell P. Weicker, Donald W. Riegle, Paul E. Tsongas, Walter D. Huddleston, and Dave Durenberger.

[From the Army Times, Apr. 12, 1982]

BINARY WEAPON DEBATE CENTERS ON PERFORMANCE

(The Defense Department has requested $30 million from Congress for FY '83 to begin producing chemical weapons for the first time since 1969. DoD says that new binary weapons are needed to replace a rapidly deteriorating stockpile.

(Sen. Gary Hart (D-Colo.) and Rep. Toby Moffett (D-Conn.) have countered DoD's request by introducing bills that would prohibit production of the binary weapons.

(The first test on the issue may come in mid-April, when the FY '83 DoD authorization bill is expected to reach the Senate floor.)

(By Neil Roland)

WASHINGTON.—As the Army's request for money to produce new binary chemical weapons nears a vote in Congress, the Army and its critics are in fundamental disagreement over the most basic question of all: how well will the new weapons work?

That is, if they should be employed in combat, would the munitions that launch them fire reliably? And once fired, would the two chemical components of the nerve agent mix properly and effectively kill enemy soldiers?

In existing chemical weapons, the toxic agent already is mixed. But in binary weapons, the chemical components are in separate canisters and are mixed only after the weapon has been launched.

DoD wants to produce two binary weapons—a 155mm artillery shell containing GB nerve agent to replace the existing 155mm projectiles, which defense officials say will deteriorate in 10 years, and a Bigeye bomb filled with VS nerve agent, an advancement over the Weteye bomb in the existing stockpile.

But questions over the performance of these proposed weapons may raise the sensitive issue of open-air testing.

The Army says the new binary weapons can be tested safely without firing live munitions in the open air. Instead, the Army has conducted laboratory tests of scaled-down binary weapons, in which the components formed deadly nerve agent, and has field fired munitions filled with harmless stimulants in place of the binary components.

But civilian critics argue that unless binary weapons actually are tested in the open air, the Army can't be sure that they will work properly if used in combat.

Without open-air testing, said Saul Hormats, former director of development at the Army Chemical Systems Laboratories, about 20 percent to 30 percent of the projectiles and 50 percent of the Navy's proposed Bigeye bombs would be duds. In contrast, he estimates that less than one percent of the existing weapons would fail to fire. The existing weapons, produced between 1942 and 1969, were field tested with live agents rather than simulants.

"There's a terrible, enormous risk with simulants," says Hormats. "Simulants will tell you that the chemicals mix, but they won't tell you the temperature, the percentage converted to agent or the effectiveness of the mix."

The Army sharply disputes Hormats' estimates of the dud rate of both the current and proposed weapons.

With simulant testing, said Col, Bobby Robinson, "the number of (binary) duds would be so miniscule that I couldn't put a number on it."

Robinson, the Deputy Director of the Army's Nuclear and Chemical Directorate, added that more than 20 percent of the existing weapons would prove to be duds if they had to be used now, largely as a result of deterioration of the munitions.

While the Army's official position is that open-air testing of chemical weapons is unnecessary, one version of a speech by the Chief of Staff, Gen. Edward C. Meyer, suggests open-air testing might be preferred by the Army leadership.

Meyer spoke at the U.S. Naval Academy at Annapolis, Md., Oct. 21, 1980. After his address, the Army provided a transcript to the American Defense Preparedness Association. In that transcript, published by ADPA, Meyer is quoted as saying:

"We also need public support of the CW program and open-air testing of (chemical) munitions. This is very critical if we are going to catch up (with the Soviets)."

But 18 months later the Army produced a different version of Meyer's speech in which there is no mention of open-air testing.

Thus, while it is not clear which version of the speech Meyer actually presented, the Army's position is that Meyer did not say the Army favors open-air testing.

The Army concedes that simulation is somewhat less reliable than open-air testing with live nerve agents, but it maintains that the difference is too small to justify resumption of open-air testing.

In 1968, the nozzle of an aerial spray tank carrying VX nerve agent malfunctioned during an open-air test at Dugway Proving Ground, Utah. Within the next several days, some 6000 sheep grazing 27 miles away were found dead. No cause-and-effect relationship was proved, but the episode stirred widespread opposition to such testing.

A year later Congress passed legislation requiring the Army to get congressional approval for such tests. The Army has not applied for approval since.

In its binary development program, the Army has used simulants to field-test more than 2750 artillery projectiles and has tested about 350 projectiles in the laboratory.

Two independent groups of scientists reviewed and approved these tests, the Army said. But Army spokesmen would not release any information about the scientists or their findings on the grounds of security.

Binary munitions are simpler and safer to ship, the Army contends, thus adding to combat effectiveness. But some civilian specialists argue that binary munitions would complicate, not simplify, logistics.

Because the binary would be shipped as two harmless canisters and a projectile, transportation would be more efficient than with existing weapons carrying live agent, the Army says. No special equipment or safety precautions would be needed, and the Army could be more flexible in selecting storage sites along the way.

Most important, says the Army, the 155mm binary munition would weigh less than the existing 155mm munition. Therefore, more binaries could be shipped at one time.

The most important logistical advantage of the binary, the Army originally said, was its lighter weight. The Army initially claimed that the shipping weight of each binary projectile would be 60 pounds—40 percent lighter than the existing projectile, which weighs 101 pounds.

The Army's assertion was written on March 19, in response to requests made by several congressional committees that had met in March.

"The weight of the projectile is critical in understanding transportation requirements," the Army wrote. "The 155mm binary munition weighs approximately 40 percent less than its counterpart unitary munition, and as a consequence, a larger number of munitions can be transported."

When pressed by Army Times to break down its computations, however, the Army revised its estimate of the shipping weight of the binary to 107 pounds—six percent more than the weight of the existing projectile. The Army said that it had omitted the weight of the two canisters, the fuse and the packaging materials in its original calculations.

"The guy who did these calculations didn't have much time to do them," said Robinson.

Robinson attributed responsibility for the original estimate to Col. William Mourtel, who was chief of the Army's Chemical Nuclear, Biological and Chemical Defense Division before retiring at the end of March.

Robinson added that more binary than unitary projectiles could still be fitted on a plane, despite their greater weight, because binaries could be stacked. Safety requirements prevented existing projectiles from being stacked, he said.

In addition to the greater weight, the shipping volume of the binary would be more than three times as large as that of the existing projectile, says Dr. Matthew Meselson, a professor of biochemistry at Harvard University. This extra volume results primarily from the separation of the second canister from the projectile.

Finally, Meselson discounts the transportation advantages that safety would offer, arguing that the safeguards developed by the Army for its current weapons have proven effective.

Another civilian specialist raises an additional concern—that the Army may have trouble coordinating the shipment of separate parts to the combat zone. William J. Weber, ex-chief of munitions and of environmental technology at the Army Chemical Systems Labs before retiring in 1980, also expressed concern that assembling the binary in the field could jeopardize the safety of the soldier.

"You could end up with half of the chemical weapon in Africa and the other half in Antarctica," says Weber. "And putting the weapon together in combat adds one more complication when you're being shot at."

But the Army says it would take a soldier only about two minutes to assemble the binary.

Defense and civilian specialists also are at odds over the Bigeye bomb. DoD proposes that the Navy would produce the casings and the Army would fill the weapons with nerve agent and would store them.

The Bigeye, designed for rear-echelon targets 525 kilometers or more away, would improve on the long-range weapons in the existing stockpile, the Army says. It contains persistent agent which, once released, can remain lethal for weeks or even months. In contrast, the nonpersistent agent contained in the existing counterpart to the Bigeye—the Weteye bomb—would stay lethal for only several hours.

In addition, the Bigeye could disseminate nerve agent over a wider area than could the Weteye, according to the Army. The Bigeye would spread agent over about one-half square kilometer before landing. In contrast, the Weteye releases agent over the much smaller area after making impact.

A biochemist at the University of Pennsylvania criticizes several aspects of the Bigeye.

The odor of sulfur in the VX agent carried by the Bigeye could tip off enemy soldiers that the agent is present in an area, said Dr. Robert Rutman, who worked for the Army Chemical Corps from 1942 to 1944. This warning could give them time to don protective clothing, he said.

According to the Army, the GB nerve agent in the existing Weteye is odorless.

Also, Rutman said, timing is critical in delivery of the weapon. The bomb must be in flight long enough for the chemicals to mix but not so long that the nerve agent, after it is formed, starts to decompose.

The chemical reaction to form nerve gas in the binary munition can take a minimum of 10 seconds, according to the Army, which would not estimate how long it would take for the agent to begin decomposing.

"Binaries present liabilities as compared to the original weapons that are intended to replace," said Rutman.

Meselson also questions the effectiveness of the VX in the Bigeye. If the agent were to alight on a soldier's clothing, it would take 100 mg to incapacitate him eventually. If the soldier removed the clothing within an hour, he said, the soldier would escape in injury.

The Army responded that an enemy soldier still would be exposed to VX in the immediate area even after removing his clothing. It added that VX also would harm the respiratory system if an enemy soldier were to inhale it.

After its combat effectiveness, the most important advantage of the binary is its safety during peacetime, the Army says. Because the harmless chemical components would be maintained in separate canisters, the binary would be safer during all phases of its life cycle.

The Army's views on the safety advantages of the binary were supported by the Defense Science Board in a 1980 study. This semi-independent group of academics, consultants, businessmen and government officials found safety to be the most compelling reason for building the binary.

"Current munitions are not adequately safe to store, deploy and demilitarize," said Dr. John Deutch, professor of chemistry at the Massachusetts Institute of Technology, who chaired the board. Accordingly, we shouldn't field these weapons when the binary is safer."

Civilian specialists concede that the binary is somewhat safer than the existing weapons, but argue that the margin of difference is small. They point to the fact that there has been no fatal accident from handling chemical weapons during the 40 years since the oldest existing weapon was built.

Current and former DOD officials agree that these weapons probably will not seriously injure anyone during storage and handling for at least the next 10 to 20 years. Leakages have occurred in about 1200 of the munitions—less than one-tenth of one percent of the number of existing munitions. In addition, the chance of an explosion occurring is "very, very remote," say George Marienthal, who was deputy assistant secretary for energy, environment and safety at DOD until several months ago.

Meselson suggests that the lack of an urgent need to replace the existing stockpile affords the United States an opportunity to examine its chemical weapon requirements more thoroughly. The binary may not be the best solution, he says, and a decision on whether to produce the binary need not be forced on Congress now.

"A rush to judgment is not the way to get a good judgment," said Meselson. "Why not wait for one or two years and think before making a decision forever and ever?"

[From the Army Times, Apr. 19, 1982]

CHEMICAL WEAPONS: NO GRAVEYARD

(By Neil Roland)

WASHINGTON.—Swords can be forged into plowshares, old hand grenades can be detonated, but how can obsolete chemical weapons be disposed of safely and efficiently?

That is the problem facing the Army—and the nation.

"We have another national problem," said Maj. Gen. Niles J. Fulwyler, referring to the disposal of obsolete chemcial weapons. Fulwyler, the Director of the Army's Nuclear and Chemical Directorate, discussed the problem at a House subcommittee hearing in March.

Since dumping chemical weapons in the ocean was outlawed a decade ago, the Army has been burning them, neutralizing them chemically and now is considering whether underground nuclear blasts could be used to destroy them. Actually, the Army has three main problems in disposing of chemical weapons:

What should be done with the obsolete weapons in the existing stockpile? Although some civilian specialists dispute the Army's projection that the total stockpile will become unusable in about 10 years, they agree that those weapons that are obsolete should be disposed of.

The Army has requested $74 million for FY '83 to begin disposing of 660,000 rounds of obsolete weapons. The Army estimates that $3 billion to $4 billion ultimately will be required over the next 10 to 15 years to dispose of the entire stockpile.

What should be done with the toxic salt residue left from destroying nerve agent? The Army has stored 12,000 tons of salt that nobody wants.

Each pound of nerve agent that is chemically neutralized leaves about 2½ pounds of salt, according to Fulwyler. (One-and-one half pounds of neutralizing chemicals combine with each pound of agent to form the salts.) The salts contain chemicals used as rat poison by private industry and described by DoD as "rather toxic." The Army has proposed no solution for disposing of the salts.

If Congress agrees to fund the production of binary weapons, how will the Army dispose of them when they become unusable?

The Army says that the binaries will be easier to dispose of than the existing weapons because they consist of harmless chemicals rather than lethal nerve agent. The chemical components of the binary would be maintained separately until after the weapon is launched when they would mix to form deadly nerve agent.

The Army has not yet examined methods for disposing of the binary because it anticipates that future research will yield a better solution.

"Neither you nor I can anticipate the technology that will be available in several decades," said Col. Bobby Robinson, Deputy Director, Nuclear and Chemical Directorate. "With advances in the scientific community, there will probably be a simple way."

Sen. David Pryor (D-Ark.), cosponsor of a bill to bar production of the binary, is not so optimistic. He opposes the production of binary weapons in part because of the disposal problems that ultimately would arise.

"We don't know how to demilitarize (i.e. dispose of) the present stockpile," said Pryor. "Some day, a later generation will have to figure out how to dispose of the present stockpile as well as a whole new generation of binary weapons."

Of these three disposal problems, the most immediate is how to dispose of the obsolete weapons in the existing stockpile.

The stockpile consists of chemicals and nerve agent stored both in bulk containers and in an assortment of rockets, bombs, spray tanks and mines. The obsolete weapons fall into two categories: agent and munitions that have deteriorated until unusable, and munitions now outmoded because their delivery systems no longer are used.

About three-fourths of the rounds declared obsolete are M55 rockets. Many of these rockets are leaking nerve agent, and their delivery systems—the M91 rocket launchers—are no longer in the force structure. The remainder of the obsolete weapons include agent, explosives and metal parts.

Until 1970, the Army dumped its obsolete weapons in the ocean. As a result of environmental concerns, however, Congress passed legislation that prohibited ocean dumping.

Since 1972, the Army has relied on incineration and chemical neutralization plants to destroy 400 tons of explosives and 7000 tons of agent. In 1979, the Army set up a pilot plant with new thermal deactivation and incineration technology at Tooele Army Depot in Utah, called the Chemical Agent Munitions Disposal System.

The Army is considering several methods of destroying obsolete weapons in the existing stockpile.

One option is to explode nuclear weapons at an underground site containing the obsolete weapons. The Defense Nuclear Agency is paying $100,000 to S-Cubed of La Jolla, Calif., to determine if this approach is technically feasible. The study is to be completed in September.

"The study will address a number of technical questions," said Col. John Spence, commander of the Army Toxic and Hazardous Materials Agency in Maryland. "Will

munitions be driven into the periphery, for instance, and overground? Will a nuclear detonation cause complex, unexpected technological changes?"

The Army also is considering how to apply the CAMDS technology. It is deciding between two basic options: whether to build two or three centrally located facilities, or six to 10 plants near the current storage sites. The Senate Armed Services Committee has asked the Army to recommend a course of action within a few months.

About 40 percent of the existing stockpile is stored at Tooele. The rest is kept at seven sites in the U.S., one at Johnston Island in the Pacific and one in Germany (probably at Hanau, according to Julian Perry Robinson, senior fellow at the University of Sussex in England).

A few central facilities would be more efficient to build and operate than numerous dispersed plants, according to specialists in and out of the government. They could be built more quickly and at lower cost, and their larger scale would enable lower unit operating costs.

In addition, fewer trained employees would be required to handle disposal operations at centralized plants. Therefore, the chances of an inexpert employee causing an accident would be reduced.

"You wouldn't want to take a Ferrari to a Volkswagen dealer," said George Marienthal, deputy assistant secretary of Energy, Environment, and Safety at DoD until several months ago. "There's a night and day difference in risk with an experienced worker at Tooele and one you'd train on a one-time basis."

However, public perception of the safety hazards involved in shipping the weapons looms as a factor in the Army's decision. The distance from the storage site to the disposal plant would be greater if just a few plants were built. Consequently, the weapons would be shipped through larger civilian populations.

When the Army shipped the Weteye bombs last summer from Rocky Mountain Arsenal in Colorado to Tooele in Utah, Gov. Scott Matheson of Utah sought a temporary restraining order to block the move. The Federal District Court in Salt Lake City, Utah, rejected his request, and the Army completed the transfer without accident.

In addition, when lethal phosgene gas was shipped from Rocky Mountain Arsenal to Lockport, N.Y., in March, Rep. George M. O'Brien (R-Ill.) asked the Army to stop the shipment. O'Brien's district was one of many along the transportation route. Van De Mark Chemical Co. purchased the gas from the Army and transported it without accident.

"No state wanted it to pass through," said Spence.

Ultimately, then, the Army plans to step up its disposal operations by increasing its number of CAMDS-type plants from one to anywhere between three and eight. This general approach would be altered only if a decision is made to use nuclear incineration or if research yielded new, unforeseen technologies.

While the near-term approaches appear to be CAMDS-type plants or nuclear weapons or both, research could provide longer-term technology. The Army is hoping that this technology can be applied to existing weapons, to the salts resulting from incineration, and to the binary weapons it has proposed to Congress. DoD has requested $12.8 million for research and development for fiscal year 1983.

[From the Minneapolis Star and Tribune, Apr. 27, 1982]

NERVE-GAS PLANS: A HAZARDOUS WASTE

Should this country respond to the Soviet Union's undoubted buildup of chemical-warfare weapons and troops trained to use them? Yes. But should the response be a reflex rush to arm America with shells, bombs and missiles carrying poison gas? No. A proposal by President Reagan to start large-scale production of nerve-gas weapons comes before the Senate this week. The Senate should turn it down.

Reagan's request is dubious even in military terms. Since battlefield poisons are an unreliable weapon, the way to combat them is not with more poison but with good defensive measures. Yet Reagan's budget reduces funds for protective equipment and training to operate under chemical attack. The Senate should heed economic arguments, too. In the midst of necessity to rein in the growth of military budgets, the nerve-gas proposal points to additional spending of more than $1 billion annually as production expands.

And amassing an arsenal of chemical weapons would needlessly strain relations with U.S. allies. Western Europeans are nervous enough already about neutron bombs and nuclear missiles for use in their territory. They are not apt to welcome American poison gas as an addition to their defense. On the contrary. Instead of welcoming nerve-gas plans here, West Germany and Great Britain have proposed resuming international talks on a treaty totally banning production and stockpiling of chemical weapons.

That is the sensible response to test-tube rattling by the Soviet Union, and is especially appropriate for Americans to pursue. This country initiated the 1925 pact, still in force, prohibiting first use of chemical weapons. In 1969 President Nixon unilaterally ended U.S. production of such weapons and started to destroy American stockpiles. In 1976 President Ford began bilateral talks with the Soviet Union looking toward a comprehensive ban. By 1980 those negotiations—and multilateral talks in a U.N. committee—had reached the point of drafting a joint text and agreeing in principle to onsite inspections.

It is tragic to abandon, as Reagan apparently has, this work already accomplished. Instead, this country should be pushing for Soviet help in a tough treaty now to cut off the chemical arms race before it goes further. And the hazardous waste of new nerve-gas production should be nipped in the bud in the Senate this week.●

● Mr. KENNEDY. Mr. President, the Senate should join in support of this amendment which I have cosponsored along with the distinguished Senators from Colorado and Mississippi (Mr. HART and Mr. COCHRAN) to prohibit expenditures of any funds for the production of lethal binary chemical weapons. President Reagan's request for $30 million for these weapons will not provide the United States or its allies with a dime's worth of increased security, but it will put our Nation on the side of a dangerous and unnecessary arms race in chemical weapons.

President Reagan and congressional supporters of chemical weapons modernization have argued that the United States must add to our already large stockpile of these weapons to counter growing Soviet chemical war-fighting capabilities. This flies in the face of the fact that the United States already stockpiles approximately 200,000 tons of chemical munitions which, if necessary, can more than adequately respond to any Soviet first use of these weapons. While some have charged that our arsenal is becoming obsolete, Dr. Matthew Meselson, a leading expert in the field of chemical weapons, has testified that there is not a single official study in existence which supports this contention.

In requesting funds for the production of chemical weapons, the Reagan administration is breaking with the practice of the past three administrations, Democratic and Republican. As with its plan to build the neuton bomb, the Reagan administration claims that deployments are necessary to deter the Soviets from launching an offensive in Europe. But it is not necessary to have a superior offensive capability at every conceivable level of warfare to maintain effective deterrence.

Instead of this costly and ineffective response to the U.S.S.R., I believe that the United States should concentrate on improving our capabilities to protect our troops in the event of chemical war. While we are sufficiently armed to respond to any Soviet attack, we need to do more to train our troops to defend against a chemical attack and we have yet to provide them with effective and usable protective gear. This effort would be a far less expensive and far more effective means of demonstrating to our enemies that chemical weapons will give them absolutely no advantage in the event of a war.

Above all, I believe that our Nation must press ahead with negotiations for a comprehensive and verifiable agreement to prohibit the production, stockpiling and use of chemical weapons. Instead of taking new steps to escalate an arms race, the United States should lead in efforts to eliminate these inhumane and unacceptable weapons. Therefore the Senate should adopt Senator COCHRAN's resolution, asking the President to actively pursue both bilateral and multilateral negotiations for the prohibition of the production and stockpiling of all chemical weapons.

President Reagan's funding request for lethal binary chemical weapons is dangerous and wasteful. I call upon my colleagues to join in opposing this unconscionable expenditure.●

Mr. BUMPERS. Mr. President, will the Senator defer for just one moment?

Mr. TOWER. For what purpose?

Mr. BUMPERS. To have my statement printed in the RECORD.

Mr. TOWER. I yield for that purpose.

Mr. BUMPERS. We are confronted with a most difficult decision: Whether to approve the administration's request for funds to produce binary chemical weapons. If funding is approved, these weapons would be produced at Pine Bluff Arsenal in my home State of Arkansas. I have spent many hours studying and reflecting on this issue, and I would like to share with my colleagues some of the thoughts I have developed. Let me say at the outset that both opponents and proponents of the administration's proposal have presented their case effectively; that there are merits to both sides of the issue; and that a number of the more sensitive and controversial technical issues relating to the shelf life of the present stockpile and the adequacy of the testing program for the binary weapons are likely to remain unresolved for years to come.

In the past I have voted against renewed production of nerve agents. My opposition was based on the hope that negotiations with the Soviets would produce a treaty to limit or abolish these horrible weapons. I also saw little possibility of the use of chemical agents by the Soviets or their allies. However, the breakdown in the negotiations and recent evidence showing that the U.S.S.R. and its clients are prepared and apparently willing to wage chemical warfare forced me to look again at the pros and cons of producing binary weapons.

The United States has not produced any chemical munitions since 1969, and the existing stockpile is becoming increasingly difficult and dangerous to maintain. Having visited Pine Bluff Arsenal where a considerable portion of our current stockpile is stored, and having spent hours listening to the residents of Pine Bluff and surrounding communities, I can tell my colleagues that both Army personnel and Arkansans are genuinely concerned about the potential hazards associated with storing these unitary chemical weapons. If a retaliatory stockpile is required to deter possible Soviet use, it must be much safer to handle and store than the one we have now.

Binary munitions are totally safe because they are made up of two nonlethal chemicals that are manufactured and stored separately. The two chemical agents would be left apart until they reach the battlefield, where they would be put together in an artillery shell or bomb. The chemicals mix and become toxic only after the shell is fired or the bomb is dropped. An important factor affecting my position on this issue has been the administration's response to my insistence that any proposal to proceed with the production of binary weapons include a clear, binding commitment on the part of the Department of Defense to destroy the weapons currently in the inventory. Mr. President, I would like to read from the letter I received from Mr. Richard Wagner, Assistant to the Secretary of Defense, which outlines this commitment and insures that the production of binaries will not add to the chemical stockpile; but rather replace the aging, decreasingly effective and increasingly unstable unitary munitions with a smaller number of binary munitions that are totally safe to store. I would also like to submit this letter for the RECORD.

Mr. President, the primary emphasis of our total chemical program must continue to be on developing and producing protective clothing, equipment, and decontaminants, and I am pleased that the bulk of the resources in the proposed plan will be devoted to this effort. If we show the Soviets that we can protect our troops against a chemical attack, the Soviets should see the futility of using such repugnant weapons. The administration also needs to develop a clear and unified position with our NATO Allies concerning binary weapons. Since the primary rationale for producing binaries is to deter the use of chemicals by the Soviets in the European theater, their value would be greatly reduced if they were not deployable.

Most importantly, now is the time to renew talks with the Soviet Union on limiting or banning chemical weapons. In this regard, Mr. President, I am cosponsoring the resolution of the distinguished Senator from Mississippi, Mr. CORCORAN, that calls on the President to actively promote negotiations with the Soviet Union and within the Committee on Disarmament for the purpose of drafting a treaty for the complete and effective prohibition of the development, production, and stockpiling of all chemical weapons and on their destruction. We should all remember that if these weapons were ever used, it would be the civilian population, not the troops, that would be most susceptible to their horrendous effects.

Mr. President, I ask unanimous consent that a letter I received from Richard L. Wagner, Assistant to the Secretary of Defense (Atomic Energy), dated May 12, be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

OFFICE OF THE SECRETARY OF DEFENSE,
Washington, D.C., May 12, 1982.

Hon. DALE BUMPERS,
Dirksen Senate Office Building,
Washington, D.C.

DEAR SENATOR BUMPERS: As the official responsible for chemical matters, I want to assure you that the Department of Defense is fully committed to disposing of all chemical munitions and agents presently in the U.S. arsenal. A major objective of the proposed chemical deterrence program is to replace the current chemical agent stockpile with one that at the end of a reasonable period of time is smaller, safer, more mobile and more militarily effective. Replacement of existing unitary munitions with binary munitions will permit the accomplishment of this important objective. Most of the current chemical agent stockpile has little or no military utility and will be disposed of over the next ten to fifteen years, provided Congress adequately funds the demilitarization program. A smaller fraction of the stockpile is in aging munitions that will be disposed of in the immediate future to eliminate any potential safety hazards. Our ultimate objective is to achieve a verifiable chemical disarmament treaty that will include a provision for the disposal of the chemical weapons arsenals of all nations.

Technologies presently exist that permit the safe demilitarization of chemical weapons. The two systems that have been developed and are currently operating to meet immediate demilitarization requirements are the Drill and Transfer System (DATS), and the Chemical Agent Munitions Disposal System (CAMDS).

DATS is a portable system designed to handle defective munitions ("leakers") at storage installations. DATS does not destroy the agent or munition; it merely separates the two, and both must be disposed of by other means at a later date. DATS successfully completed pilot testing at Dugway Proving Ground, Utah, in December 1979, and operations at Pine Bluff Arsenal, Arkansas, in June 1981. DATS is currently at Anniston Army Depot, Alabama, where it began operations in March 1982.

CAMDS is an industrial size, prototype system designed to develop and demonstrate advanced procedures and equipment for large scale demilitarization. The system is located at Tooele Army Depot, Utah. Processes employed by CAMDS include chemical neutralization of nerve agents, incineration of mustard agents, and thermal destruction of residual agent contamination on inert metal parts. The system will be tested during 12 different phases over the period 1981-1987. Scheduled to be destroyed during this period are approximately 130,000 assorted rockets, projectiles, bombs, mortar rounds, spray tanks and bulk containers filled with chemical agents. Initial prototype tests have proved the effectiveness of the overall design for disposing of M-55 GB nerve agent rockets; and have shown that operating personnel and the surrounding population are not subject to any environmental or health hazards.

Using these current technology systems, the Department of Defense will continue to dispose of those "leakers" and unserviceable munitions—approximately 100 agent tons annually—which pose the greatest safety hazard. However, the projected costs of using existing technologies to dispose of all obsolete agents and munitions range above $2 billion. Because of the very large costs that would be involved in expanding these systems to handle the total demilitarization effort, the Department of Defense will concurrently and vigorously pursue an enhanced program to develop less costly procedures and techniques for disposal of the entire stockpile. The FY 83 Defense budget request contains $74 million for demilitarization, and approximately one-sixth of our five year chemical program will be devoted to this critical area. This compares with a request of about $54 million for production of binary munitions in Fiscal Year 1983, and the total amount to be requested for production over the next five years will be

roughly equal to that requested to carry out demilitarization.

In summary, the goal of the Department of Defense is the ultimate disposal of the entire existing stockpile of unitary agents and munitions, and we are establishing programs to develop the technologies to achieve this goal in the safest and most cost effective manner. Our first priority continues to be disposal of those unserviceable munitions which pose the greatest hazard. I believe that the decision to procure binary weapons will not only convince the Soviets that they could gain nothing by initiating chemical warfare, but I will also serve as an incentive for them to negotiate a verifiable ban on chemical weapons.

I am pleased to respond to your request for a commitment on our part to dispose of our present chemical agents at the earliest possible time, in tandem with our production of binaries.

Sincerely,

RICHARD L. WAGNER,
Assistant to the Secretary of Defense
(Atomic Energy).

Mr. BUMPERS. I will ask the floor manager's indulgence that I be permitted to read the first paragraph of this letter. It says:

DEAR SENATOR BUMPERS: As the official responsible for chemical matters, I want to assure you that the Department of Defense is fully committed to disposing of all chemical munitions and agents presently in the U.S. arsenal. A major objective of the proposed chemical deterrence program is to replace the current chemical agent stockpile with one that at the end of a reasonable period of time is smaller, safer, more mobile and more militarily effective. Replacement of existing unitary munitions with binary munitions will permit the accomplishment of this important objective. Most of the current chemical agent stockpile has little or no military utility and will be disposed of over the next ten to fifteen years, provided Congress adequately funds the demilitarization program.

Mr. TOWER. Mr. President, I was prepared to yield to the Senator for a brief insertion. I was not aware he was going to read a statement.

Mr. President, I move to table the amendment of the Senator from Colorado.

Mr. COCHRAN. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas to lay on the table the amendment of the Senator from Colorado. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Florida (Mrs. HAWKINS) and the Senator from Idaho (Mr. McCLURE) are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Illinois (Mr. DIXON), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Massachusetts (Mr. KENNEDY), and the Senator from Maryland (Mr. SARBANES) are necessarily absent.

On this vote, the Senator from Illinois (Mr. DIXON) is paired with the Senator from Massachusetts (Mr. KENNEDY). If present and voting, the Senator from Illinois would vote "yea" and the Senator from Massachusetts would vote "nay."

The VICE PRESIDENT. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 49, nays 45, as follows:

[Rollcall Vote No. 118 Leg.]

YEAS—49

Abdnor
Armstrong
Baker
Bentsen
Boschwitz
Brady
Bumpers
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Cohen
D'Amato
Denton
Dole
Domenici
East
Exon
Garn
Glenn
Goldwater
Hatch
Hayakawa
Heflin
Helms
Humphrey
Jepsen
Johnston
Kasten
Laxalt
Long
Lugar
Mattingly
Murkowski
Nickles
Nunn
Pressler
Quayle
Randolph
Rudman
Schmitt
Simpson
Stennis
Stevens
Symms
Thurmond
Tower
Wallop
Warner
Zorinsky

NAYS—45

Andrews
Baucus
Biden
Boren
Bradley
Burdick
Chafee
Chiles
Cochran
Cranston
Danforth
DeConcini
Dodd
Durenberger
Eagleton
Ford
Gorton
Grassley
Hart
Hatfield
Heinz
Huddleston
Inouye
Jackson
Kassebaum
Leahy
Levin
Mathias
Matsunaga
Melcher
Metzenbaum
Mitchell
Moynihan
Packwood
Pell
Percy
Proxmire
Pryor
Riegle
Roth
Sasser
Specter
Stafford
Tsongas
Weicker

NOT VOTING—6

Dixon
Hawkins
Hollings
Kennedy
McClure
Sarbanes

So the motion to lay on the table UP amendment No. 950 was agreed to.

Mr. TOWER. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. BAKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 951

(Purpose: To prohibit the obligation or expenditure of funds for binary chemical weapons unless the President makes certain certifications)

Mr. HATFIELD. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The VICE PRESIDENT. The amendment will be stated.

The bill clerk read as follows:

The Senator from Oregon (Mr. HATFIELD), for himself and Mr. PRYOR, proposes an unprinted amendment No. 951.

Mr. HATFIELD. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The VICE PRESIDENT. Without objection, it is so ordered.

The amendment is as follows:

On page 67, immediately below "2213. Cooperative military airlift agreements." insert the following:

SEC. 1117. (a) Notwithstanding any other provision of law, no funds may be obligated or expended after the date of enactment of this Act for production of binary chemical weapons unless the President certifies to the Congress that—

(1) it is the policy of the United States not to engage in live chemical or bacteriological agent testing on human beings and that the President rejects the findings of the Ad Hoc Air Force Advisory Board that such testing is critical;

(2) for each binary artillery shell produced, a unitary shell from the existing arsenal shall be destroyed, until such time that the Government of the Federal Republic of Germany and the North Atlantic Treaty Organization Council of Ministers approve replacement of existing stocks of lethal chemical munitions forward deployed in the Federal Republic of Germany with lethal binary chemical munitions; and

(3) (A) the United States has undertaken bilateral negotiations for a period not less than 300 days with the Government of the Soviet Union for the purpose of concluding a verifiable treaty barring production and stockpiling of chemical weapons and has concluded that such negotiations cannot produce agreement; or

(B) the reason that such negotiations are not taking place is that the Government of the Soviet Union refuses to engage in such negotiations.

(b) If the President makes a certification under paragraph (1) of subsection (a), he shall prepare and transmit to the Congress, together with such certification, a report setting forth the basis for such rejection.

(c) As used in subsection (a), the term "lethal binary chemical munitions" shall have the same meaning given such term in section 318(b) of the Department of Defense Authorization Act, 1976 (Public Law 94-106; 50 U.S.C. 1519).

Mr. TOWER. If the Senator will yield, the Senator from Oregon has an amendment on chemical warfare, and I believe the Senator from Mississippi has one. I believe that finishes off the chemical warfare amendments tonight.

Are there any on the other side? There are not.

Then the Senator from Arkansas has three or four amendments.

Mr. PRYOR. Probably two, and on one I think we will have a rollcall.

Mr. TOWER. Are there any other amendments on that side? I know the Senator from Georgia has several and the Senator from Montana has one.

Mr. LEVIN. Senator BUMPERS and I will not be offering the B-1 tonight. We will probably pick up a few votes, I am sure, when the appropriations bill comes before us. [Laughter.]

Mr. TOWER. That is possibly the case.

I think we can bring this thing to a conclusion at a fairly reasonable time if we just press on. [Laughter.]

Mr. MOYNIHAN. Will the distinguished chairman yield for a question?

Mr. TOWER. Yes.

Mr. MOYNIHAN. Surely, we have just, as the U.S. Senate, at a very late hour requiring the Vice President to come to the Chamber, made a close decision about a solemn matter, one which the world has been horrified by for half a century and has had treaty on treaty with respect to.

Is it really useful to continue this debate? Ought we not to recess a moment, think what we have done, and in the fullness of a new day resume the discussion that the Senator from Oregon would like to bring us to? Is this an hour for such matters?

Mr. TOWER. I think everybody is as sharp a wit at this hour of the night as they are early in the morning.

I apologize to my distinguished friend from Oregon for intruding on him so much at this time.

Mr. HATFIELD. Let me just briefly say——

Mr. MOYNIHAN. Will the Senator yield for just one moment?

Mr. HATFIELD. Yes.

Mr. MOYNIHAN. The Senator from Texas did not deign to answer my query.

Mr. BAKER. Mr. President, if the Senator will yield, I would like to answer that if I may.

Mr. President, it is almost 3:30 in the morning and I understand how the Senator feels. But the Senate collectively is at best to try to finish this bill. I think we can finish this bill. I urge we do so as early as possible. I would not be favorably disposed to recess the Senate.

The PRESIDING OFFICER (Mr. MATTINGLY). The Senator from Oregon.

Mr. HATFIELD. Mr. President, I had great hopes for a while that we might work out this amendment with the committee. We have reached an agreement on one of the major parts of this amendment. I feel that basically it is an amendment that should be agreed to because it is a very simple amendment. It only states three propositions.

No. 1, under this program there shall be no use of human beings for testing purposes.

I have documentation from a scientific advisory board to the Air Force that it is critical that we have such testing. I will be very happy to give the citation.

This merely says that we shall not use human beings in the testing.

No. 2, it states that for every binary weapon 155 shell that we produce, we shall destroy one currently serviceable unitary shell of the same caliber in the arsenal, one for one replacement.

No. 3, it limits the production to the time when we get a commitment from our allies in the NATO alliance as to whether or not they are going to accept this in the forward deployment position in their arsenals.

Let me remind you that the Congress in the last session, in the appropriations measure, wrote in the conference report that we wanted a state-by-state commitment from our allies before we move to production. The administration ignored that provision of the appropriation language report, and admitted to it in our hearings in the Appropriations Committee.

That, basically, is all this amendment does. It is a fallback position from the Hart amendment, which I supported.

I cannot conceive of anybody really wanting to use human beings for testing.

All this amendment does is to put us on record in opposition to that. I might say Mr. Gold, from the Defense Department, in testimony before our Appropriations Committee said they had no plans to do so, they had no intentions to do so, and as far as he was concerned we could throw that recommendation in the garbage can.

So it is not as if the Pentagon is up here battling at this hour of the morning for the privilege of using human beings for testing.

I refer to the document which is entitled "Report of the USAF Scientific Advisory Board Ad Hoc Committee on Potential New Methods of Detection and Identification of Chemical Warfare Agents, Scientific Advisory Board of the United States Air Force, September 1981."

I will read one brief paragraph to illustrate the point. This is on page 15.

> Consequently, there is a need to acquire information showing it does affect relationship for critical physiological functions. The political and emotional issues associated with using live agents on human subjects are recognized as difficult but, nevertheless, their use is critical to acquiring key information regarding the effects of nerve agents on the ability to complete operational missions.

Mr. President, the second factor of this measure, simply stated, is to let us hear from our allies, as far as production is concerned.

I could recite—I have a 20-page statement here that I am not going to go into. But I can recite to the Senate what the German Republic's major ruling party has stated in their own convention. I can quote what the Dutch Government has said about storing such chemical weapons on their land. I can tell about the resolution pending before the British House of Commons today, all of these indicating very strong either opposition or reservation about seeing this kind of weaponry on their soil.

It seems to me only logical, Mr. President, that we have some kind of commitment, some kind of statement of policy, from those allies before we move to that level of production.

Third, as I indicated, it seems to me we ought to be willing to replace, projectile by projectile, as we develop a binary one, replace the 155—the unitary one—in our arsenal. That is all I ask, a replacement of one for one.

Mr. BUMPERS. Will the Senator yield?

Mr. HATFIELD. I am happy to yield.

Mr. BUMPERS. First, Mr. President, I commend the Senator for what sounds like an eminently sensible approach to this problem, one which has troubled me ever since we started on it. As he knows, we have these unitary munitions stored in Arkansas. They are a trouble to the people in the area because we have some leakers, and there is always the possibility of an accident.

I have been negotiating with the Pentagon for 2 weeks now, trying to get a letter, which I finally got yesterday, that does not nail it down quite as precisely, but it is what I like. That is, they say they will destroy our existing stocks in tandem with the production of binaries.

Mr. President, I think I can support the Senator's amendment, but let me make this point, as I understand it. While, in their letter to me, the Pentagon said that they will destroy these munitions as quickly as possible and as fast as Congress will appropriate the money for them to do it, because of the technology there could be a lag time between the time they produce and the time they are capable of destroying. I am wondering if the Senator would consider an amendment to say that, at the end of, say, a 10-year period, they will have accomplished what he has asked for, that they will have destroyed as much as they have produced. in order to accommodate a realistic problem that they might have, even if they are as optimistic as the Senator is about the destruction of these unitary munitions.

Did the Senator hear the question?

Mr. HATFIELD. No, I did not, Mr. President.

Mr. BUMPERS. The question is this: In light of the fact that there will be a lag time between the destruction and the production—in other words, if you start production 24 months from now, you would produce munitions faster than you can destroy initially. Later on, hopefully, the destruction of the existing stocks could occur at a faster pace.

My question is very similar to what we call multiple-use-sustained yield on an even basis over a 10-year period in the forest. Would the Senator consider an amendment to his amendment that would say that, at the end of 10 years, they must have destroyed, or at the end of some time certain, they must have destroyed as much as they have produced?

Mr. HATFIELD. I would consider such an amendment, Mr. President. I have not found any opposition from the Defense Department itself on the question of a one for one.

Mr. WARNER. Will the Senator yield?

Mr. HATFIELD. Yes.

Mr. WARNER. Mr. President, I have actually been at a facility. It simply cannot destroy as fast as they can make the new system. If we can provide some flexibility in that, I am going to do the very best we can to try to work this out.

Mr. HATFIELD. Mr. President, I recognize the problem the Senator from Arkansas raises. Of course, we have to have some flexibility in this, because we are not in the same sequence of destruction and production. At the same time, I think it has to be clearly understood that within a reasonable period—I think 10 years is a little too long—there has to be a balance between that which is production—the number produced—and the number that are destroyed.

Mr. BUMPERS. I do not know exactly how we are going to work this out in the time constraints we are under here right now. My primary interest in the whole thing is to get our existing stocks destroyed at the earliest possible time. The Senator's amendment will do that.

Let me proceed to the third point, just for clarification.

The Senator states that we will not begin production until our allies state that they are willing to accept——

Mr. HATFIELD. No, Mr. President, I did not say we will not begin production. The question today, and we cannot really discuss it in open session, is whether or not our commitment is to produce for our NATO arsenals as well as our own arsenal.

Mr. BUMPERS. I misunderstood that, Mr. President.

Mr. HATFIELD. I want to restrict this to our own arsenal. Then at such time in the future at which our allies have developed a position in which we can be the supplier, I would not have this, then inhibit that possibility. But only upon that kind of certification from our allies would we reach that production to provide for their arsenals.

Mr. BUMPERS. Mr. President, how does the Senator define allies?

Mr. HATFIELD. We get into the situation of what percentage and for what length of time you want to have that supply. In the unclassified area we are talking about 5 percent per million rounds for a 30-day war. When you look at what we are talking about here in quantitative factors something becomes very obvious. The commitment is for far greater than what our own arsenal requires if you take the experts like Dr. Messelson and others who talk about the percentage of rounds per million needed to be fired in order to keep the enemy in combat or protected status.

Mr. BAKER. Mr. President, will the Senator yield to me?

Mr. HATFIELD. Yes.

Mr. BAKER. Mr. President, if I may interrupt, it sounds to me like the parties are very close to working something out. May I make a suggestion to the managers of the bill on both sides?

I think we might profit from letting the principals in this get together and talk about if off the floor and see if they can work it out if there is something we can go to in the interim.

Mr. TOWER. I agree with the majority leader, Mr. President. I have just spoken to the Senator from Arkansas to see if he is ready to offer his amendment.

Mr. PRYOR. I am embarrassed, Mr. President. I have my speech but I do not have my amendment. I shall try to find it.

Mr. TOWER. I shall speak to Senator NUNN and see if he is ready to offer his.

Mr. HATFIELD. Mr. President, I would object to taking up any other amendment on this subject until we resolve this particular one. I do not think we should do that.

Mr. CHILES. Will the Senator yield for just a moment on this subject?

Mr. HATFIELD. I would be happy to, Mr. President.

Mr. CHILES. I wanted to ask the Senator about the language he has in his amendment where you could not use humans for testing. My concern is, would that go to say that we could not test our defensive equipment to use of nerve gas to determine whether our defensive equipment is good or not? I understand what the Senator is talking about, not to have experiments on people with the gas to see what its effects are. But I would be sort of concerned if we are going to say we are going to make defensive equipment for this but we are not going to allow ourselves to test that equipment. We are not going to have the Russian gas to test that equipment.

Mr. HATFIELD. I say to the Senator, according to the information we have, there are other ways you can test that kind of information without the use of human factors in terms of developing the action or reactions of soldiers to chemical weapons. Mr. Gold says we do not have to use human beings to acquire information. He says "We disagree with that report."

. I just want to nail it down. I do not like the idea that the reports still say this is critical and then the possibility of that report to be adopted later if it is the desire of the agencies to change their mind. That is all we are suggesting here.

Mr. President, if the Congress approves the administration's proposal without amendment today it will be departing from a moratorium established 13 years ago by President Nixon. While the $54 million production and procurement funding level for this year is relatively small by military standards, we will be taking a first step toward a program which will ultimately cost many billions of dollars.

We have all heard the ugly reports of the use of chemical weapons by Communist governments in Southeast Asia and possibly elsewhere. However, I am unaware of any Member of the Senate who believes it is wise or prudent to simply assume that we can trust the Soviets not to initiate chemical warfare against U.S. Forces and our allies. We all believe this is possible and that steps must be taken to deter such an eventuality. This is why the alleged use of chemical weapons by Soviet surrogates is not particularly relevant to this debate. We all agree that the threat is real; what we must determine is how to best respond.

The sufficiency of our deterrent capability is a complex issue. It involves the current and future integrity of the U.S. chemical munitions stockpile; it involves the political ramifications with respect to Europe; it involves the potential benefit we may be providing to terrorist groups and governments, and it involves certain opportunity costs.

Mr. President, we are in a period of budget austerity. We must reduce the Federal deficit and return our economy to a healthy state. Producing chemical munitions will mean forgoing other steps aimed at enhancing our national security, including other conventional defense priorities. We cannot afford to close our eyes because of the relatively small size of this year's request and ignore the long-term budget implications of this program, which are immense.

We must also look at the implication for arms control contained in this proposal. This administration has not pursued bilateral negotiations with the Soviet Union on chemical weapons.

Finally, we must recognize that there is a moral and strategic dimension to this issue. Chemical warfare will entail massive civilian casualties. We offer no protection to the innocent. Our allies are justifiably concerned over unilateral military decisions posing grave implications for their security. We cannot be secure unless the NATO alliance as a whole is cohesive and secure. There is certainly a tolerance level beyond which we do more harm than good. If it is truly not necessary to do so, the production of nerve gas could move us beyond this threshold.

This is why Congress has endorsed, on two occasions during consideration of the appropriations bills, language requiring consultation with our European allies on the binary program.

The administration did not comply with these directives.

It is the issue of European deployment which I would like to address first. Dr. Matthew Messelson testified before the Appropriations Committee recently and pointed out that it would be unnecessary, indeed, irrational from a military standpoint to commit any more than 5 percent of our total artillery capacity to chemical weapons. Beyond this point, chemical weapons lose their military value. In fact, they become a serious detrimental to our military aims.

There are two principal reasons for this. First, if we are firing too many chemical rounds we are forgoing an equal share of conventional rounds. Ultimately, a chemical attack is not negated by a counterchemical attack, but rather by a conventional explosive force which destroys the enemy's delivery capability. There is one purpose and one purpose only for chemical retaliation, and that is to force the enemy into a cumbersome protective posture. Any level of chemical armament beyond this threshold is not only illogical and dangerous from a military point of view, it is the height of immorality from a humanitarian point of view. This is the crux of the issue we face. Do we have the 5 percent needed to complete such a mission? The answer is an unequivocal "yes."

We all know that the standard projection of the number of days we should anticipate for a war in Europe is 30. Of course, we must have additional supplies for other contingencies. But I think it is widely held that the European theater is the most likely arena where massive amounts of chemicals are likely to be used. I would like to call the Senate's attention to a chart prepared by Dr. Matthew Messelson, widely recognized as the foremost expert in the United States on chemical warfare and a consultant to every administration on chemical warfare matters since the Kennedy administration.

In Dr. Messelson's chart he shows a range of tons of chemical weapons starting at 5,000 and going up to 15,000. From unclassified sources we know that the current usuable, immediately ready stockpile of chemical weapons, consistent with existing and projected delivery systems, is greater than the lowest tonnage figure of 5,000 tons. We also know from unclassified sources that the amount of nerve agent requested by the administration is greater than the 15,000-ton extreme figure; 5,000 tons of chemical agent equates to roughly 1 million artillery rounds.

Using the 5,000-ton level, firing at a rate of 5 percent of total fire at maximum capacity, which is roughly 1,500 cannon, around the clock at the rate of around 100 rounds a day, we would have enough chemical weapons for 135 days of use for U.S. troops. If you include all of NATO we would have enough for 45 days.

If you take the most extreme tonnage figure of 15,000 tons which is roughly 3 million rounds, we would have enough for 405 days. If all of NATO is included, we could fire chemicals for 135 days.

Two major points can be derived from this information. First, it is clear that the tonnage being requested by the administration cannot possibly be designed for the United States alone. To make such an assumption is absolutely, completely outrageous. Second, we see that even if one assumes that all of the NATO nations will be firing chemical weapons along with us—a most unlikely possibility—the quantities are still absurdly high. What, then, is the administration's aim?

In order to answer this I would like to make one further point and it applies to the logistical element which comes into play here. If we take the lowest tonnage figure which is 5,000 tons or 1 million artillery projectiles, again, more than the United States has in usable chemical munition right now, it would take the following transport capability: using the entire C-141B transport fleet carrying nothing but chemical weapons, no troops, no artillery, no supplies, no food, just chemical weapon; 2 weeks of flying back and forth to Europe constantly. If we take the 3 million artillery round figure, less than what the administration desires, it would take 6,300 flights using our entire C-141B transport capability, which would take 6 weeks.

Dr. Gold gave the Appropriations Committee some insight into this the other day. He said that the United States expects to use several times the 5-percent figure pointed out by Dr. Messelson. Dr. Messelson was careful to point out to us that most experts agree that a 5-percent chemical firing rate is the maximum amount necessary. He reported that his conversations with military personnel in charge of these programs reveal that a 5-percent ratio is viewed as a high-end number. Yet Dr. Gold tells us that this administration wants several times that amount.

Now, let us give the administration the benefit of the doubt—let us accept everything that they say. What we see is that even by firing three times the maximum acceptable amount of chemicals needed to keep the Soviets in a protective posture by all of the available NATO cannon we are still being asked to provide far more than we would need for a 30-day European war. This is height of Pentagon scandal.

There is no evidence whatsoever that Europe will accept the binary munitions. Reams of evidence to the contrary exist. The Appropriations Committee demanded that the administration "provide a country-by-country report from our NATO allies on their view of the long-range binary program." Not only did the administration arrogantly, if reluctantly, admit that they flatly chose not to comply with the congressional initiative, but they refer to forward deployment in Europe as nothing more than hypothetical.

The ratio of military to civilian deaths in the event of chemical war is roughly 20 to 1. Experts estimate that the number of civilian casualties in Europe from chemical war would be between 4 and 40 million. Either this administration and the Armed Services Committee is fully prepared with its eyes wide open to pursue a strategy which it knows will result in slaughter of the innocent on a scale that bears no reasonable relationship whatsoever to the end in view; or it has no strategy at all. I would not level such a charge against any of my colleagues or the officials promoting this weapons system in the administration, as I do not question their intentions. So one must conclude that the latter point is the reason there is no strategy. I must say that it is consistent with the preponderance of military decisions we have seen. There is no blueprint, there is no strategy, there is only knee-jerk reaction to the 10-foot-tall Soviet bear. Perhaps we should appropriate more money. Perhaps we should instruct the Department of Defense to design a gas mask for European infants and for elderly people. They will be the ones who will bear the brunt of this policy. or perhaps we should be telling the Europeans to begin to prepare evacuation plans.

There are three other matters of strategic concern that our hearing proved that the administration has not addressed. I have not seen any evidence that the Armed Services Committee has addressed these questions either. First, for those who feel that at least a minimal chemical deterrent in Europe is necessary, what evidence do they have that proceedings with this program will not create such a backlash as to place in concrete a European rejection of this plan? Within a week of President Reagan's certification the Dutch Government had publicly espoused a new policy for rejecting the use and storage of chemical weapons by Dutch Armed Forces. On the basing of chemical weapons within its territory, the Norweigian Government endorsed an analogous policy. Three weeks ago Chancellor Schmitt's party in West Germany adopted a resolution at its annual convention which, and I quote, "Requests that the Federal Government remove all stockpiles of poison gas and give no permission for future deployment of such warfare agents as a contribution to a mutual withdrawal of such weapons from Europe." In Britain there is a bill before Parliament which seeks to make storage of chemical weapons in Britain illegal.

The second point I would like to make is that this weapon, in the amounts envisioned, will create immense political pressure for either surrender or escalation to nuclear war. None of these possibilities have been addressed by either the administration or the Armed Services Committee.

Finally, I think there are very few in this Chamber who would disagree that the United States plays a powerful leadership role in military technology. I also doubt whether anyone would disagree with the fact that other nations, particularly less developed nations lacking our technology base, look to this Nation for guidance in military developments. We have seen that it is the most desperate and unstable regimes that have been attracted to nuclear weapons.

Yet testimony showed that virtually no thought has been given to the proliferation implications of this weapon and just as little thought to the potential for the Idi Amin's and the Colonel Qadhafi's of this world to begin to think about poison gas as a practical military alternative to nuclear weapons.

One of the central themes is that these munitions can be produced, stored, and transported more safely and easily. The 1980 Army Factsheet on Chemical Weapons states that the binary concept is a process that allows for manufacturing simplicity. In the face of a nuclear proliferation problem that is essentially out of control, this administration, this committee and the proponents of this system have nothing of substance to say to this point.

Finally, I would like to share with the Senate a report which I obtained recently from the Air Force. After lengthy questioning, the Department of Defense informed me that I can throw it in the trash can. Perhaps their commitment on this point will be as forthright as was their response to the Appropriations Committee request for a report from our European allies. This report does not apply directly to the binary program. It does remind us that we are dealing with the same people who brought us 6,000 dead sheep in Utah, and the testing of bacteriological agents in the New York subway and the Washington, D.C., Greyhound bus depot. We are dealing with an overly zealous Army Chemical Corps which has not even field tested this weapon.

The former director of this program says that it would be criminal to send troops onto the battlefield with an untested weapon. I wonder if the Armed Services Committee is also prepared to make a commitment that we can throw this report in the trash. I would also like to have a technical assessment from the Armed Services Committee stating why I can do so if it agrees with the Defense Department's assessment. I assume that when a report of this kind repeatedly states that such measures are critical, not casually recommended, critical, that there may be some liability that we face that will affect the safety of our troops. The only response I was able to garner from the administration was that they were prepared to live with the uncertainty. Although the report does not say so, it is only logical to assume that the results of such testing of nerve agents on human beings on troop degradation would also have direct applicability to the effectiveness of the binary on Soviet troops.

Mr. TOWER. Mr. President, if the Senator will yield, I would like to ask unanimous consent that his amendment be temporarily laid aside to permit the Senator from Arkansas (Mr. Pryor) to offer an amendment. After disposition of that, we can return to consideration of the amendment of the Senator from Oregon.

Mr. President, I so propound that request.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

UP AMENDMENT NO. 952

(Purpose: To establish a Director of Operational Testing and Evaluation in the Department of Defense)

Mr. PRYOR. Mr. President, I have an amendment I send to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Arkansas (Mr. Pryor) proposes an unprinted amendment numbered 952.

Mr. PRYOR. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the substitute add the following new section:

DEPARTMENT OF DEFENSE DIRECTOR OF OPERATIONAL TESTING AND EVALUATION

Sec. . (a)(1) Chapter 4 of title 10, United States Code, is amended by inserting after section 136 the following new section:

"§ 136a. Director of Operational Testing and Evaluation: appointment; powers and duties

"(a) There is a Director of Operational Testing and Evaluation of the Department of Defense, appointed from civilian life by the President, by and with the advice and consent of the Senate.

"(b) The Director performs all duties relating to operational testing and evaluation in the Department of Defense including—

"(1) being the principal adviser to the Secretary of Defense on operational testing and evaluation in the Department of Defense;

"(2) monitoring, reviewing, and providing guidance to all operational testing and evaluation in the Department of Defense; and

"(3) reviewing in advance for each major development program in the DOD the adequacy of the plans for, and the funds for, the relevant operational tests and evaluations.

"(4) analyzing the results of the operational test and evaluation for each major development program and reporting to the Secretary of Defense on (a) whether the testing accomplished was adequate, and (b) whether the test results confirm that the hardware actually tested is effective and suitable for combat.

"(5) reviewing and making recommendations to the Secretary of Defense on all budgetary and financial matters relating to operational testing and evaluation in the Department of Defense.

"(c) The Director shall report directly, without intervening review or approval, to the Secretary of Defense. The Director and his staff are to be completely independent of any research and development agencies or offices within the Department of Defense.

"(d) The Director shall—

"(1) transmit to the Congress annually a report on the results of the operational test and evaulation accomplished for the year in the Department of Defense;

"(2) inform Congress on operational testing and evaluation matters in the Department of Defense at such other times as the Director considers appropriate; and

"(3) respond to requests from Congress for information relating to such matters.

"(e) The Director shall have access to all such records and data in the Department of Defense, including the records and data of the military departments, as the Director determines necessary to carry out his duties under this section and shall have the authority to have observers designated by himself present during the preparation for and conduct of operational tests within the Department of Defense.

"(f) For the purposes of this section 'operational testing and evaluation' means the field testing and evaluation, under realistic combat conditions, of any item of weapons, equipment, munitions to determine its effectiveness and suitability for combat in the hands of typical military users.

"(g) The Comptroller General of the United States shall have the authority to designate observers to be present during the preparation for the conduct of any operational tests within the Department of Defense.

(2) The table of sections at the beginning of such chapter is amended by insertion after the item relating to section 136 the following new item:

"136a. Director of Operational Testing and Evaluation: Appointment; powers and duties.".

(b) For Each fiscal year, the President shall include in the Budget transmitted to the Congress pursuant to section 201 of the Budget and Accounting Act, 1921, a separate request for new budget authority for, and an estimate of outlays by, the Director of Operational Testing and Evaluation of the Department of Defense in carrying out the duties and responsibilities set forth in section 136(a) of title 10, United States Code.

(c) Section 5315 of title 5, United States Code, is amended by adding at the end thereof the following new item: "Director of Operational Testing and Evaluation, Department of Defense.".

Mr. PRYOR. Mr. President, and my colleagues in the Senate, I will only take a very few moments because of the late hour tonight.

This amendment basically will do four very simple things, but I think it will have some long-range, meaningful, constructive, and beneficial results.

It would establish one new position at the Defense Department. This position would be the Director of Operational Testing and Evaluation, who would be appointed by the President and confirmed by the Senate. This would be a civilian, not a military person. In all likelihood this individual and hopefully——

Mr. TOWER. Mr. President, may we have order, please?

The PRESIDING OFFICER. May we have order, please.

Mr. PRYOR. I thank the chairman very much.

This would be an individual who would be a civilian and not a military person who is not tied into the present—I do not want to say bureaucracy, I do not want to say club, but let us say to the present structure of the Pentagon.

This would be an individual who would report directly to the Secretary of Defense and directly to the Congress. He would have the responsibility of advising the Secretary and supervising, testing, and controlling testing costs. It would provide for direct reporting responsibility to the Secretary of Defense. This amendment would require that the director of the Operational Testing Office make an annual report to the Congress and respond to requests from congressional committees about the status of testing.

I should like to say, Mr. President, that this amendment is the result of GAO reports. It is the result of a 1970 blue ribbon commission appointed by President Nixon. It is a result of testimony received recently from Russell Murray, former head of DOD's Program Analysis Office who has been involved in testing for the military and is very knowledgeable of it. Mr. Murray recently listed inadequate operational testing as one of the key problems with the development of new high technology weapons.

I would like to quote, if I might, Mr. Murray, when he testified before the Senate Governmental Affairs Committee last fall:

> We may think we are doing the right thing by rushing the latest equipment to the field but we are doing the exact opposite. We lose all discipline in the acquisition process and kid ourselves that we'll be able to bring programs up to snuff through retrofits and band-aids. People rightly worry about the acquisition process already taking too long, but wrongly try to speed things up by shortcutting the operational tests.

Mr. President, I am not on the Armed Services Committee, nor the Appropriations Committee. I am not an expert in this field, but I have read many books, many articles, many accounts, many letters, of service people, of people who are knowledgeable, who complain about the lack of testing of our weapons systems.

Look, for example, at the M-1 tank. Look, for example, at the M-16 rifle. We know those horror stories in Vietnam, where the Vietcong would find those rifles on the ground and not even pick them up.

Last fall, the Senate Committee on Governmental Affairs held extensive hearings on weapons procurement and the adequacy of weapons which are costing American taxpayers billions of dollars each year. At that time, and subsequently on the Senate floor, I raised concerns about the reliability of weapons we are producing for use by American servicemen. I stressed the importance of rigorous testing of new weapons systems to weed out wasteful duds that could pose an unnecessary threat to our own soldiers. Let me address this subject again today, and call on the Senate to take a long overdue step to correct the problem.

Since the late 1960's defense analysts and the General Accounting Office have emphasized again and again the need for improvements in our weapons testing system. Yet, these criticisms have been largely ignored.

In August 1969, the military aircraft panel of the President's Scientific Advisiory Committee concluded that the Department of Defense needed to establish a separate office to conduct operational tests of new weapons to find out how they would perform on the battlefield.

"We regard the creation of the testing and evaluation group as of the utmost importance," the group said, "since we believe most of our previous failures to be prepared for wars we fight would have been thorougly exposed had an adequate program of testing and evaluation existed."

The Joint Chiefs of Staff, in their research and development document for fiscal years 1971–88, reached the same conclusion. "Operational test and evaluation," the report said, "is the final essential step in the research, development, test, and evaluation process; as such it needs increasing support and expansion as weapons systems become more complex and interdependent."

A blue ribbon panel appointed in 1970 by President Nixon in response to nightmarish weapons failures in Vietnam found that testing centers in each branch of service were not managing to identify faulty weapons and halt production in time for lifesaving improvements to be made.

The panel concluded 12 years ago what defense critics have been saying ever since—that operational testing needs to be removed from the "researchers" and "developers" in the Pentagon and put into the hands of independent testers totally removed from the politics of weapons procurement.

The panel found that too much attention is devoted to developmental testing, conducted by scientists under highly controlled conditions, while too little time and money is set aside for operational tests. Operational tests are conducted out in the field by actual servicemen under conditions simulating wartime conditions as closely as possible.

The panel recommended establishment of an operational testing and evaluation group, with civilian leadership, within the office of the Secretary of Defense.

It urged allocation of a substantial budget for operational testing, which would be administered through the independent office. It also recommended that services be required to budget separately for operational testing, rather than including the estimated costs of tests in the total budget for a new weapons system. Finally, it called for more joint testing of weapons systems, a move which individual services have consistently resisted.

The report cited three major reasons for the recurrent problems we have seen in testing conducted by the services with little direction from above. "First, operational testing and evaluation in the services has lacked much of the independence which encourages objectivity and high level action * * *. Second, throughout the services there has been little guidance from high levels as to what is desired from O.T. & E. activities. Third, there has been too little support and encouragement of operational testing and evaluation from high levels within the services. This means that not only is more funding required to support operational testing but also that there should be the visible indication of how operational testing results are used in making important decisions," the report said.

The Defense Department made a halfhearted and short-lived attempt to comply with the Presidential panel's recommendations.

An independent testing office set up after the blue ribbon panel's report was issued soon was reorganized and placed under the control of the Defense Department's research and development arm.

The weaknesses in the testing system identified by the panel became even more glaring. The same Pentagon employees involved in promoting weapons systems to Congress and the public played a critical role in passing judgment on a weapon's expected performance.

Russell Murray, the former Assistant Secretary and head of DOD's Department of Defense program analysis, summarized the situation during testimony at committee hearings last October. Having the Undersecretary for Research and Development involved in operational testing poses an obvious conflict of interest, he said. "In effect," Mr. Murray explained, "it puts him in the position of grading his own final exams."

I could cite many examples, dating back to World War II, of weapons flops which could have been avoided through more thorough and demanding operational testing. These tests are one of the public's few protections against exorbitant investments in weapons systems which do not work.

The M-16 rifles issued to soldiers during the Vietnam war were perhaps the best publicized weapons disaster. They failed miserably in combat, jamming and misfiring so frequently that the Vietcong would not even pick up abandoned rifles on the battlefield. The problems could be traced back almost entirely to modifications made by the Army to the rifle's original design. The Army knew the rifle had problems, but rushed the weapons to the front lines anyway without thoroughly exploring the potential failures.

The Army's negligence in this matter has been thoroughly and painfully documented through congressional hearings. James Fallows, in his book "National Defense," calls the transcripts of those hearings "the purest portrayal of the banality of evil in the records of modern American defense."

Similar questions have been raised about newer, more advanced weapons systems.

The General Accounting Office, in a report issued in December 1981, revealed numerous unresolved questions about the M-1 tank, a lumbering armored weapon which is costing the American public roughly $2.7 million a tank.

The GAO cited serious problems with the tank's power train—the engine and transmission—which affect the tank's ability to move through dusty battlegrounds. The report said this defective system requires frequent replacement and costly maintenance. The Army, which calls the M-1 the "most tested weapon in military history", claims that it has incorporated enough improvements into the power train system so that the tank will far exceed requirements.

The GAO, however, urges caution in reviewing the Army's claims. Questioning the reliability of the Army's testing system, the GAO concluded that Congress would be unwise to invest billions of dollars into M-1 tanks until the failure rate could be dramatically improved.

Also in December, the GAO called attention to worrisome problems with another of the Army's weapons systems—the advanced attack helicopter (AH-64). The GAO again said that the Army's test results overstate the helicopter's reliability. It warned Defense Secretary Caspar Weinberger to proceed cautiously in his decision to go ahead with helicopter production. The GAO report warned him not to rely on what it called the Army's "incomplete information, questionable evaluations and optimistic projections."

If the Pentagon continues to give clearance to weapons with serious defects, then, clearly, it is now time to evaluate the testing system itself.

The GAO has done exactly that. The agency, over a period of years, has raised repeated complaints about the Defense Department's testing procedures and the lack of objective test data provided to key decisionmakers.

Congress, the GAO tells us, has been routinely deprived of essential objective test data that can be used to make decisions about major expenditures of public money for new weapons.

As recent as March 1979, the GAO observed:

> Operational testing is important in predicting how well new weapons systems will work and can be invaluable in identifying ineffective and unreliable systems before they are produced. However, test results have not been accurately reported to Congress in the past, and consequently, Congress has not received the information it needs in considering procurement decisions. In the past, some weapons systems entered production prematurely, cost overruns were incurred and the attainment of required operating capabilities was delayed or downgraded. (GAO 1979 report.)

We have heard charges from defense critics that the services "baby" their exotic weapons during operational testing to improve performance ratings and speed up production of new weapons systems.

In June 1978, the GAO warned in a report that overly qualified maintenance crews and operators were used during tests of the B-1 and A-10 systems, giving an unrealistic picture of how the weapons might perform in the hands of the average soldier.

Defense critic Dina Rasor of the project on military procurement charged in an April article in Reason magazine that deceptive test scores were compiled by the Army for the M-1 tank by combining low operational scores with much higher development testing ratings. The result, she said, was to pull up the weapon's low battlefield scores and give Congress and the public a misleading gage of the tank's performance capabilities.

Russell Murray, during his testimony last fall, listed inadequate operational testing as one of the key problems with the development of new, high-technology weapons.

"The answer," he concluded, "is not to reject high technology but only to demand that it works before we accept it. And that is the whole reason for operational testing—a most sadly neglected activity in the Defense Department."

Mr. Murray recommended essentially the same solution that President Nixon's Blue Ribbon Panel put forth 12 years ago—transfer operational testing out of the Pentagon's research and development arm into an office free from potential conflicts of interest, give it an adequate staff and fund it well enough to make sure that necessary testing is done.

My amendment to the defense authorization bill would:

First, establish a new position at the Defense Department—a Director of Operational Testing and Evaluation who would be appointed by the President and confirmed by the Senate.

Second, assign responsibilities for advising the Secretary, supervising testing and controlling testing costs to the director of the new office.

Third, provide for direct reporting responsibility to the Secretary of Defense.

Fourth, require that the Director of the Operational Testing Office make an annual report to Congress and respond to requests from congressional committees about the status of testing.

This new Office would be small, and its staffing could be accomplished through transfers of existing personnel. Its funding should be separate from research and development activities, and it should be given adequate resources to accomplish its mission.

We have committed ourselves to a $1.6 trillion defense buildup over the next 5 years. Surely, it is time to take this small step to assure more quality control and safety in the weapons we plan to send to our own soldiers.

For our military personnel, it could well mean the difference between life or death.

Mr. President, this particular amendment would create an independent person who would be in charge of testing for the Department of Defense. It is a far-reaching amendment, I must grant you, but yet it is simple in concept. It is direct, and I think it answers a major concern that service people who are sent into battle have been faced with for a very long time—weapons that do not work, weapons that have been looked at and tested, if I might use this worn out expression, "by those who might be too closely involved with the Military Establishment or the military industrial complex."

I think it is sound, and I should like, Mr. President, to get the feeling of the Senate on this matter. I hope that we can support it, and at this late hour in the morning I hope that we can also have a vote on this particular matter of weapons testing.

Mr. TOWER. Mr. President, this is the first explanation I have had of this. There certainly have been no hearings held on the creation of this kind of position in the Armed Services Committee. I do not know whether the Governmental Affairs Committee has had hearings on the creation of this position. Perhaps someone on the Governmental Affairs Committee could advise me. Have there been hearings in the Governmental Affairs Committee on the creation of this position?

Mr. PRYOR. I do not see the chairman of the committee.

Mr. TOWER. I was looking for the chairman.

Mr. PRYOR. I am on that committee.

Mr. STEVENS. No.

Mr. TOWER. I am told there have been no hearings of the Governmental Affairs Committee. It seems to me it would be irresponsible for us to legislate in creating administrative positions and engaging in administrative reorganization, however minor it may appear, without some sort of hearings on the subject and a legislative recommendation from the appropriate committee. I would therefore be inclined to oppose the amendment of the Senator from Arkansas. It is not clear in my mind what it would do.

We have, of course, an elaborate system of testing and evaluation in the Defense Department. It seems to me the suggestion is that we should have some super civilian that supervises T. & E. and second guesses professional military men on the selection of weapons systems. But as a Naval Reservist, if I get called up and have to go to war, I certainly want to know that the weapons that are placed in my hands were selected by a professional military man and not by some guy from the think tank at Brookings or any place else.

I do not know what the thrust of this is supposed to do. Is the suggestion that we cannot trust professional military men to do the testing and evaluation of our weapons; therefore, we have to get some civilian to do it of unknown qualification or disposition?

Mr. STENNIS. Mr. President, will the Senator yield to me?

Mr. TOWER. I yield.

Mr. STENNIS. Mr. President, I think there is merit here. The Senator is a careful man and constructive, but this was not brought before the committee, was it?

Mr. TOWER. No, sir.

Mr. STENNIS. We have not had a chance to have a hearing, understand it, measure its depth, receive opinions about it. If we are really serious about finishing this bill in continuous setting, that is an additional reason but the primary reason is that a thing like this has to be gone into.

I respectfully suggest that the chairman of the committee could offer to hold a hearing. You could take it on to the committee with the understanding you would hold hearings later. But we can hardly go into it here; it would take hours to measure it.

Mr. TOWER. I appreciate the intervention of my distinguished colleague from Mississippi. I would be delighted to hold a hearing on the matter provided my committee has jurisdiction. I am not sure that it does. If it falls within the jurisdiction of the Governmental Affairs Committee, I would be glad to support a request by the Senator from Arkansas to my good friend, the Senator from Delaware, the chairman of that committee, that he hold hearings. I do not want to tread on the jurisdiction of anyone else.

Mr. COHEN. Mr. President, will the Senator yield?

Mr. TOWER. I yield.

Mr. COHEN. I indicate to the Senator from Texas that Senator PRYOR has been very active in the hearings we have had in the Committee on Governmental Affairs Oversight Subcommittee, which I chair, and the practices of DOD. I think this falls in the same category. We could arrange for similar hearings in the Oversight Subcommittee of the Committee on Governmental Affairs.

Mr. PRYOR. I would certainly accept what the distinguished Senator from Maine has offered. Also, I would have absolutely no objection to a joint referral or a joint hearing, or whatever, in order to get to the bottom of this matter and look at it very closely.

Mr. TOWER. Given that we have colonized the Governmental Affairs Committee with Senator COHEN, I think we can trust him to look after our interests there, and I would be pleased to see it referred to the appropriate committee.

I have just had a note handed to me from Senator ROTH. He has sent the message that he would not look with favor on this, because this does come within the jurisdiction of his committee.

Mr. PRYOR. That he would look with favor?

Mr. TOWER. He would not look with favor on our acting on this now, because it does come within the jurisdiction of his committee, and he would want to examine it in his committee.

Mr. PRYOR. Mr. President, in order to solve the matter, I say to the Senator from Texas that I hope we could have hearings on this matter in the next month or two and look at this area, inasmuch as we are spending so much in a weapons procurement system. I would appreciate the courtesy of the chairman of the Armed Services and/or the Governmental Affairs Committee in arranging such a hearing.

Mr. TOWER. I have found Senator COHEN's word to be as good as his poetry, and we can be sure that those hearings will be held.

Mr. PRYOR. I thank both Senators.

I ask unanimous consent at this time to withdraw my amendment.

The PRESIDING OFFICER. The Senator has that right. The amendment is withdrawn.

Several Senators addressed the Chair.

The question recurs on the amendment of the Senator from Oregon (Mr. HATFIELD).

Mr. TOWER. Mr. President, I think probably some work is still being done on that. So I ask unanimous consent that we proceed to the consideration of another amendment, with the understanding that upon the disposition of the amendment, the Senate will return to the consideration of the amendment by the Senator from Oregon.

The PRESIDING OFFICER. Without objection, it is so ordered.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Georgia.

UP AMENDMENT NO. 953

(Purpose: To study the reorganization of the Joint Chiefs of Staff)

Mr. NUNN. Mr. President, I have three amendments, and I do not think they will take long. I hope not. I ask the attention of the chairman of the Armed Services Committee.

I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Georgia (Mr. NUNN), for himself and Mr. HART, Mr. SASSER, and Mr. CHILES, proposes an unprinted amendment numbered 953.

Mr. NUNN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill insert a new section as follows:

SEC. . The Secretary of Defense, in consultation with the Chairman of the Joint Chiefs of Staff, shall conduct a study of the organizational structure and operation of the Joint Chiefs of Staff and submit a report on the result of such study, not later than January 1, 1983, to the Committees on Armed Services of the Senate and the House of Representatives. Such report shall include—

(1) recomendations for such changes in the organizational structure and operation of the Joint Chiefs of Staff as the Secretary determines appropriate;

(2) an explanation and analysis of each recommended change;

(3) an analysis and evaluation of each of the changes in the organizational structure and operation of the Joint Chiefs of Staff advocated by General David D. Jones, United States Air Force, in an article written by him entitled "Why the Joint Chiefs of Staff Must Change" and published in the February 1982 issue of Directors and Boards magazine as well as an article written by General Edward C. Meyer, United States Army, entitled "The JCS—How Much Reform Is Needed?" published in the Armed Forces Journal in April 1982, and;

(4) if the Secretary does not recommend any change in such structure or operation, the rationale for such position.

Mr. NUNN. Mr. President, in recent months, several top military and civilian leaders have called for reform or reorganization of the Joint Chiefs. Earlier this year, Gen. David C. Jones, current Chairman of the Joint Chiefs, recommended a series of improvements designed to streamline the operation of the Joint Chiefs and provide greater interservice integration. General Jones proposed that the Chairman be given greater authority, that the position of Deputy Chairman be created to support this expanded role, that the involvement of the service staffs in the joint process be limited, and that the training, experience and rewards for joint duty be broadened.

In a subsequent article in the Armed Forces Journal, Gen. Edward C. Meyer, Chief of Staff of the U.S. Army, supported General Jones' call for JCS reform and suggested that even more comprehensive structural changes than those recommended by General Jones are needed. General Meyer pointed out additional problem areas that should be addressed and recommended the creation of a National Military Advisory Council of distinguished four-star-rank officers to advise the President and Secretary of Defense on broad strategic and military policy. As in General Jones' proposal, General Meyer provides for a strengthened Chairman who would direct the Joint Staff. This plan also contains features designed to clarify the roles of the individual service chiefs in the joint process.

Both General Jones and General Meyer have drawn on their personal experience as members of the Joint Chiefs in formulating their proposals. Both have clearly laid out the historical factors and organizational requirements that demand change in the present system. Both have expressed the frustrations of senior military experts trying to provide the most professional military advice within the current structure of the Joint Chiefs of Staff. I hope that each of my colleagues will take the time to read and study the perceptive analyses offered by General Jones and General Meyer. These two distinguished military officers have greatly increased our understanding of the way in which the Joint Chiefs operate and the reasons why change is necessary for our national security.

Mr. President, I also believe that the Armed Forces Journal is to be commended for publishing a series of articles on this subject. In addition to General Meyer's proposal in the April 1982 issue, Armed Forces Journal printed three articles on JCS reform in the May 1982 edition. These studies by knowledgeable civilian defense experts with experience at the top levels of Government—former Deputy Secretary of Defense and Secretary of the Navy W. Graham Claytor; former Deputy Secretary of Defense, Ambassador to NATO, and Member of Congress Robert F. Ellsworth; and Member of Parliament, Neville Trotter—provide valuable additional perspectives on the need for reorganization and the types of changes that might be effective.

I ask unanimous consent that the articles written by General Jones and General Meyer, as well as those published in the May Armed Forces Journal, be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.).

Mr. NUNN. Mr. President, we face increasingly formidable challenges in the national security arena in the coming years, and it is vital that the civilian leadership in the executive branch and the Congress receive the best possible advice on strategy and priorities from the Joint Chiefs. It is also imperative that the command structure be organized to provide maximum operational capability and efficiency in the combat commands.

The members of the Joint Chiefs of Staff have performed their duties with great distinction, and their advice has often pointed us in the right direction in formulating defense policy. Nevertheless, these same top military leaders have clearly stated that the present JCS structure does not provide the capabilities we need.

As I have pointed out, a number of recommendations and solutions have been offered. I do not believe we are ready to adopt any single comprehensive plan at this point. But what is clear now is the need for a thorough evaluation of JCS structure and operation and alternatives that could enhance JCS performance. In this regard, I believe we should give careful consideration to the views already expressed by top military experts.

Mr. President, I hope that this matter will receive immediate attention in both the executive branch and the Congress. An effective Joint Chiefs of Staff is a top priority if we are to devise a national security strategy to meet the rigorous requirements of the future.

This amendment requires the Secretary of Defense, in consultation with the Chairman of the Joint Chiefs of Staff, to conduct a broad study of the organizational structure and operation of the Joint Chiefs of Staff and recommend changes that are needed. It specifically requires an analysis and evaluation of the proposals offered by General Jones and General Meyer.

Mr. President, I believe that such a comprehensive study and report would contribute significantly to both JCS effectiveness and our overall military capabilities. I urge my colleagues to join me in recommending a thorough evaluation of JCS organizational structure and operation.

EXHIBIT 1

WHY THE JOINT CHIEFS OF STAFF MUST CHANGE

[A slightly abridged version of this article will appear in the Hay Associates' Magazine, Directors and Boards during February 1982]

(Gen. David C. Jones, Chairman, Joint Chiefs of Staff, Board of Governors—American Red Cross, Board of Directors—Youth Service, U.S.A., Inc.)

The Joint Chiefs of Staff, if viewed as the military board of a government corporation, would provide some striking contrasts to organization and management principles followed in the private sector: . . . Board consists of five directors, all insiders, four of whom simultaneously head line divisions . . . reports to the chief executive and a cabinet member . . . supported by a corporate staff which draws all its officers from line divisions and turns over about every two years . . . line divisions control officer assignments and advancement; there is no transfer of officers among line divisions . . . Board meets three times a week to address operational as well as policy matters, which normally are first reviewed by a four-layered committee system involving full participation of division staffs from the start . . . at seventy-five percent of the Board meetings, one or more of the directors are represented by substitutes . . . if the Board can't reach unanimous agreement on an issue, it must—by law—inform its superiors . . . at least the four top leadership and management levels within the corporation receive the same basic compensation, set by two committees consisting of a total of 535 members . . . and any personnel changes in the top three levels (about 150 positions) must be approved in advance by one of the committees.

I have been a member of this "Board" for nearly eight years and its Chairman for most of the past four years, and have thus served as a member of the Joint Chiefs under four Presidents and four Secretaries of Defense. During this time, and before, many good men have struggled very hard to make the best of the joint system, and most, if not all, have experienced a great sense of frustration in dealing with both large and small problems.

Much of this frustration comes from having to cope with legislative and organizational constraints which reflect concerns of the past, inhibit attempts to meet the rapidly changing demands of today's world, and violate basic leadership and management principles. Yet, despite many studies that have periodically documented problems with this military committee system and made cogent recommendations for improvements, the system has been remarkably resistant to change. Committees can serve a useful purpose in providing a wide range of advice to a chief executive or even in making some key policy decisions, but they are notoriously poor agents for running anything—let alone everything.

Although I recognize the very strong and persistent headwinds, I could not leave office in good conscience this summer without making a major effort to illuminate the real issues once more and hopefully wrest some substantial changes. Most of the problems and some of the approaches I will address have been discovered—then reburied—many times in the past thirty-five years. The difference this time is that the proposals for improvement are coming from someone inside the system who for many years has been in the best position to understand the causes and consequences of its shortcomings. In formulating my approach, I have been helped by a group of senior retired officers who are in a better position than those now serving to step aside from long-standing Service positions and objectively assess the joint system.

ROOTS OF THE PROBLEM

The roots of enforced diffusion of military authority can be traced to a period which precedes the founding of the republic. The Continental Congress distrusted standing armies and military heroes, and even with George Washington in command, established multiple checks on his authority. The principles of the separation of powers and civilian control over the military have appropriately become deeply imbedded in our culture, both in law and in custom as well as in the attitudes of our military professionals.

In many cases, however, the mechanisms erected to exercise such controls have had the unintended effect of permitting—and often promoting—serious organizational deficiencies. As our military institutions evolved, the various military sub-bureaucracies attempted to establish as much independence as possible. As a result, by the end of the nineteenth century, both military departments—War and Navy—were riddled with semi-autonomous, often intractable fiefdoms: branches, corps, departments, bureaus, and so forth.

By the time we went to war with Spain in 1898, conditions were ripe for reform, but as is so often the case it took near military disaster in the conduct of the war to provide the impetus within the Army and Navy to move toward better integration within the Services. The Army, despite much opposition, created a Chief of Staff position in 1903; after several intermediate steps. the Navy created the position of Chief of Naval Operations in 1915. Institutional resistance was still great, however, and it would take decades before centralized authority had shifted to the Chiefs of the Services.

Both the Army and the Navy began World War II with authority and responsibility diffused. The Army still had a large number of semi-autonomous agencies with little effective coordination below the Chief of Staff level. Immediately after Pearl Harbor, General Marshall streamlined the Army by reducing the number of officers reporting directly to him from 61 to six. In December of 1941, the Navy had split responsibility in Washington with Admiral Stark as Chief of Naval Operations and Admiral King as Commander-in-Chief of the U.S. Fleet. A few months later much of that problem was solved when Admiral King assumed both jobs.

Interservice cooperation developed even more slowly. Before technological developments began to blur the boundaries between sea and land warfare, the Services had evolved independently into distinctly different organizations with separate policies and traditions. Competition rather than cooperation was the standard. This evolution resulted in four organizations which even today gravitate quite naturally to two groups of shared traditions and experiences: a maritime grouping (Navy and Marine Corps), and primarily a land warfare grouping (Army and later the Air Force).

However, circumstances surrounding defense in the twentieth century created needs and motives for unified action. The first United States experience in deploying and supplying large expeditionary forces occurred in 1898, and it was not until World War I that the airplane emerged to blur historical distinctions between ground and sea warfare. These sorts of changes spurred the military into developing embryonic arrangements in the early part of the century for coordinating strategic and logistic plans ands for conducting joint maneuvers. Until World War II, however, such arrangements remained rather exceptional and clearly did not work well.

The watershed for development of a permanent interservice system was the crisis atmosphere surrounding our entry into World War II. The British had established a committee of the heads of their military Services in 1923. When intensive military consultation with British commenced after Pearl Harbor, it soon became apparent that we too needed some such system, not only to assure smoother dealings with the British but also to coordinate our own national war effort.

The Joint Chiefs of Staff were established informally by President Roosevelt in February 1942. The White House appointments calendar suggests that the President met with the Chiefs as a body frequently during 1942, but primarily with the Chief of Staff to the President in the remaining three years of the war. For the most part, the Chiefs, along with their British counterparts, directed largely separate wars through three geographic commands which were essentially divided by Service. General Eisenhower commanded Europe while Admiral Nimitz and General MacArthur commanded separate theaters in the Pacific. Strategic planning was conducted on the basis of direct guidance: put first priority on Europe, use the nation's full resources to support coalition efforts to defeat the enemy forces, and compel the Axis governments to surrender unconditionally. In many ways, it was a simpler world. But as the biographies of many World War II leaders reveal, the joint system established then did not work very well: Service partisanship and inadequate coordination resulted in innumerable delays on many critical issues.

As the war drew to a close, an exhaustive debate ensued on how to organize the postwar military: the Army favored, but the Navy opposed, a highly integrated system. Many at that time believed that the Army would dominate any integrated system. The Air Force, then still part of the Army, supported integration, but was primarily interested in becoming a separate Service.

After nearly two years of studies, committee reports, and presidential interventions, the National Security Act of 1947 emerged as a compromise between those who favored full Service integration and those who feared centralization of military authority. The Act created a loose confederation among the military Services and a Secretary of Defense who initially had little authority. Amendments in 1949, 1953 and 1958 served to strengthen the Secretary's authority and to expand the size and purview of his staff, but as far as the joint system was concerned, the changes were much more marginal. The role of the Chairman was formalized, the Joint Staff was expanded, and the chain-of-command from the President and Secretary of Defense to the Combatant Commands was clarified.

Even modest changes, however, created great controversy. During part of the period the amendments were being addressed, I was aide to General Curtis LeMay, then Commander of the Strategic Air Command, and I had many opportunities to observe the intense debate which took place not only in Washington but throughout much of the military. Only from such a vantage point was it clear how strong the pressures for preserving Service autonomy remained.

President Eisenhower, writing in 1965, said he had reminded his associates on signing the Defense Reorganization Bill of 1958 that it was just another step toward what was necessary. I believe he would be disappointed that further steps have not been taken.

Since 1958, there have been many recommendations for fundamental revisions of the system but few changes in its statutory framework. In 1978 the Commandant of the Marine Corps was made a full member of the Joint Chiefs by law, but this primarily codified what had already become practice. Essentially, despite major changes in the world on which I will comment later, we have had 24 years—and in many ways 35 years—without fundamental revisions of the joint system, a system which in effect represents arrangements developed in a patchwork way during World War II.

HOW WE OPERATE

At the top of that system are the Joint Chiefs, appointed by the President and confirmed by the Senate. By law, we are the principal military advisors to the President, the Secretary of Defense and the National Security Council.

As a body, we are responsible for reviewing and developing ways to improve the state of military readiness, assessing threats to our security interests and identifying the forces required to meet those threats. We supervise but do not command the senior Combatant Commanders,* and maintain an elaborate command, control and communications system which provides the links to and within our combat forces worldwide. We also consult with foreign military leaders and provide military representation to arms control negotiations teams.

Four of the members of the Joint Chiefs are the military heads of their individual Services who, except in time of war, are restricted to a single four-term. Since 1947, nearly 50 officers have held the office of Chief of one of the four Services. A Service Chief is not only a full member of the Joint Chiefs of Staff but also is the leader of his uniformed Service. As its principal military spokesman, the Service considers him the guardian of its professional interests, standards and traditions.

The fifth member of the Joint Chiefs, the Chairman, is the only one to devote all of his time to joint affairs. Although outranking all other military officers, the Chairman does not exercise command over the Joint Chiefs or the Armed Forces but acts as an advisor, a moderator, an implementer, and an integrating influence whenever possible. A Chairman is appointed for a two-year term and may be reappointed one time, except during time of war when unlimited two-year reappointments are allowed.

After four years as a Service Chief and now on my fourth year as the Chairman, I have found that a Chairman generally has more influence but less control than a Service Chief. Whereas a Service Chief can draw on significant institutional sources of formal authority, the Chairman's influence must be derived primarily from his effectiveness in personal relationships. His position provides the opportunity to meet with the leadership of the nation, but it is his professional competence, his ability to present well thought out and broad-based arguments, and his performance as a team player in grappling with difficult questions of national priorities that determine his degree of influence. The Chairman's only institutional advantage is his status as the one senior military official whose sole responsibility encompasses the entire spectrum of defense.

The Joint Chiefs are supported by a Joint Staff which is significantly limited by law in terms of size—it is dwarfed by the Service and Secretary of Defense staffs—and the tenure of officer assignments. Except for urgent matters, a joint action is traditionally handled by assigning the issue to a Joint Staff action officer who meets with comparable level representatives from the four Service staffs. The pressures at this point create a greater drive for agreement than for quality: the process usually results in extensive discussion and careful draftsmanship of a paper designed to accommodate the views of each Service—at least to the extent of not goring anyone's ox.

The paper then works its way up through a series of such committees to a group composed of the Service Operations Deputies (three-star positions on each Service staff) and the three-star Director of the Joint Staff. These individuals—who normally attend the meetings of the Joint Chiefs—can approve a routine paper, but refer any substantive issue or unagreed matter to the Chiefs. As would be expected, papers produced by such a multiple committee process are often watered down or well waffled, although not as badly as Dean Acheson judged when in his 1969 memoirs he wrote of the Joint Chiefs organization: "Since it is a committee and its views are the result of votes on formal papers prepared for it, it quite literally is like my favorite old lady who could not say what she thought until she heard what she said."

When there is not time for this elaborate staff process or even to convene the Joint Chiefs, I must take action and consult with my colleagues later. The most extreme example would be that of direct attack on the United States. The Soviets have a number of submarines on alert off our Atlantic and Pacific coasts which could deliver nuclear warheads on Washington and other targets in a very few minutes. If an attack were made, our warning sensors would pick up the launches within seconds and reports would reach Washington and other key points almost immediately. The general or admiral on 24-hour duty in the National Military Command Center would at once notify me as well as others. I then would recommend a course of action to the President and Secretary of Defense, and would implement the Presidential decision without delay.

At the other end of the spectrum are incidents such as the one last year when a Libyan pilot fired a missile at our Navy fighters over the Gulf of Sidra and our pilots responded by downing two of the Libyan planes. I was notified immediately and in turn informed the Secretary of Defense. I then proceeded to the National Military Command Center in the Pentagon to determine what further action, if any, was required. The need to respond to crises and incidents such as this one requires that I be immediately available, a requirement to which I have long been accustomed.

The more routine actions are considered each week in three regularly scheduled Joint Chiefs meeting in which operational as well as policy issues are addressed. When in Washington, the first responsibility of a member of the Joint Chiefs of Staff is to attend all of these meetings, but because of our worldwide responsibilities we must be gone a considerable amount of the time. The Vice Chief of Staff substitutes when a Service Chief is absent but since the Chairman is not allowed a deputy (a major weakness which I will address later), the senior Service Chief in attendance chairs the meeting when I am away. My experience has been that one or more substitutes attend about three-quarters of the meetings, a situation that results in a lack of continuity.

By law, if we cannot reach unanimous agreement on an issue, we must inform the Secretary of Defense. Such splits are referred to the Secretary a few times a year, but we are understandably reluctant to forward disagreements so we invest much time and effort to accommodate differing views of the Chiefs.

The Joint Chiefs must maintain many constructive external relationships, the most important of which derives from their role as the senior military advisors to the civilian leadership, particularly the Secretary of Defense and the President. The Chiefs meet with the Secretary and Deputy Secretary of Defense each Tuesday to discuss joint matters as well as attend other meetings with them during the week. As Chairman I meet privately with the Secretary and his Deputy each day and participate with them in interagency discussions.

Traditionally, Presidents have met with the Chiefs as a body only on a few occasions. More often we send memoranda to the Secretary of Defense and request that they be forwarded to the President. Any Chief has the right to ask for an individual appointment or correspond directly with the President, but this right has also been exercised very rarely. To the best of my knowledge, it was last used in 1974 by Admiral Elmo Zumwalt, then Chief of Naval Operations, who wrote directly to President Nixon to urge a stronger negotiating stance during SALT Two negotiations.

The main contact with the President comes when I participate as the Joint Chiefs' representative in National Security Council meetings. Such meetings are scheduled frequently by President Reagan who has used the National Security Council forum more than any President since Eisenhower. I have the full opportunity at these meetings to express to the President the corporate views of the Chiefs as well as my personal views on any matters, regardless of whether the Chiefs have addressed them. I also have the opportunity to express such views below the Presidential level as a member of various interagency and Defense working groups such as the Military Manpower Task Force, the Defense Resources Board and the Armed Forces Policy Council.

Next to advising the President and the Secretary of Defense, the Joint Chiefs' most important responsibility is the requirement to oversee the Combatant Commands. In meeting this responsibility, it is essential to nurture a close relationship with the commanders through long-standing personal contacts and frequent communications as well as visits to the field. The Service Chiefs are also responsible to their Secretaries for organizing, equipping, and training the forces assigned to the Combatant Commands.

Responsiveness to Congress is another important responsibility of the Joint Chiefs. The Secretary of Defense and I normally appear together before eight Congressional committees—many times each year before some. Service Chiefs also have hearings before several Committees, particularly those concerned with Service budget matters. And the Joint Chiefs occasionally will appear as a body, as we did during various arms control hearings. Extensive questioning of every action of the Defense Department is the norm during hearings as well as in detailed written questions addressed to us throughout the year.

Whenever military officers appear at a Congressional hearing, we are expected to respond fully to questioning, even when asked for personal views about matters on which we may disagree with the position of the Administration. I have responded to unsolicited questions with personal views at variance with the decisions of the civilian leadership on a number of occasions, the most recent of which concerned my reservations on the basing decision for the MX Intercontinental Ballistic Missile. I believe our system is unique among the nations of the world in airing such disagreements. A number of years ago, when I explained this aspect of U.S. military-Congressional relations to a head of government of one of our Allies, he responded that one of his military officers would be fired if he gave a view other than the official position to his Parliament. The U.S. civilian leadership throughout the years has understood and even supported the military's responsiveness to Congressional questions so long as our comments have been made in good faith and neither solicited nor intended to circumvent a decision. I have found that senior officers have generally been sensitive to this responsibility.

Since it is essential to maintain the American people's confidence and support for our defense programs, the Joint Chiefs consider public relations, including speeches and other public appearances, another important function.

Finally, it is important for the Joint Chiefs to work very closely with our friends and Allies since we simply cannot go it alone in today's world. I meet with my NATO counterparts on at least four occasions each year, and with officials from many other countries somewhat less frequently. Since almost every aspect of our job has international implications, foreign travel is an indispensable aid to understanding key issues and establishing good relations with foreign leaders.

These important external relationships take a great deal of time, but it is the cumbersomeness of the committee processes that constrains our ability to produce the best joint military advice. One of the Presidentially-directed studies of the joint system, the 1978 "Steadman Report," concluded that the advice provided personally (usually orally) by the Chairman and the Service Chiefs was of high quality but that the institutional products (the formal position papers) were not found very useful.

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* The Commanders of European Command, Pacific Command, Atlantic Command, Southern Command, Readiness Command, Strategic Air Command, Aerospace Defense Command, Military Airlift Command, and the Rapid Deployment Joint Task Force. Some of these have multiple services involved (Unified Commands) and some a single service (Specified Commands).

SOME PROGRESS

Despite the institutional constraints, however, we have managed to make some joint program improvements over the last few years. Much of the credit for whatever progress has been made must go to my colleagues on the Joint Chiefs. The nation has been, and continues to be, well served by these competent, hard-working officers. Some of the improvements are:

Development of a broader joint exercise program, to include mobilization practice.

Establishment of a Joint Deployment Agency to integrate deployment plans and activities.

Integration of our land and sea transportation systems.

Redirection of the Industrial College of the Armed Forces to achieve better understanding of mobilization.

Revamping of our joint education system, to include establishment, in conjunction with the Secretary of Defense, of research centers at the National Defense University to help us take fresh looks at defense problems.

Organizational adjustments for better integration of the joint command, control and communications system.

Establishment of the Rapid Deployment Joint Task Force to improve our capability to deploy and operate forces in Southwest Asia and as a mechanism to develop and exercise integrated operations by elements of all four Services.

Increasing the Combatant Commanders' opportunity to influence resource decisions, to include appearing before the Defense Resources Board.

Involving the Service Chiefs in specific joint issues when visiting the field in order to report findings and recommendations at a Joint Chiefs meeting.

BUT PERSISTENT SHORTCOMINGS

While the above represent some important and helpful changes in interservice programs, such progress has been limited primarily to issues which only marginally affect important Service interests. However, unless the basic long-term shortcomings of the system are corrected, the severity of their consequences will continue to increase as the national security environment becomes ever more complex. We need to spend more time on our war fighting capabilities and less on an intramural scramble for resources.

In my view, the basic causes of our most serious deficiencies can be divided into two categories: personnel and organization.

Personnel.—There is inadequate cross-Service and joint experience in our military, from the top down. The incentives and rewards for seeking such experience are virtually nonexistent. And the problem is compounded by the high degree of turbulence in key positions.

We do not prepare officers to assume the responsibilities of membership on the Joint Chiefs as well as we should. I include myself in this judgment even though I was fortunate in having an unusually diversified background before becoming a member of the Joint Chiefs. In my many years in the Air Force, I had been assigned to bombers and fighters, command and staff, Washington and field tours. I had attended the National War College, an institution designed to prepare military officers and foreign policy civilians for joint and interagency duty. I had been an aide to an unusually competent commander, General LeMay, and he taught me much—his initial guidance to me was "you are in this job to learn first and serve second and do not mix those priorities." I had ten years overseas in Japan, Vietnam and Europe, including direct involvement in two wars. And in my last overseas assignment I had two jobs—as US air commander with geographic responsibility stretching from Norway to Iran, and concurrently as a NATO air commander with coalition responsibility for the air forces of a number of nations.

However, I still lacked two major ingredients of a fully rounded experience when I was appointed Chief of Staff of the Air Force. I had begun service in the Army and had maintained close contact with that Service even after the Air Force became independent. But my contact with the maritime forces—the Navy and Marines—was limited. I had visited and had participated in joint exercises with maritime forces, but still did not have as deep an understanding of their strengths and weaknesses, their doctines and traditions, as I would have liked. Unfortunately, my experience in this regard is far from unique: few Navy or Marine officers have substantial exerience with the Army or Air Force, and vice versa.

The second gap in my experience is also far too common among officers who assume key positions in the joint system (both on the Joint Chiefs and as Combatant Commanders): I had never served on the Joint Staff or in the headquarters of a Unified Command. And, frankly, I have found from my own experience that serving on the Joint Chiefs as head of a Service does not necessarily make an individual a truly joint officer. My perspective changed when I became Chairman and was immersed every hour in joint attitude and believed that some fundamental changes were needed, I must confess that I was very reluctant—as were the other Service Chiefs—to accept any infringement on Service autonomy on individual issues.

Most newly assigned officers arrive on the Joint Staff or a Unified Command staff from a Service-oriented career with little interservice experience and inadequate preparation for joint duty. In the case of the Joint Staff, the problem is compounded by statutory limits—restrictions which do not apply to the Service and Secretary of Defense staffs. For example, public law (10 USC 143) states that:

"The tenure of members of the Joint Staff . . . except in time of war, . . . may [not] be more than three years."

"Except in time of war . . . officers may not be reassigned to the Joint Staff [in] less than three years . . . except . . . with the approval of the Secretary of Defense" who may waive this restriction for no more than 30 officers.

Furthermore, officers come from and return to their Services which control their assignments and promotions. The strong Service string thus attached to a Joint Staff officer (and to those assigned to the Unified Commands as well) provides little incentive—and often considerable disincentive—for officers to seek joint duty or to differ with their Service position in joint deliberations. Indeed, it is hard to argue that Joint Staff duty is a path to the top. With the exception of Army General Earle Wheeler, not a single Director of the Joint Staff or one of its major components has ever become Chief of his Service or Chairman of the Joint Chiefs of Staff.

We have many outstanding officers on the Joint Staff who work very hard under very difficult conditions with few rewards. It is no wonder that many retire while on or soon after leaving the Joint Staff, or seek early release for a more rewarding job. The three-year limit on assignments—when coupled with our reluctance to stand in the way of good people attempting to move to Service jobs that may further their careers—results in a turnover of the Joint Staff in a little more than two years. Better continuity is required.

Organization.—In the Joint system we not only have the advantages and all the disadvantages typical of committees, but our problems are further compounded by the "spokesman-statesman" dilemma that a Service Chief encounters. This is especially true when the issue of distribution—of resources or of missions—is raised. Time after time during my years as a member of the Joint Chiefs, the extraordinary difficulty of addressing—let alone gaining the Chiefs' agreement on—the distribution of constrained resources has been driven home to me. A Service Chief finds himself in a very tough position when asked to give up or forgo significant resources or important roles and missions, both because his priorities have been shaped by his Service experience and because he must be the loyal and trusted leader of a Service whose members sincerely believe their Service deserves a greater share of constrained resources and of military missions—and the control thereof.

Service Chiefs do differ with the position of their Service staffs on occasion, but to do so too often and particularly on fundamental issues is to risk losing the support essential for carrying out Service responsibilities. One former Chief relates that during a joint meeting, a Service action officer (a Major) handed him a note which said, "General, under no condition can you agree to the third paragraph." This incident is representative of a phenomenon which has often been called "the tyranny of the action officer." However, that phrase tends to obscure a significant point: the Major was expressing the viewpoint of a large and often unforgiving bureaucracy.

We in the defense business share the problem which afflicts most of Corporate America—the difficulties inherent in long-range planning. Today's business leaders are of course well aware of the problems of accurately predicting the future and developing successful strategies to improve long-range profitability—and creating incentives within constituencies to address the long term. Those of us responsible for defense planning must contend with the same problems as well as further complications stemming from the lack of a readily calculable "bottom line," the buffetings of political and social disturbances anywhere on the globe, and a high degree of resistance to change.

Any institution that imbues its members with traditions, doctrines and discipline is likely to find it quite difficult to assess changes in its environment with a high degree of objectivity. Deep-seated Service traditions are important in fostering a fighting spirit, Service pride and heroism, but they may also engender a tendency to look inward and to perpetuate doctrines and thought patterns that do not keep pace with changing requirements. Since fresh approaches to strategy tend to threaten an institution's interests and self-image, it is often more comfortable to look to the past than to seek new ways to meet the challenges of the future. When coupled with a system that keeps Service leadership bound up on a continuous struggle for resources, such inclinations can lead to a preoccupation with weapon systems, techniques, and tactics at the expense of sound strategic planning.

Despite valiant efforts to improve strategic planning in the Pentagon, we are often faced with intense pressures to spend most of our time addressing immediate issues. Those pressures are particularly great with regard to budget actions: sometimes we are addressing three budget documents at a time. For example, in the fall of 1981 we were working with Congress on the Fiscal Year 1982 budget (well after the fiscal year had started), preparing the 1983 budget for submission to Congress in January 1982, and doing long-range planning for the following five-year budget period (1984-1988). The work with the Congress obviously took budgetary precedence, and at the same time, big and small crises (Poland, El Salvador, Libya, Middle East, etc.) were rippling through Washington with increased frequency. Under such conditions, it takes strong discipline to avoid being a total captive of the urgent.

NEEDED CHANGES

The shortcomings outlined above have been with the joint system for too long and the need for correction is more urgent now than at any time. Since we live in an era when conflicts could erupt regionally or globally much more quickly than in the past, we must build our military strength without delay—and we must be able to integrate our military forces with great efficiency.

It is clear to me that the fundamental problem is not with individuals but is an organizational one. I have been a close observer or a direct participant in joint activities for more than 20 years. During that time there have been six Chairmen and dozens of Service Chiefs and the basic problems have continued regardless of who has been in a specific chair.

As a minimum, we need changes in three specific areas:

(1) Strengthen the role of the Chairman.

Many areas cannot be addressed effectively by committee action, particularly when four out of five committee members have institutional stakes in the issues and the pressure is on to achieve unanimity in order to act. It is unreasonable to expect the Service Chiefs to take one position as Service advocates when dealing in Service channels, and a totally different position in the joint arena. Such matters should therefore be removed from addressal by the Joint Chiefs as a body.

To the extent that an interservice perspective is needed on distribution issues, that perspective could be better provided by the Chairman in consultation with the Combatant Commanders. This in turn would require strengthening of the Unified Commander's role with respect to his Service Component Commanders who command the forces and report both to the Unified Commander and the Service Chief. Under the current system the Service Component Commander's attention is often drawn more to Service issues than to interservice coordination problems. In other areas—such as joint operational and long-range planning, crisis management, and a number of routine matters—neither the Service Chiefs nor the Service staffs need participate at the level of detail in which they are involved today.

Furthermore, the Chairman should be authorized a deputy. It is an anomaly that the military officer with the most complex job is virtually the only senior—and in many cases not so senior—officer who does not have a deputy. This causes substantial problems of continuity when individual Service Chiefs, who spend only a fraction of their time on joint activities, stand in for the Chairman in his absence. Secondly, the Chairman needs assistance, particularly in insuring the readiness, improving the war planning, and managing the joint exercising of the combatant forces. I would also recommend that, at least until there is far more cross-experience and education among all four Services, the Chairman and the Deputy Chairman should come from the two different groupings (one be a Navy or Marine officer and the other an Army or Air Force officer).

I am convinced that without some such revised role for the Chairman and less reliance on the cumbersome committee processes, the very great demands on the time of a Service Chief will continue and perhaps even worsen. President Eisenhower recognized this problem and when he transmitted his final reorganization plan to Congress in 1958, he stated: "This situation is produced by their having the dual responsibilities of chiefs of the military sevices and members of the Joint Chiefs of Staff. The problem is not new but has not yet yielded to past efforts to solve it." Unfortunately, the approach Eisenhower then advocated—having a Chief delegate major portions of his Service responsibilities to his Vice Chief (with the hope that this would overcome many of the joint problems)—has not worked either, as the subsequent 24 years of experience have shown. I, for one, would also like to see the Service Chiefs be able to spend more time as the leaders of their Service in improving the capabilities of their units and in managing the spending of the billions of dollars in the Service budgets.

There is great wisdom in having the Joint Chiefs of Staff act as senior military advisors to the President and Secretary of Defense on certain key issues. But without a stronger role and better support for the Chairman, the work of the Joint Chiefs is likely to remain too dispersed, diluted, and diffused to provide the best possible military advice or to insure the full capability of our combatant forces.

(2) Limit Service staff involvement in the joint process.

As mentioned before, the Service staffs dwarf the Joint Staff with many of the Service officers duplicating the work of the Joint Staff. There are two basic problems. First, the Service staff involvement is a cumbersome staffing process and, second, the Service Chiefs receive their advice on joint matters from their Service staffs.

There are some advantages of having Service staffs involved in the joint process, but we should abolish the current system in which each Service has almost a de facto veto on every issue at every stage of the routine staffing process. President Eisenhower noted 23 years ago that "these laborious processes exist because each military department feels obliged to judge independently each work product of the Joint Staff." The situation has not changed. The role of Service staffs can and should be reduced to providing informational inputs—the result would be a better product and fewer officers needed on the Service staffs.

When a Service Chief acts on a Service matter he should receive advice from his Service staff and when he acts on a joint matter he should receive his advice from the Joint Staff; however, since the beginning of the joint process, Service Chiefs have relied almost exclusively on their Service staffs in preparing for joint meetings. It is unrealistic to expect truly interservice advice from a staff comprised of officers from only one Service. The Joint Staff can and should provide such advice.

(3) Broaden the training, experience and rewards for joint duty.

Finally, more officers should have more truly joint experiences at more points in their careers—and should be rewarded for doing so. There should be more interchange among Services at the junior ranks, as Eisenhower strongly advocated, and preparation for joint assignments should be significantly upgraded. The joint educational system should also be expanded and improved. (Along these lines, one innovative idea that is being addressed is to have all newly appointed generals and admirals attend a common course of joint education.) An assignment to the Joint Staff or to a Unified Command headquarters should be part of an upward mobility pattern rather than a diversion or end of a career, as has been the case so often in the past. It is difficult to see how present patterns can be changed, however, without some influence by the Chairman on the slection and promotion of officers. Also, the statutory restrictions on service on the Joint Staff should be removed.

Despite the magnitude of the task, I am encouraged by the willingness of my colleagues to address the issues and by the support of the Secretary of Defense and others in the Administration on the need for change. Furthermore, I sense a different mood in Congress than that shown in the '40s and '50s when large and powerful elements strongly protected Service autonomy. I am working hard in my final months as Chairman to bring about the necessary changes. More specifically, I have underway a course of action which addresses, first, recommendations to my colleagues on changes which are within the authority of the Chiefs, and second, recommendations to the Secretary of Defense and the President on other changes, to include specific proposals for legislative action.

Such change never comes easily. As the Navy approached its major reorganizations at the start of the century, Mahan concluded that no Service could agree to give up sovereignty, but would have to have reorganization forced upon it from outside the organization. Six months before Pearl Harbor, a farsighted Chairman of the General Board of the Navy proposed a truly integrated joint system to the Secretary of the Navy. Like many innovative proposals before and since, the idea was referred to a committee for study and overtaken by events. It is interesting to note, however, that then-Brigadier General Dwight D. Eisenhower supported this proposal with the judgment that "coordination by cooperation is ineffective."

The Services have an understandable desire to protect organizational interests, to preserve their sovereignty, and to conserve hard-won prerogatives. Nevertheless, we cannot escape the fact that our national security today requires the integration of

Service efforts more than at any time in our history. To attempt to achieve meaningful intergration only through the existing committee system is to leave it at the mercy of well-proven institutional counterpressures. I believe we can find a middle ground which draws on the strengths of the separate Services and of having Service Chiefs as members of the Joint Chiefs, while at the same time making the changes necessary to strengthen our joint system. If not, major surgery will be required.

THE JOINT CHIEFS OF STAFF

General David C. Jones, U.S.A.F., Chairman of the Joint Chiefs of Staff (1978-80, 1980-82).

Admiral Thomas B. Hayward, Chief of Naval Operations (1978-82).

General Edward C. Meyer, Chief of Staff of the Army (1979-83).

General Lew Allen, Jr., Chief of Staff of the Air Force (1978-82).

General Robert H. Barrow, Commandant of the Marine Corps (1979-83).

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THE JCS—HOW MUCH REFORM IS NEEDED?

(By Gen. Edward C. Meyer, Chief of Staff, United States Army)

An excellent case for strengthening the authority of the Joint Chiefs of Staff has been made by General David C. Jones. His recommendations echo a well-established pattern, as the accompanying boxes make clear. His is but the latest expression of a frustration long felt by senior military officers—for all the reasons cited by General Jones—that there must be a better way to shape alternatives and to provide the best possible military advice. Virtually every serious student and practitioner has recommended that the JCS be strengthened. The near unanimity of their views can no longer be ignored, particularly in the light of grave new dimensions to the problem of national security.

The Soviets understand full well that the United States no longer enjoys clear nuclear superiority. Their new nuclear prowess, combined with other radically improved Soviet military capabilities, lends them new confidence in their ability to mount and sustain a rapid offensive, nuclear or conventional. Indeed, after two decades of sustained build-up, the Soviets may now believe they can conduct simultaneous and sustained offensive military operations in several theaters.

The West has not responded firmly and in a united fashion to this challenge. A carefully nurtured and sophisticated Soviet political offensive and growing Western revulsion to a defense build-up, particularly among the youth, have considerably weakened the old consensus based on traditional notions of how to defend against Soviet aggression.

Overshadowing these factors is the sharp change that has occurred in the pace of warfare:

A revolution . . . [changing] the whole scale and tempo.

Warning times are vanishing . . . making timely reaction difficult.

These words of President Eisenhower, true in 1958 when the sequencing of conventional operational phases was measured in weeks and months, are even more compelling today when some scenarios allow only days, perhaps hours, for decision and reaction.

Domestically, the explosion of lawmaking and regulation-writing in the '70s has greatly complicated the development of a coherent defense posture. Additionally, the increasing demands of the appointed and elected leadership and the growth in Congressional staffs have had an impact on the time available for the individual Chief to direct his Service. The Chiefs have even less time for strategic reflection or attention to the responsiveness of the JCS system.

Fortunately, we now appear to be beginning a serious reexamination of the role, organization, and functioning of the JCS. In the process, we should examine the even broader issue of whether the nation's civilian leaders receive the best possible advice from their military experts. The challenges our nation faces today and the prospects for more demanding challenges in the critical years ahead require that the reforms we finally adopt cure the ills of the system. Strong medicine is needed. Various inadequacies in the National Security Act of 1947 have been addressed but were not fully corrected by a series of amendments over subsequent years. We now have a 35-year patchwork of law, custom, and shibboleth.

My own professional judgment is that the changes urged by General Jones, while headed in the right direction, do not go far enough to correct what ails the JCS. I believe that we must consider the feasibility of changes beyond the ones proposed by General Jones creating a stronger Chairman and Joint Staff. We must find a way to provide better balanced, sounder, and more timely advice from senior Service professionals in addition to strengthening the Chairman and the Joint Staff.

THE EXPERIENCE OF WAR

The historical context of the problem goes back much further than 1947, to the Civil War when President Lincoln brought into being the "unified command" which eventually won the war. Since then reformers have tried every 20 or 30 years to instutionalize a better mechanism for planning and directing the military establishment, but none fully succeeded. What is notable is that each wave of reform followed the trauma of war and each sought to prevent in the future the troubles—sometimes disasters—encountered in devising and executing national strategy. Thus, the turn of the century reforms were the product of the planning debacle of the Spanish-American War; the 1920 reforms reflected our World War I experience.

Today, war is too devastating, the cost of war-making machinery too expensive, the likely warning time too short for us to await another lesson. We must not delay until after World War III to create the command structure needed to fight it, nor can we defer any longer those reforms which if in existence today are likely to help prevent war.

The Joint Chiefs of Staff dates back to the committee of heads of Services we adopted in 1942, emulating the British. The bureaucratic latticework of the '20s and '30s erected a facade of cooperation over well-protected Service prerogatives, which quickly gave way under pressures of wartime reality. With all-out war facing the President, he began to pay close attention to the committee of Chiefs. The continuous dialogue between the White House and the Chiefs resulted in sound military directives from on high so indispensable to victory. The key to this system was frequent access by the military to the decisionmaking bodies of government, both executive and legislative. That access was a matter of necessity, for the experience of war demonstrated anew the need for combined cross-Service planning. There is little doubt that the Chiefs established their credibility as trusted military advisors in World War II.

It is important to remember, however, that the times and the circumstances of the '40s are not those of the '80s. The geographical separability and remoteness of the combat theaters, coupled with limited overlap in the technologies employed by each Service, allowed the national leadership to parcel out theater responsibilities using traditional Service roles. Resource constraints such as we face today were of minimal consideration at the national level: American industry concentrated on war production; conscription provided manpower for 90 Army and six Marine divisions, an 8,200-ship Navy (including 98 carriers), and 79,000 aircraft (roughly equivalent to 1,097 tactical wings today). Defense was allotted more than one-third of the Gross National Product. Such abundance obviated the kind of inter-Service competition for scarce resources we know today, with the draft on stand-by, with defense allocations one-twentieth of the GNP, and with many disincentives for industry's participation in defense.

POSTWAR CHALLENGES AND LEGISLATION

After World War II, the urgencies which had supported wholehearted joint prosecution of the war at the top disappeared. What remained were underlying sources of wartime intertheater, intra-theater, and inter-Service disputes; Nimitz vs. MacArthur, Navy vs. Army, Pacific vs. Europe. Additionally, our postwar alliances generated new requirements for starkly different environments of threat and geography. New technological developments offered weapons systems whose capabilities blurred the accepted boundaries among Service roles and missions. Renewed interest in domestic programs greatly reduced defense resources. It was hardly an environment supportive of inter-Service harmony. President Eisenhower's message to Congress in 1958 pointed out the path to pursue:

Separate ground, sea, and air warfare is gone forever. If ever again we should be involved in war, we will fight it in all elements, with all Services, as one single concentrated effort. Peacetime preparation and organizational activity must conform to this fact.

AN IMPERFECT LAW

The first effort toward a more integrated defense establishment was the creation of the Department of Defense in the National Security Act of 1947.

That act also formally established the Joint Chiefs of Staff as a council of advisors to the President and the Secretary of Defense on military policy, organization, strategy, and plans.

At the same time, members of that council, the Service Chiefs, were told to retain their departmental responsibilities to organize, equip, and train their forces. Foremost of these, for the Chief of Staff of the Army, is his direct responsibility ". . . to the Secretary of the Army for the efficiency of the Army, its preparedness for military operations, and plans. . . ."

It should not therefore be surprising that the four Service Chiefs found it somewhat difficult to sit down three times a week and act as a corporate body against some of the very remedies they individually were seeking to apply within their respective Services. Nor were the oft made criticisms of their deliberations without a strong element of unfairness. Given budgets which provide for

less than minimum defense needs, the Chiefs often found themselves unable to act responsibly in their joint role except to the detriment of legitimate Service requirements. This "dual-hatting," dictated by law, confers real power with the Service Chief hat and little ability to influence policy, programming, and budget issues with the joint hat. This is the root cause of the ills which so many distinguished officers have addressed these past 35 years.

The Act of 1947 has been successively amended to grant increased authority to the Secretary of Defense and to build up the Joint Staff and the Chairman of the JCS. But while centralized civilian control over the process of determining defense resources materialized, structural changes for the JCS were minor, largely cosmetic. The JCS, while charged with the responsibility to conceive, plan, and organize a defense founded on a unified command structure, has never been provided the means to realize these plans. In particular, they continue to lack real linkages with the resource allocation process.

The 1947 legislation as amended in 1958 might have worked if the only threat to our national values was a Soviet invasion of Europe. The planning world, however, is far more complex: in conjunction with our allies we must be able to respond to legitimate national interests in many regions of the world. The central problem for a coherent defense program is funding the right balance of mutually supporting Service forces to meet the full array of likely contingencies. As currently worked in the resource allocation process today, we do not make a true horizontal examination. Rather, we focus on single Services or on functions—vertical slices—which in aggregate yield less than what might otherwise be attainable. Solid linkages must be forged between likely contingencies and resources if we are to minimize risk in the future.

All of this accounts for a long thread of continuity in the critiques of Generals Bradley, Gavin, Taylor, and Jones. They are not alone. Almost from its inception the JCS has been a magnet for critical studies. There have been at least nine such efforts during the past 12 years alone. As General Jones notes, each new Administration customarily revisits the national security apparatus and its decision-making process. Unfortunately, only evolutionary adjustments occurred in the wake of these efforts, and change targeted at fundamental shortcomings of the JCS has been absent. (See box, pp. 84-85.)

On the other hand, the resource management process within DoD has been a favorite area for structural change: as in the case of the Planning, Programming, and Budgeting System (PPBS), Zero Base Budgeting; and the current Defense Resources Board. Evidently the motivation has been stronger toward efficient management rather than the development of effective military planning. The latter could only result from much greater interplay between the joint military and civilian leadership. Simply put, the basic issue of aligning Service programming and expenditures to the requirements of unified command planning has been inadequately treated.

CRITERIA FOR CHANGE

The key to the effectiveness of the current JCS structure, or any other we might examine, lies in how well it serves the President, the Defense establishment, and the Congress with timely and thoughtful advice on issues regarding:

Policy: objectives, goals, restraints, and insights;

Strategy: concepts, global interrelationships, direction, and warnings;

Planning: force development, options, and range of realistic alternatives together with risks;

Assessments: key national security issues, arms control, security assistance, regional defense policies, and the like;

Priorities: based on operational needs; discipline the PPBS; and

Resources: money, men, and material of war in a joint or unified context.

Against these criteria, how is the current system judged? Criticism from civilians within Defense comes from many directions:

We badly need, and have not had, a coherent overall military view about such matters as strategy and forces. Partly as a result, a gaggle of kibitzers has formed throughout government on these questions. . . . The individual military Services have clear stands on many of these issues, but an overall coherent military view has been conspicuous by its absence.

For years the only central voice in defense has been provided by the civilian staff of the Secretary of Defense. Lacking military expertise it has, largely, failed.

James Woolsey, 1982

There is certainly a lot of commentary available from people who have been involved . . . who say that the plans are not what they want them to be. . . . The Chiefs and the Joint Staff can rightfully respond that frequently they get no guidance at all in the preparation of plans, that the key decisions in formulating plans for various contingencies are often political decisions. . . ."

John Kester, April 1980

Criticism comes from civilians *outside Defense as* well. It takes this tone:

In fact, during the last decade the Chiefs have gradually lost influence both in the Pentagon and in wider interagency debates. In part, their declining clout reflects the rise of the civilian defense intellectuals . . . who entered the Pentagon as experts in the arcane world of nuclear weapons and arms control and challenged the traditional notion that "wars should be left to the generals."

Richard Burt, June 1979

If the Congress perceives shortcomings in the work of the Chiefs, it is perhaps because their present organizational structure forces them to wear two hats simultaneously.

What we in Congress desperately need from the Joint Chiefs are military judgments and recommendations . . . free from Service bias. Then we can make informed judgments about cutting or adding to a budget.

Senator John Culver, 1978

The thrust of these statements is clear: when advice on joint military issues is required, sources other than JCS are increasingly sought. What verdict is rendered about the credibility of the system when it becomes desirable to create a new cell embedded within the National Defense University to provide alternative military strategies?

WHAT KIND OF FIX IS NEEDED?

It is surprising that the system works at all in light of its serious organizational, conceptual, and functional flaws. When it does work, it is principally due to the exceptional officers assigned to the Joint Staff who labor mightily to make the creaking machinery turn. It is their diligence and dedication which get us through operational crises and find paths through planning and staffing obstacles.

It is possible, of course, to jury-rig an unofficial arrangement to answer at least some criticisms of the current organization. But we are in a time when that solution is increasingly unattractive. Today, the Services are working to implant at their operational and tactical levels—a military command structure capable of reacting faster than any opponent. The rapid pace of global change and the need for competent advice on short notice argue instead for a comparable capability at the strategic level. Though the pace of decision-making in peacetime may not routinely demand this, most contingencies we face in the future will require us to go to war with whatever peacetime military structure is in place. *Ad hocracy* is not the answer.

What, then are the options?

THE JONES PROPOSAL

General Jones' proposal is intended to make the joint system more responsive and effective than it is now. As a first priority he urges development of a stronger Chairman, an essential ingredient of *any* reform. The JCS would still be composed of the Chiefs of Service, but the joint role of the latter in operational planning and risk assessment of the individual Service programs and budgets would decrease appreciably and would remain to be defined. As a consequence, their role in the policy aspects of joint military planning would be changed. The Chairman's role would be stronger in the development of contingency plans, in directing the unified and specified commanders in conducting military operations, and in providing an independent assessment of the operational risks associated with consolidated Service programs.

Additionally, the Jones proposal would establish a new position of Vice Chairman to provide continuity in directing the joint process in the absence of the Chairman. The creation of this position could result in more effective coordination between the JCS and the National Security Council, the President, and the unified and specified commands on a routine basis because one of the same two men would be at all the key meetings. However, the addition of this Vice Chairman would degrade the position of the Service Chiefs and change their role in still undetermined ways.

Accompanying these policy and structural changes would be an important procedural change. The Joint Staff would work for the Chairman, not the JCS corporately. The extent of Service staff participation in the development of joint positions and papers would be limited to providing factual inputs and advice on fewer issues selected by the Chairman. The Joint Chiefs would meet to consider proposals from an improved Joint Staff.

Unchanged, or as yet unclarified in the Jones proposal, are the relationships between the various agencies within the Defense Department most affected by changes in military structure. Will some functions of OSD be subsumed by an invigorated Joint Staff? Will an enhanced voice for the Chairman affect the ability of the Services to make Service views known to the Secretary of Defense and Congress? These and other relationships need to be laid out clearly before the full impact of the Chairman's proposal can be understood.

IS THERE A BETTER WAY TO GO?

General Jones' proposal clearly moves us beyond the current system and well along the path of reform. Yet, even with adoption—a process which will require some legislative action—an opportunity for further building exists. Three major problems still need to be solved.

First is the divided loyalty we currently demand of the Service Chiefs. Dual-hatting, however refined, will continue to impair the ability to these top military authorities to provide sound, usable, and timely military advice to our civilian leadership.

Second, while the Chairman's proposal clearly promises to improve the Joint Staff's performance in peacetime, there may be a better way to provide a structure which can transition rapidly to war.

It is likely the process of joint strategic direction in wartime will totally consume the Chief's time. Simultaneously, immense issues of internal Service prioritization and direction will erupt, making equally large demands. Some will say that two relatively major wars have been fought satisfactorily with the current system. But today we face the most formidable force ever assembled in the history of the world, an opponent with the means to seize the initiative globally, in unanticipated ways, using an arsenal of great variety. Additionally, we must be prepared to respond to lesser yet equally critical contingencies which if not quickly contained could provide the flash point for World War III. The pace of future war is the key, and having the right structure in place to keep up with that pace is vital.

The other aspect of transitioning to war involves the creation of solid relationships in peace which do not have to be abruptly (perhaps chaotically) rewickered in crisis. I believe that the driving factor in war is the ability to sustain effective theater operations which are fully responsive to the grand design of national political objectives. Similarly, the driving element in wartime resource distribution is the operationally derived requirements of the theater commanders. However, we operate in a peacetime mode which accords highest priority to cost effectiveness: the best defense at or under cost. This is a worthy objective. But we should arrive at it by a process which at the outset subordinates cost with acceptable risk to intended capability of the commanders-in-chief (CinCs). Resource allocation must be tied to operational planning directly, not ex post facto. This requires not only a strengthening of the Joint Staff, but redirection as well.

Third, we need to increase the role of the CinCs even more than General Jones has proposed in order to involve them more fully in the defense decision-making process.

These fundamental problems of the joint system lead me to believe that we have a situation in which major surgery may be necessary.

A COUNCIL

One clear option is the creation of a body of full-time military advisors to the President and Secretary of Defense, thus ending the dual-hatting which has proved so troublesome.

The new body would logically consist of distinguished four-star rank officers, not charged with any Service responsibilities, who would never return to their respective Services. Each member would possess a varied background with extensive joint Service experience. Additionally, individual members would be sought who had particular expertise in areas of special importance to the joint arena; e.g., strategic nuclear policy; unconventional as well as conventional warfare; and command, control, and communications. One of the Council members could be appointed Vice Chairman for continuity purposes.

Based on guidance from the Secretary of Defense, this body of military advisors would examine military alternatives and recommend strategic scenarios to govern how the military departments are to organize, equip, and prepare their forces for war. The group might be called the National Military Advisory Council (NMAC), as Senator Symington suggested in 1960.

THE CHAIRMAN

The Chairman's position would remain in the new Council but with a greatly enhanced role and increased influence. He would no longer be the first among equals, dependent upon consensus to shape his advice. Instead he would direct planning and operations and be able to speak his own mind as well as disagree with the opinion of the Council. Thus, more than one view and well-conceived strategic alternatives would emerge. The real or perceived obsession with unanimity, with an accompanying tendency for a lowest common denominator solution would end.

The Chairman alone would direct the Joint Staff. He would determine the issues for study and initiate staff actions through the director of the Joint Staff. Throughout, he would remain sensitive to the concerns of the Council. To fulfill the enhanced responsibilities of the Chairman and the Council, the staff would be strengthened. One particular area of emphasis would be the development of an effective programming and budgeting capability. Other technical and administrative support would be increased to permit the Joint Staff to support the proposed role of the Chairman and the Council.

The Council's method of operation would be somewhat akin to that of a judicial body, its members sitting as an experienced body of military professional to decide matters of joint military importance. The authenticity and credibility of their judgments would be based not only on decades of firsthand experience, but also by the continuous opportunity to review requirements of the unified commands and their reported readiness. The Councilors would be able to arrive at recommendations in a reflective atmosphere, focused on how best to flesh out the means to achieve the national objectives. Opinions would be freely given by all members and presented as majority and minority views. The recommendations would be timely and objective, and as the developers of the prime military input to the President and the Secretary of Defense, their views would be hard to dismiss.

Experience clearly shows that the more trusted and professional the advice, the more willing civilian authorities are to seek it. Simply eliminating the dual hats raises the expectation of heightened objectivity in the proffered advice of this body. Over time, its credibility verified, the Council could assume an increasingly influential voice in formulating defense policy. Additionally, and of equal importance, the direct formal link between the Secretary of Defense and the Council would serve to encourage a greater degree of civil-military interaction and dialogue which in turn could strengthen the bond between the Secretary and his military advisors. The dangers of today's world and the new dimensions to the national security problem clearly require full-time joint military advisors. Greater interaction and dialogue would provide the civilian leadership with a deeper understanding of the complexities involved in military planning and operations. Clearly, a better civilian perspective would be invaluable in unexpected crises which demand sound and rapid policy decisions.

ADVANTAGES OF FULL-SCALE REFORM

The Council would remove the conflicting dual-hat roles of the Service Chiefs. In peacetime the clear division between military authorities responsible for providing advice on Service and joint matters should result in a major improvment in the timeliness and value of military advice. In wartime, the division of responsibilities between the Council and the Chiefs should permit both bodies to better engage the greatly increased decision making demanded during a crisis.

Removal of direct Service involvement in the relationship of the Chairman and the Council to the CinCs would free the latter to become more visible participants in the development of defense policy and joint programs. The CinCs would give the Council their views on the development of feasible and affordable military courses of action for the near term, as well as the near-team fixes which would improve their force capabilities. Coupled with an improved Joint Staff, the CinCs input would influence the "front end" formulation of military strategy instead of the CinCs remaining in a reactive mode to established policy in the Defense Guidance.

RELATIONSHIPS

The manner in which these improvements would operate is summarized by viewing how relationships and lines of authority would shift in the several proposals. (See box, pp. 84-85.) In the Defense decision-making hierarchy, the Council, led by the Chairman, would be directly responsible for translating top-down policy guidance from the Secretary of Defense and the President into strategic and cross-Service programming direction to the Services. The Council might best fulfill its responsibilities to the Secretary of Defense by analyzing strategic alternatives for cost and risk implications. As part of its role, the Council would suggest allocations among the Services as well as a distribution of major combat forces designed to meet strategic objectives.

Unlike some similar proposals of past years, the Services would be closely involved with the Council in the development of strategic alternatives, and would help a stengthened Joint Staff provide the individual land, sea, and air perspectives necessary for effective joint planning and analysis. Periodically throughout the analytic process, the Services, represented by the Service Secretaries and Chiefs, would meet as a collective "board of directors" to comment on, or to disagree with, the Council's position on key issues.

Armed with the Council's recommended strategies and programs, together with any dissenting views from the Services, the Secretary of Defense and the President would be equipped to make fundamental decisions on the specific course of defense planning and programming.

The close Service affiliation with the Council might at first glance appear to focus the Council too narrowly on tactical and administrative detail and not enough on what the President needs. However, past experience has shown that continuous Service involvement is essential in the development of grand strategy to ensure that the product reflects the latest, most imaginative, and dynamic aspects of individual Service doctrine

and technological development, as well as a clear appreciation of what is feasible.

For this process to be successful, the Service Chiefs would undertake to sponsor visits by the Council to the commands, and to update the members on doctrinal developments, new weapons systems, and readiness of the forces. Indeed, it ought to be easier for a four-star to learn about the joint system and study in depth developments taking place in other Services once he is freed from the daily pressures of a high-level Service assignment.

Once approved by the Secretary of Defense, the strategic recommendations of the Council would become directive in nature and would shape the general outline of each Service program. Consequently, the Services would have less of a voice than at present in resolving cross-cutting resource issues and determining the composition of their major forces. However, by narrowing the focus to internal Service concerns, the Chiefs and the Service Secretaries would be given more freedom to concentrate on long range Service planning and the discrete Service aspects of doctrinal, tactical, and technological innovation.

The streamlined relationship between the CinCs, the Council, and the Secretary of Defense would have a beneficial effect on how we plan for war. The new relationship between the Secretary and his military advisors would lead to more clearly defined "top down" guidance from civilian leaders. The Council, now fully committed to joint matters and familiar with requirements from the CinCs would then translate that policy into strategic guidance for the field commanders.

Last the CinCs, in turn, would send more useful feedback from the field to civilian policy makers, thus completing the repetitive dialogue so essential for solid contingency planning. The Council would also decentralize the planning process by focusing primarily on the larger issues of global integration of strategies and regional planning guidance. As a result, the CinCs would be freed to determine details of force composition, force employment, deployment, and support.

The Council would also better assist Congress in discharging its important role. At present, Congressional committees debate at length the specifics of Service programs without full insight into how these programs fit into an overall strategic context. Because of its cross-service perspective, the Council would be able to provide Congress with a much-needed horizontal appraisal of individual Service programs divorced from Service advocacy of weapons systems. The Council's view would present the Administration's program to Congress.

The format would be cast in terms of the capabilities provided by the combined budgets of the Services to the operating forces in relation to the near- and long-term threat. Congress would thus have an opportunity to probe for the genuine coals of military policy and would be better able to isolate less essential and redundant programs. The position of the Council in relation to the Services would give them a central role in the Congressional budget review.

THE ARGUMENTS AGAINST

No solution which seeks fundamental reform is without potential drawbacks. At first glance it might appear that the influence of the Service Chiefs might be severely diminished by the loss of their JCS responsibilities. It is true that the role of the Chiefs would change. My belief is that the additional time available to the heads of Services by being relieved of time-consuming JCS duties would permit them to concentrate on the more meaningful aspects of Service roles in joint and combined operations. Relinquishing of routine JCS duties would be a small price to pay to achieve this end. The Council would also relieve the Chiefs of the need to continually justify and defend to Congress the size of Service budgets and the composition of major Service forces to meet the national strategy. These issues would be developed and explained to Congress and the President by the Council.

A particularly emotional issue might be the creation of four new general officers. Why add another layer of military bureaucracy when other government agencies are being pared to the bone? It is important to observe that the Council would not be another staff layer but would, in fact, consist of four-stars who, because of their backgrounds and seniority, would otherwise continue to be influential in national security affairs regardless of their official positions.

Since they would in effect be merely extended on active duty before final retirement, the members would not disturb internal Service command arrangements. Moreover, the efficiency with which the advisors could provide advice and make decisions would greatly diminish the need for the redundant joint and Service staff work now necessary with the Service Chief wearing two hats. While the Joint Staff would grow moderately, the total number of officers now engaged directly or indirectly in joint work either on the Joint Staff or in the Service would decrease.

Another criticism might be that such senior officers would be unable to rise above their Service biases. I believe this to be unwarranted since the officers would have had past joint experience, and therefore access to the experience of other Services. Moreover, the officers would be representing joint interests and would not be returning to their Services upon completion of their appointment to the Council.

Reform as sweeping as this would require legislative change to the National Security Act of 1947. New relationships as outlined above would have to be fully defined, understood, and accepted by Congress—a process complicated by a historical reluctance to accept any change which might suggest creation of a "General Staff" from which a military elite might emerge. This has been a recurring theme in opposition to reform of our highest military body since first suggested during World War II. It is imporant to emphasize that all reforms suggested since the war have clearly accepted military subordination to civilian authority. Contrary to popular belief, the German General Staff was an army staff; not a joint staff. In fact, it was Germany's lack of an effective joint staff apparatus and a corresponding failure in both World Wars to establish a unified control over three separate Services that contributed significantly to final defeat. One of the most telling indictments of this lack of coordination was made by General Zimmerman of the German army:

It is a matter of irony that Eisenhower, the servant of the great democracies, was given full powers of command over an armed force consisting of all three Services. With us, living under a dictatorship where unity of command might have been taken for granted, each of the services fought its own battle. Neither Rundstedt nor Rommel, try though they might, succeeded in changing this state of affairs in creating a unified command. The result was that the German army fought singlehanded against all the armed forces of the Allies.

CONCLUSION

Since the end of World War II the correlation of forces has shifted dramatically. The shift demands that our national security policy be buttressed by better and faster planning mechanisms. It also demands that the roles of the civilian and military leaders charged with this vital responsibility be clearly defined so that we provide our citizens the defense posture necessary to ensure their freedoms.

The prerequisites for organizational changes include:

First and Foremost: to ensure for civilian leaders the best and most usable military advice possible. Above all, this advice must be relevant and timely.

Second: to ensure that the organization will work in wartime; and, where possible, that it focuses in peacetime on the same issues with which it will be seized in wartime.

Third: to ensure that the CinCs are given sufficient guidance and resources to do meaningful planning, are permitted to do such planning, and remain intimately involved in near-term issues relating to the capabilities and readiness of their forces.

If these three prerequisites are used as the basis for evaluating organizational changes we should be able to come up with an organization which:

Provides clear, concise, and timely military advice;

Permits the Chairman to shape internal discussions;

Gives CinCs the ability to influence in peacetime what they are expected to implement in wartime;

Focuses the Service Secretaries and Chiefs on the current readiness and the future of their Services;

Directs the OSD staff toward implementation of the Defense Department's critical functions in peace and war; and

Provides to the President, the Congress, and the American people a clear indication of how much more secure they are as a result of the dollars spent on defense.

Reform of the mechanism which provides military advice and counsel to our civilian leadership is long overdue. Tinkering with the mechanisms will not suffice. Only by addressing the issues which have been considered to be too tough to cope with in the past do we have a chance of instituting the reforms necessary to develop the smooth-running machinery required to see our nation through to the 21st Century with our freedoms and national values intact.

[From the Armed Forces Journal, May 1982]

JCS Reform: Necessary, but in Moderation

(By W. Graham Claytor, Jr.)

On the basis of my experience as Secretary of the Navy and Deputy Secretary of Defense in 1977-81, I would like to endorse the recommendations made by the chairman of the Joint Chiefs of Staff, USAF General David C. Jones, that changes are needed in the existing joint system (Mar AFJ). I would not, however, go as far as US Army Chief of Staff General Edward C. Meyer recommends (Apr AFJ). I believe we should make modest changes, evaluate how they work, and then decide on what, if any, further moves are needed. In this area, especially, experience is a better touchstone than theory, and I would move accordingly in relatively small steps, with continuing evaluation of the effectiveness of each step as we go along.

Certainly experience to date shows that the system is not working well, and I think it indicates two primary areas in which the greatest improvement is needed: an increase in the Chairman's authority (and with it his accountability); and a corresponding increase in both the quantity and quality of his staff support.

The fundamental change that should be made now is that the Chairman—not a committee consisting of the Chairman and the four Service Chiefs—should be the one to advise the President and the Secretary of Defense on genuinely joint matters—that is, matters on which an overall collective military judgment is needed, as distinguished from internal Service problems or budgetary details. Certainly my relatively brief experience in OSD confirms the validity of the almost universal indictment of the existing "committee" approach to advice in these areas. Almost any one with executive experience will agree that responsibility without authority or accountability is a blueprint for futility.

How would the Chairman be able to carry out so awesome a responsibility alone? The answer, of course, is that he must be given significantly more support than is available to him under the present system. As a minimum that should include:

A four-star deputy Chairman, drawn, as General Jones suggests, from a different grouping than that of the Chairman (Army and Air Force on the one hand, Navy and Marine Corps on the other). this seems such an obvious need that it ought to be done promptly, even if no other changes are made;

Closer coordination between the Chairman and the Unified and Specified commanders. Under existing law, the chain of command runs from the President to the Secretary of Defense to the Unified and Specified commanders and the Services, though the Joint Chiefs. If the Chairman's role is modified as suggested, this should be changed to insert the Chairman in the chain of command ahead of the Service Chiefs and with direct authority over the Unified and Specified commanders. This in turn would provide the Chairman with the close and direct liaison with the Unified commanders, that General Jones properly sees as important, and should enable the Chairman in turn to strengthen the Unified commander's role with respect to his Service component commanders.

The Service Chiefs' role would still be critically important, since the chain of command would still be through them to their particular Services, and they would continue to serve as principal advisers on joint matters to (but not as co-equal decision makers with) the Chairman.

Thirdly, and in some ways most importantly, as General Jones puts it, we must "broaden the training, experience, and rewards for joint duty." I suggest two ways initially in which to move up on this problem: one requires a statutory change, and another can probably be done by the Secretary of Defense under existing authority. I would favor both of these changes, even if none of the other recommendations is immediately adopted.

The first change would be to authorize a small number of three- and four-star billets from each Service for permanent assignment to the Joint Staff in addition to, or partially in place of, those currently filled by limited-term or rotating assignments. Recommendations to the President for filling these posts would be made by the Secretary of Defense after recommendation by the Chairman. Recommendations could also be sought from Service Chiefs and Service Secretaries, but this should not be a prerequisite. It would also seem desirable to authorize a limited number of one- and two-star joint billets to be filled by Defense appointment or by promotion through a special joint selection board, appointed by the Chairman with the approval of the Secretary of Defense—not exclusively by Service selection boards. Those so appointed or selected would normally be expected to remain in joint assignments and not to return to duty with their respective Services.

These changes would provide an additional senior career path for officers assigned to joint service and should go far toward making joint service by both senior and junior officers more attractive.

The second suggestion would be to require that those officers assigned by the Services to joint duty for a limited duration be selected from the more promising candidates available in each class. An effort to accomplish this in the last several years was made by requiring those officers promoted to general or flag rank in any of the Services to be promptly assigned to joint duty if they had not previously had this experience. I would enforce this requirement even more strictly, and add an additional directive that those limited-duration, joint duty assignments at ranks below three stars designated by the Chairman with the Secretary's approval as of particular importance would have to be drawn from early promotion selectees—normally the brightest and most capable in a particular group. An explanation satisfactory to the Secretary of Defense would have to be submitted for any exception to this requirement.

Designating the Chairman alone—not the Chairman and the Service Chiefs collectively—as the formal adviser to the President and the Secretary on genuinely joint strategic and military matters should by no means isolate the Service Chiefs from input on these questions. While the Chairman would no longer have to speak for the Service Chiefs in his advice, their views as well as those of the CinCs and of his own Joint Staff would all be important factors in influencing his decisions; if a Service Chief disagrees with the Chairman's advice, the former would still have access as at present to the Secretary, and even the President, in order to present his side of an issue. The difference would be that the Chairman's advice would be substantive and as impartial as human limitations permit, not merely the best compromise of conflicting views that he can come up with—which results too often as Jim Woolsey so poignantly put it in an article in the Washington Post on February 18th: "intellectual flab clothed in flaccid prose."

At least it seems to me, this rather limited experiment seems worth trying.

One last word: I would continue, at least initially, to limit involvement of the Chairman and the Joint Staff in detailed budgetary matters. If anything, there is too much review and re-review of the details already. I would have the Chairman continue to provide budgetary advice in cross-Service areas where a truly joint military perspective is needed—like command and control. But otherwise, the Chairman and his Joint Staff ought to concentrate on the ever-present tough military and strategic problems that are too broad to be properly left for decision by the individual Services, and leave alone the highly charged and parochially sensitive budget matters, except for relatively rare specific requests for advice in these areas by the Secretary of Defense.

[From the Armed Forces Journal, May 1982]

JCS Reform—and More: A Long Overdue Initiative

(By Robert F. Ellsworth)

Gen. David C. Jones has done the nation a great service in triggering the debate over how our senior military command should be organized. General Edward C. Meyer has made an equally important contribution by going further than General Jones could tactfully go, noting that much stronger central institutions are needed, and not simply a stronger Chairman. Both sets of recommendations are in our interest if we are to avoid seeing our military become bureaucrats in uniform. As I look out over the next few years, one thing this nation surely requires is military and strategic advice straight from the shoulder. Professional. Tough. And smart. One way to get it is to begin with reform of the JCS, as Jones and Meyer have suggested.

THE OBJECTIVES REFORM MUST SERVE

The objectives of such reform may be summarized as follows:

To give professional military expertise a central role in shaping the nation's military strategy:

To strengthen the role of military expertise in military operations; and

To channel military professionalism so that it can influence the nation's force plans, to create more effective deterrent and war-fighting capabilities for the money made available.

The nation's present Chiefs of Staff and Joint Staff are incapable of adequately meeting these objectives, not because of personal inadequacies but because of statutory institutional roadblocks. The nation's top commanders must now give strategic advice in spite of their Services. They must give it privately, and in the knowledge that Service differences undermine their ability to staff strategic planning from an overall perspective. Whether the issue is nuclear strategy or strategy for the Gulf, the present Joint Staff system tends to reduce military advice to a lowest common denominator of Service and branch biases. Civilians have not taken over strategic planning, but the military are blocked from providing it.

Similarly, it has been exceedingly difficult to get unvarnished professional military advice on military operations. The efforts of the Joint Chiefs to create a national command center in Washington have largely been a waste of time. It has been all too clear that the Joint Staff, which supports this command center, lacks the political sophistication needed to advise on operations, the practical experience in military operations and crisis management, and the ability to react quickly and effectively. On balance, the Joint Staff has become a Service-oriented filter between the nation's top civilians and the Unified and Specified Commands—while the nation's top policy makers have tended to bypass it because it lacks the expertise, flexibility, and competence to do the job.

Among the failures of the present system, moreover, is the inability of the nation's top military to properly influence force planning. While the sophistication of the Joint Staff has increased steadily since the time of former Defense Secretary Robert S. McNamara, the grim truth remains that no responsible civilian can fully trust its advice. The Joint Staff has many competent individual members, but it produces formal staff work that has aroused the dismay of every senior civilian who has been forced to read it. It is laborious, cumbersome, and hopelessly compromised. It ignores real-world resource constraints.

REFORMING THE JOINT CHIEFS AND THE JOINT STAFF

The answer to this is obviously to create a strong single chief of staff and a career joint staff. General Jones and General Meyer are absolutely correct in seeking this objective. Without such reforms, this nation's top military command institutions will continue to fall far short of what the nation needs. General Meyer is also correct in emphasizing the role of the commanders of Unified and Specified Commands. This nation no longer has a serious need for Service chiefs of staff, any more than it has a need for Service Secretaries. Our strategy, our military operations, and our force plans must be shaped to support national missions and to meet global needs involving joint operations. While there is a need for Service-oriented administrators at the major general and assistant third secretary level, such administrators are not the proper advisors to the JCS Chairman, the Defense Secretary, or the President.

REFORMING THE SERVICES AND JOINT COMMANDS

This of course means that reform must in fact go somewhat further than either General Jones or General Meyer has suggested. The time has come to firmly subordinate Service interests to area commands like CINCPAC, CINCLANT, CINCEUR, and Readiness Command, and mission-oriented joint task forces. This can be done by going one step further than General Meyer suggests and giving the major commanders a direct voice in reporting to the JCS Chairman. They should be part of a committee or council that is subordinate to the Chairman, but clearly superior in rank and authority to any committee with a membership that includes the senior, single Service staff officers.

The end result will be more than a stronger Joint Staff, or Chairman. It will be to limit the career path to high command to either operational command or joint command. It will make single Service staff commands at best steppingstones to serving in such a command. It will cut through the forest of uniformed civilians or bureaucrats that now make up the service military staffs and, combined with a strong, centrally led Joint Staff, will give the nation's responsible commanders a direct voice in decision making.

REFORMING CIVILIAN PLANNING AND DECISIONMAKING

These reforms must be supplemented by reforms within the civilian side of the Department of Defense (DoD) and within the Congress. First, with all due respect to General Meyer, the military are not going to reassert their roles as commanders, strategists, and planners unless they work directly with civilian resource managers and policy planners in shaping one coherent force plan that can be implemented with the manpower and defense resources the nation has available.

This means that the Joint Strategic Objectives Plan must vanish forever, and that it must be replaced with a joint policy, planning, programming, and budgeting effort that is jointly drafted, reviewed, and implemented by staffs that mix members from the new Joint Staff and the Office of the Secretary of Defense. As long as the military planner is segregated from the civilian resource manager, and as long as military planners focus on trying to live beyond their resources, the real defense planning in this country will always be done by civilian planners. The golden rule in defense planning is that he who has the gold rules. No reform of the JCS will have much meaning that ignores this reality.

Second, the revised policy, planning, programming, and budgeting system must be directed toward giving the major commands the forces they need to meet potential threats. No reform can survive, or meet the nation's needs, which continues to plan and program around Service-oriented "slices" of general-purpose forces; which prevents joint planning and programming of the nation's strategic forces across Service lines; and which segregates the nation's research, development, and acquisition effort from an explicit link to the forces that will be built in each mission area. The nation must refocus its defense planning and budgeting activities away from a Service-oriented structure. It must concentrate on key mission areas, and it must judge by outputs rather than inputs.

This requires a third reform as well. The nation's force plans will never support effective military operations or the implementation of a meaningful strategy as long as the annual Congressional budget cycle focuses on Service-oriented or line item budgets; as long as it only looks one year into the future; and as long as it ignores how the mission capabilities being built up compare to those of the threat. Yet the planning effort within DoD is not focused on a budget review process that forces this inadequate and shortsighted approach to planning. Defense must submit plans and budgets to the Congress with a five-year time horizon, which are structured by mission area rather than by Service, and which involve explicit net assessments of U.S. capabilities, those of our allies, and those of the threat.

These are not minor reforms, and it is certainly necessary to begin with the efforts suggested by General Jones and General Meyer. The President and the Congress must, however, have no illusions about the results. Reforms of the Joint Chiefs will not be enough by themselves. They must be accompanied by broad reforms in the organization of the Department of Defense, in the way civilians operate within the Office of the Secretary of Defense, and in the way in which the Congress treats the nation's defense budget. Without such reforms, the nation is virtually certain to fail to create a broad and sustainable public consensus around its true requirements.

[From the Armed Forces Journal, May 1982]

A British View on the Incentives for JCS Reform

(By Neville Trotter, F.C.A., J.P., M.P.)

I was interested to read the article in the March issue of *AFJ* in which General David C. Jones outlined why the US Joint Chiefs of Staff must change, because significant changes to the structure of our own Chiefs in the United Kingdom have only just been approved.

In its April edition, *AFJ* also published what was probably a longer account of the UK changes than has so far been seen publicly in Britain. The problems facing David Jones in Washington and those facing his colleague, Admiral Sir Terence Lewin, in London are essentially similar—but the environment in the two capitals is very different. The former had to publish his views in advance and presumably is now faced with much argument in full public scrutiny. The changes sought in our Ministry of Defense only became public in February, when Defense Minister John Nott wrote to the Chairman of the House of Commons Defence Committee, advising him that they would take effect immediately.

I realize, of course, that unlike Britain, such a change in organization amounts to a change in the US Constitution and requires legislative approval. There is, however, also a great difference in the degree of informed public discussion on defence matters in the two countries. Although the changes were revealed to the British press, there has been hardly any comment in the papers. Our House Defence Committee will probably scrutinize the changes when it reviews the governments' annual defence posture statement. It will not, however, be able to alter the decisions already taken.

While the British changes have produced little public comment, they are nonetheless very significant. In particular, the Chief of Defence Staff (CDS), as the Defence Minister's principal military adviser, will no longer offer the consensus advice of the Chiefs of Staff. He will now provide his own independent military advice, as well as seeing that the views of the Chiefs of Staff are properly reflected. The Chiefs of Staff Committee will now become the forum where CDS seeks the views of his colleagues. The Chiefs, however, will continue to be the professional heads of their Services, giving advice on strategy, operations, and the implications of defence policy. They will still have the right of access to the Defence Minister and to the Prime Minister and will accompany CDS as necessary to meetings of the Cabinet or its committees.

While the change is officially described as one of emphasis, there can be no doubt of its importance, and the authority of CDS should be greatly enhanced. The change is also described as being evolutionary, representing a further necessary step in the development of Britain's central defence organization.

The first central defence organization in Britain came into being at the turn of the century, when the Cabinet formed a Committee of Imperial Defence with a small Secretariat, in the light of experience in the Boer War. The Royal Navy and Army, however, continued to pursue their own paths. Thus in 1911, when the Agadir crisis occurred, Prime Minister Asquith was startled to discover that the Admiralty's plans and strategy were profoundly different from those of the War Office. As a result, an elaborate naval staff was imposed upon the Admiralty and the machinery established for joint staff planning with the War Office.

Supreme control over the direction of the 1914-18 war ended up in the hands of a War Cabinet, but after the war the Committee of Imperial Defence was revived. Chaired by the Prime Minister, its members were senior Cabinet Ministers and the Service Chiefs of Staff.

The creation of the RAF in 1918 as a third independent Service made coordination more difficult as it blurred the frontiers of responsibility completely. In 1923 a committee was set up to examine the relationship between the Services and the coordination of defence policy making. A major development followed in 1924, with the establishment of the Chiefs of Staff Committee. The responsibilities of the three Chiefs were extended from the traditional role of advising on single Service policy so that they were now to have an individual and collective responsibility for advising on defence policy as a whole.

In 1927 the Directors of Plans of the three Services came together in a joint Planning Committee, and in 1938 this was followed by a similar Three Services Intelligence Committee.

There was no Minister of Defence until 1936, when one was appointed following public demands caused by the growing threat from Hitler. Prime Minister Baldwin saw this position as a potential rival for power, and the new Minister was not an effective leader in defence matters.

In the 1939–45 war, Winston Churchill, as Prime Minister, also took on the role of Minister of Defence. The Chiefs of Staff became the central body; they issued orders to the Commanders-in-Chief in the field and spoke as a single professional body on relations with the USA. They had their own representatives in Washington.

It was Churchill's practice to leave the Chiefs alone to do their own work, subject to his general supervision and guidance, and he presided, for example, over only 44 of the 462 meetings in 1941. He was, however, constantly informed by a two-star officer who represented him on the Committee.

In 1947 a Minister of Defence was again appointed. This time the change was fundamental, for at the same time the three individual Service Ministers lost their traditional positions in the Cabinet. Henceforward the Minister of Defence was supreme. It is interesting to recall that in the 1920s there had been opposition to the appointment of a Minister of Defence on the grounds that he would suffer from the weaknesses inherent in politicians! In the changed postwar conditions this argument was heard no more. The new Minister was served by the newly created Ministry of Defence, formed coincidentally in the same year as the US Department of Defense. The change took place 25 years after Winston Churchill had first pointed out the need to establish a Ministry of Defence.

In 1957 Duncan Sandys was appointed as Defence Minister with a remit to reshape the Services. He is still remembered for his forecast that in the future the missile would replace the manned aircraft! He was, moreover, instrumental in setting in motion the next round of organizational change. A new defence Board was established under the chairmanship of the Defence Minister. The other members were the individual Service Ministers, the Chiefs of Staff together with two civilians, the Permanent Secretary, and the Chief Scientist. Although now known as the Defence Council, this body continues to operate today. Constitutionally it exercises the Royal prerogative of command and administration of the armed forces, and serves as the link with parliamentary control. The Council can be used as a senior policy board, but in practice it is rarely used as such, and meets infrequently. The individual Service Boards are subcommittees of the Defence Council and deal with the day-to-day running of the Services.

In 1956 an additional member had been added to the Chiefs of Staff as their chairman. Under the new scheme this post became known as Chief of Defence Staff. It was now formally established that when CDS was unable to give consensus advice from the Chiefs, he was to report their individual views as well as to offer his own advice in the light of those views. This remained his position until the changes introduced in February of this year.

The Joint Planning Staff became directly responsible to CDS as Chairman of the Committee, and he was also entitled to call on each of the Chiefs to assist by providing the services of the naval, general, and air staffs, who were together regarded as forming a Joint Defence Staff. These Staffs were responsible to the Committee for the study of inter-Service problems.

It was soon realized that the 1957 changes were not sufficient; their success had relied too much on the strong personality of Duncan Sandys. Prime Minister Macmillan was fortunate enough in 1959 to be able to appoint as CDS a man of vision and determination, Lord Louis Mountbatten, who was known to be an ardent advocate of reform. Mountbatten came to the post not only with experience at the head of the Navy, as First Sea Lord, but also as the wartime Supreme Allied Commander in Southeast Asia. His connections with the Royal Family and the respect in which he was held by senior politicians were obviously advantageous.

Mountbatten's first innovations were to create unified operational commands overseas in Aden, Cyprus, and the Far East. The latter was just in time to ensure success in the Borneo confrontation with Indonesia.

As head of the Navy, Mountbatten had previously sharply dissociated himself from the attempts by his other two Service colleagues to tone down the reforms of Duncan Sandys. He now sought one Central Defence Board, with functional responsibility and with central control of logistics, personnel, and equipment throughout the three Services. He proposed that CDS should have responsibilities across the board, with single Service Chiefs downgraded in status to almost assistant level. In fact he sought a system of total centralization.

There was naturally much inter-Service opposition to Mountbatten's proposals, and consequently Macmillan sought a report from respected senior retired officers. History surely repeats itself with David Jones recently conferring with a group of similar officers, who "are in a better position than those now serving to step aside from longstanding Service positions, and objectively assess the joint system."

In 1963 the report was presented to Macmillan by General Lord Ismay, who had been Churchill's link with the Chiefs of Staff during WW II, and then the first Secretary General of NATO. The report acknowledged that the aim should ultimately be a completely integrated Ministry of Defence with a single functionally organized structure. It even went so far as to suggest that there might eventually be a single United Service, which, it was suggested, could eliminate the waste caused by duplication. Nevertheless, Ismay felt that drastic alterations could only be implemented in stages, and for the time being he recommended an organization in which the Defence Minister assumed complete responsibility for the whole machinery. There would be a comparatively small central staff and the three Service departments would continue, but they would be presided over only by junior Ministers.

Ismay's recommendations were implemented. The three Service Ministries were absorbed into the Ministry of Defence, and the headquarters were integrated in a single building. The change amounted to a quite dramatic move toward stronger central political control.

Other than a slight increase in the central staff, the Chiefs of Staff Committee emerged from these changes unaltered. Thus, while the reform shook the political world, it is ironical that, despite Mountbatten's efforts, the position of CDS and his relations with the single Service Chiefs had hardly changed. The individual Services were left intact, administered by their own Chiefs, who retained ultimate responsibility for their operations. Obviously it was easier to persuade politicians to forego their traditional status than it was the heads of powerful Service tribes!

The 1963 reform led to the bringing together in various Defence Secretariats of civilian staff from the old Ministry of Defence and the three Service departments. Whilst civil servants give general advice to the appropriate Chief of Staff, they are also responsible for advising the senior civil servant in the Ministry, the Permanent Secretary. This powerful post is without an equivalent in Washington. He is a career civil servant, there being no political appointee below the Minister in the British Ministry of Defence. The fact that the senior civilians are pursuing a long-term professional career in the Ministry provides a vital continuity, and since 1947 there have been only nine Permanent Secretaries. The frequent rotation of Ministers and Service Chiefs further places heavy reliance on the established Civil Service.

The Permanent Secretary is responsible as head of the department for the overall efficiency of the Ministry, and for managing all of the civilians in the employment of the Ministry at home and overseas. The relationship between the military and civilian staffs, while outside the scope of this article, is of great importance to the efficient functioning of the Ministry. Suffice to say that the Chairman of the House Public Accounts Committee regards the present Permanent Secretary and his staff as being among the most capable departmental heads to appear before the Committee.

So far as the Service staffs are concerned, it has always been a cardinal principle of the British organization that the men responsible in the Service departments for carrying out the policies are brought together in the central machine to formulate it. In World War II the methods employed in the British organization were adopted, unaltered, in both the machinery of the US combined Chiefs of Staff and at the various Anglo-American headquarters formed in the field.

Between the World Wars, America's isolationism, security from attack caused by geographical isolation, and economic preoccupations resulted in very little modification being made in the US organization. When they entered World War II the Americans saw the contrasts between the unity of the British Service representatives with a national military viewpoint, and their own diverging viewpoints. The JCS was thus formed in 1942 as a coordinating body along British lines. Sir John Dill, the head of the British Joint Staffs Mission in the States, described the previous US organization as "belonging to the days of George Washington."

The pattern in the States since World War II seems to have been somewhat similar to that in Britain, in that there has been an increase in the centralized power of the political boss rather than the military boss. In both countries, however, it is now recognized that there is a need to reexamine the organization and functions of the Chiefs, so that the very demanding challenges of the critical years ahead can best be faced.

There must inevitably be some conflict between the two tasks of a Chief of Staff—giving professional advice on national defense policy and acting as a guardian of his own Service. In the latter capacity he would be less than human if he was not affected by the interests of his Service. One hopes that on both sides of the Atlantic the situation has somewhat improved since 1948, when Field Marshal Montgomery wrote, "I can only recall one case of real unanimous agreement in the Chiefs of Staff Committee, and that was when I put forward and proposed in July 1946 that we should ask the Prime Minister for a new Minister of Defense."

The recent change in position of the British Chief of Defense Staff reflects as much as anything the ever-increasing importance of resource allocation and balance of investment questions. The Defense Minister increasingly needs to look to the Chief of Defense Staff for independent advice on military priorities across the UK's defense commitments and programs.

As General E. C. "Shy" Meyer said in April's AFJ, funding the right balance of mutual supporting Services to meet the full array of likely contingencies is the central problem. Great difficulty must arise in both countries when scarce resources are to be allocated between the competing demands of the various Services for ever more expensive new equipment.

Where money is involved, consensus is naturally much harder to achieve and a Service Chief must face difficulties over inter-Service resource allocations. Can a First Sea Lord really be expected to accept willingly that an additional squadron of RAF Nimrods is a better contribution to the maritime defence than additional frigates? Can the head of the Army accept that more aircraft are the best way to stop a Russian tank attack? (Perhaps at this point I should declare that it is not my own RAF background that is influencing me to offer these two hypothetical examples!)

The changes now being made in Britain will cause the Central Defence Staff to be wholly responsible to the Chief of Defence Staff, who in turn will be responsible for directing their work. Furthermore, members of this Central Staff will have direct access to the individual Service Staffs without having to go through the Service protocol. If one excludes the Intelligence Staff (which has long operated on a three Service basis responsible to CDS), the British Central Staff is quite small and is unlikely to see extensive growth. Yet another stage of evolution is likely in the near future. For example, at present, personnel and logistics is a four-star post; operational requirements three-star; and policy two-star. While no decisions have yet been taken, the possible reorganization would see all the posts at this level becoming three-star, as in the exising intelligence appointment.

In his article General Jones also drew attention to the career problems of those officers assigned to the US Joint Staff. One of his proposals seeks to allow the Chairman influence in the selection and promotion of officers. The similarity of the situation in Britain is again most notable, as CDS is now to chair a Senior Appointments Committee on which the single Service Chiefs will serve; it will review all three- and four-star promotions and appointments together with the most important two-star posts. CDS will thus be formally involved in the process of selecting officers for senior appointments across the three Services.

For a generation the United Kingdom enjoyed the staff benefits of Joint Commands overseas, but no major Command of this nature now remains. In the future, therefore, officers are going to be appointed to the Central Staff without the benefit of experience in a Joint Command, and this problem will have to be borne in mind by the new Appointments Committee.

A review of the scenario on both sides of the Atlantic shows David Jones and Terry Lewin faced with the same problem and seeking similar solutions through the strengthening of the role of the Chairman. It seems from my conversations in Washington that there are a number of additional factors aggaravating the position of the US Chairman. The UK (when not dealing with problems in the Falklands!) now concentrates 95% of its military resources on NATO, whereas the American scope is worldwide. The United States must look in five directions at once: Southwest Asia, the Pacific, Europe, the Atlantic, and Central America. Only the problems in the last two are close at hand. Britain concentrates on Europe and the Atlantic, both on its doorstep.

While CDS inevitably has recently spent a great deal of time on Britain's program to replace Polaris with Trident, I am sure that strategic nuclear matters are normally much more of a preoccupation for the US Chairman. Coming from the British Parliament, I am astonished to find the amount of time my American Service friends must spend testifying on the Hill, and I well appreciate how much preparation must go into their appearances before the well informed Congressional Committees. In Britain there are no similar detailed line-by-line reviews of Service budgets. In the eight years I have served in the House of Commons, neither CDS nor the Service Chiefs have ever given formal evidence. Indeed, the recent sight of the First Sea Lord in uniform in the House on a private visit to the Defence Minister brought home to me the impending seriousness of the situation in the Falklands.

A further difficulty for General Jones must arise from not having known until recently who was to be his successor. In Britain the appointment of CDS has always been a matter of strict rotation between the three Services. It has thus been known for at least two years that General Sir Edwin Bramall will take over from Admiral Sir Terence Lewin later this summer. It must have been helpful for CDS to know who his successor was, and it seems reasonable to suppose that they agreed on the need for reform.

The position in Britain today is the result of continuing evolution. We have come a long way from the Committee of 1923, where it was agreed that the question of a combined staff had been disposed of effectively by Field Marshal Sir William Robinson. This officer considered that for the Service heads to work under a single Chief would be "fantastic and dreadfully mischievous," and "there could be no more pernicious system than for such a Chief to have his own staff." That the problem of organization has been around for a long time can be judged from the remark of Caius Petronious of the Roman Army in AD 66: "We trained hard—but it seemed that every time we were beginning up into teams, we would be reorganized. I was to learn later in life that we tend to meet any new situations by reorganizing, and a wonderful method it can be for creating the illusion of progress." The recent changes in Britain, however, really do represent progress and and the need seems to me to be as great in the States.

No doubt David Jones will argue his views powerfully before Congress in the next few weeks, although during my recent visit to the U.S., all the attention seemed to be focused on budgetary matters.

The need for change has been clearly spelled out by General Jones and with full support from General Meyer. Inevitably there will be some opposition, but I would have thought that Congress in pursuit of increased efficiency must accept that change is called for. At a time of scarce resources, defense must surely be seen as an integrated whole, and not as the compromise that inevitably must come from the Chiefs of Staff Committee. Surely there can be no more urgent task facing the relevant U.S. Congressional Committees.

Mr. NUNN. Mr. President, I have talked with the Senator from Texas about this. My amendment calls for a study by the Secretary of Defense on this very subject. I have not made any decision on it, but I think it is an enormously important subject and really demands our attention.

I ask the chairman of the committee whether he plans to hold hearings on this issue.

Mr. TOWER. I am sorry. I was distracted.

Mr. NUNN. I was talking about the subject about which we had a dialog earlier, about having hearings on the issue of the Joint Chiefs—General Jones' proposals, General Meyer's proposals; those on the other side of the issue. I think it is an enormously important subject.

Mr. TOWER. I agree with the Senator from Georgia. As he recalls, we discussed this in the committee, that we want to look into General Jones' proposal, or any other proposals that might appear to have some merit.

Once the new service chiefs who are just coming on board and the new Chairman have been in the saddle a few days, we would like to call them down and get their views on what we should do to improve the function and operation and the participation of the Joint Chiefs in the decisionmaking process. I think it leaves very much to be desired.

I give the Senator from Georgia my assurance—and I think he will have virtually unanimous support of the committee—that we will have hearings at the earliest possible date.

Mr. NUNN. I thank the Senator. I will not pursue the matter.

I think it would be preferable to have a defense study, because I believe it will take a very broad look from the congressional point of view. So I ask unanimous consent that my amendment be withdrawn.

The PRESIDING OFFICER. The Senator has that right. The amendment is withdrawn.

The question occurs on the amendment of the Senator from Oregon.

Mr. TOWER. Mr. President, I ask unanimous consent that the amendment of the Senator from Oregon be temporarily laid aside; that the Senator from Georgia may offer another amendment; that upon the disposition of that amendment, the Senate return to the consideration of the amendment of the Senator from Oregon.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 954

Mr. NUNN. Mr. President, I send to the desk another amendment.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Georgia (Mr. Nunn) proposes an unprinted amendment numbered 954.

Mr. NUNN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill, add the following section:

Sec. . (a) The Secretary of Defense shall conduct a full and complete study and evaluation of the recent report and recommendations by the Chairman of the VISTA 1999 task force entitled, "Vista 1999, A long-range look at the future of the Army and Air National Guard." Such study and evaluation shall include but not be limited to the following:

(1) A detailed evaluation of the study's findings, conclusions, and recommendations;

(2) The views of the Chief of the National Guard Bureau on the "Vista 1999" study;

(3) Any plans and recommendations for implementation of the contents of the "Vista 1999" study.

(b) This report shall be provided to the Committees on Armed Services of the House and Senate no later than February 1, 1983.

Mr. NUNN. Mr. President, this amendment would require a study by the Secretary of Defense of the recent report of the "Vista 1999"`task force which was a group of senior Army and Air National Guard adjutants general, general officers, and commanders. These individuals took a long-term, no-holds-barred look at the scope, size, nature, and methods of operations for what they considered the appropriate ways for the Army and Air National Guard to fulfill their constitutional and statutory responsibilities for the security of the Nation through the year 1999.

In its report entitled "Vista 1999, A Long-Range Look at the Future of the Army and Air National Guard," the task force made a number of findings and recommendations which bear serious review.

I am offering an amendment which will require a high-level focus by the Secretary of Defense on this substantive and provocative report. The amendment will require a study and evaluation by the Secretary of Defense in coordination with the Chief of the National Guard Bureau with a report to the House and Senate Armed Services Committees on their views.

Congressman Newt Gingrich has introduced a similiar amendment on the House side and in fact brought this amendment to my attention. I commend him for this leadership in this effort and am pleased to offer a companion, although not identical, amendment in the Senate side.

I hope the chairman and the ranking minority member will accept this amendment.

Mr. TOWER. Mr. President, will the Senator enlighten me a little further on what the objective of the study is?

Mr. NUNN. To require high-level focus in the Department of Defense on a very important study into the Army and Air National Guard, which really affects the whole posture of the Guard for the next 20 years.

As the chairman knows, many times what the Guard recommends is ignored, and this would require high-level focus and reaction by the Secretary of Defense on what is a very substantive report.

Mr. TOWER. Does this have to do with the Guard's equipment?

Mr. NUNN. The whole gamut of the Guard's role—tactics, mission. It is a whole look at what the Guard's position is in the national security picture.

Mr. TOWER. This is the Guard and the Reserve?

Mr. NUNN. This is primarily the Guard. It addresses some Reserve issues but is primarily the Guard.

Mr. TOWER. Is it something to the effect of how they fit into the total force concept?

Mr. NUNN. That is right, and what role they should be playing in the future. It makes some thought-provoking suggestions. I believe it should be looked at very high up in the Defense Department.

Mr. STENNIS. Mr. President, if the Senator will yield, I should like to support the amendment.

Mr. TOWER. If my distinguished friend from Mississippi is prepared to support it, I can hardly do otherwise. I am prepared to accept the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (UP No. 954) was agreed to.

The PRESIDING OFFICER. The question occurs on the amendment of the Senator from Oregon.

Mr. TOWER. Mr. President, I ask unanimous consent that the amendment of the Senator from Oregon be temporarily laid aside; that the Senator from Georgia may offer an amendment; that upon the disposition of the amendment of the Senator from Georgia, the Senate return to the considerations of the amendment of the Senator from Oregon.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 955

(Purpose: An amendment to evaluate arms control initiatives to include military crisis control center and hotline enhancements.)

Mr. NUNN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Georgia (Mr. Nunn), for himself, Mr. Warner, Mr. Jackson, Mr. Durenberger, Mr. Mitchell, Mr. Cranston, Mr. Burdick, and Mr. Chiles, proposes an unprinted amendment numbered 955.

Mr. NUNN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill add the following section:

Sec. . (a) The Secretary of Defense shall conduct a full and complete study and evaluation of initiatives for improving the containment and control of the use of nuclear weapons, particularly in crises. Such study and evaluation shall include but not be limited to the following initiatives:

(1) establishment of a multi-national military crises control center for monitoring and containing nuclear weapons used by third parties or terrorist groups;

(2) development of a forum for joint U.S./U.S.S.R. sharing of information on nuclear weapons that could be used by third parties or terrorist groups; and

(3) development of U.S./U.S.S.R. confidence-building measures for crisis stability and arms control to include:

(A) an improved U.S./U.S.S.R. communications hotline for crisis control;

(B) enhanced verification procedures for any arms control agreements;

(C) measures to reduce vulnerability of command, control and communications on both sides; and

(D) measures to lengthen the warning time each nation would have of potential nuclear attack.

(a) this report shall be provided to the Committees on Armed Services and Foreign Relations of the House and Senate by August 1, 1982 and should be available in both a classified, if necessary, and unclassified format.

(b) the President shall report to the Committees on Armed Services and Foreign Relations one month later on September 1, 1982 on the merits of such initiatives developed in section (a) to the arms control process and on the status of any such initiative as they may relate to any arms control negotiation with the Soviet Union.

Mr. NUNN. Mr. President, I am sponsoring this amendment and the cosponsors are Senators Warner,

Jackson, Durenberger, Mitchell, Cranston, Burdick, and Chiles.

Mr. President, in all of the current focus on nuclear freezes, "no first use" and arms control policies in general, there is an extremely important element missing—the need to deal constructively with the prospect of a nuclear war triggered by a third country or terrorist group. No change in NATO's nuclear doctrine and none of the freeze proposals would decrease or prevent the chances of such a catastrophe. An accidental nuclear war or war by miscalculation should be of mutual concern to the two superpowers.

I have been concerned about the potential of an accidental nuclear exchange between the two superpowers for some time. On March 10, 1981, I wrote the Commander of the Strategic Air Command, Gen. Richard Ellis, and asked SAC, as the premier defense command in nuclear matters, to analyze the potential for this type of exchange and to recommend some initiatives for dealing with the problem. General Ellis is now retired and serving as the U.S. representative on the Standing Consultative Committee and is one of the most thorough and knowledgeable military men in the arms control area as well as an expert in nuclear policies and weapons.

I outlined my belief that our strategic arms control efforts have for sometime concentrated almost exclusively on the number of launchers and warheads and the "bolt from the blue" premeditated strategic strike. While I certainly agree with the importance of this focus and these negotiations, I feel that we should also begin to think seriously about what could be more likely catalysts which could lead to nuclear war. There are many factors that need assessment as to how the U.S./U.S.S.R. would interact at the strategic level in times of crises and conflict. For example, a disguised third country attack on one of the superpowers could precipitate a United States/Soviet nuclear exchange.

I asked General Ellis to examine four key areas in his study as follows:

First. Is our communications, command, and control capable of discerning the source of attack under this type scenario?

Second. What capabilities do the Soviets have in this respect (warning and threat assessment)?

Third. What other scenarios should be considered in terms of U.S./U.S.S.R. strategic interaction in periods of crises and conflict?

Fourth. Are there arms control innovations and initiatives that can be proposed in this general area as well as the overall C-3/connectivity area?

General Ellis established a study group that spent many months working on these issues, and in July of that same year I went to SAC in Omaha to discuss the results of their study.

Mr. President, I believe that their conclusions are even more relevant today, and I hope that the members of both the Foreign Relations Committee and the Armed Services Committee at some point will be briefed on this classified information.

In brief, in an unclassified way, the SAC analysis showed that the United States and the Soviets must dramatically improve their warning and attack characterization to deal with the use of a nuclear device by a third party in either peacetime or a crisis situation.

To be able to detect the origin of a nuclear attack is all important for the superpowers, both superpowers, if we are going to avoid and hopefully prevent that kind of situation from developing.

The SAC analysis dealt with the potential third party threat by examining the various unconventional delivery systems that could be utilized to explode such a device on United States or Soviet soil.

SAC also identified many unconventional methods of delivery other than the normally discussed platforms such as fighter planes, missiles or bombers that a Third World nation might utilize.

Mr. President, by the end of the decade over 20 nations will have the industrial capability to build nuclear weapons, and the possibility of possession of these weapons by terrorists cannot be dismissed.

Mr. President, I am convinced that both the United States and Russia have a common and mutual interest in preventing such a Third World trigger or a terrorist use of nuclear weapons. I am convinced that both nations have a mutual interest in working together to identify the source of a nuclear strike from a third country or from a terrorist attack. I am convinced that arms control efforts can be made relevant to the growing danger of this type of a nuclear catalyst.

Everyone now seems to be in search of an easy solution in the arms control area, but there are no nuclear quick fixes. What we can begin to do jointly with the Soviet Union is to build a capability and mutual trust to reduce the likelihood of accidental nuclear war or war by miscalculation. This step could add a strong element of deterrence to any party contemplating the use of nuclear weapons for the purpose of provoking a confrontation between the superpowers.

For this reason, Mr. President, I am proposing this amendment to the fiscal year 1983 defense authorization bill directing the Secretary of Defense to conduct a full and complete study of initiatives for improving the containment and control of the use of nuclear weapons including:

First, establishment of a multinational military crisis control center for monitoring and containing nuclear weapons used by third parties or terrorist groups;

Second, development of a forum for joint U.S./U.S.S.R. sharing of information on nuclear weapons that could be used by third parties or terrorist groups; and

Third, development of U.S./U.S.S.R. confidence-building measures for crisis stability and arms control to include:

An improved U.S./U.S.S.R. communications hotline for crisis control;

Enhanced verification procedures for any arms control agreements;

Measures to reduce vulnerability of command, control and communications on both sides; and

Measures to lengthen the warning time each nation would have of potential nuclear attack.

This study and report would be provided to the Congress by August 1, 1982, and I would further require that the President review the results of the DOD analysis and submit to the Congress within a month his views on the merits of the proposals and their relevance to U.S. arms control policies and proposals.

Mr. President, I believe this amendment will provide a sound analytical framework for the key agencies in our Government and the public to deal with the issue of accidental nuclear war. There has been very little work done in this area other than the pioneer study by SAC under General Ellis' direction.

This amendment will also serve to focus attention on this important element of the nuclear issue which is missing in the current debate and discussion and which is a more likely contingency, in my view, than a premeditated nuclear attack or "bolt out of the blue."

Mr. President, I hope that this amendment will be acceptable to the Senate.

Mr. TOWER. Mr. President, after discussing the matter with the distinguished Senator from Mississippi, I have arrived at the conclusion that it is a good amendment, and I am prepared to accept it on behalf of the majority.

Mr. STENNIS. Mr. President, I think it has good possibilities, also, and we will have a better chance before conference and at conference to really consider it than we do here this morning.

So I hope we take it.

Mr. NUNN. I thank the chairman and the ranking minority member.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Georgia.

The amendment (UP No. 955) was agreed to.

The **PRESIDING OFFICER**. The question recurs on the amendment of the Senator from Oregon.

Mr. TOWER. Mr. President, I ask unanimous consent that the amendment of the Senator from Oregon be temporarily laid aside to permit the Senator from Michigan to offer an amendment and on the disposition of the amendment of the Senator from Michigan return to the consideration of the amendment of the Senator from Oregon.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

UP AMENDMENT NO. 956

(Purpose: To establish a procedure for increased legislative oversight of increases in costs of acquisition of certain major defense systems)

Mr. LEVIN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The **PRESIDING OFFICER**. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Michigan (Mr. LEVIN), for himself, Mrs. KASSEBAUM, and Mr. EAGLETON, proposes an unprinted amendment numbered 956.

Mr. LEVIN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill add the following new section:

ANALYSIS OF REPORTS ON UNIT COSTS OF MAJOR DEFENSE SYSTEMS

SEC. . (a) At the same time that the Secretary concerned transmits to the Congress any report under section 1103(b)(3) of this Act or any certification under section 1103(c)(2)(b) of this Act, the Secretary concerned shall transmit a copy of such report or certification to the Comptroller General of the United States (hereafter in this section referred to as the "Comptroller General").

(b)(1) Not later than 45 days after the date on which the Secretary concerned transmits under subsection (a) a copy of any report or certification referred to in such subsection, the Comptroller General shall review and analyze such report or certification and transmit to the Committees on Armed Services of the Senate and the House of Representatives a written report on such review and analysis. Where applicable, the report by the Comptroller General shall include his opinion on—

(a) the accuracy of the cost estimates that—

(i) relate to the major defense system that is the subject of the report or certification reviewed and analyzed in the Comptroller General's report; and

(ii) were included in the selected acquisition report submitted to the Congress pursuant to section 811 of the Department of Defense Appropriation Authorization Act, 1976 (10 U.S.C. 139 note), which first included information on such major defense system. * * *;

(b) the accuracy and reasonableness of the total program acquisition unit cost estimates or the procurement unit cost estimates included or referred to in the report or certification reviewed and analyzed in the report of the Comptroller General;

(c) the completeness of the reasons submitted by the Secretary concerned for the growth in the total program acquisition unit cost or the procurement unit cost of the subject major defense system;

(d) the adequacy if the actions taken and proposed to be taken by the Secretary concerned to control future cost growth of such system;

(e) the adequacy of the organization in the Department of Defense and military department to manage and control the total program acquisition unit cost and the procurement unit cost of such major defense system;

(f) the likelihood that any future increases in the total program acquisition unit cost or the procurement unit cost of such major defense system will not exceed the percentage at which notifications to the Congress are required under section 1103 of this Act; and

(g) whether there are no alternatives to such system which will provide equal or greater military capability at less cost.

(2) every report on a review and analysis conducted by the Comptroller General under this section shall include—

(a) his opinion and recommendations on any further steps which he determines may and should be taken to prevent future increases in unit cost for the major defense system that is the subject of such certification;

(b) his opinion on whether a violation of any statute or regulation on the expenditure of appropriated funds or on contracting procedures has occurred with respect to such major defense system.

(c) The Committees on Armed Services of the Senate and the House of Representatives shall decide whether or not to include in any report accompanying any bill or resolution authorizing funds for any major defense system with respect to which a report or certification has been transmitted under section 1103(b)(3) or section 1103(c)(2)(B) of this Act—

(1) summaries of such report or certification;

(2) summaries of the Comptroller General's review and analysis such report or certification under subsection (b) of this section; and

(3) any additional analysis by the committees.

(d) Subsections (a) and (b) shall not apply in the case of any report or certification transmitted by the Secretary concerned with respect to an increase in the total program unit cost or procurement unit cost that is due solely to the termination or cancellation of the entire program for a major defense system.

(e) As used in this section:

(1) The term "total program acquisition unit cost" has the same meaning as provided in subsection (d)(1) of such section.

(2) The term "procurement unit cost" has the same meaning as provided in subsection (d)(2) of such section.

(3) The term "Secretary concerned" has the same meaning as provided in subsection (d)(3) of such section.

Mr. LEVIN. Mr. President, this amendment is being offered on behalf of myself and Senators KASSEBAUM and EAGLETON.

This amendment addresses the question of cost overruns and picks up from where the Nunn amendment of last year left off.

As the Senate will remember, the Nunn amendment requires a unit cost report on systems where there is a 15-percent annual cost increase. This amendment requires that the Department of Defense report be analyzed by the General Accounting Office and that the General Accounting Office report to Congress whether the DOD justification for the large cost overrun is valid and whether the DOD has instituted management controls sufficient to prevent further overruns. It also requires the GAO to offer its own estimate of the likelihood that future large unit cost overruns will occur in the particular weapons program experiencing the initial 15-percent cost increases.

Mr. President, the American people are becoming increasingly impatient with our inability to control the rapidly rising costs of weapons systems. Frequent reports that this or that system has suffered huge cost increases, have contributed to a growing frustration on the part of our constituents that the legislative and executive branches of the Federal Government—along with our military—are simply incapable of responsibly managing the billions of taxpayers dollars required for national security. The risk that the national consensus for improving our Armed Forces will erode even further is substantial.

Last year, Congress took its most formal step in recent years to control the escalating costs of weapons systems by enacting what has become known as the Nunn unit cost report amendment. That provision established detailed and rigorous reporting requirements on the military services, so that any large, annual cost growth in particular weapons systems must be explained and justified to Congress.

My amendment takes the next logical step in this renewed congressional effort to exercise tighter cost controls over weapons acquisition programs. The amendment requires special review by the General Accounting Office—GAO—over any program suffering a large—15 percent—annual increase in its unit costs, and would require the Comptroller General to report to the Congress whether the official justification for any large cost overrun is valid, whether the Pentagon has instituted management controls sufficient to prevent further overruns.

My amendment also would require the Comptroller General to offer his estimate of the likelihood future large unit cost overruns will not reoccur in a particular weapons program.

This projection about future cost increases is a particularly important part of my amendment, Mr. President, since there is extensive testimony

before Congress that we rarely receive such information under present cost reporting systems.

For example, it is a recognized deficiency of the quarterly selected acquisition reports on major weapons systems that these documents only cover past problems and only contain historical data on systems costs.

Thus, Congress spends more time conducting postmortems on the reasons for past cost increases—instead of considering preventive medicine against future possible overruns.

My amendment would give Congress more information about future cost overrun threats, and thus an increased capability to prevent them before they occur.

Also included in my amendment is a requirement that our Armed Services Committee specifically decide whether to print summaries of the unit cost reports, summaries of the GAO analyses and recommendations and any additional analyses by the committee in its report on the annual Defense Authorization Act.

In this way the committee could demonstrate Congress increased awareness of the need to prevent weapons cost overruns and what Congress actually is doing to control these costs.

There is ample evidence that cost growth in the weapons acquisition programs threatens to overwhelm our efforts to improve America's military capabilities and to exhaust our taxpayers' patience to support militarily justifiable defense spending increases.

This evidence comes from many sources, including those not usually seen as instinctively critical of the Pentagon and its spending practices.

For example, a Heritage Foundation special study entitled "Cutting the High Cost of Weapons," stated:

> The high cost of weapons is emerging as a major issue in the coming debate over the fiscal year 1983 defense budget. * * * If the Administration wants to preserve the pro-defense consensus, it will have to bring the cost of weapons under control * * * If the U.S. is to have any chance at all of offsetting the Soviet arms buildup within the current budget constraints, it must vastly improve the economic efficiency of its weapons procurement.

My amendment is designed to provide Congress with the method with which to encourage such improvements in DOD's weapons procurement processes.

The Heritage Foundation study continued in a section on "Cost Overruns:"

> The GAO reported in 1972 that DOD weapons programs were running about 40 percent higher than original estimates. Today, overruns average 100 percent and more for the life of a program. Overruns are serious because they lead to program budget shortfalls, to which the Services typically respond by lowering procurement rates, stretching out programs, or cutting costs elsewhere, such as in the operations and maintenance account. As a result, weapons cost mounts and readiness deteriorates.

In the past 3 years, Congress has appropriated many billions of dollars to make up for the past mistakes of robbing the readiness-related O. & M. accounts to pay escalating procurement costs. My amendment will help us to avoid repeating these mistakes in the future.

The study further said:

> Making matters worse is the widespread suspicion that the Defense Department, by not carefully monitoring weapons cost, is risking high cost overruns.

It concluded:

> After being provided with years of stories like these, overruns here, shortfalls there, what does the public think? By far the most dangerous aspect of cost overruns is obviously that ultimately they will so undermine the credibility of the Defense Department that support for defense funding will be destroyed.

Mr. President, Congress must not permit this to happen, and my amendment will help prevent this loss of Pentagon credibility and support for needed defense spending.

In addition, Congress own credibility as the responsible manager of the taxpayers' revenues also is on the line as far as the defense budget is concerned. Passage of my amendment will reinforce our own credibility in this regard.

The Congressional Budget Office also provided evidence of the need for my amendment. In testimony at a special Governmental Affairs Committee hearing on April 22, on cost growth in Government procurement, CBO Director Alice M. Rivlin, stated:

> Real cost growth in the acquisition of weapon systems continues to be large and to present budget and management problems. The dramatic increases in budget authority and outlays in the Administration's 1983 budget proposal highlight the need for a most careful congressional scrutiny of procurement management. To facilitate congressional oversight, the information that the Congress now receives about weapons acquisition needs to be, and can be, improved substantially.

My amendment not only would improve the information submitted to Congress by requiring the General Accounting Office to analyze the reasons for substantial cost increases, but it would address this need for most careful scrutiny of weapons procurement management.

CBO's testimony went on to state that despite past efforts to control costs for weapons:

> The typical weapon system entering development today can still be expected to experience real cost growth totaling about 50 percent by the time the system is introduced into service.

The problems with escalating weapons costs have become so serious and worrisome that the House Armed Services Committee created a Special Panel on Defense Procurement Procedures to study the issue. This special panel recently issued a report entitled "Weapons Acquisition Policy and Procedures: Curbing Cost Growth."

The conclusions of this report are most disturbing, and demonstrate that we are pricing ourselves out of the defense business if we do not create better methods to constrain cost growths. This report concluded:

> The panel recognized that unanticipated cost growth in the acquisition of major weapon systems had affected many vital military programs. This unanticipated cost growth causes major weapon systems to consistently cost more than originally estimated, thus reducing the Defense Department's ability to procure the numbers and types of weapons necessary to meet force structure requirements.

In a separate section discussing "Major Cost Growth Factors," the panel made these observations:

> Defense Department outlays have increased from about $14 billion in 1950 to approximately $184 billion for 1982. The intervening years have witnessed some startling increases in the cost of acquiring, deploying, and operating vital military weapon systems. This has occurred amidst claims that crippling cost growth has infested defense weapon systems programs. In fact, one of the witnesses testifying before the panel, appropriately summarized the situation when he said, "Enough material has been written on the subject of cost growth during the past 10 years to fill a Minuteman silo. Unfortunately, cost growth is still with us, and it is time for some serious efforts to be made to put existing machinery into action.

My amendment not only is just such a serious effort to better use the existing machinery to control weapons costs—the Nunn unit cost amendment, for example—but it strengthens that machinery significantly.

Finally, Mr. President, Congress has only to look at the quarterly selected acquisition reports submitted by the Defense Department for evidence of rampant cost growth in major weapons systems. No military service has been immune from this cost growth. Let me provide some examples of the growth in the costs of individual weapons systems, comparing the original estimates of their costs with their present costs and adjusted for any additional quantities included in the program since the original estimates:

For the Army, the Black Hawk helicopter has experienced a cost growth of 243 percent.

The Bradley fighting vehicle, 276 percent.

The Copperhead laser guided projectile, 126 percent.

For the Navy, the FFG-7 Class frigate has had a cost growth of 103 percent.

The F-18 jet fighter, 101 percent.

The TACTAS towed array sonar system, 130 percent.

For the Air Force, the ground launched cruise missile price has grown by 154 percent.

The A-10 ground attack aircraft, 121 percent.

The EF-111A electronic warfare aircraft, 131 percent.

The latest GAO report on the status of major acquisitions as of September 30, 1981: Better Reporting Essential To Controlling Cost Growth—shows that there has been a 132-percent cost growth overall for 137 projects in DOD when current prices are compared with original price estimates.

Mr. President, we cannot permit future weapons cost increases to approach these magnitudes. My amendment provides Congress with better information upon which to base aggressive actions to deal with such cost growth.

The wisdom of requiring the GAO to review the unit cost reports is demonstrated by the fact that the chairman of the committee himself wrote to GAO when the first unit cost reports were submitted and made this request. Senator Tower also asked GAO to begin a long-term study to "suggest improvements, if any, that might be made to the unit cost reports and to the selected acquisition reporting system itself."

While the long-term study deals with the entire process of cost reporting, my amendment deals with the quarterly possibility that unit cost reports might be filed. It would simply set in law a requirement that GAO review them to determine their validity. Such a statutory requirement is a logical extension of Chairman Tower's letter.

Senator Tower's own request to GAO stated:

> It is essential that the report provided by the Secretary (of Defense) be complete, current, and accurate to permit sound decisions and judgments by the Congress. * * * The importance of valid cost data has been stressed by both the Congress and your office for many years.

My amendment would give Congress this better information on a regular basis.

There also is precedent in both law and the Standing Rules of the Senate requiring committees to include certain information in reports on legislation. In our own report on S. 2248, the bill before us, the section on "fiscal data" on pages 176–180 and the "regulatory impact statement" on page 184 reflect these requirements.

Current authorization and appropriation procedures provide Congress the opportunity to scrutinize and decide weapons acquisition issues during the annual Federal budget cycle. My amendment would increase the formal congressional oversight of weapons programs and therefore demonstrate to the taxpayers—and to military program managers—that we are paying special attention to the management of our scarce defense resources.

Annual cost growth in major weapons systems has been likened to "unilateral disarmament" as price increases prevent the military from purchasing weapons in the quantities needed to assure adequate combat capabilities. My amendment would allow for better weapons systems management by ourselves and the services, with the objective of preventing such "disarmament" from further endangering our national security.

Mr. President, I believe that the amendment as it has been refashioned is now agreeable to both the majority and to the minority.

I want to express my appreciation, to Senator Tower, to Senator Stennis, and to Senator Nunn; and also to Senator Tower's staff for their assistance and cooperation with this amendment.

Mr. TOWER. I would confirm, Mr. President, that this matter has been worked out satisfactorily to all interested parties, and I commend the Senator from Michigan for his spirit of cooperation.

I am prepared to accept the amendment if the distinguished Senator from Mississippi is also prepared to accept it.

Mr. STENNIS. Yes.

Mr. LEVIN. I do understand the Senator from Mississippi concurs. I thank him for that and I thank his staff.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Michigan.

The amendment (UP No. 956) was agreed to.

The PRESIDING OFFICER. The question now recurs on the amendment of the Senator from Oregon.

Mr. TOWER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TOWER. Mr. President, I ask unanimous consent that the amendment of the Senator from Oregon be temporarily laid aside to permit the Senator from Montana (Mr. Melcher) to offer an amendment. On the disposition of that amendment the Senate will return immediately to the consideration of the amendment of the Senator from Oregon.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Montana.

UP AMENDMENT NO. 957

Mr. MELCHER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICE. The clerk will report.

The assistant legislative clerk read as follows:

> The Senator from Montana (Mr. Melcher) proposes an unprinted amendment numbered 957.

Mr. MELCHER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> At the end of the bill add the following new section:
>
> Sec. . The President shall intensify negotiations with the Japanese Government to obtain a commitment from the Japanese Government to meet the obligations they entered into under the articles of the "Mutual Defense Assistance Agreement Between the United States of America and Japan" by increasing the Japanese Government's financial support of American defense efforts in the Pacific area by $6 billion over the next three years. The President shall negotiate to obtain a rate of increase in financial support from the Japanese Government of $3 billion in fiscal year 1983 and an additional $1.5 billion in each of the following fiscal years of 1984 and 1985.

Mr. MELCHER. Mr. President, there are a number of points that have been discussed in the consideration of this bill concerning Japan's participation in the Mutual Defense Assistance Treaty of 1960 and in the mutual defense efforts between our two countries.

One of those is the annual report to Congress by the Secretary of Defense for fiscal year 1983. In short, Secretary Weinberger said:

> In order to strengthen these alliances, we hope that the Japanese, with the free world's second largest economy and the eighth largest defense budget, will increase its contribution through regional stability.

The bill itself has on page 52 a section dealing with this question of mutual defense, and goes into a series of discussions aimed at another study with a report back some time next year.

The report on the bill itself states on page 150 that a number of studies have been made. For example, the Defense Authorization Acts for fiscal years 1981 and 1982; the Secretary of Defense submitted to Congress annual reports addressing this very issue.

This year's report states:

> The committee received testimony from the Departments of State and Defense regarding allied contributions to Western defense. This testimony, taken together with the Secretary's report, leaves the committee dissatisfied with the progress that has been made toward a more appropriate sharing of the common defense burden. Although some countries are trying to do their part, some have not borne as much of the common burden of which they are capable.

So we are going to enter into another study.

Now, listening to the President's news conference last evening, it came through loud and clear that the concern of the country, both by the questions asked by the news media reporters and the President's answers, is our very sick economy in the United States. How deep is this recession? What about high unemployment and the high rate of business bankruptcies and the everlasting high interest rates?

The President expressed the hope that the recession will bottom out soon and that economic recovery will come later this year.

He emphasizes that the budget must be tight—that spending must be reduced before interest rates will come down, before there is a halt to the recession or an increase in employment, and before we could expect an opportunity for a better economy with more jobs available and less unemployment.

The President last evening repeated his commitment to the retirees on social security. Let me say that when we examine this bill either it authorizes too much money, and certainly it is not part of a tight budget. We are going to have to draw some other conclusions about cutting spending for defense or some other part of the budget or raise taxes.

We could perhaps draw a conclusion that, one, social security taxes could be increased or, two, social security benefits will have to be reduced. The thrust of the President's news conference was protect social security recipients and have a tight budget to reduce the projected deficits.

I personally reject the idea that we are going to increase social security taxes and I also reject the idea that social security benefits would be reduced. I believe Congress will also reject both of those proposals.

So an area where we have failed in the United States is to succeed in getting one of our most stable allies and our largest trading partner to participate in our mutual defense, and that ally and trading partner, of course, is Japan.

We have the mutual defense assistance treaty of 1960. But, in 1980, Japan spent $2 billion on supporting U.S. Forces—just $2 billion.

This amendment proposes to increase that support to approximately $5 billion for fiscal year 1983, $6.5 billion in fiscal year 1984, and $8 billion in fiscal year 1985.

This is in support of our efforts in and around Japan and in that part of the Pacific. These funds would go to support functions such as civilian support of U.S. military forces in Japan; construction, maintenance, and repair of facilities, such as naval yards and runways for aircraft, aircraft hangars, and other permanent facilities in Japan; funding for managing the currency conversion program; and, probably much more important, providing military housing for U.S. personnel in Japan.

But, beyond that, what about fuel costs for aircraft and ships and what about transportation costs and shipping of materials to Japan?

The Weinberger report to Congress of which I read a small portion indicates that Japan is a weak ally in terms of providing money. The amendment seeks to help correct that, to increase the $2 billion that is now being provided by Japan for support of U.S. efforts, to more meaningful amounts, rather modest amounts, indeed.

When we look at our trade deficit with Japan last year, it was $12 billion, and now currently it runs between $15 billion to $20 billion. We look at the amount of their GNP that was spent for defense by Japan—we find it is less than 1 percent, as compared to 6½ percent of our GNP for defense. We can reasonably understand why their economy is strong, making them strong in world trade, but a weak ally in defense spending.

Their potential to provide defense assistance is much greater and it is justified, as this amendment would seek to do.

Beyond that, the Mutual Defense Assistance Treaty is simply not being lived up to by Japan. Article 8 of that treaty states, in part, that: "Japan will make, consistent with the political and economic stability of Japan, the full contribution permitted by its manpower resource facilities and general economic conditions to the development and maintenance of its own defense strength and the defensive strength of the defense strength of the free world." The time has come for change.

I believe the time has come for Japan to correct its shortcomings, that Japan assists in their own defense to a greater degree and accepts greater responsibility to pay more of the cost in and around the Islands of Japan and in that region of the Pacific.

Our strength in military arms protects them. And they pay virtually nothing for that.

They are hurting the U.S. economy in two ways: They are not buying enough from us, and that is why we have those staggering inbalances of trade with them; and, second, we protect them militarily and they pay only $2 billion of that. That is an insignificant amount of the cost. We pay the rest.

It is our Air Force that takes the major share of protecting their airspace. It is our Navy ships and submarines that patrol and protect their shipping lanes, we protect their very great commercial seashipping that supports, indeed, their foreign trade network all over the world, in the Pacific, the Indian Ocean, the Mediterranean, and the Atlantic. Indeed, we continue to protect all of that without more financial participation by Japan and their 100 million citizens.

They are draining our economy. They are draining U.S. taxpayers money from out of our own Treasury. The time has come for Japan to ante up.

This amendment seeks that the $12 billion cost of defense that we now pay to provide defense for Japan be paid by Japan itself over the next 3 years. The time has come that they pay more of their share.

Mr. TOWER. Mr. President, I think it is a pretty universal agreement in this body that the Japanese should do more for their own defense and defense of the area; that they should contribute at least 1 percent of their GNP to defense of our mutual interests in that area, as well as their own homeland.

I think, however, that this is not the appropriate vehicle for that amendment. I would suggest it is coupled with the purview of the jurisdiction of the Foreign Relations Committee.

I would hope that with the expression of all of us that we support the substance of the amendment of the Senator from Montana he will give consideration to withdrawing his amendment and perhaps offering it again on a more appropriate legislative vehicle.

Mr. MELCHER. I thank the chairman of the committee, my colleague from Texas, for indicating the concern of himself and perhaps the entire body for correcting the shortcomings of Japan's paying its share of defense costs. I do intend to pursue it at every appropriate time here on the Senate floor. I do recognize that the amendment does have overlapping jurisdiction of two committees.

I will do as the chairman suggests, withdraw the amendment at this time and present it at a later time.

Mr. STENNIS. Mr. President, if the Senator will yield, let me say that I know he has put a lot of work into that amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

UP AMENDMENT NO. 951

Mr. TOWER. I believe the pending amendment now is the amendment of the Senator from Oregon.

The PRESIDING OFFICER. The Senator is correct.

Mr. WARNER. Will the Senator yield?

Mr. TOWER. I yield.

Mr. WARNER. Mr. President, we are grateful that both Senators from Arkansas, the Senator from Oregon, and ourselves, have worked out a compromise which we believe will be acceptable. It will be presented to the Senate.

Mr. President, I have three amendments, each of which has been agreed to by the other side.

The PRESIDING OFFICER. Is there objection to the present consideration of the amendments? If not, the Hatfield amendment will be temporarily set aside and the Senator may proceed.

UP AMENDMENT NO. 958

Mr. WARNER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The **PRESIDING OFFICER.** The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Virginia (Mr. Warner), for himself, Mr. Chiles, and Mr. Sasser, proposes an unprinted amendment numbered 958.

Mr. WARNER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill insert a new section as follows:

REPORT ON UNIT COHESION INITIATIVES

Sec. . The Secretary of Defense shall submit a written report to the Committees on Armed Services of the Senate and the House of Representatives, not later than January 1, 1983, regarding unit cohesion initiatives, if any, that have been taken in each of the armed forces and any such initiatives planned for any of the armed forces for the next five years.

(b) As used in subsection (a), the term "unit cohesion initiatives" means, in the case of any armed force, any plan or program of such armed force to retain its members in the same regiment, company, platoon, or other military unit from the time such members enter such armed force until they are discharged, released, or retired from such armed force.

Mr. WARNER. Mr. President, I rise to offer an amendment to S. 2248 which would require a report from the Secretary of Defense on unit cohesion initiatives. I am joined by Senators Chiles and Sasser as cosponsors.

The success of a military unit, no matter how large or small, often depends upon the bonds established between members of the unit. These bonds are vital for effectiveness in combat. Our present personnel systems pay little attention to them.

This bond is strongest immediately following basic training or boot camp. Recruits have trained together and suffered together for weeks. They are freshly disciplined and skilled in the military routine. But too often this training and discipline is lost when the recruit leaves the training environment and is transferred from one unit to another.

The history of military engagements shows repeated examples of where, although often outmanned and outgunned, a unit is victorious. When evaluated, that success was found to be based on the bond between the members of the organization; a "Band of Brothers or Esprit de Corps" which gave the unit the extra incentive necessary not only to win, but to survive.

This bond is established only through a concentrated effort on the part of unit leaders—most often only after members of the unit have trained together under his leadership for extended periods of time.

Perhaps the British are the best example of unit cohesion, where an individual often spends his entire military career in one regiment.

Mr. President, although I believe unit cohesion is important to success on the battlefield, I realize it is not the answer in every case. But it does need to be studied to determine where it is best suited within our Defense Establishment.

This amendment will require a written report to the Armed Services Committees of both the Senate and the House of Representatives, not later than January 1, 1983, regarding unit cohesion initiatives, if any, that have been taken in each of the services, and any such initiatives planned by any of the services in the next 5 years. The House Armed Services Committee has included a like type amendment in their report, and no appropriations are required.

I urge the adoption of the amendment.

The **PRESIDING OFFICER.** The question is on agreeing to the amendment.

The amendment (UP No. 958) was agreed to.

UP AMENDMENT NO. 958

Mr. WARNER. Mr. President, I send an unprinted amendment to the desk and ask for its immediate consideration.

The **PRESIDING OFFICER.** The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Virginia (Mr. Warner) proposes an unprinted amendment numbered 959.

Mr. WARNER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill insert a new section as follows:

PLAQUE HONORING MEMBERS OF THE ARMED FORCES

Sec. . That it is the sense of Congress that the Secretary of the Army should construct and place in Arlington National Cemetery a plaque honoring the eight members of the United States Armed Forces who died on April 25, 1980, during an attempt to rescue the American hostages then being held in Iran.

Mr. WARNER. Mr. President, I rise today to submit a Senate concurrent resolution which calls on the Secretary of the Army to erect a plaque in Arlington National Cemetery honoring the eight U.S. servicemen who died during the attempt to free the Americans held hostage at the U.S. Embassy in Tehran, Iran, 2 years ago this past weekend.

It was April 25, 1980—2 years ago last Sunday—that a brave group of American military personnel launched their clandestine mission which ended in tragedy. The men who died, died as heroes.

The men who died, in my judgment, died in the service of their country and, thereby, merit recognition. They gave their lives to protect the lives of other Americans, hostages of a ruthless and uncivilized regime. I think it appropriate and timely for America to pay honor to those eight brave men who volunteered and died in service to our country, in service to their countrymen.

As you may recall, a review of this mission by a military board found no evidence of negligence or incompetence on the part of those participating in the rescue attempt. All Americans should be proud of the way these service personnel conducted themselves. Their sacrifice elicits the strongest praise.

Mr. President, it is my hope the plaque which this resolution authorizes will in some small way express the deep appreciation this Nation feels for those who took the risk—who had the courage to try.

Once this resolution passes both Houses of Congress, it will authorize for the first time the placement of a plaque in Arlington Cemetery not associated with a specific gravesite. A similar resolution has already passed in the House of Representatives, and the Secretary of the Army has no objections to this resolution.

Those whom this plaque pays tribute to include: Marine Cpl. George N. Holmes, Jr., 22, of Pine Bluff, Ark.; Air Force Capt. Richard Bakke, 33, of Long Beach, Calif.; Marine Sgt. John Davis Harvey, 21, of Roanoke, Va.; Marine S/Sgt. Dewey L. Johnson, 31, of Jacksonville, N.C.; Air Force Capt. Harold Lewis, 35, of Mansfield, Conn.; Air Force T/Sgt. Joel C. Mayo, 34, of Bonifay, Fla.; Air Force Capt. Lyn D. McIntosh, 33, of Valdosta, Ga.; and Air Force Capt. Charles T. McMillan, 28, of Corrytown, Tenn.

Following this unsuccessful rescue attempt, as a member of the Senate Committee on Armed Services, and at that time at the direction of the distinguished chairman, the Senator from Mississippi (Mr. Stennis) I personally interviewed almost all of the aviators and a number of the ground personnel who participated in that raid.

Subsequently, a group under the leadership of Adm. James Holloway, former Chief of Naval Operations, made an independent assessment of the conduct of this raid. It was my judgment, as well as Admiral Holloway's judgment, that these men who participated in the raid, actually took part in it, all did their duty as best they could.

Madam President, I ask unanimous consent to have printed in the Record a copy of Admiral Holloway's letter to me.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Annapolis, Md.,
April 15, 1982.

Hon. John W. Warner,
U.S. Senate, Russell Senate Office Building,
Washington, D.C.

Dear Senator Warner: Recently you invited my views on the propriety of a memorial plaque honoring those military men who were killed in the Iranian hostage rescue operation, based upon my experience as Chairman of the Special Operations Review Group, commissioned by the Joint Chiefs on Staff to conduct a broad examination of the aborted operation.

In my opinion, and after a great deal of careful thought, I am convinced that a memorial honoring those brave men who perished on the Iranian desert is most appropriate and fully deserved.

As you may recall, the unanimous findings of our group determined that there was not one shred of evidence of culpable negligence or incompetence. The facts were that in the conduct of the review, we saw infinitely more to be proud of than to complain about.

The major areas of criticism contained in our report centered around the planning and judgment made at the higher echelons of command. The brave men who volunteered to put their lives on the line in a very high risk operation to rescue fifty-two other Americans, elicited only our strongest admiration and praise. These people were being called upon to perform at the upper limits of human capability, using new techniques in the most hostile of invironments. We in the review group felt deeply that the American servicemen who participated in the operation deserved to have a successful outcome. It was the ability, dedication and courage of these people who made what everyone thought was an impossibility, into what should have been a success.

The United States military, alone in the world, had the ability to accomplish the rescue plan. It was risky, and they knew it, but it had a chance of working and these soldiers, sailors, airmen and marines had the courage to try.

Sincerely,

J. L. Holloway III.

The **PRESIDING OFFICER.** The question is on agreeing to the amendment.

The amendment (UP No. 959) was agreed to.

UP AMENDMENT NO. 960

Purpose: to adjust funding for ballistic missile defense system technology

Mr. WARNER. Mr. President, I send an unprinted amendment to the desk and ask for its immediate consideration.

The **PRESIDING OFFICER.** The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Virginia (Mr. Warner) proposes an unprinted amendment numbered 960.

Mr. WARNER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

The amendment is as follows:

At the end of Title II add the following new section:

"Sec. . Of the funds authorized to be appropriated for the Army in this Title, not more than $362,700,000 is authorized for the Low Altitude Defense (LoAl) System, and not more than an additional $100,000,000 is authorized only for development of a low exoatmospheric/high endoatmospheric ballistic missile defense system to complement the LoAD System. The funds authorized for the development of such complementary ballistic missile defense system shall not be available for obligation until 30 days after the date on which the Secretary of Defense reports in writing to the Committees on Armed Services of the Senate and the House of Representatives that the deployment of such complementary system would significantly enhance the survivability of the MX missile system in the permanent basing mode as to which the Secretary of Defense has been directed to notify the Congress not later than December 1, 1982."

Mr. WARNER. Mr. President, I would like to offer a technical amendment which is necessary to bring the bill into conformity with an action taken by the Armed Services Committee in the course of its recent budget reduction effort.

This amendment implements the steps taken by the committee to make adjustments in the ballistic missile defense systems technology line. It reflects a reduction of $300 million in the LoADS research and development program deemed advisable in light of the uncertainty concerning the MX basing mode such ballistic missile defense system would ultimately be required to defend.

It also provides authorization of an additional $100 million to make possible the deployment of a complementary low-exoatmospheric/high-endoatmospheric system should such a capability be deemed desirable. Expenditure of these funds is restricted until 30 days after the date on which the Armed Services Committees of the Senate and the House are advised of the survivable basing system selected for the MX and the Secretary of Defense reports in writing that the deployment of such a complementary system would significantly enhance the survivability of an MX missile so deployed.

I believe this amendment is satisfactory to both the manager of the bill and the ranking minority member. I hope it will be accepted.

Mr. TOWER. Will the Senator yield for a question? Is this the matter that Senator Cranston had an interest in?

Mr. WARNER. Yes.

Mr. TOWER. And he has expressed his approval, I understand.

Mr. WARNER. Yes.

The **PRESIDING OFFICER.** The question is on agreeing to the amendment.

The amendment (UP No. 960) was agreed to.

Mr. TOWER. Mr. President, during the brief hiatus, may I say that this cleans out our slate except for the disposition of the amendment of the Senator from Oregon, the disposition of the amendment of the Senator from Mississippi (Mr. Cochran), on the same subject; namely, chemical warfare, and the amendment to be offered by the Senator from Alaska (Mr. Stevens) on the C-17. Those are the only three outstanding amendments that I know anything about. If anyone has knowledge of other amendments I would be pleased for them to indicate that right now.

Apparently not. If we dispose of the three amendments left to be disposed of, and I believe we can certainly dispose of the chemical warfare amendment in an expeditious way, that will leave only one or more amendment to deal with, the C-17 amendment.

UP AMENDMENT NO. 951

Mr. WARNER. Mr. President, I think we are prepared to start a dialog preparatory to introducing the amendment of the distinguished Senator from Oregon. I now yield the floor to my distinguished colleague.

The **PRESIDING OFFICER.** The Senator from Oregon.

Mr. HATFIELD. Mr. President, as the Senator from Virginia has indicated, with the cooperation of the committee represented by the Senator from Virginia, the Senator from Arkansas (Mr. Pryor), and others, we have reached a compromise, an agreement, on this amendment. We have been in consultation with representatives of the Defense Department and they have, in effect, found no objection to the present wording.

Mr. STENNIS. Mr. President, may we have order in the Chamber? I would like to hear the Senator.

Mr. HATFIELD. Basically, we have retained the three principal objectives of the amendment, with the clarification of language in order to make it acceptable.

One, that human life shall not be used as agents to test the weaponry under consideration in this bill.

And I want to stress again that at no time did we have any evidence that there were plans to do so. I do not want to raise any kind of strawman here or cast any question of ethic upon our Defense Department. As I stated, there was a report which was given to the U.S. Air Force by their scientific board.

Two, it makes very clear that for each 155 binary shell that is produced, a serviceable unitary shell in the existing arsenal shall be permanently destroyed.

We use the language, "shall be rendered useless for military purposes." This is a permanent rendering. This is not one of those things where they take out a pin, put it on a shelf, then put it back in, and have the weapon back in operating order. This is to render it useless within the safeguards required to detoxify and handle this type of material.

Three, we provide that no production may exceed the U.S. requirements for our own arsenal unless there is certification from a member or members of the NATO forces that they are willing to accept this weapon in their arsenal.

That, basically, is a summarization of the three points of the amendment as now agreed to by Senator Warner, Senator Pryor, and others who have been involved in this process.

Mr. WARNER. Will the Senator yield for a point of clarification?

Mr. HATFIELD. I yield.

Mr. WARNER. On the first provision, in order to meet the suggestions of the distinguished Senator from Florida (Mr. Chiles), there was no restriction whatsoever on the testing of the equipment that would be used by personnel.

Mr. HATFIELD. The Senator is correct. We had the information given to us by the Defense Department experts that it was not necessary to use human factors to test such equipment for defensive purposes. There are other ways to test that. That No. 1 section in no way inhibits us from properly testing.

Mr. WARNER. With respect to the second provision in there, it is recognized that the safety of all U.S. military and civilian people is paramount concerning the devising of a means of rendering nonserviceable the shells from the inventory.

Mr. HATFIELD. Yes; we certainly recognize that to render this type of weaponry permanently useless that we had to do so within the confines of safety factors, and others, in handling this type of material.

Mr. WARNER. And, second, that the reason for the revision from your earlier draft was that we recognized the de-mil facilities, as that term is now used, are simply inadequate and, as such, there has to be sort of a parallel construction program, one under the de-mil program as it now exists and perhaps will be in much of the future, and the other in this category of rendering useless and unserviceable.

Mr. HATFIELD. We are discussing here, Mr. President, in this bill, actually, the 155 binary artillery shell. In our second paragraph, what we are saying is that the forward movement of demilitarizing the arsenal of other material and other weapons is in no way retarded or inhibited. But we are really putting our emphasis on the fact that the 155 binary is purely a replacement for existing unitary weaponry.

So that the stockpile, in effect, is not growing. That is all we are trying to do, keep the stockpile from growing and being charged with arms escalation here. We are in a replacement activity.

Mr. WARNER. I thank the distinguished Senator from Oregon. I think those are all the concerns I have. In fact, I think it is a major contribution to the effort we have been working on tonight. I think I would be privileged to be added as a cosponsor.

Mr. HATFIELD. Mr. President, I would be honored to add the Senator from Virginia as a cosponsor. It was a very important contribution the Senator made to sit through these discussions in this session.

I want to say, too, Mr. President, that we still have problems. This does not solve a number of the problems. This is no panacea. We shall have to deal with these problems, some of these problems, maybe, later on when we get to the question of what constitutes the requirements for U.S. Forces. That is not the issue at this moment. We shall deal with that later on in the committee, perhaps.

Mr. President, I know we are in a late hour. I am really rather anxious to have a rollcall, yet I recognize the hour and I am going to ask counsel from the majority leader on this, the question of the rollcall, to underscore what I think is the importance of this amendment.

Mr. BAKER. Mr. President, if the Senator will yield to me, it is most important. Several Senators asked me specifically to have a rollcall on this amendment. If there is still a desire to do that, I shall do it.

Mr. HATFIELD. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Does the Senator wish to modify his amendment before he asks for the yeas and nays?

Mr. HATFIELD. Mr. President, I do ask to modify my amendment, which I send to the desk.

The modified amendment is as follows:

On page 67, immediately below "2213. Cooperative military airlift agreements." insert the following:

Sec. 1117. (a) Notwithstanding any other provision of law, no funds may be obligated or expended after the date of enactment of this Act for production of binary chemical weapons unless the President certifies to the Congress that—

(1) it is the policy of the United States not to engage in live chemical or bacteriological agent testing on human beings and that the President rejects the findings of the Ad Hoc Air Force Advisory Board that such testing is critical;

(2) for each 55 binary artillery shell produced a seruicasle unitary artillery, shell from the existing arsenal shall be rendered permanently useless for military purposes; and, in no case, shall a number of new weapons be produced which exceeds the requirement of U.S. forces.

(3) an exception may be made to this prohibition of lethal chemical munitions only if certification is received from a NATO member or members which agree to accept such weapons.

Mr. HATFIELD. Mr. President, the names of Senator Melcher, Senator Cohen, Senator Warner, Senator Pryor, Senator Cochran, Senator Jepsen, Senator Bumpers, Senator Hart, and Senator Domenici should be added to the amendments as cosponsors.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. BAKER. Mr. President, before the vote starts, let me say this, if I may. I think I am correct in saying that Senator Garn perhaps does not plan to introduce his amendment at this time.

Mr. GARN. I do not at this time of the morning, Mr. President.

Mr. BAKER. Mr. President, I think Senator Stevens does not plan to introduce his amendment at this time. I hope he is in earshot and can tell me if that is correct.

The only thing left is the Cochran amendment. It is my understanding that that has been modified so it may be accepted. I hope, Mr. President, that we might go ahead and do the Cochran amendment, then have the rollcall vote on the Hatfield amendment as modified, followed immediately by the rollcall on passage.

Mr. President, I ask unanimous consent that the first vote be 15 minutes and the second vote 10 minutes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. HATFIELD. Mr President, will the Senator yield?

Mr. BAKER. Yes.

Mr. HATFIELD. Mr President, I take this opportunity again to thank Senator Pryor for his long-time efforts on behalf of this amendment.

Mr. STENNIS. Mr. President, I commend the Senator from Oregon highly for the work he has originated and, with others, helped to complete.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. BAKER. Mr. President, we have not had a third reading. I ask unanimous consent that it may be in order to order the yeas and nays on passage at this time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The yeas and nays have not yet been ordered on the Hatfield amendment, as modified.

Mr. HATFIELD. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. TOWER. Mr. President, if my colleagues will forbear, we have some necessary housekeeping matters to take up.

INCORPORATION OF UP AMENDMENT NO. 904

Mr. TOWER. Mr. President, when the Senate moved to recommit S. 2248, and to report forthwith, it was the intention of the Armed Services Committee to adopt all amendments that had been agreed to by the Senate up to that point in reporting a committee amendment. Through an oversight, we neglected to incorporate the amendment that had been offered by Senators Jackson and Nunn, unprinted amendment No. 904, and agreed to by the Senate regarding Iranian claims.

I send to the desk that amendment and ask that it be incorporated into the bill as earlier agreed to.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment referred to (U.P. 904) is as follows:

MILITARY PERSONNEL CLAIMS RESULTING FROM IRANIAN CRISIS

Sec. —. Section 9 of the Military Personnel and Civilian Employees' Claims Act of 1964 (31 U.S.C. 243a) is amended—

(1) by inserting a comma and "subject to subsection (f)," after "shall" in the second sentence of subsection (d); and

(2) by adding at the end thereof the following new subsection:

"(f)(1) In the case of any claim against the United States made under subsection (a) by any individual for damage to, or loss of personal property in a foreign country after December 30, 1978, and before January 22, 1981, that was incident to the service of such individual as a member of the uniformed services, the Secretary concerned may settle and pay an amount determined under paragraph (2).

"(2)(A) For the purposes of paragraph (1), the Secretary may, subject to subparagraph (B), pay not more than $55,000.

"(B) In the case of lost personal property that any individual described in paragraph (1)—

"(i) appropriately and reasonably owned and possessed in the foreign country considering his official representational duties and responsibilities; and

"(ii) reasonably did not remove from the place where it was lost or did not have an opportunity to remove from such place.

as determined by the head of the agency concerned such head of the agency may pay to the individual an amount equal to the excess (if any) of the documented full replacement cost of such lost personal property over the total amount of compensation payments available to the individual from all other sources with respect to such lost property."

CORRECTION OF UP AMENDMENT 932

Mr. TOWER. Mr. President, I ask unanimous consent that the official record be corrected concerning unprinted amendment 932 which was approved by the Senate this morning.

On line 3 of page 5 of the amendment, four words, "redouble their efforts to," were inadvertently left in the text that was adopted. In addition, two words "more effectively" were omitted from the beginning of line 6 of page 3.

Senators Roth and Nunn, on behalf of the cosponsors of the amendment, have asked that these words be so modified. The Chairman of the Foreign Relations Committee has concurred.

I understand that this correction has been cleared on both sides of the aisle. I ask unanimous consent that it be made.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNPRINTED AMENDMENT NO. 951

Mr. TOWER. Mr. President, I yield to the Senator from Alabama.

Mr. DENTON. Mr. President, I wanted to ask the Senator from Oregon one question about this amendment. It is getting late and my mind may have missed it.

Does the requirement that we place the unitary weapon or render it useless for each weapon that is produced in the binary mode mean that at the point at which we have exhausted the existing stockpile of the unitary weapons, we are prohibited from manufacturing any more binary weapons?

Mr. HATFIELD. Mr. President, this does not include the Big Eye. It has no implications at all as far as the Big Eye is concerned. It was with the 155 artillery shells only. The language is there should be a number of new weapons produced which does not exceed the requirement of U.S. forces. So that phrase, "requirement of U.S. forces" is still debatable among the experts. We left it in that kind of general language, so we do not get tied down to a specific number.

Mr. DENTON. I thank the Senator.

Mr. PRYOR. Mr. President, my only purpose for rising is to congratulate and thank Senator Hatfield for his splendid work on this amendment and throughout this entire cause; also to express my compliments and congratulations to the distinguished Senator from Virginia (Mr. Warner) for working out this particular proposal as offered. I am very proud to be associated with this particular amendment with Senator Hatfield and others. It has been an honor to work with these Senators.

Mr. WARNER. Mr. President, let me express my appreciation to the distinguished Senator from Arkansas. Indeed, we have done it. It has been in the nature of a sunrise service which is now completed.

UP AMENDMENT NO. 961

(Purpose: To express the sense of the Congress with respect to certain negotiations regarding chemical weapons.)

Mr. COCHRAN. Mr. President, I have an amendment at the desk. I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will state the amendment.

The bill clerk read as follows:

The Senator from Mississippi (Mr. Cochran), for himself, Mr. Melcher, Mr. Bumpers, Mr. Hatfield, Mr. Dole, Mr. Danforth, and Mr. Heinz, proposes an unprinted amendment numbered 961.

On page 67, immediately below "2213. Cooperative military airlift agreements." insert the following:

Sec. 1117. It is the sense of the Congress that the President should—

(1) actively promote negotiations among the member countries of the ad hoc working group on chemical weapons of the Committee on Disarmament, established by the United Nations General Assembly and meeting in Geneva, Switzerland, for the purpose of elaborating a treaty for the complete and verifiable prohibition of the development, production, and stockpiling of all chemical weapons and on their destruction; and

(2) communicate to the Government of the Union of Soviet Socialist Republics the willingness of the Government of the United States to proceed as soon as possible with these and related efforts for the purpose of concluding such a treaty.

Mr. COCHRAN. Mr. President, the cosponsors of this amendment include Mr. Melcher, Mr. Bumpers, Mr. Hatfield, Mr. Dole, Mr. Danforth, and Mr. Heinz.

Mr. President, the amendment is very straightforward. It expresses the sense of the Congress that the President should actively promote negotiations to conclude a treaty banning chemical weapons.

Our decision on the production of binary chemical weapons, in my view, should not detract from our longstanding policy and leadership role in behalf of negotiating and concluding a verifiable and comprehensive treaty to ban chemical weapons.

The President, in his speech of May 9, stated that in the 40-nation Committee on Disarmament, the United States seeks a total ban on chemical weapons. I applaud and commend the President's statement, and his expression of support for broader arms reduction.

This amendment is intended to encourage the President by expressing the sense of the Congress that he should actively promote negotiations among the member countries of the committee on disarmament, and that he should communicate to the Soviet Union the willingness of our Government to proceed as soon as possible with bilateral negotiations for the purpose of concluding a new treaty to ban chemical weapons.

Since the conclusion of the Geneva Protocol of 1925, the United States has taken an active and positive role in behalf of banning chemical and biological weapons. Following World War II, we accumulated a tremendous stockpile of lethal chemical weapons to insure our ability to retaliate should they ever be used against us. However, in 1969, President Nixon took a major step forward by ordering a moratorium on production of U.S. chemical weapons and renounced possession of all forms of germ and toxin weapons.

This U.S. initiative became the basis for the 1972 Biological Weapons Convention which banned the development, possession, and production of germ weapons. Also in 1972, the Committee on Disarmament began multilateral discussion to seek an agreement on chemical weapons. In 1976, President Ford futher advanced our committment to concluding a treaty on chemical weapons when he launched bilateral negotiations with the Soviet Union in behalf of a treaty.

The multilateral negotiations which President Reagan indicated his support for are still open. However, the bilateral forum has been inactive since mid-1980. I believe it is important at this time that the United States reaffirm its longstanding policy in support of concluding a comprehensive treaty to ban chemical weapons.

My amendment does not require a timetable for discussions in either forum. It only encourages the President to actively promote negotiations in the multilateral forum and express to the Soviet Union our willingness to proceed with bilateral negotiations to seek a comprehensive treaty.

Such action by the administration, in my opinion, would reaffirm our policy on chemical weapons, and place upon the Soviets the burden of proof as to their intentions for all the world to see.

I urge my colleagues to join in support of this amendment.

Mr. President, I hope the managers of the bill can accept the amendment. They have suggested to me certain alternative language which I think is an improvement to the amendment that is being offered. Specifically, we are urging the administration to participate in a leadership way, taking a leadership role in promoting discussions with the Multilateral Committee on Disarmament in Geneva to help achieve an agreement, a treaty banning the use of nuclear chemical weapons and to move as soon as possible in elaborating and furthering our treaty negotiating efforts with the Soviet Union.

Mr. MELCHER. Will the Senator yield?

Mr. TOWER addressed the Chair.

Mr. COCHRAN. I will be happy to yield to the Senator from Montana.

Mr. MELCHER. I wonder if the Senator would put me on as a cosponsor and I wish to commend his efforts as well as Senators HATFIELD, PRYOR, and HART, for their work on these series of amendments, to limit the threat of binary nerve gas.

Mr. COCHRAN. Yes, I will be happy to.

Mr. MELCHER. Mr. President, I thank the Senator from Mississippi.

UP AMENDMENT NO. 962

Mr. TOWER. Mr. President, I certainly agree with the thrust of what the Senator from Mississippi is doing. I do have an amendment I would like to offer which expands on it slightly. For one thing, it urges that we press vigorously in every appropriate forum for a full explanation of outstanding allegations concerning Soviet and Soviet proxy use of chemical weapons in violation of international law.

I will send the amendment to the desk and call for its consideration in the nature of a substitute.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Texas (Mr. TOWER) proposes an unprinted amendment numbered 962 to the Cochran amendment numbered 961.

Mr. TOWER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In lieu of the language proposed to be inserted, insert the following:

"It is the sense of the Congress that the President should continue to promote actively negotiations among the member countries of the Ad Hoc Working Group on Chemical Warfare of the Committee on Disarmament established by the United Nations General Assembly and meeting in Geneva, Switzerland for the purpose of drafting a treaty for the complete, effective and verifiable prohibition of the development, production and stockpiling of all chemical weapons and for their destruction and

"(2) press vigorously in every appropriate forum for a full explanation of outstanding allegations concerning Soviet and Soviet-proxy use of chemical weapons in violation of international law.

"(3) communicate to the government of the Union of Soviet Socialist Republics the earnest desire of the government of the United States for a comprehensive, verifiable ban on chemical weaponry and its willingness to participate in negotiations toward this end as soon as the government of the United States can be satisfied that the Soviet Union is not in violation of existing international accords applying to the prohibition of first use of chemical weapons and the production and transfer of biological weapons and that the Soviet Union is prepared to agree to provisions needed to ensure the verifiability of an accord banning chemical warfare.

Mr. TOWER. Mr. President, I should like to ask the Senator from Mississippi if he will accept that.

Mr. COCHRAN. Mr. President, I thank the distinguished manager of the bill and appreciate his contribution to improving the language of this amendment. I think it is a very constructive change, and I appreciate his cooperation very much.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Texas.

So the amendment (UP No. 962) was agreed to.

The PRESIDING OFFICER. The question is on agreeing also to the amendment of the Senator from Mississippi.

So the amendment (UP No. 961) was agreed to.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. BAKER. Mr. President, if the distinguished managers of the bill are prepared to do so, I am prepared to take care of any other details and ask the Chair to have third reading of the bill.

Mr. President, is there not an order for the Hatfield amendment and final passage to occur back to back and has that not already been entered?

The PRESIDING OFFICER. The Senator is correct.

Mr. BAKER. I thank the Chair.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Oregon.

Mr. TOWER. Mr. President, I ask unanimous consent that on page 23, line 17, delete $2,518,800,000, and insert $2,756,800,000 in lieu thereof.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TOWER. On page 21, line 21, strike out $22,621,400,000 and insert in lieu thereof $22,562,400,000.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUMPERS. Will the distinguished floor manager yield for a question?

Mr. TOWER. Yes.

Mr. BUMPERS. Will the Senator tell us now before final passage where we are in relation to the budget resolution that came out of the Budget Committee?

Mr. TOWER. We took our bill back to the committee. The committee convened on Monday and agreed on a committee amendment that incorporated certain reductions in a number of weapons systems, some in force structure, some in research and development, some in personnel related costs, and then, of course, had a motion to recommit with instructions to report forthwith with that amendment. We have achieved savings in that bill in outlays in the amount of a little over $2.5 billion. Other outlay savings we expect to achieve in other bills to be reported by the Armed Services Committee and in appropriations do not require authorization.

Mr. BUMPERS. On outlays, are we at least a billion over the resolution at this point?

Mr. TOWER. No, we would not be over the Budget Committee resolution until all of the bills of the armed services could be acted upon and in the aggregate would add up to an amount in excess of the resolution.

We still have the military construction bill, from which we expect to achieve obligation authority savings of about $1.4 billion.

Mr. BUMPERS. One point four?

Mr. TOWER. Yes.

Mr. BUMPERS. Will that put all of that particular function then under the Budget Committee's resolution?

Mr. TOWER. Yes.

We expect eventually to have the total funding of the 050 function to conform to the Budget Committee resolution which is in the neighborhood of $219 billion in outlays.

Mr. BUMPERS. I thank the Senator.

Mr. DeCONCINI. Mr. President, 2 weeks of the Senate's attention and countless hours of the Armed Services Committee's time have produced a piece of legislation described by the distinguished chairman of the Armed Services Committee, Senator TOWER, as an early step in a 5-year program to strengthen our defenses. Yet this early step is, indeed, a costly one and, in terms of its specifics, a controversial one. The Senate debate on this bill has covered such diverse issues as the contracting out of services on military bases, arms control, the production of chemical weaponry, the comparative worth of cargo aircraft, and the need for an inspector generalship in the Defense Department, just to name a few.

A bill of such magnitude and cost cannot please all Senators in all respects. In general, I believe that it represents a good early step toward strengthening both our Nation's security and our Nation's ability to project power. I also believe that it represents a good early step—and I emphasize the word early—in controlling the problem of cost overruns which has plagued the Department of Defense since its creation and which has proven to be a particularly harmful problem as weapons systems became costlier and as our economic welfare has declined. Such provisions as the continuation of the reporting procedure I supported last year which requires the Department of Defense to report to Congress within a specified period of time whenever it is determined that unit costs of major defense systems have exceeded a certain percentage threshold, the establishment of a requirement of the Secretary of Defense to report to Congress various statistics relating to award of sole-source contracts, and the establishment of an inspector generalship in the Department of Defense seem to me to be excellent beginnings for Congress attempt to get a hold on the overrun problem.

The problems with this $200 billion attempt to get our defense effort on track stem from what I might describe as a lack of focus on the part of the administration. Perhaps the reason for this lack of focus is that there is so much to do in the way of preparing our Nation militarily. Nevertheless, the over 25 page discussion of perspectives, missions, interests, and problems which precedes in the Senate report the discussion of the specifics of the bill, does not set priorities. This puts us in the position of going full force to fulfill every perceived gap in our military arsenal without taking the time to think about where our sizeable yet limited resources for defense should be concentrated. One glaring example of this is the administration's proposal to produce new, binary chemical weapons.

Mr. President, I wholeheartedly support the vast majority of the President's chemical weapons preparedness program, including the construction of the production facility in Pine Bluffs, Ark. I am very much concerned with the well-substantiated reports that the Soviets are using chemical and/or biological weapons in Afghanistan or are giving them to their proxies in Southeast Asia. But, Mr. President, I have no reason to believe that the actual production of binary chemical weapons will do any more to stop the Soviets from using these weapons or to bring them to the bargaining table in a frame of mind which would lead to the abolition of these weapons than would the threat that United States is in a position to produce such weapons without delay and that the United States is currently pursuing research and development on advanced versions of these weapons. If I believed that the addition of binary chemical weapons to our chemical weapons arsenal would lead to fruitful negotiations or a rejection of this form of weaponry by the Soviets, I would most certainly have favored U.S. production of these weapons. I am convinced, however, that the production of binary chemical weapons would merely break our 13-year record of nonproduction of chemical weapons and cause us to spend millions of dollars on a weapon that would not be useful to us in any plausible war scenario.

Similarly, the administration seems unable to settle on a sensible, survivable basing mode for the MX missile system. After rejecting for reasons that still remain unclear to me the multiple protective shelter deployment mode chosen by the Carter adminstration and endorsed by the Air Force, the Reagan administration decided to select an interim basing option which required the hardening of existing silos. Even after the Senate expressed its dissatisfaction with this interim decision by deleting funding for the hardening of the silos, the administration could not take the hint and returned this year with the plan to house the MX in Minuteman silos, sans hardening. I am grateful to the Armed Services Committee for sparing the full Senate the effort of going through the motions of rejecting this proposal which would have done absolutely nothing to enhance the survivability of our land-based missile force. Unfortunately, other than setting a time limit to announce his decision, we can do little else to influence directly the President's thinking on a permanent basing mode. Also unfortunate is the fact that due to this indecision on the part of the administration, the country remains saddled with an aging, vulnerable, and inaccurate land-based missile force, particularly in terms of the Titan II missiles, which have been housed in the great States of Arizona, Kansas, and Arkansas for almost two decades. Yet, I sincerely hope that the administration will now understand the Senate's message and get on with the business of providing our Nation with a sensible, survivable, and capable land-based missile system.

Mr. President, during the past 5½ years, I have established a record in this body as a strong supporter of attempts to enhance our military power and to increase our national security, particularly in terms of the threat posed by the Soviet Union and its proxies. The Soviets have done nothing to indicate to us that their imperialistic furvor has been diminished. The fate of the peoples of Afghanistan and Poland is clear to us, and we mourn the loss of their freedoms. The Soviets, through their Cuban and East European proxies, are exploiting the vulnerabilities of impoverished nations throughout the world, most notably—and currently most directly threatening to the United States—in Central America, our own backyard. It is my hope that this legislation is an indicator that we do not need to learn the lesson that Britain is now learning the hard way, that we will not allow ourselves to become vulnerable as Britain has become vulnerable and therefore allow ourselves to be subject to attack or blackmail by those who desire to challenge us.

Yet, Mr. President, as we begin to regain our position of strength, let us not forget that our paramount goal is to maintain peace through strength. This bill expresses the sense of the Senate that it is time for the administration to initiate arms control talks with the Soviet Union and it is time for the Soviet Union to reciprocate such contact by being willing to negotiate in good faith a verifiable equitable and significant arms control agreement. I applaud President Reagan for the steps that he is taking and has taken in this regard, and I am sure that he shares my belief that the attainment of such an agreement—and I repeat that it must be a significant, equitable, and verifiable agreement—would be one of the greatest achievements that could possibly be attained by any administration.

It is on this optimistic note, Mr. President, that I would like to conclude my remarks on this legislation. The restoration and maintenance of the United States position of strength and security in the world is a costly process, both in terms of time and money. It is most assuredly a worthwhile process, for it is my firm belief a strong America provides a shield not only for ourselves but for the other democracies of the world and for the peoples of the world which are struggling to establish their own destinies. The knowledge that America chooses to remain strong will, I firmly believe, make other nations which might wish to oppose us militarily realize that such opposition would be fruitless and thus will make those nations willing to join us in laying down the weapons of war forever in exchange for using the tools of peace.

The PRESIDING OFFICER. The question is on agreeing to the Hatfield amendment as modified. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Minnesota (Mr. Durenberger), the Senator from Florida (Mrs. Hawkins), and the Senator from Idaho (Mr. McClure) are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Illinois (Mr. Dixon), the Senator from South Carolina (Mr. Hollings), the Senator from Massachusetts (Mr. Kennedy), the Senator from Maryland (Mr. Sarbanes), and the Senator from Hawaii (Mr. Inouye) are necessarily absent.

I further announce that if present and voting, the Senator from Illinois (Mr. Dixon) would vote "yea."

The PRESIDING OFFICER. Are there any other Senators in the Chamber who wish to vote?

The result was announced—yeas 92, nays 0, as follows:

[Rollcall Vote No. 119 Leg.]

YEAS—92

Abdnor
Andrews
Armstrong
Baker
Baucus
Bentsen
Biden
Boren
Boschwitz
Bradley
Brady
Bumpers
Burdick
Byrd,
Harry F., Jr.
Byrd, Robert C.
Cannon
Chafee
Chiles
Cochran
Cohen
Cranston
D'Amato
Danforth
DeConcini
Denton
Dodd
Dole
Domenici
Eagleton
East
Exon
Ford
Garn
Glenn
Goldwater
Gorton
Grassley
Hart
Hatch
Hatfield
Hayakawa
Heflin
Heinz
Helms
Huddleston
Humphrey
Jackson
Jepsen
Johnston
Kassebaum
Kasten
Laxalt
Leahy
Levin
Long
Lugar
Mathias
Matsunaga
Mattingly
Melcher
Metzenbaum
Mitchell
Moynihan
Murkowski
Nickles
Nunn
Packwood
Pell
Percy
Pressler
Proxmire
Pryor
Quayle
Randolph
Riegle
Roth
Rudman
Sasser
Schmitt
Simpson
Specter
Stafford
Stennis
Stevens
Symms
Thurmond
Tower
Tsongas
Wallop
Warner
Weicker
Zorinsky

NOT VOTING—8

Dixon
Durenberger
Hawkins
Hollings
Inouye
Kennedy
McClure
Sarbanes

So Mr. Hatfield's amendment (UP No. 951), as modified, was agreed to.

REDUCED FUNDING FOR LOADS PROGRAM

Mr. CRANSTON. Mr. President, Senator Chafee and I introduced an amendment on May 6 to the fiscal year 1983 defense authorization bill, S. 2248. This amendment proposed to reduce funding for the low altitude defense system (LoADS) by $385 million.

At the time I introduced this amendment, I outlined in detail my reasons for proposing this reduction. My main concerns were: That the LoADS program could not efficiently absorb an increase of more than 150 percent in 1 year; that in the absence of a decision on basing the MX and in light of the action taken by the Senate Armed Services Committee to defer production of the MX, it made no sense to accelerate the LoADS program; and that there had been inadequate public debate or analysis of what the effect of deploying an ABM system would be.

I am pleased that the Senate Armed Services Committee, as part of its revised legislation on the defense authorization bill, has followed though on my amendment and Senator Chafee's, reducing funding for the LoADS program by $300 million. While I would have preferred that the committee had kept the LoADS program to a real growth rate of 5 percent, apparently the committee is satisfied that the Army has provided adequate justification for this program to give it $85 million more than Senator Chafee and I proposed. I hope that the Army will have specific cost figures for this program in the near future—certainly before we begin deliberation on the defense appropriation bill.

Given the committee's action regarding the reduction in funds for LoADS, I withdraw the amendment at this time. I think that the committee's reduction of funds for LoADS is a step in the right direction. But I remain concerned about where we are headed with respect to the possible deployment of a ballistic missile defense system and with respect to the lack of policy regarding such a deployment. I hope that the issues that Senator Chafee and I have raised will give this administration pause and will prompt a careful assessment of what the possible ramifications of deployment of an ABM system are for our national security and for arms control.

Mr. CHAFEE. Mr. President, last week the senior Senator from California, Mr. Cranston, and I offered an amendment which would have reduced the amount of funding for the low altitude ballistic missile defense system (LoADS) program by $385 million. The revised Armed Services Committee authorization for this program contains a reduction of $300 million in LoADS. As a result, Senator Cranston and I have withdrawn our amendment.

Mr. President, when we introduced this amendment, I outlined my principal concerns about the ballistic missile defense program. These centered around the lack of justification provided for the accelerated LoADS program and the serious implications for arms control which, in my judgment, had not been thoroughly considered.

I am pleased that the Armed Services Committee has taken the action that it has. I believe our ballistic missile defense programs, along with our other strategic force programs and our arms control efforts, merit full and careful study in the coming months. Proceeding in a more measured manner with our ballistic missile defense research, and in particular keeping growth in LoADS research spending at a lower level, is an appropriate step at this time.

ELIMINATION OF FEDERAL STUDENT AID FOR INDIVIDUALS NOT REGISTERED FOR SELECTIVE SERVICE

Mr. STAFFORD. Mr. President, yesterday the Senate passed, by a unanimous voice vote, the Hayakawa amendment, which would eliminate Federal student aid benefits for individuals who have not registered for the Selective Service, a policy which I strongly support. I sincerely appreciate the intent of the Hayakawa amendment—to restrict Federal benefits for those who have not met their responsibilities under Federal law. I believe, however, that the language of the Hayakawa amendment is seriously flawed, and that the amendment will not in fact do what it is purported to do. Indeed, prior to the Senate's consideration of the amendment yesterday, the staff of the Senator from California met with my Education Subcommittee staff to discuss problems with the language of the amendment and its effects as drafted. I thought these problems would be worked out prior to the consideration of the Hayakawa amendment, and would have voiced objection to its consideration had I known that it was going to be brought up as originally drafted.

Mr. President, the intent of the Hayakawa amendment is to eliminate all

Federal student financial assistance under title IV of the Higher Education Act of 1965 for students who have not registered with the Selective Service if they are required to do so. Each student applying for Federal student aid benefits must certify to the Secretary of Education that he has so registered. However, due to the way in which the Federal student aid programs funds are distributed, the amendment will be effective only for prospective recipients of Pell grants, who are the most economically disadvantaged of all student aid recipients. The only student aid funds the Secretary of Education distributes directly are Pell grants; the campus-based aid programs—SEOG, college work-study, and national direct student loans—are distributed by the student aid officers at the campus itself, and the Secretary has no list of applicants or recipients of such aid. Similarly, the guaranteed student loan program, which benefits almost 4 million students, is an arrangement between private lenders and students. The Federal Government pays interest subsidies to lenders for making these loans available, and has no list of these recipients. Finally, in most States, the recipients of State student incentive grant funds are impossible to distinguish, as States which receive these block grants commingle these funds with their own pot of need-based student aid funds. It is impossible to tell what part of a student's aid from the State is made up of State funds and what part is Federal SSIG money.

Therefore, as the student aid programs are presently constituted, the Secretary could enforce this amendment only for the Pell grant program, and this would mean only the most disadvantaged students would be covered by the Hayakawa amendment. Enforcement of the Hayakawa amendment for the other student aid programs would require the Secretary to maintain a list of more than 3 million recipients of student aid—an enormous paperwork burden not only for the Secretary, but for student aid officers and private lenders as well. Again, no middle-income student who receives a guaranteed loan would be affected by the Hayakawa amendment as presently drafted.

I would have preferred, of course, to have considered such an important amendment in the Education Subcommittee, as it will have a major impact upon the effective delivery of Federal student aid. The members of the Education Subcommittee share Senator Hayakawa's opposition to giving student aid to those who have not registered for the draft. At the very least, I would hope that we would have the opportunity to work on the Hayakawa amendment before the pending bill is taken to conference in order to insure that the amendment does what it purports to do.

I thank the Senator from California, and the Chair.

Mr. HATFIELD. Mr. President, I am here today to voice my strong opposition to the amendment to this bill by the Senator from California, Mr. Hayakawa, requiring the Department of Education to certify that any male student applying for Federal student financial aid provide documentation that he has registered for the draft. It is my understanding that this amendment was offered and accepted without the full knowledge and involvement of the chairman of the Subcommittee on Education, Arts, and Humanities, Senator Stafford, and many other Members of this body, including myself.

I believe this amendment is seriously flawed in the following ways:

There have been no hearings on this proposal, and if there were, it is very unlikely that there would be much support.

This is one of the worst examples of governmental coercion. The Orwellian implications of this type of action endangers the freedoms of all Americans. Supporters of this amendment would suggest this will enhance readiness by punishing those young Americans including many who have taken an action of conscience by not registering.

I have read in the Record the statements of my colleagues, who suggest these young people should safeguard our rights and freedoms by registering, while, at the same time, this amendment abridges those rights. Hardly a consistent policy.

This amendment only applies to men. Female applicants have no responsibility to register, or to document to the Department of Education any similar information.

One of the saddest aspects of this amendment is that it strikes at a group of Americans who are regularly affected by this type of legislation—the poorer elements of society. The only real aid program that will be affected by this amendment is the Pell grant program, as it is directly administered by the Department of Education. One can only assume that campus-based programs—SEOG, college work study, and national direct student loans—are not going to be affected. Neither is the guaranteed student loan program, which is a business transaction between the student and a commercial bank.

There are many ways to enforce compliance of the registration requirement, some equally as coercive as this amendment, so there was little need to rush this type of measure.

This is one more layer of regulation and responsibility heaped on the back of the American taxpayer. In this time of fiscal austerity and reduction of unnecessary regulation, this action is totally inconsistent.

I have been contacted by many young Americans who, in their conscience, feel they meet the requirements of conscientious-objector status. I sponsored an amendment to the registration legislation that would have required a checkoff box for these thoughtful young men. The Selective Service opposed this amendment, and now the conscientious objector must defy the law and not register. If this body had been foresighted, the compliance rate could be higher, and this amendment would be even less necessary.

Mr. President, I find it unconscionable that this body was willing to act in such a cavalier manner on this profound amendment. So little time and thought went into this approach, which will have major implications for higher education and for our entire society. It infuriates me to see us use America's educational institutions as instruments of coercion and pressure. As my able colleague, Senator Durenberger, said in his remarks yesterday, this is "overkill" which would punish "middle-class lawbreakers more than we punish those who are wealthy enough to pay their own way through college, and more than those who do not attend college at all." This is all too true. And through the adoption of this amendment, we have told young, patriotic Americans, who have a firm commitment to the sanctity of human life through their adherence to conscientious objection, that this Senate is willing to deny their opportunity to attend college because we were unwilling to require a simple checkoff box on a Selective Service form. We have also told young men that they must shoulder this burden alone, as we have exempted young women from this responsibility. I am outraged, shocked, and appalled by this amendment, and suggest that we have acted in the worst tradition of this body.

SUPPORT FOR PURCHASE OF 747'S AND FURTHER FUNDING FOR DEVELOPMENT OF THE C-17 IN PLACE OF THE C-5

Mrs. HAWKINS. Mr. President, I believe it is critical that we eliminate inadequacies in our strategic airlift capabilities. These inadequacies threaten our ability to project power abroad into regions essential to the interests of the United States. Though habitually underfunded, the Department of Defense and the Senate Armed Services Committee now recognize the importance of rebuilding our ability to transport fighting men quickly and with sufficient resources to protect American interests. Strategic airlift issues have never received much attention, but their resolution is critical. For this reason, it is important that we make the right decisions affecting the Nation's ability to move its forces thousands of miles to protect national interests. And we must remember that the decisions we make will shape the capabilities of our Armed Forces through the 1980's and into the 1990's.

Today we are faced with two strategic airlift options. We can authorize the production of 50 C-5's, or we can approve the purchase of 48 B-747 cargo aircraft and fund continued development of the C-17 intratheater cargo carrier. I support purchasing B-747's. My primary concerns in arriving at this decision were with determining our airlift needs, and comparing the costs of the two options. One of our most pressing needs, in my opinion, is to insure the deployment of the airlifted portion of the Rapid Deployment Force to the Middle East in no less than 4 weeks. To accomplish this, the Department of Defense believes that 50 additional C-5's are necessary. However, I believe that we can accomplish the same goal with less expense by instead purchasing B-747's. This becomes clear if we look at our specific airlift requirements.

The Air Force has identified eight airlift battlefield assignments, covering combinations of distance and size of objects moved, these are: First, intratheater bulk/oversize; second, intertheater oversize; third, intertheater bulk; fourth, inter/intratheater troops/personnel; fifth, intratheater outsize; sixth, intertheater outsize; seventh, inter/intratheater litters, and eighth, intertheater/noncombatants. In laymen's terms, both the B-747 and the C-5 can carry cargo such as food, ammunition, jeeps, or trucks. But the C-5 is also able to carry larger vehicles such as tanks and artillery. But now important is the intertheater outsize capability? The demand for outsized cargo comprised only 12 to 27 percent of the airlifted portion of the Rapid Deployment Force. I believe that this need can be filled by our current fleet of 77 C-5's.

This same conclusion is acknowledged by the Department of the Air Force in an internal memorandum. This memo states that a comparison "using C-5's or B-747's reflects a difference in unit closure of 2 to 5 days, depending on which of Boeing's assumptions are used. These closure differences could be further reduced by adding additional B-747's. This difference in a 30-day closure is within the range of modeling uncertainty." The memo then goes on to say, "Therefore, based on the Boeing assumptions, the Air Force Studies and Analysis Group analysis does not dispute the Boeing claim of equality between the DOD program and their alternatives."

Having determined that the B-747 is capable of meeting our airlift needs, we now come to the question of cost comparisons between the two options. Every estimate that I am aware of indicates that purchasing B-747's is less expensive. Some estimates indicate that the savings could be as high as $5.45 billion. According to the Air Force memo I cited earlier, the Government's estimate is that the B-747's could be acquired for $3.5 billion less than the C-5. However, even if these estimates prove optimistic they demonstrate that substantial savings are possible.

Purchasing B-747's will meet the critical needs of the airlifted portion of the Rapid Development Force, and do so at a savings of billions of dollars. But there is another reason to favor the purchase of B-747's over C-5's, delivery time. Current estimates indicate that we can begin to receive delivery of B-747's 3 years earlier than if we opt for the C-5 option. As a result, by purchasing B-747's, we will have the aircraft we need to move the Rapid Development Force at a savings of billions of dollars, and we will have the aircraft on hand 3 years sooner. Purchase of the B-747's is the sound decision.

However, the purchase of B-747's will not resolve our No. 1 airlift priority—the transportation of intratheater bulk and oversize loads. This need can be met by deploying the C-17.

Until recently, the C-17 was the top priority of the Air Force. However, because of our urgent needs this recommendation was changed in favor of the C-5 which can be deployed more quickly than can the C-17. However, as we have seen, the purchase of B-747's is consistent with the new sense of urgency; it can be delivered 3 years earlier than the C-5. In addition, money saved by the purchase of B-747's can be used to speed up the delivery dates of the C-17. Thus the Air Force can have the B-747 to fill its urgent needs and an earlier delivery on C-17 which has been the Air Force's top priority to fill its shortfall in intratheater bulk/oversize carrying capability. I believe this will give the Air Force the best of all worlds, and at less cost than their own recommendations.

THE NAVY'S MEDIUM-DEPTH MINE PROGRAM

Mr. THURMOND. Mr. President, Navy mine warfare is one of the most important and most cost effective capabilities of the Navy.

The use of mines to bottle up hostile ships in enemy harbors was most recently demonstrated in the Vietnam war at Haiphong. Mines can also deny surface ships and submarines access through narrow straits leading to the seas and oceans of the world. Further, some mines can disable or sink ships and in past wars such mines have caused devastating losses to vessels of the major combatants.

I was therefore most disturbed, Mr. President, when I first learned that the Navy had requested no funds in the current defense budget to continue development of the medium-depth mine (MDM), formerly called the intermediate water depth mine. The MDM is one of the three mines comprising the family of mines which are needed to counter enemy surface ships and submarines.

This family consists of the Quickstrike mine, a shallow water mine; the Captor, a deepwater mine; and the medium-depth mine (MDM) which fills the important gap between the Quickstrike and Captor.

Mr. President, it is most significant that the four major ports from which Soviet surface warships and submarines operate are areas of medium depth. The Soviet North Fleet operates from the Barents Sea; the Far East Fleet from Petropavlovsk to Vladivostok; the Black Sea Fleet from the Black Sea; and the Red Banner Fleet from the Baltic Sea. These areas are prime targets for the medium-depth mine which can be deployed from our aircraft, surface ships, and submarines.

On October 1, 1981, Representative Thomas Hartnett joined me in addressing a letter to the Deputy Secretary of Defense expressing our serious concern that the MDM had been deleted from the Navy 5-year plan. We urged that the Defense Department continue this very important program. His reply of November 10, 1981, advised that the Navy had recommended canceling the MDM program due to budgetary constraints.

Mr. President, I request unanimous consent that copies of these two letters be inserted in the Record at this point in my remarks.

Considering the cost-effective benefit of this essential program, and the fact that the requirement for an MDM still exists, I believe that the Navy should have given this program higher priority. At the minimum the MDM program should have been funded at a reduced level.

Mr. President, on February 18, 1982, the Chief of Naval Operations notified the Congress that $1.2 million of the $15 million in fiscal year 1982 MDM funds were being used to investigate a Captor variant and other alternatives to MDM. Also, the CNO advised that $6.4 million was being deferred pending redirection of the MDM program. Mr. President, I ask unanimous consent to have a copy of this letter inserted in the Record at this point in my remarks.

Mr. President, in conclusion I expect this issue to be subject of discussion during the forthcoming conference between the Senate and House Armed Services Committees. I favor conference language which would require that the Navy use at least $6.4 million, less than half of the sum approved last year by Congress for the MDM, to maintain program continuity in fiscal year 1982 and fiscal year 1983. This

would keep the program in being while the Navy determines whether to go forward with MDM or an alternative program. I urge the Navy to seek the most cost effective program possible.

SUPPORT OF THE STAFFORD-ROTH AMENDMENT TO RETAIN ADMINISTRATION OF SECTION 6 SCHOOLS BY THE U.S. DEPARTMENT OF EDUCATION

Mr. CHILES. Mr. President, I would like to express my full support of the Stafford-Roth amendment to keep administration of the section 6 schools under the Department of Education.

First of all, they have been, and are currently, administered by the Department of Education. I just do not see any reason for changing the status quo at this point. There is always a cost and disruption involved in transferring a program from one agency to another. When Congress authorized the establishment of the Department of Education, we were trying to bring some order to our scattered education programs, get them under one roof, and streamline them. A hasty transfer of these approximately 20 schools on military bases in the United States, without some hearings and forethought, just does not make sense. We should remember that these are the only educational services available to these children living on the bases. They were authorized as part of the impact aid program to meet their educational needs. We should not be careless about shifting the administration of the schools around.

Second, the Governmental Affairs Committee has jurisdiction for legislation affecting the status of the Department of Education. The Labor and Human Resources Committee has authority for the impact aid program. Neither of these committees has had an opportunity to hold hearings or consider the transfer, I support the continuation of the Department of Education as a separate, Cabinet-level agency. I think we are establishing a dangerous precedent here if we start a piecemeal, program-by-program dismantlement of the Department, without consideration by the appropriate committees.

Finally, a vote for this amendment is a vote in support of our impact aid program for children whose parents live and work on military bases. I know the program's under attack these days. I myself have opposed expansions of the program that have gotten away from its original purpose—to reimburse those school districts that have property off the tax rolls and yet have increased numbers of school children to educate because of Federal installations and reservations. These section 6 schools, as I mentioned, are the only educational services available to these children. I certainly think the schools on military bases are at the heart of the intent of the impact aid program. I think they deserve our support by allowing them to remain under the administration of the Department of Education.

● Mr. LEVIN. Mr. President, my vote against this bill is based on both military and economic concerns. Let me begin by briefly outlining my economic reservations.

I would first like to call the attention of the Senate to the remarks made by President Reagan at a press conference he gave tonight while we were considering the Defense authorization bill. While commenting that the economy would start improving when interest rates were lowered, the President noted that the quickest way to reduce interest rates was for Congress to show that it was willing to reduce Government spending.

Mr. President, by passing this bill, we have failed to rise to that challenge.

The Senate Budget Committee has recommended in its first budget resolution that the Armed Services Committee cut $5 billion in nonpay outlays out of the President's original request for national defense. The Senate took this action by the Budget Committee seriously. We agreed to take the Defense bill off the floor last week after we had started to debate it, in order to allow the Armed Services Committee to reevaluate its recommendations and, hopefully, report a bill that conformed with those Budget Committee levels. The committee met on Monday, and came up with a committee recommendation.

But Mr. President, the committee's action—and the action taken on the floor—have not brought us into conformity with the Budget Committee mark for national defense. While this bill does not constitute the totality of our national defense spending, over 90 percent of the money spent for defense nonpay outlays is in this bill. And, in that context, the bill before us gives us no real hope that we will make the reductions we need to make to revitalize our economy. We have failed to make the reductions that even President Reagan, who can hardly be accused of being soft on defense, has agreed to.

Let me cite two reasons to conclude that this bill fails to meet the even minimal test for fiscal restraint established by our Budget Committee.

First, according to the budget summary released by Senator Domenici on May 11, if this bill is adopted, we would be $1 billion over the Budget Committee's mark, using their baseline assumption and accepting the revenue-related claims of the Armed Services Committee relative to stockpile sales and retired pay legislation, or $1.5 billion if you share the Budget Committee's skepticism about those revenue sources. Either way, this bill does not comply with the modest request for fiscal restraint established by the Budget Committee.

Now, it is, of course, theoretically possible for us to meet the Budget Committee mark for national defense spending by finding that extra $1 billion to $1.5 billion in the other bills which make up the national defense portion of the budget. But we are voting on over 90 percent of the defense budget in nonpay outlays. Those other bills—military construction and the Department of Energy nuclear weapons bills—together authorize only about $10 billion and the spend-out or obligation rate for that authorization is relatively low. How can we reasonably propose that we are going to get $1 billion to $1.5 billion out of less than $10 billion in authorization when all we could manage was $3.5 billion in this bill?

While I am bothered by our failure to meet the Budget Committee mark in this bill, I am deeply concerned about the choices we made to get the relatively little reduction we did get in this bill. The committee elected to make changes in programs which had immediate outlay impacts on the budget. But the changes we have made this year do nothing to help us to meet the additional savings which the Budget Committee has recommended we achieve in the outyears.

The Budget Committee has recommended that we achieve a savings of $5 billion in fiscal year 1983, $7 billion in fiscal year 1984 and $10 billion in fiscal year 1985, a total savings of $22 billion over 3 years. During a colloquy with me tonight, the chairman of the Budget Committee, Senator Domenici and I read into the Record a letter from the Congressional Budget Office to me. The CBO analysis showed that we would only be achieving $6.3 billion in savings in outlays over this 3-year period, requiring that we find $15.7 billion in additional cuts in fiscal year 1984 and fiscal year 1985. Senator Domenici pointed out, quite correctly, that we should ask whether it is realistic that we can achieve savings in the outyears based on the actions in this bill.

Mr. President, this is precisely what we should be asking. The cuts we have chosen to make today will not help us achieve the cuts we will need to make next year, and the year after that. In fact, we have chosen to make cuts which will make it more difficult for us to cut defense spending in the future.

According to the Congressional Budget Office, the savings achieved today will only result in $2.6 billion in savings in fiscal year 1983, $2.4 billion in savings in fiscal year 1984, and $1.3 billion in savings in fiscal year 1985. Without significant help from reductions in the MilCon or nuclear weapons bills, which is highly unlikely, we will fall short of the Budget Committee targets by $2.4 billion in fiscal year 1983, $4.6 billion in fiscal year 1984, and $8.7 billion in fiscal year 1985.

The nondiscretionary, or previously obligated, spending portion of the defense budget is growing at a fast rate. I would argue that there is no way for us to preserve our military readiness, strengthen our conventional forces, preserve our nuclear deterrent and meet our budget responsibilities unless we make the hard choices now to deal with major procurement programs. In fact, Senator TOWER acknowledged tonight that we will probably have to reduce O. & M. accounts in the future to achieve the required savings. If, for example, we had chosen to defer MX deployment, did not authorize the B-1B bomber and did not authorize one CVN carrier, we could reduce outlays by $1.7 billion in fiscal year 1983, by $4.8 billion in fiscal year 1984, and by $8.9 billion in fiscal year 1985. This simple action would virtually eliminate the projected outlay gap I just described. And it would save us, in those outyears, from making additional harmful cuts in readiness and O. & M. accounts—cuts which, given the need to translate authority into immediate outlay reductions, are all that will be available to us.

The path we have chosen to follow in cutting defense will lead us to lower levels of readiness, to lower force levels and to a less capable military. This is not the path the American people should be taking. Faced with the necessity of making cuts, we should have chosen those programs which would have impacts not only in fiscal year 1983, but in fiscal year 1984 and fiscal year 1985—we certainly will still be facing fiscal restraints in these later years too. By failing to plan ahead, we now stand in danger of creating more budgetary problems in the future—we have only delayed the day of decision. There was not sufficient support to strike the MX missile and a CVN carrier. There will come a time when we will be forced to make cuts in these big-ticket programs, when we can no longer ignore the effects of this year's cuts on next year's budget. I hope that as the budget realities become clear to my colleagues, and the figures on the real costs of these systems become available to us, we can measure again the costs of these programs against their military value.●

● Mr. HUMPHREY. Mr. President, as chairman of the Preparedness Subcommittee, I had the opportunity to review the operation and maintenance request in some detail.

The administration submitted an O. & M. budget for fiscal year 1983 that was 12 percent higher than last year. In contrast, procurement increases by 38 percent and R. & D. increases by 20 percent. Thus, because O. & M. is not growing as fast as investment accounts, the share of the defense budget devoted to operation and maintenance drops from an average of 30 percent in recent years to only 27 percent in fiscal year 1983.

This falling share of O. & M. relative to investment is cited by some as evidence of misguided defense priorities, and even as a potential reason to oppose the administration's defense program. However, the role of O. & M. spending should be placed in proper perspective if we are to fully appreciate its contribution to the current budget.

First, there is no military or accounting logic which dictates that all accounts must grow at the same rate. In fact, O. & M. is a trailing account; most operation and maintenance requirements do not emerge until new equipment is delivered to the field.

Second, annual expenditures for O. & M. are actually quite stable. The fixed cost of payrolls and utilities, for example, is relatively constant. Thus, when measured as a share of defense outlays, O. & M. spending has only declined from 33 to 31 percent since fiscal year 1981.

Finally, we should keep in mind that the alleged reductions in the O. & M. portion of the budget reflect no real reduction in O. & M. but rather the long awaited increases in procurement. During the early and midseventies the O. & M. and personnel accounts grew substantially as a portion of the defense budget, causing some concern in Congress. Apart from real cost increases in these areas, however, the true cause of this growth was the conscious depression of military investment accounts which indirectly inflated the percentage of O. & M. and personnel spending.

Having placed the O. & M. request in its proper budget perspective, the committee assessed the progress made from fiscal year 1982 to fiscal year 1983 in various programs of special interest such as flying hours, steaming tempo, depot and real property maintenance.

The increase for flying hours from fiscal year 1982 to fiscal year 1983 was 200,000 hours, or about 3 percent. Hoping to improve the proficiency of our crews even more, the committee investigated the possibility of making increases in this area. However, we found that, because spare parts bought last year would not be delivered in sufficient quantity, the requested number of hours is really the maximum that can be supported at the present time.

Likewise, the committee assessed the possibility of adding more steaming and training days for the Navy. However, Navy officials indicated that because the operational tempo remains so high for deployed fleets, they would rather provide some rest for nondeployed ships and crews than continue to train at high levels during homeport rotation.

By most accounts the depot maintenance program appears bright. The administration has established a policy of zero backlogs and, with a 22-percent increase over fiscal year 1982, has provided funding to achieve this objective in fiscal year 1983. Any backlogs in ship overhauls, aircraft, tracked vehicles or component maintenance, are expected to be limited to those resulting from operational or work force constraints and scheduling considerations.

In the area of real property maintenance, which supports the industrial and physical plant constructed in the 1930's, 1940's, and early 1950's, we are barely holding our own. In fiscal year 1983, the total requirement for facility maintenance exceeds $7 billion; but only 59 percent of that amount has been funded. This includes the committee's addition of $460 million in fiscal year 1983, the amount originally denied in the fiscal year 1982 supplemental request.

In addition to our action concerning these particular areas of interest, the Senate should know that the committee also made those reductions it thought could prudently be made. Because of a soft oil market caused by the world glut, the committee approved fuel savings of $350 million which will result from prices lower than those actually budgeted. In addition, the improved strength of the U.S. dollar compared to foreign currencies resulted in a savings of $195 million. Savings also accrued from a reduction in the administration's request for civilian personnel.

We have reported an O. & M. budget that is $334 million below the request. I support this budget; and any attempts to reduce it further should be viewed with the greatest caution.

While it might be true, the fastest way to reduce outlays is to cut the O. & M. account, it is also true there is no faster way to reduce preparedness than to cut O. & M.●

● Mr. RIEGLE. Mr. President, I rise in support of the Stafford/Roth amendment to strike section 1112 of S. 2248, the Defense Department authorization bill. This section would transfer the administration of section 6 impact aid schools from the Department of Education to the Department of Defense.

My opposition to transferring the administration of section 6 schools to the Department of Defense stems from my concern that the entire issue of impact aid must be thoroughly considered. The Senate Governmental Affairs Committee, which has primary jurisdiction over the structure of the Department of Education, has held no hearings concerning impact aid and the disposition of impact aid schools.

Making such a move on the defense authorization bill, seems inappropriate and unwise to me, especially without thoroughly investigating the effects of such an action.

At the same time that the jurisdiction of the Governmental Affairs Committee has been side-stepped, the authority of the Senate Subcommittee on Education of the Labor and Human Resources Committee has also been undermined by this attempt to transfer administrative responsibility out of the Department of Education.

The Education Subcommittee along with the entire Congress affirmed the Department's administration of section 6 schools in the Omnibus Reconciliation Act of 1981. Members of the Senate also rejected a similar attempt to circumvent the law in December of last year on the defense appropriations bill.

It is only reasonable that the Department of Education—the Federal agency with the necessary background, expertise, and ability to administer education programs—continue their longstanding tradition of operating the section 6 impact aid program. In any case, such a change, without further discussion and consideration involving all committees of jurisdiction is precipitous and unwise.●

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on agreeing to the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and the third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The bill, having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The bill clerk called the roll.

Mr. STEVENS. I announce that the Senator from Minnesota (Mr. DURENBERGER), the Senator from Florida (Mrs. HAWKINS), and the Senator from Idaho (Mr. MCCLURE) are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Illinois (Mr. DIXON), the Senator from Massachusetts (Mr. KENNEDY), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Maryland (Mr. SARBANES), and the Senator from Hawaii (Mr. INOUYE) are necessarily absent.

I further announce that, if present and voting, the Senator from Illinois (Mr. DIXON) would vote "yea."

The PRESIDING OFFICER. Is there any other Senator in the Chamber wishing to vote?

The result was announced—yeas 84, nays 8, as follows:

[Rollcall Vote No. 120 Leg.]

YEAS—84

Abdnor
Andrews
Armstrong
Baker
Bentsen
Biden
Boren
Boschwitz
Bradley
Brady
Bumpers
Burdick
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Chafee
Chiles
Cochran
Cohen
Cranston
D'Amato
Danforth
DeConcini
Denton
Dodd
Dole
Domenici
Eagleton
East
Exon
Ford
Garn
Glenn
Goldwater
Gorton
Grassley
Hatch
Hayakawa
Heflin
Heinz
Helms
Huddleston
Humphrey
Jackson
Jepsen
Johnston
Kasten
Laxalt
Leahy
Long
Lugar
Mathias
Matsunaga
Mattingly
Melcher
Metzenbaum
Mitchell
Moynihan
Murkowski
Nickles
Nunn
Packwood
Percy
Pressler
Pryor
Quayle
Randolph
Riegle
Roth
Rudman
Sasser
Schmitt
Simpson
Specter
Stafford
Stennis
Stevens
Symms
Thurmond
Tower
Wallop
Warner
Weicker
Zorinsky

NAYS—8

Baucus
Hart
Hatfield
Kassebaum
Levin
Pell
Proxmire
Tsongas

NOT VOTING—8

Dixon
Durenberger
Hawkins
Hollings
Inouye
Kennedy
McClure
Sarbanes

So the bill (S. 2248), as amended, was passed.

The title was amended so as to read: "A bill to authorize appropriations for fiscal year 1983 for the Armed Forces for procurement, for research, development, test, and evaluation, and for operation and maintenance, to prescribe personnel strengths for such fiscal year for the Armed Forces and for civilian employees of the Department of Defense, to authorize supplemental appropriations for fiscal year 1982, to provide additional authorizations for fiscal year 1982, and for other purposes.".

S. 2248

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Department of Defense Authorization Act, 1983".

TITLE I—PROCUREMENT

AUTHORIZATION OF APPROPRIATIONS

SEC. 101. Funds are hereby authorized to be appropriated for fiscal year 1983 for the use of the Armed Forces of the United States for procurement in amounts as follows:

ARMY

For the Army: for aircraft, $1,786,914,000; missiles, $2,846,600,000; weapons and tracked combat vehicles, $4,704,985,000; ammunition, $2,733,384,000; and other procurement, $4,363,991,000.

NAVY

For the Navy: for aircraft (including aircraft for the Marine Corps), $11,167,800,000; weapons (including missiles and torpedoes), $3,810,200,000; naval vessels, $18,368,700,000; and other procurement, $3,971,756,000.

MARINE CORPS

For the Marine Corps: for procurement (including ammunition, other weapons and combat vehicles, missiles, communications and electronics, support vehicles, and engineering and other equipment), $2,198,700,000.

AIR FORCE

For the Air Force: for aircraft, $17,783,800,000, of which $186,100,000 is for the United States contribution of its fiscal year 1983 share of the cost of the acquisition by the North Atlantic Treaty Organization (NATO) of the Airborne Early Warning and Control System (AWACS); missiles, $5,269,800,000; and other procurement, $5,721,600,000.

NATIONAL GUARD AND RESERVE COMPONENTS

For aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, other weapons, and other procurement, as follows:

For the Army National Guard, $50,000,000.

For the Air National Guard, $30,000,000.

For the Army Reserve, $30,000,000.

For the Naval Reserve, $30,000,000.

For the Marine Corps Reserve, $30,000,000.

For the Air Force Reserve, $30,000,000.

The authorization of appropriations for the National Guard and Reserve components contained in this paragraph is in addition to any other funds authorized to be appropriated by this or any other Act.

DEFENSE AGENCIES

For the Defense Agencies: for procurement, $859,584,000.

REQUIREMENTS RELATING TO MULTIYEAR CONTRACTS FOR CERTAIN EQUIPMENT

SEC. 102. Notwithstanding any other provision of law, no multiyear contract may be entered into for the procurement of—

(1) F-111 weapon navigation computers;
(2) C-2 aircraft;
(3) EA-6B aircraft;
(4) A-6E aircraft;
(5) MULE laser designators;
(6) CH-53E helicopters;
(7) MLRS rocket systems; or
(8) ALQ-136 radio jammers,

until (A) the Secretary of the military department concerned has submitted to the Committees on Armed Services of the Senate and the House of Representatives a written report setting forth the justification for entering into a multiyear contract for the procurement of the equipment concerned, and (B) thirty days have elapsed after the date on which such report is received by such committees.

CERTAIN AUTHORITY PROVIDED THE SECRETARY OF DEFENSE IN CONNECTION WITH THE NATO AIRBORNE WARNING AND CONTROL SYSTEM (AWACS) PROGRAM

SEC. 103. Section 103(a) of the Department of Defense Authorization Act, 1982 (Public Law 97-86; 95 Stat. 1100) is amended—

(1) by inserting "and each fiscal year thereafter" after "fiscal year 1982" in the matter before clause (1); and

(2) by striking out "for fiscal year 1982" in clause (3).

PROHIBITION AGAINST PROCUREMENT OF ADDITIONAL A-10 AIRCRAFT

SEC. 104. Notwithstanding any other provision of law, none of the funds appropriated to or for the use of the Air Force for fiscal year 1983, or any prior fiscal year, may be obligated after the date of the enactment of this Act for the procurement of any A-10 aircraft in any amount greater than the amount authorized for the procurement of such aircraft in the Department of Defense Authorization Act, 1982 (Public Law 97-86; 95 Stat. 1099).

PROHIBITION AGAINST PROCUREMENT OF ADDITIONAL AH-64 (APACHE) HELICOPTERS

SEC. 105. Notwithstanding any other provision of law, none of the funds appropriated to or for the use of the Army in the Department of Defense Appropriation Act, 1982 (Public Law 97-114; 95 Stat. 1565), may be obligated after the date of the enactment of this Act for the procurement of any AH-64 (Apache) helicopters unless the procurement thereof is specifically authorized by legislation enacted after the date of the enactment of this Act.

RESTRICTION ON PROCUREMENT OF TACAMO COMMAND, COMMUNICATIONS, AND CONTROL EQUIPMENT

SEC. 106. None of the funds appropriated pursuant to this Act may be obligated or expended for the procurement of any airborne very low frequency equipment for the TACAMO EC-130Q aircraft until thirty days have elapsed after the date on which the Secretary of Defense has submitted a written report to the Committees on Armed Services of the Senate and the House of Representatives discussing the feasibility of replacing such equipment with modern communication systems consistent with the planned acquisition of replacement aircraft.

CBU-90 ANTIARMOR CLUSTER MUNITION

SEC. 107. None of the funds appropriated pursuant to section 101 of this title may be used for the procurement of the CBU-90 antiarmor cluster munition until after the Secretary of the Air Force certifies in writing to the Committees on Armed Services of the Senate and the House of Representatives that procurement of such munition is essential to the Air Force inventory.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

AUTHORIZATION OF APPROPRIATIONS

SEC. 201. (a) Funds are hereby authorized to be appropriated for fiscal year 1983 for the use of the Armed Forces of the United States for research, development, test, and evaluation in amounts as follows:

For the Army, $4,161,741,000.

For the Navy (including the Marine Corps), $6,131,698,000.

For the Air Force, $10,760,643,000.

For the Defense Agencies, $2,276,384,000, of which $54,000,000 is authorized for the activities of the Director of Test and Evaluation, Defense.

(b) In addition to the funds authorized to be appropriated in subsection (a), there are authorized to be appropriated for fiscal year 1983 such additional sums as may be necessary for increases in salary, pay, retirement, and other employee benefits authorized by law for civilian employees of the Department of Defense whose compensation is provided for by funds authorized to be appropriated in such subsection.

REQUIREMENT FOR COMPETITION BETWEEN THE LANTIRN AND FLIR SYSTEMS

SEC. 202. Of the amount authorized to be appropriated in this title for the Air Force, not more than $88,700,000 is authorized for development of the LANTIRN System. However, no funds appropriated pursuant to this title for the Air Force may be obligated or expended for the development of such system until the Secretary of the Air Force submits to the Committees on Armed Services and Appropriations of the Senate and the House of Representatives a written statement certifying that the LANTIRN program has been restructured to provide a competitive demonstration between the current LANTIRN System and a suitably modified version of the Navy's F/A-18 aircraft FLIR System. The Secretary of the Air Force may not enter into any contract for the production of the LANTIRN System until after a competitive demonstration between the LANTIRN System and the suitably modified version of the Navy's F/A-18 aircraft FLIR System has been carried out.

SUBMARINE ADVANCED COMBAT SYSTEM

SEC. 203. Of the funds authorized to be appropriated for the Navy in this title, not more than $85,937,000 is authorized for the Submarine Advanced Combat System research and development program. However, no funds appropriated pursuant to this title may be obligated or expended for the Submarine Advanced Combat System program until the Secretary of the Navy has presented to the Committees on Armed Services of the Senate and the House of Representatives a detailed explanation in writing of how the Department of the Navy plans to proceed with the phased array radar portion (phase III) of the MK-92 Fire Control System upgrade.

BALLISTIC MISSILE DEFENSE SYSTEM TECHNOLOGY

SEC. 204. Of the funds authorized to be appropriated for the Army in this title, not more than $362,700,000 is authorized for the Low Altitude Defense (LoAD) System, and not more than an additional $100,000,000 is authorized only for development of a low exoatmospheric/high endoatmospheric ballistic missile defense system to complement the LoAD System. The funds authorized for the development of such complementary ballistic missile defense system shall not be available for obligation until thirty days after the date on which the Secretary of Defense reports in writing to the Committees on Armed Services of the Senate and the House of Representatives that the deployment of such complementary system would significantly enhance the survivability of the MX missile system in the permanent basing mode as to which the Secretary of Defense has been directed to notify the Congress not later than December 1, 1982.

TITLE III—OPERATION AND MAINTENANCE

AUTHORIZATION OF APPROPRIATIONS

SEC. 301. (a) Funds are hereby authorized to be appropriated for fiscal year 1983 for the use of the Armed Forces of the United States (other than the Coast Guard) and other activities and agencies of the Department of Defense for operation and maintenance in amounts as follows:

(1) For the Army (including the Army Reserve, the Army National Guard, and rifle practice, Army), $18,675,775,000.

(2) For the Navy (including the Naval Reserve and the Marine Corps Reserve), $22,562,400,000.

(3) For the Marine Corps (including the Marine Corps Reserve), $1,513,515,000.

(4) For the Air Force (including the Air Force Reserve and the Air National Guard), $19,937,300,000.

(5) For the Defense Agencies and other activities of the Department of Defense, $5,896,010,000.

(b) In addition to the funds authorized to be appropriated in subsection (a), there are authorized to be appropriated for fiscal year 1983 such additional sums as may be necessary (1) for increases in salary, pay, retirement, and other employee benefits authorized by law for civilian employees of the Department of Defense whose compensation is provided for by funds authorized to be appropriated in such subsection, and (2) for unbudgeted increases in fuel costs and for increases as the result of inflation in the cost of activities authorized by subsection (a).

STATIONING OF E-4 NATIONAL EMERGENCY AIRBORNE COMMAND POST AIRCRAFT

SEC. 302. (a) None of the funds appropriated pursuant to this title may be obligated or expended for the stationing of the E-4 National Emergency Airborne Command Post aircraft, or associated maintenance and logistical support for such aircraft, at Andrews Air Force Base, Camp Springs, Maryland, unless the President certifies to the Congress in writing that the continued deployment of the E-4 National Emergency Airborne Command Post aircraft at Andrews Air Force Base is essential to and supportive of the national security of the United States.

(b) Notwithstanding the prohibition contained in subsection (a), funds appropriated pursuant to an authorization provided in this title for deployment and support of the National Emergency Command Authority's E-4 aircraft shall be available for obligation and expenditure for such deployment and support if (1) an alternative deployment site more than five hundred miles inland from the Atlantic coast has been selected, (2) the chairmen of the Committees on Armed Services of the Senate and the House of Representatives have been notified in writing of the selected site, and (3) thirty days have elapsed following the date on which such notification is received by the chairmen of such committees.

NAVY SHIP OVERHAULS

SEC. 303. Of the funds authorized in section 301(a)(2), not more than $2,756,800,000 may be obligated or expended for ship overhauls for the Navy.

TITLE IV—ACTIVE FORCES

AUTHORIZATION OF END STRENGTHS

SEC. 401. The Armed Forces are authorized strengths for active duty personnel as of September 30, 1983, as follows:

(1) The Army, 778,600.

(2) The Navy, 555,800.

(3) The Marine Corps, 193,300.

(4) The Air Force, 589,500.

AUTHORITY TO EXCEED END STRENGTH AUTHORIZATION

SEC. 402. (a) Section 138(c)(1)(A) of title 10, United States Code, is amended by adding the following new sentence after the first sentence: "The end strength authorized for any component of the armed forces for any fiscal year may be increased by a number equal to not more than 0.5 per centum of the total end strength authorized for such component for such fiscal year if the Secretary of Defense determines that such increase is needed to maintain a stable personnel force.".

(b) The amendment made by subsection (a) shall apply with respect to end strengths for active-duty personnel authorized for

fiscal years beginning after September 30, 1981.

LIMITATION ON NUMBER OF NON-HIGH-SCHOOL GRADUATE RECRUITS

SEC. 403. Section 302(a) of the Department of Defense Authorization Act, 1981 (Public Law 96-342; 10 U.S.C. 520 note), is amended by striking out "October 1, 1981" and "September 30, 1982" and inserting in lieu thereof "October 1, 1982" and "September 30, 1983", respectively.

ACCRUED LEAVE SAVING PROVISION

SEC. 404. A member of the Armed Forces of the United States who was authorized under section 701(f) of title 10, United States Code, to accumulate ninety days' leave during fiscal year 1980 and lost any leave at the end of fiscal year 1981 shall be recredited with such lost leave and may retain leave in excess of sixty days until the end of fiscal year 1982, but in no case may such member accumulate leave in excess of ninety days.

TITLE V—RESERVE FORCES

AUTHORIZATION OF AVERAGE STRENGTHS FOR SELECTED RESERVE

SEC. 501. (a) For fiscal year 1983 the Selected Reserve of the Reserve components of the Armed Forces shall be programed to attain average strengths of not less than the following:

(1) The Army National Guard of the United States, 407,400.

(2) The Army Reserve, 258,700.

(3) The Naval Reserve, 105,500.

(4) The Marine Corps Reserve, 38,300.

(5) The Air National Guard of the United States, 101,100.

(6) The Air Force Reserve, 66,000.

(7) The Coast Guard Reserve, 10,700.

(b) The average strength prescribed by subsection (a) for the Selected Reserve of any Reserve component shall be proportionately reduced by (1) the total authorized strength of units organized to serve as units of the Selected Reserve of such component which are on active duty (other than for training) at any time during the fiscal year, and (2) the total number of individual members not in units organized to serve as units of the Selected Reserve of such component who are on active duty (other than for training or for unsatisfactory participation in training) without their consent at any time during the fiscal year. Whenever such units or such individual members are released from active duty during any fiscal year, the average strength prescribed for such fiscal year for the Selected Reserve of such Reserve component shall be proportionately increased by the total authorized strength of such units and by the total number of such individual members.

AUTHORIZATION OF END STRENGTHS FOR RESERVES ON ACTIVE DUTY IN SUPPORT OF THE RESERVES

SEC. 502. (a) Within the average strengths prescribed in section 501, the Reserve components of the Armed Forces are authorized, as of September 30, 1983, the following number of Reserves to be serving on full-time active duty for the purpose of organizing, administering, recruiting, instructing, or training the Reserve components:

(1) The Army National Guard of the United States, 14,419.

(2) The Army Reserve, 8,251.

(3) The Naval Reserve, 12,038.

(4) The Marine Corps Reserve, 678.

(5) The Air National Guard of the United States, 5,158.

(6) The Air Force Reserve, 479.

(b) Upon a determination by the Secretary of Defense that such action is in the national interest, the end strengths prescribed by subsection (a) may be increased by a total of not more than the number equal to 2 per centum of the total end strengths prescribed.

INCREASE IN NUMBER OF CERTAIN PERSONNEL AUTHORIZED TO BE ON ACTIVE DUTY IN SUPPORT OF THE RESERVE COMPONENTS

SEC. 503. (a) Section 517 of title 10, United States Code, is amended by striking out the table in subsection (b) and inserting in lieu thereof the following:

"Grade	Army	Navy	Air Force	Marine Corps
E-9	265	156	132	6
E-8	1,244	329	441	56".

(b) The columns with the headings "Army", "Air Force", and "Marine Corps" in the table contained in section 524(a) of such title are amended to read as follows:

"Army	Air Force	Marine Corps
1,351	281	95
671	267	40
234	170	21".

TITLE VI—CIVILIAN PERSONNEL

AUTHORIZATION OF END STRENGTHS

SEC. 601. (a) The Department of Defense is authorized a strength in civilian personnel, as of September 30, 1983, as follows:

(1) The Department of the Army, 378,000.

(2) The Department of the Navy, including the Marine Corps, 320,600.

(3) The Department of the Air Force, 242,800.

(4) Activities and agencies of the Department of Defense (other than the military departments), 83,000.

(b) In computing the strength for civilian personnel, there shall be included all direct-hire and indirect-hire civilian personnel employed to perform military functions administered by the Department of Defense (other than those performed by the National Security Agency) whether employed on a full-time, part-time, or intermittent basis, but excluding special employment categories for students and disadvantaged youth such as the stay-in-school campaign, the temporary summer aid program, and the Federal junior fellowship program and personnel participating in the worker-trainee opportunity program. Personnel employed under a part-time career employment program established by section 3402 of title 5, United States Code, shall be counted as prescribed by section 3404 of that title. Whenever a function, power, duty, or activity is transferred or assigned to a department or agency of the Department of Defense from a department or agency outside of the Department of Defense, or from another department or agency within the Department of Defense, the civilian personnel end strength authorized for such departments or agencies of the Department of Defense affected shall be adjusted to reflect any increases or decreases in civilian personnel required as a result of such transfer or assignment.

(c) When the Secretary of Defense determines that such action is necessary in the national interest or if any conversion of commercial and industrial type functions from performance by Department of Defense personnel to performance by private contractors which was anticipated to be made during fiscal year 1983 in the budget of the President submitted for such fiscal year is not determined to be appropriate for such conversion under established administrative criteria, the Secretary of Defense may authorize the employment of civilian personnel in excess of the number authorized by subsection (a), but such additional number may not exceed 2 per centum of the total number of civilian personnel authorized for the Department of Defense by subsection (a). The Secretary of Defense shall promptly notify the Congress of any authorization to increase civilian personnel strength under this subsection.

TITLE VII—MILITARY TRAINING STUDENT LOADS

AUTHORIZATION OF TRAINING STUDENT LOADS

SEC. 701. (a) For fiscal year 1983, the components of the Armed Forces are authorized average military training student loads as follows:

(1) The Army, 78,311.

(2) The Navy, 66,930.

(3) The Marine Corps, 20,435.

(4) The Air Force, 48,769.

(5) The Army National Guard of the United States, 18,052.

(6) The Army Reserve, 14,579.

(7) The Naval Reserve, 1,000.

(8) The Marine Corps Reserve, 2,971.

(9) The Air National Guard of the United States, 2,328.

(10) The Air Force Reserve, 1,351.

(b) The average military student loads for the Army, the Navy, the Marine Corps, and the Air Force and the Reserve components authorized in subsection (a) for fiscal year 1983 shall be adjusted consistent with the manpower strengths authorized in titles IV, V, and VI of this Act. Such adjustment shall be apportioned among the Army, the Navy, the Marine Corps, and the Air Force and the Reserve components in such manner as the Secretary of Defense shall prescribe.

TITLE VIII—ATTACK-RELATED CIVIL DEFENSE

AUTHORIZATION OF APPROPRIATIONS

SEC. 801. There is hereby authorized to be appropriated for fiscal year 1983 to carry out the provisions of the Federal Civil Defense Act of 1950 (50 U.S.C. App. 2251-2297) the sum of $144,530,000.

AMOUNT AUTHORIZED FOR CONTRIBUTION FOR STATE PERSONNEL AND ADMINISTRATIVE EXPENSES

SEC. 802. The third sentence of section 408 of the Federal Civil Defense Act of 1950 (50 U.S.C. App. 2260) is amended by striking out "$47,000,000" in the second proviso and inserting in lieu thereof "$50,000,000".

TITLE IX—SUPPLEMENTAL AUTHORIZATIONS FOR FISCAL YEAR 1982

PROCUREMENT

SEC. 901. In addition to the funds authorized to be appropriated in the Department of Defense Authorization Act, 1982 (Public Law 97-86; 95 Stat. 1099), there is hereby authorized to be appropriated to the Navy and the Air Force for fiscal year 1982 for procurement in amounts as follows:

For the Navy: for naval vessels, $283,400,000.

For the Air Force: for aircraft, $219,100,000 and missiles, $5,300,000.

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

SEC. 902. In addition to the funds authorized to be appropriated in the Department of Defense Authorization Act, 1982, there is hereby authorized to be appropriated to the Air Force for fiscal year 1982 for research, development, test, and evaluation, $16,400,000.

OPERATION AND MAINTENANCE

SEC. 903. In addition to the funds authorized to be appropriated in the Department of Defense Authorization Act, 1982, funds are hereby authorized to be appropriated for fiscal year 1982 for the use of the Armed Forces of the United States and other activities and agencies of the Department of Defense for operation and maintenance in amounts as follows:

For the Army, Army Reserve and Army National Guard, $90,200,000.

For the Navy, Naval Reserve and Marine Corps, $164,600,000.

For the Air Force, Air Force Reserve and Air National Guard, $30,300,000.

For the Defense Agencies and Defense-wide activities, $41,200,000.

INCREASE IN END STRENGTH AUTHORIZATION FOR THE ARMY FOR FISCAL YEAR 1982

SEC. 904. Section 401 of the Department of Defense Authorization Act, 1982 (Public Law 97-86; 95 Stat. 1104), is amended by striking out "Army, 780,300" and inserting in lieu thereof "Army, 784,400".

TITLE X—ADDITIONAL AUTHORIZATIONS FOR FISCAL YEAR 1982

PROCUREMENT

SEC. 1001. In addition to the funds authorized to be appropriated in the Department of Defense Authorization Act, 1982 (Public Law 97-86; 95 Stat. 1099), funds are hereby authorized to be appropriated for fiscal year 1982 for the use of the Navy and Air Force for procurement in amounts as follows:

NAVY

For the Navy: for naval vessels, $123,600,000.

AIR FORCE

For the Air Force: for aircraft (including aircraft for the Air National Guard), $137,600,000 and missiles, $12,000,000.

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

SEC. 1002. In addition to the funds authorized to be appropriated in the Department of Defense Authorization Act, 1982, funds are hereby authorized to be appropriated for fiscal year 1982 for the use of the Navy and Air Force for research, development, test, and evaluation in amounts as follows:

For the Navy: $53,969,000.

For the Air Force: $73,000,000.

TITLE XI—GENERAL PROVISIONS

SPECIAL DEFENSE ACQUISITION FUND

SEC. 1101. Section 138(g) of title 10, United States Code, is amended—

(1) by striking out "and" after "1982" and inserting in lieu thereof a comma; and

(2) by inserting ", and may not exceed $900,000,000 in fiscal year 1984" after "1983".

INCREASE DOLLAR AMOUNTS FOR REPORTS TO CONGRESS REGARDING TRANSFER OF DEFENSE ARTICLES

SEC. 1102. Section 813 of the Department of Defense Appropriation Authorization Act, 1976 (Public Law 94-106; 10 U.S.C. 133 note) is amended by striking out "$25,000,000" and inserting in lieu thereof "$50,000,000".

REPORTS ON UNIT COSTS OF MAJOR DEFENSE SYSTEMS

SEC. 1103. (a)(1) The program manager (as designated by the Secretary concerned) for each major defense system included in any selected acquisition report submitted to the Congress pursuant to section 811 of the Department of Defense Appropriations Authorization Act, 1976 (Public Law 94-106; 10 U.S.C. 139 note), shall submit to the Secretary concerned, as hereinafter provided in this section, a written report on the unit cost of the major defense system included in such selected acquisition report for which such manager has responsibility. The program manager shall submit such report to the Secretary concerned not more than seven days after the end of any quarter for which a selected acquisition report is required to be submitted to the Congress containing information on such defense system. The program manager shall include in each such unit cost report—

(A) the total program acquisition unit cost for such major defense system as of the last day of the quarter for which the report is being made; and

(B) in the case of a major defense system for which procurement funds are authorized for the fiscal year containing the quarter for which the unit cost report is submitted, the current procurement unit cost for such major defense system as of the last day of the quarter for which the report is being made.

(2) If at any time during any quarter for which a unit cost report is required under this section, the program manager of a major defense system referred to in paragraph (1) has reasonable cause to believe that (A) the total program acquisition unit cost, or (B) in the case of a major defense system for which procurement funds are authorized for the fiscal year containing the quarter for which such report is to be submitted, the current procurement unit cost has exceeded the applicable percentage increase specified in subsection (b), such manager shall immediately submit to the Secretary concerned a unit cost report containing the information, as of the date of such report, required by paragraph (1).

(3) The program manager shall also include in each unit cost report submitted for any major defense system pursuant to paragraph (1) or (2) any change from the schedule milestones or system performances with respect to such system reflected in the selected acquisition report used as the base for applying the applicable percentage increase specified in subsection (b) and that is known, expected, or anticipated by such manager.

(b)(1)(A) The Secretary concerned shall determine within seven days after any unit cost report has been submitted to him pursuant to subsection (a) whether the total program acquisition unit cost (including any increase for expected inflation) for any major defense system for which no procurement funds are authorized for the fiscal year containing the quarter for which the report is submitted has increased by more than 15 per centum over the total program acquisition unit cost for such system as reflected in the selected acquisition report which first included information on such defense system or as reflected in the selected acquisition report covering the first quarter of the fiscal year immediately preceding the fiscal year containing the quarter for which such unit cost report is submitted to the Secretary concerned, whichever selected acquisition report is later.

(B) If the Secretary concerned determines that the total program acquisition unit cost (including any increase for expected inflation) for any such major defense system has increased by more than the amount referred to in subparagraph (A), he shall notify the Congress in writing of such determination and of the increase with respect to such system within ten days after the unit cost report was submitted to him. The Secretary shall include in such notice the date on which the determination was made. Except as provided in paragraph (3), if the Secretary makes such a determination with respect to a major defense system, no additional funds may be obligated in connection with such system after the end of the thirty-day period beginning on the day on which the Secretary makes such determination.

(2)(A) The Secretary concerned shall also determine within seven days after any unit cost report has been submitted to him pursuant to subsection (a) whether—

(i) the current procurement unit cost of any major defense system for which procurement funds are authorized for the fiscal year containing the quarter for which the unit cost report is submitted has increased by more than 15 per centum over the procurement unit cost derived from the selected acquisition report which first included information on such defense system or derived from the selected acquisition report covering the first quarter of the fiscal year immediately preceding the fiscal year containing the quarter for which such unit cost report is submitted to the Secretary concerned, whichever selected acquisition report is later, or

(ii) the total program acquisition unit cost (including any increase for expected inflation) of such system has increased by more than 15 per centum over the total program acquisition unit cost for such system as reflected in the selected acquisition report which first included information on such defense system or as reflected in the selected acquisition report covering the first quarter of the fiscal year immediately preceding the fiscal year containing the quarter for which such unit cost report is submitted to the Secretary concerned, whichever selected acquisition report is later.

(B) If the Secretary concerned determines that the current procurement unit cost has increased by more than the percentage referred to in subparagraph (A)(i) or that the total program acquisition unit cost (including any increase for expected inflation) has increased by more than the percentage referred to in subparagraph (A)(ii), he shall notify the Congress in writing of such determination and of the increase with respect to such system within ten days after the unit cost report was submitted to him. The Secretary shall include in such notice the date on which such determination was made. Except as provided in paragraph (3), if the Secretary makes such a determination with respect to a major defense system, no additional funds may be obligated in connection with such system after the end of the thirty-day period beginning on the day on which the Secretary makes such determination.

(3) The prohibition contained in paragraphs (1) and (2) on the obligation of funds shall not apply in the case of any major defense system to which such prohibition would otherwise apply if the Secretary concerned submits to the Congress, before the end of the thirty-day period referred to in

paragraph (1) or (2), a written report which includes—

(A) a statement of the dollar increase in total program acquisition unit cost or procurement unit cost, in both current and constant dollars, and the percentage increase for each;

(B) a statement of the reasons for such increase in total program acquisition unit cost or procurement unit cost;

(C) the identities of the military and civilian officers responsible for program management and cost control of the major defense system;

(D) except when the cost increase is due solely to termination or cancellation of the entire program for the major defense system—

(i) the action taken and proposed to be taken to control future cost growth of such system, and

(ii) any changes made in the performance or schedule milestones of such system and the extent to which such changes have contributed to the increase in total program acquisition unit cost or procurement unit cost;

(E) the identities of the principal contractors for the major defense system; and

(F) the history of the total program acquisition unit cost of such major defense system, including all changes in such unit cost, from the date of the selected acquisition report which first included information on such defense system.

(c)(1)(A) The Secretary concerned shall also determine within seven days after any unit cost report has been submitted to him pursuant to subsection (a) whether—

(i) in the case of any such system for which procurement funds are authorized for the fiscal year in which the unit cost report is submitted, the current procurement unit cost of such system has increased by more than 25 per centum over the procurement unit cost derived from the selected acquisition report which first included the information on such defense system or derived from the selected acquisition report covering the first quarter of the fiscal year immediately preceding the fiscal year containing the quarter for which such unit cost report is submitted to the Secretary concerned, whichever selected acquisition report is later, or

(ii) the total program acquisition unit cost (including any increase for expected inflation) for a major defense system has increased by more than 25 per centum over the total program acquisition unit cost for such system as reflected in the selected acquisition report which first included the information on such defense system or as reflected in the selected acquisition report covering the first quarter of the fiscal year immediately preceding the fiscal year containing the quarter for which such unit cost report is submitted to the Secretary concerned, whichever selected acquisition report is later.

(B) If the Secretary concerned determines that the current procurement unit cost of a major defense system referred to in subparagraph (A)(i) has increased by more than the percentage referred to in such subparagraph or that the total program acquisition unit cost (including any increase for expected inflation) for a major defense system referred to in subparagraph (A)(ii) has increased by more than the percentage referred to in such subparagraph, he shall notify the Congress in writing of such determination and the increase with respect to such system within ten days after the unit cost report was submitted to him. The Secretary shall include in such notice the date on which such determination was made. Except as provided in paragraph (3), if the Secretary makes such a determination with respect to a major defense system and submits a report to the Congress with respect to such system pursuant to subsection (b)(3), no additional funds may be obligated in connection with such system after the end of the sixty-day period beginning on the day on which the Secretary makes such determination.

(2) The prohibition contained in paragraph (1) on the obligation of funds shall not apply in the case of a major defense system to which such prohibition would otherwise apply if—

(A) the cost increase was due solely to termination or cancellation of the entire program for the major defense system; or

(B) the Secretary of Defense submits to the Congress, before the end of the sixty-day period referred to in such paragraph, a written certification stating that—

(i) such system is essential to the national security;

(ii) there are no alternatives to such system which will provide equal or greater military capability at less cost;

(iii) the new estimates of the total program acquisition unit cost or procurement unit cost are reasonable; and

(iv) the management structure for such major defense system is adequate to manage and control total program acquisition unit cost or procurement unit cost.

(d) As used in this section:

(1) The term "total program acquisition unit cost" means, in the case of a major defense system, the amount equal to (A) the total cost for development and procurement of, and system-specific military construction for, such system, divided by (B) the number of fully configured end items to be produced for such system.

(2) The term "procurement unit cost" means, in the case of a major defense system, the amount equal to (A) the total of all procurement funds available for such system in any fiscal year, reduced by the amount of any funds appropriated for such fiscal year for advanced procurement for such system in any year subsequent to such fiscal year and increased by any amount appropriated in years prior to such fiscal year for advanced procurement for such system in such fiscal year, divided by (B) the number of fully configured end items to be procured with such funds during such fiscal year.

(3) The term "Secretary concerned" has the same meaning as provided in section 101(8) of title 10, United States Code.

REQUIREMENTS RELATING TO THE AWARDING OF SOLE-SOURCE CONTRACTS

SEC. 1104. (a) Chapter 137 of title 10, United States Code, is amended by adding at the end thereof the following new section:

"§ 2316. Requirements pertaining to the awarding of sole-source contracts

"(a) In this section—

"(1) 'sole-source contract' means a negotiated contract for the purchase of property or services which is entered into or proposed to be entered into by a military department or defense agency after soliciting the purchase of such property or services from only one contractor; and

"(2) 'person' has the same meaning as provided in section 551(2) of title 5.

"(b)(1) The head of a military department or defense agency may not enter into negotiations for the award of a sole-source contract for more than $100,000 unless—

"(A) the head of such department or agency has first published in the Commerce Business Daily a notice that the department or agency intends to negotiate such contract;

"(B) a period of at least thirty days after the date of the first publication of the notice has expired, and all interested responsible persons have been permitted to respond or submit proposals in response to such notice within such period;

"(C) the head of such department or agency has considered all responses submitted within the thirty-day period referred to in clause (B); and

"(D) the head of such department or agency has approved the proposal to negotiate such contract.

"(2) The notice required under paragraph (1)(A) shall include—

"(A) all information pertaining to the contract that would be required to be published if the contract were to be awarded under formal advertising procedures; and

"(B) a statement that any person may respond to the notice within thirty days after the date of the publication of the notice.

"(c) The Secretary of Defense may waive the requirements of subsection (b) in the case of any contract if he determines such action is necessary because of national security reasons.

"(d) The provisions of subsection (b) shall not apply in the case of—

"(1) a classified procurement if the notice required under subsection (b)(1)(A) cannot reasonably be worded to avoid disclosure of classified information;

"(2) a procurement with respect to which disclosure of the Government's interest in the property or service to be purchased would compromise the national security;

"(3) the procurement of utility services (not including the purchase of equipment or supplies);

"(4) the procurement of perishable subsistence and services related thereto, if the head of the military department or defense agency determines that it is impracticable to comply with the thirty-day requirement referred to in subsection (b)(1)(B);

"(5) a procurement with respect to which only foreign sources are to be solicited;

"(6) a procurement from another agency, including a procurement from the Small Business Administration under section 8(a) of the Small Business Act (15 U.S.C. 637(a));

"(7) the procurement of any property or service the price of which is established by law;

"(8) a procurement that is of such urgency that the Government would be seriously injured by the delay involved in complying with the thirty-day requirement referred to in subsection (b)(1)(B);

"(9) the procurement of any property or service the cost of which is to be reimbursed by a foreign country, if the foreign country requires that the property or service be obtained from a particular source;

"(10) a procurement to be awarded as a follow-on contract or a contract for related supplies or services if such follow-on contract or contract for related supplies or services is awarded in connection with a program for the procurement of an end item of a major weapons system for which there was a contract competition evaluated on the basis of price and design factors or price and technical factors;

"(11) the procurement of personal or professional services in an amount less than

$500,000, to the extent that a determination is made that only one source can provide the desired service;

"(12) the procurement of construction services if a contractor or group of contractors is already at work on the site at which such services are to be provided and it would not be practicable to allow another contractor or additional contractors to work on the same site;

"(13) procurements to be made by an order placed under an existing contract, but only if the existing contract was awarded after a notice published in the Commerce Business Daily in accordance with subsection (a);

"(14) facilities contracts when the performance required practicably can be obtained only from one source; and

"(15) procurements from nonprofit institutions.

"(e) The Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives, not later than March 1 of each year, a report on all sole-source contracts of more than $100,000 entered into by each military department and defense agency during the preceding fiscal year. Such report shall include the number of sole-source contracts entered into during the preceding fiscal year by each such department and agency that were exempt from the requirement of subsection (b) and the total dollar amount of such contracts.".

(b) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new item:

"2316. Requirements pertaining to the awarding of sole-source contracts.".

(c) The amendments made by subsections (a) and (b) shall apply with respect to contracts entered into more than sixty days after the date of the enactment of this Act.

REPEAL OF PROHIBITION ON PURCHASE OF ADMINISTRATIVE USE VEHICLES FROM FOREIGN SOURCES

Sec. 1105. Section 783 of the Department of Defense Appropriations Act, 1982 (Public Law 97-114; 95 Stat. 1591), is repealed.

PURCHASE OF CHEMICAL WARFARE PROTECTIVE CLOTHING AND ITEMS CONTAINING SPECIALTY METALS FROM FOREIGN SOURCES

Sec. 1106. Section 723 of the Department of Defense Appropriations Act, 1982 (Public Law 97-114; 95 Stat. 1582) is amended by inserting after the first colon the following new proviso: "*Provided,* That nothing in this section shall preclude the procurement of specialty metals or chemical warfare protective clothing produced outside the United States or its possessions if such procurement is necessary to comply with agreements with foreign governments requiring the United States to purchase supplies from foreign sources for the purposes of offsetting sales made by the United States Government or United States firms under approved programs serving defense requirements or if such procurement is necessary in furtherance of the standardization and interoperability of equipment requirements within the North Atlantic Treaty Organization (NATO) so long as such agreements with foreign governments comply, where applicable, with the requirements of section 36 of the Arms Export Control Act (22 U.S.C. 2776) and section 814 of the Department of Defense Appropriation Authorization Act, 1976 (Public Law 94-106; 10 U.S.C. 2351 note):".

PROHIBITION AGAINST CONSOLIDATING FUNCTIONS OF THE MILITARY TRANSPORTATION COMMANDS

Sec. 1107. (a) None of the funds appropriated pursuant to an authorization of appropriations in this or any other Act may be used for the purpose of consolidating any of the functions being performed on the date of the enactment of this Act by the Military Traffic Management Command of the Army, the Military Sealift Command of the Navy, or the Military Airlift Command of the Air Force with any function being performed on such date by either or both of the other commands referred to in this subsection.

(b) The Secretary of Defense shall submit a report to the Committees on Armed Services of the Senate and the House of Representatives explaining—

(1) any changes proposed or contemplated by the Department of Defense in the management structure or contracting authority of the three commands referred to in subsection (a);

(2) the necessity or desirability of such changes and the effect such changes likely would have on the operational readiness of each of the commands referred to in subsection (a);

(3) the consequences such changes likely would have on the ability of the fleet support elements of the Military Sealift Command of the Navy to be fully integrated and fully supportive of the operating naval fleets;

(4) the effect such proposed or contemplated changes likely would have on the Navy's ability to develop comprehensive shipbuilding, ship repair, and ship maintenance programs;

(5) the effect such proposed or contemplated changes likely would have on the identification and fulfillment of the overland movement and ocean terminal needs of the Army;

(6) the anticipated cost savings, if any, which would result from such changes; and

(7) the relationship that any new transportation organization that may be established by the Department of Defense would have with the Joint Deployment Agency.

The Secretary shall submit such report to the committees not later than March 1, 1983, together with such comments, recommendations, and proposals for legislation as he considers appropriate.

REPORT ON ALLIED CONTRIBUTIONS TO THE COMMON DEFENSE

Sec. 1108. (a) In recognition of the increasing military threat faced by the Western World and in view of the growth, relative to the United States, in the economic strength of Japan, Canada, and a number of Western European countries which have occurred since the signing of the North Atlantic Treaty on April 4, 1949, and the Mutual Cooperation and Security Treaty between Japan and the United States on January 19, 1960, it is the sense of the Congress that—

(1) the burdens of mutual defense now assumed by some of the countries allied with the United States under those agreements are not commensurate with their economic resources; and

(2) the continued unwillingness of those countries to increase their contributions to the common defense to more appropriate levels will endanger the vitality, effectiveness, and cohesiveness of the alliances between those countries and the United States.

(b) It is further the sense of Congress that the President should seek from each signatory country (other than the United States) of the two treaties referred to in subsection (a) acceptance of international security responsibilities and an agreement to make contributions to the common defense which are commensurate with the economic resources of such country, including, when appropriate, an increase in host nation support.

(c)(1) The Secretary of Defense shall submit to the Congress not later than March 1, 1983, a classified report containing—

(A) a comparison of the fair and equitable shares of the mutual defense burdens of these alliances that should be borne by the United States, by other member nations of the North Atlantic Treaty Organization (NATO), and by Japan, based upon economic strength and other relevant factors, and the actual defense efforts of each nation together with an explanation of disparities that currently exist and their impact on mutual defense efforts;

(B) a description of efforts by the United States and of other efforts to eliminate existing disparities;

(C) estimates of the real growth in defense spending in fiscal year 1983 projected for each NATO member nation compared with the annual real growth goal in the range of 3 percent set in May 1978;

(D) a description of the defense-related initiatives undertaken by each NATO member nation within the real growth in defense spending of such nation in fiscal year 1983;

(E) an explanation of those instances in which the commitments to real growth in defense spending and to the long-term defense program have not been realized and a description of efforts being made by the United States to ensure fulfillment of these important NATO commitments;

(F) a description of the activities of each NATO member and Japan to enhance the security and stability of the Southwest Asia region and to assume additional missions for their own defense as the United States allocates additional resources to the mission of protecting Western interests in world areas not covered by the system of Western alliances; and

(G) a description of what additional actions the Executive Branch plans to take should the efforts by the United States referred to in clauses (B) and (E) above fail, and, in those instances where such additional actions do not include consideration of the repositioning of American troops, a detailed explanation as to why such repositioning is not being so considered.

(2) The Secretary of Defense shall also submit to the Congress not more than thirty days after the submission of the report required under paragraph (1) an unclassified report containing the matters set forth in clauses (A) through (G) of such paragraph.

CRITICAL SKILL NEEDS AND SUPPLIES

Sec. 1109. The Secretary of Defense, in conjunction with the Secretary of Labor, shall conduct a study to determine the level of skilled labor needed and available in the civilian work force to accomplish the programs planned by the Department of Defense for fiscal years 1983 through 1987 and needed and available during a mobilization period. The Secretary shall submit a report on the results of such study, not later than February 15, 1983, to the Committees on Armed Services of the Senate and the

House of Representatives. Such report shall include—

(1) an analysis of the expected level of the demand for skilled labor in the civilian work force, by type of skill and by regions of the country, to accomplish defense programs during fiscal years 1983 through 1987 and the expected level of the supply of such labor in the civilian work force available to meet such demand during such fiscal years;

(2) an analysis of the expected level of demand for skilled labor in the civilian work force, by skill and by regions of the country, during a mobilization period and of the ability of the present civilian labor work force to meet such a demand; and

(3) recommendations for programs or legislation to effect any improvements in the level of skilled labor in the civilian work force needed to accomplish defense programs during fiscal years 1983 through 1987 or during a mobilization period.

TECHNOLOGY TRANSFER CONTROL POLICY

Sec. 1110. (a) The Secretary of Defense shall conduct a study of the effectiveness of the technology transfer control policy formulation and related activities of the Department of Defense and shall submit the results of such study to the Congress not later than December 31, 1982, together with such comments and recommendations for such improvements as he considers appropriate. The Secretary shall specifically indicate in such report whether he favors establishing a separate office within the Office of the Secretary of Defense to manage and coordinate technology transfer control policy formulation and related activities within the Department of Defense and shall indicate his reasons for favoring or not favoring, as the case may be, the establishment of such a separate office. The Secretary shall make available sufficient manpower and fiscal resources from the Office of the Secretary of Defense and the military departments to ensure that the requested study is carried out in a complete and timely manner.

(b) The Secretary of Defense shall also submit to the Congress a written report, not later than February 15 of each fiscal year, recommending the amount of funds to be appropriated to carry out the technology transfer control policy formulation and related activities of the Department of Defense during the next fiscal year. The Secretary shall also include in such report the proposed allocation of the funds requested for such purpose and the number of personnel proposed to be assigned to carry out such activities during such fiscal year.

REPORT ON STANDARDIZATION AND INTEROPERABILITY OF NATO WEAPONS AND EQUIPMENT

Sec. 1111. Section 302(c) of the Department of Defense Appropriation Authorization Act, 1975 (88 Stat. 402; 10 U.S.C. 2451 note), is amended by adding at the end thereof the following:

"The Secretary shall also include in each such report—

"(1) a description of each existing and planned program of the Department of Defense that supports the development or procurement of a weapon system or other military equipment originally developed or procured by members of the North Atlantic Treaty Organization (NATO) other than the United States and for which funds have been authorized to be appropriated for the fiscal year in which the report is submitted;

"(2) a summary listing of the amount of funds appropriated for all such existing and planned programs for the fiscal year in which the report is submitted; and

"(3) a summary listing of the amount of funds requested, or proposed to be requested, for all such programs for each of the two fiscal years following the fiscal year for which the report is submitted.

Such report shall also include a description of each weapon system or other military equipment originally developed or procured in the United States and that is being developed or procured by members of the North Atlantic Treaty Organization (NATO) other than the United States during the fiscal year for which the report is submitted.".

TEMPORARY INCREASE IN NUMBER OF NAVY OFFICERS THAT MAY SERVE IN GRADES OF ADMIRAL AND VICE ADMIRAL

Sec. 1112. (a) Section 525(b)(2) of title 10, United States Code, is amended by striking out "15 percent" each place it appears and inserting in lieu thereof "17½ percent".

(b) Effective October 1, 1983, section 525(b)(2) of such title is amended by striking out "17½ percent" each place it appears and inserting in lieu thereof "15 percent".

MODIFICATION OF REPORTS ON CONVERSION OF PERFORMANCE OF COMMERCIAL AND INDUSTRIAL TYPE FUNCTIONS FROM DEPARTMENT OF DEFENSE PERSONNEL TO PRIVATE CONTRACTORS

Sec. 1113. (a) Section 502 of the Department of Defense Authorization Act, 1981 (10 U.S.C. 2304 note) is amended—

(1) by striking out "Department of Defense personnel" each time it appears and inserting in lieu thereof "Department of Defense civilian personnel"; and

(2) by striking out subsection (d) and inserting in lieu thereof the following:

"(d) Except as provided in subsection (a)(1), subsections (a) through (c) shall not apply to a commercial or industrial type function of the Department of Defense that is being performed by less than fifty Department of Defense civilian personnel.

"(e) In no case may any commercial or industrial type function being performed by Department of Defense personnel be modified, reorganized, divided, or in any way changed for the purpose of exempting from the requirements of subsection (a)(2) the conversion of all or any part of such function to performance by a private contractor.

"(f) The provisions of this section shall not apply during war or a period of national emergency declared by the President or the Congress.".

(b) The amendments made by subsection (a) shall become effective on October 1, 1982.

MILITARY RECRUITING INFORMATION

Sec. 1114. (a) The Congress finds and declares that in order for the Congress to carry out effectively its constitutional authority to raise and support armies, it is essential—

(1) that the Secretary of Defense obtain and compile directory information pertaining to students enrolled in secondary schools throughout the United States; and

(2) that such directory information be used only for military recruiting purposes and be retained in the case of each person with respect to whom such information is obtained and compiled for a limited period of time.

(b) Section 503 of title 10, United States Code, is amended—

(1) by inserting "(a)" before "The Secretary"; and

(2) by adding at the end thereof the following new subsection:

"(b)(1) The Secretary of Defense is authorized to collect and compile directory information pertaining to each student who is seventeen years of age or older, or who is in the eleventh grade (or its equivalent) or higher regardless of age, and who is enrolled in a secondary school in the United States, its territories, possessions, or the Commonwealth of Puerto Rico.

"(2) Directory information collected and compiled by the Secretary of Defense under this subsection may be made available to the armed forces for military recruiting purposes only.

"(3) Directory information pertaining to any person may not be maintained for more than three years after the date the information pertaining to such person is first collected and compiled under this subsection.

"(4) Directory information collected and compiled under this subsection shall be confidential and no person who has had access to such information may disclose such information except for the purposes described in paragraph (2).

"(5) The Secretary of Defense shall prescribe regulations necessary to carry out the provisions of this subsection and may authorize each Secretary concerned to issue further implementing regulations necessary to administer the program established under this subsection. Each regulation issued pursuant to this section shall be reported to the Committees on Armed Services of the Senate and the House of Representatives. Any regulations issued by the Secretaries concerned shall be as uniform as practicable.

"(6) In this subsection, 'directory information' means, with respect to a student, the student's name, address, telephone listing, date and place of birth, level of education, degrees received, academic grades and class standing, and the most recent previous educational agency or institution attended by the student.".

(c)(1) The heading for section 503 of such title is amended to read as follows:

"§ 503. Enlistments: recruiting campaigns; compilation of directory information".

(2) The item in the table of sections at the beginning of chapter 31 of such title relating to section 503 is amended to read as follows:

"503. Enlistments: recruiting campaigns; compilation of directory information.".

(d)(1) Chapter 31 of title 10, United States Code, is amended by adding at the end thereof the following new section:

"§ 520. Criminal history information for military recruiting purposes

"(a) Each State and each unit of general local government of a State is requested to make available, upon request, to the Secretary concerned any criminal history information maintained by or available to such State or unit of general local government which pertains to any person who, within ninety days before the date on which such information was requested (1) has made application for enlistment in the armed forces, or (2) has made, in connection with such person's application for enlistment, an application for participation in a program of the armed forces which requires a determination of the trustworthiness of persons who participate in such program.

"(b) In this section, 'criminal history information' means the following information with respect to any juvenile or adult arrest, citation, or conviction of any person referred to in subsection (a):

"(1) The offense involved.

"(2) The age of the person with respect to whom such information pertains.

"(3) The dates of the arrest, citation, and conviction, if any.

"(4) The place the offense was alleged to have been committed, the place of the arrest, and the court to which the case was assigned.

"(5) The disposition of the case.

"(c) Criminal history information received under this section shall be confidential and no person who has had access to any information received under this section may disclose such information except to facilitate military recruiting.

"(d) The Secretaries concerned shall prescribe regulations necessary to carry out the provisions of this section, which shall be as uniform as practicable. Any regulations issued pursuant to this section shall be reported to the Committees on Armed Services of the Senate and the House of Representatives.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new item:

"520. Criminal history information for military recruiting purposes.".

COOPERATIVE MILITARY AIRLIFT AGREEMENTS

Sec. 1115. (a) Chapter 131 of title 10, United States Code, is amended by adding at the end thereof the following new section:

"§ 2213. Cooperative military airlift agreements

"(a) Subject to the availability of appropriations, and after consultation with the Secretary of State, the Secretary of Defense may enter into a cooperative military airlift agreement with the government of any allied country for the transportation of the personnel and cargo of the military forces of such country on aircraft operated by or for the military forces of the United States in return for the reciprocal transportation of the personnel and cargo of the military forces of the United States on aircraft operated by or for the military forces of such allied country. Any such agreement shall include the following terms:

"(1) The rate of reimbursement for transportation provided shall be the same for each party which rate shall not be less than the rate charged to military forces of the United States as determined by the Secretary of Defense under section 2208(h) of this title.

"(2) Credits and liabilities accrued as a result of providing or receiving transportation shall be liquidated not less often than once every three months by direct payment to the country which has provided the greater amount of transportation.

"(3) During peacetime, the only military airlift capacity which may be used to provide transportation is that capacity which is not needed to meet the transportation requirements of the military forces of the country providing the transportation and which is not created solely to accommodate the requirements of the military forces of the country receiving the transportation.

"(4) Defense articles purchased by an allied country from the United States under the Arms Export Control Act (22 U.S.C. 2751 et seq.) or from a commercial source under the export controls of the Arms Export Control Act may not be transported (for the purpose of delivery incident to the purchase of the defense articles) to the purchasing allied country on aircraft operated by or for the military forces of the United States except at a rate of reimbursement which is equal to the full cost of transportation of the defense articles, as required by section 21(a)(3) of the Arms Export Control Act (22 U.S.C. 2761(a)(3)).

"(b) The Secretary of Defense may also enter into nonreciprocal military airlift agreements with North Atlantic Treaty Organization subsidiary bodies in the manner provided in subsection (a) and under such terms as the Secretary of Defense considers appropriate.

"(c) Any amount received by the United States as a result of an agreement entered into under this section shall be credited to applicable appropriations, accounts, and funds of the Department of Defense.

"(d) Notwithstanding chapter 138 of this title, military airlift agreements may be entered into only under the authority of this section.

"(e) In this section—

"(1) 'Allied country' means—

"(A) a country which is a member of the North Atlantic Treaty Organization (NATO);

"(B) Australia and New Zealand; and

"(C) any other country designated as an allied country by the Secretary of Defense with the concurrence of the Secretary of State.

"(2) 'North Atlantic Treaty Organization subsidiary bodies' has the meaning given such term by section 2331 of this title.".

(b) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new item:

"2213. Cooperative military airlift agreements.".

PROHIBITION REGARDING CONTRACTS FOR THE PERFORMANCE OF FIREFIGHTING AND SECURITY FUNCTIONS

Sec. 1116. None of the funds appropriated pursuant to an authorization contained in this Act or any other Act enacted after the date of enactment of this Act may be obligated or expended to enter into any contract for the performance of firefighting functions or security functions at any military installation or facility, except "when such funds are for the express purpose of providing for the renewal of contracts in effect on the date of enactment of this Act.

DEFENSE DEPENDENTS' EDUCATION SYSTEM

Sec. 1117. (a)(1)(A) Sections 202(e), 208, 302, 401(f), 419(a)(2), and 503(a)(2) of the Department of Education Organization Act (20 U.S.C. 3412(e), 3418, 3442, 3461(f), 3479(a)(2), and 3503(a)(2)) are repealed.

(B) The items relating to sections 208 and 302 in the table of contents of such Act are repealed.

(2) The second sentence of section 414(b) of such Act (20 U.S.C. 3474(b)) is amended by striking out "302,".

(b)(1) Section 1402 of the Defense Dependents' Education Act of 1978 (20 U.S.C. 921) is amended by adding at the end thereof the following new subsection:

"(c)(1) In carrying out subsections (a) and (b), the Secretary of Defense may request the Secretary of Education to furnish to the Secretary of Defense information, advice, and technical support concerning educational programs and practices.

"(2) The Secretary of Education may furnish to the Secretary of Defense any information, advice, and technical support requested under paragraph (1).".

(2) The second sentence of section 1410(b) of such Act (20 U.S.C. 928(b)) is amended by striking out "The Secretary of Education, in consultation with the Secretary of Defense," and inserting in lieu thereof "The Secretary of Defense".

(3)(A) Subsection (a) of section 1411 of such Act (20 U.S.C. 929) is amended to read as follows:

"(a)(1) There is established in the Department of Defense an Advisory Council on Dependents' Education (hereinafter in this section referred to as the 'Council'). The Council shall be composed of—

"(A) the Assistant Secretary of Defense for Manpower, Reserve Affairs, and Logistics (hereinafter in this section referred to as the 'Assistant Secretary'), who shall be the chairman of the Council;

"(B) twelve individuals, appointed by the Assistant Secretary, who have demonstrated an interest in the field of primary or secondary education and who shall include representatives of professional employee organizations, school administrators, sponsors of students enrolled in the defense dependents' education system, and one student enrolled in such system; and

"(C) representatives from overseas military commands and from educational organizations as designated by the Assistant Secretary.

"(2) The Director shall be the Executive Secretary of the Council.".

(B) Subsection (b)(1) of such section is amended by striking out "Secretary of Education" and inserting in lieu thereof "Assistant Secretary."

(C) Subsection (c) of such section is amended—

(i) by striking out "four times" in the first sentence and inserting in lieu thereof "once";

(ii) by striking out clauses (2) and (4);

(iii) by redesignating clauses (3) and (5) as clauses (2) and (3), respectively; and

(iv) by striking out "Secretary of Education" in clause (3) (as redesignated by clause (iii) of this subparagraph) and inserting in lieu thereof "Assistant Secretary".

(4) Section 1412 of such Act (20 U.S.C. 930) is repealed.

(c) Section 5316 of title 5, United States Code, is amended by striking out "Administrator of Education for Overseas Dependents, Department of Education.".

Amend the title so as to read: "A bill to authorize appropriations for fiscal year 1983 for the Armed Forces for procurement, for research, development, test, and evaluation, and for operation and maintenance, to prescribe personnel strengths for such fiscal year for the Armed Forces and for civilian employees of the Department of Defense, to authorize supplemental appropriations for fiscal year 1982, to provide additional authorizations for fiscal year 1982, and for other purposes.".

MILITARY PERSONNEL CLAIMS RESULTING FROM IRANIAN CRISIS

Sec. 1118. Section 9 of the Military Personnel and Civilian Employees' Claims Act of 1964 (31 U.S.C. 243a) is amended—

(1) by inserting a comma and "subject to subsection (f)," after "shall" in the second sentence of subsection (i); and

(2) by adding at the end thereof the following new subsection:

"(f)(1) In the case of any claim against the United States made under subsection (a) by any individual for damage to, or loss of, personal property in a foreign country after December 30, 1978, and before January 22, 1981, that was incident to the service of such individual as a member of the uniformed services, the Secretary concerned may settle and pay an amount determined under paragraph (2).

"(2)(A) For the purposes of paragraph (1), the Secretary may, subject to subparagraph (B), pay not more than $55,000.

"(B) In the case of lost personal property that any individual described in paragraph (1)—

"(i) appropriately and reasonably owned and possessed in the foreign country considering his official representational duties and responsibilities; and

"(ii) reasonably did not remove from the place where it was lost or did not have an opportunity to remove from such place,

as determined by the head of the agency concerned, such head of the agency may pay to the individual an amount equal to the excess (if any) of the documented full replacement cost of such lost personal property over the total amount of compensation payments available to the individual from all other sources with respect to such lost property.".

SOCIAL SECURITY

Sec. 1119. The Social Security System is vital to the well-being of the Nation's elderly and disabled citizens and currently provides benefits to more than thirty-six million Americans; and

According to the Congressional Budget Office, the Social Security Board of Trustees, and the Social Security Actuaries, the old-age and survivors insurance program will be unable to pay full benefits beyond June of 1983 and the entire system faces the possibility of insolvency by 1984; the financial problems of the system only become more grave in the decades ahead; and

In light of the serious short-term and long-term financing problems, the President on December 16, 1981, established the National Commission on Social Security Reform for the purpose of making recommendations to ensure the fiscal soundness of the Social Security System; and

The National Commission on Social Security Reform is charged with issuing its recommendations this year; and

The Senate on December 15, 1981, passed legislation authorizing inter-fund transfers among the three Social Security Trust Funds to provide that Social Security faces no funding shortage before the Commission's report is issued and before the Congress can fully consider its recommendations; and

As a Presidentially appointed commission, it operates under an Executive Order and is independent of Congress: Therefore be it declared

That, the full Social Security cost-of-living adjustment of 7.4 percent be paid in full on July 1, 1982, as scheduled; and be it further declared

That, the Senate hereby renews its commitment to maintaining and assuring that the Social Security System shall be preserved and strengthened so that benefits will be paid in a timely manner; and be it further declared

That, any corrective action to be taken shall not include any more than is absolutely necessary to preserve the financial integrity of the Social Security System; and be it further declared

That, Congress will await the recommendation of the National Commission on Social Security Reform prior to ultimately deciding any binding, statutory amounts, changes or corrective actions to be taken.

SENSE OF THE CONGRESS RECOMMENDING A SUMMIT MEETING ON REDUCING THE RISK OF THE OCCURRENCE OF NUCLEAR WAR

Sec. 1120. (a) The Congress finds that—

(1) a general nuclear war could cause the death or mutilation of hundreds of millions of people;

(2) the damage that a general nuclear war would cause to the environment would be of unknown, unimaginable, and unprecedented kinds and degree;

(3) many survivors of a general nuclear war would, after suffering extraordinary agony, die of radiation poisoning, disease, overexposure to the elements, starvation, or similar causes;

(4) the probability of the occurrence of a general nuclear war would increase vastly and, perhaps, uncontrollably if any government initiates major hostilities or the use of nuclear weapons, regardless of the circumstances;

(5) the recent development of nuclear weapons that are capable of destroying the nuclear weapons of rival nations increases the likelihood of a preemptive nuclear strike;

(6) the governments of many nations already have nuclear weapons, and the governments of many more nations may soon develop or otherwise be able to acquire nuclear weapons;

(7) even a local or regional armed conflict or terrorist incident could escalate into a conflict involving the superpowers and leading to general nuclear war; and

(8) launched missiles carrying nuclear weapons, including those launched in error or by accident, cannot be recalled from proceeding to and devastating preassigned targets.

(b) It is the sense of the Congress that the President of the United States should be commended for his expressed desire to meet with the President of the Union of Soviet Socialist Republics in June 1982.

(c) It is the further sense of the Congress that this meeting should be an essential step in a patient and persistent effort to achieve significant, balanced and verifiable reductions in the strategic arsenals of the United States and the Union of Soviet Socialist Republics and, thereby, reduce the dangers of nuclear war. Such effort should feature, after appropriate preparation and with the goal of achieving concrete results, a summit meeting between the leaders of the two nations. Such meetings should be pursued so as to achieve a more constructive framework for Soviet-American relations.

(d) It is the further sense of the Congress that the President of the Union of Soviet Socialist Republics should, at the earliest possible date, respond favorably to the invitation extended to him by the President of the United States to meet in June 1982, and any subsequent invitation to attend a summit meeting.

ELIGIBILITY FOR ASSISTANCE UNDER TITLE IV OF THE HIGHER EDUCATION ACT OF 1965

Sec. 1121. (a) Section 12 of the Military Selective Service Act (50 U.S.C. App. 462) is amended by adding at the end thereof the following new subsection:

"(f)(1) Notwithstanding any other provision of law, any person who is required under section 3 to present himself for and submit to registration under such section and fails to do so in accordance with any proclamation issued under such section, or in accordance with any rule or regulation issued under such section, shall be ineligible for any form of assistance or benefit provided under title IV of the Higher Education Act of 1965.

"(2) Each person who—

"(A) is applying for any form of assistance or benefit described in paragraph (1); and

"(B) is required to present himself for and submit to registration under section 3,

shall certify to the satisfaction of the Secretary of Education that he has presented himself for and submitted to such registration.

"(3) The Secretary of Education shall verify with the Director each certification under paragraph (2).

"(4) In the case of any person whose certification under paragraph (2) is not verified by the Director, the Secretary of Education shall notify such person that he has failed to establish to the satisfaction of the Secretary of Education that he has complied with the registration requirement under section 3.

"(5) Any person who receives a notification pursuant to paragraph (4) shall have thirty days following notification to provide the Secretary of Education materials establishing that he has complied with the registration requirement under section 3. If the Secretary of Education finds that the materials provided establish compliance, he shall take no further action under this subsection. If the Secretary of Education finds that the materials provided do not establish compliance, the Secretary of Education shall determine that the person is ineligible for any form of assistance or benefit described in paragraph (1) and shall take such actions as may be necessary to deny the person such assistance and benefits. The Secretary of Education may, in his discretion, afford such person an opportunity for a hearing to establish his compliance or for any other purpose.".

(b) The amendment made by subsection (a) of this section shall take effect on October 1, 1982.

DEPARTMENT OF DEFENSE OFFICE OF INSPECTOR GENERAL

Sec. 1122. (a) The Inspector General Act of 1978 (PL 95-452) is amended—

(1) by inserting "the Department of Defense," after "Commerce," in section 2(1);

(2) by redesignating subparagraphs (C) through (M) of section 9(a)(1) as subparagraphs (D) through (N), respectively;

(3) by inserting after subparagraph (B) of such section the following new subparagraph:

"(C) of the Department of Defense, the office of that department referred to as the 'Defense Audit Service', and the portion of the office of that department referred to as the 'Defense Investigative Service' which has responsibility for the investigation of alleged criminal violations and that portion of the Defense Contract Audit Agency responsible for post award audit work with this transfer consisting of no less than 1400 positions.

(4) by inserting "Defense," after "Commerce," in 11(1); and

(5) by inserting "Defense," after "Commerce," in section 11(2).

(b) Section 8 of the Inspector General Act of 1978 is amended to read as follows:

"ADDITIONAL PROVISIONS WITH RESPECT TO THE INSPECTOR GENERAL OF THE DEPARTMENT OF DEFENSE

"Sec. 8. (a) No member of the Armed Forces, active or reserve, shall be appointed Inspector General of the Department of Defense.

"(b)(1) The last two sentences of section 3(a) do not apply to the Inspector General of the Department of Defense.

"(2) The Inspector General of the Department of Defense shall be under the authority, direction, and control of the Secretary of Defense.

"(c) In addition to the other duties and responsibilities specified in this Act, the Inspector General of the Department of Defense shall—

"(A) be the principal adviser to the Secretary of Defense for matters relating to the prevention and detection of fraud, waste and abuse in the programs and operations of the Department;

"(B) initiate, conduct and supervise, through the Defense Audit Service and the Defense Criminal Investigative Service such audits and investigations in the Department of Defense (including the military departments) that the Inspector General deems appropriate;

"(C) provide policy direction for audits and investigations that the Inspector General may initiate, conduct and supervise regarding waste, fraud, and abuse and program effectiveness.

"(D) investigate fraud and abuse uncovered as a result of other contract and internal audits, as the Inspector General deems appropriate;

"(E) develop policy, monitor and evaluate program performance, and provide guidance with respect to all Department activities relating to criminal investigation programs;

"(F) monitor and evaluate the adherence of Department auditors to internal audit, contract audit, and internal review principles, policies, and procedures;

"(G) develop policy, evaluate program performance, and monitor actions taken by all components of the Department in response to contract audits, internal audits, internal review reports, and audits conducted by the Comptroller General of the United States;

"(H) request occasional assistance as needed from other audit, inspection, and investigative units of the Department of Defense (including military departments); and

"(I) give particular regard to the activities of the internal audit, inspection, and investigative units of the military departments with a view toward avoiding duplication and insuring effective coordination and cooperation.

"(d) Notwithstanding section 4(d), the Inspector General of the Department of Defense shall expeditiously report suspected or alleged violations of chapter 47 of title 10, United States Code (Uniform Code of Military Justice), to the Secretary of the military department concerned or the Secretary of Defense.

"(e) The Inspector General of the Department of Defense is authorized to establish such rules and instructions as may be necessary to carry out the provisions of this Act.

"(f) In carrying out section 6(a)(2), the Inspector General of the Department of Defense is authorized to make such investigations and reports relating to the administration of the programs and operations of the Department as are, in the judgment of the Inspector General or the Secretary of Defense, necessary or desirable.

"(g)(1) In carrying out section (7)(a), the Inspector General of the Department of Defense may receive and investigate complaints or information from an employee of the Department or a member of the Armed Forces.

"(2) The Inspector General of the Department of Defense shall not, after receipt of a complaint of information from an employee of the Department or a member of the Armed Forces, disclose the identity of or information that could be attributed to that employee or member without the consent of that employee or member, unless the Inspector General determines such disclosure is unavoidable during the course of the investigation.

"(3) Section 7(c) shall apply to employees of the Department of Defense and members of the Armed Forces who have authority to take, direct others to take, recommend, or approve any personnel action with respect to employees of the Department of Defense or members of the Armed Forces.

"(h)(1) Each semiannual report prepared by the Inspector General of the Department of Defense under section 5(a) shall include a listing of each contract audit conducted by the Department during the reporting period. Each such report shall be transmitted by the Secretary of Defense to the appropriate committees or subcommittees of the Congress and to the Committee on Governmental Affairs of the Senate and the Committee on Government Operations of the House of Representatives.

"(2) Any report required to be transmitted by the Secretary of Defense to the appropriate committees or subcommittees of the Congress under section 5(d) shall also be transmitted, within the seven-day period specified in such section, to the Committee on Governmental Affairs of the Senate and the Committee on Government Operations of the House of Representatives.

"(3)(A) Any report prepared by the Inspector General of the Department of Defense under section 5 shall not include information which is

"(i) specifically prohibited from disclosure by any other provision of law;

"(ii) specifically required by Executive order to be protected from disclosure in the interest of national defense, national security, or in the conduct of foreign affairs; or

"(iii) a part of an ongoing criminal investigation.

"(B) Notwithstanding subparagraph (A)(iii), any report prepared by the Inspector General of the Department of Defense under section 5 may include information with respect to a part of an ongoing criminal investigation if such information has been included in a public record.

"(i)(1) If the Secretary of Defense determines that it is appropriate for purposes of preserving the national security interests of the United States to prohibit the Inspector General of the Department of Defense from initiating, carrying out, or completing any audit or investigation, or from issuing any subpoenas, after the Inspector General has decided to initiate, carry out, or complete such audit or investigation, or issue such subpoenas, the Inspector General shall submit a statement concerning the prohibition within thirty days to the appropriate committees or subcommittees of the Congress and to the Committee on Governmental Affairs of the Senate and the Committee on Government Operations of the House of Representatives. Any such statement shall include the views of the Inspector General concerning the prohibition.

"(2) The Secretary shall, within thirty days after making such determination in paragraph (1), transmit a statement of the reasons therefore to the appropriate committees or subcommittees of the Congress and to the Committee on Governmental Affairs of the Senate and the Committee on Government Operations of the House of Representatives.

"(3) Notwithstanding paragraphs (1) and (2), if the portions of the statement required by such paragraphs would necessarily reveal intelligence or counterintelligence activities, sensitive operations plans, ongoing criminal investigations of the Department of Defense, or other information the disclosure of which may constitute a serious threat to the national security, the Secretary is only required to transmit such portions of such statements to the Majority and Minority Leaders of the Senate and the House of Representatives and the Speaker.

"(j) The provisions of section 1385 of title 18, United States Code, shall not apply to audits and investigations conducted by, under the direction of, or at the request of the Inspector General of the Department of Defense to carry out the purposes of this Act."

ACTIVE DUTY FOR TRAINING OF PERSONS ENLISTING IN A RESERVE COMPONENT OF THE ARMED FORCES

SEC. 1123. (a) Section 511(d) of title 10, United States Code, is amended by striking out the second sentence and inserting in lieu thereof "Each person enlisted under this subsection shall perform active duty for training for twelve weeks or for such other period as the Secretary concerned determines to be necessary to complete the basic military training prescribed by such Secretary. The period of active duty for training shall commence within two hundred seventy days after the date of the enlistment, if practicable.".

(b) The amendment made by this section shall be effective with respect to persons enlisting on or after the date ninety days after the date of enactment of this section.

OPEN ENROLLMENT PERIOD FOR SURVIVOR BENEFIT PLAN

SEC. 1124. (A)(1) A person who, before December 1, 1980, performed the number of years of service required by clauses (2) and (3) of section 1331(A) of title 10, United States Code, for entitlement to retired pay under chapter 67 of such title and who is not at least sixty years of age on the date of enactment of this Act may elect to participate in the Survivor Benefit Plan and may designate an effective date under section 1448 (e) of such title during the open enrollment period specified in subsection (b).

(2) A person who—

(A) became entitled to retired pay under chapter 67 of such title before the date of enactment of this Act;

(B) is a participant in the Plan; and

(C)(i) elected not to participate in the Plan at the maximum level; or

(ii) in the case of an eligible person who is married, elected to provide an annuity under the Plan for a dependent child and not for the person's spouse.

may, during the open enrollment period specified in subsection (b), elect to participate in the Plan at a higher level or to provide an annuity under the Plan for such spouse at a level not less than the level provided for the dependent child.

(3) Any election under this subsection shall be made in the same manner as an election under section 1448 of such title and shall be effective when received by the Secretary concerned. Notwithstanding the last sentence of section 1452 (a) of such title, the reduction in retired pay prescribed by the first sentence of such section shall, in the case of a person making an election under paragraph (1), begin on the first day of the first month beginning after such election is effective.

(b) The open enrollment period is a period of twelve months beginning on the first day of the month that begins 30 days after the effective date of this Act.

(c) If any person making an election under subsection (a) dies before the end of the two-year period beginning on the date of the election, the election is void and the amount of any reduction in the retired pay of such person that is attributable to the election shall be paid in a lump sum to the person's beneficiary under the Plan (as designated under such election).

(d) Sections 1449, 1453, and 1454 of title 10, United States Code, are applicable to individuals making elections and to elections under this section.

(e) For the purpose of this section—

(1) the term "Survivor Benefit Plan" or "Plan" means the program established under subchapter II of chapter 73 of title 10, United States Code; and

(2) the term "Secretary concerned" has the meaning given such term in section 101(5) of title 37, United States Code.

AUTHORIZATION TO REPAY LOANS OF CERTAIN COMMISSIONED OFFICERS IN THE SELECTED RESERVE

SEC. 1125. Section 902 of the Department of Defense Authorization Act, 1981 (10 U.S.C. 2141 note), is amended—

(1) by inserting "or commissioned officer serving in pay grade O-1 or O-2 who previously served as an enlisted member in" after "as an enlisted member of" in subsection (a)(2)(A); and

(2) by inserting "or are appointed" in subsection (g) after "enlist or reenlist" the first place it appears.

NATO COUNTRIES POOL THEIR RESOURCES FOR THEIR COMMON DEFENSE

SEC. 1126. (a) The Congress finds that—

(1) the United States remains firmly committed to cooperating closely with its North Atlantic Treaty Organization (hereafter in this section referred to as "NATO") allies in protecting liberty and maintaining world peace;

(2) the financial burden of providing for the defense of NATO Europe and for the protection of the interests of NATO member States in areas outside NATO's geographic boundaries has reached such proportions that new cooperative approaches among the United States and its NATO allies are required to achieve and maintain an adequate collective defense at acceptable costs;

(3) although the NATO member countries collectively possess more than half again as many people as and more than twice the gross national product of the Warsaw Pact countries, the loosely organized defense efforts of the fourteen armed nations of the North Atlantic Alliance produce a collection of national military forces that is qualitatively uneven, quantitatively inferior, and has only a limited ability to rearm, repair, reinforce, support, supply, or even communicate with one another;

(4) the need for a credible conventional deterrent in Western Europe has long been recognized in theory but has never been fully addressed in practice, largely because of the existence for many years of United States nuclear superiority in Europe;

(5) United States nuclear superiority in Europe has now been lost, leaving European, Canadian, and American forces in Western Europe more vulnerable to the threat of attack by the overwhelmingly superior conventional forces of the Warsaw Pact countries;

(6) a more equitable sharing by member countries of the North Atlantic Treaty Organization of both the burdens and the technological and economic benefits of the common defense would do much to reinvigorate NATO with a restored sense of unity and common purpose;

(7) NATO's duplicative defense-industrial system and inadequate collective conventional deterrent do not provide the Soviet Union with incentives to agree to meaningful and mutual arms reductions; and

(8) a decision to pool the enormous technological, industrial, and economic resources of NATO member countries will not only lead to lower than otherwise necessary defense costs, but will provide a powerful inducement for the Soviet Union to enter into a meaningful arms reduction agreement so that both Warsaw Pact countries and NATO member countries can devote more of their energies and resources to peaceful and economically more beneficial pursuits.

(b) It is the sense of the Congress that—

(1) the President should propose at the summit meeting of the heads of government of the member countries of NATO, scheduled to take place in June 1982 in Bonn, Federal Republic of Germany, that the NATO allies of the United States join the United States in agreeing to—

(A) more effectively pool their defense efforts and resources to create, at acceptable costs, a credible, collective conventional force for the defense of the North Atlantic Treaty area;

(B) establish a cooperative defense-industrial effort within Western Europe and between Western Europe and North America that would ultimately reduce the otherwise necessary defense costs of the United States and other NATO countries, by providing a larger production base while eliminating unnecessary duplication of defense-industrial efforts;

(C) share, more equitably and efficiently, the financial burdens, as well as the economic benefits, including jobs, technology, and trade, of NATO defense; and

(D) begin negotiations promptly to establish the strategies, structures, policies, and programs to give full effect to the agreements described in clauses (A) through (C); and

(2) to assure the NATO allies of the United States that the policy described in paragraph (1) has the full support of the American people, the President should work with the Congress in developing the implementing strategies, structures, policies, and programs, and should present such agreements with the European members of the Alliance acting on a united and collective basis, and with Canada, to the Congress for approval.

RECOGNITION OF NATIONAL GUARD AND RESERVE FORCES OF THE UNITED STATES ARMED FORCES

SEC. 1127. Since the National Guard and Reserve Forces of the United States are an integral part of our total force policy for national defense and need to be ready to respond, on short notice, to augment our Active Forces in national emergencies;

Since attracting and retaining sufficient numbers of people to serve in the Guard and Reserve in a no-draft environment is a difficult challenge; and

Since the support of employers and first-line supervisors to grant reservist-employees time off for military training without detriment to earned vacation, promotions, and job benefits is essential for securing a strong Guard and Reserve Force: Now, therefore, be it

Declared, that it is the sense of the Congress that the citizen-military volunteers who serve our Nation as members of the National Guard and Reserve require and deserve public recognition of the role they play in our national security, and particularly the support and cooperation of their civilian employers, in order to be fully ready to respond to national emergencies.

Declared further, that the Congress urges all citizens, including employers and first-line supervisors of employees who are members of the National Guard or Reserves of the United States, to recognize the vital need for a trained, ready National Guard and Armed Forces Reserve in our national defense and to abide by the Veteran's Reemployment Rights Act by granting time off for military training exclusive of earned vacation and also grant them equal consideration for job benefits and promotions as all other employees.

REPORT ON MANEUVER WARFARE CONCEPTS

SEC. 1128. (a) Not later than January 1, 1983, (1) the Secretary of the Army shall submit a written report to the Committees on Armed Services of the Senate and House of Representatives on the extent to which maneuver warfare concepts are being or have been incorporated into the policies and training of the Army, and (2) the Secretary of the Navy shall submit a written report to such Committees on the extent to which such concepts are being or have been incorporated into the policies and training of the Marine Corps. Each such report shall explain the manner in which such concepts have been or are being incorporated into the policies and training of the military service concerned and indicate the extent to which field manuals and other doctrinal, operational, and training publications reflect such concepts.

(b) As used in subsection (a), the term "maneuver warfare concept" means perceiving or envisioning an armed conflict as time-competitive observation-orientation-decision-action cycles in which the object is to destroy the enemy's cohesion by maintaining a consistently faster cycle.

ADJUSTMENTS IN AUTHORIZATIONS FOR PROCUREMENT OF AIRCRAFT

SEC. 1129. (a) None of the funds authorized to be appropriated under this Act or appropriated in prior fiscal years may be obligated or expended after the date of enactment of this Act for the reestablishment of production facilities for manufacturing additional C-5 aircraft or for the procurement of any additional C-5 aircraft.

(b) Notwithstanding section 101 of this Act, funds are hereby authorized to be appropriated for fiscal year 1983 for Air Force procurement for aircraft in the amount of $17,333,800,000 of which $186,100,000 is authorized for the contribution of the United States in fiscal year 1983 for the cost of the acquisition by the North Atlantic Treaty Organization (NATO) of the Airborne Early Warning and Control System (AWACS); and of which $350,000,000 is authorized for the procurement of the most cost-effective commercial wide-body cargo aircraft. In procuring commercial wide-body cargo aircraft, priority shall be given to procurement, through competitive bidding, of the most cost-effective commercial wide-body which are available as surplus. The commercial wide-body aircraft procured under the preceding sentence shall be (1) suitable for conversion to military cargo configurations, and (2) owned by domestic companies on or before May 13, 1982.

(c) Notwithstanding section 901 of this Act, in addition to funds authorized to be appropriated in the Department of Defense Authorization Act, 1982 (Public Law 97–86; 95 Stat. 1099), there are hereby authorized to be appropriated to the Air Force for fiscal year 1982 for procurement for aircraft an amount not to exceed the sum of $120,000,000.

(d) Notwithstanding any other provisions of law, the $120,900,000 amount which is authorized and appropriated by law for the Civil Reserve Air Fleet enhancement program is hereby authorized for procurement, through competitive bidding, of the most cost-effective commercial wide-body aircraft which are available as surplus. The aircraft procured with funds under the preceding sentence shall be (1) suitable for conversion to military cargo configurations, and (2) owned by domestic companies on or before May 13, 1982.

SPACE LASER PROGRAM

SEC. 1130. The Secretary of Defense shall expend such funds as are authorized and appropriated for an on-orbit laser weapons system to produce such system as quickly as technology will allow, and to that end he shall:

(1) provide that a program for accomplishing that goal be managed in a streamlined and efficient manner;

(2) restructure the Defense Advanced Research Project Agency (DARPA) Triad technology programs so that system integration concepts and designs are pursued vigorously and concurrently with technology development;

(3) direct the Department of the Air Force to conduct an aggressive analytical effort to ensure that the capability is maintained to integrate DARPA's Triad technology into a future on-orbit system demonstration within a decade;

(4) ensure that sufficient funds are requested from the Congress to permit an aggressive, balanced research and technology effort to be pursued consistent with the foregoing provisions; and

(5) provide the Congress by December 1, 1982, with a report describing the programmatic and management actions that must be taken to achieve the goals set forth in this section and the steps taken to date.

REPORT ON THE TEACHING OF MILITARY HISTORY IN MILITARY SERVICE SCHOOLS

SEC. 1131. The Secretary of each military department shall conduct a survey of each school and training program under his jurisdiction with a view to determining the extent to which, if at all, military history is taught in such school and training program. The Secretary of each military department shall submit the results of the survey conducted by him to the Committees on Armed Services of the Senate and the House of Representatives not later than January 1, 1983.

TO RELIEVE ECONOMIC DISLOCATIONS

SEC. 1132. (a) The Secretary of Defense should conduct a test program during fiscal year 1983 in accordance with this subsection to test the effect of exempting certain contracts of the Department of Defense from the provisions of section 2392 of title 10, United States Code, and paying a price differential under such contracts for the purpose of relieving economic dislocations. Under such test program, the Secretary of Defense may exempt from the provisions of such section any contract (other than a contract for the purchase of fuel) made by the Defense Logistics Agency during fiscal year 1983 if the contract is to be awarded to an individual or a firm located in a Labor Surplus Area, as defined and identified by the Department of Labor, and if the Secretary determines—

(1) that the awarding of such contract will not adversely affect the national security of the United States;

(2) that there is a reasonable expectation that bids will be received from a sufficient number of responsible bidders so that the award of such contract will be made at reasonable cost to the United States;

(3) that the price differential to be paid under such contract will not exceed 1½ percent; and

(4) the value of such contract, when added to the cumulative value of all other contracts awarded under the test program, will not exceed $3,000,000,000.

(b) Not later than April 15, 1983, the President shall submit a report to Congress on the implementation and results to that date of the test program authorized by subsection (a). The report shall include an assessment of the costs and benefits of the test program.

RESTRICTION ON CONSTRUCTION OF NAVAL VESSELS IN FOREIGN SHIPYARDS

SEC. 1133. (a) Chapter 633 of title 10, United States Code, is amended by adding at the end thereof the following new section:

"§ 7309. Restriction on construction of naval vessels in foreign shipyards

"(a) Except as provided in subsection (b), no naval vessel, and no major component of the hull or superstructure of a naval vessel, may be constructed in a foreign shipyard.

"(b) The President may authorize exceptions to the prohibition in subsection (a) when he determines that it is in the national security interest of the United States to do so. The President shall transmit notice to Congress of any such determination, and no contract may be made pursuant to the exception authorized until the end of the thirty-day period beginning on the date the notice of such determination is received by Congress.".

(b) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new item:

"7309. Restriction on construction of naval vessels in foreign shipyards.".

VERIFICATION UNDER CONVENTION ON BACTERIOLOGICAL AND TOXIN WEAPONS; USE OF SUCH WEAPONS

SEC. 1134. (a) The Congress recognizes that—

(1) the United States and the Union of Soviet Socialist Republics are parties to the Convention on the Prohibition of the Development, Production, and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on Their Destruction, done at Washington, London, and Moscow on April 12, 1972 (hereafter in this section referred to as the "Convention");

(2) Article I of the Convention prohibits each party to the Convention from developing, producing, stockpiling, or otherwise securing or retaining certain Microbial or other biological agents or toxins or certain weapons, equipment, or other means of delivering such agents or toxins;

(3) the Convention does not contain provisions establishing procedures for inspection or verification of suspected violations of the terms of the Convention; and

(4) under Article XI of the Convention any state party may propose an amendment to the Convention, and any such amendment shall enter into force after a majority of the state parties to the Convention has accepted such amendment.

(b) It is the sense of the Congress that the President should—

(1) at the earliest practicable time, propose, on behalf of the United States, an amendment to the Convention to establish comprehensive procedures for investigating and verifying suspected violations of the terms of the Convention and to establish standards for distinguishing between research on biological weapons and toxins for defensive and peaceful purposes, permitted by the Convention, and research on such weapons and toxins for hostile purposes, prohibited by the Convention; and

(2) undertake such diplomatic and international initiatives as necessary to condemn strongly the use of toxins, mycotoxins, or other biological weapons, directly or indirectly by the Union of Soviet Socialist Republics or its allies in Laos, Kampuchea, Afghanistan, or in any other country.

BINARY CHEMICAL WEAPONS

SEC. 1135. Notwithstanding any other provision of law, no funds may be obligated or expended after the date of enactment of this Act for production of binary chemical weapons unless the President certifies to the Congress that—

(1) it is the policy of the United States not to engage in live chemical or bacteriological agent testing on human beings and that the President rejects the findings of the Ad Hoc Air Force Advisory Board that such testing is critical;

(2) for each 155-millimeter binary artillery shell produced a serviceable unitary artillery shell from the existing arsenal shall be rendered permanently useless for military purposes; and in no case, shall a number of new weapons be produced which exceeds the requirement of United States forces; and

(3) an exception may be made to this prohibition of lethal chemical munitions only if certification is received from a NATO member or members which agree to accept such weapons.

VISTA 1999 TASK FORCE

SEC. 1136. (a) The Secretary of Defense shall conduct a full and complete study and evaluation of the recent report and recommendations by the Chairman of the Vista 1999 task force entitled, "Vista 1999, A long-range look at the future of the Army and Air National Guard." Such study and evaluation shall include but not be limited to the following:

(1) A detailed evaluation of the study's findings, conclusions, and recommendations;

(2) The views of the Chief of the National Guard Bureau on the "Vista 1999" study;

(3) Any plans and recommendations for implementation of the contents of the "Vista 1999" study.

(b) This report shall be provided to the Committees on Armed Services of the House of Representatives and Senate no later than February 1, 1983.

CONTROL OF THE USE OF NUCLEAR WEAPONS

SEC. 1137. (a) The Secretary of Defense shall conduct a full and complete study and evaluation of initiatives for improving the containment and control of the use of nuclear weapons, particularly in crises. Such study and evaluation shall include but not be limited to the following initiatives:

(1) establishment of a multi-national military crisis control center for monitoring and

containing nuclear weapons used by third parties or terrorist groups;

(2) development of a forum for joint United States/Union of Soviet Socialist Republics sharing of information on nuclear weapons that could be used by third parties or terrorist groups; and

(3) development of United States/Union of Soviet Socialist Republics confidence-building measures for crisis stability and arms control to include:

(A) an improved United States/Union of Soviet Socialist Republics communications hotline for crisis control;

(B) enhanced verification procedures for any arms control agreements;

(C) measures to reduce vulnerability of command, control and communications on both sides; and

(D) measures to lengthen the warning time each nation would have of potential nuclear attack.

(b) This report shall be provided to the Committees on Armed Sercices and Foreign Relations of the House and Senate by August 1, 1982, and should be available in both a classified, if necessary, and unclassified format.

(c) The President shall report to the Committees on Armed Services and Foreign Relations one month later on September 1, 1982 on the merits of such initiatives developed in section (a) to the arms control process and on the status of any such initiative as they may relate to any arms control negotiation with the Soviet Union.

ANALYSIS OF REPORTS ON UNIT COSTS OF MAJOR DEFENSE SYSTEMS

SEC. 1138. (a) At the same time that the Secretary concerned transmits to the Congress any report under section 1103(b)(3) of this Act or any certification under section 1103(c)(2)(b) of this Act, the Secretary concerned shall transmit a copy of such report or certification to the Comptroller General of the United States (hereafter in this section referred to as the "Comptroller General").

(b)(1) Not later than forty-five days after the date on which the Secretary concerned transmits under subsection (a) a copy of any report or certification referred to in such subsection, the Comptroller General shall review and analyze such report or certification and transmit to the Committees on Armed Services of the Senate and the House of Representatives a written report on such review and analysis. Where applicable, the report by the Comptroller General shall include his opinion on—

(A) the accuracy of the cost estimates that—

(i) relate to the major defense system that is the subject of this report or certification reviewed and analyzed in the Comptroller General's report; and

(ii) were included in the selected acquisition report submitted to the Congress pursuant to section 811 of the Department of Defense Appropriation Authorization Act, 1976 (10 U.S.C. 139 note), which first included information on such major defense system or which covers the first quarter of the fiscal year immediately preceeding the fiscal year containing the quarter for which such unit cost report or certification is submitted by the Secretary concerned, whichever selected acquisition report is later.

(B) the accuracy and reasonableness of the total program acquisition unit cost estimates or the procurement unit cost estimates included or referred to in the report or certification reviewed and analyzed in the report of the Comptroller General:

(C) the completeness of the reasons submitted by the Secretary concerned for the growth in the total program acquisition unit cost or the procurement unit cost of the subject major defense system;

(D) the adequacy of the actions taken and proposed to be taken by the Secretary concerned to control future cost growth of such system;

(E) the adequacy of the organization in the Department of Defense and military department to manage and control the total program acquisition unit cost and the procurement unit cost of such major defense system;

(F) the likelihood that any future increases in the total program acquisition unit cost or the procurement unit cost of such major defense system will not exceed the percentage at which notifications to the Congress are required under section 1103 of this Act; and

(G) whether there are no alternatives to such system which will provide equal or greater military capability at less cost.

(2) Every report on review and analysis conducted by the Comptroller General under this section shall include:

(A) his opinion and recommendations on any further steps which he determines may and should be taken to prevent future increases in unit cost for the major defense system that is the subject of such certification;

(B) his opinion on whether a violation of any statute or regulation on the expenditure of appropriated funds or on contracting procedures has occurred with respect to such major defense system.

(c) The Committees on Armed Services of the Senate and the House of Representatives shall decide whether or not to include in any report accompanying any bill or resolution authorizing funds for any major defense system with respect to which a report or certification has been transmitted under section 1103(b)(3) or section 1103(c)(2)(B) of this Act—

(1) summaries of such report or certification;

(2) summaries of the Comptroller General's review and analysis of such report or certification under subsection (b) of this section; and

(3) any additional analysis by the committees.

(d) Subsections (a) and (b) shall not apply in the case of any report or certification transmitted by the Secretary concerned with respect to an increase in the total program unit cost or procurement unit cost that is due solely to the termination or cancellation of the entire program for a major defense system.

(e) As used in this section:

(1) The term "total program acquisition unit cost" has the same meaning as provided in subsection (d)(1) of section 1103 of this Act.

(2) The term "procurement unit cost" has the same meaning as provided in subsection (d)(2) of such section.

(3) The term "Secretary concerned" has the same meaning as provided in subsection (d)(3) of such section.

REPORT ON UNIT COHESION INITIATIVES

SEC. 1139. (a) The Secretary of Defense shall submit a written report to the Committees on Armed Services of the Senate and the House of Representatives, not later than January 1, 1983, regarding unit cohesion initiatives, if any, that have been taken in each of the armed forces and any such initiatives planned for any of the Armed Forces for the next five years.

(b) As used in subsection (a), the term "unit cohesion initiatives" means, in the case of any armed force, any plan or program of such armed force to retain its members in the same regiment, company, platoon, or other military unit from the time such members enter such armed force until they are discharged, released, or retired from such armed force.

PLAQUE HONORING MEMBERS OF THE ARMED FORCES

SEC. 1140. It is the sense of Congress that the Secretary of the Army should construct and place in Arlington National Cemetery a plaque honoring the eight members of the United States Armed Forces who died on April 25, 1980, during an attempt to rescue the American hostages then being held in Iran.

BANNING CHEMICAL WARFARE

SEC. 1141. (a) It is the sense of the Congress that the President should continue to promote actively negotiations among the member countries of the Ad Hoc Working Group on Chemical Warfare of the Committee on Disarmament established by the United Nations General Assembly and meeting in Geneva, Switzerland for the purpose of drafting a treaty for the complete, effective and verifiable prohibition of the development, production and stockpiling of all chemical weapons and for their destruction.

(b) Press vigorously in every appropriate forum for a full explanation of outstanding allegations concerning Soviet and Soviet-proxy use of chemical weapons in violation of international law.

(c) Communicate to the Government of the Union of Soviet Socialist Republics the earnest desire of the Government of the United States for a comprehensive, verifiable ban on chemical weaponry and its willingness to participate in negotiations toward this end as soon as the Government of the United States can be satisfied that the Soviet Union is not in violation of existing international accords applying to the prohibition of first use of chemical weapons and the production and transfer of biological weapons and that the Soviet Union is prepared to agree to provisions needed to ensure the verifiability of an accord banning chemical warfare.

Mr. TOWER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, it will not take long. It is 5:23 in the morning, and I wish to take this opportunity to thank the distinguished chairman of the Armed Services Committee, who has been diligent in the extreme and who has handled this bill with such skill.

I admire his tenacity, his courage, his diligence, and his effectiveness. We have dealt with a great number of amendments, more than 15 by rollcall vote, on highly controversial issues in some cases, and I can honestly say that in my years in the Senate I have never seen a major bill handled more effectively and with greater dispatch, and I give my congratulations to the Senator for his work.

Mr. TOWER. Mr. President, will the Senator yield?

Mr. BAKER. Yes.

Mr. TOWER. I would be remiss if I did not express my profound appreciation to the distinguished majority leader for his prestigious and prodigious assistance and for the kind of discipline he exercised on the Senate during the course of the consideration of this bill that enabled us to finish it in an expeditious way. I cannot thank him too much, and I am grateful to him.

Mr. BAKER. I thank the Senator.

Mr. STENNIS. Mr. President, will you yield to me for just a minute before we leave? Mr. President, the Senator from Texas has done a marvelous thing—not the first time he ever did it—but the work he put in on this bill beginning last fall and then starting anew in January, on down to this minute, is just beyond imagination almost.

This has grown to be a monstrous bill, a monstrous problem too, that goes with it. The fine workmanship here on the floor of the majority leader and the chairman of these committees—and I know something about the burden they have carried, the load there is to it—we all owe them a debt.

Mr. TOWER. Mr. President, will the Senator yield to me further? It would not be possible without the great cooperation and good counsel and very constructive contributions made by the man whom I regard as my mentor, Senator STENNIS, and whom I have regarded as such ever since he was my team captain on the Southern caucus when I first came here 21 years ago, and I am grateful to him and to all of our subcommittee chairmen who have performed so splendidly and who handled major sections of this bill and did so in a very professional way.

Mr. BAKER. Mr. President, I wish to join the Senator from Texas, the chairman of the committee, in paying my respects to a man who, perhaps, has no peer in terms of admiration by the Senate as a whole. For many of us he has been not only a guiding light for us in this Chamber, but for me personally, and without his good counsel and participation in this complex bill, I am sure we would not have been able to reach final passage even at this early hour on the morning of May 14, and I wish to express my appreciation to the Senator from Mississippi (Mr. STENNIS).

Mr. STENNIS. I thank the majority leader very, very much.

Mr. BAKER. Mr. President, to the ranking members of the subcommittees, and especially to the chairmen of the subcommittees, I wish to express my gratitude, and I am sure that of every Senator for their excellent handling of this matter; to the distinguished minority leader and his staff I wish to express my continuing admiration and deep gratitude for their unfailing cooperation and concern.

Mr. President, the final word I will say is a word of apology, first, to the wives and families of Members for asking them to remain for this extended period; next, to the officers and functionaries of the Senate who have been so diligent for so long; and then to my friends, the sleepy pages, who grace both sides of the podium at this moment.

AMERICAN HOSPITAL SHIPS: A VITAL ASSET

Mr. JEPSEN. Mr. President, we have held long discussions about the ability of our airlift to rapidly deploy forces anywhere in the world. Today I want to discuss an area that can properly be termed the achilles heel of our rapid deployment planning.

Let us assume that we can move all of our units quickly to trouble spots around the world. Let us envision, for example, the dispatch of a Marine amphibious force to a beachhead assault in response to Soviet aggression in the Third World. The fact is that we do not have the capability to deliver adequate medical care to support such an operation.

On Wednesday May 5, 1982, I chaired a hearing of the Senate Armed Services Manpower and Personnel Subcommittee on the state of our military medical readiness. The testimony I received from the acting Assistant Secretary of Defense for Health Affairs and from the Surgeons General of the armed services appalled me.

At the present time we can provide adequate medical care to 1 in 10 of our servicemen who would be wounded in combat. If we focus on specific areas of medical readiness, the picture is even grimmer. Our most serious weakness is in our ability to support operations in areas where no land-based medical facilities exist. A glance at a map is all that is necessary to show that most of the world's potential hot spots fall under this geographical category.

In wartime medicine, an operating room is a critical asset. Soldiers wounded in combat must often receive some form of surgery before they can be evacuated. Hospital beds are needed for postsurgery recovery and recuperation.

Let us return to the example of the Marine amphibious force mentioned above to illustrate medical support requirements in greater detail. The support of a single Marine amphibious force in light combat requires 24 hospital ship operating rooms and 2,000 hospital ship beds. These requirements are in addition to the Marine Corps organic medical assets, such as the battalion aid station, hospital company, and so on, which are only capable of providing care for the lightly wounded who can be returned to active duty.

The facilities aboard our amphibious ships are only equivalent to the organic land-based medical assets. They can only provide substitute care for the lightly wounded until the organic facilities can be moved ashore.

The 24 hospital operating rooms and 2,000 hospital rooms are vital, if those who are seriously wounded can be treated quickly enough to save American lives. The only way to provide this capability to a Marine amphibious force is on a hospital ship, and the number of hospital ships in the U.S. Navy is zero.

What does our lack of a hospital ship mean in rapid deployment planning? Absent a hospital ship, the only way to treat seriously wounded soldiers is in a surgical hospital constructed onshore. Unfortunately, if enemy resistance is encountered in the landing, this could take as long as 30 days.

How can we contemplate sending U.S. forces into combat, when they might have to wait 30 days for proper medical support? Other countries may do this; the United States cannot.

We are finally making a slow attempt to rectify this shortfall. The Department of Defense has programed $300 million in fiscal 1983 and $256 million in fiscal 1984. We are now scheduled to have some hospital ship capability in 4 years.

I an no expert in shipbuilding. I do understand, however, that a hospital ship can be converted from an existing design. It currently takes 21 months to demothball and convert a battleship. It takes 3 years to build a nuclear attack submarine. How can it take 4 years to convert a hospital ship?

Mr. President, I suspect that that reason for the extended delivery schedule is a result of the low priority that the hospital ship program has had here in the Congress, as well as in the Department of Defense. This is simply no longer acceptable. There can be no greater priority than to insure that our young men who fall in defense of our country receive medical treatment that could insure their survival.

By spending what amounts to one-half of 1 percent of the funds programed for the 600-ship Navy, we can begin to provide the hospital ships we so desparately need. A hospital ship would repay that investment, not only in the all-important area of military medical support, but other very important areas as well.

A hospital ship is a peacetime diplomatic asset. In the developing countries, a hospital ship could provide humanitarian services that would show American goodwill in a more effective and long-lasting manner than the mere presence of U.S. warships.

Moving up and down the coasts of Africa, Asia, and South America, providing training for foreign physicians, and inoculations, examinations, and surgical services to the populace, a hospital ship could create a uniquely positive image for the United States. Providing such services would help train American medical personnel to meet challenging medical problems as well.

The Soviet Union already understands the important role a hospital ship can fill. In the last 4 years they have deployed two hospital ships and they are now sailing around the world helping to spread Soviet influence.

Mr. President, the Rapid Deployment Force has been conceived as a deterrent to Soviet aggression. Without proper medical support, however, this deterrent simply is not credible. Providing a hospital ship capability would show an unmistakable resolve to defend American interests worldwide and the humanitarian services that such ships provide in peacetime could further the general causes of world peace and international order.

IN OBSERVANCE OF NATIONAL SMALL BUSINESS WEEK

Mr. MATSUNAGA. Mr. President, as a Senator whose State's economy is made up primarily of small and independent businesses, I rise in observance of National Small Business Week, which began on May 9 and ends on May 15, 1982.

With the enactment of Senate Joint Resolution 180 authorizing President Reagan to proclaim this week as National Small Business Week, the Congress has reaffirmed its commitment to America's small business community and has once again acknowledged its immense and, heretofore, unheralded contribution to the strength and well-being of our national economy.

Indeed, Mr. President, it is seldom remembered in this modern age of giant corporations and business conglomerates that throughout American history nearly every business started as a small business and that this climate of free enterprise served our youthful Nation well in terms of both economic wealth and national character. Business men and women founded the great commercial centers of the East and expanded the frontiers of our Nation westward. They helped to build an economy that has made us strong and proud at home and the envy of nations abroad. They provided the individual inventions and the technological innovations that have determined the very nature of the modern world.

Let us consider the following facts about small business as we enter the decade of the 1980's.

First, there are about 14 million small businesses in the United States which comprise a full 97 percent of the number of businesses in existence.

Second, small business provides jobs for more than 58 percent of all the employees in the private sector. In doing so, it directly or indirectly provides the livelihood for over 100 million Americans.

Third, small business accounts for 43 percent of our gross national product (GNP) and 48 percent of our gross business product (GBP).

Fourth, small business accounts for over 50 percent of all industrial innovations in the United States each year.

Fifth, small business generates more than 90 percent of all new jobs in the private sector.

Behind these impressive statistics are other facts about small business which are not easily expressed in percentages. Small business stimulates competition in the marketplace, helps to reduce inflation, creates a steady stream of badly needed private sector jobs, and provides consumers with a wide choice of high quality goods and services at reasonable and competitive prices.

But in spite of the long and successful history of small business in America and its central role in our economy, small business men and women in this country are struggling desperately to stay in business in today's rocky economic climate.

Certainly, the many complex problems facing the small business community are not new. They were with us in the 1970's and include, among other things:

First. A tax structure which gives important advantages to big business and which fails to provide adequate incentives for capital formation and retention;

Second. Regulatory policies which stifle innovation and drain profits;

Third. A Government paperwork load which is costing small businesses over $20 million per year;

Fourth. An inability to obtain adequate amounts of credit or raise money due to shrinking venture capital markets;

Fifth. Anticompetitive practices by large corporations;

Six. High energy costs;

Seventh. High interst rates.

It should be understood that innumerable changes have occurred since the Second World War which have created this increasingly adverse environment for small business. To be sure, these changes were not planned with the intent to injure small and independent businesses. The damage occurred as the unintended peripheral consequences of broad economic and market changes along with political and governmental decisions.

Nonetheless, Mr. President, small businesses are finding it increasingly difficult to survive. Fifty-five percent of all businesses in United States fail within the first 5 years of their existence. That is a fact of business life in this country and, indeed, a sorry one. And with prime interest rates now hovering at 14, 15, 16 percent and higher, an alarming number of small firms are being forced into bankruptcy.

The truth of the matter is that the Congress, the President, and the people of this country should be alarmed at the decline of the small business sector of our economy because our efforts to control inflation, maintain high levels of employment, and stimulate productivity and economic growth depend in large measure on a healthy small business community.

The continued growth of small business in America is vital—I repeat—vital to the success of our efforts toward economic revitalization.

Mr. President, this economic reality just cannot be overemphasized. Without the significant contribution of small business to the health of our economy, we will have little chance of reaching our ambitious economic recovery goals.

Mr. President, if we, in the Congress, are intent on aiding small businesses to weather the prevailing economic storm, we must move to reduce the massive budget deficits which are projected for fiscal year 1983 and beyond, and which are keeping interest rates at extraordinarily high level. As we all know, these high interest rates are literally clobbering small business men and women in all parts of our Nation.

The fact of the matter is that because the small business community is so heavily reliant on bank-financed debt capital as its major supplier of funds, an increase in the cost of financing and a decrease in the availability of funds from banks has a more severe impact on small businesses than on larger firms. As stated in the President's recent report on the state of small business in the United States, small businesses experience the impact of high interest rates sooner and for a longer duration than larger firms.

As a consequence, small businesses all across the country are now calling high interest rates their single most important problem and certainly the most damaging to their businesses.

Certainly, the statistics on business failures over the past 2 years bear this out. Last year, there were 46 percent more business bankruptcies than in 1980—close to a national record and, without a doubt, an alarming trend. But what is even more alarming is that in the first 14 weeks of 1982, there have been 55 percent more business failures than there were during the same time period last year. If business failures continue at this rate for the balance of the year—and there is a good chance that they will—1982 business failures will exceed last year and break the record set for business failures in 1932 in the depths of the Great Depression.

It is evident, Mr. President, that high interest rates have replaced inflation, taxes, and Government regulations as the single greatest threat to the survival of small business in America and, as a consequence, to the health of our economy.

It is, therefore, essential that this Congress and this administration begin a bipartisan effort to drive down interest rates to levels which will permit small business to survive. This means that we must drastically reduce the projected $182 billion Federal deficit for fiscal 1983 and $500 billion deficit over the next 4 years, which would place the Federal Government in direct competition with the business community for borrowed funds, and set a stable and predictable monetary supply policy. The Congress should also enact legislation to place a small business representative on the Federal Reserve System's Board of Governors. With interest rates so crucial to small business growth, the small business community must have a voice in the formulation of monetary policy by the Federal Reserve Board.

I am afraid, Mr. President, that if interest rates are not brought down soon, there will be no small business community left to underpin any true economic recovery. We must act now to bring some relief to the thousands, if not millions of small businessmen who are floundering in today's economic recession.

Mr. President, in transmitting to the Congress the 1983 State of Small Business report, President Reagan stated that small business in America is "the heart and soul of the free enterprise system." He could not be more correct. Small business is clearly the backbone of our economy—it is the service provider, the innovator, the job creator, the exporter, and the competition maker. In short, small business is important, if not crucial to our national economy and to the very fabric of life in this country.

For these reasons, it is, indeed, appropriate that the American people and their leaders acknowledge the contributions of small business during this National Small Business Week. But more than that, we must use this time of recognition to rededicate ourselves to addressing the problems facing the small business community and to set a firm agenda for solving them.

Mr. President, with the health of our economy at stake, we can afford to do no less for America's small businesses.

MESSAGES FROM THE HOUSE

At 11:28 a.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House agrees to the amendment of the Senate to the bill (H.R. 5118) to provide water to the Papago Tribe of Arizona and its members, to settle Papago Indian water rights claims in portions of the Papago reservations, and for other purposes.

The message also announced that the House has passed the following joint resolutions, with amendments, in which it requests the concurrence of the Senate:

S.J. Res. 53. Joint resolution to provide for the designation of September 6, 1981, as "Working Mothers' Day"; and

S.J. Res. 160. Joint resolution to designate July 9, 1982, as "National P.O.W.-M.I.A. Recognition Day".

At 3:52 p.m., a message from the House of Representatives, delivered by Mr. Berry, announced that the House insists upon its amendment to the bill (S. 923) to amend chapter 207 of title 18, United States Code, relating to pretrial services; asks a conference with the Senate on the disagreeing votes of the two Houses thereon, and appoints Mr. Rodino, Mr. Hughes, Mr. Conyers, Mr. Kastenmeier, Mr. Glickman, Mr. McClory, Mr. Sawyer, and Mr. Fish as managers of the conference on the part of the House.

The message also announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 861. An act to amend the National Trails System Act by designating additional national scenic and historic trails, and for other purposes; and

H.R. 6256. An act to authorize appropriations for the Federal Election Commission for fiscal year 1983.

The message further announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 322. Concurrent resolution regarding membership in the United Nations General Assembly.

ENROLLED BILLS SIGNED

At 4:18 p.m., a message from the House of Representatives, delivered by Mr. Gregory, one of its reading clerks, announced that the Speaker has signed the following enrolled bills:

H.R. 6038. An act to amend section 235 of the National Housing Act;

S.J. Res. 145. A joint resolution authorizing and requesting the President to proclaim "National Orchestra Week";

S.J. Res. 170. A joint resolution to designate the week of November 7, 1982, through November 14, 1982, as "National Hospice Week."

The enrolled bills were subsequently signed by the President pro tempore (Mr. Thurmond).

HOUSE BILLS REFERRED

The following bills were read the first and second times by unanimous consent, and referred as indicated:

H.R. 861. An act to amend the National Trails System Act by designating additional national scenic and historic trails, and for other purposes; to the Committee on Energy and Natural Resources.

H.R. 6256. An act to authorize appropriations for the Federal Election Commission for fiscal year 1983; to the Committee on Rules and Administration.

HOUSE CONCURRENT RESOLUTION REFERRED

The following concurrent resolution was read and referred as indicated:

H. Con. Res. 322. Concurrent resolution regarding membership in the United Nations General Assembly; to the Committee on Foreign Relations.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-3458. A communication from the General Counsel of the Department of Defense transmitting a draft of proposed legislation to extend the expiration date of the special pay provisions for reenlistment and enlistment bonuses; to the Committee on Armed Services.

EC-3459. A communication from the Deputy Assistant Secretary of Defense for Administration transmitting, pursuant to law, information on real and personal property of the Department of Defense as of September 30, 1981; to the Committee on Armed Services.

EC-3460. A communication from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "Examination of Financial Statements of the Federal Home Loan Bank Board and Related Agencies for the year ended December 31, 1981"; to the Committee on Banking, Housing, and Urban Affairs.

EC-3461. A communication from the Secretary of Transportation transmitting, pursuant to law, a report on minimum levels of financial responsibility for motor carriers; to the Committee on Commerce, Science, and Transportation.

EC-3462. A communication from the Secretary of Transportation transmitting, pursuant to law, a report on collision avoidance systems for air traffic; to the Committee on Commerce, Science, and Transportation.

EC-3463. A communication from the Secretary of the Interior transmitting the Department's final 5-year Outer Continental Shelf oil and gas leasing program; to the Committee on Energy and Natural Resources.

EC-3464. A communication from the Acting Secretary of the Treasury transmitting, pursuant to law, a report on the status and operation of the State and Local Fiscal Assistance Trust Fund for fiscal year 1981; to the Committee on Finance.

EC-3465. A communication from the Acting Secretary of the Interior transmitting, pursuant to law, actions taken during

1981 under the Alaska Native Claims Settlement Act; to the Committee on Governmental Affairs.

EC-3466. A communication from the Administrator of the Veterans Administration transmitting, pursuant to law, a report on the VA's Inspector General Employee Complaint Center Privacy Act records system; to the Committee on Governmental Affairs.

EC-3467. A communication from the Assistant Secretary of the Treasury for Administration transmitting, pursuant to law, a report on a reinstated Privacy Act system of records; to the Committee on Governmental Affairs.

EC-3468. A communication from the District of Columbia Auditor transmitting, pursuant to law, an audit of the D.C. Boxing and Wrestling Commission; to the Committee on Governmental Affairs.

EC-3469. A communication from the Secretary of Education transmitting, pursuant to law, a study of teacher training programs in bilingual education; to the Committee on Labor and Human Resources.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM-853. A resolution adopted by the Legislature of the State of Hawaii; to the Committee on Agriculture, Nutrition, and Forestry:

"Senate Resolution No. 42

"Whereas, in December of 1981 the United States Congress passed the agricultural appropriations bill which included a $139,000 appropriation for the establishment of a United States Agricultural Cooperative Service Branch Office in the State of Hawaii; and

"Whereas, the Agricultural Cooperative Service Branch Office in Hawaii which will be one of only six such offices throughout the United States will provide information and counsel to interested agriculturists regarding the establishment, maintenance, and operations of agricultural cooperatives in the State for the purpose of fostering the growth of agricultural cooperatives in Hawaii; and

"Whereas, is has long been a public policy of this State to support the continual development of diversified agriculture and, toward this end, the State has encouraged the establishment of agricultural cooperatives as a means for the small agriculturists to band together and help themselves economically; and

"Whereas, the establishment of an Agricultural Cooperative Service Branch Office in Hawaii will provide, on a regular and permanent basis, much needed information and services not currently available to agriculturists in Hawaii and will greatly enhance the development of diversified agricultural industries; and

"Whereas, while the United States Department of Agriculture is in the process of planning the logistics for the establishment of the branch office in Hawaii, the Legislature is concerned that with the recent federal budget cuts and hiring freeze, there might be a delay in the establishment of the much needed branch in Hawaii; now, therefore,

"Be it resolved by the Senate of the Eleventh Legislature of the State of Hawaii, Regular Session of 1982, that this body expresses its unequivocal support for the decision by the Congress and the President of the United States to establish an Agricultural Cooperative Service Branch Office in Hawaii; and

"Be it further resolved that the President is urged to release the funds for the establishment of the Hawaii office as soon as possible since the future of agriculture in Hawaii is in a critical state due to the problems faced by the sugar and pineapple industries, the pillars of Hawaiian agriculture, and there is an urgent need to expand the diversified agricultural industry to lessen the State's dependency on sugar and pineapple; and

"Be it further resolved that the Secretary of Agriculture, the President and the Congress of the United States assure the funding of the branch office for a period of at least five years; and

"Be it further resolved that the Secretary of Agriculture is urged to (1) seek a special exemption from the hiring freeze in order to properly staff the Hawaii branch office with sufficient federal personnel; and (2) insure that the branch office has sufficient travel funds as to provide necessary services to agriculturists on the other islands in the State; and

"Be it further resolved that certified copies of this Resolution be transmitted to the President of the United States, the Secretary of Agriculture, the Administrator of the Agricultural Cooperative Service, the President of the United States Senate and the Speaker of the United States House of Representatives, and to each member of Hawaii's delegation to Congress."

POM-854. A resolution adopted by the Senate of the Commonwealth of Massachusetts; to the Committee on Armed Services:

"Resolution

"Whereas, nuclear warfare threatens the survival of the world; and

"Whereas, fee debate on matters of life and death is essential to prevent the issues of military parity or deterrence from placing at risk the survival of mankind; and

"Whereas, nuclear disarmament concerns every person in the world, irrespective of their national allegiances; and

"Whereas, the continued planning for the actual use of nuclear weapons is divorced from the reality of a nuclear cataclysm and represents a lack of creativity and imagination in dealing with the problems among nations; and

"Whereas, the superpowers, so-called, in their quest for superiority have forgotten the ordinary person who will suffer the ultimate result of a nuclear holocaust; now, therefore, be it

"*Resolved,* That the Massachusetts Senate, acting as representatives of a threatened and alarmed people, calls upon those who are charged with the responsibilities of leadership in the United States to take the first step toward the prevention of another Hiroshima and beyond by reducing the number of nuclear weapons possessed by our great nation, demonstrating to the people of the world a true attitude of peace; and, be it further

"*Resolved,* That copies of these resolutions be transmitted forthwith by the clerk of the Senate to the President of the United States, the presiding officers of the Congress of the United States, and to the chairman of the Joint Chiefs of Staff."

POM-855. A resolution adopted by the Legislature of the State of Hawaii; to the Committee on Armed Services:

"Senate Resolution No. 129

"Whereas, for many years, Fort DeRussy has served as an affordable and enjoyable rest and recreation site for members of the miltary establishment in Hawaii and for personnel passing through Hawaii to and from the western Pacific; and

"Whereas, the seventy-two acre rest and recreation site is located in Waikiki and is presently owned in fee simple by the federal government; and

"Whereas, recently, David Stockman, the Director of the federal Office of Management and Budget, indicated that one way in which the federal government could raise additional revenues to reduce the federal deficit would be to sell unnecessary federal lands; and

"Whereas, Budget Director Stockman further indicated that some federal lands in Hawaii, such as Fort DeRussy, may be sold in an effort to reduce the large federal deficit; and

"Whereas, this body, however, strongly objects to the proposal for selling Fort DeRussy in Hawaii for numerous important reasons; and

"Whereas, Fort DeRussy has served as a valuable rest and recreation facility for the armed forces and is the location of the famous Hale Koa Hotel (which was constructed principally with nonappropriated funds and operated to provide low-cost accommodations for the benefit of defense service personnel and their dependents in Hawaii); and

"Whereas, this body, finds that it would be a mistake for the federal government to sell the federal lands now encompassing Fort DeRussy since the site (which includes the Hale Koa Hotel and the adjacent beachfront) is urgently needed to accommodate the recreational needs of Hawaii's large military establishment and the personnel passing through Hawaii to and from the western Pacific; and

"Whereas, the loss of Fort DeRussy would have a deleterious effect upon the morale of present-day service personnel and would limit the value of Hawaii as a future rear area rest and recreation destination should that become necessary again as it was during the Vietnam War; and

"Whereas, Fort DeRussy is valuable to the people of Hawaii primarily because it provides Waikiki with its largest area of open green space west of Kapiolani Park (space which becomes more scarce and precious as the private development of hotels and condominiums surrounding Fort DeRussy intensifies) and the people of this State therefore strongly believe that this open space must be preserved for the purpose of keeping Waikiki attractive; and

"Whereas, the Mayor of the City and County of Honolulu opposes the disposition of Fort DeRussy for the purposes of private development and would prefer to see Fort DeRussy maintain its open green area configuration for the benefit of all people of this State; and

"Whereas, the people of this State furthermore enjoy both its extensive beach fronting upon the last major open green area in Waikiki and the free parking lot; and

"Whereas, tourism represents the leading export industry for the State and would be severely affected (with respect to the reduction in the number of military personnel vacationing in the State) by the sale of Fort DeRussy; and

"Whereas, as a result of these important military, economic, and aestetic considerations, this body strongly opposes the federal government's proposal to sell Fort DeRussy in Hawaii; now, therefore,

"Be it resolved by the Senate of the Eleventh Legislature of the State of Hawaii, Regular Session of 1982, that this body strongly opposes the federal government's proposal to sell Fort DeRussy in Hawaii; and

"Be it further resolved that this body urges the President and Congress of the United States and Hawaii's congressional delegation to take appropriate action to prevent the sale of Fort DeRussy in Hawaii; and

"Be it further resolved that certified copies of this Resolution be transmitted to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives, each member of Hawaii's congressional delegation, the United States Secretary of Defense, and the Mayor of the City and County of Honolulu."

POM-856. A petition from a citizen of Laguna Hills, Calif., supporting Senate bill 6 to return America's currency to the gold standard; to the Committee on Banking, Housing, and Urban Affairs.

POM-857. A joint resolution adopted by the Virginia General Assembly; to the Committee on Banking, Housing, and Urban Affairs:

"HOUSE JOINT RESOLUTION No. 42

"Whereas, a number of bills have been introduced in Congress which would authorize interstate banking by permitting large banks to merge with smaller or less successful financial institutions in other states; and

"Whereas, passage by Congress of one or more of these bills could place in jeopardy the independent existence of many of the Commonwealth's smaller financial institutions by allowing their acquisition by large out-of-state banks, thereby destroying the vital local character of much of Virginia's private financial decision making; and

"Whereas, the Secretary of the Treasury of the United States and spokesmen for large banks in the United States are not only increasing their promotion of interstate banking, alleging that it would help remedy the problems of many financial institutions; but also are strongly advocating elimination of state usury ceilings; and

"Whereas, if effected, those changes could remove from the supervision of the Commonwealth much of the business transacted by financial institutions within this Commonwealth, thereby seriously weakening state government; now, therefore, be it

"Resolved by the House of Delegates, the Senate concurring, That the Congress of the United States is hereby memorialized to oppose any new or proposed legislation which would have the effects of eliminating independent financial institutions or removing from state governments the power to regulate such financial institutions, so that constitutional government in these United States may be fully preserved and safeguarded; and, be it

"Resolved further, That the Clerk of the House of Delegates is hereby instructed to transmit copies of this resolution to the Speaker of the United States House of Representatives, the President of the United States Senate, and the members of the Virginia delegation to the Congress of the United States, in order that they may be apprised of the sense of this body."

POM-858. A petition from a citizen of Albany, N.Y., including a report of the New York State Standing Committee on Cities entitled "Pathways to the Future Cities, Towns, Villages"; to the Committee on Banking, Housing, and Urban Affairs.

POM-859. A resolution adopted by the City Council of Baltimore, Md., condemning the President's latest round of proposed budget cuts; to the Committee on the Budget.

POM-860. A resolution adopted by the Nebraska Unicameral; to the Committee on Energy and Natural Resources:

"LEGISLATIVE RESOLUTION 212

"Whereas, the Natural Gas Policy Act of 1978 calls for the gradual deregulation of most natural gas wellhead prices by 1985; and

"Whereas, the Federal Energy Regulatory Commission has discussed raising allowable prices for old flowing (NGPA Section 104) natural gas administratively; and

"Whereas, the changes, which are being discussed by the FERC, could affect the price of a substantial quantity of Nebraska's natural gas supply; and

"Whereas, approximately seventy-five per cent of the residential structures in Nebraska are heated with natural gas and the average cost of natural gas to each residential user could increase substantially if prices were raised in this manner; and

"Whereas, agricultural, commercial, and industrial users in Nebraska could also incur substantially increased costs if prices are increased administratively; and

"Whereas, increased natural gas costs for agriculture, commerce, and industry in Nebraska will result in higher consumer prices for all commodities; and

"Whereas, such price increases could further damage an already frail Nebraska economy.

"Now, therefore, be it resolved by the members of the Eighty-Seventh Legislature of Nebraska, second session:

"1. That the Legislature supports the gradual decontrol of natural gas prices as outlined in the Natural Gas Policy Act of 1978.

"2. That the Legislature opposes the raising of the allowable wellhead price of old flowing gas administratively by the Federal Energy Regulatory Commission.

"3. That the Legislature urgently requests the Nebraska Attorney General to initiate and/or intervene on litigation to prevent the acceleration of deregulation of natural gas by the FERC, pursue such litigation to the fullest, and report on the progress of such litigation to the Legislature and the Executive Board of the Legislative Council.

"4. That the Clerk of the Legislature send copies of this resolution to the President of the United States, the Nebraska congressional delegation, and Speaker of the United States Senate."

POM-861. A resolution adopted by the House of Representatives, Northern Marianas Commonwealth Legislature: to the Committee on Energy and Natural Resources:

"H. RES. No. 29

"Whereas, the inauguration of Governor Pedro P. Tenorio and Lieutenant Governor Pedro A. Tenorio on January 11, 1982 marked a new beginning for the Commonwealth; and

"Whereas, Mr. Pedro A. Sanjuan, Assistant Secretary for Territorial and International Affairs, Department of the Interior, representing the Executive branch of the United States Government, played a major role in the ceremonies, delivering a most welcome and stirring address to the inaugural crowd; and

"Whereas, ten Congressmen from the United States House of Representatives' Committee on Interior Affairs, representing the Legislative branch of the United States Government, along with a number of their staff, participated in the inaugural ceremonies; and

"Whereas, Mr. Pedro A. Sanjuan, in the course of his inaugural day address, acknowledged that the citizens of the Commonwealth of the Northern Marianas "are Americans, and this is America"; and

"Whereas, Mr. Pedro A. Sanjuan has pledged to assist the Commonwealth in securing its citizens the full rights and liberties to which they are entitled as Americans; and

"Whereas, the delegation of Congressmen and their staff who represented the Legislative branch of the United States Government at Governor Tenorio's inauguration is the largest and most distinguished delegation from the United States ever to participate in any political ceremony held by the Commonwealth; and

"Whereas, the United States Congressmen and their staff who participated in the inaugural ceremonies also spent more than a day of their valuable time familiarizing themselves with the issues and concerns of the Commonwealth; and

"Whereas, these gestures by the United States delegation to Governor Pedro P. Tenorio's inauguration move us to feel deep appreciation, both toward the delegates themselves and toward the branches of the United States Government they represent; and

"Whereas, the same gestures by the United States delegation hold for the citizens of the Commonwealth the promise of their being recognized, at last, as permanent and full-fledged members of the United States political family; now, therefore,

"Be it resolved by the House of Representatives of the Third Northern Marianas Commonwealth Legislature, First Regular Session, 1982, that our heartfelt thanks and appreciation be extended to the individual members of the United States delegation to Governor Pedro P. Tenorio's inauguration, and to President Ronald Reagan, the President of the United States Senate, and the Speaker of the United States House of Representatives for sending such a distinguished delegation to the gubernatorial inaugural ceremonies of the Commonwealth of the Northern Mariana Islands; and

"Be it further resolved that the Speaker of the House of Representatives shall certify and the House Clerk shall attest to the adoption of this resolution and transmit copies to President Ronald Reagan, to the President of the United States Senate, to the Speaker of the House of Representatives, to the Secretary for Territorial and International Affairs, Department of Interior, to Mr. Pedro A. Sanjuan, and to all the Congressmen in the United States' delegation to the inauguration of Governor Pedro P. Tenorio and Lieutenant Governor Pedro A. Tenorio."

POM-862. A joint resolution adopted by the Illinois General Assembly; to the Committee on Energy and Natural Resources:

"JOINT RESOLUTION

"Whereas, The Congress of the United States is currently considering legislation which would protect and greatly enhance the beautiful and historic Illinois and Michigan Canal; and

"Whereas, This legislation would establish the Illinois and Michigan Canal National Heritage Corridor, thereby creating the first nationally designated recreation area in Illinois; and

"Whereas, The bill creates a new designation in the National Park System called the Heritage Corridor, and creates a Federal commission to coordinate and implement National Park Service goals in areas so designated; and

"Whereas, This concept, which the Secretary of the Interior has termed daring and precedent-setting, has received enthusiastic support from many individuals and many Federal, State and local organizations; therefore, be it

"Resolved, by the Senate of the Eighty-Second General Assembly of the State of Illinois, the House of Representatives concurring herein, That we strongly urge members of Congress to give their support to S-2157 and H.R. 5665, a bill which would establish the Illinois and Michigan Canal National Heritage Corridor; and be it further

"Resolved, That we pledge to give our full cooperation in the administration of this legislation if it is enacted; and be it further

Resolved, That copies of this preamble and resolution be sent to the President of the United States Senate, to the Speaker of the United States House of Representatives, and to the Illinois Congressional delegation."

POM-863. A joint resolution adopted by the House of Representatives, Northern Marianas Commonwealth Legislature; to the Committee on Energy and Natural Resources:

"H.J. RES. No. 6

"Whereas, section 601 of the Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America provides that "the income tax laws in force in the United States will come into force in the Northern Mariana Islands as a local territorial income tax"; and

"Whereas, section 601 of the Covenant is based upon the mirror-image application of United States Internal Revenue Code, a concept which has been thoroughly discredited by two studies prepared by the United States Department of the Treasury:

"(1) "Territorial Income Tax Systems" prepared by the United States Department of the Treasury in October, 1979, discussing the tax systems in the Virgin Islands, Guam, the Northern Mariana Islands, and American Samoa;

"(2) "United States Federal Tax Policy Towards the Territories" prepared by Karla Hoff, International Economist on the Department of Treasury staff, in August, 1981, analyzes and critiques the present income tax systems in Puerto Rico, the Virgin Islands, and Guam; and

"Whereas, the mirror-image application of the Internal Revenue Code would disasterously affect the economic development of the Commonwealth at a time when the Commonwealth is seeking to achieve economic development on a par with that enjoyed by the continental United States; and

"Whereas, pursuant to Public Law of the United States, the provisions of the Internal Revenue Code will apply in the Commonwealth as of January 1, 1983; and

"Whereas, the Commonwealth Advisory Commission on Revenues and Taxation submitted its final report to the Governor and the Legislature on March 4, 1982, after nearly two years of study; and

"Whereas, the Tax Commission and its tax consultant, Professor Oliver Oldman, Director of the Harvard Law School's International Tax Program, agree that the least desirable income tax system for the Commonwealth is the one specified in Section 601 of the Covenant; and

"Whereas, the Tax Commission recommends that the Commonwealth develop a simplified income tax system for individuals and businesses residing in the Commonwealth, a system which will be based in part upon the concepts reflected in the United States Internal Revenue Code; and

"Whereas, the Tax Commission has submitted general guidelines to the Governor and the Legislature for the implementation of an income tax system in the Commonwealth; and

"Whereas, the Government of the Commonwealth endorses the Tax Commission's recommendation for an independent income tax system for the Commonwealth; and

"Whereas, pursuant to the Covenant, the mutual consent of the Governments of the United States and the Commonwealth of the Northern Mariana Islands is required to modify the provisions of Section 601; now, therefore,

"Be it resolved that the Commonwealth hereby expresses its desire to modify Section 601 to enable the Commonwealth to develop an alternative income tax system for individuals and businesses residing in the Commonwealth; and

"Be it further resolved that the Commonwealth requests the Government of the United States to enact legislation to modify Section 601 of the Covenant prior to January 1, 1983; and

"Be it further resolved that the Office of the Representative to the United States for the Commonwealth of the Northern Mariana Islands is hereby authorized to take all steps necessary to facilitate an early modification of Section 601 by the Government of the United States; and

"Be it further resolved that the Governor, the President of the Senate, and the Speaker of the House of Representatives shall each appoint a representative to assist the Washington Representative in negotiating the modification of Covenant Section 601 and the extension of the assistance necessary to enable the Commonwealth to develop an alternative income tax system which reflects the policies and needs of the Commonwealth; and

"Be it further resolved that the Commonwealth formally requests financial and technical assistance from the United States to develop an alternative income tax system in accordance with the Tax Commission's recommendations; and

"Be it further resolved that the Speaker of the House of Representatives and the President of the Senate shall certify and the respective clerks shall attest to the adoption of this resolution and the House Clerk shall thereafter transmit a certified copy to the Governor who shall endorse the resolution and forward copies of it to the President of the United States, the Secretary of the Department of the Treasury, the Commissioner of the Internal Revenue Service, the President of the United States Senate, and the Speaker of the United States House of Representatives."

POM-864. A resolution adopted by the San Antonio River Authority requesting amendments to Section 402 of Public Law 92-500, eliminating the requirements of a national pollutant discharge system permit for water releases from reservoirs; to the Committee on Environment and Public Works.

POM-865. A resolution adopted by the Legislature of the State of Hawaii; to the Committee on Finance:

"SENATE RESOLUTION No. 115

"Whereas, the Caribbean Basin initiative is the latest in a series of proposals to help out Latin America going back to President Franklin D. Roosevelt's Good Neighbor Policy, and including President Kennedy's Alliance for Progress and President Carter's own Caribbean plan; and

"Whereas, the economic package is an integrated program that helps our neighbors to help themselves, a program which is intended to create conditions under which private entrepreneurship and self-help can flourish; and

"Whereas, the "centerpiece" is a free trade for Caribbean products exported to the United States for a period of twelve years, which is expected to be long enough to encourage the participation of investors; and

"Whereas, only textile and apparel products have been exempted from the one-way free trade zone program; and

"Whereas, we must share to a certain extent in the sacrifices that are necessary to enable our neighbors to achieve some economic improvement; and

"Whereas, although the Caribbean Basin Economic Recovery Act is well-intentioned, it places an extremely heavy burden on Puerto Rico, the Virgin Islands, Hawaii, and those states involved in light manufacturing; and

"Whereas, the President's proposal to increase the quantity of duty-free sugar imports will jeopardize the program authorized under the provisions of the Agriculture and Food Act of 1981, and will be of negligible help to the countries involved; and

"Whereas, sugar is the single most important export product for the State of Hawaii; and

"Whereas, the demise of sugar in Hawaii would have very obvious catastrophic consequences for the State of Hawaii since many thousands would become unemployed, thus adding a tremendous strain to our economy which is currently experiencing one of the highest levels of unemployment ever in its history; and

"Whereas, Hawaii's pineapple, papaya, and ornamental flower growers could also be harmed by the President's program, the extent of which depends on the ability of the Caribbean growers to produce and market these crops; and

"Whereas, the passage of the Caribbean Basin Economic Recovery Act in its present format would strongly encourage the supply to the United States of sugar, agricultural products, and light industrial products such as shoes; and

"Whereas, it is manifestly unfair to have specific groups and states pay for this national policy initiative; now, therefore,

"Be it resolved by the Senate of the Eleventh Legislature of the State of Hawaii, Regular session of 1982, that this body respectfully urges the United States Congress and President Reagan to evaluate all reasonable alternative approaches to the United States Caribbean Basin Economic

Recovery Act before approving or otherwise implementing the Act; and

"Be it further resolved that the Foreign Affairs and Foreign Relations Committees and other appropriate committees and subcommittees of the United States Congress, as well as the United States International Trade Commission, hold public hearings in the State of Hawaii concerning the Caribbean Basin Economic Recovery Act; and

"Be it further resolved that Hawaii's congressional delegation is respectfully urged to give their highest priority to the Caribbean Basin Economic Recovery Act and to act as a united group in a manner which protects the interests of Hawaii; and

"Be it further resolved that certified copies of this Resolution be transmitted to President Ronald Reagan; to the President of the United States Senate; to the Speaker of the United States House of Representatives; to the Chairpersons of the Foreign Affairs and Foreign Relations committees; to each member of Hawaii's delegation to Congress; and to the Chairperson of the United States International Trade Commission."

POM-866. A joint resolution adopted by the Virginia Assembly; to the Committee on Finance:

"HOUSE JOINT RESOLUTION No. 28

"Whereas, the withholding of federal and state income taxes is beneficial to both government and taxpayers for reasons of convenience and accountability; additionally it provides an element of thrift to the taxpayers and longer use of funds by the governments; and

"Whereas, the federal government has withheld state income taxes from the salaries of civil service employees for many years; and

"Whereas, the federal government has withheld state income taxes from the salaries of active duty members of the military since 1976; and

"Whereas, later this year the federal government will begin withholding state income taxes from the pay of civil service retirees who request it; and

"Whereas, no provision of federal law allows the federal government to withhold state income tax from the salaries of militarty retirees; now, therefore, be it

"Resolved by the House of Delegates, the Senate concurring, That the United States Congress is memorialized to enact legislation to permit the appropriate agencies of the federal government to withhold state income tax from those military retirees who request such action; and be it

"Resolved further, That the Clerk of the House of Delegates is directed to send copies of this resolution to the Speaker of the United States House of Representatives, the President of the United States Senate and all members of the United States Congress representing the Commonwealth of Virginia or one of its congressional districts."

POM-867. A joint resolution adopted by the Virginia General Assembly; to the Committee on Finance:

"HOUSE JOINT RESOLUTION No. 140

"Whereas, prior to the instituting of public assistance, families assumed the responsibility for the care of aged or infirmed relatives; and

"Whereas, prior to the Medical Assistance Program (Medicaid) the eligibility of the elderly to receive assistance was based upon disclosure of their children's financial status; and

"Whereas, an average payment of only one dollar per day per institutionalized Medicaid patient would raise approximately $9.8 million toward the current $122.6 million deficit in the Medicaid program projected for Virginia in the 1982-1984 biennium; and

"Whereas, Title 19 of the United States Code prohibited the consideration of whether families could support their elderly or infirm members unless voluntary disclosures of the child's or spouse's financial status had been made; and

"Whereas, the child's or spouse's financial status may be reviewed on a voluntary basis to determine the family's contributions for services provided under the Medical Assistance Program, and Medicaid payments decreased accordingly; and

"Whereas, it is then difficult or impossible to collect family contributions, particularly from out-of-state relatives, and equally difficult to obtain enforcement of the law due to philosophical differences of the judiciary regarding the enforcement of such support; and

"Whereas, there are some authorities within the present federal administration who believe that appropriate legislative action should be taken to provide states the option of enforcing familial support of the elderly and the infirm; now, therefore, be it

"Resolved by the House of Delegates, the Senate concurring, That the Congress of the United States is hereby memorialized to act expeditiously to provide certain state options for third-party payments for care and services received by Medicaid recipients; and, be it

"Resolved further, That the Clerk of the House of Delegates transmit copies of this resolution to the Speaker of the United States House of Representatives, the President of the United States Senate, the Secretary of the Department of Human Services, and the members of the Virginia congressional delegation in order that they may be apprised of the sense of the General Assembly."

POM-868. A concurrent resolution adopted by the General Assembly of Pennsylvania; to the Committee on Finance:

"CONCURRENT RESOLUTION

"Whereas, The Railroad Retirement System was established by an act of Congress in 1935 to provide retirement-survivor and unemployment-sickness benefit programs for the nation's railroad workers and their families; and

"Whereas, The Railroad Retirement System has been financed jointly through contributions from rail carriers and railroad workers since its inception, including the administrative costs of the Railroad Retirement Board, and therefore is not a burden upon the taxpayers of this country; and

"Whereas, The Railroad Retirement System has a present cash investment worth between $3,000,000,000 and $4,000,000,000 and more than 1,000,000 annuitants, yet it is administered with only 1.7% of the revenues; and

"Whereas, More than 81,000 of these railroad annuitants reside within the Commonwealth of Pennsylania, the largest total for any state in the nation; and

"Whereas, The present structure of the Railroad Retirement System, with its organization, financial strength and longevity, allows for the even distribution of both railroad program benefits and, since 1974, social security benefits to eligible recipients; and

"Whereas, The proposal of the Office of Management and Budget to eliminate the Railroad Retirement Board has caused great stress and trauma to the annuitants of railroad retirement and their families; and

"Whereas, The uncertain prospects of the proposed alternative raises many questions as to the guaranteed continuation of benefits and the fiscal integrity of these programs; therefore be it

"Resolved, (the House of Representatives concurring), That the General Assembly of the Commonwealth of Pennsylvania memorializes President Ronald Reagan, Congress and, more specifically, the members of the Pennsylvania Delegation, that the present railroad retirement and unemployment insurance programs be left intact; and be it further

"Resolved, That copies of this resolution be transmitted to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives and each Senator and Representative from Pennsylvania."

POM-869. A resolution adopted by the House of Representatives of the Commonwealth of Massachusetts; to the Committee on Finance:

"RESOLUTION

"Whereas, the Social Security Act, a vintage product of the hard times of a half-century past, has borne witness through the years that government serves humanity best when it seeks to care for those who are unable to care for themselves; and

"Whereas, much of the legislative initiative of the Federal Government in the last twelve months has been aimed at dismantling programs that have helped the multitudes; and

"Whereas, by voting to cut back on the benefits paid to survivors under the Social Security Act at President Ronald Reagan's behest last fall, a majority of the men and women in the Congress of the United States evidenced an unsettling inclination to eliminate desperately needed social programs while concurrently emphasizing defense spending; and

"Whereas, establishing the survivor's benefits program as a high priority item to be slashed from the budget, with such trickle-down effects as the dislocation of dependent scholars, a reactionary Congress, following the Presidential lead, has insensitively manifested an intent to ignore and reject the vast segment of our society for whom such public assistance as food stamps, welfare and college loans are both real and necessary; therefore be it

Resolved, that the Massachusetts House of Representatives hereby condemns wholesale budgetary cutbacks on social security programs that are vital to the Nation's continued good health and progress, such as college tuition benefits; and be it further

"Resolved, that a copy of these resolutions be forwarded by the Clerk of the House of Representatives to the presiding officer of each branch of the Congress and the members thereof from the commonwealth."

POM-870. A resolution adopted by the Board of Aldermen of Waterbury, Conn., supporting reform of federal and state policies and procedures which have to date obstructed payment of rent for State welfare clients directly to the landlords of those clients; to the Committee on Finance.

POM-871. A resolution adopted by the Unitarian Society of New Haven, Conn., calling for the United States and the Union

of Soviet Socialist Republics to stop the nuclear arms race; to the Committee on Foreign Relations.

POM-872. A resolution adopted by the Pacific Coast Council on Latin American Studies condemning the Vice President's intervention in the internal affairs of Nicaragua; to the Committee on Foreign Relations.

POM-873. A resolution adopted by the council of the city of Erie, Pa., urging the President and the Congress to suspend nuclear weapons production while seeking a permanent, international nuclear weapons ban; to the Committee on Foreign Relations.

POM-874. A petition from a citizen of Huntington, Calif., supporting the President's policy on Central America and the Caribbean; to the Committee on Foreign Relations.

POM-875. A resolution adopted at the annual town meeting of Rockford Township, Winnebago County, Ill., urging that all funds presently appropriated for the testing, production, and deployment of nuclear weapons and their delivery systems be transferred to the use of establishing a better life for humankind; to the Committee on Foreign Relations.

POM-876. A resolution adopted by the city council of St. Cloud, Minn., supporting a mutual freeze with the Soviet Union on testing, production, and deployment of nuclear weapons and delivery systems; to the Committee on Foreign Relations.

POM-877. A resolution adopted by the city council of Linden, N.J., urging the President and Congress to initiate and enter into a mutual and verifiable nuclear weapons freeze with the Soviet Union; to the Committee on Foreign Relations.

POM-878. A resolution adopted by the city council of Maple Heights, Ohio, urging the President and Congress to establish a permanent international nuclear weapon ban; to the Committee on Foreign Relations.

POM-879. A resolution adopted by the National Academy of Sciences calling for the President, Congress, and the Soviet Union to limit strategic arms and to reduce significantly the numbers of nuclear weapons and delivery systems; to the Committee on Foreign Relations.

POM-880. A joint resolution adopted by the Virginia General Assembly; to the Committee on Governmental Affairs:

"HOUSE JOINT RESOLUTION No. 180

"Whereas, the federal government holds title to certain property which includes over 758 million acres of land in addition to deserted Army and Air Force bases, federal buildings and other properties; and

"Whereas, much of this property is seen to have little or no value or use to the government and brings no tax revenue to the states in which it is located; and

"Whereas, the national debt of this country is reaching astounding proportions with no viable, quick solution in sight; and

"Whereas, interest alone on the national debt has reached almost one-half of our national budget and to pay this off would create an opportunity to reduce taxes substantially; and

"Whereas, it has been suggested that this surplus property could be appraised and sold in such a manner that would be feasible and acceptable in order to aid in the reduction of the national debt; and

"Whereas, it is understood that much open land such as parks and game preserves would not be considered salable and should be held by and for the use of the citizens; now, therefore, be it

"Resolved by the House of Delegates, the Senate concurring, That the General Assembly of Virginia does hereby memorialize Congress to consider the sale of certain surplus properties in order to reduce the national debt of the United States; and, be it

"Resolved finally, That the Clerk of the House of Delegates prepare a copy of this resolution for transmittal to the Congressional Delegation of Virginia, the Speaker of the House of Representatives and the President of the Senate in order that they may be apprised of the sense of the General Assembly of Virginia."

POM-881. A joint resolution adopted by the Legislature of the State of California; to the Committee on the Judiciary:

SENATE JOINT RESOLUTION No. 51

"Whereas, The Refugee Act of 1980 clearly places the responsibility for refugee resettlement at the federal level, and this is logical and appropriate since it is at the federal level that admission levels of refugees are determined; and

"Whereas, In addition, refugee resettlement is a national responsibility, not just the responsibility of the few states that house refugees, therefore, the cost of this program should come out of the purses of all 50 states, not just those states directly involved; and

"Whereas, The State of California receives refugees at a rate of 4,000 to 5,000 a month and as long as the United States continues to receive refugees from other countries, a substantial number will continue to come to California, and many of those who initially go to other states will continue to relocate in California to join their friends and families; and

"Whereas, California is undergoing an extremely serious fiscal crisis which threatens basic health, welfare, and educational services to California residents and refugees alike. Yet, the state has struggled to maintain a healthy and hopeful environment for our refugees, in spite of underfunding by the federal government, because of the strong commitment that we feel to those who come here seeking a haven from oppression; and

"Whereas, because of an apparent mistake on the part of the Federal Office of Refugee Resettlement in the Health and Human Services Department, the amount of money appropriated for refugee programs during the federal fiscal year 1982 budget process is totally inadequate, in spite of assurances to Congress during budget discussions that the amount requested would be enough to fully fund assistance for all needy refugees for 36 months; and

"Whereas, there is $477 million available to fund the refugee resettlement program cash and medical assistance nationwide for federal fiscal year 1982, and California's share is projected to be $204.6 million, an amount inadequate to cover the costs of the program in California for federal fiscal year 1982, which is projected to be at least $307.5 million; and

"Whereas, this will result in a shortfall of $102.9 million, and as a result California will run out of federal refugee funds by the first of June 1982; and

"Whereas, unless the State Legislature establishes a state-funded program, the refugee resettlement program must be discontinued in California when federal refugee money is no longer available in June 1982, which will mean termination of cash assistance grants for approximately 60,000 refugees; and

"Whereas, an estimated 25 percent of these refugees may go on county general relief programs, which have not budgeted for such a caseload increase, and the remaining 75 percent will be ineligible for any aid, other than medical assistance, in California; and

"Whereas, of the $102.9 million federal funds shortfall, $71.5 million must be absorbed beginning in June 1982, by the state General Fund ($65.8 million) and county funds ($5.7 million) to pay for categorical aid programs (AFDC, SSI/SSP, and medical assistance), which by law the state is required to provide regardless of the availability of federal funds, and this $71.5 million will be in addition to the estimated $33 million which the state and counties will incur this federal fiscal year to cover the cost of providing categorical aid to time-expired refugees (i.e., refugees who have been in the United States more than 36 months and no longer qualify for special federal refugee funding); and

"Whereas, The impact of the federal funding shortfall for refugee resettlement affects not only California, but all the other states of the nation that have generously opened their doors to welcome the hundreds of thousands of persons fleeing from oppression who have been invited to the United States by the federal government and while these states have made every effort to assist with refugee resettlement, the federal government clearly has a legal, as well as a moral, responsibility to provide adequate financial assistance to those states that have provided a home for refugees; now, therefore, be it

"Resolved by the Senate and the Assembly of the State of California, jointly, That the Legislature of the State of California respectfully urges the Congress and the President of the United States to appropriate sufficient federal funds to maintain the operation of the Refugee Resettlement Programs in California and in other states for the federal fiscal year 1982; and, be it further

"Resolved, That the Secretary of the Senate transmit copies of this resolution to the President and Vice President of the United States, to the Secretary of the Health and Human Services Department, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

POM-882. A resolution adopted by the Southern Association on Children Under Six supporting the retention of full developmental services to children enrolled in Head Start, and other services; to the Committee on Labor and Human Resources.

POM-883. A resolution adopted by the Southern Association on Children Under Six supporting the continuance of the Department of Education; to the Committee on Labor and Human Resources.

POM-884. A resolution adopted by the Arkansas Council of the Blind requesting retention of complete Department of Education 504 guidelines; to the Committee on Labor and Human Resources.

POM-885. A resolution adopted by the Arkansas Council of the Blind urging the restoration of training and inservice training funds to the 1981 budget levels, so that the erosion and degeneration of services to the blind may be deterred and the quality of services be enhanced; to the Committee on Labor and Human Resources.

POM-886. A resolution adopted by the Associated Students of the University of Washington opposing the proposed Federal financial aid cutbacks; to the Committee on Labor and Human Resources.

POM-887. A resolution adopted by the California Association of Families of Mentally Disabled urging Congress to balance national defense concerns with a humane attitude toward the disabled; to the Committee on Labor and Human Resources.

POM-888. A resolution adopted by the board of supervisors of the County of Sacramento, Calif., urging the revision of current regulations of the Veterans' Administration regarding the provision of health care to veterans exposed to atomic radiation; to the Committee on Veterans' Affairs.

POM-889. A resolution adopted by the Southern Association on Children Under Six opposing any and all censorship of thought and teaching materials used in any public learning institution; Ordered to lie on the table.

POM-890. A resolution adopted by the Southern Association on Children Under Six supporting quality child care programs for preschool and school age children; Ordered to lie on the table.

POM-891. A resolution adopted by the Legislature of the State of Hawaii; to the Committee on Environment and Public Works:

"SENATE RESOLUTION No. 103

"Whereas, the U.S. District Court for the District of Columbia has held that the Environmental Protection Agency must issue regulations covering dams as a point source category under Section 402 of the Clean Water Act (P.L. 92-500); and

"Whereas, in the opinion in the case of *National Wildlife Federal* vs. *Gorsuch* issued on January 29, 1982, Judge Joyce Hens Greene ruled that certain water quality conditions associated with dams and reservoirs should be dealt with as a "discharge" of pollutants prohibited by Section 301 of P.L. 92-500; and

"Whereas, Judge Greene has rejected EPA's long held position that the National Pollutant Discharge Elimination System does not apply to releases from reservoirs and the Court has held that the EPA has violated a nondiscretionary duty in failing to regulate dams with NPDES permits; now, therefore,

"Be it resolved by the Senate of the Eleventh Legislature of the State of Hawaii, Regular Session of 1982, that P.L. 92-500 be amended to eliminate the application of NPDES permits to discharges from reservoirs; and

"Be it further resolved that certified copies of this Resolution be transmitted to the Secretary of State and presiding officers of the legislative bodies of each state of the United States of America, the Speaker of the United States House of Representatives, the President of the United States Senate, and to Hawaii's congressional delegation."

POM-892. A resolution adopted by the Virginia Synod of the Lutheran Church of America calling for a halt to the nuclear arms race; to the Committee on Foreign Relations.

POM-893. A concurrent resolution adopted by the Legislature of the State of Hawaii; to the Committee on Foreign Relations:

"SENATE CONCURRENT RESOLUTION No. 42

"Whereas, the world today is increasingly troubled by international strife; and

"Whereas, technological advances have enabled international conflict to have potentially disastrous consequences for all humanity; and

"Whereas, the systematic use of trained personnel and applied research in the resolution of international conflict, backed by increased public awareness of practicable alternatives, could save this nation and others countless billions of dollars and untold human suffering; and

"Whereas, Senator Spark M. Matsunaga of Hawaii with 52 bi-partisan co-sponsors has introduced S. 1889 to establish a United States Academy of Peace, and similar legislation H.R. 5088 has been introduced in the House of Representatives; and

"Whereas, the legislation provides that the Academy should be an independent institution to specifically train Americans and other persons in the art of conflict resolution, undertake research, and initiate information services affecting peacemaking; and

"Whereas, the Board of Directors of the Academy of Peace is empowered to develop an outreach program involving public and private institutions in various states and territories in its training, research, and public information activities; now, therefore,

"Be it resolved by the Senate of the Eleventh Legislature of the State of Hawaii, Regular Session of 1982, the House of Representatives concurring, that it urges Congress to enact legislation establishing a United States Academy of Peace; and

"Be it further resolved that President Ronald Reagan is requested to give full support to the establishment of this National Academy of Peace immediately following passage of the legislation; an

"Be it further resolved that certified copies of this Concurrent Resolution be transmitted to Ronald Reagan, President of the United States, the President of the United States Senate, the Speaker of the House of Representatives, Senator Robert T. Stafford, Chairman of the Senate Subcommittee on Education, Arts, and Humanities of the Committee on Labor and Human Resources, Representative Dante B. Fascell, Chairman of the International Operations Subcommittee of the House Committee on Foreign Affairs, and to each member of Hawaii's delegation to the United States Congress."

"POM-894. A petition from a citizen of Lincolnton, N. C., requesting information concerning records of the Federal Bureau of Investigation; to the Committee on the Judiciary.

"POM-895. A resolution adopted by the Legislature of the County of Suffolk, N.Y., urging Congress to sustain financial aid for Isabelle, a proton-proton collider; Ordered to lie on the table."

ENROLLED BILLS, AND JOINT RESOLUTIONS PRESENTED

The Secretary reported that on today, May 13, 1982, he had presented to the President of the United States the following enrolled bills and joint resolutions.

S. 146. An act to authorize the Secretary of the Interior to assist in the preservation of historic Camden in the State of South Carolina, and for other purposes; and

S. 1131. An act to require the Federal Government to pay interest on overdue payments, and for other purposes; and

S.J. Res. 145. Joint resolution authorizing and requesting the President to proclaim "National Orchestra Week"; and

S.J. Res. 170. Joint resolution to designate the week of November 7, 1982, through November 14, 1982, as "National Hospice Week".

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. DOMENICI, from the Committee on the Budget, without amendment:

S. Res. 377. Resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 2226.

By Mr. ROTH, from the Committee on Governmental Affairs, with an amendment in the nature of a substitute:

S. 1407. A bill to amend title 39, United States Code, by strengthening the investigatory and enforcement powers of the Postal Service by authorizing inspection authority and by providing for civil penalties for violations of orders under section 3005 of such title (pertaining to schemes for obtaining money by false representations or lotteries), and for other purposes (Rept. No. 97-392).

By Mr. McCLURE, from the Committee on Energy and Natural Resources, with an amendment in the nature of a substitute, and an amendment to the title:

S. 2332. A bill to extend the expiration date of section 252 of the Energy Policy and Conservation Act (Rept. No. 97-393).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. DOMENICI (for himself, Mr. HATFIELD, Mr. MCCLURE and Mr. DOLE):

S. 2523. A bill to amend part B of title IV of the Higher Education Act of 1965 to reform the guaranteed student loan program in order to reduce entitlement expenditures under that program, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. JACKSON (for himself and Mr. GORTON):

S. 2524. A bill to withdraw from mining and mineral leasing certain public lands in the Mount Baker-Snoqualmie National Forest in the State of Washington; to the Committee on Energy and Natural Resources.

By Mr. ROTH (by request):

S. 2525. A bill to amend title 5, United States Code, to entitle officers and employees of the Postal Service who transfer to other Government agencies to the standard Federal reimbursement for their travel, transportation and relocation expenses; to the Committee on Governmental Affairs.

By Mr. CRANSTON (for himself, Mr. RIEGLE, Mr. BURDICK, Mr. BAUCUS, Mr. FORD, and Mr. MOYNIHAN):

S. 2526. A bill to reduce interest rates, control inflation, and ensure the availability of credit for productive purposes, and promote economic recovery by extending the Credit Control Act, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. THURMOND:

S. 2527. A bill to authorize the Secretary of the Interior to enter into a contract or cooperative agreement with the Art Barn

Association to assist in the preservation and interpretation of the Art Barn and Pierce Mill located in Rock Creek Park within the District of Columbia; to the Committee on Energy and Natural Resources.

By Mr. SASSER:

S. 2528. A bill to amend the Agricultural Act of 1949 to stabilize the commodity prices received by farmers and provide credit assistance to farmers, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. COHEN:

S. 2529. A bill to establish objective criteria and procedures for closing and consolidating weather stations; to the Committee on Commerce, Science, and Transportation.

By Mr. HART (for himself, Mr. ROBERT C. BYRD, Mr. CRANSTON, Mr. BAUCUS, Mr. BIDEN, Mr. BRADLEY, Mr. BUMPERS, Mr. EXON, Mr. FORD, Mr. LEVIN, Mr. MELCHER, Mr. NUNN, Mr. PELL, Mr. SARBANES, Mr. TSONGAS, and Mr. LEAHY):

S.J. Res. 198. Joint resolution to preserve the terms and conditions of the SALT II Treaty; to the Committee on Armed Services.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DOMENICI (for himself, Mr. HATFIELD, Mr. DOLE, and Mr. MCCLURE):

S. 2523. A bill to amend part B of title IV of the Higher Education Act of 1965 to reform the guaranteed student loan program in order to reduce entitlement expenditures under that program, and for other purposes; to the Committee on Labor and Human Resources.

(The remarks of Mr. DOMENICI on this legislation appear earlier in today's RECORD.)

By Mr. JACKSON (for himself and Mr. GORTON):

S. 2524. A bill to withdraw from mining and mineral leasing certain public lands in the Mount Baker-Snoqualmie National Forest in the State of Washington; to the Committee on Energy and Natural Resources.

WITHDRAWAL OF CERTAIN LANDS FROM MINING AND MINERAL LEASING

● Mr. JACKSON. Mr. President, today I am introducing legislation which would withdraw from mining and mineral leasing certain public lands in the Mount Baker-Snoqualmie National Forest in the State of Washington.

Like many of my constituents, I was shocked to learn last month that the Department of the Interior had issued five oil and gas leases on Federal lands in the Mount Baker-Snoqualmie National Forest that are part of the watershed for the water supply systems of the cities of Seattle and Tacoma. These leases were issued over the objections of the U.S. Forest Service. They were issued despite the fact that the Forest Service and the cities have a cooperative agreement calling for management practices on Federal lands designed to protect watershed values. Since they were issued, the entire Washington State congressional delegation has gone on record in opposition to the leases and they have been rescinded.

While the immediate threat to these lands appears resolved, I am deeply concerned at the helter-skelter approach the Department is taking with respect to additional leasing. It appears that there is a policy of leasing whatever land industry asks for, with little or no thought given to the potential impacts of development. Surely, municipal watershed lands should be one of the last places leased. The same can be said for congressionally designated units of the National Wilderness Preservation System.

The Department's current program flies in the face of the principles of the Federal Land Policy and Management Act and the National Forest Management Act, both of which I helped to enact in 1976. These laws call for multiple-use decisions on national forest and Bureau of Land Management lands to be made in accordance with land management plans which consider all resource values and are subject to review and comment by State and local governments and the general public.

The Department's actions on the Seattle and Tacoma watershed leases reverses the process to a "lease first and get comments later" approach. The result is predictable—public outrage and opposition. Furthermore, this "act first and think later" approach is bound to stimulate widespread opposition to development, even in circumstances where development would be appropriate.

In the weeks and months to come, we can only hope that the administration will propose something more constructive with regard to wilderness—something more constructive than trying to resolve these self-induced leasing crises.●

● Mr. GORTON. Mr. President, I concur in the statement of my distinguished colleague, Senator JACKSON. He has correctly characterized the reaction of the Washington delegation and our constituents to the issuance of oil and gas leases on Federal lands that are part of the watersheds of Seattle and Tacoma as one of shock. I must add, however, that the fact that such a decision was made without first consulting with the local authorities is as troublesome as the decision to issue the leases itself.

The Senate Environment and Public Works Committee's Subcommittee on Toxic Substances and Environmental Oversight of which I am chairman, is currently considering amendments to the Safe Drinking Water Act. I intend, in the course of the subcommittee's hearings, to take evidence on the question of the advisability of issuing oil and gas leases in watershed areas. It may well be that an exemption of a more generic nature is necessary or that requiring a specific procedure to be followed by the Department of Interior in the course of the consideration of such leases will suffice. This problem is undoubtedly one that is shared by many communities throughout the Nation. It is my intention to find a suitable means by which to spare other communities the experience of Seattle and Tacoma. I am sure that Senator JACKSON will join me in this effrot, and I thank him for his continued cooperation in all issues of concern to our great State.●

By Mr. ROTH: (by request):

S. 2525. A bill to amend title 5, United States Code, to entitle officers and employees of the Postal Service who transfer to other Government agencies to the standard Federal reimbursement for their travel, transportation, and relocation expenses; to the Committee on Governmental Affairs.

POSTAL SERVICE EMPLOYMENT BENEFITS

● Mr. ROTH. Mr. President, I am introducing by request a bill to amend title 5, United States Code, to entitle officers and employees of the Postal Service who transfer to other Government agencies to the standard Federal reimbursement for their travel, transportation, and relocation expenses.

This legislation was proposed in Executive Communication No. EC-3379, dated April 20, 1982, and referred to the Governmental Affairs Committee on May 5, 1982. I am introducing this measure so that the public may have a legislative proposal upon which to comment.

Mr. President, I ask unanimous consent that a copy of the letter sent by the Postmaster General, dated April 20, 1982, and the text of the bill be printed in full in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE POSTMASTER GENERAL,
Washington, D.C., April 20, 1982.

Hon. GEORGE BUSH,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: There is transmitted herewith a draft of legislation "To amend title 5, United States Code, to entitle officers and employees of the Post Service who transfer to other government agencies to the standard federal reimbursement for their travel, transportation and relocation expenses."

The bill would correct an oversight in present law which led the General Accounting Office to rule that Postal Service employees, despite having a statutory right to transfer to other agencies (39 U.S.C. 1006), are not entitled to the standard federal reimbursement for travel, transportation and relocation expenses when they transfer. 58 Comp. Gen. 132 (1978); 59 Comp. Gen. 28 (1979).

As we understand these rulings, they are based entirely on the technical language of the relevant statutes and not on any view that transferring postal employees should not receive these benefits as a matter of policy. Since these rulings, one private relief bill has been enacted (Priv. L. No. 96-115) to relieve from liability a transferred employee who was mistakenly paid these benefits by his new agency. Other such situations have created similar individual liabilities not yet relieved.

The proposed bill would entitle postal employees to be reimbursed for travel, transportation and relocation expenses to the extent authorized for transferring federal employees generally by subchapter II of Chapter 57 of title 5, just as employees of the former Post Office Department were entitled to reimbursement. This would be a fair and equitable solution to the problem of what seems to be a simple oversight in drafting the transfer provisions enacted for Postal Service employees in 1970.

Enactment of the proposed legislation is necessary if the right to transfer to other positions in the executive branch of the government, specifically provided by Congress in 39 U.S.C. 1006, is to have full practical effect. Accordingly, it is recommended that the bill be referred to the appropriate committee and that it be given prompt and favorable consideration.

The Postal Service does not believe that this bill would involve any additional appropriations or outlays for fiscal year 1983 or future fiscal years. If postal employees were entitled to reimbursement for their travel, transportation and relocation expenses, the total number of transfers government wide should not increase significantly and the amount reimbursed to a postal employee should not be any larger on the average than the amount which would have been expended if a nonpostal employee had been transferred instead. It seems unlikely that postal employees typically would wish to be considered for transfers involving substantial expenses unless such expenses will be reimbursed.

A similar letter is being sent to the Speaker of the House.

Sincerely,

William F. Bolger.

S. 2525

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Subchapter II of chapter 57 of title 5, United States Code, is amended by adding at the end thereof the following new section:

"§ 5734. *Travel, transportation and relocation expenses of officers and employees of the Postal Service.*

"Notwithstanding the provisions of any other law, officers and employees of the United States Postal Service promoted or transferred under section 1006 of title 39, United States Code, from the Postal Service to an agency for permanent duty are entitled to reimbursement for their travel, transportation and relocation expenses to the extent authorized by this subchapter for other transferred employees within the meaning of this chapter.".●

By Mr. CRANSTON (for himself, Mr. Riegle, Mr. Burdick, Mr. Baucus, Mr. Ford, and Mr. Moynihan):

S. 2526. A bill to reduce interest rates, control inflation, and insure the availability of credit for productive purposes, and promote economic recovery by extending the Credit Control Act, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

LOW INTEREST RATE ACT OF 1982

Mr. CRANSTON. Mr. President, I am introducing legislation today to renew the President's authority to act to lower interest rates through the policies and powers of the Federal Reserve Board.

The Low Interest Rate Act which I am introducing on behalf of myself and Senators Riegle, Burdick, Baucus, Ford, and Moynihan, will extend permanently the Credit Control Act of 1969 which is due to expire on June 30, and would strengthen the authority of the President to authorize the Federal Reserve Board to act to lower interest rates and to prescribe limitations on credit for unproductive corporate takeovers and for other generally nonproductive purposes.

One effect of the bill could be to free up more than $70 billion in credit tied up in financing the corporate takeover game which adds nothing to increased productivity.

This credit could be used productively by agriculture, housing, the automotive industry, and other interest rate sensitive sectors of the economy now in a state of depression.

The Credit Control Act, which was enacted in 1969, empowers the President to "authorize the Federal Reserve Board to regulate and control any or all extensions of credit" when he determines that such action is necessary for the purpose of preventing or controlling inflation.

The Low Interest Rate Act would extend the use of Presidential power over credit "to reduce high levels of unemployment in any sector of the economy, or to prevent or control inflation or recession."

The bill permits the Federal Reserve, when authorized to do so by the President, to apply monetary restrictions selectively rather than relying solely on across-the-board tight money which strangles the entire economy.

The late Arthur Okun of the Brookings Institution estimated that the blunderbuss approach to controlling inflation costs the economy $200 billion in lost GNP for each point we reduce inflation. That is coming to be a trillion-dollar cure.

Farming, housing, heavy industry, and small business already cannot afford to pay current interest rates. Those businesses and enterprises are going broke. But despite the depression in major sectors of the economy, the Federal Reserve keeps up interest rates in order to choke off other inflationary, nonproductive activity.

The low Interest Rate Act gives the President the authority to tell the Federal Reserve Research to ease up selectively on those sectors of the economy which have been flattened out by high interest rates while at the same time keeping up the pressure against highrolling corporate takeover artists who find it cheaper and easier to merge than to build new assets.

The corporate takeover game is not increasing our productivity. Some mergers are necessary to consolidate failing businesses, but most of this kind of beneficial merger activity is in response to the seriousness of the recession. Some jobs are saved by it. But few new jobs are added. Many are lost and productivity is not increased.

Our economy cannot afford to have billions spent on corporate takeovers when what we need is investment in plant construction and equipment modernization.

A record $82.6 billion was spent on corporate takeovers and mergers last year; $70 billion in bank loan commitments were available to finance mergers in 1981. That is credit which was not available to other sectors of the economy which are more productive in terms of real growth and product added to the national economy.

The increasing use of credit for nonproductive purposes is a leading cause of high interest rates. And it is clear that unless rates go down this year there will be widespread failures of major businesses, greater numbers of farm mortgage foreclosures and lengthening unemployment lines.

Interest charges for corporate borrowing this year will exceed $400 billion. That compares with $261 billion corporations paid in interest costs in 1979, according to IRS.

Farmers paid more in interest in 1981 than they earned in net income that year, according to the Department of Agriculture. This year the Department estimates net farm income ranging from $13.5 billion to a high of $18 billion and interest costs will exceed $19 billion.

Customers of the TVA face the prospect of paying for $1 billion in borrowing costs incurred by TVA. Other public utility customers will see rates going up to pay for record-high utility borrowing charges.

The fastest growing item in the Federal budget is interest payments which cost $115 billion this fiscal year and will cost $132 billion next year, according to the Treasury.

Interest rates must come down. But the blunderbuss approach of tight money, causing as it does massive business failures and high unemployment, is far, far too costly. There are better ways of bringing down interest rates, all of which must be used if we are to succeed in saving ourselves from an economic disaster.

These include reducing the deficit and enacting a budget which will continue to reduce deficits in future years with a definite downward trend; judicious expansion of the money supply; a planned, phased lowering of interest rates, and limitations on the use of credit for expensive and unproductive corporate takeovers and similar unproductive activities.

My bill is one such step to lower interest rates.

My bill is not a bailout bill.

It is not costly to the Treasury.

The Low Interest Rate Act does not subsidize victims of high interest rates. Rather, by freeing capital for productive purposes, it would have the effect of lowering rates, thereby providing relief to ravaged sectors of the economy as well.

The bill properly should be seen as a capital availability measure. For this reason I have added to my bill a provision to rename the old Credit Control Act the Capital Availability Act.

This measure when fully understood is an extremely vital tool for the executive and legislative branches to communicate their recommendations on monetary policy to the Federal Reserve Board through an Executive order of the President which the Federal Reserve Board probably would not ignore. It is an important power.

It would be a mistake to allow this tool to expire on June 30. Even if unused the act remains available and serves as a reminder to the Federal Reserve Board that its powers can be invoked to bring down interest rates if the Fed does not act on its own to do so.

Used in a precise and sophisticated manner, the act can make vitally needed capital available to sectors of the economy whose low performance is in turn dragging down the rest of the economy. It is a tool whose time will come and it should be saved for that time, if the current President does not wish to use its powers.

I urge my colleagues to study my proposal carefully.

I intend to seek action on my bill in the Banking Committee and should that effort not succeed in obtaining consideration, I will seek opportunities on the floor of the Senate to offer it as an amendment to other appropriate measures.

I ask unanimous consent that the text of the bill be printed in the Record at the conclusion of my remarks.

There being no objection, the bill was ordered to be printed in the Record, as follows;

S. 2526

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Low Interest Rate Act of 1982.".

Sec. 2. Section 211 of the Credit Control Act (12 U.S.C. 1910) is hereby repealed.

Sec. 3. (a) Section 205(a) of the Credit Control Act (12 U.S.C. 1904(a)) is amended to read as follows:

"(a) Whenever the President determines that such action is necessary or appropriate to reduce high levels of unemployment in any sector of the economy, or to prevent or control inflation or recession, the President may authorize the Board to regulate and control any or all extensions of credit.".

(b) Section 206 of the Credit Control Act (12 U.S.C. 1905) is amended by redesignating paragraphs (7) through (11) as paragraphs (8) through (12), respectively, and by inserting after paragraph (6) the following:

"(7) prescribe limitations with respect to credit for nonproductive purposes, including corporate takeovers, and otherwise ensure the availability of credit for productive and necessary purposes.".

Sec. 4. The Congress finds that the short title of Title II of Public Law 91-151 does not accurately describe the objective and the actions authorized to be taken under the Act in order to lower interest rates and make capital available for productive investment and that this inaccurate short title has had the consequence of deterring utilization of the Act for the purposes of lowering interest rates and making capital available for investment, therefore

Section 201 of Public Law 91-151 is amended to read "This Title may be cited as the 'Capital Availability Act'" and the caption for Title II of Public Law 91-151 is amended to read, "AUTHORITY FOR MONETARY POLICY CHANGE AND CREDIT CONTROL.".

By Mr. THURMOND:

S. 2527. A bill to authorize the Secretary of the Interior to enter into a contract or cooperative agreement with the Art Barn Association to assist in the preservation and interpretation of the Art Barn and Pierce Mill located in Rock Creek Park within the District of Columbia; to the Committee on Energy and Natural Resources.

PRESERVATION AND INTERPRETATION OF THE ART BARN AND PIERCE MILL

Mr. THURMOND. Mr. President, today I am introducing legislation which will authorize the Secretary of the Interior to enter into a contract or cooperative agreement with the Art Barn Association to assist in the preservation and interpretation of the Art Barn and Pierce Mill located in Rock Creek Park within the District of Columbia.

Rock Creek Park provides an area of natural beauty and tranquility within the confines of the District of Columbia. For over a decade, the National Park Service has entered into annual agreements with the Art Barn Association, a small group of women from in and around the District of Columbia, to use the carriage house of the old Pierce Plantation in Rock Creek Park as an admission-free gallery for local artists to display their work.

As a result of the dedicated, volunteer efforts of these women, this carriage house, now known as the Art Barn, has presented an unparalleled opportunity and setting for local artists to display, and for residents of, as well as visitors to, our Nation's Capital to view, fine works of contemporary art. These women would now like to extend their efforts to the mill located adjacent to the carriage house, and this bill would authorize the Secretary of the Interior to enter into a contract or cooperative agreement with these women in furtherance of this endeavor.

Under the contemplated agreement, the National Park Service would continue to maintain these properties, with the Art Barn Association providing the management and supervision for the art exhibitions and other community outreach cultural programs. This legislation would permit the agreement to last for more than a single year, thus allowing the Association to plan exhibitions and programs with greater certainty.

Mr. President, I believe this is a fitting and proper measure which will benefit a great number of local citizens and out-of-town guests. I ask unanimous consent that this bill appear in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2527

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) in furtherance of section 2 (e) of the Act entitled "An Act to provide for the preservation of historic American sites, buildings, objects and antiquities of national significance, and for other purposes.", approved August 21, 1935 (49 Stat. 656; 16 U.S.C. 462 (e)), and in order to preserve for the benefit and inspiration of the people of the United States the Art Barn and the Pierce Mill location in Rock Creek Park within the District of Columbia, the Secretary of the Interior is authorized to enter into contracts or cooperative agreements with the Act Barn Association to assist in the preservation and interpretation of the barn and mill.

(b) Pursuant to subsection (a) and subpart to such terms and conditions as the Secretary of the Interior may prescribe, funds appropriated to the Secretary of the Interior for operation and maintenance of the Art Barn and Pierce Mill may be made available to the Act Barn Association.

By Mr. SASSER:

S. 2528. A bill to amend the Agricultural Act of 1949 to stabilize the commodity prices received by farmers and provide credit assistance to farmers, and for other purposes; to the Committee on Agriculture Nutrition, and Forestry.

EMERGENCY FARM STABILIZATION ACT OF 1982

● Mr. SASSER. Mr. President, I rise today to introduce legislation to deal with the existing farm crisis.

My bill S. 2528 would force the Secretary of Agriculture to use some of the authority that Congress has in the past given him to deal with farm emergencies like the existing one. It would, first, require that he disseminate the $600 million in Farmers Home Administration economic emergency loan funds that Congress authorized last year. Second, it would force him to forgo foreclosure of Farmers Home farm loans for a period of 2 years.

Mr. President, low prices, skyrocketing costs—led by high and volatile interest rates and unusually bad weather have combined to put the farm community under intense financial pressures. Overall farm income was below $10 billion and projections for this year are no better. It is estimated that for 1982 real farm income will again be below $10 billion as it was in both 1980 and 1981.

The last time we saw 3 consecutive years of such decline was in the midst of the Great Depression. Not since then have we seen such farm income declines.

If the projection for real farm income in 1982 is accurate, we will see the lowest real farm income since the Department of Agriculture began making such estimates in the early part of this century.

These statistics and others indicate that if something is not done soon, many farmers will not be around to farm another year. They will be driven off the farm.

This fact is obvious if you talk to any of the many farmers now in financial distress. Now the Department of Agriculture downplays this problem. The Farmers Home Administration contends that farm foreclosures, though increasing, are not that high when compared with some past years. But I predict that if something is not done farm foreclosures could well set records.

Many foreclosures have not occurred simply because no one wants to have foreclosures on their books. So instead, farmers are simply being cut off from support. They are not getting the funds they need to continue operations. If farmers do not produce a crop, they do not stay on the farm. The bills come due whether they plant or not and they must pay. They do this by selling off property "voluntarily." This is a foreclosure of sorts, of course.

We do not want massive farm liquidations "voluntary" or otherwise. Vast sales of farmland and equipment pose a threat to the national economy. There is over $200 billion out there in outstanding farm debt. Falling land and equipment values could jeopardize this security.

The Department of Agriculture reported recently that for the first time in almost 30 years farm values have declined. Continued soft demand for farmland and equipment combined with forced sales of farms could prolong and accelerate this trend of declining farm values.

We must deal with this deteriorating situation. We must overcome the reluctance of the Department of Agriculture to come to terms with the problems. As I have said, the Department has the authority to act in any of a number of ways to deal with the economic problems agriculture is experiencing.

So far, however, the Department has chosen not to use this authority that Congress has provided for use in such emergencies.

High on this list is the authority of the Secretary of Agriculture to release $600 million in economic emergency loan funds authorized by Congress last year. This program, invoked in past years to deal with economic distress in the farm sector, could assist many farmers in their efforts to stay afloat for another season. Secretary of Agriculture John Block has repeatedly said that these funds are not needed and has refused to release them.

It is my feeling and that of many others that these funds are desperately needed now, and should be dispensed.

Another power which the Secretary has but has not chosen to use is to stay foreclosures on Farmers Home farm loans. This action is necessary to prevent the kind of "domino effect" that we saw during the Great Depression where plummeting farmland values reduced the value of all farms. If land and equipment continue to be forced on the market, we could see this same kind of cycle take hold once again.

Swift action must be taken to deal with this crisis. I urge my colleagues on the Senate Agriculture Committee to act expeditiously on this bill.

Mr. President, I ask unanimous consent that the full text of S. 2528 be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2528

Be in enacted by the Senate and House of Representatives of the United States of America in Congress assembled. That this Act may be cited as the "Emergency Farm Stabilization Act of 1982".

ECONOMIC EMERGENCY LOANS

SEC. 2. Effective only for the fiscal year ending September 30, 1982, notwithstanding any other provision of law, the Secretary of Agriculture shall make new contracts of insurance or guarantee under tilte II of the Emergency Agricultural Credit Adjustment Act of 1978 (7 U.S.C. 1946 note) that will cause the total amount of money borrowed under such contracts by such date to equal $600,000,000.

LOAN MORATORIUM

SEC. 3. (a) Notwithstanding any other provision of law and in addition to any other authority that the Secretary of Agriculture may have to defer payments of principal and interest on loans and to forego foreclosure on loans, the Secretary of Agriculture shall permit, at the request of the borrower, the deferral of principal and interest on any outstanding loan made by the Secretary under title IV of the Consolidated Farm and Rural Development Act or any other law administered by the Farmers Home Administration, and shall forego foreclosure of any such loan, upon a showing by the borrower that due to circumstances beyond the borrower's control, the borrower is unable to continue making payments of such principal in interest when due without unduly impairing the standard of living of the borrower. The Secretary shall permit interest that accrues during the deferral period on any loan deferred under this section to bear no interest during or after such period, except that, if the security instrument securing such loan is foreclosed such interest as in included in the purchase price at such foreclosure shall become part of the principal and draw interest from the date of foreclosure at the rate prescribed by law.

(b) This section shall expire two years after the date of the enactment of this Act.●

By Mr. COHEN:

S. 2529. A bill to establish objective criteria and procedures for closing and consolidating weather stations; to the Committee on Commerce, Science, and Transportation.

WEATHER SERVICE STATION ACT OF 1982

● Mr. COHEN. Mr. President, today I am introducing a bill designed to establish objective criteria and procedures for closing and consolidating weather stations.

This bill is identical to legislation (H.R. 6269) introduced by Congresswoman VIRGINIA SMITH on May 4, 1982.

Over the past 5 fiscal years, the executive branch has consistently proposed the closing of at least 72 weather service stations. Each year, Congress has resisted administration efforts and voted the appropriations to keep all of the stations open.

Mr. President, this bill makes no judgment as to which weather stations should remain open or be closed. It does seek to establish a workable framework for making these decisions and, at the same time, protecting weather station employees from the recurring threat of being transferred or furloughed. Presently, there is no rational test for need, no outside experts making reasonable judgments, no public hearings and little notice.

In making a determination whether or not to close or consolidate a weather service office, my bill would require the Secretary of Commerce to consider the following stipulations:

First. The effect of a proposed closing or consolidation on the community served by the weather service office;

Second. The effect of such closing or consolidation on employees of the National Weather Service employed at such office;

Third. The economic savings to the National Weather Service resulting from such closing or consolidation; and

Fourth. Such other factors as the National Weather Service determines are necessary.

My bill would also require that the Secretary hold hearings allowing the public to voice its concerns and opinions.

In many States, the very livelihood of some communities depends on the vital information provided by local weather service stations. The Portland, Maine Forecast Office and its programs serve the people of Maine and New Hampshire. Fishermen, farmers, and pilots alike rely heavily on the services rendered by the 18 employees at this forecast station. Any reduction of meteorologist positions and subsequent transfer of those functions from Portland to another out-of-State office could very well jeopardize public safety. The loss of these services would therefore be immediately felt by the entire community.

My bill would address each of the aforementioned problems by making the Government take a closer look at each weather station before deciding which to close, consolidate or keep open.●

By Mr. HART (for himself, Mr. ROBERT C. BYRD, Mr. CRANSTON, Mr. BAUCUS, Mr. BIDEN, Mr. BRADLEY, Mr. BUMPERS, Mr. EXON, Mr. FORD, Mr. LEVIN, Mr. MELCHER, Mr. NUNN, Mr. PELL, Mr. SARBANES, Mr. TSONGAS, and Mr. LEAHY):

S.J. Res. 198. Joint resolution to preserve the terms and conditions of the SALT II Treaty; to the Committee on Armed Services.

(The remarks of the Mr. HART on this legislation appear earlier in today's RECORD.)

ADDITIONAL COSPONSORS

S. 1664

At the request of Mr. ROTH, the Senator from Pennsylvania (Mr. HEINZ) was added as a cosponsor of S. 1664, a bill to amend title 10, United States Code, to allow supplies under the control of departments and agencies within the Department of Defense to be transferred to the Federal Emergency Management Agency as if it were within the Department of Defense and to amend the Federal Civil Defense Act of 1950 to authorize the Federal Emergency Management Agency to loan to State and local governments property transferred to such agency from other Federal agencies as excess property.

S. 1866

At the request of Mr. GORTON, the Senator from Idaho (Mr. SYMMS) was added as a cosponsor of S. 1866, a bill to assure safe drinking water.

S. 1910

At the request of Mr. BENTSEN, the Senator from Maine (Mr. MITCHELL) was added as a cosponsor of S. 1910, a bill to amend section 403(B)(2) of the Internal Revenue Code of 1954 with respect to computation of the exclusion allowance for ministers and lay employees of a church; to add new section 430(B) annuity contract includes an annuity contract of a church, including a church pension board; to conform section 403(c) with recent amendments to 402(a)(1); to amend section 415(c)(4) to extend the special elections for section 430(b) annuity contracts to employees of churches or conventions or associations of churches and their agencies; to add a new section 415(c)(8) to permit a de minimis contribution amount in lieu of such elections; and to make a clarifying amendment to section 415(c) by adding a new paragraph (9) and conforming amendments to sections 415(d)(1), 415(d)(2), and 403(b)(2)(B).

S. 1992

At the request of Mr. RANDOLPH, his name was added as a cosponsor of S. 1992, a bill to amend the Voting Rights Act of 1965 to extend the effect of certain provisions, and for other purposes.

S. 2059

At the request of Mr. COHEN, the Senator from Alaska (Mr. STEVENS) was added as a cosponsor of S. 2059, a bill to change the coverage of officials and the standards for the appointment of a special prosecutor in the special prosecutor provisions of the Ethics in Government Act of 1978, and for other purposes.

S. 2196

At the request of Mr. HUMPHREY, the Senator from Florida (Mrs. HAWKINS) was added as a cosponsor of S. 2196, a bill to allow the criminal and civil forfeiture of real property under the Comprehensive Drug Abuse Prevention and Control Act of 1970.

S. 2309

At the request of Mr. RANDOLPH, the Senator from Colorado (Mr. HART) was added as a cosponsor of S. 2309, a bill to amend the Endangered Species Act of 1973, to authorize funds for fiscal year 1983, and for other purposes.

S. 2353

At the request of Mr. BENTSEN, the Senator from South Dakota (Mr. PRESSLER), the Senator from Georgia (Mr. NUNN), the Senator from Illinois (Mr. PERCY), the Senator from Alaska (Mr. MURKOWSKI), and the Senator from North Dakota (Mr. BURDICK) were added as cosponsors of S. 2353, a bill entitled "The Life Insurance Taxation Act of 1982."

At the request of Mr. RANDOLPH, his name was added as a cosponsor of S. 2353, supra.

S. 2369

At the request of Mr. DOLE, the Senator from South Dakota (Mr. PRESSLER) was added as a cosponsor of S. 2369, a bill to amend the Internal Revenue Act of 1954 to clarify the standards used for determining whether individuals are not employees for purposes of the employment taxes, and for other purposes.

S. 2428

At the request of Mr. MATHIAS, the Senator from Virginia (Mr. WARNER) was added as a cosponsor of S. 2428, a bill to amend title 18 of the United States Code to strengthen the laws against the counterfeiting of trademarks, and for other purposes.

S. 2464

At the request of Mr. COHEN, the Senator from Michigan (Mr. LEVIN), and the Senator from Tennessee (Mr. SASSER) were added as cosponsors of S. 2464, a bill to amend the Public Works and Economic Development Act of 1965 to reauthorize the Economic Development Administration for fiscal years 1983, 1984, and 1985, and for other purposes.

S. 2486

At the request of Mr. EAGLETON, the Senator from Oregon (Mr. HATFIELD), the Senator from Montana (Mr. BAUCUS), the Senator from Montana (Mr. MELCHER), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Oklahoma (Mr. BOREN), the Senator from Nebraska (Mr. EXON), the Senator from Nebraska (Mr. ZORINSKY), and the Senator from Kentucky (Mr. HUDDLESTON) were added as cosponsors of S. 2486, a bill to authorize the Secretary of Agriculture to purchase stored commodities from producers under certain circumstances.

SENATE JOINT RESOLUTION 149

At the request of Mr. METZENBAUM, the Senator from Indiana (Mr. QUAYLE) was added as a cosponsor of Senate Joint Resolution 149, a joint resolution to designate the week of June 6, 1982, through June 12, 1982, as "National Child Abuse Prevention Week".

SENATE JOINT RESOLUTION 150

At the request of Mrs. KASSEBAUM, the Senator from Arkansas (Mr. PRYOR) was added as a cosponsor of Senate Joint Resolution 150, a joint resolution to authorize and request the President to designate May 20, 1982, as "Amelia Earhart Day".

SENATE JOINT RESOLUTION 183

At the request of Mr. SPECTER, the Senator from Nevada (Mr. LAXALT) was added as a cosponsor of Senate Joint Resolution 183, a joint resolution to authorize and request the President to issue a proclamation designating October 19 through October 25, 1982, as "Lupus Awareness Week".

SENATE CONCURRENT RESOLUTION 93

At the request of Mr. DOLE, the Senator from Minnesota (Mr. BOSCHWITZ), the Senator from New York (Mr. D'AMATO), the Senator from Washington (Mr. GORTON), the Senator from Indiana (Mr. LUGAR), and the Senator from Colorado (Mr. ARMSTRONG) were added as cosponsors of Senate concurrent resolution 93, a concurrent resolution to urge the Government of the Soviet Union to facilitate the emigration of certain Soviet citizens, and for other purposes.

SENATE RESOLUTION 334

At the request of Mr. Metzenbaum, the Senator from Arizona (Mr. DeConcini) was added as a cosponsor of Senate Resolution 334, a resolution to express the sense of the Senate disapproving the policy of the administration with respect to railroad retirement for fiscal year 1983.

SENATE RESOLUTION 340

At the request of Mr. Robert C. Byrd, the Senator from Colorado (Mr. Hart) was added as a cosponsor of Senate Resolution 340, a resolution to express the sense of the Senate that no action be taken to terminate or otherwise weaken the community service employment program under title V of the Older Americans Act of 1965.

SENATE RESOLUTION 387

At the request of Mr. Chiles, the Senator from Minnesota (Mr. Boschwitz) was added as a cosponsor of Senate Resolution 387, a resolution to acclaim the New World Festival of the Arts, to be held throughout Greater Miami and Dade County, Fla., June 4, 1982, through June 26, 1982, as a major cultural and artistic event.

SENATE RESOLUTION 390

At the request of Mr. Levin, the Senator from Pennsylvania (Mr. Specter), and the Senator from Iowa (Mr. Grassley) were added as cosponsors of Senate Resolution 390, a resolution urging the Soviet Union to allow Abe Stolar, his wife, Gita, and his son, Michael, to emigrate to Israel.

AMENDMENT NO. 1399

At the request of Mr. Goldwater, his name was added as a cosponsor of amendment No. 1399 proposed to S. 2248, a bill to authorize appropriations for fiscal year 1983 for procurement, for research, development, test, and evaluation, and for operation and maintenance for the Armed Forces, to prescribe personnel strengths for the Armed Forces and for civilian personnel of the Department of Defense, and for other purposes.

UP AMENDMENT NO. 933

At the request of Mr. Garn, the Senator from Arizona (Mr. Goldwater) was added as a cosponsor of UP amendment No. 933 proposed to S. 2248, a bill to authorize appropriations for fiscal year 1983 for procurement, for research, development, test, and evaluation, and for operation and maintenance for the Armed Forces, to prescribe personnel strengths for the Armed Forces and for civilian personnel of the Department of Defense, and for other purposes.

UP AMENDMENT NO. 938

At the request of Mr. Wallop, the Senator from North Carolina (Mr. East), the Senator from New York (Mr. D'Amato), and the Senator from Georgia (Mr. Mattingly) were added as cosponsors of UP amendment No. 938 proposed to S. 2248, a bill to authorize appropriations for fiscal year 1983 for procurement, for research, development, test, and evaluation, and for operation and maintenance for the Armed Forces, to prescribe personnel strengths for the Armed Forces and for civilian personnel of the Department of Defense, and for other purposes.

AMENDMENTS SUBMITTED FOR PRINTING

EMERGENCY INTEREST REDUCTION PAYMENTS

AMENDMENT NO. 1449

(Ordered to be printed and to lie on the table.)

Mr. PRESSLER submitted an amendment intended to be proposed by him to the bill (S. 2228) to amend the National Housing Act to provide for emergency interest reduction payments, and for other purposes.

FIRST CONCURRENT RESOLUTION ON THE BUDGET

AMENDMENT NO. 1450

(Ordered to be printed and lie on the table.)

Mr. HEINZ submitted an amendment intended to be proposed by him to the concurrent resolution (S. Con. Res. 92) setting forth the recommended congressional budget for the U.S. Government for the fiscal years 1983, 1984, and 1985, and revising the congressional budget for the U.S. Government for the fiscal year 1982.

● Mr. HEINZ. Mr. President, on behalf of myself and Senators Danforth, D'Amato, and Percy, I submit an amendment to the first concurrent budget resolution, which I will offer at the appropriate time. The task of restoring solvency to the social security system must be undertaken later this year by the Congress. My amendment will insure the independence of this task from the separate task of reducing the Federal deficit.

In my judgment the solvency of the social security system cannot be achieved in the context of the current budget debate. The needs of the social security system must be kept separate and apart from the debate over budget deficits and revenues. Thus far, our failure to keep these issues separate has jeopardized the success of the budget process itself.

We must also recognize that any action taken to achieve solvency of the social security trust funds must await the report by the National Commission on Social Security Reform, at which time the House Ways and Means and Senate Finance Committees will report specific revenue and savings levels after reviewing the considered recommendations of the Commission.

We do not want to make unnecessary cuts in social security benefits purely to meet arbitrary budget targets. The $40 billion figure included in the budget resolution as the social security savings to be realized by Congress is simply an estimate. I am not convinced that this figure is at all accurate in representing the level of savings absolutely necessary to keep the system solvent. Therefore, other expert opinions should be carefully considered before any figure, $40 billion or otherwise, can be adopted.

This amendment would remove from the third reconciliation instruction the mandate to save $40 billion. It would retain the requirement on the Finance and Ways and Means Committees to report solvency legislation by December 1. It would also adjust the totals in the budget resolution to reflect the treatment of OASDI separate from the budget resolution. This avoids having any significant adverse effect on the annual budget deficit totals. Finally, it makes clear that the purpose of the instruction must be solely to insure the solvency of the social security trust funds and to set in motion the process—which includes reviewing the Commission's recommendations and receiving the congressional tax committees' specific figures—by which solvency can be achieved .

I urge my colleagues to join me in striking the $40 billion figure from the budget resolution when it comes to the floor. I ask that the full text of my amendment appear in the Record.

Mr. President, I also ask that an analysis of the effect on the budget aggregates prepared by the Congressional Budget Office be printed at this point in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

On page 2, beginning with line 4, strike out through line 15 on page 3 and insert the following:

(1) The recommended levels of Federal revenues are as follows:

Fiscal year 1982: $623,000,000,000;
Fiscal year 1983: $509,200,000,000;
Fiscal year 1984: $585,700,000,000;
Fiscal year 1985: $624,400,000,000.

and the amounts by which the aggregate levels of Federal revenues should be increased are as follows:

Fiscal year 1983: $22,000,000,000;
Fiscal year 1984: $37,000,000,000;
Fiscal year 1985: $42,000,000,000.

(2) The appropriate levels of total new budget authority are as follows:

Fiscal year 1982: $777,800,000,000;
Fiscal year 1983: $673,500,000,000;
Fiscal year 1984: $718,200,000,000;
Fiscal year 1985: $767,600,000,000.

(3) The appropriate levels of total budget outlays are as follows:

Fiscal year 1982: $740,000,000,000;
Fiscal year 1983: $609,700,000,000;
Fiscal year 1984: $639,100,000,000;
Fiscal year 1985: $677,100,000,000.

(4) The amount of deficits in deficits in the budget which are appropriate in the light of economic conditions and all other relevant factors are as follows:

Fiscal year 1982: $117,000,000,000;
Fiscal year 1983: $100,900,000,000;
Fiscal year 1984: $73,300,000,000;
Fiscal year 1985: $52,700,000,000.

On page 3, line 16, strike out "(6)" and insert "(5)".

On page 4, line 4, strike out "(7)" and insert "(6)".

On page 16, beginning with line 8, strike out through line 12 on page 17 and insert the following:

(12) Income Security (600):

Fiscal year 1982:

(A) New budget authority, $260,900,000,000;

(B) Outlays, $251,500,000,000;

(C) New direct loan obligations, $2,800,000,000;

(D) New primary loan guarantee commitments, $17,000,000,000;

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, $120,600,000,000;

(B) Outlays, $100,300,000,000;

(C) New direct loan obligations, $2,000,000,000;

(D) New primary loan guarantee commitments, $18,700,000,000;

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $123,900,000,000;

(B) Outlays, $99,400,000,000.

Fiscal year 1985:

(A) New budget authority, $130,300,000,000;

(B) Outlays, $104,000,000,000.

On page 23, beginning with line 12, strike out through line 13 on page 24 and insert the following:

(19) Undistributed Offsetting Receipts (950):

Fiscal year 1982:

(A) New budget authority, −$30,500,000,000;

(B) Outlays, −$30,500,000,000;

(C) New direct loan obligations, $0;

(D) New primary loan guarantee commitments, $0;

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, −$36,400,000,000;

(B) Outlays, −$36,400,000,000;

New direct loan obligation, $0;

(D) New primary loan guarantee commitments, $0;

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, −$42,000,000,000;

(B) Outlays, −$42,000,000,000.

Fiscal year 1985:

(A) New budget authority, −$43,100,000,000;

(B) Outlays, −$43,100,000,000.

On page 32, beginning with line 19, strike out through line 15 on page 33, and insert the following:

(c)(1)(A) In order to insure the solvency of the Social Security Old Age and Survivors Trust Fund created pursuant to title II of the Social Security Act as amended, the Senate Committee on Finance shall report changes in the laws within the jurisdiction of that committee so as to reduce outlays or increase revenues, or a combination thereof, in order to meet the appropriate levels of budget authority, budget outlays, and revenues specified in the resolution adopted by that committee pursuant to subparagraph (B) of this paragraph.

(B) Prior to the date on which the Senate Committee on Finance reports the changes in law required under subparagraph (A) of this paragraph, that committee shall adopt a resolution specifying for fiscal years 1983, 1984 and 1985 levels of new budget authority, budget outlays, and revenues, or a combination thereof, for the Social Security Old Age and Survivors Insurance Trust Fund.

(2)(A) In order to insure the solvency of the Social Security Old Age and Survivors Insurance Trust Fund created pursuant to title II of the Social Security Act, as amended, the House Ways and Means Committee shall report changes in the laws within the jurisdiction of that committee so as to reduce outlays or increase revenues, or a combination thereof, in order to meet the appropriate levels of budget authority, budget outlays, and revenues specified in the resolution adopted by such committee pursuant to subparagraph (B) of this paragraph.

(B) Prior to the date on which the House Committee on Ways and Means reports the changes in law required under subparagraph (A) of this paragraph, that committee shall adopt a resolution specifying for fiscal years 1983, 1984 and 1985 levels of new budget authority, budget outlays, and revenues, or a comnbination thereof, for the Social Security Old Age and Survivors Insurance Trust Fund.

(3) The changes in law referred to in paragraphs (1)(A) and (2)(A) and the resolutions referred to in paragraphs (1)(B) and (2)(B) shall take into account the recommendations of the National Commission on Social Security Reform with respect to the amount of reductions in budget authority and outlays or increases in revenues, or combination thereof, needed to insure the solvency of the Social Security Old Age and Survivors Insurance Trust Fund. Such changes in law shall be reported, and such resolutions shall be adopted, by the Senate Committee on Finance and the House Committee on Ways and Means no later than December 1, 1982.

BUDGETARY IMPACT OF REMOVING THE OLD AGE SURVIVORS AND OISABILITY INSURANCE TRUST FUNDS FROM THE SENATE BUDGET COMMITTEE FIRST CONCURRENT RESOLUTIONS

[By fiscal year, in billions of dollars]

	1983	1984	1985
Resolution revenues	667.0	739.0	822.0
Change to revenues	−157.8	−173.3	−197.6
Revenues after change	509.2	565.7	624.4
Resolution outlays	779.1	825.0	878.5
Change to outlays	−169.4	−185.9	−201.4
Outlays after change	609.7	639.1	677.1
Social security solvency	6.0	17.0	17.0
Change to social security solvency	−6.0	−17.0	−17.0
Social security solvency after change	0	0	0
Resolution deficit	106.1	69.0	39.5
Change to deficit	−5.6	4.4	13.2
Deficit after change	100.5	73.4	52.7●

NOTICES OF HEARINGS

COMMITTEE ON RULES AND ADMINISTRATION

Mr. MATHIAS. Mr. President, I wish to announce that the Committee on Rules and Administration plans to hold a meeting on Wednesday, May 19, 1982, at 2 p.m., in room S-207, the Capitol. The purpose of the hearing is to receive testimony from Senators concerning their views on regulations and/or rules changes to implement Senate Resolution 20.

As you know, the Senate on April 20 approved Senate Resolution 20, which authorized and directed the Rules Committee to provide for television and/or radio coverage of Senate proceedings. The resolution will become effective on the date on which the Senate agrees to a resolution containing such regulations and/or rules changes needed to implement television and/or radio coverage of the Senate. The Rules Committee is required to report such a resolution within 60 days.

Members interested in testifying or in submitting a statement for the record should contact John Swearingen of the Rules Committee staff on x49078.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. TOWER. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Thursday, May 13, at 10 a.m., to hold a business meeting to consider pending calendar business.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

NATIONAL SMALL BUSINESS WEEK

● Mr. TOWER. Mr. President, I rise in recognition of, and support for, National Small Business Week. It is an occasion to honor that sector of our country that provides much of the innovation and competitiveness that has made the American economy the leader in the world. As President Reagan recently stated:

> Small business is the cornerstone of our free enterprise system and since the birth of our country has represented opportunity, independence, and fulfillment of dreams for generations of Americans.

Indeed, the initiative and challenge of small business is the lifeblood of the American way. Small business is symbolic of the freedoms that only Americans enjoy. I congratulate and commend the entrepreneurial spirit of all our small businessmen and women around the country.

I would also like to commend this administration for their promotion of and their cooperation with small business. The economic recovery program is designed to provide a pervasive and lasting positive effect on small business. It consists of a tax policy designed to promote work, savings, and investment; a budget policy designed to return resources to the private sector for investment and growth; a regulatory reform program to reduce the inefficiencies and enormous costs that are holding back production and raising prices; and a cooperative effort with the independent Federal Reserve Board to achieve a moderate and steady monetary policy to end inflation. The Congress has enacted some parts of this program to date, but in my view, we would do well to remember that a large portion of these goals have yet to be accomplished. There are many who would point to our current economic difficulties as reason to return to the failed high taxing and high spending policies of the past. I would urge this Congress to recognize that small business can only reach its full economic potential by being freed from the shackles of excessive taxation and overregulation by a Federal Government that has grown too large. The goals of the economic recovery program remain the most viable and effective means of getting small business and the American economy growing again.

The recently released report of the President entitled "The State of Small Business," represents a good effort on the part of the administration to fully examine the current status of small business and provide a useful summary of our current knowledge of small business. Many of the findings are frankly disturbing to me, and stand as evidence of my belief that the growth of Government has coincided with a decline in our small business sector.

The report found:

The small business share of gross national product declined in all major industry sectors from 1972 through 1977, from 56 percent to 51.3 percent.

In particular, there was an across-the-board decline in the sales share of firms with less than 20 employees.

There was an overall decline in the number of small businesses with less than four employees. Declines were significant in the areas of retail and wholesale trade.

One finding in the report is particularly divergent and troubling. While the number of small businesses overall has increased, the number of businesses with fewer than four employees declined slightly. This decline may be attributed to scale economies associated with improved methods and technology but a significant portion of it also appears to be due to the effects of regulation. The extent to which small businesses have been regulated has meant that the typical small business must become larger in order to survive the increasing burden of regulatory redtape. This is a dangerous trend that, in my view, must be corrected and reversed. Final enactment of S. 1080, the Regulatory Reform Act, recently passed by the Senate and pending in the House, would be an excellent first step toward easing the burden of overregulation on the small business sector.

The Economic Recovery Tax Act of 1981 seeks to provide incentives for small firms to increase their capital outlays as well as to encourage employment growth. The across-the-board individual rate cuts and the indexing provisions increase the real take-home pay of workers and owners. The accelerated cost recovery system and expensing provisions encourage increased capital investment. The estate tax reduction in ERTA significantly enhances the ability of small, family-owned enterprises to be perpetuated beyond the present generation, instead of requiring liquidation to meet excessive estate tax obligations. Other important provisions include the expansion of the funding limitations of the Keogh Plan and individual retirement accounts (IRA's). These changes and others in this hallmark tax legislation are essential elements in restoring the incentives to work, save, and invest.

Inflation, which prior to the Reagan administration was specified in polls as the biggest problem facing American citizens, has been brought under control and currently is running at approximately a 4-percent annual rate. Interest rates, although lower now than when President Reagan took office, remain persistently high, as do unemployment figures. It is my opinion that these indicators remain unfavorable because the private sector remains unconvinced that the tenets of the economic recovery program will be adhered to by the Congress. Main Street views the program in Washington as talk about fiscal restraint, but a lack of discipline to act, and as a consequence real interest rates are 11 to 12 percent. Borrowers will continue to pay this inflation premium on loans until the financial markets are convinced that Congress will establish and maintain a course of lower taxes and lower spending.

In my view, it is spending restraint that is needed to return the real and financial resources now being absorbed by the Government to the private sector for use in investment and growth. The capital needs of the private sector, and of small business in particular, have been squeezed by the growth of the Government sector. Government spending in fiscal 1982 will account for approximately 23.5 percent of our gross national product, the highest in our history. The largest growth has come in the entitlement programs which, since 1970, have grown 234 percent in real terms, while defense spending has grown only 12 percent in that same period. This excessive spending problem manifests itself most directly in the competition for funds in the credit market, where the growing deficits must be financed. When the purchases and financial claims of Government increase relative to GNP, it means fewer real and financial resources are available for use by the private sector to expand capacity and production. Improving access of small business to needed resources requires curtailing this Government preemption of the country's work force, capital goods, raw materials, and productive capacity, as well as credit. Government spending crowds out the private sector's access to these resources whether that spending is financed by taxes or borrowing.

In summary, we must continue to pursue the goals of the economic recovery program. In addition, we must stress the importance of the small business sector and our free enterprise system in our national policies on exports, Federal procurement, and research, development and innovation. It is small business that will play the primary role in the economic revitalization of this country, and it is in recognition of that fact that this Congress must continue to effectively address the needs and problems of small business. I am pleased to take this opportunity to join in the tribute to National Small Business Week.●

GEOTHERMAL ENERGY: ALIVE AND GROWING

● Mr. SCHMITT. Mr. President, low-temperature geothermal energy is alive and well in New Mexico. Irrefutable evidence of this fact occurred on April 21, 1982, when a large low-temperature geothermal hot water and space heating project was dedicated at New Mexico State University in Las Cruces. This project is one of the Nation's largest direct-use applications of geothermal energy and is the star of the State of New Mexico energy research and development program.

The New Mexico State University (NMSU) geothermal heating project is an excellent example of research leading to commercialization. This project advanced through the spectrum from basic research to commercialization in approximately 6 years, with the financial support of the State of New Mexico and the U.S. Department of Energy. University faculty and research staff discovered and developed the geothermal resources. As a matter of interest, this resource had no surface manifestations. Student labor was employed to install much of the system during the 1981 summer academic recess. The system delivers about 10 million Btu's per hour for hot water heating in 30 campus build-

ings, including 5 multistructure dormitories, space heating of the natatorium and football stadium, and heating of the indoor and outdoor swimming pools. Although the project had a total installed cost of about $1.2 million, the annual savings on expenditures for natural gas will be approximately $300,000 in 1982.

The operating system uses two 860-foot production wells capable of producing a total of 700 gallons per minute of water at a temperature of 142° to 146° F. The geothermal water has a total dissolved solids content of 2,000 parts per million with no hydrogen sulfide, and is therefore potentially usable on the surface. The hot water is transported via double insulated cement asbestos pipe, Temptite, to a heat exchanger prior to being reinjected 2,600 feet away. Fresh water from the campus water supply is heated at the heat exchanger and transported by the same type of pipeline 6,500 feet to a central distribution point, arriving at a temperature of 137° F. The hot fresh water is then distributed to buildings within a radius of about 4,000 feet.

The major use of the hot water is for showers in the student dormitories for which the water is delivered at a temperature of over 125° F. Current natural gas savings exceed 80 million cubic feet per year with substantial potential for increasing these savings since the system is currently being used at only about half its capacity. Natural gas is in short supply in the Las Cruces area and gas that is saved can be used by other customers. Thus, this project provides a double benefit, low cost energy for NMSU and increased energy supplies for residences, commercial establishments, and industry.

There have been a number of individuals who have contributed to the success of this project. Notable are: Roy Cunniff, project engineer; Dr. Chandler Swanberg, geophysicist; Dr. Paul Morgan, geophysicist; Dr. Lokesh Chaturvedi, geological engineer; Dr. George Jiracek, geophysicist; Dr. Harold Daw, physicist; Dr. Larry Icerman, engineer. Also involved in the project were the Energy Institute and the Physical Science Laboratory at New Mexico State University. The Physical Science Laboratory was responsible for the engineering design and construction of the project.

But this project is only the tip of the volcano. In the course of the research which led to the NMSU campus geothermal project, research into the geothermal potential of New Mexico was ongoing in many areas of the State. Over 60 new sites with low-temperature geothermal potential were discovered. The most exciting of these areas is the mesa to the east of the Rio Grande extending much of the north-south length of Dona Ana County in southern New Mexico. This area is the southern extent of the geothermally active Rio Grande Rift. This statewide research program in low-temperature geothermal energy was directed by New Mexico State University for the State of New Mexico. Funds for this purpose were provided by the New Mexico State Legislature through the Department of Energy and Minerals and by the U.S. Department of Energy.

It is now known that water some 6 miles immediately to the east of the city of Las Cruces, New Mexico's second largest city, is hot 140° to 160° F., at a depth of less than 1,000 feet. Already one private company, Chaffee Geothermal, Ltd., has drilled into this area with success. To the north about 20 miles, Hunt Energy Corp. has also drilled successful geothermal wells. These results open up a large area for locating low energy cost greenhouse operations. Some of the temperatures found so far, over 215° F. at the Hunt location, are also adequate for the food processing industry.

Direct use applications of low-temperature geothermal energy of this type are characterized by high utilization efficiencies, often in excess of 80 percent; use of abundant and widely distributed resources; use of standard, readily available equipment such as piping, pumps, heat exchangers, and controls; straightforward engineering designs; short development and construction times; inexpensive well developed equipment; and short, 3 to 5 year, return capital in the form of reduced expenditures for conventional fuels, most commonly natural gas. Compared to geothermal electrical power projects, direct-use applications are less demanding of geothermal resources, project management experience, and financial resources. Also development time is shorter. In addition, direct-use applications have the capability of economically displacing significant quantities of fossile fuels. The outstanding results at New Mexico State University together with the ongoing hot-dry rock program at Los Alamos National Laboratory demonstrate conclusively that geothermal energy is alive and well in New Mexico.●

A NUCLEAR FREEZE: BAD FOR YOUR HEALTH?

● Mr. GARN. Mr. President, the word is now out: Nuclear war would be bad for your health. We have recently been subjected to a flurry of exhortations on this topic. As to what good it has done us all, I am not quite sure. Actually, it seems something akin to learning everything you already knew about the consequences of nuclear war.

Writing in the New York Times, Mr. Benjamin J. Stein characterized this phenomenon in the following manner:

> We have known that nuclear war is horrible ever since there have been nuclear weapons.
>
> For the proponents of the freeze to act as if they had discovered something new is a sign of almost staggering ignorance of the history of the last 37 years. For all of that time, the United States' paramount goal has been to maintain freedom and avoid a nuclear war. To imply otherwise is not only specious but insults the speaker as well as the listener . . . The nuclear freeze petition signers are uttering a truism that is embarrassingly hackneyed. Of course no one wants nuclear war.

The question, quite obviously, is how do we go about achieving this objective upon which we are all agreed? One option that has been proposed is that of a nuclear freeze on the testing, production, and further deployment of nuclear warheads, missiles, and other delivery systems. That sounds simple enough, but where does it get us? Quite frankly, it gets us nowhere. It does not resolve the vulnerability problem of our ICBM force, it does not provide us with an effective replacement for our aging B-52 force, it does not allow us to deploy survivable air launched cruise missiles, it does not place any restraints on Soviet air defense systems, and it does not allow us to restore the nuclear balance in Europe. In short, it does nothing to enhance the security of this country or its allies.

There is one thing the freeze proposal would accomplish if it were adopted by the United States, and that is, it would insure that we would never succeed in negotiating with the Soviets an agreement involving "major, mutual, and verifiable reductions in nuclear warheads, missiles and other delivery systems." Yet this is the very objective which the proponents of the freeze consider so essential.

Mr. Jonathan Schell has provided much of the gory grist for those promoting the freeze. The series of articles Mr. Schell wrote for the New Yorker have been noted extensively by those involved in the nuclear debate. Yet what has this gentleman added to the debate or our understanding of nuclear weapons issues? Very little, if anything, I am afraid. The Wall Street Journal summed it up as follows:

> Mr. Schell spares the reader no horrifying detail about what a nuclear war, even one intended to be limited, would be like. He dwells on the imagined human gore and devastating effects to the ecosystem, concluding that any use of nuclear weapons will inevitably and literally lead to the end of the world. From this outcome, he reasons that the mere possession of nuclear weapons in some way reduces us to the level of our enemies—indeed, to the level of a Nazi Germany. And this being the case, the informed elites who have not yet been "anesthetized" by the national security state are justified in taking to the streets. To what end? Mr.

Schell is pathetically short on suggestion. "In sum," he concludes, "the task is nothing less than to reinvent politics." Like, wow, man.

Such nonsense, typical of much apocalyptic ban-the-bomb mentality, might be laughable if it weren't so destructive of serious thought about how to prevent war and control the spread of nuclear arms.

Mr. President, the peddling of nuclear fear and the promulgation of what Mr. Stein characterizes as "junk thought" has gone quite far enough. President Reagan has outlined a responsible approach to the nuclear arms challenge facing us today. This is where we should focus our attention, and work to build a nonpartisan consensus of support on behalf of a plan that seeks to secure what we all desire, a world made safer from the threat of nuclear war.

Mr. President, I ask unanimous consent that Mr. Stein's article, "Nuclear Freeze: 'Junk Thought,'" as well as an editorial and article from the Wall Street Journal be printed in the RECORD.

The articles follow:

NUCLEAR FREEZE: "JUNK THOUGHT"

(By Benjamin J. Stein)

LOS ANGELES.—I used to see a great deal of complaint a few years ago about junk food. Junk food is food that has almost no real nutritional content, has a lot of calories and salt to make the eater feel good, and might contain additives that are life-threatening. I always thought the problem of junk food was overdrawn. To my mind, the real problem in our society is not junk food but junk thought. That is, thought that looks appetizing, makes the thinker feel good, but is either empty or harmful. The best example of junk thought to appear in years is the nuclear freeze movement.

It is not that the movement is a joke or frivolous. It is deadly important and even frightening, but it is junk thought nonetheless.

There are two basic reasons why the concept of a nuclear freeze as prescribed by Senators Edward M. Kennedy and Mark O. Hatfield and any number of housewives, university professors, and students across the United States is bad for you.

First, it is deeply simple-minded and irresponsible. Second, if carried to its logical extreme, it is terrifyingly dangerous.

Let's begin by saying that no sane person is eager for nuclear war. On college campuses across America, students are demonstrating to say that they have discovered that nuclear war would be an unspeakable catastrophe. Members of Congress have joined in, pointing out that nuclear war would end life as we know it.

But come on, people. We have known that nuclear war is horrible ever since there have been nuclear weapons.

For the proponents of the freeze to act as if they had discovered something new is a sign of almost staggering ignorance of the history of the last 37 years. For all of that time, the United States' paramount goal has been to maintain freedom and avoid a nuclear war. To imply otherwise is not only specious but insults the speaker as well as the listener.

If no one is eager for nuclear war, the demonstrators and senators are doing no more than uttering a cliche: "We do not want nuclear war." The nuclear freeze petition signers are uttering a truism that is embarrassingly hackneyed. Of course no one wants nuclear war. Are the proponents of the freeze doing anything more than satisfying themselves by uttering a momentarily satisfying, but empty banality? No. And that's what makes junk thought.

Carrying a sign endorsing a cliche is not a moral effort. It is joining the "incrowd." A moral statement might be a question of whether it is fair for the Government to deny abortions to poor women, or whether taxpayers should subsidize corporations that are losers in the free market. Those concerns have real moral meat on both sides of the bone, are not platitudes, and require some thought and agony of decision.

Saying that you do not want the world to end in a nuclear holocaust amounts to saying that the real world of Soviet threats and the horrifying need for a deterrent cannot be faced. The proponent of the freeze lives in an alternate reality without those dangers and complexities. This is not a useful moral contribution.

But the nuclear freeze is not only empty mental calories. It is dangerous as well. To ask the United States to trust the Soviet Union to live up to a treaty banning further increases in nuclear arms is to ask the American people to commit suicide as a free society. At this very minute, there is proof positive that the Soviet Union is using germ warfare in Southeast Asia in criminal violation of its signature on at least three different treaties. The Russians occupy all of Eastern Europe in contravention of the strictest accords at Yalta and at Helsinki. They invaded Afghanistan in violation of the most basic international law agreed to by them. To believe that they would freeze production and deployment of nuclear arms when to keep building and deploying them would give them nuclear mastery is frighteningly ignorant.

A nuclear freeze would mean, in fact, that old devil: unilateral United States disarmament. The freeze would mean that we were telling the Soviet Union that from now on it would have the whip hand on planet Earth, as we inevitably disarmed and the Soviet Union became even more dominant. I would like to suggest to those who demonstrate for a nuclear freeze that they contemplate life and death in Cambodia or Vietnam or the Soviet Union if they would like to see just exactly what a Soviet-dominated world would be like.

If the nuclear freeze movement is merely restating platitudes, it is condoning an irresponsible abnegation of our society's interest in real problems. If it aims at, or will result in, unilateral disarmament, it is deadly. Either way, it is junk thought.

GETTING THE DRIFT OF EUROPE'S "PEACE-ISM"

(By David R. Gress)

STEGE, DENMARK.—In the last year or so, the spectacular growth of the so-called peace movement in West Germany, Britain and Scandinavia has given rise to intense speculation about its origins and its possible effect, and especially about whether it is in some way controlled or directed by the Soviet Union.

One of the difficulties involved in answering this question is that it is part of the very ideology of "peace-ism" that outside influence is denied. A peace activist, when questioned about his own commitment and asked whether he is not, perhaps, worried that sinister forces may profit from his enthusiasm, is liable to denounce the questioner as a "McCarthyist" or, upon reflection, to say that even if the Russians were involved, it would hardly matter, because the issue, peace, is so important. Furthermore, it is also part of the ideology of peace-ism that once the West disarms or refuses to re-arm, the Soviets will follow suit; such is the power of moral example.

It is clear that a majority of the hundreds of thousands who have signed appeals and joined rallies and demonstrations against the strengthening of the Theater Nuclear Forces in Western Europe or against NATO and the U.S. in general believe that the risk of war is being increased by Western action. A majority probably also believe that any defense in a war which could go nuclear is immoral.

NOT SO INNOCENT COMMITMENT

But apart from them, there are others whose commitment is not so innocent. One of them is the Danish writer Anne Herlov Petersen, who was charged in November 1981 with having helped the Soviets spread disinformation and in particular with having placed, at Soviet expense, full-page ads in Danish papers urging opposition to NATO and support for "reasonable" Soviet peace proposals. The ads bore no indication that they were paid for by the Russians, and they were officially sponsored by the "Co-operative Committee for Peace and Security," the chief organization in the Danish "peace movement."

Those who knew the committee's history were hardly surprised, since it was founded in 1974 as the outgrowth of a Moscow "peace conference" and is largely led and directed by Communists. In other words, it is a front organization whose real purpose is to use the energy and enthusiasm of young Danes to discredit and undermine Danish security, but whose ostensible purpose is merely to "criticize" official policy and oppose NATO's "war-mongering strategy."

Unfortunately, in the present climate of opinion, even revelations such as that concerning Herlov Petersen are liable to be viewed by peace-ists and their sympathizers as either irrelevant to the great cause or, indeed, as attempts to sow discord in their ranks. And, just in case anyone should start asking awkward questions or re-thinking his commitment, El Salvador and Turkey, not to mention the iniquities of capitalism at home, are being used assiduously as alternative foci of indignation.

The populist-pacifist movement recieves a good deal of supposedly authoritative and academic support from the professional "peace researchers." They flourish in many Scandinavian universities, but their headquarters is in Stockholm at the International Peace Research Institute (SIPRI), which is directed by a Briton, Frank Barnaby.

He is a sincere man, obviously convinced that if the West would change its evil ways, transform its economy and social relations and abandon all military industries, the world (especially the Third World) would be a better and safer place. He is a great favorite with certain Scandinavian TV reporters, because he can always be relied upon to explain at any given time why a certain American move endangers world peace or why a Soviet move, despite appearances, does not.

SIPRI's credibility, however, was recently damaged when in January 1982 one of its members, Owen Wilkes, a New Zealander, was convicted in Stockholm of "grave unlawful handling of classified information." He had been investigating Swedish defense installations and had accumulated a dossier

of information, some of which was immediately classified when he was arrested.

In neutral Sweden no one says publicly who might have benefited from this information, but the Swedes, in some ways more realistic than the Danes, did not have to be told, and in any case Wilkes's extreme left-wing views and affiliations were no secret. His sentence, six months in jail was at once appealed. (He has since been convicted of similar activities in Norway.)

More dangerous than the popular manifestations of peace-ism for Western security in the short run is the attitude of governments, and here one can observe a gradual increase in the influence of "peace-ist" beliefs, suppositions and rhetoric even in official pronouncements.

This tendency toward an intermingling of popular anti-Americanism and official criticism of America is specially marked in Denmark; much less so in Norway since the election of a Conservative government in September 1981. The election of Ronald Reagan and what is perceived as a new "hard line" against the Soviet Union have evoked intense resistance in the Danish Social Democratic government, despite the fact that the Social Democrats were originally great supporters of NATO and nothing if not anti-Communist.

On a Danish TV newscast of Feb. 9, for example, Danish Premier Anker Jorgensen delivered himself of a strongly worded outburst against American policy in El Salvador and Turkey, charging the Reagan administration with "a reprehensible double standard" and saying that its behavior was a liability for its allies. He said that in regard to El Salvador it was no different than Soviet policy in Poland.

Mr. Jorgensen is entitled to his opinion, and even to his fashionable dislike of President Reagan, although one is surprised that as the premier of a democratic country he does not take the trouble to inform himself of the facts before giving his opinion in public. But his remarks had a very unfortunate effect. Because of his popularity, which perversely seems directly proportional to his weakness as a leader and the incompetence of his government, his views give sanction to the anti-Americanism and neutralism of the peace movement.

SYMPATHETIC TO RUSSIA

Thus, a middle ground of opinion is being built up which does not share the hysteria of the peace activists but which is nevertheless suspicious of America and sympathetic to the Soviet Union and above all unwilling to consider any further effort at self-defense.

Mr. Jorgensen himself clearly does not believe in a Soviet threat; during a trip to China his Communist hosts lectured him on the need for NATO to bolster its defenses, but Mr. Jorgensen deplored their views and said that negotiation and co-operation are the only acceptable methods of dealing with the Russians. This idea that there is an alternative to deterrence and that the Soviets are only aggressive if we "force" them to be is on the advance in Western Europe and Scandinavia. It is not yet—in official quarters, at least—tantamount to appeasement, but sometimes the distinction becomes difficult to make.

PEDDLING NUCLEAR FEAR

Spring is officially here, and as surely as swallows return to Capistrano or college students to Florida, the ban-the-bomb lobby will be returning to the streets and our television screens. Poland and a bitterly cold winter kept the demonstrators indoors for awhile, as West German commentator Josef Joffe noted in these pages last week. But as he also noted, Poland and the weather are fast fading from mind, and the time is once again growing ripe for a little marching to and fro on the emotionally satisfying issue of nuclear war.

Sure enough, we note the arrival in New York today of a large contingent of West European anti-nuke activists. After a press extravaganza at the always accommodating United Nations, they will be fanning out across the country to instruct U.S. colleagues in the fine art of mobilizing the credulous. No doubt most of the anti-nuke crowd is well-meaning, but if anyone thinks the church affiliations so assiduously flaunted by many protest leaders are any guarantee of innocence, he would do well to take a look at the David Gress article elsewhere on this page.

And last week, 150 members of Congress declared themselves in favor of a Ted Kennedy-Mark Hatfield resolution calling for a freeze and eventual reduction in nuclear arms. This sounded more impressive than it was, however. If you read the fine print, you discovered that the resolution really only calls for negotiations, which we seem to recall have been going on for years. And if you took a close look at the list of supporting signatures, you also noted the striking absence of most Democratic arms control experts, who understand the danger of leading people to believe that there are easy fixes to the threat of nuclear war.

Leonid Brezhnev, in any case, apparently thought the congressional freeze idea was pretty swell, and he joined in the fun with a freezing gesture of his own. For the most part, the Brezhnev proposal was nothing new. It gets trotted out whenever the Kremlin thinks it can score a few cheap propaganda points. What better time, now that Moscow has finished installing at least 300 mobile medium-range missiles in Central Europe? Each of the missiles carries three warheads and the launchers come equipped with a reload of three more warheads: 1,800 new atomic weapons aimed at Western Europe. A freeze would simply ensure that NATO can't offset this sudden and staggering shift in the Eurostrategic balance with effective missiles of its own.

But the tragedy of much of the nuclear freeze and ban-the-bomb movement is that it sees only what it wants to see. It pretends to deal in facts, but at base it is simply an emotional reaction that feeds on fear, contempt for Western values and a pathological sense of guilt. In coming days and months, as the anti-nuke protesters grow more shrill, it's important to understand this form of emotional blackmail for what it is.

The basic calculus is made clear in a three-part series of articles recently in that bastion of limousine liberalism, the New Yorker. The series is called "The Fate of the Earth," and the author is Jonathan Schell, well known for his anti-Vietnam war writings. The articles were entered in the CONGRESSSIONAL RECORD by an approving Sen. Kennedy as support for his nuclear freeze resolution

Mr. Schell spares the reader no horrifying detail about what a nuclear war, even one intended to be limited, would be like. He dwells on the imagined human gore and devastating effects to the ecosystem, concluding that any use of nuclear weapons will inevitably and literally lead to the end of the world. From this outcome, he reasons that the mere possession of nuclear weapons in some way reduces us to the level of our enemies—indeed, to the level of a Nazi Germany. And this being the case, the informed elites who have not yet been "anesthetized" by the national security state are justified in taking to the streets. To what end? Mr. Schell is pathetically short on suggestions. "In sum," he concludes, "the task is nothing less than to reinvent politics."

Like, wow, man.

Such nonsense, typical of much apocalyptic ban-the-bomb mentality, might be laughable if it weren't so destructive of serious thought about how to prevent war and control the spread of nuclear arms. Indeed, one can only suspect that such hysteria has less to do with genuine concern about atomic bombs than with justifying the inchoate hatred that many on the left, burdened by guilt over Western affluence, feel toward democratic values. The threat of extinction becomes an excuse for almost anything, including bypassing the ballot box. Politics must be "reinvented," as if democracy were some sort of quaint and dangerous irrelevancy.

There's no need to get too worked up about all this. We have survived ban-the-bomb movements before; ultimately the public sees through their superficiality. For our part, they remind us of nothing so much as the economic doom sayers, those prophets of apocalypse who go around the country earning fancy fees giving lectures that scare the wits out of people even though their prophecies never quite pan out. They know, as does Mr. Schell, whose articles will soon be available in hard cover in your local bookstore, that fear sells.●

RETIRED SENIOR VOLUNTEER PROGRAM

● Mr. CHILES. Mr. President, we have been celebrating Older Americans Month by recognizing the valuable contributions that our older Americans have made and continue to make to this great country. I want to bring it to the attention of the U.S. Senate that the retired senior volunteer program (RSVP) of Palm Beach County, Fla., is celebrating its 10-year anniversary.

Established by the ACTION Agency in 1972, and sponsored by the United Way of Palm Beach County, the RSVP program now involves 1,850 senior volunteers in over 140 agencies throughout the country. These 1,850 volunteers contributed more than 224,000 hours of volunteer service in 1981. These hours multiply into more than $1 million of service. Most of the services provided would have been unavailable to the community without the assistance of the volunteers.

While we cannot individually recognize all of the 1,850 volunteers, we should give special commendation to 6 original volunteers who are still serving in the RSVP program. These are Shirley Cohen, Loretto Levander, Gertrude Ewing, Sophie Barmutz, Evelyn Last, and Sally Feinberg. These women have touched the lives of many persons in Palm Beach County during the past 10 years. Their fine work and willing spirit is appreciated.

Senior volunteers provide valuable service across America, and are especially needed during times of severe budget restraint when other Government social service programs are threatened. Senior citizens have knowledge, experience, and expertise that can be well utilized by the community. Let me share with you the thoughts of Shirely Cohen, one of the original senior volunteers who is still serving:

> RSVP offered me a chance to spend my time and be with people who are younger. I think they have a little different perspective, and it gives you something to think about. It keeps your mind alert, that's for sure. . . . There are so many people 60 and over who have so much to offer, former professionals who want to give their time. We really haven't tapped the reservoir of people who want to give their time and service

I am sure my colleagues in the Senate will join me in wishing a happy anniversary to the Palm Beach County Florida RSVP program. We appreciate the excellent service these volunteers provide, and extend our best wishes for the future.●

IMPORT RESTRICTIONS

● Mr. **TOWER**. Mr. President, from the earliest days of our Republic, international trade has been one of the mainstays of our economic prosperity. As the world has shrunk in this century, the free movement of goods and services across national boundaries has become more critical than ever. We depend on foreign markets to supply us with important materials, and to purchase our products.

Agriculture accounts for one-fifth of our export trade. U.S. farmers are the most efficient and productive in the world. They produce three times more during each work hour today than they did as recently as in 1960. As a result, we are the best fed Nation in history, and still have sufficient production to be a major food supplier to the rest of the world.

Were it not for the substantial contribution of agriculture to the positive side of our balance of payments, we would be hard pressed to finance the import of oil and other vital materials. Without agriculture exports in 1980, our trade deficit would have been double the $23.4 billion we recorded. Our agriculture surplus is sufficient alone to pay one-third of the cost of our oil imports. The 1982 surplus in agriculture trade is projected to be $26.5 billion.

Yet, because of its efficiency, U.S. agriculture has been subject to trade barriers that discourage or prevent foreign buyers from purchasing its products. Certainly these barriers are not limited to agriculture. In fact, the entire industrial economic community faces a crisis caused by nations establishing restrictive barriers that hinder free trade.

But in agriculture, the inequities affecting American producers are particularly visible and clear cut. European nations and Japan subsidize their own inefficient production, and penalize U.S. imports. The result is higher costs and world market disruptions which create surpluses in the United States.

These import restrictions imposed by our trading partners account for most of the impediments our farmers face in foreign markets. This year, despite the impressive levels of our exports, they will be down both in volume and value. This drop will be especially noticed in the wake of 12 years in a row in which new records were set for agricultural exports, and is contributing substantially to a poor net farm income for this year.

Our Government has an obligation to enter into serious negotiations to ease these externally imposed restrictions. But, in my view, they are not the sole reason for our farm trade problems.

I am convinced that one reason the volume of our agricultural exports will be down this year is fear of another suspension of trade in U.S. agricultural markets. Our recent experience with a grain embargo against the Soviet Union proved this single-commodity boycott to be a singularly ineffective vehicle of foreign policy. It certainly caused an unfair hardship on American farmers. But less obvious at first glance was the psychological effect it had on commodity markets internationally.

Our reliability as a supplier of food and food products is an essential element of effective trading. The ever-present specter of another attempt to use farm products alone as a lever in international crises diminished confidence in our ability to supply what we have promised.

Therefore, I join the distinguished Senator from Kansas, Mr. Dole, as a cosponsor of Senate Joint Resolution 185.

This resolution would place Congress on record in declaring that U.S. agricultural trade should not be interrupted except as part of a general embargo—and that step to be taken only in the most extreme circumstances that justify the united support of the entire free world community.

This approach retains for our Government the option of using trade as an instrument of influencing world events when such a step is required—while assuring both our farmers and their customers they will never again be called upon to bear alone the burden of economic sanctions.●

ARMS REDUCTIONS: AN ALTERNATIVE TO FREEZES AND SALT II

● Mr. **GARN**. Mr. President, addressing the graduating class of Eureka College, President Reagan once again seized the initiative in the area of nuclear arms control. He has demonstrated his commitment to the goal of achieving substantial reductions in the nuclear arsenals of both the United States and the Soviet Union. He has helped to refocus our attention on the substance of the issues at stake, rather than on the theatrics of the debate as characterized by much of the nuclear freeze movement in this country, as well as in Europe.

For some time now the arms control debate has drifted from its mark. Indeed, this has occurred, in my opinion, to the detriment of the legitimate objective sought by all those involved in the debate, namely, a world made safer from the threat of nuclear holocaust.

Though the President's call for real reductions in nuclear weapons is a sensible one, it was followed by a push for a nuclear freeze. For all their sincere hopes in proposing a freeze on the testing, production, and deployment of nuclear weapons, to be followed by mutual and verifiable reductions, the freeze proponents refused to recognize the real world consequences of their proposal, namely the freezing of a destabilizing imbalance of nuclear forces that favors the Soviets and increases the dangers of nuclear war. Futhermore, a freeze would effectively derail the United States/NATO negotiating position at the INF talks in Geneva by removing all incentive for the Soviets to negotiate meaningfully. Is there little wonder then that President Brezhnev endorsed his own freeze proposal for Europe that would leave our allies at the mercy of 300 SS-20's with 1,800 warheads, which includes one refire missile per launcher?

The debate has been further skewed by the recent spate of proposals intended to revive the discredited SALT II Treaty. One would think that some of my colleagues would grow weary of trying to pump new life into the corpse of SALT II, yet this seems not to be the case. There is little to be gained from reiterating in detail the many objections to this agreement, but a quick review of its principal weaknesses may be helpful.

First, SALT II was a very poor excuse for arms control. I know of no responsible commentator who would argue otherwise. The best that can be said for SALT II is that it would have provided for a reduction of some 250 launch vehicles from the total Soviet nuclear arsenal. Little is ever said that this reduction would involve antiquated weapon systems that serve merely to draw our attention from the massive growth of warheads that would be allowed under the terms of the accord. As Mr. Anthony Cordesman recently noted in his article, "Measuring the Strategic Balance: Secretary of Defense Brown as an American Oracle":

> ". . . the SALT II agreement theoretically allows the USSR to deploy well over 17,000 warheads if it should choose to go for the maximum permitted loading of SLBMs and bombers . . . SALT II only channeled the direction Soviet force improvements could take; *it did not constrain the size or capability of Soviet forces*" (emphasis added).

Second, SALT II was inequitable. Possibly more dangerous than the massive force buildup allowed under the treaty was the inequitable quality of its terms. The treaty presented the image, but not the substance, of equality. The exclusion of the Backfire bomber from the equal force ceilings and subceilings established by the treaty was only one of the more glaring examples that demonstrated this conflict between image and reality. The sublimit of 820 MIRVed ICBM's was another case in point. Not only was the Soviet Union allowed to deploy over 300 heavy SS-18 ICBM's while the United States was prohibited from deploying a missile system of comparable capability, but the sublimit was set so high that only the Soviets could deploy such a large number of MIRVed ICBM's. With 550 MIRVed MM III missiles, and no MX until 1986, at the earliest, the proponents of SALT II were prepared, and remain so today, to concede a massive ICBM warhead advantage to the Soviets. It is simply incredible to me how readily this point is dismissed by the supporters of SALT II despite our present predicament in designing a survivable basing mode for MX.

Third, SALT II was not verifiable—adequately or otherwise. Key provisions of the agreement, particularly dealing with qualitative, as well as quantitative, constraints on weapon systems, could not be verified with confidence through the sole method of national technical means (NTM). Certainly this was true with respect to the limit on one new ICBM deployment. I remember to this day a discussion between my friend and colleague, Senator John Glenn, Democrat, Ohio, and former Secretary of Defense Brown. The gist of the conversation was that by trying to establish limits that were militarily significant, the United States had far overshot its ability to verify Soviet compliance with the restrictions. Yet those restrictions we might have felt comfortable in verifying by NTM were essentially meaningless in limiting Soviet ICBM modernization programs. Then to add salt to the wound, the United States was prepared to endorse in SALT II a significant loophole concerning telemetry encryption that would have further debilitated our verification capabilities and would have increased the basis upon which compliance with the treaty would have relied on trusting the Soviets.

My colleague from Colorado, Senator Hart, may put stock in the fact that SALT II would have reduced our uncertainty with respect to the growth of the Soviets' nuclear arsenal, but I find small comfort in this fact when the United States would simply have been assured of a position of nuclear inferiority vis-a-vis the Soviets. If this is what certainty buys us, together with an increase in Soviet foreign policy adventurism, then I must opt for a state of uncertainty that does not involve the endorsement of a fatally flawed agreement masquerading as arms control.

Mr. President, it is time for the arms control debate to come full circle and for the United States to concentrate its attention on the task of achieving nuclear force reductions that are verifiable, conducive to international stability, and provide for equal force capabilities. President Reagan has given us the basis upon which to pursue this objective, and I suggest that that is where we should set our sights.●

SOIL STEWARDSHIP WEEK

● Mr. **TOWER**. Mr. President, the week of May 16–23 has been officially proclaimed Soil Stewardship Week. I would like to take this opportunity to commend ranchers, watermen, farmers, and rural Americans for their devotion to sound soil conservation practices in recent years which have been ably coordinated through the Soil Conservation Service. It is also important to note that Texans are most certainly leaders in soil stewardship. In fact, during the Great Depression, when much of our best farmland literally blew away in the Dust Bowl, Texans realized that soil conservation had to become a priority if the agriculture industry was to remain viable.

In 1935, Texas passed the first law in the United States creating soil conservation districts as government subdivisions. This law became the model for national legislation setting up the Soil Conservation Service and the soil conservation system for the entire Nation. Effective soil conservation made U.S. agriculture more productive and more prosperous.

However, in recent years rising demands on productivity, the conversion of cropland to urban use, strains on farm cost-income balances, drought, and a new understanding of the costs of soil erosion have made conservation more important than ever.

The most damaging form of erosion is caused by water run-off, which results in the loss each year of more than 4 billion tons of soil. That is the equivalent of a one-foot-deep slice of soil large enough to cover 2,247,000 acres. Wind erosion takes another 1½ billion tons—more than 800,000 acre-feet—and gully erosion, about 300 million tons—165,000 acre-feet.

This soil loss translates directly into productivity loss. Research in one Southern State showed that each inch of eroded topsoil cost the producer approximately 5¾ bushels of corn per acre per year.

Loss of soil nutrients is one of the major reasons for these yield losses. One estimate is that each ton of medium-textured topsoil eroded results in loss of 26 pounds of potassium, 7 pounds of phosphorus and 2 pounds of nitrogen.

That farmers understand the dimensions of the problem is illustrated by a recent survey conducted by the U.S. Soil Conservation Service. By an overwhelming majority, farmers said soil conservation should be the highest priority goal for that agency. That may be the obvious function of the Soil Conservation Service, but in recent years soil conservation has taken a back seat to other areas.

Our farmers are better educated and better equipped than ever. They know conservation methods.

Yet a significant number of farmers have failed to use proven methods of conserving their soil. Windbreaks, terraces, and conversion of cropland to pasture take cropland out of production. Maneuvering large farm equipment around exisiting terraces is time-consuming and increases fuel consumption. These short-term reasons for not using every means available to conserve the soil have potentially disastrous long-term consequences.

It is imperative that the Soil Conservation Service and other Government agencies do everything that they can to encourage voluntary use of conservation methods. We must continue to direct our agriculture programs toward that end.

We depend on our farmers for food for ourselves and much of the rest of the world, and for much of the prosperity of our national economy. We must look toward the future and insure that our agriculture industry continues to be the most productive and most prosperous of any nation's in the world.

Our Nation has seen once the awful effects of failing to take care of our soil—the terrible Dust Bowl of the 1930's. We must never allow that to happen again.●

ALL-VOLUNTEER FORCE GETS NEW LEASE ON LIFE

● Mr. **COHEN**. Mr. President, our All Volunteer Army is doing very well right now.

Both in terms of quality and quantity, in recruiting and retention, our military sevices are having unparalleled success. In both intelligence and education, today's recruits surpass Vietnam-era military draftees and even the public as a whole.

This success can be attributed to several factors. These include the revived prestige of the military, improvements in benefits and quality of life items for service personnel, and the state of the economy.

The result is a strong, quality force. Enlistments and reenlistments are up, alcohol and drug abuse are declining, desertion and absenteeism have dropped sustantially, discipline is better, and attrition has been reduced.

As the May 17 issue of U.S. News & World Report indicates.

> Under these circumstances, the Pentagon is tightening education and other standards to permit enlistment of only the best and brightest military prospects.

In an article, "All-Volunteer Force Gets New Lease on Life," the magazine notes that—

> the Volunteer Force has made remarkable gains against heavy odds in recent years.

It is now the responsibility of the administration and Congress to build on those gains to maintain the strength of todays Force. We must continue to provide the incentives necessary to attract and retain the top quality people needed to man the Force.

My one concern is that we may become overly sanguine about today's successes and conclude we can begin cutting corners in the personnel area. Already, I am hearing talk that the Volunteer Force is doing so well that we can cap pay, cut recruiting funds, and reduce other benefits.

All of this brings me a sense of "deja vu." We must all recall that in the mid-1970's, Congress said the All-Volunteer Force is doing so well that we can take away some of the items for attracting and retaining personnel. Recruiting funds were cut, pay was capped, the GI bill was ended, other benefits were reduced.

The results were devastating for the Force. The experience of the late 1970's should be a lesson to us. As we seek budget reductions, we must weigh the implications of taking them out of manpower programs. As has been said time and again, the most expensive and sophisticated weapons in the world are of little avail if we do not have the men and women needed to operate them.

For the benefit of my colleagues, I am including the U.S. News article, along with a piece by George Wilson in yesterday's Washington Post. The article, "Reneging on Military Pay Raises Demonstrates Budget Realities," touches on some of the manpower cuts which are being made in the fiscal year 1983 budget. One not mentioned, a reduction of about $45 million in recruiting funds, coupled with the pay cap and enlistment and reenlistment bonus budget reductions, could hamper the efforts of our services to meet their manpower needs.

If the All-Volunteer Force again runs into problems as a result of the manpower budget cutbacks, we must be prepared to accept the consequences. It would be tragic if today's All-Volunteer Force successes would translate into policies which could bring us the hollow Army to which Gen. Edward "Shy" Meyer referred before the upturn in recruiting and retention and to the "hemorrhage" which Adm. Tom Hayward warned us about in discussing the career force not that long ago.

The articles follows:

ALL-VOLUNTEER FORCE GETS NEW LEASE ON LIFE

The volunteer military force—once dismissed by many as a concept doomed to fail—is proving a surprising success at a time of growing controversy over President Reagan's defense plan.

When Reagan took office 16 months ago, many analysts had written off the all-volunteer force as unworkable. But now dramatic changes are forcing a reassessment of the AVF's prospects.

Impressive strides have been made in coping with the acute shortage of qualified troops that once plagued the system. The services are attracting and holding the skilled people needed to operate battleworthy units.

Troop quality is improving markedly. The verdict of many analysts now is that the volunteer force is up to the task of defending the United States.

High civilian unemployment, a protracted recession, better pay and revived prestige of the military all are contributing to the increased popularity of service in the armed forces.

For President Reagan, the Pentagon's success in dealing with manpower problems is a boon as he faces mounting pressure in Congress to slash his proposed 1.6-trillion-dollar, five-year defense buildup. With manpower costs finally stabilizing, more money can be freed to spend on weapons and other fighting equipment. Pressure is also off the Pentagon and Reagan to seek big pay hikes and other high-cost recruitment lures.

The size of the U.S. military, which in 1981 reached authorized levels for the first time in almost a decade, is now expanding under rigorous new enlistment standards that are rapidly improving troop caliber.

All four U.S. services have met or exceeded recruiting goals for more than two years running, a trend that shows every sign of continuing for at least the next few years.

Also encouraging: Alcohol and drug abuse are declining, desertion and absenteeism are at the lowest level since the Vietnam War and military commanders report better discipline in the ranks.

On the whole, say commanders, combat units are better trained and more cohesive—the product of reduced personnel turbulence, longer tours of duty and more experienced leadership.

The turnaround in recruiting, bedrock of the volunteer force, is most obvious in the Army, which three years ago was running 11 percent short of its goals. The recruiting situation was so acute that Gen. Edwin Meyer, the chief of staff, complained he was commanding a "hollow Army." Today, the Army's ranks are filled, and recruiters reject prospects who not long ago would have been eagerly signed up.

In the next few years, the Pentagon's recruiting task could be further eased by reduced attrition that is taking place today throughout the military.

The dropout rate among new soldiers is down sharply. Forty-three percent of those who finished up first hitches in 1981 decided to re-enlist—a level unmatched in peacetime.

As a result, the services will be forced to recruit fewer young men and women in years ahead to maintain the strength of the all-volunteer forces.

Under these circumstances, the Pentagon is tightening education and other standards to permit enlistment of only the best and brightest military prospects.

The proportion of high-school graduates among new service recruits rose from 68 percent in 1980—a five-year low—to 81 percent last year. The figure for 1982 may turn out to be even better since the Army is no longer recruiting high-school dropouts.

Average troop intelligence is also rising steadily. Only 18 percent of the recruits are now coming from the lowest acceptable mental-test category, compared with 31 percent in 1980.

BETTER THAN DRAFTEES

In both intelligence and education, today's recruits surpass the military draftees of the Vietnam era and even the public at large. "We're getting more than our fair share of the above-average people in the population," says Pentagon manpower chief Lawrence Korb.

Even more significant than the recruiting turnabout is the buildup of the corps of skilled noncommissioned officers—veteran sergeants and petty officers who carry most of the burden for keeping warplanes flying, ships sailing, tanks rolling and troops marching.

A re-enlistment surge has reversed the exodus of trained NCO's. It was their departure for higher-paying civilian jobs that sapped the volunteer force in the 1970s. Career re-enlistments among noncommissioned officers rose by 12,000 between 1980 and 1981, bolstering the operations of all four service branches.

The Navy is benefiting most. Its shortage of 22,000 senior petty officers is expected to drop to 18,000 this year. This is being achieved even though a substantial expansion of the fleet is creating hundreds of new slots for petty officers.

In the Air Force, pilot retention is up by 30 percent. Where some Army units once existed only on paper because there were no sergeants to lead them, the service is now exceeding re-enlistment goals for maintenance, combat and other critical job skills.

With trained servicemen re-enlisting at record rates, 43 percent of the military now has at least five years in service. That gives the force greater experience than at any time since the early 1960s, before America's heaviest involvement in Vietnam.

Taxpayers benefit directly from these higher retention rates. It costs $850,000 to train each new Navy pilot, meaning that increased retention of Navy aviators saved the Treasury 450 million dollars in 1981 alone.

Greater stability is a major reason that manpower costs have shrunk over the past year from 48 to 41 percent of the defense budget.

Better pay and benefits have played a large role in making military life more attractive to potential recruits as well as those already in the service.

A decade-long erosion of compensation was checked in 1980 and 1981 when Congress appropriated a 28 percent pay increase for all uniformed personnel. This boost has helped the military to compete for manpower with private industry

Also helping the trend along is a slack economy that has driven thousands of young men and women into the services. In better times, many might have taken civilian jobs.

But joblessness is now at its worst since World War II. "Supply-side economics is working," comments Senator Sam Nunn (D-Ga.), a leading military expert. "It is supplying the military with volunteers."

The upturn in manpower is also strengthening the organized reserves. These standing units are made up of civilians paid to attend regular drill and summer training sessions. Whole units would be called to active duty in time of war.

For several years, the declining state of the active services choked off the flow into reserves of trained servicemen completing tours of duty. It also discouraged enlistment directly into reserve units. The resurgence of the military has eased that worry.

Most Navy, Marine and Air Force units report having nearly 100 percent of the reservists they would need if a crisis forced their mobilization.

The Army remains short by 175,000 troops. Still, one senior Army official says there has been a "quantum leap" in Army Reserve and National Guard strength since the late 1970s.

The effort to beef up Individual Ready Reserves—a civilian manpower reservoir of veterans assigned to no standing unit—has been slower to show results. These reservists would be called up, one by one, to replace initial wartime casualties. They are drawn from among veterans who have completed active service but are still available for call-up in an emergency.

IRR strength is growing slowly, but a war today would still find the United States lacking 250,000 of these reservists. "If we take our global strategy seriously," says Senator Nunn, "then we're short—way short."

The Pentagon has other worries, too. Some analysts fear that the all-volunteer force could again fall on hard times if the economy turns up and unemployment drops. With civilian jobs plentiful, the services could be hard pressed to find enough high-quality soldiers to meet their needs.

FEWER TO CHOOSE FROM

The recruiting job could be made still tougher by a shrinking pool of eligible youth. One Pentagon study shows that the number of men ages 17 to 21, the prime recruiting ages, will drop 17 percent, from 10.8 million in 1978 to barely 9 million in 1990. Competition for qualified and talented youth among the military, colleges and industry is bound to intensify.

Further complicating the problem: Reagan's bid for a big expansion of military forces in years ahead. His plan to rearm America calls for adding 162,000 more troops by the end of the 1980's. "We're pleased with today's results," says Vice Adm. Lando Zech, Jr., the Navy manpower chief, "but we are concerned about the future."

But whatever problems remain, the volunteer force has made remarkable gains against heavy odds in recent years. The Reagan administration is betting heavily that the force will continue to show improvement.

[From the Washington Post, May 12, 1982]

RENEGING ON MILITARY PAY RAISES DEMONSTRATES BUDGET REALITIES

(By George C. Wilson)

The Reagan administration's decision to back off the 8 percent pay raise it promised the 2.1 million men and women in uniform this October is a choice example of how budget realities are forcing the president to restructure his proclaimed military policies.

The world of President Reagan is beginning to look far different than the world of candidate Reagan when it comes to such national security issues, all much trumpeted in the campaign, as closing the "window of vulnerability," negotiating arms control with the Soviets and, most recently, paying military people as much as they could earn in civilian jobs.

So far every idea Reagan has proposed for making land missiles less vulnerable, thus closing the window of vulnerability, has been found wanting, either by the administration or by Congress. The expense of some of the MX deployment schemes in this day of looming $100 billion deficits has always been influential, sometimes determinative.

The costs involved in a speed-up of the nuclear arms race with the Soviet Union also seem to be more sobering to President Reagan than to candidate Reagan. President Reagan has just offered to negotiate arms reductions with the Soviets even though they seem to be behaving badly in Poland, breaking the linkage formulas of candidate Reagan.

And now comes the turnabout on military pay, perhaps the most dramatic one of all, considering the fiery rhetoric Reagan and his lieutenants have blown across the country on the subject.

Candidate Reagan assailed President Carter for letting military pay fall behind civilian salaries. He brought cheers from American Legionnaires gathered in Boston on Aug. 20, 1980, by promising to "implement a program of compensation and benefits for valued military personnel comparable to what is available in the private sector."

Defense Secretary Caspar W. Weinberger, in appearances before congressional committees, repeatedly has portrayed the past low pay of military people as a national disgrace. And Navy Secretary John F. Lehman, Jr. as recently as last month said he would rather give up a nuclear aircraft carrier than cut into military pay.

Specifically, Lehman told Navy Times on April 18 that "We would take cuts in programs, go down to one carrier instead of two, go down to one attack submarine, rather than cutting into personnel compensation."

Despite all this talk, the administration has decided to keep asking for two nuclear carriers in the fiscal 1983 budget but halve the promised 8 percent pay raise for military people and scrap the 5 percent increase slated for government civilians in fiscal 1983, starting Oct. 1.

One reason for choosing to cut pay is that the savings on the spending side of the ledger are immediate. Canceling a weapon saves comparatively little in spending, because it is bought on the installment plan over several years. Reagan estimates that military and civilian pay cuts will save $3.9 billion in fiscal 1983.

Reagan, Weinberger and Lehman would of course have preferred to continue raising military pay. They had lived up to their promises on military pay, with this year's raise a hefty 14.3 percent, until this new reversal.

But the ailing economy is forcing them to put a "new look" on their military program, one that resembles those of the past as the nation went through fest and famine cycles in deciding how much is enough for defense.

Thus the new look is really the return of the old look.●

EFFECTS OF JUSTICE DEPARTMENT ANTITRUST ACTION

● **Mr. EAST.** Mr. President, I recently ran across an editorial by Peter Brimelow in Barron's which was of particular significance to me. This article illustrates the counterproductive effect that some antimerger actions taken by the Justice Department may have. We must not cripple competitors—and destroy jobs—by slavish attention to the so-called Herfindahl index. I ask unanimous consent that Mr. Brimelow's article be printed in the RECORD.

The article follows:

CRIPPLING COMPETITION—THAT'S WHAT ANTITRUST IS DOING IN THE BEER INDUSTRY

(By Peter Brimelow)

"It is easy to suggest a situation where a business merger would increase competitive pressures," writes Professor Dominick T. Armentano in his striking new book, Antitrust and Monopoly: Anatomy of a Policy Failure (John Wiley, $22.95). His suggestion: the beer industry, where two merging firms could benefit from economies of scale and dovetailing marketing. This could even allow "a more effective rivalry with, perhaps, some larger, more established company. Although there is one less independent beer producer, and although market share and concentration ratios might even increase, consumers would likely be more efficiently served. . . ."

Even as Armentano's study was being dispatched to blase book reviewers, the management of loss-making Milwaukee-based Jos. Schlitz Brewing Co. was taking his advice. Even if involuntarily. Both G. Heileman Brewing Co. and Stroh Brewing Co. have struck deals to buy Schlitz. Last October, the Justice Department threatened an antitrust suit and gave the relieved Schlitz managers an excuse to climb back out of Heileman's jaws. Last week, Justice allowed Stroh's unfriendly takeover to proceed. It will probably go through, although Russell G. Cleary, the fierce lawyer who runs Heileman, is threatening to go to court attacking what he calls "this double standard." But whatever happens, the episode is providing more evidence that, in Armentano's words, "the theory and practice of antitrust is fundamentally flawed."

The beer business has turned into a barroom brawl that may well leave only the biggest on their feet. That means Anheuser-Busch Co. and Miller Brewing, a unit of Philip Morris Co., which together boast over 50% of market share. The efficiencies and marketing resources of these much-admired national operations are such that most analysts believe they will continue to grab an ever-larger share of the slowly growing beer market from the smaller, basically regional second-tier producers.

Enter Heileman. The smallish La Crosse, Wis.-based firm has fought to fourth place nationwide (7.7% market share) with a show of stunning management virtuosity. In the past six years, the company's return on equity has averaged more than 24%, over twice the industry average. Its stock has gone from 2 in 1974 to a high of 32% and a recent 24.

Heileman's specialty has been acquiring troubled regional brewers cheaply and turning them around. It has imaginatively capitalized on their locally popular products, integrating some two dozens brands into its strong distribution system. Schlitz (7.8% market share) would have fitted perfectly into this strategy. Heileman's breweries were in the Midwest and Northwest. Schlitz's were in the South, and its brands, nationally known, could have been used in a major marketing drive.

Stroh (4.5% market share) is much less of an ideal match for Schlitz. The family-held, Detroit-based brewer has barely digested its first significant acquisition, F&M Schaefer Corp. In fact, Schaefer's Allentown, Pa., plant is still closed for a refurbishing aimed at penetrating precisely the section where Schlitz is strongest. Moreover, Stroh's earnings have been uninspiring—it netted a mere $8.1 million on $391.4 million sales in the last nine months—and it was nearly twice as leveraged as Heileman even before the Schlitz acquisition, which will reportedly take its debt-to-capitalization ratio to over 80%. It is unlikely that Stroh-Schlitz can afford the promotion campaigns—let alone the risk of rescuing Schlitz—that have become essential in modern mass marketing.

Perhaps this isn't exactly "trying to put two sick chickens together and make a well one," as one disaffected member of Schlitz's controlling Uihlein family described last year's abortive bid for his company by Pabst Brewing Co. But Stroh hardly qualifies as a fighting cock. It is inconceivable that this merger will offer the competition to Anheuser-Busch and Miller that the Heileman combination could.

Which consideration, oddly, does not enter into the Justice Department's decision. A spokesman explains that it's really just a matter of applying the Herfindahl Index, a measure of industry concentration obtained by the sum of the square of all participating firms' market shares. An industry where one firm had 100% of the market would have a Herfindahl of 100^2=10,000, right? An industry with a Herfindahl of over 1,000 (ten firms each with a 10% share) upsets the Justice Department. The beer industry is 1,600. A merger that increases the Herfindahl by about 75 upsets Justice. On 1980 figures, Stroh-Schlitz was a borderline case. Heileman-Schlitz was about 128.

Of course, other measures are used. And much discretion. Thus, the concentration in local markets matters to Justice. It is making Stroh sell off a Schlitz plant in the Southwest, where its sales in combination with Schlitz would have topped 20%. And for some reason, Stroh's sales to Puerto Rico are discounted from its national total.

Perhaps significantly, the Justice Department's objection to Heileman was issued unexpectedly. It arrived so late in the proceedings that Schlitz had already closed its Milwaukee brewery, an unpleasant chore that often seems to fall to managements about to be swallowed by Heileman. It was the first merger barred by the new Administration's antitrust chief, William F. Baxter, and some observers say that if Stroh had been first, it would have been barred, too. There were also rumors that if the Justice Department did not act, antitrust suits would be filed by Heileman's alarmed competitors. Chairman Cleary wanted to fight in the courts, and his bitter reaction to the merger's collapse pointedly noted that Anheuser-Busch's stock was making new highs. Anheuser-Busch declined comment.

The actual statute upon which all this figuring is based, however, is not concerned with concentration. It aimed to preserve competition, not competitors. Concentration does not, as Armentano demonstrates, necessarily diminish competition. In this case, it would have increased it, since without Schlitz's undervalued capacity, Heileman is just not in a position to challenge Anheuser-Busch and Miller in most of the South. Market share, moreover, is not immutable. The beer business is dangerous. Schlitz itself was the industry leader in the 1950s, and a strong runner-up until the 1970s. But then disaster struck when it changed its brewery procedure. Despite quickly switching back, Schlitz never recovered its position, and observers frankly doubt whether it can survive. Falstaff Brewing Corp. has plunged similiarly, from being third to 17th in the industry. Even entrenched operations can be blasted out of their regional strongholds, as has recently happened to Coors in the West. What antitrust theory sees as dangerous predators are, in fact, transient butterflies. Profits are not as stable nor as certain as legal fees.

Beyond this, there is the fundamental question of whether the Justice Department can tell what the structure of any given industry should be. In effect, it is decreeing that the beer business must stay fragmented. But there is no reason to suppose that this is the most efficient deployment of assets. In the case of Heileman-Schlitz, antitrust action has almost certainly prevented assets from passing into more capable hands. The possibility must be faced that antitrust law is a factor in America's declining productivity.

The thesis of Armentano's book is that antitrust legislation is rather like laws forbidding witchcraft. It is aimed at a chimera, arising from an imperfect understanding of the nature of competition in a free market and the role of "cartels" and "monopolies" (except where created by governments).

This will distress many legislators and publicists who derive a child-like comfort from the notion of cigar-chomping Robber Barons, like inverse Santa Clauses. A gentler course may be to strip away the encrustation with which the years, judges and bureaucrats have gradually transformed the antitrust statutes, and simply require some evidence of diminished competition before mergers are halted. That would avoid the present paradox by which antitrust activity has produced exactly the opposite result of what was intended.

Actually, since 1975, the courts and the bureaucracy have slowly been retreating from antitrust excess. The Justice Department's 1968 merger guidelines, issued under President Johnson, have not been enforced for some time. In May, Assistant Attorney General Baxter is due to issue new guidelines. But they will probably rely on some version of the Herfindahl Index. The bureaucracy will still be making pronouncements about industry structure, although they will not be as arbitrary as under the previous four-firm standard. This typifies the ameliorative tinkering, reducing paper burden and so on, which seems to be what many Republicans mean by regulatory reform. "Metooism" has become "me-lessism." Not making waves may be a good rule in the executive suite. But the problem of regulation has to be viewed in principle. As it is, the Administration is just trimming a cancer.●

SMALL BUSINESS WEEK

● **Mr. PRYOR.** Mr. President, this week, by Presidential proclamation, the Nation is celebrating Small Business Week. Small businesses are the heart and backbone of every community, and we deal with them every day of our lives. But small business means more than just the corner store. It is important to remember that small businesses are responsible for 43 percent of our gross national product and that of the 11 million U.S. businesses, 10.5 million are classified as small, that is, having 500 or fewer employees.

The most recent figures show national unemployment at 9.4 percent, representing the highest unemployment level ever in absolute terms. If we included people who have simply quit looking for work, the national unemployment figure would reach 10.5 million. These numbers have caused considerable concern in Washington, but I suggest that when the Congress seeks to reverse the frightening increase in the jobless rate, it look no further than small business. Small business employs 58 percent of the private work force and creates 75 percent to 85 percent of all new jobs.

It is obvious, too, that small businesses are the most innovative and vigorous sector of the economy. U.S. productivity has been lagging behind other developed nations, notably Japan and West Germany, and one reason is our inferior position in technical innovation. There has been no increase in Federal investment in research and development in recent years. According to the Office of Federal Procurement Policy, small, high tech firms produce more innovations per dollar than larger firms. Between 1953–73, firms with fewer than 1,000 employees accounted for more than one-half of major U.S. innovations as measured by new patents. Now, however, small businesses receive only 3.5 percent of Federal R. & D. dollars. To correct this shortcoming, the Senate has approved S. 881, the Small Business Innovation Research Act, directing more Federal R. & D. dollars to smaller firms. The House of Representatives has not acted on the bill, but I hope that this initiative will be approved soon and signed into law.

THE SAD NEWS

Small businessmen may be excused, however, for asking whether there is really any cause for celebration during this week in their honor. By any reckoning, small business in the worst shape since the 1974–75 recession, perhaps in the worst shape ever:

Business failures increased by 45 percent from 1980 to 1981. 6,205 companies have gone under during the first 14 weeks of 1982—an increase of 55 percent over this time last year—and if this rate continues over the rest of the year, we will exceed the number of failures in 1932.

According to the Small Business Administration, failure rates are up 49 percent in the construction industry, 41 percent in the retail industry, 32 percent in the wholesale industry, and 27 percent in service industries.

The net cost of interest now accounts for 52 percent of aftertax business earnings. This is an increase of 36.5 percent over 1979 and represents potential investment capital which is lost because of high interest rates.

The National Federation of Independent Business reports that the loss in employment in small businesses in the last quarter was the greatest since it began keeping records, earnings and sales are at near-historic lows, and capital expenditures are stagnant.

In my State of Arkansas, SBA loan demand is at an alltime low, due, apparently, to high interest rates and economic uncertainty. There is an increase in bankruptcies and liquidations which parallels the trend in the rest of the Nation. In farm States like Arkansas conditions are exacerbated by low commodity prices which affect farm-related businesses such as seed and equipment dealers as much as they affect farmers.

CONGRESSIONAL ACTION

The most effective long-term solution to the problems of small business is lower interest rates, but interest rates will not come down overnight. In the meantime, the Congress has taken a number of steps to aid small business and is considering other actions in the future.

For example, the Economic Recovery Tax Act allows a faster writeoff of certain capital investments, and the revised estate tax law should ease the tax burden on family-owned businesses. Both the administration and the Congress have worked hard to reduce the paperwork burden which has choked so many small firms.

I supported all of those actions and expect them to have a positive effect on our economy, but at the same time I recognize that there is much more that we can do. Among the initiatives which have been proposed and are under active consideration are a tax credit for the creation of new jobs and a small business debenture to finance and encourage growth of small firms.

The industrial development bond program, which has helped so many firms, is under attack, and I feel strongly that we must find a way to preserve the program and direct its benefits where they were meant to go.

Several of us in the Senate have been particularly outspoken on the need to appoint a small businessman to the Federal Reserve Board. In filling the last open position, President Reagan chose to ignore our advice, I am sorry to say, but we will continue to press for small business representation on the Board. To some such an appointment may be viewed as largely symbolic, but the small businesses of this Nation should have at least one voice in the monetary decisions which affect them so directly.

The Government Affairs Committee, of which I am a member, has a role to play in improving the prospects of small business. For starters, we need to carry forward our initial efforts toward regulatory reform to further reduce the redtape which chokes our small firms. At the same time, we need to improve the Federal procurement process. In 1980 the Federal Government bought $100 billion in goods and services, but small firms did not get their share of the business. Even when small businesses win a Government contract, chances are the Federal Government will be months late in paying for it. There is no excuse for the Government of the most powerful Nation on Earth lagging months behind in payments for uniforms or paperclips or air conditioning provided by small firms which are, in all likelihood, operating on a shoestring. Fortunately, this week the Senate approved and sent to the President legislation requiring the Government to pay its bills on time from now on.

The Federal Government recognized the special importance of small firms when it created the Small Business Administration, but recent evidence suggests that that agency is not living up to its commitment. We must insist on some serious belt tightening at the agency to make sure that the benefits of its programs are directed at those whom it was meant to serve.

THE EFFECTS OF HIGH INTEREST RATES

In a recent NFIB survey, small firms listed the greatest threats to their success in order of importance. Not surprisingly, inflation has been supplanted by high interest rates as business enemy No. 1, followed by inflation, taxes and slow sales.

This survey brings us to the crux of the problem. Small businesses simply cannot compete with Federal, State and local governments and big business for scarce capital. There is barely any credit available to start a new business, to expand current operations or to pay for operating expenses to keep a firm going during slow times. Owners of family businesses and family farms are refinancing their homes, farms, and businesses over the long term, thus effectively abandoning the equity they had built up over the years.

Due to the credit crunch, many banks have been charging small businesses higher interest rates than big business, substantially raising fees for bank services, and turning away longtime small business customers. There are some banks which are eager to keep small firms as customers, but many of the banks in Arkansas are having to turn down at least three-fourths of their loan applications because applicants cannot generate enough profit margin to pay interest on the loans.

A DUAL-PRIME INTEREST RATE

Because small businesses have been borrowing at rates above the prime, Senator CHILES and I and several other Senators introduced Senate Joint Resolution 112 last year. The resolution directed the President to work with the Federal Reserve Board to assure an adequate flow of credit to small borrowers and to limit the diversion of credit to less productive uses, such as corporate mergers and takeovers. Under this concept, banks would voluntarily set aside funds to lend to small firms at affordable rates. This would not be the first time that this Government proposed such a program. In 1973 the Fed established a Committee on Interest and Dividends, which issued voluntary guidelines for dual-prime interest rates, with lower rates available for small business, housing, and agriculture. Although a lower interest rate of this sort might not cover a bank's cost of lending, many financial institutions might reasonably be expected to go along with this idea in order to keep potentially profitable small business customers. One bank which has experimented with this program is First Tennessee National Bank in Memphis, which sets its small business rate at 1 percent over the cost of 6-month money market certificates. Last fall, while the bank's base lending rate was 18 percent, small firms could borrow at 16.25 percent.

A RAY OF HOPE

I have painted a gloomy picture for small business, but the recent, slight drop in interest rates leaves some room for hope. Short-term small business lending rates declined from 19.5 to 17.9 percent by the end of 1981. In addition, the NFIB's "Index of Small Business Optimism" rose slightly in January of this year.

There are further tax and administrative changes that would help prolong this encouraging trend, but the most serious challenge to the Congress and administration in the months ahead is clearly to set policies that will reduce interest rates and increase the supply of credit. There is no question that the Congress is painfully aware of the problems of small business and will devote a great deal of time and attention to finding practical remedies.

"A nation of shopkeepers" is a term of derision which the French have used to describe England, but in the United States small, independent entrepreneurs have long been a source of national pride. The health of our economy depends upon the strength of our small businesses and upon the growth, innovation and spirit of private enterprise which they represent.●

TRIBUTE TO KAY RIORDAN, SOUTH DAKOTA SMALL BUSINESS PERSON OF THE YEAR

● Mr. PRESSLER. Mr. President, I want to take this opportunity to recognize the outstanding accomplishments of one of South Dakota's truly enterprising women, Kay L. Riordan. Kay has been named the South Dakota Small Business Person of the Year and she is indeed deserving of this great honor.

Kay has been a personal friend of mine for some time now and it gives me the greatest of pleasures to share with my distinguished colleagues here in the Senate the Riordan success story.

Kay Riordan is the daughter of a South Dakota cowboy and homesteader. Obviously the pioneer spirit of her family was carried into the business world by Kay. For she is responsible for converting a log cabin structure at the base of Mount Rushmore into a 30,000 square foot dining room and gift shop. Many persons from all over our Nation, and indeed the world, who have visited the Mount Rushmore Memorial in South Dakota's Black Hills have been served by the excellent concession Kay has maintained there for 31 years.

Today, Kay employs more than 150 workers at the Mount Rushmore site, including 100 college age students. Her concession is a good example of how the success of one small business person can provide growth and jobs for the entire community.

Kay freely shares her business expertise with others. She has represented South Dakota at the White House Conference on Small Business and has advocated small business interests as a member of numerous boards and associations. Recently, the South Dakota School of Mines and Technology awarded her the honorary degree of doctor of business administration.

Kay has also been appointed to the Senate Commerce Committee's Travel and Tourism Industry Advisory Council, a group of national Industry leaders and chief executive officers of the travel and tourism business.

We are all aware of the difficulties currently being faced by our Nation's small business persons. Therefore, it is especially important that we have this "Small Business Week" to recognize the accomplishments of those men and women who have built the foundation of our free-enterprise system.

The State of South Dakota recently proclaimed May 5, 1982, as Kay Riordan Day to thank Kay for all she has done for the State and to congratulate her on her outstanding appointment as the only woman in America appointed to the Travel and Tourism Industry Advisory Council.

Perhaps the greatest tribute paid to her, however, is a letter to the editor of the Rapid City Journal from one of her former employees, Mr. F. John Kinyon. Mr. Kinyon, who spent four summers in college working for Kay, says of her:

> She understands the importance of improving the whole business and atmosphere and living quality in an area, if one's own business is to succeed. Her success is thus more than financial: she demonstrates that good taste and good business are not only compatible, but go together well.
>
> The first word to come to my mind whenever I consider her as a businesswoman, as a patron of the arts, or as a person, is quality.

Mr. President, I share this assessment of Kay Riordan and am proud to recognize her as my State of South Dakota's Small Business Person of the Year.●

RESTORING BALANCE IN UNITED STATES-JAPAN RELATIONS

● Mr. DENTON. Mr. President, as we continue consideration of the fiscal year 1983 Department of Defense authorization bill, we must attend clearly to means to assure our security, protect our vital interests, and honor our commitments to our allies.

The issue of the participation of our allies in sharing the defense burden has received considerable attention during the fiscal year 1983 authorization process. It is the subject of a number of amendments and resolutions to be considered in conjunction with S. 2248. For this reason, I call the attention of my colleagues to an article by the distinguished President pro tempore that was published in the April issue of the Harvard International Review. "Restoring Balance in U.S.-Japan Relations" examines the need for a more equitable distribution of burden sharing based on the Treaty of Mutual Cooperation and Security signed by Japan and the United States in 1960.

The security policy of the United States has a profound impact on the political and economic stability of our allies. At a time when significant increases in defense expenditures are required if we are to continue to preserve the peace and insure protection of vital interests, it is imperative that our allies recognize the inherent responsibilities of partnership.

In this context, Senator THURMOND's analysis is both timely and appropriate. I ask that "Restoring Balance in U.S.-Japan Relations" be printed in the RECORD immediately following my remarks.

The analysis follows:

RESTORING BALANCE IN U.S.-JAPAN RELATIONS

(BY STROM THURMOND)

A major issue facing Congress during this session is the nature of the relations between the United States and Japan for the next decade and beyond. The current relationship is based on the Treaty of Mutual Cooperation and Security signed by Japan and the U.S. in 1960. That treaty has served both Japan and the United States well. According to its provisions, the United States defends Japan against outside aggression and in return, Japan provides the U.S. with a platform from which to deploy forces in the western Pacific Ocean. For more than two decades, this treaty provided Japan with a security umbrella under which it pursued economic development free of the burdens of a significant defense budget. Largely due to this umbrella, Japan has been able to pull itself out of the depths of destruction and into prosperity.

Many geopolitical changes have taken place since the U.S. and Japan entered this accord. First, Japan has moved from a minor economic entity to become an economic superpower with a Gross National Product (GNP) equal to half of the United States' GNP. Second, the United States and Japan have become not only good friends and staunch allies in security affairs, but they also enjoy a strong economic relationship as major trading partners. Third, the Persian Gulf region has acquired strategic significance it did not have in 1960. Protection of our common vital interests in the Persian Gulf places new military requirements on the United States, such as the rapid deployment of forces that may be based in the Indian Ocean or even in the western Pacific Ocean. Fourth, the Soviet Union gained new military and political capabilities for acting on a global scale: they made significant advances in their strategic buildup; they overran Afghanistan, and their forces are now poised only 700 miles away from the Persian Gulf; and they acquired new surrogate states, some of which are in the Middle East—in close proximity to the oil fields. Finally, while the United States remains today an economic superpower, it now has severe inflation and steep unemployment—problems it did not have in 1960, when the Mutual Security Treaty was signed.

A prosperous Japan could certainly assume an increased role in its own defense, relieving some of the pressure on the United States. Current Japanese defense outlays fall short of what is needed for the defense of that area. While the United States spends about 7 percent of its GNP on defense, and while the various European allies defense spending is somewhere between 3 and 5 percent of GNP, our Japanese friends have consistently spend less than 1 percent. In budgetary terms, the U.S. spends more than 25 percent on defense, while Japan spends about 5 percent. In fact, the Japanese defense budget in relation to overall government outlays has declined from 14 percent in 1955 to 5 percent in 1980. The Japanese argue, however, that they have been increasing their defense spending. They point out that their budget for this year shows an increase in defense spending of 7.5 percent. However, in terms of GNP, this amounts to a very minimal increase from 0.9 to 0.93 percent. This level of defense spending is minuscule and hardly commensurate with the needs of an economic superpower.

While relieved of the full responsibility of defending Japan, the Japanese government pursued an effective program to subsidized Japanese industry in its quest for world markets and to become a world leader in the steel and the shipbuilding industries. In addition, Japan pursued a protectionist policy which created enough import barriers, including quotas, and unreasonable product standards, that make it impossible for our products to penetrate the Japanese markets. As a result of these policies, the U.S.-Japan trade imbalance has been growing steadily for several years. The cumulative trade deficit for the years 1974-1980 stood at $47 billion. The deficit for 1981 alone is estimated to be $18 billion and it is expected to grow this year to $25 billion.

While the American taxpayer spends over $700 per year on defense, the Japanese counterpart spends less than $100 annually. Given the current economic situation in the United States, and considering that the per-capita incomes in the two countries are comparable, the American taxpayer has a right to expect help from the Japanese in providing more for the defense needs of that country.

According to its government spokesmen, Japan is committed to assuming the primary role in the defense of its own territories, airspace, coastal waters, and sea lanes up to 1000 miles. Assuming this responsibility would require Japanese defense expenditures to be at a level considerably more than the current 1 percent of GNP. An increase to a level of 3 percent would probably be required. This would put Japan on an equal footing with our European allies. It is time that Japan entered not only as a full partner in the alliance of free nations, but also as a full participant in the defense of the free world.

The arguments against a strong Japanese military posture center on two points: one, that it would violate the constitution of Japan; and two, that other Asian nations would be apprehensive about such a posture.

With regard to the first argument, let us not forget that the Japanese themselves have accepted for some time now an interpretation of their constitution which is consistent with a defense spending of about $11 billion annually. In today's world, however, this level of spending, although sizable, is just not enough to take care of Japan's self-defense needs. As for the second argument, the continued presence of the U.S. forces in that region is a reassuring element that should reduce any apprehensions resulting from a militarily strong Japan. Furthermore, we are not calling on the government of Japan to defend the whole area, but to participate in the defense of the region by contributing substantially to its own self-defense.

Significant movement by Japan in both the defense and the trade areas will help alleviate the general uneasiness in the United States about the lack of balance in our relationship with Japan. This relationship is too important for both countries to allow this condition to go unaddressed. From a military standpoint, Japan is the gateway to East Asia and the western Pacific region. As such, Japan is an important friend and ally to the United States. However, this friendship has not produced a two-way street in our defense and economic relationship. So far, it has been one-way, heavily tilted to the benefit of Japan. Maintaining and strengthening our friendship with Japan hinges on achieving a balance that has been lacking. The Congress of the United States may have to take steps to guarantee the achievement of this balance, and in the process, protect our manufacturers, jobs and markets, and at the same time, safeguard a healthy long-range relationship with Japan.●

SMALL BUSINESS WEEK

● Mr. EAGLETON. Mr. President, this week we highlight the achievements of small businesses throughout the country as we recognize National Small Business Week. Statistics have proven small businesses as the most vital force in our economy today, but they face increasingly severe problems caused by high interest rates, increased business failures, and lack of progress toward economic recovery.

As pointed out in the President's first annual report on the state of small business, small businesses:

Represent 99.8 percent of all U.S. businesses;

Produce 38 percent of the Nation's gross national product;

Employ 47 percent of the nongoverment labor force;

Contribute two out of three new jobs; and

Produce twice as many innovations per employee as larger firms.

Nevertheless, this vitality has been threatened by relentless, unprecedented high interest rates and a subsequent rise in the number of bankruptcies. High interest rates are especially crippling for small businesses because they depend on bank loans—yet find they must pay more to borrow than their larger corporate counterparts.

In recent years, Congress has sought to devote its attention more to the special problems and the needs of small businesses. We have focused on the burden of Federal regulations for small businesses, on the need for equal access to justice, and special tax problems that arise for small businesses. Yet, the biggest problem faced by small businesses today is the lackluster state of our economy. It is incumbent on us, the Congress, to work toward a consensus budget compromise. Such a compromise must include spending restraint and revenue recapture from the 1981 tax bill. I have little doubt that if Congress provides a favorable economic climate, the entrepreneurial spirit that is inherent in small businesses nationwide will continue unsurpassed as a source of job-creation, innovation, productivity, and competitive pricing.●

NATIONAL SMALL BUSINESS WEEK

● Mr. CHILES. Mr. President, I want to congratulate the Small Business Committee for once again authorizing a resolution recognizing the importance and accomplishments of our Nation's small business community. Committee Chairman LOWELL WEICKER and ranking minority member Senator SAM NUNN have done an outstanding job to see that May 9-15 is declared National Small Business Week.

I do, however, have mixed emotions as I rise to add my voice to those of others who are interested in and concerned about the small business sector. On the one hand, no one can underestimate the importance of the small business community. It continues to be the bedrock of our national economy. Small business provides half the private sector jobs in the country and accounts for two out of every three jobs created. Small businesses represent the vast majority of private firms in the country and are also on the cutting edge of most of the innovations that keep us technologically advanced. And, the small business contribution to the total wealth of our country is considerable. Even after some years of decline, almost 40 percent of our gross national product comes from small business. Without question, in order to have a healthy economy we must have a healthy small business community.

On the other hand, I am very concerned about the economic condition the small business community finds itself in today. What we know is that these are the most difficult economic times since the Great Depression.

Small businesses are being closed or merged out of existence at an alarming rate. Dun & Bradstreet said recently that in the first 14 weeks of this year 6,205 businesses failed. This is a 55-percent increase in business failure over the same period in 1981 and 2½ times greater than the same period in 1980. At the same time, large corporations and conglomerates are in a headlong rush to acquire small businesses. I understand that merger announcements in 1981 were up in the neighborhood of 35 percent over the preceding year. In addition, we have seen an unfortunate erosion of the antitrust laws, the first line of defense against anticompetitive business practices. The less than vigorous enforcement of these laws by the administration threatens to increase economic power in the hands of large corporations and threatens the economic recovery in the small business community.

The result of these business failures is a devastating increase in the number of unemployed. The figures for April were just released and we now know that we have the highest unemployment rate since the Depression. The unemployment problem in the small business community is particularly severe. The National Federation of Independent Business reported recently that the loss of employment among small business was particularly great in the fourth quarter of 1981. The NFIB went on to say that on a seasonally adjusted basis the losses were 50 percent higher than in the spring of 1980.

I would like to be able to tell the small business community that the Federal Government clearly recognizes the problems it faces and that every effort is being made on the part of Congress and the President to foster the kind of economic environment conducive to small business growth and development. Unfortunately, I would be less than totally honest if I told them this. While I am pleased that Congress has passed some very significant legislation dealing with paperwork reduction, which I authored, and has also provided some regulatory relief, there remains much more that Congress and the President can do to make sure that small business continues to play an important role in our economic structure.

Without question the most pressing problem facing the small business community is high interest rates. For small business to recover, these rates must come down. When you require people to pay the going market rate of 18 percent for a small business loan, the only small businessman who is going to do well is the guy who auctions off belly-up businesses. High interest rates are particularly a problem for small business since most of their financing is done through bank-loaned, relatively short-term debt. It is not very often that a small business can successfully market corporate bonds. Also, while high interest rates directly affect them, small businessmen feel the effects of high interest rates because of the recession that grips our economy. It is no secret that business activity in general is way off and demand is way down.

As a member of the Senate Budget Committee I have seen first hand the problems we face with the budget and how it affects interest rates. We simply have to reduce deficits before we can expect to see interest rates come down. To do this we must have a bipartisan effort. One thing that would help would be to convene an economic summit where leaders from Congress, the Federal Reserve, business and labor get together with the President to iron out the differences in our economic recovery approach. I believe this would send out a strong signal to the money markets that the Government is serious about reducing the deficit and bringing about economic stability. Congress also needs to continue to cut into Federal spending levels. I do not believe any spending area should be above review. Both defense and entitlements should be looked at. But with the size of the deficits that are being proposed, the spending side of the budget cannot bear all of the pressure alone. We need to look at the revenue side of the budget. I do not mean raising taxes, but rather we need to look at some of the massive tax cuts passed last year. Tax cut bills that build deficits into the budget are written in red ink and I think we would be wise to at some point tie tax cuts to the spending cuts. That way a deficit would not automatically be created by the tax cut.

Mr. President, National Small Business Week offers us the opportunity to recognize the important contributions of the small business community. It also offers us the opportunity to focus on the problems that plague it. I hope all of us in Congress and those in the administration take advantage of this opportunity and reaffirm the value of small business to our overall economic health and well-being.●

THE ELECTIONS IN THE DOMINICAN REPUBLIC

● Mr. HELMS. Mr. President, on Sunday, May 16, the Dominican Republic will hold elections to elect a President. These elections are a welcome event, signifying the Dominican Republic's continuing dedication to the democratic process. Freedom-loving people everywhere commend the Dominican Republic for holding such elections, and wish the country well.

But no election is worth the effort if it is not free and fair. Thus, there is a special obligation on the part of the Government of the Dominican Republic, and especially the military, to insure that the people of that critical Caribbean nation will be participating in an election with proper ballot security, and with as little occasion for fraud as possible. Even in the most experienced democracies, there are frequent allegations of fraud and election rigging. Many such allegations prove to be well founded, and the democratic process is put in jeopardy. Recent elections in the District of Columbia provide an example.

Furthermore, Mr. President, no election outcome is valid unless and until recognized by all elements contending for power. Thus, again, the military in the Dominican Republic has a special obligation to insure not only the integrity of the electoral process, but of the election outcome as well—so that the winner in Sunday's election can be assured that he will assume the office to which he has been elected by the people of the Dominican Republic.

Mr. President, it is in the interest of stability in the Caribbean Basin region for there to be a free and fair election in the Dominican Republic.●

FRAUD HOTLINE

● Mr. SASSER. Mr. President, I wish to take this opportunity to point out that, while both the administration and the Congress are looking for new ideas or ways to cut back on Federal spending, the most worthwhile weapon in the battle against waste, fraud, and abuse in the Federal Government will round out its 40th successful month of operation at the end of this week.

I refer to the nationwide, toll-free fraud hotline established by the General Accounting Office (GAO) at my suggestion in January 1979.

A few simple numbers are the clearest testimony to the continued success of the hotline.

First, it costs approximately a half million dollars a year to fund the entire hotline operation, including the fraud task force that manages the hotline. On the basis of cases it has successfully pursued, the hotline has already paid for itself hundreds of times over. Charles Bowsher, the Comptroller General, has indicated that the hotline saves "millions of dollars annually," and that it has a deterrent effect on waste and fraud in Federal agencies.

Second, nearly a thousand calls a month come into the hotline. This shows that the proven success of the hotline in helping to thwart waste, fraud and abuse in the Federal Government is encouraging additional and continued participation by those wanting to report such instances. Success is, in effect, breeding success.

Third, there are the hotline numbers themselves. The nationwide, toll-free hotline number is 800-5454. In the Washington, D.C. metropolitan area the number is 644-6987.

Any concerned citizen with knowledge of fraud and abuse—in any Federal program—can report that knowledge by calling the hotline number. Anonymity to callers is guaranteed.

Finally, I ask that the latest report by GAO's fraud task force on the activities of the hotline be printed in the RECORD so that others may see for themselves the success of this most valuable Government activity.

The report follows:

FRAUD TASK FORCE HOTLINE SUMMARY APRIL 15, 1982

VOLUME OF CALLS AND GEOGRAPHIC AREA—FIRST 39 MONTHS OF OPERATION

We announced the hotline telephone number on January 18, 1979 and after the first 39 months of operation, (April 15, 1982), had written up over 11,000 allegations which require classification as to materiality, agency and program involved, and geographic location. In addition to the above, we have received numerous calls that were more appropriately the concern of other Federal agencies or state or local officials that were referred but not written up. We have received over 38,000 calls in total. Computer analysis of the first group of calls written up is complete and the follow-up process on these hotline leads has begun. Additional calls are being received daily, and will be handled by the same process.

Calls have been received from all 50 States, the District of Columbia and overseas locations.

A geographic breakdown based on the 7,037 allegations believed to warrant further review in our screening of 11,169 cases is as follows:

Location of reported activities

Washington, D.C.	486
Alabama	124
Alaska	29
Arizona	74
Arkansas	79
California	631
Colorado	117
Connecticut	44
Delaware	11
Florida	285
Georgia	303
Hawaii	17
Idaho	26
Illinois	196
Indiana	81
Iowa	42
Kansas	54
Kentucky	127
Louisiana	87
Maine	28
Maryland	191
Massachusetts	101
Michigan	266
Minnesota	51
Mississippi	80
Missouri	184
Montana	40
Nebraska	32
Nevada	29
New Hampshire	20
New Jersey	128
New Mexico	62
New York	324
North Carolina	122
North Dakota	28
Ohio	339
Oklahoma	82
Oregon	59
Pennsylvania	266
Rhode Island	18
South Carolina	55
South Dakota	27
Tennessee	262
Texas	417
Utah	35
Vermont	8
Virginia	327
Washington	179
West Virginia	58
Wisconsin	57
Wyoming	6
Overseas	58
Missing codes	93

Affected Government entity—Executive branch

Department of Agriculture	359
Department of Commerce	92
Department of Defense (other than Air Force, Army, Navy)	117
Department of the Air Force	249
Department of the Army	418
Department of the Navy	372
Department of Energy	86
Department of Health, and Human Services (formerly HEW) (other than SSA, OE, NIH)	591
Social Security Administration (welfare, SSI)	1,126
Office of Education	55
Department of Education	60
National Institutes of Health	17
Department of Housing and Urban Development	444
Department of the Interior	183
Department of Justice (other than FBI)	158
Federal Bureau of Investigation	9
Department of Labor	486
Department of State	12
Department of Transportation	173
Department of the Treasury (other than IRS)	81
Internal Revenue Service	689
Community Services Administration	76
Environmental Protection Agency	90
Equal Employment Opportunity Commission	18
Federal Emergency Management Agency	26
General Services Administration	206
National Aeronautics and Space Administration	28
National Science Foundation	8
Small Business Administration	61
Tennessee Valley Authority	30
Office of Personnel Management	38
United States Postal Service	198
Veterans' Administration	279
Agency for International Development	10

Legislative branch

Congress	12
General Accounting Office	20
Library of Congress	9

Other

D.C. government	13
Other Federal agencies	111
Missing agency codes	31

MIX OF CALLS—SUBSTANTIVE VERSUS NONSUBSTANTIVE

Approximately 30 percent of all calls received appear to have some substance and are written up for further evaluation. After additional screening approximately 63 percent of those written up appear to have some substance for investigation or audit. For example, of 11,169 allegations that have been screened, 7,041 appear to have some substance for investigation or audit. Of the 7,041, about 30 percent are in the "mismanagement" category, while the remaining 70 percent (4,959 allegations) appear to involve intentional wrongdoing.

TYPES OF ALLEGATIONS RECEIVED

Other than those of a non-substantive nature and those that did not appear to involve the expenditure of Federal funds, hotline allegations fell into one of two categories:

Instances of apparent mismanagement, and

Instances of intentional wrongdoing.

In summarizing the allegations of wrongdoing, we found it useful to categorize them according to the participants in the alleged improper activity. We established the following five activity participant categories:

1. Federal employees only.
2. Federal employees in conjunction with others.
3. Federal contractors or grantee organizations.
4. Individual and Corporate recipients of Federal financial assistance.
5. Other individuals or corporate entities.

Of the 4,959 allegations of wrongdoing, the highest proportion, 33.4 percent, was in the participant category "Individual and corporate recipients of federal financial assistance." The table below shows the number and proportion of total wrongdoing allegations falling in each of the five participant categories.

Participating category	Number of allegations	Percent of total
1. Federal employees only	1,234	24.9
2. Federal employees in conjunction with others	295	5.9
3. Federal contractors or grantee organizations	1,000	20.2
4. Individual and corporate recipients of Federal financial assistance	1,658	33.4
5. Other individuals or corporate entities	772	15.6
Total	4,959	100.0

Looking first at the "Federal employees only" category we found that there were 188 allegations of theft, 236 allegations of private use of Government property, 412 reports of employee working hour abuses, 234 reports of improper financial transactions, and 164 reports of other improper activities.

In the second category, that of "Federal employees in conjunction with others" there were 132 allegations of a bribe or kickback having been paid, 4 allegations of extortion and 159 miscellaneous other allegations.

In the "Federal contractor/grantee" category there were 422 allegations of improper expenditure of Government grant funds, 184 allegations of contract non-performance, 96 reports of the theft of Government funds or property and 298 other allegations of various natures.

The fourth category, "Individual and corporate recipients of Government financial assistance" included 586 allegations of welfare cheating, 211 of cheating on social security benefit eligibility, 400 on collecting inappropriate disability benefits, 70 of cheating on veterans benefits, 101 instances of food stamp cheating, 38 of medicare/medicaid cheating and 252 miscellaneous allegations.

The fifth and final category, "Other individuals or corporate entities" included 613 allegations of personal and corporate income tax cheating, and 159 other allegations of improper activity.

The allegations of wrongdoing that were received to date involve the funds of every one of the 13 cabinet departments of the Federal Government and involve activity in Washington, D.C., and all 50 States.

In 70 percent of the cases, the informant was anonymous. Thirty-one percent of the informants were Federal employees.

Referrals made as of April 15, 1982

HHS	1927
DOL	531
HUD	510
DOD	1,139
IRS	740
VA	312
GSA	282
USDA	371
Post Office	186
Interior	186
EPA	98
NRC	8
FEMA	33
D.C. government	13
Office of Personnel Management	63
State Department	13
AID	11
DOT	178
DOE	85
Commerce	93
Justice	181
Treasury	118
SBA	73
NASA	31
LEAA	28
GAO	141
CSA	89
OMB	5
Merit System	3
TVA	32
Legal Services Corporation	13

Securities and Exchange Commission	1
Department of Education	66
Total referrals	[1] 7,556

[1] Total cases referred is greater than the number of substantive cases received because some allegations were referred to more than one agency.●

NATIONAL SMALL BUSINESS WEEK

● Mr. FORD. Mr. President, Many of my colleagues have produced useful and timely statements this week in recognition of National Small Business Week.

It is important, however, that while we pay tribute to the many important contributions small business men and women make to the Nation's economy, we also make a point of reflecting on the current health of small business which we do not need a doctor to diagnose as not so good.

The statistics have been cited many times before this week; that small businesses employing fewer than 500 workers create over 80 percent of the new jobs in this country, employ over one-half of the Nation's work force, and are responsible for most of the new products and innovations in America. With this kind of record, there should be little doubt that the health of our economy is dependent on the health of small business. And, I think, over the last few years, there has been increasing recognition in Congress of the importance of small business. We have passed a number of pieces of legislation aimed at removing regulatory and tax burdens from the small business community and facilitating capital formation. But, despite our best efforts to remove government burdens, it is clear that small business is suffering today more than ever under the weight of unwise government policies that have brought on a recession amidst continuing high interest rates.

As our economy continues its steady downhill slide, the first and most numerous victims are small business which are today experiencing failure at a record rate. Even in normal times, when the economy is operating near full productive potential, there is a significant percentage of businesses that fail because, after all, this is the nature of small business—to strike out for success against high risk of failure. But these are not normal times. We are currently averaging almost 450 business failures per week, 83 per 10,000 businesses. That amounts to the greatest rate of business failures since the Great Depression in 1933. These figures do not take into account the impact that the current recession and high interest rates are having on decisions to start new businesses. How many Americans have decided not to go ahead with plans to start a new business because there is no demand in the economy and the high rate of interest has made it impossible to finance start-up costs? There are no precise figures for this, but we can see some measure in the figures for new job creation and the ever-increasing number of unemployed Americans which in April reached 10.3 million persons, the highest number of unemployed since 1938.

The prime interest rate that continues to stay around 17 percent—which actually means around 20 percent for most small businesses—is bad enough. But as tough as high interest rates are for small business, even more serious is the simple unavailability of credit.

Small business must depend, to a greater extent than big business, on debt to finance growth. In many areas of the country, the money is just not there. It has already been gobbled up by the Federal Government which, this year, must finance a $100 billion Federal deficit—the largest in our history. It has also been gobbled up by big business, which last year tied up a record $70 billion in bank loan commitments to finance unproductive corporate mergers. The situation might have been made more tolerable if the amount of savings had increased, but in spite of efforts to encourage greater savings through tax incentives over the last year, we have seen an actual decline in the already low level of private savings that is available to finance business borrowing.

We in Congress are concerned about the problems facing small business. We have given the small business men and women of this country our attention in the past and attempted to respond to their concerns. But, the problems of the past pale in comparison to the hard realities of today's dismal business climate. This is not to say that there are not remedies. The overriding problems of high interest rates and credit scarcity can be addressed by Congress if we can come together and agree on a remedy.

First of all, the Federal Reserve Board must be influenced to follow a slow growth monetary policy that allows for reasonable expansion of the money supply sufficient to finance growth without inflation. There are indications that the Federal Reserve is pursuing a more moderate policy, but we must make it clear that Congress will not tolerate another year of 2 percent money supply growth. Second, we have to take steps to make sure that scarce credit is made available to small business. That may require credit allocation policies by the Federal Reserve Board, or at least some type of limit on the amount of money that is tied up in loan commitments for unproductive corporate mergers. Another aspect of this problem is the gradual reduction in the number of small banks that service small businesses. The increasingly likely action to restructure financial institutions must take into account the credit needs of small business.

Of course, the most important answer to the problems that beset small business is to bring down the size of the deficit so that the Federal Government's intrustion in the credit markets can be reduced. We are now in the midst of those efforts and it appears progress is now being made.

A few months ago, we all mourned the devastating effect high interest rates were having on particular credit sensitive sectors of the economy such as housing and autos. Now, conditions have deteriorated to such an extent that all sectors of the small business community, from retailing to wholesaling and manufacturing, are falling victim to the growing recession and bankruptcy wave. It is time for action.

Mr. President, I am pleased to join my colleagues in saluting the small businessmen and women of this country during this National Small Business Week. I hope this week will serve to highlight the importance of small businesses, the problems they face, and the responsibilities we in Congress have to pursue policies to ease their burdens.

Unless we do, there will be even less to salute the next time Small Business Week comes around.●

SERTOMANS AND BETTER SPEECH AND HEARING MONTH

● Mr. CHILES. Mr. President, I would like to take a moment to commend Sertoman International for adopting better speech and hearing as its major sponsorship and to recognize the importance of the month of May as "Better Speech and Hearing Month."

Sertoman stands for "SERvice TO MANkind." This foundation has built speech and hearing clinics throughout the Nation. The organization works closely with public education programs and other health and social service agencies to develop an effective network of help for people with communication disorders.

How often we take the ability to speak and hear for granted. Yet the month of May is a time when we should remember that about 1 out of every 13 Americans suffers from hearing loss; 1 of every 20 Americans has a speech or language impairment, including over 1 million stutterers. And the yearly loss of earnings due to speech and hearing disorders is over $1.75 billion.

We should be aware that communicative disorders know no barriers of age, race, sex, or economic circumstances. Hearing loss can be present at birth, begin in childhood and progress through life, or strike at middle age or old age. Speech impediments appear in the young, or represent part of a learning disability, or occur as a result of stroke, head injury, or cancer.

However, during Better Speech and Hearing Month we should not just focus on the human and economic tragedy of communicative disorders. We should also recognize the fact that most individuals suffering from speech and hearing loss can be helped. The advances in medicine, surgery, hearing aids and other devices, and speech-language-hearing rehabilitation are most encouraging. We should all join the Sertomans in offering hope to the Americans with communicative disorders.●

FTC'S USED CAR LEMON

● Mr. McCLURE. Mr. President, I share with my colleagues a recent editorial in the Idaho Statesman that makes some interesting points in opposition to the proposed ruling by the FTC regulating used car dealers.

The proposed rule could effectively eliminate used car dealers altogether. Specifically, it requires that dealers post on the windows of all used cars for sale the status of 52 prescribed areas. Speculation from informed sources indicates that the costs of these inspections would approach $150. Of course the cost of this burdensome Government overregulation would be passed on to the consumer. The Statesman correctly states that if the rule is implemented, the only recourse the buyer would have is to prove that the dealer knowingly sold a defective car. Undoubtedly an impossible task.

I am, and always will be, a strong believer in the free enterprise system. If a consumer has any doubts about the condition of an automobile, any nonbiased mechanic would be more than happy to provide a more thorough examination at one-third the cost.

I ask that the Statesman editorial be printed in the RECORD.

The editorial follows:

[From the Idaho Statesman, May 4, 1982]

FTC's USED CAR RULE IS A LEMON

It's no wonder there's another move afoot to kill a Federal Trade Commission rule requiring used car dealers to inform buyers when the dealer knows of major defects in a car. The rule doesn't make much sense.

It's a sad fact that buying a used car is a risky business. The modern automobile is a complicated piece of merchandise that may or may not live up to the salesman's pitch.

Just because a few unscrupulous dealers create a problem, however, does not mean the federal government can solve it, particularly not with regulations like the FTC's used car rule.

If an angry buyer turns up at the car lot to complain, all the dealer has to do is say, "Hey, I didn't know." Even with the FTC rule in effect, the buyer's only option would be to prove the dealer knowingly sold a defective car. That is likely to be a difficult, expensive and unfruitful proposition for everyone concerned. In short, the rule is not going to do much, if any, good. So why have it?

Unfortunately, getting rid of the rule opens another can of worms. According to a consumer group called Congress Watch, the National Auto Dealers Association has given more than $500,000 in campaign contributions to senators and congressmen who have co-sponsored bills that would veto the FTC rule. Some sort of veto bill is almost certain to pass this session.

That might be OK except that federal courts have held the congressional veto to be unconstitutional, noting that such a device "allows special interests to achieve their ends by pressuring administrative agencies through congressional committees."

At issue is the independence of all the federal government's regulatory agencies. Fiascos like the used car rule make the agencies look bad. But these agencies do a lot of good and, to be effective, must retain their independence. They don't need Congress butting in every time they sneeze.

The best thing that could happen would be for the FTC to admit its mistake and get rid of the used car rule—not because of the pressure from Congress, but because it is a bad idea.●

REMARKS BY THE HONORABLE FERNANDO MANFREDO ON THE CARIBBEAN BASIN INITIATIVE

● Mr. DENTON. Mr. President, on February 24, 1982, before a meeting of the Organization of American States, President Reagan outlined his program for a Caribbean Basin Initiative. The policy declarations made by the President constitute a sound foundation for a comprehensive program based on a true partnership of the nations of the Americas.

The implementation of the Caribbean Basin Initiative depends primarily on action that will be taken by the Congress of the United States. As we face that responsibility, I believe it is important that we recognize the broad-based support that our Latin American neighbors have given to the President's proposal. I call to the attention of my colleagues a recent speech by the Honorable Fernando Manfredo, Jr., Deputy Administrator of the Panama Canal Commission. On March 12, at a celebration in honor of West Point Founders' Day, Mr. Manfredo reiterated Panama's assessment of the Caribbean Basin Initiative as an important step in addressing the critical needs and long-held aspirations of the peoples of our hemisphere.

Mr. Manfredo's comments merit our attention as we consider the action necessary to insure the implementation of the President's program.

Mr. President, I ask that the full text of Mr. Manfredo's speech be printed in the RECORD.

The speech follows:

PRESENTATION BY DEPUTY ADMINISTRATOR IN HONOR OF WEST POINT FOUNDER'S DAY, MARCH 12, 1982

It is indeed a pleasure to be with you tonight and to share in commemorating the "Founders' Day" of the United States Military Academy at West Point.

As we celebrate the 180th anniversary of the founding of the Academy, we are honoring a period in the life of a great institution rather than a single event.

West Point and its graduates, through their spirit, ideals and traditions have contributed to making America a great country. Their contributions to the security and welfare of the democratic system of government have extended to other countries whose citizens have been privileged to enter the halls of West Point or have come in contact with its graduates.

The Academy has been and continues to be a source of leaders in all areas of society. The leadership they have provided both in the public and private sectors has been pivotal to social, economic and political development in the United States and elsewhere.

Able leaders—planners, administrators, technical personnel, and teachers—are, in fact, fundamental to achieving such development. They are in a very real sense, the prime movers for change, the directors and shapers of society. The United States Military Academy has been training those individuals since 1802.

The America of 1802 was not the America of today. The United States 180 years ago was a relatively small nation. It was militarily weak and economically poor, and yet had already caught the imagination of the world, not because of its strength or wealth but rather because that nation, since its independence in 1776, stood for something far more important. It had a flamming idealism and freedom of spirit. The American people believed in themselves, in their country, and their ideals. The United States 180 years ago was weak in arms and poor in goods, but rich in spirit. Today the United States is strong in arms and strong in spirit.

At the time West Point was founded, what the United States did or did not do had little effect on the peace and economic well being of the world. But today it holds the high trust of free world leadership, and if the United States fails to meet that trust, the danger of serious world problems is vastly increased.

Just three weeks ago, President Reagan unveiled a program of trade, investment assistance, and direct financial aid for the contries of Central America and the Caribbean, and declared that he "will do whatever is prudent and necessary" to ensure peace and security in this area. In so doing, he demonstrated that the U.S. is willing to assume its leadership role in working toward lasting peace and prosperity in the region.

The Caribbean Basin Initiative that the president has proposed to the U.S. Congress is a six point plan that includes:

A program of 12 years of duty free trade for U.S. imports from the region;

Tax incentives to encourage U.S. firms to invest in the area;

$350 million in supplemental appropriations to be concentrated in the private sector, in addition to the $475 million appropriated this year;

An offer of technical assistance and training including investment promotion, and export marketing;

Additional special assistance for Puerto Rico and the Virgin Islands; and,

Efforts to encourage stronger international assistance from such countries as Mexico, Canada, and Venezuela which already have aid programs in the region.

At the same time assistance to many countries in the region is being increased, President Reagan has made it very clear that economic and military aid will not be provided to Marxist oriented governments. The United States is apparently initiating a program of action aimed at curtailing leftist intervention in Central America and the Caribbean, with particular emphasis on supressing the Cuban and Nicaraguan style of insurrection.

President Reagan is aware of the strategic importance of Central America and the Caribbean. He recognizes that events such as those in Cuba, Grenada, El Salvador, Guatemala and Nicaragua pose serious long range threats to U.S. political and economic interests. The Caribbean Basin Initiative reveals his strategy to curtail those threats through economic assistance, while avoiding the use of direct military force.

The economic aid package is consistent with the Administration's efforts to promote free trade and investment and, in President Reagan's words, is an "integrated program that helps our neighbors help themselves, a program that will create conditions under which creativity, private entrepreneurship and self help can flourish."

The program offers a positive step forward and demonstrates that President Reagan views the United States and the Caribbean region as sharing a common destiny. The plan shows that he accepts the great commitment of our time to eliminate the age-old conditions of poverty: the lack of opportunity and hope that characterizes the Central American and Caribbean countries. By implication, the program is also expected to stop the spread of regional socialism. As the President pointed out in presenting his program, "if we do not act promptly and decisively in defense of freedom, new Cuba's will arise from the ruins of today's conflicts."

I am encouraged to see that the attitudes and actions of conscientious and dedicated leaders, such as President Reagan, are becoming more responsive to the needs and aspirations of the people of this region. And, I find it very positive that the program is focused on a solution favorable to Latin American countries and not simply one favorable to the United States. By doing so, one of the mistakes of the past is being avoided.

Nevertheless, I want to offer a word of caution. The approval of the Congressional authorization requested by President Reagan will not, by itself, miraculously implement the plan. The task will require careful and rational planning on the part of all involved nations. All other things being equal, countries which do the most careful and logical planning will achieve their goals sooner and with less discomfort than others.

The Caribbean Basin Initiative offers the rudiments of a program of economic development. The primary objective is a better individual standard of living for the people of the country undertaking the program, but it has to include related objectives, such as increasing the nation's strength to preserve its independence and satisfying the desire for national and personal respect and importance in a world, which experience shows, does not readily accept "backward", weak countries and their citizens. These related objectives seldom materialize unless the primary one is achieved, and that should be well understood.

There needs to be a clear recognition that the social changes and upheavals, the frustrations and hardships involved in the early stages of development provide the seeds for communist exploitation or internal moves toward totalitarianism and dictatorship. As a noted economist has observed: "Economic development does not necessarily make nice people." This is not an argument against economic development since undesired political and social changes are certainly not incompatible with economic stagnation and, in fact, are probably more likely to occur in such an environment. It is simply a caution against placing too much faith in what is often considered a guaranteed panacea for world democracy.

A successful economic development program involves the transformation of society as a whole. Centuries of deeply rooted attitudes, patterns of thought, social outlook and social institutions must be changed. Achieving the transformation and successfully moving down the road of progress requires the accomplishment of many things. I will briefly touch on the major ones to suggest the general pattern.

Fundamental to all other factors is the desire and will to develop, both on the part of the country's leaders and people. These factors themselves are in large part the product of a complex interaction of other forces including:

(1) Broadening the bases of political power, allowing those previously outside the power structure to acquire the means to influence political, economic, and social decisions.

(2) Establishing conditions which assure that people can receive the fruits of their own efforts through such actions as equitable land laws, protection of private property, and curtailing communal distribution of individual earnings and agricultural resources.

(3) Establishing an honest and efficient system of public administration.

(4) Generating a supply of skilled technicians and middle managers in private enterprise.

(5) Bringing about changes in prevailing attitudes toward manual work, a task that will require a major shift in values in any under-developed countries. The low esteem in which manual work is held must be completely revised, not only in regard to the performance jobs (such as machine operators or carpenters) but also to the middle management group of foremen, supervisors, etc., all of whom must stand ready to dig in and get their hands dirty instructing workers and getting projects underway. Much of this task will fall upon the educational system—expanded, invigorated and reoriented to the goals of national development.

(6) Creation of an equitable tax structure is also necessary, to assure that taxes are assessed according to ability to pay and that all persons pay their required share and, finally,

(7) Broadening the distribution of the benefits of economic progress thus providing incentives to workers to respond favorably to changes in traditional patterns of work.

Achieving economic goals, however, is only possible if countries have a political system for carrying them out. Of paramount importance, is an atmosphere of political stability and the establishment of mechanisms to mobilize resources and focus those resources in critical areas. Such stability and mobilization of effort presupposes a high degree of patience. The temptation is often to move too quickly, to attempt to minimize effort and maximize short term gains. This temptation must be put down. Economic development is slow, demanding work. The great secret to success is to create motivation for the investment effort and patience to wait for its results.

Now that I have described the Caribbean Basin Initiative in general terms and provided a note of caution against expecting too much, too fast, I would like to make some brief remarks about the participation of my country in the program.

Vice President Ricardo de la Espriella's first reaction when interviewed by the press was that the plan provides a good opportunity for Panamanian businessmen and that their spirit is being tested. I concur with Vice President de la Espriella, but I also believe more than spirit is needed if the program is to be of real benefit to Panama.

Other nations in Central America and the Caribbean will be competing with Panama for the investments and for the opportunity to take advantage of the duty free trade programs with the United States. We will have to be at our very best to be competitive.

Many people believe that because we have more political stability in our country vis-a-vis others in the region, that we have a more competitive position. That is a half truth. Other factors are just as important, if not more so, in providing a competitive edge in international trade.

Labor costs for example are going to be very important. Panama has the highest salary rates in the region. I think that is an advantage provided our productivity is also higher. In recent years, however, Panama has experienced increasing salary levels and decreasing productivity. There are a number of reasons why we are in this situation. Let me briefly mention a few.

The Government has made a strong issue of the Panamanian "right to work," but little has been said about a person's "obligation to work." The idea of the "right to work" is a good one in principle but in practice it is difficult to implement without driving up labor costs and eroding the competitive position of businessea.

Related to the labor costs and the "right to work" principle is the education and training for work. In Panama, our educational system has concentrated on what is called a general curriculum. So today, thousands of young people leave the classroom and enter the working world without suitable preparation. The education and technical training programs must be improved.

Labor-management relations is another area of major concern that impacts on the competitive edge. In Panama we live in an industrial-relations climate, where higher and higher compensation is demanded for fewer and fewer hours of work for more and more people. We all favor this desirable goal; but we cannot enjoy these material blessings with inadequate growth in productivity. Growth in productivity is fundamental to the competitiveness of business and the economic well being of the nation.

Personal gain is necessary, but if we are to enjoy the fruits of our private enterprise system, investors must have a fair return on their capital investment and more important, the company has to remain competitive. The idea of personal gain and competitive business are not incompatible although they often cause conflict between management and labor.

Finally, I would like to make a brief observation on the role of the Government in the program. As I indicated previously, no economic development plan can be successful without a political system with the mechanisms to implement it.

The Government must play an important role if we want to attract capital investments and be competitive. The Government's task is to discover the conditions that make us noncompetitive, and to act to

clear them away. At the same time, the Government should cooperate closely with the private sector and seek their advice and participation in the formulation of development policies. This will allow the Government to focus resources on areas where they can really make a difference.

The Government must also make efforts to reduce the political sensitivity of foreign investment and to correct the misunderstandings and exaggerations on both sides as to its role. If a foreign company is to operate successfully in this country, it needs the support and understanding of the Panamanian public. What the public does not understand, the public seldom supports.

Ambassador Moss and the Minister of Commerce and Industry have, in fact, been making efforts through meetings, in which high-level representatives of the private sectors of the United States and Panama have participated, to examine issues and formulate policies for encouraging investment. This type of forum should be promoted because it may dispel some of the emotion that discourages additional investment.

In summary then, President Reagan's plan has been well received both in Panama and elsewhere and we view it as a positive, practical step forward. At the same time, we appreciate the complexity of the plan and the difficulties in implementing it successfully. Nevertheless, we believe it can and must achieve its objective. It is difficult to imagine Central America and the Caribbean at peace if the standard of living for all its people is not immensely improved.

We must proceed toward that objective, confident in the knowledge that the peace and security of this area depend upon it. This will require capable and effective leadership. Political leaders, business leaders and labor leaders with foresight and a sense of responsibility. Leaders like those produced by the United States Military Academy at West Point for the last one hundred and eighty years.

THE TET OFFENSIVE

● Mr. DENTON. Mr. President, in January of this year, a documentary about the Tet Offensive in Vietnam was shown on network television. "The Uncounted Enemy: A Vietnam Deception" strongly implied that order of battle and intelligence information was withheld from our Commander in Chief at the direction of American military commanders. Since the broadcast of the documentary, we have been subjected to numerous articles that defend that irresponsible implication.

In an effort to provide a proper perspective to this issue, I call the attention of my colleagues to a letter to the editor that appeared in the New York Times. "The Tet Offensive Was No Surprise to Johnson" reflects knowledgeable and objective analysis of the Tet debate that is worthy of consideration.

Mr. President, I ask that the letter by Walt W. Rostow be printed in the RECORD immediately following my remarks.

The letter follows:

[From the New York Times, Feb. 7, 1982]

THE TET OFFENSIVE WAS NO SURPRISE TO JOHNSON

To the Editor:

Your Jan. 24 editorial "War, Intelligence and Truth" draws from the CBS documentary of Jan. 23 precisely the conclusion it clearly projected: "that Lyndon Johnson himself was victimized by mendacious intelligence" before the Tet offensive of January 1968.

The conclusion is false; and those who produced the documentary know it is false.

President Johnson received directly and read voraciously the captured documents to which you refer—not summaries—as well as reports of C.I.A., State Department and A.I.D. officers in the provinces; prisoner-of-war interrogations; intercepts, and all manner of other basic information.

Each week, Ambassador Ellsworth Bunker filed a long country-team report covering every dimension of the situation in South Vietnam, military and nonmilitary, which historians will find exceedingly accurate and done with patent integrity. On the basis of this flow, it was clear by November 1967 that Hanoi planned a maximum offensive in the time ahead, including efforts to induce "a great uprising."

Late in November 1967, through Deputy Ambassador Eugene Locke (briefly in Washington), I asked the country team in Saigon to prepare a comprehensive analysis of the coming offensive, including the possibility of fruitful negotiations when it was turned back. That evaluation plus the observations of the Washington intelligence community went to the President on Dec. 16. Without the benefit of these particular papers, he had already decided to send to Vietnam the forces he had promised General Westmoreland by mid-1968. These were airlifted out before Christmas.

On Dec. 21, talking to the Australian Cabinet on the occasion of the memorial service for Prime Minister Holt, President Johnson explained that a maximum effort, with "kamikaze" tactics, was about to be made and that there were dark days ahead, after which a bombing halt and negotiations might be possible.

Just before Tet, General Westmoreland asked the President for permission to cancel the Tet truce in I Corps, put U.S. forces on alert and made special dispositions for Saigon's protection.

The only surprise at Tet was that the Communists attacked as many as 40 provincial capitals. Most of the attacks were on a small scale and easily turned back. The surprise was not the scale of the Vietcong forces revealed but the bold imprudence of the effort: an unlikely diffusion of resources that resulted in a disaster from which the VC (and their political cadres) never recovered.

The only city entered and partially held for a significant interval was Hue. This was done by North Vietnamese, not VC, forces; and they were rooted out mainly by the South Vietnamese.

President Johnson was fully aware of the Vietcong order-of-battle debate, at the center of the CBS documentary. It concerned the size of the logistical and local forces, not the VC main force units or the North Vietnamese forces.

It was at my suggestion that General Wheeler ordered an effort to reconcile the Washington and Saigon estimates at a Honolulu meeting. It was precisely because order-of-battle estimates were so inherently difficult that we relied on the widest possible range of intelligence, never on the order-of-battle numbers alone.

CBS is quite aware of all this, from its own research and from a three-hour taping session with me on Jan. 24, 1981, in New York. The director of the documentary, George Crile, wrote to me on Jan. 15, 1982, explaining that nothing from that session was to be used and that CBS was therefore relieved of the requirement of providing me a transcript of the taping. (CBS had every right to make that decision.)

His letter included this sentence: "We did not suggest that the enemy's attack at Tet came as a surprise to the White House or to the American military command." Whatever his intention, you and every other viewer of the documentary had the right to draw a contrary conclusion.

It is difficult enough for the nation to digest and put in perspective our experience in Southeast Asia without complicating the task with distorted renditions of what happened.

W. W. ROSTOW.

DR. ROSS RHOADS ON ABORTION

● Mr. HELMS. Mr. President, Dr. Ross S. Rhoads is Senior Minister of Calvary Church in Charlotte, N.C. He is one of North Carolina's most dynamic citizens. In addition to his many pastoral duties, Dr. Rhoads writes a newspaper column entitled "Something to Think About" which appears only in the Charlotte News. I found particularly interesting his analysis of the heavy-handed tactics and false rhetoric of Planned Parenthood in promoting abortion.

Concerning a recent Planned Parenthood advertisement which appeared in the Washington Post, Dr. Rhoads said:

> The ad contends that "abortion is something personal, not political," That's like saying that wife beating is personal, so let's have no law against it. PP's seductively simple rhetoric ignores the moral implications of abortion. Focusing on the mother's "right" to abortion, it neglects the unborn child's right to life. A woman can defend herself against pregnancy but an unborn child cannot defend itself. Thus abortion is not just a personal, private matter.

Dr. Rhoads has the courage to speak out on the abortion issue at a time when so many others duck and cringe, I believe that his courageous ministry is responsible for the success Calvary Church has experienced since Dr. Rhoads was installed as minister in 1973. At that time the congregation was about 500. Today, largely as a result of Dr. Rhoads' efforts, the congregation is approximately 3,000. He is a true leader.

Mr. President, I ask that the column, "Pro-Abortion Campaign Is Not Very Subtle," by Dr. Ross Rhoads which appeared in the April 16 edition of The Charlotte News be printed in the RECORD at the conclusion of my remarks.

The article follows:

[From the Charlotte News, Apr. 16, 1982]

Pro-Abortion Campaign Is Not Very Subtle

(By Dr. Ross Rhoads)

For the first time since the Supreme Court's controversial 1973 decision making abortions legal, a full committee of Congress has approved a measure aimed at overturning it. On March 10, the Senate Judiciary Committee by 10-7 passed to the full Senate the Human Life Amendment sponsored by Sen. Orrin Hatch, R-Utah. The proposal gives to Congress and to the states concurrent authority to restrict or prohibit abortions. It may be debated on the Senate floor as early as late April.

Standing in the wings is Sen. Jesse Helms, R-N.C., with his newly modified Human Life Bill, giving the unborn constitutional protections over which Congress has enforcement powers. Majority leader Howard Baker, R-Tenn., wants the Senate to consider one abortion measure during this 97th Congress and has urged pro-life forces to get their act together.

How does one respond to Planned Parenthood's not-very-subtle full-page ad in the Washington Post? With a ludicrous photo picturing a stern senator sitting in bed between a husband and wife, it states that "the decision to have a baby could soon be between you, your husband and your senator." Well, politics makes strange bedfellows.

The ad contends that "abortion is something personal, not political." That's like saying that wife beating is personal, so let's have no law against it. PP's seductively simple rhetoric ignores the moral implications of abortion. Focusing on the mother's "right" to abortion, it neglects the unborn child's right to life. A woman can defend herself against pregnancy but an unborn child cannot defend itself.

PP also asserts that pro-life people are trying to "impose their religious beliefs" on others.

What's wrong with religious beliefs as the foundation for moral good? "Thou shalt not steal" is one religious belief on which society concurs. Even so, abortion as an issue is not solely a religious matter. Secular reasoning underlaid the original Hippocratic Oath for physicians, which included, "and especially I will not aid a woman to procure an abortion." Noted pro-life advocate Dr. Bernard Nathason, an atheist, observed, "Even if God does not exist, the fetus does."

Anyone, religious or not, should not hesitate to oppose the practice of terminating unborn human life for convenience's sake. We must protect those in our society who cannot protect themselves.●

BILL MURRAY HOPES TO UNDO BAN ON SCHOOL PRAYER WHICH HIS MOTHER BROUGHT ABOUT

● Mr. HELMS. Mr. President, on more than one occasion I have described my meeting a young man named Bill Murray in Dallas in 1980. Bill Murray is the son of Madalyn Murray O'Hair, the self-proclaimed atheist who filed the lawsuit that led to the tragic Supreme Court decision banning prayer in the schools of America.

As I have related several times in this Chamber, Bill Murray contends that the major news media of this country drop a curtain of secrecy on the fact that, as Bill Murray relates it, his mother's lawsuit was orchestrated by known Communists. "When I begin talking about that," he says, "the television lights go off and the reporter's notebooks snap shut. The major news media just aren't going to report that aspect," Bill Murray says.

Mr. President, I myself have challenged a number of television network news people to allow Bill Murray to tell his story. Up to now, none have been interested in doing so.

However, I recently ran across a clipping from the Herald & Review of April 22, published in central Illinois. That newspaper, at least, was willing to report Bill Murray's story.

Mr. President, I ask that this article be printed in the Record.

The article follows:

"Born-again" Murray Hopes To Undo Prayer Ban

(By Norm Lewis)

Clinton.—William Murray never really wanted to go to school anyway. He tended to get into fights, and his grades weren't the best.

So when his mother pulled him from the Woodburne Junior High School in Baltimore, Md., he didn't mind the two-week vacation. Besides, he preferred not to say prayers in school.

Now, William Murray says he prays daily that his mother, Madalyn Murray O'Hair, will find salvation in God.

Murray packed the Clinton Assembly of God church Wednesday night to tell 600 people the story of his life. He will speak at 7 p.m. today in Decatur's Maranatha Assembly of God, 945 S. Jasper St.

It was Murray, then 14, who was the plaintiff in the lawsuit against the Baltimore school board that led to the 1963 U.S. Supreme Court decision banning compulsory prayer in public schools.

The suit was brought by his mother, whom he portrayed Wednesday night as a frustrated social revolutionary who happened upon the school prayer issue as an avenue for her energies.

Wearing a light three-piece suit and spit-shined boots characteristic of Houston, where he now makes his home, Murray described his family's life in 1960 shortly before they gained national attention.

In September, his mother, who was divorced, gathered William Jr. and his brother, Garth, on a ship from New York to France "to what Mom thought would be a new life."

They stopped in Paris and she presented immigration papers to the Soviet Embassy for citizenship into the Soviet Union. She could hold jobs for only a few months before she would get fired "because of her superior intellect," as Murray recalled her saying.

She had been active in Socialist and Communist parties in the United States but was thwarted in her attempts to gain leadership she craved for, Murray said. That made Russia look attractive.

But the Murrays were denied entry into the country. After a delay of several days, an embassy official explained that in a work-or-starve atmosphere, Mrs. Murray's record indicated she would have a hard time keeping a job.

"My mom was heartbroken and so was I," he said. "I was looking forward to being a commissionar."

Murray, though, believes that the application went to Nikita Khrushchev's desk. "He probably said, 'We need these people (in the United States). Send them back.'"

When they returned to Baltimore, he had already missed five weeks of school. Mrs. Murray took him to be registered, and he recalled walking down the hallway at 7:50 a.m. seeing some classes praying and others reading from the Old Testament.

"My mother turned purple," he said. She told the school counselor they objected to saying prayers in school and wanted her children to be freethinkers, unlike what she believed Americans to be.

"Mom always said that America was a slave labor camp operated by a handful of Jews in New York. 'If we can't leave this country, we'll have to change it,' she said."

It was then that young Murray became the focal point of a national debate that still rages. He described how he and television evangelist Cecil Todd, who appeared with him Wednesday night, deposited the signatures of 1 million people who want school prayers reinstated at the White House during a rally over Easter weekend.

In 1960, the opposition to Mrs. Murray's efforts were just as strong. But what surprised them, Murray said, was the number of people who sent letters of support with donations of $5,000 or more.

"Mom looked at all these letters," recalling her inability to get leadership roles in local Socialist and Communist organizations." 'And now the people have come to me,' she declared."

Together they opened the first official Communist Party of America bookstore outside of New York. Murray became involved in Students for a Democratic Society and the Young Communists League while his mother chaired the Free Play for Cuba Committee.

Murray married when he was 17, but the relationship didn't last long. Soon he was involved in the airline industry and became a manager for Braniff and other airlines.

During those years, he said he learned new lessons, "that you could vote for a man and he could win. My mom had never voted for a man who'd won before. Of course, she always went in there and wrote in her own name."

Meanwhile, his mother's atheist organization was in trouble and he agreed to her plea to come to Austin, Texas, to help.

He took a shabby office with a "secretary who couldn't type," and in 18 months put the organization in a $500,000 office building with 12 full-time workers, a video studio and a printing press.

A heavy user by then of tranquilizers and alcohol, Murray said he "came to love my country" and realized that "no matter what I did for my family it destroyed the country."

It was while he was in San Francisco, working again for an airline, that his personal problem prompted him to search for answers, Murray said. "I knew now there was a God but I did not know his nature."

He studied Buddism and other Eastern religions. "I even went to a Unitarian Church and shared my problems with him, but the minister told me not worry about it. There probably wasn't a God anyway, he told me."

"I'll never forget getting off the plane in San Francisco and hearing that the City Council had just voted to require that 10 percent of the recruits for the police force be homosexuals.

"And then I said to myself, 'What have we done in the name of freedom?' It was my responsibility."

At 2 a.m. in his hotel room, the answer came.

"I awoke with a sudden awareness of where the truth was. I knew it was in a book I had never had in my home."

He went to the wharf to an all-night department store and found a Bible. He almost wrecked his car reading Luke and the description Jesus' life.

"By the time I got to the hotel, I had found the truth, that Jesus Christ can set men free . . . that he came to Earth and died on a cross so the sins of Bill Murray could be washed away."

He fell to his knees and repented, Murray recalled, and was cured of his three-pack-a-day smoking habit and of his desire to drink.

"The miracle that change lives available tonight," he added.

Murray said after his speech that since his conversion he announced two years ago, he has spoken across the country in churches and football field meetings.

He has formed the William Murray Faith Foundation, and during the last year has taken to the road full-time to tell his story, sometimes with Cecil Todd. A book, "My Life Without God," is scheduled to be released in June.

He said he has not returned to the origins of his story, where his former junior high school is now something like a vocational school. Now, he said, he is working and praying that prayers can again be said in those schools.

And his mother won't speak to him.●

IT'S TIME TO GET TOUGH WITH JAPAN

Mr. METZENBAUM. Mr. President, I have been a free trader all my life. I believe that domestic and foreign markets should be as open and competitive as possible. But I have sadly concluded that we have reached the point in our trading relationship with Japan where it would be irresponsible to adhere to some romantic notions of free trade while American workers and farmers are denied the chance, indeed, the right, to compete effectively in Japan.

It is commonly known, of course, that Japan has erected an array of barriers designed to protect its domestic industries at the expense of the rest of the world. One can only conclude that free trade to the Japanese means the freedom to export as much as they can to others and the freedom to limit imports from others as much as possible.

Over the years, we have asked, cajoled, even begged Japan to accept more American products, to dismantle many of the unfair obstacles to increased imports.

And the Japanese nod, they tell us they understand and they assure us they will be helpful. We have accepted this litany of guarantees in good faith. And we have waited for something positive to happen. But good faith hasn't gotten us anything, except hardship and an increasing number of unemployed American workers.

It has not caused the Japanese to accept United States test data showing that American pharmaceutical products are safe.

It has not caused the Japanese to accept United States test data with respect to electrical appliances or cosmetics.

It has not caused them to accept our procedures certifying that various agricultural products are safe.

It has not caused them to stop the ridiculous practice of inspecting each and every foreign automobile for compliance with emission standards, as opposed to spot testing.

And it has not caused them to change some of their most restrictive agricultural import quotas.

Indeed, about all it has caused is an $18 billion trade deficit which experts say is likely to go even higher in 1982.

That deficit, in turn, has contributed to dangerously high unemployment levels across the country. In my State of Ohio, 610,000 persons are out of work. Many as a direct result of Japan's unfair trade practices.

It is true that Japan has thrown us a few crumbs.

Last June, under heavy pressure from the United States, it agreed to limit automobile exports to the United States to 1.68 million cars, roughly 18 percent of the market. A top Japanese official recently announced that they would hold to that figure for at least another year.

But that turns out not to be much of a sacrifice at all since the auto sales market is so soft that the 1.68 million figure still represents about 22 percent of total sales, the same as when the agreement was struck.

In 1978, the Japanese agreed to expand yearly imports of high quality beef to 30,800 tons, oranges to 82,000 tons, grapefruit juice to 6,000 tons and orange juice to 6,500 tons by the end of fiscal 1983.

But these increases, particularly with respect to beef, are incredibly small given the affluent population, rising incomes and relatively low beef per capita consumption levels.

Until 1979, our efforts to deal with the growing trade imbalance were confined to half-hearted complaints filed under the general agreement on tarrifs and trade, the internationally recognized forum for airing trade practice disputes.

But incredibly, the United States has not filed a single complaint with GATT against Japan in 2 years. It is the height or irresponsibility on the part of this administration and the previous one to ignore one of the only avenues open to us in curing our disastrous trade imbalance with Japan.

It seems to me that this administration, self-proclaimed, holier-than-thou free marketers, has paid little more than lip service to the issue of unfair trade practice by Japan.

Last March 25, the Wall Street Journal reported that William Brock, the administration's special representative for trade told a Senate subcommittee that it will rely on bilateral talks, more cajoling and more begging to press our case, but it has refused to get really tough.

We have seen what bilateral talks have accomplished in the past—a big fat zero. And there is no reason to believe they will accomplish much more in the future as long as Japan believes it can get away with turning up its nose without facing stern retaliatory action.

I wonder what it will take for Mr. Reagan to finally get serious about this issue. Is he waiting for the U.S. auto industry to go under? Is he waiting for more family farms to fold?

It is clear to just about everyone that the time for talk is past. The Japanese are not interested in reaching genuine solutions. If they are, they are going about it in a most peculiar way. They seem intent on dragging out any talks so long that any agreement eventually reached will be grossly inadequate to repair the damage caused by delay, recalcitrance and inaction.

I believe it is high time to use every means at our disposal to bring Japan around to a more flexible and responsible position.

First, if Japan has not taken significant steps toward eliminating some of the more egregious nontariff barriers by June 4, the date they have promised to come forward with new proposals, the United States should immediately file complaints under the GATT.

Second, Congress should move swiftly to pass legislation that would enable the United States to retaliate automatically against countries that establish barriers to U.S. trade. There are several such proposals floating around Capitol Hill. I will support the strongest. There should be no mistake in anyone's eyes about the congressional resolve. Now is no time to send weak signals.

I do not relish supporting this so-called reciprocity legislation. I hope it is ultimately not needed for it is clearly not in anyone's long-term interests.

But Japan has left us little choice. We live in an interdependent world, something the Japanese ought to understand given our commitment to defend them against attack. But many Americans are wondering whether Japan does in fact understand this reality. The sooner it does, though, the sooner we can avoid the recriminations and anger which have characterized our relations in recent months.

FORTIETH ANNIVERSARY OF THE ORGANIZATION OF THE WOMEN'S ARMY CORPS

● Mr. BUMPERS. Mr. President, May 14, 1982, marks the 40th anniversary of the organization of the Women's Army Corps. Although women and men have now been integrated into a single corps, the spirit of the Women's Army Corps survives. Most of the original members of the corps are veterans of World War II. Some of the original group remained in the service as career officers and enlisted personnel and have since retired. These women are bona fide veterans in every sense, and yet, it is the perception of some people that the Women's Army Corps was little more than a ladies auxiliary of the Regular Army. Let us use this anniversary to recognize the invaluable contribution of women to the U.S. Army and to dispel this myth.

Although women were originally placed only in the medical and administrative jobs, there were instances during World War II when women assumed combat roles in emergency situations and fought valiantly. Today, many of the traditional sexual barriers to equal opportunity have been eliminated, and women may serve in any army job that is not strictly a combat role. Women comprised 10 percent of the Army in 1981 and projections indicate that the figure will rise to over 11 percent in 1983. The original Women's Army Corps began this long struggle for equal opportunity for women in the Army and we honor them today for that contribution.●

THE STATES AND THE CONSTITUTIONAL BUDGET AMENDMENT

● Mr. NICKLES. Mr. President, the States have sent a strong signal to Washington—that message is: Limit deficit spending in any fashion, either by Constitution or statute; if not, we will begin drafting an amendment of our own in a constitutional convention.

There is no doubt that there has been support for the concept of a balanced budget amendment among the States. Currently 39 States have constitutional provisions limiting their ability to incur budget deficits. In addition, 31 States have called for a constitutional convention in hopes to bring about congressional action on this issue.

It is no wonder that the States are frustrated by the lack of fiscal control exercised by the Federal Government when State and local governments continually operate in a surplus. In 1980, when the Federal Government was incurring a deficit of $59.6 billion, State and local governments had a surplus of $29.1 billion. Thus far, we have proven ineffective in controlling Federal spending, a stringent solution is necessary to resolve our economic problems.

My State of Oklahoma adopted a constitutional amendment in 1941 to balance its receipts and outlays. If revenues are insufficient to balance the budget, then appropriations in excess of revenues are void. This amendment passed a vote of the people by nearly 2 to 1. In 1981, Oklahoma had revenues of $3.98 billion and expenditures of $3.76 billion, leaving a surplus of approximately $220 million. This surplus is the typical experience for most States. This demonstrates the frustration the citizens feel toward the Federal Government and its inability to control its budget. The actual language of the constitutional provisions of each State varies. Further, many of the States have limitations more strict than that of Senate Joint Resolution 58. Some States require that the Governor submit a balanced budget to the legislature. Other States stipulate that the legislature shall not appropriate in excess of anticipated revenues, while others place restrictions on both the executive and legislative branches. To answer the problem of debt financing, some States limit the amount of debt they are allowed to incur. There debt limits are relatively small, the lowest being $50,000 for the State of Rhode Island.

Some argue that comparing the Federal budget to that of the States is inequitable, that the comparison is hardly fair. Admittedly, the fiscal policy of States vary widely in budgeting, accounting, and reporting procedures. But even more convincing are the similarities between the State and Federal entities. Both operate under similar three branch systems with judicial review of executive and legislative decisions. Both operate on the same system of representative government and answer to the citizens and special interests.

In closing, the National Governors Association adopted, as a part of its policy position for 1981–82, the following statement: "The continuing growth of the Federal budget and the tax burdens associated with it present serious problems for the Nation, including concentration of a large percentage of national activity in the noncompetitive Government sector, increasing centralization of Government power in Washington, and the imposition of tax burdens that encourage evasion, sap individual and corporate enterprise, and prevent Americans from increasing their aftertax standard of living."

The States and the citizens of those States are asking, pleading with Congress to act on a measure that will insure fiscal responsibility. I believe Senate Joint Resolution 58 is such a measure.●

JAPANESE TRADE BARRIERS

● Mr. WARNER. Mr. President, it has recently come to my attention that for 1981, Japan posted a record $14.42 billion surplus in trade with the United States. This is a staggering amount and of great concern to me, not only because of its magnitude, but also since the deficit is obviously increasing. The United States is not the only major trading partner of Japan which suffers a huge trade deficit. In 1981, Japan enjoyed a $10.21 billion surplus with the European Common Market—another record. It is inescapably clear that our huge trade imbalance with Japan is due to Japan's protectionist trade philosophy and practices, and not due to any inability of U.S. companies to participate effectively in world trade.

A glaring example of the protectionist attitude of the Japanese is evidenced by the numerous tariff and nontariff barriers which Japan continues to impose upon foreign tobacco products. I want to acknowledge, at this time, that Japan is a major importer of U.S. flue-cured leaf tobacco for use in their manufactured tobacco products. However, an open market policy by Japan should not affect that market. The Japanese cigarette market is completely controlled by an official institution of the Japanese Government, the Japan Tobacco and Salt Monopoly. The Monopoly is not only the sole licensing authority for retail outlets for cigarettes, both domestic and foreign, but is the sole and exclusive distributor and manufacturer of cigarettes in Japan. As a consequence, imported cigarettes can only be sold in 20,000 of the 250,000 retail outlets licensed to sell cigarettes, or less than 1 out of every 12 licensed tobacco outlets. In addition, the Monopoly controls the content and level of all advertising and is the clearance authority for the introduction of any new brands. Thus, the Monopoly is positioned to control all aspects of the sale of domestic cigarettes as well as those of its competitors.

These are only a few examples of the discriminatory nontariff obstacles which prevent U.S. cigarettes from competing effectively in the $11 billion Japanese cigarette market, the fourth largest in the World. Of equal significance is the fact that Japan imposes a 35 percent tariff on imported cigaretts. Usually tariffs can be justified for protecting an infant industry, on grounds of encouraging local manufacture, or on the basis of limiting imports in order to protect the outflow of foreign exchange. In the case of Japan, the Monopoly is over 75 years old, foreign firms are prohibited from manufacturing cigarettes locally, and Japan has one of the largest foreign exchange reserves in the world. Therefore, the 35 percent tariff on imported

cigarettes is unjustified and exists solely to exclude foreign cigarette companies from competition in Japan. The tariff, coupled with excessive Monopoly distribution charges on foreign brands, causes U.S. cigarettes to be sold at a retail price of 100 yen per pack, approximately 40 cents, above the price of comparable domestic brands. The retail price differential insures the advantageous position of Monopoly brands over U.S. brands. As long as an import tariff exists without the right to manufacture locally, foreign companies are in a "no win" situation and true market access cannot be achieved.

Due to the combined effect of the tariff and nontariff barriers, U.S cigarette sales have been held to a little more than 1 percent of the total market in Japan. Despite an agreement reached between the United States and the Government of Japan in November 1980, which was intended to increase U.S. cigarette sales in Japan, the market share for U.S. brands has only risen from 1.3 to 1.49 percent. U.S. cigarette manufacturers have demonstrated their ability to be competitive in foreign markets when afforded the opportunity to participate in the marketplace on a fair and equitable basis. In France, for example, also a country with a government-controlled monopoly, U.S. cigaretts enjoy a 30 percent share of market.

We are currently at a critical stage in our overall trade discussions with Japan, which include the prospects for increased market access for U.S. cigarettes. The Government of Japan is preparing its package of "trade concessions" which should be announced within the next few weeks. While the Government of Japan continues to make statements of its good intentions, we should make it perfectly clear that we expect concrete measures to be taken and that nominal concessions will not be accepted.●

ORDER FOR RECESS TODAY

Mr. BAKER. Mr. President, I ask unanimous consent that on today, when the Senate reconvenes, that it do so at the hour of 12 noon.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR THE RECOGNITION OF SENATOR KASTEN ON TODAY

Mr. BAKER. Mr. President, I ask unanimous consent after the recognition of the two leaders under the standing order that the Senator from Wisconsin (Mr. KASTEN) be recognized on special order for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL MONDAY, MAY 17, 1982

Mr. BAKER. Mr. President, I ask unanimous consent that when the Senate completes its business on Friday, today, it stand in recess until the hour of 12 noon on Monday thereafter.

The PRESIDING OFFICER. Without objection it is so ordered.

PROGRAM

Mr. BAKER. Mr. President, on today, after the recognition of the two leaders under the standing order, Senator KASTEN will be recognized on special order for not to exceed 15 minutes. It is anticipated, thereafter, that there will be a brief period for the transaction of routine morning business. It is the intention of the leadership, Mr. President, to ask the Senate to then turn to the consideration of the budget resolution. There will be no votes tomorrow but it is expected that opening statements and debate will be undertaken and that it will be a useful and productive day for the Senate.

RECESS UNTIL 12 NOON TODAY

Mr. BAKER. Mr. President, I move, in accordance with the order just entered, that the Senate now stand in recess until the hour of 12 noon today.

The motion was agreed to; and the Senate, at 5:28 a.m., recessed until Friday, May 14, at 12 noon.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 13, 1982:

NUCLEAR REGULATORY COMMISSION

James Kilburn Asselstine, of Virginia, to be a Member of the Nuclear Regulatory Commission for the remainder of the term expiring June 30, 1982.

James Kilburn Asselstine, of Virginia, to be a Member of the Nuclear Regulatory Commission for the term of 5 years expiring June 30, 1987.

EXTENSIONS OF REMARKS

IN HONOR OF THE 40TH ANNIVERSARY OF THE WOMEN'S ARMY CORPS

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. WAXMAN. Mr. Speaker, May 14 marks the 40th anniversary of the Women's Army Corps. I would like to take this opportunity to recognize the lasting contribution that the thousands of women who served in WAC have made to our Armed Forces, and our country as a whole.

The Women's Army Corps was first established by an act of Congress on July 1, 1943, as a component of the U.S. Army to succeed the Women's Army Auxiliary Corps. The women who joined did not go into combat but participated actively in the military service, taking over vital Army jobs behind the front. Their myriad services were urgently needed during World War II, and continued to be indispensable in the decades that followed. The skills of enlistees were tapped in countless positions from surgical technician, map-maker, radio operator, munitions workers, to airplane mechanic, truck driver, clerk-typist, and mess sergeant. WAC's became officers, many were posted overseas, and the success of the corps eventually resulted in its abolition in 1978 to reflect the continuing integration of women into army activities.

Col. Oveta Culp Hobby, the director of the Women's Army Auxiliary Corps, told the first group of officer candidates at Fort Des Moines, Iowa in July of 1942:

> May 14th is a date already written into the history books of tomorrow. . . . You are the first women to serve. . . . Never forget it. . . . You do not come into a corps that has an established tradition. You must make your own. But in making your own, you do have one tradition—the integrity of all the brave American women of all time who have loved their country. You, as you gather here, are living history.

Through its contributions and achievements, the Women's Army Corps went on to earn much more than a symbolic place in history. This 40th anniversary of the corps is a fitting time to call to mind the veterans of WAC, and to applaud the women who follow in their footsteps.●

THE ARMED ROBBERY AND BURGLARY PREVENTION ACT OF 1982

HON. RON WYDEN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. WYDEN. Mr. Speaker, today I am introducing legislation that will strike at the heart of violent crime by invoking Federal jurisdiction to deal swiftly and effectively with the problem of the habitual offender.

My bill, the Armed Robbery and Burglary Prevention Act of 1982, would permit Federal prosecution of an individual who, after being previously convicted of two or more robberies or burglaries, is charged with a third robbery or burglary involving the use of a firearm. Conviction in Federal court of this offense would impose a minimum 15-year sentence in Federal prison with no possibility of parole.

This bill is very similar to S. 1688, the Armed Career Criminal Act, introduced in the Senate by Senator ARLEN SPECTER of Pennsylvania, a former district attorney in Philadelphia.

The objective of this legislation is to add the full force and power of the Federal law enforcement system to the efforts of local prosecutors in dealing with the most vicious and insidious form of criminal activity: The habitual violent offender.

I am introducing this legislation with the full support of the district attorney in my hometown of Portland, Oreg., and the full support of the U.S. attorney for the State of Oregon. Portland is unfortunately experiencing an unprecedented explosion of criminal activity. According to recently released FBI statistics:

Serious crime in Portland in 1981 went up at a faster rate than any other city in the country.

An astounding total of 50,432 serious crimes were reported in Portland during 1981, an increase of 24 percent over the previous year. This increase was led by a rise in the rate of robberies and burglaries—the crimes my bill would help stop—of more than 30 percent.

Portland now has the fourth highest rate of serious crime in the country and ranks second in per capita crimes against property.

National statistics are equally sobering. Between 1978 and 1980, the number of burglaries reported rose 20 percent and reported robberies were up 30 percent. One in every 14 households in this country is burglarized each year. Less than 25 percent of all property taken during robberies and burglaries is ever recovered and property losses from all crime now exceeds $8 billion a year.

In Portland, as in other jurisdictions, local criminal justice and law enforcement resources are being stretched to the limit—and beyond. By putting additional teeth in the Federal criminal code and allowing the U.S. attorney's office to assist in prosecuting the most serious habitual offenders, my bill could give a significant boost to local prosecutors struggling to combat the skyrocketing rise in violent crime in Portland and across the Nation.

Because of a limited number of prosecutors and investigators, a huge backlog of cases pending in our courts, and a severe shortage of jail space, we are slowly losing the war on crime. Local authorities are forced to resort to excessive plea bargaining, too many probationary sentences and too-early parole for many serious offenders. Eighty percent of all convicted felons in Oregon were sentenced to probation in 1980. The hardcore criminals sentenced to the Oregon State Penitentiary end up serving an average of only 17 months, even though the average sentence for these felons is 9.9 years.

Because of their frequency, the crimes of robbery and burglary are most likely to be subject to plea bargaining, even for repeat offenders. Kenneth Conboy, the deputy police commissioner in New York City, quoted in a Wall Street Journal article this week, said that "large numbers of people with very serious criminal histories are serving only 3 months or 6 months, largely because of plea bargaining."

Many of these career criminals realize that the system is overloaded and that they can continue to prey on innocent victims even after they get caught. Nationally, 44 percent of individuals arrested for burglary are on parole, probation, or out on bail on a previous charge or conviction at the time of their arrest. Eighty percent have a prior record of adult arrests.

It is the problem of the habitual offender that my bill seeks to address. The number of crimes committed by many of these career criminals—and the substantial role they play in the epidemic of violent crime we are struggling to deal with—is mind-boggling.

One study showed that only 49 imprisoned robbers had committed more than 10,000 felonies over a 20-year period.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Another study indicated that more than half of all crimes—and two-thirds of all violent crimes—are committed by only 6 percent of the total criminal population.

According to a front page story in the Wall Street Journal this week, a third study concluded that 243 drug-addicted career criminals had committed more than half a million crimes in their lifetimes.

One of the most attractive features of this legislation is that, according to the Criminal Division of the Department of Justice, it would not create significant new responsibilities for the Department—and thus would not require additional budget outlays. On the basis of the studies that have been done, Federal prosecution and long-term incarceration of only 500 career criminals under this bill would in itself prevent hundreds of thousands of crimes and save millions of dollars each year.

My bill has been carefully drafted to insure a maximum level of cooperation and consultation between the Justice Department and local prosecutors in deciding which defendants will be subject to Federal prosecution. The possibility of Federal prosecution alone would provide local prosecutors with an important additional weapon in their battle against the crime wave that is plaguing virtually every major urban area in the United States today.

I am most excited about this bill because I believe that—while imposing only a minimal additional responsibility on the Department of Justice—it would have a significant deterrent effect.

The type of criminal this legislation seeks to stop is a rationale, calculating, and street-smart individual. Once a career criminal has been apprehended and convicted twice of robbery or burglary, he will think long and hard about doing it again.

A third conviction will no longer mean another trip through the revolving door of a severely overloaded local criminal justice system.

These people will no longer be back on the street again in a matter of a few hours, weeks, or months—after pleading guilty to a reduced charge or after being paroled prematurely because the State penitentiary or county jail is overflowing.

They will no longer be able to assume that they can thumb their nose at the system and quickly return to a life of preying on the safety and property of innocent victims.

They will instead be faced with the very real possibility of spending 15 years in a Federal penitentiary with no possibility of parole.

This legislation would also be an important complement to State habitual offender statutes and to the many career criminal units that are being established across the country to deal with this problem. These special units—under which plea bargaining is prohibited and an intensified effort is made to secure a conviction and long-term incarceration when a habitual offender with two or more prior felony convictions is again apprehended—have effectively allocated scarce law enforcement resources where they will do the most good and have been retained in many jurisdictions despite the termination of Federal grants that provided the original funding.

I believe that, if enacted and utilized wisely in conjunction with career criminal units and State habitual offender statutes, my bill could help reduce the overall prison population and the total number of robberies and burglaries at the same time.

Because such a huge number of robberies and burglaries are committed by a handful of incorrigible career criminals, Peter Greenwood, a researcher for the Rand Corp. who has studied this problem extensively, estimates that the number of incarcerated robbers in California could be reduced 5 percent and the robbery crime rate dropped 15 percent by stretching terms for habitual offenders and using probationary or other rehabilitative punishment for first- and second-time offenders.

The legislation I am introducing today also has the support of the Reagan administration. Assistant Attorney General D. Lowell Jensen testified in support of Senator SPECTER's bill at a Senate hearing earlier ths spring, stating that:

> The battle against violent crime is one of the top priorities of the Department of Justice. We believe this legislation targets a critical area of the violent crime problem and facilitates a concrete federal participation in attacking the problem with limited expenditures of additional resources. It is our view that this is one of the most cost effective means of making an impact on violent crime. The incapacitation of a small number of recidivist robbers and burglars would save our communities millions of dollars.

I am very optimistic that my bill will quickly attract widespread support in the House. I am encouraged by the administration's support for this legislation. I am also encouraged by the support that seems to be building in the Senate for this type of legislation and I would hope that the Senate would also act quickly on the Justice Assistance Act that passed the House by a 4 to 1 margin in February of this year.

It is high time the Federal Government provided some real assistance to our beleaguered local criminal justice system. Violent crime is a national problem and the Federal Government has a legitimate and important role to play in this area.

The complete text of the Armed Robbery and Burglary Prevention Act of 1982 follows:

H.R. —

A bill to amend title 18, United States Code, to provide a mandatory penalty for the commission of a third or subsequent robbery or burglary while in the possession of a firearm

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Armed Robbery and Burglary Prevention Act".

SEC. 2. Chapter 103 of title 18, United States Code, is amended by adding at the end thereof the following new section:

"§ 2118. Armed robbery or burglary

"(a) Whoever—

"(1) commits any robbery or burglary while such person, or any other principal to such robbery or burglary who is present at the site of such robbery or burglary, is in the possession of a firearm; and

"(2) before the date of such robbery or burglary has been convicted of not less than 2 other robberies or burglaries;

shall be imprisoned not less than 15 years and fined not more than $10,000.

"(b) No person sentenced to a term of imprisonment under subsection (a) shall be eligible for parole with respect to such sentence. No court may suspend such sentence or make such sentence a probationary sentence. Such term of imprisonment shall not run concurrently with any other term of imprisonment to which such person is sentenced.

"(c)(1) No provision of this section shall be construed to invalidate, or operate to the exclusion of, any other provision of law of the United States or any State.

"(2) In any case in which the Federal Government proposes to prosecute any person for any offense under this section involving a robbery or burglary that would not be a Federal offense in the absence of the provisions of subsection (a), the attorney for the Government shall, unless impracticable, notify the prosecuting authority of the State having jurisdiction with respect to such robbery or burglary of such proposed Federal prosecution not later than 24 hours before the return of an indictment or the filing of an information with respect to such offense, or the making public of such indictment or information, whichever occurs later.

"(3)(A) No person may be prosecuted for any offense under this section that is subject to the notification requirement established in paragraph (2) until—

"(i) the Attorney General, or an Assistant Attorney General designated by the Attorney General, certifies that—

"(I) before the return of an indictment or the filing of an information with respect to such offense, the attorney for the Government notified the appropriate State prosecuting authority of the proposed Federal prosecution and such prosecuting authority did not object to such Federal prosecution; or

"(II) at the time of such indictment or information, there was no pending State prosecution of such person with respect to the robbery or burglary involved and, in the determination of the Attorney General or Assistant Attorney General, as the case may be, such State was not about to undertake such a prosecution; or

"(ii) the Attorney General certifies that such Federal prosecution is required by the interests of justice.

"(B) The responsibility of the Attorney General, or an Assistant Attorney General designated by the Attorney General, to make a certification under subparagraph (A) may not be delegated to any other person.

"(4) No failure of the Federal Government to comply with the provisions of paragraph 2 or 3 shall be a basis for dismissal of any indictment or information or for reversal of, or collateral attack upon, any conviction.

"(d) For purposes of this section:

"(1) The term 'burglary' means any offense in violation of the law of the United States or of any State that, at the time of the commission of such offense (A) is classified by the jurisdiction involved as burglary or attempted burglary; and (B) is punishable by a term of imprisonment exceeding one year.

"(2) The term 'convicted' means subjected to a final judgment on a verdict or finding of guilty, a plea of guilty, or a plea of nolo contendere. Such term does not include any final judgment that is expunged by pardon, reversed, set aside, or otherwise rendered nugatory.

"(3) The term 'firearm' has the meaning given such term in section 921(a)(3).

"(4) The term 'robbery' means any offense in violation of the law of the United States or of any State that, at the time of the commission of such offense (A) is classified by the jurisdiction involved as robbery or attempted robbery; and (B) is punishable by a term of imprisonment exceeding one year.

"(5) The term "State' means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Northern Mariana Islands, the Trust Territory of the Pacific Islands, and any other territory or possession of the United States.".

SEC. 3. The table of sections for chapter 103 of title 18, United States Code, is amended by adding at the end thereof the following new item:

"2118. Armed robbery or burglary.".●

SMALL BUSINESS: THE BACKBONE OF OUR ECONOMY

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. CONYERS. Mr. Speaker, the role small business plays in the overall well-being of this Nation cannot be over-emphasized. Having the week of May 9 designated as National Small Business Week helps promote the type of recognition small business deserves.

Recently there has been increasing concern that the economic program the present administration is pursuing may not alleviate the twin problems of inflation and lagging productivity. Quite the opposite, it may exacerbate them as it pushes interest rates to higher and higher levels. This makes it more and more difficult for smaller and medium-sized firms to expand and compete, let alone survive.

Small business makes many contributions to this Nation's economy. First, small business accounts for almost half of this Nation's private gross national product (GNP). Second, small business provides virtually all new private sector employment. Research has shown that new jobs are created most efficiently by firms that have less than 20 employees. Thus, if your main concern is getting the economy back to full employment you must have a growing small business sector. Third, small business accounts for at least 50 percent of all major innovations. In order for a small business to survive, it must provide the community with a service or product that has, until now, been unattainable. In this way there is constant incentive for innovation. And fourth, small business is the most competitive sector of the economy at a time when the free market is more highly regarded in theory than in practice. This competitiveness strengthens the free-enterprise system.

Small business is facing many problems at the present time. The tremendously high interest rates are proving to be disasterous. Small businesses sensitivity to interest rate levels exists due to its reliance on short-term bank-borrowing. A recent study by the House Banking Committee on the prime rate lending practices of the largest U.S. banks demonstrates that small business is hit hardest by a high-interest policy. The study shows that the prime rate is not the interest rate banks charge their biggest and most creditworthy customers but is a means for widening the differential between the interest charged to small- and medium-sized companies and large companies. According to data in the study, these banks have been giving loans to their customers at interest rates that are well below the publicly announced prime. Small businesses, on the other hand, are being charged well above the prime rate.

Moreover, big companies have many alternative sources of funds that allow them to beat the prime rate. Small companies do not. Typically, they are tied to their local banks and usually to the small- and medium-sized banks which do not offer a wide range of financing options.

The aspect of current policy that has proved most damaging to small business is the size of the deficit. Unfortunately, until recently this has not been something the administration has taken as one of its immediate key policy goals—the balancing of the budget.

The size of the deficit is important for the following reasons. First of all, if, as has been done in the past, the Federal Reserve monetizes the deficit, it will increase inflationary expectations which will result in even higher interest rates. Increased inflation will also force the Federal Reserve to eventually stomp on the monetary brakes. We are going to have tight money policies again and small business failures are going to rapidly increase.

Last year 50,000 small businesspersons went bankrupt. This at a time when the administration was proposing and getting approval for a record $750 billion tax giveaway to rich individuals and corporations. If this were not enough, the administration and several members of the legislative branch of the Government have proposed enterprise zone legislation that does not provide for significant participation by small businesses. This is significant because the enterprise zone proposal is the only major program being offered by the administration that suggests concern for the plight of small businesspersons. What the administration should be doing is supporting the Small Business Innovation Act which would require all major Federal agencies to earmark an additional 3 percent of research and development money for small business. This is the type of support that will benefit small business.

There is no simple answer to the problems currently facing small business. A first step that will help ease these problems, however, is the removal of present discrimination the small business sector faces. Second, you must insure that the value of the externalities provided by small business to our economy are returned to the small business sector—are internalized. Finally, we need to redirect and focus on policies that are specifically directed at increasing innovation. These are the steps that must be taken in order to create a healthy economic climate in which small business may flourish.●

NATIONAL SMALL BUSINESS WEEK

HON. TONY COELHO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. COELHO. Mr. Speaker, the President has designated the week of May 9 as National Small Business Week. Given this, it is entirely appropriate that we recognize and remember the significant contributions that small businesses have made in shaping our Nation's growth as we seek the solutions to our present economic problems.

Over the last decade, we have come to rely on small business to create millions of new jobs and to keep our economy productive and competitive. Studies show that almost 90 percent of the recent new net employment in our economy has come from firms with 500 or fewer employees and that firms with 20 or fewer employees have accounted for over two-thirds of the new jobs. Moreover, small business produces 24 times more innovative per

R. & D. dollar than large firms and 4 times more than medium-sized firms.

Yet today, as our Nation's 15 million small businesses experience the most serious problems since the Great Depression, the Small Business Administration has proposed cutting its guaranteed loan program for the second year in a row. Under SBA's plans, the guaranteed loan program would be reduced to $2.4 billion in fiscal 1983 from $3.3 billion in fiscal 1982, a reduction of 27 percent.

This action is being taken while business failures, as compiled by Dun & Bradstreet, are running at near depression levels. Small business' share of the gross national product is shrinking as well. It dropped to 39 percent by 1976 from 43 percent in 1963 and has fallen since because of inflation and recession. Small businesses are paying 10 to 12 percentage points above the inflation rate on their bank loans, the highest interest rates since before World War II.

The reality for small business today is that it has been crowded out of the short-term bank borrowing market, the primary source of its financing. This reality, coupled with the SBA's plans to cut back further its guaranteed loan program, will effectively preclude small business from taking an active role in any economic recovery. The guaranteed loan, the safety net for hundreds of thousands of small businesses, is being shredded. The shortsightedness of this action is dramatically exposed by the following point. The Japanese Government has four agencies that can lend, directly or indirectly, up to $20 billion to small businesses in that country. That demonstrates the importance that the Japanese, our major competitor at home and abroad, place on maintaining a vigorous small business sector. This is just the type of support that we should be providing to our battered small business sector. We can only have a strong broad-based recovery if we have healthy and dynamic small businesses.●

INFORMED AMERICANS SUPPORT ANNUNZIO'S OLYMPIC COIN LEGISLATION

HON. FRANK ANNUNZIO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. ANNUNZIO. Mr. Speaker, a few days ago I received a letter from Mr. Joseph P. Ruddell, of Houston, Tex. In this letter, Mr. Ruddell apologized for a previous letter in which he had accused me of sabotaging the Olympic coin program. Apparently, Mr. Ruddell had read a newspaper article concerning the private marketers' April 9, 1982 withdrawal from their contract with the Los Angeles Olympic Organizing Committee. After I pointed out many of the inaccuracies in the article, Mr. Ruddell realized that he had been misled by the supporters of private marketing. I share this letter with you today because it illustrates a recurring problem; many media accounts of this controversial issue mislead, rather than inform, the public.

One need go no further than the first sentence of this Houston Post article to find an inaccurate statement:

> The 1984 Olympic coin program collapsed Friday, victim of a running battle between its backers and a powerful congressman, and organizers said that the loss of an estimated $125 million would force them to stage "super Spartan games."

The fact that a private marketing group consisting of Occidental Petroleum, the Franklin Mint, and Lazard Freres decided to cancel a contract with the Los Angeles Olympic Organizing Committee hardly means that "the 1984 Olympic coin program collapsed." There were at that time, and still are, two different bills before the Congress designed to facilitate an Olympic coin program. My bill, H.R. 6158, is not contingent upon the whims of a private group.

At a press conference given by several Olympic athletes on March 17, 1982, spokesman Chris Knepp responded to a question concerning the possible effect the absence of an Olympic coin program would have on the 1984 Summer Olympics in the following way:

> . . . The games themselves will go on. The sources of financing for the games are other . . . because (when) the games were awarded . . . the Coin Act was not in the picture . . . the Coin Act is fairly recent.

Since Mr. Knepp was clearly under the impression that the Olympic coin program had nothing to do with the financing of the 1984 summer games, I find it peculiar that the Houston Post quotes Mr. Peter Ueberroth, president of the Los Angeles Olympic Organizing Committee, as stating that his organization is now forced to hold "super-Spartan games." Indeed, the article goes on to quote him as saying that the loss of income "substantially damages our efforts to put on the games" and "will turn the Spartan games into ultra-Spartan games." Thus, I do not understand Mr. Ueberroth's statement for two reasons: One, because of Mr. Knepp's remark; two, because the private marketers' withdrawal does not mean the end of Olympic commemorative coins.

The article then makes another misleading remark:

> Annunzio has suggested minting one commemorative with none of the money going to the LAOOC.

My bill, H.R. 6158, calls for the minting of two silver dollars and one gold coin to be sold to the public directly by the mint. Experts have estimated that it could raise as much as $600 million. All of these proceeds would go to the Olympic committees as there is no provision for private marketing. The difference between $230 million and $600 million is plain enough.

It is quite easy to understand why Mr. Ruddell thought that I was sabotaging the 1984 summer Olympics given the source of his information.

> . . . Crucial legislation has been bottled up in the House. Rep. Frank Annunzio, D-Ill., chairman of the subcommittee on consumer affairs and coinage, has refused for months to allow the legislation out of his subcommittee.

If anyone was refusing to allow anything, it was the private marketers who refused for 10 months to show me a copy of the contract that they made with the Los Angeles Olympic Organizing Committee. Frankly, I do not understand how anyone could expect the Congress to approve a program that they did not have detailed information about. Surely it is appropriate for the Congress to carefully consider a program that would give $300 million from the sale of official United States commemorative coins to private enterprise.

I think that we would agree that misinformed individuals cannot make balanced and objective decisions. Now that Mr. Ruddell has heard all of the facts, I assume that he will be able to come to his own conclusions. There is certainly something wrong with those who presume to interfere with an individuals ability to make his own choice by omitting information and distorting fact.

Although this article was written after April 5, 1982, it makes no mention of the bill that I introduced on that day. Under that proposal, a sizable percentage of money would have gone to the Los Angeles Olympic Organizing Committee and the United States Olympic Committee. I wholeheartedly support our Olympic athletes, and would do nothing to undermine the Olympic effort. As a result, I cannot understand why this article attempts to imply otherwise. In fact, I object to the private marketing of the Olympic coins precisely because of my strong support of our athletes. I fear that under that approach the proceeds from the sale of our commemorative coins will go to the marketers and not to our athletes.

Although this article goes on in great detail about the amount of money that the Olympic committees will lose as a result of the marketers' withdrawal, it makes no mention of the possible revenue accruing to them under my bill:

> Ueberroth estimated $125 million would be lost by the organizing committee—$25 million from half an immediate payment by the private firms once the legislation

passed, and $100 million in later sales revenue.

Another $125 million would have gone to the U.S. Olympic Committee, Ueberroth estimated.

In the first place, the organizing committee did not lose a $25 million deposit; the correct figure was $15 million. Second, the figure of $100 million is pure speculation. Nevertheless, even if all of Mr. Ueberroth's numbers were correct, the grand total would be $230 million. The article neglects to mention the private marketers' share which many experts have estimated could be as high as $300 million. If you add these two figures together, you get $520 million. It is interesting to note that out of this sum the Olympic concerns get $230 million, at best.●

PLACING SOCIAL SECURITY OFF BUDGET

HON. MARGARET M. HECKLER

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mrs. HECKLER. Mr. Speaker, social security beneficiaries—particularly the elderly—are understandably anxious about pending budget proposals to cut social security benefits. Having earned their benefits, recipients are apprehensive about their payments being included in the budget debate, made subject to buckpassing and horse trading.

Such inclusion is both unfair and unwise, Mr. Speaker. That is why I support depoliticizing the social security old age, disability, and hospital insurance trust funds, by placing them off budget. Such placement would remove the funds as targets in political games, and hopefully give them the security they were established to secure.

Last year, partly due to politicizing of the social security system, the National Commission on Social Security Reform was wisely created to consider social security issues comprehensively and to make recommendations, by December 31, 1982, on insuring the system's fiscal soundness. Putting the trust funds off budget 'would be a second wise move, one which I endorse.●

POLISH CONSTITUTION DAY

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. DERWINSKI. Mr. Speaker, it has been pointed out on numerous occasions that the Polish-American community in Chicago almost outnumbers the Poles in Warsaw. The Chicago area is the center of the Polish-American fraternal, patriotic, and civic activities. This is dramatically shown in the annual observance of Polish Constitution Day which is commemorated the first Saturday in May.

On May 3, 1791, Poland adopted a Constitution which led to a complete reform of its internal life and asserted the country's democracy. The observance of this important anniversary is banned in Poland, but in Chicago, the celebration of the 3d of May Constitution includes a large parade of over 100,000 people, and a program of festivities.

At this year's event, the Director of the International Communication Agency, Mr. Charles Z. Wick gave the keynote address following the parade. I wish to insert Director Wick's interesting and significant remarks which were delivered on May 1 in Chicago:

REMARKS OF CHARLES Z. WICK

Ladies and Gentlemen, we are here in celebration of Polish Constitution Day, May 3.

Today is an emotional day for me. Dzis czuje sie Polakiem. (Today I feel like a Pole.) Today I stand before you in both joy and sadness. Sadness, because as I look out at your faces, my thoughts turn to your loved ones living under martial law in Poland. And joy because I know that our messages of hope are reaching the people of Poland.

As Director of the International Communication Agency, it is my job to send America's messages of hope and freedom to Poland and to the world through the Voice of America and our other efforts. Since December, we have increased our Polish-language broadcasts from 2 and ½ hours to 7 hours per day. The Voice is covering today's events here for our listeners in Poland.

In January, I decided that we had to do something extraordinary to demonstrate the world's outrage at the imposition of martial law in Poland. With the enthusiastic support of President Reagan, Secretary of State Haig and many other dedicated people, we produced "Let Poland Be Poland."

Through that program—seen and heard by millions of people—we let the Polish people know that they are not alone in their struggle for freedom.

I regret that the great Senator, Charles Percy, could not be here this afternoon, and he sends you his best. As you know, Senator Percy is Chairman of the Senate Foreign Relations Committee which has jurisdiction over ICA. Without Senator Percy's unfailing and inspirational cooperation, "Let Poland Be Poland" might never have been possible. Senator Percy is enormously proud of his Polish constituency. I have first-hand knowledge.

I should also like to express my regret that another great friend of ICA and of the Polish people cannot be here today. The great Congressman, Edward Derwinski. While not being directly responsible for USICA, he has been a great supporter of our programs for many years and gave enthusiastic support to our efforts in the production of "Let Poland Be Poland."

I would like to begin this afternoon by reading a brief quotation:

"The restoration of an independent, strong Poland is a matter which concerns not only the Poles but all of us. A sincere collaboration of the European nations is possible only if each of these nations is fully autonomous in its own house. This independence can be gained only by the young Polish proletariat, and in its hands it is secure. For the workers of all the rest of Europe need the independence of Poland just as much as the Polish workers themselves."

You might think that those words are from a newspaper editorial published since the imposition of martial law in Poland last December 13.

They are not.

They are by Friedrich Engels and are taken from the foreward to the Polish edition of the Communist Manifesto.

What a pity that communists don't listen to their own prophets!

The Poles love freedom. They have been partitioned by other nations—for more than 100 years they were erased from the political map of Europe. They have been crushed by two world wars.

But their spirit has never been crushed.

The proud Polish people have survived as a nation because of their faith and their tradition of freedom, preserved through two centuries of foreign and domestic tyranny.

There is a section in the Polish Constitution of 1791 which says, "In human society all authority originates from the will of the nation." How tragic that that remarkable Constitution was never applied. An invasion from Russia stopped it.

At the end of World War II the Poles fell into the Soviet sphere. Since then, Polish workers have periodically taken to the streets to demand reforms and an end to oppression.

In 1980, frustration at the ineptitude and corruption of the authorities led to the birth of Solidarity. It embodied a nation's desire for dignity in the workplace, for freedom and for self-determination.

There is nothing novel about these rights; most of them are supposedly guaranteed by Poland's constitution of 1947, a document cynically written and then wholly ignored by Poland's authorities for thirty-five years!

Solidarity sought to address and resolve Poland's economic ills. It acted in good faith. It pursued a path of constructive dialogue with the Warsaw authorities.

Once again, the spirit of the Polish nation caused free people everywhere to watch with admiration.

Then came December 13, 1981. Brutal repression descended like a dark cloud on Poland. Martial law destroyed the newborn freedom. The clock was turned back 30 years.

The results are clear. Instead of dignity, there is degradation. Instead of truth, there is doublespeak. Instead of freedom, there is oppression.

Ten million Poles belong to Solidarity. With their families, they are an overwhelming majority of the Polish nation. By persecuting Solidarity, the Polish authorities wage war on their own people. Hardly an encouraging advertisement for a system which claims to free its people from their chains.

Four months after the imposition of martial law, the Warsaw military regime does not seen to know what to do next. It is one thing to conduct a military operation and jail opponents, but quite another to force a whole society to work for a cause it categorically rejects. Napoleon said: "You can do anything with bayonets except sit on them."

Economic production lags far behind pre-December 13 levels. Ironically, a failing economy caused by social unrest was one of the regime's justifications for imposing martial law in the first place.

In Rome and Warsaw, the Catholic Church has strongly condemned martial law. The Church has also called for the release of political prisoners and for negotiations among the various elements of Polish society.

The authorities insist that movement on other economic and social issues must await the reconstruction of the Polish Communist Party. But that is like trying to revive a corpse. As for Solidarity, reports of its demise were not only premature but greatly exaggerated.

Every day that passes demonstrates that martial law will not solve Poland's problems.

If accommodation is not sought by the Polish authorities, what solution does the regime foresee?

Do they intend to maintain martial law indefinitely?

Will the military regime ignore the worldwide outcry against the war they are waging on their own people?

If so, are the Polish authorities prepared for the consequences, within Poland and in a continued deterioration of East-West relations?

We and our allies have a stake in these decisions, because they will have a profound effect on the history of all Europe for years to come.

The Soviet Union has applied unyielding pressure on Poland throughout the past 18 months.

And the Soviets accuse the United States of interfering in Poland's internal affairs.

We have no need to interfere in Poland. There, as elsewhere, history is on the side of freedom.

Moscow has tried to distract attention from this failure of the communist system by seeking to exploit differences in the West. But Western condemnation of martial law has been strong and unanimous.

Our position is clear.

It reflects principles embodied in the Universal Declaration of Human Rights and in the Helsinki accords, to which Poland and the Soviet Union are signatories. It is also in accord with the position of the Polish Catholic Church and the groups of intellectuals who have bravely sent open letters to the martial law authorities since last January.

We will continue to press the Polish authorities for an end to their repressive measures. Their refusal to end martial law can only bring greater tensions and chaos. Those who have imposed martial law must understand that they have only postponed the inevitable reckoning with the Polish people.

On January 30, the day marked as "A Day of Solidarity with the People of Poland," President Reagan and fourteen other heads of government made statements on the Polish situation. Each called for:

The end of martial law;

The release of Lech Walesa and all of the Solidarity detainees and the dropping of all charges against them;

Negotiations among the government, Solidarity, and the church, aimed at national reconciliation.

Today, President Reagan stands ready to provide support and assistance to Poland once it has restored internationally recognized human rights to its people.

The statements by the 15 world leaders and other dramatic expressions of solidarity with the people of Poland were beamed around the world in my Agency's international television special "Let Poland Be Poland." Here is part of the soundtrack of that film, including a statement by President Reagan.

President Reagan said:

"There is a spirit of solidarity abroad in the world today that no physical force can crush. It crosses national boundaries and enters into the hearts of men and women everywhere. In factories, farms and schools, in cities and towns around the globe, we the people of the free world stand as one with our Polish brothers and sisters."

And Prime Minister Willoch of Norway:

"The Norwegian people have reacted jointly and strongly against the suppression of the Polish people."

Next, to Iceland and Prime Minister Gunnar Thoroddsen:

"The Polish people have often, through ages, suffered from despotism, but never has the soul surrendered."

Prime Minister Fraser of Australia:

"Despite occupation and suppression, they still fight for freedom."

Portuguese Prime Minister Bal Semao:

"Now and always the Portuguese people will stand beside the Polish people and all those whose freedom has been destroyed."

And the Prime Minister of Japan Zenko Suzuki:

"Men of goodwill throughout the world deplore the present situation in Poland and earnestly hope for successful search for an avenue which leads to genuine stability and prosperity in Poland."

The list of world leaders continues with Italian Prime Minister Giovanni Sadolin:

"The fate of the Polish people is today in all our hearts, just as it was on the very day of General Jaruzelsky's coup d'etat, certainly not unbeknown to the Soviet Union."

Canada's Prime Minister Pierre Trudeau:

"In the name of all Canadians, I fervently call upon the Government of Poland to bring an end to martial law and to open the way to national renewal and reconciliation."

Prime Minister Bulend Ulusu of Turkey:

"Turkey has traditionally nurtured great sympathy and friendship for the Polish people."

Prime Minister Werner of Luxembourg:

"Patience and courage, Polish people, history goes forward in the direction of the inalienable rights of man and nations."

From France, President Francois Mitterrand:

"The Polish people need to know that their struggle for greater freedom is joined by the unity and solidarity of millions and millions of people throughout the entire world."

Belgium's Prime Minister Wilfried Martens:

"Poland recalls to us the value, and also the fragility, of what we have to represent and defend."

And concluding, Chancellor Helmut Schmidt of Germany:

"Together with our friends in Europe and in America, we demand of the Polish rulers: Lift martial law, release the detainees, and return to the national dialogue with the church and with the elected leaders of the Solidarnosh Trade Union."

"Let Poland Be Poland" reached nearly 350 million people—186 million who saw it on television in 48 countries and another 165 million who heard the program on radio.

The radio audience was crucial because so many people were denied the right to see the telecast. Again, our message got through. Despite jamming, 10 million people in the Soviet Union and another 8 million in Poland heard the radio version. Radio Free Europe and Radio Liberty broadcast the television soundtrack, which reached at least 50 million in Eastern Europe and 15 million in the Soviet Union.

We know that "Let Poland Be Poland" focused world attention on the plight of the Polish nation and of your loved ones in Poland.

We also know that it struck a communist nerve. The Soviets' reaction has been especially abusive. The number of police the Warsaw regime dispatched to prevent Poles from seeing the videotape in the U.S. Embassy also speaks volumes about its impact.

In 1970, following the uprising of Polish workers on the Baltic coast, Czeslaw Milosz wrote a poem to honor the workers who died in the fighting there. He lives in our country now, and he appeared in "Let Poland Be Poland."

The words of his poem are inscribed on a memorial in Gdansk.

I would like to close with a small part of what he said:

Do not feel safe. The poet remembers.
You can slay one, but another is born.
The words are written down, the deed, the date.

We say to the Warsaw regime: You can slay one, but another is born. Poland will not die. Poland cannot die. The sight of a peaceful people seeking peaceful change terrifies the Marxist-Leninists in Warsaw. But the brutal actions of these fearful men will not deprive the Poles of their faith, their courage or their dreams to Zeby Polska byla Polska (Let Poland Be Poland).

Thank you very much.●

NATIONAL SMALL BUSINESS WEEK

HON. E de la GARZA

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. DE LA GARZA. Mr. Speaker, as we pay tribute to small business, during this Small Business Week, let us reflect on the role which small business plays in our society and in our day to day lives. Let me start by asking how many of us have direct dealings with companies in the Fortune 500, or the large financial and service corporations? I would venture to say that our dealings with these large companies are very infrequent.

In some parts of the country, such as my congressional district in South Texas, virtually all commercial operations have been small, independently owned and operated businesses. In the Rio Grande Valley, these independent businesses have helped build and maintain the unique culture of this border community. Only more recently have the large corporations and the national retail firms discovered this long ignored part of the country.

In fact, I believe that people throughout the country are much more dependent on small businesses than is realized. Whether one needs a car repaired, clothes cleaned and pressed, a home repaired, or dines out in a restaurant, one will most likely be dealing with a small business. In short, we depend on small businesses for many of the goods and services we appreciate and take for granted.

Just as we depend on small business, so do the large manufacturing corporations, for the small business serves as an intermediary between the consumer and manufacturer. While most all of us own products made by companies listed in the Fortune 500, there is a good chance we purchased the product from a small business.

Sales and service, however, comprise just one segment in which small business plays an important role. Many large corporations subcontract at least part of their work to smaller, specialized firms which can produce more efficiently than the large corporations. In a similar manner, the large food and beverage processors, depend on small, independent farmers to supply them with the raw commodities which they need.

Small business is so integrated into our economic structure that without it, commerce as we know it would come to an end. Yet while successive administrations, and we in Congress have often paid lip service to the needs of small business, I fear we have neglected our duties in failing to give due consideration to those needs in setting economic policy. There is little question that the current economic policy, as structured by the administration backed Omnibus Budget Reconciliation Act of 1981, and the Economic Recovery Tax Act of 1981, has hurt small business much more than the large corporations. These economic policies have given us the highest real interest rates in recent memory, and while interest rates are a plague on every sector of the economy, they are especially hard on small businesses. Large companies have much greater access to the financial markets, and a greater ability to pay the higher interest rates than do small businesses. When in severe economic troubles, some large corporations can convince their bankers to renegotiate their loans, and in some cases have even had the Federal Government guarantee them. Small businesses have no such option and are often forced to cease operations. Many of the Federal programs created to assist sound but financially troubled small businesses have been curtailed as an economy measure.

The restrictions on Federal aid to small business adopted by this administration may be shortsighted and counterproductive. In the Rio Grande Valley, and in most communities on our border with Mexico, small businesses are suffering from the recent devaluation of the Mexican peso. Many retail stores, employing thousands of persons have seen their sales fall dramatically because Mexican nationals no longer come to the United States in large numbers on shopping trips. Last time the peso was devalued, the Federal Government provided credit at a reasonable cost in order to help these businesses survive. The lack of Federal assistance combined with the high cost of credit resulting from current economic policies may drive many of these businesses under. Fewer businesses along the border will mean fewer goods available for sale to Mexican nationals once they are ready to resume shopping in the United States, and fewer jobs for our own citizens.

It is more than our economic structure, however, which is at stake when we consider the future of small business, it is the entire fabric of our society which has developed since long before our ancestors first settled in North America.

One of the liberties we all take for granted, and one denied many people throughout the world, is the freedom to go into business for oneself. It is the freedom of the individual to go into business that has in many cases been responsible for the continued growth and prosperity of our economy. While many large companies are like the Federal Government, slow and ponderous in coming to a decision, small companies led by entrepreneurs can respond to changes in the market and fill needs overlooked by larger companies.

Our future prosperity depends on an economic climate in which the entrepreneur, the small businessman, can continue to innovate and develop new markets for their products. It is imperative that we in Congress act, and act soon, in order to correct the downward slide of our economy before we have allowed many more small businesses to be destroyed.●

HEAD START PARENTS APPEAL FOR PROGRAM

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. MILLER of California. Mr. Speaker, I continue to get letters from Head Start parents who both testify to the ways in which this program has dramatically improved their lives and those of their children, and express their concerns about Head Start's future. We know that Head Start works; that Head Start is cost-effective. And yet, even today, it serves only 25 percent of the eligible children, and faces substantial erosion from inflation and cutbacks in supportive services (CETA, title XX, child care food, medicaid). We need to listen to the parents of Head Start children and keep this exemplary program working. Another letter from a Head Start parent follows:

> Four years ago, when I learned about Head Start, I went to investigate the program and learn what the requirements were to enroll my child. I liked everything that I was told and observed and decided to register my child. I was elected class representative and later on I was elected Vice-President of the policy committee and later on chairwoman. When a teacher is absent, I work either as a volunteer or as a paid substitute. Mostly all Head Start mothers are my friends. We have a good relationship. We meet in the parent room and talk about everything.
>
> I attend monthly meetings of the New York City Head Start Policy Council where I learn how other programs work throughout New York City and what is happening in Washington.
>
> I recommend Head Start programs for children and families. I feel good in Head Start because when I have problems and I don't have someone to talk to, I talk to my social worker and she helps me try to solve them. If she is unable to help, she finds another agency where my problem is solved. As a result I feel better, and feeling better helps me be a better mother.
>
> I am able to help my child, and the rest of the family. Also, as a result of this, I have no fears. Now I even go to the special school, talk to the Principal, visit the school frequently and serve as a volunteer in the classroom to see how the teachers teach and work with my child. This has helped me also with the schools that my other children attend.
>
> I feel that, in the years that I've known Head Start and Head Start has known me, I have bettered myself, my life, my home and learned skills which I could not have learned on my own. Head Start is a very important program for every young child and their family in resources, education, and socially.
>
> HEAD START PARENT,
> *New York City.*●

CIVIL DEFENSE AN ILLUSION

HON. NICHOLAS MAVROULES

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. MAVROULES. Mr. Speaker, no graver issue confronts humankind today than the threat of nuclear war. This threat, moreover, is compounded by a certain strain of contemporary strategic thinking that posits it may be possible to fight, survive, and essentially win such a war. There seems to be an inclination, at least within the administration, to look upon nuclear conflict as something less than a terminal holocaust.

The Reagan administration has proposed the largest civil defense buildup since the cold war. The President has budgeted $252 million for the program next year, nearly double the $134 million appropriated for the fiscal year

1982 budget. However, the Senate Armed Services Committee recently recommended $144 million for 1983. Budget authority would increase slowly to $400 million in 1986 and then jump to $1.2 billion in 1987.

Much of the Federal money would go to State and local governments, which would be responsible for planning the evacuation of the cities and the dispersal of the population into the countryside in the event of an imminent nuclear attack. But unlike the fallout-shelter mania that followed the Berlin crisis of 1961, the Reagan program is focused on "Crisis Relocation" to evacuate probable target areas, and on contingency plans for resuming normal operations after a nuclear attack.

Administration officials and planners estimate that even the largest cities could be evacuated in perhaps 5 days, and they believe the United States would have that much warning of a Soviet attack.

The Reagan administration argues that the program would double the anticipated number of survivors of a nuclear attack from 40 percent of the population to 80 percent.

The administration is concerned that the Soviets' superior civil defense system embolden them in a nuclear showdown.

However, Mr. Speaker, the administration fails to mention or correctly measure the weaknesses of the Soviet civil defense program. The CIA notes that there is sufficient blast-resistant shelter space for the Soviet leadership at all levels. These shelters, however, are vulnerable to direct attack.

Chronic Soviet food shortages, food distribution snarls, and the fact that the Soviet citizens buy their food from day to day would prevent many from bringing the requisite 2-week supply of food and water to the predesignated host shelters.

A Soviet decision to proceed with an evacuation would result in gigantic transportation problems. The Soviet road network has been constructed to accommodate travel within that country's cities and would be hard pressed to support mass exodus from those cities.

During the winter, spring thaw periods, and autumn rainy seasons, Soviet roads are virtually impassable.

Soviet evacuation plans call for 17 million urban residents to walk 30 miles and then build expedient protection. How the very young, the very old, and the sick are to make such a formidable progress is not clear.

Many crucial economic and industrial facilities cannot be protected at all. These include oil refineries, powerplants, chemical storage plants, steel mills, and so forth.

The CIA report concludes that the United States could absorb a nuclear strike by the Soviet Union and still retaliate with savage and unacceptable destruction. Indeed, the credibility of the U.S. deterrent is so strong that the Soviet confidence in their civil defense must be called into question.

I would like to bring to the attention of my colleagues some ideological considerations of the Soviet civil defense plan. An active civil defense program helps maintain order and stability. It bolsters faith that the Communist Party and government watch over and protect the citizenry.

However, an extensive civil defense program is, in fact, infeasible and unattractive to a democratic society. Apart from questions of technical and economic feasibility, one must consider the concept of a shelter-centered society which would be a wholly new departure from U.S. history and psyche.

A successful civil defense program would require a gigantic bureaucracy and a number of trained cadets.

A significant portion of the population would have to be in a constant state of readiness.

An extensive civil defense program might anger our allies who might interpret the program as an inward turn that abandons non-Americans to die in a nuclear holocaust.

This extensive civil defense program is frankly a waste of money not only because it cannot protect the society from the effects of nuclear war, it is harmful because it fosters the illusion that Americans can be protected.

Neither Russia nor the United States can possibly hope to protect its civilian population to the extent that nuclear war can be called "safe." Nuclear war would be the greatest mistake for both sides.

One should also take a pragmatic approach to this new "head for the hills" program.

The administration makes outrageous claims such as the one that 140 million Americans can be saved by evacuating the cities—anyone who has tried to leave a city in a normal holiday weekend, let alone a nuclear alert, knows how easy that is.

Many American cities—San Francisco, for example—have overwater escape routes that are clogged enough during normal rush hours.

What life would be like when evacuation was complete is another "imponderable." In some places, refugees would be less than welcome. Ethnic groups would compete for urban shelters spaces, and urban evacuees would be viewed as depletors of farmers' stocks.

Regardless of how successful or unsuccessful the evacuation plans go, without the cities and surely without the economy, there will be mass starvation and epidemics.

If the United States commences to clear her cities and "relocate" the population, there is no guarantee that the U.S.S.R. would not retarget its missiles at the "host" areas.

Furthermore, the mass relocation and evacuation of the cities in a time of crisis might be interpreted by the Soviet Union as a U.S. preparation for a first strike.

Mr. Speaker, this civil defense budget and plan are part of fundamental illusions about nuclear war. The illusion of survival. The illusion of recovery.●

HON. LEO W. O'BRIEN

HON. FRANK HORTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. HORTON. Mr. Speaker, like my good friend and colleague, SAM STRATTON, I, too, had the privilege of serving with Leo O'Brien. He and I served together for two terms.

For those of my colleagues who may not know it, Leo O'Brien was first elected to the Congress in a special election in 1952. As the Representative of Albany and Schenectady Counties, Leo brought considerable experience and political sense to the House. His constituents knew him prior to his service in the House as one of the more distinguished local newspapermen.

One of Leo's outstanding achievements was the key role he played in the passage of legislation admitting Hawaii and Alaska to the Union. He also served on what was then called the Space Committee, now the Committee on Science and Technology.

On May 3, 1982, our former colleague and friend passed away. He was well liked and admired by his constituents, colleagues, and friends and will certainly be missed.●

MONDALE SPEECH TO THE NATIONAL COUNCIL ON AGING

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. PEPPER. Mr. Speaker, recently the delegates to the National Council on Aging's annual convention had the privilege of hearing former Vice President Mondale address them concerning key aging issues. Vice President Mondale delivered an eloquent statement which truly captures the guiding principles many of us share concerning the elderly. He also pointed out the radical nature of administration plans to reverse almost 50 years of progress for the elderly and turn our back on the important vision that shaped such important programs as social security, medicare, and the Older Americans Act. I am convinced that anyone reading what the Vice President said in this address will be as moved as I am by his commitment to the elderly.

Since this speech addressed so many of the issues that will be coming before this body in the coming weeks, I think many Members might find it to be as informative as I did. Perhaps no more important message comes through in this speech than Vice President Mondale's absolute opposition to social security cuts. I could not agree more with this position and in the days ahead I intend to join with dozens of my colleagues who have the same view in fighting against the latest Republican plan to "save" social security by cutting $40 billion from the program.

I want to commend Vice President Mondale for the sincere commitment to the elderly evident in this speech. I also want to urge my colleagues to read this excellent statement and therefore, I am inserting the text of the speech in the RECORD following my remarks.

REMARKS DELIVERED BY WALTER F. MONDALE TO THE NATIONAL COUNCIL ON THE AGING

Thank you very much, Anna, for that very, very kind introduction. I'm delighted to be at the 32nd Annual Conference of the National Council on Aging, and I take particular pride in my association over all these years with the magnificent work of your Council. Since its founding in 1950, your Council has fought for decency and dignity for older Americans and you've been at the center of every fight that matters. And we need you at the center more than ever before today.

The quality of your officers I think underscores the importance and the sophistication and the commitment of this organization. Your president, Ellen Winston, who performs so superbly in her position; your executive director, Jack Ossofsky; and the other key leaders of your staff say much about the quality and distinction that this organization enjoys in your nation's Capitol.

I know today is a special day for all of you. I'm sure you heard with me the radio report last night that many of the issues that I think concerned you as you came to Washington have now been settled in your favor. Yesterday's announcement that they were dropping all efforts to reduce Social Security benefits, that they were rescinding the cuts in Medicare, and that we're going to restore the benefits to dependents of single parents and their survivors I know was greeted by all of us as good news. The bad news was that yesterday was April Fool's Day!

I am told that later today the Vice President of the United States is coming here. I know something about that job. It can be tough, and even dangerous. You recall the Three Mile Island disaster, when the nuclear plant nearly went up in smoke. I was coming home about the thrid or fourth day after the disaster and they were interviewing a woman who lived next to the plant who wasn't moving. And they said well, "why aren't you moving?" She said, "It's safe." Well, the interviewer said, "Why do you think it's safe?" She said, "Well, the President and his wife were just here visiting the plant." He said, "Why does that make it safe?" She said, "Because if it was dangerous they would have sent the Vice Preisdent."

I was reminded of this story this morning as I thought of Mr. Bush coming here explaining President Reagan's policies on aging.

The great Pope and ecumenicist Pope John XXIII once said "Men and women are like wine. Some turn to vinegar, but the best improve with age." This Council has understood that point from the beginning—that the aging both need help and they want to help. Some need assistance, but many are more active, better skilled, and more independent than ever before. Many want to work and to help as long as they can. You understand that. It is not a case of giving them something, it is a fact that our nation must have the benefit of their contribution.

But it's tough for anyone to find any work these days. Indeed, the most serious problem the elderly face is the problem all of us face, namely, our stalled economy. Today the nation stagnates in a severe recession. Just minutes ago the Bureau of Labor Statistics announced the latest unemployment figures. Unemployment has now risen to 9 percent, which is the highest unemployment level in our country since the Great Depression of the early 1930's. Real interest rates have soared to heights that stifle investment. The auto, the housing, and many, many other industries are not in a recession, they're in a depression. Farmers in my Midwest, in my own state of Minnesota, are having the worst year since the Depression. Approximately 1,200 farmers a day are leaving the land. Seventeen thousand businesses have failed and entire sectors of our economy—airlines, savings and loans, farm equipment—totter on the brink of bankruptcy.

The magnitude of such problems may obscure their meaning to some. But as you know, older Americans are forced to make due with less, are deprived of essential services, and are required to pay more for necessary health care. And incidentally, in health care, unlike much of the economy, inflation continues to roar ahead.

Each percentage point increase in unemployment causes a $5 billion drop in Social Security trust fund receipts. The stagnating economy strikes those least equipped to respond and for the elderly it is bad news and disaster.

The irony is that this is a recession that did not need to happen. When this Administration took office, in fact, all economic indicators were improving. This was a year when the circumstances were about as good as we've seen for many, many years. Finally, we had an energy surplus in the world, and instead of oil prices soaring through the ceiling, for the first time in many years the price of oil has begun to drift downwards. We've just had the best food crop in American history. Raw material prices are lower than they've been for a long time. It was a good year for moderate economic policies to boost our economy, to provide new jobs, and to provide the revenues that we need to be a just and caring society.

But as soon as their program took hold, it paralyzed economic recovery. And it has brought us already the largest deficits in history—more than $100 billion in 1982, more than $125 billion in 1983, and more than $200 billion in the year 1985 unless policies change. As a matter of fact, unless they change course in these next four years we will add more to the national debt than was added since the time of George Washington.

This is not a moderate program, it is not a conservative program, it is a radical program and it is a disaster. And there are several things that I believe the President and our government must do right now.

First of all, the President should withdraw the 1983 budget. It's a good thing that the Federal Trade Commission laws against false advertising do not apply to Presidential budgets or he'd be over there answering questions right now.

Secondly, Congress should repeal the personal tax cut for 1983 and repeal the tax leasing provision that costs billions and billions of dollars and provides no economic benefit. The other day a major corporation announced in its annual report profits of $3 billion last year and they earned a $100 million tax rebate.

Third, Congress should repeal or defer the indexation of taxes, which, when combined with the repeal of the 1983 tax cut would reduce the deficit by over $50 billion.

Fourth, in my opinion, the Congress should accelerate the '82 tax cut to January 1st of this year to stimulate growth and help end the recession as soon as possible.

Fifth, we simply must control the growth of defense spending. With no sacrifice to our security—and I notice former President Ford this morning was saying that—we can save at least $10 billion in 1983. And while we're at it, let us also realize that wise, sensible, skilled negotiations that lead to arms control also can help reduce this defense budget.

There is a big debate going on in this town, around this country, and indeed, around the world about whether we should be seeking a nuclear strategic arms agreement with the Soviet Union right now. There was a SALT agreement that we reached when we were in office. That agreement requires the Soviet Union to reduce their nuclear delivery systems by over 200 systems that now exist. It stalls the arms race and it makes the situation much more stable than it is today, with more adequate verification. And it reduces the likelihood that these dreadful weapons would ever be used.

I plead with the President to end this sterile and tiresome public debate about what we might do. Instead of that he should join what has been a bipartisan tradition since the day the bomb first went off. And do what all Americans want our President to do—and that is to start SALT talks right now and put on the table a SALT agreement that will freeze and reduce these terrible nuclear armories before they destroy all of us. I say that as well to point out that if SALT II had been ratified we would not only be stronger, not only would we be a more secure nation from a national security standpoint, but we would save approximately $45 billion that we have to spend to deal with problems that would not have existed were SALT II now a ratified treaty.

Finally, we need an agreement from the Federal Reserve Board that they will be more forthcoming in the supply of credit in the face of a more responsible fiscal policy. The combination of the two is essential. And in order to do that, the President must lead. The President is not just another officer in this town—he is called the Chief Executive Officer because he's supposed to be in charge of the public dialogue and the Executive Branch and be the officer who leads this country along the course required by the American people. In the absence of Presidential leadership, we see what's happening in this town. The Senate blames the House, the House blames the Senate, the Congress blames the President, the President blames the Congress, and Fed blames the President and the Congress, the Congress and the President blame the Fed. All very interesting, but what about the country?

And we need the President's leadership right now—not just to listen, but to get these parties together, work out an arrangement that brings these deficits down along the lines that I've suggested, get an accord with the Federal Reserve Board, and end this enormous economic disaster that is now visited upon this country. That's essential to everything that this Council wants done—we simply must have a healthy economy.

We cannot have the future we want without the active participation of older Americans. As we all know, it is our seniors who built this country, took us through the Depression and World War II, and certainly they have the right to retire with dignity and security. That's a point that Americans have agreed on since the passage of the Social Security Act of 1935.

That is until now.

I have tried to understand the current Administration's policies, but my imagination fails me. What are we to make of an Administration that repeatedly slashes the food stamp program, the one program that has virtually abolished hunger in America. I remember, as does Jack and many of you here, the Congressional committee that went around and saw people in America, in the midst of our incredible agricultural abundance, suffering from severe malnutrition in America. Where we saw school children unable to learn because they were so hungry that they were just unable to function. I do not want to see the specter of malnutrition and hunger visited again in this land. This is something that is intolerable in a humane society and the food stamp program, whether it is popular or not, has worked and is an essential underpinning of a healthy and a caring society. Let us support that program.

And what are we to make of proposals to cut the emergency fuel assistance program by 30 percent. I'm an expert on cold weather, coming from Minnesota. And boy did we have a winter! Americans should not have to choose between eating a meal or heating their home. And that emergency assistance program is essential to avoid that inhumane choice.

Today we are told that the Administration will not cut Social Security. But only a few short months ago it advanced the most radical and breathtaking attack on Social Security that we've ever seen from any Administration since that program was adopted. We all know that last year the Administration proposed to slash the minimum benefits paid to 3 million Americans. As a matter of fact, they did terminate it for those not yet receiving benefits. But what many have forgotten is that the Administration also proposed changes in benefits that would have reduced permanently future benefits by over 20 percent. Disability benefits would have been reduced by 30 percent. Benefits for those who retire early at 62 would have been reduced by 40 percent. Fortunately, the Congress blocked most of those cuts.

The other day in his news conference, the President said he hasn't touched Social Security. I sometimes wonder whether they read the newspapers over there. The fact of it is they tried to make all these changes and were blocked from making them. But they did put in place some reductions. We have had a program since the beginning of Social Security, or nearly since that time, to provide the dependents of survivors education assistance up to age 22. That's been repealed and is being phased out. And you're starting to hear about that as you move around the country. They terminated the burial benefits and they terminated the minimum benefits for those not now on retirement. And as you know from your studies, many of those who would have received these minimum benefits are going to be in desperate shape.

My dad was a Methodist minister, and dad would preach and my mother handled the choir, the music, and the kids at home. And it was great, but she didn't earn a dime in her lifetime. And then dad died. Is there something about our Social Security system that says that people who choose that kind of life, who serve their families and their communities, and who are magnificent contributors to our society—somehow because they didn't have earning records on their own, should not be entitled to a minimum benefit that permits them to have some kind of dignity in life? I think it's a mean-spirited approach not to ensure this dignity.

What we should be doing is getting on with the urgent agenda of action needed for our senior citizens. I think there's several things we need to do.

First and foremost, we must strengthen Social Security. Social Security rests on the principle that older Americans deserve a secure retirement. That principle stands at the heart of our nation. You know, we hear so much about all the programs at the federal level. Some of them need to be reduced, eliminated, or reformed. But Social Security is not just another program. If you ask me, after all my years in public life, what program was the most important, fundamental program for social justice in America, if I were forced to say what is the one program, if I could only pick one, that this nation could not do without—and I'd hate to be put in that place—I'd say it's easy. Social Security! Social Security is the most fundamental, profound engine for social justice and decency in this country. It should not be looked at as just another detail in American life. We make a bargain in America, it's a social compact, that when Americans work for a lifetime, care for themselves and their families, pay their taxes and are good citizens—that when the time comes to retire in America that a Social Security check adjusted for inflation should be there just as sure as the sun comes up in the morning. It's as basic as that.

And yet some want to reduce these cost of living increases for retirees and push millions back again below the poverty line. Of the elderly who live in poverty, two-thirds live alone. I don't know any person who grows rich on Social Security benefits. And the least they deserve is to know that their benefits won't be eroded by inflation.

This is not to suggest that the system is free from possible short-term underfunding for the rest of the decade. Or that it treats women with full equity. Or that long-term demographic implications need not be addressed. But read that trustee report in the morning paper very carefully. They carefully disguise the good news. But if you read it carefully, it's there. The fact is that they now say that the Social Security trust fund from 1990 to 2020 is going to be in surplus. The Medicare fund right now is in surplus. We face a short-term, modest, temporary problem that can be handled, and all of this scare rhetoric I hope will be put behind us once and for all.

These problems must be and can be easily resolved. Those who propose drastic reductions are not trying to improve Social Security—they're trying to dismantle it. And I remember a famous, elegant statement by Sam Rayburn. He said: "Any jackass can kick a barn down, but it takes a carpenter to build one." And I agree with him.

Secondly, we must expand Medicare and Medicaid to meet the health needs of the elderly. And we must explore alternatives to long-term institutionalization and incentives for home health care.

I think one of the most significant struggles this year will be the fight to reduce by $3 billion the support for Medicare. I was an original sponsor of Medicare and I'm proud of it. And if I can get personal once more for a moment: my mother was in the hospital with cancer and we had virtually no health insurance and the Medicare provisions made all the difference in the world to her, to her pride and her dignity, and to her family. And that has been true of millions of Americans. And just as I don't want this country to return to a time when people are hungry again, I don't want to return to a time when older Americans live hourly with the dread and the fear of being struck by a major illness and having the humiliation after a lifetime of self respect of having to go somewhere and beg for help from somebody to pay for those costs. It shouldn't happen in America and there are far better and humane ways of dealing with it.

This is not the speech to go into this in detail, but as you know, once again hospital and health costs are soaring in America. At a rate nearly double that of inflation again. For a while you will recall they slowed down a little bit, almost at or below the inflation rate. That occurred when we were pressing a bill called Hospital Cost Containment. This program is a special one. The market doesn't work the way it should in some of these areas because with Medicare, Medicaid, and private insurance, many times there aren't the incentives to be careful about costs, to be restrained in charges that would occur in other circumstances. And for that reason I think the American people should again urge, and I hope this Administration would support, a proposal to put into legislation hospital cost containment, to require the hospitals and the providers of services to keep their charges at the inflation level or below. And that would save billions and billions of dollars for the Medicare fund.

Third, we must adequately fund Title XX, which can help assure full access to community life for every needy American.

Fourth, we must strengthen the Older Americans Act—in particular, funding for senior centers and nutrition services for the elderly. We should expand, not retract, the services state and area agencies, senior centers and nutrition projects provide.

Fifth, we must safeguard the legal services program in the name of every poor, weak and helpless person. The elderly, as we all know, are singled out above all for fraud, discrimination and every form of illegality. They need lawyers, particularly the poor, to defend them from this abuse.

I think we must also be much more concerned about the effect and the feelings that seniors have about the incidence of crime in their neighborhoods. I don't know how many times I have been in senior citizen highrises and in community meetings.

We talk about Social Security and Title XX and the Older Americans Act. And then you say what would you like to talk about. And immediately you're talking about crime and about how one of them had been hassled and so on. I am not here to say there are easy answers, but I do believe that there is nothing humane, liberal or progressive in being insensitive to the way older people are exposed to crime. And I think we need to constantly press ahead for programs of enforcement, for prosecution, and for punishment that will better protect senior citizens and all Americans.

Sixth, we must open up opportunities for older persons to work and be involved in their communities. And there's a reason for this that is new. I think many of you are aware of it. And that is that we're now about to enter the "baby-bust generation." In 1940, we had 9 people working for every retiree. In 1990, we will have 2 people working for every retiree. And if there was ever a time when everyone who could work will be needed, it will be in these coming years. To sustain an adequate work force, we will need every single older American who wants to work, and we must remove all the obstacles that stand in their way.

The direct advantages to older workers will be substantial. The nation will gain. Tax receipts will increase. The pressure on the Social Security trust fund will be eased. And the burden on younger workers to support retirees will diminish.

We must also reject the Administration's effort to abolish the Title V senior employment program. We must insist on an EEOC that enforces age discrimination laws. And we must all work to enact Claude Pepper's bill to abolish mandatory retirement at age 70.

Ah, Claude Pepper! You know, I remember Ponce de Leon came to Florida about 400 years ago looking for the fountain of youth. He said it wasn't there. That's because he arrived 400 years too early. If he'd seen Claude Pepper he'd have found the fountain of youth!

The point is simply this. For those who want to work, we should end discrimination and help them work. And for those who can't, we have no duty more important than to insure that they lead a life marked by dignity, not by deprivation; and by love and not neglect.

This morning in the Washington Post you will read a national survey that shows how seniors are living with a sense of insecurity and anxiety. Those of us who have been involved in this field and are not retired become interested with various debates. But for millions of senior citizens who are beyond the working years and who have relied overwhelmingly on Social Security and these other programs, that interest is converted into anxiety and fear. What we need to do is not only improve these programs, but the Administration and our government have to speak with the clarity and with a sense of commitment that does something that is just as important as the money. And that gives these senior citizens a chance to plan the rest of their lives with a certain and secure notion that this country of ours stands unquestionably behind them.

You know America is the only nation that declared as one of its purposes the pursuit of happiness. Our country is more than just programs and money and jobs and machines and plants and equipment. Americans are supposed to have a sense of joy. But that's not possible for seniors when they feel that the very minimum support they need for their dignity, for their survival, for their health, is in doubt. All of us have a duty, it seems to me, to once again reassert with a clarity and a strength that is undeniable, our support across partisan lines for these policies so essential to decency in life. So our seniors can live without that unneeded anxiety.

This year marks the 100th anniversary of Franklin Roosevelt's birth—the President who bequeathed to us our understanding of the principles and purposes of modern government. FDR captured the spirit of the New Deal in a single sentence. We are trying, he said, to create a society in which no one is left out. FDR included the excluded. Let us not now in our generation exclude the included.

This Administration has done one thing for all of us. It has forced us to think profoundly again about our nation and our purposes. It has asked us to ask ourselves again what kind of a people are we? What are the moral duties that define our national purpose.

My old friend and mentor, Hubert Humphrey, once said: "the moral test of government is how that government treats those who are in the dawn of life, the children . . . those who are in the twilight of life, the elderly . . . and those in the shadows of life, the sick, the needy and the unemployed."

This country was not established for puny and cold reasons. We were never intended to be an uncaring, survival of the fittest. social Darwinist society. This country was intended to be not only for people who believe in competition, independence, and self-reliance, but a caring society in which those who have advantages understand some responsibility for those who have been overwhelmed by problems beyond their reach.

Read the Preamble to the Constitution. Particularly that one phrase that said this nation is founded to provide for a common defense and to promote the general welfare. It doesn't say to provide for a common defense or to promote the general welfare. It says both. And the Preamble starts with the simple phrase "We the people." We are a society which understands the oneness of our existence, that we are in this together.

And I want to close with a wonderful story that John Gardner once told me about the young granddaughter who took an American coin to her grandfather and said, "What does 'E pluribus unum' mean?" And the grandfather thought for a minute and he said, "Well, out of many, one." And the grandchild thought a minute and she said, "I don't understand." So he took another whack at it. He said, "Well, it means we're a collectivity, a whole." And she said, "I still don't understand." And then the grandmother said, "What it means is that we need each other."

And so we do.

Thank you very much.●

CLAYTON BRACE

HON. BILL LOWERY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. LOWERY of California. Mr. Speaker, Clayton Brace is one of the most respected and distinguished members of the San Diego community. It is then with honor that I draw the attention of my colleagues to the following Frank Rhoades article about Clayton.

CLAYTON BRACE

(By Frank Rhoades)

There's nothing smug about the free-television industry these days.

Great fear of competition from cable and pay TV is prevalent among many station owners across the land, says Channel 10's vice president-manager, Clayton Brace.

He's just back from a meeting of the National Association of Broadcasters in Dallas.

Brace predicts that more informational programs will be among the chief weapons chosen for the coming battle by the free TV networks.

"Programs like David Brinkley's new one on ABC. Public preference has already been shown."

More situation comedies can be expected, "although it costs like the devil to produce them," Brace said. Moreover, the ever-popular Westerns may be returned.

On the local level everywhere, news coverage will be expanded constantly. Brace was sure of this, "because remote telecasts (outside the studios) no longer are so difficult to set up, but can be done in a jiffy from anywhere in town."

Brace, himself, is not among the fearful in the face of growing competition, he said.

Almost from the time he came to San Diego in 1963, Brace has been identifiable in the minds of the townspeople for a string of civic titles he has held: president of the Chamber of Commerce, the United Way fund drive, Rotary, etc.

But what's behind all this?

His first job in the broadcast industry was janitor in Denver radio station KLZ, in 1941.

"I bugged them for a job until they put me on as night janitor and part-time page boy."

The following year he went to the Army Signal Corps as a private and spent three years in Army radio operations, much of it during combat.

Never got higher than a staff sergeant but did a lot of traveling that would pay off as a civilian after the war.

Back at KLZ, he ultimately worked his way up to station manager and played a key role in a situation that made television history.

KLZ wanted a television license, and the desired channel was sought by another applicant. KLZ won after the first contested hearing before the FCC. This was because the FCC liked the way KLZ said it would operate a TV station. Brace had learned the ropes by visiting all the 100 TV stations in operation at that time.

Time Inc. had bought the station and, as assistant to its president, Brace then was sent back to Europe to study operations of government and commercial television stations.

Time later sent Brace to Beirut to manage a television station of which it was part owner.

He and his wife, the former Jeanne Haney of Denver, and their four children spent nearly three years there.

"We loved it in Beirut," Brace recalls.

It was with considerable apprehension the family accepted a transfer to San Diego in 1963.

"We never had been in San Diego and knew nothing about it," Clayton explains.

"It was a very tough decision to make, choosing between San Diego and New York. We came here, saying that if we didn't like it we would leave."

And what a welcome Clayton Brace got in San Diego!

Shortly after he took over a Time-owned Channel 10, the magazine ran its memorable story about San Diego being a "bust town."

The City Council, county supervisors, the Chamber of Commerce and other representative groups read the story and were boiling mad.

Brace remembers that he took their heat on a false belief that he had written the piece in the magazine. Time's refusal to back down did him no good.

McGraw-Hill retained him as vice president-general manager when it bought the station in 1972.

Clayton Brace, born in Topeka, Kan., Aug. 8, 1923, was reared mostly by his mother. His parents split up when he was 9.

The mother was a buyer for luggage stores. She and young Clayton resided in Rochester, N.Y., Dallas, where Mrs. Brace worked for Neiman-Marcus, then in Minneapolis and finally in Denver.

During much of his working life in Denver, Clayton took extension courses at the University of Colorado and Denver University but attained no degree. His mother died in Boulder, Colo., four years ago.

The Brace offspring long since have left the nest. Son Kim owns a counseling service in Washington, D.C. One daughter, Dianne Kennedy, is a professional ballerina; another, Lynn Lapp, is housewife and mother, the third, Kerry, is a newswriter at her father's television station here, KGTV.

Clayton and Jeanne were among the very first residents of Del Cerro and have remained there. Clayton is a calm, polite man who asks if it's all right to light one of his mentholated cigarettes in the presence of others.

There can be no doubt he bats as high at home as he does with McGraw-Hill. He does all the cooking on weekends.●

CYPRUS

HON. CARL D. PURSELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. PURSELL. Mr. Speaker, I continue to urge the Government of the United States to use all the influence of its offices to bring about a just resolution to that tragedy, which is Cyprus.

For 8 years now the people of that Republic have been separated by partition, blocking access of families to their homes, farms, and businesses.

This division continues to deny all Cypriots the prosperity, happiness, and liberty envisioned at the time of the establishment of that nation.

Unfortunately, the passage of time has caused many to forget the plight of these proud people.

But, time has not and will not resolve this problem. The United States must make a total commitment to the reunification of Cyprus and the guaranteed independence of that Republic.●

A TRIBUTE TO ISRAEL COHEN

HON. STENY H. HOYER

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. HOYER. Mr. Speaker, I would like to bring to the attention of my colleagues, the work of one of the most outstanding and farsighted businessmen in the Washington metropolitan area. I speak of Mr. Israel Cohen, president and chairman of the board of Giant Foods, Inc.

The story of Izzie Cohen, as he is fondly called by friends, is closely intertwined with the history and development of Giant itself.

In 1936, Izzie began his lifelong career with Giant as a truckdriver in Giant's first store. It was a shiny, new self-service supermarket, the first of its kind in the Washington area, and people were flocking to it. Until this time, most food stores were small, offered little selection, and relied upon high markups to produce profits. It was during the Depression, and people were desperately casting about to find ways to reduce costs, and still find good and nutritious food.

With the idea of resolving this situation, N. M. Cohen, Izzie's father, and Samuel Lehrman came from their small grocery stores in south central Pennsylvania to introduce a new type of food market to the Washington area. They had already decided that Washington was going to be the place to grow, and they wanted to be a part of that growth. Their idea was centered around what would become a key maxim in the grocery industry—high volume and lower prices. While this seems natural to us today, in 1936 it was an extremely novel idea.

From that first supermarket, located on Georgia Avenue, to the 132 stores located throughout Virginia, Maryland, and the District of Columbia, Giant has diversified and become a corporation, offering pharmacies, garden centers, and clothing stores, as well as food, to its public. All of this was accomplished with the guidance and direction of Izzie Cohen.

Izzie is a modest man. He will be 70 years old later this year, but his age is of little consequence considering the amount of fire and energy that underscore his every action. His life revolves around Giant. His father and cofounder, N. M. Cohen, while in his nineties, still visits the corporate headquarters in Landover. His brother, Emanuel, is vice president and treasurer of the company.

Izzie's personal imprint is on every facet of the company's operations, and for the past 45 years, the company's destiny and his have been inextricably bound. Izzie's philosophy that Giant owes a great deal to the communities in which its stores are located, has produced a tremendous sense of family within the enterprise. When the ads say, "We're a Giant family," they sincerely mean that.

The 15,000 men and women who work for Giant contribute an enormous amount of support to the community activities of this area. They are active in the Kiwanis, March of Dimes, Juvenile Diabetes, the Lions Clubs, men's and women's clubs throughout the area, and rescue squads and volunteer firefighters associations. Giant's major cause is the United Way and it is the second largest contributor in the metropolitan area. This philosophy of giving, as well as receiving, is a Giant credo, and it emanates from the man who implements it most, Izzie Cohen.

Mr. Speaker, I think it is important that we occasionally point out in this House the tremendous impact and contributions made by the businessmen and businesswomen of America. They are, indeed, the backbone of our society, providing jobs and products for millions of Americans. Izzie Cohen is one of these innovative, energetic men. His positive contributions will long benefit our area for years to come.

Under his leadership and that of former president Joseph Danzansky, Giant now has a consumer affairs program considered the most progressive in retailing. It was the leader in unit pricing of goods, and later of warehouse pricing.

Mr. Cohen is also a director of the Food Marketing Institute, a national trade association serving the food retailing industry with more than 1,600 members. He knows, as his father before him, what it means to be innovative, well-informed and a leader in his field.

That brings me to another point, Mr. Speaker. Mr. N. M. Cohen and Mr. Samuel Lehrman decided to take a chance with their new idea. They were not afraid of losing their profits from their neighborhood markets, but took the plunge into a dynamic, but risky venture. Luckily, not only for them but for all of us in this area, their vision paid off. This type of adventure is crucial to our idea of American enterprise.

Izzie Cohen has shown that he follows admirably in the footsteps of Giant's founders. His leadership has set Giant on a remarkable path, and to be sure, Giant is the product of Izzie's excellence.

Izzie Cohen and his Giant Food Inc. have both provided tremendous contributions to the residents of Prince George's County and to the entire Washington metropolitan area. In recognition of that service, I offer this tribute.●

SMALL BUSINESS WEEK

HON. ALBERT LEE SMITH, JR.

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. SMITH of Alabama. Mr. Speaker, I rise to join many of my colleagues in saluting small business in Alabama and in America on the occasion of Small Business Week. There are approximately 14 million small businesses in the country today, including farms, and they contribute approximately 43 percent of the gross national product. Small business also accounts for more than half of the total U.S. work force. Permit me to share some other interesting statistics:

Business with fewer than 20 employees creates two out of three new jobs;

Small business accounts for over half of the new products and service innovations since World War II;

Complying with government paperwork regulations costs small business approximately $12.7 billion a year;

Almost every energy-related innovation of the past century has come from small business;

There are over 1,300,000 minority-owned businesses in the United States;

Eighty percent of U.S. businesses are sole proprietorships. Virtually all sole proprietorships are small businesses.

In my home State of Alabama, the over 64,000 small businesses are the economic backbone of the State. Over half of the gross State product is generated by small business and an equal percentage of the civilian work force is employed by them.

In spite of these impressive statistics, small business is operating today in an oppressive environment. It has proven it can be successful at doing things which big business cannot, but this competitive and creative edge is being wrecked by external forces it cannot control—high interest rates, costly and oppressive Government regulations, an inequitable tax rate, inadequate management practices and the lack of information to make wise business decisions. In most cases, these are the same shackels which harness big business, particularly those stemming from what the U.S. Government does or does not do, but the impact on small business is far more severe.

Small businesses have been failing at an unprecedented rate and these widespread failures are a reality the Nation and Alabama can ill afford. (Optional: Under the Reagan administration.) The U.S. economy is undergoing a major restructuring designed to culminate in a significant return to the free enterprise system. This restructuring includes, among other things, a more equitable tax structure and relief from burdensome and expensive Government regulations. It is up to the Congress to create a favorable economic climate so these changes can be permitted to work. At stake is the very survival of our economy.

In closing, Mr. Speaker, I would like to again congratulate American small business for the contributions it has made toward a better quality of life for us all. I challenge my colleagues to join together to insure a prosperous future.●

WHAT IS LIFE?

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. MAZZOLI. Mr. Speaker, I am fortunate to call Jim Burrice of Louisville my friend.

Jim is young, bright and wise beyond his years. He is all these things, Mr. Speaker, despite—or, maybe, because of—the fact that he has cerebral palsy.

But, cerebral palsy has not held Jim back. He has graduated from college, he conducts his own business activities and he writes. He writes beautifully, sensitively, and with remarkable insight.

Just the other day, Jim sent me a speech he had written and which a friend of his actually delivered. It is such a moving and sincere discussion of life—in all its grandeur and all its sorrow—that I want to share it with my colleagues.

The speech follows:

What Is Life?

Someone walks up to you and asks: What is Life? You open your mouth and start to answer. Suddenly you close your mouth, scratch your head, and pause for a few moments of further reflection. When you feel that you have your thoughts together and are ready to answer, you try again. The same thing happens, and you repeat the process.

Finally you give up, telling your questioner that the answer to his question is obvious—so obvious that you can't put it into words. Everyone knows what Life is; after all, they live it day in and day out. But what is it?

I would like to offer this definition of Life: Life is everything that happens to you—and everything that you make happen—from the instant that you enter this world until the instant that you leave it.

Life is laughter and tears. It is joy and sorrow; success and failure; serenity and frustration. Life is caring and sharing; it is being with those you love and it is loneliness. Life is loving and being loved.

God has blessed me abundantly with the strength and enthusiasm to carry on many important and worthy endeavors.

One of the most sacred and most rewarding privileges that I have is that of sharing in, and contributing to, the lives of others. When I have a definite plan or intention to do something helpful for another person, I begin my day much more excited and eager to get to work than when I have no such plan or intention in mind. To help others is a responsibility that I accept gladly, gratefully, and seriously.

I love and enjoy life because as I work in my office each day, I can think warmly and gratefully of my friends—friends whom I love and care about and who love and care about me. I like to work, to accomplish things, and to make good things happen. Indeed, I have the right to work and to succeed. I also have the right to try and to fail.

While it is true that I have reached my present level of achievement by the grace of God and largely through my own efforts and perseverance, I would be remiss if I did not acknowledge with deepest gratitude my wonderful, loving, and loyal family for having done so much throughout my lifetime to help me reach my goals and realize my aspirations. Also, I want to say a very warm and sincere "Thank You" to my many cherished friends for sharing in my life and giving me the privilege of sharing in theirs. All these people have added happiness, meaning, and fulfillment to my life. Without my family and friends, I certainly would not be where I am today.

This is not to say that Life is always smooth and carefree for me. Like everyone, I have disappointments, frustrations, and difficult moments. For me, two of the biggest frustrations in life are its uncertainty and my own dependency. It is said that the only certainty in life is its uncertainty; I realize this more and more each day. As a physically limited individual, what will Life be like for me next month? Next year? Five years from now? Who will be there when I need help, when I need comfort, when I need love? I am not preoccupied by these questions every day, but I am aware of them. I must be, for someday I will have to deal with them.

While one of my greatest joys is helping others, I also realize my dependency on them. In dealing with my physical limitations and my dependency on others, there are two other related factors which affect my personal situation and with which I must deal. These factors are lack of mobility and loneliness.

If someone were to ask me: "Jimmie, do you ever get lonely?," in all honesty, I would have to answer: "Yes, sometimes I do get lonely."

Sometimes I get lonely because I yearn to be with my friends, but I can't. As I work in my office or relax in my den, I can "see" my friends in my heart, but I can't see them with my eyes. I can feel their love and their warmth, but not their hugs and their embraces. I can "hear" and reflect upon things they've said to me in the past, but I can't hear their words of encouragement and concern at that moment. Sometimes the pain of physical separation is difficult for me.

Perhaps it could be said to me: "Jimmie, your parents are right there with you all the time, so why should you ever be lonely?" True, my parents are with me and care for me constantly, but I have come to realize—from my own feelings and experiences and from the sharing and counsel of friends whom I love and whose wisdom I respect and value highly—that your family can't always meet all of your needs, no matter how much they love you and how hard they try to always make you feel happy and secure. Sometimes you need to go outside your family for companionship, for encouragement and support, for that special kind of love and warmth that only

friends can give. I cherish my friends, and I love them dearly.

The fact that practically every activity in which I engage must be a "planned" activity—that I can do nothing spontaneously—is another source of frustration for me. I am not complaining about this, for I know that this is one of the realities that I must accept. I am grateful to my friends for letting me do things with them and to my parents for taking me places I need and want to go so that I can have special occasions to which to look forward.

Despite its inherent problems and frustrations, with each passing day I realize more profoundly and more vividly what a beautiful life this is—and how beautiful the people are who give life its beauty. With each passing day my gratitude for being a part of this life—for being a part of God's Divine Plan—deepens and becomes more profound. Each day I resolve to carry out my responsibilities—whatever they might be—with Faith, Courage, and Dignity. Each day I thank God for the strength and the courage to deal with life's problems.

"One Day at a Time" is the name of both a popular television series and an inspirational song. This is the way life must be lived. Sure, we make plans to do things in the future—we have to, for this is the way we give order and direction to our lives. But basically, we must take one day at a time. As we do this—as we journey along the Road of Life—let us strive to live each day to the fullest, to give as much as we can. Above all, each day let us love with every breath and with every ounce of strength that is in us, for What is Life? Life is Love.●

TAX EQUALIZATION ACT OF 1982

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. LENT. Mr. Speaker, I am today introducing a bill to place cooperative business enterprises on the same basis for tax purposes as other businesses with which they compete.

A recent U.S. Department of Agriculture study illustrates the significant competitive advantage current tax law gives cooperatives over ordinary businesses. After surveying nearly 6,000 cooperatives, USDA found that on aggregate net savings, or profits, of $1.9 billion in 1976, these cooperatives paid only 5.7 percent of their net income in taxes. This rate is only one-third the rate paid by the cooperatives' more conventional business competitors.

I think it is important to note, Mr. Speaker, that these cooperatives compete in the marketplace primarily with the independent small businesses of the Nation—producers, wholesalers and retailers in farm supplies and equipment, groceries, hardware, drugs, and automobile parts.

Cooperative businesses pay lower taxes than ordinary businesses because a tax is not levied on any profits they return to their owners. Since most cooperative earnings go into refunds to owners, the income taxes paid by cooperatives are very small.

Present law enables cooperatives to generate significant amounts of untaxed earnings for expansion of their business, an advantage not enjoyed by ordinary businesses. This occurs because most cooperatives actually distribute 50 percent or less of their net income to their patrons or owners, in cash. The balance is often returned in the form of certificates which may not be redeemed for cash for 10 years or more. No interest is paid on these certificates, so cooperatives have the use of a substantial reserve of tax-free funds for growth and expansion of their businesses almost indefinitely. The USDA estimated that the cooperatives in their survey had approximately $3.8 billion in tax-free equity capital on hand. That was about 49 percent of their total equity capital of $7.7 billion outstanding in 1976.

It was the original intent of Congress many years ago to exempt from the income tax small groups of individuals that act for themselves on an agency basis. Today, however, this constitutes a tax loophole of major proportions. The Joint Committee on Taxation has estimated that the revenue loss from this loophole will be approximately $950 million by 1983 and more than $1 billion by 1985.

Given the widespread concern in the Congress over the size of the deficit in future years, I think it is important that we recoup this lost revenue for the taxpayers of this Nation who experience economic difficulties because of deficit spending. At the same time, we will be providing equal competitive opportunity for America's independent small businesses.

Under my bill, cooperative businesses and their patron-owners would be taxed in the same way as other businesses and their owners are taxed. If the earnings of cooperative businesses were subject to tax at both the cooperative level and the owner level—as earnings of ordinary businesses are now taxed at both the business level and owner level—as proposed, cooperative dividends, like the dividends of ordinary business corporations, would be excluded from the income of the recipients up to $100—$200 in the case of a joint return. This is already permitted under present law. As comparatively few members of cooperatives receive more than $200 a year in dividends, there still would be, to a large extent, a single tax on the cooperatives' earnings, but it would apply directly to the cooperatives themselves.

Mr. Speaker, the change in character of these cooperatives in recent years makes it imperative that the tax treatment of the cooperative business enterprise change as well. It is a matter of simple equity in my view, and I urge my colleagues on the Ways and Means Committee to take immediate action in providing a remedy.●

VOLUNTEERING IN GOVERNMENT ACT Of 1982

HON. BARBER B. CONABLE, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. CONABLE. Mr. Speaker, today I am joining my colleagues, Congressmen Mickey Edwards and Gene Taylor, in introducing a bill to authorize Federal agencies to use volunteer services of individuals and nonprofit organizations. Similar legislation has been introduced in the Senate by Senators Arlen Specter and Dave Durenberger.

I am currently serving on the President's Task Force on Private Sector Initiatives as chairman of a committee charged with looking into statutory and regulatory impediments to volunteer and charitable activities. I was surprised to learn that there is a law which states that voluntary services may be accepted by a Federal Government agency only "in cases of emergency involving the safety of human life or the protection of property." Unless a specific exemption is made to this statute, Federal agencies may not accept the services of volunteers no matter how motivated, talented, or needed those services might be.

This bill would remove that impediment to volunteerism in the Federal Government. Under this legislation, executive agencies could recruit, train, and accept the services of individual volunteers or nonprofit organizations. In addition, the bill provides that preference will be given to applicants for Federal grants who will use volunteer services to help accomplish the purposes of the program.

Several protections are provided in the legislation. No Federal employees can be dismissed or contracts impaired as a result of the use of volunteers permitted in the bill. Volunteers shall be deemed to be Federal employees for purposes of workers' compensation and tort claims.

There are many citizens who are eager to contribute their skills, talents, experience, and energy to worthwhile Federal programs. Whatever the historic reasons were which led to the prohibition of volunteer activities many decades ago, they are outmoded in today's climate of limited Federal problem-solving resources. Many State and local governments have used volunteers with excellent results, and the two Federal programs, both in our national forests and parks, where specific exceptions to the antivolunteer rule have been enacted have likewise had excellent results. It is time that the

Federal Government begin to look at its record in encouraging and utilizing the enormous reservoir of talented and capable volunteers to supplement its programs and services. This bill is a first step in facilitating greater volunteer participation in Government programs.●

WAC'S CELEBRATE 40TH ANNIVERSARY

HON. DUNCAN HUNTER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. HUNTER. Mr. Speaker, on a hot summer day in 1942, 1,300 women began assembling at Fort Des Moines, Des Moines, Iowa. These patriotic women were entering into an unknown endeavor. Mr. Speaker, these women, and those who followed in other branches, amassed a superb record of achievement and established traditions and high standards that are evident in our servicewomen today. On May 14, 1942, the Women's Army Corps was established and tomorrow the WAC's celebrate their 40th anniversary. I would like you to join me in celebrating this occasion.

The organization of the group of 1,300 was not easy. Not only was opposition encountered in these Halls of Congress, but also at home where fathers and mothers were reluctant to send their daughters into the unknown. But this group of courageous women sensed the mark they would make and accepted the challenge. In their first assignment, World War II, these women served in a variety of fields, providing support and expertise which helped lead to our victory. In 1946, when many wanted to disband the Women's Army Corps, others recognized their invaluable services and realized the WAC's still had a greater contribution to make.

The heritage of the Women's Army Corps lives on in the Women's Volunteer Forces. On May 14, we can look at the 68,000 women in the U.S. Army, and the more than 190,000 women in the U.S. Armed Forces, and thank the WAC's for their courage and determination. Today in the U.S. Armed Forces women are performing many tasks from traditional office support to pilots of the most advanced aircraft in the world; from operating radar stations to driving trucks. These and the many other functions that our servicewomen perform today only underscore the importance of those 1,300 women who assembled in Des Moines 40 years ago. Their significance in history is unquestionable and I am sure you will join me in expressing our deep appreciation.●

FREEDOM FOR PAVEL AND LENA ZASLOVSKIJ

HON. STENY H. HOYER

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. HOYER. Mr. Speaker, I would like to bring to the attention of my colleagues the plight of Pavel Zaslovskij and his 7-year-old daughter, Lena. Both Soviet citizens, they have been denied emigration visas from the Soviet Union three times.

Mr. Zaslovskij has been waiting for an exit visa since he and his wife, Irina, first applied for one in December 1979. Sadly, Irina Zaslovskij died just a few months ago during childbirth. Her newborn son also died. Irina Zaslovskij, a biologist and zoologist, was just 33 years old when she died.

Since his wife's death, Mr. Zaslovskij has again applied for emigration visas for his daughter and himself, but they have also been denied.

Mr. Zaslovskij is currently working as an engineer in Moscow but is unsure of the permanence of his position. Soon after he applied for a visa in 1979, he lost his job as a metallurgist, computer operator, and technical translator in Moscow, and had to support his family with menial odd jobs. According to letters received from relatives here in the United States, he is experiencing severe financial problems and is still very eager to emigrate.

It should be noted that since his wife's death and his further attempts to emigrate, Pavel Zaslovskij and his daughter have experienced continued harassment by the authorities in the Soviet Union.

I have written to the Soviet authorities urging them to grant the visa request, but, as yet, have received no response. Last summer, when I visited the Soviet Union, I had an opportunity to meet with Dr. Georgiy Arbatov, Director of the Institute of United States and Canadian Studies. At that time, Dr. Arbatov assured our group that the Soviet Union was not faltering in its attempt to grant visas to those persons desiring them.

While this is a hopeful sign, in all honesty these are empty words for the thousands of Soviet citizens who have been denied the opportunity to emigrate.

We must remain vigilant in our support for men and women like Pavel and Irina Zaslovskij and their daughter, Lena. Their plight is shared by far too many Soviet citizens, who, for a variety of reasons, want to leave their homeland. We cannot even begin to understand the political, economic, and emotional upheaval that surrounds them. We can only continually urge their government, both publicly and privately, to grant them the right to emigrate.

Mr. Speaker, we, in government, must continue to stress the need for full Soviet compliance with the humanitarian provisions of the Helsinki agreement. Each year, the number of Jews allowed to emigrate continues to fall, and repressive campaigns against refuseniks are becoming more harsh. I will continue to urge the Soviet Government to issue visas for families like the Zaslowskij. Pavel and Lena have suffered enough. I only hope they know that we have not forgotten them, but will work until they are reunited with their families here in the United States.●

THE 1981-82 VFW VOICE OF DEMOCRACY SCHOLARSHIP PROGRAM—OKLAHOMA WINNER, SCOTT E. GRIFFIN OF TULSA

HON. JAMES R. JONES

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. JONES. Mr. Speaker, it is with great pride that I insert in the Congressional Record an essay written by Scott Griffin, a Tulsa high school student. In response to a request by the Veterans of Foreign Wars and its ladies auxiliary, Scott entered the competition for a national scholarship in the Voice of Democracy contest. Inspired by this year's theme, he has written a speech that gives me confidence about our future generation. I commend his words to the House of Representatives and hope that you will enjoy his essay as much as I did.

BUILDING AMERICA TOGETHER

Building America Together. America has long been recognized by outsiders as the freest country on the face of the earth. Our system of government has been hailed as "a monument to the liberty of man". But what prompts this positive recognition from others? What is it that teaches outsiders what Americans have known for years? It's the fact that America has pledged throughout its history to insure every citizen three basic, God-given rights. Those being: life, liberty, and the pursuit of happiness. But how have these freedoms survived domestic struggles, external aggressions, and the inevitable test of time? They have survived due to the fact that there have always been Americans who were willing to help build America, together.

We've been building for over 205 years now, from the very beginning of our country's existence. Shortly after our victory in the revolutionary war, we were faced with the task of building a new nation. It's obvious that we built the best!

We needed to build, and we did build.

Later in our country's history, when our economic productivity was lagging, we had to tackle the problem of equaling ourselves with other nations on the economic and industrial front. Hence, the industrial revolution which would forever alter the course of American productivity.

We needed to build, and we did build.

And we are still building today. In the age of advanced technology and scientific knowledge, Americans are responding with such dramatic achievements as increased computer technology and the flight of the space shuttle. Along these lines, we have produced a computer which can decipher and translate in seven different languages. And the space shuttle Columbia has completed two successful flights already, with a third scheduled for late in the Spring of 1982.

We need to build, and we are building.

But, likewise, in history, whenever we had achieved, we were faced with the task of defending what we had worked so hard to build. We responded in traditional American fashion. We demonstrated this in such conflicts as World War I, World War II, the Korean police action, and Vietnam, in which, in an effort to preserve our interests, more American young men offered their lives than in the Revolutionary War, World War I, World War II, and the Korean conflict combined.

But who were those men who died in service to America? Who were those pioneers of the industrial revolution? Who is responsible for achievements like advancing computer technology and the space shuttle flights? Who is it that really builds America?

Some say that it is the prominent figures in history who are responsible for America's greatness. America has always been blessed with great leadership. Men of the quality of Washington, Lincoln, Roosevelt, and Eisenhower have played an important role in shaping America. Even our present leader, Ronald Wilson Reagan, has pledged from the beginning to act toward building America together. He stressed this in his Inaugural Address of January 20, 1981, in which he said, "let there be no mistake. We are going to begin to act, beginning today."

But great men like these are not the sole builders of America. Picture the building of a house, in which the two most important components are the supervisors and the workmen, for without them, nothing gets done. The supervisors guide and oversee the workmen, but it is the workmen who do the actual construction. Now relate this analogy to the building of America. You have the supervisors; men like Washington, Lincoln, Roosevelt, Eisenhower, and now, Reagan. You also have the workmen: you and me, the woman in the corner drugstore, the never-tiring mailman, and millions of others like us who are helping to build America, together.

And just as in the building of the house the workmen are the essential factor, so are we the essential factor to the building of our nation. The point is this, America: Let's continue on the course of history and, even in our diversity, work toward one common goal—Building America Together!●

DISSENTING VIEWS OF RON PAUL ON MONETARY POLICY

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. PAUL. Mr. Speaker, recently the House Banking Committee filed its semiannual report on monetary policy. Since I have been in Congress, I have filed dissenting views on monetary policy, for I have long believed that our present monetary system guarantees the collapse of the American economy. I would like to insert in the Record at this point my latest dissenting views. I certainly hope that this Congress takes the steps that must be taken to avert the more calamitous results of our present paper money system before it is too late.

I was astonished when I read the draft of the Committee's views, for their last paragraph quotes from the Constitution. It is a rare occasion when any Committee takes cognizance of the Constitution, and the majority deserves our commendation.[*]

But not our highest commendation. I would be more lavish with my praise were the Constitution quoted accurately. The Committee writes: "The Constitution (Article I, Section 8) entrusts to the Congress of the United States the power 'to create money, regulate the value thereof.' If the Federal Reserve should refuse, on its own initiative, to alter its present, dangerous policy, then Congress must exercise its constitutional mandate and its public responsibility."

I don't understand why Congress should defer to the Federal Reserve and postpone performing its "constitutional mandate," but more importantly, that mandate is to "coin" money, not "create" money as the Committee has it.

Article I, Section 8, clause 5 says: "The Congress shall have power . . . to coin money, regulate the value thereof, and of foreign coin, and fix the standard of weights and measures." Nothing is said about "creating" money. In fact it was the creation of paper money that caused the authors of the Constitution to use the language they did.

When the Founding Fathers wrote the Constitution in the summer of 1787, they had fresh in their minds the debacle of the paper money printed and issued by the Continental Congress during the Revolutionay War. The paper notes, "Continentals" as they were called, eventually fell to virtually zero percent of their original value because they were not redeemed in either silver or gold. They were "greenbacks," and were the first of three major experiments with "greenbacks" that this nation has conducted.[1] The Continental greenback failed miserably, giving rise to the popular phrase "not worth a Continental."

Consequently, when the Constitutional Convention met in 1787, the opposition to paper money was strong. George Mason, a delegate from Virginia, stated that he had a "mortal hatred to paper money." Delegate Oliver Ellsworth from Connecticut thought the Convention "a favorable moment to shut and bar the door against paper money." James Wilson, a delegate from Pennsylvania, argued that "It will have a more salutary influence on the credit of the United States to remove the possibility of paper money." Delegate Pierce Butler from South Carolina pointed out that paper was not a legal tender in any country of Europe and that it ought not be made one in the United States. Mr. John Langdon of New Hampshire said that he would rather reject the whole Constitution than allow the federal government the power to issue paper money. On the final vote on the issue, nine states opposed granting the federal government power to issue paper money, and only two favored granting such power.

The framers of the Constitution made their intention clear by the use of the word "coin" rather than the word "print," or the phrase "emit bills of credit." Thomas M. Cooley's Principles of Constitutional Law elaborates on this point: "to coin money is to stamp pieces of metal for use as a medium of exchange in commerce according to fixed standards of value."

In his explanation of the Constitutional provisions on money, James Madison, in Federalist No. 44, referred to the "pestilent effects of paper money on the necessary confidence between man and man, on the necessary confidence in the public councils, on the industry and morals of the people, and on the character of republican government." His intention, and the intention of the other Founders, was to avoid precisely the sort of paper money system that has prevailed for the past ten years.

This intention was well understood throughout the 19th century, and was denied only when the Supreme Court found it expedient to do so. For example, Daniel Webster wrote:

"If we understand, by currency, the legal money of the country, and that which constitutes a lawful tender for debts, and is the statute measure of value, then undoubtedly, nothing is included but gold and silver. Most unquestionably, *there is no legal tender, and there can be no legal tender in this country under the authority of this government* or *any other, but gold and silver,* either the coinage of our mints or foreign coins at rates regulated by Congress. *This is a constitutional principle, perfectly plain and of the very highest importance.* The states are expressly prohibited from making anything but gold and silver a tender in payment of debts, and although no such expressed prohibition is applied to Congress, yet as Congress has no power granted to it in this respect but to coin money and to regulate the value of foreign coins, *it clearly has no power to substitute paper* or *anything else* for coin as a tender in payment of debts in a discharge of contracts. . . .

The legal tender, therefore, the constitutional standard of value, is established and cannot be overthrown. *To overthrow it would shake the whole system.*" (Emphasis added.)

In 1832, the Select Committee on Coins of the House of Representatives reported to the Congress that "The enlightened founders of our Constitution obviously contemplated that our currency should be composed of gold and silver coin. . . . The obvious intent and meaning of these special grants and restrictions [in the Constitution] was to secure permanently to the people of the United States a gold or silver currency, and to delegate to Congress every necessary authority to accomplish or perpetuate that beneficial institution.

The Select Committee states its conclusion that "The losses and deprivation inflicted by experiments with paper currency, especially during the Revolution; the knowledge that similar attempts in other countries . . . were equally delusive, unsuccessful, and injurious; had likely produced the conviction [in the minds of the framers of the Constitution] that gold and silver alone could be relied upon as safe and effective money."

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[*] All references to the Constitution, erroneous or otherwise, have been deleted from the final version of the committee report.

[1] The other two experiments were during the Civil War, 1862-1879, and the present period from 1971. The second experiment had a happy conclusion because the Civil War greenbacks were paid off dollar for dollar in gold.

Twelve years later, in 1844, the House Committee of Ways and Means concluded that:

"The framers of the Constitution intended to avoid the paper money system. Especially did they intend to prevent Government paper from circulating as money, as had been practiced during the Revolutionary War. The mischiefs of the various expedients that had been made were fresh in the public mind, and were said to have disgusted the respectable part of America . . . The framers [of the Constitution] . . . designed to prevent the adoption of the paper system under any pretext or for any purpose whatsoever; and if it had not been supposed that such object was effectively secured, in all probability the rejection of the Constitution might have followed."

Later in the century, Justice Stephen Field presciently wrote in the case *Julliard* v. *Greenman* (1884):

"There have been times within the memory of all of us when the legal tender notes of the United States were not exchangeable for more than half of the nominal value. The possibility of such depreciation will always attend paper money. This inborn infirmity, no mere legislative declaration can cure. If Congress has the power to make the [paper] notes legal tender and to pass as money or its equivalent, why should not a sufficient amount be issued to pay the bonds of the United States as they mature? Why pay interest on the millions of dollars of bonds now due when Congress can in one day make the money to pay the principal; and why should there be any restraint upon unlimited appropriations by the government for all imaginary schemes of public improvement if the printing press can furnish the money that is needed for them?"

Justice Field foresaw what would happen in the 20th century when the federal government had used the printing press—and the computer—as the means of financing all sorts of "imaginary schemes of public improvement."

Under the Constitution, Congress has power to coin money, not print money substitutes. Such money is to be gold and silver coin, nothing else. It is significant that this power of coining money is mentioned in the same sentence in the Constitution as the power to "fix the standards of weights and measures," for the framers regarded money as a weight of metal and a measure of value. Roger Sherman, a delegate to the Constitutional Convention, wrote that "If what is used as a medium of exchange is fluctuating in its value, it is no better than unjust weights and measures . . . which are condemned by the Laws of God and man. . . ."

Rather than urging the Congress to execute its "constitutional mandate" to "create" money, the Committee should urge Congress to "coin" money as the Constitution requires. But the Committee recommends instead that "The Federal Reserve should ease the monetary targets in effect for 1982 so as to permit interest rates to fall." The Committee is recommending, to be candid about it, the rapid creation of paper money this year in order to compensate for what the Committee views as its too slow creation last year.

After reading the Committee's Report, it is obvious that inflation is, and will continue to be a deliberate policy of the government. Inflation is not an accident, nor an Act of God; it is a man-made phenomenon, a deliberate policy of this government.

The Committee thinks that "easing the monetary targets" will "permit interest rates to fall." The Committee ignores all the data which show that the market has become so alert to fluctuations in the money supply that increases in the money supply cause interest rates to rise, not fall. In his testimony before the Domestic Monetary Policy Subcommittee, Undersecretary of the Treasury for Monetary Policy Beryl Sprinkel called the attention of the Subcommittee to this phenomenon. But his data have apparently been lost on the majority.

The Committee does state that "the single issue of high interest rates transcends all others in discussion of monetary policy." While it takes no great insight to discern the importance of interest rates, it does take insight to advocate a solution to present interest rate problems.

The history of interest rates under the gold standard is very illuminating for rates ranged between 1 percent and 5 percent depending on the term of the loan. In the last two decades of the 19th century and the first decade of the twentieth century, corporations offered—and sold—100 year bonds at 4 percent and 5 percent. Some even offered—and sold—bonds in perpetuity. Until confidence in our money is restored, interest rates will continue to fluctuate at high rates. The only practical way to restore that confidence permanently is to fulfill our constitutional mandate and institute a modern gold standard.

The Committee dimly recognized that the present interest rate problems are a-historical. The Report states: "Historically, even under the most stable [sic] economic conditions, nominal interest rates have normally been no more than 3 percentage points higher than the inflation rate, resulting in a real interest rate of about 3 percent."

The Committee fails to realize that "historically" the dollar was tied to gold, and even the most tenuous of gold-paper links such as that under the Bretton Woods System seem to stabilize interest rates. Interest rates today are a-historical precisely because our present monetary system is a-historical.

It is time that the Committee examined its premises. There can be no proper monetary policy unless the system is changed. Managing a central bank—and through it the entire economy—is as impossible as squaring a circle. The American people need gold money now. Paper has failed; it will always fail.●

MULTIEMPLOYER PENSION PLAN STABILIZATION ACT

HON. ELDON RUDD

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. RUDD. Mr. Speaker, in 1980 the Congress passed the Multiemployer Pension Plan Act amendments in an effort to stabilize multiemployer pension plans. The effects of this legislation, however, have been anything but stabilizing. Despite the fact that participating employers contributed to multiemployer plans in good faith according to their obligations determined in the collective bargaining process, these amendments hold employers liable for up to 100 percent of their net worth for their unfunded vested liability to a plan.

The multiemployer plans are governed by boards of trustees who set benefits using actuarial data. The boards have no control over employers' contributions and are expected to calculate benefits according to the contributions agreed upon by labor and management. Because of unanticipated economic fluctuations, however, benefit levels set by the trustees can often exceed the agreed upon contributions to the fund.

The 1980 amendments trigger 100 percent employer liability for a number of reasons, including ordinary sales of a business, relocation of a business outside the jurisdiction of the original multiemployer plan, or even union decertification on the part of the employees.

A thorough and expeditious review of the 1980 amendments by the Congress is necessary to protect the solvency of pension plans which are directly related to the stability of contributing companies.

Unless corrective action is taken, the security of participating businesses will be threatened. Individuals will be discouraged from purchasing businesses with a high unfunded liability. Lenders will hesitate to extend loans when high unfunded liability is reflected in a company's financial statement. And, high liability will discourage new participants from joining the plans.

The 1980 amendments will surely have a detrimental effect on participating companies and thus the pension plans themselves and future retirees.

The Multiemployer Pension Plan Stabilization Act was introduced late last year by the gentleman from Tennessee (Mr. DUNCAN) to correct the practical problems caused by the 1980 legislation. I would urge my colleagues to join me in cosponsoring this necessary legislation and protect the hard-earned retirement benefits of American workers.●

WHAT OUR COUNTRY SHOULD BE DOING FOR THE ELDERLY

HON. BILL LOWERY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. LOWERY of California. Mr. Speaker, young people often display wisdom beyond their years as illustrated in the following essays concerning the elderly, written by San Diego city schools' sixth grade students.

I applaud these students' efforts and call the attention of my colleagues to their fine work.

Excerpts from essays by sixth graders follow:

San Diego Essay Contest, 1981—What our Country Should Be Doing for the Elderly

"When we talk about old age, we talk about our own future * * *. Why not start now as a nation to make old age something to look forward to?"

"We should stop showing them on TV as helpless people or old people who cannot do anything except sit around."

"Most young people hardly ever see or talk to old people except kids who see their grandparents."

"Most elderly people would like a place that is relatively cheap, in a good neighborhood, and crime-free. Places like those are almost extinct."

"After all, elderly people are humans also and can do just as much as anyone else."

"When you have parties, invite some older people around your neighborhood. If there are none, invite your parents or your grandparents."

"Senior citizens * * * deserve a lot of thanks from our whole nation. They deserve a break because they worked hard all their lives and they put a lot of effort into the nation."

"My great-grandmother is 88 years old. She is afraid to live alone but she doesn't want to live with my grandma and grandpa so she lives in a special hotel for the elderly. She doesn't have enough money to pay so my grandparents have to pay for her."

"Keep one thing in mind. It is the beautiful people in them that bring out the people in us."

"We need to ask what THEY want; it's their life. Certainly they have some solutions concerning what we could do to help."

"Elderly people have a lot of talents and our nation should respect those talents by having more jobs for the elderly and making them feel important."

"People should take some time to sit and talk with their grandparents and other elderly people. They should read to them or do a puzzle with them. They will find it's really pleasurable and a lot of fun."

"Last week the class I'm in and another class had a grandperson's day, where we invited our grandparents and some people from an old folks home. We interviewed them. It was a lot of fun."

"I also feel that we should treat senior citizens the way we would like to be treated, because some day the senior citizens will be us."

"For those elderly who are of different language or of different ways of living, some students could go to their homes and teach them English. In return some of the elderly could go to the students' classes and teach their language."

"I think the nation should somehow announce to the businesses that they should give the elderly a chance to show what they can do."

"They should not raise taxes on everyday items like milk, candy, jellybeans, food items or anything because it's not fair to everyday people who pay taxes."

"If the buses can't bring them to the schools, then maybe the buses could take them to a park and the youngsters could meet them there. The park would be full of love."

"Most of the children I talked to before my sixth grade class interviewed senior citizens said they were mean and crabby. Now, they say they're kind and would rather spend hours with them than go and play."

"I think the government should let senior citizens adopt condemned dogs and cats. There was a survey out that said people live longer if they have something to love and get loved back. It is also good protection."

"So next time you see an elderly person, say 'Hello' and make a friend."

"High school students should help the elderly for extra credit in school."

"The president only cares for the elderly that have money but he doesn't care for the middle class or for the poor elder . . ."

"My mom wishes she had enough money so we could go and see my grandfather in Texas."

"I'm sure we all love our greatgrandparents and grandparents but sometimes you can get frustrated with them."

"Our nation should put up more ramps for people in wheelchairs to help them get around."

"For some there is a language barrier which is a true handicap for any age. The government needs to set up some programs so the elderly of another race can learn our language."

"I am positive I would not put my parents in a retirement home if I had a room in my house."

"Maybe after school the children could go to these people's houses and run errands or do certain tasks for them."

"Maybe an agency could be created in which people go and live with lonely elderly. They could keep the elderly company and take care of them."

"Elderly people are individuals the same as young people. Some have a lot of energy and some are very quiet. They should be allowed to express themselves through work and recreation, the same as young people."

"The elderly barely have anything to do so they write books, weave baskets, etc."

"You have more peace when you grow old. No kids to bug you, no dogs barking at the mailman, no blasting TV, no daughters' slumber parties, no sons' rock band practice, no cats yowling, and no phone ringing. Just you. All in peace. Not a care in the world. All the time in the world. Total peace and quiet."

"Elderly people can be maids or butlers for rich people and the rich people would be able to give them a good home if they didn't have one."

"People just don't care. I bet that over 75 percent of the United States don't even know about this essay contest. Hardly anyone cares about problems of the elderly . . ."

"The elderly people should have their own maid so they won't have to do so much of the work in the house."

"Each time an elderly woman or man drives a car slowly, people start getting mad. I think that elderly people should not drive cars because then people will start getting madder and madder."

"Another thing that bothers me is that there are no old people on magazine covers. I think they should show elderly people on magazines . . . it would probably make the elderly people happy."

"We could take shows off the air like 'Three's Company,' 'Cartoon Carnival,' and many more. Then we could fill in their places with things like 'Karate for People Over 60' and 'Fun Activities for People Suffering With Arthritis' and many more. These would interest them and make them feel good."

"I am scared of elderly people because some of the people are mentally sick."

"Why don't they have old people models like in Playboy or any of those model magazines? Because they are not as pretty as they used to be?"

"High schools should offer a program for credit where they learn to care for the elderly such as going to their homes and clean their house or give a bath or even cook for them."

"The elderly don't like to be called old."

"Maybe we could give the elderly jobs that you can do right in your own home like painting, cooking, carving, sculpture, inventions, teaching."

"Some elderly people are very sad. I don't know how our nation could do something about that. But the other people need to be nice with them."

"Growing old should be something you can look forward to but now the way the government and the media are treating the elderly, I don't want to get old."

"I have seen some elderly people looking in the trash cans for food and clothing."

"I think it is wrong to force retirement on people . . . because then we and our nation would be losing and wasting a lot of valuable people. Besides, where would we be today if Mr. Ronald Reagan was forced to retire? Let me tell you: we would be without a president and he would be without a job!"

"Giving the elderly people better housing for less money is probably the most important thing our nation could be doing for them."●

SMALL BUSINESS VITAL; JACKSONVILLE SBA OFFICE COMMENDED

HON. DON FUQUA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. FUQUA. Mr. Speaker, I want to go on record in support of Small Business Week in honor of the millions of businesses in this country which are so vital to our national economic well-being.

Many do not realize that small business is the biggest business in the country, accounting for 13 million of our 16 million businesses, nearly half of our employment and 48 percent of the total production of goods and services in the Nation.

Studies have shown that nearly 90 percent of the recent new jobs in the country—and we all know how desperately we need new jobs—were created by small business and that two-thirds of the new jobs were created by businesses employing fewer than 20 persons.

In my home State of Florida we are proud that small business—representing 191,000 of our 196,000 businesses—is growing and prospering at a rate equaled by few States. More than 69,000 new small businesses were chartered in Florida in 1981 and we look forward this year to 72,000 new companies being formed in the State.

We credited a great deal of that growth to the invaluable assistance provided to our businessmen by the two Small Business Administration offices in the State, one in Coral Gables and another in Jacksonville.

The Jacksonville office serves the 43 counties of northern Florida, including all 23 within my congressional district.

On a very personal basis I would like to commend Douglas McAllister, district director of the Jacksonville Small Business Administration Office, and his staff for all they have done to make the work of this agency successful in our area of the Nation.

Many times my staff has commented that this office is an example of how Government should work. They are responsive and really care about what they are doing.

Any tribute coming from me would not be complete without a very sincere personal commendation to Mr. McAllister and the Jacksonville SBA Office for the consistently high quality of service and dedication of which I have personal knowledge.

Government should indeed be concerned about the health of small business and I believe the SBA is the most significant evidence of that concern.

In addition to providing business loans and disaster assistance to north Florida, the Jacksonville SBA Office last year completed 5,239 management counseling cases and provided management training and advice to 8,615 small business owners or prospective owners at 303 training courses, workshops, or conferences.

This is the kind of practical assistance to small businesses which helps them survive and prosper and of which we can all be proud.●

TWENTY-FIVE YEARS OF COMMUNITY SERVICE

HON. JOHN H. ROUSSELOT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. ROUSSELOT. Mr. Speaker, I would like to direct the attention of the House to the outstanding record of community service that is the history of the Methodist Hospital of Southern California, which will soon celebrate its 25th anniversary of service.

The Methodist Hospital of Southern California was founded in Los Angeles in 1903, and relocated to the city of Arcadia during the 1950's. Since the Methodist hospital opened in Arcadia on May 27, 1957, they have provided medical care to 228,223 inpatients, and served 508,193 patients in their emergency room. The Methodist hospital's maternity ward had delivered 32,812 babies during the last 25 years.

In a continuous response to the evergrowing health care needs of their community, the Methodist hospital has added facilities for a paramedic base station, and has expanded from 138 to 345 beds, in addition to establishing numerous technologically advanced services. The hospital is currently carrying out a major expansion and remodeling project, including a 372-car parking structure, and a 62,000-square-foot north wing, to be named the "Walter R. Hoefflin, Jr., wing." This new facility will contain a clinical laboratory, radiology and nuclear medicine department, two intensive care units, and an emergency department.

On May 22, the Methodist hospital's quarter century of contributions to the community will be honored by a celebration in the clubhouse at the Santa Anita racetrack. I think I can speak for the whole House in extending our appreciation, and in wishing the Methodist hospital many, many more years with the friends it has made during the last 25 years of service.●

SMALL BUSINESS—THE BACKBONE OF THE ECONOMY

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. MARKEY. Mr. Speaker, the occasion of Small Business Week gives us all the opportunity to reflect on the vital role of small business in the American economy. This week is also an important time to recognize clearly the serious problems facing small businesses in the Nation, and understand the role of the Federal Government in trying to alleviate those problems.

Mr. Speaker, the importance of small business to our economy has been well documented. Small businesses employ nearly half of all the nongovernment labor force in the United States. Studies have demonstrated that nearly 80 percent of all new jobs created in this country in the last decade were created by firms with less than 50 employees. Small business represents the heart of growth potential in the American economy. Taking Small Business Week to discuss the state of small business is a fitting way to look into the real future of our economy.

Mr. Speaker, Small Business Week falls at a very opportune time, in the midst of the Congress consideration over the Federal budget for fiscal year 1983. While small businesses do not rise and fall solely as a result of Federal fiscal policy, we must recognize our responsibility as national representatives to craft a policy that creates a favorable environment. Unfortunately, the policies pursued by the administration in the last year have created a horrendous climate for small businesses in this country.

Mr. Speaker, the recession begun last July, just after passage of the major elements of the administration's economic program, has had a devastating impact on businesses large and small. Large industries such as housing and automobiles are in a depression-like state, and this has had a reverberating effect on millions of smaller businesses. Unemployment is up to 9.4 percent, the highest level since 1941. In the first quarter of this year, the gross national product shrunk 3.9 percent. And in the last year, the rate of business failures was the second highest since World War II. This calamity must not continue.

Mr. Speaker, President Reagan has called small business the "heart and soul of our free enterprise system." Yet the policies of this administration have reflected a disturbing bias against small businesses. For example, the enormous tax package passed last year was far more beneficial to big business than to small business. And the deficit created by the tax giveaways has resulted in a period of unrelenting high interest rates despite a falling rate of inflation. High interest rates have been disastrous for small business, severely hindering plans to modernize, expand, or start up. Smaller firms lack the access to capital enjoyed by larger firms and the Federal Government.

The administration has also significantly curtailed funding for programs of particular concern to small businessmen. The Small Business Administration is making fewer loans, and the guaranteed loan program has been greatly cut back. The Treasury Department has also slashed the tax-exempt small-issue industrial development bond program, which has been such an important tool of capital formation for smaller firms. With market interest rates intolerably high, preventing small businesses from using IRB's is a crushing blow.

Mr. Speaker, as work progresses on the budget this year, I hope that Congress can put together a program that will create a more favorable climate for small business. Small businessmen represent an important link to our past, and are in many ways an outpost of initiative, risk taking, and independence. The Federal Government should be encouraging these qualities by creating a positive environment for small business. Such a policy is critical to the future health of our economy.●

DON'T INCREASE TAXES FASTER

HON. JAMES G. MARTIN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. MARTIN of North Carolina. Mr. Speaker, do not increase taxes faster. Taxes are rising fast enough already. Over the last decade, of runaway fiscal spending and rampant inflation, taxes on the American people have risen much faster than inflation. Should not that be enough, Mr. Speaker?

The only reason that $623 billion in revenues is not enough in this fiscal year 1982 is simply because of the unrepentant extravagance of the liberal increases in spending. Even with taxes rising half again faster than inflation, spending for all these Great Society free rides has grown even faster. When can we tell the taxpayers that is enough, Mr. Speaker?

Last night and today, the Democratic dominated House Budget Committee, with its arbitrary excess majority of 18 Democrats and 12 Republicans, has fashioned a partisan budget resolution for the next fiscal year, 1983, which will raise taxes even faster. After 3 months of sniping against the President's budget proposal and his attempts to get Congress to restrain its appetites to tax and spend, it is notable that we finally have a Democratic Party alternative. Now we can look at their proposal: and we see that all it is is higher and higher taxes.

The following table puts the issue in perspective, based on forecasts by the Congressional Budget Office (CBO).

	Billions
Total revenues:	
Fiscal year 1982 current law	$623
Fiscal year 1985 current law	780
Fiscal year 1985 Democratic budget	846

REVENUE INCREASES OVER FISCAL YEAR 1982

	Percent
Fiscal year 1985:	
Current law	25
Annual average	7.7
Fiscal year 1985:	
Democratic budget	36
Annual average	10.8
Forecast average inflation rate	6.7

Mr. Speaker, the first thing that emerges from these facts and CBO forecasts is that taxes are not going down as a result of the 1981 tax cuts; they are going up. All that can be said is that they are not going up as fast. The so-called largest tax cut in history has merely cut the tax increases roughly in half.

The second thing that emerges is that the result of this hard fought tax cut is that tax revenues are still going to rise slightly faster even than inflation. Federal annual revenues thus are going to rise 25 percent over the next 3 years, if we leave the Tax Code unchanged. That is a rate exceeding the consensus forecasts of inflation for that period by roughly one-sixth.

The third thing that emerges is that the budget resolution offered now as the official leadership position of House Democrats does not accept those built in real tax increases as being enough. They want more. They propose to raise taxes by 36 percent over the 3-year period. That is an additional $66 billion in 1985 over and above the $157 billion increase already provided by current law. For some dissidents, even that is not enough. They want even more.

The House majority party's leadership and Budget Committee majority is proposing that taxes rise at an average annual rate two-thirds faster than inflation.

Is that enough, Mr. Speaker?

The only apparent way to stop this restoration of the liberal principle of tax and tax, spend and spend, is for the taxpayers to rise up and put a stop to it. It is time for American voters to tell you, "That is enough, Mr. Speaker."●

THE NEW AMERICAN GOLD COINS

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. PAUL. Mr. Speaker, when it delivered its report to the Congress, the U.S. Gold Commission recommended that Congress enact legislation to resume the minting of gold coins, which ended in 1933. The Commission wrote:

> We favor Treasury issue of gold bullion coins of specified weights, and without dollar denomination or legal tender status, to be manufactured from its existing stock of gold and to be sold at a small mark-up over the market value of the gold content, and recommend that the coins shall be exempt from capital gains taxes and that the coins shall be exempt from sales taxes.

On April 1, Senator HARRISON SCHMITT and I introduced legislation that would carry out this recommendation of the Commission. H.R. 6054, the "American Eagle Gold Coin Act of 1982," provides for the minting of four coins, all bearing the same design, but each containing a different weight of gold: 1 ounce, one-half ounce, one-quarter ounce, and one-tenth ounce.

The coins would be denominated by weight only, just as the first American gold coins were. The first U.S. gold coin, the $5 half eagle, bore no dollar denomination from 1795-1806. The early $10 eagles carried no dollar denominations until 1838. The new American eagles would wisely continue this same practice.

The design of the new American eagle would be the figure of Striding Liberty from the 1908 St. Gaudens' double eagle on the obverse, and the heraldic eagle on the reverse of the Great Seal of the United States on the reverse.

As official coins of the United States, the new American eagles would not be sold as the gold medallions minted under the American Arts Medallions Act are, but exchanged for other official currencies of the United States through the banking systems and money dealers. Just as with Federal Reserve notes and the present clad coinage, there would be no tax imposed on the exchange of such coins, nor any capital gain—or loss—imposed on any appreciation or depreciation in the value of the coins.

The new gold coins would be acceptable in the settlement of private debts, just like any other official money, but unlike other moneys, the coins would not be acceptable in payment of any Federal taxes, duties, or dues.

The coins would not only be minted from the Treasury's own stock of gold, any owner of gold bullion would be able to deliver it to any mint of the United States and receive in exchange an equal weight of American eagles.

Under article 1, section 8 of the Constitution, the Congress is given power "to coin money." The meaning of this phrase is clear but Congress has been ignoring it for the past 70 years, ever since it delegated power to the Federal Reserve System to print money and create credit ex nihilo. For those 70 years we have had the worst depression, inflations, unemployment, recessions, bankruptcy, and interest rates in our history. Nothing we suffered with an imperfect gold standard during the 19th century can compare to the damage our economy has sustained under the management of the Federal Reserve.

The authors of the Constitution wrote article 1, section 8 precisely for the purpose of outlawing the type of monetary system we now have.

When the Founding Fathers wrote the Constitution in the summer of 1787, they had fresh in their minds the debacle of the paper money printed and issued by the Continental Congress during the Revolutionary War. The paper notes, "Continentals" as they were called, eventually fell to virtually zero percent of their original value because they were not redeemed in either silver or gold. They were "greenbacks," and were the first of three major experiments with "greenbacks" that this Nation has conducted. The Continental greenback failed miserably, giving rise to the popular phrase "not worth a Continental."

Consequently, when the Constitutional Convention met in 1787, the opposition to paper money was strong. George Mason, a delegate from Virginia, stated that he had a "mortal hatred to paper money." Delegate Oliver Ellsworth from Connecticut thought the Convention "a favorable moment to shut and bar the door against paper money." James Wilson, a delegate from Pennsylvania, argued that "It will have a more salutary influence on the credit of the United States to remove the possibility of paper money." Delegate Pierce Butler from South Carolina pointed out that paper was not a legal tender in any country of Europe and that it ought not be made one in the United States. Mr. John Langdon of New Hampshire said that he would rather reject the whole Constitution than allow the Federal Government the power to issue paper money. On the final vote on the issue, nine States opposed granting the Federal Government power to issue paper money, and only two favored granting such power.

The framers of the Constitution made their intention clear by the use of the word "coin" rather than the word "print," or the phrase "emit bills of credit." Thomas M. Cooley's "Principles of Constitutional Law" elaborates on this point: "To coin money is to stamp pieces of metal for use as a medium of exchange in commerce according to fixed standards of value."

In his explanation of the constitutional provisions on money, James Madison, in Federalist No. 44, referred to the "pestilent effects of paper money on the necessary confidence between man and man, on the necessary confidence in the public councils, on the industry and morals of the people, and on the character of republican government." His intention, and the intention of the other Founders, was to avoid precisely the sort of paper money system that has prevailed for the past 10 years.

This intention was well understood throughout the 19th century, and was denied only when the Supreme Court found it expedient to do so. For example, Daniel Webster wrote:

> If we understand, by currency, the legal money of the country, and that which constitutes a lawful tender for debts, and is the statute measure of value, then undoubtedly, nothing is included but gold and silver. Most unquestionably, *there is no legal tender, and there can be no legal tender in this country under the authority of this government* or *any other, but gold and silver,* either the coinage of our mints or foreign coins at rates regulated by Congress. *This is a constitutional principle, perfectly plain and of the very highest importance.* The states are expressly prohibited from making anything but gold and silver a tender in payment of debts, and although no such expressed prohibition is applied to Congress, yet as Congress has no power granted to it in this respect but to coin money and to regulate the value of foreign coins, *it clearly has no power to substitute paper* or *anything else* for coin as a tender in payment of debts in a discharge of contracts . . .
>
> The legal tender, therefore, the constitutional standard of value, is established and cannot be overthrown. *To overthrow it would shake the whole system.* (Emphasis added.)

In 1832, the Select Committee on Coins of the House of Representatives reported to the Congress that:

> The enlightened founders of our Constitution obviously contemplated that our currency should be composed of gold and siver coin. . . . The obvious intent and meaning of these special grants and restrictions [in the Constitution] was to secure permanently to the people of the United States a gold or silver currency, and to delegate to Congress every necessary authority to accomplish or perpetuate that beneficial institution.

The Select Committee states its conclusion that:

> The losses and deprivation inflicted by experiments with paper currency, especially during the Revolution; the knowledge that similar attempts in other countries . . . were equally delusive, unsuccessful, and injurious; had likely produced the conviction [in the minds of the framers of the Constitution] that gold and silver alone could be relied upon as safe and effective money.

Twelve years later, in 1844, the House Committee of Ways and Means concluded that:

> The framers of the Constitution intended to avoid the paper money system. Especially did they intend to prevent Government paper from circulating as money, as had been practiced during the Revolutionary War. The mischiefs of the various expedients that had been made were fresh in the public mind, and were said to have disgusted the respectable part of America . . . The framers [of the Constitution] . . . designed to prevent the adoption of the paper system under any pretext or for any purpose whatsoever; and if it had not been supposed that such object was effectively secured, in all probability the rejection of the Constitution might have followed.

Later in the century, Justice Stephen Field presciently wrote in the case *Julliard* v. *Greenman* (1884):

> There have been times within the memory of all of us when the legal tender notes of the United States were not exchangeable for more than half of the nominal value. The possibility of such depreciation will always attend paper money. This inborn infirmity, no mere legislative declaration can cure. If Congress has the power to make the [paper] notes legal tender and to pass as money or its equivalent why should not a sufficient amount be issued to pay the bonds of the United States as they mature? Why pay interest on the millions of dollars of bonds now due when Congress can in one day make the money to pay the principal; and why should there be any restraint upon unlimited appropriations by the government for all imaginary schemes of public improvement if the printing press can furnish the money that is needed for them?

Justice Field foresaw exactly what would happen in the 20th century when the Federal Government had used the printing press—and the computer—as the means of financing all sorts of "imaginary schemes of public improvement."

Under the Constitution, Congress has power to coin money, not print money substitutes. Such money is to be gold and silver coin, nothing else. It is significant that this power of coining money is mentioned in the same sentence in the Constitution as the power to "fix the standards of weights and measures," for the framers regarded money as a weight of metal and a measure of value. Roger Sherman, a delegate to the Constitutional Convention, wrote that:

> If what is used as a medium of exchange is fluctuation in its value, it is no better than unjust weights and measures . . . which are condemned by the Laws of God and man . . . .

For decades now, but especially for the past 10 years, we have had a medium of exchange, the Federal Reserve note, which is "fluctuating in its value" and therefore "no better than unjust weights and measures * * * which are condemned by the Laws of God and man." With the issuance of new gold coins by the Treasury, the Federal Reserve's monopoly on money will be challenged. H.R. 6054 represents a major step toward the eventual replacement of our present irredeemable paper money system with a gold based system. Following is the text of the bill:

H.R. 6054

A bill to provide for the minting of the American Eagle gold coin pursuant to article I, section 8 of the Constitution of the United States

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "American Eagle Gold Coin Act of 1982".

AUTHORIZATION FOR MINTING

SEC. 2. (a) The Secretary of the Treasury shall mint gold coins which shall be referred to as "American Eagles", and which shall be minted as provided in this Act in accordance with the following specifications:

(1) an "Eagle", having a gold content of one fine troy ounce and a diameter of 1.28 inches;

(2) a "Half Eagle", having a gold content of one-half fine troy ounce and a diameter of 1.06 inches;

(3) a "Quarter Eagle", having a gold content of one-quarter fine troy ounce and a diameter of 0.87 inches; and

(4) a "Tenth Eagle", having a gold content of one-tenth fine troy ounce and a diameter of 0.65 inches.

(b) Coins minted under this Act shall be of a fineness of 900 parts per 1,000 of pure gold and 100 parts per 1,000 of alloy. Coins shall not be struck from ingots which deviate from the standard contained in this subsection by more than one part per thousand.

(c) Coins minted under this Act shall bear—

(1) on the obverse side, the design of the 1908 double eagle, together with inscriptions specifying the gold content and the year of minting;

(2) on the reverse side, the reverse of the Great Seal of the United States; and

(3) have reeded edges.

(d) The Secretary of the Treasury may mint the American Eagle coins authorized by this Act in the weights and sizes set forth in subsection (a) of this section, in such quantities as he determines to be necessary to meet public demand.

(e) Notwithstanding section 102 of the Coinage Act of 1965 (31 U.S.C. 392), coins minted under this Act shall not be legal tender for public debts, public charges, taxes, duties, or dues. Nothing in this subsection shall prevent the use of such coins or coins of like weight for the payment of private debts.

DELIVERY AND MARKETING

SEC. 3. (a) Coins minted under the authority of this Act shall be delivered to banks and other institutions and retailers for distribution and sale to the public, pursuant to rules and regulations of the Secretary of the Treasury.

(b) The Secretary of the Treasury shall begin delivery of the one-ounce American Eagle coins authorized by this Act, not later than January 1, 1984, and delivery of the one-half, one-quarter, and one-tenth ounce coins not later than January 1, 1985.

PRICE

SEC. 4. (a) Coins authorized by this Act shall be sold to the public in accordance with section 3 of this Act, at a price to be determined daily by the Secretary of the Treasury, according to their relative weight of gold, equal to the price of gold bullion sold on the Commodity Exchange, Incorporated, New York, at 4 o'clock postmeridian on the previous business day, plus an amount determined by the Secretary to pay for the minting, delivering, and distribution expenses of the coins, and all other related expenses.

(b) The Secretary of the Treasury shall have the power to adjust the seigniorage charge on the sale of all coins authorized by this Act to finance the expenses for minting, delivering, and distributing such coins.

EXCHANGE OF BULLION FOR COINS

SEC. 5. (a) Any owner of gold bullion may deposit such gold in any mint of the United States designated by the Secretary for such purpose and receive in exchange for its relative weight of gold content an equal weight of gold in American Eagle coins, less an amount to be determined by the Secretary of the Treasury to be equal to the charge established pursuant to section 4(a) and any other related expenses.

(b) All gold bullion deposited in any United States mint pursuant to subsection (a) of this section shall be available for the minting of American Eagle coins.

(c) The Secretary may prescribe such regulations as may be necessary to carry out this section, including regulations specifying charges for assay and other related expenses.

TAXATION

SEC. 6. (a) Any gain or loss derived from the sale, exchange, or other disposition of any coin authorized by this Act shall not be recognized as a capital gain or loss under any Federal, State, or local income tax.

(b) Any purchase or sale of any such coin shall be exempt from any Federal, State, or local sales, personal property, or excise tax.●

CHAIRMAN RODINO SCHEDULES EXPORT TRADING COMPANIES BILL

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. HYDE. Mr. Speaker, yesterday I urged my colleagues to join me in calling upon the chairman of our Judiciary Committee to schedule markup of the export trading companies bill.

I have since learned that Chairman RODINO had, in fact, scheduled a markup of this important legislation in our Subcommittee on Monopolies and Commercial Law for May 19.

I wish to commend the distinguished chairman for his leadership in scheduling this important bill which represents a bipartisan initiative designed to help the economy and create jobs.

With Chairman RODINO's guidance, I am hopeful that we will shortly take positive action on legislation that will create jobs, reduce the deficit, and increase the GNP.●

NEWLY FORMED WASHINGTON DULLES TASK FORCE

HON. FRANK R. WOLF

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. WOLF. Mr. Speaker, I want to bring to the attention of the Members of the House what I believe is a significant event in the effort to create a better balance of air travel service in the greater Washington area.

Yesterday, a new organization to be known as the Washington Dulles Task Force was created. The purpose of this nonprofit Virginia corporation is to promote better air service at Dulles International Airport and to encourage greater utilization of this outstanding airport.

This newly formed task force was developed by the former Dulles Policy Task Force. The Dulles Policy Task Force was abolished Tuesday having accomplished its major objective of assisting in the formation of the Washington Metropolitan Airports Policy which took effect last December. The new Washington Dulles Task Force will have as its primary objective the marketing of Dulles International Airport.

As Carrington Williams, the chairman of the new nonprofit corporation, said at a public announcement Wednesday:

> Now that Washington has a firm airport policy, we need to go out and sell the potential of Dulles to the airlines and promote the new services to the traveling public.

The new Washington Dulles task force intends to encourage future air travel growth at Dulles by making the air carriers aware of the market potential of Dulles Airport. Recent surveys by the Washington Council of Governments and the Fairfax County Chamber of Commerce indicate a major demand for increased service at Dulles by area residents and visitors.

The new task force has set as its goal the doubling of passenger traffic at Dulles Airport by the end of 1985.

The task force planners estimate that 39 percent of the Washington area's effective buying power, 37 percent of its population, and 26 percent of its employment exists in areas most conveniently served by Dulles Airport. They believe that nearly half a billion dollars worth of air travel was generated by those in the Dulles service area during 1981.

The new task force intends to employ a full-time staff with an annual budget of approximately $650,000. Funding for the organization will be provided through private donations and by funds provided for specific tasks by various Government entities. Metropolitan Washington Airports, the proprietor of both National and Dulles Airports, has agreed to provide up to $150,000 during the organization's first year to fund studies of local air service needs that will be useful for both MWA and the Washington Dulles task force. The Commonwealth of Virginia has committed $175,000 for each of the first 2 years of the organization's 3-year life.

The task force will be governed by a 21 member board of directors. Its members will be business organizations and civic groups having an interest in airport development.

It has been a privilege for me to work side by side with the leadership of the Washington Dulles task force to assist in its formation.

The announcement of the creation of the Washington Dulles task force marks not only a historic step in meeting this area's transportation needs but is another example of how the private sector and governments at all levels can and must work together to find responsible solutions to important problems. Given the enthusiasm and dedication with which the members of the Washington Dulles task force have approached this challenge, I am confident that we will continue to make progress toward a safer and more balanced air transportation system for the greater Washington area. Such a system had been a concern of mine for years. I remain committed to working with the Washington Dulles task force and other organizations to develop such a system.

I want to pay special tribute to the leadership of this new task force for their outstanding efforts. Also, I want to recognize the board of directors of the new task force. The directors of the Washington Dulles task force are June M. Bachtell of Leesburg, Charles E. Beatley, Jr., of Alexandria, James C. Cleveland of Reston, Sharon B. Donovan of McLean, Rosalind K. Ellingsworth of Arlington, Stephen L. Gelband of Washington, D.C., Charles G. Gulledge of McLean, Stanley E. Harrison of McLean, John T. Hazel, Jr., of Fairfax, Francis E. Lattin of McLean, R. Robert Linowes of Silver Spring, Philip M. Reilly of Fairfax, Leo J. Shefer of Manassas, Foster Shannon of Washington, D.C., Robert R. Sohl of Leesburg, Stanfield S. Taylor of McLean, John M. Toups of McLean, Leslie E. S. Tuck of McLean, and Carrington Williams of Falls Church.●

WE'VE HAD ENOUGH LEMON ECONOMICS

HON. BYRON L. DORGAN

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. DORGAN of North Dakota. Mr. Speaker, virtually every day in this Chamber we hear orations on the need to get the government "out of our economy" and to return to a "free market."

Sometimes I have to wonder whether those who make these orations know what they are talking about.

Frequently, these very people are the first to violate this principle when the beneficiary of the violation in question is some interest group that they favor.

When the subject turns to taxes, for example, we often stop hearing the "free market" tune. All of a sudden the vocabulary changes to an economic pharmacopiae of "stimulants" and "incentives." They want stimulants for investment. Stimulants for savings. Stimulants for this industry or that.

You name the problem, and they will propose some new tax stimulant that will solve that problem, so they say.

Apparently the free market is not good enough for those who say they believe in the free market. They want to use the power of Government—specifically through the tax laws—to alter this market.

This is economic planning. It is using the powers of Government to determine where investment dollars go and to determine who gains and who loses in our economy.

This kind of under-the-table economic planning has proven to be a lemon. Last year's corporate tax benefits are a prime example. Under the pretense of providing economic stimulus Congress bestowed billions of dollars in new tax breaks upon our major corporations.

Result? The Commerce Department reports that business investment is going down this year rather than up. Many companies are using their new tax-cut largesse not to invest in new plants and equipment, but rather to buy up other companies. This reduces competition and ensnares large portions of our economy in conglomerate bureaucracy and redtape.

That is what we got for the billions we spent on this new stimulus program.

Tax stimulants are not the only form of lemon economic planning in which Congress regularly engages. The Chrysler and Lockheed bailouts stand out as examples of how Congress has used the people's tax dollars to prop up yesterday's failures instead of laying the groundwork for tomorrow's successes.

If the Government is going to get involved in our economy at all, then it should do so in a way that is intelligent. We know that what we are doing now is not working. We know that we cannot go back to the 1920's, where the President would like to lead us. And we know we cannot go back to the 1960's, where many others would have us go. We need a real debate over the kind of economic policy that will enable the American people to have economic stability and prosperity in the decades ahead.

Recently an organization called the Democracy Project held a symposium here in Washington to help to generate such a debate. One of the speakers at this symposium was Prof. Lester Thurow of the Massachusetts Institute of Technology. Mr. Thurow is known to many of us through his books, his magazine articles, his regular columns in Newsweek magazine and his many appearances before congressional panels. Mr. Thurow is one of the most prolific and original economists addressing the American public today.

In his talk, Professor Thurow raised some of the questions which we in Congress must face. For example:

PRODUCTIVITY: STATISTICS VERSUS REALITY

Much of the alleged decline in American "productivity," as that term commonly is defined, has virtually nothing to do with the level of our investment, or how hard we work. Rather, it arises from changes in our life patterns that frequently are beneficial. Energy conservation, for example, has reduced our use of energy, and in some cases has—on paper, at least—reduced the productivity of our utility plants. Obviously, we do not want to start wasting electricity just to improve our national productivity statistics. So what do we do? Do we use some other asset or resource more intensively to make up the difference? Or, do we have to go deeper and change the way we define productivity so that progress does not show up statistically as regress?

FOREIGN COMPETITION

Intense competition from the Japanese and others has squeezed profits for our auto makers. Without their former profit levels, where will they get the capital they need to retool and meet this competition? In Japan, both government and private investment banks provide such capital. Who will provide it here?

RELUCTANT CORPORATIONS

Some of our major corporations do not seem to want to do the job that needs to be done. Our steel industry, for example, desperately needs new and more efficient plants. The steel companies have been blaming their problems on the Japanese. Yet when United States Steel gathered together a stockpile of cash, did it build a new steel plant? No; instead, it went out and bought an oil company. How do we build a healthy steel industry in America if our steel industry itself does not want to build a steel industry?

These are the kinds of questions that we have to start to ask. I am not sure that Mr. Thurow's answers—for example, consumption taxes and Japanese-style investment banks—are the best ones. In some form they might be part of an answer. But at least Mr. Thurow is addressing the tough questions and is not covering them over with a gauze of dreamy economic nostalgia the way the administration is doing.

To get the right answers, we have to start asking the right questions. We need a genuine economic debate. For this reason I offer Lester Thurow's paper for the benefit of my colleagues and the American public.

Part 1 of Mr. Thurow's paper follows. Part 2 will appear in the RECORD on another day.

INVESTMENT BANKING

(By Lester C. Thurow)

By themselves industrial policies are not going to cure America's economic problems. They can, however, play a role in helping to cure America's economic problems and without them, I believe that it will be highly unlikely that America will cure its economic problems.

AMERICA IN A COMPETITIVE ECONOMIC WORLD

The immediate American problems are productivity growth and inflation but they need to be seen in a broader context. For 35 years after WWII the U.S. enjoyed "effortless superiority". It had a per capita GNP far above that of anyone else. Technologically it had a huge lead in almost everything. As late as 1960 only 5 percent of the GNP was exported or imported and international trade could have been abolished without any major harm to the standard or style of life of the average American. America could afford activities, and mistakes, that no one else could afford.

The effortless superiority has disappeared. Economically and technologically

the U.S. is simply one among equals and its rate of progress, productivity growth, is well below that of its major economic competitors. Exports have risen to 13 percent of the GNP and the country is importing necessities such as oil. It can no longer afford to spend more on defense and less on civilian investment than its military allies but economic competitors.

While it is a shock to be simply one among equals, it is also more pleasant to live in a neighborhood with other wealthy countries. To catch up, other countries obviously had to have an extended period of time when they grew faster than the United States. But there inevitably comes a time, and it is now, when the U.S. has to accelerate its economic performance to keep up with the rest of the industrial world.

There is no turning back to the "good old days" of unfettered capitalism as the Reagan administration wishes. The good old days simply weren't that good. Before or after the New Deal, the U.S. has never had the sustained productivity gains now being achieved by Japan.

To keep up in the future, the United States is going to have to develop new institutions and new ways of accelerating economic growth. Things that "can't" be done have to be done if we are not to decline relative to the rest of the world as the U.K. has declined over the past 80 years.

PRODUCTIVITY VERSUS INFLATION: A MATTER OF PRIORITIES

Opinion polls show that inflation is the country's number one problem in the minds of the public, but inflation is not the number one economic problem. With productivity falling, as it is, inflation could stop; yet the American standard of living would still be falling both absolutely and relatively. Conversely if productivity were growing, the standard of living would be growing regardless of the rate of inflation.

Given the political popularity of anti-inflation rhetoric, policy makers are apt to embark on crusades against inflation that are both unwinnable and counterproductive. The monetary brakes are applied with a limited effect on inflation but a major effect on stopping the investment necessary to help alleviate the productivity problem.

As long as productivity is falling there is no realistic cure to the inflation problem. With falling productivity the only noninflationary wage increase is a wage decrease. What are the chances that any modern democratic industrial society can hand out wage decreases year after year? Politically it is just easier to hand out money wage gains and then let inflation deliver the bad news that real purchasing power is down.

But it is also true that no industrial policy can work in the midst of restrictive monetary policies. Slow growth, high interest rates, rising unemployment are just not an environment where pro-growth policies of either the micro or macro kind can work. If we aren't able or willing to devise an alternative to monetarism for fighting inflation or to put the anti-inflation fight on the back burner until the productivity problem is solved, we might as well not talk about industrial policies.

THE DECLINE IN PRODUCTIVITY

Productivity growth is like a gold mine. Some smart or lucky prospector finds a vein of high grade ore that is then followed down into the bowels of the earth. But eventually every vein of ore peters out. To keep the same or an increasing volume of gold coming out of the mine, new veins of ore must continually be found.

Similarly the cessation of American productivity growth cannot be traced to stupid or lazy miners. Old low grade veins of productivity ore simply haven't been replaced with new high grade finds.

For example, when American productivity was growing at 3 percent per year, the productivity of electrical and gas utilities was growing at more than 6 percent per year. Utility productivity is now falling at the rate of 1 percent per year. This change alone explains 10 percent of the slow down in American productivity. What happened?

The answer is simple. In utilities most of the hours of work are involved in maintaining the distribution network. As long as every home and factory is demanding more energy, productivity rises rapidly. More kilowatts are being delivered, but the same number of hours are needed to maintain the distribution network. But conversely when the demand for energy goes down because energy prices are up, the same number of hours are needed to maintan the lines and productivity falls.

The utility productivity problem is not curable. Some other new source of productivity problem is not curable. Some other new source of productivity growth must be found to offset the declining producitivity in utilities. Other source of the decline, such as the decline in mining productivity, the end of the shift out of agriculture, and the rapid growth of services are of a similar character. They cannot be cured. New sources of productivity growth must be found.

The Reagan administration has focused on inadequate investment as the sole cause of the productivity problem. Most studies only trace 20 to 25 percent of the productivity slowdown to inadequate investment, but the problem is not that Americans are investing less. While productivity was growing at more than 3 percent per year from 1948 to 1965, Americans were investing 9.5 percent of the GNP in private plant and equipment. While productivity was falling at the rate of 0.3 percent per year from 1977 to 1980, Americans invested 11.4 percent of the GNP in private plant and equipment. Investment went up 20 percent while productivity died. Why?

The solution to the puzzle is simple. Because of the baby boom 20 years ago the labor force is growing very rapidly. Plant and equipment per worker is falling even though the capital stock is growing faster. With a falling capital-labor ration, falling productivity is no great surprise. But the solution is not to return to some virtuous past when Americans invested more (there never was such a past) but to raise American investment to levels that it has never achieved.

STIMULATING SAVINGS AND INVESTMENT

When it comes to the investment the Reagan administration has solved half of the problem. For all practical purposes the July tax cut abolished the corporate income tax. Everyone agrees that businesses will invest more without the corporate income tax unless it is squeezed off with high interest rates.

But high interest rates are precisely what will occur if policies are adopted to stimulate investment without at the same time adopting policies to stimulating an equivalent amount of savings. The Reagan answer to the savings problem—a 25 percent across-the-board income tax cut—isn't an answer. Americans are apt to do what they have been doing—saving 5 percent of their income and consuming 95 percent of their income.

Americans savings rates must go up, but it is not necessary to engage in inefficient inequitable "trickle down" economics. The necessary savings is not going to be found by slashing the income transfer payments of the poor to pay for tax cuts for the rich. Including both earnings and transfers the poorest 20 percent of the population has 4.2 percent of total income. To compete with competitors such as Japan on an investment per worker basis, a lot more than 4.2 percent of total income will have to be moved from consumption to investment. This means that some of the necessary cuts in consumption are going to have to be allocated to the middle and upper classes—a fact of life recognized by Mr. Stockman in his famous Atlantic article but not yet faced up to by the President.

To discourage consumption and promote savings while distributing the burden across the income spectrum the present tax structure should be replaced with a system of progressive consumption taxes. The income tax should be converted to a progressive consumption tax by establishing unlimited Keogh accounts. Keogh accounts are now available for the self-employed to save for their retirement. Money put into the accounts may be deducted from income but is taxed when withdrawn. If such accounts were available to anyone for any purpose for any length of time, the income tax would instantly become a consumption tax. A family earning $50,000 and saving $5,000 would pay taxes on $45,000 while a family taking $5,000 out of its savings accounts would pay taxes on $55,000 at progressive rates.

The payroll tax used to finance Social Security should be replaced with a progressive value added tax. Workers should be encouraged to buy their pensions cheap by consuming less than their entire income. Liberals have traditionally objected to the VAT on the grounds that being a comsumption tax it levied a larger tax rate on the poor than the rich. This is easily cured if the value added tax is combined with an income tax credit. With a 10 percent tax and a $1,000 income tax credit, the $10,000 family would pay $1,000 in taxes as it spent its income, but get the $1,000 back as an income tax credit. The $20,000 family would pay $2,000, get $1,000 back and be a net taxpayer of $1,000. And so on up the income scale.

It is of course imperative to avoid the Thatcher mistake and take the value added tax out of the Consumer Price Index before shifting to the value added tax. If the value added taxes are in the Consumer Price Index and wages are indexed to it, the only result is an explosion in inflation.

Since most individuals will only save if they cannot get the things that they want without savings, it will be necessary to eliminate the tax deductibility of consumer and mortgage interest and to increase minimum down payments. If interest payments are tax deductible while interest earned is taxable and if no down payment is required to get what you want (in the United States homes can be bought with no down payment), it isn't rational to save.

It will also be necessary to raise national savings with public savings. This means large budget surpluses rather than the large deficits scheduled under Reaganomics. The proposed Reagan budget deficits are bad not because they cause inflation but because they reduce national savings.

Politically none of the necessary changes are now feasible, but the ground must be prepared for them over the next three years just as the ground was prepared for the Kemp-Roth Reagan tax cuts over the past three years.

Here again unless the U.S. can do something to dramatically raise savings by a large amount, it is useless to talk about industrial policies. Current supplies of savings simply aren't adequate to finance any new industrial policy.

INSTITUTIONAL CHANGES

There are going to have to be institutional changes as well as efforts to increase the quantity of physical capital and the quality of human capita. Other successful economies are marked by aggressive investment banking—usually government backed. For all practical purposes the U.S. does not have investment banks. There are institutions, such as Morgan Stanley, bearing the name but none of them have major amounts of money that can be committed to long run investments. They are instead middle men between potential industrialists and investors.

The problem is now visible in the auto industry. Because of Japanese competition, auto producers cannot raise prices to finance needed investment. But without the new investment they won't be able to build a competitive car to fend off the Japanese. Unless some new technique can be found for infusing the industry with capital, it will simply go out of business. But autos are not a sunset industry that America can afford to discard.

Compare what is going on in the auto industry with what did go on at Mazda after the 1973-74 oil shock. Mazda had been gearing up to conquer the auto world with the rotary engine car. It might have succeeded but the price of gasoline went up and the one weakness of the rotary engine car was its bad fuel mileage. Suddenly the companies sales plunged and it was for all intents and purposes broke. What happened? The banking system (government) absorbed much of the losses on the economically obsolete rotary engine plants and the firm was lent billions of dollars to redesign and retool for a conventional piston engine car. After a number of years the company was able to turn the situation around and once again became a powerful competitor in the auto business. But during the interim period, the company was carried by the banking system. What would have happened to Mazda in the U.S.?

A similar problem is visible in steel. The steel industry probably should go out of business as a producer of hundreds of millions of tons of raw pig iron, but it ought to be rejuvenated as a high technology steel industry. The industry might be much smaller but it would still play an important role in the U.S. industrial life. How is this to come about in the context of foreign competition and a "big" steel industry that is clearly interested in getting out of steel. Mini steel mills will play an important role, but there is also probably room for a new integrated big steel mill to produce the products that cannot be produced in mini steel mills. If such a mill costs $3.5 billion, how is it to be financed? U.S. Steel just put the money that it had set aside for a new steel mill into Marathon Oil.

The semi-conductor industry is on the edge of the same problem. The industry is shifting from low capital intensive technologies to much higher levels of capital intensity. At the same time it is in competition with Japanese firms. The normal American way to finance the necessary shifts in technology would be to accumulate internal savings from current profits to finance the plants necessary to produce the products of the future. But with competition that holds prices down and does not need current savings to finance plants for future expansion, there is no way that the traditional American pattern can work. To rely on it is simply to give up the semi-conductor industry to the Japanese.

Consider robots. Why do the Japanese have two-thirds of all of the robots in the world? The answer is clear. One, they save enough to afford them but two, government has played an active role in promoting the use of robots. What problem do you have if you are a producer of robots? It is difficult to sell enough robots initially to get the overhead economies that permit low per unit costs. What problems do you have if you are a potential buyer of robots? You are not sure how productive they will be and if you can repair them. You want to buy one or two to experiment, but not very many. MITI and the Japanese banking system stepped into this situation to organize a government backed leasing company. The company guaranteed the producers sales of a certain level and leased the robots on a short-run basis to industry. No overt cost subsidies were given, but the leasing company took much of the risk. If robots had not worked, it would have been left with millions of dollars in unusable robots. Social actions were taken to reduce private risk. This is essentially the role that industrial policy should take.

Society should not subsidize the private sector, but is should take actions to lower private risks.

But the real case for private and public investment banks is not even that we need them, but that we are gradually creating an inefficient system of congressional investment banking. It should be replaced with a more efficient and overt system of investment banking that organizes a sharing of the risks without the political pressures of congressional special interest groups.

Think of recent congressional investment banking actions. Lockheed and Chrysler are two examples of congressional investment banking designed to bail out failing companies. The Alaskan natural gas pipeline act was an example of congressional investment banking designed to get a large project underway. Whatever you think about the rights and wrongs of these actions, it is clear that we need a different mechanism for dealing with the demands that led to those congressional actions.

To be against private and public investment banking is simply to be in favor of a highly politicized and inefficient congressional investment banking system.●

VOLUNTEERING IN GOVERNMENT ACT OF 1982

HON. MICKEY EDWARDS

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. EDWARDS of Oklahoma. Mr. Speaker, today I have introduced the Volunteering in Government Act of 1982, a bill to open more doors of opportunity for volunteers in the United States. Along with my colleagues, Mr. CONABLE and Mr. TAYLOR, I am excited about the prospect of creating a thriving volunteer work force within the Federal Government.

Currently, Federal law prohibits the acceptance of volunteer services by the Federal Government, except in specifically exempted agencies such as the National Forest Service and the Federal Emergency Management Administration. This antiquated law, approved at the turn of the century, has been allowed to obstruct the volunteer spirit for too long.

No reasonable explanation exists to deny people the opportunity to volunteer in Federal programs, as long as their service is needed, their tasks are appropriate for voluntary action and protections exist for Federal employees. All three of these safeguards are expressed within the language of the Volunteering in Government Act.

The Volunteering in Government Act affords all executive agencies of the Federal Government permission to accept volunteer services. The bill limits the amount of funds which can be expended on behalf of these programs and also encourages agencies to consider voluntarism when awarding grants to private organizations.

One of President Reagan's goals for his task force on private sector initiatives is to identify areas in all aspects of American life where volunteer resources can be used or used more extensively. Joining this effort, businesses, foundations, charities, State and local governments, churches and civic organizations are aggressively working to expand charitable contributions and volunteer services. This vibrant effort on behalf of voluntarism has lead to important discoveries. While we all knew that volunteers run fire departments and fold bandages at the Red Cross, we perhaps did not know that they also conduct research, provide financial counseling, tutor the young and the disabled, assist with health examinations, and operate computers. And, we have discovered that volunteers are attorneys, doctors, construction workers, teachers, artists, housewives, college students, and retirees.

By approving the Volunteering in Government Act, Congress will make it more possible for these and other Americans to contribute their time and talents on behalf of others through programs administered by the Federal Government.

In the coming weeks, I will be communicating to my colleagues in the House some further examples of the array of volunteer service opportunities which could be made available through enactment of this legislation.

On behalf of my cosponsors and myself, I urge the support of all Members of this body for the Volunteering in Government Act of 1982.●

LOWER TAXES

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. COLLINS of Texas. Mr. Speaker, lower taxes means more business, more progress, and more jobs. Incentive and profit from capital stimulates and puts money to work.

Time magazine summed up well the facts about "Risking Capital." When you cut taxes, business grows. Here is the Time article:

RISKING CAPITAL

In 1969 Congress increased from 25 percent to 49 percent the maximum tax on long-term capital gains—the profit made by an investor on the sale of stocks, real estate and other property. The effect was devastating. In 1969, $171 million was amassed in venture capital. By 1975 the amount had fallen to just $10 million.

In 1978, however, Congress rolled back the capital gains tax rate to 28 percent. With the potential payoff increased, investors were again willing to take a risk. Last year $1.3 billion in venture funds was accumulated, more than 100 times the amount of only six years earlier.●

ROBERT M. EBERHARDT TO HEAD DUCKS UNLIMITED

HON. NORMAN D. SHUMWAY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. SHUMWAY. Mr. Speaker, it is with both pride and pleasure that I share with my colleagues the fact that Mr. Robert M. Eberhardt of Stockton, Calif., will assume the presidency of Ducks, Unlimited, Inc. an extremely worthwhile conservation organization which has literally worked wonders in the four decades of its existence. On May 19, in Reno, Nev., Bob Eberhardt will accept the gavel of responsibility which accompanies his new position. It would be difficult to find a more qualified man for the job.

As my colleagues may know, Ducks, Unlimited came into existence at a time when the Nation's resources and waterfowl in particular were experiencing abuse as a result of both man and nature. In 1937, the organization began its effort to rescue the dwindling numbers of ducks and geese from inevitable extinction. Ducks, Unlimited realized that the key to success would lie in providing appropriate habitat for waterfowl. Since more than 70 percent of all North American continent waterfowl originate in Canada, Ducks, Unlimited undertook the task of restoring and rehabilitating the wetlands in the Canadian prairie provinces. American sportsmen and conservationists provided the needed funding for this effort and, to date, Ducks, Unlimited has completed 1,585 wetland projects—projects which provide the added benefits of flood control and irrigation in addition to habitats for waterfowl. Ducks, Unlimited has made almost $68 million available for wetland development throughout its history. Over 285,000 individuals belong to Ducks, Unlimited, which can truly be termed an international conservation organization.

Obviously, the man who heads such a program must be of the very highest caliber in the realms of leadership, decisionmaking, and financial management. Such a man is Bob Eberhardt, a native Californian who presently serves as president of the Bank of Stockton, A graduate of the University of the Pacific, Bob Eberhardt has a roster of civic and professional involvements which is far too long and impressive to itemize at this time. He has served as president of both the California Bankers Association and the Independent Bankers Association of northern California, and as director of the Western States Bankcard Association. He has also served as vice president of the American Bankers Association for the State of California. Outside of his own profession, Bob serves as chairman of the Board of Regents of the University of the Pacific, a position he has held since 1975. He is a member of the Stockton Sportsmen's Club, the Greater Stockton Chamber of Commerce, and has served as a commissioner for the Port of Stockton. He served on the Board of Trustees of the San Joaquin County Pioneer Museum, and was president of his alma mater's Pacific Athletic Association.

In 1976, Bob Eberhardt received the coveted "Mr. Stockton" award from the Stockton Board of Realtors, and in 1980, he was awarded the Rotary International Club's Paul Harris Fellowship Award. His involvements and memberships cover a wide range of interests, and his outstanding efforts and fine leadership have benefited groups from the Boys Club to the Credit Bureau, the Navy League to the Exchange Club.

Most importantly, however, an individual who heads Ducks, Unlimited must be a conservationist and an outdoorsman. Bob Eberhardt most assuredly qualifies! He has been actively involved with Ducks, Unlimited for an extended period of time, serving as area chairman of the San Joaquin Chapter of Ducks, Unlimited from 1971-75, and as California State chairman in 1975-76. From 1977-79, Bob Eberhardt served as South Pacific regional vice president of Ducks, Unlimited, and he has been senior vice president of the Pacific Flyway since 1979. He serves on Ducks, Unlimited's finance committee, as well as the development committee. In short, few men understand Ducks, Unlimited's goals and objectives as well as Bob Eberhardt, and few are as qualified to assume the leadership of this remarkable organization.

I congratulate the membership of Ducks, Unlimited for the wisdom they have demonstrated in selecting Bob as their leader, and I certainly congratulate Bob for his success. Hopefully, his tenure as president will be rewarding and fulfilling, marked by even greater accomplishment and preservation of our precious natural resources.●

SMALL BUSINESS WEEK

HON. ANDY IRELAND

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. IRELAND. Mr. Speaker, this week is Small Business Week. I am pleased to be able to join with my colleagues to salute the true holders of the American spirit's flame—the small business community.

Small business is a combination of social values, a pattern of civic life, a free society, and a healthy competitive community. It is the small business person who is the foundation of his or her hometown's growth and development.

The small business person is in some respects in an enviable position. If one is to believe the folklore that surrounds small business, it has few enemies and most small business people are in fact some sort of heroes. For the small entrepreneur represents the independence, freedom, and perseverance that has long represented the American way of life.

Out of the group of small revolutionary producers of the 18th century rose the American dream. It was a dream of progress and freedom moving everyone toward new and higher fulfillment. At the center of this movement was the ideal of the liberty and equality of people who could own their own means of livelihood.

While businesses grew larger, the beginning of the 20th century saw new, more well-to-do captains of industry emerge as hero types. Through their audacity and ambition a new society was shaped. Unfortunately world war and severe economic depression set in. There followed a second world war. Large businesses, aided in part by the Government defense contracts, assumed a greater role and share of the economy. Recognizing that small business was suffering, the House of Representatives created a Select Committee on Small Business. Today that committee is a full legislative committee and I am proud to serve as the chairman of its Subcommittee on Export Opportunities and Special Small Business Problems. As chairman, I have found that much needs to be done. Small business is up against it in many areas.

Other countries are ahead of us in helping small business. Belgium and Canada have Cabinet-level ministers for small business. France has designated financial institutions which may pay up to 90 percent of an invoice owed small business by the Government. West Germany permits capital assistance to small businesses. What other countries have done we can do too, and better, and we will.

Small business is the cutting edge of competition; small business is the Nation's job creator; small business is the vanguard of innovation and invention; and small business is the source of the free enterprise leadership. America needs its creative entrepreneurs. Small business today is in a vise squeezed by the power of big labor, big business, and most all, big government. We must come to grips with the forces threatening small business. If America will save small business, small business will save America.●

SUPPLY-SIDE ECONOMICS

HON. GERALD B. H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. SOLOMON. Mr. Speaker, with all the doom and gloom about budget deficits and the state of the American economy, I think we should look at it from another view.

Warren Brookes, one of the most respected economic analysts in the United States, recently noted that tax revenues for the fiscal year 1982 are coming into the Treasury a lot faster than anyone predicted. In fact, Mr. Brookes thinks the deficit for this year will be substantially less than the $100 billion or so estimated by mainstream economists.

Although any Federal budget deficit is too much, the fact that it will be less than predicted seems to indicate that the basic assumption of supply-side economics is working. Tax rate reductions do not result in tax collection reductions. Or at least they do not have to.

I urge all my colleagues to read the following article, which was written by Mr. Brookes and distributed by the Heritage Foundation. It should give us all second thoughts as we consider whether or not to raise taxes.

WILL 1982 FEDERAL DEFICIT BE SMALLER THAN ADVERTISED?

(By Warren T. Brookes)

Barring a real depression, the federal deficit is going to be a lot smaller this year (1982) than the $99 billion the administration is now predicting—perhaps as much as $25-to-35 billion smaller.

That's the unmistakable message, not from the economists or the computer models, but from the actual trend in revenues and outlays for the first five months (October to February) of the 1982 fiscal year (See table).

This trend shows that while outlays have been running about 10 percent above last year (as projected), revenues have been rising at a steady 13-percent rate over 1981, despite both the tax cuts in place and the recession. That is nearly triple the 4.6-percent rate of growth forecast by the administration.

If this trend continues for the balance of the year, total revenues (even allowing for the $9 billion to be lost through the July tax cut) could easily exceed $660 billion, leaving a projected deficit of around $65 billion—or not much more than the 1980 and 1981 figures.

Even if this revenue-growth rate (which has persisted right through the dismal month of February) were immediately cut in half, to about 6-percent, the deficit would still be in the $75-billion range, some $24 billion below administration estimates.

Put another way: in order for the revenues to fall to the level forecast by the administration, there would have to be no growth at all over the 1981 figures for the balance of the year. There is simply no modern precedent for such a sudden huge drop in the income growth rate.

Since inflation is still running about 6-to-7 percent, and personal income is still growing at a 9-to-10 percent rate, and Social Security is benefitting from a huge 1982 tax increase, it seems highly unlikely that the revenue gain for the last seven months will fall below the 7-to-8 percent range.

This automatically means a deficit of some $25-to-35 billion below what both the Office of Management and Budget (OMB) and Congressional Budget Office (CBO) are now projecting for the current fiscal year, and a higher level of revenues this year could change all the deficit numbers down the line in 1983 and 1984—for the better.

So far, no one is willing to confirm or deny this pleasant possibility. We can't even get the Treasury or OMB people to talk about it. Congressman Jack Kemp (R.-N.Y.) told us, "Federal revenues are definitely coming in at a faster rate than anyone had predicted. It is a reminder that in fact the real tax cuts have yet to take effect, and that the tax burden on the nation is still rising, not falling, despite all the protests."

Kemp's economic adviser on the Republican Conference, John Mueller, told us, "The Treasury officials we have talked to are surprised at the revenue growth so far. We're watching this closely, because if the trend continues, then the deficits will be smaller."

However, Merrill Lynch economics budget-watcher Joe Carson warns us that "the revenue uptick so far can be explained primarily in terms of higher corporate and excise tax revenues—both of which will fall because of the weak economy and lower oil prices. We expect this temporary lift to be washed away over the next seven months. Still, the five-month trend is puzzling.

"If the March and April figures continue this trend, then we could all be forced to change our estimates," Carson told us.

One point can be made without fear of contradiction: despite all the brouhaha over "massive tax cuts" and "massive spending cuts," the federal government's spending and taxing are still growing faster than the annualized rate of inflation, by a huge margin. Since October the Consumer Price Index (CPI) has been rising at a 4.6-percent annualized rate. Spending is now double that rate; and revenues are growing at nearly triple the inflation rate. While both figures have been cut substantially from the simply monstrous increases of the Carter era, neither one reflects "austerity."

What is interesting is to speculate about the possibility that OMB and the administration well understand the implications of these higher revenue trends, and are waiting to tell us, along about June or July, that in fact the budget deficit will be much smaller than they predicted ("because of strong revenue growth"). And they will use this signal to help lower interest rates and "tone up" the economy for the fall elections.

In the meantime, there is another more-sinister view: the OMB faction within the administration which is pressing for higher taxes and big cuts in both defense and Social Security, are deliberately downplaying the positive revenue trends to keep pressure on both Congress and the president for compromise.

If that's the case it is a dangerous game, because in the interim the uncertainty is keeping interest rates high, and the economy perilously sluggish. If there is a chance that actual revenue trends are leading toward a smaller deficit, the administration had better own up to it now, and try to reassure the nervous nellies in the bond market.

FEDERAL DEFICIT TRENDS 1981–82

[Dollars in billions]

	Fiscal year—			Percent change
	1981	1982		
For February (actual):				
Outlays	$53.75	$57.82		+7.6
Revenues	38.13	43.04		+12.9
Deficit	15.62	14.78		−5.4
For first 5 months (October to February actual):				
Outlays	271.88	297.96		+9.6
Revenues	216.28	244.3		+12.9
Deficit	55.61	53.66		−3.5
Full year (projected):				
Outlays	657.2	725.3		+10.4
Revenues	599.3	626.8	[1] (660.1)	+4.6
Deficit	57.9	98.6	[1] (65.2)	+72.1

[1] Projection based on historical budget trends at the 5-mo mark, less allowances for further tax cuts (July 1982) and adjustments.

Source: Treasury, for actual data OMB for projections.●

MICHIGAN 15TH DISTRICT POLL RESULTS

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. FORD of Michigan. Mr. Speaker, as an indication of how concerned the residents of the 15th Congressional District are with the plight of the economy and how it and the severe cutbacks in the Federal budget have impacted their lives, I received more responses to my 1982 questionnaire than ever before. The input I have received from these questionnaires during the 18 years I have been honored to serve in the Congress has been

extremely useful in helping me gage my constituent's positions on the issues before the House of Representatives.

By far the most compelling message I receive this year was the overwhelming concern throughout the district over jobs and unemployment. With Michigan's statewide unemployment rate at 15 percent and that in western Wayne County in the range of 20 percent efforts have been intensified to bring more jobs in southeastern Michigan and the rest of the State. Therefore, when I asked my constituents whether they believed more defense work should be directed to our State to provide more jobs and stimulate the economy, 86 percent responded affirmatively. To confirm their heightened interest, approximately one-third of the respondents independently listed unemployment as their top priority.

This year, I made a special effort to poll Government classes of high schools throughout the district. And the students' response was very similiar to that of their parents with 95 percent agreeing that more jobs should be funneled into Michigan. More than half of the students listed unemployment as their foremost concern.

A 59-percent majority finds itself in worse financial shape after 1 year of Reaganomics, while only a small portion—11 percent—see themselves as being "better off." At the same time, 23 percent gage themselves as being in about the same position as they were last year at this time. A significant majority of those responding—75 percent—do not believe the administration's tax cut will help the economy recover.

Three-quarters of my constituents support legislative initiatives I have cosponsored to assist the ailing auto and steel industries. They agree with me that quotas should be instituted to limit foreign automobile and steel imports to the United States. They also feel strongly that a significant percentage of parts in automobiles should be made in the United States.

In the area of environmental protection, almost half of those polled believe we should retain the current level of environmental safeguards. One-third would intensify environmental protection, while 16 percent would recommend cutting back in this area. Polled on the same question, 61 percent of the students surveyed would increase efforts toward environmental protection.

Twice as many respondents do not think the State of Michigan or the local government can shoulder more of the burden of funding education programs without raising the State income tax or local millage levels, than those that do. And twice as many are opposed to the Federal Government withdrawing its commitment to funding for elementary-secondary education programs and student financial aid.

Students, by large margins, supported Federal aid to college students and for elementary and secondary school programs.

The Federal Government should assist local communities in fighting crime according to 58 percent of those who replied, while 29 percent believed local officials should not be aided in this effort.

Crime control is of greater concern to the student population than their parents—71 percent of the students asked indicated they thought the Federal Government should be doing more to help fight crime locally, while 58 percent of their parents opted for this position.●

SECRETARY-GENERAL'S ADDRESS AT INAUGURATION OF INSTITUTE FOR EAST-WEST SECURITY STUDIES

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. DERWINSKI. Mr. Speaker, it was my pleasure to participate in the inauguration of the Institute for East-West Security Studies which was held in New York City on April 21. I also had the honor of introducing His Excellency, U.N. Secretary General Javier Perez de Cuellar. Secretary-General Perez de Cuellar's remarks were dramatic evidence of the special talent and energy which he brings to the awesome assignment which is now his. I insert his address at this point:

Following is the text of an address by Secretary-General Javier Perez de Cuellar at the inauguration in New York this evening of the Institute for East-West Security Studies:

Let me first thank Congressman Derwinski for his kind words. I appreciate your inviting me to speak on this occasion and I extend sincere congratulations to the Board of Directors for the establishment of this Institute. It is an undertaking of great importance as it can help bring clarity to an area of international relationships which is crucial to the maintenance of peace.

I would like, in the beginning, to focus on the word "security" in the title of this Institute. National security has always been, and will continue to be, the foremost concern of Government everywhere. History has provided examples enough of instances when the neglect of security gave rise to war and subjugation. However, history does not provide an accurate guide for determining how security in this last quarter of the twentieth century can best be obtained. This, I presume, will be a major theme of the discussions that will take place and the papers that will be written here. There are two propositions I would like to stress in this regard.

The first is that the primary idea behind the establishment of the United Nations is that there can be no assurance of national security without a system of collective security and that collective security, in turn, cannot be made to rest on the power factor alone. If we have learnt anything from contemporary political experience, it is that security is not to be viewed in purely military terms. For what, after all, is security? No matter how sophisticated our analyses might be and whatever be their context, there is no getting away from the fundamental fact that security means not only practical immunity for external aggression but also freedom from fear and confidence in the stability of the world order.

The workings of power politics have not brought security in this sense to any nation, great, medium or small. Two world wars had served to underscore the lesson that freedom from the apprehension of war can be assured only by the renunciation of the threat or use of force in international relations. Moreover, it was not an utopian idealism but a perception of the roots of conflict that made the framers of the United Nations Charter conjoin justice with peace. They knew what we are all too often prone to forget that only those adjustments of explosive international situations can prove to be lasting which are in conformity with the principles of justice and international law. It is a cornerstone of the Charter that all Members of the United Nations shall settle their international disputes by peaceful means in such a manner—and this is explicitly laid down—"that international peace, security, and justice, are not endangered".

This is a comprehensive—and I would add, the only viable—notion of security which takes into account the dynamics of international relationships. A vast gulf separates it from the fragmented view that regards security in terms of a mathematical relation between the weapons systems and military capabilities of one great Power vis-a-vis another. The kind of security which flows from a balance of power—or, more accurately, balance of terror—is inherently unstable. Thanks to modern military technology, the point at which deterrence of aggression is supposed to be gained through the acquisition and deployment of weaponry never remains stationary. The perpetual escalation of arms race demonstrates this truth most convincingly. It is because of the prevalence of the view of security as something that can be obtained by a superiority of military power, or even a parity of strength between two potential adversaries, that a steadily increasing proportion of the world's resources, desperately needed for development, is being squandered in the pursuit of an ever elusive and ever receding goal. Regardless of how we add to it, power alone fails to bring complete security. Even on a pragmatic view, therefore, a movement towards disarmament is an essential for strengthening peace and security.

I might recall here that the point I am making was the subject of an extensive debate at the United Nations during its twenty-fifth anniversary. At the conclusion of that debate, the General Assembly issued a Declaration on the Strengthening of International Security which amplified the relevant provisions of the United Nations Charter, without underrating the importance of the other pronouncements contained in it. I would like to quote two of its paragraphs which have special relevance to many of the pressing problems facing us today. I quote:

"Solemnly reaffirms that every State has the duty to refrain from the threat or use of force against the territorial integrity and political independence of any other State, and that the territory of a State shall not be the object of military occupation resulting from the use of force in contravention of the provisions of the Charter, that the territory of a State shall not be the object of acquisition by another State resulting from the threat or use of force, that no territorial acquisition resulting from the threat or use of force shall be recognized as legal and that every State has the duty to refrain from organizing, instigating, assisting or participating in acts of civil strife or terrorist acts in another State;"

And I quote again:

"Affirms its belief that there is a close connexion between the strengthening of international security, disarmament and the economic development of countries, so that any progress made towards any of these objectives will constitute progress towards all of them."

The second proposition I would like to suggest is that, though what you call East-West security presents certain problems peculiar to itself, no conclusions of real value for peace can be drawn about it if it is viewed in isolation from universal security. Our age does not permit the luxury of insularity to any Power or group of Powers, least of all to the great. East-West relations operate in the context of international developments in which the medium and small Powers, including the non-aligned States, are also deeply involved. These relations affect, and are affected by, the general direction of world affairs. Moreover, I need hardly give examples here of diverse situations, initially of a limited scope, which have drawn the involvement of the great Powers. Efforts towards détente between the great Powers, therefore, have to be reinforced by, and have themselves to reinforce, efforts towards the resolution of the world's problems on the basis of the purposes and principles of the United Nations Charter. We most certainly need, and would wholeheartedly welcome, real détente between East and West. But we equally need détente among all the members of the community of nations. As long as there is inequity in international relationships, as long as legitimate demands are denied peaceful fulfilments, as long as recourse to violence or the threat of it remains the mode of asserting national interests, as long as human rights are subject to violations, as long as the world's majority remains economically dependent on forces which it cannot control, so long will the fabric of peace remain fragile and this fragility will, in one way or another, continue to tell upon the relations of the great Powers themselves.

Coming now to the other part of the title of this Institute. I am sure that by the use of the term, "East-West", you would not wish to encourage a world-view based on an oversimplification. We cannot regard the international scene in quasi-Manichean terms because we are not living in a bi-polar world. Any suggestion of a fundamental, irreversible division of the world along the East-West line, it seems to me, is incompatible with the idea of the United Nations. As far as the relationship of the two great-Power groupings is concerned. I believe that uncertainty on both sides as to ultimate intentions is perhaps the major impediment to the kind of confidence between them that would provide a basis for a meaningful reduction in arms, eventual denuclearization and greater co-operation in assisting global development.

Past history, differing ideologies and conflicting interpretations of international development have implanted doubts of such depth and endurance that they resist the effect of general assurances and declarations. It is this uncertainty more than national hostility that makes so difficult the development of a stable security relationship entailing less cost, less peril to humanity and less waste of the world's resources. Such a relationship has become an international imperative—a word I do not use lightly. If uncertainty as to ultimate intentions is an impediment to stability in this relationship, then it is desirable to establish as many specific areas as possible where intent is defined and confirmed by both sides. In this way, policy formulation on a "worst case" basis will be gradually precluded. Measures towards nuclear disarmament constitute the most critical requirement of our times. But pending its fulfillment, there can be value, it seems to me, in verifiable agreements that will serve to chip away significant areas from the mass of doubt in which East-West relations are embedded. This approach can also be applicable outside the disarmament field. The Agreement reached by the USSR, the USA, France and the United Kingdom with regard to Berlin in 1971 is an example.

Over and above the usefulness of such an approach, we need to bear in mind that the soundest basis for the security of both East and West is the interests they share in common. I believe that this commonality exists to a far greater degree than the current troubled state of relations would imply. To my mind, the first, all encompassing interest shared in equal measure by East and West is survival. Since a war between them would make any objective other than self-destruction unattainable, it must surely be a shared and credible interest of both sides to avoid the risk of war.

Almost as evident should be the shared interest in a reduction of arms. It is the most mystifying phenomenon of the present time why nations proceed in this field contrary to their own interests. Part of the explanation surely lies in lack of confidence about the ultimate intentions of each other which I mentioned earlier. But whatever these intentions may be, the objective of security could surely be achieved with less rather than with more weapons to the very considerable advantage of both sides. The peril of accident would be diminished, resources would be saved which all the world needs, and the psychological burden of fear which has become widely evident would be reduced.

I could list a good many other important interests held in common by East and West but I will dwell for a moment on two which, to my mind, should not be clouded by controversy.

First, I am convinced that the Soviet Union and the United States, as leaders of the Warsaw and Atlantic alliances, share an interest in having an effective United Nations. Let me explain why I think this is so before you assume simply that the Secretary-General could say no less. It is often said that the great Powers do not need the United Nations. This, I would suggest, is quite misleading. It is true that the United Nations is not well suited to resolve conflicts between the great Powers because it was fashioned on the assumption that these Powers would not be in conflict. It seems to me, however, that both East and West need, and need badly, an international organization which can deal effectively with regional conflicts since the involvement of the great Powers in such conflicts tends to complicate their own relations and transfer East-West problems to these other regions. To be effective in resolving regional problems, the United Nations needs the support of the permanent members of the Security Council. This can produce double benefit. It can encourage peaceful solutions in the particular problem areas and it can enhance the security of East and West by excluding from their mutual relations unnecessary causes of suspicion, competition and tension—of which there are at present all too many examples.

It follows that stability in the third world, which is dependent on economic and social progress and the elimination of all remnants of colonialism and racial descrimination, should be a goal shared by all of the developed world and towards which they should co-operate in their mutual interest. Again, the United Nations provides the institutions through which this can be done without the complicating factor of ideological rivalry.

Let me say in this context that there is most compelling need at this time to find a means of resolving the increasingly dangerous situation in the Middle East. At this very time when a significant and constructive event is taking place through the final Israeli withdrawal from the Sinai, efforts to resolve other principal aspects of the Middle East problem appear to have reached an impasse. I am afraid that a void is emerging which can have extremely damaging consequences for the area and beyond. The Middle East problem must be viewed in a global context precisely because the repercussions of developments there are so broad and potentially so perilous. That is why I strongly believe that a new effort to find a Middle East solution must be made and that this may well be best done within the United Nations framework. The United Nations provides the only existing forum in which all parties and all interested countries can be present in the same room. I do not believe that a comprehensive and lasting solution is likely to be achieved without such broad participation.

By this I do not mean that there is a magic United Nations formula for a Middle East solution. The most effective step in the critical months ahead could be a concerted undertaking by the members of the Security Council to bring about communication and negotiations among the parties concerned aimed at a solution which will meet their legitimate national requirements and their basic security, economic and humanitarian needs. It seems to me that the long-range interests of the Arab States, Israel and the Palestinian people can best be met through such an approach. What I wish to emphasize particularly today, is that, in my opinion, a comprehensive Middle East settlement responds to the security requirements of all, including the great Powers. Then it seems both logical and necessary, that therefore, these Powers work together within the United Nations framework toward achieving this urgent goal.

Another common interest between East and West that I would single out is symbolized by a very small thing: the hyphen between East and West in the title of this new Institute. It has long been the practice to examine Western security and Eastern security separately, linked only in the sense that the security of one side has to be assessed in terms of the intentions and capacity of the other. I believe that East-West security is

linked in another way. The security of one side is dependent on that of the other, or more precisely, on its feeling of security. In a sense, this is the converse of the concept of mutual assured destruction which places security on the foundation of the ultimate total insecurity of both sides. Despite its deadly logic, this concept seems to be failing in a very important aspect. It is like a drug which can prevent death but which has dangerous side-effects that, under certain circumstances, can themselves be lethal.

If insecurity has this effect, then it follows that each side would be better served, in its own interest, by ensuring that the other has a sense of security. It is in the mutual interest of each that defence policies are developed and implemented on the principle that they should reassure the other side of no aggressive intent. Stated in more direct terms, this means that each should take account of the security interests of the other. This would take the concept of confidence-building measures, which has long been under East-West discussion, to its logical conclusion.

This is a hope and a vision, no doubt, but it is an essential vision, essential to East and West and to the whole world. As Secretary-General I have the opportunity to survey the world's problems and the world's needs on an almost daily basis. From this perspective the area encompassed in the Atlantic and Warsaw alliances presents two images. First there is the ominous, threatening image of two mammoth forces which together account for some 70 per cent of global arms expenditures and, except for those of China, all the nuclear weapons that are known to exist in the world. The second, however, is the image of an area covered by those two forces disposing of immense resources and industrial capacity, with evidence everywhere of high technological achievement. When seen in this perspective, the area offers not a threat to the world's survival and peace but a demonstration of human genius and also a prospect of almost limitless benefits that can flow if that genius is put to the wisest use. Let us not forget that this area is not, and cannot be, segregated from that large part of the world which has to contend daily with hunger and disease. It is by helping to lighten the crippling burden of poverty on the majority of mankind that the developed world can best realize its own rich potential.

I would wish that those who come to study and communicate at this Institute will see both images of the East and the West an will examine how the reality and the promise of the second can become a central element in East-West relationship. This, I think, would mean realization of the commitment made in the Charter of the United Nations by East and West, indeed by all Member States, "to unite our strength to maintain international peace and security."●

THE DEATH OF THE HONORABLE LEO W. O'BRIEN

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. CONTE. Mr. Speaker, my fellow colleagues, some of the newer Members of this Chamber did not have the occasion to work with our late colleague, Leo W. O'Brien, who served in this body from his special election in 1952 until his retirement in 1966. I feel sorry for those of you who were not here because you missed working with and becoming acquainted with a noteworthy Member of Congress.

I am glad that I am able to say that I served with Leo; it was a special opportunity to work with a man of so many talents and so much dedication. Not only did Leo serve his constituents from the New York counties of Albany and Schenectady so well while an active Member of the House, but afterward he continued to keep abreast of all political developments which affected his district and the Nation as a whole. For Leo, politics was a way of life, but it was not the only way. Before coming to Congress, Leo was an eminent newspaper reporter, as well as a radio and television commentator. These varied talents gave Leo a unique insight into our political process so that he was later able to immerse himself in that process and make a distinguished name for himself.

All of us who knew Leo will greatly miss him. It is legislators like him that make me proud to be a Member of this venerable body.

Thank you, Mr. Speaker.●

ST. BASIL ACADEMY'S CELEBRATION OF 50 YEARS OF EDUCATION

HON. CHARLES F. DOUGHERTY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. DOUGHERTY. Mr. Speaker, St. Basil Academy, conducted by the Sisters of St. Basil the Great, is celebrating the 50th anniversary of its founding. The year-long jubilee celebration opened in September 1981 and will conclude this month. I ask that my colleagues join with me in the celebration of the Sisters of St. Basil the Great, the parents, students, and alumnae of the academy on this joyful occasion.

St. Basil's is an institution known throughout Philadelphia for its fine education of young women, especially those of Ukrainian descent. The Sisters of St. Basil, known throughout the Ukraine for their works of education, came to the United States in the early part of the 20th century. Arriving in Philadelphia in 1911, working first in elementary schools and orphanages, they opened the academy on July 19, 1931, with the support of His Excellency Constantine Bohachevsky, the Ukrainian Catholic ordinary in America. Mother Josaphat Theordorovich and Mother Marie Dolzytcha played important roles in these early days as founding superior and principal, respectively.

Under the administration of Mother Marie, St. Basil's grew in its curriculum and student body. The first faculty included Helen Martel who initiated programs in journalism and the original school publication, the Basilian Bugle. A wide range of courses were offered, including music. Sister Jerome Roman, the third member of the founding faculty, contributed to the early strong foundations in faith and education at the academy.

Milestones in St. Basil's development included the admission of Helen Pastras Monicelli, the first resident student, in the up-until-then convent boarding school. By 1936, the number of resident students, not studying for the religious life, grew to 18. However, it was in 1934, that the first diplomas were granted under the affiliation of the Catholic University of America to Sister Ogla Kish, Sister Anselm Holup, and Sister Michael Koval.

In 1939, the Pennsylvania State Department of Education placed St. Basil's on the list of accredited secondary schools. And, on May 2, 1939, the cornerstone of a new building to house a resident dormitory, a libarary, a dining room and a chapel was laid. And, by 1941, enrollment grew to 80 students and a faculty of 7. By 1945, the academy graduated 74 young women; 24 were religious Sisters.

St. Basil's responded to the needs of the entire neighboring Catholic community when it opened its doors to the first day students in September 1948. Fifty-seven freshmen started school at that time. And, as with all schools, programs continued to expand meeting the changing needs of society and student body. Drama and the arts, publications and literary works were launched. In the area of physical education, St. Basil's would begin to emerge as a champion school in girls' basketball in the Interacademic League of Philadelphia.

Throughout these years of growth and development, the Christian education of young women continued to be the highest priority at St. Basil's. Under the leadership of the Sisters of St. Basil and dedicated by lay persons, these efforts took firm shape. Throughout the years guided by Sister Emellia Prokopik, successor to Mother Marie, starting in September 1950 and then by Sister Boniface Masleak, principal from 1956 to 1957, the good works continued. Under the administration of Sister Angela Stur, spanning the years 1957 to 1961, the science curriculum developed. And, while Sister Daria Roshko served as principal from 1961 to 1970, the school enrollment grew to 400.

During 1970, Sister Theodosia Kukiw guided the restructuring of the school's programs to meet the needs of increased faculty and student body. And, since 1975, under Sister Dorothy Ann Busowski, the academy has been fully accredited by the Middle States Association of Colleges and Secondary Schools for a 10-year period.

Throughout these years of service to the education of young women, to the church and to the Catholic Ukrainian community, both the Sisters of St. Basil the Great and St. Basil's Academy have offered a unique experience. Continuing to nurture the spirit of the Ukrainian Catholic rite by sharing the historical heritage with students of the Latin Catholic rite, the academy has demonstrated the Catholicity of Christianity. Continuing to nurture the early commitment to quality education, the faculty and administration of St. Basil's has shown that a sound education is a firm foundation for growth to maturity. These commitments are to be recognized and encouraged in the work of the Sisters of St. Basil and the faculty of St. Basil's Academy on this 50th anniversary.●

IMPORTANCE OF A JOINT CANADIAN-UNITED STATES STRATEGIC PETROLEUM RESERVE

HON. FERNAND J. ST GERMAIN

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. ST GERMAIN. Mr. Speaker, on May 4, I was pleased to submit a list of 15 additional cosponsors for House Joint Resolution 355, urging that the President direct the Secretary of Energy and the Secretary of State to begin discussions with appropriate officials of the Government of Canada on the feasibility of establishing a joint regional strategic petroleum reserve for the United States and Canada.

A major concentration of the Western Hemisphere's industrial base is located in the Northeastern and Middle Western States of the United States and the Eastern Provinces of Canada. Any significant disruption of imported petroleum supplies to these areas would pose a critical threat to that concentration of industry and clearly endanger the national security and economic health of both countries. Past and recent events in the Mideast, from which a major portion of these petroleum supplies is derived, heighten our concern for future dependable sources of this petroleum, especially for purposes connected with the continued uninterrupted operation of key American industries.

Mr. Speaker, the current glut of oil is subsiding, world oil demand is about to increase, and soon we will be back to debating the issue of the impact of future shortages. I hope you will agree with me that we should not wait upon an international crisis to prompt further action, but rather, that we should try to move ahead toward a satisfactory resolution. The benefits of such a reserve strategy for both our countries far outweigh the risks of nonaction.

On June 15, 1982, I am going to reintroduce my original resolution. I urge my colleagues to join in the bipartisan cosponsorship of House Joint Resolution 355.

EMERGENCY MEASURE INTRODUCED TO HALT DRAIN ON THE SOCIAL SECURITY TRUST FUND

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. BIAGGI. Mr. Speaker, yesterday I introduced legislation which would put a halt to a growing practice which is draining millions of dollars from the social security trust fund each year—the withdrawal of State, local and nonprofit organizations from the social security system. This bill seeks to impose a 5-year moratorium on all withdrawals from the system and should be viewed as an emergency, stopgap measure to effect stability in our Nation's largest retirement program.

My bill, H.R. 6356, would eliminate the withdrawal option for these groups which now have the ability to terminate their contract with the social security system. This termination option is being utilized at an alarming high rate—and it is estimated that if all such termination notices pending with the Social Security Administration were to go into effect, the trust funds would lose on the order of $500 million each year. Clearly, at a time when we are seeking ways in which to bring solvency back into the social security system, this will be a critical component of any overall reform package we adopt this year.

The second component of this legislation would allow those organizations which have voluntarily withdrawn from social security coverage to opt back into the system if they so choose. Under current law, once termination by State, local, and nonprofits occurs, they can no longer return back into the system. Such a provision is patently unfair to employees who have been denied the opportunity to decide if, in fact, they indeed wanted to withdraw from the system. Employers are not required to notify employees that they plan to terminate participation in social security. Current procedure requires the participant to send written notice to the Social Security Administration—and the termination of their contact occurs within 2 years. During this waiting period, no notification of employees is required nor do they have any formal role in the decision. Withdrawal, once completed, becomes irrevocable. Since 1959, 22 percent of the State and local employees covered by social security have been terminated with the bulk of the terminations having occurred in the past 3 years. For tax-exempt, nonprofit organizations, the problem is greater, although difficult to measure because these organizations are protected from disclosing such information because their very status as nonprofits exempts them from the requirement of providing information to the Social Security Administration. In fact, when a tax-exempt organization, currently participating in social security, decides to terminate coverage, it can virtually do so overnight by closing its books on Friday and reopening as a new, nonprofit entity on Monday. Such a practic allows these entities to circumvent the 2 year waiting period required in the law and renders it virtually impossible to track participants in the system. In 1981, the Social Security Administration estimates that nonprofits paid about $5 billion into the OASI and DI trust funds. To allow this level of participation without insuring the futures of 350,000 employees who are making half of these contributions is clearly unconscionable.

The problem of social security withdrawals is especially pronounced in nonprofit hospitals. According to the Social Security Administration, 3.8 million of the 4.7 million workers in nonprofit facilities are enrolled in social security. Of the 2.3 million in nonprofits/hospitals some 1.6 million are participating in the system. Coverage is through an equal employer-employee contribution of 6.74 percent of salary.

Originally omitted from coverage, nonprofit health facilities were provided the option of coverage in the 1950 amendments to the Social Security Act, along with public employees. With the increase in the payroll tax deduction in 1978, more facilities have begun to "opt out," driven by rising costs associated with both health care delivery and employee wages and benefits. In fact, one prominent Social Security Administration official estimates that withdrawal notices from nonprofits have increased 500 percent in the last year alone. To date, we know that 377 hospitals have filed withdrawal notices, pending termination, representing nearly 300,000 employees. While these hospitals may see withdrawal as a short-term benefit in reduced payroll taxes, these withdrawals represent a genuine threat to the long-term stability of the entire system. This bill will return stability to the system and to future benefits those employees who are now merely

protected at the fiscal whim of employers.

This bill would also require new, nonprofit entities formed after January 1, 1983, and granted tax-exempt status to be covered under social security—the option would be removed. Such mandatory coverage would eliminate the ability that these groups now have to disband themselves on paper and to reorganize as new organizations—effecting immediate withdrawal from the system. This provision will close the existing loophole in the law which allows for this growing and dangerous practice.

This bill also addresses the lack of accountability of organizations which seek to terminate their contracts with the Social Security Administration by requiring the Internal Revenue Service to make available any such information to the Secretary of Health and Human Services. While all organizations will be required to stay in the system, this disclosure provision will insure that the Social Security Administration is made aware of all entities which have notified the IRS of their intent to withdraw from the system to date.

Finally, this bill includes a sunset provision of January 1, 1988, and also requires the Secretary of HHS to submit a report to Congress, 1 year prior to that date, of recommendations as to whether this 5-year freeze on withdrawals should, in fact, be permanent. The policy rationale which provided for optional coverage by State, local and nonprofits was sound when it was enacted in 1950. However, 1982 is not 1950 and the social security challenge before us is unmistakably clear. We must act immediately on this measure to prevent any further unnecessary hemorrhaging of the social security trust fund—a drain which is costing the system one-half billion dollars per year and which threatens to grow larger if this practice continues unchecked. Passage of H.R. 6356 will put an immediate stop to this.

I stand firm in my opposition to any budget plan which seeks to reduce benefits to social security recipients, such as the proposal currently before the Senate—without clarifying how we will effect this change. Congress eagerly awaits the recommendations of the President's Social Security Commission which is currently studying reform proposals. The Commission is charged with the responsibility of providing us with long-range options to secure the system for present as well as future beneficiaries. While this bill is certainly not a cure-all its passage will take a significant step toward closing loopholes in the present system which have, over time, contributed to the situation we find ourselves in today. We cannot afford to wait nor can we continue to torture elderly social security recipients with daily headlines that tell them of the imminent demise of social security. We must act immediately and I urge my colleagues to join me in the adoption of H.R. 6356 to impose this moratorium and put an end to this costly and perilous drain on the social security system.●

H.R. 5922 MOST IMPORTANT FUNDING BILL TO PASS HOUSE THIS YEAR

HON. DAVID F. EMERY

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. EMERY. Mr. Speaker, yesterday the House considered one of the most important funding bills of the year, the urgent supplemental appropriations for fiscal year 1982. I am extremely pleased that we approved the passage of this funding package.

This bill includes an additional $1.3 billion for the guaranteed student loan program, which will enable the Department of Education to authorize lenders to grant financial assistance to college students for the next school year. The funding we provided under the continuing resolution for the GSL program ran out in April because of unexpectedly high interest rates, and thousands of college students are anxiously awaiting to receive loans for they are eligible under this entitlement program. Lenders and universities across the Nation are watching us here today for a confirmation of our commitment to our college students, and I urge my colleagues to reaffirm our support for higher education by approving this additional appropriation.

The urgent supplemental also includes an additional appropriation of $2 million for the National Weather Service's Forecasting Offices, which provide information used by farmers, mariners and aviators. If this additonal funding is not accepted, reductions-in-force will take place in the Portland, Maine, Cheyenne, Reno, Juneau, Milwaukee, Albany, N.Y., Lubbock, San Juan and Ruskin, Fla., offices, leaving these stations without the ability to provide their important informational function. If the scheduled RIF takes place in Portland, Maine, the WSFO will not be able to provide aviation forecasts for commercial flights in Maine and New Hampshire, international flights refueling in Bangor, and general aviation flights in the three northern New England States. This additional funding must be approved to insure the accurate climatological information required for the safety of our skies and seas.

Finally, the money included in this legislation provides $48 million for operating expenses for the Coast Guard, and the approval of this funding is crucial to the continued ability of the Coast Guard to provide a minimum of essential services to the American public. Proposed cutbacks in the service's fiscal year 1982 budget would have severely jeopardized the safety of many at sea, particularly the fishermen from Maine to Alaska. The cuts would also have played havoc with this Nation's ability to adequately deal with the problems of illegal drug trafficking and immigration. These are areas which affect all citizens, and it is becoming obvious to many around the country and in this Congress that reducing the capabilities of the Coast Guard is detrimental to our military readiness, our safety-at-sea efforts, and our law enforcement responsibilities.

I am by no means suggesting that enactment of this urgent supplemental appropriations bill will solve the immediate funding problem of the Coast Guard, because much more remains to be done. However, allocation of an additional $48 million for fiscal year 1982 is a definite step in the right direction, and I trust this House will remain responsive to the needs of the Coast Guard, which ultimately reflect the needs of this Nation.

I am extremely pleased that my colleagues have acted favorably on H.R. 5922.●

HATS OFF TO THE CONSERVATIVE BUDGET

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. PAUL. Mr. Speaker, on April 16 a coalition of conservatives introduced a budget proposal for 1983 which would wipe out the red ink for the first time since 1969. Most importantly, it would do this without any new taxes or tax increases. I would like to heartily commend these groups and the distinguished individuals involved for reminding this Congress of an obvious but important point: That despite the squawking of the spendthrifts and the hooting of the special interests, our top priority should be the drastic and immediate reduction of Federal spending.

I do not endorse every single item in this conservative budget, however, it is an extremely important step in the right direction. It proposes $123 billion in real spending cuts—and not just reductions from future, projected, increases—and it would leave us with a budget surplus of $53 billion in 1983. My own staff has compiled cuts of $225 billion, and Mr. David Boaz, writing in Inquiry magazine, topped that by suggesting cuts of over $250 billion.

I commend the cuts that the conservative budget does make, and of course, I applaud the adoption of a gold standard—which would itself save billions by lowering interest rates, and cutting the cost of financing the national debt. This budget shows clearly that it is possible to really reduce Federal spending, to provide a budget surplus so that the debt can be reduced, to provide additional, substantial, tax relief, and to restore honest money. If, by some act of Divine Providence, this Congress could be persuaded to do all of these things, our country would experience the renaissance we all desire and so desperately need. Only if we act now to really reduce the size of the Federal leviathan will we know a future worthy of our past. This conservative budget shows the direction in which we must head.

I would like to mention one reservation I have about this budget—it concerns the magnitude and nature of military spending. We must do whatever it takes to remain secure; I will never pinch pennies where American defenses are concerned. However, the bulk of our military budget is spent on the defense of foreign countries, and not on the defense of America. NATO alone costs the U.S. taxpayers around $130 billion, and the defense of Japan costs us additional billions. We have forgotten what the Founding Fathers knew quite well: That the purpose of the military is self-defense. We could save perhaps $50 billion or more and provide for stronger defenses by adopting a noninterventionist foreign policy. The Europeans and Japanese can afford to pull their own weight.

The conservative budget is based on OMB's projection of outlays, and receipts for current services levels; that is, spending levels assuming no changes from existing law. Outlays are initially frozen at their fiscal year 1982 levels and are further decreased by $123 billion reflecting needless and wasteful programs that we would cut or eliminate. The suggested cuts have been broken down into their functional categories and subtracted from their 1982 functional levels.

Receipts are based on OMB projections of current services and are further adjusted to reflect suggested program changes for fiscal year 1983. These changes include accelerating scheduled income tax rate reductions, the minting and sale of gold and silver coins, increased corporate income tax receipts due to immediate decontrol of natural gas, increased receipts from social insurance taxes due to universal coverage under social security, and repeal of tax cuts for Members of Congress.

The CBO estimates of this budget are based on CBO's baseline projections—that is, spending levels assuming no changes from existing law—for frozen fiscal year 1982 outlays and fiscal year 1983 revenues which are then adjusted to reflect our $123 billion in outlay reductions, and $2.4 billion in increased receipts.

The endorsers of the conservative budget include: Terry Dolan, NCPAC; Howard Phillips, the Conservative Caucus; Richard Viguerie, David Keating, National Taxpayers Union; Dick Walters, Life Lobby; Gordon Jones, United Families of America; Peter Gemma, National Pro-Life Political Action Committee; Larry Pratt, Gun Owners; Joe Cobb, Silver Dollar Political Action Committee; John Robbins, Father Rueda, Catholic Center Free Congress Foundation; Howard Ruff, Free the Eagle; Paul Weyrich, Coalitions for America; and Rhonda Stahlman, Conservatives Against Liberal Legislation.

OUTLINE OF PROPOSED CHANGES IN FISCAL YEAR 1983

(1) Freeze spending at the fiscal year 1982 levels.

(2) Increase spending for an adequate defense to the levels recommended by President Reagan.

(3) Decrease spending for needless and wasteful programs and activities by $122.6 billion.

CURRENT SERVICES OUTLAYS BY FUNCTION

[In billions of dollars]

	1982 levels	1983 specific reductions	Proposed 1983 levels
National defense	186.2	-34.9	221.1
International affairs	11.1	6.7	4.4
General science, space, and technology	6.9	1.6	5.3
Energy	6.4	10.1	[1] -3.7
Natural resources and environment	12.6	6.9	5.7
Agriculture	8.6	8.5	0.1
Commerce and housing credit	3.3	1.1	2.2
Transportation	21.1	16.6	4.5
Community and regional development	8.4	6.5	1.9
Education, training, employment, and social services	28.2	17.8	10.4
Health	74.0	10.9	63.1
Income security	251.5	17.9	233.6
Veterans benefits and services	24.2	8.1	16.1
Administration of justice	4.6	1.0	3.6
General Government	4.9	1.0	3.9
General purpose fiscal assistance	6.4	5.0	1.4
Interest	99.1	5.6	93.5
Allowances:			
Civilian agency pay raises	0.4	0.0	-.4
Reduction of fraud, waste and abuse		1.0	-1.0
Undistributed debt collection		10.0	-10.0
Elimination of Davis-Bacon requirements		.3	-.3
Undistributed offsetting receipts:			
Employer share, employee retirement	-7.6	.8	-8.4
Interest received by trust funds	-16.1	0.0	-16.1
Rents and royalties on the Outer Continental Shelf	-7.9	10.1	-18.0
Federal surplus property disposition		10.0	-10.0
Total outlays	725.3	122.6	603.7

[1] Elimination of the Synfuels Corporation would free funds set aside for the Corporation under the Energy Security Reserve. The amount included in this fund is not reflected in fiscal year 1982 outlay for the Synfuels Corporation. Therefore more money is saved than is included in the proposed level of outlays for energy category, resulting in a negative amount for fiscal year 1983.

(4) Accelerate tax cuts, eliminate tax benefits to members of Congress and Social Security tax exemption for federal employees, sell gold and silver coins as recommended by the Gold Commission.

	1983
Current services receipts estimate	653.3
Tax revisions:	
Accelerate tax cuts by 6 months	-16.0
Repeal tax benefits for Members of Congress	.0005
Mandate universal coverage for social security	.6
Increase receipts due to immediate decontrol of natural gas	10.0
Sale of gold and silver coins	7.8
Total proposed receipts	655.7

(5) Fiscal year 1983 receipts, 655.7; Fiscal year 1983 outlays, 603.7; surplus 52.

	Fiscal year 1983 (revised)	Fiscal year 1984
Reagan budget:		
OMB ESTIMATES		
Receipts	665.1	722.0
Outlays	767.0	815.8
Deficit/surplus	-101.9	-93.8
OMB ESTIMATES		
Receipts	660.1	715.6
Outlays	780.7	844.5
Deficit/surplus	-120.6	-128.9
Conservative budget:		
OMB ESTIMATES		
Receipts	655.7	707.8
Outlays	603.7	603.7
Deficit/surplus	+52.0	+104.1
OMB ESTIMATES		
Receipts	649.6	698.6
Outlays	627.4	627.4
Deficit/surplus	+22.2	+71.2

●

VIC R. RIVO—GUAM OFFICER OF THE YEAR

HON. ANTONIO BORJA WON PAT

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. WON PAT. Mr. Speaker, it is never easy to be in a minority and it is even more difficult when a member of the minority wins the overwhelming support of those around him.

Vic R. Rivo, one of Guam's "finest", is a man who has accomplished these impossible goals by being named as the Guam Police Officer of the Year for 1981. Officer Rivo was chosen by his fellow 272 police officers for the great honor recently and was picked from eight other nominees.

What distinguishes Officer Rivo's selection as officer of the year is the fact that he is one of only 12 Filipino officers on the Guam police force. He came to Guam in 1966 and has worked his way up in the community by virtue of hard work and devotion to duty. It

is obvious that the entire Rivo family is dedicated to community work by the fact that since joining the police force, Officer Rivo has talked his two brothers into becoming police officers.

Officer Rivo serves on the burglary detail and his selection as officer of the year reflects the superior performance he has put forth in the past year.

A family man with one son, Officer Rivo says he will continue to work for law and order in his adopted home—a fact which we on Guam can be extremely grateful to hear. Only recently, Officer Rivo was instrumental in breaking up a burglary ring which committed 36 break-ins.

I am extremely proud of Officer Rivo and he deserves the support and praise of the entire community on Guam. He has shown that a determined man can overcome all obstacles to success and in doing so has shown others in his community the true meaning of being concerned about their fellow citizens. I wish Officer Rivo and his family good fortune in the years ahead. Congratulations to a fine citizen of Guam and to an outstanding police officer. I share the pride his fellow police officers feel in this devoted professional.

The following is an article about Officer Rivo in the May 11, 1982, Guam Pacific Daily News:

RIVO SELECTED AS OFFICER OF THE YEAR

(By Jolene Krawczak)

During his seven years as a police officer, Vic R. Rivo has been working to be the best.

This year Rivo's fellow officers recognized his accomplishments in the detective division by voting him the Police Officer of the Year for 1981.

Rivo, assigned to burglary detail, said he was both surprised and proud to receive the honor given each year during Police Week.

"Being a member of a small group of Filipinos on the force, I was very honored," he said. There are about 12 Filipino officers on the force of 272.

"I've always said that Guam is the land of equal opportunity and this award proves that," he said.

Rivo was picked from eight nominees by a group of officers representing various police divisions.

Rivo came to Guam in 1966 and worked as a construction supervisor until he saw an announcement for police officers. He applied, passed the test and made the grade.

Since joining the force, Rivo has also talked his two brothers into becoming patrol officers for the Department of Public Safety.

Rivo was selected for his "sustained superior performance for 12 months," according to the chairman of the awards board, Sgt. B. A. Leon Guerrero.

Leon Guerrero also said the award is given for exemplary service and professionalism.

During 1981, Rivo investigated and arrested members of a burglary ring involved in 36 burglaries, recovering $30,000 worth of stolen property.

He also uncovered an in-house theft operation at the Guam Power Authority supply warehouse which resulted in seven arrests and the recovery of $10,000 of material and supplies.

In December, Rivo and F.J.T. Lujan, another officer, arrested two Gibson's Shop and Save warehouse employees who had pilfered $24,000 worth of merchandise from the store.

Rivo said his job would be easier if there were more cooperation between members of the community and the police.

"We need more involvement," he said. "People are so reluctant to give information to the police."

Rivo intends to stay on Guam with his wife Myrna and son Vic, 15. He said he is looking for promotion and wants to complete a bachelor's degree in police science.

Rivo will be commended today along with other award winners following a 9 a.m. command inspection at police headquarters in Agana. The inspection is part of the week's activities which include a memorial service, open house, community visits, demonstrations, receptions and sports activities.●

COURT SYSTEM AT IT AGAIN

HON. DOUGLAS APPLEGATE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. APPLEGATE. Mr. Speaker, The U.S. court system is at it again. In at least two separate cases, the U.S. Supreme Court, in their infinite wisdom, has ruled that the individual States are exempt from Federal antitrust laws, but cities are not, unless they have the most specific mandates from their States. The Court in essence is defining a city as a business which it clearly is not.

Supreme Court Justice William Brennan has made it quite clear in writing the following:

> The Federalism principle gives states a significant measure of sovereignty and thus antitrust exemption. But ours is a dual system of government which has no place for sovereign cities.

In other words, the U.S. Supreme Court is saying that a city or village cannot regulate aggressively in its own interest or to act in its own interest to lessen its dependence on outside economic forces.

At a time when the New Federalism policy is being touted by President Reagan, I find it ironic that, not only are the courts going against this concept of local control, but even the Justice Department has entered a case now pending before the Supreme Court as a friend of the court in acting to undermine States rights and revenues. Governors of the States involved are outraged.

The real culprit of this whole matter, however, is the courts, Mr. Speaker. It is their interpretation of this matter that has led to this situation and it must be through the courts that a remedy is sought. Remember House Joint Resolution 8.●

SMALL BUSINESS WEEK

HON. STAN LUNDINE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. LUNDINE. Mr. Speaker, this week of May 9 is National Small Business Week. In his March report to the Congress on the state of small business, President Reagan states, "The success of the American economy is critically dependent upon preservation of real opportunity for small business." This assertion by the President is appropriately made. The critical question facing us is what mechanisms do we rely on and what steps do we take to insure that a real opportunity for small business creation and growth exists in our economy.

At the outset of this discussion, I think we must first acknowledge that the state of small business in our country is not good. Dun and Bradstreet statistics on business failures of the first quarter of 1982 reflect 7,170 business failures, approximately 98 percent of these being small businesses with 100 employees or less. This compares to a rate of failure in the first quarters of 1981 and 1980 of 4,791 and 3,280 businesses, respectively. For the entire year of 1978, only 6,000 business failures are reflected. While these statistics should not be interpreted in a vacuum, they are a clear signal of distress in the small business community and of difficulty in remaining profitable.

Continued decline in the small business sector of our economy will have serious implications for the long-term health of our economy. Historically, small businesses have proven to be the major innovators, job creators, and opportunity for minorities and women seeking entrance into the business community and job market. In a world that demands that the United States remain competitive with our international trading partners and in a country currently with an unemployment rate of 9.8 percent—the highest since the Great Depression—to fail to provide remedies for the difficulties being experienced by our small business sector will be tantamount to contaminating stagnate water.

We need to get the stagnate water flowing again. To do so, our attentions must be focused insofar as small business is concerned primarily on bringing down the crippling level of high interest rates to allow smaller firms access to financing both for new ventures and to encourage expansion on reasonable terms. Since 1978, small businesses have witnessed a 3- to 4-percent increase in the real rate of interest paid on loans. The customary greater debt-equity ratio for small firms combined with higher ratio of short-term debt to total assets than that of larger firms means that high-interest rates will have an unusually severe impact on small business activity in the economy.

The macroeconomic policies of the current administration have been ineffective in bringing down interest rates. Tight monetary policy, combined with a fiscal policy that will increase dramatically the size of the Federal deficit over the next several years, have combined to keep interest rates at unacceptable levels, thereby choking small business activity. The single most effective action which could be taken to assist small businesses is to bring down interest rates. In this view, the House Banking Committee on which I serve, recently called upon the administration and the Federal Reserve to ease monetary targets in effect for 1982 to permit interest rates to fall.

In addition, to reduce the size of the Federal deficit, I believe we must reduce Federal expenditures, particularly in the area of national defense by reducing the level of increase sought by President Reagan. On the revenue side, we must postpone the third stage of the scheduled income tax cut enacted last year and close some of the most objectionable corporate tax loopholes.

These actions should be taken without doing damage to the Federal initiatives which historically have been helpful to the particular problems of small business. With this in mind, I was distressed to learn earlier this year that the administration is recommending elimination of the small business loan program in fiscal year 1983 and to reduce 1982 guaranteed credit assistance 10 percent below 1982 levels.

In addition to bringing down interest rates, the Federal Government must work toward providing small businesses greater access to Government procurement contracts and research and development dollars. Enactment of the Prompt Payment Act to insure that the Government pays its bills in a timely way will remove some of the problems small firms have experienced in Government contracting. Pending legislation, the Small Business Innovation Research Act, to provide small firms a set percentage of R. & D. contracts from Federal agencies with research budgets over $100 million annually, will go a long way toward breaking many existing barriers to Federal R. & D. contracting with general business and provide a stimulus to innovation and startup and growth of small firms.

Finally, we must continue our efforts to implement regulatory reform measures that will relieve some of the cost burdens for compliance by smaller firms. Enactment of the Paperwork Reduction Act and Regulatory Flexibility Act during the last Congress were steps in the right direction. Pending regulatory reform legislation now in Congress should attempt to address this problem further.

In conclusion, it is important to note that this Congress has not been insensitive to the problems of small business. We have initiated legislation, which in many cases has been enacted into law, that attempts to address the problems of small business. These include: Public Law 97-34, the economic recovery tax cut which provides tax relief to small businesses, and Public Law 97-72, to provide a small business loan program for Vietnam veterans. Currently, over 300 additional bills have been introduced in Congress that deal with small business matters. We should examine these carefully to assess their potential contribution to improving the plight of small business.

Over the long term, however, the best medicine for an ailing small business community will be found in a combination of approaches to our economic problems that provide for economic growth. In the upcoming debate over budget priorities, tax policy, and policy reforms, this legislative body must direct its energies toward adopting measures to enhance the role of small business in stimulating growth in our economy.●

CLOSED TRADE DOORS

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. DERWINSKI. Mr. Speaker, there is a growing negative public sentiment over the impractical and unethical trade practices conducted by the Japanese Government in its attitude toward American businessmen. The Pointer Economist, serving suburban Cook County, Ill., takes a look at this situation in their April 21 lead editorial. I wish to insert it at this point:

CLOSED TRADE DOORS CONTINUE TARNISHING THE JAPANESE IMAGE

As we remember it, and it was many springs past, we spent an inordinate amount of our youth pondering tariffs—good tariffs and bad tariffs.

We might have been happier had we been given serious instruction on how to properly grip a baseball along its seams to achieve an appropriate bend in its flight, but our classroom teachers persisted with the pros and cons of tariffs—theirs and ours.

Tariffs were, in fact, so all-important that back then a man's worth was pretty much measured by his stance on tariffs. And, now we have the Japanese.

The Japanese have been forced in recent weeks to take cognizance of the rising wave of hatred against them, not only in America but elsewhere where Japanese goods have taken away jobs and helped bring on economic difficulties.

But recognition that a problem exists has done little to persuade Japanese policy makers to open trade doors of their nation to products from other countries.

The Japanese have been content to flood the world with autos, TV sets, watches, recorders, cameras and other items from their factories to the extent that great industries have been crippled or put out of business.

They have taken some little steps, of course, like agreeing to limit 1982 auto shipments to the U.S. to 1981 levels.

They have not acted to eliminate the trade imbalance caused by the barriers against imports of American agricultural products and other items which we should be selling to the Japanese.

Americans are becoming frustrated, studies show, at the loss of jobs—and even whole industries—to the Japanese at the same time we are not allowed under import quotas to share in their home market.

There must be continuing and strong efforts by the American business community and by our government to open those trade doors and wipe out the staggering trade imblance. Our economic future can be imperiled if they remain locked.●

TRIBUTE TO DR. JOHN M. PFAU

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. LEWIS. Mr. Speaker, on June 4, 1982, friends and colleagues will pay tribute to an outstanding educator and community leader, Dr. John M. Pfau. I would like to take this opportunity to join with those honoring Dr. Pfau and commend him to the House of Representatives today.

Dr. Pfau has had the rare experience not only of founding one college but also of being involved in the creation of two other institutions. Founding president of California State College, San Bernardino, Dr. Pfau was on the original planning staff for Sonoma State University, and earlier was sent out from Chicago Teachers College to establish a branch which today is Northeastern Illinois State University.

Dr. Pfau currently is the senior president in terms of tenure among the 19 presidents in the California State University system. Fifty-eight college and university presidents have been appointed in the system since he assumed the helm of the San Bernardino campus.

When Dr. Pfau assumed the presidency of the future San Bernardino College, January 18, 1962, he began the process of selecting a planning staff and securing a site. With the assistance of about a dozen planners, an educational philosophy and design of the physical plant was developed.

Classes began in September 1965 with 270 students and 33 faculty—administrators and librarians—in three buildings in the foothills of the San Bernardino Mountains. Reflecting a

steady growth pattern, the college today serves just under 5,000 students.

The college which exists today is, in great part, a reflection of the educational philosophy of its founding president. Dr. Pfau's concern for maintaining close contact between faculty and students led to the design of classrooms which would limit the size of the classes, thereby creating a seminar-type learning environment. President Pfau's deep belief in the value of a general education program has been demonstrated by the curriculum of the college, and was reinforced during the past year by mandates from the CSU board of trustees concerning graduation requirements for all students.

Dr. Pfau, born in Yugoslavia, spent his childhood in Chicago. He received his education at the University of Chicago, earning his A.B. in 1947, his A.M. in 1948, and his Ph. D. in 1951. His academic field is history.

While pursuing his doctorate, he was an instructor in American history at North Central College in Illinois. During his tenure at the Chicago Teachers College, now Northeastern Illinois State University, he served as associate professor of history, administrative assistant to the dean, and assistant dean in charge of the foreman branch.

Dr. Pfau came to California in 1959 as professor of history and chairman of the Division of Social Studies at California State University, Chico. He then served a similar position on the founding faculty of Sonoma State University, before coming to San Bernadino in 1962.

He has been active in professional organizations and in the community. His academic involvement includes service on several accreditation committees and on the Statewide Advanced Placement Committee of the California State Board of Education; chairmanship of the Committee on the Humanities of the American Association of State Colleges and Universities, and chairman of the Inland Empire Higher Education Council. He currently is a member of the Committee on Cultural Affairs of the American Association of State Colleges and Universities.

Dr. Pfau served three terms as president of the San Bernardino Symphony Association, was a founding member and director of the World Affairs Council of Inland southern California, a director of the San Bernardino Chamber of Commerce, and a member of the corporate board and the board of directors of San Bernardino Community Hospital. He has also been a member of the California Council for the Humanities in Public Policy and the Labor Management Council for the Inland Empire. He also is a Rotarian.

Dr. Pfau and his wife, Antreen, also a graduate of the University of Chicago, have two daughters. Madelaine is employed by a consulting firm in Dallas, Tex., and Ellen is an audiologist in Upland. Dr. and Mrs. Pfau will continue to make their home in San Bernardino.

Mr. Speaker, it is truly an honor to recognize Dr. Pfau as an inspirational educator and exemplary community leader. While he will be missed as president of San Bernardino State College, we look forward to his continued residency in San Bernardino. With great pride I commend Dr. Pfau to the House of Representatives.●

FLORIDA SMALL BUSINESS PERSON OF THE YEAR

HON. ANDY IRELAND

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. IRELAND. Mr. Speaker, I would like to take this opportunity to congratulate Mr. Joseph O'Brien, president of ITD Industries, Inc., of St. Petersburg, Fla. Mr. O'Brien is the "Florida Small Business Person of the Year."

In 1970, Mr. O'Brien, a graduate of Rensselaer Polytechnic Institute, and his wife, Josephine, purchased a small manufacturers' representative business dealing in building supplies. Recognizing the potential of solar control film, he began manufacturing his own product in 1974 through the use of outside firms. In the meantime, ITD undertook its own research into ways of improving the composition and application process of this complex and precise product, and in 1975 the firm patented its own dry-bonding adhesive process which dramatically improved the solar control film's marketability in the do-it-yourself market. This breakthrough earned ITD recognition as a technological leader in an industry dominated by major firms.

ITD is the manufacturer of Sun-Gard, and since its entry into solar film production, the company has become one of the seven major producers of solar film in the world. The firm now employs 82 persons and markets its products through the largest mass merchandising chains throughout the United States and 18 foreign countries. In 1979, the firm was nationally recognized when it was invited by the U.S. Department of Commerce to participate in a U.S. Trade Exhibition on Energy Conservation Products in Milan, Italy, displaying the latest American products in the energy conservation field.

Congratulations to the "Florida Small Business Person of the Year," Mr. Joseph O'Brien. All of us in Florida are proud of his accomplishments.●

STIMULATE INVESTMENT, RAISE FEDERAL REVENUES

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. PHILIP M. CRANE. Mr. Speaker, the matter of taxes is on the lips of our colleagues here in Congress and on the minds of our constitutents at home. They hear many Senators and Congressmen talk of increasing taxes while they suffer continuing blows to their morale due to the tax burden under which they toil. They are correct to call for reduced taxes. The mood is right for us to represent their views and take action. The incredible complexities of the Internal Revenue Code have been refined over the years to effectively discourage productivity and investment. If the United States is to again be the great economic engine of the free world, we must reverse the current trend.

There is a way to encourage investment and raise Federal tax receipts: eliminate the holding period on capital gains. In December 1981, I introduced H.R. 5248, a bill to accomplish just that. Repeal of the 12-month holding period required to get more favorable tax treatment of capital gains will help the economy and boost the sagging morale of the small investor.

An article by Steven Seiden in the Wall Street Journal May 12, 1982 (reprinted below), points out that the current 12-month holding period possesses three major inherent disadvantages. First, it penalizes the investor for realizing short-term profits by levying a substantially higher tax on that gain—a trap which converts short-term profits into long-term losses. The investor is hurt—some are frightened away from further investments—and tax revenue is lost. Second, recently completed studies indicate that the holding period decreases Federal revenues. The disincentive to make short-term investments decreases opportunities to make profits and, therefore, decreases revenues to the U.S. Treasury. Third, the holding period tilts the Tax Code toward the large investor and denies the small investor equal opportunity. This is because the prohibitive tax cost of realizing short-term gains is relatively easier for the large investor to absorb. The small investor becomes a prisoner of timing in an attempt to make a long-term gain that may never develop.

Repeal of the 12-month holding period requirement would, therefore, encourage expanded investment, increase Federal tax revenues, and help small investors. The economy will be helped because investors are helped.

Last year, while part of a bipartisan privately funded congressional fact-finding trip to study Japan's high level of productivity, I was struck by the fact that they have neither a holding period nor a capital tax. Most other Westernized industrialized nations do not require a holding period for capital investment. If we are to regain our place as the world's preeminent economic power, we must vigorously stimulate our aggregate savings, growth, and economic health. That is one reason why the Japanese economy is so strong. Eliminating the holding period for capital gains is one very timely step in the right direction.

Overtaxing Short-Term Gains

Sen. Daniel Moynihan, a Democratic member of the Senate finance committee, has just introduced a bill to eliminate the capital-gains holding period. This brings to five the members of Congress who have introduced similar legislation in recent months. Two weeks ago, the Republican Senate finance chairman, Robert Dole, said he favors reducing the holding period. There is wisdom in what they propose.

Realizing long-term stock market gains so far in the 1980s required not only "odds-against" selection but superb timing, courage and patience. Why, then, penalize the investor for taking short-term profits (which have proven to be his only salvation) and Uncle Sam, who is deprived of capital-gains tax revenues?

If 1982 throws the same price curves to the investor as 1980 and 1981 did, his batting average on long-term gains could be just as poor. Despite the well-intentioned investment incentives that took effect on Jan. 1, the new 50 percent maximum tax on short-term gains is still 2½ times the new 20 percent top rate on more elusive long-term gains. To wit, the penalty on short-term profits was of equal magnitude as in prior years when the maximum tax rate on them was 70 percent and the highest long-term rate was 28 percent.

IT'S HARD TO MAKE A PROFIT

What opportunities have there been for taking long-term versus short-term profits in the 1980s? An investor who bought the Dow Jones industrials in the low 800s in January 1979, hoping to realize a long-term gain in 1981, would have just about broken even. In the interim, he missed two short-term profit opportunities: the April '79 high of 884 and the October top of 904.

Let's assume our Dow investor was astute enough to pick the May '79 low of 815. How much long-term profit would he have made? Not much. A year later the Dow bottomed again near 840, affording him an annual gain of only 3 percent. In the meantime he missed not only the aforementioned October peak, but an even higher short-term top when the averages reached 918 in February 1980. Unless the investor was smart enough and quick enough to buy the Dow under 800 in either November 1979 or in the spring of 1980, major long-term gains eluded him. Moreover buying the Dow stocks much past mid-1980 wound up costing the long-term investor dearly. Even buying them at their fall 1980 low of 894 in December resulted in a long-term loss.

What must have exasperated the investor is that while waiting out the holding period not only did he forfeit a 136-point short-term gain when the Dow went to 1030 in April 1981, but that he could have made money by selling at any point within 18 weeks of the time he hoped his paper profit would go "long-term"!

The price action of the Dow average typifies that of many widely held U.S. companies. Of course long-term gains were attainable, provided the investor had been willing to maintain his position for several years. However, the longer a security is held in order to achieve a profit, the less the annualized return on the investment.

In short, the 12-month holding period has become a trap during which short-term unrealized profits have been turned into long-term realized losses. As a result, not only has the investor suffered but so has Uncle Sam, at the very time when "revenue enhancements" are crucial.

In fact, in an up market the government is the investor's "general partner," since it shares in every dollar of capital gain. But in a down market—since only $3,000 of net loss is deductible against ordinary income—the government is the investor's "limited partner" and is insulated against what would otherwise be an equivalent reduction in tax revenue. It seems only logical that reducing the holding period will increase tax revenues.

That view is supported by a statement in a National Tax Journal article by Anita Wells. Commenting on the 1942 cut in the holding period from 18 to 6 months she reported, "In justification of this drastic change, the [Senate finance] committee stated that the realization of capital gain is entirely a matter within the discretion of the taxpayer and shortening of the holding period would have the effect of encouraging the realization of capital gains and thereby result in added revenue to the Treasury."

Further support for this argument appeared recently in a National Bureau of Economic Research working paper, "The Holding Period Distinction of the Capital Gains Tax," in which Steven Kaplan suggests "that the holding period distinction is not very effective in deterring speculation and does not increase government revenues; in fact may decrease them."

The investor looks to 1982 and beyond mindful of the pitfalls of seeking long-term gains, recalling a dismal 1981 in which only one-third of all NYSE and Amex issues registered gains more than 10%, and aware that any short-term profits he makes will be taxed at ordinary rates plus those levied by states and cities. With good reason, then, might he consider joining the many others who have long since taken refuge in the debt market. That couldn't happen at a worse time. The very "smokestack" companies whose debt ratios are at an all-time high and which need equity financing the most display compressed stock cycles that are more conducive to short-term rather than long-term profit-taking.

Moreover a just-published study by the Securities Industry Association, based on a recent survey by Opinion Research Corp. revealed that more than half the respondents said they would make new investments or increase existing investments in one of 11 alternative investment vehicles if the holding period were reduced.

So why not shorten or eliminate the holding period if doing so would enhance capital gain tax revenues, attract investors back into the equities markets and benefit companies whose balance sheets are overladen with debt?

The answer dates back to 1921. Congress was then considering a bill which, for the first time, would provide for a lower rate on capital gains than on ordinary income. Just before passage, Sen. Walsh of Massachusetts argued that unless a two-year holding period was established to qualify for such preferential treatment, the new law would encourage speculation rather than investment in American industry.

MORAL BIAS AGAINST SPECULATION

It's a view I've heard espoused in Washington even today. There is no economic logic to this notion for one inescapable reason: Once the public's money has already been invested in a company via a stock underwriting, it represents premanent capital to that business no matter how frequently those shares are traded in the aftermarket. So the bias against speculation in the form of a holding period is purely a moral one.

Interestingly, the holding period puts the small investor at a disadvantage. A wealthy investor faced with a paper loss can commit other funds to an attractive new investment, but the investor with limited capital often finds himself locked-in.

Reducing or eliminating the holding period is not without precedent. Belgium, Canada, France, Italy, the Netherlands, the United Kingdom and Japan do not require one to qualify for capital-gains treatment. Of these countries Japan possesses the best record of individual savings as a percentage of after-tax income followed by France, the United Kingdom, Canada, and trailed by the U.S.

Perhaps some day students of history will be amazed to learn that there once existed such ancient economic injustices as guillotining short sellers, debtor's prisons and tax penalties on short-term profit-taking.●

NATIONAL SMALL BUSINESS WEEK

HON. FRANK HORTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. HORTON. Mr. Speaker, this week, designated as "Small Business Week" affords the Members of the House and Americans all across the United States the opportunity to pay homage to what is the backbone of the American economy. The men and women who constitute our small business community have made innumerable contributions to our Nation's growth, prosperity and standard of living.

While large corporations tend to gain the widest attention in the press and elsewhere, it is well to remember that a majority of new jobs is created by firms with less than 20 employees. Equally impressive as that statistic may be consider the following: Small businesses comprise 97 percent of all firms; 43 percent of the gross national product, 73 percent of all retail sales, and 58 percent of employment of the private nonagricultural work force.

Small business having contributed so greatly to our Nation's outstanding record of achievement and innovation is not immune to the economic strains

of today. High interest rates and the uncertainty that characterizes the immediate future are serious undermining threats to this sector of the economy. It is therefore of vital importance that as we in the Congress formulate the fiscal policies of the Federal Government which play such an important role in the market place we keep foremost in our minds the concerns of small business.

As a former member of the House Committee on Small Business and as chairman of the former Commission on Federal Paperwork, I am well aware of the overriding need to recognize the significant impact small businesses have had and will have on our economy. Through enactment of legislation such as the Prompt Pay Act and other specific measures that acknowledge the Federal Government's relationship to small business, we can help move our Nation toward economic recovery. Obviously, other steps must be taken. Reducing the size of the Federal deficit, cutting back on Federal spending, and consideration of the special problems confronting small business. During this week and all future weeks, let us remember the many contributions this group of men and women have made to the greatness of our country.●

HOUSE BUDGET AGAINST ECONOMIC RECOVERY

HON. JAMES G. MARTIN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. MARTIN of North Carolina. Mr. Speaker, the budget submitted to the House by the House Budget Committee is an atrocity on the revenue side. It will abort economic recovery. It is unique in history in that it must have both Adam Smith and John Maynard Keynes turning over in their graves.

The committee's budget extravagantly increases taxes at the very point at which inflation has been curtailed, durable goods orders are rising and consumer demand, represented by retail sales has moved upward. There is no way to meet the committee's revenue targets without considerable increases in individual income taxes.

By way of background it must be noted that under present law, using Congressional Budget Office numbers, even after the 1981 tax bill, tax revenues will rise considerably over the next few years. Present law provides revenues as follows:

	Billion
1981	$599.3
1982	623.0
1983	645.0
1984	702.0
1985	780.0

That represents revenues for 1985 that are 27.3 percent higher than for 1981. The annual increases run 4 percent in 1982 over 1981, then 3½ percent, 8.8 percent, and, in 1985 over 1984, 11 percent.

Those are significant increases that will occur even if the Congress does nothing, not even what the President proposed in February.

Now, with the revenue increases proposed in the President's February budget, revenues would rise considerably faster, to $685 billion in 1983, $722 billion in 1984, and to $796 billion in 1985; that latter figure represents an increase of 33 percent over 1981. That is an increase well ahead of anyone's inflation prediction.

The committee's recommendation carries those figures up dramatically: to $676 billion in 1983, $753 billion in 1984, and $846 in 1985. That last figure is a 41-percent increase over 1981. That 41-percent tax increase should be compared to an anticipated 30-percent change in price levels over the same period. That's a very large increase in the tax burden in real terms and it can only be economically damaging.

Last year, this Congress did not cut taxes in any real sense of the term. Neither the Ways and Means Committee's bill, nor the substitute bill which did pass—and they were almost identical in revenue effect—did that. Rather, they cut the increase in taxes, down roughly to the expected inflation rate, providing increased dollars, of only slightly rising value. That is what the American electorate voted for in 1980.

Over the 3 fiscal years we are dealing with—1983 through 1985—the Budget Committee's bill will wrench out of the economy $91 billion more than would be taken under the President's proposals and $148 billion more than under present law. This, at a time when we are seeing the feeble signs of a beginning to the end of a recession is a prescription for an aborted recovery.

On the spending side of the equation, in spending function after spending function, the Budget Committee chairman has produced spending recommendations that differ from the recommendations of the President and of the Budget Committee of the Senate, but which are susceptible of compromise in a conference, even if both were to pass in their respective Houses without amendment. For this, a debt of gratitude is owed to the chairmen of the House and Senate Budget Committees.

But, here on the revenue side, we find in the House Budget Committee more of Robin Hood running amok. The only way to meet these figures is by penalty taxes on middle class taxpayers on their way up, in order to keep them from moving up. Significantly, on the credit budget side, we do not touch the giants of industry, including those in the synthetic fuels business, with their huge subsidized and guaranteed loans—running at $225 billion—that, more than the deficit, crowds out would-be homebuyers and farmers at the loan window.

Even after a heavy round of loophole closings and taxes on consumption items and reforms of tax benefit leasing and all those nice things that make for laudatory editorials, the House is being asked implicitly by the Budget Committee to put us back where we were, with individual tax rates rising 16 percent for every 10 percent rise in income. Implicitly, we are being asked to stifle initiative, to keep the middle class in its place.●

IS COAL SLURRY PIPELINE LEGISLATION NECESSARY?

HON. DAN MARRIOTT

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. MARRIOTT. Mr. Speaker, it was my pleasure recently to address the annual national convention of the American Mining Congress about a critical component of our drive toward energy independence—coal slurry pipelines. As the ranking minority member of the House Interior Mines and Mining Subcommittee, I have been closely involved with legislation to make slurry pipelines a viable part of the coal industry to the betterment of the industry and the Nation as a whole.

The following is the text of my remarks for the consideration of my colleagues and all those interested in this crucial matter:

[1982 American Mining Congress Coal Convention, St. Louis, Mo., May 11, 1982]

Is Coal Slurry Pipeline Legislation Necessary

(By Dan Marriott, U.S. Representative from Utah)

INTRODUCTION

It's an honor for me to be among my friends today at the American Mining Congress and to address one of the most crucial issues facing America today, and that is coal and its long term development.

Crude oil remains as our largest imported energy source at 8.9 quads in 1981. This figure, however, represents a significant decline from the decade's high of 14 quads in 1977.

This decline may be attributed largely to two factors: (1) the steady conversion of electric utilities from the use of petroleum to coal as their source of fuel over the last decade, and (2) conservation resulting in a decline of overall U.S. consumption of energy since 1973.

Largely due to our dependence on imported crude oil, this Nation's energy trade balance was a whopping $71 billion in 1981, roughly only $4 billion less than the decade's high of $75 billion reached in 1980. When offset by our overall positive trade balance of $43.5 billion in other areas, the deficit trade balance was still $27.5 billion for 1981. The export of domestic coal contributed nearly $6 billion toward diminishing our balance of trade deficit, an increase of $1.3 billion from the previous year.

Domestically, consumption of petroleum and natural gas have decreased while coal consumption has increased since 1973, indicating coal has become more competitive with oil and gas as conversion of electric power plants to coal has taken place. Correspondingly, domestic coal production has increased steadily while the domestic production of oil and natural gas has declined somewhat.

We have reached the point now where today approximately 82 percent of all coal used in the United States is burned by utilities to produce electricity while more than half the electricity used by Americans is generated from coal.

These trends toward a greater domestic use of coal and an increased demand for the export of coal, must continue if this Nation is to maintain a strong and respectable economic and energy position in the world. That means we must develop our coal resources to the fullest for domestic use and for export and, in order to develop them to the fullest, we must do all we can to make U.S coal competitive both at home and abroad.

COAL'S COMPETITIVE SITUATION

As coal prices have finally stabilized after a decade of rolling in environmental and health and safety regulations and massive capital investment, coal has become increasingly competitive with oil and gas in terms of cost of production. We are beginning to see realistic market competition among these three energy sources. In short, we are approaching healthy competition among energy sources, which is a development that can only be healthy for America.

Still, coal suffers from a major competitive disadvantage which may seriously compromise national goals to offset our unfavorable balance of trade with the export of coal and domestic conversion to coal use where feasible.

THE PROBLEM

With production costs of coal stabilized, the most volatile factor affecting its competitiveness in the market is the cost and means of transportation. With the deregulation of rail carriers under the Staggers Rail Act and the lack of competition in coal transportation in the West, domestic utilities and foreign importers who are interested in using coal cannot make a rational business decision because the factors of assured delivery and transportation costs are currently destabilized.

I sometimes wonder where we would be today if we were still delivering oil in barrels rather than by pipeline.

Surely not the least of the attractions of oil and gas for energy users is the fact that pipeline delivery of these energy forms is continuous, and therefore convenient as well as reliable and economical.

Energy users are well aware that reliability and continuity of supply are important, along with direct ton/mile costs, storage costs and all the other economic considerations that shape their decisions on which energy form to employ. If we are to make the decision for coal an attractive choice, to in fact encourage its use, we ought to be striving to make its delivery as convenient and stable as possible.

I am not talking about delivering all coal by pipeline. What I am talking about is some healthy competition where it does not now exist.

Today—65 percent of total U.S. production moves by rail, 98 percent of Western coal moves by rail. No inland waterways for barge traffic (NCA).

Eighty-five percent of all coal produced in United States and shipped via rail was captive (NCA study, May 1979).

Ninety-eight percent of Western coal is captive to rail shipment.

Current transportation costs roughly double the price of delivered coal. Some domestic users, particularly in Georgia and Florida, find it cheaper to import coal to the United States than to use domestic coal.

The decision to convert to coal-burning powerplants is also affected by the delivered price of coal and the cost of transportation is often critical in making that choice. Reportedly, the high cost of transportation resulted in decisions by a large chemical company and utilities in Tampa, Florida, and Corpus Christi, Texas, not to convert to coal or else to import it.

The recently enacted Staggers Rail Act gave railroads the right to enter into contracts with shippers, cut ICC regulation (over prices especially), ICC now considering whether to deregulate prices for transportation of coal bound for export (which is critically price sensitive).

Fallout from Staggers Act—overall increase in price of coal transportation by rail, especially in the West where there is no effective competition. Price of transporting coal from the Powder River basin to Minnesota in one instance increased 80 percent over the last 16 months.

In contrast, the only coal pipeline now in operation (the Black Mesa) runs from Arizona to Nevada and carries 4.8 million tons a year at a cost estimated at less than half the comparable rail shipment.

COMPETITIVENESS IN INTERNATIONAL MARKET

The inability to deliver coal at a competitive price may result in losing the opportunity to capture more of the international market for coal.

Coal is forecast to become our leading export commodity within 20 years but it must be competitively priced to fulfill this forecast.

Yet some forecasters contend that increases in the price of export coal due to deregulation of rail transportation could reduce U.S. overseas coal sales by 30 percent—or 450 million tons—between 1983 and 1990.

The projected foreign market for U.S. steam coal is immense. In Europe, coal use is projected to increase from 46.1 million tons in 1979 to 122.2 million tons in 1990—an increase of almost 265 percent in 10 years.

In Japan, Korea, and Taiwan, the estimates are that steam coal use will grow from 13.9 million tons in 1979 to 80.5 million tons in 1990—an increase of almost 600 percent in the same 10-year period.

But U.S. coal currently suffers from price disadvantages of 15 to 40 cents per million Btu's in the European market and 30 to 60 cents per million Btu's in the Pacific market in comparison with our South American and Australian competitors.

Thus, for the present, the security of the United States as a source of coal and the desire of Europeans, who are planning a decade ahead, to establish buying power here early, have offset successfully our higher delivered cost of coal.

But how long can this continue?

Importers are becoming increasingly concerned about the lack of competition in the transportation of coal.

On September 19, 1980, Dr. Carrol L. Wilson, director of the World Coal Study, testified before the Energy and Minerals Resources Subcommittee of the Senate Committee on Energy and Natural Resources in a hearing on coal exports. In reporting on the concerns about the United States expressed by steam coal importers in Europe and the Far East, Dr. Wilson reviewed some of the fears that had been expressed to him, stating:

"They also see a rail domination which would exclude supply by alternative systems such as slurry pipelines." (P. 262 of the transcript.)

Concerns about railroad pricing strategies under the Staggers Rail Act and the general dominance of U.S. coal transportation by the railroads were expressed by several of the European witnesses who testified before the same subcommittee on November 10, including particularly the witnesses from Belgium, France, Finland, and Italy. Similar concerns were expressed on December 1 by witnesses from the Pacific rim countries.

What assurances must we provide importers in order to secure a sizeable share of the international market for the long-term?

My Answer is that we must create a climate conducive to healthy competition in the delivery of coal. We must enable coal slurry pipelines to compete with railroads and barge transportation for the delivery of domestic coal.

THE NEED FOR LEGISLATION AND THE COAL PIPELINE ACT OF 1981 (H.R. 4230)

H.R. 4230 passed the Interior Committee on Dec. 7, 1981, by a vote of 21-20. It passed the Surface Transportation Subcommittee on Public Works by 17-14. Hearings are now being conducted in the Senate. The administration's position on the legislation is unclear, although Secretary Watt testified before our committee against the bill as a State's right on the ground of a State's rights issue.

In H.R. 4230, the Congress finds that the construction of coal pipelines is a beneficial public use that justifies granting Federal eminent domain for certified pipelines.

The bill specifically provides that coal pipelines certified by the Interstate Commerce Commission as serving the public interest may acquire rights-of-way over private lands by exercise of the power of eminent domain in Federal or State court. (State and Indian trust lands are excluded.)

Rights-of-way over Federal lands may be granted by the Secretary of the Interior but no right-of-way may be acquired over land which is part of a historic site, wilderness, or wildlife refuge unless there is no feasible and prudent alternative.

Pipeline carriers holding certificates from the ICC must be common carriers, providing service on reasonable request and not discriminating in its contracts.

The Secretary of Transportation is empowered to issue regulations establishing Federal standards for safe construction, operation, and maintenance of coal pipeline facilities.

WATER—WATER LANGUAGE IN H.R. 4230

In acting to provide coal slurry pipelines the right of eminent domain, we in Congress have been especially careful to assure that the States retain complete authority over the appropriation of water for pipeline use.

I have been particularly active in advocating water language in the proposed legislation to protect States rights.

The water provision that I helped draft is in H.R. 4230 which passed the Interior Committee in December:

It states that the granting of a certificate of public convenience and necessity for a coal slurry pipeline by the Interstate Commerce Commission will not convey with it any right or claim to water rights.

Water rights must be obtained in accordance with State substantive and procedural law.

Further, it explicitly states that the granting of the Federal right of eminent domain will not in any way affect State law or interstate compacts.

The water provision is designed to prevent the Interstate Commerce clause of the Constitution from being invoked to prevent a State from conditioning permits or terminating rights to water once a pipeline has begun operations across State boundaries.

In my view, and in the view of attorneys who have examined this language, no stronger or clearer language could be devised to preserve the States' prerogative than that which is in this provision. Secretary Watt also expressed this view in his testimony before the House Interior Committee.

The only weakness in the water provision of H.R. 4230 is that which is common to any piece of legislation. Congress may at any time change its mind, amend the law and invoke the Interstate Commerce clause under the Constitution to regulate or claim water rights in place of the States. Only an amendment to the Constitution can change this fact.

With each State in full command of its water resources, in cooperation with other States, and without Federal interference, I believe the agreements hammered out between the States and private enterprise with regard to water still have the best potential for meeting the needs and protecting the interests of our citizens both locally and nationally.

THE NEED FOR LEGISLATION—STATE LEGISLATION NOT SUFFICIENT

Twelve States, including Utah, have specifically granted coal slurry pipelines the necessary eminent domain authority. But even if all States passed such legislation, the eminent domain problem may still not be solved. (States with eminent domain legislation: Florida, Louisiana, Arkansas, North Carolina, North Dakota, Ohio, Oklahoma, Texas, Utah, West Virginia, Wyoming, and Colorado.)

In some States, it is not clear whether a coal slurry pipeline can meet the "public use" standard, which is a prerequisite to the exercise of eminent domain, if the pipeline would merely pass through the State and not supply coal to utilities in the State or serve coal mines within the State.

Our previous experience indicates that this legal deficiency in State legislation once presented an insurmountable problem to natural gas pipelines (as it might for coal slurry pipelines) even though the 1938 Natural Gas Act provided for certification of natural gas pipelines by the FPC that they would serve the public interest. The 1938 act had to be amended by Congress in 1947 in order to provide for full eminent domain authority to interstate natural gas pipelines which did not serve every State which they passed through.

In order to have a national network of natural gas pipelines, Congress had to step in at the Federal level just to remove the legal difficulties encountered in dealing with various States with individual statutes containing special requirements, many of which are often times inconsistent with those of neighboring States.

LITIGATION COSTLY

It was just such a situation that gave rise to the Commerce Clause of the U.S. Constitution. Congress was given the power to regulate commerce among the several States so it could step in and resolve interstate transportation and trade conflicts where it was in the national interest to do so.

That preeminent authority is there to be used especially when it is clear that the costs in terms of time and money of dealing with the several States and local and private interests on their own terms outweigh the public benefit which would be reaped by congressional action.

Well, we have followed a policy of congressional restraint on coal slurry pipeline legislation. We have waited to see if interstate coal slurry pipelines could not make their own way through the bevy of parochial interests without interference from the Federal Government.

What do we have to show for it? We think we might now have the ETSI Coal Pipeline from Gillette, Wyo., to Little Rock, Ark., and Baton Rouge, La.—at least as far as rights-of-way are concerned. But at what cost? Seven years of litigation and 65 lawsuits at a cost which will be ultimately paid by the consumer.

Now that ETSI has established court precedents, what need is there for Federal legislation? The sad fact is that in the ETSI cases, ETSI simply obtained the right to negotiate with the owners of the property to be crossed for subsurface easements where railroads had only surface easements. These precedents will not serve to overcome railroad resistance to granting rights-of-way across rail lines in the West where railroads own the land in fee or in the East where they own their rights-of-way. The ETSI cases do not, therefore, resolve the problem caused by private interests in refusing to grant rights-of-way nor do they reduce the amounts of time and money which can be anticipated in obtaining rights-of-way through numerous States.

PRECEDENT FOR FEDERAL EMINENT DOMAIN

What is at issue here is whether coal slurry pipelines should be accorded the kind of treatment that fostered development of all other modes of energy transport—positive action by the Federal Government to clear away obstacles to the construction of an interstate delivery system.

SURFACE TRANSPORTATION

The Nation's railroads were fostered by massive Federal assistance, in their early years by grants of land for rights-of-way, today by subsidies, loan guarantees, and other incentives.

The three land-grant railroads, in addition to gigantic holdings of land in fee, received a specific grant of Federal eminent domain in the 1860's.

Trucks use Federal highways.

Barges operate on waterways built and maintained by the Government.

Coastal shipping is protected by U.S.-flag law and calls at ports developed and maintained by Federal funding.

SUBSURFACE TRANSPORTATION

Back in 1941, with passage of the Cole Act, the Congress granted the right of Federal eminent domain to oil pipelines, persuaded that this was the only way long-distance petroleum transport by this efficient, reliable, continuous mode could be realized. In 1947, the Congress extended Federal eminent domain to natural gas pipelines.

Finally, the transportation of electricity: Certain long-distance electric transmission lines also are covered by Federal eminent domain.

In short, every mode of transportation for every form of energy has been covered by Federal law and/or assisted by Federal policy—except coal slurry pipelines.

COAL SLURRY AND RAILROADS

Let me address the railroad/coal slurry controversy by making the point that I consider myself pro rail. I want a strong, viable, competitive, and profitable railroad system. I believe, however, that in the long run, the combined efforts of deregulation and more competition will be healthy for railroads.

Some rail carriers fear that creme-skimming by pipelines operating along choice routes will occur and that railroads will lose revenue from competition. Loss of these revenues will threaten financial viability due to their large fixed investments.

I believe, however, that expanding markets will support both railroads and pipelines and the public will benefit by healthy competition.

It is now projected that coal shipments will approximate 1.4 billion tons in 1990.

As of 1980, the railroads were moving about 500 million tons of coal per year. Today, the figure is closer to 550 million tons.

By 1990, the railroads are expected to be moving between 700 and 800 million tons of coal which is roughly the total coal production in the United States today. (NCA.)

Eight major coal slurry transportation projects are in various stages of development: six of which are in the West. These are projects that have been publicly announced, with routes at least generally defined and annual capacities projected, and backed by companies that have invested substantial amounts of time and money in feasibility studies.

Assuming that all presently planned and existing slurry pipelines are operating at their maximum projected capacities, in 1990, they would be handling approximately 170 million tons.

Further assume that coal hauling by trucks and barges, which in 1979 accounted for approximately 260 million tons, increased by 50 percent by 1990, to 390 million tons.

The coal shipping situation in 1990 would then be: Total coal shipped—1,400 million tons; by pipeline—170 million, by trucks/barges—390 million (560 million tons); railroad potential—840 million tons.

Thus, assuming all of this, railroad coal hauling would increase by 355 million tons. The increase for railroads would be more than twice the total handled by coal pipelines.

In 1990, coal pipelines would account for—at most—12 percent of all coal shipped in the United States. Railroad could handle at least 60 percent.

I don't believe that coal slurry pipelines will displace railroads as America's principal transportation system for coal in the foreseeable future—or indeed, at any point.

Health competition in the transportation of coal can only benefit the public. With deregulation now of railroads, railroads can compete without disadvantage.

CONCLUSION

The bottom line is—we need to set our sights on national priorities and one of those priorities is energy independence achieved within the context and with all the resources of a competitive free enterprise system.

In pursuing this goal, we cannot afford to allow parochial interests impede healthy competition which is in the national interest.

"Hell hath no fury like a vested interest masquerading as a moral principle."

It is our responsibility in Congress to rise above those forces which would compel us to side with one interest or another which naturally seeks its own advantage. Rather, we must seek the long-term, best interest of the American people holding in trust, as we do, their future security and economic well-being. In seeing to it that economic competition proceeds fairly, ever moving toward the best interest of the American people as a whole, I believe we in Congress will have discharged that duty faithfully with passage of the Coal Pipeline Act of 1981.●

FINANCIAL STATEMENT—1981

HON. GERRY E. STUDDS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. STUDDS. Mr. Speaker, I insert in the RECORD a copy of my 1981 financial statement:

PART I—SUMMARY OF 1981 INCOME

Salary	$60,862.50
Dividends—See Part II for detailed explanation	1,116.47
Interest—See Part III for detailed explanation	795.60
Newspaper fee—Los Angeles Times, for column written	150.00
Total income	62,724.57

PART II—DIVIDEND INCOME, 1981

Security (Number of shares or face value):	*Income derived*
40 Burlington Industries	$60.80
347 Exxon	1,040.00
$402 Tucker, Anthony Cash Management Fund	15.67
Total	1,116.47

PART III—INTEREST INCOME, 1981

Bonds:	*Income derived*
$3,100 Loew's Theater 6⅞% Debenture	$213.13
$3,333 U.S. Treasury 12%, due 5/15/87	464.58
Savings	
First National Bank of Cape Cod	36.33
Cape Cod Five Cents Savings Bank	41.35
First National Bank of Boston	40.21
Total	795.60

PART IV—ASSETS

1. Beatrice Studds Irrevocable Trust: My brother, Colin A. Studds, my sister, Mrs. Howard Babcock, and I have placed the following securities—owned jointly by the three of us—in an irrevocable trust for our mother, Beatrice Studds, with my brother as trustee. All income from these securities goes to our mother for as long as she shall live. My brother, my sister, and I each own one-third of the securities—and they will revert to us upon the dissolution of the trust at our mother's death. The following represents my one-third interest in the trust.

Colin A. Studds III, Trustee Beatrice Studds Irrevocable Trust, Under Agreement Dated Aug. 1, 1973

(Market value as of May 5, 1982)

Security (Number of shares or face value):	
$5,000 U.S. Treasury 13.875% note, due 11/15/88	$5,000
$3,333 Wang Labs 10% Conv. Deb., due 11/15/2006	3,468
Common stocks:	
133 West Point Pepperell	3,059
66 Xerox	2,310
100 Square D	2,800
60 Gulf Oil	1,860
67 W. R. Grace	2,680
100 Middle South Utilities	1,350
50 General Motors	2,150
50 IBM	3,250
200 Washington Energy	2,800
40 A.T. & T.	2,200
(50 Dupont sold 11/16/81 for $1,916; 60 International Paper sold 10/9/81 for $2,362; 50 General Electric sold 8/7/81 for $2,977; $3,333 U.S. Treasury 8⅜% note, due 8/15/2000, sold 8/7/81 for $2,063.)	

2. I own the following securities:

(Market value as of May 5, 1982)

Security (Number of shares or face value):	
Bonds:	
$3,100 Loew's Theater 6⅞% Debenture	$1,705
$3,333 U.S. Treasury 12%, due 5/15/87	3,166
($1,666 U.S. Treasury 7⅝%, due 2/15/2007, sold 8/11/81 for $993.13)	
($3,333 U.S. Treasury 8¼%, due 5/15/88, sold 8/11/81 for $2,452.08)	
Common stocks:	
40 Burlington Industries	920
347 Exxon	10,069
Tucker, Anthony Cash Management Fund	402

3. Our family home in Cohasset, Mass., with an estimated market value of approximately $115,000 is owned jointly by my brother, my sister and me. My interest in the house, therefore, is roughly	38,333.00
4. Savings Accounts:	
a. NOW account, First National Bank of Cape Cod	374.73
b. Savings account, Cape Code Five Cents Savings Bank	143.00
c. NOW account, First National Bank of Boston	1,260.00
5. One bedroom cooperative apartment, Washington, D.C., estimated market value	175,000.00
6. 55% Share in undeveloped lot, Provincetown, Mass, estimated market value	47,000.00
7. Two room condominium apartment, Provincetown, Mass., estimated market value	85,000.00

8. 1975 Chrysler Newport Sedan.
9. 1974 Saab.

PART V—LIABILITIES, 1981

1. Mortgage, one bedroom cooperative apartment, Washington, D.C., approximately	$17,800.00
2. Secured loan, Rockland Trust Co., Rockland, Mass., approximately	46,600.00
3. Mortgage, condominium apartment, Provincetown, Mass., Cape Cod Five Cents Savings Bank, approximately	46,400.00
4. Home improvement loan, Cafritz Co., Washington, D.C., approximately	1,200.00
5. Secured "bridge" loan, Rockland Trust Co., Rockland, Mass.	44,000.00
6. Loan, Sergeant-at-Arms Bank, House of Representatives	13,200.00

PART VI—1981 TAXES PAID

1. Federal income tax	$7,352.00
2. Massachusetts income tax	1,872.00
3. Local property taxes	2,806.99
4. Automobile excise and personal property taxes	66.00
Total taxes	12,096.99●

EASTERN CONNECTICUT'S OUTSTANDING SCORE VOLUNTEER

HON. SAM GEJDENSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. GEJDENSON. Mr. Speaker, this week was proclaimed "National Small Business Week" so that we can show our due appreciation to the men and women who employ millions of Americans, who provide the innovation needed to fuel our production capacity, and who comprise the basic structure for economic growth.

In the spirit of this special week, I would like to call my colleagues' attention to Mr. Edward McClory, a resident of Uncasville, Conn., who gives his total energy and talents to the betterment of his fellow man, his community, and society.

As chairman of the SCORE/ACE chapter in Norwich, Mr. McClory heads a group of retired and active business owners who volunteer their services to residents of eastern Connecticut. The SCORE/ACE team offers, on a continuing basis, the background experience and technical know-how needed to assist owner-managers of small businesses in identifying basic management problems and their causes. With the help of these volunteers, businessmen are able to develop solutions and to achieve efficient, profitable business operations.

In addition to his outstanding services as chairman of SCORE/ACE, Mr. McClory conducts workshops, on a monthly basis, at Mohegan Community College. These workshops deal with topics of interest to the area's small

business, and several hundreds of people have benefited from his effort.

After a career in the armed services, Mr. McClory retired as colonel, USAF, in 1965. Since his retirement, he has pursued a long and meritorious record of service to the community. In addition to his work with the SCORE/ACE chapter, Mr. McClory serves as selectman in the town of Montville, Conn.; he is a member of the board of directors of the Southeastern Connecticut Tourism District; he is on the board of directors of the Community Service Credit Union in Groton, Conn.; he is active with the Easter Seals Society.

Edward McClory contributions to the small business community—and indeed to all residents of eastern Connecticut—are immeasurable. Small business is characterized by service and progress, both of which are exemplified by the work of this outstanding citizen.●

SHALES INTERVIEW

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. PHILIP M. CRANE. Mr. Speaker, a transcript of a recent WRC-Radio show conducted by Pat Buchanan and Morton Kondracke has been brought to my attention. The two newsmen interviewed Washington Post TV critic Tom Shales relative to his review of the Bill Moyers' "People Like Us" on CBS.

In his Washington Post review, Shales contended the "People Like Us" show had the effect of altering "one's image of President Reagan from that of a well-meaning boob to something more along the lines of a callous cad." One wonders why this political observation wasn't on the Washington Post editorial page rather than in the section covering television. During the interview, Shales conceded he did not check with the White House to give the administration an opportunity to respond or to attempt to explain the administration's viewpoint.

In the course of the WRC-Radio interview, Shales was asked about the factual accuracy of the Moyers show. He sidestepped this question with the incredible reply that something called "emotional truth" overrides the facts. Now I must confess that the plain truth can at times be fairly elusive, but this new critter, "emotional truth," for all the world appears to be an early installment on Orwellian Newspeak. Mr. Speaker, I think the time has long past when we should set aside both partisanship and "emotional truth." The news media has an obligation to present the facts so that the public can arrive at something close to the truth. But in the case of "People Like Us," any reasonable observer would be offended by the tendentious arguments put forth. The plain fact of the matter is that Ronald Reagan is neither responsible for the plight of the poor in this country nor has his economic program added to their misery. To imply otherwise, as does this TV show and its review in the Washington Post, is an exercise in what is at best misinformed—and at worst malicious—mendacity. Mr. Speaker, I include the transcript of the Shales interview in the RECORD:

[From the Washington Post, Apr. 21, 1982]

TV PREVIEW: THROUGH THE SAFETY NET—THE VICTIMS OF REAGAN'S ADMINISTRATION

(By Tom Shales)

Tonight's edition of "CBS Reports," "People Like Us," could mark a turning point in American public opinion toward the Reagan administration and its cavalier treatment of the poor. This could be the most influential network documentary since "Teddy," the 1979 Roger Mudd interview that effectively killed Sen. Edward M. Kennedy's chances for the Democratic presidential nomination the following year.

Though probably not intended as a direct attack on administration policies, the effect of "People Like Us" is to alter one's image of President Reagan from that of well-meaning boob to something more along the lines of callous cad.

Neither Reagan nor any of his army of gray spokesman and ax-wielding henchmen is seen on the report—at 8 on Channel 9—but it is difficult to watch the program's four stories of hardship and destitution and not invoke the visual memory of the president romping in the surf outside Claudette Colbert's house in Barbados, and the distressing symbolism that goes with it: The president splashes about in the lap of luxury while Americans go hungry. Even the people on this program, victims of Reagonomics all, are reluctant to say a word against him, but the program leaves one feeling that a very fragile bubble is just about to burst.

"These are people who have slipped through the safety net and are falling away," says correspondent Bill Moyers in his introduction. "In the great outcry about spending, some helpless people are getting hurt. No one knows how many." But the number of people isn't the issue. What is happening to those profiled shouldn't be happening to anybody, anywhere, and most of all, not here.

This program is a killer. Perhaps some of official Washington will be able to tear itself away from its white wine long enough to watch it. It tells its four stories eloquently and powerfully.

The first is about a man with cerebral palsy who lives with his wife and four children in Ohio and was dropped from the Social Security disability rolls, as part of Reaganesque cost-cutting measures, last year; bureaucrats decided without examining him, that he was suddenly fit to take a desk job. The man almost weeps as he vows to Moyers that he will not give up his home in spite of the new crisis. In one heart-wrenching sequence, the camera captures the humiliation and degradation in the faces of the man and his wife as they sit quietly while a welfare worker phones a local charity in an effort to get them some hand-out food.

In New Jersey, a Hispanic woman who works part time, and who has a 13-year-old son who needs major surgery to avoid developing cancer, has been dropped from welfare and Medicaid as part of the new Reagan blood bath. The woman finds she is actually going to be penalized under revised rules for having gone back to work, so she is forced to quit her job and go back on welfare full time.

In Wisconsin, Moyers talks to the mother of a 13-year-old girl who has suffered two strokes and lies speechless in a coma. Because of Reagan-mandated changes in Medicaid rules, the girl must be taken from her home and the care of visiting nurses and placed in an institution. The camera is there on the day the child is taken away, as the mother cries, "I just can't take it." A nurse says of the insensitivity that caused this tragedy to occur, "It's going to make enemies out of our own people."

Finally, in Milwaukee, Moyers visits a church which provides food for the downtrodden and has seen the demand for such charity double in the past year. This would seem an example of Reagan's oft-invoked private sector moving into the breach left by the government's abdication of responsibility to the disadvantaged. But a volunteer at the church notes of the Reagan economic czars, "They're asking the wrong people to sacrifice."

Father Steve Gliko, who supervises the volunteer program, tells Moyers, "It's unfair to put any poor person in the precarious situation of having to depend on the generous whims of the wealthy." Moyers quotes the Reagan contention that the "truly needy" are being provided for. "The American citizen who can say that," Gliko responds, "is blind."

The program also puts the lie to the pet Reagan myth that if we can just eliminate welfare cheating, everything about the economy will be hunky-dory (and we'll be able to afford Reagan's trillion-dollar defense budget). Moyers says far more revenue is lost through under-reporting of income to the IRS than through welfare cheating, that the government is bilked out of seven times the welfare budget by tax cheating each year. A lawyer retained by the Ohio man with cebreal palsy says of welfare money, "The people who are the so-called cheats are the ones that are still getting it. They are the ones who know how the system works."

Moyers is such a skillful and resourceful journalist that it is difficult to pinpoint his strongest suit; he wrote the script for the program with producer-director Judy Towers Reemtsma. But where he shines most is probably in the interviews with the victims, whom he never patronizes. Moyers has his detractors, and even his fallibilities, but damn, he's good. He may be The Best.

"People Like Us" was brilliantly shot by Tom Spain and Rick Thompson, and edited by Merle Worth. This documentation of a shameful moment for America constitutes another proud hour for CBS News and, especially, "CBS Reports."

PROGRAM: BUCHANAN AND KONDRACKE

STATION: WRC RADIO

SUBJECT: TOM SHALES

Date: April 22, 1982, 6:35 p.m., Washington, D.C.

PAT BUCHANAN: Tom Shales, Washington Post yesterday, Wednesday, April 21st said, coming away that program leaves one feeling that a very fragile bubble is just about to burst. The bubble being, I guess, the Reagan Administration or Mr. Reagan's reputation is an amiable boob.

Right now let's talk to the man who made that statement, Tom Shales.

Are you there, Mr. Shales?

Tom Shales. Yes.

Buchanan. Good to talk with you.

Did you watch it again last night?

Shales. No. I'd like to see it again some time but I didn't see it last night.

Buchanan. Do you still think 48-hours—or, I guess 24-hours after you wrote that it's going to have all that dramatic an impact?

Shales. Well, it may, Pat, because of the White House reacting so strongly to it. The overnight ratings showed that the program did no better than most documentaries, which is not very well at all.

Buchanan. It came in about 65th or something like that?

Shales. Yeah. Well, we don't know yet the national ratings. We just have city overnights and it got a 12 share. Well, a 30 share is considered good. So you see how badly it did.

Mort Kondracke. Well, if the White House—if—this is Mort Kondracke—if the White House's reaction is accurate, CBS seems to be guilty of at least two-thirds lousy journalism. I mean they—David Gergin said that the first case, that of the man—that he was a victim of a policy that had nothing to do with Pegan. The second—there was a girl who was a victim of a policy that was not a result of any Reagan change. And in the third case, the Hispanic woman was actually benefited by the safety net there . . .

[Unintelligible statement by Buchanan]

Kondracke. That it works.

So——

Shales. Well, I don't know. I can't argue that because I can't go out and report it all again for myself. I have to take CBS News and Bill Moyers at their word and their . . .

Kondracke. Why?

Shales. Because they're certainly as reputable as you can get.

Kondracke. But why do you have to take them at your word—at their word? Why couldn't you have taken the transcript or a cassette over to the White House and said, what's the truth about . . .

Buchanan. What's your answer on this? I mean ask the White House that.

Shales. That's not—I don't mediate disputes between the White House and CBS. That's hardly my job. My job is to report on my own reactions to something I see on the air and to pass those along to people in the hope that, you know, it'll inspire some other reactions.

Buchanan. Let me ask you this, Mr. Shales. You basically agreed with the thesis that Reagan is an amiable boob. Is that right? I mean, you said on your show—you said in your column, you did, now he's going to come off as a callous cad. I mean don't—didn't you come into this with your own sort of Washington Post opinion about Reaganomics and the Reagan Administration? And did this not sort of confirm what you think editorially?

Shales. I came into it with opinions but they're not Washington Post opinions. I don't have any Washington Post opinions that I know of. You know, I was born with a . . .

Buchanan. But you came into it with a bias against Ronald Reagan and his program, right?

Shales. I like Reagan personally. I have no political affiliations myself. I don't belong to any party. I was aware of other reports that made it look like this indeed is a government of the rich. And we're all aware of these reports. I mean, there've been lots of stories over the months and weeks.

Buchanan. What would you say if what Mr. Gergin told us true that, the first example, the fellow with the palsy—if anything happened to him it was the consequence of a decision taken by a Democratic Congress in the Carter Administration, not Mr. Reagan?

Shales. Yeah.

Well, I'd say it was terrible no matter who did it.

And I also think that the documentary works kind of as a portrait of people caught in the wheels of bureaucracy and it doesn't really matter who's the president except that . . .

Buchanan. I think that's a very valid point.

I think if Moyers had gone and showed—he said, look, despite the fact we've got a giant welfare state, here are three people who dropped through the cracks of bureaucracy.

But you would agree that that thing was targeted at Ronald Reagan?

Shales. No, I said that in my review that I didn't think it was. I don't think——

Buchanan. You said it in your review but you don't think it was?

Shales. I said I didn't—I think that's the way it would be perceived but I don't think it's the way it was intended. And there's a difference. It's the difference between implication and inference.

So I reported on how I reacted and the emotional responses that this program brought out in me. And I don't think necessarily that they sat down—I don't think at all they sat down and said let's get Reagan. I think they sat down and said, look at all these statistics. Why don't we go in and show the human side. Let's find people who illustrate . . .

Kondracke. OK.

The fact of the matter is that in the documentary the only public official that you have is Ronald Reagan on the whole program. You don't have Tip O'Neill standing there defending . . .

Buchanan. Right.

Let me ask you this, Mr. Shales——

Shales. But that's boring television. Believe me. Spokesmen . . .

Buchanan. Well, who cares about—it might be exciting to nail Reagan—let's take it—Mr. Shales—let's take Mr. Shales, an honest, open-minded fellow looking at this report and he comes off and saying, look, your impression of Reagan is an amiable boob, the guy comes off as a callous cad.

Now if Moyers had put material in there that is basically not accurate—it reflects decisions taken in the Carter Administration and things like that—and if they'd used information and material which is not complete or in some cases not true, to create the reaction with you about Ronald Reagan they did, is that not grossly unfair?

Shales. Well, you're making a lot of suppositions there, really.

Buchanan. Yeah, I'm making the supposition that what the White House told us was the truth.

Shales. Yeah.

The truth I don't know. And I mean any news report of any kind eliminates facts. You can't tell everything and you don't put everything in.

And the good thing about CBS Reports now is that they're doing shows with a point of view. The Defense of the United States had a point of view. And—I don't—if a point of view comes out of a partisan motive—a partisan political motive, then I agree with you. I think it's despicable.

Buchanan. Well, if——

Shales. What I'm doing is I'm taking them on faith that they don't have such motives. You assume they do. I kind of assume they don't. So obviously our reactions differ.

Kondracke. But you know, what do you make of the argument that there was no opportunity for the Administration to even see this thing in advance or to respond to, or to attempt to explain what the Administration viewpoint was on this?

Shales. Well, come now, Morton, if you were writing a piece about the Administration and they called up and asked to see it you sure wouldn't show it to them?

Kondracke. But I certainly would consult them.

Shales. Read it.

Kondracke. I would certainly go and interview them to find out what their argument was about they were—about what they felt they were doing.

Shales. No, it wasn't that kind of a show. It was a show about people, about specific people, specific case studies. It was not a show about policies or Administration spokesmen. And for good reason, because, as I said, that's deathly to watch on TV.

Buchanan. Now look——

Shales. Administration spokesmen——

Kondracke. But what is the purpose?

Buchanan. Wait a minute now. He says—wait a minute. You say yourself, Mr. Shales, this doumentation is of a shameful moment for America.

Shales. Well, so it seems from that report.

Kondracke. Well, doesn't—doesn't documentary television have some obligation to try to represent the facts of the world as they are in whole? This—emotionally this program said that the government of the United States is screwing poor people. And the——

Buchanan. And Reagan is responsible.

Kondracke. And by implication Reagan is responsible.

Now if this is journalism and not show business and some sort of emotional jolt [?] vision is there not some obligation to try to get some facts into this thing about what the whole context is in which this drama takes place.

Shales. Are you sure there was no context of that kind?

Kondracke. Where was the——

Buchanan. I didn't see it.

Kondracke. Administration reaction? Where was the attempt of the government to try to explain what the policies actually are?

Buchanan. That's what Mr. Shales—go ahead, Tom.

Shales. Well, I can only review what I said. It was a broadcast with a point of view and there was no real reason to have Administration spokesmen on the show. I just don't see how it fits in with what they were doing.

I mean television does appeal to emotions, it's not like newspapers. It is different.

I was talking to the producer of the documentary "Middletown" and I said on one episode, I said, now look, did these things happen exactly in this order? Because it looked kind of funny to me. He said, well, we're dealing with emotional truths here.

Now maybe that sounds like a buzz word but I think emotional——

Buchanan. Sounds like Costa-Graves.

Kondracke. Sounds like propaganda.

Shales. Yeah. No, no, no. I think there is such a thing as an emotional truth, especially when you're dealing with a volatile medium called television and it is a manipulative . . .

Buchanan. OK. Let's let Tom—you want to get the last—go ahead, Tom. We have to take a break. I'm sorry.

Shales. OK.

Buchanan. Thanks very much for taking the call.

Shales. Pleasure.●

NEW DEFENSE IDEAS IN VISTA 1999

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. GINGRICH. Mr. Speaker, the national press has taken notice of the ideas in the National Guard's VISTA 1999 Report. No wonder, since the ideas in the VISTA 1999 Report could offer a significant and prompt improvement in our military strength.

Charles Mohr's article in the New York Times, reprinted below, highlights one of those ideas. The Guard report, he observes, argues that the best force multiplier is more forces. This challenges the prevailing idea that smaller but theoretically more capable forces can cope with a large and well-armed opponent.

This point raised in VISTA 1999 is important for us to think about as we confront the defense debate in the House. We must decide whether we are better defended with a high cost force with shrinking numbers, or with a lower cost force with expanding numbers. The problem is, how can we know?

The VISTA 1999 Report's ideas ought to be closely looked at by us in Congress and by the Department of Defense. Only then will we know whether we are on the right or wrong path in our defense buildup.

I urge my colleagues to read Charles Mohr's article and to read the VISTA 1999 Report.

REPORT CRITICIZES U.S. POLICY ON ARMS

(By Charles Mohr)

WASHINGTON, April 14—A committee of National Guard officers has recommended a major shift in the nation's philosophy of weapons acquisition, away from complex and highly sophisticated systems and toward greater numbers of simpler weapons.

A debate has been underway among American military specialists and officials for several years on the issue of complexity versus simplicity in weapons. The advocates of complex weapons, who prefer to describe the issue as one of "quality versus quantity," have generally prevailed, as illustrated by high-cost weapons designs, such as the F-15 fighter plane and the M-1 tank.

The proponents of larger quantities of simpler, less costly weapons were seemingly reinforced by the conclusions and recommendations of a study group of 15 general officers of the Army and Air Force National Guards.

In December 1980 the Defense Department's National Guard Bureau asked the officers to examine the best way for the Guard to fulfill its role in any future military operations through the end of the century. The 77-page report, entitled "Vista 1999," was submitted to the Pentagon March 8 and was made public recently. The chairman of the Vista committee was Maj. Gen. Francis R. Gerard, chief of staff of the New Jersey National Guard.

FIGHTER PLANE CRITICIZED

The committee's report, which covers a wide range of subjects, including personnel and training policy, was especially provocative in the subject of weapons selection. It said the Air Force's A-10 air-to-ground fighter-bomber was too expensive, at $10 million to $12 million a plane, to permit an adequate battlefield force and was "too big, too slow."

The Guard officers said design studies by aerospace corporations showed that "a more lethal, more agile, more survivable" plane could be built for less than $3 million each. The committee said that such a plane should be very light, small and agile, as well as capable of great acceleration but not necessarily a high cruising speed.

The report also recommended that such a plane be armed with a relatively simple, rapid-firing 30-millimeter cannon rather than expensive and sophisticated missiles, such as the new infrared Maverick antitank missiles, which have been criticized as inaccurate. The Guard officers said that the 30-millimeter cannon was more lethal to tanks.

The report also called for the production of relatively simple air-superiority fighter planes, saying there was no need for radar-guided air-to-air missiles. In future conflicts, it contended, the so-called rules of engagement imposed by commanders would not allow pilots to fire long-range missiles at aircraft "beyond visual range." The F-15 and the Navy's F-14 are currently armed with such missiles.

HIGH COSTS ARE CITED

One argument advanced by the panel was that the ever-increasing costs of sophisticated aircraft made it impossible for the United States to purchase enough weapons to adequately equip the Guard units that would be mobilized in case of a major war in Europe or elsewhere. By ordering simpler weapons, the committee said, it would be possible to buy 750 attack planes and 670 air-to-air fighters for the Guard.

The report challenged the Air Force's rationale for selecting "quality" complex aircraft, at the cost of fewer numbers. It said that numerical inferiority would not be solved by high-technology "force multipliers," but rather by more "friendly fighters."

In recommendations pertaining to the Army National Guard the report made a similar case, criticizing what it called "the current trend of purchasing high cost, high-technology systems that have uncertain reliability and significant difficulties of maintenance above the operator level." It called for greater numbers of lower-cost weapons with proven 'here and now' effectiveness."●

H.R. 6046—THE EXTRADITION ACT OF 1982

HON. WILLIAM J. HUGHES

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. HUGHES. Mr. Speaker, on March 24, 1982, the Subcommittee on Crime, which I chair, reported to the full Judiciary Committee my bill, H.R. 6046, the Extradition Act of 1982. This bill represents the first comprehensive reform of the extradition laws in over a century. As it is with many attempts at comprehensive reform, this bill has generated a fair amount of controversy. I have previously included in the RECORD a brief description of the important features of the bill. See CONGRESSIONAL RECORD, December 15, 1981, at 31656. However, because of the large volume of mail from constituents of many Members on this bill, I felt it would be appropriate to answer some of the questions that come up most frequently.

What is the basic purpose of the bill? H.R. 6046 creates a modern and coherent set of procedures for the executive branch and the courts to use in processing requests by foreign governments for the return of persons accused of committing crimes in foreign countries. The United States has a treaty obligation to extradite such persons if the requirements of the treaty and international law are complied with.

Why is such legislation necessary? The current Federal law has not been comprehensively reviewed in over 100 years. Current law contains a large number of antiquated provisions and anomalies. For example, under current law neither the person being sought or the government can appeal an extradition decision. The bill cures this and other defects of current law in a manner that is generally acceptable to the Departments of Justice and State as well as to persons representing persons being sought for extradition.

Does the United States have a treaty obligation to extradited persons who are being sought for political offenses? All of the extradition treaties to which the United States is a party contain an exception to the extradition obligation for persons who have committed or are being sought for a political offense. This so-called political offense doctrine serves to guarantee that our Government will remain neutral with respect to the internal political disputes of foreign countries. Just as it would have been inappropriate for France to return George Washington to England for a criminal trial during the Revolutionary War, we should not be forced to take sides in another country's civil war. As a general matter, the political offense exception has been defined by the courts to include both free speech or political advocacy crimes as well as certain crimes of violence that are politically motivated.

Who decides whether a person is being sought by a foreign state for a political offense? Under current law this decision is left to the discretion of the courts. Under the provisions of H.R. 6046, as well as its predecessor bill, H.R. 5227, this question will be decided by the Federal courts. Current law is improved by the addition of legislative guidance as to the meaning of the concept of a political offense.

H.R. 6046 retains current law because the subcommittee concluded that there was a strong showing that the detachment and neutrality of the judiciary is necessary to preserve the political and human rights of persons being sought for extradition. Because extradition involves removal of a person, including U.S. citizens for trial in a foreign country upon a mere showing of probable cause, we felt that some rudimentary due process protections should be required.

The position of the administration on this issue is that the Secretary of State should decide—without any judicial review—whether a person being sought for extradition has committed a political offense. This position is embodied in S. 1639, and S. 1940, as introduced, by Senator THURMOND.

What relationship does the legislation have with a pending extradition treaty with the Philippines? The administration has negotiated, but has not yet officially sent to the Senate, an extradition treaty with the Republic of the Philippines. One of the provisions of the proposed treaty is that political offense questions are to be decided by the Secretary of State. Any conflict between this treaty provision and any domestic law would be decided according to which act occurred later in time. The administration has indicated to me informally that in the event that the House version of the Extradition Reform Act passes that the proposed extradition treaty with the Philippines will not be submitted until the decisionmaking authority on the political offense question has been changed to preserve the role of the courts.

What is the status of the legislation? H.R. 6046 has been successfully reported by the Subcommittee on Crime and is awaiting action in the full Judiciary Committee. S. 1940 by Senator THURMOND has been reported (see S. Rept. No. 97-331) and on April 19, 1982, was sequentially referred to the Senate Committee on Foreign Relations for 30 days. The Senate version of the Extradition Reform Act provides that the political offense question shall be decided by the Secretary of State using the legislative guidance as is found in the House bill. Unlike the original Senate bill, the bill as reported provides that the decision of the Secretary of State on the political offense question is judicially reviewable by an appropriate U.S. Court of Appeals using a substantial evidence test.

What other controversial issues are raised by this legislation? Some of the constituent mail has raised questions about three other issues relating to extradition. One concern relates to the potential unfairness of the criminal tribunal that the person will be returned to. Under a well-established rule of law, American courts have refrained from inquiring into the fairness of the court procedures to be applied in the foreign country. *Neeley* v. *Henkel*, 180 U.S. 109 (1901); *Gallina* v. *Fraser*, 278 F. 2d (2d Cir. 1960). This is not to say, however, that the person being sought has no protection from abusive treatment by the foreign country. First, we should enter into extradition treaties only with those countries with legal systems that provide some fundamental fairness. For example, we do not have an extradition treaty with the Soviet Union. To the extent that we have existing extradition treaties with countries with a less than perfect record concerning the protection of human rights, there are two other steps that can be taken. First, we can renegotiate such treaties, or if that is not possible, terminate the agreement. Second, the Secretary of State has broad discretion in deciding whether to proceed with the extradition request. Moreover, even if extradition is permitted by the courts, the Secretary can condition such person's return upon an agreement by the foreign country to treat the person in a particular fashion; for example, no trial by any ad hoc court.

H.R. 6046 preserves the current rule of noninquiry into the procedures used in the foreign state, but in light of the other safeguards, this approach remains viable. Any significant departure from this rule of noninquiry would inappropriately involve American courts in evaluating the fairness of other countries legal systems. Such a result would be nearly impossible to achieve without both embroiling our country in sensitive political judgments about the relative merits of other countries laws and mores. Decisions about whether or not to have an extradition relationship with a foreign state are best left to the treaty ratification process and the discretion of the Secretary of State.

Another concern raised in some constituent mail relates to the question of whether the courts should have some role in determining whether the person is being sought by the foreign country based upon political motives. A similar set of considerations apply here as with the rule of noninquiry. Judgments about the political context or motivation of the requesting state in making the extradition request have traditionally been left with the discretion of the Secretary of State. Unlike the political offense exception, which usually involves a subjective assessment of the state of mind of the alleged offender, the question of the motive of the requesting country involves a subjective evaluation of the state of mind of a foreign government. This type of judgment is not appropriate for judicial assessment. It is one thing to ask the courts to look into the motive of an individual offender, it is quite another matter to require them to make what are essentially foreign policy judgments. *Abu Eain* v. *Wilkes*, 641 F. 2d 504 (7th Cir. 1981), cert. denied, ——— U.S. ——— (1981); *Garcia-Gullerin* v. *United States*, 450 F. 2d 1192 (5th Cir. 1971); In re *Lincoln*, 228 Fed. 70, 74, aff'd per curiam, 241 U.S. 651 (1916).

What is the position of the administration on the House bill? The administration prefers to have the question of whether a person committed a political offense to be decided by the Secretary of State without any judicial review or jurisdiction.

The only other issue raised by the Justice Department relates to release pending an extradition hearing. Under current Federal law there is no statutory right to release pending an extradition hearing. The courts have pointed to their inherent power to justify the release of persons based upon a showing of special circumstances. *Wright* v. *Henkel*, 190 U.S. 40, 62-63 (1903). The subcommittee concluded that the standards for release under current law should be clarified. As a result the provisions of H.R. 6046 permit a person being sought for extradition to apply for prehearing release. The bill recognizes the fact that the United States may not have sufficient information about the person being sought at the time of the initial request because the dejure complainant is the foreign government. Thus, for the first 10 days after arrest, the burden of proof is on the person being sought to establish that he or she can be released without risk. After the expiration of 10 days, or the receipt of a complete set of information from the foreign government, the burden of justifying detention is on the government.

H.R. 6046 does not apply the same bail rules or procedures as are used in domestic criminal cases. Our treaty obligations impose a legal duty on the United States to make our best efforts as securing the return of alleged fugitives. The failure to return such persons because of flight from an extradition hearing could have deleterious consequences both in terms of treaty compliance and—as a practical matter—with respect to subsequent American extradition from that foreign country.

The differences between extradition cases and domestic criminal cases is recognized in the legislation in two important ways. First, the bill provides for a shifting burden of proof based on the likelihood of information being available. Second, the courts are instructed not to release a person being sought for extradition if such a person is: a flight risk; a danger to the community; or such release would jeopardize an extradition treaty relationship with a foreign state.

The Department of Justice apparently would prefer to have the burden of justifying release always remain with the person being sought for release. This preventive detention approach seemed to the subcommittee to tip the balance of liberty considerations too far against the individual. In addition, the subcommittee felt that the release considerations outlined above sufficiently took into account the unique nature of extradition proceedings. Finally, the inclusion of a Government right to appeal release decisions should eliminate the possibility of erroneous release decisions.

What are the differences between the bill as originally introduced, H.R. 5227, and the bill as reported by the Subcommittee on Crime, H.R. 6406?

First, a new section 3197 on transit extradition has been added at the suggestion of the Justice Department. This section provides that the United States may cooperate with the movement of persons through the United States to assist extradition to a third country.

Second, a new subsection (f) is added to section 3199 to authorize the Supreme Court to issue rules of practice and procedure.

Third, several minor changes are made to make clear the intention of the drafters that the Secretary of State has an adequate period of time to evaluate claims that a person found extraditable by the court should nonetheless not be extradited for some other reason.

Fourth, the requirement of dual criminality is amended to provide that, in addition to requiring that an offense that is the basis for an extradition request is a violation of the criminal law of both countries, the alleged criminal conduct must also be the subject of serious penal treatment. The amendment requires that the crime for which extradition is being sought be punishable by more than 1 year in jail—when the person is to be prosecuted—or 6 months in prison—if the person has already been convicted and is being returned to serve a sentence.

Fifth, an amendment to limit the use of provisional arrests to 60 days, regardless of whether the extradition treaty provides otherwise.

Sixth, three amendments are made to improve the procedure for decisionmaking with respect to determinations on the political offense exception: To allow either party to move to have such cases decided only by the district court; to preclude the introduction of political offense exception evidence until the person being sought is found otherwise extraditable, and to place the burden of proving the application of the political offense exception on the person being sought by a preponderance of the evidence.

Seventh, an amendment to set forth criteria to be used by the Secretary of State in assessing the order of priority to give to competing extradition requests for the same person.

Eighth, an amendment to the general provisions, section 3199, to clarify the statutory release criteria for persons awaiting an extradition hearing.

Any Member wishing to obtain further information on this bill should contact the staff of the Subcommittee on Crime; majority—51695, 207 Cannon or minority—57087, 111 Cannon.

The description referred to follows:

EXTRADITION REFORM

Mr. HUGHES. Mr. Speaker, today I am introducing a bill to reform the laws of the United States with respect to extradition. Current extradition laws have been on the books for well over a century and have never been reviewed in a comprehensive fashion. According to both the Departments of Justice and State and leading practitioners and academics, these provisions are not adequate in dealing with international crime control. The bill I am offering for introduction is designed to facilitate reform in this area. The Subcommittee on Crime, which I chair, will hold a hearing on this bill in the near future.

Increased ease and frequency of intercontinental travel has created international law problems that were unforeseen by the Congress of the 19th century. In recent years there has been a dramatic increase in the number of extradition requests made by foreign countries for terrorists and for persons involved in drug trafficking. Improved international cooperation in prosecuting these types of offenses will very likely produce an even greater level of extradition demands in the future. The current procedures carry forward the anomalies of a bygone era. The inconveniences caused by these statutory deficiencies are relatively minor now, but are likely to cause major problems in the future.

In addition, the United States has undertaken negotiations and executed new extradition treaties that cannot be fully implemented under present law. The modernization of extradition procedures would be an important step forward in implementing these international obligations.

This bill has been developed with the assistance of the Departments of Justice and State. Many of the ideas for reform in this area have come directly from their suggestions. Among the suggestions made by the administration that have been incorporated are the following:

First, require that the Attorney General act as complainant in extradition matters. Under current law a foreign government—or someone claiming to be acting on behalf of such government—can initiate an extradition proceeding. The suggested change is recognized practice in virtually every other country. The proposed change will also avoid foreign policy problems that arise under current law.

Second, permit an arrest warrant to be issued when the location of the fugitive is not known. This procedure will facilitate the efforts of law enforcement in locating persons sought for extradition, including suspected terrorists.

Third, permit the commencement of extradition proceedings upon the issuance of a summons. This procedure is appropriate when the fugitive's location is known and the risk of flight is small. This procedural device will also save money.

Fourth, set standards for the release of a person sought for extradition. Under current law there is no explicit treatment of the question of when and whether to release a person sought for criminal activity by a foreign government. The absence of statutory criteria for use by the courts has produced some inappropriate results. The proposed release criteria takes into account the dangerousness of the accused person, ties to the community, seriousness of the offense, and the need to honor our solemn treaty obligations.

Fifth, permits fugitives to be temporarily extradited to the United States for trial and sentencing. This change will assist law enforcement by allowing timely disposition of violations of American law. Under current law we would have to wait until any foreign sentence was served.

Sixth, establishes the right to counsel of accused persons and authorizes the appointment of counsel for indigents.

Seventh, clarifies the requirements of double criminality. International law and our extradition treaties require that the offense that is the subject of the proceeding be an offense in both the requesting State and the United States. The bill clarifies current law by providing that the alleged offenses must be an offense similar to a crime against: A majority of the States or the United States; the United States; or against the laws of the State in which the suspect is found.

Eighth, permits either party to appeal the decisions of the district court. Under current law neither side may appeal. As a practical matter, however, the defendant can obtain review through habeas corpus proceedings, and the Government by commencing a new proceeding. Direct appellate review will be more efficient.

Ninth, clarifies or codifies current extradition practices and sets forth clear procedures for use by the courts and the Attorney General.

There is one area where the bill differs from the previous recommendations of the Departments of Justice and State; treatment of the political offense exception and the application of defenses to extradition. Under current law virtually all of our extradition treaties provide that the United States does not have an obligation to return an alleged offender who has committed a political offense. The Federal district courts generally make this determination under current law. The administration wants to change this practice to vest these determinations in the discretion of the Secretary of State.

The bill I am introducing leaves the authority for making decisions about political offenses with the independent judicial branch. While there are legitimate concerns about the possible adverse consequences of the current practice on the political offense question, I believe they are adequately addressed in the bill. The bill sets forth for the first time in Federal law clear statutory criteria for the courts to use in determining a safeguard against possible abuse by guaranteeing the Government the right to appeal. These two changes should resolve most of the objections the affected agencies have to current law. If the witnesses at our forthcoming hearings offer persuasive reasons for modifying the current law, then such a change in the bill will be made. I am confident that any bill that emerges will fashion an appropriate balance between the rights of the accused and the foreign policy needs of our Government.

I extend an invitation to interested parties to comment on this bill. Comments or requests to testify should be made to the Subcommittee on Crime, 207 Cannon House Office Building, Washington, D.C. 20515 or telephone: 202/225-1695.

SCOUT MEDAL OF HONOR PRESENTED TO FREDERICK (PETE) VEY III

HON. BILL CHAPPELL, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. CHAPPELL. Mr. Speaker, this Saturday I will have the privilege of presenting a Scout Honor Medal for Lifesaving to Frederick (Pete) Vey III, who resides in my district, and I would like to share with my colleagues the great courage and bravery exhibited by this young boy.

On December 14, 1980, Pete started out for school, walking with his grandmother, Mrs. Gertrude Marsh, and her small poodle. As they reached the schoolbus stop, a large German shepherd suddenly began to attack the poodle, which Pete's grandmother was holding in her arms. Immediately, young Pete jumped between the attacking dog and his grandmother and kept the German shepherd from causing her harm. Peter risked his own life in order to protect the life of another and fulfilled the Cub Scout motto which says, "Do your Best." The Scout Honor Medal for Lifesaving has only been presented three times this year by the Boy Scouts of America and is the first to go to a Floridian in more than 2 years. Saturday, Pete will receive this special honorary medal and will be the highlight of "Scout World '82" at the Naval Air Station in Jacksonville, Fla.

Today we are painfully aware of the difficulty in getting people to lend a hand to their fellow citizens. We are constantly being told that the American people have grown apathetic and do not believe that a lone individual can change the course of events. However, I believe that this 9-year-old boy's courage and bravery represents the true and valor that breathes in the hearts of all Americans, regardless of age. We are, indeed, a fortunate country when we are blessed with young people such as Pete Vey. His action stands as a source of inspiration for his parents, community, fellow Scouts and classmates and will certainly continue to serve as an example for us all.●

NATIONAL POLICE WEEK

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. BIAGGI. Mr. Speaker, once again another "National Police Week" is drawing to a close with very little public notice. As a 23-year veteran of the New York City Police Department, I am deeply grieved by this fact, because plain and simply, our Nation's police officers deserve better.

At a time when our Nation's 528,000 law enforcement officers are being asked to strengthen the front line of defense against our growing crime problem—all too often at the expense of their own lives—they deserve the support and recognition that "National Police Week" was intended to provide.

Clearly, no such occasion could fully acknowledge the supreme sacrifice unselfishly made by the law enforcement community, particularly by those 1,147 police officers who were killed in the line of duty during the past decade. However, we can and should * * * express our gratitude for the vital services they have provided * * * pay tribute to those who have died * * * and focus attention on the need to better protect those who continue to protect us.

Earlier this year, we were informed that the U.S. crime rate leveled off in 1981 for the first time in 5 years. This included an 8-percent drop in arson crimes, a 4-percent decrease in motor vehicle thefts, a 3-percent murder rate decline, a 2-percent drop in aggravated assaults, and a 1-percent decrease in the number of rapes and burglaries.

Mr. Speaker, as the front line of defense against crime, our Nation's law enforcement community deserves a great deal of the credit for these favorable statistics. Especially significant is the fact that these dramatic achievements were being made at a time when many police departments around the country were being forced by budget considerations to cut back on manpower levels.

Much of this success is largely attributable to improved crime prevention techniques and a well-trained, highly professional police force.

Tragically, no matter how low the crime rate, or how well trained the law enforcement officer, history tells us there will always be police deaths. It is the supreme sacrifice that all law enforcement professionals potentially face each and every day on the job.

As our Nation prepares for "Police Memorial Day" on Saturday, May 15, I wish to pay a special tribute to the 91 courageous law enforcement officers who lost their lives in the line of duty during 1981. The include:

ROLL CALL OF HEROES—1981

Terry Lee Baker, Gerald Lee Morris, Lawrence Dale Coker, Wilson C. Elms, William H. Pogue, William Ray Tate, Theron A. Burnham, Charles B. Smith, Robert E. Walsh, George Leeland Claypool, Mark Wayne Griffen, Patrick Stephen Runyon, Ray R. Clark, Greg Mullinax, Tony E. Swartzlander, John Thomas McCarthy, Ben L. Green, Henry David McCall, and Larkin V. Pettit.

Paul H. Mueller, Dennis J. Roberts, Robert Wesley Martin, Philip Carl Metz, Michael Francis Hurley, Kathleen Garcia, William Larry Whitwell, Robert Patrick McDermon, William Rankin Hickman, John G. Scarangella, Richard J. Helbush, Jan Brinkers, Leon G. Garrett, James N. Mason, Clarence P. Cox, Jr., Robert T. Jordan, Rosalin Suarez, Jr., Thomas J. Szafranski, William T. Whitehead, Kenneth Bateman, and Harry K. Tiffany.

Ronald R. Ebeltoff, William J. McGuirk, Ray Brown, Gerald L. Horn, Eddie R. Duncan, Delbert J. Roush, Sr., Fasiolepia F. Taase, Debra Sue Corr, Michael J. Faulkner, Ferdinand F. Pribbenow, Wayne R. Rice, Michael W. Hoing, Ronald L. Tracey, Gerald A. Rauft, Grant L. Wilson, and Ronald D. Oliver.

Darrell L. Phelps, George Yaros, John E. Johnson, Richard P. Miller, Nathaniel Broom, Charles R. Carrington, David I. Rucker, Jesse Henderson, Tommy L. Thedford, Johnny R. Martinez, Enrique Carrisalez, Justico Santiago Surillo, Peter F. Egnor, Edward O'Grady, Waverly Brown, and Anthony J. Johnson.

John Litch, Jr., Robert R. Lawson, Donald C. Benson, Michael D. Avila, Dennie Q. Enevold, Edmond C. Cannon, George S. Watkins, Robert L. Kirby, Jose Luis Troche-Vargas, George U. Darnell, Daniel Faulkner, Michael Wayne Ritchie, Paul J. Harmon, Anthony Abruzzo, Phillip J. Lamonaco, John Alan Machajewski, Charles S. Mehlberg, Daniel Thomas Maloney, and Billy Morris Langham.

Mr. Speaker, in honor of these 91 brave men and women, and the thousands of other law enforcement officers who have lost their lives in the line of duty, I introduced legislation today that would establish a national police memorial in our Nation's Capital. This measure, which is cosponsored by over 20 of my House colleagues, would authorize a "National Law Enforcement Heroes Memorial" to be built on Federal grounds near the FBI headquarters in Washington, D.C. With good reason, we have honored those who have lost their lives in foreign wars. A similar national monument is needed to honor those brave men and women who have lost their lives at home in the war against crime.

No Federal expenditures would be required to build the monument.

Instead, the measure authorizes the Secretary of the Interior to "accept and use" private contributions to pay the entire cost of planning and constructing the memorial.

In addition, an advisory panel, composed primarily of active or retired police officers, would be appointed to develop recommendations on the design and precise location for the monument. The Interior Secretary would be in charge of constructing the memorial once plans have been completed and adequate funds have been raised.

Recognizing the extreme difficulties faced by the survivors of a slain police officer, I was proud to be a leading sponsor of a 1976 law that established a $50,000 lump sum death benefit to the survivors of public safety officers killed in the line of duty.

Another similar measure I authored this Congress would provide college scholarships for the surviving children of public safety officers killed in the line of duty.

Clearly, however, there is also much we can do to prevent future police deaths—to better protect those who continue to protect us. Acting in this belief, I have authored a number of measures this Congress aimed at achieving this goal. They include:

H.R. 5437—to outlaw a small class of handgun bullets being specially made to penetrate the bulletproof vests worn by police officers. Currently, there is no Federal restriction against such ammunition.

H.R. 4978—to require the licensing of bulletproof vest dealers, and require that anyone wishing to purchase a vest must first bc screened by local police authorities in order to prevent criminals from easily obtaining these vests.

H.R. 5559—to establish a mandatory, minimum prison sentence of 1 to 10 years for any person wearing a bulletproof vest in the commission of a crime.

H.R. 5560—to encourage States to establish the death penalty for any person convicted of willfully killing a law enforcement officer.

Other measures I have authored this Congress in an effort to better serve our law enforcement community include:

H.R. 3596—to encourage all States and localities to adopt a "Law Enforcement Officers Bill of Rights." Specifically, this would insure that police officers are treated fairly by spelling out the rights an officer is entitled to during intradepartmental investigations.

H.R. 6301—to exclude from taxation the retirement income received by a police officer or firefighter.

Mr. Speaker, our law enforcement community performs a very difficult, yet vitally important task. We must provide whatever assistance we can. I believe the legislation I have introduced is an important step in that direction. However, there is much more that is being and can be done.

A major supplement to police work in recent years has been increased community cooperation with law enforcement. Certainly, this trend must be encouraged.

Finally, I wish to focus attention on yet another major improvement in our Nation's crime prevention effort—a crackdown on career criminals. At this time, I would like to insert a recent article on this issue which appeared in the Wall Street Journal:

STREET-CRIME DRIVE: D.A.S' SPECIAL TEAMS WIN STIFFER SENTENCES FOR "CAREER CRIMINALS"

(By Robert E. Taylor)

LOS ANGELES.—When Deputy Distict Attorney Dan Murphy saw Charles W. Conley's criminal record, he told Conley's attorney to forget about plea bargaining. "We're going to the wall with this guy," Mr. Murphy said.

Conley, 49 years old, was charged with a series of robberies and rapes, but some of the distraught victims couldn't even identify him. Normally, a prosecutor might have considered letting Conley plead guilty to lesser offenses and draw perhaps 10 years behind bars.

But Mr. Murphy openly set out to lock up Conley "for the rest of his life." He spent hours coaxing one victim to return from Wisconsin to testify. He had a crime-scene photograph enlarged to reveal a boot print similar to Conley's. With charts and careful measurements, he showed that Conley could have committed the crimes just before and after work, disposing of the alibi that Conley was on the job. The jury found Conley guilty on all counts. The judge gave him the maximum term, 60 years in prison.

Why so tough? Conley had prior convictions for assault, kidnapping and robbery. This targeted him for the relentless treatment that is provided by lawyers like Mr. Murphy in this city's Career Criminal Prosecution Unit.

DESIGNED FOR CRACKDOWN

Career-criminal units—also called habitual-offender units, among other names—are designed to crack down on a relatively small number of repeaters who are blamed for committing a huge proportion of street crimes. Generally, the units gather the most experienced prosecuters, give them more time for each case, and tell them to spurn plea bargaining and to seek long prison terms.

Mounting evidence shows that the units put more of their defendants behind bars, and put them there longer, than do other prosecutors. "The surest way to a state prison term in California today," says a state study, "is to be prosecuted and convicted by the Career Criminal Prosecution Units."

The idea was pioneered in New York City's Bronx and in San Diego, Calif., in the early 1970s. Briefly spurred by federal dollars, it has been adopted by more than 100 prosecutors' offices nationwide, and its emphasis on repeat offenders is spreading to other areas of law enforcement.

Last September, for example, the New York City police department singled out almost 6,000 suspected career criminals who had prior robbery arrests for added investigation if they are arrested again. Chicago has set up special Repeat Offenders Courts, known as "the rock," to dispense swifter justice to career criminals and avoid plea bargaining. And although the idea of providing for or requiring longer terms for repeat offenders isn't new, the number of states with such laws has risen to 45; and 28 have a possible life term usually after the third felony conviction.

SPURRED BY FINDINGS

The focus on habitual offenders stems from criminologists' findings. In one study by Prof. Marvin Wolfgang of the University of Pennsylvania, only 18% of the criminals committed more than half the crimes of the whole group. Another study of 243 drug addicts in Baltimore concluded that they committed more than half a million crimes in their lifetimes.

The best evidence that the special prosecutions work is a 27-month study of 12 career-criminal units in California. It found that although they only slightly increased the conviction rate overall, they increased convictions on the most serious charges to 85% from 60%. And their average prison sentence was five years and four months, almost a year longer than in similar cases handled through normal channels.

Some question these statistics. Los Angeles's public defender, Wilbur Littlefield, says the units "usually pick the sure winners—aces, straights and cinches." Rand Corp. researcher Peter Greenwood remarked last year that "with a little careful screening you can achieve whatever performance levels you want."

But prosecutors strongly deny such manipulation. And they have converted Mr. Greenwood, who today joins many criminologists in aruging that the units do curb crime.

TOO MUCH TOO LATE?

Some street-smart people agree. Upon their arrest, three persons here have begged police to keep their cases away from the career-criminal unit. And generally, the units are popular with prosecutors. Only a few units have been dropped in the past three years as federal aid for them has dried up.

The programs' strongest criticism comes from criminal experts who say they may be cracking down on criminals too late in life.

Several studies have shown that burglars, for instance, are most active between the ages of 15 and 22. Yet they aren't likely to be singled out as career criminals until late in that period. Why? Because even incorrigible juveniles seldom draw long sentences, and when they become adults, they generally start out with a clean criminal record. By the time they acquire a record long enough to be singled out, their criminal career is likely to be waning.

"The criminal-justice system is more likely to punish an older and often worn-out offender than a young and very criminally active one," argues Barbara Boland of the Institute for Law and Social Research here.

(Several states are allowing more juveniles to be prosecuted as adults for serious crimes; Vermont allows murder trials for 10-year-olds. A few states also are giving juvenile records to prosecutors so that young career criminals can be spotted sooner.)

Some laws that require longer terms for repeat offenders also stir controversy. Norval Morris, a professor of law and criminology at the University of Chicago, says such statutes "very rarely work well" because they require long terms for "too many minor offenders." In one case, recently upheld by the U.S. Supreme Court, Texas courts gave a man a life sentence for three fraudulent transactions netting him a total of only $229.11.

Alvin Bronstein, the head of the American Civil Liberties Union prison project, calls it "inherently unjust" to impose a longer sentence because of prior crimes for which an offender already has served time. "You're punishing a person two times for the same offense," he argues.

Shrugging off such qualms, the Rand Corp.'s Mr. Greenwood says that attempts to rehabilitate criminals or deter them haven't been effective. He contends that the only proven way to curb crime is to lock up the most incorrigible offenders, and criminologists generally agree.

Won't that overburden already jammed state prisons? Not necessarily, says Mr. Greenwood. He maintains that California could cut its prison population of robbers by 5 percent while reducing the robbery rate by 15 percent. The answer, he says, is to stretch terms for habitual offenders while shrinking them for others.

Critical to such estimates are the criteria used for singling out persons for career-criminal prosecution. These vary, but generally rely on evidence of prior offenses.

Los Angeles, like most communities, stresses burglary and robbery—troublesome offenses that normally are likely to be subject to plea bargaining even for repeaters. It prosecutes as a career criminal anyone charged with three or more such crimes and anyone previously convicted of either one serious offense, such as armed robbery, or two lesser charges, such as receiving stolen goods. In addition, the unit handles many murders.

EFFECT IN THE BRONX

By directing heavy prosecution efforts at a specific crime, some career-criminal units claim to have cut the incidence of that crime quickly. The Bronx initially used its unit, according to director Sheri Roman, to sharply reduce robberies of taxi drivers and fast-food restaurants. Other units emphasize sex crimes, murders or drug trafficking.

A strong argument for the units is that they can obtain long sentences against some criminals who otherwise escape lightly. "Largely numbers of people with very serious criminal histories are serving only three months or six months" in jail, largely because of plea bargaining, says Kenneth Conboy, New York's deputy police commissioner.

Two who once got off lightly here were Glenn Alderson and Clyde Stevens. Both had extensive juvenile records and were convicted of robbery and burglary, respectively, shortly after becoming eligible for adult-court prosecution. Yet instead of prison, they drew a few years each in the California Youth Authority, a juvenile institution.

Less than a year after release, they pulled a series of holdups and shot a grocery-store butcher. The career-criminal unit got them convicted of assault and multiple armed robbery. The judge sent Alderson to prison for 12 years and four months, and Stevens for 14 years—both the maximum available sentences.

Mr. Murphy, the prosecutor, tried to get the men locked up even longer for attempted murder, but the charge was rejected. "These guys have a history of violence," he says. "We believe that if you let them out, they'll be at it again."

NO ASSEMBLY LINE

One reason for the success of career-criminal prosecutors is that they work as individual craftsmen instead of assembly-line workers. Ordinarily in most big-city prosecutors' offices, several lawyers each work on a different stage of the case. "Some of these prosecutors don't know a thing about the case until they get into court," says William Turner, a defense attorney in Los Angeles.

"A lot of information gets lost," says Robert Heflin, the chief of the career-criminal unit in Los Angeles. Witnesses disappear. Evidence or criminal histories are misplaced or ignored.

But career-criminal prosecutors follow their defendants from arrest through trial. They work more closely with police and other prosecutors. They are supposed to handle about 15 cases at a time, half the normal load, and they make more-detailed sentencing reports. "This is the way we really should handle all our cases," Mr. Heflin says.

Longer terms for hardened criminals are generally popular, and the federal government, too, is considering adopting career-criminal concepts.

Rudolph Giuliani, an assistant attorney general, talks of using federal prosecutors like career-criminal units—to crack down on repeat state-law offenders who violate federal laws. Two researchers at the Institute for Law and Social Research say they can predict with 86% accuracy which convicts will be rearrested within five years. The researchers, Charles Welliford and William Rhodes, estimate that 2,000 persons prosecuted each year in federal courts are career criminals.

Sen. Arlen Specter, a Pennsylvania Republican who was Philadelphia's district attorney for eight years, proposes providing federal career-criminal sentences of 15 years to life for anyone found guility of a robbery or burglary with a handgun on top of two similar convictions. The Reagan administration has endorsed the idea, though some view it as an infringement on state and local responsibilities.

Sen. Specter contends that the threat of speedier sentencing in federal courts to longer terms would spur local judges to tougher sentencing, deter some crime and supplement local efforts against career criminals. "These guys are the central part of violent crime in this country," he says. "I think the federal government ought to take responsibility for helping to prosecute and incarcerate the worst of them"●

CALL TO CONSCIENCE VIGIL: VIACHESLAV ROYAK

HON. CHARLES F. DOUGHERTY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. DOUGHERTY. Mr. Speaker, I have once again this year joined the Congressional Call to Conscience Vigil to draw attention to the inhumanity of the Soviet Union toward its Jewish citizens. I would like to thank my colleague, Congressman NORMAN LENT of New York, for taking the time to organize this event.

In the 3 years that I have participated in the Vigil I have been working on behalf of Viacheslav Royak, a mathematician, and his family, who since 1977 have tried to emigrate to Israel. Over 5½ years have passed since Slava, Irana, his wife, and their two daughters first applied for an exit visa. In addition, Slava has suffered recrimination upon recrimination because of his Jewish heritage.

When President Franklin Roosevelt negotiated the agreement by which we officially recognized the Government of the Soviet Union, the Soviets agreed to foster religious freedom in their country. However, 40 years later, we are still witnesses to a complete lack of religious toleration in that country. The Royaks are victims of the same tyranny that the Soviets promised to end two generations ago.

While the Call to Conscience Vigil serves very well as a reminder to the world that the United States does value the freedom of others, we must express our commitment to these values. The President has taken several steps toward expressing that commitment. Technological sales and capital equipment can serve as valuable sources of leverage against the Soviet Union. It is my hope that we will continue to express our commitment to human rights by exercising these tools properly.●

COMMENTS ON THE SUPPLEMENTAL APPROPRIATIONS BILL

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. SIMON. Mr. Speaker, yesterday, due to House Budget Committee markup, I was unable to be on the floor during debate on the supplemental appropriations. I would like to address two items in that bill.

First, I would like to voice my support today for the supplemental appropriations for the WIN program—the work incentives program. This program was established by the Social Security Amendments of 1967 to help recipients of AFDC—Aid to Families with Dependent Children—move off the welfare rolls into productive jobs.

WIN provides a number of services related to securing employment: Direct job placement and training, job search instruction, transportation, counseling, and other supportive services such as day care. The different WIN offices throughout the country provide a mix of these services.

The WIN program has been moderately successful in helping AFDC recipients secure jobs. Approximately 15 to 20 percent of the WIN participants secure employment each year, with a savings of $760 million. Although this

percentage could be higher, we now know from U.S. Department of Labor research which elements of the program are the most successful. WIN offices which have the highest rate of placing AFDC recipients into steady jobs did the following two things: First, they provided systematic individualized job search training, including followup counseling.

Second, they actively incorporated a rich mix of supportive social services for their clients, including child care, extensive counseling, home visits, emergency transportation or money, and household management.

The point is that moving out of poverty and welfare dependency can be extremely difficult, and solutions do not come easily. The WIN program not only has helped thousands of people find jobs. It has also helped policymakers identify viable solutions for helping people become more self-sufficient.

I believe the WIN program should be applauded for its efforts and for the information we now have regarding the promotion of self-sufficiency. I urge the passage of the supplemental appropriations.

Second, I wouild like to call attention to the supplemental appropriation for the Bureau of Labor Statistics. This supplemental appropriation is vital.

At this point in time, the Bureau of Labor Statistics has reduced its budget by 12 percent last September after the President requested an across-the-board 12-percent cut. Last December with the passage of the continuing resolution, the Bureau of Labor Statistics budget was reduced by an additional 4 percent, bringing the total cut to 16 percent.

The BLS has made a number of changes in its data collection and analysis activities in order to meet the 12-percent reduction. These changes have included a hiring freeze, the elimination of 200 positions, and a freeze on certain travel. The Bureau has also reduced its publication rate.

More importantly, the BLS has had to reduce or eliminate a number of surveys which I believe are of utmost importance to the Nation. According to a recent report from the Congressional Research Service, at least 19 surveys are being affected. To highlight a few:

First, the Current Population Survey, which provides statistics on employment and unemployment has had to reduce its sample size from 66,000 to 60,000 households, a move which will make employment data on small States and cities, and minority populations less precise.

Second, research to improve methods for estimating unemployment in local areas has been eliminated, despite the recommendation from the National Commission on Employment and Unemployment Statistics that this research be conducted.

Third, the Consumer Price Index needs to be rebased from the 1967 population characteristics to the 1977 population characteristics. This has been postponed.

These are just a few examples of how the 12-percent budget reductions are affecting the quality and timeliness of employment data of national importance. Therefore, I believe that it would be unconscionable to maintain the additional 4-percent cut which occurred last December.

BLS Commissioner Norwood believes that any further reductions past 12 percent in the BLS budget will seriously impair the core statistical programs of the Bureau. At a time when the Congress and the administration are making unprecedented decisions about the Federal budget, we cannot afford to impair the key Federal bureau which provides important information on the implications of our decisions. I strongly urge the support of the supplemental appropriations for the Bureau of Labor Statistics.●

THE RESPONSIBILITY OF REMEMBERING THE HOLOCAUST

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. SOLARZ. Mr. Speaker, I rise today to bring to the attention of my colleagues a moving address recently delivered by Ms. Eva Fogelman at a commemoration of the Warsaw Ghetto uprising. Ms. Fogelman, a psychotherapist and doctoral candidate at New York University, is an auxiliary member of the U.S. Holocaust Memorial Council and a founding member of the International Network for Children of Jewish Holocaust Survivors.

Her remarks poignantly portray the terrible responsibility survivors of the Holocaust bear to speak out about their experiences, no matter how terrible, and to bear witness not only to the cruelties of the Nazi death machine, but to the courage and bravery of those Jews who actively resisted the Nazis even in captivity. We must also remember the efforts of others who risked their own lives to enable thousands of intended victims to escape abroad.

The world needs to know what happened during the Holocaust, and survivors must help us to understand, not only what happened in Europe, but what can be done to insure that such a campaign of death and destruction will never happen again.

National and local observances such as the Days of Remembrance suggested by the National Holocaust Memorial Council and commemorations of particular events, such as the Warsaw uprising, provide us with an opportunity to reflect on what blind hatred and militant fanaticism can do if unchallenged.

Mr. Speaker, I ask that Ms. Fogelman's remarks be included in today's RECORD.

SPEECH PRESENTED AT A HOLOCAUST COMMEMORATION, APRIL 18, 1982, EVA FOGELMAN

It is with pleasure that I share this platform with Congressman Stephen J. Solarz whose actions have helped to insure the continuity of the Jewish people and freedom for all those who are still oppressed.

I speak to you today, at this Yom Hashoa commemoration, as a child of survivors, whose parents have instilled in me a sense of responsibility . . . to remember, not only my own relatives who were murdered by the Nazis, but also the millions of others who do not have anyone to say Kaddish (Mourner's Prayer) for them.

Memories of "the war" are part of your consciousness, as if it happened yesterday. I do not have to remind the people sitting in this audience. Rather, what I would like to share with you is what to do with your memories and why.

In recent years we have witnessed a paradoxical phemenon. The media, schools and even the United States government are developing programs, curricula and permanent institutions like the United States Holocaust Memorial Council which is establishing a museum in Washington, D.C. On the other hand, over one hundred books have been published denying that the Holocaust, in particular the murder of six million Jews actually occurred. These "experts" theorize that the Holocaust is Zionist propaganda designed to insure the existence of the state of Israel. For many who did not suffer the atrocities perpetrated by the Nazis, whether the Holocaust is fact or propaganda becomes an intellectual exercise.

Without knowledge people ask naive questions like, "Why didn't the Jews resist" and "Why were they so passively complying with the executioners?". Blaming the Jews for their extermination, unfortunately, becomes the lesson which is transmitted. Those of you who were there know better. My own father, who is sitting in this audience, was in the Illya ghetto from which he escaped when the Nazis evacuated the Jews and transported them to concentration camps. As the Nazis followed five of them with their machine guns into the woods, only two survived. They were wandering in the woods for six months and managed to live with the food and warnings of Gentile farmers in the area. They then joined a partisan unit known as "Maschetel" (Revenge). They blew up trains, set mines on railroad tracks and blew up German police stations. And who says there was no resistance when it was humanely possible.

Before long there will be few survivors left to bear witness. . . . Only the pictures and words will remain. Elie Wiesel who began to bear witness before anyone would listen to him pleads with the survivors,

"We must tell the tale . . ., and we want to tell it not to divide people but, on the contrary, to bring them together, not to inflict more suffering but, on the contrary, to diminish it, not to humiliate anyone but, on the contrary, to reach others to humiliate no one. This is why we bear witness . . . not for the sake of the dead. It is too late for the dead. Not even for our own sake. It may be too late for us as well.

"We speak for mankind."

President Ronald Reagan, who spoke last year at the Holocaust Commemoration in the White House, expressed the importance of remembrance:

"Today, yes we remember the suffering and the death of Jews and all those others who were persecuted in World War II. We try to recapture the horror of millions sent to gas chambers and crematoria. . . .

"The hope of a ceremony such as this is that even a tortured past holds promise if we learn its lessons . . . . It is up to us to ensure that we never live it again."

For many survivors, speaking out may seem like an overwhelming responsibility. As a psychotherapist and researcher who has worked with survivors and their children I would like to suggest some personal reasons for communicating about the Holocaust. For one, bearing witness helps the survivor resolve a certain inner struggle which has been poignantly described by Terrence Des Pres in his book, "The Survivor":

"Through the survivor as witness the silence speaks and the new spirit of resistance stays loyal to the suffering which was its birth. The conflict between silence and the scream so prominant in Wiesel's novels is in fact a battle between allegiance to the dead and care for the living which rages in the survivor and resolves itself in the act of bearing witness."

It is not easy to explain what it was like to experience the depth of man's inhumanity and to lose parents, siblings, grandparents, aunts, uncles, cousins and friends all at once. After sharing his story, the survivor is at a loss for words, feels misunderstood and has sleepless nights. Therefore, why not spare the listener and the survivor? Because despite the pain, many survivors feel a sense of emotional relief when they find someone who cares and who wants to know.

And then, there are the children. Many survivors ask me, "Why tell my children what happened? I suffered enough. They should be spared the horrors and enjoy a happy life in America or Israel. If we talk about the war still affecting us, it is as if we are giving Hitler posthumous victory. We must be strong. Besides the children, like other listeners, will find it incomprehensible.

From my therapeutic work with survivors' children, whether you, the parents, speak or not the children feel your pain. They will understand you better if you share your experiences. You may be one of those parents who found that your children did not ask you questions or didn't want to know. This often happens when the child wants to protect their survivor parent from remembering. They want to spare themselves the pain and be like everyone else who doesn't want to know about the past. But like the story of Exodus it must be told.

At the Passover Seder there are always questions that repeat themselves. From the first time we hear them we are never satisfied with the answers. Like the first time you give a child bitter herbs to taste and she says "yeck" and immediately asks the appropriate question, "why do we have to eat this?" and when it is served again the next year, they ask "why keep repeating it year in and year out?"

The continuity of the Jewish people, their history and culture, must include the joy as well as the sorrow. In telling your story you should include the Jewish culture you experienced before it was destroyed. Your lives did not begin with the war and thus your story nor Jewish history should begin with World War II.

Many children of survivors experienced their parents as overprotective and worriers. They would worry about everything. At times this became a burden to the children. They felt that their parents were different from their American peers whose parents took them to baseball games and the Boy Scouts. When children hear their parents' war traumas, the overprotectiveness is no longer misunderstood. Their fears are based in a reality beyond the comprehension of most Americans. For example, many sole surviving family members recall a familiar experience,

"My brother went out in the middle of the night to find some bread for us and never returned. The next night, my older sister went out and she never returned. We then almost starved to death because my parents wouldn't let me go out. They didn't want to lose their only child. The Nazis came and we were deported to a concentration camp. My parents were gassed there and I was left all alone in the world."

When a child of survivors hears such a story, the parents' overprotectiveness takes on a different meaning.

Thirty seven years after, the survivors and their organizations are just beginning to get the support and understanding they deserve. Similarly, the Torah teaches that the generation that left Egypt was permanently scarred by slavery, but the message carried on by their children liberated humanity and changed not only Judaism, but the world. And in fact this is what has happened in recent years. The children have been called upon to tell the story. The children carry a special pain precisely because of the Holocaust. Being born to a survivor doesn't mean you have to spend your life witnessing the Holocaust. However, like any other background, you can accept your past, and integrate it into your own destiny and identity. Or, one may flee from it as Jonah did. Or, one may remain indifferent. In essence we each face the same choices that existed during the Holocaust: to be part of the ongoing victimizing effort, part of the defense against forgetting or a bystander. The world needs to know. Unless children of survivors and others are told by those who experienced it first hand, they will not be able to carry on their mission to remember.

What to do with the memories? Some survivors are writers, poets, filmmakers, musicians. They should record their experiences in whatever creative means they have at their disposal. Others can be interviewed and have their documentation recorded in Holocaust archives in the U.S. and Israel. Those who have public speaking ability should make themselves available to public and religious schools who teach this part of world history. Children will remember your faces better than any words they read. Aside from the more public form of sharing your experiences, each survivor should have a recording for his own family for generations to come.

Rabbi Irving Greenberg reminds us, "The Torah teaches us that the righteous are more powerful after their death and will hopefully liberate humanity from another Holocaust." This can only be accomplished if the survivors as well as all of us no longer maintain a conspiracy of silence.●

LISTEN AMERICA, SMALL BUSINESS IS SPEAKING

HON. TOBY ROTH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. ROTH. Mr. Speaker, as a former member of the Small Business Committee and former small businessman myself, I join in celebrating National Small Business Week. The small business man or woman is the consumer's best friend. We supply the services and deliver the goods to virtually every farm, village, town, and city in our country. We are today, as we were in the past, representative of the varied and unique citizens of America. I ask my colleagues to listen, small business is speaking and should be heard.

The economic impact, jobs creation and community leadership generated by small business today is impressive. The very nature of small business is the ability to respond quickly to changes within our society. Small business takes the lead in innovative consumer products, opportunities for women and minorities, jobs for more than half of America's workers. If each small business could employ just one more worker, we would eliminate the 10 million Americans on the unemployment rolls today.

It is important that we continue along the road to success taken by this administration and this Congress. The Economic Recovery Act includes important provisions for the preservation of the family business and the family farm. Regulatory reforms further promote the free market forces. The Small Business Innovation Development Act which will come to us for passage later this week will expand the initiative and potential of this established and vital sector of our economy.

Listen, the small business man and woman are making their voices heard in Washington. Recently, a new member with business background was named to the Federal Reserve Board. A number of us have already cosponsored a resolution urging the President to include the head of the Small Business Administration on his Cabinet Council of Economic Affairs. I can think of no one more responsive and representative of the 97 percent of American businesses who should serve on the Council. This working group includes the Secretaries of Commerce, Labor, Transportation, Treasury, Office of Management and Budget and Office of Trade Representative. I would like to see small business not only recognized, as we are doing this week, but represented in the strategic planning sessions for our economic affairs.

What's good for small business is indeed what's good for America. In addition to this tribute to these fine men and women, let's roll up our sleeves and tackle the job ahead. Let's maintain the new tax incentives, unleash the final restraints of regulation, set aside funds for innovation and development and listen to the voices of the spirit of our free enterprise system, the small businessmen and women of America.●

CASTING FUSION ADRIFT

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. STARK. Mr. Speaker, I have come before this body on numerous occasions to stress to you the importance of continuing a strong magnetic fusion effort here in the United States. In a recent edition of the Christian Science Monitor, Mr. Edwin E. Kintner, former Director of the Department of Energy's Office of Fusion Energy, explained the severe situation we are facing with the cutbacks to fusion energy research and development funds. Those of us who are dedicated to preserving the future of fusion energy must speak up now in defense of this invaluable program.

MUST FUSION FAIL?

(At a time substantial progress has been made toward harnessing hydrogen fusion, the process that powers the sun and stars, as a practical energy source, budget cuts are crippling the U.S. fusion program. Here the former director of the Department of Energy's Office of Fusion Energy explains why he felt compelled to resign in protest earlier this year.)

(By Edwin E. Kintner)

The development of [hydrogen] fusion energy has reached a critical point. There is now a consensus: We can safely assume our ability to generate and contain plasmas [the hot gas of electrically charged hydrogen nuclei and electrons in which fusion takes place] under conditions we believe will make possible commercial energy production. We should now proceed in earnest to develop the engineering technology required to refine this scientific achievement for practical use.

But ironically, that judgment has been reached in the U.S. just when federal discretionary funding, especially for energy research, is being sharply restricted. As a result, the technological development of fusion, although already planned by the Department of Energy and mandated by Congress, will be delayed indefinitely. . . .

Though fusion energy is many years away, our investment in the strong, aggressive program begun during the crisis of the oil embargo of 1973 has brought significant returns. The United States has assumed prestigious world leadership in this advanced scientific field, a leadership held until 1973 by the Soviet Union. This effort has resulted in new developments in many areas in addition to high-temperature plasmas, including superconducting magnets [whose coils are cooled to such a low temperature they lose resistance to electric currents and hence have very low energy loses]; high-temperature, irradiation-resistant materials; high-voltage, high-power electrical equipment; and mathematics and computational techniques. This advanced work has already yielded valuable industrial spinoffs that have helped maintain US technological leadership and economic strength, and fusion research and development will continue to have this kind of payoff in the future. In fact, no other energy or defense program contributes as strongly to broad, long-term research needs—the kind of support provided in past years by nuclear energy, radar, and space research. This continued leadership has substantial practical value for the United States, especially in a period when the country's technological position seems to be eroding. . . .

The Department of Energy [encouraged by earlier studies] chartered another thorough scientific review of the magnetic fusion program [called "magnetic" because magnetic fields confine the plasma] later in 1980, this time by a panel headed by Solomon J. Buchsbaum, vice-president of Bell Telephone Laboratories, who was then chairman of the DOE's Energy Research Advisory Board. A broadly experienced group of scientists and engineers, the Buchsbaum panel has been called "the most powerful group of its kind ever assembled for a scientific program review." Its major recommendation was that "a broad program of engineering experimentation and analysis under the aegis of a Center for Fusion Engineering" to be established to achieve economically feasible magnetic fusion.

A key element of the program would be construction of a Fusion Engineering Device to "provide a focus for developing and testing reactor-relevant technologies and components" and to help "explore and firmly delineate problems of operator and public safety." Such a device should be in operation within 10 years, the Buchsbaum panel said, and the cost was estimated at "not more than" about $1 billion (in 1980 dollars). Achieving these goals, said the Buchsbaum panel, would require "a doubling in the size of the present fusion program in five to seven years."

Following this report, the US Congress enacted the Magnetic Fusion Energy Engineering Act of 1980, which declared that US policy is "to accelerate the national effort in research, development, and demonstration activities related to magnetic fusion energy systems. . . . To ensure the timely commercialization of (such) magnetic systems, the United States must demonstrate at an early date (their) engineering feasibility." The act recommended 25 percent increases in magnetic fusion budgets in each of the first two years of the new program. . . .

Recent implicit and explicit decisions have dimmed the prospects that the strategy and timetable mandated by the Energy Engineering Act can be carried out.

The initial budget request by the Magnetic Fusion Program Office for 1981–82 was $525 million. This included strong support for two new projects in the scientific program [to evaluate toroidal devices in which magnetic forces confine the plasma in doughnut-shaped tubes] . . . It also included funds for construction of a Fusion Materials Irradiation Test (FMIT) Facility, the only project anywhere in the world capable of irradiating materials at the high neutron energies and fluxes of fusion reactors, and $33 million to establish a Center for Fusion Engineering and begin in earnest the design of the Fusion Engineering Device.

The Office of Management and Budget reduced this request by $18 million before it went to Congress as part of President Carter's 1981 budget, and it was later further reduced by the Office of Management and Budget to meet the Reagan administration's guidelines. Thereafter, a series of step-by-step reductions in fusion budget plans for 1981–82 and 1982–83 made it clear that the strategy and timetable for fusion set forth by the 1978–80 studies could not be maintained. The amount available in the 1981–82 budget for the Center for Fusion Engineering was cut to $9.1 million, allowing only for organizational expenses and conceptual design activities. The new proposals effectively canceled the Fusion Materials Irradiation Test Facility, despite the fact that materials development has been recognized for years as the most difficult, longest-term technological problem in fusion . . . [A] new initiative in toroidal confinement was [also] canceled. Congress reinstated $14 million for the FMIT, and the 1982 fusion budget was settled at $456 million.

The initial request by the fusion program office for 1982–83 was for $598 million. At this level, all the steps required by the Magnetic Fusion Energy Engineering Act could have been modestly reinitiated, including establishing the Center for Fusion Engineering, beginning the long-term research to obtain competitive designs for a Fusion Engineering Device, and continuing a strong physics program.

The Department of Energy's review of these proposals in June 1981 continued to embrace the goal of determining "the engineering feasibility of fusion energy during the next decade." But it was understood that while DOE would do engineering work, it was "not prepared to commit to the construction of a Fusion Engineering Device at this time." Accordingly, a 1982–83 budget of $557 million, about 10 percent above the 1982 budget, was proposed—the minimum required to hold to the basic strategy of the Magnetic Fusion Engineering Act, although at a much reduced pace. The large increases in expenses visualized by the act were delayed beyond FY 1985. As the program director, I believed that this proposed 1983 program balanced the need to reduce expenditures with the strong program recommendations made by the review panels and enacted by Congress.

Now, however, with no formal hearings between the Department of Energy and the Office of Management and Budget [OMB], the 1983 budget has been presented to Congress with a total of $444 million for the fusion program. This is 25 percent less than the 1977 budget in real terms.

That amount allows for continuation of present laboratory activities, including the tokomak [advanced toroidal device] at Princeton. Indeed, most existing experimental efforts and many activities in the plasma physics program may be overfunded. But the $444 million does not provide for the broadening of activities recommended by [an earlier study] committee nor the engineering initiatives recommended by the Buchsbaum panel and authorized by Congress. The 1983 budget . . . puts the Fusion Materials Irradiation Facility "on the shelf," although over $60 million has already been spent for its design and development, and there are no funds to actively plan for the establishment of a Center for Fusion Engineering or a Fusion Engineering Device.

Finally and most important, the 1983 budget removes $25 million from the funding profile for the major mirror machine. [This is a device in which plasma is contained in a straight tube. Strong magnetic fields at each end turn back plasma particles that would escape as though reflecting them from a mirror. It is an alternative to the torodial devices.] If similar amounts are removed over the next two years as well, as implied by OMB action, the mirror machines will be delayed by almost three years.

Two fundamental program decisions are implied in these changes. The first is to forego, for an undetermined but extended period, the strategy and schedule recommended by the Buchsbaum panel and incorporated in the Magnetic Fusion Energy Engineering Act of 1980. (Senior officials in the Department of Energy characterized this act as "permissive" and "a silly piece of paper.") The second is to delay the major mirror facility by up to three years and, therefore, to postpone by at least that long the comparison between toroidal and mirror systems.

Those decisions leave the fusion program without a strategic backbone—it is a collection of individual projects and activities without a defined mission or timetable . . .

In sum, these budgetary actions redirect fusion research entirely away from the practical engineering developments that could prove critical when fossil-fuel reserves are exhausted.

Why this sudden reversal in national policy? The obvious answer is that proceeding as planned requires a mortgage on the future at a time when the administration's overriding objective is to reduce such commitments. But there are gross inconsistencies between this thrust and the administration's stated energy policies. The National Energy Plan as forwarded to Congress by President Reagan says: "There is an appropriate federal role in certain long-term research . . . [to bring] promising technological innovations to the point where private enterprise can reasonably assess their risk. . . . The federal government recognizes a direct responsibility to demonstrate the scientific and engineering feasibility of fusion."

The administration's recommendations for other research programs in the Department of Energy (high-energy physics, basic energy sciences, and nuclear physics) generally were consistent with this policy statement. Only the technology programs—solar, synthetic fuels, fusion, and others—have been grossly weakened.

These budget reductions would be more readily understandable if the magnetic fusion program were failing, but the last several years have seen rich experimental and theoretical advance, with more promise for the achievement of practical fusion energy than ever before. These advances represent the start of an invaluable return on the investment the United States has made since 1973. A doubling of the present fusion budget from $400 million to about $800 million annually over a five-to-seven year period seems a modest investment considering past progress and the historic implications of fusion.

What are the consequences of this decision to turn away from a comprehensive program for the development of fusion as a practical energy resource?

Strong US leadership in the world's fusion program will be seriously weakened. The U.S. program, although only one-third of the world effort, exerts significant leverage on the remaining two-thirds. The effectiveness and confidence with which the United States has carried out its program since 1973 has stimulated fusion research everywhere, especially in Japan. With the possible exception of the Japanese, world programs will slow down in response.

Divisive forces will surface withing the U.S. program: one confinement concept vs. another, one laboratory vs. another, science vs. engineering, industry vs. national laboratories, national vs. international objectives. In a time of consensus, competition is a source of strength. But in a time of restricted funding, it may become a point of controversy.

With their strategic plan abandoned and additional budget cuts, researchers will be hard pressed to maintain morale and progress even toward reduced goals. The diminished short-term industrial payoffs from fusion development will likely lead to additional attempts to restrict the fusion program's objectives to science-oriented activities.

Most important, the day when fusion can make a significant contribution to world energy resources will be delayed indefinitely.

WHAT IS NEEDED FOR FUSION SUCCESS

Given present constraints, what should be done to assure an effective program to assess and develop the future contribution of fusion to world energy needs?

The following six steps are essential:

A wider public understanding of our present and likely future energy situation, and the significance of fusion within that context, must be encouraged. Such public understanding can be developed only with the active participation of all media and by unremitting efforts of knowledgeable citizens in all parts of society. It is surprising and troubling that fusion has no vocal proponents at influential levels of American life.

A new strategic timetable for fusion development, dictated wholly by technical objectives and not short-term political considerations, should be established as soon as possible. The plan should emphasize pursuit of all fusion engineering research, including a Fusion Engineering Device.

The United States should take the lead in making fusion an international project by sharing its knowledge with other nations and delegating responsibility for some research areas. Fusion research could provide a unique precedent for international technical efforts in many fields of common concern, such as acid rain and the buildup of atmospheric CO_2.

Industrial participation in fusion research should be encouraged and expanded. If fusion is to contribute to industrial technology and become a practical energy resource, industry must be involved, especially if it is to make large investments of capital and personnel.

The fusion program should develop a strong organizational structure independent of short-term energy programs in sponsorship and funding. Fusion has not done well in competition with other energy technologies and science programs because it does not promise immediate—or even certain—benefits.

The safety and regulatory programs governing fusion must be independent of those controlling fission reactors and not simply an addition to existing programs of the U.S. Nuclear Regulatory Commission. The safety concerns of fusion are unique, and experience and practices with present reactors would not be appropriate precedents.●

FORTIETH ANNIVERSARY OF WOMEN'S ARMY CORPS

HON. ED BETHUNE

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. BETHUNE. Mr. Speaker, on May 14, the Women's Army Corps will celebrate the 40th anniversary of the founding of their organization. Back in July of 1942, Col. Oveta Culp Hobby, the director of the WAC, addressed the first group of officer candidates at Fort Des Moines, Iowa:

> May 14 is a date already written into the history books of tomorrow. You are the first to serve. Never forget it. You do not come into a corps that has an established tradition. You must make your own. But in making your own, you do have one tradition—the integrity of all the brave American women of all time who have loved their country. You, as you gather here, are living history.

The members of the Arkansas Diamond Chapter No. 34 of the WAC Veterans Association have carried on that tradition very well. Diamond Chapter No. 34 does volunteer work in both the Little Rock and the North Little Rock veterans hospitals, and also at the Veterans Home in Little Rock. Those who are unable to participate in this type of work help by working on special projects, such as making throws for wheelchair patients, bed socks, bibs, and other items as requested. They visit veterans—both male and female—and have instigated a veterans writing project for hospitalized veterans.

Though the WAC is sometimes incorrectly referred to as an auxiliary, their contributions and spirit demonstrate that they are veterans in the truest sense of the word. Mr. Speaker, I join with my colleagues in congratulating the women of the WAC who have served and continue to serve our country so honorably.●

AIR NATIONAL GUARD MOVE TO STEWART AIRPORT

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. GILMAN. Mr. Speaker, I wish to call to the attention of my colleagues the impending move of an Air National Guard unit in New York State to Stewart Airport, in

Newburgh, N.Y., from Westchester County Airport in New York.

This proposed move is the fruition of numerous and extension conferences with Regional Air Guard officers, officials of the Metropolitan Airport Authority, our local, and State officials, and Federal representatives of the Pentagon. Without the coordinated efforts of all of these people, this move would not have been possible. It is a move which will be mutually beneficial to our region, and to the Guard.

Some of the details of this proposal are as follows:

Stewart Airport, located in Newburgh, N.Y., is an ideal location for an Air National Guard unit. Its strategic location in Northeastern United States, coupled with a modern 12,000 foot runway and taxiway system, and an extensive unused ramp area gives the United States Air Force and the Air National Guard considerable latitude and flexibility in the assignment of any future military aircraft. Jumbo airlift aircraft such as the C-5 and C-141 would be able to utilize this facility as a staging area in case of troop mobilization during times of need in the European Theater. Stewart Airport which was an Air Force Reserve Base until 1969, retains many of the characteristics of a functioning base.

Stewart lies outside the heaviest concentration of air traffic in the New York Metropolitan area and is large enough to base up to three Reserve Force Aviation Groups. Congress recognized the airport's potential as a Reserve Force site by planning the joint establishment of an ANG airlift unit and a U.S. Marine Corps Reserve KC-130 tanker group. These two units, operating side by side on a newly developed corner of the airport will share certain support and operational facilities together in a program which has the potential of setting a precedent for Reserve Force Basing (i.e., cost effective due to co-location of Reserve units. Reference, Report of the Committee on Appropriations, House of Representatives to accompany H.R. 4995, Nov. 16, 1981).

As with any Guard and Reserve outfit, a great deal of the success of the units depends greatly on the support derived by the local community. The Newburgh area is rich in the tradition of the true militiaman. The Revolutionary War tapped some of its finest soldiers from this area and General Washington's Headquarters at Newburgh, planned some of the most strategic battles of the War. This beautiful area of the Mid Hudson Valley is a military oriented community. The people who reside here welcome the opportunity to serve an additional military unit in the neighborhood especially one that derives its strength from the local community in the true tradition of the militiamen.

In turn, the community would reap the following proposed economic benefits from an Air Guard and Marine Corps Reserve unit being located at Stewart.

ECONOMIC IMPACT ON NYANG AND USMCR UNITS AT STEWART

Personnel

Approximately 1,750 personnel would be assigned to the units. This would transfer about 480 full-time jobs to Stewart Field. Approximately 95 percent of these positions would be federally-funded, the balance would be State-funded or funded via federal-state cost sharing. The annual payroll would be $15 million.

The "drill-status" or non-full-time military personnel who, as a minimum, participate in training once per month, would generate an additional annual payroll of $3.3 million.

Total annual payroll: $18.3 million.

Annual operation/maintenance budget: $15 million.

Depending upon Defense Procurement policies; a significant portion of these funds would be expended in the local economy. A conservative estimate is that 40 percent, or $6 million, would directly impact upon the local economy.

MAJOR CONSTRUCTION—FISCAL YEARS 1983-86

Federal appropriations to provide for major construction of facilities to support the units are planned to be obligated and spent as soon as possible (following authorization of airport use by the New York Air National Guard). This construction program will provide major facilities such as aircraft ramps, hangars, maintenance facilities, supply warehousing office and administration building. The program, spanning the next three years, would cost $63.45 million and would be divided as follows: FY 83—$22.0 million (including planning and design costs); FY 84—$34.8 million; FY 85—$6.85 million.

OTHER

Miscellaneous local procurement, purchasing and contracting for goods and services required to sustain the operation of these units is estimated at $800,000 annually.

CONCLUSION

When in place and operational, the Marine Corps and Air Guard units will bring $25.1 million into the regional economy annually. This figure does not include the one-time economic impact of the initial major construction program in the first 3 years or future, major, and minor construction programs which certainly would follow in the outyears.●

PRESIDENT REAGAN'S ARMS CONTROL SPEECH AT EUREKA COLLEGE

HON. ALBERT GORE, JR.

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. GORE. Mr. Speaker, President Reagan's arms control speech at Eureka College on May 9 contains many provisions that deserve our support and careful attention in Moscow. However, in order to assess the President's proposal, it is crucial that we know precisely how the forces of each side would evolve through the two phases of his proposal.

In testimony yesterday before the Senate Foreign Relations Committee, I expressed concern that the President's call for parity may not necessarily lead to stability. In fact, it is possible to construct a scenario that would fit precisely within the President's proposal, but yet would lead to less, not greater, stability for both nations.

The table listed below outlines a plausible reaction by both sides to a Phase I agreement. This is not intended to demonstrate what would happen as the final details of the President's proposal have not been announced. However, this analysis is illustrative of a scenario that would be among the least disruptive to existing and oncoming capabilities to both sides. I realize the President's proposal is an opening position for the negotiation, but I believe this analysis will be of interest nonetheless.

Referring to the table below, the United States would have 500 ICBM's consisting of a combination of Minuteman III's and MX's with a total of 2,500 reentry vehicles. The Soviet Union would have 370 ICBM's consisting of a combination of SS-19's and SS-18's with 2,500 reentry vehicles. The United States would therefore have seven warheads for each Soviet missile silo and the Soviets five warheads to target on each U.S. missile silo.

This is far in excess of the 2-on-1 ratio considered necessary to destroy an opponent's target. Thus, each side would be in a position to launch a first strike against the other's ICBM's while retaining a substantial force in reserve. At the conclusion of the exchange, the attacking side would enjoy a substantial numerical advantage over the victim. In other words, the President's formula can be worked out in a way which leads to the worst of all possible arrangements: mutually vulnerable forces, poised always on a hair trigger alert.

When this analysis is extended to submarine launched missiles, a question is raised about the negotiability of this proposal with the Soviets. Under these projections, the United States and the Soviet ICBM's would both possess hard target capability. However, only the U.S. SLBM force with the Trident II's would possess hard target capability unless the Soviets improve the accuracy of their SLBM's.

Another ironic twist of the scenerio outlined below is that it would not pressure on both sides to move forward with an ABM system.

If, for example, the Soviets were to launch a successful first strike using 1,000 of their warheads, they would only have to defend against an additional 2,500 warheads on U.S. SLBM's. This could create an incentive for the Soviet Union to break out of the agreement and go to the ABM. A similar incentive would exist for the United States. In fact, an argument could be made that the United States would have a greater incentive to break out because we would have more advanced ICBM's with greater unused MIRV capacity than the Soviet Union.

Mr. Speaker, the above scenario is, obviously, not a desirable outcome. It illustrates the dangers to both sides when the proposals do not eliminate the theoretical possibility of a strategic first-strike.

PHASE I OF PRESIDENT REAGAN'S START PROPOSAL [1]

	Reentry vehicles
United States:	
300 Minuteman III—3 MIRV's each	900
200 MX—8 MIRV's each	1,600
Subtotal for 500 ICBM's	2,500
6 Ohio Class submarines:	
144 launchers—6 MIRV's each	864
12 Lafayette Class:	
192 launchers—8 MIRV's each	1,536
Grand total for 836 launchers	4,952
Soviet Union:	
300 SS-19's—6 MIRV's each	1,800
70 SS-18's—10 MIRV's each	700
Subtotal for 370 ICBM's	2,500
3 Typhoons:	
60 launchers—10 MIRV's each	600
15 Delta 3:	
240 launchers—7 MIRV's each	1,680
4 Delta 2:	
64 launchers	64
9 Delta 1:	
108 launchers	108
Grand total for 842 launchers	2,952

[1] Since neither the MX nor the D-5 have been flight tested, one may speak of reducing the number of MIRV's without running into verification problems. In addition, in order to make room for MX and D-5 in this calculation, it was necessary to reduce their warhead loadings from those presently projected. As an offset for these reduced numbers, the capability of the warheads might be upgraded by selecting warheads being developed in the ABRES system.

TESTIMONY BY ALBERT GORE, JR., SENATE FOREIGN RELATIONS COMMITTEE

The President's speech at Eureka College has, as he hoped it would, changed the nature of the debate over strategic arms control in the country, and here in the Congress. Regardless of the merits of his proposal, the very fact that he has now called for a resumption of talks with the Soviet Union and has outlined our official negotiating position alters the terms of the discussion from this point forward.

Advocates of a nuclear freeze and proponents of alternative plans for strategic arms control must reassess the roles they now wish to play as the debate continues, perhaps taking comfort in the knowledge that they have forced the President to change his timetable and have helped convince the President to adopt a meaningful as opposed to a cosmetic approach to the negotiations.

The proposal itself raises many questions. It looks like a bid for formal, numerical parity between the U.S. and Soviet ballistic missile forces, at sharply reduced members. In the first phase of his proposal, the President calls for sharp reductions to a level where both sides have equal numbers of warheads on an equal number of ballistic missiles, with more or less equal numbers of those warheads deployed on land. Specifically, there would be 5,000 warheads for each side, 850 ballistic missiles including both land and sea based, with not more than 2,500 warheads to be based on land.

In the second phase of his proposal, the President calls for a ceiling on the overall throw weight of the ballistic missiles of both sides, at a number lower than the figure for current U.S. Forces.

According to the President, these reductions would be made with the objective of achieving "stability through significant reductions in the most destabilizing nuclear systems, ballistic missiles, and especially intercontinental ballistic missiles."

This statement is in line with the growing consensus in our country that the vigorous use of arms control can and should be used to help resolve strategic nuclear problems that will otherwise force both sides to deploy ever greater numbers of weapons in a search for safety.

However, the problem is that not all reductions are benign, and not all forms of parity lead to stability. Stability is not something inherent in the strategic forces of either country in isolation—it is instead dependent on the relationship between the two forces and how these forces tend to influence decision making when they are played off against each other.

In order to assess the President's program, it is therefore essential to know precisely how the forces of each side would evolve through the two phases of his proposal.

There are many paths that either side could take. But it is quite possible to realine the forces of both countries in conformity with the President's proposal, in a way that would lead not to greater stability but to less stability.

Both sides could have numerical parity—indeed, they could be almost symmetrical—and both sides could exist in smaller numbers. Yet each side would still be in a position to launch a first strike against the other's ICBM's, while retaining a substantial force in reserve. At the conclusion of the exchange, the attacking side would enjoy a substantial numerical advantage over the victim. In other words, the President's formula can be worked out in a way which leads to the worst of all possible arrangements: mutually vulnerable forces, poised always on a hair trigger alert.

This is obviously not a desirable outcome and presumably one which both the United States and the Soviet Union will seek to avoid as both nations negotiate away from their opening positions. It can certainly be avoided if both nations wish to avoid it.

In my opinion, the key to a successful agreement in the age of parity is the elimination of even the theoretical possibility of a strategic first-strike by either side.

Earlier this year, I introduced an arms control proposal which begins from premises rather like those of the President. It selects counterforce weapons as its focus and it had two phases.

In the first phase, we and the Soviets would avoid making any additions or improvements to the counterforce inventory of either side. This selective moratorium was designed to be followed immediately by negotiations for synchronized reductions beginning with the dismantling of counterforce weapons on both sides, starting with the MIRV'd version of the Soviet SS-18. In return for substantially larger reductions on the Soviet side, the United States would agree not to deploy MX or the Trident D-5, although development and testing of both would continue as a hedge against the breakdown of negotiations. To maintain mutual deterrence, the agreement would mandate replacement of MIRV'd ICBM's with a new, less destabilizing type: an ICBM carrying just one warhead.

If both sides were to carry out this change, neither would be in a position to make the arithmetic of a first strike work. Although either side could attack the other's ICBM's, the attacker would have to use up his entire ICBM inventory and a very large proportion of his submarine based missiles to do the job. Both sides would be in a much better position to continue the arms control process towards greater reductions. And, as a byproduct of these changes, the Soviet advantage in throw weight would be substantially narrowed, and indeed, the United States could close the gap. Moreover, the number of ICBM's would be equal.

I will provide a detailed discussion of this plan for the record. As I have indicated earlier, however, the existence of a Presidential position transforms the way in which we must address the question of arms control. As a first priority, we have to ask ourselves how relevant to the issue and how helpful to the country are the proposals that have been advanced in the Congress and in the public to date?

The principle value of a freeze proposal was as a means for showing the President the depth of the public's belief that arms control has been held in abeyance too long, and that it needs to move rapidly.

Having clearly fulfilled this function, the freeze movement would be wise to change its agenda. U.S. policy is not going to adopt a freeze proposal while the present administration is in office. To continue to advocate this course of action means that the movement will be sidelined.

The principle value of the current proposal that the SALT II agreement should be resurrected and ratified was to underscore a fact this administration seems to have learned since taking office—but which it hasn't acknowledged: there was value in the arms control process and in the SALT II agreement. Its constraints were not merely cosmetic but were useful to the national security.

The fact is that the President's position is relatively closer to SALT II than to more radical arms control concepts pushed by others in the administration. But the administration would nevertheless feel forced to go to the political "battle stations" to head off any formal effort in the Congress to bring SALT II into force. That effort, at this stage in the game, could serve as a distraction from the negotiations with the Soviet Union.

We in the Congress would do better to take a less confrontational route. A resolution to the effect that the Congress desires to be consulted in advanced by the President, should he decide to break with current policy of informal observation of major elements of the SALT agreements would be a better approach. I am introducing such a resolution this week.

The most important thing, however, is that the President has now chosen to pursue a meaningful arms control agreement with the Soviet Union.

Hopefully with arms control off dead center, the way may now open up for discussion of other areas of U.S.-Soviet friction. The president's speech contains much on these issues that deserves our support, and careful attention in Moscow.●

SENATE—*Friday, May 14, 1982*

(*Legislative day of Tuesday, May 11, 1982*)

The Senate met at 12 noon, on the expiration of the recess, and was called to order by the President pro tempore (Mr. THURMOND).

PRAYER

The Chaplain, the Reverend Richard C. Halverson, LL.D., D.D., offered the following prayer:

Let us pray.

Gracious Father in Heaven, this has been an exhausting week for the Senators and all who labor here. We are accustomed in our culture not to reveal need. Strong people are never supposed to be vulnerable or manifest weakness. So we keep the "lid on," conceal our feelings, and allow pressure to build up until it explodes in anger or frustration or, worse, implodes, damaging delicate balances inside us.

But some in our large family are hurting. Some are ill in hospital or home. Some here are silently enduring pain—physically or emotionally. Some are discouraged and about ready to "throw in the towel." Others may have financial difficulty or be estranged from spouses or a son or daughter may be in trouble—into drugs or alcohol or immorality.

Whatever the need, loving Father, touch that life with healing and renewal. Help us, dear God, to be gentle with each other, to affirm and love one another. And for those who face busy weekends, campaigning or whatever, help them to get some rest and relaxation and have some time with the family. In Jesus' name. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The majority leader is recognized.

Mr. BAKER. I thank the Chair.

THE JOURNAL

Mr. BAKER. Mr. President, I ask unanimous consent that the Journal of the proceedings of the Senate be approved to date.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR PERIOD FOR ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I announced this morning that, after the recognition of the two leaders under the standing order and the recognition of the Senator from Wisconsin, Mr. KASTEN, on a special order, I would provide for a period for the transaction of routine morning business. I ask unanimous consent that there be a period for the transaction of routine morning business after the execution of the special order of not to exceed 30 minutes in length in which Senators may speak for not more than 5 minutes each.

The PRESIDENT pro tempore. Without objection, it is so ordered.

FIRST CONCURRENT BUDGET RESOLUTION

Mr. BAKER. Mr. President, it is the intention of the leadership on this side to ask the Senate to proceed to the consideration of Senate Concurrent Resolution 92, the first concurrent budget resolution, which is Calendar Order No. 544 on the Calendar of Business for today. Assuming that the Senate agrees to take up that matter, and I expect that it will since it is a privileged matter and must be dealt with according to provisions of law, I would hope that opening statements could be given, that general debate would ensue, but that no amendments would be offered today and no votes would occur today.

Mr. President, I ask unanimous consent that there be no rollcall votes today, and if any are ordered that they be postponed until Tuesday next, motioned by the majority leader after consultation with the minority leader, no earlier than 1 hour after convening and prior to the recess or adjournment of the Senate on Tuesday.

The PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered.

Mr. BAKER. Mr. President, the outlook is as follows: Today the budget resolution will be laid down as the pending business. I anticipate that the distinguished chairman of the Budget Committee, Senator DOMENICI, will commence the debate with his opening statement. I anticipate that other Senators will wish to be heard on the first day of consideration of this measure.

I remind Senators that there are not more than 50 hours of debate provided for under the statute under certain terms and conditions. I anticipate that perhaps 6 hours of that time will be consumed in debate today or otherwise arranged to be charged against the time limitation on the resolution.

There will not be a session of the Senate on Saturday, Mr. President. It is my hope and expectation, however, that, notwithstanding that I do not now anticipate asking the Senate to be in on Saturday, we may be able to arrange to reduce the time or at least to charge the time for a normal session on Saturday against the 50-hour cap. I will consult with the acting minority leader in the course of this day in an attempt to complete the arrangements on that.

On Monday, Mr. President, the Senate will convene at noon, according to the order already entered. After the opening formalities, I anticipate that there will be a period for the transaction of routine morning business to be followed by the resumption of debate on Senate Concurrent Resolution 92.

Mr. President, I anticipate that on Monday general debate will continue and perhaps amendments will be offered, but I ask unanimous consent that if votes are ordered on Monday, they be deferred until Tuesday, not earlier than 1 hour after the Senate convenes and not later than the recess or adjournment over of the Senate on Tuesday next.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I may say to Senators that it is my hope and expectation that the Senate will be able to complete action on the budget resolution by the close of business on Wednesday next. If we have not finished it, of course, we will continue. But, in view of the schedule of debate that I have just tried to outline, and other arrangements that I hope to complete today, if we do not finish up Wednesday at a reasonable hour, something like approximately the usual recess or adjournment hour of 6 p.m., that we would continue on Thursday and then Senators should be on notice that Thursday would once more be a late evening, it being our usual and regular day for late sessions if necessary.

Mr. President, after completion of the budget resolution, there are other matters which will require the attention of the Senate. I will have a more thorough announcement to make on that in the course of the next few days.

I would remind Senators, as well, that the time between now and the Memorial Day recess will be a busy one. In addition to the Department of Defense authorization bill, which we just completed, and the budget resolution, which we are about to commence, there is an urgent supplemental ap-

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

propriations bill here from the other body which must be dealt with in this Chamber. There is a requirement that we consider, as well, other matters, including the Voting Rights Act, including an immigration bill, the debt limit, and many others. So the next few weeks will be a busy time.

MEMORIAL DAY RECESS

Mr. BAKER. Mr. President, I have indicated privately to a number of Senators, including the distinguished minority leader, that it is my hope that we might be able to extend the time for the Memorial Day recess. I will have an announcement to make on that next Tuesday. I bring it up now so that Senators should be aware of the fact that it is still not fixed and set. It is going to have to be balanced with the requirements of the Senate, and I will consult with Members on this side and the minority leader, who I am sure will consult with Members on his side. An announcement will be made on firm dates for the Memorial Day recess during the day on Tuesday, perhaps immediately after the two caucuses at 2 o'clock.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, if I have any time remaining under the standing order, I reserve it for disposition during the course of this day.

I ask unanimous consent that the time of the minority leader or the acting minority leader be reserved for his use during this calendar day.

The PRESIDING OFFICER (Mr. Warner). Without objection, it is so ordered.

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KASTEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEFENSE MINISTER ABU GHAZALA

Mr. KASTEN. Mr. President, I rise to call to the attention of my colleagues an honor bestowed upon Mohammed Abd el Halim Abu Ghazala, the Egyptian Minister of Defense, Military Production and Commander in Chief of the Egyptian Armed Forces, and to extend to him my warmest congratulations on his recent promotion to field marshal—yet another honor to a distinguished soldier, a distinguished man.

Over the last year and a half, I have had the good fortune to become acquainted with Defense Minister Abu Ghazala, an acquaintance I value highly. I have had the opportunity to get to know him personally, as well as to learn of his outstanding military career and his service to his country in peacetime. I would like to share with my colleagues a few comments regarding this outstanding individual upon the occasion of his promotion to Egypt's highest military rank.

Minister Abu Ghazala began his military career even before his graduation from the Egyptian Military Academy. As a cadet, he participated in the Palestine war in 1948. He was graduated from the Egyptian Military Academy in February 1949, and later received a B.S. in commerce from the University of Cairo. His graduate studies in Egypt's War College were augmented at our own Army War College. While serving as Egypt's Defense and Armed Forces Attaché to the United States, he was the first foreign officer to be made an honorary graduate of the U.S. Army War College.

In the 1956 Suez war, Minister Abu Ghazala served as an artillery captain in the Sinai. He distinguished himself in battle and won the recognition and the respect not only of his colleagues in the Egyptian Armed Forces, but also of his adversaries. In one engagement, he held a position deep in the Sinai until his unit had used its last artillery round. The last to depart his station, he rigged his guns to explode, retreating in a perilous, 3-day march through the desert, finally delivering his entire unit safe and sound at the Suez Canal.

In the 1967 war, then Col. Abu Ghazala commanded an artillery division and again acquitted himself and his division with valor and distinction. In 1973, as a brigadier, Abu Ghazala commanded the artillery of Egypt's 2d Army, which provided the field of fire across the Suez Canal from Port Said to the Great Bitter Lake. His artillery enabled the Egyptians to cross the Suez Canal; when the counterattack was launched, his artillery held the line.

In 1974, in recognition of his accomplishments in the 1973 war, Brig. Abu Ghazala was promoted to major general and was awarded the Star of Honor, Egypt's highest military medal, for his exceptional acts of courage in the field. He has received 15 other decorations, including the Military Order of the Republic (First Class), the highest honor that President Sadat awarded to any military man for peacetime service to his country.

Defense Minister Abu Ghazala, a hero in battle, has been and will continue to be an exceptional advocate for peace. He is fully committed to building the Egyptian Armed Forces into an excellent peacetime defense force, paying special attention to the improvement of morale in the middle and lower levels of the officer corps and the enlisted ranks. He has emphasized the need for collateral civilian-oriented education for Egypt's military officers, encouraging engineering, management, industrial, and technological skills.

Minister Abu Ghazala is well known outside of Egypt as a military man. Inside his country—and to those of us who know him well—he comes across often as an academician, soft spoken and thoughtful. Indeed, he has written several military textbooks and no doubt will continue such writings. He is considered by his fellow Egyptians and by Arabs generally to be specially watched by Allah, having escaped three very close brushes with death, the latest when he stood at the side of President Anwar Sadat on the reviewing stand in last October's parade. Through the news films, we were all witness to his courage and his presence of mind on that fateful day when, wounded in the head, face and arm, he rose up and restored calm and order immediately after the murder of President Sadat.

Mr. President, recently I spent some time in Egypt in my capacity as chairman of the Foreign Operations Appropriations Subcommittee. While there, Defense Minister Abu Ghazala went out of his way not only to make me feel welcome, but also to insure that I was able to see everything I needed to see during my stay. In Egypt, I had the opportunity to spend some hours with the Defense Minister, hours which were invaluable to me both as chairman of the subcommittee and as a person interested in the thinking of a man so important to peace in the Middle East.

There is no question that Defense Minister Abu Ghazala is already in the ranks of world leaders working for peace, as was evidenced by President Mubarak's recent decision to promote him to the rank of field marshal, the highest rank possible for an Egyptian military officer. While most of this statement has been devoted to Defense Minister Abu Ghazala, I wish also to praise President Hosni Mubarak, who possessed the wisdom to promote and rely on such a man as Mohammed Abd el Halim Abu Ghazala.

Finally, Mr. President, let me convey to this body the commitment to peace given to me by President Mubarak and Defense Minister Abu Ghazala. Both men, distinguished in war, recognize that their mission is to continue the peace, a peace based on political stability, economic progress, a strong peacetime defense, and a close relationship with all who extend the hand of friendship to Egypt.

POLAND: DECLARE THE DEFAULT

Mr. KASTEN. Mr. President, 5 months have now passed since the Soviet-backed imposition of martial law in Poland. Four thousand Poles have been imprisoned by the state, Lech Walesa remains in confinement, movement toward democracy has been crushed, and Stalinistic repression of the Polish people continues. Yet even the brutality of martial law cannot stop the Poles from fighting for a say in the way their country is run.

Tens of thousands of demonstrators are now openly defying the martial law authorities by staging pro-Solidarity strikes and rallies in the streets of Warsaw and Gdansk. Protest marches erupted in violence on May 3 when demonstrators were beaten and teargassed by riot police. Yet, Radio Solidarity continues to broadcast, and Solidarity activists are committed to continue the struggle for political and economic reform.

Mr. President, the United States can no longer stand idly by while the Polish people battle for political and economic freedom. We have been unable to persuade our NATO allies to join us in imposing tough sanctions against the Soviets and the Polish military regime. I believe we have waited long enough. It is time for the United States to stand up for Poland by declaring the military government in default and cutting off credit to the Soviet bloc.

Mr. President, a number of articles have appeared in the press over the past few weeks which document the struggle of the Polish people and the lack of response on the part of the West. I ask unanimous consent that these articles be printed in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

[From the New York Times, May 4, 1982]

Warsaw Renews Curfews After Rioting: Phone Service Cut—Clashes Go On in One City—Military Rulers Hold Emergency Session

(By John Darnton)

Warsaw, May 4—The Polish military Government moved swiftly today to reintroduce curfews, cut telephone service and impose other restrictions in selected regions after clashes Monday between anti-Government demonstrators and the police.

The Military Council of National Salvation, the 21-member ruling body set up during the military takeover last December, met in emergency session under Gen. Wojciech Jaruzelski.

A three-sentence item on the official press agency said only that the council "evaluated the current socio-political situation following the recent events" and "adopted decisions necessitated by the situation."

RIOTS LAST OVER 6 HOURS

One such decision was the reinstatement of a curfew for Warsaw, where thousands of protesters chanting slogans in support of the suspended Solidarity labor union battled heavily armed riot policemen for more than six hours Monday. Telephones that were disconnected throughout the capital on Monday remained dead today.

The Polish press agency said that in addition to Warsaw, there were protests leading to violence in at least nine other cities, including the coastal cities of Gdansk and Szczecin and the central and southern cities of Bydgoszcz, Torun, Lublin, Lodz, and Cracow.

At a session of Parliament debating a culture bill, the Interior Minister, Gen. Czeslaw Kiszczak, disclosed that what he called "illegal events" were continuing in Szczecin today. There were no reports of disturbances elsewhere, although a partial communications blackout made accurate information hard to come by.

General Kiszczak, a slight man whose tunic was bedecked with medals, said 1,372 people had been taken into custody for participating in demonstrations, 271 of them in Warsaw. They would be "brought to public responsibility," he said.

72 POLICEMEN INJURED

He said 72 policemen had been injured in the clashes, 10 seriously enough to require hospitalization. In Warsaw alone, 50 policemen were injured. Figures on the number of demonstrators injured could not be given, he said, but he noted that some of them were also hospitalized.

General Kiszczak emphasized the youthfulness of many of the demonstrators, as part of a general line that opposition forces have taken advantage of the gullibility of the young. But he also struck out at what he called "Western circles," and in particular Radio Free Europe, the United States-sponsored broadcasting unit that is based in West Germany. He said they had fomented a "May offensive" because they were dissatisfied that "the situation in Poland is calming down."

"They're unhappy that the Polish issue had begun to disappear from the sensational headlines of their newspapers," General Kiszczak said.

"Or perhaps this action is undertaken out of a sense of shame over the Malvinas situation," he said, referring to Britain's conflict with Argentina over the Falkland Islands.

SHOW OF SUPPORT FOR SOLIDARITY

The scope of the disturbances Monday indicated that a new crisis has erupted for General Jaruzelski's Government, which had only recently begun to talk of striving for "national accord" to overcome public anger and resentment over martial law. It also showed the depth of support for the Solidarity union.

The fact that so many demonstrations broke out at once was represented by the authorities as evidence that behind them lay some kind of active underground organization aided by Western "imperialist" circles. "They were based on a pretty similar scenario," General Kiszczak said. "This is one of the proofs that there was a homogeneous inspiration."

He made it a point to note that the beginning of many of the marches coincided with crowds leaving churches after services. In an oblique warning to the Roman Catholic hierarchy, he said, "Unrest in the streets neither facilitates the church's performing of its religious mission nor serves its interests."

In addition to disturbances in Warsaw, Gdansk and Szczecin, the Interior Minister said that "serious street incidents" also took place in Elblag, Torun, Lublin, Cracow and Gliwice. The Polish press agency said clashes also occurred in Gdynia, Lodz, Bydgoszcz, Swidnik and other cities.

"IT'S REMARKABLE"

A Government official, speaking privately, said that "quite a number" of small towns had also been the scenes of violence. "It's remarkable," he said. "Some of these places are just little towns and haven't had any trouble over the past two years."

This morning's newspapers gave the demonstrations scant coverage, but by tonight the official press agency, P.A.P., provided more extensive coverage, suggesting that the Government had shifted its position and was now arguing that a full-scale assault on socialism was once again under way.

The agency said about 10,000 people attended the Warsaw demonstration and, dispersed by riot police, broke into smaller groups "to pick up street battles and brawls in some places, which at the course of events indicated were preplanned."

"The hostility and aggression were initially spearheaded against the still conspicuous May Day decorations, especially red flags, which were torn down and burned," the agency said.

The agency said young people were spotted in Warsaw's Old Town with buckets, blankets and food, heading for a church.

This, it said, was evidence that "it was a preplanned action to run for a longer time."

A PARTY HEADQUARTERS ATTACKED

In Szczecin, the agency said, barricades were erected by demonstrators on Victory Square and "groups of hooligans seized a hotel and put it to the torch." In Gdansk, it said, the building housing the headquarters of the local Communist Party was attacked, and a crowd "several thousand strong" tried to overrun the city center near the Jan Sobieski Monument.

In Gdynia and Elblag, it said, the disturbances were smaller and marked by a spree of tearing down red flags

The agency said the organizers of the demonstrations misread as weakness and indecisiveness the attitude of the authorities, who were tolerant of opposition marches on May Day because they did not want to "disturb the solemnity" of the Communist holiday.

PRIVATE CARS ARE BANNED

In addition to the reimposition of curfews and the cutting of telephone communications in various regions, cultural and sports events were suspended and the use of private cars was banned.

In Warsaw, effective immediately, the curfew will begin at midnight for adults and at 9 P.M. for people under 18 and will run until 5 A.M. This is in line with the assertion that youths made up most of the demonstrators. All cultural and entertainment centers will be closed.

A curfew that had been in effect since martial law was imposed Dec. 13 was lifted only on Sunday.

Little information was available about the situation in Szczecin, a port city that is a Solidarity stronghold close to the East German border. A.P.A.P. dispatch said only that "groups of unruly youngsters" took to the streets in rioting, shouting antistate slogans and destroying public facilities."

"Order was restored by the law-enforcement organ," it said.

Unofficial sources, including Westerntravelers, said the disorders in Gdansk were much larger than indicated by the Government-controlled press. The crowd was as large as 10,000, the sources said, and at one point it turned against a police headquarters, setting fire to a police shed.

Although the official press said that demonstrators in Warsaw went on a rampage of destruction, smashing windows and overturning cars, Western journalists on the scene did not witness such incidents. The clash turned violent when marchers were attacked by truncheon-wielding policemen, and the protesters' actions appeared aimed only at the police.

DEBRIS QUICKLY CLEANED UP

Municipal authorities hastened to clean up the debris from the rioting in Old Town. By late this morning, an outdoor cafe, whose metal chairs had been used to construct a barricade, was back in service. A fruit stand that had been raided for missiles was selling its fare. A glass cutter was doing a brisk business fitting new windows.

But the smell of tear gas was still strong. Some people at the cafe dabbed at their eyes with handkerchiefs while sipping their tea or eating ice cream.

Armed police could be seen in the city, and in midafternoon a helicopter circled overhead.

A press agency commentary issued today said the disturbances would only make martial law last longer and have a negative effect on the discussion of the future of the trade-union movement.

"The excesses," it said, will not "facilitate" the further release of internees, of whom there are still about 2,000.

[An editorial from the Washington Post, May 14, 1982]

In the Streets of Warsaw

The Polish Communist regime's effort to cheat its way back into the toleration of the Polish people and the international community fell apart in the streets the other day. The regime had made a great display of "normalization," releasing some of its thousands of political prisoners (too often, by the way, called "internees"), relaxing the curfew and mumbling of a "national dialogue." On Monday, however, in Warsaw and other Polish cities, tens of thousands of citizens demonstrated against martial law. They were met by police violence; scores were injured and 1,300 detentions were reported. So much for any hope of inducing the Polish people to forget about their lost liberties and to cooperate, however sullenly, with Gen. Jaruzelski's police rule.

And now? Archbishop Jozef Glemp, for one, still seems to believe there is a negotiable way out of the crisis the Communist authorities created last December when they shut down Solidarity. He blames "extremists" for the current impasse—the government's for relaxing martial law too little and Solidarity's for pushing protest too hard. Cardinal Glemp is the most credible voice in Poland arguing for a dialogue and a political compromise between the narrowly based, Soviet-supported regime and the people, whose allegiance to their chosen representatives in Solidarity remains strong.

There is the real possibility, however, that the "extremists" on the Communist side will take the demonstrations not as proof that normalization had lagged but that it had gone too far. Nor can it be doubted that some in Solidarity figure that there can be no worthy compromise with the regime, only a tightening test of wills. So it could happen that before either side reaches out further to the other, both will intensify their internal debates. This makes the moment fraught with fresh uncertainty.

For Solidarity, as for its friends outside Poland, however, the test must be whether martial law is rolled back and whether Solidarity itself is allowed a role commensurate with its standing among its constituency. Until that happens, there will be little taste in the West for providing Poland with a measure of cooperation, especially the cooperation essential to its long-term economic revival. That should be clear by now to everyone in Poland, including Gen. Jaruzelski.

[An editorial from the New York Times, May 4, 1982]

Solidarity Calls Again

They waved red flags on May Day in Poland and a caged people roared forth with predictable wrath. The defiant Solidarity marchers were tolerated for a day. When that inspired more provocative challenges, the regime answered with tear gas, arrests, curfews and dead telephones. So much for the "normalization" that was going to yield relaxations of martial law this week.

The aborted show of tolerance was not a function of Poland's domestic order. It was meant to soften up Western bankers as Poland seeks new indulgence for its $29 billion debt. But as the demonstrations prove again, there will be no social or economic order until the regime negotiates with the elected, still-detained leaders of Solidarity.

The Communists who hoped to rule by force alone have learned in Moscow that no rescue is conceivable without Western aid. Now they have learned in Warsaw that there can be no credible appeal to the West without the people's cooperation. And not only in Warsaw: "It's remarkable," a Government official said as the violence spread. "Some of these places are just little towns and haven't had any trouble over the last two years."

A modern nation's productivity cannot be compelled. Only a cooperative Polish people can rescue Communism's reputation—and capitalism's loans. And if the Poles are to stomach a decade's austerity, they need political and spirtual rewards.

All this was at first understood by the Reagan Administration. But having failed to seize the moment for a major new bargain with the Soviet bloc, it settled for frail sanctions and propaganda. Now the Polish people call again. They have not surrendered the struggle for a more humane order. What they need is measured support for their cause: a resolute "No" to new credits or loan rollovers for their Government until Solidarity is reborn.

[From the Wall Street Journal, May 4, 1982]

Review & Outlook—Seeing Red on May Day

May Day has been a time of celebration for socialists since it was declared a labor holiday by the Second Socialist International in 1889. In recent years, the Soviet Union has saved its tanks and missiles for November and paraded youth groups and workers through Red Square on May Day to signify allegiance to the party and its leaders. This year, however, May Day took on an ominous hue for the Communist world. In Poland, the red flags revived a national anger that had been smoldering through the winter.

The flags themselves were ripped down in an outburst of rioting and disorder that the military government has been struggling to put down with harsh police measures and, in Warsaw, a telephone service shutdown—and new curfew. The Polish rioters were shouting that they are 10 million strong, inviting their police oppressors to switch loyalties. The party proved it could no longer rule last year by turning the job over to the military. The military is now trying to prove it can rule by brute force.

Poland is a special case in the socialist bloc, to be sure. It was the victim of a brutal and cynical Russian subversion at the end of World War II. The party was never able to destroy allegiance to the church or subdue the peasants as Stalin did so brutally. It held its power in part by periodically defying the Russians rather than by emulating them. Yet there are some broader points.

Communist parties are no different from other political parties in one sense. They cannot rule entirely by force. They must offer something to believe in, a system of values. The Communists have always promised social justice, with everyone marching together in equality and cooperation toward a better life. Personal freedom or "careerism," to use a favorite Communist pejorative, must be sacrificed to this larger goal.

But any organization is in trouble when its central ethic is no longer believed and it can no longer offer hope. Communist parties are especially vulnerable to public disillusionment because they lay claim to so much power and control as the price for the utopia they promise. As the dream vanishes, they have to rely more and more on crude instruments—demagoguery, the secret police and the army—that can only cause the people to hate them all the more.

The Soviet party and other European Communist parties have not reached the desperate straits of the Polish party. But their economies also are suffering from the same loss of morale and work effort that afflicts the Poles. Their ability to maintain living standards by borrowing from the West is diminishing as Western bankers become increasingly doubtful of their ability to pay their debts. The dream has withered for their peoples too as hopes diminish for better living standards or progress toward social justice. They see more and more evidence of official corruption and party-protected elitism. Parties and governments have been unable to suppress contact with the outside world, so they know the quality of their lives is inferior in most ways to that of the people who live under capitalist systems they are told to despise.

We have no way of knowing the outcome of the conflict between people and party in Poland. It is hard to see how it can heal. It could become increasingly bloody. In a less immediate sense, the Soviet Union and the other Communist countries face a similar rift. Yet the prospects for peaceful modification of those systems in a liberal direction are not bright. There is not much we can do about it; certainly pouring good money on top of bad won't help. But it is not something we should necessarily cheer about either.

[From the New York Times, May 6, 1982]

Warsaw Plans Talks On '82 Debt—Unrest Clouds Rescheduling

(By John Tagliabue)

Bonn.—The renewed unrest in Poland is expected to complicate talks planned this week on the rescheduling of loan and interest repayments that Warsaw is due to make this year.

Poland's 1982 debt to Western governments and banks is estimated at $10.4 billion in principal and interest, including about $2.5 billion in principal and $2 billion in interest owed to Western banks.

High-ranking Polish bank officials are to hold talks this week in London with British bankers on rescheduling all of the 1982 bank debt, including interest, an unusually far-reaching request. They may also seek new loans.

But the new crackdown in Poland could stiffen Western resistance to aid. "It can complicate the process," one West German bank official said. "It has immense psychological and possibly political effects."

BANK CHAIRMAN IN LONDON

An official at the London office of Bank Handlowy, Poland's foreign trade bank, said that the bank's chairman, Marian Minkiewicz, would meet representatives of Poland's British clearing banks.

Mr. Minkiewicz is expected to test the bankers' receptivity to possible new loans to Poland to finance the industrial imports that Warsaw says it needs if it is to repay interest owed this year. Polish officials said that without such help, they might be forced to seek rescheduling of both the principal and interest owed.

Such a full rescheduling would set an unwanted precedent, many Western bankers say. Particularly in Britain and the United States, rescheduling of the principal of loans is undertaken ordinarily on condition that interest payments be met.

In April, Polish and Western banking officials signed an agreement in Frankfurt to postpone payment of most of the principal owed to Western banks in 1981, but the banks insisted that Poland pay the interest due.

HELP WITH 1981 INTEREST PAYMENTS

Poland was able to meet the 1981 interest payments partly because Western bank loans to purchase raw materials and semi-finished products for industry lessened the demands on Poland's reserves of hard currency. But after the crackdown in December, the NATO governments refused to grant direct loans or to guarantee commercial bank loans until Poland returned to normal. Western bankers generally refuse to grant additional loans without government backing.

Thus the unrest this week is causing concern. Several non-NATO countries, including Austria and Switzerland, have been softening their attitudes toward aid to Poland, and some NATO states might follow.

But bankers are concerned that a renewed flareup might harden the views within the North Atlantic Treaty Organization. This week, Secretary of State Alexander M. Haig Jr., in testimony to a Congressional subcommittee, restated American resistance to a looser credit policy toward Poland.

O.E.C.D. MEETING

In coming weeks, Western bankers will be seeking clarification from their governments on export credit policy; the next opportunity for such clarification will come Thurdsay, when members of the Organization for Economic Cooperation and Development convene in Paris for two days to discuss renewal of an agreement on export credits.

Poland's difficulties, which were followed in March by a request by Rumania for a postponement of much of its debt to the West, have discouraged Western commercial banking business with Eastern Europe. East Germany, for example, until recently a prime credit risk, failed last month to muster a Western consortium to float a $300 million loan.

[From the New York Times, May 10, 1982]

Poland Mounts Show of Force To Maintain Calm in Warsaw

Warsaw, May 9 (Reuters).—Polish authorities mounted a huge show of force in Warsaw today to try to prevent a repetition of last week's violent clashes with supporters of the Solidarity trade movement.

As tension grew in the streets, more than 100 vehicles, including an armored personnel carrier fitted with a machine gun, water cannons and buses filled with armed riot policemen, were brought to the central Victory Square.

They parked next to a group of about 500 people of all ages, who sang religious songs and made victory signs while standing around a cross of flowers laid on the paving stones. The cross, first laid a year ago, serves as a symbol of opposition.

Earlier in the same square, troops marched behind a military band to mark the 37th anniversary of the end of World War II in Europe.

The atmosphere in Warsaw and other Polish cities has been tense since last Monday's street battles following demonstrations called by activists of the suspended Solidarity union. They demanded an end to martial law, release of interned Solidarity leaders, including Lech Walesa, and restoration of the union.

In the Old Town section of Warsaw, hundreds of people walked about today in a light drizzle, but they did not march together or demonstrate with chants or banners.

Security forces swarmed through the Old Town and around Victory Square. Patrolling in groups of four or more they checked identity papers and dozens of people, mostly youths, were taken away in trucks.

After allowing the gathering in Victory Square to continue for several hours, policemen, carrying rubber truncheons in their belts and rifles on their backs, moved in and cleared the area.

Earlier today, Poland's Roman Catholic Primate, Archbishop Jozef Glemp, repeated an appeal to young people to refrain from street fighting.

The Archbishop told a crowd of about 100,000 people massed in the downtown area of the southern city of Cracow; "Stones are the worst form of argument. Every stupid man knows how to throw stones. Stones do not make laws."

[From the New York Times, May 11, 1982]

Warsaw Expels Two U.S. Attachés

(By John Darnton)

Warsaw, May 10.—In the first incident of its kind here in years, two United States diplomats were expelled tonight for receiving papers from a Polish scientist in his apartment Sunday night.

The official Polish press agency P.A.P., in disclosing the news shortly before it was read over national television, described the papers as "materials hitting out at the interests of the Polish People's Republic."

A statement from the United States Embassy strongly denied this. "We categorically reject the charges of the Ministry of Foreign Affairs that the two officers named were engaged in activities, as the ministry put it, prejudicial to the process of stabilization in the Polish state," the embassy said. "We note that when we tried to find out how their actions might have been prejudicial to this process, the Ministry of Foreign Affairs was unable to explain."

The two officials involved were John William Zerolis, the scientific and technical affairs officer, and James Daniel Howard, the first secretary for cultural affairs. Mr. Zerolis arrived in Poland in August 1980 and Mr. Howard eight months ago. The two were given until Friday to leave the country for "activity incompatible with their diplomatic status."

ANTI-WESTERN CAMPAIGN NOTED

American diplomats in Warsaw could not recall the last time that a United States diplomat was expelled from Poland. Privately, they linked the move to a stepped-up propaganda campaign that has charged Western "imperialist circles" with responsibility for anti-Government demonstrations.

The Polish scientist, Dr. Ryszard Herczynski, who is with the Institute of Basic Problems of Technology in the Polish Academy of Sciences, was put under temporary arrest while the case is investigated by the military prosecutor's office, the Polish agency said. Dr. Herczynski was interned when martial law was declared Dec. 13 and was subsequently released after he signed a pledge to refrain from antistate activity, the press agency said.

At the same time, a document from seven Solidarity union leaders in hiding said they feared the authorities were preparing to mount show trials of the suspended union's leaders, using forged evidence and rigged verdicts. They appealed to world public opinion to try to prevent the trials.

ASK SUPPORT FOR STRIKE

Another leaflet signed by the union leaders asked Solidarity supporters not to take to the streets to demonstrate but instead to back a 15-minute strike called for noon Thursday to mark the end of five months of martial law. The appeal seemed motivated by concern over tensions unleashed by nationwide protests last week that turned violent when riot police dispersed crowds.

Officials at the United States Embassy said that they had requested a meeting at the Foreign Ministry to lodge a formal protest over the treatment of the two embassy officials by the police. A protest was made when the Foreign Ministry told the embassy of the expulsions tonight.

Also present at Dr. Herczynski's apartment when Mr. Zerolis and Mr. Howard visited it Sunday night was Prof. Waldyslaw Fiszdon, the former deputy rector of Warsaw University, the Polish agency said.

"These two are distinguished members of the Polish academic world and longstanding acquaintances of the U.S. Embassy," one embassy official said.

The official said the attaché had gone to the apartment to arrange a meeting next week with Debora Wince, an officer of the National Science Foundation, who had expressed an interest in meeting the two Polish scientists.

As the two diplomats were leaving, the embassy official said, 11 plainclothes policemen barged in, forced them to stand spread-eageled against a wall and searched them for papers. The two identified themselves as American diplomats, the official said. "One got his ID out to show it," he said, "and the police just threw it across the room."

The embassy official said the police took "some papers" from the two, but was unable to say what they contained.

United States Embassy officials noted that the expulsions coincided with a bitter anti-Western, and especially anti-American, campaign in the official press. "The simultaneity of the announcement to the world at large and to us is an indication that it's mostly for public relations," one official said. "In other words, they were set up."

The anti-Western campaign began soon after martial law was imposed, but since last week's demonstrations it seems to be growing. One aspect is an all-out attack on Western newspapers, news agencies and broadcasting stations for "sensationalism" in reporting and for conveying information about demonstrations before they take place, which is regarded as instigation.

RADIO FREE EUROPE ASSAILED

Tonight, Polish television began a four-part series on Radio Free Europe, the United States-financed station based in Munich, West Germany. It focused on an interview with a man who gave his name as Mieczyslaw Lach and said he was formerly an employee there. He charged, among other things, that heads of various sections were staffed by Central Intelligence Agency personnel.

Meanwhile, a statement from the Polish Government spokesman, Jerzy Urban, said 2,269 people were detained in demonstrations last week and Sunday. So far, he said, 24 have been sentenced to prison terms and 1,339 have been tried by misdemeanor courts, which pass sentences of up to three months in jail or fines. Investigations against the rest were continuing, he said

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[From the Wall Street Journal, May 13, 1982

GERMAN BANKS MAY INCREASE PIPELINE CREDITS

(By John M. Geddes)

BONN.—The Soviet gas pipeline project to Western Europe, slowed in the aftermath of the imposition of martial law in Poland, seems to be gaining momentum again.

A West German government official said he expects German banks to accede soon to a Soviet request that they finance 100 percent of the German share of the pipeline project, instead of the 90 percent originally planned. That would mean the equivalent of a further $131 million in credits for the Soviets to addition to the $1.12 billion already granted.

The Bonn government, however, has informed the banks that it will provide export credit insurance for only 85 percent of the German share of the project, and not the 100 percent that the banks are being asked to consider.

The 3,600-mile pipeline, with an estimated cost of between $10 billion and $15 billion, is being designed to carry 1.41 trillion cubic feet of natural gas annually from western Siberia to Germany, France, Italy and other European countries.

A Soviet delegation is expected in the next weeks to visit Germany to discuss the credit issue and perhaps visit industrial concerns, banking sources said. They said the Soviets may attempt to assuage German companies, which have complained that their share of the pipeline orders of about $657 million hasn't matched the German credits granted.

One German industrialist expects his problems with the pipeline project to be resolved soon. Heinz Duerr, managing board chairman of AEG-Telefunken AG, said he expects the U.S. government to lift its ban within the next month on the export of U.S. turbine parts to be used for the pipeline.

The ban blocked the export of rotor blades and other turbine parts by General Electric Co. to its European licensees building compressors for the pipeline, including Telefunken. A West German official said the Bonn government recently requested, through private channels, that the Reagan administration lift the ban.

If German banks accede to the Soviet request for additional credits, as the Bonn government official predicted, it would be a reversal of the banks' earlier stance. In January, German banks rejected that request, citing changes in the original terms of the agreement, improper timing (due to Poland) and worries about Soviet demands for favorable borrowing rates.

That stance, however, was undercut weeks later by French banks, which agreed to provide 100 percent financing.

The Soviets have been pressing West German banks for 100 percent financing in an apparent attempt to gain needed hard currency and to prove their creditworthiness. A Deutsche Bank AG spokesman said after a trip to Moscow by some of its top officials last month that it wouldn't rule out the acceptance by German banks of complete financing.

Other German bankers are less confident about acceptance of the Soviet request, noting that although German interest rates have dropped it will still be problematic building a consortium for the $131 million credit. They emphasize that concrete negotiations on the issue have neither been held nor are scheduled.

[From the New York Times, May 14, 1982]

POLES STOP WORK IN NATIONAL PROTEST

(By John Darnton)

WARSAW, May 13.—Poles staged brief work stoppages and other acts of protest at noon today to mark five months of martial law.

Work was disrupted at most major factories in Warsaw. At the steel mill, the siren blared for 25 minutes as strikers jammed its mechanism and at an auto plant, some 500 workers gathered outside the gate after the morning shift, chanting "Long live Solidarity."

Traffic was tied up for half an hour at the downtown intersection of Jerozolimskie and Marszalkowska Avenues as motorists stopped their cars and blew their horns. Policemen wearing plastic visors, shields and batons dispersed 2,000 chanting onlookers.

In the evening, violence flared as the police charged a group of 150 to 200 young people in the Old Town outside St. John's Cathedral, where a mass was under way to pray for Pope John Paul II after the attempt on his life in Portugal on Wednesday.

CROWD OUTSIDE CATHEDRAL CHARGED

When the crowd ignored orders to disperse, the police charged, beating youths with truncheons as they sought to enter the cathedral. A priest came out to plead for calm. After the police had fired a concussion bomb, the crowd dispersed, chanting threats—not carried out—to take their protest downtown.

A 15-minute general strike had been called by Solidarity leaders in hiding. The protest, the first attempt to mount a nationwide demonstration against the military regime, was regarded as a test of strength for the suspended union.

But it was difficult to gauge the scope of the strikes, especially outside Warsaw, since most major factories have been placed under military supervision and are off limits to outsiders.

There were reports, from the official press and from unofficial sources, of stoppages and other acts of resistance in Gdansk, Wroclaw, Poznan, Gniezno, Nowy Sacz, Lodz and Bydgoszcz.

Foreign reporters interviewed workers as they left their plants, but some were reluctant to talk, reflecting fear inspired by the military takeover and by a press campaign against Solidarity, "antisocialist" forces and "Western centers of subversion."

The Government press agency said the protest had not been successful.

"Attempts to whip up unrest in Poland's streets have fizzled," it said, "in spite of calls by illegally operating extremists of the suspended Solidarity and hostile groups wanting to intensify the public mood and in spite of hostile propaganda by the Western media."

"Normal work continues everywhere and traffic is normal," the agency said shortly after noon, praising what it called the "maturity" of the populace and its dedication to "honest work and social discipline."

But as the day wore on and more reports of industrial unrest were disclosed, the sanguine tone was interspersed with concern. On the evening news, a commentator said that, considering the "noisy campaign" beforehand, the results of the protests were "rather small." He added that the protest might prolong martial law and thus "should be alarming."

SILENT DEMONSTRATION BY STUDENTS

At Warsaw University, 5,000 to 6,000 students filed out of buildings and assembled in the central courtyard for a silent demonstration. Police in battle gear stood nearby but did not intervene. Smaller demonstrations occurred at the Warsaw Polytechnic, the Agriculture Institute and at least seven high schools in a northern suburb.

Under new rules, students found participating in illegal demonstrations are liable to expulsion. This can make them eligible for induction into the army, which has helped the police keep order.

In Gdansk, according to travelers, there was a 15-minute strike in the Lenin shipyard, where the Solidarity movement was born in the summer of 1980. Students at the Polytechnic held a silent demonstration and intercity buses stopped. The travelers said riot police, posted throughout the city, checked identity papers.

The Warsaw radio reported "attempts to stop work in some factories in Lower Silesia," the industrial areas.

SOLIDARITY STRONG IN WROCLAW

In Wroclaw, where Solidarity's underground organization remains strong, it reported several stoppages. At a railroad-car factory, only 20 to 30 worked in one shop, and in the Dolmel electrical equipment plant, so 200 workers put down their tools. Air conditioning was switched off in another factory and leaflets were passed out demanding the release of eight workers who have been interned.

In other cities and towns, the radio said, there were silent demonstrations, leaflet distribution, taxis blaring their horns, and workers going on "extended cigarette breaks." At one cooperative in Zakopane, the radio said workers decided to hold an exercise class.

The official reports suggested that everything was normal in major factories around Warsaw, but this was not borne out in interviews conducted by foreign journalists.

Workers said there had been efforts to thwart the stoppages by increased supervision, voluntary police-patrols and warnings that strikers would be dismissed or imprisoned. Plant departments were sealed off from one another so that workers had no idea of what was going on elsewhere.

Despite the precautions, there were stoppages at the Ursus tractor factory, the Warsaw steel mill and the F.Z.O. plant which makes Polish Fiats.

"In my shop, the gears division, about 80 percent of the workers just switched off the machines and stood around," said a woman at Ursus, wearing a black jacket adorned with a button of the Black Madonna, the sacred icon. "We are going to win," she added.

Mr. KASTEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. There will now be a period for the transaction of routine morning business not to exceed 30 minutes, during which Senators may speak for 5 minutes each.

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GORTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

PERMISSION FOR USE OF ELECTRONIC CALCULATORS IN THE SENATE

Mr. GORTON. Mr. President, I ask unanimous consent that the presence and use of small electronic calculators be permitted on the floor of the Senate during the consideration of Senate Concurrent Resolution 92.

The PRESIDING OFFICER. Without objection, it is so ordered.

QUORUM CALL

Mr. GORTON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

BYRD-GRASSLEY AMENDMENT

Mr. GRASSLEY. Mr. President, this week the House of Representatives on Wednesday voted to repeal section 7 of Public Law 95-435. This section of our public law states as follows:

> Beginning with the fiscal year 1981, the total budget outlays of the Federal Government shall not exceed its receipts.

Mr. President, the repeal of this law is the height of irresponsibility and cynicism. It was passed on a voice vote and in a way that punctuates the hypocrisy of crying for balanced budget, on the one hand, and voting to repeal the law which mandates a balanced budget on the other.

This law was authored by Senator HARRY F. BYRD, JR. of Virginia and was passed in July 1978.

I like to refer to it as the Byrd-Grassley amendment because at that time I was a member of the House Banking Committee and I served on the Banking Committee and as a member of the Committee with jurisdiction I camped out on the floor of the other body for 3 session weeks during August and September of that year to force a recorded vote on this amendment.

We stood the test of time and were able to force a vote on that issue, and it carried overwhelmingly on the floor of the House of Representatives because of public pressure demanding fiscal responsibility.

This amendment became public law. It called for a balanced budget by 1981. I need not remind any Member of this body that it is now past 1981 and that the budget is not or has not yet been balanced.

It is past time to meet our legal obligations, but that calls for us to take necessary action to comply with the law, not to repeal that law.

It has typically been the attitude of Congress that if it lacks the fortitude to obey the law then it will either circumvent the law or repeal it.

This week's action by the House of Representatives indicates that nothing has changed: It chose simply to throw the law away.

Mr. President, as far as I am concerned, this is very serious action indeed. It does not help psychological problems peculiar to the financial markets. High interest rates today reflect the risk premium those markets attach to the cost of money. The risk factor results from doubts about Congress willingness to cut Federal spending and move toward a balanced budget.

Yesterday's House action confirmed that risk premium. In fact it probably added a "cynicism premium" that might show up before long.

The House, in effect, has exacerbated the problems in the market and has once again violated the trust that the American people have in their Government and in us, their elected leaders.

The Senate Budget Committee on which I serve has produced a budget resolution designed to renew trust in this Congress and to allay the fears of the financial markets. The resolution we adopted signals that Congress can take the necessary action to bring down deficits and to work toward a balanced budget.

Yet we have thrown it all away in such an irresponsible manner in what the House of Representatives did this week.

Mr. President, I hope that this Chamber is more prudent and sensible than the other Chamber and will not even contemplate bringing up such a ridiculous repeal measure.

If the House of Representatives chooses to be irresponsible and cynical, let us not show that we are their equal.

Instead let us continue in the responsible manner we have by moving toward getting a grip on Federal spending and deficits. Let us take swift action to pass the budget resolution that will be before us today and next week. Let us continue to pursue action that will move us toward a balanced budget, not away from one.

DEPARTMENT OF DEFENSE AUTHORIZATION, 1983

Mr. GRASSLEY. Mr. President, I thank the members of the Senate Armed Services Committee, particularly the chairman and the distinguished floor manager of the defense authorization bill, the Senator from Texas (Mr. TOWER) for his excellent work on this bill.

They have all done an excellent job of reconciling the sometimes contradictory goals of keeping our defense effort on track while exercising fiscal restraint.

Mr. President, the fiscal year 1983 Department of Defense authorization is faithful to the spending guidelines set forth by the Senate Budget Committee. It also continues a number of programs that have been controversial but which are, nonetheless, important to this Nation's defense. Because of the large expenditures contained in the bill and the controversy generated by some of the individual programs, some people will say, no doubt, that we are giving the Department of Defense a blank check. Nothing could be further from the truth, Mr. President. I think it is safe to say that every single program in this year's defense authorization has received careful scrutiny. In addition, I would point out that this bill contains a requirement adopted by the Senate last year to require Congress to be notified of major cost overruns. We have also adopted, as a floor amendment to this bill, legislation to establish an office of Inspector General in the Department of Defense.

It is not easy to balance our defense needs against the current need for fiscal austerity. This bill is a responsible effort to do just that, and I support it in good conscience. However, as every Member knows, authorizing bills do not determine final levels of spending. My support for this bill in no way locks me into a predetermined position on defense budget and defense appropriation matters. I shall cast my votes on those items in a manner consistent with my belief that the Reagan defense budget is too high.

Mr. President, I suggest the absence of a quorum.

The **PRESIDING OFFICER**. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. **BAKER**. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER** (Mr. GRASSLEY). Without objection, it is so ordered.

MESSAGES FROM THE HOUSE

At 12:09 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following bill, without amendment:

S. 1611. An act to amend Public Law 90-553m to authorize the transfer, conveyance, lease, and improvement of, and construction on, certain property in the District of Columbia, for use as a headquarters site for an international organization, as sites for governments of foreign countries, and for other purposes.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. THURMOND, from the Committee on the Judiciary, with an amendment:

S. 2317. A bill to recognize the organization known as the National Federation of Music Clubs (Rept. No. 97-394).

By Mr. THURMOND, from the Committee on the Judiciary, without amendment:

H.R. 4769. An act to recognize the organization known as the American Council of Learned Societies (Rept. No. 97-395).

BILL DISCHARGED AND PLACED ON THE CALENDAR

The Committee on the Judiciary was discharged from the further consideration of the bill (S. 2419) to amend title 28, United States Code, regarding venue, and for other purposes; and the bill was placed on the calendar.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. MOYNIHAN:

S. 2530. To amend the Internal Revenue Code of 1954 to eliminate the holding period for capital gains, to change the rules for deducting capital losses, and for other purposes; to the Committee on Finance.

By Mr. GARN (for himself, Mr. TOWER, Mr. HEINZ and Mr. LUGAR):

S. 2531. A bill to provide flexibility to the Federal Savings and Loan Insurance Corporation and the Federal Deposit Insurance Corporation to deal with financially distressed institutions; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. GARN (by request):

S. 2532. A bill to provide flexibility to the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, and the Federal supervisory agencies to deal with financially distressed depository institutions; to the Committee on Banking, Housing, and Urban Affairs.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. MOYNIHAN:

S. 2530. A bill to amend the Internal Revenue Code of 1954 to eliminate the holding period for capital gains, to change the rules for deducting capital losses, and for other purposes; to the Committee on Finance.

CAPITAL GAINS AND LOSSES TAX CHANGES

Mr. MOYNIHAN. Mr. President, the bill I am introducing today has four provisions. It eliminates the holding period for capital gains. It changes the rule that half an investor's long-term capital loss may be deducted from ordinary income. In future, only 40 percent of the loss may be deducted. It reduces the so-called alternative rate for corporations on their capital gains. The alternative rate is now 28 percent. In future, it would be 20 percent. And the bill strikes out a preference item for corporations under the add-on minimum tax: the preference item for net capital gain.

ELIMINATION OF THE HOLDING PERIOD

Current law requires that an investment be held for more than a year before the investor qualifies for lower tax rates on his profits from the investment.

The holding period has not always been a year. As recently as 1976, it was 6 months. In the General Explanation of the Tax Reform Act of 1976, the staff of the Joint Committee on Taxation observes that Congress increased the holding period to a year in two stages after 1976 because it felt the 6-month holding period "was inappropriately short."

Said the joint committee:

> (It was) argued that there should be special tax treatment for gains on assets held for investment but not on those held for speculative profit. The underlying concept is that a person who holds an asset for only a short time is primarily interested in obtaining quick gains from short-term market fluctuations.

Also, Congress did not view the special, capital gains rates as an incentive for investment, but as a remedy for the so-called bunching problem. The problem: It would be unfair to tax an individual in a single year at progressive rates on a profit that was earned over many years. For example, the man who sells his house. He has a huge profit in 1 year. This propels him into the highest tax bracket. The Government would take half his profit in taxes when, perhaps, it ought to take less.

Said the joint committee:

> The six-month holding period cannot be justified by the unfairness that results from (the so-called "bunching" problem). This argument clearly suggests a holding period of one year . . .

Nevertheless, Congress has experimented with many different holding periods over the years. The holding period has been as long as 10 years. As short as 6 months. I ask unanimous consent that a table showing the holding periods in effect since 1922 be included at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

HISTORY OF THE CAPITAL GAINS HOLDING PERIOD

Years	Holding period
1922-33	2 yr.
1934-37	4 different holding periods, ranging in length from 1 to 10 yr.
1938-41	2 different holding periods: 18 mo. and 2 yr.
1942-76	6 mo.
1977	9 mo.
1978 to present	1 yr.

Mr. President, the best policy is to have no holding period at all. There are two reasons. First, economics. A powerful case exists for leaving investors free to move their capital about in search of the highest return. The need to hold an investment for a specific time in order to get preferential tax treatment injects a nonmarket factor into investments. People are reluctant to shift their funds to more productive uses if they must wait to take advantage of the capital gains rates on their current investments. The capital markets become distorted. Capital is used relatively inefficiently.

Evidence of this type of distortion can be seen in another table, which I would also like to have included in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Gross gains on corporate stock transactions by length of time held, 1973

Holding period (months):	*All returns (millions)*
Under 1	$163.5
1 to 2	114.9
2 to 3	106.6
3 to 4	75.6
4 to 5	67.9
5 to 6	44.9
6 to 7	153.4
7 to 8	132.7
8 to 9	99.4
9 to 10	96.2
10 to 11	53.1
11 to 12	60.6

Mr. President, the table shows that in 1973, individuals tended to postpone transactions until their capital gains achieved long-term status: 6 months in 1973. This is the most recent year for which such data is available. The Treasury has just finished gathering similar data for 1977, but the data has not yet been made public.

A holding period of any length produces distortion. Eliminate it. The result would be higher productivity. More output.

It is interesting to note that most other countries with special capital gains taxes do not require that an investment be held for any particular period of time. Three countries have no holding period: Canada, Great Britain, and France. In four countries, capital gains simply are not taxed at all: Japan, the Netherlands, Belgium, and Italy.

A second reason for eliminating the holding period is that it would simplify the tax laws. My bill would repeal three sections of the tax code. It would shorten another 52 sections.

No longer would there be a distinction between short- and long-term capital gains and losses. This helps. No need in future to net one's short-term gain against long-term loss, and long-term gain against short-term loss. No need to fuss with overcomplicated rules for carrying forward capital losses. Or with carrying back losses from regulated futures contracts.

Profits on commodity contracts would no longer be taxed as if 40 percent of the profits were from short-term investments and the other 60 percent from long-term investments.

Also, tax shelters aimed at converting short-term gain into long-term gain would disappear. No need for them. The tax laws would be measurably simpler.

DEDUCTIBILITY OF CAPITAL LOSSES

In addition to eliminating the holding period, my bill changes the rule that half of an investor's long-term loss may be deducted from ordinary income. In future, only 40 percent of the loss could be deducted.

This makes sense. Only 40 percent of a capital gain is taxed. Therefore, only 40 percent of the loss should be deductible. It is also a way of cutting the revenue loss to the Treasury.

The joint committee says that a preliminary estimate of the cost of eliminating the holding period is $400 million a year. That is a static estimate. Not very much time was spent on preparing it. It does not include any feedback—economic growth that would result from the elimination of the holding period—which would tend to reduce the revenue loss. Nor does it take into account the change in the fraction of a capital loss that may be deducted from ordinary income.

Let me emphasize two points. The Treasury is going to say we cannot afford the bill. Do not need it. Because we are going to have so much investment anyway. That is not right. We do need it. The latest Commerce Department survey of capital spending suggests that business investment was down 1 percent—in real terms—in the first quarter of this year over 1981. For a generation now, the United States has had the lowest rate of capital formation of any major industrial country in the world save Great Britain. That is why the United States, which a generation ago had far the greatest per capita income of any nation on Earth, now ranks eighth. Britain ranks 19th.

The other point: There are some who think it is better to ask for a 6-month holding period. I respectfully disagree. A 6-month holding period is no easier to enact. It does not eliminate the distortion in the capital markets. It does not simplify the tax laws.

I am proposing something that can be done. Last summer, it was my bill that did away with the holding period for commodity futures contracts. Today, profits from commodity contracts are taxed at a top rate of 32 percent, whether the contracts are held for 1 hour, 1 day, or 1 year. There ought to be no holding period for stock.

ALTERNATIVE RATE FOR CORPORATIONS

My bill also cuts taxes for corporations on their capital gains. A corporation with a long-term capital gain has a choice under present law: It may pay taxes on the gain at the ordinary income tax rates. Corporate income tax rates run from 17 to 46 percent. Or it may pay taxes at an alternative rate of 28 percent. The bill reduces the alternative rate to 20 percent.

I proposed this last summer in the Finance Committee as an amendment to the Economic Recovery Tax Act. We were dropping the maximum capital gains rate for individuals from 28 to 20 percent. It seemed reasonable to bring down the alternative rate for corporations at the same time.

The Assistant Treasury Secretary for Tax Policy, Mr. Chapoton, said the amendment cost too much: about $700 million a year by 1984. Mr. Chapoton also said:

> I would point out that unlike capital gains in individuals which affect a lot of taxpayers . . . capital gains in the corporate sector . . . are concentrated in the timber and paper industries and to some extent in venture capital operations.

The chairman of the committee, Senator DOLE, said the amendment "may have great merit, but not at this time."

Mr. Chapoton added the thought that the capital gains rate for corporations was an appropriate subject when the committee takes up "the corporate tax rate if indeed we deal with that, as we probably will."

The committee voted. The amendment failed. The vote was 4- to- 11. I am asking that the matter be considered again.

There are two reasons why the alternative rate should be 20 percent. Again, economics. Cutting capital gains taxes increases investment. We saw this in 1978, when Congress cut the top capital gains rate for individuals from 49 to 28 percent and the alternative rate for corporations from 30 to 28 percent. Stanley Pratt, editor of Venture Capital Journal, the recognized source for statistics on the venture capital industry, has produced a table, which I ask unanimous consent to have printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

New private capital committed to venture capital firms

[Dollars in billions]

Year:	
1981 (estimate)	1.3
1980	.9
1979	.319
1978	.570
Capital gains tax decrease:	
1977	.039
1976	.05
1975	.01
1974	.057
1973	.056
1972	.062
1971	.095
1970	.097
Capital gains tax increase:	
1969	.171

Mr. President, the table shows that investment in small venture capital firms climbed dramatically, beginning in 1978. This is how we will get new technology. As Peter Drucker noted in "The Age of Discontinuity":

> Folk wisdom has long held that new technology does not come out of the old, and especially big company. Although there is no inherent reason why this should be true, there have so far been few exceptions. . . .

Pratt estimates that venture capital firms have a pool of about $5.8 billion to invest. About $3.2 billion of that amount was being invested by corporations at the end of last year. This speaks to the importance of cutting capital gains taxes for corporations.

The second reason for bringing down the corporate rate is fairness. It is not fair to tax venture capital companies organized as partnerships at one rate on their capital gains, while taxing venture capital corporations at a higher rate. Why discriminate? What purpose is served? The tax laws ought not to favor one form of ownership over another.

The individual and corporate rates for capital gains have been roughly the same since the 1940's. I ask unanimous consent that another table showing the rates since 1942 appear at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

MAXIMUM TAX RATES FOR CAPITAL GAINS, 1942 TO PRESENT

[In percent]

Year(s)	Individuals	Corporations
1942–51	25	25
1952–54	26	26
1955–69	25	25
1970	29½	28
1971	32½	30
1972–78	35	30
1979–80	28	28
1981–present	20	28

Mr. President, it should be said that Mr. Chapoton was not right about corporate capital gains being just another tax break for the timber interests. In 1979, corporations reported roughly $20 billion in net long-term capital gains. About $2.3 billion were reported by lumber and wood products companies. Another $1.8 billion were reported by paper and allied products companies. My source is the statistics of income series published by the Internal Revenue Service. This is hardly a case of concentration of capital gains in the timber and paper industries.

CORPORATE MINIMUM TAX

Finally, the bill strikes out a preference item for corporations under the add-on minimum tax: The preference item for net capital gain.

The add-on minimum tax is an extra tax that corporations pay each year. It limits the extent to which a corporation can benefit from deductions and exclusions called tax preference items. The list of tax preference items includes net capital gain. Basically, any corporation with a net capital gain has to pay 1.67 percent of the capital gain. Although the minimum tax rate is 15 percent, the tax is not 15 percent of the capital gain, but rather 15 percent of a portion of the capital gain. Thus, the effective rate is 1.67 percent.

Because of the way the tax formula works, in future were the alternative rate for corporations to fall to 20 percent, the effective minimum tax rate on corporate capital gains would increase to 5.48 percent. Under current law, a corporation effectively pays 28 percent plus 1.67 percent on its capital gain. In future, it would pay 20 percent plus 5.48 percent.

So parity with the individual tax rate of 20 percent is not achieved unless one also strikes out net capital gain as a preference item for corporations under the add-on minimum tax. My bill would do that.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2530

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. AMENDMENT OF 1954 CODE.

Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1954.

SEC. 2. REMOVAL OF THE HOLDING PERIOD REQUIREMENT FOR CAPITAL ASSETS AND FOR PROPERTY USED IN A TRADE OR BUSINESS, AND CHANGE IN TREATMENT OF CAPITAL LOSSES.

(a) Removal of Holding Requirement for Capital Assets.—Section 1222 (defining terms relating to capital gains and losses) is amended to read as follows:

"SEC. 1222. OTHER TERMS RELATING TO CAPITAL GAINS AND LOSSES.

"For purposes of this subtitle—

"(1) Capital gain.—The term 'capital gain' means gain from the sale or exchange of a capital asset, if and to the extent that such gain is taken into account in computing gross income.

"(2) Capital loss.—The term 'capital loss' means loss from the sale or exchange of a capital asset, if and to the extent that such loss is taken into account in computing taxable income.

"(3) Net capital gain.—The term 'net capital gain' means the excess of the capital gains for the taxable year over the capital losses for such taxable year.

"(4) Net capital loss.—The term 'net capital loss' means the excess of the capital losses for the taxable year over the capital gains for such taxable year.".

(b) Removal of the Holding Period Requirement for Property Used in a Trade or Business.—

(1) In general.—Subsection (a) of section 1231 (relating to property used in the trade or business and involuntary conversions) is amended by striking out "held for more than 1 year" each place it appears.

(2) Definition of property used in the trade or business.—

(A) Paragraphs (1) and (4) of section 1231(b) are each amended by striking out "held for more than 1 year" each place it appears.

(B) Paragraph (3) of section 1231(b) is amended—

(i) by striking out ", and held by him for 24 months or more from the date of acquisition", and

(ii) by striking out ", and held by him for 12 months or more from the date of acquisition".

(c) Change in the Treatment of Capital Losses.—

(1) Amendment of section 1211.—Subparagraph (C) of section 1211 (b)(1) (relating to limits on capital losses) is amended to read as follows:

"(C) 40 percent of the net capital loss for the taxable year.".

(2) Amendments to section 1212.—

(A) Paragraph (1) of section 1212(a) (relating to capital loss carrybacks and carryovers of corporations) is amended by striking out "and shall be treated as a short-term capital loss in each such taxable year.".

(B) Subsection (b) of section 1212 (relating to capital loss carrybacks and carryovers of other taxpayers) is amended to read as follows:

"(b) Other Taxpayers.—If a taxpayer other than a corporation has a net capital loss for any taxable year, thc excess of such loss over 2.5 times the amount allowed for the taxable year under subparagraph (A), (B), or (C) of section 1211(b)(1) shall be treated as a capital loss in the succeeding taxable year.".

(C) Paragraph (1) of section 1212(c) (relating to carryback of losses from regulated futures contracts) is amended to read as follows:

"(1) In general.—If a taxpayer (other than a corporation) has a net commodity futures loss for the taxable year and elects to have this subsection apply to such taxable year, the amount of such net commodity futures loss shall be a carryback to each of the 3 taxable years preceding the loss year.".

(D) Subparagraph (A) of section 1212 (c)(6) is amended to read as follows:

"(A) Carryforward amount reduced by amount used as carryback.—For purposes of applying subsection (b)(1), if any portion of the net commodity futures loss for any taxable year is allowed as a carryback under paragraph (1) to any preceding taxable year, such amount shall be treated as a capital gain in the loss year.".

(E) Subparagraph (B) of section 1212(c)(6) is amended by striking out "short-term or long-term".

(d) Conforming Amendments.—

(1) Sections 57(e)(2) (defining timber preference income), 62(3) (defining adjusted gross income), 80(c)(2) (relating to restoration of value of certain securities), 170(e)(1)(A) (relating to certain contributions of ordinary income and capital gain property), 172(d)(2)(B) (relating to the net operating loss deduction), 233(1) (relating to cross references), 593(b)(2)(E)(iv) (relating to reserves for losses on loans), 1247(c)(2) and (d) (relating to the election by foreign investment companies to distribute income currently), and 1378(c)(3)(B) (relating to the tax imposed on certain capital gains) are amended by striking out "long-term" each place it appears.

(2) Subparagraph (B) of section 163(d)(3) (relating to limits on interest on investment indebtedness) is amended by inserting "and" after the comma at the end of clause (i), striking out clause (ii), and redesignating clause (iii) as clause (ii).

(3) Subparagraph (B) of section 166(d)(1) (relating to nonbusiness debts) is amended by striking out "held not more than 1 year".

(4) Paragraph (3) of subsection (c) of section 246 (relating to rules applying to deductions for dividends received) is amended—

(A) by inserting "and" at the end of subparagraph (a);

(B) by striking out "and" at the end of subparagraph (B); and

(C) by striking out subparagraph (C).

(5) Paragraph (2) of section 333(e) (relating to the election as to recognition of gain in certain liquidations) is amended by striking out "short-term or long-term capital gain, as the case may be" and inserting in lieu thereof "capital gain".

(6) Section 341 (relating to collapsible corporations) is amended by striking out "held for more than one year" in subsection (a) and striking out "section 1223 shall apply, but" in subsection (b)(3).

(7) Paragraph (2) of section 402(a) (relating to taxability of beneficiary of employees' trust) is amended by striking out "held

for more than 6 months [9 months for taxable years beginning in 1977; 1 year for taxable years beginning after December 31, 1977]".

(8) Subparagraph (L) of section 402(e)(4) (relating to taxability of beneficiary of employees' trust) is amended by striking out "held for more than 1 year".

(9) Paragraph (2) of section 403(a) (relating to taxation of employee annuities) is amended by striking out "held for more than 1 year".

(10) Section 483(f) (relating to interest on certain deferred payments) is amended by striking out paragraph (4) and redesignating paragraph (5) as paragraph (4).

(11) Paragraph (2) of section 582(c) (relating to bad debts, losses, and gains with respect to securities held by financial institutions) is amended by striking out "net long-term", "net short-term", and "held for more than 1 year".

(12) Paragraph (1) of subsection (c) of section 584 (relating to income of participants in common trust funds) is amended to read as follows:

"(1) Inclusions in taxable income.—Each participant in the common trust fund in computing its taxable income shall include, whether or not distributed and whether or not distributable—

"(A) as part of its gains and losses from sales or exchanges of capital assets, its proportionate share of the gains and losses of the common trust fund from sales or exchanges of capital assets; and

"(B) its proportionate share of the ordinary taxable income or the ordinary net loss of the common trust fund, computed as provided in subsection (d).".

(13) Subsection (a) of section 631 (relating to gain or loss in the case of timber, coal, or domestic iron ore) is amended by striking out "(providing he has owned such timber or has held such contract right for a period of more than 1 year)".

(14) Subsection (b) of section 631 is amended by striking out "held for more than 1 year before such disposal".

(15) Subsection (c) of section 631 is amended by striking out ", held for more than 1 year before such disposal".

(16) Paragraphs (3) and (4) of section 642 (c) (relating to the deduction for amounts paid or permanently set aside for a charitable purpose) is amended by striking out "held for more than 1 year".

(17) Subsection (a) of section 702 (relating to income and credits of partners) is amended by striking out "held for not more than 1 year" each place it appears.

(18) Subsection (b) of section 735 (relating to holding period for distributed property) is amended by striking out ", as determined under section 1223,".

(19) Paragraph (4) of section 801(g) (defining life insurance company) is amended to read as follows:

(4) Investment yield.—For purposes of this part, the policy and other contract liability requirements, and the life insurance company's share of investment yield, shall be separately computed—

"(A) with respect to the items separately accounted for in accordance with paragraph (3), and

"(B) excluding the items taken into account under subparagraph (A).".

(20) Subsection (b) of section 804 (relating to taxable investment income) is amended by striking out paragraph (2) and redesignating paragraph (3) as paragraph (2).

(21) Subparagraph (A) of section 817(a)(1) (relating to rules for certain gains and losses) is amended by striking out ", held for more than 1 year" in both places it appears.

(22) Subparagraph (A) of section 817(b)(2) is amended by striking out ", determined with reference to section 1223".

(23) Subparagraph (B) of section 852(b)(3) (relating to taxation of regulated investment companies and their shareholders) is amended by striking out "held for more than 1 year".

(24) Paragraph (4) of section 852(b) is amended by striking out "long-term" in both places it appears.

(25) Paragraph (4) of section 856(c) (relating to real estate investment trusts) is amended by striking out subparagraph (A) and redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively.

(26) Subparagraph (B) of section 857(b)(3) (relating to the method of taxing real estate investment trusts) is amended by striking out "held for more than 1 year".

(27) Paragraph (5) of section 857(b) is amended by striking out "long-term capital gain; and short-term capital gain to the extent of any short-term capital loss" and inserting in lieu thereof "capital gain".

(28) Paragraph (7) of section 857(b) is amended by striking out "long-term" and "held for more than 1 year".

(29) Subparagraph (B) of section 871 (a)(1) (relating to the tax on nonresident alien individuals) is amended by striking out "and gains on transfers described in section 1235 made on or before October 4, 1966".

(30) Subsection (h) of section 1023 (relating to carryover basis for certain property acquired from a decedent) is amended by striking out "as determined under section 1223; except that" and inserting in lieu thereof a semicolon.

(31) Subsection (h) of section 1033 (relating to involuntary conversions) is amended by striking out paragraph (1) and redesignating paragraphs (2), (3), and (4) as paragraphs (1), (2), and (3), respectively.

(32) Subsection (f) of section 1034 (relating to tenant-stockholder in a cooperative housing corporation) is amended by striking out ", section 1016 (relating to adjustments to basis, and section 1223 (relating to holding period)" and inserting in lieu thereof "and section 1016 (relating to adjustments to basis)".

(33) Subsection (b) of section 1092 (relating to straddles) is amended by striking out "and of subsections (b) and (d) of section 1233".

(34) Subparagraph (B) of section 1092(d)(2) (relating to straddles) is amended to read as follows:

"(B) Special Rule for Stock Options.—The term 'position' includes any stock option which is a part of a straddle and which is an option to buy or sell stock which is actively traded, but does not include a stock option which is traded on a domestic exchange or on a similar foreign exchange designated by the Secretary.".

(35) Section 1223 (relating to holding period for property) is repealed.

(36) Paragraph (2) of section 1232(a) (relating to bonds and other evidences of indebtedness) is amended by striking out "held by the taxpayer for more than one year," and "held for more than one year" every place they appear.

(37) Subparagraph (A) of section 1232(a) (4) is amended by striking out "held less than 1 year".

(38) Section 1233 (relating to gains and losses from short sales) is repealed.

(39) Subparagraph (C) of section 1234(a) (3) (relating to options to buy or sell) is amended to read as follows:

"(C) a loss attributable to a failure to exercise an option to sell property at a fixed price acquired on the same day on which the property identified as intended to be used in exercising such option is acquired and which, if exercised, is exercised through the sale of the property so identified. If the option is not exercised, the cost of the option shall be added to the basis of the property with which the option is identified. This paragraph shall apply only to options acquired after August 16, 1954.".

(40) Paragraph (1) of section 1234(b) is amended by striking out "held not more than one year."

(41) Section 1235 (relating to sale or exchange of patents) is repealed.

(42) Subsection (a) of section 1246 (relating to gain on foreign investment company stock) is amended by striking out paragraph (4).

(43) Section 1246 is amended by striking out "(determined under section 1223)" in subsections (c) and (d).

(44) Subsection (i) of section 1247 (relating to election by foreign investment companies to distribute income currently) is repealed.

(45) Section 1248 (relating to gain from certain sales or exchanges of stock in certain foreign corporations) is amended by striking out "and has been held for more than one year" and "held for more than one year".

(46) Paragraph (3) of section 1248(g) is amended by striking out ", or" at the end of subparagraph (B), inserting in lieu thereof a period, and striking out subparagraph (C).

(47) Subsection (e) of section 1250 (relating to gains from dispositions of certain depreciable realty) is amended—

(A) by striking out "the provisions of section 1223 shall not apply,"; and

(B) by striking out "of section 1250 property" the first time it appears.

(48) Subsection (a) of section 1256 (relating to regulated futures contracts) is amended by inserting "and" after the comma at the end of paragraph (2), striking out paragraph (3), and redesignating paragraph (4) as paragraph (3).

(49) Paragraph (1) of section 1375(a) (relating to special rules for distributions of electing small business corporations) is amended by striking out "long-term".

(50) Subsection (b) of section 1441 (relating to withholding of tax on nonresident aliens) is amended by striking out "transfers described in section 1235" and inserting in lieu thereof "certain transfers of patients and patent rights".

(51) Subparagraph (B) of section 4942(e)(2) (relating to taxes on failure to distribute income) is amended to read as follows:

"(B) capital gains and losses from the sale or other disposition of property shall not be taken into account;".

SEC. 3. REDUCTION IN CAPITAL GAINS TAX RATE FOR CORPORATIONS.

(a) In General.—Paragraph (2) of section 1201(a) of the Internal Revenue Code of 1954 (relating to the alternative tax for corporations) is amended by striking out "28 percent" and inserting in lieu thereof "20 percent".

(b) Conforming Amendments.—

(1) Section 170.—Paragraph (1) of section 170(e) of the Internal Revenue Code of 1954 (relating to certain contributions of ordi-

nary income and capital gain property) is amended by striking out "(28/46, in the case of a corporation)" and inserting in lieu thereof "(20/46, in the case of a corporation)".

(2) Section 593.—Subparagraph (E) of section 593(b)(2) of such Code (relating to additions to reserves for bad debts) is amended by striking out "18/46" each place it appears and inserting in lieu thereof "10/46".

(3) Section 852.—Clause (iii) of section 852(b)(3)(D) of such Code (relating to the treatment by shareholders of undistributed capital gains) is amended by striking out "72 percent" and inserting in lieu thereof "80 percent".

SEC. 4. REMOVAL OF CAPITAL GAINS AS AN ITEM OF TAX PREFERENCE FOR CORPORATIONS.

(a) In General.—Paragraph (9) of subsection (a) of section 57 (relating to items of tax preference) is amended—

(1) by striking out subparagraphs (B) and (C); and

(2) by redesignating subparagraph (9) as subparagraph (B).

(b) Conforming Amendments.—

(1) Paragraph (2) of subsection (d) of section 56 (relating to the regular tax deduction adjustment for timber) is amended to read as follows:

"(2) the lesser of—

"(A) the corporation's timber preference income (as defined in subsection (e) of section 57), or

"(B) the sum of—

"(i) one-third of such timber preference income, and

"(ii) $20,000.".

(2) Paragraph (2) of subsection (e) of section 56 (relating to tax carryover for timber) is amended by striking out "57(a)(9)(C)" and inserting in lieu thereof "56(d)(2)".

(3) Subsection (e) of section 57 (as amended by paragraph (1) of subsection (d) of section 1 of this Act) is further amended by striking out "multiplied by the fraction determined in paragraph 57(a)(9)(B)" and inserting in lieu thereof "multiplied by a fraction the numerator of which is equal to the highest rate of tax imposed under section 11(b) for the taxable year minus the alternative tax rate imposed under section 1201(a) for the taxable year, and the denominator of which is the highest rate of tax imposed under section 11(b) for the taxable year. In the case of a corporation to which section 1201(a) does not apply, the amount to be subtracted from the highest rate of tax imposed under section 11(b) for the taxable year in order to determine the numerator of the fraction described in the preceding sentence shall be determined by the Secretary in a manner consistent with such sentence".

(4) Subsection (d) of section 58 is amended to read as follows:

"(d) Electing Small Business Corporations and Their Shareholders.—The items of tax preference of an electing small business corporation (as defined in section 1371(b)) for each taxable year of the corporation shall be treated as items of tax preference of the shareholders of such corporation and shall not be treated as items of tax preference of such corporation. The sum of the items so treated shall be apportioned pro rata among such shareholders in a manner consistent with section 1374(c)(1). For purposes of this subsection, this part shall be treated as applying to such corporation.".

(5) Subsection (f) of section 58 (relating to regulated investment companies) is amended to read as follows:

"(f) Regulated Investment Companies, Etc.—In the case of a regulated investment company to which part I of subchapter M applies of a real estate investment trust to which part II of subchapter M applies, the items of tax preference of such company or such trust for each taxable year (other than the item of tax preference set forth in section 57(a)(2) in the case of a real estate investment trust) shall be treated as items of tax preference of the shareholders of such company, or the shareholders or holders of beneficial interests of such trust (and not as items of tax preference of such company or such trust), in the same proportion that the dividends (other than capital gain dividends) paid to each such shareholder, or holder of beneficial interest, bears to the taxable income of such company or such trust determined without regard to the deduction for dividends paid.".

(6) Paragraph (2) of section 58(g) (relating to tax preferences attributable to foreign sources) is amended by striking out everything after the semicolon in the matter immediately following subparagraph (B) and by replacing the semicolon with a period.

SEC. 5. EFFECTIVE DATES.

(a) Except as provided in subsection (b), the amendments made by this Act shall apply to taxable years beginning after the date of enactment of this Act.

(b) The amendment made by paragraph (1) of subsection (b) of section 3 of this Act shall apply to contributions made after the date of enactment of this Act.

By Mr. GARN (for himself, Mr. Tower, Mr. Heinz, and Mr. Lugar):

S. 2531. A bill to provide flexibility to the Federal Savings and Loan Insurance Corporation and the Federal Deposit Insurance Corporation to deal with financially distressed institutions; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. GARN (by request):

S. 2532. A bill to provide flexibility to the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, and the Federal supervisory agencies to deal with financially distressed depository institutions; to the Committee on Banking, Housing, and Urban Affairs.

CAPITAL ASSISTANCE TO CERTAIN FINANCIAL INSTITUTIONS

Mr. GARN. Mr. President, today I am introducing legislation to provide much needed capital assistance to financial institutions engaged in mortgage lending. This bill would increase the net worth or surplus accounts of savings and loan associations, mutual savings banks, and any other banks that qualify, by providing such institutions with additional flexibility to develop operating procedures necessary for their long-term survival in an increasingly competitive financial marketplace.

Thrift institutions have served the savings and housing credit needs of consumers for decades. They have provided the means through which millions of Americans have attained the goal of homeownership. Unfortunately, because of the fact that they have served their mandated purposes so well, they have been less able than other financial institutions to withstand the economic turmoil and uncertainty of the past several years.

Their long-term fixed-rate mortgage loans have become millstones on their financial statements, yielding much less than these institutions have to pay for the short-term market rate deposits which have become the primary funding vehicle for thrift operations. For the last 6 months of 1981, savings and loan associations had an average cost of funds of 11.32 percent, while their mortgage portfolios were yielding an average of 9.8 percent. Unfortunately, this asset-liability mismatch has continued.

Losses of Federally-insured savings and loans in 1981 amounted to almost $5 billion, with industrywide net worth going from $33.1 billion in January 1981 to $28.3 billion by year end. Through the first quarter of this year, FSLIC-insured institutions have lost almost $2 billion, with a corresponding reduction in the industrywide net worth account.

Due to the financial difficulties within the thrift industry during the past 15 months, there have been over 250 mergers among savings and loan associations. In 1981, there were approximately 70 supervisory mergers, of which 23 involved FSLIC financial assistance. During the first quarter of this year, approximately 100 savings and loan associations have been merged out of existence and almost two-thirds of these have involved FSLIC assistance.

Although there are far fewer mutual savings banks than savings and loan associations, the size and geographic concentration of savings banks experiencing difficulties have increased regulatory and congressional attention on these institutions. In 1981, savings banks lost $1.5 billion, resulting in a decline in the industry net worth position from 6.6 percent at year end 1980 to approximately 5.7 percent currently. During the past 12 months, 9 mutual savings banks have been the subject of supervisory mergers involving FDIC assistance.

In responding to the financial difficulties of savings and loans and mutual savings banks, the FSLIC and FDIC have established merger and assistance programs. In fact, these programs have resulted in substantial financial commitments by these insurance agencies. The total cost of such agency assistance programs during the past 15 months has been $3.1 billion; $1.4 billion for FSLIC and $1.7 billion for the FDIC.

While the agencies have taken steps to cope with the problems of thrift institutions, the focus of their efforts has been the merger of failing institutions with more healthy ones. Although it is important for our free enterprise system to permit unprofitable organizations to fail, it is critical that we maintain the stability and promote the growth of our financial system. Since a large number of thrift institutions are facing continued short-term reductions in net worth, Congress must consider expanding the merger assistance programs already instituted by the FDIC and FSLIC to insure that well-managed thrift institutions which have been following the dictates of government policies during the past five decades be given a chance to survive these temporary difficulties.

The form of assistance which the bill provides is capital assistance. It is a temporary, not a permanent solution to thrift problems. It authorizes the FSLIC and the FDIC to issue promissory notes in exchange for capital certificates issued by depository institutions, the effect of which would be to increase the net worth or capital accounts of affected institutions. For institutions with 2 to 3 percent net worth, the assistance would amount to 30 percent of the institution's actual losses which, in effect, are reducing the institution's net worth. For institutions with 1 to 2 percent net worth, assistance would be in the amount of 40 percent of actual losses, and for institutions with 0 to 1 percent net worth, the assistance would be equal to 50 percent of actual losses.

This capital assistance program would involve an exchange of financial instruments and would not result in budget authorizations or outlays. The costs would be borne by the FSLIC and the FDIC from their existing resources.

Under the bill's eligibility standards, assistance could be provided by the FSLIC or the FDIC to any federally-insured institution which has 3 percent or less net worth; losses during the preceding two quarters; the ability to remain solvent for more than 6 months; and at least 20 percent of assets in mortgages or mortgage-backed securities.

Although thrift institutions have been buffeted by high interest rates and uncertain economic conditions, they have been able to meet their operating expenses. In other words, their cash flows from interest revenues, deposit inflows and other sources are adequate to meet payrolls, any deposit withdrawals and other expenses; however, they have been largely unable to generate earnings, thereby suffering losses which have diminished their net worth positions. What they need, therefore, is net worth assistance.

This legislation will not maintain all institutions at a particular net worth level. As such, it does not remove the risk element from the thrift business environment. It does provide assistance to institutions in such a way as to prevent failures, slow down the merger process, continue market discipline, and provide institutions, which have the ability to overcome their problems, a better chance for long-term viability. Thus, capital assistance is another tool which thrift managers may utilize to ease the transition for their institutions into a deregulated environment.

In introducing the capital assistance legislation, I wish to thank especially Senators D'Amato and Heinz for their ideas and recommendations. For the past several months, they and their staffs have spent considerable time and effort examining the problems of thrift institutions, and I look forward to their continued interest and guidance as the Banking Committee begins its consideration of this legislation.

In addition to the capital assistance bill, I am introducing, by request of the FDIC and the Federal Home Loan Bank Board, a revised regulators' bill. This bill contains provisions similar to the emergency powers provisions included in S. 1720. One change is a new approach to the regulatory treatment of mutual savings banks which convert from State to Federal charter. The FDIC-Bank Board bill would authorize the bank board to issue a Federal charter for a mutual savings bank but provide for FDIC insurance for such entity. Another change from S. 1720 is to authorize interstate acquisitions of FDIC-insured failed banks with assets of $500 million or more.

Hearings will be scheduled in the very near future on the capital assistance bill and also on the revised regulators' bill. I would hope that the committee will be able to move expeditiously on these matters within the next few weeks.

The capital assistance and regulators' bills are, as I have indicated on previous occasions, short-term solutions to long-term problems. The financial industry is changing rapidly and Congress must at least begin the process of updating Federal statutes to insure that regulated depository institutions are able to compete among themselves and with nondepository financial intermediaries. Thus, to the extent that the Banking Committee works toward a compromise on various issues regarding S. 1720, I remain committed to moving on that legislation.

Mr. President, I ask unanimous consent that the capital assistance bill and the revised regulators' bill, as well as the summaries of the bills, be printed in full at this point in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

S. 2531

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Capital Assistance Act of 1982".

Sec. 2. (a) Section 406(f) of the National Housing Act (12 U.S.C. 1729(f)) is amended by adding at the end thereof the following:

"(4)(A) Notwithstanding any other provision of State or Federal law, and without limitation on any authority provided elsewhere in this Act or the Home Owners' Loan Act of 1933, the Corporation, in its sole discretion and on such terms and conditions as it may provide, is authorized to increase or maintain the capital of a qualified institution by making periodic purchases of capital instruments, as defined by the Corporation, for such form of consideration as the Corporation may determine, from such qualified institution, and may authorize such institution to issue such instruments, pursuant to this paragraph.

"(B) For the purposes of this paragraph, the term 'qualified institution' means an insured institution which, as determined by the Corporation—

"(i) has net worth equal to or less than 3 per centum of its assets;

"(ii) has incurred losses during the two previous quarters;

"(iii) agrees to comply with all the terms and conditions established by the Corporation for receiving assistance pursuant to this paragraph, including, without limitation on the totality of the foregoing, those relating to reporting, compliance with laws, rules and regulations, execution and implementation of resolutions and agreements to merge or reorganize, suspension of dividends by stock institutions, submission and adoption of plans of operation, restrictions on operations, repayment of assistance received, and consent to supervisory action;

"(iv) will be solvent for more than six months, as determined by the Corporation in accordance with the methods for calculating net worth pursuant to this paragraph; and

"(v) has investments in residential mortgages or securities backed by such mortgages aggregating at least 20 per centum of its assets.

"(C) The Corporation may initially purchase capital instruments as follows:

"(i) With respect to a qualified institution having net worth greater than 2 per centum and less than or equal to 3 per centum, the Corporation may purchase capital instruments in any period from such institution in an amount equal to 30 per centum of its actual losses (not occasioned by mismanagement or speculation in futures or forward contracts), as determined by the Corporation.

"(ii) With respect to a qualified institution having net worth greater than 1 per centum and less than or equal to 2 per centum, the Corporation may purchase capital instruments in any period from such institution in an amount equal to 40 per centum of its actual losses (not occasioned by mismanagement or speculation in futures or forward contracts), as determined by the Corporation.

"(iii) With respect to a qualified institution having net worth greater than zero and less than or equal to 1 per centum, the Corporation may purchase capital instruments in any period from such institution in an amount equal to 50 per centum of its actual losses (not occasioned by mismanagement or speculation in futures or forward contracts), as determined by the Corporation.

"(D) In the exercise of its authority under this paragraph, the Corporation may at any time, in its sole discretion, establish criteria which, with respect to ranges of net worth, calculation of losses, and percentage of losses to be met by purchases of capital instruments, differ from those set forth in subparagraph (C).

"(E) No assistance may be provided to a qualified institution pursuant to this paragraph if the Corporation determines that providing such assistance would be costlier than liquidating (including paying the insured accounts of) such institution or dealing with it in accordance with paragraph (1) or (2) of this subsection.

"(F) Notwithstanding any other provision of this paragraph, the Corporation shall in no period purchase capital instruments from a qualified institution in an amount equal to more than 100 per centum of such institution's actual losses incurred for the immediately preceding period.

"(G) The provisions of the constitution of the laws, civil or criminal, of any State, express or implied, limiting the authority of a qualified institution (i) to take part in programs under this paragraph, (ii) to issue and otherwise deal in capital instruments issued pursuant to this paragraph, or (iii) to continue operations, including the receipt of deposits and the payment or crediting of interest or dividends to depositors, because of the level of such institution's net worth, surplus fund, or guaranty fund, shall not apply to any qualified institution which the Corporation has approved for the purpose of taking part in programs under this paragraph, continuing operations, or paying interest or dividends.

"(H) During any period when a qualified institution has outstanding capital instruments issued in accordance with this paragraph, such institution shall not be liable for any State or local tax which is determined on the basis of the deposits held by such institution or the interest paid thereon.

"(I) Notwithstanding any other Federal or State law, capital instruments purchased by the Corporation under this paragraph shall be deemed to be net worth for statutory and regulatory purposes.".

(b) Section 5(b)(5) of the Home Owners' Loan Act of 1933 (12 U.S.C. 1484(b)(5)) is amended—

(1) by striking out subparagraph (B) and inserting in lieu thereof the following:

"(B) Capital instruments issued by an association pursuant to section 406 (f) of the National Housing Act shall constitute part of the general reserves and net worth of the association, in accordance with the rules and regulations of the Board."; and

(2) by adding at the end thereof a new subparagraph

(C) as follows:

"(C) The Board shall provide in its rules and regulations for charging losses to mutual capital certificates, capital instruments issued pursuant to section 406(f) of the National Housing Act, reserves, and other net worth accounts.".

(c) Section 403(b) of the National Housing Act (12 U.S.C. 1726(b)) is amended—

(1) in the fourth-to-last sentence by inserting after "items," the following "including capital instruments issued pursuant to section 406(f) of this Act,"; and

(2) in the second-to-last sentence by striking out "the mutual capital certificate" and inserting in lieu thereof "mutual capital certificates, capital instruments issued pursuant to section 406(f) of the National Housing Act, as amended,".

Sec. 3. Section 13 of the Federal Deposit Insurance Act (12 U.S.C. 1823) is amended by adding at the end thereof the following:

"(n)(1) Notwithstanding any other provision of State or Federal law, and without limitation on any authority provided elsewhere in this Act the Corporation, in its sole discretion and on such terms and conditions as it may prescribe, is authorized to increase or maintain the capital of a qualified institution by making periodic purchases of capital instruments, as defined by the Corporation, for such form of consideration as the Corporation may determine, from such institution, and may authorize such institution to issue such instruments, pursuant to this subsection.

"(2) for the purpose of this subsection, the term 'qualified institution' means an insured bank which, as determined by the Corporation—

"(A) has net worth equal to or less than 3 per centum of its assets:

"(B) has incurred losses during the two previous quarters;

"(C) agrees to comply with all the terms and conditions established by the Corporation for receiving assistance pursuant to this subsection, including, without limitation on the totality of the foregoing, those relating to reporting, compliance with laws, rules and regulations, execution and implementation of resolutions and agreements to merge or reorganize, suspension of dividends by stock institutions, submission and adoption of plans of operation, restrictions on operations, repayment of assistance received, and consent to supervisory action;

"(D) will be solvent for more than six months, as determined by the Corporation in accordance with the methods for calculating net worth pursuant to this subsection; and

"(E) has investments in residential mortgages or securities backed by such mortgages aggregating at least 20 per centum of its assets.

"(3) The Corporation may initially purchase capital instruments as follows:

"(A) With respect to a qualified institution having net worth greater than 2 per centum and less than or equal to 3 per centum, the Corporation may purchase capital instruments in any period from such institution in an amount equal to 30 per centum of the actual losses (not occasioned by mismanagement or speculation in futures or forward contracts), as determined by the Corporation.

"(B) With respect to a qualified institution having net worth greater than 1 per centum and less than or equal to 2 per centum, the Corporation may purchase capital instruments in any period from such institution in an amount equal to 40 per centum of the actual losses (not occasioned by mismanagement or speculation in futures or forward contracts), as determined by the Corporation.

"(C) With respect to a qualified institution having net worth greater than zero and less than or equal to 1 per centum, the Corporation may purchase capital instruments in any period from such institution in an amount equal to 50 per centum of the actual losses (not occasioned by mismanagement or speculation in futures or forward contracts), as determined by the Corporation.

"(4) In the exercise of its authority under this subsection, the Corporation may at any time, in its sole discretion, establish criteria which, with respect to ranges of net worth, calculation of losses, and percentage of losses to be met by purchases of capital instruments, differ from those set forth in paragraph (3).

"(5) No assistance may be provided to a qualified institution pursuant to this subsection if the Corporation determines that providing such assistance would be costlier than liquidating (including paying the insured accounts of) such institution or dealing with it in accordance with subsection (c) or (d) of this section.

"(6) Notwithstanding any other provision of this subsection, the Corporation shall in no period purchase capital instruments from a qualified institution in an amount equal to more than 100 per centum of such institution's actual losses incurred for the immediately preceding period.

"(7) The provisions of the constitution or the laws, civil or criminal, of any State, express or implied, limiting the authority of a qualified institution (A) to take part in programs under this subsection, (B) to issue and otherwise deal in capital certificates issued pursuant to this subsection, or (C) to continue operations, including the receipt of deposits and the payment or crediting of interest or dividends to depositors, because of the level of such institution's net worth, surplus fund, or guaranty fund, shall not apply to any qualified institution which the Corporation has approved for the purpose of taking part in programs under this subsection, continuing operations, or paying interest or dividends.

"(8) During any period when a qualified institution has outstanding capital instruments issued in accordance with this subsection, such institution shall not be liable for any State or local tax which is determined on the basis of the deposits held by such institution or the interest paid thereon.

"(9) Notwithstanding any other Federal or State law, capital instruments purchased by the Corporation under this subsection shall be deemed to be net worth for statutory and regulatory purposes.".

SUMMARY OF CAPITAL ASSISTANCE ACT OF 1982

The Capital Assistance Act of 1982 establishes a program authorizing the Federal Savings and Loan Insurance Corporation and the Federal Deposit Insurance Corporation to purchase capital instruments from qualifying institutions, for the purpose of increasing the capital and, therefore, the net worth of such institutions. The form and nature of the capital instruments and the form of consideration given by the Corporations for such instruments are to be defined by the FDIC and FSLIC with respect to the institutions they insure.

In order to qualify for assistance under the Act, institutions must:

Have net worth of 3% or less;

Have incurred losses during the two previous quarters;

Agree to comply with the terms and conditions established by the Corporations as a condition of receiving such assistance;

Be able to remain solvent for at least six more months; and

Have at least 20% of their assets invested in residential mortgages or mortgage backed securities.

The Act sets forth an initial formula for the Corporations to follow, but permits them to alter the formula at any time. The initial formula authorizes the Corporations to purchase capital instruments as follows:

With respect to institutions with 2% to 3% net worth, the Corporations may purchase instruments in an amount equal to 30% of an institution's actual losses, so long as such losses are not the result of mismanagement or speculation in the futures market;

With respect to institutions with 1% to 2% net worth, the Corporations may purchase

instruments in an amount equal to 40% of an institution's actual losses, so long as such losses are not the result of mismanagement or speculation in the futures market; and

With respect to institutions with 0% to 1% net worth, the Corporations may purchase instruments in an amount equal to 50% of an institutions actual losses, so long as such losses are not the result of mismanagement or speculation in the futures market.

In no event are the Corporations permitted to purchase capital instruments in an amount that exceeds 100% of any institution's actual losses.

The Act removes all obstacles that would prevent qualified institutions from receiving assistance under these provisions or from benefiting from such assistance. It makes clear that irrespective of any other Federal or State law, capital instruments purchased pursuant to the Act shall be deemed to be net worth. It preempts any State laws that would limit the ability of qualified institutions to issue capital instruments or to continue normal operations, including the receipt of deposits and the paying of interest thereon. Finally, qualifying institutions that have capital instruments outstanding shall not be liable for any State or local franchise tax.

S. 2532

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—FEDERAL DEPOSIT INSURANCE CORPORATION AMENDMENTS ASSISTANCE TO INSURED BANKS

Section 101. Section 13(c) of the Federal Deposit Insurance Act (12 U.S.C. 1823(c)) is amended to read as follows:

"(c)(1) The Corporation is authorized, in its sole discretion and upon such terms and conditions as the Board of Directors may prescribe, to make loans to, to make deposits in, to purchase the assets or securities of, to assume the liabilities of, or to make contributions to, any insured bank—

"(A) if such action is taken to prevent the closing of such insured bank;

"(B) if, with respect to a closed insured bank, such action is taken to restore such closed insured bank to normal operation; or

"(C) if, when severe financial conditions exist which threaten the stability of a significant number of insured banks or of insured banks possessing significant financial resources, such action is taken in order to lessen the risk to the Corporation posed by such insured bank under such threat of instability.

"(2)(A) In order to facilitate a merger or consolidation of an insured bank described in subparagraph (B) with an insured institution or the sale of assets of such insured bank and the assumption of such insured bank's liabilities by an insured institution, or the acquisition of the stock of such insured bank, the Corporation is authorized, in its sole discretion and upon such terms and conditions as the Board of Directors may prescribe—

"(i) to purchase any such assets or assume any such liabilities;

"(ii) to make loans or contributions to, or deposits in, or purchase the securities of, such insured institution or the company which controls or will acquire control of such insured institution;

"(iii) to guarantee such insured institution or the company which controls or will acquire control of such insured institution against loss by reason of such insured institution's merging or consolidating with or assuming the liabilities and purchasing the assets of such insured bank or by reason of such company acquiring control of such insured bank; or

"(iv) any combination of subparagraphs (i) through (iii).

"(B) An insure bank described in this paragraph (2)—

"(i) is an insured bank which is closed;

"(ii) is an insured bank which, in the judgment of the Board of Directors, is in danger of closing; or

"(iii) is an insured bank which, when severe financial conditions exist which threaten the stability of a significant number of insured banks or of insured banks possessing significant financial resources, is determined by the Corporation, in its sole discretion, to require assistance under subparagraph (A) in order to lessen the risk to the Corporation posed by such insured bank under such threat of instability.

"(3) The Corporation may provide any person acquiring control of, merging with, consolidation with or acquiring the assets of an insured bank under section 13(f) of this Act with such financial assistance as it could provide an insured institution under this subsection.

"(4) No assistance shall be provided under this subsection in an amount in excess of that amount which the Corporation determines to be reasonably necessary to save the cost of liquidating (including paying the insured accounts of) such insured bank, except that such restriction shall not apply in any case in which the Corporation determines that the continued operation of such insured bank is essential to provide adequate banking services in its community.

"(5) Any assistance provided under this subsection may be in subordination to the rights of depositors and other creditors.

"(6) In its annual report to the Congress, the Corporation shall report the total amount it has saved, or estimates it has saved, by exercising the authority provided in this subsection.

"(7) For purposes of this subsection, the term 'insured institution' means an insured bank as defined in section 3 of this Act or an insured institution as defined in section 401 of the National Housing Act (12 U.S.C. 1724).".

FEDERAL DEPOSIT INSURANCE CORPORATION—INSURED FEDERAL SAVINGS BANKS

Sec. 102. Section 5 of the Home Owners' Loan Act of 1933, as amended (12 U.S.C. 1464), is amended by adding at the end thereof the following:

"(p)(1) Notwithstanding any other provision of this section, the Board, subject to the provisions of this subsection, may authorize, under the rules and regulations of the Board, the conversion of a State-chartered savings bank insured by the Federal Deposit Insurance Corporation into a Federal savings bank, provided such conversion is not in contravention of State law, and provide for the organization, incorportation, operation, and regulation of such institution.

"(2)(A) The Federal Deposit Insurance Corporation shall insure the deposit accounts of any Federal savings bank chartered pursuant to this subsection, until such time as the accounts of such institution are insured by the Federal Savings and Loan Insurance Corporation.

"(B) The Board shall provide the Federal Deposit Insurance Corporation with notification of any application under this Act for conversion to a Federal charter by an institution insured by that Corporation, shall consult with said Corporation before disposing of the application, and shall provide said Corporation with notification of the Board's determination with respect to such application.

"(C) The Federal Deposit Insurance Corporation shall have the power to make special examinations of any Federal savings bank it insures and for which the Board of Directors of the Federal Deposit Insurance Corporation determines an examination is necessary to determine the condition of the bank for insurance purposes.

"(D) Except with the prior written approval of the Federal Deposit Insurance Corporation, no Federal savings bank insured by the Federal Deposit Insurance Corporation shall:

"(i) merge or consolidate with any bank, association or institution that is not insured by the Federal Deposit Insurance Corporation;

"(ii) assume liability to pay any deposits made in, or similar liabilities of, any bank, association or insitution that is not insured by the Federal Deposit Insurance Corporation; or

"(iii) transfer assets to any bank, association or institution that is not insured by the Federal Deposit Insurance Corporation in consideration of the assumption of liabilities for any portion of the deposits made in such bank.

"(E) In granting any approval required by paragraph (D) of this subsection, the Board of Directors of the Federal Deposit Insurance Corporation shall consider the financial and managerial resources, and the future prospects of the existing and proposed institutions.

"(F) Notwithstanding section 402(j) of the National Housing Act, or any provision of the constitution or laws of any State, or paragraph (1) of this subsection, if the Federal Deposit Insurance Corporation determines conversion into a Federal stock savings bank or the chartering of a Federal stock savings bank is necessary to prevent the closing of a savings bank it insures or to reopen a closed savings bank it insured, or if the Federal Deposit Insurance Corporation determines, with the concurrence of the Board, that severe financial conditions exist that threaten the stability of a savings bank insured by such Corporation and that such a conversion or charter is likely to improve the financial condition of such savings bank, the Federal Deposit Insurance Corporation shall provide to the Board a certificate of such determination, the reasons therefor and conformance with the requirements of this Act, and the bank, without further action by the Board, shall be converted or chartered by the Board, pursuant to the rules and regulations thereof, from the time the Federal Deposit Insurance Corporation issues such certificate.

"(3) A Federal savings bank chartered under this subsection shall have the same authority with respect to investments, operations and activities, and shall be subject to the same restrictions, including those applicable to branching and discrimination, as would apply to it if it were chartered as a Federal savings bank under any other provision of this Act.

"(4) For purposes of the Bank Protection Act of 1968, the Home Mortgage Disclosure Act, the Community Reinvestment Act, the Depository Institution Management Interlocks Act, the Depository Institutions Deregulation Act of 1980, the Truth in Lending Act, the Equal Credit Opportunity Act, the Fair Debt Collection Practices Act, the Electronic Fund Transfer Act, and section 12(i) of the Securities Exchange Act of 1934, a Federal savings bank, the deposits of which are insured by the Federal Deposit Insurance Corporation, shall be regarded as an institution the accounts of which are insured by the Federal Savings and Loan Insurance Corporation."

CONFORMING AMENDMENTS TO THE FEDERAL DEPOSIT INSURANCE ACT

Sec. 103. (a) Section 3(q) of the Federal Deposit Insurance Act (12 U.S.C. 1813 (q)) is amended—

(1) in paragraph (2) thereof, by striking out "and" at the end thereof;

(2) in paragraph (3) thereof, by striking out the period at the end thereof and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following:

"(4) the Federal Home Loan Bank Board in the case of an insured Federal savings bank."

(b) Section 3 of the Federal deposit Insurance Act (12 U.S.C. 1813) is amended by inserting at the end thereof the following:

"(t) The term 'insured Fedcral savings bank' means a Federal savings bank chartered pursuant to section 5(p) of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464(p)) and insured by the Corporation."

(c) Section 4 of the Federal Deposit Insurance Act (12 U.S.C. 1814) is amended by inserting at the end thereof the following:

"(c) Every Federal savings bank which is chartered pursuant to section 5(p) of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464(p)), and which is engaged in the business of receiving deposits other than trust funds as herein defined, shall be an insured bank from the time it is authorized to commence business, until such time as its accounts are insured by the Federal Savings and Loan Insurance Corporation."

(d) Section 7(a)(2) of the Federal Deposit Insurance Act (12 U.S.C. 1817(a)(2)) is amended by inserting at the end thereof the following:

"The Corporation shall have access to reports of examination made by, and reports of condition made to, the Federal Home Loan Bank Board or any Federal Home Loan Bank, respecting any insured Federal savings bank, and the Corporation shall have access to all revisions of reports of condition made to either of them, and they shall promptly advise the Corporation of any revisions or changes in respect to deposit liabilities made or required to be made in any report of condition."

(e) Section 7(a)(3) of the Federal Deposit Insurance Act (12 U.S.C. 1817(a)(3)) is amended by revising the first sentence of the subsection to read as follows:

"(3) Each insured State nonmember bank (except a District bank) and each foreign bank having an insured branch (other than a Federal branch) shall make to the Corporation, each insured national bank, each foreign bank having an insured branch which is a Federal branch, and each insured District bank shall make to the Comptroller of the Currency, each insured State member bank shall make to the Federal savings bank shall make to the Federal Home Loan Bank Board, four reports of condition annually upon dates which shall be selected by the Chairman of the Board of Directors, the Comptroller of the Currency, the Chairman of the Board of Governors of the Federal Reserve System, and the Chairman of the Federal Loan Bank Board."

(f) Section 7(a)(6) of the Federal Deposit Insurance Act (12 U.S.C. 1817(a)(6)) is amended by inserting ", the Federal Loan Bank Board" after "Comptroller of the Currency" and before the word "and" the first place it appears.

(g) Section 8(a) of the Federal Deposit Insurance Act (12 U.S.C. 1818(a)) is amended by—

(1) inserting in the second sentence thereof, after the words "district bank,", the following: "to the Federal Home Loan Bank Board in the case of an insured Federal savings bank,"; and

(2) inserting in the third sentence thereof, after the words "national bank,", the following: "or the Federal Home Loan Bank Board in the case of an insured Federal savings bank,".

(h) Section 8(o) of the Federal Deposit Insurance Act (12 U.S.C. 1818(o)) is amended by inserting at the end thereof the following:

Whenever the insured status of an insured Federal savings bank shall be terminated by action of the Board of Directors, the Federal Home Loan Bank Board shall appoint a receiver for the bank, which shall be the Corporation."

(i) Section 10(b) of the Federal Deposit Insurance Act (12 U.S.C. 1820(b)) is amended by inserting in the second sentence thereof, after the words "or District bank,", the following: "or any insured Federal savings bank,".

(j) Section 11(c) of the Federal Deposit Insurance Act (12 U.S.C. 1821(c)) is amended by inserting at the end thereof the following:

"Notwithstanding any other provision of law, whenever the Federal Home Loan Bank Board shall appoint a receiver, other than a conservator, of any insured Federal savings bank hereafter closed, it shall appoint the Corporation receiver for such closed bank."

(k) Section 11(g) of the Federal Deposit Insurance Act (12 U.S.C. 1821(g)) is amended by inserting in the first sentence thereof, after the words "District bank,", the following: "or closed insured Federal savings bank,".

(l) Section 12(a) of the Federal Deposit Insurance Act (12 U.S.C. 1822(a)) is amended by inserting, after the words "foreign bank,", the following: "insured Federal savings bank,".

(m) Section 13 of the Federal Deposit Insurance Act (12 U.S.C. 1823) is amended—

(1) by redesignating subsections (f) and (g) as subsections (g) and (h), respectively; and

(2) in subsection (e)—

(A) by inserting "(e)" before "No agreement"; and

(B) by striking out the first paragraph of such subsection.

(n) Section 18(c) of the Federal Deposit Insurance Act (12 U.S.C. 1828(c)) is amended by inserting at the end thereof the following:

"(12) The provisions of this subsection do not apply to any merger transaction involving an insured Federal savings bank unless the resulting institution will be an insured bank other than an insured Federal savings bank."

(o) Section 18(j) of the Federal Deposit Insurance Act (12 U.S.C. 1828(j)) is amended by adding a new paragraph (4), to read as follows:

"(4) The provisions of this subsection shall not apply to an insured Federal savings bank."

(p) Section 26 of the Federal Deposit Insurance Act (12 U.S.C. 1831(c)) is amended as follows:

(1) By adding "(a)" at the beginning thereof and adding a new last sentence to read as follows: "The provisions of this subsection shall apply only to mergers, consolidations or conversions consummated and effective prior to the effective date of this amendment."; and

(2) By adding a new subsection (b) to read as follows:

"(b) No transaction involving a change of deposit insurance agencies from the Corporation to the Federal Savings and Loan Insurance Corporation shall be deemed a termination of insured status under section 8(a) of this Act.".

(q) Section 7(j)(16) of the Federal Deposit Insurance Act (12 U.S.C. 1817(j)(16)) is amended by adding the following sentence: "This subsection shall not apply to an insured Federal savings bank."

CONFORMING AMENDMENTS TO THE HOME OWNERS' LOAN ACT OF 1933

Sec. 104. (a) Section 2(d) of the Home Owners' Loan Act of 1933, as amended (12 U.S.C. 1462(d)), is amended to read as follows:

"(d) The term "association" means a Federal savings and loan association or a Federal savings bank chartered by the Board under section 5 of this Act and any reference in any other law to a Federal savings and loan association shall be deemed to be also a reference to such Federal savings banks, unless the context indicates otherwise."

(b) Section 5(d)(6) of the Home Owners' Loan Act of 1933, as amended (12 U.S.C. 1464(d)(6)), is amended as follows:

(1) By inserting in paragraph (B), after the words "Federal Savings and Loan Insurance Corporation", the words "or the Federal Deposit Insurance Corporation";

(2) By inserting in the second sentence of paragraph (D), after the words "shall appoint", the words "(except as hereafter provided)"; and

(3) By inserting at the end of paragraph (D): "In the case of a Federal savings bank chartered pursuant to subsection (p) and insured by the Federal Deposit Insurance Corporation the Board shall appoint only the Federal Deposit Insurance Corporation as receiver for the association and the Federal Deposit Insurance Corporation shall have the same powers as receiver as those granted by this paragraph to the Federal Savings and Loan Insurance Corporation as receiver of other associations."

(c) Section 5(d)(11) of the Home Owners' Loan Act of 1933, as amended (12 U.S.C. 1464(d)(11)), is amended by striking the words "with other", and substituting therefor the words "with associations or with any".

CONFORMING AMENDMENTS TO THE NATIONAL HOUSING ACT

Sec. 105. (a) Section 403(a) of the National Housing Act, as amended (12 U.S.C. 1726(a)), is amended to read as follows:

"(a) It shall be the duty of the Corporation to insure the accounts of all Federal savings and loan associations, and all Federal savings banks, except for Federal savings banks the deposits of which are insured by the Federal Deposit Insurance Corporation, and it may insure the accounts of building and loan, savings and loan, and homestead associations and cooperative banks organized and operated according to the laws of the State, District, Territory, or possession in which they are chartered or organized, and of savings banks chartered pursuant to

section 5(p) of the Home Owners' Loan Act of 1933, as amended."

(b) Section 408(a)(1) (A) and (B) of the National Housing Act, as amended (12 U.S.C. 1730(a)(1)), are amended to read as follows:

(A) "insured institution" means a Federal savings and loan association, a Federal savings bank, a building and loan, savings and loan or homestead association or a cooperative bank, the accounts of which are insured by the Federal Savings and Loan Insurance Corporation, and shall include a Federal savings bank the deposits of which are insured by the Federal Deposit Insurance Corporation;

(B) "uninsured institution" means any association or bank referred to in subparagraph (A) hereof, the accounts of which are not insured by the Federal Savings and Loan Insurance Corporation, except for a Federal savings bank the deposits of which are insured by the Federal Deposit Insurance Corporation;".

(c) Section 407(m) of the National Housing Act, as amended (12 U.S.C. 1730(m)), is amended by adding a new paragraph (4), to read as follows:

"(4) The Federal Home Loan Bank Board, or its designated representative, shall have the same power with respect to a Federal association (or affiliate thereof) the deposits of which are insured by the Federal Deposit Insurance Corporation as it or the Corporation has under paragraphs (1) and (2) of this subsection with respect to insured institutions (or their affiliates)."

(d) Section 407(*l*)(6) of the National Housing Act, as amended (12 U.S.C. 1730(*l*)(6)), is amended by adding the following sentence: "For the purposes of this subsection the term "insured institution" shall include a Federal savings bank the deposits of which are insured by the Federal Deposit Insurance Corporation."

(e) Section 407(q)(13) of the National Housing Act, as amended (12 U.S.C. 1730(q)(13)) is amended by adding the following sentence: "For the purposes of this subsection, the term "insured institution" shall include a Federal savings bank the deposits of which are insured by the Federal Deposit Insurance Corporation."

EXTRAORDINARY ACQUISITIONS

Sec. 106. Section 13 of the Federal Deposit Insurance Act (12 U.S.C. 1823) is amended by inserting after subsection (e) thereof the following:

"(f)(1) Nothing contained in paragraphs (2) or (3) shall be construed to limit the Corporation's powers in subsection (c) to assist a transaction under paragraphs (2) or (3).

"(2)(A) Whenever an insured bank with total assets of $500 million or more (as determined from its most recent report of condition) is closed, the Corporation, as receiver, may, in its discretion and upon such terms and conditions as it may determine, and with such approvals as may otherwise be lawfully required by any court or any State or Federal supervisory agency affecting its chartered bank, sell assets of the closed bank to and arrange for the assumption of the liabilities of the closed bank by an insured depository institution located in the State where the closed bank was chartered but established by an out-of-State bank or holding company.

"(B) In determining whether to arrange a sale of assets and assumption of liabilities of a closed insured bank under the authority of this paragraph (2), the Corporation may solicit such offers as are practicable from any prospective purchaser it determines, in its sole discretion, is both qualified and capable of acquiring the assets and liabilities of the closed bank.

"(C) In making a determination to solicit offers under subparagraph (B), the Corporation shall consult the State bank supervisor of the State in which the closed insured bank was chartered. The State bank supervisor shall be given a reasonable opportunity, and in no event less than twenty-four hours, to object to the use of the provisions of this paragraph (2). Such notice may be provided by the Corporation prior to its appointment as receiver, but in anticipation of an impending appointment. If the State supervisor objects, the Corporation may use the authority of this paragraph (2) only by a unanimous vote of the Board of Directors. The Board of Directors shall provide to the State supervisor, as soon as practicable, a written certification of its determination.

"(3)(A) Whenever the Corporation has determined, in its discretion, that an insured bank with total assets of $500 million or more (as determined from its most recent report of condition) is in danger of closing, then, with such approvals as may otherwise be lawfully required by any appropriate supervisory agency respecting its chartered bank, the insured bank may merge with or its assets may be purchased by and its liabilities assumed by an insured depository institution located in the State where the insured bank is chartered but established by an out-of-State bank or holding company or its stock may be acquired by an out-of-State bank or holding company.

"(B) The Corporation may make a determination under paragraph (A) only where the board of directors (or board of trustees) of the insured bank and the appropriate Federal or State chartering authority have specified in writing that the bank is in danger of closing and have requested in writing that the Corporation assist a merger or a purchase.

"(C) Before making a determination under subparagraph (A), if the bank is not State-chartered, the Corporation shall consult the State bank supervisor of the State in which the bank in danger of closing is chartered. The State bank supervisor shall be given a reasonable opportunity, and in no event less than twenty-four hours, to object to the use of the provisions of this paragraph (3). If the State supervisor objects, the Corporation may use the authority of this paragraph (3) only by a unanimous vote of the Board of Directors. The Board of Directors shall provide to the State supervisor, as soon as practicable, a written certification of its determination.

"(4) Notwithstanding subsection (d) of section 3 of the Bank Holding Company Act of 1956 or any other provision of law, State or Federal, or the constitution of any State, an institution that merges with or acquires an insured bank under paragraphs (2) or (3) is authorized to be and shall be operated as a subsidiary of the out-of-State bank or holding company; except that an out-of-State bank may operate the resulting institution as a subsidiary only if such ownership is otherwise specifically authorized.

"(5) No sale may be made under the provisions of paragraphs (2) or (3), (i) which would result in a monopoly, or which would be in furtherance of any combination or conspiracy to monopolize or to attempt to monopolize the business of banking in any part of the United States; or (ii) whose effect in any section of the country may be substantially to lessen competition, or to tend to create a monopoly, or which in any other manner would be in restraint of trade, unless the Corporation finds that the anticompetitive effects of the proposed transactions are clearly outweighed in the public interest by the probable effect of the transaction in meeting the convenience and needs of the community to be served.

"(6) As used in this subsection, (i) the term 'receiver' shall mean the Corporation when it has been appointed the receiver of a closed insured bank; (ii) the term 'insured depository institution' shall mean an insured bank or an association or bank insured by the Federal Savings and Loan Insurance Corporation; and (iii) the term 'out-of-State bank or holding company' shall mean an insured bank having its principal place of banking business in a State other than the State in which the closed bank or the bank in danger of closing was chartered or a company that is not otherwise operating an insured depository institution subsidiary in the State in which the closed bank or the bank in danger of closing was chartered."

ASSESSMENTS

Sec. 107. The third sentence of section 7(d)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1817(d)(1)) is amended—

(1) by striking out "and" before "(3) the insurance losses"; and

(2) by inserting before the period at the end thereof the following: "; and (4) any lending costs for the calendar year, which costs shall be equal to the amount by which the amount of interest earned, if any, from each loan made by the Corporation under section 13 of this Act after January 1, 1982, is less than the amount which the Corporation would have earned in interest for the calendar year if interest had been paid on such loan during such calendar year at a rate equal to the average current value of funds to the United States Treasury for such calendar year.".

WAIVER OF NOTICE REQUIREMENTS

Sec. 108. (a) Section 4(c)(8) of the Bank Holding Company Act of 1956 (12 U.S.C. 1843(c)(8)) is amended by striking out the semicolon at the end thereof and inserting in lieu thereof the following: ". Notwithstanding any other provision of this Act, if the Board finds that an emergency exists which requires it to act immediately on any application under this subsection involving a thrift institution, and the primary Federal regulator of such institution concurs in such finding, the Board may dispense with the notice and hearing requirement of this subsection and the Board may approve or deny any such application without notice or hearing;".

(b) Section 2(i) of the Bank Holding Company Act of 1956 (12 U.S.C. 1841(i)) is amended by—

(1) striking out "or" before "(3)"; and

(2) by inserting before the period at the end thereof the following: "or (4) a Federal savings bank."

(c) The first sentence of section 3(d) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(d)) is amended by inserting after "no application" the following: "(except an application filed as a result of a transaction authorized under section 13(f) of the Federal Deposit Insurance Act (12 U.S.C. 1823(f)))".

TITLE II—FEDERAL HOME LOAN BANK BOARD AMENDMENTS

FEDERAL STOCK SAVINGS INSTITUTIONS

Sec. 201. (a) Section 5 of the Home Owners' Loan Act of 1933, as amended (12

U.S.C. § 1464), is amended by adding at the end thereof the following:

"(o) Notwithstanding any other provision of Federal law or the laws or constitution of any State, and consistent with the purposes of this Act, the Board may authorize (or in the case of a Federal association, require) the conversion of a mutual savings and loan association or Federal mutual savings bank that is insured by the Federal Savings and Loan Insurance Corporation into a Federal stock savings and loan association or Federal stock savings bank, or charter a Federal stock savings and loan association or Federal stock savings bank to acquire the assets of, or merge with such a mutual institution under the rules and regulations of the Board. Authorizations under this subsection may be made only to assist an institution in receivership, or if the Board has determined that severe financial conditions exist which threaten the stability of an institution and that such authorization is likely to improve the financial condition of the institution, or when the Federal Savings and Loan Insurance Corporation has contracted to provide assistance to such institution under section 406 of the National Housing Act. A Federal savings bank chartered under this subsection shall have the same authority with respect to investments, operations and activities, and shall be subject to the same restrictions, including those applicable to branching and discrimination, as would apply to it if it were chartered as a Federal savings bank under any other provisions of this Act, and may engage in any investment, activity, or operation that the institution it acquired was engaged in if that institution was a Federal savings bank, or would have been authorized to engage in had that institution converted to a Federal charter."

ASSISTANCE TO THRIFT INSTITUTIONS

SEC. 202. (a) Section 406(f) of the National Housing Act 24 (12 U.S.C. 1729(f)) is amended to read as follows:

"(f)(1) The Corporation is authorized, in its sole discretion and upon such terms and conditions as the Corporation may prescribe, to make loans to, to make deposits in, to purchase the assets or securities of, to assume the liabilities of, or to make contributions to, any insured institution—

"(A) if such action is taken to prevent the default of such insured institution;

"(B) if, with respect to an insured institution in default, such action is taken to restore such insured institution in default to normal operation; or

"(C) if, when severe financial conditions exist which threaten the stability of a significant number of insured institutions or of insured institutions possessing significant resources, such action is taken in order to lessen the risk to the corporation posed by such insured institution under such threat of instability.

"(2)(A) In order to facilitate a merger or consolidation of an insured institution described in subparagraph (B) with another insured institution or the sale of assets of such insured institution and the assumption of such insured institution's liabilities by another insured institution, the Corporation is authorized, in its sole discretion and upon such terms and conditions as the Corporation may prescribe—

"(i) to purchase any such assets or assume any such liabilities;

"(ii) to make loans or contributions to, or deposits in, or purchase the securities of, such other insured institution (which, for the purposes of this subparagraph, shall include a Federal savings bank insured by the Federal Deposit Insurance Corporation); or

"(iii) to guarantee such other insured institution (which, for the purposes of this subparagraph, shall include a Federal savings bank insured by the Federal Deposit Insurance Corporation) against loss by reason of such other insured institution's merging or consolidating with or assuming the liabilities and purchasing the assets of such insured institution.

"(B) An insured institution described in this subparagraph—

"(i) is an insured institution which is in default;

"(ii) is an insured institution which, in the judgment of the Corporation is in danger of default; or

"(iii) is an insured institution which, when severe financial conditions exist which threaten the stability of a significant number of insured institutions, or of insured institutions possessing significant financial resources, is determined by the Corporation, in its sole discretion, to require assistance under subparagraph (A) in order to lessen the risk to the Corporation posed by such insured institution under such threat of instability.

"(3) The Corporation may provide any person acquiring control of, merging with, consolidating with or acquiring the assets of an insured institution under section 408(m) of this Act with such financial assistance as it could provide an insured institution under this subsection.

"(4) No assistance shall be provided under paragraphs (1), (2) or (3) of this subsection in an amount in excess of that amount which the Corporation determines to be reasonably necessary to save the cost of liquidating (including paying the insured accounts of) such insured institution, except that such restriction shall not apply in any case in which the Corporation determines that the continued operation of such insured institution is essential to provide adequate savings or home financing services in its community.".

(b) Section 406(b) of the National Housing Act (12 U.S.C. 1729(b)) is amended to read as follows:

"(b)(1) In the event that a Federal savings and loan association is in default, the Corporation shall be appointed as conservator or receiver and as such—

"(A) is authorized—

"(i) to take over the assets of and operate such association;

"(ii) to take such action as may be necessary to put it in a sound and solvent condition;

"(iii) to merge it with another insured institution;

"(iv) to organize a new Federal association to take over its assets;

"(v) to proceed to liquidate its assets in an orderly manner; or

"(vi) to make such other disposition of the matter as it deems appropriate,

whichever it deems to be in the best interest of the association, its savers, and the Corporation; and

"(B) shall pay all valid credit obligations of the association.

"(2) The Corporation shall pay insurance as provided in section 405. The surrender and transfer to the Corporation of an insured account in any such association which is in default shall subrogate the Corporation with respect to such insured account, but shall not affect any right which the insured member may have in the uninsured portion of his account or any right which he may have to participate in the distribution of the net proceeds remaining from the disposition of the assets of such association.".

(c) Section 406(c) of the National Housing Act, as amended (12 U.S.C. § 1729(c)) is amended by striking the phrase "savings and loan" wherever it appears.

(d) Section 406(c)(1) of the National Housing Act, as amended (12 U.S.C. § 1729(c)(1)), is amended by adding the letter "(A)" immediately after the phrase "(c)(1)", and by adding a new subparagraph (B), to read as follows:

"(B) Notwithstanding any provision of the constitution or laws of any State, or of this section, in the event the Federal Home Loan Bank Board determines that any of the grounds specified in section 5(d)(6)(A) (i), (ii) or (iii) of the Home Owners' Loan Act of 1933 exist with respect to an insured institution, other than a Federal association, the Board shall have exclusive power and jurisdiction to appoint the Corporation as sole conservator or receiver of such institution. In such cases the Corporation shall have the same powers and duties with respect to insured institutions as are conferred upon it under subsection (b) of this section with respect to Federal associations."

(e) Section 406(c)(2) of the National Housing Act, as amended (12 U.S.C. § 1729(c)(2)), is amended by adding the words "conservator or" immediately after the word "sole" in the first sentence.

(f) Section 406(c)(3) of the National Housing Act, as amended (12 U.S.C. § 1729(c)(3)), is amended as follows:

(1) By adding the phrase "conservator or" immediately prior to the word "receiver" wherever it appears therein;

(2) By striking the phrase "paragraph (2)" and substituting therefor the phrase "paragraphs (1) or (2)"; and

(3) By striking the second sentence thereof.

(g) Section 406(d) of the National Housing Act, as amended (12 U.S.C. § 1729(d)), is amended to read as follows:

"(d) In connection with the liquidation of insured institutions, the Corporation shall have power to carry on the business of and to collect all obligations to the insured institutions, to settle, compromise, or release claims in favor of or against the insured institutions, and to do all other things that may be necessary in connection therewith, subject only to the regulation of the Federal Home Loan Bank Board, or, in cases where the Corporation has been appointed conservator, receiver, or legal custodian solely by a public authority having jurisdiction over the matter other than said Board, subject only to the regulation of such public authority."

EMERGENCY THRIFT ACQUISITIONS

SEC. 203. (a) Section 408 of the National Housing Act, as amended (12 U.S.C. § 1730(a)), is amended by adding a new subsection (m), as follows:

"(m) Notwithstanding any provision of the laws or constitution of any State or any provision of Federal law, except as provided in subsections (e)(2) and (1) hereof, and in the third sentence of this subparagraph, the Corporation, upon its determination that severe financial conditions exist which threaten the stability of a significant number of insured institutions, or of insured institutions possessing significant financial resources, may authorize, in its discretion and where it determines such authorization would lessen the risk to the Corporation, an insured institution that is eligible for assistance pursuant to section 406(f) of this Act to merge or consolidate with, or to transfer its assets and liabilities to, any other insured institution or any insured bank (as that term insured bank is defined in section 3(h) of the Federal Deposit Insurance Act (12 U.S.C. § 1813(h)), may authorize any other insured institution to acquire control of said insured institution, or may authorize any company to acquire control of said insured institution or to acquire the assets or assume the liabilities thereof. Mergers, consolidations, transfers and acquisitions under this subsection shall be on such terms as the Corporation shall provide. Where otherwise required by law, transactions under this subsection must be approved by the primary Federal supervisor of the party thereto that is not an insured institution. In considering authorizations under this subsection, the need to minimize financial assistance required of the Corporation shall be the paramount consideration, but the Corporation shall make a reasonable effort to authorize transactions under this subsection in the following sequence: First, between institutions of the same type within the same State; second, between institutions of the same type in different States; third, between institutions of different types in the same State; and fourth, between institutions of different types in different States. As used herein, the term type shall refer to the purpose of the organizations and the general nature of their powers rather than to the identity of the characters or their form of corporate organization."

(b) Section 408(e)(2) of the National Housing Act, as amended (12 U.S.C. § 1730a(e)(2)), is amended as follows:

(1) By adding in the first sentence immediately after the term "subsection" the following: ", or any transaction under subsection (m) hereof,"; and

(2) By adding in the third sentence thereof immediately after the word "acquisition," the following: "except a transaction under subsection (m) hereof,".

ASSISTANCE TO FEDERAL HOME LOAN BANK MEMBERS

SEC. 204. Section 16 of the Federal Home Loan Bank Act (12 U.S.C. 1436) is amended by inserting "(a)" after "SEC. 16." and by adding at the end thereof the following:

"(b) Notwithstanding subsection (a) or any other provisions of this Act, if the Board determines that severe financial conditions exist threatening the stability of member institutions, the Board may suspend temporarily the requirements of subsection (a) that a portion of net earnings be set aside semiannually by each Federal Home Loan Bank to a reserve account and permit each Federal Home Loan Bank to declare and pay dividends out of undivided profits.".

BORROWING AUTHORITY

SEC. 205. (a) The first sentence of section 402(d) of the National Housing Act (12 U.S.C. 1725(d)) is amended by inserting before the period at the end thereof the following: ", except that interest on loans from the Federal Home Loan Banks shall be not less than their current marginal costs of funds, taking into account the maturities involved, and loans from the Federal Loan Banks shall be adequately secured, as determined by the Board".

(b) The first sentence of section 402(i) of the National Housing Act (12 U.S.C. 1725(i)) is amended—

(1) by striking out "any other source" and inserting in lieu thereof "any source other than the Federal Home Loan Banks";

(2) by inserting "from the Treasury" after "Provided, That each such loan".

(c) Section 11 of the Federal Home Loan Bank Act (12 U.S.C. 1431) is amended by adding at the end thereof the following:

"(k) The Federal Home Loan Banks are hereby authorized, as directed by the Board, to make loans to the Federal Savings and Loan Insurance Corporation. All such loans shall be made in accordance with the provisions of section 402(d) of the National Housing Act.".

INSURANCE FUND RESERVES

SEC. 206. Section 404 of the National Housing Act, as amended (12 U.S.C. § 1727), is amended by redesignating subsection (h) as subsection (i) and adding a new subsection (h), as follows:

"(h) Notwithstanding any other provision of this section, the Corporation upon its determination that extraordinary financial conditions exist increasing the risk to the Corporation, may terminate distribution of shares of the secondary reserve and utilize said reserve on the same basis as the primary reserve. If otherwise authorized, the Corporation may resume such distribution upon its determination that said conditions no longer exist."

FEDERAL HOME LOAN BANK ACT

SEC. 207. Section 17(a) of the Federal Home Loan Bank Act, as amended (12 U.S.C. § 1437(a)), is amended by adding a new sentence immediately after the first sentence, to read as follows: "Notwithstanding any other provision of law, the Board may from time to time make such provision as it deems appropriate authorizing the performance by any officer, employee, agent or administrative unit thereof of any function of the Board (including any function of the Federal Savings and Loan Insurance Corporation), except with regard to promulgation of rules and regulations in accordance with the Administrative Procedure Act, and adjudications subject to such Act."

ATTORNEYS' FEES

SEC. 208. Section 5(d)(8)(A) of the Home Owners' Loan Act of 1933, as amended (12 U.S.C. § 1464(d)(8)(A)), is amended by adding in the last sentence thereof, immediately after the word "party", the following: ", which prevails,".

CONTINUATION OF INSURANCE

SEC. 209. Section 405(a) of the National Housing Act, as amended (12 U.S.C. § 1728(a)), is amended by adding after the first sentence the following: "Whenever the liabilities of an insured institution for accounts shall have been assumed by another insured institution or institutions, whether by way of merger, consolidation, or other statutory assumption, or pursuant to contract, all accounts so assumed shall have separate insurance which shall terminate at the end of six months from the date such assumption takes effect or, in the case of any certificate accounts, the earliest maturity date after the six-month period."

TITLE III—NATIONAL CREDIT UNION ADMINISTRATION AMENDMENTS

ASSISTANCE TO CREDIT UNIONS

SEC. 301. Section 203 of the Federal Credit Union Act (12U.S.C. 1783) is amended-

(1) in subsection (e), by inserting "from the Secretary of the Treasury" after "So long as any loans"; and

(2) by adding at the end thereof the following:

"(f) In addition to the authority to borrow from the Secretary of the Treasury provided in subsection (d), if, in the judgment of the Board, a loan to the fund is required at any time for carrying out the provisions of this title, the fund is authorized to borrow from the National Credit Union Administration Central Liquidity Facility.".

CREDIT UNION MERGERS

SEC. 302. Section 205 of the Federal Credit Union Act (12 U.S.C. 1785) is amended by adding at the end thereof the following.

"(h) Notwithstanding any other provision of law, the Board may authorize a merger or consolidation of an insured credit union which is insolvent or is in danger of insolvency with any other insured credit union or may authorize an insured credit union to purchase any of the assets of, or assume any of the liabilities of, any other insured credit union, which is insolvent or in danger of insolvency if the Board is satisfied that—

"(1) an emergency requiring expeditious action exists with respect to such other insured credit union;

"(2) other alternatives are not reasonably available; and

"(3) the public interest would best be served by approval of such merger, consolidation, purchase, or assumption.

"(i)(1) Notwithstanding any other provision of this Act or of State law, the Board may authorize an institution whose deposits or accounts are insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation to purchase any of the assets of or assume any of the liabilities of an insured credit union which is insolvent or in danger of insolvency, except that prior to exercising this authority the Board must attempt to effect the merger or consolidation of an insured credit union which is insolvent or in danger of insolvency with another insured credit union, as provided in subsection (h).

"(2) For purposes of the authority contained in paragraph (1), insured accounts of the credit union may upon consummation of the purchase and assumption be converted to insured deposits or other comparable accounts in the acquiring institution, and the Board and the National Credit Union Share Insurance Fund shall be absolved of any liability to the credit union's members with respect to those accounts.".

CENTRAL LIQUIDITY FACILITY ADVANCES

SEC. 303. Section 307(a) of the Federal Credit Union Act (12 U.S.C. 1795f(a)) is amended—

(1) in paragraph (15) thereof, by striking out "and" at the end thereof;

(2) in paragraph (16) thereof, by striking out the period at the end thereof and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following:

"(17) advance funds to the National Credit Union Share Insurance Fund under such terms and conditions as may be established by the Board.".

TITLE IV—EFFECTIVE DATE AND SHORT TITLE

SEC. 401. The amendments made by this Act shall be effective on the date of the enactment of this Act.

SEC. 402. This Act may be cited as the "Deposit Insurance Flexibility Act".

SECTION-BY-SECTION SUMMARY OF DEPOSIT INSURANCE FLEXIBILITY ACT

TITLE I: FEDERAL DEPOSIT INSURANCE CORPORATION AMENDMENTS

Section 101: Assistance to insured banks

This section expands the FDIC's powers to assist troubled banks.

Present law allows the FDIC to provide direct assistance to a troubled bank (one that is closed or in danger of closing) only when the bank is essential to provide adequate banking service in the community. Present law allows the FDIC to give merger-related assistance only when such action will reduce the risk or avert a threatened loss to the Corporation. Under this bill, the FDIC may provide direct or merger-related assistance (a) to prevent the closing of any insured bank, (b) to reopen a closed bank, or (c) when severe financial conditions exist which threaten the stability of a significant number of insured banks or of insured banks possessing significant financial resources, if the FDIC's risk of loss would thereby be lessened.

With respect to direct assistance, present law permits the FDIC to assist by making loans to, or purchasing assets of, or making deposits in the insured bank. This section expands FDIC's power by authorizing FDIC also to purchase the securities of, to assume the liabilities of, and to make contributions to, any insured bank.

Merger-related assistance authority is expanded to include these same methods, as well as a guaranty to the assisting institution against loss by reason of the acquisition. Additionally, this section permits the FDIC to assist holding companies and FSLIC-insured institutions in acquiring failing FDIC-insured banks. Present law permits merger-related assistance only to FDIC-insured banks in acquiring failing FDIC-insured banks.

With respect to both direct assistance or assistance for a merger, the amount of FDIC assistance is limited to that necessary to save the cost of liquidation, unless the FDIC finds that the institution is essential to provide adequate banking service in its community, in which case the assistance limit does not apply. The FDIC is required to provide Congress, as part of its annual report, a summary of the total amount saved, or estimated to be saved, by FDIC's using the authority provided in this section.

Section 102: FDIC-insured Federal savings banks

This section provides for the conversion of State-chartered savings banks insured by the FDIC into Federally-chartered savings banks and, in effect, creates a new institution, the FDIC-insured, FHLBB-chartered savings bank.

First, it authorizes the FHLBB to authorize conversion from State to Federal charter, so long as such conversion does not violate State law. The FHLBB will be the primary regulator of the institution. The FDIC will insure the deposits of any Federal savings banks chartered under this section, until such time as the accounts are insured by the FSLIC. The FDIC is authorized to examine any Federal savings bank it insures.

Second, the FDIC, in certain circumstances, could, in effect, compel the Bank Board to charter a Federal stock savings bank, pursuant to the Bank Board's rules and regulations. Such action would accomplish a conversion from mutual form to stock form when necessary to prevent a closing, to reopen a closed bank, or if the FDIC determines and the FHLBB concurs that severe financial conditions threaten the stability of the savings bank and such conversion is likely to improve the bank's financial condition. FDIC-initiated conversions from mutual form to stock form are authorized in these emergency situations, even if such action preempts State law.

FDIC approval is required before any Federal savings bank it insures can merge or consolidate with, or transfer assets to, or assume liabilities of, any bank, association, or institution that is not insured by the FDIC.

A Federal savings banks created under this section shall have the same authority with respect to investments, operations, and activities, and shall be subject to the same restrictions on branching, as would apply to it if it were chartered under any other provisions of the Home Owners' Loan Act of 1933.

Section 103: Conforming amendments to the Federal Deposit Insurance Act

This section complements Section 102 as it contains technical and conforming amendments to the Federal Deposit Insurance Act necessary to cover the new institution, the FDIC-insured, FHLBB–chartered savings bank. It provides for FDIC access to examination reports and reports of condition, for removal of insurance in the event of unsafe or unsound condition, and that the FDIC shall be appointed receiver for a FDIC-insured Federal savings bank.

Additionally, this section amends the indemnification provisions of the FDI Act which require limited indemnification by FDIC to FSLIC when a FDIC-insured institution converts to a FSLIC-insured institution. Under this bill, the new institutions will be insured by the FDIC, until such time as the accounts are insured by the FSLIC. This section provides, therefore, that the indemnification requirement shall not apply to conversions, mergers, or consolidations after the effective date of this Act.

Section 104: Conforming amendments to the Home Owners' Loan Act of 1933

This section contains amendments to the Home Owners' Loan Act of 1933 necessary to cover the newly-created Federal savings banks, including a provision requiring FDIC to be the receiver of closed FDIC-insured Federal savings banks.

Section 105: Conforming amendments to the National Housing Act

This section contains amendments necessary to cover the new institutions, the FDIC-insured Federal savings banks. It provides an explicit basis for Federal savings banks to obtain deposit insurance coverage from the FSLIC. Also, it provides the FHLBB with the same supervisory powers with regard to a FDIC-insured federal savings bank that it has with respect to other federal associations.

Section 106: Extraordinary acquisitions

This section allows closed insured banks with assets of $500 million or more, or insured banks with assets of $500 million or more which are in danger of closing, to be acquired out-of-State banks or holding companies.

In the case of a closed bank, the FDIC as receiver may sell the assets of the closed bank and arrange for the assumption of its liabilities by an insured depository institution located in the State where the closed bank was chartered but established by an out-of-State bank or holding company. The FDIC may solicit offers from any prospective purchaser it determines qualified and capable of providing the needed assistance. In determining to solicit offers, the FDIC must consult the State bank supervisor of the State in which the closed insured bank was chartered. State supervisor's objections may be set aside by the unanimous vote of the FDIC Board.

In the case of an insured bank with assets of $500 million or more which is in danger of closing, the FDIC may arrange an acquisition by an insured depository institution located in the State where the insured bank is chartered but established by an out-of-State bank or holding company or by an out-of-State bank or holding company. The acquisition may be accomplished only if the appropriate Federal or State chartering authority and the board of directors of the failing bank have specified that the bank is in danger of closing and have requested FDIC assistance. If the bank is not State chartered, the FDIC still must consult with the State bank supervisor prior to acting. State supervisor's objections to FDIC action may be set aside by the unanimous vote of the FDIC Board.

The FDIC must take into account the competitive implication of any sale when completing a transaction under this section. No sale may be made which would result in a monopoly or whose effect would be to substantially lessen competition, unless the FDIC finds the anticompetitive effects are clearly outweighed by the public interest in meeting the needs of the community to be served.

Section 107: FDIC assessments

This section permits the FDIC to treat as an expense, and therefore deduct from assessments, the earnings it foregoes by extending assistance loans at rates below what the FDIC could have earned if interest had been paid on the loan during a calendar year at a rate equal to the average current value of funds to the United States Treasury for that calendar year.

Section 108: Waiver of notice requirements

Subsection (a) permits waiver of the notice and hearing requirements of the Bank Holding Company Act to allow the Federal Reserve to approve emergency, nonprecedential acquisitions of thrift institutions by commercial banks, subject to the approval of the thrift's primary Federal regulator. Subsection (b) defines the term "thrift institution" for purposes of the Bank Holding Company Act to include a Federal savings bank. Subsection (c) is an explicit exception to the Bank Holding Company Act's prohibition on interstate holding company acquisitions in cases involving emergency transactions authorized by Section 106 of the bill.

TITLE II: FEDERAL HOME LOAN BANK BOARD AMENDMENTS

Section 201: Federal stock savings institutions

This section would allow the FHLBB to authorize (or in the case of a Federally-chartered association, to require) a mutual institution to become, or merge into, a newly-chartered, Federal stock association, regardless of other State or Federal law. These authorizations could be granted only with respect to: (1) an institution in receivership; (2) an institution that has contracted to receive FSLIC assistance; or (3) an institution the stability of which is threatened by the existence of severe financial conditions, provided the authorization is likely to improve its financial condition.

Section 202: Assistance to thrift institutions

Section 202(a) would allow the FSLIC to provide assistance to insured institutions at a somewhat earlier point in their financial difficulties than is presently allowed under the threshold criteria that to receive aid, an institution must be in default or in danger of default. The amendment would permit assistance in cases when severe financial conditions exist threatening the stability of a significant number of insured institutions, or of insured institutions possessing significant financial resources, where such assistance would reduce the threat to the FSLIC posed by institutions under such threat of instability. In addition, the amendment clarifies that assistance may take the form of deposits in the institution or of purchase of its securities, as well as the current approach of making contributions or loans or purchasing the assets of the troubled institution. This section also would allow the FSLIC to provide assistance to FDIC-insured institutions acquiring troubled FSLIC-insured institutions, and, in the case of extraordinary acquisitions authorized under Section 408(m) of the National Housing Act, to any acquiror.

Section 202(b)–(g) would provide the FSLIC with conservatorship/receivership powers over State-chartered insured institutions approximately equal to those which it now has with respect to Federal associations. While the FSLIC still could accept an appointment as receiver or conservator from a State authority, and operate according to its regulation, the FHLBB would be able to appoint the FSLIC as sole conservator or receiver of a State-chartered insured institution, superseding and preempting any State appointment, upon a determination that the institution was in an unsafe or unsound condition to transact business, had substantially dissipated its assets, or had assets less than its obligations. Under current law, such preemptive power exists only where an institution actually has been closed or a State receiver has been appointed for at least 15 days, where grounds exist identical to those required to appoint a receiver or conservator for a Federal association, and an account-holder has been unable to obtain a full withdrawal of his account.

Section 202 also would clarify the fact that when the FSLIC acts in its capacity as a receiver of a Federal association, it pays the credit obligations of that institution only in its capacity as receiver. The present statutory language raises the possibility that the FSLIC's insurance fund might be held liable for all the debts of a defaulted Federal association. Additionally, the amendment would allow the FSLIC, as receiver of a defaulted institution, to make such disposition of the defaulted institution as it determines to be in the best interests of the association, its savers and the Corporation itself. Currently, an anomalous situation exists whereby the ability of the FSLIC to make "such other disposition" of a defaulted S&L as is in the best interests of its insured members applies only to State-chartered insured institutions, and not to Federal associations.

Section 203: Emergency thrift acquisitions

This section would allow the FSLIC, regardless of any other law (except antitrust law) to authorize an insured institution eligible for FSLIC assistance to merge with any other insured institution or an FDIC-insured bank, or to be acquired by any holding company. This would enable the FSLIC to arrange mergers of institutions across State lines notwithstanding interstate branching prohibitions, and to let holding companies acquire institutions other than in their home State, or without regard to normal activities restrictions. In making such authorizations, the paramount consideration would be to minimize the cost of the FSLIC, but the FSLIC would have to make a reasonable effort to arrange transactions involving: first, institutions of the same type in the same State; second, institutions of the same type in different States; third, institutions of different types in the same State; and, fourth, institutions of different types in different States. The condition precedent to the use of the authority conferred by this section would be the existence of severe financial conditions which threaten the stability of a significant number of insured institutions or of institutions possessing significant resources.

Section 204: Assistance to Federal Home Loan Bank members

This section would allow the FHLBB, upon its determination that severe financial conditions exist threatening the stability of member institutions, to waive the requirement of Section 16 of the Federal Home Loan Bank Act that a portion of net earnings of the FHLBanks be set aside semi-annually to a reserve account, and to allow the Banks to pay dividends from undivided profits.

Section 205: Borrowing authority

This section would allow the FSLIC to borrow from the FHLBanks, as long as the rate on the loan is not less than the FHLBank's marginal cost of funds and the loan is adequately secured.

Section 206: Insurance Fund reserves

This section would allow the FSLIC, when it determines extraordinary financial conditions exist increasing the risk to it, to terminate the payback of the secondary insurance reserve and to use the reserve exactly as it uses the primary reserve. The payback could continue thereafter, if otherwise authorized by law. Under present law, the FSLIC's secondary reserve (now approximately $700 million) is required to be paid back to insured institutions until such time as the aggregate of the primary reserve and the secondary reserve is not at least equal to 1¼ percent of the total amount of all accounts of insured members of all insured institutions. The secondary reserve at present may be used only to cover losses of the FSLIC, and only to the extent the primary reserve is not available.

Section 207: Federal Home Loan Bank Board Act

This section would allow the FHLBB to delegate any of its functions, except those of promulgating regulations and performing adjudications. The Federal Reserve already has similar power under 12 U.S.C. § 248.

Section 208: Technical amendment to Home Owner's Loan Act of 1933

This section would clarify that a court may assess attorneys' fees against the FHLBB only in the event the agency *loses* a lawsuit.

Section 209: Continuation of insurance

This section would provide that depositors who have accounts in a FSLIC-insured institution that merges into another such institution in which they have accounts will be able to have separate insurance for the two accounts for a period of six months. Authority to offer short-term dual coverage of this type already is possessed by the FDIC.

TITLE III: NATIONAL CREDIT UNION ADMINISTRATION AMENDMENTS

Section 301: Assistance to credit unions

This section permits the National Credit Union Administration Board to authorize the National Credit Union Share Insurance Fund to borrow from the NCUA Central Liquidity Facility.

Section 302: Credit union mergers

This section allows the NCUA Board to approve mergers or purchase and assumption transactions between two insured credit unions if one of the credit unions is insolvent or in danger of becoming so, if an emergency is found to exist, and if other reasonable alternatives are not available. The Board may also authorize a purchase and assumption arrangement between a failing insured credit union and any Federally-insured financial institution other than a credit union if assistance from a credit union is not available.

Section 303: Central liquidity facility advances

This section permits the NCUA Central Liquidity Facility to advance funds to the Share Insurance Fund.

TITLE IV: EFFECTIVE DATE AND SHORT TITLE

Section 401: Effective date

This section prescribes the effective date of the Amendments to be the date of enactment of the Act.

Section 402: Short title

This section prescribes the short title of the Act, the "Deposit Insurance Flexibility Act."

● Mr. RIEGLE. Mr. President, in my opinion the problems of the savings and loan industry are the most important issues that we must face on the Banking Committee between now and the end of this session of Congress.

While I have not yet had the opportunity to digest the proposals submitted by Senator GARN, the chairman of Banking, Housing, and Urban Affairs, I pledge my best efforts toward working with him and others to assist the savings and loan industry.

The plight of the savings and loan industry is well-known to all and is equally well-documented. Their current condition is a result of their having to pay higher interest rates to attract funds than they receive on their long-term outstanding mortgages. Savings and loan associations are in their worst state since the bleakest days of the Great Depression.

The Federal Home Loan Bank Board recently released the following statistics regarding the industry:

Over 90 percent of the associations in the country are losing money.

In 1981 return on assets for the S. & L. industry translated into a negative 0.75 percent.

And in 1981, FSLIC-insured institutions closed only $52.1 billion in mortgage loans, an amount 27-percent lower than the 1980 figure, and representing the smallest lending volume since 1974.

According to the Federal Home Loan Bank Board, if interest rates in 1982 remain about where they are, some

400 associations will exhaust their capital accounts.

Even were interest rates to decline on a 6-month T-bill rate to 9.5 percent in 1983 and be maintained at that rate thereafter, according to the Board, the industry would still be in a very weak net-worth position.

There is no question in my mind that the industry is in desperate need of assistance and with interest rates unlikely to go down significantly anytime in the near future, I believe that we can no longer afford to ignore the issue. Hearings in the Banking Committee on the subject must be scheduled immediately.

In my opinion, a number of factors favor some form of immediate legislative action. Among them is the need to preserve orderly financial markets and public confidence in the regulated financial system.

I personally also happen to believe that not only should every American have the right to own a home under reasonable terms and conditions, but that in addition there should be depository institutions to accommodate and finance this need as well as the needs of the housing industry. The savings and loan industry has filled this need in the past and they should not be discouraged or prohibited from servicing it in the future.

I believe that the savings and loan industry is a vital sector of the overall American financial system and that its health and solvency is of utmost importance to the welfare of our economy.

Recently the Federal Savings and Loan Insurance Corporation has been extremely active in merging and consolidating savings and loan associations. FSLIC-approved mergers totalled 294 in 1981, more than doubling the 1980 figure of 139. About 25 percent of the 1981 transactions were supervisory in nature, and, of these, 23 involved FSLIC financial assistance. This level of supervisory activity was about 10 times greater than in an earlier typical year.

Mr. President, I applaud the efforts of the FSLIC, but clearly considerably more is needed.

Short-term assistance is needed and the following objectives should be achieved by any short-term assistance plan:

First. It should be structured to allow and encourage the strongest and best-managed institutions to survive;

Second. It should not place an unmanageable administrative burden on the regulatory agencies; and

Third. It should be structured to give management a continuing incentive to minimize costs, operate efficiently and solve existing problems.

I believe that there is a clear consensus of opinion in the administration, the House of Representatives, the Senate, and amongst the bank regulators, that the problems of the savings and loan industry can no longer be ignored.

A number of issues have been brought to the attention of the full Senate Banking Committee by Senator Garn. He has brought to our attention the increasing competition banks and other depository institutions face from nondepository institutions. He has instituted a review of the Glass-Steagal Act which prohibits banks from offering mutual funds or underwriting revenue bonds. He is commited to reviewing the McFadden Act and Douglas amendments which prohibit interstate banking. He has initiated debate on the Federal preemption of State usury laws and State due-on-sale provisions. I look forward to addressing all of these issues with Senator Garn and others.

But as I have already stated, in my opinion successfully resolving the immediate savings and loan association problems must be the No. 1 priority of the Senate Banking Committee between now and the end of the session.

I look forward to working with the chairman and the other members of the Senate Banking Committee to insure passage of legislation on this subject as soon as possible.●

ADDITIONAL COSPONSORS

S. 1880

At the request of Mr. Thurmond, the Senator from Washington (Mr. Jackson) and the Senator from Illinois (Mr. Dixon) were added as cosponsors of S. 1880, a bill to amend the manufacturing clause of the copyright law.

S. 2309

At the request of Mr. Randolph, the Senator from North Dakota (Mr. Burdick), and the Senator from New York (Mr. Moynihan) were added as cosponsors of S. 2309, a bill to amend the Endangered Species Act of 1973, to authorize funds for fiscal year 1983, and for other purposes.

S. 2413

At the request of Mr. Long, the Senator from Texas (Mr. Bentsen), the Senator from Nevada (Mr. Cannon), the Senator from Maine (Mr. Mitchell), the Senator from Iowa (Mr. Grassley), the Senator from Mississippi (Mr. Cochran), and the Senator from Wisconsin (Mr. Proxmire) were added as cosponsors of S. 2413, a bill to delete the provisions of the Internal Revenue Code of 1954 which treat Members of Congress separately with respect to living expense deductions.

SENATE JOINT RESOLUTION 183

At the request of Mr. Specter, the Senator from New York (Mr. Moynihan) was added as a cosponsor of Senate Joint Resolution 183, a joint resolution to authorize and request the President to issue a proclamation designating October 19 through October 25, 1982, as "Lupus Awareness Week."

SENATE RESOLUTION 387

At the request of Mr. Chiles, the Senator from North Dakota (Mr. Burdick), the Senator from Indiana (Mr. Lugar), the Senator from Alabama (Mr. Heflin), the Senator from Massachusetts (Mr. Kennedy), the Senator from Hawaii (Mr. Matsunaga), the Senator from Michigan (Mr. Riegle), the Senator from Minnesota (Mr. Durenberger), the Senator from Kansas (Mrs. Kassebaum), the Senator from Maryland (Mr. Mathias), the Senator from Tennessee (Mr. Sasser), the Senator from Florida (Mrs. Hawkins), the Senator from Washington (Mr. Jackson), the Senator from Oklahoma (Mr. Boren), the Senator from Massachusetts (Mr. Tsongas), the Senator from Hawaii (Mr. Inouye), the Senator from Pennsylvania (Mr. Heinz), the Senator from Wisconsin (Mr. Kasten), the Senator from New Mexico (Mr. Domenici), the Senator from South Carolina (Mr. Hollings), the Senator from Georgia (Mr. Nunn), the Senator from Maine (Mr. Mitchell), the Senator from New York (Mr. D'Amato), the Senator from Vermont (Mr. Leahy), the Senator from Connecticut (Mr. Weicker), the Senator from California (Mr. Cranston), the Senator from Connecticut (Mr. Dodd), and the Senator from Arkansas (Mr. Pryor) were added as cosponsors of Senate Resolution 387, a resolution to acclaim the New World Festival of the Arts, to be held throughout Greater Miami and Dade County, Fla., June 4, 1982, through June 26, 1982, as a major cultural and artistic event.

AMENDMENTS SUBMITTED FOR PRINTING

FIRST CONCURRENT RESOLUTION ON THE BUDGET

AMENDMENT NO. 1451

(Ordered to be printed and lie on the table.)

Mr. CHAFEE (for himself, Mr. Durenberger, Mr. Stafford, Mr. Roth, Mr. Lugar, Mr. Weicker, Mrs. Hawkins, and Mr. Mathias) submitted an amendment intended to be proposed by them to the concurrent resolution (S. Con. Res. 92) setting forth the recommended congressional budget for the U.S. Government for fiscal years 1983, 1984, and 1985, and revising the congressional budget for the U.S. Government for the fiscal year 1982.

Mr. CHAFEE. Mr. President, the amendment I am submitting today with my distinguished colleagues deletes from the budget resolution the provision that benefits paid by the social security old age and survivors insurance trust fund be reduced, and/or that social security taxes be increased, so as to provide a savings of $40 billion in the cost of the program over 3 fiscal years, 1983–85.

It also removes the resolution's requirement, contained in section 2 relating to reconciliation, that the Finance and Ways and Means Committees report, by December 1, legislation implementing the requirement for a $40 billion saving.

It retains, however, the provision requesting the President to direct the National Commission on Social Security Reform to report by November 11 its recommendations for insuring the solvency of the system.

And it contains a provision requiring the Finance and Ways and Means Committees to report by December 1 this year whatever legislation may be needed to insure the solvency of the social security trust funds. It also contains a requirement that such changes in laws shall do no more than is absolutely necessary to preserve the financial integrity of the social security system.

The amendment makes no change in the technical treatment of the social security trust funds for budgetary purposes; it leaves intact the unified budget.

Mr. President, I believe this amendment is directly responsive to the expressed desire of a great many Members of this body that we not mandate specific changes in the social security system in order to achieve budgetary objectives. By deleting the requirement for changes in the social security system providing $40 billion of savings over 3 fiscal years and by removing the requirement that legislation implementing such an amount of savings be reported by the Finance and Ways and Means Committees we make inalterably clear that any changes that may be needed to keep the system solvent will be based on the findings of the bipartisan Commission on Social Security Reform after hearings and public discussion of such recommendations. It will help assure that decisions taken by the committee will be based not on an arbitrary estimation of the needs of the system but on thorough study and analysis.

The amendment is not an effort to sweep the problems of the social security system under the rug, out of sight. By requiring the Finance Committee and Ways and Means Committee report by December 1 the amendment acknowledges that the Congress may have to reconvene in December to deal with social security. The fundamental purpose of the amendment is to insure the short- and long-term solvency of the system, so that future and current beneficiaries can be sure of the security of their retirement incomes.

Mr. President, I ask unanimous consent that the amendment be printed in the Record.

There being no objection, the amendment was ordered to be printed in the Record, as follows:

On page 3, strike out line 2 and all that follows down through the end of line 8.

On page 3, lines 9 and 16 and on page 4 line 4, redesignate paragraphs (5), (6), and (7) as paragraphs (4), (5), and (6) respectively.

On page 3, strike out lines 12 through 15 and insert in lieu thereof the following:

"Fiscal year 1982: $117,700,000,000;
"Fiscal year 1983: $112,100,000,000;
"Fiscal year 1984: $86,000,000,000;
"Fiscal year 1985: $56,500,000,000.

On page 32, strike out line 19 and all that follows down through line 19 on page 33, and insert in lieu thereof the following:

"(c)(1) In order to insure the solvency of the social security trust funds, the Committee on Finance of the Senate, taking into account the recommendations of the National Commission on Social Security Reform, shall report such changes in laws within the jurisdiction of that committee as may be needed to provide for increased revenues, reduced outlays, or a combination thereof sufficient to assure that such funds will have adequate resources to meet their benefit obligations. Such changes in laws shall do no more than is absolutely necessary to preserve the financial integrity of the social security system.

"(2) In order to insure the solvency of the social security trust funds, the Committee on Ways and Means of the House of Representative, taking into account the recommendations of the National Commission on Social Security Reform, shall report such changes in laws within the jurisdiction of that committee as may be needed to provide for increased revenues, reduced outlays, or a combination thereof sufficient to assure that such funds will have adequate resources to meet their benefit obligations. Such changes in laws shall do no more than is absolutely necessary to preserve the financial integrity of the social security system.

"(3) The legislation required in paragraphs (1) and (2) of this subsection shall be reported no later than December 1, 1982.

"(4) It is the sense of the Congress that the President of the United States should direct the National Commission on Social Security Reform to report its recommendations to the Congress not later than November 11, 1982.

NOTICES OF HEARINGS

SUBCOMMITTEE ON ENERGY REGULATION

Mr. HUMPHREY. Mr. President, I would like to announce for the information of the Senate and the public that the hearing previously scheduled for Tuesday, May 25, at 9:30 a.m. to continue consideration of S. 1626, to amend the Department of Energy Organization Act to clarify the jurisdiction of the Federal Energy Regulatory Commission, to reform and improve the regulation of oil pipelines, and for other purposes, has been canceled.

The subcommittee has scheduled a hearing for Monday, May 24, at 10 a.m., to consider amendments to S. 1885 dealing with avoided cost and interconnection provisions of PURPA. The hearing will be held in room 3110 of the Dirksen Senate Office Building.

Those wishing to testify or who wish to submit written statements for the hearing record should write to the Subcommittee on Energy Regulation, Room 3104, Dirksen Senate Office Building, Washington, D.C. 20510.

For further information regarding this hearing you may wish to contact Mr. Dan Freihofer of the subcommittee staff at 224-5205.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. McCLURE. Mr. President, I would like to announce for the information of the Senate and the public that the full committee hearing on S. 1844, the Coal Distribution and Utilization Act of 1981, previously scheduled for Thursday, May 20, at 10 a.m., has been rescheduled for Tuesday, June 8, beginning at 9:30 a.m., in room 3110 of the Dirksen Senate Office Building.

For further information regarding this hearing you may wish to contact Mr. Gary Ellsworth of the committee staff at 224-7146.

ADDITIONAL STATEMENTS

ARKANSAS' TERRI UTLEY CROWNED MISS U.S.A.

● Mr. PRYOR. Mr. President, last night in Biloxi, Miss., Terri Lea Utley of Cabot, Ark., was crowned Miss U.S.A. and will represent our Nation at the Miss Universe Pageant at Lima, Peru in July. This outstanding young woman graduated from Cabot High School, was a cheerleader, member of student council, and received the outstanding senior award. She has attended the University of Central Arkansas at Conway and hopes to be a professional model. She presently works for Hamilton Harbor Resort in Hot Springs, Ark.

Mr. President, I would remind my colleagues that Terri is not the only Arkansas woman to win a national pageant. Our own Elizabeth Ward of Russellville is the reigning Miss America.

I think it is quite clear, Mr. President, who leads the Nation in 1982 in beautiful, intelligent, and talented women.

I hope my colleagues will join me in congratulating Terri and in offering our best wishes to her at the Miss Universe Pageant in July.●

CONCLUSION OF MORNING BUSINESS

Mr. BAKER. I inquire of the Chair as to whether there is further morning business.

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

FIRST CONCURRENT BUDGET RESOLUTION

Mr. BAKER. Mr. President, I ask the Chair to lay before the Senate the first concurrent budget resolution, Senate Concurrent Resolution 92.

The PRESIDING OFFICER. The clerk will state the resolution by title.

The legislative clerk read as follows:

> **A resolution (Senate Concurrent Resolution 92) setting forth the recommended congressional budget for the United States Government for the fiscal years 1983, 1984, and 1985, and revising the congressional budget for the United States Government for the fiscal year 1982.**

UNANIMOUS-CONSENT AGREEMENT

Mr. BAKER. I ask unanimous consent that notwithstanding the provisions of section 305(b)(1) of the Congressional Budget and Impoundment Control Act of 1974, as amended, that when the Senate resumes consideration of Senate Concurrent Resolution 92, the concurrent resolution setting forth the recommended congressional budget for the U.S. Government for the fiscal years 1983, 1984, and 1985, and revising the congressional budget for the U.S. Government for the fiscal year 1982, on Monday, May 17, 1982, that 36 hours of debate remain on the resolution under the same terms and conditions as specified in section 305 of the Budget Act, that is to say, equally divided.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I designate the distinguished Senator from New Mexico, the chairman of the Budget Committee, to manage and control the time on this side.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. BAKER. Mr. President, will the Senator from New Mexico yield to me?

The PRESIDING OFFICER. Will the majority leader withhold? Is there objection to the immediate consideration of the resolution? The Chair hears none, and it is so ordered.

The Senate proceeded to consider the resolution.

Mr. BAKER. Mr. President, has the request been granted in respect to 36 hours?

The PRESIDING OFFICER. The Senator is correct.

Mr. BAKER. The Chair acknowledges the assignment of the control of time to the chairman of the Budget Committee?

The PRESIDING OFFICER. The Senator is correct.

Mr. BAKER. Mr. President, will the Senator from New Mexico yield to me 30 seconds?

Mr. DOMENICI. I would be pleased to yield to my distinguished leader.

Mr. BAKER. Mr. President, we have arrived at a pivotal moment in the economic recovery of our Nation. Months of dialog must now yield to hours of action; today, we seek to push forward responsibly and decisively and immediately.

It was just 2 weeks ago that the prospects for such action on the first concurrent budget resolution for fiscal year 1983 appeared grim. Numerous and painful attempts to forge a compromise of the countless complexities in the budget had met with despair and frustration. But last week, under the able leadership of Senate Budget Committee Chairman Domenici, a compromise package was voted out of committee. Moreover, it was a package that was immediately endorsed by President Reagan, and assures our continued perseverance of the economic goals that this country needs and wants.

Mr. President, it is both my hope and expectation that the Senate will be able to finish consideration of the resolution by Wednesday evening. This resolution has statutory requirements which will be adhered to, and which will, I hope, serve as an incentive for acting as quickly as possible.

The PRESIDING OFFICER. The Chair recognizes the Senator from New Mexico.

Mr. BAKER. Mr. President, will the Senator yield to me for 30 more seconds?

Mr. DOMENICI. I am pleased to yield to the leader.

Mr. BAKER. I wish to state the net effect of the order and arrangement we have provided for today, which is as follows: The Senate has before it the pending business, Senate Concurrent Resolution 92, the first concurrent resolution on the budget.

We will proceed to debate that measure today to whatever extent the managers of the bill may wish. The distinguished Senator from New Mexico is in control of time on this side.

Notwithstanding the length of the session today, when the Senate resumes its session on Monday, as provided for in the order already entered, at 12 noon, Senate Concurrent Resolution 92 will be the matter before the Senate. When the Senate resumes consideration of that measure 36 hours of debate will remain under the statutory provisions of the law to be equally divided.

According to the order previously entered, Mr. President, if any rollcall votes are ordered today, or Monday next, they will be deferred and postponed until Tuesday, at a time not earlier than 1 hour after the Senate convenes, and no later than the time of recess or adjournment, as the case may be, on Tuesday.

I anticipate that next week will be a busy week. It is my hope that we can finish this measure on Wednesday. If we do not, we will continue until we do finish it, and we should be prepared to stay late on Thursday of next week, if necessary, in order to accomplish that purpose.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, so that the Senate will know our intentions, the Senator from New Mexico does not intend to use much time today. I do not intend to even make my opening remarks. I intend to yield quickly to the distinguished junior Senator from Kansas and the distinguished junior Senator from Washington.

As far as I know, those are all of the people seeking recognition on my side today.

I understand the distinguished Senator from Nebraska (Mr. Exon) desires to make an opening statement, and I have been informed, those are all the requests we have had for opening statements today. Am I correct, I ask my good friend, the Senator from Nebraska?

Mr. EXON. The chairman of the Budget Committee is correct. We have no other requests for time on this side of the aisle today.

Mr. DOMENICI. Might I ask my good friend from Nebraska approximately how much time does the Senator intend to use?

Mr. EXON. I think that any time that I would use or any other on this side of the aisle would use would not exceed 15 or 20 minutes at the outside.

Mr. DOMENICI. I thank the Senator.

(By request of Mr. Exon, the following statement was ordered to be printed in the Record:)

● Mr. HOLLINGS. Mr. President, on May 6, President Reagan finally got his budget compromise. However, since the majority party in the Senate chose to go it alone fashioning this budget, they will have to go it alone defending it. I did not support the Reagan/Domenici budget in committee; I cannot support it on the floor of the Senate.

This budget resolution is a restatement of misplaced faith in the Kemp/Roth view of massive tax reduction, and it implies a complicated, piecework approach to revenue increases. The budget resolution sadly fails the test of equity. It is almost certain to be an inadequate and insufficient signal to the markets that we are serious enough about deficit reduction to bring about a healthy cut in interest rates. And many of the dollar savings are only illusions, phantom inducements suspended from doctored numbers.

Wall Street and the economy will not be reassured by more promises. They must have specifics, details, in order to gage the budget's credibility. Unfortunately, this budget is totally lacking in such fundamental information. The budget numbers materialized

out of closed-door meetings of Republicans without any consideration of programs. How can we have any faith in numbers which are pulled out of a hat; which have no specifics, indeed no policy, behind them? What are the details of the entitlement cuts? We were not told. What defense programs would receive smaller increases? We were not told. Where will the additional revenue come from? Again, we were not told. All that is said is that other committees must make those decisions. True enough. But the Budget Committee is shirking its responsibility to the Senate in not presenting a credible set of assumptions to back up the numbers.

This Reagan/Domenici budget is far from bipartisan. Instead, it is a highly partisan measure that essentially bypassed the formal budget process and converted this year's budget debate into a Republican caucus. The heart of this compromise was framed offstage and out of sight. It is less a firm attack on our economic problems than a truce among Republicans that the Senate Budget Committee was asked to ratify. Perhaps the President and his party are satisfied they have reached an agreement. They did not reach beyond themselves, however, either to the members of the Democratic party or to the many people who are to be victimized by the Republican agreement.

The resolution slaps the face of the congressional budget process. When it became clear to the Republicans that the process would certainly end up repudiating a Republican President, they turned off the lights, went private, and ignored the statutory process. Because that process was designed as a neutral device favoring neither Republican nor Democrat, because it is objective, because it exposes the sins as well as the virtues of any plan before it, the majority realized it could not be used to their advantage. So this budget was built in back rooms and at night. The shadow process worked. It brought the President aboard the Republican substitute. But the long-term cost to the future of the Congressional Budget Act may be as damaging to its welfare as the budget gymnastics calculated outside it will be damaging to the economy.

REAGANOMICS: STAGE ONE

If this budget resolution is, in the end, a squandered opportunity, it is important to reflect upon the events that led up to it. On February 18, 1981, President Reagan presented his supply-side design for the American economy. The President's original budget promised rapid economic growth as deficits declined—to minus $45 billion in fiscal 1982; −$22.8 billion in fiscal 1983; virtual budget balance in fiscal 1984; and a $5.8 billion budget surplus in fiscal 1985.

With those promises as a background, the President exerted his great reserves of charm and communications skill to move his program through Congress. In that effort, the congressional budget process was brutalized. The first concurrent budget resolution approved in April 1981 by the Senate Budget Committee was fashioned in a supply-side dream world made even more haunting by ghost numbers.

The committee rejected the economic assumptions of the Congressional Budget Office (CBO). In place of the CBO estimates, the committee voted to use Reaganomics numbers, figures which predicted twice the growth rate for 1982, far more than any reputable economist had ventured to assume. The result was a budget resolution which claimed to be in balance in fiscal 1984 when the actual CBO figures predicted an $80 billion deficit for that year. In defense alone, the resolution assumed what I described then as a program that was purposely and grossly underpriced by over $20 billion. Yet, the rush into the embracing arms of Reaganomics was underway, and with a Republican majority in the Senate, there was no logic, no objectivity, that could head it off.

By the end of July, Congress had agreed to the President's package of program cuts and consolidations in the Omnibus Reconciliation Act of 1981, involving more than $35 billion in spending reductions.

At virtually the same time, the Economic Recovery Tax Act of 1981 was moving through Congress. In three yearly stages, the package called for tax reductions of 25 percent, yielding a revenue loss to the Federal Government of $750 billion over a 5-year span. The tax cut, more than any other feature of his program was the darling of the President. Under the relentless whip of Jack Kemp, the administration concluded that what had worked for Treasury Secretary Mellon in the 1920's was certain to work as well in the 1980's.

I, for one, rejected the notion that a balanced budget could ever be achieved with revenue cuts in multiples of spending changes. That prescription meant the people in greatest need would end up paying a disproportionate share of the freight while remaining budget deficits and higher interest rates would greatly reduce the prospects for economic recovery.

Yet, on August 13, 1981, the President signed the spending cuts and the revenue hemorrhage legislation into law. Many doubted the program would work, but not enough to restrain its enactment.

In September, the first clear signs of trouble began to unfold. On September 24, the President went on national television to request what was termed a "mid-course correction" of his economic game plan. In order to come close to the deficit reduction figure he had promised in July for fiscal 1982–84, the President was now requesting additional spending cuts and tax increases amounting to $16 billion in fiscal 1982, $28.3 billion in fiscal 1983, and $35.8 billion in fiscal 1984.

To a nation and a Congress only recently subjected to the promise-laden world of supply-side dogma, the President's speech was an uncomfortable hint of trouble. But before the chickens came home to roost on the economy, they landed first on the shoulders of Budget Director David Stockman.

In a series of blunt confessions to the Atlantic Monthly, Mr. Stockman confirmed that the foundation of Reaganomics was made of sand. "There was less there than met the eye." said the Budget Director, and "nobody has figured it out yet." He candidly admitted that, "We didn't add up all the numbers. We didn't make all the thorough, comprehensive calculations about where we really needed to come out. . ."

Whatever immediate pain his interviews cost the Budget Director, the suspicions had become facts. The Reagan numbers had been a fraud. And those fraudulent numbers had been the basis of the budget cuts and tax plans rammed through Congress by the President. Any doubts they were not working as advertised were erased in February of this year when the President released his budget for fiscal 1983.

REAGANOMICS: STAGE TWO

Where the President's first budget submission in March 1981 had shown deficits totaling $67.3 billion in fiscal 1982–84, his February 1982 budget for fiscal 1983 showed a deficit of $91.5 billion for that year alone. Total deficits over fiscal 1982–84 were expected to reach $273 billion. By April, the President's budget deficits for fiscal years 1983–85 were estimated to be $405 billion.

The effect was immediate and overwhelmingly hostile. Senator Laxalt called the projected deficits, "numbing." Senator Armstrong, a Republican member of the Senate Budget Committee conceded, "we can't live with deficits of the magnitude of those projected in the President's budget." The director of London's Royal Institute of International Affairs said the President's budget was "a major calamity, not just for the United States, but for the West as a whole and for the world."

The President's reply to the widespread criticism of his budget was, "Put up or shut up." He said that on February 9. On February 10, I offered a comprehensive substitute budget to put us on a glide path to a balanced budget by fiscal 1985. It called for a freeze and reform of COLA's, indexed entitlement programs, a 1-year freeze on defense spending and Federal pay raises, and cancellation of part year of the Kemp/Roth tax plan. My plan would have yielded a budget surplus in fiscal 1985.

But between the time I offered my alternative budget and the end of April, the President's belief in his February budget remained unchanged. Even the series of private budget talks were doomed to failure because of the conditions imposed by the President. It was quickly made clear to congressional negotiators that the Kemp/Roth tax package could not be touched. We were not to discuss it at all.

With Kemp/Roth chained off, the President was assuming the classic Henry Ford position: We could have any color car we wanted, so long as it was black. We could have any kind of budget, the President was insisting, so long as it was his—and in the red.

We ended up talking about energy fees, excise taxes, surtaxes, and a long shopping list of little ideas we could add up to make a small substitute. It was just too small, and the talks came apart.

With the talks over, and the formal congressional budget process resumed, I offered a modified version of my original budget plan in an effort to reach a balanced, fair, and effective alternative to the President's February budget. That effort, however, was countered by the Republican compromise, a plan worked out in private at the 11th hour. With the approval of the President, and to the relief of the Senate Budget Committee Republicans, the Reagan/Domenici proposal became the budget plan approved and reported by the committee, Senate Concurrent Resolution 92.

REPUBLICAN BUDGET

All those who rejected the President's budget and hoped that the Senate Budget Committee would produce a credible, workable, and balanced budget will be dismayed at the budget reported by the committee.

It is not credible. The committee-reported plan claims to reduce the deficit to $40 billion by fiscal year 1985. Yet it is based, like last year's budget resolution, on unspecified deficit reductions—this time affecting social security. This is nothing more than a $40 billion plug. This is the first budget resolution in which the deficit is not the difference between revenues and outlays.

It is not workable. The Republicans have declared the 3d year of the tax cut off limits. This means that Congress will have to enact numerous small tax increases, which will be extremely difficult, if not impossible, to achieve. Further, it assumes large cuts in such programs as medicare and medicaid, education, food stamps, and child nutrition. These programs were all cut last year and Republican committee chairmen with jurisdiction over them have expressed grave reservations about making further cuts.

Finally, it is unbalanced. The Republican budget makes excessive cuts in domestic programs while allowing for too rapid growth in defense spending. It also relies too heavily on spending cuts in order to preserve the exorbitant tax cuts enacted last year.

In the tradition we have come to expect from the White House, the Republican budget emphasizes cuts in programs for people who need help the most, in favor of relief for those who need it least. Cuts run deepest in such programs as food and nutrition aid, health care, and education. These cuts also short change the investment we must make in our future.

SOCIAL SECURITY

The Republican budget assumes 3-year savings in social security of $40 billion. However, it fails to specify how those savings will be made, leaving open the possibility that social security payroll taxes could go up again, on top of large increases enacted in 1977 which are being phased in through 1985. Alternatively, basic benefits could be cut.

The intent of these future savings is to maintain the solvency of the Social Security Trust Fund. However, the $40 billion target assumes that social security must continue to borrow from the equally bankrupt medicare fund. Such robbing of Peter to pay Paul may buy time, but it should not be falsely represented as insuring the solvency of anything.

The millions of social security recipients, both present and future, deserve a more credible solution to the problem than this. My temporary freeze and moderate reform plan would have preserved the integrity of the system without unfairly penalizing any beneficiary, and it would have done so in a specific, certain way. The Republican solution is a mystery plan, wrapped up in May, not to be opened until after the election. Nothing is more cruel to beneficiaries than uncertainty, and nothing is less credible fiscal policy than unspecified savings.

HUMAN INVESTMENT

The Republican majority believes spending cuts are the only way to a balanced budget. Yet many legitimate programs which cost money today actually save money tomorrow.

WOMEN, INFANTS AND CHILDREN (WIC)

This program provides nutritious food supplements to low income women and children judged to be at nutritional risk. Studies have shown that food supplements have reduced the infant mortality rate and reduced the incidence of low birth weight babies. The Harvard School of Public Health has documented that each $1 spent on the prenatal component of WIC saves $3 in future hospital costs.

The administration, however, wants to shut down the WIC program and fold it into block grants at greatly reduced funding levels. The Republicans on the Senate Budget Committee rejected my amendment to increase WIC funding to keep up with inflation. Instead they agreed to freeze the program at fiscal 1982 levels for the next 3 years, meaning that 200,000 low income women, infants and children would be eliminated from the program in 1983.

EDUCATION

Title I compensatory education would be frozen at this year's reduced levels for the next 3 years, resulting in a loss of purchasing power of 30 percent between 1981 and 1985. Yet studies have shown title I to be a good investment. Disadvantaged students score significant achievement gains in English as a result of the program. If title I and the students it serves will suffer, so will the participants in the guaranteed student loan program. The Republican budget chops $2 billion from that program by fiscal 1985. The year's Republican proposal on GSL would force at least another 300,000 students out of the program and force them to assume a greater debt burden.

FOOD STAMPS

The Republican budget assumes benefit cuts for all recipients of over $3 billion over the fiscal year 1983–85 period. A family of four, no matter how poor, would lose nearly $200 a year in stamps. This program was cut over $2 billion last year.

VETERANS

The Republican freeze in veterans health care will require significant cutbacks in services as the cost of drugs, medical supplies, and technology will continue to rise. Further, the freeze on COLA's for veteans' pensioners and the disabled is especially unfair, if all other COLA's are not also frozen.

MEDICARE AND MEDICAID

The Republican budget targets medicare and medicaid for a $25 billion reduction over the next 3 years. These cuts can only add to the distress of our poor and elderly citizens already living on limited resources and could prevent many of them from seeking and getting necessary health care.

CAPITAL INVESTMENT

While many in need are shortchanged by the Republican budget, important public investments in our future are neglected as well. The budget would exact savings from research, law enforcement, the space program and highway maintenance and other areas. In effect, the budget provides far less than is necessary to continue programs vital to the country's welfare and security.

LAW ENFORCEMENT

The Republican budget is $100 million below the President's request and could force layoffs of up to 2,000 employees, undoubtedly affecting the FBI, Drug Enforcement Administration, and Immigration and Naturalization Service. The FBI is already short 354 agents and this situation would simply be exacerbated by the Republican budget. The Republican budget also includes a $100 million cut for Federal courts which could force cutbacks of 2,000 persons.

SPACE SHUTTLE AND SCIENTIFIC RESEARCH

The Republican budget cuts $1.5 billion from space and science programs over 3 years. A reduction of this size could cut the number of Shuttle flights by about one-third and delay others, including those missions vital to our national defense. The budget also takes a shortsighted view of the need to improve our scientific research base.

HIGHWAY AND BRIDGE MAINTENANCE

The Republican budget would allow for no increases in spending for our Nation's highway and bridge systems, both badly in need of major rehabilitation. Currently, almost 8,000 miles of the interstate highway system and two out of every five bridges must be rebuilt. Without the needed increase, our Federal investment will continue to deteriorate.

STRATEGIC PETROLEUM RESERVE

The Republican budget would reduce funding for facility construction for SPRO by $0.2 billion, thereby severely hampering construction of needed storage facilities.

ENERGY CONSERVATION

The Republican budget would continue the decline in energy conservation funding allowing $600 million less than was spent in fiscal year 1981. This despite documentation that energy conservation accounted for 23 percent of all energy savings in 1980.

Although Senate Concurrent Resolution 92 was approved by the Republican majority on the Senate Budget Committee, it is important to note that the committee also flatly rejected the President's February budget. The vote came on May 5 and the result was 20 to 0 against the President's original plan. Not a single member of the President's own party felt that the Reagan February budget was even remotely realistic.

HOLLINGS ALTERNATIVE

The need for a bipartisan compromise on the budget is greater than ever, now that the Senate Budget Committee has reported Senate Concurrent Resolution 92, a budget resolution which is neither bipartisan nor a compromise.

The country is in serious economic trouble. It desperately needs a budget which is:

Sensible—it must cut deficits to restore sound fiscal and economic policy, which will cause interest rates to fall and let people go back to work;

Responsive—it must meet vital national needs such as transportation, education, law enforcement, health care, and defense; and

Fair—it must not ask undue sacrifice of those most unable to make sacrifices, the elderly, the handicapped, and the poor.

Regrettably, Senate Concurrent Resolution 92 is not as credible as it might have been; not as equitable as it should have been. If House Minority Leader MICHEL is any guide, the Senate Budget Committee's proposal has no chance of final approval.

We need something better than Senate Concurrent Resolution 92. I will, therefore, offer a plan I believe is a better alternative, and can serve as the basis for a truly bipartisan, workable budget. I ask unanimous consent that a table explaining the elements of my proposal be printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

BUDGET PLAN

	1982	1983	1984	1985	Total
Baseline deficits	119	182	216	233	....
Spending changes:					
Cap Federal pay and retirement at 4 percent		5	11	16	32
Defense—6 percent real growth	1	7	11	17	36
Management savings		7	9	9	25
Entitlements		3	5	7	15
Discretionary nondefense		2	7	13	22
Total spending	1	24	43	62	130
Revenues		35	60	75	170
User fees		1	1	1	3
Interest savings:					
Market effect		10	20	29	59
Debt service		3	17	27	47
Total deficit reductions	1	73	141	194	409
Remaining deficits	−118	−109	−75	−39	....

Mr. HOLLINGS. Mr. President, I oppose the $40 billion in unspecified social security savings contained in Senate Concurrent Resolution 92. Most people know where I stand on social security. Since last year, I have proposed to meet head-on the social security trust fund solvency problem by temporarily restricting the growth in benefits—the cost-of-living-adjustment (COLA). I have not advocated cuts in benefits or payroll tax increases. However, I realize there are just not enough votes to settle the social security question at this time. Therefore, my proposal eliminates the social security cuts proposed in Senate Concurrent Resolution 92, and contains no other social security proposals.

My plan provides for:

Deficit reductions—to approximately the level of Senate Concurrent Resolution 92, cutting the deficit to $39 billion in fiscal 1985, some $0.5 billion lower than the level projected by the Senate Budget Committee's resolution.

Essential increases in discretionary programs—such as law enforcement, transportation, employment programs, education, and space and science. Senate Concurrent Resolution 92 would actually cut these programs 20 percent by 1985 after considering the effects of inflation.

Prudent savings in entitlement programs—less than one-half the cuts assumed in Senate Concurrent Resolution 92.

Defense real growth rate of 6 percent—per year fiscal year 1983–85—increases budget authority by $30 billion, and outlays by $25 billion in fiscal year 1983 over 1982.

Realistic management savings—of $25.1 billion. Senate Concurrent Resolution 92 assumes savings of $33.1 billion—grossly exaggerated and simply not achievable.

Guaranteed 4-percent pay raise and COLA for Federal retirement programs.—Senate Concurrent Resolution 92 would freeze civilian pay raises for a year, limit military pay raises, and eliminate COLA increases for a year in all cash benefit programs other than social security.

Sensible revenue changes.—The proposals would raise revenues in the amounts of $35 billion in fiscal year 1983, $60 billion in fiscal year 1984 and $75 billion in fiscal year 1985 for a 3-year total of $170 billion.

These proposals would accommodate repeal of the third year of the individual tax cuts and repeal of the indexing of personal taxes that is to begin in 1985. This proposal would also allow repeal of safe harbor leasing, the provision that allows companies to transfer tax benefits with no obvious economic gains for the country.

In addition, the proposals would accommodate changes in the accelerated cost recovery system (ACRS) to prevent the acceleration of depreciation allowances in 1985 and 1986 as well as to alter the investment tax credit to prevent the excessive subsidies already granted under ACRS. Other possible inclusions are a stengthened corporate and individual minimum tax, a speed-up of corporate tax collections, improved tax compliance measures, as well as a number of other revenue raising measures that involve the closing of tax loopholes.

I hope my colleagues will consider my plan as a means of reaching the truly effective and bipartisan budget we need.●

Mr. DOMENICI. I yield now to the distinguished junior Senator from Kansas (Mrs. KASSEBAUM).

The PRESIDING OFFICER. The Senator from Kansas.

Mrs. KASSEBAUM. I thank the Senator from New Mexico.

Mr. President, today we have before us the first budget resolution for fiscal year 1983. It is not a perfect document. The committee has not reported a perfect budget. There is much within the resolution with which I disagree. Taken in its entirety, however, this budget resolution represents a legislative accomplishment of enormous proportions. This accomplishment was achieved under the leadership of the chairman, who provided courageous and dedicated leadership.

Only a few short weeks ago Congress and the President were deadlocked in a spending and revenue disagreement to which there appeared no possible resolution. The budget process depends heavily on the credibility of the administration's annual budget submission. The budget we received from the administration could not pass the test of credibility. Congress therefore had no starting point, no frame of reference—for preparation of this resolution.

After weeks of laborious, bipartisan negotiations, the Congress and the President agreed to disagree. The budget process was dead in the water. Projected deficits for the coming year exceeded $180 billion.

Against that backdrop the distinguished senior senator from New Mexico—in his capacity as chairman of the Budget Committee—engineered a remarkable legislative compromise. He produced a budget document that was crafted, refined, and adjusted almost daily. In the end, it totally pleased no one. But it gained the support of a majority of the Budget Committee and the President of the United States—no small accomplishment.

Today, that compromise budget plan is on the floor. It will certainly be amended during the course of our deliberations. That fact, however, should not—and will not—detract from the accomplishment of our chairman. The budget process is once again working.

In the course of debate in the hours ahead, I intend to offer an amendment to address the resolution targets for national defense.

This resolution continues the fundamental program begun by the President and the Congress last year to restrain the growth of Federal spending. It is both comprehensive and selective. It recommends reductions in spending growth totaling $275 billion over the 1983-85 fiscal period. Yet it exempts, by way of assumption—certain programs previously restrained from further reductions. The resolution provides for revenue increases of $95 billion over 3 years, yet it preserves the integrity of the personal income tax rate reductions enacted last year. And most importantly, it provides for a rapidly declining trend line in near-term deficits.

The base line deficits from which this resolution was constructed would almost double in 4 years. Without the restraint provided by the resolution, Federal deficits would grow to $233 billion by fiscal year 1985. The deficit as a percentage of GNP in that year would surpass the level reached during the height of the Great Depression.

As outlined in the resolution, the deficit for fiscal year 1983 will be reduced from $182 billion to just over $100 billion. For fiscal year 1983 and 1984 that figure will decline to $69 billion and $39.5 billion respectively. Put another way, if no action is taken, deficits will increase to 24 percent of outlays by 1984. Under the committee resolution, deficits will decrease to 4.5 percent of outlays. The course we chose to follow is of critical importance to financial markets and, ultimately, to the American people.

To the extent we chose to finance Government operations through deficit spending, we surreptitiously increase the tax burden on the public. The shortfall in revenue is always made up at the expense of the people. Either borrowing is increased which reduces asset values and increases real interest rates, or inflation is fueled and purchasing power declines. It cannot be any other way. Our deficit will be borne by the American public.

I truly wish we could fully fund free education for all, cradle to grave medical care, countercyclical jobs and housing program, and many other worthwhile benevolent endeavors. I wish we could—but we cannot. The money is not there. And the deficits we created when we tried that route are still with us today. They are being paid for in this resolution as a $115 billion outlay on a trillion dollar national debt.

Clearly we must cut the growth of Federal spending—and this resolution is an important step in that direction. It does not, however, go far enough. Entitlement spending is restrained. Discretionary appropriated accounts are capped. Government pay is frozen and management efficiencies are mandated. However, the resolution embraces one of the most massive peacetime military buildups in history. To deny the need for a buildup would be naive. But to fail to subject increased funding for defense to budgetary control is unconscionable. This resolution, in spite of its strengths, fails the litmus test of responsible budgeting in the area of national defense.

In the course of debate in the hours ahead, I intend to offer an amendment to address the resolution targets for national defense. In offering an amendment and address budgeting considerations for our national defense I will do so in the hopes of effecting savings without impairing force structure—for I do not believe that we should be demobilizing forces. Rather, I believe we should require vigilance in procurement, efficiency in operations, and fiscal discipline in the administration of defense programs. Those in the Pentagon cannot continue to operate as if money were no object. But they will—until Congress requires they do otherwise. And that day is drawing near. Today's economic statistics are harbingers of the fiscal reckoning to come. The Congress cannot forever sanction what the economy cannot support.

The promise of better days ahead is the thematic foundation of this budget resolution. Economic growth will resurface if we act to pave the way. Inflation can be contained and unemployment reined in. And yes—even interest rates can be returned to substratospheric levels. But it will not happen on a promise.

We must decide we are ready to get our fiscal house in order. We must enact the legislative prerequisites to policy changes that will achieve the spending reductions at issue here today. This budget resolution provides us with the opportunity to take the first step down that long road to fiscal responsibility.

I supported the resolution in committee. At that time, I knew it was not perfect—and I know it now. Nevertheless, it addresses our economic crisis in a responsible, straightforward way. It meets tough issues head-on and recommends a tough course of action. There is no easy course of action. The promise of economic recovery is within the resolution. I intend to support it and urge its adoption.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I wish to thank my distinguished colleague, Senator Kassebaum, for her most generous remarks. It would be totally inappropriate if I did not indicate to the Senate that producing a budget resolution in these times is most difficult. Without the kind of cooperation, dedication, and steadfastness to duty that she has exhibited, we would not be here. I thank her for that, and I think the Senate should know I am most appreciative.

I yield whatever time the distinguished Senator from Washington needs at this time.

The PRESIDING OFFICER. The Chair recognizes the Senator from Washington.

Mr. GORTON. Mr. President, I thank the chairman of the committee and the Presiding Officer. I am here this afternoon, of course, to speak in support of Senate Concurrent Resolution 92, the first budget resolution for fiscal year 1983. I am delighted to support this resolution and the work of the Senate Budget Committee and its hard-working members.

I am convinced that what we have before us is a good budget—one which will assist mightily the economy in recovering from the current recession

and one which treats our citizens in a fair and equitable manner.

This budget resolution is also a better budget, better than anyone would have predicted only a month ago during the midst of the negotiations which ended abortively and when prospects for any successful budget resolution appeared slim. Furthermore, the resolution which we are considering today is, I believe, as close to being the best budget that we could possibly arrive at. It is the best budget which could have been fashioned under the circumstances and also the best which has been proposed to either House of Congress so far. I am delighted and proud to be one of the architects of this resolution.

Mr. President, as proud as I am of that participation, I am even more proud of the single individual who was, in my view, and those of the entire Senate, primarily responsible for the resolution which we are considering this afternoon, the chairman of the Budget Committee, the distinguished Senator from New Mexico (Mr. Domenici). Certainly, without his patience, his skill, his iron will, his dedication, and his statesmanship, we would not be here this afternoon debating this resolution. The distinguished Senator from New Mexico carefully, and with great skill, piloted this resolution through our committee, adroitly avoiding the obstacles revealed by the rising and falling tides of public opinion and Presidential approval. So well did the chairman do his job that he was able to garner the support of every Republican on the committee, as well as the endorsement of the President himself for this resolution.

Senator Domenici continues his efforts today. This time, he is trying to convince a majority of Senators to adopt the resolution which the Budget Committee has recommended. I am delighted to be able to help him in this task, for I know of no more important decision which we in the Senate could take than to adopt this resolution.

The economy of the country is in serious difficulty. We are in the midst of the second recession in the last 2 years. Indeed, in many parts of the country, a continuous recession has gone on since the middle of 1980. This is specifically true for my home State of Washington, and it is also true for the entire Pacific Northwest. It may be even true for the whole economy.

Mr. President, I call the attention of my colleagues to two charts that appeared on the front page of the Wall Street Journal on Monday, May 10, 1982, and Wednesday, May 12, 1982. The first is a record of business failures. It shows that the rate of business failures was at a cyclical low early in 1980 at an annual rate of less than 30 per 10,000 businesses. Since that time, it has risen continuously and sharply, until the annual failure rate exceeded 65 per 10,000 businesses for the latest reporting week. This represents a rise of more than 100 percent in less than a year and a half.

Accompanying the rise in the rate of business failures has been a rise in the unemployment rate over an even longer period. Early in 1980, the unemployment rate stood at 6 percent and was criticized at that rate. During the 1980 recession, it rose by one-third to almost 8 percent. But with the brief recovery of late 1980 and early 1981, the rate did not fall back to 6 percent. Rather, it remained above 7 percent, and with the current recession, the rate has jumped to nearly 10 percent. Both the rate of business failures and the rate of unemployment have remained high and are continuing to rise.

A look at the industrial production of our economy will clinch my case. A chart prepared by the Federal Reserve Bank of St. Louis, shows that not only has industrial production fallen since July of 1981, the month in which the current recession began, but even more revealingly, it has yet to equal or exceed the high reached in 1979. The weakness in industrial production has led to a decline in the utilization of manufacturing capacity which is generally associated with the increase in unemployment we are now experiencing.

The cause of the last 2 years of economic stagnation is no mystery—high interest rates have crippled the economy. Real interest rates are currently at all-time record levels. Inflation has come down dramatically, but interest rates have not fallen correspondingly. Inflation was more than 13 percent only 6 months ago, but has dropped substantially since then. During the first quarter of this year, the Consumer Price Index rose at an annual rate of only 2½ percent, and in March, the CPI actually registered a decline. Interest rates, however, have not dropped as much, causing real interest rates to soar to record levels.

It is simply impossible to have a lasting economic recovery, which is both strong and long, in the face of such high real interest rates. This is not to say that there will be no recovery—there are already some signs of an approaching economic turnaround. But the recovery will be short and feeble unless interest rates fall, and unless they fall soon and unless we retain a low rate of inflation.

Whether interest rates fall will in no small way depend upon what happens during the course of the debate over this budget resolution in this body and in the House of Representatives. Perhaps never before have political considerations intruded so much into the operation of the economy. While there are several plausible explanations for such high real interest rates, it is clear that huge projected budget deficits in the future must be considered to be a probable and major cause of the stubborn refusal of interest rates to go down to a reasonable level.

The explanation which I believe to be the most cogent is the one offered in the committee report. Financial markets view current Federal fiscal and monetary policies to be in conflict with one another. The markets expect that a runaway fiscal policy which produces huge budget deficits will eventually force monetary authorities to change course and follow a more accommodative monetary policy. This action would necessarily and inevitably lead to the resumption of high inflation.

This widely acknowledged fear is supported by existing estimates of budget deficits which would occur over the next 3 years if the Federal Government were not to change its spending policies. Without necessary changes, the deficit will reach $182 billion in fiscal year 1983, $216 billion in 1984, and $233 billion in 1985. If projected off-budget outlays, borrowings by Government sponsored enterprises, and federally guaranteed loans are added to these deficits, then the true fiscal impact of the Federal Government becomes clear. Simple addition shows that total Federal borrowing and credit activities for the coming fiscal year will exceed the projected net national savings generated by the economy. In short, it is conceivable that the Federal Government's voracious hunger for credit could more than equal the Nation's ability to feed it. Nothing would be left for new investment in the private sector, and, in fact, some private disinvestment would be required. Is it any wonder, faced with such a prediction, that real interest rates are so high?

But, if the Federal Government could arrive at a fiscal policy which promises to reduce substantially the estimated future deficits to manageable levels, I am sure that this development would be favorably received by the financial markets, and would be accompanied by sharply lowered interest rates.

There is ample testimony to this effect. My colleague on the Budget Committee, Senator Bill Armstrong, wrote to a number of noted economists and asked them what could be expected if a credible deficit reduction plan were adopted by the Federal Government. He published these replies as his additional views to the committee's report on this resolution. The consensus among the economists was that a credible budget, such as the one before us today, would result in a quick and substantial drop in interest rates.

In my view, the committee has indeed arrived at a credible budget. Most importantly, it reduces deficit spending by a total of $417 billion over 3 years. By fiscal year 1985, the Federal budget will be out of balance by only $39.5 billion. A true litmus of the fiscal policy which any budget embodies is the percent of the gross national product which total outlays represent. Under the committee's resolution, Federal spending would be reduced from 24.3 percent of GNP in 1982 to 21.1 percent of GNP in 1985, far closer to its recent historic average before the rapid swing in the last 2 or 3 years of the Carter administration.

Thus, in addition to sharply reducing budget deficits, this budget would continue the necessary reduction of the Federal Government's role in the private economy. Because total Government spending is the ultimate tax burden borne by the economy, it is also clear that this budget represents a substantial tax reduction over what would have occurred under current policy, by a combination of direct tax revenues and Federal borrowings with their effect on interest rates and on inflation.

The committee's resolution is a good budget because it recommends a balanced mix of spending reductions and revenue increases.

There is a very real difference between the impact on the economy of the same amount of deficit reduction depending on how much of it comes out of the growth in Federal spending relative to how much of it arises out of the increase in taxation. The positive effect on the economy is much sharper and much more marked if we heavily accent the spending reductions as against the tax increases.

The resolution before us today calls for approximately $3 of spending restraint—a dollar of which is due to reduced interest costs—for every dollar of additional revenues raised.

The Budget Committee recommends, as part of its plan to reduce Federal budget deficits, that additional revenues be raised in the amounts of $20 billion in 1983, $35 billion in 1984, and $40 billion in 1985. In addition, $2 billion in user fees are to be collected during each of these fiscal years. The committee made no assumptions about the ways in which these revenues should be raised—that is the prerogative of the Finance Committee, and of this body in debate on the tax and revenue policies.

The Budget Committee did recommend that the 1983 personal income tax rate cuts take effect as scheduled.

Speaking as an individual Senator, it is my hope that the additional revenues will be found by enlarging the tax base—through the elimination of tax loopholes—rather than by raising tax rates on all taxpaying Americans. I feel strongly that the indexing provisions of the Economic Recovery Tax Act of 1981 be retained as enacted last year. Clearly, there is substantial room to raise revenues by clamping down on tax preferences—also known as tax expenditures. In fiscal year 1983, tax preferences will total $273 billion. Cutting only 7 percent of this amount would raise the additional revenues required by this resolution in 1983.

Surely it is not an impossible task to raise $95 billion over 3 years from this source alone, and to do so in a way which would actually increase the efficiency with which the economy operates. I say this to my colleagues who are concerned about the economic disincentives which increased taxes create: A number of tax preferences which exist today create incentives which actually run counter to stated public policy. The consumer interest deduction, for example, encourages consumption and discourages savings. Other tax preferences are merely inefficient. The tax credit granted to corporations receiving income from operations in U.S. possessions is one example. This preference costs the U.S. Treasury several times more in foregone tax revenues, allegedly to create jobs, than these jobs pay in wages. A substantial portion, perhaps most of the revenues needed, could be raised by repealing counterproductive and inefficient tax preferences.

It is thus possible to raise substantially all the additional revenues required in the resolution by eliminating tax loopholes. This can be done without altering the 1981 Economic Recovery Tax Act, thus protecting the 3d year of the individual tax cuts and the implementation of tax indexing, scheduled for 1985. It is this latter provision which I consider to be one of the most important measures to be passed by this Congress.

This resolution represents our best alternative, in part, because of the way it handles additional revenues, and most profoundly because of the ratio of those additional revenues to additional spending restraints.

This budget requires a modest amount of new taxes, not so much as to jeopardize last year's tax cut or to considerably affect economic incentives, but enough when combined with spending reductions, to substantially reduce the deficit.

This is a good budget because it is a fair budget. Every category of Federal spending has been made to bear its share of the burden of reducing Federal deficits. The committee early on adopted a principle of equal sacrifice with respect to categories of Government spending. In the budget resolution before the Senate, no category of spending was exempt. Obviously, taxes were not either.

This resolution urges spending reductions which total $275 billion over the next 3 years—more than $169 billion in program reductions and $105 billion in interest savings due to lower Federal borrowing and the market effect of assumed lower interest rates.

That last figure, as large as it is, is perhaps the most dramatic example of the dividends which we can pay to ourselves by fiscal restraints.

During our work, members of the Budget Committee found it useful to break down Federal spending into four categories—national defense, entitlements, nondefense discretionary programs, and interest on the national debt. I would like to consider the recommended reductions in each of these categories.

The Budget Committee recognized that current international conditions require that the United States build up its Armed Forces. This was reflected in the committee's decision to take as the current policy baseline the President's recommendations for an adequate defense. The cost of this request was estimated by the Congressional Budget Office. Despite the recognition of the need for a strong defense, the committee felt that a policy of equal sacrifice required it to recommend a somewhat lower defense budget than requested by the President. The committee felt, that a real growth of substantially more than 5 percent in defense programs was adequate to meet the Nation's needs.

The action last night, incidentally, was consistent with these recomendations, but it is certainly more than possible that in the course of examining this budget resolution the Senate may decide on further reductions, although I doubt very seriously that there will be anything like the amount recommended by the proposed budget being considered by the House Budget Committee at the present time.

The reductions in defense outlays included in the committee's resolution will total $36.5 billion during the next 3 years. This restraint is assumed to come in three areas: $20.8 billion in program reductions, $12.5 billion in pay restraint, and $3.2 billion in reduced cost-of-living allowances for retired military personnel.

Spending for entitlement programs, the growth of which has been relatively uncontrolled, also receives proper attention in this budget. All entitlement programs other than social security—which is handled separately—will go without scheduled cost-of-living increases for 1 year. This action would save $15 billion over the next 3 fiscal years. Furthermore, other entitlements, whose benefits are not directly indexed to the consumer price index, are also targeted for reform.

Programs such as medicare, medicaid, and the guaranteed student loan program are assumed to be changed in ways which will result in $33 billion in savings through the end of fiscal year 1985.

In keeping with the policy of equal sacrifice, automatic cost-of-living pay raises granted to Federal employees will also be canceled for 1 year. The cumulative savings of this action will amount to $19 billion over 3 years.

The budget recommended by the committee also includes a spending freeze on discretionary programs for fiscal year 1983 and the 2 succeeding years. These programs bore a large part of the cuts enacted last year and were targeted in the President's budget for more substantial reductions. The committee felt that further cuts in discretionary spending were unwarranted. Nevertheless, these programs were not exempt from the committee's policy of fiscal restraint—the further effects of inflation will have to be absorbed without compensating increases.

Finally, the payments needed to service the national debt received attention in the committee's recommended budget. The interest savings in this area stem from two sources: lower interest payments due to smaller deficits and the market effect of lower interest rates. Smaller than originally projected budget deficits will save $51 billion in debt service costs over 3 years. The $311 billion in deficit reductions included in the committee's resolution, it is assumed will result in lower market interest rates, which will generate an additional $55 billion in interest savings. The committee received ample testimony from nationally respected economists as to effect lower, Federal budget deficits would have on interest rates and the economy in general. The committee's budget represents the kind of credible deficit reduction plan which these economists said was necessary to bring about lower interest rates.

None of these spending reductions, Mr. President, will, of course, be at all easy. Each of them will affect someone or some interest group. Every individual and every interest group, however, will be much more benefited by the positive impacts on the economy of lower budget deficits, lower interest rates, and greater economic growth, which are, of course, the overriding goals of this resolution.

This should also be considered a better budget, better than any other proposed so far because it most equitably shares the burden of reducing Government expenditures. Just as all groups of Americans will benefit from the economic recovery which will result from lower deficits, so should all Americans bear the sacrifice. This budget represents a fair distribution of the sacrifices.

The budget resolution before us today is also a good budget, because it squarely faces the severe financial problems which beset our social security system. According to the April 1, 1982, report of the trustees of the social security system, the retirement trust fund (OASI) will not contain sufficient funds to pay benefits on time by July 1983. The medicare trust fund itself will be bankrupt within 5 years. Combining all the several trust funds—retirement, disability (DI), and hospital insurance (HI)—would only maintain the entire system's solvency until 1984.

It is absolutely and clearly evident that these financial problems cannot be ducked or dodged or ignored any longer. They will come up and they will have to be dealt with in the near future.

Mr. President, the budget resolution reported out by the Budget Committee sets an agenda for dealing with the problems. It requires that the minimum foreseeable necessary financial adjustments be made to keep the system solvent. The budget resolution calls for the bipartisan National Commission on Social Security to expedite its work and report by November 11 of this year its specific recommendations to insure the system's solvency. This resolution directs the Senate Finance Committee then to immediately consider the Commission's recommendations and report appropriate legislation to the Senate by December 1, 1982.

The resolution would require that a $40 billion improvement be made in the financing of the social security system. The Budget Committee has not specified how much of this change should be achieved by slowing benefit growth, altering eligibility standards, or raising additional revenues—making these decisions is the proper role of the Finance Committee. The Budget Committee's resolution does require the Congress to face the problem squarely and do the minimum needed to solve social security's financial woes by the end of this year. Even so, the required $40 billion in financial help will be sufficient to maintain only a 2-month reserve in the system's combined trust funds. This is the minimum prudent level of reserves necessary to insure the uninterrupted payment of social security benefits.

Mr. President, it should be noted that this resolution, if adopted, would not require any cuts in current benefit levels. Furthermore, it recommends that the full 7.4-percent cost-of-living increase due in July 1982 be paid as scheduled.

The $40 billion cash-flow improvement could be achieved solely through the slowing of social security benefit increases over the next 3 years. Even then, only a partial reduction of the cost-of-living adjustment would be required. In this case, the average recipient of social security retirement benefits would still receive a $1,300 benefit increase over the next 3 years.

This budget is a good budget precisely because it would require Congress to take actions to insure that the Nation's 36 million social security recipients will continue to receive their checks on time.

This budget is also a better budget than any of the proposed alternatives because it explicitly recognizes the financial straits of the social security system. The agenda established in this resolution faces up to the immediacy of the problem and outlines a solution. Let each of my colleagues in the Senate answer the following question: Do you want social security recipients to continue to receive their benefit checks on time and in full? If the answer is yes, as I am sure it will be, then this resolution is clearly superior to any of the proposed alternatives. it is superior because of the responsible way in which it faces up to financing problems of the system. This resolution provides for a solution to the social security crisis; the alternatives do not. If we were to adopt the alternatives of our colleagues across the aisle and do nothing, or follow the lead offered by the House and move social security off budget, then we would be no closer to a solution now, or in a year from now, when one of the trust funds will be empty. Thirty-six million Americans deserve responsible congressional action on this important issue, and they deserve it now.

The most recent polls show that, among persons 45 years of age and younger, 70 percent have no long-term confidence in the social security system. This skepticism is even worse among those aged 30 and under. Fully 74 percent of this group believe that they will never receive a check from social security when they reach retirement age. Given the unwillingness of many Members of Congress to face up to the social security crisis, perhaps this lack of confidence is justified.

Mr. President, if we take the actions proposed here today, we will make that lack of confidence unjustified and we will help guarantee that benefits will be available for those who are paying into the system now.

The budget set forth in this resolution is the best available budget because it would require the Congress to fulfill its duty to all Americans, both young and old.

This is a good budget because it will be enforced. This resolution contains reconciliation instructions which direct the relevant congressional committees to make changes in existing laws in order to reduce outlays and increase revenues. Without reconciliation, this budget would be a paper tiger. With reconciliation, it promises to be a main force in reviving our economy.

In conclusion, Mr. President, I am pleased to support this budget resolution. It is a good budget because it will work to bring about economic recovery and because it is based upon the principle of equal sacrifice. It is a better budget that any of the alternatives which have been proposed because it faces squarely the problems of runaway projected deficits and the impending insolvency of the social security system.

This budget is the best budget available. It will do the job in a fair and equitable manner. I am proud to have helped to fashion it, and I am proud to support it. I urge my colleagues in the Senate to do likewise.

The **PRESIDING OFFICER**. The Senator from New Mexico.

Mr. **DOMENICI**. Mr. President, I thank the distinguished Senator from Washington for that excellent summary of where we are as a Nation and where we will be if we adopt this budget. I also thank him for his dedication, hard work, and major contributions to the Budget Committee and to this resolution.

Even more personally, Mr. President, I thank him for his help to me. It has been a rather difficult couple of months. I can say without hesitation that whenever the chairman was in need of a right hand, the Senator from Washington was there. Whenever I was in need of assistance while we were working on this in committee, he was there.

His contributions are readily visible in the record of the markup, and before we are finished here on the floor the people of this country will understand the significance of his contribution.

Mr. President, I am very shortly going to yield to my good friend on the other side, the distinguished Senator from Nebraska, Senator EXON, who is acting on behalf of the minority leader. I have told him I am going to yield very shortly to him. I wonder if I may just make two or three general observations and I will yield.

Mr. **EXON**. Certainly.

Mr. **DOMENICI**. First, in a very real way, I am sorry that we are here today instead of last September or October. The Senator will recall, when we were trying to put together a second budget resolution last year, the sense that we would be in this predicament with the kind of deficits that we now project. I want to say that as chairman of the committee it was my real belief at that point that we should have faced up to these deficits then; that we should have had a resolution somewhat like this one before this Senate and ultimately before the Congress then.

That was not in the cards, not only because our President thought it was premature but, obviously, there were many who were not yet ready to take the kind of action that is now required.

There are very few Senators and Congressmen left who do not think that Congress had better get on with the job of prescribing a method of reducing the deficits that are projected.

I am pleased that there appears to be a growing consensus on both sides and in both parties that deficits must be controlled.

I regret that this resolution is not bipartisan. I hope that before we finish we will have a resolution that is bipartisan, but I do not think that should detract from the fact that both sides agree on those deficits of approximately $629 billion over the next 3 years. Almost everyone says we have to do something to get those numbers down.

I hope that if we modify the resolution, we will come up with bipartisan agreements on both sides.

But if we do not get bipartisan support, this resolution is one way to accomplish our task. Monday I will explain in detail how we got where we are, and why I think this budget resolution ought to be adopted. I will do it in great detail with as much historical perspective as I can muster.

I want to reiterate: If this matter was urgent last September, I hardly have a word for it today. It is more urgent, it is absolutely urgent, it is imperative, that we act quickly, decisively, and credibly in both bodies to reduce these deficits if we are going to have economic recovery.

Not too long ago, this budget compromise was worked out with the President and his staff. I support it wholeheartedly. It is somewhat different than the budget I had put together and that I believe I had a majority of the committee ready to support. The most significant difference, it should be noted, is that I would have recommended capping social security increases for 1 year, as we are capping other cost-of-living raises in this resolution.

The President and the White House thought that that should be deferred; that in lieu of it we should prescribe a solution for the solvency of social security—the now famous $40 billion.

I would like to say, once again, that I think it is imperative that we do so, that we put it in this budget; that we recognize the need for solvency in the trust funds. I suggest nothing more.

For those who have alleged that the resolution language in some way hurts our retired senior citizens, or is intented to hurt them, or intended to take something from them, let me say the Senator from New Mexico thinks the opposite is true. To leave the solvency issue out is wrong. To leave it out is to deceive them. To leave it out is to fail to tell the truth. The truth is the final dimensions of the insolvency. And this committee can hold its head high, in my opinion, because as difficult as it is to tell it to the people and to the Congress, we did.

So I consider our action to be truth in budgeting, nothing more. To leave social security solvency out is to fail to tell the truth. To fail to put it in the budget is to assume that the Federal deficit is well known. Therefore, since it is so well known and so big, we cannot get interest rates down. But if we do not address social security, can we possibly believe that those same people who know the truth about the deficit will say, "It didn't really matter that social security is $40 billion in arrears over the next 3 years."?

Can we really believe that? Can we think that Congress is going to pass a resolution saying it is going to bring down interest rates by bringing down deficits while leaving out a $40 billion responsibility? Will it go unnoticed? I do not believe it. I believe that is about as ridiculous as those who think we will solve our economic and social security problems by taking it "off budget"!

I said yesterday we ought to take the defense budget "off budget." Just imagine what a fantastic budget we would have. We could cut taxes again, we would be so much in the black. Does anybody believe that the market places of America would believe it? If we could do that, we would not have any problems left. What would we ultimately wind up with, the "off budget" budget? I think there would still be a budget, but maybe we would call it all "off budget" and be back in business again.

In any event, this next week will be a tough one here in the Senate, there will be no easy decisions, no easy way to live up 51 people and achieve what they want. But I have confidence in the institution. The problems are great and the greatness of this institution comes to the surface when the problems are most difficult. I hope that greatness shows sometime next Wednesday or Thursday, and we give the American people what they deserve: A truly fair and hopefully a bipartisan budget. One that the President will support; one that is enforceable and credible; and one that people believe will become a reality.

I yield to my good friend from Nebraska.

The **PRESIDING OFFICER** (Mr. GROTON). The Senator from Nebraska.

Mr. **EXON**. I thank my friend and colleague, the chairman of the Budget Committee.

Mr. President, I am going to be rather brief, but there are some things that I feel need to be said as we begin the debate on the budget.

In the first place, I think that both the Senator from Washington (Mr. GORTON), who now occupies the Chair, and the distinguished chairman of the Budget Committee, who happens to be on the other side of the political fence from this Senator from Nebraska, know, recognize, and realize that the three of us generally have worked

closely on a whole series of things with regard to meeting the prime consideration of the devastating deficits that face this country. I hope we can put partisanship aside. I join them in that request.

However, in listening very patiently here for the last 50 minutes or so, I noticed a partisan jab or two that I think should be straightened out very early in my remarks.

I salute, I applaud, and I will join, evidently, in the positions stated here today by the chairman of the committee and the distinguished Senator from Washington in opposition to going off budget with the social security system. I agree that that would be a step backward from truth in budgeting.

In my opinion, if there is one thing the people of the United States need today it is a little straight talk and truth. It is always going to be varnished somewhat when it comes from the lips of politicians, and I say that with regard to all politicians, including those on the executive side of this Government.

I inferred from the remarks I heard that already the Democrats are beginning to get the blame for going off budget with social security. I should like the RECORD to be corrected, because the first I ever heard about going off budget with the social security system was from the House Republican side—particularly, I think, from the minority leader in the House of Representatives. I also understand that supplysider JACK KEMP made a motion to go off budget with the social security. Indeed, in the House Budget Committee deliberations of the last few days——

Mr. **DOMENICI**. Mr. President, will the Senator yield?

Mr. **EXON**. I am happy to yield.

Mr. **DOMENICI**. I want to correct the RECORD. If I left any impression that I blamed the minority in the Senate, the Democrats, for the proposal to taking social security off budget, I did not intend it. I do not think I said it.

I certainly do not accuse them of that at all. Perhaps the Senator thinks that any time I disagree, it is only with Democrats. Perhaps it was the tenor of my remarks.

I assure the Senator that when I disagree, I will state it: whether I disagree with Democrats or Republicans.

In this case, the leading proponent in the Senate for taking social security "off budget" is a Republican, not a Democrat. I want to clarify that and say that I have spoken to him. I was on the floor when he submitted the measure. The Senator from Nebraska will find that it is a pending amendment to our resolution. I do not think it can take social security off this budget, even if it were adopted, because I believe such a step requires a change in the law.

I certainly do not want to leave that impression, and I thank the Senator from Nebraska for giving me the opportunity to clarify it.

(Mr. **SYMMS** assumed the chair.)

Mr. **EXON**. Mr. President, I appreciate the statement of the chairman. I did not have his remarks in mind. I had more in mind the remarks made by the junior Senator from Washington. However, I have been wrong before, and perhaps I heard incorrectly.

I have not read the statement, but in listening to it, there may have been a little rabbit punch on the Democrats by blaming them—as is traditional with some people—for everything that goes wrong in America and very few of the things that have gone right in America for the last 40 years, which some people would like to believe were the most dark and depressing times in the economic history of the United States of America. Just the opposite is true, but we will not go into that.

Mr. President, at this critical economic juncture, I urge again that partisanship be put aside, in an effort to meet the critical situation of the recession that faces this country and still has the country in its grip. I submit to my colleagues that we have little chance of ever working our way out of this recession until we can begin to reduce interest rates on a sustained basis and have some assurance that they will stay down.

While there are many suggestions as to how we are going to do that today, it seems that the budget process we are on is the only tool we have at hand immediately. We are launching the budget debate here, and we are tardy, and we must move forward. However, I still maintain that we are making some most interesting progress.

The amendment offered the other night in the Budget Committee by the chairman of the committee, after consultation with the President of the United States, was a significant step in the right direction. I should like to talk for a moment about how significant that was.

I think there is a general misunderstanding today in the United States of America as to just what has been going on with regard to the budget. Let us start, if we may—and I will be brief—from the budget that was offered to us by the President of the United States earlier this year.

If we look at the projections on that President's budget, going along with that President's budget, the way he presented it to us, according to CBO, the deficits in the outyears would be $132 billion in 1983, $135 billion in 1984, $136 billion in 1985, $156 billion in 1986, and $175 billion in 1987.

That was from a supposedly conservative President who is trying to cut down the total expenditures, outflow, from the Treasury of the United States. I find, generally, that few people understand or believe that. Somehow, they feel that President Reagan has submitted to us a budget overall that really slashes things and cuts down spending and that, therefore, they are going to get some kind of tax break. Hogwash.

I am not being overly critical of the President, because he has problems, just as we have, but the general perception out there is that this is the most conservative President we have ever had with regard to spending. The fact is that he is the biggest spender, as President of the United States, under his projections, that we have ever had in all our history.

Let us go back and compare the deficit figures of the President's budget that I have just cited with deficits that accrued in the last 12 years of these terrible 40 years that we——

Mr. **GRASSLEY**. Mr. President, will the Senator yield?

I hope you had your tongue in cheek when you said——

Mr. **EXON**. I am not yielding. If the distinguished Senator from Iowa wishes to talk, he can. I have been sitting here very patiently for a long time, listening, and you have not been here. If you wish to talk, take your seat, and as soon as I finish, I will be very happy to yield to my friend from Iowa.

I know it is very difficult for some people to listen to what the perceptive is of the difficulty of the United States, but I intend to have my say here, and I am trying to be as brief as possible.

Let us go back and look for a moment if we can about the last 10 years or some of the deficits to compare—these are actual deficits—those with the deficits which were proposed by the President. In 1974 the deficit was $4.7 billion; in 1975, $45.2 billion; in 1976, $66.4 billion; in 1977, $45 billion; in 1978, $48 billion; in 1979, $27 billion; in 1980, $59 billion; and in 1981, $57 billion.

So what I am saying is that we have problems. We have problems whether we are Democrats or Republicans.

I think little has been served by all of the rhetoric and communication that I have heard from a whole series of sources with regard to trying to affix the blame. Frankly, I do not care whether it is the Democrats' fault or President Reagan's fault. The facts of the matter are that whether you are a Democrat or whether you are a Republican or whether you are an Independent by and large you are in difficulty with the economic times that we face today and I suggest that we had better get on with the solution.

Mr. President, I simply say, to recap the CBO projected figures on the

President's budget that were submitted to us, I ask unanimous consent to have those printed in the RECORD at the appropriate place in my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

	Federal on-budget deficits	National debt
1970	2.8	382.6
1971	23.0	409.5
1972	23.4	437.3
1973	14.8	468.4
1974	4.7	486.2
1975	45.2	544.1
1976	66.4	631.9
Transition quarter	13.0	
1977	45.0	709.1
1978	48.8	780.4
1979	27.7	833.8
1980	59.6	914.3
1981	57.9	1003.9
1982	[1] 113.9	[2] 1141.7
1983	[1] 132.3	[2] 1302.9
1984	[1] 135.6	[2] 1466.0
1985	[1] 136.1	[2] 1637.8
1986	[1] 156.8	[2] 1838.5
1987	[1] 175.3	[2] 2058.9

[1] CBO reestimate of President Reagan's budget.

[2] CBO estimate of debt subject to limit.

Mr. EXON. At this point, Mr. President, the chart that I have referred to is somewhat explanatory and it lists the Federal on-budget deficits for 1970 through 1981 and from 1982 through 1987 as recently estimated by the Congressional Budget Office. This chart also contains the national debt and national debt best estimates for the same years.

So we are talking about deficits here under the President's budget presented to us and now we are talking about what is going to happen to the national debt had Congress accepted the recommendations given to us in February by the President.

No one on the Budget Committee accepted those recommendations for the President. I salute particularly the chairman of the Budget Committee for the very, very viable work that he has done on truly a nonpartisan basis, I might add, in my opinion to meet this difficult situation.

But let us look back. Looking back over the decade of the 1970's, we find that a record deficit of $66.4 billion was set in fiscal year 1976. In 1980 the deficit reached $59.6 billion. In 1981 Congress held the deficit to $57.9 billion, in part through the utilization of the reconciliation process for the first time ever. But in 1982 even though we employed reconciliation again last year and adopted the President's budget basically untouched, we are expected to have a deficit of some $113.9 billion this year or more.

As the Congressional Budget Office has estimated the deficits through 1987, based upon the assumptions Congress adopts the President's budget recommendations of last February we see only rising deficits, reaching over, reaching over $175 billion in 1987.

Likewise, the national debt figures are also equally shocking. At the end of 1981, we saw the debt ceiling go through the trillion dollar level for the very first time in our history. Again, even if we would adopt the President's February budget we would see the total debt increasing nearly 50 percent again by the year of the next Presidential election, and get this: If we accept the President's recommendations in February, according to CBO estimates, we would have exceeded $2 trillion in total national debt by the end of 1987, 5 years from now. These deficits are of critical concern to all of us and I think are the real reason for the nervousness in the money markets today.

In closing, let me pass out some accolades to those who I think are really entitled to them.

At the outset of the discussion on the 1982 budget, I believe that we should take time to recall the chairman's efforts over the past few months. Last fall, when it was clear that President Reagan's economic program was not working according to his schedule, the distinguished Senator from New Mexico sought to revise the Second Budget Resolution for 1982 in a way which would have cut down on the size of the huge future Federal deficits which are facing us. Regrettably, the President opposed the chairman's initiatives at that time and the country's economy drifted deeper and deeper into recession.

A few months later, not long after President Reagan introduced his 1983 budget in February, the chairman of the Budget Committee presented his own budget proposal much along the extended lines of his initiative in the fall of 1982. The chairman's main differences with the President over the 1983 budget centered on entitlement programs, defense spending, and revenues. The chairman took a courageous stand in calling for substantially increased revenues, cutbacks in entitlement programs, and a reduction in defense spending from the President's request.

As a member of the gang of 17, the Budget Committee chairman helped moved the President toward his revised budget of April, which I believe was a responsible proposal, even if not ideal. Having come this far, I regret that it was not possible to build upon the President's April offer in order to develop a truly bipartisan 1983 budget which is necessary to sustain any real economic growth.

I have nothing but praise for the distinguished chairman's initiatives and courage from the fall of 1982 through April of this year.

Let me turn briefly to the efforts of the distinguished ranking minority member, the Senator from South Carolina, over the past year.

The Senator from South Carolina, Senator HOLLINGS, perceived early in 1981 that President Reagan's program for economic recovery was extremely risky and not likely to work as the President envisioned. On numerous occasions he offered his own alternatives, and eventually voted against the Economic Recovery Tax Act of 1981. The distinguished Senator was a cosponsor of my own so-called safety valve amendment which gave us a last chance in September 1982 to give us some insurance against Federal deficits getting out of hand. The distinguished ranking minority member continued to offer constructive alternatives, and responded to the President's "put up or shut-up" challenge last February with a major budget freeze of his own. The Hollings budget freeze was designed to move us quickly back toward a balanced budget and shock the financial markets in such a way that interest rates would fall. I spoke with the distinguished Senator from South Carolina about 2 weeks before he made his February budget proposal, and I encouraged him to offer this kind of budget alternative in order to make it clear to the country just how serious the deficit situation had become and to show what kind of severe action would be necessary to get us back on track toward a balanced budget.

Our ranking minority member has not only been perceptive in his views on the budget and the economy, but he has also been a courageous leader and risk-taker when it comes to doing what is right for our country. Rather than saying "I told you so," the Senator from South Carolina has given his party and his country leadership during these very difficult times. As a member of the "Gang of 17," Senator HOLLINGS did his best to develop a compromise, bipartisan budget, even though this attempt unfortunately fell short of its goal.

That brings me to May 1982, a month which will not go down in history as a month which distinguished the Senate Budget Committee, the President's role in the budget process, or the budget process itself.

I simply say though we must push on. From being so close to a bipartisan compromise, the May 1982 session of the Senate Budget Committee was definitely a step backwards, and in some respects the ultimate product of our committee is less desirable than President Reagan's budget of February, which we wisely turned down on a 20-to-nothing vote. The month of May, so far at least, has seen the breakdown of an attempt to reach a bipartisan budget. It has seen the budget process taken behind closed doors to develop a budget which serves too many narrow, partisan interests. The month of May has seen President

Reagan endorse his third budget this year, a budget which may yet prove to be his third strike with Congress. Indeed, the President is striking out on pitches tossed up by members of his own party. His first swing in February did not even come close to connecting, as evidenced by the fact that no member of the Senate Budget Committee, and even no Member of the Senate, so far as I know, supported the President's February budget.

The second strike in April was a called strike, as the President never took a swing at it. It was the perfect pitch to hit, but the President apparently felt that the April budget would be too hot for those on the supply-sider team to handle.

The third strike, the May budget, was a wicked social security curve thrown by the Republican pitcher in the House of Representatives. The President was caught looking at his third base coach in the Senate who did not know the President could not hit the social security curve.

Yet the President continues to broadcast a good game; he is a great communicator. But communications alone will not solve the problem.

The month of May is only half over, however, and I hope that this month will yet be the time when the Senate rises to the occasion and develops a workable and convincing 1983 budget. It is not too late to do so. What will be required is a more realistic approach to both 1983 revenues and expenditures. On the revenue side, the budget resolution which we have before us is approximately $30 billion short of the 3-year revenue increases that the President agreed tu in April. Deferring the July 1, 1983, individual income tax cut, as I proposed in committee, would be one way of handling the problems on the revenue side. The Congressional Budget Office has confirmed that this change would result in a balanced budget in 1985. On the spending side, this budget needs a dose of reality and fairness in handling federally supported retirement programs. I am not only referring to social security, but I am referring to the other retirement programs as well. For example, this budget before us completely eliminates the July 1, 1982, cost-of-living adjustment for railroad retirees, while it provides for a 7.4 percent increase for social security retirees. This is not only unfair, since tier I of railroad retirement benefits are based on equality with social security, it is probably also unworkable since it is unlikely that Congress can pass this resolution, a reconciliation act, hold two conferences with the House of Representatives, and transmit this information to the Railroad Retirement Board in order for the freeze to go into effect this July.

Again on the expenditure side of the budget, the Senate must be given the opportunity to look at the various spending functions of the Government. This was not done in the Budget Committee in any systematic way, since the only votes on functional totals were taken after the vote to approve the backdoor budget negotiations had already been taken. Senators have not yet had an opportunity to look at what is necessary next year for the housing industry, agriculture, veterans, law enforcement, and many other important areas. It seems to be the procedure in the Budget Committee that if a motion had a chance of passing, it was held off until the resolution had a chance to reach the floor of the Senate. In time, this may prove to be an acceptable procedure if the Senate now takes the time to weigh carefully all the various budget priorities. I regret that no member of the Budget Committee can really come before the Senate and say that the Budget Committee has looked carefully at all the options and has presented its considered recommendations. In a sense, we will really be doing the committee's work on the floor of the Senate during the next few days.

Mr. President, as we work on this budget for 1983, I believe we have to keep one figure in mind above all others. That figure is the Federal deficit. Over the years there has been controversey about the significance of the size of the Federal deficit. Comparisons of the size of Federal deficits over the years have been made on the basis of comparing the raw numbers themselves, the deficits as percentages of the gross national product, the deficits compared to the total national savings which can be used to finance the deficit, and probably in many other ways as well. But never in recent memory has there been such a consensus in Congress that, by whatever way we measure deficits, the projections for the next few years are frightening and these deficits must be reduced.

Mr. President, I have a table which lists the Federal on-budget deficits from 1970 through 1981, and from 1982 through 1987 as recently estimated by the Congressional Budget Office. This table also contains the national debt and national debt estimate for the same years.

Looking back over the decade of the 1970's, we find that a record deficit of $66.4 billion was set in fiscal year 1976. In 1980, the deficit reached $59.6 billion. In 1981, Congress held the deficit to $57.9 billion, in part through the utilization of the reconciliation process for the first time ever. But in 1982, even though we employed reconciliation again last year and adopted President Reagan's budget basically untouched, we are expected to have a deficit of $113.9 billion. As the Congressional Budget Office has estimated the deficits through 1987, based upon the assumption Congress adopts the President's budget recommendation of last February, we see only rising deficits, reaching over $175 billion in 1987. Likewise, the national debt figures are also shocking. At the end of 1981, we saw the debt ceiling go through the trillion-dollar level for the first time in history. Again, even if we would adopt the President's February budget, we would see the total debt increasing nearly 50 percent again by the year of the next Presidential election, and exceeding $2 trillion by the end of 1987. These deficits come from a President who recently went on television to ask for a constitutional amendment to force a balanced budget.

Mr. President, I believe there is a consensus among members of both parties, and among liberals and conservatives alike, that large deficits are bad for our economy. There are still those who cling to the idea that deficits are not important, but they are becoming fewer every day. There now appears to be a consensus that large deficits are at least in part responsible for high interest rates, and there is no doubt whatsoever but that interest on the Federal debt is the fastest growing portion of the Federal budget and is truly uncontrollable. For whatever the reasons, there is a feeling in the Congress that measures must be taken, however painful, to reduce the deficits which lie before us and block the road to economic recovery. In acting on our budget, we must convince the money markets that the size of the deficits are actually going to be reduced, to enable interest rates to fall.

And interest rates, which are as high now as they have every been in the history of our Republic when measured in real terms, must fall by several percentage points before housing, agriculture, and all interest-sensitive industries get back on their feet and pull us out of this severe recession.

I have my own ideas as to what would convince the money markets that deficits are indeed going to be brought under control and interest rates are going to fall. First, there must be no areas of the budget that are "off limits." This means entitlement programs, as well as the heretofore untouchable third year of the individual income tax cut.

Second, the expenditure cuts and revenue increases which we propose in this resolution will have to be believable. Savings cannot be unspecified as they were in last year's resolution, to be identified at a later time. Neither can revenue increases be based upon theories drawn on a napkin. Let us not make that mistake again.

Finally, Mr. President, the best signal we can send to Wall Street and to main street, to farmer and to factory worker, to homeowner and homebuilder, it to work for and come up with a bipartisan budget. The failure to achieve a bipartisan approach will only signal the country that Washington is working not on the budget, but on new ways to blame the other party for our economic difficulties.

The passage of last year's disastrous budget was an anomaly. The President's successes with Congress were not due so much to boll weevil or any other kind of Democratic support for his budget policies, but to a nearly unprecedented degree of cohesion among the members of his own political party. History will not repeat itself this year, and this has been amply demonstrated by the difficulty Republicans themselves have experienced in coming up with a budget which is acceptable to their own membership. But it is not just the President and members of his party who have a responsibility to reach out and develop a bipartisan budget. It is also the responsibility of those of us in the minority. As one Democratic Senator, I stand ready to make the necessary sacrifices, political and economic, which may make individual Senators, political parties, or political ideologies losers, but which will make our great country the eventual winner. I know I speak for many others on this side of the aisle, and I suspect on your side of the aisle as well, Mr. Chairman, when I express the hope that while we are apparently deeply divided at the outset of our discussions on this important budget resolution, we will find that we can bridge the gap as the Senate works its will on this, the first concurrent budget resolution for 1983.

Mr. Chairman, I know from your previous efforts to reach a budget compromise, that we are not all that far apart. If we do come up with a budget that finds support on both sides of the aisle, it will be because of the groundwork that you have laid over the past few months.

In closing, Mr. President, I think we are going to get something worked out here. I do feel it would still be much better for the country if a consensus was reached between Democrats and Republicans in the Senate, Democrats and Republicans in the House of Representatives, and with President Reagan. Therefore, I call once again for a Camp David-type summit meeting. This is the time for it right now. Rather than running away from compromise, rather than holding press conferences or issuing press statements, we should all be encouraging the President and the leadership on both sides of the aisle in the House and Senate to meet once again at Camp David because while I suspect it may not have been fully understood by many people, I think most of the members of the so-called Gang of 17, including the distinguished chairman of the Budget Committee, would agree with me that they were much, much closer to a workable compromise than they are generally given credit for.

So for that effort I salute the Gang of 17, I salute the President, because I think he tried.

My only suggestion is that I wish the President would try one more time. Call the Gang of 17 or anyone else he wants into a meeting so that hopefully we could come out with a battered compromise, but with a compromise, that we generally could agree on. If that could be done, I think we would be able to stay away from very many of the difficult battles that we are likely to have both here and in our companion body on the other side of the Hill.

I thank the Chair, and I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. Mr. President, I am prepared to invite the acting leader, Senator Stevens, to the floor for whatever purpose he sees fit. I think we are no longer in need of any time.

Mr. EXON. We are prepared to abide by the agreement that was announced earlier by the majority leader as far as time is concerned on this day, and I have no other requests for time on this side of the aisle.

Mr. DOMENICI. I think the distinguished occupant of the chair has some opening remarks, so I will take the chair and yield to him.

Mr. SYMMS addressed the Chair.

The PRESIDING OFFICER (Mr. Domenici). The Senator from Idaho is recognized.

Mr. SYMMS. Mr. President, I should first like to praise the chairman of the Senate Budget Committee, the distinguished presiding officer, Senator Domenici, for the job he did to bring the budget through the Senate Budget Committee. I was pleased to be able to help the chairman get that bill through our committee.

Having said that, I will go on to say that there are some points about that budget with which I am in disagreement. I think the tax increases are probably too high. But the President of the United States himself called for $50 billion worth of increases in revenues over a 3-year period.

The Senator from Wisconsin (Mr. Kasten) and I tried to persuade the committee to lower our numbers for revenue increases to $72 billion, and the committee chose, I think, a figure somewhat in excess of $90 billion. So I suppose, given the size of our economy, who is to say how much is enough and how much is too much?

I just believe personally that, historically, the posture of raising taxes in the face of a recession does not give a good, positive ringing signal to the economy. Nevertheless, I would like to make a couple of other comments.

In 1981 President Reagan introduced his economic recovery program. President Reagan's program planned to reduce inflation, restore economic growth, and provide jobs through reductions in the growth of Government spending, improved capital formation, a less-onerous tax burden, fewer repressive Government regulations, and a sound, consistent monetary policy. With the cooperation of Congress, major parts of this program were enacted into law, laying a solid foundation for long-term economic growth with a lower rate of inflation. I strongly supported the basic principles and objectives of the President's economic program, and continue to believe that the program's direction is sound and should be pursued. Ecomomic policy must be geared toward the long-range goal of a vigorous, competitive economy with essential price stability.

Real progress has been made in lowering the rate of inflation. However, it was inevitable that all our deep-seated structural economic problems, which developed over a number of years, could not be cured in a short period of time. The simple fact is that 40 years of accumulated debt is coming due. This Congress and this administration have inherited a situation in which expenditures have been growing faster than GNP and are projected to do so under existing law. At this time, we are all faced with the enormous problems resulting from a 40-year effort to spend ourselves into prosperity.

The administration's economic recovery program is a long-range plan, and as it has moved forward, it has required adjustments, as economic conditions dictate, in order to stay on course. Through a combination of circumstances, we are faced with a recession, unemployment, inordinately high interest rates, and the prospect of continuing substantial budget deficits.

A clear perception has been created which incorrectly blames the recession, unemployment, high interest rates, and the budget deficits on the Reagan program.

For example, if I have heard it once, I have heard it a dozen times in the last week that the 1981 tax cuts and increases in the national defense program were the cause of the deficits. Many members of the news media and many members of the administration and Congress believe, in my opinion misguidedly, that since we can no longer spend our way into economic prosperity, we can tax our way into economic recovery.

I have heard many of my colleagues say this: The causal chain of concern about deficits goes something like this: Large deficits are causing high interest rates which threaten economic recovery. Therefore, taxes ought to be raised in order to bring down interest rates.

In my opinion, this logic that I just spoke of, that I have heard so many of my colleagues talk about, is at best convoluted, particularly since the illiquidity of the private sector has not been considered as a factor in the equation of those favoring tax increases. Interest rates, in my opinion, will not decline if the private sector has to borrow additional funds to pay for a higher tax bill. In fact, interest rates might even increase because we do have an illiquidity of the private sector on our hands, and we have to face the fact that tax increases are going to reduce consumer spending, they are going to reduce individual saving, and they are going to reduce business' ability to invest, and thus tax increases will slow the private sector's economic activity and raise unemployment.

Tax increases will crimp economic expansion. Tax increases will discourage employment. Tax increases are going to reduce the supply of lendable funds, driving up interest rates. Reduced economic activity not only costs the Government revenues, but it adds to the demand for outlays such as income maintenance programs and unemployment compensation. Therefore, in my opinion, Mr. President, a tax increase may be self-defeating in terms of deficit reduction.

I share the concern that many members of this committee and others have expressed regarding the large deficit forecast for 1983 and beyond. And these deficits can and should be reduced.

But, in my opinion, the proper way to reduce these deficits is through spending cuts, not through tax increases. Concern for deficits, while clearly justified, can be misguided when not related to the primary objective of the program of economic recovery—reducing the share of the national income that accrues to Government. This share has reached record levels. Lowering it should be our goal. That is what the Reagan program started out to achieve. That is what I started out to achieve 1 year ago, and I hope will not be detoured from that goal.

Debate over the source of this increased governmental share of national income—taxes, borrowing, or inflationary increases in the money supply; that is, counterfeiting the currency with the printing presses to pay for Government bills that come due—distracts us from our primary objective of reducing Government spending.

But I want to applaud Chairman Domenici and the members of the Senate Budget Committee for taking a significant step in attempting to reduce Government spending. And I applaud my colleagues for taking an initial step in grappling with the uncontrolled growth in entitlement programs. Growth in entitlement programs, including social security, medicare and the Federal pensions, had to be reduced and they have to be reduced and substantially reformed still further in the future. Nothing need be taken away from any individual American, but there has to be a reduction in the rate of future increases in these programs. Because, Mr. President, these programs have been increasing in cost at a rate of about 15 percent a year and represent about 60 percent of budgeted expenditures. The deficit problem could not have been responsibly addressed without a reduction in the scheduled increases for these programs.

So I encourage other Senators and Members of the other body to look carefully at the compromise budget that was worked out by the Senate Budget Committee.

I think it is essential that both parties of Congress exercise statesmanship on a bipartisan basis in supporting reforms and entitlement programs. It is important that Members of Congress enact legislation which is beneficial for all citizens, combating the special interest lobbies, compromised of organized and special interest groups, both in and out of Government, including some elected officials who are politically dependent on the "tax, spend and elect" ways of the past.

Mr. President, I might just bring to the Senate a story of something that has happened in my State of Idaho in the last 2 weeks. The State of Idaho operates in a situation where they have a constitutional amendment that mandates that they balance the budget each and every year. So the State legislature and the administration of the State are chained down by the State constitution to stay within the constraints of a balanced budget.

It is interesting that in our State we have achieved a bipartisan solution. I hope we do get support for a bipartisan national budget from those on the other side of the aisle here in the Senate, whose tolerant attitudes toward fiscal largess are responsible for our current deficit problem. I hope that we can get support from many, many Members from the other side of the aisle so that we can solve the problem.

But in my State of Idaho, it was brought to the attention of the State legislature and the Governor in the past 10 days by the State auditor that they are going to have a shortfall of $17 million in the next 6 weeks to operate the State budget. The State of Idaho's fiscal year ends on June 30. So the Democratic Governor of the State, in cooperation with the Republican speaker of the house and the Republican Lieutenant Governor, who are both candidates for Governor—so two of them are in a Republican primary vying for the opportunity to run against the Democratic Governor—all agree that the solution to the deficit problem was to reduce the payroll of the State of Idaho by 20 percent for the next 6 weeks. So they gave everybody 1 day a week off on an unpaid furlough, and reduced the State spending by 20 percent. This was in agreement with the appropriations committee of the house, which is not in session, and the senate of the State legislature, without having to call the legislature back. That was agreed to by the parties, the leadership of the Republican and the Democrats in the State. Bold, decisive action was taken and the problem will be solved.

I would still like to see this Congress take a more bold approach to the solution of the problem than we have crafted in this Senate budget. I would still like to see this Congress and this Budget Committee, when this Senate deals with this problem to consider a bold idea: That they would say, for example, that there will be a pay and benefits reduction starting the 1st of October, next fall, or 5 percent across the board for everyone from the President of the United States to everyone who is on the Government payroll or anyone who receives any check from a Federal retirement pension program down to those who would be below the line of poverty, so that we could get this situation fixed and corrected once and for all and see a restoration of the bond markets.

But having said that, that probably will not become a reality because there does not seem to be that much resolve at this point in time. But I do think that the budget that has been passed by the Budget Committee, if enacted into law, if put into effect in the coming 6 months, as we go on our course for economic recovery, in my opinion it will go a long way toward reducing the high rates of interest that are so detrimental to the private sector and causing so much grief, misery, and bankruptcies in the private sector. And I think that we should support it.

I would hope my good friend from Nebraska would be one of those who would eventually get on board with some kind of a bipartisan, compromise budget so that it will be a bipartisan solution, so that we will not have to have just a political donnybrook here in this town. But if we choose to have a partisan donnybrook, I still believe that the people of the United States, in a general sense—and it is a general argument we are engaged in—are supportive of the economic goals and the aspirations of Ronald Reagan. And they are tired of the policies that the Speaker of the other body has been imposing on the people. They are tired of the old "tax, spend and elect" policies. They are tired of this attitude of, "Do not worry about what happens, leave interest rates up and then we will win more seats in the fall." They would like to see the Congress get together and pass a sound budget.

In my opinion, if it means reductions in future benefits of Government retirement programs, that is what the American people want. If it means a reduction in the wages and salaries of all people on the Government payroll, that is what the American people want.

The American people are looking to the Congress for leadership. I think if we give them bold, decisive leadership, we would see a precipitous drop in the interest rates and with that precipitous drop in the interest rates we will see a restoration of economic growth and activity in this country that will sustain us well into this decade.

Mr. President, I yield back my time.

Mr. STEVENS addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. It would be my intention to seek to recess the Senate at this time until the hour of 12 noon on Monday. There is an order for that already, is there not?

The PRESIDING OFFICER. The Senator is correct.

Mr. EXON. There is no objection on this side.

RECESS UNTIL MONDAY, MAY 17, 1982

Mr. STEVENS. If there is no objection, I ask unanimous consent that the Senate stand in recess until the hour of 12 noon Monday.

There being no objection, the Senate, at 2:29 p.m., recessed until Monday, May 17, 1982, at 12 noon.

SENATE—*Monday, May 17, 1982*

(Legislative day of Tuesday, May 11, 1982)

The Senate met at 12 noon, on the expiration of the recess, and was called to order by the President pro tempore (Mr. THURMOND).

PRAYER

The Chaplain, the Reverend Richard C. Halverson, LL.D., D.D., offered the following prayer:

God have mercy upon us, and bless us and cause His face to shine upon us, That Thy way may be known upon earth, Thy saving health among all nations. Let the people praise Thee, O God; let all the people praise Thee.—Psalm 67 : 1-3

Lord God of the nations, the people desperately need direction. They are confused by many conflicting voices which are fragmenting and disintegrating society. The people need to hear one voice, one clear united voice instead of an avalanche of babble.

If the Senate communications confusion, what can be expected of the people, Lord? If 100 leaders cannot "get it together," certainly the people will not. Dear God, help the Senate to give the leadership so urgently needed in the Nation and the world at this time. Help them to speak with one voice in truth and justice, righteousness and peace. We pray in the name of Him who came to Earth to unite all people in love and peace. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The acting majority leader is recognized.

THE JOURNAL

Mr. STEVENS. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR ROUTINE MORNING BUSINESS

Mr. STEVENS. Mr. President, I ask unanimous consent that following the recognition of the two leaders under the standing order, there be a period for the transaction of routine morning business, not to extend beyond the hour of 1 p.m., in which Senators may speak therein for not to exceed 5 minutes each.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. STEVENS. Mr. President, is there a convening hour set for Tuesday?

The PRESIDENT pro tempore. There is not.

SENATE AGENDA

DOD AUTHORIZATION

Mr. STEVENS. Mr. President, last week the Senate completed a long and arduous task in reviewing and passing S. 2248, the defense authorization bill for 1983. That piece of legislation brought about long hours and late nights, but it was necessary to pass this major piece of legislation.

I want to take the opportunity, Mr. President, to commend the chairman of the Armed Services Committee Senator, JOHN TOWER, who did a remarkable job in guiding that bill through the Senate. As usual, Senator TOWER's skillful presentation of the issues, his eloquent arguments in support of the defense bill, and most of all his willingness to work out solutions to issues that were presented on the floor at critical junctures of the debate, demonstrated why he is such a valuable and effective chairman of the Armed Services Committee.

FIRST CONCURRENT BUDGET RESOLUTION

The completion of the DOD bill, however, does not mark the end of the Senate's work by any means. The schedule this week will be quite full. As the majority leader has previously announced, it is the desire of the leadership to finish Senate Concurrent Resolution 92, the first concurrent budget resolution, which will be the pending business at 1 p.m. today, hopefully by Wednesday. It is our intent, if at all possible, to finish it by Wednesday evening.

VOTING RIGHTS EXTENSION

In addition, it is hoped that at some point during the week, we will begin consideration of S. 1992, the voting rights extension bill, We do expect votes throughout the week, except for today. As has been previously announced any rollcall votes ordered today will be held and taken tomorrow.

ROLLCALL VOTES DEFERRED UNTIL TUESDAY

Mr. President, again I would note for all Members of the Senate that any rollcalls ordered today will be deferred until tomorrow to commence no earlier than 1 hour after the convening time, and we will determine the convening time at a later hour.

Mr. President, I reserve the remainder of our time.

RECOGNITION OF THE ACTING MINORITY LEADER

The PRESIDING OFFICER (Mr. MATTINGLY). The acting minority leader is recognized.

Mr. BOREN. Mr. President, there is no request for time on this side of the aisle. I yield back the leadership time on this side.

Mr. STEVENS. Mr. President, I yield back the remainder of our time and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. There will now be a period for the transaction of routine morning business not to extend past 1 p.m., during which Senators may speak for 5 minutes each.

Mr. KENNEDY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

A COMBAT PRAYER

Mr. DOMENICI. Mr. President, as we approach Memorial Day weekend, I feel that it is appropriate to recognize our servicemen who gave their lives for our country. In this spirit, I introduce today a combat prayer sent to me by, Mrs. Margie Garber, in memory of her husband, Lt. De Witt Garber, who lost his life in World War II while flying over Berlin. This prayer was written by Lieutenant Garber on July 25, 1944, just a few days before he was shot down. I ask unanimous consent that this prayer be printed in the RECORD.

There being no objection, the prayer was ordered to be printed in the RECORD, as follows:

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Combat Prayer

Towards the sunrise, climbing upward
  Hear thou God our silent prayer
Mid the thunder of our engines
  Guide us safely through the air.

Strengthen now our minds for battle
  And our prayer for victory heed
Close our thoughts to fear of dying
  Give to us a Combat Creed.

And if, from these skies we tumble
  Dear as life is to us all—
Be then with us God Almighty
  By your presence ease our fall.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGE REFERRED

As in executive session, the Acting President pro tempore laid before the Senate a message from the President of the United States submitting a sundry nomination which was referred to the Committee on Armed Services.

(The nominations received today are printed at the end of the Senate proceedings.)

PROPOSED CONSTITUTIONAL AMENDMENT ON SCHOOL PRAYER—MESSAGE FROM THE PRESIDENT—PM 137

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with accompanying papers; which was referred to the Committee on the Judiciary:

To the Congress of the United States:

I have attached for your consideration a proposed constitutional amendment to restore the simple freedom of our citizens to offer prayer in our public schools and institutions. The public expression through prayer of our faith in God is a fundamental part of our American heritage and a privilege which should not be excluded by law from any American school, public or private.

One hundred fifty years ago, Alexis de Tocqueville found that all Americans believed that religious faith was indispensable to the maintenance of their republican institutions. 1 de Tocqueville, *Democracy in America* 316 (Vintage ed. 1945). Today, I join with the people of this Nation in acknowledging this basic truth, that our liberty springs from and depends upon an abiding faith in God. This has been clear from the time of George Washington, who stated in his farewell address:

"Of all the dispositions and habits which lead to political prosperity, religion and morality are indispensable supports. . . . And let us with caution indulge the supposition that morality can be maintained without religion. . . . (R)eason and experience both forbid us to expect that national morality can prevail in exclusion of religious principle." 35 *The Writings of George Washington* 229 (J. Fitzpatrick ed. 1940).

Nearly every President since Washington has proclaimed a day of public prayer and thanksgiving to acknowledge the many favors of Almighty God. We have acknowledged God's guidance on our coinage, in our national anthem, and in the Pledge of Allegiance. As the Supreme Court has stated: "We are a religious people whose institutions presuppose a Supreme Being." *Zorach v. Clauson*, 343 U.S. 306, 313 (1952).

The founders of our nation and the framers of the First Amendment did not intend to forbid public prayer. On the contrary, prayer has been part of our public assemblies since Benjamin Franklin's eloquent request that prayer be observed by the Constitutional Convention:

"I have lived, Sir, a long time, and the longer I live, the more convincing proofs I see of this truth—that God governs in the affairs of men. . . . I also believe that without his concurring aid we shall succeed in this political building no better than the Builders of Babel: We shall be divided by our little partial local interests; our projects will be confounded, and we ourselves shall become a reproach and bye word down to future ages. . . .

"I therefore beg leave to move—that henceforth prayers imploring the assistance of Heaven, and its blessings on our deliberations, be held in this Assembly every morning before we proceed to business. . . ." 1 *The Records of the Federal Convention of 1787*, 451–52 (M. Farrand ed. 1966).

Just as Benjamin Franklin believed it was beneficial for the Constitutional Convention to begin each day's work with a prayer, I believe that it would be beneficial for our children to have an opportunity to begin each school day in the same manner. Since the law has been construed to prohibit this, I believe that the law should be changed. It is time for the people, through their Congress and the state legislatures, to act, using the means afforded them by the Constitution.

The amendment I propose will remove the bar to school prayer established by the Supreme Court and allow prayer back in our schools. However, the amendment also expressly affirms the right of anyone to refrain from prayer. The amendment will allow communities to determine for themselves whether prayer should be permitted in their public schools and to allow individuals to decide for themselves whether they wish to participate in prayer.

I am confident that such an amendment will be quickly adopted, for the vast majority of our people believe there is a need for prayer in our public schools and institutions. I look forward to working with Congress to achieve the passage of this amendment.

Ronald Reagan.

The White House, *May 17, 1982.*

MESSAGES FROM THE HOUSE

At 1:41 p.m., a message from the House of Representatives delivered by Mr. Gregory, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 5890. An act to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes; and

H.R. 5922. An act making urgent supplemental appropriations for the fiscal year ending September 30, 1982, and for other purposes.

HOUSE BILLS REFERRED

The following bills were read the first and second times by unanimous consent, and referred as indicated:

H.R. 5890. An act to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes; to the Committee on Commerce, Science, and Transportation.

H.R. 5922. An act making urgent supplemental appropriations for the fiscal year ending September 30, 1982, and for other purposes; to the Committee on Appropriations.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-3470. A communication from the Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a cumulative report on budget rescissions and deferrals dated May 1, 1982; pursuant to the order of January 30, 1975, referred jointly to the Committee on the Budget; the Committee on Appropriations; the Committee on Foreign Relations; the Committee on Agriculture, Nutrition, and Forestry; the Committee on Commerce, Science, and Transportation; the Committee on Armed Services; the Committee on Labor and Human Resources; the Committee on Energy and Natural Resources; the Committee on Banking, Housing, and Urban Affairs; the Committee on Finance; the Committee on Environment and Public Works; the Select Committee on Indian Affairs; the Committee on the Judiciary; the Committee on Veterans' Affairs; the Committee on Governmental Affairs; and the Committee on Small Business..

EC-3471. A communication from the Secretary of Agriculture transmitting, pursuant to law, the 1981 Annual Report of the Secretary of Agriculture; to the Committee on Agriculture, Nutrition, and Forestry.

EC-3472. A communication from the Secretary of Housing and Urban Development transmitting, pursuant to law, the report on Manufactured Homes; to the Committee on Banking, Housing, and Urban Development.

EC-3473. A communication from the Secretary of Transportation transmitting, pursuant to law, the 1982 Highway Safety Stewardship Report; to the Committee on Commerce, Science, and Transportation.

EC-3474. A communication from the Secretary of the Interstate Commerce Commission transmitting, pursuant to law, a request for an extension of time for investigation in the matter of Unit Train Rates on Coal, Thunder Jct., Wy, to Mill, TX; to the Committee on Commerce, Science, and Transportation.

EC-3475. A communication from the Secretary of Transportation transmitting, pursuant to law, the Department's report on certain contracts negotiated without formal advertising; to the Committee on Commerce, Science, and Transportation.

EC-3476. A communication from the Secretary of Labor transmitting, pursuant to law, a report on funds made available for training, job search, and relocation for permanently laid-off, trade-impacted workers; to the Committee on Finance.

EC-3477. A communication from the President and Chief Executive Officer of the Overseas Private Investment Corporation transmitting pursuant to law, the 1981 Annual Report of OPIC; to the Committee on Foreign Relations.

EC-3478. A communication from the Assistant Secretary of Health and Human Services for Health transmitting, pursuant to law, a report on a new Privacy Act system of records; to the Committee on Governmental Affairs.

EC-3479. A communication from the Assistant Attorney General of the United States for Legislative Affairs transmitting a draft of proposed legislation to authorize appropriations for fiscal year 1983 for the Department of Justice; to the Committee on the Judiciary.

EC-3480. A communication from the Secretary of Health and Human Services transmitting a draft of proposed legislation to extend various health authorities; to the Committee on Labor and Human Resources.

EC-3481. A communication from the Comptroller General of the United States entitled "Tobacco Program's Production Rights and Effects on Competition"; to the Committee on Agriculture, Nutrition, and Forestry.

EC-3482. A communication from the General Services Administration transmitting, pursuant to law, a report entitled "Statistical Supplement Stockpile Report to the Congress"; to the Committee on Armed Services.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. Hatch, from the Committee on Labor and Human Resources:

Tony Guglielmo, of Connecticut, to be a Member of the Federal Council on the Aging for a term expiring June 5, 1983.

(The above nomination was reported from the Committee on Labor and Human Resources with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. HELMS (by request):

S. 2533. A bill to improve the milk price support program and provide additional authority for the disposition of dairy products; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. TOWER (by request):

S. 2534. A bill for the relief of Hildegard Mercedes Schlubach Ercklentz, Enno W. Ercklentz, Junior, Hildegarde Ercklentz Mahoney and Alexander T. Ercklentz, all citizens of the United States; to the Committee on the Judiciary.

By Mr. STEVENS (for himself, Mr. Packwood, Mr. Murkowski, Mr. Jackson and Mr. Gorton):

S. 2535. A bill to regulate the operation of foreign fish processing vessels within State waters; considered and passed.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HELMS (by request):

S. 2533. A bill to improve the milk price support program and provide additional authority for the disposition of dairy products; to the Committee on Agriculture, Nutrition, and Forestry.

EMERGENCY DAIRY ADJUSTMENT ACT OF 1982

● Mr. HELMS. Mr. President, almost without fail, it is more difficult to correct a mistake than to admit a mistake in the first place. The current dairy program is a case in point.

There is an almost unanimous consensus that the adjustments made in the dairy provisions of the 1981 farm bill have not accomplished what was intended. Government expenditures are likely to exceed $2 billion and may be more than 25 percent greater than that. Production is increasing in the face of almost unbelievable surpluses. Obviously it is in the interest of dairy farmers, the dairy program, consumers, and taxpayers that Congress make further adjustments in the program. Congressional action has created the problem, and now it is up to the Congress to correct it.

I really do not believe this will be as painful an experience as many have said. I sense a willingness among dairy farmers to get their program under control, and they expect Congress to do that. If we do not take remedial action, public support for the traditionally effective dairy program could well dissipate and leave dairy farmers in the lurch. I sense that farmers are sick and tired of those who would play politics with their program. They want us to get down to business and the Senate Agricultural Committee intends to do just that.

The Secretary of Agriculture has initiated the process by sending up a legislative proposal to address the question and to reduce dairy program costs and surpluses. I congratulate the Secretary on his sensitivity and resourcefulness.

Today I am introducing, by request, the administration's bill, and announce that the Agriculture Committee will conduct hearings on that bill and any others introduced. Senator Thad Cochran will conduct the hearings on Thursday, May 27. We shall move with sensitivity, but with all deliberate speed to effectively address the issues.

The Secretary has worked hard to develop the approach provided for in his request bill. There is much in the proposal to commend it to Congress.

Producers are willing to do their fair share, and at this time there appear to be several alternative suggestions. I believe we will have a number of them on the table by the time the hearings are held.

It is my own view that Congress is likely to want to provide for some specific level of price support, rather than the range suggested by the administration bill. Further, some dairy farmers have told me that they would prefer to make some immediate price adjustments rather than wait until October and then again in January as suggested in the administration bill. The hearings will help develop that in more detail, and I look forward to seeing a proposal that would make some of the vitally necessary adjustments at the most desirable time.

I have long believed that the best service we can provide to farmers is to establish farm programs which have a rather certain degree of predictability. Farmers need to plan their production and marketing strategies with as much leadtime as possible. Most have told me that they just want to know the rules of the game. It is the responsibility of Congress to provide that kind of program, and I sense a willingness in the Senate—at least—to do that the best way we can, just as soon as we can.

I ask unanimous consent that a copy of the letter from Secretary Block conveying the administration bill, a section-by-section analysis, and the attached legislation be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

S. 2533

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Emergency Dairy Adjustment Act of 1982".

Sec. 2. (a) Section 201(c) of the Agricultural Act of 1949 is amended to read as follows:

"(c) The price of milk shall be supported at such level as the Secretary determines necessary in order to assure an adequate supply of pure and wholesome milk to meet current needs, reflect changes in the cost of production, and assure a level of farm income adequate to maintain productive capacity sufficient to meet anticipated future needs. Such price support shall be provided through purchases of milk and products of milk.".

(b) Effective only for the period beginning with the date of enactment of this Act and ending five years thereafter, section 416 of the Agricultural Act of 1949 is amended by adding at the end thereof the following new sentences: "Effective for the period beginning with the date of enactment of the Emergency Dairy Adjustment Act of 1982 and ending five years thereafter, such dairy products (1) may be donated, notwithstanding any other provision of law, for distribution to needy households in the United States and (2) may be donated through foreign governments, international organizations, and public and nonprofit private humanitarian organizations for use outside the United States to alleviate problems of world hunger. Such donations for use outside the United States shall be made in accordance with such procedures as may be established by the President to assure that the donations complement other United States foreign assistance and are consistent with United States foreign policy objectives. The Commodity Credit Corporation may pay, with respect to commodities so donated, reprocessing, packaging, transporting, handling, and other charges, including the cost of overseas delivery."

(c) There is hereby established an advisory board to be known as the Dairy Advisory Board. The Board shall be appointed by the Secretary of Agriculture and shall be composed of representatives of producers, processors, consumers and such other representatives as the Secretary determines to be appropriate. The Board shall advise the Secretary on all matters relating to the dairy industry which involve the Dapartment of Agriculture. The Board shall from time to time review the programs administered by the Department relating to the dairy industry, including the milk price support program, and advise the Secretary as to methods to improve the effectiveness of such programs in order to assure a continuous and adequate supply of pure and wholesome milk. The Board shall meet annually, or more frequently if necessary, for the purpose of carrying out its functions. The Secretary shall provide such staff personnel, clerical assistance, service, materials, and office space as are essential to assist the Board in carrying out its duties.

[Section-by-Section Summary]

EMERGENCY DAIRY ADJUSTMENT ACT OF 1982

The first section of the bill would provide that it may be cited as the "Emergency Dairy Adjustment Act of 1982".

Subsection (a) of section 2 of the bill would amend the provisions of section 201(c) of the Agricultural Act of 1949 which govern the level at which the price of milk must be supported by the Secretary of Agriculture. Under the amendment, the Secretary would be required to support the price of milk at the level he determined necessary to assure an adequate supply of pure and wholesome milk to meet current needs, reflect changes in the cost of production, and assure a level of farm income adequate to maintain productive capacity sufficient to meet anticipated future needs. There would be no minimum or maximum level of support.

Subsection (b) would amend section 416 of the Agricultural Act of 1949 to expand the authority of the Secretary to dispose of dairy products owned by the Commodity Credit Corporation during the next five years. The amendment would authorize the donation of dairy products for distribution to needy households in the United States and for the assistance of needy persons outside the United States. Overseas donations would be made in accordance with any procedures established by the President to assure the donations complement other United States foreign assistance.

Subsection (c) would establish a dairy advisory board to advise the Secretary on the administration of the Department's programs affecting the dairy industry, including the appropriate level of price support for milk and means of disposing of CCC-owned stocks of dairy products. The board would be appointed by the Secretary and would include representatives of all interested groups, including producers, processors, and consumers of milk and milk products.

DEPARTMENT OF AGRICULTURE,
Washington, D.C., May 6, 1982.

Hon. GEORGE H. W. BUSH,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed for consideration of the Senate is emergency legislation to amend the dairy provisions of the Agricultural Act of 1949 to give the Secretary of Agriculture discretionary authority to set the milk price support level. In addition, we are requiring that Congress provide authority to the Commodity Credit Corporation to donate surplus stocks of dairy products to needy households in the United States and to needy persons abroad. We are also requesting that a Dairy Advisory Board be established. These legislative changes, together with the use of existing authorities, will form the basis for an emergency program designed to restore a sound economic base to the dairy industry.

Largely as a result of rigid dairy price support provisions instituted in the late 1970's, milk production has increased much more rapidly than consumption. As a result, the Commodity Credit Corporation (CCC) has been forced to purchase ever-increasing quantities of dairy products at a substantial cost to taxpayers. Attempts to control the situation have been inadequate to date.

The dairy program cost nearly $2.0 billion in fiscal year 1981, and our projections indicate that the cost of the dairy program will again be nearly $2.0 billion for fiscal year 1982. To prevent the continuation of this situation, we are requesting emergency authority to adjust the dairy price support level below the levels mandated in the Agriculture and Food Act of 1981. Under this new authority, we would plan to maintain the support price at $13.10 per hundredweight (cwt.) on October 1, 1982. We would then closely monitor the relevant indicators related to milk production, consumption and government purchases and, if supply is not coming back into line with demand, we would reduce the milk support price. It is my present view that such an action would not require a reduction below $12 per cwt. on January 1, 1983.

We believe that before the price support level is reduced dairy producers should be given time to bring the situation under control themselves. Through no fault of their own, they have been responding to legislated price support levels that caused milk production to increase beyond our needs. However, if the situation does not improve, the Secretary should have the authority to adjust the support level to send a stronger signal to producers to reduce milk production. This action would not create a shortage of milk, but assure an adequate supply of dairy products without excessive costs and government inventory accumulation.

Enactment of this emergency price support legislation will not do the job by itself. Something also must be done to dispose of the excessive inventories on hand. We expect that by next October government inventories will be equivalent to 18 billion pounds of milk—more than 75 pounds per person. Thus, as part of our emergency program we plan to move aggressively to increase the utilization of surplus dairy products with a minimum of disruption to domestic and foreign markets.

By amending Section 416 of the Agricultural Act of 1949, we will be able to distribute CCC inventories to needy households in the United States and to needy persons overseas. We also plan to continue to use existing authorities to (1) expand butter and cheese distribution domestically, (2) increase distribution of nonfat dry milk under the P.L. 480 program, (3) expand commercial exports after enactment of legislation to bring production in line with demand, and (4) increase CCC sales of out-of-condition nonfat dry milk for animal feed. We also intend to explore the possibility of raising fluid milk standards, and create a special task force to investigate the use of subsidies for casein by exporting countries and recommend any offsetting actions required by the United States.

The current dairy problem is a complex one. Its solution requires a close working relationship between the dairy industry and government. In this regard, Congress should mandate the establishment of a Dairy Advisory Board. The advisory board would be constituted from a broad spectrum of the industry. Its purpose would be to provide guidance to the Secretary of Agriculture on a wide range of dairy issues, including the setting of price support levels and the disposition of government-owned inventories of dairy products.

We believe that this combination of actions will help to relieve some of the short-run problems, but, over the longer term, consumption of dairy products will need to be expanded. Reasonable support prices will encourage milk consumption, but other specific actions, such as enhancing dairy product acceptance, developing new dairy products, and encouraging the use of nonfat dry milk in baked goods, will also be needed.

This Administration firmly believes that the dairy program must be brought under control. This is the third attempt in the past year, and possibly our last chance, to correct the dairy problem. It is imperative that the Secretary have complete flexibility to adjust the milk price support level so as to maintain a viable dairy program and avoid any recurrence of the current intolerable situation. Therefore, we urge the Congress to take prompt action on our legislative proposals.

A similar letter has been sent to the Speaker of the House of Representatives.

The Office of Management and Budget advises that enactment of this legislation

would be in accord with the program of the President.

Sincerely,

JOHN R. BLOCK,
Secretary.●

ADDITIONAL COSPONSORS

S. 1947

At the request of Mr. WEICKER, the Senator from Michigan (Mr. LEVIN) was added as a cosponsor of S. 1947, a bill to improve Small Business Access to Federal Procurement Information.

S. 1958

At the request of Mr. DOLE, the Senator from Wisconsin (Mr. KASTEN) was added as a cosponsor of S. 1958, a bill to amend title XVIII of the Social Security Act to provide for coverage of hospice care under the medicare program.

S. 1977

At the request of Mr. JOHNSTON, the Senator from Arkansas (Mr. PRYOR) was added as a cosponsor of S. 1977, a bill to repeal the Public Utility Holding Company Act of 1935 as no longer necessary to accomplish the purpose for which it was enacted.

S. 2127

At the request of Mr. ROTH, the Senator from North Carolina (Mr. EAST) was added as a cosponsor of S. 2127, a bill to revise the procedures for soliciting and evaluating bids for Government contracts and awarding such contracts, and for other purposes.

S. 2225

At the request of Mr. BAUCUS, the Senator from Texas (Mr. BENTSEN) was added as a cosponsor of S. 2225, a bill to amend the Internal Revenue Code of 1954 to remove certain limitations on charitable contributions of certain items.

S. 2362

At the request of Mr. ARMSTRONG, the Senator from Kansas (Mrs. KASSEBAUM) was added as a cosponsor of S. 2362, a bill to abolish the Synthetic Fuels Corporation.

S. 2459

At the request of Mr. RANDOLPH, the Senator from Hawaii (Mr. INOUYE), the Senator from Nevada (Mr. CANNON), and the Senator from Maryland (Mr. SARBANES) were added as cosponsors of S. 2459, a bill to strengthen certain national resources, facilities, and services for deaf-blind individuals and other handicapped individuals, and for other purposes.

S. 2511

At the request of Mr. DIXON, the Senator from Illinois (Mr. PERCY) was added as a cosponsor of S. 2511, a bill to amend the Merchant Marine Act of 1936 to provide that government generated cargoes transported on United States-flag or foreign vessels shall be shipped at the lowest landed cost.

SENATE JOINT RESOLUTION 168

At the request of Mr. BAUCUS, the Senator from Maryland (Mr. SARBANES) was added as a cosponsor of Senate Joint Resolution 168, a joint resolution to establish reciprocal entrance fees for Canadian citizens entering Glacier National Park in connection with the 50th anniversary of the Waterton-Glacier International Peace Park.

SENATE JOINT RESOLUTION 173

At the request of Mr. TSONGAS, The Senator from Arkansas (Mr. PRYOR), the Senator from Montana (Mr. BAUCUS), the Senator from Pennsylvania (Mr. HEINZ), the Senator from Florida (Mrs. HAWKINS), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Maryland (Mr. SARBANES), the Senator from Georgia (Mr. NUNN), the Senator from North Dakota (Mr. BURDICK), the Senator from Alabama (Mr. HEFLIN), and the Senator from Kentucky (Mr. HUDDLESTON) were added as cosponsors of Senate Joint Resolution 173, a joint resolution to authorize and request the President to issue a proclamation designating the calendar month of June 1982, as "National Rivers Month".

SENATE JOINT RESOLUTION 175

At the request of Mr. KASTEN, the Senator from Maine (Mr. MITCHELL), the Senator from Montana (Mr. BAUCUS), the Senator from Utah (Mr. GARN), the Senator from New Hampshire (Mr. HUMPHREY), and the Senator from Illinois (Mr. PERCY) were added as cosponsors of Senate Joint Resolution 175, a joint resolution authorizing and requesting the President to proclaim "National Junior Bowling Championship Week".

NOTICES OF HEARINGS

SUBCOMMITTEE ON FEDERAL EXPENDITURES, RESEARCH AND RULES

Mr. DANFORTH. Mr. President, on Thursday, May 20, the Subcommittee on Federal Expenditures, Research, and Rules of the Committee on Governmental Affairs, will hold a hearing at the Federal Labor Relations Authority to investigate the Authority's excessive procurement of furniture and to consider legislation to prevent such incidents from recurring. The hearing is scheduled to begin at 9:30 a.m. in the agenda room of the FLRA offices, 500 C Street SW., Washington, D.C.

SUBCOMMITTEE ON COURTS

Mr. DOLE. Mr. President, I have scheduled a hearing before the Subcommittee on Courts of the Senate Judiciary Committee for 10 o'clock a.m. on Tuesday, May 18.

I regret our inability to provide the notice normally required under the rule 26. This difficulty stemmed from uncertainty last week as to the availability of the principal witness at the hearing. The conflict which created that uncertainty has now been favorably resolved.

The hearing will be the third in a series of hearings focusing on the problems posed for farmers by grain elevator bankruptcies.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. STEVENS. Mr. President, I ask unanimous consent that the Committee on Agriculture, Nutrition, and Forestry be authorized to meet during the session of the Senate on Wednesday, May 19, to mark up the food stamp reauthorization legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON RULES AND ADMINISTRATION

Mr. STEVENS. Mr. President, I ask unanimous consent that the Committee on Rules and Administration be authorized to meet during the session of the Senate at 2 p.m., on Wednesday, May 19, in S-207, to receive testimony from Senators concerning their views on regulations to implement Senate Resolution 20, providing for television and radio coverage of proceedings of the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

MONTANANS ON TAX ISSUES

● Mr. BAUCUS. Mr. President, last year President Reagan's economic program became law, and all of us hoped we were on the road to economic recovery. But high interest rates, fueled in part by huge budget deficits, have become a roadblock to recovery.

The economy in my State of Montana is in deep trouble. Western Montana is suffering from unprecendented unemployment. Agriculture, our State's No. 1 industry, is in its worse slump since the Great Depression.

High interest rates are the root cause of our economic problems, and they continue to prevent any economic recovery.

Because tax policy will play an important role in any program to lower interest rates, and because tax law changes will be a part of the formula for rebuilding Montana's economy, I asked my constituents in April for their views on the administration's tax proposals and for their suggestions as well. Subsequently, I received many very thoughtful responses.

Mr. President, I would like to share with my colleagues a representative sample of the responses I have received from concerned and interested

Montanans on tax issues. I ask that the letters be printed in the Record.

The letters follow:

Warren W. Schellhase,
Ennis, Mont., April 15, 1982.

Senator Max Baucus,
U.S. Senate,
Washington, D.C.

Dear Max: Thank you for the opportunity to put in my "two-bits" worth regarding taxes and proposed legislation. In my profession I deal with many small businesses, from family operated plumbing shops to medical partnerships to the Montana University System.

Many of my clients have gone out of business within the past two years, and the relative rate of failures due to circumstances beyond the control of effective management is increasing dramatically. The 1981 tax reform act has been of no significant assistance to these folks. The fact is that the federal tax structure actively discriminates against these people who are touted to be the mainstay of our economy; if they are as important as we have been led to believe they are, they need help. I would suggest the following revisions to the existing tax sturcture to provide some very badly needed reforms:

"Permit the partnership and the sole-proprietorship to take advantage of the same tax provisions as the corporation and Subchapter S corporation, i.e. deduct the cost of life insurance, health plans, disability plans, death-benefit plans, dividends, pensions, and profit sharing plans, and retained earnings, not only for the employees but the owners and partners as well. If this proves not feasible, then amend the tax code to subject the corporation to the same taxes as these businesses now pay."

In addition, I find it inconsistent to hear that part of the tax reduction enacted in 1981 is to be rescinded or delayed while Congressmen and Senators give themselves additional tax deductions for travel and "second home" maintenance. I recognize the amount of revenue is of little consequence, but the impression has had a staggering impact on practically everyone I've talked with. I am not unfamiliar with the expenses that one incurs as a result of this kind of service, but it does leave the average fellow, who just today may have mailed his tax return, with just a little taste of bile.

I further oppose additional defense spending as proposed by the President. It seems to me to be not a waste so much as the wrong thing to do at a time when so many of my fellow citizens have the "where are the eats going to come from" hurts. Twenty-five years of military service lead me to believe that additional spending is necessary and must be prudently undertaken; but what the President proposes is so vast that even Solomon in all his wisdom could not disburse that much money wisely, productively and without great waste.

I am greatly dissapointed with the emasculation of Veterans' benefits, i.e., burial allowances, funeral expenses and the increasingly hardening VA approach to disability benefits for Vietnam era veterans. Here in Ennis a paraplegic vet has lost his VA disability (resulting from a bullet near the spine, inoperable) because some bureaucrat has decided he could walk if he really wanted to, while in Helena another extremely intelligent vet has been able to parley pseudo-psychosis into total disability due to delayed stress syndrom (but only after he made a detailed study of the symptoms which he was then able to develop). If we are to have waste, would it not abe more humane and better spent helping the guy in the wheelchair?

On the agricultural scene it would seem that our farmers and ranchers would certainly benefit from a more enlightened government policy on low-interest, deferred repayment government guaranteed loans, just think what you could do with 1/100th of the money the President has asked for defense! Additionally, can't agricultural products export policies be liberalized somewhat so that some of our surplus could be sold abroad? In the tax arena, the private family farmer and rancher does not benefit from equal tax treatment when he is competing in the market with the corporate farm, why not the same treatment there too?

I regret that I have probably raised more questions than I may have helped you answer—there are no easy solutions. Once again, thanks for the opportunity to comment.

Best wishes,

Warren.

Holiday Lodge.

Senator Max Baucus,
U.S. Senate,
Washington, D.C.

Dear Max: I just finished your "Montana Business and Taxes" and was impressed primarily because it wasn't filled with petty political harangue and instead addresses the issues head on. Here a few responses from the field:

You are dead right about interest rates remaining high as long as government is a big customer in a tight money market. I can't argue with tight money policy though because it's realistic. I'm frightened at the prospect of us going on another binge.

Congress will indeed have some difficult choices in budget cuts and taxes. If you were to ask me which to cut; defense or entitlement programs I'd say both and it will take more courage to cut the latter.

I don't think much of "safe harbor leasing" even though I might personally benefit from it. I simply think it's unfair to the majority of taxpayers and won't really accomplish it's objective. I'm glad you are attempting repeal.

Tax exempt revenue bonds are in the same league as tax leasing, in actual practice benefiting large corporations at the expense of the small taxpayer.

IRS enforcement certainly must be increased. Many are fudging or worse. I really believe that federal spending being excessive and wasteful is a primary justification in the minds of most taxpayers. If the money is to be wasted, and we witness examples every day, people reason they'd rather do it themselves. Also, some of your colleagues are not setting real good examples.

In closing I'm reminded that in the most inspirational speech of contempory times the speaker reminded his constituents that he had nothing to offer but blood, sweat and tears. Not calculated to make for popularity but the truth. The last thing I want to hear from my legislator is how many special little "goodies". he will give me. In general I favor legislation that reduces expenditure and helps get our indebtedness in hand. We simply must perceive that we are making some progress. This process will be most unpopular with a constituency who believe government should "take care of everything". I wish you success.

Fondest Regards,

Curt Meeds.

E. R. Young Co., Inc.
Billings, Mont., Apr. 20, 1982.

Senator Max Baucus,
U.S. Senate,
Washington, D.C.

Dear Senator Baucus: I received with pleasure your latest report to Montanans, and I have a few comments in regard to some of the measures you are considering on the Senate Finance Committee.

In regard to Safe Harbor Leasing,. I did, as a small firm find it difficult to utilize this to my best advantage but if I had been purchasing new equipment, I could of used this Leasing Provision. And I have substantial loses in my corporation so the additional cash flow would have been a great benefit. I do know of some other small firms in Billings who have been able to utilize this Leasing Provision with the purchase of new equipment to good advantage for them. I think if this were to be changed it might be to put some sort of limit on the maximum amount of unused tax credits that could be sold, still giving the small business man some ability to use this provision but eliminate the extreme large amounts that some large corporations are able to use. I do know that if this is cancelled that many large companies such as some of the airlines would be forced to cancel the purchase of some of the new more fuel efficient airplanes.

I feel withholding taxes on interest paid by depository institutions would be far more costly as far as the administration and paper handling than any additional revenue the treasury would hope to gain by such a measure, it would be just an irritant and I do not feel it should be done.

In regard to the second page, The Industrial Revenue Bonds, I think some of your provisions spelled out as far as the amount of outstanding IRBS etc. is real good. I don't believe they should be approved at the state level as I feel the local city and county officials have the ability to determine if they should be in a local area. I feel going to the state level would just increase the already burdensome costs of having an Industrial Revenue Bond and add another bureaucratic level to this already burdensome type financing. I feel that if the state could pool some smaller IRBS into one larger issue it might help more smaller businesses as the present costs are excessive. In my experience on a million dollar Industrial Revenue Bond the Attorney and bond cost were almost 10% of the bond. Anything less than a million it would be absolutely prohibitive. If the state were able to pool some of these bonds these costs might be able to be reasonable for the smaller user.

In regard to Energy Tax Incentive being cancelled or repealed in 22-31-82, I feel this is a mistake. Granted we have an oil glut right now but I feel this is only temporary and if we don't start encouraging the use of solar wind and other alternate energy resources we will not be prepared for the next energy crises which could be upon us at any time.

I do feel that IRS enforcement staff should be increased so that every one has the incentive to be honest with their tax payments. In regard to your other proposals, I feel they are all good except the delaying or elimination of the personal income tax cuts. I feel this should be a last resort to delay or reduce these tax cuts.

The main concern we have now is to get the interest rates down as quickly as possible so that our economy can begin to move. I feel that you should do everything in your power to eliminate all possible spending on the part of the government to decrease the deficit. This must be done quickly if we in Montana are to survive this recession.

Yours sincerely,

Rae F. Young,
President.

Helena, Mont.,
April 17, 1982

Dear Max: In response to your April 1982 letter on Montana business and taxes:

I think I support your actions to date in connection with the 1981 tax cut, and I wish you success in cutting the deficit, which I agree, is killing businesses rapidly by raising interest levels to an unacceptable level.

I would like to speak to the options you listed for raising additional revenue. First of all, I think it would be a totally false "economy" to repeal any energy tax incentives, although clearly this would be consistent with the Reagan administration's conspicuous anti-environmental policies. Our short-lived "oil glut" does not mean that energy independence and conservation should not be encouraged to the hilt. We as a nation lose royally through the hidden costs of pollution and the high (subsidized by us) prices of fossil and nuclear power. Even in the short run, I would wager that repealing energy tax incentives would cost this country far more than it would gain.

I think I am in the majority opinion in supporting the delay or elimination of the proposed personal income tax cuts. In connection with this, I must say I support tax indexing as a far more equitable concept than percentage-based tax cuts, which obviously benefit the rich more than the poor. Not that the rich aren't nice guys or don't deserve breaks, too. But the fact is that lower income people are the ones who have been subject to paying a higher percentage of their real income because of the effect of inflation pushing them into higher brackets. High-income individuals are paying less taxes as a result of the cuts; low-income individuals well may not be.

Better IRS enforcement would be desirable, and in theory would not only cut the deficit but would be taking revenue from the right places. I don't know whether better enforcement is a realistic possibility, however, much though I would support it. I was in India recently, and it seemed that there everything is illegal but nothing is enforced. In such a confused system corruption is inevitable, and laws generally apply only to those who can not buy their way out. So it is with the IRS, it seems, though probably on a lesser scale. I think this is a large threat to our system and should be paid close attention to. There is so much news now about how the tax system is becoming unworkable, and unless the growing tide of noncompliance is stemmed, the federal government will become completely powerless. This may be the single greatest threat to our stability.

I don't feel so strongly on the other issues, but I would urge you to consider what the extra hassle of withholding would do to our already beleagured savings institutions. (I'm sure they'll lobby that one to death anyway!)

I would encourage you to work for increased excise taxes on cigarettes and liquor. These items have undermined the health of America and costs hundreds of thousands of lives (probably millions indirectly). If they were taxed into nonexistence (or the black market), we would only gain.

Thanks for listening.

Sincerely,

Laughing Water,
Proprietor, Real Food Store, President,
Center for the Public Interest.

Morrison-Maierle, Inc.,
April 19, 1982.

Hon. Max Baucus,
U.S. Senate,
Dirksen Senate Office Building,
Washington, D.C.

Dear Max: I recieved your newsletter on Montana Business and Taxes today and would like to comment as follows:

1. Our company, which is a small business has certainly been affected by the economic downturn. This has resulted in our asking our employees to defer raises and also the layoff and early retirement of some personnel. While this is going on our cost of business has increased. Last year the cost of the firms' fringe benefit package increased approximately 16%. Of this increase, approximately 60% was due to increases in the cost of FICA and Unemployment Compensation Insurance. The remaining 40% was due to payment of accrued vacation to terminated and retired employees.

Our fringe benefit package is modest by governmental and industry standards. Our employees don't have 9 days of holidays they can give back like General Motors and Ford workers. They would be in the hole. With ERISA controlling our pension plan and with the built-in increase in Social Security we can only project increased costs in this part of our overhead.

Congress is the only one which can control these overhead costs and I would give Congress a failing mark in this area.

2. I feel that the sacrifices our employees are making should also be made on the federal level. I see no need for Federal employees or Federal retirees to receive cost of living increases while our country is in an economic bind. After all, ERISA requires our retirement program to be fiscally sound. The Federal retirement program is based on the premise that I, my children, my grandchildren and my grandchildren's children will pay for today's retirees.

If Congress and previous administrations had been half-way fiscally responsible, perhaps you would have mortgaged only the earnings of myself and my children. Again another failing mark for Congress.

3. Our firm, as one who practices primarily in the public sector, has been affected by reductions in spending at the federal, state and local level on capital improvement projects. Part of the reduction is due to the high cost of money and part is due to reduced federal funding of programs. This we can accept as part of paying the price for past excesses. We would point out, however, that the available money would go a lot further with the elimination of conflicting federal (and also some state) regulations and red tape. In 25 years I have seen the engineering and construction industry go from a place where engineers could engineer and contractors could build to a situation where every one of our engineers must have 2 or 3 bureaucrats looking over his shoulder. Saddling our industry with well meaning social goals has certainly reduced productivity and given a lot of employment to federal/state bureaucrats.

It would appear to me that Congress can do a lot of pruning here without resorting to increasing taxes. It was our experience this past year that the Federal Agencies terminated outside contracts in an effort to maintain their agencies' own staffing levels within their reduced budgets.

4. It seems that most of the proposals by this Congress to deal with the nation's current economic difficulty is to tax, tax, tax mainly by taking away personal and corporate income tax breaks of 1981. Can you explain to me why giving more money to the federal government will improve the economy?

I noted in reading another newsletter, that a "significant intellectual problem for our generation is that since World War II most of the economists that write the books and teach the classes have been soberly instructing us that 1) deficits do not matter as we owe the resultant debt to ourselves and, 2) lower the taxes and increase the deficit to correct a recession."

This newsletter goes on to note that Congress having dutifully followed this prescription almost without exception for over 30 years, went into shock several days ago when one of the most prominent pump primers of all time, Professor Paul Samuelson instructed Congress that this recession could be cured only by slashing the terrible Reagan deficit.

Could you comment on this?

5. I note that Congress is considering eliminating or curtailing tax benefits associated with leveraged lease transactions. The Congressional discussion has caused United and Eastern Airlines to put their new Boeing 757 and 767 fleet expansion on hold. If Congress repeals these benefits, the indications are that these orders will definitely be cancelled placing Boeing, which is already on the edge of financial difficulty in a serious economic crunch. Is Boeing going to go the way of General Motors and Ford?

6. My last thought is that to impress on you that business does not pay taxes, but is only a tax collector. Only people pay taxes. If a business cannot pass them on—they go bankrupt.

My recommendation is, if Saumelson is right, that the deficit be reduced by curtailing spending including suspension of built-in increases triggered by inflation before raising taxes.

Tax increases should be limited to certain excise or fuel taxes which can be rechanneled into capital improvement programs. This will do much to straighten out the economy.

Max, we sincerely appreciate the help and support you have given us in the past with several of our specific problems and endeavors. However, I did want to give you the benefit of my thoughts and raise the above questions for your consideration.

Again, thanks for your support,

Best personal regards,

John H. Morrison, Jr., P.E.,
President.

KOFI,
Kalispell, Mont., April 22, 1982.

Senator Max Baucus.
Dirksen Senate Office Bldg.,
Washington, D.C.

Dear Max: I have your latest bulletin in front of me with your request for constituent views. I had thought you might be in the office over the Easter recess or would have written sooner.

First of all, I think this constant smoke screen talk about balancing the budget is unfortunate. Of much more importance is putting a ceiling on the national debt. Then, repayment and reduction of the debt will take care of itself if interest rates on Treasury notes and money market certificates are lowered to a point where investment in the private industries is a better and more profitable investment. We should not delay the personal income tax cuts. The reason that we are not seeing any great reaction so far is that 2½ percent cut is not enough to make any real difference to the average person or family. In a twenty million dollar business, 2½ percent is noticeable, at $200 a week, 2½ percent means nothing!

Over 26 years of being a small business owner have convinced me that government will always spend every penny available and waste most of every congressional session on ways to get more . . . to be specific however, I, too, favor repeal of "safe harbor leasing". Withholding taxes on interest would be an expensive way to collect taxes in advance. I favor doing away with, not just restricting, tax exempt industrial revenue bonds. I favor repeal of energy tax incentive laws. Conservation will do more to solve energy problems than anything research has found to date. I'm against any windfall profits taxes. If there is an additional profit for companies in decontrolled areas, then decontrol is doing exactly what we hoped and adequate taxes will be collected under our graduated tax laws. Nor do I favor increased taxes on tobacco products, liquor or luxury items. However, all price supports to tobacco growers should be stopped. It is absolute stupidity to subsidize any industry that is harmful to our health.

Bill and I still fully support the changes that President Reagan is trying to afffect, and am sure you do, too. You would like to use other methods perhaps but we are all looking for the same result . . . a peaceful country with a healthy economy.

Sincerely yours,

LOIS PATTERSON.

HAVRE CLINIC,
Havre, Mont., April 20, 1982.

Re Montana business taxes and your recent report.

Hon. MAX BAUCUS,
U.S. Senate,
Washington, D.C.

DEAR MR. BAUCUS: I was interested in reading your review and impression of the current fiscal situation in this country. I am in partial support of your notions and in vigorous disagreement with others. I agree totally with your efforts to reduce the budget deficit, and I hope that the bureaucracy in this country can be made more efficient and responsive to needs and less self perpetuating. I would agree with efforts to decrease defense spending. I agree with efforts to reduce or eliminate safe harbor leasing.

I am totally opposed to restriction of tax exempt industrial revenue bonds. I am currently a partner in a medical facility, desperately in need of a new physical plant. Without industrial development revenue bonds, a new Havre Clinic will never be realized. The President's pressure on this system has set back our efforts to construct a new building over 12 months and has cost us a documentable figure expressed in at least five digits. I do hope that if some limitation is placed on tax exempt industrial revenue bonds, they will still leave the smaller business operation to take advantage of the tax benefits which make these bonds have appeal in the financial market as a whole.

I do not agree with removal of energy tax incentives.

I would hope more time and opportunity can be given for supply-side economics to have its effects, but I also totally agree that with the government operating at a deficit, it is unlikely that interest rates will be in the ranges necessary to allow a true "load" of the supply side, and that this is as important a priority as the tax reductions already suggested. Thank you for your interest in this matter.

Sincerely,

ROBERT T. HENDERSON, M.D.

ADDRESS BY THOMAS S. DINE BEFORE AIPAC POLICY CONFERENCE

● Mr. KASTEN. Mr. President, last week the American Israel Public Affairs Committee (AIPAC) held its 23d annual policy conference here in Washington.

On May 10, Thomas S. Dine, the executive director of AIPAC, delivered a statement to the conference entitled "The United States in the Middle East: Problems and Prospects." His statement is both insightful and informative, and because I believe my colleagues will find it of great interest, I ask that it be inserted in the RECORD.

The statement follows:

THE UNITED STATES IN THE MIDDLE EAST: PROBLEMS AND PROSPECTS

(By Thomas S. Dine)

Thank you very much for those generous words.

Congratulations to you Mort, on your election as president. I look forward with anticipation to the building blocks you will add to our organization based on the strength of your personality and experiences in the Jewish communities of Florida. To you and your committee of officers, I pledge on behalf of myself and the AIPAC staff that we shall continue to work diligently, professionally, and effectively with you on behalf of our common cause: close and consistently strong relations between Israel and America.

To Larry Weinberg I express my deepest personal appreciation and respect. You have given AIPAC, America's Jews, and our country, dedication, direction and the highest degree of stature. Working closely with such a thorough and tough person, and sharing ideas with such a disciplined and skeptical mind, have been experiences I will long remember and always cherish. Together we have joined hands in the constitutional right and responsibility to struggle to help strengthen the bonds between Israel and our own country. Larry Weinberg is a bold and brave patriot, and has set an example for all of us to follow.

The theme of this policy conference is "political action," and you, Larry, have been "Mr. Political Action."

As I say many thanks for the past—I also look forward to your new activities as AIPAC's chairman of the board. In this capacity, you will help shape the strategic direction of our effort, and continue to share with us your energy, your intellect and your commitment.

Harry Truman was once asked by a reporter if he "would be against lobbyists who were working for his program." The President replied, "we probably wouldn't call these people lobbyists. We would call them citizens appearing in the public interest." And it is indeed in the real, concrete interest of the United States to conduct an alliance partnership with Israel.

Welcome to Washington my fellow citizens, concerned and committed as you are.

The messages you carry to capitol hill today and tomorrow are very much in the public interest. The messages you carry from this policy conference back to your communities are equally important. Not only will you have input into the foreign policy debate and the November elections, but you can actively participate in setting the direction our country takes for the remainder of this decade and the course of this century. We are at a pivotal point in the policy struggle; without your support, which is the muscle of our effort, I would not be as confident as I am.

I have had the privilege of serving as your executive director for just more than a year and a half. Those twenty months remind me of the many months of plenty in Joseph's dream.

Months of growth in which our membership increased by more than 100 percent;

Months of needed change in our organizational structure. Our new by-laws featuring regionalization should carry us through this decade;

Months of fertile development in our activities outside Washington, D.C., including regional political education workships that are now taking place state-by-state; a growing student membership that yesterday held its first national political leadership training seminar; and direct solicitations that are hard-hitting and productive.

Months of witnessing a virtual explosion of Jewish Political Activity;

Ten months of a political marathon in which the Jewish community stood united, firm, and tall as we took the high ground in our opposition to the AWACS/F-15 enhancement sale to Saudi Arabia.

The American Jewish Community, with active support from many American Christians, worked hard, tapping the energy and resources of this country's pro-Israel Community. We fought with sophistication and elegance. We built a coalition of liberals and conservatives, Democrats and Republicans, Jews and Gentiles to block the sale. One-half year later, I report to this audience that it is now almost universally accepted that while the President pulled out of the fire enough Senate chestnuts to win at the last moment by the most able exercise of power politics I have seen in my career, we won the intellectual and public debate over the sale, particularly in light of subsequent Saudi behavior in the region and against the United States.

Months, indeed 24 hours a day, seven days a week, of hard work on a multitude of issues, amendments to amendments, tending to detail after detail, Congressman after Congressman, I report to you that AIPAC today and by extension the entire Jewish community is stronger politically than it was one year ago. This organization and the Jewish community as a whole—is recognized and respected throughout the Nation's Capitol. Our reputation has improved substantially, and this will be a critical asset in the future.

This final point in Joseph's modern dream leads me to the subject of staff. The sum of AIPAC's parts are what I am most proud of. We have a professional and support staff that excels, and will soon be reaching a higher standard of excellence. Sitting here are three of the most able people with whom I have ever worked. These senior chieftains are in charge of our three sections: legislation, research and information, and community issues. They have produced

remarkable products under the most demanding conditions and will continue to do so.

In a new study published last month, I can proudly report to you the Library of Congress congressional research service calls AIPAC "the most effective ethnic lobby in Washington."

Please join me in acknowledging the excellent performance of Doug Bloomfield, director of legislation; Lenny Davis, director of research and information; Arthur Chotin, director of community issues—and the entire AIPAC staff, to whom I am enormously grateful for the initiatives and high, high level of competence each performs around the clock.

Allow me to pause to comment on one of these men before commenting on the substantive issues we face and what we need to do in dealing with them.

Lenny Davis, director of information and research, has been a vital part of AIPAC for the past decade. He has stood at AIPAC's core through tempestuous and critical times. In August, he leaves his post to make ALIYAH and to continue his efforts in Israel. Lenny's role has been unique. Just as James Madison masterfully articulated the philosophy of the founding fathers, Lenny has repeatedly taken the essence of AIPAC's world view and eloquently and persuasively conveyed it to Congress and the public. Although the label of "the great communicator" has become associated with another figure in town, the term truly applies to Lenny Davis.

His dedication and devotion have been and are remarkable. People often speak in terms of a Protestant work ethic: Lenny is filled to the brim with a Jewish work ethic. I am deeply grateful for his talents, inspirations, extremely hard work and friendship. He will be sorely missed at AIPAC, and I wish him well in Jerusalem.

You will hear Lenny, Art Chotin, and Doug Bloomfield tomorrow morning at our important political action panel that precedes the ten regional caucuses.

It is a delightful pleasure for me to announce to you Lenny's successor. Our new man is currently head of Middle East studies for the Rand Corporation in Santa Monica, California, the nation's top national security "think tank." One of the leading defense analysts in the country, he is the co-author of the best-selling textbook on international relations on college campuses today, "The Logic of International Relations." It is the dynamic and foresighted man who testified before the Senate Foreign Relations Committee in 1978 against the F-15 sale to Saudi Arabia and, interestingly, predicted at that time that it would lead directly to the eventual sale of the AWACS, something the Administration then vehemently denied. On July 1st he becomes a member of the AIPAC family. Please join me in welcoming Dr. Steven Rosen.

Let us look at the issues of the day. They are both complicated and multi-faceted, taking on added importance because of the lack of coherence and consistency in our present approach to foreign and national security policy. Contradictions abound:

Whether in policy toward the Soviet Union, where the renewal of grain sales undermined any attempt to enhance our credibility with regard to arms control negotiations and containing Soviet adventurism;

Whether in the Middle East, where a regional design labeled "strategic consensus" was announced and our community, among others, heralded and supported it—only to see it undermined by latter Administration moves, such as the Saudi arms sale, such as America's failure to force Syria to remove its SAM missiles from the Bekaa Valley despite a promise over one year ago; such as the condemnation of Israel for its brilliant strike ending Iraq's nuclear threat against Israel and indeed against the entire world; such as the non-consensus among the Arabs regarding the Soviet Union.

Whether in the promise to maintain Israel's qualitative edge which is being broken by a series of actions that does just the opposite.

For all these and more, the United States suffers from a confused foreign policy. There is a focus on tactics, but no link between tactics and overall strategy. There is no real policy toward the tragedy of Lebanon, toward the Iraq-Iran war, toward Jordan's refusal to join the peace process; toward Saudi Arabia's uncooperative actions toward the U.S. The list is endless.

Second, there is the impending arms sale to Jordan, a country with whom Israel has maintained some measure of stability. This relationship could, however, pose a new and very real danger if the current Jordanian arms buildup continues. The Administration is proposing F-5G's, Stinger missiles, and Lasar-guided bombs in the first package, with more—probably the F-16 and mobile Hawk ground-to-air missiles—to follow.

Let's take a brief look at six particular issues of special interest to America and its true allies.

First is foreign aid. We are getting to the point in Israel's debt burden where, before too long, if nothing is done, Israel will be repaying more to the U.S. each year than the U.S. sends to Israel. Part of the solution is to change some of the current loans into grants—this would fulfill the President's pledge to offset the Saudi arms package with new aid to Israel. This is a very sensitive issue in Congress right now, where a House subcommittee has recommended a $200 million increase in grants and opposed an Administration cut of $310 million for Israel. On Tuesday the Senate Foreign Relations Committee will consider the same terms.

Is it in the best interest of regional peace for Jordan to become a militant confrontation state? Has Jordan supported the peace process? Why are Jordanians now training in the Soviet Union? This is going to be a major issue this year, and we hope the Administration will reconsider this dangerous course. But let us be clear: We are prepared to mount a major fight in opposition to the sale of modern, high technology weapons systems to Jordan as long as Jordan rejects the Camp David peace process, maintains a state of war with Israel, and buys advanced, lethal arms from the Soviet Union.

Third is the issue of Lebanon. Does the Administration expect Israel to sit back in the face of the PLO/Syrian buildup? Can Israel be expected to let its implacable enemies, with unlimited help from the Soviet Union, choose exactly when they will strike? This is unrealistic and unacceptable to Israel, and should be to America.

The United States must either find some real solutions, or show genuine understanding if and when Israel is driven to solve the problem itself. I applaud the decision by President Reagan and Secretary Haig to stand by the United Kingdom in the Falklands crisis. The same for Democratic ally Israel, let us stand behind Jerusalem if having exhausted all the alternatives, Israel is forced to take direct measures to defend itself. In Lebanon, Israel's vital security interests are much more obviously engaged than those of Britain.

The fourth issue is the U.N. The effort to expel Israel from the U.N. and its organs is not abating, but accelerating. The American stand must be bell-clear to all, as in the Moynihan-Byrd and Kemp-Bingham resolutions before Congress: If Israel is out, so are we, and let's forget about our contributions until these illegal actions are reversed. Although the full Senate has passed the resolution and the House will debate it this week, there has been no word from the White House. We need a clear policy from this Administration on this extraordinary situation, where a collection of ruthless dictatorships proposes to expel from the General Assembly a Democratic ally of the west. This issue is tailor-made for President Reagan, and we expect consistency and bold action.

Fifth, there is terrorism. The Administration has removed Iraq from a list of countries that promote international terrorism and has declared its desire to sell Iraq 12 L-100's, a dual-use cargo plane. We want (a) a reversal of this strange action on Iraq, which ignores the very clear documented record of terrorist violence organized at the highest levels in Baghdad. This should be a natural issue for the Reagan Administration, but it, too, has become an area of confusion. We want (b) a firm and continuing commitment to refuse to deal with the PLO until it gives up terrorism—which it appears incapable of doing.

Sixth and finally, is the overarching issue of the peace process. Part one is complete. Israel has taken an extraordinary risk and paid a terrible price by withdrawing from the Sinai. That historic withdrawal is based on Irael's faith in the United States commitment to the peace process. We must be sure that America if faithful and fair to part two—The autonomy negotiations where a final outcome is open-ended.

United States policy in the Middle East needs a coherent vision. American interests would best be advanced by adherence to the following five principles:

1. The U.S. must reemphasize the Camp David peace process. This is the cornerstone of our efforts in the Middle East. It works. We must meet, in the wrods of President Reagan to Prime Minister Begin on April 25th, challenges to the treaty of peace "from whatever quarter."

2. The U.S. must reaffirm its partnership with its Democratic ally, Israel, maintaining a context in which Israel feels secure. Not only are military and economic assistance essential, but so are avoiding direct dealings with the PLO and sales to Saudi Arabia and Jordan which threaten Israel. So, too, are any "redirections" of U.S. policy away from Israel to the Arab world. And in this context I call on the Reagan Administration to bring back into effect the Memorandum of Understanding on Strategic Cooperation as soon as possible.

3. The U.S. must behave as a determined, directed great power in the area and this includes pushing and prodding Jordan and Saudi Arabia to demonstrate their so far invisible moderation by joining the peace process. We must constantly pressure rejectionist states; we must punish unfriendly acts; a price must be paid for going to Moscow for arms.

4. The U.S. must work to restore a strong and independent Lebanon. We must call and call for Syria's ouster from Lebanon.

5. The formulation and inplementation of policy for U.S. energy independence is essential for America's internal and external well-being. The Armageddon issue for all of us, for every American, is energy. Therefore, I strongly recommend that the policy of the United States Government be the intensification of energy conservation, the expenditure of federal funds for research and development seeking alternative sources of energy, encouragement of oil and gas exploration in this country and abroad, filling our strategic petroleum reserve as mandated by Congress, a fee placed on domestic and imported oil, and the declared objective of destroying the OPEC cartel.

Only a clear and coherent policy based on these five premises can protect and advance U.S. interests in the middle east. In view of the administration's misguided approach to the region, and its neglect of these essential points, what can concerned Americans do to have an impact upon U.S. policy?

Here the answer is vivid, and is the main trust I would like to leave you with today. We, you and I, must step up our level of political action. The other guys may have the money, but we've got the people—committed people whose motive is not profit but principle. Our supporters are energetic people who act from the heart, American people who don't need Saudi princes to speak for them so they can make petrodollar profits.

And we must carry out political action at a level and intensity never before performed. The stakes are very high; the Saudi connection, as documented in both the February 17th and current issue of The New Republic by Steve Emerson, does not wish us well.

What we need to do is to be more active and move to new levels of professionalism. We need you. With your help, we can win.

You are here to lobby. You are here to take the political message back home and spread it to associates, friends, and neighbors. Let us heed in this election year the words of Senator Jesse Helms, "If you are going to win on issues," he said, "You've got to help elect the candidates who will vote your way."

I say thanks to you, fellow citizens, who care enough to be here and to perform spectacularly in the bipartisan political arena. Thank you.●

HAROLD WILLENS ON THE FREEZE

● Mr. KENNEDY. Mr. President, the campaign to halt the nuclear arms race has reached truly national proportions. Across the Nation, from the towns of New England to the Pacific coast, increasing numbers of Americans are calling for a nuclear freeze to halt the arms race and then run it in reverse.

A distinguished leader of the nuclear freeze movement is Mr. Harold Willens, chairman of the California bilateral nuclear freeze initiative campaign which has garnered 750,000 signatures to insure that there will be a vote on the freeze on the statewide November ballot. With other leaders of the national nuclear weapons freeze campaign, Mr. Willens had the foresight and tenacity to support and work for the adoption of a nuclear freeze during the critical months before Senator HATFIELD and I introduced our joint resolution for a freeze and reductions in Congress.

In the May 12 issue of the New York Times, Mr. Willens examines two congressional approaches to the freeze. He describes the major differences between the two principal freeze resolutions introduced in the Senate:

> The battleground between the Hatfield-Kennedy call for an immediate freeze and the Jackson-Warner call for a freeze after America wins nuclear superiority—that illusion that exists only in the minds of those who look at the world through a rearview mirror.

Mr. Willens correctly points out that while both resolutions use the term freeze, the two initiatives proceed from two fundamentally different premises. Senator HATFIELD and I introduced a call for an immediate freeze followed by reductions in the nuclear arsenals of the Soviet Union and the United States, because we believe the countries have reached a level of essential equivalence in nuclear arms.

The Jackson-Warner resolution calls for a freeze after equality has been reached with the Soviet Union, on the premise that the United States is in an inferior position. The goal of so-called equality will be reached either by forcing the Soviets to give up substantially more than the United States at the negotiating table—an unlikely prospect—or by U.S. efforts to substantially increase the numbers and types of its nuclear weapons—a dangerous and destabilizing prospect.

Mr. President, I ask that the full text of Mr. Willens' compelling article be printed in the RECORD.

The article follows:

[From the New York Times, May 12, 1982]

A FREEZE AND ITS ANTI-

(By Harold Willens)

LOS ANGELES.—"No taxation without representation!" was the battle cry of a popular uprising that gave birth to our nation. "No cremation without representation!" could become the cry of a popular movement based on the belief that the death of our nation can be prevented only by bringing a quick end to the nuclear arms race.

As a step toward ending that race, President Reagan's proposal Sunday for strategic nuclear arms reductions can be seen only as a half-step at best. His reductions would take years to negotiate, years during which both superpowers would build thousands of nuclear warheads, spend hundreds of billions of dollars, and deploy new and highly destabilizing weapon systems.

The recent groundswell generated during Ground Zero Week dramatically demonstrated the American people's desire to end the nuclear-arms race before such dangerous and costly projects are undertaken. The question that remains is: Was that groundswell an emotional tidal wave that will soon recede, or are we witnessing the cutting edge of a current that will carve our fundamental political change in relation to this one potentially terminal problem of our time?

"If you want to know what the U.S. will be like in two or three years, come to California today." This slogan, often heard in this state, may contain a clue to the answer to that question.

On April 20, Californians for a Bilateral Nuclear Weapons Freeze Initiative filed 750,000 signatures (more than twice the required number), assuring that next November the voters of America's largest state, where 10 percent of the electorate lives, will be able to vote for or against an immediate freeze on "the testing, production and further deployment of all nuclear weapons, missiles and delivery systems in a way that can be checked and verified."

While a victory would have no legal force, this call for our Government to propose such a freeze to the Soviet Union and become a catalyst that created a nationwide grassroots mandate that politicians would find hard to ignore, as was the case when an earlier California initiative set off the so-called taxpayers' revolt that spread like wildfire across the country.

The California vote will also serve as a popular referendum on two competing United States Senate resolutions. It will become the battleground between the Hatfield-Kennedy call for an immediate freeze and the Jackson-Warner call for a freeze after America wins nuclear superiority—that illusion that exists only in the minds of those who look at the world through a rearview mirror.

The Jackson-Warner resolution falsely called a "freeze," is actually an antifreeze formula for heating up the nuclear-arms race whose action-reaction cycle over the last three decades has steadily reduced our national security while robbing our national treasury of resources we can ill afford to waste. We would be putting our money where our myths are if, once again, we fell victim to another of those "gap" games played on us by experts in gapsmanship like Senator Henry M. Jackson.

In California, we are appealing to citizens' common sense, confident that ordinary people will see through the political manipulation of a measure meant to deceive and divert the public from its legitimate desire to freeze nuclear weapons now, as proposed by the Hatfield-Kennedy resolution. Common sense will see through President Reagan's mystifying assertion that we are "inferior" when in fact we have enough nuclear weapons to wipe Russia off the face of the earth many times. Apparently Mr. Reagan ignores his own Defense Department, which says we have "parity—not inferiority." The department's status report for fiscal 1982 states: "The U.S. and the Soviet Union are roughly equal to strategic nuclear power." Where then is the justification for continuing a nuclear arms race that can only result in a world filled with nuclear armed nations?

Would the Kremlin accept the kind of offer the California initiative proposes? Let's find out. If it says no there's no deal. But there are indications to the contrary. Common sense requires that Washington at least make the offer.

The measure before the California electorate begins: "The safety and security of the United States must be paramount in the concerns of the American people." A freeze represents a significant first step toward safety and security.

If the people of our state agree, it will be a vote heard 'round the world—and possibly even a linchpin in the history of our time.●

DOD AUTHORIZATION, 1983

● Mr. NUNN. Mr. President, I want to take a moment to discuss some of the actions which the Armed Services Committee took in developing the committee amendment which has been approved by the Senate.

On Monday, the committee received the list of reductions proposed by the Defense Department totaling $7.4 billion in budget authority in fiscal year 1982 and fiscal year 1983 and $3.2 billion in outlays in fiscal year 1983. For the RECORD, I would like to insert a summary table outlining the reductions proposed by the administration. This list included significant reductions in our current combat capability and in the Army National Guard and Reserve programs.

I want to highlight for the RECORD some of these reductions in force structure and in the National Guard and Reserve which the administration proposed:

As originally proposed, the reductions would have eliminated four Army combat battalion equivalents from our current Army force structure and would have delayed new Army unit activations planned for fiscal year 1983. The total reduction would have amounted to 4,800 in personnel in the Army. These battalions constitute 2.7 percent of our active combat brigades.

One entire active Air Force fighter interceptor wing equivalent would have been deactivated, allowing a reduction of 2,700 Air Force personnel. This wing equivalent of three squadrons constitutes 3 percent of our attack fighter squadrons and 12 percent of our F-4 squadrons.

Twenty-two Navy ships, including 17 destroyers and 5 amphibious ships, would have been decommissioned—some as much as 4 years earlier than under the current plan for retiring these ships. These 17 destroyers represent 8 percent of our surface combatants and 20 percent of our active destroyers. The five LSD's represents 7.6 percent of our amphibious warfare ships.

In the Army National Guard and Army Reserve, the reductions proposed by the Defense Department would have eliminated 20,000 of the 30,000 increase in strength currently planned for the Army Reserve and Army National Guard to fiscal year 1983. This reduction represents 3.2 percent of the total authorized end strength for fiscal year 1982 for the Army National Guard and Reserve at a time when the Army would be at least 250,000 short of the pretrained manpower it would need if we had to mobilize. The number of active duty military personnel currently providing full-time support to improve the readiness of Army National Guard and Army Reserve units would have been held at the 1982 level, instead of allowing the increase of almost 5,000 originally planned for fiscal year 1983 and approved by the committee. There were also reductions in the budgeted increases originally approved by the committee in training time and unit supplies in the Army National Guard and Army Reserve.

Mr. President, even given the compelling need to reduce the size of the budget deficit, I found these reductions in our current combat capability to be shortsighted and unacceptable. Our combat forces are the first ones we will turn to in a crisis; they ought to be the last place we turn to make budget cuts. I therefore offered an amendment during the markup of the committee amendment which would have restored all of the funds necessary to reverse all of these actions except for the retirement of 13 of the 17 destroyers. This amendment was adopted by the committee by a vote of 13 to 1.

My amendment to restore these funds included offsetting reductions in other areas of the defense budget so that the overall outlay reduction recommended by the Defense Department would have been preserved. One of the offsetting reductions that the committee used to restore these funds was to restrain the growth in benefits and bonuses requested in fiscal year 1983. The savings in this area totaled $218 million, but I should emphasize that these savings were not achieved by cutting current benefits. Rather, the committee elected to defer benefit increases proposed in the fiscal year 1983 budget. At a time when all of our citizens are being asked to make sacrifices, the committee felt these savings could be made without harming recruiting or retention.

The second area in which the committee achieved savings was a reduction in the increased number of military personnel serving in support functions since fiscal year 1981. The amendment which I originally offered included a reduction of 18,600 military personnel in support functions in all of the active services. This accounted for the remaining $200 million in savings needed to restore the reductions in combat capability in the National Guard and Reserve programs which the administration proposed. I later offered an amendment to restore 9,300 of this 18,600 reduction, but this amendment was not accepted by the committee.

Mr. President, this 18,600 reduction was apportioned by the committee as follows: 3,900 in the Army; 8,400 in the Navy; 1,300 in the Marine Corps; and 5,000 in the Air Force.

While these reductions may seem large, let me just indicate some of the support areas in which the services have requested increases over the fiscal year 1981 level.

In the Army, the fiscal year 1983 budget assumes an increase of 300 military personnel in management and support of R. & D. programs; an increase of 1,100 in management headquarters; an increase of 200 in personnel support functions such as recruiting, personnel administration, and finance centers; and an increase of 2,300 in the number of Army personnel in a move status.

In the Navy, the fiscal year 1983 budget assumes increases of 3,400 military personnel in base operating support functions; 700 in personnel support functions such as recruiting and counseling; 500 in research and development function's; 400 in the training establishment; 100 in combat developments; and 100 in management headquarters. In addition, the 13 destroyers which will be retired have crews of approximately 300 each who will no longer be needed for those ships and who can be transferred to other activities.

In the Marine Corps, the fiscal year 1983 budget includes increases of 300 military personnel in base operating support; 200 in research and development; and 1,700 in the numbers of military personnel in a move status.

Finally, in the case of the Air Force, the fiscal year 1983 budget assumes increases of 300 military personnel in research and development; 5,200 in base operating support, including an additional 100 military personnel in base operating support at the Military Academy; 1,400 in the training establishment; 300 in combat developments and security services; 300 in selected management headquarters; and 2,900 in students and trainees.

Mr. President, I am not highlighting these increases in military strength over the fiscal year 1981 level in order to give specific direction to the services as to where the reductions proposed by the committee should be taken. But I think the examples I have given are an indication that these reductions can be achieved without reducing combat capability or cutting into essential support functions.

One final point, Mr. President. This year the Armed Services Committee has included a new provision in the fiscal year 1983 authorization bill giving the Secretary of Defense the discretionary authority to increase the authorized end strength of each service by one-half of 1 percent. If it turns out that the full reduction of 18,600 personnel recommended by the committee cannot be made without cutting essential support functions, then the Secretary of Defense has the authority on his own to restore over half—10,600—of this reduction.

I have to say, Mr. President, that I do not think the Secretary of Defense will need to use this authority.

Mr. President, I think that the actions taken by the Armed Services Committee to reject the reductions proposed by the administration in our current combat capability and in essential increases in our Army Reserve components deserve the strong support of the full Senate. Cutting out Army combat battalions, deactivating Air Force fighter squadrons, and decommissioning Navy ships are not the way to demonstrate our resolve and determination to the Soviet Union or to our allies.●

WHERE WE ARE HEADED IN TAX POLICY

● Mr. DOLE. Mr. President, this past weekend I had the pleasure of addressing the Section on Taxation of the American Bar Association, which was holding its spring meeting in Washington. The Section on Taxation has a long and distinguished history of working for clarity, conciseness, and fairness in our tax laws. I have had the privilege for a number of years to work with representatives of the ABA Tax Section in tax matters before the Finance Committee. As chairman of the Finance Committee, I find the input of the Section on Taxation to be of invaluable assistance in determining how we can best accomplish our goals in taxation. We should not underestimate the value of knowing how tax practitioners regard the practical effects of what we legislate in the tax area: It is all too easy to get carried away with an idea without considering the day-to-day reality of living with our tax laws. The input of the Tax Section helps correct that problem.

In my May 15 remarks to that Tax Section I commented on the likely trends in tax policy over the next few years. Other Members may find these comments helpful in putting into perspective what we accomplished last year and the difficult decisions we face this year in the tax area. Accordingly, I ask that the full text of my remarks to the ABA Tax Section be printed in the RECORD.

The remarks follow:

REMARKS OF SENATOR DOLE BEFORE THE AMERICAN BAR ASSOCIATION SPRING MEETING

It is a pleasure to be here this afternoon to talk about taxes. Not that taxes are the most pleasant thing to discuss these days—lately every time I mention taxes I have a lurking fear that the next day I will be accused of having destroyed another industry or driven some company into bankruptcy. It's always good to know people are listening, but some of the reactions I have seen convince me to weigh my words carefully.

Taxes are always a problem: this year is no exception. The very existence of the Tax Section is an acknowledgment of this fact. But the fact that tax problems do not go away should not be any reflection on the work of the Tax Section. You have done outstanding work over the years in trying to help rationalize the tax code and focus the attention of Congress on the practical problems that too often go unanticipated in the rush of legislation. The Tax Section has worked closely with the staffs of the Senate Finance Committee, the Ways and Means Committee, and the Joint Committee on Taxation on the ongoing tax simplification project and other matters—this has proved to be a valuable working relationship, and I am sure we all hope that it continues in the years ahead.

WHERE WE STAND

For students of tax policy, 1982 should prove to be a fascinating year. Some would say that we are at a crisis point when it comes to taxes; others that we are witnessing the customary congressional flip-flops when it comes to tax policy and economic policy in general. I would not subscribe to either view. Rather, I would say we are witnessing a necessary reckoning in tax policy that has been coming for some time. It should not surprise anyone who has been observing tax trends over the past decade or so.

After approving the largest tax cut in history last year, why are we obliged to raise revenues this year? On the face of it, it seems as though we have been working at cross purposes. But the fact is, both last year's tax reduction and this year's revenue-raising proposals were needed.

Federal taxes grew steadily during the 1970's, despite periodic tax cuts. This was largely due to rampant inflation and bracket creep, and partly due to payroll tax increases approved in 1977. By 1981 Federal taxes reached a record high of 21% of GNP. Without the 1981 tax cut, that percentage would have climbed to 24% by 1987. The results of this high-tax policy were slow growth, high inflation, and declining productivity. Clearly a major correction was in order, and that is what we got in 1981. The same analysis applies with respect to business taxation. No one disputes that inflation has caused such a wide gap between depreciation writeoffs and actual recovery costs that we were actually imposing a tax burden on capital investment. In both cases, last year's tax cut may be seen as an attempt to overcome the distortions of inflation on tax policy and economic decisionmaking.

Now we are in recession—hopefully close to the end of the recession. The decline in growth, and the success of our anti-inflation policy, means that we now see record deficits projected for the years ahead: sustained, triple-digit deficits that are sure to undermine any chance for long-term recovery unless they are averted. Because we must cut those deficits, and because we can't do it all on the spending side, we need to raise taxes. This is not a consequence of last year's action: the tax cut did not cause the recession, nor did the budget cuts. As a matter of fact, I would submit to you that all the recession has done in terms of taxes is accelerate a trend that was already there. Even without a major deficit problem, I believe we would be considering things like a stronger minimum tax, modification or repeal of certain loopholes, and steps to close the compliance gap.

The reason is simple. Last year we reduced individual tax rates and indexed them against future inflation, so that Congress could no longer count on an automatic revenue windfall. In addition, the depreciation changes, carried out several years, left little room for further reduction on the corporate side. It has always been our experience that innovative Members of Congress—and of the bar, for that matter—each year come up with a wide array of new proposals for easing taxes here or there in order to stimulate this type of activity or that, or to revieve a perceived inequity. There are many examples of this in ERTA—the above-the-line charitable deduction, the incentive stock option, and the credit for adoption expenses. But let us be candid about it—these specialized tax provisions were much easier to enact when we had a windfall in inflation revenues to divvy up.

Once we committed outselves to major, sustained tax rate relief—as we did last year—we changed the rules of the game a bit. From that point on, it was clear that further tax policy changes could come only at the expense of eliminating or modifying preferences already in the Code, or by raising new revenues elsewhere. We had already reduced taxes more than we had cut spending. Everyone understood last year that we would have to make significant additional spending cuts in order to bring the deficit under control. The recession has magnified that problem, as well, but it hasn't changed the nature of the problem. The fact is that we have put the squeeze on both the revenue and spending sides of the budget. On the revenue side, that means we are obliged to reexamine the tax base and consider whether it is being used in an effective way.

THE TAX BASE

I need not remind this audience that, as Chairman of the Finance Committee, I am not overly fond of the concept of "tax expenditure". There are those in Congress who would regard any differential in tax rates as a "tax expenditure" if by so doing they could keep taxes high. In addition, there is something unappealing in a free society about the notion that taxes foregone by the Government for any reason are "spent"—as though the Government had an automatic right to all our wealth.

Still, even if we can't agree on what a tax expenditure, is, we can observe what the growth of special tax preferences tells us about our tax base. According to the Congressional Budget Office, in 1967 there were 67 tax expenditure items with an associated revenue loss totalling $36.6 billion. That amounted to 4.4 % of GNP. By 1981, this list had grown to nearly a hundred items, totalling $228.6 billion, or 8.0 % of GNP.

One should be cautious in generalizing here, but the near-doubling of this list of tax preference items over a 15-year period does, I think, tell us something. It shows we have a "swiss cheese" tax base: broad and solid, but full of holes. By allowing taxpayers to be inflated into higher marginal rate brackets, we not only raised taxes generally, we also facilitated their reduction in specific ways, for specific purposes, many of which have little to do with tax or economic policy per se. We consistently chose special, narrowly targeted tax breaks at the expense of general tax relief.

THE RESULT

The consequences of this policy, whether it was conscious or unconscious, have been mixed. Some would say that many special tax credits and deductions fulfill a valuable purpose, and do it well—if not always fairly. The investment tax credit and the mortgage interest deduction are often cited as examples, but even in these very basic provisions of our tax code there are clearly distortions, inefficiencies, and excesses. Other tax preferences are obviously not so good—safe harbor leasing is a prime example. In addition, good or bad, we cannot forget that the special relief must come at the expense of the general.

This has led, I believe, to much of the taxpayer resentment and frustration over the perceived unfairness of our income tax system. People do not want to soak the rich—but they are concerned to see that the wealthy pay a fair share of tax. That is why working men and women increasingly see an inequity in the availability of sophisticated tax shelters to the wealthy which enable them to drastically reduce their tax burden. Whether the existence of these shelters makes sense from the standpoint of some other congressional purpose is beside the point: when the proliferation of special tax privileges undermines confidence in the system, it is time for a change.

The system has become too complicated, too vulnerable to the charge of inequity. I do not think it is a coincidence that 9 to 16 percent of interest and dividend income goes unreported, or that 44 percent of capital gains go unreported, or that private barter transactions in the so-called underground economy are on the rise. We have a lot of explaining to do for the inconsistencies in our tax system.

HOW TO PROCEED

As the budgetary situation increases the pressure for a thorough reexamination of the tax base, we need a few guiding principles. I would suggest three: equity, balance, and simplicity. Equity, because it is important in a system of voluntary compliance to ensure that everyone pays a fair share of tax, and for taxpayers to perceive that the system is fair. Balance, because we do not want to veer to one extreme or the other. There will still be many occasions where we will want to use tax incentives to advance a legitimate public policy goal. But we do not want to allow such devices to get out of hand, so that general tax relief is slighted and the average taxpayer foots the bill. What we need is a balance between the general and the specific, so that narrower policy goals do not undermine tax policy in general and the revenue-raising function in particular. Finally, we need simplicity because it aids our other goals—it reduces the burden of compliance, it is more efficient for purposes of raising revenue, and it enhances public acceptance and understanding of what our tax system is all about.

These three general principles lead us right into a few specifics. To increase equity and the perception of equity, we can improve our compliance record. It is difficult to explain to taxpayers why they should be asked to pay more in taxes when we are doing less than the maximum in collecting taxes already due. That is why Senator Grassley and I have proposed a package including better information reporting, a revised system of penalties, and voluntary withholding on benefit payments from qualified plans. This Taxpayer Compliance Improvement Act is far from a radical measure, but it provides enough new and improved tools for the Internal Revenue Service to help narrow the compliance gap and better ensure that the tax burden is fairly shared.

Another step we can take, in the interest of both equity and balance, is to greatly strengthen and revise the present minimum taxes. The present alternative and add-on minimum taxes simply are not effective. If we are to have a minimum tax in the interest of fairness, then it has to be effective. On both the individual and the corporate side, we need a minimum tax that ensures that every taxpayer pays a reasonable percentage of real income in taxes, regardless of other tax preferences and incentives we have provided by law. This is fair because it prevents taxpayers from avoiding tax altogether: it helps restore a balance in the tax code by ensuring that the revenue-raising function is not undermined by the proliferation of special tax incentives.

Finally, we come to the matter of specific loopholes. I believe we can greatly improve the simplicity of the tax code over time, as well as encourage the public to perceive the system as fair, by proceeding to reexamine the economic effectiveness of many tax incentives. I am not proposing a systematic or radical overhaul—I suspect that events, as I have indicated, will force us to review tax incentives in any event. The heat is already on, and we have to set priorities and stick to them from now on in the tax area as much as in the spending area. It simply will not do to shift our resources from direct spending programs to targeted tax breaks as a means of implementing national policy. There will always be room for both of those approaches, but the danger with tax incentives is that relying too heavily on them dangerously undermines the broader goals of tax policy, and frustrates our efforts to manage fiscal policy as well. We have to make choices, and we have to start making them right now.

Safe harbor leasing is not the only example of an unwarranted deviation from general tax policy, but it will serve as a good example of the problem that concerns me. When Congress approved safe harbor leasing it did so largely on the understanding that the provision was needed to balance out the capital cost recovery system, make it 'neutral' amount various types of industries. But this was an illusion: extending tax benefits to loss firms is not neutrality, it is a form of subsidy. We agree to a provision that makes some firms better off than if there were no corporate income tax at all: and we provided windfalls for some highly profitable firms in the process, as well. The highly publicized abuses of the leasing provision have undermined public confidence in tax fairness. But they also represent a policy that was not adequately thought through from the standpoint of overall tax policy.

Besides it is not clear that leasing is even in the long-term interest of a company. I have been told that some corporate managers have been under pressure to enter into leasing arrangements just to improve short-term profit-and-loss statements. Some of us thought we were trying to get away from tax-motivated decisions and encourage business to make decisions that make long-term economic sense. Leasing appears to cut the other way.

Perhaps leasing is not the best example: we may never come to a complete agreement on the question of extending tax benefits to firms (or individuals for that matter) that are not making a profit. Some of us would urge extreme caution in this area, on the theory that tax incentives are by their nature designed for affecting the decisions of profit-making enterprises or individuals with real income. If we want to assist companies in a loss position or individuals in poverty, the tax code may not be the best place to turn. But the safe harbor leasing problem does tie together the principles I suggested—equity, balance, and simplicity—and it is the kind of tax policy decision that we ought to be more cautious about in the future.

Another example of the kinds of inequity we need to address is the tax break we allow for contributions to private pension plans. To allow over $45,000 to be set aside tax-free each year may be hard to justify in a time of fiscal austerity. That kind of over-generosity just undermines confidence in our tax system.

Fortunately, the President appears to agree with this view of the general direction we have to take. Now that it is conceded that we need to raise revenues, the administration has endorsed steps to narrow the compliance gap. It has proposed a number of loophole-closings of its own, including restrictions on use of industrial development bonds, cutting back on use of the completed contract method of accounting, and revising the taxation of the insurance industry. The administration also endorses a much stronger corporate minimum tax, and has conceded the need for at least some equitable adjustments in safe harbor leasing. All of this means that we are likely to make progress this year in the areas I have outlined.

THE BAR CAN HELP

I am sure that the sweeping tax changes of last year, followed by a wholly new set of signals this year, has been somewhat bewildering to members of the bar as it has been to the entire tax community and the public at large. But I think you will agree that many of the changes made last year were long overdue. I think you will also agree that the fresh scrutiny of existing tax provisions is needed and is likely to lead in the long run to a better and fairer tax system.

You have an important role to play. It is in your interest, and in the interest of your clients, to have some confidence of what the rules are, and to have them fairly and consistently enforced. It is also in the interest of the bar to maintain strong public support for our system of voluntary compliance.

I have already mentioned that the Tax Section performs a valuable role in working with the Congress and the Executive to help fashion tax legislation that will be clear, fair, and comprehensible. The simplification project is a perfect example. But you also have an important function in educating the public. You keep abreast of legislative and other developments within your profession—but you also provide an important line of communication to the public through your daily contacts with clients, through your conferences, seminars, and publications. You are in a position to guage the public's attitudes towards taxes, and to help them understand better what the thinking is in Congress.

These lines of communication are more important now than ever. I sense both in the Congress and the public a growing sense of frustration over our tax system, and a growing desire to make radical changes. The concept of a flat-rate tax, of a gross income tax, or of shifting to a consumption or other tax base, all are being seriously discussed as never before. In fact, I have indicated that the Finance Committee may review the flat-tax idea—our tax system demands a fresh look. There is a universal perception that our tax code has gotten too complex, too diverted to peripheral matters, and that fairness has suffered as a result. People are less confident that a progressive tax system really is progressive.

Unless we, the Congress, the bar, and the tax community in general deal with this problem, we risk forfeiting control over tax policy. I do not fear that will happen: Congress has already reasserted control over tax policy by the simple act of removing the 'automatic pilot' of inflation that distorted things for too many years. But it will take a concerted effort to restore public confidence in the tax code as a fair and straightforward

device for raising revenue to meet the needs of our people. We hope to begin the efforts to restore that confidence in the tax legislation we put forth this year. We need your help, and we look forward to working with you to achieve the goals I know we share.

Thank you.●

ARMS CONTROL OR MEDIA CONTROL

● Mr. TSONGAS. Mr. President, there can be no doubt that the greatest challenge facing mankind is to prevent nuclear war. Our firm resolve to meet this ultimate challenge will require that we draw on a multitude of varied talents and energies ranging from the grassroots of Middle America, to Government agencies, the Congress, the White House, and even the Kremlin. We must all, in our own way, contribute to the pursuit of peace. The awesome consequences of nuclear war leave us no alternative.

In this regard, I am greatly troubled by a recent article in the Washington Post concerning a memorandum that allegedly was sent from the Arms Control and Disarmament Agency to the White House last month. The memorandum proposed that the administration begin a media campaign to deal with "the growing stridency and hysteria" of the antinuclear weapons movement. Fortunately for the administration, it chose not to act on this divisive proposal.

This memorandum is disturbing for a couple of reasons that should be very obvious to everyone in this Chamber. First, it is a cynical distortion of ACDA's central purpose and responsibility during a critical period. In the past, ACDA has made substantial contributions to this Nation's ability to formulate and negotiate meaningful arms control proposals. In view of the administration's START and INF initiatives and the arms control resolution pending in the Congress, it now becomes even more crucial that ACDA continue to devote its full resources to its primary task—support for the formulation and implementation of U.S. arms control and disarmament policies.

But apparently the director of ACDA, Mr. Rostow, has a different perception of how best to spend his agency's budget. Instead of supporting a groundswell of national awareness for arms control, unfortunately he seeks to undermine it.

In addition, Mr. President, we should all be concerned by the insight the ACDA memo provides into the administration's misguided perceptions of Ground Zero Week activities and other arms control movements such as the Freeze. Rather than welcoming the grassroots arms control movement as a mandate and a national asset, the ACDA media team fears Ground Zero Week as "strident hysteria." I attended some Ground Zero Week activities both in Massachusetts and here in Washington. I found nothing remotely resembling hysteria. These were serious events, educational in nature, with an emphasis on the consequences of nuclear war.

If the Arms Control and Disarmament Agency is alarmed by such activities as Ground Zero Week, then that agency would do well to look inward for the roots of these movements. They have grown exponentially because of the bellicose tone that has characterized the administration's foreign policy statements and its continued loose talk about survivable and winnable nuclear war.

Mr. President, I ask that the text of the Washington Post article be printed in the Record.

The article follows:

[From The Washington Post, May 9, 1982]

The Anti-Antinuclear Battle Plan

The Arms Control and Disarmament Agency last month proposed to the White House that the Reagan administration "should begin an immediate media campaign" to deal with "the growing stridency and hysteria" of the antinuclear weapons movement.

In a memorandum from Eugene V. Rostow, director of ACDA, to William P. Clark, the national security advisor, the agency said that Ground Zero Week, a national educational campaign on the dangers of nuclear war, would produce an "eruption of the issue of nuclear war."

A copy of the memorandum was sent anonymously to The Washington Post, and its authenticity was confirmed by the agency.

"The press and electronic media will be full of demagoguery and emotion as journalists hungrily interview tearful mothers and self-righteously indignant clergymen against a mushroom cloud background," the ACDA memo predicted.

To counteract this publicity, ACDA proposed a series of op-ed articles and television appearances by friends of the administration and statements by administration officials. The memo proposed that these appear daily from April 17 to 26, starting before and ending after Ground Zero Week activities.

The White House apparently rejected the specific advice contained in the Rostow memorandum, choosing not to react extensively to Ground Zero Week. Some of the general ideas the memo contained—for example, using Vice President Bush as an administration spokesman to respond to the antinuclear weapons movement—were used. None of the specific events described in the proposed schedule printed on Page D4 actually occurred, as far as The Washington Post could determine.

The "eruption" of the antinuclear issue the memo predicted also failed to materialize. Although Ground Zero Week promoted extensive media coverage and activities attended by hundreds of thousands of Americans, it produced no great outpouring of popular feeling.

The ACDA memo warned that the nuclear war issue was infecting the public. "While this movement includes such perennial elements as the old-line pacifists, the environmentalists, the disaffected left and various communist elements," the memo said, "there is participation, on an increasing scale in the U.S., of three groups whose potential impact should be cause for concern. They are the churches, the 'loyal opposition' and, perhaps most important, the unpoliticized public."

(This the schedule of events which Eugene Rostow proposed to the White House to counter Ground Zero week. The "scenarios" refer to expected developments on the Ground Zero side. The first "scenario" refers to Germany.)

SATURDAY, APRIL 17

Ground Zero Week, minus one.

Scenario.—FRG-demonstrations at SPD Congress. If Necessary:

PM—Commentary of FRG-demonstrations by Richard Burt and Manfred Von Nordheim: offered to networks and evening news.

George Will on Agronsky & Co. (Friday taping).

Photo Opportunity—President and Mrs. Reagan at Camp David: spring flowers—atmosphere of calm.

SUNDAY, APRIL 18

Ground Zero Week, day one.

Scenario.—Ground Zero Opening Ceremonies in Lafayette Park (White House backdrop) and nationwide.

AM—Meet the Press—Vice-President Bush.

Face the Nation—Ambassador Nitze.

Photo Opportunity—President returns to White House (exits helicopter with briefcase) to confer with Secretary Haig, etc.

New York Times Op-ed by Rumsfeld (as GAC Chairman) on the boldness and promise of the Reagan arms control policy.

Washington Post Op-ed by Professor William O'Brien (Georgetown University) stating moral and religious justification for prudent self-defense in the nuclear age.

MONDAY, APRIL 19

Ground Zero Week, day two.

Scenario—Clips of national symposia fed for evening news.

Photo Opportunity—The President meets at the White House with Archbishop Hickey (Pro-freeze) and Biship O'Connor (pro-defense).

PM—Eugene Rostow speaks at the National Press Club (Scheduled).

ABC Nightline—Seymour Weiss and Colin Gray give critical assessment of Ground Zero Week and Administration arms control policy.

TUESDAY, APRIL 20

Ground Zero Week, day three.

Scenario.—More cuts of gatherings and demonstrations—interviews with Warnke, LaRocque, Caldicott, et al.

AM—American Security Council holds press conference assailing both Kennedy-Hatfield and Jackson-Warner.

Today Show—Sen. Warner on Jackson/Warner.

Good Morning America—Burt.

PM—"Fireside Chat" by the President on peace, the lessons of World War II, etc. (no hardware or balance discussions).

WEDNESDAY, APRIL 21

Ground Zero Week, day four.

Scenario.—More of the same (religious commentary, etc.)

AM—CBS Morning News—Dr. William O'Brien and Bishop O'Connor discuss the Catholic anti-nuclear movement (Archbishop Hunthausen, Bishop Matthiesen, etc.).

Photo Opportunity—The President meets with a moderate women's group in the Oval Office—press release describes President's concern and attention to their expressed anxieties about war, etc.

Post Op-ed by respected historian on the lessons of the 30's.

PM—McNeill/Lehrer—Richard Perle—peace/deterrence (not limited nuclear war).

THURSDAY, APRIL 22

Ground Zero Week, day five.

Scenario.—More of the same (Kennedy demagoguery, etc.).

AM—Today Show—Sen. William Cohen—Congressional Resolutions.

Good Morning America—Rep. G. William Whitehurst—Congressional Resolutions.

Photo Opportunity—Secretary Weinberger tours SAC Base—informal—conversation with pilots, mechanics, etc. (emphasize readiness, patriotism, etc.).

Demonstration—by Students for Peace and Security (contact Scott Thompson) against pacifism/unilateralism (site: White House gates).

Wall Street Journal—editorial about hysteria and policy development—the need for calm (alternatively—interview with Solzhenitsyn on subject of Ground Zero Week).

PM—Speech by Vice-President Bush to a World Affairs Council "Photo Opportunity—Rowny meets with Swedish Ambassador to discuss START/Arms Control.

Nightline—Rep. Jack Kemp on arms control and the Defense budget.

FRIDAY, APRIL 23

Ground Zero Week, day six

Scenario—More of the same (European reaction to Ground Zero Week, etc.).

AM—CBS Morning News—Sen. Tower—criticizes Administration MX Plan—urges more MX in survivable mode.

Today Show—Anne Armstrong—women in support of a strong defense.

National Public Radio—speech or interview by Secretary Haig.

PM—Discussions with George Will for Agronsky & Co.

PM—Photo Opportunity—President or Secretary of State to visit Arlington National Cemetery (sobering backdrop of war's consequences).

SATURDAY, APRIL 24

Ground Zero Week, day seven.

Scenario.—Large demonstrations in D.C. and elsewhere—possible weather factor.

AM—Photo Opportunity—President working, meeting Cabinet members (no President-at-play contrasted with earnest protestors).

AP/UPI exclusive interviews with Haig on START.

Submit Perle Op-ed on Ground Zero Week to Post for Monday printing.

PM—George Will on Agronsky & Co.

SUNDAY, APRIL 25

Ground Zero Week, plus one.

Scenario.—Ground Zero Week closing remarks in Lafayette Park—much sound and fury (White House backdrop).

AM—David Brinkley—Eagleburger—on Ground Zero Week/Europe.

Meet the Press—Sen. Baker on Administration arms control policy/budget.

President invites small group (3-5) of Ground Zero Week leaders (thoroughly screened) to the Oval Office for discussion (no White House-under-seige à la Nixon).

MONDAY, APRIL 26

Ground Zero Week, plus two.

Scenario.—Analysis and review of Ground Zero Week.

AM—Perle Op-ed in the Post.

Good Morning, America—European diplomat or journalist to comment on similarities and differences of U.S. and European peace movements.

Today Show—Midge Decter of Committee for a Free World.

New York Times Op-ed—Nitze on truth and diplomacy.●

INDUSTRIAL REVENUE BONDS

● Mr. WEICKER. Mr. President, I would like to bring my colleague's attention to an article from the May 1982 issue of Inc. magazine, written by Mr. Robert E. Patterson, the executive director of the Massachusetts Industrial Finance Agency. Entitled "Why Industrial Revenue Bonds Must Be Saved," Mr. Patterson's article accurately presents the current attack posed by the Treasury Department on industrial revenue bonds.

As Senators D'Amato, Stevens, and I have pointed out to the Senate Finance Committee and to this body, the Treasury's proposals for restricting the use of industrial revenue bonds would effectively gut this very important program for local economic development and job creation. Those proposals should be rejected. Instead of further restricting this productive program, Congress should simply reverse revenue ruling 81-216 and the proposed regulations, as we have suggested in S. 2335.

Mr. President, I have stated before that I believe the claims of abuses in the small issue IRB program are overstated. I urge my colleagues to read Mr. Patterson's article, which, as he states, "separate(s) the rhetoric from fact" about the benefits of IRB's.

Mr. President, I ask that the text of the article be printed in the Record.

The article follows:

Why Industrial Revenue Bonds Must Be Saved

(By Robert E. Patterson)

In the name of "revenue enhancement," the U.S. Treasury is mounting a deadly assault on one of the country's most successful economic programs. Its target is industrial revenue bonds (IRBs)—tax-exempt bonds that state and local governments sell to finance business expansion, primarily by small firms.

Armed with tales of a few well-publicized abuses—such as IRB funding for a country club, a go-go bar, and a few McDonald's and K mart stores—Treasury officials, who sense the time is right, are trying to push through Congress "reforms" that will virtually eliminate the benefits of IRBs for small business. They are ignoring documented evidence that IRBs have helped create thousands of private-sector jobs at low cost to the government, and without adding a single bureaucrat to the federal payroll.

The Treasury's campaign to rein in the tax-exempt bond privileges of state and municipal governments goes back many years. The latest attack began last August when the Internal Revenue Service suddenly prohibited the decade-old practice of marketing IRBs in pools, which is essential to selling public bond issues for small businesses. This February, the Treasury said that it would permit pools again if Congress would enact certain restrictions on IRBs. In other words, it is holding IRBs for small business hostage until the measures it seeks are adopted.

One proposed rule would force borrowers to choose between IRB financing and the accelerated depreciation schedules included in the 1981 Economic Recovery Tax Act. Another would require state and local governments, beginning in 1985, to contribute financially to IRB-financed projects. A third would limit IRB borrowers to $20 million in nationwide capital expenditures—counting both IRB and non-IRB financing—over a six-year period. A fourth would limit each company to $10 million in IRB loans outstanding at any one time.

The Treasury asserts that forcing a choice between accelerated depreciation and IRBs will prevent what it calls "double dipping." In fact, this will mainly curtail expansions by smaller firms. In times of tight credit, it's no secret that funds for small businesses dry up before they do for their larger competitors. A small company able to raise expansion capital at a reasonable rate only through an IRB would have to depreciate its building over 35 years, while its bigger competitor will be allowed accelerated 15-year depreciation.

Congress adopted both IRBs and accelerated depreciation to achieve the same objectives: to create jobs and stimulate private investment in new productive assets. Considerable evidence shows that small business has been the most siginificant source of new jobs in the country in recent years. Small firms need—and deserve—both inventives.

The proposed $20-million, six-year, capital-spending ceiling and the $10-million ceiling on outstanding loans are too strict for many fast-growing small firms. Yet these are the very ones that create the most jobs and contribute the most to the economy and to government tax coffers.

Are IRBs as abused and costly as the Treasury claims? Let's separate rhetoric from fact about the costs and benefits of IRBs.

Rhetoric: IRBs help large national corporations which don't need the assistance.

Fact: The Congressional Budget Office found in a 1981 study that IRBs have been used overwhelmingly by small businesses. For example, more than 90% of all IRBs have been issued for closely held firms not listed on any stock exchange, and therefore dependent on local sources of financing. Only 70% of IRB issues went to Fortune 1,000 companies.

Rhetoric: IRBs are inefficient and costly to the federal government.

Fact: The CBO projected that if IRBs were eliminated, the government would raise only $200 million more in taxes in 1982, rising to $700 million in 1986. And the Treasury's own proposal shows a *decline* in 1983 revenues if its IRB restrictions are adopted. A study at the University of Chicago for the Smaller Business Foundation of America shows that the revenue losses are much lower than the Treasury or the CBO estimate. Why? Most IRB investors are attracted away from alternative investments on which they would pay little or no income tax, such as equities, collectibles, or real estate. In addition, without IRBs, borrowers would pay higher interest rates and would deduct these on their tax returns, thereby reducing their tax payments.

The concept that IRBs actually increase tax revenues is hardly a crackpot notion. In 1980, economist Norman Ture, now the U.S. Treasury's undersecretary for tax and economic affairs, studied IRBs and concluded: "IRBs are productive instruments for promoting economic development by making saving an investment more attractive to individuals and businesses. . . . The resulting expansion of tax bases—individual and corporate income and payroll taxes—would generate net gains in tax revenues for the federal government and for the state and local governments of the issuing jurisdictions."

Rhetoric: IRBs are out of control because they have over-generous eligibility criteria.

Fact: Though originally developed to lure northern industry to the South, in recent years two-thirds of all IRBs have benefited employers in the Frostbelt states. And many states earmark IRBs specifically for distressed areas. For example, the Massachusetts Industrial Finance Agency has been able to attract $140 million of investment to distressed downtown areas by using IRBs for specific commercial real estate projects.

Commercial real estate projects such as regional shopping malls, which pull shoppers away from economically distressed downtowns, are the most often cited abuses of IRBs. Yet Treasury staffers have consistently refused reforms that would directly eliminate this abuse. Instead, the Treasury intends to make all tax-exempt bonds as unattractive as possible.

Rhetoric: The IRB program stimulates little additional private investment. Almost all of the investment that occurs with IRBs would occur without them.

Fact: The CBO estimated that in 1986 IRBs would generate over $4 billion in additional gross national product, including $2.2 billion in private salaries and wages. That would serve to pay 150,000 workers at $15,000 a year each. If these IRBs take away $700 million from federal revenue in the same year, as the CBO estimated, the program would cost about $4,700 a job—vastly less per job than the CETA program for example.

Fact: Though high interest rates have caused an increase in IRB financing in recent years, because of inflation today's $10-million ceiling per municipality for each company actually means that a company can buy less plant and equipment than it could under the original $5-million limit enacted by Congress in 1968. As the CBO noted, "The $10-million . . . limit effectively keeps most large corporations from making much use of [IRBs]."

Rhetoric: IRBs don't help distressed areas.

In Massachusetts we have seen firsthand the impact that small business private investment can have. For decades, traditional New England industries left Massachusetts for other states and countries with cheaper labor. From 1960 to 1975 the Commonwealth lost 120,000 manufacturing jobs—one-fifth of all such jobs existing in 1960. The state hit bottom in 1975 when unemployment reached nearly 50 percent more then the national average.

Since then the growth of high-technology companies and many traditional industries has buoyed the state's economy. Unemployment in the state over the past three years has been consistently lower than the national average and second only to Texas as the lowest among the 10 major industrial states.

The Massachusetts Industrial Finance Agency has stimulated much of this growth with industrial revenue bonds often combined with loan guarantees. Projects assisted with bonds in the last two years alone will result in over 12.5 million square feet of new industrial space. Companies using the bonds will create 47,000 new permanent jobs and 18,000 man-years of construction work.

Smaller companies have overwhelmingly been the beneficiaries of this financing. One-half of the companies aided by the agency had sales of less than $5 million, and three-fourths had sales of less than $20 million.

Recently we surveyed companies that had received IRBs to determine how important the lower interest rates were to their expansion. Coopers & Lybrand reviewed and certified the result. Of the 200 companies responding, 93% would have been forced to reduce their expansions without IRBs. One-third would have canceled their expansion outright; another third would have delayed their growth; and one-fifth would have cut their expansions, on average, by 40%.

Thus far, IRB opponents are winning the fight in Washington. IRBs can be saved only if small businesspeople, and the thousands of employees who owe their jobs to IRB-financed plants, express their dismay to their congressmen over the Treasury Department's latest attack.

Small business—and the country—can't afford to lose this battle.●

MILITARY LOGISTICAL SUPPORT

● Mr. NUNN. Mr. President, I am pleased to bring an excellent article on military logistical support to the attention of my colleagues.

Army magazine recently published "How Sharp the Teeth if the Tail Won't Thrash?" which was written by Roy A. Werner. Roy is well known in this field having worked for Senator JOHN GLENN as his defense and foreign policy adviser and having served as the Principal Deputy Assistant Secretary of the Army for Installations, Logistics, and Financial Management from 1979 to 1981. Mr. Werner is now the corporate director of policy research for the Northrop Corp. Mr. Werner outlines some critical deficiencies in communications, transport, munitions, and medical support, shortages which directly impact on our defense posture by significantly impairing our capacity for rapid response and sustained operations in a crisis situation. Further, Mr. Werner suggests several policy changes to help correct these logistics problems and enhance our overall defense preparedness. His suggestions relating to POMCUS, sealift, and ammunition expenditures are particularly worth consideration by top U.S. policymakers.

His overall analysis is perceptive and enlightening, and I highly recommend it to my colleagues. I am sure that this article and his views will continue to be of assistance to those of us in Congress as we work to strengthen our national security requirements.

Mr. President, I ask that this article be printed in the RECORD.

The article follows:

[From the Army magazine, February 1982]

OUR LOGISTICS LAG—HOW SHARP THE TEETH IF TAIL WON'T THRASH?

Logistical readiness is the single most important element in immediately improving Army combat readiness—not more sophisticated weaponry. Since 1974, the Army has added more than 50 combat and combat support battalions within a relatively fixed end-strength authorization of 780,000 people. Clearly, early combat power has been maximized.

Yet, today the Army is outmanned, outgunned and outtanked by its Soviet adversary. The Soviets continue to increase their quantitative edge while maintaining rough qualitative parity. A NATO deterrent that is not credible because of logistical shortfalls will hardly persuade the Soviets to think again.

Ironically, this growth in early combat power has exacerbated logistical problems. A continuing issue between OSD (PA&E) (Office of the Secretary of Defense for Program Analysis and Evaluation) and the Army in the last four years has been the imbalance between combat and support forces. This debate is hardly new: historical ratios reflecting costly battlefield experiences are shown in Figure 1.

Admittedly, the geographic arena, tactics and allies all make this data casually specific. However, the general trend line of requiring massive increases in logistical support—especially given the firepower and lethality curves of modern weapons—is a valid generalization.

The problem has not arisen overnight. Declining budgets, necessary weapons modernization, an emphasis on D-day readiness as a deterrent, confused logistics concepts, and the ever-present dreary lack of appeal that nuts-and-bolts issues hold for many senior military and civilian personnel have all contributed to a decade of neglect.

Institutionally, the lack of vocal "operations and maintenance" supporters in Congress (now changing), OMB (Office of Management and Budget) and OSD have probably hurt logistics readiness even more than artifically low OMB inflation guidance and periodic fuel increases. This neglect will-be shockingly evident to the American people if war comes, because their sons and daughters will be buried in mass graves on the battlefield due to the lack of graves registration personnel in active and reserve units.

Wars are won when the available military means are brought into an interrelationship with the geographical and tactical realities in the zone of operations. But the General Accounting Office reported in 1978 that "since the U.S. forces' relocation from France in 1967, the Army has been trying to get a stable wartime supply line to support its troops in central Europe. Despite concerted efforts, there is still no reasonable assurance that adequate resupply stocks arriving from the United States could be delivered to U.S. combat troops in a crisis."

Further, severe shortages in prepositioned war reserve stocks held in Europe further weaken any combat staying power beyond several weeks. Add to these the already publicized problems with unit readiness and manpower shortages. Indeed, logistics units are generally in poorer shape—more undermanned and lacking more equipment—than combat units. The net result is an army that can be defeated if resupply cannot be effected.

In line with the realization that our diminished economic status demands that allies do more, emphasis has been placed on the concept of "host nation support." But this doctrine is complicated by German laws prohibiting civilians in forward battle areas, uncertainty regarding the use of German territorial reserves, potential sabotage, inadequate planning in the Benelux countries, and, of course, the unknown chaos of war. It

seems likely that extensive use can be made of the allies' transportation assets. However, German railroads and bridges are susceptible to Soviet interdiction at key locations.

This situation will be critical at marshaling yards, bridges and electrical power stations. Moreover, German railroads are naturally less numerous near the forward combat zone.

But the drastically reduced U.S. logistics force structure means that insufficient personnel are available to "hump" ammunition (a necessity given insufficient forklifts) deliver spare parts, distribute gasoline and oils (a severe problem if the Metz pipeline is disrupted) and repair equipment on the battlefield. Also, our NATO alies have only limited intratheater mobility.

Combat service support units are dependent upon the reserve structure for more than 60 percent of their ultimate capability. Yet, reserve readiness for rapid depolyment is questionable. The equipment that reservists train on its often quite different and, most significantly, airlift priorities may squeeze such units out of early arrivals.

The range of heavy equipment that must accompany early deploying troops, prepositioned equipment shortfalls, the time necessary to generate maximum aircraft utilization rates, the condition of aerial ports in Europe, and the time after arrival in Europe to issue equipment all weaken the likelihood of achieving early combat power. Hence, both mobilization doubts and transportation difficulties multiply resupply problems.

Faced with Soviet numerical superiority in many weapon systems, we also lack the capability to achieve desirable rates of battlefield recovery and repair, especially heavy equipment transporters. Although study groups are at work on this problem, there is a limit to what efficiencies can do in the absence of sufficient weapon systems.

The most severe logistical problem is in adequate war reserves. For years OSD and the Army have been bickering over ammunition expenditure rates and combat loss rates. What the present Administration must do is to develop an agreed-upon methodology and then alleviate the shortfalls. For by any standard, the Army in Europe would have to curtail firing rates in the midst of battle unless the situation is corrected.

Another continuing problem is the acute shortage of repair parts. Although aerial delivery has dramatically improved peacetime responsiveness, the uncertainty of aerial ports during war and the difficulties of delivery to units on a fluid battlefield suggest greater stockage levels with combat units. U.S. Army, Europe, has already begun to move war reserve stocks forward to allow a speedier issue in the event of hostilities, but improved management visibility over these stocks is still desirable.

The intense firepower of modern war leads to immense consumption rates for ammunition. Yet, the Army lacks specific levels of ammunition in particular mixes and the facilities to store additional munitions. Resupply from the United States is going to be insufficient because of out-loading shortfalls—the result of safety requirements (waiver provisions on U.S. ports are unclear)—and military facilities without sufficient tonnage capabilities. Production capacity and deteriorating rail networks also need examination.

Finally, allies will request ammunition from the United States in the early stages of war because of their own limited quantities and mixes. Thus, we should be encouraging greater European production or purchase of ammunition, a solution that NATO governments with their national prerogatives ought to be able to tackle. Sustainability, the percentage of demand supportable over time, is seriously weak for ammunition.

COMBAT TO COMBAT SERVICE SUPPORT FORCE RATIOS

[In percent]

	Combat	CSS
Start World War I	87	13
End World War I	66	34
Start World War II	88	12
End World War II	57	43
Start Korean war	67	33
End Korean war	60	40
Start Vietnam war	75	25
End Vietnam war	53	47

Rapid mobilization and deployment are crucial to the successful execution of our national strategy. But the 1978 exercise "Nifty Nugget" confirmed what many logisticians had known: the United States is unprepared to go to war. More recently, Mobex-80 identified new deficiencies and incomplete progress on correcting earlier faults.

Renewed emphasis must also be placed on exactly what an "industrial base" is supposed to accomplish and in what time sequences. Presently, industry receives no funds for the active planning of a responsive surge capability. But before money is thrown at the problem, analysts need to consider the rapidity of technological change, the eroding subcontractor network, future skilled-labor mixes, and dependency levels for imported raw materials.

Import levels of raw materials, however, do not reveal dependency levels, since stockpile inventories alternate sources of supply and substitution prospects are not calculated. In the foreseeable future, the industrial base is unlikely to influence significantly the first six months of war or to compensate for war reserve stockpile shortages.

Thus, a reliable surge capacity is needed—and to some extent exists—and planning funds should first be directed there. Then, facing squarely the obsolescence curve, an analysis should be made to consider whether it may not be wiser for the government to grant special tax incentives and cash awards for the defense industry to modernize at levels beyond expected business demands.

This may be preferable to once again paying for tons of equipment that will rust away before being used, at less than effective production rates.

Automated data processing, severe shortages of medical personnel and communications support are other areas of glaring weakness. One of these may be corrected if civilian end strength is increased during the current session of Congress. Army depots, the unsung heroes of World War II, do not have enough personnel to accommodate a wartime surge. Some help will come from the assignment of longer term deploying reserve units to the depots in the earliest stages of war.

Across the Atlantic, visibility over intransit cargo will be weak, and computers in Europe lack both hardening and capacity. What few supplies that may be around at D + ten may not be properly distributed, and we lack either the manpower or knowledge to undertake a manual-resupply effort.

Even with the assistance of European medical personnel, projected casualties are greater than facilities and personnel can care for in the early stages of combat. Evacuation from the theater to the United States is a partial answer—if that can be arranged.

The Rapid Deployment Force (RDF) mission further complicates logistical planning. Transportation of both personnel and equipment is essential because of limited prepositioned stocks. Escalation control is inherently involved because the force first reaching the objective shifts the burden of escalation to the other superpower.

Given shorter distances from Soviet bases to the Persian Gulf, the Soviets already have one major advantage. Indeed, U.S. stocks may be malpositioned, given basing problems and geographic spread. In addition, an RDF mission without a declaration of national emergency means constricted lift assets. Commercial and military fleets are heavily container-oriented, but many potential RDF ports lack container off-load capabilities.

This same degree of difficulty exists with respect to fuel, drinking water and repair parts.

In effect, a RDF mission would strain U.S. logistical capabilities; the simultaneous execution of a NATO defense and a RDF mission is beyond the present capacity of U.S. forces. Yet, that may be the most plausible scenario for a future war.

What then is the unfinished agenda? On a purely personal basis, it seems to me that the following tasks suggest themselves:

Resolve the host-nation support issue so that all parties can begin to undertake the necessary force-structure changes and clear up mobilization ambiguities.

Task a senior OSD official with analyzing the industrial base in light of a range of scenarios and developing an investment plan for its modernization and both surge and long-term capacity.

Further refine scenarios using actual times for deployment, not notional estimates. This must include extensive analysis of reserve readiness and upgrading where necessary in the areas of manning, equipment and training.

Examine the prospects for stateside port prepositioned equipment (POMCUS), recognizing that further POMCUS stocks in Europe only draw down active and reserve components units, degrade training, heighten vulnerability and, most importantly, limit flexibility outside for deployment beyond Europe.

Move on with plans to increase airlift capacity with C-5A wing modification extending lifetime beyond the year 2000, and the stretching of C-141 aircraft, that by adding 23 feet creates the equivalent of about 90 more aircraft without additional maintenance and flight crew personnel.

Refine the program that enables rapid use of civilian airline fleets by enlarging doors and reinforcing floors. Stock additional repair parts and crews to achieve higher wartime utilization rates.

Examine sealift with particular attention being paid to the trade-off between fast sealift and further POMCUS overseas. Continue to upgrade the readiness of the National Defense Reserve Fleet. Restore physically a senior naval officer to the liaison billet at the Maritime Commission, and improve present plans to use NATO shipping assets in an emergency.

To facilitate RDF missions, roll-on, roll-off ships are essential to move heavy divisions and should be procured for the Military Sealift Command.

Critically examine ammunition expenditure rates, stocks, allied needs and production, then decisively fill imbalances while continuing the emphasis on uploading munitions.

Arthur Wellesley, the Duke of Wellington, said during the Peninsular Campaign, "To guide a biscuit from Lisbon to a man's mouth is a matter of vital importance, for without biscuit no military operation can be carried out."

It ramains a truism: without logistical support, no army can fight outmanned and win.●

TAX ON ASSETS

● Mr. CANNON. Mr. President, all of us are laboring to find commonsense solutions to the economic grief spreading in our country today.

We debate the need for a sense of fairness in the distribution of the tax burden and the frustration in which we find ourselves at this point in time, wherein budget cuts do not go far enough and various economic theories seem impotent in the face of interest rates which refuse to shrink and rising unemployment at a time when our productivity needs a shot in the arm.

This is a time when we have to call upon the intelligence of the Nation—even outside of our deliberative efforts here in the legislative halls. It is for this reason that I wish to insert a statement of a constituent of mine, Paul Fisher of Boulder City, Nev., a successful businessman and independent thinker, who has proposed some drastic changes in our economic thinking and the manner in which we levy and collect taxes. For, certainly, we need not be reminded that if the vast majority of American taxpayers do not view our system as fair and our sacrifices as capable of leading us out of this deepening recession, all of our ministrations will avail us nothing.

Mr. Fisher proposes that we study a tax on assets, in the belief that the richest Nation in the world, with over $15 trillion worth of assets largely untaxed, must be closely examined.

Mr. President, I commend his brief statement to you and to Congress as a novel change of direction in our economic deliberations worthy of thought and study, and ask that the article, which appeared in the Washington Post on May 11, be printed in the RECORD.

The article follows:

I HAVE A DREAM

Our Government can end the recession, reduce unemployment, balance the budget, and stop inflation by applying the scientific technique to our economic problems: Common sense tells us that there is no excuse for our Government not to balance its budget because this is the richest nation in the world with over $15 trillion worth of assets that are now largely untaxed.

Begin with two simple steps:

1. Stimulate the economy and end the recession by abolishing all (income and all payroll) taxes on the first $10,000 of income for everyone.

I estimate this will put $80 billion extra into the hands of those who need and deserve it most.

2. Balance the budget with a modest, nonconfiscatory, graduated tax on all of those $15 trillion worth of assets. All organizations (without exception and including government) should be taxed on exactly the same basis.

Exempt the first $200,000 of assets owned by each individual and each organization.

Tax the next $10,000,000 in assets (with no credit for liabilities) at the rate of 1% per year, the next $100,000,000 at 2%, and all assets over $100,000,000 at a maximum rate of 3% per year (a fair and reasonable governmental charge for helping to defend those assets).

I estimate that this will raise $225 billion per year over and above its additional cost to our Government. This will balance the budget without depressing the economy nor adding to inflation.●

RECESS UNTIL 1 P.M.

Mr. STEVENS. Mr. President, I ask unanimous consent that the Senate stand in recess until the hour of 1 p.m. today.

There being no objection, at 12:16 p.m., the Senate recessed until 1 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. SIMPSON).

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

FIRST CONCURRENT BUDGET RESOLUTION

The PRESIDING OFFICER. The Senate will resume consideration of the pending business, which the clerk will report.

The legislative clerk read as follows:

A resolution (Senate Concurrent Resolution 92) setting forth the recommended congressional budget for the United States Government for the fiscal years 1983, 1984, and 1985, and revising the congressional budget for the United States Government for the fiscal year 1982.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I yield myself, at the onset, 1 hour.

Mr. President, I bring to the floor today a document that promises hope for the American economy. It also promises to be a most controversial document, because it recommends a fundamental change in the way the Federal Government does its business.

The first concurrent budget resolution for fiscal year 1983 asks the Congress to do some things that Congress has never found the ability to do. The resolution asks that Congress restrain growth in Federal programs: That is, that Congress restrain itself, in an election year. I am told that such a thing cannot happen. The resolution, for reasons that I will go into at some length this afternoon, says that such a thing must happen.

I recall a story that I was told by my good friend LEON PANETTA, the Congressman from California who has played such an important role in the budget process in the House. LEON recalled the story of the frog and the spider. Both were stranded on a lily pad in a flood. Soon, the flood would overwhelm them both. The spider asked the frog to carry him through the waters to the safety of the shore. The frog asked, "If I do that, you will bite me and I will die, won't you?" The spider replied, "Of course not. We would both die. Why should I do that?" So, the frog allowed the spider to get on his back and, halfway to shore, the spider bit him. As they both sank to their deaths, the frog asked, "Why did you do that?" And the spider responded, "Because it's my nature."

I can assure my friends that if, indeed it is Congress nature merely to spend and spend in an election year, and if it is Congress nature to avoid hard votes in an election year, then we may deliver a fatal bite to our Nation's economy this year. This resolution says, "No, even in an election year Congress can and must act."

We shall see in the following weeks whether this resolution, which embodies the hopes of the Senate Budget Committee and carries the strong support of the President of the United States, can prevail, or whether the so-called nature of Congress will prevail. And, on the outcome of that battle hinge millions of jobs, thousands of business bankruptcies, and untold numbers of dreams.

This resolution has been criticized at some length during the past week, even though it has not been on the floor. In fact, it was criticized before it was even reported out of committee. It has been called premature, unfair, and harsh. I judge that all of this rhetoric simply means that the resolution asks some very tough decisions on the part of the Senate.

Let me repeat what I said earlier this week. I plead guilty to bringing before the Senate a resolution that asks the action this resolution asks. I plead guilty to the accusation that this budget breaks with the past. I plead guilty to the charge that this budget asks Congress to do what it has too rarely done in the past 25 years—show fiscal restraint.

Yes; this budget confronts squarely and honestly the question of the pending bankruptcy of the social security system.

Yes; this budget says, "no growth" to many areas of Government spending.

Yes; this budget asks for slowing the rate of growth of entitlement programs.

Yes; this budget recognizes that defense spending must increase, but at a slower rate than we had originally hoped possible.

And, finally, yes; this budget says that in order to buy the good things this Congress wants to buy for America, we must raise taxes during the next 3 years.

In summary, the main problem with this budget resolution is that it is absolutely honest. May I repeat: In summary, the main problem with this budget resolution is that it is honest. It lays out for all to see the problems confronting us. It shrinks from none of the results of our past fiscal decadence.

And, predictably, many of my colleagues already are running away from this budget resolution as though it were the plague.

I will repeat what I said last year to the President, and which he has used since:

> You can run, but you can't hide.

You cannot hide from the growing might of the Soviet Union.

You cannot hide from the out-of-control growth in medicare and guaranteed student loans, as well as other entitlements.

You cannot hide from deficits so large that they could threaten our entire financial structure.

You cannot hide from the precarious nature of our national economy now and the prospects for even more serious problems in the future, unless we act boldly.

Finally, you cannot hide from the impending bankruptcy of social security.

This resolution merely asks the Congress to stop running and to stand and fight.

The budget resolution that the Budget Committee has passed with the support of the President does not promise miracles for the American economy. The days of miracles are past—if, indeed, they ever existed. But although it promises no miracles, it does offer a fair, responsible, and straightforward approach to our Nation's needs and social goals within the constraints placed upon us by the state of the economy.

The committee has recommended substantial savings in outlays, proposed savings of $275 billion during the next 3 years. I do not wish to split hairs, but I would like to note that the term savings is not merely a euphemism for spending cuts. The largest single type of budget savings proposed by the committee—roughly $106 billion—is a saving in net interest. This saving does not require cuts in any Government program that serves our social goals. It is a genuine saving brought about by the lower interest rates and the lower deficits that are expected to occur if our proposed resolution becomes national policy.

Although I think savings is the best general word for the reduction in outlays the committee suggested, I will candidly admit that the resolution also proposes some reductions in growth and a very few actual cuts in Government spending programs. I do not expect every Senator to like every proposal, and I certainly do not expect special interests and lobbyists to be calm about our proposals. Nor will I try to defend every individual proposal the committee made in its effort to keep Federal outlays within reason. But I will defend the entire package.

In our debate, we should not forget that the entire package is what matters, not the individual items. The Budget Committee does not have jurisdiction over any individual program or any line items in the budget. It naturally has to examine the budget in detail to make sure that its recommendations are possible and reasonable. But its proposed budget resolution, if passed, would only set the broad outlines of the budget. Thus, it is appropriate that the budget be considered as a package, not as a collection of individual items.

In its resolution, the Budget Committee recommends revenue increases of $95 billion during fiscal years 1983, 1984, and 1985. It proposes that these revenue increases be instituted without tampering with the individual tax cuts that were passed last year. It also proposes that $6 billion in new user fees be raised. The committee, of course, recognizes that only the Finance Committee has authority to give final advice to the Senate on the details of revenue decisions.

I submit that as a package, this budget resolution is very, very good. It brings deficits down dramatically from $117.7 billion in 1982 to $39.5 billion in fiscal 1985. It reduces our projected deficits by a total of over $400 billion in this 3-year period.

RESOLUTION REDUCES DEFICITS

I would like now to take a closer look at the projected deficits. The chart in the rear of the chamber tells the story. Without some action to reduce deficits, deficits would have skyrocketed to $233 billion as they did in the baseline projection. However, if the committee's recommendation is accepted, deficits will steadily decline and a balanced budget will be within reach once again.

That is shown very graphically by the chart, the last column being especially dramatic. The darker colored bars show what we start with—the baseline deficits. The lighter colored bars, the very small ones, show the deficits we will end up with if the policies assumed in the budget resolution are carried out and the economic assumptions, which as I indicated are rather reasonable, become a reality.

Deficits in our baseline projections are large for one simple reason. Outlays are growing rapidly and revenues are also growing but not as rapidly.

Let me rephrase that. Deficits in our baseline are large for one simple reason. Outlays and revenues are both growing, but revenues are not growing as rapidly as outlays.

RESOLUTION NARROWS BUDGET GAP

The next chart clearly depicts the significance of this resolution in this one very significant characteristic or quality, the narrowing of the budget gap.

On this second of the charts, the two solid lines represent the outlays and revenues which are likely to occur if Congress does not take responsible action on the budget. Note that the gap between outlays and revenues gets wider every year.

The two broken lines represent the outlays and revenues that are expected if the committee's recommendation is accepted. Here, the gap narrows every year. The chart also shows that the proposed budget resolution changes both revenues and outlays, and that it permits overall Government spending to continue to increase. Again, I might note that we are talking about budget savings, restraining growth, not budget cuts. But regardless of terminology, the committee has unequivocally recommended a significant reduction in deficits, a reduction that is urgently needed.

The question that appears obvious to this Senator and obvious to most of those who have helped us, who testified before us and advised us, from all parts of the country is: Why is it so necessary to reduce our enormous deficits?

One answer, one very important answer, is that deficits are projected to be completely out of proportion to the real economy, unless Congress acts. To put it in less-technical terms, Federal borrowing for deficits is growing faster than anything the Government can tax to pay for the borrowing. Not only are deficits projected to grow faster than actual tax revenues, they are projected to grow faster than potential tax sources.

RESOLUTION LOWERS DEFICITS AS A PERCENT OF GNP

Let us look at the next chart, lower deficits as a percent of our total productivity, the GNP. This chart shows that deficits, during the last two decades, were fairly small compared to the size of the economy. But look at what would happen in the next few years if no action were taken to reduce our deficits. The red line, the baseline projection, shoots up to levels the Nation has not experienced in an entire generation. In fact, to find levels higher than this, we would have to go all the way back to World War II. Our deficits would rival those of the depression days in their relationship to our economy.

On the chart, the committee's recommendation is represented by the broken line. The proposed budget resolution would significantly lower deficits as a percent of GNP. I think our choice is clear. We need to take action now even if it is against our nature.

I know there are people in this room who believe that deficits are not important for one reason or another. I will not attempt to convince them at this time, but I will say that the weight of public opinion and academic opinion is firmly against them. And if our constituents feel that deficits are too high now, imagine how they would feel in 1985 when deficits, unless we act, will be so much higher.

Another important answer to the question, Why is it necessary to reduce our enormous deficits? is that Federal borrowing, in the absence of bold congressional action, will intrude more and more in financial markets. Borrowing under Federal auspices has ballooned in the past two decades, as the next chart indicates.

RESOLUTION AIDS FINANCIAL MARKETS

In our best years for economic growth, this borrowing absorbed less than one-fifth of the available credit.

Mr. President, you will note that in those years of sustained growth, 16 to 20 percent of the available resources—to wit, the collective savings of our people and their institutions—were absorbed by our National Government. In the years immediately ahead, unless we control our deficits, direct and indirect Federal borrowings will require over half of all the funds available in the Nation's credit markets. Can anyone seriously believe that interest rates will move down and stay down when the Federal Government's credit demands are 57 percent of available funds?

Can anyone seriously believe that business will expand and create new jobs under such conditions? I do not.

Can anyone believe that those who lend money and make judgments regarding credit will believe that they can lend at lower rates with this kind of projection about crowding out? When the Federal Government needs to borrow money, it has no alternative. Those who lend it, however, have a choice. They have little or no pressure to lend money to the Government. The Government must borrow; they can lend. That is why I believe that the committee's recommendations are necessary, so vital, so urgent.

Let us look at the chart again. The committee's proposal is projected to bring the Federal share of the Nation's credit down to 25 percent, or half of what it is today. That has to have a beneficial effect on interest, business expansion, unemployment, growth, and jobs.

Mr. President, I said this budget resolution was not going to promise miracles and I do not think it does. I do not think the committee voted miracles and I did not recommend that they count on them. But I can say fairly that our economy would be in far better shape if the proposed resolution became national policy than if our baseline projections came true.

Although I have noted that deficits are a growing problem and the resolution offers a responsible way to deal with them, I have not yet mentioned the most misunderstood part of the budget resolution: The steps to keep social security solvent. I should like to say here, with the greatest respect to all of those who have easy answers to this, such as taking it off budget, the facts will not change. If we take it off budget, the facts are the same. Those same people who are worried about future inflation and will not let interest come down, they will know that social security is in trouble, even if we take it off budget. To try to take it off the budget, I say, is to try to cloud the issue or hide the issue. So let us talk about it.

I sense that while this budget resolution has many difficult decisions, the most misunderstood is that part of the resolution dealing with social security. The problem, as the committee faced it, is that the amount of reserves in social security trust funds is projected to be dangerously low in the very near future. Let us look at that chart.

RESOLUTION KEEPS SOCIAL SECURITY SOLVENT

As it indicates, actual reserves have been declining for several years. They are projected, in the absence of congressional action, to reach the minimal acceptable level of reserves—not in 1993, not in 2030, but in 1983, the first year of this 3-year budget. This level of reserves is indicated by the shaded area of the chart—that is the insolvency danger area.

Now let us focus on the red line. That is what is projected to happen to the social security trust funds if we ignore the problem. The amount of reserves drops below the minimum level required for solvency within 14 months. This means, if that happens, that the 36 million people who receive social security benefits may not receive them on time, or at least would not recieve them in full. At that point, I imagine, and I hope, that Congress would do something to correct the problem.

But why should we wait until there is a crisis? Why should we wait until the last minute and then act hastily, perhaps foolishly? We know that we are going to have a problem very soon.

I note with some amusement an article by Irving Kristol in the Wall Street Journal. His remarks illustrate why economists and sociologists run risks when they get into politics and political matters. His opinion is that Republicans are playing into Democratic hands if they raise the social security issue. He thinks that we shall scare so many people that they will vote against us.

I disagree. I believe that most Americans know how serious the problems confronting social security are. Poll after poll shows that. The majority of the elderly believe that social security is in trouble and the overwhelming majority of younger workers in this land simply believe that the tens of thousands of dollars they are paying into this fund are being poured down a rat hole, they say. They do not believe social security will even be around when they reach the age that they should begin to get benefits.

Yet we are urged to wait. We are urged to run. We are urged in the name of some alleged political advantage to pretend that no problem exists.

I still believe that good public policy is good politics. I believe that guaranteeing that social security can survive is good public policy and good politics. It is also our moral duty, whether it brings us trouble or not. I frankly believe that the tide of public opinion will be with us and I think we are seeing in both the print and the electronic media the expression of that tide. We are right on social security and the American people know it.

No one denies that social security is in trouble. The Office of Management and Budget, the Congressional Budget Office, the trustees of the social security system, social security actuaries, and the Budget Committee have all looked and come to the same conclusion: We have a problem and it is serious. Interfund borrowing cannot and will not keep the fund solvent.

Some funds will go under sooner than others, it is true. One will be in serious trouble in just 14 months, but all the funds combined will be insolvent by 1984. Then there will be no fund that has enough money to lend any other one.

With or without interfund borrowing, the committee felt it was our solemn duty to act now so that the Federal Government's commitment to social security recipients can be met next year, the year after, and all the years after.

It is amazing, Mr. President, how the issue of social security solvency has been presented. Let me repeat the last statement: With or without interfund borrowing, the committee felt it is our solemn duty to act now so that the Federal Government's commitment to social security recipients can be met next year, the year after, and all the years after. You would not think, from what we have heard, that solvency was the issue. That it the issue. The issue is the amount of dollars that this committee found will be necessary if we are going to live up to that commitment.

Is that not amazing? That is a cut, someone says. It is not a cut. But if we do not somehow fix it to that extent, then there is not going to be enough money for the checks. So what do we do?

Some say take social security off budget. I just answered that a while ago. That will fool nobody. Some say it is balancing the budget on social security. How could that be if the facts are that if we do not find this amount, either in reform or taxes, there will not be enough money to make the checks?

If we say "Find that much, fix it that much," how can we be balancing the budget on social security? Those who believe that are just saying that we are not going to do it, right? But if we do not do it, what happens? Most probably there is not enough money around to pay the checks.

How could this be a cut resolution? It is a solvency resolution. It is a "but for this amount there will not be money to make the checks resolution." It is honest. It is telling the truth in the budget. And then it is even more, because if this Congress adopts it, it is saying to those 36 million people who are waiting to see if they are going to get their checks in full in 1983 and 1984 and 1985, and those in our country who are wondering whether we are going to have truth in budgeting and a credible budget, saying to all of them, "That much is needed to make it solvent, and if Congress votes it in, the appropriate committees must act before the year is out." It says do it by December 1, after the Commission has reported.

Now, that is pretty good medicine for the size and dimensions of the ailment. To ignore it, to take it off budget, to say no, it is against our nature, is to ignore the ailment—no cure provided. As if it will simply go away.

Our analysis is that the system needs $6 billion in 1983, $17 billion more in 1984 and $17 billion more in 1985. If this recommendation is accepted, the trust funds will have sufficient reserves to stay solvent. They will not be as comfortable as they were in the seventies, but at least they will have enough on hand to make payments on time.

In making its recommendations, the committee does not do two things it has been accused of. And I repeat, because it is not just the Senator from New Mexico, it is a fine, super, dedicated committee: The committee in making its recommendations does not do two things it has been accused of.

First, it does not ask Congress to take any legislative action before it receives the report of the National Commission, the National Commission on Social Security Reform. The proposed budget resolution in fact calls for the Commission to expedite its work and report before November 11. Far from trying to ignore the work of that Commission, the Budget Committee's proposal would direct the Finance Committee to consider its recommendations immediately and report legislation to the Senate only after it has done that.

It is unfortunate that certain Members of Congress benefit from sowing confusion on this issue, and I understand that; I know that is our nature. I am not saying it should not be done. I am just saying it is unfortunate.

I say let the truth be known. The resolution that the committee is proposing welcomes the recommendations of the National Commission and provides a way that they can be acted on.

Second, the committee's recommendation does not, and I repeat, does not propose any cuts in benefits for social security retirees.

RESOLUTION GUARANTEES GROWTH IN BENEFITS FOR SOCIAL SECURITY RETIREES

Now, this is an interesting one. Immediately after the numbers came out, somebody divided the number of social security recipients into $40 billion and said they are going to be cut $1,100, and that message has gone across this land.

Well, let us look at this chart. As this chart points out, the average annual benefit will increase over $1,200 in 1983, 1984, and 1985 at the minimum under the committee's proposal. If all the $40 billion necessary to make the fund solvent was arrived at through benefit reforms, the money left would still allow over $1,200 as an average increase during those 3 years.

None of the critics has bothered to do that arithmetic. We know that there are not going to be across-the-board benefit reductions if there is reform, plus some tax revenue. It means that payments to many recipients may be kept entirely intact while reform may affect others. Benefits could indeed increase more than this, but they need not increase less than this if the resolution is accepted.

The committee proposes solvency actions totaling $6 billion in 1983, and $17 billion for each of the next 2 years without specifying how they will be achieved.

This has confused people, so let me tell the Senate what it means and what will happen.

The Finance Committee and ultimately the Congress will make the final decisions on how solvency is achieved. They have three options—no more, no less. First, growth in benefits, which has been simply phenomenal during the last decade, could be slowed somewhat. Second, the revenues into the system could be increased either from general revenues or earmarked taxes. Third, and most likely, a combination of increased revenue and slower growth could be agreed to.

None of these three alternatives, however, necessitates a cut in benefits from current levels. Any one of them, in fact, accommodates substantial growth.

So there are the facts and they are here in this resolution recommended by this committee. The committee's recommendations will reduce deficits by essentially keeping discretionary accounts for the next 3 years at the 1982 level. Not a cut in spending, a freeze. As I indicated in my earlier remarks, looked at as a package, for all of those discretionaries, the sum total will be a freeze. There is flexibility because those are only targets for the Appropriations Committee to work within. That committee may decide that some programs will go up while some come down, but the freeze is a collective or a cumulative freeze.

Next, our recommendation will reduce the growth of entitlements—not a cut in spending, but a reduction in growth.

Next, or recommendation will slow the rate of increase for defense. Again, not a cut but a slowing. And our recommendations will ask for additional revenues which are about one-third as large as the outlay savings we request. The ratio is about 3 to 1. That is, $3 in savings to $1 in new revenue.

That was deemed appropriate in this committee's judgment.

Let me conclude by saying that I frankly did not believe that a budget could emerge from our committee 3 months ago. That it has emerged is a tribute to the extraordinary courage and ability of the members of the committee who put aside deeply help personal convictions in some cases in order to vote for the resolution. To them, and to their strong support for the chairman during the difficult past 3 months, I offer public thanks and deep gratitude.

I believe that budget is sound, that it is fair, and that it ought to become the law of the land in all its manifestations. And, while it predicts no miracles, it does promise to be an important part of our national efforts to avert the disastrous consequences of doing nothing.

Mr. President, I recommend the passage of the budget resolution without reservation.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. Mr. President, before the Senator from Louisiana takes the floor, I suggest the absence of a quorum. I want to talk with him for a moment.

The PRESIDING OFFICER. On whose time?

Mr. DOMENICI. On the time of the Senator from New Mexico.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. DOMENICI. I object, Mr. President.

The **PRESIDING OFFICER.** Objection is heard.

The clerk will call the roll.

The bill clerk continued the call of the roll.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER.** Is there objection?

Mr. KENNEDY. I object.

The **PRESIDING OFFICER.** Objection is heard.

The clerk will call the roll.

The bill clerk continued the call of the roll.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. DOMENICI. Mr. President, I object.

The **PRESIDING OFFICER.** Objection is heard.

The clerk will call the roll.

The bill clerk resumed the call of the roll.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded, so that Senator Riegle and I can offer an amendment to repeal the $40 billion in cuts in social security.

Mr. STEVENS. I object.

The **PRESIDING OFFICER** (Mr. Warner). Objection is heard.

The clerk will call the roll.

Mr. KENNEDY. Mr. President——

Several Senators. Regular order.

Mr. KENNEDY. Mr. President——

The **PRESIDING OFFICER.** Under the rules, the Chair is not able to recognize the Senator from Massachusetts. A quorum call is in progress.

Mr. KENNEDY. Is the Senator entitled to ask unanimous consent to offer an amendment to restore the funds for medicare?

Mr. DOLE. Regular order.

Mr. KENNEDY. Is the Senator entitled to offer that amendment——

Mr. DOLE. Regular order.

Mr. KENNEDY. If the Senator is not permitted, he would like to find out who is——

The **PRESIDING OFFICER.** The Chair will hear the Senator from Massachusetts and rule at the conclusion of his statement.

Mr. KENNEDY. Excuse me?

The **PRESIDING OFFICER.** The Chair will hear the Senator from Massachusetts and rule at the conclusion of his statement.

Mr. KENNEDY. Can I appeal the ruling of the Chair? I appeal the ruling of the Chair.

The **PRESIDING OFFICER.** Under the rule, a quorum call is in progress. Objection has been lodged to the withdrawal of the quorum call, and the call will continue.

The assistant legislative clerk continued the call of the roll.

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER.** Is there objection?

Mr. HEINZ. I object.

The **PRESIDING OFFICER.** Objection is heard.

The assistant legislative clerk continued the call of the roll.

Mr. KENNEDY. Mr. President——

Mr. DOLE. Regular order.

Mr. KENNEDY. Mr. President, what time did the quorum call start? It seems to me it started about 1:45; it is now 2:55.

The **PRESIDING OFFICER.** The Senator can——

Mr. KENNEDY. The majority leader has indicated we are going to have Senate business, and I ask, on the basis of the statement of the majority leader—I ask consent that this quorum call be suspended, so that Senator Riegle and I can offer our amendment to restore the social security cuts and the medicare cuts.

The **PRESIDING OFFICER.** The Chair wishes to advise the distinguished Senator from Massachusetts that, under the rule, the Chair has absolutely no flexibility. A quorum call is in progress. There has been objection to the withdrawing of the quorum call.

The rule referred to is on page 840 of Senate Procedure: "Business or Debate Out of Order in the Absence of a Quorum or During a Quorum Call."

Mr. KENNEDY. Mr. President, a point of information.

The **PRESIDING OFFICER.** The Chair regrets to say that it cannot entertain any further inquiry from the Senator from Massachusetts, under the rules.

Mr. RIEGLE. Mr. President, is a parliamentary inquiry in order?

The **PRESIDING OFFICER.** A parliamentary inquiry is not in order.

Mr. DOLE. Mr. President——

Mr. KENNEDY. Mr. President, as a point of inquiry, the majority leader indicated that the Senate would be in session for the purpose of doing business and receiving amendments.

The **PRESIDING OFFICER.** The Chair respectfully asks all Senators to refrain. The rule has been stated. The rule is precise in its term. A quorum call is in progress. Unless there is unanimous consent to withdraw it, the Chair will not entertain——

Mr. RIEGLE. Has the absence of a quorum been determined?

The **PRESIDING OFFICER.** A quorum call is in progress.

Mr. DOLE. Mr. President——

Mr. RIEGLE. How many Members are present?

The **PRESIDING OFFICER.** If the Senator will indulge the Chair——

Mr. KENNEDY. Will the Chair tell us what the rules say about the time for a quorum call?

Mr. DOLE. Mr. President——

The **PRESIDING OFFICER.** Under the rules, there is no limit on the time in which a quorum call can be conducted.

Mr. KENNEDY. For the Senator from Michigan to offer——

The **PRESIDING OFFICER.** The clerk will resume the call of the roll.

The assistant legislative clerk continued the call of the roll.

Mr. JOHNSTON. Mr. President, the quorum call is not in progress. The clerk is not calling the roll.

The **PRESIDING OFFICER** (Mr. Kasten). A quorum call is in progress. The clerk will continue to call the roll. The Senator is out of order.

The legislative clerk continued the call of the roll.

Mr. JOHNSTON. Mr. President, I repeat: The clerk is not calling the roll.

The **PRESIDING OFFICER.** A quorum call is in progress.

Mr. JOHNSTON. Mr. President, if the minority is expected to abide by the rules by refraining from speaking, then the clerk should also abide by the rules by calling the roll. The rules provide for the calling of the roll.

The **PRESIDING OFFICER.** The clerk is calling the roll. The Senator is out of order.

Mr. RIEGLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded. How many Senators have to be present——

The **PRESIDING OFFICER.** An inquiry is not in order. A quorum call is in progress. The Senator may request unanimous consent that the order for the quorum call be rescinded.

Mr. RIEGLE. I ask unanimous consent——

Mr. DOLE. I object.

The **PRESIDING OFFICER.** Objection is heard. The clerk will continue the call of the roll.

The legislative clerk continued the call of the roll.

Several Senators addressed the Chair.

The **PRESIDING OFFICER.** The Senate will be in order.

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER.** Is there objection?

Mr. KENNEDY. Mr. President, reserving the right to object.

Mr. STEVENS. Mr. President, let me say to the Senator what I wish to do and I appreciate his reserving the right to object.

Mr. KENNEDY. Mr. President, I am just reserving only for the ranking minority member to be able to speak.

The **PRESIDING OFFICER.** The Senate is not in order.

Mr. STEVENS. The Senator has every right to make that request.

The **PRESIDING OFFICER.** The Senator from Massachusetts may not reserve his right to object.

Mr. KENNEDY. Mr. President, I reserve the right to object.

The **PRESIDING OFFICER.** The Senator from Massachusetts may not reserve the right to object on the rescinding of a quorum call.

Is there objection?

Without objection, it is so ordered.

The Senator from Alaska is recognized.

Mr. STEVENS. Mr. President, it is my intention to yield to the Senator from New Mexico, who has committed himself to yield to the ranking minority member so he may make his statement as soon as we get some routine matters out of the way.

Mr. RIEGEL. Mr. President, if the Senator will yield for a question, does that involve also protecting the rights of the Senator from Massachusetts and myself to at least discuss the issue that we have been trying to raise here today?

Mr. STEVENS. I may say to my friend it does.

Mr. RIEGLE. I thank the Senator.

UNANIMOUS-CONSENT AGREEMENT—FTC USED-CAR RULE LEGISLATION

Mr. STEVENS. Mr. President, I ask unanimous consent that at 9 a.m. on Tuesday, May 18, the Senate proceed to the consideration of Senate Concurrent Resolution 60, a resolution to disapprove the Federal Trade Commission's used-car rule.

Further, I ask unanimous consent that the debate on Senate Concurrent Resolution 60 not exceed 3 hours, 1 hour to be controlled by the Senator from Wisconsin (Mr. Kasten) and 2 hours to be controlled by the Senator from Oregon (Mr. Packwood).

Also, I ask unanimous consent that, at the conclusion of the yielding back of time, the Senate proceed to vote, without any intervening debate, motion, appeal or point of order on adoption of Senate Concurrent Resolution 60.

Further, I ask unanimous consent that following the conclusion or the yielding back of time and the vote on Senate Concurrent Resolution 60, if the yeas and nays are not ordered, the Senate stand in recess until 2 p.m.

Further, I ask unanimous consent that the recess time on Tuesday be charged against Senate Concurrent Resolution 92 unless objection is lodged by the minority leader.

Mr. JOHNSTON. Mr. President, that request has been cleared on this side.

The **PRESIDING OFFICER.** Is there objection?

Mr. DOMENICI. Mr. President, reserving the right to object.

Mr. STEVENS. Mr. President, there is one further agreement.

I ask unanimous consent that in the event a rollcall vote is ordered on adoption of Senate Concurrent Resolution 60, it occur at 2 p.m. on Tuesday, May 18.

The **PRESIDING OFFICER.** Is there objection?

Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT—FIRST CONCURRENT BUDGET RESOLUTION

Mr. STEVENS. Mr. President, I ask unanimous consent that there be 1½ hours of debate on the pending business with the understanding that no amendments will be introduced today and at the conclusion of that 1½-hour debate the Senate stand in recess until the hour of 8:30 a.m. tomorrow.

The **PRESIDING OFFICER.** Is there objection?

Mr. JOHNSTON. Mr. President, reserving the right to object, 1½ hours today, is that equally divided?

Mr. STEVENS. Yes, that is equally divided.

Mr. JOHNSTON. May I ask my friends from Massachusetts and from Michigan how much time they may wish?

Mr. KENNEDY. We prefer to offer an amendment, but I have no objection to this proposal if we can have assurance that I get 20 minutes.

Mr. STEVENS. Twenty minutes.

Mr. RIEGLE. I wish 15 minutes.

Mr. STEVENS. Twenty and fifteen will be sufficient.

Mr. KENNEDY. Yes.

Mr. JOHNSTON. All right.

The **PRESIDING OFFICER.** Is there objection to the unanimous-consent request of the Senator from Alaska?

Mr. HEINZ. Mr. President, reserving the right to object, on the time agreement of the Senators from Massachusetts and Michigan is there any time reserved to the majority?

Mr. DOMENICI. We have half of the 1½ hours under the proposed agreement, as I understand it, I say to may friend from Pennsylvania.

The **PRESIDING OFFICER.** Is there objection to the unanimous-consent request of the Senator from Alaska?

Without objection, it is so ordered.

ORDER FOR THE RECOGNITION OF SENATOR BRADY ON TOMORROW

Mr. STEVENS. Mr. President, I ask unanimous consent that there be a special order on Tuesday, May 18, for Senator Brady.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 8:30 A.M. ON TOMORROW

Mr. STEVENS. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until 8:30 a.m. in the morning.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT—FIRST CONCURRENT BUDGET RESOLUTION

Mr. STEVENS. Mr. President, I ask unanimous consent that notwithstanding the provisions of section 305(b)(1) of the Congressional Budget and Impoundment Control Act of 1974, as amended, that when the Senate resumes consideration of Senate Concurrent Resolution 92, the concurrent resolution setting forth the recommended congressional budget for the U.S. Government for the fiscal years 1983, 1984, and 1985, and revising the congressional budget for the U.S. Government for the fiscal year 1982, on Tuesday, May 18, 1982, that 30 hours of debate remain on the resolution under the same terms and conditions as specified in section 305 of the Budget Act.

The **PRESIDING OFFICER.** Is there objection?

Mr. DOMENICI. Mr. President, reserving the right to object, might I just ask then if we all understand that we will be here for 1½ hours equally divided on the budget resolution and then it is understood that there are 30 hours remaining under the resolution and that no amendments will be offered during this day in the Senate?

Mr. STEVENS. That is my understanding, and that is the agreement so far.

The **PRESIDING OFFICER.** Is there objection to the unanimous-consent request of the Senator from Alaska?

Mr. DOMENICI. Is there objection to that? That is the understanding.

Mr. JOHNSTON. On the 30 hours.

Mr. DOMENICI. On the 30 hours and we are talking about no amendments from either side from anyone being offered today. That was the understanding.

Mr. STEVENS. That was agreed to.

Mr. JOHNSTON. Mr. President, reserving the right to object, I wonder if we might have a bit more than 45 minutes? The Senator from New Mexico had time to make his opening statement.

Mr. DOMENICI. Yes.

Mr. STEVENS. I am happy to revise that to make that debate between the parties on the pending business be 2 hours equally divided, and I ask unanimous consent that my past request be amended in that fashion.

Mr. RIEGLE. Mr. President, reserving the right to object, and I do not object, I simply wish to respond to the question the Senator from New Mexico raised.

My understanding of the agreement is that there are those of us on this side, Senator KENNEDY and myself, who want to offer an amendment today, and under the rules amendments are to be offered today, but we are not to be allowed to do so, that our first opportunity to offer an amendment now will come presumably tomorrow rather than today?

Mr. STEVENS. Tomorrow at 2 p.m. The Senator is correct.

Mr. RIEGLE. I want to make it clearly understood our preference is to offer the amendment today and if we were allowed to offer it today we would offer it today.

Mr. DOMENICI. The first opportunity for any amendment to be offered will be tomorrow at the hour stated, and if we are going to have debate on it, let me say there are Members on this side who had amendments they wished to offer today also. So that is not the question.

Mr. RIEGLE. We are not here to debate it. If I may then continue reserving the right to object, and I shall not object, could we have an understanding that the amendment we wish to offer today we could offer tomorrow at 2 p.m.?

Mr. DOMENICI. Absolutely not. The Senator from New Mexico would clearly object to that. That is not part of our understanding, and the reason for this delay is that we have been requested by the majority leader to await his return. I could not make that agreement since he has asked us to do otherwise.

The **PRESIDING OFFICER.** Is there objection to the unanimous-consent request of the Senator from Alaska?

Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I further ask unanimous consent that at the expiration of the 2-hour debate the Senate stand in recess until the hour of 8:30 a.m. tomorrow.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

FIRST CONCURRENT BUDGET RESOLUTION

The Senate resumed consideration of Senate Concurrent Resolution 92

Mr. DOMENICI. Mr. President, I say to my good friend from Louisiana I am not going to speak long. It is his turn. I gave my opening remarks last Friday, but so the Senate will know why I have been conducting myself in the way that I have with reference to amendments, I wish to state what I understand the situation to be:

Our majority leader will not return until this evening. We will be out of session at that point. He asked me to proceed with the budget resolution, but since we could not take any votes on any amendment until tomorrow, he asked that there not be any amendments offered today. I have been trying to accomplish that, to let everyone do whatever talking they wanted, but to get an understanding that there would be no amendments offered today.

We now have an agreement that there will not be any amendments. I thank my good friends, both the Senator from Massachusetts and the Senator from Michigan, for agreeing to that.

I also state that there are some good friends on the Republican side who have some amendments they wish to offer, among them the distinguished Senator from Rhode Island (Mr. CHAFEE) and the distinguished Senator from Pennsylvania (Mr. HEINZ), who had amendments on social security pending for 3 or 4 days on this proposal.

They have all now agreed, as have others on both sides, that they will not offer amendments today.

Mr. President, it is obvious that we are going to have a number of amendments and much debate. I am only doing what the majority leader asked that I do. That is to see that no amendments are offered today, nothing more and nothing less.

One last comment: It is the tradition on budget resolutions that the majority leader or his designee, in this case the Senator from New Mexico, decide what amendment will be called up first. We intend to do that when we meet tomorrow.

For that reason I cannot agree to any departure from that tradition. We are working on an amendment, the majority leader is interested in that amendment and, therefore, I have had to preserve and protect that right as he requested of me. I thank everyone for cooperating, and hope that we finish here in the very near future.

Mr. RIEGLE. Mr. President, will the Senator from New Mexico yield for a question?

Mr. DOMENICI. Surely, I will yield. On your time.

Mr. RIEGLE. Without trespassing on the time of the Senator from Louisiana. I understand now it is the Senator's intention to offer an amendment tomorrow initially, the first amendment will come from yourself in behalf of whomever.

I am wondering if the Senator would be willing to allow the amendment of Senator KENNEDY and myself to be the second amendment tomorrow? As long as we cannot lay it down today, can we be second in line tomorrow on our amendment?

Mr. DOMENICI. Senator, I am not going to agree to anything like that. You know that I am merely acting for our majority leader. He is generally here; he could not be here today. He has asked me to do what I have done, and he will have to agree to the Senator's request.

The majority leader will exercise the prerogative of deciding on the order of the amendments when we convene tomorrow. I am not going to agree until he is here. The Senator from Michigan may propound that to him tomorrow when we open the session. The majority leader will know what the amendments are, and he can answer for himself.

Mr. JOHNSTON. Mr. President, I yield myself 15 minutes.

Mr. President, to our friends of the press and the observers who are wondering, have been wondering, what has been transpiring these last 2 hours, let me give my version. What has been going on is that Senators have been trying to decide the very questions that have been asked here, and that is who offers the first amendment.

Let me first say that it has been a tradition 1 year in length, that is to say, since the Republicans have been in control of this body, that the majority leader decides what amendment comes first. Prior to that time there was no such tradition.

Nevertheless, what has been going on here today has been a competition to decide who will lead the fight to extract the social security cuts from the budget. That is what it is all about. The Senators from Michigan and Massachusetts, who have long been leaders in this fight, were ready to offer their amendment, and notwithstanding the fact that the unanimous-consent agreement contemplated the possibility of amendments being offered, there were objections being lodged when they tried to offer the amendment. Later some of our friends from the majority side of the aisle wanted to be sure that they were the first to offer what, in effect, is almost precisely and verbatim the Riegle-Kennedy or Kennedy-Riegle amendment, and that was why the objections were coming from that side of the aisle.

So I suspect we shall see tomorrow that a Kennedy-Riegle amendment with a Republican's name on it will be offered as perhaps the first amendment.

So I say to those who wonder whether or not the $40 billion in social security cuts or $40 billion in arresting the rate of increase will pass this Senate, I say that you have your answer in what you have seen today, that is, in this exquisite competition, bipartisan competition, as to who will be the first to author the extraction of $40 billion in social security cuts.

Now, Mr. President, I want to begin today by praising my colleague, Senator DOMENICI from New Mexico. If you think it is not a tough job to lead this Budget Committee in these perilous times, you are dead wrong. To say that

the Senator from New Mexico has a rambunctious Senate on his hands is an understatement. Look at his own side of the aisle, look at both sides of the aisle, and then look toward the White House, and you will see that none of those three paths is moving in concert. They are going off in as many directions as there are Senators, and almost as many directions as there are members of the White House staff.

If there is one light of leadership involved in this whole matter it is the Senator from New Mexico on the majority side of the aisle, and I think he is entitled to a good bit of credit in being able to put anything together.

The only unanimous vote that has been held all year is the vote to throw out the President's budget, and that was indeed bipartisan.

I suspect the second bipartisan vote we will have this year is to do away with the $40 billion in cuts. But the Senator from New Mexico is entitled to what I called in the Budget Committee the Great Communicator Award of 1982 in putting anything together that would get through that Budget Committee.

Mr. President, second, I think he is entitled to credit for facing up squarely and candidly to the economic difficulties which face this country. You cannot look to any kind of misery index or any kind of Pollyanna interpretations of the economic situation today and fool the American people. The American people know what the Senator from New Mexico says is correct, and that is that we are in deep, and in many instances, tragic economic circumstances which demand bold action of the Senate, of the Congress, and of the White House.

The Senator from New Mexico has never tried to cloud over or tried to conceal the depth and breadth and misery of the present situation with which we are faced. I am glad for his leadership that we finally have a resolution, however flawed that resolution is, because now we can begin the process.

Mr. President, we have lost weeks and, indeed, months of valuable time by frittering away in a nonexistent compromise situation with the so-called Gang of 17. Just who were they compromising with? Nobody. The President, representing the administration, embodying the administration, was not even part of the process, and it got nowhere because it did not involve a real compromise.

The **PRESIDING OFFICER.** If the Senator will suspend, the Senate is not in order. The Senate will come to order.

The Senator from Louisiana.

Mr. JOHNSTON. So, Mr. President, with all the loss of time we are finally in a situation in which the congressional process under the Budget Act does have a chance to work. It does not have a guarantee that it will work and, indeed, the question of whether it will work well or properly to save this economy in time is a question yet to be answered. We are late getting started, but the challenge is great and I trust we will be equal to the task.

Now, Mr. President, we have had a great deal of talk about social security in these last few days during the Department of Defense authorization bill. There will be more talk on both sides of the aisle before this is over with.

Just what is it that was wrong with the social security part of the budget resolution? Well, first of all, Mr. President, it was not honest, it was not intellectually honest, at least, in saying that it was not a cut.

Mr. President, there are only two ways to take $40 billion out of the social security account. One is by cutting benefits. The other is by increasing taxes. I have not heard anybody, certaintly no one from the majority side of the aisle, talk about increasing social security taxes. Quite the contrary. So if you are not going to increase taxes, you have got to cut benefits either by reducing the amount of the COLA or by restricting the number of people who can come on the rolls or by otherwise cutting benefits or delaying benefits. And if that is to be done, the first thing that must be done, Mr. President, is to be honest and to be candid about it and say you are doing it.

Where does the President stand on this whole matter? I do not know. We asked in the Budget Committee whether he was going to back this and go on television. Well, after having proposed the $40 billion cut, and after being assured that the President was for it, then the next thing we hear from the President is that this, in fact, does not represent a $40 billion cut.

If the Senate, if the Congress, is to cut social security or otherwise alter the pattern of benefits so as to save $40 billion, Mr. President, we have got to be honest about it. We have got to ask for the order.

Second, these cuts were not fair because they were too deep; $40 billion from social security recipients is, over a period of 3 years, the equivalent of $1,100 a person in reduced benefits.

It does not help very much to say that this is a reduction in the rate of increase if inflation continues to gallop. What it would amount to, if it is taken from the COLA, is over a thousand-dollar reduction in the real dollar benefit, in the value of those benefits to the recipient. And the size of that cut is not fair, Mr. President.

Just where did this $40 billion figure come from? Well, we do not know. We think it came from OMB. It is represented to us as being the amount by which the social security system over a period of 3 years is in arrears. It is represented as being the amount necessary to restore financial stability to that system.

But our conversations, informally, at least, at this point, with the Congressional Budget Office would indicate that that figure of $40 billion is not correct; that the real figure would come to something in the neighborhood of half that much.

Finally, Mr. President, there is the question of taxes. Taxes under whatever name are still taxes, whether they are called user fees or revenue enhancers or otherwise. And, Mr. President, no one wants to raise taxes, but to cut taxes out of the deficit simply does not make economic sense.

When we were debating the question of the tax cut, the President called a number of the moderate-to-conservative Democrats to the White House. We sat around the Cabinet table with the President and the Secretary of the Treasury. And I raised to the President the question of having some kind of linkage between the third year of the tax cut and the performance of the economy, because frankly there was a great deal of skepticism on both sides of the aisle, certainly from those on the Budget Committee, as to whether the predictions as to interest rates, inflation rates, unemployment rates were really going to come true. We were repeatedly assured that the present program would lead to those kinds of rosy predictions.

But I asked the President, I said:

> Mr. President, can we not have some kind of trigger, some kind of linkage between this predicted performance which you say will occur in the economy and the third year of the tax cut?

And the President answered, along with Secretary Regan, that it was much more important that we give to the financial markets, to the money markets, assurance and stability and definiteness as to what the tax policy would be. And for that reason he said it is necessary not to have any trigger or linkage.

And about that time, my colleague from Louisiana, Senator LONG, made a statement which I found quite persuasive. He said:

> Mr. President, if this matter does not work out as you say it will, if those rosy economic predictions do not occur as predicted, you will be the first one in here to ask for a rescission of the third year of the tax cut.

So, Senator LONG said, "For my part, I do not insist that you have some kind of linkage or trigger to the performance of the economy."

Mr. President, I must say I found that persuasive at the time, because I thought if it did not work out, indeed the President would be the first to ask that it be modified.

Well, it is a year later now, or a little over a year, and indeed it has not worked out. Indeed its performance has been more dismal than anybody had predicted. Many on our side of the aisle were not sanguine about it, but no one predicted it would be as bad as it is.

And so it is really time, I think, according to most of us on this side of the aisle, for the President to do what Senator Long predicted he would do and which he is rather late in doing, and that is offer some change in that program which is leading to such incredibly large deficits.

Mr. President, let me close with one final word. We have had a lot of talk about the need for compromise and the need for a bipartisan budget resolution. I could not agree more, Mr. President, I could not agree more that the state of the economy demands Members of the Senate to act as Americans first and partisans second. But Mr. President, it takes two to tango, and there has been no request that I have been aware of—and I am a member of the Budget Committee—for any kind of bipartisan negotiations or compromise.

This resolution has been put together on the Republican side. The compromise has been between the White House and the Republican side, not between Members of both parties. We are ready, Mr. President, to talk about compromise. We are ready to talk about a bipartisan policy, but we have to at least be asked. And Members from this side of the aisle have not even been asked to meet to talk about compromise. We have not been invited, Mr. President, to any kind of summit or conference.

Rather, Mr. President, late in the hour on the Thursday night in which this budget was put together, we were given a budget plan, a sheet of budget numbers which we had not even seen before that time and, within a period of 2 hours, the matter was voted on and, in effect, no amendments were entertained.

Mr. President, I know that the Senator from New Mexico perhaps did not have any choice or felt that he had no choice. But I can tell you, Mr. President, if we are to be faulted for not having a bipartisan budget compromise, then let it be after the request is made. That request has not, at this point, been made.

Mr. President, I will close by saying that the situation in this Nation is exceedingly serious. We cannot allow the President's initial budget figures containing, as they do, a prediction of more than a $130 billion deficit for 1985 to come about. And indeed the Budget Committee, by a unanimous vote, said no to that budget.

The Domenici numbers now on the floor obviously will not fly, Mr. President, because there is keen competition on both sides of the aisle to take those social security cuts out of the budget. If that is done—and I think it is clear that it will be done—the problem of the budget still will not be solved. All we will know at that point is what is not in the budget resolution. We will still not, at that point, know what is in the budget resolution and what steps are to be taken to cut the size of this incredible deficit.

Speaking for Democrats, Mr. President, I can promise cooperation to reduce the deficit and to do so in a fair way so that all Americans, not just certain parties and segments of our society, will equally bear and fairly bear the costs of cutting the size of that deficit.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. KENNEDY addressed the Chair.

Mr. JOHNSTON. How much time does the Senator need?

Mr. KENNEDY. I think I asked for 20 minutes.

Mr. JOHNSTON. Mr. President, I yield—

The PRESIDING OFFICER. The Chair recognized the Senator from New Mexico. The Senator from New Mexico may wish to yield time.

Mr. DOMENICI. Mr. President, if the Senator from Massachusetts is now ready, I will yield to the Senator from Louisiana.

Mr. JOHNSTON. Mr. President, I yield 20 minutes to the distinguished Senator from Massachusetts.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. DOMENICI. Will the Senator yield for a unanimous consent request?

Mr. KENNEDY. I yield.

Mr. DOMENICI. I was going to ask a unanimous consent request. I have to leave the floor. Under the Budget Act I have to assign somebody to control my time. I designate the Senator from Kansas.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New Mexico?

Mr. KENNEDY. The Senator from Kansas?

Mr. DOMENICI. The Senator from Kansas, yes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, we have been here now for close to 2 hours on the issue of the budget resolution. I would read into the Record the statement of the majority leader of May 14, at page 5298, where he said as part of his dialog:

> Mr. President, I anticipate that on Monday general debate will continue and perhaps amendments will be offered, but I ask unanimous consent that if votes are ordered on Monday, they be deferred until Tuesday, not earlier than 1 hour after the Senate convenes and not later than the recess or adjournment over of the Senate on Tuesday next.

Members of the Senate were put on notice that this was going to be a day of business, and that although we would not be having votes today, as the majority leader had pointed out, general debate will continue and perhaps amendments will be offered.

Senator Riegle and I had hoped to be able to offer an amendment which would eliminate the cuts in the social security program which had been proposed by the Budget Committee, and the cuts in the medicare program that would lead to further shifting the cost of the medicare system to the individuals, in an amount in excess of some $3 billion next year alone.

Mr. President, I think it would be entirely appropriate that the Senator from Michigan and I, who intended to offer this amendment, have the opportunity to present this issue to the Senate.

We have had many Members of the Senate who have been extremely interested in the whole question of social security since the initial assaults on social security last year and also this year. Our minority leader, Senator Byrd, has provided extremely important leadership in this area. Senator Moynihan, of New York, as a member of the Finance Committee, has made a very important and useful contribution. I think both of those Senators voted consistently with Senator Riegle last year when he put forward before the Senate the restoration of the minimum social security benefit. I was proud to join with him at that time, and I am proud to join with him today and will be tomorrow when he offers this amendment.

I recognize, Mr. President, that there have been 30 votes on social security in 1981 and 1982 to restore some of the reductions and cuts in social security. On all of those amendments I have been listed as a cosponsor, and on most of those amendments the Senator from Michigan has been a leader.

So, Mr. President, the Senator from Michigan and I do not come to this issue having just found it or just having heard the concerns of senior citizens, whether it has been in my State or in other parts of this country.

Mr. President, I want to make it extremely clear that this afternoon if Senator Chafee or other Members of the Senate had offered this identical amendment, I would have asked, rather than objecting to any consideration, to be a cosponsor of their amendment. I would have applauded their initiatives and their efforts, and would have welcomed many of our Republican colleagues to the battle to save social security, a battle which was

fought with a number of our colleagues on this side of the aisle last year.

But I regret, Mr. President, that the Republican leadership has objected to the Senator from Michigan's attempt to offer this amendment. I am aware that the statement has been made that in past considerations of the budget the members of the Budget Committee have been given priority in offering amendments. I am not familiar with that tradition. I have been involved in the budget debates since that time of the budget resolution. I think, obviously, if the chairmen of particular committees have a particular matter of interest, the Senate has acceded to their request.

But I know of no agreement at this time, nor in the past, when Members of the Senate have been foreclosed from offering amendments on this issue. As I say, I would hope, certainly, that the Senator from Michigan would be given and would be entitled to recognition tomorrow. I am not going to hold my breath until he is given recognition after we begin consideration tomorrow, but I certainly would think that, given the Senator's record of strong interest in this issue and concern about this question, he would be entitled to recognition.

Mr. President, as I said, I deplore the fact that we will not have the opportunity to offer this amendment and have a dialog and debate on it. But I certainly think we can assure our colleagues that, during the course of the the debate on the budget resolution, there will be plenty of opportunity for those who have stood here and fought against social security reductions in the last Congress to oppose the reductions in social security continued in this budget resolution which would be the equivalent of $1,000 for every social security recipient over the next 3 years. We will have an opportunity to vote on that issue, as we will on what I consider to be the unfair and unjust proposal of the Budget Committee to shift the cost of the Medicare program to the elderly to pay out of their pocket.

Mr. President, I will speak briefly on both of these issues and then I will reserve whatever time remains.

How much time have I remaining?

The PRESIDING OFFICER. The Senator has 11 minutes, 20 seconds of the 20 minutes still remaining.

Mr. KENNEDY. Mr. President, as I mentioned, Senator Riegle and I had intended to propose an amendment to strike the $40 billion in savings included in this resolution under the heading of social security solvency. I regret that the Senate leadership is using the Senate rules to prevent the amendment from being offered.

The Government must honor its commitment to the 36 million Americans now receiving social security and rekindle faith in the system for the millions of Americans who will rely on social security in the future.

Mr. President, the President has promised he will not cut benefits. The President has promised he will not raise taxes. Simple arithmetic will tell you that a $40 billion savings in social security will mean that each man, woman, and child now receiving benefits will lose a little more than $1,000 over the next 3 years.

Now my colleagues on the other side of the aisle argue that we do not want to face reality. Social security is in trouble and we have to act now to save the system.

The fact is that the only reason this $40 billion savings is included in the first budget resolution is to lower the unprecedented deficits brought about by the failed economic policies of this administration.

On the details of the financial stability of the social security system, I think the presentation that was made to the Senate by the Senator from New York, with his chart displays of last week, provides overwhelming and compelling evidence about the stability of the social security system. It also points out the realities that we are facing in terms of some short-term deficits and long out-year difficulties beyond 75 years. But I do believe that the principal problems we are facing now are because of the failed economic policies of this administration.

Mr. President, last December, this body acted to deal with the short-term financing problems facing social security. We restored the minimum benefit to 3 million Americans and authorized interfund borrowing through the end of 1982.

At that time, the President created a bipartisan commission to look at the financial problems facing social security. That blue ribbon panel is not scheduled to make its recommendations to this body until later this year.

Yet the Republican majority of the Budget Committee, in an action endorsed by the President, has decided to preempt the commission's recommendations and insist on $40 billion in savings now.

Mr. President, I am not denying that there are short-term financing problems facing the social security system, but I point out that the problems facing social security today are a direct result of the Reagan recession. We have the highest unemployment in 40 years, with over 10.3 million Americans out of work. When men and women are unemployed, they and their employers are not paying taxes into the trust fund.

I believe these financing problems are short-term and should not be dealt with in the context of heated debate on next year's budget. Instead we should look carefully at a number of options that will be presented to this body by the commission.

Mr. President, social security has, in my judgment, been erroneously put in the category of entitlements along with a number of other programs. But social security is unique in that it is paid for out of taxes paid by workers and employers, in a compact with the Government.

Social security is an earned right. Workers pay into the system over the years with the understanding that they will be entitled to specific benefits when they retire. This was the genius of social security when it was created in 1935 and remains the unique principle which must guide our deliberations today. I hope my colleagues will give favorable attention to that provision of the Riegle-Kennedy amendment.

Mr. President, the Budget Committee's proposal also seeks to make dramatic changes in the medicare program by forcing the elderly to pay about $3 billion more out of their own pockets next year alone.

The Budget Committee mark assumes that medicare patients will pay 8–10 percent out-of-pocket for days they are in the hospital. This will mean an additional copayment of about $25 a day for medicare patients, over and above the $260 deductible they now pay when they are hospitalized. This means that for the average hospital stay, our senior citizens will have to pay about $250 more out of their limited dollars.

And that is not all.

The Budget Committee mark assumes indexing the part B deductible and the part B premium—which will cost the elderly $300 million next year alone. They would charge the elderly another $100 million for copayments in home health care—and several hundred million more in copayments for medicaid services.

The Budget Committee calls these savings. But the elderly know that these are not savings; they are simply proposals to shift the costs to the elderly.

Mr. President, in 1977, the elderly paid nearly 30 percent of their health care costs out-of-pocket. That cost does not even include the $150 per year they pay for medicare part B premiums or the $300–$400 they typically pay for private supplemental insurance; 19.1 percent of the elderly's income goes for health care costs not covered by medicare—up from 16.8 percent over a decade ago. That is about $1,436 a year for the average medicare beneficiary.

Mr. President, these proposals will do nothing to stem the explosion of hospital costs—which increased 19 percent last year alone. They will simply shift the burden to those who are the captives of this runaway system—the elderly, the sick, the disabled.

There are steps we can take to get control of hospital and other health costs—by reforming how we pay for health care costs, by providing incentives for prevention, by encouraging the growth of HMO's and other cost-effective health care systems. We owe it to the elderly to come up with constructive approaches to health care costs and not ask the elderly to pay the price for our failure to take the hard, necessary steps.

Our amendment would restore $19 billion for medicare and medicaid for 1983-85. This would leave a cut of about $8.5 billion, which we believe we can achieve through cost-containment measures like prospective reimbursement—which will help hold down costs without asking the elderly to sacrifice through reduced benefits and higher out-of-pocket costs.

Mr. President, I would have welcomed the opportunity to have further debate and discussion on these issues. I regret that Senator RIEGLE and I were prohibited from offering the amendment which I think would have provided an opportunity for this body to face up to what is a matter of enormous concern and importance to millions of elderly people and to all American citizens. I certainly hope that we shall be able, at the earliest possible time, to have the opportunity to address these issues and some of the other important questions which are included in the Budget Committee's recommendations. I am hopeful that our colleagues on both sides of the aisle will take early action in the course of the Senate deliberations so that we can respond to the deep anxiety and concern of millions of elderly people all over this country.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. JOHNSTON. Mr. President, did the Senator from Michigan wish 15 minutes?

Mr. RIEGLE. Yes, I would like to take 10 minutes of the 15 minutes now, if I may.

Mr. JOHNSTON. Mr. President, I yield 10 minutes to the distinguished Senator from Michigan.

Mr. RIEGLE. Mr. President, at the outset, let me commend the Senator from Louisiana for what I thought was a fine opening statement for our side of the Budget Committee and our side of the aisle.

Let me also acknowledge the leadership of Senator KENNEDY of Massachusetts on this issue before us today. I want first to thank him for his generous comments earlier. I want to acknowledge the strong and able and determined leadership he has been giving to this issue over a period of many years and very forcefully over the last 2 years. I do not think anyone has worked harder or shown a greater understanding of the problems of senior citizens in this country than he has.

As a member of the Budget Committee, Mr. President, I want to try to lay out some of the history that led to today's impasse and the fact that the proposed $40 billion in cuts in social security is really only part of the social security cut.

There is also a $24 billion cut in medicare buried in these budget numbers. So the actual cuts that hit the social security programs, as we think of them, total $64 billion rather than $40 billion. There are so many cuts in the domestic areas in this budget that it is not surprising that the news accounts have not yet tracked down all these cuts specifically. But the $24 billion cut in medicare, in addition to the $40 billion cut in social security benefits, are the two items that we had hoped to try to restore today in the form of the amendment that we had drafted.

Earlier today, Mr. President, when we tried to offer that amendment, we were prevented by a number of challenges on the other side of the aisle. Finally, the only way we were able to speak about it at all was to do so under a requirement that no amendment be offered today. That is at odds with the unanimous-consent agreement of last week, which makes it very clear that amendments were contemplated today, and we are here to offer our amendment. Unfortunately, we have been prevented from doing so.

Mr. President, in terms of the record, it should be known that at least a major part of this amendment was offered before in the Senate Budget Committee. In the Budget Committee report which I have here in my hand, on page 126, one will note that vote No. 9, which was taken in the Budget Committee, was on an amendment that I offered to strike the proposed $40 billion in cuts in social security over the next 3 years. What is interesting, if one looks at that vote and the vote total, is my amendment to set aside those cuts was defeated by a vote of 10 to 9. As it turns out, the vote was divided right down the center in terms of the parties, with 8 Democrats voting with me to take these $40 billion in cuts out of the budget and 10 Republicans on the committee voting to retain the $40 billion in social security cuts.

I think this illustrates as much as anything the point I heard the Senator from Louisiana making earlier, and that is that this is really not a compromise budget. It is certainly not in any bipartisan sense. We Democrats were not asked to participate in the meetings, were not involved in the meetings. To the extent it represents a compromise, it is a compromise between the administration and the Republicans here in the Senate where they have attempted to resolve their differences and in the process have left out any participation by Democrats.

I think that is unfortunate. I think we would have gotten further had there been an effort to do this on a bipartisan basis, but that unfortunately, was not the case.

I referred previously to a sheet of paper which I want to draw attention to again today, and I ask unanimous consent to make the sheet called the "Modified Domenici Plan, 5-5-82" a part of the RECORD at the end of my statement.

THE PRESIDING OFFICER. Is there objection?

Mr. DOMENICI. Reserving the right to object, I would like to see it, if I could.

Mr. RIEGLE. The Senator is certainly welcome to. The sheet that I hold in my hand is a sheet that was distributed in the Budget Committee. I am sure he is familiar with it because it was distributed by the chairman's staff. It was handed to me at that time, and there was quite some discussion about it, because there are some controversial matters on this sheet.

But in any event, on this sheet, what is still not fully understood, I think, by the people in the country is this sheet starts with a baseline deficit that shows the following numbers: 1983, a deficit of $182 billion; 1984, a deficit of $216, and a deficit in 1985 of $233 billion.

What this sheet does not explain, and what you have to do some detective work to find out, is that there is a hidden increase in the defense budget of $110 billion buried in what is called the baseline deficit. The way that happened was that for all the other functions in the budget we used the normal CBO estimates of an extension of current policy, but an exception was made for defense, and there the President's numbers were chosen and were adjusted; and they were built into the baseline deficit. This had the effect of hiding and burying in that deficit an increase, a hidden increase for the defense budget of $110 billion out over the 3 years.

Having done that, it then became necessary to raid a whole host of other programs to try to come up with the money to cover this hidden defense increase. So you will see, then, further, on down the sheet a lot of different categories: management, user fees, Federal pay freeze, COLA freeze, targeted entitlements, which to a large extent means the medicare cuts, and so forth. And then, finally, No. 9, which was labeled the "Social Security Commission Solvency Recommendations." After some fight and controversy over the use of that language, it

was modified and that category No. 9 was relabeled so that it was not saying what it seemed to be saying, namely, that this was a recommendation of the Commission. But that was the line that contained the social security cuts.

The point is, the reason that all these other domestic programs, including social security, are being raided here in this Domenici-Reagan plan is in large measure to take care of this very much increased defense number and to cover what in my view was a bloated increase in the defense budget.

In any event, that is where the drive came from, in my view, to cut the social security payments in the future, and to make those cuts there and in medicare. Of course, now that this fight is being made, the mask is coming off and people are beginning to realize what happened. There are a lot of people on the other side of the aisle who have gotten quite jumpy about it, and I am delighted to see that they are. Some have come forward to say that they do not want to be associated with the cuts in social security.

Let me quickly make this point. This attack on social security, the current attack, the $40 billion in cuts over the next 3 years, is not the first cut or the first attack on social security. We have seen over the period of the last year a variety of attacks on social security, first on the minimum benefit under social security; next, the attack on the cost-of-living adjustment, an effort made to reduce or to strip those away. Then there was the 40-percent reduction proposed by the administration in the early retirement benefits, and finally the latest cut, which is a nonspecified cut of $40 billion over the next 3 years, in addition, as I say, to the $24 billion cut in medicare, which really has to be added on to it.

I think what this represents is a systematic sustained attack on social security. I think many of the leaders on the other side of the aisle, whether they want to say so publicly or perhaps even have this as a clear intent in their mind, are nevertheless out to dismantle as much of the social security system and as many of its protections as they can. As a matter of fact, the President of the United States made a very revealing comment the other night in his televised press conference. He was responding on social security, and he made the comment that he thought that young workers in the country, and I am paraphrasing—I do not have the precise text, but this is the thrust of what he said—he said that young workers in the country, in his opinion, ought to be able to get out of social security and not have to pay into it; they ought to be able to put their money into a private plan.

Anybody who knows anything about social security knows that if you want to kill social security altogether, that is the quickest way to do it, to allow people to walk out, because, clearly, then the system would not be sound, it would not be actuarially sound. The flow of revenue that needs to come in would not be present in that case, and so, in a sense, that is just another way of saying, "Let us do away with social security."

I do not know whether the President understands the implication of his remark. I have to assume he does because it is a very serious comment to make. But I think it shows so vividly and clearly the antisocial security mentality that permeates this administration and it comes right on through in this budget plan that we have in front of us today.

The PRESIDING OFFICER. The 10 minutes yielded to the Senator have expired.

Mr. RIEGLE. I will take just 3 minutes of my additional 5 minutes.

Mr. JOHNSTON. Mr. President, I yield an additional 5 minutes to the distinguished Senator from Michigan.

Mr. DOMENICI. Mr. President, may I just say to my good friend that I have no objection to the unanimous consent that I previously reserved on. I have seen the document and I take full responsibility for it.

Mr. RIEGLE. I thank the Senator.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Michigan?

If there is no objection, it is so ordered.

(See exhibit 1)

Mr. RIEGLE. The economy of our country is in serious trouble. We have had over 8,000 bankruptcies of businesses in this country since the first of the year. As has been pointed out, we have over 10 million people unemployed in the country that we know by name, another 5 million people who are substantially underemployed, and, of course, that mass of unemployment, the deliberate, planned recession that we see ourselves in at the present time is obviously damaging the flow of funds that would otherwise be coming into social security. If people are working, they are paying social security taxes, and when they are not working they are unable to do so. The best way for us to make social security healthy and robust is to get the economy moving and to get people back to work.

As a matter of fact, in the Senate Budget Committee, Senators MOYNIHAN, SASSER, and I offered a budget plan which, would have exactly that effect. In fact, our budget assumptions were quite different. We talked to Data Resources, an outside economic consulting firm, and asked them to run our budget assumptions in their econometric model. What they demonstrated was that there were lower deficits, higher employment, receding loss of money coming to the Government, and altogether an improvement in our national economic circumstance.

I will not put that in the RECORD now; I have put it in the RECORD on other occasions, but it should be known that there are other alternatives that are plausible and sound that have been put forward to treat all these issues but in the context of an entire macroeconomic strategy for the country.

I think what is needed is for us to recognize that we are not going to be able to solve the dimension of our budget and overall fiscal, monetary, economic strategy problems in the context of the kind of debate that will occur on the floor of the Senate over the next few days. We need an extraordinary setting, I think, to tackle the problems in the dimension in which they exist, and that is why I suggested in the past that we have a Camp David summit-type setting on the budget where the President would directly involve himself, invite the leaders from both parties in the Congress and the Federal Reserve Board Chairman, Paul Volcker, and meet in continuous session, whether it would be 2 or 3 days or 2 or 3 weeks, to hammer out a revised economic strategy for the country, to make a major midcourse correction that can change fiscal policy and bring down the outyear deficits and, at the same time, bring about a corresponding and simultaneous change in monetary policy which would bring down the interest rates and allow people to go back to work.

That is what is needed. And as an alternative to this exercise, that would be a far better way to go.

At the first opportunity tomorrow it is my intention, with Senator KENNEDY and whatever other cosponsors wish to join us, to move to restore the money in the budget for social security and also for medicare, to set aside the $40 billion cuts in social security and $24 billion cuts in medicare and to see to it that the commitments in law that have been made will be kept in the future.

We think that is the appropriate step to take. We think there is plenty of room in the budget where reductions can be made. Amendments have been offered in the committee and some will be offered on the floor, in an effort to reduce some of the bloated areas of the budget, but those are not in the area of protection for our senior citizens. Those we have to restore, and it is essential that we do.

I reserve the remainder of my time.

EXHIBIT 1

MODIFIED DOMENICI PLAN

	1983	1984	1985
Baseline deficit	182	216	233
Deficit reduction measures:			
Management	7	12	12
User fees	2	2	2
Federal pay freeze [1]	4	6	9
Freeze military pay [2]	2	3	4
COLA freeze (excluding Social Security) [1]	3	5	7
Freeze nondefense discretionary	6	13	20
Targeted entitlements	7	11	15
Social Security Commission solvency recommendations	6	17	40
Defense (excluding pay/retirement)	5	7	10
Revenue	20	35	40
Interest (market effect)	7	15	20
Debt service	6	20	35
Total deficit reduction	—	—	—
Remaining deficit	105	70	42

[1] Assumes 4 percent increase in outyears.

[2] Allows targeted readiness-related pay contingency fund of $1.4 billion.

The PRESIDING OFFICER (Mrs. KASSEBAUM). Who yields time?

Mr. DOMENICI. Madam President, I yield 5 minutes to the distinguished Senator from Kansas.

Mr. DOLE. I thank the distinguished chairman of the committee and the other Members who have spoken.

Madam President, the Senator from Kansas is under the impression that we will have an opportunity to discuss social security a number of times this week, so I do not want to spend the rest of today on this subject.

We spent 3 days on social security last week, during deliberations on the defense bill. Now we are in a legitimate discussion of social security. I assume we will spend a lot of time on it, and we should. It is a very important matter.

I hope that everybody who has spoken recalls the vote last week of 91 to 7 on the resolution that closed with the following words: that we will take corrective action and shall not include any more than is absolutely necessary to preserve the financial integrity of the social security system, and we are going to await the recommendations of the National Commission on Social Security Reform before deciding any binding, statutory amounts, changes, or corrective actions.

That, in essence, is what we agreed to do last week, last Wednesday, by a vote of 91 to 7. Six of those seven votes in the negative were from Senators who did not think we should be considering social security on a defense bill. So the vote was really 97 to 1, the one being the distinguished Senator from New York (Mr. MOYNIHAN). I think he actually felt this was not a good resolution because it contained the following language:

> According to the Congressional Budget Office, the Social Security Board of Trustees, and the Social Security Actuaries, the old-age and survivors insurance program will be unable to pay full benefits beyond June of 1983 and the entire system faces the possibility of insolvency by 1984; the financial problems of the system only become more grave in the decades ahead.

That, in effect, is what 91 Senators voted for last week. That is the resolution passed by this body on May 12, sponsored by this Senator, and, the Senator from New Mexico (Mr. DOMENICI), the Senator from Rhode Island (Mr. CHAFEE), and a host of other responsible Senators.

Everybody has confessed now—at least in this Chamber—that we have a problem with social security. It may not be what they are saying to the senior citizens groups, but they have said it on the Senate floor. Some of us, particularly those on the Senate Finance Committee, have the final responsibility for dealing with social security. The budget resolution, in the view of this Senator, can be very helpful; but, in the final analysis, it will be up to the members of the Senate Finance Committee to come to grips with social security.

I want to reinsert in the RECORD—since we seem to be going over the same ground—a letter dated May 11, 1982, from Alice M. Rivlin, Director of the Congressional Budget Office. This letter indicates that the figures used in the budget resolution are just about on target.

I ask unanimous consent to have the letter printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CONGRESSIONAL BUDGET OFFICE,
U.S. CONGRESS,
Washington, D.C., May 11, 1982

Hon. ROBERT J. DOLE,
Chairman, Committee on Finance, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: In response to your request, the attached table shows the estimated Old Age and Survivors Insurance (OASI) trust fund balances at the start of each fiscal year as a percentage of projected annual outlays under three alternative scenarios.

The first line in the table shows the OASI balance as a percent of outlays, assuming no interfund borrowing after December 31, 1982. The table also shows the assumed status of the OASI fund if the $6 billion, $17 billion and $17 billion in added trust fund reserves included in the Senate Budget Committee's recommended resolution targets for fiscal years 1983, 1984 and 1985 were directed entirely to the OASI trust fund. Under this path, the OASI fund's balance remains positive over the period. The final estimate shows projected trust fund balances assuming that balances in all three trust funds are maintained at the same percentage of expected outlays; in other words, under the assumption that the $6 billion, $17 billion and $17 billion transfers are directed to the OASI fund and full interfund borrowing is allowed over the period. The OASI fund's balance at the start of fiscal years 1984 and 1985 in this case would be 15 percent of outlays, rising to 18 percent by the start of 1986.

These estimates are consistent with the SBC markup baseline economic assumptions and assume that the 1982 cost-of-living adjustment (COLA) is 8.1 percent. The estimates are subject to considerable uncertainty, however, since trust fund balances are sensitive to levels of economic activity and to rates of inflation. For example, if the unemployment rate were 1 percent higher than currently assumed in each year from 1983 to 1985, the trust fund balance would be 5 percent lower than shown by the start of 1988. In addition, since the actual 1982 COLA will be 7.4 percent, the trust fund balances are expected to be somewhat higher than shown.

Should you so desire, we would be glad to provide further details.

Sincerely,

ALICE M. RIVLIN,
Director.

TABLE 1.—OLD AGE AND SURVIVORS INSURANCE TRUST FUND BALANCES AT THE START OF EACH FISCAL YEAR AS A PERCENT OF YEAR'S OUTLAYS [1]

	1983	1984	1985	1986
1. Current law	8	0	−10	−18
2. Added trust fund reserves [2]				
a. Interfund borrowing expires December 31, 1982 [3]	8	5	3	2
b. Interfund borrowing extended indefinitely [3] [4]	19	15	16	18

[1] Based on markup baseline. Assumes 8.1 percent June 1982 COLA. These estimates are very sensitive to economic conditions, and could change significantly if the economy improves or worsens from assumed levels.

[2] Includes $6 billion, $17 billion, and $17 billion in outlay reductions, revenue increases or a combination of both in 1983, 1984, and 1985 respectively as recommended in the Senate Budget Committee's resolution.

[3] The estimates assume added reserves. If all the added reserves result from outlay reductions, higher trust fund ratios than shown would result.

[4] Assumes all three trust funds are maintained at the same percentage of outlays at the start of each year.

Mr. DOLE. Madam President, the Senator from Massachusetts and the Senator from Michigan have made pretty much the same speeches they make each time they speak on social security, with more or less vigor, depending on the time of day and who may be in attendance. But, as I did last week, I also include in the RECORD what happened after the action taken in 1977, when we not only raised taxes on small business people and employees but also cut benefits an average of $130 a month.

The Senator from Kansas does not disagree that that was a responsible action in 1977. This Senator did not vote for it. But as we look back on it, had benefits not been cut by that action in 1977, when we had a Democrat President and a Democrat majority in the Senate, and had taxes not been raised, we would be faced with much more serious problems today.

It is well to point out that in the same period of time that we are talking about a $40 billion solvency test—fiscal years 1983, 1984, and 1985—there is going to be a $93 billion increase in taxes and reduction in benefits due to the action taken in 1977.

The Senator from Kansas repeats these facts today solely for the purpose of trying to make a record that sooner or later we have to come to grips with social security.

The Chicago Tribune of Saturday, May 15, states that the Senate should stop playing games, Congress should stop playing games, and we should address the problem of social security.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. DOMENICI. I yield 5 additional minutes to the Senator from Kansas.

Mr. DOLE. That same thrust has been present in other articles in leading papers all over the country—the New York Times, the Washington Post, the Christian Science Monitor, and the Charlotte Observer. Of course, the editors cannot vote. That is one problem. But we can vote, and sooner or later, we are going to find a responsible majority among Democrats and Republicans who will address this question.

Finally, the Senator from Kansas points out that, in my view at least, there is no Member of this body who wants the system to go broke. If we adopt the do-nothing plan advanced by the Senator from Michigan (Mr. RIEGLE), then, of course, social security recipients would not get their full checks, come July 1983, and the system would be technically broke. You might have to wait a few days for your check or they even might reduce your check. However, I think there are enough of us around here who will try to make certain that does not happen. We will not adopt the Senator from Michigan's do-nothing plan.

I believe that all of the members of the National Commission on Social Security Reform, of which the Senator from Kansas is a member, believe we must do something before July of 1983. There are members of the Commission with different views on social security. The members were appointed by the President, by the Speaker of the House, and by the majority leader of the Senate.

We can continue to frighten senior citizens with rhetoric. We can talk about cuts when they are not cuts. We should be talking about the solvency of the social security system—SSS, social security solvency. That is what senior citizens are concerned about. It seems to this Senator that if we focus on the three S's, then we can get on with our work.

Again, this budget resolution is just one step in that direction. There are a number of things that can be done with respect to social security to make certain this shortfall is not going to be a problem for those now receiving benefits. It would be less than honest to the senior citizen, and to the 115 million Americans paying taxes into the system to say that we can increase taxes again. Many young people pay more in social security taxes than in income taxes, so that does not appear to me to be a good option.

As for general revenue financing, do we have extra general funds in the Treasury? We have a national debt of approximately $1.079 trillion. We will have to increase that to $1.140 trillion in the next 30 days. There just are no general funds to transfer into social security.

So I commend the distinguished chairman and the members of the Budget Committee for their outstanding work in giving us a vehicle to address this problem. I do not quarrel with Senators on the other side or Senators with another view of the matter who do recognize that there is a problem. But to close our eyes and try to fool the American people by saying there is no problem in social security does a great disservice, in my opinion.

Obviously, it is a very sensitive issue. A number of Senators are running this year. Certainly, no Senator wants to offend any voter, particularly those in the social security beneficiary category.

But in an effort to preserve the system, it is my hope that we can address this problem as we should. Then interest rates will come down. More people will buy cars. People in Detroit will build more cars. More people will be working. The social security system is part of the overall budget package which must be addressed.

So I commend the Budget Committee. There may be another way to approach the same problem. There is a lot of work going on right now about what we might do to address the problem and get the same result, and that is solvency of the social security system.

If there are better ways to do it, this Senator and the Senator from New Mexico, and others responsible for the budget process and the budget resolution, are going to be amenable to any suggestions.

I also commend the distinguished Senator from Louisiana. The Senator from Louisiana is a responsible Member of this body. Sooner or later those of us who are concerned about the system are going to come to some agreement. We are concerned about the system's solvency, concerned that senior citizens are going to continue to receive benefits. We may do it after the election, we may do it early next year, but sometimes we must do it, or the day of reckoning will be here next June. We might be able to get by another few months if we authorize additional borrowing between the social security trust funds, but then all the funds will be going broke—the disability insurance fund, the health insurance fund, and the old-age insurance fund.

I thank the Senator for yielding.

The PRESIDING OFFICER. The Senator's time has expired.

Who yields time?

Mr. DOMENICI. Madam President, how much time do I have remaining on our side?

The PRESIDING OFFICER. Forty-seven minutes and ten seconds.

Mr. DOMENICI. I yield 5 minutes to the distinguished Senator from Rhode Island.

Mr. CHAFEE. Madam President, I was very pleased to hear the distinguished senior Senator from Massachusetts indicate that he would be glad to be a cosponsor of my amendment. If I could have the attention of the Senator from Massachusetts, I would be delighted to have him, if he wished to go through with that offer.

Mr. KENNEDY. Yes.

Mr. RIEGLE. Madam President, if the Senator will yield, he expressed another concern.

Mr. KENNEDY. I applaud his amendment up to paragraph (c) on page 2 where he is talking about reducing benefits and adding revenues. If the Senator wants to strike all the language on page 2, line 10, where he talks about the Finance Committee reducing outlays and increasing revenues, which is another way of talking about reducing benefits and increasing taxes, then I would certainly wish him to add me as a cosponsor. I may very well be a cosponsor in any event, but I would be particularly delighted to join with him tonight if the Senator wishes to make the change I suggested.

Mr. CHAFEE. This is permissive, not mandatory language.

Mr. KENNEDY. If the Senator is asking me now, prior to the time that the Senator has explained that language, I will withhold cosponsorship, though I will be glad to listen to the Senator's explanation of those provisions. If he wishes to strike the provisions I mentioned, I would ask consent to be included as a cosponsor tonight.

Mr. CHAFEE. Those are merely permissive words that permit the Finance Committee to do what it is required in its judgment based upon the report of the Commission on Social Security Reform.

Madam President, here is the difficulty we are arriving at: The two Senators who have spoken, the Senator from Michigan and the Senator from Massachusetts, as I understand their presentation, and I would be delighted to be corrected, are giving the impression that nothing at all needs to be done. That is where we believe they are irresponsible. The truth of the matter is that most people who have studied this situation, including those on the Commission, have indicated we have a real problem.

What we are saying in the amendment that I have presented is, let us hear what that problem is. If it is not there, three cheers. But I do not think any of us are naive enough to think that there are no problems.

As the senior Senator from Kansas just said, it is his estimation that every person on this Commission recognizes that the fund is in trouble.

I say and those who are in support of my amendment say we will do everything we can to insure the survivability of that fund. We are dedicated to that fund being there for present beneficiaries and retirees and future beneficiaries and retirees.

There is the difference. The Senator from Michigan, as I understand him, and I am willing to be corrected, makes it clear that we are just trampling on those receiving social security, to even suggest that something may have to be done.

When we try to correct this system, there are three ways of doing it:

We can increase the tax, we can reduce the benefits, or we can make changes in the eligibility.

There is no magical, other way.

We have seen proposals put forth here. The junior Senator from Minnesota has a list of some 19 different proposals. There are all kinds of different proposals.

But, Madam President, to suggest that everything is rosy, everything is hunky-dory, that those who suggest that something has to be done are evil is, I think, doing a disservice to those 36 million Americans receiving social security and disability benefits, and it must be well into 150 million or 160 million other Americans who are listed as potential eligibles.

The PRESIDING OFFICER. The 5 minutes yielded to the Senator from Rhode Island have expired.

Mr. CHAFEE. I thank the Senator from New Mexico for affording me this time.

Mr. DOMENICI. Does the Senator desire additional time?

Mr. CHAFEE. No; I had some questions, but those I would address my remarks to seem preoccupied.

Mr. RIEGLE. Madam President, will the Senator yield to me for a question?

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. RIEGLE. Madam President, I have 1 minute remaining. I just wish to ask the Senator from Rhode Island one question about his amendment because I may cosponsor his amendment tomorrow also if I am not able to offer my own.

I wonder if the Senator's amendment—I know it deals with the $40 billion in social security cuts—but I am not clear on how he deals with it. Does he deal with the medicare cuts as well, the $24 billion in medicare cuts?

Mr. CHAFEE. We do not. This is strictly in the retirees benefits.

Mr. RIEGLE. Will the Senator be willing over the nighttime to take a look at the medicare portion and see if he might be willing to add that. There are $24 billion in savings over the next three years in medicare, and for many people that is synonymous with social security, and it comes out of whatever they have to live on. I am talking about senior citizens. I wish to urge the Senator to take a look at that because that is covered in the amendment that Senator Kennedy and I were trying to offer today. There were both items. I simply wish to ask him to consider it if he will.

Mr. CHAFEE. I would not want to include that matter in this particular amendment. However, Senator Durenberger and I have cosponsored an amendment which deals with the overall budget, a more comprehensive approach to the budget, rather than this amendment which solely deals with social security retiree benefits, the $40 billion.

If the Senator from Michigan will take a look at that, I will give him the number of it and if he would wish to cosponsor that, we would be delighted to have him.

Mr. RIEGLE. I have it here. I say if the Senator puts the medicare restoration in there, I would be tempted.

Mr. HEINZ addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. How much time does the distinguished senior Senator from Pennsylvania desire?

Mr. HEINZ. Four minutes.

Mr. DOMENICI. I yield 5 minutes to the distinguished Senator from Pennsylvania.

Mr. HEINZ. Madam President, Thursday night a number of my colleagues and I introduced an amendment to the budget resolution, No. 1450, to deal with the issue that so many people have been speaking about here, namely, how we solve the problem of dealing with social security and the disability insurance trust fund in this resolution.

It is this Senator's view, and I suspect there are many on the other side of the aisle, the Senator from Massachusetts, the Senator from Michigan, and others, who share this concern, that it is a real mistake for Congress to attempt to do anything that even looks as if, regardless of motivation, balancing the budget on the backs of the social security recipients; that looks as if we are paying for increases in the Defense Department budget out of the social security trust funds; that look as if we are hanging on to a tax cut and have to find 40 billion dollars' worth of savings in social security cuts in order to do that.

I do not say, by the way, that that is the intention of the Budget Committee. The Budget Committee has said in their resolution they are looking for either revenue enhancement or cuts but, nonetheless, there are people who choose to ignore some of the language in the third reconciliation instruction.

It was for that reason that on Wednesday, and then again on Thursday, my cosponsors and I introduced not one but two amendments to the budget resolution, the first one being No. 1447, the second being 1450, both being printed in the Record, both being available now, and I want to just make it clear what our No. 1450, which is basically an improvement on the earlier one, does.

I would only add that it represents the work of a number of Senators. Senator Mathias, Senator Danforth, Senator D'Amato, Senator Percy, and I have been working to try to get a solution that not only addresses the issue of the $40 billion, that not only addresses the issue of how it is handled subsequent to the report of the National Commission On Social Security Reform, on which I and a number of other of our colleagues serve but, most importantly, how it affects this budget resolution.

It is possible to have an amendment to the budget resolution that just strikes the third reconciliation instruction, leaving only a process, some dates. If we did that I think it would be the worst of all possible worlds, because what would happen is although we would have separated the issue of social security from the budget debate, which we must do if we are ever going to get a budget resolution through the House and Senate, it would create the appearance of an additional $40 billion deficit on top of the existing deficits and that, it seems to me, would be a totally irresponsible, very dangerous, kind of signal to send to the country at large that we were taking an action that according to the way we keep our books around here would enhance the deficit by $40 billion.

There is a correct and an honest and an appropriate way to handle this issue, and that is as we strike the specific amount of $40 billion from the reconciliation instruction, to also strike from the other part of the budget resolution the revenues, the budget authority, the outlays associated with the OASDI fund, and if you do that you get a budget resolution that is consistent. You have an amendment that is not subject to a point of order and, more importantly, you have a bottom line that everybody can live with.

If anyone cared to look on page 10112 of the May 13 Congressional Record, my colleagues, cosponsors, and I have put in a very lengthy analysis of our amendment to the budget resolution, No. 1450, which demonstrates that after we make these changes the budget deficits that result from this will be $100.5 billion in fiscal 1983, which is roughly $8 billion less, I repeat less, than that reported by the Budget Committee; it would be $73.4 billion in 1984, $27 billion less than 1983 under this approach; in fiscal 1985, $52.7 billion, again some $21 billion less than the deficit in fiscal 1984 under this approach.

The PRESIDING OFFICER. The time yielded to the Senator has expired.

Mr. DOMENICI. I yield 2 additional minutes.

Mr. HEINZ. I thank my colleague.

In other words, by making these consistent changes we reflect in the budget resolution the kind of progress on getting deficits significantly down each year that the Budget Committee seeks to achieve.

Madam President, I think everybody in this Chamber should understand that it is not this Senator's intention to engage in any game of political sleight of hand with social security. We all know the solvency of the social security system is an issue that must be dealt with and must be dealth with expeditiously.

It is not going to be dealt with, we know, prior to the election, and nobody should be fooled that whether it be by savings or by increasing revenues we must deal with this issue, even if we choose to deal with it after November 2.

It is my hope that my friend from Michigan will also see the value of this approach and will not only support it but may wish to cosponsor it as well. The Senator from Michigan is a very popular man, and we want to be sure he has a chance to reap the benefits of that popularity whenever they are deserved, and he can, I think, only increase his standing should he wish to do so by cosponsoring this resolution or this amendment to the resolution, and I do urge all my colleagues to join those of us who will at the appropriate time expect to be offering this amendment.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Madam President, I would like to inquire—as I understand it, the distinguished acting majority leader needs about 5 minutes of time that I have remaining. Does anyone else that you know of, Mr. Leader, desire time on our side? I know of no one. Might I ask my good friend from Louisiana what the situation is on his side?

Mr. JOHNSTON. Does the Senator from Michigan or anyone else desire time on our side? I am not aware of anyone who desires time on this side.

Mr. DOMENICI. I would say to my good friend that to accommodate the Senate I would only use 5 minutes and yield 5 minutes to my friend, the acting majority leader, and at that time I am going to yield back my time. I do not want to do it now in the event it is helpful to you or someone else in the Senate.

I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Madam President, I certainly would not want the Senate to think that because my good friend from Pennsylvania asked me for 4 minutes and I gave him 5, and he asked me for 1 minute and I gave 2—if he would have asked me for more I would probably have doubled anything he asked for—I do not want anyone to think that I agree we ought to take social security off budget.

Let me just take the issue as he described it—and this is said in all respect to the good senior Senator from Pennsylvania—why are we going through this exercise? The Senator from Louisiana, who is managing this bill on the minority side, in his opening remarks clearly stated that we have an economic problem of real significance that centers around what? Enormous deficits credibly projected, and he stated them again. He stated them, and I have stated them.

Now, Madam President, if we say those deficits are affecting the economy of this country, what we are saying is that a lot of people lend money or have money loaned for them by others, know about the deficits, and in fact they know we have got to somehow do something about them or we are going to have superinflation again because the Federal Reserve is going to be forced to loosen money enormously to prevent a disaster unless we have some fiscal restraint.

No approach that does not substantially reduce deficits will be credible to those that lend money. Therefore, interest will not come down if such an approach is attempted. Obviously, people have become educated about out deficit. Maybe the budget process, for all its shortcomings, has finally convinced people that they ought to look at the budget for a few years into the future, make some projections and say, "Something is wrong," or, "Gee, things are great."

Imagine if we were to say to that business community: "We just solved it. We made it all disappear because we took social security, which is insolvent and needs money right out of the Federal budget." We heard the Senator from Louisiana say that maybe the correct figure is not $40 billion, maybe it is $20 billion. We have CBO saying, "You're pretty close to right, it is 42 or 43." We have OMB saying, "Yes, that is right."

We could say: "Now, listen, Senators, what we are going to do is take social security and shift it over on the side—out of the budget—with full knowledge that it is not solvent and we are going to have the on-budget deficit fixed up a little bit as a result."

And then what? Will we run around the United States saying, "We produced a budget that has a lower deficit; therefore, bring interest rates down."

Now, what are they going to be saying: "How are you going to solve the other problem—the one you put off-budget? It did not go away."

So I do not want anyone to think that while the Senator from New Mexico has been saying we are going to resolve this issue, I certainly do not want to be misinterpreted in it that I was advocating the "solution" of taking it off budget.

I suggest to the distinguished junior Senator from Kansas, who now occupies the chair—she has been looking at the Defense budget and how much it has grown; she has a pending amendment to do something about it—maybe we ought to take it off budget, I say, Madam President. That would be very exciting. Perhaps we ought to leave social security on and take defense off and then we would look at the deficits and we would say, "My, they really have improved." And, after all, we must defend ourselves, just as we must make sure social security beneficiaries get paid.

In fact, someone said if you take the military costs off budget, you would have room for another tax cut, I say to my good friend from Louisiana.

Now, whatever we do, we have to be honest with the American people. Whatever the budget process is, it has to be truthful.

Second, it must produce a credible diminution of the deficits. Therefore, it must have some mandates in it. And it appears to this Senator that in some credible way it must say to the money markets of America—large and small, individual, institutional, mutual and otherwise—that we are going to solve these problems.

And that is what I am hoping to work out. Something that clearly makes the budget credible; that we are in fact going to take action and that people can believe we are going to do it and do it in a binding way within a limited timeframe.

Mr. JOHNSTON. Will the Senator yield for a question?

Mr. DOMENICI. Yes; I am happy to yield.

Mr. JOHNSTON. On this question of $40 billion need in social security funds and what the Senator refers to as the response of CBO by saying that it was in fact 40 or 42, is it not a fact that the reserves as a percentage of annual outlays are now running in the neighborhood of 8 percent?

Mr. DOMENICI. Are running in the neighborhood of what?

Mr. JOHNSTON. Eight percent for fiscal year 1983.

Mr. DOMENICI. That is about right.

Mr. JOHNSTON. And that figure, indeed, is, in the opinion of many and in the opinion of CBO, too small. But when CBO was asked to comment upon the $40 billion figure, were they not asked to assume that a 19 percent reserve-to-outlay proportion was the necessary assumption and this was on the basis of that assumption that they came to the conclusion that indeed $40 to $42 billion was necessary?

Mr. DOMENICI. I say to the Senator, the reserve ratio under the Budget Committee's mark in 1983 is 19 percent, in 1984 it is 15 percent, and in 1985 it is 16 percent.

Mr. JOHNSTON. That is the interfund borrowing that has been done. I am not talking about interfund borrowing. I am talking about reserves as a percentage of annual outlays.

Mr. DOMENICI. Yes; that includes interfund borrowing and the $6 billion, $17 billion and $17 billion. To end up with a sufficient reserve, those are the dollar numbers you need.

Mr. JOHNSTON. Right. The point is this: A reserve-to-outlay percentage of 13 percent is generally considered, and I think privately, at least, because they have not come out with a written response yet, but we are told privately by CBO that a 13-percent reserve-to-outlay percentage is sufficient and is sound and, based upon that, that not $40 billion but something in the neighborhood of $20 to $25 billion would be required to assure the solvency of the social security system.

Mr. DOMENICI. The Senator is correct. However, a 13-percent ratio is sufficient on calendar year basis; you need higher reserve levels at the start of the fiscal year to insure that 13 percent on a calendar year basis. But I would also say to the Senator that we have put in the RECORD today the most current May 4, 1982 letter from CBO, using different trust fund ratios that the Senator might think show sufficient solvency. And the Senator and I understand that all we are doing is trying to provide solvency so that the trust funds are no longer subject to the ups and downs of a recession, a little bit more unemployment, inflation, deflation, and that that reserve will be there so that social security beneficiaries will always get their checks.

I will give you the amounts required to keep the trust funds at the 13-percent level and I will read you the numbers. We know that the ratios vary depending on a lot of things. They say at a 13-percent level you need $7.6 billion, $12.9 billion, and $22.6 billion respectively in fiscal years 1983–85. If you add those up, the amount turns out to be $43.1 billion over the 3 years.

While the Senator is reviewing the CBO May 4 letter, which I believe is a part of the RECORD from this morning—if it is not, I ask unanimous consent that it be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, D.C., May 4, 1982.

Hon. PETE V. DOMENICI,
Chairman, Committee on the Budget U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Attached are two estimates of the financial status of the social security trust funds requested by your staff.

Table 1 shows estimates of the amounts needed by each fund if balances are all kept at 13 percent of estimated annual outlays at the start of each fiscal year assuming full interfund borrowing over the period. Note that the amounts shown are needed by the start of each fiscal year, and therefore must be transferred in the prior year. The estimates are based on the current markup baseline. This assumes an 8.1 percent cost-of-living increase in June 1982.

Table 2 follows a similar format. The amounts shown assume that the trust funds are kept at 15 percent of estimated annual outlays at the start of each year, and allows interfund borrowing only through 1984. This option also assumes the markup baseline, adjusted for the 1982 actual COLA adjustment—7.4 percent in June 1982. The 13 percent and 15 percent goals were specified by your staff.

If you have further questions, please have your staff contact Stephen Chaikind (62820).

Sincerely,

RAYMOND C. SCHEPPACH
(for Alice M. Rivlin, Director).

TABLE 1.—ESTIMATED ANNUAL AMOUNTS OF BENEFIT REDUCTIONS OR REVENUE INCREASES NEEDED BY START OF YEAR TO ENSURE THAT THE OASI, OR THE COMBINED OASI, DI AND HI TRUST FUNDS ARE MAINTAINED AT 13 PERCENT OF OUTLAYS AT THE START OF EACH FISCAL YEAR, WITH ASSUMED INTERFUND BORROWING IN THE 1983 TO 1987 PERIOD, IN BILLIONS OF DOLLARS[1]

	1983	1984	1985	1986	1987	Total
Total amount needed by start of each year to bring OASI trust fund to 13 percent of outlays[2]	7.6	12.9	22.6	20.4	20.5	83.9
Amount of total needed by OASI by start of year that can be borrowed from the DI trust fund without the DI fund falling below 13 percent	3.8	−0.4	8.5	15.0	20.2	47.2
Amount of total needed by OASI by start of year that can be borrowed from the HI trust fund without the HI fund falling below 13 percent[3]	3.8	12.4	−1.9	−3.6	−4.1	6.6
Amount of total needed by start of year OASI fund from other sources if combined OASDHI funds are maintained at 13 percent of outlays		0.9	16.0	9.0	4.4	30.3

[1] Assumes no distinction between added revenues or lower outlays. If all the required moneys result from benefit reductions, slightly lower amounts than shown would be necessary because reserves needed as a percent of the lower outlays would be lower. No interest income is included in these estimates.

[2] Based on markup baseline. Assumes 8.1 percent June 1982 COLA.

[3] The minimum level of HI reserves needed may be much lower than 13 percent. 13 percent is assumed here at committee request.

Note: Minus signs indicate amount that DI or HI trust funds must be repaid to be maintained at 13 percent of outlays.

TABLE 2.—ESTIMATED ANNUAL AMOUNTS OF BENEFIT REDUCTIONS OR REVENUE INCREASES NEEDED BY START OF YEAR TO ENSURE THAT THE OASI, OR THE COMBINED OASI, DI AND HI TRUST FUNDS ARE MAINTAINED AT 15 PERCENT OF OUTLAYS AT THE START OF EACH FISCAL YEAR, WITH INTERFUND BORROWING THROUGH 1984, IN BILLIONS OF DOLLARS[1]

	1983	1984	1985	1986	1987	Total
Total amount needed by start of each year to bring OASI trust fund to 15 percent of outlays[2]	10.3	12.2	21.8	19.5	19.5	83.3
Amount of total needed by OASI by start of year that can be borrowed from the DI trust fund without the DI fund falling below 15 percent through 1984	3.5	−0.3	8.6			11.8
Amount of total needed by OASI by start of year that can be borrowed from the HI trust fund without the HI fund falling below 15 percent through 1984[3] [4]	6.8	8.4	−2.0	−3.8	−4.0	5.4
Amount of total needed by start of year by OASI fund from other sources if combined OASDHI funds are maintained at 15 percent of outlays, with interfund borrowing only through 1984[4]		4.1	15.2	23.3	23.5	66.1

[1] Assumes no distinction between added revenues or lower outlays. If all the required moneys result from benefit reductions, slightly lower amounts than shown would be necessary because reserves needed as a percent of the lower outlays would be lower. No interest income is included in these estimates.

[2] Based on modified markup baseline. Assumes 7.4 percent hypothetical June 1982 COLA.

[3] The minimum level of HI reserves needed may be much lower than 15 percent. 15 percent is assumed here at committee request.

[4] Interfund borrowing assumed through 1984. Totals include amounts shown to insure that the HI trust fund does not fall below 15 percent of outlays through 1987.

Note: Minus signs indicate amount that DI or HI trust funds must be repaid to be maintained at 15 percent of outlays.

Mr. DOMENICI. Let me just make my last point here.

I think we are beginning to get some people to understand that whether it is the Budget Committee's $40 billion over 3 years, or CBO's $42 billion or $43 billion over 3 years, that the failure to put that number in the budget is acknowledging that we are not providing enough funds to make sure the checks are paid. That is the opposite of what everybody is saying. If you take the number out, leave it out, do not account for it, the truth of the matter is there is not enough money for social security solvency. If you put it in, you challenge Congress to fix it.

That point has been very difficult to get across, very hard for us because it may be a combination of taxes, of reform, or perhaps putting something off, perhaps putting off for a few months one of the increases.

In conclusion, the Senator from New Mexico wishes that social security could increase during this next decade per recipient check as much as it did this last decade. And let me tell the Senate what that increase has been. I earnestly wish we were rich enough as a Nation. My numbers indicate that starting with Wilbur Mills' first campaign—first, short and last campaign—for the Presidency in 1971, that we voted a 15-percent increase in social security. That was a campaign commitment he made early on to become President. We voted it in. For those

who say there is an agreement or contract, let me say there was not any until then, and we voted it in.

And then, as if that was not enough, the next year we voted again in the Congress, and we voted 10 percent. We did that ourselves. We had a very solvent social security fund. Wilbur Mills set the momentum and we voted 10 percent.

We ought to go back and see what inflation was in those days, but surely it was not 15 and 10 percent.

Then the next year, so as not to be outdone, we voted again, and we voted 20 percent. Do you know, Madam President, we all of a sudden saw that we were going to vote social security checks into bankruptcy, so we did not want to vote any more. That is when we said, "Let us put it on automatic pilot and let us give them Consumer Price Index increase every year."

So that year we said, "Everybody that is in the social security system will get it automatically."

We chose the CPI in those days as a pretty good indicator of inflation. It turns out, as the distinguished occupant of the Chair knows, in the last 3 years it has not been a good indicator of inflation. But we left it there, to the end, Madam President and Members of the Senate, that over that period of time until now, and before the next 7.4-percent increase is given automatically in July, we granted increases of 205 percent. I wish it could be 410 percent, but let me remind everyone that while that increase was occurring, the working men and women of America were getting pay increases, too, for working. The problem is they only got 121 percent in increases in that same period of time. And they are the ones from whose checks we take the money to make sure that social security is solvent.

What this Senator was suggesting months ago—last September—to our President, to anyone who would listen, was to tell the senior citizens what happened, tell them we are going broke, tell them, "For 1 year, can you put up with no increase, for 1 year?"

I submit they would have done it in droves, with what I have just explained.

We do the same for retired Federal employees. We talk about them. That issue will come up. They would have waited, too, without arguing, if we had told them this story.

How many dollars do you think it would save if we, for 1 year, did not pay any cost-of-living to everyone other than SSI and food stamps?

Madam President, a 1-year waiver would save $17 billion, most of it out of social security. And then if you did not do much else but just carried that out, since it does not get compounded, you save $18 billion the next year automatically, and $19 billion the following year.

If my arithmetic is right, the social security share of those numbers is more than the $40 billion by which social security is insolvent.

Mr. RIEGLE. Will the Senator yield for a question?

Mr. DOMENICI. Not until I am finished. Then I will yield.

Then it would be solvent. There would have been 1 year that nobody had to get cut, no reform, no change. Just restrain the cost-of-living adjustment. Tell social security recipients that, after all this 205 percent that I have just described. Incidentally, the compounded increase for Federal employees in the same period of time is 176 percent. We now have retired people on the Federal side making more than their counterparts who are working.

I say to my good friend, the acting majority leader, who is desperately trying to reform things, I had the head man of the U.S. Navy in my office, one of the top men in the Navy, an admiral who is in charge of naval operations for America. He told me that if we did not give him the pay raise last year when we gave the military a large pay rasie, "Senator, if I were to retire, I would make more in the first month in retirement as fully retired, no longer running the Navy, than I do with all the stars doing the job." That is what he said. I do not know if it is true, but I think he reads his paychecks, and I think he knows what he is talking about.

Mr. RIEGLE. Will the Senator yield now or is he not finished?

Mr. DOMENICI. Let me say this and I will be pleased to yield, not for a question, but yield the floor.

All we are doing in this budget resolution is saying, "Congress, this is our absolute best estimate of what you are going to have to do. Do it. If you do not do it, you are not telling the truth and you are not going to have enough money to pay the checks to all the people who are expecting them come 1983, 1984, and 1985."

Mr. RIEGLE. Will the Senator yield for one question?

Mr. DOMENICI. I yield the floor.

Mr. JOHNSTON. I just want to make a 1-minute statement to clear up this question of $40 billion and where it came from.

I have been given the letter from the CBO where these figures relative to the amount needed in the OASI trust fund to maintain the 13-percent reserve to outlay percentages are shown. It is true, as the Senator says, that a figure of $42 billion, is used.

However, there are two assumptions given to the CBO which throw these figures out of sync. Those two assumptions are as follows: First, a COLA of 8.1 percent for June 1982 was assumed.

Actually, the June 1982 COLA has already been fixed at 7.4 percent. That almost 1 full percentage point disparity makes a huge difference.

Second, they were asked to assume that the health insurance reserve would be maintained at 13 percent. As CBO points out, the minimal level of HI reserves needed may be much more than 13 percent. Undoubtedly, it would mean much less than 1 percent. Of course, there is also the impact of interfund borrowing.

The point I am making is that, if you give the right set of assumptions, you can come up with any figures you want. But if you asked CBO, as we have asked, and at least informally have received the answer and soon will get a formal written answer, as to what is actually needed to insure the solvency of the fund, it would be in the neighborhood of half as much as the $40 billion, given the proper assumptions.

I yield 2 minutes to the distinguished Senator from Michigan.

Mr. RIEGLE. I would like to address a question to the chairman of the Budget Committee.

In terms of the assumption on the social security cuts, the $40 billion, we have assumed would be withdrawn or not spent, in the context of the budget document as a whole, does that $40 billion end up reducing the deficit by $40 billion over the 3-year period, or does that $40 billion end up going to other programs?

Mr. DOMENICI. I have heard the Senator talk about spending this money before, I think last week when we were arguing the social security question on the defense bill. He talked about spending the $40 billion. There is no $40 billion to spend. It comes off the deficit.

Mr. RIEGLE. In other words, the $40-billion reduction in social security, in your mind, reduces the deficit, is that correct?

Mr. DOMENICI. It is not a question of being in my mind. Those are the numbers. If you take them out of the resolution and leave social security in budget, in the year 1985 you will just add $17 billion plus some interest.

So the next question the Senator will have is this: Are we not balancing the budget on social security? My answer to that is, to the exent that we do not need $17 billion for social security solvency, the answer is yes. To the extent that we need it for social security solvency, the answer is no.

Mr. RIEGLE. I thank the Senator.

Madam President, I yield 3 minutes to the Senator from Kansas.

Mr. DOLE. Madam President, I want to take just a moment on medicare, which was earlier discussed. I think that is an area where I do find some disagreement with the Budget Committee.

Madam President, I must say that I cannot agree with the total amount to be added back by some who have spoken. However, it is well to remember that, in 1965, the projected cost of medicare, we were told, if we do not watch it, might be $8.8 billion by 1990. It is in the budget this year for $57.1 billion. The 1990 estimates are now $103 billion, as compared to the $8.8 billion that was estimated just a few years ago. So, Madam President, there is no question in the mind of this Senator that the Senate House Finance Committee can make some adjustments in medicare.

This Senator believes the Budget Committee went too far in medicare. I do not believe we can achieve the numbers set forth in the budget resolution. At some appropriate time, I hope to have some more discussion with the Senator from New Mexico and others who are concerned about this area.

There are a number of ways to reduce some medicare costs, Madam President; for example, the way we reimburse hospitals and physicians, including pathologists. The alternative is, If we do not reduce the cost of medicare, it is going to continue to skyrocket. Health care costs continued upward last year when inflation was going down—67 percent of the medicare budget went for hospital care alone.

There must be some way to control health care costs in general and hospital costs in particular. Although this Senator disagreed with President Carter, who wanted mandatory cost containment, we have been forced to look to similar proposals and have asked the hospitals to assist us in figuring some way to reduce hospital costs in the hopes of finding some reasonable solution.

I do not quarrel with the Senator from Michigan, the Senator from Massachusetts, the Senator from Rhode Island, and the Senator from Minnesota, who talked about their concerns about the proposed budget numbers in medicare and medicaid being too high. I hope we can work out some adjustment that will be satisfactory. We have other numbers we think we can achieve in these same areas that will be substantially less than the numbers in the budget resolution.

Madam President, medicare can be addressed and should be addressed, for the same reason we must address social security. If we want to preserve the system, preserve medicare for our mothers, our brothers, our sisters, our children, and ourselves, we are going to have to start making some reforms in that system.

Madam President, I thank the Senator from New Mexico for yielding.

● Mr. LEVIN Mr. President, I will support the Durenberger-Chafee-Hart-Baucus budget proposal. I do so with misgivings but also with enthusiasm.

My enthusiasm is built on the fact that this country desperately needs a bipartisan alternative to the Reagan/Budget Committee budget. Without such an alternative, we run the very real risk of ending up with the President's initial $180 billion deficit. And without such an alternative, the partisan nature of whatever we pass will lead the financial community to doubt our ability to honor its limits and, as a result, we may well fail to realize the much-ballyhooed economic vote of confidence which a resolution of this "budget crisis" is supposed to bring.

In addition to these considerations, this bipartisan budget has another significant advantage over the Reagan/Budget Committee plan: It is straightforward. And, if there is one thing the American people want right now, it is some straight talk from their Government: If things are going to be bad, they want to know it; if things are going to be good, they want to be told about it—and they want to be able to believe what they hear.

The Reagan/Budget Committee plan fails to meet that need because it plays us a magical mathematical game with social security. While claiming that we will not consider social security cuts until after the blue ribbon Presidential committee reports in 6 months, the Reagan/Budget Committee assumes a $40 billion savings in social security benefits over the next 3 years. It is downright disingenuous for us to take credit in the budget for $40 billion in social security savings while saying we are not committed to cutting social security.

The Durenberger-Chafee-Hart-Baucus proposal will also lead to the honest conclusion to defer the third year of the Reagan tax cut. Their bipartisan alternative has a revenue figure which is consistent with my belief that the third year of the tax cut must be deferred if we are to have any program for reducing deficits which will work. The tax bill we passed last year was just too large and the sooner we realize that and act on it, the better off the country will be.

The Durenberger-Chafee-Hart-Baucus budget, then, has the advantage of being honest. Its honesty, to some degree, compensates for its shortcomings. I cannot say that I agree with this proposal 100 percent or that I will not try to change it when the Senate considers possible amendments. I would like to see defense spending held to 3 percent real growth, I would like to protect some discretionary programs like WIC and I would like to make sure that Federal workers and retirees are treated more equitably. I am hopeful that changes of that kind can be made during Senate consideration of the bill.

But I am also hopeful that some of the good things in this bipartisan alternative are retained. I approve of the fact that the figures in this budget are consistent with the preservation of guaranteed student loans. I approve of the fact that the revenue figures in this budget would appear to require that we defer the third year of a costly and unfair Reagan-Kemp-Roth tax program. And I approve of the fact that this budget preserves more of our traditional concern for the plight of those who have been most seriously hurt by the recession we have been forced to endure.

I do not, then, approve of every item in this proposal. But I do believe that its substance is worth support and I am convinced that the political process it represents—a bipartisan and inclusive process—requires our allegiance.

Accordingly, while reserving my right to try and improve this plan, I am announcing my support for it and indicating my intention to vote to substitute it for the Reagan/Budget Committee plan.●

Mr. JOHNSTON. Madam President, are there further Members on this side of the aisle who wish to make any statements, I ask the Senator from Michigan?

Mr. RIEGLE. No, Madam President; I thank the Senator.

Mr. DOMENICI. Madam President, I understand that the distinguished acting majority leader needs up to 5 minutes. I yield back all my time save up to 5 minutes that he may need for matters not related to his resolution.

Mr. JOHNSTON. Madam President, I yield back the remainder of my time.

REGULATION OF OPERATION OF FOREIGN FISH PROCESSING VESSELS WITHIN STATE WATERS

Mr. STEVENS. Madam President, I send a bill to the desk and ask unanimous consent to consider it at this time.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 2535) to regulate the operation of foreign fish processing vessels within State waters.

The PRESIDING OFFICER. Is there objection to present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. STEVENS. Madam President, this statement is an explanation of the intent of the bill. It has been endorsed by myself and Senators Packwood, Gorton, Murkowski, and Jackson.

We are deeply indebted to the chairman of the subcommittee in the other body, the Honorable John Breaux, Representative from Louisiana, for his understanding and helpfulness in connection with this legislation.

We are hopeful that by providing an explanation of our interpretation of the legislative language, we will make the task of the affected Governors easier. Let me emphasize that we are hoping that this bill will serve as a solution to the problem and not simply be a basis for further litigation.

The purpose of this bill is to provide that no foreign vessel may process fish within the internal waters of a State unless the Governor of that State finds that U.S. fish processors do not have the capacity and intent to process all U.S. harvested fish from the fishery concerned.

Federal participation in the decision-making process being delegated to the Governors is assured by limiting the Governors' authority to invite into internal waters only those vessels under the flags of nations with which the United States has concluded a Governing International Fishery Agreement, or other fishing rights treaties.

Consistency with the principles of the Magnuson Fishery Conservation and Management Act, section 204(b)(6)(B) is assured by providing in paragraph (2) that the Governor of a State may not grant permission for foreign vessels to process fish in internal waters if fish processors within the State have adequate capacity, and will utilize that capacity, to process all of the fish from that fishery that are landed in that State.

With respect to the determination of U.S. processing capacity and intent, it is not our intent that the decision of a Governor be based solely on the price, or other contract provisions, offered by foreign processors; nor that the decision be used to intervene in labor disputes. In our view, U.S. processors need not match or exceed the price, or other contract provisions, being offered by the foreign processors in order to demonstrate their capacity and intent for a certain fishery.

At the same time, Madam President, we do not intend to deprive a fisherman of his right: First, to refuse, as he has been able to do in the past, to deliver fish to U.S. processors if the fisherman is unsatisfied with the terms offered; and second, to sell fish to a foreign processor if a Governor determines that U.S. processors in his State do not have the capacity and intent to process the U.S. harvested fish.

Allowing States to make decisions of this nature is a workable and practical approach, in our view.

Madam President, I thank all concerned that we have been able to consider this bill. It is essential to the future of my State. We expect the largest run of fish in the course of our history this year and it has taken time to work out a bill which meets the objections and concerns of all concerned.

The PRESIDING OFFICER. The question is on the third reading of the bill.

The bill was read the third time, and passed, as follows:

S. 2535

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 306 of the Magnuson Fishery Conservation and Management Act (16 U.S.C. 1856) is amended by adding at the end thereof the following new subsection:

"(c) Exception Regarding Foreign Fish Processing in Internal Waters.—(1) A foreign fishing vessel may engage in fish processing within the internal waters of a State if, and only if—

"(A) the vessel is qualified for purposes of this paragraph pursuant to paragraph (4)(C); and

"(B) the owner or operator of the vessel applies to the Governor of the State for, and (subject to paragraph (2)) is granted, permission for the vessel to engage in such processing.

"(2) The Governor of a State may not grant permission for a foreign fishing vessel to engage in fish processing under paragraph (1)(B) if he determines that fish processors within the State have adequate capacity, and will utilize such capacity, to process all of the United States harvested fish from the fishery concerned that are landed in the State.

"(3) Nothing in this subsection may be construed as relieving a foreign fishing vessel from the duty to comply with all applicable Federal and State laws while operating within the internal waters of a State incident to permission obtained under paragraph (1)(B).

"(4) For purposes of this subsection—

"(A) The term 'fish processing' includes, in addition to processing, the performance of any other activity relating to fishing, including, but not limited to, preparation, supply, storage, refrigeration, or transportation.

"(B) The phrase 'internal waters of a State' means all waters within the boundaries of a State except the territorial sea.

"(C) A foreign fishing vessel shall be treated as qualified for purposes of paragraph (1) if the foreign nation under which it is flagged will be a party to (i) a governing international fishery agreement or (ii) a treaty described in section 201(b) of this Act (16 U.S.C. 1821(b)) during the time the vessel will engage in the fish processing for which permission is sought under paragraph (1)(B).".

Sec. 2. Paragraphs (10)(D) and (11)(B) of section 3 of the Magnuson Fishery Conservation and Management Act (16 U.S.C. 1802(10)(D) and (11)(B)) are each amended by striking "at sea".

Sec. 3. Section 307(2)(A) of the Magnuson fishery Conservation and Management Act (16 U.S.C. 1857(2)(A)) is amended to read as follows:

"(A) within the boundaries of any State, except that this subparagraph does not apply to fish processing permitted under section 306(c)(1); and".

Sec. 4. This Act shall take effect on June 1, 1982.

Mr. STEVENS. Madam President, I move to reconsider the vote by which the bill was passed.

Mr. JOHNSTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STEVENS. Madam President, I yield back my time.

RECESS UNTIL 8:30 A.M. TOMORROW

The PRESIDING OFFICER. Under the previous order, the Senate will stand in recess until tomorrow morning at 8:30 a.m.

Whereupon, at 4:57 p.m., the Senate recessed until tomorrow, Tuesday, May 18, 1982, at 8:30 a.m.

NOMINATIONS

Executive nominations received by the Senate May 17, 1982:

In the Army

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be general

Lt. Gen. Robert W. Sennewald, 492-22-4165, Army of the United States (major general, U.S. Army).

HOUSE OF REPRESENTATIVES—*Monday, May 17, 1982*

The House met at 11 a.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Thy Kingdom is an everlasting kingdom, and Thy dominion endures throughout the generations.—Psalm 145: 13.

Gracious Lord, we are aware of all Your blessings throughout the years, and we lift our hearts in Thanksgiving for Your many gifts. When we have faltered, You have been strong; when we have seen only our own interests, You have opened our eyes to the people about us and to Your whole created world. We thank You that Your Spirit has guided us in days past, and we pray that Your presence will lead us into this new day and all the days before us. May Your mighty hand uphold us, Your strength sustain us, and may Your peace be with us always. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate agrees to the amendments of the House to the amendment of the Senate to the bill H.R. 5118 "An act to provide water to the Papago Tribe of Arizona and its members, to settle Papago Indian water rights claims in portions of the Papago reservations, and for other purposes."

RECESS

The SPEAKER. Pursuant to the order of the House on May 13, 1982, the Chair declares the House in recess, subject to the call of the Chair, to receive the former Members of Congress.

Accordingly (at 11 o'clock and 1 minute a.m.), the House stood in recess subject to the call of the Chair.

□ 11:15

RECEPTION OF FORMER MEMBERS OF CONGRESS

The Speaker of the House presided.

The SPEAKER. On behalf of the Chair and the Chamber, we have the honor and the distinct privilege to welcome many of our former colleagues here today. May I say personally to all of you, I am delighted to see you.

I am pleased to note that there are many Members from the 83d Congress here today. I am sorry I missed your reunion last evening and I will look forward to next year's get-together.

This is a bipartisan affair and in that spirit, the Chair will recognize the floor leaders of both parties.

The Chair now recognizes the gentleman from Texas, the majority floor leader of the Democratic Party, Mr. Wright.

Mr. WRIGHT. I look out among these faces and I think, "How young they look." So many of you look better, more rested, more relaxed, and more refreshed. It is almost tempting enough to make a fellow want to join you, and I do aspire to join you, but it is a little bit like St. Augustine when he prayed, "Lord, make me holy, but not just yet."

Things have changed around here. I get a comfort from looking at some of your faces. Some of you remember the days when there were not all that many subcommittees, and when you might have stayed for 10 years before becoming a subcommittee chairman or a ranking member of the subcommittee. Well, that is not the case anymore. Just stop and think what changes have swept over this old Chamber.

Today, a substantial majority of the total membership has less than 5 full years of experience in the legislative system here. That is an unprecedented situation for our time. Nothing like it has happened in recent times. We need an institutional memory, and it is good that you come back around. I hope you will touch base as you are here with some of the younger Members and try to remind them of some of the things that maybe they have not yet discovered, such as what you say when you are sitting there trying to decide just how you are going to open this speech for this meeting or dinner, and some fellow comes up and says, "Hey, you ever hear anything on that?"

You know, of course, that takes a little while to discover the answer. The answer is, "Did you get my letter?"

He says, "Yes."

You say, "I have not heard anything since then."

That is absolutely the truth because if you had you would have written him another letter, of course. But, it takes a little while, so I hope while you are here, you will manage to rub off just a little bit of that valuable experience on some of the newer people who yet have not thought about joining your august ranks.

But I will now quote to you something that was written about 175 years or more ago in Boston by a man named Andrew Oliver, speaking of that much maligned term, "politics."

He said:

> Politics is the noblest of all professions. There is not another in which one may do such widespread good to his fellow creatures. Nor is there another in which by mere loss of nerve he may do such widespread harm, nor yet another in which a positive and strict veracity is so difficult; nor yet another in which he might so easily lose his soul.

But—

He said—

> With all the temptations and the degradations that beset it, politics is still the noblest career any man can choose.

And so, we belong to a fellowship. Some have served for 2 years and some have served for 20 years, and I look out among you and I see some who have served for 30 years. It is a fellowship of service, and to some degree, I guess, a fellowship of suffering, to some minute degree a fellowship of sacrifice, and all of us like to talk about what we sacrificed to come here, but I think while here those of us who did so, always remember that we were not sentenced by a court to serve in Congress, nor did anyone hold a gun on us and force us to do it. Some of us knew that at any time we chose we could resign, and the country would probably go on.

Those of us who sat here before us today remind us that that is true, and that the world will go on, and that each of us is probably just about as indispensable as would be the example given to me one day that said if you want to know how indispensable you are, stick your finger in a glass of water and the pull it out and see how big the hole will be.

Some of you did leave big holes here, but someone came and filled the hole, and when I leave someone will come and fill that hole, and the chances are he will be a lot better than I am.

I know that those of you who are back here are enjoying the reunion, and I rejoice with you in it. I hope you are enjoying your lives. I hope you are looking back over happy and pleasant memories, and the farther you get away from them the more pleasant they are around that, so enjoy them and thanks for being here.

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

The SPEAKER. It is my understanding that the minority leader, Mr. Michel, is involved in budget deliberations at this time. We are honored to have in his place the man who preceeded him in his leadership position, the Honorable John Rhodes of Arizona.

Mr. RHODES. Mr. Speaker, my honored classmates and my good friends, ladies and gentlemen, I consider it a privilege and an honor to be able to pinch hit for my good friend, Bob Michel, who has been and is my worthy successor as Republican leader of the House. He was unavoidably detained, and thus I have the honor of welcoming you back to this Chamber, which is so familiar to all of you, and to which I know you attach wonderful memories, and in which you served so well the people of your district, the people of your State, and the people of your country.

When I look around and see the faces of so many friends, so many people with whom I associate great deeds in the legislative history of our country, I really am overwhelmed and pleased. It is no secret, because I have already announced it, that I am going to be one of your recruits after this term. I am going to join the ranks of those persons who have served in this body. Not the least reason for my decision to do so is the fact that all of you look so good when you come back. There must be something out there that I need to partake of, and I am looking forward to the opportunity to do it.

Also, one of the reasons that I decided to do this is the fact that I had an appointment the other day with one of the Navy doctors. He is a dermatologist, and I had a little thing on the side of my face. He gave it a Latin name, two names actually. The first one was "wart," and the second one was "senilis." I said, "Now, wait a minute, what is this senilis bit all about?"

He said, "You know, it is interesting, but Admiral Halsey asked me the same thing when I told him." He said, "I am sorry, I should not have given that name to it because when Admiral Halsey took umbrage at the word 'senilis,' I tell you what: What it really is, is a gathering of material which you gather through your life. It sort of attaches itself."

He said, "It is like a barnacle."

I understand that. I understand the barnacle bit very well, so from now on we will call this, whatever it is is not senilis, but a barnacle. I figure that I am gathering barnacles and it is time to get out and see if I cannot lose them like you have.

As the majority leader has said, this body is different than it used to be, and the difference is caused by many things, but I think the main difference is that the average age of the average Member of the House has gone down like that, and I have got to say that I do not believe that the average ability has gone down at all. I think these young people who have come and moved into the positions which you occupied and which I will have occupied next year, are tremendous people. They understand the art of politics probably better than any of us ever did. They are computerized. They are modernized. They know exactly how to translate dollars into votes. It is amazing. It almost gets to be an exact science anymore. You spend a certain amount of money on television and you figure you are going to get a certain number of votes, and you can almost have an exact science and determine what you need. At least, so they tell me. I have never tried it, but anyway, the country is, I think, in very good hands with the makeup of the House today, and of the Senate.

The fact that we do need to get together every now and then to get a budget adopted—and it seems to be a little bit more difficult perhaps than it used to be, is beside the point. We will get it done. It will come out, and I think that the country will be well served by what we do in this Congress.

I am very pleased, as I say, to have the opportunity of greeting all of you for the minority leader, and to tell you that this day, when the former Members assemble in this hall, is, I think, one of the bright days of the whole year as far as the Congress is concerned. You bring to us not only the amassed wisdom of many years, but also the devotion to duty which all of you exemplify.

So, Mr. Speaker, I join you and the majority leader in greeting the former Members who are here, and wishing them the best of everything in the years to come.

□ 1130

The SPEAKER. It is interesting, relative to the group assembled here, that it does not seem long ago when Dr. Judd and Brooks Hayes were the initial formulators of this organization. It was a beautiful idea.

Brooks was such a great man and such a beautiful storyteller. I remember well the last occasion I had to meet with him.

He said, "I understand you have become an avid golf fan."

I said, "I am."

He said, "Did you hear the story about the 85-year-old fellow who went out to be a caddy? The golf pro looked at him and he said, 'Well, you are too old to carry the bag, but you can walk as a fore caddy. Are your eyes good?'

"The old man said, 'My eyes are perfect.'

"So he went out and a fellow hit the ball about 270 yards.

"'Did you see where it went?' he asked.

"'I sure did. My eyes are perfect,' the old man replied.

"'Where did it go?' he asked.

"And the old man said, 'I forget.'"

I know that many of you still read the Congressional Record. It gets to be a habit when you are around here as long as I have been. I think the one poem that has appeared in it more than any other in the 30 years I have been in the Congress is one that has come to have a bearing on my mind when I see a group of old friends; perhaps it influenced Dr. Judd and Brooks Hays in setting up this organization:

Around the Corner

Around the corner I have a friend,
In this great city that has no end;
Yet days go by, and weeks rush on,
And before I know it a year is gone,
And I never see my old friend's face,
For Life is swift and terrible race.
He knows I like him just as well
As in the days when I rang his bell
And he rang mine. We were younger then,
And now we are busy, tired men:
Tired with playing a foolish game,
Tired with trying to make a name.
"To-morrow," I say, "I will call on Jim,
Just to show that I'm thinking of him."
But to-morrow comes—and to-morrow goes,
And the distance between us grows and grows.
Around the corner!—yet miles away. . . .
"Here's a telegram, sir. . . ."
"Jim died to-day."
And that's what we get, and deserve in the end:
Around the corner, a vanished friend.

Charles Hanson Towne.

So it is beautiful that we have this occasion for former Members of Congress, on both sides of the aisle, in a bipartisan manner, to meet and have the opportunity to keep in touch.

Once again, I am delighted to see you all.

The Clerk will now conduct a rollcall of the former Members of the Congress.

The Clerk called the roll of former Members of the Congress, and the following former Members answered to their names:

FORMER MEMBERS OF CONGRESS—ROLLCALL, MAY 17, 1982

E. Ross Adair of Indiana;
Hugh Q. Alexander of North Carolina;
Gordon L. Allott of Colorado;
Elizabeth Andrews of Alabama;
William H. Ayres of Ohio;
Laurie C. Battle of Alabama;
J. Caleb Boggs of Delaware;
Daniel B. Brewster of Maryland;
J. Herbert Burke of Florida;
William T. Cahill of New Jersey;
Tim Lee Carter of Kentucky;
Elford A. Cederberg of Michigan;
Charles E. Chamberlain of Michigan;
Marguerite Stitt Church of Illinois;
Frank M. Clark of Pennsylvania;
Jeffery Cohelan of California;

James C. Cleveland of New Hampshire;
Albert M. Cole of Kansas;
W. Sterling Cole of New York;
David L. Cornwell of Indiana;
Isidore Dollinger of New York;
Francis E. Dorn of New York;
William Jennings Bryan Dorn of South Carolina;
Frank E. Evans of Colorado;
Michael A. Feighan of Ohio;
Charles K. Fletcher of California;
Edward A. Garmatz of Maryland;
Harry G. Haskell of Delaware;
Chet Holifield of California;
Craig Hosmer of California;
Roman L. Hruska of Nebraska;
William L. Hungate of Missouri;
A. Oakley Hunter of California;
Jed Johnson, Jr., of Oklahoma;
Charles R. Jonas of North Carolina;
Walter H. Judd of Minnesota;
Frank M. Karsten of Missouri;
Hastings Keith of Massachusetts;
Martha Keys of Kansas;
David S. King of Utah;
Horace R. Kornegay of North Carolina;
Theodore R. Kupferman of New York;
John Davis Lodge of Connecticut;
William S. Mailliard of California;
James R. Mann of South Carolina;
D. R. (Billy) Matthews of Florida;
George Meader of Michigan;
D. Bailey Merrill of Indiana;
Abner Mikva of Illinois.
Walter H. Moeller of Ohio;
John S. Monagan of Connecticut;
Frank E. Moss of Utah;
F. Jay Nimtz of Indiana;
James M. Quigley of Pennsylvania;
William J. Randall of Missouri;
Ben Reifel of South Dakota;
John M. Robsion, Jr., of Kentucky;
J. Edward Roush of Indiana;
William Royer of California
Harold M. Ryan of Michigan;
Fred D. Schwengel of Iowa;
Hugh Scott of Pennsylvania;
William L. Scott of Virginia;
Carlton R. Sickles of Maryland;
Alfred D. Sieminski of New Jersey;
Henry P. Smith III of New York;
Lynn Stalbaum of Wisconsin;
James Symington of Missouri;
Robert Taft, Jr., of Ohio;
Roy A. Taylor of North Carolina;
John H. Terry of New York;
Andrew J. Transue of Michigan;
James E. Van Zandt of Pennsylvania;
Fred Wampler of Indiana;
Charles W. Whalen, Jr., of Ohio; and
Ralph W. Yarborough of Texas.

The **SPEAKER**. The Chair announces that 75 former Members of the Congress have responded to their names.

The Chair recognizes the Honorable John S. Monagan, a great former Member of the House from the State of Connecticut, to speak and to yield time for appropriate remarks. [Applause.]

Mr. **JOHN S. MONAGAN**. Mr. Speaker, it is a great pleasure for all of us to be back in this Chamber and I want to express particular thanks to you for your presence here today and also for your interest in making it possible to use this Chamber for our reports and for our meeting here on the floor today.

It is with a combination of sadness and satisfaction that I present our 12th annual report to the Congress. The sadness, as you suggested, is occasioned by the fact that in the last year we lost one of our cofounders, Brooks Hays, a long-time Congressman from the State of Arkansas, whom all of us knew so well and loved so much.

Brooks, with his gentle wit, keen intellect, and remarkable capacity to bring people together, will be sorely missed by us all.

He and our other cofounder, Walter Judd of Minnesota, who is here with us today, at a meeting 12 years ago infused life into the proposal to found an alumni association of Congress.

Under their leadership and with their interest in utilizing the experience and the talent of those who served in this great institution, a remarkable record of achievement has been accomplished.

I regret to say that in addition to the loss of Brooks Hayes, we mourn the passing since our last meeting of the following Members of our organization:

Frank J. Becker of New York; Andrew J. Biemiller of Wisconsin; Horace Seely Brown, Jr., of Connecticut; Clarence G. Burton of Virginia; Clifford P. Case of New Jersey; Colgate W. Darden of Virginia; Irwin D. Davidson of New York; Braswell Deen of Georgia; Robert V. Denney of Nebraska; Edwin B. Dooley of New York; Sidney A. Fine of New York; Ella Grasso of Connecticut; Don Hayworth of Michigan; Donald I. Jackson of California; John Jarman of Oklahoma; Catherine D. Norrell of Arkansas; Leo W. O'Brien of New York: John L. Pilcher of Georgia; Robert T. Ross of New York; Herman T. Schneebeli of Pennsylvania; Clark Thompson of Texas; and Carl Vinson of Georgia.

I would ask that you stand for a moment of silent prayer in memory of these departed Members.

[Members and former Members standing in silent prayer.]

Mr. **MONAGAN**. May they rest in peace.

The satisfaction that I feel is because I can tell you that this alumi association is well and thriving with nearly 600 Members. The seeds that Brooks and Walter planted 12 years ago have grown and flowered into a remarkable array of educational, research, and social programs, both in the United States and indeed in the world at large. These programs will serve as a lasting memorial to our cofounders.

I am pleased to report that during the past year we have completed our 100th Campus Fellows visit. A list of the schools and fellows and sample comments is submitted, and I ask that they be included in the Record at this point.

Colleges and Universities Visited Under the Congressional Alumni Campus Fellows Program, May 1982

COLLEGE/UNIVERSITY, STATE, AND FELLOW

Alaska Pacific University, Alaska, William S. Mailliard (California).

Albion College, Michigan, David S. King (Utah).

Alfred University, New York, Frank E. Moss (Utah).

Arizona State University, Arizona, Gale W. McGee (Wyoming).

Assumption College, Massachusetts, Gale W. McGee (Wyoming).

Auburn University, Alabama, William L. Hungate (Missouri).

Bainbridge Jr. College, Georgia, Gilbert Gude (Maryland).

Baylor University, Texas, James Roosevelt (California).

Bradley University, Illinois, Charles W. Whalen (Ohio).

Brandeis University, Massachusetts, Abner J. Mikva (Illinois).

Brandeis University, Massachusetts, Richardson Preyer (North Carolina).

Cameron University, Oklahoma, William L. Hungate (Missouri).

Carleton College, Minnesota, William S. Mailliard (California).

Carroll College, Montana, Ralph W. Yarborough (Texas).

Chatham College, Pennsylvania, Catherine May Bedell (Washington).

Chatham College, Pennsylvania, Martha Keys (Kansas).

Collage University, New York, William S. Mailliard (California).

College of the Sequoias, California, Gale W. McGee (Wyoming).

Columbia College, South Carolina, Catherine May Bedell (Washington).

Concordia College, Michigan, Walter H. Moeller (Ohio).

Connecticut College, Connecticut, Ralph W. Yarborough (Texas).

Converse College, South Carolina, Jed Johnson, Jr. (Oklahoma).

Dartmouth College, New Hampshire, John O. Marsh, Jr. (Virginia).

Dartmouth College, New Hampshire, William S. Mailliard (California).

Davis & Elkins College, West Virginia, J. Glenn Beall, Jr. (Maryland).

Davis & Elkins College, West Virginia, Frank E. Moss (Utah).

Denison University, Ohio, Frank E. Moss (Utah).

DePaul University, Indiana, Hugh Scott (Pennsylvania).

Eckerd College, Florida, William L. Hungate (Missouri).

Elmira College, New York, Charles W. Whalen (Ohio).

Friends University, Kansas, Henry P. Smith III (New York).

Furman University, South Carolina, Jed Johnson, Jr. (Oklahoma).

Grinnel College, Iowa, Neil Staebler (Michigan).

Gustavus Adolphus College, Minnesota, Charles W. Whalen (Ohio).

Hamilton College, New York, William S. Mailliard (California).

Hartwick College, New York, Ralph W. Yarborough (Texas).

Hiram College, Ohio, Howard Callaway (Georgia).

Hiram College, Ohio, Roman L. Hruska (Nebraska).

Hope College, Michigan, Walter H. Judd (Minnesota).

Hope College, Michigan, Gale W. McGee (Wyoming).

Hope College, Michigan, Catherine May Bedell (Washington).

Idaho State University, Idaho, John R. Schmidhauser (Iowa).

Indiana State University, Indiana, Gordon L. Allott (Colorado).

Indiana University Northwest, Indiana, Neil Staebler (Michigan).

Jackson State University, Mississippi, Allard Lowenstein (New York).

Johns Hopkins University, Maryland, Hugh Scott (Pennsylvania).

Kansas-Newman College, Kansas, Henry P. Smith III (New York).

King College, Tennessee, Charles W. Whalen (Ohio).

King's College, Pennsylvania, Philip Hayes (Indiana).

Kirkland College, New York, William S. Mailliard (California).

LaGrange College, Georgia, Ralph W. Yarborough (Texas).

Lake Forest College, Illinois, Ralph W. Yarborough (Texas).

Lindenwood Colleges, Missouri, Gaylord A. Nelson (Wisconsin).

Marshall University, West Virginia, John J. Gilligan (Ohio).

Mary Hardin Baylor, Texas, Brooks Hays (Arkansas).

Mesa Community College, Arizona, Gale W. McGee (Wyoming).

Miami University-Middletown, Ohio, James Roosevelt (California).

Millsaps College, Mississippi, Allard Lowenstein (New York).

Montclair State College, New Jersey, Walter H. Judd (Minnesota).

Murray State University, Kentucky, Brooks Hays (Arkansas).

Northern Illinois University, Illinois, William L. Hungate (Missouri).

Oklahoma State University, Oklahoma, Ralph W. Yarborough (Texas).

Otterbein College, Ohio, James Roosevelt (California).

Randolph-Macon College, Virginia, Gale W. McGee (Wyoming).

Rose Hulman Institute of Technology, Indiana, Gordon L. Allott (Colorado).

St. Lawrence University, New York, Roman Pucinski (Illinois).

St. Mary-of-the-Woods College, Indiana, Gordon L. Allott (Colorado).

St. Mary's College, Indiana, Gale W. McGee (Wyoming).

St. Michael's College, Vermont, Walter H. Judd (Minnesota).

St. Olaf College, Minnesota, William S. Mailliard (California).

Sangamon State University, Illinois, Andrew J. Biemiller (Wisconsin).

Sangamon State University, Illinois, Martha Keys (Kansas).

Sangamon State College, Illinois, Alan Lee Williams (Great Britain).*

Southeast Community College, Kentucky, Donald Lukens (Ohio).

Southwestern College, Kansas, Henry P. Smith III (New York).

State University at Oswego, New York, Martha Keys (Kansas).

Syracuse University, New York, Charles W. Whalen (Ohio).

Taladega College, Alabama, Theodore Kupferman (New York).

Tougaloo Southern Christian College, Mississippi, Allard Lowenstein (New York).

Translyvania University, Kentucky, James M. Quigley (Pennsylvania).

U.S. Air Force Academy, Colorado, Alan Lee Williams (Great Britain).*

U.S. Coast Guard Academy, Connecticut, Ralph Yarborough (Texas).

U.S. Naval Academy, Maryland, John S. Monagan (Connecticut).

U.S. Naval Academy, Maryland, William S. Mailliard (California).

University of Alaska, Alaska, William S. Mailliard (California).

University of California at Berkeley, California, Newton I. Steers, Jr. (Maryland).

University of North Dakota, North Dakota, Neil Staebler (Michigan).

University of Redlands, California, Catherine May Bedell (Washington).

University of South Carolina, South Carolina, Gale W. McGee (Wyoming).

University of South Carolina, South Carolina, Alan Lee Williams (Great Britain).*

University of South Dakota, South Dakota, William L. Hungate (Missouri).

University of Utah, Utah, Alan Lee Williams (Great Britain).*

University of Washington, Washington, Alan Lee Williams (Great Britain).*

Urbana College, Ohio, David S. King (Utah).

Vanderbilt University, Tennessee, Ralph W. Yarborough (Texas).

Virginia Military Institute, Virginia, Gale W. McGee (Wyoming).

Wake Forest University, North Carolina, William L. Hungate (Missouri).

Washington & Lee University, Virginia, Gale W. McGee (Wyoming).

Westmont College, California, Ronald Sarasin (Connecticut).

Wheaton College, Massachusetts, Charles A. Vanik (Ohio).

Whitman College, Washington, Frank E. Moss (Utah).

William & Mary College, Virginia, Hugh Scott (Pennsylvania).

Sample Comments on 1981 Congressional Alumni Campus Fellows Program

"She (Catherine May Bedell) carried well the positive message about the work of Congress . . . her sessions with the local news media were of benefit to the off campus community as well . . . We are much impressed by the Congress-to-Campus Program of the Former Members of Congress and hope that we can benefit by it again in the future."—Dr. Robert Morre, History Dept., Dr. Selden Smith, Associate Professor, Columbia College, Columbia, South Carolina, October 27, 1981.

"Thank you for your assistance in helping us participate in the Fellowship Program. Congressman Gilbert Gude was the perfect choice. Everyone was so thoroughly impressed that we have been receiving requests that we participate again in the program . . . if it is possible to include us again, please do so."—Raymond L. Chambers, Ph.D., Bainbridge Jr. College, Bainbridge, Georgia, June 2, 1981.

"From our vantage point, the visit was an unqualified success. Judge Hungate is an extremely effective public speaker and an engaging individual personally . . . everyone with whom he had contact was most impressed by him and found his discussion of his experiences in the Congress most helpful . . . This aspect of the Former Members of Congress program is a great idea and we are deeply appreciative of having been selected to have a former member visit our campus."—Donald C. Dahlin, Chairman, Political Science, University of South Dakota, Vermillion, South Dakota, December 9, 1981.

"Dr. Judd's visit was extremely successful and enjoyed by all concerned. This was a clear cut success and especially a beneficial experience for our students."—George T. Menake, Chairman, Political Science Department, Montclair State College, Upper Montclair, New Jersey, December 2, 1981.

"All of those with whom I have discussed the visit found it rewarding and educational on a campus that sometimes seems isolated from the mainstream of political events. A number of students have told me that they have been inspired to be more politically active as a result of Ms. Keys' visit . . . It was a great educational experience for us."—Bruce E. Altschuler, Assistant Professor, Political Science, State University of New York, Oswego, New York, December 7, 1981.

"It was an excellent opportunity for students to get to know a national figure and learn first hand what his job and positions were like."—Student Comment on Ambassador David King's visit, Albion College, Albion, Michigan, November 18, 1981.

". . . former Congressman Dan H. Kuykendall was very productive and successful in his presentations. Many nice compliments were received from our students and faculty relative to his visit. This is a very worthwhile program and I hope that we may avail ourselves of this program in the future."—Jack E. Bizzel, Head, Dept. of Government & Public Affairs, Morehead State University, Morehead, Kentucky, October 22, 1981.

"Everyone agreed that Ambassador McGee made good use of his several life experiences in addressing the topics on his agenda . . . a valuable learning experience for our students . . . The visit was one of the highlights of our academic year. . . . We very much would like to be able to have a Former Member of Congress Fellow next year . . ."—Jack E. Holmes, Associate Professor, Political Science, Hope College, Holland, Michigan, April 7, 1981.

"Our faculty members and student body were extremely impressed by Mr. Roosevelt's personableness, his knowledge and his experience. I don't think anyone . . . could have . . . done a better job. I only hope that other campuses . . . will be fortunate enough to have Mr. Roosevelt in residency."—Eugene Bennett, Executive Director, Miami University-Middletown, Middletown, Ohio, October 28, 1981.

"I cannot fail to express the immense gratitude Dr. David G. Lawrence, our departmental chairman and I feel toward Ron (Sarasin) for the excellence of his presentations and the openness and candor he demonstrated in sharing the life of a Congressman with the students."—Richard C. Burnweit, Department of Political Science, Westmont College, Santa Barbara, California August 13, 1981.

"The students and faculty were extremely pleased with Professor Schmidhauser's presentations and knowledge of Congress. Our organization would like to consider a visit by another former member of Congress next year . . . it was a very informative and successful visit and the students benefitted greatly."—Steve Caan, Assistant Professor of Political Science, Idaho State University, Pocatello, Idaho, October 19, 1981.

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*Pilot project funded by the Ford Foundation of former member of the British Parliament.

". . . so many individuals were impressed by our visitor's wide range of knowledge and interest . . . this is the most exciting thing we have done here for so long and why don't we do it more often? Faculty, students, staff, and administrators have voluntarily shown both their enthusiasm and gratitude for Mr. Staebler's visit and their recognition of his broad accomplishments in life . . . and, of course, no one will ever forget his warmth . . . for our students to be able to discuss public affairs with such a practitioner in this varied context was a rare opportunity.—George C. Roberts, Dept. of Political Science, Indiana University Northwest, Gary, Indiana, March 4, 1981.

"We were delighted with the presence of such a fine representative of Congress (former Senator Ralph Yarborough) who demonstrated to our students and to the local community that it is possible to have persons of exemplary character, commitment, and concern in national politics."—Donald Roy, Dept. of Political Science, Carroll College, Helena, Montana, February 19, 1981.

I myself have participated in this program, and I know how valuable and helpful it is because it provides a means of communicating with students in our colleges, explaining and justifying the Congress as an institution with an explication by people who have served in it and who can speak from practical experience.

Under a recent grant from the Ford Foundation, we have expanded the concept of this program to include an International Campus Fellows visit and last month completed the first of these with a cross-country series of visits by a former member of the British Parliament, Alan Lee Williams, who visitied five colleges and universities in five States.

We are very fortunate to have the services of a former Member of the House and a former Assistant Secretary of Education, Martha Keys, of Kansas, who is directing this educational program as a consultant to our association.

We estimate that we have reached approximately 50,000 students in this endeavor, and we plan to expand it in the years to come provided we can get the necessary financial support.

This year it was my pleasure to present to Dr. Daniel Boorstin, the Librarian of Congress, 80 oral history transcripts which represent the first major oral history project dealing with the Congress as such. These oral histories have been placed on microfiche by the New York Times and are available to students of the Congress there and at the Library of Congress.

Under a grant from the German Marshall Fund, a group of our Members met last November with a similar delegation from the Association of Former Members of the German Bundestag at the Konrad Adenauer Foundation Conference Center at Cadenabbia, Italy, and at that meeting we adopted a statement of cooperation between our associations which forms a basis for future collaboration with counterpart organizations in the developed democracies.

I hereby ask that this statement be included in the RECORD at this point.

Statement of Cooperation Adopted at Lake Como, November 6, 1981

1. *International cooperation* between the Association of Former Pallamentarians as far as they do exist in all O.E.C.D. member countries should be encouraged and strengthened.

2. *To achieve a fruitful cooperation* between these associations of Former Members of Parliament this necessary coordination should be provided on the basis of rotation for a two year period by one of the existing associations.

The Association of Former Members of Congress should act as the coordinator of the mutual efforts for the next two years.

3. It is anticipated that this coordination would engage in the following kinds of programs:

(A) *International university fellows program* modeled on the successful campus fellows program of the Association of Former Members of Congress. The cooperation between the existing associations in the O.E.C.D. countries would provide the framework for similar and reciprocal activities.

(B) *Comparative Research on Parliamentary Institution* within the framework of coordination of the parliamentary associations research on legislative institutions would be sponsored to improve public, scholarly and official understanding of the ways these institutions function. In contrast to much academic writing on such subjects, this research would be carried out by mixed groups of scholars and experienced practitioners in legislative institutions. The Association of Former Members of Congress, for example, has completed a very successful program of this sort in co-sponsoring a Comparative Study of the U.S. Congress and the Japanese Diet in cooperation with the Japan Center for International Exchange and the East-West Center's Culture Learning Institute.

(C) *Research on International Issues of Importance to Legislative Institutions.* The cooperating Associations of Former Parliamentarians would also try to sponsor research on substantial transnational issues focusing the interrelationship of such issues and the role of legislative institutions.

The major purpose of these studies is to increase understanding, particularly by those in one legislative institution, of the impact their actions have on the other country, with a view to promoting greater international cooperation.

(D) *Issues of War and Peace.* Studies in arms control and the international problems related to world peace could be undertaken with appropriate foreign policy institutes with the realization that any recommendations would come from the pool of practical political experience and that has operated at the highest levels in each of the countries. A delegation of former Members of Congress participated in such an Aspen Institute Seminar in Berlin in 1980.

(E) *Bilateral and Multilateral Forums for Discussion.* Based upon the success of a series of seminars at the Johnson Foundation Conference Center, "Wingspread," with Former Members of the Canadian Parliament, the Japanese Diet, and the German Bundestag, similar bilateral and multilateral sessions would be undertaken on timely current issues.

The Association of Former Members of the Bundestag in particular will support this program by organizing a yearly seminar with the assistance of foundations in the Federal Republic for a two year period.

Concluding Summary. International cooperation between associations of persons with parliamentary experience can play a valuable role in improving international understanding of democratic political processes. Like sitting members of parliaments, former members have practical experience in the political life of their countries, but they are not bound to the same degree by political, party, or governmental constraints of sitting members. Generally speaking, former members also have more time to devote to the study of comparative legislative questions and they are, therefore, in a position to perform a significant educative function. At the same time, their personal and professional relationships with sitting members and government officials assures that their contribution will be given attention by those still directly involved in governments.

□ 1145

We found also, interestingly enough, there were counterpart associations in four other countries of Europe: Belgium, France, Switzerland, and Italy. We had the opportunity of meeting with them and telling them about our programs.

We have also received a grant from the United States-Japan Friendship Commission to publish a comparative study of the Japanese Diet and the United States Congress. This has been under the direction of our consultant, Francis R. Valeo, who most of you know as long-time Secretary of the Senate and an expert on the Orient.

This project will be made available in handbook form to Members of the Congress and also will be published in book form a little later this year in English, and also in book form in Japanese by the Semal Press.

We have also been able to provide participants from our membership for the American Specialist Program of the International Communications Agency. These people speak to audiences overseas about our Congress and about our political system.

Participants in the last year, particularly appropriate, I think, were two former ambassadors to the Organization of American States, Bill Mailliard, our immediately past president, and Gale McGee, who is a member of our board of directors, who visited Argentina and Brazil earlier this year. I understand they assume no responsibility for what took place in Argentina since the time of their visit.

Also one of our members, David King, who is fluent in French, lectured in French in Senegal and the Ivory Coast as part of another project of this type.

Former Senator James Pearson, and former Congresswoman Martha Keys,

spoke to audiences in Japan about the Congress and the political system as part of this same program.

During the last year we held out 11th Annual Fall Meeting in Minneapolis-St. Paul where we were hosted by two former colleagues, Don Fraser, now mayor of Minneapolis, and Al Quie, who is now Governor of Minnesota.

It is not unworthy to note that our programs have been well received and we have had projects in four continents: Asia, Africa, Latin America, and Europe. We just completed a study tour of the Middle East where 27 members met with officials of the Israeli and Egyptian Governments, and that was a most productive trip.

I am finally pleased to report that this fall we will be carrying forward the existing programs and also another tour of the People's Republic of China, a second meeting with a German political foundation, the Friedrich Ebert Stiftung, our first visit to the Soviet Union and Eastern Europe, a foreign policy study seminar with the Gerald R. Ford Library, and the Atlantic Council which will be at "Wingspread" in Wisconsin.

Ambassador Mailliard and I have just returned from a very interesting and, I think, noteworthy meeting between former parliamentarians in France of France and Germany which took place in Strasbourg, and we were invited to attend as members of the Former Members of Congress Organization. There were almost 100 participants at this conference, and afterward Ambassador Mailliard went to London to talk with former members of the British Parliament about the possible organization of a counterpart organization, and I went to Dublin to talk with former members of the Dail there about the formation of a similar organization. We were very favorably and well received in both places.

I would like to insert at this point also, if I may, the list of 76 foundations, corporate, institutional, and individual sponsors who have contributed funds to our organization and who, of course, have made possible the educational programs that I have spoken of.

Substantial Contributors to FMC'S Campus Fellows Programs and Other Educational Projects

PATRONS[1]

1. Ford Foundation.
2. Japan-U.S. Friendship Commission.
3. Lilly Endowment, Inc.
4. National Endowment for the Humanities.

BENEFACTORS[2]

5. Anonymous Individual.
6. Anonymous Private Foundation.
7. Claude Worthington Benedum Foundation.
8. Hon. Charles K. Fletcher.
9. German Marshall Fund of the United States.
10. Grand Street Boys' Foundation.
11. Flora & William Hewlett Foundation.
12. John Crain Kunkel Foundation.
13. Charles Stewart Mott Foundation.
14. Rockefeller Foundation.
15. Louise Taft Semple Foundation.
16. U.S. Dept. of State, Bureau of Education and Cultural Affairs.
17. University of South Carolina, James Byrnes International Center.

SPONSORS[3]

18. AMAX Foundation, Inc.
19. American Brands, Inc.
20. Anonymous Private Foundation.
21. Ashland Oil Company.
22. Battelle Memorial Institute.
23. Beech Aircraft Corporation.
24. Black & Decker Manufacturing Co.
25. Hon. Charles B. Brownson.
26. Howard H. Callaway Foundation.
27. Castle & Cooke, Inc.
28. Champion International Corporation.
29. Congressional Staff Directory.
30. Exxon Company, USA.
31. Finance Factors Foundation.
32. Former Members of Congress Auxiliary.
33. Ford Motor Company Fund.
34. Gulf Oil Corporation.
35. Richard T. Hanna Family Fund.
36. Hartwick College.
37. Hon. Brooks Hays.
38. Home Federal Savings & Loan Association.
39. I.B.M.
40. International Harvester.
41. International Union of Operating Engineers.
42. Mrs. Benjamin F. James.
43. Johnson Foundation.
44. Hon. Jed Johnson, Jr.
45. Hon. Walter H. Judd.

45a. Mr. J. C. Kennedy

46. Hon. William S. Mailliard.
47. Hon. D. Bailey Merrill.
48. Mid-America Nazarene College.
49. Mobil Oil Corporation.
50. Hon. John S. Monagan.

50a. Mr. Richard Murphy.

51. Mt. Vernon College.
52. National Association of Independent Insurers.
53. National Paint & Coatings Association, Inc.
54. National Study Commission on Records and Documents.
55. Pacific Federal Savings & Loan Association.
56. Panhandle Eastern Pipeline Company.
57. Pioneer Federal Savings & Loan Association.
58. Portsmouth Community Trust.
59. Prudential Foundation.
60. Relief Foundation, Inc.
61. Sangamon State University.
62. Dr. Scholl Foundation.
63. Florence & Johnson Schumann Foundation.
64. Mrs. Kay Sheppard.
65. Hon. Carlton R. Sickles.
66. Smith Kline Corporation.
67. Sperry Corporation.
68. St. Cloud University.
69. TRW, Inc.
70. The Tobacco Institute.
71. University of Utah.
72. Rep. Guy Vander Jagt.
73. Whalley Trust.
74. Mr. and Mrs. James Yao.

(Special thanks also to Hon. David King and Hon. Martha Keys who helped secure a number of these contributions).

In conclusion, Mr. Speaker, I would like to express to you and to other Members of the Congress our thanks to the House for having enacted our Federal charter legislation. We hope and trust that the Senate will do likewise at an early date.

Of course, no report of our doings would be complete, Mr. Speaker, without expressing appreciation and paying tribute to Jed Johnson, our Executive Director. Without his dedication, his imagination, is enterprise, his faith and his equanimity in the face of disappointment, our association would be an all-Members' social club and not the vibrant organization it is today.

So for your essential contribution to this achievement, Jed, you have our deepest thanks.

Mr. Speaker, I have the very pleasant duty today of presenting the Distinguished Service Award of Former Members of Congress to a long-time friend and one of the most prominent Members of Congress in the history of this distinguished body.

Hugh Scott served for 34 years in both Houses of Congress. Sixteen of these were in the House and 18 in the Senate. In the latter body he served on the Committees on Foreign Relations and on the Judiciary and for 8 years was minority leader in the other Chamber. He favored internationalism in foreign policy and in floor activity excelled in smoothing the way for the consideration and processing of necessary legislation.

He was the national chairman of the Republican Party in 1948 and 1949 and managed to survive those eventful years with good humor, not being averse to striking hard blows for his party when circumstances called for a vigorous exchange. He found what was undoubtedly a more salubrious atmosphere on the Eisenhower personal staff in 1952.

While politics filled his life for many years, his interests have not been confined to that uncertain science.

In 1931 he published a respected legal treatise on the esoteric subject of bailments. Twenty-five years later, drawing upon the results of his long years of collecting oriental ceramics, he published a well-known study, "The Golden Age of Chinese Art," a work justly praised by experts in the field.

A graduate of Randolph Macon College and the University of Virginia, he saw active service in the Navy in World War II.

In 1967 he served as visiting professor at Balliol College, Oxford. The record does not show whether he taught bailments, ceramics, or politics. Undoubtedly, a little of each.

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[1] Patrons have contributed at least $50,000

[2] Benefactors have contributed between $10,000 and $50,000

[3] Sponsors have contributed $1,000 to $10,000

He has enough honorary degrees, 30 in all, to paper his living room. They came not only from the University of Pennsylvania and Lafayette College, but also from such diverse institutions as the Philadelphia College of Osteopathy and Hebrew Union College.

He is today an active senior partner in the Washington law firm of Barnett and Alagia.

Hugh's wife, Marian, an essential partner, is a genial and friendly lady who is known and loved by all of the members of our organization.

In view of his long and remarkable career of public service and personal achievement, the Association of Former Members of Congress has voted to confer upon Hugh Scott its distinguished service award.

Hugh, on behalf of our association, it is my pleasure to present this award to you today.

Mr. SCOTT. Mr. Speaker, I hope that on attempting to leave this building with the gavel that the Doorkeeper will not think I have impinged on the Speaker's prerogatives or, even worse, on his gavel.

But I am very grateful. I briefly want to take this opportunity to say that I admire so much the work being done by the former Members of Congress. It is a pleasure to see so many of them here, to see some of my friends like the Senators, and Senator Helms, and Senator Stevens and others, and other sitting Members of the House. We are honored by your interest and by your presence as well.

I think our own congressional memories are somewhat like bagpipe music. The further away you get from them, the better they sound.

We are certainly under no delusions as to the impact of our existence and our organization. I think a former Member of Congress has about the same impact on the incumbent bodies as the cheerleader on a computer.

But it is a great experience for all of us who have had it. We welcome all of you not too soon to our membership. Our best wish for you is that you will take your time.

I do thank all of you for this presentation, and I am glad I am still physically able to carry it out of the Chamber. If you had waited a couple of years you would have had to present it to one of my grandchildren instead, I think.

But thank you very much. I greatly appreciate it.

□ 1200

Mr. MONAGAN. I think we have come to the conclusion of the program, Mr. Speaker.

The SPEAKER. The Chair again wishes to thank the former Members of the House for their presence here today. Good luck, God bless you, and we hope to see you again next year.

Thank you.

The House will continue in recess until 12:15.

Accordingly (at 12 o'clock and 1 minute p.m.), the House continued in recess until 12 o'clock and 15 minutes p.m.

□ 1215

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 12 o'clock and 15 minutes p.m.

REPORT ON FIRST CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEARS 1983, 1984, and 1985 AND REVISING THE BUDGET FOR FISCAL YEAR 1982

Mr. WRIGHT, from the Committee on the Budget, submitted a privileged report (Rept. No. 97-521) on the concurrent resolution (H. Con. Res. 345) revising the congressional budget for the U.S. Government for the fiscal year 1982 and setting forth the congressional budget for the U.S. Government for the fiscal years 1983, 1984, and 1985, which was referred to the Union Calendar and ordered to be printed.

Mr. Speaker, I ask unanimous consent to insert in the Record at this point the text of the budget resolution and a brief statement by the chairman of the Budget Committee, the gentleman from Oklahoma (Mr. Jones).

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

● Mr. JONES of Oklahoma. Mr. Speaker, last week, the joint leadership of both parties in the House announced a schedule and procedure for consideration of the first budget resolution for fiscal year 1983 in the House of Representatives.

Members were put on notice that any proposed amendments or substitutes to be considered and made in order by the Rules Committee when it meets on May 20, should follow certain guidelines. Among those guidelines was the intention of the leadership to require that any amendments or substitutes be printed in the Record of May 19, and that such amendments or substitutes be also given the House Committee on Rules and to the House Budget Committee.

It is the intention of the leadership of both parties to conduct the debate on the first budget resolution in an orderly manner, and in a manner that will focus debate on the substance of the issue, and not on technical disputes involving the calculation of numbers and program speed-out rates. For that reason, I hope all substitutes or amendments will be calculated from the bipartisan baseline, established in the negotiations between the administration, the House, and Senate negotiators during the 5 weeks of discussions on the fiscal 1983 budget. Simply put, that baseline, as measured by the Congressional Budget Office and the Joint Tax Committee, calculates the starting point for deficit reduction at $181.35 billion for fiscal year 1983; $215.30 billion for fiscal year 1984; and $232.15 billion for fiscal year 1985.

In addition to the agreed upon baseline, the bipartisan negotiators also agreed upon a set of common economic assumptions from which the baseline is calculated. The economic assumptions, and the reduction in interest rates reflecting a deficit-reduction policy, form the basis of any deficit reduction calculations, and I intend to urge the House Committee on Rules to require that any amendment or substitute made in order be verified by CBO and/or JCT as to its effect on budget authority, outlays, and revenues based on these economic assumptions.

This year, it is imperative that we all compare apples to apples and oranges to oranges as we try to thread our way through this complicated economic debate.

We have succeeded in getting broad agreement on the baseline numbers from the Director of the Office of Management and Budget, from the chairman and ranking member of the Senate Budget Committee, and from the broad range of Members on both sides of the aisle. Both the House and Senate Budget Committees used the bipartisan baseline in drafting their own budget resolutions, and the President used these numbers in a nationally televised speech on the budget a few days ago.

It is my hope that all Members will use these numbers in calculating their own deficit reduction plans. It is my intention to urge the House Committee on Rules to insist that any amendments or substitutes made in order for debate on the House floor utilize this bipartisan baseline for purposes of deficit reduction calculations, and Members should be on notice as to this fact.●

H. Con. Res. 345

Resolved by the House of Representatives (the Senate concurring),

TITLE I—REVISION OF THE CONGRESSIONAL BUDGET FOR THE UNITED STATES GOVERNMENT FOR THE FISCAL YEAR 1982

Sec. 101. The provisions of this title shall supersede the figures reaffirmed in Senate Concurrent Resolution 50 of the Ninety-seventh Congress for the fiscal year beginning on October 1, 1981.

Sec. 102(a)(1). The level of Federal revenues is $622,800,000,000 and the net amount by which the aggregate level of Federal revenues should be decreased is $200,000,000;

(2) the level of total new budget authority is $784,500,000,000;

(3) the level of total budget outlays is $743,900,000,000;

(4) the amount of the deficit in the budget is $121,100,000,000;

(5) the level of the public debt is $1,147,700,000,000 and the amount by which the statutory limit on such debt should accordingly be increased is $747,700,000,000, and

(6) the level of total obligations for the principal amount of new direct loans is $63,400,000,000, the level of total new primary commitments to guarantee loan principal is $74,850,000,000, and the level of total new secondary commitments to guarantee loan principal is $88,950,000,000.

(b) Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of subsection (a) of this section of this resolution, the Congress hereby determines and declares that, for the fiscal year beginning on October 1, 1961, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are as follows:

(1) National Defense (050):
(A) New budget authority, $218,200,000,000;
(B) Outlays, $190,800,000,000.

(2) International Affairs (150):
(A) New budget authority, $16,750,000,000;
(B) Outlays, $11,450,000,000.

(3) General Science, Space, and Technology (250):
(A) New budget authority, $7,000,000,000;
(B) Outlays, $7,000,000,000.

(4) Energy (270):
(A) New budget authority, $4,750,000,000;
(B) Outlays, $6,500,000,000.

(5)Natural Resources and Environment (300):
(A) New budget authority, $10,400,000,000;
(B) Outlays, $12,850,000,000.

(6) Agriculture (350):
(A) New budget authority, $9,900,000,000;
(B) Outlays, $13,800,000,000.

(7) Commerce and Housing Credit (370):
(A) New budget authority, $7,500,000,000;
(B) Outlays, $3,750,000,000.

(8) Transportation (400):
(A) New budget authority, $21,350,000,000;
(B) Outlays, $21,450,000,000.

(9) Community and Regional Development (450):
(A) New budget authority, $7,000,000,000;
(B) Outlays, $8,650,000,000.

(10) Education, Training, Employment and Social Services (500):
(A) New budget authority, $25,450,000,000;
(B) Outlays, $28,200,000,000.

(11) Health (550):
(A) New budget authority, $79,050,000,000;
(B) Outlays, $73,750,000,000.

(12) Income Security (600):
(A) New budget authority, $261,350,000,000;
(B) Outlays, $251,850,000,000.

(13) Veterans Benefits and Services (700):
(A) New budget authority, $24,800,000,000;
(B) Outlays, $23,800,000,000.

(14) Administration of Justice (750):
(A) New budget authority, $4,500,000,000;
(B) Outlays, $4,850,000,000.

(15) General Government (800):
(A) New budget authority, $5,200,000,000;
(B) Outlays, $5,050,000,000.

(16) General Purpose Fiscal Assistance (850):
(A) New budget authority, $6,350,000,000;
(B) Outlays, $6,350,000,000.

(17) Interest (900):
(A) New budget authority, $102,350,000,000;
(B) Outlays, $102,350,000,000;

(18) Allowances (920):
(A) New budget authority, $2,850,000,000;
(B) Outlays, $1,900,000,000.

(19) Undistributed Offsetting Receipts (950):
(A) New budget authority, −$30,250,000,000;
(B) Outlays, −$30,250,000,000.

Sec. 103. (a) There is established a congressional federal credit budget for fiscal year 1982 of which the levels of total federal credit activity for fiscal year 1982 are:

(1) New direct loan obligations, $63,400,000,000

(2) New primary loan guarantee commitments, $74,850,000,000

(3) New secondary loan guarantee commitments, $68,950,000,000

(b) Based on allocations of the appropriate levels of total federal credit activity as set forth in paragraph (1) of this subsection, the appropriate levels of new direct loan obligations, new primary loan guarantee commitments, and new secondary loan guarantee commitments for each functional category are as follows:

(1) National Defense (050):
(A) New direct loan obligations, $0;
(B) New primary loan guarantee commitments, $0;
(C) New secondary loan guarantee commitments, $0.

(2) International Affairs (150):
(A) New direct loan obligations, $10,400,000,000;
(B) New primary loan guarantee commitments, $8,100,000,000;
(C) New secondary loan guarantee commitments, $0.

(3) General Science, Space and Technology (250):
(A) New direct loan obligations, $200,000,000;
(B) New primary loan guarantee commitments, $0;
(C) New secondary loan guarantee commitments, $0.

(4) Energy (270):
(A) New direct loan obligations, $10,300,000,000;
(B) New primary loan guarantee commitments, $400,000,000;
(C) New secondary loan guarantee commitments, $0.

(5) Natural Resources and Environment (300):
(A) New direct loan obligations, $50,000,000;
(B) New primary loan guarantee commitments, $0;
(C) New secondary loan guarantee commitments, $0.

(6) Agriculture (350):
(A) New direct loan obligations, $22,600,000,000;
(B) New primary loan guarantee commitments, $2,700,000,000;
(C) New secondary loan guarantee commitments, $0.

(7) Commerce and Housing Credit (370):
(A) New direct loan obligations, $12,050,000,000;
(B) New primary loan guarantee commitments, $26,200,000,000;
(C) New secondary loan guarantee commitments, $68,200,000,000.

(8) Transportation (400):
(A) New direct loan obligations, $350,000,000;
(B) New primary loan guarantee commitments, $750,000,000;
(C) New secondary loan guarantee commitments, $50,000,000.

(9) Community and Regional Development (450):
(A) New direct loan obligations, $2,000,000,000;
(B) New primary loan guarantee commitments, $850,000,000;
(C) New secondary loan guarantee commitments, $0.

(10) Education, Training, Employment and Social Services (500):
(A) New direct loan obligations, $1,300,000,000;
(B) New primary loan guarantee commitments, $6,500,000,000;
(C) New secondary loan guarantee commitments, $700,000,000.

(11) Health (550):
(A) New direct loan obligations, $50,000,000;
(B) New primary loan guarantee commitments, $100,000,000;
(C) New Secondary loan guarantee commitments, $0.

(12) Income Security (600):
(A) New direct loan obligations, $2,750,000,000;
(B) New primary loan guarantee commitments, $17,050,000,000;
(C) New Secondary loan guarantee commitments, $0.

(13) Veterans Benefits and Services (700):
(A) New direct loan obligations, $1,050,000,000;
(B) New primary loan guarantee commitments, $11,900,000,000;
(C) New Secondary loan guarantee commitments, $0.

(14) Administration of Justice (750):
(A) New direct loan obligations, $0;
(B) New primary loan guarantee commitments, $0;
(C) New Secondary loan guarantee commitments, $0.

(15) General Government (800):
(A) New direct loan obligations, $50,000,000;
(B) New primary loan guarantee commitments, $0;
(C) New Secondary loan guarantee commitments, $0.

(16) General Purpose Fiscal Assistance (850):
(A) New direct loan obligations, $250,000,000;
(B) New primary loan guarantee commitments, $300,000,000;
(C) New Secondary loan guarantee commitments, $0.

(17) Interest (900):
(A) New direct loan obligations, $0;
(B) New primary loans guarantee commitments, $0;
(C) New secondary loan guarantee commitments, $0.

(18) Allowances (920):
(A) New direct loan obligations, $0;
(B) New primary loan guarantee commitments, $0;
(C) New secondary loan guarantee commitments, $0.

(19) Undistributed Offsetting Receipts (950):
(A) New direct loan obligations, $0;
(B) New primary loan guarantee commitments, $0;
(C) New secondary loan guarantee commitments, $0.

(c) It is the sense of the Congress that the President and the Congress, through the appropriations process, should limit in fiscal year 1982 the off-budget lending activity of the Federal Government to a level not to exceed $30,200,000,000, the on-budget lending activity to a level not to exceed $33,200,000,000, new primary loan guarantee commitments to a level not to exceed $74,850,000,000, and new secondary loan guarantee commitments to a level not to exceed $68,950,000,000.

TITLE II—SETTING FORTH THE CONGRESSIONAL BUDGET FOR THE UNITED STATES GOVERNMENT FOR THE FISCAL YEARS 1983, 1984, AND 1985

Sec. 201. The Congress hereby determines and declares, pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on October 1, 1982—

(1) the level of Federal revenues is $876,700,000,000, and the net amount by which the aggregate level of Federal revenues should be increased is $31,700,000,000;

(2) the level of total new budget authority is $828,000,000,000;

(3) the level of total budget outlays is $780,550,000,000;

(4) the amount of the deficit in the budget is $103,850,000,000, and

(5) the level of the public debt is $1,285,550,000,000, and the amount by which the statutory limit on such debt should accordingly be increased is $885,550,000,000.

Sec. 202. Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of section 201 of this resolution, the Congress hereby determines and declares pursuant to section 301(a) of the Congressional Budget Act of 1974 that, for the fiscal year beginning on October 1, 1982, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are as follows:

(1) National Defense (050):

(A) New budget authority, $242,850,000,000;

(B) Outlays, $212,300,000,000.

(2) International Affairs (150):

(A) New budget authority, $16,150,000,000;

(B) Outlays, $12,100,000,000.

General Science, Space, and Technology (250):

(A) New budget authority, $7,750,000,000;

(B) Outlays, $7,600,000,000.

(4) Energy (270):

(A) New budget authority, $5,300,000,000;

(B) Outlays, $5,000,000,000.

(5) Natural Resources and Environment (300):

(A) New budget authority, $9,400,000,000;

(B) Outlays, $10,850,000,000.

(6) Agriculture (350):

(A) New budget authority, $6,900,000,000;

(B) Outlays, $10,100,000,000.

(7) Commerce and Housing Credit (370):

(A) New budget authority, $8,050,000,000;

(B) Outlays, $3,050,000,000.

(8) Transportation (400):

(A) New budget authority, $22,,300,000,000;

(B) Outlays, $20,400,000,000.

(9) Community and Regional Development (450):

(A) New budget authority, $7,000,000,000;

(B) Outlays, $7,900,000,000.

(10) Education, Training, Employment and Social Services (500):

(A) New budget authority, $27,550,000,000;

(B) Outlays, $27,450,000,000.

(11) Health (550):

(A) New budget authority, $77,300,000,000;

(B) Outlays, $80,100,000,000.

(12) Income Security (600):

(A) New budget authority, $286,950,000,000;

(B) Outlays, $273,800,000,000.

(13) Veterans Benefits and Services (700):

(A) New budget authority, $24,100,000,000;

(B) Outlays, $23,400,000,000.

(14) Administration of Justice (750):

(A) New budget authority, $4,600,000,000;

(B) Outlays $4,650,000,000.

(15) General Government (800):

(A) New budget authority, $5,000,000,000;

(B) Outlays, $4,850,000,000.

(16) General Purpose Fiscal Assistance (850):

(A) New budget authority, $6,500,000,000;

(B) Outlays, $6,500,000,000.

(17) Interest (900):

(A) New budget authority, $115,000,000,000;

(B) Outlays, $115,000,000,000.

(18) Allowances (920):

(A) New budget authority, −$1,050,000,000;

(B) Outlays, −$850,000,000.

(19) Undistributed Offsetting Receipts (950):

(A) New budget authority, −$43,650,000,000;

(B) Outlays, −$43,650,000,000.

Sec. 203. (a) There is established a congressional federal credit budget for fiscal year 1983 of which the levels of total federal credit activity for fiscal year 1983 are:

(1) New direct loan obligations, $60,900,000,000.

(2) New primary loan guarantee commitments, $99,100,000,000.

(3) New secondary loan guarantee commitments, $68,250,000,000.

(b) Based on allocations of the appropriate levels of total federal credit activity as set forth in paragraph (1) of this subsection, the appropriate levels of new direct loan obligations, new primary loan guarantee commitments, and new secondary loan guarantee commitments for each functional category are as follows:

National Defense (050):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

International Affairs (150):

(A) New direct loan obligations, $10,850,000,000;

(B) New primary loan guarantee commitments, $8,950,000,000;

(C) New secondary loan guarantee commitments, $0.

General Science, Space and Technology (250):

(A) New direct loan obligations, $150,000,000;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(4) Energy (270):

(A) New direct loan obligations, $11,950,000,000;

(B) New primary loan guarantee commitments, −$850,000,000;

(C) New secondary loan guarantee commitments, $0.

(5) Natural Resources and Environment (300):

(A) New direct loan obligations, $50,000,000;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(6) Agriculture (350):

(A) New direct loan obligations, $19,150,000,000;

(B) New primary loan guarantee commitments, $2,650,000,000;

(C) New secondary loan guarantee commitments, $0.

(7) Commerce and Housing Credit (370):

(A) New direct loan obligations, $12,150,000,000;

(B) New primary loan guarantee commitments, $40,100,000,000;

(C) New secondary loan guarantee commitments, $68,250,000,000.

(8) Transportation (400):

(A) New direct loan obligations, $350,000,000;

(B) New primary loan guarantee commitments, $750,000,000;

(C) New secondary loan guarantee commitments, $0.

(9) Community and Regional Development (450):

(A) New direct loan obligations, $1,950,000,000;

(B) New primary loan guarantee commitments, $500,000,000;

(C) New secondary loan guarantee commitments, $0.

(10) Education, Training, Employment and Social Services (500):

(A) New direct loan obligations, $850,000,000;

(B) New primary loan guarantee commitments, $7,250,000,000;

(C) New secondary loan guarantee commitments, $0.

(11) Health (550):

(A) New direct loan obligations, $50,000,000;

(B) New primary loan guarantee commitments, $100,000,000;

(C) New secondary loan guarantee commitments, $0.

(12) Income Security (600):

(A) New direct loan obligations, $2,050,000,000;

(B) New primary loan guarantee commitments, $18,700,000,000;

(C) New secondary loan guarantee commitments, $0.

(13) Veterans Benefits and Services (700):

(A) New direct loan obligations, $1,050,000,000;

(B) New primary loan guarantee commitments, $20,950,000,000;

(C) New secondary loan guarantee commitments, $0.

(14) Administration of Justice (750):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(15) General Government (800):

(A) New direct loan obligations, $50,000,000;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(16) General Purpose Fiscal Assistance (850):

(A) New direct loan obligations, $250,000,000;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(17) Interest (900):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(18) Allowances (920):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(19) Undistributed Offsetting Receipts (950):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(c) It is the sense of the Congress that the President and the Congress, through the appropriations process, should limit in fiscal year 1983 the off-budget lending activity of the Federal Government to a level not to exceed $31,050,000,000, the on-budget lending activity to a level not to exceed $29,850,000,000, new primary loan guarantee commitments to a level not to exceed $99,100,000,000, and new secondary loan guarantee commitments to a level not to exceed $68,250,000,000.

Sec. 204. The Congress sets forth the following budgetary levels for fiscal years 1984 and 1985—

(1) the level of Federal revenues is as follows:

Fiscal year 1984: $753,650,000,000.

Fiscal year 1985: $846,550,000,000.

and the amount by which the aggregate levels of Federal revenues should be increased is as follows:

Fiscal year 1984: $51,650,000,000.

Fiscal year 1985: $66,550,000,000.

(2) the level of total new budget authority is as follows:

Fiscal year 1984: $888,400,000,000.

Fiscal year 1985: $952,850,000,000.

(3) the level of total budget outlays is as follows:

Fiscal year 1984: $826,400,000,000.

Fiscal year 1985: $881,200,000,000.

(4) the amount of the deficit in the budget is:

Fiscal year 1984: $72,750,000,000.

Fiscal year 1985: $34,650,000,000.

(5) the level of the public debt is as follows:

Fiscal year 1984: $1,404,450,000,000.

Fiscal year 1985: $1,490,800,000,000.

and the amount by which the temporary statutory limit on such debt should be accordingly increased is as follows:

Fiscal year 1984: $1,004,450,000,000.

Fiscal year 1985: $1,090,800,000,000.

Sec. 205. Based on allocations of the appropriate level of total new budget authority and of total budget outlays for fiscal years 1984 and 1985 as set forth above, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are respectively as follows:

(1) National Defense (050):

Fiscal year 1984:

(A) New budget authority, $268,150,000,000;

(B) Outlays, $235,350,000,000.

Fiscal year 1985:

(A) New budget authority, $295,950,000,000;

(B) Outlays, $265,950,000,000.

(2) International Affairs (150):

Fiscal year 1984:

(A) New budget authority, $16,800,000,000;

(B) Outlays, $12,300,000,000.

Fiscal year 1985:

(A) New budget authority, $21,200,000,000;

(B) Outlays, $12,300,000,000.

(3) General Science, Space, and Technology (250):

Fiscal year 1984:

(A) New budget authority, $7,750,000,000;

(B) Outlays, $7,750,000,000.

Fiscal year 1985:

(A) New budget authority, $7,600,000,000;

(B) Outlays, $7,600,000,000.

(4) Energy (270):

Fiscal year 1984:

(A) New budget authority, $4,700,000,000;

(B) Outlays, $4,050,000,000.

Fiscal year 1985:

(A) New budget authority, $4,650,000,000;

(B) Outlays, $3,850,000,000.

(5) Natural Resources and Environment (300):

Fiscal year 1984:

(A) New budget authority, $8,750,000,000;

(B) Outlays, $9,850,000,000.

Fiscal year 1985:

(A) New budget authority, $8,350,000,000;

(B) Outlays, $8,850,000,000.

(6) Agriculture (350):

Fiscal year 1984:

(A) New budget authority, $8,400,000,000;

(B) Outlays, $8,250,000,000.

Fiscal year 1985:

(A) New budget authority, $6,850,000,000;

(B) Outlays, $7,500,000,000.

(7) Commerce and Housing Credit (370):

Fiscal year 1984:

(A) New budget authority, $8,650,000,000;

(B) Outlays, $2,750,000,000.

Fiscal year 1985:

(A) New budget authority, $8,350,000,000;

(B) Outlays, $2,600,000,000.

(8) Transportation (400):

Fiscal year 1984:

(A) New budget authority, $22,400,000,000;

(B) Outlays, $20,050,000,000.

Fiscal year 1985:

(A) New budget authority, $22,950,000,000;

(B) Outlays, $20,250,000,000.

(9) Community and Regional Development (450):

Fiscal year 1984:

(A) New budget authority, $7,150,000,000;

(B) Outlays, $7,600,000,000.

Fiscal year 1985:

(A) New budget authority, $7,350,000,000;

(B) Outlays, $7,700,000,000.

(10) Education, Training, Employment, and Social Services (500):

Fiscal year 1984:

(A) New budget authority, $28,250,000,000;

(B) Outlays, $28,000,000,000.

Fiscal year 1985:

(A) New budget authority, $28,300,000,000;

(B) Outlays, $28,200,000,000.

(11) Health (550):

Fiscal year 1984:

(A) New budget authority, $81,700,000,000;

(B) Outlays, $89,650,000,000.

Fiscal year 1985:

(A) New budget authority, $94,100,000,000;

(B) Outlays, $101,250,000,000.

(12) Income Security (600):

Fiscal year 1984:

(A) New budget authority, $314,500,000,000;

(B) Outlays, $290,050,000,000.

Fiscal year 1985:

(A) New budget authority, $344,550,000,000;

(B) Outlays, $312,400,000,000.

(13) Veterans Benefits and Services (700):

Fiscal year 1984:

(A) New budget authority, $25,150,000,000;

(B) Outlays, $24,550,000,000.

Fiscal year 1985:

(A) New budget authority, $26,000,000,000;

(B) Outlays, $25,900,000,000.

(14) Administration of Justice (750):

Fiscal year 1984:

(A) New budget authority, $4,600,000,000;

(B) Outlays, $4,600,000,000.

Fiscal year 1985:

(A) New budget authority, $4,600,000,000;

(B) Outlays, $4,600,000,000.

(15) General Government (800):

Fiscal year 1984:

(A) New budget authority, $4,700,000,000;

(B) Outlays, $4,600,000,000.

Fiscal year 1985:

(A) New budget authority, $4,700,000,000;

(B) Outlays, $4,500,000,000.

(16) General Purpose Fiscal Assistance (850):

Fiscal year 1984:

(A) New budget authority, $6,750,000,000;

(B) Outlays, $6,700,000,000.

Fiscal year 1985:

(A) New budget authority, $6,850,000,000;

(B) Outlays, $6,850,000,000.

(17) Interest (900):

Fiscal year 1984:

(A) New budget authority, $119,300,000,000;

(B) Outlays, $119,300,000,000.

Fiscal year 1985:

(A) New budget authority, $110,850,000,000;

(B) Outlays, $110,850,000,000.

(18) Allowances (920):

Fiscal year 1984:

(A) New budget authority, $200,000,000;

(B) Outlays, $500,000,000.

Fiscal year 1985:

(A) New budget authority, $500,000,000;

(B) Outlays, $900,000,000.

(19) Undistributed Offsetting Receipts (950):

Fiscal year 1984:

(A) New budget authority, −$49,500,000,000;

(B) Outlays, −$49,500,000,000.

Fiscal year 1985:

(A) New budget authority, −$50,850,000,000;

(B) Outlays, −$50,850,000,000.

TITLE III—PROVIDING RECONCILIATION INSTRUCTIONS AND OTHER ENFORCEMENT MEASURES

Part A—Reconciliation Instructions

Sec. 301. Pursuant to section 301(b)(2) of the Budget Act—

(A) the House Committee on Agriculture shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $207,000,000 and outlays by $207,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $530,000,000 in budget authority and $530,000,000 in outlays in fiscal year 1984, and $661,000,000 in budget authority and $661,000,000 in outlays in fiscal year 1985.

(B) the House Committee on Armed Services shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $212,000,000 and outlays by $212,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $691,000,000 in budget authority and $691,000,000 in outlays in fiscal year 1984, and $1,228,000,000 in budget authority and $1,228,000,000 in outlays in fiscal year 1985.

(C) the House Committee on Banking, Finance, and Urban Affairs shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce outlays by $895,000,000 in fiscal year 1983; further, the

Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $697,000,000 in outlays in fiscal year 1984, and $687,000,000 in outlays in fiscal year 1985.

(D) the House Committee on Education and Labor shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $73,000,000 and outlays by $73,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $101,000,000 in budget authority and $101,000,000 in outlays in fiscal year 1984, and $97,000,000 in budget authority and $97,000,000 in outlays in fiscal year 1985.

(E) the House Committee on Energy and Commerce shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $60,000,000 and outlays by $60,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $68,000,000 in budget authority and $68,000,000 in outlays in fiscal year 1984, and $77,000,000 in budget authority and $77,000,000 in outlays in fiscal year 1985.

(F) the House Committee on Foreign Affairs shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce outlays by $3,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $2,000,000 in budget authority and $8,000,000 in outlays in fiscal year 1984, and $4,000,000 in budget authority and $15,000,000 in outlays in fiscal year 1985.

(G) the House Committee on Merchant Marine and Fisheries shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $4,000,000 and outlays by $4,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $15,000,000 in budget authority and $15,000,000 in outlays in fiscal year 1984, and $27,000,000 in budget authority and $27,000,000 in outlays in fiscal year 1985.

(H) the House Committee on Post Office and Civil Service shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $000,000,000 and outlays by $273,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $242,000,000 in budget authority and $925,000,000 in outlays in fiscal year 1984, and $538,000,000 in budget authority and $1,648,000,000 in outlays in fiscal year 1985.

(I) the House Committee on Veterans' Affairs shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $171,000,000 and outlays by $171,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $187,000,000 in budget authority and $187,000,000 in outlays in fiscal year 1984, and $195,000,000 in budget authority and $195,000,000 in outlays in fiscal year 1985.

(J) the House Committee on Ways and Means shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $334,000,000 and outlays by $2,489,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $205,000,000 in budget authority and $3,576,000,000 in outlays in fiscal year 1984, and $267,000,000 in budget authority and $4,160,000,000 in outlays in fiscal year 1985.

(K) the House Committee on Ways and Means shall report changes in laws within the jurisdiction of the committee sufficient to increase revenue by $31,700,000,000 for fiscal year 1983; further, the Congress finds that the prospect of unacceptably high deficits in future years requires additional revenues of $51,650,000,000 for fiscal year 1984, and $66,550,000,000 for fiscal year 1985.

Sec. 302. Pursuant to section 301(b)(2) of the Budget Act—

(A) the Senate Committee on Finance shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $393,000,000 and outlays by $2,548,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future years requires additional savings of $270,000,000 in budget authority and $3,641,000,000 in outlays for fiscal year 1984, and $339,000,000 in budget authority and $4,232,000,000 in outlays in fiscal year 1985.

(B) the Senate Committee on Finance shall report changes in laws within the jurisdiction of that committee sufficient to increase revenues by $31,700,000,000 for fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional revenues of $51,850,000,000 for fiscal year 1984, and $66,550,000,000 in fiscal year 1985.

(C) the Senate Committee on Agriculture, Nutrition, and Forestry shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $207,000,000 and outlays by $207,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future years requires additional savings of $530,000,000 in budget authority and $530,000,000 in outlays for fiscal year 1984, and $661,000,000 in budget authority and $661,000,000 in outlays in fiscal year 1985.

(D) the Senate Committee on Armed Services shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $213,000,000 and outlays by $213,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future years requires additional savings of $694,000,000 in outlays for fiscal year 1984, and $1,232,000,000 in budget authority and $1,232,000,000 in outlays in fiscal year 1985.

(E) The Senate Committee on Banking, Housing, and Urban Affairs shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $190,000,000 and outlays by $785,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future years requires additional savings of $100,000,000 in budget authority and $797,000,000 in outlays for fiscal year 1984, and $104,000,000 in budget authority and $791,000,000 in outlays in fiscal year 1985.

(F) the Senate Committee on Commerce, Science, and Transportation shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $4,000,000 and outlays by $4,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future years requires additional savings of $15,000,000 in budget authority and $15,000,000 in outlays for fiscal year 1984, and $27,000,000 in budget authority and $27,000,000 in outlays in fiscal year 1985.

(G) the Senate Committee on Foreign relations shall report changes in law within the jurisdication of that committee to reduce spending in amounts sufficient to reduce outlays by $3,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future years requires additional savings of $2,000,000 in budget authority and $8,000,000 in outlays for fiscal year 1984, and $4,000,000 in budget authority and $15,000,000 in outlays in fiscal year 1985.

(H) the Senate Committee on Governmental Affairs shall report changes in law within the jurisdication of that committee to reduce spending in amounts sufficient to reduce outlays by $270,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future years requires additional savings of $240,000,000 in budget authority and $917,000,000 in outlays for fiscal year 1984, and $534,000,000 in budget authority and $1,633,000,000 in outlays in fiscal year 1985.

(I) the Senate Committee on Labor and Human Resources shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $73,000,000 and outlays by $73,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future years requires additional savings of $101,000,000 in budget authority and $101,000,000 in outlays for fiscal year 1984, and $97,000,000 in budget authority and $97,000,000 in outlays in fiscal year 1985.

Sec. 303. The committees named in sections 301(A)-(I) and 302(C)-(I) shall submit their recommendations to the Committees on the Budget of their respective Houses. Those recommendations shall be sufficient to accomplish the changes required by such subsection. After receiving those recommendations, the Committees on the Budget shall report to the House and Senate a reconciliation bill or resolution or both carrying out all such recommendations without any substantive revision.

DEFERRED ENROLLMENT

Sec. 304. In the House of Representatives, no bill or resolution providing—

(1) new budget authority for fiscal year 1983, or

(2) new spending authority described in section 401(c)(2)(C) of the Congressional Budget Act first effective in fiscal year 1983—which exceeds the appropriate allocation or subdivision of such new discretionary budget authority or new spending authority made pursuant to section 302 of such Act shall be enrolled until after Congress has completed action on the second concurrent resolution on the budget required to be reported under section 310 of such act.

302(b) REPORT

Sec. 305. It shall not be in order in either the House of Representatives or the Senate to consider any bill or resolution, or amendment thereto, providing—

(1) new budget authority for fiscal year 1983; or

(2) new spending authority described in section 401(c)(2)(C) of the Budget Act first effective in fiscal year 1983;

within the jurisdiction of any of its committees unless and until such committees makes the allocations or subdivisions required by section 302(b) of the Budget Act.

Sec. 306. It is the sense of the Congress that if Congress acts to restore fiscal responsibility and reduces projected budget deficits in a substantial and permanent way, then the Federal Reserve Open Market Committee shall reevaluate its monetary targets in order to assure that they are fully complementary to a new and more restrained fiscal policy.

PRINTING OF PROCEEDINGS HAD DURING RECESS

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that the proceedings had during the recess be printed in the Record and that all Members and former Members who spoke during the recess have the privilege of revising their remarks.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

CONSENT CALENDAR

The SPEAKER. This is Consent Calendar day. The Clerk will call the first bill on the Consent Calendar.

RELEASE OF REVERSIONARY INTEREST IN CERTAIN LANDS CONVEYED TO THE ARKANSAS FORESTRY COMMISSION

The Clerk called the bill (H.R. 3881) to direct the Secretary of Agriculture to release on behalf of the United States a reversionary interest in certain lands conveyed to the Arkansas Forestry Commission, and to direct the Secretary of the Interior to convey certain mineral interests of the United States in such lands to such Commission.

There being no objection, the Clerk read the bill, as follows:

H.R. 3881

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Section 1. (a)(1) Subject to subsection (b), the Secretary of Agriculture shall release on behalf of the United States, with respect to lands within the Southern Arkansas Land Utilization Project (AK-LU-22) conveyed by the United States to the Arkansas Forestry Commission (hereinafter referred to as the "Commission") by a quitclaim deed dated February 11, 1980, the condition in such deed which requires that such lands be used for public purposes, and if not so used, that the lands revert to and revest in the United States.

(2) Section 32(c) of the Bankhead-Jones Farm Tenant Act (7 U.S.C. 1011(c)) shall not apply to the release authorized in paragraph (1).

(b) The Secretary of Agriculture shall not execute the release authorized in subsection (a)(1) until the Commission, in consideration of such release, enters into an agreement satisfactory to the Secretary of Agriculture which provides that—

(1) the Commission will not exchange the lands referred to in subsection (a)(1) for other property (real or personal) unless—

(A) the fair market value of such property is approximately equal to the fair market value of such lands, and

(B) after such exchange, such property will be used exclusively for public purposes, and

(2) the Commission will not sell, lease, exchange, or otherwise dispose of such lands unless the proceeds thereof are—

(A) deposited and held in an account open to inspection by the Secretary of Agriculture, and

(B) used, if withdrawn from such account, exclusively for public purposes.

Sec. 2. (a) Subsequent to the release executed by the Secretary of Agriculture under section 1, the Commission may apply to the Secretary of the Interior seeking acquisition of all the undivided mineral interests of the United States in any parcel or tract of the lands to which such release applied, and the Secretary of the Interior shall, subject to subsection (b), convey such mineral interests are requested.

(b) The Secretary of the Interior shall not convey the undivided mineral interests of the United States in any parcel or tract as requested in an application filed by the Commission under subsection (a) unless—

(1) such application is accompanied by a sum of money which the Secretary of the Interior determines is necessary to pay the administrative cost involved in conveying such mineral interests to the Commission, including the costs of determining the mineral character of such parcel or tract and the costs of establishing the fair market value of such mineral interests, and

(2) the Commission, in consideration of such conveyance, pays to the Secretary of the Interior—

(A) $1, in the case of any such parcel or tract determined by the Secretary of the Interior to have no mineral value and to be under no active mineral development or leasing, and

(B) the fair market value of such mineral interests (as determined by the Secretary of the Interior), in the case of any such parcel or tract not subject to subparagraph (A).

With the following committee amendment:

Strike all after the enacting clause and insert in lieu thereof the following:

Section 1. (a)(1) Subject to subsection (b), the Secretary of Agriculture shall release on behalf of the United States, with respect to lands within the Southern Arkansas Land Utilization Project (AK-LU-22) conveyed by the United States to the Arkansas Forestry Commission (hereinafter referred to as the "Commission") by a quitclaim deed dated February 11, 1980, the condition in such deed which requires that such lands be used for public purposes, and if not so used, that the lands revert to and revest in the United States.

(2) Section 32(c) of the Bankhead-Jones Farm Tenant Act (7 U.S.C. 1011(c)) shall not apply to the release authorized in pargraph (1).

(b) The Secretary of Agriculture shall release the condition referred to in subsection (a)(1) only with respect to lands covered by and described in an agreement or agreements entered into between the Secretary and the Commission in which the Commission, in consideration of the release of such condition as to such lands, agrees that—

(1) the Commission will not exchange any parcel or tract of the lands referred to in subsection (a)(1) for other property (real or personal) unless—

(A) the fair market value of such property is approximately equal to the fair market value such parcel or tract, and

(B) after such exchange, such property will be used exclusively for public purposes, and

(2) the Commission will not sell, lease, or otherwise dispose of any parcel or tract of such lands unless the proceeds thereof are—

(A) deposited and held in an account open to inspection by the Secretary of Agriculture, and

(B) used, if withdrawn from such account, exclusively for public purposes.

Sec. 2. (a) Subsequent to any release executed by the Secretary of Agriculture under section 1, the Commission may apply to the Secretary of the Interior seeking to acquire all the undivided mineral interests of the United States in any parcel or tract of the lands to which such release applied, and the secretary of the Interior shall, subject to valid existing rights and subject to subsection (b), convey such mineral interests as requested.

(b) The Secretary of the Interior shall not convey the undivided mineral interests of the United States in any parcel or tract as requested in an application filed by the Commission under subsection (a) unless—

(1) such application is accompanied by a sum of money which the Secretary of the Interior determines is necessary to pay the administrative costs involved in conveying such mineral interests to the Commission, including the costs of determining the mineral character of such parcel or tract and the costs of establishing the fair market value of such mineral interests, and

(2) the Commission, in consideration of such conveyance, pays to the Secretary of the Interior—

(A) $1, in the case of any such parcel or tract determined by the Secretary of the Interior to have no mineral value and to be under no active mineral development or leasing, or

(B) the fair market value of such mineral interests (as determined by the Secretary of the Interior), in the case of any such parcel or tract not subject to subparagraph (A).

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that the amendment recommended by the Committee on Agriculture be withdrawn.

The **SPEAKER.** Is there objection to the request of the gentleman from Texas?

There was no objection.

The **SPEAKER.** The Clerk will report the amendment recommended by the Committee on Interior and Insular Affairs.

With the following committee amendment:

Page 2, line 3, strike all after the enacting clause and insert the following:

SECTION 1. (a)(1) Subject to subsection (b), the Secretary of Agriculture shall release on behalf of the United States, with respect to lands within the Southern Arkansas Land Utilization Project (AK-LU-22) conveyed by the United States to the Arkansas Forestry Commission (hereinafter referred to as the "Commission") by a quitclaim deed dated February 11, 1980, the condition in such deed which requires that such lands be used for public purposes, and if not so used, that the lands revert to and revest in the United States.

(2) Section 32(c) of the Bankhead-Jones Farm Tenant Act (7 U.S.C. 1011(c)) shall not apply to the release authorized in paragraph (1).

(b) The Secretary of Agriculture shall release the condition referred to in subsection (a)(1) only with respect to lands covered by and described in an agreement or agreements entered into between the Secretary and the Commission in which the Commission, in consideration of the release of such condition as to such lands, agrees that—

(1) the Commission will not exchange any parcel or tract of the lands referred to in subsection (a)(1), or any mineral or other interest in any such parcel or tract for other property (real or personal) unless—

(A) the fair market value of such property is approximately equal to the fair market value of such parcel or tract or interest therein and

(B) after such exchange, such property will be used exclusively for public purposes, and

(2) the Commission will not sell, lease, or otherwise dispose of any parcel or tract of such lands or any mineral or other interest in any such parcel or track unless the proceeds thereof are—

(A) deposited and held in an account open to inspection by the Secretary of Agriculture, and

(B) used, if withdrawn from such account, exclusively for public purposes within the authority of the Commission, and

(C) equal to the fair market value of the fee, leasehold, interest in such parcel or tract, or other property right which is the subject of such sale, lease, or other disposition.

SEC. 2. (a) Subsequent to any release executed by the Secretary of Agriculture under section 1, with respect to lands in Nevada county, Arkansas described as the SE¼ SW¼ and SW¼ SE¼, Section 27, T12S, R20W (aggregating 80 acres more or less) the Commission may apply to the Secretary of the Interior seeking to acquire all the undivided mineral interests of the United States in the lands to which such release applied, and the Secretary of the Interior shall, subject to valid existing rights and subject to subsection (b), convey such mineral interests as requested.

(b) The Secretary of the Interior shall not convey the undivided mineral interests of the United States in any lands as requested in an application filed by the Commission under subsection (a) unless—

(1) such application is accompanied by a sum of money which the Secretary of the Interior determines is necessary to pay the administrative costs involved in conveying such mineral interests to the Commission, including the costs of determining the mineral character of such lands and the costs of establishing the fair market value of such mineral interests, and

(2) the Commission, in consideration of such conveyance, pays to the Secretary of the Interior—

(A) $1, in the case of any such lands determined by the Secretary of the Interior to have no mineral value and to be under no active mineral development or leasing, or

(B) the fair market value of such mineral interests (as determined by the Secretary of the Interior), in the case of any such lands not subject to subparagraph (a).

The committee amendment was agreed to.

● Mr. **SEIBERLING.** Mr. Speaker, H.R. 3881 would authorize the Secretary of Agriculture to release on behalf of the United States a reversionary interest in certain lands conveyed to the Arkansas Forestry Commission, and would provide for conveyance of certain mineral interests of the United States in a portion of such lands to that commission.

The bill deals with the Poison Springs State Forest in Arkansas. That forest totals about 19,440 acres, the surface estate to which was transferred to the State by the United States. The United States reserved all the mineral interests, and the deed transferring the surface includes a reversionary clause providing that title shall revert to the United States if the lands are ever used for other than public purposes.

The immediate purpose for passage of the bill is to facilitate an exchange of lands between the Arkansas Forestry Commission and a private firm. This exchange cannot take place unless the reversionary clause is removed from the State's title. The exchange would involve about 80 acres.

As introduced, the bill would have directed Secretary of Agriculture to release the reversionary clause from the entire forest; it would also have allowed the Arkansas Forestry Commission to apply to the Secretary of the Interior for conveyance of all or part of the mineral interests. Under section 2 of the bill as introduced, conveyance of mineral interests would have been mandatory upon the State's paying the administrative costs involved, plus either $1 (for tracts determined to have no mineral value) or fair market value.

In order to resolve some questions raised by the administration, the Interior Committee adopted an amendment in the nature of a substitute which incorporates the suggestions of the Agriculture Department in section 1, makes a few other technical amendments, and limits the mineral-disposition provisions of section 2 so that they apply only to the 80-acre exchange which is the primary purpose of the bill. The existing provisions of the Federal Land Policy and Management Act of 1976 (FLPMA) and other existing law would continue to apply with regard to the reserved minerals in the rest of the national forest.

I believe that this committee substitute, which was worked out on both sides of the aisle, resolves the questions raised by the administration, and eliminates the possible adverse precedent with regard to the minerals provisions of FLPMA. Under section 2 of the substitute, the State would be entitled to obtain the minerals in the 80-acre tract which it proposes to exchange, and would in return be required to pay the fair market value of those minerals. The chief difference from the provisions of FLPMA which would otherwise apply is that the Secretary would be required to make this sale of mineral rights, whereas under FLPMA it would be a matter of discretion. I believe that this is an appropriate way to deal with this matter, since it satisfies the desire of the State to be assured of carrying out a desired exchange—which it wants to do in order to establish a nursery for seedlings—while still assuring the Federal Government a fair return, without being a precedent in terms of overall public lands management.

Relevant portions of our committee's report on H.R. 3881 follow these remarks.

COMMITTEE REPORT ON H.R. 3881

PURPOSE

H.R. 3881 provides for the release without cost to the Arkansas Forestry Commission of the reversionary interests of the United States to the surface estate in the Poison Springs State Forest, under certain conditions, and for transfer to the same Commission of the reserved mineral interests of the United States in about 80 acres within that forest, in return for an appropriate payment to the United States.

BACKGROUND AND NEED

The Poison Springs State Forest totals about 19,440 acres, the surface estate to which was transfered to the State by the United States. The United States reserved all the mineral interests, and the deed transferring the surface includes a reversionary clause providing that title shall revert to the United States if the lands are ever used for other than public purposes.

When the surface interests in the forest were transferred to the State, the United States received approximately $72 per acre, for a total of $1,398,465. According to the Department of Agriculture, this sale price included 30 percent discount intended to cover the reservation by the United States of all mineral rights and the inclusion in the deed of the reversionary clause.

The Arkansas Forestry Commission, which manages the State Forest, desires to exchange about 80 acres of this forest land for an equal acreage of private land, in order to assemble lands suitable for expand-

ing production of pine seedlings for reforestation purposes. Such an exchange cannot be accomplished unless the reversionary rights of the United States are released.

As introduced, the bill would have directed the Secretary of Agriculture to release the reversionary clause from the entire forest; it would also have allowed the Arkansas Forestry Commission to apply to the Secretary of the Interior for conveyance of all or part of the mineral interests. Conveyance of mineral interests would have been mandated in return for the State's paying the administrative costs involved, plus either $1 (for tracts determined to have no mineral value) or fair market value.

COMMITTEE AMENDMENT

The Committee adopted an amendment in the nature of a substitute which generally revised the bill as introduced.

As recommended, the bill would permit release of the reversionary clause only with regard to lands specified in appropriate agreement or agreements between the Secretary of Agriculture and the State Forestry Commission, which would have to include requirements that the Commission exchange, sell, lease, or otherwise dispose of any such lands or interests therein only in return for fair market value; that proceeds of such transactions could be used only for public purposes within the authority of the Commission (that is, for purposes related to forestry); and that records be open to inspection by the Secretary of Agriculture. This would be a source of permanent authority vested in the Secretary of Agriculture, and would allow release of the Federal reversionary interests with respect not only to the 80-acre tract presently proposed for exchange, but also with respect to any other portion of the lands within the State Forest described in section 1, as may be appropriate in the future, subject to the specified requirements.

The amendment also modifies section 2 of the bill so as to limit its provisions with regard to transfer of mineral rights. As so recommended, section 2 applies only to the specified 80-acre tract currently being considered for exchange. With regard to the remainder of the reserved mineral rights of the United States in the State forest, applicable existing law, including relevant provisions of the Federal Land Policy and Management Act of 1976, would continue to apply. In all cases, valid existing rights would be protected.

The Committee believes that the bill, as amended, appropriately addresses the present desire of the Arkansas Forestry Commission to complete an exchange that will enhance the Commission's reforestation program, while at the same time providing necessary safeguards for the continued interests of the United States in the mineral values of the lands in the forest and in assuring continuation of the public purposes for which the surface estate in those lands was transferred to the State.

SECTION-BY-SECTION ANALYSIS

Section 1, as amended, deals with the surface estate in the lands involved.

Subsection 1(a) provides for release by the Secretary of Agriculture on behalf of the United States of the reversionary interest of the United States in lands within the Southern Arkansas Land Utilization Project, regardless of section 32(c) of the Bankhead-Jones Farm Tenant Act (7 U.S.C. 101(c)), but subject to subsection (b) of section one.

Subsection 1(b) details the conditions under which the Secretary of Agriculture can release the reversionary interest of the United States in lands described in subsection 1(a). Such release can take place only with respect to lands covered by an agreement between the Secretary and the Arkansas Forestry Commission which may include other terms but must at least include agreement by the Commission that exchanges, sales, leases, or other dispositions of lands affected or mineral or any other interests therein will be on the basis of approximately equal fair market values; that property acquired by the Commission will be used for public purposes; and that the Secretary of Agriculture shall be permitted to inspect relevant records to assure that the conditions are being complied with.

Section 2 deals with the mineral interests within the specified 80-acre tract which the Arkansas Forestry Commission presently wishes to exchange for lands held by International Paper Company. These interests were reserved by the United States at the time that the surface estate in this tract was transferred to the State of Arkansas.

Subsection 2(a) directs the Secretary of the Interior to convey such mineral interests, subject to valid existing rights and the conditions specified in subsection 2(b), upon an application for such transfer made by the Commission subsequent to release of the reversionary interests of the United States in the surface estate of that tract.

Subsection 2(b) specifies that conveyance of the mineral interests shall be conditioned upon payment by the Commission of both (1) the administrative costs of the conveyance, including the costs of determining the mineral character of the lands involved and in determining the fair market value of the mineral interests, and (2) either $1.00 if there are determined to be no mineral values involved, or the fair market value of the mineral interests to be conveyed.

The Committee, in limiting the provision of section 2 of the bill to the 80-acre tract presently proposed for exchange, is of opinion that the objections raised by the Department of the Interior against mandatory (rather than discretionary) conveyances of U.S. mineral interests have been resolved. This limited, site-specific provision should not be viewed—and the Committee does not view it—as providing a precedent for other departures from relevant provisions of exising law, including the Federal Land Policy and Management Act of 1976, dealing with situations in which the United States owns the mineral interests in lands the surface estate of which is in other ownership.●

● Mr. **DE LA GARZA.** Mr. Speaker, I rise in support of H.R. 3881, as reported by the Committee on Interior and Insular Affairs.

This bill is narrow in scope. It pertains to a tract of land consisting of somewhat in excess of 19,000 acres, which the Secretary of Agriculture conveyed to the Arkansas Forestry Commission in 1980. The conveyance is one of many that the Secretary has made over the years under the Bankhead-Jones Farm Tenant Act. The deed conveyancing the tract to the commission provides that if the tract ceases to be used for public purposes, it shall revert to the United States. This provision presents a problem which H.R. 3881, as amended, is designed to address.

A private party which owns land adjacent to the tract conveyed by the Secretary to the Arkansas Forestry Commission has need for some 80 acres of land for expanding its production of pine seedlings for reforestation purposes. The commission is interested in exchanging this amount of its acreage for land of equivalent value now owned by the seedling producer. Such an exchange would not impair the usefulness of the tract for State forest purposes. Acquisition of the 80-acre parcel, which is particularly well suited for the production of seedlings, would, however, permit the private owner to assist in fulfilling a need for seedlings for reforestation purposes by other forest landowners in the State of Arkansas. Further, similar valid needs for exchange or other disposition of other portions of the commission tract may arise in the future. And since the United States retained the mineral interest in the land conveyed to the commission, arrangements permitting the commission to acquire those interests for their fair market value will enhance the commission's ability to complete the types of transactions which are envisioned.

H.R. 3881, as amended, would address present and future needs of this nature. It would permit the Arkansas Forestry Commission, through exchange, sale or lease, to dispose of portions of the land obtained from the Secretary of Agriculture, but only under certain conditions. If any portion of the land is exchanged, the property obtained by the commission would be required to approximately equal the value of the parcel which would be conveyed away, and the newly acquired property would have to be used exclusively for public purposes. If any portion of the land is sold, leased or otherwise disposed of, the proceeds would be required to be deposited in a separate account and used exclusively for public purposes. Therefore, the essential public purpose character of the original transaction would be preserved. With respect to the conveyance of mineral rights, the commission would be required to pay not only the costs of conveyance, but the fair market value of the rights as well.

The primary difference between the versions of H.R. 3881, as reported by the Agriculture and Interior Committees, relates to the acreage covered by the provisions governing the conveyance of mineral interests retained by the United States. The Agriculture Committee amendment covers the mineral interests in any of the lands with respect to which the Federal reversionary interests are conveyed. The Interior Committee amendment limits the mineral interest provision to the tract of about 80 acres which is subject to the pending exchange. The Agriculture Committee is agreeable to this modification made by the Interior Committee.

I urge my colleagues to support this legislation which is narrowly focused but of significant interest to those immediately involved.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

COMMUNICATION FROM WILLIAM C. THOMPSON, JR.

The **SPEAKER** laid before the House the following communication from William C. Thompson, Jr.:

House of Representatives,
Washington, D.C., May 6, 1982.
Hon. Thomas P. O'Neill, Jr.,
The Speaker, House of Representatives,
Washington, D.C.

Dear Mr. Speaker: In compliance with Rule L of the Rules of the House of Representatives, I am informing you that I have been served with a subpoena from the United States District Court for the Eastern District of New York.

A copy of the subpoena is enclosed.

Yours sincerely,
William C. Thompson, Jr.

PERMISSION FOR COMMITTEE ON JUDICIARY TO FILE CERTAIN REPORTS

Mr. **WHITE.** Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary may have until 5 p.m. today to file certain reports. It has been cleared with the minority. The subject is H.R. 5949, copyright law amendments, with respect to cable television.

The **SPEAKER.** Is there objection to the request of the gentleman from Texas?

There was no objection.

THE BUDGET

The **SPEAKER** pro tempore (Mr. Seiberling). Under a previous order of the House the gentleman from Georgia (Mr. Gingrich) is recognized for 60 minutes.

Mr. **GINGRICH.** Mr. Speaker, this will be the week, a few days after the deadline which had been set for the budget to be reported, that we finally will in fact begin to see the budget and to debate the budget for fiscal year 1983.

The House is actually not doing too badly to be taking up the budget only a week after the official deadline and yet it is somehow ironic that for millions of Americans, whose deadline for employment, for keeping their business, for keeping their job, has passed, that this body does seem to be unable to work on time, and when it does finally work, it works with a haste which makes it difficult to decide precisely what is happening.

The Chairman of the Budget Committee and the liberal Democrats who run the Congress, or run the House, have finally come up with a budget which they are getting printed this week which they will take to the Rules Committee this week, which they will begin to debate this week, moving with sudden haste after a long period of waiting, talking, and doing little.

One of the reasons for the haste is because the longer we have to look at their budget and the longer we have to analyze their proposals, the less likely it is that that budget will be passed.

Put simply: The United States is at a crossroads. We face a choice between continuing to decay, as we have in the seventies, continuing to lose industry and jobs overseas, continuing to be in a situation in which American workers have obsolete factories and obsolete equipment and are literally unable to compete, or changing to a new way of doing business.

In 1980, the American people were faced with that choice and voted for a new way of doing business. They voted to cut Government spending, to cut taxes, to change the way in which the country had been decaying.

In a very real sense, we have lost a decade in our national history. The peak of real take home pay for working Americans was 1965. The peak of our military power compared to the Russians was 1968. The peak of our technological advantage, at least symbolically, was 1969, when Americans landed on the Moon.

For the decade of the seventies, we spend more than we earned. We made up the difference with inflation. We devalued our dollar so each year if you saved money you had lost, but if you borrowed money you had all sorts of advantages. And for 10 years American businesses built fewer factories, bought fewer machines, and we grew weaker and weaker.

For the same 10 years, the share of our Federal Government that was taken up by the Defense Establishment grew smaller and smaller while the share of our Federal Government taken up by transfer payments grew bigger and bigger.

Many people have heard these transfer payments referred to as entitlements, but I think that is fundamentally misleading. In fact, the transfer payment is taking money from one American to give it to another American, and it has been the rise of transfer payments more than any other single thing which has led to the dramatic increase in American Government.

Let me give you an example of the size of change we have been dealing with.

In 1967, all transfer payments for individuals amounted to $42 billion. By 1982, 15 years later, that had grown to $329 billion.

Think of it. Almost a 1,000-percent increase from $42 to $329 billion.

During the same period, outlays for national defense in terms of contracts and obligations, that is, the things we buy to protect ourselves, went up only from $20 to $55 billion. For all the talk about the size of our national defense system, the fact is that national defense takes a smaller share of our Federal budget than at any time in the last 25 years.

In fact, we have reversed positions. Whereas national defense, when President Kennedy took office, was about 49 percent of the budget, national defense today has dropped dramatically. The exact figures are that in 1960, 49 percent of the Federal budget went for defense and 27.7 percent went to transfer payments.

By 1980, only 23.6 percent of the budget went for defense, while 52.1 percent went for a variety of transfer payments in other forms of subsidy. Think of the difference—literally reversing roles.

Now we have seen in the Falkland Islands that it is very dangerous to be weak. We have seen in Poland, in Afghanistan, in El Salvador, and in Lebanon, that it is very dangerous to invite war.

The question is, How much does it take to be strong and how much do we need in our defense system to insure that Americans can live in peace?

The liberal Democratic budget which has been proposed by the Budget Committee will force tremendous changes in the Defense Department. It will cut defense spending back to a level of President Carter. In effect, we have been warned it would require the deactivation of at least one and maybe two Army Divisions. It would require that we cut out at least one Marine brigade, that we take out of commission at least 36 Navy ships, that we take out of action two Active and two Reserve fighter wings, that we might have to retire all the remaining B-52D squadrons, and you can go down with a list of item after item after item.

What would that mean? It would mean a weaker America, it would mean greater danger of war, it would mean that other countries could look at us and decide maybe to challenge us, maybe to take risks because they might think we would be too weak to do anything.

Now in 1980 the American people voted for a stronger defense, not a weaker defense, and yet the liberal Democratic budget clearly calls for cuts in defense spending on a scale which will return us to weakness.

Second, in 1980, the American people voted for a smaller Federal Government. They said it is better to spend money in Texas or to spend money in Nebraska than to spend money in Washington, it is better to have strong local and State government to have money in your own pocket, to have money for your church and neighborhood association. Yet, in fact, the liberal Democractic budget will continue the same basic pattern of bigger Federal Government, bigger spending, more outlays. It will lead to in the long run even more money being spend in Washington, even more things being done by the Federal Government.

Now, for a long time politicians thought they could send more and more to Washington because they automatically were going to get more and more. What is happening is that inflation was pushing workers into higher and higher tax brackets so that each year more and more Americans automatically lost more money to the Federal Government.

Congressman Bob Michel, the Republican leader, commented recently that in his entire career here in over 20 years in Washington he had never voted for a permanent tax increase.

□ 1230

But the way the tax system is structured, it just automatically went up every year a little higher and a little higher. Now we have tried to change that. We have begun to put the Federal Government on a diet; but the problem is that the liberal Democratic budget does not want us to be on a diet. It does not want to shrink the size of the Federal Government. Far from it, it wants to see that Government continue to increase, to get larger and larger every year.

Now, this increase has not been modest. To take just the programs that are relatively uncontrollable under present law, that is, where we have to change the law to bring them under control, those programs totaled $92 billion in 1967. By 1982 they had grown to $544 billion, a tremendous increase. If they are allowed to continue down the road, they will grow bigger and bigger and bigger, and what does that mean? It means more money in Washington and less and less money back home.

There are only two ways to spend that much money; either to raise taxes on the American people directly, or to have inflation, to raise taxes indirectly; but in 1980 the American people voted against that and in 1980 the American people said no, let us cut the size of Government and let us cut taxes.

Now, what does that mean? If we cut the size of Government, we can, in fact, cut taxes and we can nonetheless stop inflation; but if we only cut taxes and allow Government to grow bigger and bigger, we have no choice except to go back and have more inflation and/or have more taxation.

The liberal Democratic budget will yield both. It will create more inflation and it will raise taxes. In fact, over the next 3 years the liberal Democratic budget would raise taxes by $145 billion.

Now, that is a lot of money and it is hard to figure out what a billion dollars means, so let me translate it back into human terms, into what real people spend.

Hopefully, in the next few years as employment picks back up, as the recession ends, we will return to about 100-million-working Americans. That is an easy number to work with. A total of $145 billion in tax increases means that every working American would pay $1,450 in additional money in taxes. That means if you and your wife both work and you are typical Americans, you would pay over the next 3 years an additional $2,900 in taxes.

Now, I will let each family decide what they would spend $2,900 on; but the bottom line of the liberal Democratic budget is very simple. It means more Government spending in Washington, less of it on defense, so we are weaker in foreign policy. We have a weaker defense system. We are less able to protect ourselves. At the same time, it means more taxes by $145 billion, or $1,450 for every working American, $2,900 for every working couple. That means a car that will not be bought, a room that will not be added to the house, furniture that will not be bought, vacations that will not be taken; college classes that cannot be attended. It means less money for working Americans.

Well, let me carry it a step further. We got sicker and we lost ground, we lost a decade in the 1970's, in part because of policies that were just sheer nonsense, because liberal Democrats believed you could raise taxes over and over and you would not kill industries, but you could raise taxes and raise inflation and you would not weaken the country.

We see the same thing in their current plan. For example, they suggest that they will save $55 billion as interest rates come down with their budget. That happens to be the exact amount that would be saved under President Reagan's recent budget proposals to the Senate, $55 billion, because as interest rates come down, the Government, which is the largest borrower of all, would be spending less to pay interest.

Now, no one believes that a budget which is going to raise taxes by $145 billion is going to dramatically bring down interest rates, and let me explain why. Interest rates are staying high because the Federal Government is borrowing a great deal and because Americans have not saved enough to bring down interest rates. It is not just a simple equation of how much are we borrowing, but it is also a question of how much are we saving.

In both Germany and Japan, governments have run bigger deficits than we are running, with lower interest rates because in both Germany and Japan the people save a great deal more money.

The fact is that at the present time Americans have not been saving enough. Why? Because the laws have been biased against savings. We said that if you save, we will tax your interest; but if you borrow, we will let you take a tax deduction.

Furthermore, by raising taxes, we do not leave you with enough money to save.

Now, let us take a simple step here. A typical American family in my hometown of Carrollton, Ga., sits down and says, "Let's open an individual retirement account. Let's put some money away."

We have now changed the laws in Congress to make it worthwhile to save in an individual retirement account. They say, "I know, why don't we save $1,450 over the next 3 years? That will go into that individual retirement account. That will go into the savings pool of the Nation. That will be used to cover the Federal debt and interest rates will come down."

That is, in fact, how Germany and Japan cover their deficits without high interest rates; but now what has happened? Now, the liberal Democrats have come along and said, "Ah, you are not going to be able to save that $1,450 because we are going to take it out of your pocket in the form of higher taxes."

Every businessman and economist is familiar with the idea of crowding out. Crowding out means that when the Federal Government borrows in Washington or in New York, it borrows money that would otherwise have been borrowed by somebody who wanted to buy a house or a car or a small business. It crowds out those other transactions; but equally, you can crowd out through higher taxes, because if you cannot get the money in your pocket because the Government took it out before it got home, you cannot save.

If you cannot save, the money is not there to be borrowed. If the money is not there to be borrowed, you are going to have increased interest rates; so it is laughable to have the liberal Democratic budget suggest the same interest rate level as the more conservative budget, because clearly, the more conservative budget by not raising taxes $1,450 per working American is not going to have the same level of interest rates, and when you borrow as much as the Federal Government does, every percentage point matters.

It is important to remember that the Federal deficit has gotten so big, so big that in fact we spend more on interest alone than the Army and the Marine

Corps combined cost the American taxpayer.

Let me repeat that because it is so unbelievable. We pay more in interest than we pay for the Army and the Marine Corps combined, because our debt is now that big and our interest rates are now that high.

The question really in the next 2 weeks in the Congress is, which way do we want to go? In effect, the liberal Democrats and the Budget Committee are carrying us back to President Carter's budgets to 1979 and 1980. They are saying, "Let's cure the economy by raising taxes. Let's cure unemployment by taking more money away from the American people. Let's cure interest rates by having even less savings, even less investments." This will prove to be a budget of unemployment, a budget of bankruptcy, a budget of high interest rates and a budget of high inflation. In fact, the last time we attempted to raise taxes in the middle of recession was in 1932. In 1932 the Hoover administration and Congress agreed to raise taxes by about 30 percent, but receipts actually fell. The more they raised taxes, the fewer people there were to work to pay them.

Let me give you a few other examples when we tried that. In 1916 to 1920, we raised taxes. The amount of money dropped dramatically.

In 1968 to 1969, we raised taxes. There was a sharp drop in reported income, in tax collections and economic activity.

By contrast, when we cut taxes in the 1920's, the amount we raised went up. When we cut taxes in 1946 and 1948, the amount we raised went up. When we cut taxes in 1964-65, the amount we raised went up. When we cut taxes in 1978, the amount we raised in capital gains went up.

Overseas, when Germany cut taxes in 1948, the amount they raised went up. When Japan cut taxes in 1950, the amount of money they raised went up. When Puerto Rico cut taxes from 1977 to 1979, they increased their jobs and they increased their tax receipts.

Now, why does this happen? It happens because every time we raise taxes, remember, the liberal Democrats are talking about a $1,450 per worker tax increase. Over all the taxes you have already paid, they are talking about raising it $1,450 per worker. That means more people cheat, more people avoid doing the things they get taxed for. More people decide it is not worthwhile to go to work. More people decide it is not worthwhile to stay in business.

And what happens? The number of jobs goes down. The amount of tax money we get in goes down. The deficit gets bigger. We have more unemployment. We are sicker as a country.

By contrast, what happens when you cut taxes? When you cut taxes, all of a sudden people decide it is worthwhile to go out and do things.

Let us take the capital gains cuts of 1978. Many people who had money locked up in tax-free municipal bonds decided it was worthwhile to go back and start getting involved in activities you paid capital gains tax on, because you cut taxes.

The result was, and this is absolute historic fact, this is not some theory, the result was that the amount of money we got in tax revenues went up after we cut the capital gains tax. The Treasury got more money because there was a lower tax.

Let me put it simply. Let us say we had a 50-cent tax on swinging a baseball bat. Most Americans would not swing baseball bats. The ones who did would pay 50 cents every time they swung the bat, but there would not be many people swinging it.

By contrast, let us say we dropped that down to a nickel. If 11 people were swinging a bat, where yesterday only 1 person had done it at 50 cents, all of a sudden you would be getting 55 cents off of what is only a nickel tax. Now, that is the theory.

It shows up best near Philadelphia where there are two bridges. One charges a lot of money to cross the Delaware River, one charges a little bit to cross the Delaware River. Guess which one gets the most money? You are right, the one that charges a little bit, because most people looking at a choice between a bridge that is very expensive and a bridge that is very cheap choose the cheap bridge. Literally, the Government makes more money out of the cheap bridge than out of the expensive bridge.

Now, let us look in that sense at the liberal Democratic budget that has been proposed. That budget, by raising taxes $145 billion, $1,450 per working American, guarantees that fewer Americans will be at work, more bankruptcies, it guarantees that we will have a bigger deficit, that there will be less savings, and as a result we will pay higher interest rates.

Now, why would they pass a budget so clearly destructive? The reason, I think, is twofold. First, despite the fact that we reached our peak of real take-home pay in 1965, despite the fact that we lost the entire decade of the 1970's as we ran out of jobs, as we ran out of industry, as we ran out of opportunities for working Americans, I honestly think liberal Democrats simply have not learned those lessons, that down deep they are so wedded to a strong central liberal welfare state, they are so wedded to spending money in Washington, they believe so deeply that the American people are not smart enough to spend their own money and they believe so deeply in the need to raise taxes and spend that money through the bureaucracies here in the city, that they just literally have not learned the lesson of failure of the last 17 years.

Second, I think that they are desperate because, in fact, when the American people voted to cut spending, when the American people voted to cut taxes, when the American people voted for a real change from a liberal welfare state to a conservative opportunity society in 1980, they challenged a lifetime of work on the part of liberal Democrats.

The fact is that we are at a crossroads, that we are trying to change the way America works, that we are trying to leave enough money in the pockets of working Americans that they can open a retirement account and save money, that by saving that money they will bring down interest rates, that we are trying to cut Government spending here in Washington so your Government is not competing with you.

□ 1245

So, instead of the Government buying cars, you can buy cars. Instead of the Government spending the money here, you can spend the money at home. We are trying to change from a path which for a decade led us to decay and unemployment, onto a path that we believe will make the 1980's a productive and successful period. The choice is, do we want to continue down the road toward a budget which is fundamentally false. The liberal Democratic budget has plans and assumptions in it that just clearly are not going to work.

This is one study of that budget, and let me say candidly that faced with the responsibility after 28 years of being in power, the liberal Democrats have run the House since 1955, January, and after all those years of being in power, faced with the real crisis in social security, they hide from it. Faced with the real problems of big spending, they hide from it. Faced with the real crisis of taxation, they hide from it. What do they offer in that budget? They offer higher taxes. They offer a chance to cut defense spending, the one area the American people said in 1980 we needed to increase. They offer a chance to continue down the same path of the welfare state we have been on, and they do so under the phony banner of a set of assumptions that are fundamentally wrong.

They have created a crisis which is false, and then in answer to that crisis they set up medicine that is even more false. It is a little bit as though you go as a patient to your doctor, having a cold, and your doctor says, "No, no, you do not have a cold. You need brain surgery," and offers you an operation when all you needed was mild medicine.

The current numbers we are being given for the size of the deficit are as phony as being told you have a brain tumor when in fact you have a spring cold. The fact is, the American economy is begining to turn around after 10 years of losing jobs, losing factories, being less and less competitive; we have finally taken the medicine, cutting spending, and cutting taxes, that gives us a chance to be healthy.

Mr. Speaker, I yield to my good friend from New York, the architect of a policy which I think will make us a much healthier nation (Mr. KEMP).

Mr. KEMP. Mr. Speaker, I have been listening to my friend and watching him on the television monitor. I would like to contribute some thoughts along the same lines as he has expressed. I wonder where he is in his special order, and whether it would be appropriate at the proper time to yield to me for 5 or 10 minutes of observations on the subject matter at hand.

Mr. GINGRICH. Since the gentleman is on the Budget Committee, and is one of the most knowledgeable and articulate spokesmen for our policies, I would be glad to yield now. I am perfectly willing to yield some time right now.

Mr. KEMP. Well, I would like to take some time.

Mr. GINGRICH. I suspect I will learn as much as anyone else. Let me ask the gentleman one question because he was there, he is on the Budget Committee. I started by commenting that we went on for weeks after weeks after weeks doing very little, and all of a sudden it seemed as though last Wednesday or Thursday the liberal leadership of this House decided to shoot the starting gun, and I understand the gentleman was in session until 1 and 2 o'clock in the morning, and all of a sudden now we have to race rather quickly toward some conclusion. I made the comment that part of it, I think, is because the longer we have to look at the liberal Democratic budget, it seems to me the less likely we are to pass it.

Mr. KEMP. Well, the gentleman has outlined the problems with that majority party budget, and I totally concur with the gentleman's findings. An increase in taxes not only will exacerbate the recession and keep unemployment high, but it will also fail to raise the revenues that it projects. Those are static revenue gains that the Budget Committee is using. They do not take into consideration the consequences higher taxes would have for employment and economic growth. Considering that nearly four-fifths of the increase in budget deficit projections is due to the recession this is extraordinarily counterproductive.

I cannot give the gentleman any specific numbers, but very frankly, I think talking about $150 billion or so in higher taxes in the next few years is not only a mistake, it is impossible. It is based on a phony premise that tax increases have a static effect, that they do not destroy economic incentives and put people out of work. We cannot raise revenue if we destroy our revenue base. A conclusion may be found if it comes from a sound premise, but the premise here is wrong.

As the gentleman pointed out in his remarks, which I was listening to on my monitor in my office, and as he pointed out on national television yesterday in probably one of the most interesting interviews I have ever seen on television in the 12 years I have been in the Congress, and I want to congratulate him on that also, it has not been since Herbert Hoover that we talked about raising taxes on the American people in the middle of a recession.

Incidentally, he is not a lone voice, nor am I. Moody's Investors Service came out with a blistering attack on the idea of trying to lower interest rates by raising taxes.

According to Moody's Investor Services, Inc., the leading investment advisory and bond rating concern:

> Efforts to balance the budget via higher income taxes could have a devastating effect throughout the economy.

Higher taxes would "probably halt the trend toward larger savings while doing nothing to improve productivity." Economic problems are not the result of the budget deficits but—

> The deficits are a symptom of the economy's general malaise * * *. Higher taxes would drive more people into the underground economy, thereby negating some of the revenue benefits that the higher taxes are expected to bring * * * the worst case scenario might be that higher taxes would substantially deepen the recession and result in even greater budget deficits, thus leading to economic shambles.

The gentleman pointed out, I think quite significantly, that when Herbert Hoover raised tax rates by one-third in 1931-32, the projected revenues never materialized. The tax increases coupled with the tremendous tariff and protectionist measures that were taken by the Congress back in 1929, and signed into law in 1930 by Hoover, threw the world economy into an even deeper depression. Revenues did not go up, they went down. As the gentleman points out, those projected revenues never materialized.

The deficit ballooned. and on July 8, 1932, just weeks after the Revenue Act of 1932 passed, the Dow Jones industrial average hit its low for the century: 41

Hegel is supposed to have said that the only thing that people ever learn from history is that no one has ever learned anything from history. One would think this Congress would be a little more prudent in dealing with our very fragile economy.

Let me add that we could gain some insight into our current problems by looking at recent economic history. As the gentleman pointed out, this recession did not start with Ronald Reagan, nor his election, nor the passage of a modest tax cut. It began in the late 1970's. That is not just to blame another President or another Congress, but simply to point out that the collapse of bond values did not begin with the election of the President. It began in 1979-80, when there was a significant departure in the monetary policy of the Federal Reserve. Interest rates went up to 20 percent in the last year of President Carter—again, not because of anything he was trying to do, but because of the change in monetary policy.

Getting back to the 1930's however, let us look at how one of the outstanding books on the fiscal policy of the United States viewed the 1932 mid-depression tax increase. The book is Herbert Stein's, "The Fiscal Revolution in America." Let me just share with the gentleman one quote that is just so absolutely appropriate that it will amaze us with its historical relevance. Herbert Stein says in his book:

> There is no need here to trace the Revenue Act of 1932 through the Congress. There was a long and bitter fight, but the fight was over the nature of the tax increase, not over the wisdom of raising taxes by such a staggering amount at a time of massive unemployment. Once the President and his financial experts had said that balancing the budget was imperative, there were few, in the Congess or in the country, who would take the responsibility for denying it.

In other words, the same premise existed in the early 1930's, and no one spoke out. The gentleman coming to the well of this House, despite the sparse crowds in the Chamber, should not be discouraged from continuing his effort to bring to the attention of this body and the American people and the administration, as he did yesterday, a simple fact. The emperor has no clothes. Unless we speak out and remind our colleagues of something they have always known—that tax increases in a recession are a disaster not only for the economy but for the budget itself—then we are bound some day soon to be embarrassed by naked truth. I am talking of course metaphorically. The emperor in this case is the Wall Street shibboleth that we can get interest rates down by reaching any type of budget compromise, irrespective of what type of compromise that be. That particularly includes a compromise reached, as Mr. JONES and his Budget Committee friends on the other side of the aisle want to reach it, to pass a $150 billion tax increase.

Herbert Stein said:

> Some Congressmen did rise to say that the tax increase was unnecessary, that the Treasury was having no difficult in borrow-

> ing, that the debt was smaller than it had been 10 years earlier, that the citizens would be better able to pay $10 after the depression than $1 during it, and so on.

That is an interesting point, I say to my friend from Georgia. They are talking about putting permanent tax increases on the American people at a time when savings rates have finally started to climb—marginally, but nonetheless, there has been a slight improvment in savings rates—and ultimately it is from the saving stock of the American people that every investment, every expansion, of the productive capacity of the U.S. economy, must come. Savings are finally starting to rise, and we are seeing some modest signs of recovery—very modest, in my eyes, coming from Buffalo where there is a huge unemployment rate, and factories are operating not at 60 percent capacity but 25 percent capacity. So I cannot understand why the administration and some in both parties are suggesting that a permanent tax increase on the American economy and the American people at this fragile point in the cycle of economic recovery in this country would be better than temporary borrowing, and the acceptance of a deficit, as bad as that is. I stand up here second to none in this House in opposing deficits, but I do not oppose them by believing they should be cured with higher taxes on a stricken economy.

If we are concerned about "crowding out" of private investment—and I think we should be—why should anyone be eager to raise taxes? It is true that large deficits increase Federal borrowing demands, which means the Treasury soaks up a greater share of private capital. This in turn can help raise interest rates and crowd out investment needed to spur economic growth.

What is not clear at all is why increasing taxes does not have precisely the same crowding-out effect. If we reduce the deficit borrowing requirement by $50 billion through a $50 billion tax increase, the Government is still taking just a large as share of resources, and reducing the private capital pool. Actually it is worse, because higher taxes are permanent, and permanently reduce the marginal incentive to save. Once the savings rate is depressed Federal borrowing automatically takes up a greater share of private savings—so we would actually have exacerbated the crowding out problem.

Mr. GINGRICH. If I could reclaim my time for a moment, would not the gentleman agree that in fact the kind of deficit they are trying to create, that is, one which is moderated by higher taxes, by wiping out the savings, because people will not have the money in their pockets to save it, will in fact increase the long-run deficit? It is not a question of those of us who oppose deficits and those who favor it.

Mr. KEMP. Absolutely.

Mr. GINGRICH. Those of us who really want to bring the budget into balance are looking at a bunch of, frankly, phony battle cries, because the liberal Democratic budget is clearly going to increase the deficit in the long run in this country and make borrowing worse.

Mr. KEMP. I agree with the gentleman. I would just like to read the final part of the quote by Herbert Stein. He said that the only people who opposed the Hoover tax increase in the early 1930's in both parties were "back benchers or mavericks."

I want to say to the gentleman, welcome to the back bench of his own party. We may be back benchers and mavericks, but I think the gentleman is right. He suggested that tax increases in recessions are bad. Let us go back to some more history. There was a tax increase in 1968 in the face of a deficit. The result was a recession, higher interest rates, and higher unemployment—all at the same time. More than in 1968 2 million workers lost their jobs, the savings rate tumbled, and business investment dropped. In the same way, when capital gains taxes were doubled, revenues shrank, and venture capital dried up almost completely, interest rates did not go down. They went up.

Now, there is only one way to get the deficit down. Well, let me retract that and add a rejoinder: There are two ways of getting deficits down, both of which I support. One is to continue efforts to reduce borrowing and spending and credit subsidies, corporate welfare programs, and those budget items on and off the unified budget that place a drain on the private sector activity of this country.

The appropriate measure of Federal activity is the sum of all Federal obligations, whether on or off budget, whether appropriations, entitlements, or credit programs. Only when all of these are considered in total do we have an accurate view of Federal claims on productive resources.

If a goal of budget policy is to send a signal to financial markets, total resource claims by the Federal Government must be the target. Financial markets are an allocation mechanism for credit. But credit is merely a financial representation of claims on real productive resources. No one is interested in having money in the bank, they are interested in the future investment or consumption which the money represents.

Therefore, the financial markets are the means by which real resources are allocated. If they are to react to Federal economic activity, the reaction will come as a response to changes in Federal demand for real resources without regard to the manner in which the Government lays claim to these resources.

What this means is that the "crowding out" that is commonly referred to is not a phenomenon of Government borrowing but of Government spending and credit activities. The Government crowds the private sector by using or directing the use of an increasing level of productive resources. Real interest rates, the price of using scarce resources, rise as resources available to private users are reduced.

THE CREDIT BUDGET

A reduction in the unified budget deficit will have no effect whatsoever on credit markets unless it is accomplished by reduced outlays and constant or declining offbudget spending and credit activities. The credit budget proposed by the committee ignores the administration's initiatives in this area and continues the astronomical rate of growth in Federal credit allocation. While reducing the budget deficit to settle credit markets, the committee recommends increased credit activities of $42.2 billion.

Due largely to the offbudget nature of these programs and to deficiencies in the Congressional Budget Act, Federal lending has exploded in recent years. Direct loans and guarantees grew by 136 percent between fiscal years 1977 and 1981 compared to a 64-percent increase in outlays over the same period.

For fiscal year 1983, the committee budget recommends $160 billion in new direct loans and primary guarantees. These do not even include the $2.4 billion in guarantees made available in foreign aid to the multilateral development banks. With over $600 billion in Federal loans and guarantees outstanding, this addition in unlikely to soothe financial markets.

Where does this credit go? Much of it is corporate welfare for the richest corporations in the country. The Export-Import Bank, which subsidizes selected American jobs at the cost of others in housing, steel, and autos, provides the majority of its assistance to major corporations.

The Synthetic Fuels Corporation, with $16 billion in credit authority, makes subsidized loans and guaranteed prices available to major oil producers so that they can make a "profit" from oil costing $75 per barrel when the world market is $32 per barrel.

The Office of Management and Budget estimates that the Federal Government will subsidize such credit activities by $14 billion in fiscal year 1983 alone. With this level of Federal interference just through subsidies, the committee budget will truly "send a signal."

Must this continue? Obviously not. During markup we offered an amendment to put real teeth into the credit

budget by making it subject to points of order. The chairman followed the lead of the heavily stacked Rules Committee which has refused to even hold hearings on H.R. 2372 to make this part of the budget. The amendment was ruled nongermane.

We are sure that the American people will not find billions of dollars of Federal credit diversion "nongermane." They especially will not find it so when they discover that the committee has recommended virtual repeal of their tax reduction to pay for it.

□ 1300

But there is another even more important way to get the deficit down, and that is through economic growth. If you look at every recession from 1969–70 to 1974–75 to 1981–82, all of them are characterized by deficits being cured by economic growth.

The spending cuts and tax increases in President Reagan's February budget would have reduced the deficit by about $60 billion in fiscal year 1983, from the $150 to $180 billion range to the $90 to $120 billion range.

Most of the rest of the deficit is due to lower inflation, recession, and the uncertain monetary policy.

The lower inflation and the recession added $60 billion to the deficit. This was due to lower nominal and real payroll and profits, which lowered both nominal and real tax receipts, and to higher outlays on unemployment compensation and welfare.

The erratic monetary policy has cost about $30 billion in higher interest outlays.

As lower inflation reduces future cost-of-living adjustments on Federal outlays, as employment and profits recover, and if the Federal Reserve evens out its policies so that interest rates come down, the deficit will fall by another $90 billion without further policy changes.

The high employment budget shows the underlying level of Federal spending programs versus the revenue raised by the Tax Code in a normal year without the effects of recession. At full employment, CEA estimates that the budget would be only about $30 billion in deficit if the February budget's spending cuts and tax increases were adopted. Policy changes that go much beyond that are unwise and unnecessary.

Now, this is a legitimate part of this debate. How do we get interest rates down, and how do we get deficits down, by what action? I say to my friend, the gentleman from Georgia, that if we think the shibboleth, the orthodoxy of suggesting that any tax increase coupled with deficit is going to automatically translate into a lower interest rate, we will be wrong. It will not.

It is true that not all tax increases are created equally. But putting $150 billion or putting even $100 billion of tax increases on this American economy over 5 or 6 years—which is the length of the so-called Economic Recovery Tax Act—is not going to help. You would have to go back to the Democratic-passed tax increase on social security, which we are still suffering from, to find a tax increase of the same magnitude. That was passed in 1977, which the gentleman from Georgia—I will ask the gentleman, was he here?

Mr. GINGRICH. I was not here.

Mr. KEMP. The gentleman was not here. I wish he were. We needed his strong voice. But my friend, the gentleman from Texas, was here, and both he and I voted against it.

Is it not interesting that the social security trust fund is in just as much trouble, if not more trouble, today than it was when we were panicked into passing a $250 billion tax increase? And the working men and women and the young people of this country are now in a position where there are two or three more tax increases scheduled to go into place, and the wage base or the income base is going to go up. So, very frankly, those young people in this country who are working in factories in Buffalo or in office buildings in Dallas are, I think, beginning to realize what is held in store for them. It did not work, I will say to my friend.

Mr. GINGRICH. Let me interject a thought.

Mr. KEMP. Let me say to the gentleman that I need to make one more point in order to be even more provocative than I have been so far, and that is to do what the gentleman has suggested and our Democratic friends wanted to do in the Budget Committee on the Jones Budget and, to be honest about this, to do what some of our friends in the other body would like to do. That is to really Thatcherize our economy. I do not mean to be critcal of Mrs. Thatcher. I use that as a way of characterizing it, which may not be fair, but nonetheless it was the term that was used Thatcherization.

In the face of Mrs. Thatcher's first deficit, Sir Geoffrey Howe, the Chancellor of the Exchequer, decided that the way to get the economy moving was not to fulfill the campaign promises, to reduce spending and borrowing and regulations and taxes, but it was to raise taxes. They put on a value added tax. They raised the value added tax in the United Kingdom from 7 and 8 percent to 14 and 15 percent. So they doubled the value added tax. They put a tax on cigarettes and luxury items, and they put a tax on North Sea oil. And the effects are there. Two years later the revenues from those tax increases have gone down, not up. Interest rates have gone up, not down, and the deficit has expanded, not contracted.

If raising taxes on this economy could cure the problems, I would join the effort. I am not against tax increases in all instances. I think there are things in this country that we desparately need. Roads need to be repaired, potholes need to be filled, bridges need to be rebuilt, and the defense needs of this country and the infrastructure needs of this country require that we have a healthy tax system.

But as one of our friends said on the other side of the aisle in the Budget Committee—and this is a fundamental difference, I think, between the two parties, I would say to my friend, the gentleman from Georgia, or between the two philosophies—my friend on the other side of the aisle, during debate on taxation and revenue enhancers, said:

> I think that the problem is that the American people are undertaxed.

Well, now that really ought to be the vote in the referendum in 1982. If the American people feel like they are undertaxed, then they can support the budget of the majority party. But if the American people by and large believe that the economy is already burdened by excessive taxation, overtaxation of inventories and underdepreciation of investment in plant and equipment and overtaxation of income from working, and overtaxation of income from savings, then it seems to me there ought to be a clear choice.

What I fear is that we are heading toward a point where the differences between the two ideas is so ambiguous as to be almost meaningless.

The last point I would make to my friend is this: Every single analysis that I have seen of the economy—as the gentleman pointed out in his remarkable special order here today, one that will live and be etched in the minds and hearts of everyone—has shown that all these ideas are static. They look at this economy in a static sense; they look at taxes in a static sense as if it is going to have no impact on the work effort, the savings effort, or the productive effort of the American people.

Frankly, I cannot come as a Representative from western New York—well, I used to be able to say that, but they just redistricted my district, and my district encompasses upstate New York and middle state New York, and I am rapidly crossing the whole State—but I do not know of anybody in my district or outside my district from New York or the Northeast who really thinks: First, they are undertaxed; and second, that lifting the third year would be equitable, or taking off indexing or putting an excise tax on imported oil would be equitable.

Now, who do we think we are kidding by putting a tax on imported oil?

Mr. Speaker, I just want to ask unanimous consent that the gentleman in the well—well, I really do not need it, but I would just make the point in my remarks that I would like to introduce in his special order some of the tax increases and revenue enhancers that are in store for the American people coming from our friends on the Budget Committee that the gentleman has talked about, and some of those that are in store for the American people coming from our friends in the other body. Those are surtaxes, changing the income taxes, raising them, putting a tax on imported oil, an excise tax on energy, all of which are passed on to the consumers, people who heat their homes with oil, people who refrigerate their homes or air-condition their homes with natural gas, people who drive to work, people who are sales men and women.

And, frankly, I think by the time, I would say to my friend, the gentleman from Georgia, the American people get a look at what the Congress or what the majority party of the Congress has in store for them by way of tax increases, there will be some letters to the Congress not only about reducing deficits and getting interest rates down but also about this other problem so well articulated by my friend, the gentleman from Georgia.

What does the majority party have in mind for tax increases on the American people? The committee budget calls for tax increases of $31 billion in fiscal year 1983, $51 billion in fiscal year 1984, and $66 billion in fiscal year 1985, for a total of $147 billion over the 3 years. The need for these revenue increases is to a great extent a consequence of the overly pessimistic economic assumptions from which the committee worked. However, the tax increases proposed in the committee budget would have the effect of making the pessimistic economic projections a self-fulfilling prophecy.

While the chairman specified in his markup no particular tax increases, he did mention repealing the third year of ERTA and indexing. However, these two actions would raise only $7.5 billion in fiscal year 1983 and $87.2 over fiscal years 1983-85. Another $60 billion would have to be raised in addition to repealing the third year and indexing. An additional $23.5 billion would have to be raised in fiscal year 1983.

The distribution of the recommended tax increases is difficult to achieve because the first year tax increase would call for such drastic policy changes that the revenue increases would be much greater in the outyears. We wonder if the chairman understood this when he put together his budget.

In order to raise $31 billion in fiscal year 1983, using the tax increase options presented in the markup materials of the Senate Budget Committee, the Congress would have to repeal the third year and indexing, double all excise taxes, impose a $5 per barrel oil import fee, and repeal several business and individual deductions. Continuation of these policies would raise $85.2 billion in fiscal year 1984 and $83.8 billion in fiscal year 1985, making the total tax increase $180 billion over the 3 years. The following table shows these tax increases:

POSSIBLE TAX INCREASES UNDER COMMITTEE BUDGET

	1983	1984	1985	Total
1. Individuals:				
a. Repealing third year and indexing	7.5	32.9	46.8	87.2
b. Student exemption	0.4	1.1	1.1	2.6
c. State and local sales tax deduction	0.8	5.4	6.0	12.2
d. State and local personal property tax deduction	0.1	0.6	0.6	1.3
e. Consumer interest expense deduction (excluding autos)	0.9	6.3	6.7	13.9
f. $100 dividend exclusion	0.2	0.6	0.6	1.4
g. $150 health insurance deduction	0.1	0.4	0.4	0.9
h. 10 percent floor under medical expense deduction	0.3	2.3	2.5	5.1
i. 10 percent floor under casualty deduction	0.1	0.7	0.8	1.6
Total individual	10.4	50.3	65.5	126.2
2. Business:				
a. Employer health deductions	2.6	4.5	5.6	12.7
b. Island possessions credit	0.6	1.4	1.5	3.5
c. DISC	0.5	2.0	3.0	5.5
d. Eliminate capital gains for timber	0.3	0.6	0.7	1.6
e. Entertainment deductions	0.1	0.3	0.3	0.7
Total business	4.1	8.8	11.1	24.0
3. Excise taxes:				
a. double distilled spirits ($21/gallon)	1.6	2.6	2.7	6.9
b. double tobacco (16 cents per pack)	1.2	1.8	1.8	4.8
c. double beer ($18 per barrel)	0.8	1.2	1.1	3.1
d. double wine (34 cents per gallon)	0.2	0.2	0.2	0.6
e. double telephone (2 percent)	0.5	0.6	1.3	2.4
f. double motor fuels (8 cents)	2.3	3.4	3.3	9.0
g. 10 percent excise tax on luxuries	1.5	1.6	1.7	4.8
Total excise	8.1	11.4	12.1	31.6
4. $5 per barrel oil import fee	8.6	12.2	11.6	32.4
Total	31.2	82.7	100.3	214.2

Before the Congress moves to increase taxes as proposed by the committee budget, it should consider the tax cuts under ERTA compared to automatic tax increases built into the law. Bracket creep due to inflation and payroll tax increases scheduled under the 1977 social security amendments wipe out most or all of the personal income tax reductions in the Economic Recovery Tax Act across a wide range of middle-income families.

Even the full 3 years of marginal tax rate reductions followed by indexing are not enough to provide meaningful tax relief. Most families end up paying a higher percentage of their income to the Goverment than in 1980.

Even with ERTA, the median-income family of four ($24,000 in 1982) receives a real tax cut from 1980 rates of $25 in 1983, $110 in 1984, and $24 in 1985, after which its real tax burden starts to increase again. The real tax cuts and increases for families earning between $15,000 and $50,000 are shown in the following table. With repeal of the third year and indexing, none of these families would ever receive a real tax cut from their 1980 rates.

TABLE 2.—NET TAX CHANGE AFTER BRACKET CREEP AND PAYROLL TAX INCREASES UNDER CURRENT LAW FROM 1980 TAX RATES

[Net tax increase (+) or decrease (−) in current dollars]

1982 income	1981	1982	1983	1984	1985	1986	1987	1988
$15,000	145	88	56	32	90	111	116	122
$20,000	199	108	21	−34	40	65	68	72
$25,000	253	139	−34	−107	−22	6	5	4
$30,000	306	171	−49	−136	−37	−4	−5	−6
$40,000	517	318	52	21	180	266	373	477
$50,000	646	434	10	−112	30	107	207	302

Without the third year and indexing, the tax increases are much sharper. No middle income family would receive a net tax cut. These tax increases are shown in table 3. In dollar terms, the cost to middle income families of repealing indexing and the third year is substantial. The tax increases above current law resulting from the repeal of the third year and indexing are shown in table 4.

TABLE 3.—NET TAX INCREASES AFTER BRACKET CREEP AND PAYROLL TAX INCREASES IF INDEXING AND THE THIRD YEAR ARE REPEALED

1982 income	1981	1982	1983	1984	1985	1986	1987	1988
$15,000	145	88	98	144	263	342	405	471
$20,000	199	108	101	169	333	445	535	629
$25,000	253	139	125	217	434	585	710	850
$30,000	306	171	155	274	550	748	914	1,094
$40,000	517	318	359	675	1,100	1,519	1,966	2,424
$50,000	646	434	480	883	1,405	1,858	2,426	3,007

TABLE 4.—TAX INCREASE FROM CURRENT LAW IF INDEXING AND THIRD YEAR ARE REPEALED

1982 income	1983	1984	1985	1986	1987	1988
$15,000	42	112	173	231	289	349
$20,000	80	203	293	380	467	557
$25,000	159	325	457	580	705	845
$30,000	204	410	587	752	919	1,101
$40,000	307	654	921	1,253	1,593	1,948
$50,000	470	995	1,375	1,751	2,219	2,705

Without the third year and indexing, only the highest (six figure) income families would come out ahead, those who received major benefits from the reduction of the top tax bracket from 70 to 50 percent.

The Brodhead amendment to lower the top rate from 70 to 50 percent in 1 year was offered during the debate over ERTA by the Ways and Means majority and the Democratic leadership in hopes of dissuading the bipartisan coalition from pressing for the third year and indexing. The coalition insisted on the deeper middle bracket rate cuts, because middle-income families get no relief without them. That is as true now as last summer. If the Congress repeals the third year and indexing, it will make last summer's tax bill just a rich man's tax bill.

The tax proposals in President Reagan's budget and the ERTA produce a sound long-term tax code. Long-term receipts would be just over 19 percent of GNP. Under the committee budget, receipts would be 19.9 percent of GNP in fiscal year 1983 and 1984 and rise to 20.3 percent in fiscal year 1985.

From 1964 through 1974, receipts averaged 18.7 percent of GNP. From 1975 through 1979, receipts averaged 19 percent of GNP. Only in 1980 and 1981 were receipts at 20 and 21 percent of GNP. Receipts would already be at or above historical levels under President Reagan's budget without the added tax increases in the committee budget.

The watered down and delayed 1.25 percent tax cut in 1981 was really a tax increase that helped cause the recession. In fact, there was a net personal tax increase of roughly $15 billion in 1981. In 1982, taxpayers will barely break even. Not until 1983 and 1984 will there be real tax cuts for most families under ERTA, totaling $12 billion in 1983 and $13 billion in 1984.

Taxes will again start to rise in 1985 due to a scheduled payroll tax increase. The net personal tax cut between 1981 and 1984 is only $10 billion. The committee budget would change this to a net tax increase of between $40 and $90 billion for individuals, depending on how much of his tax increases come from individuals.

There is no economic or budgetary justification for increasing taxes on the American people. No economic theory calls for increasing taxes during a recession. And it is clear that even under current law, the Federal Government is taking too high a percentage of the GNP in taxes.

I will make one last point, and then I will stop.

The SPEAKER pro tempore. The Chairman will inquire, was the gentleman from New York (Mr. KEMP) making a unanimous consent request?

Mr. KEMP. Mr. Speaker, I guess I really do not need it to introduce some material into the body of my remarks. Those are already under the general provisions of the unanimous-consent request. So I appreciate the alertness of the Speaker.

But the last point I would make is this: Look, there is a fundamental disorder occurring in the financial markets not only of this country but of the Western democracies as a whole. And I am not asking the gentleman to agree with me or not; I am simply saying, for the benefit of the people who might hear my remarks or see them in print, that the problem can only be cured, those high interest rates can only be cured by a proper mix, a proper balance, a proper equilibrium between fiscal policy and monetary policy.

Now, what has happened is that our friends in the Budget Committee on the Democratic side of the aisle are criticizing the President for what they perceive to be his following a tight monetary policy coupled with a loose fiscal policy. Yet what they are suggesting through this document is that we tighten up our fiscal policy by raising taxes and loosening up on our monetary policy.

In addition, the view is becoming prevalent among the orthodox liberals, the dialectical liberals, as the gentleman from Georgia would characterize them, that if we simply print more money, in effect we can solve what essentially is a fiscal problem, and then they are trying to cure the monetary problem; that is, high interest rates, by raising taxes.

Now, what I am suggesting, I guess—not just "I guess"; I absolutely believe it—is that you must cure the interest rate problem, which is a monetary disorder, with a sound monetary policy. And we can debate that at another time. I prefer stable exchange rates, targeting something other than M_{1D} at 5 percent. I do not think we ought to worry so much about the supply of money. I think we ought to look at the price of money, the quality of money, the integrity of the money, and the restoration of a monetary policy that will repair the damage that was done to this Nation's financial markets by the tremendous shift in monetary policy that occurred in 1971 when President Nixon suspended the convertibility of the dollar, and then again in 1979 when Mr. Volcker, appointed by President Carter, decided to shift from targeting interest rates to targeting the money supply figures.

But we can use monetary policy basically and generally to fight interest rates and we can use fiscal policy to fight the recession. If we use fiscal policy to fight inflation, unemployment would require easing up on tax policy, not tightening up on tax policy, and I do not think a minimum tax on corporations, minimum taxes on individuals, surtaxes on individuals, surtaxes on corporations and small businesses, and excise taxes and oil import fees and punishing domestic refiners, and taking off intangible drilling expenses and all those gimmicks that are going to be coming forth, frankly, in the next few days—and they are coming very quickly—are really anything but gimmicks.

They are going to exacerbate the problems, as the gentleman from Georgia has so ably pointed out. They will not raise revenue. They will exacerbate the recession, they will increase unemployment, and the final results will be bigger deficits, not less, more inflation, not less. And then let me tell the American people what is in store for them.

The staff of the Congressional Budget Committee believes that the only way to control inflation in the future is through wage and price controls. Now, I know they call it guidelines, and I know they call it, euphemistically, incomes policy, but I want to say here today that the real danger in the CBO majority party's budget, I say to my friend from Georgia, particularly is that they foresee an early return to an incomes policy, which everybody knows is a euphemism for controlling the wages of the working men and women of this country.

I am offended by that. I think it is a mistake. It was tried by Mr. Nixon, and it did not work. It was tried by the Emperor Diocletian, and it did not work. There is not any body of thought other than in the liberal left activist wing of the Democratic Party in which anybody really believes that by controlling the wages of working people, which incidentally have been reduced substantially in the auto and steel industries and other places, we can cure the problem. But nonetheless, we still see our friends on the liberal side of this debate who believe that it is the working people's wages that ultimately cause inflation.

□ 1315

That is what this debate is all about. The gentleman has cut through the mist, he has cut through the mythology, he has cut through the fog, he has cut through the rhetoric, he has cut through the demagoguery, he has cut through all of the various posturing that has taken place over these budget debates.

I want to congratulate the gentleman because he has gotten right to the heart of the matter.

If we care about this country, if we care about people, if we care about getting down deficits and interest rates, we are going to have to look at something bigger than just that phony, false, ersatz premise upon which the Budget Committee and the Congress is being stampeded toward, and I just want to stand up here as one of the gentleman's friends, admittedly, but nonetheless, fellow soldier in this small army of backbenchers and mavericks to say that the gentleman is right, that he is to be commended, and I think there are more people who in their heart of hearts agree with he and I.

Let us not silence our voices just because someone dares to suggest that we might be radical or be cut out of the loop, so to speak.

I thank the gentleman for his tremendous patience and forebearance and for standing down there in the well listening to me preach to the choir.

Mr. GINGRICH. I thank the gentleman for his comments. He is one of the architects and inspirations of this policy.

Let me say in closing three things. Whether you want to call this the undertaxation budget, or the high unemployment budget, or the higher interest rate and bigger deficit budget, the liberal Democratic budget that has been developed is a disaster.

On top of the $1,450 in tax increase per working American which it proposed, everyone has to remember that the liberal Democrats in 1977, 5 years ago, passed a tax increase which will come in the next 3 years at an additional $685 per worker for social security. So we are looking, in a sense, at a liberal Democratic budget that has a combined tax increase of $2,135 per worker over the next 3 years.

Mr. CRAIG. Mr. Speaker, will the gentleman yield?

Mr. GINGRICH. I am happy to yield to my good friend from Idaho.

Mr. CRAIG. I would like to thank the gentleman from Georgia for taking this special order. I appreciate him allowing me to add a few comments.

I just came home, back to Washington, from my district out in Idaho. I had a unique experience over the weekend that I think reflects so well the very things the gentleman has been saying in the last several minutes as to how the American public perceives and understands what a tax cut is, what a budget out of control is.

I would say to the gentleman from Georgia I stood in a JC breakfast line for 2 hours on Saturday morning and turned pancakes and listened to over 1,200 people as they came by me to offer comments about what is going on in Washington. They would say, "Have you got the budget under control yet?" And, "Are you really going to do what you said you were going to do in 1980, and that is cut that budget and get those taxes down so that we can get back to work?"

One gentleman came along and he said, "I haven't heard much about that Democratic alternative budget yet but," he said, "I read just a few comments about it in the paper the other morning." He said, "You know, there is not much out on it yet and apparently they are trying to rush something through." He said, "From what I have read, they are going to increase taxes again, aren't they?" And I said, "Yes, that is their plan, to increase them some 140-plus billions of dollars in the next 3 years." He said, "Well, what is that going to do to me and my family? Am I going to have to pay more taxes?" And I said, "Yes, that is exactly what you are going to have to do. They are going to force you to pay more taxes. They are going to take more of your money away from you."

He said, "Well, can't you cut the budget? Isn't that the way you get interest rates down, is to stop that kind of spending and that kind of demand on the money supply of this country?" And I said, "Well, that is what we have tried to do because we knew that is what you wanted as a working person, as a small businessman and as a farmer and a rancher, and as a blue-collar worker, that you wanted more of your own money and you wanted to have the Government take less of it away."

So I thank you today for taking this special order to clarify some of the points that are pretty hazy out there at this moment, hazy only because they have not been spelled out the way you are spelling them out.

The American public understands very clearly what is going on at this moment. They know what they asked for in 1980 and it has not been delivered to them. We have only gotten a taste of it in the last 15 months and now the opposition is reaching out to grasp back and take away the very kinds of things they asked for, because that is exactly what that budget alternative talks about, is increased taxes, increased spending.

That is the kind of business as usual that created those high interest rates and that high inflation, and it is awfully important, and the gentleman takes on a very important responsibility in spelling it out as clearly as he does that we are really back to business as usual.

When we get back to business as usual, it really means no business at all. When we have no business at all, we have no jobs, and then we will not have the kind of unemployment rates which we inherited from the spending of the 1960's and the 1970's, but we will have much higher.

So I again congratulate the gentleman on taking this special order.

Mr. GINGRICH. I thank my good friend for joining in and would say to him that we have, as he knows, a wonderful system. The American people can make a great difference and we are beginning a week of debate on the budget, and we will probably vote on this budget next week.

The American people do have a choice. If they want a $1,450 tax increase per worker, they can write, or wire, or call their Congressman and say, "Please vote for the liberal Democratic budget."

But, in fact, if they agree with us that the time has come to change, that we have lost one decade, and that is one decade too many, that now is the time to start building a newer and better America; if they think now is the time to cut spending rather than raise taxes, then they can call, write, or wire their Congressman and say, "Please vote against the $1,450 tax increase of the liberal Democratic budget."

This is a marvelous system. The Founding Fathers were very wise in allowing all of us to have a chance to participate in shaping our dreams, our hopes, and our fears.

I simply want to take some time today to bring to everyone's attention the fact that the clock is running, the decisions will be made, and we will have a major choice in the next week or so.

BALANCED BUDGET

(The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. Collins) is recognized for 30 minutes.)

Mr. COLLINS of Texas. Mr. Speaker, as I have been listening intently to the remarks of the gentleman from Georgia (Mr. Gingrich) I was impressed by everthing he had to say about the budget. The way we are discussing the budget here in the House, the way that we are trying to work out a temporary solution, is providing no solution at all.

I appreciate what the gentleman from New York (Mr. Kemp) said. He is chairman of our Republican Conference. He emphasized the fact, talking about tax increases, that they will not do one thing to help business. In fact, all tax increases will do is damage to business. What the need in America today is for jobs, we do not really face the job issue in that committee but talk about taxing, taxing, taxing.

The gentleman from Idaho had it right. He said what we ought to be doing is cutting, cutting, cutting expenses.

We are living today with the problems that we carry over with the Carter recession. The Carter recession was brought on because of big spending. It was big spending created by Carter's economic advisers that took interest rates during the 4 short years (1976–80); and they sure seemed pretty long while he was there, in 4 years Jimmy Carter took interest rates from 5.5 to 21.5 percent. You cannot run a business when you are paying 21.5 percent interest. You cannot buy a house today with 21.5 percent interest. You cannot operate a farm when you have interest rates so high.

All of this came under this big spending, big taxing program under President Carter.

There is one basic solution, and today is the day we ought to face up to it. That solution is to put in a balanced constitutional budget amendment that applies to Congress.

The distinguished chairman of the Agriculture Committee, Mr. de la Garza, is from Texas and we come from a great State. We both share pride and respect for the fact that in the great State of Texas we have a constitutional requirement that our State legislature balances its budget before they can go home. That is a great idea. That means that Texas is going to move forward. In fact, the legislature does not spend a lot of time down in Austin. They just meet once every 2 years. For about 5 months. That is probably the healthiest thing they do. The less government you have, the better off you are to build a progressive economy.

So what they do in Texas is meet; have a balanced budget; because they cannot adjourn until they have a balanced budget. What we need here in Congress is to have that same balanced budget rule.

A distinguished speaker said a few years ago, "If you want to get along, you have to go along." So the procedure is that every time somebody comes up with another spending bill most voices say, "Amen," and then another one comes along and it is another "aye vote." Congress spends, spends, spends. Congress does not balance the budget.

This policy must come to an end. I have submitted a budget constitutional amendment that would require a balanced budget and it would require tax limitations which are also essential, because you can tax America into oblivion.

We are debating this budget and we are talking about taxes. I was interested to hear the gentleman from New York (Mr. Kemp) say how taxes, taxes, how they are growing on us. Are taxes growing on us?

I read in the U.S. News & World Report last week that individual income taxes were up 17 percent last year. You see, what inflation does is to keep moving you up with this bracket creep and they keep creeping and going up and up, so you are paying higher and higher taxes. You have inflated dollars. You do not have more money. All you have is just more dollars and it does not buy you as much.

Here is something to evaluate. The most efficient agency I think in the Government is either the IRS or the FBI. They are both well managed. But I will tell you, the IRS is more than an efficient group. When it comes to collecting taxes, the IRS really collects them. Here is the latest figure on it. It says that the IRS have doubled the amount that they have collected in the past 5 years and they took it out of you, and you, and you. It just means that you taxpayers are having less and less money available.

In fact, you hear the statement down home that "I am making more but it buys less." Well, you are absolutely right when you say that. You are making more dollars but you have less purchasing power. In terms of dollars, I am telling you what a dollar will really buy. Seventy percent of American families today have less real after-tax dollars than they did 15 years ago.

The Federal spending back in 1960 was $92 billion. It is hard to imagine that, $92 billion. What we are talking about here today is $800 billion. Remembering $92 billion, you would think that we could take from $800 billion and cut it back to $700 billion. We have plenty of programs that we could cut. We have too many of these deadheads, these people that are flagrantly abusing these welfare programs. That is where we ought to start.

We just ought to put them to work. Tell a fellow that if he turns down one job that is all right, but when he turns down that second job he is off of relief.

People that work are happier people.

I saw an interesting show the other day that really caught my eye. It said, "America is too young to die." What they were talking about is the economics that we have here before us today. We are getting ready to lose America if we just keep spending our country into oblivion and just spend, spend, spend, spend.

□ 1330

Deficit financing ought to end. We could stabilize the interest rates, we could stabilize inflation, we could build confidence in America if we would just balance the budget.

Yesterday, as I was flying back up to Washington—got back here at midnight last night—as I went through the airport, I wanted to buy a package of gum. Do you know what a package of gum costs today in that vending machine? It costs 50 cents. That is for an old nickel package of gum. Now, it does not make you feel any richer to pay 50 cents for a nickel package of gum. All it tells you is that up here in Washington we are just giving this country too much inflation. You pay 10 times as much as we used to pay for a package of gum.

The answer is very, very simple. We need a constitutional amendment. And the way to do it is to let the American citizens vote on it.

When we know that we must balance the budget, we will say, "Well, we are going to have to cut this one 10 percent; we will have to cut this 5 percent." We want to keep a strong social security.

And let me add one thing about national defense. The gentleman from Georgia (Mr. Gingrich) talked quite a bit about that. And what impressed me was that the last time we had a balanced budget, 46 percent of this Nation's expenditures from Congress were going for defense. Today 26 percent goes for defense. It is not defense that is the problem. It is this wild, overspending on these welfare programs. We simply cannot give everything to everybody. We must get back to basics.

I heard someone say the other day, "I can't take a job unless it has dignity." And I was reminded of what a distinguished publisher of the Post said. She said, "When I was a little girl, my folks told me that any work has dignity." And I believe that. I believe that any work has dignity. And I believe that when America works that America is happy. And the happiest America will be is the day that Congress decides we are going to have a balanced budget with a constitutional amendment voted on by the American people.

Mr. Speaker, I have just submitted a constitutional amendment which will require a balanced budget, and tax limitation.

There must be flexibility in this amendment. I have provided:

First, three-fifths of both Houses of Congress may provide for a deficit budget, but they must vote on the specific subject that will be in excess;

Second, a majority of both Houses must pass a bill allowing for additional revenues to be received;

Third, Congress may waive the balanced budget requirement and tax limitation provisions for any fiscal year in which a declaration of war is in effect;

Fourth, for any fiscal year, any amount by which total receipts exceeds total outlays shall be applied to repayment of the public debt;

Fifth, changes in compensation, tax treatment, or limitations on earned income for Members of Congress shall be determined by recorded vote; and

Sixth, Congress shall not adjourn until a balanced budget is reached.

Federal spending back in 1960 was $92 billion. If we take into account all of the budget, plus the off-the-budget items, plus the anticipated supplemental appropriations, we are probably looking at $800 billion today.

We see interest on the national debt rising to where it will run $100 billion a year.

Thomas Jefferson said, "The public debt is the greatest of dangers to be feared by a Republican government." Our early Presidents shared the worries and understood the dangers of deficit spending. In the early years of our Republic, we had balanced budgets and even had surplus budgets.

Most of the people back home believe America has more government than it needs. Americans believe we have more regulations than they want. And they are nearly unanimous in telling us we have more taxes than they can afford to pay.

Back before the 1930's our Nation outlined its budget based on what they anticipated in the way of revenues. During the 1930's, under President Roosevelt, the Government changed this policy and began to borrow and to go actively into public expenditures and general relief. Back in 1930, public expenditures accounted for 3 percent of the GNP, but today, public expenditures are 23 percent of the GNP which is the highest peacetime percentage we have ever had.

In Washington, Congress has chosen politically expedient temporary alternatives. If the budget is not balanced, Congress can print money. Since there is no limitation on spending, Congress can authorize additional debt. The ease of deficit financing must be removed. Congress must balance the budget every year, and we can do this if we know it is required.

In any family household, if we heard our salary had been cut 10 percent, we would immediately cut our spending 10 percent. But in Congress we do not cut spending, but instead we add on for anticipated inflation, which has been caused by our big congressional spending.

Remember this, as we began the sixties, Congress was spending less than $100 billion. As we began the eighties, we are talking about $800 billion. We could run a tighter ship, be more efficient, and have more muscle and strength, if Congress would cut the waste out of the general budget.

In this constitutional amendment, we are asking that a balanced budget law have a vote by American citizens. I feel sure when America votes that this constitutional amendment will receive overwhelming support, because the average citizen in America understands that a balanced budget is essential to our Republic.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following this legislative program and any special orders heretofore entered, was granted to:

(The following Member (at the request of Mr. Bereuter) to revise and extend his remarks and include extraneous material:)

Mr. Gingrich, for 60 minutes, today.

(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. Collins of Texas, for 30 minutes, today.

(The following Members (at the request of Mr. White) to revise and extend their remarks and include extraneous material:)

Mr. Gonzalez, for 15 minutes, today.

Mr. Annunzio, for 5 minutes, today.

Mr. Coelho, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. de la Garza, to revise and extend his remarks prior to the vote on H.R. 3881.

(The following Members (at the request of Mr. Bereuter) and to include extraneous matter:)

Mr. Ritter.

Mr. Corcoran in two instances.

Mr. Winn.

Mr. Chappie.

Mr. Wampler in two instances.

Mr. Grisham.

Mr. Conte.

(The following Members (at the request of Mr. White) and to include extraneous matter:)

Mr. Matsui.

Mr. Blanchard.

Mr. Ford of Michigan.

Mr. Anderson in 10 instances.

Mr. Gonzalez in 10 instances.

Mr. Brown of California in 10 instances.

Mr. Annunzio in six instances.

Mr. Jones of Tennessee in 10 instances.

Mr. Boner of Tennessee in five instances.

Mr. Ratchford in two instances.

Mr. Walgren in three instances.

Mr. Skelton.

Mr. Won Pat in three instances.

Mr. Rodino.

BILLS PRESENTED TO THE PRESIDENT

Mr. HAWKINS, from the Committee on House Administration, reported that that committee did on the following days present to the President, for his approval, bills of the House of the following title:

On May 13, 1982:

H.R. 2863. An act to authorize the Secretary of Agriculture to sell the portion of the Tahoe National Forest known as Blyth Arena.

On May 14, 1982:

H.R. 6038. An act to amend section 235 of the National Housing Act.

ADJOURNMENT

Mr. MINETA. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 33 minutes p.m.), the House adjourned until tomorrow, Tuesday, May 18, 1982, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3926. A letter from the Secretary of Housing and Urban Development, transmitting a report on the administrative and legislative steps that would be necessary to improve the block grant program, pursuant to section 315 of Public Law 97-35; to the Committee on Banking, Finance and Urban Affairs.

3927. A letter from the Mayor, District of Columbia, transmitting the annual report of the Office of Emergency Preparedness of the District of Columbia for fiscal year 1981, pursuant to section 6 of Public Law 81-686; to the Committee on the District of Columbia.

3928. A letter from the District of Columbia auditor, transmitting copies of various reports of his office, pursuant to section 455 of Public Law 93-198; to the Committee on the District of Columbia.

3929. A letter from the Chairman, Securities and Exchange Commission, transmitting the 47th annual report of the Commission for fiscal year 1981; to the Committee on Energy and Commerce.

3930. A letter from the Secretary, Interstate Commerce Commission, transmitting notice that the Commission is unable to render a final decision in Docket No. 38772, Unit Train Rates on Coal Thunder Junction, Wyo., to Mill, Tex., within the initially specified 5-month period, pursuant to 49 U.S.C. 10707(b)(1); to the Committee on Energy and Commerce.

3931. A letter from the General Counsel, Department of Energy, transmitting notice of various meetings relating to the international energy program to be held on May 21, 1982, in New York, N.Y., to the Committee on Energy and Commerce.

3932. A letter from the Acting Director, Defense Security Assistance Agency; transmitting notice of proposed lease of certain defense articles to Egypt (Transmittal No. 6-82), pursuant to section 62(a) of the Arms Export Control Act; to the Committee on Foreign Affairs.

3933. A letter from the Chairman, U.S. Nuclear Regulartory Commission; transmitting a report on the Commission's activities under the Government in the Sunshine Act during calendar year 1981, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

3934. A letter from the Chairman, National Transportation Safety Board, transmitting a report on the Board's activities under the Government in the Sunshine Act during calendar year 1981, pursuant to 5 U.S.C. 552(b)j; to the Committee on Government Operations.

3935. A letter from the Assistant Attorney General for Administration, Department of Justice, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

3936. A letter from the Secretary of the Interior, transmitting the annual report covering calendar year 1981 on implementation of the Alaska Native Claims Settlement Act, pursuant to section 23 of the act; to the Committee on Interior and Insular Affairs.

3937. A letter from the Under Secretary of the Interior, transmitting notice of the proposed refund of $87,336.79 in excess royalty payments to ANR Production Co., $14,985.00 to Diamond Shamrock Corp. $9,887.81 to Shell Oil Co., and $15,000.00 to Columbia Gas Development Corp., pursuant to section 10(b) of the Outer Continental Shelf Lands Act of 1953; to the Committee on Interior and Insular Affairs.

3938. A letter from the Secretary of Transportation, transmitting the department's final report on the Federal highway cost allocation study, pursuant to section

506(c) of Public Law 95-599; to the Committee on Public Works and Transportation.

3939. A letter from the Deputy U.S. Trade Representative, Executive Office of the President, transmitting the semiannual report on the operation and effect of the International Sugar Agreement, 1977, pursuant to section 5 of Public Law 96-236 and information and statistics concerning the domestic and world sugar situation; jointly, to the Committees on Agriculture and Ways and Means.

3940. A letter from the Chairman, Nuclear Regulatory Commission; transmitting the Commission's report of the nondisclosure of safeguards information for the quarter ending March 31, 1982, pursuant to section 147.e of the Atomic Energy Act; jointly, to the Committees on Energy and Commerce and Interior and Insular Affairs.

3941. A letter from the Comptroller General of the United States, transmitting a report on the need for the Department of Energy to consider and resolve certain issues before making a final decision on the need for appliance efficiency standards (GAO/EMD-82-78, May 14, 1982); jointly, to the Committees on Government Operations and Energy and Commerce.

3942. A letter from the Acting Secretary of the Interior, transmitting a report covering fiscal year 1981 concerning the department's efforts to recruit and train Indians, pursuant to Public Law 96-135; jointly, to the Committees on Interior and Insular Affairs and Post Office and Civil Service.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

[Omitted from the Record of May 13, 1982]

Mr. JONES of North Carolina: Committee on Merchant Marine and Fisheries. H.R. 5662. A bill to extend until October 1, 1983, the authority and authorization of appropriations for certain programs under the Fish and Wildlife Act of 1956. (Rept. No. 97-514). Referred to the Committee of the Whole House on the State of the Union.

[Submitted May 14, 1982]

Mr. de la GARZA: Committee on Agriculture. H.R. 2035. A bill to authorize certain employees of the Department of Agriculture to carry firearms in the performance of their duties; with an amendment (Rept. No. 97-515). Referred to the Committee of the Whole House on the State of the Union.

Mr. de la GARZA: Committee on Agriculture. H.R. 6164. A bill to implement the agreement on the International Carriage of Perishable Foodstuffs and on the special equipment to be used for such carriage (ATP), and for other purposes; with amendments (Rept. No. 97-516). Referred to the Committee of the Whole House on the State of the Union.

[Submitted May 17, 1982]

Mr. NICHOLS: Committee on Armed Services. H.R. 1400. A bill to amend title 38, United States Code, to establish new educational assistance programs for veterans and for members of the Armed Forces; with an amendment (Rept. No. 97-80, Pt. II). Referred to the Committee of the Whole House on the State of the Union.

Mr. PERKINS: Committee on Education and Labor. H.R. 4861. A bill to provide for the conservation, rehabilitation, and improvement of natural and cultural resources located on public or Indian lands, and for other purposes; with an amendment (Rept. No. 97-500, Pt. II). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOWARD: Committee on Public Works and Transportation. H.R. 3072. A bill to designate the control tower at Memphis International Airport the "Omlie Tower" (Rept. No. 97-517). Referred to the House Calendar.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 4848. A bill entitled the "Gladys Noon Spellman Parkway"; with an amendment (Rept. No. 97-518). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOWARD: Committee on Public Works and Transportation. H.R. 5930. A bill to extend the aviation insurance program for 5 years (Rept. No. 97-519). Referred to the Committee of the Whole House on the State of the Union.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 5990. A bill to amend the Pennsylvania Avenue Development Corporation Act of 1972 to authorize appropriations and further borrowings for implementation of the development plan for Pennsylvania Avenue between the Capitol and the White House, and for other purposes; with an amendment (Rept. No. 97-520). Referred to the Committee of the Whole House on the State of the Union.

Mr. JONES of Oklahoma: Committee on the Budget. House Concurrent Resolution 345. Concurrent resolution revising the congressional budget for the U.S. Government for the fiscal year 1982 and setting forth the congressional budget for the U.S. Government for the fiscal years 1983, 1984, and 1985 (Rept. No. 97-521). Referred to the Committee of the Whole House on the State of the Union.

Mr. JONES of North Carolina: Committee on Merchant Marine and Fisheries. H.R. 6120. A bill to reauthorize the Deep Seabed Hard Minerals Resources Act for fiscal years 1983, 1984, and 1965 (Rept. No. 97-522, Pt. I). Ordered to be printed.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 6120. A bill to reauthorize the Deep Seabed Hard Minerals Resources Act for fiscal years 1983, 1984, and 1985 (Rept. No. 97-522, Pt. II). And ordered to be printed.

Mr. ZABLOCKI: Committee on Foreign Affairs. H.R. 6120. A bill to reauthorize the Deep Seabed Hard Minerals Resources act for fiscal years 1983, 1984, and 1985. (Rept. No. 97-522, Pt. III). Referred to the Committee of the Whole House on the State of the Union.

Mr. FUQUA: Committee on Science and Technology. H.R. 6193. A bill to authorize appropriations for fiscal year 1983 for research, engineering and development, and demonstration projects relating to aviation (Rept. No. 97-523). Referred to the Committee of the Whole House on the State of the Union.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 4347. A bill to authorize the Secretary of the Interior to proceed with development of the WEB pipeline, to provide for the study of South Dakota water projects to be developed in lieu of the Oahe and Pollock-Herreid irrigation projects, and to make available Missouri basin pumping power to projects authorized by the Flood Control Act of 1944 to receive such power; with an amendment (Rept. No. 97-524, Pt. I). And ordered to be printed.

Mr. de la GARZA: Committee on Agriculture. H.R. 4347. A bill to authorize the Secretary of the Interior to proceed with development of the WEB pipeline, to provide for the study of South Dakota water projects to be developed in lieu of the Oahe and Pollock-Herreid irrigation projects, and to make available Missouri basin pumping power to projects authorized by the Flood Control Act of 1944 to receive such power; with an amendment (Rept. No. 97-524, Pt. II). Referred to the Committee of the Whole House on the State of the Union.

Mr. BRINKLEY: Committee on Armed Services. H.R. 6214. A bill to authorize certain construction at military installations for fiscal year 1983, and for other purposes (Rept. No. 97-525). Referred to the Committee of the Whole House on the State of the Union.

Mr. JONES of North Carolina: Committee on Merchant Marine and Fisheries. H.R. 6197. A bill to amend the National Advisory Committee on Oceans and Atmosphere Act of 1977 to authorize appropriations to carry out the provisions of such act for fiscal years 1983 and 1984; with amendments (Rept. No. 97-526). Referred to the Committee of the Whole House on the State of the Union.

Mr. JONES of North Carolina: Committee on Merchant Marine and Fisheries. H.R. 3600. A bill to amend the National Ocean Pollution Planning Act of 1978 to provide greater coordination of research efforts concerning the Great Lakes, and for other purposes; with an amendment (Rept. No. 97-527, Pt. I). Ordered to be printed.

Mr. PERKINS: Committee on Education and Labor. H.R. 4929. A bill to provide for pension reform for State and local public employee retirement systems, and for other purposes; with amendments (Rept. No. 97-528). Referred to the Committee of the Whole House on the State of the Union.

Mr. PERKINS: Committee on Education and Labor. H.R. 4928. A bill to provide for pension reform for State and local public employee retirement systems, to amend the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code of 1954 to promote more efficient and satisfactory management of the functions of the Federal Government relating to employee benefit plans and to more effectively carry out the purposes of such Act and such Code relating to such plans, and for other purposes; with amendments (Rept. No. 97-529, Pt. I). Ordered to be printed.

Mr. PERKINS: Committee on Education and Labor. H.R. 5540. A bill to amend the Defense Production Act of 1950 to revitalize the defense industrial base of the United States; with an amendment (Rept. No. 97-530, Pt. I). Ordered to be printed.

Mr. ST GERMAIN: Committee on Banking, Finance and Urban Affairs. H.R. 5540. A bill to amend the Defense Production Act of 1950 to revitalize the defense industrial base of the United States; with an amendment (Rept. No. 97-530, Pt. II). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOWARD: Committee on Public Works and Transportation. H.R. 5566. A bill authorizing appropriations to the Secretary of the Interior for services necessary to the nonperforming arts functions of the John F. Kennedy Center for the Performing Arts, and for other purposes; with an amendment (Rept. No. 97-531). Referred to the Committee of the Whole House on the State of the Union.

Mr. ST GERMAIN: Committee on Banking, Finance and Urban Affairs. H.R. 6296. A bill to amend and extend certain Federal laws which establish housing and community and neighborhood development and preservation programs, and for other purposes; with amendments (Rept. No. 97-532). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOWARD: Committee on Public Works and Transportation. H.R. 6254. A bill to amend title 3, United States Code, to clarify the function of the United States Secret Service Uniformed Division with respect to certain foreign diplomatic missions in the United States, and for other purposes; with an amendment (Rept. No. 97-533). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOWARD: Committee on Public Works and Transportation. H.R. 5659. A bill to authorize the Smithsonian Institution to construct a building for the Museum of African Art and a center for Eastern art together with structures for related educational activities in the area south of the original Smithsonian Institution Building adjacent to Independence Avenue at Tenth Street Southwest, in the city of Washington; with an amendment (Rept. No. 97-534). Referred to the Committee of the Whole House on the State of the Union.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 6272. To amend the Earthquake Hazards Reduction Act of 1977 to extend authorizations of appropriations, and for other purposes. (Rept. No. 97-535, Pt. I). Ordered to be printed.

Mr. FUQUA: Committee on Science and Technology. H.R. 6272. A bill to amend the Earthquake Hazards Reduction Act of 1977 to extend authorizations of appropriations, and for other purposes. (Rept. No. 97-535, Pt. II). Referred to the Committee of the Whole House on the State of the Union.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 6290. A bill to increase authorizations of appropriations for land acquisition for Voyageurs National Park, Cape Cod National Seashore, Cape Lookout National Seashore, and Sleeping Bear Dunes National Lakeshore; with an amendment (Rept. No. 97-536). Referred to the Committee of the Whole House on the state of the Union.

Mr. PERKINS: Committee on Education and Labor. H.R. 5320. A bill to establish a community public-private training and employment assistance system and to provide employment and training services, and for other purposes; with an amendment (Rept. No. 97-537). Referred to the Committee of the Whole House on the State of the Union.

Mr. PERKINS: Committee on Education and Labor. H.R. 6250. A bill to provide employment opportunities to long-term unemployed individuals in high unemployment areas, and for other purposes; with an amendment (Rept. No. 97-538). Referred to the Committee of the Whole House on the State of the Union.

Mr. JONES of North Carolina: Committee on Merchant Marine and Fisheries. H.R. 5723. A bill to authorize appropriations for certain maritime programs of the Department of Transportation for fiscal year 1983, and for other purposes; with an amendment (Rept. No. 97-539). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOWARD: Committee on Public Works and Transportation. H.R. 6100. A bill to amend the Public Works and Economic Development Act of 1965 and the Appalachian Regional Development Act of 1965; with an amendment (Rept. No. 97-540, Pt. I). Ordered to be printed.

Mr. MAZZOLI: Committee on the Judiciary. H.R. 5879. A bill to amend the Immigration and Nationality Act to extend for three years the authorization for appropriations for refugee assistance, to make certain improvements in the operation of the program, and for other purposes; with amendments (Rept. No. 97-541). Referred to the Committee of the Whole House on the State of the Union.

Mr. KASTENMEIER: Committee on the Judiciary. H.R. 6260. A bill to authorize appropriations to the Patent and Trademark Office in the Department of Commerce, and for other purposes; with an amendment (Rept. No. 97-542). Referred to the Committee of the Whole House on the State of the Union.

Mr. MONTGOMERY: Committee on Veterans' Affairs. H.R. 6350. A bill to amend title 38, United States Code, to authorize the Administrator of Veterans' Affairs to provide that Veterans' Administration nurses who work two twelve-hour regularly scheduled tours of duty over a weekend shall be considered to have worked a full basic workweek, and for other purposes. (Rept. No. 97-543). Referred to the Committee of the Whole House on the State of the Union.

Mr. JONES of North Carolina: Committee on Merchant Marine and Fisheries. H.R. 6196. A bill to authorize appropriations for the fiscal year beginning October 1, 1982, for the maintenance and operation of the Panama Canal, and for other purposes; with amendments (Rep. No. 97-544). Referred to the Committee of the Whole House on the State of the Union.

Mr. EDWARDS of California: Committee on the Judiciary. H.R. 6191. A bill to amend the Civil Rights Act of 1957 to authorize appropriations for the United States Commission on Civil Rights for the fiscal year ending September 30, 1983. (Rep. No. 97-545). Referred to the Committee of the Whole House on the State of the Union.

Mr. JONES of North Carolina: Committee on Merchant Marine and Fisheries. H.R. 5663. A bill to authorize appropriations to carry out the Anadromous Fish Conservation Act during fiscal year 1983, with amendments (Rept. No. 97-546). Referred to the Committee of the Whole House on the State of the Union.

Mr. ZABLOCKI: Committee on Foreign Affairs. H.R. 6370. A bill to amend the Foreign Assistance Act of 1961 and the Arms Export Control Act to authorize additional international security and development assistance programs for fiscal year 1983, and for other purposes (Rept. No. 97-547). Referred to the Committee of the Whole House on the State of the Union.

Mr. RODINO: Committee on the Judiciary. H.R. 6297. A bill to authorize appropriations to carry out the activities of the Department of Justice for fiscal year 1983, and for other purposes; with an amendment (Rept. No. 97-548). Referred to the Committee of the Whole House on the State of the Union.

Mr. JONES of North Carolina: Committee on Merchant Marine and Fisheries. H.R. 5002. A bill to improve fishery conservation and management; with amendments (Rept. No. 97-549). Referred to the Committee of the Whole House on the State of the Union.

Mr. ST GERMAIN: Committee on Banking, Finance and Urban Affairs. H.R. 6267. A bill to revitalize the housing industry by strengthening the financial stability of home mortgage lending institutions and ensuring the availability of home mortgage loans; with an amendment (Rept. No. 97-550). Referred to the Committee of the Whole House on the State of the Union.

Mr. STRATTON: Committee on Armed Services. H.R. 6329. A bill to authority appropriations for the Department of Energy for national security programs for fiscal year 1983, and for other purposes; with amendments (Rept. No. 97-551). Referred to the Committee of the Whole House on the State of the Union.

Mr. NICHOLS: Committee on Armed Services. H.R. 6317. A bill to revise the manner in which the October 1, 1982, pay increase for members of the uniformed services is to be determined, to make various adjustments in military personnel and compensation programs, and for other purposes; with amendments (Rept. No. 97-552). Referred to the Committee of the Whole House on the State of the Union.

Mr. de la GARZA: Committee on Agriculture. H.R. 5831. A bill to provide lending limits for fiscal years 1983, 1984, and 1985 for programs under the Consolidated Farm and Rural Development Act; with amendments (Rept. No. 97-553). Referred to the Committee of the Whole House on the State of the Union.

Mr. ST GERMAIN: Committee on Banking, Finance, and Urban Affairs. S. 1230. A bill to provide for the minting of commemorative coins to support the 1984 Los Angeles Olympic Games; with an amendment (Rept. No. 97-554). Referred to the Committee of the Whole House of the State of the Union.

Mr. HOWARD: Committee on Public Works and Transportation. H.R. 6211. A bill to authorize appropriations for construction of certain highways in accordance with title 23, United States Code, for highway safety, for mass transportation in urban and rural areas, and for other purposes; with an amendment (Rept. No. 97-555). Referred to the Committee of the Whole House on the State of the Union.

Mr. HAWKINS: Committee on House Administration. H.J. Res. 400. Joint resolution to authorize and direct the Secretary of the Interior, subject to the supervision and approval of the Franklin Delano Roosevelt Memorial Commission, to proceed with the construction of the Franklin Delano Roosevelt Memorial, and for other purposes; (Rept. No. 97-556). Referred to the Committee of the Whole House on the State of the Union.

Mr. JONES of North Carolina: Committee on Merchant Marine and Fisheries. H.R. 6324. A bill to authorize appropriations for atmospheric, climatic, and ocean pollution activities of the National Oceanic and Atmospheric Administration for the fiscal years 1983 and 1984, and for other purposes; with amendments (Rept. No. 97-557, Pt. I). Ordered to be printed.

Mr. JONES of North Carolina: Committee on Merchant Marine and Fisheries. H.R. 6112. A bill to amend title II of the Marine Protection, Research, and Sanctuaries Act of 1972; with amendments (Rept. No. 97-558, Pt. I). Ordered to be printed.

Mr. KASTENMEIER: Committee on the Judiciary. H.R. 5949. A bill to amend the copyright law respecting the limitations on exclusive rights to secondary transmissions, and for other purposes. (Rept. No. 97-559, Pt. I). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CONTE:

H.R. 6389. A bill to provide loans under the Small Business Act for the removal of urea-formaldehyde foam insulation from residences, and for other purposes; to the Committee on Small Business.

H.R. 6390. A bill to provide the past expenditures for urea-formaldehyde foam insulation shall not be taken into account in computing the dollar limitation under the Federal residential energy tax credit and to allow a medical expense deduction from income tax for the removal of urea-formaldehyde foam insulation; to the Committee on Ways and Means.

H.R. 6391. A bill to provide loans under the Small Business Act for the removal of urea-formaldehyde foam insulation from residences, to provide for certain tax expenditures relating to problems caused by such insulation, and for other purposes; jointly, to the Committees on Small Business and Ways and Means.

By Mrs. SCHROEDER:

H.R. 6392. A bill to amend title 5, United States Code, to abolish the special counsel of the Merit Systems Protection Board, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. JONES of Oklahoma:

H. Con. Res. 345. Concurrent resolution revising the congressional budget for the U.S. Government for the fiscal year 1982 and setting forth the congressional budget for the U.S. Government for the fiscal years 1983, 1984, and 1985.

By Mr. CONTE:

H. Res. 467. Resolution expressing the sense of the House of Representatives that the Secretary of the Treasury should increase the standard mileage rate which is used in computing the tax deduction for use of an automobile for charitable purposes; to the Committee on Ways and Means.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

378. By the SPEAKER: Memorial of the Legislature of the State of Colorado, relative to surplus properties of the Federal Government; to the Committee on Government Operations.

379. Also, memorial of the Legislature of the State of California, relative to the 11th and 12th U.S. Coast Guard Districts; to the Committee on Merchant Marine and Fisheries.

380. Also, memorial of the Legislature of the State of Arizona, relative to the sale of wild horses and burros from the public range; jointly, to the Committees on Interior and Insular Affairs and Merchant Marine and Fisheries.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 808: Mr. Robinson.

H.R. 4773: Mr. Gunderson, Mr. Lowery of California, Mr. Kastenmeier, Mr. Smith of Oregon, Mr. Hunter, Mr. Broyhill, Mr. DeNardis, Mr. Dougherty, Mr. Hammerschmidt, Mr. Mitchell of Maryland, Mr. Beard, Mr. Jacobs, Mr. Vander Jagt, and Mr. Marriott.

H.R. 5002: Mr. Anderson, Mr. Hughes, Mr. Emery, Mr. Young of Alaska, Mr. Sunia, Mr. Dyson, Mrs. Schneider, Mr. Bonker, Mr. Hutto, Mr. Studds, Mr. Tauzin, Mr. Pritchard, and Mr. Carney.

H.R. 5133: Mr. Smith of Alabama, Mr. Breaux, Mr. Fascell, Mr. Harkin, and Mr. Simon.

H.R. 5147: Mr. Glickman.

H.R. 5320: Mr. Pursell and Mr. Wolpe.

H.R. 5457: Mr. Davis, Mr. Trible, Mr. Crockett, Mr. Lewis, Mr. Wolpe, Mr. Weaver, and Mr. Evans of Georgia.

H.R. 5464: Mr. Schumer.

H.R. 5613: Mr. Nowak, Mr. Dwyer, Mr. Petri, Mr. Oberstar, Mr. Vento, Mrs. Schneider, Mrs. Bouquard, Mr. Hansen of Idaho, Mr. Hughes, Mr. Wilson, Mr. Hendon, Mr. Bevill, Mr. LeBoutillier, Mr. Goodling, and Mr. Walgren.

H.R. 5663: Mr. Anderson, Mr. Hughes, Mr. Bonker, Mr. Dyson, Mr. Sunia, Mr. Hutto, Mr. Studds, Mr. Tauzin, Mr. Young of Alaska, Mr. Emery, Mr. Pritchard, and Mr. Carney.

H.R. 5682: Mr. Lundine.

H.R. 5723: Mr. Anderson.

H.R. 5834: Mr. Foglietta, Mr. Atkinson, Mr. Staton of West Virginia, Mr. Wolf, Mr. Gunderson, Mr. Aspin, Mr. Marlenee, and Mr. Hansen of Idaho.

H.R. 5853: Mr. Edwards of California, Mrs. Holt, and Mr. Mineta.

H.R. 5865: Mr. Bafalis.

H.R. 5932: Mr. Bedell, Mr. Simon, and Mr. Walgren.

H.R. 6062: Mr. Railsback and Mr. Weber of Minnesota.

H.R. 6082: Mr. Frenzel.

H.R. 6100: Mr. Roberts of South Dakota.

H.R. 6113: Mr. Dyson.

H.R.: 6133: Mr. Schneider, Mr. Bowen, Mr. Oberstar, Mr. Bonker, Mr. Dyson, Mr. Sunia, Mr. Hutto, Mr. Studds, Mr. Tauzin, Mr. Pritchard, Mr. Emery, Mr. Fields, Mr. Shumway, Mr. Dougherty, and Mr. Carney.

H.R. 6213: Mr. Paul.

H.R. 6219: Mr. Lott, Mr. Horton, Mr. Whitehurst, Mr. Stanton of Ohio, Mr. Hendon, Mr. Kindness, Mr. Broomfield, Mr. Bevill, and Mr. Yates.

H.R. 6310: Mr. Udall, Mr. Clay, Mr. Leland, Mr. Albosta, Mr. Hoyer, Mr. Dellums, Mr. John L. Burton, Mr. Heftel, Mr. Oberstar, Mr. Jeffords, and Mr. Downey.

H.J. Res. 417: Mr. Winn, Mr. Matsui, Mr. Rodino, Mr. LaFalce, Mr. Ford of Michigan, Mr. Stump, Mr. Quillen, Mr. Yates, Mr. Bedell, Mr. Reuss, Mr. Erdahl, Mr. Mavroules, Mr. Dellums, Mr. Conte, Mr. D'Amours, Mr. Beard, Mr. Bevill, Mr. Coelho, Mr. Lundine, Mr. Carney, Mr. Livingston, Mr. Benjamin, Mr. Blanchard, Mr. Moorhead, Mr. Kildee, Mr. Barnes, Mr. Oberstar, Mr. Porter, Mr. Leach of Iowa, Mr. Heftel, Mr. McCloskey, and Mr. Anthony.

H.J. Res. 449: Mr. Kemp, Mrs. Holt, and Mr. Ford of Tennessee.

H. Con. Res. 86: Mr. Leland.

H. Con. Res. 309: Mr. Hiler and Mr. Lowry of Washington.

H. Con. Res. 326: Mr. Hunter and Mr. Goldwater.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

439. By the SPEAKER: Petition of the Common Council of the City of Janesville, Wis., relative to nuclear weapons; to the Committee on Foreign Affairs.

440. Also, petition of the Township Committee of the Township of East Hanover, N.J., relative to nuclear weapons; jointly, to the Committees on Armed Services and Foreign Affairs.

441. Also, petition of the Board of Trustees, Township of South Orange Village, N.J., relative to nuclear weapons; jointly, to the Committees on Armed Services and Foreign Affairs.

EXTENSIONS OF REMARKS

MINISTER SUH, SUK-JOON CALLS FOR BETTER TRADE RELATIONS

HON. ANTONIO BORJA WON PAT

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Monday, May 17, 1982

● Mr. WON PAT. Mr. Speaker, the other night I was privileged to attend a reception and trade round table dinner engagement held in honor of the Korean Minister of Commerce and Industry, Hon. H. E. Suh, Suk-Joon. The dinner was hosted by the Pan Pacific Community Association, which has as part of its membership some of the most successful members of America's business community and present and former members of Congress including David Bowen, Lester Wolff, president of the organization, and Senator Hugh Scott, who is chairman of the board of directors. In attendance also were Korean Ambassador Lew, Byong-Hian and officials from the U.S. Departments of Commerce, Energy, and Agriculture.

Because my own congressional district of Guam lies in the middle of the Pacific Basin, I am naturally quite interested in any effort to better economic ties with this Nation and others in the Pacific community of countries.

To this end, the Republic of Korea has been a staunch military and political friend of this Nation and one of its most competitive trading partners. I was very pleased to hear the comments of His Excellency Suh, Suk-Joon at the dinner party as he spoke about "Korea's Trade Outlook for the United States and the Pacific Basin."

It was of great interest to know the extent of trade between our nations and to know that today some 40,000 Americans of Korean ancestry live and work in the United States. Contrary to popular myth, the trade between our two nations is indeed a two-way street. While we in this Nation have benefited from low cost and high quality goods made in the republic of Korea, our own exports have been flowing into the Republic of Korea at an astonishing rate providing jobs for our people and taxes to keep the Government operating.

There is no doubt in my mind that Americans want to continue the strong bonds of friendship which tie us to the Republic of Korea. We have thousands of troops there to maintain peace and I believe that our relations will continue to improve and prosper.

As this time I insert the speech of Minister H. E. Suh, Suk-Joon in the RECORD so that my colleagues who could not attend the dinner can avail themselves of his timely and thought-provoking comments:

The speech follows:

SPEECH BY H. E. SUH, SUK-JOON, MINISTER OF COMMERCE AND INDUSTRY, REPUBLIC OF KOREA ON "KOREA'S TRADE OUTLOOK FOR THE UNITED STATES AND THE PACIFIC BASIN"

Mr. Chairman, Ladies and Gentlemen:

I would like to begin by saying how greatly honored I am to be given this opportunity to speak before a meeting of the Pan Pacific Community Association. You have distinguished yourself as a leading forum for the discussions of vital issues relating not only to the Pacific region, but to the world economy as a whole.

EMERGENCE OF PACIFIC BASIN

During the last decade, the Pacific Basin has emerged as perhaps the world's most economically dynamic region. The impressive performance of both the United States and Japan is well known. Equally noteworthy is the rise of the so-called Newly Industrializing Countries of the Pacific Basin—Korea, Taiwan, Hong Kong, and Singapore. And moving up rapidly are the region's other fast growing economies such as Indonesia, Malaysia, the Philippines, and Thailand.

Korea's economic relations with the Pacific Basin countries have grown apace with our economic development. At present, these countries provide Korea with 90 percent of its key raw materials, 80 percent of its capital and technology transfers, and a market for 60 percent of its exports. Without the Pacific Basin trade, Korea's economic development would be only a dream.

Now, I would like to explore in greater detail the most important of Korea's Pacific Basin links—namely, that with the United States of America.

This year, as you know, marks the centennial of diplomatic relations between our two countries. America and Korea have come a long way during the last hundred years, both individually and in close cooperation with each other. Our friendship has withstood the test of battle and prospered in times of peace. What began in 1882 as a simple diplomatic relationship between complete strangers has evolved into a multifaceted partnership embracing almost every dimension of human activity.

And we continue to feel the deepest gratitude for America's determination to stand side-by-side with us in defending our lives and liberty. Let me recall for you the eloquent words of Vice President George Bush before the Korean National Assembly in Seoul just last month: "The United States has no intention of stepping aside in Korea so Kim I-sung can launch another invasion and set the clock back thirty-two years." Likewise, we Koreans will never waver in our firm determination to ensure that the sacrifices of thirty-two years need never be made again.

Today, some 400,000 Americans of Korean ancestry live and work in the United States, adding their own heritage to the rich tapestry of American life. In Korea, tens of thousands of Americans stand vigil at the frontier of freedom and assist the progress of Korean development.

The flow of people between America and Korea is complemented by an even greater commerce in material goods. Every day in Korea millions of people sit down to a meal of American rice while wearing Korean-produced clothing made from American grown cotton. In the United States, millions of housewives outfit their families in Korean textile products, blissfully unaware of such matters as the Multi-Fiber Agreement and the GSP.

Of course, this would not be possible were it not for Korea's emergence as a major trading nation. For two decades, Korea dazzled the world with its phenomenal growth rates. Starting as a typical underdeveloped country, it had, by the late 1970s, become the eighth largest trading nation and an economic powerhouse in its own right. Statistics tell the story: from 1962 through 1982, Korea's exports increased almost 400 times in value terms, while real GNP nearly quadrupled.

RECENT ECONOMIC TRENDS OF KOREA

Then, in 1979, Korea slid into a severe economic downturn, the sharpest in recent memory. In 1980, when the recession bottomed out, real GNP declined 6.2 percent and inflation soared to around 40 percent.

What had happened? A number of factors—most of them externally generated—made themselves felt within a relatively short time frame. But, in addition to external causes, we must frankly acknowledge that the very rapid growth and development of the economy itself led to structural imbalances.

During the last eighteen months, I am pleased to report, we have gone a long way toward restoring Korea to economic health. Our overall strategy has been to emphasize structural readjustment to achieve balanced growth.

Therein lies the key to Korea's long-term economic well-being: striking the right balance between growth and stability. To create a climate of stability, we have exercised tight demand control by holding down increases in the money supply and maintaining a realistic exchange rate. To spur economic growth with minimum inflation, we have done a number of things.

First, industrial realignment has been pursued so as to rationalize management and thus improve international competitiveness. We are also moving to upgrade the productivity, quality control, technological, and manpower training levels of industry in general.

Second, diversification of export and import markets is being continued with increased emphasis on high value-added exports such as industrial parts and components.

Third, greater reliance is being placed on the market mechanism in allocating resources. A more independent private sector is, we believe, a more efficient one as well.

Fourth, the economy as a whole has been opened up to greater foreign capital and trade flows—a process that will be accelerated step by step. Import liberalization will, by making the home market more competitive, help Korean businessmen prepare for the rigors of world competition. Likewise, increased foreign investment, especially technology-intensive investment, will, we believe, help sharpen Korea's competitive edge in world trade.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

So far our policies seem to be working. Last year, for example, real GNP rose 7.1 percent over 1980 and the inflation rate was cut to about 12 percent. Just as important, Korea's balance of payments deficit fell from $5.3 billion in 1980 to $4.7 billion in 1981.

As of the first quarter of 1982, progress continues. By last April, inflation had dipped into the single-digit range, 7.4% to be exact. The first quarter of 1982 also saw the current account deficit drop to $441 million, compared with $1,356 million for the same period of 1981. Moreover, industrial production increased 5.4% for the first three months of this year, bettering the 4.1 gain for the same period of 1981.

While these statistics are encouraging, they give us no reason to be complacent. What worries me most is the slower-than-expected growth of exports in recent months. Although exports grew 5.7% in the first quarter of 1982 over the corresponding period of last year, the increase was not sufficient to stimulate sagging business investment.

Export performance is the lifeblood of the Korean economy since it is the only way for us to achieve reasonable growth without aggravating the balance of payments deficit. Our determination to liberalize imports will be very much affected by our export performance. This will also influence our stabilization policy and industrial improvement programs. I am fairly confident that Korea's exports will begin to pick up as our major trading partners start to recover from the current recession.

LONG-TERM PROSPECTS

Over the long-run, Korea's growth prospects are bright. Fortunately our labor force is hard working and highly skilled. Also, it is expected to grow at about twice the rate of population increase during the next ten years. That means there will be fewer mouths to feed in the typical Korean family and more resources available for domestic savings.

In addition to domestic savings, we will continue to require massive infusions of overseas capital in order to carry out technological renovation. However, rapid economic growth should enable us to keep the debt servicing ratio to a safe 12% or so.

With the new, more liberal economic management policies, Korea's business community will be able to respond quickly and effectively to shifts in world economic conditions. This will minimize the risks of excess capacity and industrial imbalance such as we experienced in the last 1970s.

As a result of these and other factors, I expect and believe the Korean economy will be able to maintain a 7% real annual growth rate with single-digit inflation during the 1980s. My estimate naturally assumes that world trade and economic conditions do not substantially deteriorate.

PROTECTIONIST DANGER

Today the Korean-American partnership is being tested anew, not on the battlefield but in the arena of trade and economic cooperation. How we respond to this challenge will determine, in large part, the course of our relations during the next hundred years. Even more importantly, it will set a precedent, for good or ill, affecting America's relations with all the developing countries of the Free World.

One of the most serious aspects of this challenge is the rising protectionist trend in some advanced countries. For all its dynamism, our economy is still a very delicate mechanism, highly vulnerable to adverse world economic currents. During this crucial transition period, the unfavorable impact of such currents is greatly multiplied.

I must stress that the new and more open Korean economy of the 1980s cannot prosper, or even subsist, in isolation from its partners abroad. Protectionism hurts the interests of both developing and developed countries alike. Guided by the free trade principle of GATT, the world prospered for over three decades. Today, that principle is in serious jeopardy. We must not return to the grim days of the 1930s when economic nationalism prevailed over the common good of all nations.

It is important to recognize that Korea, unlike some other countries, seeks no unilateral advantage at the expense of its trading partners. We already run a large balance-of-payments deficit, importing more than we export. This is also the case in our trading relationship with the United States. Our imports from America such as agricultural produce and capital goods can be expected to rise still further in the years ahead.

Nor should we forget that Korea willingly spends 6% of its annual GNP on defending the mutual security of itself and the Free World. I believe that any realistic calculation of economic costs and benefits should take into account this highly relevant fact.

The new and more open Korean economy of the 1980s can only prosper in close cooperation with its partners abroad. I am thinking in particular of the Pacific Basin group of nations, with the United States as its leading member.

Within the Pacific Basin community, Korea occupies an intermediate position between the advanced nations such as the U.S. and Japan and the developing countries.

To the latter, Korea offers the fruits of its own 20 years' experience of development. We are particularly eager to join in assisting our Southeast Asian neighbors in their economic development. This is one good example of how Korean know-how and manpower in cooperation with American technology and capital can promote the economic betterment of the entire region.

As for Korean-American economic relations, I believe my country can cooperate with the United States to assist the reindustrialization program advocated by President Reagan. This can be accomplished by setting up complementary linkages between U.S. and Korean firms. In other words, Korea may supply many of the parts and components which American firms find uneconomical to produce, thereby helping improve overall American industrial competitiveness.

This will free U.S. companies to concentrate on manufacturing the more sophisticated products in which they enjoy a comparative advantage. These goods can then be exported to Korea and elsewhere, boosting American employment and overseas earnings.

Let me also suggest that American and Korean firms cooperate in launching joint ventures in third countries. Excellent prospects for such partnerships exist in Southeast Asia, the Middle East, and the target countries of the Caribbean Basin Initiative.

Since Korea is perhaps America's oldest and closest ally among the developing countries, the entire Third World will be watching to see how the U.S.-Korea relationship develops. This offers a precious opportunity for the United States to reap a harvest of goodwill as well as material benefits. I am confident it will not be squandered.

As we enter the second century of Korean-American relations, we can be proud of what we have both achieved. From the battlefield to the boardroom, our two countries have passed the test of friendship time and again. Let us, therefore rededicate ourselves to the principles which have served us to so well in the past: defense of freedom, mutual cooperation, and fairness in all our dealings with one another. The enduring vitality of these principles will enable us to overcome the challenges of the moment and inspire us to face the future with renewed confidence. Although none of us here today will be around to celebrate the Korean-American bicentennial in the year 2082, my sincere wish is that our descendants will reap the rewards of our present endeavors.

May I ask you all to stand and join me in drinking a toast to the future of Korean-American economic Cooperation, the symbol of cooperation in the Pacific Basin.●

RECOGNIZING OLDEST HIGH SCHOOL GRADUATE IN UNITED STATES

HON. JAMES J. BLANCHARD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, May 17, 1982

● Mr. BLANCHARD. Mr. Speaker, it is with pride that I bring to your attention a 98-year-old Michigan resident, Mrs Jessie Byam of Madison Heights, who will on May 21 make history when she becomes the oldest person in the entire United States, to our knowledge, to receive a high school diploma.

Mrs. Byam set out 4 years ago to finish her formal education, taking high school courses offered to Madison Heights senior citizens, and will graduate with all "A" grades. She has been a resident of Michigan since 1916, moving here from her native Watertown, N.Y., after her marriage in 1912 to George Byam, a construction contractor who died in 1947.

I congratulate Mrs. Byam on her remarkable accomplishment. Recognition is also due to her teacher, Mrs. Helen Hennessey of the Madison Heights Community Education Department, and the fine senior citizen program sponsored by the city of Madison Heights. Jessie Byam is an inspiration. Education, she reminds us, is not limited by the calendar, but is the product of an open mind and a youthful spirit.

I invite my colleagues to join me in wishing Mrs. Byam every success and our best wishes for the future.●

HEAD START PARENTS APPEAL FOR PROGRAM

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 17, 1982

● Mr. MILLER of California. Mr. Speaker, I continue to get letters from Head Start parents who both testify to the ways in which this program has dramatically improved their lives and those of their children, and express their concerns about Head Start's future. We know that Head Start works; that Head Start is cost effective. And yet, even today, it serves only 25 percent of the eligible children, and faces substantial erosion from inflation and cutbacks in supportive services (CETA, title XX, child care food, medicaid). We need to listen to the parents of Head Start children and keep this exemplary program working. Another letter from a Head Start parent follows:

HEAD START PARENT—LETTER

I have some very strong feelings about Head Start. My child has celiac disease and behavior problems related to this disease. But through Head Start we have been able to learn how to help him overcome his problems. He also has speech problems which they are working with and showing us how to work with him so he can talk normally. Hopefully, when he starts school in the fall he won't be labeled "retarded" because of his problems.

Head Start has also given a complete dental, vision, hearing, speech, medical, and psychological screening by qualified specialists to all children enrolled in Head Start. Many of these children would never have had these things without Head Start. It has also helped many children with much more serious problems get the proper treatment for these problems. Scott has been one of these children. He was referred to Mercy Hospital in Kansas City for more indepth evaluation. He is presently being seen in several specialty clinics. They are trying to find out if there is a physical cause for his behavior problems and also why he is not growing well.

Every time the teacher sees Scott, she also leaves learning aids with us. She shows us how to help Scott learn his fine motor ability. Without these aids I know that he would not be doing very well in these areas. He is very difficult to teach because he has such a short attention span, but he really enjoys everything they do in Head Start. The program really has helped him to develop at a more normal rate.

I think that without Head Start Scott would not be ready for school in the fall. I really like this program because it not only teaches the child, but the parent as well.

I am hoping that you are as concerend about the youth of America as I am and will help keep Head Start going as it is today.●

THE DEATH OF CHARLES FROESSEL

HON. JOSEPH P. ADDABBO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 17, 1982

● Mr. ADDABBO. Mr. Speaker, it is with great sorrow that I bring to the attention of my colleagues the death of a dedicated public servant and an old friend, Charles Froessel.

Charlie was a former associate judge of the New York State Court of Appeals, a special assistant to the U.S. Attorney General in New York City, and a former justice of the New York Supreme Court. In a legal career that spanned nearly 70 years, Charlie proved himself to be a man of great integrity, intellect, and compassion.

Charlie was born in 1892, and grew up in Williamsburg, N.Y. He began working at the age of 13, with the death of his father, and finished high school at night. He then worked his way through college, and graduated from New York Law School in 1913. His first job was as the counsel to the sheriff of Queens County, and then as assistant district attorney for Queens County. Charlie left the bench at the mandatory retirement age of 70 in 1962, but still remained active in legal and civic affairs. He was appointed to a Governor's commission, and served as acting dean of New York Law School and chairman of the school's board of trustees. He traveled extensively, always curious about other judicial systems.

Charlie was always very active in civic and community organizations, and gave of himself tirelessly in everything he approached. His dedication is a fine example to all of whom will follow as servants of the people. He will be sorely missed by all of us who knew him, and by all of those whose lives were touched by his work. My prayers and deepest sympathies go to his family and friends in their loss.●

STEEL IMPORTS AND OUR DECLINING DOMESTIC STEEL INDUSTRY

HON. DOUG WALGREN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 17, 1982

● Mr. WALGREN. Mr. Speaker, I wish to express my grave concern for the steady and serious decline of our steel industry, and my belief that the industry is in need of immediate attention. Our steel industry—an important component of America's industrial and defense base—is continuing to deteriorate and to put workers into unemployment lines.

Foreign steel producers have been saturating our markets with their steel which they sell at prices lower than domestic prices because much of these imports are government-subsidized products. At present, the penetration rate of foreign steel in the United States exceeds 25 percent, an all-time high. This means that 1 out of 4 tons of steel consumed in the United States is currently produced in foreign mills.

This makes very little sense at a time when the Nation is suffering from an unemployment rate nearing 9 percent, and unemployment in the specialty steel industry is hovering at 25 percent. Nationally, 116,000 steelworkers are unemployed as of April 24, with 91,000 on indefinite layoff, and 25,000 working less than a full work week. In the Pittsburgh area, where steel is a vital part of the economy, the community is suffering from the layoff of 38 percent of all steelworkers.

Steel mills are operating at lower than 50-percent capacity which of course leads to higher manfacturing costs and begins the vicious cycle once more.

These figures document the need for the administration to strictly enforce U.S. fair trade laws and international agreements.

In response to this need, I, and 93 of my colleagues, have cosponsored House Concurrent Resolution 342 that states that Congress will not allow these blatant violations of fair trade laws to continue. The resolution expresses the need to expedite the processing of 92 countervailing and antidumping suits which were filed by various steel companies against foreign steel-producing nations. It also expresses the intent of the Congress that we will strengthen existing trade laws if necessary in order to rescue our declining steel industry.

In recent weeks, I have taken other steps to put steelworkers back to work:

In December 1981, I wrote a letter to William Brock, the U.S. Special Trade Representative, urging him to act directly on the joint petition filed by the Specialty Steel Industry of the United States and the United Steelworkers of America, asking for relief from the surge of specialty steel imports.

That same month, I asked President Reagan to reactivate the Steel Tripartite Committee, the committee formed during the Carter administration. The committee, composed of representatives of industry, labor, the administration, and environmental groups, worked together to address the problems of the industry and recommended a number of approaches to resolve those problems.

In February, I also cosponsored a bill to establish domestic steel content requirements for motor vehicles sold in the United States, thereby enabling consumers to support and invest in American products and the American economy.

More recently, on May 3, I asked President Reagan to establish quotas limiting imports of specialty steel products. These imports have flooded our market and caused specialty steel in the United States—a modern, efficient, productive industry—to be threatened with imminent and permanent damage.

On that same day, I again wrote to Ambassador Brock, this time inquiring about the administration's plans to deal with the recent award of a major subway car contract by the New York City Transit Authority to Kawasaki, a major Japanese corporation. And on May 12, I asked the New York delegation to the House to take steps to insure that the New York City Transit Authority gives full consideration to American companies in their planned purchase of another 825 subway cars.

It is my hope that we can stop the decline of one of America's greatest industries, and to foster a climate of fair trade in all areas where subsidized imports are harming domestic industries and jobs.

I am pleased to share with my colleagues the letters I have written.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., April 8, 1982.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: I am writing to urge that you request the Secretaries of Labor and Commerce to reconvene the Steel Tripartite Advisory Committee on the United States Steel Industry. As you know, the committee was established in July 1978 with bi-partisan support and renewed in January, 1981. Although the committee has existed for almost four years, it has not met since you took office.

The Steel Tripartite Advisory Committee was created under the Federal Advisory Committee Act to advise the President on problems and prospects in the steel industry. It was a unique approach to an industry's problems because it brought together management, labor and government in a cooperative forum to develop recommendations addressing the underlying problems of an industry beset with a wide range of difficulties and challenges. The committee addressed and made recommendations on trade and trade adjustment questions, tax policy, technological research and development, environmental protection and controls, occupational safety and health, and structural readjustment. Several of these recommendations have been implemented, particularly in the tax and environmental areas, but several areas need immediate attention.

Steelmaking is the foundation for a substantial portion of our industrial base. Metals continue to be essential to industrial production and steel represents about 90% of all metals consumed. As the Tripartitie Committee reported in 1980, "The problems of the industry reflect failing on the part of government, management and labor. None has been sufficiently responsive to the changes affecting the industry. All share responsibility for contributing to a more vital industry."

While Congress has made some changes in the tax laws and clean air requirements to encourage investment in modernization, the problems the industry faced in 1980 when the Committee reported remain:

Unemployment is at 8.3 percent, having grown from 4.4 percent in 1978.

Steel imports in January represented 26.6 percent of total shipments. In 1981, steel imports represented 19 percent of all shipments. In 1976, that figure was 14 percent.

Capacity utilization is at 77.7 percent, down 10 percent from 1979 levels.

Interest rates are at an unprecedented 18.9 percent, up from 6.8 percent in 1976.

As a House Energy and Commerce Committee investigation recently found, high interest rates are depressing car and appliance sales, and thus contributing to the steel industry's plight.

The industry's situation is the result of problems that have been building for several decades. A coordinated, integrated, long-range approach is vitally necessary. I believe that the complexity of the problems facing the industry and the responsibility for all sectors to contribute to their solution make the Tripartite Committee approach crucial. The Committee's work so far represents a historic labor-management-government product finely-crafted by parties who usually seem to work against each other.

I am pleased that on March 29 Secretary of Commerce Malcolm Baldrige indicated his support for reconvening the Tripartite Committee. The United Steel Workers have also testified in support of reinvigorating the Committee. I hope you will act promptly to see that the Steel Tripartite Advisory Committee resumes its important work.

Sincerely,

DOUG WALGREN,
Member of Congress.

SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS OF THE COMMITTEE ON ENERGY AND COMMERCE,
Washington, D.C., May 3, 1982.

Hon. RONALD W. REAGAN,
President of the United States,
Washington, D.C.

DEAR MR. PRESIDENT: We are writing to ask you to take action under the authority vested in you under Section 301 of the Trade Act of 1974, as amended, to impose immediately, limitations on imports of specialty steel products.

As you may be aware, the Subcommittee on Oversight and Investigations of the House Committee on Energy and Commerce has been conducting a six-month investigation of the crisis faced by the domestic carbon and specialty steel industries. During the course of this investigation the market conditions faced by the specialty steel firms have steadily deteriorated to the point where the entire industry is threatened with imminent, permanent damage. The staff investigation to date has led us to concur with the sworn testimony of Richard Simmons, of Alleghany-Ludium Steel, that if you take the full time period permitted you under Section 301 to make your decision, "the industry will not be recognizable."

The data is clear. Testimony from both industry and labor document the fact that the domestic specialty steel industry is being materially injured by imports from countries designated in the Section 301 petition filed by the specialty steel industry and the United Steelworkers of America. The same is true for imports from other countries not named in that petition.

Imports of specialty steel are at record levels and growing weekly. The imports of major specialty steel product lines in the fourth quarter of 1981 were as follows:

	Percent
Alloyed tool steel	43.7
Stainless steel rod	55.5
Stainless steel bar	27.0
Stainless steel sheet and strip	14.6
Stainless steel plate	9.9

Imports in January 1982 were higher for every product category than in the fourth quarter of 1981.

These imports are having a disastrous effect on the industry and its workers. Total man hours worked by production and related workers dropped from the first quarter of 1980 to the fourth quarter of 1981 by 35 percent. Capacity utilization has dropped to 47 percent. No industry, regardless of how technologically efficient, can possibly continue production for any extended period of time at only 47 percent of capacity.

It is absolutely clear that specialty steel in the United States is a modern, efficient, productive industry. The Office of Technology Assessment and outside experts who have provided testimony before the Subcommittee are in clear agreement on that point. As enunciated by Ambassador Brock, your trade policy seeks to help such industries survive.

However, under Section 301 you have until early November to make your decision in this case. We are deeply concerned that if you wait until then to make your decision, far deeper, permanent and irreversible injury will occur. The only reason the specialty steel industry faces the problem confronting these firms today has been the targeting of the U.S. market by foreign producers whose government subsidies permit them to sell in the U.S. market below their cost of production. We believe prompt action is both necessary and justifiable.

A final consideration which you should take into account is the indisputable fact that the specialty steel industry is absolutely essential for our national defense. If significant numbers of specialty steel firms are forced to enter a shutdown mode because your Administration has not provided timely relief from unfair imports then it is entirely possible that the United States will be faced with the choice of relying on foreign producers for vital components to our national defense or rebuilding the industry under government auspices. We are sure that you concur with us that such a foolhardy and wasteful predicament is something that the country should avoid if at all possible. It you act quickly within the authority available to you under Section 301 we can avoid this Hobson's choice, as well as provide the relief that the industry, its workers and communities dependent on its health are entitled to under the law.

Specifically, we proposed that you announce annual import limitations for the five product categories of stainless and alloyed tools steel based on the average level of imports in each category from 1970 to 1974. The limitations should continue in effect for a period of five years or until successful action is taken to neutralize the effects of foreign government subsidies in our marketplace.

We sincerely hope that you share our deep concern about the future viability of this industry and will act promptly to avoid endangering our national defense and to end the suffering experienced by workers and communities which rely on a healthy specialty steel industry for their economic well being. We look forward to your prompt decision.

Sincerely,

Doug Walgren,
Member, Subcommittee on Oversight and Investigations.
John D. Dingell,
Chairman, Subcommittee on Oversight and Investigations.

Congress of the United States,
House of Representatives,
Washington, D.C., May 3, 1982.
Ambassador William E. Brock,
U.S. Special Trade Representative,
Washington, D.C.

Dear Bill: I am writing to inquire about the Administration's plans to deal with the Japanese sale of government-subsidized subway cars to the New York City Transit Authority. This sale was reported in the March 19 Wall Street Journal and the April 2 Washington Post. According to the Post article, an unnamed Administration spokesman indicated that "the administration has no plans to take any action in the Kawasaki case."

The rise in steel imports and unemployment in the last two years and the general deterioration of the economy, in my view, demand that the Administration begin tough enforcement of our fair trade laws. As you know, The House Energy and Commerce Subcommittee on Oversight and Investigations, on which I serve, is conducting an in-depth investigation of the problems of the steel industry. In our hearings, we have found that imports are at all-time highs—25 percent penetration—that the steel industry is currently operating at about 52 percent of capability, and that there are over 116,000 employees on layoff or short workweeks.

The award of this contract to Kawasaki could set a dangerous precedent. It is well-known that the major attraction to Kawasaki's bid was the Japanese government's offer to provide $128 million in financing at the lower interest rate of 12.25 percent, while domestic producers must contend with the U.S. prime rate of 16.25 percent. We cannot expect our industries to compete with foreign subsidization. This kind of policy only encourages foreign countries to saturate the U.S. with subsidized imports that harm domestic industries and jobs.

This contract will particularly adversely effect America's specialty steel industry, which already suffers from an unemployment rate nearing 25 percent, although it is the most technologically advanced and efficient special metals industry in the world.

I would appreciate knowing what steps the Administration plans to take on the Kawasaki contract, specifically whether you have determined if subsidization has taken place and what U.S. trade laws and the General Agreements on Tariffs and Trade have been violated. I would hope too that the Administration would take the lead encouraging state and local governments to "Buy American," and that the federal government set an example by purchasing domestically produced steel for federal projects.

I look forward to hearing from you.

Sincerely,

Doug Walgren,
Member of Congress.

Congress of the United States,
House of Representatives,
Washington, D.C., May 12, 1982.
Hon. Joseph Addabbo,
Rayburn House Office Building,
Washington, D.C.

Dear Mr. Addabbo: The New York Metropolitan Transit Authority will soon place an order for 825 new subway cars (a commitment of over one billion dollars representing tens of thousands of months of new employment).

Whether or not this employment goes to a foreign source will largely depend on the weight the transit authority gives to more generous financing terms offered, directly or indirectly, by foreign governments. As you know, this is a controversial indirect subsidy which many believe will trigger "countervailing duties" under the federal trade laws—which would essentially wipe out any advantage that a foreign source may appear to have.

In view of the widespread unemployment in America, and the interest that our public has in investing their dollars in America, I want to respectfully ask you to take every possible step to assure that the New York Transit Authority gives maximum consideration to awarding this contract to American sources.

I appreciate any help you may be able to give in this regard.

Sincerely,

Doug Walgren,
Member of Congress.●

DISCLOSURE OF NET WORTH

HON. WILLIAM R. RATCHFORD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, May 17, 1982

● Mr. RATCHFORD. Mr. Speaker, as I have done every year since 1971, when I was a member of the Connecticut Legislature, I am today disclosing a statement of my net worth and an accounting of income and taxes paid for calendar year 1981. While I realize this disclosure goes beyond what is required by law, I feel that such an accounting is a responsibility of public office.

The following is a statement of assets, liabilities, and capital as of December 31, 1981, and a statement of income and taxes paid for tax year 1981. This statement covers myself and my wife Barbara J. Ratchford:

Financial Statement of William R. Ratchford

The following is a statement of assets, liabilities and capital as of December 31, 1981, and covers both William R. Ratchford and his wife, Barbara J. Ratchford:

	Amount
1981 income:	
William R. Ratchford, salary, U.S. House of Representatives	$60,662.50
William R. Ratchford, partnership share law firm of Papazoglou, Ratchford & Garamella[1]	1,388.88
Barbara J. Ratchford, salary, Danbury Board of Education.	15,695.39
Barbara J. Ratchford, salary, Arlington County Board of Education	1,927.98
William and Barbara Ratchford, rental income, summer home, Nantucket, Mass.	3,900.00
William and Barbara Ratchford, rental income, residence, 2 Johnson Dr., Danbury, Conn	3,000.00
William, Barbara and sons, interest income, savings accounts	101.09
Total, income	86,675.84
1981 Federal income taxes, joint return	20,344.17
Assets:	
Cash:	
Checking account, Connecticut Bank & Trust (William and Barbara)	3,493.24
Savings account, Connecticut Bank & Trust (William and Barbara)	$175.30
Savings account, Connecticut Bank & Trust (Barbara and Scott)	10.30
Savings account, Connecticut Bank & Trust (Barbara and Brian)	226.63
Savings account, Connecticut Bank & Trust (Barbara and Shaun)	123.50
Savings account, Wright Patman Federal Credit Union (William)	47.08
Share draft account, Wright Patman Federal Credit Union (William)	26.75
Checking account, First American Bank, Arlington, Va. (William and Barbara)	18.31
Automobile: 1981 Chrysler K-car.	6,725.00
Household furnishings:	
Danbury, Conn., and Arlington, Va., homes	10,000.00
Nantucket summer home, Nantucket, Mass	7,500.00
Other:	
Teacher's retirement, Barbara Ratchford	13,193.32
Congressional retirement fund, William Ratchford	13,939.27
Real estate:	
Home, 2 Johnson Dr., Danbury, Conn. (market)	87,000.00
Summer home, Nantucket, Mass. (market)	150,000.00
Total, assets	292,478.61
Liabilities:	
Mortgages:	
Danbury home, Danbury Savings & Loan	43,045.73
Nantucket summer home, Nantucket Savings Bank	42,097.21
Danbury home, Commercial Credit, second mortgage	24,136.06
Notes payable: Wright Patman Federal Credit Union	3,870.56
Total, Liabilities	113,149.56
Total, net worth	179,349.05

[1] Law firm dissolved in January 1977. Fees are from 1981 settlements of partnership cases at the time of dissolution.●

TRIBUTE TO REVA BARNES

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, May 17, 1982

● Mr. FORD of Michigan. Mr. Speaker, it is with great pride and admiration that I rise today to honor a great friend and teacher from my district, Mrs. Reva Barnes, on the occasion of her retirement from the Taylor School District.

Reva Barnes has devoted 44 years of her life to teaching, 34 of them in the Taylor School District. She began her teaching career in 1936 in Duffield, Va. From there she came to the Taylor public schools where she taught at every level except kindergarten. The latter part of her career she spent teaching mathematics at Taylor Center High School, a post she accepted when the building opened.

Reva has volunteered her time first for the Taylor Federation of Teachers as treasurer, high school vice president, and building representative. She is also a former board member of the Taylor Community Credit Union.

I am very proud to have had the opportunity to work with Reva on a number of occasions, and I am sure I join many former students and colleagues in expressing our deep appreciation and very best wishes for a happy retirement.●

A TRIBUTE TO MRS. MITSU SONODA

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 17, 1982

● Mr. MATSUI. Mr. Speaker, on behalf of my esteemed colleague, Representative Norman Mineta, and myself, I rise in tribute to a distinguished member of the southern California Japanese American community, Mrs. Mitsu Sonoda, who will be honored at a testimonial dinner on June 5 by the Pan Asian Chapter of the Japanese American Citizens League.

A native of Salinas, Calif., Mitsu Sonoda was educated at Hartnell College in Salinas and at the Keisen Girls School of Tokyo, Japan. The mother of three daughters, Cathleen Gail and Lisbeth Ann Sonoda, and Margaret Jean Asuncion, Mrs. Sonoda is the wife of Dr. Koyoshi Sonoda of Los Angeles.

Mrs. Sonoda has been one of the most active members of her community. Among her many accomplishments has been service as a commissioner of the Los Angeles Municipal Arts Commission, from 1973 to 1980, and service on the Cultural Affairs Commission in 1980.

Over the past three decades she has given unselfishly of her time to a great many community projects and activities, including work in the JACL and on many committees and councils for the performing arts, the Los Angeles bicentennial celebration, the United Way, senior citizens, the PTA, Brownies, Girl Scouts, the Girls Club, and many other worthy endeavors.

Her memberships and past affiliations include work with 31 different organizations. She has received a long list of citations and awards, including commendations from Los Angeles Mayor Tom Bradely, Supervisor and former Congresswoman Yvonne Brathwaite Burke, and the California State Assembly.

Mitsu Sonoda's life is filled with endless examples of what one woman, with energy and dedication, can do to make her community a better place in which to live. This exemplary citizen has been an inspiration to all who have had the privilege of knowing her and benefiting from her work.

The Pan Asian JACL could not have made a finer choice for their annual testimonial dinner award. Congressman Mineta and I are proud to add our voices to the many who are paying tribute to an outstanding Californian and American, Mrs. Mitsu Sonoda.●

REAGAN ENERGY POLICY

HON. TOM CORCORAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 17, 1982

● Mr. CORCORAN. Mr. Speaker, the cornerstone of President Reagan's energy policy is one of allowing the free market the opportunity to act rather than establishing Government programs and controls. This policy has my full support, and I commend this administration for its efforts to decrease the role of Government in the energy area.

On May 1, the New York Times published an article by Danny J. Boggs, one of President Reagan's top energy advisers. In this perceptive article, Mr. Boggs states that ". . . free decisions are almost invariably wiser than coerced ones, and the best decisions are made by those who feel their effects, not by bureaucrats issuing orders while insulated from the outcome." I could not agree more.

Mr. Speaker, for the benefit of our colleagues, I will insert at this point in the Record the text of the May 1, New York Times article by Danny J. Boggs.

Reagan Energy Policy

(By Danny J. Boggs)

Washington.—In early 1981, United States energy policy changed markedly. Reliance on manipulation of prices and Government regulation was replaced by an emphasis on market response as the best avenue to stable energy supplies, free of undue dependence on foreign sources of petroleum. As a result of these policies, perhaps the only Washington figures more pitiable than the energy lawyers, unemployed in droves, are the energy journalists, now frequently reduced to covering plane crashes and other real-world events rather than reporting administrative shadow-boxing with the ever-elusive "crisis."

To get a real feeling for the remarkable change in our energy situation, we must look at the actual statistics for the first year of the Reagan Administration, which have now become available.

The United States' net oil imports fell to 5.1 million barrels per day, less than one-third of our total consumption. This was down more than one million barrels a day from the year before, and down 3.5 million barrels per day from 1977.

Total consumption of oil products also fell by more than one million barrels per day.

Oil production outside of Alaska began to increase for the first time in a decade, as the number of oil wells drilled increased 40 percent in one year, and the number of operating drilling rigs increased by more than 1,000 after complete decontrol of oil prices.

Total consumption of energy fell by more than 2 percent, while Americans were able to produce over 4 percent more real goods and services with each unit of energy.

Our net imports of all forms of energy were less than 13 percent of our total use of energy, the lowest since 1972.

Since the President's decontrol decision, and despite the cries of some critics (Senator Howard M. Metzenbaum of Ohio predicted $2 per gallon gasoline by the end of 1981), the price of all petroleum products has declined in real terms. The world price of oil is down almost 20 percent in real terms, in important part because the United States no longer is subsidizing petroleum imports and restraining petroleum production. Gasoline prices have fallen almost 20 cents per gallon, and oil company profits are generally declining. These results would have been thought to be impossible without controls, but they are perfectly consistent with Reagan energy policy.

Finally, this Administration has made enormous advances in creating a strategic petroleum reserve that is truly a deterrent to interruptions in supply, and would be highly useful in the event of shortages.

In the four years before the inauguration of Ronald Reagan, barely 100 million barrels had been placed in storage. In less than a year, this amount was more than doubled, and the strategic petroleum reserve now contains more than 250 million barrels, an amount equal to more than 140 days of crude oil imports from Arab members of the Organization of Petroleum Exporting Countries.

In an effort to deflate the obvious significance of these facts, several alarmist "explanations" have been given, primarily that these are simply the results of recession and higher prices caused by President Reagan. That won't wash.

Economic growth in 1981 was actually higher than was projected in the last predictions made by Jimmy Carter's *Department of Energy*, in January 1981, and the prices of petroleum products were lower. These two conditions should have worked to create more consumption and more imports, yet imports in 1981 were actually 1.5 million barrels per day lower than projected, which saved Americans from sending some $20 billion overseas.

In short, these improvements in the energy situation must be attributed almost entirely to the individual efforts and initiatives of American producers and consumers. These improvements did not result from implementation of some Government master plan. They were the outgrowth of Reagan energy policies, though there were no visible ribbon-cuttings or regulatory mandates that could be identified as the explicit causes.

In fact, this is not so surprising. A bit of reflection will indicate that free decisions are almost invariably wiser than coerced ones, and the best decisions are made by those who feel their effects, not by bureaucrats issuing orders while insulated from the outcome. This wisdom is the heart of the Reagan energy policy. As shown by facts rather than symbols, that policy is working.

This does not indicate that energy is no longer worth thinking about, either by citizens or by the Federal Government. It does mean that concern is best expressed, and our energy situation can best be improved, by the actions of free Americans rather than by Government programs and controls.●

"BIZZ" JOHNSON TRAIL

HON. GENE CHAPPIE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 17, 1982

● Mr. CHAPPIE. Mr. Speaker, I would like to make note in the Record of the long and admirable history of public service displayed by former northern California Congressman Harold "Bizz" Johnson.

Because of the many contributions Congressman Johnson made to the general well-being of the constituents in his district, I think it is highly appropriate that this body designate the Susanville-Westwood Rails to Trails Project in Lassen County, as the "Bizz" Johnson Trail.

During his long career as a public servant Congressman Johnson served on the city council of Roseville, Calif., and later as mayor of that community. During his years in the California Senate, Congressman Johnson was highly regarded by his legislative peers for his hard work and fair policies. He was an aggressive advocate on behalf of northern California interests while keeping in mind the necessity of working with his fellow legislators for the general good of all Californians.

That is a political philosophy that Harold "Bizz" Johnson brought to the House of Representatives. He soon established a reputation for knowing the issues and advanced to the chairmanship of the Public Works and Transportation Committee. As chairman of that committee, Congressman Johnson brought many projects and improvements to northern California.

This resolution, H.R. 881, is a fitting reminder to all Californians that Congressman Johnson did much to improve their environment. This trail will allow Californians and all Americans to hike through some of the most beautiful forest areas of our country.●

PEN ARGYL CENTENNIAL

HON. DON RITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 17, 1982

● Mr. RITTER. Mr. Speaker, I would like to share with my colleagues in the Congress and with the American people some historical background about the town of Pen Argyl. Pen Argyl—pronounced Pen R'Jill—is located in Northampton County in an area known as the "Slate Belt" in the 15th Congressional District of Pennsylvania. Living in the heart of that Pennsylvania Slate Belt, Pen Argyl inhabitants number 3,600 strong. Pen Argyl was incorporated as a borough on June 12, 1882. The town evolved primarily around the slate industry. Early settlers were English, Welsh, German, and Italian. The people today—a special blend of the abovementioned ethnic mixes—make Pen Argyl a unique small town.

Traditionally, Pen Argyl people are independent. They work to fulfill their own needs. The same spirit that prevailed during the depression, when people would band together to cut wood in the mountains and share it with the entire neighborhood, prevails today. Over the years, many examples of strong community pride can be cited. Weona Park, the town park, stands today as a testament to Pen Argylites who donated their time and money to make it a beautiful and clean recreation area. The effort made to provide new Christmas lighting without using tax money was another example of the town working together. And, if someone is in need, it will be filled in Pen Argyl.

Pen Argyl people are sincere in their concern for others. During World War II, troop trains used to stop in town. If the movements were secret, nobody told Pen Argyl. The entire town engulfed the trains, showering the servicemen with unbelievable amounts of food, clothing, and love.

If someone walked into Pen Argyl today, they would certainly be surprised at the sights. Keystone Cops, women in long calico and gingham checked dresses, and bearded men roam the streets. One blinks, reassures himself that this is 1982, and then wonders, what the devil is going on? Confusion mounts upon hearing phrases such as "Hello, brother Jim" and "Good morning, sister Carolyn." The sense of community kinship is refreshing and the friendships are sincere. But how does one explain the strange appearance of the townspeople? To the visitor's relief, the local newspaper "The Town Topics" trumpets the news—Pen Argyl is preparing for their centennial.

In observance of the Pen Argyl Centennial I would like to formally recognize the people and the town of Pen Argyl as the centennial celebration approaches. I applaud Pen Argylites for their hard work, dedication to their families, and their community spirit. Those people who hail from Pen Argyl speak of their town with warmth and affection. There is a strong sense of "belonging" in Pen Argyl. Primarily a residential community, Pen Argyl's main industries are slate and garments. The Pen Argyl High School anthem aptly describes the town as "nestled in the Blue Ridge Mountains, neath the azure sky." Many have described Pen Argyl as "idyllic and scenic," "a town where I want my children to grow up," or the "hub of the Slate Belt." Still others simply and contently refer to Pen Argyl as "home."

So ring the bells for ole Pen Argyl, paint the town as n'er before.

I know my colleagues in the Congress offer their wishes along with my own for a joyous centennial celebration to all Pen Argylites.●

A TRIBUTE TO PAUL HUGHES AND PHILIP SHERIDAN

HON. WAYNE GRISHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 17, 1982

● Mr. GRISHAM. Mr. Speaker, Monday, May 17, 1982, Gallaudet College held its 118th commencement exercise. I would like to take a moment to pay tribute to the recent graduates. Gallaudet College was established by an enabling act passed by Congress and signed into law in 1864 by President Abraham Lincoln.

The college has distinguished itself by its outstanding graduates whose accomplishments have been recognized nationally and internationally. Gallaudet affords many of our hearing impaired and deaf youths the opportunity to attend one of the finest learning institutions in the world.

Two of the more eminent graduates reside in my 33d Congressional District. I am especially proud of Paul Rene Hughes of Whittier and Philip Dean Sheridan of Downey. These two fine young men exemplify the caliber of students that attend Gallaudet. I know I join with my colleagues in the House and all my constituents in congratulating Paul and Philip. In future years they are sure to bring honor to Gallaudet and to the United States.●

LEO W. O'BRIEN—A FRIEND OF THE TERRITORIES

HON. ANTONIO BORJA WON PAT

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. WON PAT. Mr. Speaker, I thank our colleague, Congressman Samuel S. Stratton, for taking this special order to pay tribute to the late Congressman, Leo W. O'Brien of New York.

I came to know Congressman O'Brien quite well when he served as chairman of the Subcommittee on Territorial Affairs in the House during the 1960's. I was then Speaker of the Guam Legislature and in that capacity, had many opportunities to testify before this remarkable man and ask for his support on legislation in the interest of Guam.

It is a reflection of his great concern for Americans in the territories that Congressman O'Brien took great interest in our problems and worked long and hard to help us develop a sound economic base. The success of Guam is in part due to the concern of Congressman O'Brien and the support which he gave us on so many occasions.

As a testament of our affection for this wonderful humanitarian, we on Guam named one of our major thoroughfares after him and today, O'Brien Drive is used daily by thousands of islanders. I hope that this road will continue to serve as a living testament to a man who was genuinely concerned about the needs of our island.

Today, many years later, I hold the same position as Congressman O'Brien. As chairman of the Subcommittee in Insular Affairs, I strive always to remember the deep and abiding concern of my predecessor and pray that I can live up to the excellence which was always reflected in the efforts of Congressman O'Brien to help the territories. My presence in the Congress today is due to the help of many great Members of this esteemed body, and Congressman O'Brien was a very important Member of that group of dedicated representatives who believed that the principles of American democracy should be extended to all Americans who live in the territories.

He was a great American and a great Congressman. On behalf of the people of Guam, I say a sad goodby to a man who was truly our friend. He will long be remembered in Guam with great fondness and I offer his family my sympathy and respect on this sad occasion. Thank you.●

CANADA'S SELF-DESTRUCT ENERGY POLICY

HON. TOM CORCORAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 17, 1982

● Mr. CORCORAN. Mr. Speaker, the Canadian Government's energy policy has for some time emphasized heavy government involvement. This approach contrasts sharply with the approach taken by the Reagan administration, and I think it is informative to compare the results of these two opposite approaches.

On May 9, the New York Times published an article by Paul W. MacAvoy, Frederick William Beinecke, Professor of Economics at Yale University. In this revealing article, Mr. MacAvoy describes the declining production of oil and gas in Canada while production rose for the first time in a decade in the United States. MacAvoy discusses other results of these two opposite approaches, and I commend this article to our colleagues.

Mr. Speaker, for the benefit of our colleagues, I would like to insert at this point in the Record the text of the May 9 New York Times article by Paul W. MacAvoy.

Canada's Self-Destruct Energy Policy

A radical experiment in political economics is under way north of the border, and the first results do not seem encouraging. During the 1970's, the Canadian and American Governments developed energy policies along the same lines, but over the last year and a half their ways have parted.

As the Reagan Administration's oil and gas policies moved away from price controls in early 1981, the Trudeau Government imposed significant new production taxes and wide-ranging price controls on crude oil and natural gas. The Canadians called for nationalization of several large oil and gas companies and for discriminatory taxes against foreign producing companies—principally American.

Both countries justified their new policies on national security grounds, with the goal being to reduce imports and thus the effects of future oil embargoes. Now, it appears Canada took the wrong course.

Over the past two weeks, Canada has suffered two significant setbacks—the Canadian natural gas pipeline was postponed for two years, and the last two companies pulled out of the $13 billion Alsands heavy oil project, effectively ending it. Both of these projects were considered critical for meeting Canada's goal of increased energy self-sufficiency, but as discouraging as these cancellations are, the results of the country's energy policies are even worse.

Canada's new approach to energy was embodied in the National Energy Program of October 1980. Marc Lalonde, Canada's Minister of Energy, Mines and Resources, said in his introductory statement that its purpose was to "establish the basis for Canadians to seize control of their own energy future through security of supply and ultimate independence from the world market." To achieve this, the program has had four main parts—price controls, taxes, conservation measures, and nationalization of production.

Under its price controls, domestic production was first held to $20 a barrel. Its price was then combined with that of imports, at more than $30 a barrel, and the Canadian oil sold to refiners at the average of those prices. Since Canadian refiners and consumers ultimately pay a price lower than the import price, the "blending" acts as a kind of subsidy. It can be expected that the subsidy will induce Canadian consumers to buy even more of those high-priced imports. How this adds to national security is totally obscure.

Canada's price-control system on natural gas allows producers the equivalent of $6 a barrel for their gas, a level the Government has said is an "ample price incentive for new gas production." But if the Government says it has provided enough incentives to stimulate supply, it also concedes that its restrictions on consumer use are excessive. The National Energy Program drastically reduces demand for gas, since it allows sales to consumers only in those sparsely populated areas in western Canada, plus those served by an inadequate pipeline to eastern Canada.

The new policy also severely curtailed exports to the United States. Were more gas available to this country, at competitive prices, then the Canadians would substantially increase their much-needed flow of foreign exchange, which they then could use to pay for crude imports.

The energy policy's taxes on oil and gas were initially set at 8 percent of a producer's revenues (they are now 12 percent), but the taxes were effectively reduced by direct Government production subsidies. Here is where "Canadianization" comes in: The subsidies for exploration and development are two to three times greater for companies owned by Canadians than for foreign companies. Thus, given the price controls, the taxes and the development subsidies, the incentive for the international oil corporations has to be to sell out to Canadian interests rather than try to compete for costly drilling and operating resources with that disadvantage.

The Canadians believe that the sellout should allow them to reach the goal of at least 50 percent Canadian ownership of oil and gas production by 1990. At the same time, they say they do not think the departure of American and other foreign companies will hinder further technological development, because Canadians are assumed to be as good at energy development as are the foreigners.

This, however, is a fallacy. The technology of deep-well and offshore drilling, particularly in cold climates, is born in the far corners of the world and then transferred to a country like Canada through multinational corporations. The fact is that Canada's energy policy will cut off the competitive edge in new technology just when it is most needed.

The consumer also has a role in Canada's energy policy. He is now required to cut back on petroleum use, allowing imports to be cut by 330,000 barrels a day in this decade.

And to help the consumer, the Government will pay 50 percent of the conversion costs of a fuel-oil furnace and up to $400 for each automobile converted to propane. Industrial consumers have targets set for them as well, with the most energy-intensive users required to maintain long-term "zero growth."

As good as these measures may sound, there is little indication as to how these targets will be achieved in reality.

What has happened since the National Energy Program in Canada and Reagan decontrol in the United States? For the first time in a decade, production of crude oil within the continental United States rose. Drilling of new wells increased 40 percent, and the number of operating rigs hit a record high. Matching this increase, continued decreases in per-capita consumption caused crude imports to decline by as much as half a million barrels a day.

In Canada, on the other hand, 1981 production of crude oil and natural gas fell 10 percent and 4 percent, respectively. Exploratory activities declined by 20 percent in western Canada, as companies either moved to the far North to obtain production incentive payments or left the country entirely.

While $4 billion to $5 billion was spent on drilling, $7 billion dollars left Canada as Canadian companies bought out foreign interests.

The outlook is for another 25 percent reduction in well completions this year. Thus, more than half the rigs in the country during 1980 will have left by the end of 1982, principally for the United States.

But consumption and regulation continue unabated. Per-capita oil use, adjusted for Canada's recession, continues at the rate of the late 1970's.

If the northern projects fail, as the $13 billion Alsands heavy oil project did, then Canada will be importing half of its crude by the end of the decade. Since the United States should be importing only 10 percent of its crude by that time, the Canadians will likely come to us for help in the next embargo. Let us not be of assistance, given that they've wrecked their markets and expelled efficient United States companies. Let them freeze in the dark.●

INTRODUCTION OF A BILL TO PROVIDE RELIEF TO HOMEOWNERS FROM THE HAZARDOUS EFFECTS OF UREA-FORMALDEHYDE FOAM INSULATION

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 17, 1982

● Mr. CONTE. Mr. Speaker, I am introducing a bill today to address a serious health concern that many of our nation's homeowners are now facing. A rising number of medical experts are reaching the conclusion that urea-formaldehyde foam insulation poses a risk of both short-term and long-term ill effects on people who reside in houses insulated with that material. Canada has already banned the insulation and initiated a policy of providing $5,000 grants to affected homeowners. Massachusetts, Connecticut, Colorado, Minnesota, and several other States have taken action to prohibit or discourage the sale of UF foam. And now, the U.S. Consumer Product Safety Commission has joined the ranks. On March 2, by a vote of 4 to 1, the CPSC banned the sale of UF foam insulation, effective this August.

The reason that these governmental bodies are stepping in to remove this substance from the market is the growing evidence of what happens when formaldehyde gas is given off by the insulation and leaks through the walls into the interior household environment. The CPSC found that any level of formaldehyde can cause all sorts of allergenic effects, from headaches to sore throats, to nausea, to skin rashes. And the Commission documented case after case of such occurrences. I know from my own district of people who have been forced out of their homes because of their reaction after the installation of UF foam.

In addition, the CPSC concluded that formaldehyde carries with it a small but significant risk of cancer. Residing in the 500,000 homes insulated with UF foam are approximately 1.75 million people. Of those 1.75 million people, the CPSC estimates that 89 people could contact cancer as a result of exposure to formaldehyde in the air.

While the CPSC ban takes care of eliminating future installations of this substance, it does not address the needs of the people already living in UF foam insulated houses. Those people cannot be ignored.

The only way to completely clear homes of formal formaldehyde is to remove the insulation from the house walls. However, this is a very expensive proposition. The very thing that makes UF foam so easy to install makes it difficult to remove. It is installed by blowing it into the wall cavities like shaving cream. However, then it hardens, and in order to be removed, the interior or exterior walls must be knocked out. The cost of this removal can range from $6,000 to $20,000 or more. This is clearly a cost that many homeowners cannot bear.

I am today introducing a bill to provide a modest series of measures to assist homeowners in clearing this substance out to their homes. First, the bill provides for low interest loans up to a maximum of $10,000 under the Small Business Administration's disaster loan program. Second, the bill would relieve homeowners of the need to individually justify deducting the cost of replacing the foam from their income taxes as a medical expense. And third, the bill would allow homeowners a tax credit for the installation of replacement insulation regardless of whether they had already used up their one-time energy conservation tax credit in connection with the installation of UF foam.

This bill would not go so far as to hold the homeowner harmless with respect to the cost of removing the UF foam, but at least it would soften the economic blow. The bill would also assist the numerous homeowners who now find they cannot sell their homes because no one will buy a UF foam insulated house.

In addition, the bill would provide a modicum of assistance to small businesses who can no longer ply their trade as a result of the CPSC ban. It would do so by authorizing funds for this purpose under the SBA nonphysical disaster loan program which was enacted precisely to assist small businesses hurt as a result of regulatory changes. If ever there was a situation where a Federal regulation is directly responsible for imposing severe losses on a number of small businesses, it is here in this situation of small businesses suddenly prohibited from continuing their established business of installing UF foam insulation.

In my opinion, this bill represents the least the Congress and the Federal Government should do to assist homeowners and small businesses caught unsuspecting by the apparently hazardous effects of UF foam. I urge my colleagues to support this bill, and I call upon the relevant committees, including the Small Business Committee on which I serve, to hold prompt hearings on this legislation.●

IN RECOGNITION OF THE 1982 CONGRESSIONAL SENIOR CITIZEN INTERN PROGRAM

HON. TONY COELHO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 17, 1982

● Mr. COELHO. Mr. Speaker, today marks the opening of the 10th annual congressional senior citizen intern program, a voluntary, 1-week program of seminars on the work of Congress and the legislative process which is directed at representatives of the elderly of our communities from across the country. This year, some 250 older citizens from 161 House and Senate offices are participating in this internship. As a coordinator of this program along with my Senate colleague, the Honorable WILLIAM ROTH, I am proud to say that this program has developed a fine reputation as an effective vehicle for strengthening the voice of the elderly here in Congress and in enhancing the working relationship between the Members who participate and their older constituents.

During the week they will be here in Washington, the senior interns will have the opportunity to learn firsthand about the operations of their Congressmen's and Senator's offices and to become familiar with the actual work of their legislators. They will attend seminars on current issues of concern to all segments of our population but which are of particular concern to them as representatives of our older population. They will hear from

Federal officials, from congressional Members and staff, and from others active in the Federal policymaking process, and hopefully time will permit them the opportunity for some direct give-and-take with these policymakers as to the needs of the elderly in our home communities and how Government is or is not responding to those needs.

This program has a twofold intent—to provide information for the senior interns to carry back to their communities; and, more importantly, I believe, to enhance the communication link through which they provide information to us from their communities as to what they expect from us as their Representatives.

I know that all of my colleagues who are participating in the program this year and the entire House membership join with me in extending a warm welcome to these very special interns.●

THE WORLD DEVELOPMENT LETTER

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 17, 1982

● Mr. BINGHAM. Mr. Speaker, I was disappointed to note that the World Development Letter has been discontinued by the Agency for International Development (AID). It was a small, informal report of facts, trends, and opinion in international development which often contained fascinating and surprising facts about foreign aid and developing nations. I would like to share a few of these with readers of the RECORD.

Many of the facts illustrate three important points about development which we often lose sight of:

First. There is still a wide gap between the standard of living in the United States and that in developing countries;

Second. A little aid goes a long way, and progress is being made in solving various problems all over the globe; and

Third. The development aid provided by the United States represents a small portion of our GNP, and reaps many long-range benefits for us.

While you are packing away a staggering 30 tons of food in your lifetime, the average Asian's lifetime diet amounts to about 12 tons, and most of that is rice. Some comparisons: Westerners consume approximately 9,000 pounds of meat and sausages and almost 1,000 dozen eggs in a lifetime; for the average Asian it is 573 pounds of meat, fish, and eggs.

A child who contracts measles in the Third World is 400 times more likely to die than a child who has measles in an industrialized nation.

William Foege of the U.S. Center for Disease Control says that one heart transplant can probably be equated with 10,000 person-years of life if you used that money for measles vaccine in West Africa.

One billion people lack safe drinking water.

A good measure of the great gulf between least developed countries and developing nations is average life expectancy. According to the Third World Quarterly, it is 45 years in the least developed countries, compared to 53 in the rest of the developing world. Those in the developed world can expect to live, on average, 72 years.

Nearly 30 percent of the world's population—814 million people—cannot read or write, according to a UNICEF report.

The number of children who die of malnutrition each year in the Third World equals the number of children under 15 in California, New York, Illinois, and Texas together.

CIMMYT's (International Maize and Wheat Improvement Center) work helped Bangladesh increase its bread wheat production from 114,000 tons in 1975 to more than 1.2 million in 1981.

Getting Third World children to do better in school may be—in many cases—a simple matter of eyeglasses, says former Peace Corps volunteer Michael Walter.

Jamaica is getting a little help from its friends as it grapples with the problem of scarce food. The Friends of Jamaica, a private, nonprofit, Washington, D.C., based group, and Brother's Brother Foundation, an AID-supported, private voluntary organization in Pittsburgh, have teamed up with American business to send the Caribbean nation over 14 tons of vegetable and fruit seed.

Ten years after the independence of the country Henry Kissinger once described as "an international basket-case," Bangladesh is moving toward self-sufficiency in food—maybe not in 1985 as predicted by the country's President, Ziaur Rahman, but soon after.

Fertility rates are now at or below the average 2.1 births per woman needed to replace the population in the long run in two developing countries: Cyprus and Singapore.

The United States leads donors in dollar amount, accounting for almost 20 percent of the world ODA. However, out of almost 30 donors, the United States ranks 19th when ODA is figured as a percentage of the gross national product.

Developing countries are good business for American investors. American investment in the Third World has increased by 40 percent in the last 2 years, reaching $52.7 billion at the end of 1980, according to the U.S. Department of Commerce. This represents more than one-quarter of the $213.5 billion total American overseas investment recorded during 1980 and constitutes an increase of 18.3 percent over the previous year's level.

U.S. exports to developing countries have tripled in the past 5 years. These countries now buy 38 percent of U.S.-manufactured exports.

The per person annual cost of all foreign economic assistance is about $34. Most of that $34 is spent in the United States for goods and services that mean jobs and income for Americans.

One out of every eight jobs in the United States comes from trade with developing countries, and the ability of those nations to buy U.S.-manufactured goods is dependent on their having sound economies.

The annual figure for U.S. overseas development now stands at about one-quarter of 1 percent of our GNP.●

H.R. 3881

HON. BERYL ANTHONY, JR.

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 17, 1982

● Mr. ANTHONY. Mr. Speaker, last year, I was approached by the Arkansas Forestry Commission which requested that I sponsor legislation to allow them to exchange an 80-acre parcel of land in the Poison Springs State Forest, in my district, for an equivalent tract located on private property. The purpose of the proposed exchange was to facilitate the expansion of a pine seedling orchard onto the tract then held by the Arkansas Forestry Commission. The reason it was necessary for the forestry commission to come to me was that the State of Arkansas acquired the land from the United States with a clause providing that if the lands ceased to be used for a public purpose, title would revert back to the United States. Congress has considered and approved a number of similar bills in recent years.

In order to facilitate this exchange, I introduced H.R. 3881, which was referred to the Committee on Agriculture and the Committee on Interior. The House Agriculture Committee completed markup and reported the bill on March 5 of this year. The Interior Committee then considered the bill as it pertained to the transfer of mineral rights and reported in on April 27.

The Agriculture Committee recommended that the bill be made law with respect only to lands specified in an agreement to be entered into between the Secretary of Agriculture and the Arkansas Forestry Commission. In any proposed exchange, the Secretary is required to secure an equivalent parcel of land with approximately the same market value as that being transferred.

The Interior Committee amended the bill to require the Secretary of the Interior to convey the mineral rights pertaining to the proposed 80-acre tract. Disposal of mineral rights on other areas of the State forest in which reversionary interest remains with the United States is left to the Secretary of Interior under the Federal Land Policy and Management Act of 1976.

In summary, Mr. Speaker, the State is required by the bill to obtain fair market value in any exchange, sale, or other disposal. Only 80 acres of the 19,442 acres in the State forest would be involved in the release of all reversionary interest on the part of the United States. Once the transfer occurs, the private pine seedling nursery and orchard can contribute much more to our efforts to provide for the Nation's future wood and paper needs by resulting expansion.

I wish to thank the distinguished chairman of the Agriculture Committee, Mr. de la Garza, and the distinguished chairman of the Agriculture Committee's Forestry Subcommittee, Mr. Weaver, for the support and assistance in this matter.

In the Interior Committee, the distinguished chairman of the Subcommittee on Public Lands and National Parks, Mr. Seiberling, provided very helpful recommendations and has given the bill his valuable support. Likewise, the distinguished chairman of the full committee, Mr. Udall, has also helped to advance the bill. I appreciate their efforts which have done so much to help provide the State of Arkansas with the authority to go forward with this proposal.●

THE HEALTH EFFECTS OF DIRTY AIR

HON. DOUG WALGREN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 17, 1982

● Mr. WALGREN. Mr. Speaker, as the Congress works on revisions to the Clean Air Act, we must not let the complex issues of the act overshadow the basic purpose of the law.

The Clean Air Act has a fundamental goal: to protect our health. This goal is based on the notion that dirty air is a health risk. Scientists and health professionals do not necessarily agree on the health effects of air pollution. Yet it is hard to ignore the hard facts. Studies have been made of exposed human populations. Extrapolation of the findings have been difficult, but overall, the results have been negative.

We know that groups sensitive to air pollution are persons with heart or lung disease, children under the age of 10 years, adults over the age of 65, and pregnant women. Others are susceptible as well. Dirty air can cause irritation of the eyes, nose, and throat areas and labored breathing for healthy individuals.

CHILDREN

The American Lung Association states that children are particularly at risk because they are developing. Studies conducted in 1975 and 1976 by Kagawce have shown a decreased pulmonary function in schoolchildren due to exposure to ozone. The National Research Council in 1977 published findings showing an excess of upper respiratory disease and abnormal chest films when preschool and schoolchildren are exposed to nitrogen oxides. Due to compromising factors created by air pollution, diminished respiratory function can create long-term consequences for the health of children. Also, lead has been demonstrated to create behavioral abnormalities including decreased learning ability and hyperactivity in children.

PREGNANT WOMEN

Pregnant women encounter risks in several ways. Due to their conditions, their air intake increases by 15 to 20 percent which means that they are breathing a greater volume of polluted air thereby decreasing the oxygen capacity of the blood. Additionally, the harmful effects of toxic air pollutants are passed on to the fetus, for whom the health implications are unmistakably more severe. The most prevalent air pollutant, carbon monoxide, creates increased carboxyhemoglobin levels which have been proven to decrease the fetus' ability to utilize oxygen. This can lead to retardation of growth and mental development, according to studies conducted by Kuzed and Cetrulo. Ozone can cause functional impairment of the respiratory tract and lead to permanent damage to both the mother and fetus. Another pollutant, lead, can increase the risk of spontaneous abortion and stillbirth.

THE ELDERLY

Elderly persons experience and increased risk due to deficiencies in their immune systems, deficiencies which increase their susceptibility to respiratory infections. Heart and lung diseases can be aggravated by air pollution. The elderly probably have more chronic respiratory disease than the rest of the population. In my own area, in 1980 in Allegheny County, over 21,000 persons in the 65 plus age category have one of four different types of chronic lung disease.

OTHER RESEARCH FINDINGS

Experiments have found increases in the frequency of acute respiratory illness in adults living in more polluted areas. Hospital admissions have increased on heavy pollution days. Persons with respiratory problems experience more difficulties when exposed to such pollutants as sulfur dioxide, total suspended particulates, nitrogen oxides, and ozone. Heart disease patients experience aggravation upon exposure to sulfur dioxide, carbon monoxide, ozone and lead. When pollution levels rise there appears to be a link between increased mortality.

The human aspect of problems created by air pollution does not tell the whole story. Our environment can also suffer. Pollutants have proven to be toxic to plants, to reduce growth and fertility, and to harm crops. Air pollution leads to corrosion of metals, deposits of dirt and soot on buildings, and discoloration of our atmosphere. Certain pollutants are precursors for others such as ozone. Ozone has been labled the quiet thief because of its harmful effects on crops.

While scholars may argue over precise links between a particular pollutant and a particular unhealthy result, I think there is wide agreement that dirty air is not good for us. Dirty air violates the broad consensus on the right of all living in America regardless of age or sensitivity to live free of the adverse effects of industrial pollution. I am pleased that the House Subcommittee on Health and the Environment, on which I serve, has not changed the health-based standards of the current law. Those standards are as sound today as they were when originally written into the law.●

THE TURKISH MODEL

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 17, 1982

● Mr. ROSENTHAL. Mr. Speaker, I want to bring to my colleagues' attention an article appearing in the Wall Street Journal of May 13, 1982, written by Alexander Cockburn. The article, entitled "How About Turkey's 'Aggression' Against Cyprus?" is an illuminating depiction of the continuing Turkish military occupation of the northern tier of Cyprus. The horrors revealed in Mr. Cockburn's article underscore the injustice in the recent House Foreign Affairs Committee action to substantially increase fiscal year 1983 military aid to Turkey. These increases—in large part legitimated upon the administration's illusory claims that Turkey has moderated its brutal policies both at home and in Cyprus—will be perceived by both Turkey and the rest of the European Community as U.S. acceptance of the "Turkish Model."

I am aware of the so-called security-related thinking which produces blatant examples of the administration's "double standard" foreign policy: opposing left wing repression in countries like El Salvador while befriending repressive regimes such as Turkey. But even if the United States were justified in its reliance on the military value of an "ally" which has consistently been an enemy or a neutral in Europe's wars for freedom, it is now time to consider the damage done to the cause of the West by such uncritical toleration of a country which currently embodies the antithesis of every moral standard to which the West is committed.

Mr. Cockburn's article follows:

How About Turkey's "Aggression" Against Cyprus?

(By Alexander Cockburn)

To the British, as the world now surely knows, the rape of defenseless islanders and indeed the very notion of aggression and expansionism are intolerable. Devotion to principle has already left in its wake those bodies at the bottom of the South Atlantic. But this indignation is newly minted.

In July and then in August of 1974, the Turkish army took over 36% of the territory of Cyprus—a country Britain was pledged by treaty to defend—thus seizing 60% of that nation's economy. No less than 200,000 people, a third of the Greek populace, were uprooted from their homes. The Turkish soldiers comported themselves with the military gallantry that has characterized their operations down the centuries and which rose to its most conspicuous heights in the sack of Smyrna and the pillage of Armenia in 1916.

To such battle honors a fresh and bloodstained pennant was affixed in the summer of 1974, and by design. The Turkish invader wished to ensure that he would capture only territory and property, from which all vestiges of Hellenism would be extirpated, without the inconvenience of a subject population. The Greek Cypriots had good reason to flee.

Major civilian centers, including the capital city of Nicosia, were bombed and napalmed, at will since the Cypriots had no air defenses. The true casualty rate is still hard to estimate, since 2,000 Greek Cypriots are still posted as missing. Many of them were identified through photographs as being prisoners of the Turks. They have never been seen since.

A subsequent report by the European Commission on Human Rights convicted the Turkish army of rape, looting and massacre of civilians. In the wake of the frightful rapine the Cypriot church was compelled, much against its canonical teaching, to amend its law against abortion.

What provoked the Turkish onslaught?

On July 15, 1974, the colonels then ruling Greece, well supplied with U.S. weaponry, attempted to invigorate their slackening grip by military adventure, in the form of a *Putsch* against Archbiship Makarios, president of Cyprus. Secretary of State Henry Kissinger both knew and approved of this operation in advance. Not the least terrible consequence of this Greek fascist enterprise was the furnishing to the Turks of a long-awaited pretext for invasion. The excuse, thin enough at the time, was that Turkey would restore constitutional order, ravished by the Greek colonels.

The Turks have instead created a colony and a military occupation in the northern tier of the island. The city of Famagusta, once flourishing, now stands vacant in the Turkish zone. Its approaches are guarded by the Turkish army and its former Greek inhabitants sit in camps to the southward, in many cases separated only by barbed wire from their homes. Depopulated areas in the north are being seeded by the Turks with Anatolian colonists. Since the constitution of Cyprus explicitly rules out partition or annexation by any guarantor, Turkish professions to uphold that constitution are evidently void.

Like Argentina, Turkey and its generals were closely allied to the United States. Unlike Argentina, Turkey did not incur its ally's displeasure and support for its victim. The U.S., having endowed Turkey with the weapons it used to attack Cyprus, did nothing to arrest the conquest and now counts the Turkish military junta high on its list of friends.

Prime minister of Turkey at the time of the invasion was Bulent Ecevit. Ecevit it was who let the Turkish army out of its cage and who found himself subsequently unable to get it back in again. He now languishes in prison at the pleasure of General Evren. The leader of the Greek exiled opposition in 1974 was Andreas Papandreou, regarded by the U.S. as a dangerous subversive. Mr. Papandreou warned of the colonels' adventure and denounced it before it took place. He is, of course, now prime minister of Greece, elected by an overwhelming majority, in part because of his pledge to undo the occupation of Cypriot territory.

Since, in the wake of Argentina's seizure of the Falklands, some sort of a public debate is in progress (not conspicuously on the editorial page of The Wall Street Journal, I might add) about the moral timbre and realiability of the allies the United States has mustered over the years, let us take our eyes off Argentina and consider a possible host nation of Jeane Kirkpatrick's next supper party: Turkey.

Like Argentina, Turkey has been prudent in times of war and aggressive in times of peace. In World War II, it adopted a posture of benevolent neutrality—with the benevolence being reserved for the Axis powers. Today, while Turkey is showered with U.S. economic and military aid by reason of its common border with the Soviet Union, its guns and most seasoned soldiery are facing Greece, and occupying Cyprus. Other detachments suppress the Kurds and all vestiges of freedom and dissent in Turkey itself.

In Turkish prisons, according to innumerable reports, torture is an administrative practice and victims of the torturers have died under "interrogation." The press is muzzled. Constitutional and legal processes have been eliminated. Turkish labor leaders, not accorded the international sympathy afforded Poles, are on trial for their lives.

None of this has perturbed, even momentarily, the warm relationship between the Turkish generals and U.S. aid. Indeed proposed aid to Turkey this year puts it almost in the same league as Israel and Egypt. In bold contrast, the very week that Prime Minister Papandreou made a state visit to Cyprus, Secretary of State Haig announced that U.S. aid for Cypriot refugees and for reconstruction would be cut off.

The *Realpolitik* seems to be this: Turkish dictatorship is preferable to Greek democracy. Military occupation of Cyprus is preferable to the hazards of Cypriot self-determination. A country's soundness is judged by its willingness to host American bases, a policy not only brutal but stupid since the experience of U.S.-backed military rule in Greece has created a majority that wishes nothing less than the withdrawal of all American forces.

Cyprus sits at the center of this Gordian knot. Resolutions in the United Nations and other international bodies demand the reunification of Cyprus and the withdrawal of the Turkish invader. The United States subscribes to such resolutions. But its actions belie its words. Who can believe when Mr. Haig next visits Ankara to discuss topics of mutual concern, that he will urge upon his hosts a rapid return to democratic rule or indeed the need to oblige the West (no two NATO countries have ever been at war with each other, except over Cyprus) by abandoning colonial endeavors to the south?

One policy could help to redeem the crimes and blunders of the past, and it was perhaps best expressed by William Gladstone in his famous speech to the voters of Midlothian, during the Turkish atrocities in Bulgaria: "Let the Turks now carry away their abuses in the only possible manner, namely by carrying off themselves, their Zaptiehs and their Mudirs, their Bimbashis and their Yuzbachis, their Kaimakams and their Pasnas. One and all, bag and baggage, shall, I hope, clear out from the province they have desolated and profaned."●

HENRY HUDSON FOX, JR.

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, May 17, 1982

● Mr. SKELTON. Mr. Speaker, a long time friend of mine, Henry Hudson Fox, Jr., a Jackson County attorney, recently passed away. His accomplishments were many, and he was a warm and congenial friend. The Kansas City Times published a very fitting editorial about the amazing career of this gentleman. I offer it for the enclosure of this Record.

Henry Hudson Fox, Jr.

The amazing career of Henry Hudson Fox Jr., covered a long and historic period of Jackson County politics and public service. His contributions were many, and his strong, delightful personality was a fixture of the Kansas City scene for decades.

Long before his death early this week Henry Fox was known as the dean of attorneys at the criminal bar. As Jackson County prosecutor he tried many cases himself, and took personal responsibility before judge and jury for the big ones. He instituted numerous reforms and innovations now commonplace, such as the close cooperation and liaison between the prosecutor's office and the police department. Later, he continued public service as secretary-attorney for the Kansas City Board of Police Commissioners, before devoting most of his remaining years to private criminal practice.

Perhaps it was in his term as western judge of the old Jackson County Court, the legislative-executive body that preceded the present Jackson County Legislature and executive, that Mr. Fox left his most enduring mark. This was when the master park plan was completed, the $3 million bond program was approved by the voters, and the early formation of what would be Lake Jacomo took place. His was the crucial, swing vote among the three judges. At every stage in that beginning, his vote could be counted in favor of an ambitious park system for the people, a monument created and administered on a thoroughly professional level.

Mr. Fox was a member of a distinguished Kansas City family with strong ties to the military tradition and these newspapers. His father, the late Maj. Henry Hudson Fox, Sr., was head of the mail department at The Star for many years and Henry himself worked in the mail room through his youth. His brother, Kenneth L. Fox, was associate editor and military commentator at The Star and The Times for many years before he retired in 1977. The two brothers, Henry and Kenneth, were colonels. The father, Henry Sr., was particularly proud of a photograph of himself, the major, standing between his two colonel sons.

Lawyer friends knew him as a witty, humorous colleague, a man with an immense fund of stories which he told with great zest. Henry Fox, the innovative lawyer, also served his country and community long and well.

SALUTE TO ISRAEL

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, May 17, 1982

● Mr. RODINO. Mr. Speaker, I want to join the tens of thousands of Americans who will be saluting the State of Israel on Sunday, May 23 in New York City. This year's Salute to Israel Parade, sponsored by the American Zionist Youth Foundation, will celebrate the 34th anniversary of the founding of the Israeli Republic.

This a very important time for all Americans to show their support for our Israeli allies, and to speak out for peace and justice in the Middle East. The peace initiative of Camp David, which President Carter, Prime Minister Begin, and President Sadat worked to long and hard to achieve, must be maintained through solemn commitment to its principles.

The Israeli people have shown that effort, and I salute them, while reaffirming my own commitment to Israel as our ally and friend.●

TRUDY BRAUN: SUMMER VACATION AT LAST

HON. WILLIAM R. RATCHFORD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, May 17, 1982

● Mr. RATCHFORD. Mr. Speaker, the people of my hometown of Danbury, Conn., recently witnessed the unthinkable—Trudy Braun retired after 37 years at Western Connecticut State College.

When Trudy Braun came to town, WestConn was known as the Danbury State Teachers' College. In that time, more than its name has changed. The original 2-building campus grew to 10, and an entire new campus across town has been added. WestConn's Ancell School of Business was not even near the drawing board in 1945, when Trudy arrived, but the business school now enrolls about one-third of the college's full-time students and even more of its part-timers.

Like the WestConn campus, Trudy Braun has expanded her horizons over the years. Her most recent position as vice president for academic affairs was the latest in a series of challenges offered her and, like all her previous roles, she performed this one admirably.

Mr. Speaker, Trudy Braun's commitment and dedication stand as paragons for professionals. She rejected complacency and worked hard to succeed. Finally, after 37 years at WestConn, Trudy Braun will get her summer vacation. I would like to take this opportunity to insert into the RECORD an article from the News-Times of Danbury which eloquently relays the story of this very special woman:

[From the News-Times, May 4, 1982]

"TRUDY" BRAUN: 37 YEARS OF HELPING WESTCONN GROW

(By Cathy Shufro)

DANBURY.—They are moving the Chinese panda wall hanging and the Buddhist prayer scroll out of Gertrude Braun's office.

After 37 years at Western Connecticut State College—the last six as its vice president for academic affairs—"Trudy" Braun retired last Friday.

Soon, workmen will lug out her Western Connecticut State College armchair and pack up the newspaper editorial, framed by friends, which says Miss Braun's retirement will create a significant void. They will leave an empty office in Old Main that, along with the dormitory, was all of Danbury State Teachers College when Miss Braun and a wave of GIs arrived there in 1945.

Now those turn-of-the century buildings are flanked by eight others and linked to a new, 300-acre campus on the other side of town.

This grey-haired, straightforward woman came here as a 25-year-old instructor—a rebel, she says—and has remained here ever since. She says new challenges kept arising, and the school held her interest. Chairing or serving on the college curriculum committee for 22 years, she stayed close to her first love, teaching.

"I never wanted anything else," she says, sitting in her office with one day left before retirement. "As young as five I can actually remember being in kindergarten and being asked what I wanted to be and saying, 'A teacher.' I never changed."

"The thing I did change, is 'I am never going to go into administration. I will stay in the classroom.' It was one of the things that kind of sneaked up on me."

She says she feared becoming a bureaucrat, which she defines as "someone who hides behind a set of rules in order not to make an independent judgment."

Asked if she had fallen victim to that, she laughs and says, "You'll have to ask other people."

The word bureaucrat does not come up when colleagues talk about Miss Braun. They say she is fair, well-prepared, intelligent—even "brilliant"—and approaches decisions in terms of issues rather than personalities. No one can be persuaded to list any weak points.

"Honest to God, I never encountered any," says Robert M. Bersi, the former WestConn president who chose Miss Braun as vice president and calls her "the best chief academic officer I have ever worked with."

"We're talking about someone who has absolute integrity," says Bersi, now chancellor of the Nevada state unversity system. "I can't say that about more than two or three people I've worked with."

Miss Braun cannot say whether 1945 seems long ago, when there were 200 students, all of them studying to be elementary school or music teachers.

"Thirty-seven years do at times tend to lengthen or very much foreshorten," says Miss Braun, who spent a single year away from the college to complete her doctorate in education at Columbia University. "'It seems only yesterday that . . .' is a frequent feeling, particularly as you sit in the same building that was the only classroom building when I came here. And although student hairstyles, dress and language, have changed a great deal, I feel some characteristics have not changed at all. The fundamental one is idealism."

A new expectation that students will attend college is the biggest change she has seen in a student body that has grown to 2,900 fulltime students and an equal number of part-timers.

"The normal aspiration of finishing high school is now replaced by the aspiration of college," she says. "The other big shift that started with the GI Bill of Rights (which paid for veterans' schooling) was the federal government seeing as a major role the opening of opportunities to many segments of the population. Our population has become much more heterogeneous.

"More recently we have seen the move, particularly for women, to what we call nontrads ("non-traditional" or older, students). They have returned to finish their degrees after marrying and raising children.

"They're among our best students. They know what the want. They've learned an awful lot by living and reading.

"One of the big things I've become sharply aware of in the 60s that has persisted, though not to the same degree, is students' mobility.

She says students' horizons broadened in the 1960s because they had money to travel and the means to do so quickly.

"The airplane was here to stay instead of the train," says Miss Braun.

Since the more affluent 1960s, Miss Braun has seen a change in students' outlooks.

"We're swinging back to a much more serious student body which is concerned about the future. They no longer feel the future will take care of itself as the flower children did. The affluence isn't there. They're frightened about inflation, they're frightened about job security. They see education as a route to job security."

Partly in search of job security, many students have enrolled in the growing business school. Miss Braun was WestConn's academic dean when the business school was started a little over a decade ago.

"We started with one faculty member who was teacher, department chairman and organizer, with 18 students in the first class," she says.

Now the Ancell School of Business has its own dean and enrolls a third of the college's full-time students and nearly half its part-timers. The school has garnered more publicity than any other school in the college in the last few years because of large corporate gifts and a vigorous public relations campaign by President Stephen Feldman, the former business school dean.

Miss Braun is worried that undergraduates may use business training as a substitute for a broader education she believes would be just as good—or better—preparation for their professions.

The liberal arts, she says, "are the surest base for any career you want to go into. They are the ones that give you perspective to form the kind of value system that you need. You can get on the job-training. In most companies they will train you but they certainly want you to come with the ability, the knowledge, to receive that training.

"I think we in higher education have not made our case well enough that immediate preparation for the job with a diploma has become too important. We haven't helped students see the fact that jobs are there, and delayed specialized training is not necessarily a handicap."

"You can have your cake and eat it, too."

Miss Braun said she was twice asked to apply for the presidency of WestConn, first in 1975 when longtime president Ruth Haas retired, and again a year ago when Bersi left for Nevada.

When Ms. Haas left, Miss Braun says, "I really felt the college needed someone from outside to bring a whole new construction for the college. I had the freedom to make the kind of imprint on the college that I was capable of. I wouldn't bring anything that wasn't already here.

When Bersi left, she says, "I frankly felt I was too old." She will be 62 next month.

Once she made her decisions about whether to seek the presidency, she allowed herself no regrets.

It was not a decision that caused her never to marry so much as absorption with her job, says Miss Braun, who shares her home with her mother, Ethel.

"I was more interested in my work," she says, cheerfully describing herself as "kind of a workaholic."

She has only one plan, so far, for retirement. "I'm looking forward to something I haven't had since 1966—a summer vacation," she says.

Her progression from a teacher in the college's model elementary school to the vice-president's office was a natural sequence, not the fruition of a career plan.

"I really wasn't so much trying to get ahead as make some differences in what was happening at the college."●

THREE CHOSEN FOR GUAM EDUCATION HALL OF FAME

HON. ANTONIO BORJA WON PAT

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Monday, May 17, 1982

● Mr. WON PAT. Mr. Speaker, more than ever before we are coming to recognize that the seeds of success are often sown in young people and we on Guam have begun a program to honor our outstanding educators with an Education Hall of Fame.

This month, three veteran Guam educators become the first inductees to our Education Hall of Fame. They are Simon A. Sanchez, Agueda I. Johnston, and George Perdew.

I was privileged to work with and know these outstanding educators and fully believe that their selection is a reflection of the excellence these individuals always gave to their work and to their students.

Simon A. Sanchez is known on Guam as "Mr. Education," because of his early efforts to bring to the island quality education. His career started in 1917 and during 42 years of service to the island he served as a teacher, principal, and superintendent of schools. He was one of the major developers of the Territorial College of Guam, which later became the University of Guam. He was well known for his love of education and was highly regarded in the community as a man of great compassion and honor. He died at the age of 79 in 1975 and his loss will long be felt.

Agueda I. Johnston is another teacher who left her mark on her students, who can never forget her energy and drive for excellence. She began a remarkable teaching career at the age of 15 and for the next 46 years served as a teacher, principal, and assistant superintendent of schools. Among her many proud achievements was the founder of George Washington High School in which she served as its first principal. This determined educator was always willing and ready to do whatever was necessary to bring to her students the highest quality education possible and it is to her credit that she is among the best beloved educators in the history of Guam. Mrs. Johnston passed away in 1977 at the age of 85, and with her passed away a living legend in the annals of education.

George Perdew teaches today, as he has for many years, at the University of Guam. He is a man who enjoys a large following among his students for his wonderful talents and ability to interest his students in gaining ever more knowledge.

One of his proudest achievements is the establishment of the Guam Marine Laboratory. Marine biology is of obvious importance to an island. And thanks to the foresight of Dr. Perdew, we on Guam have a marine biology lab which all can be very proud to call our own.

Dr. Perdew came to Guam in 1956 and has held a variety of positions including teacher, guidance counselor, dean of extended services, and vice president of administrative services at the University of Guam. He has also served as deputy director of education for the trust territory.

We on Guam are most fortunate to have Dr. Perdew choose Guam many years ago as his adopted home. He is a credit to his profession and has done more than words can tell to excite young people about the wonderful world of education. While history may have no exact record on just how many youngsters went on to a fuller life thanks to Dr. Perdew, Mrs. Johnston, and Mr. Sanchez, there is no doubt in my mind that these three people were instrumental in the success of many of Guam's most esteemed people today.

At this time I insert in the RECORD a story which appeared in the May 11, 1982, Pacific Daily News about these three educators so that my colleagues can share with me the extent to which these outstanding people made Guam a better place to live. Thank you.

THREE SELECTED TO EDUCATION HALL OF FAME

Three veteran Guam educators have been selected as the first inductees in the Guam Educators' Hall of Fame, according to a spokesman for the group which established the hall.

Simon A. Sanchez, Agueda I. Johnston and George Perdew are the three pioneer educators selected for the honor by the Guam Chapter of Phi Delta Kappa International, according to Richard G. Tennessen, president of the local chapter.

Sanchez, who began his teaching career in 1917, served a total of 42 years in the field of education as a teacher, principal and superintendent of schools.

Known by many as Mr. Education of Guam, Sanchez, coordinated the development of the island's public school system before and after World War II.

Sanchez also was one of the prime movers behind the establishment of the Territorial College of Guam and served as chairman of the Territorial Board of Education.

Sanchez died in 1975 at the age of 79.

Johnston, who began her teaching career at 15, served in the field of education for 46 years as a teacher, principal and assistant superintendent of schools. She was the founder and first principal of George Washington High School and the prewar Teachers' Institute.

Johnston is listed in Who's Who in America. Leaders in Education and the World Who's Who of Women for her many educational and civic accomplishments.

She died in 1977 at 85.

Perdew, who moved to Guam in 1956, has held a variety of positions including teacher, guidance counselor, dean of extended services and vice president of administrative services at the University of Guam.

He also served as deputy director of education for the Trust Territory and was especially active during the early years of the University of Guam.

He was a planner for the construction of the present UOG campus, wrote the proposal for the establishment of the Marine Laboratory and was active in obtaining the first accreditation and the land grant status for UOG.

Nominations for membership in the Hall of Fame were solicited from the community. To qualify for election, those nominated had to be at least 65 or deceased and have made signficant contributions to education on Guam in the areas of research, service and leadership. Phi Delta Kappa is an honorary educational fraternity with approximately 125 members in the local chapter. The chapter will solicit nominations from the community each year for other educators who deserve to be in the Hall of Fame, according to Tennessen.●

SMALL BUSINESS INNOVATION DEVELOPMENT ACT

HON. LARRY WINN, JR.

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 17, 1982

● Mr. WINN. Mr. Speaker, small high-technology companies are the primary source of major innovations in our economy. The small business innovation research program at the National Science Foundation is a uniquely successful means for tapping the resources of these firms in order to increase the cost efficiency of Federal research and development and to stimulate the commercialization of federally funded research and development. In 1979, the Department of Commerce Advisory Committee on Industrial Innovation recommended this program be implemented in all major Federal research and development agencies. In 1980, the White House Commission on Small Business made the same recommendation. In 1980, the Subcommittee on Investigation and Oversight and Science, Research and Technology also recommended that small business innovation programs be implemented throughout the Federal Government. This year, the Senate voted 90 to 0 with President Reagan's endorsement, to put legislative clout behind those recommendations.

Together with the over 200 cosponsors of the Small Business Innovation Development Act in the House of Representatives, I urge my colleagues to pass H.R. 4326 and make funding for these programs mandatory in Federal agencies whose R. & D. budget exceed $100 million.●

TWO SPECIAL ANNIVERSARIES

HON. GARY A. LEE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 17, 1982

● Mr. LEE. Mr. Speaker, I take this opportunity today to bring to your attention two anniversaries which coincide in my 33d Congressional District of New York, in the community of Auburn. They are virtually inseparable.

The first is the anniversary of the date on which Father Raymond J. Wahl was ordained—45 years ago. The second is the 25th anniversary of the start of the Sacred Heart Parish in Auburn, the parish shepherded by Father Wahl from its very inception. Together, these two dates have given my community great cause for celebration.

Father Wahl has, for more than a quarter-century, been a familiar and most highly respected figure in the Auburn area. Throughout that time, he has been very active in community betterment projects. He has served since shorthly after arriving in the area as chaplain to the Owasco Fire Department and holds board membership seats on both the Sacred Heart and Blessed Trinity school boards.

Father Wahl, without question, deserves this Congress congratulations on the occasion of this anniversary. He is exemplary of the leadership and community and spiritual commitment which we wish all Americans could share. Creation of the Sacred Heart Parish—possibly his most monumental accomplishment and certainly his most difficult—will stand testiment to his dedication and his abilities.

Sacred Heart Parish opened its doors in 1957 with little more than the visions of a small group of parishioners and the drive of Father Wahl. A short time later, the Sacred Heart School was begun by the same group as their enthusiasm and success brought more and more into the fold. By the first day of school, they were so enthusiastic that they even created a "bucket brigade" to bail out the new auditorium—so new that there was still no roof to keep out the rainstorm.

Since that time, both the parish and school have gained widespread respect and admiration. I join with the community of Auburn in today adding my heartfelt congratulations on the occassion of these dual anniversaries, as I know my colleagues here in the House of Representatives join. Our thanks are extended for the American efforts of these fine community members and, in particular, for the life of dedication to others by Father Wahl.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, May 18, 1982, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

MAY 19

9:30 a.m.

Finance
Savings, Pensions and Investment Policy Subcommittee
To hold hearings on S. 1910, modifying the tax treatment of certain retirement annuities for clergymen and lay employees; and to review certain ERISA statutes or regulations that inhibit mortgage investments by pension funds, and the Department of Labor's current class exemption efforts regarding pension fund investments in residential housing financing.
2221 Dirksen Building

Governmental Affairs
Federal Expenditures, Research and Rules Subcommittee
To hold hearings on Senate Joint Resolution 93 and S. 2278, measures reaffirming the policy of relying on the private sector to meet public requirements for goods and services, and Office of Management and Budget Circular A-76, relating to Federal procurement policy.
3302 Dirksen Building

Labor and Human Resources
Labor Subcommittee
To resume oversight hearings to review the Pension Benefit Guaranty Corporation premium rate increases.
4232 Dirksen Building

Special on Aging
To hold hearings on the needs and services provided to rural older Americans.
5302 Dirksen Building

10:00 a.m.

Agriculture, Nutrition, and Forestry
Business meeting, to mark up S. 2352, S. 2392, S. 2480, and S. 2493, bills authorizing funds for the food stamp program, and providing for increased State responsibility.
324 Russell Building

Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1983 for the defense establishment, focusing on military pay and bonus programs (including supplemental funds for fiscal year ending September 30, 1982).
1114 Dirksen Building

Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1983 for the Department of Housing and Urban Development, and the Neighborhood Reinvestment Corporation.
1224 Dirksen Building

Armed Services
To hear and consider the nominations of Adm. James D. Watkins, U.S. Navy, to be Chief of Naval Operations, and Gen. Charles A. Gabriel, U.S. Air Force, to be Chief of Staff for the Air Force, and to consider other routine military nominations.
212 Russell Building

Energy and Natural Resources
Business meeting, to consider pending calendar business.
3110 Dirksen Building

Environment and Public Works
Toxic Substances and Environmental Oversight Subcommittee
To resume hearings on S. 1866, revising regulatory procedures relating to safe drinking water requirements, and S. 2131, authorizing funds through fiscal year 1986 for the safe drinking water program.
4200 Dirksen Building

Select on Indian Affairs
To continue oversight hearings on the implementation of Indian education programs.
6226 Dirksen Building

1:00 p.m.

Armed Services
Preparedness Subcommittee
To hold open and closed hearings on the status of strategic stockpiles.
224 Russell Building

2:00 p.m.

Agriculture, Nutrition, and Forestry
Business meeting, to continue markup of S. 2352, S. 2392, S. 2480, and S. 2493, bills authorizing funds for the food stamp program, and providing for increased State responsibility.
324 Russell Building

*Foreign Relations
Business meeting, to mark up S. 2227, authorizing funds for fiscal years 1983 and 1984 for international security and development assistance programs, title II of S. 2237, Caribbean Basin Economic Recovery Act, authorizing funds for fiscal year 1982 for emergency economic assistance for countries in the Caribbean Basin, including the states of Central America, and certain provisions relating to political offense of S. 1940, setting forth new procedures governing the extradition of persons to and from the United States for alleged criminal activity; and to consider the nomination of Robert Anderson, of the District of Columbia, to be Ambassador to the Dominican Republic.
4221 Dirksen Building

Rules and Administration
To hold hearings on a proposed resolution of regulations and/or rules changes needed to implement television and/or radio coverage of the Senate.
S-207, Capitol

2:30 p.m.

Select on Intelligence
Closed briefing on intelligence matters.
S-407, Capitol

MAY 20

9:00 a.m.

*Governmental Affairs
Civil Service, Post Office, and General Services Subcommittee
To hold hearings on S. 1380, limiting the amount to which an annuity of a civil service retiree may be increased as a result of any cost-of-living adjustment.
3302 Dirksen Building

9:30 a.m.

Commerce, Science, and Transportation
Aviation Subcommittee
To hold hearings on S. 1770, authorizing funds to conduct an independent study of airline industry practices and Federal Aviation Administration rules relating to health and safety of passengers and crew, focusing on the availability of medical care for inflight emergencies.
235 Russell Building

Environment and Public Works
To hold hearings on S. 1606, establishing a Federal supplemental property insurance fund for nuclear powerplants, and providing for the cleanup of the damaged Three Mile Island Unit No. 2 nuclear power reactor (TMI-2).
4200 Dirksen Building

Foreign Relations
Business meeting, to mark up Senate Joint Resolution 163, Senate Joint Resolution 171, Senate Joint Resolution 177, Senate Joint Resolution 191, Senate Resolution 323, Senate Resolution 343, Senate Resolution 370, Senate Executive Resolution 5, Senate Executive Resolution 6, and Senate Concurrent Resolution 81, resolutions providing for a reduction of nuclear armaments by the United States and the Soviet Union.
4221 Dirksen Building

Labor and Human Resources
Business meeting, to resume mark up of S. 1182, improving the administration of the Longshoremen's and Harbor Workers' Compensation Act by removing certain inequities, reducing incentives for fraud and abuse, and assuring immediate compensation benefits and competent medical treatment for injured employees.
4232 Dirksen Building

Rules and Administration
Business meeting, to consider H.R. 6256, authorizing funds for fiscal year 1983 for the Federal Elections Commission; S. 2102, authorizing funds to the Board of Regents of the Smithsonian Institution to construct a building for the Museum of African Art and a center for Eastern Art; S. 2390, authorizing funds for fiscal years 1983, 1984, and 1985 for the National Museum Act; S. 2391 and H.R. 6132, bills relating to the adjustment of the rate of interest paid on funds of the Smithsonian Institution deposited with the U.S. Treasury; Senate Joint Resolution 194, providing for the appointment of Nancy Hanks as a citizen regent of the Board of Regents of the Smithsonian Institution; and pending administrative business.
301 Russell Building

10:00 a.m.

Agriculture, Nutrition, and Forestry
Agricultural Production, Marketing, and Stabilization of Prices Subcommittee
To hold oversight hearings on the implementation of the Federal crop insurance program of the Department of Agriculture.
324 Russell Building

Appropriations
Defense Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1983 for the defense establishment, focusing on Army modernization programs.
1114 Dirksen Building

Energy and Natural Resources
Business meeting, to consider pending calendar business.
3110 Dirksen Building

Joint Economic
Agriculture and Transportation Subcommittee
To hold hearings on private sector initiatives and improved agricultural income through export promotion programs.
5110 Dirksen Building

2:00 p.m.

Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1983 for the Department of State, focusing on antiterrorism, Bureau for International Narcotic Matters, and migration and refugee assistance.
S-146, Capitol

Joint Economic
Agriculture and Transportation Subcommittee
To continue hearings on private sector initiatives and improved agricultural income through export promotion programs.
5110 Dirksen Building

MAY 21

9:00 a.m.

Finance
Taxation and Debt Management Subcommittee
To hold hearings on miscellaneous tax bills, S. 1485, S. 2075, S. 2424, and S. 2425.
2221 Dirksen Building

9:30 a.m.

Energy and Natural Resources
Energy Regulation Subcommittee
To hold hearings on S. 1626, removing the requirement for Federal regulation to allow the competitive market system to establish petroleum pipeline transportation rates while maintaining safeguards to protect the industry and consumers against unlawful discrimination.
3110 Dirksen Building

Joint Economic
To hold hearings on the Consumer Price Index figures for the month of April.
2154 Rayburn Building

10:00 a.m.

Agriculture, Nutrition, and Forestry
Agricultural Production, Marketing, and Stabilization of Prices Subcommittee
To continue oversight hearings on the implementation of the Federal crop insurance program of the Department of Agriculture.
324 Russell Building

10:30 a.m.

Governmental Affairs
Energy, Nuclear Proliferation and Government Processes Subcommittee
To hold hearings on energy resiliency, focusing on strengthening and developing the strategic petroleum reserves.
3302 Dirksen Building

MAY 24

9:30 a.m.

Commerce, Science, and Transportation
Aviation Subcommittee
To hold hearings on proposed committee amendments to S. 508, Airport and Airway System Development Act of 1981 (pending on Senate Calendar), extending the funding level through

fiscal year 1987 for airport improvement and development programs.
235 Russell Building

*Finance
Energy and Agricultural Taxation Subcommittee
To hold hearings on S. 1713, providing an exemption for farmers from capital gains taxation on the income received from the sale of easement rights, provided the funds are rolled over into the purchase of new farmland or used for capital improvements in the existing farm.
2221 Dirksen Building

Judiciary
To hold hearings on S. 2167 and S. 2517, bills providing economic relief to American industries and companies injured by foreign products being dumped or sold on the American market at less than fair value.
6226 Dirksen Building

10:00 a.m.
Agriculture, Nutrition, and Forestry
Forestry, Water Resources, and Environment Subcommittee
To hold hearings on S. 1187, transferring authority to conduct national forest system boundary surveys from the Bureau of Land Management, Department of the Interior, to the U.S. Forest Service, Department of Agriculture.
324 Russell Building

Appropriations
HUD-Independent Agencies Subcommittee
To receive testimony from public witnesses on proposed budget estimates for fiscal year 1983 for certain programs under the subcommittee's jurisdiction.
1224 Dirksen Building

Energy and Natural Resources
Energy Regulation Subcommittee
To resume hearings on S. 1885, to place electric utilities, including members of registered holding company systems, on the same basis as nonutilities to encourage their investment in cogeneration and small power production facilities, focusing on committee amendments thereto, relating to avoided costs and interconnection provisions of the Public Utility Regulatory Policies Act (Public Law 95-617).
3110 Dirksen Building

2:00 p.m.
Finance
To hold hearings on the administration's New Federalism proposal.
2221 Dirksen Building

Select on Intelligence
Closed briefing on intelligence matters.
S-407, Capitol

MAY 25

9:00 a.m.
Governmental Affairs
To hold hearings on the annual report of the Postmaster General.
3302 Dirksen Building

9:15 a.m.
Appropriations
State, Justice, Commerce, the Judiciary and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1983 for the Federal Trade Commission.
S-146, Capitol

9:30 a.m.
Agriculture, Nutrition, and Forestry
Rural Development, Oversight, and Investigations Subcommittee
To hold oversight hearings to review the energy needs of rural communities.
324 Russell Building

Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1983 for certain programs which fall within the jurisdiction of the subcommittee.
1224 Dirksen Building

Commerce, Science, and Transportation
Merchant Marine Subcommittee
To hold hearings on S. 2414, extending Federal Maritime Commission jurisdiction to intermodal shipments of cargo to and from the United States transported through Canadian ports, and requiring the filing of tariffs for such shipments.
235 Russell Building

Governmental Affairs
Oversight of Government Management Subcommittee
To hold oversight hearings on social security disability terminations, focusing on the Social Security Administration's decision to accelerate the required review of disability eligibility, the continuing deficiencies in the system, and the resulting impact on claimants.
1318 Dirksen Building

Rules and Administration
To resume hearings on a proposed resolution of regulations and/or rules changes needed to implement television and/or radio coverage of the Senate.
301 Russell Building

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
3110 Dirksen Building

*Environment and Public Works
To hold hearings to examine chemical and meteorological effects of acid deposition.
4200 Dirksen Building

MAY 26

9:00 a.m.
Governmental Affairs
To hold hearings on S. 1562, establishing a national policy to promote and consolidate Arctic research programs.
3302 Dirksen Building

9:30 a.m.
Agriculture, Nutrition, and Forestry
Rural Development, Oversight, and Investigations Subcommittee
To continue oversight hearings on the energy needs of rural communities.
324 Russell Building

Judiciary
Juvenile Justice Subcommittee
To hold hearings on the alleged abuse of juveniles in certain State-operated facilities.
5110 Dirksen Building

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
3110 Dirksen Building

Environment and Public Works
Toxic Substances and Environmental Oversight Subcommittee
To resume hearings on S. 1886, revising regulatory procedures relating to safe drinking water requirements, and S. 2131, authorizing funds through fiscal year 1986 for the safe drinking water program.
4200 Dirksen Building

Governmental Affairs
Permanent Subcommittee on Investigations
To hold hearings on certain alleged mismanagement practices within the Department of Energy.
3302 Dirksen Building

10:30 a.m.
Select on Intelligence
To hold closed hearings on intelligence matters.
S-407, Capitol

2:00 p.m.
Select on Committee to Study Law Enforcement Undercover Activities of Components of The Department of Justice
To hold an organizational business meeting.
Room to be announced.

MAY 27

9:30 a.m.
Appropriations
State, Justice, Commerce, the Judiciary and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1983 for contributions to international organizations of the Department of State, and the Securites and Exchange Commission.
S-146, Captiol

Judiciary
Juvenile Justice Subcommittee
To continue hearings on the alleged abuse of juveniles in certain state operated facilities.
2228 Dirksen Building

10:00 a.m.
Energy and Natural Resources
Public Lands and Reserved Water Subcommittee
To hold hearings on S. 1964 and S. 1965, bills designating certain wilderness areas in the Mark Twain National Forest in Missouri as components of the National Wilderness Preservation System, S. 2021, providing for the disposal and acquisiton of certain Federal lands in New Mexico, and S. 2405, providing for certain lands in New Mexico to be included in the Cibola National Forest System and into the existing Sandia Wilderness.
3110 Dirksen Building

*Environment and Public Works
To resume hearings to examine chemical and meteorological effects of acid deposition.
4200 Dirksen Building

Governmental Affairs
Permanent Subcommittee on Investigations
To continue hearings on certain alleged mismanagement practices within the Department of Energy.
3302 Dirksen Building

10:30 a.m.
Select on Intelligence
To hold hearings on the nomination of John N. McMahon, of Maryland, to be Deputy Director of Central Intelligence.
5110 Dirksen Building

JUNE 8

9:30 a.m.
Banking, Housing, and Urban Affairs
Securities Subcommittee
To resume hearings on S. 1869, S. 1870, S. 1871, and S. 1977, bills revising or repealing certain provisions of the Public Utility Holding Company Act of 1935.
5302 Dirksen Building

*Energy and Natural Resources
To resume hearings on S. 1844, to facilitate the development of interstate coal pipeline distribution systems by granting the Federal power of eminent domain to those interstate pipelines which are determined to be in the national interest.
3110 Dirksen Building

JUNE 9

9:30 a.m.
Select on Indian Affairs
To hold hearings on law enforcement problems on Indian reservations including the authority and effectiveness of the Bureau of Indian Affairs police, tribal police, and the Federal Bureau of Investigation, and the quality of U.S. prosecution of criminal offenses.
6226 Dirksen Building

JUNE 10

9:30 a.m.
Banking, Housing, and Urban Affairs
Securities Subcommittee
To resume hearings on S. 1869, S. 1870, S. 1871, and S. 1977, bills revising or repealing certain provisions of the Public Utility Holding Company Act of 1935.
5302 Dirksen Building

Labor and Human Resources
Labor Subcommittee
To hold oversight hearings on the implementation of the Employee Retirement Income Security program (ERISA).
4232 Dirksen Building

JUNE 14

9:00 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To hold hearings on S. 2469, providing for improved international telecommunications.
235 Russell Building

JUNE 15

9:00 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To continue hearings on S. 2469, providing for improved international telecommunications.
235 Russell Building

10:00 a.m.
Select on Indian Affairs
To hold hearings on proposed authorizations for the tribally controlled community college program.
6226 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1983 for the Agency for International Development, focusing on the trade and development program, international disaster assistance, and American schools and hospitals abroad program.
S-146, Capitol

JUNE 16

9:30 a.m.
Commerce, Science, and Transportation
Merchant Marine Subcommittee
To hold oversight hearings on Federal Government cargo preference.
235 Russell Building

10:00 a.m.
Environment and Public Works
Environmental Pollution Subcommittee
To hold oversight hearings on the implementation of the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (Super Fund).
4200 Dirksen Building

JUNE 17

9:00 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To resume hearing on S. 2469, providing for improved international telecommunications.
235 Dirksen Building

Select on Indian Affairs
To hold hearings on S. 1735, providing for the use and distribution of funds awarded the Pembina Chippewa Indians in specified dockets of the U.S. Court of Claims.
5110 Dirksen Building

JUNE 23

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold oversight hearings on the implementation of the National Materials and Minerals Policy Act of 1980 (Public Law 96-479).
235 Russell Building

10:00 a.m.
Select on Indian Affairs
To hold oversight hearings on indirect cost and contract provisions of the Indian Self-Determination and Education Assistance Act (Public Law 93-638).
6226 Dirksen Building

SEPTEMBER 21

10:30 a.m.
Veterans Affairs
To hold hearings to receive American Legion legislative recommendations for fiscal year 1983.
318 Russell Building

CANCELLATIONS

MAY 18

10:00 a.m.
Environment and Public Works
Business meeting, to consider pending calendar business.
4200 Dirksen Building

MAY 20

9:30 a.m.
Governmental Affairs
Federal Expenditures, Research and Rules Subcommittee
To hold hearings on S. 1782, eliminating percentage retention on Federal Government construction contracts, and S. 1882, improving the effectiveness and fairness of the Federal Government's contractor suspension and debarment programs.
3302 Dirksen Building

MAY 25

9:30 a.m.
Energy and Natural Resources
Energy Regulation Subcommittee
To resume hearings on S. 1626, removing the requirement for Federal regulation to allow the competitive market system to establish petroleum pipeline transportation rates while maintaining safeguards to protect the industry and consumers against unlawful discrimination.
3110 Dirksen Building

SENATE—*Tuesday, May 18, 1982*

(Legislative day of Tuesday, May 11, 1982)

The Senate met at 8:30 a.m., on the expiration of the recess, and was called to order by the President pro tempore (Mr. THURMOND).

PRAYER

The Chaplain, the Reverend Richard C. Halverson, LL.D., D.D., offered the following prayer:

Our Father in Heaven, the responsibility required of the Senators at this critical time in national affairs is beyond human ability and endurance. The magnitude of national debt and deficit overwhelms reason, turning discussions about billions upon billions and trillions of dollars into meaningless rhetoric, exceeding comprehension.

It has been said, "Man's extremity equals God's opportunity," but there must be the admission of extremity. Deliver the Congress from the presumption that it now can accomplish what a generation of leadership has been unable to do. Father, the finest minds are represented in this body. May humility be a part of their genius and may they acknowledge their need for the wisdom of Solomon which comes from above, to resolve the cosmic dilemma they confront.

And gracious Father, grant to the leadership of the Senate special wisdom and strength to navigate this House through the stormy gale and heavy seas upon which the ship of state is cast. Help them, Lord, to really believe Thee, really trust Thee, really yield to Thy righteous will. In the name of Him who rebuked the wind and the waves and they obeyed. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The acting majority leader is recognized.

THE JOURNAL

Mr. STEVENS. Mr. President, I ask unanimous consent that the Journal of the proceedings of the Senate be approved to date.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR ROUTINE MORNING BUSINESS

Mr. STEVENS. Mr. President, I ask unanimous consent that following recognition of the two leaders under the standing order and the special order for Senator BRADY, There be a period for the transaction of routine morning business not to extend beyond 9 a.m. in length, with Senators being permitted to make speeches therein for not to exceed 5 minutes each.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. STEVENS. Mr. President, I ask unanimous consent that Senator BRADY's comments be printed in the RECORD at this point.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, following the use of the minority leader's time, I yield the remainder of the majority leader's time to Senator BRADY.

(The following proceedings are printed at this point in the RECORD by unanimous consent:)

RECOGNITION OF SENATOR BRADY

The PRESIDING OFFICER (Mr. PRESSLER). The Senator from New Jersey is recognized.

THE GREATER DANGER

Mr. BRADY. Mr. President, I stand here today as a man with no past and a short future in the U.S. Senate. The interim role given me by the Governor of New Jersey which finds me briefly in the distinguished company of celebrated men and women, is at once a limiting and a liberating experience.

It is limiting because I will scarcely have time to learn and practice the Senate's rules and procedures before I leave office after the elections 6 months hence.

It is liberating for precisely the same reason. There is no time to learn the art of compromise, no occasion to employ the conventions of parliamentary maneuver and no need to hedge bets for a stake in future legislative alliances.

When I came to Washington 3 weeks ago, I left an economy in real distress with a populace in confusion. I left a country of people, big and small, who looked to the leaders in this city, and most particularly in this great Chamber, to reassure them as they become fearful about their jobs, their homes, and their future. They needed to hear that politics would be cast aside and that reason and strength would dictate a safe course home.

This Senate simply must face the fact that its actions in the next several days with regard to the budget, and particularly the budget deficit, will mean the difference between deepening recession and prosperity. This body deals decisively with awesome, mind-bending issues such as nuclear weapons, international treaties, and social dilemmas. For heaven's sake, let us not take leave of our senses and stumble when it comes to a simple matter of arithmetic.

I know it is far from a safe assumption that the world is waiting breathlessly to hear what the newest and lamest duck in Washington has to say about anything, but let me continue.

There is a true story which helps illustrate the situation we are in today.

In 1869, Maj. John Wesley Powell led the first expedition down the Colorado River. Major Powell's diary entry for August 28, 1869, reads as follows:

> We come to a place which seems worse than any yet: to run it would be sure destruction. After supper, Captain Howland asked to talk with me. He, his Brother, and William Dunn have determined to go no farther. All night, I pace up and down. Is it wise to go on? At last daylight comes: Breakfast is solemn as a funeral. Two rifles and a shotgun are given to the men who are going out. I asked them to help themselves to rations. They refused, but Billy the cook had a pan of biscuits for dinner and these he leaves on a rock. Some tears are shed: each party thinks the other is taking the dangerous course. The three men watch us off. We are scarcely a minute in running the rapids. We have passed many places that were worse.

Mr. President, there is a plaque now on the wall of the Grand Canyon, at Separation Rapids, which says:

> Here on August 28, 1869, Seneca Howland, O.G. Howland, and William H. Dunn separated from the original Powell party, climbed to the North Rim, and were killed by the Indians.

The next day. August 29, Major Powell and his crew rowed safely out of the canyon into quiet waters.

Shooting the treacherous rapids, or scaling the canyon wall, a choice, it was thought, between danger and safety. Yet the greater danger lurked in wait for those who embraced the delusion of safety.

I believe that this story tells us something about danger, real and perceived. I also believe that it suggests to us that the safest course is to tackle our problems head on, and to struggle through to safety.

For about a year and half, we have been trying to shoot the rapids. The President and the Congress have struggled to bring down inflation, to

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● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

lessen the crippling effects of high taxation, and to encourage business to expand and create new jobs. We have succeeded in overcoming some of these rapids. Inflation is now down to acceptable levels. The growth in Federal spending which fueled that inflation and gobbled up available capital has been slowed. We have started sending the right signals to the financial community. The American people still believe that we are on the right course. They want us to keep pressing through. But there are some more rapids ahead.

Interest rates, though down substantially from where they were, are still choking the life out of our economy. The unused capacity of our human resources—10 million people out of work—is both a human and an economic tragedy.

The Federal budget deficit for the next fiscal year looms at more than $100 billion, perhaps $200 billion, in yet another extension of the sad tradition of deficits.

And the dangerous undertow racing beneath it all is an imperiled system of entitlement programs. These programs deliver essential services to millions of Americans and are central to our society but it is clear that they must be pruned and refined.

We have come now to a critical pass in the economic course the people chose in 1980 and this Congress charted in 1981. Interest rates remain at a level that is both economically and politically disastrous. They remain in the 18-percent range despite the progress we have made against inflation, despite the recession, despite the $40 billion dent made last year in Government spending growth, and despite the tax cuts designed to create a deeper reservoir of savings and investment capital.

They remain high because the managers of the private economy—millions of them from Wall Street to Main Street to your street—know that unless the Federal Government makes some hard and unpleasant choices soon, the Federal deficit will not hold at even $100 billion this year. It will climb to nearly $200 billion. Those choices, my colleagues, have to be made by us. And they have to be made today.

The deficit is not just a concept. It is not a paper transaction. It is real and has disastrous human consequences. First it means that the Federal Government eats up half of the roughly $400 billion available capital. It creates a mad scramble for the capital left over—among businessmen who want to expand, among average working people who want to buy a home, or a car, among students desperate to finance their education. That scramble keeps the cost of money for everyone at astronomical levels.

And do not let anyone confuse you by comparing the budget deficit on a historical basis to the gross national product. It is hogwash. You do not fund the deficit out of the GNP; you fund it out of savings.

The rate of private saving in this country, by both individuals and businesses, lags far behind those of Japan, West Germany, and many other industrial nations. The tax cuts enacted last year were specifically designed to encourage a greater rate of private savings in the United States, and when fully in effect, they will.

But for the moment, and for the prospective future, America's money markets are severely strapped for cash. And interest rates simply cannot come down very far under those conditions.

Currently, it is again convenient to make the steady monetary policy of the Federal Reserve Board the villain. A wink at the past and an upward tweak in the growth of the money supply, which the Fed controls, would remedy a multitude of ills, it is claimed.

But this is a false claim. The Fed is not the villain. It is serving a proper and constructive role by returning to "steady as she goes" policies and a straight course.

The money markets know this has not always been the case. Often in the past, especially as elections approached, an ostensibly apolitical Fed has been pressed into political service and pressured to expand the money supply at a far greater rate than economic conditions warranted.

In the context of this experience, the markets have a well-reasoned fear that history will repeat itself, that the Fed will suddenly take off the brake and floorboard the accelerator, reheating inflation and cheapening the value of their investment dollars. Sadly, it has happened before.

We speak in business of the "hurdle rate," the level of return on investment which can reasonably be predicted as a profitable one. Around American industry, the most commonly used hurdle rate is 15 percent. If a new plant cannot earn 15 percent, it is not authorized * * * no construction, no new jobs.

With a 15-percent cost of money, an even greater level of profitability must be reasonaby forecast before an investment in business expansion will be approved. Not many ventures can meet that test. As a result, not much expansion is planned, and not much economic growth is achieved. Interest rates are the villain. And the huge budget deficits are their sure cause.

Unless the Government acts strongly, consistently, and fairly quickly to reassure the private economy that it will not be overwhelmed by public borrowing and it will not be surprised by radical changes in monetary policy, then interest rates and "hurdle rates" will remain higher than the businessman, the consumer, and the officeholder can afford.

Thus congressional action must begin with a legislated commitment to change the size, the slope, and character of projected Federal budget deficits.

Holding the size of the 1983 deficit to $80 billion or less, rather than allowing it to balloon near $200 billion, will be the first strong and positive step the private economy is looking for.

Putting future deficits on a definite downward slope, and staying on that slope until a balanced budget can over time be achieved, will be the second major step.

And equally important will be the character of the sacrifices we make to achieve our budgetary goals.

There is not enough money in our "discretionary" domestic budget to achieve all the savings these goals demand—at least not without tearing some of our great social programs to shreds.

The Defense Department must come to the party. And the reductions in the 1983 defense authorization bill passed at 5:30 a.m. last Friday is a start on that process. For all our legitimate need to rebuild America's defenses, there are clearly more dollars to be saved at the Pentagon without loss of security, if we have the will to look for them.

And, political heresy though it may be, we have no alternative but to reach into the so-called uncontrollable entitlement programs and bring them under control.

We have no alternative if we hope to lower our budget deficits sufficiently, and we have no alternative if we hope to assure the survival of the programs themselves.

Our choice here is simple. We can continue granting benefits in the usual way, without regard for cost, and bankrupt the system in 3 years. Or we can count the costs, adjust the benefits, and make the programs secure for the future.

Simple as the choice may be to me, it is agony itself for many of you who were national leaders before I came here and will be national leaders long after I am gone.

You see nothing but merit in the case, and nothing but peril in the act, of entitlement reform.

A social security cost-of-living increase reduced from 7 percent to, say, 5 percent is considered political suicide—even if it would help restore the solvency of the system.

Yet, as a Senator who has not faced the voters and does not face the test of reelection, I see an illusion here like the one at Separation Rapids. I see Members of Congress trying to escape one danger only to fall prey to a much greater one—not merely an economic danger but a political one.

As one who is more private citizen than public servant, I feel obliged to remind my colleagues that Americans are smart people. They balance their checkbooks every month.

Ask them to trade in a few dollars in benefits and get in return the solvency of the social security program, the lowering of interest rates, and the recovery of jobs in a stronger economy, and they will make the trade and make it fast.

Make it clear that their sacrifice is in equal measure to that required of others, and they will rally behind you.

But keep things as they are—incredible deficits, unhurdled interest rates, and an economy that closes the door on 10 million workers—only to make the curious boast that you refused to reform entitlements, and the American people will give you their answer at the polls and you are not going to like it.

As we begin consideration of the budget resolution today, I have no illusion that my colleagues will consider at great length what their most junior colleague has said this morning.

I am a citizen honored to address you from this unique position. I bid you listen again to the words of Maj. John Wesley Powell, who spoke as I believe your countrymen would in this hour of decision:

> We are scarcely a minute in running the rapids . . . we have passed many places that were worse.

Mr. STEVENS. Mr. President, on behalf of the leadership I extend my regrets to my good friend from New Jersey that the hour is so early but, because of the timeframe of operating the Senate, it was necessary to convene early today. I think that every Member of the Senate would benefit from listening to Senator Brady or at the very least from reading the comments he has just made.

I am sorry that he will not be with this body. He is to be commended by every Member of the Senate for his willingness to take on the task of representing his State for a short period of time.

His wisdom is fully demonstrated by the comments he has just made, and I doubt there are many who will disagree with what he has said.

I do hope that he will be heard often here in the Chamber during his service in the Senate.

I thank my friend for the fine statement here this morning.

Mr. President, I ask unanimous consent that statements concerning the remarks made by Senator Brady be printed in the Record at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. Mr. President, it is indeed a pleasure to have the new Senator from New Jersey as a Member of this body. He is a man whose reputation has gone before him for character, integrity, and courage. He is a man of capacity and we would do well to have more like him in this body.

I congratulate him for the remarks he has just delivered on this occasion. I hope every Member of this body will see fit to read those remarks.

I wish to say again to him that we are indeed pleased to have him and wish he could stay here longer.

Mr. GORTON. Mr. President, I join with my two leaders in congratulating the Senator from New Jersey on his maiden speech in this body. He has spoken to the most important of all of the issues which we will face this year and he has spoken with cogency and with sure purpose, not only on the necessity for brave and decisive actions to reduce budget deficits, but also in my view of the political consequences as well as the economic consequences of failing to do so.

Having made that statement I wonder if the Senator from New Jersey would answer one additional question for me on this subject.

Mr. BRADY. Certainly.

Mr. GORTON. I gather by implication from the address which the Senator from New Jersey made that he feels it vitally important in order to reduce the budget deficit projected for 1983 and within the foreseeable future, to balance the budget, to control the growth of entitlement programs and discretionary programs and of the budget for national defense. If he will I should like for him to make one or two remarks on whether or not he regards with indifference whether we balance the budget by reducing the growth rate of spending or increasing taxation. From his point of view in the private economy, will we have the same effect on the economy should we balance the budget simply by increasing taxes as opposed to reducing the growth rate of spending, or is there a real economic difference depending upon the approach which we take to this vital task?

Mr. BRADY. I think there is a real economic difference in balancing the budget by increasing taxes as opposed to reducing spending. I think the American people, the financial community, and almost everyone who considers the deficit problem feel that in the long run the problem that has to be cured is one of spending, mandated, uncontrollable spending. So that when I refer in my remarks to the character of the deficit, I refer to that point exactly. We might be able to paper over the 1983 deficit by ignoring mandated, uncontrolled, escalating expenses, but I say to the Senate that the people who watch what is being done in this Chamber and in the House of Representatives have monitoring devices. They are smart people who are watching exactly what is going on and they are very clear about what the future import of those actions are.

So papering over the deficit or balancing the budget by raising taxes makes it very clear to them that we are not willing to face the major problem that is before us. There are programs that are essential, central to this country and important. No one is going to destroy them, everyone wants to keep them, people want to save them, but they have to be trimmed and pruned. If we balance the budget simply by raising taxes and ignoring this problem the American people know fully well it is going to come back next year and we are not going to get the drop in interest rates that we would by doing it by facing these problems head on.

Mr. GORTON. I thank the Senator from New Jersey.

Mr. MATTINGLY. Mr. President, I congratulate the Senator from New Jersey for his outstanding speech. I think he joins with 18 other freshmen Senators and I wish to cite that he is now one of us and cite him for not only his bravery but also his understanding of the private sector and also this Government sector and what can make it be controlled.

And for Senator Brady I wish to say one other comment: Some of those may refer to him as a benchwarmer, that he is here just for a small interim period to fill in until there is an election this year, until January 1983 when a new Senator will fill that slot. But I wish to think of it differently. I wish to think that he has the most valuable tool in his hand, and I think with his perception of the private sector he can be of valuable assistance between now and next year when someone else will come here with the tool of his vote because here in this body there are only 100 votes. Many decisions are changed or have an impact by only one vote. I think that as far as those who may have referred to him as a benchwarmer I will not. He is a full-fledged Senator. His vote has an impact on the remainder of the votes in this body, and I think that it, Senator Brady's vote, could be a determining factor as we fight for the soul of this Republic this year and could be the turning point.

Mr. SYMMS. Mr. President, I wish to join my colleagues in their compliments to our newest Member from New Jersey, Senator Brady, and I especially wish to emphasize the point that I think he gives us a certain perspective in his remarks aimed at the budget because from his background, as many Senators you know, he has more expertise in this budget and this type of process than many of us have.

I think he also brings a fresh perspective on what the American people perceive. I quite agree with the Senator that the American people are often underrated by the politicians in Washington in what their level of intelligence is and I think he put this very eloquently when he makes the point if they were trading a slight reduction in increased benefits over the future years for solvency and fiscal responsibility for a future that can be insured by a social security system and by a Government that will have stability to the dollar and stability to the economy and restored employment, that it is a trade that they would very well be happy to make. I hope that the Senator from New Jersey will not refrain from saying that again and often in the Chamber to remind those of us who are elected here and will be probably running again to remember that sometimes the perspective of someone who is not running is much clearer and more concise as to what people think than some of us who become clouded of what we think the voters want to have us do.

I really compliment him for what I consider to be a very precise analysis of this budget and budget process and also for his speaking as a citizen who is a public servant now by request of his State.

I welcome him to this group. I think that he does have a lot to contribute to us and I hope he will be very outspoken during this budget process today because his remarks will be welcome and respected by our colleagues. So I hope he will say that over and over again because I still think that it is critical that this Senate send a message to the financial market and to the American people that we are not afraid to make the hard votes that have to be made to give solvency to the social security retirement system and votes that will give solvency to the Federal budget.

I wish to join in welcoming Senator Brady here and wish him every success in his time here and in his future after he leaves this Senate.

I yield back my time.

Mr. MURKOWSKI. Mr. President, I would like to thank the majority whip.

I, too, would like to join with my colleagues in congratulating Senator Brady from New Jersey. The Senator's reference in his address to the fact that the American people balance their checkbooks is one that deserves a little reflection on the part of all of us here in Government because the American people obviously are asking a question: Why is not our Government also balancing its checkbook?

I join with my colleagues, Senator Brady, again in urging you during the time that you are with us to make felt your continued commitment to sound fiscal responsibility, and I think with your background and your association, your dedication to this cause . you, along with others, can turn this thing around.

I want to commend you highly for the tremendous contribution you made here this morning.

I thank the Chair.

Mr. QUAYLE. Mr. President, I would like to express my sincere gratitude to Senator Brady for a very thoughtful and serious speech he has given to the Senate. It is one I know he has worked on.

He speaks with a great deal of honesty, a great deal of intellectual background, and though he may have an illusion on whether it will be felt or understood to have an impact on the debate in the Senate, I can assure the Senator from New Jersey that it will.

It will because of the Senator's background, because of the work he put into it, and basically because of the message. The message was very simple: The message was that we will be scrambling this week to preserve everything for every particular group that, in the long run, if there is not some sacrifice on the part of all, we are not going to see the economy recover, we are not going to see a rejuvenation of the private sector, of the productivity for which we are all striving. Furthermore, interest rates will not come down to a level that will induce economic growth but will stay at an intolerably high rate. I believe that message is very simple.

I also thought his political message was quite simple and direct. Although we may confess we are doing this for the people, ultimately the people are going to like what the results will be, and I believe those words will be taken to heart, and I believe as they are taken to heart they will reflect in a constructive, positive way a resolution of this budget that will do something of a serious nature with respect to interest rates, will halt the decline in economic productivity which we have witnessed far too long.

Again I thank the Senator for his contribution. It has been immense, and its impact will be felt.

Mr. PACKWOOD. Mr. President, it is easy, I suppose, for us who remain here to say, "Senator Brady, well, it is easy for him to say that. He does not have to run for reelection."

Yet for those of us who have been privileged to sit in private meetings with him and listen to the things he says, we are well aware he would not say anything different if he happened to be the candidate running for reelection in the State of New Jersey this year.

Every now and then you come into the presence of somebody who has extraordinary leadership, and it is clear very quickly that that person has extraordinary leadership.

Senator Brady has that leadership, and the Senate is going to be privileged to share his leadership for the few remaining months of his term.

It would be my hope that, as we have had a chance to taste of his leadership, he might have had a sufficient chance by the time his term ends to have tasted of some of the joys, certainly some of the sorrows, of politics and would continue to give to this country in a variety of ways leadership in politics that he has given for the better part of his life in business.

His speech this morning was simply an example of his thought and his clarity of speech, and I for one hope we can count on his advice and the privilege of his presence and his leadership long beyond the end of this year.

Mr. BAKER. Mr. President, I will not take long. I wish to take this opportunity, however, to do two things: First, to express my regrets to Senator Brady. I was not present on the floor when he made his talk. I was on my way to the Chamber and, as all of us have experienced more than once in our careers, I was stopped by a group of constituents, and we discussed at some length the question of interest rates, the budget, and the building starts, or the lack of it. I feel Senator Brady will surely understand, as I could feel their concern and, indeed, their anguish that came through their statements, the distress and difficulties they had in the building industry and related industries. But it did cause me to miss Nick Brady's maiden speech on the floor, and I regret that.

I had talked to him last week about that speech, and he had indicated to me that he planned to do it today. I fully intended to be here to join with my other colleagues on that momentous occasion:

I recall so clearly the first speech I made on the floor. I recall I waited, I thought patiently, for at least 2 weeks before I spoke, obedient to the decree that new Senators should be seen and not heard, and 2 weeks seemed like a long time to me. But after I made that speech I became a veritable fountain of speeches. That has continued for 15 years.

While it may be that it is a result of the decision made in advance by Mr. Brady that he will not be here for 15 years, I can commend to him the practice of speaking, and speaking freely, on those subjects of particular interest to him, and even though they may be subjects that may float before his eyes and vision and command his temporary attention.

Senator Brady is an important contribution to the Senate. He brings valuable experience and insights, and we are proud to have him and we are happy to have this fine ritual of senatorial initiation.

Mr. BRADY. Mr. President, I thank my colleagues for the opportunity to address them this morning, and also for the very, very generous remarks they have made.

THE COLOSSUS

Mr. BAKER. Mr. President, this week's poem, "The Colossus," by Sylvia Plath, is 1 day late, but is nonetheless as meaningful as ever. I ask unanimous consent that it be printed in the Record.

There being no objection, the poem was ordered to be printed in the Record, as follows:

The Colossus

I shall never get you put together entirely,
Pieced, glued, and properly jointed.
Mule-bray, pig-grunt and bawdy cackles
Proceed from your great lips,
It's worse than a barnyard.

Perhaps you consider yourself an oracle,
Mouthpiece of the dead, or of some god or other,
Thirty years now I have labored
To dredge the silt from your throat.
I am none the wiser.

Scaling little ladders with gluepots and pails of lysol
I crawl like an ant in mourning
Over the weedy acres of your brow
To mend the immense skull plates and clear
The bald, white tumuli of your eyes.

A blue sky out of the Oresteia
Arches above us, O father, all by yourself
You are pithy and historical as the Roman Forum.
I open my lunch on a hill of black cypress.
Your fluted bones and acanthine hair are littered

In their old anarchy to the horizon-line.
It would take more than a lightning-stroke
To create such a ruin.
Nights, I squat in the cornucopia
Of your left ear, out of the wind,

Counting the red stars and those of plum-color,
The sun rises under the pillar of your tongue.
My hours are married to shadow.
No longer do I listen for the scrape of a keel
On the blank stones of the landing.

RECOGNITION OF THE ACTING MINORITY LEADER

The PRESIDENT pro tempore. The acting minority leader is recognized.

ENERGY CONSEQUENCES OF U.S.S.R. NUCLEAR ATTACK ON UNITED STATES

Mr. PROXMIRE. Mr. President, the effect of a Soviet nuclear attack designed to destroy this country's economic capacity has been analyzed by the CATO policy analysis team of Katz and Osdoby. Today I will briefly discuss the effect of such an attack on this country's energy sources and how the consequences would affect our economic survival.

In the Katz-Osdoby study the experts found this consequence:

> The availability of energy is a critical element in national survival and economic power. The United States depends on fossil fuels for about 93 percent of its energy needs, with petroleum accounting for the largest share—49 percent. In the two largest attacks hypothesized in "Life After Nuclear War," 98 percent of the petroleum refining capacity in the country would be destroyed. Surviving capacity would be inadequate to meet even farm fuel needs. Less refinery capacity—but still well over 50 percent—would be destroyed in attacks but damage and disruptions to pipeline, port facilities, rolling stock, and other associated facilities would reduce the effectiveness of the surviving capacity.
>
> Adequate foreign petroleum supplies may not be available, depending on the post-attack international situation, the availability of tanker capacity, the willingness or ability of the OPEC nations to maintain or increase production, and the willingness of oil-producing nations to provide petroleum to a country without the economic capacity to generate adequate funds for payment. In any case, most imported petroleum arrives in the United States as crude oil and thus U.S. refinery capacity, plus its port and distribution system, is needed to render it usable.
>
> Natural gas is produced primarily in Texas and Louisiana (74%) and also in Oklahoma, Kansas, and New Mexico. These states consume one-third of their own production; the remainder goes mainly to the Midwest, New England, Mid-Atlantic states and California. Most of this gas is shipped by pipelines, many of which could be damaged if targeted in the hypothetical attacks.
>
> Although coal is the most abundant fossil fuel in the United States, substitution of coal for oil will be very limited in the near and mid-term because of existing constraints and those imposed by nuclear war on fuel conversion and coal mining capacity. Coal is mined by electrical and diesel equipment, and it is transported by trucks and trains which will be damaged and short of fuel themselves in the post-attack period.
>
> Power generating stations that survive the attacks would also be affected by fuel shortages. As is the case with refining and transporting fossil fuels, efforts to maintain or expand electrical generating capacity will suffer from reduced maintenance capability and lack of equipment and replacement parts. In fact, the loss of skilled personnel is a potentially more significant threat to power plan operation that any physical losses.
>
> Both household and industrial fuel consumption will decrease as a result of losses in manufacturing capacity, population, and housing. It is not possible to predict precisely whether surviving fuel and power resources will match demand, though under the assumed attacks, refining capacity losses exceed losses in industrial capacity. Nor can we know in advance precisely what sort of price system would exist—whether prices would be controlled by government—or even the extent to which barter would replace monetary transactions. It does seem clear that maldistribution of surviving fuel stocks and transportation system damage will create local shortages and hamper immediate relief efforts.
>
> And what about recovery? Postwar experience in Europe and Japan indicates that to replace and rebuild the fuel processing and distribution systems, as well as electrical generating and transmission facilities, will be time-consuming. Even if domestic or imported fuel is available in adequate quantities—an uncertain assumption—the capacity to convert it efficiently to its end use is likely to be inadequate for several years, thereby retarding economic recovery from the post-attack base. The American economy depends on large quantities of electrical power and fossil-fueled transportation systems; combined with the vulnerability of petroleum refining facilities and significant dependence on foreign petroleum, this suggests that the magnitude of the difficulty of meeting energy needs may be one of the most critical determinants of the nation's long-term ability to recover economically from urban-oriented nuclear attacks.
>
> Pursuing full economy recovery will place enormous demands on the damaged energy system, even if stringest rationing were imposed on individual consumption. It remains doubtful whether the badly damaged economy with its output greatly curtailed would be able to generate the enormous sums of capital and other resources required to refurbish the national energy system and to purchase foreign petroleum (assuming it is available). After a limited nuclear attack, people's time preferences would increase dramatically, and savings and investment would nearly grind to a halt, even if the institutions to channel savings into rebuilding productive capacity should happen to survive. It is not a far-fetched prospect that the victim of an urban-oriented thermonuclear attack would find itself in the position analogous to many of today's least developed countries—in a vicious circle where essential consumption prevents accumulation of the surplus resources required to expand productivity and output.

ONE MAN'S FIGHT AGAINST GENOCIDE

Mr. PROXMIRE. Mr. President, a recent New York Times article tells the stirring story of how Gregory Stanton, a 35-year-old student at the Yale Law School, is attempting to chronicle the tragic killing of over 1 million Cambodians by the Pol Pot regime.

Mr. Stanton first became personally aware of the Cambodian slaughter while conducting relief work in Cambodia in 1980. He met a teenage boy who told him how two other teenagers, members of the Pol Pot forces, had forced him to watch as they killed his parents.

This story, and others detailing the many brutal murders committed by the Pol Pot government, deeply affected Mr. Stanton. They spurred him to organize the Cambodian genocide project, a project which is set to begin in October and will include photographic surveys of mass graves, microfilming of bodies by a forensic pathologist, and interviews with survivors.

Gregory Stanton hopes the project will make the world remember the multitude of Cambodians who were killed under the Pol Pot regime. Once completed, it will stand as the most comprehensive historical and statistical survey ever put together on this carnage. Mr. Stanton intends the survey to memorialize the murdered Cambodians and contribute valuable insight toward understanding the phenomenon of mass murder.

These aims have one purpose: To prevent the killing from recurring. That Mr. Stanton has taken this upon himself should inspire us all to support his efforts. Fighting mass murder is one of the most important tasks to which we can devote our attention. As we observe countries like Cambodia, it becomes obvious that the crime of genocide is not vanishing. It becomes obvious that we must promote safeguards which would prevent outbreaks of large-scale killing.

One such safeguard is the Genocide Convention. By ratifying it, we would make a significant statement condemning mass murder. The Convention was drawn up by the international community in response to the Nazi Holocaust. It defines genocide as an act "committed with intent to destroy, in whole or in part, a national, ethnical, racial, or religious group." And it provides for the punishment of those who commit genocide. As such, the Convention takes a strong stand against almost every form of mass murder.

Mr. President, I ask that this body ratify the Genocide Convention and thereby promote all efforts to eradicate the crime of genocide.

COMMERCE SITTING ON 2-YEAR STUDY OF DEFENSE SPENDING

Mr. PROXMIRE. Mr. President, the Commerce Department "is sitting on a 2-year study of the effects of military spending on industry because of Pentagon objections to the conclusions of the study."

I, as ranking minority member of the Senate Appropriations Committee and vice chairman of the Joint Economic Subcommittee on International Trade, Finance, and Security Economics, said in a statement prepared for the Senate:

> Two years ago, I asked the Commerce Department to analyze the effects of increased military spending on the industrial sector of the economy.
>
> The study, after lengthy delays, was finally completed in December, 1981. It is entitled, "Sectoral Implications of Defense Expenditures."
>
> ### PENTAGON OBJECTS TO FINDING OF POTENTIAL BOTTLENECKS
>
> I am informed that the study identifies no less than 20 defense industries where bottlenecks may occur as a result of the military buildup.
>
> The Pentagon has been so incensed at this finding that it has been lobbying to change it and delay the release.
>
> Defense Secretary Caspar Weinberger intervened personally at a meeting of the Cabinet Council on Economic Affairs and succeeded in delaying publication of the study.
>
> The Commerce Department has apparently given in to Pentagon demands that portions of the study be redone.
>
> I wrote Commerce Secretary Malcolm Baldrige on March 26 criticizing the delay and asking when it would be released to the public.
>
> As of now, I still have not received a reply.
>
> Responsibility for the study presently lies with Robert H. Dederick, Assistant Secretary for Economic Affairs.
>
> Unfortunately, Secretary Dederick has gone along with the Pentagon's stalling tactics. He is either being out-smarted or out-gunned or both.
>
> The suppression of the Commerce study seems designed to prevent Congress and the public from knowing how potentially harmful the rapid military buildup will be to industry and the economy.
>
> For Commerce to take two years to do a study that should have been completed in one year, and to then suppress it because the Pentagon doesn't like the results, is an outrage against Congress and the taxpayer.

RICKOVER SHOWS OMB HOW TO CUT DEFENSE COSTS

Mr. PROXMIRE. Mr. President, yesterday I released a memorandum on defense procurement prepared by Adm. H. G. Rickover for budget director, David Stockman. The memorandum, delivered by the admiral to Stockman in a meeting on April 22, 1981, contains a discussion of the problems of waste and mismanagement in defense contracting and detailed recommendations for saving money.

I said in a statement prepared for the Senate:

> The full extent of Admiral H. G. Rickover's efforts to correct abuses in defense contracting have not been made known before. I hope to correct this gap in the public record by releasing materials from the admiral's files I obtained prior to his retirement.
>
> One of the key items is a memorandum together with backup materials prepared by the admiral for a meeting he held with budget director, David Stockman, to discuss ways to improve the management of government contracting.
>
> Rickover warned Stockman of the danger that the Pentagon would, under the Reagan Administration, become insulated from efforts to trim the bureaucracy. As a result, "large defense contractors will have even easier pickings in the Department than they have had in the past."
>
> ### DEFENSE DEPARTMENT OVERSTAFFED
>
> Stockman was urged to give high priority to streamlining the Defense Department. Rickover pointed out that the Pentagon suffered from "excessive organization layering, overstaffing, transient management, short tours of duty, preoccupation with management systems, cumbersome and lengthy budget review processes, as well as other factors" which combine to result in inefficiency and waste.
>
> ### ELIMINATE OFFICE OF CHIEF OF NAVAL MATERIAL
>
> Rickover recommended eliminating the 900-man Office of the Chief of Naval Material, and reducing the numbers of officials in the Office of the Secretary of Defense and the number of flag officers.
>
> ### OTHER RECOMMENDATIONS
>
> Among Rickover's numerous recommendations for improving efficiency in government contracting, are the following:
>
> OMB should adopt a policy that cost overruns on continuing programs are to be funded by cutbacks in the same programs.
>
> The Pentagon's $2 billion a year program of independent research and development (IR&D) should be abolished or drastically cut back.
>
> A one-year statute of limitations should be established for the submission of claims by contractors against the government.
>
> Any contractor who stops work on a defense contract as a result of a contract dispute should be required to obtain, at his own expense, a performance bond for new contracts.
>
> The Navy should reinstitute nuclear submarine construction in Naval shipyards.
>
> The Pentagon and OMB should set up a system for recovery of excessive profits on defense contracts.
>
> The Office of Federal Procurement Policy (OFPP) should be abolished because it has become "a focal point where outside special interests can readily influence government procurement policy."
>
> The practice of military people changing jobs every two or three years should be stopped.
>
> The full text of the Rickover memorandum may be found in the Joint Economic Committee Hearings, "Economics of Defense Policy Admiral H. G. Rickover," part I. Additional materials from Admiral Rickover's files will be made available in the near future.

ORDER OF BUSINESS

Mr. PROXMIRE. Mr. President, I reserve the remainder of the minority leader's time for his use at a later time, and I yield the floor.

S. 2542—ESTABLISHING A FEDERAL EMERGENCY SUPPLEMENTAL UNEMPLOYMENT COMPENSATION PROGRAM

Mr. ROBERT C. BYRD. Mr. President, I am today introducing legislation to provide an additional 13 weeks of unemployment benefits to jobless workers. Senators Levin, Riegle, Kennedy, Jackson, Sasser, Sarbanes, Moynihan, Pell, Melcher, Heflin, Dixon, Eagleton, Glenn, Randolph, Matsunaga, Metzenbaum, Cannon, Cranston, Hart, Huddleston, and Ford join me as cosponsors.

Our Nation finds itself today in the grip of the most severe and damaging recession we have experienced since the Great Depression. Virtually every day we are confronted with more depressing economic statistics than the day before. Interest rates remain high. Business failures mount, without regard to the size or influence of the business. Giant firms like Braniff International declare bankruptcy at the same time that literally thousands of small firms are driven out of business.

But the single most distressing impact of the recession has been and continues to be on working men and women and their families. A little over a week ago, banner headlines announced a tragic story in virtually every newspaper in the Nation: The Washington Post headline read "Unemployment Worst Since Great Depression." The New York Times headline read "Jobless Rate Rises to 9.4 Percent, a Record in Postwar Years."

These headlines and others like them were shocking by themselves. But the facts and figures contained in the stories beneath them were even more shocking:

Over 10,300,000 people were jobless in April, an increase of 450,000 over the previous month.

A total of 5.8 million people were forced to work less than full-time in April because they could not find full-time jobs.

Not counted in the previous two categories were more than 1.3 million people who have been unable to find work for so long that they have ceased looking.

The April seasonally adjusted unemployment rate was 9.4 percent—the highest since the Department of Labor began keeping monthly records just after World War II, and higher than any annual unemployment rate before that time since 1941.

This was the national picture. For many Americans, the picture was even bleaker than this:

The unemployment rate in the construction industry was 19.4 percent.

The unemployment rate among agricultural workers was 14.6 percent.

In Michigan, 15 percent of the work force was unemployed.

Some cities and towns reported unemployment rates of well over 20 percent.

My own State of West Virginia has an unemployment rate of 11.3 percent.

What happens to a man or woman who has learned a trade or entered a profession, who has worked for a living for years, and whose income from employment often is supporting a family—when suddenly there no longer is work to be done or a paycheck to bring home?

For many Americans, of course, unemployment compensation is available to tide the worker through. Some workers have additional temporary assistance provided by their previous employers or through union assistance funds.

But these sources of assistance very rarely provide enough income so that unemployed workers and their families can continue to enjoy the standard of living that was theirs while they worked.

And these limited sources of assistance quickly begin to dry up. In most States, regular unemployment compensation is limited to a maximum of 26 weeks. In those States that qualify because of having relatively high unemployment, the unemployed can continue receiving benefits for what in most States is an additional 13 weeks under the extended benefits program.

During periods where the economy is healthy, experience has shown that the duration of regular unemployment compensation is sufficient on average to provide help during the time it takes those who have lost their jobs to find other work or return to their original positions. During periods of relatively brief and shallow recession, the extended benefits program provides an additional buffer.

But these two programs are not designed to provide sufficient aid during severe and lengthy recessionary periods. And unquestionably, these two unemployment assistance programs fall far short of meeting the needs during what appears to be the most severe recession this Nation has experienced in 50 years.

What happens when unemployed workers exhaust the full 39-week combination of regular and extended benefits, and still are unable to find work?

First, of course, these families exhaust all of their savings. Then it becomes really brutal. Parents must make anguishing choices: Whether to pay for food for themselves and their children, or meet mortgage or rent payments, realizing they will be evicted from rented homes—or that homes they own will be repossessed—if they do not make their payments. They begin to sell their personal possessions at a loss just to provide a small trickle of additional income, and they forego every expense that is not absolutely essential, including needed medical care.

If the recession persists, and they still cannot find work, these families finally experience true and absolute destitution. They lose their homes, their automobiles, many of their possessions. In some cases they lose their health. And they lose their self-sufficiency, their pride, and their hope.

I fully realize, Mr. President, that this is a very harsh account. This is not, thank God, the fate of every worker who has been laid off during the current recession. But what I have just related is by no means exaggeration. It is precisely the fate of countless thousands of workers and their families.

We in the U.S. Congress have an obligation to do everything in our power to return our economy to stability. We must take those steps that will put our people back to work.

But in the meantime, we cannot—we must not—sit by and allow millions of Americans to exhaust all currently available unemployment compensation when there is no realistic possibility that most of them can find jobs.

During each of the past two most serious recessions, the Congress has established an additional tier—a third tier—of unemployment benefits for those who have exhausted both regular and extended benefits.

In 1971, such a supplemental benefits program was established when there were 5.1 million unemployed persons, and the unemployment rate was 5.5 percent. That recession was much less severe than the current recession, as is clear from the lower unemployment figures, so the supplemental program was operated for less than 1 year.

In 1974, during the next significant economic downturn, the Congress again established a supplemental program when the unemployment rate reached 7.2 percent and 6.6 million persons were out of work. That program lasted for over 3 years.

Mr. President, according to any objective criterion the recession today is far more severe than were either of these previous recessions. Nearly 4 million more people are out of work than at the time when the last supplemental benefits program was set in place in 1974.

It is for this reason—and because I believe that it is imperative to provide some cushion for those whose lives are being wrecked through no fault of their own—that I am today introducing legislation to provide a maximum of 13 additional weeks of unemployment compensation to those who have exhausted benefits for which they are eligible in both the regular and extended benefits programs.

The bill I am introducing, titled the "Federal Emergency Unemployment Compensation Act of 1982," will be available to any State that is eligible to participate in the extended benefits program. Individuals will be eligible to receive the supplemental benefits it will provide if they have exhausted regular and extended benefits but continue to meet all eligibility criteria for the extended benefits program.

According to the most recent available data from the Department of Labor, 31 States would be eligible to participate in the supplemental program if it were to commence today. The Congressional Budget Office projects that as many as five other States may become eligible during the expected duration of the program.

I am profoundly hopeful that we have experienced the worst of the current recession, and that we will soon begin to see signs of recovery—although frankly I do not believe that is the case. Because the conclusion of the recession cannot be seen clearly today, however, the bill I am introducing provides simply that the supplemental program will terminate when the seasonally adjusted national unemployment rate drops to or below 8 percent. The Congressional Budget Office projects that this should occur during the fourth quarter of fiscal year 1983. States with exceptionally high unemployment at that point could continue in the program for a maximum of 6 more months.

The Congressional Budget Office projects that the program, if put in place in June of this year, will cost $337 million for the remainder of the current fiscal year, $627 million in fiscal year 1983, and $111 million in fiscal year 1934.

During this period when reducing the deficit is such a difficult task, proposing any program that will add to current Federal expenditures can only be done with serious concern. But our current budgetary dilemma not only does not remove Government's responsibilities and its obligations to the people of the United States; in fact, in some crucial respects those obligations and responsibilities are heightened by the very recession that has been such a major contributor to our budgetary imbalance. The bill I am introducing today addresses one of these responsibilities.

It is important to emphasize that the tragedies of unemployment are not partisan tragedies. This recession is resulting in layoffs for Republicans, Democrats, and Independents alike. In State after State Republicans, Democrats, and Independents are exhausting all unemployment benefits currently available.

I am hopeful that the Congress, and in particular the Senate, will not view this legislation in a partisan way. I hope that Senators of both parties can join together to speed this bill on its way to enactment at the earliest possible time in order that the assistance it will provide will reach those who need it quickly.

I want it to be understood clearly that I welcome cosponsors from both parties—I urge Senators from both parties to join as cosponsors.

In conclusion, I again wish to stress how important I believe it is that the Congress act rapidly on this measure in order to minimize human suffering and dislocation. I urge my colleagues to support it, and thereby support American workers whose well-being is on the line.

Mr. President, I ask unanimous consent that a list of the States that would be eligible to participate in the supplemental benefits program my bill would establish, were it to be enacted today, and the text of the bill, be printed in the Record at this point.

There being no objection, the list and the bill were ordered to be printed in the Record, as follows:

List of States

States that will be immediately eligible under Robert C. Byrd emergency unemployment compensation legislation (if effective on May 1, 1982):

Alabama, Alaska, Arkansas, California, Delaware, Idaho, Illinois, Indiana, Iowa, Maine, Maryland.

Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nevada, New Jersey, North Carolina, Ohio, Oregon.

Pennsylvania, Rhode Island, South Carolina, Tennessee, Utah, Vermont, Washington, West Virginia, Wisconsin, Puerto Rico, Virgin Islands.

Additional States that Congressional Budget Office projects will become eligible during expected life of the program:

Hawaii, Kentucky, Louisiana, New York, North Dakota, District of Columbia.

S. 2542

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

Section 1. This Act may be cited as the "Federal Emergency Unemployment Compensation Act of 1982".

ESTABLISHMENT OF PROGRAM

Sec. 2. (a) The Secretary of Labor (hereafter in this Act referred to as the "Secretary") shall enter into an agreement with any State which is willing and able to do so for the purpose of providing additional weeks of unemployment compensation for eligible unemployed workers.

(b) An agreement between the Secretary and a State under this section shall provide that—

(1) the State shall pay supplemental unemployment compensation to any eligible worker (as defined in section 3) for any week during such individual's eligibility period (as defined in section 3) in the same manner, subject to the same conditions and requirements, and in the same amount as extended compensation is paid under the Federal-State Extended Unemployment Compensation Act of 1970 and the State law approved under section 3304 of the Internal Revenue Code, except as otherwise provided in this Act;

(2) such payments shall be made from the State unemployment fund; and

(3) the Secretary shall pay to such State, in accordance with section 5, an amount equal to 100 percent of the amount expended by such State for supplemental unemployment compensation under the provisions of this Act.

(c) Any State which has entered into an agreement with the Secretary under this Act may terminate such agreement upon providing 30 days notice to the Secretary.

ELIGIBLE WORKER; OTHER DEFINITIONS

Sec. 3. (a) For purposes of this Act the term "eligible worker" means an individual who—

(1) is unemployed;

(2) was entitled to (or would be entitled to if he applied therefor) unemployment insurance for a week within the benefit period (A) in which such individual's most recent period of unemployment began, or (B) which began (or would have begun) by reason of the filing of a claim for unemployment insurance by such individual after the beginning of such individual's most recent period of unemployment;

(3) has exhausted all rights to any unemployment insurance to which he was entitled (or would be entitled if he applied therefor); and

(4) does not have an unexpired waiting period applicable to him for any such unemployment insurance.

(b)(1) For purposes of this Act, an individual's eligibility period shall consist of the weeks in his benefit year which begin in a supplemental benefit period, and, if his benefit year ends while he is receiving supplemental unemployment compensation under this act, such eligibility shall be extended until such time as such individual exhausted his right to any compensation under this Act, or until the end of such supplemental benefit period, whichever is first.

(2) A supplemental benefit period for any State—

(A) shall begin with the first week during which—

(i) the national seasonally adjusted total unemployment rate (as released by the Bureau of Labor Statistics) for the second month preceding the month in which such week begins is greater than 8 percent; and

(ii) there is an extended benefit period in effect with respect to such State under section 203 of such Act; and

(B) shall end with the beginning of the first week—

(i) following a week during which such State does not meet the requirements of clause (ii) of subparagraph (A); or

(ii) beginning in the second month following a month during which the national seasonally adjusted total unemployment rate (as released by the Bureau of Labor Statistics) is equal to or less than 8 percent.

(3) The supplemental benefit period which would otherwise end by reason of the provisions of paragraph (2)(B)(ii) shall continue on a State-by-State basis for a period consisting of those consecutive weeks thereafter, not to exceed 26 weeks, for which such State has, for the third week preceding such week, a State rate of insured unemployment (as determined under section 203(e) of the Federal-State Extended Unemployment Compensation Act of 1970) which equals or exceeds 5.5 percent.

(4) Upon the expiration of the first supplemental benefit period beginning on or after the date of the enactment of this Act, which ends by reason of the provisions of paragraph (2)(B)(ii), the provisions of this Act shall cease to be in effect except as otherwise provided in paragraph (3).

(c) For purposes of this Act—

(1) the term "unemployment insurance" means the unemployment compensation payable to any individual under any State law or Federal unemployment compensation law, including chapter 85 of title 5, United States Code, the Railroad Unemployment Insurance Act, and the Trade Act of 1974;

(2) the terms "unemployment" and "unemployed" refer to weeks of total, part-total, or partial unemployment as determined under the applicable State or Federal unemployment insurance law;

(3) the term "benefit period" means with respect to an individual—

(A) the benefit year and any ensuing period, as determined under applicable State law, during which the individual is eligible for regular, additional, or extended compensation, or a trade readjustment allowance, or

(B) the equivalent to such a benefit year or ensuing period provided for under the applicable Federal unemployment insurance law; and

(4) the terms "compensation", "regular compensation", "extended compensation", "additional compensation", "benefit year", "base period", "State", "State law", and "week" shall have the same meanings as in the Federal-State Extended Unemployment Compensation Act of 1970.

LIMITATION ON COMPENSATION

Sec. 4. Payment shall not be made under this Act with respect to compensation paid to an individual which exceeds an amount equal to 13 times such individual's most recent weekly benefit amount of compensation paid for a week of total unemployment preceding such individual's most recent exhaustion of unemployment insurance.

PAYMENTS TO STATES

Sec. 5. (a) There shall be paid to each State which has entered into an agreement under this Act an amount equal to 100 percent of the supplemental compensation paid to eligible individuals by the State pursuant to such agreement.

(b) No payment shall be made to any State under this section with respect to compensation to the extent the State is entitled to reimbursement with respect to such compensation under the provisions of any Federal law other than this Act.

(c) Sums payable to any state by reason of such State's having an agreement under this Act shall be payable, either in advance or by way of reimbusement (as may be determined by the Secretary), in such amounts as the Secretary estimates the State will be entitled to receive under this Act for each calendar month, reduced or increased, as the case may be, by any amount by which the Secretary finds that his estimates for any prior calendar month were greater or less than the amounts which should have been paid to the State. Such estimates may be made on the basis of such statistical, sampling, or other method as may be agreed upon by the Secretary and the State involved.

(d) The Secretary shall from time to time certify to the Secretary of the Treasury for payment to each State the sums payable to such State under this Act. The Secretary of the Treasury, prior to audit or settlement by the General Accounting Office, shall make payments to the State in accordance with such certification, by transfers from the funds appropriated pursuant to section 6 to the account of such State in the Unemployment Trust Fund.

AUTHORIZATION OF APPROPRIATIONS

Sec. 6. There are authorized to be appropriated from the general fund of the Treasury, without fiscal year limitation, such sums as may be necessary to carry out the purposes of this Act.

FRAUD AND OVERPAYMENTS

Sec. 7. (a)(1) If an individual knowingly has made, or caused to be made by another, a false statement or representation of a material fact, or knowingly has failed, or caused another to fail, to disclose a material fact, and as a result of such false statement or representation or of such nondisclosure such individual has received an amount of Federal supplemental compensation under this Act to which he was not entitled, such individual—

(A) shall be ineligible for further Federal supplemental compensation under this Act in accordance with the provisions of the applicable State unemployment compensation law relating to fraud in connection with a claim for unemployment compensation; and

(3) shall be subject to prosecution under section 1001 of title 18, United States Code.

(2)(A) In the case of individuals who have received amounts of Federal supplemental compensation under this Act to which they were not entitled, the State is authorized to require such individuals to repay the amounts of such Federal supplemental compensation to the State agency, except that the State agency may waive such repayment if it determines that—

(i) the payment of such Federal supplemental compensation was without fault on the part of any such individual, and

(ii) such repayment would be contrary to equity and good conscience.

(B) The State agency may recover the amount to be repaid, or any part thereof, by deductions from any Federal supplemental compensation payable to such individual under this Act or from any unemployment compensation payable to such individual under any Federal unemployment compensation law administered by the State agency or under any other Federal law administered by the State agency which provides for the payment of any assistance or allowance with respect to any week of unemployment, during the three-year period after the date such individuals received the payment of the Federal supplemental compensation to which they were not entitled, except that no single deduction may exceed 50 percent of the weekly benefit amount from which such deduction is made.

(C) No repayment shall be required, and no deduction shall be made, until a determination has been made, notice thereof and an opportunity for a fair hearing has been given to the individual, and the determination has become final.

(3) Any determination by a State agency under paragraph (1) or (2) shall be subject to review in the same manner and to the same extent as determinations under the State unemployment compensation law, and only in that manner and to that extent.

EFFECTIVE DATE

Sec. 8. This Act shall become effective on the date of its enactment, and shall apply with respect to compensation paid for weeks beginnning after such date.

● Mr. RIEGLE. Mr. President, I rise as original cosponsor of legislation introduced by Senator Byrd to provide for a Federal supplemental unemployment compensation program for States with high unemployment. The adoption of such a program is critical to the well-being of hundreds of thousands of our Nation's workers who already have or soon will exhaust all standard and regular extended benefits for which they are eligible.

The new Federal supplemental benefits would provide for up to 13 additional weeks of unemployment insurance benefits for individuals who have exhausted all standard and regular extended benefits for which they are eligible, and only for so long as they meet all qualifications for the regular extended benefits program.

States would become eligible to participate in the new FSB program when they currently are participating in the regular extended benefits program, and their insured unemployment rate (IUR) exceeds 5 percent. Benefits would be paid fully from Federal general revenue.

The program would terminate nationally in the month following the first month when the national unemployment rate falls to or below 8 percent. However, any State eligible for the program when it terminates nationally could continue to participate in the program so long as it remains eligible in all other respects, until its total unemployment rate falls to or below 8 percent, for a maximum of 6 months.

Mr. President, there is clear precedent for a Federal initiative of this kind to ease the burden of unemployed workers in times of deep recession. The Federal Government instituted a Federal supplemental benefits program in each of the last two most serious national recessions—in 1971, and in 1974. Today's recession has taken a far more devastating toll on our Nation's workers than either of its two predecessors. The national unemployment rate stands at 9.2 percent—a full 2 percentage points higher than the 1974 rate of 7.2 percent when the FSB program was implemented. Today—9,957,000 unemployed persons have been counted by the Department of Labor, representing an increase of 4.5 million unemployed individuals over the 1974 workers who were unemployed. And these figures do not take into account over 1 million additional unemployed who have become so discouraged they have dropped out of the labor force.

Surely, the predicament of our unemployed workers, which is far more serious and dramatic than anything we have seen in the last several decades, merits Federal attention and support. Up until now, America's unemployed workers have had to content themselves with rosy economic forecasts for a recovery that has yet to materialize and rhetoric from various administration officials about the inevitability of high unemployment rates in our present economic climate. I would argue that such rhetoric offers little solace to the unemployed worker, frustrated by futile job search efforts and burdened by financial obligations, who may now be facing the termination of his or her unemployment benefits. This bill, which is being introduced today, offers the unemployed worker in States with high unemployment concrete support in the form of 13 additional weeks of unemployment benefits. Without this support, thousands of unemployed workers will be expected to weather the duration of this recession without financial resources, dependent on a State welfare system which may or may not have resources available to them.

In my own State of Michigan, the so-called recession has looked like a depression to many workers for a long time. Since January 1980, the Michigan unemployment rate has averaged 16.4 percent with the current Michigan unemployment rate standing at 15.5 percent with 654,000 Michigan residents unemployed. In January and February of this year, 33,500 Michigan workers exhausted regular unemployment benefits and 147,100 had exhausted extended benefits. There has been an enormous increase in the demand for welfare and socal services at a time when revenues are decreasing—largely as a result of the severe Michigan unemployment problem. This February, 2,257 new families joined the AFDC rolls in Michigan. Of these, all but 24 were families with parents who had lost their jobs. The State of Michigan simply does not

have the resources to handle the tremendous burdens being placed on its unemployment insurance and social service systems.

High unemployment is a national problem. Our Nation's unemployed workers deserve a national response—a response which speaks to their immediate need for financial support in the face of a deep recession with few prospects for new employment opportunities. The bill introduced today by the distinguished minority leader provides a responsible and immediate response to unemployed workers. We must act now. The quality of life for thousands of our Nation's workers and their families is at stake. I urge my colleagues to join me in support for this vital piece of legislation.●

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER (Mr. Pressler). Under the previous order, there will now be a period for the transaction of routine morning business not to extend beyond 9 a.m. in which Senators may be permitted to speak for not to exceed 5 minutes each.

Mr. STEVENS. Mr. President, I ask unanimous consent that the period for the transaction of routine morning business be extended for 15 minutes.

The PRESIDING OFFICER. Without objection it is so ordered.

EXTENSION OF TIME AGREEMENT FOR CONSIDERATION OF SENATE CONCURRENT RESOLUTION 60

Mr. STEVENS. Mr. President, I ask unanimous consent that the agreement previously entered into with respect to Senate Concurrent Resolution 60 be extended for 15 minutes so that the 3-hour period will still be there and will expire at 12:15 p.m.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

LET US PRAY FOR A LITTLE SKEPTICISM

Mr. THURMOND. Mr. President, growing attention has been given in recent months to comments made by members of the clergy about the security and foreign policies of the United States. Much of this commentary suggests that the United States is somehow responsible for the political tension and unrest that exists in some parts of the world.

Although world peace is something we all desire, I am concerned about the number of statements that reflect a disregard for global realities. I call to the attention of my colleagues a May 13, 1982, column by Mr. George Will in the Washington Post entitled "Let Us Pray for a Little Skepticism." I believe, in particular, that his cautions about the motives of some Communist "peace" activities merit our consideration. I ask unanimous consent that the full text of Mr. Will's commentary be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Let Us Pray for a Little Skepticism

(By George F. Will)

When Vladimir Bukovsky, a Russian dissident, was being sent into exile, a KGB agent noted that the handcuffs on Bukovsky's wrists were made in America. But handcuffs are not America's most embarrassing export.

Billy Graham's sojourn as guest of the masters of the Gulag coincided with the anniversary of the Nazi surrender, so he said (according to The New York Times): "I want to remind you that the United States and the Soviet Union were allies at the time against a common enemy. Now we have another common enemy—the possibility of a nuclear war."

Graham did not remind anyone that the Soviet Union and the Nazis began the war as allies, and their falling-out was not a Soviet idea. But Graham's delicacy is less interesting than his "common enemy" formulation.

Is it his notion that the threat of nuclear war is a mysterious "third force"? Or the result of some odd misunderstanding, some mutual mistake? Whatever, his language suggests a moral symmetry between his country and the Soviet Union. Evidently they are equally innocent victims—but of what? Physics?

The Kremlin is sponsoring the—take a deep breath—World Conference of Religious Workers for Saving the Sacred Gift of Life from Nuclear Catastrophe. The Kremlin's audacious cynicism is wondrous. A "gift"—from whom? Marx? And when did the Kremlin begin speaking of "the sacred"?

This travesty, this exploitation of clergymen's vanities and naiveté, is designed to strengthen the "peace movement"—but only in the West. In East Germany, a new law makes it a crime to wear a button saying "Swords into Plowshares." In Moscow, "Ground Zero Week" lasted the minutes it took the police to pounce on the handful of people who unfurled a banner.

The Washington Post reports that when Graham spoke in two churches, both "were heavily guarded with police sealing off all roads leading to them. Hundreds of KGB security agents . . . were in the congregation." Graham told one congregation that God "gives you the power to be a better worker, a more loyal citizen because in Romans 13 we are told to obey the authorities." How is that for a message from America?

According to The Post, Graham is "a star attraction" at the conference and "is being driven around Moscow in a Chaika limousine while others are shepherded around in a fleet of buses." He has conferred with Georgy Arbatov, the Kremlin's foremost stroker of Americans. Graham calls Arbatov "wonderful."

Graham is America's most famous Christian. Solzhenitsyn is Russia's. The contrast is instructive.

When advocates of a "nuclear freeze" recently showed their movie (the one that says war would be terrible) to some Senate wives, Jane Denton, the wife of the Alabama senator, noted that there would be no showing for the wives of Politburo members. Not to worry, Jane. The Baltimore Sun recently reported on two local "peace" activists:

"When the Rev. Hope Harle-Mould and his wife, the Rev. Linda Harle-Mould, returned nearly a year ago from a trip to the Soviet Union, they were struck by the strength of a 'grass roots' movement there against the nuclear arms race."

The Washington Cathedral (Episcopal) has Gothic architecture but trendy politics. One service last Sunday was a prayerful rally for ERA. And here is Bishop John Walker preaching at the Cathedral last November: "We must know that all we did between 1900 and the independence of Cuba was designed to make Cuba turn away from us. Perhaps if we had the strength and security of who we are, we might say we were wrong. We might reach out a hand of brotherhood and forgiveness to the Cuban people even as we seek their forgiveness of us."

Forgive Walker's mussy language. (Surely he does not mean "designed.") Forgive the hyperbole ("all" that we did?) in the service of facile guilt-mongering. But don't forgive the intellectual vacuum at the core of his thought—the idea that dealings would be with "the people" of Cuba, rather than with the regime that is their jailer.

People pray for different things. There was a London church where, between performances, an actress prayed to be delivered from the attentions of Edward VII. I pray that some of today's clergy, on the left and the right, will stop acting as though pious intentions are substitutes for intelligence, and excuses for irresponsibility. A crusty 19th century Briton, A. W. Kinglake, wanted skeptical words inscribed on all churches: "Important If True." Skepticism becomes more necessary as churches become more political.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

DISAPPROVAL OF FTC USED-CAR RULE

The PRESIDING OFFICER. Under the previous order, the hour of 9 a.m. having arrived, the Senate will now proceed to the consideration of Senate Concurrent Resolution 60, which the clerk will state by title.

The legislative clerk read as follows:

A resolution (S. Con. Res. 60) disapproving the Federal Trade Commission trade regulation rule relating to the sale of used motor vehicles.

The Senate proceeded to consider the resolution.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. KASTEN. Mr. President, I rise in support of Senate Concurrent Resolution 60, a resolution to disapprove the Federal Trade Commission's used car rule.

I would like to make a parliamentary inquiry, Mr. President. It is my understanding that there are 3 hours of debate scheduled on this resolution and that the time is to be divided with 1 hour to me and 2 hours to the Senator from Oregon, Mr. Packwood; is that correct?

The PRESIDING OFFICER. That is correct.

Mr. KASTEN. It is my further understanding that the vote on this measure is scheduled to occur at 2 p.m. this afternoon; is that correct?

The PRESIDING OFFICER. If it is a rollcall vote, it will occur at 2 p.m.

Mr. KASTEN. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. KASTEN. It is my further understanding, then, that that vote will occur at 2 p.m. this afternoon.

The PRESIDING OFFICER. The rollcall vote will occur at 2 p.m. this afternoon.

Mr. KASTEN. The Senate's vote on Senate Concurrent Resolution 60 will represent a milestone in a historic process. It is the first significant test of the new two-House veto procedure for FTC rules. I believe that our consideration of the used-car rule has illustrated how smoothly and fairly congressional review of major agency rules can work and can work in practice.

I have no further statements to make at this particular moment. I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. PACKWOOD. Mr. President, as we start debate on this issue, it is indeed momentous, as the Senator from Wisconsin has said. It is the first example of a legislative veto on a Federal Trade Commission rule, the first example of how the issue of the legislative veto is going to work.

Mr. President, I have supported the legislative veto in the past. I will not do so in the future. And it is not because of this particular issue. But I can see now the road down which we are headed.

Every time any agency, be it the Federal Trade Commission or any other agency, if they are all going to be subject to legislative vetoes, any time an agency issues a regulation that a particular group finds onerous, they will come to Congress in an attempt to overturn it. And in every situation it is going to be the particular aggrieved group—and they will feel very aggrieved—lobbying very specifically and very hard against generalized opposition. But there will be nobody here arguing for the support of the regulation from whatever the agency is that has set it out, and, in most cases, in my experience in government, the specific squeaky wheel will win over the generalized but well-lubricated public opinion.

And I fear that is what may happen today. Because in my experience, again, Mr. President, we have been lobbied very heavily by the used car dealers and by the new car dealers who sell used cars. And in the record they are the only groups that are opposed to the rule of the Federal Trade Commission. The Commission, of course, supported it, the consumer groups supported it, the groups that you might expect support it, but in terms of opposition only those two that are affected.

Let me say, Mr. President, that I have high regard for most of the people that I have met in the automobile business. There is one man I deal with in Portland, Oreg., Jim Breslin of George Wallace Buick—he is one of the coowners—that would sell his soul to the Devil rather than cheat a customer. He would feel personally aggrieved if a single customer of his felt cheated. He would do everything at his expense and his company's expense to right a wrong even if he thought there was no wrong. And I think, Mr. President, he is typical of most car dealers. Unfortunately, he is not typical of all car dealers, new or used.

In California, the California Public Interest Research Group undertook a very interesting experiment. They had a test shopper go out and seek to purchase a car but get an agreement from the salesperson that they could take the car out, have it tested and then brought back before the sale.

In 101 of those tests, where the first test shopper took the car out, brought it back and said, "I found the following defects, and I don't want to purchase the car," in 101 of those tests, they were followed up subsequently by another test shopper from the same group, the California Public Interest Research Group. They went back and they attempted to purchase the same car from the same dealer and, in most cases, from the same sales person, only the second test shopper knew of the defects that had been found when the first test shopper took the car out.

Mr. President, in 75 of the 101 tests, the sales person did not reveal the known defects to the second purchaser. This was not a situation of an unknown defect, but a known defect. In 75 percent of the cases, the sales person refused to reveal it.

In New York, a smaller test sampling, but a similar situation. Eleven cases where the first test buyer took the car out, had it tested, brought it back, and called to the attention of the company and the sales person the defects that had been discovered and a second test purchaser came in the afternoon. In nine of the cases, the sales person failed to disclose the defects that had been pointed out to the sales person, and in most cases earlier that day.

Mr. President, I am not saying that that situation is typical. I think it is not typical. I think most of the car dealers are honest. Most of them would shrink at those kinds of actions and would not countenance it by their employees and if they found their employees doing it, they would fire them.

But, unfortunately, in every barrel there are a few rotten apples. And, unfortunately, as is true with every group, we have difficulty policing our own. That is true whether it is the U.S. Senate—and we are all aware of the torturous process we just went through in considering the case of Senator Williams from New Jersey, how difficult it was for us to have to pass judgment. We have seen it time after time in different professions where there is a tendency to excuse your own because you do not want to get involved in judging people you know well. And this is true whether it is my profession, which is law, when I was active in the bar association as a young lawyer, it is true of physicians, and it is true of car dealers.

There is no question but what those of us that are closest to our profession know our bad apples best. We know which ones cheat. We in the legal profession know to whom we would not take a case under any circumstances because of incompetence or worse. But, except under extraordinary cases, we are reluctant to reveal that to the public, either because we have to judge one of our own or for fear the public will think if we reveal that, that we are guilty of malpractice or worse.

So it is with the car dealers. They could clean up their own. They could very, very well call to the public's attention, by publicity or otherwise, the small percent of shoddy, shabby car dealers who thrive on cheating the public.

Mr. President, there are those who thrive on cheating the public. And you can say the public will get onto them and the marketplace will work and pretty soon the public will not deal with those cheaters, but, unfortunately, in the car business or any other business, it is easy to change your name, move your lot to a different corner and continue on in business cheating and swindling. And the public, by and large, has no recourse.

Now, you can say you can sue. Mr. President, I am a lawyer. Suing is a last-gasp effort after everything else has failed. We are, unfortunately, a very litigious nation and we clog our courts with suits. But the likelihood of success—and by success I mean not only winning the case, but getting adequate recompense because a shoddy used-car dealer has sold you a shabby, shoddy car—is nil. So you buy a used car for $2,500, $3,500, $4,500. And the salesperson says, "Don't you worry. That is a fine car. Nothing wrong with it."

You take it out and 2 days later you discover oil leaking out of the block. You discover the frame is bent. Or you discover transmission problems, or whatever. You take it back. The car dealer says, "Sorry, I sold it to you 'as is.' Don't you recall?"

You say, "No, you said you would make repairs."

He says, "No; I don't recall that."

If you are going to sue that car dealer, first you have to prove what was said, and you have the burden of proof because you are the plaintiff. Then, if you are successful in proving all of that, assuming you can afford to call a mechanic or two to prove your side of the case, you are left with the hope of collecting. And, of course, in most cases, attorney fees are not levied against the loser in that kind of a situation. Court costs are, but not attorney fees. That is the bigger part of the cost, the fees.

So for the bulk of Americans who are swindled by the few unethical dealers who exist, they are really, for all practical purposes, left with no recourse.

What has the Federal Trade Commission tried to do? It is a long history. They started with hearings in 1973. They had several suggested possible remedies. Then in the Magnuson-Moss Act, Congress specifically directed—this is very important—the Federal Trade Commission to come up with some kind of used car rule. This is not a case of an agency going beyond what it was supposed to do. This was a case of an agency doing what Congress had directed it to do.

Let me read the language from the Magnuson Act.

> The Commission shall initiate within 1 year after the date of enactment of this act a rulemaking proceeding dealing with warranties and warranty practices in connection with the sale of used motor vehicles and, to the extent necessary to supplement the protections offered the consumer by this title, shall prescribe rules dealing with such warranties and practices. In prescribing rules under this subsection, the commission may exercise any authority it may have under this title or other law and, in addition, may require disclosure that a used motor vehicle is sold without any warranty and specify the form and content of such disclosure.

So, indeed, the Federal Trade Commission went ahead and did what it was told by Congress to do. Let me emphasize again, they did not go beyond their authority. They probably would have been in violation of the law had they not gone forward and issued a rule.

What does the rule say?

The rule basically describes a used car buyers guide.

I ask unanimous consent that the Used Car Buyers Guide as suggested by the Federal Trade Commission be printed in the Record at this point.

There being no objection, the form was ordered to be printed in the Record, as follows:

Used Car Buyers Guide

Important: Spoken promises are difficult to enforce. Ask the dealer to put all promises in writing. Keep this form.

Vehicle make, model, year, and ID number.

Notice: For your protection and safety.

Ask about the current condition of the following major mechanical and safety systems of this car. See below which of these systems, if any, are covered by a warranty and which systems are known by the dealer to contain major defects. Dealers must inform you in writing if they know of certain defects in this car's major systems.

Frame and body;
Engine;
Transmission and drive shaft;
Differential;
Cooling system;
Electrical system;
Fuel system;
Brake system;
Steering system;
Suspension system;
Tires;
Wheels;
Exhaust system; and
Accessories.

Pre-purchase inspection: Ask the dealer if you may have this car inspected by your mechanic either on or off the lot.

Warranties for this car:

☐ No implied warranty—"As Is". This means you will pay all costs for any repairs needed when you buy the car or after the time of sale. If this box is checked, the dealer makes no written promises about this car's condition.

☐ Full ☐ limited warranty. The dealer will pay——% of the total repair bill for covered systems that fail during the warranty. Ask the dealer for a copy of the warranty document for a full explanation of warranty coverage, exclusions, and the dealer's repair obligation. Under state law, "implied warranties" may give you even more rights.

Systems covered: (————)
Duration: (————)

☐ Service contract. A service contract is available from ———— for $———— extra. This service contract adds to the dealer's responsibilities under any warranty. If you buy a service contract within 90 days of the time of sale, state law "implied warranties" may give you additional rights.

Major known defects: Dealers must tell you in the space below if they know about certain defects in this car's major systems. The defects that must be disclosed if known are listed on the back of this form. However, there may be defects that are unknown to the dealer. If nothing is listed, the car is not necessarily free of defects.

Below is a list of some major defects that may occur in used cars.

Frame and Body:
Frame-cracks, corrective welds, or rusted through.
Dogtracks—bent or twisted frame.
Engine:
Oil leakage, excluding normal seepage.
Cracked block or head.
Belts missing or inoperable.
Knocks or misses related to camshaft lifters and push rods.
Abnormal exhaust discharge.
Transmission and drive shaft:
Improper fluid level or leakage, excluding normal seepage.
Cracked or damaged case which is visible.
Abnormal noise or vibration caused by faulty transmission or drive shaft.
Improper shifting or functioning in any gear.
Manual clutch slips or chatters.
Differential:
Improper fluid level or leakage excluding normal seepage.
Cracked or damaged housing which is visible.
Abnormal noise or vibration caused by faulty differential.
Cooling system:
Leakage, including radiator.
Improperly functioning water pump.
Electrical system:
Battery leakage.
Improperly functioning alternator, generator, battery or starter.
Fuel system:
Visible leakage.
Inoperable aaccessories:
Gauges or warning devices.
Air conditioner.
Heater and defroster.
Brake system:
Failure warning light broken.
Pedal not firm under pressure (DOT specs.).
Not enough pedal reserve (DOT specs.).
Does not stop vehicle in straight line (DOT specs.).
Hoses damaged.
Drum or rotor too thin (Mfgr. specs.).
Lining or pad thickness less than 1/32 inch.
Power unit not operating or leaking.
Structural or mechanical parts damaged.
Steering system:
Too much free play at steering wheel (DOT specs.).
Free play in linkage more than ¼ inch.
Steering gear binds or jams.
Front wheels aligned improperly. (DOT speces.).
Power unit belts cracked or slipping.
Power unit fluid level improper.
Suspension system:
Ball joint seals damaged.
Structural parts bent or damaged.
Stabilizer bar disconnected.
Spring broken.
Shock absorber mounting loose.
Rubber bushings damaged or missing.
Radius rod damaged or missing.
Shock absorber leaking or functioning improperly.
Tires:
Tread depth less than 2/32 inch.
Sizes mismatched.
Visible damage.
Wheels:
Visible cracks, damage or repairs.
Mounting bolts loose or missing.
Exhaust system:
Leakage.

Dealer: ( ).
Address: ( ).
See for complaints: ( ).

Important: The information on this form is part of any contract to buy this vehicle. Removal of this label before consumer purchase (except for purpose of test-driving) is a violation of federal law (16 C.F.R. 455).

Defect disclosure specifications are printed in Volume 16 C.F.R. (Code of Federal Regulations) Part 455.

Mr. PACKWOOD. First, let us make clear what this form does and does not do. This form and the Federal Trade Commission actions do not require the dealer to warrant anything. There is a box on here that you can check that says, "No implied warranty. As is." This means you will pay all costs for any repairs needed when you buy the car after the time of sale. If this box is checked, the dealer makes no written promise about this car's condition.

It is perfectly simple. Many cars are sold on an "as is" basis. The dealer simply checks that and the dealer is not responsible for anything.

Or the dealer can check another box that says "full" or a third box that says "limited warranty" and say specifically what the warranty is, and, beyond that, warrant nothing. That is all that the dealer has to warrant, if the dealer chooses to warrant anything.

Lastly, there is a provision called "major known defects." Dealers must tell in the space below if they know about certain defects in this car's major systems. The defects that must be disclosed if known are listed on the back of this form. However, there may be defects that are unknown to the dealer. If nothing is listed, the car is not necessarily free of defects.

The dealer does not have to inspect the car. If the dealer finds oil leaking, or the car leaning, or the engine will not go, the dealer does not have to tell the buyer; the dealer simply has to say, "The engine will not go" or "the car is leaning" or "the oil is leaking" because those are things the dealer knew, he saw. But he does not have to inspect to find out why the oil is leaking or the car is leaning or the motor will not go. The dealer simply cannot hope that the motor will go for a day and the oil spot will not be noticed and he does not have to tell anybody, if he knows. But I emphasize again he does not have to inspect.

The argument is raised that somehow this warranty form, set up by the Federal Trade Commission at the direction of Congress, creates some new kind of action in State courts or places a new burden on dealers. It does not.

The Library of Congress was asked to prepare a memorandum as to whether or not this particular form created any new actions or obligations. I will not read the entire memorandum, but I will read its conclusion.

> In conclusion, the used car rule apparently would not create any new warranties or significant contractual rights under State law, nor would it apparently affect a dealer's tort liability under State law. It apparently could not be directly enforced by the States, but the States generally would appear to enforce its substance through their own existing law.

Mr. President, this form creates no new rights, it gives the purchaser no leg up over the seller that the purchaser does not now have. As I said at the start of my comments, it is very difficult today for a purchaser to go to court and win if winning means both proving you are right and collecting, and win against a shoddy car dealer.

Let me come back once more full circle to where we are. There is no objection to this Federal Trade Commission "Used Car Buyers Guide" form except by the dealers, no one else. They do not want it for one of two reasons: either they are reluctant to check the box that says "No implied warranty" or because they fear the buyer will not buy the car if they are buying it with no warranty. They are afraid to check that box if they know of defects because they do not want to disclose them, or they simply want to sell the car that has defects and they do not want to disclose them.

In this Congress, if we turn down the Federal Trade Commission regulation, it is, in essence, saying to the public:

> We endorse shabby practices. We endorse cheating. We will take no action against those who would deliberately deceive. And in the process, we will tar the 90 or 95 percent of the auto dealers who are decent and honest.

Mr. President, I have been in this Senate almost 14 years and in the State legislature 6 years before that. If I would have any single generic criticism of business, it is that it acts too late to clean its own house and then strenuously objects when Government sanctions are placed upon it.

If business had been willing to take the lead in cleaning up the environment, we would have had no Environmental Protection Act. If it had been willing to take the lead in compensating injured workers, we would never have had any Worker's Compensation Act. Time and time again, the answer of business to a legitimate grievance from the general public is "No." Either they say the grievance does not exist when, indeed, to anyone with 20-20 eyesight, it does exist; or they say if the grievance exists, it is a matter between the person aggrieved and the person who caused the trouble and the Government should not intervene.

Mr. President, that is not an adequate answer, for business subsequently to come before a legislative body and say, "Yes, we know there are cheats, we know there are frauds; no, we are not going to do anything about it and, no, the Government should not do anything about it, either," is simply leading to the proposition that, one day, Government will do something about it. And the imposition of laws imposed upon business may be worse than they would ever suffer if they would take the steps that they can take to clean up or publicize or, in some way, identify the few cheats in their profession that unjustifiably prey upon the public.

Mr. President, I hope Congress will support the Federal Trade Commission in this effort. It is a relatively limited effort. The only people—the only people—who are going to be hurt by this, if "hurt" is the word, are the cheats and the frauds who are a distinct minority of the used car business. The only enforcement penalty in this—and I emphasize this again—is an action brought by the Federal Trade Commission to attempt to make a dealer comply, and the Federal Trade Commission has the right to levy fines up to $10,000 if the dealer does not comply.

Mr. President, I say once more in conclusion, this does not give a single buyer any action that that buyer does not now have in State courts. It imposes no obligation to give a warranty. It imposes no obligation to disclose defects that are unknown. It imposes no duties that do not now exist. It does attempt to identify and impose sanctions on the few, the very few, who cheat the public. I hope that Congress will not come down on the side of the cheaters and, at least by innuendo, say we approve of that conduct because we shall make no effort to stop it.

The PRESIDING OFFICER (Mr. GORTON). Who yields time?

The Senator from Wisconsin.

Mr. KASTEN. I yield 15 minutes to the Senator from South Dakota, the author of this resolution.

Mr. PRESSLER. Mr. President, I rise in strong support of this resolution, which I am privileged to have sponsored. I have listened to some of the public debate surrounding this resolution with great interest, because it seems that the public debate has centered around the idea that cosponsors of this resolution are somehow influenced by campaign contributions, that cosponsors are somehow not in favor of consumers. In fact, I may be an unlikely sponsor of this resolution because I suppose my opponents over the years have received more contributions from auto dealers than I have.

Mr. President, I have a long record of working to protect consumers. In fact I sponsored this resolution to protect consumers. This resolution will provide more protection to dealers than it will provide to consumers. It will also create enormous paperwork. Every time there is a used car sold in America through a dealer—and only about 50 percent of them are sold through dealers—this FTC rule will require at least two or three legal-sized documents added to the used car sale contract.

Mr. President, this is not merely a sticker in the window. It lists 52 items that, without inspection, the dealer is supposed to know about. Because he is not required to inspect the car, he can check that, as far as he knows, all 52 items are fine. Then he is completely protected.

According to some of the examples my distinguished colleague from Oregon cited of cheating the public or the cases of disclosure failure or when, 2 days later, oil is leaking—in those

cases, the dealer would be completely protected because he could say that he did not know about the defects and he was not required to inspect.

I have no problem with the first two parts of this rule, Mr. President. I have said that frequently. This is an historic action the Senate is taking because, for the first time, we are striking down an action by the Federal Trade Commission. Many of us want some kind of a used car rule in the areas defined more clearly by the Federal Trade Commission. Indeed, the Federal Trade Commission had a chance to submit a revised rule that would meet some of the requirements and meet some of the problems. But this rule is poorly drafted. It represents perhaps the vaguest legal language I have ever seen. It will create a lawyer's paradise. It will not solve the problem of consumers.

Indeed, consumers will end up paying a higher price for used cars because of the additional paperwork—and it is an enormous amount of paperwork. Taxpayers will end up paying more because additional personnel at the Federal Trade Commission will be needed to carry this out. At the very time we are supposed to be reducing Federal paperwork, at the very time we are supposed to be reducing the role of the Federal Government in people's lives, this rule runs counter.

This rule will enormously increase paperwork. It will enormously increase the cost of cars to consumers. It will enormously increase the cost of Government to taxpayers, all without solving the problem we are talking about.

Mr. President, I believe a problem does exist. Indeed, in practically every field of endeavor we can find problems. This particular piece of paper will not solve those problems.

I point out, Mr. President, that I have no objection to the first two provisions of this rule. The first provision prohibits any dealer from affirmatively misrepresenting the mechanical condition of a used motor vehicle. That means he cannot represent that any component or system of a used car is in good order when the dealer knows that it is not in good order.

Second, this rule requires dealers to make available to the consumer clear and concise information regarding any warranty on the vehicle and to conspicuously disclose to the consumer that the car is being sold without any warranty coverage when such is the case.

I do not object to these two provisions. They resolve the two major problems in the used-car area as identified by the FTC, and they conform to the expressed written intent of the Congress. I would, in fact, support a rule which incorporated just these two provisions.

I believe the sponsor of this measure in the House has said the same thing.

However, the FTC did not stop there. They insisted on incorporating as part of the rule a defect notification provision. This provision would require dealers to inform the consumer of specific defects in the car if he has a reason to conclude that there is a condition in the vehicle which could be caused by one of 52 listed defects, such as "free play in linkage more than ¼ inch." This requirement applies whether or not the vehicle is sold with a warranty of "as is." There are literally hundreds of possible situations that could lead a dealer to conclude that the car contained one or more specific defects of malfunctions. But there is absolutely no way that a dealer could know the specific defect that is causing this condition unless he inspected the vehicle. In order to comply with the rule a dealer must disclose the specific defect causing the condition that he observes. If a dealer makes the wrong judgment, he may be fined up to $10,000.

Second, the defect notification is so ambiguous that attorneys cannot pinpoint the exact nature of the dealer's obligations under the rule.

If attorney's cannot agree, it is certainly a heavy burden on our country's small businessmen to assume that they are able to interpret a 50-page rule. We are not talking about large corporations which have available a staff of talented professionals and attorneys capable of interpreting the legal obligations. Rather, we are talking about an ambiguous rule being imposed on a small businessman who, in most cases, has no legal background.

I might say that in my home State of South Dakota we have lost several dealerships this past year. Many of our dealers also sell new and used machinery. They also sell grain and feed. I suppose, if the thinking of the FTC were extended, such a requirement could be placed on all those sales, but when this rule is analyzed, it will protect the dealer more than it will protect the consumers.

If a regulation is so unclear that the individuals being regulated cannot understand their obligations under the law, something is drastically wrong with the law.

Let me emphasize that this rule is not just two pages. It is 50 pages of fine print, it is extremely ambiguous. This rule will apply only to those cars that are sold by dealers. It will not apply to half the used car sales in the country, which are private contracts.

I think in discussing this whole rule there is an inclination to say, "Oh, let's get after the cheaters with the rule." This rule will not get after them. This rule will actually provide protection for them in many instances for the reasons I have just cited. There is no inspection required, so a dealer can say he was not aware of a defect, even if he is aware of it.

We will not have moved the ball forward a bit. This will not resolve the problem. I know that everybody says "there is a problem; therefore, let us throw some Government paperwork at it."

But let us be careful about that. I think it is time that we start looking at the effectiveness in terms of accomplishing our objectives, and this rule will not be effective.

Another problem with the third portion of this rule is unnecessary additional expense. It is estimated that inspections which dealers will have to perform in order to protect themselves against litigation will cost approximately $150 per vehicle, thereby increasing prices to consumers and dealers alike.

Many used car dealers, although the rule does not require inspection, will feel obligated to inspect. Even with an inspection, many of the 52 items cannot be categorically determined. For example, it is very hard to determine the condition of a bearing in a used car without taking it apart. Unless the car is totaly disassembled, the dealer will have no way of knowing about a defect. He can merely say he was unaware of it, and then he is totally protected under the law. He has more protection than he does under the Uniform Commercial Code. The Uniform Commercial Code is in effect in 49 States, plus its equivalent is in effect in Louisiana. A dealer has less protection under the Uniform Commercial Code than he would have under this.

Mr. President, I think we need to look also at what is happening in the car industry. In my State of South Dakota, nearly 10 percent of the franchised automobile dealers have been forced out of business. From a national perspective, over 3,000 franchised automobile and truck dealers have gone out of business over the past 30 months and over 125,000 dealership employees have lost their jobs, and this staggering attrition rate is continuing.

The latest issue of Automotive News states that:

> There has been no letup in the attrition of dealers handling domestic makes of passenger cars. In fact the decline is getting worse.

The first quarter figures indicate the steepest first quarter decline in the 21 years Automotive News has been compiling dealer totals on a quarterly basis.

Mr. President, I ask unanimous consent that the full text of this article be inserted in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

U.S. DEALER TOTAL OFF 276

(By John K. Teahen, Jr.)

It's a new year, but there has been no letup in the attrition in the number of dealerships handling domestic makes of passenger cars.

In fact, the decline is getting worse.

The latest Automotive News census finds that there were 21,404 outlets for U.S.-built cars on April 1, down 276 from the 21,680 counted on Jan. 1.

It was the steepest first-quarter decline in the 21 years Automotive News has been compiling dealer totals on a quarterly basis.

This year's loss of 276 locations compares with dips of 221 in the first quarter of 1981 and 258 in the comparable period of 1980.

Back in the good old days of the U.S. auto industry, the declines were much lighter—86 in the first quarter of 1979, 29 in 1978, 36 in 1977 and 51 in 1975.

All five of the major domestic manufacturers shared in this year's dropoff, but in widely varying degrees. The bigger they are, the bigger the fall.

American Motors and Volkswagen, the two smallest makers, fared best with dips of 12 and 14 outlets, respectively. Chrysler Corp. was down 29, and there were slips of 78 for Ford Motor Co. and 145 for General Motors.

That's a total of 278. A change in the number of intercorporate duals cut the industry's figure to 276.

All figures in this article and in the accompaning tables refer to the net change in the dealership population, both for the individual corporations and car lines and for the domestic industry as a whole.

GM's first-quarter loss was 10 times that of Volkswagen, but on a percentage basis they were about even. The GM dip of 145 outlets amounted to 1.36 percent of its dealer body; VW's 14 was 1.39 percent.

The first-quarter decline in dealer totals is simply another chapter in the saga of the depression gripping the domestic auto industry. A sharp upturn in deliveries and profits at the retail level is a must before the decimation can be curtailed.

Looking at franchise totals, Chrysler Corp. had the best record among the Big Three. Imperial and Plymouth each showed a gain of one franchise during the first quarter, while Chrysler was down five and Dodge car was down four. The franchise count was down less than the dealer total, indicating increased dualing among the corporation's four lines of cars.

The car franchise figures were down for each of the Ford Motor and GM lines. At Ford, the dips amounted to 66 for Ford cars, 34 for Mercury and 12 for Lincoln.

Chevrolet was down 65 franchises for the quarter, almost exactly the same as Ford. Elsewhere at GM, there were drops of 35 for Pontiac, 25 for Buick, 20 for Oldsmobile and 15 for Cadillac.

Chevrolet's 5,430 is the highest franchise total in the domestic industry. Ford is second with 4,768.

AMC had 1,535 car dealers on April 1, little changed from its Jan. 1 total of 1,547. AMC currently has 755 duals with Big Three makes and 34 with VW. At the beginning of the year, there were 737 AMC-Big Three spots and 38 AMC-VW points.

Volkswagen dipped below 1,000 during the first quarter, winding up with 992 outlets for its U.S.-built Rabbits. The total was down from 1,006 on Jan. 1. VW has 98 duals with other U.S. makes, an estimated 64 of which are with Big Three lines. The 98 domestic duals compare with 114 on Jan. 1.

Chrysler Corp.'s April-dealer total of 3,655 was down 29 from 3,684 at the beginning of the year. It was the corporation's smallest first-quarter loss since 1978.

Franchise totals on April 1 were: Chrysler, 2,634; Plymouth, 2,538; Dodge, 2,449, and Imperial, 422.

In addition to its 3,655 car dealerships, Chrysler Corp. has eight that handle only Dodge trucks. They are not included in the corporation's car-dealer total or in the Dodge car-franchise total.

Ford Motor's first-quarter slip of 78 outlets cut its car-dealer total to 5,607 from 5,685 on Jan. 1.

Franchise totals at the beginning of April were: Ford, 4,768; Mercury, 2,629, and Lincoln, 1,453.

Ford Motor has 96 outlets that handle only Ford heavy-duty trucks. They are not included in the company's car-dealership total or in Ford Division's franchise total.

At GM, the car-dealer total was 10,510 on April 1, down 140 from 10,655 at the beginning of the year. The decline was less than the fourth quarter of last year (150), but it was considerably higher than the drop of 55 in the first quarter of 1981.

GM franchise totals on April 1 were: Chevrolet, 5,365; Oldsmobile, 3,170; Pontiac, 3,005; Buick, 2,925, and Cadillac, 1,580.

Going back a year, the current total of 21,404 domestic-car outlets is down 1,047 from 22,451 on April 1, 1981.

The 12-month comparison shows dips of 495 for GM, 291 for Ford Motor, 117 for Chrysler Corp., 111 for AMC and 26 for VW. That's an aggregate drop of 1,040. There are seven more intercorporate duals than there were a year ago, so the industry's net loss is 1,047.

U.S. CAR OUTLETS

	Apr. 1, 1982	Jan. 1, 1982
American Motors	1,535	1,547
Chrysler Corp	3,655	3,684
Ford Motor Co	5,607	5,685
General Motors	10,510	10,655
Volkswagen	992	1,006
Total	22,299	22,577
Minus intercorporate duals	895	897
Net outlets	21,404	21,680

U.S. FRANCHISES

	Apr. 1, 1982	Jan. 1, 1982
American Motors	1,535	1,547
Chrysler Corp.:		
Chrysler	2,634	2,639
Dodge	2,449	2,553
Imperial	422	421
Plymouth	2,538	2,537
Ford Motor Co.:		
Ford	4,768	4,834
Lincoln	1,453	1,465
Mercury	2,629	2,663
General Motors:		
Buick	2,925	2,950
Cadillac	1,580	1,595
Chevrolet	5,365	5,430
Oldsmobile	3,170	3,190
Pontiac	3,005	3,040
Volkswagen	992	1,006

Mr. PRESSLER. At a time when the industry is suffering economically, when employees are losing their jobs, when dealers are going out of business at an unprecedented rate, it is inexcusable that the Federal Government would seek to further injure such a vital segment of our economy.

In short, the Commission has passed a rule which makes little sense as a matter of public policy, while at the same time increases consumer prices and injures hundreds of small businesses. I strongly urge my colleagues to vote in favor of Senate Concurrent Resolution 60 disapproving this rule.

In doing so, I think we will be clearly stating to the Federal Trade Commission that it should do its legal drafting accurately; that it should not send over such a sloppily drawn rule which it has had a chance to revise once; that it should not add such a vague rule which will cause confusion, and which will create literally pages of legal documents in the sale of every used car by a dealer.

The strange thing is that no reason has been given for why the Federal Trade Commission did not extend this rule to private sales of used cars. Nearly 50 percent of all the used cars in the country are sold under private sales.

And, also, would the Federal Trade Commission plan to extend such a rule to the sale of used air-conditioners, to used machinery, to used equipment in general?

Where does the Federal Trade Commission plan to stop. This particular solution will increase the problem.

Mr. President, since coming to Congress, I have been known to be something of a reformer. I participated in reform efforts when I first came to Washington and served in the House of Representatives. The big issue was the political action committees—this was going to reform the political situation. Then the courts came along and said that not only labor unions but also businesses could have political action committees. Now there is great criticism of political action committees and a new call for reform.

The people who seem to be supporting this rule say there are some cheaters out there, so we need reform. Therefore, let us throw this piece of paper at it.

I say let us step back and take a look at what this rule would really do. It would not accomplish the objectives stated. It would provide more protection for dealers than for consumers.

It is going to add to the cost of cars to consumers, but it is also going to add to the cost of the Federal bureaucracy. It is going to take people in the Federal Trade Commission to sort these cases out to decide which one to prosecute, to decide which small businessmen should be cited for being fined $10,000.

The PRESIDING OFFICER. The 15 minutes yielded to the Senator from South Dakota have expired.

Mr. PRESSLER. Mr. President, I ask unanimous consent to proceed for 1 more minute.

Mr. KASTEN. Mr. President, I am pleased to yield 1 additional minute to the Senator from South Dakota.

Mr. PRESSLER. Mr. President, I conclude by saying I hope the debate deals with the issues of this rule. Too much has been said in the simplest of terms that seem to indicate that this two-page legal document, this vague, poorly drawn sticker, if presented in a third year law school class, would be given an "F" very quickly.

I hope we do not thrust this rule upon the American people at this time, when we are trying to cut back paperwork, trying to reduce costs, trying to lower the involvement of the Federal Government.

The PRESIDING OFFICER. The time of the Senator from South Dakota has expired.

Who yields time?

Mr. PACKWOOD. I yield such time to the Senator from Missouri as he needs.

Mr. DANFORTH. I thank the Senator from Oregon.

Mr. President, at the outset, I hope it will not be lost on the Senate that this is one of the first tests—maybe the first test—of the efficacy of the legislative veto. The question of how well the legislative veto works is a matter which is raised by this resolution.

We have heard over the years great claims as to how important the legislative veto is, how it provides Congress a way of controlling the bureaucracy.

The point that could be made on the other side is that the legislative veto is an invitation to interest groups to apply the maximum possible amount of pressure on Congress to overturn the work of regulatory agencies.

It was back in 1955 that Congress specifically instructed the Federal Trade Commission to get into the business of investigating the used-car industry. The FTC went through a very long process of devising a rule which it believed was reasonably acceptable, the least onerous of the alternatives that were available to us. No sooner was the rule promulgated than the pressure was turned on Congress by nothing less than the used-car lobby, to try to reverse the work of the Federal Trade Commission.

Mr. President, if the Congress of the United States is to be susceptible to the pressures of the used-car lobby, it will be susceptible to the pressures of any interest group at all. Therefore, it is my hope that as we proceed with consideration of this resolution, we might find at least a few minutes to reflect on the value of the legislative veto, what it can accomplish and what it cannot accomplish. One of the defects, in my opinion, is that it is such an invitation to the interest groups.

Mr. President, the rule that is before us today does not—I repeat, not—require that car dealers inspect automobiles. It is said on the other side that this rule requires the inspection of automobiles and that the inspection of automobiles is very expensive. The rule does not require the inspection of automobiles. To the contrary, the rule expressly states, clearly states, that inspection is not required. Nor does the rule require warranty. The dealer is free to check the form to the effect that the automobile is being sold on an as-is basis.

All the horror stories, the parade of horribles, about the immense costs, the immense paperwork, all the time of inspection—how does anybody know that a ball bearing is wrong? Mr. President, that is not required by this rule. The rule requires simply the disclosure of known major defects in a car.

What is the meaning of this? The meaning is that if an automobile has a major defect and if the dealer knows of the existence of a major defect, then the dealer must disclose the known major defect to his customer. The converse of this rule is that if an automobile has a major defect and the dealer knows of the major defect, he need not disclose it. That is what we will be voting on. That is the issue that will be before Congress and before the Senate, and we will be able to vote on it on a yes or no basis.

If an automobile dealer knows of a major defect in an automobile, should he be required to disclose that defect to the buyer? Yes or no.

As I understand the argument on the other side, it is just too onerous, too burdensome, too expensive, too much paperwork, to compel an automobile dealer to tell the buyer about a major defect of which he knows.

Mr. President, the purchasers of used automobiles oftentimes are not the most affluent members of our society. They are sometimes the poorest members of our society. They are making, for them, a major investment of their resources and something which is essential for their getting along in life. They are purchasing a means of transportation. They are purchasing an automobile. Clearly, this is a group which deserves some protection, which deserves some help, as it makes major decisions.

To say, in effect, that if the dealer knows of a major defect, he does not have to disclose it to some of the poorest people in our society, to me, it is a perverse way of looking at the relationship between the Government and the American people.

I had the honor of serving as attorney general of my State. I had as a brother attorney general at that time the distinguished Presiding Officer, the Senator from Washington (Mr. GORTON). We were both in the business of consumer protection. We both operated consumer protection divisions in our offices.

Essentially, there are two methods of protecting consumers. One method is very detailed rules and regulations as to what can be sold, as to construction, as to the way a product is manufactured, the way it is put together, the kinds of safety devices that are to be included in it. Detailed safety regulations is one way for the Government to regulate the marketplace.

A simpler way of regulation, and one that we found most useful when I served as attorney general of my State, is simply to provide information to the consumers, on the theory that an informed consumer is the best protection against being cheated or against being sold a defective product.

The theory of the rule that has been promulgated by the Federal Trade Commission is not to provide detailed regulations on safety devices or how a product is manufactured but, instead, to provide, in simple form, in the form of a window sticker, relevant information with respect to major defects which are known. There can be no simpler or more straightforward means of consumer protection. There can be no less onerous means of consumer protection with respect to the regulated industry.

This rule is issued pursuant to a mandate from the Congress of the United States. It is issued after years of study. It follows the simplest and most direct possible means of protecting the consumer. It provides information as to known major defects. The rule should not be overturned by Congress.

The PRESIDING OFFICER. Who yields time?

Mr. KASTEN. Mr. President, I am about to suggest the absence of a quorum, but before I do so, I ask unanimous consent that the time during the quorum call be divided equally between both sides.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. KASTEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. PACKWOOD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. KASTEN). Without objection, it is so ordered.

Mr. PACKWOOD. Mr. President, I yield to the Senator from Washington for such time as he needs.

Mr. GORTON. Mr. President, I thank the distinguished Senator from Oregon for yielding this time to me.

As the Senator from Missouri said just a few moments ago, he and I share the relatively rare background for Members of this body of having served as attorneys general of our respective States; and in the States of Missouri and Washington and most others, the attorneys general provide consumer protection services for the people of the State.

In serving in that office for a period of 12 years, I had the opportunity to learn a great deal about consumer protection and come to certain conclusions about the best ways in which to provide that type of service to the people of my State.

As the Senator from Missouri stated, an office engaged in consumer protection can do so through consumer education, as we did in the State of Washington, in the hope of attempting to create more sophisticated and more wary consumers—consumers who are knowledgeable of their rights and knowledgeable of the peculiarities of each of the types of business enterprises with which they deal.

That is, of course, an important consumer aid. It is also a never-ending and a never-perfected aid.

Attorney general offices can also serve the consumer by bringing law enforcement actions, against individual business concerns who are alleged to have violated the minimum standards set by the law for dealing with individual customers.

My office and that of the Senator from Missouri brought many such actions, the overwhelming majority of which were successful.

At the same time each of us learned relatively early in his career that legal action after the fact was never totally satisfactory and, of course, ended up catching only a handful of the most notorious of those who would violate consumer protection laws of our State or of the Nation.

But the third and most important way of protecting the consumer, it seemed to me as attorney general, and I believe it did to the Senator from Missouri as well, was to create an internal and for all practical purposes a self-regulatory situation in which competition was most effective because the consumer was able to make intelligent and informed decisions about the myriad of choices facing every single one of us as citizens and as consumers.

We operate in the United States in the finest and most efficient system of free enterprise which the world has ever known. That free enterprise system is based almost exclusively on the idea of competition, on the idea that success will attend that business enterprise which best anticipates and best meets the needs and the desires of hundreds of millions of consumers from one end of this country to another.

The idea is that the business enterprise will best succeed which best meets those needs, which meets those needs at the lowest possible price set by competition, which provides the best possible goods at a reasonable price, and which offers the best service in connection with those items offered for sale and which will require such service.

Yet it is a fundamental truth of the competitive system that it works precisely to the degree that the customer, that potential purchaser sought by a business enterprise, is able to judge which supplier offers the best goods, which supplier offers those goods at the lowest possible price, and which supplier is most likely to provide reasonable service in backing up those goods.

The Senator from Oregon in his opening statement this morning spoke of a dealer friend of his in Portland who has, I believe, discovered the way in which to be a successful businessman; and that means to success is to treat the customer essentially as always being right, always to take care of a complaint, always to be willing to listen to a person who feels that somehow or other that person has been shortchanged.

Thousands of business enterprises which deal in retail in this country have been successful as the result of just such practices. None of us, however, can overlook the fact that numberless other businesses dealing directly with consumers have sought shortcuts to financial success. None of us can ignore the fact that this is particularly true in connection with the sale of goods or services which are both expensive and concerning which repeat business, if it takes place at all, takes place only at a considerable distance in time from the original sale.

It seems to me that in order to strengthen the free market system, in order to strengthen the forces of competition, we must do whatever we can to close up the very real but artificial difference in knowledge between sellers and purchasers. It is only when the potential purchaser has enough knowledge about the condition of an automobile in this case, which he or she seeks to purchase, that that consumer will be able to make an intelligent choice and to reward the dealer who offers the best possible automobile at the lowest possible price.

There was another secret to this consumer protection field which I discovered, and which I am sure the Senator from Missouri discovered as attorney general, and that secret is simply this: That those business enterprises which are already the most principled, those business enterprises which are least likely to cut corners or to cheat, are precisely those business enterprises which are most benefited by exactly the kind of situation which this rule attempts to impose on the used car business. This is because every time an unprincipled business sells goods by means of deception, such as promoting a price which is not a true price because of the bad condition of the automobile which that enterprise sells, not only is an individual purchaser cheated, not only is an individual customer shortchanged, but so is the honest and principled used car dealer down the street who has lost the sale because his honesty has impelled him to indicate that his apparent price for a particular automobile is not as advantageous as that promoted by his unprincipled competitor.

As a consequence, there is little doubt in my mind but that the adoption of this Federal Trade Commission rule would benefit not only consumers, but the best and most principled dealers as well, simply because it would add to the knowledge and sophistication of every purchaser who availed himself of the information required by this rule. Therefore, it would benefit those businesses which do the best job with their customers; it would benefit businesses like those described by the Senator from Oregon, as against their less principled competitors.

This is the best form of consumer protection, not the worst. I submit to the Senator from South Dakota and to the Senator from Wisconsin that it is far better to prevent a consumer complaint by offering the consumer information before he or she makes the purchase, than it is to give that consumer a remedy either through the Uniform Commercial Code to bring an individual action benefiting mostly the lawyers who represent the parties after the fact or, for that matter, to have a government agency, whether it be the Federal Trade Commission or a State attorney general's office, bring such a law suit after a succession of such frauds.

The glory of the free enterprise system is that it is self-regulatory, but it can be self-regulating only to the extent that the customers as well as the businessmen within that system understand what it is they are getting into. The greatest defects in our system come from the fact that ours is an extremely complex economy in which almost inevitably the seller has more knowledge than the buyer has; and when the seller is unprincipled, the seller can therefore take advantage of that difference in knowledge.

This rule, incompletely and in part, and in connection with one form of business—but I must say one form of business which provides a great deal of work for state attorneys general—attempts successfully to redress that balance. It will, in fact, reduce the amount of litigation over used cars. It will improve the reputation of used car dealers with their customers rather than the opposite. It represents a significant and a major step forward in providing for a better and a stronger free market system.

Mr. President, in determining whether we should disapprove this Federal Trade Commission rule, we should ask ourselves these two questions:

Has the FTC demonstrated a need for any trade regulation in this area?

If so, is this particular rule reasonably designed to correct the problems in the marketplace which underlie this need? In other words, will this rule achieve the legitimate regulatory goals in the most efficient manner, and without unnecessarily or unreasonably placing burdens on the industry?

In assessing the need for an FTC rule on the sale of used cars, we should begin by looking at the history underlying the Commission's action. In 1975, in enacting the Magnuson-Moss Warranty Act, Congress directed the FTC to initiate a rulemaking proceeding, and if indicated by the proceeding, to promulgate a trade regulation dealing with used car warranties and warranty practices. This used car rule was to be promulgated not only under the Magnuson-Moss Warranty Act, but also pursuant to the FTC's general authority under the FTC act and other laws which the Commission is empowered to enforce. Responding directly to this statutory instruction, the FTC formally initiated the used car proceeding on January 6, 1976, by publishing a rulemaking notice. This notice sought public comment on a draft proposal, and was the first of several efforts by the FTC to seek public input about warranty and defect disclosure. Commissioner Patricia P. Bailey testified before the Senate Commerce Committee that:

> A total of 1,681 comments were received through October 1976. Then hearings were held in six cities across the country from December 1976 to May 1977. Two hundred and twelve people testified and were subject to questioning by the commission staff and by designated representatives of used car dealers, auto rental and leasing industries, and consumer groups. Both the presiding officer and the commission staff then summarized and analyzed the massive rulemaking record of 8,232 transcript pages, filing separate reports and recommendations with the commission.

This exhaustive record clearly shows that substantial consumer injury results from the fact that dealers too frequently misrepresent or fail to disclose material facts about the mechanical condition of the car or about limitations on warranty coverage.

In buying a used car, many consumers are making one of the largest individual investments of their lives. In most cases, they necessarily depend upon the seller's expertise and good faith concerning disclosure of the mechanical condition of the car and explanation of the legal technicalities of warranty protection. Obviously, these are among the most material factors that should be carefully weighed in making the purchase decision. Yet, the record documents that with alarming frequency, relevant disclosures of these kinds are not made at all, or are made only after the consumer's decision has essentially been made. For instance, one study showed that when customers took cars from dealers' lots to have an independent mechanic inspect them, and then returned them and told the dealers about the defects they detected, in 75 cases out of 101, salesmen failed to tell other customers about the same defects. Another survey indicated that the fine print of written warranties differed significantly from dealers' oral representations 34 percent of the time.

We should keep in mind that we are not speaking here only of "consumer" protection, but also of protection for the honest, scrupulous businessman. One of the very first major lawsuits to enforce the consumer laws that I prosecuted as Washington State attorney general was one against an automobile dealer which involved precisely the type of conduct we are discussing today. Although there were numerous consumer complaints, it was a group of competing automobile dealers who were loudest in their demands for action in this case, and who supplied the most devastating testimony for the State. Unfair and deceptive practices against consumers clearly constitute at the same time, unfair methods of competition against businesses which do not engage in such conduct. This point was made forcefully in the FTC record by Stanley Hoynitski, spokesman for the Pennsylvania Automobile Dealer's Association when he said:

> The used car business is a natural business for some unscrupulous businessmen. The nature of the motor vehicle, with its many thousands of internal parts, makes it highly susceptible to hidden defects, known or unknown to the seller. There is need to protect the consumer from these unscrupulous dealers who I acknowledge have crept into the (used car) business. (TR 8037)

The FTC has documented a repetitive pattern of deceptive trade practices in the sale of used cars. Regulation is therefore, warranted in this area, but is this particular rule an appropriate response to the record abuses? The Commission considered a series of remedial approaches to the problem. It first considered and rejected a mandatory inspection rule as being too burdensome on the industry. An optional inspection rule next met a similar fate. Finally, the rule before us was adopted. It is the least intrusive conceivable regulation which would respond significantly to the serious problems found to exist in the marketplace for used cars. It is simply a traditional full disclosure approach. Dealers must inform consumers about the existence and extent of any warranties offered, and the existence of certain major mechanical defects in the cars, if they are known to the dealer. These disclosures are to be made by using a window sticker which seems to be very creatively designed to minimize costs and paperwork for dealers. The rule merely requires the dealer to inform potential purchasers of information which is known to the dealer, which often is difficult for the consumer to independently discover, and which is essential for the consumer to have in order to make a rational purchase decision. I cannot imagine a more basic standard of fair dealing. Incidentally, it does not differ significantly in underlying theory from the sticker required in the window of new cars offered for sale which must show what its list or sticker price is. This is also a requirement which, I may say, was opposed by automobile dealers at the time at which it was originally proposed.

Neverthless, arguments have been advanced in an effort to rationalize congressional rejection of this inoffensive regulation. It is argued that the rule would have certain indirect effects which would prove costly and burdensome to the industry. Upon close examination, these arguments involve misapprehension of the rule's scope and effect.

First, it is argued that the rule would operate in some cases to require that dealers inspect used cars prior to sale. The language of the rule could not be more explicit that dealers are not required to inspect or to discover defects. In the course of research for the Commerce Committee, the Congressional Research Service concluded that "the practical application of the rule would not require an inspection of the automobile." Any doubt on this point should be removed by the statement of enforcement policy which the FTC formally issued and forwarded to the committee in March. It states unequivocally that no dealer would ever be subject to an FTC enforcement action for failing to inspect a used car prior to sale.

It is sometimes asked, "What would the rule accomplish if it is so limited?" The FTC policy statement also addressed this question:

> Although the rule does not require dealers to inspect, the record developed in 5 years of proceedings shows that dealers learn a great deal about the cars they sell in the ordinary course of their business. They must learn of major problems in order to decide how much to pay for a car at wholesale, what price to seek for the car at retail and whether to offer warranty coverage. The rule would simply require that they share this information with consumers.

Next, some argue that the rule would indirectly either mandate warranties or somehow increase the potential tort liability of dealers. The proposed FTC sticker is clearly designed to avoid these possibilities. It provides:

> There may be defects that are unknown to the dealer. If nothing is listed, the car is not necessarily free of defects.

Again, the Congressional Research Service addressed this issue at the Commerce Committee's request. It concluded that the rule—

> Would not create any new warranties or significant contractual rights under state law, nor would it apparently affect a dealer's tort liability under state law.

This, of course, was the intention of the FTC, as the record makes clear.

Some supporters of this veto resolution argue that the standards for known defect disclosure are vague. The FTC record contains considerable expert testimony to the contrary. The same standards have worked very well in other contexts.

Still other opponents of the FTC rule worry that dealers would be subject either to a "Flood" of private litigation or enormous civil penalties for minor, technical or inadvertent violations of the rule. Only the Commission would be able to enforce this rule. Its statement of enforcement policy shows that ample safeguards exist to insure that the used car rule would be reasonably enforced by the FTC.

It is also argued that since the rule applies only to dealer sales, and not to private sales, it is discriminatory and would put dealers at a competitive disadvantage. This is nonsense. The FTC record shows a much lower incidence of the abuses against which the rule is directed in the case of private sales. Often, these transactions occur between friends or relatives, Certainly the consumer is more likely to be in a relatively equal bargaining position in the case of purely private sales.

And that, of course, is the point. If it were necessary, before any regulation of any type of business conduct could be adopted, that every other similar kind of transaction which also might merit any kind of change be simultaneously regulated, we would have no laws whatsoever. The fact is that the difference in bargaining ability, the difference in knowledge about potential defects, and the expectation of the consumer is infinitely different in connection with a purchase from a dealer than it is from a purchase from a private party. This is the reality of the marketplace. And it is not necessary or advisable to regulate private sales in order justifiably to regulate sales from dealers.

It would not be practical for the FTC to try to enforce a trade regulation in the case of isolated private transactions. The Federal Trade Commission can only operate efficiently by directing its limited resources to circumstances in which a repetitive pattern of deceptive conduct is shown to occur in the regular course of trade or commerce. Anyone who sells or offers for sale more than five cars per year is considered a "Dealer" and subject to the rule. I believe this provision makes the rule applicable to as broad a range of conduct as is practical. The cost of complying with the rule should be minimal. If anything, the rule should improve the dealers competitive position by insuring customers that when they purchase from a dealer they are at least being told all the essential facts known to the dealer relevant to the car's condition and the dealer's repair responsibility.

Finally, it is argued that these questions should be left to State regulation. The National Association of Attorneys General is a group that is especially sensitive to Federal intrusion into State prerogatives. That association clearly does not see the FTC rule as such an intrusion; it passed a resolution supporting the FTC rule and opposing the veto resolution with but one single dissenting vote.

I have been a strong supporter of the President's program to rid the country of unwarranted and inefficient regulations. This rule, however, is not the sort of excessive regulation which is targeted by those popular deregulation efforts. As Virginia Knauer stated in her capacity as special assistant to the President, the FTC used car rule:

> Will maximize the benefits to society in the least costly, least intrusive and least burdensome manner consistent with the administration's regulatory goals.

Mr. President, I wish to add only one comment. I believe it significant that the only opposition to this rule comes from organizations of dealers themselves. That, of course, should not be conclusive in connection with our decision here. But it is true that support for this rule comes not only from consumer organizations themselves, but from organizations which are more broadly representative than that.

The criticism of the criticisms of the rule, and their apparent interpretation by the dealers associations, comes from our own Congressional Research Service. Support for this rule comes from the National Association of Attorneys General as well as from more specialized consumer agencies. Every organization which has discussed this question objectively, which does not have an immediate financial interest in it, and which has taken a position, has favored the rule. It seems to me that this should weigh very, very heavily in our decisionmaking process.

We have, of course, spent relatively little time on examining the problems of this field. It is to examine such questions exhaustively that the Federal Trade Commission was created in the first place. It would be highly unwise simply to criticize a rule, which has been 5 or 6 years in the making by experts, as being a poor or vague attempt to deal with the problem based upon the complaints of individuals who have never had anything to do with consumer protection and do not know how it works in the real world. Being from a profession which has involved itself in exactly that field, I can assure you that the rule is workable, that is, it is likely to reduce rather than increase litigation, and that it will be a great help to consumers in making important purchase decisions.

If Senate Concurrent Resolution 60 passes the Congress, it will set a very unfortunate and unwise precedent as the first test of the legislative veto in the context of Federal Trade Commission rules. I urge my colleagues to vote against Senate Concurrent Resolution 60.

Mr. President, I ask unanimous consent that the Federal Trade Commission's Statement of Enforcement Policy and the National Association of Attorneys General resolution be printed at this point in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

Statement of Enforcement Policy for the Federal Trade Commission's Used Car Rule

The Used Car Rule, promulgated by the Federal Trade Commission on August 18, 1981, requires that a "Buyers Guide" sticker be affixed to the window of each used car offered for sale. The sticker has two basic features. First, it requires disclosures concerning the type of warranty coverage offered on a used car, or whether the car is sold without any warranty ("as is"). Second, the sticker contains a blank where dealers must disclose all known defects in a car's major mechanical systems which they discover in the ordinary course of their business. On the reverse side of the sticker, the universe of defects which must be disclosed if known are listed. All of the rule's requirements are contained on the one sheet of paper which is the "Buyers Guide".

Under the Federal Trade Commission Improvements Act of 1980, the Rule is subject to a two-house legislative veto and was submitted for Congressional consideration during this session on January 28, 1982.

Many misconceptions about the rule's requirements appear to persist among used car dealer trade association representatives. In particular, the dealers are concerned that the rule would require dealers to inspect all cars prior to sale and that failure to do so would subject dealers to large civil penalties under the FTC Act. In an effort to address these concerns, the Commission has decided to issue this enforcement policy statement. The statement contains the basic elements of the policies and programs the Commission would adopt to enforce the rule.

At the outset, the Commission wishes to reiterate, unequivocally, that this rule does not—in any manner or for any purpose, in theory or in practice—require that dealers inspect used cars prior to sale. Section 455.6 of the rule states: *"Dealers are not required to conduct inspections;* however, they are required to disclose certain material defects, *if known at the time of sale."* (Emphasis added.) Because of that language, it should be absolutely clear that no dealer can ever be subject to an enforcement action by the Commission for not inspecting. To remain in complete compliance with this part of the rule, dealers must only disclose information about specific defects in a car's major mechanical systems which they discover in the ordinary course of their business.

Although the rule does not require dealers to inspect, the record developed in five years of proceedings shows that dealers learn a great deal about the cars they sell in the ordinary course of their business. They must learn of major problems in order to decide how much to pay for a car at wholesale, what price to seek for the car at retail and whether to offer warranty coverage. The rule would simply require that they share this information with consumers.

In order to prevail in an enforcement action challenging a dealer's alleged failure to disclose a known defect, the FTC has the burden of proving that a dealer had knowledge (See Section 455.2(c) of the Rule). To meet that burden, the FTC would have to demonstrate that a reasonable person under the circumstances would have concluded that the specific, particular defect was present in the car. Thus, the Commission's burden is substantial and requires the factfinder to weigh all evidence concerning the car's mechanical condition at the time of sale. Because this burden is substantial, the Commission will focus its enforcement efforts on violations of the Rule where serious patterns of abuse and substantial injury to consumers can be demonstrated. Dealers who make good faith efforts to provide accurate information to consumers will not risk prosecution. For example, assume a dealer sees that the car is leaking radiator coolant on the lot. The leakage could be caused by one of several problems in the car's major mechanical systems. The FTC would not prosecute the dealer who simply disclosed the existence of coolant system leakage and did not investigate further to discover the cause of the leakage.

The Commission's primary focus during the initial period after a rule goes into effect is industry and consumer education concerning the rule's requirements. The Commission spends considerable time and substantial resources in this educational effort. Through press releases, consumer and industry educational materials, advisory opinions, speeches, personal meetings of Commissioners and staff with industry, and publication of compliance manuals, the Commission attempts to assist the industry's compliance efforts. Frequently, these efforts involve working with trade associations to disseminate information to their members about a rule's requirements and to enlist their cooperation in encouraging voluntary compliance by their members. An important goal of all these efforts is to prevent inadvertent violations of the rule. The Commission's experience has been that its intensive efforts to inform an industry about a rule's requirements have resulted in extraordinarily high levels of voluntary compliance by their members.

Safeguards exist to insure that the Used Car Rule will be equitably enforced. First, in any enforcement action, the Commission must be able to prove that the dealer knew that a speicific defect existed. Second, as a matter of policy, the Commission will only enforce the rule when a repeated pattern of abuse can be demonstrated. Finally, the merits of a Commission enforcement action are decided by the federal courts, and not by the Commission.

To illustrate how these safeguards would operate in practice, take the case of a dealer who failed to disclose six defects (cracked engine block; leaking battery; insufficient brake pedal reserve; slipping clutch; bent frame; and inoperable defroster).

The Commission would enforce the rule against the individual dealer only if it could prove that the dealer knew of those defects, and only if the dealer's repeated failures to disclose defects had brought potential violations to the attention of the Commission. Moreover, the Commission would recommend a complaint only if negotiations with the dealer did not result in a settlement.

The Commission would then notify the Department of Justice and ask the Attorney General to file suit against the dealer on behalf of the Commission. If the Department of Justice believed the case was meritorious, it would then file suit in the appropriate United States District Court. That court would hear the case and decide whether civil penalties should be assessed and if so in what amount. If the Department of Justice were to decline to file the case, the Commission would consider filing the case itself in a federal district court.

The amount of civil penalties the Commission would seek in negotiations or in a complaint would depend on an evaluation of the factors set forth in the Magnuson-Moss/FTC Improvements Act:

The degree and nature of the violations alleged;

The history of the company's prior conduct;

The company's ability to pay;

Any effect on the company's ability to continue doing business; and

"Such other matters as justice may require." 15 U.S.C. § 45(m)(1)(C).

In defining "such other matters as justice may require", the Commission considers the injury to the public caused by the alleged violations, the profit derived directly from the unlawful practice ("unjust enrichment"); the good or bad faith of the company involved; the need to deter other potential law violators; and the cost of any consumer redress or other affirmative educational programs the company has agreed to undertake as part of the consent settlement.

It should also be noted that, for all the trade regulation rules which have become effective to date, formal Commission action resulting in assessment of civil penalties or other sanctions is but a small part of the Commission's effort to secure compliance with its rules and it is reserved for only the most serious violations. Most violations are resolved informally by Commission staff through letters or phone calls.

The enforcement history of the Commission's Holder-in-Due-Course, and Mail Order and R-value Rules illustrate the Commission's enforcement policies. The Holder-in-Due-Course Rule (Preservation of Consumers' Claims and Defenses) covers many millions of sellers. Since it became effective on May 14, 1976, the Commission has initiated seven law enforcement actions brought by the Department of Justice involving Rule violations. Of these, five resulted in consent settlements before a complaint was filed and two are presently in litigation. In addition, three non-public investigations involving possible rule violations are currently pending.

With regard to the Mail Order Rule, which became effective in February 1976, the Commission has initiated 55 formal investigations. Of these, 40 were closed with no action taken by the Commission, 4 resulted in consent agreements, 2 are currently in litigation initiated by the Department of Justice and 9 investigations remain open. There are at least 6,000 mail order sellers who are covered by the Mail Order Rule.

The R-value Rule, which has been in effect since November 1980, covers all sellers of new homes and retail sellers and manufacturers of insulation. The Commission has not yet brought an enforcement action under the rule but has instead devoted available resources to industry and consumer educational efforts.

As the above histories indicate, the large majority of rule enforcement matters have been closed without action or have been settled by the mutual consent of the Commission and the respondent company.

National Association of Attorneys General Mid-Winter Meeting

RESOLUTION: FTC USED CAR RULE

Whereas, the Congress of the United States is considering legislation to veto the Used Car Rule promulgated by the Federal Trade Commission; and

Whereas, each year the officers of the state Attorneys General receive hundreds of complaints from citizens about the mechanical condition of used cars sold by dealers, and about the existence and extent of any warranties offered by dealers in used cars; and

Whereas, the FTC Used Car Rule creates an effective tool to help citizens avoid being deceived; and

Whereas, the Used Car Rule does not preempt the efforts of individual states to cope with these problems;

Now, therefore, be it resolved that the National Association of Attorneys General:

(1) Supports the FTC Used Car Rule and opposes legislation that would veto that Rule; and

(2) Authorizes the General Counsel to transmit the views of this Assocation to the Congress of the United States, the Administration, and other appropriate officials.

The PRESIDING OFFICER. Who yields time?

Mr. HATFIELD. Mr. President, I thank my distinguished colleague from Washington for that extraordinarily learned presentation, and especially to draw upon his background as attorney general in the State of Washington. That is an experience which most of us cannot duplicate.

Mr. President, I yield 5 minutes to the Senator from New Jersey.

The PRESIDING OFFICER (Mr. Gorton). The Senator from New Jersey.

Mr. BRADLEY. Mr. President, Senate Concurrent Resolution 60, which we are debating today, disapproves of a Federal Trade Commission rule regulating the sale of used cars. Since the FTC first promulgated the final draft of this rule last year, a number of objections have been raised by used car dealers.

The used car dealers fear that they will have to make costly inspections of their vehicles and that they will wrongly be held accountable for unknown defects. In short, many dealers feel Federal regulations will make it harder for them to operate their businesses efficiently.

Over the past 8 months, representatives of the automobile industry have raised these important regulatory concerns, and Members of the Senate and House have responded by supporting this resolution of disapproval. Every

Member of this body knows how burdensome Federal regulations can be, and every Member is sensitive to the needs of small businessmen and businesswomen, so it is understandable that many Members of Congress are supporting this resolution. While I understand their reasons for concern, I think this FTC rule is a moderate, sensible, and practical means of addressing a serious nationwide problem. I will vote against this resolution of disapproval.

I believe the majority of used car dealers are honest and reliable, but the fact remains that misrepresentation problems continue to plague the buyers of used cars and those buyers must be protected. Several years ago, Congress directed the Federal Trade Commission to investigate the sale of used cars and prescribe rules, if necessary, to clean up business practices. Through an exhaustive investigation, the FTC uncovered two common types of abuse: dealers misrepresenting the mechanical condition of the car and dealers misrepresenting their own responsibility, if any, to repair defects discovered immediately after sale.

It is easy to see how an unethical dealer can mislead uninformed consumers. Of the two parties to the transaction, it is the dealer who has the better opportunity to know about a car's condition. He has the expertise to thoroughly inspect a car. He is knowledgable about his legal responsibilities. The consumer has none of these advantages.

So, it is not surprising that some dealers take advantage of their superior position and use it to the detriment of the consumer. The proposed FTC rule will discourage and prevent dealers from engaging in these unethical business practices.

It is important to underline that these sales practices not only rob consumers of their money, but also threaten their safety. Unlike a faulty wristwatch or typewriter, a defective automobile is a potentially lethal object. Every year, over 10 million used cars are sold by dealers. For safety, above all other reasons, the FTC rule deserves our support.

Much of the debate on this rule has focused on its alleged vagueness, the costs of compliance, and the inspection issue. Unfortunately, opponents have failed to recognize that the rule is not the real problem. The real problem is that there are some auto dealers who are cheating consumers.

Representatives of the auto industry maintain that the rule will force dealers to inspect their cars. In fact, the rule and the FTC's enforcement policy statement specifically state that inspections are not necessary. The dealers maintain that the rule is too burdensome. In fact, this rule makes fewer demands than the rule proposed by the National Independent Automobile Dealers Association during the FTC's proceedings.

The dealers maintain that consumers will not buy their cars if defects are listed on the sticker. In fact, it is more likely that consumers will find the dealer's disclosure of known defects to be reassuring because they will know what they are getting and will be able to correct problems before a tragic accident occurs.

The dealers maintain that consumers will bring frivolous law suits as a result of the rule. In fact, only the Federal Trade Commission can enforce its trade regulations; this rule creates no private right of action and should not affect State laws already in existence.

The dealers maintain that the standards for defining a known defect in a car's mechanical systems are vague. In fact, the FTC's record indicates that the dealers can determine when some system in the car is defective or acting improperly. That, after all, is their business.

With all of these arguments the opponents of the rule have tried to show that it is unreasonable and impractical, but a close inspection shows that every one of these arguments is false.

To demonstrate that the FTC has taken the legitimate concerns of the industry into consideration, I will briefly review the evolution of the used car rule. In 1978, the Federal Trade Commission staff recommended that the Commission require inspection of all used cars sold by dealers. After extensive hearings, the Commission rejected this recommendation, directing the staff to consider less burdensome approaches.

In May 1980, the Commission tentatively adopted a less restrictive rule providing for optional inspections. After receiving public comment on its decision, the FTC decided in April of last year not to adopt the optional inspection rule. Rather, the Commission adopted an even less burdensome rule which specifically holds that inspections are not required. That is the rule we are considering today.

And what does that rule say? The requirements of the rule are contained entirely on this one page window sticker. Dealers must complete the sticker with information already in their possession and post the sticker in the window of each used car for sale. At the top of the sheet, the dealer must disclose the name of the manufacturer, the model type, the year in which the car was made, and the vehicle identification number. In the center of the sheet the dealer must specify what type of warranty, if any, the dealer offers. The dealer may offer a full warranty, a limited warranty, or no warranty at all. If certain parts of the car are covered by a limited warranty, the dealer must indicate which parts are so covered and the duration of the warranty.

Immediately below the warranty section, the dealer can indicate whether or not a service contract is available to the consumer. Finally, Mr. President, at the bottom of the form, the dealer must indicate any major defects which the dealer already knows about. On the back of the sticker is a list of major defects which may be found in defective automobiles and a place for the dealer to provide his name and address.

I now ask my colleagues, Mr. President, whether we are asking too much when we require an automobile dealer to list the manufacturer, the model, the year, and the identification number of the vehicle he is selling? Are we asking too much when we require the dealer to give the consumer information on warranties or service contracts which the dealer offers? Are we asking too much when we require the dealer to disclose any known defects in the vehicle, including potentially dangerous defects? The answer, clearly, is in the negative. That is not too much to ask.

The record shows, Mr. President, that the FTC rule deals fairly and effectively with the problem of dealer misrepresentation. An ancient saying notes that honesty is both praised and starves. We have all praised honesty today. I urge my colleagues to join me in support of the Federal Trade Commission's rule to insure that honesty and fair dealings do not starve.

Mr. KASTEN. Mr. President, I yield myself such time as I may consume.

Mr. President, I would like to commend the Senate and my colleagues on the Commerce Committee for their interest in the legislative veto process, their interest in the used car rule, and their participation and cooperation in the Senate's consideration of this rule. I could not be more pleased with the operation of this veto process. Legislation I have prepared for the FTC authorization will provide for a continuation of the legislative veto, in the form recently approved by the Senate as part of S. 1080, the Regulatory Reform Act.

Quite apart from the merits of this rule and the outcome of the Senate's vote, I believe that our experience with the used car rule has demonstrated how smoothly, fairly, and efficiently legislative vetos can operate as a check on unlawful, burdensome, or otherwise unjustified administrative rules.

However, Mr. President, I do have grave concerns about the merits of this particular rule.

The FTC's used car rule would require used-car dealers, those selling five or more used cars per year, to post a sticker on the window of each used car offered for sale. On the sticker, the dealer must:

First, disclose the terms of any warranty offered on the vehicle, or disclose that no warranty is offered; and

Second, disclose the existence of any of 52 serious defects in the mechanical condition of the car if the dealer or one of the dealer's employees has had reason to know of the defect.

Dealers violating the rule may be sued by the FTC in Federal court and subject to a civil penalty of up to $10,000 per violation. In other words, up to $10,000 per car.

There is no doubt the FTC's rule is well intentioned and responds to a consumer need. Used car dealers clearly know more than their customers about the condition of cars they offer for sale, and good business requires that dealers make sure buyers understand the terms of the transaction prior to sale. Misunderstandings between used car buyers and sellers about warranty coverage and mechanical condition, and occasional instances of bad faith, are a constant source of complaints, litigation, and disappointment. But this consumer need alone does not automatically justify a comprehensive, intrusive Federal regulatory scheme.

For me, this is largely a States' rights issue. Nearly every State has consumer protection laws that may cover sales of used cars. Most States, in fact, have "little FTC acts" that mirror the protection afforded by the Federal statute.

Several years ago, my own State of Wisconsin adopted a statewide rule which is stricter than the proposed Federal rule, one that requires dealers to inspect the cars they sell and to repair certain safety-related defects, in addition to disclosing warranty and defect information. If the FTC rule goes into effect, Wisconsin's used car dealers will have to comply with both the State and Federal rules unless Wisconsin goes to Washington, D.C., and petitions successfully for an exception from the Federal rule for our State. In the meantime, the burdensome requirement on Wisconsin dealers to post two window stickers and comply with two rules would be literally valueless in improving the position of Wisconsin consumers.

Unlike some of the Federal automobile safety and environmental standards that arguably address problems that are multistate in character, the used-car rule seeks to regulate a localized, commercial transaction that I believe is more a State prerogative.

I am also troubled by a few other aspects of the rule, including the tone of the sticker, which I think is unnecessarily offensive to the vast majority of honest dealers, and the ambiguities of the rule pointed out in our hearings.

Primarily, I fear that the proposed requirement that dealers disclose known defects is too ambiguous. Does a dealer know about a cracked block if the dealer sees leaking radiator coolant under the car, or if someone trading in the car says it acts funny? In this respect the Wisconsin rule is superior, as well, since with a clear-cut requirement for an inspection, dealers know precisely what they have to do to comply with the law.

We must stem the tide of unnecessary and burdensome Federal regulation, return power to the States, and work to improve balance, clarity, and purpose to our Federal laws.

As chairman of a Senate subcommittee with oversight of the FTC and other consumer agencies, I have taken this responsibility seriously. I believe that we should not be afraid to use the legislative veto and other tools that are available to regain control of the Government. We can no longer afford to rubberstamp new Federal regulations or try to sweep them under the rug. New Federal regulations must no longer be considered justified solely on the basis that a problem exists. Judgments must be made concerning whether the regulations are written clearly, whether a less intrusive regulatory scheme would be sufficient, and whether States are better positioned than the Federal Government to protect their citizens.

After much study this fall, I concluded that the FTC's used car rule simply failed to meet this standard. I believe Wisconsin's rule illustrates how successful State regulation of used car sales can be, and how unsatisfactory the FTC rule is by comparison.

Under the FTC Improvements Act, if a rule is vetoed by Congress, the FTC may rewrite the rule and resubmit it for review. The used car dealers have said that they do not oppose a rule requiring warranty disclosure alone. The FTC should consider taking care of some of the concerns expressed about the rule and resubmitting it.

Mr. President, it was pointed out that Congress has, in effect, mandated that a rule of this type be submitted. In 1975, in the Magnuson-Moss Act, Congress told the FTC to begin a rulemaking "dealing with warranties and warranty practices" in the sale of used cars. But Congress did not tell the FTC to go beyond this, to write a rule requiring the disclosure of known defects. I think there is a legitimate question as to whether the FTC has the authority to require disclosure of known defects. I know that, in particular, Senator CANNON, the ranking member of the committee, feels strongly that there is no such authority. The FTC should have stuck to the mandate of the Magnuson-Moss Act and not expanded upon it.

It also is pointed out. Mr. President, that the used car industry does not have any kind of self-regulatory program. In fact, the used car industry does have a successful self-regulatory program.

The National Automobile Dealers Association has a program entitled "Autocap," the automobile consumers action program, which seeks to take care of consumer complaints. Autocap panels are comprised of dealers along with consumer representatives from the whole community, such as representatives from consumer protection agencies, media, educational institutions, and other kinds of groups. These Autocap programs now exist in a majority of the States, and the NADA is trying to expand the program.

Mr. President, I am hopeful that the Senate will today reject this rule. It does not belong at this level of government; it belongs with the States. We need less regulation, not more.

As we look at any kind of regulation, Mr. President, we have to balance the cost of compliance and the paperwork and the heavy burden of regulations and regulators—individuals who have to be here in Washington to enforce these rules—against the benefits to the consumer. The Wisconsin consumer will benefit not at all. I believe that States can take care of this problem when and where a problem exists.

Mr. PACKWOOD. Mr. President, would the Senator from Wisconsin yield for a question?

Mr. KASTEN. I would be pleased to yield, Mr. President.

Mr. PACKWOOD. The Senator made reference to this as being a States' rights issue. To the best of my knowledge, none of the organizations that are normally quite concerned with that—Governors, counties, cities—has come in and testified in opposition to this on that basis. Is that correct?

Mr. KASTEN. Mr. President, my understanding is that the only group that would be even thought of as close to a State group is the attorneys general group, which came in and testified on the other side. I do not believe that is an indication of a position for or against States' rights. Attorneys general seem to have a number of concerns. We have heard two former attorneys general here today on this issue.

I think overall, Mr. President, State legislators and elected officials at the State level feel as I do, that we do not need more Federal intervention.

(Mr. SYMMS assumed the chair.)

Mr. PACKWOOD. I forgot to mention the State legislators, Mr. President. Interestingly, they, too, did not come in in opposition. Those groups are quite jealous of Federal preemption of their rights or cosharing of their rights or stepping on them. None of them testified in opposition.

The distinguished Senator from Wisconsin is correct, the National Association of Attorneys General last December—December 1981—resolved in favor of the Federal Trade Commission rule.

Mr. President, I do not wish to trespass on the time of the Senator from Wisconsin. I am going to make a few comments, if the Senator from Wisconsin does not mind, and charge it against my time.

Mr. **KASTEN**. I do not mind, Mr. President.

Mr. **PACKWOOD**. Mr. President, let me read the attorneys' general resolution:

> Whereas, the Congress of the United States is considering legislation to veto the Used Car Rule promulgated by the Federal Trade Commission; and
>
> Whereas, each year the offices of the state Attorneys General receive hundreds of complaints from citizens about the mechanical condition of used cars sold by dealers, and about the existence and extent of any warranties offered by dealers in used cars; and
>
> Whereas, the FTC Used Car Rule creates an effective tool to help citizens avoid being deceived; and
>
> Whereas, the Used Car Rule does not preempt the efforts of individual states to cope with these problems;
>
> Now, therefore, be it resolved that the National Association of Attorneys General:
>
> (1) Supports the FTC Used Car Rule and opposes legislation that would veto that Rule; and
>
> (2) Authorizes the General Counsel to transmit the views of this Association to the Congress of the United States, the Administration, and other appropriate officials.

Mr. **PACKWOOD**. Mr. President, may I ask the Senator from South Dakota if he will respond to a question? I realize it is on my time.

In his opening statement, the Senator from South Dakota indicated he would support something. I am curious what would be the limit which the Senator would support. What is he suggesting?

Mr. **PRESSLER**. As I said in my statement, Mr. President, my problem is with the third part of the rule, which is so confusing. Different Senators perhaps have different reasons for their positions on this rule.

For example, I ask my distinguished colleague from Oregon for his response to this: Let us say that I am a dishonest car dealer. Let us say that a car comes in that I have paid $500 for in one form or another and it is just sitting there. Rather than inspect it at all, I make the notation that the 52 items, as far as I know, are in good shape. Then a little old lady comes in to buy the car and she sees this wonderful form of the Federal Trade Commission that says all these complicated things are all right as far as the dealer knows.

She drives the car for 5 minutes and it collapses. She will be worse off under this rule than she would be under the Uniform Commercial Code.

Mr. **PACKWOOD**. I ask the Senator why, Mr. President.

Mr. **PRESSLER**. Because if she came back to me, I could say I did not know there was anything wrong with it; I did not have to inspect it. I am completely protected. Therefore, in certain instances, and I think my colleague would agree, the dealer is more protected than the consumer. In fact, I think consumers are going to suffer under this rule.

Now, let us say that I am a very honest dealer, example No. 2. In example No. 2, a car comes in. I look at it, and I say, "I am going to check this off." Even though the rule does not require inspection, before I check this off, I am going to inspect that car to be knowledgeable about the 52 items listed on that sheet.

It is going to be a fairly expensive inspection, I think my distinguished colleague will agree. It might, on certain cars, cost a mechanic a day's work.

The rule does not require it. But just to be very cautious, I would do it. That would mean I would have to increase the cost of that car to the consumer by $150.

Something else would also happen, if the Senator will let me finish.

Mr. **PACKWOOD**. Mr. President, I just do not want the Senator to use up my time.

Mr. **PRESSLER**. I am coming to my point. I shall yield my time to the Senator. He is very generous to allow me to do this.

Not only would the cost of that car go up $150, but 50 percent of the used cars in this country are not sold by dealers. They are sold privately. They would also go up in a chain reaction by $150. Therefore, consumers would be paying more.

Meanwhile, in Washington, the size of the Federal Trade Commission is getting bigger in order to enforce all this, so the taxpayer would be spending more. The circuitous effect of all this is that we have not protected the consumer; we have protected the dishonest guy. He gets more protection. The honest dealer has to increase the price of his car. All consumers have to pay more for cars because of the cost of inspection of those cars sold by dealers; taxpayers spend more; the problem is not solved and we are all worse off.

Mr. **PACKWOOD**. Mr. President, what would the Senator from South Dakota—he said he would support something. What would he support?

Mr. **PRESSLER**. Mr. President, I would certainly support a rule that would fall in the first two parts as my written statement indicates.

Mr. **PACKWOOD**. The first two parts require disclosure of the type of warranty or whether the car is sold with no warranty; the second part, you would disclose all known defects——

Mr. **PRESSLER**. I have no problem with that.

The reason this rule has so many cosponsors is that it is such a poorly drafted rule.

It protects the dishonest dealer completely. When there is not a requirement for inspection, it makes the cost of all used cars that are inspected higher. I say this protects the dealers.

Mr. **PACKWOOD** addressed the Chair.

The **PRESIDING OFFICER**. The Senator from Oregon.

Mr. **PACKWOOD**. Mr. President, I am going to place in the Record the entire Congressional Research Service, Library of Congress, memorandum. I want to read from just one part because it touches on a reference the Senator from South Dakota just made:

> It should be noted that, under Uniform Commercial Code Section 2-314, the sale of any used car by a used car dealer includes, unless excluded as prescribed in section 2-316, an implied warranty of merchantability. This means essentially that, exclusions aside, a dealer, whether he intends to or not, warrants that his product is fit for the ordinary purposes for which it is used. In the case of a used car, this might mean that the car runs reasonably efficiently and safely, although it is not necessarily free from defects.

So, in the example cited by the Senator from South Dakota of the used car dealer who takes in a car, refuses to look at it, sells it to the little old lady and it has clear defects, under State law that dealer is liable now.

Mr. **GORTON**. Mr. President, will the Senator yield for a question?

Mr. **PACKWOOD**. Yes.

Mr. **GORTON**. I want to make entirely certain what the Senator said.

What the chairman said is that the existence of this rule and compliance with this rule as outlined by the Senator from South Dakota would have absolutely no impact whatsoever on the duties of the dealer as prescribed by the Uniform Commercial Code; is that correct?

Mr. **PACKWOOD**. I will warrant that, and I will read the last paragraph of this Library of Congress memorandum:

> In conclusion, the used car rule apparently would not create any new warranties or significant contractual rights under State law, nor would it apparently affect a dealer's tort liability under State law.

It does not diminish any rights. It does not create any rights.

Mr. **GORTON**. I thank the Senator.

Mr. **PACKWOOD**. Mr. President, I ask unanimous consent that the memorandum from the Congressional Research Service entitled, "Impact of the Federal Trade Commission's Used Car Rule on State Law" be printed in the Record.

There being no objection, the memorandum was ordered to be printed in the Record, as follows:

Impact of the Federal Trade Commission's Used Car Rule on State Law

This memorandum is furnished in response to your letter of October 19 concerning the Federal Trade Commission's Trade Regulation Rule Concerning the Sale of Used Motor Vehicles. This rule, published at 46 Fed. Reg. 41328 (August 14, 1981); correction at 46 Fed. Reg. 43364 (August 27, 1981), is currently before the Congress (see House Concurrent Resolution 178 and Senate Concurrent Resolution 33) for review in accordance with § 21 of the Federal Trade Commission Improvements Act of 1980 (Public Law 96-252), 15 U.S.C. § 57a-1. Under § 21, a rule becomes effective unless both Houses of Congress disapprove it within 90 calendar days of continuous session after the rule is submitted. As you state in your letter, the rule would require used car[1] dealers to post a window sticker on each used care offered for sale to consumers that discloses information about the warranty coverage offered and certain mechanical defects known to the dealer. It would not apply to private used car sales.

To aid in your review of the rule you ask the following questions:

(1) What is the impact on contract law of the proposed requirement that the window sticker be made part of the contract of sale? Is the impact different for the two different types of disclosures required? Could the requirement for disclosure of known defects create a warranty under state law in any way?

(2) Could the required disclosures in any way affect state law by altering the "standard of care" imposed on dealers under ordinary tort law principles?

(3) Could the FTC's rule enforced by state enforcement offices, particularly by those with "little FTC Acts"?

(1) Section 455.3(b) of the rule provides that the information on the window sticker is incorporated into the sales contract for each used car, and that such information overrides any contrary provisions in the contract of sale. It also requires the contract to disclose these facts. The Commission states that this provision is designed to insure that the information on the window sticker will not be excluded from evidence under the parole evidence rule, which provides that a written contract that is apparently complete cannot be varied or supplemented by proof of previous or contemporaneous written or oral agreements. By providing that the information in the window sticker overrides contrary provisions in the contract, the rule will apparently save courts from the often difficult task of reconciling contradictory contractual provisions.

Section 455.6 of the FTC's rule requires dealers to disclose certain known defects, but it does not require dealers to inspect cars to determine the existence of defects. Under § 455.2(c), a dealer has knowledge of a defect if he or his agent or employee has information about the condition of a vehicle (through an inspection, from a previous owner, etc.) that would lead a reasonable person to conclude that the car contains such defect.

Under § 2-313 of the Uniform Commercial Code (U.C.C.), which is law in every state but Louisiana,[2] an express warranty is created by "Any affirmation of fact or promise made by the seller to the buyer which relates to the goods and becomes part of the basis of the bargain . . . Any description of the goods which is made part of the basis of the bargain. . . ."

When a seller discloses the existence of defects in some parts of a used car, there is no logical basis for drawing any conclusions about the condition of other parts of the car. Therefore, it appears that a dealer who makes no express statement about the condition of such other parts would be making no affirmation of fact or promise or description that could be construed as an express warranty under the U.C.C. about such other parts. This result was intended by the FTC, which noted that it had considered and rejected a staff recommendation that would have required dealers to inspect all used cars and disclose the results of the inspection by checking "OK" or "Not OK" in connection with each major mechanical system of the car. Checking "OK" in connection with a particular system would have resulted in an express warranty under the U.C.C. on that system, and the FTC decided that this was undesirable.

It should be noted that, under U.S.C. § 2-314, the sale of any used car by a used car dealer includes, unless excluded as prescribed in § 2-316, an implied warranty of merchantability. This means essentially that, exclusions aside, a dealer, whether he intends to or not, warrants that his product is fit for the ordinary purposes for which it is used. In the case of a used car, this might mean that the car runs reasonably efficiently and safely, although it is not necessarily free from all defects. The implied warranty of merchantability may be excluded under § 2-316 by the dealer's specifically doing so by mentioning merchantability, or by using an expression like "as is" or "with all faults" or other language that plainly discloses that there is no implied warranty.

The FTC's used car rule does not alter these state laws concerning the implied warranty of merchantability and its exclusion. However, in § 455.2(b), it requires that if the implied warranty is excluded, this exclusion must be disclosed on the window sticker by the dealer's checking the "as is" box that is provided. Some states prohibit "as is" sales, and § 455.2(b) states that in such states the "as is" option may not be checked and must be deleted from the sticker.

Thus, the FTC rule would not appear to result in the creation of any warranty that is not already expressed or implied pursuant to state law. There is also, however, the question whether the rule would create for dealers any contractual obligations, apart from warranties, that they would not already have under state law. Section 455.3(b) of the rule states, "The information on the final version of the window form is incorporated into the contract of sale." It also requires the window form to state, "Dealers must tell you [the buyer] in the space below if they know about certain defects in this car's major systems." Arguably, because the fact that dealers must disclose known defects to buyers is "information" and therefore part of the contract, there would be a contractual obligation on the part of dealers to disclose known defects. This view might be supported by the FTC's statement that the purpose of the rule's requirement that dealers disclose the fact that the information on the window form is part of the contract is to allow "consumers who are injured by dealer deceptions concerning disclosures on the [window form to] bring breach of contract actions." 46 Fed. Reg. 41349 (1981). On the other hand, it might be argued that even though the statement on the window form that "Dealers must tell you in the space below if they know about certain defects in this car's major systems" is "information" and therefore part of the contract, this statement does not constitute a promise to the buyer to disclose known defects and therefore is not enforceable in an action on the contract. A rebuttal to this argment might be that if the statement is not enforceable in an action on the contract then there would be no point to its being part of the contract.

Actually, the question whether the rule allows buyers to sue sellers for failure to disclose known defects may be academic. This is because the right appears to exist already under state law. State law generally imposes an obligation on contracting parties to bargain in good faith, and failure to disclose known defects in a product may constitute a breach of this obligation. The obligation to bargain in good faith is found both in case law and in U.C.C. § 1-203, which provides, "Every contract or duty within this Act imposes an obligation of good faith in its performance or enforcement." In *Liebergesell* v. *Evans*, 93 Wash. 2d 881, 613 P. 2d 1171 (1980), the court noted that a "requirement of good faith in disclosing relevant facts while negotiating a contract can be seen in many vendor/purchaser cases in which buyers have recovered against sellers who failed to disclose information relevant to the subject matter of the agreement."

In *Hauben* v. *Harmon*, 605 F. 2d 920, 924 (5th Cir. 1979), the court wrote, "A nondisclosure of a material fact as well as an overt misrepresentation can constitute fraud justifying rescissions of a contract." The court added, however:

"Where the facts lie equally open to the vendor and vendee with equal opportunity of examination, and the vendee undertakes to examine for himself, without relying upon the vendor's statement, it is no evidence of fraud that the vendor knew facts not known to the vendee and does not make them known to him."

Similarly, in *Kaas* v. *Privette*, 12 Wash. App. 142, 529 P. 2d 23, 27 (Ct. App. 1974), the court wrote:

"Silence is not fraud when the purchaser is on an equal footing with the seller in the opportunity to be aware of material aspects of the subject matter of the sale."

Applying these principles to a used car sale, it appears that, under (at least some) state law, if a dealer fails to disclose a material defect of which he has knowledge, and if such defect is not readily discernible to the buyer, then the dealer would be subject to an action for rescission of the contract. If so, then the FTC's rule, even if it imposes on dealers a contractual obligation to disclose known defects (as opposed to merely an FTC requirement to do so), would not create any liability that is not already present under state law.

What if the dealer fails to disclose a defect that is readily discernible to the buyer? Since the rule's requirement to disclose known defects does not distinguish between defects that are readily discernible to the buyer and those that are not, it appears that failure to disclose even a defect that is readily discernible to the buyer would violate the rule. Therefore, if the rule creates a contractual obligation, it would appear to create it even in cases in which the defect is readily discernible to the buyer. However, it seems reasonable to assume that, even if this is the case, courts might take into consideration the argument that, if a defect was readily discernible to the buyer, then any loss the buyer suffered from buying the car was at least partly his own fault. If courts do take this argument into consideration, then it appears that any new contractual obligation created by the FTC rule (in cases of nondisclosure of known defects readily discernible to the buyer) would not be significant.

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[1] For convenience, this memorandum will use the word "car". The rule actually applies to used vehicles, which it defines in § 455.1(c)(1) as "any [used] motorized vehicle, other than a motorcycle, with a gross weight rating (GVWR) of less than 8500 lbs., a curb weight of less than 6000 lbs., and a frontal area of less than 46 sq. ft."

[2] Maine, Michigan, and South Carolina have adopted § 2-313 with some variations from the officials text, but none has altered the language quoted in the body of this memorandum.

We have one final point before concluding our response to your first question. Whether or not buyers would be able to sue dealers on the contract for failure to comply with the FTC rule, buyers apparently would not be able to sue dealers under the rule itself or under any federal statute for failure to comply. Under § 455.1(a), violation of the rule constitutes "a deceptive act or practice," making it a violation of § 5 of the Federal Trade Commission Act, 15 U.S.C. § 45, which prohibits "unfair or deceptive acts or practices in or affecting commerce." This provision is enforceable only by the FTC, not by private parties. *Fulton* v. *Hecht*, 580 F. 2d 1243 (5th Cir. 1978), *cert. denied*, 440 U.S. 981 (1979); *Alfred Dunhill Ltd.* v. *Interstate Cigar Co.*, 499 F. 2d 232 (2d Cir. 1974); *Holloway* v. *Bristol-Myers Corp.*, 485 F. 2d 986 (D.C. Cir. 1973); *Carlson* v. *Coca-Cola Co.*, 483 F. 2d 279 (9th Cir. 1973).

To summarize our response to your first question, the FTC rule apparently would not create any warranty that is not already expressed or implied pursuant to state law. It might create a contractual obligation on the part of dealers to disclose known defects, but this obligation apparently already exists under state law except in cases in which a buyer is on an equal footing with the seller with respect to the opportunity to discover defects. The rule itself does not contain a private right of action.

(2) Your second question was whether the required disclosures would alter the "standard of care" imposed on dealers under state tort law. There appear to be at least three possibilities to consider in answering this question. The first is whether compliance with the rule would lessen a used car dealer's chances of being found liable in negligence actions; the second is whether failure to comply with the rule would increase his chances of being found liable. Finally, there is the possibility that even though the rule states that it does not require inspections, it will require them in its practical application.

As for the first possibility, it appears that compliance with a rule on the part of a dealer generally will not lessen his chances of being found liable in negligence actions. The general rule, expressed in the Restatement of Torts 2d § 288 C, is that "[c]ompliance with a legislative enactment or an administrative regulation does not prevent a finding of negligence where a reasonable man would take additional precautions."

As for the second possibility, although compliance with a rule generally will not lessen one's chances of being found negligent, failure to comply may tend to increase one's chances. One authority states:

"Probably a majority of American courts have adopted the rule that the unexcused violation of . . . a statutory standard is negligence per se, that is negligence as a matter of law (to be ruled by the court). In a substantial number of jurisdictions such a violation is held to be evidence of negligence to be weighed by the jury."

Harper and James, 2 The Law of Torts 997 (1956, supp. 1968). This authority also notes that the negligence per se rule is often confined to statutes, with breaches of ordinances or administrative regulations being viewed as evidence of negligence only. Id. at 1011. Thus, if, absent the rule, failure to disclose a known defect would not constitute negligence in a particular state, then, given the rule, failure to comply might increase the chances of a jury's finding negligence. However, it appears that, absent the rule, failure to disclose a known defect generally would constitute negligence.[3] Therefore, as a practical matter, it does not appear that failure to comply with the FTC's rule would result in any liability that would not be present without the rule.

The third possibility mentioned above was whether the rule in its practical application will require dealers to inspect their used cars. This arguably might be the case if a dealer observed a general defect in a car—for example, that the car leans to one side—that cannot be attributed without inspection to any of the particular defects that must be disclosed if they are known. A car's leaning to one side, for example, might be caused by any one or more of several specific defects that must be disclosed if known, such as a cracked frame, a bent suspension system, or mismatched tires. However, § 455.6 states, "You [the dealer] are not required to inspect, but you are required to disclose . . . any defects set forth below if known." It appears that in the example of the car that leans to one side, the existence of "any defects set forth below" is not known; all that is known is the likelihood of one or more of several defects set forth below. Therefore, it appears that in this example no defect would have to be disclosed, and the practical application of the rule would *not* require an inspection of the automobile.[4]

Even if the practical application of the rule did require inspections, it is questionable whether this would alter the standard of care required by ordinary tort principles. Prosser indicates that due care generally requires some inspection anyway.[5]

(3) Your third question was whether the FTC's rule could be enforced by state enforcement offices, particularly by those with "little FTC Acts." As noted on page 7 of this memorandum, the FTC will be able to enforce its rule under § 5 of the Federal Trade Commission Act, which prohibits "unfair or deceptive acts or practices in or affecting commerce." However, there appear to be no other means of enforcement provided by federal law. As noted on page 7, the Federal Trade Commission Act does not make available a private cause of action to injured parties; in addition, it does not provide for prosecutions of violations by the states. However, nothing would appear to prevent states from prosecuting violations of the rule in their own forums under their own laws. According to a July, 1977 FTC fact sheet, 49 states and the District of Columbia have "little FTC acts," which are state laws similar to § 5 of the Federal Trade Commission Act. (Alabama was the only state lacking one.) It appears that state courts generally could hold that violations of the use car rule constituted unfair business practices under their little FTC acts. If state courts should so hold, then the states might be viewed as indirectly enforcing the rule. However, the states' penalties for violating their little FTC acts might differ from the penalties mandated by the Federal Trade Commission Act for violating it and rules issued pursuant to it.

In conclusion, the used car rule apparently would not create any new warranties or significant contractual rights under state law, nor would it apparently affect a dealer's tort liability under state law. It apparently could not be directly enforced by the states, but the states generally would appear able to enforce its substance through their own already existing laws.

Mr. PRESSLER. Will the Senator yield for a question?

Mr. PACKWOOD. Yes.

Mr. PRESSLER. In my example of the dishonest dealer who decided he would use this rule to protect himself, the Senator is saying the Uniform Commerical Code already exists in 49 States. What would the rule do to take care of that dishonest dealer?

Mr. PACKWOOD. Notice. He is either going to check "No implied warranty," in which case he says——

Mr. PRESSLER. I have no problem with that. I have no problem.

Mr. PACKWOOD. Or he is going to check, under major known defects, "I know of none." This very clearly says this does not relieve him of any liability. All I am saying, under State law, suing is not a very adequate remedy.

The Senator from Washington knows this better than I do because of his experience as an attorney general. You buy a car for $3,000 or $4,000 or $5,000, a used car, and it does not work right. You think somehow your rights have been violated; you have been sold a lemon. You take it back to the dealer. The dealer says, "I am sorry, it is not my fault. It's your car now." You find a lawyer. You sue. You have the burden of proof. The purchaser has the burden of proof that there was a defect, that the seller should have known it.

Now, maybe you can get over that burden, maybe you cannot. You hire a lawyer. You pay a mechanic to come in and testify.

When you have finally won your suit, if you win your suit——

Mr. PRESSLER. What about my example? What about the little old lady? She comes back to the dealer with the two-page legal document known as the sticker in her hand. She says, "Look here. You checked, I knew of no defect." He says, "I didn't know of any defects."

Mr. GORTON. Will the Senator from Oregon yield to allow me to answer that question?

Mr. PACKWOOD. Yes.

Mr. GORTON. One can come up with a scenario, though I think it will be a relatively rare one, in which an individual consumer is not benefited by the rule.

What one cannot come up with, I say to the Senator from South Dakota, is a situation in which the consumer is somehow or other hurt by this disclosure.

Let us take his example. This particular dealer will have done one of a number of things. Presumably, at the very least, this dealer, for the "little old lady," will have checked the box stating that there are no warranties, that this car is sold "as is." This, to a normally perceptive consumer, will raise certain questions.

The dealer, under the circumstances outlined by the Senator from South Dakota, will also not have checked any of the defect boxes. Under this set of circumstances, he will have checked "none are known."

If that statement is in fact true, then at least the FTC would have no cause of action against this particular dealer.

The purchaser, the "little old lady," might theoretically have a cause of action under the Uniform Commercial Code, as she has now.

Mr. PRESSLER. That is the point. If she has that now, this rule would not help a bit.

Mr. GORTON. She has that remedy at the present time, though it would be relatively useless in connection with a $500 purchase because it would cost her more than that to hire a lawyer.

She would, however, be benefited by the FTC rule under other circumstances. If, in fact, the dealer was misrepresenting his own knowledge, then that dealer would have been acting in violation of this regulation. The real point that I must make is that it is highly probable under these circumstances that the dealer would have been so misrepresenting his knowledge.

The Senator has used a particular example of a $500 automobile. It would not matter if it had been more expensive. If that dealer is to stay in business, he must know how much to pay for the car in the first place.

How did this dealer decide that he would pay $500 for that car—by looking at its outside? By doing nothing at all? By just guessing that he could sell it for more than that? Or did he make some kind of determination with knowledge of the presence or absence of certain defects?

I submit to the Senator from South Dakota that very few dealers, and an even smaller percentage of dealers who last in business longer than 6 months, buy cars as blindly as the example which the Senator has given to us of the "little old lady."

Mr. PRESSLER. If the Senator will yield for a question, would the little old lady have been protected had the rule said that a reasonable inspection should be carried out?

Mr. GORTON. The lady would have been protected then.

The Senator from Wisconsin has illustrated that the Wisconsin law requires such an inspection. That, however, unlike this requirement, very clearly would have increased the cost of the automobile.

Interestingly enough, it was exactly that idea which Congress very clearly told the FTC that it was not to adopt.

Is it my understanding that the Senator from South Dakota would vote for this rule if it were more stringent?

Mr. PRESSLER. I have said that, if the rule would solve a problem. The examples I come up with are that the dealers are more protected. The rule as we have it here, as this debate illustrates, does not solve the problem. My two distinguished colleagues have fallen back on the Uniform Commercial Code, saying that a consumer can go to the Uniform Commerical Code, and in fact the rule offers no additional protection.

My point is that this is a poorly drafted rule.

Mr. GORTON. I thank the Senator from South Dakota——

Mr. PRESSLER. Let me ask my distinguished colleague, do you think that this is a well-drafted rule?

Mr. GORTON. I feel very definitely that this is a well-drafted rule. I feel that this is a rule which would be of considerable aid to consumers.

I will say this to the Senator from South Dakota: I do not believe that this rule or any other rule can solve every single problem relating to the sale and purchase of used cars. I believe that the search for perfection will interfere vitally with the search for improvement.

I feel we are much more likely to improve the position of the consumer and of the honest used car dealer by this rule than we are by doing nothing.

Very bluntly, it is a red herring to say, "Let's send this back and ask the Federal Trade Commission to do something else." This has already been sent back to the Federal Trade Commission. The inevitable consequence of the veto of this rule is the Federal Trade Commission will get the message that nothing will pass muster in the Congress of the United States. There is simply no escaping that.

If this rule in practice turns out not to be the best possible rule, the Federal Trade Commission will undoubtedly amend it. But if we reject it, we will have nothing.

This rule does help the consumer. The Senator from South Dakota is entirely right, that it will not help every consumer under every conceivable set of circumstances. But if he demands perfection, he will get imperfection.

Mr. PRESSLER. If this rule is adopted, there will be editorials a year from now as to how this rule went through Congress and protects dealers more than consumers.

It protects somebody who has a lawyer, because 50 pages of regulation accompany this rule, and they cannot be understood by the small businessmen in my State. That little old lady will not be protected.

My two colleagues have fallen back on the Uniform Consumer Code. If we are going to use the Uniform Consumer Code, why do we need this added Federal regulation? You will have to give two copies to the buyer, keep two in your files and have two on the car. The paperwork this would create would be astounding. People with lawyers will be protected but that little old lady is not going to be. This rule provides the illusion of protection, not the reality of protection.

Mr. PACKWOOD. Mr. President, the Senator from South Dakota is right in his analysis that all the groups who have any interest in this have simply stood on their heads—all the consumer groups, the attorneys general. The Senator from South Dakota is saying that none of them understand their interests. They are all on the wrong side—180 degrees.

Let me give a chronology of this rule, because the Senator from Washington is right—if we turn this down, this is the end.

There was a 1973 investigation by the Seattle regional office of the Federal Trade Commission. Their report recommended mandatory inspections, disclosure of defects, and mandatory warranties. That was the recommendation from the Seattle office.

In 1975, the Magnuson-Moss Act became effective, and we required the FTC to come up with some kind of warranty rule.

In 1976, the Federal Trade Commission published a proposed rule requiring disclosure of warranty forms prior to use and prior to repairs. The FTC requested comment on this particular rule.

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[3] This statement is based on Prosser, Law of Torts 632 (4th ed. 1971), which states, "The seller's negligence . . . may consist of a failure to disclose to the buyer facts of which the seller has knowledge which make the goods dangerous for the buyer's purpose. . . ."

We caution that the above (and footnote 5 as well) is a generalization, now 10 years old. A more specific conclusion as to the extent to which failure to disclose a known defect constitutes negligence would necessitate a study of the current case law of the 50 states.

[4] The leaning car example is taken from question 4.a of FTC staff information provided at the request of the staffs of the House Committee on the Energy and Commerce and the Senate Committee on Commerce, Science, and Transportation. The FTC staff says that in this example (as in all other cases) there is no duty to inspect. This staff information, however, is not legally part of the rule.

[5] "The seller's negligence . . . frequently . . . consists merely in failure to exercise reasonable care to inspect goods to discover defects. . . . [A dealer] can scarcely be absolved from the obligation of such cursory examination as reasonably accompanies [his handling of the goods]. . . . In any case where the nature of the goods themselves makes it more likely that defects will lead to serious injury—as for example in the sale of an automobile—something more careful than such casual inspection will be required. . . ." Prosser, *Law of Torts* 632-633 (4th ed. 1971).

In 1978, the final Federal Trade Commission staff report—I emphasize "staff"—recommended a rule mandating inspections, requiring disclosure of warranty forms prior to use, mileage, and other data. That is similar to the present Wisconsin rule. That was in 1978.

At that time, the National Independent Automobile Dealers Association, which is one of two principal trade associations that represent the used car dealers, testified in opposition to the staff report of the Federal Trade Commission.

I emphasize once more that the 1978 staff report recommended mandating inspections, requiring disclosure of warranty forms, repair cost estimates, prior use, mileage, and other data.

In February 1979, this is what the National Independent Automobile Dealers Association said about that proposed rule:

> It is always difficult and often impossible to determine the exact condition of a used product. Its parts are worn and may have been subjected to abusive treatment by previous owners. Neither buyer nor seller can ever be certain that some latent defect which evades discovery will not surface after resale. Disclosure of significant known defects, however, would assure that consumers, who would possess the same information as the dealer about the car's condition, could bargain for a reasonable price and warranty coverage to reflect the car's known mechanical condition.
>
> NIADA believes that a beneficial balance in consumer and dealer knowledge can be achieved by means of a rule requiring a window sticker which would disclose both significant known defects and defects discovered during any state-required safety inspection. By "significant known defects," we mean all defects which the dealer is personally aware of other than cosmetic or minor defects.

Mr. President, that was the recommendation of the National Independent Automobile Dealers Association, one of the two principal trade associations for the used car dealers.

The rule that the Federal Trade Commission has proposed is weaker than that which the used car dealers suggested. But I understand why they suggested it. That was in February 1979, in opposition to a stronger Federal Trade Commission rule. So in October 1979, the Federal Trade Commission rejected the staff recommendation of mandatory inspections.

In April 1980, the Federal Trade Commission staff recommended an optional inspection rule.

In May 1980, the Federal Trade Commission tentatively adopted an optional inspection rule and asked for comment. After comment, the Federal Trade Commission rejected and in principle approved what we are finally dealing with today.

What we are dealing with today is weaker than what the used car dealers recommended, and they still oppose what we have today.

It is clear what the strategy is of those who oppose this rule. It is, "Slip, slide, duck, dodge, hope we get a new President, hope we get a new Congress, hope we get a new Commission. Put it off. Hope I get by my useful business life and somebody else has this problem. Don't put it in my lap. Let my children, who take over my car agency, worry about it. Let whoever buys the car agency worry about it."

That is the attitude that causes Congress to impose—not the Federal Trade Commission, but Congress—regulations on business far beyond what they would be if business would clean up its own act.

During the consideration of this proposal, I made an offer to the principal lobbyist, or one of the lobbyists, for the Used Car Dealers Association. I said, "All right. Why don't we cut it off at the major defects, and they will say 'no implied warranty' or a fuller 'limited warranty,' but the dealer describes what he wants to give, and beyond that there will be no obligation?" They said "No." They turned it down. I understand why. They think they have the votes to win it.

In 1979, there was a proposal that they suggested would be infinitely more acceptable to them than a harsher proposal; now they want nothing. They may win this. They may get nothing. They may win this battle. In the long run, they are going to lose this war with the consumers, and they will get regulations infinitely more severe than those now proposed.

I hope, therefore, that the Senate will turn down the recommendation that we veto the Federal Trade Commission's relatively mild rule; because, inevitably, the day will come when a more harsh rule will emerge and will be passed if we do.

Mr. KASTEN. Mr. President, before I served in the Senate, I was a small businessman. I understand the problems and the concerns of many people who are in the new car and the used car business.

I think it is fair to say that over the past several years, we have seen a continuous, enormous, and costly trend toward more and more Federal regulations and Federal regulators, as well as more and more reliance upon the Federal Government in general.

Today we are seeking a balance. We are saying that States, too, can assume some of the regulatory burden; in fact, the State government may be the best government to regulate issues such as this.

Although the National Association of Attorneys General has come out in favor of this FTC rule, I think it is important to point out that at least one attorney general, Attorney General Bronson LaFollette, from my State of Wisconsin, said the following:

> However, we do not believe the rule would have a significant consumer protection impact in Wisconsin. In fact, we believe that our State regulation provides substantially more protection for consumers than would the Federal rule. We also believe that there would be more effective enforcement under our State regulation because the Wisconsin Department of Transportation has inspectors to monitor compliance. . . .

It is not the FTC. We already have enforcement authority right there in Wisconsin. We do not need more regulators. They are right there.

> Moreover, we are concerned about the possible preemptive effect of this rule on our State regulation. . . . We are further concerned about duplication of paperwork and forms if Wisconsin is not exempted from the federal rule.

And he goes on to say:

> If both state and federal regulations apply in Wisconsin, the state sticker and federal sticker would have to be posted on a used motor vehicle offered for sale in Wisconsin. We do not feel this is desirable. . . . Representatives of our Department have discussed this matter with representatives of the Wisconsin Department of Transportation, and that department concurs with our comments.

No matter what has been said today, the fact is that States can do this job better than the Federal Government, and my State of Wisconsin in fact has. We do not need a Federal rule. We do not need growing Federal power. What we need is to seek a balance between the States and the Federal Government, and I believe that the Senate should reject this rule and pass the concurrent resolution of disapproval.

● Mr. CANNON. Mr. President, a fair and impartial reading of the "Magnuson-Moss Act" and the legislative history accompanying it would indicate that Congress intended a rule requiring either a clear disclosure that a used motor vehicle was being sold without any warranty or further disclosure as to the nature, extent, and limitation if a warranty is offered. In fact, a large part of the FTC hearing record indicates that consumer misunderstandings about warranties in the sale of used cars is a serious problem, and I support the warranty disclosure part of the rule. I believe this provision will correct most of the problems in the used car market.

However, the known defects provision was not mandated by the "Magnuson-Moss Act" and is poorly written and ambiguous. Conscientious dealers would have to bear the cost of an inspection in order to minimize legal liability for a rule violation due to the complexity and ambiguity of this provision. Further, $10,000 liability per violation would be imposed on the dealer.

Given the ambiguity in the known defects provision, I believe the rule ought to be limited to the warranty disclosure provision so we can see if that will correct the problems in the marketplace, and I will vote to veto the rule.●

● Mr. LEAHY. Mr. President, two issues are really at issue in this debate, the wisdom of the legislative veto and the judgment of this Senate on the use of a legislative veto provision already on the books.

As I made clear during the debate over the legislative veto provision in the Regulatory Reform Act, S. 1080, I oppose the concept of mingling the duties of the legislative and executive branches of Government by letting the Congress veto the regulations promulgated by executive branch agencies. I share the frustration of my colleagues when the agencies exceed their authority, as they occasionally do. But the responsibility to rein in their excesses is ours, and the best tool we have is clearer, firmer statutes.

If we get into the business of writing regulations, we will end up doing both the agencies' work and our own, and we would risk doing both poorly.

But the question before us today is not the wisdom of the legislative veto, but rather the question of FTC regulations promulgated under a duly enacted act of Congress. I believe that until the law is changed or until the Supreme Court rules on the validity of the device, we, as Senators, must do the job we are mandated to do under law, and that is to pass on the regulation before us.

On that issue, I think there can be little doubt. The regulation before us would do little to protect consumers because it has been reduced to little more than a paper exercise. To adopt a regulation that is so ineffective would be an exercise which itself is akin to consumer fraud.

I will vote in favor of vetoing the FTC's proposed used car rule because I believe it is not in the interests of the American consumer. But I will continue to fight against having questions like this brought before us in the future.●

Mr. THURMOND. Mr. President, I am pleased to express my support for Senate Concurrent Resolution 60 introduced by my distinguished colleague, Senator PRESSLER. This resolution calls for the legislative veto of the used car rule recently promulgated by the Federal Trade Commission.

My reasons for opposing this rule, which on its surface appears reasonable, are twofold. First, I have a fundamental concern that the growth of government at the Federal level needs to be checked, particularly in this time of large budget deficits and declining productivity in the private sector. This type of regulation of business practices, if necessary, can and should be handled at the State level, where regulatory requirements can be tailored to the particular needs within each State. Many States, including South Carolina, have taken the initiative in passing legislation, similar to the FTC Act, designed to deal with unfair and deceptive trade practices which may occur within their jurisdictions. The South Carolina General Assembly, when it passed "The Little FTC Act" several years ago, obviously recognized the need for consumer legislation at the State level. It is my belief that the sale of used cars would fall within the same category of practices which, if necessary, can and should be addressed at the State level.

The other concern that I have with the used car rule as promulgated by the FTC is its potential for generating unnecessary litigation by automobile consumer-purchasers against dealer-sellers. As my colleagues well know, the car dealers of this country have been facing severe economic problems because of continued high interest rates, and many have already gone into bankruptcy. Now is certainly not the time to add additional expense to their cost of doing business.

Mr. President, for these reasons, I shall vote to reject the used car rule proposed by the Federal Trade Commission.

● Mr. MURKOWSKI. Mr. President, I rise to indicate my support for Senate Concurrent Resolution 60, the measure to veto the proposed Federal Trade Commission regulations pertaining to the sale of used cars.

Over the past decades, the Federal Government has become increasingly more involved in the regulation of American business. Much of this regulation was implemented with good intentions but has in many cases resulted in greatly increased costs, a decline in productivity, and a competitive disadvantage with foreign producers. This is because, all too frequently, regulations have been drafted and implemented with little thought given to the cost-benefit ratio.

As a result of a heightened awareness of overregulation, the Congress provided for a procedure to review and reject proposed regulations issued by the Federal Trade Commission when it passed the FTC Authorization Act of 1980. The resolution before us today is the first test of this legislative veto.

Mr. President, I have reviewed the evidence which was developed at the Commerce Committee hearings on this subject. The hearings brought forth testimony illustrating the severe ambiguities of the proposal. On one hand, it was pointed out that the regulation would cost millions of man-hours in paperwork and millions of dollars in additional mechanics' wages in complying with the inspection of the 52 mandated items in the automotive system, costs which would be borne by the consumer. On the other hand, it was argued, the forms the FTC requires to be filled out by auto dealers would give the public a false illusion.

Strong arguments were made that dealers could hide behind the FTC required document. Many believe that the $10,000 penalty imposed by the rule would result in adding much litigation to the Federal court.

Mr. President, I am told that many of the 40-plus cosponsors of this veto resolution do not, in fact, entirely oppose some regulations of the used-car market. The consumer should be protected in areas of safety and serviceability. However, the present FTC proposal is ambiguous and overly broad in scope. It should be understood that this proposed rule has three parts. The first two, which may be reasonable, provide for:

A prohibition against misrepresentation on the part of the dealer for any known defects; and

The requirement that the dealer make clear any details regarding warranties, or if no warranty is being offered, to so state.

The third portion of the rule, however, would require the merchant to affirmatively inform the buyer of suspected, but undetermined, defects in 52 prescribed areas. However, the rule also consistently states that the dealer is not required to inspect the car. Thus, a merchant is placed in the position of speculating on what defects there might be. In order to be safe, a dealer would have to give a complete examination to the entire automobile—a costly procedure. Such ambiguity should not be added to the Federal regulations.

I believe there is a consensus that holds that dealers should not be permitted to misrepresent the quality of the automobile sold and that it is reasonable to require that a dealer fully disclose the term of his warranty and his responsibility to provide repairs.

These items are, however, a far step below requiring dealers to look for defects which they do not know about. To impose such a requirement is a drastic departure from current practices. The cost of such inspections, estimated to be about $150 per vehicle, will, of course, be passed on to the consumer. Additionally, there will be the further cost to the Government in hiring personnel in the FTC to police these cases.

Mr. President, conditions vary greatly from region to region in our country. Thus, a uniform regulation pertaining to the serviceability of used automobiles may have application to some States but not to others. For example, the radiator and cooling requirements covered under this proposed regulation may have application for Florida but not necessarily for Alaska. It is my contention that this is the type of regulation which is better left to the States.

Mr. President, I think it is proper that the Congress directly address the question of Federal regulation. The particular regulation before us will, to my mind, place a costly burden upon business with questionable benefit for the consumer. It should be, therefore, rejected.●

● Mr. TSONGAS. Mr. President, I rise in opposition to Senate Concurrent Resolution 60, which would override the Federal Trade Commission's rule concerning the sale of used motor vehicles. Basically, the rule requires used-car dealers to post a sticker in the window of each used car offered for sale. The sticker must disclose in writing all guarantees offered and all major defects known. It does not require dealers to guarantee their cars, nor does it require them to inspect their cars for defects. I believe the FTC rule is a modest and basic standard for fair dealing between dealers and consumers.

However, a number of objections have been raised by the used-car industry, represented by the National Automobile Dealers Association and the National Independent Automobile Dealers Association. I would like the legislative record to show that the concerns raised by the industry merit our consideration and should be addressed. While I believe the concerns are genuine, I feel the evidence rebuts the arguments against the FTC rule.

First, proponents maintain that the disclosure provision operates to require dealers to inspect used cars before offering them for sale. However, the rule merely requires that if the dealer knows that certain identified defects exist in a car, he must pass that information on to the consumer. Requirements for the disclosure of information so that consumers may make informed purchasing decisions is reasonable. Such a rule is especially justified in the case of used-car sales because of the expense involved, the complexity of the product, and the superior knowledge that the dealer usually has compared to the prospective purchaser.

Second, proponents contend that the disclosure provision will have the effect of mandating an implied warranty on vehicles offered for sale. They argue that by disclosing only certain defects on a given vehicle, the dealer might be implying that other aspects are acceptable, thereby creating an implied warranty. However, this argument runs contrary to explicit language in the FTC rule warning consumers "that there may be defects that are unknown to the dealer. If nothing is listed, the car is not necessarily free of defects." There is further protection in the Uniform Commercial Code, section 2-316, which states that all implied warranties are excluded when the term "as is" is used.

Third, proponents maintain that the FTC has exceeded its statutory authority in promulgating a rule to require disclosure of known defects. However, Congress itself required the FTC to promulgate a used car rule when it passed the Magnuson-Moss Act in 1975. The authority of the FTC to promulgate a rule requiring disclosure of guarantees and known defects is squarely within section 109(b) of Magnuson-Moss and section 18(a) of the FTC Act.

Fourth, proponents maintain that the proposed rule would result in increased costs to dealers and increased prices to consumers. They maintain that the actual cost of inspections by dealers may be as much as $100 per car and that the additional costs of the proposed rule may add as much as $250 to the price of a used car. This, they maintain, would increase the cost of many older, higher mileage used cars by more than 25 percent.

However, this prospect seems highly unlikely. Under the rule, dealers would only be required to post a window sticker informing consumers about the existence and extent of warranty coverage for the car and the existence of any major mechanical defects in the car's major systems, if the defects are known to the dealers. Further, as a general rule, dealers do obtain information about the quality of their used cars in the regular course of business. Assuming, as the FTC has estimated, that the cost of their sticker is about 18 cents, the total cost should not exceed 50 cents per car. This is a reasonable cost to dealers to assure consumers who purchase used cars that they are both safe and mechanically sound.

Fifth, proponents maintain that the rule is unfair because it would not be applicable to private sales. They say that if dealers are forced to disclose known defects, while private sellers are not, consumers will go to the private market to avoid being told the known condition of cars. However, the FTC hearing record showed that most consumers were getting a greater amount of accurate information from private sellers than from dealers. Far from fleeing to the private market, the rule should attract more consumers to used car dealers to purchase their automobiles.

Sixth, the current economic conditions of recession and high interest rates make implementation of the proposed rule particularly onerous to the used car industry at the present time. However, the used car industry is healthy these days. In 1980, consumers bought 18.7 million used cars—as opposed to 8.9 million new cars—for $70.8 billion—both record highs—and in the first 9 months of 1981 used car prices increased 31 percent.

The used car industry is an important component in the revitalization of our Nation's economy. With the soaring costs of new cars, more and more people will come to depend on used cars as their primary form of transportation.

The United States has an even greater stake in its inventory of used cars for transportation. As the costs of most everything increases, we are more and more indebted to an industry working to rehabilitate and market used cars.

But we must not abandon our commitment to minimum standards of fairness in that industry—or any other.

I want the Record to show that I was persuaded by the arguments presented by the proponents of the used car rule. Nevertheless, I will be vigilent to see that the rule is administered properly and does not unduly hamper the used car industry.

Essentially, the FTC rule is a modest and basic standard of fair dealing. It will enable consumers to access more accurately a used car's mechanical condition and warranties, if any, and will promote a healthier dealer market. I would urge my colleagues not to support this disapproval resolution.●

● Mr. CHAFEE. Mr. President, we will vote today on the FTC's used car rule. This vote is historic because it is the first exercise of the legislative veto over an FTC ruling, but also it signals, perhaps more importantly, a measure of the Senate's commitment to consumer protection.

The free market is the most efficient mechanism known for allocating goods and services. The efficacy of the free market depends upon informed consumers. In the used car market, however, buyers are not very knowledgeable about autos they consider purchasing.

The two major problems pinpointed by used car buyers are a dealer's oral misrepresentation about a car's mechanical condition at the time of sale and the lack of information about warranty coverage or misrepresentations about a dealer's responsibility to repair a car.

To address these problems, the FTC has promulgated this modest, but effective rule requiring three types of disclosure by the dealer. First, it would mandate warranty disclosures. Dealers would have to indicate whether a warranty is offered—and its extent—or whether a car is sold "as is."

Second, the rule would provide some standard form disclosures, for example, warnings to consumers of the unenforceability of oral promises. Third, it would require a limited disclosure of known defects. Dealers would be required to share with used car buyers only the information they have on an auto's defects.

The controversy surrounding this rule has centered on this third point. The rule explicity states that dealers are not required to inspect or discover defects, but its opponents have argued that dealers will be forced to conduct an inspection in order to avoid the chance of facing prohibitively expensive litigation costs and fines. Let me reiterate that this assertion contradicts the letter of the rule.

Placing the burden of disclosure for known defects on dealers makes sound economic sense. They have significant information on the cars put on the block for sale. Over one-half of used car dealers' inventories come from auctions where the person selling the car must provide as complete information as possible about its condition. Before buying a car, an automobile dealer has an excellent idea of its defects. A dealer does not want to be stung and will inspect before purchasing. In short, providing more information to used car buyers is not expensive to produce, thereby not putting an onerous burden on dealers, and allows for more informed purchase decisions.

Besides protecting consumers, this rule will also protect used car dealers who operate in good faith. Deceptive practices in the selling of used cars has tarnished the reputation of all dealers, even trustworthy ones, among the public and, to my way of thinking, constitutes unfair competition.

Finally, let me say that considering this resolution today is particularly timely. Over the past 2 years, sky-high interest rates have inhibited many Americans from buying new automobiles and moved these consumers into the used car market. With more individuals in the market for used cars, there is a greater chance of widespread consumer fraud. More than ever, used car buyers need sufficient information with which to make an informed purchase. If the Senate upholds this resolution of disapproval, we will abdicate our responsibility to give even modest protection to millions of auto buyers.

I, therefore, must oppose this resolution of disapproval.●

FTC USED-CAR RULE

● Mr. BAUCUS. Mr. President, the debate over the FTC's used-car rule has taken place in economic and safety terms. There are good points to arguments both in support and in opposition to the proposed rule.

We are about to vote on Senate Concurrent Resolution 60, which would veto the FTC's proposed rule on used car sales. I am a cosponsor of the resolution and I intend to support its passage.

I do want to make very clear, however, that I am not opposed to a used car rule being implemented by the FTC. In fact, I believe we need a rule which deals with the problems of consumer awareness and safety.

What we do not need is a rule that is unnecessarily vague, as I believe the present version to be. Will the present rule impose new paperwork requirements on dealers, drive up the price of used cars, and put dealers at a competitive disadvantage to private sellers? Opponents of the rule say yes. Those favoring the rule have argued convincingly that it will not have these effects.

The rule is very explicit in stating that dealers are not required to make an inspection of each vehicle. But in the same sentence of the rule it states:

> But you are required to disclose on the Buyers Guide any defects set forth below if known.

I do not believe this type of language clearly tells dealers what is expected of them.

I am concerned about safety. I believe someone who knowingly sells a defective car should be prosecuted to the full extent of the law—or by FTC regulation. I also believe that someone who purchases a used car should count on inspecting the car themselves, or with the help of a qualified mechanic, whether purchased from a dealer or a private seller.

Most car dealers realize that if they are to stay in business for long, they must be honest with their customers. The present rule has the potential of penalizing reputable dealers through increased costs.

I cannot support the present rule because it is vague. I do hope the FTC will continue its efforts to come up with a rule that will make dealer requirements clear and also provide for consumer safety.●

THE FEDERAL TRADE COMMISSION'S USED-CAR TRADE RULE SHOULD NOT BE OVERRULED

Mr. CRANSTON. Mr. President, I am opposed to this resolution—Senate Concurrent Resolution 60—which would overrule the Federal Trade Commission's regulation requiring used-car dealers to disclose any known defects to buyers.

Several years ago, when Congress reviewed the used-car trade, we found reason for concern that buyers are at a particular disadvantage in buying a used car. For an inexperienced buyer, attempting to judge the quality and adequacy of such a complicated and unknown purchase can be bewildering. Facts about a car's history and quality are difficult to find out. Studies show that buyers not only frequently incur huge unexpected expenses from unknowingly purchasing defective cars, but they are also sometimes subjected to severe safety hazards. Thus Congress directed the Federal Trade Commission to develop regulations which would mitigate the difficulties consumers have had historically in buying used cars.

In compliance with that mandate, the FTC completed its own studies—including testimony from dealers and consumers—of the used-car trade, and last year, proposed a rule which would require used car dealers to disclose known defects in the cars they sell. The FTC rule also requires dealers to inform customers of the existence and extent of warranty coverage of the car. This information would be displayed on a sticker in the windshield of each used car for sale. The FTC rule does not require dealers to inspect the car, but only to report any defects which have come to their attention in normal business transactions. Dealers can not be prosecuted for failing to inspect the car—the rule requires only that when dealers happen to learn of any major mechanical defects they let their customers know. The rule also does not require any warranty on the car—merely a statement about the existence of any warranty.

Now, Mr. President, the FTC has completed the job Congress asked it to do, and Congress finds itself examining FTC's work to decide whether the rule is too harsh or unnecessarily burdensome.

As we, in turn, consider this rule, let us understand the needs of the dealers and of the consumers, and whether a satisfactory compromise has been worked out.

Used-car dealerships are clearly a vital part of our economy. Because of our country's bad economic conditions today and the financial strain on so many, more and more people are buying a used rather than a new car. It is estimated that 70 percent of all cars sold are used cars. Those who sell used cars are doing a great service in keeping good, workable cars from being wasted and in making reduced price cars available to the many people who need and want them.

Mr. President, the FTC has worked to achieve a regulation which does not overburden the industry—a window sticker only is required, with only information the dealer has already discovered—and yet will help buyers make an informed judgment about the safety and quality of the car they intend to purchase. Keeping seriously defective cars off the roads is surely a goal we can all support. And increasing the faith consumers have in car dealerships can lead only to a healthier business environment.

I urge my colleagues to oppose this resolution and to leave the FTC used-car trade rule in place.

● Mr. LEVIN. Mr. President, as one who had a role in the legislation which created the legislative veto over FTC rules, I regret that its first use should come on this issue. The used car rule is, in reality, a very modest rule which, in theory at least, appears to be consistent with a general principle that no one ought to object to—that consumers are entitled to some protection.

But in reality, this mild little rule is inconsistent with congressional intent and ought to be vetoed. The Congress said, very clearly, when it considered the basic FTC legislative charter that the FTC could not issue any rules or regulations designed to create an implied warranty on the part of sellers. Yet his proposed rule does just that. While not requiring inspections, it creates a legitimate consumer presumption in favor of such inspections. That presumption, in turn, creates a market mandate on sellers to perform inspections and certify, as the rule requires, the result of that inspection. Once the inspection has been performed, the seller is in a position of having, in essence, to guarantee that the car will have only the problems identified in the inspection—in other words, the seller is placed in an implied warranty situation. But the inspection cannot guarantee the car's performance, cannot reveal all possible deficiencies or future problems. As a result, the seller is placed in an untenable position in a business sense and may be placed in an even more difficult position legally in terms of possible lawsuits. It was precisely this sort of problem that led the Congress to prohibit FTC involvement in "implied warranty" rule—yet this rule does in effect create just such an implied warranty.

In addition to these procedural problems, the rule is deficient in two substantive ways as well. First, it ignores approximately one-half of the used car sales, sales conducted by private individuals, which are not covered by this rule. And second, it ignores the potential cost increase which inspections would create: Costs to the consumer of as much as $200, costs which might, on balance, offset any savings generated by consumers avoiding "lemon" used cars.

Mr. President, the FTC's goal in this rule is laudable but its methods miss the mark. I hope they understand that this veto is not a repudiation of their purposes but rather a rejection of this product. With that in mind, I would encourage the Commission to continue to explore ways to accomplish their goal which would avoid the implied warranty problem and minimize the cost which this proposal places on both seller and purchaser.●

FTC'S USED CAR LEMON

Mr. McCLURE. Mr. President, I would like to share with my colleagues a recent editorial in the Idaho Statesman that makes some interesting points in opposition to the proposed ruling by the FTC regulating used car dealers.

The proposed rule could effectively eliminate used car dealers altogether. Specifically, it requires that dealers post on the windows of all used cars for sale the status of 52 prescribed areas. Speculation from informed sources indicates that the costs of these inspections would approach $150. Of course the cost of this burdensome Government overregulation would be passed on to the consumer. The Statesman correctly states that if the rule is implemented the only recourse the buyer would have is to prove that the dealer knowingly sold a defective car. Undoubtedly an impossible task.

I am, and always will be, a strong believer in the free enterprise system. If a consumer has any doubts about the condition of an automobile, any nonbiased mechanic would be more than happy to provide a more thorough examination at one-third the cost.

I ask unanimous consent that the Statesman editorial be reprinted in full in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

> [From the Idaho Statesman, May 4, 1982]
>
> FTC's USED CAR RULE IS A LEMON
>
> It's no wonder there's another move afoot to kill a Federal Trade Commission rule requiring used car dealers to inform buyers when the dealer knows of major defects in a car. The rule doesn't make much sense.
>
> It's a sad fact that buying a used car is a risky business. The modern automobile is a complicated piece of merchandise that may or many not live up to the salesman's pitch.
>
> Just because a few unscrupulous dealers create a problem, however, does not mean the federal government can solve it, particularly not with regulations like the FTC's used car rule.
>
> If an angry buyer turns up at the car lot to complain, all the dealer has to do is say, "Hey, I didn't know." Even with the FTC rule in effect, the buyer's only option would be to prove the dealer knowingly sold a defective car. That is likely to be a difficult, expensive and unfruitful proposition for everyone concerned. In short, the rule is not going to do much, if any, good. So why have it?
>
> Unfortunately, getting rid of the rule opens another can of worms. According to a consumer group called Congress Watch, the National Auto Dealers Association has given more than $500,000 in campaign contributions to senators and congressmen who have co-sponsored bills that would veto the FTC rule. Some sort of veto bill is almost certain to pass this session.
>
> That might be OK except that federal courts have held the congressional veto to be unconstitutional, noting that such a device "allows special interests to achieve their ends by pressuring administrative agencies through congressional committees."
>
> At issue is the independence of all the federal government's regulatory agencies. Flascos like the used car rule make the agencies look bad. But these agencies do a lot of good and, to be effective, must retain their independence. They don't need Congress butting in every time they sneeze.
>
> The best thing that could happen would be for the FTC to admit its mistake and get rid of the used car rule—not because of the pressure from Congress, but because it is a bad idea.

FTC REGULATIONS SHOULD BE VETOED

Mr. DOLE. Mr. President, the Senator from Kansas does not know too much about drive shafts, transmissions, and differentials, but the Senator does know enough to spot a case of overzealous regulatory effort and inefficient results. Of course, I refer to the FTC regulations that are before us, regulations which the Senator feels simply must be vetoed.

The Senator does not oppose the efforts of the Federal Trade Commission to regulate this difficult area. We must recognize that any time we regulate business in a way that results in additional cost to them, they will pass it along to the consumer, and that is to be expected. But it underscores the need to scrutinize regulations of this type to insure their effectiveness. We simply cannot afford to continue to sit by idly while our agencies, to whom we are all too willing to delegate tough questions, promulgate regulations that promise much, end up costing businessmen and in turn, the consumer, but in fact provide little real protection or improvement.

Before criticizing certain parts of these regulations, let me say that the Senator from Kansas recognizes the difficulty of the task which we have passed on to the Commission. Given the complexities of modern day automobiles, and the varying shades of veracity customarily employed by those who sell them to the public, it may indeed be difficult to concoct a standard which is effective, but yet which does not try to accomplish too much.

We told the FTC in 1975 to locate the deceptive practices in the used car industry and devise a regulatory scheme which would curb and discourage those practices. The Commission tells us now that consumers are frequently misled or deceived by affirmative misrepresentations and failures to disclose material facts concerning both the extent of warranty coverage offered by used car dealers and the mechanical condition of used cars.

In the warranty area, the FTC has found that there are particular problems with "as is" sales—situations where the dealer is not obligated to make postsale repairs no matter what is really represented to the purchaser. The solution to this, and the key to the warranty problems, is to either do away with "as is" sales as the Kansas Legislature has effectively done, or to do something to make sure that the consumer understands what an "as is" sale is. In this area, the Senator from Kansas would like to compliment the FTC on pinpointing the problem and in drafting a regulation which may effectively solve that problem. The designation of no implied warranty on the sample form provided by the FTC should explain to most consumers the meaning of the evasive phrase "as is."

Common experience should tell us that a perfect system of disclosure of the mechanical condition of an automobile at the time of sale will probably never be reached. We are dealing here with complex machines, composed of many different parts, any and all of which can fall in various states of disrepair. Perhaps more importantly, parties to the sale are naturally involved in an arms-length bargaining posture, and as such, there is a natural economic incentive for sellers to perhaps experience frequent bouts of amnesia regarding their knowledge of defects. Because of that, there are going to be problems with any system that depends on the person who has the most to lose to disclose information adverse to his interests. In this situation, the requirement that the dealer disclose all known defects may in fact be more idealistic than practical.

The Senator is fully aware that a mandatory inspection requirement was considered, and rejected, by the FTC. The Senator does not suggest that that particular regulation should have been opted either, for it would have unnecessarily added to the cost of buying a car. That regulation would at least have provided something to the consumer on which he or she could have effectively relied.

The regulation in question will not be one that will effectively enable the consumer to judge the mechanical condition of the car he is purchasing. A requirement that the dealer disclose all known defects is simply too ambiguous to really be of much help. We might expect several different reactions from various dealers: First, it may cause dealers to feel they must conduct an inspection in every case. Knowledge of one thing or defect may logically be tied to constructive knowledge of another, requiring further investigation. After the inspection, the consumer may have the benefit of knowing what in fact is discovered, provided that the dealer does in fact comply with the regulation. This Senator is concerned, given the loose and troubling definition of knowledge that has plagued normal citizens and lawyers over time, that adoption of a knowledge standard will only serve as a great boon to the legal profession and as a detriment to consumers.

The Senator is also concerned that this standard might cause dealers to lose all incentive to inspect and repair any automobiles, for fear of learning anything that they might have to divulge. In that event, the automobiles leaving the various used car lots might well be in worse condition than at present. Indeed, the FTC has stated in its report that at present most used car dealers do inspect automobiles. We simply do not want to do anything that will discourage that practice, and this regulation may in fact do that. Now, the Senator is just speculating as to how dealers might react to this ambiguous standard. But that is the point—dealers will have to speculate because this standard is not clear.

Viewed in this light, it seems clear to me that the third prong of this standard, the known defect disclosure requirement, will extract far more from the already burdened used car industry than what the industry, society, and the consumer receives in return. The consumer will end up effectively paying for an inspection but will not be guaranteed that an inspection has actually taken place. The FTC has stated in its report that a defect disclosure requirement will be effective only if the dealer understands his obligations. Since the regulation before us does not accomplish that objective, this Senator must vote to disapprove the regulation.

Mr. KASTEN. Mr. President, I have no additional requests for time, and I am prepared to yield back.

Mr. President, I ask unanimous consent that the quorum call be charged equally to both sides.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KASTEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, will the Senator from Wisconsin yield to me 1 minute?

Mr. KASTEN. I am pleased to yield to the majority leader.

Mr. BAKER. I thank the Senator.

Mr. President, as I understand the unanimous consent order that was entered on yesterday when the time is utilized or yielded back on the resolution the Senate will automatically resume consideration of the budget resolution and go into recess and resume its session at 2 p.m. which would mean, as I interpret that request, that the time between now and 2 p.m. will be charged against the budget resolution.

There seems to be at least some uncertainty about that and 43 minutes are not enough to quarrel over in my view.

UNANIMOUS-CONSENT AGREEMENT

Therefore, I ask unanimous consent that, notwithstanding the provisions of the order now entered, when the time is utilized or yielded back on the resolution that the Senate stand in recess until the hour of 2 p.m. and that the time between 12 noon and 2 p.m. time be charged equally against the budget resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I further ask unanimous consent, since the minority leader is not in the Chamber, that even though I believe that general arrangement conforms with his understanding, he may if he wishes, between now and 2 p.m., enter an objection to vitiate this order.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I thank the Senator for yielding, and I believe that arranges the affairs of the Senate so that if the parties on both sides yield back their time, the Senate will automatically be in recess until 2 p.m.; is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. BAKER. I thank the Chair.

Mr. KASTEN. Mr. President, I have no further requests for time and I yield back the remainder of my time.

Mr. PACKWOOD. Mr. President, I yield back the remainder of my time.

RECESS UNTIL 2 P.M.

The PRESIDING OFFICER. Under the previous order, the Senate will now stand in recess until 2 p.m. today.

The Senate, at 11:19 a.m., recessed until 2 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. WARNER).

DISAPPROVAL OF FTC USED-CAR RULE

The Senate continued with the consideration of Senate Concurrent Resolution 60.

Mr. STEVENS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Under the previous order, the Senate will now vote on the adoption of Senate Concurrent Resolution 60. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The bill clerk called the roll.

Mr. STEVENS. I announce that the Senator from Arizona (Mr. GOLDWATER) and the Senator from Illinois (Mr. PERCY), are necessarily absent.

I further announce that, if present and voting, the Senator from Arizona (Mr. GOLDWATER) and the Senator from Illinois (Mr. PERCY), would each vote "yea."

Mr. CRANSTON. I announce that the Senator from Hawaii (Mr. MATSUNAGA) is necessarily absent.

I also announce that the Senator from Arkansas (Mr. PRYOR) is absent because of illness.

I further announce that, if present and voting, the Senator from Hawaii (Mr. MATSUNAGA) and the Senator from Arkansas (Mr. PRYOR), would each vote "yea."

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 69, nays 27, as follows:

[Rollcall Vote No. 121 Leg.]

YEAS—69

Abdnor
Andrews
Armstrong
Baker
Baucus
Bentsen
Boren
Boschwitz
Brady
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Cochran
D'Amato
DeConcini
Denton
Dixon
Dole
Domenici
Eagleton
East
Exon
Ford
Garn
Glenn
Grassley
Hatch
Hatfield
Hayakawa
Heflin
Helms
Hollings
Huddleston
Humphrey
Inouye
Jepsen
Johnston
Kassebaum
Kasten
Laxalt
Leahy
Levin
Mattingly
McClure
Melcher
Murkowski
Nickles
Nunn
Pressler
Quayle
Randolph
Riegle
Roth
Rudman
Sasser
Schmitt
Simpson
Stafford
Stennis
Stevens
Symms
Thurmond
Tower
Wallop
Warner
Zorinsky

NAYS—27

Biden
Bradley
Chafee
Cohen
Cranston
Danforth
Dodd
Durenberger
Gorton
Hart
Hawkins
Heinz
Jackson
Kennedy
Long
Lugar
Mathias
Metzenbaum
Mitchell
Moynihan
Packwood
Pell
Proxmire
Sarbanes
Specter
Tsongas
Weicker

NOT VOTING—4

Goldwater
Matsunaga
Percy
Pryor

So the concurrent resolution (S. Con. Res. 60) was agreed to, as follows:

S. CON. RES. 60

Resolved by the Senate (the House of Representatives concurring), That the Congress disapproves the final rule promulgated by the Federal Trade Commission dealing with the matter of the trade regulation rule relating to the sale of used motor vehicles, which final rule was submitted to the Congress on January 28, 1982.

RECESS UNTIL 3 P.M.

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate stand in recess until the hour of 3 p.m. today.

There being no objection, the Senate, at 2:26 p.m., recessed until 3 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. HELMS).

The PRESIDING OFFICER. The Chair, in its capacity as a Senator from North Carolina, suggests the absence of a quorum.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. DURENBERGER). Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that there now be a brief period for the transaction of routine morning business, not to extend past 3:15 p.m., in which Senators may speak.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE U.S. FOREIGN AID PROGRAM: CONGRESS HAS BROKEN THE BANK AND THE BACKS OF AMERICAN TAXPAYERS

Mr. HELMS. Mr. President, several months ago a friend in North Carolina asked a question I could not answer—but I promised that I would find the answer and report back to him.

Frankly, it did not occur to me at the time that nowhere in the Federal Government, with all of its experts, with all its computers, was the answer to his question to be found.

However, after months of research and computations, I finally have an answer.

The question: How much, including interest on the money borrowed by the U.S. Government to finance the program, has our foreign aid program cost the American taxpayers?

The answer—and I suggest that the distinguished Presiding Officer hold onto his hat—is: $2,304,257,900,000.

Let me spell it out, Mr. President: 2 trillion, 304 billion, 257 million, 900 thousand dollars of the American taxpayers' money.

Mr. President, when I reached the end of literally months of inquiries, calculations, searching of official documents, up popped that total figure—one so enormous that I simply could not believe it. I sent it back to be checked again.

Bear in mind the precise question that was asked of me: How much, including interest on the money borrowed by the U.S. Government to finance the program, has our foreign aid program cost the taxpayers? My friend in North Carolina insisted, correctly, that any honest assessment of the cost would necessarily include the interest because the Federal Government was running a deficit almost every year, and therefore was in effect borrowing the money it was giving away to foreign countries.

To be very technical in the context in which an economist would put it—the present cost of past expenditures equals the nominal dollar amount plus the compound interest that would have been earned in the financial markets. Today's cost includes alternative uses of those funds over the intervening period.

Mr. President, my friend makes a point that should be remembered by Members of Congress when they so freely vote to create and expand multibillion dollar Federal programs of every type. The point is this: These programs would be expensive even if the Federal Government were operating on a balanced budget. But when Congress approves enormous deficits, and when interest on the borrowed money is compounded year after year, the real costs of Federal programs soars into the stratosphere.

And that, Mr. President, is why Congress is to blame for the trillion dollar national debt now smothering the U.S. economy. Think about it, Mr. President. This year, it will cost the U.S. taxpayers about $115 billion just to pay the interest—1 year's interest—on money that the Federal Government has spent in excess of income. Would it not be delightful if we did not have to worry about that $115 billion? The news media and President Reagan's other political critics—who falsely claim that Ronald Reagan is responsible for the huge Federal deficit—would not be able to mislead the American people, because the Federal budget would today be relatively easy to balance, inflation would be less of a problem, the U.S. economy would not be in distress, the unemployment level would be lower, and production would be setting new records.

So, Mr. President, the folly of foreign aid since 1946, the year the program began, is an alarming symptom of what is wrong with the Federal Government—and the country.

The total cost of the foreign aid program—since its inception in 1946 and including the estimated nearly $10 billion cost for fiscal year 1981—the actual figures for fiscal year 1981 are not yet available—is $286,467,000,000. This figure represents total Federal outlays in nominal dollars, that is, the dollars expended in each of the years specified.

More than $286 billion, Mr. President. But that is before we factor in the equivalent interest on the money borrowed in the American taxpayers' name to spread this money across the face of the Earth.

As I said at the outset, the total cost of foreign aid, including interest, since 1946, is $2,304,257,900,000—2 trillion, 304 billion, 257 million, 900 thousand dollars.

Mr. President, to which countries, and how much for each, has this enormous sum been devoted? I have a breakdown, country by country, and I

ask unanimous consent that it be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Aid given by the United States for the years 1946–80

Country:	*Total aid given*
Afghanistan	$542,331,000
Albania	20,400,000
Algeria	203,282,000
Andorra	0
Angola	8,898,000
Antigua	0
Argentina	462,826,000
Australia	123,586,000
Austria	1,256,769,000
Bahamas	301,000
Bahrain	2,408,000
Bangladesh	1,503,924,000
Barbados	3,324,000
Belgium	1,867,491,000
Belize	10,246,000
Benin	48,516,000
Bermuda	0
Bhutan	816,000
Bolivia	888,077,000
Botswana	119,040,000
Brazil	3,066,430,000
Brunei	0
Bulgaria	0
Burma	197,000,000
Burundi	24,742,000
Cambodia (Kampuchea)	2,169,645,000
Cameroon	39,713,000
Canada	30,500,000
Cape Verde	37,326,000
Central African Republic	15,829,000
Chad	65,249,000
Chile	1,388,662,000
China	455,000
Colombia	1,603,319,000
Comoros	269,000
Congo	10,427,000
Cook Islands	0
Costa Rica	271,994,000
Cuba	20,130,000
Cyprus	149,259,000
Czechoslovakia	193,001,000
Denmark	921,970,000
Djibouti	4,716,000
Dominican Republic	691,962,000
Ecuador	430,714,000
Egypt	7,874,519,000
El Salvador	284,571,000
Equatorial Guinea	0
Ethiopia	667,704,000
Falkland Islands	0
Faroe Islands	0
Fiji	0
Finland	57,088,000
France	8,466,639,000
French Antilles and Guiana	0
French Polynesia	0
Gabon	18,414,000
The Gambia	22,625,000
German Democratic Republic	800,000
Germany, Federal Republic of	4,980,422,000
Ghana	391,312,000
Gibraltar	0
Greece	5,542,454,000
Greenland	0
Grenada	0
Guadeloupe	0
Guatemala	492,562,000
Guinea	162,001,000
Guinea-Bissau	14,958,000
Guyana	126,806,000
Haiti	279,167,000
Honduras	356,690,000
Hong Kong	43,800,000
Hungary	32,700,000
Iceland	82,184,000
India	10,268,489,000
Indonesia	3,188,872,000
Iran	2,170,628,000
Iraq	95,584,000
Ireland	146,524,000
Israel	18,490,073,000
Italy	5,884,190,000
Ivory Coast	46,863,000
Jamaica	192,501,000
Japan	3,950,707,000
Jordan	2,417,897,000
Kenya	394,459,000
Kiribati	0
Korea (North)	0
Korea (South)	13,625,486,000
Kuwait	0
Laos	2,509,312,000
Lebanon	299,756,000
Lesotho	78,824,000
Liberia	329,935,000
Libya	230,115,000
Liechtenstein	0
Luxembourg	0
Macao	0
Madagascar	21,185,000
Malawi	64,260,000
Malaysia	237,366,000
Maldives	0
Mali	148,938,000
Malta	84,409,000
Martinique	0
Mauritania	61,283,000
Mauritius	23,532,000
Mexico	341,867,000
Monaco	0
Mongolia	0
Morocco	1,322,612,000
Mozambique	62,038,000
Namibia	0
Nauru	0
Nepal	260,924,000
Netherlands	2,312,211,000
Netherlands Antilles	0
New Caledonia	0
New Zealand	6,592,000
Nicaragua	370,060,000
Niger	119,642,000
Nigeria	408,414,000
Norway	1,245,549,000
Oman	32,841,000
Pakistan	5,684,567,000
Panama	439,547,000
Papua New Guinea	322,000
Paraguay	211,767,000
Peru	903,809,000
Philippines	3,131,494,000
Poland	539,300,000
Portugal	1,326,246,000
Qatar	0
Reunion	0
Romania	22,435,000
Rwanda	29,772,000
Ryukyu Islands	413,725,000
St. Christopher-Nevis-Anguilla	0
St. Lucia	0
St. Vincent and the Genadines	0
San Marino	0
Sao Tome and Principe	566,000
Saudi Arabia	324,036,000
Senegal	163,180,000
Seychelles	3,151,000
Sierra Leone	82,978,000
Singapore	21,962,000
Solomon Islands	0
Somalia	219,292,000
South Africa	1,300,000
Spain	2,537,406,000
Sri Lanka	508,887,000
Sudan	296,238,000
Surinam	5,831,000
Swaziland	43,641,000
Sweden	109,037,000
Switzerland	0
Syria	586,015,000
Taiwan	6,567,227,000
Tanzania	271,446,000
Thailand	2,407,318,000
Togo	50,152,000
Tonga	0
Trinidad and Tobago	40,864,000
Tunisia	1,071,312,000
Turkey	8,361,345,000
Tuvalu	0
Uganda	53,474,000
United Arab Emirates	0
United Kingdom	8,779,506,000
Upper Volta	139,045,000
Uruguay	248,659,000
U.S.S.R.	186,400,000
Vanuatu	0
Venezuela	353,568,000
Vietnam	23,361,456,000
Wallis and Futuna	0
Western Sahara	0
Western Samoa	9,841,000
Yemen (North)	125,000,000
Yemen (South)	4,500,000
Yugoslavia	2,831,962,000
Zaire	784,558,000
Zambia	182,527,000
Zimbabwe	29,905,000
Central Treaty Organization	39,624,000
Near East and South Asia Regional	566,043,000
West Indies-Caribbean Regional	182,143,000
ROCAP (Regional Office, Central America and Panama)	285,116,000
Latin America Regional	667,102,000
Indochina Associated States	1,557,067,000
East Asia Regional	356,520,000
Entente States	38,262,000
Portuguese States in Africa	3,350,000
Central and West Africa Regional	114,452,000
East Africa Regional	33,332,000
Southern Africa Regional	90,929,000
Africa Regional	466,711,000
West Berlin	131,881,000
European Regional	623,976,000
Pacific Islands (Trust Territories of the United States)	824,151,000
Oceana Regional	40,158,000
Interregional	29,830,000
Total U.S. foreign aid for the period 1946 through 1980	229,105,000,000
Total other U.S. loans and grants for the period 1946 through 1980	47,476,000,000
Total foreign aid for fiscal year 1981 (estimate)	9,886,000,000
Grand total	286,467,000,000

Mr. HELMS. Mr. President, $286 billion—what a massive sum. The total budget of the U.S. Government in 1974 was $267.9 billion.

Mr. President, I now offer a table showing how much money, on an annual basis, the U.S. Government has provided for all forms of foreign assistance—including foreign economic assistance, foreign military aid, and other forms of grants and loans. This information was supplied by the Library of Congress, which obtained it from the annual appropriations bills passed by Congress, and I ask unanimous consent that it be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. FOREIGN ASSISTANCE—1946–80

[In millions of dollars]

	Military/economic assistance	Multilateral development banks[1]	Export-Import Bank loans	Total
1946	2,092.0	3,504.3	1,712.3	7,308.6
1947	6,326.9	141.9	214.1	6,682.9
1948	2,961.0	127.0	78.9	3,166.9
1949	8,037.0	170.6	148.6	8,356.2
1950	4,775.2	70.4	330.1	5,175.7
1951	4,181.9	30.8	142.6	4,355.3
1952	4,009.3		110.6	4,119.9
1953	6,394.8		382.8	6,777.6
1954	5,814.1		35.8	5,849.9
1955	4,833.7		354.9	5,188.6
1956	5,407.9		192.1	5,600.0
1957	4,996.7	35.2	469.0	5,500.9
1958	4,669.9		540.3	5,210.2
1959	4,975.3	1,375.0	660.8	7,011.1
1960	4,833.0	80.0	305.0	5,218.0
1961	4,814.0	74.0	962.0	5,850.0
1962	6,862.0	172.0	277.0	7,311.0
1963	7,238.0	122.0	280.0	7,640.0
1964	5,109.0	112.0	352.0	5,573.0
1965	4,998.0	312.0	358.0	5,668.0
1966	6,901.0	354.0	368.0	7,624.0
1967	6,752.0	374.0	1,317.0	8,443.0
1968	6,898.0	424.0	743.0	8,065.0
1969	6,259.0	480.0	679.0	7,418.0
1970	6,307.0	480.0	1,379.0	8,166.0
1971	7,898.0	180.0	1,438.0	9,516.0
1972	9,101.0	142.0	2,237.0	11,480.0
1973	9,100.0	775.0	2,381.0	12,256.0
1974	8,164.0	814.0	3,831.0	12,809.0
1975	6,454.0	784.0	2,569.0	9,807.0
1976	6,582.0	24.0	2,218.0	8,824.0
1977	6,853.0	931.0	719.0	8,503.0
1978	7,910.0	1,104.0	2,867.0	11,881.0
1979	12,213.0	1,632.0	3,688.0	17,533.0
1980	8,217.0	1,478.0	3,236.0	12,931.0

[1] Data excludes callable capital.

Mr. HELMS. Mr. President, I then asked the Library of Congress to specify the interest rate at which the Federal Government borrowed money during each year from 1946 through 1980. I ask unanimous consent that the RECORD include that information at this point. This information, I stress, was provided by the Library of Congress as obtained from Historical Statistics of the United States and the Statistical Index to the Annual Report of the Secretary of Treasury.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Year	Total U.S. foreign aid appropriated that year[1]	Interest rate at which U.S. Government borrowed money in that year (percent)[2]
1946	$7,308,600,000	1.996
1947	6,682,900,000	2.107
1948	3,166,900,000	2.182
1949	8,356,200,000	2.236
1950	5,175,700,000	2.200
1951	4,355,300,000	2.270
1952	4,119,900,000	2.329
1953	6,777,600,000	2.438
1954	5,849,900,000	2.342
1955	5,188,600,000	2.351
1956	5,600,000,000	2.576
1957	5,500,000,000	2.730
1958	5,210,000,000	2.638
1959	7,011,100,000	2.867
1960	5,218,000,000	3.297
1961	5,850,000,000	3.072
1962	7,311,000,000	3.239
1963	7,640,000,000	3.360
1964	5,573,000,000	3.560
1965	5,668,000,000	3.678
1966	7,634,000,000	3.988
1967	8,443,000,000	4.039
1968	8,065,000,000	4.449
1969	7,814,000,000	4.891
1970	8,166,000,000	5.557
1971	9,516,000,000	5.141
1972	11,480,000,000	5.093
1973	12,256,000,000	5.872
1974	12,809,000,000	6.560
1975	9,807,000,000	6.352
1976	8,824,000,000	6.457
1977	8,503,000,000	6.424
1978	11,881,000,000	7.126
1979	17,533,000,000	8.057
1980	12,931,000,000	9.032

[1] Statistical information provided by the Library of Congress Congressional Research Service, and based on U.S. Government documents, including Agency for International Development Statistics and Reports Division reports.

[2] Interest figures from Historical Statistics of the United States and Statistical Index to the Annual Report of the Secretary of the Treasury.

Mr. HELMS. Mr. President, I then sought to ascertain the effect of such a large annual expenditure of Federal funds over a period of 35 years—in other words, its effect on the national debt. I sought to determine, as precisely as possible, the effect of spending more than $286 billion in foreign aid.

At this point, I asked the Library of Congress to develop a set of assumptions so that the cost of foreign aid—in terms of 1982 dollars—and its effect on the Federal debt could be reasonably assessed.

Mr. President, here are the assumptions that the Library of Congress took into account in complying with my request:

First, my request was for a tabulation of the interest payments and outstanding debt obligations associated with a series of expenditures. The annual expenditures and interest rates are based on information contained in the preceeding tables, which were prepared with the assistance of the Agency for International Development, the Appropriations Committee of the U.S. Senate, and the Library of Congress.

Second, to calculate the interest payments, the Library of Congress assumed that the U.S. Government issued bonds of 3 year term to finance the full amount of the stated expenditure in each year.

Third, thus, the total amount of interest associated with a given bond issue equals the face value of the bonds, multiplied by the interest rate of the bond, and compounded to the present date.

Fourth, The Library assumed that the interest payments were also financed by borrowing.

Fifth, it was also assumed, at my suggestion, that all bonds were rolled over at maturity into new debt obligations. Thus, for example, in 1946, 7.3 billion dollars' worth of 3-year bonds are assumed to have been issued at an interest rate of 1.996 percent. Since bonds would have matured in 1949, it was further assumed that they would be paid off by issuing 7.3 billion dollars' worth of new bonds at the 1949 interest rate of 2.236 percent. Thus, together with bonds to finance the 1949 expenditures of $8.3 billion and bonds to finance the payments due in 1949, the total amounts of new bonds issued in 1949 would be $16 billion.

It was on this basis, and at my suggestion, Mr. President, that the Library of Congress proceeded to make its calculations. In a moment I will offer for the RECORD a table disclosing this information, but first, Mr. President, perhaps an explanation of the table would be in order:

Column 1 of the table shows the current expenditure in each year.

Column 2 shows the rolled-over debt obligation.

Column 3 identifies the amount of interest due in a given year.

Column 4 discloses the total amount of bonds issued each year.

Column 5 contains the interest rate applicable each year, based on the rate at which the U.S. Government borrowed money during that year.

Finally, the total amount of outstanding bonds insuing from these expenditures is contained in column 6.

Mr. President, I emphasize that I requested that the Library of Congress assume, in its calculations, that the expenditures made in a given year were financed exclusively by borrowing—and that, had those expenditures not been made, the Federal Government would have borrowed that much less.

The hypothetical assumption was made that there would have been no changes in spending on other Federal programs, or in tax rates; and that in the very few years when the deficit was less than the Federal Government's expenditures on foreign aid, none of the relatively small savings made would have been used to retire the national debt.

Mr. President, I ask unanimous consent that these computations by the Library of Congress be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

INTEREST AND PRINCIPLE ASSOCIATED WITH DEBT FINANCING A SERIES OF EXPENDITURES

[Dollar amounts in millions]

Year	Current expenditures	Rolled-over debt obligation	Interest payment due on outstanding bonds	Total bonds issued	Interest rate (percent)	Total outstanding bonds
1946	$7,308.6	0.0	0.0	7,308.6	1.996	7,308.6
1947	6,682.9	0.0	$145.9	6,828.8	2.107	14,137.4
1948	3,166.9	0.0	289.8	3,456.7	2.182	17,594.0
1949	8,356.2	$7,308.6	365.2	16,030.0	2.236	33,624.0
1950	5,175.7	6,828.8	577.7	12,582.2	2.000	46,206.2
1951	4,355.3	3,456.7	685.5	8,497.5	2.270	54,703.7
1952	4,199.9	16,030.0	803.0	21,032.9	2.329	75,736.6
1953	6,777.6	12,582.2	934.4	20,294.2	2.438	96,030.8
1954	5,849.9	8,497.5	1,177.5	15,524.9	2.340	111,555.7
1955	5,188.6	21,032.9	1,347.9	27,569.4	2.351	139,125.0
1956	5,600.0	20,294.2	1,506.2	27,400.4	2.576	166,525.4
1957	5,500.0	15,524.9	1,717.3	22,742.2	2.730	189,267.6
1958	5,210.0	27,569.4	1,974.9	34,754.2	2.638	224,021.8
1959	7,011.1	27,400.4	2,243.5	36,655.0	2.867	260,676.8
1960	5,218.0	22,742.2	2,588.6	30,548.7	3.297	291,225.6
1961	5,850.0	34,754.2	2,974.9	43,579.1	3.072	334,804.7
1962	7,311.0	36,655.0	3,396.8	47,362.9	3.239	382,167.6
1963	7,640.0	30,548.7	3,880.0	42,068.8	3.360	424,236.3
1964	5,573.0	43,579.1	4,286.3	53,438.5	3.560	477,674.8
1965	5,668.0	47,362.9	4,850.0	57,880.9	3.678	535,555.7
1966	7,634.0	42,068.8	5,444.8	55,147.5	3.980	590,703.2
1967	8,443.0	53,438.5	6,230.6	68,112.0	4.039	658,815.2
1968	8,065.0	57,880.9	7,079.2	73,025.1	4.449	731,840.3
1969	7,814.0	55,147.5	8,199.2	71,160.7	4.891	803,001.0
1970	8,166.0	68,112.0	9,480.4	85,758.4	5.557	888,759.4
1971	9,516.0	73,025.1	11,495.0	94,036.0	5.141	982,795.5
1972	11,480.0	71,160.7	13,080.5	95,721.2	5.093	1,078,516.7
1973	12,256.0	85,758.4	14,475.1	112,489.5	5.872	1,191,006.2
1974	12,809.0	94,036.0	16,314.9	123,159.9	6.560	1,314,166.0
1975	9,807.0	95,721.2	19,559.8	125,088.0	6.352	1,439,254.0
1976	8,824.0	112,489.5	22,630.3	143,943.7	6.457	1,583,197.7
1977	8,503.0	123,159.5	25,319.3	156,982.2	6.424	1,740,179.9
1978	11,881.0	125,088.0	27,324.6	164,293.5	7.126	1,904,473.5
1979	17,533.0	143,943.7	31,086.5	192,563.3	8.057	2,097,036.7
1980	12,931.0	156,982.2	37,306.9	207,220.1	9.032	2,304,256.9

Mr. HELMS. Mr. President, when I first examined these figures, I was dumb-founded. But the Library's computations are correct, based on the assumptions that the Library made, and predicated upon my specific request.

So, Mr. President, to reiterate, the Library of Congress has computed that the net cost of foreign aid, in 1982 dollars, has been $2,304,257,900,000.00, more than twice the existing national debt of the United States, and just short of the latest estimates of our Nation's gross national product for the year.

This is an astounding figure.

There may be some, Mr. President, who will choose to find fault with this computation. I do not believe their complaints, if any, will be valid. But if it will comfort them I am willing to halve the total figure, if it will satisfy their concerns.

It is true that some countries have repaid a portion of their debt to the United States over the years—something like $30 billion has been repaid since 1946. So, we should allow for that, of course. In addition, no one knows what effect on taxes, or on other Federal programs, might have derived from a budget with no foreign aid expenditures. That would be sheer speculation. Would there be a decline in tax revenues or lower taxes as a result of cutting foreign aid? What effect would cuts in foreign aid have had on Government borrowing?

It is, however, fair to say that the funds spent on foreign aid, had they been spent in the United States, would have resulted in a far higher gross national product today for the United States. A higher GNP would have meant higher revenues with the same tax rates we have today and thus a smaller deficit and fewer of the problems that are crippling our economy. It is, however, impossible to predict with certainty the effects of reallocated resources, but I think it is fair to say that the return on an investment anywhere in the United States would have been better than in the "investments" we have made with our foreign aid program.

But, Mr. President, what I do know—and every other American knows it—is this: The American people are being stifled by a huge Federal deficit, high interest rates, and a national debt of more than a trillion dollars.

No longer is there confidence in the stock market as a place for long-term investment. In 1966, the stock market peaked at 1,000 and has not seen that level since. Today the market fluctuates in the 800's. But in terms of 1982 dollars, a 1,000 Dow Jones 1966 average would equal about 3,000 today.

In the 1970's people moved from stocks into tangible commodities as a safe haven for investment as public confidence in financial markets waned. Thus, real estate, gold, antiques, and other tangible collectibles became the focus of much public investment.

Today, gold prices have fallen from a high of more than $800 to the low $300's. High interest rates have all but destroyed investment in real estate. Tangibles have gone the way of stocks as stable forms of investment.

The long-term bond market today is minimal. Industry is financing capital expenditures, to the extent they exist, from the short-term market.

The American people are today investing mostly in money market funds, an asset which is more liquid than most others, and more accessible to the investor. Put another way, the store of value that is most attractive today is the one with the shortest future.

What has happened to erode public confidence in the future of our Nation's economy? Why do most citizens feel comfortable in investing only in short-term money market funds?

I submit that the incredible Federal debt is one of the most important reasons for this Nation's economic woes.

That exact Federal debt on May 11 was $1,060,237,928,516.01.

That is one trillion, sixty billion, two hundred thirty-seven million, nine hundred twenty-eight thousand, five hundred sixteen dollars and one cent.

Thus, the national debt is one-third of the gross national product of the United States; in the first quarter of 1982, the GNP of the United States, annualized by the Treasury, was $2.995 trillion.

Mr. President, this fiscal year, it will require more than $115 billion just to pay the interest on the Federal debt. This is a figure which exceeds the entire budget of the United States just 20 years ago; $115 billion is more than three times the budget outlays for defense of Great Britain, our NATO ally. Is there any wonder that the economy is in turmoil?

Without the burden of such interest payments, not only could the President balance the current Federal budget—there would be a surplus to return to the taxpayers.

How did we get into such a state?

Congress after Congress voted irresponsibly to approve grotesque deficits. President after President, of both parties, proposed such budgets, and Congress went along.

Programs having no place in the Federal budget were proposed and became law: Food stamps, a variety of ill-conceived transfer payment programs, and many others. Among the most costly of those has been foreign aid.

Mr. President, have we learned a lesson?

The blame for all this is bipartisan. It has been a bipartisan folly which many Americans condoned through apathy or disinterest. But now that bedraggled economic chickens have come home to roost, perhaps we can now stand united for commonsense—and with an understanding of the tragic arithmetic of the long-accepted myth of "free money from Washington."

The cost of past foreign aid programs cannot be recovered. The expenditures made have been made and we can learn from that loss.

We should ask ourselves: What will the next 35 years hold? Will some Senator in the year 2000 have the Library of Congress compile figures to assess the real cost of foreign aid in the years 1982-99? Will that Senator have to point to more hundreds of billions of dollars of lost resources? Of lost opportunities? Of lost taxpayers earnings?

That is a judgment that must be made now—by those of us now serving in the Congress of the United States.

PRIVILEGE OF THE FLOOR

Mr. STAFFORD. Mr. President, I ask unanimous consent that Polly Gault and David Morse, of the staff of the Education Subcommittee, have the privilege of the floor during the consideration of Senate Concurrent Resolution 92 and votes thereon.

The PRESIDING OFFICER (Mr. Cochran). Without objection, it is so ordered.

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. BAKER. Mr. President, I might explain for those Senators who may be listening in their offices or elsewhere and for any who are in the Chamber that in a moment I shall ask unanimous consent that the Senate stand in recess until 5 p.m.

I have conferred with the distinguished minority leader, and he indicates that he will have no objection to that.

Mr. President, the reason for it, for the information of Senators, is that meetings will be held on this side of the aisle off the floor. I believe those meetings will contribute to an orderly disposition of this matter and perhaps even expedite its final disposition.

RECESS UNTIL 5 P.M.

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate now stand in recess until the hour of 5 p.m. today.

There being no objection, the Senate, at 3:11 p.m., recessed until 5 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. East).

ORDER OF PROCEDURE

Mr. STEVENS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KENNEDY. Mr. President, will the Senator withhold that request, so that we may have a chance to call up an amendment to restore the $40 billion which has been cut from social security?

Mr. STEVENS. Mr. President, I suggest the absence of a quorum.

Mr. KENNEDY. There are a number of us who have been here for the past 2 days waiting to offer this amendment.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk continued the call of the roll.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. STEVENS. I object.

The PRESIDING OFFICER. There is objection.

The legislative clerk continued the call of the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

REQUEST FOR PERIOD FOR TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that there now be a brief period for the transaction of routine morning business to extend not past the hour of 6 p.m. in which Senators may speak for not more than 3 minutes each.

THE BUDGET RESOLUTION

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, I inquire of the distinguished majority leader whether or not this means the Senate will not go back on the budget resolution today?

Mr. BAKER. Yes, Mr. President, it does. It means that, at some point after we have transacted certain routine matters, assuming that we do go into a period for the transaction of routine morning business, I will ask that the Senate stand in recess until an early hour in the morning. I would anticipate that the Senate will resume consideration of Senate Resolution 92 at approximately 9 o'clock in the morning.

Mr. KENNEDY addressed the Chair.

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object. As I have indicated to the distinguished majority leader in our private conversations, Senators on this side of the aisle have been ready and available and waiting to call up amendments to the budget resolution. They have been prevented from calling up these amendments by virtue of the recesses that have been accumulating during the afternoon. Of course, there is no way that we can keep the recesses from taking place, because if the distinguished Senator from Tennessee gets an objection to his request to recess and finds it necessary to move to recess, that motion is not debatable and all he needs is the votes to deliver a majority vote. So this side of the aisle is rather helpless in preventing recesses.

I must say that Senators on this side do want to offer amendments. I would have to object to the request to go into morning business, hoping that we could get some consideration whereby we could call up some amendments. I realize that the distinguished majority leader can still put us into recess overnight, but we do have some amendments that we would like to call up. Naturally we would like to call up some on social security. But even if we had to have the understanding that we could call up some other amendments, we have other amendments we would like to call up, and we would like not to be prevented from doing so by recessing.

I understand the majority leader's situation. I understand he has had to have time to have discussions with his Members on his side. But my Senators have been waiting. The ranking member on the Budget Committee, Mr. Hollings, has been waiting all afternoon. Mr. Kennedy has been waiting to call up his amendment, and other Senators have been waiting. So I think I would have to be constrained to object to this request.

Mr. BAKER. Mr. President, before the Senator does object, may I say that I fully understand the position stated by the minority leader.

I can report, as he has indicated, that he and I have had private conversations on this matter during the course of this day on more than one occasion. I may also say for the record that the minority leader has been very insistent that we get on with the business at hand and has advised me that a number of Senators on his side of the aisle have amendments and they are anxious to get to them.

I must say, very frankly, that I have declined to agree that that would occur and, indeed, have asked the Senate to stand in recess for a good part of this day. I would point out that those recesses, except for the period from 12 to 2 when both parties were in caucuses, have not been charged against the time remaining under the statute for debate on this resolution. So no one has lost that time for debate nor has any Senator lost the opportunity to offer amendments.

It is entirely probable that the chairman of the Budget Committee will have a further statement to make on tomorrow when we resume consideration of the budget resolution. And I believe it is customary that the chairman of the committee, the relevant jurisdictional committee, would have the first opportunity. After that is done, I can assure the distinguished minority leader and all Senators on both sides of the aisle that they will have an opportunity to offer their amendments in a fair and equitable way on some basis of exchange of opportunity between the two sides of the aisle.

But the requirements for consultation and caucus on this important matter were such that it simply is not possible to go forward with the consideration of this matter, in my opinion, in an orderly way today. I extend my apologies to Senators who have been inconvenienced by that. But the requirement of the leadership on this side of the aisle is that we attempt to move this measure in an orderly way and to successful conclusion as early as reasonably possible. I believe the time that we have devoted to caucuses and conferences today will facilitate that.

But I acknowledge that it has caused problems. And the minority leader has pointed that out to me most vociferously and energetically on a number of occasions. So, I am not surprised that he indicates he must object to my request.

There were a number of routine matters that I hoped to deal with, but they can go over until tomorrow.

Mr. KENNEDY. Will the Senator withhold his objection for just a moment?

Mr. ROBERT C. BYRD. Yes, I withhold.

Mr. KENNEDY. I thank my colleague.

I wonder if the majority leader can give us some idea of the progress that is taking place on the budget negotiations. This measure has now been before the Senate for 3 days without any action. Yet, the clock has been running on the allotted time. The Budget Act provides for 50 hours. We had 6 hours used on Friday, 8 hours used on Saturday, 6 hours used on Monday, and 2 hours used today. That leaves only 28 hours, yet no serious debate has taken place.

We have had no action of substance on this measure. But we have had long quorum calls. Members have been refused an opportunity to raise issues and debate them and discuss them. We have had a gag rule on amendments.

We are now down to 28 hours remaining for debate on all issues raised by this measure. I know of at least 14 amendments on this side of the aisle. At 2 hours for each amendment, all the time may be used up on those amendments alone. That does not even include the hours of debate permitted for each second degree amendment.

I can understand the reluctance of some on the other side to deal with these measures. But those of us who do have amendments may be put in the position of having to call them up after the allotted time has expired, so that there will be no opportunity for debate at all.

I have great respect for the fairness of the majority leader, and I would hope that he might agree to add some more time for consideration of this important measure to make up for the 8 hours lost yesterday and today. I hope that Members of the Senate will be reassured, on both sides of the aisle, that we are not going to be prevented from debating major amendments because the clock has run out.

The PRESIDING OFFICER. The majority leader has the floor.

Mr. BAKER. Mr. President, I will not take very much longer. I would not be favorably disposed to add time back. I would point out most respectfully to my friend from Massachusetts that it was not exactly a gag rule. It was a device that I am sure we are all familiar with called unanimous consent. It was not totally a Republican initiative that decided we would charge time on Friday rather than be here in debate, or that we would not be in session on Saturday but would charge the time instead, or that we would charge the time on Monday, or that we would charge 2 hours today. All of those things were done by mutual agreement. There is no gag rule. The Senator from Massachusetts will have an ample opportunity to offer his amendments and I assure him I will assist the minority leader in seeing that he has the opportunity, and that he has the option to choose the time, within reason, when he would like to do that. But I would urge that he reconsider his challenge that there is a gag rule. What has been done so far in terms of the use of time has been done by mutual arrangement on both sides of the aisle.

Mr. KENNEDY. Will the Senator yield on that point? I do think there was a gag rule against amendments yesterday. The Senator indicated in his statement before the Senate last week that we would be able to offer amendments yesterday and debate them, and any votes would take place on Tuesday.

I do not know whether the Senator from Tennessee had a chance to review the Record yesterday.

Mr. BAKER. I wonder if the Senator also read the Record of yesterday when the distinguished assistant minority leader entered into a unanimous-consent agreement on the time.

Mr. KENNEDY. There is no question that the Senator from Michigan and I were blocked yesterday from offering our amendment to protect social security. We were assured by the majority leader on Friday that there would be an opportunity to offer amendments on Monday. But the Senator from Michigan and I remained here on the Senate floor for 3 hours yesterday, and each time that we asked for unanimous consent to end the quorum call in order to offer our amendment, an objection was made. Each time that we tried to offer our amendment to protect social security, the acting majority leader used the Senate rules to block us. That is a gag rule.

Mr. BAKER. I do not consider that a gag rule.

The PRESIDING OFFICER. The majority leader has the floor and may continue.

Mr. BAKER. I renew my request.

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, I would hope that the distinguished majority leader—and I believe he would be willing to consider this—I would hope that he would consider that when we get up to the allotted time, that Senators on this side of the aisle, who have been shut off from the opportunity to call up their amendments, would have some time for debate. I hope the majority leader will hold in abeyance his judgment on the matter.

Mr. BAKER. Mr. President, I think the minority leader and I, without fail, on every issue that has come before the Senate, have gone to lengths to make sure that our Members on both sides of the aisle have the opportunity to discuss amendments even if time has expired. I think almost certainly that would be the case here. I must say, however, that I am convinced that we can debate this issue and resolve it within the time that still remains.

Mr. ROBERT C. BYRD. That may very well be the case. I know the majority leader fully understands the concerns which have been expressed on our side of the aisle by virtue of the circumstances which have occurred. He fully understands that. I have confidence in his fairness and his understanding. I wanted to express hope at this time that he will not say categorically that no time will be extended but he will hold in abeyance that matter until such time as the circumstances may occur and then render a judgment at that time.

Mr. BAKER. Yes, I will do that, Mr. President, I will hold that decision in abeyance until a later time when it may be necessary to consider it.

Mr. ROBERT C. BYRD. Mr. President, I have no objection to the majority leader's request which I earlier had objected to. I have no objection to his request that the Senate go into morning business, but before I say I have no objection, I wish to yield to the Senator from Maryland to make a few comments.

Mr. SARBANES. Has the majority leader stated his program for today and tomorrow?

Mr. BAKER. I expect the Senate to go into recess at approximately 6 p.m. this evening and resume session tomorrow, perhaps as early as 8 o'clock, in order to accommodate Senators who requested time for special orders, and hope that we can resume consideration of Senate Resolution 92 at about 9 o'clock in the morning. I anticipate that on Wednesday, although not the regularly scheduled late evening, we may run a little longer than we usually do, but not for an extended period.

I would anticipate that Thursday will be a late evening, and I continue to hope that we will finish this debate on Thursday and dispose of the resolution at that time.

Mr. SARBANES. Will there be any way of assuring that rollcalls in the morning will not come at the earliest opportunity but may come possibly later in the morning?

Mr. BAKER. I do not believe I can do that at this moment. I can assure the Senator from Maryland I will do my best to cooperate on that, but I would have difficulty at this time to clear a time certain.

Let me say this: I have no intention of asking for a rollcall, and I know of none that will be requested, prior to, say, 10 o'clock or thereabouts. But I would be reluctant to make a unanimous-consent request to that effect at this time. Would that accommodate the Senator's requirements?

Mr. SARBANES. I see the chairman of the Budget Committee is standing.

Mr. DOMENICI. What was the request?

Mr. SARBANES. I would not like to see any rollcall votes before 10:30.

Mr. BAKER. Let me answer that, if I may. Once again, I cannot make a unanimous-consent request to that effect at this time, but I can assure the Senator from Maryland of my best efforts to not have any rollcall votes before 10:30 in the morning.

Mr. SARBANES. That would not prevent moving on the resolution until that time, of course.

Mr. RIEGLE. Will the majority leader yield?

Mr. BAKER. Yes.

Mr. RIEGLE. As the Senator from Massachusetts has said, he and I were here yesterday and had amendments ready to be offered but we were unable to do so. It took quite a long period of time before we were even able to discuss the matter on the floor. That is all in the Record. But we are ready, as well, to go ahead today. I wonder if we can do this, rather than go out at 6 tonight: Would it be possible for us to at least bring up some of the amendments we have tonight and put the votes over until tomorrow, if the majority leader wishes? At least give us a chance to get started on some of these issues we were ready to go with yesterday and are ready to go with today. Can we at least start on some of the items? Suppose we were to set aside the social security issue, which is the one we were trying to bring up yesterday. What if we were to go on with different issues that perhaps we could discuss and agree on and set the votes sometime tomorrow. We could at least begin to discuss these issues.

Mr. BAKER. Mr. President, I understand the request of the Senator from Michigan. Ordinarily, as he knows, I would be jumping up and down to try to expedite the presentation of amendments and to expedite disposition. As I indicated to the minority leader earlier in my remarks in prefacing my unanimous-consent request, much of this day has been spent in conferences and caucuses. I anticipate in the morning when we resume consideration of this matter, the chairman of the committee will probably have a further statement that he wishes to make.

I would not wish to have any other amendment in advance of that.

I can say to my friend from Michigan that there is no desire whatever to prevent him or any other Senator from offering any amendment they wish. Indeed, I shall cooperate with the minority leader and with every Senator to see that they have an opportunity and that we arrive at a satisfactory sequence of amendments. At this time, I wish to preserve for the distinguished chairman of the committee his opportunity for the morning. That is the basis for my request, which is still pending, that we now have a period for the transaction of routine morning business.

Mr. RIEGLE. May I ask one further question: If a package amendment is offered in the morning, and I have no way of knowing what the majority party is planning, it might be necessary to redraft or rewrite our amendments in order that they fit into a new bill or part of a new bill. Obviously, that takes time. If that is what we are facing tomorrow, I think we ought to know that now.

Is there any way we could, somehow, share that information so those of us who have been waiting to offer amendments will at least be in a position to start to redraft our amendments and try to key them into whatever it may be that is going to be offered in place of a committee bill?

I take it the committee bill is going down the drain here and something else is going to be offered in its place.

Mr. BAKER. Mr. President, I would not presume to comment on the conclusion of the Senator from Michigan. I would say let us all wait and see how that works out.

I will tell him that if he has any problem adapting any amendment he has to any revisions or amendments that may occur, I shall cooperate with the minority leader and with the Senator in trying to find a sequence of amendments for him to do that. It may be that we have amendments that do not require any change. It might be, if the Senator has extreme difficulty in preparing his amendment, to control the running of time so he can do that.

Once again, I am not trying to take advantage of the Senator or any other Member, but I must say that the better part of management on the judgment of this measure is for the Senate to go out now until the morning with the exception of perhaps a brief time to take care of any morning business.

Mr. RIEGLE. I appreciate what the leader has said in trying to accommodate us tomorrow. Let me ask one other thing: Can the majority leader give us any indication of how many budget functions are likely to be altered at this point?

Mr. BAKER. No, Mr. President, I cannot. I am sorry to tell the Senator I cannot do that.

Mr. RIEGLE. May I ask if the Budget Committee chairman can give any idea here? I am only asking because I think, under the circumstances, it would be helpful for us to know that. Could he give us some idea of what functions are likely here to be altered from what is in the printed document?

Mr. DOMENICI. I say to my good friend from Michigan I cannot really do any better with that than the majority leader has done. I am sorry. We shall take the matter up tomorrow and I can only join the majority leader in pledging that it is not my intention with anything I am going to do to

make it impossible to draw amendments, that we shall have plenty of time to do it. I shall do everything I can to cooperate. If there is not enough time, I am sure we shall work something out with the Senator.

I cannot commit, Mr. President, because I do not know at this point.

Mr. ROBERT C. BYRD. Mr. President, will the distinguished majority leader yield to me again?

Mr. BAKER. Yes, Mr. President.

Mr. ROBERT C. BYRD. Can the majority leader assure the minority leader and the Senate that at 9 a.m. tomorrow, the Senate will indeed be ready to proceed on the budget resolution and we shall then have the opportunity to call amendments up?

Mr. BAKER. Mr. President, may I have just a moment?

Mr. President, the chairman of the Committee on the Budget advises me that while it is possible to be on the bill at 9 o'clock, they would feel more comfortable with an order to provide to resume consideration of this measure at 10 o'clock. Perhaps that would be more useful to some other Members who are concerned about rollcall votes early in the morning. In that case, we would come in at 9 instead of 8 to permit the execution of special orders and request that we resume consideration of this measure at 10 a.m.

Mr. ROBERT C. BYRD. Mr. President, may I have this assurance from the majority leader that, when resumption on the resolution occurs, in recognition of the fact that the majority leader has first prerogative of being recognized by the Chair—there is no question in my mind but that, with that power of recognition, he can put into place his amendment or amendments on social security. I recognize that. Will he assure the minority leader and the minority that if the majority is not ready at that particular time to proceed with their amendment on social security, he will not elect to recess the Senate again, but that members of the minority would be permitted to proceed with at least amendments in other areas of the resolution?

Mr. BAKER. Yes, Mr. President, I shall give that assurance. I shall go even further.

I have no doubt that the Senator from New Mexico, the chairman of the committee, will be in a position to proceed in the morning at 10. If he is not, then I shall certainly agree to see that some other action is taken. But I am confident that will be so.

I am willing as well to say that, after an amendment on this side is disposed of, I am perfectly willing to see that an amendment on the other side of the aisle is next presented.

Mr. ROBERT C. BYRD. Could we have an understanding that there will be alternation between the two sides on calling up amendments, as we have previously done on budget resolutions?

Mr. BAKER. Yes, Mr. President. I would not want to tie that down absolutely by unanimous consent because, in the past, it has created problems that we are both aware of. I give the minority leader my assurance that we shall do that without exception, as far as I am concerned, absent extraordinary circumstances such as the absence of Senators from the floor or some other reason to suggest that we should not do it that way.

Mr. ROBERT C. BYRD. I take it the time we have utilized here is not coming out of the time for the budget resolution, Mr. President.

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. Mr. President, the time that is allotted to the minority leader under the resolution—I would yield that time to Mr. Hollings on my side of the aisle. I do that at this time.

The PRESIDING OFFICER. The Senator has that right.

Mr. BAKER. Mr. President, I renew my request in respect to morning business.

Mr. HARRY F. BYRD, JR. Mr. President, will the majority leader yield?

Mr. BAKER. Yes, I yield.

Mr. HARRY F. BYRD, JR. Mr. President, in his colloquy with the minority leader, the majority leader indicated that amendments would be going back and forth between the two sides of the aisle. What provision would there be for those who do not have amendments, but who do want to address the subject at hand?

Mr. BAKER. Mr. President, I am perfectly willing to work that out. I honestly have not thought about that subject yet, since the debate would usually be on or in relation to an amendment. I can assure the Senator from Virginia that I shall work with him and with the minority leader in making sure that he has ample time to discuss the resolution or any aspect of it as he may wish to sequence it within the bounds of what is good management of the resolution.

Mr. HARRY F. BYRD, JR. I thank the Senator.

Mr. ROBERT C. BYRD. Mr. President, I do not have any objection to proceeding with morning business, but is it understood that the time that was under my control has been yielded to Senator Hollings?

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. I take it it is further understood that the majority leader will soon put forth a request that the Senate come in at 9 a.m.?

Mr. BAKER. Yes; Mr. President, let me put the request at this time in order to nail it down.

Mr. ROBERT C. BYRD. Mr. President, for the Record, so that Senators who read the Record will understand, would the majority leader mind stating again that if at 10 o'clock he or Mr. Domenici is not prepared to go forward with the social security amendments they have been discussing, that Senators on this side of the aisle could proceed with other amendments so as to utilize the time?

Mr. BAKER. Yes, Mr. President.

Not social security amendments. I would not like to limit it to that, but an amendment or an action to be taken by the chairman of the Budget Committee or by myself; that if we are not prepared at that time to proceed, then I will facilitate the recognition of a Senator on the other side of the aisle to offer an amendment.

Mr. ROBERT C. BYRD. I thank the majority leader.

ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I renew my request for a period for the transaction of routine morning business, and I amend the request to say that it would extend not past 6:30, in which Senators may speak for not more than 3 minutes each.

The PRESIDING OFFICER. Is there objection?

The Chair hears none, and it is so ordered.

There will now be a period for the transaction of routine morning business not to extend past 6:30 p.m., in which Senators may speak for 3 minutes each.

ENVIRONMENTAL PROTECTION AGENCY FUNDING

● **Mr. LEAHY.** Mr. President, I will be offering an amendment, with my colleague from New York, Mr. Moynihan, to increase funding for the Environmental Protection Agency by $308 million.

I would like to place in the Congressional Record a copy of our Dear Colleague and extensive background materials explaining how the increase in operating programs will be funded.

I would also like to announce that Mr. Kennedy and Mr. Hart are cosponsors of this amendment.

The material follows:

U.S. Senate,
Washington, D.C., May 17, 1982.

Dear Colleague: When the First Concurrent Budget Resolution reaches the floor, we will offer an amendment to increase the funds for operating programs and the Superfund program at the Environmental Protection Agency by $308 million above the level recommended by the Budget Committee.

We are offering this amendment because the levels recommended by the Budget Committee are inadequate to effectively administer the nation's environmental laws.

The Budget Committee's mark adds only $145 million to EPA's operating budget. It is not based on an analysis of the funds EPA needs to do its job. It is merely an extension of 1982 levels, unadjusted for inflation. It does not even assume funding for Superfund at the level recommended by the Environment Committee.

We are proposing an amendment to add $308 million to EPA's fiscal year 1982 budget. This funding level is based on the following assumptions:

First, that effective control over hazardous wastes and toxic chemicals should be accomplished in the next five years, not in ten to thirty years.

Second, that monies should be made available from the Superfund Trust Fund so that additional cleanup work at hazardous waste sites can begin without delay.

Third, that a cost-effective public health protection program is only possible if it is built on a sound scientific basis funded through an adequate research and development budget.

And, fourth, that grants to the states must be increased commensurate with the increased responsibilities required by new federal environmental legislation.

The 1982 funding levels provided by the proposed budget resolution do not provide sufficient funds to meet these objectives.

If our amendment is adopted, EPA's operating budget would still be $245 million less than the inflation-adjusted 1981 level.

We hope you will join us in cosponsoring and voting for this amendment. If you need more information, please contact Jim Cubie (extension 4-7232) or Sueanne Pfifferling (extension 4-4451).

Sincerely yours,

DANIEL PATRICK MOYNIHAN.
PATRICK J. LEAHY.

SUMMARY TABLE.—SUGGESTED LEVELS OF FUNDING FOR FISCAL YEAR 1983 BY EPA PROGRAM

[Amounts in thousands of dollars]

EPA programs	Actual 1981	BA 1982	EPA proposed 1983	Suggested 1983
Air	235,388.5	219,761.9	184,053.3	258,370.6
Water	318,236.9	236,796.7	185,965.7	276,988.3
Drinking water	79,329.7	83,831.1	69,750.1	106,685.2
Hazardous waste	141,427.7	107,228.1	103,343.7	205,090.4
Pesticides	64,769.8	53,738.1	50,782.0	74,129.3
Toxics	94,103.8	77,377.8	68,604.0	106,027.1
Subtotal	933,256.4	778,733.7	662,498.8	1,027,290.9
Other [1]	339,998.3	308,720.3	298,893.2	308,720.3
Total	1,273,254.7	1,087,454	961,392.0	1,336,011.2

[1] Includes management and support, interdisciplinary, noise, radiation, and energy

EPA AIR PROGRAM

[Amounts in thousands of dollars]

Air R. & D.	Actual 1981	BA 1982	Proposed 1983	Suggested 1983
Oxidants nonenergy:				
(S)	5,268.5	5,240.6	4,581.0	6,226.4
(R. & D.)	8,433.4	9,961.0	6,877.8	11,539.9
Hazardous air pollutants nonenergy:				
(S)	4,799.6	5,339.1	4,941.7	11,743.9
(R. & D.)	5,099.4	4,034.5	3,052.7	10,805.4
Mobile sources nonenergy:				
(S)	4,054.4	3,031.8	2,034.6	2,034.6
(R. & D.)	2,891.5	2,563.8	2,441.9	2,441.9
Gases and particles nonenergy				
(S)	11,177.9	12,069.1	11,547.1	11,547.1
(R. & D.)	17,361.1	13,491.8	11,708.2	11,708.2
Total R. & D.	59,085.8	55,731.7	47,185.0	68,047.4

EPA AIR PROGRAM—Continued

[Amounts in thousands of dollars]

Air R. & D.	Actual 1981	BA 1982	Proposed 1983	Suggested 1983
ABATEMENT CONTROL AND COMPLIANCE				
Air quality stationary source:				
(S)	9,512.3	9,523.6	8,007.8	8,007.8
(A.C. & C.)	17,199.8	10,733.9	11,781.6	11,781.6
Mobile source air pollution control and fuel economy:				
(S)	10,309.6	10,019.3	8,980.7	8,980.7
(A.C. & C.)	4,367.6	1,548.3	3,038.3	3,038.3
State programs resource assistance:				
(S)	219.3	223.5	238.1	238.1
(A.C. & C.)	91,057.3	88,734.9	70,578.7	112,234.0
Air quality management implementation:				
(S)	9,526.1	9,564.4	8,791.5	8,791.5
(A.C. & C.)	222.0	116.5	34.3	34.3
Trends monitoring and progress assessment:				
(S)	3,924.7	4,313.9	4,425.3	4,425.3
(A.C. & C.)	431.7	312.6	452.3	452.3
Total (A.C. & C.)	113,278.4	101,446.2	85,885.2	157.983.9
ENFORCEMENT				
Stationary source enforcement:				
(S)	13,038.8	14,232.9	10,101.5	16,064.9
(A.C. & C.)	9,845.0	9,791.2	5,019.1	9,259.2
Mobile source enforcement:				
(S)	4,403.0	3,959.6	3,522.6	4,897.7
(A.C. & C.)	2,199.8	955.6	1,896.5	2,117.5
Enforcement total	29,486.6	28,939.3	20,539.7	32,339.3
Air total	235,388.5	219,761.9	184,053.3	258,370.6

AIR PROGRAM DESCRIPTION.—AIR OXIDANTS NONENERGY

[Amounts in thousands of dollars]

Program element	Active 1981	BA 1982	Proposed 1983	Suggested 1983
Salaries and expenses	5,268.5	5,240.6	4,581.0	6,226.4
Research and Development	8,433.4	9,961.0	6,877.8	11,539.9

RECOMMENDED CHANGES—MONITORING SYSTEMS AND QUALITY ASSURANCE

Program element	Active 1981	BA 1982	Proposed 1983	Suggested 1983
Salaries	882.7	978.9	693.9	1,031.5
Research and Development	639.2	364.2	390.1	520.0

The suggested level of funding will provide the resources to continue to fully support monitoring and audits. In addition, the resources will provide research support in developing a low cost portable monitor for volatile organic compounds.

HEALTH EFFECTS

Program element	Active 1981	BA 1982	Proposed 1983	Suggested 1983
Salaries	1,588.2	1,410.2	1,138.7	1,811.6
Research and Development	2,964.3	3,804.8	1,952.2	4,020.0

The suggested level of funding will provide resources to continue research on the human health effects related to inhalation toxicology of photochemical oxidants. The proposed budget seeks to slow this research down for budgetary reasons. This research is fundamental to the development of ozone criteria documents.

ENVIRONMENTAL PROCESSES AND EFFECTS

Program element	Active 1981	BA 1982	Proposed 1983	Suggested 1983
Salaries	1,744.5	1,896.8	1,375.4	2,010.3
Research and Development	4,049.0	5,096.4	2,632.0	5,096.4

The suggested level of funding provides the resources necessary to continue the urban scale ozone modeling program, crop loss assessment program, and the biogenic emissions measurement program. Research on ozone is of high priority and should be carried out at least at a constant level. Research is the starting point for determining the need for regulation and effects on health and environment. These research programs should continue.

HAZARDOUS AIR POLLUTANTS NONENERGY

Program element	Active 1981	BA 1982	Proposed 1983	Suggested 1983
Salaries and expenses	4,799.6	5,339.1	4,941.7	11,743.9
Research and Development	5,099.4	4,034.5	3,052.7	10,805.4

RECOMMENDED CHANGES.—MONITORING SYSTEMS AND QUALITY ASSURANCE

Program element	Active 1981	BA 1982	Proposed 1983	Suggested 1983
Salaries and expenses	1,664.2	1,919.3	1,729.9	5,087.9
Research and Development	1,559.2	957.7	1,013.9	6,210.9

There is a backlog of 37 hazardous air pollutants. EPA is planning to do 9 assessments in fiscal year 1983. The suggested level of funding would provide resources adequate to perform the needed assessments in fiscal year 1983 so the necessary regulatory development can get under way in the next several years.

HEALTH EFFECTS

Program element	Active 1981	BA 1982	Proposed 1983	Suggested 1983
Salaries	1,348.5	1,414.9	1,476.1	4,920.3
Research and Development	1,799.6	1,292.3	865.8	3,421.5

The suggested level of funding provides resources to do health assessments on hazardous air pollutants and develop a monitoring and laboratory program. Hazardous air pollutants is a new program and requires initial funding to establish a monitoring program and do the basic research necessary to set standards.

STATE PROGRAMS RESOURCE ASSISTANCE

Program element	Active 1981	BA 1982	Proposed 1983	Suggested 1983
Salaries and expenses	219.3	223.5	238.1	238.1
A.C. & C.	91,057.3	88,734.9	70,578.7	112,234.0

RECOMMENDED CHANGES.—CONTROL AGENCY RESOURCE SUPPLEMENTATION

Program element	Active 1981	BA 1982	Proposed 1983	Suggested 1983
A.C. & C.	89,524.4	87,734.9	69,954.7	111,610.0

The suggested level of funding will provide resources adequate to establish a system of hazardous air monitors and upgrade the traditional air monitoring system. The present cost of the monitoring system for traditional pollutants is $30 million. This systems data is often attacked as inadequate by the regulated community. This level of funding assumes that a hazardous air monitoring system costs approximately the same as a monitoring system for traditional pollutants. The existing air monitoring system does not collect data in areas where 60 percent of the new power plants are likely to be built. The estimate assumes that the existing system will be expanded by 50 percent.

STATIONARY SOURCE ENFORCEMENT

Program element	Active 1981	BA 1982	Proposed 1983	Suggested 1983
Salaries and expenses	13,038.8	14,232.9	10,101.5	16,064.9
A.C. & C.	9,845.0	9,791.2	5,019.1	9,259.2

RECOMMENDED CHANGES.—STATIONARY SOURCE ENFORCEMENT

Program element	Active 1981	BA 1982	Proposed 1983	Suggested 1983
Salaries	13,038.8	14,232.9	10,101.5	16,064.9
A.C. & C.	8,141.5	9,091.2	5,019.1	9,259.2

The suggested level of funding will provide resources to continue compliance monitoring inspections at the current 1981 levels. Many States have not assumed primacy for the air enforcement program and any reduction in monitoring by EPA now would be counter to what EPA is saying to States assuming primacy and would be unfair to industries that have made the capital expenditures for pollution control equipment.

MOBILE SOURCE ENFORCEMENT

Program element	Active 1981	BA 1982	Proposed 1983	Suggested 1983
Salaries and expenses	4,403.0	3,959.6	3,522.6	4,897.7
A.C. & C.	2,199.8	955.6	1,896.5	2,117.5

RECOMMENDED CHANGES.—MOBILE SOURCE ENFORCEMENT

Program element	Active 1981	BA 1982	Proposed 1983	Suggested 1983
Salaries	4,403.0	3,959.6	3,522.6	4,897.7
A.C. & C.	2,199.8	955.6	1,896.5	2,117.5

The suggested level of funding provides resources adequate to continue emission testing for vehicle certification at the 1981 levels. These additional resources are necessary to conduct the emission testing program to ensure fair and equal automobile testing across the industry.

EPA WATER PROGRAM

[Amounts in thousands of dollars]

Water (R. & D.)	Actual 1981	Estimated 1982	Proposed 1983	Suggested 1983
Water quality nonenergy:				
(S)	13,378.7	12,713.0	10,143.3	13,096.7
(R. & D.)	11,850.7	6,429.7	900.0	8,059.8
Municipal waste-water nonenergy:				
(S)	6,606.0	7,169.8	5,514.8	7,158.3
(R. & D.)	8,132.0	9,398.6	6,117.0	8,878.7
Industrial waste-water nonenergy:				
(S)	3,993.5	3,952.1	3,200.3	5,014.0
(R. & D.)	5,947.3	5,426.5	1,834.7	5,334.3
Total	49,908.2	45,089.7	27,710.1	47,541.8
ABATEMENT, CONTROL AND COMPLIANCE				
Water quality State programs management:				
(S)	11,721.3	7,959.8	10,974.9	18,422.4
(A.C. & C.)	14,322.7	8,774.4	2,850.0	10,454.1
Effluent studies and guidelines:				
(S)	5,780.4	5,165.6	4,785.5	6,727.8
(A.C. & C.)	22,392.7	6,578.5	7,448.5	10,471.6
Grants assistance programs:				
(S)				
(A.C. & C.)	97,802.3	60,700.0	40,845.6	61,440.0
Water quality strategies imp.:				
(S)	10,189.9	10,240.1	10,239.4	10,975.8
(A.C. & C.)	7,092.4	4,658.3	4,620.3	5,521.9
Water quality monitoring and analysis:				
(S)	7,981.4	7,894.3	8,791.7	10,686.0
(A.C. & C.)	2,382.5	573.7	375.7	1,472.7
Municipal Source control:				
(S)	28,309.1	26,661.3	18,267.2	18,267.2
(A.C. & C.)	29,721.2	23,777.8	25,502.4	31,849.0
Total	237,695.8	162,983.8	134,701.2	186,288.5
ENFORCEMENT				
Water quality enforcement:				
(S)	15,577.1	16,109.2	13,181.0	23,040.0
(A.C. & C.)	3,577.9	1,153.8	176.9	2,099.0
Water quality permits issuance:				
(S)	7,109.9	7,149.2	6,986.6	12,705.0
(A.C. & C.)	4,294.0	4,314.0	3,209.9	5,314.0
Total	30,558.9	28,273.2	23,554.4	43,158.0
Water total	318,236.9	236,796.7	185,965.7	276,988.3

WATER PROGRAM DESCRIPTION—WATER QUALITY NONENERGY

[Amounts in thousands of dollars]

Program element	Actual 1981	Estimated 1982	Proposed 1983	Suggested 1983
Salaries and expenses	13,387.7	12,713.0	10,143.2	13,096.7
Research and development	11,850.7	6,429.7	900.0	8,059.8

RECOMMENDED CHANGES—MONITORING SYSTEMS AND QUALITY ASSURANCE

Program element	Actual 1981	Estimated 1982	Proposed 1983	Suggested 1983
Salaries	2,633.9	2,676.4	2,057.9	2,728.0
Research and development	1,089.6	688.8		924.8

The suggested level of funding will provide resources to continue toxic pollutant measurement, monitoring, and quality assurance on areas where toxics are known to be present and on newly found toxics in the aquatic environment.

HEALTH EFFECTS

Program element	Actual 1981	Estimated 1982	Proposed 1983	Suggested 1983
R. & D.	1,656.1	1,671	200	2,095.9

The suggested level of funding will provide sufficient resources to do health effects assessments on newly discovered toxics. In addition EPA will continue to do health effects assessments on beaches offered by advanced wastewater treatment effluent.

GREAT LAKES STUDY

Program element	Actual 1981	Estimated 1982	Proposed 1983	Suggested 1983
Salaries	776.4	994		994
R. & D.	2,654.5	1,500		1,500

The suggested level of funding would continue funding for research and development in the Great Lakes program as part of the continued United States commitment to Canada for this program. Research should continue in particularly the area of newly discovered toxics in the Great Lakes basin.

ENVIRONMENTAL PROCESSES AND EFFECTS

Program element	Actual 1981	Estimated 1982	Proposed 1983	Suggested 1983
Salaries	7,395.9	7,157.9	6,217.4	7,505.9
R. & D.	3,505.9	1,992.5	500.0	3,339.1

The suggested level of funding will provide resources for developing ocean disposal impact assessment techniques and provide extramural support for determining the biological integrity of "hot spots."

MUNICIPAL WASTEWATER NONENERGY

Program element	Actual 1981	Estimated 1982	Proposed 1983	Suggested 1983
Salaries and expenses	6,606.0	7,169.8	5,514.8	7,158.3
R. & D.	8,132.0	9,398.6	6,117.0	8,878.7

RECOMMENDED CHANGES—ENVIRONMENTAL ENGINEERING AND TECHNOLOGY

Program element	Actual 1981	Estimated 1982	Proposed 1983	Suggested 1983
Salaries	4,969.7	5,900.4	4,256.9	5,900.4
R. & D.	6,176.3	7,365.8	4,604.1	7,365.8

The suggested level of funding would provide sufficient resources to continue research on toxic pollutants control and in wastewater treatment facilties and in removing toxics from sludge. In addition research of new processes development again with particular emphasis on toxics should continue.

INDUSTRIAL WASTEWATER NONENERGY

Program element	Actual 1981	Estimated 1982	Proposed 1983	Suggested 1983
Salaries and expenses	3,993.5	3,952.1	3,200.3	5,014.0
R. & D.	5,947.3	5,426.5	1,834.7	5,334.3

RECOMMENDED CHANGES—TECHNICAL INFORMATION LIAISON

Program element	Actual 1981	Estimated 1982	Proposed 1983	Suggested 1983
Salaries	171.3	198.4	69.9	198.4

This level of funding will insure that there are adequate resources to disseminate information on industrial effluents and treatment methods to State and local officials. It will also provide resources to track research and development projects and provide a liaison with States and localities.

MONITORING SYSTEMS AND QUALITY ASSURANCE

Program element	Actual 1981	Estimated 1982	Proposed 1983	Suggested 1983
Salaries	2,462.4	1,905.1	1,807.7	2,914.5
R. & D.	2,769.5	1,712.6	1,190.2	2,178.0

The suggested level of resources would provide additional support for the research and development for trace priority pollutants in industrial discharges. Better data collection and analyses are needed to develop defensible protocols.

HEALTH EFFECTS

Program element	Actual 1981	Estimated 1982	Proposed 1983	Suggested 1983
Salaries		172.0	16.5	172.0

This level of funding will support the minimum resources necessary to provide in-house expertise to perform risk assesements and determine acceptable industrial discharges in order to protect public health in downstream water supplies.

ENVIRONMENTAL ENGINEERING AND TECHNOLOGY

Program element	Actual 1981	Estimated 1982	Proposed 1983	Suggested 1983
Salaries	1,359.8	1,194.0	1,001.2	1,194.0
R. & D.	2,921.3	3,675.9	439.5	2,921.3

The suggested level of resources will allow EPA to launch a large research and development effort on developing and evaluating control technologies for industrial wastewaters with high toxic concentrations.

ENVIRONMENTAL PROCESSES AND EFFECTS

Program element	Actual 1981	Estimated 1982	Proposed 1983	Suggested 1983
Salaries		482.6	305	535.1
R. & D.		15.0		30.0

The suggested level of funding will provide EPA adequate resources to identify, measure and evaluate other potentially toxic organic chemicals found in industrial effluents. This data must be of high quality to insure proper risk assessments.

WATER QUALITY STATE PROGRAM MANAGEMENT

Program element	Actual 1981	Estimated 1982	Proposed 1983	Suggested 1983
Salaries and expenses	11,721.3	7,959.8	10,974.9	18,422.4
Abatement control and compliance	14,322.7	8,774.4	2,850.0	10,454.1

RECOMMENDED CHANGES—STATE PROGRAM MANAGEMENT

Program element	Actual 1981	Estimated 1982	Proposed 1983	Suggested 1983
Salaries	10,668.3	6,190.3	9,661.4	16,598.1
Abatement control and compliance	5,632.8	3,142.0	350.0	5,454.1

This level of funding provides the resources that were reprogramed out of municipal source control that are necessary to adequately oversee State water quality programs including grants under sections 106, 205(g), 205(j), and 303. In addition this level provides resources to continue the wastewater treatment training program. This level of funding does not represent a net increase in resources for this program.

GREAT LAKES PROGRAM

Program element	Actual 1981	Estimated 1982	Proposed 1983	Suggested 1983
Salaries	751.7	1,396.3	1,313.5	1,824.3
Abatement control and compliance	6,876.9	4,031.7	2,500.0	5,000.0

The suggested level of funding represents the minimum resources necessary to maintain our commitments to Canada and the International Joint Commission. Monitoring of the Great Lakes for toxics will be continued and implementation plans for toxics abatement will be developed. In addition, EPA will work closely with the States to monitor industrial and municipal discharges to insure compliance.

EFFLUENT STANDARDS AND GUIDELINES

Program element	Actual 1981	Estimated 1982	Proposed 1983	Suggested 1983
Salaries and expenses	5,780.4	5,165.6	4,785.5	6,727.8
Abatement control and compliance	22,392.7	6,578.5	7,448.5	10,471.6

RECOMMENDED CHANGES

The suggested level of funding represents the minimum resources necessary to develop and implement effective effluent guidelines. In addition to the effort in promulgating effluent guidelines the agency must provide extensive followup to a published guideline. Testing, further collection of data and cost effectiveness analyses must be undertaken to ensure that the effluent guidelines provide the necessary level of protection while still economically attainable. EPA must implement pretreatment standards as required under sections 304(g), 307(b) and 307(c) of the Clean Water Act. This level of funding will provide resources necessary to assist state NPDES programs with implementing new effluent standards and enforcing pretreatment standards.

GRANTS ASSISTANCE PROGRAMS

Program element	Actual 1981	Estimated 1982	Proposed 1983	Suggested 1983
Abatement control and compliance	97,802.3	60,700.0	40,845.6	61,440.0

RECOMMENDED CHANGES—CONTROL AGENCY RESOURCE SUPPLEMENTATION (SEC. 106)

Program element	Actual 1981	Estimated 1982	Proposed 1983	Suggested 1983
Abatement control and compliance	51,170.7	51,200.0	40,845.6	61,440.0

The suggested level of funding represents increased assistance for State water quality programs to be used by the States for implementation of the "New Federalism" concept. All States will be encouraged, through the use of the section 106, funds to assume full delegation of EPA water quality programs and seek approval of the NPDES program. Funding will be focused on establishing the infrastructure necessary to assume more responsibility for water quality and pollution abatement under "New Federalism." Section 205(j) funds will be focused on reviewing water quality standards and section 106 funds will provide assistance for the NPDES program operations, nonpoint source control, pretreatment programs, monitoring, ground water management, and other priority programs.

WATER QUALITY STRATEGIES IMPLEMENTATION

Program element	Actual 1981	Estimated 1982	Proposed 1983	Suggested 1983
Salaries and expenses	10,189.9	10,240.1	10,239.4	10,975.8
Abatment control and compliance	7,092.4	4,658.3	4,620.3	5,521.9

RECOMMENDED CHANGES—DREDGE AND FILL

Program element	Actual 1981	Estimated 1982	Proposed 1983	Suggested 1983
Salaries	2,147.3	2,336.3	2,145.2	2,881.6
Abatement control and compliance	1,306.7	348.9	344.9	1,246.5

The suggested level of funding provides resources adequate to properly review 8,000 section 404 permits and 250 environmental impact statements. In addition, EPA will continue to support enforcement of dredge and fill regulations, actively encourage States to assume 404 permitting authority and develop an effective oversight system of States that have assumed the 404 permits program.

WATER QUALITY MONITORING AND ANALYSIS

Program element	Actual 1981	Estimated 1982	Proposed 1983	Suggested 1983
Salaries and expenses	7,981.3	7,894.3	8,791.7	10,686.0
Abatement control and compliance	2,382.5	573.7	375.7	1,472.7

RECOMMENDED CHANGES—AMBIENT WATER QUALITY MONITORING

Program element	Actual 1981	Estimated 1982	Proposed 1983	Suggested 1983
Salaries	7,981.3	7,894.3	8,791.7	10,686.0
Abatement control and compliance	2,382.5	573.7	375.7	1,472.7

The suggested funding level provides resources to continue the development and implementation of toxics control strategies, particularly multi-media toxics, POTW toxics and increase the number of pollutants reviewed for section 307(a)(1). EPA should continue to provide States with assistance in setting up monitoring programs and increase oversight activities as State programs are established. Further EPA should improve the water quality information system and the quality assurance program.

MUNICIPAL SOURCE CONTROL

Program element	Actual 1981	Estimated 1982	Proposed 1983	Suggested 1983
Salaries and expenses	28,309.1	26,661.3	18,267.2	[1] 18,267.2
Abatement control and compliance	29,721.2	23,777.8	25,502.4	31,849.0

RECOMMENDED CHANGES—MUNICIPAL WASTEWATER TREATMENT FACILITY CONSTRUCTION

Program element	Actual 1981	Estimated 1982	Proposed 1983	Suggested 1983
Abatement control and compliance	4,055.8	2,772.5	1,904.4	4,120.0

The suggested level of funding reflects the need for extramural support for the municipal wastewater treatment program. Support for the development of the Needs Survey, assistance in the development of a compliance strategy, and support for the development of a State program oversight strategy are priority activities for the use of these extramural funds.

CORPS OF ENGINEERS

Program element	Actual 1981	Estimated 1982	Proposed 1983	Suggested 1983
Abatement control and compliance	20,810	16,232.5	17,387	21,518

The suggested level of funding reflects the Corps of Engineers increased role in achieving results in the agency's highest priority areas; including completion and closeout of construction grants, compliance with permit limitations, ensuring projects are affordable and Federal funds are protected from waste, fraud, and abuse. These efforts are in addition to the corps activities in the construction, management and inspections.

WATER QUALITY ENFORCEMENT

Program element	Actual 1981	Estimated 1982	Proposed 1983	Suggested 1983
Salaries and expenses	15,577.1	16,109.2	13,181.0	23,040.0
Abatement control and compliance	3,577.9	1,153.8	176.9	2,099.0

RECOMMENDED CHANGES—WATER QUALITY ENFORCEMENT

Program element	Actual 1981	Estimated 1982	Proposed 1983	Suggested 1983
Salaries			13,181.0	23,040.0
Abatement control and compliance			176.9	2,099.0

Suggested funding levels provide for compliance inspections each year of all "major sources" in States without permit programs. In addition this level will provide resources to support wetlands and hazardous materials spill enforcement. This level will support the municipal compliance strategy through support for data collection and quality assurance of data on DMR's on minors and support of the continuous compliance strategy.

WATER QUALITY PERMITS ISSUANCE

Program element	Actual 1981	Estimated 1982	Proposed 1983	Suggested 1983
Salaries and expenses	57,109.9	7,146.2	6,986.6	12,705.0
Abatement control and compliance	4,294.0	4,314.0	3,209.9	5,314.0

RECOMMENDED CHANGES—PERMITS ISSUANCE

Program element	Actual 1981	Estimated 1982	Proposed 1983	Suggested 1983
Salaries			6,986.6	12,705.0
Abatement control compliance			3,209.9	5,314.0

Suggested level of funding will provide resources adequate to issue permits to all sources in States without permit programs. This funding level will provide assistance for States developing permits programs and pretreatment programs. In addition, resources will focus on control of toxics from direct and indirect dischargers based on newly completed effluent guidelines.

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[1] Salaries were unchanged due to D.O. restructuring. See State program management.

EPA DRINKING WATER PROGRAM

[Amounts in thousands of dollars]

Drinking Water (R. & D.)	Actual 1981	Estimated 1982	Proposed 1983	Suggested 1983
Drinking water nonenergy:				
(S)	7,363.9	9,782.0	9,447.2	9,996.2
(R. & D.)	14,487.5	18,571.5	13,458.3	21,592.5
Total (R. & D.)	21,481.4	28,353.5	22,905.5	31,588.7
ABATEMENT, CONTROL & COMP.				
Drinking water criteria, stds and guidelines:				
(S)	5,027.9	5,009.8	5,540.0	6,034.3
(A.C. & C.)	3,642.4	2,391.5	2,675.7	3,642.4
Drinking water management:				
(S)	7,619.9	8,633.2	8,672.6	11,470.7
(A.C. & C.)	1,013.4	750.9	0	1,877.0
State program asst. (A.C. & C.)	39,421.5	37,847.5	29,100.2	48,907.5
Total	56,725.1	54,632.9	45,988.5	71,931.9
ENFORCEMENT				
Drinking water enforcement (S)	738.2	844.7	856.1	3,164.6
Enforcement Total	738.2	844.7	856.1	3,164.6
Grand Total	79,329.7	83,831.1	69,750.1	106,685.2

DRINKING WATER PROGRAM DESCRIPTION—

[Amounts in thousands of dollars]

Program element	Actual 1981	Estimated 1982	Proposed 1983	Suggested 1983
Salaries and expenses	7,363.9	9,782.0	9,447.2	9,996.2
Research and development	14,487.5	18,571.5	13,458.3	21,592.5

RECOMMENDED CHANGES—HEALTH EFFECTS

Program element	Actual 1981	Estimated 1982	Proposed 1983	Suggested 1983
Salaries	2,733.0	4,138.9	3,928.7	4,138.9
R. & D.	5,555.7	6,854.8	5,198.1	8,961.3

The suggested level of funding will provide resources to do research on the chronic effects of drinking water contaminants on public health. In addition, health risk assessments related to high priority drinking water contaminants will be continued as a high priority activity.

ENVIRONMENTAL ENGINEERING AND TECHNOLOGY

Program element	Actual 1981	Estimated 1982	Proposed 1983	Suggested 1983
Salaries	2,751.0	3,217.3	3,153.3	3,274.1
R. & D.	7,017.9	7,560.6	3,726.4	8,039.6

The suggested level of funding will provide resources for research development and evaluation of small systems. Small systems and small water supplies are easily contaminated by ground water. Research into small systems is needed to insure protection of drinking water at a reasonable cost.

ENVIRONMENTAL PROCESSES AND EFFECTS

Program element	Actual 1981	Estimated 1982	Proposed 1983	Suggested 1983
Salaries	818.7	1,245.3	1,078.1	1,296.1
R. & D.	1,538.5	3,669.6	3,679.6	3,737.4

The suggested level of funding will provide the resources necessary to support research into the fate and effect of contaminants on underground drinking water sources. Additional funds are provided for disseminating the information gathered from the 5-year ground water research plan to the States to support the State assistance grants for sole source aquifer protection.

DRINKING WATER CRITERIA, STANDARDS AND GUIDELINE

Salaries and Expenses	5,027.9	5,009.8	5,540.0	6,034.3
Abatement control and comp.	3,642.4	2,391.5	2,675.7	3,642.4

RECOMMENDED CHANGES—STANDARDS AND REGULATIONS DEVELOPMENT

Salaries	5,016.6	5,009.8	5,540 0	6,034.3
Abatement	3,642	2,391.5	2,675.7	3,642.4

The suggested level of funding will provide resources to develop toxicological opinions for additives to drinking water and to develop criteria for waste water reuse. Both of these activities have been deferred in the fiscal year 1983 budget request.

DRINKING WATER STATE PROGRAM RESOURCE ASSISTANCE

Abatement control and comp.	39,421.5	37,847.5	29,100.2	*48,907.5

*Includes a new program for sole source of aquifer protection.

RECOMMENDED CHANGES—PUBLIC WATER SYSTEM SUPERVISION PROGRAM GRANTS

Abatement control and comp.	30,188.8	29,450	23,560	30,188.8

In order to implement the "New Federalism" concept the suggested level of funding will provide the States with sufficient funds to insure that adequate infrastructure for public water system supervision is in place and that it will be integrated into the State's overall water quality program.

UNDERGROUND INJECTION CONTROL PROGRAM

Abatement control and comp.	7,218.7	6,574.5	5,540.2	7,218.7

The suggested level of funding provides resources for EPA to actively encourage the remaining 10 States to assume privacy in anticipation of "New Federalism." In addition resources will be adequate to insure effective oversight of State programs.

STATE ASSISTANCE FOR SOLE SOURCE AQUIFER PROTECTION—STARTING IN FISCAL YEAR 1983

Abatement control and comp. 10,000,000

The $10,000,000 level of funding will provide grants for States to use in planning for sole source aquifer protection. When communities rely solely on a single aquifer for drinking water it is vital that safeguards be placed at all levels of government; Federal, State and local, to protect the aquifer from contamination. This planning assistance grant program will provide resources to identify these aquifers and develop plans for protection. Implementation funds will be provided in fiscal year 1984.

SPECIAL STUDIES AND DEMONSTRATIONS

Abatement	1,530.3	1,823.0		1,500.0

It is suggested that this program has not been completed and should continue particularly because 10 States have not assumed primacy of the drinking water program. This program is useful in these states.

DRINKING WATER MANAGEMENT

Salaries and expenses	7,619.9	8,633.2	8,672.6	11,470.7
Abatement control and comp.	1,013.4	750.9		1,877.0

RECOMMENDED CHANGES—PUBLIC WATER SYSTEMS SUPERVISION (PWS)

Salaries	5,935.5	5,461.0	4,698.2	5,996.3
Abatement control and comp.	981.0	716.4		1,027.0

The suggested level of funding will provide resources sufficient to provide assistance in nonprimacy States and Indian lands to improve monitoring and compliance. The proposed 1983 level discontinues this effort. The suggested level of funding in addition provides increased funding for oversight of primacy States. As EPA transfers primary responsibility for the program EPA should move into an oversight role.

UNDERGROUND INJECTION CONTROL (UIC)

Salaries	1,684.4	3,172.2	3,974.4	3,974 4
Abatement	32.4	34.5		50.0

The suggested level of funding provides additional extramural funds to provide support to EPA in assisting States to assume delegation of the UIC program.

SOLE SOURCE AQUIFER (NEW PROGRAM ELEMENT) PROTECTION PROGRAM FOR FISCAL YEAR 1983

Salaries	1,500.0			
Abatement control and comp.	800.0			

This new program element will provide the resources to administer the sole source aquifer protection program. Funding of $10,000,000 will be made available in fiscal year 1983 for planning assistance grants to provide for the development of multijurisdictional plans for the protection of sole source aquifers. The suggested level of funding will provide resources to assist the States with the development of these plans. Implementation funds will be made available in fiscal year 1984.

DRINKING WATER ENFORCEMENT

Salaries and expenses	738.2	844.7	856.1	3,164.6

RECOMMENDED CHANGES—DRINKING WATER ENFORCEMENT

Salaries	738.2	844.7	856.1	3,164.6

The suggested level of funding provides resources to build a drinking water enforcement program that will address the problems cited in the GAO report on drinking water violations. Implementation of drinking water enforcement programs will be encouraged in all States with improvements initiated in existing State drinking water enforcement programs.

EPA HAZARDOUS WASTE PROGRAM

[Amounts in thousands of dollars]

Hazardous waste R. & D.	Actual 1981	BA 1982	Proposed 1983	Suggestion 1983
Hazardous waste, non-energy:				
(S)	4,605.4	7,942.0	11,862.0	28,937.4
(R. & D.)	23,695.9	21,546.3	17,717.2	41,350.7

EPA HAZARDOUS WASTE PROGRAM—Continued

[Amounts in thousands of dollars]

Hazardous waste R. & D.	Actual 1981	BA 1982	Proposed 1983	Suggestion 1983
R. & D. total	28,301.0	29,488.3	29,579.2	70,288.1
Hazardous waste (A.C. & C.)				
Waste management regulations, guidelines, and policies:				
(S)	6,199.3	6,574.0	6,559 0	9,430.0
(A.C. & C.)	14,022.1	12,358.3	17,160.0	20,300.5
Waste management, strategies implementation:				
(S)	6,974.4	7,185.7	11,382.9	12,003.8
(A.C. & C.)	7,411.1	2,093.7	1,629.5	8,240.0
Financial assistance (A.C. & C.)	39,672.4	41,700.0	35,136.6	56,664.0
A.C. & C. total	101,705.1	69,911.7	71,868.0	106,638.3
Hazardous waste enforcement:				
(S)	9,450.2	7,499.2	1,896.5	17,149.8
(A.C. & C.)	1,941.1	328.9	—0—	11,014.2
Enforcement total	11,391.3	7,828.1	1,896.5	28,164.0
Hazardous waste total	141,427.7	107,228.1	103,343.7	205,090.4

HAZARDOUS WASTE PROGRAM DESCRIPTION—HAZARDOUS WASTE NONENERGY

Program	Actual 1981	BA 1982	Proposed 1983	Suggested 1983
Salaries and expenses	4,605.4	7,942.0	11,862.0	28,937.4
Research and development	23,695.9	21,546.3	17,717.2	41,350.7

RECOMMENDED CHANGES—MONITORING AND QUALITY ASSURANCE

Salaries	1,557.9	2,966.5	3,521.2	7,896.5
R. & D.	7,840.2	4,272.1	3,662.1	9,073.8

The suggested level of funding will provide resources to develop and implement monitoring techniques in order to establish an accurate and defensible data base in order to set standards and to determine the environmental and health effects of hazardous toxic chemicals. In addition the oil and hazardous spills program has been transferred into the hazardous waste program requiring resources for equipment and expertise to staff the National Response Teams for spills. Other activities include a major effort in oversight of State and local labs for quality assurance and evaluations of groundwater monitoring systems.

HEALTH EFFECTS

Salaries	90.9	142.4	376.5	5,640.0
R. & D.	374.0	946.7	691.9	7,250.0

The suggested level of funding will provide resources to do the basic human health effects research on hazardous wastes. This will be accomplished by performing risk assessments to develop criteria to support "listing/delisting" of hazardous waste. The emphasis on health effects research is vital to setting standards and developing technologies to deal with hazardous wastes. This research must be carried out immediately if the control of hazardous wastes is to be achieved in the near future.

ENVIRONMENTAL ENGINEERING AND TECHNOLOGY

Salaries	2,495.2	2,511.6	4,524.9	8,484.2
R. & D.	14,665.1	14,582.5	10,408.4	18,082.0

The suggested level of funding will provide resources to adopt and develop techniques to assess ecological damage from disposal of hazardous waste. In addition extensive research will be undertaken to determine the effects and uses for landfill and surface impoundment, land treatment, and incineration. This effort must follow closely the health effects research as well as assist in the regulatory development process.

ENVIRONMENTAL PROCESSES AND EFFECT

Salaries	142.0	1,603.2	2,318.2	5,795.5
R. & D.	430.6	1,484.4	2,559.9	6,550.0

The suggested level of funding will provide resources to develop methods for measuring the bioenvironmental stress of hazardous wastes. Additional funds will be expended on developing models to determine impacts on groundwater and various processes and effects research is vital to setting standards and developing technologies to provide protection from hazardous wastes.

HAZARDOUS MANAGEMENT REGULATIONS, GUIDELINES, AND POLICY

Salaries and expenses	6,199.3	6,574.0	6,559.0	9,430.0
Abatement, control, and compliance	14,022.1	12,358.3	17,160.0	20,300.5

RECOMMENDED CHANGES—REGULATIONS, GUIDELINES, AND POLICIES—HAZARDOUS WASTE

Salaries	5,365.3	6,574.0	6,559.0	9,430.0
A. C. & C.	12,773.7	12,358.3	17,160	20,300.5

The suggested level of funding represents the consolidation of three program elements. This program element now includes regulations, guidelines, and policy development for solid waste and resources provided will allow EPA to speed up the development and promulgation of final rules for RCRA Phase I and Phase II. The budget submission assumes that these final rules will not.

FINANCIAL ASSISTANCE

Abatement, control, and compliance	39,672.4	41,700.0	35,136.6	56,664

RECOMMENDED CHANGES

A.C. & C.	26,726.1	41,700.0	35,136.6	56,664

The suggested level of funding will provide resources necessary to assist States in developing and implementing their hazardous waste programs. Since regulations will become final in FY 1983 many States will need to be encouraged to seek final authorization of their programs. Other States are still in the early stages of developing their programs. The expanded funding is needed to keep States moving toward establishing hazardous waste programs and for providing the additional Federal assistance needed a States phase-in the program.

PROGRAM HAZARDOUS WASTE MANAGEMENT REGULATORY STRATEGIES IMPLEMENTATION

Salaries and expenses	6,974.4	7,187.7	11,382.9	12,003 8
A. C. & C.	7,411.1	2,093.7	1,629.5	8,240 0

RECOMMENDED CHANGES

The suggested level of funding represents the resources acheived through consolidation of the HQ and Regions program elements and to provide additional resources to assist States to achieve at a minimum interim authorization of their hazardous waste programs and encourage phase II and final authorization of programs. The extramural funds will provide assistance to the regions in evaluating hazardous waste facilities and implementing permitting programs in unauthorized States.

HAZARDOUS WASTE ENFORCEMENT

Salaries and expenses	9,450.2	7,499.2	1,896.5	37,149 8
Abatement control and compliance	1,941.1	328.9		16,014 2

RECOMMENDED CHANGES—HAZARDOUS WASTE PERMIT ISSUANCE

Salaries	3,226.3	3,775.1		8,649.3
A. C. & C.	23.4			3,759.7

The budget submission says that resources for this program are requested under two other program elements; Hazardous Waste Management Regulatory Strategies Implementation and Management, Guidelines and Policy. The reprogrammings are grossly insufficient to carry out the task of assisting States and permitting in States without permit programs. In order to complete the permitting program within six years, EPA will have to permit 639 facilities in 1983 and assist States in achieving the same goal. The suggested level of resources will be adequate to achieve the FY 1983 goal.

HAZARDOUS WASTE ENFORCEMENT

Salaries	2,596.4	3,724.1	1,896.5	8,500.5
A. C. & C.	472.3	328.9		7,254 5

The suggested level of funding will provide resources sufficient to inspect each regulated site once every two years as well as tracing manifests that show problems. This would mean that in FY '83 21,000 inspections would be performed. This is significantly higher than the inspections planned for in the '83 budget request and is basically the reason for the major increases in resources. This program is in the process of staffing up in that it is still a very new initiative at EPA. With the additional inspections the number of enforcement actions will increase.

PESTICIDES PROGRAM

[Amounts in thousands of dollars]

Pesticides (R. & D.)	Actual 1981	BA 1982	Proposed 1983	Suggested 1983
Pesticides research and development:				
(S)	5,606.7	5,302.1	4,360 6	5,873 2
(R. & D.)	2,292.2	279.3	2,108.2	3,620.5
Total (R. & D.)	7,898.9	5,581.4	6,468.8	9,493.7
Pesticides (A.C. & C.)				
Registration, special registration tolerances:				
(S)	12,048.6	11,939 8	11,842.5	14,211 7
(A.C. & C.)	1,035.6			740.0
Standards setting & RPAR:				
(S)	10,960 3	9,200.7	8,266.2	10,794.6
(A.C. & C.)	17,106.6	10,968.8	11,570 7	17,802.4
Federal and state program support:				
(S)	633.3	513.7		513.7
(A.C. & C.)	64.4			100.0
A.C. & C. total	41,848.8	32,623.0	31,673.4	44,162 4
Enforcement:				
(S)	3,949.0	4,282.1	3,670.1	6,385 8
(A.C. & C.)	11,027.1	11,251.6	8,963.7	14,087.4
Enforcement total	14,976.1	15,533.7	12,633.8	20,473 2
Pesticides total	64,769.8	53,738.1	50,782.0	74,129 3

PESTICIDES PROGRAM DESCRIPTION—PESTICIDES RESEARCH AND DEVELOPMENT

[Amounts in thousands of dollars]

Program element	Actual 1981	BA 1982	Proposed 1983	Suggested 1983
Salaries	5,606.7	5,302.1	4,360.6	5,873.2
R. & D.	2,292.2	279.3	2,108.2	3,620.5

RECOMMENDED CHANGES—HEALTH EFFECTS

Salaries	2,140.1	2,011.3	1,260.0	2,223.5
R. & D.	207.7	220.5	1,240.9	1,420.0

The suggested level of funding represents the resources necessary to carry out pesticide exposure assessments on laboratory animals and for field studies of human exposure to pesticides. In the budget submission the pesticide exposure assessments were to be significantly reduced.

ENVIRONMENTAL PROCESSES AND EFFECTS

Salaries	2,572.3	2,339.3	2,330.9	2,880.0
R. & D.	1,918.8		616.8	1,950 0

The suggested level of funding will provide resources to increase research and information on the environmental effects of pesticides with emphasis on developing better data to use in modeling and predicting impacts of pesticides. The additional information and techniques will be made available with technical assistance to the pesticides program at EPA and in the States.

REGISTRATION, SPECIAL REGISTRATION AND TOLERANCES

Salaries	12,048.6	11,939.8	11,842.5	14,211.7
A.C. & C.	1,035.6			740.0

RECOMMENDED CHANGES—REGISTRATION

Salaries	7,725.4	7,782.1	7,224.6	8,594.7
A.C. & C.	696.8			500.0

The suggested level of funding will provide resources sufficient to improve the registration process and therefore increase the number of registrations reviewed over the 7,550 reviews carried out in fiscal year 1982.

SPECIAL REGISTRATION

Salaries	2,254.0	1,993.0	2,227.7	2,727.0
A.C. & C.	273.1			120.0

The suggested level of funding will provide resources to insure that the qualtiy of the various reviews will at least be maintained or improved as the Agency now commits to meet the statutory time limits on these permits.

TOLERANCES

Salaries	2,069.2	2,164.7	2,390.2	2,890 0
A.C. & C.	65.7			120.0

The suggested level of resources will assure the high quality reviews are maintained while meeting the statutory time limit on tolerance petitions. In addition the additional resources will eliminate the backlog of tolerance petitions.

Standard setting and RPAR:				
Salaries	10,960.3	9,200.7	8,266.2	10,794.6
A.C. & C.	17,106.6	10,968.8	11,570.7	17,802.4

RECOMMENDED CHANGES—REGISTRATION STANDARDS

Salaries	6,063.2	4,107.6	3,689.9	5,418.1
A.C. & C.	8,115.3	3,913.5	4,180.1	8,400.4

The suggested level of funding will provide increased resources to focus on the registration process and on making significant progress on registration of existing pesticides.

REBUTTABLE PRESUMPTION AGAINST REGISTRATION (RPAR) REVIEWS

Salaries	4,771.3	4,988.0	4,470.9	5,271.1
A.C. & C.	8,991.3	7,055.3	7,390.6	9,402.0

The suggested level of funding will provide additional resources to evaluate the RPAR process and improve the process to handle the new requests that will come from the registration standards program.

FEDERAL AND STATE PROGRAM SUPPORT

Salaries	633.3	513.7		513 7
A.C. & C.	64 4			100.0

RECOMMENDED CHANGES—PESTICIDES USE MANAGEMENT

Funding for this program will be provided for fiscal year 1983 to continue this valuable service to pesticide users, producers, and officials at all levels of government. Until State pesticide programs are fully operational in all States there is a need for this service at the Federal level. Information and referral services are vital to poison control centers and hospitals for the treatment of pesticide injuries.

PESTICIDES ENFORCEMENT

Salaries	3,949 0	4,282.1	3,670.1	6,385.8
A.C. & C.	11,027.1	11,251.6	8,963.7	14,087.4

RECOMMENDED CHANGES—PESTICIDES ENFORCEMENT

Salaries	3,949.0	4,282.1	3,670.1	6,385.8
A.C. & C.	61.8	49.7	45.3	105.0

The suggested level of funding will provide resources sufficient to increase the number of inspections to 2,500 and emphasize State enforcement programs. State enforcement programs must be improved and more States need to establish pesticides enforcement programs.

PESTICIDES ENFORCEMENT GRANTS

A.C. & C.	8,013.5	8,701.9	6,918.4	11,250.0

The suggested level of funding will be to provide EPA with the grants to encourage and improve state pesticides enforcement programs. This will in addition provide the resources to continue current monitoring activities that were reduced in the budget submission.

PESTICIDES CERTIFICATION AND TRAINING

A.C. & C.	2,951.8	2,500 0	2,000.0	3,250.0

The suggested level of funding will provide resources to the 57 State applicator and training programs and the Federal programs in Colorado and Nebraska. These certification and training programs are vital to improving State pesticide programs.

EPA TOXICS PROGRAM

[Amounts in thousands of dollars]

Toxics R. & D.	Actual 1981	BA 1982	Proposed 1983	Suggested 1983
Chemical testing and assessment non-energy.				
(S)	10,345.7	14,236.8	14,500.1	17,103.8
(R. & D.)	19,952.5	16,939.1	12,148.7	20,686 1
R. & D. total	30,298.2	31,175.9	26,648.8	37,789.9
ABATEMENT, CONTROL AND COMPLIANCE				
Toxic substances strategies:				
(S)	19,177.9	18,177.2	16,926.3	19,452.8
(A.C. & C.)	39,594.9	23,537.7	22,396.0	39,746.6
A.C. & C. total	58,772.8	41,714.9	39,322.3	59,199.4
ENFORCEMENT				
Toxic substances enforcement:				
(S)	2,450.2	3,289.4	2,425.9	5,632.9
(A.C. & C.)	2,568.6	1,197.6	207.0	3,404.9
Enforcement total	5,018.8	4,487.0	2,632.9	9,037.8
Toxic total	94,103.8	77,377.8	68,604.0	106,027.1

TOXICS PROGRAM DESCRIPTION—CHEMICAL TESTING AND ASSESSMENT NONENERGY

[Amounts in thousands of dollars]

Program element	Actual 1981	BA 1982	Proposed 1983	Suggested 1983
Salaries	10,345.7	14,236.8	14,500.1	17,103.8
R. & D.	19,702.5	16,939.1	12,148.7	20,686.1

RECOMMENDED CHANGES—HEALTH EFFECTS

Salaries	3,060.7	4,789.9	5,556.6	6,057.1
R. & D.	5,396.3	5,698.1	3,455.6	5,755.3

The suggested level of funding will provide resources to cover higher laboratory costs as well as the development of test guidelines and rules and new chemical reviews. The increase in resources is for continuing long term health effects research. The budget submission moves the majority of resources in long term research and focuses them on short term regulatory needs. This allows the toxics program to take an overall reduction in resources.

ENVIRONMENTAL ENGINEERING AND TECHNOLOGY

Salaries	502.2	673.7	384.9	1,218.1
R. & D.	798.1	965.9	142.7	1,142.7

The suggested level of funding will provide resources to provide technical support to the office of toxic substances for review of premanufacturing notifications. The number of these notifications is expected to increase in fiscal year 1983.

ENVIRONMENTAL PROCESSES AND EFFECTS

Salaries	4,862.0	6,082.9	6,239.8	7,509.8
R. & D.	6,658.3	4,373.0	3,189.1	6,089.0

The suggested level of funding will provide increased resources for the development of predictive techniques in particular structure-activity methods. In addition technical assistance to the Office of Toxic substances and the regions in reviews of premanufacturing notifications and additional assistance to increased long term research activities.

NATIONAL CENTER FOR TOXICOLOGICAL RESEARCH

R. & D.	3,173.0	1,823.3	910.0	3,323.0

The suggested level of funding provides resources to improve and maintain a long term toxics research program at EPA. The budget submission doesn't recognize long term toxic research as a priority.

TOXIC SUBSTANCES STRATEGIES

Salaries	19,177.9	18,177.2	16,926.3	19,452.8
A.C. & C.	39,594.9	23,537.7	22,396.0	39,746.6

RECOMMENDED CHANGES—TESTING AND EVALUATION

Salaries	6,842.9	7,647.5	6,652	7,068.3
A.C. & C.	18,324.7	10,212.2	12,863	18,823.3

The suggested level of funding will provide resources sufficient to investigate new chemicals as well as continue an active testing program for chemicals currently in use, the budget submission suggests that resources can be cut because industry will provide resources to do voluntary testing of these chemicals. It is currently not known whether industry will voluntarily test chemicals. If industry does testing there will need to be an effective oversight system developed. This level of resources will ensure that chemical testing will continue at the current pace.

CHEMICAL CONTROL

Salaries	4,327.1	4,782.8	4,618.0	5,090.7
A.C. & C.	6,558.6	5,473.9	3,718.9	6,930.0

The suggested level of funding will provide the minimum resources necessary to continue doing risk assessments and regulatory analyses. The budget submission says industry will pick up these activities through the voluntary control program. It is again unknown what the industry involvement will be and as with any self-monitoring, self-control program an effective oversight program must be developed to ensure that EPA and industry are meeting the requirements of TSCA. This level of resources will provide that assurance.

TSCA INFORMATION

Salaries	5,792.3	4,357.7	4,494.6	5,755.9
A.C. & C.	11,276.8	5,932.5	3,460.0	10,531.2

The suggested level of funding will provide resources to handle an increased number of premanufacture reviews. Without additional resources the toxic information offices will be under great pressure to reduce the quality of the reviews in order to get them completed. Premanufacture notification is only 90 days prior to manufacturing. Therefore to maintain the quality of these reviews additional resources are needed.

TOXICS INTEGRATION

Salaries	1,453.9	1,389.2	1,161.6	1,537.9
A.C. & C.	3,262.4	1,919.1	2,353.4	3,462.1

The suggested level of funding provides resources sufficient to provide increased assistance to States trying to establish toxics management programs. Although TSCA doesn't describe a major State role, under the "New Federalism" concept EPA will encourage States to develop toxics management programs through an improved Chemical Substances Information Network as well as technical assistance.

TOXIC SUBSTANCES ENFORCEMENT

Salaries	2,450.2	3,289.4	2,425.9	5,632.9
A.C. & C.	2,568.6	1,197.6	207.0	3,404.9

RECOMMENDED CHANGES—TOXIC SUBSTANCES ENFORCEMENT

Salaries	2,450.2	3,289.4	2,425.9	5,632.9
A.C. & C.	1,568.6	697.6	207.0	3,404.9

The suggested level of funding represents an increase in resources for toxics enforcement based on an increase in inspections and enforcement actions. The Toxic Substances Control Act doesn't contemplate a State role in toxics control. Therefore EPA must carry the responsibility for protection from toxic substances. This level of funding should be sufficient to conduct 17,000 inspections and process an estimated 1500 enforcement actions.

TOXIC SUBSTANCES ENFORCEMENT GRANTS

A.C. & C.	1000.0	500.0	0	500.0

The suggested level of funding will be sufficient to continue the pilot State grant program for model chemcial control programs. ●

SENATOR JEPSEN'S COMMENTARY ON THREAT TO AMERICAN PHARMACISTS

Mr. McCLURE. Mr. President, I respectfully submit for the RECORD a column by the distinguished Senator from Iowa, ROGER JEPSEN, which appeared recently in newspapers across the United States. This informative and timely commentary exemplifies the overwhelming concern and desire of many in Congress to alleviate the problem of crime and especially crime which is directly related to drug addition. I wish to commend to the Senate's attention the serious threat to American pharmacists, raised by Senator JEPSEN.

There being no objection, the column was ordered to be printed in the RECORD, as follows:

PROTECTION FOR PHARMACISTS IS NEEDED

(By U.S. Senator ROGER W. JEPSEN)

REPUBLICAN CONFERENCE REPORT

More than 10 years ago, Congress passed the Comprehensive Drug Abuse Prevention and Control Act of 1970 to limit the rampant use and abuse of illegal drugs. Since that time, pharmacists have experienced increased threats to their lives as a result of drug-related robberies. Whether drug addicts or hardened criminals commit these crimes, the crimes are always senseless and violent and, many times, tragically result in the death of an innocent pharmacist or customer.

In my home state of Iowa, the incidence of pharmacy robberies and burglaries has shot up alarmingly. In 1979, there were 157 reported pharmacy break-ins. That number is almost double the number committed in 1977. Nationally, thefts of controlled substances are reported to have increased a startling 225 percent between 1976 and 1978. Pharmacists are suffering from a "drug" problem that is reaching epidemic proportions!

In its September, 1980 issue, American Druggist magazine listed the names of over 50 pharmacists who have lost their lives because of drug-related robberies. The loss of one life, in my opinion, is one too many. Those of us in government must support legislation to ensure that more pharmacists do not lose their lives. Without exaggeration, it is fair to say that the government helped create this situation. But, it could have been prevented.

Under existing law, the manufacture, distribution, disposal, and possession of a controlled substance are all subject to federal criminal prosecution and penalties. In fact, the theft of a controlled substance is the only act not covered by federal penalties. For this reason, the number and severity of pharmacy robberies has risen dramatically in the past several years. Unfortunately, this is exactly what the pharmacy industry predicted when Congress was debating this issue 12 years ago.

Appearing before the Senate Judiciary Committee, in its opening series of hearings on the Controlled Substances Act of 1969, Mr. William Woods, Executive Director of the National Association of Retail Druggists stated, "Too many retail pharamacists have been murdered, blinded, or assaulted as a result . . . We are concerned, however, that the robberies, assaults, and senseless murders in retail pharmacies may increase."

The facts show that the greatest fears of pharmacists have proven true. The practical effect of the 1970 Act has been to make pharmacists extremely vulnerable to the ravages of violent crime. I cannot imagine that the intent of the Drug Abuse Prevention and Control Act of 1970 was to make these individuals "sacrificial lambs" in the war against drug abuse; but this is exactly what has happened.

A number of different bills have been introduced in the 97th Congress to deal with the problem. Although the approaches of the various bills may be different, the intent is still the same—stop pharmacy crimes involving controlled substances.

In addition to the legislation, the Senate Judiciary Subcommittee on Criminal Law has indicated that it will make pharmacy crime its number one priority during the 2nd Session of this Congress.

While I am encouraged by the possibility that Congress will finally act, we must realize that similar opportunities have arisen in the past, only to be lost in the legislative maze. Let's hope that legislation can finally be adopted which will protect pharmacists and their customers from these senseless acts.

("Conference Reports" is the bimonthly column of the Senate Republican Conference. The opinions expressed are those of individual senators who comprise the new Senate Majority.)

NATIONAL BAR ASSOCIATION HONORS ATTORNEY ARTHUR D. SHORES, ALABAMA'S BLACK PIONEER IN CIVIL RIGHTS LITIGATION

Mr. HEFLIN. Mr. President, I rise today to commend the National Bar Association for its decision to honor Alabama's black pioneer civil rights attorney, the Honorable Arthur D. Shores. Attorney Shores will be honored along with three other distinguished black Americans on Saturday, May 22, 1982, at the Gertrude E. Rush awards dinner, to be held at the Sheraton Washington Hotel. Gertrude E. Rush (1880-1962) was the only female cofounder of the National Bar Association.

Mr. President, Attorney Shores has been called affectionately by one of his legal proteges, "the dean of black lawyers in the State of Alabama." I would guess that he is so called by them because he taught all black lawyers admitted to practice in Alabama during the 1950's and early 1960's how to practice law. According to Attorney Shores, himself, during the period roughly between 1940 and 1950 he was the only black practicing attorney in the State of Alabama. He was the lone voice in the wilderness defending the civil rights of black people.

During the first 20 years of his now 45-year-old law practice, Attorney Shores practiced all over the State of Alabama—from the Tennessee line to the Gulf of Mexico at Mobile Bay, and from the Mississippi borders to the Georgia limits. As I said previously, he was and is a champion of blacks and their civil rights.

Mr. President, as a former trial lawyer and the immediate past chief justice of the Alabama Supreme Court, I have had numerous occasions to observe Attorney Shores and many of his student attorneys. As an observer and evaluator, I would have to award Attorney Shores and his pupils very high marks in their legal performances.

Now, Mr. President, there is one thing about Attorney Shores that a fellow lawyer might find perplexing. That is, how can a lawyer who has a wife and family not worry about collecting his share of an attorney's fee from another lawyer who has associated him on a case that requires countless hours of work? Also, how can he never refuse to help a younger lawyer try case after case, year in and year out and never worry about a fee?

Mr. President, such was the nature of Attorney Shores during the training period in the lives of all the young black lawyers who sought the technical assistance and expertise of Attorney Shores.

Now, Mr. President, there is one extremely commendable attribute of Attorney Shores from which we legislators ought to take heed. It is my understanding that no matter where in the State that Attorney Shores would travel—from coast to coast or wherever, he always would find the courage and stamina to drive back to his home in Birmingham, Ala., to be with his family at night.

You see, Mr. President, Attorney Shores practiced civil rights law all over the State of Alabama during an era in which his life was in constant jeopardy. His home in Birmingham, Ala., was bombed so many times during the civil rights movement that the hill on which it sat came to be known as dynamite hill.

Attorney Shores was counsel for all civil rights cases in the State of Alabama for approximately 19 or 20 years. He represented U.S. Senator Glen Taylor of Idaho in City of Birmingham against Taylor. He was chief counsel in the case of Artherine Lucy against University of Alabama, and counsel in the following famous cases: Dr. Martin Luther King, Jr., and others, in the Montgomery bus boycott prosecutions; State of Alabama against NAACP; E. L. Shuttlesworth, and others against City of Birmingham, and Birmingham Transit Co.; Vivian J. Malone against University of Alabama; equalization of Negro teachers' salaries in Jefferson County, Ala. and Columbia, S.C.; and United States Steel against L. & N. Railroad, and others.

Attorney Shores is a deeply religious family man. He is married to the former Theodora Helen Warren. They have two lovely daughters: Helen Shores Lee and Barbara Shores Larkin.

Mr. President, I ask unanimous consent that a more indepth biographical sketch of Attorney Shores be printed in full in the Record.

Mr. President, as we can see, Attorney Shores, still practicing law in his seventies, is truly an outstanding lawyer. He is held in very high esteem not only in the State of Alabama, but also in this country as well. I salute him and congratulate him on his very fine and distinguished accomplishments.

There being no objection, the biographical sketch was ordered to be printed in the Record, as follows:

Biographical Sketch of Arthur Davis Shores, A.B., L.L.B., L.L.D., L.H.D.

Born: Birmingham, Alabama.

Education:

Birmingham Public Schools.

Talladega College.

University of Kansas.

Honorary Degrees:

Daniel Payne College, Birmingham, Alabama, LL.D, 1956.

Miles College, LL.D., Birmingham, Alabama, 1971.

University of Alabama, L.H.D., 1975.

Talladega College, LL.D, 1980.

Activities:

Education: Taught school—Dunbar High School, Bessemer, Alabama;

Principal—Dunbar High School—4 years;

Served as Secretary, Alabama Teachers Association;

Vice-President, National Teachers Association.

Business and Legal Experience:

Attorney-at-Law;

Vice-President & General Counsel: Citizens Federal Savings & Loan Association of Birmingham, Alabama;

Presently:

General Counsel, Miles College, Birmingham, Alabama;

General Counsel, Free & Accepted Masons of Alabama;

One of the Founders & Former Board member, National Bank of Commerce.

Former member of Birmingham City Council 1969-74, & President Pro Tem—1974-1978.

Bar Memberships:

Admitted to Alabama Bar, 1937;

United States Supreme Court Bar, 1943;

Member, National Bar Association;

Member, American Bar Association;

Member, Birmingham Bar Association.

Religious Affiliations:

Member and Adult Sunday School Teacher, First Congregational Church;

Member of Board of Directors, Board of Homeland Ministries, United Church of Christ;

Member of Board of Trustees, First Congregational Church;

Delegate from Board of Homeland Ministries of United Church of Christ to International Conference on Religion, Art & Architecture, Jerusalem, Israel, September 3 to September 17, 1973.

Civic, Political Organizations:

Birmingham Chamber of Commerce;

Trustee of Talladega College 1949-1979;

Member of Board of Directors, Lawyers Committee for Civil Rights under law, formed at the request of the President of the United States;

Commissioner, Birmingham Housing Authority, 1965-1969;

Former Chairman of the Board, and President of Birmingham Urban League;

Member of Board of Management, Fourth Avenue Branch, YMCA, Birmingham;

Member of Board of Directors, Birmingham Festival of Art;

Member of Advisory Board of Salvation Army;

Member of Board of Directors, Operation New Birmingham;

Member, Board of Directors, National Council of Christians and Jews;

Member, Board of Directors, A. G. Gaston Boys' Club;

Former Appointee to the Honorary Staff of Attorney General of Alabama, by Attorney General Bill Baxley;

Member, State Democratic Committee;

Member, Executive Committee of charter commission of the National Democratic Committee;

Delegate to National Democratic Convention 1963 & 1972, 1976 & 1980.

Awards:

1940: Southern Beauty Congress, Inc; Award for Eminent Leadership in Field of Civil Rights;

1948: Alpha Chi Chapter, Omega Psi Phi Fraternity; Award for Outstanding Achievement in Field of Civil Rights;

1954: Alpha Chi Chapter, Omega Psi Phi Fraternity, Award for Outstanding Lawyer in Fight for Human rights;

1956: Alpha Medal of Honor—Alpha Phi Alpha Fraternity, Most Ordinary, Distinguished & Meritorious Service in Field of Civil Rights;

1960: C. Francis Stradford Award of National Bar Association, for Inspiration to Fellow Lawyers and Rich Contribution to the Legal Profession;

1965: Cook County, Illinois Bar Association; For Twenty-Five Years of Outstanding Service in Legal Profession;

1969: Russwurm Award: For Recognition of Outstanding Achievement and Making Possible a Richer conception of Democratic Principles and for Upholding those highest traditions considered as the Ideal of American Way of Life. (National Newspaper Publishing Association).

Listed In:

Who's Who in American Politics;

Who's Who in Commerce & Industry;

Who's Who in South and Southwest;

Who's Who in Negro America;

The International Year Book and Statesman's Who's Who;

Library of Alabama Lives;

Elected to Alabama Academy of Honor, 1980.

Fraternal Organizations;

Alpha Phi Alpha Fraternity;

Delta Theta Phi Legal Fraternity;

Thirty-Third Degree Mason;

Knight of Pythias;

Sigma Pi Phi (Boule')

JOHN J. CUMMINGS, JR.

Mr. PELL. Mr. President, it is with great personal sadness that I learned of the death of John J. Cummings, Jr., who recently retired as chairman and chief executive officer of the Rhode Island based Fleet Financial Corp., and its banking subsidiary, Industrial National Bank.

John Cummings was an outstanding leader in the New England banking community. His 10 years of leadership at Industrial National transformed a regional banking operation into a $4.2 billion enterprise widely recognized in both national and international financial markets. This enormous growth was due to his keen mind for banking and a remarkable ability to anticipate both new opportunities and problems well in advance of his competitors. His accomplishments stand as a living tribute to his capacity for leadership and incisive decisionmaking, and to the enormous force of his personal talent.

Mr. Cummings was also a man who contributed greatly to the quality of life in Rhode Island, and to the improvement of the State's economy. He played a pivotal role in the building of the Providence Civic Center, and served as the first chairman of the Civic Center Authority. He also gave generously of his time and talents to Providence College, the annual Catholic charity fund, and the Rhode Island Port Authority and Economic Development Corp.

John Cummings was a fine, kind gentleman and one who was hugely respected and appreciated by all those whose lives were touched by him. My wife and I and all Rhode Islanders join in extending our condolences to his widow, Alice Nash Cummings, his mother, Helen A. Cummings, and his three children, John J. Cummings III, Joseph N. Cummings, and James N. Cummings. My wife Nuala and I grieve with and for them in this great loss.

I ask unanimous consent to have printed in the Record a sensitive appraisal of him written prior to his death by his friend, Ted Holmberg, the publisher of the Pawtuxet Valley Times, as well as the obituary that appeared in the Providence Evening Bulletin for May 14, 1982, and an editorial from the Providence Journal of May 15, 1982.

There being no objection, the material was ordered to be printed in the Record as follows:

[From the Pawtuxet Valley Times, May 10, 1982]

A Private Man Leaves Public Life

(By Ted Holmberg)

John J. Cummings Jr. resigned recently as chairman of the board of Industrial National Bank—now Fleet—and all of its extensions and there have been a number of articles in various publications about him.

Most are obviously by people who know very little about John Cummings.

So this might be as good a time as any to put some other matters on the record.

For John Cummings was pictured most frequently as a distant man, austere, one who keeps his distance, with a consuming interest in the world of finance almost to the exclusion of all else.

To those who believe that, I can only say they knew but a single side of him.

They don't know the thousand and one small kindnesses he extended to so many, the thousand and one large kindnesses he extended to even more. What he did for Providence College, as a board member for so many years, and what he did for his alma mater, Holy Cross, for city and state.

They forgot that he was the real and moving force behind the building of the Providence Civic Center, for which he received almost no credit and much abuse.

Austere?

I remember John Cummings bringing bananas to my youngest child. He loves kids. It isn't something people know about him but if you were at all close it was something you couldn't escape. He would give the small, shy smile of his and offer a bunch of bananas to the three-year-old. What a silly gesture for the chairman of the board of the second largest bank in New England.

I can recall many a time sitting with him and watching the Providence College basketball team thourgh good years and bad, Cummings suffering every downturn, cheering every good play. And being instrumental in helping Providence College in a dozen ways.

And during the cold of winter Cummings making his way to the Patriot's contests. Indeed, he was largely responsible for a great many Rhode Islanders visiting the training camp of the Patriots at Bryant College. But there was never any fuss, any hurrah. Always he went about it in a quiet way, so quiet and unassuming that hardly anyone knew how large a part he was playing. But a large part he played.

Distant? The distance is between him and any fanfare, any credit.

John Cummings is the complete democrat. His friends come from most walks of life and he treats them pretty much the same. Social climbing is beneath him and he never throws around the powerful weight that he obviously possesses. It just doesn't occurr to him. He is just too big a man to be bothered.

He is a better friend than most people know. Better than he may know himself. Never have I heard of a friend calling on him for advice or counsel and being turned away, no matter how busy he was with financial affairs that would have overwhelmed most men. He loves his work but he loved to chat about people, never judging them but always in wry amusement.

It was advice that led me to join with a group of friends in buying the Pawtuxet Valley Daily Times. It was worth the risk, he said, one afternoon in his Narragansett home.

Yet he was never insistent with any counsel offered. There it was, offered with fairness and wisdom. But if the advice was ignored, there were never recriminations, never a feeling that your way was the only way.

I remember once Cummings telling me that he felt that he had very few close friends, that somehow he never got around to making them.

I think he hardly knows how many he has.

On that same occasion, within the last several months, it was my treat for lunch.

"Now I owe you two lunches," he said with a laugh. He keeps track of his obligations always and other's obligations to himself almost not at all.

Distant? Only in the sense of being fair and square and personally decent. Cold? Only to the passions which cause us all to hurt one another. Calculating? Not ever when it came to extending a helping hand.

[From the Providence Evening Bulletin, May 14, 1982]

JOHN CUMMINGS, INBANK HEAD, COMMUNITY LEADER, DIES AT 58

(By Joseph B. Goodrich)

John J. Cummings Jr. of Narragansett, who retired on May 1 as chairman and chief executive officer of Rhode Island-based Fleet Financial Corp. and its banking subsidiary Industrial National Bank, died today at the age of 58 after a long fight against cancer.

A brilliant and competitive banker, Mr. Cummings repeatedly demonstrated his unique ability to anticipate both marketing opportunities and industry problems well in advance of his competitors.

As a result, the bank and its parent, Fleet Financial, prospered. Mr. Cummings' decisions had much to do with the growth of Fleet Financial from a $1.2 billion bank holding company in 1971 when he took over as chief executive officer to a $4.2 billion operation at the end of last year.

While banking was his foremost concern, Mr. Cummings was sensitive to the needs of the state and his native city of Providence. He contributed his time and talent in public and community service projects throughout the years.

Through the 1960s and 1970s, he served as chairman of these groups: Special Committee to Study Government Organization and Operations, better known as the Baby Hoover Commission; the non-profit Majestic Theater Parking Garage Corporation; the annual Catholic Charity Fund Appeal in 1964; the Providence Civic Center Authority; and Project Rhode Island. He was also vice chairman of the state's Port Authority and Economic Development Corporation.

Yet as head of what was by far the state's largest banking and financial services organization, Mr. Cummings had none of the pomposity that is associated with the popular conception of a banker.

He was quiet and unassuming. He could, for example, take time from a busy schedule to discuss banking with students at a Providence College evening class. He was a good listener. Yet, he was a strong and incisive decision-maker. There was no question about who was in command at Fleet Financial or Industrial National Bank.

Mr. Cummings was born in Providence on May 28, 1923, the son of the late John J. Cummings, who for many years was superintendent of the mailing room at the Providence Journal-Bulletin, and Helen A (Curran) Cummings.

He began his banking career as a note teller, handling business loans in the "discount cage" and the Union Trust Co. in this city in 1947. In 1950 was elected auditor.

When the Union Trust and Providence National Bank merged in 1951 to form the Providence Union National Bank, he moved up to an assistant cashier, and when the bank merged with Industrial Trust Co. in 1954 to form the Industrial National Bank, he became an assistant vice president.

His banking talent impressed the late T. Dawson Brown, then Industrial National's chief executive officer. Increasingly, Mr. Cummings assumed greater leadership responsibilities in the newly merged organization. In 1955, he became a vice president. In 1963, he was elected executive vice president and a director of the bank, and in 1968 he became president of the bank.

In what could be described as a staid, perhaps even stuffy industry, Mr. Cummings introduced banking strategies that were wholly innovative.

When the bank in 1968 became one of the first in the country to adopt the one-bank holding company organizational structure, Mr. Cummings played a major role. He was a key figure in developing the strategy that built the bank-holding company into a large financial services organization providing not only banking, but mortgage banking, consumer financing, factoring, data processing, and equipment leasing, serving a national and international market.

He hired a Proctor & gamble sales executive to develop the Industrial National Bank's marketing program.

In 1968, the bank holding company, then called Industrial National Corp., was established to enable Industrial National Bank to break out of the constrictions of the highly competitive Rhode Island market. This year, at Mr. Cummings behest, holding company stockholders changed the holding company's name to Fleet Financial Group so that the organization could be recognized more easily in the national and international markets.

One of his major assets was his grasp of the complexities of commercial banking and his ability to combine that with an ability to interpret national economic developments. As a consequence, he was often able to anticipate opportunities for banking and see developing problems well ahead of his competitors.

In a tribute to Mr. Cummings, Governor Garrahy said today, "All of us knew him as one of the most knowledgeable businessmen in New England" whose achievements and contributions to Rhode Island life were "evidenced in his own public contributions" to both Providence and the state.

In addition to his mother, he is survived by his wife, Alice F. (Nash) Cummings, and three children, John J. III, Joseph W. and James N. Cummings. Funeral arrangements are incomplete.

[From the Providence Journal, May 15, 1982]

JOHN J. CUMMINGS, JR.

Despite occasional overuse, the term "pillar of the community" is not a cliche. The person who excels in his own private career may be respected and admired; but the one who also manages to involve himself deeply in the affairs of his city and state carries and added dimension that makes him memorable.

For Rhode Island, John J. Cummings, Jr., was such a figure. He was instrumental in the success and growth of the Industrial National Bank over the past couple of decades, and this alone was impressive. He is said to have devoted almost all of his energies to the bank, but this can't be completely right, because he found time in a busy life to take on much else of public value.

This isn't the place for a recital of Mr. Cummings' activities, but some clearly stand out: his role in Project Rhode Island, seeking to improve the state's economy; his chairmanship at the beginning of the Providence Civic Center Authority; and his leadership of the Baby Hoover Commission on government operations. These and his other public interests showed that Mr. Cummings had a rare level of commitment to the betterment of his city.

He was known as competitive, incisive and self-effacing, and these qualities, which propelled him to leadership of his bank, also colored his community involvement. He understood the complex play of interests that make up the rich and varied life in Rhode Island, and this understanding aided both his private and his public career. His death yesterday at age 58 is a loss that will be widely felt.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations and a withdrawal which were referred to the appropriate committees.

(The nominations and withdrawal received today are printed at the end of the Senate proceedings.)

REVISIONS TO SIX PREVIOUSLY SUBMITTED BUDGET RESCISSIONS—MESSAGE FROM THE PRESIDENT—PM 138

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with accompanying papers; which, pursuant to the order of January 30, 1975, was referred jointly to the Committee on Appropriations, the Committee on the Budget, the Committee on Commerce, Science, and Transportation, the Committee on Labor and Human Resources, the Committee on the Judiciary, and the Committee on Small Business:

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith

report revisions to six deferrals previously reported, increasing the amount deferred by $7.5 million.

The deferrals affect programs in the Departments of Commerce, Health and Human Services, and Justice as well as the Small Business Administration.

The details of each deferral are contained in the attached reports.

RONALD REAGAN.

THE WHITE HOUSE, *May 18, 1982.*

MESSAGE FROM THE HOUSE

At 3:07 p.m., a message from the House of Representatives, delivered by Mr. Gregory, one of its reading clerks, announced that the House has passed the following bill and joint resolution, in which it requests the concurrence of the Senate:

H.R. 3881. An act to direct the Secretary of Agriculture to release on behalf of the United States a reversionary interest in certain lands conveyed to the Arkansas Forestry Commission, and to direct the Secretary of the Interior to convey certain mineral interests of the United States in such lands to such Commission; and

H.J. Res. 412. Joint resolution to authorize and request the President to designate May 20, 1982, as "Amelia Earhart Day."

HOUSE BILL REFERRED

The following bill was read the first and second times by unanimous consent, and referred as indicated:

H.R. 3881. An act to direct the Secretary of Agriculture to release on behalf of the United States a reversionary interest in certain lands conveyed to the Arkansas Forestry Commission, and to direct the Secretary of the Interior to convey certain mineral interests of the United States in such lands to such Commission; to the Committee on Energy and Natural Resources.

HOUSE JOINT RESOLUTION PLACED ON THE CALENDAR

The following joint resolution was read the first and second times by unanimous consent, and placed on the calendar:

H.J. Res. 412. Joint resolution to authorize and request the President to designate May 20, 1982, as "Amelia Earhart Day."

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-3483. A communication from the Director of the Federal Emergency Management Agency, transmitting, pursuant to law, a report on property acquisitions of emergency supplies and equipment for the quarter ended March 31, 1982; to the Committee on Armed Services.

EC-3484. A communication from the Vice Chairman of the Board of Governors of the Federal Reserve System, transmitting, pursuant to law, the annual report on the Electronic Fund Transfer Act covering calendar year 1981; to the Committee on Banking, Housing, and Urban Affairs.

EC-3485. A communication from the Secretary of Housing and Urban Development, transmitting, pursuant to law, a report on the administrative and legislative steps necessary to implement the four proposals contained in section 315 of the Omnibus Reconciliation Act for the community development block grant program; to the Committee on Banking, Housing, and Urban Affairs.

EC-3486. A communication from the Chairman of the National Research Council, transmitting, pursuant to law, the report of the Council's Committee on Ballastic Acoustics; to the Committee on Commerce, Science, and Transportation.

EC-3487. A communication from the Under Secretary of the Interior, transmitting, pursuant to law, notice of requests by ANR Production Co., Diamond Shamrock Corp., Shell Oil Co., and Columbia Gas Development Corp., for repayment of excess payment on royalties on certain oil and gas leases; to the Committee on Energy and Natural Resources.

EC-3488. A communication from the Deputy U.S. Trade Representative, Executive Office of the President, transmitting, pursuant to law, the biannual report on the operation and effect of the International Sugar Agreement; to the Committee on Finance.

EC-3489. A communication from the Director of the National Legislative Commission of The American Legion, transmitting, pursuant to law, statements describing the financial condition of the American Legion as of December 31, 1981; to the Committee on the Judiciary.

EC-3490. A communication from the Chairman of the National Commission on Libraries and Information Sciences, transmitting, pursuant to law, the annual report of the Commission for fiscal year 1981; to the Committee on Labor and Human Resources.

EC-3491. A communication from the President of the United States, transmitting, for the information of the Senate, the recommendations of the administration on elements deemed desirable in nuclear waste disposal legislation; ordered to lie on the table.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. THURMOND, from the Committee on the Judiciary, without amendment:

S. 836. A bill for the relief of S. Sgt. Anne M. Fisher (Rept. No. 97-396).

H.R. 1231. A bill for the relief of the Washington Post, the Washington Star, the Dispatch (Lexington, N.C.), the Brooklyn Times, Equity Advertising Agency, Inc., the Seattle Post-Intelligencer, and the News Tribune (Rept. No. 97-397).

H.R. 1608. A bill for the relief of Frieda Simonson (Rept. No. 97-398).

By Mr. WEICKER, from the Committee on Small Business, with an amendment in the nature of a substitute:

S. 1947. A bill to improve small business access to Federal procurement information (Rept. No. (97-399).

By Mr. WEICKER, from the Committee on Small Business, with an amendment in the nature of a substitute and an amendment to the title:

S. 2408. A bill to amend the Small Business Act (Rept. No. 97-400).

By Mr. THURMOND, from the Committee on the Judiciary, without amendment and with a preamble:

S.J. Res. 150. A joint resolution to authorize and request the President to designate May 20, 1982, as "Amelia Earhart Day."

S.J. Res. 175. A joint resolution authorizing and requesting the President to proclaim "National Junior Bowling Championship Week".

S.J. Res. 197. A joint resolution to provide for the designation of the week of October 17 through October 23, 1982, as "Myasthenia Gravis Awareness Week".

By Mr. MURKOWSKI, from the Committee on Energy and Natural Resources, without amendment:

S. 2443. A bill to authorize the Secretary of the Interior to engage in feasibility investigations of certain water resource developments (Rept. No. 97-401).

● Mr. MURKOWSKI. Mr. President, it is my privilege today to file the Committee on Energy and Natural Resource's report to accompany S. 2443, a bill to authorize the Secretary of the Interior to engage in feasibility investigations of certain water resource developments.

Briefly, S. 2443 authorizes 14 feasibility level studies of potential water resource development projects in 8 Western States. The bill was compiled at my request and contains study authorities which are included in legislation presently pending before my Subcommittee on Water and Power as well as authorities for other studies which had been called to the attention of the subcommittee.

Mr. President, no one questions the importance of water as one of our Nation's most significant natural resources. In the decades ahead we will have to conserve this resource and at the same time respond to needs as they arise. The basis of future conservation and action will be found in the studies that are authorized today. As a nation, we must be prepared to invest in today's planning efforts in order to address the resource problems of tomorrow.●

FOREIGN CURRENCY REPORTS

In accordance with the appropriate provisions of law, the Secretary of the Senate herewith submits the following reports of standing committees of the Senate, certain joint committees of the Congress, delegations and groups, and select and special committees of the Senate, relating to expenses incurred in the performance of authorized foreign travel:

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), COMMITTEE ON ARMED SERVICES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1982

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Bill Cohen:									
Germany	Deutsche mark	269.04	114.00	1,306.00	553.38			1,575.04	667.38
Israel	Shekel	782	46.00					782	46.00
Egypt	Pound	(1)	(1)						
Bahrain	Dollar	(1)	(1)		1,905.52				1,905.52
Oman	Rial	21.73	63.00					21.73	63.00
Jeff Record:									
Germany	Deutsche mark	130	55.00	1,306.00	553.38			1,436	608.38
Egypt	Pound	78	93.00					78	93.00
Israel	Shekel	1,292	76.00					1,292	76.00
Bahrain	Dinar	9	25.00		1,905.52			9	1,930.52
Oman	Rial	35	101.00					35	101.00
Anthony Principi:									
Korea					3,438.15				3,438.15
Richard Finn:									
Korea					3,424.10				3,424.10
Roy Adams:									
Panama	Dollar		193.00						193.00
Senator Jeremiah Denton:									
Panama	Dollar		164.00						164.00
James Brown:									
Germany		(2)	(2)						
Frank Sullivan:									
United Kingdom	Pound	112.50	216.00		3,560.00			112.50	3,776.00
Belgium	Franc	7,122	186.00					7,122	186.00
Netherlands	Guilder	436	178.00					436	178.00
Germany	Deutsche mark	603	267.00					603	267.00
Senator Sam Nunn:									
United Kingdom	Pound	112.50	216.00		3,560.00			112.50	3,776.00
Belgium	Franc	7,122	186.00					7,122	186.00
Netherlands	Guilder	436	178.00					436	178.00
Germany	Deutsche mark	603	267.00					603	267.00
Arnold Punaro:									
United Kingdom	Pound	112.50	216.00		3,560.00			112.50	3,776.00
Belgium	Franc	7,122	186.00					7,122	186.00
Netherlands	Guilder	436	178.00					436	178.00
Germany	Deutsche mark	603	267.00					603	267.00
Wayne Arny:									
Germany	Deutsche mark	387	164.00	1,306	553.38			1,693	717.38
Egypt	Pound	83	100.0					83	100.00
Israel	Shekel	1,632	96.00					1,632	96.00
Bahrain	Dinar	31.12	83.00		1,072.92			31.12	1,155.92
Oman	Rial	47.61	138.00					47.61	138.00
Drew Harker:									
Germany	Deutsche mark	387	164.00	1,306	553.38			1,693	717.38
Egypt	Pound	83	100.00					83	100.00
Israel	Shekel	1,632	96.00					1,632	96.00
Bahrain	Dinar	31.12	83.00		1,072.92			31.12	1,155.92
Oman	Rial	47.61	138.00					47.61	138.00
Senator John Tower:									
Germany	Deutsche mark	580.56	246.00					580.56	246.00
Turkey	Lira	21,487.50	150.00					21,487.50	150.00
Italy	Lire	166,240	130.78					166,240	130.78
Spain	Pesetas	15,075	150.00					15,075	150.00
United Kingdom	Pound	88.07	162.00	1,148.50	2,205.12			1,236.57	2,367.12
Rhett Dawson:									
Germany	Deutsche mark	375.26	159.01					375.26	159.01
Turkey	Lira	21,487.50	150.00					21,487.50	150.00
Italy	Lire	216,240	170.00					216,240	170.00
Spain	Pesetas	15,075	150.00					15,075	150.00
United Kingdom	Pound	88.07	162.00	1,148.50	2,205.12			1,236.57	2,367.12
James Locher:									
Germany	Deutsche mark	542.35	229.81					542.35	229.81
Turkey	Lira	21,487.50	150.00					21,487.50	150.00
Italy	Lire	216,240	170.00					216,240	170.00
Spain	Pesetas	15,075	150.00					15,075	150.00
United Kingdom	Pound	76.65	144.10	1,148.50	2,205.12			1,225.15	2,349.22
Carl Smith:									
United Kingdom	Pound	146.79	270.00	1,148.50	2,205.12			1,295.29	2,475.12
United States	Dollar				650.00				650.00
James McGovern:									
Germany	Mark	278.36	117.95					278.36	117.95
Turkey	Lira	21,487.50	150.00					21,487.50	150.00
Italy	Lire	216,240	170.00					216,240	170.00
Spain	Pesetas	15,075	150.00					15,075	150.00
United Kingdom	Pound	88.07	162.00	1,148.50	2,205.12			1,236.57	2.367.12
Codel Tower:[3]									
United Kingdom				2,598.95					
Italy				644.00					
Spain				185.00					
Total				3,427.95			3,427.95		3,427.95
Codel Nunn:[3]									
United Kingdom				705.60			705.60		705.60
Codel Cohen:[3]									
Oman			140.34						
Israel			826.00						
Total			966.34				966.34		966.34
Expenses paid under the authority of S. Res. 179, agreed to May 25, 1977 and not covered by counterpart funds for delegation expenses in Germany, Turkey, Italy, Spain, and the United Kingdom.							3,538.77		3,538.77
Total			8,126.65		37,388.25		8,638.66		54,153.56

[1] No per diem used.

[2] No per diem received.

[3] Delegation expenses other than those paid for by counterpart funds, paid under the authority of section 502(b) of the Mutual Security Act of 1954, as amended by section 22 of Public Law 95-384.

JOHN TOWER,
Chairman, Committee on Armed Services, Mar. 31, 1982

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), COMMITTEE ON THE BUDGET, EXPENDED BETWEEN JAN. 1 AND JAN. 19, 1982

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Charles O. Flickner:									
Hong Kong	Dollar		95.00						95.00
Indonesia	Rupiah		385.00						385.00
Philippines	Peso		525.00						525.00
United States	Dollar				3,137.00				3,137.00
Jeffrey Malashock:									
United Kingdom	Pound	169.64	324.00	131.55	251.66			301.19	575.66
Germany	Mark	773.81	370.00	258.87	123.86			1,032.68	493.86
France	Franc		656.00						656.00
United States	Dollar				1,900.00				1,900.00
Total			2,355.00		5,412.52				7,767.52

PETE V. DOMENICI,
Chairman, Committee on the Budget, Mar. 31, 1982.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), COMMITTEE ON ENERGY AND NATURAL RESOURCES, EXPENDED BETWEEN JAN. 2 AND JAN. 14, 1982

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
H. Elliot Chakoff:									
Taiwan	New Taiwan dollar	10,430	276.00					10,320	276.00
Korea	Won	197,964	282.00	296,364	422.18			494,328	704.18
Japan	Yen	116,994	527.00	18,300	76.25			135,294	603.25
United States	Dollar				2,720.67				2,720.67
Senator Frank H. Murkowski:									
Korea			376.00						376.00
Total			1,461.00		3,219.10				4,680.10

JAMES A. McCLURE,
Chairman, Committee on Energy and Natural Resources, Mar. 31, 1982.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), COMMITTEE ON THE JUDICIARY, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1982

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Alan Simpson:									
Mexico	Pesos	8,190	315.00		1,001.20				1,316.20
Alice Milder:									
Mexico	Pesos	8,190	315.00		587.00				902.00
Richard W. Day:									
Mexico	Pesos	8,190	315.00		587.00				902.00
Donna M. Alvarado:									
Mexico	Pesos	8,190	315.00		587.00				902.00
Joel Lisker:									
Republic of South Africa	Rands	866.70	910.04		2,448.00				3,358.04
Bert W. Milling, Jr.:									
Republic of South Africa	Rands	693.36	728.02		2,448.00				3,176.02
Total			2,898.06		7,658.20				10,556.26

STROM THURMOND,
Chairman, Committee on the Judiciary, Mar. 16, 1982.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), COMMITTEE ON FOREIGN RELATIONS, EXPENDED BETWEEN OCT. 1 AND DEC. 31, 1981

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Charles Mathias:									
Switzerland	Swiss Franc	682	329.00					682	329.00
United States	Dollar				1,706.00				1,706.00
France	Franc	1,618.50	288.00					1,618.50	288.00

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), COMMITTEE ON FOREIGN RELATIONS, EXPENDED BETWEEN OCT. 1 AND DEC. 31, 1981—Continued

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Nancy H. Stetson:									
Spain	Pesetas	46,410	487.50	1600	16.98			48,010	504.48
United States	Dollar				1,017.00				1,017.00
Casimir A. Yost:									
Switzerland	Swiss Franc	175.10	85.00					175.10	85.00
United States	Dollar				1,223.00				1,223.00
Total			1,189.50		3,962.98				5,152.48

CHARLES H. PERCY,
Chairman, Committee on Foreign Relations, Apr. 1, 1982.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), SELECT COMMITTEE ON INTELLIGENCE, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1982

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Patrick J. Leahy									
Edward P. Brynn (Detailed to Senate from State Department.)									295.50
Robert Simmons									195.50
Herbert Kline									3,289.25
									2,885.25
Total									6,665.50

BARRY GOLDWATER,
Chairman, Select Committee on Intelligence, Mar. 31, 1982.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), COMMITTEE ON LABOR AND HUMAN RESOURCES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1982

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Renn M. Patch:									
Switzerland	Franc	1,198.30	635.00					1,198.30	635.00
	United States dollar		89.00						89.00
India	Rupee	4,865.25	525.00					4,865.25	525.00
United States	Dollar				2,661.62				2,661.62
Michael P. Pillsbury:									
Switzerland	Franc	1,198.30	635.00					1,198.30	635.00
	United States dollar		89.00						89.00
India	Rupee	4,861.50	525.00					4,861.50	525.00
Pakistan	Rupee	3,538.08	324.00					3,538.08	324.00
Philippines	Peso	1,876.50	225.00					1,876.50	225.00
Japan	Yen	20,000	101.00					20,000	101.00
United States	Dollar				2,650.20				2,650.20
Total			3,148.00		5,311.82				8,459.82

ORRIN G. HATCH,
Chairman, Committee on Labor and Human Resources, Apr. 7, 1982.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), JOINT ECONOMIC COMMITTEE, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1982

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Representative Clarence Brown:									
United States	Dollar				611.42				611.42
England	Pound	117.15	208.53					117.15	208.53
Richard K. Vedder:									
United States	Dollar				648.52				648.52
England	Pound	175.72	312.79					175.72	312.79
Total			521.32		1,259.94				1,781.26

HENRY S. REUSS,
Chairman, Joint Economic Committee, Mar. 31, 1982.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), JOINT ECONOMIC COMMITTEE, EXPENDED BETWEEN JAN. 1 AND DEC. 31, 1981

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Roger Jepsen:									
United States	Dollar				590.45				590.45
Switzerland	Franc	363.05	186.00					363.05	186.00
England	Pound	111.09	258.00	97.46	226.36	10.95	25.44	219.50	509.80
Representative Clarence Brown:									
United States	Dollar				1,100.50				1,100.50
Switzerland	Franc	181	93.00					181	93.00
England	Pound	111.63	259.27	97.46	226.36	10.95	25.44	220.04	511.07
Charles Bradford:									
United States	Dollar				1,100.50		30.45		1,130.35
Switzerland	Franc	363.05	186.00					363.05	186.00
England	Pound	166.63	378.25	97.46	226.36	10.95	25.44	275.04	630.05
Stephen Entin:									
United States	Dollar				1,100.50				1,100.50
Switzerland	Franc	363.05	186.00	10.00	5.13	160	82.05	533.05	273.18
England	Pound	166.63	378.25	100.46	233.17	225.56	512.60	492.65	1,124.02
Total			1,924.77		4,809.33		701.42		7,435.52
Bruce Bartlett:									
United States	Dollar				1,100.50		33.50		1,134.00
Switzerland	Franc	363.95	186.00					363.05	186.00
England	Pound	166.63	378.25	97.46	226.36	10.95	25.44	275.04	630.05
James Galbraith:									
United States	Dollar				1,402.00				1,402.00
France	Franc	4,006.80	742.00	135	25.00			4,141.80	767.00
Representative Henry Reuss:									
France	Franc	3,434.40	636.00					3,434.40	636.00
Richard Kaufman:									
Japan	Yen	75,548	324.00					75,548	324.00
Kent Hughes:									
Japan	Yen	118,450	515.00					118,450	515.00
Representative Henry Reuss:									
United States	Dollar				860.00				860.00
France	Franc	513	95.00					513	95.00
Richard Kaufman:									
Germany	Deutsche mark	1,212.75	183.00					1,212.75	183.00
Total			3,059.25		3,613.86		58.94		6,732.05

The following staff members traveled abroad during the time Jan. 1 to Dec. 31, 1981, with all expenses, air and ground transportation, and per diem, being paid by the International Communication Agency (ICA): James K. Galbraith and Richard Kaufman.

HENRY S. REUSS,
Chairman, Joint Economic Committee, Apr. 22, 1982.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), MAJORITY LEADER, EXPENDED BETWEEN JAN. 1 AND DEC. 31, 1981

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Nadine Jacobsen: Korea	Won	88,977	133.00					88,977	133.0
Joseph T. Mayer:									
Germany	Mark	344.32	155.80			4.42	2.00	348.74	157.80
England	Pounds	176.39	326.65	7.97	14.75	3.78	7.00	188.14	348.40
Italy	Lira	10,115.0	8.50					10,115.0	8.50
Turkey	Lira	12,333.83	99.95			987.20	8.00	13,321.03	107.95
Greece	Drachmas	4,616.15	84.70			218.0	4.00	4,834.15	88.70
Total			808.60		14.75		21.00		844.35

HOWARD H. BAKER, JR.,
Majority Leader, Apr. 23, 1982.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. DIXON:

S. 2536. A bill to amend the Securities Act of 1933, the Securities Exchange Act of 1934, and the Investment Company Act of 1940 to include individual and self-employed retirement plans as exempted securities; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. CHILES:

S. 2537. A bill to amend title 38, United States Code, to require the Administrator of the Veterans' Administration to consider the number of veterans residing in each State and projected changes in the number of veterans residing in each State in acquiring and operating medical facilities, and for other purposes; to the Committee on Veterans Affairs.

By Mr. TOWER:

S. 2538. A bill to amend section 5137 of the Revised Statutes to extend, under certain conditions, the period of time a national bank may hold real estate; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. DANFORTH (by request):

S. 2539. A bill to extend for 2 years the Act implementing the International Sugar Agreement, 1977; to the Committee on Finance.

S. 2540. A bill to extend the application of the International Coffee Agreement Act of 1980 for 1 year; to the Committee on Finance.

By Mr. CHAFEE (for himself, Mr. TSONGAS, Mr. DANFORTH, and Mr. HEINZ):

S. 2541. A bill to amend Section 103(b)(6) of the Internal Revenue Code of 1954 with respect to the exemption from the industrial development bond provisions for certain small issues; to the Committee on Finance.

By Mr. ROBERT C. BYRD (for himself, Mr. LEVIN, Mr. RIEGLE, Mr. KENNEDY, Mr. JACKSON, Mr. SASSER, Mr. SARBANES, Mr. MOYNIHAN, Mr. PELL, Mr. Melcher, Mr. Heflin, Mr. Dixon, Mr. Eagleton, Mr. Glenn, Mr. Randolph, Mr. Matsunaga, Mr. Metzenbaum, Mr. Cannon, Mr. Cranston, Mr. Hart, Mr. Huddleston, and Mr. Ford):

S. 2542. A bill to establish a Federal emergency unemployment compensation program; to the Committee on Finance.

By Mr. THURMOND (for himself and Mr. Hatch) (by request):

S.J. Res. 199. Joint resolution proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. PRESSLER:

S. Res. 393. Resolution expressing the sense of the Senate that the Secretary of Agriculture should promptly call for a section 22 study on honey imports; to the Committee on Finance.

By Mr. WARNER (for himself, Mr. Goldwater, Mr. Nunn, and Mr. Pell):

S. Res. 394. Resolution expressing the sense of the Senate to commemorate the bicentennial of the Great Seal of the United States; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DIXON:

S. 2536. A bill to amend the Securities Act of 1933, the Securities Exchange Act of 1934, and the Investment Company Act of 1940 to include individual and self-employed retirement plans as exempted securities; to the Committee on Banking, Housing, and Urban Affairs.

COLLECTIVE INVESTMENT OF IRA'S BY BANKS

Mr. DIXON. Mr. President, today I am introducing legislation to clarify the question of whether the securities laws should apply to collective investment of individual retirement accounts by bank trust departments.

Effective January 1, 1982, anyone with earned income could create an individual retirement account under the Internal Revenue Code. As I understand it, Congress clearly intended to remove barriers that prevented the investment of these moneys in existing Keogh and corporate collective investment funds or in separate IRA collective funds when IRA's were first authorized. This would have provided trust departments with the tools to economically and effectively invest such funds in securities for the benefit of millions of individuals.

However, the Securities and Exchange Commission has taken the position that IRA's invested in this manner would not be exempt from the 1933 and 1934 Securities Acts and that the collective trusts themselves are not exempt from the Investment Company Act. This has occurred because exemption from these securities laws are couched in terms of trusts under section 401 of the Internal Revenue Code, whereas IRA trusts qualify under a different section, 408.

The result is a situation where corporate plans are exempt from SEC registration requirements, but not IRA's or Keoghs. Therefore, bank trust departments are unable to offer IRA's or Keoghs to potential investors outside the State they are located in without having to comply with SEC requirements.

This causes particular problems for smaller trust departments, which are prevented from combining their corporate plans and IRA's in one collective fund, which they might want to do because they did not hold sufficient assets to justify maintaining two different funds while providing the most economic service their customers.

The lack of an exemption from the securities law results in additional unnecessary administrative costs to banks and inhibits their competitiveness. The stance of the SEC prohibits trust departments from effectively serving individuals who want to invest in individual retirement accounts.

Mr. President, I do not believe it makes sense to treat bank trust department collective investment of individual retirement accounts this way. They are currently permitted to invest section 401 corporate trusts collectively without having to meet SEC registration requirements. These plans make employee's voluntary contributions to an employer-sponsored plan tax deductible, as an IRA does.

The only difference, therefore, between a section 401 plan which is exempt from SEC registration requirements and a section 408 IRA or Keogh plan which is not, is that in the former case the plan is sponsored by the employer. From the employee's or banks' perspective, there is no difference.

I do not believe that Congress ever intended to distinguish between employer-sponsored plans and individual-sponsored plans in this area. On the contrary, it was Congress clear intention to encourage the formation of IRA's and to encourage individuals to make use of the new opportunities. Applying SEC registration requirements to collective investment of IRA's by bank trust departments defeats this purpose.

My bill, therefore, eliminates this unnecessary and burdensome restriction, clarifying the law to ensure banks are able to invest IRA funds collectively without the necessity of complying with burdensome and inappropriate SEC registration requirements.

It is intended that IRA's be permitted to be invested in traditional common trust funds where the bank serves as trustee. No statutory change is proposed to effect this purpose for it should be clear from the present language in the statute that none is necessary. I am surprised and disappointed at the position taken by the SEC in its interpretative letters.

The proposed bill is offered to permit banks to collectively invest IRA's in pooled retirement accounts where the bank serves in a capacity other than trustee.

Mr. President, I think this legislation represents a reasonable and appropriate clarification of the law. I look forward to discussing the issue with my colleagues on the Senate Committee on Banking, Housing, and Urban Affairs, on which I am pleased to serve, and I look forward to prompt enactment of these needed changes.

Mr. President, I ask unanimous consent that the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2536

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3 (a) (2) of the Securties Act of 1933 (15 U.S.C. 77c (a) (2)) is amended—

(1) in clause (A), by inserting "or individual retirement account" after "or profit sharing plan" and by inserting "or 408" after "section 401";

(2) by striking out subclause (ii);

(3) by redesignating subclause (iii) as subclause (ii); and

(4) by striking out the second sentence.

Sec. 2. (a) Section 3 (a) (12) of the Securities Exchange Act of 1934 (15 U.S.C. 78c (a) (12)) is amended—

(1) in clause (A), by inserting "or individual retirement account" after "profit-sharing plan" and by inserting "or 408" after "section 401";

(2) by striking out subclause (i); and

(3) by striking out "or (ii)".

(b) Section 12 (g)(2)(H) of such Act is amended by striking out "or (ii)" and inserting in lieu thereof "(ii) an individual retirement account which meets the requirements of section 408 (a) of such Code, or (iii)".

Sec. 3. Section 3(c)(11) of the Investment Company Act of 1940 (15 U.S.C. 80a-3(c)(11)) is amended—

(1) by inserting "or individual retirement account" after "profit-sharing trust";

(2) by inserting "or 408" after "section 401" wherever it appears;

(3) by inserting "or accounts" after "of such trusts";

(4) by inserting "or individual retirement accounts" after "profit-sharing plans" in clause (A); and

(5) by inserting "or the requirements of section 408 of such Code" before ", (B)".

By Mr. CHILES:

S. 2537. A bill to amend title 38, United States Code, to require the Administrator of the Veterans' Administration to consider the number of veterans residing in each State and projected changes in the number of veterans residing in each State in acquiring and operating medical facilities, and for other purposes; to the Committee on Veterans' Affairs.

VETERANS' ADMINISTRATION MEDICAL CARE FUNDING

● Mr. CHILES. Mr. President, today I am introducing legislation to provide for a more fair and reasonable distribution of the Federal dollars Congress appropriates each year for VA medical care facilities and services. In this era of budget cutting and belt tightening we cannot realistically expect huge increases in VA medical care funding. Right now, in fact, many of us in the Senate are fighting hard just to hold on to what we feel are meager increases in funding necessary to help the VA keep up with rising medical care costs and increasing health care service demands. I will continue to oppose unrealistic budget cutbacks for VA medical care, but in this period of fiscal restraint, it becomes increasingly important to efficiently target VA health care funds so the money goes to where the need exists. In order to make sure health care dollars can go to where the eligible veterans are, we must make sure the VA health care dollars are distributed in a way that reflects the changing veteran population.

This legislation I am introducing today seeks to achieve this goal by requiring the VA Administrator to collect certain veteran demographic information each year and to recommend the apportionment of VA medical care funds on the basis of this information. I am pleased Congressman Dan Mica from Florida is introducing identical legislation today in the House of Representatives.

What we have seen in past years is a tremendous redistribution of the veteran population. I know my State has witnessed an incredible influx of veterans. Florida's veteran population now exceeds 1.3 million and is expected to reach 2 million by 1990. Florida has the fastest growing veteran population in the Nation. We estimate that 5,000 veterans move from other States to Florida each month. The State of Florida, of course, welcomes these veterans. But you can easily see how this ballooning veteran population strains our medical facilities when you realize that approximately one out of every five veterans seek some kind of medical attention from the VA. Florida's VA medical facilities have just about reached the breaking point. It is clear that VA medical care dollars have not increased through the decade in proportion to the population growth and health care demands of the eligible veteran community.

Florida is not alone in this problem. Many veterans, particularly older veterans, look to the warmer climates in the southern part of the United States when they think about retiring. Other veterans move to warmer States for health-related reasons. Our major problem right now is we lack current, up-to-date information on where our veterans live and where they have moved from, what health care demands exists, and to what extent existing staff, facilities, and VA services are meeting the needs of eligible veterans. In other words, we can not say we are putting VA medical care dollars where we most need them because by the time we find out where our veterans are, the information is out of date.

To help address and hopefully resolve this problem I am introducing the Veterans Medical Care Resources Allocation Act of 1982. The purpose of the bill is to put in place a system that makes sure when an area experiences a boom in their veterans population, the money allocated to that area will reflect that change in population. This is not a problem that just sneaked up on us. I have been in touch with the VA on this matter for several years now, and they tell me they have been working on a system that will shift resources to follow demand. But population patterns continue to change and there has been no action taken to respond to these trends. I think we need action now.

This legislation will require the VA to compile demographic information and require the VA Administrator to look at this information and to operate and establish VA medical facilities on the basis of this information. The areas where the large veteran populations live will start getting funds and facilities to meet the needs of those veterans living there. This kind of system, which cannot be run without the decisionmakers having current data on veterans, is simply the fairest and most reasonable way to go about providing for the health care needs of this country's veterans. This bill has three basic components:

CURRENT VETERANS DEMOGRAPHIC INFORMATION

The first part of this bill requires an annual review of veteran population data. This data would include an accounting of the present number of veterans residing in each State, as well as data on the past and projected changes in the veterans population figures. All of this information is needed to determine where exactly America's veterans are living

MEDICAL CARE SERVICES ADEQUACY REPORT

The bill next requires an analysis of the adequacy of existing medical care services. This entails a study of admission policies throughout the medical care system. The bill would require a review of records of eligible veterans who apply for hospital care or outpatient care or nursing home care, but are turned down. Right now we have current information on the number of veterans that each facility serves. But we do not have any information that would tell us how many more veterans these facilities could service if the veterans could be accommodated. All of this information that is required in this part of the bill will give the VA Administrator a true picture of veterans health care demands.

VA ADMINISTRATOR'S REPORT TO CONGRESS

Based on the review of information that this bill necessitates, the Administrator must send to Congress an annual report detailing the veterans population data and recommending apportionment of appropriated funds. This recommendation would, of course, take into account the veteran population distribution.

This bill is designed to take a step toward reforming the VA system of allocating VA health care dollars. If we document where the veterans live and what health care needs they have, and then we require the VA Administrator to apportion funds based on all of that information, then I think we are moving closer toward making the VA health care system more responsive to the needs of veterans. I hope we will see favorable action on this proposal by the Senate Veteran's Affairs Committee.

I ask unanimous consent that the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2537

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 5002 (c) of title 38, United States Code, is amended by inserting "the number of veterans residing in each State, the past and projected changes in the number of veterans residing in each State, and" after "consideration".

Sec. 2. (a) Paragraph (3) of subsection (a) of section 5010 of title 38, United States Code, is amended—

"(3)(A) The Chief Medical Director shall at the end of each fiscal year (i) analyze agencywide admission policies and the records of those eligible veterans who apply for hospital care, medical services and nursing home care, but are rejected or not immediatey admitted or provided such care or services, (ii) review the adequacy of the capacity of the medical facilities (including outpatient facilities), the adequacy of the established operating bed levels, the geographic distribution of operating beds, the number of veterans residing in each State at the end of the fiscal year, the change in the number of veterans residing in each State during the preceding fiscal year, the projected change in the number of veterans residing in each State during the ensuing fiscal year, the demographic characteristics of the population of veterans and the associated need for medical facilities and medical care in each State, and the proportion of the total number of operating beds that are hospital beds and that are nursing home beds, and (iii) make such recommendations to the Administrator as the Chief Medical Director considers appropriate based on the review under clause (ii) of the first sentence of this subparagraph.

"(B) After considering the analysis and recommendations of the Chief Medical Director pursuant to subparagraph (A) of this paragraph, the Administrator shall, on or before December 1 of each year, report to the committees on the results of the analysis and review of the Chief Medical Director under subparagraph (A) of this paragraph, the adequacy of the capacity of medical facilities (including outpatient facilities), and the number operating beds and level of treatment capacities required to enable the Veterans' Administration to carry out the primary function of the Department of Medicine and Surgery. The Administrator shall include in each such report the number of veterans residing in each State at the end of the preceding fiscal year, the change in the number of veterans residing in each State during such preceding fiscal year, the projected change in the number of veterans residing in each State during the ensuing fiscal year, and recommendations for (i) the number of operating beds and the level of treatment capacities required at medical facilities for the health care of veterans and the maintenance of the contingency capacity referred to in paragraph (1) of this subsection, and (ii) the appropriate staffing of, level of funding for, and apportionment of appropriated funds among medical facilities. In making recommendations relatings to the level of funding for and the apportionment of appropriated funds among medical facilities the Administrator shall consider the number of veterans residing in the State or States served by each medical facility, the change in the number of veterans residing in such State or States during the preceding fiscal year, and the projected change in the number of veterans residing in such State or States during the ensuing fiscal year. The Administrator shall describe in the report submitted under the first sentence of this subparagraph how the recommendations with respect to the apportionment of appropriated funds relate to the factors considered under the third sentence of this subparagraph.".

Sec. 3. The amendments made by this Act shall take effect October 1, 1982.●

By Mr. TOWER:

S. 2538. A bill to amend section 5137 of the Revised Statutes to extend, under certain conditions, the period of time a national bank may hold real estate; to the Committee on Banking, Housing, and Urban Affairs.

NATIONAL BANKS' REAL ESTATE HOLDINGS

● Mr. TOWER. Mr. President, we are all too aware of the problems facing our financial institutions. They are being battered by high interest rates and increased numbers of bankruptcies. Indeed, many of those institutions are beginning to suffer from reduced earnings and attenuating capital bases themselves.

While there are many possible ways to address this problem, there is at least one partial solution which can be easily and readily enacted by this Congress.

Mr. President, a number of banks in this country find themselves in possession of interests in parcels of real estate other than the real estate needed to engage in the banking business. In many cases, this real estate has been owned by the banks for many years, and has been written down to a nominal value by the banks. In other words, the real estate does not appear as a valuable asset on the banks' balance sheets. This is important because the real estate presents no risk to the safety of those balance sheets.

Still, much of this real estate does provide revenues to the banks, and this yields income which strengthens the banks' capital positions. This is a very beneficial result.

There is a problem, Mr. President. The National Bank Act of 1864 limits bank holding of such real estate to no more than 5 years. This provision was included in the 1864 act in order to discourage bank speculation in real estate. In fact, this provision has been largely ignored by the Comptroller of the Currency over the years in States which permitted State-chartered banks to hold such real estate if the real estate were written down to a nominal value. Approximately 2 years ago, due to a new interpretation of this law, the Comptroller notified these banks that they must arrange to dispose of these real assets.

Compliance with this new interpretation would have required these banks to suffer economic hardship and would have been contrary to long-established policy. Consequently the Congress granted temporary relief in legislation enacted last year as part of Public Law 97-25. This law authorized national banks to continue to hold this real estate until December 31, 1982, in order to give Congress the opportunity to evaluate the wisdom of applying the 1864 law as interpreted at present by the Comptroller.

During the interceding year it has become apparent that banks must be permitted to strengthen their capital bases in order to weather the problems which I earlier described.

Therefore, I am introducing legislation which would:

First. Provide a clear statutory basis for the existing real estate holding practices of certain national banks, which practices heretofore have been permitted by the Comptroller;

Second. Maintain a "level playing field" between State chartered and national banks with respect to the holding of real estate in those States where State law and the previous policy of the Comptroller's Office were substantially the same; and

Third. Limit the statutory relief to those national banks which have held such real estate for many years and had, prior to December 31, 1979, written its value down on their books to zero or a nominal amount.

Mr. President, this legislation would simply provide for the continuation of practices which were de facto permitted by the Comptroller, without in any way permitting speculation in real estate. The cutoff date of December 31, 1979, would effectively preclude any actions by national banks which would fly in the face of the new interpretation of the Comptroller, while averting the ill effects of applying the new interpretation to actions in the past.●

By Mr. DANFORTH (by request):

S. 2539. A bill to extend for 2 years the act implementing the International Sugar Agreement, 1977; to the Committee on Finance.

EXTENSION OF INTERNATIONAL SUGAR AGREEMENT

● Mr. DANFORTH. Mr. President, the International Sugar Agreement (ISA) which was due to expire on December 31, 1982, has been extended, with the concurrence of the United States, until December 31, 1984. Public Law 96-236, the act of implementing the ISA, authorizes the President to regulate the entry of sugar into the United States and to take other actions required in order to implement U.S. obligations under the ISA. However, section 2 of Public Law 96-236 grants the President this authority only through the end of 1982. Thus, if the President is to be authorized to carry out U.S. obligations under the ISA, as extended, an extension of the implementing authority is also necessary. Today I am introducing legislation requested by the administration, for this purpose.

U.S. objectives in the ISA can be summarized as: Stabilizing the price of sugar within a range which moderates extreme fluctuations, in the interest of both producers and consumers; and promoting more stable world market conditions for sugar, which is of particular interest to producing countries and regions of importance to the United States, for example, Latin America, Australia, the Philippines, Brazil, and Thailand.

The ISA price range has been revised upward (by 1 cent each time) twice since the agreement began in 1978. The price range is currently set at 13 to 23 cents per pound. The ISA has not been entirely successsful in maintaining prices within the established range. The agreement failed to lift prices into the range during the first 2 years and did not halt their rapid runup in 1980, although these fluctuations may have been more extreme without the ISA. Part of the ISA's failure can be attributed to the nonmembership of the EEC which has doubled its exports of sugar since 1977 and now accounts for over one-fifth of free market exports.

The EC question is central to the ISA's future. Under pressure from complaints in the GATT (Australia, Brazil, United States) and urging from EC member states, the Community appears to be moving closer to ISA accession than at any other time since 1978. EC subsidies may result in over 5 million tons of sugar exports (raw value) next year, over one-quarter of the

ISO's "free market". This figure becomes even more significant in view of the fact that the EC has been a net exporter only since 1977.

Under these circumstances, U.S. interests seem best served by preserving the ISA. The additional time made available by the extension would be used by the United States and all ISA members to determine how the current agreement could be improved and to attempt to bring the EC into the agreement. Also, the ISA, along with the GATT, may help bring EC sugar subsidies under control.

Mr. President, I ask unanimous consent that the text of the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2539

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2 of the Act entitled "An Act providing for the implementation of the International Sugar Agreement, 1977, and for other purposes" (Public Law 96-236; 7 U.S.C. 3602) is amended by striking out "1983" and inserting in lieu thereof "1985".●

By Mr. DANFORTH (by request):

S. 2540. A bill to extend the application of the International Coffee Agreement Act of 1980 for 1 year; to the Committee on Finance.

EXTENSION OF INTERNATIONAL COFFEE AGREEMENT

● Mr. DANFORTH. Mr. President, the International Coffee Agreement (ICA), of which the United States has been a member since 1976, was due to expire on September 30, 1982. At the last session of the International Coffee Organization, a U.S.-supported resolution was passed to extend the ICA for 1 year. Currently, section 2 of the International Coffee Agreement Act of 1980 authorizes the President to implement U.S. obligations under the ICA through the regulation of imports into the United States. This authority expires, however, on October 1, 1982. The legislation requested by the administration which I am introducing today would extend the President's authority to implement the ICA for 1 year, or until October 1, 1983.

According to the administration, U.S. efforts in modifying the ICA during the 1-year extension period will be geared toward improving the distribution of various grades of coffees available to consuming countries. This effort is being made in response to concern expressed by the U.S. coffee industry that they may require more of a particular type of coffee than is made available through the current quota distribution mechanism.

The International Coffee Agreement Act enables the United States to meet fully its obligations under the ICA through the policing of export quotas when the ICO has put them into effect. Export quotas were reduced four times as prices fell during 1981; three times as explicitly provided for in the September 1980 accord and an extraordinary fourth time in July when prices remained below the $1.15 to $1.55 a pound price range. Coffee prices generally remained within, or slightly below, the price range, indicating that the agreement was providing some stability to the coffee market.

In September 1981, at the annual coffee council meeting, exporters and importers agreed on export quotas and a price range for the year beginning October 1, 1981, at about the same levels as in 1980-81 in expectation that demand and prices would be about the same in 1982 as in 1981. As noted, with U.S. support, the council also agreed to extend the current agreement 1 year through September 30, 1983, to allow ample time for renegotiation. A negotiating conference has been tentatively scheduled for spring 1982.

Mr. President, I ask unanimous consent that the text of the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2540

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2 of the International Coffee Agreement Act of 1980 (19 U.S.C. 1356k) is amended by striking out "October 1, 1982" and inserting in lieu thereof "October 1, 1983".●

By Mr. CHAFEE (for himself, Mr. Tsongas, Mr. Danforth, and Mr. Heinz):

S. 2541. A bill to amend section 103(b)(6) of the Internal Revenue Code of 1954 with respect to the exemption from the industrial development bond provisions for certain small issues; to the Committee on Finance.

SMALL ISSUE INDUSTRIAL DEVELOPMENT BOND REFORM ACT OF 1982

● Mr. CHAFEE. Mr. President, today I am introducing the Small Issue Industrial Development Bond Reform Act of 1982 which will limit the excesses and abuses of tax exempt financing now allowed under current law. This bill is offered as a replacement for the administration's proposal which puts such severe restrictions on IDB financing that I believe it would kill most of the program.

Senators Tsongas, Danforth, and Heinz are joining in cosponsoring this bipartisan effort. It is based on recommendations of the Coalition of Northeastern Governors (CONEG) and is strongly supported by the National Governors Association (NGA).

The legislation embodies a 6-point reform plan to assure the proper and legitimate use of tax-exempt industrial development bonds (IDB's) to finance needed industrial expansion and economic development projects. This plan is designed to preserve the positive private investment and job creation benefits of State and local IDB programs, while eliminating widely perceived abuses of IDB's. Major elements of the legislation include:

First. Elimination of IDB financing for certain controversial facilities. With the exception of commercial projects located in economically distressed areas, the legislation would prohibit the use of IDB's to finance certain commercial, recreational, or entertainment facilities. Specifically excluded from IDB financing would be such things as golf courses, tennis clubs, racetracks, skating facilities, nightclubs, automobile dealerships, restaurants, office buildings, retail stores, and shopping centers.

Second. Special assistance in distressed areas. Commercial projects, such as restaurants, office buildings, stores, and shopping centers, would be permitted only in areas defined as economically distressed under the legislation. In addition, the maximum amount of IDB's that could be used for a project in a distressed area would be increased from $10 million to $15 million as a means of encouraging the revitalization of economically distressed areas.

Third. Umbrella financing for small business. The legislation would provide an exception to recent IRS regulations to permit states to continue to issue IDB's under umbrella programs, provided all projects financed by an umbrella bond issue are located within the same State. This provision will enable States to continue specially designed IDB programs to help smaller firms obtain needed capital for growth and expansion.

Fourth. Incentives for research and development. Certain research and development expenditures would be excluded for purposes of calculating the capital expenditure limit under the IDB program. This provision would eliminate current disincentives for research and development, and would enable growing high technology firms to make use of IDB financing.

Fifth. Public review requirements. A "sunshine" provision, which would require public notice of proposed IDB issues and approval of such issues in an open public meeting, is included in the legislation. In addition, before an issue could be approved, the issuing authority would have to determine that the financing will result in the creation or retention of jobs, will benefit the local economy, and will be a significant inducement to the construction, rehabilitation, or improvement of the facility to be financed.

Sixth. Annual reporting requirements.

State authorities would be required to submit an annual report to the

Treasury Department detailing the amount of IDB's issued during the previous calendar year, by the State and its political subdivisions, the number of projects financed, the number of jobs created or retained by each project, and the names of the firms using IDB financing.

The effect of these changes will be to reduce the overall growth in the volume of tax-exempt IDB's, while focusing the program more directly on meeting the job creation and economic development needs of the 1980's.

We have two important reasons for introducing this reform legislation:

First, is that the permissiveness of current law has led to enormous increases in the use of private purpose IDB's in recent years and has resulted in what most Senators believe to be abuses of tax-exempt financing.

Among the biggest users of IDB's have been major national corporations which franchise fast food restaurants and own retail store chains. In many cases, tax-exempt financing used to assist such commercial projects is drawing businesses to health suburban areas at the expense of our declining center cities.

Is this how we want to use our scarce tax dollars?

To subsidize fast food restaurants, shopping centers, and office buildings?

Is this an intentional element of our national economic development strategy?

I think not.

Our reform bill, as stated earlier in my remarks, would eliminate nonindustrial small issue IDB's except in economically distressed areas defined as UDAG eligible. In these places, IDB financing for office buildings, stores, and restaurants would be allowed.

The second reason for our industrial development bond reform bill is that we find a compelling need to offer the Senate an alternative to the administration's IDB restriction proposal.

The Treasury has outlined a plan that would not only cripple the small issue IDB program, which is used primarily to assist the expansion of smaller businesses, but it would also apply restrictions to tax-exempt bonds issued for student loans, hospitals, educational facilities, nursing homes, low income multifamily housing, pollution control, and other legitimate purposes.

Our bill does not apply any restrictions to these uses. We propose to limit only the commercial use of small issue industrial development bonds. We feel strongly that our bill makes the kind of responsible reforms necessary to assure the IDB program can continue in its traditional and important economic development role.

This is particularly important in the context of today's high interest rates. Small business, who are the beneficiaries of 93 percent of all small issue IDB's, are experiencing bankruptcies at depression-era levels because of high market interest rates. The IDB program is one of the only tools we have to counter the severe effects of this problem. In my State, like many others, there would have been no economic growth in the past 2 years without industrial development bonds.

I urge all our colleagues to join in supporting this bill and ask unanimous consent that the Small Issue Industrial Development Bond Reform Act of 1982 be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2541

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as "The Small Issue Industrial Development Bond Reform Act of 1982".

SEC. 2. CHANGES IN EXEMPTION FOR CERTAIN SMALL ISSUES.

(a) RESTRICTIONS ON FINANCING CERTAIN FACILITIES.—Paragraph 6 of section 103(b) of such Code is amended by adding at the end thereof the following new subparagraph:

"(K) RESTRICTIONS ON FINANCING CERTAIN FACILITIES.—This paragraph shall not apply to an issue of more than an insubstantial portion of the proceeds of such issue are to be used directly or indirectly for restaurants, office buildings. (excluding office buildings substantially all of which are occupied by a single firm or corporation), stores or shopping centers, automobile dealerships, night clubs, massage parlors, race tracks, tennis and racquetball clubs, golf courses, skating facilities, sun tan facilities or any other entertainment or recreational facility."

(b) OPEN GOVERNMENT PROCEDURES; PUBLIC HEARING AND REPORTING REQUIREMENTS.—Paragraph (6) of section 103(b) of such Code is amended by adding at the end thereof the following new subparagraphs:

"(L) PUBLIC NOTIFICATION AND FINDING REQUIREMENTS.—No obligation shall be treated as an obligation described in subsection (a)(1) by reason of this paragraph unless—

"(i) the issue of obligations is approved of at a meeting of the issuer which is open to the public and held at such time and place as will facilitate public participation;

"(ii) notice of the proposed issue of obligations and the meeting specified in clause (i) including the face amount and purpose of the issue and the applicant for and location of the facility to be financed by such issue, shall be published in a newspaper of general circulation within the jurisdiction of the issuer at least 7 working days prior to the date scheduled for the public meeting specified in clause (i); and

"(iii) the issuer determines that the issue will benefit the local economy, will result in the creation or retention of employment, and will be a significant inducement to the acquisition, construction, reconstruction, or improvement of the facility to be financed with the issue.

"(M) REPORTING REQUIREMENTS.—Not later than June 1 of 1984 and of each subsequent calendar year, each state shall submit to the Secretary a report with respect to obligations issued by the state or any political subdivision thereof during the preceding calendar year which are treated as obligations described in subsection (a)(1) by reason of this paragraph. The information to be submitted in such reports in respect of each issue of obligations shall consist of—

"(i) the name and address of the issuer;

"(ii) the aggregate face amount of the issue of obligations;

"(iii) the date of issuance of the obligations;

"(iv) an estimate of the jobs to be created or retained as of the end of the third full year of operation of the facility being financed by such issue; and

"(v) the name, address, and employer identification number of the principal user of the facility to be financed by the issue of obligations.

(c) ASSISTANCE TO ECONOMICALLY DISTRESSED AREAS.—Paragraph 6 of section 103(b) of such Code is amended by adding at the end of subparagraph (I) the following new words: "and subparagraph (N)"; and such paragraph 6 of section 103(b) of such Code shall be further amended by adding at the end thereof the following new subparagraph:

"(N) TARGETED ASSISTANCE TO ECONOMICALLY DISTRESSED AREAS.—At the election of the issuer made at such time and in such manner as the Secretary by regulation shall prescribe, with respect to any issue substantially all of the proceeds of which are to be used to provide a facility located in an economically distressed area this paragraph shall be applied—

"(i) by substituting "$15,000,000" for "$10,000,000" in subparagraph (D); and

"(ii) without regard to the restrictions contained in subparagraph (K), to the extent that such restrictions would prohibit the financing of office buildings, restaurants, and stores or shopping centers.

"(O) ECONOMICALLY DISTRESSED AREAS.—For purposes of subparagraph (N)—

"(i) The term "economically distressed area" means an area located within the jurisdiction of the issuer which area—

"(I) is eligible for urban development action grants under section 119 of the Housing and Community Development Act of 1974;

"(II) is an area of chronic economic distress (within the meaning of section 103A(k)(3)); or

"(III) is a pocket of poverty.

"(ii) For purposes of this subparagraph the term "pocket of poverty" means an area in which—

"(I) 70 percent or more of the families have income which is 80 percent or less of the statewide median family income and.

"(II) 30 percent or more of the families have income below the national poverty level.

"(iii) The determinations under clause (ii) shall be made by the issuer on the basis of the most recent decennial census for which data are available."

(d) EXEMPTION FOR RESEARCH AND DEVELOPMENT EXPENDITURES.—Paragraph 6 of section 103(b) of such Code is amended by adding at the end thereof the following new subparagraph:

"(P) RESEARCH AND EXPERIMENTAL EXPENDITURES NOT TAKEN INTO ACCOUNT.—For purposes of subparagraph (D)(ii) and subparagraph (N) any capital expenditure which is a research and experimental expenditure (within the meaning of section 174) shall not be taken into account."

SEC. 3. LIMITATION ON PROPOSED TEMPORARY REGULATION.

With respect to obligations sold after August 23, 1981, substantially all the proceeds of which are to be used to finance projects in one State, section 103 of the Internal Revenue Code of 1954 shall be applied without regard to proposed temporary regulations 1.103-7(b)(6) or any other regulation, ruling or decision reaching the same result as, or a similar result to, the result set forth in such proposed regulations.

SEC. 4. TRANSITIONAL PROVISIONS.

The amendments made by this Act shall not apply with respect to any obligation, if before the effective date of this Act—

(1) The issuance of the obligation (or the project in connection with which the proceeds of the obligations are to be used) was authorized or approved by the governing body of the governmental unit issuing the obligation or by the voters of such governmental unit;

(2) In connection with the issuance of such obligation or with the use of the proceeds to be derived from the sale of such obligation or the property to be acquired or improved with such proceeds, a governmental unit has made a significant financial commitment;

(3) Any person (other than a governmental unit) who will use the proceeds to be derived from the sale of such obligation or the property to be acquired or improved with such proceeds has expended (or has entered into a binding contract to expand) for purposes which are related to the use of such proceeds or property, an amount equal to or in excess of 20 percent of such proceeds; or

(4) In case of an obligation issued in conjunction with a project where financial assistance will be provided by a governmental agency concerned with economic development, such agency has approved the project or an application for financial assistance is pending.

SEC. 5. EFFECTIVE DATE.

The amendments made by this Act shall apply to obligations issued after the date of enactment of this Act (i) except that no capital expenditure which is a research and experimental expenditure within the meaning of section 174 of such Code, paid or incurred after the date of enactment shall be taken into account under paragraph 6 of subsection 103(b) and (ii) except as otherwise provided in sections 3 and 4.●

SMALL ISSUE INDUSTRIAL DEVELOPMENT BONDS

● Mr. TSONGAS. Mr. President, today my distinguished colleagues from Rhode Island (Mr. CHAFEE), Missouri (Mr. DANFORTH), and Pennsylvania (Mr. HEINZ) are introducing legislation on industrial development bonds. In my view, IDB's have played a crucial role in business and economic development during times of economic uncertainty and record borrowing costs. Now, with a deepening recession brought on by the highest real interest rates in history, the administration has proposed restrictions which I believe would cripple this important program. I hope that the Senate will give this alternative proposal to reform the IDB program the thorough consideration that it deserves and will support its enactment.

Let me take a moment to discuss some of the broad issues which this legislation seeks to address and to briefly describe the experience which we have had in Massachusetts.

THE MASSACHUSETTS PROGRAM

In Massachusetts, three-fourths of the companies that have received IDB's had sales under $20 million, and one-half had sales under $5 million. These are the companies that depend almost totally on our local banks to finance their expansions. Today, our thrift institutions cannot make long-term loans to these companies, and commercial banks have moved to shorter maturities and to interest rates floating above the incredible prime.

In addition, Massachusetts has a strict program for targeting bonds for commercial real estate projects to the downtowns of our older communities. Only 10 percent of the Massachusetts IDB program is commercial, as opposed to as high as 60 percent in States with no commerical targeting. This innovative approach has resulted in $140 million in new, private investment in 92 commerical revitalization projects in the downtowns of our older communities. IDB's, combined in many cases with urban development action grants, have been proved effective in revitalizing our distressed areas. In short, the Massachusetts program is truly a national model for effective, but restricted use of IDB's. Our positive experience in targeting commercial IDB's has led us to adopt this focus in modified form in the legislation being introduced today.

RHETORIC VERSUS FACT

Mr. President, the legislation which my colleagues and I are introducing today represents, in our views, a responsible and comprehensive effort to reform the IDB program. Our proposal has support from public officials and small business. Let me add that this legislation is a discussion draft and that on some provisions we would anticipate, and may in fact ourselves, initiate amendments. However, this legislation is not by any means a panacea. The reforms proposed are tough and strict. They are intended to be so. More importantly, the legislation accomplishes what I strongly believe the administration's proposal does not: That is, this bill deals with the real abuses of the program.

If this program is to be reformed, I urge that reforms focus on ending the real abuses in the program. The administration's proposals fail to deal directly with the real abuses. Instead, I believe they aim primarily to reduce the volume of the IDB program.

One abuse has stood out. That is the use of IDB's for commercial real estate developments that are marginally productive, and often locally unpopular. A major reason for targeting in Massachusetts has been to curb this abuse—particularly the financing of anchor stores for regional shopping malls which cripple downtown commerce. Basically, if we want to stop the K-Mart and McDonald's syndrome, we should do it. But we should not enact restrictions that choke off the only effective means of cutting interest rates on highly productive investments.

It is essential, when looking at IDB's, to separate rhetoric from fact.

The rhetoric is that IDB's aid large national corporations. In fact, a CBO study found that IDB's have been used overwhelmingly by smaller businesses. Ninety percent of all IDB's issued in recent years went to closely held, unlisted firms which were dependent on local financing. Only 7 percent went to Fortune 1,000 companies, and only one-half of these issues exceeded $1 million.

The rhetoric is that IDB's result in massive revenue loss to the Federal Government. In fact, CBO projects that total elimination of IDB's would yield only $200 million in 1982. The administration sees a net Federal revenue decrease in 1983 if its proposals are enacted. A recent University of Chicago study questioned the whole assumption of revenue loss. It showed that the private investment stimulated by IDB's actually increases tax revenues.

Although the estimates of revenue gain differ, this is hardly a crackpot notion. Consider the analysis of Dr. Norman Turé, a leading supply side economist, who is now Under Secretary for Tax Policy. In 1980, Dr. Turé wrote the following:

> IDB's are productive instruments for promoting economic development by making saving and investment more attractive to individuals and businesses . . . The resulting expansion of tax bases—individual, corporate and payroll—would generate net gains in tax revenues for the federal government and for the state and local governments of the issuing jurisdictions.

The rhetoric is that the eligibility criteria for IDB's are too generous. In fact, the increase in IDB financings in recent years has been caused not by overly generous criteria but by high interest rates. In fact, the "window of eligibility" ($10 million per facility) buys one-fourth less plant and equipment in real terms than the $5 million limit enacted by Congress in 1968. And again, CBO has noted that "the $10 million limit effectively keeps most large corporations from making much use of small issues."

NEW INVESTMENTS AND NEW JOBS

In Massachusetts, we have seen the lower interest rates from IDB's stimulate new investments and jobs. The 870 projects financed over the past 3 years will produce 47,000 new jobs and 18,000 man-years of construction work.

Clearly, not all these are net new jobs. But recent University of Massachusetts studies show that $100 million in new manufacturing investment produces a net reduction in unemployment of over 4,800 jobs and an increase in personal income of $139 million—in the first year alone. In addition, this investment would produce $11 million in new State tax revenue in the first year, rising to $23 million in the 10th year. These statistics do not even count the added savings in welfare and unemployment benefits.

Do IDB's stimulate new investments? IDB recipients in Massachusetts were surveyed last summer. Eighty-five percent responded that they would have reduced or canceled plant expansions without the interest rate reductions from IDB's. One-third would have canceled their expansion outright, another third would have delayed their growth, and one-fifth would have cut back plans by an average 40 percent.

Mr. President, these are the major reasons which in my view support continuation of the IDB program. Before turning to the provisions of the legislation, let me take a moment to discuss the Administration proposal to reform IDB's.

THE ADMINISTRATION PROPOSAL

As a matter of industrial policy, the administration proposal has two major weaknesses—and these provisions I strongly oppose.

First, the administration proposes to make business choose between IDB's and accelerated cost recovery. Most IDB users are small businesses without access to affordable capital for long-term expansion. IDB's provide reduced interest rate financing to these firms—offsetting their disadvantages in the financial markets. Under the administration proposal, small business would lose that stabilizing financial assistance. In my view, this proposal will result in a chilling of small business expansions at the very time we should be stimulating this type of activity. Furthermore, given the administration's very generous treatment of large business in last year's tax bill, their attitude toward small business as reflected in IDB's is intriguing. The safe harbor leasing provision in last year's bill allowed GE, for example, to make $2 billion in profits and get a $100 million tax refund. Evidently this lack of equitable treatment is not a consideration in the administration's proposal to force small companies to choose between ACR's and IDB's.

Second, the administration proposes a strict capital expenditure test for all small issue IDB's. In particular, I believe that limiting total IDB and non-IDB investments for companies to $20 million over 6 years will have a severe negative impact on the high technology industry, which my State and the entire Nation depend on for our economic future. The administration proposes this limitation despite the severe challenge we face from the Japanese in the high technology area. From a long-term economic survival viewpoint, this proposal does not make any sense.

LEGISLATION PROVIDES A FRAMEWORK FOR REFORM

I urge my colleagues to approach IDB reforms in terms of the abuses. The restrictions on commercial IDB's contained in this legislation will, in my view, go a long way in the right direction. As I indicated earlier, Massachusetts has limited commercial IDB's to downtown areas, and with great success. This legislation goes further, and allows only some types of commercial uses in "UDAG" eligible areas.

Given what is happening in the budget, there will soon be no assistance for distressed areas. Such a policy spells doom for the older urban communities in Massachusetts and throughout the Nation. Now the administration has proposed to use IDB's in connection with enterprise zones—a concept that may hold limited promise down the road. But I believe that the targeting that our legislation proposes, the IDB program right now will be critical.

In conclusion, I cannot help but recall the pressurized atmosphere in which Congress put restrictions on mortgage revenue bonds in late 1980. Today, the housing industry is flat on its back and the administration is talking about returning to mortgage revenue bonds. The lesson for reworkable restraints on IDB's should be clear.

With unemployment growing and small company failures rising at alarming rates, we should be certain that any restrictions are designed to make this program more effective and less subject to abuses. To cripple the program—with the resulting impact on small business investments, job creation and urban area revitalization—would damage our economy now and in years to come.

Mr. President, to conclude, and to summarize the major provisions of the legislation which we are introducing today, I ask unanimous consent that a section-by-section analysis of the legislation be printed in the Record.

There being no objection, the material was ordered printed in the Record, as follows:

SECTION-BY-SECTION ANALYSIS OF THE SMALL ISSUE INDUSTRIAL DEVELOPMENT BOND REFORM ACT OF 1982

Section 1. Sets forth the title of the act.

Section 2. Changes in exemption for certain small issues.

Section 2(a). Restrictions on Financing Certain Facilities.—This section adds a new subparagraph "(K)" to Section 103(b)(6) which prohibits the use of small issue industrial development bond financing for certain categories of commercial facilities which Congress finds to be inconsistent with the goals of encouraging job creation and business community development. Among these categories are those where substantially all of the proceeds of an IDB are to be used directly or indirectly for restaurants, office buildings (excluding office buildings occupied by a single firm or corporation), stores or shopping centers, automobile dealerships, night clubs, massage parlors, race tracks, tennis and racquetball clubs, golf courses, skating facilities, sun tan facilities or any other entertainment or recreational facility. The restriction against using small issue IDBs for certain controversial facilities is designed to reduce the overall volume of IDB growth, thereby helping to preserve this valuable community development and business financing mechanism for more productive enterprises.

Section 2(b). Open Government Procedures: Public Hearing and Reporting Requirements.—This section adds two new subparagraphs "(L)" and "(M)" to Section 103(b)(6) of the Code. These new paragraphs would apply open government principles to the procedures for approving small issue industrial development bonds:

Public Notification and Finding Requirements.—Subparagraph "(L)" requires that obligations meet the following requirements: i) the obligation is approved at a meeting which is open to the public, ii) notice of the proposed obligation and the meeting (including the face amount and purpose of the issue and the application for and location of the facility to be financed) shall be published in a local newspaper, and iii) the issuer determines that the issue will benefit the local economy, result in job creation or retention, and will be a significant inducement to the acquisition, construction, reconstruction or improvement of the facility to be financed with the issue.

Subparagraph "(M)" provides that no later than June 1, 1984 and of each subsequent calendar year, each State shall submit a report to the Secretary of the Treasury about small issue industrial development bonds issued by the State or any political subdivision of the State during the preceding calendar year. The reports must include the following information on each bond issue:

(i) The name and address of the issuer.

(ii) The aggregate face amount of the issue of obligations.

(iii) The date of issuance of the obligations.

(iv) an estimate of the jobs to be created or retained as of the end of the third full year of operation of the facility being financed, and

(v) The name, address, employer and identification number of the principal user of the facility.

Section 2(c) Assistance to Economically Distressed Areas.—Subparagraph "(N)" provides that the face amount of an industrial development bond can be increased from the present financing limit of $10 million to a total of $15 million in those cases where the proceeds of the issue are to be used to finance a facility located in an "economically distressed area." Additionally, subparagraph "(N)" provides that office buildings, restaurants and stores or shopping centers may be financed within an "economically distressed area." Subparagraph "(0)" defines an "economically distressed area" as one which meets the standards of the Urban Development Action Grant program. As in the UDAG statute, an economically distressed area would have to be eligible for an urban development action grant, would have to be in an area of chronic economic distress within the meaning of Section 103A(k)(3) of the Code, or would have to qualify as a pocket of poverty as provided in the UDAG statute.

Section 2(d) adds a new subparagraph "(P)" of Section 103(b)(6) intitled "Exemption for Research and Experimental Expenditures Not Taken Into Account." This subparagraph provides that any capital expenditure which is a research and experimental expenditure as defined in Section 174 of the Code shall not be considered when determining the total cost of the facility eligible for financing pursuant to subparagraphs (M)(ii) and (N) which establish the $10 million or $20 million financing and capital expenditure limits, respectively, for each project within an incorporated municipality or county. Generally, these are expenditures for research wages and research supplies which are deducted currently by the taxpayer and which pursuant to this section would no longer be considered for purposes of the capital expenditure limits.

Section 3. Limitation on proposed temporary regulations.—Section 3 repeals the proposed temporary regulations 1.103-7(b)(6), or any other regulation, ruling or decision reaching the same result as, or a similar result to, that set forth in the temporary regulations with respect to pooled issues of IDB's for projects located in only one state. In the proposed temporary regulations, the IRS proposed to redefine the term "issue" in a way which prohibits issuers from issuing umbrella or pooled bond issues. The proceeds of the issue are used to make loans available to small businesses in amounts smaller than those generally feasible for an individual industrial development bond.

Section 4. Transitional provisions.—Section 4(a) provides that the amendments to Section 103 made by this Act shall not apply if before the effective date of this Act: (1) the issuance was authorized by the governing body issuing the obligation; (2) the governmental unit has made a significant financial commitment in connection with the issuance; (3) an amount equal to at least 20 percent of the proceeds have been expended, or (4) in the case of projects where federal financial assistance is being provided, the governmental agency has approved the project or the application for financial assistance is pending.

Section 5. Effective date.—The amendments made by this Act shall apply to obligations issued after the date of enactment except certain capital expenditures which are research and development expenditures.●

By Mr. ROBERT C. BYRD (for himself, Mr. Levin, Mr. Riegle, Mr. Kennedy, Mr. Jackson, Mr. Sasser, Mr. Sarbanes, Mr. Moynihan, Mr. Pell, Mr. Melcher, Mr. Heflin, Mr. Dixon, Mr. Eagleton, Mr. Glenn, Mr. Randolph, Mr. Matsunaga, Mr. Metzenbaum, Mr. Cannon, Mr. Cranston, Mr. Hart, Mr. Huddleston, and Mr. Ford):

S. 2542. A bill to establish a Federal emergency unemployment compensation program; to the Committee on Finance.

(The remarks of Mr. Robert C. Byrd on this legislation appear earlier in today's Record.)

By Mr. THURMOND (for himself and Mr. Hatch) (by request):

S.J. Res. 199. Joint resolution proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

PROPOSED CONSTITUTIONAL AMENDMENT ON SCHOOL PRAYER

Mr. THURMOND. Mr. President, yesterday, the President of the United States sent to the Congress a proposed constitutional amendment to restore the freedom of individuals and groups to engage in prayer in public schools and institutions. Today, I am introducing the amendment along with Senator Hatch.

Mr. President, the first amendment to the U.S. Constitution is simple and straight forward. It reads, in part:

> Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof * * *

Most constitutional commentators agree that this language was intended to prevent any national ecclesiastical establishment and leave each State free to define the meaning of religious establishment under its own constitution and laws.

The Supreme Court, until 1947, did not have the occasion to interpret the first amendment in a manner contrary to the intention of the Founding Fathers as recognized by most constitutional scholars. However, in 1947, the Court decided the case of Everson against Board of Education which first held that: First, the 14th amendment makes the first amendment apply to States; and second, set out the "Wall of Separation" doctrine. Later, in 1962, the Court in Engel against Vitale struck down the reading of a prayer before the start of school each day on the basis that it was a "breach on the wall of separation of church and State."

In ruling that public institutions must be "religiously neutral," the Supreme Court has altered significantly the intent of the constitutional framers and changed the meaning of the "establishment clause" of the first amendment. The Court has, in effect, denied individuals and groups the liberty of public prayer—a denial which, in my judgment, is contrary to the history of our Nation and the opinion of a majority of Americans.

Mr. President, the proposal I am introducing today reinstates the original intent of the Founding Fathers and permits individual and group prayer in public schools or other Government-owned institutions and makes it clear that no person be required to participate in prayer. That was the intent of the first amendment. It is unfortunate that we must resort to an amendment to the Constitution to reinstate the true meaning of the first amendment, but it is the most constitutionally based way to achieve that result.

I support the amendment and its purpose. As chairman of the Senate Committee on the Judiciary, I will press for early hearings and consideration of this proposal.

Mr. President, I ask unanimous consent that a copy of the proposed amendment and the text of the message of the President on it be printed at the conclusion of my remarks.

There being no objection, the material was ordered to be printed in the Record, as follows:

S.J. Res. 199

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is hereby proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution if ratified by the legislatures of three-fourths of the several States within seven years from the date of its submission to the States by the Congress:

"ARTICLE—"

"Nothing in this Constitution shall be construed to prohibit individual or group prayer in public schools or other public institutions. No person shall be required by the United States or by any State to participate in prayer."

To the Congress of the United States:

I have attached for your consideration a proposed constitutional amendment to restore the simple freedom of our citizens to offer prayer in our public schools and institutions. The public expression through prayer of our faith in God is a fundamental part of our American heritage and a privilege which should not be excluded by law from any American school, public or private.

One hundred fifty years ago, Alexis de Tocqueville found that all Americans believed that religious faith was indispensable to the maintenance of their republican institutions. 1 de Tocqueville, *Democracy in America* 316 (Vintage ed. 1945). Today, I join with the people of this nation in acknowledging this basic truth, that our liberty springs from and depends upon an abiding faith in God. This has been clear from the time of George Washington, who stated in his farewell address:

"Of all the dispositions and habits which lead to political prosperity, religion and morality are indipensable supports. . . . And let us with caution indulge the supposition that morality can be maintained without religion. . . . (R)eason and experience both forbid us to expect that national morality can prevail in exclusion of religious principle." 35 *The Writings of George Washington* 229 (J. Fitzpatrick ed. 1940).

Nearly every President since Washington has proclaimed a day of public prayer and thankgiving to acknowledge the many favors of Almighty God. We have acknowledged God's guidance on our coinage, in our national anthem, and in the Pledge of Allegiance. As the Supreme Court has stated: "We are a religious people whose institutions presuppose a Supreme Being." *Zorach v. Clauson*, 343 U.S. 306, 313 (1952).

The founders of our nation and the framers of the First Amendment did not intend to forbid public prayer. On the contrary, prayer has been part of our public assemblies since Benjamin Franklin's eloquent request that prayer be observed by the Constitutional Convention:

"I have lived, Sir, a long time, and the longer I live, the more convincing proofs I see of this truth—that God governs in the affairs of men. . . . I also believe that without his concurring aid we shall succeed in this political building no better than the Builders of Babel: We shall be divided by our little partial local interests; our projects will be confounded, and we ourselves shall become a reproach and bye word down to future ages. . . .

"I therefore beg leave to move—that henceforth prayer imploring the assistance of Heaven, and its blessings on our deliberations, be held in this Assembly every morning before we proceed to business. . . ." 1 *The Records of the Federal Convention of 1787*, 451-52 (M. Farrand ed. 1966).

Just as Benjamin Franklin believed it was beneficial for the Constitutional Convention to begin each day's work with a prayer, I believe that it would be beneficial for our children to have an opportunity to begin each school day in the same manner. Since the law has been construed to prohibit this, I believe that the law should be changed. It is time for the people, through their Congress and the state legislatures, to act, using the means afforded them by the Constitution.

The amendment I propose will remove the bar to school prayer established by the Supreme Court and allow prayer back in our schools. However, the amendment also expressly affirms the right of anyone to refrain from prayer. The amendment will allow communities to determine for themselves whether prayer should be permitted in their public schools and to allow individuals to decide for themselves whether they wish to participate in prayer.

I am confident that such an amendment will be quickly adopted, for the vast majority of our people believe there is a need for prayer in our public schools and institutions. I look forward to working with Congress to achieve the passage of this amendment.

Ronald Reagan.

THE WHITE HOUSE, *May 17, 1982.*

ADDITIONAL COSPONSORS

S. 479

At the request of Mr. Robert C. Byrd, the Senator from North Dakota (Mr. Burdick), the Senator from Arizona (Mr. DeConcini), the Senator from North Dakota (Mr. Andrews), and the Senator from Hawaii (Mr. Inouye) were added as cosponsors of S. 479, a bill to designate the first Sunday in June of each year as "National Shut-In Day."

S. 1215

At the request of Mr. Proxmire, the Senator from Oklahoma (Mr. Nickles) was added as a cosponsor of S. 1215, a bill to clarify the circumstances under which territorial provisions in licenses to distribute and sell trademarked malt beverage products are lawful under the antitrust laws.

S. 1698

At the request of Mr. Denton, the Senator from Iowa (Mr. Jepsen) was added as a cosponsor of S. 1698, a bill to amend the Immigration and Nationality Act to provide preferential treatment in the admission of certain children of U.S. Armed Forces personnel.

S. 1741

At the request of Mr. Helms, the Senator from Oklahoma (Mr. Nickles) was added as a cosponsor of S. 1741, a bill to provide that human life shall be deemed to exist from conception.

S. 1810

At the request of Mr. D'Amato, the Senator from Maine (Mr. Cohen) was added as a cosponsor of S. 1810, a bill to amend the Federal Deposit Insurance Act regarding insured mutual savings banks which convert into Federal mutual savings banks.

S. 1961

At the request of Mr. Mitchell, the Senator from Maryland (Mr. Mathias), and the Senator from Maryland (Mr. Sarbanes) were added as cosponsors of S. 1961, a bill to amend the Internal Revenue Code of 1954 to provide energy tax credits for equipment used aboard or installed on fishing vessels.

S. 2061

At the request of Mr. Moynihan, the Senator from Ohio (Mr. Metzenbaum) was added as a cosponsor of S. 2061, a bill to provide for the conservation, rehabilitation, and improvement of natural and cultural resources located on public and Indian lands, and for other purposes.

S. 2124

At the request of Mr. Pressler, the Senator from Oklahoma (Mr. Boren) was added as a cosponsor of S. 2124, a bill to provide relief from honey imports.

S. 2129

At the request of Mr. Mitchell, the Senator from Hawaii (Mr. Inouye) was added as a cosponsor of S. 2129, a bill to establish an Ocean and Coastal Resources Management and Development Fund and to require the Secretary of Commerce to provide to coastal States national ocean and resources management and development block grants from sums in the fund.

S. 2151

At the request of Mr. Robert C. Byrd, the Senator from Hawaii (Mr. Matsunaga) was added as a cosponsor of S. 2151, a bill to amend the Internal Revenue Code of 1954 to include modifications to chlor-alkali electrolytic cells in credit for investment in certain depreciable property.

S. 2179

At the request of Mr. Robert C. Byrd, the Senator from Colorado (Mr. Hart), the Senator from Montana (Mr. Baucus), the Senator from Arizona (Mr. DeConcini), the Senator from South Dakota (Mr. Pressler), and the Senator from Maryland (Mr. Sarbanes) were added as cosponsors of S. 2179, a bill to amend the war powers resolution to require specific authorization before the introduction of any U.S. Armed Forces into hostilities in El Salvador, and for other purposes.

S. 2226

At the request of Mr. Lugar, the Senator from Hawaii (Mr. Matsunaga) was added as a cosponsor of S. 2226, a bill to amend the National Housing Act to provide for emergency interest reduction payments and for other purposes.

S. 2309

At the request of Mr. Chafee, the Senator from Illinois (Mr. Percy) was added as a cosponsor of S. 2309, a bill to amend the Endangered Species Act of 1973, to authorize funds for fiscal year 1983, and for other purposes.

S. 2417

At the request of Mr. Cranston, the Senator from Florida (Mrs. Hawkins) was added as a cosponsor of S. 2417, a bill to amend the Federal Reserve Act to provide for the increased responsiveness and accountability of the Federal Reserve System to Congress and citizens, and for other purposes.

S. 2462

At the request of Mr. Pressler, the Senator from Nebraska (Mr. Zorinsky), and the Senator from Arkansas (Mr. Pryor) were added as cosponsors of S. 2462, a bill to provide appropriations for an Agricultural Export Credit Revolving Fund.

SENATE JOINT RESOLUTION 150

At the request of Mr. Thurmond, his name was added as a cosponsor of Senate Joint Resolution 150, a joint resolution to authorize and request the President to designate May 20, 1982, as "Amelia Earhart Day."

SENATE JOINT RESOLUTION 173

At the request of Mr. Tsongas, the Senator from Delaware (Mr. Roth), and the Senator from Vermont (Mr. Stafford) were added as cosponsors of Senate Joint Resolution 173, a joint resolution to authorize and request the President to issue a proclamation designating the calendar month of June 1982 as "National Rivers Month."

SENATE JOINT RESOLUTION 175

At the request of Mr. Kasten, the Senator from Arkansas (Mr. Bumpers), the Senator from Arizona (Mr. DeConcini), the Senator from Vermont (Mr. Stafford), the Senator from Washington (Mr. Gorton), and the Senator from West Virginia (Mr. Robert C. Byrd), were added as cosponsors of Senate Joint Resolution 175, a joint resolution authorizing and requesting the President to proclaim "National Junior Bowling Championship Week".

SENATE JOINT RESOLUTION 178

At the request of Mr. Hatch, the Senator from South Dakota (Mr. Pressler) was added as a cosponsor of Senate Joint Resolution 178, a joint resolution to authorize and request the President to proclaim the second week in April as "National Medical Laboratory Week".

SENATE RESOLUTION 340

At the request of Mr. Robert C. Byrd, the Senator from Pennsylvania (Mr. Specter) was added as a cosponsor of Senate Resolution 340, a resolution to express the sense of the Senate that no action be taken to terminate or otherwise weaken the community service employment program under title V of the Older Americans Act of 1965.

SENATE RESOLUTION 346

At the request of Mr. Huddleston, the Senator from Arizona (Mr. DeConcini) was added as a cosponsor of Senate Resolution 346, a resolution expressing the sense of the Senate that emergency action should be taken by the President and the Secretary of Agriculture to stabilize the farm economy.

SENATE RESOLUTION 363

At the request of Mr. Sasser, the Senator from Pennsylvania (Mr. Heinz) was added as a cosponsor of Senate Resolution 363, a resolution expressing the sense of the Senate with respect to Federal funding for fossil fuel programs.

SENATE RESOLUTION 386

At the request of Mr. Danforth, the Senator from Wyoming (Mr. Wallop) was added as a cosponsor of Senate Resolution 386, a bill to express the sense of the Senate on the goals of the United States for the November 1982 meeting of ministerial-level representatives to the general agreement on tariffs and trade.

SENATE RESOLUTION 393—RESOLUTION RELATING TO A STUDY OF HONEY IMPORTS

Mr. PRESSLER submitted the following resolution; which was referred to the Committee on Finance:

S. Res. 393

Whereas, in 1976 the International Trade Commission found that honey imports threatened serious injury to the domestic honey industry and recommended action to control honey imports; and

Whereas, honey imports have continued to increase since 1976 and injury has been incurred by the domestic honey producers; and

Whereas, honey imports have caused the Department of Agriculture to acquire 6 million pounds of surplus honey in 1980 and a substantial amount of 1981 crop honey will also be acquired by USDA; and

Whereas honey imports now account for over 35 percent of the honey sold in commercial markets in the United States; and

Whereas, the domestic honey industry is essential for production of many agricultural crops; and

Whereas, it is imperative that the domestic honey bee industry be maintained at a level sufficient to provide crop pollination: Now, therefore, be it

Resolved, That it is the sense of the Senate that the Secretary of Agriculture should promptly call for an ITC investigation of honey imports, under section 22 of the Agriculture Adjustment Act.

Sec. 2. The President should promptly direct the ITC to conduct an investigation.

IMPACT OF HONEY IMPORTS

● Mr. PRESSLER. Mr. President, today I am submitting a sense-of-the-Senate resolution calling for a section 22, International Trade Commission investigation of the impact of honey imports. The resolution expresses the sense of the Senate that the Secretary of Agriculture should promptly call for a section 22 study of honey imports.

The maintenance of the domestic honey bee industry is essential for pollination of agricultural crops and for assuring consumers an adequate supply of food. Producers of many agricultural crops depend on honey beekeepers to provide bees to pollinate their crops which allows U.S. farmers to continue to produce record harvests. However, honey imports and wide fluctuations in honey prices are threatening the domestic honey industry.

In 1976, the ITC investigated honey imports and recommended that a tariff rate quota system be imposed to prevent serious injury to the domestic honey industry, but unfortunately, the recommendation was not followed. Since 1976, honey imports have continued to increase to the point that in 1981, over 35 percent of the honey marketed in the United States was imported. In 1980, USDA acquired 6 million pounds of surplus domestic honey, and a much larger portion of the 1981 honey crop will be acquired. Domestic honey producers placed 52 million pounds of honey under loan and over 40 million pounds of that remains under loan; if it cannot be sold, it will be acquired by USDA July 1, 1982.

The acquisition of 40 million pounds of honey will cost the CCC over $20 million and will represent over 20 percent of the total domestic production. These statistics clearly show that honey imports are interfering with the domestic price support program as required in section 22.

With these facts in mind, I urge my colleagues to join me in support of the resolution.●

SENATE RESOLUTION 394—RESOLUTION RELATING TO COMMEMORATING THE BICENTENNIAL OF THE GREAT SEAL OF THE UNITED STATES

Mr. WARNER (for himself, Mr. Goldwater, Mr. Nunn, and Mr. Pell) submitted the following resolution; which was referred to the Committee on the Judiciary:

S. Res. 394

Whereas, the Continental Congress, on June 20, 1782, adopted the design for the Great Seal of the United States consisting of an obverse and reverse side;

Whereas, a die for only the obverse side was cut and first used on September 16, 1782;

Whereas, Congress, on July 7, 1884, enacted a law and appropriated the funds to cut dies for both the obverse and reverse sides of the Seal and to make appliances to make impressions of both sides of the Seal;

Whereas, for the second time only a die for the obverse side was cut;

Whereas, the will of the founding fathers and Congress to cut dies for the complete Great Seal has never been carried out;

Whereas, there currently exists a die and appliances only for the obverse side of the Seal.

Whereas, June 20, 1982 is the bicentennial of the adoption of the Great Seal: Now, therefore, be it

Resolved by the Senate of the United States of America assembled, That the week beginning June 20, 1982, be proclaimed Great Seal Bicentennial Week, and that a die be cut and appliances be made for making an impression of the reverse of the Great Seal to complete the Official Seal, to be ready for the bicentennial of its first use, September 16, 1982. In order to promote and enhance efforts to inform the American people of the will of the Founding Fathers and of the meaning and purpose of our national Seal, the President of the United States is authorized and requested—

(1) to issue a proclamation declaring the week beginning June 20, 1982 Great Seal Bicentennial Week, announcing the cutting of dies for the complete Seal, and calling upon the people of the United States, including the States and educational institutions, to observe such week with appropriate ceremonies and activities;

(2) to send a suitable copy of such proclamation to the Governor of each State and to each Member of Congress; and

(3) to direct all Federal agencies and departments which have activities or exhibits relating to the Great Seal and the Continental Congress to cooperate with and participate in the celebration of such week.

BICENTENNIAL OF THE GREAT SEAL OF THE UNITED STATES

● Mr. WARNER. Mr. President, today I am introducing legislation to commemorate the bicentennial of the Great Seal. I am pleased to have Senators Goldwater, Nunn, and Pell join with me as cosponsors of this resolution.

June 20, 1982, will mark the 200th anniversary of the Great Seal of the United States. In 1782, the Founding Fathers, in the Continental Congress, adopted the design for the Great Seal to symbolize the purpose, providential beginning and destiny of our fledgling Nation.

Charles Thomson, Secretary of the Congress, received the recommendations from three committees and, during the 7 days between June 13 and June 20, synthesized them in the design of the Great Seal.

By an act of Congress on June 20, 1782, the design was adopted and the dies for both sides of the Great Seal were to be struck and kept by the Department of State. Those instructions have yet to be carried out; only the die for the obverse side was struck. A commemorative medal was struck bearing both sides of the Seal for the centennial commemoration in 1882. Due to the popularity of the medal, once again, in 1884, Congress ordered that dies be cast for both sides on the Seal for official use. Yet, America remained with only half of her vision manifest in the official Seal.

As part of our bicentennial observance, it seems only fitting that the original intent of Congress finally be fulfilled.

There is sufficient time for the State Department to order and obtain the dies and appliances necessary for making impressions of the reverse side of the Great Seal prior to the 200th anniversary of its first use, September 16, 1982.

President Roosevelt in 1934 ordered that both sides of the seal be put on the dollar bill, where they remain today. While millions of Americans see the Great Seal every day, on the dollar bill, few are aware of its origin or meaning.

It is important that all Americans know, and that our Government has the ability to use the whole seal, because the seal truly represents the key principles upon which this Nation was founded.

The obverse side of the seal, with the eagle holding the olive branch in one talon and the arrows in the other, but always facing toward the symbol of peace, reminds us of the foundation of our foreign policy—peace through strength.

And the reverse side—the eternally surviving pyramid with 1776, the year of independence, at its base and the eye of God or Providence at its apex—reminds us in turn of our spiritual foundations. This side of the seal also bears the words "Novus Ordo Seclorm"—"The Cycle of Great Ages Begins Anew," and represents our dedication to a new beginning for America.

By this resolution the Senate will proclaim its intention to finally have the wishes of the Founding Fathers fulfilled. I know that 200 years is a long time to complete the mandate of Congress, but let it be done this year. By this action, let the world know we still believe and adhere to the principle embodied in the Declaration of Independence, the Constitution, and visually embodied in the Great Seal.

I urge my colleagues to cosponsor this resolution and support it when it reaches the floor.●

AMENDMENTS SUBMITTED FOR PRINTING

INVESTMENT IN SMALL POWER GENERATION FACILITIES

AMENDMENT NO. 1452

(Ordered to be printed and referred to the Committee on Energy and Natural Resources.)

Mr. HUMPHREY submitted an amendment intended to be proposed by him to the bill (S. 1885) to amend the Federal Power and Public Utility Regulatory Policies Act of 1978 to place electric utilities, including members of registered holding company systems, on the same basis as nonutilities with respect to encouraging their investment in cogeneration and small power production facilities, and for other purposes.

CLARIFICATION OF CERTAIN INCENTIVES

● Mr. HUMPHREY. Mr. President, today I would like to introduce into the public record an amendment in the nature of a substitute for S. 1885, a bill to amend the Federal Power Act and the Public Utility Regulatory Policies Act (PURPA) to place electric utilities on the same basis as nonutilities with respect to encouraging their investment in cogeneration and small power production facilities. This bill was introduced by myself and Senator Johnston on November 4, 1981, and a legislative hearing on S. 1885 was held on April 19, 1982. The substitute amendment I am submitting today will be the subject of an additional public hearing before the Energy Regulation Subcommittee of the Energy and Natural Resources Committee on Monday, May 24, 1982, at 10 a.m. in room 3110.

The amendment I am submitting today modifies and expands the original purpose of S. 1885. First, the amendment changes the focus of S. 1885 by providing that the States, rather than the Federal Government, will determine the appropriate level of electric utility participation in "qualified" cogeneration and small power-production projects.

Second, and perhaps more importantly, my amendment is intended to statutorily resolve the legal uncertainties in PURPA which were raised by a recent decision of the District Court of Appeals in the case *American Electric Power Service Corporation* v. *Federal Energy Regulatory Commission*, No. 80-1789, slip. op. (D.C. Cir., January 22, 1982), rehearing denied, (April 9, 1982) ("AEP"). In that case, the Court vacated two major regulations issued under section 210 of PURPA: the "full avoided cost" rule and the mandatory interconnection rule. This has cast a long shadow of uncertaintly over the entire PURPA program, and with these crucial provisions of PURPA threatened by years of additional court action and/or FERC rulemaking, I believe it is all the more important that Congress now revisit this statute to preserve the fundamental integrity of section 210 of PURPA.

Essentially, my amendment would codify, and thereby validate, the present FERC regulations governing interconnection and "avoided cost." It clarifies the statutory provision that utilities must interconnect with "qualified" congenerators and small power producers, with the qualifying facilities bearing all reasonable costs of the interconnection. In cases where parties cannot agree on the terms of such interconnection, the State regulatory authority of jurisdiction will arbitrate the terms and conditions of the hookup. Similarly, the amendment codifies the requirement that utilities purchase power from qualifying facilities at the utilities' "full avoided cost," unless a State agency determines that some other rate is more appropriate.

This approach has several fundamental advantages. It clearly returns to States the authority to tailor this broad Federal program to their individual State circumstances. It is fully consistent with both the traditional concept of State utility regulation and the President's New Federalism program. Finally, it will cause a minimum of disruption in the national implementation of section 210 of PURPA, something which is critical to the timely development of cogeneration and small power production in this country.

In order to better understand the thrust of my amendment, it is useful to briefly review the history of PURPA and the Court decision in the AEP case. First enacted in 1978, section 210 of PURPA was broadly intended to remove the major institutional barriers to the maximum development of cogeneration and small power production in this country. Prior to the enactment of PURPA, a cogenerator or small power producer seeking to establish interconnected operation with an electric utility system faced three major obstacles.

First, utilities were often unwilling to interconnect or purchase electric output from these facilities at a nondiscriminatory rate.

Second, some utilities charged discriminatory rates for backup power service.

Third, a cogenerator or small power producer which provided electricity to a utility system ran the risk of being considered a public utility and subjected to extensive State and Federal regulation. PURPA addresses these obstacles by providing a combination of rate incentives and regulatory exemptions for "qualifying facilities"—cogeneration facilities which meet a basic efficiency test and small power production facilities under 80 magawatts in size which use biomass, waste, geothermal, or renewable resources (including wind, solar, and hydro) to produce electric power.

Under section 210, the Federal Energy Regulatory Commission was instructed to prescribe such rules as it determines are necessary to encourage cogeneration and small power production.

Specifically, the act provides that these rules shall require electric utilities to purchase electricity from qualifying facilities at rates which are in

the public interest, that are just and reasonable to the utility's consumers, and that do not discriminate against qualifying facilities. At no time is this mandatory purchase rate to exceed the ceiling of "the incremental cost to the electric utility of alternative electric energy."

Section 210 also requires that rates for backup sales by electric utilities to qualifying facilities must be nondiscriminatory, just and reasonable, and in the public interest.

Finally, section 210 provides that qualifying facilities may be exempted from State regulation regarding utility rates and financial organization, from Federal utility regulation under the Federal Power Act and from the Public Utility Holding Company Act.

In implementing this mandate, the FERC was thus required in its rulemaking to achieve a rather ellusive balance between that which was sufficient to encourage these technologies and that which was in the public interest. Some technologies were new and untested in commercial application, like solar photovoltaics and solid waste gas recovery. Some technologies were well established but had fallen into recent disuse, like hydropower and industrial cogeneration.

Given the overriding concern for reducing our national dependence on imported oil, how was the FERC to balance the public interest associated with short-term ratepayer protection and the long-term public interest associated with encouraging the development of these alternative, indigenous energy resources?

In February of 1980, the FERC completed 15 months of rulemaking pursuant to section 210 of PURPA. Two of the most controversial regulations, the full avoided cost rule and the mandatory interconnection rule, were recently thrown out in Federal district court in the AEP case. It is these two provisions that are the subject of my proposed amendment today.

In establishing a mandatory rate for utility purchases of qualifying facilities power, the FERC instructed individual State ratemaking authorities to determine a rate which represented the purchasing utility's full avoided costs, or specifically, the "incremental costs to an electric utility of the electric energy or capacity or both which, but for the purchase from the qualifying facility or qualifying facilities, such utility would generate itself or purchase from another source." The ostensible rationale for setting the full avoided cost as a floor as well as a ceiling for utility purchases was that, since ratepayers would not be required to pay any more for a qualifying facility's power than the utility itself would charge for the same increment of power, then the rate would be just and reasonable and in the public interest.

Despite the logical force of this argument, the court ruled in the AEP case that the FERC had not sufficiently justified its ruling that full avoided costs be required in all instances, even if it could be proven that some rate lower than full avoided cost was sufficient to encourage cogeneration or small power production.

With respect to mandatory interconnections, the FERC rule provided that utilities must interconnect with qualifying facilities in order to make power transactions, with the qualifying facility assuming all reasonable costs associated with the physical hookup. In cases where parties could not agree on the terms of such an arrangement, the individual State regulatory authorities were authorized to prescribe terms for interconnection on a nondiscriminatory basis. The AEP court, however, found this rule to be in conflict with the statutory reference if PURPA to sections 210 and 212 of the Federal Power Act, which provide that certain procedural and evidentiary requirements be satisfied before the FERC can order an interconnection.

Mr. President, all of this is a long way of saying that two rather ambiguous provisions in an otherwise well-intended statute have, as a result of court action, caused a great deal of alarm and uncertainty in the marketplace. Thirty-four States have now issued final or proposed rules implementing section 210 of PURPA, and we are now on the verge of seeing this program make a noticeable contribution to our Nation's energy mix.

Some 4,254 megawatts of power from qualifying facilities are either on line or under construction. It has been estimated that a total of 15,000 megawatts of power will obtain as a result of section 210 of PURPA—the equivalent of 30 central oil-fired powerplants.

In closing, I want to reiterate that my central objectives in offering this amendment are to restore certainty to this Federal program, to return to the States the authority to tailor their implementation of section 210 to individual State circumstances, and to cause a minimum of disruption and delay in the State implementation process. A hearing has been scheduled on this amendment to S. 1885 for next Monday, May 24, and I encourage my colleagues to offer suggestions on how this amendment may be modified or improved upon to achieve the above objectives.

I ask unanimous consent that the amendment be printed in the Record.

There being no objection, the amendment was ordered to be printed in the Record, as follows:

Amendment No. 1452

Strike all after the enacting clause and insert in lieu thereof the following:

QUALIFYING COGENERATORS

Section 1. (a) Definition of Qualifying Cogenerators.—Section 3(18)(B) of the Federal Power Act is amended to read as follows:

"(B) 'qualifying cogeneration facility' means a cogeneration facility which the Commission determines, by rule, meets such requirements (including requirements respecting minimum size, fuel use, and fuel efficiency) as the Commission may, by rule, prescribe.".

(b) State Authority To Limit Utility Ownership.—Section 210 of the Public Utility Regulatory Policies Act of 1978 is amended by inserting a new subsection (k) to read as follows:

"(k) Nothing in this Act shall preclude a State agency from exercising authority to establish limitations on ownership of qualifying cogeneration or small power production facilities by persons primarily engaged in the generation or sale of electric power (other than electric power solely from cogeneration facilities or small power production facilities).".

AMENDMENT TO PUBLIC UTILITY REGULATORY POLICIES ACT OF 1978

Sec. 2. Section 210(e)(1) of the Public Utility Regulatory Policies Act of 1978 is amended by inserting after "qualifying small power production facilities" the following: "or any investment or acquisition of any other interest therein".

RATES FOR PURCHASE

Sec. 3. Section 210(b) of the Public Utility Regulatory Policies Act of 1978 is amended to read as follows:

"(b)(1) Rates For Purchases By Electric Utilities.—The rate for the purchase under subsection (a) of electricity from any qualifying facility shall be the incremental cost of alternative electric energy of such purchasing electric utility, unless a State agency, or a nonregulated electric utility, establishes a different rate of prospective application for such purchase sufficient to encourage cogeneration and small power production and consistent with the public interest and the interests of consumers of the electric utility.

"(2) Nothing in this section—

"(A) affects the validity of any contract, or

"(B) limits the authority of an electric utility and qualifying facility to enter into a contract which contains provisions which differ from those provided by this section and by rules prescribed by the Commission under this section.".

INTERCONNECTION AUTHORITY

Sec. 4. (a) Subsection (a) of section 210 of the Public Utility Regulatory Policies Act of 1978 is amended:

(1) In paragraph (1), by striking out "and" and inserting in lieu thereof "; ";

(2) In paragraph (2), by striking out the period and inserting in lieu thereof "; and "; and

(3) By adding after paragraph (2) the following:

"(3) interconnect with such facilities.".

(b) Section 210 of such Act is amended by adding at the end thereof a new subsection (1) as follows:

"(1) Arrangements for Interconnection.— The rules under subsection (a) shall insure that, in requiring any electric utility to offer to interconnect with a qualifying facility, the arrangements for such interconnection provide that—

"(1) the qualifying facility be obligated to pay any reasonable interconnection costs incurred by the utility;

"(2) such interconnection may relate to any of the matters referred to in subparagraphs (A) thru (D) of section 210(a)(1) of the Federal Power Act; and

"(3) if the electric utility and qualifying facility are unable to resolve disputes concerning interconnection arrangements, the State agency may prescribe the terms respecting such interconnection, including the costs to be borne by the qualifying facility on a non-discriminatory basis. If any State agency notifies the Commission that it declines to perform this function, the Commission shall, upon application, prescribe reasonable terms for such arrangements.".

(c) Section 210(e)(3) of the Act is amended:

(1) In subparagraph (A) by striking "." and inserting ", and ";

(2) By striking subparagraph (B); and

(3) By redesignating subparagraph (C) as subparagraph (B).●

NOTICES OF HEARINGS

COMMITTEE ON RULES AND ADMINISTRATION

Mr. MATHIAS. Mr. President, I wish to announce that the Committee on Rules and Administration will hold a meeting on Thursday, May 20, 1982, at 9:30 a.m., in room 301, Russell Senate Office Building. The committee plans to take action on legislative and administrative items which are currently pending before it.

An original bill to authorize appropriations for the Federal Election Commission for fiscal year 1983 will be considered. Four bills relating to the Smithsonian Institution are also scheduled to be marked up. S. 2102 authorizes construction of an underground museum for Eastern and African art on the Mall in Washington, D.C.; S. 2390 reauthorizes the National Museum Act for fiscal years 1983, 1984, and 1985; S. 2391 adjusts the rate of interest earned on funds of the Smithsonian Institution on deposit with the Treasury as a permanent loan; and Senate Joint Resolution 194 provides for the appointment of Nancy Hanks as a citizen regent of the Smithsonian Institution. Other legislative items to be considered include an original resolution increasing the limitation on expenditures by the Appropriations Committee for the procurement of consultants; two printing resolutions; a number of death gratuities; and an original bill providing for increasing the amount of interest paid on the money of the Oliver Wendell Holmes devise fund deposited with the U.S. Treasury.

Administrative business items include a request from the Budget Committee to become a party-participant in the master contract between Chase Econometrics and the Committee on House Administration and a revision of a regulation for micrographic equipment.

Mr. President, the Committee on Rules and Administration plans to hold a meeting on Tuesday, May 25, 1982, at 9:30 a.m., in room 301, Russell Senate Office Building, for the purpose of receiving testimony from interested parties on their views on regulations to implement Senate Resolution 20, providing for television and radio coverage of proceedings of the Senate.

As you may know, I recently sent a letter to all Senators inviting them to testify or to submit a statement for the record on their views on regulations and/or rules changes to implement Senate Resolution 20. Senators will have an opportunity to express their opinions, suggestions, and comments on Wednesday, May 19. At the May 25 meeting the committee will hear the comments and suggestions of others interested in the implementation of this resolution.

Anyone wishing to testify or to submit a statement for the record should contact Mr. John Swearingen of the Rules Committee staff on 224-9078.

COMMITTEE ON SMALL BUSINESS

Mr. WEICKER. Mr. President, I would like to announce that on June 10, 1982, at 9:30 a.m., in room 424 of the Russell Senate Office Building, the Senate Small Business Committee will conduct a full committee hearing on the small business investment companies (SBIC's) and minority enterprise small business investment companies (MESBIC's). For further information, contact Mike Haynes at 224-5175.

SUBCOMMITTEE ON TAXATION AND DEBT MANAGEMENT

Mr. PACKWOOD. Mr. President, the Subcommittee on Taxation and Debt Management will hold a hearing at 9:30 a.m. on Friday, May 21, 1982. Four bills will be considered: S. 1485, S. 2075, S. 2424, and S. 2425.

The purpose of this statement is to briefly explain the issues raised by the bills scheduled. This may help in charting the progress of tax legislation before the Taxation Subcommittee. It also will help assure greater public awareness of tax amendments coming before hearings.

A synopsis of the bills scheduled follows:

S. 1485—INVESTMENT TAX CREDIT FOR POULTRY HOUSES

S. 1485, introduced by Senator ROTH, would provide that certain amendments to the Revenue Act of 1978 permitting investment tax credits for single-purpose agricultural or horticultural structures for taxable years ending after August 15, 1971, would apply to closed taxable years if application for credit or refund is made within 1 year of the bill's enactment.

S. 2075—TAKE STOCK IN AMERICA ACT OF 1982

S. 2075, introduced by Senator ROTH, would increase the yield on U.S. savings bonds to a level competitive with the yield on 52-week Treasury bills.

S. 2424—TAX CREDIT FOR CARE OF ELDERLY FAMILY MEMBERS

S. 2424, introduced by Senator HEINZ (for himself and for Senators PACKWOOD, PRYOR, BURDICK, and MELCHER), would allow taxpayers a tax credit for a portion of home health care expenses incurred in caring for elderly family members.

S. 2425—MORTGAGE REVENUE BOND LEGISLATION

S. 2425, introduced by Senator ROTH would change certain tax rules applicable to tax-exempt mortgage subsidy bonds and make tax-exempt bonds available for certain residential rental property.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON FOREIGN RELATIONS

Mr. KASTEN. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Tuesday, May 18, at 10 a.m., to hold a hearing on Treaty Doc. 97-21, Radio Regulations and Final Protocol.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. PACKWOOD. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Tuesday, May 18, at 10 a.m. to hold an oversight hearing on Federal property management and disposal.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON THE COURTS

Mr. PACKWOOD. Mr. President, I ask unanimous consent that the Subcommittee on the Courts, of the Judiciary Committee, be authorized to conduct an oversight hearing on grain elevator bankruptcies at 10 a.m. on Tuesday, May 18, 1982.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INDIAN AFFAIRS

Mr. PACKWOOD. Mr. President, I ask unanimous consent that the Select Committee on Indian Affairs be authorized to meet during the session of the Senate on Tuesday, May 18, at 10 a.m. to hold an oversight hearing on Indian education.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON PREPAREDNESS

Mr. BAKER. Mr. President, I ask unanimous consent that the Subcommittee on Preparedness, of the Armed Services Committee, be authorized to hold a hearing to receive testimony from the administration on strategic

stockpiles, at 1 p.m. on Wednesday, May 19.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON FEDERAL EXPENDITURES, RESEARCH, AND RULES

Mr. BAKER. Mr. President, I ask unanimous consent that the Subcommittee on Federal Expenditures, Research, and Rules, of the Committee on Governmental Affairs, be authorized to meet during the session of the Senate on Wednesday, May 19, at 9:30 a.m. to hold a hearing to discuss Senate Joint Resolution 93 and S. 2278, bills relating to Federal procurement, and the Office of Federal Procurement Policy's update of circular A-76.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON TOXIC SUBSTANCES AND ENVIRONMENTAL OVERSIGHT

Mr. BAKER. Mr. President, I ask unanimous consent that the Subcommittee on Toxic Substances and Environmental Oversight, of the Committee on Environment and Public Works, be authorized to meet during the session of the Senate on Wednesday, May 19, at 10 a.m., to conduct a hearing on the reauthorization of the Safe Drinking Water Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INDIAN AFFAIRS

Mr. BAKER. Mr. President, I ask unanimous consent that the Select Committee on Indian Affairs be authorized to meet during the session of the Senate on Wednesday, May 19, at 10 a.m., to hold an oversight hearing on Indian education.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. BAKER. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Wednesday, May 19, at 2:30 p.m., to receive a briefing on intelligence matters.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

THE AIPAC POLICY CONFERENCE

● Mr. CHILES. Mr. President, last week, on the 34th anniversary of Israel's independence, 1,000 members of the American Israel Public Affairs Committee gathered here in Washington for their annual meeting. I was honored to meet several times with people attending the AIPAC Policy Conference. Each time, I was struck by their insight, enthusiasm, and involvement. Their commitment to strong American-Israeli relations had already been demonstrated by AIPAC's work on issues like the AWAC's sale and foreign aid. The people I talked to credited this commitment not only to the democratic form of government, Judeo-Christian heritage, and other values which our two nations share. They also stressed factors that do not normally get enough attention; namely our common strategic and economic interests. I sensed an urgency among the participants to make the American public more aware of these facts.

Floridians and people all over the country who care about Israel should be proud that Mort Silberman of Miami has been elected president of AIPAC. Mort has made quite a name for himself in Florida. He was founding president of the Palm Beach Jewish Federation and held major offices in the Greater Miami Federation, including a stint as president. In the business community, he is known as the coowner of the East Coast Supply Co. Mort already has an impeccable reputation in the Jewish community nationwide. In the past, he has served in the leadership of United Jewish Appeal and as vice president of AIPAC. He is presently on the Council of Jewish Federations' board of directors. Throughout all of these associations, he has worked hard to advance Israel's friendship with the United States.

Mort Silberman takes the helm of AIPAC at a particularly crucial time. Israel's position in the world is hardly what you would call secure. Its membership status in the United Nations is being questioned. It is just completed the painful process of returning the Sinai to Egypt. The United States is selling arms to the Saudis, and sales to Jordan and Iraq could well be around the corner. At this point, American public opinion still reflects the importance of our friendship with Israel. However, it is essential that Israel's supporters here remain vocal. As my friend from Delaware, Senator BIDEN, told the group, "When the U.S. is silent, it creates a deafening roar in Israel."

Mr. President, the AIPAC meeting left us all resolved to continued working for peace in the Middle East. The presence of representatives from the Egyptian and Israel Governments, and supporters from Canada and Mexico, strengthened this resolve. The conference also left us with something more tangible, a comprehensive policy statement on the Middle East. It would benefit all of us to take a moment and consider the statement. I ask that it be entered in the RECORD at this point.

The statement follows:

AIPAC POLICY STATEMENT

The peoples of the United States and Israel share ideals, values and spiritual roots. Both governments are committed to democracy, justice, human rights and freedom. The bonds are secure and strong. AIPAC will continue to promote a close U.S.-Israel friendship and cooperation, particularly as Israel takes new and grave risks for peace with her Arab neighbors.

ISRAEL'S RISKS

On April 25, 1982, Israel completed her withdrawal from the strategically important Sinai Peninsula—her third withdrawal since 1948. In addition to air bases, early-warning stations, an extensive infrastructure and strategic depth, Israel relinquished valuable oil fields which would have made her energy independent and erased her current balance of payments deficit. Israel gave up towns, villages, and settlements which provided homes and livelihood for thousands of Israeli citizens. In economic terms, the Israeli withdrawal is estimated to have cost Israel $12 billion in facilities and investments and an additional $5 billion in defense facilities that had to be rebuilt in Israel. The government and people of Israel have made enormous sacrifices for peace. Israel has thus demonstrated its commitment to peace, it is now time for the Arab countries like Saudi Arabia and Jordan to show their good faith by joining the Camp David peace process.

ARAB-ISRAELI RELATIONS

The Camp David peace process is the cornerstone for American policy in the Middle East and is the only path to peace in the Middle East.

The United States should continue to reject Arab demands which attempt to subvert the Camp David process, such as the Saudi plan proposed last year by Prince Fahd which is not a route to peace. The plan demands an end of U.S. support for Israel; it does not recognize Israel. When the plan was announced the head of the Arab League boasted, "There is not one word in Prince Fahd's plan indicating that Saudi Arabia or any Arab party is ready to recognize Israel."

Peaceful coexistence in the Middle East is the ultimate goal. But it cannot be achieved by vesting control of the peace process in the hands of foes of peace.

Underlying the Camp David Accords is U.N. Security Council Resolution 242 which calls on the Arab states to recognize Israel's "right to live in peace within secure and recognized boundaries free from threats or acts of force." Contrary to Arab claims, the resolution does not require Israel's withdrawal from all territories captured in the defensive 1967 war. Any change of Resolution 242 would sabotage the peace process.

Permanent borders must be negotiated directly between Israel and neighboring states. Israel must have secure and defensible borders, unlike the vulnerable pre-1967 armistice lines. Third-party assurances, which have proven ineffective in the past, cannot substitute for mutually negotiated borders or insure Israel's independent defense capability.

A genuine peace between Israel and her neighbors must encompass true people-to-people relations, full diplomatic relations, the end of hostile propaganda and political and economic warfare, and the opening of borders, communications, trade and tourism. Egypt and Israel have moved to implement such a peace. The Egyptian-Israeli peace process should serve as a model for the continuing peace process.

U.S. SECURITY INTERESTS

The United States should strengthen its defenses to check Soviet subversion and aggression in the Middle East, the Persian Gulf and throughout the world. We support the Administration's concept of a "strategic consensus" to confront the Soviet Union. Israel has modern bases and facilities which could be used for the pre-positioning of U.S. equipment and materiel if requested. On the other hand, the response from Arab countries which the U.S. had expected to cooperate—most notably Saudi Arabia—has been negative, thereby undermining U.S. security interests in the area. For instance, Saudi Arabia recently refused to allow Rapid Deployment Force bases in Saudi Arabia and condemned Oman for participating in the U.S. "Bright Star" operation.

American security interests face numerous challenges in addition to the Soviet Union: terrorism by Libya and Iran is directed against American civilians, institutions and officials. The PLO continues its hostility against American interests. Soviet-allied Syria continues its brutal occupation of Lebanon and the Iran-Iraq war threatens to broaden and involve the United States. Iraq is ruled by an oppressive, unstable government supplied by the Soviet Union and Iran threatens established governments and targets the United States. Throughout the Middle East Moslem fundamentalism inflames religious passions. Jordanian purchases of Soviet arms provide an opening for Soviet influence. The security of American technology is threatened by the sale of advanced weaponry and equipment to potentially unstable governments.

The United States and Israel recognize the Soviet threat to the peace and stability in the Middle East and the need for a U.S.-Israel partnership to resist it. Soviet activities in Syria, Libya, Iran, Iraq, Yemen, the Persian Gulf and the Horn of Africa undermine the area's stability and highlight Israel's strategic value, national stability and technological capacity.

On November 30, 1981, the United States and Israel signed the Memorandum of Understanding for strategic cooperation. The agreement noted the "Longstanding and fruitful cooperation for mutual security that has developed between the countries" in meeting "all threats from the Soviet Union to the region."

Unfortunately, the United States unilaterally suspended the agreement less than one month after it was signed. This act raises doubts about American commitments and encourages those seeking to drive a wedge between the United States and Israel. While we do have some reservations about the Memorandum of Understanding—most notably its focus on the Soviet threat and its failure to address regional conflicts—we nonetheless believe the United States should reinstate the Memorandum without delay and implement it.

The United States should reaffirm and implement its commitment to combat international terrorisn.

U.S. AND ARMS SALES

We are gratified that the Administration and Congress are continuing the bi-partisan policy of providing substantial military and economic aid essential to Israel's security. The Israeli people continue to bear the major burden of their own defense and to underwrite most of the cost of rebuilding new defense facilities in the Negev. In 1982, Israel's debt service to the United States alone will amount to almost $800 million. Israel needs grants and concessional loans—rather than high interest loans—from the U.S. Government. Aid to Israel is an investment in peace and U.S. security.

The massive arms buildup in the Arab states—estimated at more than $100 billion since 1973—imposes heavy burdens on Israel's defense budget. Last year's sale of Awacs and offensive equipment for Saudi F-15s has put additional strains on Israel's defense forces. We call on the Administration to obtain written, public Saudi commitments to meet all the assurances President Reagan gave the Senate concerning the sales of Awacs to Saudi Arabia.

Israel's vastly outnumbered armed forces are losing their vital technological and qualitative advantages because of the influx of advanced weapons from both West and East to Israel's adversaries. The U.S. must live up to this Administration's often repeated commitment to maintain Israel's qualitative edge against any combination of opposing forces.

We oppose the sale to Jordan of improved HAWK mobile surface-to-air missiles, Stinger anti-aircraft missiles, advanced ordnance, and F-16 or F-15G fighter-bombers. Jordan's King Hussein adamantly opposes both peace with Israel and the Camp David process. He has contributed troops and arms to other Arab states and participated in the 1973 war. Jordan has purchased SAM-8 missiles and ZSU radar-guided anti-aircraft guns from the Soviet Union. Jordanian crews are now in training in the USSR and Soviet advisors are now in Jordan. Before the U.S. considers selling Jordan modern high-technology equipment, Jordan must join the Camp David process.

We oppose the removal of Iraq from the list of nations supporting terrorism and the lifting of restrictions on the sale of aircraft to Iraq, Syria and South Yemen, supporters of international terrorism. Congress should strengthen legislation to prohibit arms transfers to such outlaw states.

We submit that the United States should sell weapons and furnish technology only to meet legitimate defense needs. It is foolhardy and dangerous to sell the most sophisticated weapons to repatriate petro-dollars to promote friendly relations with unstable regimes or to meet repeated "litmus tests" of friendship.

PALESTINIAN ARABS AND THE PLO

The interest of the Palestinian Arabs will be served by the emergence of leadership ready to acknowlege Israel's right to exist and willing to negotiate within the Camp David framework. The terrorist Palestine Liberation Organization does not constitute such leadership and has hindered the development of such leadership through intimidation and assassination. Since the beginning of 1981, the PLO has claimed responsibility for the murder of seventeen Palestinan Arab moderates. The PLO has provoked the recent violence in the administered areas, resulting in the tragic deaths of both Jews and Arabs. The PLO is committed in its Covenant to Israel's destruction and must not be permitted to participate in any Middle East negotiations. A Palestinian state, which would be controlled by the PLO—and to which we are unalterably opposed—would become a Soviet-dominated terrorist base committed to the liquidation of Israel and to the overthrow of Arab governments friendly to the West.

The PLO persists in murderous attacks on civilians and propaganda war against the United States and Israel. In alliance with the USSR, the PLO recruits, trains and subsidizes international terrorist groups, menacing democratic governments everywhere. The PLO has been implicated in the assassination attempt upon the Pope and the kidnapping of U.S. General James Dozier. The PLO boasts of its involvement in the turmoil in Central America.

We welcome the Administration's declared refusal to negotiate with and to legitimize the PLO. The United States must not recognize the PLO until it amends its Covenant, formally recognizes Israel's right to exist, accepts U.N. Resolution 242 and abandons terrorism. Dealing with the PLO would violate American pledges to Israel, undercut Egypt, reinforce the obduracy of Arab rejectionist states and reward terrorism.

The autonomy plan for the administered territories provides the best method for resolving the final status of the territories. The negotiations on Palestinian autonomy should not depend on parties hostile to peace with Israel and should not obstruct the peace between Egypt and Israel.

The Arab-created Palestinian Arab refugee problem will not be resolved until Israel's neighbors accept their responsibility to settle these refugees. For her part, Israel resettled hundreds of thousands of Jewish refugees from Arab lands and has permitted the return of tens of thousands of Arab refugees under its family reunion policy.

We oppose the creation of a second Palestinian state. It should be recognized that Jordan comprises 80 percent of what was the British Palestine Mandate and the majority of Jordan's people are Palestinian Arabs.

LEBANON

Within the last year, the PLO, now based in Lebanon, has received substantial shipments of tanks, artillery, rocket launchers and armored personnel carriers from Libya, Syria, Saudi Arabia, the Soviet Union and the Eastern Bloc. The PLO has emerged as a terrorist army, threatening the civilian population of northern Israel. Despite a cessation of hostilities arranged last summer by the United States, the PLO has continued to violate the agreement by infiltrating terrorists across Israel's borders, attacking Israeli and Jewish targets abroad and fomenting riots and terrorist acts within Israel. In accordance with international law and the United Nations Charter, Israel has a legal right of self-defense to remove PLO terrorist bases in Lebanon.

We urge the United States and the rest of the free world to aid the beleaguered Lebanese Christians who are threatened with extermination. Syrian troops now occupy Lebanon in an effort to establish "Greater Syria." The PLO uses Lebanon as a staging area for attacks against Israel, and the Lebanese central government has been powerless to act.

JERUSALEM

Jerusalem is the heart of the Jewish people's faith and national aspirations. The capital of Israel flourishes as a united, open city with free access to the holy places for all faiths. Jews, Moslems and Christians—citizens of Israel or any other state—must never again be barred from any part of Jerusalem, as they were during Jordan's 19-year belligerent occupation of the Old City. To insure religious freedom and to enhance the continued development of the city for the benefit of all its inhabitants and pilgrims from the entire world, Jerusalem must never again be divided and must remain under Israeli sovereignty. Israel's reunification and rebuilding of the city are legal under international law. The United States should respect this reality by recognizing Jerusalem as the capital of Israel. The U.S. Embassy in Tel Aviv should be moved to Jerusalem. The U.S. Consulate

General in "East" Jerusalem should be closed.

Syrian surface-to-air missiles remain in Lebanon's Bekaa Valley—more than one year after the Administration promised to work for a return to the status quo ante. We call for the withdrawal of Syrian troops and missiles, the cessation of PLO operations from Lebanon, and the restoration of peace in Lebanon.

SETTLEMENTS

We recognize the inherent right of Jews to live anywhere in Judea and Samaria. Israel cannot be deprived of its right to determine its settlement and security needs. Jewish settlements outside the pre-1967 armistice lines are not and have never been obstacles to peace. As eminent authorities have maintained, Israel's administration of the territories, captured in her just and defensive war in 1967, and her settlement policy are in accord with international law.

ENERGY AND OIL

U.S. dependence on foreign energy sources gravely threatens the security and economy of our nation and our allies. The United States must make a determined effort in concert with other oil-importing nations to break OPEC's grip on the world oil market. The Administration should encourage the production of non-Opec oil, particularly in the Western Hemisphere, and support price competitions.

The United States should intensify energy conservation, seek reduction of imported oil, exploit new and under-utilized gas and oil fields in the United States. Our Strategic Petroleum Reserve should be rapidly accumulated-as mandated by Congress-despite Saudi objections. Available domestic energy sources and alternative energy technologies should be developed more vigorously.

ARAB BOYCOTT

Despite current anti-boycott legislation, the Arab boycott against Israel continues to threaten the constitutional rights of American citizens and the principles of open and fair trade. All agencies of the federal government must enforce the anti-boycott laws vigorously. These laws should be greatly strengthened.

We call upon the Administration to oppose vigorously the extension of the boycott to American companies entering into partnerships or joint ventures with boycotted U.S. firms.

ENDANGERD JEWISH COMMUNITIES

We deplore the persecution of Jews in Syria, Iraq and elsewhere. We are deeply concerned for the Jewish community in Iran. Our government should seek to protect the fundamental human rights of these communities, including their right to emigrate.

The perilous condition of Ethiopian Jewry, caught in the crossfire of civil war is increasingly a matter of concern. We urge intensified efforts to alleviate their distress.

We also urge the Administration to support compensation from Moslem countries for the lost property of the hundreds of thousands of Jews forced to flee since 1948.

We express our deep concern over the anti-Semitic outrages in Europe, Latin America and elsewhere.

JEWS IN THE SOVIET UNION

We protest the arbitrary restriction and lower emigration totals for Soviet Jews and Prisoners of Conscience since 1980 and the increased official harassment and government-sponsored anti-Semitism. We urge the Administration to seek higher emigration levels as well as guarantees for the political, cultural and religious rights of Jews remaining in the Soviet Union. The freedom-of-emigration amendment to the Trade Act of 1974 provides sufficient flexibility to encourage further Soviet performance in this area. It should not be modified. Should the Soviet Union qualify under the amendment's waiver provision, it may receive the trade benefits it seeks.

We urgently appeal for the immediate release of the Prisoners of Conscience.

THE UNITED NATIONS

The United Nations, most of its affiliated organizations, and many of its conferences have abandoned the founder's ideals and have become a rubber stamp for bloc voting, anti-Semitism, blatant discrimination against Israel, the vicious canard equating Zionism with racism, anti-democratic actions and the condonation of terrorism. The United States should continue to use its power and influence in all U.N. bodies to block all efforts to delegitimize Israel and to oust her from the U.N. and its specialized agencies. Such anti-Israel actions and resolutions are sponsored by states seeking Israel's liquidation. The United States should also reduce its contributions to the United Nations in proportion to the amount that would otherwise go to support anti-Israel propaganda. We applaud the Administration and its U.N. representatives for reasserting the principles upon which the United Nations was founded and for actively combatting their violation. The United States should cease all financial support and withdraw its membership from any international organization which expels Israel.●

OIL IMPORT FEES AND THE AIRLINE INDUSTRY

● **Mr. JACKSON.** Mr. President, it would come as no surprise to my colleagues if I told them that the U.S. airlines are facing the most turbulent economic period of their history. The filing for bankruptcy by the Nation's eighth largest airline, Braniff International, is the most obvious sign of the airline industry's plight. Laker Airways was forced into receivership in February. There will be much debate as to whether or not the Braniff situation is attributable to deregulation of the airlines. However, one thing is clear—the airline industry is in a state of transience—they are in the process of reaching a new market equilibrium. The Federal Government should be very cautious about imposing new burdens on the airline industry while it is seeking this new market equilibrium in the wake of deregulation.

In particular, my colleagues should be concerned about the potential effect that an oil import fee would have on the airline industry in its present condition. The airline industry is surely the most energy intensive of all major industries, as fuel accounts fully for 30 percent of the industry's operating expenses.

The Air Transport Association of America has sent me a paper on "The Adverse Impact of a Crude Oil Import Fee on the Airline Users and the Airline Industry." They describe how a $5 per barrel import fee, if fully passed through to the airline by fuel distributors, would add over $1 billion annually to airline expenses—a sum that is equal to the industry's total losses for the 12-month period ending June 1982. The industry would have little choice but to pass that cost on to consumers.

I hope that the adverse consequences that an oil import fee will impose on our recessionary economy will not be considered simply in terms of the number of corporate bankruptcy filings. We must not forget that the case of Braniff Airlines means 9,500 jobs are at stake and 9,500 families suffer the loss of a breadwinner.

I submit for the RECORD the paper entitled, "The Adverse Impact of a Crude Oil Import Fee on the Airline Users and the Airline Industry."

The paper follows:

THE ADVERSE IMPACT OF A CRUDE OIL IMPORT FEE ON THE AIRLINE USERS AND THE AIRLINE INDUSTRY

Consideration has been given to the possible imposition of an import fee or excise tax on crude oil and refined petroleum products as an additional revenue source for reducing the federal budget deficit. Such an imposition would be inflationary and cause a further escalation of fares and have an adverse financial impact on the U.S. airline industry, currently experiencing its worst financial period in history.

In addition to its inflationary impact on travel, an oil import fee would exacerbate aviation industry unemployment.

In recent years, travelers and shippers and the airline industry have been severely hurt by skyrocketing fuel prices. The price of jet fuel increased from 39 cents per gallon in 1978 to $1.05 per gallon in 1981. Each one cent a gallon increase adds over $100 million to annual airline operating expenses. The airlines in 1981 consumed less fuel than in 1978, but experienced $7 billion in additional fuel costs because of price increases. Currently, fuel accounts for 30 percent of the industry's $37 billion in operating expenses.

Primarily as a result of rising fuel costs, airline fares have increased significantly in recent years. The price of an average domestic ticket has climbed nearly 50 percent during the past two years.

Since the middle of last year, however, fuel prices have stabilized. In fact, the average price per gallon actually declined slightly to about $1.03 per gallon in February of this year from $1.07 last May. For this and other reasons, airline fares have declined over the past several months. For example, the average domestic fare in February was down about 19 percent from a year ago.

The imposition of an import fee on crude oil would wipe out the beneficial aspects to the consumer and the airlines of the recent declines in the price of fuel. The Congressional Budget Office has estimated that a $5 per barrel fee on crude oil could increase the price of refined petroleum, such as jet fuel, by 8 cents a gallon. This would result in more than $750 million in added annual airline costs. To recover such additional costs, airline fares would have to be increased approximately $3 on every $100 of ticket sales. The CBO analysis did not assume a full passthrough of the $5 per barrel import fee by the oil companies. If that were to occur, the price of jet fuel would increase an estimated 12 cents per gallon adding over $1 billion annually to airline expenses. Already, the airlines face a loss of $1 billion for the 12 months ending in June 1982.

The administration has also proposed a significant increase in aviation taxes in regard to the fiscal year 1983 Federal budget. The passenger tax would increase from 5 percent to 8 percent. Taken together with the effect of an import tax on crude oil, airline passengers would be paying 11 percent more.

Certainly, there is a limit to the additional charges that can be placed on the airlines and their customers—the shipping and traveling public. The imposition of a crude oil import fee would place a severe burden on the airlines and their customers at a time of extreme difficulty in the industry.

PETROLEUM COSTS AND THE U.S. AIRLINE INDUSTRY

	Cost of Crude [1] (barrel)	Percent increase	Average price of jet fuel	Percent increase	Average domestic fare per mile (cents)	Percent increase
1975	$10.38		$0.29		7.7	
1976	10.89	4.9	.32	10.3	8.2	6.5
1977	11.96	9.8	.36	12.5	8.6	4.9
1978	12.46	4.2	.39	8.3	8.5	(1.2)
1979	17.72	42.2	.58	48.7	9.0	5.9
1980	28.07	58.4	.90	55.2	11.6	28.9
1981 [2]	35.64	27.0	1.05	16.7	13.2	13.8

[1] Refiner acquisition cost.

[2] Estimate.●

ENDANGERED SPECIES ACT

● Mr. **TSONGAS**. Mr. President, I am proud of the history of the Commonwealth of Massachusetts, particularly its record as a leader among States of the Nation on environmental matters.

The State legislature has recently expressed its strong support of the Endangered Species Act, and has stressed the need for the development of hazardous waste treatment and disposal sites.

Mr. President, I ask that these resolutions memoralizing Congress be printed in the CONGRESSIONAL RECORD.

The resolutions follow:

RESOLUTION

Whereas, ecological, utilitarian, and personal concerns dictate that the preservation of species of plants and animals is in the public interest and of importance to the people of the Commonwealth of Massachusetts; and

Whereas, the number of species of plants and animals facing extinction has increased alarmingly in this century with fifteen species recognized as being in danger of extinction within our own Commonwealth; and

Whereas, the Endangered Species Act, first passed by Congress in 1966, serves as the cornerstone of activities of State and Federal agencies to identify, protect, study and recover populations of endangered and threatened plants and animals in the United States and throughout the world; and

Whereas, the irreversible state of extinction requires that strong policy and comprehensive programs be in place to safeguard the biological diversity of this planet: Now, therefore, be it

Resolved, That the Massachusetts General Court respectfully urges the Congress of the United States in 1982 to reauthorize the Endangered Species Act without weakening amendments and further to provide adequate funding to meet the purposes of the act: And, be it further

Resolved, That copies of these resolutions be forwarded by the Clerk of the House of Representatives, to the presiding officer of each branch of the Congress, and to the Members thereof from this Commonwealth.

RESOLUTION

Whereas, the amount of hazardous waste which must be disposed of in this country each year is increasing dramatically; and

Whereas, the public has become increasingly concerned with regard to the potentially harmful effect of such waste on the public health and safety and the environment; and

Whereas, the number of hazardous waste disposal facilities is decreasing in the face of increasing demand, and under present circumstances and law, the imbalance between supply and demand is likely to further increase in the foreseeable future; and

Whereas, any decrease in the number of existing hazardous waste facilities increases the distance necessary to transport hazardous waste in order to properly dispose of it; and

Whereas, there have been an increasing number of spills and accidents on the Nation's highways involving the transportation of hazardous materials, which threaten the health, safety, and welfare of the citizens of this country; and

Whereas, an increase in the distance which it is necesssary to travel in order to properly dispose of hazardous waste encourages illegal disposal; and

Whereas, while a completely risk-free environment cannot be provided, we as a Nation must do all in our power in order to minimize the risk of significant harm to the public from the adverse effects of exposure to such substances: Now, therefore, be it

Resolved, That the Massachusetts House of Representatives respectfully requests the Congress of the United States to encourage the development of hazardous waste treatment and disposal facilities in each State in the Union by, among other things, developing a system of financial incentives which will encourage the development of hazardous waste treatment and disposal sites within the boundaries of each State: And, be it further

Resolved, That copies of these resolutions be forwarded by the Clerk of the House of Representatives, to the President of the United States, the presiding officer of each branch of Congress, and to the Members thereof from this Commonwealth.●

FAR EAST TRIP

● Mr. **MURKOWSKI**. Mr. President, I would like to take this opportunity to share some observations about a trip I made in January to three Pacific Rim nations: Japan, South Korea, and Taiwan. This was a most worthwhile and educational trip in terms of understanding the strong ties of friendship and mutuality of interests that exists between the United States and these three allies. In a time when increasing concern is being expressed about our large trade deficit with Japan, we must consider all possible means of augmenting our exports to that nation and others in the region.

Japanese business and government officials expressed concern about what they perceived as rising protectionist sentiments in Congress. Prime Minister Suzuki personally stated his concern to me about this problem. I noted that this sentiment was both sincere and strong, and that many in Washington and Europe, including myself, feel that Japan's market is not as open to U.S. exports as it could be. Therefore, I believe that the Reagan administration's policy of encouraging Japan to expand its imports and open up its market to American exports rather than cutting off exports is both fair and just.

I am most pleased that the Japanese Government announced shortly after I left the island that it was acceding to 67 of 99 specific demands made by foreign governments for the easing or elimination of nontariff trade barriers. Another recent noteworthy measure was the Japanese decision to accelerate reductions, 2 years ahead of schedule, in the tariffs it agreed to reduce in stages during the Tokyo round of multilateral trade negotiations of 1979. Last week, during a meeting here in Washington with senior Japanese Embassy officials, I expressed my sincere appreciation for these reforms. It is my hope that these efforts at trade liberalization will continue. Alaska, the United States, and Japan all stand to gain from an equal, unfettered flow of trade. In a period of recession and low growth, as is now faced by most of the industrialized world, Japan must continue to be aware of the value of opening up their market so that a debilitating wave of anti-Japanese protectionism can be avoided.

During a meeting with a Japanese trade and industry group, a prime topic of discussion was the concept of an "oil swap," or the exportation of Alaskan crude oil to Japan. Although this economically sound proposal is temporarily on the "back burner" with the Reagan administration, the Japanese continually informed me of their interest in obtaining Alaskan crude. They stated, for the first time, that they would be glad to receive a modest amount—50,000-100,000 barrels a day—and that they would welcome the shipping of this oil on American vessels. Both these statements increase the attractiveness of the swap as a means of improving the current $18 billion U.S. trade deficit with Japan.

Another topic of discussion in Japan was the level of that country's defense budget. I am acutely aware of the sensitivity of the Japanese people to military matters and the ruling party's policy in regard to limiting Japanese defense spending. I am satisfied that Japan is making a measured, sincere effort to increase their share of the burden of protecting the Pacific shipping lanes. With continued, private American pressure, I am confident that the Japanese military can eventually play a significant role in containing Soviet aggression in the Far East.

South Korea, with both the population and the need, was most interested in increasing its level of trade with the United States. They were especially interested in Alaskan coal and agricultural products. The leaders of Korea are wisely attempting to move away from their heavy reliance on Middle East oil by converting stationary powerplants to the low sulfer, low BTU coal that is so abundant in Alaska. While in Korea I met with the President of Sun Eel Shipping Co., which has secured a lease on land for loading and exportation of coal from Seward, Alaska, and I toured a Korean powerplant that is also buying Alaskan coal. I plan to continue to work with Korean officials to improve our economic ties.

My personal meeting with Korea's President, Chun Doo Hwan, was an emotional one in which he reiterated his gratitude for American support of South Korea. President Hwan made the noteworthy comment that Americans should pay more attention to the good our Nation has done in the world and spend less time reflecting on our shortcomings. He stated that the prosperity that Korea enjoyed was due to the United States of America.

My trip to the DMZ and the port of Inchon reminded me of the startling state of tension which still exists between South and North Korea. It was obvious that the presence of 40,000 American soldiers in South Korea remains vital to the maintenance of peace in that region of the world.

My visit to Taiwan also revealed the importance that the Taiwanese place on American military assistance. Although President Reagan has decided against selling the FX plane to Taiwan, it is my hope that he will consider giving all-weather capability to the F-5Es he has proposed for sale to the Taiwanese Government. I have joined Senator DOLE and 29 other Senators in expressing my concern over this matter in a letter to the President.

While in Taipei, I also held extensive discussions with members of the Taiwan Solar Energy Society about world energy problems and the various means of cooperation that are helping the United States and Taiwan diversify their energy sources. I was also struck by the high level of labor productivity on Taiwan and the degree of economic success that free enterprise has brought that nation.

Most of us are aware of how centralized the population is in the Pacific Rim. Alaska enjoys the luxury of proximity to this important market. With careful planning, Alaska can play a significant role in providing the resources that Pacific Rim nations need to industrialize and build a strong economic base. My trip gave me an opportunity to meet with many government and business leaders in East Asia and identify what resources represent the best possible means of improving America's economic ties with this strategic region of the world.●

PRIME OSBORN, FLORIDA BUSINESS LEADER, RETIRES

● Mr. **CHILES**. Mr. President, today I would like to speak briefly about one of Florida's most distinguished businessmen and civic leaders, Prime F. Osborn, who retired as chairman of the board of the CSX Corp., on May 1. Among his many accomplishments in the railroad industry, Mr. Osborn can point with pride to the leadership he showed in helping to bring about the formation of the CSX Corp., which is now the largest railway system in the United States and unites two great railroads, the Chessie System and the Family Lines (the Seaboard Coast Line R.R. and the L. & N. R.R.).

It is fair to say that Mr. Osborn is not retiring but only "stepping down" from the active leadership of CSX Corp. I know he will continue his long record of community service by working with the Boy Scouts and the Salvation Army as he has in the past. Mr. Osborn's public service has been recognized by many awards including the William Booth Award of the Salvation Army, the Americanism Award of the B'nai B'rith Anti-Defamation League and the Outstanding Jacksonville Citizen Award of the Jacksonville Chamber of Commerce. A recent article about Prime Osborn in The Florida Times-Union was headlined: "Former CSX Chief finding retirement no time to be idle." The many friends and admirers of Prime Osborn know that this will be true. I ask that this interesting article about him be printed in the RECORD at the conclusion of my remarks. We wish him well in his active retirement.

The article follows:

[From the Florida Times-Union, May 1, 1982]

FORMER CSX CHIEF FINDING RETIREMENT NO TIME TO BE IDLE

(By Karen Brune)

For his first day of retirement, Prime Osborn scheduled a visit to the Kentucky Derby. Today, his second day of retirement, he plans to fly to Lakeland in time to address graduates at Florida Southern College.

The former chairman of CSX Corp. said he hopes to cut down on his travel now that he has retired. But so far, it seems that Prime Francis Osborn III is as busy as ever.

"It looks like I'm never going to finish my book," the 66-year-old former rail chief said Thursday evening after returning from CSX headquarters in Richmond, Va.

"When I started out, [the subject] was '25 Years at the Podium.' Now, it's '35 Years at the Podium.' "

Osborn has been in the railroad industry since 1946 and has spent countless hours giving speeches, testifying before government committees and orchestrating numerous rail-system mergers. Through his book, he said, he wants to pass on his knowledge to beginning speakers.

"It's how to deal with problems," he said. One of those is the obviously inebriated member of the audience. His solution:

"I invite 'em to come up [to the podium]," he said.

The art of figuring out such obvious solutions could, perhaps, be listed as Osborn's modus operandi.

Osborn was a primary organizer of the gigantic merger of the Ohio-based Chessie System Inc. and the Jacksonville-based Seaboard Coast Line Industries Inc., into CSX Corp. CSX now is the nation's largest rail system in revenues ($5.4 billion) and assets ($8.1 billion).

He worked on the merger, which was completed in November 1980, with Hays T. Watkins, who had been chairman and chief executive officer of the Chessie System. Watkins had served as president of CSX and becomes chairman and chief executive officer upon Osborn's retirement.

"To tell the truth, I've enjoyed everything I've done," Osborn said. "The good highlights have been the merger of the Seaboard Air Line and the Atlantic Coast Line railroads [into Seaboard Coast Line] and the subsequent merger of Seaboard Coast Line

[Industries] and the Chessie System. Those would have to be the highlights."

But those did not constitute his only involvement in rail mergers. He was involved with "a lot of smaller mergers" in his career before the Atlantic Coast Line (ACL) and Seaboard Air Line merger. That merger, which became final in 1967, was at least seven years in the making.

Such business, he said, takes, "oh, my goodness, just enormous amounts of time . . . untold hours. . . . It requires an awful lot of people to consummate a merger."

The Greensboro, Ala., native had not specifically planned to join a railroad. He spent his first 12 years on his family's cotton farm nine miles outside of Greensboro before moving into town with his parents and nearly 2-year-old sister.

After moving into town, he joined the Boy Scouts, an organization with which he has remained involved. The Baden-Powell Scout Reservation near Melrose now boasts Lake Osborn, named in his honor after he raised $560,000 for the reservation while he was president of the Scouts' North Florida Council.

While living on the farm, he was what he said was called a Lone Scout, "just a guy who didn't have anybody to play with." He kept up with the Scouts via mail and do-it-yourself programs.

He liked living on the farm.

"You just had complete freedom to roam and run about. There is so much to do on a farm. I loved every single aspect of it."

Osborn still has the 1,000-acre farm and visits it two or three times a year. A nephew now runs the operation, growing soybeans and wheat.

"As long as I have a good job, I can afford to farm it."

He attended Greensboro public schools and admits he was a "book nut." He loves biographies and says his latter-day hero is MacArthur, though his childhood favorites included Tom Swift.

He received his law degree in 1939 from the University of Alabama at Tuscaloosa. He spent 1941–1946 in the Army.

Upon returning from World War II, "it was just like I was starting over. I was about to enter practice with a law firm and somebody told me the Gulf, Mobile and Ohio [railroad] in Mobile wanted a lawyer. I interviewed, and they hired me."

He moved on to become general solicitor for the Louisville & Nashville Railroad (L&N) in Louisville, Ky., to vice president and general counsel with the ACL, to vice president-law of Seaboard Coast Line (SCL) Railroad, and then to president of SCL railroad and Seaboard Coast Line Industries (SCLI) in 1970.

Ten years ago, he became president and chief operating officer of the L&N, which together with Seaboard, the Georgia Railroad, the Clinchfield Railroad and the West Point Route make up the Family Lines Rail System in Jacksonville— now one of CSX's major operating units. In 1977, Osborn was named president and chief executive officer of SCLI.

In 1978, he became chairman and chief executive officer of SCLI and its primary railroads, SCI, and L&N.

"I became fascinated with it. It's the most fascinating business you can get into," he said. "The retention of transportation as a private enterprise is absolutely imperative. Foremost among that is the railroad system. We have a very great responsibility to preserve it."

One way to-boost the industry is to garner some national publicity, which Osborn aimed to do Oct. 23, 1974, on the Johnny Carson show taped in Burbank, Calif.

Osborn went to the show's late-afternoon taping as a representative of the Association of American Railroads. He and Carson were to discuss the industry and planned a demonstration of model trains.

"They had made a train board with 15 trains on it. It was magnificent," Osborn said.

But when the curtains opened to allow the board to move onstage, "about 90 percent of the trains had been knocked off the track.

"I just admitted we had an accident," he said. "It was quite an experience."

Despite his accomplishments, Osborn acknowledges some areas in which he has failed.

"There are a lot of things I wanted to accomplish that I haven't," he said. "There have been a great many things."

For instance, he wanted to see railroads become total transportation companies in which truck and barge lines could also be operated.

"We've never been to the point where that is legally possible," he says. "My part in that has been a failure."

He cites the "intense" competition between railroads and other forms of transportation and said the merger of SCLI and Chessie into the holding company, CSX, has "put us in the position to be a lot more competitive."

CSX is made up of The Chessie System Railroads, The Family Lines Rail System, CSX Beckett Aviation Inc., CSX Minerals Inc., CSX Resources Inc., Florida Publishing Co. (publishers of The Florida Times-Union, the Jacksonville Journal and The St. Augustine Record), The New River Co., the Richmond, Fredericksburg and Potomac Railroad Co. and The Greenbrier resort hotel in White Sulphur Springs, W.Va.

CSX is now the world's largest coal hauler. Of the 244.8 million tons of coal hauled in 1981, 36.5 million tons were exported.

Coal traffic, as opposed to other commodities, is holding up well, Osborn said.

CSX's first-quarter earnings this year were $48.2 million, down from the $87.7 million in the first quarter of 1981. Last year's first quarter was a record, brought about by a stockpiling by utilities in anticipation of the coal miners' strike as well as by stronger general traffic levels.

"We're still optimistic about 1982," Osborn said. "Traffic is down terrifically from last year, from what we thought it would be. We hope the recession will turn around in the second half.

"But coal traffic is holding up extremely well."

His optimism stems from increased export demands and from the 11 coal-fired power plants expected to come on line in CSX territory over the next two to three years. That does not include any plant expansion.

Of course, he is also in favor of the two coal-fired generating plants proposed by the Jacksonville Electric Authority, which would require from 2.5 million to 3 million tons of coal a year. That would mean more business for Osborn's company.

"Oh definitely, yes ma'am," he said about his favoring the proposed plants, "I supported them when they first started talking about them."

Competition from the planned merger of the Southern Railway System and the Norfolk & Western Railway, which will create a combined system of $3.59 billion in revenues to CSX's $5.4 billion, does not frighten him.

"We felt it was a natural. After we merged, we felt it imperative that they merge in order to compete with our company."

Osborn will now watch the industry from his office suite down the hall from his huge former office on the 15th floor of the Seaboard Coast Line building. From his new office, he will continue his work as a member of the CSX board of directors, as well as his work with other organizations.

He is a member of many boards of directors, as well as chairman of the National Advisory Council of the Salvation Army.

Osborn and his wife, Grace, have been married 43 years, "all my life, it seems," and they will remain in Jacksonville.

His 39-year-old, son Prime IV, is a career Navy officer and a commander based in San Francisco. His daughter, Mary Anne, 30, is involved with child counseling and is working toward her Ph.D. at the University of Florida.

CSX announced yesterday a gift of $100,000 to establish a professorship at the University of North Florida in honor of Osborn. It will serve as endowment for the Prime F. Osborn Professorship in Transportation at the university. That gift followed an earlier announcement of $1.12 million in awards to be made by Family Lines to 34 area organizations over the next three years.

"I guess everybody has some qualms about retiring in some ways, but I've been ready to retire for some years," Osborn said. "I've had a lot of opportunities to do things. I have a job for each day of the week.

"I suppose that's enough," said the man whose CSX business card now reads "Prime F. Osborn, Chairman of the Board (Retired)."●

EVOLVING CONTROLS FOR ISABELLE

● Mr. D'AMATO. Mr. President, as part of my continuing efforts in support of the ISABELLE intersecting beam particle accelerator project at Brookhaven National Laboratory, I have inserted material concerning the project in the Congressional Record. Today, I call your attention to an article which appeared in the May 7, 1982, edition of the Brookhaven Bulletin regarding the development of the control system for the accelerator. The activities discussed by Anita Cohen in her article, "Evolving Controls for ISABELLE," illustrate the efforts which are being exerted by the staff at Brookhaven to control costs while producing technical developments which are at the leading edge of modern engineering.

I note in particular the comparison between the capabilities of the Europeans' CERN control system and the system under development at Brookhaven for ISABELLE. The ISABELLE control system will use very advanced computer technology to produce an order of magnitude improvement in reliability over present control systems. The combination of that technology in an innovative and creative way with existing cable television transmission technology points out the special qualities of technical and engineering development the construction of a project such as ISABELLE fosters. As a nation, we cannot afford to allow false budget economies deprive us of the scientific tools we need to blaze new trails into the next century as the world leaders in high energy physics.

Mr. President, I ask that a copy of this article be printed in the Record.

The article follows:

Evolving Controls For ISABELLE

(By Anita Cohen)

Through the Ice Age and the Stone Age and the Age of Reason, through evolution and revolution, for several billion years, the Earth has revolved around the sun with an unfaltering stability.

Until recently, the idea that humanity could duplicate this stability would have met with scorn. But the protons that will circulate through ISABELLE's two beam lines must be stable enough to complete 10 billion revolutions in 24 hours, for several consecutive days. "ISABELLE will be incredibly stable," says John (Rusty) Humphrey, head of the ISABELLE Control Group, "the most stable thing people have ever made."

Such stability can only be achieved if ISABELLE's 30,000 variables are themselves very stable—built and maintained to tight tolerances. This maintenance will require monitoring 30,000 points at one time, so it will be immediately evident if something goes wrong at one of them. How will this be accomplished? "That's part of why the ISABELLE control system exists," says Humphrey.

The control system now being built for ISABELLE is a complex computerized network. Its components will be connected by more than three miles of cable, which will begin at the main computers tied into three control consoles. Data will bus along the highway through ten process computers and arrive at 36 stations. From those, data will be bused locally to 1,500 controllers connected to 30,000 devices for monitoring variables. Already, about 2,000 feet of cable have been installed in the AGS Linac and in a portion of the ISABELLE injection line.

Bob Frankel leads the effort to build the cable system, named RELWAY for RELiable process data highWAY. Essentially, RELWAY takes its technology and parts from the cable TV industry, using large-scale integrated circuitry and standard protocols whenever possible. Adapting this technology to meet ISABELLE's special environment has resulted in a broadband system offering several different channels. On each channel, a communications service can run at the rate of one to ten megabits/second. Via RELWAY, data can not only be sent to several devices simultaneously, but consoles can also receive information about the status of the variables the devices monitor. The ISABELLE Control Group is combining sophisticated programming, computer hardware and RELWAY to create a system that will immediately alert ISABELLE's operators if something is out of tolerance and threatening the beam's stability.

Such a situation is not to be taken lightly. Every machine failure means that valuable experimental time will be lost. If a potential problem can be flagged, it might be fixed before any harm is done.

In most cases, repairs' will be routine. But, when the unforeseen happens will there be any way to avoid shutting down the accelerator to experiment with alternatives? Yes.

Jim Neiderer of Applied Math is leading the effort to build a model containing all the specifications and parameters pertinent to ISABELLE. As he explains, "The model will allow for a variety of options in a given situation—say with magnet settings. If you change the settings, what will be the consequence to the beam? With the model, you can test assumptions. You don't actually change anything until you have determined the best alternative."

Modeling will be used during all phases of ISABELLE's lifetime for designing, troubleshooting and experimenting. "This will contribute importantly to the flexibility of ISABELLE to do new physics," Humphrey says. "The models can be used to explore the effects of new strategies or proposed modifications upon stable beam operations."

Controls for an accelerator as large and complex as ISABELLE might normally be expected to require about three man-centuries of labor to complete. But Neiderer says, "We are paying very close attention to managing the software part of the project with the goal of cutting man-centuries, hopefully by as much as one-half."

To accomplish this, Humphrey says, "Everything must be done efficiently and carefully and cleverly." While this is true of all aspects of accelerator development, it is particularly important to controls. In this fast-paced field, today's state-of-the-art technology could be out-of-date tomorrow. Still, for the Controls Group to meet their schedules, certain tasks must begin now. Humphrey's solution is to "partition the problem. We'll do the things with a lot of industrial technical push later on," he says.

The ISABELLE control system is being designed to have a mean time between failures of ten days, more than enough to allow for projected run times. Humphrey says that "This is a very high standard for a system of this size," and points out that it is an order of magnitude higher than that achieved at CERN's SPS, where the time between computer breakdowns averages one day.

Engineers Thomas Clifford, Susan Kennel and Brian Morris and technician Patricia Taibbi are working on software for ISABELLE's control system. Hardware is the province of engineers Alexander Herman, Doug Pope and Robert Warkentien, whose efforts are supported by technicians John Czachor, Heather Hartmann, Karl Kohler, Philip Pape and William Venegas. The core management team of Frankel, Humphrey and Neiderer is proud of their people's efforts. "This system is in the mainstream of control system development," sums up Humphrey. "We are really doing some fine stuff."●

HOW TO SAVE A FEW BILLION DOLLARS

● Mr. SPECTER. Mr. President, there continues to be grave concern, a concern shared by me, that Federal agencies are not always following the clear sense of the Congress that small business be given every opportunity to participate in government procurement. The following article, "How To Save A Few Billion Dollars," discusses this problem. I ask unanimous consent that it be placed in the Record.

The article follows:

How To Save a Few Billion Dollars

(By Paul J. Seidman)

Government procurement officials have several good reasons for wanting to deal only with big companies. Unfortunately, what's good for the officials is often bad for the taxpayers, and official repudiation of efficient small companies costs the government billions of dollars a year. It's time for small businesspeople and their organizations to unite and demand that bureaucrats let them sell the products they're best at producing.

Say the Air Force needs spare parts, and the procurement official has a choice between a small company that nobody's ever heard of and a big one that advertises in all the glossy magazines. If he gives the contract to the big guy, nobody will blame him if the parts turn out to be bad. After all, look at the company's reputation. But if he gives it to the little one, think of the heat he'll get if the parts are defective: "Whaddya mean, buying from that bicycle shop?"

The procurement officials—especially uniformed military men who can retire at any age after 20 years' service—may also be planning on new jobs in private industry. What better way to improve your second-career prospects than by seeing to it that a major aerospace firm keeps its status as the sole source of some profitable replacement parts?

Of cource, a contracting officer has to contend with bothersome laws and regulations—like competitive bidding rules. What if some tiny company he never heard of (and wouldn't think of working for) submits the low bid on a contract?

First of all, the low bidder has to be found "responsible," which means capable of performing the work in question. Who rules on responsibility? The contracting officer. So much for the small company.

Congress tried to protect small businesses from the tendency of contracting officers to underestimate the capability of small firms. It enacted a law that permits a small business found to be "nonresponsible" to call on the Small Business Administration for a second opinion. If the SBA says the low-bidding small firm can do the job, it gets the contract.

But innovative procurement officials at the Department of Defense have found a way around this law. If we can keep small businesses from bidding in the first place, the officials apparently reasoned, then they can't be low bidders and the SBA can't muscle in.

The procurement officials have assigned each of their aircraft spare parts a procurement method code, or PMC. One code indicates that a part requires unique manufacturing capabilities. Another covers those parts for which the government lacks sufficient data to prepare specifications for production by anyone but the original manufacturer. Yet another designates those manufactured with proprietary techniques. Using the assigned coded for each replacement part, the Department of Defense makes a list of "qualified" bidders. And only those companies on the qualified bidders list can bid to make each replacement part.

Procurement officials asked the original manufacturers of parts to recommend the code that should be applied to their products, then generally followed their recommendations. Thus, the "qualified bidders list" for many products consisted of exactly one name—that of the original manufacturer. This had the desired effect of making prime contractors the sole-source suppliers of replacement parts for their aircraft. And it kept the pesky SBA out of the way.

Of course, some upstart of a small business occasionally makes a fuss about this system. Honeycomb Co. of America, for example, a small family-owned business located in Sarasota, Fla., had an Air Force contract to supply some replacement parts for the F-4 Phantom jet fighter. The Air Force claimed some of Honeycomb's replacement parts weren't good enough and removed the firm from the list of qualified suppliers.

Unfair, said Honeycomb, and demanded a second opinion from the Small Business Administration.

You don't get one, replied the Air Force, because we never said you were "nonresponsible," we only removed you from the qualified list.

Honeycomb persisted, and took its protest to the General Accounting Office, a congressional watchdog agency that rules on the legality of procurement actions at the request of interested parties such as potential bidders or their trade associations. The Air Force got scared, fearing that its whole innovative system of discriminating against small business might be destroyed if the GAO ruled that Honeycomb had a right to a second opinion. Rather than risk total defeat, it surrendered to Honeycomb, and the GAO never rendered a decision on the merits of the case. Honeycomb got to bid on the F-4 parts, but other small companies in similar situations won't get to offer their products to the Air Force unless they're willing to run a similar gauntlet.

Moreover, the Department of Defense and its prime contractors are trying to undermine potential small business bidders in still another way. They are supporting changes to the Freedom of Information Act that would allow the Defense Department to withhold competitors.

The effect of this kind of official cuddling up to big business is increased expenses for the military—and for the taxpayer. Many smaller businesses say they can save the Pentagon one-third to two-thirds of the prices the Air Force currently pays for parts. The savings that have resulted when the SBA has cajoled the military into opening bids to smaller companies have sometimes been even greater.

The SBA recently compared prices for 181, different aircraft spare parts bought through competitive bids after SBA intervention with the prices paid before competition was allowed. It found that the Air Force saved $6.7 million on these 181 parts over an 18-month period in 1980 and 1981. In one case, the cost reduction was 99.5 percent of the price the service paid in noncompetitive buys. "These are only example cases," the SBA said in a report prepared for Rep. John LaFalce (D.N.Y.), chairman of a House small business subcommittee. It noted that only 7.9 percent or approximately 300,000 of the nearly 3.9 million individual spare parts listed in the Department of Defense catalog system were subject to open competitive bidding.

The SBA report shows that there's a potential for billions of dollars in savings if smaller companies are allowed to participate more widely in the defense effort.

But individual small businesses like Honeycomb can rarely take on the Defense Department and the large aerospace contractors and force open bidding on products the small businesses could efficiently produce. Any small business's first concern is staying in business, not battling unreasonable government policies. And the Defense Department and the large prime contractors can easily retaliate if they find a small business is being too successful in a struggle to force open bids.

Given the Reagan Administration's need to cut federal expenditures, one might think the White House would be interested in heightened competition and lower prices. But the Honeycomb case by itself isn't likely to get the Administration's attention.

The country needs a bunch of small companies willing to pool their resources and shout loud and long about the contribution they could make to cheaper and better defense. Without a strong small business coalition on the issue, the country will go on wasting money.●

THE AMERICAN CONSTITUTION

● Mr. MATHIAS. Mr. President, on September 7, 1803, Thomas Jefferson penned a warning to a friend that urgently bears repeating today. In a letter to Wilson C. Nicholas, President Jefferson wrote:

> Our peculiar security is in the possession of a written Constitution. Let us not make it a blank paper by construction.

Today, that warning has a special significance for Members of the U.S. Senate for we are up to our elbows in proposed constitutional amendments and the tide is rising.

To put it succinctly, as Joseph Kraft did in his Washington Post column this Sunday, "The proposed changes would junk up the fundamental law of the land * * *."

We must guard against that. We must preserve the "austere simplicity which distinguishes the American Constitution," to borrow another felicitous phrase from the Kraft column.

I have been sounding this alarm for so long now that my arguments are no doubt all too familiar to my colleagues. Joseph Kraft's eloquent essay on the threat to our Constitution therefore is especially welcome to me. I ask that his column, "A Rage to Amend," be printed at this point in the RECORD.

The column follows:

[From the Washington Post, May 16, 1982]

A RAGE TO AMEND

(By Joseph Kraft)

An austere simplicity distinguishes the American Constitution. The national charter ordains structure and procedure, but leaves social and economic questions open to constant adjustment by the higgledy-piggledy of the political marketplace. "It is not," Alexander Hamilton wrote of the Constitution in the 34th Federalist Paper, "framed upon a calculation of existing exigencies." "It is," Chief Justice John Marshall affirmed in *McCulloch* v. *Maryland*, "a document intended to endure for ages to come."

That exalted tradition gives the true measure of the current rage to amend the Consitution. The proposed changes would junk up the fundamental law of the land with controversial views on issues of the moment. It is astonishing such proposals could come from groups pleased to call themselves conservative.

The constitutional amendments now being pushed hard from the right fall into four different areas—abortion; the balanced budget; school busing and school prayer. This is the situation in each case:

Abortion is perhaps the most disputed social question in the land today. It is a constant subject of action in both Congress and the state legislatures. The Supreme Court, having ruled against making abortion constitutionally inadmissible, is now refining that decision—particularly with respect to payment of costs by the state. Medical technology alters so rapidly that establishment of the inception of pregnancy is itself something bound to change over time.

The balanced budget goes to the heart of the legislative process. Nothing is more appropriately the province of Congress than the levying of taxes and the voting of appropriations. The size of the deficits now impending stamps support for the amendment by the Reagan administration as a classic example of the drunk preaching temperance. Even so, the administration has been having a hard time reaching accord on the exact terms of an appropriate amendment.

School busing is another topic marked by high controversy and constant readjustment—in the Congress, the courts and by local school boards. The Supreme Court has been fashioning doctrine, case by case, and there is no reason—especially given the rapidly changing pattern of residence in the country—to give up on the tried and true method.

School prayer is also subject to great local variety. In areas of religious diversity, notably on the East and West coasts, school boards constantly avoid, or dilute, religious practice. In areas of basic homogeneity, religious observance keeps asserting itself. To impose uniformity is to invite social tension. Hence the great dispute over the word "voluntary."

The experience of past amendments works to reinforce those arguments. Twenty out of the 26 are purely procedural, covering matters like direct election of senators and the date of presidential inauguration. Six amendments do deal with substantive law.

The Reconstruction amendments (the 13th, 14th and 15th) brought the Constitution abreast of the proposition established in the Civil War, that the nation could not exist half-slave and half-free. The 16th Amendment legalized the income tax. The general rule is that substantive matters are added to the Constitution by amendment only when they involve business essential to the survival of the republic.

The exception that proves the rule is the 18th Amendment, which introduced Prohibition in 1919. By outlawing a common practice that was increasingly accepted in social custom, the amendment worked to foster a national binge of crime and corruption. It was repealed, with a sigh of relief, in 1933 by the 21st Amendment.

To be sure, the amendments now advocated by the right were not bred in a vacuum. They emulate the drive of the women's movement to establish by constitutional amendment a particular reading of equality between the sexes. They represent a reaction to efforts by a minority on the left to entrench in court decisions liberal views on abortion, budgetary entitlements, school busing and school prayers.

But the obvious conclusion is that neither right nor left ought to be able to fix, as eternal verities, notions that are intrinsically subject to change and adjustment. Certainly it cannot be claimed that a practice so remote from the intention of the framers, and so much at odds with traditional interpretations of the Constitution, is conservative. Even to the ideologues of the right, the term conservative ought to denote something more than mere response to liberal folly.●

THE CHURCHES AND U.S. FOREIGN POLICY

● Mr. GRASSLEY. Mr. President, on May 14 and 15 the Ethics and Public Policy Center, under the very able direction of Dr. Ernest Lefever, sponsored the Second Annual Conference on Religion and Politics, closely examining a timely topic, "The Responsible Uses of American Power." One of the most thought-provoking speeches presented at the conference was given by Dr. Michael Novak of the American Enterprise Institute. Dr. Novak, in discussing "The Churches and U.S. Foreign Policy," offered a sobering analysis of Soviet intentions and strategies in regard to nuclear arms control.

Additionally, he solemnly urged the churches in America to avoid embracing a blind anti-American ideology. Dr. Novak wisely reminds us that—

> During all those years during which the United States was the sole possessor of the atomic (and later the hydrogen) bomb, this great people did not threaten, or bully, or coerce people into submission. On the contrary, the era of unrivalled U.S. military superiority afforded the greatest era of decolonialization the world has ever known.

In contrast,

> While the rest of the world disarmed, the U.S.S.R. created an enormous Gulag of concentration camps and built the largest military force the world has ever known.

Dr. Novak has added penetrating insights to the national debate on nuclear arms control and Dr. Lefever deserves recognition for bringing such scholarly work to our attention through the Ethics and Public Policy Center.

I ask that Dr. Michael Novak's address to the conference be included here in its entirety.

The address follows:

THE CHURCHES AND U.S. FOREIGN POLICY

(By Michael Novak)

Describing the foreign policy of Alexander Haig, Caspar Weinberger, and President Reagan, National Catholic Reporter editor Michael J. Farrell writes this week (May 14): "Morality has little to do with it, and ideology only slightly more (its main component just now being anti-Communism)."

Sister Gwen Hennessy of the Catholic Peace Ministry in Des Moines, Iowa, tells Farrell: "One change many desire is that the U.S. administration and people get over their obsession with the Soviet Union. The big cry is, 'The Russians are coming, the Russians are coming,' . . . but this is a blind to hide . . . the control the multinationals have over our economy and our lives."

Farrell also quotes Sidney Lens: "We've got to get over that nonsense about the Russians."

It is as if Jimmy Carter had never announced in 1977 at Notre Dame that he was now free of an "inordinate fear of Communism."

What, may I ask you, is an "ordinate" fear of Communism? What ought we to think of the Soviet Union? This is the number one question for the churches as they become increasingly involved in foreign policy. What should the churches say about Soviet foreign policy?

For the first law of foreign policy is that foreign policy never occurs in a vacuum. It is never merely abstract, merely ideal. Foreign policy is designed to be effective in the real world. Foreign policy is an exercise in realism, or else it is an exercise in illusions.

Shall the churches of the United States promote illusions? Is it the mission of the churches to perpetrate false beliefs in foreign policy? Is it our mission to instruct our members in lies?

Surely, the first law for the churches in foreign policy is to speak the truth to power. And, in our day, in our kind of society, power is held not only by an administration—after all, Presidents Johnson in 1968, Nixon in 1974, Ford in 1976, and Carter in 1980 were, in effect, driven from office in no small measure because of the fury of public opinion. Power in our day is held effectively by those who influence public opinion as much as, or even more than, by elected officials.

The first law of the churches in foreign policy is to tell the truth.

Let me ask you. Is Billy Graham an adequate spokesman for the truth told by the Christian churches when he says in Moscow that there is religious freedom in Russia, that the churches are full in Moscow, that Russians eat as only the rich in America eat, dining on caviar everyday?

How would you compare Billy Graham's capacity for truth with the words of another great Christian of our era, Aleksandr Solzhenitsyn, who said in his Nobel Prize address, speaking of literature as Billy Graham ought to have spoken about churches:

"People will ask what literature can do in the face of the pitiless assault of open violence? Well, let us not forget that violence does not have its own separate existence and is, in fact, incapable of having it: it is invariably interwoven with the lie. They have the closest of kinship, the most profound natural tie: violence has nothing with which to cover itself except the lie, and the lie has nothing to stand on other than violence. Once someone has proclaimed violence as his method, he must inexorably select the lie as his principle. At its birth violence acts openly and even takes pride in itself. But as soon as it is reinforced and its position is strengthened, it begins to sense the rarefied atmosphere around it, and it can go further only when fogged about with lies, cloaked in honeyed, hypocritical words. It does not always nor invariably choke its victims; more often it demands of them only the oath of the lie, only participation in the lie."

I ask you, which of these Christians speaks the truth about Soviet power, Billy Graham or Aleksandr Solzhenitsyn?

I ask you, who better speaks for the Christian churches of the United States, Billy Graham of Charlotte, North Carolina, or Alexandr Solzhenitsyn of Vermont?

Ever since the days of Joseph McCarthy, intellectuals have been hesitant to speak about Communism and the Soviet Union. Susan Sontag recently spoke about that hesitance and its resultant blindness. Henri-Bernard Levy in France a few years ago cast this blindness from his own eyes, declaring that until Solzhenitsyn had awakened him and his friends they had all too willingly participated in "fifty years of lies."

Fifty years of lies! Are Michael J. Farrell, Sister Gwen Hennessy, Sidney Lens, and a host of others, still participating in "fifty years of lies"?

Many of you will have read Victor Bukovsky's long article in Commentary describing the Soviet Peace Movement from its beginnings. Always the Soviets, in getting ready for war, begin a huge campaign for peace. They know that everyone in the world longs for peace, particularly in this century of unsurpassed bloodshed, particularly in this new age living under the reign of terror which Winston Churchill described thirty-five years ago, the balance of terror from nuclear arms.

Who does not desire peace? Who would not want to believe with all his heart that the fourteen families of the Soviet politburo also desire peace? The natural instinct of trust and fellow-feeling in the human breast joins in a powerful current with the universal longing of the human heart for peace. The Peace Offensive launched by the Soviet Union in Bucharest in 1979, for which plans were made before the Soviet invasion of Afghanistan, evokes an almost irresistible tide. The fourteen families count upon it.

I ask you again: What is the truth which the Christian churches ought to speak to this Peace Offensive?

Do they simply join it? Do they make a clear and fearless judgment that it is an illusion? Or do they judge that it is real?

The peace movement which has come to flower this spring in the United States has taken three years of intense effort to prepare. Books have had to be written and published. Meetings have been held. Activists have been trained. Lists have been drawn up. Cities and churches and allies have been targeted. A massive movement is not easy to build or to sustain. Riverside Church and Riverside Drive have been main centers of this vast organizational effort. The churches of the land have been a prime institutional base of the Peace Offensive.

Why?

Because they are there. The churches already operate an institutional framework for sermons, meetings, study groups, institutes, coalition-builders, "Peace and Justice" workers, full-time staffs, telephones, copying machines, and members' lists. The churches in the United States are a potent force in public opinion building. Not only the Moral Majority has discovered this fact. Not only the right has discovered it. So also has Cora Weiss in New York and Richard Barnet in Washington. In our day, the left goes to church as never before in our history.

Increasingly, then, the churches are becoming the arena of political combat. More and more time of the clergy and the laity—particularly of the clergy—is going to politics. Categories of good and evil, of salvation and hope, are being given foreign policy formulation.

Sister Gwen Hennessy, for example, speaks not of the power of the Father of Lies, the power of the world, the flesh, and the devil, but of "the control the multinationals have over our lives." The economy of salvation has become political economy.

All this would be more impressive if we judged that the tides of religious faith were running so strong within our churches—

tides of prayer and contemplation, worship and fidelity, the sharp instinct of immortal life and the taste of interior union with the "Love that moves the sun and all the stars." Instead, many have the dismaying sense that religious faith has been steadily waning, almost in proportion as frenetic political activity has been raging.

Can it be that we are seeing an enormous displacement of spiritual energy into a modern form of superstition? The superstition is that humans are saved by politics. Those who hold this superstition—which Eric Voegelin calls the New Gnosticism—corrupt both religion and politics. They corrupt true religion by abandoning it. They corrupt politics by infusing it, not with realism, but with fanatical passion.

This new superstition takes two common forms. One form is Olympian. It pretends to stand outside power politics, outside nation-states, above the foray, looking down upon foreign policy questions from the pseudo-transcendence of superstitious Olympus. This is the pose that Billy Graham struck at his Moscow press conference. Asked to rate the contributions of the U.S. and the U.S.S.R. to peace, the Reverend said:

"I think both are searching for peace. I think all of the countries of the world are searching for peace, and I would not want to put one above the other." (N.Y. Times, May 13, 1982)

In other words, so high is his perch on Mt. Olympus that distinctions between the U.S. and the U.S.S.R. are beneath his notice.

Michael J. Farrell assays a milder version of the same Olympian strategy: "Because the U.S. is the more accessible to criticism, demonstration and confrontation, the current campaign seems directed to a showdown with Washington." We might call this the utilitarian Olympic view. Maybe the U.S.S.R. is worse, or the same, but for pragmatic reasons, let's not worry about differences.

The other common form taken by the New Superstition is much more frankly adversarial. It goes like this. "The greatest menace to peace in the world is the United States. Not exactly the people of the United States, but men like Reagan, Haig, and Weinberger—Protestant, Catholic, and Episcopalian—who represent the ruling circles of capitalism, the military-industrial complex, who use fear of Russia as a ploy to squeeze ever more money for the military." Stated nakedly, this is exactly the way KGB operations all around the world portray the world situation, not only at last week's Moscow World Conference of Religious Workers for Saving the Sacred Gift of Life from Nuclear Catastrophe, but in every world forum. But it is repeated often in less naked—but not much less naked terms—as in this quotation from Sidney Lens in today's National Catholic Reporter:

"The United States [Lens says] produced and used the first atom bomb, the first hydrogen bomb, the first ballistic missile, the first nuclear submarines, the first missile with nuclear warheads. First we said, 'The Russians are catching up.' Now we say, 'The Russians are ahead.' It was a ploy that worked to get more money from a fearful American population for the Pentagon."

Yet, whether in its Olympian or in its bitterly adversarial mode, the New Superstition suffuses well-meaning people with hatred for the government and economic system of the United States. In practical terms, not much can be done about the Soviet Union. So the New Superstition ignores the Soviet Union. It approaches foreign policy with the idea that the United States is, if not the true enemy of humankind, at least in practical terms the most "accessible" adversary. Thus, does a genuinely democratic society become less than the moral equal of a closed, remote, and secretive society run by fourteen families.

If we are to speak the truth about the churches and foreign policy today, then, we must note, first, the enormous confusion in the churches about their own true mission. Of course, the churches have a role to play in foreign policy. But they also have a role to play in religion: with respect to religious truth, with protecting orthodoxy from superstition, with an authentically religious interior and social life. Religion is not merely a private affair. It is a social reality, a public reality, and it properly influences every aspect of the economy, the polity, the arts and culture, as yeast does dough. But religion does have to do with religion first of all, with true religion, or it is not religion at all—it is then only foreign policy.

It does seem odd, does it not, that many today who are utterly uncertain about what constitutes religious orthodoxy are blazingly passionate about what constitutes foreign policy orthodoxy? Religious passion is alive and well, even where religion dies.

The second truth we must speak concerns the fraudulence of the New Superstition. It is fraudulent as religion. It is also fraudulent as foreign policy.

Winston Churchill once said of the Marshall Plan that it was the most generous act by any nation toward other nations in the annals of human history. It was the United States that raised up in Western Europe and Japan its two closest economic competitors—intended to do so, desired to do so, did so.

During all those years during which the United States was the sole possessor of the atomic (and later the hydrogen) bomb, this great people did not threaten, or bully, or coerce other peoples into submission. On the contrary, the era of unrivalled U.S. military superiority afforded the greatest era of decolonization the world has ever known. In 1949, there were 49 nations in the world. Today there are 160. With atomic power, the U.S. stood athwart the globe like a colossus—not in order to conquer, but in order to preside over the decolonization of the world.

Germany, formerly a bitter foe, is today one of our two or three staunchest friends, as is Japan. Both these great nations have prospered by demilitarization. And why? Because the United States bore the burden of their defense, while encouraging such liberties for the 400 million persons of the Atlantic Alliance as they have never before known in history. No generation of Western Europeans has ever tasted such prosperity and freedom as during the era of American prominence.

The U.S.S.R., alas, has not followed the path of Germany and Japan. While the rest of the world disarmed, the U.S.S.R. created an enormous Gulag of concentration camps and built the largest military force the world has ever known. This military power exceeds that of Adolph Hitler at its height by many times. And it presides over one of the largest empires run by brute force ever seen on earth, dominating some 35 nations on its pre-war boundaries. Its armed forces are not in defensive configuration. A landlocked nation, the Soviet Union now has a total fleet—naval and cargo—five times larger than that of the United States, almost twenty times greater than that of Great Britain. Britannia no longer rules the waves. The Soviets move closer to doing so with every splash of every new ship off the construction piers every month. The Soviet Air Force is designed to project power in every region of the globe. Expeditionary forces from Soviet satrapies are deployed in totals of nearly half a million in Africa, Kampuchea, Afghanistan, and elsewhere.

In nuclear capacity, the Soviet Union has, as optimists judge, reached parity with the U.S.; as pessimists judge, it has achieved greater flexibility and more numerous options. The SS-20s ringing Europe without adequate answering balance, moreover, place the nuclear initiative in Soviet hands for the first time in post-war history.

A foreign policy which ignores Soviet power is built on illusions. Yet, there are powerful reasons for indulging in illusions. The prospect of superior military power paralyzes the weak. Fear and panic spread. Fear is all too real.

Yet more awesome than Soviet military power is the Soviet public opinion apparatus. At every international forum, in virtually every institutional setting, the Soviets with great expense, forethought, and imagination work to master the instruments of public opinion even in societies freer than their own. Goebbels could control public opinion in Germany. The Soviet ambition is far vaster. They work might and main to establish the terms of discourse everywhere in the world. Their agents work the parliaments of every major nation, the major institutions of the press, the labor unions, the major high-technology corporations, the universities, and the churches. Targets are diagnosed. Assignments are made.

For the Soviets, in one sense, have abandoned Marxist-Leninist materialism. They are no longer materialists. They no longer rely upon inevitabilities of economic production. How could they? Their economy is a disgrace even to themselves. Their aim is to win the battle of ideas—to win Billy Graham, to corrupt Reverend Preuss, to tempt those who genuinely long for peace and justice to share the Soviet vision of the major evils of this planet.

When the Soviet Union is looked upon, from Mt. Olympus, as equal in its desire for peace with the United States, and by no less a figure than that friend of U.S. presidents, Billy Graham, someone tonight in the Soviet Union ought to be receiving warm congratulations, a medal perhaps, even as we sit here. The fourteen families of the Soviet politburo have been paid a compliment which must satisfy even the most skeptical among them that they have indeed been anointed by ineluctable history to achieve impossible dreams. Even the most hardbitten and anxious among them must be forced to concede that the intellect of the western churches is far more unfeebled, its spiritual life far more decadent, than they had dared to dream. What fools church leaders are!

When the churches become involved in foreign policy, as they must, the least their members and their fellow citizens can ask of their leaders and their theologians is to confront realities. There is more than one strategy available. Tactics may be argued over. There are plenty of matters about which honorable and conscientious persons may disagree. But all without exception are expected to meet standards of elementary realism.

One last word. In my own view, the Soviet Union is far weaker than its military strength and its power over public opinion

might suggest. No empire built on lies can long survive. In proportion as Soviet power is legitimated by Marxist-Leninist beliefs about the world, the decay of those beliefs from within, under the pressures of elemental realism, presages the collapse of empire. In thirty-five years of monopolistic control, the Soviet Union has won neither love nor respect from 100 million persons in Poland, Hungary, Lithuania, Estonia, Czechoslovakia and among other oppressed peoples of Eastern Europe. The great Solzhenitsyn testifies that no sophisticated Russian utters the formulae of Marxism-Leninism without a barely suppressed and sardonic smile. The empire is rotting from within.

The greatest threat to Soviet power is not arms. Arms are necessary only to deter Soviet power. The greatest threat to the Soviet Union is the insuppressible longing for liberty in the human breast, the simple and dedicated cleaving to truth on the part of those who will have no complicity with lies. These Solzhenitsyn, Sakharov, Bukovsky, Milocz, Kolokowski and legions of others have manifested in abundance. The Soviet Union is an empire of lies, lies disguising violence.

Let me close with the words I wish Billy Graham had cited in Moscow, the words of Aleksandr Solzhenitsyn:

"Simple is the ordinary courageous human being's act of not participating in the lie, of not supporting false actions! What his stand says is: 'So be it that this takes place in the world, that it even reigns in the world—but let it not be with my complicity.' Writers and artists have a greater opportunity: To Conquer the Lie! In battle with the lie, art has always been victorious, always wins out, visibly, incontrovertibly for all! The lie can stand up and win out over much in the world—but not over art.

"And as soon as the lie is dispersed, the repulsive nakedness of violence is exposed. and violence will collapse in impotence.

"And that is why, my friends, I think that we are capable of helping the world in its white-hot hour of trial. We must not reconcile ourselves to being defenseless and disarmed; we must not sink into a heedless, feckless life—but go out to the field of battle.

"In the Russian language there are some favorite proverbs on Truth. They express enduringly the immense folk experience, and are sometimes quite surprising:

"One word of truth outweighs the whole world."●

ORDER FOR STAR PRINT—SENATE JOINT RESOLUTION 58

Mr. BAKER. Mr. President, I ask unanimous consent that Calendar Order No. 193, Senate Joint Resolution 58, be star printed to reflect changes which I send to the desk.

The PRESIDING OFFICER. Is there objection?

Mr. ROBERT C. BYRD. No objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEPARTMENT OF DEFENSE AUTHORIZATION, 1983

Mr. BAKER. Mr. President, on May 13, 1982, the Senate passed S. 2248, the fiscal year 1983 Department of Defense authorization bill. I ask unanimous consent that the bill, as passed, be printed in full, together with all amendments.

The PRESIDING OFFICER. Is there objection?

The Chair hears none, and it is so ordered.

EXECUTIVE SESSION

Mr. BAKER. Mr. President, there is one item on today's Executive Calendar that is cleared on this side.

May I inquire of the minority leader if he is in a position to consider Calendar Order No. 763, the nomination of Tony Guglielmo, of Connecticut, to be a member of the Federal Council on the Aging.

Mr. ROBERT C. BYRD. Mr. President, that item has been cleared on the minority side.

Mr. BAKER. I thank the minority leader.

Mr. President, I ask that the Senate now go into executive session for the purpose of considering that nomination.

There being no objection, the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. The nomination will be stated.

FEDERAL COUNCIL ON THE AGING

The bill clerk read the nomination of Tony Guglielmo, of Connecticut, to be a member of the Federal Council on the Aging for a term expiring June 5, 1983.

The PRESIDING OFFICER. The nomination is considered and confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I ask that the President be immediately notified that the Senate has given its consent to this nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate now return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATOR JOHN WARNER COMPLETES 100 HOURS AS PRESIDING OFFICER OF THE SENATE

Mr. BAKER. Mr. President, last Friday, after an all-night session in the Senate, the legislative scheduling staff skeptically reviewed the list of presiding officers for Friday's session. The Senate had been in session until almost 6 a.m., and was due to reconvene at noon. They wondered who would be willing, indeed who would be able, to take the Chair and insure that the Senate was able to conduct its business.

When noon arrived, there was a Senator in the Chair, and to those in the know, it was no surprise to see Senator JOHN WARNER of Virginia presiding. He came to the rescue Friday, like he has done so many times in the past.

Today, we witness his 100th hour in the Chair, and I want to take this opportunity to congratulate him and thank him for this remarkable achievement. By contributing his time, Senator WARNER has contributed to the Senate, and all of its Members. I can only hope that his efforts will encourage others to assist the Senate and spend more time presiding over the Senate's deliberations.

CONCLUSION OF ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, will the Chair inquire if there is further morning business?

The PRESIDING OFFICER. Is there further morning business?

If not, morning business is closed.

ORDERS FOR WEDNESDAY

ORDER FOR RECESS UNTIL 8:45 A.M. TOMORROW

Mr. BAKER. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 9 a.m. tomorrow.

Mr. HARRY F. BYRD, JR. Mr. President, reserving the right to object, are there special orders for tomorrow?

Mr. BAKER. Yes, there are three that we know of, Mr. President. I was going to provide for that and then, as I have discussed with the minority leader, abbreviate the time available to us under the standing order, then provide that the Senate will resume with the resolution at 10 a.m.

Mr. HARRY F. BYRD, JR. Within that timeframe beginning at 9 o'clock, could the Senator from Virginia get 15 minutes?

Mr. BAKER. Yes, Mr. President. I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 8:45 a.m. tomorrow.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

REDUCTION OF TIME FOR RECOGNITION OF TWO LEADERS TOMORROW

Mr. BAKER. Mr. President, I ask unanimous that on tomorrow, the time allocated to the two leaders under the standing order be reduced to 5 minutes each.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF CERTAIN SENATORS TOMORROW

Mr. **BAKER**. Mr. President, after the execution of the time allocated to the two leaders under the standing order is reduced, I ask unanimous consent that the following Senators be recognized under special orders for 15 minutes each: Senator CHILES, Senator NUNN, Senator QUAYLE, and Senator HARRY F. BYRD, JR.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

RESUMPTION OF CONSIDERATION OF BUDGET RESOLUTION

Mr. **BAKER**. Mr. President, it is anticipated that after the execution of the special orders, there may be a brief period for the transaction of routine morning business.

I ask unanimous consent, however, that at 10 a.m. tomorrow, the Senate resume consideration of Senate Concurrent Resolution 92, the budget resolution.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

RECESS UNTIL 8:45 A.M. TOMORROW

Mr. **BAKER**. Mr. President, I move, in accordance with the order previously entered, that the Senate now stand in recess until 8:45 a.m. tomorrow.

The motion was agreed to, and at 6:08 p.m., the Senate recessed until tomorrow, Wednesday, May 19, 1982, at 8:45 a.m.

NOMINATIONS

Executive nominations received by the Senate May 18, 1982:

THE JUDICIARY

John P. Moore, of Colorado, to be U.S. district judge for the district of Colorado vice Fred M. Winner, retired.

DEPARTMENT OF JUSTICE

Francis K. Peo, of New York, to be U.S. Marshal for the northern district of New York for the term of 4 years vice Eugene Madden, Jr.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

James B. Burnham, of Pennsylvania, to be U.S. Executive Director of the International Bank for Reconstruction and Development for a term of 2 years, vice Colbert I. King, resigned.

NATIONAL ADVISORY COUNCIL ON WOMEN'S EDUCATIONAL PROGRAMS

Eleanor Thomas Elliott, of New York, to be a Member of the National Advisory Council on Women's Educational Programs for a term expiring May 8, 1985, vice Jon W. Fuller, term expired.

NATIONAL TRANSPORTATION SAFETY BOARD

Donald D. Engen, of Virginia, to be a Member of the National Transportation Safety Board for a term expiring December 31, 1986, vice James B. King, term expired.

DEPARTMENT OF COMMERCE

Guy W. Fiske, of Virginia, to be Deputy Secretary of Commerce, vice Joseph Robert Wright, Jr.

IN THE AIR FORCE

The following midshipmen, U.S. Naval Academy, for appointment in the Regular Air Force in the grade of second lieutenant, effective upon their graduation under the provisions of sections 541 and 531, title 10, United States Code, date of rank to be determined by the Secretary of the Air Force.

Baptiste, Barry, 147-60-7370
Brog, Tov B., 214-84-4249
Browning, William F., 223-94-4841
Buglewicz, James F., 508-72-2028
Cramer, Jeffrey M., 230-80-6746
Davidson, John M., 228-92-3355
Heller, Rudolph, III, 262-57-6421
Irwin, Stephen R., 044-44-3204
Kennedy, Thomas J., 530-72-1185
Kirby, Charles L., 579-84-4139
Morris, Michael, 434-17-7312
Parrott, Donald L., Jr., 241-82-9760
Roberts, John E., 526-41-0105
Sonderman, Kurt D., 478-64-9577
Sparks, Terence W., 213-50-6978
Terrell, Wayne A., 523-08-1293
Thomson, Thomas G., 231-88-7892
Tracy, Douglas S., 522-66-1114
Vandagriff, Rick L., 081-58-3145

CONFIRMATION

Executive nomination confirmed by the Senate May 18, 1982:

FEDERAL COUNCIL ON THE AGING

Tony Guglielmo, of Connecticut, to be a Member of the Federal Council on the Aging for a term expiring June 5, 1983.

The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

WITHDRAWAL

Executive nomination withdrawn from the Senate May 18, 1982:

Marc Sandstrom, of California, to be a Member of the Board of Directors of the Legal Services Corporation for a term expiring July 13, 1983, vice Richard Allan Trudell, term expired, to which position he was appointed during the last recess of the Senate, which was sent to the Senate on March 1, 1982.

HOUSE OF REPRESENTATIVES—*Tuesday, May 18, 1982*

The House met at 12 o'clock noon and was called to order by the Speaker pro tempore (Mr. WRIGHT).

DESIGNATION OF SPEAKER PRO TEMPORE

The **SPEAKER** pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, D.C.,
May 17, 1982.

I hereby designate the Honorable JIM WRIGHT to act as Speaker pro tempore on Tuesday, May 18, 1982.

THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives.

PRAYER

Bishop William H. Marmion, interim warden, National Cathedral, Washington, D.C., offered the following prayer:

O Lord our God, we pray for peace with honor and justice, a peace which is born not of our fond desires, but of Your inflexible purpose. Raise up in our midst leaders of vision and courage. Help them and us to displace madness by sanity, force by reason, and war by law. Quell national arrogance wherever it prevails. Frustrate intrigue and selfish scheming. Make good will reign in all hearts and speedily bring us out of our present confusion into the order and righteousness of Your kingdom. In Your name we pray. Amen.

THE JOURNAL

The **SPEAKER** pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Saunders, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested.

S. 2535. An act to regulate the operation of foreign fish processing vessels within State waters.

THE RIGHT REVEREND WILLIAM H. MARMION, D.D.

(Mr. **BUTLER** asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. **BUTLER**. Mr. Speaker, the gentleman from Virginia (Mr. WAMPLER) and I have the great pleasure of welcoming my friend Bishop William H. Marmion as our visiting chaplain.

We thank him for his blessings and inspirational words this morning.

Bishop Marmion is now in his 50th year in the priesthood, bringing spiritual guidance to many during his very full life, serving churches in Texas, Alabama, and Delaware.

I am particularly proud to have him with us today.

He was consecrated the third bishop of the Episcopal Diocese of Southwestern Virginia 28 years ago in my own church, St. John's in Roanoke, Va.

Throughout his ministry, he has been much involved in civic and social concerns, and was a tower of Christian strength and guidance during the difficult times following the early Supreme Court decisions concerning segregation of the races.

In 1963, Bishop Marmion was elected to the executive council of the Episcopal Church and again for a second term.

He was chairman of the Christian social relations department and of the church and race fund committee.

He was also a member of the ecumenical relations, world relief, and American church institute committees.

He retired in 1979 as bishop of the Diocese of Southwestern Virginia after 25 years of service in that capacity.

He is presently interim warden of the College of Preachers at the National Cathedral in Washington.

Bishop Marmion is clearly an outstanding servant of all mankind.

I express the appreciation of my colleagues to him for being with us, and for his inspiring prayer.

PHONY POSTPONEMENT OF SOCIAL SECURITY CUTS

(Mr. **PEYSER** asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. **PEYSER**. Mr. Speaker, I felt very badly yesterday, not only for the American people, but for Members of Congress when I read and had seen the stories that the leadership in the Republican Party had stated very plainly that the proposed cuts in social security, nearly $40 billion in benefits which the President had suggested, should really be put off until after the elections because as a member of the Republican Party said, "We really can't ask our members to do this before they have to run."

What kind of phoniness is this, Mr. Speaker?

You know, the issue is if it is right to cut social security, then we ought to cut it today. I do not happen to think it is right as long as we are giving major corporations tremendous tax breaks, as long as we are refunding money to the oil companies.

To talk about cutting social security is outrageous, but what is more outrageous is to try to fool the people and say, well, we are not going to do it before elections because then after all the seniors then vote for us, but after elections then it is an open ball game and let us make those cuts.

I hope the senior citizens and the people of this country are smart enough to see through this plan.

HOUR OF MEETING ON TOMORROW

Mr. **LONG** of Louisiana. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn until 11:30 a.m. tomorrow.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from Louisiana?

Mr. **WALKER**. Reserving the right to object, Mr. Speaker, I do not intend to object; but do I understand the new time is to make certain that Members can have time to file amendments to the budget bill; that would give them a half an hour from 11:30 to noon in order to file any amendments we have to the Budget Act; is that correct?

Mr. **LONG** of Louisiana. The gentleman is correct.

Mr. **WALKER**. This is in line with the joint agreement between the leadership; is that correct?

Mr. **LONG** of Louisiana. That is correct.

Mr. **WALKER**. Mr. Speaker, I thank the gentleman, and I withdraw my reservation of objection.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

PERMISSION TO DELETE DISSENTING VIEWS IN REPORT ON H.R. 6370, INTERNATIONAL SECURITY AND DEVELOPMENT COOPERATION ACT OF 1982

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent that the dissenting views of the gentleman from California (Mr. LAGOMARSINO) be deleted in the printing of the report of the Committee on Foreign Affairs on H.R. 6370.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

PERMISSION FOR SUBCOMMITTEE ON IMMIGRATION, REFUGEES, AND INTERNATIONAL LAW OF COMMITTEE ON THE JUDICIARY TO SIT ON WEDNESDAY, MAY 19, 1982, AND THURSDAY, MAY 20, 1982, DURING 5-MINUTE RULE

Mr. MAZZOLI. Mr. Speaker, I ask unanimous consent that the Subcommittee on Immigration, Refugees, and International Law of the Committee on the Judiciary be permitted to sit Wednesday, May 19, 1982, and Thursday, May 20, 1982, during proceedings of the House under the 5-minute rule.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

SUGGESTING A MORE POSITIVE APPROACH FOR THE G.O.P

(Mr. COELHO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COELHO. Mr. Speaker, yesterday, the Republican Party started a $2 million advertising pitch that "Republicans are beginning to make things better."

I would like to suggest a more positive approach for the Grand Old Party.

Instead of wasting that $2 million on negative and dishonest TV commercials, the Republicans should mail one of those $2 million to each of the more than 2 million Americans who have lost their jobs under Reaganomics.

A dollar would not be much help, of course. But it would be the first concrete thing the Republicans have done to help the unemployed.

CONGRESSMAN BRODHEAD WILL NOT SEEK RELECTION

(Mr. BRODHEAD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BRODHEAD. Mr. Speaker, for the past 8 years it has been my privilege to serve as the Representative of the 17th District of Michigan. I am very proud that the people of that district have four times given me that high honor. I have enjoyed working with my colleagues, sincere, committed people on both sides of the aisle, and with dedicated staff, especially my own personal staff, which I think is the finest group of people I have ever had the privilege of knowing.

In addition, I am deeply grateful to the hundreds of campaign workers who have made it possible for me to be in Congress; however, I find that I no longer have enthusiasm for my work. I have a strong desire for more time with my family and more quiet goals in my life.

I have, therefore, decided not to seek reelection. I plan to find some sort of work in the private sector, probably a little practice of law.

I have received a large number of campaign contributions toward my 1982 campaign. Every penny of that money will be returned.

BEST WISHES TO CONGRESSMAN BRODHEAD

(Mr. GIBBONS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GIBBONS. Mr. Speaker, the gentleman from Michigan (Mr. BRODHEAD) has just shocked us with his announcement. He is a very fine and talented Member of Congress. I hope it is not too late for him to reconsider. We need men like him in Congress, especially intelligent, hard-working, and dedicated people.

I regret that the gentleman finds that he must return to the private practice of law; but, Mr. Speaker, we will miss him.

DEEP SHOCK IN PUERTO RICO OVER SHOOTING OF OUR SAILORS

(Mr. CORRADA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CORRADA. Mr. Speaker, it was with a deep sense of shock and disbelief that I received the news while traveling in Puerto Rico this weekend that shortly after 1 a.m. Sunday morning four of our sailors in the Navy, members of the crew of the U.S.S. *Pensacola*, were shot by strangers as they were coming out of a bar in San Juan. One of the sailors, Darryl T. Phillips, died and three others were wounded. At this time the FBI, the police superintendent in Puerto Rico and the Puerto Rico Department of Justice are conducting a massive and thorough investigation. We do not know for sure whether the motive for this dastardly attack was political terrorism sponsored by a very small but radical group of Marxist-Leninists who support independence for Puerto Rico and who would like to see Puerto Rico become—through independence—another Cuba in the Caribbean, or hardcore criminals moved by the desire to steal or by any other low passion. One thing I know for sure—this act of cowardice, this heartless and coldblooded criminal act, is condemned not only by me but also by the overwhelming majority of the people of Puerto Rico, who are law abiding and peaceful American citizens. I urge Federal and State authorities in Puerto Rico to do everything within their lawful means, resources, and power to investigate this unspeakable crime and to bring to justice the cowards who taking advantage of the dark killed and injured innocent and defenseless victims. I express my heartfelt condolences to the Phillips family and to the families of the injured sailors—Larry Skowronski, Randell Keyte, and Anthony Phaneuf. To all of them I would like to express that freedom, democracy, decency, and justice will prevail over the forces of darkness, whether they be Communist inspired terrorism, hatredness or wanton and vicious crime.

□ 1215

AMERICAN JOBS LOST TO FOREIGN COMPETITION

(Mr. SOLOMON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SOLOMON. Mr. Speaker, it is no secret that we are losing American jobs to foreign competition. It is also no secret that passage of the export trading companies bill would help keep those jobs in the United States by helping American business to do more exporting of our goods and services.

The only secret appears to be why it has taken so long for this legislation to come before the full House of Representatives for a vote.

The other body approved a version of this legislation in September 1980. However, no bill reached the House floor before the end of the 96th Congress. Once again, the Senate approved an export trading company bill, in April 1981, by a vote of 93-0. Since that time, there have been hearings in all three committees of jurisdiction in the House. The committees now appear to be moving toward some positive actions that may well bring their version of the bill to the House floor before the end of this month.

To this Member, that would not be a moment too soon. Since the other body passed this bill, the cumulative trade deficit has been more than $28.2 billion. That translates into a lot of American jobs lost to foreign competition. The Commerce Department estimates that every billion dollars in increased exports would generate 31,000 new jobs. Passage of this legislation would lead to a minimum of 5 percent in increased exports.

While that would not solve our deficit problem overnight, it would represent increased exports of between $9 to $11 billion over 1980 levels. Using the Commerce figures, that would create between 280,000 and 340,000 new jobs. And, Mr. Speaker, these jobs would be created at little or no cost to the taxpayer.

Can we afford to wait? I urge the committees entering their final stages of action on this legislation to please complete your work as soon as possible. Let us bring this bill to the floor and give American business this valuable tool to compete more effectively in the world market. Let us pass this job creation bill without delay.

ECONOMIC INFRASTRUCTURE

(Mr. CLINGER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CLINGER. Mr. Speaker, can any Members of this Chamber claim that their constituents have not complained about roads and bridges in need of repair, inadequate water and sewerage systems, and breakdowns in public facilities and equipment? Not likely.

Today, 15 members of the House Wednesday Group and I are releasing a report on measures to revitalize our public economic infrastructure. The report documents numerous instances of underinvestment in and deterioriation of America's basic infrastructure.

Measured in constant dollars, America's investment in public capital declined by 30 percent in the last 15 years, from 4.1 percent of the Nation's GNP in 1965 to just 1.7 percent in 1980. In addition to neglect, we have enormous amounts of waste, fraud, and fragmented decisionmaking at all levels of government that adversely affect investment.

The report recommends some administrative modifications to address waste and fraud, and suggests some alternate financing schemes to revitalize the ability of State and local governments to fund public works.

More importantly, Congress must require the executive branch to prepare a Federal capital budget with an inventory and needs assessment. This budget will bring together scattered public works investment into one document. Congress can more rationally allocate scarce revenues in these times of fiscal crisis.

EXPORT TRADING COMPANY ACT—A BREATH OF FRESH AIR

(Mr. ROBERTS of South Dakota asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROBERTS of South Dakota. Mr. Speaker, American business is struggling to cope with a number of critical factors that are crippling our ability to maintain the U.S. position as a trade leader.

Passage of the Export Trading Company Act would be a breath of fresh air for our U.S. firms trying to compete with an influx of foreign imports in the domestic market, while searching for a way to market American goods and services efficiently overseas. Export trading companies are already being used effectively by our trading partners such as Japan and Germany.

In fact, an irony of the current situation is that Japanese trading companies can operate freely in the United States without the same limitations facing American firms that would like to form a trading company. According to a decision in 1971 by the Federal Reserve, a foreign bank may have an unlimited investment in a foreign trading company that exports to and imports from the United States, and this activity does not come under the jurisdiction of the Bank Holding Company Act. Free from the kinds of limitations, such as bank participation, that have discouraged the formation of U.S. trading companies, foreign companies have flourished in the United States.

Mr. Speaker, it is time we gave our companies the same advantages we afford to our trading partners. Americans do not shy away from a fair fight—all we are asking is that the rules be the same for everyone. The Export Trading Company Act would allow for bank equity participation, under carefully controlled circumstances, in U.S. export trading companies. Given the financial clout and international expertise which banks can bring to an export trading company, our American firms will be able to compete more effectively and aggressively in the world market.

I urge the three committees considering this legislation to complete their work without delay. Since the other body completed action on their version of this bill last April, the United States has experienced a $28.2 billion trade deficit. American business desperately needs this legislation enacted into law as soon as possible.

SOVIET POSTURING ON START

(Mr. BROOMFIELD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BROOMFIELD. Mr. Speaker, Secretary General Brezhnev's response to President Reagan's START proposal was cynical and designed to influence certain elements in Western society. By labeling the U.S. proposal one-sided, Brezhnev deliberately failed to mention the new U.S. systems that we are prepared to limit in exchange for Soviet limitations. The Soviet call for a freeze once again attempts to undermine efforts at establishing true parity and seeks to spread the Soviet myth that a freeze would end the arms race. To the contrary, it would leave the Soviets in a superior position and remove the incentive for future Soviet arms reductions.

Brezhnev's propaganda statement tried to portray the United States as a dangerous partner. But it is the Soviets that have deployed new and improved generations of nuclear weapons, and it is the Soviet Union that has failed to adhere to previous treaties on chemical-biological weapons and has violated provisions of SALT agreements.

The American people must not be guided by Soviet propaganda statements in assessing this vital issue. We need both verifiable arms control agreements and modernization of existing forces in order to assure a future world of peace and security.

If the Soviets do not like our initial START proposal, let them make their own proposal. Let us get down to serious business and cut out the Communist propaganda.

PERMISSION FOR SUBCOMMITTEE ON ENERGY RESEARCH AND PRODUCTION OF COMMITTEE ON SCIENCE AND TECHNOLOGY TO SIT TOMORROW AND THURSDAY DURING 5-MINUTE RULE

Mrs. BOUQUARD. Mr. Speaker, I ask unanimous consent that the Subcommittee on Energy Research and Production be permitted to sit tomorrow, Wednesday, May 19, 1982, and Thursday, May 20, 1982, during the 5-minute rule for the purpose of receiving testimony. I understand this has been cleared with the minority.

The SPEAKER pro tempore (Mr. PANETTA). Is there objection to the request of the gentlewoman from Tennessee?

There was no objection.

PERMISSION FOR COMMITTEE ON RULES TO FILE PRIVILEGED REPORTS

Mr. BOLLING. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file two privileged reports on bills which it will hear this afternoon.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

BUDGET RESOLUTION PROCEDURES

(Mr. BOLLING asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BOLLING. Mr. Speaker, I would like to have 1 minute in order to try to state additional information regarding the understanding that we have with the bipartisan leadership on the budget resolution.

The Rules Committee, under that agreement, will consider House Concurrent Resolution 345, the budget resolution, on Thursday, May 20, at 10:30 a.m. This follows the bipartisan leadership agreement of last Thursday, May 13, that all amendments be printed in the RECORD of Wednesday, May 19, and that copies be given to the Rules Committee and the Budget Committee by noon on Wednesday, May 19.

Members should be aware that the Rules Committee is also requesting CBO to make cost estimates on House Concurrent Resolution 345, and all amendments thereto, especially substitutes, but including all amendments.

It is also desirable, not so much on the substitutes, but in terms of trying to manage the problem of a multitude of amendments, as far as the chairman of the Rules Committee is concerned, if the amendments are able to be—what is the new phrase; a new phrase for a variety of things—revenue neutral. That means that the amendments, and this is not a part of the agreement, and would not include the substitutes, will be given first consideration if they are revenue neutral, and revenue neutral means that if there is an additional, there is also a matching cut.

Now, I am not saying that it is going to be possible in all instances to adhere to that. There are all kinds of difficulties. I want to make clear that that was not part of the agreement, but I think it is obvious that as far as amendments are concerned, they will be advantaged in front of the Rules Committee if they are revenue neutral.

Some of the substitutes may or may not be available for examination by all Members for a variety of technical reasons.

I hope that everybody is going to honor the agreement. I hope that everything is going to be in by Wednesday. The Rules Committee will attempt, and I know in a bipartisan way, to be totally fair in the purpose of that agreement. The purpose of that agreement was to see to it that nobody is surprised.

But it is going to take a lot of cooperation, not only by the Members of the House but also by the Public Printer, if we are going to run on time on all of these difficulties. I want to emphasize the importance for all Members who have individual amendments, and even substitutes, that they meet the deadline.

If there are any questions, I would be glad to try to answer them.

Mr. LOTT. Mr. Speaker, will the chairman yield for a couple of questions or comments?

Mr. BOLLING. I yield to the gentleman from Mississippi.

Mr. LOTT. First of all, I thank the gentleman for this clarification. Members should be on notice as to the time frame we are dealing with and the need to get the substitutes or amendments ready, if at all possible, for printing in the RECORD by Wednesday at noon. I join in encouraging the Public Printer to move as quickly as possible.

I would like to raise this one concern that I have, and that really does not involve the Rules Committee as much as it does CBO.

I understand that there has been some preliminary indication that substitutes or amendments delivered to CBO so that the numbers can be run through their computers would come in line behind other matters that may be before the Congressional Budget Office.

I would like to urge here publicly that the Congressional Budget Office give preferential treatment to running these numbers through their processes, if they involve substitutes or amendments to the budget, so that the people that are advancing these substitutes or amendments will be able to get them back as quickly as possible, and so the Members will have the benefit of that effort.

I am sure the distinguished chairman would like CBO to give preferential treatment to these substitutes and amendments within the human limits as much as possible.

Mr. BOLLING. Well, I certainly agree with the gentleman that everything that has to do with the budget should have a priority.

I do think that the first priority has to be the resolution from the committee (H. Con. Res. 345). I would think the next priority would be the minority substitute. I would think that from there on it would be substitutes and then to amendments. But I am not trying to tell the CBO what to do. I am just giving a point of view. But I think it is clear that the CBO and the Public Printer, if at all possible, should be giving priority to all budget matters to the degree possible so that we may move on with this in just as orderly a fashion as possible.

I have used "possibly" three times, and I have done it on purpose.

Mr. LOTT. I think this is the art of the possible we are talking about, Mr. Chairman.

I have no further questions at this time.

PRIVATE CALENDAR

The SPEAKER pro tempore. This is the day for the call of the Private Calendar. The Clerk will call the first individual bill on the Private Calendar.

REMEDIOS R. ALCUDIA, CHRISTOPHER, EZRA, VERMILLION, AND PERISTELLO ALCUDIA

The Clerk called the bill (H.R. 1547) for the relief of Remedios R. Alcudia, Christopher, Ezra, Vermillion, and Peristello Alcudia.

Mr. SENSENBRENNER. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

LASZLO REVESZ

The Clerk called the bill (H.R. 1352) for the relief of Laszlo Revesz.

Mr. SENSENBRENNER. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

JENNIFER FERRER

The Clerk called the bill (H.R. 1830) for the relief of Jennifer Ferrer.

Mr. SENSENBRENNER. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The SPEAKER pro tempore. This concludes the call of the Private Calendar.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 5, rule I, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4, rule XV.

Such rollcall votes, if postponed, will be taken on Wednesday, May 19, 1982.

□ 1230

INTERNATIONAL CARRIAGE OF PERISHABLE FOODSTUFFS ACT

Mr. DE LA GARZA. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 6164), to implement the Agreement on the International Carriage of Perishable Foodstuffs and on the Special Equipment To Be Used for

Such Carriage (ATP), and for other purposes, as amended.

The Clerk read as follows:

H.R. 6164

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "International Carriage of Perishable Foodstuffs Act".

FINDINGS AND PURPOSE

SEC. 2. Congress hereby finds and declares that—

(1) the United States, as a member of the Economic Commission for Europe of the United Nations, participated in development by that Commission of the Agreement on the International Carriage of Perishable Foodstuffs and on the Special Equipment To Be Used for Such Carriage;

(2) the agreement requires that equipment involved in the international carriage of perishable foodstuffs be inspected, tested, and certified to specified standards;

(3) this Act will make it possible for equipment in the United States to be inspected, tested, and certified in accordance with the agreement and the standards specified therein; and

(4) this Act will improve the conditions for the movement of perishable foodstuffs in international carriage in equipment owned or operated by United States firms, which will serve to protect existing trade and promote expansion of trade in perishable foodstuffs, and will improve the sale of United States manufactured equipment for use in international carriage.

DEFINITIONS

Sec. 3. As used in this Act—

(1) The term "agreement" means the Agreement on the International Carriage of Perishable Foodstuffs and on the Special Equipment To Be Used for Such Carriage, and the annexes and the appendices thereto, done at Geneva, September 1, 1970, under the auspices of the Economic Commission for Europe of the United Nations.

(2) The term "contracting party" means any country that is eligible under article 9 of the agreement and that has complied with the terms of such article.

(3) The term "equipment" means the special transport equipment that complies with the definitions and standards set forth in annex 1 to the agreement, including, but not limited to, railway cars, trucks, trailers, semitrailers, and intermodal freight containers that are insulated only, or insulated and equipped with a refrigerating, mechanically refrigerating, or heating appliance.

(4) The term "perishable foodstuffs" means quick deep-frozen and frozen food products listed in annex 2 and food products listed in annex 3 to the agreement.

(5) The term "international carriage" means transportation of perishable foodstuffs if such foodstuffs are loaded in equipment or the equipment containing them is loaded onto a rail or road vehicle, in the territory of any country and such foodstuffs are, or the equipment containing them is, unloaded in the territory of another country that is a contracting party, where such transportation is by—

(A) rail,

(B) road,

(C) any combination of rail and road, or

(D) any sea crossing of less than one hundred and fifty kilometers, if preceded or followed by one or more land journeys as referred to in clauses (A), (B), and (C) of this paragraph, and the perishable foodstuffs are shipped in the same equipment used for such land journeys without transloading of such foodstuffs.

In the case of any transportation that involves one or more sea crossings other than as specified in clause (D) of this paragraph, each land journey shall be considered separately.

(6) The term "United States" means the fifty States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands of the United States, the Commonwealth of the Northern Mariana Islands, and any other territory or possession of the United States.

DUTIES OF THE SECRETARY OF AGRICULTURE

SEC. 4. The Secretary of Agriculture of the United States shall be the competent authority to implement the agreement. To ensure compliance with the standards specified in the agreement, the Secretary of Agriculture may—

(1) designate appropriate organizations to inspect or test equipment, or both;

(2) issue certificates of compliance in accordance with annex 1, appendix 1, paragraph 4 of the agreement;

(3) prescribe such regulations as may be necessary to implement the agreement and administer this Act, including, but not limited to, provision for suspending or denying the designation of any organization to inspect or test equipment and for denying the issuance of certificates of compliance as may be necessary to ensure compliance with the provisions of this Act and the regulations issued thereunder;

(4) make periodic onsite inspections of facilities and procedures used by those seeking certificates of compliance and by organizations designated to test or inspect equipment under this Act;

(5) require submission of reports by those seeking certificates of compliance and by organizations designated to test or inspect equipment under this Act;

(6) require maintenance of records by those seeking certificates of compliance and by organizations designated to test or inspect equipment under this Act, such records to be made available to the Secretary upon request;

(7) inform contracting parties, through the Secretary of State of the United States, of all general measures taken in connection with the implementation of the agreement; and

(8) take such other action as may be considered appropriate to implement the agreement and administer this Act.

DUTIES OF THE SECRETARY OF STATE

SEC. 5. The Secretary of State, with the concurrence of the Secretary of Agriculture, may take such action as may be considered appropriate to assert and protect the rights of the United States under the agreement.

FEES FOR TESTING, INSPECTION OR CERTIFICATION

SEC. 6. (a) Any organization designated by the Secretary of Agriculture to test or inspect equipment may establish reasonable fees to cover the costs of such testing or inspection. Such fees shall be payable directly to the organization by those seeking inspection or testing.

(b) The Secretary of Agriculture may, effective October 1, 1982, fix and cause to be collected reasonable fees to cover, as nearly as practicable, the costs to the Department of Agriculture incurred in connection with the issuance of certificates of compliance as provided under section 4(2) of this Act. All fees collected shall be credited to the current appropriation account that incurs the cost and shall be available without fiscal year limitation to pay the expenses of the Secretary of Agriculture incident to the issuance of certificates of compliance under this Act.

AUTHORIZATON FOR APPROPRIATIONS

Sec. 7. There are authorized to be appropriated to the Secretary of Agriculture for the fiscal year beginning October 1, 1982, and for each fiscal year thereafter, such sums as are necessary to carry out the provisions of this Act, but not to exceed $100,000 in any fiscal year.

The SPEAKER pro tempore. Is a second demanded?

Mr. WAMPLER. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Texas (Mr. DE LA GARZA) will be recognized for 20 minutes, and the gentleman from Virginia (Mr. WAMPLER) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Texas (Mr. DE LA GARZA).

Mr. DE LA GARZA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 6164, a bill to implement the Agreement on the International Carriage of Perishable Foodstuffs and on the Special Equipment To Be Used for Such Carriage.

Before I explain the provisions of the bill, allow me to give you a brief history and background on this agreement that will shed some light on the need and purpose for this legislation. Some years back, the Economic Commission for Europe, a subsidiary of the United Nations, came to an accord on intercountry (European) transportation of perishable foodstuffs that requires that all temperature-controlled railroad cars, trailers, and containers be inspected and certified as meeting ATP standards. ATP is the acronym for the French title of the agreement meaning "Accord on Transportation of Perishables."

ATP signatory nations can and do impose ATP requirements on containers owned by citizens of nonsignatory countries. Although American-owned and operated equipment consistently exceeds the ATP standards and specifications, it is often subject to harassment and transportation delays simply because the United States is not a signatory of this agreement. These delays could cause significant disruptions to the flow of U.S. agricultural exports.

The Senate, by a 92-0 vote, has already given its advice and consent to this treaty. However, before the State Department can actually sign this treaty, legislation must be enacted which would assign responsibility for administration of the treaty to the Secretary of Agriculture.

H.R. 6164 designates the Secretary of Agriculture as the properly authorized person to administer this act, and fulfills the necessary prerequisite to the United States becoming a signatory of the treaty.

This act will make it possible for equipment in the United States to be inspected, tested, and certified in accordance with the agreement and the standards specified therein. This act will improve the conditions for the movement of perishable foodstuffs in international carriage in equipment owned or operated by U.S. firms, which will serve to protect existing trade and promote expansion of trade in perishable foodstuffs, and will improve the sale of U.S. manufactured equipment for use in international carriage.

In administering this act, the Secretary is authorized to—

First, designate appropriate organizations to inspect and test equipment;

Second, issue certificates of compliance;

Third, prescribe such regulations as may be necessary to implement the agreement and administer this act;

Fourth, make periodic onsite inspections of facilities and procedures used by those seeking certificates of compliance and by organizations designated to test or inspect equipment under this act;

Fifth, require submission of reports and maintenance of records;

Sixth, inform contracting parties, through the Secretary of State of the United States, of all general measures taken in connection with the implementation of the agreement; and

Seventh, authorize the Secretary of State to take such action as the Secretary of Agriculture may deem necessary to protect the interests of the United States.

As to the costs of this legislation, an annual appropriation of $100,000 is authorized for the establishment of the program, after which the program is expected to be self-financed by user fees to cover costs for testing and inspection as well as administrative costs incurred by the Secretary.

In closing, Mr. Speaker, I want the Members to know that this act which implements the treaty is viewed as noncontroversial and has the support of the White House, the Departments of State, Agriculture, Transportation, and the Maritime Administration.

I ask all Members to join me in supporting enactment of H.R. 6164.

Mr. WAMPLER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 6164, the International Carriage of Perishable Foodstuffs Act. This legislation would implement the Agreement on the International Carriage of Perishable Foodstuffs and on the special equipment to be used for such carriage. This agreement was developed under the auspices of the Economic Commission for Europe, a subsidiary of the United Nations, and the Senate ratified the agreement in March 1980.

Before this agreement can be promulgated it will be necessary for this legislation to be enacted into law.

This legislation provides that the Secretary of Agriculture have the responsibility for the U.S. Government for the administration and implementation of the agreement. Essentially what is required is for the Secretary to issue regulations establishing a program for the testing and certification of temperature-controlled equipment; thus manufacturers and owners of oceangoing containers could have their equipment inspected, tested, and certified to the standards outlined in the agreement.

The Bureau of Standards will be called upon to establish the initial standards and a qualified industry organization will do the testing. Costs of inspections will be borne by industry through users fees.

Witnesses which included both industry and Government who appeared before the subcommittee fully supported this legislation, indicating that harassment by European authorities, simply because the U.S. equipment is not certified in accordance with the agreement, should cease. There is no problem with U.S. equipment meeting the standards as outlined in the agreement. A witness for USDA felt that the implementation of this legislation and the agreement would facilitate the growth of our agricultural exports.

Mr. Speaker, I urge the passage of this legislation.

Mrs. FENWICK. Mr. Speaker, will the gentleman yield?

Mr. WAMPLER. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Speaker, I wonder why, if the industry is going to bear the costs, the taxpayers are going to have to pay $100,000, or am I wrong in thinking that the taxpayers will have to pay $100,000?

Mr. WAMPLER. It is my understanding, if I may respond to the gentlewoman from New Jersey, that the department can recoup that through users fees.

Mrs. FENWICK. Oh, I see. So this is something that will be paid back?

Mr. WAMPLER. That is my understanding.

Mrs. FENWICK. Is that the understanding of the gentleman from Texas?

Mr. de la GARZA. Mr. Speaker, if the gentleman from Virginia will yield, I would like to advise the gentlewoman that when we consider the total operation of the program and the cost involved, we cannot but conclude that the major portion of the cost for implementing the program is to be borne by private industry using such services. User fees would cover all the expenses incurred in performing the testing and inspection services.

Mrs. FENWICK. I see. I thank my colleagues.

Mr. de la GARZA. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. WAMPLER. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas (Mr. de la Garza) that the House suspend the rules and pass the bill, H.R. 6164, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title of the bill was amended so as to read: "A bill to authorize the Secretary of Agriculture to implement the Agreement on the International Carriage of Perishable Foodstuffs and on the Special Equipment To Be Used for Such Carriage (ATP), and for other purposes."

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. de la GARZA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

AUTHORIZATION OF CERTAIN USDA EMPLOYEES TO CARRY FIREARMS

Mr. de la GARZA. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2035) to authorize certain employees of the Department of Agriculture to carry firearms in the performance of their duties, as amended.

The Clerk read as follows:

H.R. 2035

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That any employee of the United States Department of Agriculture designated by the Secretary of Agriculture and the Attorney General of the United States may carry a firearm and use a firearm when necessary for self-protection, in accordance with rules and regulations issued by the Secretary of Agriculture and the Attorney General of the United States, while such employee is engaged in the performance of the employee's official duties to (1) carry out any law or regulation related to the control, eradication, or prevention of the introduction or dissemination of communicable disease of livestock or poultry into the United States or (2) perform any duty related to such disease control, eradication, or prevention, subject to the direction of the Secretary.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Texas (Mr. de la Garza) will be recognized for 20 minutes, and the gentleman from Virginia (Mr. Wampler) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Texas (Mr. de la Garza).

Mr. de la GARZA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 2035, known as the "river riders" or "tick inspectors" bill. This bill would authorize USDA employees charged with the enforcement of animal quarantine laws, and whose duty area has a high potential for danger and violence, to carry firearms for self-protection under rules and regulations issued by the Secretary of Agriculture and the Attorney General of the United States.

This bill is required in order to protect the lives of animal health technicians, commonly known as tick inspectors, who daily patrol the United States/Mexico international boundary to prevent the illegal entry of animals into the United States.

In the enforcement of our animal quarantine laws, these USDA employees are authorized by law to stop and inspect, without a warrant, persons or vehicles coming into the United States from a foreign country. Conducting such a search for animals, a carcass, or product subject to quarantine laws, without a warrant and unarmed, they are prone to meet with a hostile response. These are not incidents that occur at our designated border crossings, rather, they take place on lonely ranch roads or trails across a pasture by the Rio Grande.

These tick inspectors frequently ride up to a situation where they encounter hostile elements suspected of being engaged in illegal acts. Their witnessing of such often exposes them to acts of violence to their persons.

One inspector was murdered in his camp, others have been shot at, more than once, while many others have barely escaped bodily injury. At the hearing on this bill, one tick inspector exhibited his saddle, pointing to a bullet hole on the horn. Thanks to the metal top, the shot was deflected. Ironically, a week after the hearing, the same inspector was shot at and injured while on patrol in the same area. An investigation of both incidents revealed evidence of illegal alien smuggling activity.

There is no authorization for appropriations since no significant cost is anticipated to be incurred by the Government as a result of enactment of this legislation.

Mr. WAMPLER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 2035, which is an authorization bill to allow animal health technicians, commonly referred to as "tick inspectors," of the U.S. Department of Agriculture to carry firearms.

This legislation was brought to our attention by Congressman Kazen. These tick inspectors patrol the international border between the United States and Mexico along the Rio Grande River and a portion of this area is in Congressman Kazen's district. These employees make daily patrols of this international boundary to prevent the illegal entry of animals into the United States. These animals are inspected for prevention of the introduction or dissemination of any communicable animal disease, particularly tick fever. These inspectors are exposed to smugglers, cattle rustlers, and illegal aliens, and there have been numerous incidences of violence. One of the witnesses appearing before our subcommittee told of being fired upon, and several weeks after his subcommittee appearance we learned that he had again been fired upon and this time he had suffered a gunshot wound. As you might surmise there is a certain amount of hostility directed toward the Feds no matter what job they may be doing, and this legislation would allow these inspectors to carry firearms for protection. It should be pointed out that custom inspectors, Immigration and Naturalization Service personnel, drug enforcement personnel, and the Texas Rangers, among others, are all armed and support the arming of these tick inspectors.

The costs of enacting this legislation are minimal, consisting of the procurement of firearms and ammunition for about 100 inspectors and the costs of properly training these employees in the use and care of such firearms. Rules and regulations to implement this legislation will be jointly issued by the Secretary of Agriculture and the Attorney General of the United States.

It is my understanding that the administration supports this legislation and I urge its passage.

Mr. de la GARZA. Mr. Speaker, I yield as much time as he may consume to the distinguished gentleman from Texas (Mr. Kazen), the original author of the legislation.

Mr. KAZEN. Mr. Speaker, my bill, H.R. 2035, which we consider today, has met with the overwhelming support of those who have become familiar with it. The reaction of most people is the same that I had when the problem was first presented to me: Why has not something been done before?

H.R. 2035 authorizes certain employees of the U.S. Department of Agriculture charged with the enforcement of animal quarantine laws, and whose duty area has a high potential for danger and violence, to carry firearms for self-protection.

What we are talking about here is a corps of hard-working men who patrol isolated stretches of the Rio Grande River on the Texas-Mexico border, alone and on horseback, to prevent animals from crossing through that narrow quarantine zone and spreading tick fever to our domestic cattle industry.

Two questions may immediately arise: Is it, in this day and age, necessary for our country to maintain a corps of tick inspectors to patrol this quarantine area? And second, why should they be armed?

Let me briefly address the first problem. Tick fever in cattle, spread by the Boophilus tick, results in high temperature, loss of appetite and weight to the point of coma, and eventual death to the animal. Mortality may be as high as 90 percent in severe outbreaks. At the outset of the eradication program in 1906, 985 counties in 15 States were placed under quarantine and at that time the annual loss to the southern cattle industry was estimated at between $40 million and $200.

The tick was eradicated in all areas of our country with the exception of that narrow stretch along the Rio Grande, but our animal health experts warn that it has the potential of reinfesting all areas of Texas, Oklahoma, California, Alabama, Florida, Georgia, South Carolina, North Carolina, and Virginia.

Despite an earnest effort on the part of Mexico, the ticks still exist in some areas across the border and they are carried into the quarantine area on cattle and other animals. An outbreak now might mean losses in excess of $1 billion, severely damaging not only the southern cattle industry but our entire economy.

The only way to guard against this—and it is not easy work—is for the tick inspector to patrol the area on horseback. These river riders inspect stray livestock and cattle trails, apprehend and inspect cattle smuggled across the border, and ride and check all fences bordering the quarantined sectors. Some of the people along the border do not want to be stopped, of course, and others object to having their cattle impounded.

This job description is sufficient to show that these inspectors should receive the same protection as any other law enforcement officer, but I also point out that the Rio Grande, especially at night, is a major crossing point for the smuggling of illicit narcotics into the United States and, of course, a busy intersection on the illegal alien trail between the two countries.

As past experience has shown, there is simply no telling what will confront these river riders around the next bend. Sometimes, on a narrow trail, it is difficult to avoid a confrontation between an inspector, who represents Federal authority, and someone who fears or dislikes authority. The inspectors who testified in Washington related numerous incidents of violence that have endangered their lives.

One of them, Mark Smith, brought his saddle to the hearing room and pointed out a bullet hole in the saddle horn, which he said was the result of being fired at while on routine patrol. About 2 weeks after he testified before the House Agriculture Subcommittee on Department Operations, Research, and Foreign Agriculture, he was wounded in the back by an unknown person in yet another incident along the Rio Grande.

I was pleased to note that the Agriculture Committee in its report on the bill has strongly recommended that the Department of Agriculture take prompt measures to equip the tick inspectors with the necessary personal portable radios or similar communications equipment. As the river riders pointed out during their testimony, they not only are frequently alone in isolated areas, they have no communication equipment for emergencies.

Committee Chairman Kika de la Garza and Subcommittee Chairman George Brown, Jr., and members of the Agriculture Committee have been most diligent in refining this legislation in cooperation with the Department of Agriculture, and in acting promptly in an effort to correct a dangerous oversight. On behalf of these river riders, many of whom patrol the border of my own district in south Texas, I extend my appreciation for the spirit of cooperation displayed by Members of both sides of the aisle.

Mr. de la GARZA. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. WAMPLER. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas (Mr. de la Garza) that the House suspend the rules and pass the bill, H.R. 2035, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title of the bill was amended so as to read: "A bill to authorize certain employees of the U.S. Department of Agriculture charged with the enforcement of animal quarantine laws to carry firearms for self-protection."

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. de la GARZA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 1983

Mr. MOAKLEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 462 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 462

Resolved, That upon the adoption of this resolution it shall be in order, section 402(a) of the Congressional Budget Act of 1974 (Public Law 93-344) to the contrary notwithstanding, to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6068) to authorize appropriations for fiscal year 1983 for intelligence and intelligence-related activities of the United States Government, for the Intelligence Community Staff, for the Central Intelligence Agency retirement and disability system, to authorize supplemental appropriations for fiscal year 1982 for the intelligence and intelligence-related activities of the United States Government, and for other purposes, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Permanent Select Committee on Intelligence, the bill shall be read for amendment under the five-minute rule by titles instead of by sections. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER pro tempore (Mr. Kazen). The gentleman from Massachusetts (Mr. Moakley) is recognized for 1 hour.

Mr. MOAKLEY. Mr. Speaker, I yield the customary 30 minutes to the gentleman from Arizona (Mr. Rhodes), and pending that, I yield myself such time as I may consume.

Mr. Speaker, the resolution provides for the consideration of H.R. 6068, the Intelligence Authorization Act for fiscal year 1983. It is a 1-hour open rule.

The rule contains one waiver of points of order, under section 402(a) of the Congressional Budget Act of 1974 (Public Law 93-344). The waiver is necessary because title IV of the bill authorizes certain supplemental appropriations for the current fiscal year. It is not a technical waiver but I am aware of no objections; the provision concerned is in compliance with an administration request for supplemental funds for unforseen contingencies in high priority intelligence activities.

I am aware of no controversy over the rule. Indeed, I am aware of no controversy over the bill. It was reported from the permanent Select Committee on Intelligence by a unanimous voice vote. It was sequentially referred to the Committee on Armed Services which recommended no amendments and reported the bill by a unanimous recorded vote. No other committee which qualified requested sequential referral.

The bill authorizes appropriations for fiscal year 1983 for the intelligence agencies and for certain intelligence activities of other agencies. It also contains certain supplemental authorizations for fiscal year 1982.

Under the rules of the House, the amounts authorized are set forth in an appendix to the report which is not published but is available for inspection by Members. Notice of availability was made to the House on May 11 (page H1964). The agencies and activities authorized under the bill are the Central Intelligence Agency; the Intelligence Community Staff; the Department of Defense, including the individual services and the Defense Intelligence Agency; the National Security Agency; the Department of State; the Department of Treasury; the Department of Energy; the Federal Bureau of Investigation; and the Drug Enforcement Administration.

The bill also contains general administrative provisions and published authorizations for certain counter-terrorism activities and for intelligence retirement programs.

In addition, the bill contains provisions to make changes in the retirement program for intelligence personnel and their spouses similar to those enacted in 1980 for foreign service personnel (Public Law 96-465).

The bill contains a prohibition on unauthorized use of the name, seal, or initials of the Defense Intelligence Agency. The provision is identical to those enacted by the 95th Congress in regards to the Central Intelligence Agency and the National Security Agency.

Mr. Speaker, I wish to commend the distinguished chairman of the committee, the gentleman from Massachusetts (Mr. Boland), and the ranking minority member, the gentleman from Virginia (Mr. Robinson) for the professional and totally nonpartisan manner in which the vital work of this committee has been handled since the inception of the committee in 1977. The gentleman from Massachusetts proposed the establishment of the committee to restore congressional control and accountability in regards

to intelligence activities and to restore public confidence in these vital functions. Under his able leadership and that of our colleague from Virginia that goal has been largely met.

Mr. Speaker, I urge the adoption of the rule to permit prompt consideration and passage of this legislation.

□ 1245

Mr. RHODES. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentleman from Massachusetts (Mr. Moakley) has explained the bill thoroughly and also the resolution. There is no opposition to the resolution on my side of the aisle, and, as far as I know, there is no opposition to the bill.

I merely wish to echo the words of the gentleman from Massachusetts in his praise of the Intelligence Committee. I had the honor of serving as an ex officio member during the time that I was minority leader, and at that time I became very much impressed with the workings and particularly the leadership shown by my good friend, the gentleman from Massachusetts (Mr. Boland), and also by the Republican Members, including especially the gentleman from Virginia (Mr. Robinson).

This is an extremely important committee. Prior to the formation of this committee and its counterpart in the other body, there was very little, if anything, in the way of supervision of the various intelligence-related activities of this Government. There was a lot of fear when these committees were set up that there would be too much in the way of supervision, and that indeed it would not be possible to have the secrets, if you will—and that is a good word for them—of this Government and particularly of our defense establishment entrusted to this many Members of the Congress without serious leakage.

I think it is a matter of pride and it should be a matter of pride to all the Members of this body and the other body that these two committees have functioned so well and done such a good job of aiding the intelligence community to do its job, and yet, as far as I know, there has never been a serious leak either from the members of those two committees or from the staffs of the two committees.

I for one salute the chairman and the other members of the committee for the great record which they have compiled not only in policing the intelligence communities but in doing all the things which they have done to make their work more effective than it otherwise would have been.

Mr. Speaker, I have no requests for time, and I reserve the balance of my time.

Mr. MOAKLEY. Mr. Speaker, I have no further requests for time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. BOLAND. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6068) to authorize appropriations for fiscal year 1983 for intelligence and intelligence-related activities of the U.S. Government, for the intelligence community staff, for the Central Intelligence Agency retirement and disability system, to authorize supplemental appropriations for fiscal year 1982 for the intelligence and intelligence-related activities of the U.S. Government, and for other purposes.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Massachusetts (Mr. Boland).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 6068, with Mr. Biaggi in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from Massachusetts (Mr. Boland) will be recognized for 30 minutes, and the gentleman from Virginia (Mr. Robinson) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Massachusetts (Mr. Boland).

Mr. BOLAND. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, H.R. 6068, the Intelligence Authorization Act for fiscal year 1983, is the fifth such bill in as many years reported out by the Permanent Select Committee on Intelligence. Like its predecessors, it was approved unanimously in committee, as it was by the Committee on Armed Services.

Mr. Chairman, this information was echoed by my colleague, the gentleman from Massachusetts, (Mr. Moakley), who handled the rule on the majority side, and our colleague, the gentleman for Arizona (Mr. Rhodes), who handled the rule on the minority side. I want to express to them, Mr. Chairman, my appreciation for their remarks concerning all the members of this particular committee and the nonpartisan manner in which it has operated.

As in past years, this bill authorizes all the funds for the next fiscal year, as well as supplemental funds in the current fiscal year, for the intelligence and intelligence-related activities of the U.S. Government.

The category of "intelligence activities" includes all the activities of the Central Intelligence Agency; the Defense Intelligence Agency; the National Security Agency; other intelligence components of the Department of Defense, and the Departments of the Army, Navy, and Air Force; the Bureau of Intelligence and Research of the Department of State; the intelligence divisions of the Federal Bureau of Investigation, intelligence elements of the Departments of the Treasury, and Energy, and the Drug Enforcement Administration; and the Intelligence Community Staff of the Director of Central Intelligence. These activities provide intelligence for the use of the President, the Cabinet, the National Security Council, and the Joint Chiefs of Staff.

Further, this bill authorizes intelligence-related activities of the Department of Defense, which are programs that are integral to the defense force structure, but which are similar to national intelligence programs and are often tasked for national intelligence purposes, particularly in peacetime.

The similarity of programs and functions between the national intelligence programs and the intelligence-related activities of the Defense Department is the reason that both are considered by the Permanent Select Committee on Intelligence and authorized in this bill. We have worked to assure that the program areas are complementary and mutually supportive but not duplicative. The referral of this bill to the Committee on Armed Services has assured that the judgments we have made from an intelligence viewpoint are equally sound from a military perspective. We have worked closely with that committee on a continuous basis and achieved a position agreeable to both committees even before referral.

Mr. Chairman, most intelligence activities are classified and necessarily so. In some cases, even the very existence of the program or activity is held secret. This sensitivity limits the description we can offer here on the floor. The schedule of authorizations to accompany the bill and the classified annex to the report have been available to Members. A number of Members have reviewed these materials. The subject material is complex but we have continued to revise these classified reports to improve their clarity.

The committee continues to recommend that the budget for intelligence not be disclosed. The disclosure of a single budget number might not itself be harmful, but some explanation of the content and meaning of the number would be essential. But such an explanation would be excessively revealing. Moreover, the committee recognizes that intelligence is inherently secret, and any disclosure is the beginning of an erosive process. In discussing this point, people often refer to the degree of disclosure of our military budgets and systems. It is not a good analogy: The existence of military systems must be known in order to have deterrent value. If deterrence fails, military systems are effective in battle because of their numbers, the manner in which they are employed, and the skill of the personnel using them. Conversely, in the case of intelligence, the mere awareness of an intelligence activity can easily reduce or eliminate its effectiveness, may endanger lives, and may lead to the collection of false information contrived by our adversaries to confuse or mislead us.

Mr. Chairman, I would like to summarize briefly the organization of H.R. 6068.

Title I provides for the bulk of our intelligence and intelligence-related activities. As I said earlier, funds and program details are in the classified schedule of authorizations and the annex to the report. One exception is the authorization for the counterterrorism program of the FBI, which is unclassified. The bill provides $12.1 million for this function.

Title II provides necessary authorities for the intelligence community staff, whose function is to assist the Director of Central Intelligence with his responsibilities for overall coordination of intelligence and preparation of the budget. The staff is made up of representatives of all elements of the intelligence community. Administratively, it is treated as if part of the CIA.

Title III provides authorization of $91.3 million for the Central Intelligence Agency retirement and disability system. This is a program established by Congress in 1964 to provide for those CIA personnel who perform hazardous duties or are in special situations, usually abroad, which may limit the length of their careers. When title III is read for amendment, I will offer a technical amendment that would conform CIARDS, as it is called, so as to afford certain CIARDS retirees the opportunity to exercise options which can be made by their counterparts under the civil service retirement and disability system. Although current law now permits the President, by executive order, to conform CIARDS to prospective changes made to the civil service system, the differences in question existed prior to this change in the law. Hence the need for the amendments.

Title IV authorizes additional intelligence and intelligence-related expenditures in fiscal year 1982. The details of this supplemental authorization are found in the classified annex to the committee's report.

Title V consists of a provision prohibiting the unauthorized use of the Defense Intelligence Agency's name, initials, or seal in a manner reasonably calculated to convey the impression that such use was authorized and authorizing the Attorney General to seek to enjoin such unauthorized use. This section is identical to those enacted last year protecting against the unauthorized use of the CIA and NSA names, initials, or seals.

Title VI contains a provision providing to spouses and former spouses of certain CIA employees entitlements and rights in relation to retirement and survivors annuities comparable to those provided to spouses of Foreign Service officers by the Foreign Service Act of 1980. This provision recognizes the enormous equity that CIA spouses have in their employee spouses' careers—both in terms of the assistance they provide to intelligence operations and their sacrifice of their own professional advancement. The committee was thoroughly persuaded that these spouses deserve the same benefits as do Foreign Service officer's spouses. Nonetheless, the bill's provisions are more stringent than those of the Foreign Service Act since they require that spouses, to qualify, must serve overseas with their employee spouses.

Mr. Chairman, one reason for the bipartisan support which H.R. 6068 enjoys is that all of the recommendations of the Subcommittee on Program and Budget Authorization adopted by the committee have been so painstakingly documented and reasoned in their approach. I attribute the great success of this effort—and the important and oft-needed guidance it has provided the intelligence community—to the judgment and character of the ranking minority member, KEN ROBINSON of Virginia. He has been the rock upon which the work of the subcommittee has been built and he deserves the thanks not only of the Congress, but of the Nation, for his great contribution in this area.

I should also add, Mr. Chairman, that the staff who assist the committee in its consideration of the intelligence and intelligence-related budgets, is first class. I believe they are the finest, the most professional, of all who work on the intelligence budget in either the executive or legislative branches. I would like to pay tribute and thanks to Duane Andrews, Jim Bush, Marty Faga, Annette Smiley, and Patrica Garber.

Mr. Chairman, as in the last fiscal year, this bill authorizes less than the administration requested but still permits real growth over last year. Some specific proposals have been recommended for deferral, others for termination while a few have been increased.

Mr. Chairman, let me close by stating that, as in year's past, the committee has made, and continues to make, the classfied annex to its report available to all Members of the House during business hours in the committee's rooms. I would urge Members who have not yet had an opportunity to do so to read this report carefully.

Mr. Chairman, I reserve the balance of my time.

Mr. ROBINSON. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I join my colleagues in urging support of H.R. 6068, to authorize appropriations for the intelligence and intelligence-related activities of our country.

The purpose of the U.S. foreign intelligence effort is to provide civilian and military leaders the intelligence they need to make informed decisions. This intelligence not only serves as a fundamental tool in our defense arsenal but also provides information essential for the maintenance of peace and prosperity.

Whether the questions involve the rebuilding of our defenses, negotiating arms reductions, dealing with increasing terrorist and Communist activities around the world, or coping with the political and economic realities of today's uncertain world, demands for high quality and timely intelligence continue to proliferate.

H.R. 6068 is the fifth intelligence budget authorization bill presented to the Congress. It is the product of a continuing intensive examination of our Government's intelligence needs and a detailed review of the fiscal year 1983 intelligence resources requested by the President to meet these needs.

Concurrent with this review of intelligence resources was a program-by-program review of all intelligence activities. As a member of the Select Committee's Subcommittee on Program and Budget Authorization, I participated in these detailed reviews and I am convinced that the committee has been given full and complete access to the operations and activities of the intelligence community—ranging from relatively open intelligence collection efforts to the most sensitive clandestine collection and covert action programs.

In addition to the activities of the Central Intelligence Agency and other national intelligence organizations, this bill authorizes appropriations for tactical intelligence and related activities of the Department of Defense. These programs are integral to the defense force structure but are similar to national intelligence programs and are often tasked for national intelligence purposes. The similarity of functions between the national and tactical intelligence programs is the reason that both are considered by the Select Committee on Intelligence and authorized in this bill. We have worked to assure that the program areas are complementary and mutually support-

ive but not unnecessarily duplicative. Further, the referral of this bill to the Committee on Armed Services, which shares tactical intelligence program oversight jurisdiction with our committee, has assured that the judgments we have made from an intelligence viewpoint are equally sound from a military perspective. We have worked closely with the Committee on Armed Services and achieved a position agreeable to both committees even before referral.

For fiscal year 1983, the President requested a substantial increase in overall intelligence funding over 1982 levels. I fully support our committee's recommendation not to disclose publicly the amounts of these requested funds; therefore, I will not discuss specific committee recommendations. Details of these recommendations are contained in the classified annex to our committee report which, along with the classified schedule of authorizations referred to in H.R. 6068, has been available for review by Members of the House since May 12.

While the committee generally supported the funding levels requested by the President, we were not persuaded that all of the specific programs were fully warranted and the committee's recommendations would delete or defer certain programs and in other cases would increase program funding. I am pleased to add that the funding authorization recommended by the committee, while a net reduction from the request, will allow real growth in the intelligence programs.

In addition to authorization of appropriations and personnel ceilings for intelligence activities, our bill contains, under title V and title VI, new statutory authorities which have already been described. I fully support these provisions.

In closing, Mr. Chairman, I simply want to say that this bill would authorize appropriations for what I believe to be a well balanced program to provide intelligence capabilities essential to our Nation. I urge its passage as recommended by the committee.

☐ 1300

The CHAIRMAN. The gentleman from Virginia (Mr. ROBINSON) has consumed 5 minutes.

Mr. ROBINSON. Mr. Chairman, I yield such time as he may consume to the gentleman from Illinois (Mr. McCLORY).

Mr. McCLORY. Mr. Chairman, I would like to commend the gentleman from Massachusetts (Mr. BOLAND), chairman of our committee, and likewise my distinguished colleague, the gentleman from Virginia (Mr. ROBINSON), and concur in the remarks that have already been made with regard to the diligence and the effective work and expertise of the committee and the committee staff.

I also want to concur in the remarks, particularly of my colleague, the gentleman from Virginia, who indicated the careful review which the committee members made with respect to various items in the budget and the fact that these items were individually reviewed and the results were that the decisionmaking was the decisionmaking of the committee. I think it is a tribute to the committee that they make this conscientious effort with regard to providing for an improved and expanded and effective intelligence capability.

Mr. Chairman, I want to join my other colleagues on the permanent Select Committee on Intelligence in urging support for the bill which is now before the House, the Intelligence Authorization Act for fiscal year 1983. The Intelligence Committee has brought to the floor a bill which received unanimous support both from our committee and from the Committee on Armed Services. As in the past, this is due in large part to the workmanlike efforts of our Subcommittee on Program and Budget Authorization, chaired by the distinguished gentleman from Massachusetts (Mr. BOLAND) and served in the position of ranking minority member by the distinguished gentleman from Virginia (Mr. ROBINSON). With exceptional staff support, this subcommittee was able to fashion a bill which—while lean—provides for real growth in the budgets of our intelligence agencies. Of course, this is in keeping with the President's overall program to enhance our military capabilities. Indeed, it has long been my view that, in many ways, an active and fully supported intelligence apparatus can provide greater security than our multibillion dollar, complex weapons systems.

Mr. Chairman, as always, the committee has wisely avoided the publication of an overall budget authorization figure for intelligence activities in the next fiscal year. However, one matter on which the committee has chosen to act in H.R. 6068, and which can be publicly discussed, concerns the interests of individuals, who were formerly married to CIA intelligence officers serving overseas, to the pension and survivors benefits which accrued during their marriage.

The committee carefully reviewed the benefits accruing to former spouses of Foreign Service officers and compared the duties of these spouses and the spouses of CIA intelligence officers. It also held hearings during which testimony was presented by former CIA Director William Colby as well as current and former spouses of intelligence officers in support of such legislation. As a product of these efforts, the committee decided to extend to former spouses of intelligence officers the same benefits as enjoyed by former Foreign Service officers' spouses.

I do not here want to take the time to explain the intracacies of this bill—for they are adequately explained in the committee's report accompanying H.R. 6068. Let me just say that the committee, in recommending this change in the law, is providing recognition of the valuable services which spouses of intelligence officers provide to the CIA, and therefore, necessarily to the security of our country.

Mr. Chairman, I urge support for H.R. 6068.

Mr. BOLAND. Mr. Chairman, I yield such time as she might desire to the gentlewoman from Colorado (Mrs. SCHROEDER).

Mrs. SCHROEDER. Mr. Chairman, I would like to commend Chairman BOLAND and the members of the Permanent Select Committee on Intelligence for their efforts to improve the retirement systems for CIA employees and their families.

The plight of the CIA spouse has been a compelling one. Following a divorce, under current law, the CIA spouse loses eligibility for any survivors benefits after the death of the CIA employee or retiree. This legislation attempts to remedy an inequity in current Federal retirement policy—its failure to assure retirement protection to spouses and divorced spouses of Federal civilian employees. Whereas social security was amended in 1965 to provide automatic benefits for spouses and former spouses, Federal retirement law has not been changed to recognize the contribution of the nonworking former spouse.

I strongly support title VI of H.R. 6068, the Intelligence Authorization Act for fiscal year 1983. This legislation is modeled after the Foreign Service Act, which amended the Foreign Service retirement system in 1980. Public Law 96-465 was enacted after extensive joint hearings before the Civil Service Subcommittee, which I chair, and the Subcommittee on International Operations, chaired by Representative DANTE FASCELL.

This legislation represents a balanced approach. It protects the rights of the nonworking spouse, but at the same time has built-in safeguards for the CIA employee. The legislation provides a presumption of a right to a proportionate share of the pension and a right to a survivor's benefit, which rights could be eliminated by a State court of competent jurisdiction in a divorce proceeding. Thus, where a State court found such "fault" as would make it unjust or inequitable to provide such rights to the dependent spouse or where the dependent spouse has substantial independent means or for other appropriate reasons, the rights to entitlement could be terminated at the discretion of the State court. The parties could also, by agreement, voluntarily eliminate the right of the dependent spouse to a share of the retirement or survivor's benefits.

The mechanism created by this legislation is a fair solution to the problem of retirement benefits for divorced spouses. It provides a measure of protection to prevent dependent spouses from being impoverished in their retirement years following a divorce. At the same time, the State Department reports that it has had little difficulty in implementing the Foreign Service Act, following its enactment in 1980. H.R. 6068 should be enacted by the House.

Mr. BOLAND. Mr. Chairman, I want to thank the gentlewoman from Colorado (Mrs. Schroeder). All of us, of course, in this House recognize the great work that she has done for women in Government and also for the spouses of those employees in the Government. She played a significant part in advice and counsel to us in the amendment that will be offered to take care of the very problems she talked about.

I also add my congratulations to our distinguished colleague from Illinois (Mr. McClory), who perhaps played the leading part within this particular committee in getting the committee to look at this problem and also to structure the amendment in such a way that it takes care of the very area the gentlewoman from Colorado, (Mrs. Schroeder) and so many people were interested in.

That also applies to the gentleman from Virginia (Mr. Whitehurst) who spent some hours in advising the committee on the problems that the spouses of CIA employees have, bringing that to the attention of the committee, and it was through the cooperation of Members like the gentleman from Virginia (Mr. Whitehurst), the gentleman from Illinois (Mr. McClory), and the gentlewoman from Colorado (Mrs. Schroeder) and through their conversations and dealings with the CIA and with the civil service retirement system, and also their contacts with the Civil Service Legislative Subcommittee of the House Committee on Post Office and Civil Service that we were able to get general agreement on this particular amendment.

I want to compliment them publicly for doing so.

I now yield 4 minutes to the gentleman from New York (Mr. Weiss).

Mr. WEISS. Mr. Chairman, I very much appreciate your yielding this time to me.

Mr. Chairman, I objected and opposed the creation of the Select Committee on Intelligence when it was adopted some 5 years ago because of the procedures which it would have had to operate under.

I have objected since then to the reports that they have come out with on the authorization measures.

I believe that the American people have a constitutional right to know how much they are spending for intelligence activities. Yet today, as in the past 5 years, we are being asked to vote on an intelligence budget that has been classified virtually in its entirety. The American people watch helplessly as we consider authorizing unstated funds for unstated personnel to perform unstated activities.

This outrageous affront to the democratic principles of our country should not and must not be tolerated. While national security considerations may justify withholding some specific details, there is simply no excuse for keeping secret the total level of intelligence spending.

The Select Committee on Intelligence, in recommending nondisclosure of the aggregate figures, admitted that such disclosure, in their words, "would probably not harm intelligence activities or capabilities."

The committee claimed, however, that a single intelligence budget total "would be meaningless."

I strongly disagree.

If the budget total remains secret, the American people will have absolutely no idea about how much money is being allocated to intelligence operations.

Is it $100 million, $500 million, $6 billion? Are we spending more for intelligence than we are spending on student aid, more than we are spending on aid to the poor and the elderly, more than we are spending on international development aid?

Aggregate figures would not reveal CIA activities abroad or disclose the scope of the CIA domestic intelligence operations. They would, however, give Americans a general idea about the portion of the economic pie being taken by intelligence operations.

Citizens could thus contribute more meaningfully to the process of setting national priorities. Indeed, how can you have intelligence decisionmaking in a democracy if the people do not know the basic facts?

□ 1315

As Benjamin Franklin once said, "He who would trade a little liberty for a little security will soon have neither liberty nor security."

In our zeal to protect the national security, we must not tread upon fundamental democratic principles. As recent history proves only too well, a government shrouded in secrecy becomes not only unaccountable but eventually irresponsible.

I urge my colleagues to vote no on this bill.

Mr. ROBINSON. Mr. Chairman, I yield 1 minute to the gentleman from Illinois (Mr. Derwinski).

Mr. DERWINSKI. Mr. Chairman, as ranking Republican on the Civil Service Committee, I rise in support of those provisions of H.R. 6068 which provide a share of a Central Intelligence Agency employee's retirement annuity to a qualified former spouse. Such a spouse would have to be unremarried before the age of 60, and married to the employee for 10 years of creditable service, 5 of which were spent abroad. The amount of the former spouse's annuity would be 50 percent of the employee's if the marriage lasted throughout the entire period of service to the Agency, and proportionately less of the 50 percent share if the duration of the marriage was less than the service credited.

Title VI also awards 55 percent survivor annuities to former spouses who were married to CIA employees during all their creditable service, have survived CIA annuitants, and have not remarried before age 60. Survivor annuities would be proportionately less than 55 percent if the marriage did not cover all the creditable service.

These provisions recognize, as we did in the Foreign Service Act of 1980, that a spouse's years of support work for Federal employees in foreign lands is not erased by a divorce proceeding. Yet I, like most Members, would be extremely reluctant to begin legislating a national divorce law which automatically splits American annuities everywhere. I would have reservations over these annuity provisions if they were not fully amendable by spousal agreements, court orders, multiple marriages, and the like. Only the State courts can examine marriages on a case-by-case basis and we cannot reasonably second-guess them.

We would compound the neglect of the past if we simply declared all former spouses everywhere worthy—or unworthy—of an annuity. Because most of them are deserving, however, we are legislating a certain presumption in their favor, not telling the State courts how to handle each of their cases. Because the committees who reported this legislation have always favored this approach, the Civil Service Committee did not feel obliged to ask for sequential or joint referral of this bill.

I support H.R. 6068's former spouse annuity provisions. In addition, Mr. Chairman, I would like to take this opportunity to express my general support for this legislation which authorizes appropriations for the intelligence-related activities of the U.S. Government.

There is no question that our intelligence functions are a vital part of our defense and foreign policy and deserve the support of the Congress. I am confident that the members of the committees exercising oversight in the intelligence field have carefully analyzed the budget proposals of the administration and have come up with a reasonable bill.

Therefore, I urge the House to adopt it.

● Mr. PRICE. Mr. Chairman, this is the fifth year that the permanent Select Committee on Intelligence and the Armed Services Committee worked together to report the authorization bill for intelligence and intelligence-related activities of the intelligence community.

As the Members will recall, the Armed Services Committee shares responsibility for authorizing certain elements in the intelligence authorization bill with regard principally to intelligence-related activities for the Department of Defense, and I am most pleased to report on the continued excellent working relationship with, and cooperation of, the select committee members and staff in arriving at complete agreement on all items of joint responsibility.

As part 2 of the report states, the results of our recommendations are classified and are included in the classified annex to the report on H.R. 6068 prepared by the select committee.

For the information of the Members, the overall funds jointly authorized fall in budget category 050 and are in the Armed Services Committee authorization figures contained in H.R. 6030.

I urge the Members to support the intelligence authorization programs for fiscal year 1983 and cast a favorable vote for H.R. 6068.●

● Mr. DICKINSON. Mr. Chairman, for my part as ranking member of the Armed Services Committee, I wish to join Chairman Price in his comments as they relate to the work of both committees in arriving at an agreeable solution to the differences which existed in the intelligence-related activities area for the Department of Defense when we commenced our work on H.R. 6068.

I trust the good working relationships between the committees will continue, particularly since never before in the history of this country have our intelligence efforts been so vital to our national defense.

Mr. Chairman, I urge my colleagues to support H.R. 6068 and vote for its passage today.●

Mr. ROBINSON. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

The CHAIRMAN. Pursuant to the rule, the Clerk will now read the bill by titles.

Mr. BOLAND. Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the Record, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The text of the bill is as follows:

H.R. 6068

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Intelligence Authorization Act for Fiscal Year 1983".

TITLE I—INTELLIGENCE ACTIVITIES

AUTHORIZATION OF APPROPRIATIONS

Sec. 101. Funds are hereby authorized to be appropriated for fiscal year 1983 for the conduct of the intelligence and intelligence-related activities of the following elements of the United States Government:

(1) The Central Intelligence Agency.

(2) The Intelligence Community Staff.

(3) The Department of Defense.

(4) The Defense Intelligence Agency.

(5) The National Security Agency.

(6) The Department of the Army, the Department of the Navy, and the Department of the Air Force.

(7) The Department of State.

(8) The Department of the Treasury.

(9) The Department of Energy.

(10) The Federal Bureau of Investigation.

(11) The Drug Enforcement Administration.

CLASSIFIED SCHEDULE OF AUTHORIZATIONS

Sec. 102. The amounts authorized to be appropriated under section 101, and the authorized personnel ceilings as of September 30, 1983 for the conduct of the intelligence and intelligence-related activities of the elements listed in such section, are those specified in the classified schedule of authorizations prepared by the Permanent Select Committee on Intelligence to accompany H.R. 6068 of the Ninety-seventh Congress. That schedule of authorizations shall be made available to the Committees on Appropriations of the Senate and House of Representatives and to the President. The President shall provide for suitable distribution of the schedule, or of appropriate portions of the schedule, within the executive branch.

CONGRESSIONAL NOTIFICATION OF EXPENDITURES IN EXCESS OF PROGRAM AUTHORIZATIONS

Sec. 103. During fiscal year 1983, funds may not be made available for any activity for which funds are authorized to be appropriated by this Act unless such funds have been specifically authorized for such activity, or, in the case of funds appropriated for a different activity, unless the Director of Central Intelligence or the Secretary of Defense has notified the appropriate committees of Congress of the intent to make such funds available for such activity.

AUTHORIZATION OF APPROPRIATIONS FOR COUNTERTERRORISM ACTIVITIES OF THE FEDERAL BUREAU OF INVESTIGATION

Sec. 104. In addition to the amounts authorized to be appropriated under section 101(10), there is authorized to be appropriated for fiscal year 1983 the sum of $12,125,000 for the conduct of the activities of the Federal Bureau of Investigation to counter terrorism in the United States.

TITLE II—INTELLIGENCE COMMUNITY STAFF

PERSONNEL

Sec. 201. (a) During fiscal year 1983, the personnel of the Intelligence Community Staff may be permanent employees of the Intelligence Community Staff or personnel detailed from other elements of the United States Government.

(b) During fiscal year 1983, the personnel of the Intelligence Community Staff shall be selected so as to provide appropriate representation from elements of the United States Government engaged in intelligence and intelligence-related activities.

(c) During fiscal year 1983, any officer or employee of the United States or member of the Armed Forces who is detailed to the Intelligence Community Staff from another element of the United States Government shall be detailed on a reimbursable basis, except that any such officer, employee, or member may be detailed on a nonreimbursable basis for a period of less than one year for the performance of temporary functions as required by the Director of Central Intelligence.

INTELLIGENCE COMMUNITY STAFF ADMINISTERED IN SAME MANNER AS CENTRAL INTELLIGENCE AGENCY

Sec. 202. During fiscal year 1983, activities and personnel of the Intelligence Community Staff shall be subject to the provisions of the National Security Act of 1947 (50 U.S.C. 401 et seq.) and the Central Intelligence Agency Act of 1949 (50 U.S.C. 403a–403m) in the same manner as activities and personnel of the Central Intelligence Agency.

TITLE III—CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM

AUTHORIZATION OF APPROPRIATIONS

Sec. 301. There is authorized to be appropriated for the Central Intelligence Agency Retirement and Disability Fund for fiscal year 1983 the sum of $91,300,000.

TITLE IV—SUPPLEMENTAL AUTHORIZATION FOR FISCAL YEAR 1982

AUTHORIZATION OF APPROPRIATIONS

Sec. 401. In addition to the funds authorized to be appropriated under title I of the Intelligence Authorization Act for fiscal year 1982 (Public Law 97-89; 95 Stat. 1150), funds are hereby authorized to be appropriated for fiscal year 1982 for the conduct of the intelligence and intelligence-related activities of the United States Government. The amounts authorized to be appropriated under the preceding sentence are those specified for that purpose in the classified schedule of authorizations described in section 102.

TITLE V—PROVISIONS RELATED TO THE DEFENSE INTELLIGENCE AGENCY

UNAUTHORIZED USE OF DEFENSE INTELLIGENCE AGENCY NAME, INITIALS, OR SEAL

Sec. 501. (a) Chapter 4 of title 10, United States Code, is amended by adding at the end thereof the following new section:

"§ 140c. Secretary of Defense: Use of Defense Intelligence Agency Name, Initials, or Seal

"(a) No person may, except with the written permission of the Sectretary of Defense or his designee, knowingly use the words 'Defense Intelligence Agency', the initials 'DIA', the seal of the Defense Intelligence Agency, or any colorable imitation of such words, initials, or seal in connection with any merchandise, impersonation, solicitation, or commercial activity in a manner reasonably calculated to convey the impression that such use is approved, endorsed, or authorized by the Defense Intelligence Agency.

"(b) Whenever it appears to the Attorney General that any person is engaged or is about to engage in an act or practice which constitutes or will constitute conduct prohibited by subsection (a), the Attorney General may initiate a civil proceeding in a district court of the United States to enjoin such act or practice. Such court shall proceed as soon as practicable to the hearing and determination of such action and may, at any time before final determination, enter such restraining orders or prohibitions, or take such other action as is warranted, to prevent injury to the United States or to any persons or class of persons for whose protection the action is brought.".

(b) The table of sections at the beginning of chapter 4 of title 10 is amended by adding at the end thereof the following new item:

"140c. Secretary of Defense: Use of Defense Intelligence Agency name, initials, or seal.".

TITLE VI—PROVISIONS RELATED TO THE CENTRAL INTELLIGENCE AGENCY RETIREMENT AND SURVIVOR'S ANNUITY FOR FORMER SPOUSES

Sec. 601. The Central Intelligence Agency Act of 1949 (50 U.S.C. 403a-m) is amended by adding at the end the following new section:

"Sec. 14. (a) Any qualified former spouse of an employee of the Agency, which employee is a participant in an Agency retirement system, is entitled to an annuity under such retirement system—

"(1) if married to the participant throughout the creditable service of the participant, equal to 50 per centum of the annuity of the participant; or

"(2) if not married to the participant throughout such creditable service, equal to that former spouse's pro rata share of 50 per centum of such annuity.

"(b) Any qualified former spouse of such employee of the Agency, which employee is a former participant in an Agency retirement system and is survived by such former spouse, is entitled to an annuity under such retirement system—

"(1) if married to the participant throughout the creditable service of the participant, equal to 55 per centum of the full amount of the participant's annuity; or

"(2) if not married to the participant throughout such creditable service, equal to that former spouse's pro rata share of 55 per centum of the full amount of such annuity.

"(c) Notwithstanding subsections (a) and (b), benefits for qualified former spouses shall—

"(1) commence and terminate; and

"(2) be subject to limitation or modification because of spousal agreements, court orders, multiple spouses or former spouses, recall or reinstatement to service, or other circumstances.

in a manner comparable to the manner in which benefits for former spouses of participants are administered under the Foreign Service Act of 1980.

"(d) As used in this section the term—

"(1) 'Agency retirement system' means any Federal retirement and disability system available to employees of the Agency as employees of the Agency;

"(2) 'pro rata share' means a percentage which is equal to the percentage that (A) the number of years during which the former spouse was married to the participant during the creditable service of such participant is of (B) the total number of years of such creditable service; and

"(3) 'qualified former spouse' means a former wife or husband of a participant who (A) was married to such participant for not less than ten years during period of creditable Agency service by such participant, at least five years of which were spent overseas by both the participant and the former spouse, and (B) has not remarried before becoming sixty years of age.

"(e) The Director shall issue such regulations as are necessary to implement the provisions of this section.

"(f)(1) The provisions of this section regarding the rights of former spouses to any annuity under subsection (a) shall apply in the case of any individual who after the effective date of this section becomes a former spouse of an individual who separates from the Agency after such date.

"(2) Except to the extent that it is inconsistent with an election made which is comparable to an election under section 2109 of the Foreign Service Act of 1980, the provisions of this section regarding the rights of former spouses to receive survivor annuities under subsection (b) shall apply in the case of any individual who after the effective date of this section becomes a former spouse of a participant or former participant in any Agency retirement system.".

Sec. 602. The provisions of and amendments made by section 601 shall take effect thirty days after the date of enactment of this Act.

TITLE VII—GENERAL PROVISIONS

RESTRICTION ON CONDUCT OF INTELLIGENCE ACTIVITIES

Sec. 701. The authorization of appropriations by this Act shall not be deemed to constitute authority for the conduct of any intelligence activities which is not otherwise authorized by the Constitution or laws of the United States.

INCREASES IN EMPLOYEE BENEFITS AUTHORIZED BY LAW

Sec. 702. Appropriations authorizd by this Act for salary, pay, retirement, and other benefits for Federal employees may be increased by such additional or supplemental amounts as may be necessary for increases in such benefits authorized by law.

EFFECTIVE DATE

Sec. 703. The provision of titles IV and V and by this title shall become effective upon the date of the enactment of this Act.

AMENDMENT OFFERED BY MR. BOLAND

Mr. BOLAND. Mr. Chairman, I offer an amendment to title III.

The Clerk read as follows:

Amendment offered by Mr. Boland: On page 5, after line 16, insert the following:

Sec. 302. Section 211 of the Central Intelligence Agency Retirement Act of 1964 for Certain Employees, Public Law 88-643, 785 Stat. 1043, as amended, is amended by adding at the end thereof the following new subsection:

"(c) Amounts deducted and withheld from the basic salary of a participant under this section from the beginning of the first pay period after the participant has completed 35 years of service computed under sections 251 and 252 [excluding service credit for unused sick leave under section 221(h)], together with interest on these amounts at the rate of 3 percent a year compounded annually from the date of the deduction to the date of retirement or death, shall be applied toward any special contribution due under section 252(b) and any balance not so required shall be refunded in a lump sum to the participant after separation [or, in the event of a death in service, to a beneficiary in order of precedence specified in subsection 241(b)(1)], or the participant may use these sums to purchase an additional annuity in accordance with section 281."

Mr. BOLAND (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. BOLAND. Mr. Chairman, this amendment affects the Central Intelligence Retirement and Disability System, established by the Central Intelligence Agency Retirement Act of 1964 for Certain Employees. Essentially the act provides, that if a CIA employee, serves overseas for 5 years or more, he or she may opt into the system, called CIARDS. CIARDS permits earlier retirements than under the Civil Service—at age 50 with 20 years of service, or earlier if the participant has 25 years of service. Mandatory retirement for most participants is at age 60. Otherwise CIARDS closely resembles the Civil Service retirement and disability system.

Congruence between the two systems after 1976 was guaranteed by an amendment to the CIARDS statute that permitted the President, by Executive order, to conform CIARDS to any subsequent change in the Civil Service system. However, that authority did not apply retroactively and therein lies the reason for the amendment I offer today.

With regard to this amendment, it should be understood that currently under CIARDS, an employee must continue to make the mandatory retirement contribution from his salary even after he has reached the maximum obtainable benefit level. This, however, is not the case under the Foreign Service or the Civil Service retirement systems. Both of these systems permit the withdrawal of excess mandatory retirement deductions. The Foreign Service retirement system permits a direct refund of excess contributions; under the Civil Service retirement system, excess contributions are placed in a voluntary contribution account for the purchase of an additional annuity or can be refunded from that account.

This amendment would bring CIARDS into line with the Civil Service and Foreign Service retirement systems. Specifically, it would give a CIARDS retiree the option of purchasing an additional annuity under the voluntary contributions provisions of CIARDS or applying for a refund of the excess contributions. Before either option could be exercised, however, the excess contributions would first be applied toward covering any period of service for which the retiree had made no contributions into the retirement fund or for which he had at one time received a refund. This latter proviso is also contained in both the Foreign Service and Civil Service retirement systems.

Mr. Chairman, this amendment simply conforms CIARDS to these other retirement systems in a way that the President by Executive order could not. It should result in no extra cost to the retirement fund actuarially speaking. It will affect very few employees.

Mr. Chairman, we have advised the Committee on Post Office and Civil Service of this amendment and have been told that it is consistent with other Federal retirement system policy. That committee has no objection to the amendment.

Mr. Chairman, I urge adoption of the amendment.

Mr. ROBINSON. Mr. Chairman, if the gentleman will yield, we consider this a perfecting amendment in every way and urge its adoption.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts (Mr. Boland).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. BOLAND

Mr. BOLAND. Mr. Chairman, I offer an amendment to title VI.

The Clerk read as follows:

Amendment offered by Mr. Boland: On page 9, strike lines 7-9 and insert in lieu thereof the following:

"(1) 'Agency retirement system' means—

"(A) the Central Intelligence Agency Retirement and Disability System established under the Central Intelligence Agency Retirement Act of 1964 for Certain Employees, as amended; and

"(B) the Civil Service Retirement and Disability System established under Subchapter III of Chapter 83 of Title 5, United States Code, in the case of an employee of the Agency who retires from the Agency on an immediate annuity under such system or who is not a participant in the system described in subparagraph (A) above and who dies while employed by the Agency;"

On page 9, strike lines 23-24 and insert in lieu thereof the following:

"(e) the Director (or in the case of an annuity under the Agency retirement and disability system described in subsection (d)(1)(B) of this section, the Director of the Office of Personnel Management in consultation with the Director of Central Intelligence) shall issue such regulations as are necessary to implement the provisions of this section."

Mr. BOLAND. Mr. Chairman, section 601 of the bill would provide to certain ex-spouses of CIA employees, a pro rata share of their employee spouse's retirement annuity and a survivor's annuity. These benefits are to be comparable to those provided spouses of Foreign Service officers under the Foreign Service Act of 1980. They are to be provided pursuant to regulations written by the Director of Central Intelligence.

The great majority of those who will be affected by this legislation will be participants in the CIA's retirement and disability system, or CIARDS. Some few could be under the Civil Service retirement and disability system, however, since the CIARDS system is elective.

The purpose of this amendment is to permit the Director of the Office of Personnel Management to write the regulations for those few CIA employees, and their spouses participating in the Civil Service retirement and disability system, who will be affected by section 601. This amendment will have the result of retaining the jurisdiction of the Director of OPM over all Civil Service participants.

At the same time, the Director of OPM must consult with the Director of Central Intelligence in writing regulations under this section. This is to insure that the security of CIA personnel is properly protected.

The amendment also makes clear that section 601 applies to civil service participants and their spouses at CIA, only if—besides meeting the other requirements of the section—they actually retire from CIA or die while employed there. This is to avoid unnecessary complications in the administration of these benefits in the cases of those few individuals who will be under the civil service system.

Mr. Chairman, this amendment was suggested to the committee by OPM. It was developed in coordination with the CIA and is supported by the Agency. The committee brought it to the attention of the Committee on Post Office and Civil Service, which advised that it would be consistent with the overall management of the civil service system by OPM. The Committee on Post Office and Civil Service therefore has no objection to the amendment.

Mr. Chairman, I view this amendment as a perfecting amendment which should make the job of administering section 601 easier and more consistent with the personnel policies of both OPM and the CIA.

I urge its approval.

Mr. ROBINSON. Mr. Chairman, if the gentleman will yield, again, as stated by the chairman of the committee, this is a perfecting amendment to which there is no objection, and we urge its adoption.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts (Mr. Boland).

The amendment was agreed to.

The CHAIRMAN. Are there any other amendments to the bill?

If not, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mrs. Schroeder) having assumed the chair, Mr. Biaggi, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 6068) to authorize appropriations for fiscal year 1983 for intelligence and intelligence-related activities of the U.S. Government, for the intelligence community staff, for the Central Intelligence Agency retirement and disability system, to authorize supplemental appropriations for fiscal year 1982 for the intelligence and intelligence-related activities of the U.S. Government, and for other purposes, pursuant to House Resolution 462, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was orderd to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

Mr. WEISS. Madam Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 5 of rule I, further proceedings on this question will be postponed. The vote will be taken tomorrow, Wednesday, May 19, 1982.

The point of no quorum made by the gentleman from New York (Mr. Weiss) is considered withdrawn.

GENERAL LEAVE

Mr. BOLAND. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

Washington, D.C., *May 17, 1982.*

Hon. Thomas P. O'Neill, Jr.,
Speaker, House of Representatives,
Washington, D.C.

Dear Mr. Speaker: Pursuant to the permission granted in the Rules of the House of Representatives, I have the honor to transmit a sealed envelope from The White House, received in the Clerk's Office at 3:30

p.m. on Monday, May 17, 1982 and said to contain a message from the President wherein he transmits a proposed constitutional amendment to restore prayer in public schools and institutions.

With kind regards, I am,

Sincerely,

EDMUND L. HENSHAW, JR.,
Clerk, House of Representatives.

PROPOSED CONSTITUTIONAL AMENDMENT ON SCHOOL PRAYER—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 97-180)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on the Judiciary and ordered to be printed:

(For message, see proceedings of the Senate of Monday, May 17, 1982, page 10230.

□ 1330

REPORT ON REVISIONS TO DEFERRALS IN ACCORDANCE WITH IMPOUNDMENT CONTROL ACT OF 1974—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 97-181)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Appropriations and ordered to be printed:

(For message, see proceedings of the Senate of today, May 18, 1982.)

COMMUNICATIONS FROM THE CHAIRMAN OF COMMITTEE ON VETERANS AFFAIRS

The SPEAKER pro tempore laid before the House the following communication from the chairman of the Committee on Veterans' Affairs, which was read, and, without objection, referred to the Committee on Appropriations:

COMMITTEE ON VETERANS' AFFAIRS,
Washington, D.C., May 12, 1982.

Hon. THOMAS P. O'NEILL,
Speaker, House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: Section 5004 of Title 38, United States Code, requires that the Committee on Veterans' Affairs adopt a resolution approving major medical construction projects and leases of $500,000 or more proposed by the Veterans Administration for each fiscal year. The House Committee on Veterans' Affairs met on May 11th and authorized the construction of various projects in fiscal year 1983. There were no leases authorized by the Committee for fiscal year 1983.

A copy of the Resolution adopted by the Committee and a listing of the projects authorized are attached.

Sincerely,

G. V. (SONNY) MONTGOMERY,
Chairman.

RESIGNATION AS MEMBER OF COMMITTEE ON SMALL BUSINESS

The SPEAKER pro tempore laid before the House the following resignation as a member of a committee:

HOUSE OF REPRESENTATIVES,
Washington, D.C., May 11, 1982.

Hon. THOMAS P. O'NEILL,
Speaker of the House, The Capitol, Washington, D.C.

DEAR MR. SPEAKER: As a result of recent confirmation by the Steering and Policy Committee and the Democratic Caucus, I have been elected as a member of the Committee on the Judiciary in the House.

I therefore respectfully request that the leadership accept my resignation as a member of the Committee on Small Business, effective immediately.

I look forward to the challenges of my new Committee assignment, and to working with you on matters before this Committee and before the House.

Sincerely,

GEO. W. CROCKETT, JR.,
Member of Congress.

AMELIA EARHART DAY

Mr. HOYER. Madam Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the joint resolution (H.J. Res. 412) to authorize and request the President to designate May 20, 1982, as "Amelia Earhart Day," and ask for its immediate consideration in the House.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

Mr. JEFFRIES. Madam Speaker, reserving the right to object, I want to take this opportunity to thank the chairman of the Subcommittee on Census and Population, Mr. GARCIA, for bringing this resolution to the floor in such a timely manner. I also want to thank my fellow colleagues who have joined me in honoring this great aviatrix, Amelia Earhart, on the 50th anniversary of her solo flight across the Atlantic Ocean.

Amelia Earhart, who hailed from my hometown of Atchison, set a number of aerial records between 1928 and 1935. As a pioneer in the field of aviation, she was an inspiration to all. She believed in the continuing ability of men and women to surpass previous accomplishments, and she risked her life, time after time, to prove this. Her daring flights touched the lives of millions of Americans and others the world over. It is appropriate that this brave woman be given special recognition.

I would like to urge my colleagues here and in the other body to move expeditiously in support of this resolution. Owing to the fact that some 3 days of ceremonies have been scheduled around May 20, with people from all over the country attending, it is necessary that quick action be taken.

Madam Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

Mr. DERWINSKI. Madam Speaker, reserving the right to object, I do this merely to commend the gentleman from Maryland for taking the awesome responsibility of bringing these important measures to the floor, and I congratulate all the Members who have shown their legitimate interest in history and civics and governmental responsibility of the various resolutions.

Mr. HOYER. I appreciate the generous remarks of the gentleman.

Mr. DERWINSKI. Madam Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. RES. 412

Whereas Amelia Earhart was the first woman to fly across the Atlantic Ocean as a passenger;

Whereas Amelia Earhart set a number of altitude and speed records in various airplanes and autogiros, forerunners of the helicopter;

Whereas Amelia Earhart was widely hailed as an aviator and an inspiring example to all;

Whereas Amelia Earhart worked for the promotion of sound aeronautics and was a strong influence in breaking down resistance to aviation.

Whereas Amelia Earhart was the first woman in American history to be awarded the Distinguished Flying Cross;

Whereas Amelia Earhart was the first woman to fly solo across the Atlantic Ocean on May 20-21, 1932: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to designate May 20, 1982, as "Amelia Earhart Day," as a tribute to that most daring of the pioneer women aviators, and to call upon Federal, State, and local government agencies and the people of the United States to observe such day with appropriate ceremonies and activities.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NATIONAL NAVAHO CODE TALKERS DAY

Mr. HOYER. Madam Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the joint resolution (H.J. Res. 444) to authorize and request the President to designate August 14, 1982, as "National Navaho Code Talkers Day" and ask for its immediate consideration in the House.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

Mr. RUDD. Madam Speaker, reserving the right to object, I would like to take this opportunity to thank Chairman FORD and Chairman GARCIA as well as Mr. DERWINSKI and Mr. COURTER for their cooperation and leadership in bringing this measure to designate August 14, 1982, as "National Navaho Code Talkers Day" to the floor. The more than 240 House Members who have cosponsored the measure demonstrate the tremendous support which has been generated to honor the Navaho Code Talkers whose contribution to our victory in the Pacific, ending World War II, has gone too long unheralded. August 14 is the 37th anniversary of the surrender of the Japanese in World War II, and I believe that it is fitting that this year we set aside that day to honor this group of unsung heroes.

If you have not heard of the Navaho Code Talkers, do not be embarrassed, since their work required absolute secrecy; they never enjoyed the national acclaim they so richly deserve. And yet, this group of 400 dedicated marines played a vital role in the invasions of Guadalcanal and Iwo Jima without which, many of their comrades believe the islands would never have been won.

After the invasion of Pearl Harbor our naval fleet was crippled and attempts to gain a foothold in the Pacific were repeatedly frustrated by Japanese cryptologists, who were able to decipher our combat codes with amazing speed. The idea of using the Navaho language as the basis for a code came from a man named Philip Johnston, who had grown up on a Navaho Reservation. In early 1942, the Marine Corps accepted Mr. Johnston's idea after a successful demonstration of the complex verb forms and tonal characteristics of Navaho speech. When the Marines went recruiting for this special mission, 29 young Navaho men volunteered. These first Navaho Code Talkers, known thereafter as the Famous 29, received regular boot camp training and were thoroughly briefed on the special function they were to have. Then, the Famous 29 sat down and constructed the code, substituting Navaho words for the 211 most frequently used words in military lexicon. "Submarine" was translated into the Navaho word for "iron fish"; planes were named after different birds, such as "hawk" for fighter planes. Words not included in the code were spelled out with each English letter assigned a Navaho equivalent.

The plan worked. The Navaho Code Talkers were able to encode and decode messages much faster than any method that had ever been used. The ingenuity of the code itself, coupled with the exceptional bilingual fluency of the code talkers, created a devastating weapon. The code was never deciphered by the Japanese. The Navaho Code Talkers served beside their other marine comrades under intense fire. One of my constituents, Mr. Carl Gorman of Window Rock, Ariz., was one of the Famous 29. He tells us that the Navaho Code Talkers landed with the front lines to secure the beaches. In Saipan, he says, the firing from enemy fortresses hidden in caves was so heavy he did not expect to live. He was wounded in combat and served in the attacks against the islands of Tarawa, Tinian, and Guadacanal.

After the surrender of the Japanese, the 400 Navahos who served during the course of the war went back to their homes in the Southwestern United states just as quietly as they had left. I am proud to have the honor of representing so many of the Navaho Code Talkers, and of recognizing them for the tremendous bravery and dedication they showed in the performance of their duty. By passing this resolution, we express the heartfelt thanks of a grateful Nation, and I urge all of my colleagues to vote for his long overdue tribute.

Mr. WHITE. Madam Speaker, will the gentleman yield?

Mr. RUDD. I yield to the gentleman from Texas, who, I might add, had a distinguished war record as a marine.

Mr. WHITE. I thank the gentleman for yielding.

The fact is that I was in the 3d Division, 2d Battalion, 9th Marine Regiment, and we did have Navaho code speakers in our group. The Japanese had infiltrated the lines. Throughout all these combat episodes they would tap our lines. Of course, they would gain intelligence and our positions.

When we had the Navahos who were tough and very effective, they were unable to therefore interpret our signals across from unit to unit and it undoubtedly did save many lives and I had great admiration for these young men. They were indeed good marines.

I certainly compliment the gentleman and the members of the committee for bringing this matter to the attention of the Congress and for establishing this date in recognition of their efforts.

Mr. RUDD. I thank the gentleman for his contribution and I would like to say that I hope the chairman will ask for 5 legislative days for Members to revise and extend their remarks because there are other Members of Congress who were on Iwo Jima who served with the Marine Corps there and who also were acquainted with the code talkers, one of which was our colleague, Colonel, then Lt. BARBER CONABLE, and I know that the gentleman will have some remarks to make with regard to this and I will not steal his thunder by repeating it, but this is an important day for an important people who made a tremendously important contribution to our Nation and its war effort and have long gone unsung and unheralded for their contribution.

Madam Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

Mr. BEREUTER. Madam Speaker, reserving the right to object, it has come to my attention as chairman of the minority task force on Indian affairs of the Committee on Interior and Insular Affairs that indeed there were a number of other Indians from a variety of other tribes who were involved in similar activity.

Certainly the Navaho numerically made the greatest contribution and this tribute to them is well deserved. It was my intention at one time to propose an amendment, but trying to avoid any kind of controversy and delay of this amendment and running up to the problem that we really cannot specify all of the other Indian tribes that were involved in similar activity on behalf of our forces in World War II, I would hope that the gentleman from Maryland and the gentleman from Arizona would join me in an expression of tribute to the Navaho Code Talkers while extremely well deserved also will serve as a symbol for other Indians from other Indian tribes in the United States that made similar contributions and I would ask the gentleman if he would be willing to agree to that understanding.

Mr. HOYER. Madam Speaker, will the gentleman yield?

Mr. BEREUTER. I yield to the gentleman from Maryland.

Mr. HOYER. I certainly cannot speak for the chairman of the committee, but I am sure that he would be in 100 percent agreement with the gentleman from Nebraska. Not only are we talking on behalf of Navaho Code Talkers, who have been so eloquently described by the gentleman from Arizona and the gentleman from Texas, but also for all of those who the gentleman from Nebraska speaks of who have made such a significant contribution over the years.

Mr. BEREUTER. I thank the gentleman for his comments and for this agreement that this will be a symbolic gesture to other Indians who made similar contributions to the magnificent service that the Navaho Code Talkers provided.

● Mr. CONABLE. Mr. Speaker, any American boy—white, black, or red—is far from his normal environment when called upon to fight for his country on a distant field of battle. I cannot remember anyone more uncomfortable with his environment than the two Navaho boys who were brought at gun point to my outfit by a young lieutenant from Ohio in the midst of the battle of Iwo Jima in 1945. The lieutenant claimed they were Japanese masquerading as American marines and that they should be shot immediately as spies. We persuaded him their line of descent was more purely American than any that he could claim. He continued to be suspicious because they spoke English with some difficulty; at that time there were substantial parts of the Navaho Reservation where English was a distant second as the spoken language.

The cream of the Navaho Nation were recruited during World War II to be "code talkers" in the Marines. While such an opportunity would have been an honor for anyone, it was not without its risks. The code talkers spoke in a comparatively unknown language over the radio to someone also familiar with that language rather than going through the complicated code requirements for those speaking a major or generally known language. Communications personnel followed the action and so code talkers were communications personnel who were seeking to cut a few seconds out of the translation or the ciphering process because of the need for split-second decision. They were always where the action was, hence always in danger. A further complication for a boy so near the front who was a code talker is that he had to carry a radio on his back, and at that time miniaturization had not yet made the radio an economical or light package. Bulk make him visible; weight made him less maneuverable.

One of the reasons the Japanese were never able to break the code of the code talkers was that much of the language was descriptive. Thus, a tank became in the Navaho language "the fort that walks." Obviously, there was no word for tank in the Navaho language and literal-minded Asiatics found it difficult to think in the somewhat romantic phraseology of the American Indian.

These fine young Americans performed a valuable function for their country at a time when they were needed. Their contribution was unique based on the unusual characteristics of language and background. It is time we had some recognition of their special services, and I commend the gentleman from Arizona (Mr. Rudd) for his having sought for them a special tender of thanks long over due.●

Mr. BEREUTER. Madam Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. Res. 444

Whereas the Navaho Code Talkers, a group of United States Marines, devised a communication code, based on the Navaho language, for combat use during World War II;

Whereas the development and use of this code, which was never deciphered by Japanese cryptologists, played a crucial role in the successful resolution of the war effort in the Pacific; and

Whereas this select group of Navaho Marines has never received national recognition for its unique and invaluable contribution to our military intelligence during that conflict: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to issue a proclamation designating August 14, 1982, as "National Navaho Code Talkers Day", and calling upon all government agencies and people of the United States to observe the day with appropriate programs, ceremonies, and activities.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

□ 1345

GENERAL LEAVE

Mr. HOYER. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and to include extraneous material, on the joint resolutions just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

GENERAL LEAVE

Mr. WEISS. Madam Speaker, I ask unanimous consent that all Members be permitted to extend their remarks and to include therein extraneous material on the subject of the special order speech today by the gentleman from New Jersey (Mr. Rodino).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

DOES THE CONSTITUTION PROTECT CRIMINALS AND REVOLUTIONARIES?

(Mr. DAN DANIEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DAN DANIEL. Mr. Speaker, last Friday, the U.S. District Court here in Washington declared unconstitutional an amendment to the fiscal 1982 appropriations bill for the Departments of Labor, Health and Human Services, Education and related agencies. That amendment said simply that CETA funds could not be used to train those who had within the past 5 years publicly advocated the overthrow of the U.S. Government.

The amendment, which I sponsored, originated from good purpose and was based upon the belief—shared, I might add, by many—that those who seek Government benefits should not at the same time work for the destruction of the system which supplies the benefits. Avowed Communists and other revolutionaries have been beneficiaries of such programs, and in these times when patriotic and law-abiding Americans are out of work, it does not seem rational that Government should train those who advocate revolution.

The court, in a 12-page decision, went out of its way to support the thesis that anyone has the right to advocate anything and that such advocacy cannot be used as a reason to deny Government benefits, so long as the program is available to anyone else.

Considering the fact that courts of the District of Columbia have in times past been zealous in coddling revolutionaries, I am not surprised by the decision. It does, however, increase my concern about where this country is heading. Time and time again, we have seen individuals and groups publicly attack our institutions, only to be upheld by the courts.

What these malcontents say and do seems not to matter—until that last minute when the clear and present danger is obvious. Whether by calculated design or directions of fate these people pocket such decisions (probably amused in the process) and the ultimate security of the United States thereby becomes a little less sure.

First amendment rights are all well and good—and we would not want to change the system—but one wonders at what point it becomes too late to discern the difference between the right to speak and the impulse to act upon those words.

The idle words or sensational opinions of an individual or small group may be dismissed as freedom of speech. But what of the time when our laws and institutions might be cast aside and a new order shall reign? Do we then gain a sense of moral satisfaction by saying that we let anyone say and do what he pleases?

The court gratuitously says that while those "who advocate the violent overthrow of the Government might be ingrates, the Constitution protects them as well as the appreciative"—and so it does. But have we not lost something along the way when those who advocate the abolishment of the system seek and secure its benefits while working for its destruction?

There is no wonder that the moral fiber of our society has weakened when these who flaunt their displeasure with our system, who undermine its existence and seek to substitute a hostile ideology are rewarded in the courts. This is the same softness that has sent criminals back into the streets, accentuated the rights of the accused instead of the fate of the victims, and segmented our society into combative camps of discontent. This philosophy holds that Government largess should be had for the asking. Many are manipulating our guarantee of freedoms to secure personal advantage rather than to contribute to their own survival. This attitude has diminished the effectiveness of law enforcement and relegated the law-abiding to the status of mockery in many places.

It has often been said that if our system is ever overturned, it will be in large part as a result of action from within. Bit by bit the underpinnings of our system are undermined—and if this decision is carried to its logical conclusion by all those who may be encouraged by it, that day of ultimate destruction may be closer than we think.

It is my plan to urge the Justice Department to appeal the decision, as I feel it is too important an issue to be decided by one man. The declaration of actions of Congress as unconstitutional does not come often and should not be taken lightly.

Further, the decision makes the point that the amendment had been characterized by the name of the individual who brought the suit. This may be true but this was not the fault of its author or the Congress which passed it without a dissenting vote. The media, in its zeal to publicize the issue and sensationalize the plaintiff, did obviously blow the matter out of proportion, to the advantage of the challenger of the law. For the court to use the same one-sided journalistic treatment as evidence of the intent of the law is a reasoning difficult to follow.

Finally, it is also worthy of note that at a time when the Federal courts are claiming that their backlog of cases slows justice and frustrates decision-making, this case was heard in record time and the decision came with more than all deliberate speed.

THE REAGAN RECESSION: TIME TO STOP PASSING THE BUCK

(Mr. PEASE asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. PEASE. Mr. Speaker, last year this Congress approved nearly everything that President Reagan wanted in the way of budget and tax cuts. We acted on the assurance that the President, David Stockman, and numerous other supply-siders gave the American people that unprecedented economic growth and prosperity would soon follow.

What has followed is the worst recession since the Great Depression. And for weeks now, the President and his spokesmen have sought to glibly shift the responsibility for our economic distress to the previous administration, to each Congress and President elected since F. D. R., to the Federal Reserve Board, to anybody but themselves.

Today I am having reprinted in the Record information developed by Data Resources, Inc. and the Public Employee Department of the AFL-CIO which confirms that both the responsibility and the blame for our economic woes rests primarily with the ill-advised policies prescribed by the White House. I urge my colleagues to review this material which persuasively answers the question: How would the economy be performing now if the Reagan economic recovery program had not been enacted?

The Reagan Recession: Time To Stop Passing the Buck

WHO IS TO BLAME FOR THE CURRENT RECESSION?

Is it President Reagan and his policies of tight money, huge hikes in defense spending, and generous tax breaks for the wealthy and large corporations? Or, as President Reagan contends, is it his Democratic predecessors and the after effects of their policies of "tax and tax, spend and spend"?

How Congress chooses to answer this question will ultimately determine the shape of next year's federal budget—and whether last year's corporate tax breaks are altered in any way, whether further cuts in basic income security programs will be made, and even whether federal workers will receive a raise. How millions of Americans choose to answer this question in November will ultimately determine the shape of next year's Congress.

The Public Employee Department of the AFL-CIO has attempted to answer this question by looking at two separate forecasts of the American economy, both based on Data Resources, Inc.'s computer model of the U.S. economy. The first forecast incorporates President Reagan's tax and spending proposals, and projects future economic trends assuming that they will remain in place. The second forecast projects future economic trends assuming that key elements of the Reagan program were never adopted. This "baseline" forecast shows how the economy would have performed had the massive corporate tax cuts contained in last year's tax bill never been enacted, had the huge tax breaks for the wealthy been capped at $700 per family, and had there been a slight easing of monetary policy over the course of the forecast period (for a more detailed discussion of the study methodology, please see the PED background paper, "The Impact of Current Economic Policy").

To sort out what effect, if any, the Reagan policy mix has had on the current recession, economic performance under the two competing forecasts must be compared. If the Reagan policy forecast shows some improvement in the economy from the baseline forecast, then clearly the Reagan economic program has had the salutary effect of easing what otherwise would have been an even more severe recession. If the Reagan policy forecast shows no change from the baseline forecast, then the Reagan program at least cannot be said to have made things any worse. But if the Reagan forecast shows a worsening of conditions when compared to the baseline forecast, then the Reagan economic program must be held accountable for having significantly weakened an already struggling economy—and President Reagan must not be permitted to pass the political buck to anyone else.

THE FINDINGS

Comparison of the Reagan policy forecast to the baseline forecast clearly shows a marked deterioration of economic performance directly attributable to the Reagan economic program. In addition, this comparison shows that the recent reduction in the rate of inflation—a fact for which President Reagan has been quite willing to claim responsibility—has had very little to do with his economic program.

The major findings of the PED study are summarized below:

(1) Despite the enactment of federal business tax cuts totaling $33 billion in FY 82 and FY 83, business investment under the Reagan economic program will fall considerably below what would have occurred had these massive tax cuts never been enacted.

The Reagan policy forecast projects that business investment will fall 2.1 percent short of the baseline in 1982 and 3.2 percent short in 1983. This amounts to a decline of $25 billion in investment spending over the two-year forecast period—a decline directly attributable to the Reagan program.

WHY?

The basic premise of the Reagan tax plan for business—that deep cuts in the federal business tax burden would automatically result in increased investment spending—is fundamentally mistaken. While it is true that the accelerated depreciation provisions of the Reagan tax bill will reduce the cost to firms of making investments in new machinery or structures, taxes represent only one of the costs firms consider when making an investment. The cost of borrowing the money with which to pay for the new machine or building is another one. And with real interest rates at record levels, the cost of borrowing easily overwhelms any temporary cash flow advantage the tax cuts might have afforded these firms.

More to the point, however: firms only make investments if they believe that these investments will lead to profits. Even if tax rates are zero—or negative, as is the case under the new federal tax law—firms will not invest in a machine if they do not think that they can sell the products produced by that machine. The basic fact that the investment decision hinges on the level of demand seems to have been forgotten by the architects of the Reagan plan.

With an improved cash position, yet reduced demand for their products, firms have looked for ways to spend their money other than in capital investments. Not surprisingly, increased spending on mergers and dividend payments seems to be the only immediate result of the 1981 business tax cut.

	Annual rate of change—1981 (percent)
Total dollar value of mergers	+86
Number of mergers	+27
Number of "hostile" mergers	+42
Number of $1 billion mergers	+300

Source: W. T. Grimm & Co.

	Annual rate of change—		
	1981	1982	1983
Personal dividend income	12.5	9.6	14.3
Wage and salary disbursements	10.3	5.8	8.7

Source: Data Resources, U.S. Review, April 1982.

Similarly, firms will be unlikely to put much money into new buildings and machines if they are unable to fully utilize the buildings and machines they already have in service. Last month the Federal Reserve Board reported that manufacturers and materials producers were operating at 71% of their capacity—the lowest level of capacity utilization since the depths of the 1975 recession.

Finally, the "Accelerated Cost Recovery System" (ACRS)—the rubric for the new federal depreciation rules—has proven to be perhaps the most inefficient way ever devised for distributing government subsidies to corporations. Because effective tax rates on new investments range from −53% for office and computing machinery to +37% for industrial buildings, ACRS can make a "good" investment—from an economic standpoint—look "bad"—from a tax standpoint. Or, it can make a bad investment look good. And because of the tax leasing provisions of ACRS—whereby poor firms are allowed to sell their tax credits they cannot use to their rich brethren who can—the benefits of ACRS are extended both to firms who don't need them and to firms who don't deserve them—all at a immense cost to the federal treasury.

(2) Despite President Reagan's attempts to curb government spending—and his endorsement of the drive for a constitutional amendment requiring a balanced federal budget—his own economic program adds nearly $50 billion to the fiscal year 1983 deficit.

HOW?

The size of the federal deficit is directly related to the health of the American economy. When people lose their jobs and economic growth declines, tax receipts fall and claims on government programs (e.g., unemployment insurance or food stamps) rise. The Congressional Budget Office estimates that each additional percentage of unemployment adds $28 billion to the federal deficit, and that each percentage drop in GNP growth adds another $17 billion.

Change in Federal deficit

	Billions
A 1-percent increase in unemployment	+$28
A 1-percent increase in inflation	−11
A 1-percent decrease in GNP	+17
A 1-percent increase in rates	+6

Source: Congressional Budget Office.

The quickest way to reduce the federal deficit is to adopt a budget that would have the effect of putting people back to work and spurring economic growth—a fact which seems to have been forgotten during recent Congressional debate over whether or not to cut Social Security or whether or not to freeze the wages of federal workers. The only reason Congress is even forced to consider such deficit-reducing measures is due to the immediate and negative impact of the Reagan program on the economy.

President Reagan has greatly expanded the use of the federal tax system as a means of distributing federal subsidies. In fact the amount of money devoted to corporate tax "expenditures"—or "loopholes"—is slated to grow faster than any other budget item, including spending on defense, between Fiscal Year 1981 and Fiscal Year 1985. Tax loopholes for individuals, too, represent one of the high growth components of an otherwise austere budget.

These tax "expenditures"—which are not subject to the Congressional budget process—contribute to the federal deficit just as surely as do regular spending programs.

The Reagan fiscal year 1983 budget projections in constant 1981 dollars

	Percent change 1981-85
Function:	
Corporate tax expenditures	+57
National defense	+45
Interest	+15
Health	+13
Individual tax expenditures	+11
Income security	+3
Veterans benefits	−7
International affairs	−7
Science, space, technology	−8
General government	−15
General purpose fiscal assistance	−19
Administration of justice	−23
Agriculture	−34
Transportation	−34
Community and regional development	−41
Natural resources and environment	−55
Education, training, employment, and social services	−55
Energy	−71
Commerce and housing credit	−110
Total budget	+5

Sources: Office of Management and Budget, "Budget of the United States Government," fiscal year 1983; Joint Committee on Taxation, "Summary of Tax Expenditures"; Citizens for Tax Justice, March 30, 1982, press release.

(3) Despite OMB predictions that the President's brand of supply-side economics would result in an immediate spurt of labor effort and business confidence, real economic growth under the President's plan will be significantly lower than it would have been in the absence of "supply-side" proposals.

The Reagan policy forecast shows an 0.6% decline from the baseline in real GNP in 1982, and another 1.3% drop in 1983.

OMB has dramatically reduced its own expectations of the impact of the Reagan program on the economy. When the President's tax and spending plans were first unveiled a year ago, OMB predicted that real GNP would grow by 4.2% in 1982. When the President's budget for 1983 was released this year, OMB had scaled back that prediction to 0.2%—a drop of 95%—even though Congress had given the President everything he asked for.

Now that the President has chosen the "blame the Democrats" strategy for our current economic woes, it is useful to note that not too long ago both he and his advisers had a far different opinion of how fast and how well his economic program would work.

OMB FORECASTS OF KEY ECONOMIC INDICATORS FOR 1982

	March 1981	February 1982	Percent change
GNP (constant dollar)	4.2	0.2	−95
Unemployment rate	7.2	8.9	+24
Consumer Price Index	8.3	7.3	−12
Interest rate (91-day Treasury bills)	8.9	11.7	+31
Deficit	[1] $54.9	[1] $91.5	+67

[1] Billion.

WHY?

True believers in Reaganomics argue that high marginal tax rates—that is, the rate applied to the last dollar of taxable income—serve to discourage people from working harder or saving more. Therefore, the real key to economic recovery in their view was the "across-the-board" personal tax cut—a cut that would reduce marginal rates and serve to spur people to greater levels of work effort and sacrifice.

A dubious proposition at best (since people may react to higher after-tax incomes by reducing their work effort—now that they have more money for vacations, entertainment, or leisure)—it is now irrelevant. For the vast majority of working Americans, the Reagan tax plan simply does not lower marginal rates—a fact even the administration now admits.

The 1982 Economic Report of the President points out that in 1984—when the rate cuts will be fully in effect—median income households will be in the 25 percent income tax bracket, an increase compared to the 24 percent bracket they were in in 1980. In other words, even under the optimistic inflation projections of the Reagan Administration, the tax "cut" is more than eaten up by offsetting tax increases as inflation pushes taxpayers into higher brackets. Moreover, the Economic Report ignores the additional upward push on marginal rates for wage earners caused by increases in social security taxes. Even so, it concludes that "despite the substantial reductions introduced by the 1981 tax cut, most rates in 1984 will remain near the historical high rates on real income."

Business confidence in the Reagan program faded quickly with the realization that its strange combination of high deficits and tight money were driving many smaller firms straight to bankruptcy court and forcing widespread layoffs and cuts in production among small and large firms alike.

In fact, the Reagan policy forecast shows that those sectors of the economy which are most sensitive to swings in the interest rate are being particularly devastated by the stop-go, push-pull policies of the Reagan Administration.

The Reagan policy mix will be directly responsible for a decline of 1.2 million automobile sales and 500,000 housing starts over the two-year forecast period.

(4) With business investment, auto sales, housing starts, and GNP growth all on the decline—and federal deficits, real interest rates, and business failures all on the rise—the conclusion that the Reagan economic program has led directly to increased unemployment should hardly be surprising.

The Reagan policy forecast projects a two-year loss of 700,000 jobs when compared to the baseline forecast.

These job losses are concentrated in the major manufacturing states. New York stands to lose 54,000 jobs; Pennsylvania—35,000; Ohio—33,000; Illinois—36,000; Michigan—26,000; New Jersey, 23,000; Massachusetts—20,000. Three states which have been hurt particularly by the downturn in the construction industry—California, Texas, and Florida—will lose an additional 156,000 jobs. All in all, these ten states account for more than half of the total job loss which may be directly tied to the enactment of the Reagan economic program.

(5) Despite the President's call for a return of program responsibility to the states, his own budget policies have turned this long-time "dream" of his into a fiscal nightmare.

The states will lose $2.9 billion of tax revenue over the forecast period as a direct result of the deeper recession caused by the Reagan policy mix.

Cuts in federal grants-in-aid to state and local governments totaled $18 billion in fiscal year 1982 and President Reagan's budget recommendations for fiscal year 1983 contained further cuts of $11 billion.

Conformity to the new federal depreciation rules will cost those states which have failed to take any action to counter the expected revenue loss in excess of $500 million in 1982 and an additional $1 billion in 1983.

For a state-by-state breakdown of the total $34 billion loss to the states that may be directly linked to the President's budgetary program, please see Appendix III.

(6) Despite the President's claims to the contrary, his economic program has had virtually nothing to do with the recent drop in the inflation rate.

The Reagan policy forecast shows no change in the Consumer Price Index for 1982 when compared to the baseline, and only a 0.2 percent decline in the CPI for 1983.

WHY?

The underlying premise of the President's anti-inflation program—that inflation is the direct result of "excessive" federal spending—is invalid. As the accompanying chart demonstrates, a comparison of the relative severity of inflation in other major industrial nations indicates no relationship between the size of the public sector and general price increases.

Country	Taxes as percentage of Gross Domestic Product,[1] 1970-79	Average annual increase Consumer Price Index, 1970-79[2]
United States	29.97	7.1
Sweden	45.60	8.6
France	37.90	8.9
Germany	35.85	4.9
United Kingdom	34.93	12.6
Canada	29.97	7.4
Japan	22.07	9.1

[1] Source: Organization for Economic Cooperation and Development, "Revenue Statistics of OECD Member Countries," 1965-1980.

[2] Source: International Monetary Fund, "International Financial Statistics," 1981 Yearbook.

In West Germany, for instance—where taxes make up a far greater portion of the Gross Domestic Product (GDP) than in the United States, inflation has consistently run at about two-thirds the U.S. level. In Japan, however—where the share of GDP made up of taxes is well below that of the United States—the average inflation rate during the 1970's was two percentage points higher than ours.

Much—if not all—of the recent decline in the inflation rate may be attributed to nonrecurring factors that would have taken place regardless of who was President. The worldwide oil glut—which has driven down energy prices—is the result of gradual consumer adjustment to the OPEC price shocks of the 1970's. Better-than-average food harvests—combined with dampened demand for food exports due to the worsening of U.S.-Soviet relations—have helped keep food prices down.

The table below pinpoints the recent sources of improvement in the Consumer Price Index.

The almost complete devastation of the housing industry by the Reagan economic program—our simulation of economic performance under Reagan policy showed a drop of 500,000 housing starts over the forecast period—probably has contributed to the recent decline in housing prices. yet to force any particular sector of the economy to bear such a disproportionate share of the hardship associated with a policy designed to bring down inflation is both unwise and unfair.

SOURCES OF IMPROVEMENT IN THE CONSUMER PRICE INDEX

	Annual percent change		Contribution to slowdown (percentage points)
	Dec. 1978 to Dec. 1980	Nov.1981 to Feb. 1982	
CPI—all items	12.9	3.7	9.2
Food and beverages	10.0	5.9	.8
Energy	27.4	−1.1	3.3
Gasoline	35.1	−13.2	2.8
Heating fuels	37.0	4.2	.4
Electricity and gas	15.3	12.1	.1
Home ownership	18.1	2.0	4.3
Home price	13.6	.3	1.4
Finance, taxes, insurance	25.4	1.3	2.9
All other			.8

Source: Data Resources U.S. Review, April, 1982.

CONCLUSION

"Our current problems are not the product of the recovery program that is only just now getting underway as some would have you believe; they are the inheritance of decades of tax and tax, spend and spend."—President Ronald Reagan, State of the Union Address, January 26, 1982.

The President is mistaken. His policies have lengthened, deepened, and broadened the current recession.

This is the only possible conclusion of a comparison of two separate economic forecasts based on the Data Resources, Inc. model of the U.S. economy. The forecast which incorporates the tax and spending policies of the Reagan Administration shows a marked deterioration in economic performance from the baseline forecast.

Moreover, the extent to which the Reagan policy forecast diverges from the baseline forecast understates the negative consequences of the Reagan economic program. This study serves only to compare the Reagan economic programs to a baseline that eliminates or modifies its major elements. It does not compare the Reagan economic program to a set of policies that would truly mean significant improvement in tax fairness, economic security, and employment opportunities for all Americans. No doubt the difference between Reagan policy and that baseline would be much, much greater.

EMERGENCY DAIRY ADJUSTMENT ACT OF 1982

(Mr. **WAMPLER** asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. **WAMPLER**. Mr. Speaker, today I am introducing legislation, at the request of the U.S. Department of Agriculture, that amends the dairy provisions of the Agriculture Act of 1949 to give the Secretary of Agriculture discretionary authority to set the milk price support level. In addition, it amends section 416 of the Agricultural Act of 1949 to provide authority to the Commodity Credit Corporation to dispose of its surplus stocks of dairy products to needy households in the United States and to needy persons overseas.

I do not endorse this specific piece of legislation. I do, however, agree with the Secretary of Agriculture and the dairy industry itself that changes must be made in the dairy price support program to reduce the overwhelming surplus of milk production and the huge Government costs to purchase dairy products and support milk prices.

There are issues raised by changes contained in this legislation for the dairy support program that should be addressed in hearings that will hopefully be held promptly to consider this urgent problem faced in the dairy industry. The administration's proposal should be "on the table" for consideration at the same time that other bills addressing this issue are being discussed. The Members will want to hear from industry and others regarding the amount of discretion the Secretary should have in determining the price support level for milk. They will want to examine the proposals to dispose of surplus dairy products into both domestic and foreign markets. In addition, the Members will wish to obtain as much information as possible concerning the raising of the national fluid milk standards to increase the amount of nonfat milk and other products going into commercial use.

As the Secretary has stated in forwarding this proposal to the Congress, this will be the third attempt in the last year by the Congress and the administration to bring the dairy program under control. The effort began by forgoing the scheduled semiannual price support increase in April 1981 and maintaining the support rate at $13.10. Dairy provisions were included in the Agriculture and Food Act of 1981 to continue the $13.10 support level through fiscal year 1982, until next October 1.

In the view of many, it was said to be unfortunate that the price support level established in 1979 was set too high in relation to the total demand for milk and milk products. Coupled with low grain and cull cattle prices, dairy producers expanded herds and fed cows heavier rations. The result was record milk production and unprecedented levels of Government acquisitions of dairy products. Milk production in fiscal year 1979 was 122.5 million pounds and CCC net removal of dairy products totaled 1.1 billion pounds milk equivalent at a net expenditure of $251 million. Projections for fiscal year 1982 estimate milk production at a record 135.5 billion pounds; record CCC net removals of 13.3 billion pounds of dairy products; an unprecedented net purchase cost of over $1.9 billion. As a result, the Government presently holds nearly 2 billion pounds of butter, cheese, and nonfat dry milk.

This situation is one which simply must be addressed again as the dairy industry itself acknowledges. We must act to correct the deficiencies in the price support program to put supply and demand back into proper balance. Otherwise, we risk jeopardizing the dairy support program to those who would see it repealed. This would, in my opinion, devastate both the livelihood of the producer and the assurance of an adequate supply of milk to the consumer.

While the Secretary is without doubt motivated by good intentions in seeking broad discretion to set milk price support levels, it can be expected that the industry will oppose this unlimited discretion. Moreover, precedent will reflect that such broad discretion has rarely been given in the past. On the other hand, if a "range" of discretion is ultimately given the Secretary it should be one that gives meaningful authority to effect results.

Mr. Speaker, I am introducing this legislation by request to insure that this proposal will receive the benefit of examination in hearings along with the other proposals offered by industry and other Members. I would hope that each of these proposals will be judged on their merits, and it may be that the best features of each plan can be extracted and put into legislation that will provide an adequate supply of milk at a reasonable cost to consumers and taxpayers without undermining the welfare of dairy farmers. The attached section-by-section summary of the administration's proposed legislation is provided for the information of interested individuals.

Emergency Dairy Adjustment Act of 1982

SECTION-BY-SECTION SUMMARY

The first section of the bill would provide that it may be cited as the "Emergency Dairy Adjustment Act of 1982".

Subsection (a) of section 2 of the bill would amend the provisions of section 201(c) of the Agricultural Act of 1949 which govern the level at which the price of milk must be supported by the Secretary of Agriculture. Under the amendment, the Secretary would be required to support the price of milk at the level he determined necessary to assure an adequate supply of pure and wholesome milk to meet current needs, reflect changes in the cost of production, and assure a level of farm income adequate to maintain productive capacity sufficient to meet anticipated future needs. There would be no minimum or maximum level of support.

Subsection (b) would amend section 416 of the Agricultural Act of 1949 to expand the authority of the Secretary to dispose of dairy products owned by the Commodity Credit Corporation during the next five years. The amendment would authorize the donation of dairy products for distribution to needy households in the United States and for the assistance of needy persons outside the United States. Overseas donations would be made in accordance with any procedures established by the President to assure the donations complement other United States foreign assistance.

Subsection (c) would establish a dairy advisory board to advise the Secretary on the administration of the Department's programs affecting the dairy industry, including the appropriate level of price support for milk and means of disposing of CCC-owned stocks of dairly products. The board would be appointed by the Secretary and would include representatives of all interested groups, including producers, processors, and consumers of milk and milk products.

ALLEGED GOVERNMENT COVERUP OF AID TO NAZIS

(Mr. LEHMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEHMAN. Mr. Speaker, I watched the television program "60 Minutes" Sunday night and was outraged at the alleged Government complicity with providing sanctuary and employment for Nazi collaborators. As one who deplores the 30-year history of negligence and inaction on the part of our Government to investigate and deport Nazi war criminals living in the United States, I must sadly report that I was not surprised by the "60 Minutes" exposé.

Mr. Arthur Teichner of North Miami Beach called my office yesterday. He is a survivor of the Holocaust. His wife, his parents, and his brother were murdered by the Nazis.

Mr. Teichner asked me how Nazis and their collaborators could have been invited into this country while he, a victim of the Nazi war machine, had so much difficulty getting in. And he wants to know why Nazis and their collaborators were given jobs by the Government, and why his tax dollars should pay their salaries. He resents it, and so do I. I, too, would like to know why our taxpayers must pay 1 penny for Nazi henchmen to live and work in this country.

Indeed, these mass murderers should not be allowed to visit our country, let alone live here and work for our Government.

This Congress has passed laws which prohibit Nazi war criminals from visiting or living in the United States, and I have every reason to believe that those laws have been violated. I am requesting the Attorney General to ascertain whether Federal laws may have been violated by collusion by Federal agencies in having provided a haven for the Nazis.

I will also do everything I can to ascertain whether these perpetrators of Nazi crimes work for any agency of the Federal Government. If they do, I will support their suspension and appropriate court proceedings against them.

Mr. Speaker, on several occasions, I have brought to my colleagues' attention the deplorable fact that Nazi war criminals are still living in the United States. I have urged my colleagues, and continue to do so, to support the important work of the Justice Department's Office of Special Investigations created by Congress to investigate and prosecute former Nazi war criminals living in the United States. Our support of the professional and exceptional work of that office, headed by Attorney Allan Ryan, has never been more justified than now.

INTRODUCTION OF TAX TREATMENT OF PARTNERSHIP ITEMS ACT OF 1982

The SPEAKER pro tempore (Mrs. SCHROEDER). Under a previous order of the House, the gentleman from New York (Mr. CONABLE) is recognized for 10 minutes.

● Mr. CONABLE. Madam Speaker, I have introduced today the Tax Treatment of Partnership Items Act of 1982. The purpose of the bill is to provide a consolidated administrative proceeding and a consolidated judicial proceeding for the determination of the tax consequences of partnership items for individuals at the partnership level. The scheme which would be implemented by the bill would result in a significant improvement over current law, whereby there is a separate determination of partnership items for each individual partner.

The bill represents the culmination of extensive effort and consultation by the Internal Revenue Service with various bar association groups and professional accounting associations. Under the bill, resulting adjustments to partnership items would be binding on both the Internal Revenue Service and the partners. In addition, the statutory scheme of the act would permit multiple proceedings for an individual partnership by groups of partners, if the partners so desire. To insure that individual partners are aware of the ramifications of the new procedure, the Internal Revenue Service is required under the bill to send notice at the beginning of any partnership audit to all partners named in a partnership return. As a result, all partners will be clearly on notice as to the existence of the partnership audit and will have the opportunity to participate if they so desire. The bill also provides for administrative and judicial review of partnership audit adjustments.

A comprehensive description of the bill is attached.

Description of the Tax Treatment of Partnership Items Act of 1982

PURPOSE

The purpose of the proposal is to provide a consolidated administrative proceeding and a consolidated judicial proceeding for the determination of partnership items at the partnership level. The resulting adjustments to partnership items will be binding on both the Service and the partners. In order to achieve this improvement in tax administration, the Service is willing to accept the possibility that multiple proceedings may be required before the tax liability of a partner for a year may be finally determined.

STARTING POINT

The rights and obligations of the Service and the partners are determined by reference to the partnership return.

The Service may not adjust consistently reported items without a partnership proceeding.

If a partner reports an item inconsistently but flags it, the Service may deal with that partner separately or in a partnership proceeding.

Thus, prepayment recourse to the Tax Court will ordinarily be available to a partner who flags an inconsistency.

If a partner reports an item inconsistently but does not flag it, the Service may treat the inconsistency as a computational adjustment and conform the treatment of the item to the partnership return.

The partner has no right to prepayment judicial review of this adjustment and may be subject to a penalty for negligence or disregard of rules.

These rules are applied only to those items determined by regulation to be partnership items; other items, even though related (*e.g.*, the individual partner's basis in his partnership interest), will be determined under existing procedures. A partner may be inconsistent with respect to some items but not others. In such case, the inconsistency rules apply only to the inconsistently reported items.

If there is no partnership return, all partners are deemed to be filing inconsistently.

Those partners who flag the lack of a partnership return are treated as inconsistent filers flagging the inconsistency.

Those partners who can demonstrate that their filing was consistent with a K-1 furnished to them will be treated as if they had filed inconsistently and flagged.

Other partners may be subject to the penalty for failure to flag, but no conforming adjustments are permitted other than through the partnership audit process.

ADMINISTRATIVE PROCEEDING IN GENERAL

All partners may participate in any administrative proceeding with respect to partnership items.

The administrative proceeding will go through the usual steps (examination, Appeals, settlement or notice). The Service may, however, issue a notice of final partnership administrative adjustment (FPAA) even if all partners have agreed to a settlement for the purpose of terminating administrative proceedings and ending the period during which limitations are tolled.

To make the proceeding manageable, there will be a tax matters partner (TMP) with certain rights and responsibilities.

The TMP may be designated by the general partners.

In the absence of a designation, the TMP will be the general partner with the largest profits interest for the partnership taxable year under examination.

If there is no designation and it is impracticable to apply the "largest interest" rule (*e.g.*, due to lack of sufficient information), the Secretary may appoint a TMP. This rule should apply primarily to foreign partnerships.

NOTICE

The Service must send notice of the beginning of a proceeding to the partners whose names and addresses appear on the partnership return.

If the return lists more than 100 partners, the Service provides notice only to those partners shown to have at least a 1 percent interest in the profits of the partnership.

The Service sends notice of the FPAA to the same group of partners except that more current information may be taken into account.

Partners may form "notice groups" (groups of partners with an aggregate interest in partnership profits of at least 5 percent) and have notice of the FPAA sent directly to their representative.

If the Service provides notice to all partners entitled to notice on the basis of the information made available to the Service, all partners are deemed to have notice of the proceeding.

The TMP sends notice of the beginning of an administrative proceeding and notice of the FPAA to all partners not entitled to notice from the Service; the TMP also sends to all partners notice of significant developments during the proceeding (e.g., meetings with the examining agent, appeals conference, settlement offers).

If the Service fails to give a required notice, the partner who should have received the notice may either take the partnership adjustment (including any settlement) or proceed separately and not be bound by the partnership audit proceeding.

SETTLEMENTS

The Service may settle with any partner at any time. If the Service settles with any partner, it must offer consistent settlement terms to any other partner upon request.

The TMP may bind non-notice partners to a settlement by expressly so providing in the settlement agreement; non-notice partners who join notice groups or who notify the Service that the TMP is not authorized to act on their behalf are not bound.

FINAL PARTNERSHIP ADMINISTRATIVE ADJUSTMENT (FPAA)

The FPAA becomes binding on all partners except those who have settled or who are proceeding separately if no petition for judicial review is filed within the specified period (150 days). The Service may issue only one FPAA for a partnership taxable year (this restriction on the Service is the trade-off for barring later claims for refund by the partners with respect to an FPAA).

JUDICIAL REVIEW OF FPAA PERIOD FOR FILING PETITION

The TMP may file a petition for judicial review of the FPAA within 90 days after the mailing of the notice of FPAA.

If the TMP does not file a petition, any other partner may file a petition within the 60 days following the 90-day period for the TMP. The TMP's forum choice always governs.

FORUM

The petition for judicial review may be filed in the:

Tax Court; District court for the district in which the partnership has is principal place of business, or the Court of Claims.

If the TMP does not file a petition and a petition is filed in the Tax Court, that is the forum for the action.

Otherwise, the first petition filed determines the forum (if no petition is filed by the TMP).

A partner filing outside the Tax Court must first pay any deficiency that would result with respect to his individual return under the FPAA.

If review of the FPAA takes place outside the Tax Court, all the partners are subject to immediate assessment and collection.

If review takes place in the Tax Court, payments will be refunded upon request.

ADMINISTRATIVE ADJUSTMENT REQUEST

The administrative adjustment request (AAR) is similar to a claim for refund with respect to partnership items but it is subject to certain special rules.

TIME AND PLACE FOR FILING

An AAR must be filed within 3 years after the due date of the partnership return.

The AAR must be filed with the service center where the partner files the partner's return and with the service center with jurisdiction over the partnership return (to alert the Service to the fact that partnership items are being put in issue).

An ordinary claim for refund with respect to a partnership item or an improperly filed AAR cannot be the basis of a refund suit.

If the TMP files the AAR, the request will be considered to be filed on behalf of all partners, and the Service may

Grant credits or refunds to all partners.

Begin a partnership proceeding within 6 months.

Fail to act within 6 months, in which event, suit may be brought on the AAR.

If the AAR is filed by a partner other than the TMP, the request relates solely to the filing partner, and the Service may

Process it as an ordinary claim for refund.

Begin a partnership proceeding within 6 months.

Fail to act within 6 months, in which event, suit may be brought on the AAR.

No suit based on an AAR may be begun after the Service mails notice that it is begining a partnership proceeding (any claims raised in AAR may be dealt with in the course of the partnership proceeding).

STATUTE OF LIMITATIONS

Assessments with respect to partnership items may be made against a partner at any time until the latest of:

The date that is 3 years after the filing of the partnership return,

The date that is 1 year after the partner is properly identified to the Service, or

The expiration of the period otherwise applicable to the partner (disregarding any extension agreement that does not specifically include assessments with respect to partnership items).

SPECIAL RULES

In the case of a fraudulent partnership return, the period is unlimited with respect to partners participating in the fraud, and 6 years with respect to all other partners.

In the case of an omission of 25 percent of partnership income, the period is 6 years.

The period otherwise applicable may be extended by agreement (the TMP or other authorized person may consent to an extension for all partners).

The period of limitations is suspended on the mailing of a notice of FPAA; the period does not begin to run again until 1 year after the final conclusion of the partnership proceeding.

MISCELLANEOUS

MULTI-TIER PARTNERSHIPS, PASS-THRU PARTNERS

If any partner in the partnership is a "pass-thru partner" (e.g., a partnership, trust, Subchapter S corporation, etc.), special notice and participation rules apply—

If the indirect partners are identified (names, addresses, and profits interests) in an attachment to the return, the Service shall deal with the indirect partners rather than the pass-thru partner for all purposes under the proposal. If identifying information with respect to the indirect partners is furnished in a statement filed after the filing of the return, the Service shall deal with the indirect partners as of the date determined by regulations.

The pass-thru partner has the power to bind the indirect partners until they are properly identified.

The application of any partnership-level determination to indirect partners is considered a computational adjustment.

FOREIGN-BASED PARTNERSHIP

The proposal explicitly provides that the partnership filing requirement applies to all partnerships with U.S. partners (direct or indirect) even if there is no effectively connected U.S. income except to the extent that regulations issued after enactment limit the requirement. Lack of a partnership return can result in disallowance of losses and credits attributable to the partnership if return information is not produced upon request. Information returns by individual partners will also be required in circumstances involving foreign partnership interests.

REVIEW OF COMPUTATIONAL ADJUSTMENTS

The proposal does not permit prepayment judicial review of the application to the partner of adjustments made in a partnership proceeding. Special refund suits are permitted if the partner wishes to dispute computations (but substantive issues may not be reopened in these suits).

REGULATORY AUTHORITY

The proposal authorizes regulations limiting the application of the proposal where special enforcement problems may exist (e.g., pending criminal proceedings with respect to one or more partners). General legislative regulation authority is provided to the Secretary to provide such additional administrative rules as are required. Courts authorized to hear adjustment proceedings are authorized to prescribe rules for such proceedings.

PENALTY

The proposal provides for penalties against second persons when underpayments by partners are attributable to partnership items and there has been fraud or negligence on the part of those persons with respect to those items.●

CONGRATULATIONS TO THE DOMINICAN REPUBLIC ON ITS PRESIDENTIAL ELECTION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. BARNES) is recognized for 10 minutes.

● Mr. BARNES. Madam Speaker, on Sunday I was privileged to watch democracy in action in our neighbor to the south, the Dominican Republic. It was the fifth time in an uninterrupted period of 16 years that Presidential elections have been held on schedule and the results honored. The incumbent President, Antonio Guzman, has chosen not to run again, and has worked to guarantee that his successor was chosen by a free and fair election.

From what I was able to observe, he has succeeded. On election day I visited polling places both in the capital city of Santo Domingo and in the outlying areas. The lines were long but orderly as people waited patiently for hours to exercise their franchise. On election night I visited the offices of the electoral commission as well as the campaign headquarters of the two major parties, whose candidates I had met the previous day. Nowhere did I find a hint of fraud or significant irregularity. The entire country seemed prepared to accept the results of the election.

Although the returns are still incomplete, the probable winner appears to be Senator Salvador Jorge Blanco of the Dominican Revolutionary Party. Having spoken with Senator Jorge Blanco at length on several occasions, I am confident that close relations between our two countries will continue for the next 4 years and into the future.

But the next President will face daunting economic problems because of rising oil prices, falling sugar prices, and the absence of foreign investment and credit. Therefore, I am hopeful that by the time of the inauguration in August, President Reagan's Caribbean Basin Initiative will be a reality. Under the CBI, Dominican sugar could enter the United States duty free, and the Dominican Republic would receive $45 million in economic support funds if the action of the Subcommittee on Inter-American Affairs last week is sustained.

Madam Speaker, I know we all wish the new President well and look forward to working with him on the problems we will face together in the Caribbean.●

FOURTH ANNUAL OLIN E. TEAGUE AWARD

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Mississippi (Mr. MONTGOMERY) is recognized for 5 minutes.

● Mr. MONTGOMERY. Madam Speaker, today the Veterans' Administration is presenting its Fourth Annual Olin E. Teague Award for outstanding rehabilitation of war-injured veterans to Howard L. Mowles, a VA social worker whose contributions have been of enormous value to the problems currently facing many veterans.

Named in honor of the very distinguished former chairman of the House Committee on Veterans' Affairs, the award goes to a VA employee or group of employees working as a team whose achievements have been of special benefit to veterans with service-connected injuries. The award was established upon Mr. Teague's retirement from the House in 1978 after 32 years of illustrious service to our Nation, and most especially, to veterans. This award is indeed a fitting tribute to a man whose accomplishments in the field of veterans' rights and benefits are exceeded by none.

Mr. Mowles was selected for this year's award from many nominations submitted by VA facilities around the country. The entries ranged from work with alcoholic and psychiatric patients to an innovative health care delivery system for veterans with communicative disorders. Past Teague awards have gone for pioneering work in the field of sex education and counseling of spinal cord injury victims, for the design and development of devices for veterans with orthopedic or prosthetic disabilities, and for the development of a revolutionary process for voice restoration.

A staff social worker at the Jerry L. Pettis Memorial Veterans' Hospital in Loma Linda, Calif., Mowles was chosen for accomplishments in encouraging recovering alcoholics to help themselves by helping others. He was instrumental in establishing three local organizations that capitalize on the self-help concept pioneered by Alcoholics Anonymous.

He specially selected and trained one group of former patients of the facility's alcoholic treatment unit to help emergency room personnel deal with intoxicated patients. A second group provides after-hours emergency transportation, together with supportive counseling.

A third organization has grown into a State-approved and licensed resident alcohol recovery facility. It began when Mowles encouraged and helped four patients who had no appropriate post-hospital supportive and alcohol-free living environment to share accommodations and expenses and provide mutual support.

In the award nomination, Mr. Mowles was cited for "concern and initiative in identifying areas of unmet need for patients which was only overshadowed by his ability to organize patient and community resources, and to provide therapeutic, cost-effective programs which are mutually beneficial to the VA, the community, and most importantly, to our veteran patients."

I am delighted that Mrs. Olin Teague and her daughter Jill Teague Cochran will be present at the award ceremony this afternoon.●

THE BRANIFF TRAGEDY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 60 minutes.

● Mr. GONZALEZ. Madam Speaker, the sudden collapse of Braniff International Corp. last Wednesday was a tragedy, especially for the employees who had paid the most and suffered the most to keep the airline flying. The employees had taken a 10-percent reduction in pay; one-third of them had been laid off, and thousands more scheduled for layoffs. Back in March, the people who worked for Braniff saw their pay deferred for a week. They worked harder, and ran a good airline, despite it all. In the end, the news of the shutdown came like a bolt of thunder. It started with the cancellation, for unexplained reasons, of international flights. Employees were told nothing; many, probably most, heard the terrible news through radio and television broadcasts. These broadcasts reported simply that Braniff had closed down and was asking its employees not to come to work the next day. So the first trunk airline to fail in American history simply vanished.

The treatment Braniff gave to its employees and customers alike was outrageously shabby. The company closed down so abruptly that it did not even send messages to its employees telling them what was about to happen. The collapse was so fast that fully loaded aircraft, waiting for takeoff, had to be called back to the gates, the passengers simply dumped and left to their own devices, asking for help from employees who had no idea what had happened, or why, or what they could expect to become even of the paychecks they had coming due the next day. Braniff employees found themselves abandoned, often far from home—with no explanations, no way to return home, and without even a word of thanks for all their efforts and sacrifice. To date, the management of Braniff has not to my knowledge said a word to its employees by way of thanks, nor offered even the elemental courtesy of bare information about their pay, benefits, or possible future employment. Likewise, Braniff management has not uttered a word of apology to its customers, owners, creditors, or supporters. What a terrible way for a company to come to an end—simply vanishing into the night, waking up a judge in order to file a bankruptcy petition.

It need not have been this way. Last March 4, I suggested several ways that Braniff could help itself and protect its employees. I outlined these ideas in a letter to the company president, and I offer that letter for the RECORD at this point.

House of Representatives,
Washington, D.C., March 4, 1982.

Mr. Howard Putnam,
President, Braniff International, Dallas-Fort Worth Airport, Tex.

Dear Mr. Putnam: Braniff International occupies a special place in my heart. For the past twenty years, I doubt that anyone has been a more frequent customer of Braniff than I have. During my seven million miles of travel on Braniff, I have found consistent fine service by loyal and dedicated people. On more occasions than I can recall, Braniff employees have gone out of their way to solve problems and see that service—for me and everyone else—was superb. More often than not, I have found Braniff people ready, willing and able to solve problems that other airlines would not even consider. On one recent swing of mine that involved a complex schedule, Braniff people successfully dealt with three crises, at each of three different stops. In each case, other airlines were not responsive. That's service, and that's what has made me a loyal customer.

Braniff provides an essential service, its employees are the best in the business, and I want to see the airline succeed. No good purpose would be served for Braniff to be swallowed up by another company, or for it to simply vanish.

My first concern is for the employees. Everyone at Braniff has been affected by employment cutbacks, by the ten per cent salary reduction imposed a year ago, and now by the one-week pay deferral of one-half of earnings. Even though Braniff says that the pay will be restored, the employees of the company will have irretrievably lost the use of $8 million in earnings for the week of the pay deferral.

I believe that in cases where there has been a pay deferral or cutback in working hours, employees should have some recourse. I would request that you consider two pertinent suggestions.

First, in the case of pay deferrals, I believe affected employees should have the right to compensation through the unemployment insurance program if full pay is not restored within 30 days. In this way, employees would be certain of receiving the pay they have earned, regardless of circumstances. Would you support legislation to provide for such a compensation program?

Second, in the case of reductions in working hours, I feel that employees should be entitled to partial unemployment compensation. Such a program is operating in California, and is very successful. Under this program, an employee whose workweek is cut from five to four days, for example, is entitled to receive 20 percent of the normal unemployment compensation. The effect of this is to help employees affected by mandatory cutbacks to be held harmless, and to insure that employees are able to stay with their employer through temporary hard times. In the case of an airline, for instance, such a partial compensation program would help the company avert losses of skilled and essential personnel, who might otherwise be forced to seek work elsewhere. Would you support a program of this nature?

Third, I want to see Braniff survive and continue to provide the excellent, competitive service it has always delivered.

I believe that one way this could be accomplished would be for Congress to authorize carriers to refinance their debt through use of funds in the Airport and Airways Trust Fund. The use of such funds is logical, since they are derived from taxes paid by the airlines and passengers who use them—the very people who would benefit from maintenance of a high degree of competition among trunk carriers. Loans from the trust fund would be limited, would carry interest charges, and would be temporary. I know that Braniff is preparing a financial restructuring program for its lenders, and that this will be delivered by the end of March. Nevertheless, I believe that a Federal loan-of-last-resort program would be beneficial to the industry as a whole, perhaps even vital to Braniff. Therefore, I wonder if you would support such a concept as I have outlined.

I believe that Federal loan guarantees might also be considered, but given the extraordinary interest rates we are seeing today, and the evident prospect that Reaganomics will keep interest levels at record highs, it seems to me that a direct loan would be more beneficial than a guarantee. With private investors not interested in equity ventures, owing to the high return on interest-bearing instruments, it seems to me that the only source of cash at reasonable rates would be governmental.

I want to emphasize once again my firm belief that Braniff must be enabled to continue in business—because it has earned a place, provides an essential service, and because the industry itself needs to maintain the level of competition that can only be assured if the present number of trunk carriers remain in business.

I want to help, and urgently solicit your comments on the suggestions I offer.

Viva Braniff!

Henry B. Gonzalez,
Member of Congress.

I am sorry to say that Braniff's president never replied to that letter. In a conversation he had with me, Mr. Putnam simply said that he would never ask for Federal help; that if his company could not make it alone it deserved to fail. This was the mentality of the man in the bunker, with the city ablaze all around; if the company did not survive, without help, then it and its employees deserved the ignominy of total disaster. Even now, Braniff management talks about how dirty tricks by competitors caused the most grievous damage; but truthfully the damage was done by a self-indulgent and misguided management that first expanded the line beyond its limits, saddled it with immense debts, and surrounded itself with incredibly elegant headquarters facilities, and prerequisites like a $300,000-plus retirement for the man whose decisions headed the company irrevocably toward disaster.

Financial experts say that Braniff will never fly again. One corporate lending officer even says that the world will be better off without Braniff. But I have never believed that anyone would be helped by the demise of a major airline. Be it by the name of Braniff or something else, I believe the company ought to be revived, its employees put back to work, and its contribution to the Nation restored.

I said on May 15 that the collapse of Braniff was a disaster, and that it could have been avoided. I reiterate that today.

I said on May 16 that Braniff's employees ought to be helped, and reiterate that today.

I said yesterday that the airline's service could be restored, and reiterate that today.

The first need is to take care of the employees, who are now merely in line with all the other creditors to whom Braniff owes money.

I believe that State employment services should consider the Braniff people as unemployed from the date of their last valid check, rather than the date of their actual termination. This is because the employees had not been paid, and evidently will not be paid, for their last period of employment. As I mentioned, the company collapsed the day before the payroll came due, and the company has said, according to press reports, that any paychecks issued last week will not be valid. Accordingly, these people should, for the purposes of receiving unemployment compensation, be considered as unemployed since the last day for which they were paid. This would ease at least some of the blow of not being paid.

Additionally, I believe that the business community in areas served by Braniff should band together to see what can be done to find immediate employment of the company's personnel. This is important for many reasons; first, humanitarian, and second, as a way of expressing appreciation for a job well done under the most trying of circumstances. Because Braniff had already laid off about a third of its personnel, those remaining at the time the company failed were people with great seniority—mature people with considerable family and debt obligations, people who have specialized skills, people who cannot easily relocate. These are solid citizens, who every community should try and keep. I have asked my own community of San Antonio to organize an effort to place Braniff employees, and hope that others elsewhere will join in this effort.

I am contemplating many other steps to alleviate the stress that Braniff employees are facing, and will report on these from time to time. But I want at this time to stress to my colleagues that these people should not, must not, be simply forgotten.

Finally, I am considering possible ways to revive the service that Braniff provided. For example, I would hope that not all the flight authority of Braniff will simply be gobbled up, but that at least the core of the Braniff system be held open, reserved for a new service that might be formed to replace the failed line. This could be, perhaps, in the form of a new line that would be formed by a joint venture of the major stockholders and employees of the old line. Any such effort would take time to organize, and it could not be done if there is no place reserved for it. Even though the Civil Aeronautics Board has no real power over route authority, it does have responsibility to provide reemployment and other assistance to merged or failed airlines. The way to meet that responsibility would, in my judgment, be to take steps that would leave open a place for a new airline to emerge in the stead of Braniff. Such action could be done in the very simple manner of having the Federal Aviation Administration not allocate all the traffic slots that had been held by Braniff.

Certainly enough slots must be provided to meet the most immediate and urgent needs of the traveling public, but enough could be reserved to permit a new operation to be formed over the former Braniff system. This is what should be done, rather than hacking the system up piecemeal; this would preserve the degree of competition that had existed, it would better serve the traveling public, and it would offer the best opportunity for Braniff's personnel to find new employment in their profession.

I know that we are tempted to shrug when a company fails, for this is a time of many corporate failures. But I suggest that such a cold blooded, callous attitude is unworthy and unbecoming. It is not necessary to turn away and ignore the bad fortune of people who have been victimized by bad management and a bad national economic policy. It is, I submit, the necessary and proper thing to try and help people who need assistance, and to give them a chance to get back on the job. That is all I am asking here. The people who worked for Braniff, like so many other millions now unemployed, are asking only for a chance. They have fought against a bad tide and against a bad management. Given a chance, given an opportunity, they can emerge winners. Surely that is not too much to ask.●

RIGHTS OF MINORITY TRAMPLED BY HOUSE BANKING COMMITTEE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Madam Speaker, yet another issue was added to the Olympic coin controversy during the Banking Committee's markup of this commemorative coin legislation. With an unconscionable twist of procedure, the committee chairman considered this legislation in violation of three committee and House rules.

I think that we would all agree that the parliamentary procedures of this Congress were enacted for a specific purpose: to protect the rights of all Members. Indeed, they were enacted to prevent exactly what happened on May 13, 1982; the bulldozing of the minority by the majority. This is no trivial matter, for if we allow these types of violations to go by unnoticed and unchallenged, we run the risk of sabotaging our entire system of government.

The Banking Committee considered the legislation while the House was meeting under the 5-minute rule in violation of Committee Rule II(e) and paragraph (i) of clause 2, rule XI of the House. In enacting this rule, the Congress recognized the importance of an uninterrupted committee meeting. Complete and careful consideration of all bills in committee, especially those involving hundreds of millions of dollars, is obviously vital. It is also crucial that the Members of Congress have the time to devote their undivided attention to the proceedings of the full House. It is clear that the Members of Congress recognized the possible conflict between these two goals when it enacted the 5-minute rule. Since the primary interest of each Member is good legislation, I cannot understand why the Banking Committee risked the quality of the Olympic coil bill by casually tossing aside the 5-minute rule.

The importance that the Congress has placed on the 5-minute rule is amply documented in history. For example, in 1934, the Speaker declared a committee meeting void, and directed a bill stricken from the calendar when he discovered that the committee reporting it had sat and ordered it reported during a session of the House without permission. Thus, this is hardly a new rule without a precedent of enforcement.

The committee also took up the measure only 2½ hours after it had been reported by the subcommittee. Committee rule XVI(c) normally requires that the bill as passed by the subcommittee be available at least 2 calendar days, not 2 hours, before consideration by the full committee. This rule also has an obvious purpose: To allow the Members to have the time to carefully consider each piece of legislation. As the old saying goes "haste makes waste." Yet, for whatever reason, the Banking Committee rushed the bill to the full committee. Clearly, the committee was less concerned with the quality of the legislation than with the speed with which it could be considered. You would think that the full committee was under the

impression that the 2-calendar-day rule was made to be broken.

Lastly, I would like to point out that the chairman permitted less than 2 calendar days for the filing of dissenting views. This action was in complete violation of committee rule VIII(e) and clause 2(1)(s) of House rule XI which explicitly states that any "Member shall be entitled to not less than 3 calendar days (excluding Saturdays, Sundays, and legal holidays) in which to file such views."

In my mind, this is the most egregious violation. When the dissenting members of any committee are not permitted the time to prepare their views, they are, in effect, silenced. The day that we begin silencing people because of their opinions is the day that we cease being a democratic republic. And there is absolutely no excuse for this flagrant violation, not only of House rules, but of one of the principal tenets of our society.

You may wonder what the Banking Committee achieved through its bullidozing. The Olympic coin bill introduced by the committee chairman will go to the floor of the House on Wednesday, May 19, 1982. This bill, now embodied in S. 1230, calls for the minting of 17 coins to be sold to the public through private marketers. It proposes that the U.S. Government help finance this program by forgoing $260 million in revenues. It proposes that the U.S. Government give the marketers $50 million worth of gold and silver over the amounts in the original 17 coin legislation. It exempts the private marketers from Federal procurement laws.

How could such an ill-conceived piece of legislation be reported by a committee? The answer clearly lies with the discarded rules of procedure.●

OUR EDUCATION SYSTEM—A GOOD INVESTMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. SMITH) is recognized for 5 minutes.

● Mr. SMITH of Iowa. Madam Speaker, in the battle of the budget and in times when there is a tight budget, people tend to concentrate on those programs which have an immediate impact rather than the long-term investments. One of the greatest long-term investments this country has ever had has been in our education system. With one of the greatest education systems in the world, we have been able to develop a very large middle class society and to respond to the technological changes.

At a time when we can predict a shortage of many skills 10 years from now, it is proposed that investments in education be reduced. This is inconsistent with our long-term needs. A recent article in Education Week by James H. Sutton discusses some of the aspects of this situation and I would like to make it available for those who read or can secure copies of the CONGRESSIONAL RECORD.

It is as follows:

[From the Education Week, May 5, 1982]

WITHOUT RAW MATERIALS, SCHOOLS CAN'T PRODUCE QUALITY AND QUANTITY

(By James H. Sutton)

One of the virtues of free public education has been the public's freedom to criticize it. And although I believe that public involvement has, on balance, introduced a note of sanity and common sense into the debate we call "education," it does seem to me that lately educators have been getting more than their share of lumps. Our critics tell us that Johnny can't read, Mary can't write, and the teacher can't do either. Our seers tell us that we are losing our technological edge to Japan. Our prophets claim that we are failing to teach values and morals. Surely some of these critics are sincere.

But many are not. Too many of our critics are more concerned with their pocketbooks than with Johnny's skills; with weaponry than with the discovery and application of knowledge; with preaching rather than teaching. Those who complain about Johnny's lack of skill often advocate massive cuts in educational spending. Those warning us of imminent technological decline often advocate massive cuts in graduate and undergraduate education, as if these factors were unrelated. Those who complain most about the lack of values in our schools are more than willing to ignore the values that are taught and to impose their own values on other people's children.

But not all of our critics are hypocrits, and it would be hypocritical of us to ignore those who are sincere. Too many children are failing to reach minimal levels of academic performance. Too many teachers are burned out or otherwise unprepared for the vicissitudes of today's classrooms. The lure of learning is losing out to the heroin of television. There are severe shortages of teachers in mathematics, engineering, and the sciences. The Japanese are leaving us behind. Our critics are right: Free public education today faces critical qualitative deficiencies.

It could not be otherwise, because free public education was never designed to deliver quantity with quality. It was designed to deliver equity. It was asked to provide every child with a chance to obtain an education. This imperative has been realized. We are the first nation in the history of the world to give everyone a chance for an education. No critic can demean or deny the significance of this achievement.

Our critics should not be surprised that this achievement came at the expense of quality. Public expenditures for education over the past century have never been sufficient to increase opportunity and maintain quality too. Even the best public schools have had to endure a reduction in quality as their doors opened to increasing numbers of students from increasingly diverse backgrounds. But even the Boston Latin School was never asked, or expected, to compete with Phillips Andover Academy. Andover was expected to produce its hand-crafted diamonds, but the Latin School was expected to mass-produce bricks.

For over one hundred years, free public education has been making bricks, and making them without straw. the amazing thing is that we could make bricks at all, let alone in ever-increasing numbers. But more bricks were made, and they were made by speeding up the assembly line despite a lack of sufficient raw materials. The result was reduction in unit quality.

But now our critics say that our bricks are not good enough. We are told that our bricks do not meet specifications we were never asked to achieve. We are told that our bricks lack straw. And they do. Free public education is incapable of providing quality and quantity on a mass scale. And the public, in its haphazard wisdom, is right to expect us to provide quantity with quality. Our bricks deserve straw.

The challenge for American education for the remainder of this century is to provide quantity and quality simultaneously. As a profession and as a nation, we must be the first to achieve mass education through individual instruction. Only by fusing quantity and quality can we keep ahead of international competitors. Only by fusing, quality with quantity can we finally minister to the effective needs of our students. Only by bringing quality into mass education can we ensure either effectiveness or sanity in our schools.

Our bricks need straw. But just when the public is clamoring for straw, Washington asks us to make bricks without clay. This policy undermines public confidence in free public education. How can we make good bricks if our brickmaster tells our customers that he buys his bricks from a competitor who has plenty of straw? Actions like these, actions which subsidize private schools while reducing support for public schools through block grants and voucher systems, do not promote competition but destroy it.

The Reagan administration is proposing a two-tiered education market where the affluent and the elite attend one set of schools while those who have the most to learn are consigned to another. A two-tiered education system is not what free public education is about. It is not even what America is about. As a nation, we have labored for over a century to provide equity in education. Now our government says that quality should accrue to the elite while everyone else gets something different.

Educational quality is the issue of the '80's. And if it were not the issue, we would need to make it the issue. But it is the issue because it is being thrust upon us every day. Every day, honest and hypocritical critics alike are holding us responsible for the failure of free public education to achieve the quality of expensive private education. Every day, the public asks why our bricks have no straw. Over and over, the White House says we can improve the quality of our bricks by buying them from our competitors. But even our best critics miss the point: We must have more straw for our bricks.

We happen to have the kind of problem that can be solved by throwing money at it. Reduce the teacher's workload, make individual instruction possible, and the result will be an improvement in educational achievement, student motivation, teachers' vitality, and student deportment. Increase teachers' salaries and the result will be an improvement in the supply of teachers in technical subjects and in the quality of teachers at all levels. There is nothing amazing about what happens when straw is added to bricks.

But straw costs money, and money is something our federal government says it does not have. Yet, while claiming poverty, it proposes to shift funds from the public to the private sector. Then it justifies this creeping socialism in the name of "tax reform" and "stimulating competition." Meanwhile, our government continues to attack us for failing to make improvements that cost money when these are the very improvements that could allow us to become competitive. Such a policy is neither enlightened nor sincere.

As educators, we must remind state and federal legislators that they are responsible for providing straw. We must remind legislators and the public that a two-tiered educational system is not the American plan, but the European plan; and that where it thrives, there also thrives stratification and class struggle along Marxist lines. Equity is still important, but we must remind others and ourselves to add quality to equity. And we must be willing to persuade, cajole, seduce, or compel authorities to give us the necessary resources.

The teacher/student ratio for children with learning disabilities is between 5.5 to 8.5 students per teacher, and this is maintained, by law, to ensure that children with learning disabilities can be all that they can be. Why then do we endure classes of 20, 25, 30, or more children per teacher with those with learning abilities? Do they not also deserve the chance to be all they can be? Doesn't society deserve the benefit of their achievements?

Education cannot be substantially improved unless government, including the federal government, makes a major new commitment to education—as major as that to defense. Or, as Senator Charles Sumner said it, "Education is a surer defense of liberty than a standing army." My bottom line for defense, as well as for education, continues to be that every child deserves individual instruction. To make good on that or any future, we must have straw for our bricks.

INTERSTATE TAXATION ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. Rodino) is recognized for 5 minutes.

● Mr. RODINO. Madam Speaker, I am today introducing the proposed Interstate Taxation Act, a measure which is indeed long overdue.

This legislation was first passed by the House in the 90th Congress by a more than 3 to 1 majority. It was passed again by the House in the 91st Congress by a majority of more than 4 to 1. Sadly, the Senate Finance Committee, to which the House-passed bills were referred, has in the past not acted on this measure. However, I am hopeful that the current Members of the Senate will now recognize the damage that has been done to our economy by the Senate's past failures to give the House-passed bills full consideration.

Madam Speaker, one of our Nation's greatest economic legacies is a simple principle embodied in the commerce clause of our Constitution—the principle that within our borders lies a national market which should be open and equally accessible to merchants in every State. To protect the commerce clause from erosion, the Interstate Taxation Act was fashioned by the House Judiciary Committee after a decade of investigation and study. A four volume report published by our committee in the 1960's has become the definitive work on the efforts of the States to impose taxes on interstate commerce. That report documented the fact that we can ill afford to allow our country to continue to be balkanized by a chaotic and unworkable system of State and local laws designed to tax interstate commerce. In short, no State or local government should be prevented from taxing economic values properly located within its own jurisdiction. Conversely, no State or municipality should be left free to impose unfair and unworkable rules on out-of-State sellers or consumers who have no political representation within the taxing jurisdiction.

To give renewed vitality to the commerce clause, the Interstate Taxation Act provides workable and equitable standards. Title I established uniform jurisdictional standards. Title II establishes uniform formulas for apportioning the income and capital stock of small corporations. Title III establishes equitable principle for the collectors of sales and use taxes. Title IV provides a reasonable mechanism for evaluating the progress being made by the States in working out their own solutions to interstate tax problems. Title V includes definitional and technical provisions as well as a sorely needed prohibition against geographical discrimination. Finally, title VI protects individuals from double taxation on their income.

Frankly, Madam Speaker, I recognize that in the years that have ensued since we originally passed this measure in the House, the States may have made some progress in removing some of the past inequities to which they subjected interstate commerce. However, I also recognize that recently problems have developed in this area which may require legislative solutions not included in this bill. In that regard, I am aware, for example, that small wholesalers are finding it more and more difficult to cope with the complexities of complying with unreasonable requirements for the collection of sales and use taxes. I am also particularly aware of the growing tendency of the States to impose severance taxes which are designed to raise revenues from out-of-State consumers as well as discriminating taxes on wine and insurance premiums. As a result, I would like to make it clear that I am not wedded to the provisions of the bill as originally passed by us.

Madam Speaker, when passed the Interstate Taxation Act in the 90th and 91st Congresses, it was with the widespread support of literally hundreds of trade associations representing small businesses as well as thousands of small companies all over the United States. On reintroducing the bill today, I am pleased to solicit the views of both business and labor as well as the views of State and local officials as to how the bill might be improved to deal with recent developments. At the same time, I am also formally requesting that the Secretary of Commerce provide us with the benefit of the views of the present administration. It is my hope that all of us, including our colleagues in the other body, will give this legislation the full consideration that it has deserved for so long.●

● Mr. McCLORY. Madam Speaker, it is with some sense of "deja vu" that I find myself joining with the distinguished chairman of the House Judiciary Committee to cosponsor H.R. 6402, the Interstate Taxation Act. I recall with some nostalgia that when I first joined the Judiciary Committee as a freshman minority member, I recognized the important work that had already been undertaken by the Judiciary Committee under the chairmanship of the late Emanuel Celler with the close cooperation and support of the then ranking minority member, Bill McCulloch. I recall thereafter as we fashioned the very proposal that is being introduced today the eloquent advocacy of Charles McC. Mathias, who now continues the good fight in the other body.

Madam Speaker, the interstate taxation program of the House Judiciary Committee has always been a completely bipartisan effort and has embodied the best principles of responsible congressional leadership. For that reason I am now optimistic that our colleagues in the other body will also treat this measure in a completely bipartisan manner by giving it the full consideration that it deserves.

Madam Speaker, I am pleased to associate myself with the remarks of Chairman Rodino with respect to this measure and pledge my full cooperation in attempting to develop this legislation in a manner that will be helpful to our Nation's economy as well as the economies of our individual States.●

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. Badham (at the request of Mr. Michel), for today and the balance of the week, on account of representing the President at the commemoration of the Centennial of United States-Korean relations.

Mr. Thomas (at the request of Mr. Michel), for today and the balance of the week, on account of representing the President at the commemoration of the Centennial of United States-Korean relations.

Mr. Lundine (at the request of Mr. Wright), for May 18 through 22, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Bereuter) to revise and extend their remarks and include extraneous material:)

Mr. Conable, for 10 minutes, today.

(The following Members (at the request of Mr. Weiss) to revise and extend their remarks and include extraneous material:)

Mr. Barnes, for 10 minutes, today.

Mr. Montgomery, for 5 minutes, today.

Mr. Glickman, for 10 minutes, today.

Mr. Stark, for 5 minutes, today.

Mr. Gonzalez, for 60 minutes, today.

Mr. Annunzio, for 5 minutes, today.

Mr. Coelho, for 5 minutes, today.

Mr. Smith of Iowa, for 5 minutes, today.

Mr. Crockett, for 5 minutes, today.

Mrs. Boggs, for 10 minutes, on May 19.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. Bereuter) and to include extraneous matter:)

Mr. Clinger.
Mr. McCloskey.
Mr. Thomas.
Mr. Solomon.
Mr. Coleman.
Mr. Wolf.

(The following Members (at the request of Mr. Weiss) and to include extraneous matter:)

Mr. Ottinger in five instances.
Mr. Sabo.
Mr. Jones of North Carolina.
Mr. Lundine.
Mr. Bingham.
Mr. Scheuer.
Mr. Skelton in five instances.
Mr. Addabbo.
Mr. Dyson.
Mr. Lehman.
Mr. Murtha.
Mr. Frank.
Mr. Studds.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 2535. An act to regulate the operation of foreign fish processing vessels within State waters; to the Committee on Merchant Marine and Fisheries.

ADJOURNMENT

Mr. WEISS. Madam Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 48 minutes p.m.), under its previous order, the House adjourned until Wednesday, May 19, 1982, at 11:30 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3943. A letter from the Assistant Secretary of Defense (Comptroller), transmitting selected acquisition reports and SAR summary tables for the quarter ended March 31, 1982, pursuant to section 811(a) of Public Law 94-106; to the Committee on Armed Services.

3944. A letter from the Acting Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the Navy's proposed sale of certain defense articles to Greece (Transmittal No. 82-54), pursuant to section 813 of Public Law 94-106; to the Committee on Armed Services.

3945. A letter from the Acting Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the Navy's proposed sale of certain defense articles to Sweden (Transmittal No. 82-62), pursuant to section 813 of Public Law 94-106; to the Committee on Armed Services.

3946. A letter from the Assistant Secretary of the Treasury (Legislative Affairs), transmitting a report on the activities of the Multilateral Development Banks in the development of renewable energy resources in developing countries, pursuant to Public Law 96-259; to the Committee on Banking, Finance and Urban Affairs.

3947. A letter from the Chairman, Council of the District of Columbia, transmitting D.C. Act 4-187, "To amend the District of Columbia Traffic Act of 1925, and for other purposes, pursuant to section 602(c) of Public Law 93-198"; to the Committee on the District of Columbia.

3948. A letter from the Chairman, Council of the District of Columbia, transmitting D.C. Act 4-183, "To amend the District of Columbia Election Code of 1955 to clarify the responsibilities of the qualified elector in voter registration and to provide for reporting undated voter registration information to the citizens of the District of Columbia, and for other purposes, pursuant to section 602(c) of Public Law 93-108"; to the Committee on the District of Columbia.

3949. A letter from the Chairman, Council of the District of Columbia, transmitting D.C. Act 4-184, "To require the display of the District of Columbia flag at all times and places in the District that the display of the United States flag is required by Federal law"; to the Committee on the District of Columbia.

3950. A letter from the Acting Chairman, Interstate Commerce Commission, a report on the status of negotiations between Conrail and the Philadelphia Belt Line; pursuant to section 1166 of the Northeast Rail Service Act of 1982; to the Committee on Energy and Commerce.

3951. A letter from the Acting Director, Defense Security Assistance Agency, transmitting notice of the Air Force's proposed lease of certain defense articles to Norway (Transmittal No. 5-82), pursuant to section 62(a) of the Arms Export Control Act; to the Committee on Foreign Affairs.

3952. A letter from the Acting Director, Defense Security Assistance Agency, transmitting notice of the Navy's intention to offer to sell certain defense articles and services to Greece (Transmittal No. 82-54), pursuant to section 36(b) of the Arms Export Control Act, together with certification that the sale is consistent with the principles contained in section 620C(b) of the Foreign Assistance Act, pursuant to section 620C(d) of the act; to the Committee on Foreign Affairs.

3953. A letter from the Acting Director, Defense Security Assistance Agency, transmitting notice of the Navy's intention to offer to sell certain defense articles and services to Spain (Transmittal No. 82-61), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

3954. A letter from the Acting Director, Defense Security Assistance Agency, transmitting notice of the Navy's intention to offer to sell certain defense articles and services to Sweden (Transmittal No. 82-62), pursuant to section 38(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

3955. A letter from the Director, Federal Emergency Management Agency, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

3956. A letter from the Secretary of the Interior, transmitting the department's proposed final 5-year Outer Continental Shelf oil and gas leasing program July 1982 through June 1987, pursuant to public law; to the Committee on Interior and Insular Affairs.

3957. A letter from the Secretary of Transportation, transmitting a report on negotiated contracts for experimental, developmental, test, or research work, or for industrial mobilization in the interest of the national defense, covering the period October 1, 1981 through March 31, 1982, pursuant to 10 U.S.C. 2304(e); to the Committee on Merchant Marine and Fisheries.

3958. A letter from the Secretary of Transportation, transmitting the 12th annual report on operations under the Airport and Airway Development Act of 1970, pursuant to section 24 of the act; to the Committee on Public Works and Transportation.

3959. A letter from the Fiscal Assistant Secretary of the Treasury, transmitting the first annual report on the financial condition and results of the operations of the reforestation trust fund, pursuant to section 303 of the Recreational Boating Safety and Facilities Improvement Act of 1980; to the Committee on Ways and Means.

3960. A letter from the Comptroller General of the United States, transmitting a report on the management of selected weapon systems (GAO-MASAD-82-34), May 14, 1982; jointly, to the Committees on Government Operations and Armed Services.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the

Clerk for printing and reference to the proper calendar, as follows:

[Omitted from the Record of May 17, 1982]

Mr. FORD of Michigan: Committee on Post Office and Civil Service. H.R. 6310. A bill to amend title 5, United States Code, to provide for additional premium pay and other changes in personnel law applicable to certain employees of the Federal Aviation Administration in order to assure the prompt return of the Federal air traffic control system to full capacity, and for other purposes (Rept. No. 97-560). Referred to the Committee of the Whole House on the State of the Union.

Mr. MITCHELL of Maryland: Committee on Small Business. H.R. 6086. A bill to amend the Small Business Investment Act of 1958; with an amendment (Rept. No. 97-564). Referred to the Committee of the Whole House on the State of the Union.

Mr. de la GARZA: Committee on Agriculture. H.R. 5203. A bill to amend the Federal Insecticide, Fungicide, and Rodenticide Act; with an amendment (Rept. No. 97-566). Referred to the Committee of the Whole House on the State of the Union.

[Submitted May 18, 1982]

Mr. FUQUA: Committee on Science and Technology. H.R. 6324. A bill to authorize appropriations for atmospheric, climatic, and ocean pollution activities of the National Oceanic and Atmospheric Administration for the fiscal years 1983 and 1984, and for other purposes; with an amendment (Rept. No. 97-557, Pt. II). Referred to the Committee of the Whole House on the State of the Union.

Mr. DINGELL: Committee on Energy and Commerce. H.R. 6258. A bill to authorize funds for fiscal year 1983 for carrying out the International Travel Act of 1961 (Rept. No. 97-568). Referred to the Committee of the Whole House on the State of the Union.

Mr. DINGELL: Committee on Energy and Commerce. H.R.6162. A bill to authorize appropriations for the national Telecommunications and Information Administration for fiscal years 1983 and 1984; with an amendment (Rept. No. 97-569). Referred to the Committee of the Whole House on the State of the Union.

Mr. FLORIO: Committee on Energy and Commerce. H.R. 6307. A bill to amend the Solid Waste Disposal Act to authorize appropriations for the fiscal years 1983 and 1984, and for other purposes; with an amendment (Rept. No. 97-570). Referred to the Committee of the Whole House on the State of the Union.

Mr. LONG of Louisiana: Committee on Rules. House Resolution 470. Resolution providing for the consideration of S. 1230, a bill to provide for the minting of commemorative coins to support the 1984 Los Angeles Olympic Games (Rept. No. 97-572). Referred to the House Calendar.

Mr. MOAKLEY: Committee on Rules. House Resolution 471. Resolution providing for the consideration of H.R. 6267, a bill to revitalize the housing industry by strengthening the financial stability of home mortgage lending institutions and insuring the availability of home mortgage loans (Rept. No. 97-573). Referred to the House Calendar.

REPORTED BILLS SEQUENTIALLY REFERRED

Under clause 5 of rule X, bills and reports were delivered to the Clerk for printing, and bills referred as follows:

[Omitted from the record of May 17, 1982]

Mr. UDALL. Committee on Interior and Insular Affairs. H.R. 5161. A bill to designate certain lands in the Monongahela National Forest, W. Va., as wilderness; and to designate management of certain lands for uses other than wilderness; with amendments; referred to the Committee on Agriculture for a period ending not later than May 26, 1982, for the consideration of such provisions of the bill and amendments as fall within the jurisdiction of that committee pursuant to clause 1(a), rule X (Rept. No. 97-561, Pt. I). Ordered to be printed.

Mr. JONES of North Carolina: Committee on Merchant Marine and Fisheries. H.R. 6113. A bill to amend title I of the Marine Protection, Research, and Sanctuaries Act of 1972, with amendments; referred to the Committee on Public Works and Transportation for a period ending not later than June 24, 1982, for consideration of such provisions of the bill and amendments as fall within the jurisdiction of that committee pursuant to clause 1(p), Rule X (Rept. No. 97-562, Pt. I). Ordered to be printed.

Mr. JONES of North Carolina: Committee on Merchant Marine and Fisheries. H.R. 5617. A bill to authorize appropriations for the Coast Guard for fiscal years 1963 and 1984, and for other purposes; with an amendment; referred to the Committee on Public Works and Transportation for a period ending not later than June 1, 1982 for the consideration of such provisions of the bill and amendment as fall within the jurisdiction of that committee pursuant to clause 1 (p), Rule X (Rept. No. 97-563. Pt. I). Ordered to be printed.

Mr. de la GARZA: Committee on Agriculture. H.R. 5447. A bill to extend the Commodity Exchange Act, and for other purposes; with an amendment; referred to the Committee on Energy and Commerce for a period ending not later than June 18, 1982 for consideration of such provisions of title I and section 237 of the amendment as fall within the jurisdiction of that committee pursuant to clause 1(h), Rule X (Rept. No. 97-565, Pt. I). Ordered to be printed.

Mr. JONES of North Carolina: Committee on Merchant Marine and Fisheries. H.R. 6133. A bill to authorize appropriations to carry out the Endangered Species Act of 1973, as amended, through fiscal year 1984; with amendments; referred to the Committee on Foreign Affairs for a period ending not later than June 7, 1982, for consideration of such provisions of section 4 of the amendment as fall within the jurisdiction of that committee under clause 1(i), Rule X (Rept. No. 97-567, Pt. I). Ordered to be printed.

[Submitted May 18, 1982]

Mr. DINGELL: Committee on Energy and Commerce. H.R. 6308. A bill to insure rail safety, provide for the preservation of rail service, transfer responsibility for the Northeast corridor improvement project to Amtrak, and for other purposes; with amendments, referred to the Committee on Interior and Insular Affairs for a period ending not later than June 24, 1982 for consideration of such provisions of section 507 of the amendment as fall within the jurisdiction of that committee pursuant to clause 1(l), Rule X; and referred to the Committee on Merchant Marine and Fisheries for a period ending not later than June 1, 1982 for consideration of such provisions of section 504 of the amendment as fall within the jurisdiction of that committee pursuant to clause 1(n), Rule X. (Rept. No. 97-571, Pt. I). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BINGHAM (for himself, Mr. Wolpe, and Mr. Gilman):

H.R. 6393. A bill to amend the Export Administration Act of 1979 to extend until December 31, 1982, those foreign policy export controls in effect on December 31, 1981; to the Committee on Foreign Affairs.

By Mr. COLEMAN:

H.R. 6394. A bill to amend the Food Stamp Act of 1977 to require greater accountability by State food stamp agencies, to strengthen work requirements, to provide authority for the Secretary of Agriculture to require alternative issuance systems in order to protect the integrity of the food stamp program, and for other purposes; to the Committee on Agriculture.

By Mr. CONABLE:

H.R. 6395. A bill to amend the Internal Revenue Code of 1954 to provide that the tax treatment of partnership items shall be determined at the partnership level; to the Committee on Ways and Means.

By Mr. GIBBONS (for himself and Mr. Vander Jagt):

H.R. 6396. A bill to provide for the duty-free treatment of certain needlecraft display models, and for other purposes; to the Committee on Ways and Means.

By Mr. GINGRICH (for himself, Mr. Wolf, and Mr. Hiler):

H.R. 6397. A bill to amend the Internal Revenue Code of 1954 to provide a credit against income tax for computers designed primarily for educational, professional, or other essentially nonrecreational use in the home; to the Committee on Ways and Means.

By Mr. HOWARD (for himself, Mr. Fary and Mr. Stangeland) (by request):

H.R. 6398. A bill to amend Public Law 96-432 relating to the U.S. Capitol Grounds to authorize additional funds for the acquisition of property for addition to the U.S. Capitol Grounds; to the Committee on Public Works and Transportation.

By Mr. MOORE:

H.R. 6399. A bill to amend the Internal Revenue Code of 1954 with respect to the treatment of certain employees of institutions of higher education under State unemployment compensation laws; to the Committee on Ways and Means.

By Mr. MICHEL:

H.R. 6400. A bill to amend the Congressional Budget Act of 1974 to make basic modifications in the congressional budget process to improve its effectiveness so that it will better reflect the economic realities facing the Nation; to the Committee on Rules.

By Mr. MICA:

H.R. 6401. A bill to amend title 38 of the United States Code to require the Administrator of Veterans' Administration to consider the number of veterans residing in each State, in acquiring and operating medical facilities; to the Committee on Veterans' Affairs.

By Mr. RODINO (for himself and Mr. McClory):

H.R. 6402. A bill to regulate and foster commerce among the States by providing a system for the taxation of interstate commerce; to the Committee on the Judiciary.

By Mr. UDALL (by request):

H.R. 6403. A bill to provide for the use and distribution of funds to the Wyandot Tribe of Indians in Docket 139 before the Indian Claims Commission and Docket 141 before the U.S. Court of Claims and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. WAMPLER (by request):

H.R. 6404. A bill to improve the milk price support program and provide additional authority for the disposition of dairy products; to the Committee on Agriculture.

By Mr. FINDLEY:

H. Res. 468. Resolution to express the sense of the House of Representatives disapproving the policy of the administration with respect to railroad retirement for fiscal year 1983; to the Committee on Energy and Commerce.

By Mr. MICHEL:

H. Res. 469. Resolution amending the Rules of the House of Representatives to impose additional reporting requirements on committees reporting bills or resolutions involving violations of the Congressional Budget Act; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BINGHAM:

H.R. 6405. A bill for the relief of Rose Goldberg; to the Committee on the Judiciary.

By Mr. GONZALEZ:

H.R. 6406. A bill to waive certain time limitations with respect to awarding the Medal of Honor to Rudolph Salais Vela; to the Committee on Armed Services.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 18: Mr. Gregg.

H.R. 1540: Mr. Spence.

H.R. 2936: Mr. Dwyer.

H.R. 3984: Mr. Hightower, Mr. Siljander, and Mr. Robert W. Daniel, Jr.

H.R. 4309: Mr. Stangeland.

H.R. 4449: Mr. Patman.

H.R. 4833: Mr. Bliley, Mr. Duncan, Mr. Dan Daniel, and Mr. Daniel B. Crane.

H.R. 5364: Mr. Goldwater.

H.R. 5664: Mr. Wirth, Mr. Rodino, Mr. Wolpe, Mr. Solarz, Mr. Leland, Mr. Crockett, Mr. Ford of Tennessee, Mr. Vento, Mr. Rosenthal, and Mr. Roybal.

H.R. 5914: Mr. Barnes, Mrs. Fenwick, Mrs. Holt, Mr. Erdahl, Mr. Hertel, Mr. Frenzel, Mr. Roemer, Mr. Hughes, Mr. Kildee, Mr. Brodhead, Mr. Daschle, Mr. Sabo, Mr. Coelho, Mr. Bedell, Mr. Foglietta, Mr. Kogovsek, Mr. Murphy, Mr. Bailey of Pennsylvania, Mr. Rahall, Mr. Zablocki, and Mr. Davis.

H.R. 5995: Mr. Hollenbeck, Mr. Blanchard, Mr. Whitehurst, Mr. Jeffords, Mr. Stokes, and Mr. Vento.

H.R. 6077: Mr. Atkinson, Mr. Downey, Mr. Hoyer, Mr. Guarini, Mr. D'Amours, and Mr. Clay.

H.R. 6154: Mr. Courter, Mr. Siljander, Mr. Weber of Ohio, Mr. Edgar, Mr. Dunn, Mr. Forsythe, Mr. Roe, Mr. Hughes, Mr. Molinari, Mr. Markey, Mr. Whitehurst, Mr. Foglietta, Mr. Weaver, Mr. Frank, Mr. Sunia, Ms. Ferraro, Mr. Mitchell of Maryland, Mr. Zeferetti, and Mr. Lehman.

H.R. 6155: Mr. Courter, Mr. Siljander, Mr. Weber of Ohio, Mr. Edgar, Mr. Dunn, Mr. Forsythe, Mr. Roe, Mr. Hughes, Mr. Molinari, Mr. Markey, Mr. Whitehurst, Mr. Foglietta, Mr. Weaver, Mr. Frank, Mr. Sunia, Ms. Ferraro, Mr. Mitchell of Maryland, Mr. Zeferetti, and Mr. Lehman.

H.R. 6158: Mr. Fish.

H.J. Res. 172: Mr. Hance.

H.J. Res. 363: Mr. St Germain.

H.J. Res. 412: Mrs. Smith of Nebraska, Mr. Lungren, Mr. Grisham, Mr. Gregg, Mr. Rudd, Mr. Craig, Mr. Shamansky, Mr. Gingrich, and Mr. McClory.

H.J Res. 416: Mr. Hyde, Mrs. Kennelly, Mr. Hendon, Mr. Tauke, and Mrs. Bouquard.

H. Res. 423: Mr. Morrison and Mr. Tauke.

PETITIONS, ETC.

Under clause 1 of rule XXII,

442. The SPEAKER presented a petition of Lynn M. Henman, Albermarle, N.C., and others, relative to affordable homeownership; which was referred to the Committee on Banking, Finance and Urban Affairs.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendment was submitted as follows:

H.R. 4326

By Mr. MITCHELL of Maryland:

—Strike all after the enacting clause and insert the following:

Section 1. This Act may be cited as the "Small Business Innovation Development Act of 1982".

Sec. 2. (a) The Congress finds that—

(1) technological innovation creates jobs, increases productivity, competition, and economic growth, and is a valuable counterforce to inflation and the United States balance-of-payments deficit;

(2) while small business is the principal source of significant innovations in the Nation, the vast majority of federally funded research and development is conducted by large businesses, universities, and Government laboratories; and

(3) small businesses are among the most cost-effective performers of research and development and are particularly capable of developing research and development results into new products.

(b) Therefore, the purposes of the Act are—

(1) to stimulate technological innovation;

(2) to use small business to meet Federal research and development needs; and

(3) to increase private sector commercialization innovations derived from Federal research and development.

Sec. 3. Section 9(b) of the Small Business Act is amended—

(1) by striking out "and" at the end of paragraph (2);

(2) by striking out the period at the end of paragraph (3) and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following:

"(4) to develop and maintain a source file and an information program to assure each qualified and interested small business concern the opportunity to participate in Federal agency small business innovation research programs;

"(5) to coordinate with participating agencies a schedule for release of SBIR solicitations, and to prepare a master release schedule so as to maximize small businesses' opportunities to respond to solicitations;

"(6) to independently survey and monitor the operation of SBIR programs within participating Federal agencies; and

"(7) to report not less than annually to the Committee on Small Business of the Senate and the Committee on Small Business of the House of Representatives on the SBIR programs of the Federal agencies and the administration's information and monitoring efforts related to the SBIR programs.".

Sec. 4. Section 9 of the Small Business Act is amended by adding at the end thereof the following new subsections:

"(e) For the purpose of this section—

"(1) the term 'extramural budget' means the sum of the total obligations minus amounts obligated for such activities by employees of the agency in or through Government-owned, Government-operated facilities, except that for the Agency for International Development it shall not include amounts obligated solely for general institutional support of international research centers or for grants to foreign countries.

"(2) the term 'Federal agency' means an executive agency as defined in section 105 of title 5, United States Code, or a military department as defined in section 102 of such title, except that it does not include the Central Intelligence Agency, the National Security Agency or the Defense Intelligence Agency.

"(3) the term 'funding agreement' means any contract, grant, or cooperative agreement entered into between any Federal agency and any small business for the performance of experimental, developmental, or research work funded in whole or in part by the Federal Government;

"(4) the term 'Small Business Innovation Research Program' or 'SBIR' means a program under which a portion of a Federal agency's research or research and development effort is reserved for award to small business concerns through a uniform process having—

"(A) a first phase for determining, insofar as possible, the scientific and technical merit and feasibility of ideas submitted pursuant to SBIR program solicitations;

"(B) a second phase to further develop the proposed ideas to meet the particular program needs, the awarding of which shall take into consideration the scientific and technical merit and feasibility evidenced by the first phase and, where two or more proposals are evaluated as being of approximately equal scientific and technical merit and feasibility, special consideration shall be given to those proposals that have demonstrated third phase, non-Federal capital commitments; and

"(C) where appropriate, a third phase in which non-Federal capital pursues commercial applications of the research or research and development and which may also involve follow-on non-SBIR funded production contracts with a Federal agency for products or processes intended for use by the United States Government; and

"(5) the term 'research' or 'research and development' means any activity which is (A) a systematic, intensive study directed toward greater knowledge or understanding of the subject studied; (B) a systematic study directed specifically toward applying new knowledge to meet a recognized need; or (C) a systematic application of knowledge toward the production of useful materials, devices, and systems or methods, including design, development, and improvement of prototypes and new processes to meet specific requirements.

"(f) Each Federal agency which has an extramural budget for research or research and development in excess of $100,000,000 for fiscal year 1982, or any fiscal year thereafter, shall expend not less than 0.2 per centum of its extramural budget in fiscal year 1983 or in such subsequent fiscal year as the agency has such budget, not less than 0.6 per centum of such budget in the second fiscal year thereafter, not less than 1 per centum of such budget in the third fiscal year thereafter, and not less than 1.25 per centum of such budget in all subsequent fiscal years with small business concerns specifically in connection with a small business innovation research program which meets the requirements of the Small Business Innovation Development Act of 1982 and regulations issued thereunder: *Provided*, That any Federal agency which has an extramural budget for research or research and development in excess of $10,000,000,000 for fiscal year 1982 shall expend not less than 0.1 per centum of its extramural budget in fiscal year 1983, not less than 0.3 per centum of such budget in the second fiscal year thereafter, not less than 0.5 per centum of such budget in the third fiscal year thereafter, not less than 1 per centum of such budget in the fourth fiscal year thereafter, and not less than 1.25 percentum of such budget in all subsequent fiscal years with small business concerns specifically in connection with a small business innovation research program which meets the requirements of the Small Business Innovation Development Act of 1982 and regulations issued thereunder: *Provided further*, That a Federal agency shall not make available for the purpose of meeting the requirements of this subsection an amount of its extramural budget for basic research or research and development which exceeds the percentages specified herein. Funding agreements with small business concerns for research or research and development which result from competitive or single source selections other than under a small business innovation research program shall not be counted as meeting any portion of the percentage requirements of this subsection.

"(g) Each Federal agency required by subsection (f) to establish a small business innovation research program shall, in accordance with this Act and regulations issued hereunder—

"(1) unilaterally determine categories of projects to be in its SBIR program;

"(2) issue small business innovation research solicitations in accordance with a schedule determined cooperatively with the Small Business Administration;

"(3) unilaterally receive and evaluate proposals resulting from SBIR proposals;

"(4) unilaterally select awardees for its SBIR funding agreements;

"(5) administer its own SBIR funding agreements (or delegate such administration to another agency);

"(6) make payments to recipients of SBIR funding agreements on the basis of progress toward or completion of the funding agreement requirements; and

"(7) make an annual report on the SBIR program to the Small Business Administration and the Office of Science and Technology Policy.

"(h) In addition to the requirements of subsection (f), each Federal agency which has a budget for research or research and development in excess of $20,000,000 for any fiscal year beginning with fiscal year 1983 or subsequent fiscal year shall establish goals specifically for funding agreements for research or research and development to small business concerns, and no goal established under this subsection shall be less than the percentage of the agency's research or research and development budget expended under funding agreements with small business concerns in the immediately preceding fiscal year.

"(i) Each Federal agency required by this section to have an SBIR program or to establish goals shall report annually to the Small Business Administration the number of awards pursuant to grants, contracts, or cooperative agreements over $100,000 in amount and the dollar value of all such awards, identifying SBIR awards and comparing the number and amount of such awards with awards to other than small business concerns.

"(j) The Small Business Administration, after consultation with the Administrator of the Office of Federal Procurement Policy, the Director of the Office of Science and Technology Policy, and the Intergovernmental Affairs Division of the Office of Management and Budget, shall, within one hundred and twenty days of the enactment of the Small Business Innovation Development Act of 1981, issue policy directives for the general conduct of the SBIR programs within the Federal Government, including providing for—

"(1) simplified, standardized, and timely SBIR solicitations;

"(2) a simplified, standardized funding process which provides for (A) the timely receipt and review of proposals, if appropriate; (B) outside peer review for at least phase two proposals, if appropriate; (C) protection of proprietary information provided in proposals; (D) selection of awardees; (E) retention of rights in data generated in the performance of the contract by the small business concern; (F) transfer of title to property provided by the agency to the small business concern if such a transfer would be more cost effective than recovery of the property by the agency; (G) cost sharing; and (H) cost principles and payment schedules;

"(3) exemptions from the regulations under paragraph (2) if national security or intelligence functions clearly would be jeopardized;

"(4) minimizing regulatory burden associated with participation in the SBIR program for the small business concern which will stimulate the cost-effective conduct of Federal research and development and the likelihood of commercialization of the results of research and development conducted under the SBIR program; and

"(5) simplified, standardized, and timely annual report on the SBIR program to the Small Business Administration and the Office of Science and Technology Policy.

"(k) The Director of the Office of Science and Technology Policy, in consultation with the Federal Coordinating Council for Science, Engineering and Research, shall, in addition to such other responsibilities imposed upon him by the Small Business Innovation Development Act of 1982—

"(1) independently survey and monitor all phases of the implementation and operation of SBIR programs within agencies required to establish an SBIR program, including compliance with the expenditures of funds according to the requirements of subsection (f) of this section; and

"(2) report not less than annually, and at such other times as the Director may deem appropriate, to the Committees on Small Business of the Senate and the House of Representatives on all phases of the implementation and operation of SBIR programs within agencies required to establish an SBIR program, together with such recommendations as the Director may deem appropriate.".

EXTENSIONS OF REMARKS

THE CHALLENGE OF LEBANON

HON. PAUL N. McCLOSKEY, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 18, 1982

● Mr. McCLOSKEY. Mr. Speaker, as the Israeli-Palestinian cease-fire hangs by a thread, the tragedy of Lebanon continues. The challenge to the United States is how to help in restoring stability to this lovely place, a country which cannot have peace until the Palestinians have a homeland.

One of the most insightful articles I have read on the subject, "The Challenge of Lebanon," was recently published by Roger Edde, the Deputy Secretary General of the Lebanese National Bloc. Mr. Edde asks for what would ordinarily seem a simple posture by the United States: that we make a commitment to their territorial integrity and overall security at least equal to that we extend to Israel.

Why not? It would seem to me that Lebanon's 3 million people are as entitled to U.S. friendship as are the 3½ million people of Israel.

The fact is that the Palestinian Liberation Organization is headquartered in Lebanon; and that Lebanon, as a nation, is powerless to control the PLO, should not mitigate our traditional respect and friendship for the rights of the Lebanese people.

Clearly a new U.S. initiative in the Mideast is needed if we are to restore the process begun at Camp David.

I commend Mr. Edde's article as an appropriate reference in our search for a new initiative to the peace negotiations.

THE CHALLENGE OF LEBANON

(By Roger Edde)

I

There is in Lebanon today a new political consensus that calls for policies of national renewal organized around a political leader able to save the country from its prevailing turmoil. Uniting Moslems and Christians, if such a consensus were given a chance, would assert itself in the forthcoming presidential elections, now scheduled to be held in July 1982. Yet, as paramilitary factions continue to blackmail the Lebanese people, the international community often ignores this political consensus, and neglects to provide the support Lebanon's national leaders and representatives deserve. A holocaust in Lebanon has occurred, perhaps all too conveniently, as of the most tragic and deplorable side-effects of an erratic search for peace in the region.

In 1981, the Reagan administration uncovered, in the words of Secretary of State, Alexander M. Haig, the "interrelationship which developed between the situation in Lebanon and the peace process" in the Middle East. The early declarations of the Reagan administration appeared to make Lebanon a priority of its Middle East policy. Yet, the actions that were subsequently launched reflected the continued U.S. unwillingness to overcome the tacit alliance that has developed between Israel and Syria over the control of Lebanon.

Thus, the United States has often failed to take into account the consequences of its policies in the region on Lebanon proper. In 1976, Syria entered into Lebanon under conditions secretly negotiated with Israel through the intermediary of the then-Secretary of State, Henry Kissinger. Surprisingly Kissinger apparently assumed that Assad's Syria could eventually control the PLO, and with Jordan quickly emerge as the main U.S. interlocutor in the unfolding peace process. With the approval of Israel, the Syrians were said to rescue the Israeli-backed Phalangists against the counter-offensive launched in Mount Lebanon by the PLO and the leftist Lebanese factions, thus leaving Syria with the startling role of the "peacekeeper" in a country over which its ambitions have been such that no Syrian regime in Damascus has ever agreed to an exchange of ambassadors. In 1976, the presidential elections held in Beirut reflected the informal entente between Damascus and Tel Aviv, an entente that Washington hoped to manipulate but of which it soon became the hostage, and Lebanon the victim.

In 1977-1981, the limits of Syria's credibility were quickly exposed. Not a participant in the Camp David process, Damascus soon provided support for Iran against Iraq confirming further its growing isolation from the rest of the Arab world. In the fall of 1980, its isolation was completed when Syrian President Hafez al-Assad signed a treaty of friendship and defense with the Soviet Union in the aftermath of the Soviet invasion of Afghanistan.

Later, in the spring of 1981, the missile crisis between Israel and Syria permitted an effective manipulation of U.S. diplomacy. By engaging in such an artificial confrontation at the very time when Secretary of State Alexander M. Haig was promoting his vision of an anti-Soviet consensus in the region, both Begin and Assad forced a reappraisal of U.S. priorities as Philip Habib engaged in shuttle diplomacy meant to end the "crisis" by endorsing a status quo (Syrian and Israeli control over Lebanon) that was the source of the true crisis.

Finally, in 1981-1982, whatever remained of Syria's status in the region was ended as internal developments revealed the domestic vulnerability of Assad's regime. By then, Damascus' influence on the PLO could only be negative: it could prevent the Palestinian leadership from participating in any diplomatic effort aimed at the resolution of conflict, but it could not lead that leadership to that path. Thus, when the Fahd Plan was proposed, Syria successfully blocked PLO chief Yasser Arafat's effort to secure the PLO's endorsement of a plan that implied the recognition of Israel in return for the creation of a Palestinian state in the territories occupied by Israel in 1967.

II

The fear of a major Israeli-Arab war that would begin on Lebanese territory has become a cause for serious concern in Washington and in Arab capitals. Adopted in March, 1978, following the Israeli invasion of South Lebanon, U.N. Security Council Resolutions 425 and 426 aimed at "confirming the withdrawal of Israeli forces, restoring international peace and security, and assisting the government of Lebanon in ensuring the return of its effective authority in the area." In addition, the Security Council called on all parties to "respect . . . the territorial integrity, sovereignty and political independence of Lebanon within its internationally recognized boundaries." Not surprisingly, neither Israel, Syria nor the PLO has cooperated in achieving goals which are tantamount to an actual neutralization of South Lebanon if not, ultimately, the whole of Lebanon.

In the political diaries of Moshe Sharret, it is clear that in 1948 Israel planned the destabilization of Lebanon through the manipulation of some of its Maronites in order to take over the waters of the Litani River. More recently, since the start of the Lebanese turmoil in 1975-1976, Israel and Syria have repeatedly agreed to their respective involvement in Lebanese affairs, thus undermining Lebanese sovereignty in such a way as to use Lebanon as a launching pad for their designs there and elsewhere. North of the Litani River, this surprising but tacit alliance between these two "enemy-partners" brought about Syria's de facto annexation of 80 percent of Lebanon's territory within which the Phalangists (linked to both Israel and Syria) received a measure of local control over a tiny territorial enclave. South of the Litani River, the area invaded by Israel in 1978 was shared among the Israelis and the Haddad-led Southern Phalangists, UNIFIL and the PLO.

As we now move closer to a new Israeli military strike in Lebanon, the contradictions between the objectives pursued by Washington on the one hand, Damascus and Tel Aviv on the other, become even more significant.

The consequences of such a strike would be considerable. In Lebanon proper, hundreds of thousands of desperate refugees will pour into northern areas with nothing to lose and seeking revenge for their tragic losses from whomever they can. In so doing, they will set in motion in self-destructive dynamic that may end Lebanon's last chance of recovery, and deny the hopes placed in next July's presidential elections. This will in turn confirm the worst fears of the Lebanese: that in 1982, as in 1976, the election of a president will be the result of a compromise between Syrian and Israeli preferences, thereby preventing the selection of the choice of the real majority of the Lebanese people.

A new military invasion of Israel in South Lebanon would facilitate the radicalization of moderate Arabs, ranging from Egypt to some elements of the PLO. And, perhaps worst of all, it may help generate a new wave of anti-Americanism and Islamic fanaticism *a la* Khomeini among the 700 million Moslems in the world, reaching as far as Pakistan and Turkey. Thus, if the rise of the PLO proved to be the logical outcome of the Arab humiliation suffered during the Six Day War in 1967, the spread of uncontainable Islamic fanaticism may well prove to be the result of further Israeli adventurism in 1982.

Liberated from the "protection" extended by 30,000 Syrian forces, the moderate leadership within the PLO would be less sensitive to rejectionist pressures exerted by Syria and Marxist-oriented factions. The restoration of the sovereignty of the Lebanese government over Lebanese territory would, therefore, reinforce the PLO's commitment to the ceasefire.

There can hardly be any stable peace between the Arab states and Israel without a reconciliation between the Israeli people and the Palestinian people. Indeed, no separate peace with any one Arab country will last, let alone sufffice, so long as an agreement with the Palestinians has not been worked out and implemented. The predictable evolution of Egypt's policies after the April 25 deadline is a case in point. Egypt's return in the Arab world will not merely result from a change in its leadership, from Anwear el-Sadat to Hosni Mubarak. It reflects instead the gap that prevailed throughout the Camp David process between the frustrated commitment of the Egyptian people to Arab solidarity of which the Palestinian cause is the minimal expression, and the rejection of that cause by the Israeli leadership. Now, it is time for an Israeli leader, too, to do the unthinkable, and, like Sadat, risk an initiative that would at last overcome the remaining psychological barriers that divide the Israelis and the Palestinian people. Once this reconciliation has taken place, other Arab states will inevitably follow.

III

To save Lebanon demands a strong and charismatic leader able to mobilize the nation and remain invulnerable to any challenge, political or otherwise, launched by the many armed factions within the country. The dynamic of national renewal would restore the morale of the Lebanese army, and renew its mandate to re-affirm the national sovereignty and protect the territorial integrity of Lebanon.

This may not have been possible before these seven years of turmoil and suffering from the domination of divided, irrational, greedy, and self-centered factions.

For too long, the paramilitary factions have taken advantage of the vacuum created by a paralyzed Lebanese authority to share the spoils of war and increase their mercenary incomes. Ultimately, their foremost objective is to prevent the restoration of Lebanese sovereignty, and keep any central government in Beirut from enforcing a minimum of national discipline. Indeed, the reverse would have been surprising, as national unity can only take place at the expense of the very privileges these factions have violently stolen from the nation.

Aware of such trends, moderate PLO leaders have privately expressed their concern about the growing hostility of the Moslem communities in Lebanon toward them. Ever since the arrival of the first Palestinian refugees in the late 1940s, the Lebanese (Christians and Moslems alike) have endorsed the Palestinian cause. Long before the PLO came into being, every Lebanese president and diplomat has argued the Palestinian case before the world community. When PLO chief Yasser Arafat was received at the General Assembly of the United Nations, he was introduced by Maronite Lebanese president, Suleiman Franjieh. As for the Moslem Lebanese, their dedication to every Arab and Palestinian issue has been unconditional and passionate. Whenever there has been conflict between the objectives of the PLO and the national interest of Lebanon, the Lebanese Moslems have forcefully shown their solidarity with the Palestinians.

In 1969-1970, as the PLO forces were beginning to settle in Lebanon with an armed contingent of hardly more than 200 men, the Lebanese National Bloc repeatedly underlined the risks of a paramilitary force which would escape the control of the Lebanese government. As the leader of the National Bloc, Raymond Edde campaigned relentlessly to gain the support of other Moslem and Christian leaders for his proposal to deploy U.N. forces in Southern Lebanon along the only internationally-recognized borders between Israel and any of its neighbors. Although such forces were already in place between Israel and its two main adversaries, Egypt and Syria, and despite a nearly unanimous agreement among the Christian and Moslem leaders that Raymond Edde's proposal would protect Lebanon from being sucked into the quicksand of the Arab-Israeli conflict, the proposal was ignored.

Confrontation between the PLO's military and administrative build-up and the Lebanese army began in 1969, one year before Jordan forced the Palestinians out and left them with a democratic and vulnerable Lebanon as their most accessible refuge in the Arab world. At that time, the Lebanese army could have defeated the PLO's rising power. But, given the solidarity extended to the Palestinians by the Moslem communities and pressure from other Arab countries, and with a presidential election scheduled for the summer of 1970, army action was restrained. Instead, the main objective of the Second Bureau that led the Lebanese army at the time, was to ensure the election of any "shehabist" candidate who would guarantee their survival.

In November 1969, the Cairo Agreement was signed. It included such unbelievable concessions on Lebanese sovereignty that it astonished its sponsor, President Nasser. Later, a government that included the Phalangist and Chamoun parties had the Cairo Agreement approved by a parliament which was not even aware of its content. Once again, the Lebanese National Block warned and voted against an accord that gave the PLO the right to establish a state within the Lebanese state, and operate on Lebanese territory without any regard for the legitimate authority of the Lebanese government.

Following the 1973 War, as Kissinger was initiating the Israeli disengagement from Egyptian and Syrian territories, private militias were organized by the Phalangists and their allies with the covert support of President Franjieh. Subsequently, in 1975, a coalition of three Christian leaders—Franjieh, Chamoun, and Gemayel—engaged in a military challenge of the PLO. During two years of fierce fighting, the Moslem community withstood the pressure of the PLO and its leftist allies to participate in the conflict. From without, Syria's president Hafez al-Assad played one side against the other, maintaining a close and sustained dialogue with Franjieh and the Phalangist militias on the one hand, and feeding the confrontation through its control of the Al Saiqa and the Syrian-backed Lebanese Baath faction on the other.

Deceived into believing that the other side was about to exterminate them, the Christian and the Moslem Lebanese communities were used in a conflict which they did not understand, and which most of them refused to enter.

As a minority in the area, the Christians have always considered an independent Lebanon as a refuge and a shelter without which they cannot survive in the region. But, even more significantly, as the Moslem communities experienced Syrian and Palestinian military rule in their towns and villages, they too have come to embrace Lebanon's national identity to a point which, for the first time in their history, may well be even more intensely felt than by the Christians. Today, therefore, the Lebanese Moslems can play a vital role in helping the country regain its sovereignty and its independence as it resists any non-Lebanese entity.

The Lebanese, the Palestinians, and the Syrians are preordained by geography, culture, and history to a cooperative future in which they share risks and opportunities alike. Clearly, with a strong and united Lebanon able to discourage expansionist designs against its territory or its sovereignty, the Lebanese people will have a chance to play, once again, their historic role as mediator, not only in the economic field, but also in politics, culture, and elsewhere.

But to do so, what is needed first and foremost is a strong national leadership which embodies a national consensus that, despite repeated attempts to dismantle it, has not only survived, but even matured over the past seven years.

IV

The Lebanese crisis is an international problem. Even the presidential elections now scheduled for next July may well require the presence of an international commission that would guarantee its procedures. The fact that this may be the case shows the limits that are placed by Syria and Israel on Lebanon's sovereignty.

Most urgently, the international community should help achieve the withdrawal of Israeli and Syrian forces from Lebanon, and successfully prevent an Israeli invasion through the implementation of U.N. Security Council Resolutions 425, 426, 450, 459, 490 and 501. This would entail the replacement of Syria's "war-keeping" forces with an international peace force that would include the participation of the United States and a number of European states, as well as those moderate Arab states without expansionist design over Lebanon. Without such international initiatives, the "Iranization" of the whole area is likely to follow. With regard to Lebanon specifically, this would mean the destruction of an ancient, prosperous, multi-denominational, and Western-oriented democracy where Jews, Christians and Moslems coexist without discrimination.

A strong national leadership in Lebanon would impose its own discipline on the PLO, and deny it the use of Lebanese territory in ways that conflict with Lebanon's own interests. By limiting the PLO's behavior within Lebanon, such a leadership would also strengthen the hand of the Palestinian moderates who are now ready to face the hard challenges of peace against the ideologues whose interests lie elsewhere, in Marxist-inspired dogmas and subversion. In no case would the international peace-keeping force need to police a domestic order which the Lebanese army itself can easily preserve.

Well equipped and well led, the Lebanese army, which now numbers 30,000 men, would be the dominant military force in the country. It now merely lacks the morale, credibility, and national support a popular leader would quickly provide.

The Lebanese social, economic, and cultural infrastructure have endured seven years of intense and constant turmoil during which they have miraculously managed to prosper. This alone should be enough to convince the policy makers of friendly nations that Lebanon can and must be helped to regain its sovereignty and restore peace. Saving Lebanon requires the expression of renewed Lebanese nationalism. But, it also needs the assistance of a decisive and visionary U.S. leadership that reflects the will of an international community ready, at last, to meet the challenge of Lebanon.●

MOUNT ST. HELENS ERUPTION ANNIVERSARY

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 18, 1982

● Mr. BONKER. Mr. Speaker, 2 years ago on this date, Mount St. Helens awoke with a vengeance from a 125-year sleep. It produced the first major eruption of a Cascade Range volcano during this century.

With the eruption came a wave of destruction.

Sixty people died, or are missing and presumed dead. The avalanche and lateral explosion destroyed the northern portion of the mountain, and devastated more than 235 square miles of the Gifford Pinchot National Forest, State and private lands. Some 3.7 billion board feet of timber were blown down.

The May 18 eruption was only the explosive overture to a continuing disaster. Most disasters come suddenly and then abate—flood waters rise and recede; a tornado strikes suddenly and is gone. The Mount St. Helens disaster is different. It is a continuing disaster that does not fit the mold of other disasters—or disaster recovery programs.

Two years hence, the communities surrounding Mount St. Helens still are struggling to adapt to life in the shadow of a volcano that may remain active for decades.

The hot mud, ash, and debris which swept down the Toutle River Valley on May 18, knocking out bridges, clogging the Cowlitz and Columbia Rivers downstream and inundating lowlying property, remains the most significant problem in the aftermath of the eruption. The mud and ash remains unstable and threatens to fill in river beds and cause flooding of major proportions. Should there be a major "washout" on these rivers, the Army Corps of Engineers estimates billions of dollars in damage could result.

Following the May 18 eruption, Congress acted quickly to authorize one of the most dramatic disaster recovery efforts to date. The corps, undertaking its most massive dredging project of the century, removed over 110 million cubic yards of material from the Toutle, Cowlitz, and Columbia Rivers. The corps built several huge "debris retaining structures" to keep sediment from reentering the dredged rivers. It also diked and leveed vulnerable areas. This spectacular effort prevented imminent flooding and further disaster.

Despite these early successful efforts, the Reagan administration suspended all recovery work on the rivers, which has led to growing risks to the surrounding communities. Because there was no money this year to dredge behind the two debris retaining structures, they have been breached and the sediment behind them is now free to wash downstream and fill in the rivers that were dredged at considerable expense. Dredge spoils piled along the Cowlitz and Toutle are eroding back into the rivers because there were no funds to protect the spoil sites.

The short-term savings of several million dollars cited by the administration is a false economy which could result in much greater Federal outlays in the near future and deliver yet another blow to an area already reeling from the effects of the disaster and record levels of unemployment.

To compound the problems posed by potential flooding, the timber-based economy of the Longview-Kelso area has suffered a permanent loss.

NATIONAL VOLCANIC AREA

Legislation currently under consideration by both Houses will help to preserve timber industry jobs by exchanging private interests out of the volcano's path. The exchanges will be crafted in such a manner that the interests of smaller timber companies, which depend heavily on the Gifford Pinchot as a timber base, also will be protected.

This legislation, which will designate a Mount St. Helens National Volcanic Area or Monument, will serve to boost the local economy in other ways.

The phenomenal act of nature also created new geological features unique to the continental United States. Scientists from throughout the world have seized this opportunity to undertake a multitude of studies.

Communities in southwest Washington want a statutory designation to inspire a tourism base that will provide desperately needed economic diversification. While the timber industry is an economic mainstay in the State of Washington, tourism can become a complement to the economic base.

A tourism-related job will not directly replace a timber-related job. But the tourist influx that will develop as a result of this legislation will help the areas most severely affected by Mount St. Helens.

A visitor's center will be developed at Seaquest State Park in Cowlitz County, where sightseers can learn of the volcano's history, recreation opportunities, local services, and accomodations. Ideally, the U.S. Geological Survey eventually will locate research facilities adjacent to the center.

Clark, Lewis and other counties also will play a substantial role in planned tourist facilities. The Forest Service plans portal sites around Mount St. Helens.

These centers, and other tourism opportunities developed through the legislation, will bring many visitors to Washington. Following the 1980 eruptions, the Forest Service set up two temporary centers near Interstate 5. Between July and December 1980, there were 486,383 visitors.

The Forest Service estimates between 500,000 and 750,000 visitors per year will visit the main interpretive center.

This designation will be important to Washington State, scientific and environmental communities, timber interests, and future generations who will value the magnitude and magnificence of Mount St. Helens.

Next year, when the third anniversary of the May 18, 1980, eruption arrives, there will be a more positive slant to the Mount St. Helens story. The national volcanic area will be a reality, and, with the help of my colleagues, we will enable the corps to complete dredging work on the Toutle. Mount St. Helens will become a source of pride and economy for southwest Washington.

JACK BODENHAMER RETIRES

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 18, 1982

● Mr. SKELTON. Mr. Speaker, a very good friend of mine, Jack Bodenhamer, is retiring as superintendent of schools for the Wellington-Napoleon School District.

Jack Bodenhamer has been in education for 32 years. He has served on the American Association of School Administrators, the Missouri State Teachers' Association, the Missouri Association of School Administrators, and also the Community Teachers' Association.

Jack Bodenhamer has had vast experience in education. He has been a teacher, coach, secondary principal, and superintendent. The communities of Wellington and Napoleon owe him a great deal. I know we all wish him the best in his retirement, and many thanks for a job extremely well done.●

PUBLIC ECONOMIC INFRASTRUCTURE

HON. WILLIAM F. CLINGER, JR.

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 18, 1982

● Mr. CLINGER. Mr. Speaker, today, 15 Members of the House Wednesday Group and I are releasing a report on measures to revitalize our public economic infrastructure. The report documents numerous instances of underinvestment in and deterioration of America's basic infrastructure.

For the benefit of my colleagues, I include a news release which highlights the key findings and recommendations of the report.

CONGRESSIONAL REPORT PROPOSES MEASURES TO REVITALIZE ECONOMIC INFRASTRUCTURE

"Present federal public works investments are characterized by waste, fraud, fragmentation, and disordered priorities, and are permitting rapid deterioration of our basic economic infrastructure," asserts a Special Report on U.S. Economic Infrastructure released by the House Wednesday Group.

Prepared for the group of House Republicans by Dr. Pat Choate, Senior Policy Analyst at TRW, Inc., the report recommends a series of legislative and administrative measures to restructure federal public works decision-making. Members releasing the report include: Bill Clinger (PA), Bill Frenzel (MN), Jim Coyne (PA), Joel Pritchard (WA), Larry DeNardis (CT), Jim Jeffords (VT), Hamilton Fish (NY), Bill Gradison (OH), Lynn Martin (IL), Tom Petri (WI), Stew McKinney (CT), Bill Whitehurst (VA), Olympia Snowe (ME), Marge Roukema (NJ), Ralph Regula (OH), and Barber Conable (NY).

The report documents numerous instances of underinvestment and deterioration in America's basic infrastructure. For example, "measured in constant dollars, America's investment in public capital declined by 30% from 1965 to 1980. In 1965, 4.1% of the nation's GNP was spent on public works, as compared to just 1.7% in 1980." "Eight thousand miles of the Interstate Highway System and 13% of its bridges are now beyond their engineered life and must be rebuilt. Two thousand miles of this system deteriorate and require reconstructions each year."

Compounding the problems of a deterioration infrastructure, the report states, is "waste, fraud, and fragmented decision-making in the public works investment process." The report contends that "delay is a primary source of waste." "About one-fifth of the $80 billion in annual public works appropriations is lost because of delay."

Public works planning is another problem area cited by the report. "At least 100 separate federal agencies, 50 state governments, 3,042 counties, 35,000 general purpose local governments, and 15,000 school districts are engaged in public works planning and construction. Enormous fragmentation of public works decision-making is the inevitable result."

The report blames fraud as another costly deterrent to efficient public works management, asserting that "awards of architectural/engineering contracts on the basis of 'contributions' to political parties is virtually institutionalized in many states and communities."

The report recommends some administrative modifications to address waste and fraud, and suggests some alternate financing schemes to revitalize the ability of state and local govenments to fund public works. Specifically, it advocates the creation of "Public Works Time Management Standards and Monitoring Procedures." It also recommends multiple oversight of public works activities, and the establishment of warranties on all work funded by federal, state, and local agencies. The government should also "develop 'privatization' schemes to involve the private sector in the construction, maintenance, and operation of public works," asserts the report.

The thrust of the report is that "past efforts at reform and improvement in the public infrastructure have amounted to the government putting out brush fires. What is needed is a more sweeping institutional and policy-making change, such as a national capital budget."

The report maintains that "a major flaw in public works policy-making and program administration is the absence of national public works investment priorities and a supporting capital budget." Citing a recent GAO study, the report notes that "nearly all other major issues or policies have a specific entity responsible for guiding the direction of a particular national policy and for assessing priorities with respect to it."

The report stresses that "virtually all major corporations, all state governments, and most local governments use capital budgets as basic policy and administrative tools."

The report goes on to recommend that the Executive Branch prepare "an inventory of the nation's public facilities and an assessment of their condition to facilitate capital budgeting decisions."

Finally, the report recommends that "Congress require the Executive Branch to distinguish in the annual budget, where possible, between capital and operating authorities, outlays, deficits, surpluses, and revenues within each functional category, agency, and program, thereby creating a national capital budget."

"By separating capital investment items from operating expenditures, the Congress and the Federal Branch will establish separate priorities for capital investment and weigh those budget decisions against other federal spending programs," concludes the report.●

THE IMPORTANCE OF VOLUNTARISM

HON. FRANK R. WOLF

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 18, 1982

● Mr. WOLF. Mr. Speaker, I would like to commend to my colleagues the following essay written by Wyatt B. Durrette, Jr., which appeared in a recent edition of the Northern Virginia Sun on the importance of voluntarism in the functioning of our system of government. Mr. Durrette is a former member of the Virginia House of Delegates and currently serves on the Advisory Commission on Intergovernmental Affairs.

VOLUNTEERISM IS KEY ELEMENT TOWARD ULTIMATE GOAL

(By Wyatt B. Durrette)

Change is usually disruptive. Significant change is even more so. Yet, those with vision to see beyond the immediate consequences are able to evaluate events with deeper perspective.

Such is the vision one must bring to a complete evaluation of changes being fashioned by the Reagan Administration in order to acquire greater understanding of the hopeful future many foresee.

For most of the last half-century, power over and responsibility for the daily affairs of our people has been steadily absorbed by the national government. Correspondingly, state and local governments—and we, the people—have given up more of each. The tragic consequences are evident everywhere.

Underlying this trend is the often unnoticed premise that, left alone, individuals and state and local governments will not behave as those controlling lines of power in Washington think they should. Thus, the reins in Washington grew even tighter.

Beginning with the inauguration of Ronald Reagan, this premise changed and the message from the Executive Branch now reflects faith in America's people and in levels of government closest to them.

Hallelujah! Over 150 years ago, the French philosopher, Alexis de Tocqueville, recognized in America a unique quality unknown to Europeans: a self-motivating volunteer spirit that prompted Americans to band together for community endeavors from barn-raising to building schools, prisons, churches, and hospitals—without government.

De Tocqueville marvelled at this peculiarly American phenomenon, but he instinctively knew that this spirit of self-reliance and self-activating community involvement was essential to the vitality of democracy.

Now, 150 years later we are offered another opportunity to recapture and rekindle this native American spirit and to reacquire greater control over those decisions government makes for us.

This is the hope seen in the President's efforts to reduce some aspect of government's involvement in our lives, and create for the states a more meaningful relationship with the national government in our federal partnership.

Unquestionably, one consequence of government's insistence on taking care of needs previously thought the responsibility of volunteers has been a decline in the commitment of volunteer energies towards those concerns. Hopefully, government's withdrawal will spark a resurgence of volunteer awareness and a compassionate response.

I believe that through volunteer activity lies the hope of realizing our capacity as a civilization and of truly improving the quality of life for our people. There is not now, never has been, and never will be enough money to buy the services necessary for our needy citizens. Moreover, government's effort more often than not exacerbate problems or improve them only marginally—particularly when the dollars come from the level of government furthest removed from the people.

Therefore, only if government involvement is decreased—not eliminated—and leadership provided to motivate and encourage volunteer response can we meet our goals as a nation. Likewise, the richness of our diversity can be realized only by allowing diversity to flourish among our 50 states as each struggles with the appropriate government response to particular needs and each learns from the others' successes—and failures.

We must be compassionate towards those most affected by these changes. But we must also keep our vision forward and our dreams focused on what we can accomplish, if we capitalize on this opportunity to revitalize the uniqueness de Tocqueville saw 150 years ago and continue building "the last best hope of man on earth."●

THE ECONOMIC BURDEN

HON. CARROLL HUBBARD

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 18, 1982

● Mr. HUBBARD. Mr. Speaker, Garland W. Hunter, a retired Federal employee who lives in my hometown of Mayfield, Ky., has written me a well-thought-out letter saying that the economic burden should not be placed on the shoulders of the senior citizens, the poor, the sick, and the minorities. I believe Mr. Hunter's letter is one which should be shared with my colleagues and I wish to do so at this time. The letter follows:

DEAR MR. HUBBARD: Last year I sent you a telegram expressing my opposition to the Reagan tax cut. However, it passed, and the results are as I expected. My wife and I are both federal retirees, and we pay taxes on our annuity just as if we were still working. In 1982, our income tax raised $25 per month and because of the cuts in Medicare, our supplemental insurance raised over $17 per month. Since the President has shifted most of his obligations to the states, there is no telling just how much the states will have to raise their taxes.

I grew up during the Depression and worked my way through college. I bought my books and clothing, so I know how to conserve. The year that I graduated from college, I worked ten hours per day for $1.25 per day.

About the time that I began to get a fairly decent wage, World War II broke out and the next day after Pearl Harbor, I enlisted and later served in the South Pacific. I believe in a strong defense for I saw the results of unpreparedness when I passed by Pearl Harbor shortly after the attack.

I am sure that other members of the VFW and senior citizens who suffered through the Depression would be willing to do this again if it is necessary. But, Mr. Hubbard, it is really hard to take when we see the legislators increasing their take-home pay by increasing their expense account allowances, by increasing their tax deductions to cover living expenses in Washington, D.C., and when a member of the President's Cabinet spends over $9,000 for a Christmas party.

Mr. Hubbard, do you realize that $9,000 is more than most senior citizens' annual income? I saw a fellow federal retiree in the shoe store in Mayfield who didn't have the money to spare to buy a pair of work shoes. He said, "I went barefooted during the Hoover Administration and I guess that I will have to do it again for Reagan who is following the same course."

My wife and I hope that you and other members of Congress will take these things under consideration, and not ask us that suffered during the last Depression to go through that again by placing the entire economic burden on the shoulders of the senior citizens, the poor, the sick, and the minorities.

Sincerely yours,

GARLAND W. HUNTER.●

PURIM WITH RUSSIAN REFUSENIKS

HON. MATTHEW J. RINALDO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 18, 1982

● Mr. RINALDO. Mr. Speaker, human rights has long been an issue of concern and a topic of serious discussion in this Chamber, especially in regards to the Soviet Government's oppression of its Jewish citizens. We have heard innumerable accounts of how Soviet authorities have suppressed religious freedom and denied Jewish citizens permission to leave their country freely and to live without fear of harassment.

Recently Rabbi Charles A. Kroloff, the highly respected spiritual leader of Temple Emanu-El in Westfield, N.J., visited the Soviet Union where he met with several "refuseniks" who are being persecuted by the authorities because of their religion and their desire to emigrate.

Rabbi Kroloff has written an interesting account of his experiences in the Soviet Union that I would like to share with my colleagues.

The written account follows:

PURIM WITH RUSSIAN REFUSENIKS

(By Rabbi Charles A. Kroloff, Temple Emanu-El, Westfield, N.J.)

It was a Purim party unlike any I had ever imagined. The setting was not my comfortable suburban New Jersey Reform Synagogue. It was a tiny, deteriorating flat in Moscow center where Jewish studies are taught.

Russian law forbids adults from teaching religion to any children other than their own. But the intrepid refuseniks (Jews who have applied for and been denied emigration visas) are not easily frightened. Part of a new breed, many of them speak Hebrew, observe dietary laws, dance and sing in the Israeli folk tradition.

The ancient story of Queen Esther describes the harassment, persecution and near annihilation of the Jews of Persia. We watched as four children depicted the "refuseniks of Persia" who had been denied permission to emigrate because they had noticed "a pimple on the king's nose."

Moscow and Shushan, Persia were not far apart!

Suddenly, a pounding shook the door and a rough hooligan-type burst in yelling anti-Semitic epitaphs and charging for the children. It seemed that the KGB had arrived and our hearts lept to our throats, choking us with momentary panic. In reality, it was the costumed father of one of the young actors. But the point was not lost on any of us. Someone explained to the group, "This is what we must be prepared for at all times. We have no choice. We must return to what we are."

During our eight days in Moscow and Leningrad, we encountered dozens of refuseniks, men, women and children of all ages, who had been denied permission to emigrate, who had been reduced to cleaning streets, or had lost their jobs, and who are harassed only because they want to live as Jews.

"Have you been to Israel recently? Tell us about President Reagan? Can you offer us any hope? Can the U.S. Congress help us?" These are the eager questions of a frustrated, angry and courageous people.

We walked at night for hours through the snowy streets of Moscow and heard a refusenik report how the police have closed Misha Rappaport's apartment and are threatening Aryeh Goredetsky. The refusenik looks me directly in the eye, "Until now they have been 'playing' with us; now they are trying to break our backs. Our plight is the worst it has been in ten years. Every attack on us here requires a protest by you in America—otherwise they will destroy us."

On arrival in Leningrad, we learned that the police had stationed themselves outside of dozens of apartments and intercepted Jews headed for Purim parties. In one location, as many as twenty plainclothesmen in four cars waited for the guests and arrested several.

We spent an evening with three refusenik families who share a tiny flat. A woman in her late twenties related how she was interrogated by the KGB after being forcibly removed from a small Hebrew class. As a result of her rough treatment, she suffered a miscarriage and is still recovering from the trauma.

We were not sure that we should be making this trip. East-west tensions were high. Our families were anxious. But once we visited the classes, walked with refuseniks on the snowy streets, listened to children singing and read Bible with our brothers and sisters, we knew that we had done the right thing. . . . and that we would never again be the same.

Our friend in Leningrad summed it up: "We appreciate all you have done for us. But most important, you have brought yourselves. Sitting here face-to-face with you, we know that we are not forgotten. Your visit gives us the strength to carry on."

I have been deeply involved in social justice issues for more than two decades. Yet, I have never seen my actions result in such immediate benefit as during those days which I shared with my brothers and sisters in the Soviet Union.

Soviet Jews are aware that they are pawns in the East-West power struggle. They urged us in the free world to exploit the USSR's economic and political vulnerability. The Soviets desperately require financial credit, grain shipments and support for their natural gas pipeline. They have traditionally eased the pressure on Soviet Jews when they want something vital in return.

There is still much that we can do:

Letters and magazines do get through. Approximately one-third arrive, a source of information and support to the recipients.

Telephone calls can be completed, often with ease. The refuseniks told us that they look forward to them.

Visit these heroes.

Implore your U.S. Representatives and Senators to raise this issue to the highest priority and to call upon the President to place Soviet Jews high on the agenda of

U.S.-Soviet discussions. Communicate with counterparts in Western Europe asking them to call upon their governments to exercise their leverage with the Soviet Union.

We took a picture of Daniel and Sarah Fradkin who have been waiting nine-and-one-half years to emigrate, the longest of any family in Leningrad. They asked us what we would write at the bottom of the picture. We responded, "Your names." "No," they said, "write, Save Our Souls!"●

MR. DONALD C. EARNSHAW HONORED

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 18, 1982

● Mr. SKELTON. Mr. Speaker, on June 11, 1982, Mr. Donald C. Earnshaw will be honored by the board of trustees of the Mid-Continent Public Library for his 28 years of service. I would like to join with his friends in congratulating him on his fine work with libraries in his community, State, and Nation.

Mr. Earnshaw became a member of the Jackson County Library Board in June 1954, serving until the present. He has also served as president of the trustees division of the Missouri Library Association, and president of the Mid-Continent Public Library Board. He achieved the highest post a trustee can attain when he became the president of the trustees division of the American Library Association.

The honor that the board is giving Mr. Earnshaw is certainly well deserved. May I offer my best wishes to him—and also, wish him a very happy birthday.●

CONSTITUENT ENVIRONMENTAL CONCERNS

HON. ELLIOTT H. LEVITAS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 18, 1982

● Mr. LEVITAS. Mr. Speaker, it is my practice to send out periodic newsletters to my constituents informing them of current issues before the Congress. Along with the newsletter, I also send a questionnaire in order to learn how my constituents feel about those various issues.

In our last Fourth District constituent newsletter, I asked a series of questions relating to environmental concerns. I deemed the questions as especially timely and appropriate because Congress is currently addressing revisions and amendments to the Clean Air and Clean Water Acts which it created over a decade ago.

I have the results of my last newsletter/questionnaire and I want to insert them in the CONGRESSIONAL RECORD and share with my colleagues and the administration the feelings of the citizens of the Fourth District of Georgia.

Out of the approximately 7,500 responses we received, 74 percent oppose rolling back the environmental laws and 42.9 percent believe we should do even more in this area of high priority.

Furthermore, a clear majority of nearly 55 percent declared in favor of increased Federal funding for environmental protection, but of this category 30.6 percent favored the increase only if the total budget is not increased but rather if the funds were transferred from other sending categories.

We received a lot of thoughtful comments on both sides of the enviromental question. I must say that a large number of those who called for a decrease in Federal spending in this area did so more in sorrow than in anger—they just did not believe the Government can do anything in any area.

I have pointed out to this group, however, that as a result of the congressional legislation in the clean air and water areas, sulfur dioxide in large urban areas such as ours dropped by 67 percent between 1964 and 1979 and carbon monoxide fell by 36 percent in a comparable timeframe. Also, a study recently released by the Centers for Disease Control shows a dramatic decline of 36.7 percent in the blood-lead levels of the U.S. population since Congress restricted the use of leaded gasoline in 1975.

Of course all of this costs money as everybody realizes by now. The question to me: How much is it worth to us to have clean air to breathe and clean water to drink and swim in? Or to avoid a horrible experience like Love Canal within our own communities?

In Congress late last year, we took action to continue to improve the country's water pollution control program, sending to President Reagan the Clean Water Act Amendments of 1981.

This legislation extends the municipal sewage treatment program authorizing appropriations for the program of $2.4 billion per year for the next 4 years, compared with the $5 billion per year program previously in effect. The supplemental appropriations bill recently passed by the House provides funds for that program.

The legislation also includes many needed reforms in the program—such as more local responsibility, reduced redtape, and so on—recommended by my Public Works Subcommittee on Investigation and Oversight. These recommendations resulted from many hours of hearings and reviews of the program conducted by my subcommittee.

I might add that I am disturbed at reports that the administration is proposing more than a dozen changes in the Clean Water Act, including a deletion of the rule that mandatory national standards must be established for treatment of industrial toxic wastes that are discharged into municipal sewer systems.

This year we will focus on additional administrative improvements needed in the clean water program, and we will continue our oversight of the EPA to see that improved management in these operations is going forward. Maintaining this program in an efficient, cost-effective manner will be a high priority of mine during the current session of Congress.

Another area of concern this year will be to assure that toxic chemicals controls and waste management programs enacted in 1976 and 1980 are doing the job. As far as I am concerned, the protection of the highly toxic and hazardous waste dumps such as Love Canal is now part of our national policy. This subject is one that is of major concern in light of recent actions by the U.S. EPA which seem to be insensitive to this serious national problem that threatens the health of the unsuspecting public. The Investigation Subcommittee of which I am chairman, has already begun hearings into this area. While we have already achieved some positive results, the initial findings are disturbing, and we will be pursuing these hearings in depth throughout this year.

One of the major items on our agenda in 1982 will be a revision of the Clean Air Act; among the problems to be dealt with are those of acid rain and toxic chemicals now found in the air. Once again, we find ourselves facing serious questions not only of public health but of important economic considerations as well.

The question now is how we can continue to make progress in cleaning up the air we breathe without imposing standards which may be virtually impossible to achieve in some areas and imposing costs which may be economically unrealistic.

I will continue to seek input from my constituents and hope that you will join me in working to maintain and improve for all of the citizens in the United States the environmental protection we have established thus far. The results of my recent poll indicate the strong support in my district for such environmental protection and those results are strikingly similar to results of national opinion surveys on this same subject.●

A TRIBUTE TO GAYLORD PERRY

HON. WALTER B. JONES

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 18, 1982

● Mr. JONES of North Carolina. Mr. Speaker, the First Congressional District of North Carolina, which I have the honor of representing, has produced many outstanding citizens. Certainly this is true in the field of athletics. As practically everyone in the U.S. Congress as well as all sports fans now know, Gaylord Perry, a resident of my district, a native of Williamston, N.C., on Thursday night, May 6, 1982, became 1 of only 15 pitchers in the 107-year history of baseball to achieve 300 victories. In fact, he is only one of three pitchers who have reached this 300 level in the last 40 years. Even more notable is the fact that this was achieved at an age when most players have long since reached their retirement stage.

Mr. Speaker, Gaylord and I have been friends for many years. In fact, I have one photograph of which I am most proud that is of President Carter, Gaylord Perry, and myself shaking hands. With all the fame and glory which has come his way—which, of course, is well deserved—his first devotion is to his charming family, and he has never lost his affection for the fields and the natural beauty of eastern North Carolina. This is indicated by the great amount of civic work that he does during the off season.

So, let me assure this body that the First District as well as all of North Carolina is extremely proud of Gaylord Perry and his unusual accomplishment. And in a most fitting manner, the local citizens are honoring him on Friday, May 21 by naming a hugh recreational park and center in Williamston the Gaylord Perry Recreational Center. So, in closing, Mr. Speaker, I again offer my personal congratulations to Gaylord as well as I am sure those of this entire body, and wish for him and his family many years of health and happiness.●

A SWEDISH CONFERENCE ON INDUSTRIAL POLICY

HON. STAN LUNDINE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 18, 1982

● Mr. LUNDINE. Mr. Speaker, today I am requesting a leave of absence from the House of Representatives as I will be out of the country on official business for the duration of the week.

I want to say a few words about the cause of my absence, because I believe it has some significance for the work of this body. I will be attending an international conference in Tallberg, Sweden, on "The Need for Reindustrialization." This timely workshop will bring together labor, business, government, and academic leaders from 11 Western countries to exchange ideas on the challenges of the postindustrial era and policies for sustaining economic growth.

As many of my colleagues know, I believe such collaboration among leaders of the major sectors in our society is crucial to the success of any economic development strategy. I am afraid that many of the developed countries—such as Japan, West Germany, and France—have been more resourceful and determined than we in fostering this kind of collaboration. This week's conference in Sweden is a good example of that greater level of labor-management-government cooperation which prevails among many of our trading partners. I am honored to be the only U.S. Government official attending this conference, but by the same token I wish the American participation were broader since all of us—as Federal policymakers—have a good deal to learn from other industrialized nations. I should note, by the way, that my travel costs to and from Sweden are being covered by the conference and that this trip is not being made at the taxpayers' expense.

Let me also add that I recently introduced legislation (H.R. 6099) designed to guide the United States toward a more cooperative and explicit industrial strategy through the creation of a National Industrial Development Board. This Board would be composed, in equal numbers, of business executives, union presidents, Government leaders, and representatives of the public interest. Its purpose would be to formulate a consensus among those four sectors on crucial issues of industrial revitalization in America. The Board would be advisory, but its membership, staff and funding level, and responsibilities will, I think, help insure its stature and serious purpose.

The Board does not in any way contemplate a move toward central economic planning, nor is it a transplanted version of bureaucracies developed in other European countries. Rather, it is an attempt to encourage cooperative problem solving within the context of the American free enterprise system. On the principle of cooperative problem solving, however, I think we can borrow a few lessons from foreign countries.

The individual sessions during the Tallberg conference range over a number of topics that bear directly on economic policy in Washington. One panel, for example, will examine emerging aspects of the industrial environment in OECD countries and their impact on productivity and quality of working life. Another session will review existing industrial policies among Western countries and a third workshop will analyze new corporate strategies, particularly as they are affected by changes in technology and world markets. I hope that I will glean some new ideas from these sessions in the area of industrial policy and look forward to sharing these insights with my colleagues when I return from Sweden.●

NICARAGUAN REALITY

HON. GERRY E. STUDDS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 18, 1982

● Mr. STUDDS. Mr. Speaker, events in Nicaragua are increasingly complex and difficult for Members of Congress to decipher and interpret, as a nervous and proud Sandinista leadership faces mounting domestic problems with mixed effectiveness. While I question many of the recent actions of the Nicaraguan Government, I feel strongly that continued U.S. threats against that Government and the Reagan administration's apparent unwillingness to engage in serious discussions with the Sandinistas are further complicating the problems of the moderate opposition in Nicaragua. A recent editorial in the Boston Globe discusses these issues and suggests a more rational approach for U.S. policymakers. I would like to include this editorial in the RECORD for the benefit of my colleagues:

[From the Boston Sunday Globe, Apr. 25, 1982]

A NICARAGUAN NIGHTMARE

In the dream you are a Sandinista leader, and you are drowning. . . .

Hands are tied, limbs weighted, lungs bursting, past mistakes and present inadequacies reel before your eyes. Nearby stands a thin man in striped trousers, with top hat and beard. He could help you. You reach . . . he steps away, wagging a bony finger. . . .

Now Uncle Sam is reciting a litany of your sins. The indictment is not wholly false but it's filled with half-truths. He is frowning. He'd like to help, he says, but there are problems. . . . Your swimming is not graceful. It's not what he would call freestyle. . . .

If four or five members of Ronald Reagan's Central America cabal woke in a cold sweat from such a nightmare, they might rid themselves of the sanctimonious hostility to less-than-perfect revolutions that is earning America the scorn of fair-minded people throughout the world.

Nicaraguan reality is complicated. Since the Somoza dictatorship was brought down three years ago, the revolutionary Sandinistas have lost much of the popular support they initially enjoyed. This is in part due to serious mistakes they have made. In even larger part, probably, it's due to the inevitable difficulty of meeting the expectations of the Nicaraguan people, beginning from a point of utter desolation.

A central part of the Nicaraguan problem is that government's unwillingness to be the kind of vassal state Americans are used to. In Reaganaut Washington, friendship with Cuba, Marxist rhetoric, rights violations (that pale beside those of seamy U.S. "friends") are offenses punishable by drowning.

Despite lack of evidence of more than staunch moral support for leftists elsewhere, Nicaragua has been repeatedly accused of being the hotbed of revolution in Central America. Elaborate CIA strategies to "destabilize" and intimidate Nicaragua have been developed. Sandinista paranoia has been fed, giving multiple reasons for the shaky regime to press its military buildup and infringe on constitutional rights. Ten days ago Nicaragua accepted an American proposal for talks to wind down regional antagonisms. Then suddenly from Costa Rica "Commander Zero," a Nicaraguan national hero now alienated from the Sandinistas, launched a fiery, if somewhat egotistical, diatribe against his former friends, demanding a nonaligned foreign policy and a renewed commitment to domestic freedoms. (His scathing denunciation of CIA activities got less notice in Washington.)

Nicaragua has repeated its request for early talks, but now the State Department stalls. News of trouble in Nicaragua is intriguing. It may "soften the Sandinistas up" says a spokesman. Perhaps they'll crawl.

Like parents who love children only if they behave like perfect small editions of themselves, Americans often expect more of Third World nations than they can hope to deliver. The political and economic system that seems admirable to us is impossible to recreate instantly in countries struggling to leap overnight from the 18th century into the 21st. They lack the time and enormous material advantages that North Americans had, and above all they lack the blessed ocean of distance from other people's bloody-minded conflicts.)

Nicaragua has the misfortune to be attempting a social and economic transformation amid several smouldering revolutionary situations created by acute, long-term injustices.

In comes a simplistic Administration intent on rejecting everything done by its predecessor, which had been the first in American history to accept rapid change as a Third World necessity. The world view of the Reagan crowd consists mainly of loathing the "Russians" and being carelessly inattentive about everyone else.

Forgetting that Marx is as inevitable in modern revolutionary rhetoric as Freud is in psychiatry, or Dawin in Science, the Reaganauts seize on signs of Marxism and declare Nicaragua the front line in a World Struggle against the Reds.

A few days ago a seasoned political analyst in the U.S. embassy in Managua told a Globe reporter that the official views in Washington are "out of all touch with the facts, figures and basic realities. . . .

"Looking at what we report, compared to the statements and actions coming out of Washington, it seems they must be using our reports as toilet paper."

The anti-Sandinista zealotry of the Haigs, Enders and Kirkpatricks should be weighed against a review of the Nicaraguan reality of 1979. It was a country wracked by poverty, illiteracy, disease, violent earthquake, lengthy war, decades of corruption, massive theft of capital by fleeing Somocistas, loss of cities and crops, and devasting changes in the world economy affecting interest rates, values of coffee and sugar exports and cost of energy.

Furthermore, the leaders facing this overwhelming task had not been studying policy at Harvard and MIT. For 10 years they had been in the hills of Nicaragua, not the smoothest of finishing schools for public administrators.

Some Sandinista efforts have been deft, some clumsy, but these people are serious. Progress in many areas—economy, land tenure, nutrition, health care, disease prevention, literacy, education, housing—might be faintly disturbing to Reaganauts if compared to analogous US efforts for the poor in this country during the same period.

Charges made against the Sandinistas have some foundation Economic policies are messed up, investors are scared, there are too many Cuban advisers in the army, minority indians in a border area have been brusquly relocated. There is press censorship, some infringement of religious freedoms, some illegal harassment of individuals, some arbitrary restrictions on constitutional freedoms. Some trends are disturbing.

Years ago a Polish UN diplomat commented on a tedious Cold War diatribe. "The great world difference is not between capitalists and Communists. It's between smart people and stupid people."

For Nicaraguans to do better curbing their brand of foolishness, we'll have to get started with ours.●

OUR "CURRENT" FARM PROBLEMS AND WHAT MUST BE DONE

HON. ARLAN STANGELAND

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 18, 1982

● Mr. STANGELAND. Mr. Speaker, recently such national publications as Newsweek, Time magazine, the New York Times, and the Washington Post, along with the major television and radio networks, have noted the severely crippled condition of our agricultural economy. There is no question that high interest rates, coupled with incredibly low commodity prices, have created a disastrous financial situation for farmers throughout the country.

However, while the major news media just now seem to be taking note of the serious problems facing the American farmer, those of us representing agricultural districts have been telling of a rural recession for 3 years now. U.S. Department of Agriculture projections indicate that our farm sector could be facing an unprecedented third straight year of declining net farm income. Today's national economic problems can be traced to the steady deterioration of our farm economy over the past several years and offer proof that you cannot have a strong national economy without a healthy agricultural sector.

Although interest rates have declined substantially from the 20.5 percent prime rate that existed when Jimmy Carter left the White House to the current 16.5 percent level, they are still too high. While many government and private sector forecasters are puzzled that banks have not lowered their interest rates further considering the dramatic progress that has been made in lowering inflation—from the 12.7 percent rate under Carter to the current 6 to 7 percent annual rate—most agree that concerns over future Federal deficits and whether Congress will show the willpower needed to cut Federal spending are the major reasons why interest rates continue to remain at high levels. If the financial markets begin to perceive that the dramatic progress that has been made on inflation is permanent, and if we begin making progress toward a balanced Federal budget by reducing the deficit, then interest rates will surely decline.

However, it is our responsibility to make the difficult cuts in spending, as well as close those existing tax loopholes that have been abused, in order to lower the deficit and pave the way for lower interest rates for our farmers. We, in Congress, must not shy away from the hard choices that must be made to get interest rates down and keep them down.

Recent efforts to hike up commodity prices in the short term by expanding farm product exports have been hindered by suspicions abroad that the United States cannot be depended upon as a reliable supplier. Past embargoes—by administrations from both political parties—are responsible for this perception and our farmers are the ones who have been forced to suffer, and who continue to suffer, as a result of these misguided actions.

The farmers in my congressional district have no doubts about the devastating short-term and long-term consequences of the Soviet grain embargo and it was particularly encouraging to hear President Reagan's recent comment that—

> The embargo of 1980 was totally ineffective, yet it caused great economic hardship to U.S. agriculture. We will not repeat such action.

Since the embargo was lifted by President Reagan, U.S. sales to the Soviet Union have totaled more than 15 million tons of wheat and corn. In addition, the recent announcement that United States and Soviet grain teams will hold consultations later this month under the terms of the U.S.-U.S.S.R. grains agreement, is another indication that the administration is reestablishing this important market for the benefit of our domestic producers.

We need to take firm steps to restore our credibility as a reliable supplier and provide strong assurances to our farmers that foreign markets will not be arbitrarily taken away from them as embargoes have done in the past. It should be the commitment of this government that, in the absence of extreme war-like actions, farm products will not be embargoed for future sales to any country. We cannot expect our farmers to support a market-oriented farm policy unless they are assured of a market-oriented foreign policy.

Although numerous studies have shown the severe financial impact that the Russian grain embargo had on our entire agricultural sector, it was actually the second of two consecutive blows which badly hurt my farmers in northwestern Minnesota. The prolonged 1979 grain millers' strike at the Port of Duluth had prevented many farmers in Minnesota from marketing their crops when prices were relatively strong. Unfortunately, the Carter administration refused to intervene in this labor dispute while many Midwestern farmers suffered. The Federal Government cannot sit idly by and allow our farmers and rural America to be financially held hostage by the actions of a small few, who would otherwise disrupt an entire region's economy.

Our farmers have been, and always will be, the backbone of this Nation's economy. We must continue to strive for, and implement, sound Federal programs and policies that will restore the economic health of our agricultural sector and increase the net return to the individual farmer.

Considering the extremely small portion of the Federal budget that is attributable to farm programs, it is "penny-wise and pound-foolish" to not devote the fiscal resources necessary to bolster the farm economy during this time of need. While the national media and many urban Congressmen are just now taking notice, the conditions plaguing our farmers have been brewing and building for the last few years. Relief must immediately be provided. A modest investment now can actually save millions of dollars in the future and we cannot afford to delay action any longer.

I am well aware, as are all farmers, that a revitalized farm sector is an essential ingredient in the recovery of our national economy. It is no coincidence that today's national economic problems come on the heels of one of the longest steadily deteriorating trends in U.S. farm history, occurring over the past 3 years.

I strongly urge my colleagues to support those positive actions which must be taken to lower interest rates, strengthen commodity prices and help America's farmers get their feet back on firm financial ground.●

TESTIMONY IN SUPPORT OF H.R. 1398

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 18, 1982

● Mr. LEHMAN. Mr. Speaker, on May 13, 1982, the Subcommittee on Compensation and Employee Benefits held a hearing on the legislation that I introduced, H.R. 1398, to help our Federal retirees. Following is a copy of the testimony that I gave in support of this legislation before the subcommittee:

TESTIMONY OF HON. WILLIAM LEHMAN ON H.R. 1398

Mr. Chairman, I would like to take this opportunity to express my appreciation for the fact that your Subcommittee has decided to hold a hearing on H.R. 1398. During this time of increasing financial pressure on our Federal retirees, passage of H.R. 1398 would, with little cost to the government, give us an opportunity to help our deserving retirees.

Under current law, a Federal employee must make his survivor benefit decision at the time of retirement, or if not married at that time, must decide if he or she wants survivor benefits within one year from the date of marriage. However, our office has received numerous letters and phone calls from retired citizens indicating their support for legislation to give a second opportunity to our Federal retirees who did not elect survivor benefits at the time of their retirement. Many of the federal retirees who wrote to our office stated that they were not aware of their rights at the time of retirement, and therefore missed their only chance to elect survivor benefits. These retirees have expressed their willingness to pay back the necessary funds to the Federal Government for this second opportunity, and H.R. 1398 provides for this repayment.

There are also cases where individuals, although married at the time of their retirement, were in the midst of divorce proceedings, and decided not to elect survivor benefits. However, many of these individuals later remarried, and were then unable to elect survivor benefits for their new spouses. Passage of this bill would provide relief to these deserving persons.

There is widespread interest in this legislation among our federal retirees, and I am hopeful that this bill can be reported from your Subcommittee in the near future so that they can be given a second chance to provide benefits for their loved ones.

Again, thank you for holding this hearing and for allowing me to appear before your Subcommittee to indicate my support for H.R. 1398.

Mr. Speaker, I would like to include the following excerpts from some letters in favor of H.R. 1398 for the hearing record:

> "I am writing in regards to the second chance bill. Thank you for your interest. I am in favor of giving a second chance for federal retirees. (H.R. 1398). I have been retired over 12 years and due to the changes in the economy I would like to change so that my wife would receive an annuity after my death, if still living."
>
> "I am a retired Federal employee, who did not elect survivor benefit at the time of my retirement. The reason I did not was because my wife and I were having marriage problems and were separated . . . My intentions were to get a divorce . . . Sir, I saw . . . where you introduced H.R. 1398 . . . Thank you Representative Lehman for introducing this bill to help people like me that had a problem at the time of retirement. As soon as you get this bill passed, I will sign up at once for my wife."●

CITY OF NEWTON, MASS. REJECTS AID TO EL SALVADOR

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 18, 1982

● Mr. FRANK. Mr. Speaker, concern over American military involvement in El Salvador has grown with the proposal by the administration to provide greatly increased aid to El Salvador in the form of the Carribean initiative.

Recently, the board of aldermen in the city of Newton, on the motion of Alderman Bruce Carmichael, adopted a resolution expressing the board's disagreement with current U.S. policy in El Salvador.

This resolution, drafted by Alderman Carmichael, is based in large part on the arguments against U.S. military aid to El Salvador put forth by the Commission on Peace and Justice of the Archdiocese of Greater Boston.

I congratulate Alderman Carmichael for his initiative and his concern and I am pleased to share the ordinance adopted by the Newton Board of Aldermen with my colleagues, as a well-reasoned expression of concern about U.S. military involvement in El Salvador. The resolution follows:

> Whereas Central America has become a focal point of concern and attention in the United States, and
>
> Whereas there is no question about the threat that Soviet-dominated forces could play in Central America, and
>
> Whereas the external subversion is not the primary or principal cause of conflict in these countries, and
>
> Whereas the dominant challenge is the internal conditions of poverty and the denial of basic human rights in these societies, and
>
> Whereas the United States appears destined in El Salvador to place itself on the side of those who suppress human rights and postpone justice, and
>
> Whereas it is with disgust that we observe the sickening spiral of violence that now affects the Salvadoran people, and
>
> Whereas we recognize the major violations of human rights perpetrated by the controlling military junta of President Duarte, and
>
> Whereas it is incumbent upon ourselves as representatives and citizens of the United States to use whatever means at our disposal to influence our Government:
>
> Now, therefore, be it *Resolved,* That the Newton Board of Aldermen, through resolution, calls on the Congress of the United States to block and or defeat any attempt at further United States military aid to the Government of El Salvador, and
>
> *Further be it resolved,* That President Reagan and his administration begin the process of political dialog within El Salvador to at least stop the killing and prepare for the negotiations needed to reconcile and rebuild the nation.●

RICHARD C. GREEN

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 18, 1982

● Mr. SKELTON. Mr. Speaker, I would like to take a moment to say a few words about a remarkable man. Richard C. Green, a life-long resident of Kansas City, Mo., earned the respect of his many friends and associates because of his concern and involvement in civic affairs througout his life. It was with great sadness that I learned of his recent death.

Serving as president of Missouri Public Service Co. for more than 20 years he was also active in his community organizations such as Heart of America Council of the Boy Scouts of America, executive board member; Starlight Theatre Association, vice president and director; and Kansas City Chamber of Commerce, past director. He also served on the Kansas City Crime Commission as an honorary director and past president and chairman; the University of Missouri-Kansas City, where he was a trustee; and Children's Mercy Hospital and Research Medical Center, where he served as trustee on both boards of directors. His list of contributions continue.

Having worked for the betterment of his community, Mr. Green will long be remembered for his years of dedicated service.●

DO-ER

HON. JOSEPH P. ADDABBO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 18, 1982

● Mr. ADDABBO. Mr. Speaker, this past Friday evening it was my honor and privilege to attend the 63d Anniversary Celebration and Awards Night of the American Legion, Forest Hills Post No. 630.

As has been their practice in the past, the American Legion honored local public servants in the police and fire departments for the excellent performance of their duties. The individuals who were presented with Law and Order Awards were Patrolmen Andrew Harris and Arthur Andrea, and Firemen Thomas Doyle and Brian Lyons.

The occasion also honored a great and dedicated American and a close personal friend, Sam Picker. It was my privilege to present Sam's wife, Helen, with a posthumous certificate of appreciation for his contributions to his fellow veterans, his community, and his country. As it is so aptly put in the program of the evening's celebration, Sam was a "do-er." I would like to share with my colleagues the tribute to Sam as printed in the awards night program:

> DO-ER
>
> The Army had a special regard for its sergeants because they superintend those who do the work—much like a foreman does. Sam Picker was a sergeant's sergeant. He was a master sergeant and first sergeant. This is considered one of the more difficult ranks to achieve because it requires a select individual with certain leadership qualities enabling him to deal with his sergeants and other non-commissioned officers practically on a one-to-one basis. A master sergeant is a no-nonsense do-er.
>
> Sam would follow through all assignments to completion.
>
> Sam was never too busy to take on and tackle to completion one more additional chore.
>
> Sam was dedicated to around-the-clock service.
>
> Sam received many awards for his humanitarian efforts.
>
> Sam served in the top officer positions of most of the organizations that he belonged to. He served with pride and distinction in the following:
>
> The American Legion;
> Forest Hills Lions Club;
> Grand Jurors Association;
> William McKinley Lodge—Masons;
> Guide Dog Foundation for the Blind;
> Police Athletic League;
> Queens Borough Chamber of Commerce; and
> Forest Hills Community Association.
>
> The character of the life Sam lived might be summed up in a few words: He was sincere, he was earnest, he was loyal, he was industrious, he was self-sacrificing, and he put into practice the preamble to the American Legion. Very few tried harder to interpret the wishes and needs of the local citizenry. We salute Sam for the good words that he did.●

FINANCIAL DISCLOSURE

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 18, 1982

● Mr. OTTINGER. Mr. Speaker, as I have done every year since my first election to Congress, I am today disclosing a statement of my assets and liabilities, a schedule of other securities of which I am an income beneficiary, and a schedule of the taxes I have paid in calendar year 1981.

While this disclosure goes beyond what is required by law at the present time, I believe it is in the public interest. Therefore, I have sponsored legislation requiring full financial disclosure.

The statement and schedules:

RICHARD L. OTTINGER, STATEMENT OF ASSETS, LIABILITIES AND CAPITAL DEC. 31, 1981

ASSETS

Cash	$1,106
Assets held by Richard L. Ottinger trust dated Mar. 19, 1969: Marketable securities—at market value	1,550,119
Other securities: Dreyfus Liquid Assets, Inc	94,145
Real estate: Residences in New York and Washington, D.C.—at estimated market value	350,000
Total	1,995,370

LIABILITIES AND CAPITAL

Liabilities:	
Notes and loans payable:	
Testamentary Trust u/w/o Lawrence Ottinger f/b/o Richard L. Ottinger	356,412
Trust u/a/ dated Oct. 30, 1957 f/b/o Richard L. Ottinger	110,000
Patricia L. Chernoff	150,000
Louise L. Ottinger	500,000
Mortgages payable	214,394
Total	1,330,806
Income taxes payable on unrealized gain on marketable securities	265,107
Total liabilities	1,595,913
Capital	399,457
Total	1,995,370

RICHARD L. OTTINGER, SCHEDULE OF MARKETABLE SECURITIES [HELD IN RICHARD L. OTTINGER TRUST] DEC. 31, 1981

Description	Number of shares or par value	Current market value
Stocks:		
Anheuser Busch Co. Inc	1,500	$61,687
Champion International Corp	1,090	21,528
Connecticut General Insurance Corp	2,700	135,000
International Business Machines Corp	4,152	236,145
Simplicity Pattern Co., Inc	11,698	121,367
Travelers Corp	1,200	52,650
Weyerhaeuser Co	7,094	205,726
Wheelabrator Frye, Inc	800	35,300
Xerox Corp	7,600	307,800
Total stocks		1,177,203
Bonds:		
N.Y. State, Mortgage Agency, series C, 6.9 percent, due Apr. 1, 1983	$50,000	47,776
New York, N.Y. P.N. 7.89 percent, Feb. 5, 1982	130,000	130,130
New York, N.Y. P.N. 7.53 percent, Jan. 8, 1982	100,000	100,010
Total bonds		277,916
Other: U.S. Trust Co., temporary investment fund	950	95,000
Total		1,550,119

RICHARD L. OTTINGER, SCHEDULE OF ASSETS OF VARIOUS TRUSTS IN WHICH RICHARD L. OTTINGER IS INCOME BENEFICIARY DEC. 31, 1981

Description	Number of shares or par value	Current market value
Stocks:		
H & R Block Inc	1,000	$38,000
Champion International Corp	100	1,975
International Business Machines Corp	405.6	23,069
Perkin Elmer Corp	7,200	194,400
Total		257,444
Bonds:		
N.Y. State Mortgage Agency, 6.9 percent, due Apr. 1, 1983	$9,750	8,986
Alaska State General obligation, 5.4 percent, due Jan. 1, 1984	7,800	7,021
N.Y. State Thruway Authority, 3.5 percent, due Jan. 1, 1990	13,650	7,338
Mass. Bay Transportation Authority, 3.75 percent, due Mar. 1, 1990	11,700	6,174
N.Y. State Housing Finance Agency, 3.6 percent, due Nov. 1, 1991	9, 750	4,432
Nevada Housing, 4.8 percent, due Apr. 1, 1986	30,000	22,379
N.Y.C., N.Y., 5 percent, due May 1, 1991	15,000	7,565
Pennsylvania Commonwealth, 4.5 percent, due July 1, 2000	25,000	9,722
P/H/A N.Y. City, N.Y., 7.89 percent, due Feb. 5, 1982	40,000	34,948
P/H/A Long Beach N.Y., 8.46 percent, due Mar. 11, 1982	25,000	24,969
Puerto Rico Commonwealth, 4.5 percent, due July 1, 1997	30,000	11,404
U.S. Treasury Notes, 4 percent, due Feb. 15, 1987	4,000	3,295
Ascencion St. James, Bridge and Ferry Authority, LA, 4.45 percent, due Nov. 1, 2001	25,000	10,250
Temporary investment fund	685.9	68,590
Total bonds and temporary investment fund		227,073
Total		484,517

The above securities are not reflected as assets of Richard L. Ottinger since he is only an income beneficiary of the Trusts. The schedule is prepared for informational purposes only.

Schedule 3: Richard L. Ottinger—Schedule of taxes paid in 1981

Federal income taxes	$42,452
New York State income tax	29,497
Real estate taxes	6,038
Total taxes	77,987 ●

A TRIBUTE TO GEORGE REGIS WALTER

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 18, 1982

● Mr. MURTHA. Mr. Speaker, I am delighted to bring to the attention of my colleagues the retirement of Dr. George R. Walter from his position of sociology professor at the University of Pittsburgh at Johnstown.

Dr. Walter is a singularly extraordinary man and I am proud to call him my friend. He is one of those special people who does not come along very often who dedicates his life to serving his community.

As a soldier, he served his country in World War II. As a believer in the human potential, he was a coach and a professor. As a leader, he was a school board president, city councilman and mayor. The time, energy and effort he has spent on behalf of the Johnstown area have been of inestimable value and will long be remembered and appreciated.

Today, Dr. Walter continues to lead, not just by his beliefs, but by the example he sets in his dedication to others. Students and colleagues alike respect his political judgment and admire his commitment to his community.

Dr. Walter has a legacy of personal involvement and civic pride from which anyone in public service can benefit. He has succeeded where others have failed, and persevered where others quit. I am honored to be able to recognize him here today, and I know you join me in wishing him continued happiness and success.●

OUR OLYMPIC ATHLETES, THIS NATION'S AMBASSADORS OF GOOD WILL

HON. JERRY M. PATTERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 18, 1982

● Mr. PATTERSON. Mr. Speaker, this week, Members of the House will be asked to vote on a bill crucial to our Olympic athletes. I was the original sponsor of the first Olympic Coin Act which was introduced before the House nearly 1 year ago. Although I am not a member of the subcommittee which reviewed this legislation, I have attended and closely monitored the proceedings which have brought us to this point today. During the course of this time, I have spoken many times on the importance of this legislation, not only for the financial well-being of the Los Angeles Olympic Organizing Committee and the United States Olympic Committee, but for the spiritual well-being of our Nation's amateur athletes. We must not forget that our Olympic athletes are, in a manner of speaking, our Nation's "ambassadors of good will," as well as a source of inspiration for Americans of all genre. I do not think any of us can forget the spiritual uplifting which this Nation enjoyed as a result of the U.S. hockey team's success at Lake Placid. It is crucial that the full House demonstrate its support for the U.S. Olympic movement by passing an Olympic Coin Act which will not only appropriately commemorate the 1984 Los Angeles Olympic games, but will insure the maximum amount of financial support for the Olympic committees and athletes. I believe that H.R. 6058 will do just that.

The debate on this seemingly innocent topic, the minting of commemorative Olympic coins, has been long and contentious. The chairman of the Subcommittee on Consumer Affairs and Coinage has been resilient in his opposition to the concept of having these coins marketed by a private firm. However, the time has now come to move this bill to the floor of the House. If we intend to offer the Olympics the opportunity to wage a successful coin program, we must allow them to get on with the show. We are no longer running short on time—we have run out. The Senate has acted twice on this legislation.

I would like to remind the House that the primary purpose behind the establishment of an Olympic coin program is to raise revenues for the Olympics so that the United States of America may retain the distinction of being the only country which funds its Olympic athletes and organizations solely on a volunteer basis. With this in mind, and with all of the facts now on the table, I wholeheartedly urge support of Chairman St Germain's Olympic coin program. The U.S. Treasury, the Los Angeles Olympic Committee, the United States Olympic Committee, present and former Olympic athletes, and private marketing firms, have all testified that the St Germain proposal would yield maximum revenues for the support of the U.S. Olympics. Furthermore, I believe that the testimony of these individuals unequivocally cleared the air regarding any scandals or possible abuse of such a coin program. I am convinced that an Olympic coin program, as embodied in the St Germain bill could, and would, be carried out in a manner which would not only maintain the integrity of the U.S. Mint and make all Americans proud, but would also make a significant contribution toward solving the financial crisis currently facing our Nation's Olympic program.●

SEVENTY-FIFTH ANNIVERSARY PUBLIC SCHOOL 114 IN BROOKLYN

HON. JAMES H. SCHEUER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 18, 1982

● Mr. SCHEUER. Mr. Speaker, today marks the 75th anniversary of the building of Public School 114 in Brooklyn. Since P.S. 114 is the oldest school in the Canarsie section of Brooklyn, I would like to share some facts about this fine institution with my colleagues.

P.S. 114 moved into its current structure in 1907 after over 20 years at another Canarsie location. The building located on the corner of Remsen Avenue and School Lane was the first in Canarsie to be erected with the purpose of housing an educational institution. Needless to say, graduates from P.S. 114 have assumed leadership roles in their professions and communities over these 75 years. The staff, parents, and surrounding community join as one to produce the very best for each other and—most importantly—the children.

Through the various curriculums and social programs, the school has endeavored to provide a living yet practical mode of operation for the young of the community. From 1907 to the present time, that commitment has not wavered. This is what has helped to make Brooklyn's P.S. 114 one of the gems of the public school system of the Board of Education of New York City. I would like to take this opportunity to publicly salute the children, staff, and parents of P.S. 114 in Brooklyn, and particularly, Principal Harvey Weil.●

COMMUNITY LEADER ENTERS RETIREMENT

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 18, 1982

● Mr. ANDERSON. Mr. Speaker, on May 21 El Camino College will host a farewell dinner honoring Dr. Stuart Marsee, retiring president of the college. This dinner is not a run of the mill affair, for Dr. Marsee has been president of El Camino College for over 24 years now. Dr. Marsee's name may never be a household one, but his life is a truly successful one, combining gifts of knowledge and inspiration to others with happiness and contentment for himself.

Dr. Marsee's life has been devoted to academics. He received a B.S. from the University of Oregon in 1939 and supplemented that with an M.S. in educational administration from that university in 1942. While still receiving his education he had already begun sharing his skills with others by teaching at Waldport Union High School in Waldport, Oreg. in 1939–40, and at Knappe-Svensen Union High School in Astoria, Oreg. in 1940–42. After receiving his doctorate in 1942, Dr. Marsee served in the Navy during the Second World War.

Dr. Marsee's academic career is an impressive record. He served as a teaching assistant at the University of Southern California in 1946, a counselor at Pasadena City College from 1946 to 1949, assistant superintendent for business services at Pasadena City schools from 1949 to 1957, and acting superintendent from 1957 to 1958. Then, in 1958, he began his remarkable tenure as president of El Camino College.

Dr. Marsee's success may also be measured by the many awards he has received, including the Pasadena Council of PTA's Life Member Award, the Los Angeles County Board of Supervisors' Distinguished Service Award, a Danforth foundation grant, a Kiwanis International Distinguished Leader Award, and an Outstanding Educators of America Award. He is also listed in "Who's Who in America" and "Who's Who in Education."

Dr. Marsee's community contributions are too numerous to mention comprehensively here, but they include service to the Pasadena Council of Churches, the American Red Cross, the Pasadena Breakfast Forum, the Salvation Army, the Pasadena Rotary, the Inglewood YMCA, the Torrance Rotary, the St. Andrews Prebyterian Church, the Los Angeles Chamber of Commerce, the Redondo Beach Round Table, and the Boy Scouts of America.

My wife, Lee, joins me in thanking Dr. Marsee for his tremendous service to the community these past many years, and we wish nothing but happiness for him and his wife, Audrey, and their three children, Frederic, Jeffrey, and Wayne, in the years ahead.●

JOHN BROCK, SR.

HON. WILLIAM M. THOMAS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 18, 1982

● Mr. THOMAS. Mr. Speaker, I rise today to commend one of my community's most public-minded citizens, John Brock, Sr. Mr. Brock is being honored as a great American by the Boy Scouts of America, not only for his decades of service to scouting, but also for his many contributions to the people of his community.

John Brock came to Kern County almost 60 years ago, and he has been involved in just about every communitywide public service effort since then. Although his special interest has been scouting, I know there is scarcely an organization in Kern County which has not benefited at some time or another from Mr. Brock's generosity.

Mr. Brock has helped to enrich the lives of many young people in Kern County over the years, whether in scouting or other projects. Through programs which he has helped to guide, children have learned about the environment around them, about their community's history and about the responsibilities of citizenship.

John Brock's involvement in scouting began when he himself was a scout, and he has remained involved as an adult, but it has not kept him from lending his help whenever it was needed by other groups.

Mr. Brock, for example, has served as chairman of the Cal State Foundation which has helped to nurture the growth of California State College at Bakersfield.

Mr. Brock was the driving force behind the building of the Lori Brock Junior Museum in Kern County which has brought our area's environment, both past and present, natural and historical, to life for countless young people.

Mr. Brock has been a director of the Bakersfield Chamber of Commerce and a member of the Bakersfield Rotary Club. He is past president and current member of the Bakersfield Downtown Business Association as well as past president of the California Retailers Association.

John Brock has maintained this active interest in Kern County's civic life while building the family business. The long list of his civic work is ample proof of his devotion to his community and to activities which benefit others.

Mr. Speaker, the "new voluntarism" which we hear so much about is not at all new in Kern County. It is the way we have always gotten things done. It has been people such as John Brock who have seen what is needed, and who have done what is necessary, to make life a little better for those around them.

It is therefore fitting that the people who know John Brock pay tribute to him for all that he has done for our community. I extend my warmest regards on this occasion to Mr. Brock and his family.●

H.R. 5890—THE AUTHORIZATION FOR THE NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

HON. JAMES A. COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 18, 1982

● Mr. COURTER. Mr. Speaker, I would like to strongly applaud the actions of the House of Representatives, which passed H.R. 5890, on May 13. This bill authorizes the requisite funds for the National Aeronautics and Space Administration, (NASA).

We Americans can all be very proud of NASA, and its truly incredible accomplishments. As a result, our Nation has captured mankind's imagination about the frontier of outer space. Our Nation and the world have benefited from the many experiments, discoveries, and technological breakthroughs resulting from NASA projects. I am, and will continue to be, a strong supporter of all NASA projects, especially the Space Shuttle program. The funding that Congress provides to NASA enables us to learn and share new information, expand man's technological base, and enhance our Nation's security.

Though I was required to be in my district on official business affecting the welfare of my constituents the day of this vote, I would like to state my strong support for this legislation and its passage by my colleagues.

Thank you, Mr. Speaker.●

HADASSAH: 70 YEARS OF SERVICE

HON. GERALD B. H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 18, 1982

● Mr. SOLOMON. Mr. Speaker, for 70 years the women of Hadassah have

served a very important role in the history of American service organizations.

Hadassah is currently the largest women's service organization in the United States, and this month marks the 70th anniversary of the founding of this exemplary public service organization. Hadassah has played a truly integral part in strengthening the relationship between the United States and one of our most important allies, Israel.

Hadassah's programs and activities are rich and varied. One of its primary objectives is the promotion of a true and lasting peace in the Middle East—a goal shared by all of us. Hadassah also has a very active legislative affairs organization, and its education programs have enriched the understanding of all Americans with respect to the rich heritage of the Jewish people.

Equally important are the contributions Hadassah has made toward the improvement of the quality of life in Israel. The Hadassah medical organization has established the Hadassah University Hospital. Its medical training and research programs are among the best in the world, particularly in the fields of dentistry nursing, and pharmacy.

Also, the founding of the Hadassah Community College and the Hadassah Vocational Guidance Institute has contributed significantly to the quality of education in Israel. In addition, the invaluable and highly successful reclamation projects of the Jewish National Fund—of which Hadassah is an integral sponsor—have resulted in the reclamation of tens of thousands of acres of once unusable land.

Mr. Speaker, the first 70 years of Hadassah's existence have provided countless examples of community service accomplishments. I join with all other Americans in saluting Hadassah's work and in looking forward to even more Hadassah contributions in the future.●

A TRIBUTE TO MRS. VIRGINIA HUDSON BOWEN

HON. ROY DYSON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 18, 1982

● Mr. DYSON. Mr. Speaker, I would like to take a moment to commend the extraordinary contributions of Mrs. Virginia Hudson Bowen, a dedicated community servant and educator, who for 47½ years has taught and guided the children of Maryland.

Last year, the native Marylander received a commendation from the Maryland Association of Elementary School Administrators, Inc., which honored her as "one of Maryland's most successful administrators" for her 46 years of service as principal of various Maryland schools.

Huntingtown School, "her school," is known throughout the State as a bastion of academic excellence. Educators and State officials, in describing the success of the school's operation and the development of its students, have often commented that it is the leadership—specifically the principal, Virginia H. Bowen, that makes Huntingtown Elementary School work.

Mrs. Bowen's participation in all aspects of academia, from teachers associations, to curriculum development, to pioneering new education programs has earned for her the respect and love of her community and county alike.

Mrs. Bowen is the last of our county's, and possible the State's, one-room school teachers. Her perspective and wisdom will be missed by those who will not be fortunate enough to be taught by her, but, remembered by those who were.

This is our way of saying thank you for a half a century of dedicated community service in so ably guiding the intellectual development of our young.●

THREE LYNCH BROTHERS BECOME EAGLE SCOUTS ON SAME DAY

HON. DAN MICA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 18, 1982

● Mr. MICA. Mr. Speaker, I think we are all aware of the fine work done by the thousands of members of the Boy Scouts of America, and I want to take this opportunity to commend them for their contributions to our communities.

I am particularly proud of three members of this organization who are from Boca Raton, Fla., which is located in my district. Today three brothers, William T. Lynch, Jr., Daniel P. Lynch, and Edward F. Lynch, will all be awarded the rank of Eagle Scout at a court of honor held by their Boy Scout Troop 323 in Boca Raton.

The rank of Eagle Scout is the highest award a Boy Scout can attain, and only a small percentage of all Scouts ever receive this award. What makes this even more special is that, as far as anyone knows, this is the first time in the history of Scouting that three brothers will become Eagle Scouts on the same day.

I send my heartfelt congratulations to William, Daniel, and Edward. These young men are wonderful examples of the best America has to offer, and I wish them continued success.●

COLEMAN INTRODUCES FOOD STAMP AMENDMENTS OF 1982

HON. E. THOMAS COLEMAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 18, 1982

● Mr. COLEMAN. Mr. Speaker, today I am introducing a bill to reauthorize the food stamp program through 1985, provide full funding for that program and amend the program to assure that State and local administrators do all they can to deliver benefits only to those determined to be needy and in an efficient and effective manner.

I am introducing this bill because I have serious questions about the administration's proposed food stamp legislation. I view the administration proposals as an antiwork approach that may result in a costlier food stamp program in the next few years despite significant estimated savings.

The current food stamp program provides incentives for low income recipients to work by allowing an 18-percent deduction of their income when computing benefits. The administration proposes to delete this provision entirely, eliminating an important incentive to work. If these people respond by giving up, by leaving their jobs and completely relying on assistance, the result will be higher benefit payments and a costlier program.

The elimination of the earned income deduction combined with the increase in the benefit reduction rate will impose severe hardships on the working poor. The administration admits that their proposals will eliminate almost 20 percent of the working poor from the food stamp program and over 70 percent will have their benefits reduced by an average of $54 each month.

This is not the message I want to send to people who are working and trying to become self sufficient.

I want to make sure that low income people have every opportunity to become self sufficient and can eventually work their way off the food stamp roles. The administration's proposals will not accomplish this, and in fact do the opposite.

My bill will result in savings of almost $1 billion in fiscal year 1983 and will maintain the incentives for low income people to work. It also requires greater accountability from the States who administer the program. These are real savings—that do not assume that unreasonable goals or expectations can be met overnight.

My bill will retain the food stamp program in its present format and keep the goals and purposes of the program intact. This is a program designed to provide food for needy people. I do not want to see it turned into a cash income assistance program and will resist any effort to do so.

The food stamp program is one in which Congress can have some assurance that the funds authorized are spent on food. I am not ignoring the problems inherent in the program such as trafficking in food stamps and sales of large amounts of food stamps at a discount. In fact my bill gives the Secretary of Agriculture the authority to correct these problems.

This bill will require greater accountability by State agencies administering the food stamp program and will require that they reimburse the Federal Government for errors over a certain target level.

Currently over $1 billion of food stamp funds each year go to people who are either ineligible for benefits or recieve too many benefits. I do not believe we can tolerate this level of misspent funds.

Under my bill States will be required to reduce their rates of error to 5 percent by 1985. Should any State fail to achieve that level, that State will be responsible for repaying to the Federal Government the amounts paid over that level. My bill also provides for additional funding, up to 60 percent of administrative costs, for States that reduce their error rates significantly before 1985.

In order to assure that States do all that is necessary to reach the 5 percent goal by 1985, interim tolerance levels have been established. States must have rates of error no higher than 9 percent in 1983 and 7 percent in 1984. States will be responsible for repaying the Federal Government the amount of misspent funds over these interim tolerance levels.

I recognize that in the food stamp program States have limited flexibility in their design of the program and that mistakes and errors do occur—on the part of State agency employees, food stamp recipients and the Federal administering agency. I wish errors did not occur at all and that the food stamp program could deliver benefits only to those actually eligible for benefits. However, that is not the situation in the real world. I am concerned that if States are required to administer the program without any errors they may in turn give up and concede defeat.

We would then be in the position that the amount of misspent food stamp money would be unchanged or perhaps higher but that States will be responsible for paying the entire cost. In that case we would only shift the burden of paying for a portion of the food stamp program to the States and still we would have intolerable rates of error in the food stamp program.

I believe that for the most part food stamp administrators want to see this program run efficiently and with few errors. There are States that have reduced their error rates and have instituted positive steps to make sure that eligible food stamp households receive the appropriate level of benefits. I commend them for their action.

Other States have astronomical error rates—significantly over the national average. These States must realize that although the Federal Government pays for the entire cost of the food stamp benefits the time has come for them to shoulder their responsibility and get these error rates down.

I believe that my bill sets clear goals for States to reach and provides an incentive for States who administer sound food stamp programs and significantly reduce their rates of error before 1985. However, States should strive for an error free food stamp program and take positive steps to reduce their error rates below 5 percent.

Under my bill the Secretary is given authority to waive all or part of a State agency's liability. However, I do not envision that the Secretary will waive all States' liabilities across the board. The Secretary should use discretion and evaluate whether States have made good faith efforts to reduce their error rates. Waivers should be granted only under extraordinary circumstances.

Errors identified through the quality control systems and related to benefits going to persons who are not eligible for food stamps or receive too many benefits are not the only types of errors in the food stamp program. There are also problems with duplicate benefits—food stamps or authorization to participate (ATP) cards that are claimed to be lost or stolen. My bill provides the Secretary of Agriculture with the authority, after consultation with the Office of the Inspector General, to require that State agencies develop and implement alternative issuance systems.

Some of you may be aware of the projects now operating in New York City, Michigan, and Florida in which maximum use is made of computer systems and the ATP card—which is a negotiable document enabling the bearer to obtain food stamps—is eliminated. The areas in which these projects are operating have significantly reduced the number of duplicate issuances of food stamp benefits.

About 60 percent of the food stamps that are issued are done so with an ATP card. As I stated before this ATP card is a negotiable document which can be turned in for food stamps. The Department of Agriculture reports that the losses through the ATP system are about $12 million annually. However, the General Accounting Office has found serious weaknesses in the ATP system with reports from States being inaccurate, incomplete, and with actual losses greater than reported. The GAO concludes that the Department of Agriculture does not know the full extent of the losses to the food stamp program.

If projects similar to the ones operating in New York City, Michigan, and Florida were implemented in other States, the losses due to duplicate issuances of food stamp benefits could be significantly reduced. I would like to see the Secretary of Agriculture initiate a test of a system in which the food coupon is eliminated and a credit card type of transaction is used.

My bill will give the Secretary the authority to require States to convert to more efficient means of issuing food stamps and to test new and innovative methods of issuing benefits.

My bill also will strengthen the work requirements of the food stamp program by giving the Secretary the authority to require able bodied applicants for food stamp benefits to look for a job before they begin receiving benefits. All incentives for people who work are retained in my bill; however, the penalty for people who voluntarily quit their jobs has been increased.

I want to make sure that people who are trying to become self-sufficient have every opportunity to do so. The 18-percent earned income deduction for the working poor is retained. However, when a person quits a job—voluntarily leaves—that household will not be entitled to receive food stamp benefits for 4 months.

The bill that I am introducing retains the next increase in the thrifty food plan which is scheduled to take place on October 1, 1982. However, the basis for this increase in food stamp benefits will be changed. Food stamp participants will still receive an increase in their benefits. The increase will be less than the current law provides. The thrifty food plan for a family of four is now $233 per month. Under my proposal the thrifty food plan will be increased to $247 per month on October 1, 1982.

The standard deduction and the shelter/dependent care deduction, now scheduled to be adjusted on July 1, 1983, will be delayed until October 1, 1983. Therefore State administrators will adjust both deductions and the thrifty food plan at the same time.

The food stamp program will be reauthorized for the next 3 years and the amount authorized will provide sufficient funding according to the estimates from the Congressional Budget Office.

The food stamp cap was initially established for the program as part of the Food Stamp Act of 1977. This was done because of congressional concern over the magnitude of program costs and a desire to keep the program from being a pure entitlement program. The amendment was offered to give Congress a handle on the cost of the program and to send a signal to the Department that they must exercise

control over high error rates and poor administration. In addition, the Congress wanted to insure the prerogative of oversight remained in the authorizing committee so that a check could be kept to guarantee performance of congressional intent.

I believe this ceiling on food stamp authorizations is still needed. High error rates persist and while my bill addresses this issue, congressional oversight must be maintained.

Following is a CBO savings estimate on my bill.

A copy of my bill follows:

CONGRESSIONAL BUDGET OFFICE PRELIMINARY SAVINGS ESTIMATES—FOOD STAMP PROGRAM, COLEMAN BILL

[By fiscal year, in millions of dollars]

	1983	1984	1985
Thrifty food plan	725	800	0
Job search	15	17	18
Deductions	42	0	0
Eliminate initial month benefits under $10	15	16	17
Rounding down	77	93	96
Expedited service	20	21	23
Error rate reductions and sanctions	90	265	380
Total	984	1.212	534

H.R. —

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

Section 1. This Act may be cited as the "Food Stamp Amendments of 1982".

DEFINITION OF THRIFTY FOOD PLAN

Sec. 2. Section 3(o) of the Food Stamp Act of 1977 (7 U.S.C. 2012(o)), as amended by title I of the Omnibus Budget Reconciliation Act of 1981 (Public Law 97-35; 95 Stat. 358) and title XIII of the Agriculture and Food Act of 1981 (Public Law 97-98; 95 Stat. 1282), is amended—

(1) in paragraph (6) by striking out "twenty-one months ending the preceding June 30, 1982, and" and inserting in lieu thereof "twelve months ending September 30, 1981,",

(2) in paragraph (7)—

(A) by striking out "and each October 1 thereafter,",

(B) by striking out "twelve months ending the preceding June 30:" and inserting in lieu thereof "fifteen months ending December 31, 1982, (8) on October 1, 1984, adjust the cost of such diet to the nearest lower dollar increment for each household size to reflect changes in the cost of the thrifty food plan for the eighteen months ending June 30, 1984, and (9) on each October 1 thereafter adjust the cost of such diet to the nearest lower dollar increment for each household size to reflect changes in the cost of the thrifty food plan for the twelve months ending the preceding June 30:"

ADJUSTMENT OF DEDUCTIONS

Sec. 3. Section 5(e) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)), as amended by title I of the Omnibus Budget Reconciliation Act of 1981 (Public Law 97-35; 95 Stat. 358) is amended—

(1) in paragraph (1) in the second sentence by striking out "July 1, 1983" and inserting in lieu thereof "October 1, 1983", and

(2) in clause (i) of the proviso to paragraph (2) in the fourth sentence by striking out "July 1, 1983" and inserting in lieu thereof "October 1, 1983".

REQUIREMENTS APPLICABLE TO JOB SEARCH, VOLUNTARY QUIT, AND EMPLOYMENT

Sec. 4. (a) Section 6(d) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)), as amended by title XIII of the Agriculture and Food Act of 1981 (Public Law 97-98; 95 Stat. 1282), is amended—

(1) in paragraph (1)—

(A) in subparagraph (ii) by inserting "(including any reporting and inquiry as may be required by the Secretary to be fulfilled at the time of application)" before the semicolon, and

(B) in the proviso to subparagraph (iii) by striking out "sixty" and inserting in lieu thereof "120", and

(2) in paragraph (2) by striking out subparagraph (C) and redesignating subparagraphs (D), (E), and (F) as subparagraphs (C), (D), and (E), respectively.

ALTERNATIVE ISSUANCE SYSTEM

Sec. 5. Section 7 of the Food Stamp Act of 1977 (7 U.S.C. 2016), as amended by title XIII of the Agriculture and Food Act of 1981 (Public Law 97-98; 95 Stat. 1282), is amended by inserting at the end thereof the following new subsection:

"(g) The Secretary may require State agencies—

"(1) to issue or deliver coupons using alternative methods, including an automatic data processing and information retrieval system; or

"(2) to issue, in lieu of coupons, a reusable document to be used as part of an automatic data processing and information retrieval system and to be presented by, and returned to, recipients at retail food stores for the purpose of purchasing food;

if the Secretary determines, in consultation with the Inspector General of the Department of Agriculture, that the use of such document or such system is necessary to improve the integrity of the food stamp program.".

ELIMINATION OF INITIAL MONTH ALLOTMENTS OF UNDER TEN DOLLARS

Sec. 6. The first sentence of section 8(c) of the Food Stamp Act of 1977 (7 U.S.C. 2017(c)), as amended by title I of the Omnibus Budget Reconciliation Act of 1981 (Public Law 97-35; 95 Stat. 358) is amended by inserting before the period at the end thereof the following: ", except that no allotment may be issued to a household for the initial month or period if the value of the allotment which such household would otherwise be eligible to receive under this subsection is less than $10".

ROUNDING DOWN

Sec. 7. (a) The second sentence of section 3(o) of the Food Stamp Act of 1977 (7 U.S.C. 2012(o)), as amended by title XIII of the Agriculture and Food Act of 1981 (Public Law 97-98; 95 Stat. 1282), is amended—

(1) in paragraph (1) by inserting "(based on the unrounded cost of such diet)" after "adjustments", and

(2) in each of paragraphs (6) and (7) by striking out "nearest dollar increment" each place it appears and inserting in lieu thereof "nearest lower dollar increment for each household size".

(b) Section 5(e) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)) is amended—

(1) in the second sentence by striking out "nearest $5 increment" each place it appears and inserting in lieu thereof "nearest lower dollar increment", and

(2) in the proviso to paragraph (2) of the fourth sentence by striking out "nearest $5 increment" each place it appears and inserting in lieu thereof "nearest lower dollar increment".

(c) The first sentence of section 8(a) of the Food Stamp Act of 1977 (7 U.S.C. 2017(a)) as amended by title I of the Omnibus Reconciliation Act of 1981 (97-35; 95 Stat. 358), is amended by inserting "lower" after "nearest".

EXPEDITED SERVICE

Sec. 8. Section 11(e)(9) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)), as amended by title XIII of the Agriculture and Food Act of 1981 (Public Law 97-98; 95 Stat. 1282), is amended to read as follows:

"(9) that households in immediate need because such households—

"(A)(i) have income, calculated under subsections (d) and (e) of section 5 of this Act for purposes of determining eligibility, which is less than $85 per month; or

"(ii) contain a member who is a migrant or seasonal farmworker, and are temporarily without cash sufficient to sustain such households until income is received; and

"(B) have liquid assets, determined under section 5(g) of this Act, which have a value of less than $100;

shall receive coupons on an expedited basis, not later than 7 days after the filing of an application, if such households verify, to the extent practicable, income and liquid assets.".

DUPLICATION OF BENEFITS; STATE AGENCY LIABILITY

Sec. 9. Section 11(e) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)), as amended by title XIII of the Agriculture and Food Act of 1981 (Public Law 97-98; 95 Stat. 1282), is amended—

(1) in paragraph (16) by striking out the period at the end thereof and inserting in lieu thereof a semicolon,

(2) in paragraph (20) by striking out "and" at the end thereof,

(3) in paragraph (21) by striking out the period and inserting in lieu thereof "; and", and

(4) by adding at the end thereof the following new paragraphs:

"(22) that the State agency shall determine, not less frequently than quarterly—

"(A) whether households participating in the food stamp program include as members individuals who, under section 6(g), may not be considered members of such households; and

"(B) whether households participating in projects conducted under section 17(b)(1) receive both coupons and any assistance provided under such projects in lieu of coupons; and

"(23) that the State agency shall reimburse the Secretary, in an amount determined under section 16(g) of this Act, for the value of excessive allotments issued to households.".

ERROR RATE REDUCTIONS AND SANCTIONS

Sec. 10. (a) Section 16(c) of the Food Stamp Act of 1977 (7 U.S.C. 2025(c)), as amended by title XIII of the Agriculture and Food Act of 1981 (Public Law 97-98; 95 Stat. 1282), is amended to read as follows:

"(c) The Secretary is authorized to adjust a State agency's federally-funded share of administrative costs pursuant to subsection (a) of this section, other than the costs already shared in excess of 50 per centum as described in the proviso to subsection (a) of this section, by increasing such share to 60 per centum of all such administrative costs in the case of a State agency whose (1) payment error rates with respect to eligibility, overissuance, and underissuance as calculated in the quality control program undertaken pursuant to subsection (d)(1) of this section are less than five per centum and (2) whose percentage rate of invalid decisions in denying eligibility as calculated in the quality control program conducted under subsection (d)(1) of this section is less than a nationwide percentage rate that the Secretary determines to be reasonable.".

(b) Section 16 of the Food Stamp Act of 1977 (7 U.S.C. 2025), as amended by title XIII of the Agriculture and Food Act of 1981 (Public Law 97-98; 95 Stat. 1282), is amended—

(1) in subsection (d)—

(A) by striking out "Effective October 1, 1978, and annually thereafter, each" and inserting in lieu thereof "Each",

(B) by striking out "subsection (c)(2)" and inserting in lieu thereof "subsection (c)", and

(C) in paragraph (1) by striking out "error rates" and inserting in lieu thereof "payment error rates", and

(2) in subsection (g)—

(A) by striking out paragraphs (1), (2), and (3), and inserting in lieu thereof the following new paragraph:

"(1)(A) Each State agency shall pay, other than for good cause as determined by the Secretary, to the Secretary or have withheld by the Secretary, as described in paragraph (2) of this subsection, the amount determined under subparagraph (B)

"(B) For purposes of subparagraph (A), the amount payable by a State agency for a fiscal year is an amount equal to the difference between—

"(i) the product of—

"(I) the payment error rate for such fiscal year; and

"(II) the aggregate value of all allotments issued to households by such State agency in such fiscal year; and

"(ii) the product of—

"(I) the allowable error rate for such fiscal year; and

"(II) the aggregate value of all allotments issued to households by such State agency in such fiscal year.

"(C) For purposes of subparagraph (B)(i)(I), the term 'payment error rate' means the percentage of all food stamp allotments which are issued in a fiscal year to households that fail to meet the eligibility requirements of sections 5 and 6 of this Act and are overissued to eligible households.

"(ii) For purposes of subparagraph (B)(ii)(I), the allowable error rate is—

"(I) 9 per centum for fiscal year 1983;

"(II) 7 per centum for fiscal year 1984; and

"(III) 5 per centum for fiscal year 1985 and each fiscal year thereafter.", and

(B) by redesignating paragraph (4) as paragraph (2).

ELIMINATION OF STUDIES AND REPORTS

SEC. 11. (a) Section 5(g)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2014(g)) is amended by striking out ", and (2)" and all that follows through "1978".

(b) Section 8(a) of the Food Stamp Act of 1977 (7 U.S.C. 2017(a)), as amended by title I of the Omnibus Budget Reconciliation Act of 1981 (Public Law 97-35; 95 Stat. 358), is amended by striking out the last sentence.

(c) Section 17 of the Food Stamp Act of 1977 (7 U.S.C. 2026) is amended—

(1) by striking out subsection (d) and subsection (e), and

(2) by redesignating subsection (f) as subsection (d).

AUTHORIZATION OF APPROPRIATIONS

SEC. 12. Section 18(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2027(a)) is amended—

(1) by striking out "1981; and" and inserting in lieu thereof "1981;", and

(2) by inserting "; not in excess of $11,791,000,000 for the fiscal year ending September 30, 1983; not in excess of $11,913,000,000 for the fiscal year ending September 30, 1984; and not in excess of $13,441,000,000 for the fiscal year ending September 30, 1985" before the period at the end thereof.

AMENDMENTS MADE BY THE OMNIBUS BUDGET RECONCILIATION ACT OF 1981 AND THE AGRICULTURE AND FOOD ACT OF 1981

SEC. 13. (a) Notwithstanding section 117 of the Omnibus Budget Reconciliation Act of 1981 (7 U.S.C. 2012 note), the amendments made by sections 101, 102, 103, 104, 105, 106, 107 (other than subsection (b)), 108 (other than subsection (c)), 109, 110, 111, 112, 113, and 114 of such Act shall take effect on the date of the enactment of this Act, unless such amendments have taken effect before such Act.

(b) Notwithstanding section 1338 of the Agriculture and Food Act of 1981 (U.S.C. 2012 note), the amendments made by sections 1302 through 1333 of such Act shall take effect on the date of the enactment of this Act, unless such amendments have taken effect before such date.

EFFECTIVE DATES

SEC. 14. (a) Except as provided in subsection (b), this Act and the amendments made by this Act shall take effect on the date of the enactment of this Act.

(b) Section 10 shall take effect on October 1, 1982.●

HOUSE OF REPRESENTATIVES—*Wednesday, May 19, 1982*

The House met at 11:30 a.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Amid the turbulence of our world, the acts of hostility and the voices raised in tumult, we open ourselves to You, and, O Lord, and Your promise of peace. Remind us that all life is the gift of Your hand and we are given the task to be stewards of that life. May the angry threats and noise of conflict be tempered by common interests in a better life and our shared humanity, that sensitive to the call of Your righteousness we may lead lives that proclaim Your peace and the reconciling power of Your love. In Your holy name, we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed a bill and a concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 2248. An act to authorize appropriations for fiscal year 1983 for the Armed Forces for procurement, for research, development, test, and evaluation, and for operation and maintenance, to prescribe personnel strengths for such fiscal year for the Armed Forces and for civilian employees of the Department of Defense, to authorize supplemental appropriations for fiscal year 1982, to provide additional authorizations for fiscal year 1982, and for other purposes; and

S. Con. Res. 60. Concurrent resolution disapproving the Federal Trade Commission trade regulation rule relating to the sale of used motor vehicles.

PERMISSION FOR SUBCOMMITTEE ON MONOPOLIES AND COMMERCIAL LAW OF COMMITTEE ON THE JUDICIARY TO SIT DURING .5-MINUTE RULE TODAY

Mr. EDWARDS of California. Mr. Speaker, I ask unanimous consent that the Subcommittee on Monopolies and Commercial Law of the Committee on the Judiciary be permitted to sit while the House is reading for amendment under the 5-minute rule today, Wednesday, May 19, 1982.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

THE SEVENTH CONGRESSIONAL DISTRICT HIGH SCHOOL ART COMPETITION

(Mr. ADDABBO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ADDABBO. Mr. Speaker, this past weekend, I was proud and pleased to be present at the final judging of the Seventh Congressional District high school art competition which I had sponsored at no cost to U.S. Treasury. As you know, these local competitions are part of a nationwide "Artistic Discovery" sponsored by the Congressional Arts Caucus.

The competition was a huge success, and I was honored to be in the presence of so many talented and creative young artists. The first prize went to Soohyun Choi of Hillcrest High School, whose painting, "New York Patterns," will be displayed later this year in the corridors leading to the U.S. Capitol. Second place went to Louise Eckert, of Richmond Hill High School, for her "Growing Up in Queens," and third place went to Stacey Silverman of Francis Lewis High School, for her "Spring at Central Park." These three finalists, as well as all the students who submitted entries, worked very hard for this competition, and are to be commended for their efforts.

One of the reasons for the success of the contest was the untiring work and generosity of many of my constituents, who I would now like to thank. Mr. Stracquatanio and the John Adams High School were our hosts for the competition, and the wonderful murals his art students decorated the rooms with were truly splendid. Mr. Irwin Peck of Peck's Stationery very generously offered a prize for the winning student, and Mr. Maurice Medvedeff of FDS Art World volunteered to frame the winning entry for display in the Capitol. In addition, three distinguished art professors, Claude Ponsot of St. John's University, Arthur Anderson of York College, and Rosemarie Beck of Queens College, selflessly volunteered their time and expertise to serve as judges for the competition. My sincerest gratitude goes to these citizens who, through their generosity, have helped to encourage our talented youth.

This competition was a wonderful opportunity to recognize and appreciate our budding artists who are so necessary to the survival of the arts and civilization itself. The perpetuation of the history of mankind has been through the art of the ages and that period of time.

MR. DONOVAN, IT'S TIME TO STEP ASIDE

(Mr. RATCHFORD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RATCHFORD. Mr. Speaker, I am sure I am not alone in being deeply troubled by this morning's Washington headline which reads, "Donovan Is Probing His Probers." The Donovan referred to, of course, is Secretary of Labor Raymond J. Donovan. The probers, the Senate Labor Committee.

The article goes on to point out, and I quote:

> Secretary of Labor Raymond J. Donovan's New Jersey construction company has hired private detectives to investigate the Senate committee that has been investigating him.
>
> The step evidently was taken with Donovan's knowledge and approval.

How can a Labor Secretary possibly work effectively with Congress under these circumstances? How can he effectively present the Labor Department's budget to committees of Congress? How can he effectively argue labor legislation pending before committees of Congress?

If the Labor Secretary really wants to pursue an investigation of Congress, then it is time for him to take a leave of absence as a Cabinet member, while he does so.

THE SMALL BUSINESS INNOVATION RESEARCH PROGRAM (SBIR)

(Mr. BEDELL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BEDELL. Mr. Speaker, this afternoon the House will consider the annual authorization for the National Science Foundation. I want to take this time to inform my colleagues about a very successful small business program at the NSF.

In 1977, Congress legislated that the NSF spend a portion of its budget to fund a small business innovation research (SBIR) program. Gradually growing to about 1 percent of NSF's total budget, the SBIR program en-

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☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

abled small firms with bright ideas to attract private capital and increase employment while bringing several exciting new innovative ideas to the marketplace.

The success of the SBIR program at NSF has proven that the program can work at other agencies. Despite the fact that prior to 1977 small, high tech firms were relatively unfamiliar to the National Science Foundation, the NSF staff has worked hard and enthusiastically to make the program thrive. Today, the competition among small firms is nothing short of fierce for the modest SBIR funds.

Yesterday, the Small Business Committee approved a substitute version of H.R. 4326, the Small Business Innovation Development Act, legislation that would require other agencies to set up SBIR programs with a small percentage of their R. & D. budgets. I urge my colleagues to support H.R. 4326 when it comes before the full House shortly.

BUDGETARY CHAOS

(Mr. WEISS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WEISS. Mr. Speaker, I hope that we learn from the budgetary chaos of last year. At the behest of the Budget Committee, last year this House and the Congress adopted a reconciliation bill as part of the first budget resolution process. That was the bill which then resulted in some 800 pages of unseen legislation being adopted at one fell swoop.

This year the Budget Committee is again asking that reconciliation become part of the first budget resolution process.

I will be urging the Rules Committee to allow an amendment to delete reconciliation. It seems to me that with the kind of economy we have at this point, we ought not to freeze ourselves into a situation which may be drastically different by the fall.

THE OLYMPIC COIN ACT

(Mr. PATTERSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PATTERSON. Mr. Speaker, tomorrow the House of Representatives will have the opportunity to approve S. 1230, the Olympic Coin Act. As the original author of that bill in the House, I would like to remind my colleagues that this important legislation, while it now bears the number of the Senate companion bill, is a revision of the original Patterson Olympic coin bill which was cosponsored by 100 Members of the House. It was also adopted overwhelmingly in the Senate. It has been approved by the House Banking Committee by a 4-to-1 vote (32 to 7).

This will be our first opportunity ever in the House of Representatives to vote for an Olympic coin program in the United States; to enact a program which will provide funds for Olympic athlete training and facilities for the 1984 Olympics, at absolutely no cost to the American taxpayer.

There will be a substitute offered by the gentleman from Illinois (Mr. Annunzio). In my opinion this House should approve the Banking Committee bill (St Germain-Patterson), because it has more potential to raise more money for the athletes. Also, the U.S. Olympic Committee, the Los Angeles Olympic Coordinating Committee, and the administration all support the St Germain-Patterson-Banking Committee bill.

Finally, I urge you to support whichever version you choose in its entirety. Please do not vote for any amendments because this is a very technical, carefully crafted bill and even well-intentioned amendments to either the St Germain or the Annunzio substitute could make either approach unworkable, just as the final version (quarter-size) of the Susan B. Anthony dollar was dooming it to failure.

Again, I urge Members to vote for the St Germain-Patterson-Banking Committee version at the Olympic Coin Act.

REAGANOMIC DEFICITS

(Mr. ALEXANDER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ALEXANDER. Mr. Speaker, in response to the Department of Commerce's announcement yesterday that housing starts in April were the lowest since last November, Presidential Counsellor Edwin Meese advised the Nation that if Congress does not pass a budget that persuades the financial markets to lower the interest rates, that the administration will take "other measures" to do so.

I am wondering, Mr. Speaker, if Mr. Meese intends to call the Director of the Office of Management and Budget and ask Mr. Stockman to reprogram the computers to produce a lower Presidential deficit than the $182 billion deficit presented in the President's fiscal 1983 budget; or, perhaps he will persuade the President to pick up the telephone to call the gentleman from Texas, Mr. Gramm, to offer another substitute to the budget resolution, as he did last year.

I would remind Mr. Meese that the budget bind that grips the Nation is the result of the Presidential policy known as Reaganomics that was enacted by the so-called Gramm-Latta substitute to the fiscal 1982 budget resolution. The facts now reveal that Reaganomics produced a much higher deficit than the alternative policy offered by the House Budget Committee last year.

Today the Nation faces the prospect of a triple digit deficit for the first time in the Nation's history, which is the direct result of the economic policy of the President. Triple digit deficits which have been proposed by President Reagan, and which—if they were enacted—would result in the accumulation by 1985 of a 4-year deficit of $741 billion, which is more than the combined total deficit for the 48 years served by all the other Presidents, Democrat or Republican, in the past half century.

It was the Secretary of the Treasury, Donald Regan, who proclaimed on March 23, 1981, that: "* * * the President's program will begin to bear fruit even before it is enacted * * *."

□ 1145

OFFENSIVE POLITICS BY PROXY

(Mr. MARKS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MARKS. Mr. Speaker, I respectfully call my colleagues' attention this morning to an editorial in the New York Times entitled "Politics By Proxy."

I, with them, Mr. Speaker, find offensive, as I believe responsible Republicans find offensive, the television ads that are being run belittling the Speaker of the House, Mr. O'Neill, and former President Carter at a time when the Republican Party may very well lose those gains we have worked so hard to get over so many years.

Mr. Speaker, it is belittling to have that type of trash appear as representative of Republican thinking. What the New York Times did not say was that the Democrat Party could very well run pictures of Herbert Hoover voiced over with the words of Republican Ronald Reagan which would more than even the score for what the Republican Party is insensitively doing. I respectfully suggest that those items be taken off the air, and the issues be discussed with the American people.

The New York Times concludes, "Is it really smart for the Republicans to hire an actor to pretend to be President? People who live in White Houses"—and then some dashes.

I thank the Speaker.

EXPORT TRADING COMPANIES

(Mr. McGRATH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McGRATH. Mr. Speaker, in the past two decades, America has consistently been losing its share of the world market to our trading partners. Not only have our exports lagged far behind our potential, imports have been capturing a significant share of the domestic U.S. market.

We have a vast, untapped reservoir of potential exporters in the United States. Over 80 percent of current exports are made by only 1 percent of U.S. firms. However tens of thousands of smaller firms produce goods and services that would be competitive in the world market but currently do not export due to a lack of knowledge or resources.

There is a solution to this problem, and that is the enactment of legislation to encourage formation of export trading companies. Our trading partners have used the export trading company concept to great advantage, and it is time we gave American businesses the same advantages.

The Commerce Department has indicated that as many as 25,000 U.S. firms would take advantage of export trading companies to market their goods and services. Such development means jobs—between 15,000 and 20,000 in New York alone—and increased job creation means a more robust economy for everyone.

I urge my colleagues to join me in giving strong support to this vital legislation.

FAIR TREATMENT FOR FEDERAL EMPLOYEES AND RETIREES

(Mr. WOLF asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WOLF. Mr. Speaker, as the Representative of a large constituency of active and retired Federal workers, I am particularly concerned over such issues as cost-of-living adjustments and Federal pay raise compensation. I would point out though that there are 2.7 million Federal employees, of which only 208,000 are located in the Nation's Capital. There are 1.28 million civil service retirees and 1.32 million military retirees and of these 2.6 million COLA recipients, only 100,000 are located in the Washington metro area. These retirees are located nationwide, and I urge my colleagues to review portions of the proposed budget resolutions and realize the national importance of allowing the consideration of my amendments.

Mr. Speaker, for far too long editorial writers and politicians have criticized Federal employees. I would just like to tell the Members of this House that the Navy captain who goes out to sea for 6 months is a Federal employee. The FBI agent who works on a kidnaping case is a Federal employee. The drug enforcement agent who goes out and tries to keep drugs from coming into our schools is a Federal employee. The man or woman out at NIH working on a cancer cure is a Federal employee. The Secret Service agent who stopped the bullet that would have killed the President is a Federal employee.

So as we consider these matters and these budget resolutions, I hope we will remember these things.

BIPARTIASN BUDGET FOR ECONOMIC RECOVERY

(Mr. GINGRICH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GINGRICH. Mr. Speaker, today we will have a series of press conferences at which a bipartisan budget designed for economic recovery will be announced. Without stealing any thunder from that press conference, I think it is important for this House to know it will be given a real choice, a choice between less taxes and more taxes, a choice between less domestic spending and more domestic spending, a choice between a stronger defense and a weaker defense.

I think there is room for every moderate and conservative Democrat to join with every Republican in passing a budget which will lay the base for economic recovery.

BUDGET AMENDMENT TO DELETE FUNDS FOR FURTHER TESTING, PRODUCTION, AND DEPLOYMENT OF NUCLEAR WEAPONS

(Mr. CONYERS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CONYERS. Mr. Speaker, I am proposing an amendment to the first budget resolution for fiscal year 1983 to delete funds from function 050 for the further testing, production, and deployment of nuclear weapons and of missiles and new aircraft designed primarily to deliver nuclear weapons. My amendment would implement the nuclear freeze resolution (H.J. Res. 343) now cosponsored by 70 Members of the House. I hope that those who are participating in the bipartisan effort on the budget will support this amendment.

My amendment would delete $20.9 billion in budget authority and $8.4 billion in outlays from functional category 050 and reduce the Federal deficit by the same amount. Specifically, the amendment would delete funds and cancel the MX missile, the B-1 bomber, the Trident submarine and missile, the Air-, Sea-, and ground-launched cruise missiles, and the Pershing II missile programs. In addition, it would cut funds for weapons research, development, materials production, and waste management within the atomic energy defense activities portion of the defense function.

This amendment translates into budgetary policy the nuclear freeze resolution. It also reflects the call to halt the nuclear arms race, the basic document of the national citizens' movement for a nuclear freeze.

In light of the extraordinary national and international support for a nuclear freeze, I urge this body to distinguish itself in the eyes of our countrymen who pray for world peace and an end to the nuclear arms race.

INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 1983

The SPEAKER pro tempore (Mr. Moakley). Pursuant to the provisions of clause 5, rule I, the unfinished business is on the question de novo of the passage of the bill, H.R. 6068, on which further proceedings were postponed on Tuesday, May 18, 1982.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. WEISS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 357, nays 23, answered "present" 1, not voting 51, as follows:

[Roll No. 79]

YEAS—357

Addabbo
Akaka
Albosta
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Archer
Aspin
Bailey (MO)
Bailey (PA)
Barnard
Barnes
Beard
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Bliley
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown (CA)
Brown (CO)
Broyhill
Butler
Byron
Campbell
Carman
Carney
Chappell
Chapple
Cheney
Clausen
Clinger
Coats
Coelho
Coleman
Collins (IL)
Collins (TX)
Conable
Conte
Corcoran
Coughlin
Coyne, James
Coyne, William
Craig
Crane, Daniel
D'Amours
Daniel, Dan
Daniel, R. W.
Daschle
Daub
de la Garza
Deckard
DeNardis
Derwinski
Dickinson
Dicks
Dingell
Donnelly
Dorgan
Dornan
Dowdy
Downey
Duncan
Dunn
Dwyer
Dyson
Early
Eckart
Edwards (AL)
Edwards (CA)
Edwards (OK)
Emerson
Emery
English
Erlenborn
Evans (DE)
Evans (GA)
Evans (IA)
Evans (IN)
Fary
Fascell
Fazio
Fenwick
Ferraro
Fiedler
Fields
Findley
Fish
Fithian
Flippo
Florio
Foley

Ford (MI)
Ford (TN)
Forsythe
Fountain
Fowler
Frank
Frenzel
Frost
Fuqua
Gejdenson
Gephardt
Gibbons
Gilman
Gingrich
Glickman
Goodling
Gore
Gradison
Gramm
Green
Gregg
Guarini
Gunderson
Hagedorn
Hall (OH)
Hall, Ralph
Hall, Sam
Hamilton
Hammerschmidt
Hance
Hansen (ID)
Harkin
Hartnett
Hatcher
Heckler
Hefner
Heftel
Hendon
Hertel
Hightower
Hiler
Hillis
Holland
Hollenbeck
Holt
Hopkins
Horton
Howard
Hoyer
Hughes
Hunter
Hutto
Hyde
Ireland
Jeffords
Jeffries
Jenkins
Johnston
Jones (NC)
Jones (OK)
Jones (TN)
Kastenmeier
Kazen
Kemp
Kennelly
Kildee
Kindness
Kogovsek
Kramer
LaFalce
Lagomarsino
Lantos
Latta
Leach
Leath
LeBoutillier
Lee
Lehman
Levitas
Lewis
Livingston
Loeffler

Long (LA)
Long (MD)
Lott
Lowery (CA)
Lujan
Luken
Lungren
Madigan
Markey
Marks
Marlenee
Marriott
Martin (IL)
Martin (NY)
Matsui
Mavroules
Mazzoli
McClory
McCloskey
McCollum
McDade
McDonald
McEwen
McGrath
McHugh
McKinney
Mica
Michel
Mikulski
Miller (OH)
Mineta
Minish
Mitchell (NY)
Moakley
Molinari
Mollohan
Montgomery
Moore
Moorhead
Morrison
Mottl
Murphy
Myers
Napier
Natcher
Neal
Nelligan
Nelson
Nichols
Nowak
O'Brien
Oakar
Oberstar
Obey
Oxley
Panetta
Parris
Pashayan
Patman
Patterson
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Porter
Price
Pritchard
Pursell
Quillen
Rahall
Railsback
Ratchford
Regula
Reuss
Rhodes
Rinaldo
Ritter
Roberts (KS)
Roberts (SD)
Robinson

Roe
Roemer
Rogers
Rose
Rosenthal
Rostenkowski
Roth
Roukema
Rousselot
Roybal
Rudd
Russo
Sabo
Santini
Sawyer
Scheuer
Schneider
Schulze
Schumer
Sensenbrenner
Shamansky
Shannon
Sharp
Shaw
Shelby
Shumway
Shuster
Siljander
Simon
Skeen
Smith (AL)
Smith (IA)
Smith (NE)
Smith (NJ)
Smith (OR)
Snowe
Snyder
Solarz
Solomon
Spence
St Germain
Stangeland
Staton
Stenholm
Stratton
Studds
Stump
Synar
Taylor
Traxler
Udall
Vander Jagt
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Waxman
Weber (MN)
Weber (OH)
White
Whitehurst
Whitley
Whittaker
Whitten
Williams (MT)
Williams (OH)
Wilson
Winn
Wolf
Wolpe
Wortley
Wright
Wyden
Wylie
Yates
Yatron
Young (AK)
Young (FL)
Young (MO)
Zablocki

NAYS—23

Burton, Phillip
Chisholm
Clay
Conyers
Crockett
Dellums
Dymally
Edgar

Garcia
Gonzalez
Lowry (WA)
Miller (CA)
Mitchell (MD)
Ottinger
Paul
Rangel

Rodino
Schroeder
Seiberling
Stark
Stokes
Washington
Weiss

ANSWERED "PRESENT"—1

Hawkins

NOT VOTING—51

Atkinson
AuCoin
Badham
Bafalis
Benedict
Boggs
Bowen
Brown (OH)
Burgener
Burton, John
Courter
Crane, Philip
Dannemeyer
Davis
Derrick
Dixon
Dougherty

Dreier
Erdahl
Ertel
Foglietta
Gaydos
Ginn
Goldwater
Gray
Grisham
Hansen (UT)
Hubbard
Huckaby
Jacobs
Leland
Lent
Lundine
Martin (NC)

Mattox
McCurdy
Moffett
Murtha
Richmond
Savage
Skelton
Smith (PA)
Stanton
Swift
Tauke
Tauzin
Thomas
Trible
Weaver
Wirth
Zeferetti

☐ 1200

The Clerk announced the following pairs:

On this vote:

Mr. Zeferetti for, with Mr. Leland against.

Mrs. Boggs for, with Mr. Richmond against.

Mr. McCurdy for, with Mr. Gray against.

Mr. STOKES and Mr. RODINO changed their votes from "yea" to "nay."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERMISSION FOR SUBCOMMITTEE ON MERCHANT MARINE OF COMMITTEE ON MERCHANT MARINE AND FISHERIES TO SIT DURING 5-MINUTE RULE ON TODAY

Mr. BIAGGI. Mr. Speaker, I ask unanimous consent that the Subcommittee on Merchant Marine of the Committee on Merchant Marine and Fisheries be permitted to sit today during the 5-minute rule for the purpose of holding a hearing on H.R. 4828, a bill to set aside certain surplus vessels for use in the provision of health and other humanitarian services to developing countries.

The ranking minority member of the subcommittee, the gentleman from California (Mr. McCloskey), has been apprised of the hearing times. He is in accord with this request.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

☐ 1215

Mr. WALKER. Mr. Speaker, reserving the right to object, do I understand the gentleman from New York (Mr. Biaggi) to say that this has been cleared with the gentleman from California (Mr. McCloskey) on the minority side?

Mr. BIAGGI. Mr. Speaker, if the gentleman will yield; yes, it has.

Mr. WALKER. Further reserving the right to object, Mr. Speaker, with no doubt about the gentleman from New York's desire to be wholly accurate, I ran into a problem here last week when I had understood that there was such a clearance. I was told later that it had not been cleared with that Member.

May I ask the gentleman, has this been cleared directly with the Member or with some member of his staff?

Mr. BIAGGI. Mr. Speaker, I am advised by my staff that the Member has given permission. I would assume that my staff has been talking with the Member's staff, but I had assumed the same situation existed last week when I made the previous request. When I responded to the gentleman from Pennsylvania, I responded to the best of my ability and as honestly as I could, given the usual procedure.

Mr. WALKER. Mr. Speaker, reserving the right to object, I understand that, and I certainly know that the gentleman would not have responded in such a way if he had known otherwise. But the question here is, if the staff communication broke down previously, whether or not we have the same problem accruing here today on the floor.

.That is my problem, and let me ask the gentleman this: Is S. 2535 a part of this request?

Mr. BIAGGI. No, it is not. It is just on H.R. 4828, and it is just a hearing dealing with surplus vessels that we can provide for humanitarian services in developing countries. It is purely a hearing; no other action will be taken on this date.

I regret that there has apparently been a staff breakdown. I cannot understand it because the relationship between the staffs and between Members on both sides has been excellent.

Mr. WALKER. Mr. Speaker, I thank the gentleman for his explanation, and I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. SNYDER. Mr. Speaker, reserving the right to object, I am just trying to understand what the gentleman is doing. I would like to know what the gentleman's request is. I was curious about it, and I am sorry, Mr. Speaker, but I did not catch the request of the gentleman. I was simply wondering what it was.

Mr. BIAGGI. Mr. Speaker, if the gentleman will yield, in connection with H.R. 4828, there are some surplus vessels that we have, and there is an effort to give some of those surplus vessels for humanitarian purposes to developing countries. The idea is to convert them into hospitals so they will be readily available.

All we are doing today is holding the initial hearing, and I do not expect any other procedure unless there are reasons for it. The hearing will be very short in its duration, and I am accommodating some Members by making this request.

Mr. SNYDER. Mr. Speaker, may I ask: Is this for the subcommittee to consider or for the full committee to consider?

Mr. BIAGGI. It is the subcommittee's consideration.

Mr. SNYDER. And I take it that the ranking minority member on the subcommittee has agreed to this? Has the gentleman from California (Mr. McCloskey) agreed to this?

Mr. BIAGGI. Mr. Speaker, I just responded to the inquiry of the gentleman from Pennsylvania (Mr. Walker), and I have been advised by my staff that the gentleman from California (Mr. McCloskey) has agreed. I would assume that my staff has spoken to the staff of the gentleman from California, and if we have been advised by the gentleman's staff, then it would seem to me they would have jurisdiction. Otherwise, they would give some reason or they would not make that statement. The gentleman from Kentucky knows full well that we have an excellent relationship between staffs and Members.

Mr. SNYDER. Normally, that is true. There seems to be a little problem as of yesterday and today that concerns me quite a bit.

The gentleman will assure me that the gentleman from California (Mr. McCloskey) has agreed to this?

Mr. BIAGGI. Mr. Speaker, I can only assure the gentleman from Kentucky that my staff has advised me that the gentleman from California (Mr. McCloskey) has been informed and is in accord. To be very candid, I would assume that my staff spoke to the staff of the gentleman from California and obtained that fact. I have no reason to believe otherwise, and I do not think my staff would advise me otherwise.

Mr. SNYDER. I expect that is right.

Ms. FIEDLER. Mr. Speaker, will the gentleman yield?

Mr. SNYDER. Under my reservation of objection, Mr. Speaker, I yield to the gentlewoman from California.

Ms. FIEDLER. Mr. Speaker, I wonder if the gentleman could please tell me what the value is of the vessels we plan to give to other countries for a variety of uses.

Mr. BIAGGI. Mr. Speaker, if the gentlelady will yield further, I do not have the value at this point, but they are really not terribly valuable. They will be coming out of a reserve fleet. They are in mothballs, so to speak. We have hundreds of them, and the request will be made for several.

What action will be taken remains to be seen, and it will not be done unless, No. 1, we find justification for it, and No. 2, we make a committee determination as to what should be done. I have completely maintained an open mind on the subject. I have responded to some Members' request to hold hearings, and I do not know what action, if any, will be taken after this hearing.

Ms. FIEDLER. I understand the gentleman is saying that in the event you make a decision to do this, when it comes back to the floor, you would be able to tell us what kind of money would be involved so that we will have some sense as to what we should do?

Mr. BIAGGI. There is no question about it. The gentlewoman's questions will be answered during the course of the hearings.

Ms. FIEDLER. Mr. Speaker, I thank the gentleman.

Mr. BIAGGI. We will be hearing from the Members who are recommending this hearing to determine what their entire request is and to see whether there is justification for it. We do not know whether it is justified.

Ms. FIEDLER. Mr. Speaker, I just have some concerns about it since we happen to be in a very bad economic situation and we have to try to utilize the resources we have to prop up our own budget for purposes here at home, and we want to make sure that we do not inadvertently take resources and divert those resources that might be needed here to other countries.

Mr. BIAGGI. Mr. Speaker, I could not agree with the gentlewoman more, and I share that sentiment. I share it very intensely, and I would be the first to join the gentlewoman in making certain that we do not exhaust our resources.

Ms. FIEDLER. Mr. Speaker, I thank the gentleman for yielding.

Mr. SNYDER. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

PROVIDING FOR CONSIDERATION OF H.R. 5726, NATIONAL BUREAU OF STANDARDS AUTHORIZATION ACT FOR FISCAL YEAR 1983

Mr. HALL of Ohio. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 458 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 458

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5726) to authorize appropriations to the Secretary of Commerce for the programs of the National Bureau of Standards for fiscal year 1983, and for other purposes, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Science and Technology, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto the final passage without intervening motion except one motion to recommit. After the passage of H.R. 5726, it shall be in order to take from the Speaker's table the bill S. 2271, and it shall then be in order in the House to move to strike out all after the enacting clause of the said Senate bill and to insert in lieu thereof the provisions contained in H.R. 5726 as passed by the House.

The SPEAKER pro tempore. The gentleman from Ohio (Mr. Hall) is recognized for 1 hour.

Mr. HALL of Ohio. Mr. Speaker, I yield the customary 30 minutes to the gentleman from Missouri (Mr. Taylor) for purposes of debate only, pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 458 is an open rule providing for the consideration of H.R. 5726, the National Bureau of Standards authorization for fiscal year 1983.

The rule provides for 1 hour of general debate to be equally divided and controlled by the chairman and ranking minority member of the Committee on Science and Technology. House Resolution 458 further provides for one motion to recommit.

After the passage of H.R. 5726, the rule makes it in order to take from the Speaker's table the bill S. 2271. It shall then be in order in the House to move to strike out all after the enacting clause of S. 2271 and to insert in lieu thereof the provisions contained in H.R. 5726 as passed by the House. The bill S. 2271 passed the other body on April 29, 1982.

Mr. Speaker, H.R. 5726 provides authorization for appropriations for the National Bureau of Standards and for two smaller, related agencies, the National Technical Information Service and the Office of Productivity, Technology, and Innovation.

The National Bureau of Standards provides the important measurement criteria necessary for domestic and international commerce and for a strong scientific and technological research and development base. According to the Committee on Science and Technology, there is a growing reliance on the Bureau by other Federal agencies for advice on measurement and standards-related problems involved in their respective functions.

Mr. Speaker, I am not aware of any opposition to the rule on H.R. 5726, and I urge my colleagues to adopt it.

Mr. TAYLOR. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, House Resolution 458 is an open rule, providing 1 hour of general debate for the consideration of the National Bureau of Standards authorization bill for 1983.

This is a simple, straightforward rule, containing no waivers. The rule allows one motion to recommit; and after passage of H.R. 5726, it makes in order the consideration of S. 2271, similar authorizing legislation which passed the other body in April.

The bill made in order under this rule, H.R. 5726, provides authorizations totaling $128.4 million for 1983 to the National Bureau of Standards, the National Technical Information Service, and the Office of Productivity, Technology and Innovation.

Mr. Speaker, H.R. 5726 is one of a series of bills from the Committee on Science and Technology that exceed the President's budget request. This bill authorizes $124 million for the activities of the National Bureau of Standards, and amount that is $12.5 million above the President's request of $111.5 million.

Indeed, the committee's recommendation is $3.7 million over the amount appropriated to the Bureau in 1982, compared to a reduction of $8.8 million sought by the administration.

When this rule was considered by the Committee on Rules, we were told by the gentleman from Kansas (Mr. Winn), the ranking minority member of the Committee on Science and Technology, that the minority will pursue efforts today to bring the National Bureau of Standards budget figures back to the administration's request.

Under this rule such amendments will be in order, and I urge adoption of the rule.

Mr. Speaker, I yield back the balance of my time.

Mr. **HALL** of Ohio. Mr. Speaker, I have no requests for time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

NATIONAL SCIENCE FOUNDATION AUTHORIZATION ACT FOR FISCAL YEARS 1982 AND 1983

Mr. **BEILENSON**. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 459 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 459

Resolved, That upon the adoption of this resolution it shall be in order, section 402(a) of the Congressional Budget Act of 1974 (Public Law 93-344) to the contrary notwithstanding, to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5842) to authorize appropriations for activities of the National Science Foundation for fiscal years 1982 and 1983, and for other purposes, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Science and Technology, the bill shall be read for amendment under the five-minute rule by titles instead of by sections. At the conclusion of the consideration of the bill, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The **SPEAKER** pro tempore. The gentleman from California (Mr. Beilenson) is recognized for 1 hour.

Mr. **BEILENSON**. Mr. Speaker, for purposes of debate only, I yield 30 minutes to the gentleman from Missouri (Mr. Taylor), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 459 provides for the consideration of H.R. 5842, the National Science Foundation authorization for fiscal years 1982 and 1983. The rule provides for 1 hour of general debate to be equally divided and controlled by the chairman and ranking minority member of the Committee on Science and Technology. It is an open rule, allowing any germane amendment to be offered under the 5-minute rule. The resolution also provides that the bill be read for amendment by titles rather than sections, further facilitating the amendment process.

In addition, the rule waives points of order under section 402(a) of the Congressional Budget Act against consideration of the bill. Section 402(a) requires authorizations to be reported by May 15 preceding the beginning of the fiscal year for which they are effective. This waiver is necessary because the bill contains authorizations for fiscal year 1982 and it was not reported by May 15, 1981.

However, the Science Committee did report an authorization for fiscal year 1982, H.R. 1520, in timely fashion last year. This bill was passed by the House, but was not acted upon in the Senate. Under these circumstances, the Rules Committee granted a waiver of section 402(a) for the 1982 authorizations contained in H.R. 5842.

Finally, the rule provides a simple motion to recommit.

Mr. Speaker, H.R. 5842 authorizes $1,085 million for the National Science Foundation for fiscal year 1982, and $1,099 million for the Foundation during fiscal year 1983. The National Science Foundation is our Nation's lead agency in the support of long range fundamental research in the natural sciences and engineering, and plays a highly significant role in behavioral sciences. These authorizations deserve the support of the Members, and I urge my colleagues to begin consideration of the bill by adopting the rule before us.

□ 1230

Mr. **TAYLOR**. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, House Resolution 459 is an open rule, providing 1 hour of general debate for the consideration of the National Science Foundation authorization bill for 1982 and 1983.

The rule waives section 402(a) of the Budget Act against consideration of the bill, provides for the reading of the bill for amendment by titles instead of by sections, and allows one motion to recommit.

The Budget Act waiver is technical in nature, but I do want to take a moment to explain why it is necessary. Section 402(a) of Budget Act prohibits authority unless that bill was reported by May 15 of the preceding fiscal year.

In this situation, H.R. 5842 authorizes appropriations to the National Science Foundation for fiscal year 1982, but the bill was not reported from the Committee on Science and Technology by May 15 of last year. The House passed an authorization bill for the National Science Foundation last year (H.R. 1520), which had been reported from the committee in compliance with the Budget Act, but the other body did not act on the measure.

The bill made in order under this rule, H.R. 5842, simply incorporates at a lower authorization level the House-passed authorization which did not violate the Budget Act.

Mr. Speaker, the Committee on Rules concluded, therefore, as has the Committee on the Budget, that the waiver is necessary and that the Committee on Science and Technology has attempted to comply with the May 15 reporting requirement.

The amounts authorized in title I of H.R. 5842 are identical to the funding levels agreed to by the House in H.R. 1520 last year.

Title II of the bill authorizes a total $1,099 million for the National Science Foundation for 1983. This amount is an increase of $30 million over the President's request of $1,069 million, primarily because H.R. 5842 authorizes $45 million for the science and engineering program, compared to the $15 million requested.

The minority members of the committee oppose the budget level contained in the bill, and point out in the committee report that they would like to see this year's budget level held to last year's total of $1,085 million. This figure would be $15 million less than the reported bill, and about $15 million more than the requested amount.

Since this is an open rule, we can expect that amendments will be offered to trim the amounts authorized.

Mr. Speaker, this rule was reported from the Committee on Rules by a voice vote and I urge its adoption by the House.

I yield back the balance of my time.

Mr. **BEILENSON**. Mr. Speaker, I have no further requests for time and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. **FUQUA**. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and to include extraneous material, on the bill, H.R. 5842.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. **FUQUA**. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5842) to authorize appropriations for activities of the National Science Foundation for fiscal years 1982 and 1983, and for other purposes.

The **SPEAKER** pro tempore. The question is on the motion offered by the gentleman from Florida (Mr. Fuqua).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 5842, with Mr. Bonior of Michigan in the chair.

The Clerk read the title of the bill.

The **CHAIRMAN**. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from Florida (Mr. Fuqua) will be recognized for 30 minutes, and the gentleman from Kansas (Mr. Winn) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Florida (Mr. Fuqua).

Mr. **FUQUA**. Mr. Chairman, I yield myself such time as I may consume.

To begin with, Mr. Chairman, I would certainly like to commend the gentleman from Pennsylvania (Mr. Walgren), the gentlewoman from Massachusetts (Mrs. Heckler), and the gentleman from Kansas (Mr. Winn) for their very excellent cooperation in trying to get this legislation through the subcommittee and through the full committee and to its present consideration here on the floor.

Mr. Chairman, H.R. 5842 provides authorization of appropriation for the National Science Foundation for fiscal year 1982 and fiscal year 1983. Before focusing on the Committee's recommendation for fiscal year 1983 I would like to make a few comments regarding the inclusion of the fiscal year 1982 authority. As some of my colleagues may recall the House did vote on an authorization for the Foundation for fiscal year 1982 but no final action has been taken and we are still waiting for the other body to bring a corresponding authorization to the floor. By including the fiscal year 1982 authorization, which has the identical funding level as agreed to by the House last year, we hope to avoid having the precedent of an appropriation without an authorization for the Foundation's programs.

Title II of the bill provides $1,099.5 million for the research and education activities of the Foundation. This amount provides for an increase of $30 million above that recommended by the administration, all of which will be added for science and engineering education activities. The total amount in that category would be brought to $45 million. The administration's amount of only $15 million, down from $70.7 million in fiscal year 1981, would have eliminated all of the science and engineering education activities. The money we have restored here will allow for continuing some very specific and critically targeted education programs, particularly in the precollege and undergraduate areas.

With regard to research and related activities we are recommending a total amount identical to the President's request, although we have made some rearrangements among the subcategories. Of the changes made, we have provided additional support for some areas deeply cut either last year or in this year's budget. These include social, economic, and information sciences, as well as women and minorities and international programs. These changes still allow for a relatively strong growth of roughly 5 percent in the other research categories.

In summary, Mr. Chairman, our recommendations for the Foundation maintain a strong support for research and related activities while allowing for the continuation of some critical programs within the education activities. The total amount of $1,099.5 million is actually less than the appropriation's level approved by the House last year, and taking into account newly transferred authorities, is essentially at the same level as last year's authorization.

Mr. **WINN**. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of the National Science Foundation and its excellent programs. I only wish that I could give my full support to this bill as reported from committee. Unfortunately, the bill is $30 million over the President's budget request and I cannot support it in its current form. At the appropriate time I will offer an amendment to reduce this budget to what I consider more appropriate levels.

I was extremely pleased that the administration saw fit, in a time of budget austerity, to provide for a 7½ percent increase in the Foundation's budget for fiscal year 1983. I am certain that my colleagues will recall that last year the NSF budget was a subject of great controversy. The Foundation was subjected to some rather severe budget cuts. The final budget for the Foundation for fiscal year 1982 was slightly under $1 billion. The President's request for fiscal year 1983 was a healthy increase of $73 million over the 1982 level.

Mr. Chairman, I want to emphasize that this budget will still be able to provide the scientific excellence and breadth of activity that we have all come to expect from the National Science Foundation. A wide variety of science and engineering disciplines are strongly supported by this budget. For example, last year we heard a great deal about the poor state of instrumentation and equipment in our facilities across the Nation. The administration's request for the Foundation provides for an increase of over 11 percent above 1982 in this area. Another area of great concern during the debate last year on the Foundation's budget was social and behavioral sciences. Again, this has been substantially increased over the fiscal year 1982 level. Emphasis is also given to the physical sciences and engineering, with special attention to computer research, earth sciences, and electrical and computer engineering. Certainly these areas are crucial to the United States in our efforts to turn around the economy and to remain competitive with our foreign economic trading partners. While the science, engineering, and education program is not being funded at a level that many Members would like, strong support is maintained in this budget for new and continuing graduate fellowships. While I understand the administration's philosophy on this issue, I do have great concern over our science and education programs. The gentleman from Minnesota (Mr. Weber) will offer an amendment at a later point which will provide substantially increased funding to address those concerns.

Mr. Chairman, I remain a strong supporter of the National Science Foundation as I have been throughout my terms in Congress. Dr. Slaughter, the Director of the Foundation, has told our committee several times in hearings this winter that the administration's requested budget for the Foundation is a very adequate and generous level of support. I hope that the Members here will heed Dr. Slaughter's words, and support the amendment that I intend to offer to bring the Foundation's authorization level down to the President's request. I also hope that the Members will continue their strong support of the National Science Foundation's mission under a fiscally responsible authorization level.

Mr. FUQUA. Mr. Chairman, I yield such time as he may consume to the distinguished chairman of the subcommittee, the gentleman from Pennsylvania (Mr. Walgren).

Mr. WALGREN. Mr. Chairman, I want to urge my colleagues to support H.R. 5842 in the strongest possible terms. As chairman of the Subcommittee on Science Research and Technology, it has been my privilege to work in some detail on this bill.

I especially want to say how much I respect and appreciate the contribution made by the ranking minority members of the subcommittee, the gentlewoman from Masachusetts (Mrs. Heckler).

Her concern for strength in this area for the Nation and her judgment in evaluating the programs that we review in the National Science Foundation have been outstanding, and it has been a real pleasure working with her in the process.

The recommendation in the bill we have before us today were derived from a careful assessment of testimony presented in a number of hearings held by the committee over the past year. As in past debates, we are well aware of the need to restrict Federal spending. However, we are also aware of the importance of science and technology in establishing our Nation's preeminence in the world. The NSF basic research and education programs are ultimately critical to our ability to compete in world markets and to maintain our national security.

At some point in our evaluation of Government programs we must recognize that some Government spending is a true investment. And that some Government spending is essential for long-term economic recovery. This recommendation for spending on the National Science Foundation fits, certainly, in that category.

In considering the administration's request, there were a number of concerns that became, I think it fair to say, more than apparent. Of greatest concern was the proposal by the administration to eliminate all funding, with the exception of graduate fellowships, of the science education activities of the Foundation. And while there may exist disagreement regarding the exact nature of the effort needed in science and engineering education, many on both sides of our committee are in complete agreement of the need to sustain critical programs in this area. These programs are essential if we are to resolve the manpower shortages our Nation faces in technical and scientific areas. This is the reason that the committee bill recommends an increase of $30 million for science and engineering education. The main emphasis of the increased funding will be toward precollege science and math education, as well as allowing for targeted activities in the undergraduate and graduate education sectors.

As noted by the chairman of the full committee, the gentleman from Florida (Mr. Fuqua), we have not increased the President's requested level for research and related activities. Rather, we have only shifted some moneys within OMB's overall research recommendation to bring the behavioral, economic and information sciences to levels equivalent to their fiscal year 1980 levels. The President's science adviser, Dr. Keyworth, has publicly stated several times that is was a mistake to reduce the behavioral and social science research as was done at the outset of the Reagan administration. It is time that this mistake be corrected and these programs restored to at least the level of effort before these cuts were made. A careful review of the national interest leads to the inescapable conclusion that the social and behavioral sciences have as much, if not more, to contribute to our Nations future well-being.

Some additional moneys were shifted to provide a level of effort for the national research opportunity grants for women, for international and intergovernmental programs, and for the experimental program to stimulate competitive research. Within the engineering activity, we also earmarked $2 million for research to aid to handicapped, an amount that is equal to that spent in 1982.

Despite these changes, we remain consistent with the direction recommended by OMB, to wit: An actual increase in the mathematical and physical science research budgets. Where OMB recommended a 7-percent increase, the committee recommends a 5.4-percent increase and, at the same time, provides room for what we consider to be extremely important other research functions.

As I say, our research package, by itself, is within the OMB mark. We do add $30 million overall in the area that the administration has so underestimated its importance to the Nation, that of science and engineering education. Although that is an add-on of $30 million, the total recommendation is only $17 million above that recommended by the administration because there is some $13 million transferred into the National Science Foundation that previously was accounted for in the Coast Guard budget. It seems to me that when we look at the overall program we should realize that we are close to being in agreement on this function, and I strongly recommend to my colleagues support for the bill as reported by the committee.

Mr. WINN. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Massachusetts (Mrs. Heckler), the ranking minority member on the Subcommittee on Science, Research and Technology.

Mrs. HECKLER. Mr. Chairman, at the outset I would like to congratulate both Chairman Fuqua and the ranking minority member, the gentleman from Kansas (Mr. Winn), for their strong leadership on the issue of the National Science Foundation authorization, and I would like to especially congratulate Chairman Doug Walgren, chairman of the Science, Research and Training Subcommittee, whose expert leadership in the subcommittee provided the direction for our deliberations.

Three days of hearings were held on the NSF budget. Many of the Foundation's programs were discussed at great length. Some areas, such as the science education programs, the equipment needs for teaching, for training and for research programs targeted for women and minorities and the handicapped, were especially relevant.

One of the most serious problems we face today is recruiting and maintaining an educational work force that can cope with the technological changes that are being introduced to improve U.S. productivity. Overcoming this problem requires a commitment to science and education on the part of the Congress, the research community, and the educational community. The Science Foundation should be commended for focusing on the science education problem through the creation of a Special Commission on Precollege Education in Mathematics, Science, and Technology. The concept of this Commission is to examine national priorities in science and engineering education, and I believe it is crucial to the future of America, as I think all Members of this House will agree.

Equally important, we must continue to support research in the social and behaviroal sciences, such as research on education, learning, and cognitive development. Moreover, social and behavioral science research, in such areas as human factors in productivity, the economic implications of changing population patterns, the location of public service and commercial facilities and survey research all contribute to an improved U.S. economic productivity and competitiveness and also improves the confidence and capability of our industrial and business base in the United States.

The Foundation's continued attention to the initial Science and Technology Equal Opportunities Act is appreciated, and, I would hope, would be improved in the future. Encouraging and increasing the participation of women and minorities in scientific and technological careers will carry forward a growing significance and importance to the American productivity as we emerge in the next decade, for 60 percent of the new workforce in the emerging decade will be composed of minorities and women.

The visiting professorships for women's programs will allow for greater visibility for women scientists and could be supplemented with other programs.

Overall, the minority is very proud of the Foundation's accomplishments in this area. However, we are in an era of belt-tightening. At this point it is much easier to estabish budget levels at higher figures than the administration requests than to try to develop budgets within certain constraints.

Two amendments will be offered by the minority to the committee bill, the first by the gentleman from Kansas (Mr. Winn), the ranking minority member on the Science and Technology Committee. Mr. Winn's amendment will bring the Foundation's budget precisely in line with President Reagan's request. A funding level of $1.7 billion is $73 million over the 1982 operating budget at NSF, representing an increase of 7 percent over the previous year.

Mr. Weber will also offer an amendment to reduce the committee's proposed funding level. Despite the desire of Mr. Weber and other minority Members to remain at precisely the administration's budget request, they feel a critical need for improved science education, which has prompted them to offer an alternative NSF budget proposal of $1.08 billion. This amendment, which was offered in the full committee, targets an additional $5 million over the majority's budget in the area of science education, yet remains $20 million below their total budget figure.

There is major agreement on both sides of the aisle on the vast majority of the Foundation's programs. There is substantial pride and support for what the Foundation has accomplished. The differences are in the context of this budget. Relatively minor, however, they do reflect slightly different priorities in how NSF research endeavors ought to be carried out. The minority continues to support a strong and vibrant scientific enterprise in the National Science Foundation while still exercising budget restraint. The budget request for fiscal year 1983 was developed within the context of the President's economic recovery programs. As part of NSF's contribution to the achievement of that program's objective, all activities and priorities were carefully reviewed to insure that those included in the fiscal year 1983 request would provide the largest possible return on the dollars invested, in terms of a strong scientific and engineering knowledge base for the future.

Mr. WALGREN. Mr. Chairman, I yield such time as he may consume to the gentleman from Michigan (Mr. Traxler).

Mr. TRAXLER. Mr. Chairman, I rise in strong support for the authorizing legislation, the authorizing legislation for the National Science Foundation.

As a member of the HUD-Independent Agencies Subcommittee on Appropriations, I am very pleased to have been actively involved in the appropriation for the National Science Foundation. I think the authorizing committee in this instance has done an outstanding job and a fine piece of work, and I strongly support their efforts—most especially as it relates to the authorizing language relative to the social sciences.

● Mr. CORRADA. Mr. Chairman, I rise in support of H.R. 5842, to authorize appropriations for the National Science Foundation for fiscal years 1982 and 1983.

The National Science Foundation has been a vital part of our Nation's success in the scientific, mathematical, and engineering fields. Their programs for research are crucial to the advancement of our knowledge in those key areas.

In an era when scientific and engineering data are becoming increasingly complex and which grows in quantum leaps, the work of the NSF is even more imperative.

I wish to commend the chairman of the Science and Technology Committee, Mr. Fuqua, for the work his committee has done on this important piece of legislation. I want to particularly support the increase of $30 million in the funding for science and engineering education. It is important that we continue our Nation's commitment to excellence in these fields.

The bill also has other important provisions such as earmarking $2 million from engineering activities for research to aid the handicapped; establishing a permanent Science and Engineering Directorate within the NSF and providing $3 million for research opportunity grants to women and minorities.

The committee report underscores the urgent need for sufficient funding for the National Science Foundation when it states its concern about the deterioration of our science and engineering education programs. The report states that—

> The crisis occurs at a time when the United States is falling further behind other nations in several crucial fields of science and engineering that are directly related to our economic recovery and competitive technological position in the world.

I urge my colleagues to refrain from adopting any amendment that would weaken the bill and to vote in favor of H.R. 5842.●

● Mr. MARKEY. Mr. Chairman, I rise in support of H.R. 5842, a bill to authorize appropriations for activities of the National Science Foundation (NSF). The NSF primarily supports long-term basic research in all scientific disciplines through grants, largely to scientists in academic institutions, and through support of major research facilities in areas such as optical and radio astronomy, oceanography, and atmospheric sciences.

Research funded by NSF provides new knowledge and understanding in all fields of science and engineering and results in several thousand published articles, reports, and books each year. These publications provide the primary basis for those with expertise in the relevant disciplines and specialties to assess the quality and scientific significance of the work.

By establishing the NSF, the Federal Government recognized that support of long-term fundamental research in all fields of science and engineering, and the teaching and learning of science contribute to the strength and well-being of America in many ways. Research discoveries precede and underlie advances in many important areas including national defense, industrial productivity, health, energy, and environment. Scientists and engineers help create the future by developing new ideas, techniques, and applications—and new generations of scientists are educated through their work as graduate students on research projects.

Now, at a time when the United States is slipping in overall worker productivity and when we have dropped to 10th place among the world's nations in per capita income, the Reagan administration wants to terminate all of the NSF's science and engineering educational activities except graduate fellowships. Thankfully, my distinguished colleagues on the Science and Technology Committee had the foresight to include a relatively modest $30 million for the science and engineering education programs of the NSF, despite the administration's objections.

We live in a world where technological advancement is the key to economic strength and national security. The Reagan administration seems to ignore the growing shortage of undergraduate faculty in engineering, our outdated laboratories, and the severe shortage of trained math and science teachers in elementary and secondary schools, when it proposes to terminate the NSF's educational activities. And, we must remember, this proposal comes on top of the administration's unprecedented assault on Federal aid to postsecondary students through proposed slashes in student grants and loans.

The United States is falling behind other nations in several crucial fields of science and engineering that are directly related to our economic recovery and competitive technological position in the world. Undermining support for basic research and financial aid will only exacerbate that trend. I urge my colleagues to vote for a strong America. We should support the NSF authorization before us today, including the much needed $30 million to continue the science and engineering education programs of the NSF.●

● **Mr. PURSELL.** Mr. Chairman, I rise in support of the National Science Foundation (NSF) bill recommended by the Science and Technology Committee and urge my colleagues to support it. The bill represents a realistic compromise between a number of conflicting positions where both sides have merit.

It recognizes the need for overall budget constraints during a year when we are already faced with uncomfortably large deficits: The total recommended by the committee for research and related activities is exactly the same as the budget recommended by the administration.

It achieves a fair and reasonable allocation of the resources devoted to the various scientific programs within the NSF.

It adds a modest amount of resources to deal with the pressing problem in the field of science and engineering education—a priority that Members of this body have long thought needs to be more effectively addressed by the NSF.

No authorization bill is bound to meet everyone's criteria for perfection, but the committee bill is restrained in its total amount, equitable in its allocation of resources, and merits our support.●

● **Mr. HOLLENBECK.** Mr. Chairman, I rise in opposition to the amendment. Though I share my colleague's concerns for maintaining a reduced budget as well as providing funds for science and engineering education, I must oppose his amendment. His approach is to add $35 million for these science and engineering education activities while reducing the overall research activities by $25 million. I think it is important to note that the administration opposes any reduction in this research category.

The National Science Foundation and its research activities are key to any long-term technological and, therefore, economic growth for this country. In last year's final budget actions, NSF saw an overall reduction of close to $100 million. Much of this was in research funding. The administration in recognizing the importance of basic research has restored much of that, requesting $1,052.3 million for NSF's research and related activities. The committee has wisely maintained that level, only making a number of internal adjustments to restore balance to programs in the social, economic, behavioral, and information sciences, as well as women and minority and international programs.

If we feel that science and engineering education are important, I think we should do so without jeopardizing the research which is proposed. I would also note that the Senate committees are proposing adding up to $20 million to NSF so I do not think the proposal to add $30 million for science education is unreasonable.

I must oppose this amendment, and I urge my colleagues on this side of the aisle to join me.●

Mr. WINN. Mr. Chairman, I have no further requests for time.

Mr. WALGREN. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

The CHAIRMAN. Pursuant to the rule, the Clerk will read the bill by titles.

The Clerk read as follows:

H.R. 5842

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled. That this Act may be cited as the "National Science Foundation Authorization Act for Fiscal Years 1982 and 1983".

TITLE I—AUTHORIZATION OF FUNDS FOR FISCAL YEAR 1982

Sec. 101. There are authorized to be appropriated to the National Science Foundation, for fiscal year 1982, the sums indicated for the following categories:

(1) Mathematical and Physical Sciences, $285,400,000.

(2) Engineering, $100,400,000.

(3) Biological, Behavioral, and Social Sciences, $184,600,000.

(4) Astronomical, Atmospheric, Earth, and Ocean Sciences, $253,200,000.

(5) Ocean Drilling Programs, $14,000,000.

(6) United States Antarctic Program, $69,600,000.

(7) Scientific, Technological, and International Affairs, $46,400,000.

(8) Cross-Directorate Programs, $13,200,000.

(9) Program Development and Management, $63,200,000.

(10) Science and Engineering Education, $35,000,000.

Sec. 102. Besides the sums authorized in sections 101 and 103, there is authorized to be appropriated to the National Science Foundation the sum of $16,500,000 for fiscal year 1982 for a special program for modernization of research equipment and facilities.

Sec. 103. Besides the sums authorized in sections 101 and 102, a sum not exceeding $3,500,000 for fiscal year 1982 is authorized to be appropriated for expenses of the National Science Foundation incurred outside the United States, to be drawn from foreign currencies that the Treasury Department determines to be excess to the normal requirements of the United States.

Sec. 104. From appropriations made under authorizations provided in this title, not more than $5,000 for fiscal year 1982 may be used for official consultation, representation, or other extraordinary expenses at the discretion of the Director of the National Science Foundation. His determination will be final and conclusive upon the accounting officers of the Government.

TITLE II—AUTHORIZATION OF FUNDS FOR FISCAL YEAR 1983

Sec. 201. There are authorized to be appropriated to the National Science Foundation, for fiscal year 1983, the sums indicated for the following categories:

(1) Mathematical and Physical Sciences, $288,300,000.

(2) Engineering, $98,600,000.

(3) Biological, Behavioral, and Social Sciences, $201,000,000.

(4) Astronomical, Atmospheric, Earth, and Ocean Sciences, $250,800,000.

(5) Ocean Drilling Programs, $14,000,000.

(6) United States Antarctic Program, $86,400,000.

(7) Scientific, Technological, and International Affairs, $50,100,000.

(8) Program Development and Management, $63,081,000.

(9) Science and Engineering Education, $45,000,000.

Sec. 202. (a) Of the total amount authorized under section 201(2), not less than $2,000,000 shall be available for research to aid the handicapped.

(b) Of the total amount authorized under section 201(7), not less than $3,000,000 shall be available for the National Research Opportunity Grant Program.

(c) Of the sum of the amounts authorized under sections 201(1), 201(2), and 201(4), not less than 10 per centum shall be available for research instrumentation.

(d) Of the sum of the amounts authorized under sections 201(1), 201(2), and 201(4), the Director of the National Science Foundation is authorized to transfer up to $9,000,000 to the category of Ocean Drilling Programs for the Ocean Margin Drilling subactivity; but the second and third sentences of section 303(b) shall apply with respect to any transfer which is proposed to be made under this subsection, and such a transfer shall be treated in all respects (subject to the dollar limitation in this subsection) the same as any other transfer of funds for purposes of section 303(a) and the first sentence of section 303(b).

Sec. 203. Besides the sums authorized in section 201, a sum not exceeding $2,200,000 for fiscal year 1983 is authorized to be appropriated for expenses of the National Science Foundation incurred outside the United States, to be drawn from foreign currencies that the Treasury Department determines to be excess to the normal requirements of the United States.

Sec. 204. From appropriations made under authorizations provided in this title, not more than $2,500 for fiscal year 1983 may be used for official consultation, representation, or other extraordinary expenses at the discretion of the Director of the National Science Foundation. His determination will be final and conclusive upon the accounting officers of the Government.

TITLE III—AVAILABILITY OF FUNDS AND OTHER FUNCTIONS

Sec. 301. Appropriations made under authorizations provided in titles I and II shall remain available for obligation, for expenditure, or for obligation and expenditure for periods specified in the Acts making the appropriations.

Sec. 302. If the total amount of appropriations made by any Act for fiscal year 1983 for program activities included in title II is

less than the total amount authorized to be appropriated for those activities by title II, the amount available from such appropriations for any particular program activity shall bear the same ratio to the amount authorized to be appropriated for that activity by title II as the total amount of the appropriations made by such appropriation Act for all included program activities bears to the total amount authorized to be appropriated for those activities by title II (with each floor set forth in section 202 being reduced in the same ratio), except to the extent specifically otherwise provided in the text of the Act making the appropriations for the program activities involved.

Sec. 303. (a) Funds may be transferred among the categories listed in section 101, so long as the net funds transferred to or from any category do not exceed 10 per centum of the amount authorized for that category in section 101. Funds may be transferred among the categories listed in section 201, so long as the net funds transferred to or from any category do not exceed 10 per centum of the amount authorized for that category in section 201.

(b) The Director of the National Science Foundation may propose transfers to or from any category listed in section 101 or 201 exceeding 10 per centum of the amount authorized for that category in such section. An explanation of any such proposed transfer must be transmitted in writing by the Director to the Speaker of the House of Representatives, the President of the Senate, the House Committee on Science and Technology, and the Senate Committee on Labor and Human Resources. The proposed transfer may be made only when thirty calendar days have passed, after the transmission of such explanation, without the chairman of either such committee having notified the Director to the effect that the committee objects to the proposed transfer.

Sec. 304. (a) The text of section 9 of the National Science Foundation Act of 1950 is amended to read as follows:

"Sec. 9. (a) Each special commission established under section 4(h) shall be appointed by the Board and shall consist of such members as the Board considers appropriate.

"(b) Special commissions may be established to study and make recommendations to the Foundation on issues relating to research and education in science and engineering.".

(b) Section 6 of Public Law 95-99 (the National Science Foundation Authorization Act, fiscal year 1978) is repealed.

TITLE IV—DIRECTORATE FOR SCIENCE AND ENGINEERING EDUCATION

Sec. 401. The Directorate for Science and Engineering Education is hereby named as a permanent organizational entity of the National Science Foundation, responsible for all functions relating to science and engineering education activities of the Foundation.

Sec. 402. Any proposed change in the functions or organization of the Directorate for Science and Engineering Education may occur only when (1) an explanation of the proposed change has been transmitted in writing by the Director of the Foundation to the Speaker of the House of Representatives, the President of the Senate, the House Committee on Science and Technology, and the Senate Committee on Labor and Human Resources, and (2) thirty calendar days have passed, after the transmission of such explanation, without the chairman of either such committee having notified the Director to the effect that the committee objects to the proposed change.

Mr. WALGREN (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the Record, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

COMMITTEE AMENDMENTS

The CHAIRMAN. The Clerk will report the first committee amendment.

The Clerk read as follows:

Committee amendments: On page 4, after line 22, insert a new subsection (d):

(d) Of the amounts authorized to be appropriated under Section 201(7), for Scientific, Technological, and International Affairs, no amount is authorized to be available for United States support of the International Institute for Applied Systems Analysis in Vienna, Austria, providing there is a final determination by the President, and notification to the Congress, that participation in the Institute is contrary to national security interests.

On page 5, line 6 strike (d) and insert "(e)".

On page 8 after line 8, insert two new subsections (c) and (d) to read:

(c) Section 10 of Public Law 95-99, the National Science foundation Authorization Act of FY 1978, is repealed.

(d) Subsection 12(b) of the National Science Foundation Act of 1950, as amended, is deleted and the preceding subsection is redesigned by striking the "(a)".

Mr. WALGREN (during the reading). Mr. Chairman, I ask unanimous consent that the committee amendments be considered en bloc, and that they be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The CHAIRMAN. The question is on the committee amendments.

The committee amendments were agreed to.

□ 1300

AMENDMENTS OFFERED BY MR. WINN

Mr. WINN. Mr. Chairman, I offer amendments, and I ask unanimous consent that they be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

The Clerk read as follows:

Amendments offered by Mr. Winn: On page 3, line 23, strike "$288,300,000" and insert in lieu thereof "$298,700,000".

On page 3, line 24, strike "$98,600,000" and insert in lieu thereof "$99,700,000".

On page 4, line 2, strike "$201,000,000" and insert in lieu thereof "$186,700,000".

On page 4, line 4, strike "$250,800,000" and insert in lieu thereof "$259,700,000".

On page 4, line 9, strike "$50,100,000" and insert in lieu thereof "$44,000,000".

On page 4, line 13, strike "$45,000,000" and insert in lieu thereof "$15,000,000".

On page 8, beginning with line 15, strike title IV in its entirety.

Mr. WINN. Mr. Chairman, this amendment I am offering would reduce the authorization for the National Science Foundation to that requested by the President for fiscal year 1983. I must admit that I was surprised at the authorization level recommended by the Science, Research and Technology Subcommittee and then approved by our full Science and Technology Committee. I was surprised because, at a time when most agencies are being asked to take significant budget reductions, NSF was granted a 7.7-percent increase this year over last year's budget. The committee's recommendation comes in far above that generous increase—adding an additional $30 million to the authorization. Last year there were strong differences on both sides of the aisle as to the appropriate level of funding for the Foundation. Given the size of the increase over last year's funding, however, and given the size of the problems we are facing on the national level due to overspending, I do not believe a valid case can be made for increasing this budget $30 million over the President's request.

Let me address one area in particular in the administration's request that is of great concern to many Members, myself included. That area is science and engineering education. The administration has requested $15 million in fiscal year 1983 for graduate research fellowships. The committee has seen fit to add $30 million to this category, applying it to a variety of education programs at different levels other than graduate education. I do not believe that there is any question that science education at all levels, but particularly at the elementary and secondary levels, is facing severe problems. However, I think the Committee has taken an approach that has become all too common in an attempt to solve problems, and that is to just throw more money at it. Before embarking on a major expenditure of funds in this area, the administration has chosen wisely, I think, to move more cautiously in a search for solutions to these problems. They have established the National Science Board Commission on Precollege Education in mathematics, science and technology. The Commission will be active over a period of 18 months and is expected to issue interim reports on its findings at 6-month intervals.

Included in the scope of its activities will be an examination of existing evidence on the quality of general and preprofessional secondary school education in mathematics and science. Since it is my belief that precollege education is fundamentally a responsibility of State and local governments, the use of this Commission to identify solutions, without involving the Federal Government to the tune of millions of dollars, is a wise approach. The Commission will be able to identify ways for all of the concerned communities across this Nation to work together in addressing the problems of math and science education in our secondary schools.

I am certainly not foreclosing the possibility of additional Federal aid at some point in the future, but we should certainly not make prejudgments until all the facts are in. The administration's budget, as contained in my amendment, reflects this approach.

Mr. Chairman, what we are confronting here today on this NSF authorization, is a situation very similar to the one that we saw last week on the NASA authorization. And, in that instance we had an authorization that was an increase of some 11 percent over last year. However, the majority on the committee added additional moneys to that authorization. Here today on the National Science Foundation authorization, we once again have a very generous increase on the part of the administration for fiscal 1983. Compared to the amount approved in the continuing resolution for fiscal year 1982, the increase for the next fiscal year is approximately $73 million, or a hike of roughly 7.7 percent. The committee chose to add $30 million to this budget primarily in the education areas, without making any corresponding decreases to keep the budget at a reasonable level. This approach is just not consistent with our drive to right the economy, bring the deficit down, and establish a workable and fiscally responsible national budget.

Mr. Chairman, I believe that the administration's request for the National Science Foundation is fiscally sound, well-balanced, and would maximize the benefits from the Nation's investments in the support of fundamental research. It is by no means a perfect budget, but it is far preferable to that offered by the committee. I urge the adoption of my amendments.

Mr. FUQUA. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the gentleman's amendments.

The reduction in the National Science Foundation budget to a level below that recommended by the committee would be, I think, prejudicial to a number of vital activities carried out by the Foundation and to the progress of science and science education in this country.

The committee felt very strongly that the funds that should be placed in the science education portion of the bill, the $15 million that was recommended by the administration, was totally inadequate.

There has been a great deal said in recent months in the national media. One prominent weekly magazine, U.S. News & World Report, had a very significant article in February relating to the inability of high school students to obtain adequate science and math teaching in high school. I think one of the most recent issues has a cover story relating to the same subject matter.

There have been numerous conferences and meetings trying to raise a level of awareness of Americans about the serious situation with which we are faced.

We find that a large majority of students do not take any science or math beyond the tenth grade; over half.

We find that a large number of the teachers who are teaching in science and math are not certified in those particular fields.

We find that the requirements by the local schools for taking math and science are totally inadequate when compared to those countries that we compete with in the world, namely, the Soviet Union, West Germany, and Japan, who require much, much more hard science in high schools than we do.

I am not proposing that this is a Federal problem that we should be addressing from Washington, but back in the sixties, after the Sputnik of 1957, as we began to reanalyze our science teaching in this country, we in this Congress directed through the National Science Foundation that certain science education programs be implemented to train teachers better in science, to take bright young students who are interested in the sciences, and give them summer training. The test scores of students graduating from high school reflect a direct correlation between the amount of funding and the efforts that we put into these programs, and the results that we are getting out, being higher test scores.

This $30 million that we are proposing in this program is going to be in the science and engineering education program, to try to do something about a very critical need that we have facing us in this country as we try to cope with the remainder of this decade and into the year 2000 and beyond.

The number of engineers going into graduate programs today is much less than we have had at any time in the modern history of this country. It is a very serious situation.

I strive with all of my colleagues to try to balance the budget but this program has been reduced at a time when it needs to be at least sustained on a somewhat similar level.

We had over $70 million in this program in fiscal year 1982—down from 1981—and the administration only requested $15 million.

This only brings it back to $45 million and, Mr. Chairman, even the $45 million is totally inadequate for what we need. It is a step in the right direction to try to maintain momentum in this very vital program that affects the future of this country, and I hope the amendments will be defeated.

Mr. WALKER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendments.

Mr. Chairman, it is important to make the case here that these amendments in no way are anti-National Science Foundation or the work that the National Science Foundation is trying to carry forward.

What the amendments do is allow an increase of funding of what was spent this year. Therefore, what we are really voting for, if we support the committee's position, is an even greater increase than what the administration had originally sent to Capitol Hill. That is an important distinction because it goes to a key issue that was raised the other day when we were talking about the NASA budget—once again a budget where there was an increase in the amount of money that the administration sent to Capitol Hill—and now we want to increase it even more.

I submit, Mr. Chairman, that we have some votes coming downstream where the administration has requested cuts. It is going to be very difficult for this House to stick with cuts if in fact we cannot even vote to stay with the budget where there are increases built into that budget.

That is what we have to recognize here.

We are beginning the process of authorizing money at a time when virtually everyone when they bring their budget submissions to the floor is talking $100 billion in deficits.

Now we cannot go on adding more money to $100 billion in deficits. We just cannot afford it as a country.

Sure there are worthwhile programs in the National Science Foundation. No one doubts that. There are some very worthwhile programs. I would submit that some of my constituents from time to time point out some programs to me that are not so worthwhile that have been funded by the National Science Foundation, which led me to believe there are some areas where we might cut. But there are very, very worthwhile things done by the National Science Foundation.

Sure the program should be preserved. Sure it should receive some increased funding, and that is what the administration decided. But we cannot afford to increase the funding over what was requested in the original budget. It is not in the cards this year when we are talking about tens of billions, even a hundred billion in dificits. This is what this issue is all about.

If we vote for the Winn amendment, what we are saying is, "Yes, I support an increase in the budget of the National Science Foundation, but a modest increase."

If we vote for the committee amendment, we are voting for a substantial increase over and above what the administration submitted.

I would say in this time of budgetary constraints that a vote for the committee bill is not a vote in the best interests of the economic health of the Nation.

Mr. HOYER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendments.

Mr. Chairman, I rise in support of H.R. 5842, the National Science Foundation authorization for fiscal years 1982 and 1983. Last year I stood before this body urging my colleagues to resist a proposed budget cut of 75 percent for the social and behavioral sciences at the National Science Foundation, and I am extremely grateful that these drastic reductions did not occur.

In fact, an additional $70 million was appropriated over the amount requested by the President, with the direction that a sizeable portion of this additional funding be earmarked for social and behavioral sciences. Eventually, as a result of other congressional and administrative action, $11 million for the social and behavioral sciences were restored to the NSF budget.

Mr. Chairman, in 1980, $55 million was authorized for social and behavioral sciences. In 1981, this was cut to $40 million; in 1982, to $29 million, and $30 million in 1983. We are talking of a reduction of $25 million since 1980, so the amount we are asking for here amounts to a 40-percent decrease from 1980 funding levels for these critical areas of science.

Mr. Chairman, in my district alone, the University of Maryland last year received $884,000 from the National Science Foundation for basic biological, social and behavioral science research. Social and behavioral grants amounted to $372,000 of this amount.

The grants funded by this money have been extremely important in projecting the direction this country will follow in the coming years. Research showing the relationship between economic and social problems in this country, the development and effects of neural dysfunctions, and the overall implications of our social and political infrastructure have all been done using NSF money at the University of Maryland.

Mr. Chairman, I am sure all of my colleagues realize the vital role that basic research has played, and continues to play in solving today's problems. Without this badly needed research, we will not be able to answer many critical questions needed for further development, nor will we be able to meet the concerns and demands of our future generations.

It is important to recognize that during the past year, funding for science education research has been virtually wiped out. This will undoubtedly have long-term effects on the development of this country, for it not only effects the research conducted at schools and universities throughout the United States, it also effects the development of important breakthroughs in industry, business, medicine and communications. We cannot continue to expand our gross national product without a solid foundation of research and development to support it.

In conclusion, I urge my colleagues to uphold the distribution of funds within the research and related activities category as proposed in the House authorization. This would restore to 1980 levels the portion of the National Science Foundation's biological, behavioral and social science (BBS) directorate that funds behavioral and social science.

□ 1315

Mr. WALGREN. Mr. Chairman, I move to strike the requisite number of words. I rise in opposition to the amendment.

Mr. Chairman, I would like to make several points. One is that when we are talking about measuring this against last year or against the submission by the administration this year, I think we ought to consider the fact that this total amount that is being recommended by the committee this year, is $63 million below what the committee recommended last year, which was a year of substantial budget restraint.

It is also $4 million below what the House appropriated last year. As such, certainly all would agree that this is not a budget that is out of control or a budget that is threatening the larger overall directions of our balance in Government accounts.

I think it is also important to recognize that we have newly included in this budget $17 million for logistic support for the Coast Guard.

Now, that means $17 million has been squeezed out of other functions to provide room for that amount, and when we say it is $30 million over for this function that we add on in science and education, the overall is really not $30 million if you would restate last year's account to put that $17 million where it was funded last year and where it will not have to be funded this year; so on an overall level, we are only $13 million above.

I think that in thinking of the National Science Foundation, we should remember that never before, to my knowledge, has this been a partisan issue. This has been an area where the investment nature of the expenditure was recognized on both sides of the aisle and, to the best of my knowledge, there has never been a party line division on this that has been so encouraged by the Reagan administration and the imploring of the committee to not rise above what is recommended to it by the administration.

That, I think, is because we recognize that we were awfully lucky in this country to import the scientific knowhow during the twenties and thirties, so that we were the ones that happened to wind up with the nuclear and atomic weapons to end World War II, rather than the other side.

Just as we do not want to have to import foreign oil on ad infinitum, we also do not want to be in a position of having to import the scientific knowhow that will be essential for this country's security in the future.

When you look at what is going on in science and math education in our system and compare that to what is going on in the Soviet Union, you cannot come away from that evaluation without a great shudder for the future of this country.

I would suggest to my colleagues that the add-on of $17 million in effort in an area that has such potential for literally the well-being and existence of the country is a modest step in response to that crisis, a step that should be supported on both sides of the aisle.

Mr. DUNN. Mr. Chairman, I move to strike the requisite number of words.

I rise in opposition to the amendment.

Mr. Chairman, I reluctantly rise to oppose my colleague and the ranking member, the gentleman from Kansas. It is seldom that I oppose the gentleman, but nevertheless I must at this particular time.

The National Science Foundation maintains programs to encourage badly needed long-term, high-risk research. This research is accomplished by means which train future generations of scientists and engineers. There is a remarkably high return for this country in these programs. The broad impact of NSF science, engineering, and social science research and education programs in our economy and strategic interest is great in comparison to this relatively small part of the budget.

This funding is well in line with the administration's view that long-term, high-risk research and resultant training are proper goals for Government expenditure. This is reflected by the increase in requested funds for NSF within the President's fiscal year 1983 budget. Nevertheless, I cannot agree with the administration's low figures for behavioral and social science research and for science and engineering education. Nor can I agree to minority substitutes which replenish these directorates by draining funds for all research activities.

The $1.1 billion, as contained in the committee-reported bill are an important investment in the economic and technological future of our country. Universities rely on these funds in carrying out their essential work, in remaining the research backbone of the Nation.

I urge my colleagues to support the funding levels in the committee bill, both in research and education, and oppose amendments which would rob one area to benefit the other.

Mrs. HECKLER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I very, very reluctantly rise in opposition to the amendment of my colleague. I know that the gentleman shares the same pride that I have in the goals and accomplishments of the National Science Foundation.

We do have a difference of opinion on the issue of the funding level for the National Science Foundation. The administration's request did provide some growth in the funding level. This responds to international competitive stress and our national need to develop a stronger scientific knowledge base in the United States if we are to remain scientific emminent internationally.

We cannot achieve the demanding goal at the funding level that the administration suggests and I believe that this category of funding therefore, deserves to be increased.

The vast majority of the witnesses who appeared before our committee this year addressed the issue of our academic crisis, the information crisis, the knowledge gap in America.

We lag behind our Japanese trading partners and it is very important if we are to succeed in international competition, based upon the concept of meritocracy, that we reach a standard of academic excellence and that we upgrade our educational standards in science and technology. These are the areas that are at the cutting edge of a vibrant future for the United States and the rest of the free world.

I think that the areas of funding increases have to be related to the issue of science education at the precollege level and the involvement of women and minorities in scientific and technological career development. Demographic statistics have shown that over 60 percent of the work force in the coming decade will be composed of these two industrialized groups of our population. The important point here is that only at the National Science Foundation is there even the beginning of a program which encourages the development and releases the program's potential of the women and minority population.

The administration's budget does not go far enough to meet the growing need for the development of those sectors of our population that represent a rising proportion of the work force. In addition, the need for a vast improvement in academic achievement levels in science education across the country would not be met under the funding provided in the Winn amendment. We need nothing short of an academic revolution in America, if we are to remain preeminent in science and technology.

I think that the time to begin to discuss the issue is now. The gap between the committee's proposal and the administration's request is relatively narrow compared with the vast chasm that separated the two in last year's budget.

I think we are talking here about a difference of $30 million compared to $127 million last year. It is a difference that goes to the heart of the question of whether or not the National Science Foundation is going to be able to cope effectively with the educational gap in America and to nurture all human talent in order to insure the greatest contribution toward our scientific output and development by the American work force.

I feel very strongly that the budget as presented by the committee should be supported on a bipartisan basis.

Mr. HARKIN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment, and am here today to express my great concern over the continued shift in priorities which this country and this administration are taking. I am referring to the enormous decrease in proposed funding for science and engineering education in the National Science Foundation.

In 1959, 47 percent of NSF's total budget was devoted to science and engineering education. This has dropped to an abominable 2 percent in 1982. The administration has proposed that only $15 million be appropriated for science and engineering education in fiscal year 1983, and that entire amount would go toward graduate fellowships in research, and nothing for helping to train our teachers to educate our youth in the basics of science. Thus, NSF would have a science and engineering education program in name only.

With no money available for science education, it will be impossible to bring mathematics, science, and engineering teachers up to speed on the many new developments in their fields. For example, the use of computer technology in our schools could greatly enhance the learning possibilities for our young people. But our children cannot learn if their teachers do not know what to teach them.

A 1981 study by James Shymansky of the University of Iowa showed that 50.2 percent of newly employed math and science teachers were not qualified to teach math or science but were simply filling those positions. The administration even recognizes the critical shortage of qualified teachers in our schools. The fiscal year 1983 NSF budget statement acknowledges that—

> Another long-term issue underlying the current shortage of skilled scientific and engineering personnel is the declining emphasis on mathematics and physical science teaching in the Nation's elementary and secondary schools, a situation in stark contrast to other countries. According to a 1981 survey, fully 22 percent of high school mathematics teaching positions nationwide were vacant. Officials in 16 States characterized the situation as "critical." The nationwide trend toward reduced high school enrollments in mathematics and science has been coupled with less stringent graduation requirements in these fields. In response, college admission requirements in science and mathematics have been reduced.

Yet the administration wants to eliminate funding for science and engineering education. If we allow this trend to continue, not only will our children suffer, but our entire Nation will suffer as well.

We must consider the United States ability to compete in the world marketplace. With decreasing priority being given to science and math in our schools, we are in marked contrast to Germany, Japan, and the Soviet Union, which have been pursuing a policy of more extensive and rigorous education in science and mathematics for all citizens. Our productivity is based in large part on research done in the science and engineering fields and the skill of our workforce. Without a proper education, where will workers become skilled?

If we continue to let our emphasis in these areas slide, then we shall inevitably suffer in foreign trade. For instance, in 1980, the United States graduated 58,000 engineers, while the Japanese, with half our population, graduated 74,000, and the Soviet Union 300,000 engineers. These are the people we depend on to do necessary research to keep our society among the most highly advanced. Clearly, we are falling behind at an ever-increasing rate. This will only continue if we cut our education programs when we really need them to keep us competitive in the world marketplace.

I am pleased with the action taken by the House Science and Technology Committee which raises NSF's science and engineering education budget to $45 million, $30 million above the administration's proposal. But frankly, this is not nearly enough. Yes, budget cuts need to be made, but we must not extoll a policy dictated by short-run problems—we must consider the long-run implications.

If our young people are not trained and educated due to these cuts in NSF programs, who will be designing our scientific and technological equipment in the 1990's and beyond? Do we have to leave that to the Japanese and the Soviets?

Back in the 1950's Nikita Khrushchev came to the United Nations and scared a generation of Americans by pounding his fist on the table and shouting, "We will bury you!"

Well, the Soviets did not bury us, and they can never bury us. But we are on the verge of burying ourselves. And we may very well look back on the Reagan administration, and these cuts in science and engineering education, as the time and the place where the very first shovelsfuls of dirt were turned!

☐ 1330

Mr. SHAMANSKY. Mr. Chairman, I move to strike the requisite number of words, and I rise to oppose the amendment.

Mr. Chairman, my home community is Columbus, Ohio, the home of Ohio State University. I recently had the pleasure of visiting the laboratory that I took chemistry in and I graduated from there 35 years ago. The bad news is that the place has not changed in 35 years.

I was told by my escorts that it would cost Ohio State $85 million to bring science and technology equipment up to date to train the next generation of scientists and technologists. The President of Ohio State University, Edward Jennings, optimistically says, "Well, only $55 million would do it," but the people who are there on the scene say that is way too optimistic, too low a figure.

I mention this because last Thursday, in Columbus, Roger B. Smith, the chairman of the board of General Motors Corp., was there for a dinner at which we had a chance to meet and discuss the situation in this country. He recited to the gathering when he made his remarks that this country is simply not educating scientists and engineers in sufficient numbers to meet the demands of General Motors Corp. itself. He was very conscious about the situation facing the country and was pleading for the College of Engineering at Ohio State to help overcome this terrible lack.

I think the administration's approach of starving education in this vital area is very misguided. It is a classic case of eating the seed corn.

I urge a vote against the amendment.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Kansas (Mr. WINN).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. WINN. Mr. Chairman, I demand a recorded vote and, pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present. Pursuant to the provisions of clause 2, rule XXIII, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device, if ordered, will be taken on the pending question following the quorum call. Members will record their presence by electronic device.

The call was taken by electronic device.

The following Members responded to their names:

[Roll No. 80]

Addabbo
Akaka
Albosta
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Archer
Aspin
Bailey (MO)
Bailey (PA)
Barnard
Barnes
Beard
Bedell
Beilenson
Benedict
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Blanchard
Bliley
Boggs
Boland
Boner
Bonior
Bonker
Bouquard
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown (CA)
Brown (CO)
Broyhill
Burton, Phillip
Butler
Byron
Campbell
Carman
Carney
Chappell
Chappie
Cheney
Chisholm
Clausen
Clay
Clinger
Coats
Coelho
Coleman
Collins (IL)
Collins (TX)
Conable
Conte
Conyers
Corcoran
Coughlin
Coyne, James
Coyne, William
Craig
Crane, Daniel
Crockett
Daniel, Dan
Daniel, R. W.
Dannemeyer
Daschle
Daub
Davis
de la Garza
Deckard
Dellums
DeNardis
Derrick
Derwinski
Dicks
Dingell
Donnelly
Dorgan
Dornan
Dowdy
Downey
Duncan
Dunn
Dwyer
Dymally
Dyson
Early
Eckart
Edgar
Edwards (AL)
Edwards (CA)
Edwards (OK)
Emerson
Emery
English
Erlenborn
Ertel
Evans (DE)
Evans (GA)
Evans (IA)
Evans (IN)
Fary
Fascell
Fazio
Fenwick
Ferraro
Fiedler
Fields
Findley
Fithian
Flippo
Florio
Foley
Ford (MI)
Ford (TN)
Forsythe
Fountain
Fowler
Frank
Frenzel
Frost
Fuqua
Garcia
Gejdenson
Gephardt
Gibbons
Gilman
Gingrich
Glickman
Gonzalez
Goodling
Gore
Gradison
Gramm
Green
Gregg
Guarini
Gunderson
Hagedorn
Hall (OH)
Hall, Ralph
Hall, Sam
Hamilton
Hammerschmidt
Hance
Hansen (ID)
Harkin
Hartnett
Hatcher
Hawkins
Heckler
Hefner
Heftel
Hendon
Hertel
Hightower
Hiler
Hillis
Holland
Hollenbeck
Holt
Hopkins
Howard
Hoyer
Huckaby
Hughes
Hunter
Hutto
Hyde
Ireland
Jeffords
Jeffries
Jenkins
Johnston
Jones (NC)
Jones (TN)
Kastenmeier
Kazen
Kennelly
Kildee
Kindness
Kogovsek
Kramer
LaFalce
Lagomarsino
Lantos
Leach
Leath
LeBoutillier
Lee
Lehman
Lent
Levitas
Lewis
Livingston
Loeffler
Long (LA)
Long (MD)
Lowery (CA)
Lowry (WA)
Lujan
Luken
Lungren
Madigan
Markey
Marlenee
Marriott
Martin (IL)
Martin (NY)
Matsui
Mavroules
Mazzoli
McClory
McCloskey
McCollum
McCurdy
McDade
McEwen
McGrath
McHugh
McKinney
Mica
Mikulski
Miller (CA)
Miller (OH)
Mineta
Minish
Mitchell (MD)
Mitchell (NY)
Moakley
Moffett
Molinari
Mollohan
Montgomery
Moore
Moorhead
Morrison
Mottl
Murphy
Myers
Napier
Natcher
Neal
Nelligan
Nelson
Nichols
Nowak
O'Brien
Oakar
Oberstar
Obey
Oxley
Panetta
Parris
Pashayan
Patman
Patterson
Paul
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Porter
Price
Pritchard
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Rinaldo
Ritter
Roberts (KS)
Roberts (SD)
Robinson
Rodino
Roe
Roemer
Rogers
Rose
Rosenthal
Rostenkowski
Roth
Roukema
Rousselot
Roybal
Rudd
Russo
Sabo
Santini
Savage
Sawyer
Scheuer
Schneider
Schroeder
Schulze
Schumer
Seiberling
Sensenbrenner
Shamansky
Shannon
Sharp
Shaw
Shelby
Shumway
Shuster
Siljander
Simon
Skeen
Skelton
Smith (AL)
Smith (IA)
Smith (NE)
Smith (NJ)
Smith (OR)
Snowe
Snyder
Solarz
Solomon
Spence
St Germain
Stangeland
Staton
Stenholm
Stokes
Stratton
Studds
Stump
Synar
Tauzin
Taylor
Traxler
Udall
Vander Jagt
Vento
Volkmer
Walgren
Walker
Wampler
Washington
Waxman
Weber (MN)
Weber (OH)
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams (MT)
Williams (OH)
Wilson
Winn
Wolf
Wolpe
Wortley
Wright
Wyden
Wylie
Yates
Yatron
Young (AK)
Young (FL)
Young (MO)
Zablocki

☐ 1345

The CHAIRMAN. Three hundred seventy-seven Members have answered to their names, a quorum is present, and the Committee will resume its business.

RECORDED VOTE

The CHAIRMAN. The pending business is the demand of the gentleman from Kansas (Mr. WINN) for a recorded vote.

A recorded vote was ordered.

The CHAIRMAN. The Chair will remind the Members that 5 minutes will be allowed for the vote.

The vote was taken by electronic device and there were—ayes 194, noes 191, not voting 47, as follows

[Roll No. 81]

AYES—194

Addabbo
Albosta
Anthony
Applegate
Bailey (MO)
Beard
Benedict
Bennett
Bereuter
Bethune
Bliley
Boner
Breaux
Broomfield
Brown (CO)
Broyhill
Butler
Byron
Campbell
Carman
Carney
Chappie
Cheney
Clausen
Coats
Collins (TX)
Conable
Corcoran
Coughlin
Coyne, James
Craig
Crane, Daniel
Daniel, Dan

Daniel, R. W.
Dannemeyer
Daub
Davis
de la Garza
Deckard
Derwinski
Dicks
Dornan
Dowdy
Duncan
Dwyer
Dyson
Edwards (OK)
Emerson
Emery
English
Erlenborn
Evans (DE)
Fenwick
Fiedler
Fields
Findley
Florio
Forsythe
Fountain
Frenzel
Gilman
Goodling
Gradison
Gramm
Gregg
Guarini
Gunderson
Hagedorn
Hall (OH)
Hall, Sam
Hammerschmidt
Hance
Hansen (ID)
Hartnett
Hefner
Hendon
Hightower
Hiler
Hillis
Holt
Hopkins
Huckaby
Hughes
Hunter
Hyde
Jeffries
Johnston
Jones (TN)
Kazen
Kindness
Kogovsek
Kramer
Lagomarsino
Latta
Leath
LeBoutillier
Lee
Levitas
Lewis
Livingston
Loeffler
Long (MD)
Lott
Lowery (CA)
Lujan
Lungren
Madigan
Marriott
Martin (IL)
Martin (NY)
McClory
McCloskey
McCollum
McDade
McDonald
McEwen
McGrath
McKinney
Mica
Miller (OH)
Mitchell (NY)
Molinari
Montgomery
Moore
Moorhead
Morrison
Myers
Napier
Natcher
Nelligan
O'Brien
Oxley
Parris
Pashayan
Patman
Paul
Petri
Porter
Pritchard
Quillen
Railsback
Ratchford
Regula
Rhodes
Ritter
Roberts (KS)
Roberts (SD)
Robinson
Roemer
Rogers
Roth
Roukema
Rousselot
Rudd
Santini
Sawyer
Schneider
Schulze
Sensenbrenner
Shaw
Shumway
Shuster
Siljander
Skeen
Smith (AL)
Smith (NE)
Smith (NJ)
Smith (OR)
Snowe
Snyder
Solomon
Spence
Stangeland
Staton
Stenholm
Stratton
Stump
Tauzin
Taylor
Vander Jagt
Walker
Wampler
Weber (MN)
Weber (OH)
Whitehurst
Whitley
Whittaker
Whitten
Winn
Wolf
Wortley
Wylie
Young (AK)
Young (FL)

NOES—191

Akaka
Alexander
Anderson
Andrews
Annunzio
Aspin
Bailey (PA)
Barnard
Barnes
Bedell
Beilenson
Benjamin
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Bonior
Bonker
Bouquard
Brinkley
Brodhead
Brooks
Brown (CA)
Burton, Phillip
Chappell
Chisholm
Clay
Clinger
Coelho
Coleman
Collins (IL)
Conte
Conyers
Coyne, William
Crockett
D'Amours
Daschle
Dellums
DeNardis
Derrick
Dingell
Donnelly
Dorgan
Downey
Dunn
Dymally
Early
Eckart
Edgar
Edwards (AL)
Edwards (CA)
Ertel
Evans (GA)
Evans (IA)
Evans (IN)
Fary
Fascell
Fazio
Ferraro
Fithian
Flippo
Foley
Ford (MI)
Ford (TN)
Fowler
Frank
Frost
Fuqua
Garcia
Gejdenson
Gephardt
Gibbons
Gingrich
Glickman
Gonzalez
Gore
Green
Hall, Ralph
Hamilton
Harkin
Hatcher
Hawkins
Heckler
Heftel
Hertel
Holland
Hollenbeck
Howard
Hoyer
Hutto
Ireland
Jeffords
Jenkins
Jones (NC)
Jones (OK)
Kastenmeier
Kennelly
Kildee
LaFalce
Lantos
Leach
Lehman
Long (LA)
Lowry (WA)
Luken
Markey
Matsui
Mavroules
Mazzoli
McCurdy
McHugh
Mikulski
Miller (CA)
Mineta
Minish
Mitchell (MD)
Moakley
Moffett
Mollohan
Mottl
Murphy
Neal
Nelson
Nichols
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patterson
Pease
Pepper
Perkins
Peyser
Pickle
Price
Pursell
Rahall
Rangel
Reuss
Rinaldo
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Russo
Sabo
Savage
Scheuer
Schroeder
Schumer
Seiberling
Shamansky
Shannon
Sharp
Shelby
Simon
Skelton
Smith (IA)
Solarz
St Germain
Stark
Stokes
Studds
Synar
Traxler
Udall
Vento
Volkmer
Walgren
Washington
Watkins
Waxman
Weiss
White
Williams (MT)
Williams (OH)
Wilson
Wolpe
Wright
Wyden
Yates
Yatron
Young (MO)
Zablocki

NOT VOTING—47

Archer
Atkinson
AuCoin
Badham
Bafalis
Bowen
Brown (OH)
Burgener
Burton, John
Courter
Crane, Philip
Dickinson
Dixon
Dougherty
Dreier
Erdahl
Fish
Foglietta
Gaydos
Ginn
Goldwater
Gray
Grisham
Hansen (UT)
Horton
Hubbard
Jacobs
Kemp
Leland
Lent
Lundine
Marks
Marlenee
Martin (NC)
Mattox
Michel
Murtha
Richmond
Smith (PA)
Stanton
Swift
Tauke
Thomas
Trible
Weaver
Wirth
Zeferetti

The Clerk announced the following pairs:

On this vote:

Mr. Thomas for, with Mr. Dixon against.

Mr. Michel for, with Mr. Gray against.

Mr. Dreier for, with Mr. Richmond against.

Mr. Philip M. Crane for, with Mr. Leland against.

Mr. RAHALL and Mr. RUSSO changed their votes from "aye" to "no."

Mr. CARNEY changed his vote from "no" to "aye."

So the amendments were agreed to.

The result of the vote was announced as above recorded.

□ 1400

AMENDMENT OFFERED BY MR. WALKER

Mr. WALKER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WALKER: On page 9, after line 8, add the following new title:

Title V—General Provisions

SEC. 501. No funds authorized under this act shall be expended in violation of Public Law 95-435 unless both Houses of the United States Congress have considered a constitutional amendment requiring a balanced Federal budget.

Mr. WALKER. Mr. Chairman, this is the balanced budget amendment, but it has a little bit of difference to it that I think the Members ought to be aware of. Some aspects of this particular amendment have been offered before, but, as I say, there is some difference to it.

This amendment, like the previous amendments, triggers on the law that was passed by this Congress in 1978 saying that we should be operating under a balanced budget. However, there is one addition to this that also needs to be on the minds of the Members as they cast their votes. This amendment allows Members an "out." This amendment says that we do not have to comply with that particular provision of law if both Houses of Congress have considered a constitutional amendment to balance the budget.

Now, we have had a number of discussions on this floor in the past when this amendment has been up saying that we should not go the route that this gentleman suggests of obeying the law; what we ought to have is a constitutional amendment. But we all know that we are having a little bit of a problem getting that constitutional amendment considered.

So that has been an easy out for Members who say, "I am not for your balanced budget amendment, but I am for a balanced budget constitutional amendment."

Here, Members are going to have an opportunity to cast their votes for or against the consideration of such an amendment, because this says we can go ahead and spend the funds in violation of the law of 1978 if and when both Houses of Congress have considered a constitutional amendment to balance the budget—not have passed an amendment, but just considered it. All it says is that we have got to have the consideration of an amendment in order to expend the funds.

What does this mean? Well, it means exactly what this gentleman has been trying to talk about all this time, that we need to send a signal to the American people that we are in fact, moving in the direction they want us to move. One of the best signals we can send the American people is the fact that this Congress is serious about the issue, that we are serious about the law that we passed back in 1978, and we are willing to do those things we must do to move in the right direction.

The President of the United States indicated that he thinks a constitutional amendment to balance the budget is in fact, the proper course of action for the Nation to take. Here we have an opportunity today to vote: First, on whether or not we want to comply with the law; but second, if we do not want to comply with the law, then at least we figure we ought to have a vote on this floor with regard to a constitutional amendment to balance the budget.

I am puzzled as to why so many Members have so much of a problem with this issue. We have a number of Members who have problems with the issue. As a matter of fact, we had some more games played on the balanced budget issue just within the last 24 hours. I came to Washington yesterday, even in light of the Pennsylvania primary, prepared to offer an amendment of this kind to the intelligence bill because I had said that I was going to offer it to each of the authorization bills. I was assured when I was here yesterday that we were not going to take up any amendments to that particular bill until today. I left the floor thinking that was the case only to find out that the amendments were taken care of yesterday. So it seems to me that we are playing a lot of games in order to get around having to vote on balanced budgets.

I think that this is a key vote on balancing the budget. This vote says, not only do we want to stop playing games on balancing the budget, but we want to comply with the 1978 law, and also we want a constitutional amendment on balancing the budget. Here is a chance for the Members to vote one way or another on a constitutional amendment.

Mr. Chairman, I ask for an affirmative vote on my amendment.

Mr. FUQUA. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I will not take my full 5 minutes. I was looking on the floor for my good friend, the gentleman from New York (Mr. KEMP), to see if I could prevail upon him to make the same arguments that he made so eloquently last Thursday while this amendment was being debated.

I join with my friend, the gentleman from Pennsylvania, in supporting a balanced budget. I have had a constitutional amendment in myself. I hope that we get a chance to vote on it. But I do not think we need to depend upon whether some other action may or may not happen in this body or the other body to be contingent on whether we can spend the funds for the very important program that we have before us.

I would hope that we will have an opportunity at some time to vote on a constitutional amendment, but at this time I think that we have a bill relating to an entirely different matter and we should not be confusing the issues.

So I plead with my colleagues to vote down the amendment so that we can get on with this bill. This amendment has been up twice already on various matters. It has been overwhelmingly voted down, and I would ask that the Members continue to reject this amendment. Hopefully we will get a balanced budget amendment before the House in the near future and Members will be able to exercise their prerogative at that time, but not on an unrelated matter that involves the National Science Foundation.

Mr. Chairman, I urge rejection of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. WALKER).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. WALKER. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 158, noes 227, answered "present" 1, not voting 46, as follows:

[Roll No. 82]

AYES—158

Alexander
Anderson
Archer
Bailey (MO)
Beard
Benedict
Bereuter
Bliley
Broomfield
Brown (CO)
Broyhill
Campbell
Carman
Carney
Chappie
Cheney
Clausen
Clinger
Coats
Coelho
Coleman
Collins (TX)
Conable
Corcoran
Coyne, James
Craig
Crane, Daniel
Daniel, Dan
Daniel, R. W.
Dannemeyer
Daschle
Daub
Deckard
Dickinson
Dorgan
Dornan
Downey
Duncan
Dunn
Dyson
Edwards (OK)
Emerson
English
Erlenborn
Evans (GA)
Fenwick
Fiedler
Fields
Findley
Fithian
Fowler
Gephardt
Gingrich
Goodling
Gradison
Gramm
Gregg
Gunderson
Hagedorn
Hall, Sam
Hamilton
Hammerschmidt
Hance
Hansen (ID)
Hartnett
Hendon
Hiler
Hillis
Hopkins
Huckaby
Hunter
Jeffries
Jenkins
Johnston
Kazen
Kindness
Kramer
Lagomarsino
Latta
LeBoutillier
Lee
Lent
Levitas
Lewis
Livingston
Loeffler
Lowery (CA)
Lujan
Lungren
Marlenee
Martin (IL)
Martin (NY)
McCollum
McDonald
McEwen
McGrath
Miller (OH)
Molinari
Moorhead
Morrison
Murphy
Myers
Napier
Natcher
Parris
Pashayan
Patman
Paul
Petri
Pickle
Quillen
Regula
Ritter
Roberts (KS)
Roberts (SD)
Robinson
Roth
Rudd
Santini
Schroeder
Schulze
Sensenbrenner
Sharp
Shaw
Shelby
Shumway
Shuster
Siljander
Skeen
Skelton
Smith (AL)
Smith (NE)
Smith (NJ)
Smith (OR)
Snowe
Snyder
Solomon
Spence
Stangeland
Staton
Stenholm
Stump
Tauzin
Taylor
Vander Jagt
Volkmer
Walker
Wampler
Watkins
Weber (MN)
White
Whitehurst
Whittaker
Winn
Wylie
Yatron
Young (AK)
Young (FL)

NOES—227

Addabbo
Akaka
Albosta
Andrews
Annunzio
Anthony
Applegate
Aspin
Bailey (PA)
Barnard
Barnes
Bedell
Beilenson
Benjamin
Bennett
Bethune
Bevill
Biaggi
Blanchard
Boggs
Boland
Boner
Bonior
Bonker
Bouquard
Breaux
Brinkley
Brodhead
Brooks
Brown (CA)
Burton, Phillip
Butler
Byron
Chappell
Chisholm
Clay
Collins (IL)
Conte
Conyers
Coughlin
Coyne, William
Crockett
D'Amours
Davis
de la Garza
Dellums
DeNardis
Derrick
Derwinski
Dicks
Dingell
Donnelly
Dwyer
Dymally
Early
Eckart
Edgar
Edwards (AL)
Edwards (CA)
Emery
Ertel
Evans (DE)
Evans (IA)
Evans (IN)
Fary
Fascell
Fazio
Ferraro
Flippo
Florio
Foley
Ford (MI)
Ford (TN)
Forsythe
Fountain
Frank
Frenzel
Frost
Fuqua
Garcia
Gejdenson
Gibbons
Gilman
Glickman
Gonzalez
Gore
Green
Guarini
Hall (OH)
Hall, Ralph
Harkin
Hatcher
Hawkins
Heckler
Hefner
Heftel
Hertel
Hightower
Hollenbeck
Holt
Howard
Hoyer
Hughes
Hutto
Hyde
Ireland
Jeffords
Jones (NC)
Jones (OK)
Jones (TN)
Kastenmeier
Kennelly
Kildee
Kogovsek
LaFalce
Lantos
Leach
Leath
Lehman
Long (LA)
Long (MD)
Lott
Lowry (WA)
Luken
Madigan
Markey
Marriott
Matsui
Mavroules
Mazzoli
McClory
McCloskey
McCurdy
McDade
McHugh
McKinney
Mica
Michel
Mikulski
Miller (CA)
Mineta
Minish
Mitchell (NY)
Moakley
Moffett
Mollohan
Montgomery
Moore
Mottl
Neal
Nelligan
Nelson
Nichols
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Oxley
Panetta
Patterson
Pease
Pepper
Perkins
Peyser
Porter
Price
Pritchard
Pursell
Rahall
Railsback
Rangel
Ratchford
Reuss
Rhodes
Richmond
Rinaldo
Rodino
Roemer
Rogers
Rose
Rosenthal
Rostenkowski
Roukema
Roybal
Russo
Sabo
Sawyer
Scheuer
Schneider
Schumer
Seiberling
Shamansky
Shannon
Simon
Smith (IA)
Solarz
St Germain
Stark
Stokes
Stratton
Studds
Swift
Synar
Tauke
Traxler
Udall
Vento
Walgren
Washington
Waxman
Weber (OH)
Weiss
Whitley
Whitten
Williams (MT)
Williams (OH)
Wirth
Wolf
Wolpe
Wortley
Wright
Wyden
Yates
Young (MO)
Zablocki

ANSWERED "PRESENT"—1

Roe

NOT VOTING—46

Atkinson
AuCoin
Badham
Bafalis
Bingham
Bolling
Bowen
Brown (OH)
Burgener
Burton, John
Courter
Crane, Philip
Dixon
Dougherty
Dowdy
Dreier
Erdahl
Fish
Foglietta
Gaydos
Ginn
Goldwater
Gray
Grisham
Hansen (UT)
Holland
Horton
Hubbard
Jacobs
Kemp
Leland
Lundine
Marks
Martin (NC)
Mattox
Mitchell (MD)
Murtha
Rousselot
Savage
Smith (PA)
Stanton
Thomas
Trible
Weaver
Wilson
Zeferetti

□ 1415

Mrs. SNOWE, Mr. JENKINS, and Mr. DORGAN of North Dakota changed their votes from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

□ 1430

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. PEYSER

Mr. PEYSER. Mr. Chairman, I offer an amendment in the nature of a substitute.

The Clerk read as follows:

Amendment in the Nature of a Substitute Offered by Mr. Peyser: Strike out all after the enacting clause and insert:

That this Act may be cited as the "National Science Foundation Authorization Act for Fiscal Years 1982 and 1983".

TITLE I—AUTHORIZATION OF FUNDS FOR FISCAL YEAR 1982

Sec. 101. There are authorized to be appropriated to the National Science Foundation, for fiscal year 1982, the sums indicated for the following categories:

(1) Mathematical and Physical Sciences, $285,400,000.

(2) Engineering, $100,400,000.

(3) Biological, Behavioral, and Social Sciences, $184,600,000.

(4) Astronomical, Atmospheric, Earth, and Ocean Sciences, $253,200,000.

(5) Ocean Drilling Programs, $14,000,000.

(6) United States Antarctic Program, $69,600,000.

(7) Scientific, Technological, and International Affairs, $48,400,000.

(8) Cross-Directorate Programs, $13,200,000.

(9) Program Development and Management, $63,200,000.

(10) Science and Engineering Education, $35,000,000.

Sec. 102. Besides the sums authorized in sections 101 and 103, there is authorized to be appropriated to the National Science Foundation the sum of $16,500,000 for fiscal year 1982 for a special program for modernization of research equipment and facilities.

Sec. 103. Besides the sums authorized in sections 101 and 102, a sum not exceeding $3,500,000 for fiscal year 1982 is authorized to be appropriated for expenses of the National Science Foundation incurred outside the United States, to be drawn from foreign currencies that the Treasury Department determines to be excess to the normal requirements of the United States.

Sec. 104. From appropriations made under authorizations provided in this title, not more than $5,000 for fiscal year 1982 may be used for official consultation, representation, or other extraordinary expenses at the discretion of the Director of the National Science Foundation. His determination will be final and conclusive upon the accounting officers of the Government.

TITLE II—AUTHORIZATION OF FUNDS FOR FISCAL YEAR 1983

Sec. 201. There are authorized to be appropriated to the National Science Foundation, for fiscal year 1983, the sums indicated for the following categories:

(1) Mathematical and Physical Sciences, $288,300,000.

(2) Engineering, $98,600,000.

(3) Biological, Behavioral, and Social Sciences, $201,000,000.

(4) Astronomical, Atmospheric, Earth, and Ocean Sciences, $250,800,000.

(5) Ocean Drilling Programs, $14,000,000.

(6) United States Antarctic Program, $86,400,000.

(7) Scientific, Technological, and International Affairs, $50,100,000.

(8) Program Development and Management, $63,081,000.

(9) Science and Engineering Education, $35,000,000.

Sec. 202. (a) Of the total amount authorized under section 201(2), not less than $2,000,000 shall be available for research to aid the handicapped.

(b) Of the total amount authorized under section 201(7), not less than $3,000,000 shall be available for the National Research Opportunity Grant Program.

(c) Of the sum of the amounts authorized under sections 201(1), 201(2), and 201(4), not less than 10 per centum shall be available for research instrumentation.

(d) Of the amounts authorized to be appropriated under section 201(7), for Scientific, Technological, and International Affairs, no amount is authorized to be available for United States support of the International Institute for Applied Systems Analysis in Vienna, Austria, providing there is a final determination by the President, and notification to the Congress, that participation in the Institute is contrary to national security interests.

(e) Of the sum of the amounts authorized under sections 201(1), 201(2), and 201(4), the Director of the National Science Foundation is authorized to transfer up to $9,000,000 to the category of Ocean Drilling Programs for the Ocean Margin Drilling subactivity; but the second and third sentences of section 303(b) shall apply with respect to any transfer which is proposed to be made under this subsection, and such a transfer shall be treated in all respects (subject to the dollar limitation in this subsection) the same as any other transfer of funds for purposes of section 303(a) and the first sentence of section 303(b).

Sec. 203. Besides the sums authorized in section 201, a sum not exceeding $2,200,000 for fiscal year 1983 is authorized to be appropriated for expenses of the National Science Foundation incurred outside the United States, to be drawn from foreign currencies that the Treasury Department determines to be excess to the normal requirements of the United States.

Sec. 204. From appropriations made under authorizations provided in this title, not more than $2,500 for fiscal year 1983 may be used for official consultation, representation, or other extraordinary expenses at the discretion of the Director of the National Science Foundation. His determination will be final and conclusive upon the accounting officers of the Government.

TITLE III—AVAILABILITY OF FUNDS AND OTHER FUNCTIONS

Sec. 301. Appropriations made under authorizations provided in titles I and II shall remain available for obligation, for expenditure, or for obligation and expenditure for periods specified in the Acts making the appropriations.

Sec. 302. If the total amount of appropriations made by any Act for fiscal year 1983 for program activities included in title I is less than the total amount authorized to be appropriated for those activities by title II, the amount available from such appropriations for any particular program activity shall bear the same ratio to the amount authorized to be appropriated for that activity by title II as the total amount of the appropriations made by such appropriation Act for all included program activities bears to the total amount authorized to be appropriated for those activities by title II (with each floor set forth in section 202 being reduced in the same ratio), except to the extent specifically otherwise provided in the text of the Act making the appropriations for the program activities involved.

Sec. 303. (a) Funds may be transferred among the categories listed in section 101, so long as the net funds transferred to or from any category do not exceed 10 per centum of the amount authorized for that category in section 101. Funds may be transferred among the categories listed in section 201, so long as the net funds transferred to or from any category do not exceed 10 per centum of the amount authorized for that category in section 210.

(b) The Director of the National Science Foundation may propose transfers to or from any category listed in section 101 or 201 exceeding 10 per centum of the amount authorized for that category in such section. An explanation of any such proposed transfer must be transmitted in writing by the Director to the Speaker of the House of Representatives, the President of the Senate, the House Committee on Science and Technology, and the Senate Committee on Labor and Human Resources. The proposed transfer may be made only when thirty calendar days have passed, after the transmission of such explanation, without the chairman of either such committee having notified the Director to the effect that the committee objects to the proposed transfer.

Sec. 304. (a) The text of section 9 of the National Science Foundation Act of 1950 is amended to read as follows:

"Sec. 9. (a) Each special commission established under section 4(h) shall be appointed by the Board and shall consist of such members as the Board considers appropriate.

"(b) Special commissions may be established to study and make recommendations to the Foundation on issues relating to research and education in science and engineering.".

(b) Section 6 of Public Law 95-99 (the National Science Foundation Authorization Act, fiscal year 1978) is repealed.

(c) Section 10 of Public Law 95-99, the National Science Foundation Authorization Act for fiscal year 1978, is repealed.

(d) Subsection 12(b) of the National Science Foundation Act of 1950, as amended, is deleted and the preceding subsection is redesigned by striking the (a).

TITLE IV—DIRECTORATE FOR SCIENCE AND ENGINEERING EDUCATION

Sec. 401. The Directorate for Science and Engineering Education is hereby named as a permanent organizational entity of the National Science Foundation, responsible for all functions relating to science and engineering education activities of the Foundation.

Sec. 402. Any proposed change in the functions or organization of the Directorate for Science and Engineering Education may occur only when (1) an explanation of the proposed change has been transmitted in writing by the Director of the Foundation to the Speaker of the House of Representatives, the President of the Senate, the House Committee on Science and Technology, and the Senate Committee on Labor and Human Resources, and (2) thirty calendar days have passed, after the transmission of such explanation, without the chairman of either such committee having notified the Director to the effect that the committee objects to the proposed change.

Mr. PEYSER (during the reading). Mr. Chairman, I ask unanimous consent that the amendment in the nature of a substitute be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. WINN. Reserving the right to object, Mr. Chairman, I do so because on this side of the aisle we have not seen a copy of the substitute. I think that before we start any debate or any conversation we ought to have copies of that so we can analyze it.

Mr. PEYSER. Mr. Chairman, if I may respond, I apologize for not bringing the substitute over. I will have it over. There is only one change in the substitute, and it deals with title II and it changes the figure to $35 million from the amendment of the gentleman that was just passed by the House. That is the only change. I will be glad to send this to the Republican side.

Mr. WINN. I appreciate the gentleman's sending the only copy in the Chamber over to our side, but as I understand it—and I am still reserving my right to object—this amendment still leaves the committee bill $20 million over the budget.

Mr. PEYSER. That is what we will be voting on and discussing in the substitute that I am going to offer. What it does, yes, it will increase the amount to $35 million.

Mr. SENSENBRENNER. Mr. Chairman, will the gentleman yield?

Mr. WINN. Further reserving the right to object, I yield to the gentleman from Wisconsin (Mr. Sensenbrenner), a member of the committee.

Mr. SENSENBRENNER. Mr. Chairman, I have the copy of the amendment in the nature of a substitute which the gentleman from New York has handed to the minority. I think it is fair to say that the substitute of the gentleman from New York does not reduce the amount that was approved by the committee in the Winn amendment $10 million; it increases it by $20 million. So the figure in the substitute offered by the gentleman from New York is just $10 million below what was rejected by the committee about an hour ago.

Mr. WINN. I thank the gentleman and, Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. PEYSER. Mr Chairman, just a few minutes ago this House voted to make a major cut in the programs dealing with science in our educational system. It seems absolutely inconceivable to me that at this time in our history we would be talking about the total reduction, actually practically the elimination, of moneys for science education in this country. And yet that is what is happening right now when we passed the Winn amendment.

With every business group in this country that I have talked to over the last several months, one of the issues that has come out on education is the desperate need for more engineers, more chemists, more people with the technological skills so that this country can move ahead.

We have been very worried about the defense of this country. Well, then, if we are worried about the defense of this country to enact a piece of legislation that would practically eliminate all people from gaining the education that they need in this technological era makes absolutely no sense whatsoever.

I am convinced, Mr. Chairman, that there was a misunderstanding in the House on the vote we just cast, because by a handful of votes we have, as I said before, eliminated the opportunity for young men and women in this country to gain the kind of education they need in these technological skills and in the sciences. This is a reduction of $10 million from the figure of $45 million, bringing it down to $35 million. I would hope that Members of this Congress are not going to be the ones who will be labeled as sitting back and taking the definite action of setting back the sciences in this country, because what will happen is that just a few years from now we will be throwing hundreds of millions or billions of dollars into a crash program trying to get these people educated.

Mr. WOLPE. Mr. Chairman, will the gentleman yield?

Mr. PEYSER. I yield to the gentleman from Michigan.

Mr. WOLPE. I thank the gentleman for yielding.

Mr. Chairman, I want to associate myself fully with the remarks of the gentleman in the well. I rise in support of the recommendations of the Science and Technology Committee and in strong support of the substitute offered by the gentleman from New York. I want to particularly endorse the committee recommendation with respect to funding levels for research in the social and behavioral sciences.

Our society is faced with massive changes in its social, economic, and political environments. On the economic side, we are attempting to fashion policies designed to restore our lagging rate of productivity growth, restrict the inflation that has dominated our national consciousness for most of the past decade, and encourage a new burst of innovation and energy. On the social side, we are faced with massive demographic changes—in the number and proportion of elderly people, in average family size, in patterns of family formation and dissolution—as well as with a set of serious problems relating to shifts in urban and regional locations. And on the political side, a significant reallocation of fiscal responsibility from the Federal Government to State and local governments is under active discussion.

Achieving a better base of information and understanding for these and other problems is an important national priority. These problems are in the forefront of concerns in the social and behavioral sciences, and they can be better understood if we devote more resources to research in the social and behavioral programs.

Members of this body understand that investments in knowledge have fully as much pay off as investments in the physical capital of factory buildings and machines, and that investments in knowledge about the functioning of the economy and society, which is what social and behavioral scientists study, have fully as much payoff as investments in knowledge about the physical and biological universe.

I therefore urge my fellow Members of the House to support the Peyser substitute.

It is a reasonable compomise between the need for investments in knowledge and the need for fiscal restraint.

It allocates scientific resources equitably and efficiently.

It addresses two of our most pressing national priorities: Research in the social and behavioral sciences and the education of young scientists and engineers.

Mr. HARKIN. Will the gentleman yield?

Mr. PEYSER. I yield to the gentleman from Iowa.

Mr. HARKIN. I thank the gentleman for yielding.

Mr. Chairman, I, too, was quite surprised and shocked at the outcome of the vote on the Winn amendment. As I said in my remarks, and as the gentleman I think has alluded to, last year we graduated 54,000 engineers in this country. Japan, with half of our population, graduated 78,000 engineers. The Soviet Union reportedly graduated 300,000.

This program of science education is a program used to teach our high school teachers, our math and science and engineering teachers in high school, what to teach and how to teach.

Now, why is that important? We had testimony, our Committee on Science and Technology, that in the past decade there has been an average decline of 64 to 78 percent in secondary school science and mathematics teachers. Of those newly employed science and math teachers in 1981—and understand this—an average 50.2 percent were unqualified in math and science. In many of our high schools we are having coaches teach math, people who have not really taken math or science. And this science education program that we have was to go out and take these high school teachers and teach them how to teach math and science, especially in the critical areas of computer technology.

I cannot think of one amendment that has been offered on this floor this year that is more detrimental to the future of our country than that one amendment that was passed by so few votes just a few minutes ago that cut the heart out of our science education program. You may go after other things if you want, but I simply cannot understand why Members would want to turn their backs on that one special area of the National Science Foundation.

I thank the gentleman for offering his amendment.

Mr. **PEYSER**. I thank the gentleman for his comments.

Mrs. **FENWICK**. Mr. Chairman, will the gentleman yield?

Mr. **PEYSER**. I yield to the gentlewoman from New Jersey.

Mrs. **FENWICK**. I thank my colleague for yielding.

I have not had the privilege of seeing any of these amendments, but I would like to understand what we are voting on.

Am I wrong or right, if this amendment is defeated, will we be spending more money for science education this year than we did last year? Or will we be spending less?

Mr. **PEYSER**. We will be spending substantially less.

Mrs. **FENWICK**. Less than last year?

Mr. **PEYSER**. Less than we did last year, if we defeat this amendment.

The **CHAIRMAN**. The time of the gentleman from New York (Mr. Peyser) has expired.

(By unanimous consent, Mr. Peyser was allowed to proceed for 4 additional minutes.)

Mr. **SKELTON**. Mr. Chairman, will the gentleman yield?

Mr. **PEYSER**. I yield to the gentleman from Missouri.

Mr. **SKELTON**. Would the gentleman explain to me what his substitute does, as opposed to the Winn amendment?

Mr. **PEYSER**. Yes; my substitute moves the money for the education, the science education program, up to $35 million. The original legislation from the committee was at $45 million. And that is all it does.

Mr. **SKELTON**. If the gentleman will yield further, I think it is very important to point out that in recent years the United States has fallen to third behind the Soviet Union and the country of Japan in producing scientists and engineers. This starts down in the high schools, the grade schools, the colleges. We have a serious, serious problem in some parts of our national defense right now—a lack of engineers, a lack of scientists—and there is a great deal of concern, not just in the Armed Forces, but in the industrial base. I think the gentleman is on the right track with this amendment, and I commend him for it.

Mr. **PEYSER**. I thank the gentleman for his comments.

Mr. Chairman, one thing I would like to point out, many of my colleagues on the Republican side of the House over the last several months have spoken out—and I am very pleased that they have—very strongly for education. They have stated that this year they were not going to make the same kinds of cuts they made last year.

Now, also on the Republican side of the aisle and on the Democratic side we have had the opportunity in the last week of having a confidential top-secret review by the military, the Department of Defense, on the weaponry and the skills in the Soviet Union. Without going into those details, one thing is obvious. If you are concerned about defense in this country, to talk about making this kind of a cut that we just made in science education, then it does not make any difference what you spend on defense, because we are not going to have the kind of people, the kinds of skills to adequately defend our country.

So I would hope that we would now take a second thought. We are cutting $10 million out of this program, reducing it to $35 million. But let us vote for the good of all of the country on this issue, and let us vote for the security and the defense, and let us vote for education. That is clearly the issue.

Mr. **GREGG**. Mr. Chairman, will the gentleman yield?

Mr. **PEYSER**. I yield to the gentleman from New Hampshire.

Mr. **GREGG**. Just to clarify, under the present budget, as it is now standing, or under the present bill as it is now standing, there is no directive as to how the original $15 million and now, if the gentleman's amendment passes, $35 million is to be spent.

In committee, the administration and the National Science Foundation took the position that they wanted it spent on postsecondary school education. The committee position was that we wanted the money spent on elementary or secondary school education. There will be no directives, no instructions to the National Science Foundation if the gentleman's amendment passes.

Mr. **PEYSER**. If the gentleman will yield back to me, I have looked at the report language here, which clearly states the need and the hope that these moneys will be aimed at those who are the teachers of these programs, both at secondary and postsecondary levels, and that this will provide the stimulus in the country to move ahead.

I do not think we ought to be quibbling over which segment is going to be handling how much of this money.

Mr. **GREGG**. If the gentleman will yield further, how would the gentleman expect the National Science Foundation to provide for the teachers of elementary and secondary schools? Is the gentleman talking about salary supplement programs, award programs?

Mr **FUQUA**. Mr. Chairman, will the gentleman yield?

Mr. **PEYSER**. I yield to the Chairman, the gentleman from Florida.

Mr. **FUQUA**. I appreciate the gentleman yielding.

Mr. Chairman, let me quote from the committee report where the additional funds, the $30 million that we provided that were eliminated by the Winn amendment, would go:

> The Committee expects that the majority of the additional $30 million for science and engineering education will be spent for pre-college education programs. This would include roughly $9 million for science and math teacher career improvement programs, roughly $2 million for the National Resource Centers program and roughly $5 million for an experimental nationwide program for recruitment and retention of quality math and science teachers.
>
> Approximately $8.5 million would be allocated for undergraduate education and equipment, including roughly $1.5 million for scholarships, $4 million for instructional equipment and the remainder for instructional improvement programs including but not limited to the Comprehensive Assistance to Undergraduate Science Education program.

So we do have programs that would argument the teaching programs of the school, improve the skills of the teachers, provide some equipment, but there would not be salary supplementation.

Mr. **PEYSER**. I thank the Chairman for that comment.

Mr. Chairman, I hope we will act now to reverse that decision of a few minutes ago and vote "yes" on this amendment.

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Mr. **SENSENBRENNER**. Mr. Chairman, I rise in opposition to the amendment in the nature of a substitute.

Mr. Chairman, the amendment in the nature of a substitute offered by the gentleman from New York (Mr. Peyser) is clearly intended to negate the vote of the Committee of the Whole that was taken just a little while ago to reduce the budget of the National Science Foundation.

The amendment offered by the gentleman from New York (Mr. Peyser) will put the entire bill $20 million over the request of the administration.

Let us make no mistake about it, $100 billion Federal deficits are made up of amendments like these. We can continue spending for very worthwhile programs and end up having the high budget deficits and the high interest rates and the high unemployment that those budget deficits cause.

In looking at the amendment that is presently before the committee, we

ought to put some things in perspective.

The Winn amendment adopted just a few minutes ago actually increased the amounts authorized under the committee bill for both mathematical and physical sciences research and engineering research as well as astronomical atmospheric Earth and ocean science research. There was a trade-off in the Winn amendment on what our priorities ought to be and the Winn amendment correctly stated those priorities.

Apparently there are some who believe today that by spending $20 million more in teaching high school teachers how to teach math and science we will be able to solve the shortage of engineers in this country and to get as many engineering graduates as the Japanese and the Soviet Union.

Who is kidding whom? How will $20 million more to the National Science Foundation come out in the bottom line of more engineers, and more scientists?

There is that kind of a direct relationship.

The reason there is not that kind of direct relationship is because our system of education, with its emphasis on free choice and quality of instruction, turns out a lot more qualified engineers than the kind of forced system that the Soviet Union and Japan have.

But we ought to ask ourselves in considering the amendment offered by the gentleman from New York (Mr. Peyser), as to exactly what the role of the Federal Government should be in science and math education of high school teachers.

We hear a lot of stories about the fact that the basketball coach is also the math teacher, implying that that individual is unqualified to teach modern math in our high schools today.

It is not the role of the Federal Government to change that. That is the role of our State legislatures and State departments of education in establishing curriculum and certification requirements through their own processes. We are simply attempting to stick our nose into a prerogative that has been traditionally reserved to the States in saying that high school math and science instruction by and large needs improvement. We propose to improve it by throwing money at it rather than by pointing out what the real problem is, which is the fact that the certification and curriculum requirements set in our State capitals might be a little bit lacking.

Mr. **HARKIN**. Mr. Chairman, will the gentleman yield?

Mr. **SENSENBRENNER**. I yield to the gentleman from Iowa.

Mr. **HARKIN**. I thank the gentleman for yielding.

If I am a student in a high school in Wisconsin and that school does not have a qualified math or science teacher, what kind of free choice do I have? Because even the administration, in the statement accompanying their budget request, this administration said that in a 1981 survey actually 22 percent of the high school math teaching positions nationwide were vacant. This is one out of five. What kind of free choice do I have?

Mr. **SENSENBRENNER**. The free choice the gentleman had, I might say to the gentleman from Iowa, is the gentleman could go to his elected school board and say that there is not an adequate math curriculum in his school and that his school board ought to spend more money so there is an adequate math curriculum there. That is a decision that should be made in the local school board meetings all around the country rather than in the Congress of the United States.

Mr. **GREGG**. Mr. Chairman, will the gentleman yield?

Mr. **SENSENBRENNER**. I yield to the gentleman from New Hampshire.

Mr. **GREGG**. I thank the gentleman for yielding.

To follow up on that point, is it not true that primarily the reason why we are unable to attract qualified math and science teachers into our school systems today is that we have to pay them the same wages we pay the English teacher or the art teacher, and the fact is that in the competitive marketplace the science and math teacher is a much higher value?

The **CHAIRMAN**. The time of the gentleman from Wisconsin (Mr. Sensenbrenner) has expired.

(By unanimous consent, Mr. Sensenbrenner was allowed to proceed for 3 additional minutes.)

Mr. **GREGG**. If the gentleman will continue to yield, the science or math teacher has a much higher value on his or her capacities and demand for payment in the marketplace. That person can go out and find a job in the computer industry or in some other engineering oriented industry and get paid a higher wage than they will receive as a teacher, because of the fact that we have a system in this country which says that you have to pay all the teachers the same wage and you cannot bifurcate those wage systems, and that is the real core of the problem as to why we cannot attack——

Mr. **SENSENBRENNER**. The gentleman from New Hampshire is absolutely correct, that there is a relatively low rate of retention of science and mathematic teachers because they go from teaching school into the private sector of our economy and make a tremendous increased salary.

Now, again, the solution to that problem is not here in the Congress. The chairman of the committee, the gentleman from Florida (Mr. Fuqua) mentioned in reading the committee report that we specifically prohibit using any of this money for salary supplements. Teachers' salary schedules are set at the State and local level. There is nothing that we can do under the present system to get at that particular point that the gentleman from New Hampshire has brought up.

Mr. **HARKIN**. Mr. Chairman, will the gentleman yield?

Mr. **SENSENBRENNER**. I yield to the gentleman from Iowa.

Mr. **HARKIN**. I thank the gentleman for yielding.

I am informed that in our neighboring State of Minnesota last year they graduated one qualified high school math teacher. So even if the school boards in those small towns in Minnesota requested or wanted to get a math teacher, where are they going to get them when they only graduated one out of the Minnesota universities?

Mr. **SENSENBRENNER**. Even if the amendment currently before the committee is passed, that is not going to address that problem because the committee report very clearly states that the funds that are appropriated, whether it be $15 million in the Winn amendment; $45 million in the committee bill, or $35 million in the Peyser amendment, is channeled most particularly into high school science teaching.

So the total number of graduates is not going to go up, down or any way else, no matter how much or how little money is appropriated.

Mr. **HARKIN**. I understand that and I was responding to the gentleman's first argument. What this program is designed to do is just what the gentleman says, it is going to go out to those high school math and science teachers who otherwise might not be qualified and to give them a good sound basis for teaching math and science. We know we cannot afford, like the gentleman said, those high schools cannot afford those teachers. So we have to rely upon other teachers and that way we have to use this program to go out and teach them how to teach math and science.

Mr. **SENSENBRENNER**. Reclaiming my time, Mr. Chairman, since the lure of money is very attractive no matter what business one is in or whether one is a teacher, the real problem is the way teacher salaries are negotiated in this country and that uniform teachers' salary schedules are what is at the core of this problem.

The **CHAIRMAN**. The time of the gentleman from Wisconsin (Mr. Sensenbrenner) has again expired.

(By unanimous consent, Mr. Sensenbrenner was allowed to proceed for 2 additional minutes.)

Mr. **PEYSER**. Mr. Chairman, will the gentleman yield?

Mr. **SENSENBRENNER**. I yield to the gentleman from New York.

Mr. PEYSER. I thank the gentleman for yielding.

We have spent a great deal of time over the last year in a series of discussions that talked about signals we were sending out to the Soviet Union on different issues that we acted on.

If I were the Soviet Union today and I were listening to the discussion on the floor, I wonder what kind of signal you think it would be that says that the Government of the United States is totally deemphasizing the science and technological skills in education? What kind of signal would that be? That would say to me 5 or 10 years down the road this country is going to be weaker than ever. Why do we want to send that signal?

Mr. SENSENBRENNER. I am sure President Brezhnev would not have a cardiac arrest if the gentleman's $20 million addition is passed by the committee. Again there is a basic misunderstanding of what level of government makes basic decisions on high school education.

Under our system it is not the Federal level of government. Under the Soviet system it probably is the National Government.

AMENDMENT OFFERED BY MR. WINN TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. PEYSER

Mr. WINN. Mr. Chairman, I offer an amendment and I ask unanimous consent that the original amendment that I introduced be changed as an amendment to the Peyser amendment.

Mr. PEYSER. Reserving the right to object, Mr. Chairman——

Mr. WINN. I have that amendment at the desk. It is an amendment to the amendment, Mr. Chairman.

The CHAIRMAN. The gentleman withdraws the unanimous-consent request. Does the gentleman seek to offer the same amendment?

Mr. WINN. No, Mr. Chairman, I seek to offer an amendment to the amendment.

The CHAIRMAN. The Clerk will report the amendment.

Mr. FUQUA. Mr. Chairman, a parliamentary inquiry.

Mr. PEYSER. I will reserve the right to object, Mr. Chairman, and yield to the chairman of the committee.

Mr. FUQUA. I ask to reserve a point of order against the amendment.

The CHAIRMAN. The Clerk will report the amendment first and then the Chair will recognize Members to reserve points of order.

The Clerk read as follows:

Amendment offered by Mr. Winn to the amendment in the nature of a substitute offered by Mr. Peyser: On page 3, line 23, strike "$288,300,000" and insert in lieu thereof "$298,700,000".

On page 3, line 24, strike "$98,800,000" and insert in lieu thereof "$99,700,000".

On page 4, line 2, strike "$201,000,000" and insert in lieu thereof "$186,700,000".

On page 4, line 4, strike "$250,800,000" and insert in lieu thereof "$259,700,000".

On page 4, line 9, strike "$50,100,000" and insert in lieu thereof "$44,000,000".

On page 4, line 13, strike "$35,000,000" and insert in lieu thereof "$15,000,000".

On page 8, beginning with line 15, strike title IV in its entirety.

The CHAIRMAN. The Chair will state that the amendment is in proper order.

Does the gentleman from New York (Mr. Peyser) wish to make a point of order?

Mr. PEYSER. Yes, Mr. Chairman. This side has not seen a copy of that amendment and we would like to see it. As I recall, just a minute ago the other side requested a copy, and could we have one?

The CHAIRMAN. The gentleman from New York has not stated a point of order.

Mr. FUQUA. It is my understanding that it is identical to the amendment offered by the gentleman from Kansas previously that was adopted by the committee?

Mr. WINN. I offered it as an amendment to the amendment and we have only had that copy available for 2½ hours.

Mr. FUQUA. It is essentially the same amendment?

Mr. WINN. It is exactly the same wording.

The CHAIRMAN. The gentleman from Kansas (Mr. Winn) is recognized for 5 minutes.

Mr. WINN. Mr. Chairman, I think everybody knows what is going on here.

Most of the majority side are really just playing games. I do not think they are going to fool the 194 people who voted in favor of my amendment a half hour ago.

Certainly it was a close vote. But I think the fact that this week we are going to consider the rule on the budget—everybody has that on their mind. Even the chairman of the full committee said that he wanted as much as anybody else to balance the budget. So we know what is going on. They are just playing games over there.

As far as signals to the Soviet Union, I cannot believe that my colleague from New York made that statement.

What in this bill is going to send any signals at all to the Soviet Union?

My amendment to the amendment is at the Reagan budget. There is no doubt about it. That is why the 194 people voted in favor of that.

The Peyser budget is still $20 million over the Reagan budget.

That is what we are talking about today.

My colleagues can look at the figures that have been handed out. The committee bill places a lot of emphasis on the behavioral and social sciences. Mine emphasizes the math and physical sciences.

We have been hearing all about the problems of gym teachers teaching science and math. That is not the real problem. They just cannot take losing a vote. They do not want many people in this Chamber to have the opportunity to vote for this budget and support a balanced budget for this Nation.

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Let me reiterate what I said in the original amendment that I proposed, that this is still 7.7 percent over the 1982 budget. The National Science Foundation is not going down the drain. All of these tears are unnecessary.

I urge the adoption of my amendment.

Mr. PEYSER. Mr. Chairman, I move to strike the requisite number of words. I rise in opposition to the amendment just offered.

I am glad actually the gentleman offered this, because this is going to clarify the situation for the Members. We are going to have a chance again to vote down the Winn amendment, which has really cut the heart out of the education program for the sciences.

I think that any misunderstanding that may have existed the first time can be clarified now by a "no" vote on the Winn amendment and then a "yes" vote on my amendment.

I am regretful that my amendment cuts the committee proposal by $10 million, but at least it leaves enough money in the program to carry out the entire thrust of the education of the sciences.

The gentleman from Kansas made reference to the fact that the reason 194 Members voted for his amendment was because it was the Reagan budget proposal.

Well, I would just hasten to remind my colleague that the Reagan budget proposal also calls for a $40 billion cut in social security benefits. I do not think Members are going to wind up and vote for that just because it is the Reagan budget; so I would hope that we do have a clear picture that a vote for the Winn amendment at this time is a clear vote against education in the sciences.

Mr. ARCHER. Mr. Chairman, will the gentleman yield?

Mr. PEYSER. I would be glad to yield to my colleague, the gentleman from Texas.

Mr. ARCHER. Mr. Chairman, I just want to be sure the record shows the correct interpretation of the budget that was proposed by the Finance Committee in the Senate and that was that the gap in social security shortfall be closed. It did not recommend a cut in benefits. It recommended a closing of the gap of the shortfall in revenues compared to outlays and that could be done by increasing the revenues.

Mr. PEYSER. I appreciate the gentleman's comments and while this is not a debate on social security, there is no question of the fact that I heard the chairman of the Finance Committee this morning in the Senate that we would have no cuts, there would be no cuts in the social security benefits that the President had recommended, until after the election; so I do not think we have to worry about what the intentions are. We are talking about science education today, which is why we ought to defeat the Winn amendment and then pass the amendment of mine afterwards.

Mr. HARKIN. Mr Chairman, will the gentleman yield?

Mr. PEYSER. I would be glad to yield to the gentleman.

Mr. HARKIN. Mr. Chairman, I thank the gentleman for yielding.

It was mentioned during the course of the debate that all these little things add up to the budget deficit. I just penciled out this $20 million add-on that is being put back into the $30 million that was cut by the gentleman from Kansas.

Assuming that the deficit would be $100 billion, that comes out to two-hundredths of 1 percent.

Now, if anyone feels he cannot support this because of two-hundredths of 1 percent of the deficit, just think that really does not have that much of an impact on a $100 billion deficit; but what it does have a tremendous impact on are the 22 percent of the high schools in this country, by the administration's own admission, one out of every five high schools that do not have a qualified science or math teacher. That is what we ought to be focusing on. That is where the impact will be felt; so if you feel that the impact is greater on getting our young people to learn math and science for this $20 million, than it would be to impact a budget deficit of $100 billion, then you ought to vote for the Peyser amendment.

Mr. PEYSER. I thank the gentleman and I yield back the balance of my time.

Mr. TRAXLER. Mr. Chairman, I move to strike the requisite number of words. I rise in opposition to the amendment and in strong support of the Peyser amendment.

Mr. Chairman, as a member of the HUD and Independent Agencies Subcommittee, we have the task of overseeing the National Science Foundation and their appropriations. We have also had the pleasure of listening to outside witnesses. We always enjoy those hours and hours of listening to ordinary Americans not-so-ordinary Americans come before our subcommittee to tell us what they think of the programs and the budgets of the various agencies of the U.S. Government including NSF.

Coincidentally, yesterday we had before our subcommittee a Mrs. Sarah Klein, who is president of the National Science Teachers Association of America.

She came before our subcommittee as the president of her association and I thought, a very eloquent spokesperson on behalf of secondary science education of this great Nation of ours.

Let me give you a couple thoughts that she had for us and see what you think. She said, "Our Nation faces unprecedented problems in science and engineering education at the secondary level. There is a critical shortage of qualified science and math teachers," and there is. No one disputes that.

"The paucity of supplies, resources, appropriate materials, and support has reduced the quality of science and mathematics education at our secondary school level to a point where in my judgment," she said, "that national security and the Nation's best efforts toward improved productivity are dangerously threatened."

And I agree with that, and you ought to give that some thought, in my judgment.

Additionally, and listen to this, the National Science Teachers Association did a survey, a national survey. Here is what they found out: Sixty percent of the science teachers in America report cuts in their budgets for supplies and equipment. Now, that is local support. It means cuts, not increases. These cuts occur at a time when school labs are already obsolete, and when computers and other components of modern electronics that are essential in an up-to-date curriculum are not present. From the same survey, we learn that 79 percent of the teachers have not completed at least a 10-hour course or workshop in over 10 years. Seventy-nine percent of the science teachers in America at the secondary level had not had at least a 10-hour course or workshop in the last 10 years. Also, 69 percent never attended a computer course or a workshop.

Finally, hear this one, listen to this, finally, 40 percent have not attended a course or workshop since they began teaching, which on the average was at least 16 years ago.

Now, what about Federal support for secondary science education? Well, here we are. The support for precollege science education has dropped even more dramatically, from 72 percent of the science education budget in 1959 to 22 percent in 1980. In terms of the total National Science Foundation budget, the precollege share has dropped from 34 percent in 1959 to its present low of less than 1 percent. Listen to this, less than 1 percent.

Now, what we are talking about here is not something new, radical, or unusual. We are talking about the science future of America, and I hope you will vote and act accordingly.

Mr. FUQUA. Mr. Chairman, I move to strike the requisite number of words. I rise in opposition to the Winn amendment.

Mr. Chairman, I do not have a great deal more to say than I have already said on this amendment, but I do want to make a few final remarks. It has been stated that there is an increase in the National Science Foundation budget. Let me cite the figures. In fiscal year 1981, we spent $1.096 billion for the National Science Foundation; $80.6 million, though, was in science education.

Now, for fiscal year 1982, we passed in this House a bill for $1.096 billion, the same as the year before. Later it was cut by $100 million in the reconciliation; but then we only spent $20.9 million in science education.

This year, 1983, under the amendment offered by the gentleman from New York (Mr. Peyser), we would be spending $1.089 billion, which is less than the 1981 figure.

Now, let us talk about the crux of the argument. In a recent issue of U.S. News & World Report, the May 17 issue, the cover story is, and I quote: "Ahead, a Nation of Illiterates," the article discusses the growing number of Americans who cannot read or write or calculate properly. This is generating widespread concern, a major worry, that there will not be people equipped to handle complex new technologies.

One subheadline refers to the situation as, again I quote, "A form of social dynamite." I think that is what we are talking about here, we are trying to do something about improving the skills of teachers so that our students in the schools may have the opportunity for an education so that they can compete and work in a very complex society.

I hope the Winn amendment will be defeated and the substitute will be agreed to.

□ 1510

Mr. WALKER. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the Winn amendment.

Mr. Chairman, we have heard in the last few minutes the classical argument of the big spenders as to why we ought to reject the Winn amendment and approve the Peyser amendment. That argument always goes it is just a little bit, it is just a fraction of the whole deficit that we are talking about, or a fraction of the whole budget; that we are just talking about a little bit of money.

Well, it is a little like how many drops of water go into the ocean. After a while you do, in fact, create an ocean with a lot of droplets. What we have in this country right now is an ocean of debt. We have an ocean of deficit, and the American people are drowning in that ocean.

Many of the American people are jobless because of that debt and deficit. There are people across the country suffering from inflation because of the ocean of debt and deficit.

I submit that if we continue the pattern we are starting on this floor with the previous authorization bill and this authorization bill, what we are doing is simply adding one more drop to that ocean of debt and deficit that will continue to drown this economy. We cannot afford it.

We cannot afford the Peyser amendment. We can begin in the right direction by approving the Winn amendment.

Mr. DOWNEY. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the Peyser substitute.

Mr. Chairman, I just wanted to apologize to the Members of the House and my constituents. As so often happens when we are in a hurry here, on the Walker amendment I voted "aye," and I hope that I am forgiven by my colleagues and others for this mistake. I wanted to vote "no."

Mr. VENTO. Mr. Chairman, will the gentleman yield?

Mr. DOWNEY. I yield to the gentleman from Minnesota.

Mr. VENTO. I thank the gentleman for yielding.

Mr. Chairman, contrary to what has previously been stated, we cannot afford to pass up this opportunity to vote for science and math teachers. We cannot afford it. We need the skills that this program provides, in the schools. If the Federal Government has any education policy at all, I think it is one in which we play a leadership role of leveraging those funds for science classrooms.

I am a science teacher. I will tell the Members of this body that I took advantage of those NSF programs. I guess you could say that I have a special interest in what happens to this legislation. I am certified to return to teach science, and perhaps some of my colleagues who disagree with me may be thinking that is what I ought to be doing. The fact of the matter is that without the increased funding that the Peyser amendment provides for these NSF programs, we will not get adequate instruction in our schools. If my colleagues have children in school; if they are concerned about the quality of instruction for the children in their district; and if Members want to see the student's skills improve, they have to put the tools in the hands of the science and math teachers. We cannot improve instruction if teachers do not have the requisite tools, and teachers will not have these tools if we do not provide sufficient funding for this program.

That is what this particular measure strives to do, to give them the updated programs in physics, in chemistry, in the Earth sciences, in computer sciences, and the other areas.

I need those skills. I am not competent to go back and teach unless I update my science teaching skills so that I can deliver to students in an instructional sense.

A lot of factors are driving our teachers out of the schools. One may be salaries, but another one is, the lack of adequate support that they deserve from this Congress with respect to particular issues such as this. That also is a factor driving them out of the schools and out into industry. They are not going to stay in school if we do not back them up, and this Nation desperately needs to support programs that will maintain these quality teachers in our schools.

So let us vote for the Peyser amendment and back up these teachers. They deserve our support in these efforts.

Vote "no" on the Winn amendment which will cut $30 million out of the NSF science and math educational initiatives and vote "aye" to support and maintain the NSF efforts to better prepare and obtain the math and science teaching skills so desperately needed in today's educational institutions and in today's world.

Mr. GILMAN. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment offered by the gentleman from New York (Mr. Peyser).

Mr. Chairman, I commend the gentleman from Kansas for offering this amendment. There are several faults with the Peyser amendment. First, it is $20 million over the administration's request. As the gentleman from Kansas (Mr. Winn) pointed out, that would be a $20 million addition to a budget that is already up 7.7 percent from last year—an increase of $73 million. In a very short time this House is going to be confronted with some difficult votes on raising the debt ceiling, and in the immediate future, on passing a first budget resolution. Adding millions of dollars to yet another authorization bill as the committee does in this measure, H.R. 5842, is characteristic of the state of mind that has led to the economic problems our Nation is now facing. We cannot continue to provide this kind of excessive new obligational authority, as this bill does, and still hope to solve our country's economic problems.

Second, Mr. Chairman, I cannot agree with some of the priorities the committee has set in their version of this bill. They have increased areas such as biological, behavioral and social sciences far above the administration's request. In contrast, they have imposed decreases in areas that are far more critical to our national needs at this time. Those decreases hit such areas as mathematical and physical sciences, engineering and astronomical, atmospheric, Earth, and ocean sciences. It seems to me that the committee has their priorities turned around. The amendment offered by the gentleman from Kansas seeks to reverse those priorities and put things in a proper perspective.

Moreover, before embarking on a major expenditure of funds in this area, the administration has chosen wisely I think, to move more cautiously in a search for solutions to these problems. The administration has established the National Science Board Commission on Precollege Education in Mathematics, Science and Technology. That Commission will be active over an 18-month period and is expected to issue interim reports on its findings at 6-month intervals.

Accordingly, I urge my colleagues to await those reports and not to act too hastily.

I urge adoption of the Winn amendment.

Mr. SIMON. Mr. Chairman, I move to strike the requisite number of words. I shall not take 5 minutes.

Mr. Chairman, one of the finest Members of this body is our colleague from Kansas (Mr. Winn) who is opposing this amendment. But even the finest Members of this body once in a while have to be wrong, and on this occasion, I believe the gentleman is.

Let me just give you three statistics that indicate the kind of problem we have.

Last year our friends in Japan graduated twice as many electrical engineers as we did. Japan has roughly half our population.

In the Soviet Union, and we are in a competitive world with the Soviet Union, when a student graduates from high school that student has 4 years of physics. In the United States, 16 percent of those who graduate from high school have 1 year of physics.

Finally, and perhaps most important, a survey of school superintendents recently showed that approximately one-half of them believe that the science and math teachers that they have are appreciably below the standards that we ought to have.

We face a problem in this country in the area of science and math that is both quantitative and qualitative. The sooner we face up to it, the better.

I am eager for that report of that Commission, but let me tell you that Commission is going to recommend some things that are infinitely stronger than the Peyser amendment, because this Nation is going to need it.

Mr. COLEMAN. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I yield to my distinguished colleague from Missouri.

Mr. COLEMAN. I thank the gentleman for yielding.

Mr. Chairman, I want to point out to my colleagues that we hear a lot about freezes; for example, nuclear freezes. A lot of people who talk about that subject say we should not be frozen into a position of nuclear inferiority.

I might point out that if we do not defeat this amendment, we are going to freeze ourselves into a position of inferiority when it comes to mathematics, science and technological know-how in this country. We want to get out of that position of inferiority. We want to go forward with our creativity and our knowledge in this country. We are spending billions of additional dollars on the military, which I support, frankly, but I think we are going to lose the real war, that real war is going to be fought in the classrooms, and with technical knowledge.

We will not be able to build machinery, we will not have people to run military equipment to secure this Nation if we do not fund some of these programs in these very important areas. Adopting the position of my friend and colleague from Kansas on this issue would be penny-wise and pound-foolish.

I agree with the gentleman in the well.

□ 1520

Mr. SIMON. I thank my colleague from Missouri, who once again shows the kind of foresight we need in this body.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas (Mr. Winn) to the amendment in the nature of a substitute offered by the gentleman from New York (Mr. Peyser).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. WINN. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 189, noes 203, not voting 40, as follows:

[Roll No. 83]

AYES—189

Applegate
Archer
Bailey (MO)
Beard
Benedict
Bennett
Bereuter
Bethune
Bliley
Boner
Broomfield
Brown (CO)
Broyhill
Butler
Byron
Campbell
Carman
Carney
Chappie
Cheney
Clausen
Coats
Collins (TX)
Conable
Corcoran
Coughlin
Coyne, James
Craig
Crane, Daniel
Daniel, Dan
Daniel, R. W.
Dannemeyer
Daschle
Daub
Deckard
Derwinski
Dickinson
Dornan
Dowdy
Dyson
Edwards (OK)
Emerson
Emery
English
Erlenborn
Evans (DE)
Fenwick
Fiedler
Fields
Findley
Forsythe
Fountain
Frenzel
Gilman
Goodling
Gradison
Gramm
Gregg
Gunderson
Hagedorn
Hall (OH)
Hall, Sam
Hammerschmidt
Hance
Hansen (ID)
Hartnett
Hefner
Hendon
Hightower
Hiler
Hillis
Holt
Hopkins
Horton
Huckaby
Hughes
Hunter
Hyde
Jeffries
Jones (TN)
Kazen
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leath
LeBoutillier
Lee
Lent
Levitas
Lewis
Livingston
Loeffler
Lott
Lowery (CA)
Lujan
Lungren
Madigan
Marlenee
Marriott
Martin (IL)
Martin (NY)
McClory
McCloskey
McCollum
McDade
McDonald
McEwen
McGrath
McKinney
Michel
Miller (OH)
Mitchell (NY)
Molinari
Montgomery
Moore
Moorhead
Morrison
Murphy
Myers
Napier
Natcher
Nelligan
Nichols
O'Brien
Oxley
Parris
Pashayan
Patman
Paul
Petri
Pickle
Porter
Pritchard
Quillen
Railsback
Regula
Rhodes
Ritter
Roberts (KS)
Roberts (SD)
Robinson
Roemer
Roth
Roukema
Rousselot
Rudd
Sawyer
Schulze
Sensenbrenner
Shaw
Shelby
Shumway
Shuster
Siljander
Skeen
Smith (AL)
Smith (NE)
Smith (NJ)
Smith (OR)
Snowe
Snyder
Solomon
Spence
Stangeland
Staton
Stenholm
Stratton
Stump
Tauzin
Taylor
Vander Jagt
Walker
Wampler
Weber (MN)
Weber (OH)
Whitehurst
Whitley
Whittaker
Whitten
Williams (OH)
Winn
Wolf
Wortley
Wylie
Yatron
Young (AK)
Young (FL)

NOES—203

Addabbo
Akaka
Albosta
Alexander
Anderson
Andrews
Annunzio
Anthony
Aspin
Bailey (PA)
Barnard
Barnes
Bedell
Beilenson
Benjamin
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Bonior
Bonker
Bouquard
Breaux
Brinkley
Brodhead
Brooks
Brown (CA)
Burton, Phillip
Chappell
Chisholm
Clay
Clinger
Coelho
Coleman
Collins (IL)
Conte
Conyers
Coyne, William
Crockett
D'Amours
Davis
de la Garza
Dellums
DeNardis
Derrick
Dicks
Dingell
Donnelly
Dorgan
Downey
Duncan
Dunn
Dwyer
Dymally
Early
Eckart
Edgar
Edwards (AL)
Edwards (CA)
Ertel
Evans (GA)
Evans (IA)
Evans (IN)
Fary
Fascell
Fazio
Ferraro
Fithian
Flippo
Florio
Foley
Ford (MI)
Ford (TN)
Fowler
Frank
Frost
Fuqua
Garcia
Gejdenson
Gephardt
Gibbons
Gingrich
Glickman
Gonzalez
Gore
Green
Guarini
Hall, Ralph
Hamilton
Harkin
Hatcher
Hawkins
Heckler
Heftel
Hertel
Holland
Hollenbeck
Howard
Hoyer
Hutto
Ireland
Jeffords
Jenkins
Jones (NC)
Jones (OK)
Kastenmeier
Kennelly
Kildee
Kogovsek
LaFalce
Lantos
Leach
Lehman
Long (LA)
Long (MD)
Lowry (WA)
Luken
Markey
Matsui
Mavroules
Mazzoli
McCurdy
McHugh
Mica
Mikulski
Miller (CA)
Mineta
Minish
Mitchell (MD)
Moakley
Moffett
Mollohan
Mottl
Neal
Nelson
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patterson
Pease
Pepper
Perkins
Peyser
Price
Pursell
Rahall
Rangel
Ratchford
Reuss
Richmond
Rinaldo
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Russo
Sabo
Savage
Scheuer
Schneider
Schroeder
Schumer
Seiberling
Shamansky
Shannon
Sharp
Simon
Skelton
Smith (IA)
Solarz
St Germain
Stokes
Studds
Swift
Synar
Tauke
Traxler
Udall
Vento
Volkmer
Walgren
Washington
Watkins
Waxman
Weiss
White
Williams (MT)
Wilson
Wirth
Wolpe
Wright
Wyden
Yates
Young (MO)
Zablocki

NOT VOTING—40

Atkinson
AuCoin
Badham
Bafalis
Bowen
Brown (OH)
Burgener
Burton, John
Courter
Crane, Philip
Dixon
Dougherty
Dreier
Erdahl
Fish
Foglietta
Gaydos
Ginn
Goldwater
Gray
Grisham
Hansen (UT)
Hubbard
Jacobs
Johnston
Leland
Lundine
Marks
Martin (NC)
Mattox
Murtha
Rogers
Santini
Smith (PA)
Stanton
Stark
Thomas
Trible
Weaver
Zeferetti

□ 1530

Messrs. DAVIS, JONES of Oklahoma, JONES of North Carolina, UDALL, and DERRICK changed their votes from "aye" to "no."

So the amendment to the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. The question is on the amendment in the nature of a substitute offered by the gentleman from New York (Mr. Peyser).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. PEYSER. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 203, noes 188, not voting 41, as follows:

[Roll No. 84]

AYES—203

Addabbo
Akaka
Albosta
Alexander
Anderson
Andrews
Annunzio
Anthony
Aspin
Bailey (PA)
Barnard
Barnes
Bedell
Beilenson
Benedict
Benjamin
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Breaux
Brinkley
Brooks
Brown (CA)
Burton, Phillip
Chappell
Chisholm
Clay
Clinger
Coelho
Coleman
Collins (IL)
Conte
Conyers
Coyne, William
Crockett
D'Amours
de la Garza
Dellums
DeNardis
Derrick
Dicks
Dingell
Donnelly
Dorgan
Dowdy
Downey
Duncan
Dunn
Dwyer
Dymally
Early
Eckart
Edgar
Edwards (AL)
Edwards (CA)
Ertel
Evans (GA)
Evans (IA)
Evans (IN)
Fary
Fascell
Fazio
Ferraro
Flippo

Florio
Foley
Ford (MI)
Ford (TN)
Fowler
Frank
Fuqua
Garcia
Gejdenson
Gephardt
Gibbons
Gingrich
Glickman
Gonzalez
Gore
Green
Guarini
Hall, Ralph
Hamilton
Hance
Harkin
Hatcher
Hawkins
Heckler
Heftel
Hertel
Holland
Hollenbeck
Howard
Hutto
Jeffords
Jenkins
Jones (OK)
Kastenmeier
Kennelly
Kildee
Kogovsek
LaFalce
Lantos
Leach
Lehman
Long (LA)
Lowry (WA)
Luken
Markey
Matsui
Mavroules
Mazzoli
McCurdy
McHugh
Mica
Mikulski
Miller (CA)
Mineta
Minish
Mitchell (MD)
Moakley
Moffett
Mollohan
Motti
Murphy
Neal
Nelson
Nichols
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patterson
Pease
Pepper
Perkins
Peyser
Pickle
Price
Rahall
Rangel
Ratchford
Reuss
Richmond
Rinaldo
Rodino
Roe
Rosenthal
Rostenkowski
Roybal
Russo
Sabo
Savage
Scheuer
Schneider
Schroeder
Schumer
Seiberling
Shamansky
Shannon
Sharp
Simon
Skelton
Smith (IA)
Solarz
St Germain
Stark
Stokes
Stratton
Studds
Swift
Synar
Tauke
Traxler
Udall
Vento
Volkmer
Walgren
Washington
Waxman
Weber (OH)
Weiss
White
Williams (MT)
Wilson
Wirth
Wolpe
Wright
Wyden
Yates
Yatron
Young (MO)
Zablocki

NOES—188

Applegate
Archer
Bailey (MO)
Beard
Bennett
Bereuter
Bethune
Bliley
Brodhead
Broomfield
Brown (CO)
Broyhill
Butler
Byron
Campbell
Carman
Carney
Chappie
Cheney
Clausen
Coats
Collins (TX)
Conable
Corcoran
Coughlin
Coyne, James
Craig
Crane, Daniel
Daniel, Dan
Daniel, R. W.
Dannemeyer
Daschle
Daub
Davis
Derwinski
Dickinson
Dornan
Dyson
Edwards (OK)
Emerson
Emery
English
Erlenborn
Evans (DE)
Fenwick
Fiedler
Fields
Findley
Fithian
Forsythe
Fountain
Frenzel
Gilman
Goodling
Gradison
Gramm
Gregg
Gunderson
Hagedorn
Hall (OH)
Hall, Sam
Hammerschmidt
Hansen (ID)
Hartnett
Hefner
Hendon
Hightower
Hiler
Hillis
Holt
Hopkins
Horton
Huckaby
Hughes
Hunter
Hyde
Ireland
Jeffries
Johnston
Jones (NC)
Jones (TN)
Kazen
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leath
LeBoutillier
Lee
Lent
Levitas
Lewis
Livingston
Loeffler
Lott
Lowery (CA)
Lujan
Lungren
Madigan
Marlenee
Marriott
Martin (IL)
Martin (NY)
McClory
McCloskey
McCollum
McDade
McDonald
McEwen
McGrath
McKinney
Michel
Miller (OH)
Mitchell (NY)
Molinari
Montgomery
Moore
Moorhead
Morrison
Myers
Napier
Natcher
Nelligan
O'Brien
Oxley
Parris
Pashayan
Patman
Paul
Petri
Porter
Pritchard
Pursell
Quillen
Railsback
Regula
Rhodes
Ritter
Roberts (KS)
Roberts (SD)
Robinson
Roemer
Rose
Roth
Roukema
Rousselot
Rudd
Santini
Sawyer
Schulze
Sensenbrenner
Shaw
Shelby
Shumway
Shuster
Siljander
Skeen
Smith (AL)
Smith (NE)
Smith (NJ)
Smith (OR)
Snowe
Snyder
Solomon
Spence
Stangeland
Staton
Stenholm
Stump
Tauzin
Taylor
Vander Jagt
Walker
Wampler
Watkins
Weber (MN)
Whitehurst
Whitley
Whittaker
Whitten
Williams (OH)
Winn
Wolf
Wortley
Wylie
Young (AK)
Young (FL)

NOT VOTING—41

Atkinson
AuCoin
Badham
Bafalis
Bowen
Brown (OH)
Burgener
Burton, John
Courter
Crane, Philip
Deckard
Dixon
Dougherty
Dreier
Erdahl
Fish
Foglietta
Frost
Gaydos
Ginn
Goldwater
Gray
Grisham
Hansen (UT)
Hoyer
Hubbard
Jacobs
Leland
Long (MD)
Lundine
Marks
Martin (NC)
Mattox
Murtha
Rogers
Smith (PA)
Stanton
Thomas
Trible
Weaver
Zeferetti

□ 1550

The Clerk announced the following pairs:

On this vote:

Mr. Zeferetti for, with Mr. Thomas against.

Mr. Leland for, with Mr. Dreier against.

Mr. Gray for, with Mr. Philip M. Crane against.

Mr. Dixon for, with Mr. Burgener against.

Mr. McCLORY changed his vote from "aye" to "no."

So the amendment in the nature of a substitute was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the Chair, Mr. Bonior of Michigan, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 5842) to authorize appropriations for activities of the National Science Foundation for fiscal years 1982 and 1983, and for other purposes, pursuant to House Resolution 459, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. SENSENBRENNER

Mr. SENSENBRENNER. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. SENSENBRENNER. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. Sensenbrenner moves to recommit the bill, H.R. 5842, to the Committee on Science and Technology.

The SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appear to have it.

RECORDED VOTE

Mr. SENSENBRENNER. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 282, noes 111, not voting 39, as follows:

[Roll No. 85]

AYES—282

Addabbo
Akaka
Albosta
Alexander
Anderson
Andrews
Annunzio
Anthony
Aspin
Bailey (MO)
Bailey (PA)
Barnard
Barnes
Bedell
Beilenson
Benedict
Benjamin
Bennett
Bereuter
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Boner
Bonior
Bonker
Bouquard
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown (CA)
Brown (CO)
Burton, Phillip
Byron
Carney
Chappell
Chisholm
Clausen
Clay
Clinger
Coelho
Coleman
Collins (IL)
Conte
Conyers
Coughlin
Coyne, James
Coyne, William
Crockett
D'Amours
Daschle
Daub
Davis
de la Garza
Deckard
Dellums
DeNardis
Derrick
Dicks
Dingell
Donnelly
Dorgan
Dowdy
Downey
Duncan
Dunn
Dwyer
Dymally
Dyson
Early
Eckart
Edgar
Edwards (AL)
Edwards (CA)
Emery
Erlenborn
Ertel
Evans (DE)
Evans (IA)
Evans (IN)
Fary
Fascell
Fazio
Fenwick
Ferraro
Fiedler
Findley
Fithian
Flippo
Florio
Foley
Ford (MI)
Ford (TN)
Forsythe
Fountain
Fowler
Frank
Frost
Fuqua
Garcia
Gejdenson
Gephardt
Gibbons
Gilman
Gingrich
Glickman
Gonzalez
Goodling
Gore
Green
Guarini
Hall (OH)
Hall, Ralph
Hamilton
Hance
Harkin
Hatcher
Hawkins
Heckler
Hefner
Heftel
Hertel
Hightower
Hillis
Holland
Hollenbeck
Holt
Horton
Howard
Hoyer
Huckaby
Hughes
Hutto
Ireland
Jeffords
Jenkins
Jones (NC)
Jones (OK)
Kastenmeier
Kazen
Kennelly
Kildee
Kogovsek
LaFalce
Lantos
Lee
Lehman
Levitas
Long (LA)
Long (MD)
Lowery (CA)
Lowry (WA)
Luken
Markey
Martin (NY)
Matsui
Mavroules
Mazzoli
McClory
McCloskey
McCurdy
McDade
McGrath
McHugh

McKinney
Mica
Mikulski
Miller (CA)
Mineta
Minish
Mitchell (MD)
Mitchell (NY)
Moakley
Moffett
Molinari
Mollohan
Montgomery
Moore
Morrison
Motti
Murphy
Myers
Natcher
Neal
Nelligan
Nelson
Nichols
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Parris
Patman
Patterson
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Porter
Price
Pritchard
Pursell
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Rodino
Roe
Roemer
Rose
Rosenthal
Rostenkowski
Roukema
Roybal
Russo
Sabo
Santini
Savage
Sawyer
Scheuer
Schneider
Schumer
Seiberling
Shamansky
Shannon
Sharp
Shelby
Simon
Skeen
Smith (IA)
Smith (NJ)
Snowe
Solarz
St Germain
Stark
Stokes
Stratton
Studds
Swift
Synar
Tauke
Tauzin
Traxler
Udall
Vander Jagt
Vento
Volkmer
Walgren
Washington
Waxman
Weber (OH)
Weiss
White
Whitley
Whitten
Williams (MT)
Wilson
Winn
Wirth
Wolf
Wolpe
Wright
Wyden
Wylie
Yates
Yatron
Young (AK)
Young (MO)
Zablocki

NOES—111

Applegate
Archer
Beard
Bethune
Bliley
Broyhill
Butler
Campbell
Carman
Chappie
Cheney
Coats
Collins (TX)
Conable
Corcoran
Craig
Crane, Daniel
Daniel, Dan
Daniel, R. W.
Dannemeyer
Derwinski
Dickinson
Dornan
Edwards (OK)
Emerson
English
Evans (GA)
Fields
Frenzel
Gradison
Gramm
Gregg
Gunderson
Hagedorn
Hall, Sam
Hammerschmidt
Hansen (ID)
Hartnett
Hendon
Hiler
Hopkins
Hunter
Hyde
Jeffries
Johnston
Jones (TN)
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leath
LeBoutillier
Lent
Lewis
Livingston
Loeffler
Lott
Lujan
Lungren
Madigan
Marlenee
Marriott
Martin (IL)
McCollum
McDonald
McEwen
Michel
Miller (OH)
Moorhead
Napier
O'Brien
Oxley
Pashayan
Paul
Quillen
Ritter
Roberts (KS)
Roberts (SD)
Robinson
Roth
Rousselot
Rudd
Schroeder
Schulze
Sensenbrenner
Shaw
Shumway
Shuster
Siljander
Skelton
Smith (AL)
Smith (NE)
Smith (OR)
Snyder
Solomon
Spence
Stangeland
Staton
Stenholm
Stump
Taylor
Walker
Wampler
Watkins
Weber (MN)
Whitehurst
Whittaker
Williams (OH)
Wortley
Young (FL)

NOT VOTING—39

Atkinson
AuCoin
Badham
Bafalis
Bolling
Bowen
Brown (OH)
Burgener
Burton, John
Courter
Crane, Philip
Dixon
Dougherty
Dreier
Erdahl
Fish
Foglietta
Gaydos
Ginn
Goldwater
Gray
Grisham
Hansen (UT)
Hubbard
Jacobs
Leach
Leland
Lundine
Marks
Martin (NC)
Mattox
Murtha
Rogers
Smith (PA)
Stanton
Thomas
Trible
Weaver
Zeferetti

□ 1610

The Clerk announced the following pairs:

On this vote:

Mr. Zeferetti for, with Mr. Thomas against.

Mr. Courter for, with Mr. Philip M. Crane against.

Mr. Leach of Iowa for, with Mr. Hansen of Utah against.

Mr. LIVINGSTON changed his vote from "aye" to "no."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. FUQUA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill, H.R. 5726, National Bureau of Standards authorizations, 1983.

The SPEAKER pro tempore (Mr. Gejdenson). Is there objection to the request of the gentleman from Florida?

There was no objection.

NATIONAL BUREAU OF STANDARDS AUTHORIZATION ACT FOR FISCAL YEAR 1983

Mr. FUQUA. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5726) to authorize appropriations to the Secretary of Commerce for the programs of the National Bureau of Standards for fiscal year 1983 and for other purposes.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida (Mr. Fuqua).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 5726, with Mr. Andrews in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from Florida (Mr. Fuqua) will be recognized for 30 minutes, and the gentlewoman from Massachusetts (Mrs. Heckler) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Florida (Mr. Fuqua).

Mr. FUQUA. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of H.R. 5726, which would provide authorization for appropriations to the National Bureau of Standards (NBS) and for two, smaller, related agencies, the National Technical Information Service (NTIS) and the Office of Productivity, Technology and Innovation (OPTI).

I want to congratulate Mr. Walgren, chairman of the Subcommittee on Science, Research and Technology for his leadership in bringing this legislation to the floor. I also want to acknowledge the efforts of our ranking minority members, Mr. Winn, of Kansas, at the full committee level, and Mrs. Heckler, of Massachusetts, at the subcommittee level.

The National Bureau of Standards, the country's oldest national laboratory, has long been known for its scientific and engineering excellence. It is important that it continue to contribute to the scientific and technological capabilities of the Nation. In addition to its traditional standards mission, NBS is expected by the administration and Congress to help make possible the achievement of many other national goals.

This is only the second time in its 83-year history that a separate authorization for the National Bureau of Standards is being considered by the Congress. The Bureau's growth and its importance to American industry led our committee to the conclusion that this agency should be subject to the careful review which the authorization process provides.

As a result of that review, our committee has reported out a bill which would authorize $127.9 million for NBS, NTIS, and OPTI. The bill authorizes $124 million for NBS, which is $12.5 million above the President's request, but only $3.7 above the fiscal year 1982 appropriation.

This is accounted for by a number of specific program changes which we felt must be made if American science and technology is to maintain its vital strength.

The Computer Institute at the NBS is responsible for the development of computer standards, mainly those standards affecting the interface between different computers and computer components. The administration did not include a request for funds in the NBS budget, but instead proposed that funds be included in the budget for the General Services Administration. It subsequently sent up legislation (H.R. 6006) to transfer the Computer Institute to the GSA. In our view this transfer would be unwise, and this view is shared by the authorizing committee in the other body. Furthermore, a drastic cut from $12 million to $7 million was proposed. In our view the Computer Institute serves a vital function if the American computer industry is to maintain its technological lead and its strong position in the international marketplace. Pending possible congressional action on the transfer bill, we have included funding for the Computer Institute in the authorization bill, and we have provided essentially level funding of $12 million for fiscal year 1983.

The second NBS area to which we feel high priority must be given is the development of advanced technology directly related to the productivity and competitiveness of American industry. Here the NBS has significant contributions to make in several specialized areas.

Two years ago our committee initiated the automated manufacturing test facility. We are recommending the continuation of that effort at the $3 million level of last year, rather than at the $2.3 million level suggested by the administration.

This year our bill would authorize a consolidation and strengthening of the Bureau's work in the related field of robotics. In this area we are recommending a minimum effort of $3.2 million. In spite of the administration's claim that all the needed work is being done by the private sector, industry and university researchers feel that a Federal role is clearly needed.

The technical competence fund allows NBS to carry out the long-term, general research activities which will give the Bureau's scientists and engineers the competence to handle future developments in science and technology. This is another case where cuts would clearly gamble with the future of our science and technology capabilities. We believe that NBS must continue to update both its people and its laboratory facilities to match the advances being made here and abroad. Our bill would authorize $8.9 million for this effort, an increase of $2 million over the administration's level.

In certain specific areas, our committee is recommending that emphasis be given through the inclusion in the bill of minimum budget levels, or "floors".

For the Office of Weights and Measures a floor of $1.2 million would insure that the Bureau expand its support for State weights and measures programs, with emphasis on training in the new microcircuit technologies now entering that field. NBS is in agreement with this expenditure level and is asking for reprograming of funds to reflect this increase from $820,000 to $1.2 million.

For earthquake hazards engineering, the bill would provide a minimum of $500,000. This represents a 5-percent increase above last year's level, and would barely permit a constant level of effort in this important program.

In the program of measurements standards for the handicapped, a floor of $1 million would be equal to the fiscal year 1982 floor.

For computer science and technology, a floor of $10 million would serve to insure that this work, for which approximately $12 million is budgeted in fiscal year 1982, is continued at a minimum level.

Finally, for the automated manufacturing test facility, which this committee helped to establish 2 years ago, a floor of $3 million would insure the continuation of a strong program. In the field of robotics, where the Bureau already has done significant work, a similar strengthening would be provided by means of the floor of $3.2 million. Robotics, in particular, is a field where the Japanese are making rapid advances in comparison with the United States.

An important aspect of the bill, and the program it would authorize, are worth noting:

In the fire research center, which was established by legislation from this committee in 1974, well over half of the funding was provided by "pass-through" funds from FEMA in recent years. With the decision by FEMA to abandon its lead agency role in this area, the Bureau successfully obtained $3.6 million from the OMB for fire research, and we strongly endorse the continuation of this work at a total level of $4.991 million.

For the National Technical Information Service and for the Office of Productivity, Technology and Innovation, the bill would provide the funds requested by the President.

The National Technical Information Service operates on a budget of $28.9 million, of which $27 million is recovered from sales of documents to the public. The remaining authorization would provide funds for such purposes as foreign patent information, computer replacement, and the absorption and continuation of the functions of the Smithsonian Science Information Exchange, which were integrated into NTIS in fiscal year 1982. We recommend that the administration request for $1.98 million be authorized.

In the case of the OPTI, the Commerce Department has made several organizational changes, and we are delighted that a more permanent arrangement has now been reached. The bill would authorize $1.9 million, which is at the President's request for OPTI.

The President proposed that the U.S. Metric Board, established by legislation originating in this committee, be "defunded" and that the sum of $300,000 and seven new positions be authorized within OPTI to carry forward some functions of the Metric Board.

Our committee has, over the years, been a strong supporter of the voluntary conversion of our weights and measures to the metric system. Since the passage of the Metric Act of 1975, which established the U.S. Metric Board, our committee has maintained close oversight over the work of the Metric Board, most recently with a 1-day oversight hearing on February 8 of this year. We have, with some reluctance, concluded that the administration's proposal may be the best way to proceed. We are encouraged in this view by the President's personal letter to the Chairman of the Metric Board in which he gives his support to metric conversion in these words:

> Let me assure you of my support for the policy of voluntary metrification expressed in the Metric Conversion Act of 1975.

We intend to continue our close oversight of OPTI's metric activities.

The bill would separately authorize the National Bureau of Standards to use up to $500,000 in foreign currencies declared excess by the U.S. Treasury. These funds, which are not appropriated funds, allow the Bureau to conduct a number of international cooperation activities in friendly foreign countries which are working in the standards field.

Mr. Chairman, the programs in this bill have been carefully considered by our committee. They are vital to the national effort aimed at improving technological advances in American industry, and I urge adoption of this bill.

□ 1620

Mrs. HECKLER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of H.R. 5726.

Mr. Chairman, I would like to thank our chairman, the gentleman from Florida, Don Fuqua; the subcommittee chairman, the gentleman from Pennsylvania, Doug Walgren; the ranking minority member, Mr. Winn; and all the members of the committee for the detailed attention they have given to the National Bureau of Standards budget.

The technical nature of the work has often resulted in an underestimation of the Bureau's importance to national and international matters. The growing importance of NBS in the area of computer sciences is only one of the many reasons why the Bureau's budget deserves strong support.

The National Bureau of Standards fulfills three basic roles. It serves as the Nation's central reference laboratory for the development and provision of measurement standards and methods, standard reference materials, and data on the properties of matter, materials, and physical phenomena. It also addresses national problems through the application of physical, chemical, mathematical, and engineering science.

Most importantly, the Bureau works to enhance the technological and scientific base of our Nation's productive capacity by contributing to the development of basic technologies and information which underlie product and process development and innovation.

I would like to draw particular attention to the NBS Institute for Computer Science and Technology. This institute develops and recommends uniform Federal automatic data processing standards, provides automatic data processing, scientific and technological advisory research services to Federal agencies, and undertakes necessary research in computer science and technology.

Not only are common standards necessary for the orderly integration and utilization of computer technology by the Federal Government, but the same standard setting both on a national and international basis is essential to maintaining the United States competitive position in international trade.

The minority is unanimous in its support for the Bureau's activities. We, however, feel that exceeding the administration's recommended budget level by $12.5 million is at this time an unwise step for the Congress to take. For this reason, the minority will offer an amendment to bring the Bureau's budget back to the President's level.

Mr. Chairman, I yield back the balance of my time.

Mr. FUQUA. Mr. Chairman, I yield such time as he may consume to the distinguished gentleman from Pennsylvania (Mr. Walgren), the chairman of the Subcommittee on Research and Technology, who has been so helpful in bringing this bill and the previous legislation to the floor.

Mr. WALGREN. Mr. Chairman, I certainly want to express my respect and appreciation to both the chairman of the full committee, the gentleman from Florida (Mr. Fuqua), and the ranking minority member, the gentlewoman from Massachusetts (Mrs. Heckler), for their work and involvement in the Bureau of Standards authorization.

Mr. Chairman, I rise in support of H.R. 5726 which would authorize appropriations for the National Bureau of Standards and two smaller, related agencies—the National Technical Information Service, and the Office of Productivity, Technology, and Innovation. I thank my committee chairman, Mr. Fuqua, for his kind remarks on our subcommittee's efforts on this legislation. I also want to acknowledge the contributions of my colleagues on the subcommittee, particularly Mrs. Heckler, our ranking minority member.

The budget figures represent our best effort in identifying those programs of the Bureau and the two smaller agencies which, in our judgment, must be maintained at current levels for fiscal year 1983. Some of the Bureau's research in measurement science and related technologies may seem quite technical, but they are critical to improving our Nation's productivity and fostering innovation. Reducing our level of effort could have serious consequences in the long run for our economic security. Many of the Bureau's programs are on the leading edge of science and technology, such as the work in metals alloy processing computer technologies, very-large-scale-integrated circuits, robotics, and automated manufacturing. All of these, are aimed at overcoming technological barriers to increasing innovation and productivity in critical sectors of our economy.

The metals processing program develops models and computer programs for predicting relationships between alloy microstructure and variables like temperature, mechanical stresses, and composition. This research has the potential to generate substantial improvements in fabricating and performance characteristics of metals such as strength, corrosion, and wear resistance.

The Bureau's Center for Fire Research would be funded under this bill at a level of $5 million, the administration's request. In past years, much of the Center's funding came from the U.S. Fire Adminstration, and arm of FEMA designated for phaseout by the administration. Wisely, OMB did decide to transfer the funds for the Fire Research Center into the Bureau's regular budget. The Center's goal is to develop, through research, the technical base necessary to suport the Nation's goal of significantly reducing fire losses.

The Office of Weights and Measures is another important part of the Bureau. The bill would authorize $1.2 million for this Office. Among other activities, the bill would provide for the development of a standardized training program for State and local weights and measures officials to learn how to correctly calibrate measuring devices that employ microciruitry. The necessity of this training program was clearly indicated by witnesses at our subcommittee hearing in February.

Mr. Chairman, I feel the committee has reported a very lean and sound bill and I urge its adoption by the House. Thank you.

Mrs. HECKLER. Mr. Chairman, I yield such time as he may consume to the ranking minority member of the committee, the gentleman from Kansas (Mr. Winn).

Mr. WINN. I thank the gentlewoman for yielding me this time.

Mr. Chairman, I rise in support of the work of the National Bureau of Standards, but also to communicate my support for the amendment to be offered by the gentleman from Pennsylvania (Mr. Walker) at the appropriate time. This amendment will bring the authorization request in line with the President's budget.

One only has to look at the list of the types of work done by the National Bureau of Standards to understand its importance to our modern world. The Bureau deals with such important issues as computer science and technology, the issue of innovation and productivity, and engineering measurements and standards. Obviously, these topics and others like them that the Bureau works with have a great deal to do with the strength and vitality of the American economy. They are part of the ongoing work that contributes greatly to American leadership. As our committee report points out, many Federal agencies turn to NBS for advice on measurement and standards-related problems arising out of the technological programs of such agencies. Despite its expanded mission over the years, NBS has continued to provide excellent research and quality support to those agencies which call on the Bureau. I commend NBS for their continuing excellence in this field.

Mr. Chairman, I have no real quarrel with giving NBS the tools to continue their work. I feel that this authorization can do so, but I feel we can do it at a lower level than the committee has recommended. Once again we are confronted with an authorization bill that has been reported out at a substantial percentage above the administration's request. I do not hold to the belief that there is anything intrinsically magic about the administration's request numbers, however the only answer that our committee seems to have is to always add more money, never less. Because of this I will be supporting the gentleman from Pennsylvania's amendment to reduce the authorization level to the President's budget request.

I do want to emphasize my strong support, however, for the mission of the National Bureau of Standards and its unique capabilities. I hope the House will approve the Walker amendment and then support the authorization for the National Bureau of Standards.

□ 1630

Mr. FUQUA. Mr. Chairman, I yield such time as he may consume to the gentleman from California (Mr. Brown), a member of the committee.

Mr. BROWN of California. Mr. Chairman, I do not think that anyone in the House has any real problems with the work of the Bureau of Standards. This is one of the most significant and important bureaus in the U.S. Government and in the Department of Commerce, and it has played a leading role for many, many years in a quiet and relatively unnoticed way in developing the efficiency of American industry. What I am concerned about, of course, is the question about the relative level of support which has been raised by the distinguished gentleman from Kansas, and will be raised by the amendment of the gentleman from Pennsylvania, which we understand he will offer.

There was some hint or indication that the committee had acted in an indiscriminate way in suggesting a modest increase in the authorizing level for the Bureau of Standards. I know this will be discussed in connection with the debate on the amendment, but I would just like to point out that the increases recommended by the subcommittee and the full committee, with which I fully concur, were not indiscriminate amendments aimed at blanket increases in programs, but they were amendments aimed at restoring cuts which had been suggested by the administration for two vitally important areas.

One of these was the Institute for Computer Standards. I think we all understand the importance of the computer revolution which is taking place in this country today.

There are at least three separate programs, seminars, or hearings going on today with regard to the impact of computers on American society right here in the House of Representatives, and we anticipate that the greatest improvement in industrial productivity available in the next generation will stem from the maintenance of America's leadership in the computer field. Computers will impact upon the operations of the Congress; they will impact upon the operations of American agriculture, which is the subject of a 2-day seminar going on right now. It will impact upon the operations of the metal-working industry, the automobile industry; upon all of the industries of this country.

In the face of that, for this administration to propose a 50-percent reduction from last year's level, in the operations of this vitally important Institute in the Bureau of Standards is, in my opinion, shortsightedness of the highest order. It is, therefore, not an indiscriminate or careless act to attempt to preserve this program at least at the same level. Actually, the level is still below last year even with the restoration suggested by the committee.

The other major increase dealt with other aspects of industrial productivity and innovation, actually the greatest problems facing our economy today. I hesitate to broaden the discussion, but we have been acting in this House as if the whole answer to American productivity losses lay in the budget process. At the risk of disillusioning some of my associates in the House, I would like to tell them that even with the best of budgets, even with a budget which is at or near balance, we face serious problems with American industrial productivity in this country which will not be resolved unless we take serious steps to address them.

We have a small, almost a minute program in the Department of Commerce to encourage productivity improvement, and it is this program that the adminstration is proposing to practically eliminate. The administration's recommendations are not because of any merit or lack of merit in the program; they are based upon philosophical reasons. Basically, the philosophical postion of this adminstration is that the Government of this great country has no business trying to improve the innovation or productivity of American industry.

This flies in the face of reality. This flies in the face of what our competitors are doing, and doing very well, which is assisting in developing cooperative programs between Government and industry to overcome mutual problems which have to be faced. Now, I resist the philosophy that says there is no role for Government cooperation in helping to improve the performance of American industy, and it is at this very point that the amendment of the gentleman from Pennsylvania is aimed. He has an honest feeling that there is no role for Government in helping to improve the productivity of the industry of this country. He defends this view with logic and eloquence, but I think he so wrong.

I believe that we will find out that even if we do the greatest job in the world of balancing the budget, that if we have failed to take the steps necessary to improve the productivity of American industry, we will still be facing some serious economic problems which we will not be able to overcome. It is for this reason that I urge the Members to support the very modest recommendations which the Committee on Science and Technology has made, not to increase these programs, but to maintain them close to the level that they have been for the past year. I think we will be doing a great service to the country if we can do that.

Mr. FUQUA. Mr. Chairman, I yield 4 minutes to the gentleman from Iowa (Mr. BEDELL).

Mr. BEDELL. Mr. Chairman, I thank the gentleman from Florida for yielding. I also thank the gentleman for bringing this matter before this body today.

Mr. Chairman, the Small Business Committee's Subcommittee on Energy, Environment, and Safety Issues Affecting Small Business held a field hearing in mid-February to learn why more used oil is not being recovered and reused in this country. The subcommittee was distressed to learn of the amounts of used oil being burned indiscriminately, resulting in harmful pollutants being emitted into the atmosphere. Testimony received from industry witnesses encouraged the greater recycling of used oils, particularly through re-refining. However, these witnesses noted that implementation of directives from Congress removing institutional barriers to greater re-refining of used oils has been slow.

The Independent Lubricant Manufacturers Association and the Association of Petroleum Re-refiners told the subcommittee that they have been anxiously awaiting the development of test procedures by the National Bureau of Standards for several years. These test procedures would ascertain whether re-refined lubricant base stocks and finished products are of sufficient quality, consistency, and additive response to produce a finished product truly equivalent to virgin oils. We were reminded that section 383(c) of the Energy Policy and Conservative Act mandates NBS to develop these test procedures. I believe I share the sentiments of the other members of the subcommittee that the administration's determination that no more funds be spent on NBS recycled oil program after September 30 of this year is shortsighted.

Mr. Chairman, I would like to ask the gentleman what is the current status of NBS recycled oil program?

Mr. FUQUA. Mr. Chairman, will the gentleman yield?

Mr. BEDELL. I yield to the gentleman from Florida.

Mr. FUQUA. According to statements by the administration to the committee, the first phase of NBS recycled oil program involved the development and evaluation of test procedures for characterizing used oil recycled as a burner fuel. As required by Congress, these test procedures were transmitted to the Federal Trade Commission in November 1978.

Since 1978, NBS has been working on the second phase of its program concerning the development of test procedures for used oils to be reused as motor oils. Much of NBS work in this area has involved a re-refined oil base stock consistency study. The consistency study has been completed. NBS currently is evaluating the data to determine an appropriate set of test procedures which best monitors re-refined base stock consistency. NBS findings are expected this summer.

In addition to the consistency study, NBS has evaluated chemical and physical test procedures for lubricating oil base stocks and is developing an economical bench scale performance test.

The work remaining to be completed after October 1, 1982, involves the application of NBS recommended test procedures in a wide variety of actual uses. For example, data from engine sequence tests would indicate how often NBS test procedures should be administered in order to assure that the re-refined base stock is consistent between the tests.

Because the administration represented to the committee that, at this level of completion, it would be possible for industry to complete the remaining research, the committee agreed to the termination of funding for NBS recycled oil program.

Mr. BEDELL. I thank the gentleman from Florida for his answer. The administration's position is untenable to the industry which would have to pick up the pieces of the almost-completed NBS program. In letters sent to me 2 months ago by ILMA and APR, I was told that the results of the field applications you mentioned would not have any creditibility without NBS reputation behind them. This point is particularly important, because users, such as ILMA and APR members, must have confidence in the test procedures if we are to recover substantially more of the 1.8 billion gallons of used oil generated annually in this country. ILMA and APR members are small, privately held businesses that have neither the capital nor the technical sophistication to complete NBS work. Besides, the Government has an obligation to complete the work it has begun at NBS, especially when these companies contributed to the establishment of the recycled oil program.

Mr. FUQUA. If I may, then the gentleman from Iowa is telling us that while the administration may be correct in stating that NBS recycled oil program may be substantially near completion, NBS work cannot be assumed easily by industry and the agency's research will have only limited value if allowed to lapse?

Mr. BEDELL. That is entirely correct. While it may be rather late in the authorization process, NBS recycled oil program must be rescued.

Mr. FUQUA. I would like to ask the gentleman from Iowa whether any other governmental agency can complete the NBS work?

Mr. BEDELL. No. The Department of Energy's Bartlesville, Okla., Energy Technology Center has been conducting research on the health and environmental consequences of burning and treating used oil. However, the administration also proposes terminating DOE's program next fiscal year.

Mr. FUQUA. Mr. Chairman, while the committee has acted based upon the administration's representations on NBS recycled oil program, I thank the gentleman from Iowa for bringing to this body's attention the likely results of terminating this worthwhile program. I, too, share his concern that NBS research in this area will be for naught unless the agency is permitted to complete its project and report as directed by Congress to the FTC.

Mr. BEDELL. NBS recycled oil program has been funded at a level of $1.25 million per year. ILMA and APR have told me that NBS work can be completed by the end of fiscal year 1984 and can proceed in fiscal year 1983 at a funding level of $1 million. Hopefully, we can send the strongest message to the administration that NBS recycled oil program be funded in fiscal year 1983 from the authorization we are considering today. It is equally important to complete NBS program, particularly when several million dollars have been spent thus far. Again, I thank the gentleman from Florida for his efforts in this regard.

Mr. FUQUA. I want to thank the gentleman from Iowa for bringing this matter to the attention of the House. In our hearings this year we found that is some other areas, the Bureau has done an excellent job of research, but has not done quite so well in making sure that the results of their research is being made available to industry in a useable form. I agree that the administration should be encouraged to complete NBS's recycled oil program by continuing the agency's efforts beyond September 30, 1982, and I want to assure the gentleman that we on the authorizing committee will follow up with Dr. Ambler, the NBS Director to see if ways can be found to do just that.

Mrs. HECKLER. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

Mr. FUQUA. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

H.R. 5726

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Bureau of Standards Authorization Act for Fiscal Year 1983".

AUTHORIZATION FOR PROGRAM ACTIVITIES

Sec. 2. (a) There are hereby authorized to be appropriated to the Secretary of Commerce, hereinafter referred to as the Secretary, to carry out activities performed by the National Bureau of Standards, the sums set forth in the following line items:

(1) Measurement Research and Standards, for fiscal year 1983, $50,389,000.

(2) Engineering Measurements and Standards, for fiscal year 1983, $21,012,000.

(3) Computer Science and Technology, for fiscal year 1983, $12,731,000.

(4) Core Research Program for Innovation and Productivity, for fiscal year 1983, $11,586,000.

(5) Technical Competence Fund, for fiscal year 1983, $8,986,000.

(6) Fire Research Center, for fiscal year 1983, $4,991,000.

(7) Central Technical Support, for fiscal year 1983, $14,324,000.

(b) Notwithstanding any other provision of this or any other Act, for fiscal year 1983:

(1) of the total amount authorized under subsection (a)(1) not less than $1,200,000 shall be available for the "Office of Weights and Measures";

(2) of the total amount authorized under subsection (a)(2), not less than $500,000 shall be available for the purpose of "Earthquake Hazards Engineering";

(3) of the total amount authorized under subsections (a)(1) and (a)(2), not less than $1,000,000 shall be available for "Measurement Standards for the Handicapped";

(4) of the total amount authorized under subsection (a)(3), not less than $10,000,000 shall be available for "Computer Science and Technology";

(5) of the total amount authorized under subsection (a)(4), not less than $3,000,000 is authorized for the purpose of "Automated Manufacturing Research Facility" and $3,200,000 for "Discrete Process Technology" (Robotics); and

(6) of the total amounts authorized under subsections (a)(4) and (a)(7), not more than $5,386,000 shall be available for "Transfer to Working Capital Fund".

EXCESS FOREIGN CURRENCY

Sec. 3. In addition to the sums authorized in section 2, not more than $500,000 is authorized for fiscal year 1983 for expenses of the National Bureau of Standards incurred outside the United States, to be paid for in foreign currencies that the Secretary of the Treasury determines to be excess to the normal requirements of the United States.

NATIONAL TECHNICAL INFORMATION SERVICE

Sec. 4. In addition to the sums authorized in section 2, the sum of $1,980,000 is authorized to be appropriated to the Assistant Secretary to carry out activities performed by the National Technical Information Service.

OFFICE OF PRODUCTIVITY, TECHNOLOGY AND INNOVATION

Sec. 5. In addition to the sums authorized in section 2, the sum of $1,600,000 is authorized to be appropriated to the Assistant Secretary for fiscal year 1983 for the purpose of research, development, and related activities in the field of innovation and productivity.

SALARY ADJUSTMENTS

Sec. 6. In addition to the sums authorized to be appropriated by this Act, such additional sums as may be necessary to make any adjustments in salary, pay, retirement, and other employee benefits which may be provided for by law are authorized to be appropriated for fiscal year 1983 and, if the full amount necessary to make such adjustments is not appropriated, the adjustments shall be made proportionately from sections 4 and 5 and in the line items in section 2(a) in a manner reflecting the extent to which the amount of each such line item in section 2(a) is attributable to employee benefits of the type involved.

AVAILABILITY OF APPROPRIATIONS

Sec. 7. Appropriations made under the authority provided in this Act shall remain available for obligation, for expenditure, or for obligation and expenditure for periods specified in the Acts making such appropriations.

TRANSFER OF FUNDS

Sec. 8. Funds may be transferred among the line items listed in section 2(a), but neither the total funds transferred from any line item nor the total funds transferred to any line item may exceed 10 per centum of the amount authorized for that line item in section 2(a), unless:

(1) thirty calendar days have passed after the Secretary or his designee has transmitted to the Speaker of the House of Representatives, to the President of the Senate, to the chairman of the Committee on Science and Technology of the House of Representatives, and to the chairman of the

Committee on Commerce, Science, and Transportation of the Senate a written report containing a full and complete explanation of the transfer involved and the reason for it, or

(2) before the expiration of thirty calendar days the chairmen of both the Committee on Science and Technology of the House and the Committee on Commerce, Science, and Transportation of the Senate have written to the Secretary to the effect that they have no objection to the proposed transfer.

ACTIVITIES PERFORMED FOR OTHER AGENCIES

SEC. 9. The Secretary of Commerce shall charge for any service performed by the Bureau, at the request of another Government agency, in compliance with any statute, enacted before, on, or after the date of enactment of this Act, which names the Secretary or the Bureau as a consultant to another Government agency, or calls upon the Secretary or the Bureau to support or perform any activity for or on behalf of another Government agency, or to cooperate with any Government agency in the performance by that agency of any activity, regardless of whether the statute specifically requires reimbursement to the Secretary or the Bureau by such other Government agency for such service, unless funds are specifically appropriated to the Secretary or the Bureau to perform such service. The Secretary may, however, waive any charge where the service rendered by the Bureau is such that the Bureau will incur only nominal costs in performing it. Costs shall be determined in accordance with section 12(e) of the Act of March 3, 1901, as amended (15 U.S.C. 278b(3)).

Mr. FUQUA (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

COMMITTEE AMENDMENTS

The CHAIRMAN. The Clerk will report the first committee amendment.

The Clerk read as follows:

Committee amendment: Page 3, line 15, strike quotation mark after "Technology," and insert quotation mark after "(Robotics)".

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the remaining committee amendment.

The Clerk read as follows:

Committee amendment: Page 4, line 8: strike "1,600,000" and insert "1,898,000".

The committee amendment was agreed to.

AMENDMENTS OFFERED BY MR. WALKER

Mr. WALKER. Mr. Chairman, I offer several amendments, and I ask unanimous consent that they be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The CHAIRMAN. The Clerk will report the amendments.

The Clerk read as follows:

Amendments offered by Mr. WALKER: On page 2, line 8, strike "$50,389,000" and insert in lieu thereof "$49,980,000".

On page 2, line 10, strike "$21,012,000" and insert in lieu thereof "$20,807,000".

On page 2, line 12, strike "$12,731,000" and insert in lieu thereof "$7,131,000".

On page 2, line 14, strike "$11,586,000" and insert in lieu thereof "$7,274,000".

On page 2, line 16, strike "$8,986,000" and insert in lieu thereof "$6,986,000".

On page 2, line 24, strike "$1,200,000" and insert in lieu thereof "$830,000".

On page 3, line 9, strike "$10,000,000" and insert in lieu thereof "$7,100,000".

On page 3, line 12, strike "$3,000,000" and insert in lieu thereof "$1,610,000".

On page 3, line 14, strike "$3,200,000" and insert in lieu thereof "$500,000".

Mr. WALKER. (during the reading). Mr. Chairman, I ask unanimous consent that the amendments be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. WALKER. Mr. Chairman, this is not a complex amendment. The effect of my amendment is twofold. First, it reduces the levels authorized to the National Bureau of Standards to those requested by the President. Second, it leaves requirements for minimum floor expenditures on certain programs of high priority to the committee, but reduces the levels of the floor expenditures to those requested by the President for those programs.

By national budgetary standards, or by national debt standards, or projected deficit standards, the amounts of dollars we are talking about in this NBS authorization are not great. The committee authorized $124 million for fiscal year 1983 and the request is for $111.5 million. My amendment thus makes a reduction of $12.5 million in this authorization. What we are addressing here is a question of fiscal discipline. If this House cannot stay within the budget on a relatively small bill such as this NBS authorization, then there is little hope that we can maintain a fiscally responsible budget at the larger level. The committee's bill as reported came out some $12.5 million above the President's request. The case is always attempted to be made that this particular bill is so worthy because of its "unique" or "crucial" programs, that we must make an exception and go over the budget request. Even relatively easy decisions to stick with the budget such as on this NBS bill are always left to other committees or other times, and of course, that never happens.

I cannot believe that the National Bureau of Standards would be irreparably harmed by a fiscal year 1983 budget at the President's requested level. So, the issue is simple. Will we show some restraint for a change and improve a fiscally responsible budget, or will be continue to overspend and overspend? Mr. Chairman, I urge adoption of my amendment.

AMENDMENTS OFFERED BY MR. FUQUA TO THE AMENDMENTS OFFERED BY MR. WALKER

Mr. FUQUA. Mr. Chairman, I offer amendments to the amendments.

The Clerk read as follows:

Amendments offered by Mr. FUQUA to the amendments offered by Mr. WALKER: Strike the words:

On page 2, line 8, strike "$50,389,000" and insert in lieu thereof "$49,980,000".

Strike the sum "$7,131,000" and insert "$10,000,000".

Strike the sum "$7,274,000" and insert "$11,188,000".

Strike the sum "830,000" and insert "$1,000,000".

Strike the words:

On page 3, line 9, strike "$10,000,000" and insert in lieu thereof "$7,100,000".

On page 3, line 12, strike "$3,000,000" and insert in lieu thereof "$1,610,000".

On page 3, line 14, strike "$3,200,000" and insert in lieu thereof "$500,000".

Mr. FUQUA (during the reading). Mr. Chairman, I ask unanimous consent that the amendments to the amendments be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. FUQUA. Mr. Chairman, what we are attempting to do is to reduce the amount that was adopted earlier by the House Science and Technology Committee in the amount of approximately $6.228 million.

The other body has already passed the bill relating to this subject. We have had informal discussions with them and members of the Commerce Committee in the other body and their staff. We feel that it would help expedite matters if we could perform this reduction. Also it would bring it more in line with the President's budget. I think at the same time, while not pleasing, it would permit the National Bureau of Standards to continue the very excellent programs that they have.

There is reluctance about this reduction, but I think that it is in the interest of trying to accommodate to the budget situation.

☐ 1650

My amendment conforms basically to what has passed the other body and some informal agreements that have been reached. Nothing final, but there have been informal discussions with the staff of the other body, and we hope that this would prevail and that we could avoid a conference. The time of the House would be conserved and also that of the Members of the committee. We have a lot of work to do the remainder of this year, and I would hope that these amendments would pass. We trust this would be one bill we could get out of the way and on

down to the White House rather soon for the President's signature.

I urge the adoption of the amendment that I have offered to the amendments offered by the gentleman from Pennsylvania (Mr. WALKER).

Mr. WALKER. Mr. Chairman, I rise in opposition to the amendments to the amendments.

Mr. Chairman, I think it is important to note here that the reason we are talking a compromise at all is because the Senate has decided to stay with the President's budget.

I think that the Senate has taken the responsible course of action. They have decided that indeed the President's budget level is a responsible level and, therefore, have come in at that particular level.

If this House wants to approve the work that the committee has done and has been so articulately presented by several Members on that side, then I think that the chairman's position would be a very responsible kind of negotiating position within a conference committee. But I still think that this House has the responsibility to decide up or down whether or not we agree with the President's level. It matters little whether we are a million dollars above the President's level or $6 million above the level or $12 million above the level; the fact is, we have busted the budget.

The issue that this gentleman is raising, and has been rather consistently, is that we ought not be busting that budget which is already at a deficit level which is far too high.

So, therefore I commend the chairman for attempting to arrive at a compromise settlement. Certainly the amendment to the amendment is better than the original committee bill, from my perspective, but I still think that the House needs an up or down vote on whether or not we are going to stick within the President's budget figures and, therefore, while I recognize the good intentions and I appreciate the effort being made, I reluctantly rise in opposition to the amendment to the amendment.

Mrs. HECKLER. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment to the amendment.

Mr. Chairman, it is with great reluctance that I oppose this compromise measure, which is a vehicle for finding a new middle ground. Considering the growing deficit and the really serious problems that face this Congress in terms of finding a consensus position on the Federal budget and current deficit projections, I frankly feel we are faced with a real mandate to find areas where reductions can be made.

This is an outstanding agency of Government, and we salute the work of the NBS without question. But at the same time I think it is important for all Members to know that the National Bureau of Standards charges other Federal agencies for services it renders to them. In the past, this nonbudget income has provided an additional 40 percent of funds to the Bureau. It should be clear that we are dealing with an agency that will receive funding from other sources.

It is always difficult to cut funds and to curtail the scope of involvement, and especially difficult in the case of the high professional standards which are set by the National Bureau of Standards. Nonetheless I have to say that I would concur with my colleague, the gentleman from Pennsylvania (Mr. WALKER), that the appropriate level of funding under the stresses and strains of finding the right budget answer for the U.S. Government would be at the administration's request.

Mr. WINN. Mr. Chairman, I move to strike the requisite number of words. I rise in opposition to the amendments offered by the gentleman from Florida (Mr. FUQUA) to the amendments offered by the gentleman from Pennsylvania (Mr. WALKER).

Mr. Chairman, I strongly support the amendments offered by the gentleman from Pennsylvania. As he stated, his amendments delete a relatively small amount of money from this bill, especially in light of the billions of dollars that are talked about in the national budget and in the deficit projections. However, I agree completely with the gentleman's point that what we are confronting here is more a matter of principle than a question of the absolute dollar amounts.

The gentleman from Florida (Mr. FUQUA) has already tried to reach a happy medium somewhere between the Reagan budget and what the committee has voted out. Now, the fact of the matter is that this bill as reported from this committee is still over the President's budget. If this Congress and this House are going to make any headway at all in reducing the size of the deficit for the fiscal year 1983, then we must start with this bill. Everyone these days is watching us and wondering if we are going to make a good-faith effort to reduce these deficits. If we do not, then the problems facing the economy of this Nation are going to remain the same.

So we must begin on a relatively small bill such as this one. I know that the cry is always that "this is only a tiny amount over the budget." But unless we do something soon, on these little bills then there will be little relief in sight.

The place to begin the undertaking is on such bills as this National Bureau of Standards authorization. I think the amendments offered by the gentleman from Pennsylvania make eminent good sense, and I urge the House to adopt them. If the amendments offered by the gentleman from Pennsylvania are adopted, there is still the option of trying to negotiate a difference somewhere between with the other body in conference. I think that it is incumbent upon me, as the ranking Republican on the Science and Technology Committee, to keep that option open. Even though it may be easier not to go to conference, it seems to me that we still have the obligation to try to go to conference and try to work out the differences with the other body.

Mr. Chairman, I urge the Members to support the amendments offered by the gentleman from Pennsylvania (Mr. WALKER).

The CHAIRMAN. The question is on the amendments offered by the gentleman from Florida (Mr. FUQUA) to the amendments offered by the gentleman from Pennsylvania (Mr. WALKER).

The question was taken; and the Chairman announced that the noes appear to have it.

RECORDED VOTE

Mr. FUQUA. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 195, noes 191, not voting 46, as follows:

[Roll No. 86]

AYES—195

Addabbo
Akaka
Albosta
Alexander
Andrews
Annunzio
Anthony
Applegate
Aspin
Bailey (PA)
Barnard
Barnes
Bedell
Beilenson
Benjamin
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Breaux
Brinkley
Brodhead
Brooks
Brown (CA)
Burton, Phillip
Byron
Chappell
Clay
Coelho
Collins (IL)
Conyers
Coyne, William
Daschle
Dellums
Derrick
Dicks
Dingell
Donnelly
Dorgan
Dowdy
Downey
Dwyer
Dymally
Dyson
Early
Eckart
Edgar
Edwards (CA)
English
Ertel
Evans (GA)
Evans (IN)
Fary
Fascell
Fazio
Fithian
Flippo
Florio
Foley
Ford (MI)
Ford (TN)
Fowler
Frank
Frost
Fuqua
Garcia
Gejdenson
Gephardt
Gibbons
Glickman
Gonzalez
Gore
Gramm
Guarini
Hall (OH)
Hall, Ralph
Hall, Sam
Hamilton
Harkin
Hatcher
Hawkins
Hefner
Heftel
Hertel
Holland
Howard
Hoyer
Hughes
Hutto
Ireland
Jones (NC)
Jones (OK)
Jones (TN)
Kastenmeier
Kennelly
Kildee
Kogovsek
LaFalce
Lantos
Leath
Lehman
Levitas
Long (LA)
Long (MD)
Lowry (WA)
Luken
Markey
Matsui
Mavroules
Mazzoli
McCurdy
McHugh
Mica
Mikulski
Miller (CA)
Mineta
Minish
Mitchell (MD)
Moakley
Moffett
Mollohan
Mottl
Murphy
Neal
Nelson
Nichols
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patterson
Pease
Pepper
Pickle
Price

Rahall
Rangel
Ratchford
Reuss
Richmond
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Russo
Sabo
Santini
Savage
Scheuer
Schroeder
Schumer
Seiberling
Shamansky
Shannon
Shelby
Simon
Smith (IA)
Solarz
St Germain
Stark
Stokes
Stratton
Studds
Swift
Synar
Traxler
Udall
Vento
Volkmer
Walgren
Washington
Watkins
Waxman
Weiss
White
Williams (MT)
Wilson
Wirth
Wolpe
Wright
Wyden
Yates
Yatron
Young (MO)

NOES—191

Anderson
Archer
Bailey (MO)
Beard
Benedict
Bennett
Bereuter
Bethune
Bliley
Broomfield
Brown (CO)
Broyhill
Butler
Campbell
Carman
Carney
Chappie
Cheney
Clausen
Clinger
Coats
Coleman
Collins (TX)
Conable
Conte
Corcoran
Coughlin
Coyne, James
Craig
Crane, Daniel
D'Amours
Daniel, Dan
Daniel, R. W.
Dannemeyer
Daub
Davis
de la Garza
Deckard
DeNardis
Derwinski
Dickinson
Duncan
Dunn
Edwards (AL)
Edwards (OK)
Emerson
Emery
Erlenborn
Evans (DE)
Evans (IA)
Fiedler
Fields
Forsythe
Fountain
Frenzel
Gilman
Gingrich
Goodling
Gradison
Green
Gregg
Gunderson
Hagedorn
Hammerschmidt
Hance
Hansen (ID)
Hartnett
Heckler
Hendon
Hightower
Hiler
Hillis
Hollenbeck
Holt
Hopkins
Horton
Huckaby
Hunter
Hyde
Jeffords
Jeffries
Jenkins
Johnston
Kazen
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leach
LeBoutillier
Lee
Lent
Lewis
Livingston
Loeffler
Lott
Lowery (CA)
Lujan
Lungren
Madigan
Marlenee
Marriott
Martin (IL)
Martin (NY)
McClory
McCollum
McDade
McDonald
McEwen
McGrath
McKinney
Michel
Miller (OH)
Mitchell (NY)
Molinari
Montgomery
Moore
Moorhead
Morrison
Myers
Napier
Natcher
Nelligan
O'Brien
Oxley
Parris
Pashayan
Patman
Paul
Perkins
Petri
Porter
Pritchard
Pursell
Quillen
Railsback
Regula
Rhodes
Rinaldo
Ritter
Roberts (KS)
Roberts (SD)
Robinson
Roemer
Roth
Roukema
Rousselot
Rudd
Sawyer
Schneider
Schulze
Sensenbrenner
Sharp
Shaw
Shumway
Shuster
Siljander
Skeen
Skelton
Smith (NE)
Smith (NJ)
Smith (OR)
Snowe
Snyder
Solomon
Spence
Stangeland
Staton
Stenholm
Stump
Tauke
Tauzin
Taylor
Vander Jagt
Walker
Wampler
Weber (MN)
Weber (OH)
Whitehurst
Whitley
Whittaker
Whitten
Williams (OH)
Winn
Wolf
Wortley
Wylie
Young (AK)
Young (FL)
Zablocki

NOT VOTING—46

Atkinson
AuCoin
Badham
Bafalis
Bowen
Brown (OH)
Burgener
Burton, John
Chisholm
Courter
Crane, Philip
Crockett
Dixon
Dornan
Dougherty
Dreier
Erdahl
Fenwick
Ferraro
Findley
Fish
Foglietta
Gaydos
Ginn
Goldwater
Gray
Grisham
Hansen (UT)
Hubbard
Jacobs
Leland
Lundine
Marks
Martin (NC)
Mattox
McCloskey
Murtha
Peyser
Rogers
Smith (AL)
Smith (PA)
Stanton
Thomas
Trible
Weaver
Zeferetti

□ 1710

Messrs. WHITLEY, PERKINS, ROEMER, PRITCHARD, D'AMOURS, and DAVIS changed their votes from "aye" to "no."

Messrs. FOLEY, BARNARD, and UDALL, Mrs. BYRON, and Messrs. STARK, MITCHELL of Maryland, and ENGLISH changed their votes from "no" to "aye."

So the amendments to the amendments were agreed to.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Pennsylvania (Mr. Walker), as amended.

The amendments, as amended, were agreed to.

AMENDMENT OFFERED BY MR. WALKER

Mr. WALKER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Walker: On page 6, after line 22, insert the following new section:

Sec. 10. No funds authorized under this Act shall be expended in violation of section 7 of Public Law 95-435.

□ 1720

Mr. WALKER. Mr. Chairman, I will make this very brief. This is the language with regard to a balanced budget that I have offered on several bills previously. I think everybody is familiar with the language by now. I do not see any need to discuss it further.

Mr. Chairman, I ask for an affirmative vote.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. Walker).

The amendment was rejected.

AMENDMENT OFFERED BY MR. FUQUA

Mr. FUQUA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Fuqua: On page 2, line 20, strike "$14,324,000" and insert "$13,500,000".

On Page 3, strike all of lines 1 through 3, and renumber the succeeding paragraphs.

On page 3 line 12, strike the words following the comma through the word "and" on line 14.

On page 3, strike all of lines 16 through 18.

On page 5 strike all the words beginning on line 7 through page 6, line 2, and renumber to succeeding section.

Mr. FUQUA (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. FUQUA. Mr. Chairman, this amendment I have offered further implements the amendment just agreed to by the Committee on a rollcall vote. It further conforms to the Senate-passed bill.

I urge the adoption of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida (Mr. Fuqua).

The amendment was agreed to.

The CHAIRMAN. Are there further amendments?

If not, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. Long of Louisiana) having assumed the chair, Mr. Andrews, Chairman of the Committee of the Whole House on the State of the Union, having had under consideration the bill (H.R. 5726) to authorize appropriations to the Secretary of Commerce for the programs of the National Bureau of Standards for fiscal year 1983, and for other purposes, pursuant to House Resolution 458, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. WALKER

Mr. WALKER. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. WALKER. I am, Mr. Speaker, in its present form.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. Walker moves to recommit the bill H.R. 5729 to the Committee on Science and Technology with instructions to report the same back forthwith with the following instructions: On page 2, line 8, strike "$50,389,000" and insert in lieu thereof "$49,980,000".

On page 2, line 10, strike "$21,012,000" and insert in lieu thereof "$20,807,000".

On page 2, line 12, strike "$12,731,000" and insert in lieu thereof "$7,131,000".

On page 2, line 14, strike "$11,586,000" and insert in lieu thereof "$7,274,000".

On page 2, line 18, strike "$8,986,000" and insert in lieu thereof "$6,986,000".

On page 2, line 24, strike "$1,200,000" and insert in lieu thereof "$830,000".

On page 3, line 9, strike "$10,000,000" and insert in lieu thereof "$7,100,000".

On page 3, line 12, strike "$3,000,000" and insert in lieu thereof "$1,610,000".

On page 3, line 14, strike "$3,200,000" and insert in lieu thereof "$500,000".

Mr. WALKER (during the reading). Mr. Speaker, I ask unanimous consent that the motion to recommit be considered as read and printed in the Record.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. WALKER. Mr. Speaker, the adoption of the Fuqua amendment to the amendment that I originally offered means that we have cut the authorization of this bill by $6 million. What this motion to recommit seeks to do is to cut the amount by the full $12 million or $12½ million which is needed to get it back to the President's budget request.

What this would do is implement the original language of my amendment, which sought to bring the whole authorization back to the President's budget level. I think the issue is clear. This motion to recommit cuts additional spending out of the authorization.

I would urge adoption of the motion to recommit.

Mr. FUQUA. Mr. Speaker, I rise in opposition to the motion to recommit.

The action of the Committee of the Whole House reduced this bill by $6.288 million. The gentleman from Pennsylvania (Mr. Walker) further intends to reduce that. We have already made a significant reduction in this bill.

I would hope that we would reject the motion to recommit and go ahead and proceed with the business of the House.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. WALKER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to the provsions of clause 5 of rule XV, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device, if ordered, will be taken on the question of the passage of the bill.

The vote was taken by electronic device, and there were—yeas 193, nays 193, not voting 46, as follows:

[Roll No. 87]

YEAS—193

Anderson
Applegate
Archer
Bailey (MO)
Barnard
Beard
Benedict
Bennett
Bereuter
Bethune
Bliley
Broomfield
Brown (CO)
Broyhill
Butler
Campbell
Carman
Carney
Chappie
Cheney
Clausen
Clinger
Coats
Coleman
Collins (TX)
Conable
Conte
Corcoran
Coughlin
Coyne, James
Craig
Crane, Daniel
D'Amours
Daniel, Dan
Daniel, R. W.
Dannemeyer
Daub
Davis
de la Garza
Deckard
DeNardis
Derwinski
Dickinson
Duncan
Dunn
Edwards (AL)
Emerson
Emery
Erlenborn
Evans (DE)
Evans (GA)
Evans (IA)
Fiedler
Fields
Fish
Forsythe
Fountain
Frenzel
Gilman
Gingrich
Goodling
Gradison
Gramm
Green
Gregg
Gunderson
Hagedorn
Hammerschmidt
Hansen (ID)
Hartnett
Heckler
Hefner
Hendon
Hightower
Hiler
Hillis
Holland
Holt
Hopkins
Horton
Hunter
Hyde
Jeffords
Jeffries
Jenkins
Johnston
Jones (TN)
Kazen
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leach
LeBoutillier
Lee
Lent
Lewis
Livingston
Loeffler
Lott
Lowery (CA)
Lujan
Lungren
Madigan
Marlenee
Marriott
Martin (IL)
Martin (NY)
McClory
McCollum
McDade
McDonald
McEwen
McGrath
McKinney
Michel
Miller (OH)
Mitchell (NY)
Molinari
Montgomery
Moore
Moorhead
Morrison
Myers
Napier
Nelligan
O'Brien
Oxley
Parris
Pashayan
Patman
Paul
Petri
Porter
Pritchard
Pursell
Quillen
Railsback
Regula
Rhodes
Rinaldo
Roberts (KS)
Roberts (SD)
Robinson
Roemer
Roth
Roukema
Rousselot
Rudd
Santini
Sawyer
Schulze
Sensenbrenner
Shaw
Shelby
Shumway
Shuster
Siljander
Skeen
Skelton
Smith (AL)
Smith (NE)
Smith (NJ)
Smith (OR)
Snowe
Snyder
Solomon
Spence
Stangeland
Staton
Stenholm
Stratton
Stump
Tauke
Tauzin
Taylor
Vander Jagt
Walker
Wampler
Weber (MN)
Weber (OH)
White
Whitehurst
Whitley
Whittaker
Whitten
Williams (OH)
Winn
Wolf
Wortley
Young (AK)
Young (FL)

NAYS—193

Addabbo
Akaka
Albosta
Alexander
Andrews
Annunzio
Anthony
Aspin
Bailey (PA)
Barnes
Bedell
Beilenson
Benjamin
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Boner
Bonior
Bonker
Bouquard
Breaux
Brinkley
Brodhead
Brooks
Brown (CA)
Burton, Phillip
Byron
Chappell
Chisholm
Clay
Coelho
Collins (IL)
Conyers
Coyne, William
Daschle
Dellums
Derrick
Dicks
Dingell
Donnelly
Dorgan
Dowdy
Downey
Dwyer
Dymally
Dyson
Early
Eckart
Edgar
Edwards (CA)
English
Ertel
Evans (IN)
Fary
Fascell
Fazio
Fithian
Flippo
Florio
Foley
Ford (MI)
Ford (TN)
Fowler
Frank
Frost
Fuqua
Garcia
Gejdenson
Gephardt
Gibbons
Glickman
Gonzalez
Gore
Guarini
Hall (OH)
Hall, Ralph
Hall, Sam
Hamilton
Hance
Harkin
Hatcher
Hawkins
Heftel
Hertel
Hollenbeck
Howard
Hoyer
Huckaby
Hughes
Hutto
Ireland
Jones (NC)
Jones (OK)
Kastenmeier
Kennelly
Kildee
Kogovsek
LaFalce
Lantos
Leath
Lehman
Levitas
Long (LA)
Long (MD)
Lowry (WA)
Luken
Markey
Matsui
Mavroules
Mazzoli
McCurdy
McHugh
Mica
Mikulski
Miller (CA)
Mineta
Minish
Mitchell (MD)
Moakley
Mollohan
Mottl
Murphy
Natcher
Neal
Nelson
Nichols
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patterson
Pease
Pepper
Perkins
Peyser
Pickle
Price
Rahall
Rangel
Ratchford
Reuss
Richmond
Ritter
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Russo
Sabo
Savage
Scheuer
Schneider
Schroeder
Schumer
Seiberling
Shamansky
Shannon
Sharp
Simon
Smith (IA)
Solarz
St Germain
Stark
Stokes
Studds
Swift
Synar
Traxler
Udall
Vento
Volkmer
Walgren
Washington
Watkins
Waxman
Weiss
Williams (MT)
Wilson
Wirth
Wolpe
Wright
Wyden
Yates
Yatron
Young (MO)
Zablocki

NOT VOTING—46

Atkinson
AuCoin
Badham
Bafalis
Bolling
Bowen
Brown (OH)
Burgener
Burton, John
Courter
Crane, Philip
Crockett
Dixon
Dornan
Dougherty
Dreier
Edwards (OK)
Erdahl
Fenwick
Ferraro
Findley
Foglietta
Gaydos
Ginn
Goldwater
Gray
Grisham
Hansen (UT)
Hubbard
Jacobs
Leland
Lundine
Marks
Martin (NC)
Mattox
McCloskey
Moffett
Murtha
Rogers
Smith (PA)
Stanton
Thomas
Trible
Weaver
Wylie
Zeferetti

□ 1740

The Clerk announced the following pairs:

On this vote:

Mr. Philip M. Crane for, with Mr. Dixon against.

Mr. Thomas for, with Mr. Leland against.

Mr. Findley for, with Mr. Zeferetti against.

Mr. Dornan of California for, with Mr. Gray against.

Mr. LONG of Maryland changed his vote from "yea" to "nay."

Mr. HAGEDORN, Mr. McKINNEY, and Mrs. HOLT changed their votes from "nay" to "yea."

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. Minish). The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mrs. HECKLER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. The Chair will announce that this will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 249, nays 131, not voting 52, as follows:

[Roll No. 88]

YEAS—249

- Addabbo
- Akaka
- Albosta
- Alexander
- Anderson
- Andrews
- Annunzio
- Anthony
- Aspin
- Bailey (PA)
- Barnes
- Bedell
- Beilenson
- Benjamin
- Bennett
- Bevill
- Biaggi
- Bingham
- Blanchard
- Boggs
- Boland
- Boner
- Bonior
- Bonker
- Bouquard
- Breaux
- Brinkley
- Brodhead
- Brooks
- Brown (CA)
- Burton, Phillip
- Byron
- Chappell
- Chisholm
- Clay
- Coelho
- Collins (IL)
- Conte
- Conyers
- Coughlin
- Coyne, James
- Coyne, William
- D'Amours
- Daschle
- Davis
- de la Garza
- Dellums
- Derrick
- Dicks
- Dingell
- Donnelly
- Dorgan
- Dowdy
- Downey
- Dwyer
- Dymally
- Dyson
- Early
- Eckart
- Edgar
- Edwards (AL)
- Edwards (CA)
- Emery
- English
- Ertel
- Evans (DE)
- Evans (IN)
- Fary
- Fascell
- Fazio
- Fiedler
- Fish
- Fithian
- Flippo
- Florio
- Foley
- Ford (MI)
- Ford (TN)
- Fountain
- Fowler
- Frank
- Frost
- Garcia
- Gejdenson
- Gephardt
- Gibbons
- Gilman
- Glickman
- Gonzalez
- Gore
- Green
- Guarini
- Hall, Ralph
- Hall, Sam
- Hamilton
- Harkin
- Hatcher
- Hawkins
- Heckler
- Hefner
- Heftel
- Hertel
- Hightower
- Hollenbeck
- Holt
- Horton
- Howard
- Hoyer
- Huckaby
- Hughes
- Hutto
- Ireland
- Jeffords
- Jones (NC)
- Jones (OK)
- Kastenmeier
- Kazen
- Kennelly
- Kildee
- Kogovsek
- LaFalce
- Lantos
- Leach
- Leath
- Lee
- Lehman
- Levitas
- Livingston
- Long (LA)
- Long (MD)
- Lowry (WA)
- Luken
- Markey
- Martin (NY)
- Matsui
- Mavroules
- Mazzoli
- McClory
- McCurdy
- McDade
- McHugh
- McKinney
- Mica
- Mikulski
- Miller (CA)
- Mineta
- Minish
- Mitchell (MD)
- Mitchell (NY)
- Moakley
- Moffett
- Mollohan
- Montgomery
- Moore
- Mottl
- Murphy
- Natcher
- Neal
- Nelligan
- Nelson
- Nichols
- Nowak
- Oakar
- Oberstar
- Obey
- Ottinger
- Panetta
- Parris
- Patman
- Patterson
- Pease
- Pepper
- Perkins
- Peyser
- Pickle
- Price
- Pursell
- Rahall
- Railsback
- Rangel
- Ratchford
- Reuss
- Rhodes
- Richmond
- Rinaldo
- Ritter
- Rodino
- Roe
- Roemer
- Rose
- Rosenthal
- Rostenkowski
- Roukema
- Roybal
- Russo
- Sabo
- Santini
- Savage
- Sawyer
- Scheuer
- Schneider
- Schroeder
- Schumer
- Seiberling
- Shamansky
- Shannon
- Sharp
- Shelby
- Simon
- Smith (IA)
- Smith (NJ)
- Snowe
- Solarz
- St Germain
- Stark
- Stokes
- Stratton
- Studds
- Swift
- Synar
- Tauzin
- Traxler
- Udall
- Vander Jagt
- Vento
- Volkmer
- Walgren
- Washington
- Watkins
- Waxman
- Weber (OH)
- Weiss
- White
- Whitley
- Whitten
- Williams (MT)
- Williams (OH)
- Wilson
- Wirth
- Wolf
- Wolpe
- Wright
- Wyden
- Yates
- Yatron
- Young (AK)
- Young (FL)
- Young (MO)
- Zablocki

NAYS—131

- Applegate
- Archer
- Bailey (MO)
- Barnard
- Beard
- Benedict
- Bereuter
- Bethune
- Bliley
- Broomfield
- Brown (CO)
- Broyhill
- Carman
- Carney
- Chappie
- Cheney
- Clausen
- Clinger
- Coats
- Coleman
- Collins (TX)
- Conable
- Corcoran
- Craig
- Crane, Daniel
- Daniel, Dan
- Daniel, R. W.
- Dannemeyer
- Daub
- Deckard
- DeNardis
- Derwinski
- Duncan
- Dunn
- Emerson
- Erlenborn
- Evans (GA)
- Evans (IA)
- Fields
- Findley
- Forsythe
- Frenzel
- Gingrich
- Goodling
- Gradison
- Gramm
- Gregg
- Gunderson
- Hagedorn
- Hall (OH)
- Hammerschmidt
- Hance
- Hansen (ID)
- Hartnett
- Hendon
- Hiler
- Hillis
- Hopkins
- Hunter
- Hyde
- Jeffries
- Jenkins
- Johnston
- Jones (TN)
- Kemp
- Kindness
- Kramer
- Lagomarsino
- Latta
- LeBoutillier
- Lent
- Lewis
- Loeffler
- Lott
- Lowery (CA)
- Lujan
- Lungren
- Madigan
- Marlenee
- Marriott
- Martin (IL)
- McCollum
- McDonald
- McEwen
- McGrath
- Michel
- Miller (OH)
- Molinari
- Moorhead
- Morrison
- Myers
- O'Brien
- Oxley
- Pashayan
- Paul
- Petri
- Porter
- Quillen
- Regula
- Roberts (KS)
- Roberts (SD)
- Robinson
- Roth
- Rousselot
- Rudd
- Schulze
- Sensenbrenner
- Shaw
- Shumway
- Shuster
- Siljander
- Skeen
- Skelton
- Smith (AL)
- Smith (NE)
- Smith (OR)
- Snyder
- Solomon
- Stangeland
- Staton
- Stenholm
- Stump
- Tauke
- Taylor
- Walker
- Wampler
- Weber (MN)
- Whitehurst
- Whittaker
- Winn
- Wortley

NOT VOTING—52

- Atkinson
- AuCoin
- Badham
- Bafalis
- Bolling
- Bowen
- Brown (OH)
- Burgener
- Burton, John
- Butler
- Campbell
- Courter
- Crane, Philip
- Crockett
- Dickinson
- Dixon
- Dornan
- Dougherty
- Dreier
- Edwards (OK)
- Erdahl
- Fenwick
- Ferraro
- Foglietta
- Fuqua
- Gaydos
- Ginn
- Goldwater
- Gray
- Grisham
- Hansen (UT)
- Holland
- Hubbard
- Jacobs
- Leland
- Lundine
- Marks
- Martin (NC)
- Mattox
- McCloskey
- Murtha
- Napier
- Pritchard
- Rogers
- Smith (PA)
- Spence
- Stanton
- Thomas
- Trible
- Weaver
- Wylie
- Zeferetti

□ 1750

The Clerk announced the following pairs:

On this vote:

Mr. Zeferetti for, with Mr. Thomas against.

Mrs. Fenwick for, with Mr. Hansen of Utah against.

Mr. Courter for, with Mr. Philip M. Crane against.

Messrs. SILJANDER, DUNCAN, and FINDLEY changed their votes from "yea" to "nay."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. WALGREN. Mr. Speaker, pursuant to the provisions of House Resolution 458, I call up from the Speaker's table the Senate bill (S. 2271) to authorize appropriations to the Secretary of Commerce for the programs of the National Bureau of Standards for fiscal year 1983, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

MOTION OFFERED BY MR. WALGREN

Mr. WALGREN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. Walgren moves to strike out all after the enacting clause of the Senate bill, S. 2271, and to insert in lieu thereof the provision of the bill, H.R. 5726, as passed by the House, as follows:

That this Act may be cited as the "National Bureau of Standards Authorization Act for Fiscal Year 1983".

AUTHORIZATION FOR PROGRAM ACTIVITIES

Sec. 2. (a) There are hereby authorized to be appropriated to the Secretary of Commerce, hereinafter referred to as the Secretary, to carry out activities performed by the National Bureau of Standards, the sums set forth in the following line items:

(1) Measurement Research and Standards, for fiscal year 1983, $50,389,000.

(2) Engineering Measurements and Standards, for fiscal year 1983, $20,807,000.

(3) Computer Science and Technology, for fiscal year 1983, $10,000,000.

(4) Core Research program for Innovation and Productivity, for fiscal year 1983, $11,188,000.

(5) Technical Competence Fund, for fiscal year 1983, $6,986,000.

(6) Fire Research Center, for fiscal year 1983, $4,991,000.

(7) Central Technical Support, for fiscal year 1983, $13,500,000.

(b) Notwithstanding any other provision of this or any other Act, for fiscal year 1983:

(1) of the total amount authorized under subsection (a)(1) not less than $1,000,000 shall be available for the "Office of Weights and Measures";

(2) of the total amounts authorized under subsections (a)(1) and (a)(2), not less than $1,000,000 shall be available for "Measurement Standards for the Handicapped";

(3) of the total amount authorized under subsection (a)(3), not less than $10,000,000 shall be available for "Computer Science and Technology"; and

(4) of the total amount authorized under subsection (a)(4), $3,200,000 for "Discrete Process Technology (Robotics)".

EXCESS FOREIGN CURRENCY

Sec. 3. In addition to the sums authorized in section 2, not more than $500,000 is authorized for fiscal year 1983 for expenses of the National Bureau of Standards incurred outside the United States, to be paid for in foreign currencies that the Secretary of the Treasury determines to be excess to the normal requirements of the United States.

NATIONAL TECHNICAL INFORMATION SERVICE

Sec. 4. In addition to the sums authorized in section 2, the sum of $1,980,000 is authorized to be appropriated to the Assistant Secretary to carry out activities performed by the National Technical Information Service.

OFFICE OF PRODUCTIVITY, TECHNOLOGY AND INNOVATION

Sec. 5. In addition to the sums authorized in section 2, the sum of $1,898,000 is authorized to be appropriated to the Assistant Secretary for fiscal year 1983 for the purpose of research, development, and related activities in the field of innovation and productivity.

SALARY ADJUSTMENTS

Sec. 6. In addition to the sums authorized to be appropriated by this Act, such additional sums as may be necessary to make any adjustments in salary, pay, retirement, and other employee benefits which may be provided for by law are authorized to be appropriated for fiscal year 1983 and, if the full amount necessary to make such adjustments is not appropriated, the adjustments shall be made proportionately from sections 4 and 5 and in the line items in section 2(a) in a manner reflecting the extent to which the amount of each such line item in section 2(a) is attributable to employee benefits of the type involved.

AVAILABILITY OF APPROPRIATIONS

Sec. 7. Appropriations made under the authority provided in this Act shall remain available for obligation, for expenditure, or for obligation and expenditure for periods specified in the Acts making such appropriations.

ACTIVITIES PERFORMED FOR OTHER AGENCIES

Sec. 8. The Secretary of Commerce shall charge for any service performed by the Bureau, at the request of another Government agency, in compliance with any statute, enacted before, on, or after the date of enactment of this Act, which names the Secretary or the Bureau as a consultant to another Government agency, or calls upon the Secretary or the Bureau to support or perform any activity for or on behalf of another Government agency, or to cooperate with any Government agency in the performance by that agency of any activity, regardless of whether the statute specifically requires reimbursement to the Secretary or the Bureau by such other Government agency for such service, unless funds are specifically appropriated to the Secretary or the Bureau to perform such service. The Secretary may, however, waive any charge where the service rendered by the Bureau is such that the Bureau will incur only nominal costs in performing it. Costs shall be determined in accordance with section 12(e) of the Act of March 3, 1901, as amended (15 U.S.C. 278b(e)).

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read a third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 5726) was laid on the table.

THE MILITARIZATION OF THE SPACE AGENCY

(Mr. AKAKA asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. AKAKA. Mr. Speaker, last week the House passed H.R. 5890, the National Aeronautics and Space Administration Authorization for 1983. During the course of debate on the floor, many of my colleagues made the claim that the NASA authorization for fiscal year 1983 should be reduced by $35 million in order to meet the target budget figures set by the Reagan administration. Had the House given its approval to this proposal, NASA would have been forced to operate on a gravely insufficient funding level. A centerpiece of all arguments for reducing the budget can be found in a number, a percentage increase in NASA's budget for fiscal year 1983. The figure many of my colleagues used during the debate was 11 percent.

To make the claim that the NASA budget has escalated by 11 percent for fiscal year 1983, and that therefore, in times of "serious budgetary deficit," we should cutback on NASA's funding is to operate in ignorance or in basic bad faith, or maybe both.

Although an initial reading of the NASA budget would certainly bear out the 11-percent figure, this figure excludes the fact of inflation. If inflation is taken into account, the growth in the NASA budget is a mere 2 percent. A 2-percent increase for an agency funding the Shuttle program at a total cost of $9.9 billion for four Shuttle flights, is nothing. The cost to the United States to develop and produce the first two Space Shuttles and to test fly *Columbia* four times is $9.9 billion, for which NASA picks up the entire tab. The Pentagon's share of the Shuttle development and test flight bill is zero. In order to build and supply this Nation with four flight models of the Shuttle, the cost is $15 billion, of which the Pentagon pays $2.4 billion. A careful study of these figures will begin to explain why a 2-percent increase in the NASA budget may very well represent a shutdown budget for many NASA programs, especially those in the area of space science and planetary exploration.

It is obvious to me, and should be equally obvious to my colleagues, that NASA is subsidizing the Space Shuttle at the cost of vital NASA civilian space programs. It is obvious to me that the balance of cost-sharing between civilian and military activities in NASA is way out of line.410

In an effort to highlight this issue, I include a copy of Washington Post writer Tom O'Toole's article, "The 'Militarization' of the Space Agency," for insertion in the Record immediately following my remarks.

[From the Washington Post, May 8, 1982]

The "Militarization" of the Space Agency

(By Thomas O'Toole)

For the last 20 years the civilian National Aeronautics and Space Administration served itself and the scientific and technological communities almost exclusively.

No longer. NASA is about to begin serving a big new customer, a federal agency almost 40 times its size: the Department of Defense. When the space shuttle Columbia makes its fourth and last test flight next month, its cargo will be a secret Pentagon infrared laser whose invisible light can detect the rocket exhausts of missiles on their way to distant targets.

The trucking into space of the Pentagon's early warning laser spotlights what some observers of the civilian space agency say is a dangerous new trend.

In the years ahead, NASA will be dealing more and more with the Pentagon. More space agency business will be shrouded in secrecy, more of its missions will be classified and more of its research and development will have a military instead of a civilian application.

One sign that the space agency is being "militarized" is in the number of Air Force personnel now on active duty at NASA. There are eight Air Force officers assigned to NASA headquarters in Washington, 60 to the Kennedy Space Center at Cape Canaveral and 66, plus 22 Air Force civilian employees, at the Johnson Space Center in Houston.

NASA's top management has taken on a distinctive "blue-suit look." Head of the new Office of Space Transportation Systems is Air Force Maj. Gen. James A. Abrahamson. His executive assistant is Air Force Col. Joseph Rougeau. The head of external relations is retired Air Force general Frank Simokaitis. NASA deputy administrator is Dr. Hans Mark, a former secretary of the Air Force.

Of the first 44 shuttle flights NASA will make through 1988, 13 will be flown solely for the Pentagon. Of the 234 flights tentatively scheduled through 1994, according to a report released this week by the General Accounting Office, at least 114, or 48 percent, will be flown exclusively for the military.

In the past the Pentagon rarely flew even an experimental instrument on a space agency spacecraft and it was not supposed to be involved in more than 30 percent of the space agency's shuttle flights.

In a report prepared for Sen. William Proxmire (D-Wis.), senior Democrat on the Appropriations Committee, the GAO concluded that the space agency earmarked for the Pentagon almost 25 percent of the $3.47 billion it will spend on the shuttle in fiscal 1983. This includes two of 10 shuttle flights in fiscal 1984 and four of 13 flights in fiscal 1985.

"This is bad news for those who are concerned over cutbacks in NASA's space science activities," Proxmire said earlier this week. "Unless there is a dramatic change in current efforts to reduce federal spending, it means that more and more of each NASA budget will be spent on defense-related activities and less and less will be spent on civilian science."

What concerns Proxmire even more than the Pentagon's inroads into space agency business is the way the Pentagon has managed to avoid paying for it. The cost to the United States to develop and produce the first two space shuttles (Enterprise and Columbia) and test-fly Columbia four times is $9.9 billion. NASA will pick up the entire tab. The Pentagon's share of the shuttle development and test flight bill is zero.

Of the $15 billion it will cost to build and supply four flight models of the shuttle, the Pentagon's share is $2.4 billion. Most of that is for a shuttle launch facility at California's Vandenberg Air Force Base where 47 of the planned 70 flights at Vandenberg will be for the Air Force.

One of the major new improvements to be made to the shuttle is development of a lightweight casing for its two solid rocket engines that will let the shuttle carry 5,500 more pounds of payload into orbit. The $250 million improvement bill is being picked up by NASA even though the development will benefit the Pentagon, whose payloads are far heavier than anything NASA and the civilian shuttle users will fly.

Even when the Pentagon flies an instrument or satellite on the shuttle, it will do so at a bargain rate no other shuttle customer is being offered. Civilian shuttle users are being charged $18 million a flight through 1986 when shuttle user fee will be renegotiated. Not the Pentagon. Whenever the Pentagon flies on the shuttle through 1986, the user fee will be $12.2 million, a discount of 32 percent.

"It's clear to me that the Pentagon is getting a free ride on the space shuttle," Sen. Harrison H. (Jack) Schmitt (R-N.M.), chairman of the Senate subcommittee on space, said in an interview. "I think the time has come for the Defense Department to start paying for its share of that ride," the former astronaut added.

One thing the Pentagon is already paying for is security. The Pentagon is spending $26 million to modify the firing room (launch control center) at Cape Canaveral and $47 million to modify the Mission Control Center in Houston to safeguard the secrecy of its shuttle missions. The two-story Mission Control Center soon will have a third story with copper floors and copper ceilings to prevent any communications between the Air Force officers on the ground and astronauts in space from leaking to the air outside the building.

Even the routine air-to-ground chatter between shuttle astronauts and Mission Control will change when the Pentagon flies its payloads in space. More and more conversations will be private, fewer in-flight television broadcasts will be aired and the handling of Pentagon payloads will not be discussed over the public air-to-ground radio channel. Even the choice of astronauts will undergo a change.

"We will use astronauts on our shuttle missions from the regular NASA corps," Air Force Brig. Gen. Joseph Mirth said not long ago, "but only those with a military background."

The space agency has begun to involve itself with the Pentagon on more than just the space shuttle. NASA is turning over more time in its wind tunnels to the testing of military aircraft and is placing more emphasis on the military aspects of its aeronautical research at the expense of its civilian research.

The most controversial of NASA's plans to involve itself more with the military is its plan to seek more military contracts for the Jet Propulsion Laboratory, its Pasadena brainchild that designed, built and directed the Voyager spacecraft that explored the planets Jupiter and Saturn in the last four years.

There was a time when JPL did no military research. In the last year, it has negotiated contracts with the Air Force, Army and Navy and has made it a goal to do between one-fourth and one-third of its research for the Pentagon.

Among the projects JPL has taken on for the Pentagon are automated reconnaissance satellites that maintain themselves in orbit for years at a time, that communicate with Earth at unheard of speed and precision and that keep watch on the seven seas with radar the way cameras now do over land. JPL's first assignment from the Army is how to automate the battlefield. In a word, put robots into tanks instead of men.

"The trouble with this work is that a lot of it is classified, which means you can't tell your wife and kids what you're doing anymore," said one JPL official who insisted on being nameless. "The good thing is that it keeps the team sharp, it keeps the lab's skills intact while the space program slackens."

To hear NASA Administrator James M. Beggs tell it, the space agency must take on more work for the Pentagon if it is going to survive the rough seas of the Ronald Reagan budget years. Beggs also insists that NASA's expertise is essential if the United States is to maintain superiority over the Soviet Union.

"You don't just set an aircraft model in any wind tunnel and out comes a lot of numbers and somebody just crunches them," Beggs said in an interview. "The plain facts are, you need the NASA technical guys working our wind tunnels to solve the problems that come out of it, whether they be military or civilian aircraft."

As for the Pentagon paying more of its share for the ride it gets from NASA, Beggs responds a little differently.

"The other part of this has to do with the question of whether we're bending over too far backwards in accommodating the military on things like the shuttle," Beggs said.

"I guess I come out somewhere in the middle of the people who want to charge them for everything and those who want them to have a free ride." Pausing, Beggs said: "We have considered raising the price to the military and are in active discussion as to how that can be done."

BUILDING A STRONG AMERICA: A PROGRESSIVE DEFENSE POLICY

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks and include extraneous matter.)

Mrs. SCHROEDER. Mr. Speaker, today I am placing in the record an amendment to House Concurrent Resolution 345, the first concurrent resolution on the budget, to cut defense spending below the level recommended in the resolution. The budget figures contained in my amendment are based on "Building a Strong America: A Progressive Defense Policy," the alternative defense budget I proposed on February 23, 1982. H.R. 6018, an alternative Defense Department authorization which I introduced in March, is based on the same policy judgments.

Although my proposal would spend less money than is now contained in the budget resolution, it still provides for a substantial increase in defense spending. Indeed, the proportion of the Federal budget consumed by the military would increase from 25.6 percent in fiscal year 1982 to 27.3 percent in fiscal year 1985 under my amendment.

By restraining the growth in defense spending, however, my amendment would result in a balanced budget by 1985, instead of the $34.64 billion deficit envisioned in the resolution. And, it permits us to reach a balanced budget without sacrificing our readiness or our ability to fight, if we have to do so.

I am placing in the Record a chart comparing the level of defense spending in the President's February budget, in the Senate budget resolution, in the House budget resolution, and under CBO's current policy baseline. This chart shows the precise effect of my amendment:

BUDGET FIGURES FOR NATIONAL DEFENSE—FUNCTION 050

Fiscal year	President's budget request (CBO reestimate)	CBO current policy baseline	Budget resolution (as reported)		Schroeder amendment
			Senate	House	
1982:					
Budget authority	218.95	215.95	216.90	218.20	215.95
Outlays	187.50	190.10	190.30	190.80	190.10
1983:					
Budget authority	263.35	264.60	251.70	242.85	229.86
Outlays	221.30	224.20	215.30	212.30	204.09
1984:					
Budget authority	291.35	293.25	278.30	268.15	245.03
Outlays	253.25	257.05	243.00	235.35	217.56
1985:					
Budget authority	338.25	341.55	316.50	295.95	259.73
Outlays	292.35	297.40	277.70	265.95	230.62

My budget proposal is based on a comprehensive rethinking of our defense policy. Instead of buying the most expensive, the least tested, and the flashiest, as we so often do, we should rely on defense systems which make economic sense, can survive in the battlefield, and which can be operated by ordinary soldiers after reasonable training. Based on these assumptions, I propose scrapping the B-1B long-range bomber and going directly to the development of the Stealth plane. The war in the South Atlantic has demonstrated the vulnerability of our large ships, and so I propose reducing our overdependence on hugh hulls, as shown by plans in the current budget to purchase two *Nimitz* class carriers and two Trident submarines.

My budget proposal will help readiness by funding pay increases for the military, by increasing the number of enlisted personnel, while reducing the number of officers, by fully funding spare parts and maintenance, and by eliminating waste and fraud such as the Board for the Promotion of Rifle Practice. It will also zero out funding for the production of binary chemical or biological weapons.

I am asking the Committee on Rules to permit me to offer this amendment to the budget resolution. I believe that the budget process should be one forum in which we start to rethink our defense policy. While we should not balance the budget at the expense of readiness, we should not permit the sacred cows in the Pentagon to despoil economic recovery.

THE GOODYEAR TOP TEN CLUB

(Mr. DAN DANIEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DAN DANIEL. Mr. Speaker, last week it was my pleasure to have as my guests 13 of the 14 members of the Goodyear Top Ten Club. It would have been logical to assume that Top Ten represented the number of members. Not so. The Top Ten signifies that the members represent the top 10 percent of first-line management, as reflected in 10 areas of excellence at the Goodyear Tire & Rubber Co. located in my hometown, Danville, Va.

A committee of division superintendents chooses the club's membership, evaluating the candidates on the basis of employee relations, productivity, cost control, quality, safety, and other accomplishments and attributes which contribute to an effective supervisor. The membership is selected annually, and can serve subsequent, but not consecutive terms. In fact, one of our visitors had three times been selected for membership.

The Top Ten Club is more than an honor, however; its members recognize that good corporate citizenship is reflected in good personal citizenship. So the Danville Top Ten Club in the past several years has raised and contributed over $90,000 to charities in the Danville area.

No one has yet come up with an all-around, all-purpose delineation of the qualities which will insure leadership. Yet those who become leaders—whether in their careers or in their community—have certain common traits.

They are highly motivated. They set goals individually and collectively. And they meet or exceed them.

They are achievers. Not for them the role of disinterested bystander, of Monday morning quarterback. They are out there where the action is, whether it be on the job or in a Top-Ten-sponsored community project. They are the doers, not the done-for.

And they share a common commitment to excellence in every aspect of their lives. They seek out the best because they are the best.

The Goodyear Top Ten Club members are splendid representatives of their community. They came to Washington, not to seek a handout but to impress upon those with whom they met the importance of creating and maintaining a climate where they could function as businessmen and as individuals. The impression they left was that they were qualified and anxious to do for themselves, their communities and their company those things which need to be done and that they did not wish to be inhibited in the exercise of their responsibilities.

These fine young men—Clifton R. Gammon, president of the Top Ten Club; Alfred A. Main, Jr., vice president; Marvin H. Fontaine, secretary; Coy C. Gibson, treasurer; Melvin O. Carr, historian; Preston O. Belcher, Charlie L. Dodson, Billy R. Doss, Kenneth H. Elliott, William L. Goble, Irvin C. Hughes, Dennis L. Mills, Jimmy E. Newman, W. Larry Parker—were an inspiration to me, and I want to share their story with you.

ALLOW NON-DEDUCTIBLE IRA CONTRIBUTIONS

(Mr. MOORE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOORE. Mr. Speaker, today I am introducing legislation to permit individuals now eligible to make deductible contributions to an individual retirement account to make nondeductible contributions as well and to treat only the interest from such contributions on a tax-deferred basis. Current law permits $2,000 in deductible IRA contributions annually effective January 1, 1982. My proposal would allow after-tax non-deductible additions of up to $2,000 each year plus an additional $8,000 nondeductible addition over an account holder's lifetime. For example, an individual could make a $10,000 maximum nondeductible contribution in 1 year and $2,000 each year thereafter. As the effective date of my bill is October 1, 1982, and this date is the first anniversary of the tax-deductible all-savers certificate, it provides an excellent opportunity for retention of all-savers certificate deposits which otherwise would be transferred to other tax-exempt investments or spent if the maximum interest tax exclusion of $1,000 for an individual or $2,000 for a couple has been reached.

Nondeductible contributions are now allowed in tax-deferred H.R. 10 or Keogh plans for the self-employed. Tax equity should allow the same opportunity for the wage earner limited to IRA participation. Separate accounting rules used in Keogh plans would similarly be used here.

Nondeductible contributions subject to these terms would add $7 billion to the Nation's savings pool according to Stanford University economist Michael Boskin. A separate study by Washington economist Michael Evans puts the savings increase at $8.5 billion.

Near-term cost is expected to be glibible as these after-tax savings contributions received no deduction at all. Only the interest earned is tax-deferred until retirement and upon withdrawal at that time. Interest on nondeductible additions is taxed as ordinary income on the same basis now given deductible IRA contributions.

In view of the anticipated large and long-term savings accumulation expected at a comparatively small revenue cost, I see this measure as meeting strict fiscal tests while beginning to approach savings incentive levels with proven records in Canada, Japan, and West Germany.

INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 1983

(Mr. YOUNG of Florida asked and was given permission to extend his remarks at this point in the Record.)

Mr. YOUNG of Florida. Mr. Speaker, I rise in support of this bill and echo the comments of my chairman, the distinguished gentleman from Massachusetts (Mr. Boland.)

In addition, I join in complimenting the staff and members of the committee who worked diligently to prepare the authorization bill we consider today. The staff of the Subcommittee on Program and Budget Authorization in particular worked extremely hard to assist the members of the Intelligence Committee with the development ot this bill. Two staff members of the full committee, Pat Long, asssociate counsel, and Herbert Romerstein, professional staff member, were also helpful to the minority members, such as myself, by keeping us advised of developments as we proceeded through the complex authorization process.

As a member of both the Select Committee on Intelligence and the Appropriations Committee, I know how difficult it is to craft a lean budget for any program, especially a strong and effective intelligence operation.

The Intelligence Committee spent many hours in subcommittee and full committee meetings carefully examining each program in this bill to insure that the money will be used in the most efficient manner. Overall, this is a good bill that will greatly enhance our intelligence capabilities, which unfortunately were allowed to deteriorate for a number of years.

The decline of our intelligence capability will not be repaired over night and correcting the damage that has been done will require the support of Members on both sides of the aisle. This does not mean that we will agree on everything included in this bill, but we must cut across party and ideological lines if we are to reach a consensus on the need for action to insure a strong intelligence community, which the bill we consider today does, and offer our support to those who work in intelligence to achieve that goal.

As a member of the committee, I have had the opportunity to visit with our intelligence officers in the field and know of the difficult circumstances under which they work. For several years, their morale was on the decline, but in the last year it has improved as a result of increased interest and support for their work by the Members of this body. Passage of this bill today will reaffirm our support for their work and will provide the resources they desperately need to effectively carry out their duties.

Of all the elements of our intelligence operation, counterintelligence takes on a greater importance everyday. Through counterintelligence we provide our Nation with a defense against the activities of our adversaries' hostile intelligence services, including those operating in the United States. Although the authorized amount for counterintelligence included in this bill is classified, I assure you that it does provide funds needed to restore both manpower and resources to the FBI counterintelligence program, which is responsible for countering Soviet covert action, referred to as "active measures" by the Soviets, and international terrorism.

Mr. Speaker, another element of our intelligence program addressed by this bill provides countermeasures to eliminate the rapidly increasing problem of the transfer of our sophisticated technology to our adversaries. Blueprints for weapons, machinery, communications equipment, computer hardware and programs, developed at American expense for our own security, have been obtained by the Soviets through a variety of covert measures by foreign intelligence agents. The transfer of our technology has contributed to the rapid modernization of our adversaries' forces at the expense of the American taxpayers. This bill provides for a stepped up effort to combat the illegal transfer of plans and equipment.

A strong and effective intelligence operation is an important safeguard to insure peace and security for our country. This bill provides resources urgently needed by our intelligence community to carry out its mission in providing for the security of our Nation. Mr. Speaker, I urge strong support for H.R. 6068.

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THE 1984 LOUISIANA WORLD EXPOSITION

The SPEAKER pro tempore (Mr. Dyson). Under a previous order of the House, the gentlewoman from Louisiana (Mrs. Boggs) is recognized for 10 minutes.

Mrs. BOGGS. Mr. Speaker, today I am joined by my colleagues of the Louisiana congressional delegation, John Breaux, Gillis Long, Henson Moore, Jerry Huckaby, Bob Livingston, Billy Tauzin, and Buddy Roemer, in introducing legislation to provide for the participation of the United States in the 1984 Louisiana World Exposition which will be held in New Orleans from May 12 through November 11, 1984. The theme of the exposition is "The World of Rivers—Fresh Water as a Source of Life."

The U.S. Government gave its approval to the exposition last year and this action led to the formal registration of the event by the Bureau of International Expositions at their April 1981 Plenary Session in Paris.

On March 4, 1982, President Reagan issued a formal proclamation of the exposition and invited all of the States and U.S. territories to participate. He also authorized the Secretary of State to issue invitations to the nations of the world to seek their participation. Over 140 countries have already been invited. At this point, I would like to include a copy of the text of President Reagan's March 4 proclamation:

By the President of the United States of America a Proclamation

In 1984, the United States of America will host a major international exposition that will explore the fundamental relationship of water to life. To be held in New Orleans on the great Mississippi River, the Louisiana World Exposition has as its theme "The World of Rivers—Fresh Water as a Source of Life."

The theme is most timely and appropriate.

We are the first generation in history to have seen the Earth from space, and it has given us new understanding. As seen from those great distances, the dominant colors of Earth are blue and white; blue for the great oceans, and white for the canopy of clouds that replenish the land with fresh water, forming rivers and streams that lead again to the oceans. Earth is primarily a water planet.

As the world economy grows, the wise use of all resources, including fresh water, becomes increasingly important. The direct human suffering caused by severe droughts and floods is monumental and can affect the global economic and political system. Man's technological and economic response to the challenge of new demands on our water needs to be shared and demonstrated.

There is inspiration too, in the power and majesty of the world's rivers and their role in shaping the culture and history of so many different peoples. This celebration of the World of Rivers will be a celebration of the human experience itself.

With its many splendid opportunities for cultural and technological exchange, the Louisiana World Exposition has the full and enthusiastic support of the United States Government. In accordance with law, I shall appoint a United States Commissioner General to exercise the responsibility of the United States Government for fulfillment of the Convention of November 22, 1928, Relating to International Expositions, as modified.

Now, therefore, I, Ronald Reagan, President of the United States of America, in further recognition of this Louisiana World Exposition, do hereby invite the several States of the Union and its Territories to participate in the exposition and authorize and direct the Secretary of State to invite, on my behalf, such foreign countries as he may consider appropriate to participate in this event.

In witness whereof, I have hereunto set my hand this fourth day of March, in the year of our Lord nineteen hundred and eighty-two, and of the Independence of the United States of America the two hundred and sixth.

Ronald Reagan.

In addition to the sponsorship of the Louisiana World Exposition by the State of Louisiana and the Government of the United States, the Vatican has recently announced its participation. Among its exhibits will be world renowned paintings and other works of art.

Over $54 million has already been raised by the Louisiana World Exposition (LWE) as advance funding. This money was provided partially by the State of Louisiana, but primarily by private business and industry in Louisiana that supports the concept of the exposition. The legislation introduced today by the Louisiana congressional delegation authorizes an appropriation of $10 million to carry out U.S. participation in the exposition.

The amount to be appropriated for U.S. participation is far less than the Federal Government's $24 million expenditure for the current World's Fair now successfully underway in Knoxville, Tenn. One of the reasons that less funding is required for the Louisiana Exposition as compared to past ones is the unique approach where the U.S. pavilion is to be constructed by the exposition's organizers and leased to the U.S. Government. This unprecedented undertaking will provide a pavilion facility for the U.S. exhibit, but at no cost to either the Government, or the taxpayers for the duration of the exposition. This is an extremely flexible approach and indicates the tremendous support and involvement of Louisiana in the success of the exposition.

This legislation is modeled after legislation authorizing Federal participation in this year's energy expo (Public Law 96-169) as well as Public Law 91-269 which establishes the procedures for Federal recognition and participation in international expositions held in the United States. Specifically, it provides for the design, development, and operations of a U.S. exhibit, the overall Federal responsibilities for the oversight of the exposition by the Commissioner General of the United States, and for his appointment by the President.

Mr. Speaker, although the exposition will have a substantial economic impact on the State of Louisiana, its benefits will extend far beyond the confines of the State. The impact of past World's Fairs in the United States has been regional rather than simply local. Overwhelmingly, visitors to the expositions tend to come in family groups, and they mainly travel by car. Although the 1984 expo will be their primary destination, they will expect to visit many attractions and make many stopovers on their way to and back from New Orleans. States and communities throughout the Southeast, Southwest, and Midwest will benefit from the anticipated 11 million visitors from across the country and around the world.

In conclusion, I would like to include with my remarks a section-by-section analysis of this bill and a factsheet on the 1984 Louisiana World Exposition.

The analysis follows:

Analysis of H.R. 6409

Title: A bill to provide for the participation of the United States in the 1984 Louisiana World Exposition to be held in New Orleans, Louisiana, and for other purposes.

Section 2(b): The Commissioner General of the United States for the Fair is to be appointed by the President without Senate confirmation, and shall have the rank of Ambassador. In past fairs held in this country, the requirement of Senate confirmation has resulted in the Commissioner General being appointed so late in the fair's development that he is unable to assist and influence the fair in its critical stages, particularly in those aspects relating to solicitation of international participation. Removing this requirement would permit appointment of a Commissioner General shortly after passage of the bill and permit his participation in the upcoming meeting of the Bureau of International Expositions to be held in Paris in June, 1982. According the Commissioner General the rank of Ambassador would elevate that position to the rank generally held by the United States Commissioner General of Section for fairs held abroad and would have the effect of accelerating his efforts in soliciting international participation.

Section 3(b): The Secretary is given broad authority to lease such buildings and appurtenant land as appropriate to U.S. participation in the Fair. Contrary to the practice in previous fairs in which the Government participated, the Government will not itself construct the U.S. pavilion. Rather, the organizers of the New Orleans Fair will construct the pavilion building and make it available to the Government, without cost, for the duration of the Fair. This provision would authorize the Secretary to enter into a lease with the organizers for that purpose at no cost to the government.

Section 6: The Secretary is authorized to either operate or contract for the operation of a concession within the pavilion for the purpose of selling souvenirs to those attending the Fair. Proceeds from any sales would be used to support U.S. participation in the New Orleans Fair. To the extent funds are not needed for that purpose, the funds so produced would be deposited in the Treasury. Such authority would not only relieve the Government of some of the cost attendant to U.S. participation but would also stimulate the private sector producing the souvenirs.

Section 7: Clarifies the responsibilities of the Secretary of Commerce with respect to the Government's role in facilitating the participation of other governments and their nationals by assuring adherence to Bureau of International Expositions' protocols and generally supporting the efforts of the organizer of the New Orleans Fair. In previous fairs, the role of the Secretary of Commerce has not been expressly stated. This provision would correct that shortcoming, thereby removing a source of confusion to many international participants who have been unable to distinguish the role of the U.S. Government as it related to that of the organizer.

Section 8: The Secretary is expressly authorized to accept private contributions in support of U.S. participation in the Fair. Such contributions have been accepted in previous fairs under the Department's gift statute, 15 U.S.C. 1525. Including a special gift authority in this bill would highlight the importance of such contributions and also clarify an ambiguity in the Department's gift authority which fails to mention the contribution of services.

Section 11: Authorizes the Secretary of Commerce to dispose of all Federal property developed and acquired for the Fair as he shall see fit. Inasmuch as no pavilion building is being constructed by the Government in New Orleans, the majority of the property in question would be the exhibits. It is the Department's intention to acquire many of the exhibits through loans and donations. Consequently, that property left for disposal will have little or no residual value for other Federal agencies, but could be used by New Orleans or some other city in Louisiana as an educational attraction. The Secretary, having worked closely with state and city officials in connection with the Fair, would be best situated to determine the most beneficial disposition of the property.

Section 12: Subparagraphs (4), (5), and (6) are additions to the waiver authority granted in the Knoxville Act and are intended to provide the Secretary with the discretion to procure necessary services and supplies for Federal participation in the Fair without following the statutory and regulatory requirements of directives generally applicable to the Department's purchases and procurements. These changes recognize the time constraints for the development and preparation of a pavilion for a fair and the unique need for cooperation between the Government and the Organizers in New Orleans resulting from the later's commitment to construct the building for the U.S. pavailion, without charge to the government. This unprecedented undertaking requires maximum flexibility to assure coordination of the obligations of both parties and the ability to quickly adapt to any unforeseen circumstances. These waiver authorities may be delegated by the Secretary.

Section 13: The Secretary is given authority to waive all other provisions of Federal law which, in his discretion, would further the purposes of the Act and the authority may not be delegated. This provision is similar to that contained in legislation authorizing the International Communications Agency to provide for U.S. participation in international expositions abroad. Such authority is intended to be used sparingly, if at all. However, the international nature of the Fair and the need to cooperate with and coordinate the efforts of a multiplicity of parties, including foreign governments, state and local governments, the Fair organizers, and various Federal departments requires that the Secretary have maximum flexibility in adapting to everchanging circumstances.

Factsheet: 1984 Louisiana World's Fair in New Orleans

Dates: May 12 through November 11, 1984.

Place: A 90-plus acre site stretching along the Mississippi River, immediately adjacent to the city's Central Business District.

Sponsors: Louisiana World Exposition, Inc., a private non-profit corporation composed of almost 200 business, industrial, and civic leaders from throughout the State, headed by Wallace B. Schmitz of the Pan-American Life Insurance Co., Chairman of the Board and Floyd W. Lewis of Middle South Utilities, President. The effort has the strong backing of Governor David C. Treen, New Orleans Mayor Ernest N. Morial, and the entire Louisiana Congressional Delegation. In 1977, the State Legislature created the Louisiana Exposition Authority to serve as liaison with the Exposition corporation and to plan the State Government's participation in the Fair. State Representative John A. Alario, Jr. presently serves as Chairman of the 25-member group.

The Staff: Veteran event manager Peter L. Spurney heads up the professional staff as Executive Vice President and General Manager. His former experience includes service as General Manager and Chief Executive Officer of the 1974 Spokane, Washington World's Fair. Chairman, President, and Chief Executive Officer of the 1976 Bicentennial Freedom Train and General Manager of the 1979-80 Winter Olympics in Lake Placid, New York.

Impact: All financial planning for the Fair is based on 11 million visitors. All physical planning is based on an anticipated 12 million or more visitors. Total cost is estimated at $225 million.

Attendance Patterns: Statistically, an attendance of 11 million over a six-month period averages out at almost 60,500 persons a day. However, given the experience of other world's fairs, which incorporate an allowance for the impact of repeat visitation, and the characteristics of the New Orleans market, including the seasonality of tourist visitation, it is estimated that approximately 40 percent of the fair's total attendance will occur during the two summer months of July and August. This corresponds to the 39 to 41 percent reported by New York, Seattle, and Montreal. The average peak month attendance accordingly amounts to 20 percent, or 2.2 million visitors. Dividing this figure by the number of weeks in the month (4.43 weeks) yields an average peak week attendance of some 497,000 people.

Design Day: Experience at other world's fairs reveals that during the peak summer season, attendance is by and large evenly distributed throughout the week. This contrasts with experience during the early and late weeks of the fair, when relatively heavy concentrations occurs on weekend days. The summer evenness is in large part due to a schedule of major events and entertainment presentations which are staged on a daily basis, thus providing interesting and exciting activities on any day of the week. Assuming that New Orleans follows this policy, the average peak daily, or "design day," attendance is predicted by Harrison Price at 71,000 persons. He further assumes that 80 percent of this figure, or 56,800 people, will be on the grounds at any given time during the "design day." Attendance on absolute peak days will be considerably higher than this "design day" average.

Mr. Speaker, I would like to call on the gentleman from Louisiana (Mr. Livingston).

Mr. LIVINGSTON. I thank the gentlewoman for yielding to me and I want to join with her and congratulate her on her tremendous work on this most important project for the State of Louisiana and the country. But first, I think the gentleman from Louisiana (Mr. Huckaby)——

Mr. HUCKABY. Mr. Speaker, will the gentleman yield?

Mr. LIVINGSTON. I yield to the gentleman from Louisiana (Mr. Huckaby).

Mr. HUCKABY. I thank the gentleman for yielding.

We certainly, throughout the State of Louisiana, are excited about the World's Fair that will be coming to New Orleans 100 years, I believe, after the last World's Fair was held there in 1884.

Of course, I represent the northern part of the State of Louisiana, but already we up there have committees actively working, getting prepared to have the input, the tremendous flow of visitors that we expect that will be coming through north Louisiana, arriving at the New Orleans World's Fair.

It is going to be a tremendous undertaking for the entire State of Louisiana, but I am sure that the results will be something not only we in the State of Louisiana but the entire United States will be very proud of.

Mr. LIVINGSTON. I certainly agree with the gentleman that this worthy project is going to be a tremendous boon for the State of Louisiana, and for the country as a whole.

I also particularly appreciate the cooperation of the current administration. President Reagan, as the gentlewoman has already pointed out, has, through his Secretary of Commerce, endorsed an appropriation of $10 million for this project, assuming, of course, that it is authorized by this body. I hope that it will be.

I also appreciate the cooperation expressed by the chairman of the Committee on Foreign Affairs, the gentleman from Wisconsin (Mr. ZABLOCKI); also the chairman of the Subcommittee on International Economic Policy and Trade, the gentleman from New York (Mr. BINGHAM). The ranking members of the committee and the subcommittee, the gentleman from Michigan (Mr. BROOMFIELD), the gentleman from California (Mr. LAGOMARSINO), respectively, have also indicated a great deal of interest in this project and I particularly appreciate their consideration. I hope that with their help, the committee will in turn be able to give this bill speedy consideration.

I also would like to point out that this is a project which has overwhelming support not only from the administration but, of course, from our entire Louisiana delegation and the entire business community of the city of New Orleans and the State of Louisiana.

Gov. Dave Treen has been foremost in helping formulate this project and has been instrumental in raising the guarantees from local banks throughout the city of New Orleans which literally put their signatures on the line to guarantee some $40 to $45 million to make sure that this project is a success.

Indeed, if this bill is passed, this exposition will be a great success. At least 25 foreign nations are expected to set up exhibits at the exposition, as are a number of private corporations. Close to a million foreign visitors are expected to attend the fair during its 6-month duration, and for the community in and around the greater metropolitan area of New Orleans it is expected that some 14,000 direct jobs with a total payroll of in excess of $230 million would be generated. In terms of total and indirect jobs, it is estimated that there will be some 39,000 people employed in the overall project.

So once again, I simply want to commend the gentlewoman for all her diligent work on this project. I join with her in attempting to get some speedy attention in this body and urge all our colleagues to support and participate with us in this most worthwhile legislation.

In an age of fiscal responsibility, we are all very conscious of where our dollars are going, but, in fact, this is a cheaper deal, it is a better deal than we have gotten in the past. It is less than half the cost of the current World's Fair in Knoxville, Tenn., and we all know what a tremendous success that is already becoming.

So, this World's Fair is not only going to be an opportunity to produce jobs and employment in the southern portion of the United States, but, more importantly, it is going to be an opportunity to promote world trade and to induce exports and American jobs throughout the world. In an era of high unemployment, we should all be conscious of the need for such inexpensive, but worthwhile, projects.

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At this time I would like to yield back to the gentlewoman. Perhaps she might like to recognize somebody else.

Mrs. BOGGS. I thank the gentleman for his very fine remarks and for his tremendous leadership in this regard as well.

I yield to the gentleman from Louisiana (Mr. MOORE).

Mr. MOORE. Mr. Speaker, I gladly join in cosponsoring this bill and also congratulate the gentlelady for her work. In 1984 the State of Louisiana will host the Louisiana World Exposition in New Orleans, La., whose theme is "The World of Rivers—Fresh Water as a Source of Life." We believe that this is the first time a State has hosted a World's Fair. Even though my district is not in New Orleans, I eagerly support this event as do all my constituents and Louisianians in general.

The Sixth District will play an important role in the fair, as a host for the fair's potential 11 million guests. The Sixth District will serve as the "Gateway to New Orleans" for any traveler coming from the north or the west. These visitors will have the opportunity to visit plantations along River Road in the Feliciana parishes; the capital city of Baton Rouge, which is also the new home of the U.S.S. *Kidd* naval war memorial, whose arrival will be celebrated on Saturday; as well as the parishes of Livingston, Tangipahoa, and Washington, each with delights of their own, including the largest alligator in captivity and the "Strawberry Capital." The Sixth District has lodging and camping facilities, restaurants with gourmet delicacies, and two main highways leading to New Orleans, Interstate 10 and Interstate 55.

Louisiana has developed an innovative way to finance the U.S. pavilion. The U.S. Government will authorize only $10 million, whereas in the past its obligation equaled anywhere from $20 to $40 million. The World's Fair is building and leasing the pavilion for the U.S. exhibition with the help of the State of Louisiana and private business. The United States will have no further responsibility for the pavilion once the fair is over.

This will be a wonderful opportunity for visitors from all over the world to not only experience the delights of a World's Fair, but to discover the uniqueness of Louisiana, a State whose livelihood has revolved around its natural resource of water from the very beginning.

Mrs. BOGGS. I thank the gentleman. As he so clearly points out, we are celebrating this year the 300th anniversary of the discovery of the mouth of the river by De La Salle and the river has been our source of life and our source of commerce and trade. We are very, very pleased that we have been selected as the State to host this world exposition and we have a very splendid group who are working, as the gentleman from New Orleans will testify, on the exposition. They are planning, and their promotion is almost perfect.

We look forward to receiving the world. We are ready for the world. We hope the world is ready for Louisiana.

AN HISTORIC BIPARTISAN ECONOMIC RECOVERY PACKAGE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia (Mr. GINGRICH) is recognized for 60 minutes.

Mr. GINGRICH. Mr. Speaker, we had an historic event today when a bipartisan package, an economic recovery budget, was announced by moderate and conservative Republicans, by moderate and conservative Democrats, by people who are concerned about the direction America is going.

The budget offers us a chance to continue the process of turning America around and developing the prosperity which all of us want.

Before I go into the details of the budget, let me remind everyone of the problems we face this year in 1982 as

Congress deals with the budget and the steps we have already taken.

The biggest problem we face is that throughout the seventies liberal Democrats built enormous growth patterns into Government spending. In the Department of Health and Human Services alone, there was an 18-percent-a-year growth rate built into Government spending, so that staying even, not increasing spending, meant you automatically spent 18 percent more, because it would occur automatically under law.

In fact, the built-in momentum of spending was so great that even when President Reagan began to attempt to cut Federal spending in 1981, he simply slowed the growth pattern; that is, instead of climbing this rapidly, almost straight up on the chart, the Government tended to climb somewhat less rapidly. However, liberal politicians have been counting for a decade on inflation raising revenue fast enough to stay close to the Government spending rate; that is, the inflation rate was so high and growing that people were getting cost-of-living pay raises which pushed them into higher brackets, which then meant they paid more of their money into the Government, which meant the Government without ever raising taxes automatically received more money.

In fact, the structure was rigged as an escalator, which gradually and steadily carried up revenue.

As Congressman BOB MICHEL, the Republican leader, has said, in his entire career he has never voted for a permanent tax increase. We just got more and more money each year.

The result of that inflation rate, raising taxes to chase rising expenditures, was a country which had more and more money in Washington and less and less money in their pockets. It was a country which had more and more money for the Federal bureaucracy and less and less money available for individuals. It was a country which had more and more money available for transfer payments and less and less money available to build factories.

The result was that by 1980 we were on the verge of economic collapse. Our factories could not compete with the Japanese. Our military could not compete with the Russians. We had 21 percent interest rates and 13½-percent inflation rates and unemployment was rising.

It has been fascinating to watch in the last 2 days the gentleman from California, Mr. COELHO, and the Speaker, Mr. O'NEILL, talking about the 2½ million unemployed that President Reagan has seen added to the rolls since he became President.

The fact is if we only have 2½ million unemployed, this country would be booming and we would be on the edge of a tremendous explosion of productivity.

The fact is that that 2½ million extra unemployment is tragic because it is added to the 7 million unemployed we received from President Carter and Mr. O'NEILL.

There has been some question about when the recession which we are currently suffering began. Frankly, the recession's real roots go back 43 months. It was 43 months ago that housing and home building, the real estate industry, began to collapse, 43 long months ago. There was a brief temporary and totally phony halt to the recession, brought on by President Carter's desperate efforts to pump up the economy to get reelected and then in the summer of 1981 the economy began to decay again and fell back into recession.

Note that in the summer of 1981 when the recession began, we had not passed budget reconciliation. None of the spending cuts had gone into effect. We had not even passed the tax cuts and, in fact, the tax cut, the first small tax cut, did not even go into effect until October 1.

In other words, the recession that was bequeathed to us by President Carter and Speaker O'NEILL began before any of President Reagan's programs took effect.

Note that we wanted earlier tax cuts, 10 percent, at the beginning of 1981, and that if we had gotten the tax cuts we asked for there would be at least 500,000 Americans working today who are unemployed. Instead, we got a tax cut of only 5 percent, only on October 1, which meant that for the entire year it was only a 1½-percent tax cut and the result was that through bracket creep, as people were pushed into higher brackets by cost-of-living increases, the average American family did not get a tax cut at all in 1981. Instead, the average American family had a $150 tax increase in the money they paid the Federal Government.

☐ 1820

The result was that while President Reagan proposed tax cuts, the liberal Democrats in Congress fought to keep tax money rolling in, and the recession we inherited from Carter and O'NEILL, because of liberal policies on taxation, became steadily worse. Now that is important, because recessions hurt budgets.

Every time we increase the unemployment rate by 1 percent, we add approximately $25 billion to the deficit. That is, because we both spend more money on unemployment, on food stamps and other items, and we lose the tax money that those formerly employed workers were paying which they now do not pay because they are unemployed. So every time we have a recession, we increase the likelihood of a bigger deficit, and we get further away from a balanced budget.

But second, President Reagan's efforts to gradually bring down inflation have been more successful than were expected. So that as we look out to 1983, instead of having double-digit inflation, 13½ percent in 1980, we now are down to 3-percent inflation in the first quarter of 1982, and that is good for the American family. It means that hamburger is about 14 cents a pound less than it would have been, milk is about 9 cents a half gallon less than it would have been. It means that the average family of four is paying $7 a week less in groceries than it would have been had the inflation continued.

It means that in terms of gasoline and fuel costs alone, there has been approximately $35 billion more in purchasing power left with the average American than we would have had had inflation continued. And that is $35 billion which came without a single dollar being spent by the Government or taken from the taxpayer.

While stopping inflation is great for the individual, the way the Government was structured—with a tax system that automatically carried people into higher brackets as they got cost-of-living increases—when there are no cost-of-living increases there is no escalator. When there is no escalator, people do not get pushed into higher brackets. When they do not pay at higher rates, the Government does not get as much money.

And so in a very real sense, the biggest loser in the victory over inflation has been the Federal budget, which has less money to spend than it would have had. In fact, there have been some estimates that if inflation had simply continued at the liberal Democratic rate of 13½ percent in 1980, we would today be $40 billion closer to being in balance because of taxes that would have been raised by cost-of-living increases pushing people into higher brackets.

Now, I think every American wants to see us stop inflation and bring prices down so they are not running away from their ability to buy things. But that means if we are not going to get automatic tax increases, if in fact we are now cutting taxes, that we have to look at the budget, and we have to take into account where we are.

For months, people argued about President Reagan's proposals. Everyone had their own idea. No one was certain what they wanted to do, but everyone was certain what they did not want to do, and there were many critics, but there were few architects of an alternative.

Finally, when the so-called Gang of 17 finally broke up and it was obvious there could not be a grand compromise between the liberal Democrats and the bipartisan moderate conservative Democrat and Republican coalition, when it was obvious that we had to hammer out two separate choices for America, finally the liberal Democrats went to work to prepare their budget.

Let me turn first to what they have done.

Now, as an overview, I think everyone should be aware that yesterday in the Tulsa World the chairman of the Budget Committee said he had been forced to the left in order to pass a budget out of committee, in fact, the budget he had proposed was so bad that if he was the deciding vote, he would vote against his own budget, because it really was not what America needed.

Why would he say that? Well, I cannot speak for him, but let me suggest why, to an objective observer, that budget might appear to be bad.

First of all, it has a huge tax increase—$147 billion over the next 3 years. That is approximately $1,470 for every working American, or if you are a working couple that would be a tax increase of $2,940.

Second, it cuts $47 billion out of the defense program and $17 billion out of pay and retirement for defense. That is a total cut in defense of $63 billion. That would eliminate 72 percent of the Reagan increases over President Carter's defense program. Approximately three-fourths of the Reagan increases in defense would be eliminated. We would almost be back to the weakness which had encouraged the Iranian hostage crisis, the invasion of Afghanistan and the guerrilla war in El Salvador.

In fact, the liberal Democratic budget is even worse, because it would require at least $100 billion in cuts in budget authority over the next 3 years for defense. It would result in major damage to strategic modernization, to readiness and to the upgrading of conventional land, air and naval forces.

It is 170 percent bigger in its cuts than is the bipartisan package on defense.

Finally, the liberal Democratic budget avoids the places we really need to cut.

In 1980 the American people said they did not want to move to a liberal welfare state. The American people said they wanted to shrink the size of Government; that Government had already grown to 22 percent of gross national product. That is, of every $100 earned in America by everybody, of every $100 of total behavior economically, $22 of it was the Federal Government. The American people wanted to turn away from that, back to a smaller Government in Washington.

Now let us look from there to two comparisons.

First of all, on spending reductions. In terms of domestic spending, the area the American people clearly want to see cut, the bipartisan economic recovery proposal cuts $46 billion. By contrast, the liberal Democratic proposal cuts $34 billion.

Now, what is the difference? It means that the bipartisan economic recovery program is 35 percent better than the liberal Democratic program if you want to shrink the size of the Federal Government, if you think Washington is too big, and if you prefer to see your money spent at home.

Let us look at it from a different angle.

If we have to raise taxes at all, and many of us would prefer to raise them not at all, but if in order to meet the immediate problems brought on by inflation coming down, and by the recession, if in order to pass a budget with enough revenues and with a small enough deficit that we could get a majority, the bipartisan proposal contains for 1 year $20 billion in tax increases.

By contrast, for the same year, the liberal Democratic proposal has $30.7 billion in tax increases. In other words, their proposal has 50 percent more taxes in the first year alone, and 50 percent more in taxes the very first year, than does the bipartisan proposal.

Now why is this important?

It is important, first of all, because every time you start raising taxes, you increase the urge on politicians to spend the money.

It is important, second, because in the middle of a recession the worst possible thing you can do is continue to raise taxes. And you ought to do it as little as you can if you have to do it at all.

It is important, third, because the liberal Democratic budget projects outward $147 billion in tax increases, while thanks to an understanding worked out by Congressman ED BETHUNE of Arkansas, the bipartisan proposal very carefully notes that we have reason to believe that in fact supply side economics will work.

We have reason to believe that we are going to see a turnaround this summer.

We believe that the tax cuts that come into effect on July 1, when combined with the cost-of-living increase that will be paid on social security on July 1 and on retirement, mean that the American economy will recover from the recession; that as it recovers, we will see more people go back to work.

And remember, during the recession every 1-percent increase in unemployment costs us $25 billion in deficit. That means if you put people to work, every 1-percent decrease in unemployment improves the deficit by $25 billion.

Now, what are we saying? We are saying that we believe that it is possible that by 1983, as we look at the next budget, that we will have seen interest rates come down dramatically, and that will mean great savings for the Federal Government, for we pay more in interest than any other institution in America. And when interest rates come down, the Federal Government saves money.

We believe it is conceivable that as the economy goes back to being productive, people will be drawing less unemployment and that will save the Government money.

☐ 1830

We also believe people will be paying more taxes because there will be more people working. They will be doing better. There will be more progress, and that will help the deficit. And so, it is possible that in the outyears we are going to see a very different situation by 1983, that we are not going to see the gigantic—indeed some would say exaggerated—baseline deficit created by the Congressional Budget Office. We are not going to see the exaggerated interest payments created by the current projections. If that happens, those of us who believe in cutting taxes, believe that we should pass either no tax increase after fiscal year 1983 or the smallest possible tax increase in order to meet our commitments on defense and domestic spending.

The Bethune understanding, in other words, draws a clear distinction between those of us willing to raise taxes the smallest amount necessary and those liberal Democrats eager to plug in $147 billion in additional tax increases.

Now, in summary, why is the bipartisan budget better? First of all, as I said earlier, the liberal Democratic budget is sufficiently bad that even its author is not sure it should pass. But beyond that, let us draw the clear contrast. The bipartisan budget has less taxes and protects take-home pay. The liberal Democratic budget has massively more taxes, over 50 percent more in the first year alone.

The bipartisan budget cuts Federal spending, 35 percent more on Federal spending cuts in the first year alone. The liberal Democratic budget protects Federal spending and tries to maintain as many increases in the size of Government as possible.

The bipartisan budget protects defense and works to keep America safe by securing peace through strength. The liberal Democratic budget returns us to the days of military weakness when all of us felt insecure and none of us felt safe.

The bipartisan budget gives us a chance to let supply-side economics work, to let Americans go back to work, to build new factories, to create new opportunities, to bring down interest rates, to create jobs for more Americans, and, at the same time, to protect ourselves from unnecessary gigantic tax increases.

We preserve the great base of the social safety net. We preserve 95 million meals a day. We preserve the subsidies for health care for our senior citizens. We deliberately and correctly take social security out of politics, and we deal only with those aspects of Federal spending that are necessary. Every American who wants low interest rates, the creation of new jobs, an end to this recession, has an option in the next few days to let his Congressman know that the bipartisan budget in fact does the things the American people voted for in 1980; that it does give us a chance to create once again a healthy and productive America.

FEDERAL TRADE COMMISSION

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. COLLINS) is recognized for 30 minutes.

● Mr. COLLINS of Texas. Mr. Speaker, the Federal Trade Commission (FTC) has a history of overstepping its bounds by extending its regulatory activities into areas never intended by Congress. With the FTC up for reauthorization in September of this year, there is no better time for congressional oversight and reform of the practices of the FTC.

Today, I am introducing legislation which addresses the unwarranted FTC intervention and intrusion in State regulated professions. In absence of such authority the five-member, nonelected Commission has taken it upon itself to initiate rulemakings and file enforcement actions toward doctors, dentists, lawyers, veterinarians, ophthalmologists, and numerous other State regulated professions. Allowing the FTC to seize State regulatory powers and preempt State regulations for professional organizations, sets a dangerous precedent of disregarding our State statutes. In too many cases, in the absence of legitimate authority, the FTC fashions and exerts its own.

The bill I am introducing would bar the FTC in any way from regulating State regulated professions, until such time when Congress specifically grants authority to the FTC in these areas. It is Congress responsibility to redefine the extent of FTC authority. The bill would not impinge on the Department of Justice in antitrust cases.

The FTC has 700 full-time lawyers who help initiate rulemakings directed toward State regulated professionals and professional associations. An important question is why does the FTC think its decisions and judgments should supercede those of the States and professionals with in-depth knowledge regarding their respective fields, take, for example, the FTC ophthalmic goods and services rulemaking promulgated in 1978. In remanding the eyeglass rule, the U.S. Court of Appeals in the District of Columbia said:

> The FTC's proposed preemption of State law is almost as thorough as human ingenuity could make it.

The FTC has a record of overzealously beginning investigations that should never have originated, and were never under FTC jurisdiction, only to drop the investigations after years and years, with the professional associations bearing high costs for attorneys and compliance with FTC demands.

Let me give you one recent example. On July 22, 1976, the FTC launched an investigation of the dental care industry through its San Francisco regional office to determine "the effects of State regulations which prohibit dental laboratories from selling complete dentures directly to consumers and require that dentures be purchased only through dentists."

After an exhaustive 4½-year investigation by the FTC, including a 32-page, 92-item subpena, the FTC terminated its investigation due to a lack of evidence demonstrating what effect changing the present State regulations would have on quality of dental care. Experts testifying regarding this investigation pointed out the health hazard in allowing denturists to prescribe and fit dentures, claiming they cannot recognize bone and oral tissue diseases, and other considerations made by a licensed dentist.

Both Federal and States courts have upheld State statutes relating to dental practices by noting the dangers of allowing nondentists to prescribe, design and fit dentures. Yet, the FTC spent 4½ years trying to override these decisions. This is another clear-cut case of an investigation, wherein the FTC attempted to override State laws.

Back as far as 1914 when Congress created the FTC, opponents warned of the abuses of allowing the agency to act unchecked:

> I, as one, am not willing to take . . . and place all of those things entirely away from the electorate, entirely away from the recall of the people, with a bureau which is answerable in no respect to the people. In the end it will result in their moving to a very large extent in another groove.—51 CONGRESSIONAL RECORD, Mr. Borah.

In 1982, we must not allow the five-member, nonelected Commission to overstep its perimeters.

I want to reiterate that what we are talking about here is professions already regulated at the State level and individual associations with their own ethics review boards. If citizens want to change the regulation of these professions, they can work for changes through their State legislators who legitimately have jurisdiction over the professions. Since 1914, the FTC has greatly expanded its role, without regard to the intent of Congress. For this reason, my bill will give Congress an opportunity to carefully review the extent to which, and I believe it should not interfere with the States, the FTC should have a role in State regulated professions. We certainly do not need more regulation in this country and it is time to put the FTC back in its bounds.●

FEDERAL PENSIONS TO CONVICTED MEMBERS OF CONGRESS SHOULD BE BANNED

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. PORTER) is recognized for 5 minutes.

● Mr. PORTER. Mr. Speaker, nothing harms the reputation of the Congress and the institution of democratic government in the eyes of the American people like an Abscam scandal or a similar misdeed on the part of a member. The specter of any Member of Congress convicted in an Abscam scandal, or of any felony, receiving a substantial Federal pension is an affront to the citizens of this Nation. The taxpayers' moneys should not be used for the continued support of convicted public officials.

For this reason, I am introducing a bill today that would ban the payment of pensions to a Member of Congress convicted of a felony. Under my bill, pension rights would be terminated upon conviction and restored only if the conviction is reversed or the person pardoned. However, contributions made into the Federal pension plan by the Member would not and, I believe, could not be forfeited, but would be returned.

Mr. Speaker, I urge my colleagues in the House to join me in support of this legislation that would help to restore public confidence in the Congress and in elected officials.

H.R. 6432

A bill to amend title 5, United States Code, to provide that a Member of Congress may not be paid an annuity under the civil service retirement system for service as a Member if convicted of any felony, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 8312 of title 5, United States Code, relating to denial of annuities for conviction of certain offenses, is amended by adding at the end thereof the following:

"(d) An individual, or his survivor or beneficiary, may not be paid an annuity under subchapter III of this chapter on the basis of service as a Member (as defined in section 8331(2) of this title) if the individual is convicted of any felony under State or Federal law, committed on or after the date of the enactment of this subsection.".

(b) Section 8316 of title 5, United States Code, relating to refund of contributions and deposits, is amended—

(1) by striking out "or" at the end of paragraph (1);

(2) by striking out the period at the end of paragraph (2) and inserting "; or" in lieu thereof; and

(3) by adding at the end thereof the following new paragraph:

"(3) if the individual was convicted of an offense described in subsection (d) of section 8312 of this title, for the period after the conviction.".

(c) Section 8318 of title 5, United States Code, relating to restoration of annuity or retired pay, is amended—

(1) by inserting after " is pardoned by the President" the following: "(or by the Governor, in the case of a felony under State law described in section 8312(d) of this title) or if the conviction is reversed on appeal in the case of a felony described in section 8312(d) of this title"; and

(2) by striking out the period and inserting in lieu thereof the following: "or, in the case of a reversal, as of the date of the conviction so reversed.".●

THE PENSION PLAN CAPITAL FORMATION ACT OF 1982

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota (Mr. Frenzel) is recognized for 10 minutes.

● Mr. FRENZEL. Mr. Speaker, today I am introducing H.R. 6421 the Pension Plan Capital Formation Act of 1982. This legislation, which is identical to legislation being introduced today by Senator Boschwitz, will provide small businesses with access to capital which is needed for growth and expansion.

In general, this legislation would remove the restrictions that currently prohibit a business from entering into a legitimate business transaction with a profit-sharing plan established for the business's employees. In removing the total prohibition of certain transactions, however, the bill provides in its place substantial safeguards to protect employees participating in the plan, while still providing the business with access to much needed capital.

Specifically, the bill would allow a defined contribution profit-sharing plan to make loans or to lease property to the small business. Such loans or leases would be allowed only if they were truly arm's-length transactions. A loan of up to 10 years from a profit-sharing plan to the business would only be allowed if it is adequately secured and its interest rate is not less than that of a comparable loan in an arm's-length transaction. Leases of real or personal property could also be entered into, on an arm's-length basis, between the small business and the profit-sharing plan. The total value of the loans and leases cannot exceed 50 percent of the total value of the assets of the profit-sharing plan.

This bill seeks to correct another one of the flaws found in ERISA. Although this provision of ERISA was enacted in reaction to a few highly publicized abuses of self-dealing which occurred in a few large pension plans, the provision has had an extremely adverse effect on the profit-sharing plans of small businesses. The restrictions ERISA imposes on transactions between a business and its plan result in a disproportionate amount of the plan's assets being invested in publicly traded stocks and bonds, instead of in safe and secure investments with a greater rate of return that are readily available in the local community.

This bill is not a new concept. The bill simply allows businesses to enter into legitimate business transaction with their profit sharing plans. It will keep capital in local communities and provide businesses with a ready and available source of capital, while at the same time providing the plan with an opportunity to earn a higher rate of return in a safe and secure investment. I urge my colleagues to join me in this effort to develop a workable bill which will provide small businesses with a new source of small business capital.

INTRODUCTION OF LEGISLATION TO INCREASE CRIMINAL PENALTIES FOR PIRACY OF COMPUTER SOFTWARE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. Frank) is recognized for 5 minutes.

● Mr. FRANK. Mr. Speaker, today I am introducing legislation, together with Mr. Railsback and Mr. Fish, which would substantially increase penalties for the criminal infringement of the copyright in computer software.

Last week, the House passed and sent to the President for his signature, H.R. 3530, which increases the criminal penalties for piracy and counterfeiting of motion pictures, records and tapes. I fully expect the President will sign this important legislation and that it will be enacted into law very shortly.

The legislation I am introducing today would amend the copyright laws which will be amended by the expected enactment of H.R. 3530. The problem addressed by this new legislation is in some respects very similar to that addressed by H.R. 3530. Counterfeiting and piracy of computer software is, like the crimes against movies, records, and tapes, a growing problem which can greatly threaten creative enterprise.

New applications in the computer industry, particularly the advent of home computers, have given rise to increased criminal activities. Despite technological advances which make the copying of software more difficult, there remain many with criminal intent and knowledge of computers who can and do pirate software for commercial gain. While reliable data on the extent of this problem is difficult to obtain, it appears that the loss to the computer industry is in the multimillion-dollar range annually. Futhermore, development costs for software will, by 1990, represent as much as 90 percent of the total costs for computerization; it is clear, therefore, that the problem will only get worse unless it is checked now.

Under this legislation, maximum penalties for piracy would be raised to 5 years' imprisonment and/or a fine of $250,000—the same as those which can be imposed when H.R. 3530 becomes law. In addition, they would be graded according to quantity involved. The present penalties, even under H.R. 3530, 1 year/$25,000 fine, are simply not sufficient to deter this criminal activity. The penalty is seen by those who pirate as only a cost of doing business. The crime of counterfeiting, in which a false label is attached or designed to be attached to the work in question, would be expanded to include labels for computer programs or data bases. The maximum penalty would also be 5 years and/or $250,000.

Mr. Speaker, the high technology industries of this country, a number of which are located in my home State of Massachusetts, have been one of America's most positive economic forces for a number of years. Their enterprise and their creativity are threatened by the growing menace of piracy. I believe it is the responsibility of the Congress to do all in our power to protect these industries. Passage of this legislation would be such a step.●

REFUGEE ASSISTANCE AMENDMENTS: DISSENTING VIEWS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. Crockett) is recognized for 5 minutes.

● Mr. CROCKETT. Mr. Speaker, the Judiciary Committee has now completed its consideration of H.R. 5879, the Refugee Assistance Amendments of 1982. During the debate and mark up of this legislation, I brought up several questions regarding the treatment of Haitian and Salvadoran refugees, and the political and racial factors that seem to lie behind the INS policies on refugees.

It is my judgment, and that of others on the committee, that without clarification of the legislative intent of this bill, the INS will continue to perpetuate unjust policies toward Haitian and other refugees.

For this reason, I have submitted dissenting views to the full committee report, and I have announced my intention to oppose this bill when it comes before the House.

I include in the Record at this point the text of the dissenting views which I, and five of my colleagues, have submitted:

Dissenting Views of Mr. Crockett, Mr. Conyers, Ms. Schroeder, Mr. Edwards of California, Mr. Washington, Mr. Kastenmeier, Committee on the Judiciary, Committee Report on H.R. 5879, Refugee Assistance Amendments of 1982

We are deeply distressed that the language of the full Committee Report on H.R. 5879, the Refugee Assistance Amendments of 1982, does not adequately discuss the serious concerns shared by us, by members of the Congressional Black Caucus, and by others in the House, regarding the appearance of racial discrimination in the application of U.S. and United Nations laws pertaining to refugees seeking asylum in the United States.

When the issue of the definition of "refugee" was raised in the full Committee, a proposed amendment to clarify the language and legislative intent of this legislation was ruled non-germane. We are concerned that the extension of the authorization for appropriations contained in this legislation, without clarification and clear legislative intent, would result in the perpetuation of policies that have, to us, signalled an unjust and illegal application of the asylum laws.

The Committee has decided to defer an examination of the definition of refugee found in the Refugee Act of 1980—"a person . . . who is persecuted or has a well founded fear of persecution on account of race, religion, nationality, membership in a particular social group, or political opinion."

A person abroad who wishes to enter this country as a refugee must meet this definition. A person who has entered the United States and wishes to remain here as an asylee has to meet the same definition. These determinations must be made on a case-by-case basis.

The Committee has also rejected an attempt to amend the language of the legislation, by inserting the words "or economic" after "social" in the refugee definition, by which several members sought to clarify the legislative intent of this bill.

We believe that there is sufficient evidence that the current definition is not being uniformly applied.

While members of the full Committee have individually expressed their deep concerns over the lack of balance and uniformity in the application of the refugee definition, especially where the treatment of Haitian and Salvadorn refugees is compared with refugees from other nations, the Committee Report fails to note these concerns. It also fails to address the racial and political discrimination upon which such imbalances appear to be based. In addition, the Committee Report falls short in addressing the question of due process in the treatment of Haitian refugees, many of whom have been detained for up to 11 months.

From evidence collected by the Committee, it is clear that U.S. foreign policy toward a particular country, rather than whether the person actually meets the refugee definition, determines whether an applicant is determined to be a refugee or an asylee. Instead of a true case-by-case determination of a person's submission, applications are being judged on what is, in essence, a blanket basis.

Last year, the Committee challenged the Administration when, for a time, it classified all people leaving Vietnam, Laos, and Kampuchea as refugees, regardless of whether they met the refugee definition. At the present time, there is a great deal of legitimate concern about the treatment of applicants for asylum who have left Haiti and El Salvador. The number of asylum cases processed for people from these countries has been minimal—both because of legal entanglements and because of a shortage of Administration personnel assigned to proceed the cases. Even with such a small number of cases, however, the refusal rate for such applicants has been very high. This indicates to us that the refugee definition in the Refugee Act of 1980 is not being uniformly applied.

We are particularly concerned that the wide latitude of the Immigration and Naturalization Service in applying the term "refugee" may mask racial discrimination in the cloak of regulatory and political discretion, and that the selective detention of Haitian refugees is illegal and unjust.

Our concern over these questions is premised on several circumstances:

The INS, contending that Haitian refugees are fleeing economic hardship, not political persecution, have classified the great majority of Haitians in this country as not being eligible for political asylum. At the same time, refugees from other countries are routinely processed as political refugees and allowed to remain in the U.S. without detention.

In an analysis of the INS application of the detention rule, covering the treatment of illegal aliens between August 1 and November 1, 1981, it was found that all non-Haitians who sought political asylum after May 20, 1981, were released into the community regardless of their illegal status. At the same time, 93 percent of the Haitians entering Florida under the same conditions were detained.

The INS has accepted only seven of the more than 6,000 Haitians who have requested entry into the United States as political refugees. Approximately 5,600 cases of Haitian refugees seeking asylum are still pending.

The decision last August by the INS to strictly enforce the immigration regulations, which had been routinely waived by previous Administrations, particularly in the face of a large influx of refugees, was principally aimed at discouraging the Haitian refugees. This abrupt change in policy has, since August, been applied almost exclusively to Haitians.

There has been no detention policy for immigrants in the United States since 1954, when the INS closed the Ellis Island facility.

In a larger context, we are concerned that as of April 1982, only nine Latin American refugees have been admitted to the United States, despite a refugee allocation of 3,000 admission slots.

Additionally, we are deeply distressed at the continued lack of U.S. recognition of the plight of African refugees, who comprise half the world's refugee population. The six million men, women and children who live as refugees on the African continent continue to receive a low priority in terms of admissions and processing in comparison to refugees from other areas of the world.

The treatment by the U.S. of Haitian and other non-white asylum-seekers appears to be in violation of United Nations Protocol relating to the status of refugees, to which the United States is a party, and to the Refugee Act of 1980. Evidence exists, in the case of both Haitians and others, to suggest that the asylum laws are being applied in a discriminatory fashion. For example, the present detention policy, which is applicable only to Haitian nationals, stands in direct contradiction to Article 3 of the 1951 Convention relating to the status of refugees which states:

"The contracting states shall apply provisions of this Convention to refugees without discrimination on the basis of race, religion or country of origin."

Given the socio-political dynamics in Haiti and the pattern and practice of human rights abuses within Haiti, it is reasonable to assume that numbers of Haitian nationals applying for asylum or refugee status would have been found to have meritorious asylum claims and to qualify under the Refugee Act of 1980 if there had been fair hearings and due process.

The U.S. treatment of Haitians also appears to violate Article 33 of the 1951 Convention, which mandates that "no contracting states will expel or return (refouler) a refugee in any manner, whatsoever, to the frontiers or territories where his life or freedom would be threatened on account of his race, religion, nationality, membership of a particular social group or political opinion."

A historical and legal commitment to equal protection of the law and of offering asylum to those fleeing persecution requires that our domestic laws, as well as observance of international legal obligations, be applied in a non-discriminatory fashion.

Article 31 of the 1951 Convention requires that "refugees unlawfully in the country of refuge" shall not be punished for their presence in the country of refuge:

"The contracting states shall not impose penalties on account of their illegal entry or presence on refugees who coming directly from a territory where their life or freedom was threatened in the sense of Article 1, enter or are present in their territory without authorization provided they present themselves without delay to the authorities and show good cause for their illegal entry of presence."

We are concerned that eleven months of detention for Haitian asylum-seekers does injury also to our national commitment to equal protection under the law. No other nationality or race of refugees or asylees has suffered such systematic, long-term detention in U.S. history.

We also believe that the evidence of gross due process violations by the Immigration and Naturalization Service against Haitian and other asylum-seekers warrants full investigation. Such actions are unacceptable, and must be prevented.

We urge the Administration to end its discriminatory policy of detention against Haitians. We also urge the Administration, and especially the Attorney General, to work with other relevant government agencies, and public interest groups concerned about the detained asylum applicants, to develop a controlled, sponsor release program which would allow the asylum applicants to reside in the community pending consideration of the claim, but would still give the Attorney General reasonable assurance that the applicants would appear for administrative and judicial proceedings when their cases are scheduled.

We urge the Administration to respect the principle of non-refoulement of refugees, and to re-examine its policies regarding the non-white refugees of the world.

Finally, we urge this Committee to take prompt action to examine the processes under which "refugee" status is determined, and to take appropriate steps to ensure that the implementation of U.S. refugee policy is carried out uniformly and judiciously. We urge the Committee to convene thorough oversight hearings on this question at the earliest possible time.●

FINANCIAL DISCLOSURE STATEMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. KASTENMEIER) is recognized for 5 minutes.

● Mr. KASTENMEIER. Mr. Speaker, as required by Public Law 95-521, the Ethics in Government Act of 1978, I have filed the annual public financial disclosure statement. However, the statement required by law differs in several important respects from the more precise report of my financial situation which I have been disclosing annually in the CONGRESSIONAL RECORD since 1963. Thus, I am continuing my policy of reporting in the RECORD a statement on my financial condition for the calendar year 1981. This report also includes the amount of Federal, State, and local real estate taxes paid in 1981.

Statement of financial condition—Dec. 31, 1981

Checking account with the Sergeant at Arms, House of Representatives	$1,491.87
Cash	49.41
Securities (stocks, bonds, etc.)	(1)
Residential real estate:	
Arlington house and lot (1981 assessement)	193,700.00
Less mortgage	$15,900.54
Equity	177,799.46
Sun Prairie house and lot	29,000.00
Improvements	1,766.00
Back lot	1,200.00
Sewer and water improvements	4,789.00
Total	36,755.00
Less mortgage	14,392,85
Unpaid sewer and water assessments	1,538.00
Total	15,930.85
Equity	20,824.15
Household goods and miscellaneous personalty	8,000.00
Miscellaneous assets, deposits with the U.S. civil service retirement fund through December 31, 1981, available only in accordance with applicable laws and regulations	69,146.07
Additional retirement fund deposit	1,130.00
Cash value	(1)
Cash surrender value of life insurance:	
On the life of Robert W. Kastenmeier	(1)
On the life of Dorothy C. Kastenmeier	544.00
Deposit, Donaldson Run	400.00
Automobiles:	
1976 Oldsmobile	900.00
1978 Mercury	3,000.00
Total assets	213,008.89
Less personal notes, National Bank of Washington	4,500.00
Net worth	208,508.89
Taxes paid in 1981:	
Federal income tax	17,251.35
Wisconsin income tax	4,930.00
Federal employers tax	138.74
Arlington County real estate tax	1,859.52
Sun Prairie real estate taxes, including assessments	1,863.11
State sales taxes and duty	386.60
Total taxes	26,429.32
Less tax refunds	311.34
Net taxes	26,117.98
1981 Income (in addition to congressional salary)	(1)
Gross rent, Sun Prairie house	3,540.00
Honoraria (5)	3,600.00
Total	7,140.00

[1] None.

I also am reporting on the separate estate of my wife, Dorothy C. Kastenmeier, which is not subject to my control and thus, not necessarily required to be reported. Fair values are estimated and certain interests in property are subject to life estates in others:

Unimproved land, 129 acres, Chireno, Tex	$10,000
Unimproved land, 160.5 acres, Nacogdoches, Tex	10,000
Frame house and lot, 413 Myrtle Street, Nacogdoches, Tex	12,000
Lot and building, 106 Marilyn Street, Nacogdoches, Tex	12,000
158 shares, Fredonia State Bank, Nacogdoches, Tex	$6,320
Total	50,320
Rental income	690●

MR. ANNUNZIO'S OLYMPIC COIN SUBSTITUTE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, tomorrow I will offer a substitute to S. 1230 to provide for the minting of official U.S. coins to commemorate the 1984 summer Olympics to be held in Los Angeles and raise money for our athletes. Unlike S. 1230, my substitute will result in absolutely no cost to the Federal Government.

The substitute calls for the minting of two traditional silver dollars, one in 1983 and one in 1984. In addition, the first U.S. gold coin in 50 years would be authorized for minting in 1984. All three coins would be struck in both proof and uncirculated condition, for a total of six different varieties.

The silver coins would be sold at a price that would recover the face value, the cost of manufacture and the cost of the silver. It would also include a $10 per coin surcharge. The gold coin would be priced similarly, but would include a $50 per coin surcharge. The surcharges would be split evenly between the U.S. Olympic Committee and the Los Angeles Olympic Organizing Committee. The Los Angeles Olympic Organizing Committee would use the money to stage and promote the 1984 summer games. The U.S. Olympic Committee would use the money to train Olympic athletes, promote local and community amateur athletics, and erect training facilities.

The substitute goes to great lengths to protect the taxpayer from any costs in this program. My substitute is the only proposal that meets the General Accounting Office criteria for sales of these coins. According to the General Accounting Office, S. 1230 would cost the Government up to $260 million in foregone revenues. The supporters of these other proposals can call these numbers what they will, but they cannot change the fact that under those bills the taxpayer is indirectly financing the Olympics.

This substitute, unlike S. 1230, would provide money to the local levels of amateur athletics. My substiture helps not only Olympic athletes, who are the cream of the competitors, but also the thousands of grassroot high schools, sport clubs, and leagues which provide initial athletic training. It is those community programs that were inevitably the first step on Olympians road to greatness.

The substitute has a place for private marketers. The rights to market the coins overseas would be awarded to a marketing organization chosen by the Secretary of the Treasury, the executive director of the U.S. Olympic Committee and the Los Angeles Olympic Organizing Committee. The award of overseas rights is recognition that others know the foreign market in a way to make foreign sales successful.

Within the United States, the Treasury would offer the coins directly to the public. Even here, however, I provide a role for private enterprise. The bill provides for discounted sales for bulk purchasers. The discount would reflect the saving to the Treasury of not having to individually market those coins. Any organization that wishes to buy coins in bulk and resell them to the public can do so. Competition is the American way.

I am totally opposed to exclusive marketing in the United States because that is diametric to our free enterprise, free market system, in which all can compete. My substitute is faithful to this American principle and encourages private marketing, but it is private marketing in the free market. It is not a grant of a monopoly to a single private marketer of the constitutional power to coin money.

Not only does my substitute meet the General Accounting Office objections, but it specifically directs the Secretary of the Treasury to take all

actions necessary to assure that the coin program will not cost the taxpayer one penny. In addition, the Secretary is required to certify, every quarter, that he is in compliance with this directive.

I am firmly committed to an Olympic coin program. But I am equally committed to having a coin program in which all of the proceeds go to the athletes instead of to private companies, and one in which there is no cost to the Federal Government. We surely cannot afford to throw $260 million away when we have a superior choice.●

LEGISLATION TO ENCOURAGE COLLECTION OF INFORMATION ON FOREIGN HI-TECH ADVANCES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. STARK) is recognized for 5 minutes.

● Mr. STARK. Mr. Speaker, I am today introducing legislation which will assist in keeping American technology competitive in a rapidly changing world economy. This legislation provides a temporary tax credit for 10 percent of the cost of collecting scientific and technological data in a foreign country.

Mr. Speaker, we are all too familiar with our recent history. Foreign countries have carefully copied and modified our technological advances and have then returned to sell our own products to us. The countries that have been most successful at it have been roundly praised. Yet, we have no effort to learn from those who have been the most successful at exploiting our advances. Neither the American Government nor American companies have made any serious effort to tape the scientific or technological advances of other countries. To ignore the wealth of information they have to offer is just plain foolish. My bill would provide a credit for the expenses incurred in the collecting, translating, and dissemination of scientific or technological papers of any foreign country which is a member of the Organization for Economic Cooperation and Development.

This type of information is not only helpful for domestic markets, but is vital if we are to compete in difficult foreign markets. The Wall Street Journal reported on May 12, Japanese markets are becoming more accessible to American exports. If we are to succeed, we must have a detailed understanding of our competitors, of their production methods, their methods of product development, and their most recent technological advances. It is my hope that this legislation will foster wide dissemination of this kind of information. My bill will provide a much needed incentive for companies to establish in foreign countries a method for collecting and translating such information.

This is a new concept, and I hope that we will be able to hold hearings on it before my Select Revenue Measures Sucommittee later this year. At that time, we can explore what American companies are doing in Japan, Germany, and other high-technology countries to collect university, government, and private research papers and disseminate them to companies and trade associations in the United States. If, as I suspect, not enough is being done then this bill which is limited to a 5-year test could be helpful in making American companies more aware of scientific and technical advances abroad.

This method of information collecting has been used by other nations—such as the Japan Productivity Center—to collect information in the United States. It is clearly time that we ourselves began the process in other countries.

The text of the bill follows:

H.R. 6435

A bill to amend the Internal Revenue Code of 1954 to provide a tax credit for the expenses of collecting certain types of scientific data in foreign countries

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits allowable) is amended by inserting after section 44G the following new section:

"SEC. 44H. CREDIT FOR FOREIGN DATA COLLECTION EXPENSES.

"(a) GENERAL RULE.—In the case of a corporation, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 10 percent of the foreign data collection expenses paid or incurred by the corporation during the taxable year.

"(b) FOREIGN DATA COLLECTION EXPENSES.—For purposes of this section—

"(1) IN GENERAL.—Except as otherwise provided in this subsection, the term 'foreign data collection expense' means any amount—

"(A) which is paid or incurred for purposes of collecting, translating, or disseminating scientific or technological papers or other materials of any foreign country which is a member of the Organization for Economic Cooperation and Development, and

"(B) which is attributable to activities conducted in such foreign country.

"(2) CREDIT AVAILABLE FOR AMOUNTS PAID TO CERTAIN ORGANIZATIONS.—

"(A) IN GENERAL.—The term 'foreign data collection expense' includes any amount paid or incurred to a qualified organization solely for purposes of being used by such organization to pay data collection expenses of such organization.

"(B) QUALIFIED ORGANIZATION.—For purposes of subparagraph (A), the term 'qualified organization' means any organization described in paragraph (3) or (6) of section 501(c) and exempt from tax under section 501(a).

"(3) TREATMENT OF CERTAIN CAPITAL EXPENDITURES.—The term 'foreign data collection expense' shall not include any amount paid or incurred for the acquisition or improvement of land or for the acquisition or improvement of property which is of a character subject to the allowance for depreciation; except that allowances for depreciation shall be treated as expenses.

"(c) LIMIT BASED ON AMOUNT OF TAX.—The credit allowed by this section for any taxable year shall not exceed the amount of the tax imposed by this chapter for such taxable year reduced by the sum of the credits allowable under a section of this subpart having a lower number or letter designation than this section, other than the credits allowable by sections 31, 39, and 43.

"(d) ELECTION TO HAVE SECTION NOT APPLY.—This section shall not apply to any taxpayer for any taxable year if such taxpayer elects to have this section not apply for such taxable year. Such an election shall be made at such time and in such manner as the Secretary shall by regulations prescribe.

"(e) CERTAIN CORPORATIONS EXCLUDED.—For purposes of this section, the term 'corporation' shall not include—

"(1) an electing small business corporation (as defined in section 1371(b)),

"(2) a personal holding company (as defined in section 542), and

"(3) a service organization (as defined in section 414(m)(3)).

"(f) TERMINATION.—This section shall not apply to any amount paid or incurred after the date 5 years after the date of the enactment of this section."

(b) Section 280C of such Code (relating to denial of deduction for portion of wages for which credit is claimed under section 40 or 44B) is amended by adding at the end thereof the following new subsection:

"(C) RULE FOR SECTION 44H CREDIT.—No deduction shall be allowed for that portion of the foreign data collection expenses (as defined in section 44H(b)) paid or incurred during the taxable year which is equal to the amount of the credit allowable for the taxable year under section 44H (determined without regard to subsection (c) thereof)."

(c)(1) The section heading for section 280 C of such Code is amended to read as follows:

"SEC. 280C. EXPENSES FOR WHICH CREDITS ARE ALLOWABLE."

(2) The table of sections for part IX of subchapter B of chapter 1 of such Code is amended by striking out the item relating to section 280C and inserting in lieu thereof the following:

"Sec. 280C. Expenses for which credits are allowable."

(3) The table of sections for subpart A of part IV of subchapter A of chapter 1 of such Code is amended by inserting after section 44G the following:

"Sec. 44H. Credit for foreign data collection expenses.

(d) The amendments made by this section shall apply to amounts paid or incurred after the date of the enactment of this Act in taxable years ending after such date.●

STATEMENT OF CONGRESSMAN WILLIAM D. FORD ON THE FIRST BUDGET RESOLUTION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. FORD) is recognized for 5 minutes.

● Mr. FORD of Michigan. Mr. Speaker, the first budget resolution approved by the budget committee contains a provision that would cap cost-of-living adjustments for retired Federal workers and military personnel. On the face of it, this singles out these retirees for unfair treatment since COLA's would not be capped for other retirees.

It is my intention, and that of many of my colleagues, to redress this inequity by amending the budget resolution when it comes to the floor. It is our hope that the Rules Committee will adopt procedures that will permit this amendment to be in order to any of the substitute resolutions where it may be relevant.

I am confident that the Rules Committee will see the importance of a rule to permit this procedure.

"EXCHANGE FOR PEACE" PROGRAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arizona (Mr. UDALL) is recognized for 10 minutes.

● Mr. UDALL. Mr. Speaker, I am introducing today a House joint resolution calling upon the United States and the Soviet Union to initiate an "Exchange for Peace" program. Under its terms, qualified young people—between the ages of 15 and 19—would have an opportunity to study, work and travel in the other country.

Let me explain its purpose.

Some years ago, David Crozier, a Peace Corps volunteer serving in Colombia, wrote his parents saying, "Should it come to it, I had rather give my life trying to help someone than to have to give my life looking down a barrel at them." A short time later, David Crozier died in an airplane accident. His message, however, lives on. Even as David Crozier sought to find a peaceful means of addressing the world's problems, so too should we.

In recent weeks there has been increasing talk in this House and in this country about the nuclear arms race and the danger of nuclear war. Much of the debate has centered on the proposed nuclear freeze and the resumption of strategic arms reduction talks.

Arms control, or course, is important. Very important. But we must also seek other means of making nuclear war unthinkable. Even old cold-war warriors like Nixon and Kissinger recognized the importance of establishing a "web of relationships." They were right. We need all kinds of commercial, cultural, and athletic relationships between the Soviet Union and the United States. We need to establish broader people-to-people contacts and interests. We can sell them grain and nonsensitive technology that they would get from other countries anyway. I would love to see the Soviets begin to get accustomed to good old American steaks and fried chicken.

Until the Afghanistan invasion, we cooperated with the Soviets in athletics. In the past, we have had joint space missions, exchanges of ballet and drama companies and other common endeavors. We need to build more such bridges of understanding.

We must stop treating the citizens of the Soviet Union as some kind of subhuman species and suggesting that they do not care about wiping out 100 million of their people if they can get 105 million of ours.

We are all sharing this planet together and we have to work together if we are to save it. We have to recognize our common interests. Lyndon Johnson found a way to get through to Kosygin at the Glassboro Summit—they talked about their children and their grandchildren. Jimmy Carter did the same thing when he brought Begin and Sadat together at Camp David; when breakup was near, he talked about their children and their interest in peace.

So let us get busy building more bridges of understanding. The resolution that I am introducing today would help to build one more bridge of understanding. It calls for the creation of a United States-Soviet youth exchange program. It would be administered by a joint United States-Soviet Exchange for Peace Commission to be composed of civic, educational, and cultural leaders from both countries. It would be financed by both government and private-source contributions. The program should aim at an initial enrollment of 2,000 young people from both countries. Half of those young people should come from the families of prominent civic, educational, cultural, and political leaders. Finally, there should be some provision requiring a widespread geographical distribution of the participants.

Would such a program stop a nuclear war? Perhaps not. It would, however, help to make nuclear war "unthinkable" for this generation and future generations to come. It is, I think, a small but important step toward genuine and lasting peace between our two countries. I urge my colleagues to join me in support for this initiative.●

THE PENSION EQUITY TAX ACT OF 1982, H.R. 6410

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. RANGEL) is recognized for 10 minutes.

● Mr. RANGEL. Mr. Speaker, today I am introducing H.R. 6410, the Pension Equity Tax Act of 1982. The legislation would make a number of important changes in the tax treatment of employee benefit plans. A major objective of the bill is to provide greater tax incentives for the comprehensive inclusion of the broadest possible class of employees in tax-subsidized pension and statutory fringe benefit plans.

A second major objective of the legislation is to reduce the excessively high tax limits on tax-free accumulations under corporate pension plans. Present law permits employer deductions for the funding of two types of corporate pension plans—defined contribution plans and defined benefit plans.

The current law limit for tax-deductible contributions to a defined contribution plan—for example, a profit-sharing plan where an employee's benefit is the balance of an account—is $45,475. In the case of a defined benefit plan—a pension plan specifying a stated benefit upon retirement, often based on pay and length of service, and where the employer funds the plan to meet that benefit obligation—the law permits tax-deductible contributions sufficient to fund an annual benefit at age 55 of $136,425. Both the defined contribution and defined benefit plan limits are adjusted annually by a cost-of-living factor.

At a time when the Congress is considering significant reductions in direct Government expenditures in a variety of entitlement and discretionary grant programs, I do not believe we can in fairness ignore the indirect tax expenditure side of Government subsidies. Discussions of COLA freezes and benefit program reductions should apply equally to Government spending through the tax system.

I would like to briefly summarize the major provisions of the Pension Equity Tax Act of 1982 for the RECORD.

The legislation would amend current law with respect to contribution and benefit limits on qualified pension plans in several ways.

First, the bill reduces the deductible limits from $45,475 and $136,425 to $30,000 and $90,000. This reduction maintains the present 3-to-1 ratio of defined benefit-to-defined contribution plans.

Second, the bill repeals the annual cost-of-living indexing of these limits.

Third, in cases where there is provided both a defined benefit plan and a defined contribution plan, the current law allowable ratio of 1.4, or 140 percent, of the separate plan limits would be reduced to 1. This reflects what I believe is the correct policy result; that is, the law should not allow a disregard for those limits merely because benefits are provided under two types of plans rather than one. I think it is important to point out that, while the legislation reduces the allowable section 415 limits, it fully preserves all the accrued benefit rights of individuals who have earned more than the new limits before 1984.

Fourth, the bill provides that if the defined benefit plan provides benefits prior to age 65—versus age 55 under current law—the $90,000 limit is reduced to reflect the earlier retirement age.

The bill includes provisions that would extend the Keogh plan rules with respect to loans to key employees under corporate plans. Loans from a corporate pension plan to a key employee—officers, 5 percent owners, highly paid—would be treated as a distribution from the plan and be considered as ordinary income to the employee.

A very important provision of the legislation deals with the coordination or "integration" of private pension plans and social security. Under present law some would argue that the tax qualification rules for pension plans allow excessive reductions of plan benefits or contributions for rank-and-file workers in recognition of employer-provided social security benefits. The bill rationalizes this coordination with simpler, but more precise, rules and limits employer plan reductions to no more than employer-attributable contributions to social security for the employee. The legislation also provides an alternative, simple safe-harbor test for integrating defined benefit plans.

A present law problem addressed by this bill involves the disparity in contribution limits for plans covering self-employed individuals, Keogh plans, and those for plans covering only employees, typically, corporate employees. The $30,000 difference today provides a purely tax-motivated incentive for partners and sole proprietors to incorporate. In light of the reduction to $30,000 in the defined contribution limits for employees I am today proposing, the bill addresses this parity issue in a responsible fiscal and policy manner by raising the deductible limits for Keogh plans to $30,000.

Hand in hand with this change, however, the legislation would require that professional service corporations come under the present law rules applicable to self-employed plans. Among other things, these rules set minimum participation standards, require immediate vesting, and establish certain distribution limits and loan prohibitions. It is a central policy objective here, consistent with the thrust of the overall bill, that the tax subsidy provided to such plans be distributed in an equitable and nondiscriminatory fashion amongst the work force.

This nondiscrimination policy is embodied in another provision of the bill which applies uniform nondiscrimination standards to tax subsidized statutory employee fringe benefit plans. A number of these fringe benefits, from health insurance to vanpooling, are provided for in the Internal Revenue Code. The bill would establish a simple mechanical test for testing whether a plan discriminates in favor of key employees. In addition, the bill would require that where a plan fails the discrimination test only the key employees would recognize income on their pro rata share of the benefits.

Finally, the bill places a limit on the estate tax exclusion for annuities paid to a beneficiary under retirement programs. This is an unlimited exclusion under current law and the bill would place a cap on that exclusion at $500,000.

Mr. Speaker, as I noted earlier, this important piece of legislation has two principal objectives.

It broadens the base of those being asked to accept benefit reductions through Government spending cuts by including those who substantially benefit through tax expenditure Government spending. Also as a matter of policy, I believe that the $30,000 and $90,000 amounts for tax-deductible pension plans are entirely rational and defensible limits for Government involvement in employee plan development. This legislation by no means attempts to curtail or cap pension plan saving; however, the efficiency and equity of Government expenditures for pension savings beyond the levels set in this bill must be seriously questioned.

Our current tax system provides a number of generous tax subsidies to various employee benefit arrangements. Those who benefit most from these subsidies—due to their tax bracket—are the highest paid employees and owners. This legislation reinforces a principle of our tax system that the price of this publicly provided benefit properly should be the nondiscriminatory provision of these benefits to all workers. As the late President Kennedy once remarked, "A rising tide lifts all boats."

Mr. Speaker, it is my understanding that Chairman ROSTENKOWSKI of the Committee on Ways and Means is today announcing a public hearing on H.R. 6410, the Pension Equity Tax Act of 1982, for Tuesday, June 8, 1982.

A detailed section-by-section technical analysis of the bill follows:

EXPLANATION OF H.R. 6410, THE PENSION EQUITY TAX ACT OF 1982

SECTION 1. SHORT TITLE

SECTION 2. OVERALL LIMITS ON CONTRIBUTIONS AND BENEFITS

In order to limit the extent to which individuals can use tax-favored arrangements to provide for retirement, the plan qualification rules provide overall limits on contributions and benefits under qualified pension, etc., plans.

Under a defined contribution plan (e.g., a profit-sharing plan) the qualification rules provide an overall limit on the annual additions with respect to each plan participant. Generally, the annual addition (consisting of employer contributions, certain employee contributions, and forfeitures allocated from the accounts of other participants) is limited to the lesser of (1) 25 percent of compensation for the year, or (2) $25,000 adjusted for inflation (CPI) since 1974. The limit is $45,475 for 1982.

Under a defined benefit pension plan, the annual benefit derived from employer contributions which may be provided for the life of a participant is subject to an overall limitation of the lesser of (1) 100 percent of average compensation, or (2) $75,000, adjusted for inflation (CPI) since 1974. The limit is $136,425 for 1982.

The annual benefit is the equivalent of a retirement benefit for the life of the employee, beginning at age 55 or later, and without regard to certain survivor benefits. If the retirement benefit begins before age 55, the annual benefit limitation is reduced to the actuarial equivalent of the full limit.

If a participant is covered by both a defined contribution and a defined benefit plan of the same employer, that participant's aggregate limit is equal to 140 percent of the separate limits otherwise applicable to each plan (e.g., if the defined benefit plan provided benefits equal to 90 percent of the separate defined benefit limit, the maximum amount which could be contributed to a defined contribution plan would be 50 percent of that separate limit).

Under the bill, several changes would be made to the overall limitations on contributions and benefits. First, the maximum dollar limitations would be reduced from $136,425 and $45,475 to $90,000 and $30,000. Second, those dollar amounts would no longer be subject to automatic cost-of-living increases. Third, the aggregate limit applied to a participant covered by both a defined contribution and a defined benefit plan maintained by the same employer would be reduced from 140 percent to 100 percent of the otherwise applicable separate limits. Finally, under the bill, if the retirement benefit under a defined benefit plan begins before age 65, the $90,000 limitation would be reduced so that it is the actuarial equivalent of an annual benefit of $90,000 beginning at age 65.

The bill also provides that post-retirement medical benefits provided with respect to a plan participant (including post-retirement benefits provided a spouse or dependent of an employee) are to be taken into account in determining whether plan benefits exceed the $90,000 annual limit. It is intended that, under regulations prescribed by the Secretary of the Treasury, the aggregate amount of post-retirement medical benefits payable with respect to a retiree could not exceed the amount which would be required to provide an annuity for the life of the retiree equal to the $90,000 limit less the annual retirement benefit payable to the retiree under the plan.

For existing plans, the provision would apply to years ending after December 31, 1983. For new plans, the provision would apply to years after enactment.

SECTION 3. LOANS TO PLAN PARTICIPANTS

A qualified pension, etc., plan generally is permitted to make a loan to a plan participant if certain requirements are met. Generally, the loan must bear a reasonable rate of interest, be adequately secured, provide a reasonable repayment schedule, and be made available on a basis which does not discriminate in favor of employees who are officers, shareholders, or highly compensated. However, an H.R. 10 plan is not permitted to lend to an owner-employee (a sole proprietor or a partner whose partnership interest exceeds 10 percent). Also, if a self-employed individual (whether or not an owner-employee) participating in an H.R. 10 plan borrows from the plan or uses an interest in the plan as security for a loan, the transaction is treated as a plan distribution, and the usual tax rules for distributions apply.

The bill would replace the present law loan restrictions with uniform rules applicable to all qualified pension, etc., plans, including those of corporate employers. Under the bill, if a key employee receives a loan from a plan or uses an interest in the plan as security for a loan, the amount received or pledged would be treated as a distribution for income tax purposes.

Key employees generally would include employees who are officers, those with more than a 5-percent ownership interest in the employer maintaining the plan, and those who are among the highest paid 15 percent of the employer's employees.

For purposes of the loan rules, an employee who elects to defer amounts pursuant to a qualified cash or deferred arrangement under a qualified plan would be treated as a key employee with respect to amounts attributable to the elective deferrals. Also, an employee for whom an employer purchases a tax-sheltered annuity contract would be considered a key employee with respect to the contract.

SECTION 4. INTEGRATION WITH SOCIAL SECURITY

Under the tax qualification rules, a pension, etc., plan must not discriminate in favor of employees who are officers, shareholders, or highly compensated by providing them with contributions or benefits that are a higher percentage of their pay than the contributions or benefits provided for other employees. A plan can qualify if either contributions under the plan or benefits under the plan satisfy the nondiscrimination rules.

Under present law, in determining whether pension plan benefits, as a percentage of pay, discriminate in favor of employees who are highly compensated, the portion of each employee's social security benefits considered provided by the employer may be taken into account. If those social security benefits and the employer-provided benefits under the plan, when added together, do not provide a discriminatory benefit, the benefits under the plan are considered as not discriminating in favor of highly compensated employees. Such a plan is said to be integrated with social security.

Under social security integration rules promulgated by the Internal Revenue Service, an employee's annual pension benefit may be reduced by up to 83⅓ percent of the primary insurance amount (PIA) to which the employee is entitled under social security.

Under the integration rules for defined contribution plans (e.g., profit-sharing plans) social security benefits are taken into account by reducing contributions with respect to the portion of an employee's pay subject to the social security tax (the social security taxable wage base). The Internal Revenue Service has determined that the employer's cost of providing social security benefits is 7 percent of the taxable wage base (in 1982, $32,400). Accordingly, an integrated profit-sharing plan could provide contributions of 7 percent of 1982 pay in excess of $32,400, and no contributions with respect to the first $32,400 of pay. Alternatively, it could provide for contributions of 10 percent of pay over wage base and 3 percent of pay up to the wage base. For 1982, the employer's actual tax rate with respect to old age, survivors and disability insurance (OASDI) under social security is 5.4 percent of the first $32,400 of pay.

The bill would revise the social security integration rules to insure that an employer may reduce pension plan benefits by no more than the employee's social security benefits directly attributable to the employer-provided contributions to the social security system for the employee. The bill would permit an employee's annual pension benefit to be reduced by no more than an amount equal to the annual benefit which could be purchased with the aggregate social security (OASDI) taxes actually paid by the employer on behalf of the employee. Thus, an employee's pension benefit could not be reduced on account of social security benefits properly attributable to taxes paid by prior employers or to the "insurance" feature of social security under which benefit levels are set without regard to the sum of the actual taxes paid on behalf of the beneficiary.

Under the bill, the Secretary of the Treasury is to prescribe regulations for converting the aggregate social security taxes paid by an employer to an equivalent annual pension benefit. Of course, these rules would provide for compounding the annual employer OASDI taxes at an appropriate interest rate.

The bill also provides an alternative "safe-harbor" rule for defined benefit pension plans. Under this rule, a plan would be considered properly integrated with social security if (1) the rate of contributions or benefits for pay in excess of $30,000 but less than $60,000 was not more than twice the rate for pay below $30,000, and (2) the rate for pay in excess of $60,000 is not greater than the rate for pay less than $30,000. Thus, under the alternative safe-harbor rule, a plan could provide a simplified benefit or contribution formula which need not take into account actual social security taxes paid by the employer on behalf of individual employees.

With respect to profit-sharing and other defined contribution plans, the bill permits an employer to reduce plan contributions on behalf of an employee by no more than an amount equal to the employee's taxable wage base multiplied by the actual social security (OASDI) tax rate (5.4 percent for 1982, 1983 and 1984).

Under the bill, the new social security integration rules for profit-sharing and other defined contribution plans would apply to plan years ending after December 31, 1983. For defined benefit pension plans, the new rules would apply only with respect to employees who become plan participants after December 31, 1983.

SECTIONS 5 AND 6. SPECIAL RULES APPLICABLE TO PLANS COVERING SELF-EMPLOYED INDIVIDUALS AND CERTAIN EMPLOYEES OF PROFESSIONAL SERVICE CORPORATIONS

Under present law, a pension or profit-sharing plan which covers a self-employed individual (an H.R. 10 plan) is subject to special rules which are in addition to the Code's other tax qualification requirements. Under these special rules, annual employer contributions to a profit-sharing or other defined contribution plan on behalf of a self-employed individual are employer contributions to a qualified defined benefit which can be provided excluded from the gross income of a self-employed individual are limited to the lesser of $15,000 or 15 percent of compensation. A corresponding limit applies to the benefits which can be provided a self-employed individual under a qualified defined benefit pension plan. These limits are generally lower than the overall limits on contributions and benefits which apply with respect to all employees under qualified plans.

H.R. 10 plans which cover an owner-employee (a sole proprietor or a partner whose partnership interest exceeds 10 percent) are required to meet additional special standards. These special standards—

(1) generally require that the plan benefit all employees who have completed at least three years of service with the employer;

(2) require than an employee's rights to plan benefits are nonforfeitable at the time the contributions are made (i.e., the plan must provide full and immediate vesting);

(3) specially limit (or, in some cases, preclude) integration of the plan with social security;

(4) require that the trustee of a trust forming a part of the plan be a bank or other qualifying financial institution;

(5) limit (or in some cases preclude) voluntary nondeductible contributions to the plan by an owner-employee;

(6) generally prohibit the payment of benefits to an owner-employee before the owner-employee attains age 59½;

(7) require that the payment of plan benefits to an owner-employee begin no later than the taxable year in which the owner-employee attains age 70½; and

(8) require that benefits payable with respect to a deceased owner-employee generally be paid to the beneficiary within five years after the employee's death.

In addition, under the income tax rules, if an owner-employee receives a distribution from an H.R. 10 plan before reaching age 59½ or becoming disabled, the amount of the distribution includible in gross income is subject to an additional 10-percent income tax, and generally no contributions may be made to an H.R. 10 plan on behalf of the owner-employee for the five taxable years following the taxable year of the distribution.

The bill increases the deduction limit for employer contributions to defined contribution H.R. 10 plans from $15,000 to $30,000. The 15-percent limit on contributions is not changed. A conforming change increases permitted benefit accruals under a defined benefit H.R. 10 plan.

In addition, under the bill, certain of the special owner-employee H.R. 10 rules, including those relating to participation, vesting, and certain restrictions on contributions, benefits, and distributions, would be expanded to apply to all H.R. 10 plans (i.e., to plans covering partners whose individual partnership interests do not exceed 10 percent).

Finally, the bill would supply the H.R. 10 rules to plans of professional service corporations. Any shareholder-employee of a professional service corporation would be treated as a self-employed individual, and any shareholder-employee whose ownership interest exceeds 10 percent would be treated as an owner-employee under the pension rules.

Personal service corporations subject to the H.R. 10 rules would include any corporation the principal function of which is the performance of services in the field of health, law, engineering, architecture, accounting, actuarial science, performing arts, athletics, or consulting.

These provisions generally would apply to taxable years and plan years beginning after

December 31, 1983. However, an employer could elect to apply the provisions beginning with the first taxable year and plan year beginning after December 31, 1982.

SECTION 7. STATUTORY FRINGE BENEFIT PLANS

Present law generally excludes from an employee's income the cost of the first $50,000 of employer-provided group-term life insurance. Additional income exclusions for employer-provided fringe benefits apply to (1) accident or health plans, (2) prepaid legal services plans, (3) van pooling plans, (4) educational assistance programs, and (5) dependent car assistance programs. Except with respect to group-term life insurance and benefits received under an accident or health plan (other than a self-insured medical reimbursement plan), the income exclusion does not apply if the fringe benefit plan discriminates in favor of employees who are officers, shareholders, or highly compensated.

Under present law, different rules prohibiting discrimination apply with respect to each type of plan. These rules generally prohibit discrimination as to eligibility to participate. Anti-discrimination rules for some of the plans also prohibit discrimination as to contributions or benefits. The antidiscrimination rules for the separate plans generally do not provide guidance as to when an employee is considered highly compensated or the extent of stock ownership required before an employee is considered a shareholder.

Under present law, if a plan is determined to discriminate in favor of employees who are officers, shareholders, or highly compensated, the otherwise applicable income exclusion generally is denied for all benefits paid under the plan, including those benefits paid to rank-and-file employees.

The bill would repeal the separate antidiscrimination rules now applicable to (1) self-insured accident or health plans, (2) prepaid legal services plans, (3) "van pooling" plans, (4) educational assistance programs, and (5) dependent care assistance programs. The bill would substitute uniform rules which would apply to all statutory fringe benefit plans.

Under the bill, if a statutory fringe benefit plan discriminates in favor of key employees, the fringe benefits provided to key employees under the plan would be allocated to them and would be included in their gross income. Benefits provided employees who are not key employees would remain eligible for the present-law income exclusions.

Under the bill, key employees would include employees who are (1) officers, (2) more than 5-percent owners, or (3) among the highest paid 15 percent of all employees of the employer. A discriminatory statutory fringe benefit plan would be one which discriminates in favor of key employees as to eligibility to participate, or as to the type and amounts of benefits available under the plan. The extent to which key employees, relative to other employees, actually utilize plan benefits would not be taken into account under a plan otherwise determined to be nondiscriminatory.

Under the bill, a statutory fringe benefit plan would not be considered to discriminate in favor of key employees as to eligibility to participate if (1) the plan benefits at least 70 percent of all employees, (2) at least 85 percent of all participating employees are not key employees, or (3) the plan benefits employees who qualify under a classification set up by the employer and found by the Secretary of the Treasury not be discriminate in favor of key employees. In applying these and other tests under the bill, employees of related employers would be treated as if employed by a single employer. For purposes of these rules, however, the following employees could be excluded from consideration: (1) those who have not completed 3 years of service with the employer, (2) part-time and seasonal employees, and (3) nonresident aliens who receive no U.S. income from the employer. In addition, the bill provides that employees not covered by the plan but covered by a collective bargaining agreement need not be taken into account if the benefits provided under the plan were the subject of good faith bargaining between the employer and the employee representatives.

The bill provides that a statutory fringe benefit plan would be discriminatory with respect to the benefits available under the plan unless all benefits available to participating key employees are also available to all other participating employees. Under a special rule, however, a group-term life insurance plan would not be considered discriminatory merely because the amount of life insurance provided employees bear a uniform relationship to compensation.

The provisions of the bill relating to statutory fringe benefit plan would apply to plan years ending after December 31, 1983.

SECTION 8. ESTATE TAX EXCLUSION FOR RETIREMENT SAVINGS

Under present law, benefits payable to a beneficiary of a deceased employee under a qualified pension, etc., plan, certain Federal retirement plans, or a tax-sheltered annuity are generally excluded from the decedent's gross estate to the extent attributable to employer contributions or to deductible employee contributions. Also, amounts payable to a decedent's beneficiary under an IRA generally can also be excluded from the decedent's gross estate. No dollar limit applies to these exclusions.

The bill would impose an aggregate $500,000 limit on the estate tax exclusion otherwise applicable to amounts payable under a qualified pension, etc., plan, tax-sheltered annuity, or IRA.

The provision would apply to estates of decedents dying after December 31, 1982.●

REPORT ON FEDERAL ADVISORY COMMITTEES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oklahoma (Mr. ENGLISH) is recognized for 5 minutes.

● Mr. ENGLISH. Mr. Speaker, the 10th Annual Report on Federal Advisory Committees, covering calendar year 1981, was sent to the Congress on April 19, pursuant to a requirement of the Federal Advisory Committee Act (Public Law 92-463).

The 141-page report, prepared by the General Services Administration, includes a brief introductory narrative; alphabetical and agency lists of committees; charts showing the number of meetings and cost of each agencies' advisory groups; a roster of agency officials responsible for advisory committee management; and an appendix which contains the text of the act and relevant executive branch documents.

Here are some of the highlights of and a bit of commentary on the report:

First. As of December 31, 1981, there were 853 advisory committees. The 1980 yearend total was 865. During the year 114 committees were terminated. However, 34 of these committees were reestablished by year's end and 68 entirely new advisory groups were also formed. Thus, there was a net reduction of 12 committees.

It is a distinct possibility that agency officials may have held back until after the first of the year, in order to make the 1981 yearend totals look good. In the first 3 months of this year, no committees were terminated and 29 new committees have been chartered, with 18 of those coming in January.

Second. The report shows a significant decrease in the costs to operate and support advisory committees in 1981. Actual costs are reported to be down some $7.3 million from the 1980 level, to $80.1 million for 1981. As I will discuss in a moment, there may be a rather simple explanation for what appears to be an 8.3-percent decrease in operation costs; a decrease which has little, if anything, to do with the claim of improved management of the committee process. But first, let me tell you about the projection that costs will not rise in 1982—that they will remain at the 1981 level.

Just a cursory examination of the summary tables included in the President's report shows that the $80.1 million estimate for 1982 operating costs pertains to continuing the 853 committees in existence at yearend 1981. During 1981, however, these same 853 committees cost only $70.7 million to operate. So, what we really have is a projected increase of 14 percent in 1982 operating costs, not any freeze in costs-and that is before the cost of any new committees is factored in. And, as I mentioned previously, 29 new committees have been created in just the first 3 months of this year.

Third. Overall, advisory committees met 3,459 times during 1981. Of those meetings 2,022 (58 percent) were open; 746 (22 percent) were wholly closed to the public; and 691 (20 percent) were partially closed. The 1981 figures for openness show a slight decrease from the 62 percent achieved last year. As in past years, the U.S. Commission on Civil Rights had the highest percentage of open meetings—all of its 180 meetings were open. And, once again, the National Endowment for the Humanities is at the other extreme, having opened just 11 of its 155 meetings to the public.

Mr. Speaker, earlier I mentioned that there might be a simple explanation for the 8.3-percent savings in operating costs claimed in the President's report. What I was referring to was that the 3,459 advisory committee meetings held last year are some 600 fewer than were held in 1980. Since the bulk of advisory committee operating expenses involve staff support, travel costs, and per diem expenses for advisory committee members, it appears that a 15-percent decrease in the number of meetings held last year more than accounts for the claimed 8.3 percent savings in operating costs.

One might even be moved to ask why costs were not down even more in 1981. Actually, if you look at this on a cost per meeting basis, costs were up in 1981. What may be even more important though, is that agencies seem to have chosen the easy way out in achieving sought after savings; they simply cut the number of meetings held last year.

According to the "findings and purposes" section of the act, advisory groups "are frequently a useful and beneficial means of furnishing expert advice, ideas, and diverse opinions to the Federal Government." It then states that "advisory committees should be terminated when they are no longer carrying out the purposes for which they were established;" that is, when they are no longer giving advice. Six hundred fewer meetings implies that many committees were called on to give less or no advice. Perhaps, some were no longer carrying out the purposes for which they were established and, therefore, should have been terminated. The result would have been real, rather than contrived savings.

Fourth. While the number of committees was down slightly at year's end, the number of individuals serving on committees increased last year by some 750 to 22,198. This change is probably not significant. However, there are some developments involving service on advisory committees that are, to say the very least, both troubling and significant.

There have been rumblings for some months that administration officials were going to great lengths to insure that those who are appointed to advisory groups have the correct perspective. I do not know what to make of this until earlier this month when a short piece appeared in the May issue of Science indicating that Secretary of Agriculture Block has enlisted the aid of the FBI to screen potential advisory committee members "for security risks and political compatibility." Then, on Friday, May 7, the Washington Post carried a story about Education and Justice Department advisory groups entitled, "Wholesale Firings Hit Advisory Councils." According to the article, the senior minority member of the House Education and Labor Committee was prompted to write the new head of the Vocational Education Council urging him to "preserve the independence and integrity of the Council."

Some checking by my staff uncovered that these actions may be even more widespread. It seems that the White House Personnel Office has requested monthly, but apparently settled for bimonthly notice on all proposed advisory committees. This, of course, enables the White House to pick the members of all new committees.

There is nothing improper with administration officials attempting to insure that their viewpoints are represented. However, stacking the membership of advisory committees to achieve political or philosophical compatibility makes a mockery of the very seeking of advice. Remember now, we are just talking about advice—if they do not like what they hear, they do not have to accept it. Moreover, the law provides—indeed, requires—that "the membership [of committees] be fairly balanced in terms of points of views presented." I hope that administration officials will reconsider actions which may violate the spirit, if not the letter, of this aspect of the law.

Because the Subcommittee on Government Information and Individual Rights, which I chair, has jurisdiction over the Federal Advisory Committee Act, I have reviewed the President's report very carefully. In the next few weeks I will be writing to agencies to ask just what is going on with their advisory groups. For example, I will ask several agencies why they even have advisory committees that never meet; how agencies such as the Commodities Futures Trading Commission and Federal Energy Regulatory Commission can spend $7,300 and $5,000, respectively, on advisory groups that never met; why it cost the nine member Federal Council on the Arts and Humanities $34,000 to hold two closed meetings; and why the seven member President's Advisory Panel on Federalism, which spent $30,000, does not check with the 14 member President's Economic Policy Advisory Board to learn how the larger group operated at half the cost.

I will also be making an inquiry concerning the absence from the collection of documents in the appendix of a regulation to assist the public and to guide agencies' compliance with the act. The absence of such guidance is particularly distressing in view of the fact that proposed rules appeared in the Federal Register some 20 months ago, in August 1980. I have heard that this is due to White House intervention. Nevertheless, statutorily, the Administrator of General Services is responsible for these regulations as well as a variety of other Government-wide advisory committee management matters. So, whether the White House is the sticking point or there is some other problem, I will be writing the Administrator of General Services concerning the long-awaited regulations.

Mr. Speaker, we frequently hear that our country's greatest natural resource is its people. The advisory committee system affords a unique opportunity for the Federal Government to tap this resource. The failure to make full and proper use of this resource through seeking the advice of well-balanced groups is at least as wasteful as spending Federal tax dollars on advisory committees that never meet. I urge my colleagues to examine the President's report and to write to the agencies in which they have a particular interest concerning any questionable advisory committee practices. Copies of the Federal Advisory Committee report can be obtained from the General Services Administration.●

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. JACOBS (at the request of Mr. WRIGHT), for today, on account of official business.

Mr. STANTON of Ohio (at the request of Mr. MICHEL), from April 12, on account of surgery and convalescence,

Mr. WIRTH (at the request of Mr. WRIGHT), for today until 2 p.m., on account of official business.

Mr. GRAY (at the request of Mr. WRIGHT), for today, on account of official business.

Mr. ZEFERETTI (at the request of Mr. ADDABBO), for the rest of the week, on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. BLILEY) to revise and extend their remarks and include extraneous material:)

Mr. LENT, for 30 minutes, on May 26.

Mr. GINGRICH, for 60 minutes, today.

Mr. GINGBICH, for 60 minutes, on May 20.

Mr. COLLINS of Texas, for 30 minutes, today.

Mr. PORTER, for 5 minutes, today.

Mr. FRENZEL, for 10 minutes, today.

(The following Members (at the request of Mrs. BOGGS) to revise and extend their remarks and include extraneous material:)

Mr. GLICKMAN, for 10 minutes, today.

Mr. FRANK, for 5 minutes, today.

Mr. CROCKETT, for 5 minutes, today.

Mr. KASTENMEIER, for 5 minutes, today.

Mr. GONZALEZ, for 15 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. COELHO, for 5 minutes, today.

Mr. STARK, for 5 minutes, today.

Mr. FORD of Michigan, for 5 minutes, today.

Mr. CONYERS, for 60 minutes, today.

Mr. UDALL, for 10 minutes, today.

Mr. RANGEL, for 10 minutes, today.

Mr. ENGLISH, for 5 minutes, today.

Mr. DASCHLE, for 60 minutes, on May 25.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. YOUNG of Florida, remarks of May 18, 1982, during general debate on H.R. 6068 in the Committee of the Whole to appear in today's RECORD prior to the vote on H.R. 6068; and also to be placed in their proper place in the permanent RECORD of May 18, 1982.

(The following Members (at the request of Mr. BLILEY) and to include extraneous matter:)

Mr. PARRIS in three instances.

Mr. NELLIGAN.

Mr. GINGRICH.

Mr. NAPIER.

Mr. ROBINSON in three instances.

Mr. HOLLENBECK in two instances.

Mr. MOORHEAD.

Mr. BAILEY of Missouri.

Mr. BETHUNE.

Ms. FIEDLER.

Mr. HARTNETT in two instances.

Mr. COLLINS of Texas in three instances.

Mr. FISH.

Mr. KEMP.

Mr. HAGEDORN in two instances.

Mr. LUJAN.

Mr. FIELDS in two instances.

Mr. CONABLE.

Mr. HYDE in two instances.

Mr. GILMAN in two instances.

Mr. SILJANDER.

Mr. PHILIP M. CRANE.

Mr. JEFFORDS.

Mr. MARRIOTT.

Mr. DANIEL B. CRANE.

(The following Members (at the request of Mrs. BOGGS) and to include extraneous matter:)

Mr. FORD of Michigan.

Mr. YATRON in three instances.

Mr. DWYER.

Mr. IRELAND.

Mr. APPLEGATE in two instances.

Mr. HAWKINS.

Mr. McDONALD in five instances.

Mr. SHELBY.

Mr. STARK.

Mr. FOWLER.

Mr. COELHO.

Mr. SABO.

Mr. RICHMOND.

Mr. HOYER.

Mr. WAXMAN.

Mr. FLORIO in two instances.

Mr. MARKEY.

Mr. LAFALCE in two instances.

Mr. DELLUMS.

Mr. ROE.

Mr. OBERSTAR.

Mr. WON PAT.

Mr. ASPIN.

Mr. SCHEUER.

Mr. HAMILTON.

Mr. BEDELL.

Mr. SHANNON.

Mr. FAZIO.

Mr. WIRTH.

Mr. MILLER of California.

Mr. NOWAK in two instances.

Mr. LEHMAN.

Mr. FRANK.

Mr. LONG of Maryland.

Mr. GUARINI.

SENATE CONCURRENT RESOLUTION REFERRED

A concurrent resolution of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. Con. Res. 60. Concurrent resolution disapproving the Federal Trade Commission trade regulation rule relating to the sale of used motor vehicles; to the Committee on Energy and Commerce.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1611. An act to amend Public Law 90-553, to authorize the transfer, conveyance, lease, and improvement of, and construction on, certain property in the District of Columbia, for use as a headquarters site for an international organization, as sites for governments of foreign countries, and for other purposes.

ENROLLED BILL SIGNED

Mr. HAWKINS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following titles, which was thereupon signed by the Speaker:

H.R. 5118. An act to provide water to the Papago Tribe of Arizona and its members, to settle Papago Indian water rights claims in portions of the Papago reservations, and for other purposes.

ADJOURNMENT

Mr. GONZALEZ. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 35 minutes p.m.), the House adjourned until tomorrow, Thursday, May 20, 1982, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3961. A letter from the Clerk, U.S. House of Representatives, transmitting his quarterly report of receipts and expenditures for the period January 1 through March 31, 1982, pursuant to section 105(a) of Public Law 88-454, as amended (H. Doc. No. 97-182); to the Committee on House Administration, and ordered to be printed.

3962. A letter from the Comptroller General of the United States, transmitting a report on four deferrals of budget authority as of May 17, 1982, pursuant to section 1015(a) of Public Law 93-344, (H. Doc. 97-183); to the Committee on Appropriations, and ordered to be printed.

3963. A letter from the Chairman, Council of the District of Columbia, transmitting D.C. Act 4-188, "D.C. Retirement Regulations Adoption Act of 1982", pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

3964. A letter from the Chairman, Council of the District of Columbia, transmitting D.C. Act 4-189, "Youth Employment Act of 1977 Amendment Act of 1982", pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

3965. A letter from the Chairman, Council of the District of Columbia, transmitting D.C. Act 4-190, "Presidential Inauguration Special Regulations and Rule of Interpretation Concerning Nonrevival of Statutes Act of 1982", pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

3966. A letter from the Acting Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on Foreign Affairs.

3967. A letter from the Comptroller General of the United States, transmitting a list of reports issued or released by the General Accounting Office during April 1982, pursuant to section 234 of the Legislative Reorganization Act of 1970; to the Committee on Government Operations.

3968. A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to amend title I of the Reclamation Project Authorization Act of 1972 (Public Law 92-514; 86 Stat. 964) as amended by Public Law 96-375 (94 Stat. 1507); to the Committee on Interior and Insular Affairs.

3969. A letter from the Chairman, National Research Council, transmitting a report of the Council's Committee on Ballistic Acoustics, pursuant to a request from the Department of Justice; to the Committee on the Judiciary.

3970. A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to authorize the Secretary of the department in which the Coast Guard is operating to establish fees for Coast Guard services and for other purposes; to the Committee on Merchant Marine and Fisheries.

3971. A letter from the Executive Secretary, Department of Defense, transmitting a report on Defense Department procurement from small and other business firms for October 1981 through February 1982, pursuant to section 10(d) of the Small Business Act, as amended; to the Committee on Small Business.

3972. A letter from the Comptroller General of the United States, transmitting a report on needed improvements in operating and using the Army's automated facilities engineer job order cost accounting system; jointly, to the Committees on Government Operations and Armed Services.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

[Omitted from the Record of May 18, 1982]

Mr. FUQUA: Committee on Science and Technology. H.R. 6323. A bill to authorize appropriations for environmental research, development, and demonstration for the fiscal years 1983 and 1984, and for other purposes; with an amendment (Rept. No. 97-574). Referred to the Committee of the Whole House on the State of the Union.

[Submitted May 19, 1982]

Mr. DINGELL: Committee on Energy and Commerce. H.R. 6273. A bill to amend the National Traffic and Motor Vehicle Safety Act of 1966 and the Motor Vehicle Information and Cost Savings Act to authorize appropriations for fiscal years 1983, 1984, and 1985, and for other purposes; with an amendment (Rept. No. 97-576). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. SAM B. HALL, JR.: Committee on the Judiciary. H.R. 2340. A bill for the relief of Theodore Anthony Dominguez (Rept. No. 97-577). Referred to the Committee of the Whole House.

Mr. MAZZOLI: Committee on the Judiciary. H.R. 3451. A bill for the relief of Danuta Gwozdz (Rept. No. 97-578). Referred to the Committee of the Whole House.

SUBSEQUENT ACTION ON A BILL SEQUENTIALLY REFERRED UNDER TIME LIMITATION

Under clause 5 of rule X, the following action was taken by the Speaker:

[Omitted from the Record of May 17, 1982]

The Committee on Foreign Affairs discharged from consideration of the bill (H.R. 4827).

REPORTED BILLS SEQUENTIALLY REFERRED

Under clause 5 of rule X, bills and reports were delivered to the Clerk for printing, and bills referred as follows:

Mr. KASTENMEIER: Committee on the Judiciary. H.R. 8198. A bill to amend the manufacturing clause of the copyright law; referred to the Committee on Ways and Means for a period ending not later than June 11, 1982, for consideration of such provisions of the bill as fall within its jurisdiction under clause 1(v), rule X (Rept. No. 97-575, PT. I). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII public bills and resolutions were introduced and severally referred as follows:

By Mr. ARCHER (for himself, Mr. Fowler, Mr. Holland, and Mr. Jenkins):

H.R. 6407. A bill to amend the Internal Revenue Code of 1954 to treat certain interests as closely held businesses for estate tax purposes, to prevent the acceleration of estate tax installment payments in certain situations, and for other purposes; to the Committee on Ways and Means.

By Mr. BETHUNE (for himself and Mr. Emerson):

H.R. 6408. A bill to amend section 6003 of title 18 of the United States Code to make discretionary the issuance of certain compulsion orders in connection with civil cases and to provide for opportunity for a hearing before such issuance; to the Committee on the Judiciary.

By Mrs. BOGGS (for herself, Mr. Livingston, Mr. Breaux, Mr. Long of Louisiana, Mr. Moore, Mr. Huckaby, Mr. Tauzin, and Mr. Roemer):

H.R. 6409. A bill to provide for the participation of the United States in the 1984 Louisiana World Exposition to be held in New Orleans, La., and for other purposes; to the Committee on Foreign Affairs.

By Mr. RANGEL:

H.R. 6410. A bill to amend the Internal Revenue Code of 1954 to provide greater equity in, and to prevent abuse of, the tax treatment of pensions and certain other benefits; to the Committee on Ways and Means.

Mr. BREAUX (for himself, Mr. Forsythe, and Mr. Oberstar):

H.R. 6411. A bill to extend until October 1, 1988, the authority for advances to the migratory bird conservation fund; to the Committee on Merchant Marine and Fisheries.

By Mr. CARMAN:

H.R. 6412. A bill to restrict the period of time during which checks drawn on the Treasury must be presented for payment; to the Committee on Government Operations.

By Mr. COLLINS of Texas:

H.R. 6413. A bill to place a moratorium on activity of the Federal Trade Commission with respect to certain professions and professional associations until the Congress expressly authorizes such activity; to the Committee on Energy and Commerce.

By Mr. CONABLE (for himself and Mr. Shaw):

H.R. 6414. A bill to amend the Internal Revenue Code of 1954 with respect to the application of the investment tax credit at risk rules in the case of certain subchapter S corporations; to the Committee on Ways and Means.

By Mr. DECKARD:

H.R. 6415. A bill to rescind the tax benefits provided during 1981 to Members of Congress for living expenses; to the Committee on Ways and Means.

By Mr. DORGAN of North Dakota (for himself, Mr. Marlenee, Mr. Sabo, and Mr. Williams of Montana):

H.R. 6416. A bill to provide for the use and distribution of funds awarded the Pembina Chippewa Indians in dockets numbered 113, 191, 221, and 246 of the Court of Claims; to the Committee on Interior and Insular Affairs.

By Mr. FARY (for himself and Mr. Stangeland):

H.R. 6417. A bill to amend Public Law 96-432 relating to the U.S. Capitol Grounds; to the Committee on Public Works and Transportation.

By Mr. FIELDS:

H.R. 6418. A bill to amend the Internal Revenue Code of 1954 to treat as medical care the expenses of meals and lodging of a parent or guardian accompanying a child away from home for the purpose of receiving medical care, and the expenses of meals and lodging of a child away from home for the purpose of receiving medical care on an outpatient basis; to the Committee on Ways and Means.

By Mr. FOLEY:

H.R. 6419. A bill to direct the Secretary of the Interior to release certain conditions contained in a patent concerning certain land conveyed by the United States to Eastern Washington University; to the Committee on Interior and Insular Affairs.

By Mr. FRANK (for himself, Mr. Fish, and Mr. Railsback):

H.R. 6420. A bill to to amend chapter 113 of title 18 of the United States code to strengthen the laws against computer program and data base piracy and counterfeiting, and for other purposes; to the Committee on the Judiciary.

By Mr. FRENZEL:

H.R. 6421. A bill to amend the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code of 1954, to permit the making of certain loans and leases by an employee benefit plan to a substantial employer maintaining the plan, and for other purposes; jointly to the Committees on Education and Labor and Ways and Means.

By Mr. GEJDENSON:

H.R. 6422. A bill to direct the Secretary of Agriculture to release on behalf of the United States a reversionary interest in certain land previously conveyed to the State of Connecticut; to the Committee on Agriculture.

By Mr. HAGEDORN:

H.R. 6423. A bill to amend the Trade Act of 1974 to insure reciprocal agricultural trade opportunities, and for other purposes; to the Committee on Ways and Means.

H.R. 6424. A bill to amend the Agricultural Act of 1970, to prohibit restrictions on the export of certain agricultural commodities; jointly, to the Committees on Agricultural and Foreign Affairs.

By Mr. MARRIOTT:

H.R. 6425. A bill to amend section 280A of the Internal Revenue Code of 1954 by repealing the provision directing the Secretary of the Treasury to prescribe amounts deductible without substantiation by Members of Congress for living expenses, and for other purposes; jointly, to the Committees on Ways and Means and Rules.

By Mr. MOORE (for himself, Mr. Conable, Mr. Gibbons, and Mr. Bafalis):

H.R. 6426. A bill to amend the Internal Revenue Code of 1954 to allow nondeductible savings contributions to individual retirement accounts and individual retirement annuities; to the Committee on Ways and Means.

By Mr. MOTTL:

H.R. 6427. A bill to require the National Highway Traffic Safety Administration to provide for the establishment by States of motor vehicle title and inspection requirements in order to promote traffic safety and deter motor vehicle theft, and for other purposes; to the Committee on Energy and Commerce.

By Mr. NICHOLS (for himself, Mr. Bevill, Mr. Dickinson, Mr. Edwards of Alabama, Mr. Flippo, Mr. Shelby, and Mr. Smith of Alabama):

H.R. 6428. A bill to designate certain lands in the Talladega National Forest, Ala., as a wilderness area and for other purposes; to the Committee on Interior and Insular Affairs.

By NOWAK (for himself, Mr. Marriott, Mr. Moore, Mr. Mitchell of Maryland, Mr. McDade, Mr. Philip M. Crane, Mr. LaFalce, and Mrs. Heckler):

H.R. 6429. A bill to delay until July 1, 1984, the effective date for regulations prescribed under section 385 of the Internal Revenue Code of 1954, relating to the treatment of interests in corporations as stock or indebtedness, and for other purposes; to the Committee on Ways and Means.

By Mr. PARRIS:

H.R. 6430. A bill to authorize the Secretary of the Interior to establish a memorial to the Civilian Conservation Corps at Prince William Forest Park, in the State of Virginia; to the Committee on House Administration.

By Mr. PEYSER:

H.R. 6431. A bill to amend the Internal Revenue Code of 1954 to require Members of Congress to substantiate their deductions for living expenses while away from home; to the Committee on Ways and Means.

By Mr. PORTER:

H.R. 6432. A bill to amend title 5, United States Code, to provide that a Member of Congress may not be paid an annuity under the civil service retirement system for service as a Member if convicted of any felony, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. SHANNON (for himself, Mr. Gibbons, Mr. Lundine, Mr. Guarini, Mr. McCloskey, Mr. Edwards of California, Mr. Anderson, Mr. Brown of California, Mr. Beilenson, Mr. John L. Burton, Mr. Phillip Burton, Mr. Coelho, Mr. Dymally, Mr. Fazio, Mr. Lantos, Mr. Matsui, Mr. Mineta, Mr. Panetta, Mr. Roybal, and Mr. Goldwater):

H.R. 6433. A bill to authorize negotiations directed toward opening foreign markets to U.S. exports of high-technology products, and for other purposes; jointly, to the Committees on Ways and Means and Foreign Affairs.

By Mr. SHELBY:

H.R. 6434. A bill to amend section 8312 of title 5, United States Code, to provide that a Member of Congress may not be paid an annuity under the civil service retirement system for service as a Member if convicted of any felony which occurred in connection with his employment as a Member and is punishable by imprisonment for 2 or more years, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. STARK:

H.R. 6435. A bill to amend the Internal Revenue Code of 1954 to provide a tax credit for the expenses of collecting certain types of scientific data in foreign countries; to the Committee on Ways and Means.

H.R. 6436. A bill to authorize negotiations directed toward opening foreign markets to U.S. exports of high-technology products, and for other purposes; jointly, to the Committees on Ways and Means and Foreign Affairs.

By Mr. GONZALEZ:

H.J. Res. 488. Joint resolution to disapprove certain rules prescribed by the Secretary of Housing and Urban Development; to the Committee on Banking, Finance and Urban Affairs.

By Mr. UDALL:

H.J. Res. 489. Joint resolution requesting the President to negotiate the creation of a United States-Soviet "Exchange for Peace" program; to the Committee on Foreign Affairs.

By Mr. DYSON (for himself and Mr. Pepper):

H. Con. Res. 346. Concurrent resolution expressing the sense of the Congress that funds should be appropriated during fiscal year 1983, and in subsequent fiscal years, for programs under the Older Americans Act of 1965 in such amounts as may be necessary to maintain or expand such programs as reauthorized under the Older Americans Act Amendmens of 1981; to the Committee on Education and Labor.

By Mr. HOLLENBECK:

H. Res. 472. Resolution expressing the sense of the House of Representatives that funding under the Older Americans Act of 1965 for fiscal years 1983 and 1984 should be restored to the full amount of funding authorized by the Older Americans Act Amendments of 1981; to the Committee on Education and Labor.

By Mr. HOLLENBECK (for himself, Mr. Pepper, Mr. Rinaldo, Mr. Andrews, Mr. Bevill, Mr. Clinger, Mr. Derrick, Mr. Ford of Michigan, Mr. Frank, Mr. Gingrich, Mr. Hughes, Mr. Fauntroy, Mr. Howard, Mr. Jeffords, Mr. Kastenmeier, Mr. Mottl, Ms. Oakar, Mr. Ottinger, Mr. Roe, Mr. Rosenthal, Mr. Mitchell of Maryland, Mr. Smith of Pennsylvania, Mr. Stokes, Mr. Sunia, Mr. Waxman, Mr. Weiss, and Mr. Ford of Tennessee):

H. Res. 473. Resolution expressing the sense of the House of Representatives that no further reductions should be made in the funding currently available for fiscal year 1983 for programs administered under the Older Americans Act of 1965; to the Committee on Education and Labor.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

381. By the SPEAKER: Memorial of the Legislature of the State of Hawaii, relative to Fort De Russy; to the Committee on Armed Services.

382. Also, memorial of the Legislature of the State of California, relative to Federal detention facilities; to the Committee on Public Works and Transportation.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 808: Mr. Natcher.

H.R. 1331: Mr. Dunn, Mr. Lee, Mr. Roe, Mr. Shamansky, and Mr. Smith of New Jersey.

H.R. 1353: Mr. Daschle.

H.R. 1454: Mr. Reuss.

H.R. 1648: Mr. Vander Jagt, Mr. Roberts of South Dakota, Mr. Napier, Mr. Nelligan, Mr. Hiler, Mr. Solomon, Mr. Dunn, and Mr. Hartnett.

H.R. 1937: Mr. Wampler, Mr. Clay, Mr. Fuqua, and Mr. Bingham.

H.R. 2280: Mr. LeBoutillier and Mr. Russo.

H.R. 4122: Mr. Wylie, Mr. Wolf, and Mr. Dougherty.

H.R. 4147: Mr. Rosenthal, Mr. Bingham, and Mr. Rahall.

H.R. 4554: Mr. Wortley.

H.R. 4657: Mr. Luken and Mr. Tauke.

H.R. 4685: Mr. Hendon.

H.R. 4957: Mr. Bedell.

H.R. 4975: Mr. Coelho and Mr. Shamansky.

H.R. 5044: Mr. Oxley, Mr. Nichols, Mr. Bevill, Mr. Annunzio, Mr. Yatron, Mr. Wilson, Mr. Holland, Mr. Dwyer, Mr. D'Amours, Mr. Fazio, Mr. St Germain, Mr. Livingston, Mr. Vento, Mr. Evans of Georgia, Mr. Heftel, Mr. Won Pat, Mr. English, Mr. Roemer, Mr. Gilman, Mr. Coelho, Mr. Green, Mr. Ertel, Mr. Smith of Iowa, Mr. Tauke, Mrs. Chisholm, Mr. Pepper, Mr. Edgar, Mr. Lowery of California, and Mr. Oberstar.

H.R. 5045: Mr. Oxley, Mr. Nichols, Mr. Bevill, Mr. Annunzio, Mr. Yatron, Mr. Wilson, Mr. Holland, Mr. Dwyer, Mr. D'Amours, Mr. Fazio, Mr. St Germain, Mr. Vento, Mr. Evans of Georgia, Mr. Heftel, Mr. Won Pat, Mr. English, Mr. Roemer, Mr. Gilman, Mr. Coelho, Mr. Green, Mr. Ertel, Mr. Smith of Iowa, Mrs. Chisholm, Mr. Pepper, Mr. Edgar, and Mr. Oberstar.

H.R. 5046: Mr. Nichols, Mr. Bevill, Mr. Annunzio, Mr. Yatron, Mr. Wilson, Mr. Holland, Mr. Dwyer, Mr. St Germain, Mr. Livingston, Mr. Vento, Mr. Evans of Georgia, Mr. Heftel, Mr. Won Pat, Mr. English, Mr. Roemer, Mr. Gilman, Mr. Ertel, Mr. Smith of Iowa, Mr. Pepper, Mr. Edgar, Mr. Lowery of California, and Mr. Oberstar.

H.R. 5047: Mr. Nichols, Mr. Bevill, Mr. Annunzio, Mr. Yatron, Mr. Wilson, Mr. Holland, Mr. Dwyer, Mr. St Germain, Mr. Vento, Mr. Evans of Georgia, Mr. Heftel, Mr. Won Pat, Mr. English, Mr. Roemer, Mr. Gilman, Mr. Ertel, Mr. Smith of Iowa, Mr. Pepper, Mr. Edgar, and Mr. Oberstar.

H.R. 5048: Mr. Oxley, Mr. Nichols, Mr. Bevill, Mr. Annunzio, Mr. Yatron, Mr. Wilson, Mr. Holland, Mr. Dwyer, Mr. D'Amours, Mr. Fazio, Mr. St Germain, Mr. Livingston, Mr. Vento, Mr. Evans of Georgia, Mr. Heftel, Mr. Won Pat, Mr. English, Mr. Roemer, Mr. Gilman, Mr. Coelho, Mr. Green, Mr. Ertel, Mr. Smith of Iowa, Mr. Pepper, Mr. Edgar, Mr. Lowery of California, and Mr. Oberstar.

H.R. 5115: Mr. Oberstar.

H.R. 5180: Mr. Williams of Ohio, Mr. Ertel, Mr. Young of Florida, Mr. Mitchell of New York, Mr. Craig, Mr. Moakley, and Mr. James K. Coyne.

H.R. 5242: Mr. Derrick.

H.R. 5346: Mr. Gradison.

H.R. 5584: Mr. Winn, Mr. Campbell, and Mr. Spence.

H.R. 5585: Mr. Winn.

H.R. 5653: Mr. Kildee, Mr. McCurdy, Mr. English, Mr. Mavroules, Mr. Hyde, Mr. Mitchell of Maryland, Mr. Weaver, Mr. Bonker, Mr. Blanchard, Mr. Wolpe, Mr. Emery, Mr. Shamansky, Mrs. Kennelly, Mr. Foglietta, Mr. Beilenson, and Mr. Scheuer.

H.R. 5664: Mr. Hawkins, Mr. Frank, Mr. Sunia, Mr. Roe, Mr. Clay, Mr. Dymally, and Mr. Stokes.

H.R. 5665: Mrs. Martin of Illinois, Mr. Porter, Mr. Fary, and Mr. Annunzio.

H.R. 5682: Mr. LaFalce.

H.R. 5853: Mr. Fauntroy, Mr. Moffett, and Mr. Won Pat.

H.R. 6036: Mr. Smith of New Jersey, Mrs. Heckler, Mr. Frost, Mr. Long of Maryland, and Mr. Howard.

H.R. 6058: Mr. Beilenson, Mr. Hansen of Idaho, Mr. Leach of Iowa, Mr. Shumway, Mr. Moorhead, Mr. Badham, Mr. James K. Coyne, and Mr. Goldwater.

H.R. 6112: Mr. Anderson.

H.R. 6113: Mr. Anderson.

H.R. 6124: Mr. Weiss, Mr. Won Pat, Mr. Benjamin, Mr. D'Amours, Mr. Reuss, Mr. Perkins, Mr. Dingell, Mr. Brodhead, Mr. Ford of Michigan, Mr. Minish, Mr. Conyers, Mrs. Collins of Illinois, Mr. Crockett, Mr. Dixon, Mr. Fauntroy, Mr. Garcia, Mr. Leland, Mr. Mitchell of Maryland, Mr. Rangel, Mr. Stokes, Mr. Washington, Mr. Stark, Mr. Clay, Mr. Annunzio, and Mr. Rahall.

H.R. 6136: Mr. Gradison, Mr. Synar, Mr. Morrison, Mr. Weber of Minnesota, Mr. Frank, Mr. Hughes, Mr. Hiler, Mr. Hubbard, Mr. Lagomarsino, Mr. Luken, Mr. Roberts of Kansas, Mr. Loeffler, Mr. Bethune, Mr. Daub, Mr. Bonker, Mr. Oxley, Mr. Wolf, and Mrs. Heckler.

H.R. 6166: Mr. Donnelly, Mr. D'Amours, Mr. Hartnett, Mr. Daschle, Mr. Kazen, Mr. Luken, Mr. Lent, Mrs. Fenwick, Mr. Mitchell of New York, Mr. Winn, Mr. McGrath, Mr. Young of Alaska, Mr. Wolf, Mr. Kemp, Mr. Ford of Tennessee, Mr. Moakley, Mr. Fauntroy, Mr. Stokes, Mr. Yatron, Mr. Hughes, Mr. Mottl, Mr. Minish, Mr. de la Garza, Mr. Heftel, Mr. Fish, Mr. Barnes, Mr. Tauke, and Mr. Roe.

H.R. 6170: Mr. Hammerschmidt, Mr. Neal, Mr. McHugh, Mr. Rose, Mr. Weiss, Mr. Erdahl, Mr. McClory, Mr. Ford of Tennessee, Mr. Weber of Minnesota, Mrs. Collins of Illinois, Mr. Heftel, Ms. Ferraro, Mr. Wolpe, Mr. Goodling, Mr. Morrison, Mr. Won Pat, Mr. Fish, Mr. Dunn, Mr. Green, Mr. Coelho, Mr. Dyson, and Mr. Guarini.

H.R. 6236: Mr. Fauntroy, Mrs. Chisholm, Mr. Scheuer, Mr. Rosenthal, Mr. Ford of Tennessee, Mr. Gejdenson, Mr. Dellums, Mr. Murphy, Mr. Bereuter, Mr. Kindness, Mr. Wyden, Mr. Edgar, Mr. Dixon, Ms. Mikulski, Mr. Patterson, Mr. Pepper, Mr. Wilson, Mr. Lowry of Washington, Mr. AuCoin, Mr. Hughes, Mr. Kildee, Mr. Mitchell of Maryland, Mr. Ottinger, Mr. Tauke, Mr. Dymally, Mr. Fazio, and Mr. Brooks.

H.R. 6325: Mr. Michel, Mr. Lott, Mr. Conte, Mr. Albosta, Mr. Frank, Mr. Pursell, Mr. Rahall, Mr. McClory, Mr. McEwen, Mr. Lagomarsino, Mr. Gunderson, Mr. Craig, Mr. Bereuter, Mr. Emery, Mr. Wilson, Mr. Daub, Mr. Johnston, Mr. Napier, Mr. Wolf, Mr. Roberts of South Dakota, Mr. Forsythe, Mr. Whitehurst, Mr. Dunn, Mr. Brodhead, and Mr. Kindness.

H.R. 6348: Mr. Daschle.

H.J. Res. 81: Mr. Bereuter.

H.J. Res. 93: Mr. Dellums, Mr. Fauntroy, Mr. Conyers, Mr. Moffett, Mr. Clay, Mr. Edgar, Mr. Mitchell of Maryland, Mr. Wolpe, Mr. Mineta, Mr. Crockett, Mr. Edwards of California, Mr. Lowry of Washington, Mr. Bedell, Mr. Weaver, Mr. Vento, and Mr. Rosenthal.

H.J. Res. 172: Mr. Smith of New Jersey.

H.J. Res. 225: Mr. Hopkins, Mrs. Snowe, Mr. Hollenbeck, Mr. Alexander, Mr. Daub, Mr. LeBoutillier, Mr. Rudd, Mr. Bolling, Mr. Hammerschmidt, Mr. Wirth, Mr. Burgener, Mr. Pashayan, Mr. Dixon, Mr. Brown of California, Mr. Hightower, Mr. Solarz, Mr. O'Brien, Mr. Latta, Mr. Napier, Mr. Deckard, Mr. Gradison, Mr. Rosenthal, Mr. Fazio, Mr. Trible, Mr. Breaux, Mr. Synar, Mr. Anthony, Mr. Rousselot, Mr. Clausen, Mr. Nichols, Mr. de la Garza, Mr. Siljander, Mr. Rhodes, Mr. Corrada, Mr. Smith of Alabama, Mr. Brinkley, Mr. Gephardt, Mr. Traxler, Mr. Parris, Mr. Shaw, and Mr. Evans of Iowa.

H.J. Res. 332: Mr. Yatron, Mr. Shamansky, Mr. Hollenbeck, Mr. Nowak, Mrs. Roukema, Mr. Roemer, Mr. Gilman, Mr. Quillen, Mrs. Schroeder, and Mr. Moore.

H.J. Res. 449: Mr. Fish, Mr. Kramer, and Mr. Conyers.

H. Con. Res. 303: Mr. Corrada, Mr. Mitchell of Maryland, Mr. LaFalce, Mr. Shannon, Mr. Patterson, Mr. Kildee, Mr. Bedell, Mr. Studds, Mr. Richmond, Mr. Dwyer, Mr. Mottl, Mr. Russo, Mr. Gray, Ms. Mikulski, Mr. Moffett, Mrs. Fenwick, Ms. Oakar, Mr. Vento, Mr. Mattox, Mr. Mavroules, Mr. Hughes, Mr. Roe, Mr. Wyden, Mr. Heftel, Mr. Ratchford, Mr. Gingrich, Mr. Phillip Burton, and Mr. Panetta.

H. Con. Res. 328: Mr. Shamansky.

H. Con. Res. 341: Mr. Smith of Alabama.

H. Res. 234: Mr. Forsythe, Mr. Fazio, and Mr. James K. Coyne.

H. Res. 252: Mr. Zeferetti and Mr. Donnelly.

H. Res. 412: Mr. Shuster and Mr. Eckart.

H. Res. 426: Mr. Solomon, Mr. Hartnett, Mr. Coats, Mr. Regula, Mr. Courter, and Mr. James K. Coyne.

H. Res. 429: Mr. Hoyer.

H. Res. 456: Mr. Bevill and Mr. Wolpe.

H. Res. 457: Mr. Weiss, Mrs. Heckler, Mr. Swift, and Mr. Frank.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

443. By the SPEAKER: Petition of the National Emergency Management Association, Lake Osage, Mo., relative to the support of an effective comprehensive emergency management program; to the Committee on Armed Services.

444. Also, petition of Project Equality, Inc., Kansas City, Mo., relative to equal employment opportunity laws and regulations and budget cuts impacting the poor; jointly, to the Committees on Education and Labor and Government Operations.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H. Con. Res. 345

By Mr. ASPIN:

—Strike all after the Resolving Clause and insert in lieu thereof the following:

TITLE I—REVISION OF THE CONGRESSIONAL BUDGET FOR THE UNITED STATES GOVERNMENT FOR THE FISCAL YEAR 1982

Sec. 101. The provisions of this title shall supersede the figures reaffirmed in S. Con. Res. 50 of the Ninety-seventh Congress for the fiscal year beginning on October 1, 1981.

Sec. 102. (a)(1) The level of Federal revenues is $622,800,000,000 and the net amount by which the aggregate level of Federal revenues should be decreased is $200,000,000.

(2) The level of total new budget authority is $784,500,000,000.

(3) The level of total budget outlays is $743,900,000,000.

(4) The amount of the deficit in the budget is $121,100,000,000.

(5) The level of the public debt is $1,147,700,000,000 and the amount by which the statutory limit on such debt should accordingly be increased is $747,700,000,000.

(6) The level of total obligations for the principal amount of new direct loans is $63,400,000,000, the level of total new primary commitments to guarantee loan principal is $74,850,000,000, and the level of total new secondary commitments to guarantee loan principal is $88,950,000,000.

(b) Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of subsection (a) of this section of this resolution, the Congress hereby determines and declares that, for the fiscal year beginning on October 1, 1981, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are as follows:

(1) National Defense (050):

(A) New budget authority, $218,200,000,000;

(B) Outlays, $190,800,000,000.

(2) International Affairs (150):

(A) New budget authority, $16,750,000,000;

(B) Outlays, $11,450,000,000.

(3) General Science, Space, and Technology (250):

(A) New budget authority, $7,000,000,000;

(B) Outlays, $7,000,000,000.

(4) Energy (270):

(A) New budget authority, $4,750,000,000;

(B) Outlays, $6,500,000,000.

(5) Natural Resources and Environment (300):

(A) New budget authority, $10,400,000,000;

(B) Outlays, $12,850,000,000.

(6) Agriculture (350):

(A) New budget authority, $9,900,000,000;

(B) Outlays, $13,800,000,000.

(7) Commerce and Housing Credit (370):

(A) New budget authority, $7,500,000,000;

(B) Outlays, $3,750,000,000.

(8) Transportation (400):

(A) New budget authority, $21,350,000,000;

(B) Outlays, $21,450,000,000.

(9) Community and Regional Development (450):

(A) New budget authority, $7,000,000,000;

(B) Outlays, $8,650,000,000.

(10) Education, Training, Employment and Social Services (500):

(A) New budget authority, $25,450,000,000;

(B) Outlays, $28,200,000,000.

(11) Health (550):

(A) New budget authority, $79,050,000,000;

(B) Outlays, $73,750,000,000.

(12) Income Security (600):

(A) New budget authority, $261,350,000,000;

(B) Outlays, $251,850,000,000.

(13) Veterans Benefits and Services (700):

(A) New budget authority, $24,800,000,000;

(B) Outlays, $23,800,000,000.

(14) Administration of Justice (750):

(A) New budget authority, $4,500,000,000;

(B) Outlays, $4,650,000,000.

(15) General Government (800):

(A) New budget authority, $5,200,000,000;

(B) Outlays, $5,050,000,000.

(16) General Purpose Fiscal Assistance (850):

(A) New budget authority, $6,350,000,000;

(B) Outlays, $6,350,000,000.

(17) Interest (900):

(A) New budget authority, $102,350,000,000;

(B) Outlays, $102,350,000,000.

(18) Allowances (920):

(A) New budget authority, $2,850,000,000;

(B) Outlays, $1,900,000,000.

(19) Undistributed Offsetting Receipts (950):

(A) New budget authority, −$30,250,000,000.

(B) Outlays, −$30,250,000,000.

Sec. 103. (a) There is established a congressional Federal credit budget for fiscal year 1982 of which the levels of total Federal credit activity for fiscal year 1982 are:

(1) New direct loan obligations, $63,400,000,000.

(2) New primary loan guarantee commitments, $74,850,000,000.

(3) New secondary loan guarantee commitments, $68,950,000,000.

(b) Based on allocations of the appropriate levels of total Federal credit activity as set forth in paragraph (1) of this subsection, the appropriate levels of new direct loan obligations, new primary loan guarantee commitments, and new secondary loan guarantee commitments for each functional category are as follows:

(1) National Defense (050):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(2) International Affairs (150):

(A) New direct loan obligations, $10,400,000,000;

(B) New primary loan guarantee commitments, $8,100,000,000;

(C) New primary loan guarantee commitments, $0.

(3) General Science, Space and Technology (250):

(A) New direct loan obligations, $200,000,000;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(4) Energy (270):

(A) New direct loan obligations, $10,300,000,000;

(B) New primary loan guarantee commitments, $400,000,000;

(C) New primary loan guarantee commitments, $0.

(5) Natural Resources and Environment (300):

(A) New direct loan obligations, $50,000,000;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(6) Agriculture (350):

(A) New direct loan obligations, $22,600,000,000;

(B) New primary loan guarantee commitments, $2,700,000,000;

(C) New secondary loan guarantee commitments, $0.

(7) Commerce and Housing Credit (370):

(A) New direct loan obligations, $12,050,000,000;

(B) New primary loan guarantee commitments, $26,200,000,000;

(C) New secondary loan commitments, $68,200,000,000.

(8) Transportation (400):

(A) New direct loan obligations, $350,000,000;

(B) New primary loan guarantee commitments, $750,000,000;

(C) New secondary loan guarantee commitments, $50,000,000.

(9) Community and Regional Development (450):

(A) New direct loan obligations, $2,000,000,000;

(B) New primary loan guarantee commitments, $850,000,000;

(C) New secondary loan guarantee commitments, $0.

(10) Education, Training, Employment, and Social Services (500):

(A) New direct loan obligations, $1,300,000,000;

(B) New primary loan guarantee commitments, $8,500,000,000;

(C) New secondary loan guarantee commitments, $700,000,000.

(11) Health (550):

(A) New direct loan obligations, $50,000,000;

(B) New primary loan guarantee commitments, $100,000,000;

(C) New secondary loan guarantee commitments, $0.

(12) Income Security (600):

(A) New direct loan obligations, $2,750,000,000;

(B) New primary loan guarantee commitments, $17,050,000,000;

(C) New secondary loan guarantee commitments, $0.

(13) Veterans Benefits and Services (700):

(A) New direct loan obligations, $1,050,000,000;

(B) New primary loan guarantee commitments, $11,900,000,000;

(C) New secondary loan guarantee commitments, $0.

(14) Administration of Justice (750):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0.

(C) New secondary loan guarantee commitments, $0.

(15) General Government (800):

(A) New direct loan obligations, $50,000,000;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(16) General Purpose Fiscal Assistance (850):

(A) New direct loan obligations, $250,000,000;

(B) New primary loan guarantee commitments, $300,000,000;

(C) New secondary loan guarantee commitments, $0.

(17) Interest (900):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(18) Allowances (920):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(19) Undistributed Offsetting Receipts (950):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(D) It is the sense of the Congress that the President and the Congress, through the appropriations process, should limit in fiscal year 1982 and off-budget lending activity of the Federal Government to a level not to exceed $30,200,000,000, the on-budget lending activity to a level not to exceed $33,200,000,000, new primary loan guarantee commitments to a level not to exceed $74,850,000,000, and new secondary loan guarantee commitments to a level not to exceed $68,950,000,000.

TITLE II—SETTING FORTH THE CONGRESSIONAL BUDGET FOR THE UNITED STATES GOVERNMENT FOR THE FISCAL YEARS 1983, 1984, AND 1985

Sec. 201. The Congress hereby determines and declares, pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on October 1, 1982—

(1) the level of Federal revenues is $875,750,000,000, and the net amount by which the aggregate level of Federal revenues should be increased is $29,750,000,000,

(2) the level of total new budget authority is $822,400,000,000,

(3) the level of total budget outlays is $770,800,000,000

(4) the amount of the deficit in the budget is $95,050,000,000

(5) the level of the public debt is $1,285,550,000,000, and the amount by which the statutory limit on such debt should accordingly be increased is $885,550,000,000.

Sec. 202. Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of section 201 of this resolution, the Congress hereby determines and declares pursuant to section 301(a) of the Congressional Budget Act of 1974 that, for the fiscal year beginning on October 1, 1982, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are as follows:

(1) National Defense (050):

(A) New budget authority $242,900,000,000;

(B) Outlays, $209,850,000,000.

(2) International Affairs (150):

(A) New budget authority, $16,050,000,000;

(B) Outlays, $12,000,000,000.

(3) General Science, Space, and Technology (250):

(A) New budget authority, $8,100,000,000;

(B) Outlays, $7,700,000,000.

(4) Energy (270):

(A) New budget authority, $5,000,000,000;

(B) Outlays, $4,700,000,000.

(5) Natural Resources and Environment (300):

(A) New budget authority, $9,500,000,000;

(B) Outlays, $10,900,000,000.

(6) Agriculture (350):

(A) New budget authority, $7,000,000,000;

(B) Outlays, $9,300,000,000.

(7) Commerce and Housing Credit (370):

(A) New budget authority, $7,950,000,000;

(B) Outlays, $2,950,000,000.

(8) Transportation (400):

(A) New budget authority, $22,500,000,000;

(B) Outlays, $20,450,000,000.

(9) Community and Regional Development (450):

(A) New budget authority, $7,000,000,000;

(B) Outlays, $7,900,000,000.

(10) Education, Training, Employment and Social Services (500):

(A) New budget authority, $27,900,000,000;

(B) Outlays, $27,550,000,000.

(11) Health (550):

(A) New budget authority, $77,050,000,000;

(B) Outlays, $79,850,000,000.

(12) Income Security (600):

(A) New budget authority, $285,400,000,000;

(B) Outlays, $272,250,000,000.

(13) Veterans Benefits and Services (700):

(A) New budget authority, $24,400,000,000;

(B) Outlays, $23,850,000,000.

(14) Administration of Justice (750):

(A) New budget authority, $4,600,000,000;

(B) Outlays, $4,650,000,000.

(15) General Government (800):

(A) New budget authority, $5,000,000,000;

(B) Outlays, $4,850,000,000.

(16) General Purpose Fiscal Assistance (850):

(A) New budget authority, $6,500,000,000;

(B) Outlays, $6,500,000,000.

(17) Interest (900):

(A) New budget authority, $112,550,000,000;

(B) Outlays, $112,550,000,000.

(18) Allowances (920):

(A) New budget authority, −$3,350,000,000;

(B) Outlays, −$3,150,000,000.

(19) Undistributed Offsetting Receipts (950):

(A) New budget authority, −$43,650,000,000;

(B) Outlays, −$43,650,000,000.

Sec. 203(a). There is established a congressional federal credit budget for fiscal year 1983 of which the levels of total federal credit activity for fiscal year 1983 are:

(1) New direct loan obligations, $55,000,000,000,

(2) New primary loan guarantee commitments, $99,100,000,000,

(3) New secondary loan guarantee commitments, $68,250,000,000.

(b) Based on allocations of the appropriate levels of total federal credit activity as set forth in paragraph (1) of this subsection, the appropriate levels of new direct loan obligations, new primary loan guarantee commitments, and new secondary loan guarantee commitments for each functional category are as follows:

(1) National Defense (050):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(2) International Affairs (150):

(A) New direct loan obligations, $10,750,000,000;

(B) New primary loan guarantee commitments, $8,950,000,000;

(C) New secondary loan guarantee commitments, $0.

(3) General Science, Space and Technology (250):

(A) New direct loan obligations, $150,000,000;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(4) Energy (270):

(A) New direct loan obligations, $11,950,000,000;

(B) New primary loan guarantee commitments, −$850,000,000;

(C) New secondary loan guarantee commitments, $0.

(5) Natural Resources and Environment (300):

(A) New direct loan obligations, $50,000,000;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(6) Agriculture (350):

(A) New direct loan obligations, $18,250,000,000;

(B) New primary loan guarantee commitments, $2,650,000,000;

(C) New secondary loan guarantee commitments, $0.

(7) Commerce and Housing Credit (370):

(A) New direct loan obligations, $12,150,000,000;

(B) New primary loan guarantee commitments, $40,100,000,000;

(C) New secondary loan guarantee commitments, $68,250,000,000.

(8) Transportation (400):

(A) New direct loan obligations, $350,000,000;

(B) New primary loan guarantee commitments, $750,000,000;

(C) New secondary loan guarantee commitments, $0.

(9) Community and Regional Development (450):

(A) New direct loan obligations, $1,950,000,000;

(B) New primary loan guarantee commitments, $500,000,000;

(C) New secondary loan guarantee commitments, $0.

(10) Education, Training, Employment and Social Services (500):

(A) New direct loan obligations, $850,000,000;

(B) New primary loan guarantee commitments, $7,250,000,000;

(C) New secondary loan guarantee commitments, $0.

(11) Health (550):

(A) New direct loan obligations, $50,000,000;

(B) New primary loan guarantee commitments, $100,000,000;

(C) New secondary loan guarantee commitments, $0.

(12) Income Security (600):

(A) New direct loan obligations, $2,050,000,000;

(B) New primary loan guarantee commitments, $18,700,000,000;

(C) New secondary loan guarantee commitments, $0.

(13) Veterans Benefits and Services (700):

(A) New direct loan obligations, $1,050,000,000;

(B) New primary loan guarantee commitments, $20,950,000,000;

(C) New secondary loan guarantee commitments, $0.

(14) Administration of Justice (750):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(15) General Government (800):

(A) New direct loan obligations, $50,000,000;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(16) General Purpose Fiscal Assistance (850):

(A) New direct loan obligations, $250,000,000;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(17) Interest (900):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(18) Allowances (920):

(A) New direct loan obligations, −$4,900,000,000;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(19) Undistributed Offsetting Receipts (950):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(C) It is the sense of the Congress that the President and the Congress, through the appropriations process, should limit in fiscal year 1983 the off-budget lending activity of the Federal Government to a level not to exceed $31,050,000,000, the on-budget lending activity to a level not to exceed $24,950,000,000, new primary loan guarantee commitments to a level not to exceed $99,100,000,000, and new secondary loan guarantee commitments to a level not to exceed $68,250,000,000.

Sec. 204. The Congress sets forth the following budgetary levels for fiscal years 1984 and 1985—

(1) the level of Federal revenues is as follows:

Fiscal year 1984: $751,000,000,000,

Fiscal year 1985: $843,000,000,000. And the amount by which the aggregate levels of Federal revenues should be increased or decreased is as follows:

Fiscal year 1984: $46,000,000,000,

Fiscal year 1985: $59,000,000,000.

(2) the level of total new budget authority is as follows:

Fiscal year 1984: $886,050,000,000,

Fiscal year 1985: $949,200,000,000.

(3) the level of total budget outlays is as follows:

Fiscal year 1984: $823,300,000,000,

Fiscal year 1985: $875,700,000,000.

(4) the amount of the surplus in the budget is:

Fiscal year 1984: $72,300,000,000,

Fiscal year 1985: $32,7000,000,000.

(5) the level of the public debt is as follows:

Fiscal year 1984: $1,404,450,000,000,

Fiscal year 1985: $1,490,800,000,000.

and the amount by which the temporary statutory limit on such debt should be accordingly increased is as follows:

Fiscal year 1984: $1,004,450,000,000,

Fiscal year 1985: $1,090,800,000,000.

Sec. 205. Based on allocations of the appropriate level of total new budget authority and of total budget outlays for fiscal years 1984 and 1985 as set forth above, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are respectively as follows:

(1) National Defense (050):

Fiscal year 1984:

(A) New budget authority, $268,650,000,000;

(B) Outlays, $235,500,000,000.

Fiscal year 1985:

(A) New budget authority, $296,850,000,000;

(B) Outlays, $266,200,000,000.

(2) International Affairs (150):

Fiscal year 1984:

(A) New budget authority, $16,400,000,000;

(B) Outlays, $11,900,000,000.

Fiscal year 1985:

(A) New budget authority, $20,800,000,000;

(B) Outlays, $11,900,000,000.

(3) General Science, Space, and Technology (250):

Fiscal year 1984:

(A) New budget authority, $8,300,000,000;

(B) Outlays, $8,100,000,000.

Fiscal year 1985:

(A) New budget authority, $8,100,000,000;

(B) Outlays, $8,050,000,000.

(4) Energy (270):

Fiscal year 1984:

(A) New budget authority, $4,400,000,000;

(B) Outlays, $3,750,000,000.

Fiscal year 1985:

(A) New budget authority, $4,350,000,000;

(B) Outlays, $3,550,000,000.

(5) Natural Resources and Environment (300):

Fiscal year 1984:

(A) New budget authority, $9,000,000,000;

(B) Outlays, $9,950,000,000.

Fiscal year 1985:

(A) New budget authority, $8,500,000,000;

(B) Outlays, $9,050,000,000.

(6) Agriculture (350):

Fiscal year 1984:

(A) New budget authority, $8,550,000,000;

(B) Outlays, $7,750,000,000.

Fiscal year 1985:

(A) New budget authority, $8,500,000,000;

(B) Outlays, $7,450,000,000.

(7) Commerce and Housing Credit (370):

Fiscal year 1984:

(A) New budget authority, $8,500,000,000;

(B) Outlays, $2,600,000,000.

Fiscal year 1985:

(A) New budget authority, $8,350,000,000;

(B) Outlays, $2,600,000,000.

(8) Transportation (400):

Fiscal year 1984:

(A) New budget authority, $22,575,000,000;

(B) Outlays, $20,250,000,000.

Fiscal year 1985:

(A) New budget authority, $23,125,000,000;

(B) Outlays, $20,450,000,000.

(9) Community and Regional Development (450):

Fiscal year 1984:

(A) New budget authority, $7,150,000,000;

(B) Outlays, $7,800,000,000.

Fiscal year 1985:

(A) New budget authority, $7,350,000,000;

(B) Outlays, $7,700,000,000.

(13) Veterans Benefits and Services (700):

Fiscal year 1984:

(A) New budget authority, $25,650,000,000;

(B) Outlays, $24,900,000,000.

Fiscal year 1985:

(A) New budget authority, $26,700,000,000;

(B) Outlays, $26,500,000,000.

(14) Administration of Justice (750):

Fiscal year 1984:

(A) New budget authority, $4,600,000,000;

(B) Outlays, $4,600,000,000.

Fiscal year 1985:

(A) New budget authority, $4,600,000,000;

(B) Outlays, $4,600,000,000.

(15) General Government (800):

Fiscal year 1984:

(A) New budget authority, $4,700,000,000;

(B) Outlays, $4,600,000,000.

Fiscal year 1985:

(A) New budget authority, $4,700,000,000;

(B) Outlays, $4,500,000,000.

(16) General Purpose Fiscal Assistance (850):

Fiscal year 1984:

(A) New budget authority, $6,750,000,000;

(B) Outlays, $6,700,000,000.

Fiscal year 1985:

(A) New budget authority, $6,850,000,000;

(B) Outlays, $6,850,000,000.

(17) Interest (900):

Fiscal year 1984:

(A) New budget authority, $114,200,000,000;

(B) Outlays, $114,200,000,000.

Fiscal year 1985:

(A) New budget authority, $105,650,000,000;

(B) Outlays, $105,650,000,000.

(18) Allowances (920):

Fiscal year 1984:

(A) New budget authority, −$2,450,000,000;

(B) Outlays, −$2,150,000,000.

Fiscal year 1985:

(A) New budget authority, −$2,000,000,000;

(B) Outlays, −$1,600,000,000.

(19) Undistributed Offsetting Receipts (950):

Fiscal year 1984:

(A) New budget authority, −$49,500,000,000;

(B) Outlays, −$49,500,000,000.

Fiscal year 1985:

(A) New budget authority, −$50,850,000,000;

(B) Outlays, −$50,850,000,000.

TITLE III—PROVIDING RECONCILIATION INSTRUCTIONS AND OTHER ENFORCEMENT MEASURES

Part A—Reconciliation Instructions

Sec. 301. Pursuant to section 301 (b) (2) of the Budget Act—

(A) the House Committee on Agriculture shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $207,000,000 and outlays by $207,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high deficits in future years requires additional savings in budget authority by $530,000,000 and outlays by $530,000,000 in fiscal year 1984 and budget authority by $661,000,000 and outlays by $661,000,000 in fiscal year 1985;

(B) the House Committee on Banking, Finance and Urban Affairs shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce outlays by $695,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high deficits in future years requires additional savings in outlays of $697,000,000 in fiscal year 1984 and outlays of $687,000,000 in fiscal year 1985;

(C) the House Committee on Education and Labor shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $73,000,000 and outlays by $73,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings in budget authority of $101,000,000 and outlays of $101,000,000 in fiscal year 1984 and budget authority of $97,000,000 and outlays of $97,000,000 in fiscal year 1985;

(D) the House Committee on Energy and Commerce shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $59,000,000 and outlays by $59,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high deficits in future fiscal years requires additional savings in budget authority of $65,000,000 and outlays of $65,000,000 in fiscal year 1984 and budget authority of $72,000,000 and outlays of $72,000,000 in fiscal year 1985;

(E) the House Committee on Veterans Benefits and services shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $171,000,000 and outlays by $171,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high deficits in future fiscal years requires additional savings in budget authority of $187,000,000 and outlays of $187,000,000 in fiscal year 1984 and budget authority of $195,000,000 and outlays of $195,000,000 in fiscal year 1985;

(F) the House Committee on Ways and Means shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $334,000,000 and outlays by $2,255,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high deficits in future fiscal years requires additional savings in budget authority of $205,000,000 and outlays of $000,000,000 in fiscal year 1984 and budget authority by $267,000,000 and outlays of $000,000,000 in fiscal year 1985;

(G) the House Committee on Ways and Means shall report changes in laws within the jurisdiction of that committee sufficient to increase revenue by $29,750,000,000 for fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional revenue increases of $46,000,000,000 for fiscal year 1984, and $59,000,000,000 for fiscal year 1985.

Sec. 302. Pursuant to section 301(b)(2) of the Budget Act—

(A) the Senate Committee on Agriculture, Nutrition, and Forestry shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $207,000,000 and outlays by $207,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high future budget deficits in future fiscal years requires additional savings in budget authority of $530,000,000 and outlays of $530,000,000 in fiscal year 1984 and budget authority of $661,000,000 and outlays of $661,000,000 in fiscal year 1985;

(B) the Senate Committee on Banking, Housing, and Urban Affairs shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $90,000,000 and outlays by $785,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high future budget deficits in future fiscal years requires additional savings in budget authority of $100,000,000 and outlays of $797,000,000 in fiscal year 1984 and budget authority of $104,000,000 and outlays of $791,000,000 in fiscal year 1985;

(C) the Senate Committee on Labor and Human Resources shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $73,000,000 and outlays by $73,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of budget authority of $101,000,000 and outlays of $101,000,000 in fiscal year 1984 and budget authority of $97,000,000 and outlays of $97,000,000 in fiscal year 1985;

(D) the Senate Committee on Veterans' Affairs shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $81,000,000 and outlays by $81,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of budget authority by $87,000,000 and outlays by $87,000,000 in fiscal year 1984 and budget authority by $91,000,000 and outlays by $91,000,000 in fiscal year 1985;

(E) the Senate Committee on Finance shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $393,000,000 and outlays by $2,314,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high deficits in future fiscal years requires additional savings in budget authority by $270,000,000 and outlays of $ in fiscal year 1984 and budget authority of $339,000,000 and outlays of $ in fiscal year 1985;

(F) the Senate Committee on Finance shall report changes in law within the jurisdiction of that committee sufficient to increase revenue by $29,750,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high deficits in future fiscal years requires additional revenue increases of $46,000,000 in fiscal year 1984 and of $59,000,000 in fiscal year 1985.

Sec. 303. The committees names in sections 301(A)-(E) and 302(A)-(D) shall submit their recommendations to the Committees on the Budget of their respective Houses. Those recommendations shall be sufficient to accomplish the changes required by such subsection. After receiving those recommendations, the Committees on the Budget shall report to the House and Senate a reconciliation bill or resolution or both carrying out all such recommendations without any substantive revision.

Sec. 304. (a) In the House of Representatives, no bill or resolution providing—

(1) new budget authority for fiscal year 1983, or

(2) new spending authority described in section 401(c)(2)(C) of the Congressional Budget Act first effective in fiscal year 1983 which exceeds the appropriate allocation or subdivision of such new discretionary budget authority or new spending authority made pursuant to section 302 of such Act shall be enrolled until after Congress has completed action on the second concurrent resolution on the budget required to be reported under section 310 of such Act.

(b) For purposes of this section, "budget authority" and "new discretionary budget authority" shall not include spending authority or budget authority derived from any highway, public transportation or aviation trust fund, 90 percent or more of the receipts of which consist or will consist of amounts (transferred from the general fund of the Treasury) equivalent to amounts of taxes (related to the purposes for which such outlays are or will be made) received in the Treasury under specified provisions of the Internal Revenue Code of 1954.

By Mr. BEILENSON:

(Amendment to H. Con. Res. 345 or any amendment thereto.)

—On page 39, strike section 304, relating to deferred enrollment.

This amendment would strike the deferred enrollment provisions from the resolution.

—On page 40, strike Section 305 relating to 302(b) allocation reports.

This amendment would strike the 302(b) report provisions.

By Mr. BONIOR of Michigan:

(Amendment offered to H. Con. Res. 345, as reported or any substitute thereto.)

—Page 12, line 18, strike out "and", on line 22, strike out the period and insert in lieu thereof " ; and", and after line 22, insert the following:

(6) the level of total tax expenditures is $273,135,000,000.

By Mr. CLAUSEN:

(Amendment to Michel Amendment in the Nature of a Substitute.)

—Section 304 is amended to read as follows:

"Sec. 304(a). In the House of Representatives, no bill or resolution providing—

(1) new budget authority for fiscal year 1983, or

(2) new spending authority described in section 401(c)(2)(C) of the Congressional Budget Act first effective in fiscal year 1983 which exceeds the appropriate allocation or subdivision of such new discretionary budget authority or new spending authority made pursuant to section 302 of such Act shall be enrolled until after Congress has completed action on the second concurrent resolution on the budget required to be reported under section 310 of such Act.

(b) If Congress increases revenues in a trust fund exempt under section 401(d)(1)(B) of the Congressional Budget Act, then for purposes of this section, "budget authority" and "new discretionary budget authority" shall not include spending authority or budget authority derived from any trust fund, 90 percent or more of the receipts of which consist or will consist of amounts (transferred from the general fund of the Treasury) equivalent to amounts of taxes (related to the purposes for which such outlays are or will be made) received in the Treasury under specified provisions of the Internal Revenue Code of 1954."

—In section 303 of the resolution insert the following new language: "If the changes in laws reported to the House by the House Committee on Ways and Means pursuant to Sec. 301(k) of this resolution contain changes involving the imposition of new or expanded user fees within the jurisdiction of any other Committee of the House an appropriate referral pursuant to Rule 10 of the Rules of the House should be considered.

By Mr. CONYERS:

—Page 12, line 14, (relating to the total budget authority for fiscal year 1983) strike out "$828,000,000,000" and insert in lieu thereof "$807,100,000,000".

Page 12, line 16, (relating to total budget outlays for fiscal year 1983) strike out "$780,550,000,000" and insert in lieu thereof "$772,150,000,000".

Page 12, line 18, (relating to the amount of the deficit for fiscal year 1983) strike out "$103,850,000,000" and insert in lieu thereof "$95,450,000,000".

Page 13, line 9, (relating to functional category 050) strike out "$242,850,000,000" and insert in lieu thereof "$221,950,000,000."

Page 13, line 10, (relating to functional category 050) strike out "$212,300,000,000" and insert in lieu thereof "$203,900,000,000".

By Mr. DANNEMEYER:

—Page 11, line 25, after the "period," strike page twelve and all that follows through page 40, line 17, and insert in lieu thereof the following:

TITLE II—SETTING FORTH THE CONGRESSIONAL BUDGET FOR THE UNITED STATES GOVERNMENT FOR THE FISCAL YEARS 1983, 1984, AND 1985

Sec. 201. The Congress hereby determines and declares, pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on October 1, 1982—

(1) the recommended level of Federal revenues is $682,900,000,000 and the net amount by which the aggregate level of Federal revenues should be decreased is $0;

(2) the appropriate level of total new budget authority is $701,827,000,000:

(3) the appropriate level of total budget outlays is $681,354,000,000:

(4) the amount of the surplus in the budget which is appropriate in the light of economic conditions and all other relevant factors is +$1,546,000,000; and

(5) the appropriate level of the public debt is $1,084,654,000,000 and the amount by which the statutory limit on such debt should accordingly be increased is $0.

Sec. 202. Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of section 201 of this resolution, the Congress hereby determines and declares pursuant to section 301(a) of the Congressional Budget Act of 1974 that, for the fiscal year beginning on October 1, 1982, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are as follows:

(1) National Defense (050):

(A) New budget authority, $222,758,000,000;

(B) Outlays, $194,696,000,000.

(2) International Affairs (150):

(A) New budget authority, $11,976,000,000;

(B) Outlays, $7,751,000,000.

(3) General Science, Space, and Technology (250):

(A) New budget authority, $6,853,000,000;

(B) Outlays, $,727,000,000.

(4) Energy (270):

(A) New budget authority, $3,647,000,000;

(B) Outlays, 3,306,000,000.

(5) Natural Resources and Environment (300):

(A) New budget authority, $9,267,000,000;

(B) Outlays, $10,130,000,000.

(6) Agriculture (350):

(A) New budget authority, $5,801,000,000;

(B) Outlays, $9,295,000,000.

(7) Commerce and Housing Credit (370):

(A) New budget authority, $3,892,000,000;

(B) Outlays, −$129,000,000.

(8) Transportation (400):

(A) New budget authority, $18,775,000,000;

(B) Outlays, $16,317,000,000.

(9) Community and Regional Development (450):

(A) New budget authority, $5,138,000,000;

(B) Outlays, $6,695,000,000.

(10) Education, Training, Employment and Social Services (500):

(A) New budget authority, $18,751,000,000;

(B) Outlays, $21,619,000,000.

(11) Health (550):

(A) New budget authority, $71,064,000,000;

(B) Outlays, $72,549,000,000.

(12) Income Security (600):

(A) New budget authority, $230,371,000,000;

(B) Outlays, $239,914,000,000.

(13) Veterans Benefits and Services (700):

(A) New budget authority, $23,578,000,000;

(B) Outlays, $22,638,000,000.

(14) Administration of Justice (750):

(A) New budget authority, $4,058,000,000;

(B) Outlays, $4,110,000,000.

(15) General Government (800):

(A) New budget authority, $4,152,000,000;

(B) Outlays, $3,995,000,000.

(16) General Purpose Fiscal Assistance (850):

(A) New budget authority, $6,173,000,000;

(B) Outlays, $6,165,000,000.

(17) Interest (900):

(A) New budget authority, $101,834,000,000;

(B) Outlays, $101,834,000,000.

(18) Allowances (920):

(A) New budget authority, −$1,583,000,000;

(B) Outlays, −$1,526,000,000.

(19) Undistributed Offsetting Receipts (950):

(A) New budget authority, −$44,740,000,000;

(B) Outlays, −$44,740,000,000.

Sec. 203. (a) There is established a congressional Federal credit budget for fiscal year 1983 of which the appropriate levels of

total Federal credit activity for fiscal year 1983 are—

(1) new direct loan obligations, $32,545,000,000;

(2) new primary loan guarantee commitments, $134,784,000,000; and

(3) new secondary loan guarantee commitments, $32,008,000,000.

(b) Based on allocations of the appropriate levels of total Federal credit activity as set forth in paragraph (1) of this subsection, the appropriate levels of new direct loan obligations, new primary loan guarantee commitments, and new secondary loan guarantee commitments for each functional category are as follows:

(1) National Defense (050):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(2) International Affairs (150):

(A) New direct loan obligations, $6,097,000,000;

(B) New primary loan guarantee commitments, $9,600,000,000;

(C) New secondary loan guarantee commitments, $0.

(3) General Science, Space and Technology (250):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $171,000,000;

(C) New secondary loan guarantee commitments, $0.

(4) Energy (270):

(A) New direct loan obligations, $105,000,000;

(B) New primary loan guarantee commitments, $4,285,000,000;

(C) New secondary loan guarantee commitments, $0.

(5) Natural Resources and Environment (300):

(A) New direct loan obligations, $45,000,000;

(B) New primary loan guarantee commitments, $25,000,000;

(C) New secondary loan guarantee commitments, $0.

(6) Agriculture (350):

(A) New direct loan obligations, $13,513,000,000;

(B) New primary loan guarantee commitments, $5,702,000,000;

(C) New secondary loan guarantee commitments, $0.

(7) Commerce and Housing Credit (370):

(A) New direct loan obligations, $8,114,000,000;

(B) New primary loan guarantee commitments, $58,603,000,000;

(C) New secondary loan guarantee commitments, $32,000,000,000.

(8) Transportation (400):

(A) New direct loan obligations, $121,000,000;

(B) New primary loan guarantee commitments, $628,000,000;

(C) New secondary loan guarantee commitments, $8,000,000.

(9) Community and Regional Development (450):

(A) New direct loan obligations, $1,781,000,000;

(B) New primary loan guarantee commitments, $6,698,000,000;

(C) New secondary loan guarantee commitments, $000,000,000,000.

(10) Education, Training, Employment and Social Services (500):

(A) New direct loan obligations, $645,000,000;

(B) New primary loan guarantee commitments, $10,300,000,000;

(C) New secondary loan guarantee commitments, $000,000,000,000.

(11) Health (550):

(A) New direct loan obligations, $36,000,000;

(B) New primary loan guarantee commitments, $104,000,000;

(C) New secondary loan guarantee commitments, $000,000,000,000.

(12) Income Security (600):

(A) New direct loan obligations, $1,000,000,000;

(B) New primary loan guarantee commitments, $18,356,000,000;

(C) New secondary loan guarantee commitments, $000,000,000,000.

(13) Veterans Benefits and Services (700):

(A) New direct loan obligations, $938,000,000;

(B) New primary loan guarantee commitments, $20,307,000,000;

(C) New Secondary loan guarantee commitments, $000,000,000,000.

(14) Administration of Justice (750):

(A) New direct loan obligations, $000,000,000,000;

(B) New primary loan guarantee commitments, $000,000,000,000;

(C) New secondary loan guarantee commitments, $000,000,000,000.

(15) General Government (800):

(A) New direct loan obligations, $5,000,000;

(B) New primary loan guarantee commitments, $5,000,000;

(C) New secondary loan guarantee commitments, $000,000,000,000.

(16) General Purpose Fiscal Assistance (850):

(A) New direct loan obligations, $145,000,000;

(B) New primary loan guarantee commitments, $000,000,000,000;

(C) New secondary loan guarantee commitments, $000,000,000.

(17) Interest (900):

(A) New direct loan obligations, $000,000,000;

(B) New primary loan guarantee commitments, $000,000,000;

(C) New secondary loan guarantee commitments, $000,000,000.

(18) Allowances (920):

(C) New secondary loan guarantee commitments, $000,000,000.

(18) Allowances (920);

(A) New direct loan obligations, $000,000,000;

(B) New primary loan guarantee commitments, $000,000,000;

(C) New secondary loan guarantee commitments, $000,000,000.

(19) Undistributed Offsetting Receipts (950):

(A) New direct loan obligations, $000,000,000;

(B) New primary loan guarantee commitments, $000,000,000;

(C) New secondary loan guarantee commitments, $000,000,000.

(c) It is the sense of the Congress that the President and the Congress, through the appropriations process, should limit in fiscal year 1983 the off-budget lending activity of the Federal Government to a level not to exceed $10,400,000,000, the on-budget lending activity to a level not to exceed $46,336,000,000, new primary loan guarantee commitments to a level not to exceed $86,688,000,000, and new secondary loan guarantee commitments to a level not to exceed $32,008,000,000.

Sec. 204. The Congress sets forth the following budgetary levels for fiscal years 1984 and 1985—

(1) the recommended level of Federal revenues is as follows:

Fiscal year 1984: $762,484,000,000;

Fiscal year 1985: $851,313,000,000.

and the amount by which the aggregate levels of Federal revenues should be increased or decreased is as follows:

Fiscal year 1984: $000,000,000;

Fiscal year 1985: $000,000,000.

(2) the appropriate level of total new budget authority is as follows:

Fiscal year 1984: $790,546,000,000;

Fiscal year 1985: $877,127,000,000.

(3) the appropriate level of total budget outlays is as follows:

Fiscal year 1984: $760,793,000,000;

Fiscal year 1985: $839,501,000,000.

(4) the amount of the surplus or deficit in the budget which is appropriate in light of economic conditions and all other relevant factors is as follows:

Fiscal year 1984: +$1,691,000,000.

Fiscal year 1985: +$11,812,000,000.

(5) the appropriate level of the public debt is as follows:

Fiscal year 1984: $1,075,000,000,000;

Fiscal year 1985: $1,075,000,000,000.

and the amount by which the temporary statutory limit on such debt should be accordingly increased is as follows:

Fiscal year 1984: $000,000,000,000;

Fiscal year 1985: $000,000,000,000.

Sec. 205. Based on allocations of the appropriate level of total new budget authority and of total budget outlays for fiscal years 1984 and 1985 as set forth above, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are respectively as follows:

(1) National Defense (050):

Fiscal year 1984:

(A) New budget authority, $245,338,000,000;

(B) Outlays, $218,678,000,000.

Fiscal year 1985:

(A) New budget authority, $264,427,000,000;

(B) Outlays, $243,979,000,000.

(2) International Affairs (150):

Fiscal year 1984:

(A) New budget authority, $13,917,000,000;

(B) Outlays, $8,899,000,000.

Fiscal year 1985:

(A) New budget authority, $19,579,000,000;

(B) Outlays, $9,504,000,000.

(3) General Science, Space, and Technology (250):

Fiscal year 1984:

(A) New budget authority, $6,838,000,000;

(B) Outlays, $6,836,000,000.

Fiscal year 1985:

(A) New budget authority, $6,692,000,000;

(B) Outlays, $6,688,000,000.

(4) Energy (270):

Fiscal year 1984:

(A) New budget authority, $3,521,000,000;

(B) Outlays, $2,925,000,000.

Fiscal year 1985:

(A) New budget authority, $3,663,000,000;

(B) Outlays, $2,863,000,000.

(5) Natural Resources and Environment (300):

Fiscal year 1984:

(A) New budget authority, $9,179,000,000;

(B) Outlays, $9,651,000,000.

Fiscal year 1985:

(A) New budget authority, $9,431,000,000;

(B) Outlays, $9,265,000,000.

(6) Agriculture (350):

Fiscal year 1984:

(A) New budget authority, $7,552,000,000;

(B) Outlays, $7,012,000,000.

Fiscal year 1985:

(A) New budget authority, $6,195,000,000;

(B) Outlays, $6,487,000,000.

(7) Commerce and Housing Credit (370):

Fiscal year 1984:

(A) New budget authority, $4,918,000,000;

(B) Outlays, –$435,000,000.

Fiscal year 1985:

(A) New budget authority, $5,119,000,000;

(B) Outlays, –$458,000,000.

(8) Transportation (400):

Fiscal year 1984:

(A) New budget authority, $19,866,000,000;

(B) Outlays, $17,163,000,000.

Fiscal year 1985:

(A) New budget authority, $20,906,000,000;

(B) Outlays, $18,337,000,000.

(9) Community and Regional Development (450):

Fiscal year 1984:

(A) New budget authority, $6,123,000,000;

(B) Outlays, $6,691,000,000.

Fiscal year 1985:

(A) New budget authority, $6,874,000,000;

(B) Outlays, $7,204,000,000.

(10) Education, Training, Employment, and Social Services (500):

Fiscal year 1984:

(A) New budget authority, $20,554,000,000;

(B) Outlays, $23,083,000,000.

Fiscal year 1985:

(A) New budget authority, $22,042,000,000;

(B) Outlays, $24,454,000,000.

(11) Health (550):

Fiscal year 1984:

(A) New budget authority, $84,481,000,000;

(B) Outlays, $83,565,000,000.

Fiscal year 1985:

(A) New budget authority, $96,688,000,000;

(B) Outlays, $97,122,000,000.

(12) Income Security (600):

Fiscal year 1984:

(A) New budget authority, $249,321,000,000;

(B) Outlays, $258,602,000,000.

Fiscal year 1985:

(A) New budget authority, $284,486,000,000;

(B) Outlays, $283,292,000,000.

(13) Veterans Benefits and Services (700):

Fiscal year 1984:

(A) New budget authority, $24,917,000,000;

(B) Outlays, $24,071,000,000.

Fiscal year 1985:

(A) New budget authority, $26,010,000,000;

(B) Outlays, $25,742,000,000.

(14) Administration of Justice (750):

Fiscal year 1984:

(A) New budget authority, $4,110,000,000;

(B) Outlays, $4,151,000,000.

Fiscal year 1985:

(A) New budget authority, $4,237,000,000;

(B) Outlays, $4,264,000,000.

(15) General Government (800):

Fiscal year 1984:

(A) New budget authority, $3,953,000,000;

(B) Outlays, $3,883,000,000.

Fiscal year 1985:

(A) New budget authority, $4,102,000,000;

(B) Outlays, $3,865,000,000.

(16) General Purpose Fiscal Assistance (850):

Fiscal year 1984:

(A) New budget authority, $6,706,000,000;

(B) Outlays, $6,623,000,000.

Fiscal year 1985:

(A) New budget authority, $7,205,000,000;

(B) Outlays, $7,123,000,000.

(17) Interest (900):

Fiscal year 1984:

(A) New budget authority, $126,520,000,000;

(B) Outlays, $126,520,000,000.

Fiscal year 1985:

(A) New budget authority, $138,078,000,000;

(B) Outlays, $138,078,000,000.

(18) Allowances (920):

Fiscal year 1984:

(A) New budget authority, $591,000,000;

(B) Outlays, $796,000,000.

Fiscal year 1985:

(A) New budget authority, $2,857,000,000;

(B) Outlays, $3,218,000,000.

(19) Undistributed Offsetting Receipts (950):

Fiscal year 1984:

(A) New budget authority, –$47,921,000,000;

(B) Outlays, –$47,921,000,000.

Fiscal year 1985:

(A) New budget authority, –$51,526,000,000;

(B) Outlays, –$51,526,000,000.

TITLE III—PROVIDING RECONCILIATION INSTRUCTIONS AND OTHER ENFORCEMENT MEASURES

PART A—RECONCILIATION INSTRUCTIONS

SEC. 301. Pursuant to section 301(b)(2) of the Budget Act—

(1) the House Committee on Agriculture shall recommend program changes in laws within its jurisdiction to reduce spending for fiscal year 1983 by $6,629,000,000 in budget authority and $6,393,000,000 in outlays, to reduce spending for the fiscal year 1984 by $6,629,000,000 in budget authority and $6,393,000,000 in outlays, and to reduce spending for fiscal year 1985 by $6,629,000,000 in budget authority and $6,393,000,000 in outlays;

(2) the House Committee on Armed Services shall recommend program changes in laws within its jurisdiction to reduce spending for fiscal year 1983 by $19,477,000,000 in budget authority and $19,326,000,000 in outlays, to reduce spending for the fiscal year 1984 by $19,477,000,000 in budget authority and $19,326,000,000 in outlays, and to reduce spending for fiscal year 1985 by $19,477,000,000 in budget authority and $19,326,000,000 in outlays;

(3) the House Committee on Education and Labor shall recommend program changes in laws within its jurisdiction to reduce spending for fiscal year 1983 by $8,595,000,000 in budget authority and $5,368,000,000 in outlays, to reduce spending for the fiscal year 1984 by $8,595,000,000 in budget authority and $5,368,000,000 in outlays, and to reduce spending for fiscal year 1985 by $8,595,000,000 in budget authority and $5,368,000,000 in outlays;

(4) the House Committee on Energy and Commerce shall recommend program changes in laws within its jurisdiction to reduce spending for fiscal year 1983 by $13,323,000,000 in budget authority and $13,836,000,000 in outlays, to reduce spending for the fiscal year 1984 by $13,323,000,000 in budget authority and $13,836,000,000 in outlays, and to reduce spending for fiscal year 1985 by $13,323,000,000 in budget authority and $13,836,000,000 in outlays;

(5) the House Committee on Foreign Affairs shall recommend program changes in laws within its jurisdiction to reduce spending for fiscal year 1983 by $3,512,000,000 in outlays, to reduce spending for the fiscal year 1984 by $3,512,000 in outlays, and to reduce spending for fiscal year 1985 by $3,512,000, in outlays;

(6) the House Committee on Government Operations shall recommend program changes in laws within its jurisdiction to reduce spending for fiscal year 1983 by $449,000,000 in budget authority and $287,000,000 in outlays, to reduce spending for the fiscal year 1984 by $449,000,000 in budget authority and $287,000,000 in outlays, and to reduce spending for fiscal year 1985 by $449,000,000 in budget authority and $287,000,000 in outlays;

(7) the House Committee on Interior and Insular Affairs shall recommend program changes in laws within its jurisdiction to reduce spending for fiscal year 1983 by $1,097,000,000 in budget authority and $932,000,000 in outlays, to reduce spending for the fiscal year 1984 by $1,097,000,000 in budget authority and $932,000,000 in outlays, and to reduce spending for fiscal year 1985 by $1,097,000,000 in budget authority and $932,000,000 in outlays;

(8) the House Committee on Merchant Marine and Fisheries shall recommend program changes in laws within its jurisdiction to reduce spending for fiscal year 1983 by $906,000,000 in budget authority and $613,000,000 in outlays, to reduce spending for the fiscal year 1984 by $906,000,000 in budget authority and $613,000,000 in outlays, and to reduce spending for fiscal year 1985 by $906,000,000 in budget authority and $613,000,000 in outlays;

(9) the House Committee on Post Office and Civil Service shall recommend program changes in laws within its jurisdiction to reduce spending for fiscal year 1983 by $2,189,000,000 in budget authority and $2,670,000,000 in outlays, to reduce spending for the fiscal year 1984 by $2,189,000,000 in budget authority and $2,670,000,000 in outlays, and to reduce spending for fiscal year 1985 by $2,189,000,000 in budget authority and $2,670,000,000 in outlays;

(10) the House Committee on Public Works and Transportation shall recommend program changes in laws within its jurisdiction to reduce spending for fiscal year 1983 by $2,781,000,000 in budget authority and $2,020,000,000 in outlays, to reduce spending for the fiscal year 1984 by $2,020,000,000 in outlays, and to reduce spending for fiscal year 1985 by $2,020,000,000 in outlays;

(11) the House Committee on Science and Technology shall recommend program changes in laws within its jurisdiction to reduce spending for fiscal year 1983 by $2,067,000,000 in budget authority and $2,067,000,000 in outlays, to reduce spending for the fiscal year 1984 by $2,067,000,000 in budget authority and $2,067,000,000 in outlays, and to reduce spending for fiscal year 1985 by $2,067,000,000 in budget authority and $2,067,000,000 in outlays;

(12) the House Committee on Small Business shall recommend program changes in laws within its jurisdiction to reduce spending for fiscal year 1983 by $301,000,000 in budget authority and $385,000,000 in outlays, to reduce spending for the fiscal year 1984 by $301,000,000 in budget authority and $385,000,000 in outlays, and to reduce spending for fiscal year 1985 by $301,000,000 in budget authority and $385,000,000 in outlays;

(13) the House Committee on Veterans' Affairs shall recommend program changes in laws within its jurisdiction to reduce spending for fiscal year 1983 by $1,359,000,000 in budget authority and $1,549,000,000 in outlays, to reduce spending for the fiscal year 1984 by $1,359,000,000 in budget authority and $1,549,000,000 in outlays, and to reduce spending for fiscal year 1985 by $1,359,000,000 in budget authority and $1,549,000,000 in outlays;

(14) the House Committee on Ways and Means shall recommend program changes in laws within its jurisdiction to reduce spending for fiscal year 1983 by $55,390,000,000 in budget authority and $55,099,000,000 in outlays, to reduce spending for the fiscal year 1984 by $55,390,000,000 in budget authority and $55,099,000,000 in outlays, and to reduce spending for fiscal year 1985 by $55,390,000,000 in budget authority and $55,099,000,000 in outlays.

(15) the House Committee on Administration shall recommend program changes in laws within its jurisdiction to reduce spending for fiscal year 1983 by $51,000,000 in budget authority and $51,000,000 in outlays, to reduce spending for fiscal year 1984 by $51,000,000 in budget authority and $51,000,000 in outlays, and to reduce spending for fiscal year 1985 by $51,000,000 in budget authority and $51,000,000 in outlays;

(16) the House Committee on Banking, Finance and Urban Affairs shall recommend program changes in laws within its jurisdiction to reduce spending for fiscal year 1983 by $30,856,000,000 in budget authority and $6,973,000,000 in outlays, to reduce spending for fiscal year 1984 by $30,856,000,000 in budget authority and $6,973,000,000 in outlays, and to reduce spending for fiscal year 1985 by $30,856,000,000 in budget authority and $6,973,000,000 in outlays;

(17) the House Committee on the District of Columbia shall recommend program changes in laws within its jurisdiction to reduce spending for fiscal year 1983 by $69,000,000 in budget authority and $73,000,000 in outlays, to reduce spending for fiscal year 1984 by $69,000,000 in budget authority and $73,000,000 in outlays, to reduce spending for fiscal year 1985 by $73,000,000 in budget authority and $69,000,000 in outlays;

(18) the House Committee on the Judiciary shall recommend program changes in laws within its jurisdiction to reduce spending for fiscal year 1983 by $722,000,000 in budget authority and $665,000,000 in outlays, to reduce spending for fiscal year 1984 by $722,000,000 in budget authority and $665,000,000 in outlays, and to reduce spending for fiscal year 1985 by $722,000,000 in budget authority and $665,000,000 in outlays;

SEC. 202. Pursuant to section 301(b)(2) of the Budget Act—

(1) the Senate Committee on Agriculture, Nutrition, and Forestry shall recommend program changes in laws within its jurisdiction to reduce spending for fiscal year 1983 by $6,630,000,000 in budget authority and $6,394,000,000 in outlays, to reduce spending for fiscal year 1984 by $6,630,000,000 in budget authority and $6,394,000,000 in outlays, and to reduce spending for fiscal year 1985 by $6,630,000,000 in budget authority and $6,394,000,000 in outlays;

(2) the Senate Committee on Armed Services shall recommend program changes in laws within its jurisdiction to reduce spending for fiscal year 1983 by $19,582,000,000 in budget authority and $19,431,000,000 in outlays, to reduce spending for the fiscal year 1984 by $19,582,000,000 in budget authority and $19,431,000,000 in outlays, and to reduce spending for fiscal year 1985 by $19,582,000,000 in budget authority and $19,431,000,000 in outlays;

(3) the Senate Committee on Energy and Natural Resources shall recommend program changes in laws within its jurisdiction to reduce spending for fiscal year 1983 by $5,877,000,000 in budget authority and $5,577,000,000 in outlays, to reduce spending for the fiscal year 1984 by $5,877,000,000 in budget authority and $5,577,000,000 in outlays, and to reduce spending for fiscal year 1985 by $5,877,000,000 in budget authority and $5,577,000,000 in outlays;

(4) the Senate Committee on Finance shall recommend program changes in laws within its jurisdiction to reduce spending for fiscal year 1983 by $55,390,000,000 in budget authority and $55,099,000,000 in outlays, to reduce spending for the fiscal year 1984 by $55,390,000,000 in budget authority and $55,099,000,000 in outlays, and to reduce spending for fiscal year 1985 by $55,390,000,000 in budget authority and $55,099,000,000 in outlays;

(5) the Senate Committee on Foreign Relations shall recommend program changes in laws within its jurisdiction to reduce spending for fiscal year 1983 by $3,838,000,000 in outlays, to reduce spending for the fiscal year 1984 by $3,838,000,000 in outlays, and to reduce spending for fiscal year 1985 by $3,838,000,000 in outlays;

(6) the Senate Committee on Governmental Affairs shall recommend program changes in laws within its jurisdiction to reduce spending for fiscal year 1983 by $2,605,000,000 in budget authority and $2,928,000,000 in outlays, to reduce spending for the fiscal year 1984 by $2,605,000,000 in budget authority and $2,928,000,000 in outlays, and to reduce spending for fiscal year 1985 by $2,605,000,000 in budget authority and $2,928,000,000 in outlays;

(7) the Senate Committee on Labor and Human Resources shall recommend program changes in laws within its jurisdiction to reduce spending for fiscal year 1983 by $11,301,000,000 in budget authority and $8,482,000,000 in outlays, to reduce spending for the fiscal year 1984 by $11,301,000,000 in budget authority and $8,482,000,000 in outlays, and to reduce spending for fiscal year 1985 by $11,301,000,000 in budget authority and $8,482,000,000 in outlays;

(8) the Senate Committee on Environment and Public Works shall recommend program changes in laws within its jurisdiction to reduce spending for fiscal year 1983 by $3,091,000,000 in budget authority and $2,254,000,000 in outlays, fiscal year 1984 by $2,254,000 in outlays, and to reduce spending for fiscal year 1985 by $2,254,000 in outlays;

(9) the Senate Committee on Small Business shall recommend program changes in laws within its jurisdiction to reduce spending for fiscal year 1983 by $301,000,000 in budget authority and $385,000,000 in outlays, to reduce spending for the fiscal year 1984 by $301,000,000 in budget authority and $385,000,000 in outlays, and to reduce spending for fiscal year 1985 by $301,000,000 in budget authority and $385,000,000 in outlays;

(10) the Senate Committee on Veterans' Affairs shall recommend program changes in laws within its jurisdiction to reduce spending for fiscal year 1983 by $1,358,000,000 in budget authority and $1,548,000,000 in outlays, to reduce spending for the fiscal year 1984 by $1,358,000,000 in budget authority and $1,548,000,000 in outlays, and to reduce spending for fiscal year 1985 by $1,358,000,000 in budget authority and $1,548,000,000 in outlays;

(11) the Senate Committee on Judiciary shall recommend changes in laws within its jurisdiction to reduce spending for fiscal year 1983 by $427,000,000 in budget authority and $383,000,000 in outlays, to reduce spending for the fiscal year 1984 by $427,000,000 in budget authority and $383,000,000 in outlays, and to reduce spending for fiscal year 1985 by $427,000,000 in budget authority and $383,000,000 in outlays;

(12) the Senate Committee on Rules and Administration shall recommend program changes in laws within its jurisdiction to reduce spending for fiscal year 1983 by $85,000,000 in budget authority and $85,000,000 in outlays, to reduce spending for the fiscal year 1984 by $85,000,000 in budget authority and $85,000,000 in outlays, and to reduce spending for fiscal year 1985 by $85,000,000 in budget authority and $85,000,000 in outlays;

(13) the Senate Committee on Banking, Housing, and Urban Affairs shall recommend program changes in laws within its jurisdiction to reduce spending for fiscal year 1983 by $30,498,000,000 in budget authority and $6,615,000,000 in outlays, to reduce spending for fiscal year 1984 by $30,498,000,000 in budget authority and $6,615,000,000 in outlays, and to reduce spending for the fiscal year 1985 by $30,498,000,000 in budget authority and $6,615,000,000 in outlays;

(14) the Senate Committee on Commerce, Science, and Transportation shall recommend program changes in laws within its jurisdiction to reduce spending for fiscal year 1983 by $8,502,000,000 in budget authority and $8,512,000,000 in outlays, to reduce spending for the fiscal year 1984 by $8,502,000,000 in budget authority and $8,512,000,000 in outlays, and to reduce spending for fiscal year 1985 by $8,502,000,000 in budget authority and $8,512,000,000 in outlays;

SEC. 203. Not later than August 2, 1982, the committees named in sections 201 and 202 shall submit their recommendations to the Committees on the Budget of their respective Houses. Those recommendations shall be sufficient to accomplish the reductions required by such sections. After receiving those recommendations, the Committees on the Budget shall report to the House and Senate a reconciliation bill or resolution or both carrying out all such recommendations without any substantive revision.

PART B—ENFORCEMENT MEASURES

SEC. 211 (a) No bill or resolution providing—

(1) new budget authority for fiscal year 1983, or

(2) new spending authority described in Section 401(c)(2)(C) of the Budget Act first effective in fiscal year 1983—which exceeds the appropriate allocation or subdivision made pursuant to Section 302 of such Act shall be enrolled until after Congress has completed action on the second concurrent resolution on the budget required to be reported under Section 310 of such Act, and on any reconciliation legislation required by such resolution.

(b) Subsection (a) shall not apply to bills and resolutions for which a conference report has been filed in either House prior to final adoption by both Houses of this resolution.

By Mr. DOWNEY:

—Page 12, line 14, increase the amount of the authority by $200,000,000.

Page 12, line 16, increase the amount of total budget outlays by $500,000,000.

Page 12, line 18, increase the amount of the deficit in the budget $500,000,000.

Page 13, line 9, (relating to functional category 050) strike out "$242,850,000,000" and insert in lieu thereof "$243,050,000,000", and on line 10, strike out "$212,300,000,000" and insert in lieu thereof "$212,800,000,000".

Page 14, line 21, (relating to functional category 600) strike out "$273,800,000,000" and insert in lieu thereof "$274,100,000,000".

Page 22, line 12, increase the amount of budget authority by $950,000,000.

Page 22, line 14, increase the amount of budget authority by $1,800,000,000.

Page 22, line 15, increase the amount of budget outlays by $1,650,000,000.

Page 22, line 16, increase the amount of budget outlays by $2,900,000,000.

Page 23, line 12, (relating to functional category 050) strike out "$268,150,000,000" and insert in lieu thereof "$268,850,000,000", and on line 13, strike out "$236,050,000,000" and insert in lieu thereof "$236,550,000,000", and on line 16, strike out "$295,950,000,000" and insert in lieu thereof "$297,150,000,000", and on line 17, strike out "$265,950,000,000" and insert in lieu thereof "$267,150,000,000".

Page 27, line 14, (relating to functional category 600) strike out "$314,500,000,000" and insert in lieu thereof "$314,750,000,000", and on line 15, strike out "$290,050,000,000" and insert in lieu thereof "$291,000,000,000", and on line 18, strike out "$344,550,000,000" and insert in lieu thereof "$345,150,000,000", and on line 19, strike out "$312,400,000,000" and insert in lieu thereof "$314,100,000,000".

Page 31, strike out lines 1 through 11.

Page 32, line 10, strike out "$60,000,000" and insert in lieu thereof "$59,000,000", and on line 11, strike out "$60,000,000" and insert in lieu thereof "$59,000,000", and on line 14, strike out "$68,000,000" and insert in lieu thereof "$65,000,000", and on line 15, strike out "$68,000,000" and insert in lieu thereof "$65,000,000", and on line 16, strike out "$77,000,000" both times it appears and insert in lieu thereof "$72,000,000".

Page 32, strike out line 18 and all that follows through page 33, line 2.

Page 33, strike out lines 14 through 24.

Page 36, strike out lines 14 through 24.

Page 37, strike out line 12 and all that follows thereafter through page 38, line 17 and insert in lieu thereof "and".

By Mr. FAUNTROY:

—Strike out all after the resolving clause and insert in lieu thereof the following:

TITLE I—REVISION OF THE CONGRESSIONAL BUDGET FOR THE UNITED STATES GOVERNMENT FOR THE FISCAL YEAR 1982

Sec. 101. The provisions of this title shall supersede the figures reaffirmed in S. Con. Res. 50 of the Ninety-seventh Congress for the fiscal year beginning on October 1, 1981.

Sec. 102. (a)(1) The level of Federal revenues is $622,800,000,000 and the net amount by which the aggregate level of Federal revenues should be decreased is $200,000,000.

(2) The level of total new budget authority is $784,500,000,000.

(3) The level of total budget outlays is $743,900,000,000.

(4) The amount of the deficit in the budget is $121,100,000,000.

(5) The level of the public debt is $1,147,700,000,000 and the amount by which the statutory limit on such debt should accordingly be increased is $747,700,000,000.

(6) The level of total obligations for the principal amount of new direct loans is $63,400,000,000, the level of total new primary commitments to guarantee loan principal is $74,850,000,000, and the level of total new secondary commitments to guarantee loan principal is $68,950,000,000.

(b) Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of subsection (a) of this section of this resolution, the Congress hereby determines and declares that, for the fiscal year beginning on October 1, 1981, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are as follows:

(1) National Defense (050):

(A) New budget authority, $218,200,000,000;

(B) Outlays, $190,800,000,000.

(2) International Affairs (150):

(A) New budget authority, $16,750,000,000;

(B) Outlays, $11,450,000,000.

(3) General Science, Space, and Technology (250):

(A) New budget authority, $7,000,000,000;

(B) Outlays, $7,000,000,000.

(4) Energy (270):

(A) New budget authority, $4,750,000,000;

(B) Outlays, $6,500,000,000.

(5) Natural Resources and Environment (300):

(A) New budget authority, $10,400,000,000;

(B) Outlays, $12,850,000,000.

(6) Agriculture (350):

(A) New budget authority, $9,900,000,000;

(B) Outlays, $13,800,000,000.

(7) Commerce and Housing Credit (370):

(A) New budget authority, $7,500,000,000;

(B) Outlays, $3,750,000,000.

(8) Transportation (400):

(A) New budget authority, $21,350,000,000;

(B) Outlays, $21,450,000,000.

(9) Community and Regional Development (450):

(A) New budget authority, $7,000,000,000;

(B) Outlays, $8,650,000,000.

(10) Education, Training, Employment and Social Services (500):

(A) New budget authority, $25,450,000,000;

(B) Outlays, $28,200,000,000.

(11) Health (550):

(A) New budget authority, $79,050,000,000;

(B) Outlays, $73,750,000,000.

(12) Income Security (600):

(A) New budget authority, $261,350,000,000;

(B) Outlays, $251,850,000,000.

(13) Veterans Benefits and Services (700):

(A) New budget authority, $24,800,000,000;

(B) Outlays, $23,800,000,000.

(14) Administration of Justice (750):

(A) New budget authority, $4,500,000,000;

(B) Outlays, $4,650,000,000.

(15) General Government (800):

(A) New budget authority, $5,200,000,000;

(B) Outlays, $5,050,000,000.

(16) General Purpose Fiscal Assistance (850):

(A) New budget authority, $6,350,000,000;

(B) Outlays, $6,350,000,000.

(17) Interest (900):

(A) New budget authority, $102,350,000,000;

(B) Outlays, $102,350,000,000.

(18) Allowances (920):

(A) New budget authority, $2,850,000,000;

(B) Outlays, $1,900,000,000.

(19) Undistributed Offsetting Receipts (950):

(A) New budget authority, −$30,250,000,000;

(B) Outlays, −$30,250,000,000.

Sec. 103. (a) There is established a congressional Federal credit budget for fiscal year 1982 of which the levels of total Federal credit activity for fiscal year 1982 are:

(1) New direct loan obligations, $63,400,000,000.

(2) New primary loan guarantee commitments, $74,850,000,000.

(3) New secondary loan guarantee commitments, $68,950,000,000.

(b) Based on allocations of the appropriate levels of total Federal credit activity as set forth in paragraph (1) of this subsection, the appropriate levels of new direct loan obligations, new primary loan guarantee commitments, and new secondary loan guarantee commitments for each functional category are as follows:

(1) National Defense (050):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(2) International Affairs (150):

(A) New direct loan obligations, $10,400,000,000;

(B) New primary loan guarantee commitments, $8,100,000,000;

(C) New secondary loan guarantee commitments, $0.

(3) General Science, Space and Technology (250):

(A) New direct loan obligations, $200,000,000;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(4) Energy (270):

(A) New direct loan obligations, $10,300,000,000;

(B) New primary loan guarantee commitments, $400,000,000;

(C) New secondary loan guarantee commitments, $0.

(5) Natural Resources and Environment (300):

(A) New direct loan obligations, $50,000,000;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(6) Agriculture (350):

(A) New direct loan obligations, $22,600,000,000;

(B) New primary loan guarantee commitments, $2,700,000,000;

(C) New secondary loan guarantee commitments, $0.

(7) Commerce and Housing Credit (370):

(A) New direct loan obligations, $12,050,000,000;

(B) New primary loan guarantee commitments, $26,200,000,000;

(C) New secondary loan guarantee commitments, $68,200,000,000.

(8) Transportation (400):

(A) New direct loan obligations, $350,000,000;

(B) New primary loan guarantee commitments, $750,000,000;

(C) New secondary loan guarantee commitments, $50,000,000.

(9) Community and Regional Development (450):

(A) New direct loan obligations, $2,000,000,000;

(B) New primary loan guarantee commitments, $850,000,000;

(C) New secondary loan guarantee commitments, $0.

(10) Education, Training, Employment, and Social Services (500):

(A) New direct loan obligations, $1,300,000,000;

(B) New primary loan guarantee commitments, $6,500,000,000;

(C) New secondary loan guarantee commitments, $700,000,000.

(11) Health (550):

(A) New direct loan obligations, $50,000,000;

(B) New primary loan guarantee commitments, $100,000,000;

(C) New secondary loan guarantee commitments, $0.

(12) Income Security (600):

(A) New direct loan obligations, $2,750,000,000;

(B) New primary loan guarantee commitments, $17,050,000,000;

(C) New secondary loan guarantee commitments, $0.

(13) Veterans Benefits and Services (700):

(A) New direct loan obligations, $1,050,000,000;

(B) New primary loan guarantee commitments, $11,900,000,000;

(C) New secondary loan guarantee commitments, $0.

(14) Administration of Justice (750):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(15) General Government (800):

(A) New direct loan obligations, $50,000,000;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(16) General Purpose Fiscal Assistance (850):

(A) New direct loan obligations, $250,000,000;

(B) New primary loan guarantee commitments, $300,000,000;

(C) New secondary loan guarantee commitments, $0.

(17) Interest (900):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(18) Allowances (920):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(19) Undistributed Offsetting Receipts (950):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(c) It is the sense of the Congress that the President and the Congress, through the appropriations process, should limit in fiscal year 1982 the off-budget lending activity of the Federal Government to a level not to exceed $30,200,000,000, the on-budget lending activity to a level not to exceed $33,200,000,000, new primary loan guarantee commitments to a level not to exceed $74,850,000,000, and new secondary loan guarantee commitments to a level not to exceed $68,950,000,000.

TITLE II—SETTING FORTH THE CONGRESSIONAL BUDGET FOR THE UNITED STATES GOVERNMENT FOR THE FISCAL YEAR 1983

Sec. 201. The Congress hereby determines and declares, pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on October 1, 1982—

(1) the level of Federal revenues is $711,000,000,000, and the net amount by which the aggregate level of Federal revenues should be increased is $0 ,

(2) the level of total new budget authority is $831,370,000,000,

(3) the level of total budget outlays is $808,797,000,000,

(4) the amount of the deficit in the budget is $97,797,000,000, and

(5) the level of the public debt is $1,285,550,000,000, and the amount by which the statutory limit on such debt should accordingly be increased is $885,550,000,000.

Sec. 202. Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of section 201 of this resolution, the Congress hereby determines and declares pursuant to section 301(a) of the Congressional Budget Act of 1974 that, for the fiscal year beginning on October 1, 1982, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are as follows:

(1) National Defense (050):

(A) New budget authority, $196,329,000,000;

(B) Outlays, $199,264,000,000.

(2) International Affairs (150):

(A) New budget authority, $16,760,000,000;

(B) Outlays, $11,653,000,000.

(3) General Science, Space, and Technology (250):

(A) New budget authority, $7,723,000,000;

(B) Outlays, $7,604,000,000.

(4) Energy (270):

(A) New budget authority, $5,757,000,000;

(B) Outlays, $4,901,000,000.

(5) Natural Resources and Environment (300):

(A) New budget authority, $7,915,000,000;

(B) Outlays, $9,239,000,000.

(6) Agriculture (350):

(A) New budget authority, $6,810,000,000;

(B) Outlays, $10,306,000,000.

(7) Commerce and Housing Credit (370):

(A) New budget authority, $12,626,000,000;

(B) Outlays, $5,476,000,000.

(8) Transportation (400):

(A) New budget authority, $27,302,000,000;

(B) Outlays, $22,367,000,000.

(9) Community and Regional Development (450):

(A) New budget authority, $11,332,000,000;

(B) Outlays, $9,795,000,000.

(10) Education, Training, Employment, and Social Services (500):

(A) New budget authority, $35,606,000,000;

(B) Outlays, $34,316,000,000.

(11) Health (550):

(A) New budget authority, $88,972,000,000;

(B) Outlays, $85,592,000,000.

(12) Income Security (600):

(A) New budget authority, $293,852,000,000;

(B) Outlays, $288,058,000,000.

(13) Veterans Benefits and Services (700):

(A) New budget authority, $23,714,000,000;

(B) Outlays, $23,747,000,000.

(14) Administration of Justice (750):

(A) New budget authority, $4,835,000,000;

(B) Outlays, $4,800,000,000.

(15) General Government (800):

(A) New budget authority, $5,597,000,000;

(B) Outlays, $5,379,000,000.

(16) General Purpose Fiscal Assistance (850):

(A) New budget authority, $6,556,000,000;

(B) Outlays, $6,549,000,000.

(17) Interest (900):

(A) New budget authority, $115,000,000,000;

(B) Outlays, $115,000,000,000.

(18) Allowances (920):

(A) New budget authority, $346,000,000;

(B) Outlays, $413,000,000.

(19) Undistributed Offsetting Receipts (950):

(A) New budget authority, −$35,662,000,000;

(B) Outlays, −$35,662,000,000.

By Mr. FORD of Michigan:

(Remove 4% annuity cap for Federal civilian retirees.)

—Page 12, line 16, (relating to the level of total budget outlays for fiscal year 1983) increase the amount by $273,000,000.

Page 12, line 18, (relating to the amount of the deficit in the budget for fiscal year 1983) increase the amount by $273,000,000.

Page 14, line 21, (relating to budget outlays for functional category 600 for fiscal year 1983) increase the amount by $273,000,000.

Page 22, line 12, (relating to the level of total new budget authority for fiscal year 1984) increase the amount by $242,000,000.

Page 22, line 13, (relating to the level of total new budget authority for fiscal year 1985) increase the amount by $538,000,000.

Page 22, line 15, (relating to the level of total budget outlays for fiscal year 1984) increase the amount by $925,000,000.

Page 22, line 16, (relating to the level of total budget outlays for fiscal year 1985) increase the amount by $1,648,000,000.

Page 22, line 18, (relating to the amount of the deficit in the budget for fiscal year 1984) increase the amount by $925,000,000.

Page 22, line 19, (relating to the amount of the deficit in the budget for fiscal year 1985) increase the amount by $1,648,000,000.

Page 27, line 14, (relating to new budget authority for functional category 600 for fiscal year 1984) increase the amount by $242,000,000.

Page 27, line 15, (relating to budget outlays for functional category 600 for fiscal year 1984) increase the amount by $925,000,000.

Page 27, line 18, (relating to new budget authority for functional category 600 for fiscal year 1985) increase the amount by $538,000,000.

Page 27, line 19, (relating to budget outlays for functional category 600 for fiscal year 1985) increase the amount by $1,648,000,000.

Page 32, beginning on line 18, (relating to reconciliation instructions in the House of Representatives) strike out subsection (F).

Page 33, beginning on line 14, (relating to reconciliation instructions in the House of Representatives) strike out subsection (H) and redesignate the following subsections (and cross references thereto) accordingly.

Page 37, line 22, insert "and" after the semicolon.

Page 37, beginning on line 23, (relating to reconciliation instructions in the Senate) strike out subsections (G) and (H) and redesignate the following subsection (and cross references thereto) accordingly.

(Remove 4% annuity cap for Federal civilian retirees.)

—In the matter relating to the level of total budget outlays for fiscal year 1983, increase the amount by $273,000,000.

In the matter relating to the amount of the deficit in the budget for fiscal year 1983, increase the amount by $273,000,000.

In the matter relating to budget outlays for functional category 600 for fiscal year 1983, increase the amount by $273,000,000.

In the matter relating to the level of total new budget authority for fiscal year 1984, increase the amount by $242,000,000.

In the matter relating to the level of total new budget authority for fiscal year 1985, increase the amount by $538,000,000.

In the matter relating to the level of total budget outlays for fiscal year 1984, increase the amount by $925,000,000.

In the matter relating to the level of total budget outlays for fiscal year 1985, increase the amount by $1,648,000,000.

In the matter relating to the amount of the deficit in the budget for fiscal year 1984, increase the amount by $925,000,000.

In the matter relating to the amount of the deficit in the budget for fiscal year 1985, increase the amount by $1,648,000,000.

In the matter relating to new budget authority for functional category 600 for fiscal year 1984, increase the amount by $242,000,000.

In the matter relating to budget outlays for functional category 600 for fiscal year 1984, increase the amount by $925,000,000.

In the matter relating to new budget authority for functional category 600 for fiscal year 1985, increase the amount by $538,000,000.

In the matter relating to budget outlays for functional category 600 for fiscal year 1985, increase the amount by $1,648,000,000.

In the matter relating to reconciliation instructions in the House of Representatives, strike out any matter relating to the Committees on Foreign Affairs or on Post Office and Civil Service.

In the matter relating to reconciliation instructions in the Senate, strike out any matter relating to the Committees on Foreign Relations or on Governmental Affairs.

(Remove 4% annuity cap for Federal civilian retirees, if no reconciliation instructions.)

—In the matter relating to the level of total budget outlays for fiscal year 1983, increase the amount by $273,000,000.

In the matter relating to the amount of the deficit in the budget for fiscal year 1983, increase the amount by $273,000,000.

In the matter relating to budget outlays for functional category 600 for fiscal year 1983, increase the amount by $273,000,000.

In the matter relating to the level of total new budget authority for fiscal year 1984, increase the amount by $242,000,000.

In the matter relating to the level of total new budget authority for fiscal year 1985, increase the amount by $538,000,000.

In the matter relating to the level of total budget outlays for fiscal year 1984, increase the amount by $925,000,000.

In the matter relating to the level of total budget outlays for fiscal year 1985, increase the amount by $1,648,000,000.

In the matter relating to the amount of the deficit in the budget for fiscal year 1984, increase the amount by $925,000,000.

In the matter relating to the amount of the deficit in the budget for fiscal year 1985, increase the amount by $1,648,000,000.

In the matter relating to new budget authority for functional category 600 for fiscal year 1984, increase the amount by $242,000,000.

In the matter relating to budget outlays for functional category 600 for fiscal year 1984, increase the amount by $925,000,000.

In the matter relating to new budget authority for functional category 600 for fiscal year 1985, increase the amount by $538,000,000.

In the matter relating to budget outlays for functional category 600 for fiscal year 1985, increase the amount by $1,648,000,000.

(Remove annuity freeze for Federal civilian retirees.)

—In the matter relating to the level of total budget outlays for fiscal year 1983, increase the amount by $680,000,000.

In the matter relating to the amount of the deficit in the budget for fiscal year 1983, increase the amount by $680,000,000.

In the matter relating to budget outlays for functional category 600 for fiscal year 1983, increase the amount by $680,000,000.

In the matter relating to the level of total new budget authority for fiscal year 1984, increase the amount by $628,000,000.

In the matter relating to the level of total new budget authority for fiscal year 1985, increase the amount by $543,000,000.

In the matter relating to the level of total budget outlays for fiscal year 1984, increase the amount by $1,417,000,000.

In the matter relating to the level of total budget outlays for fiscal year 1985, increase the amount by $1,481,000,000.

In the matter relating to the amount of the deficit in the budget for fiscal year 1984, increase the amount by $1,417,000,000.

In the matter relating to the amount of the deficit in the budget for fiscal year 1985, increase the amount by $1,481,000,000.

In the matter relating to new budget authority for functional category 600 for fiscal year 1984, increase the amount by $628,000,000.

In the matter relating to budget outlays for functional category 600 for fiscal year 1984, increase the amount by $1,417,000,000.

In the matter relating to new budget authority for functional category 600 for fiscal year 1985, increase the amount by $543,000,000.

In the matter relating to budget outlays for functional category 600 for fiscal year 1985, increase the amount by $1,481,000,000.

In the matter relating to reconciliation instructions in the House of Representatives, strike out any matter relating to the Committees an Foreign Affairs or on Post Office and Civil Service.

In the matter relating to reconciliation instructions in the Senate, strike out any matter relating to the Committees on Foreign Relations or on Governmental Affairs.

(Remove annuity freeze for Federal civilian retirees, if no reconciliation instructions.)

—In the matter relating to the level of total budget outlays for fiscal year 1983, increase the amount by $680,000,000.

In the matter relating to the amount of the deficit in the budget for fiscal year 1983, increase the amount by $680,000,000.

In the matter relating to budget outlays for functional category 600 for fiscal year 1983, increase the amount by $680,000,000.

In the matter relating to the level of total new budget authority for fiscal year 1984, increase the amount by $628,000,000.

In the matter relating to the level of total new budget authority for fiscal year 1985, increase the amount by $543,000,000.

In the matter relating to the level of total budget outlays for fiscal year 1984, increase the amount by $1,417,000,000.

In the matter relating to the level of total budget outlays for fiscal year 1985, increase the amount by $1,481,000,000.

In the matter relating to the amount of the deficit in the budget for fiscal year 1984, increase the amount by $1,417,000,000.

In the matter relating to the amount of the deficit in the budget for fiscal year 1985, increase the amount by $1,481,000,000.

In the matter relating to new budget authority for functional category 600 for fiscal year 1984, increase the amount by $628,000,000.

In the matter relating to budget outlays for functional category 600 for fiscal year 1984, increase the amount by $1,417,000,000.

In the matter relating to new budget authority for functional category 600 for fiscal year 1985, increase the amount by $543,000,000.

In the matter relating to budget outlays for functional category 600 for fiscal year 1985, increase the amount by $1,481,000,000.

(Remove 5% annuity cap for Federal civilian retirees.)

—In the matter relating to the level of total budget outlays for fiscal year 1983, increase the amount by $158,000,000.

In the matter relating to the amount of the deficit in the budget for fiscal year 1983, increase the amount by $158,000,000.

In the matter relating to budget outlays for functional category 600 for fiscal year 1983, increase the amount by $158,000,000.

In the matter relating to the level of total new budget authority for fiscal year 1984, increase the amount by $140,000,000.

In the matter relating to the level of total new budget authority for fiscal year 1985, increase the amount by $121,000,000.

In the matter relating to the level of total budget outlays for fiscal year 1984, increase the amount by $344,000,000.

In the matter relating to the level of total budget outlays for fiscal year 1985, increase the amount by $359,000,000.

In the matter relating to the amount of the deficit in the budget for fiscal year 1984, increase the amount by $344,000,000.

In the matter relating to the amount of the deficit in the budget for fiscal year 1985, increase the amount by $359,000,000.

In the matter relating to new budget authority for functional category 600 for fiscal year 1984, increase the amount by $140,000,000.

In the matter relating to budget outlays for functional category 600 for fiscal year 1984, increase the amount by $344,000,000.

In the matter relating to new budget authority for functional category 600 for fiscal year 1985, increase the amount by $121,000,000.

In the matter relating to budget outlays for functional category 600 for fiscal year 1985, increase the amount by $359,000,000.

In the matter relating to reconciliation instructions in the House of Representatives, strike out any matter relating to the Committees on Foreign Affairs or on Post Office and Civil Service.

In the matter relating to reconciliation instructions in the Senate, strike out any matter relating to the Committees on Foreign Relations or on Governmental Affairs.

(5% annuity cap for Federal civilian retirees, if no reconciliation instructions.)

—In the matter relating to the level of total budget outlays for fiscal year 1983, increase the amount by $158,000,000.

In the matter relating to the amount of the deficit in the budget for fiscal year 1983, increase the amount by $158,000,000.

In the matter relating to budget outlays for functional category 600 for fiscal year 1983, increase the amount by $158,000,000.

In the matter relating to the level of total new budget authority for fiscal year 1984, increase the amount by $140,000,000.

In the matter relating to the level of total new budget authority for fiscal year 1985, increase the amount by $121,000,000.

In the matter relating to the level of total budget outlays for fiscal year 1984, increase the amount by $344,000,000.

In the matter relating to the level of total budget outlays for fiscal year 1985, increase the amount by $359,000,000.

In the matter relating to the amount of the deficit in the budget for fiscal year 1984, increase the amount by $344,000,000.

In the matter relating to the amount of the deficit in the budget for fiscal year 1985, increase the amount by $359,000,000.

In the matter relating to new budget authority for functional category 600 for fiscal year 1984, increase the amount by $140,000,000.

In the matter relating to budget outlays for functional category 600 for fiscal year 1984, increase the amount by $344,000,000.

In the matter relating to new budget authority for functional category 600 for fiscal year 1985, increase the amount by $121,000,000.

In the matter relating to budget outlays for functional category 600 for fiscal year 1985, increase the amount by $359,000,000.

By Mr. FOWLER:

(Amendments to H. Con. Res. 345, first concurrent resolution on the budget and to the Michel substitute to H. Con. Res. 345.)

—Amendment No. 1:

On page 12, line 14, strike "$828,000,000,000" and insert in lieu thereof "$826,290,000,000."

On page 13, line 9, strike "$242,850,000,000" and insert in lieu thereof "238,750,000,000", and on line 10, strike "$212,300,000,000" and insert in lieu thereof "$210,500,000,000."

On page 13, line 19, strike "$5,300,000,000" and insert in lieu thereof "$5,490,000,000", and on line 20, strike "5,000,000,000" and insert in lieu thereof "$5,100,000,000."

On page 14, line 13, strike "$27,550,000,000" and insert in lieu thereof "$29,750,000,000", and on line 14, strike "27,450,000,000" and insert in lieu thereof "$29,150,000,000."

—Amendment No. 2:

On page 12, line 14, strike "$828,000,000,000" and insert in lieu thereof "$828,400,000,000", and on line 16, strike "$780,555,000,000" and insert in lieu thereof "$779,660,000,000", and on line 18, strike "$103,850,000,000" and insert in lieu thereof "$102,960,000,000."

On page 13, line 16, strike "$7,750,000,000" and insert in lieu thereof "$8,250,000,000", and on line 17, strike "$7,600,000,000" and insert in lieu thereof "$8,060,000,000."

On page 13, line 22, strike "$9,400,000,000" and insert in lieu thereof "$7,500,000,000", and on line 23, strike "$10,850,000,000" and insert in lieu thereof "$8,950,000,000".

On page 13, line 25, strike "$6,900,000,000" and insert in lieu thereof "$7,500,000,000", and on page 14, line 1 strike "$10,100,000,000" and insert in lieu thereof "$9,750,000,000."

On page 14, line 6, strike "$22,300,000,000" and insert in lieu thereof "$22,350,000,000", and on line 7, strike "$20,400,000,000" and insert in lieu thereof "$20,450,000,000."

On page 14, line 13, strike "$27,550,000,000" and insert in lieu thereof "$28,700,000,000", and on line 14, strike "$27,450,000,000" and insert in lieu thereof "$28,300,000,000."

—Amendment No. 3:

On page 12, line 14, strike "$828,000,000,000" and insert in lieu thereof "$824,980,000,000", and on line 16, strike "$780,550,000,000" and insert in lieu thereof "$773,350,000,000" and on line 18, strike "$103,850,000,000" and insert in lieu thereof "$96,650,000,000."

On page 14, line 3, strike "$8,050,000,000" and insert in lieu thereof "$12,850,000,000", and on line 4, strike "$3,050,000,000" and insert in lieu thereof "$3,750,000,000."

On page 14, line 6, strike "$22,300,000,000" and insert in lieu thereof "$14,400,000,000", and on line 7, strike "$20,400,000,000" and insert in lieu thereof "$12,420,000,000."

On page 15, line 1, strike "$4,600,000,000" and insert in lieu thereof "$4,680,000,000", and on line 2, strike "$4,650,000,000" and insert in lieu thereof "$4,730,000,000."

By Mr. GREEN:

—Page 12, line 10, strike out "$676,700,000,000" and insert in lieu thereof "$672,700,000,000."

Page 12, line 12, strike out "$31,700,000,000" and insert in lieu thereof "$27,700,000,000."

Page 12, line 14, strike out "$828,000,000,000" and insert in lieu thereof "$812,000,000,000."

Page 12, line 16, strike out "$780,550,000,000" and insert in lieu thereof "$776,550,000,000."

Page 13, line 9, strike out "$242,850,000,000" and insert in lieu thereof "$226,850,000,000."

Page 13, line 10, strike out "$212,300,000,000" and insert in lieu thereof "$208,300,000,000."

Page 22, line 4, strike out "$753,650,000,000" and insert in lieu thereof "$749,650,000,000."

Page 22, line 5, strike out "$846,550,000,000" and insert in lieu thereof "$842,550,000,000."

Page 22, line 8, strike out "$51,650,000,000" and insert in lieu thereof "$47,650,000,000."

Page 22, line 9, strike out "$66,550,000,000" and insert in lieu thereof "$62,550,000,000."

Page 22, line 12, strike out "$888,400,000,000" and insert in lieu thereof "$872,400,000,000."

Page 22, line 13, strike out "$952,850,000,000" and insert in lieu thereof "$936,850,000,000."

Page 22, line 15, strike out "$826,400,000,000" and insert in lieu thereof "$822,400,000,000."

Page 22, line 16, strike out "$881,200,000,000" and insert in lieu thereof "$877,200,000,000."

Page 23, line 12, strike out "$268,150,000,000" and insert in lieu thereof "$252,150,000,000."

Page 23, line 13, strike out "$235,350,000,000" and insert in lieu thereof "$231,350,000,000."

Page 23, line 16, strike out "$295,950,000,000" and insert in lieu thereof "$279,950,000,000."

Page 23, line 17, strike out "$265,950,000,000" and insert in lieu thereof "$261,950,000,000."

By Mr. HEFNER:

(An amendment to H. Con. Res. 345, or any amendment, thereto to the matter concerning function 700, veterans' benefits and services.)

—Increase Budget Authority by $300,000,000 in Fiscal Year 1983, by $500,000,000 in Fiscal Year 1984, and by $700,000,000 in Fiscal Year 1985;

Increase outlays by $250,000,000 in Fiscal Year 1983, by $350,000,000 in Fiscal Year 1984, and by $600,000,000 in Fiscal Year 1985;

Increase the aggregated budget authority level by $300,000,000 in Fiscal Year 1983, by $500,000,000 in Fiscal Year 1984, and by $700,000,000 in Fiscal Year 1985;

Increase the aggregate outlay level by $250,000,000 in Fiscal Year 1983, by $350,000,000 in Fiscal Year 1984, and by $600,000,000 in Fiscal Year 1985;

Increase the deficit by $250,000,000 in Fiscal Year 1983, by $350,000,000 in Fiscal Year 1984, and by $600,000,000 in Fiscal Year 1985.

By Mr. HOYER:

(Increase pay adjustment from 4% to 7% for Federal Employees.)

—Page 12, line 14, (relating to the level of total new budget authority for fiscal year 1983) increase the amount by $,000,000.

Page 12, line 16, (relating to the level of total budget outlays for fiscal year 1983) increase the amount by $,000,000.

Page 12, line 18, (relating to the amount of the deficit in the budget for fiscal year 1983) increase the amount by $,000,000.

Page 13, line 9, (relating to new budget authority for functional category 050 for fiscal year 1983) increase the amount by $,000,000.

Page 13, line 10, (relating to budget outlays for functional category 050 for fiscal year 1983) increase the amount by $,000,000.

Page 15, line 15, (relating to new budget authority for functional category 920 for fiscal year 1983) increase the amount by $,000,000.

Page 15, line 16, (relating to budget outlays for functional category 920 for fiscal year 1983) increase the amount by $,000,000.

Page 22, line 12, (relating to the level of total new budget authority for fiscal year 1984) increase the amount by $,000,000.

Page 22, line 13, (relating to the level of total new budget authority for fiscal year 1985) increase the amount by $,000,000.

Page 22, line 15, (relating to the level of total budget outlays for fiscal year 1984) increase the amount by $,000,000.

Page 22, line 16, (relating to the level of total budget outlays for fiscal year 1985) increase the amount by $,000,000.

Page 22, line 18, (relating to the amount of the deficit in the budget for fiscal year 1984) increase the amount by $,000,000.

Page 22, line 19, (relating to the amount of the deficit in the budget for fiscal year 1985) increase the amount by $,000,000.

Page 23, line 12, (relating to new budget authority for functional category 050 for fiscal year 1984) increase the amount by $,000,000.

Page 23, line 13, (relating to budget outlays for functional category 050 for fiscal year 1984) increase the amount by $,000,000.

Page 23, line 16, (relating to new budget authority for functional category 050 for fiscal year 1985) increase the amount by $,000,000.

Page 23, line 17, (relating to budget outlays for functional category 050 for fiscal year 1985) increase the amount by $,000,000.

Page 29, line 18, (relating to new budget authority for functional category 920 for fiscal year 1984) increase the amount by $,000,000.

Page 29, line 19, (relating to budget outlays for functional category 920 for fiscal year 1984) increase the amount by $,000,000.

Page 29, line 22, (relating to new budget authority for functional category 920 for fiscal year 1985) increase the amount by $,000,000.

Page 29, line 23, (relating to budget outlays for functional category 920 for fiscal year 1985) increase the amount by $,000,000.

(Increase pay adjustment from 4% to 5% for Federal Employees.)

—Page 12, line 14, (relating to the level of total new budget authority for fiscal year 1983) increase the amount by $,000,000.

Page 12, line 16, (relating to the level of total budget outlays for fiscal year 1983) increase the amount by $,000,000.

Page 12, line 18, (relating to the amount of the deficit in the budget for fiscal year 1983) increase the amount by $,000,000.

Page 13, line 9, (relating to new budget authority for functional category 050 for fiscal year 1983) increase the amount by $,000,000.

Page 13, line 10, (relating to budget outlays for functional category 050 for fiscal year 1983) increase the amount by $,000,000.

Page 15, line 15, (relating to new budget authority for functional category 920 for fiscal year 1983) increase the amount by $,000,000.

Page 15, line 16, (relating to budget outlays for functional category 920 for fiscal year 1983) increase the amount by $,000,000.

Page 22, line 12, (relating to the level of total new budget authority for fiscal year 1984) increase the amount by $,000,000.

Page 22, line 13, (relating to the level of total new budget authority for fiscal year 1985) increase the amount by $,000,000.

Page 22, line 15, (relating to the level of total budget outlays for fiscal year 1984) increase the amount by $,000,000.

Page 22, line 16, (relating to the level of total budget outlays for fiscal year 1985) increase the amount by $,000,000.

Page 22, line 18, (relating to the amount of the deficit in the budget for fiscal year 1984) increase the amount by $,000,000.

Page 22, line 19, (relating to the amount of the deficit in the budget for fiscal year 1985) increase the amount by $,000,000.

Page 23, line 12, (relating to new budget authority for functional category 050 for fiscal year 1984) increase the amount by $,000,000.

Page 23, line 13, (relating to budget outlays for functional category 050 for fiscal year 1984) increase the amount by $,000,000.

Page 23, line 16, (relating to new budget authority for functional category 050 for fiscal year 1985) increase the amount by $,000,000.

Page 23, line 17, (relating to budget outlays for functional category 050 for fiscal year 1985) increase the amount by $,000,000.

Page 29, line 18, (relating to new budget authority for functional category 920 for fiscal year 1984) increase the amount by $,000,000.

Page 29, line 19, (relating to budget outlays for functional category 920 for fiscal year 1984) increase the amount by $,000,000.

Page 29, line 22, (relating to new budget authority for functional category 920 for fiscal year 1985) increase the amount by $,000,000.

Page 29, line 23, (relating to budget outlays for functional category 920 for fiscal year 1985) increase the amount by $,000,000.

(Increase pay adjustment from 4% to 5% for Federal Employees.)

—In the matter relating to the level of total new budget authority for fiscal year 1983, increase the amount by $,000,000.

In the matter relating to the level of total budget outlays for fiscal year 1983, increase the amount by $,000,000.

In the matter relating to the amount of the deficit in the budget for fiscal year 1983, increase the amount by $,000,000.

In the matter relating to new budget authority for functional category 050 for fiscal year 1983, increase the amount by $,000,000.

In the matter relating to budget outlays for functional category 050 for fiscal year 1983, increase the amount by $,000,000.

In the matter relating to new budget authority for functional category 920 for fiscal year 1983, increase the amount by $,000,000.

In the matter relating to budget outlays for functional category 920 for fiscal year 1983, increase the amount by $,000,000.

In the matter relating to the level of total new budget authority for fiscal year 1984, increase the amount by $,000,000.

In the matter relating to the level of total new budget authority for fiscal year 1985, increase the amount by $,000,000.

In the matter relating to the level of total budget outlays for fiscal year 1984, increase the amount by $,000,000.

In the matter relating to the level of total budget outlays for fiscal year 1985, increase the amount by $,000,000.

In the matter relating to the amount of the deficit in the budget for fiscal year 1984, increase the amount by $,000,000.

In the matter relating to the amount of the deficit in the budget for fiscal year 1985, increase the amount by $,000,000.

In the matter relating to new budget authority for functional category 050 for fiscal year 1984, increase the amount by $,000,000.

In the matter relating to budget outlays for functional category 050 for fiscal year 1984, increase the amount by $,000,000.

In the matter relating to new budget authority for functional category 050 for fiscal year 1985, increase the amount by $,000,000.

In the matter relating to budget outlays for functional category 050 for fiscal year 1985, increase the amount by $,000,000.

In the matter relating to new budget authority for functional category 920 for fiscal year 1984, increase the amount by $,000,000.

In the matter relating to budget outlays for functional category 920 for fiscal year 1984, increase the amount by $,000,000.

In the matter relating to new budget authority for functional category 920 for fiscal year 1985, increase the amount by $,000,000.

In the matter relating to budget outlays for functional category 920 for fiscal year 1985, increase the amount by $,000,000.

(Increase pay adjustment from 4% to 5% for Federal Employees, if reconciliation instructions.)

—In the matter relating to the level of total new budget authority for fiscal year 1983, increase the amount by $,000,000.

In the matter relating to the level of total budget outlays for fiscal year 1983, increase the amount by $,000,000.

In the matter relating to the amount of the deficit in the budget for fiscal year 1983, increase the amount by $,000,000.

In the matter relating to new budget authority for functional category 050 for fiscal year 1983, increase the amount by $,000,000.

In the matter relating to budget outlays for functional category 050 for fiscal year 1983, increase the amount by $,000,000.

In the matter relating to new budget authority for functional category 920 for fiscal year 1983, increase the amount by $,000,000.

In the matter relating to budget outlays for functional category 920 for fiscal year 1983, increase the amount by $,000,000.

In the matter relating to the level of total new budget authority for fiscal year 1984, increase the amount by $,000,000.

In the matter relating to the level of total new budget authority for fiscal year 1985, increase the amount by $,000,000.

In the matter relating to the level of total budget outlays for fiscal year 1984, increase the amount by $,000,000.

In the matter relating to the level of total budget outlays for fiscal year 1985, increase the amount by $,000,000.

In the matter relating to the amount of the deficit in the budget for fiscal year 1984, increase the amount by $,000,000.

In the matter relating to the amount of the deficit in the budget for fiscal year 1985, increase the amount by $,000,000.

In the matter relating to new budget authority for functional category 050 for fiscal year 1984, increase the amount by $,000,000.

In the matter relating to budget outlays for functional category 050 for fiscal year 1984, increase the amount by $,000,000.

In the matter relating to new budget authority for functional category 050 for fiscal year 1985, increase the amount by $,000,000.

In the matter relating to budget outlays for functional category 050 for fiscal year 1985, increase the amount by $,000,000.

In the matter relating to new budget authority for functional category 920 for fiscal year 1984, increase the amount by $,000,000.

In the matter relating to budget outlays for functional category 920 for fiscal year 1984, increase the amount by $,000,000.

In the matter relating to new budget authority for functional category 920 for fiscal year 1985, increase the amount by $,000,000.

In the matter relating to budget outlays for functional category 920 for fiscal year 1985, increase the amount by $,000,000.

In the matter relating to reconciliation instructions in the House of Representatives, strike out any matter relating to the Committee on Post Office and Civil Service.

In the matter relating to reconciliation instructions in the Senate, strike out any matter relating to the Committee on Governmental Affairs.

(Increase pay adjustment from 4% to 7% for Federal employees.)

—In the matter relating to the level of total new budget authority for fiscal year 1983, increase the amount by $,000,000.

In the matter relating to the level of total budget outlays for fiscal year 1983, increase the amount by $,000,000.

In the matter relating to the amount of the deficit in the budget for fiscal year 1983, increase the amount by $,000,000.

In the matter relating to new budget authority for functional category 050 for fiscal year 1983, increase the amount by $,000,000.

In the matter relating to budget outlays for functional category 050 for fiscal year 1983, increase the amount by $,000,000.

In the matter relating to new budget authority for functional category 920 for fiscal year 1983, increase the amount by $,000,000.

In the matter relating to budget outlays for functional category 920 for fiscal year 1983, increase the amount by $,000,000.

In the matter relating to the level of total new budget authority for fiscal year 1984, increase the amount by $,000,000.

In the matter relating to the level of total new budget authority for fiscal year 1985, increase the amount by $,000,000.

In the matter relating to the level of total budget outlays for fiscal year 1984, increase the amount by $,000,000.

In the matter relating to the level of total budget outlays for fiscal year 1985, increase the amount by $,000,000.

In the matter relating to the amount of the deficit in the budget for fiscal year 1984, increase the amount by $,000,000.

In the matter relating to the amount of the deficit in the budget for fiscal year 1985, increase the amount by $,000,000.

In the matter relating to new budget authority for functional category 050 for fiscal year 1984, increase the amount by $,000,000.

In the matter relating to budget outlays for functional category 050 for fiscal year 1984, increase the amount by $,000,000.

In the matter relating to new budget authority for functional category 050 for fiscal year 1985, increase the amount by $,000,000.

In the matter relating to budget outlays for functional category 050 for fiscal year 1985, increase the amount by $,000,000.

In the matter relating to new budget authority for functional category 920 for fiscal year 1984, increase the amount by $,000,000.

In the matter relating to budget outlays for functional category 920 for fiscal year 1984, increase the amount by $,000,000.

In the matter relating to new budget authority for functional category 920 for fiscal year 1985, increase the amount by $,000,000.

In the matter relating to budget outlays for functional category 920 for fiscal year 1985, increase the amount by $,000,000.

(Increase pay adjustment from 4% to 7% for Federal Employees, if reconciliation instructions.)

—In the matter relating to the level of total new budget authority for fiscal year 1983, increase the amount by $,000,000.

In the matter relating to the level of total budget outlays for fiscal year 1983, increase the amount by $,000,000.

In the matter relating to the amount of the deficit in the budget for fiscal year 1983, increase the amount by $,000,000.

In the matter relating to new budget authority for functional category 050 for fiscal year 1983, increase the amount by $,000,000.

In the matter relating to budget outlays for functional category 050 for fiscal year 1983, increase the amount by $,000,000.

In the matter relating to new budget authority for functional category 920 for fiscal year 1983, increase the amount by $,000,000.

In the matter relating to budget outlays for functional category 920 for fiscal year 1983, increase the amount by $,000,000.

In the matter relating to the level of total new budget authority for fiscal year 1984, increase the amount by $,000,000.

In the matter relating to the level of total new budget authority for fiscal year 1985, increase the amount by $,000,000.

In the matter relating to the level of total budget outlays for fiscal year 1984, increase the amount by $,000,000.

In the matter relating to the level of total budget outlays for fiscal year 1985, increase the amount by $,000,000.

In the matter relating to the amount of the deficit in the budget for fiscal year 1984, increase the amount by $,000,000.

In the matter relating to the amount of the deficit in the budget for fiscal year 1985, increase the amount by $,000,000.

In the matter relating to new budget authority for functional category 050 for fiscal year 1984, increase the amount by $,000,000.

In the matter relating to budget outlays for functional category 050 for fiscal year 1984, increase the amount by $,000,000.

In the matter relating to new budget authority for functional category 050 for fiscal year 1985, increase the amount by $,000,000.

In the matter relating to budget outlays for functional category 050 for fiscal year 1985, increase the amount by $,000,000.

In the matter relating to new budget authority for functional category 920 for fiscal year 1984, increase the amount by $,000,000.

In the matter relating to budget outlays for functional category 920 for fiscal year 1984, increase the amount by $,000,000.

In the matter relating to new budget authority for functional category 920 for fiscal year 1985, increase the amount by $,000,000.

In the matter relating to budget outlays for functional category 920 for fiscal year 1985, increase the amount by $,000,000.

In the matter relating to reconciliation instructions in the House of Representatives, strike out any matter relating to the Committee on Post Office and Civil Service.

In the matter relating to reconciliation instructions in the Senate, strike out any matter relating to the Committee on Governmental Affairs.

(Remove freeze on pay adjustments to permit 7% increase for Federal employees, if reconciliation instructions.)

—In the matter relating to the level of total new budget authority for fiscal year 1983, increase the amount by $,000,000.

In the matter relating to the level of total budget outlays for fiscal year 1983, increase the amount by $,000,000.

In the matter relating to the amount of the deficit in the budget for fiscal year 1983, increase the amount by $,000,000.

In the matter relating to new budget authority for functional category 050 for fiscal year 1983, increase the amount by $,000,000.

In the matter relating to budget outlays for functional category 050 for fiscal year 1983, increase the amount by $,000,000.

In the matter relating to new budget authority for functional category 920 for fiscal year 1983, increase the amount by $,000,000.

In the matter relating to budget outlays for functional category 920 for fiscal year 1983, increase the amount by $,000,000.

In the matter relating to the level of total new budget authority for fiscal year 1984, increase the amount by $,000,000.

In the matter relating to the level of total new budget authority for fiscal year 1985, increase the amount by $,000,000.

In the matter relating to the level of total budget outlays for fiscal year 1984, increase the amount by $,000,000.

In the matter relating to the level of total budget outlays for fiscal year 1985, increase the amount by $,000,000.

In the matter relating to the amount of the deficit in the budget for fiscal year 1984, increase the amount by $,000,000.

In the matter relating to the amount of the deficit in the budget for fiscal year 1985, increase the amount by $,000,000.

In the matter relating to new budget authority for functional category 050 for fiscal year 1984, increase the amount by $,000,000.

In the matter relating to budget outlays for functional category 050 for fiscal year 1984, increase the amount by $,000,000.

In the matter relating to new budget authority for functional category 050 for fiscal year 1985, increase the amount by $,000,000.

In the matter relating to budget outlays for functional category 050 for fiscal year 1985, increase the amount by $,000,000.

In the matter relating to new budget authority for functional category 920 for fiscal year 1984, increase the amount by $,000,000.

In the matter relating to budget outlays for functional category 920 for fiscal year 1984, increase the amount by $,000,000.

In the matter relating to new budget authority for functional category 920 for fiscal year 1985, increase the amount by $,000,000.

In the matter relating to budget outlays for functional category 920 for fiscal year 1985, increase the amount by $,000,000.

In the matter relating to reconciliation instructions in the House of Representatives, strike out any matter relating to the Committee on Post Office and Civil Service.

In the matter relating to reconciliation instructions in the Senate, strike out any matter relating to the Committee on Governmental Affairs.

(Remove freeze on pay adjustments to permit 7% increase for Federal employees.)

—In the matter relating to the level of total new budget authority for fiscal year 1983, increase the amount by $,000,000.

In the matter relating to the level of total budget outlays for fiscal year 1983, increase the amount by $,000,000.

In the matter relating to the amount of the deficit in the budget for fiscal year 1983, increase the amount by $,000,000.

In the matter relating to new budget authority for functional category 050 for fiscal year 1983, increase the amount by $,000,000.

In the matter relating to budget outlays for functional category 050 for fiscal year 1983, increase the amount by $,000,000.

In the matter relating to new budget authority for functional category 920 for fiscal year 1983, increase the amount by $,000,000.

In the matter relating to budget outlays for functional category 920 for fiscal year 1983, increase the amount by $,000,000.

In the matter relating to the level of total new budget authority for fiscal year 1984, increase the amount by $,000,000.

In the matter relating to the level of total new budget authority for fiscal year 1985, increase the amount by $,000,000.

In the matter relating to the level of total budget outlays for fiscal year 1984, increase the amount by $,000,000.

In the matter relating to the level of total budget outlays for fiscal year 1985, increase the amount by $,000,000.

In the matter relating to the amount of the deficit in the budget for fiscal year 1984, increase the amount by $,000,000.

In the matter relating to the amount of the deficit in the budget for fiscal year 1985, increase the amount by $,000,000.

In the matter relating to new budget authority for functional category 050 for fiscal year 1984, increase the amount by $,000,000.

In the matter relating to budget outlays for functional category 050 for fiscal year 1984, increase the amount by $,000,000.

In the matter relating to new budget authority for functional category 050 for fiscal year 1985, increase the amount by $,000,000.

In the matter relating to budget outlays for functional category 050 for fiscal year 1985, increase the amount by $,000,000.

In the matter relating to new budget authority for functional category 920 for fiscal year 1984, increase the amount by $,000,000.

In the matter relating to budget outlays for functional category 920 for fiscal year 1984, increase the amount by $,000,000.

In the matter relating to new budget authority for functional category 920 for fiscal year 1985, increase the amount by $,000,000.

In the matter relating to budget outlays for functional category 920 for fiscal year 1985, increase the amount by $,000,000.

(Remove freeze on pay adjustments to permit 5% increase for Federal employees, if reconciliation instructions.)

—In the matter relating to the level of total new budget authority for fiscal year 1983, increase the amount by $,000,000.

In the matter relating to the level of total budget outlays for fiscal year 1983, increase the amount by $,000,000.

In the matter relating to the amount of the deficit in the budget for fiscal year 1983, increase the amount by $,000,000.

In the matter relating to new budget authority for functional category 050 for fiscal year 1983, increase the amount by $,000,000.

In the matter relating to budget outlays for functional category 050 for fiscal year 1983, increase the amount by $,000,000.

In the matter relating to new budget authority for functional category 920 for fiscal year 1983, increase the amount by $,000,000.

In the matter relating to budget outlays for functional category 920 for fiscal year 1983, increase the amount by $,000,000.

In the matter relating to the level of total new budget authority for fiscal year 1984, increase the amount by $,000,000.

In the matter relating to the level of total new budget authority for fiscal year 1985, increase the amount by $,000,000.

In the matter relating to the level of total budget outlays for fiscal year 1984, increase the amount by $,000,000.

In the matter relating to the level of total budget outlays for fiscal year 1985, increase the amount by $,000,000.

In the matter relating to the amount of the deficit in the budget for fiscal year 1984, increase the amount by $,000,000.

In the matter relating to the amount of the deficit in the budget for fiscal year 1985, increase the amount by $,000,000.

In the matter relating to new budget authority for functional category 050 for fiscal year 1984, increase the amount by $,000,000.

In the matter relating to budget outlays for functional category 050 for fiscal year 1984, increase the amount by $,000,000.

In the matter relating to new budget authority for functional category 050 for fiscal year 1985, increase the amount by $,000,000.

In the matter relating to budget outlays for functional category 050 for fiscal year 1985, increase the amount by $,000,000.

In the matter relating to new budget authority for functional category 920 for fiscal year 1984, increase the amount by $,000,000.

In the matter relating to budget outlays for functional category 920 for fiscal year 1984, increase the amount by $,000,000.

In the matter relating to new budget authority for functional category 920 for fiscal year 1985, increase the amount by $,000,000.

In the matter relating to budget outlays for functional category 920 for fiscal year 1985, increase the amount by $,000,000.

In the matter relating to reconciliation instructions in the House of Representatives, strike out any matter relating to the Committee on Post Office and Civil Service.

In the matter relating to reconciliation instructions in the Senate, strike out any matter relating to the Committee on Governmental Affairs.

(Remove freeze on pay adjustments to permit 5% increase for Federal employees.)

—In the matter relating to the level of total new budget authority for fiscal year 1983, increase the amount by $,000,000.

In the matter relating to the level of total budget outlays for fiscal year 1983, increase the amount by $,000,000.

In the matter relating to the amount of the deficit in the budget for fiscal year 1983, increase the amount by $,000,000.

In the matter relating to new budget authority for functional category 050 for fiscal year 1983, increase the amount by $,000,000.

In the matter relating to budget outlays for functional category 050 for fiscal year 1983, increase the amount by $,000,000.

In the matter relating to new budget authority for functional category 920 for fiscal year 1983, increase the amount by $,000,000.

In the matter relating to budget outlays for functional category 920 for fiscal year 1983, increase the amount by $,000,000.

In the matter relating to the level of total new budget authority for fiscal year 1984, increase the amount by $,000,000.

In the matter relating to the level of total new budget authority for fiscal year 1985, increase the amount by $,000,000.

In the matter relating to the level of total budget outlays for fiscal year 1984, increase the amount by $,000,000.

In the matter relating to the level of total budget outlays for fiscal year 1985, increase the amount by $,000,000.

In the matter relating to the amount of the deficit in the budget for fiscal year 1984, increase the amount by $,000,000.

In the matter relating to the amount of the deficit in the budget for fiscal year 1985, increase the amount by $,000,000.

In the matter relating to new budget authority for functional category 050 for fiscal year 1984, increase the amount by $,000,000.

In the matter relating to budget outlays for functional category 050 for fiscal year 1984, increase the amount by $,000,000.

In the matter relating to new budget authority for functional category 050 for fiscal year 1985, increase the amount by $,000,000.

In the matter relating to budget outlays for functional category 050 for fiscal year 1985, increase the amount by $,000,000.

In the matter relating to new budget authority for functional category 920 for fiscal year 1984, increase the amount by $,000,000.

In the matter relating to budget outlays for functional category 920 for fiscal year 1984, increase the amount by $,000,000.

In the matter relating to new budget authority for functional category 920 for fiscal year 1985, increase the amount by $,000,000.

In the matter relating to budget outlays for functional category 920 for fiscal year 1985, increase the amount by $,000,000.

(Increase from 5% to 7% pay adjustments for Federal employees, if reconciliation instructions.)

—In the matter relating to the level of total new budget authority for fiscal year 1983, increase the amount by $,000,000.

In the matter relating to the level of total budget outlays for fiscal year 1983, increase the amount by $,000,000.

In the matter relating to the amount of the deficit in the budget for fiscal year 1983, increase the amount by $,000,000.

In the matter relating to new budget authority for functional category 050 for fiscal year 1983, increase the amount by $,000,000.

In the matter relating to budget outlays for functional category 050 for fiscal year 1983, increase the amount by $,000,000.

In the matter relating to new budget authority for functional category 920 for fiscal year 1983, increase the amount by $,000,000.

In the matter relating to budget outlays for functional category 920 for fiscal year 1983, increase the amount by $,000,000.

In the matter relating to the level of total new budget authority for fiscal year 1984, increase the amount by $,000,000.

In the matter relating to the level of total new budget authority for fiscal year 1985, increase the amount by $,000,000.

In the matter relating to the level of total budget outlays for fiscal year 1984, increase the amount by $,000,000.

In the matter relating to the level of total budget outlays for fiscal year 1985, increase the amount by $,000,000.

In the matter relating to the amount of the deficit in the budget for fiscal year 1984, increase the amount by $,000,000.

In the matter relating to the amount of the deficit in the budget for fiscal year 1985, increase the amount by $,000,000.

In the matter relating to new budget authority for functional category 050 for fiscal year 1984, increase the amount by $,000,000.

In the matter relating to budget outlays for functional category 050 for fiscal year 1984, increase the amount by $,000,000.

In the matter relating to new budget authority for functional category 050 for fiscal year 1985, increase the amount by $,000,000.

In the matter relating to budget outlays for functional category 050 for fiscal year 1985, increase the amount by $,000,000.

In the matter relating to new budget authority for functional category 920 for fiscal year 1984, increase the amount by $,000,000.

In the matter relating to budget outlays for functional category 920 for fiscal year 1984, increase the amount by $,000,000.

In the matter relating to new budget authority for functional category 920 for fiscal year 1985, increase the amount by $,000,000.

In the matter relating to budget outlays for functional category 920 for fiscal year 1985, increase the amount by $,000,000.

In the matter relating to reconciliation instructions in the House of Representatives, strike out any matter relating to the Committee on Post Office and Civil Service.

In the matter relating to reconciliation instructions in the Senate, strike out any matter relating to the Committee on Governmental Affairs.

(Increase from 5% to 7% pay adjustments for Federal employees.)

—In the matter relating to the level of total new budget authority for fiscal year 1983, increase the amount by $,000,000.

In the matter relating to the level of total budget outlays for fiscal year 1983, increase the amount by $,000,000.

In the matter relating to the amount of the deficit in the budget for fiscal year 1983, increase the amount by $,000,000.

In the matter relating to new budget authority for functional category 050 for fiscal year 1983, increase the amount by $,000,000.

In the matter relating to budget outlays for functional category 050 for fiscal year 1983, increase the amount by $,000,000.

In the matter relating to new budget authority for functional category 920 for fiscal year 1983, increase the amount by $,000,000.

In the matter relating to budget outlays for functional category 920 for fiscal year 1983, increase the amount by $,000,000.

In the matter relating to the level of total new budget authority for fiscal year 1984, increase the amount by $,000,000.

In the matter relating to the level of total new budget authority for fiscal year 1985, increase the amount by $,000,000.

In the matter relating to the level of total budget outlays for fiscal year 1984, increase the amount by $,000,000.

In the matter relating to the level of total budget outlays for fiscal year 1985, increase the amount by $,000,000.

In the matter relating to the amount of the deficit in the budget for fiscal year 1984, increase the amount by $,000,000.

In the matter relating to the amount of the deficit in the budget for fiscal year 1985, increase the amount by $,000,000.

In the matter relating to new budget authority for functional category 050 for fiscal year 1984, increase the amount by $,000,000.

In the matter relating to budget outlays for functional category 050 for fiscal year 1984, increase the amount by $,000,000.

In the matter relating to new budget authority for functional category 050 for fiscal year 1985, increase the amount by $,000,000.

In the matter relating to budget outlays for functional category 050 for fiscal year 1985, increase the amount by $,000,000.

In the matter relating to new budget authority for functional category 920 for fiscal year 1984, increase the amount by $,000,000.

In the matter relating to budget outlays for functional category 920 for fiscal year 1984, increase the amount by $,000,000.

In the matter relating to new budget authority for functional category 920 for fiscal year 1985, increase the amount by $,000,000.

In the matter relating to budget outlays for functional category 920 for fiscal year 1985, increase the amount by $,000,000.

By Mr. HUCKABY:

(Amendment to H. Con. Res. 345, or any amendment, thereto to the matter concerning Function 050 (National Defense)).

—Increase budget authority by $2.5 billion in fiscal year 1983.

Increase outlays by $1.5 billion in fiscal year 1983.

—Function 920, allowances.

Reduce budget authority by $2.5 billion in fiscal year 1983.

Reduce outlays by $1.5 billion in fiscal year 1983, making corresponding changes in the fiscal year 1984, and 1985.

The purpose of this amendment is to increase defense and reduce non-defense discretionary programs and entitlement programs.

By Mr. JONES of Oklahoma:

(An amendment to any amendment in the nature of a substitute which would adjust any amendment in the nature of a substitute to conform to the technical assumptions contained in H. Con. Res. 345.)

An amendment to any amendment in the nature of a substitute to H. Con. Res. 345. To matters concerning Function 920, allowances and revenues in fiscal year 1983.

—Increase budget authority by $7,300,000,000 in fiscal year 1983.

Increase outlays by $7,500,000,000 in fiscal year 1983.

Increase the aggregate budget authority level by $7,300,000,000 in fiscal year 1983.

Increase the aggregate outlay level by $7,500,000,000 in fiscal year 1983.

Increase the revenue level by $7,500,000,000 in fiscal year 1983.

The purpose of this amendment is to increase revenues in fiscal year 1983 (with corresponding increases in fiscal year 1984 and fiscal year 1985) by $7.5 billion. The amendment would also increase fiscal year 1983 budget authority by $7.3 billion and outlays by $7.5 billion (with corresponding increases in fiscal year 1984 and fiscal year 1985) for Function 920 (Allowances). If possible these amounts would be allocated in the amendment to the appropriate functional catagory with $3.5 billion going to non-defense discretionary programs and $4.0 billion to entitlement programs. Appropriate adjustments to reconciliation instructions will also be made.

(An amendment to any amendment in the nature of a substitute to H. Con. Res. 345, thereto to the matter concerning Function 050, National Defense.)

—Decrease budget authority by $17,800,000,000 in fiscal year 1983, by $28,400,000,000 in fiscal year 1984, and by $37,800,000,000 in fiscal year 1985;

Decrease outlays by $8,500,000,000 in fiscal year 1983, by $13,500,000,000 in fiscal year 1984, and by $18,000,000,000 in fiscal year 1985;

Decrease the aggregate budget authority level by $17,800,000,000 in fiscal year 1983, by $28,400,000,000 in fiscal year 1984, and by $37,800,000,000 in fiscal year 1985;

Decrease the aggregate outlay level by $8,500,000,000 in fiscal year 1983, by $13,500,000,000 in fiscal year 1984, and by $18,000,000,000 in fiscal year 1985;

Decrease the deficit by $8,500,000,000 in fiscal year 1983, by $13,500,000,000 in fiscal year 1984, and by $18,000,000,000 in fiscal year 1985.

By Mr. KEMP:

—In section 201, delete subsection (1) and insert:

(1) the level of Federal revenues is $645,000,000,000; and the net amount by which the aggregate level of Federal revenues should be increased is $0.

In section 201, subsection (4) delete $103,850,000,000 and insert $134,850,000,000.

In section 201(5), insert in place of the numbers appearing therein: $1,316,550,000,000; $916,550,000,000.

In section 204, delete subsection (1), and insert:

(1) the level of Federal revenues is as follows:

Fiscal year 1984: $702,000,000,000;
Fiscal year 1985: $780,000,000,000.

and the amount by which the aggregate level of Federal revenues should be increased is as follows:

Fiscal year 1984: $0;
Fiscal year 1985: $0.

In section 204(4) insert the following numbers in place of those appearing therein: $123,750,000,000; $100,650,000,000.

In section 204(5) insert the following numbers for the numbers appearing therein: $1,455,450,000,000; $1,556,800,000,000 and; $1,055,450,000,000; $1,156,450,000,000.

Delete section 301(K).

Delete section 302(B).

By Mr. LATTA:

(Strike all after the resolving clause and insert the following:)

TITLE I—REVISION OF THE CONGRESSIONAL BUDGET FOR THE UNITED STATES GOVERNMENT FOR THE FISCAL YEAR 1982

SECTION 101. The provisions of this title shall supersede the figures reaffirmed in S. Con. Res. 50 of the Ninety-seventh Congress for the fiscal year beginning on October 1, 1981.

SEC. 102(a)(1). The level of Federal revenues is $628,400,000,000, and the net amount by which the aggregate level of Federal revenues should be increased is $900,000,000.

(2) the level of total new budget authority is $764,900,000,000;

(3) the level of total budget outlays is $728,900,000,000;

(4) the amount of the deficit in the budget is $100,500,000,000;

(5) the level of the public debt is $1,126,900,000, and the amount by which the statutory limit on such debt should accordingly be increased is $47,100,000,000;

(6) the level of total obligations for the principal amount of new direct loans is $63,400,000,000, the level of total new primary commitments to guarantee loan principal is $74,850,000,000, and the level of total new secondary commitments to guarantee loan principal is $68,950,000,000.

(b) Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of subsection (a) of this section of this resolution, the Congress hereby determines and declares that, for the fiscal year beginning on October 1, 1981, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are as follows:

(1) National Defense (050):

(A) New budget authority, $219,000,000,000;

(B) Outlays, $187,600,000,000.

(2) International Affairs (150):

(A) New budget authority, $19,000,000,000;

(B) Outlays, $11,400,000,000.

(3) General Science, Space, and Technology (250):

(A) New budget authority, $7,000,000,000;

(B) Outlays, $6,900,000,000.

(4) Energy (270):

(A) New budget authority, $4,800,000,000;

(B) Outlays, $6,200,000,000.

(5) Natural Resources and Environment (300):

(A) New budget authority, $10,100,000,000;

(B) Outlays, $12,700,000,000.

(6) Agriculture (350):

(A) New budget authority, $9,600,000,000;

(B) Outlays, $12,800,000,000.

(7) Commerce and Housing Credit (370):

(A) New budget authority, $6,000,000,000;

(B) Outlays, $3,400,000,000.

(8) Transportation (400):

(A) New budget authority, $21,100,000,000;

(B) Outlays, $21,200,000.

(9) Community and Regional Development (450):

(A) New budget authority, $6,600,000,000;

(B) Outlays, $8,200,000,000.

(10) Education, Training, Employment and Social Services (500):

(A) New budget authority, $23,800,000,000;

(B) Outlays, $27,900,000,000.

(11) Health (550):

(A) New budget authority, $79,100,000,000;

(B) Outlays, $73,500,000,000.

(12) Income Security (600):

(A) New budget authority, $250,000,000,000;

(B) Outlays, $249,600,000,000.

(13) Veterans Benefits and Services (700):

(A) New budget authority, $24,800,000,000;

(B) Outlays, $24,200,000,000.

(14) Administration of Justice (750):

(A) New budget authority, $4,500,000,000;

(B) Outlays, $4,600,000,000.

(15) General Government (800):

(A) New budget authority, $5,200,000,000;

(B) Outlays, $5,100,000,000.

(16) General Purpose Fiscal Assistance (850):

(A) New budget authority, $6,400,000,000;

(B) Outlays, $6,400,000,000.

(17) Interest (900):

(A) New budget authority, $99,200,000,000;

(B) Outlays, $99,200,000,000.

(18) Allowances (920):

(A) New budget authority, −$300,000,000;

(B) Outlays, −$400,000,000.

(19) Undistributed Offsetting Receipts (950):

(A) New budget authority, −$31,800,000,000;

(B) Outlays, −$31,800,000,000.

Sec. 103(a). There is established a congressional federal credit budget for fiscal year 1982 of which the levels of total federal credit activity for fiscal year 1982 are:

(1) New direct loan obligations, $63,400,000,000;

(2) New primary loan guarantee commitments, $74,850,000,000;

(3) New secondary loan guarantee commitments, $68,950,000,000.

(b) Based on allocations of the appropriate levels of total federal credit activity as set forth in paragraph (1) of this subsection, the appropriate levels of new direct loan obligations, new primary loan guarantee commitments, and new secondary loan guarantee commitments for each functional category are as follows:

(1) National defense (050):

(A) New direct loan obligations, $000,000,000,000;

(B) New primary loan guarantee commitments, $000,000,000,000;

(C) New secondary loan guarantee commitments $000,000,000,000.

(2) International Affairs (150):

(A) New direct loan obligations, $10,400,000,000;

(B) New primary loan guarantee commitments, $8,100,000,000;

(C) New secondary loan guarantee commitments, $000,000,000,000.

(3) General Science, Space and Technology (250):

(A) New direct loan obligations, $200,000,000;

(B) New primary loan guarantee commitments, $000,000,000,000;

(C) New secondary loan guarantee commitments, $000,000,000,000.

(4) Energy (270):

(A) New direct loan obligations, $10,300,000,000;

(B) New primary loan guarantee commitments, $400,000,000;

(C) New secondary loan guarantee commitments, $000,000,000,000.

(5) Natural Resources and Environment (300):

(A) New direct loan obligations, $50,000,000;

(B) New primary loan guarantee commitments, $000,000,000,000;

(C) New secondary loan guarantee commitments, $000,000,000,000.

(6) Agriculture (350):

(A) New direct loan obligations, $22,600,000,000;

(B) New primary loan guarantee commitments, $2,700,000,000;

(C) New secondary loan guarantee commitments, $000,000,000,000.

(7) Commerce and Housing Credit (370):

(A) New direct loan obligations, $12,050,000,000;

(B) New primary loan guarantee commitments, $26,200,000,000;

(C) New secondary loan guarantee commitments, $68,200,000,000.

(8) Transportation (400):

(A) New direct loan obligations, $350,000,000;

(B) New primary loan guarantee commitments, $750,000,000;

(C) New secondary loan guarantee commitments, $50,000,000.

(9) Community and Regional Development (450):

(A) New direct loan obligations, $2,000,000,000;

(B) New primary loan guarantee commitments, $850,000,000;

(C) New secondary loan guarantee commitments, $000,000,000,000.

(10) Education, Training, Employment and Social Services (500):

(A) New direct loan obligations, $1,300,000,000;

(B) New primary loan guarantee commitments, $6,500,000,000;

(C) New secondary loan guarantee commitments, $700,000,000.

(11) Health (550):

(A) New direct loan obligations, $50,000,000;

(B) New primary loan guarantee commitments, $100,000,000;

(C) New secondary loan guarantee commitments, $000,000,000,000.

(12) Income Security (600):

(A) New direct loan obligations, $2,750,000,000;

(B) New primary loan guarantee commitments, $17,050,000,000;

(C) New secondary loan guarantee commitments, $000,000,000,000.

(13) Veterans Benefits and Services (700):

(A) New direct loan obligations, $1,050,000,000;

(B) New primary loan guarantee commitments, $11,900,000,000;

(C) New secondary loan guarantee commitments, $000,000,000,000.

(14) Administration of Justice (750):

(A) New direct loan obligations, $000,000,000,000;

(B) New primary loan guarantee commitments, $000,000,000,000;

(C) New secondary loan guarantee commitments, $000,000,000,000.

(15) General Government (800):

(A) New direct loan obligations, $50,000,000;

(B) New primary loan guarantee commitments, $000,000,000,000;

(C) New secondary loan guarantee commitments, $000,000,000,000.

(16) General Purpose Fiscal Assistance (850):

(A) New direct loan obligations, $250,000,000;

(B) New primary loan guarantee commitments, $300,000,000;

(C) New secondary loan guarantee commitments, $000,000,000,000.

(17) Interest (900):

(A) New direct loan obligations, $000,000,000,000;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(18) Allowances (920):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(19) Undistributed Offsetting Receipts (950):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(c) It is the sense of the Congress that the President and the Congress, through the appropriations process, should limit in fiscal year 1982 the off-budget lending activity of the Federal Government to a level not to exceed $30,200,000,000, the on-budget lending activity to a level not to exceed $33,200,000,000, new primary loan guarantee commitments to a level not to exceed $74,850,000,000, and new secondary loan guarantee commitments to a level not to exceed $68,950,000,000

TITLE II—SETTING FORTH THE CONGRESSIONAL BUDGET FOR THE UNITED STATES GOVERNMENT FOR THE FISCAL YEARS 1983, 1984, AND 1985

Sec. 201. The Congress hereby determines and declares, pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on October 1, 1982—

(1) the level of Federal revenues is $665,900,000,000, and the net amount by which the aggregate level of Federal revenues should be increased is $20,900,000,000;

(2) the level of total new budget authority is $805,200,000,000;

(3) the level of total budget outlays is $767,500,000,000;

(4) the amount of the deficit in the budget is $101,600,000,000; and

(5) the level of the public debt is $1,268,000,000,000, and the amount by which the statutory limit on such debt should accordingly be increased is $141,100,000,000.

Sec. 202. Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of section 201 of this resolution, the Congress hereby determines and declares pursuant to section 301(a) of the Congressional Budget Act of 1974 that, for the fiscal year beginning on October 1, 1982, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are as follows:

(1) National Defense (050):

(A) New budget authority, $253,850,000,000;

(B) Outlays, $213,250,000,000.

(2) International Affairs (150):

(A) New budget authority, $16,200,000,000;

(B) Outlays, $12,050,000,000.

(3) General Science, Space, and Technology (250):

(A) New budget authority, $7,050,000,000;

(B) Outlays, $7,150,000,000.

(4) Energy (270):

(A) New budget authority, $3,600,000,000;

(B) Outlays, $3,900,000,000.

(5) Natural Resources and Environment (300):

(A) New budget authority, $9,000,000,000;

(B) Outlays, $10,550,000,000.

(6) Agriculture (350):

(A) New budget authority, $6,400,000,000;

(B) Outlays, $9,050,000,000.

(7) Commerce and Housing Credit (370):

(A) New budget authority, $7,300,000,000;

(B) Outlays, $2,450,000,000.

(8) Transportation (400):

(A) New budget authority, $21,450,000,000;

(B) Outlays, $20,050,000,000.

(9) Community and Regional Development (450):

(A) New budget authority, $6,850,000,000;

(B) Outlays, $7,850,000,000.

(10) Education, Training, Employment and Social Services (500):

(A) New budget authority, $27,250,000,000;

(B) Outlays, $26,800,000,000.

(11) Health (550):

(A) New budget authority, $79,800,000,000;

(B) Outlays, $76,950,000,000.

(12) Income Security (600):

(A) New budget authority, $259,200,000,000;

(B) Outlays, $270,900,000,000.

(13) Veterans Benefits and Services (700):

(A) New budget authority, $24,710,000,000;

(B) Outlays, $23,860,000,000.

(14) Administration of Justice (750):

(A) New budget authority, $4,400,000,000;

(B) Outlays, $4,500,000,000.

(15) General Government (800):

(A) New budget authority, $4,900,000,000;

(B) Outlays, $4,750,000,000.

(16) General Purpose Fiscal Assistance (850):

(A) New budget authority, $6,500,000,000;

(B) Outlays, $6,500,000,000.

(17) Interest (900):

(A) New budget authority, $112,800,000,000;

(B) Outlays, $112,800,000,000.

(18) Allowances (920):

(A) New budget authority, −$2,950,000,000;

(B) Outlays, −$2,750,000,000.

(19) Undistributed Offsetting Receipts (950):

(A) New budget authority, −$43,110,000,000;

(B) Outlays, −$43,110,000,000.

(4) Energy (270):

(A) New direct loan obligations, $11,150,000,000;

(B) New primary loan guarantee commitments, −$1,800,000,000;

(C) New secondary loan guarantee commitments, $0.

(5) Natural Resources and Environment (300):

(A) New direct loan obligations, $50,000,000;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(6) Agriculture (350):

(A) New direct loan obligations, $16,750,000,000;

(B) New primary loan guarantee commitments, $2,650,000,000;

(C) New secondary loan guarantee commitments, $0.

(7) Commerce and Housing Credit (370):

(A) New direct loan obligations, $11,050,000,000;

(B) New primary loan guarantee commitments, $37,850,000,000;

(C) New secondary loan guarantee commitments, $53,300,000,000.

(8) Transportation (400):

(A) New direct loan obligations, $100,000,000;

(B) New primary loan guarantee commitments, $550,000,000;

(C) New secondary loan guarantee commitments, $0.

(9) Community, and Regional Development (450):

(A) New direct loan obligations, $1,750,000,000;

(B) New primary loan guarantee commitments, −$100,000,000;

(C) New secondary loan guarantee commitments, $0.

(10) Education, Training, Employment and Social Services (500):

(A) New direct loan obligations, $650,000,000;

(B) New primary loan guarantee commitments, $10,300,000,000;

(C) New secondary loan guarantee commitments, $0.

(11) Health (550):

(A) New direct loan obligations, $100,000,000;

(B) New primary loan guarantee commitments, $100,000,000;

(C) New secondary loan guarantee commitments, $0.

(12) Income Security (600):

(A) New direct loan obligations, $2,050,000,000;

(B) New primary loan guarantee commitments, $18,750,000,000;

(C) New secondary loan guarantee commitments, $0.

(13) Veterans Benefits and Services (700):

(A) New direct loan obligations, $1,100,000,000;

(B) New primary loan guarantee commitments, $20,950,000,000;

(C) New secondary loan guarantee commitments, $0.

(14) Administration of Justice (750):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(15) General Government (800):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(16) General Purpose Fiscal Assistance (850):

(A) New direct loan obligations, $150,000,000;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(17) Interest (900):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(18) Allowances (920):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(19) Undistributed Offsetting Receipts (950):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(c) It is the sense of the Congress that the President and the Congress, through the appropriations process, should limit in fiscal year 1983 the off-budget lending activity of the Federal Government to a level not to exceed $25,150,000,000, the on-budget lending activity to a level not to exceed $31,700,000, new primary loan guarantee commitments to a level not to exceed $96,500,000,000, and new secondary loan guarantee commitments to a level not to exceed $53,300,000,000.

Sec. 204. The Congress sets forth the following budgetary levels for fiscal years 1984 and 1985—

(1) the level of Federal revenues is as follows:

Fiscal year 1984: $738,000,000,000;
Fiscal year 1985: $821,400,000,000;

and the amount by which the aggregate levels of Federal revenues should be increased is as follows:

Fiscal year 1984: $36,000,000,000;
Fiscal year 1985: $41,400,000,000.

(2) the level of total new budget authority is as follows:

Fiscal year 1984: $867,640,000,000;
Fiscal year 1985: $953,090,000,000.

(3) the level of total budget outlays is as follows:

Fiscal year 1984: $815,660,000,000;
Fiscal year 1985: $870,460,000,000.

(4) the amount of the deficit in the budget is:

Fiscal year 1984: $77,660,000,000;
Fiscal year 1985: $49,060,000,000.

(5) the level of the public debt is as follows:

Fiscal year 1984: $1,378,960,000,000;
Fiscal year 1985: $1,472,650,000,000;

and the amount by which the temporary statutory limit on such debt should be accordingly increased is as follows:

Fiscal year 1984: $110,960,000,000;
Fiscal year 1985: $93,690,000,000.

Sec. 205. Based on allocations of the appropriate level of total new budget authority and of total budget outlays for fiscal years 1984 and 1985 as set forth above, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are respectively as follows:

(1) National Defense (050):

Fiscal year 1984:

(A) New budget authority, $278,850,000,000;

(B) Outlays, $240,650,000,000.

Fiscal year 1985:

(A) New budget authority, $322,200,000,000;

(B) Outlays, $274,420,000,000.

(2) International Affairs (150):

Fiscal year 1984:

(A) New budget authority, $16,800,000,000;

(B) Outlays, $12,350,000,000.

Fiscal year 1985:

(A) New budget authority, $21,250,000,000;

(B) Outlays, $12,450,000,000.

(3) General Science, Space, and Technology (250):

Fiscal year 1984:

(A) New budget authority, $7,050,000,000;

(B) Outlays, $7,100,000,000.

Fiscal year 1985:

(A) New budget authority, $7,050,000,000;

(B) Outlays, $7,050,000,000.

(4) Energy (270):

Fiscal year 1984:

(A) New budget authority, $2,900,000,000;

(B) Outlays, $2,350,000,000.

Fiscal year 1985:

(A) New budget authority, $2,750,000,000;

(B) Outlays, $1,500,000,000.

(5) Natural Resources and Environment (300):

Fiscal year 1984:

(A) New budget authority, $8,400,000,000;

(B) Outlays, $9,500,000,000.

Fiscal year 1985:

(A) New budget authority, $7,950,000,000;

(B) Outlays, $8,400,000,000.

(6) Agriculture (350):

Fiscal year 1984:

(A) New budget authority, $8,100,000,000;

(B) Outlays, $7,350,000,000.

Fiscal year 1985:

(A) New budget authority, $5,700,000,000;

(B) Outlays, $6,950,000,000.

(7) Commerce and Housing Credit (370):

Fiscal year 1984:

(A) New budget authority, $7,900,000,000;

(B) Outlays, $1,950,000,000.

Fiscal year 1985:

(A) New budget authority, $7,650,000,000;

(B) Outlays, $1,750,000,000.

(8) Transportation (400):

Fiscal year 1984:

(A) New budget authority, $21,700,000,000;

(B) Outlays, $19,700,000,000.

Fiscal year 1985:

(A) New budget authority, $22,050,000,000;

(B) Outlays, $19,550,000,000.

(9) Community and Regional Development (450):

Fiscal year 1984:

(A) New budget authority, $7,000,000,000;

(B) Outlays, $7,500,000,000.

Fiscal year 1985:

(A) New budget authority, $7,200,000,000;

(B) Outlays, $7,500,000,000.

(10) Education, Training, Employment, and Social Services (500):

Fiscal year 1984:

(A) New budget authority, $27,550,000,000;

(B) Outlays, $26,700,000,000.

Fiscal year 1985:

(A) New budget authority, $27,400,000,000;

(B) Outlays, $26,550,000,000.

(11) Health (550):

Fiscal year 1984:

(A) New budget authority, $92,650,000,000;

(B) Outlays, $84,550,000,000.

Fiscal year 1985:

(A) New budget authority, $104,550,000,000;

(B) Outlays, $94,500,000,000.

(12) Income Security (600):

Fiscal year 1984:

(A) New budget authority, $279,100,000,000;

(B) Outlays, $286,150,000,000.

Fiscal year 1985:

(A) New budget authority, $314,250,000,000;

(B) Outlays, $307,000,000,000.

(13) Veterans Benefits and Services (700):

Fiscal year 1984:

(A) New budget authority, $25,980,000,000;

(B) Outlays, $25,800,000,000.

Fiscal year 1985:

(A) New budget authority, $27,090,000,000;

(B) Outlays, $26,640,000,000.

(14) Administration of Justice (750):

Fiscal year 1984:

(A) New budget authority, $4,300,000,000;

(B) Outlays, $4,350,000,000.

Fiscal year 1985:

(A) New budget authority, $4,250,000,000;

(B) Outlays, $4,250,000,000.

(15) General Government (800):

Fiscal year 1984:

(A) New budget authority, $4,600,000,000;

(B) Outlays, $4,550,000,000.

Fiscal year 1985:

(A) New budget authority, $4,600,000,000;

(B) Outlays, $4,400,000,000.

(16) General Purpose Fiscal Assistance (850):

Fiscal year 1984:

(A) New budget authority, $6,700,000,000;

(B) Outlays, $6,700,000,000.

Fiscal year 1985:

(A) New budget authority, $6,850,000,000;

(B) Outlays, $6,850,000,000.

(17) Interest (900):

Fiscal year 1984:

(A) New budget authority, $118,800,000,000;

(B) Outlays, $118,800,000,000.

Fiscal year 1985:

(A) New budget authority, $112,100,000,000;

(B) Outlays, $112,100,000,000.

(18) Allowances (920):

Fiscal year 1984:

(A) New budget authority, −$1,950,000,000;

(B) Outlays, −$1,600,000,000.

Fiscal year 1985:

(A) New budget authority, −$1,750,000,000;

(B) Outlays, −$1,350,000,000.

(19) Undistributed Offsetting Receipts (950):

Fiscal year 1984:

(A) New budget authority, −$48,790,000,000;

(B) Outlays, −$48,790,000,000.

Fiscal year 1985:

(A) New budget authority, −$50,050,000,000;

(B) Outlays, −$50,050,000,000.

TITLE III—PROVIDING RECONCILIATION INSTRUCTIONS AND OTHER ENFORCEMENT MEASURES

PART A—Reconciliation Instructions

Sec. 301 Pursuant to section 301(b)(2) of the Budget Act—

(A) the House Committee on Agriculture shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $612,000,000 and outlays by $602,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $1,688,000,000 in budget authority and $1,678,000,000 in outlays in fiscal year 1984, and $2,363,000,000 in budget authority and $2,363,000,000 in outlays in fiscal year 1985.

(B) the House Committee on Armed Services shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $212,000,000 and outlays by $217,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $691,000,000 in budget authority and $700,000,000 in outlays in fiscal year 1984, and $1,228,000,000 in budget authority and $1,237,000,000 in outlays in fiscal year 1985.

(C) the House Committee on Banking, Finance and Urban Affairs shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $0 and outlays by $695,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $0 in budget authority and $697,000,000 in outlays in fiscal year 1984, and $0 in budget authority and $687,000,000 in outlays in fiscal year 1985.

(D) the House Committee on Education and Labor shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $173,000,000 and outlays by $145,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $435,000,000 in budget authority and $387,000,000 in outlays in fiscal year 1984, and $484,000,000 in budget authority and $553,000,000 in outlays in fiscal year 1985.

(E) the House Committee on Energy and Commerce shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $378,000,000 and outlays by $498,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $568,000,000 in budget authority and $566,000,000 in outlays in fiscal year 1984, and $625,000,000 in budget authority and $625,000,000 in outlays in fiscal year 1985.

(F) the House Committee on Foreign Affairs shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $0 and outlays by $2,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $2,000,000 in budget authority and $8,000,000 in outlays in fiscal year 1984, and $4,000,000 in budget authority and $15,000,000 in outlays in fiscal year 1985.

(G) the House Committee on Merchant Marine shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $4,000,000 and outlays by $4,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $15,000,000 in budget authority and $15,000,000 in outlays in fiscal year 1984, and $27,000,000 in budget authority and $27,000,000 in outlays in fiscal year 1985.

(H) the House Committee on Post Office and Civil Service shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $28,000,000 and outlays by $406,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $299,000,000 in budget authority and $1,124,000,000 in outlays in fiscal year 1984, and $616,000,000 in budget authority and $1,897,000,000 in outlays in fiscal year 1985.

(I) the House Committee on Veterans Affairs shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $77,000,000 and outlays by $77,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $75,000,000 in budget authority and $75,000,000 in outlays in fiscal year 1984, and $71,000,000 in budget authority and $71,000,000 in outlays in fiscal year 1985.

(J) the House Committee on Ways and Means shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $1,017,000,000 and outlays by $5,483,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $1,367,000,000 in budget authority and $8,496,000,000 in outlays in fiscal year 1984, and $1,465,000,000 in budget authority and $11,667,000,000 in outlays in fiscal year 1985.

(K) the House Committee on Ways and Means shall report changes in laws within the jurisdiction of that committee sufficient to increase revenue by $20,900,000,000 for fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future years requires additional revenues of $36,000,000,000 for fiscal year 1984, and $41,400,000,000 for fiscal year 1985.

Sec. 302. Pursuant to section 301(b)(2) of the Budget Act—

(A) the Senate Committee on Agriculture shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $612,000,000 and outlays by $602,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future years requires additional savings of $1,688,000,000 in budget authority and $1,678,000,000 in outlays for fiscal year 1984, and $2,363,000,000 in budget authority and $2,363,000,000.

(B) the Senate Committee on Armed Services shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $212,000,000,000 and outlays by $212,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future years requires additional savings of $691,000,000 in budget authority and $691,000,000 in outlays for fiscal year 1984, and $1,228,000,000 in budget authority and $1,228,000,000 in outlays in fiscal year 1985.

(C) the Senate Committee on Banking, Housing, and Urban Affairs shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $0 and outlays by $695,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future years requires additional savings of $0 in budget authority and $697,000,000 in outlays for fiscal year 1984, and $0 in budget authority and $687,000,000.

(D) the Senate Committee on Commerce, Science, and Transportation shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $4,000,000 and outlays by $4,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future years requires additional savings of $15,000,000 in budget authority and $15,000,000 in outlays for fiscal year 1984, and $27,000,000 in budget authority and $27,000,000 in outlays in fiscal year 1985.

(E) the Senate Committee on Finance shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $1,395,000,000 and outlays by $5,981,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future years requires additional savings of $1,933,000,000 in budget authority and $9,062,000,000 in outlays for fiscal year 1984, and $2,090,000,000 in budget authority and $12,292,000,000 in outlays in fiscal year 1985.

(F) the Senate Committee on Foreign Relations shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $0 and outlays by $2,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future years requires additional savings of $2,000,000 in budget authority and $8,000,000 in outlays for fiscal year 1984, and $4,000,000 in budget authority and $15,000,000 in outlays in fiscal year 1985.

(G) the Senate Committee on Government Affairs shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $28,000,000 and outlays by $406,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future years requires additional savings of $299,000,000 in budget authority and $1,124,000,000 in outlays for fiscal year 1984, and $616,000,000 in budget authority and $1,897,000,000 in outlays in fiscal year 1985.

(H) the Senate Committee on Labor and Human Resources shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $173,000,000 and outlays by $145,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future years requires additional savings of $435,000,000 in budget authority and $387,000,000 in outlays for fiscal year 1984, and $484,000,000 in budget authority and $553,000,000 in outlays in fiscal year 1985.

(1) the Senate Committee on Veterans Affairs shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority of $77,000,000 and outlays by $77,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future years requires additional savings of $75,000,000 in budget authority and $75,000,000 in outlays for fiscal year 1984, and $71,000,000 in budget authority and $71,000,000.

(J) the Senate Committee on Finance shall report changes in laws within the jurisdiction of that committee sufficient to increase revenues by $20,900,000,000 for fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional revenues of $36,000,000,000 for fiscal year 1984, and $41,400,000,000 in fiscal year 1985.

Sec. 303. The committees named in sections 301 and 302 shall submit their recommendations to the Committees on the Budget of their respective Houses by June 30, 1982. Those recommendations shall be sufficient to accomplish the changes required by those subsections. After receiving those recommendations, the Committees on the Budget shall report to the House and Senate a reconciliation bill or resolution or both carrying out all such recommendations without any substantive revision.

Sec. 304. In the House of Representatives, no bill or resolution providing—

(1) new budget authority for fiscal year 1983, or

(2) new spending authority described in section 401(c)(2)(C) of the Congressional Budget Act first effective in fiscal year 1983,

which exceeds the appropriate total allocation of new discretionary budget authority or new spending authority made pursuant to section 302(b) of such Act by the committee of jurisdiction shall be enrolled until after Congress has completed action on the second concurrent resolution on the budget required to be reported under Section 310 of such Act.

302(B) report

Sec. 305. It shall not be in order in either the House of Representatives or the Senate to consider any bill or resolution, or amendment thereto, providing—

(1) new budget authority for fiscal year 1983; or

(2) new spending authority described in section 401(c)(2)(C) of the Budget Act first effective in fiscal year 1983;

within the jurisdiction of any of its committees unless and until such committee makes the allocations or subdivisions required by section 302(b) of the Budget Act in connection with the most recently agreed to Concurrent Resolution on the Budget.

Sec. 306. (a) After the Congress has completed action on the concurrent resolution on the budget required to be reported under section 310(a) for fiscal year 1983, and, if a reconciliation bill or resolution, or both, for such fiscal year are required to be reported under section 310(c), after that bill has been enacted into law or that resolution has been agreed to, it shall not be in order in either the House of Representatives or the Senate to consider any bill, resolution, or amendment providing authority for—

(1) new direct loan obligations for fiscal year 1983;

(2) new primary loan guarantee commitments for fiscal year 1983; or

(3) new secondary loan guarantee commitments for fiscal year 1983;

or any conference report on any such bill or resolution, if—

(A) the enactment of such bill or resolution as reported;

(B) the adoption and enactment of such amendment; or

(C) the enactment of such bill or resolution in the form recommended in such conference report;

would cause the appropriate level of total new direct loan obligations for fiscal year 1983, total new primary loan guarantee commitments for such fiscal year, or total new secondary loan guarantee commitments for such fiscal year set forth in such concurrent resolution on the budget to be exceeded.

(b)(1) The joint explanatory statement accompanying the conference report on this resolution shall include an estimated allocation, based upon section —— of this resolution as recommended in such conference report, of the appropriate levels of total new direct loan obligations, new primary loan guarantee commitments, and new secondary loan guarantee commitments authority among each committee of the House of Representatives and the Senate which has jurisdiction over bills and resolutions providing such new authority.

(2) As soon as practicable after this resolution is agreed to every committee of each House shall, after consulting with the committee or committees of the other House to which all or part of the allocation has been made, subdivide among its subcommittees the allocation of new direct loan obligations,

new primary loan guarantee commitments, and new secondary loan guarantee commitments allocated to it in the joint explanatory statement accompanying the conference report on this resolution.

SEC. 307. It is the sense of Congress that reductions in federal employment should be accomplished through attrition only.

SEC. 308. It is the sense of the Congress that if Congress acts to restore fiscal responsibility and reduces projected budget deficits in a substantial and permanent way, then the Federal Reserve Open Market Committee shall reevaluate its monetary targets in order to assure that they are fully complementary to a new and more restrained fiscal policy.

By Mr. MARTIN of North Carolina:

—Page 12, line 10, strike out "$676,700,000,000" and insert in lieu thereof "$665,000,000,000".

Page 12, line 12, strike out "$31,700,000,000" and insert in lieu thereof "$20,000,000,000".

Page 12, line 18, strike out "$103,850,000,000" and insert in lieu thereof "$115,550,000,000".

Page 22, line 4, strike out "$753,650,000,000" and insert in lieu thereof "$732,000,000,000".

Page 22, line 5, strike out "$846,550,000,000" and insert in lieu thereof "$820,000,000,000".

Page 22, line 8, strike out "$51,650,000,000" and insert in lieu thereof "$35,000,000,000".

Page 22, line 9, strike out "$66,550,000,000" and insert in lieu thereof "$40,000,000,000".

Page 22, line 18, strike out "$72,750,000,000" and insert in lieu thereof "$89,400,000,000".

Page 22, line 19, strike out "$34,650,000,000" and insert in lieu thereof "$61,200,000,000".

Page 35, line 1, (relating to reconciliation instructions to the House Committee on Ways and Means) strike out "$31,700,000,000" and insert in lieu thereof "$20,000,000,000", and on line 4, strike out "$51,650,000,000" and insert in lieu thereof "$35,000,000,000", and on line 5, strike out "$66,550,000,000" and insert in lieu thereof "$40,000,000,000".

Page 35, line 21, (relating to reconciliation instructions to the Senate Committee on Finance) strike out "$31,700,000,000" and insert in lieu thereof "$20,000,000,000", and on page 36, line 1, strike out "$51,650,000,000" and insert in lieu thereof "$35,000,000,000", and on line 2, strike out "$66,550,000,000" and insert in lieu thereof "$40,000,000,000".

By Mr. MILLER of California:

(Amendment in the nature of a substitute.)

—Strike out all after the resolving clause and insert in lieu thereof the following:

TITLE I—REVISION OF THE CONGRESSIONAL BUDGET FOR THE UNITED STATES GOVERNMENT FOR THE FISCAL YEAR 1982

Section 101. The provisions of this title shall supersede the figures reaffirmed in S. Con. Res. 50 of the Ninety-seventh Congress for the fiscal year beginning on October 1, 1981.

Sec. 102. (a)(1) The level of Federal revenues is $622,800,000,000, and the net amount by which the aggregate level of Federal revenues should be decreased is $200,000,000.

(2) The level of total new budget authority is $784,500,000,000.

(3) The level of total budget outlays is $743,900,000,000.

(4) The amount of the deficit in the budget is $121,100,000,000.

(5) The level of the public debt is $1,147,700,000,000, and the amount by which the statutory limit on such debt should accordingly be increased is $747,700,000,000.

(6) The level of total gross obligations for the principal amount of direct loans is $63,400,000,000, and the level of total new primary commitments to guarantee loan principal is $74,850,000,000, and the level of total new secondary commitments to guarantee loan principal is $68,950,000,000.

(b) Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of subsection (a) of this section of this resolution, the Congress hereby determines and declares that, for the fiscal year beginning on October 1, 1981, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are as follows:

(1) National Defense (050):

(A) New budget authority, $218,200,000,000;

(B) Outlays, $190,800,000,000.

(2) International Affairs (150):

(A) New budget authority, $16,750,000,000;

(B) Outlays, $11,450,000,000.

(3) General Science, Space, and Technology (250):

(A) New budget authority, $7,000,000,000;

(B) Outlays, $7,000,000,000.

(4) Energy (270):

(A) New budget authority, $4,750,000,000;

(B) Outlays, $6,500,000,000.

(5) Natural Resources and Environment (300):

(A) New budget authority, $10,400,000,000;

(B) Outlays, $12,850,000,000.

(6) Agriculture (350):

(A) New budget authority, $9,900,000,000;

(B) Outlays, $13,800,000,000.

(7) Commerce and Housing Credit (370):

(A) New budget authority, $7,500,000,000;

(B) Outlays, $3,750,000,000.

(8) Transportation (400):

(A) New budget authority, $21,350,000,000;

(B) Outlays, $21,450,000,000.

(9) Community and Regional Development(450):

(A) New budget authority, $7,000,000,000;

(B) Outlays, $8,650,000,000.

(10) Education, Training, Employment and Social Services (500):

(A) New budget authority, $25,450,000,000;

(B) Outlays, $28,200,000,000.

(11) Health (550):

(A) New budget authority, $79,050,000,000;

(B) Outlays, $73,750,000,000.

(12) Income Security (600):

(A) New budget authority, $261,350,000,000;

(B) Outlays, $251,850,000,000.

(13) Veterans Benefits and Services (700):

(A) New budget authority, $24,800,000,000;

(B) Outlays, $23,800,000,000.

(14) Administration of Justice (750):

(A) New budget authority, $4,500,000,000;

(B) Outlays, $4,650,000,000.

(15) General Government (800):

(A) New budget authority, $5,200,000,000;

(B) Outlays, $5,050,000,000.

(16) General Purpose Fiscal Assistance (850):

(A) New budget authority, $6,350,000,000;

(B) Outlays, $6,350,000,000.

(17) Interest (900):

(A) New budget authority, $102,350,000,000;

(B) Outlays, $102,350,000,000.

(18) Allowances (920):

(A) New budget authority, $2,850,000,000;

(B) Outlays, $1,900,000,000.

(19) Undistributed Offsetting Receipts (950):

(A) New budget authority, −$30,250,000,000;

(B) Outlays, −$30,250,000,000.

TITLE II—SETTING FORTH THE CONGRESSIONAL BUDGET FOR THE UNITED STATES GOVERNMENT FOR THE FISCAL YEARS 1983, 1984, AND 1985

SEC. 201. The Congress hereby determines and declares, pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year begining on October 1, 1982—

(1) the level of Federal revenues is $645,000,000,000. and the net amount by which the aggregate level of Federal revenues should be increased is $000,000,000;

(2) the level of total new budget authority is $739,100,000,000;

(3) the level of total budget outlays is $754,400,000,000;

(4) the amount of the deficit in the budget is $109,400,000,000; and

(5) the level of the public debt is $1,285,550,000,000, and the amount by which the statutory limit on such debt should accordingly be increased is $885,550,000,000.

SEC. 202. Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of section 201 of this resolution, the Congress hereby determines and declares pursuant to section 301(a) of the Congressional Budget Act of 1974 that, for the fiscal year beginning on October 1, 1982, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are as follows:

(1) National Defense (050):

(A) New budget authority, $175,800,000,000;

(B) Outlays, $191,600,000,000.

(2) International Affairs (150):

(A) New budget authority, $17,000,000,000;

(B) Outlays, $11,600,000,000.

(3) General Science, Space, and Technology (250):

(A) New budget authority, $7,000,000,000;

(B) Outlays, $7,000,000,000.

(4) Energy (270):

(A) New budget authority, $4,400,000,000;

(B) Outlays, $6,000,000,000.

(5) Natural Resources and Environment (300):

(A) New budget authority, $9,800,000,000;

(B) Outlays, $12,300,000,000.

(6) Agriculture (350):

(A) New budget authority, $9,900,000,000;

(B) Outlays, $13,800,000,000.

(7) Commerce and Housing Credit (370):

(A) New budget authority, $5,700,000,000;

(B) Outlays, $1,600,000,000.

(8) Transportation (400):

(A) New budget authority, $20,000,000,000;

(B) Outlays, $20,500,000,000.

(9) Community and Regional Development (450):

(A) New budget authority, $6,700,000,000;

(B) Outlays, $8,500,000,000.

(10) Education Training, Employment and Social Services (500):

(A) New budget authority, $28,400,000,000;

(B) Outlays, $28,200,000,000.

(11) Health (550):

(A) New budget authority, $78,400,000,000;

(B) Outlays, $79,500,000,000.

(12) Income Security (600):

(A) New budget authority, $260,400,000,000;

(B) Outlays, $259,200,000,000.

(13) Veterans Benefits and Services (700):

(A) New budget authority, $24,200,000,000;

(B) Outlays, $23,200,000,000.

(14) Administration of Justice (750):

(A) New budget authority, $4,500,000,000;

(B) Outlays, $4,600,000,000.

(15) General Government (800):

(A) New budget authority, $5,000,000,000;

(B) Outlays, $4,800,000,000.

(16) General Purpose Fiscal Assistance (850):

(A) New budget authority, $6,600,000,000;

(B) Outlays, $6,500,000,000.

(17) Interest (900):

(A) New budget authority, $115,500,000,000;

(B) Outlays, $115,500,000,000.

(18) Allowances (920):

(A) New budget authority, $500,000,000;

(B) Outlays, $400,000,000.

(19) Undistributed Offsetting Receipts (950):

(A) New budget authority, $39,700,000,000;

(B) Outlays, $39,700,000,000.

SEC. 203. The Congress sets forth the following budgetary levels for fiscal years 1984 and 1985—

(1) the level of Federal revenues is as follows:

Fiscal year 1984: $702,000,000,000;

Fiscal year 1985: $780,000,000,000;

and the amount by which the aggregate levels of Federal revenues should be increased or decreased is as follows:

Fiscal year 1984: $000,000,000,000;

Fiscal year 1985: $000,000,000,000.

(2) the level of total new budget authority is as follows:

Fiscal year 1984: $749,900,000,000;

Fiscal year 1985: $731,500,000,000.

(3) the level of total budget outlays is as follows:

Fiscal year 1984: $759,400,000,000;

Fiscal year 1985: $752,500,000,000.

(4)(A) the amount of the deficit in the budget is:

Fiscal year 1984: $57,400,000,000.

(B) the amount of the surplus in the budget is:

Fiscal year 1985: $27,500,000,000.

(5) the level of the public debt is as follows.

Fiscal year 1984: $1,404,450,000,000;

Fiscal year 1985: $1,490,880,000,000;

and the amount by which the temporary statutory limit on such debt should be accordingly increased is as follows:

Fiscal year 1984: $1,004,450,000,000;

Fiscal year 1985: $1,090,800,000,000.

SEC. 204. Based on allocations of the appropriate level of total new budget authority and of total budget outlays for fiscal years 1984 and 1985 as set forth above, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are respectively as follows:

(1) National Defense (050):

Fiscal year 1984:

(A) New budget authority, $191,600,000,000;

(B) Outlays, $191,900,000,000.

Fiscal year 1985:

(A) New budget authority, $187,300,000,000;

(B) Outlays, $192,200,000,000.

(2) International Affairs (150):

Fiscal year 1984::

(A) New budget authority, $17,200,000,000;

(B) Outlays, $11,800,000,000.

Fiscal year 1985:

(A) New budget authority, $17,300,000,000;

(B) Outlays, $11,900,000,000.

(3) General Science, Space, and Technology (250):

Fiscal year 1984:

(A) New budget authority, $7,000,000,000;

(B) Outlays, $7,000,000,000.

Fiscal year 1985:

(A) New budget authority, $7,000,000,000;

(B) Outlays, $7,000,000,000.

(4) Energy (270):

Fiscal year 1984:

(A) New budget authority, $4,000,000,000;

(B) Outlays, $5,600,000,000.

Fiscal year 1985:

(A) New budget authority, $3,800,000,000;

(B) Outlays, $5,400,000,000.

(5) Natural Resources and Environment (300):

Fiscal year 1984:

(A) New budget authority, $9,200,000,000;

(B) Outlays, $11,700,000,000.

Fiscal year 1985:

(A) New budget authority, $8,800,000,000;

(B) Outlays, $11,300,000,000.

(6) Agriculture (350):

Fiscal year 1984:

(A) New budget authority, $10,400,000,000;

(B) Outlays, $14,300,000,000.

Fiscal year 1985:

(A) New budget authority, $10,200,000,000;

(B) Outlays, $14,200,000,000.

(7) Commerce and Housing Credit (370):

Fiscal year 1984:

(A) New budget authority, $5,700,000,000;

(B) Outlays, $1,400,000,000.

Fiscal year 1985:

(A) New budget authority, $5,200,000,000;

(B) Outlays, $1,300,000,000.

(8) Transportation (400):

Fiscal year 1984:

(A) New budget authority, $19,900,000,000;

(B) Outlays, $20,400,000,000.

Fiscal year 1985:

(A) New budget authority, $19,900,000,000;

(B) Outlays, $20,400,000,000.

(9) Community and Regional Development (450):

Fiscal year 1984:

(A) New budget authority, $6,800,000,000;

(B) Outlays, $8,600,000,000.

Fiscal year 1985:

(A) New budget authority, $6,900,000,000;

(B) Outlays, $8,700,000,000.

(10) Education, Training, Employment, and Social Services (500):

Fiscal year 1984:

(A) New budget authority, $26,200,000,000;

(B) Outlays, $28,900,000,000.

Fiscal year 1985:

(A) New budget authority, $27,000,000,000;

(B) Outlays, $29,700,000,000.

(11) Health (550):

Fiscal year 1984:

(A) New budget authority, $78,400,000,000;

(B) Outlays, $81,600,000,000.

Fiscal year 1985:

(A) New budget authority, $78,200,000,000;

(B) Outlays, $84,200,000,000.

(12) Income Security (600):

Fiscal year 1984:

(A) New budget authority, $259,000,000,000;

(B) Outlays, $262,700,000,000.

Fiscal year 1985:

(A) New budget authority, $260,400,000,000;

(B) Outlays, $267,800,000,000.

(13) Veterans Benefits and Services (700):

Fiscal year 1984:

(A) New budget authority, $24,900,000,000;

(B) Outlays, $23,900,000,000.

Fiscal year 1985:

(A) New budget authority, $25,400,000,000;

(B) Outlays, $24,400,000,000.

(14) Administration of Justice (750):

Fiscal year 1984:

(A) New budget authority, $4,600,000,000;

(B) Outlays, $4,700,000,000.

Fiscal year 1985:

(A) New budget authority, $4,600,000,000;

(B) Outlays, $4,700,000,000.

(15) General Government (800):

Fiscal year 1984:

(A) New budget authority, $4,800,000,000;

(B) Outlays, $4,600,000,000.

Fiscal year 1985:

(A) New budget authority, $4,700,000,000;

(B) Outlays, $4,500,000,000.

(16) General Purpose Fiscal Assistance (850):

Fiscal year 1984:

(A) New budget authority, $6,800,000,000;

(B) Outlays, $6,800,000,000.

Fiscal year 1985:

(A) New budget authority, $6,900,000,000;

(B) Outlays, $6,800,000,000.

(17) Interest (900):

Fiscal year 1984:

(A) New budget authority, $120,400,000,000;

(B) Outlays, $120,400,000,000.

Fiscal year 1985:

(A) New budget authority, $109,600,000,000;

(B) Outlays, $109,600,000,000.

(18) Allowances (920):

Fiscal year 1984:

(A) New budget authority, −$500,000,000;

(B) Outlays, −$400,000,000.

Fiscal year 1985:

(A) New budget authority, −$1,500,000,000;

(B) Outlays, −$1,400,000,000.

(19) Undistributed Offsetting Receipts (950):

Fiscal year 1984:

(A) New budget authority, −$46,500,000,000;

(B) Outlays, −$46,500,000,000.

Fiscal year 1985:

(A) New budget authority, −$50,200,000,000;

(B) Outlays, −$50,200,000,000.

TITLE III—PROVIDING RECONCILIATION INSTRUCTIONS AND OTHER ENFORCEMENT MEASURES

PART A—RECONCILIATION INSTRUCTIONS

SEC. 301. Pursuant to section 301(b)(2) of the Budget Act—

(A) the House Committee on Agriculture shall report changes in law within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of the Budget Act, sufficient to reduce budget authority by $1,600,000,000 and to increase outlays by $2,250,000,000 in fiscal year 1983, to reduce budget authority by $2,250,000,000 and to increase outlays by $3,900,000,000 in fiscal year 1984 and to reduce budget authority by $3,400,000,000 and to increase outlays by $3,750,000,000 in fiscal year 1985;

(B) the House Committee on Armed Services shall report changes in law within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of the Budget Act, sufficient to reduce budget authority by $600,000,000 and outlays by $600,000,000 in fiscal year 1983, budget authority by $1,700,000,000 and outlays by $1,700,000,000 in fiscal year 1984 and budget authority by $2,900,000,000 and outlays by $2,900,000,000 in fiscal year 1985;

(C) the House Committee on Education and Labor shall report changes in law within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of the Budget Act, sufficient to reduce budget authority by $400,000,000 and outlays by $400,000,000 in fiscal year 1983, budget authority by $950,000,000 and outlays by $950,000,000 in fiscal year 1984 and budget authority by $950,000,000 and outlays by $950,000,000 in fiscal year 1985;

(D) the House Committee on Energy and Commerce shall report changes in law within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) on the Budget Act, sufficient to reduce budget authority by $1,200,000,000 and outlays by $3,000,000,000 in fiscal year 1983, budget authority by $2,600,000,000 and outlays by $6,500,000,000 in fiscal year 1984 and budget authority by $4,850,000,000 and outlays by $11,200,000,000 in fiscal year 1985;

(E) the House Committee on Post Office and Civil Service shall report changes in law within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of the Budget Act, sufficient to reduce budget authority by $00,000,000 and outlays by $700,000,000 in fiscal year 1983, budget authority by $000,000,000 and outlays by $2,200,000,000 in fiscal year 1984 and budget authority by $000,000,000 and outlays by $3,850,000,000 in fiscal year 1985;

(F) the House Committee on Veterans Affairs shall report changes in law within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of the Budget Act, sufficient to reduce budget authority by $150,000,000 and outlays by $150,000,000 in fiscal year 1983, budget authority by $300,000,000 and outlays by $300,000,000 in fiscal year 1984 and budget authority by $500,000,000 and outlays by $500,000,000 in fiscal year 1985;

(G) the House Committee on Ways and Means shall report changes in law within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of the Budget Act, sufficient to reduce budget authority by $550,000,000 and outlays by $14,800,000,000 in fiscal year 1983, budget authority by $1,150,000,000 and outlays by $31,650,000,000 in fiscal year 1984 and budget authority by $1,650,000,000 and outlays by $52,800,000,000 in fiscal year 1985.

SEC. 302. Pursuant to section 301(b)(2) of the Budget Act—

(A) the Senate Committee on Agriculture shall report changes in law within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of the Budget Act, sufficient to reduce budget authority by $1,850,000,000 and to increase outlays by $2,200,000,000 in fiscal year 1983, to reduce budget authority by $2,850,000,000 and to increase outlays by $3,550,000,000 in fiscal year 1984 and to reduce budget authority by $4,350,000,000 and to increase outlays by $2,800,000,000 in fiscal year 1985;

(B) the Senate Committee on Armed Services shall report changes in law within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of the Budget Act, sufficient to reduce budget authority by $600,000,000 and outlays by $600,000,000 in fiscal year 1983, budget authority by $1,700,000,000 and outlays by $1,700,000,000 in fiscal year 1984 and budget authority by $2,900,000,000 and outlays by $2,900,000,000 in fiscal year 1985;

(C) the Senate Committee on Governmental Affairs shall report changes in law within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of the Budget Act, sufficient to reduce budget authority by $000,000,000 and outlays by $700,000,000 in fiscal year 1983, budget authority by $000,000,000 and outlays by $2,200,000,000 in fiscal year 1984 and budget authority by $000,000,000 and outlays by $3,830,000,000 in fiscal year 1985;

(D) the Senate Committee on Labor and Human Resources shall report changes in law within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of the Budget Act, sufficient to reduce budget authority by $350,000,000 and outlays by $650,000,000 in fiscal year 1983, budget authority by $600,000,000 and outlays by $1,200,000,000 in fiscal year 1984 and budget authority by $000,000,000 and outlays by $950,000,000 in fiscal year 1985;

(E) the Senate Committee on Veterans Affairs shall report changes in law within the jurisdiction of that committee which provide spending authority as defined in section 410(c)(2)(C) of the Budget Act, sufficient to reduce budget authority by $150,000,000 and outlays by $150,000,000 in fiscal year 1983, budget authority by $300,000,000 and outlays by $300,000,000 in fiscal year 1984 and budget authority by $500,000,000 and outlays by $500,000,000 in fiscal year 1985;

(F) the Senate Committee on Finance shall report changes in law within the jurisdiction of that committee which provide spending authority as defined in section 410(c)(2)(C) of the Budget Act, sufficient to reduce budget authority by $2,150,000,000 and outlays by $16,400,000,000 in fiscal year 1983, budget authority by $4,450,000,000 and outlays by $34,950,000,000 in fiscal year 1984 and budget authority by $7,550,000,000 and outlays by $58,700,000,000 in fiscal year 1985.

SEC. 303. The Committees named in sections 301(A)-(F) and 302(A)-(E) must submit their recommendations to the Committees on the Budget of their respective Houses. Those recommendations shall be sufficient to accomplish the changes required by such subsection. After receiving those recommendations, the Committees on the Budget shall report to the House and Senate a reconciliation bill or resolution or both carrying out all such recommendations without any substantive revision.

PART B—ENFORCEMENT MEASURES

DEFERRED ENROLLMENT

SEC. 304. No bill or resolution providing—

(1) new budget authority for fiscal year 1983, or

(2) new spending authority described in section 401(c)(2)(C) of the Congressional Budget Act first effective in fiscal year 1983—which exceeds the appropriate allocation or subdivision of such new discretionary budget authority or new spending authority made pursuant to section 302 of such Act shall be enrolled until after Congress has completed action on the second concurrent resolution on the budget required to be reported under section 310 of such Act, and on any reconciliation legislation required by such resolution.

302(b) REPORT

SEC. 305. It shall not be in order in either the House of Representatives or the Senate to consider any bill or resolution, or amendment thereto, providing—

(1) new budget authority for fiscal year 1983; or

(2) new spending authority described in section 401(c)(2)(C) of the Budget Act first effective in fiscal year 1983;

within the jurisdiction of any of its committees unless and until such committee makes the allocations or subdivisions required by section 302(b) of the Budget Act.

SEC. 306. It is the sense of the Congress that if Congress acts to restore fiscal responsibility and reduces projected budget deficits in a substantial and permanent way, then the Federal Reserve Open Market Committee shall reevaluate its monetary targets in order to assure that they are fully complementary to a new and more restrained fiscal policy.

(Amendment to the amendment in the nature of a substitute.)

Page , line , increase the level of Federal revenues for fiscal year 1983 by $11,000,000,000.

Page , line , increase the net amount by which the aggregate level of Federal revenues should be increased for fiscal year 1983 by $11,000,000,000.

Page , line , increase the level of total budget outlays for fiscal year 1983 by $11,000,000,000.

Page , line , increase outlays for Functional Category (600) for fiscal year 1983 by $11,000,000,000.

Page , line , increase the level of Federal revenues for fiscal year 1984 by $22,300,000,000.

Page , line , increase the level of Federal revenues for fiscal year 1985 by $35,250,000,000.

Page , line , increase the amount by which the aggregate level of Federal revenues should be increased for fiscal year 1984 by $22,300,000,000.

Page , line , increase the amount by which the aggregate level of Federal revenues should be increased for fiscal year 1985 by $35,250,000,000.

Page , line , increase the level of total budget outlays for fiscal year 1984 by $22,300,000,000.

Page , line , increase the level of total budget outlays for fiscal year 1985 by $35,250,000,000.

Page , line , increase outlays for Functional Category (600) for fiscal year 1984 by $22,300,000,000.

Page , line , increase outlays for Functional Category (600) for fiscal year 1985 by $35,250,000,000.

Page , line , (relating to reconciliation instructions for the House Committee on Ways and Means) strike out "$14,800,000,000" and insert in lieu thereof "$3,800,000,000".

Page , line , (relating to reconciliation instructions for the House Committee on Ways and Means) strike out "$31,650,000,000" and insert in lieu thereof "$9,350,000,000".

Page , line , (relating to reconcilation instructions for the House Committee on Ways and Means) strike out "$52,800,000,000" and insert in lieu thereof "$17,550,000,000".

Page , line , insert for the semicolon at the end of the reconciliation instructions for the House Committee on Ways and Means shall report changes in law within the jurisdiction of that committee sufficient to raise revenues by $11,000,000,000 in fiscal 1983, $22,300,000,000 in fiscal year 1984, and $35,250,000,000 in fiscal year 1985".

Page , line , (relating to reconciliation instructions for the Senate Committee on Finance) strike out "$16,400,000,000" and insert in lieu thereof "$5,400,000,000".

Page , line , (relating to reconciliation instructions for the Senate Committee on Finance) strike out "$34,950,000,000" and insert in lieu thereof "$12,650,000,000".

Page , line , (relating to reconciliation instructions for the Senate Committee on Finance) strike out "$58,700,000,000" and insert in lieu thereof "$23,450,000,000".

Page , line , insert before the semicolon at the end of the reconciliation instructions for the Senate Committee on Finance the following: "; further, the Senate Committee on Finance shall report changes in law within the jurisdiction of that committee sufficient to raise revenues by $11,000,000,000 in fiscal year 1983, $22,300,000,000 in fiscal year 1984, and $35,250,000,000 in fiscal year 1985".

—Page , line , increase the level of Federal revenues for fiscal year 1983 by $24,800,000,000.

Page , line , increase the net amount by which the aggregate level of Federal revenues should be increased for fiscal year 1983 by $24,800,000,000.

Page , line , increase the level of total new budget authority for fiscal year 1983 by $64,600,000,000.

Page , line , increase the level of total budget outlays for fiscal year 1983 by $24,800,000,000.

Page , line , increase new budget authority for Functional Category (050) for fiscal year 1983 by $64,600,000,000.

Page , line , increase outlays for Functional Category (050) for fiscal year 1983 by $24,800,000,000.

Page , line , increase the level of Federal revenues for fiscal year 1984 by $42,400,000,000.

Page , line , increase the level of Federal revenues for fiscal year 1985 by $64,300,000,000.

Page , line , increase the amount by which the aggregate level of Federal revenues should be increased for fiscal year 1984 by $42,400,000,000.

Page , line , increase the amount by which the aggregate level of Federal revenues should be increased for fiscal year 1985 by $64,300,000,000.

Page , line , increase the level of total new budget authority for fiscal year 1984 by $74,000,000,000.

Page , line , increase the level of total new budget authority for fiscal year 1985 by $104,800,000,000.

Page , line , increase the level of total budget outlays for fiscal year 1984 by $42,400,000,000.

Page , line , increase the level of total budget outlays for fiscal year 1985 by $64,300,000,000.

Page , line , increase new budget authority for Functional Category (050) for fiscal year 1984 by $74,000,000,000.

Page , line , increase new budget authority for Functional Category (050) for fiscal year 1985 by $104,800,000,000.

Page , line , increase outlays for Functional Category (050) for fiscal year 1984 by $42,400,000,000.

Page , line , increase outlays for Functional Category (050) for fiscal year 1985 by $64,300,000,000.

Page , line , insert before the semicolon at the end of the reconciliation instructions for the House Committee on Ways and Means the following: "; further, the House Committee on Ways and Means shall report changes in law within the jurisdiction of that committee sufficient to raise revenues by $24,800,000 for fiscal year 1983, $42,400,000,000 for fiscal year 1984, and $64,300,000,000 for fiscal year 1985".

Page , line , insert before the semicolon at the end of the reconciliation instructions for the Senate Committee on Finance the following: "; further, the Senate Committee on Finance shall report changes in law within the jurisdiction of that committee sufficient to raise revenues by $24,800,000,000 for fiscal year 1983, $42,400,000,000 for fiscal year 1984, and $64,300,000,000 for fiscal year 1985".

Page , line , increase the level of Federal revenues for fiscal year 1983 by $2,700,000,000.

Page , line , increase the net amount by which the aggregate level of Federal revenues should be increased for fiscal year 1983 by $2,700,000,000.

Page , line , increase the level of total new budget authority for fiscal year 1983 by $4,400,000,000.

Page , line , increase the level of total budget outlays for fiscal year 1983 by $2,700,000,000.

Page , line , increase new budget authority for Functional Category (050) for fiscal year 1983 by $400,000,000.

Page , line , increase new budget authority for Functional Category (500) for fiscal year 1983 by $250,000,000.

Page , line , increase new budget authority for Functional Category (550) for fiscal year 1983 by $1,600,000,000.

Page , line , increase new budget authority for Functional Category (600) for fiscal year 1983 by $2,100,000,000.

Page , line , increase new budget authority for Functional Category (700) for fiscal year 1983 by $50,000,000.

Page , line , increase outlays for Functional Category (050) for fiscal year 1983 by $400,000,000.

Page , line , reduce outlays for Functional Category (370) for fiscal year 1983 by $3,850,000,000.

Page , line , increase outlays for Functional Category (500) for fiscal year 1983 by $250,000,000.

Page , line , increase outlays for Functional Category (550) for fiscal year 1983 by $1,350,000,000.

Page , line , increase outlays for Functional Category (600) for fiscal year 1983 by $4,500,000,000.

Page , line , increase outlays for Functional Category (700) for fiscal year 1983 by $50,000,000.

Page , line , increase the level of Federal revenues for fiscal year 1984 by $9,000,000,000.

Page , line , increase the level of Federal revenues for fiscal year 1985 by $21,400,000,000.

Page , line , increase the amount by which the aggregate level of Federal revenues should be increased for fiscal year 1984 by $9,000,000,000.

Page , line , increase the amount by which the aggregate level of Federal revenues should be increased for fiscal year 1985 by $21,400,000,000.

Page , line , increase the level of total new budget authority for fiscal year 1984 by $9,300,000,000.

Page , line , increase the level of total new budget authority for fiscal year 1985 by $13,100,000,000.

Page , line , increase the level of total budget outlays for fiscal year 1984 by $9,000,000,000.

Page , line , increase the level of total budget outlays for fiscal year 1985 by $21,400,000,000.

Page , line , increase new budget authority for Functional Category (050) for fiscal year 1984 by $1,000,000,000.

Page , line , increase new budget authority for Functional Category (500) for fiscal year 1984 by $400,000,000.

Page , line , increase new budget authority for Functional Category (550) for fiscal year 1984 by $3,350,000,000.

Page , line , increase new budget authority for Functional Category (600) for fiscal year 1984 by $4,100,000,000.

Page , line , increase new budget authority for Functional Category (700) for fiscal year 1984 by $450,000,000.

Page , line , increase new budget authority for Functional Category (050) for fiscal year 1985 by $1,650,000,000.

Page , line , reduce new budget authority for Functional Category (500) for fiscal year 1985 by $300,000,000.

Page , line , increase new budget authority for Functional Category (550) for fiscal year 1985 by $5,000,000,000.

Page , line , increase new budget authority for Functional Category (600) for fiscal year 1985 by $5,600,000,000.

Page , line , increase new budget authority for Functional Category (700) for fiscal year 1985 by $1,150,000,000.

Page , line , increase outlays for Functional Category (050) for fiscal year 1984 by $1,000,000,000.

Page , line , reduce outlays for Functional Category (350) for fiscal year 1984 by $6,400,000,000.

Page , line , increase outlays for Functional Category (500) for fiscal year 1984 by $400,000,000.

Page , line , increase outlays for Functional Category (550) for fiscal year 1984 by $8,800,000,000.

Page , line , increase outlays for Functional Category (600) for fiscal year 1984 by $4,700,000,000.

Page , line , increase outlays for Functional Category (700) for fiscal year 1984 by $450,000,000.

Page , line , increase outlays for Functional Category (050) for fiscal year 1985 by $1,650,000,000.

Page , line , reduce outlays for Functional Category (350) for fiscal year 1985 by $7,150,000,000.

Page , line , reduce outlays for Functional Category (500) for fiscal year 1985 by $300,000,000.

Page , line , increase outlays for Functional Category (550) for fiscal year 1985 by $17,650,000,000.

Page , line , increase outlays for Functional Category (600) for fiscal year 1985 by $8,400,000,000.

Page , line , increase outlays for Functional Category (700) for fiscal year 1985 by $1,500,000,000.

Page , line (relating to reconciliation instructions) strike out all Title III, Part A, Secs. 301 and 302, and in its place insert the following:

PART A—RECONCILIATION INSTRUCTIONS

SEC. 301. Pursuant to section 301(b)(2) of the Budget Act—

(A) the House Committee on Agriculture shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $207,000,000 and outlays by $207,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $530,000,000 in budget authority and $530,000,000 in outlays in fiscal year 1984, and $661,000,000 in budget authority and $661,000,000 in outlays in fiscal year 1985;

(B) the House Committee on Armed Services shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $212,000,000 and outlays by $212,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $691,000,000 in budget authority and $691,000,000 in outlays in fiscal year 1984, and $1,228,000,000 in budget authority and $1,228,000,000 in outlays in fiscal year 1985;

(C) the House Committee on Banking, Finance, and Urban Affairs shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce outlays by $695,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $697,000,000 in outlays in fiscal year 1984, and $687,000,000 in outlays in fiscal year 1985;

(D) the House Committee on Education and Labor shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $73,000,000 and outlays by $73,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $101,000,000 in budget authority and $101,000,000 in outlays in fiscal year 1984, and $97,000,000 in budget authority and $97,000,000 in outlays in fiscal year 1985;

(E) the House Committee on Energy and Commerce shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $60,000,000 and outlays by $60,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $68,000,000 in budget authority and $88,000,000 in outlays in fiscal year 1984, and $77,000,000 in budget authority and $77,000,000 in outlays in fiscal year 1985;

(F) the House Committee on Foreign Affairs shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce outlays by $3,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $2,000,000 in budget authority and $8,000,000 in outlays in fiscal year 1984, and $4,000,000 in budget authority and $15,000,000 in outlays in fiscal year 1985;

(G) the House Committee on Merchant Marine and Fisheries shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $4,000,000 and outlays by $4,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $15,000,000 in budget authority and $15,000,000 in outlays in fiscal year 1984, and $27,000,000 in budget authority and $27,000,000 in outlays in fiscal year 1985;

(H) the House Committee on Post Office and Civil Service shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $0 and outlays by $273,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $242,000,000 in budget authority and $925,000,000 in outlays in fiscal year 1984, and $538,000,000 in budget authority and $1,648,000,000 in outlays in fiscal year 1985;

(I) the House Committee on Veterans' Affairs shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $171,000,000 and outlays by $171,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $187,000,000 in budget authority and $187,000,000 in outlays in fiscal year 1984, and $195,000,000 in budget authority and $195,000,000 in outlays in fiscal year 1985;

(J) the House Committee on Ways and Means shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce the budget authority by $334,000,000 and outlays by $2,489,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $205,000,000 in budget authority and $3,576,000,000 in outlays in fiscal year 1984, and $267,000,000 in budget authority and $4,160,000,000 in outlays in fiscal year 1985; and

(K) the House Committee on Ways and Means shall report changes in laws within the jurisdiction of the committee sufficient to increase revenue by $31,700,000,000 for fiscal year 1983; further, the Congress finds that the prospect of unacceptably high deficits in future years requires additional revenues of $51,650,000,000 for fiscal year 1984, and $66,550,000,000 for fiscal year 1985.

Sec. 302. Pursuant to section 301(b)(2) of the Budget Act—

(A) the Senate Committee on Finance shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $393,000,000 and outlays by $2,548,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future years requires additional savings of $270,000,000 in budget authority and $3,641,000,000 in outlays in fiscal year 1984, and $339,000,000 in budget authority and $4,232,000,000 in outlays in fiscal year 1985;

(B) the Senate Committee on Finance shall report changes in laws within the jurisdiction of that committee sufficient to increase revenues by $31,700,000,000 for fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional revenues of $51,650,000,000 for fiscal year 1984, and $66,550,000,000 in fiscal year 1985;

(C) the Senate Committee on Agriculture, Nutrition, and Forestry shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $207,000,000 and outlays by $207,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future years requires additional savings of $530,000,000 in budget authority and $530,000,000 in outlays for fiscal year 1984, and $661,000,000 in budget authority and $661,000,000 in outlays in fiscal year 1985;

(D) the Senate Committee on Armed Services shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $213,000,000 and outlays by $213,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptable high budget deficits in future years requires additional savings of $694,000,000 in budget authority and $694,000,000 in outlays for fiscal year 1984, and $1,232,000,000 in budget authority and $1,232,000,000 in outlays in fiscal year 1985;

(E) the Senate Committee on Banking, Housing, and Urban Affairs shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $190,000,000 and outlays by $785,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptable high budget deficits in future years requires additional savings of $100,000,000 in budget authority and $797,000,000 in outlays for fiscal year 1984, and $104,000,000 in budget authority and $791,000,000 in outlays in fiscal year 1985;

(F) the Senate Committee on Commerce, Science, and Transportation shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $4,000,000 and outlays by $4,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future years requires additional savings of $15,000,000 in budget authority and $15,000,000 in outlays for fiscal year 1984, and $27,000,000 in budget authority and $27,000,000 in outlays in fiscal year 1985;

(G) the Senate Committee on Foreign Relations shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce outlays by $3,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future years requires additional savings of $2,000,000 in budget authority and $8,000,000 in outlays for fiscal year 1984, and $4,000,000 in budget authority and $15,000,000 in outlays in fiscal year 1985;

(H) the Senate Committee on Governmental Affairs shall report changes in law within the jurisdiction of that committee to reduce outlays by $270,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future years requires additional savings of $240,000,000 in budget authority and $917,000,000 in outlays for fiscal year 1984, and $534,000,000 in budget authority and $1,633,000,000 in outlays in fiscal year 1985; and

(I) the Senate Committee on Labor and Human Resources shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $73,000,000 and outlays by $73,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future years requires additional savings of $101,000,000 in budget authority and $101,000,000 in outlays for fiscal year 1984, and $97,000,000 in budget authority and $97,000,000 in outlays in fiscal year 1985.

Page , line , insert before the semicolon at the end of the reconciliation instructions for the House Committee on Ways and Means the following: "; further, the House Committee on Ways and Means shall report changes in law within the jurisdiction of that committee sufficient to raise revenues by an additional $2,700,000,000 for fiscal year 1983, an additional $9,000,000,000 for fiscal year 1984, and an additional $21,400,000,000 for fiscal year 1985".

Page , line , insert before the semicolon at the end of the reconciliation instructions for the Senate Committee on Finance the following: "; further, the Senate Committee on Finance shall report changes in law within the jurisdiction of that committee sufficient to raise revenues by an additional $2,700,000,000 for fiscal year 1983, an additional $9,000,000,000 for fiscal year 1984, and an additional $21,400,000,000 for fiscal year 1985".

Page , line , increase the level of Federal revenues for fiscal year 1983 by $2,450,000,000.

Page , line , increase the net amount by which the aggregate level of Federal revenues should be increased for fiscal year 1983 by $2,450,000,000.

Page , line , increase the level of total new budget authority for fiscal year 1983 by $4,500,000,000.

Page , line , increase the level of total budget outlays for fiscal year 1983 by $2,450,000,000.

Page , line , increase new budget authority for Functional Category (270) for fiscal year 1983 by $700,000,000.

Page , line , increase new budget authority for Functional Category (350) for fiscal year 1983 by $300,000,000.

Page , line , increase new budget authority for Functional Category (370) for fiscal year 1983 by $1,250,000,000.

Page , line , increase new budget authority for Functional Category (400) for fiscal year 1983 by $900,000,000.

Page , line , increase new budget authority for Functional Category (500) for fiscal year 1983 by $1,050,000,000.

Page , line , increase new budget authority for Functional Category (550) for fiscal year 1983 by $1,050,000,000.

Page , line , increase new budget authority for Functional Category (600) for fiscal year 1983 by $150,000,000.

Page , line , increase outlays for Functional Category (270) for fiscal year 1983 by $500,000,000.

Page , line , increase outlays for Functional Category (370) for fiscal year 1983 by $250,000,000.

Page , line , increase outlays for Functional Category (400) for fiscal year 1983 by $650,000,000.

Page , line , increase outlays for Functional Category (450) for fiscal year 1983 by $150,000,000.

Page , line , increase outlays for Functional Category (500) for fiscal year 1983 by $200,000,000.

Page , line , increase outlays for Functional Category (550) for fiscal year 1983 by $50,000,000.

Page , line , increase outlays for Functional Category (600) for fiscal year 1983 by $450,000,000.

Page , line , increase outlays for Functional Category (950) for fiscal year 1983 by $200,000,000.

Page , line , increase the level of Federal revenues for fiscal year 1984 by $3,550,000,000.

Page , line , increase the level of Federal revenues for fiscal year 1985 by $4,400,000,000.

Page , line , increase the amount by which the aggregate level of Federal revenues should be increased for fiscal year 1984 by $3,550,000,000.

Page , line , increase the amount by which the aggregate level of Federal revenues should be increased for fiscal year 1985 by $4,400,000,000.

Page , line , increase the level of total new budget authority for fiscal year 1984 by $5,050,000,000.

Page , line , increase the level of total new budget authority for fiscal year 1985 by $5,250,000,000.

Page , line , increase the level of total budget outlays for fiscal year 1984 by $3,550,000,000.

Page , line , increase the level of total budget outlays for fiscal year 1985 by $4,400,000,000.

Page , line , increase new budget authority for Functional Category (270) for fiscal year 1984 by $700,000,000,000.

Page , line , increase new budget authority for Functional Category (350) for fiscal year 1984 by $150,000,000.

Page , line , increase new budget authority for Functional Category (370) for fiscal year 1984 by $1,300,000,000.

Page , line , increase new budget authority for Functional Category (400) for fiscal year 1984 by $950,000,000.

Page , line , increase new budget authority for Functional Category (500) for fiscal year 1984 by $1,350,000,000.

Page , line , increase new budget authority for Functional Category (550) for fiscal year 1984 by $300,000,000.

Page , line , increase new budget authority for Functional Category (600) for fiscal year 1984 by $300,000,000.

Page , line , increase new budget authority for Functional Category (270) for fiscal year 1985 by $650,000,000.

Page , line , increase new budget authority for Functional Category (350) for fiscal year 1985 by $100,000,000.

Page , line , increase new budget authority for Functional Category (370) for fiscal year 1985 by $1,150,000,000.

Page , line , increase new budget authority for Functional Category (400) for fiscal year 1985 by $1,000,000,000.

Page , line , increase new budget authority for Functional Category (500) for fiscal year 1985 by $1,500,000,000.

Page , line , increase new budget authority for Functional Category (550) for fiscal year 1985 by $350,000,000.

Page , line , increase new budget authority for Functional Category (600) for fiscal year 1985 by $500,000,000.

Page , line , increase outlays for Functional Category (270) for fiscal year 1984 by $600,000,000.

Page , line , increase outlays for Functional Category (350) for fiscal year 1984 by $150,000,000.

Page , line , increase outlays for Functional Category (370) for fiscal year 1984 by $300,000,000.

Page , line , increase outlays for Functional Category (400) for fiscal year 1984 by $800,000,000.

Page , line , increase outlays for Functional Category (500) for fiscal year 1984 by $650,000,000.

Page , line , increase outlays for Functional Category (550) for fiscal year 1984 by $200,000,000.

Page , line , increase outlays for Functional Category (600) for fiscal year 1984 by $650,000,000.

Page , line , increase outlays for Functional Category (270) for fiscal year 1985 by $500,000,000.

Page , line , increase outlays for Functional Category (350) for fiscal year 1985 by $200,000,000.

Page , line , increase outlays for Functional Category (370) for fiscal year 1985 by $500,000,000.

Page , line , increase outlays for Functional Category (400) for fiscal year 1985 by $900,000,000.

Page , line , increase outlays for Functional Category (500) for fiscal year 1985 by $950,000,000.

Page , line , increase outlays for Functional Category (550) for fiscal year 1985 by $300,000,000.

Page , line , increase outlays for Functional Category (600) for fiscal year 1985 by $850,000,000.

Page , line , insert before the semicolon at the end of the reconciliation instructions for the House Committee on Ways and Means the following: "; further, the House Committee on Ways and Means shall report changes in the law within the jurisdiction of that committee sufficient to raise revenues by an additional $2,450,000,000 for fiscal year 1983, by an additional $3,550,000,000 for fiscal year 1984, and by an additional $4,400,000,000 for fiscal year 1985".

Page , line , insert before the semicolon at the end of the reconciliation instructions for the Senate Committee on Finance the following: "; further, the Senate Committee on Finance shall report changes in law within the jurisdiction of that committee sufficient to raise revenues by an additional $2,450,000,000 for fiscal year 1983, by an additional $3,550,000,000 for fiscal year 1984, and by an additional $4,400,000,000 for fiscal year 1985".

By Ms. OAKAR:

—Page 13, line 9 (relating to functional category 050), strike out "$242,850,000,000" and insert in lieu thereof "$242,750,000,000".

Page 13, line 10 (relating to functional category 050), strike out "$212,300,000,000" and insert in lieu thereof "$210,150,000,000".

Page 14, line 16 (relating to functional category 550), strike out "$77,300,000,000" and insert in lieu thereof "$77,400,000,000".

Page 14, line 17 (relating to functional category 550), strike out "$80,100,000,000" and insert in lieu thereof "$82,250,000,000".

Mr. OBEY of Wisconsin:

(An amendment in the nature of a substitute.)

—Strike all after the resolving clause and insert in lieu thereof the following:

TITLE I—REVISION OF THE CONGRESSIONAL BUDGET FOR THE UNITED STATES GOVERNMENT FOR THE FISCAL YEAR 1982

Section 101. The provisions of this title shall supersede the figures reaffirmed in S. Con. Res. 50 of the Ninety-seventh Congress for the fiscal year beginning on October 1, 1981.

Sec. 102(a)(1). The level of Federal revenues is $624,900,000,000 and the net amount by which the aggregate level of Federal revenues should be increased is $1,900,000,000;

(2) the level of total new budget authority is $789,150,000,000;

(3) the level of total budget outlays is $745,800,000,000;

(4) the amount of the deficit in the budget is $120,900,000,000;

(5) the level of the public debt is $1,147,700,000,000, and the amount by which the statutory limit on such debt should accordingly be increased is $747,700,000,000; and

(6) the level of total gross obligations for the principal amount of direct loans is $63,400,000,000, the level of total new primary commitments to guarantee loan principal is $74,850,000,000, and the level of total new secondary commitments to guarantee loan principal is $68,950,000,000.

(b) Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of subsection (a) of this section of this resolution, the Congress hereby determines and declares that, for the fiscal year beginning on October 1, 1981, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are as follows:

(1) National Defense (050):

(A) New budget authority, $218,200,000,000;

(B) Outlays, $190,800,000,000.

(2) International Affairs (150):

(A) New budget authority, $16,750,000,000;

(B) Outlays, $11,450,000,000.

(3) General Science, Space, and Technology (250):

(A) New budget authority, $7,000,000,000;

(B) Outlays, $7,000,000,000.

(4) Energy (270):

(A) New budget authority, $4,750,000,000;

(B) Outlays, $6,500,000,000.

(5) Natural Resources and Environment (300):

(A) New budget authority, $11,400,000,000;

(B) Outlays, $13,200,000,000.

(6) Agriculture (350):

(A) New budget authority, $9,900,000,000;

(B) Outlays, $13,800,000,000.

(7) Commerce and Housing Credit (370):

(A) New budget authority, $7,500,000,000;

(B) Outlays, $3,750,000,000.

(8) Transportation (400):

(A) New budget authority, $22,200,000,000;

(B) Outlays, $21,500,000,000.

(9) Community and Regional Development (450):

(A) New budget authority, $7,000,000,000;

(B) Outlays, $8,650,000,000.

(10) Education, Training, Employment and Social Services (500):

(A) New budget authority, $26,400,000,000;

(B) Outlays, $28,800,000,000.

(11) Health (550):

(A) New budget authority, $79,050,000,000;

(B) Outlays, $73,750,000,000.

(12) Income Security (600):

(A) New budget authority, $261,350,000,000;

(B) Outlays, $251,850,000,000.

(13) Veterans Benefits and Services (700):

(A) New budget authority, $24,800,000,000;

(B) Outlays, $23,800,000,000.

(14) Administration of Justice (750):

(A) New budget authority, $4,500,000,000;

(B) Outlays, $4,650,000,000.

(15) General Government (800):

(A) New budget authority, $5,200,000,000;

(B) Outlays, $5,050,000,000.

(16) General Purpose Fiscal Assistance (850):

(A) New budget authority, $6,350,000,000;

(B) Outlays, $6,350,000,000.

(17) Interest (900):

(A) New budget authority, $102,200,000,000;

(B) Outlays, $102,200,000,000.

(18) Allowances (920):

(A) New budget authority, $4,850,000,000;

(B) Outlays, $3,150,000,000.

(19) Undistributed Offsetting Receipts (950):

(A) New budget authority, −$30,250,000,000;

(B) Outlays, −$30,250,000,000.

SEC. 103 (a). There is established a congressional Federal credit budget for fiscal year 1982 of which the levels of total Federal credit activity for fiscal year 1982 are:

(1) New direct loan obligations, $63,400,000,000;

(2) New primary loan guarantee commitments, $74,850,000,000;

(3) New secondary loan guarantee commitments, $68,950,000,000.

(b) Based on allocations of the appropriate levels of total Federal credit activity as set forth in paragraph (1) of this subsection, the appropriate levels of new direct loan obligations, new primary loan guarantee commitments, and new secondary loan guarantee commitments for each functional category are as follows:

(1) National Defense (050):

(A) New direct loan obligations, $000,000,000,000;

(B) New primary loan guarantee commitments, $000,000,000,000;

(C) New secondary loan guarantee commitments, $000,000,000,000.

(2) International Affairs (150):

(A) New direct loan obligations, $10,400,000,000;

(B) New primary loan guarantee commitments, $8,100,000,000;

(C) New secondary loan guarantee commitments, $000,000,000,000.

(3) General Science, Space and Technology (250):

(A) New direct loan obligations, $200,000,000;

(B) New primary loan guarantee commitments, $000,000,000;

(C) New secondary loan guarantee commitments, $000,000,000,000.

(4) Energy (270):

(A) New direct loan obligations, $10,300,000,000;

(B) New primary loan guarantee commitments, $400,000,000;

(C) New secondary loan guarantee commitments, $0.

(5) Natural Resources and Environment (300):

(A) New direct loan obligations, $50,000,000;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(6) Agriculture (350):

(A) New direct loan obligations, $22,600,000,000;

(B) New primary loan guarantee commitments, $2,700,000,000;

(C) New secondary loan guarantee commitments, $0.

(7) Commerce and Housing Credit (370):

(A) New direct loan obligations, $12,050,000,000;

(B) New primary loan guarantee commitments, $26,200,000,000;

(C) New secondary loan guarantee commitments, $68,200,000,000.

(8) Transportation (400):

(A) New direct loan obligations, $350,000,000;

(B) New primary loan guarantee commitments, $750,000,000;

(C) New secondary loan guarantee commitments, $50,000,000.

(9) Community and Regional Development (450):

(A) New direct loan obligations, $2,000,000,000;

(B) New primary loan guarantee commitments, $850,000,000;

(C) New secondary loan guarantee commitments, $0.

(10) Education, Training, Employment and Social Services (500):

(A) New direct loan obligations, $1,300,000,000;

(B) New primary loan guarantee commitments, $6,500,000,000;

(C) New secondary loan guarantee commitments, $700,000,0000.

(11) Health (550):

(A) New direct loan obligations, $50,000,000;

(B) New primary guarantee commitments, $100,000,000;

(C) New secondary loan guarantee commitments, $0.

(12) Income Security (600):

(A) New direct loan obligations, $2,750,000,000;

(B) New primary guarantee commitments, $17,050,000,000;

(C) New secondary loan guarantee commitments, $0.

(13) Veterans Benefits and Services (700):

(A) New direct loan obligations, $1,050,000,000;

(B) New primary guarantee commitments, $11,900,000,000;

(C) New secondary loan guarantee commitments, $0.

(14) Administration of Justice (750):

(A) New direct loan obligations, $0;

(B) New primary guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(15) General Government (800):

(A) New direct loan obligations, $50,000,000;

(B) New primary guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(16) General Purpose Fiscal Assistance (850):

(A) New direct loan obligations, $250,000,000;

(B) New primary guarantee commitments, $300,000,000;

(C) New secondary loan guarantee commitments, $0.

(17) Interest (900):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(18) Allowances (920):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(19) Undistributed Offsetting Receipts (950):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(c) It is the sense of the Congress that the President and the Congress, through the appropriations process, should limit in fiscal year 1982 the off-budget lending activity of the Federal Government to a level not to exceed $30,200,000,000, the on-budget lending activity to a level not to exceed $33,200,000,000, new primary loan guarantee commitments to a level not to exceed $74,850,000,000, and new secondary loan guarantee commitments to a level not to exceed $68,950,000,000.

TITLE II—SETTING FORTH THE CONGRESSIONAL BUDGET FOR THE UNITED STATES GOVERNMENT FOR THE FISCAL YEARS 1983, 1984, AND 1985

SEC. 201. The Congress hereby determines and declares, pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on October 1, 1982—

(1) the level of Federal revenues is $682,400,000,000 and the net amount by which the aggregate level of Federal revenues should be increased is $37,400,000,000;

(2) the level of total new budget authority is $816,600,000,000;

(3) the level of total budget outlays is $781,100,000,000;

(4) the amount of the deficit in the budget is $98,700,000,000; and

(5) the level of the public debt is $1,285,500,000,000, and the amount by which the statutory limit on such debt should accordingly be increased is $885,500,000,000.

SEC. 202. Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of section 201 of this resolution, the Congress hereby determines and declares pursuant to section 301(a) of the Congressional Budget Act of 1974 that, for the fiscal year beginning on October 1, 1982, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are as follows:

(1) National Defense (050):

(A) New budget authority, $228,400,000,000;

(B) Outlays, $208,700,000,000.

(2) International Affairs (150):

(A) New budget authority, $16,150,000,000;

(B) Outlays, $12,100,000,000.

(3) General Science, Space, and Technology (250):

(A) New budget authority, $7,700,000,000;

(B) Outlays, $7,500,000,000.

(4) Energy (270):

(A) New budget authority, $5,300,000,000;

(B) Outlays, $5,000,000,000.

(5) Natural Resources and Environment (300):

(A) New budget authority, $9,200,000,000;

(B) Outlays, $10,800,000,000.

(6) Agriculture (350):

(A) New budget authority, $7,000,000,000;

(B) Outlays, $10,200,000,000.

(7) Commerce and Housing Credit (370):

(A) New budget authority, $8,150,000,000;

(B) Outlays, $3,100,000,000.

(8) Transportation (400):

(A) New budget authority, $22,300,000,000;

(B) Outlays, $20,550,000,000.

(9) Community and Regional Development (450):

(A) New budget authority, $7,300,000,000;

(B) Outlays, $7,950,000,000.

(10) Education, Training, Employment and Social Services (500):

(A) New budget authority, $28,650,000,000;

(B) Outlays, $27,850,000,000.

(11) Health (550):

(A) New budget authority, $77,600,000,000;

(B) Outlays, $80,400,000,000.

(12) Income Security (600):

(A) New budget authority, $287,800,000,000;

(B) Outlays, $275,750,000,000.

(13) Veterans Benefits and Services (700):

(A) New budget authority, $24,400,000,000;

(B) Outlays, $23,650,000,000.

(14) Administration of Justice (750):

(A) New budget authority, $4,650,000,000;

(B) Outlays, $4,700,000,000.

(15) General Government (800):

(A) New budget authority, $5,000,000,000;

(B) Outlays, $4,850,000,000.

(16) General Purpose Fiscal Assistance (850):

(A) New budget authority, $6,500,000,000;

(B) Outlays, $6,500,000,000.

(17) Interest (900):

(A) New budget authority, $114,900,000,000;

(B) Outlays, $114,900,000,000.

(18) Allowances (920):

(A) New budget authority, −$550,000,000;

(B) Outlays, $450,000,000.

(19) Undistributed Offsetting Receipts (950):

(A) New budget authority, $43,850,000,000;

(B) Outlays, $43,850,000,000.

SEC. 203 (a). There is established a congressional Federal credit budget for fiscal year 1983 of which the levels of total Federal credit activity for fiscal year 1983 are:

(1) New direct loan obligations, $61,450,000,000.

(2) New primary loan guarantee commitments, $99,100,000,000.

(3) New secondary loan guarantee commitments, $68,250,000,000.

(b) Based on allocations of the appropriate levels of total Federal credit activity as set forth in paragraph (1) of this subsection, the appropriate levels of new direct loan obligations, new primary loan guarantee commitments, and new secondary loan guarantee commitments for each functional category are as follows:

(1) National Defense (050):

(A) New direct loan obligations, $000,000,000,000;

(B) New primary loan guarantee commitments, $000,000,000,000;

(C) New secondary loan guarantee commitments, $000,000,000,000.

(2) International Affairs (150):

(A) New direct loan obligations, $10,850,000,000;

(B) New primary loan guarantee commitments, $8,950,000,000;

(C) New secondary loan guarantee commitments, $000,000,000,000.

(3) General Science, Space and Technology (250):

(A) New direct loan obligations, $150,000,000;

(B) New primary loan guarantee commitments, $000,000,000,000;

(C) New secondary loan guarantee commitments, $000,000,000,000.

(4) Energy (270):

(A) New direct loan obligations, $11,950,000,000;

(B) New primary loan guarantee commitments, $−850,000,000;

(C) New secondary loan guarantee commitments, $000,000,000,000.

(5) Natural Resources and Environment (300):

(A) New direct loan obligations, $50,000,000;

(B) New primary loan guarantee commitments, $000,000,000,000;

(C) New secondary loan guarantee commitments, $000,000,000,000.

(6) Agriculture (350):

(A) New direct loan obligations, $19,150,000,000;

(B) New primary loan guarantee commitments, $2,650,000,000;

(C) New secondary loan guarantee commitments, $000,000,000,000.

(7) Commerce and Housing Credit (370):

(A) New direct loan obligations, $12,550,000,000;

(B) New primary loan guarantee commitments, $40,100,000,000;

(C) New secondary loan guarantee commitments, $68,250,000,000.

(8) Transportation (400):

(A) New direct loan obligations, $350,000,000;

(B) New primary loan guarantee commitments, $750,000,000;

(C) New secondary loan guarantee commitments, $000,000,000,000.

(9) Community and Regional Development (450):

(A) New direct loan obligations, $2,000,000,000;

(B) New primary loan guarantee commitments, $500,000,000;

(C) New secondary loan guarantee commitments, $000,000,000,000.

(10) Education, Training, Employment and Social Services (500):

(A) New direct loan obligations, $950,000,000;

(B) New primary loan guarantee commitments, $7,250,000,000;

(C) New secondary loan guarantee commitments, $0.

(11) Health (550):

(A) New direct loan obligations, $50,000,000;

(B) New primary loan guarantee commitments, $100,000,000;

(C) New secondary loan guarantee commitments, $0.

(12) Income Security (600):

(A) New direct loan obligations, $2,050,000,000;

(B) New primary loan guarantee commitments, $18,700,000,000;

(C) New secondary loan guarantee commitments, $0.

(13) Veterans Benefits and Services (700):

(A) New direct loan obligations, $1,050,000,000;

(B) New primary loan guarantee commitments, $20,950,000,000;

(C) New secondary loan guarantee commitments, $0.

(14) Administration of Justice (750):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(15) General Government (800):

(A) New direct loan obligations, $50,000,000;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(16) General Purpose Fiscal Assistance (850):

(A) New direct loan obligations, $250,000,000;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(17) Interest (900):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $000,000,000,000;

(C) New secondary loan guarantee commitments, $000,000,000,000;

(18) Allowances (920):

(A) New direct loan obligations, $000,000,000,000;

(B) New primary loan guarantee commitments, $000,000,000,000;

(C) New secondary loan guarantee commitments, $000,000,000,000;

(19) Undistributed Offsetting Receipts (950):

(A) New direct loan obligations, $000,000,000,000;

(B) New primary loan guarantee commitments, $000,000,000,000;

(C) New secondary loan guarantee commitments, $000,000,000,000;

(c) It is the sense of the Congress that the President and the Congress, through the appropriations process, should limit in fiscal year 1983 the off-budget lending activity of the Federal Government to a level not to exceed $31,050,000,000, the on-budget lending activity to a level not to exceed $30,400,000,000, new primary loan guarantee commitments to a level not to exceed $99,100,000,000, and new secondary loan guarantee commitments to a level not to exceed $68,250,000,000.

SEC. 204. The Congress sets forth the following budgetary levels for fiscal years 1984 and 1985—

(1) the level of Federal revenues is as follows:

Fiscal year 1984: $787,600,000,000;
Fiscal year 1985: $892,200,000,000;

and the amount by which the aggregate levels of Federal revenues should be increased is as follows:

Fiscal year 1984: $85,600,000,000;
Fiscal year 1985: $112,200,000,000.

(2) the level of total new budget authority is as follows:

Fiscal year 1984: $879,850,000,000;
Fiscal year 1985: $948,150,000,000.

(3) the level of total budget outlays is as follows:

Fiscal year 1984: $824,600,000,000;
Fiscal year 1985: $879,000,000,000.

(4) the amount of the deficit or surplus in the budget is:

Fiscal year 1984: −$37,000,000,000;
Fiscal year 1985: +$13,200,000,000.

(5) the level of the public debt is as follows:

Fiscal year 1984: $1,404,450,000,000;
Fiscal year 1985: $1,490,800,000,000;

and the amount by which the temporary statutory limit on such debt should be accordingly increased is as follows:

Fiscal year 1984: $1,004,450,000,000;
Fiscal year 1985: $1,090,800,000,000.

SEC. 205. Based on allocations of the appropriate level of total new budget authority and of total budget outlays for fiscal years 1984 and 1985 as set forth above, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are respectively as follows:

(1) National Defense (050):
Fiscal year 1984:
(A) New budget authority, $252,850,000,000;
(B) Outlays, $227,650,000,000.
Fiscal year 1985:
(A) New budget authority, $279,850,000,000;
(B) Outlays, $256,000,000,000.

(2) International Affairs (150):
Fiscal year 1984:
(A) New budget authority, $17,550,000,000;
(B) Outlays, $12,700,000,000.
Fiscal year 1985:
(A) New budget authority, $22,700,000,000;
(B) Outlays, $13,000,000,000.

(3) General Science, Space, and Technology (250):
Fiscal year 1984:
(A) New budget authority, $8,050,000,000;
(B) Outlays, $8,050,000,000.
Fiscal year 1985:
(A) New budget authority, $8,350,000,000;
(B) Outlays, $8,350,000,000.

(4) Energy (270):
Fiscal year 1984:
(A) New budget authority, $4,950,000,000;
(B) Outlays, $4,150,000,000.
Fiscal year 1985:
(A) New budget authority, $4,950,000,000;
(B) Outlays, $4,100,000,000.

(5) Natural Resources and Environment (300):
Fiscal year 1984:
(A) New budget authority, $9,100,000,000;
(B) Outlays, $10,200,000,000.
Fiscal year 1985:
(A) New budget authority, $9,300,000,000;
(B) Outlays, $9,550,000,000.

(6) Agriculture (350):
Fiscal year 1984:
(A) New budget authority, $8,550,000,000;
(B) Outlays, $8,400,000,000.
Fiscal year 1985:
(A) New budget authority, $7,150,000,000;
(B) Outlays, $7,750,000,000.

(7) Commerce and Housing Credit (370):
Fiscal year 1984:
(A) New budget authority, $9,000,000,000;
(B) Outlays, $2,800,000,000.
Fiscal year 1985:
(A) New budget authority, $9,200,000,000;
(B) Outlays, $3,050,000,000.

(8) Transportation (400):
Fiscal year 1984:
(A) New budget authority, $22,600,000,000;
(B) Outlays, $20,400,000,000.
Fiscal year 1985:
(A) New budget authority, $23,700,000,000;
(B) Outlays, $20,750,000,000.

(9) Community and Regional Development (450):
Fiscal year 1984:
(A) New budget authority, $7,950,000,000;
(B) Outlays, $7,900,000,000.
Fiscal year 1985:
(A) New budget authority, $8,450,000,000;
(B) Outlays, $8,350,000,000.

(10) Education, Training, Employment, and Social Services (500):
Fiscal year 1984:
(A) New budget authority, $30,250,000,000;
(B) Outlays, $29,400,000,000.
Fiscal year 1985:
(A) New budget authority, $31,550,000,000;
(B) Outlays, $29,900,000,000.

(11) Health (550):
Fiscal year 1984:
(A) New budget authority, $82,050,000,000;
(B) Outlays, $90,550,000,000.
Fiscal year 1985:
(A) New budget authority, $94,700,000,000;
(B) Outlays, $102,500,000,000.

(12) Income Security (600):
Fiscal year 1984:
(A) New budget authority, $316,450,000,000;
(B) Outlays, $292,400,000,000.
Fiscal year 1985:
(A) New budget authority, $348,250,000,000;
(B) Outlays, $315,650,000,000.

(13) Veterans Benefits and Services (700):
Fiscal year 1984:
(A) New budget authority, $25,550,000,000;
(B) Outlays, $24,950,000,000.
Fiscal year 1985:
(A) New budget authority, $26,800,000,000;
(B) Outlays, $26,650,000,000.

(14) Administration of Justice (750):
Fiscal year 1984:
(A) New budget authority, $4,900,000,000;
(B) Outlays, $4,850,000,000.
Fiscal year 1985:
(A) New budget authority, $4,850,000,000;
(B) Outlays, $4,900,000,000.

(15) General Government (800):
Fiscal year 1984:
(A) New budget authority, $4,950,000,000;
(B) Outlays, $4,800,000,000.
Fiscal year 1985:
(A) New budget authority, $5,250,000,000;
(B) Outlays, $4,950,000,000.

(16) General Purpose Fiscal Assistance (850):
Fiscal year 1984:
(A) New budget authority, $6,750,000,000;
(B) Outlays, $6,700,000,000.
Fiscal year 1985:
(A) New budget authority, $6,900,000,000;
(B) Outlays, $6,900,000,000.

(17) Interest (900):
Fiscal year 1984:
(A) New budget authority, $117,000,000,000;
(B) Outlays, $117,000,000,000.
Fiscal year 1985:
(A) New budget authority, $105,500,000,000;
(B) Outlays, $105,500,000,000.

(18) Allowances (920):
Fiscal year 1984:
(A) New budget authority, $1,050,000,000;
(B) Outlays, $1,400,000,000.
Fiscal year 1985:
(A) New budget authority, $1,750,000,000;
(B) Outlays, $2,200,000,000.

(19) Undistributed Offsetting Receipts (950):
Fiscal year 1984:
(A) New budget authority, −$49,700,000,000;
(B) Outlays, −$49,700,000,000.
Fiscal year 1985:
(A) New budget authority, −$51,050,000,000;
(B) Outlays, −$51,050,000,000.

Title III—Providing Reconciliation Instructions and other Enforcement Measures

PART A—RECONCILIATION INSTRUCTIONS

SEC. 301. Pursuant to section 301(b)(2) of the Budget Act—

(A) the House Committee on Agriculture shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $207,000,000 and outlays by $207,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional saving of $530,000,000 in budget authority and $530,000,000 in outlays in fiscal year 1984, and $661,000,000 in budget authority and $661,000,000 in outlays in fiscal year 1985.

(B) the House Committee on Banking, Finance an Urban Affairs shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce outlays by $695,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $697,000,000 in outlays in fiscal year 1984, and budget authority and $687,000,000 in outlays in fiscal year 1985.

(C) the House Committee on Energy and Commerce shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $59,000,000 and outlays by $59,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $65,000,000 in budget authority and $65,000,000 in outlays in fiscal year 1984, and $72,000,000 in budget authority and $72,000,000 in outlays in fiscal year 1985.

(D) the House Committee on Veterans' Affairs shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $171,000,000 and outlays by $171,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $187,000,000 in budget authority and $187,000,000 in outlays in fiscal year 1984, and $195,000,000 in budget authority and $195,000,000 in outlays in fiscal year 1985.

(E) the House Committee on Ways and Means shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $334,000,000 and outlays by $2,284,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $205,000,000 in budget authority and $3,005,000,000 in outlays in fiscal year 1984, and $24,000,0000 in budget authority and $3,507,000,000 in outlays in fiscal year 1985.

(F) the House Committee on Ways and Means shall report changes in law within the jurisdiction of that committee sufficient to increase revenue by $37,400,000,000 for fiscal year 1983; further, the Congress finds that the prospect of unacceptably high deficits in future years requires additional revenues of $85,600,000,000 for fiscal year 1984, and $112,200,000,000 for fiscal year 1985.

SEC. 302. Pursuant to section 301(b)(2) of the Budget Act—

(A) the Senate Committee on Finance shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $393,000,000 and outlays by $2,343,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $270,000,000 in budget authority and $3,070,000,000 in outlays for fiscal year 1984, and $339,000,000 in budget authority and $3,639,000,000 in outlays in fiscal year 1985.

(B) the Senate Committee on Finance shall report changes in laws within the jurisdiction of that committee sufficient to increase revenues by $37,400,000,000 for fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional revenues of $85,600,000,000 for fiscal year 1984, and $112,200,000,000 for fiscal year 1985.

(C) the Senate Committee on Agriculture shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $207,000,000 and outlays by $207,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future years requires additional savings of $530,000,000 in budget authority and $530,000,000 in outlays for fiscal year 1984, and $661,000,000 in budget authority and $661,000,000 in outlays in fiscal year 1985.

(D) the Senate Committee on Armed Services shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $1,000,000 and outlays by $1,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future years requires additional savings of $3,000,000 in budget authority and $3,000,000 in outlays for fiscal year 1984, and $5,000,000 in budget authority and $5,000,000 in outlays in fiscal year 1985.

(E) the Senate Committee on Banking, Housing and Urban Affairs shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $90,000,000 and outlays by $785,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future years requires additional savings of $100,000,000 in budget authority and $797,000,000 in outlays for fiscal year 1984, and $104,000,000 in budget authority and $791,000,000 in outlays in fiscal year 1985.

(F) the Senate Committee on Veterans Affairs shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $81,000,000 and outlays by $81,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future years requires additional savings of $87,000,000 in budget authority and $87,000,000 in outlays for fiscal year 1984, and $91,000,000 in budget authority and $91,000,000 in outlays in fiscal year 1985.

SEC. 303. The committees names in sections 301 (A)-(D) and 302 (C)-(F) shall submit their recommendations to the Committees on the Budget of their respective Houses. Those recommendations shall be sufficient to accomplish the changes required by such subsection. After receiving those recommendations, the Committees on the Budget shall report to the House and Senate a reconciliation bill or resolution or both carrying out all such recommendations without any substantive revision.

DEFERRED ENROLLMENT

SEC. 304. In the House of Representatives, no bill or resolution providing—

(1) new budget authority for fiscal year 1983, or

(2) new spending authority described in section 401(c)(2)(C) of the Congressional Budget Act first effective in fiscal year 1983—which exceeds the appropriate allocation or subdivision of such new discretionary budget authority or new spending authority made pursuant to section 302 of such Act shall be enrolled until after Congress has completed action on the second concurrent resolution on the budget required to be reported under section 310 of such Act.

302(b) REPORT

SEC. 305. It shall not be in order in either the House of Representatives or the Senate to consider any bill or resolution, or amendment thereto, providing—

(1) new budget authority for fiscal year 1983; or

(2) new spending authority described in section 401(c)(2)(C) of the Budget Act first effective in fiscal year 1983;

within the jurisdiction of any of its committees unless and until such committee makes the allocations or subdivisions required by section 302(b) of the Budget Act.

SEC. 306. By this budget resolution, Congress significantly reduces projected deficits for fiscal year 1983 and more importantly by even larger amounts in fiscal year 1984 and 1985. These actions restore control over fiscal policy and make changes in monetary policy appropriate. Consequently, the Federal Reserve Board shall adjust monetary policy as required to foster sustained economic growth and declining inflation as reflected by the growth of gross national product assumed in this budget resolution and contained in the accompanying report.

If the Federal Reserve Board at any time prior to the passage of the budget resolution for fiscal year 1984 believes that the growth and inflation targets specified in the report are inappropriate, the Chairman of the Federal Reserve Board shall submit to the Budget Committee and Banking Committees an analysis supporting that conclusion.

By Mr. OTTINGER:

—On page 12, line 10, strike "$676,700,000,000" and insert instead "$677,600,000,000".

On page 12, line 12, strike "$31,700,000,000" and insert instead "$32,600,000,000".

On page 12, line 14, strike "$828,000,000,000" and insert instead "$828,900,000,000".

On page 12, line 16, strike "$780,550,000,000" and insert instead "$781,100,000,000".

On page 14, line 13, strike "$27,550,000,000" and insert instead "$28,450,000,000".

On page 14, line 14, strike "$27,450,000,000" and insert instead "$28,000,000,000".

On page 22, line 4, strike "$753,650,000,000" and insert instead "$755,100,000,000".

On page 22, line 5, strike "$846,550,000,000" and insert instead "$849,200,000,000".

On page 22, line 8, strike "$51,650,000,000" and insert instead "$53,100,000,000".

On page 22, line 9, strike "$66,550,000,000" and insert instead "$69,200,000,000".

On page 22, line 12, strike "$888,400,000,000" and insert instead "$890,400,000,000".

On page 22, line 13, strike "$952,850,000,000" and insert instead "$956,300,000,000".

On page 22, line 15, strike "$826,400,000,000" and insert instead "$827,850,000,000".

On page 22, line 16, strike "$881,200,000,000" and insert instead "$883,850,000,000".

On page 26, line 21, strike "$28,250,000,000" and insert instead "$30,250,000,000".

On page 26, line 22, strike "$28,000,000,000" and insert instead "$29,450,000,000".

On page 26, line 25, strike "$28,300,000,000" and insert instead "$31,750,000,000".

On page 27, line 1, strike "$28,200,000,000" and insert instead "$30,850,000,000".

By Mr. PARRIS.

(Strike COLA cap.)

—Page 12, line 14, increase the amount by $485,000,000.

Page 12, line 16, increase the amount by $485,000,000.

Page 12, line 18, increase the amount by $485,000,000.

Page 14, line 21, increase the amount by $485,000,000.

Page 22, line 12, increase the amount by $933,000,000.

Page 22, line 13, increase the amount by $1,760,000,000.

Page 22, line 15, increase the amount by $1,616,000,000.

Page 22, line 16, increase the amount by $2,876,000,000.

Page 22, line 18, increase the amount by $1,616,000,000.

Page 22, line 19, increase the amount by $2,876,000,000.

Page 27, line 14, increase the amount by $933,000,000.

Page 27, line 15, increase the amount by $1,616,000,000.

Page 27, line 18, increase the amount by $1,766,000,000.

Page 27, line 19, increase the amount by $2,876,000,000.

Page 31, strike out line 1 and all that follows down through line 11, and redesignate the following subsections (and cross references thereto) accordingly.

Page 32, strike out line 18 and all that follows down through line 2 on page 33, and redesignate the following subsections (and cross references thereto) accordingly.

Page 33, strike out line 14 and all that follows down through line 24, and redesignate the following subsections (and cross references thereto) accordingly.

Page 37, line 22, insert "and" after the semicolon.

Page 37, strike out line 23 and all that follows down through line 17 on page 38, and redesignate the following subsection (and cross references thereto) accordingly.

(Increase pay adjustment from 4% to 5% for Federal employees.)

—Page 12, line 14, (relating to the level of total new budget authority for fiscal year 1983) increase the amount by $,000,000.

Page 12, line 16, (relating to the level of total budget outlays for fiscal year 1983) increase the amount by $,000,000.

Page 12, line 18, (relating to the amount of the deficit in the budget for fiscal year 1983) increase the amount by $,000,000.

Page 13, line 9, (relating to new budget authority for functional category 050 for fiscal year 1983) increase the amount by $,000,000.

Page 13, line 10, (relating to budget outlays for functional category 050 for fiscal year 1983) increase the amount by $,000,000.

Page 15, line 15, (relating to new budget authority for functional category 920 for fiscal year 1983) increase the amount by $,000,000.

Page 15, line 16, (relating to budget outlays for functional category 920 for fiscal year 1983) increase the amount by $,000,000.

Page 22, line 12, (relating to the level of total new budget authority for fiscal year 1984) increase the amount by $,000,000.

Page 22, line 13, (relating to the level of total new budget authority for fiscal year 1985) increase the amount by $,000,000.

Page 22, line 15, (relating to the level of total budget outlays for fiscal year 1984) increase the amount by $,000,000.

Page 22, line 16, (relating to the level of total budget outlays for fiscal year 1985) increase the amount by $,000,000.

Page 22, line 18, (relating to the amount of the deficit in the budget for fiscal year 1984) increase the amount by $,000,000.

Page 22, line 19, (relating to the amount of the deficit in the budget for fiscal year 1985) increase the amount by $,000,000.

Page 23, line 12, (relating to new budget authority for functional category 050 for fiscal year 1984) increase the amount by $,000,000.

Page 23, line 13, (relating to budget outlays for functional category 050 for fiscal year 1984) increase the amount by $,000,000.

Page 23, line 16, (relating to new budget authority for functional category 050 for fiscal year 1985) increase the amount by $,000,000.

Page 23, line 17, (relating to budget outlays for functional category 050 for fiscal year 1985) increase the amount by $,000,000.

Page 29, line 18, (relating to new budget authority for functional category 920 for fiscal year 1984) increase the amount by $,000,000.

Page 29, line 19, (relating to budget outlays for functional category 920 for fiscal year 1984) increase the amount by $,000,000.

Page 29, line 22, (relating to new budget authority for functional category 920 for fiscal year 1985) increase the amount by $,000,000.

Page 29, line 23, (relating to budget outlays for functional category 920 for fiscal year 1985) increase the amount by $,000,000.

By Mr. PEASE:

—At the appropriate place insert the following:

Whereas the promised economic recovery has not materialized,

Whereas unemployment is at the highest level since the Federal Government began keeping records of unemployment statistics,

Whereas President Reagan's economic program has resulted in projections for the 1983 fiscal year which are almost triple the largest previous deficit in American history,

Whereas interest rates remain intolerably high and are depressing economic activity, including our automobile, housing, and steel industries, and precluding necessary family purchases,

Whereas the closing of tax loopholes will assist in reducing deficits in 1983 and 1984 and, hopefully, in balancing the budget in 1985, thereby reducing interest rates, creating jobs, and revitalizing our industrial base, and

Whereas the tax laws should be amended to bring the Federal budget into balance, to eliminate tax loopholes, and to return our tax system to a fair system of taxation: Now, therefore, be it

Resolved, That it is the sense of the House of Representatives that the Congress should enact legislation which makes the following changes in the Internal Revenue Code of 1954:

(1) Phase-out of the employee stock ownership credit.

(2) Limitation of the issuance of industrial development bonds.

(3) Limitation of the deduction for payment of nonbusiness interest (other than for purchase of a home or automobile).

(4) Repeal of the partial exclusion of dividends.

(5) Repeal of the exclusion of scholarship and fellowship grants.

(6) Repeal of the exclusion of amounts received under qualified group legal services plans.

(7) Repeal of the 15 percent exclusion of interest (scheduled to take effect in 1985).

(8) Elimination of the deductions for the extra cost of first-class travel.

(9) Limitation of the business deduction to 80 percent of the amount paid by the taxpayer with respect to meals, lodging, and entertainment.

(10) Repeal of the deduction for State and local personal property taxes.

(11) Limitation of the deduction for casualty losses to 10 percent of the taxpayer's adjusted gross income.

(12) Repeal of safe harbor leasing.

(13) Reduction of the basis of property subject to a deduction, under the accelerated cost recovery system, by the amount of the investment tax credit allowed with respect to such property.

(14) Repeal of the charitable deduction for individuals who do not itemize deductions.

(15) Imposition of a requirement that real property construction period interest and taxes be capitalized in the case of corporations.

(16) Repeal of the investment tax credit for timber and the amortization of reforestation expenditures.

(17) Repeal of the deduction for taxpayers holding motor carrier operating authorities.

(18) Limitation of the deduction for medical expenses to medical expenses in excess of 5 percent of the taxpayer's adjusted gross income.

(19) Repeal of the expensing of intangible drilling and development costs in the case of oil and gas wells and geothermal wells.

(20) Repeal of the capital gains treatment of dividends reinvested in the stock of public utilities.

(21) Elimination of the use of the completed contract method of accounting for long-term contracts.

(22) Limitation of the deduction for additions to the reserves for bad debts in the case of thrift institutions.

(23) Repeal of percentage depletion with respect to natural resources.

(24) Repeal of special capital gains treatment of timber, coal, and domestic iron ore.

(25) Elimination of the use of modified co-insurance contracts as a method of treating investment income as underwriting income.

(26) Limitation of the tax credit for possessions corporations to prevent abuse of such credit.

(27) Repeal of the credit for oil and gas extraction taxes paid or accrued.

(28) Elimination of the special treatment of domestic international sales corporations.

(29) Increase in the percentage of gain or loss treated as short-term capital gain or loss in the case of regulated futures contracts.

(30) Imposition of a 5 percent capital gains tax for estates, based on the decedent's holdings at the time of death (subject to a $100,000 exclusion).

(31) Limitation on the phased-in increase in the unified credit against gift and estate taxes, and indexation of such credit.

(32) Repeal of the recent changes in current use valuation.

(33) Imposition of a $100,000 limitation on the estate tax exclusion for annuities and for the proceeds of life insurance.

(34) Repeal of the exemption for royalty oil, the reduction in tax imposed on newly discovered oil, and the exemption for stripper well oil.

By Mr. PERKINS:

—Strike the paragraph beginning on line 2, page 31, and ending on line 6, page 32.

By Mr. ROE:

—Section 304 is amended to read as follows:

SEC. 304. (a) In the House of Representatives, no bill or resolution providing—

(1) new budget authority for fiscal year 1983, or

(2) new spending authority described in section 401(c)(2)(C) of the Congressional Budget Act first effective in fiscal year 1983 which exceeds the appropriate allocation or subdivision of such new discretionary budget authority or new spending authority made pursuant to section 302 of such Act shall be enrolled until after Congress has completed action on the second concurrent resolution on the budget required to be reported under section 310 of such Act.

(b) If Congress increases revenues in a trust fund exempt under section

401(d)(1)(B) of the Congressional Budget Act, then for purposes of this section, "budget authority" and "new discretionary budget authority" shall not include spending authority or budget authority derived from any trust fund, 90 percent or more of the receipts of which consist or will consist of amounts (transferred from the general fund of the Treasury) equivalent to amounts of taxes (related to the purposes for which such outlays are or will be made) received in the Treasury under specified provisions of the Internal Revenue Code of 1954.

—Section 304 is amended to read as follows:

SEC. 304. (a) In the House of Representatives, no bill or resolution providing—

(1) new budget authority for fiscal year 1983, or

(2) new spending authority described in section 401(c)(2)(C) of the Congressional Budget Act first effective in fiscal year 1983 which exceeds the appropriate allocation or subdivision of such new discretionary budget authority or new spending authority made pursuant to section 302 of such Act shall be enrolled until after Congress has completed action on the second concurrent resolution on the budget required to be reported under section 310 of such Act.

(b) For purposes of this section, "budget authority" and "new discretionary budget authority" shall not include spending authority or budget authority derived from any highway, public transportation or aviation trust fund, 90 percent or more of the receipts of which consist or will consist of amounts (transferred from the general fund of the Treasury) equivalent to amounts of taxes (related to the purposes for which such outlays are or will be made) received in the Treasury under specified provisions of the Internal Revenue Code of 1954."

—In section 303 of the resolution insert the following new language: "If the changes in laws reported to the House by the House Committee on Ways and Means pursuant to section 301(K) of this resolution contain changes involving the imposition of new or expanded user fees within the jurisdiction of any other Committee of the House an appropriate referral pursuant to Rule 10 of the Rules of the House should be considered."

—Section 301(K) is amended by adding the following at the end thereof: "For purposes of this section, if any such changes involve the imposition of new or expanded taxes related to the use of inland waterways or deep draft ports (including, but not limited to, taxes on fuel, commodities, or vessels) or the imposition of any new or expanded user fees, they shall be submitted to and duly approved by the committee or committees of authorizing jurisdiction prior to submission to the House pursuant to section 310 of Public Law 93-344."

—Section 301(K) is amended by adding the following at the end thereto: "for purposes of this section, if any such changes involve the imposition of new or expanded user fees, they shall be submitted to and duly approved by the committee or committees of authorizing jurisdiction prior to submission to the House pursuant to section 310 of Public Law 93-344."

—Amend section 301 by adding the following new subsection (L):

(L) The House Committee on Public Works and Transportation shall report changes in laws within the jurisdiction of that Committee sufficient to reduce appropriations for programs authorized by that Committee so as to achieve savings in budget authority and outlays, as follows: $100,000,000 in budget authority, and $10,000,000 in outlays for fiscal year 1983.

—Section 301 (K) is amended by striking out "$31,700,000,000" and inserting in lieu thereof "$31,200,000,000."

—Section 301 is amended by adding the following new subsection:

(L) the House Committee on Public Works shall report changes in laws within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $25,000,000 and outlays by $2,500,000 in fiscal year 1983.

(Amendment in the nature of a substitute.)

—Strike all after the resolving clause and insert in lieu thereof the following:

TITLE I—REVISION OF THE CONGRESSIONAL BUDGET FOR THE UNITED STATES GOVERNMENT FOR THE FISCAL YEAR 1982

SEC. 101. The provisions of this title shall supersede the figures reaffirmed in Senate Concurrent Resolution 50 of the Ninety-seventh Congress for the fiscal year beginning on October 1, 1981.

SEC. 102(a)(1). The level of Federal revenues is $622,800,000,000 and the net amount by which the aggregate level of Federal revenues should be decreased is $200,000,000;

(2) the level of total new budget authority is $784,500,000,000;

(3) the level of total budget outlays is $743,900,000,000;

(4) the amount of the deficit in the budget is $121,100,000,000;

(5) the level of the public debt is $1,147,700,000,000 and the amount by which the statutory limit on such debt should accordingly be increased is $747,700,000,000, and

(6) the level of total obligations for the principal amount of new direct loans is $63,400,000,000, the level of total new primary commitments to guarantee loan principal is $74,850,000,000, and the level of total new secondary commitments to guarantee loan principal is $68,950,000,000.

(b) Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of subsection (a) of this section of this resolution, the Congress hereby determines and declares that, for the fiscal year beginning on October 1, 1981, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are as follows:

(1) National Defense (050):
(A) New budget authority, $218,200,000,000;
(B) Outlays, $190,800,000,000.

(2) International Affairs (150):
(A) New budget authority, $16,750,000,000;
(B) Outlays, $11,450,000,000.

(3) General Science, Space, and Technology (250):
(A) New budget authority, $7,000,000,000;
(B) Outlays, $7,000,000,000.

(4) Energy (270):
(A) New budget authority, $4,750,000,000;
(B) Outlays, $6,500,000,000.

(5) Natural Resources and Environment (300):
(A) New budget authority, $10,400,000,000;
(B) Outlays, $12,850,000,000.

(6) Agriculture (350):
(A) New budget authority, $9,900,000,000;
(B) Outlays, $13,800,000,000.

(7) Commerce and Housing Credit (370):
(A) New budget authority, $7,500,000,000;
(B) Outlays, $3,750,000,000.

(8) Transportation (400):
(A) New budget authority, $21,350,000,000;
(B) Outlays, $21,450,000,000.

(9) Community and Regional Development (450):
(A) New budget authority, $7,000,000,000;
(B) Outlays, $8,650,000,000.

(10) Education, Training, Employment and Social Services (500):
(A) New budget authority, $25,450,000,000;
(B) Outlays, $28,200,000,000.

(11) Health (550):
(A) New budget authority, $79,050,000,000;
(B) Outlays, $73,750,000,000.

(12) Income Security (600):
(A) New budget authority, $261,350,000,000;
(B) Outlays, $251,850,000,000.

(13) Veterans Benefits and Services (700):
(A) New budget authority, $24,800,000,000;
(B) Outlays, $23,800,000,000.

(14) Administration of Justice (750):
(A) New budget authority, $4,500,000,000;
(B) Outlays, $4,650,000,000.

(15) General Government (800):
(A) New budget authority, $5,200,000,000;
(B) Outlays, $5,050,000,000.

(16) General Purpose Fiscal Assistance (850):
(A) New budget authority, $6,350,000,000;
(B) Outlays, $6,350,000,000.

(17) Interest (900):
(A) New budget authority, $102,350,000,000;
(B) Outlays, $102,350,000,000.

(18) Allowances (920):
(A) New budget authority, $2,850,000,000;
(B) Outlays, $1,900,000,000.

(19) Undistributed Offsetting Receipts (950):
(A) New budget authority, −$30,250,000,000;
(B) Outlays, −$30,250,000,000.

SEC. 103. (a) There is established a congressional federal credit budget for fiscal year 1982 of which the levels of total federal credit activity for fiscal year 1982 are:

(1) New direct loan obligations, $63,400,000,000

(2) New primary loan guarantee commitments, $74,850,000,000

(3) New secondary loan guarantee commitments, $68,950,000,000

(b) Based on allocations of the appropriate levels of total federal credit activity as set forth in paragraph (1) of this subsection, the appropriate levels of new direct loan obligations, new primary loan guarantee commitments, and new secondary loan guarantee commitments for each functional category are as follows:

(1) National Defense (050):
(A) New direct loan obligations, $0;
(B) New primary loan guarantee commitments, $0;
(C) New secondary loan guarantee commitments, $0.

(2) International Affairs (150):
(A) New direct loan obligations, $10,400,000,000;
(B) New primary loan guarantee commitments, $8,100,000,000;
(C) New secondary loan guarantee commitments, $0.

(3) General Science, Space and Technology (250):
(A) New direct loan obligations, $200,000,000;
(B) New primary loan guarantee commitments, $0;
(C) New secondary loan guarantee commitments, $0.

(4) Energy (270):

(A) New direct loan obligations, $10,300,000,000;

(B) New primary loan guarantee commitments, $400,000,000;

(C) New secondary loan guarantee commitments, $0.

(5) Natural Resources and Environment (300):

(A) New direct loan obligations, $50,000,000;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(6) Agriculture (350):

(A) New direct loan obligations, $22,600,000,000;

(B) New primary loan guarantee commitments, $2,700,000,000;

(C) New secondary loan guarantee commitments, $0.

(7) Commerce and Housing Credit (370):

(A) New direct loan obligations, $12,050,000,000;

(B) New primary loan guarantee commitments, $26,200,000,000;

(C) New secondary loan guarantee commitments, $68,200,000,000.

(8) Transportation (400):

(A) New direct loan obligations, $350,000,000;

(B) New primary loan guarantee commitments, $750,000,000;

(C) New secondary loan guarantee commitments, $50,000,000.

(9) Community and Regional Development (450):

(A) New direct loan obligations, $2,000,000,000;

(B) New primary loan guarantee commitments, $850,000,000;

(C) New secondary loan guarantee commitments, $0.

(10) Education, Training, Employment and Social Services (500):

(A) New direct loan obligations, $1,300,000,000;

(B) New primary loan guarantee commitments, $6,500,000,000;

(C) New secondary loan guarantee commitments, $700,000,000.

(11) Health (550):

(A) New direct loan obligations, $50,000,000;

(B) New primary loan guarantee commitments, $100,000,000;

(C) New Secondary loan guarantee commitments, $0.

(12) Income Security (600):

(A) New direct loan obligations, $2,750,000,000;

(B) New primary loan guarantee commitments, $17,050,000,000;

(C) New Secondary loan guarantee commitments, $0.

(13) Veterans Benefits and Services (700):

(A) New direct loan obligations, $1,050,000,000;

(B) New primary loan guarantee commitments, $11,900,000,000;

(C) New Secondary loan guarantee commitments, $0.

(14) Administration of Justice (750):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New Secondary loan guarantee commitments, $0.

(15) General Government (800):

(A) New direct loan obligations, $50,000,000;

(B) New primary loan guarantee commitments, $0;

(C) New Secondary loan guarantee commitments, $0.

(16) General Purpose Fiscal Assistance (850):

(A) New direct loan obligations, $250,000,000;

(B) New primary loan guarantee commitments, $300,000,000;

(C) New Secondary loan guarantee commitments, $0.

(17) Interest (900):

(A) New direct loan obligations, $0;

(B) New primary loans guarantee commitments, $0:

(C) New secondary loan guarantee commitments, $0.

(18) Allowances (920):

(A) New direct loan obligations, $0:

(B) New primary loan guarantee commitments, $0:

(C) New secondary loan guarantee commitments, $0:

(19) Undistributed Offsetting Receipts (950):

(A) New direct loan obligations, $0:

(B) New primary loan guarantee commitments, $0:

(C) New secondary loan guarantee commitments, $0:

(c) It is the sense of the Congress that the President and the Congress, through the appropriations process, should limit in fiscal year 1982 the off-budget lending activity of the Federal Government to a level not to exceed $30,200,000,000, the on-budget lending activity to a level not to exceed $33,200,000,000, new primary loan guarantee commitments to a level not to exceed $74,850,000,000, and new secondary loan guarantee commitments to a level not to exceed $68,950,000,000.

TITLE II—SETTING FORTH THE CONGRESSIONAL BUDGET FOR THE UNITED STATES GOVERNMENT FOR THE FISCAL YEARS 1983, 1984, AND 1985

SEC. 201. The Congress hereby determines and declares, pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on October 1, 1982—

(1) the level of Federal revenues is $676,700,000,000, and the net amount by which the aggregate level of Federal revenues should be increased is $31,700,000,000;

(2) the level of total new budget authority is $828,000,000,000;

(3) the level of total budget outlays is $780,550,000,000;

(4) the amount of the deficit in the budget is $103,850,000,000, and

(5) the level of the public debt is $1,285,550,000,000, and the amount by which the statutory limit on such debt should accordingly be increased is $885,550,000,000.

SEC. 202. Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of section 201 of this resolution, the Congress hereby determines and declares pursuant to section 301(a) of the Congressional Budget Act of 1974 that, for the fiscal year beginning on October 1, 1982, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are as follows:

(1) National Defense (050):

(A) New budget authority, $242,850,000,000;

(B) Outlays, $212,300,000,000.

(2) International Affairs (150):

(A) New budget authority, $16,150,000,000;

(B) Outlays, $12,100,000,000.

General Science, Space, and Technology (250):

(A) New budget authority, $7,750,000,000;

(B) Outlays, $7,600,000,000.

(4) Energy (270):

(A) New budget authority, $5,300,000,000;

(B) Outlays, $5,000,000,000.

(5) Natural Resources and Environment (300):

(A) New budget authority, $9,400,000,000;

(B) Outlays, $10,850,000,000.

(6) Agriculture (350):

(A) New budget authority, $6,900,000,000;

(B) Outlays, $10,100,000,000.

(7) Commerce and Housing Credit (370):

(A) New budget authority, $8,050,000,000;

(B) Outlays, $3,050,000,000.

(8) Transportation (400):

(A) New budget authority, $22,300,000,000;

(B) Outlays, $20,400,000,000.

(9) Community and Regional Development (450):

(A) New budget authority, $7,000,000,000;

(B) Outlays, $7,900,000,000.

(10) Education, Training, Employment and Social Services (500):

(A) New budget authority, $27,550,000,000;

(B) Outlays, $27,450,000,000.

(11) Health (550):

(A) New budget authority, $77,300,000,000;

(B) Outlays, $80,100,000,000.

(12) Income Security (600):

(A) New budget authority, $286,950,000,000;

(B) Outlays, $273,800,000,000.

(13) Veterans Benefits and Services (700):

(A) New budget authority, $24,100,000,000;

(B) Outlays, $23,400,000,000.

(14) Administration of Justice (750):

(A) New budget authority, $4,600,000,000;

(B) Outlays, $4,650,000,000.

(15) General Government (800):

(A) New budget authority, $5,000,000,000;

(B) Outlays, $4,850,000,000.

(16) General Purpose Fiscal Assistance (850):

(A) New budget authority, $6,500,000,000;

(B) Outlays, $6,500,000,000.

(17) Interest (900):

(A) New budget authority, $115,000,000,000;

(B) Outlays, $115,000,000,000.

(18) Allowances (920):

(A) New budget authority, −$1,050,000,000;

(B) Outlays, −$850,000,000.

(19) Undistributed Offsetting Receipts (950):

(A) New budget authority, −$43,650,000,000;

(B) Outlays, −$43,650,000,000.

SEC. 203. (a) There is established a congressional federal credit budget for fiscal year 1983 of which the levels of total federal credit activity for fiscal year 1983 are:

(1) New direct loan obligations, $60,900,000,000.

(2) New primary loan guarantee commitments, $99,100,000,000.

(3) New secondary loan guarantee commitments, $68,250,000,000.

(b) Based on allocations of the appropriate levels of total federal credit activity as set forth in paragraph (1) of this subsection, the appropriate levels of new direct loan obligations, new primary loan guarantee commitments, and new secondary loan guarantee commitments for each functional category are as follows:

National Defense (050):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

International Affairs (150):

(A) New direct loan obligations, $10,850,000,000;

(B) New primary loan guarantee commitments, $8,950,000,000;

(C) New secondary loan guarantee commitments, $0.

General Science, Space and Technology (250):

(A) New direct loan obligations, $150,000,000;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(4) Energy (270):

(A) New direct loan obligations, $11,950,000,000;

(B) New primary loan guarantee commitments, −$850,000,000;

(C) New secondary loan guarantee commitments, $0.

(5) Natural Resources and Environment (300):

(A) New direct loan obligations, $50,000,000;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(6) Agriculture (350):

(A) New direct loan obligations, $19,150,000,000;

(B) New primary loan guarantee commitments, $2,650,000,000;

(C) New secondary loan guarantee commitments, $0.

(7) Commerce and Housing Credit (370):

(A) New direct loan obligations, $12,150,000,000;

(B) New primary loan guarantee commitments, $40,100,000,000;

(C) New secondary loan guarantee commitments, $68,250,000,000.

(8) Transportation (400):

(A) New direct loan obligations, $350,000,000;

(B) New primary loan guarantee commitments, $750,000,000;

(C) New secondary loan guarantee commitments, $0.

(9) Community and Regional Development (450):

(A) New direct loan obligations, $1,950,000,000;

(B) New primary loan guarantee commitments, $500,000,000;

(C) New secondary loan guarantee commitments, $0.

(10) Education, Training, Employment and Social Services (500):

(A) New direct loan obligations, $850,000,000;

(B) New primary loan guarantee commitments, $7,250,000,000;

(C) New secondary loan guarantee commitments, $0.

(11) Health (550):

(A) New direct loan obligations, $50,000,000;

(B) New primary loan guarantee commitments, $100,000,000;

(C) New secondary loan guarantee commitments, $0.

(12) Income Security (600):

(A) New direct loan obligations, $2,050,000,000;

(B) New primary loan guarantee commitments, $18,700,000,000;

(C) New secondary loan guarantee commitments, $0.

(13) Veterans Benefits and Services (700):

(A) New direct loan obligations, $1,050,000,000;

(B) New primary loan guarantee commitments, $20,950,000,000;

(C) New secondary loan guarantee commitments, $0.

(14) Administration of Justice (750):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(15) General Government (800):

(A) New direct loan obligations, $50,000,000;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(16) General Purpose Fiscal Assistance (850):

(A) New direct loan obligations, $250,000,000;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(17) Interest (900):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(18) Allowances (920):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(19) Undistributed Offsetting Receipts (950):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(c) It is the sense of the Congress that the President and the Congress, through the appropriations process, should limit in fiscal year 1983 the off-budget lending activity of the Federal Government to a level not to exceed $31,050,000,000, the on-budget lending activity to a level not to exceed $29,850,000,000, new primary loan guarantee commitments to a level not to exceed $99,100,000,000, and new secondary loan guarantee commitments to a level not to exceed $68,250,000,000.

SEC. 204. The Congress sets forth the following budgetary levels for fiscal years 1984 and 1985—

(1) the level of Federal revenues is as follows:

Fiscal year 1984: $753,650,000,000.
Fiscal year 1985: $846,550,000,000.

and the amount by which the aggregate levels of Federal revenues should be increased is as follows:

Fiscal year 1984: $51,650,000,000.
Fiscal year 1985: $66,550,000,000.

(2) the level of total new budget authority is as follows:

Fiscal year 1984: $888,400,000,000.
Fiscal year 1985: $952,850,000,000.

(3) the level of total budget outlays is as follows:

Fiscal year 1984: $826,400,000,000.
Fiscal year 1985: $881,200,000,000.

(4) the amount of the deficit in the budget is:

Fiscal year 1984: $72,750,000,000.
Fiscal year 1985: $34,650,000,000.

(5) the level of the public debt is as follows:

Fiscal year 1984: $1,404,450,000,000.
Fiscal year 1985: $1,490,800,000,000.

and the amount by which the temporary statutory limit on such debt should be accordingly increased is as follows:

Fiscal year 1984: $1,004,450,000,000.
Fiscal year 1985: $1,090,800,000,000.

SEC. 205. Based on allocations of the appropriate level of total new budget authority and of total budget outlays for fiscal years 1984 and 1985 as set forth above, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are respectively as follows:

(1) National Defense (050):

Fiscal year 1984:

(A) New budget authority, $268,150,000,000;

(B) Outlays, $235,350,000,000.

Fiscal year 1985:

(A) New budget authority, $295,950,000,000;

(B) Outlays, $265,950,000,000.

(2) International Affairs (150):

Fiscal year 1984:

(A) New budget authority, $16,800,000,000;

(B) Outlays, $12,300,000,000.

Fiscal year 1985:

(A) New budget authority, $21,200,000,000;

(B) Outlays, $12,300,000,000.

(3) General Science, Space, and Technology (250):

Fiscal year 1984:

(A) New budget authority, $7,750,000,000;

(B) Outlays, $7,750,000,000.

Fiscal year 1985:

(A) New budget authority, $7,600,000,000;

(B) Outlays, $7,600,000,000.

(4) Energy (270):

Fiscal year 1984:

(A) New budget authority, $4,700,000,000;

(B) Outlays, $4,050,000,000.

Fiscal year 1985:

(A) New budget authority, $4,650,000,000;

(B) Outlays, $3,850,000,000.

(5) Natural Resources and Environment (300):

Fiscal year 1984:

(A) New budget authority, $8,750,000,000;

(B) Outlays, $9,850,000,000.

Fiscal year 1985:

(A) New budget authority, $8,350,000,000;

(B) Outlays, $8,850,000,000.

(6) Agriculture (350):

Fiscal year 1984:

(A) New budget authority, $8,400,000,000;

(B) Outlays, $8,250,000,000.

Fiscal year 1985:

(A) New budget authority, $6,850,000,000;

(B) Outlays, $7,500,000,000.

(7) Commerce and Housing Credit (370):

Fiscal year 1984:

(A) New budget authority, $8,650,000,000;

(B) Outlays, $2,750,000,000.

Fiscal year 1985:

(A) New budget authority, $8,350,000,000;

(B) Outlays, $2,600,000,000.

(8) Transportation (400):

Fiscal year 1984:

(A) New budget authority, $22,400,000,000;

(B) Outlays, $20,050,000,000.

Fiscal year 1985:

(A) New budget authority, $22,950,000,000;

(B) Outlays, $20,250,000,000.

(9) Community and Regional Development (450):

Fiscal year 1984:

(A) New budget authority, $7,150,000,000;

(B) Outlays, $7,600,000,000.

Fiscal year 1985:

(A) New budget authority, $7,350,000,000;

(B) Outlays, $7,700,000,000.

(10) Education, Training, Employment, and Social Services (500):

Fiscal year 1984:

(A) New budget authority, $28,250,000,000;

(B) Outlays, $28,000,000,000.

Fiscal year 1985:

(A) New budget authority, $28,300,000,000;
(B) Outlays, $28,200,000,000.
(11) Health (550):
Fiscal year 1984:
(A) New budget authority, $81,700,000,000;
(B) Outlays, $89,650,000,000.
Fiscal year 1985:
(A) New budget authority, $94,100,000,000;
(B) Outlays, $101,250,000,000.
(12) Income Security (600):
Fiscal year 1984:
(A) New budget authority, $314,500,000,000;
(B) Outlays, $290,050,000,000.
Fiscal year 1985:
(A) New budget authority, $344,550,000,000;
(B) Outlays, $312,400,000,000.
(13) Veterans Benefits and Services (700):
Fiscal year 1984:
(A) New budget authority, $25,150,000,000;
(B) Outlays, $24,550,000,000.
Fiscal year 1985:
(A) New budget authority, $26,000,000,000;
(B) Outlays, $25,900,000,000.
(14) Administration of Justice (750):
Fiscal year 1984:
(A) New budget authority, $4,600,000,000;
(B) Outlays, $4,600,000,000.
Fiscal year 1985:
(A) New budget authority, $4,600,000,000;
(B) Outlays, $4,600,000,000.
(15) General Government (800):
Fiscal year 1984:
(A) New budget authority, $4,700,000,000;
(B) Outlays, $4,600,000,000.
Fiscal year 1985:
(A) New budget authority, $4,700,000,000;
(B) Outlays, $4,500,000,000.
(16) General Purpose Fiscal Assistance (850):
Fiscal year 1984:
(A) New budget authority, $6,750,000,000;
(B) Outlays, $6,700,000,000.
Fiscal year 1985:
(A) New budget authority, $6,850,000,000;
(B) Outlays, $6,850,000,000.
(17) Interest (900):
Fiscal year 1984:
(A) New budget authority, $119,300,000,000;
(B) Outlays, $119,300,000,000.
Fiscal year 1985:
(A) New budget authority, $110,850,000,000;
(B) Outlays, $110,850,000,000.
(18) Allowances (920):
Fiscal year 1984:
(A) New budget authority, $200,000,000;
(B) Outlays, $500,000,000.
Fiscal year 1985:
(A) New budget authority, $500,000,000;
(B) Outlays, $900,000,000.
(19) Undistributed Offsetting Recepits (950):
Fiscal year 1984:
(A) New budget authority, −$49,500,000,000;
(B) Outlays, −$49,500,000,000.
Fiscal year 1985:
(A) New budget authority, −$50,850,000,000;
(B) Outlays, −$50,850,000,000.

TITLE III—PROVIDING RECONCILIATION INSTRUCTIONS AND OTHER ENFORCEMENT MEASURES

PART A—RECONCILIATION INSTRUCTIONS

SEC. 301. Pursuant to section 301(b)(2) of the Budget Act—

(A) the House Committee on Agriculture shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $207,000,000 and outlays by $207,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $530,000,000 in budget authority and $530,000,000 in outlays in fiscal year 1984, and $661,000,000 in budget authority and $661,000,000 in outlays in fiscal year 1985.

(B) the House Committee on Armed Services shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $212,000,000 and outlays by $212,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $691,000,000 in budget authority and $691,000,000 in outlays in fiscal year 1984, and $1,228,000,000 in budget authority and $1,228,000,000 in outlays in fiscal year 1985.

(C) the House Committee on Banking, Finance, and Urban Affairs shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce outlays by $695,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $697,000,000 in outlays in fiscal year 1984, and $687,000,000 in outlays in fiscal year 1985.

(D) the House Committee on Education and Labor shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $73,000,000 and outlays by $73,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $101,000,000 in budget authority and $101,000,000 in outlays in fiscal year 1984, and $97,000,000 in budget authority and $97,000,000 in outlays in fiscal year 1985.

(E) the House Committee on Energy and Commerce shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $60,000,000 and outlays by $60,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $68,000,000 in budget authority and $68,000,000 in outlays in fiscal year 1984, and $77,000,000 in budget authority and $77,000,000 in outlays in fiscal year 1985.

(F) the House Committee on Foreign Affairs shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce outlays by $3,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $2,000,000 in budget authority and $8,000,000 in outlays in fiscal year 1984, and $4,000,000 in budget authority and $15,000,000 in outlays in fiscal year 1985.

(G) the House Committee on Merchant Marine and Fisheries shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $4,000,000 and outlays by $4,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $15,000,000 in budget authority and $15,000,000 in outlays in fiscal year 1984, and $27,000,000 in budget authority and $27,000,000 in outlays in fiscal year 1985.

(H) the House Committee on Post Office and Civil Service shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $000,000,000 and outlays by $273,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $242,000,000 in budget authority and $925,000,000 in outlays in fiscal year 1984, and $538,000,000 in budget authority and $1,648,000,000 in outlays in fiscal year 1985.

(I) the House Committee on Veterans' Affairs shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $171,000,000 and outlays by $171,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $187,000,000 in budget authority and $187,000,000 in outlays in fiscal year 1984, and $195,000,000 in budget authority and $195,000,000 in outlays in fiscal year 1985.

(J) the House Committee on Ways and Means shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $334,000,000 and outlays by $2,489,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $205,000,000 in budget authority and $3,576,000,000 in outlays in fiscal year 1984, and $267,000,000 in budget authority and $4,160,000,000 in outlays in fiscal year 1985.

(K) the House Committee on Ways and Means shall report changes in laws within the jurisdiction of the committee sufficient to increase revenue by $31,700,000,000 for fiscal year 1983; further, the Congress finds that the prospect of unacceptably high deficits in future years requires additional revenues of $51,650,000,000 for fiscal year 1984, and $66,550,000,000 for fiscal year 1985. For purposes of this section, if any such changes involve the imposition of new or expanded user fees, they shall be submitted to and duly approved by the committee or committees of authorizing jurisdiction prior to submission to the House pursuant to section 310 of Public Law 93-344.

SEC. 302. Pursuant to section 301(b)(2) of the Budget Act—

(A) the Senate Committee on Finance shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $393,000,000 and outlays by $2,548,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future years requires additional savings of $270,000,000 in budget authority and $3,641,000,000 in outlays for fiscal year 1984, and $339,000,000 in budget authority and $4,232,000,000 in outlays in fiscal year 1985.

(B) the Senate Committee on Finance shall report changes in laws within the jurisdiction of that committee sufficient to increase revenues by $31,700,000,000 for fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional revenues of $51,650,000,000 for fiscal year 1984, and $66,550,000,000 in fiscal year 1985.

(C) the Senate Committee on Agriculture, Nutrition, and Forestry shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $207,000,000 and outlays by $207,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future years requires additional savings of $530,000,000 in budget authority and $530,000,000 in outlays for fiscal year 1984, and $661,000,000 in budget authority and $661,000,000 in outlays in fiscal year 1985.

(D) the Senate Committee on Armed Services shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $213,000,000 and outlays by $213,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future years requires additional savings of $694,000,000 in outlays for fiscal year 1984, and $1,232,000,000 in budget authority and $1,232,000,000 in outlays in fiscal year 1985.

(E) The Senate Committee on Banking, Housing, and Urban Affairs shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $190,000,000 and outlays by $785,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future years requires additional savings of $100,000,000 in budget authority and $797,000,000 in outlays for fiscal year 1984, and $104,000,000 in budget authority and $791,000,000 in outlays in fiscal year 1985.

(F) the Senate Committee on Commerce, Science, and Transportation shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $4,000,000 and outlays by $4,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future years requires additional savings of $15,000,000 in budget authority and $15,000,000 in outlays for fiscal year 1984, and $27,000,000 in budget authority and $27,000,000 in outlays in fiscal year 1985.

(G) the Senate Committee on Foreign relations shall report changes in law within the jurisdication of that committee to reduce spending in amounts sufficient to reduce outlays by $3,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future years requires additional savings of $2,000,000 in budget authority and $8,000,000 in outlays for fiscal year 1984, and $4,000,000 in budget authority and $15,000,000 in outlays in fiscal year 1985.

(H) the Senate Committee on Governmental Affairs shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce outlays by $270,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future years requires additional savings of $240,000,000 in budget authority and $917,000,000 in outlays for fiscal year 1984, and $534,000,000 in budget authority and $1,633,000,000 in outlays in fiscal year 1985.

(I) the Senate Committee on Labor and Human Resources shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $73,000,000 and outlays by $73,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future years requires additional savings of $101,000,000 in budget authority and $101,000,000 in outlays for fiscal year 1984, and $97,000,000 in budget authority and $97,000,000 in outlays in fiscal year 1985.

SEC. 303. The committees named in sections 301(A)-(I) and 302(C)-(I) shall submit their recommendations to the Committees on the Budget of their respective Houses. Those recommendations shall be sufficient to accomplish the changes required by such subsection. After receiving those recommendations, the Committees on the Budget shall report to the House and Senate a reconciliation bill or resolution or both carrying out all such recommendations without any substantive revision.

DEFERRED ENROLLMENT

SEC. 304. (a) In the House of Representatives, no bill or resolution providing—

(1) new budget authority for fiscal year 1983, or

(2) new spending authority described in section 401(c)(2)(C) of the Congressional Budget Act first effective in fiscal year 1983—which exceeds the appropriate allocation or subdivision of such new discretionary budget authority or new spending authority made pursuant to section 302 of such Act shall be enrolled until after Congress has completed action on the second concurrent resolution on the budget required to be reported under section 310 of such act. (b) For purposes of this section, "budget authority" and "new discretionary budget authority" shall not include spending authority or budget authority derived from any highway, public transportation or aviation trust fund, 90 percent or more of the receipts of which consist or will consist of amounts (transferred from the general fund of the Treasury) equivalent to amounts of taxes (related to the purposes for which such outlays are or will be made) received in the Treasury under specified provisions of the Internal Revenue Code of 1954.

302(b) REPORT

SEC. 305. It shall not be in order in either the House of Representatives or the Senate to consider any bill or resolution, or amendment thereto, providing—

(1) new budget authority for fiscal year 1983; or

(2) new spending authority described in section 401(c)(2)(C) of the Budget Act first effective in fiscal year 1983;

within the jurisdiction of any of its committees unless and until such committees makes the allocations or subdivisions required by section 302(b) of the Budget Act.

SEC. 306. It is the sense of the Congress that if Congress acts to restore fiscal responsibility and reduces projected budget deficits in a substantial and permanent way, then the Federal Reserve Open Market Committee shall reevaluate its monetary targets in order to assure that they are fully complementary to a new and more restrained fiscal policy.

(Amendment in the nature of a substitute.)

—Strike all after the resolving clause and insert in lieu thereof the following:

TITLE I—REVISION OF THE CONGRESSIONAL BUDGET FOR THE UNITED STATES GOVERNMENT FOR THE FISCAL YEAR 1982

SEC. 101. The provisions of this title shall supersede the figures reaffirmed in Senate Concurrent Resolution 50 of the Ninety-seventh Congress for the fiscal year beginning on October 1, 1981.

SEC. 102(a)(1). The level of Federal revenues is $622,800,000,000 and the net amount by which the aggregate level of Federal revenues should be decreased is $200,000,000;

(2) the level of total new budget authority is $784,500,000,000;

(3) the level of total budget outlays is $743,900,000,000;

(4) the amount of the deficit in the budget is $121,100,000,000;

(5) the level of the public debt is $1,147,700,000,000 and the amount by which the statutory limit on such debt should accordingly be increased is $747,700,000,000, and

(6) the level of total obligations for the principal amount of new direct loans is $63,400,000,000, the level of total new primary commitments to guarantee loan principal is $74,850,000,000, and the level of total new secondary commitments to guarantee loan principal is $68,950,000,000.

(b) Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of subsection (a) of this section of this resolution, the Congress hereby determines and declares that, for the fiscal year beginning on October 1, 1981, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are as follows:

(1) National Defense (050):
(A) New budget authority, $218,200,000,000;
(B) Outlays, $190,800,000,000.
(2) International Affairs (150):
(A) New budget authority, $16,750,000,000;
(B) Outlays, $11,450,000,000.
(3) General Science, Space, and Technology (250):
(A) New budget authority, $7,000,000,000;
(B) Outlays, $7,000,000,000.
(4) Energy (270):
(A) New budget authority, $4,750,000,000;
(B) Outlays, $6,500,000,000.
(5) Natural Resources and Environment (300):
(A) New budget authority, $10,400,000,000;
(B) Outlays, $12,850,000,000.
(6) Agriculture (350):
(A) New budget authority, $9,900,000,000;
(B) Outlays, $13,800,000,000.
(7) Commerce and Housing Credit (370):
(A) New budget authority, $7,500,000,000;
(B) Outlays, $3,750,000,000.
(8) Transportation (400):
(A) New budget authority, $21,350,000,000;
(B) Outlays, $21,450,000,000.
(9) Community and Regional Development (450):
(A) New budget authority, $7,000,000,000;
(B) Outlays, $8,850,000,000.
(10) Education, Training, Employment and Social Services (500):
(A) New budget authority, $25,450,000,000;
(B) Outlays, $28,200,000,000.
(11) Health (550):
(A) New budget authority, $79,050,000,000;
(B) Outlays, $73,750,000,000.
(12) Income Security (600):
(A) New budget authority, $261,350,000,000;
(B) Outlays, $251,850,000,000.
(13) Veterans Benefits and Services (700):
(A) New budget authority, $24,800,000,000;
(B) Outlays, $23,800,000,000.
(14) Administration of Justice (750):
(A) New budget authority, $4,500,000,000;
(B) Outlays, $4,650,000,000.

(15) General Government (800):

(A) New budget authority, $5,200,000,000;

(B) Outlays, $5,050,000,000.

(16) General Purpose Fiscal Assistance (850):

(A) New budget authority, $6,350,000,000;

(B) Outlays, $6,350,000,000.

(17) Interest (900):

(A) New budget authority, $102,350,000,000;

(B) Outlays, $102,350,000,000.

(18) Allowances (920):

(A) New budget authority, $2,850,000,000;

(B) Outlays, $1,900,000,000.

(19) Undistributed Offsetting Receipts (950):

(A) New budget authority, −$30,250,000,000;

(B) Outlays, −$30,250,000,000.

Sec. 103. (a) There is established a congressional federal credit budget for fiscal year 1982 of which the levels of total federal credit activity for fiscal year 1982 are:

(1) New direct loan obligations, $63,400,000,000.

(2) New primary loan guarantee commitments, $74,850,000,000.

(3) New secondary loan guarantee commitments, $68,950,000,000.

(b) Based on allocations of the appropriate levels of total federal credit activity as set forth in paragraph (1) of this subsection, the appropriate levels of new direct loan obligations, new primary loan guarantee commitments, and new secondary loan guarantee commitments for each functional category are as follows:

(1) National Defense (050):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(2) International Affairs (150):

(A) New direct loan obligations, $10,400,000,000;

(B) New primary loan guarantee commitments, $8,100,000,000;

(C) New secondary loan guarantee commitments, $0.

(3) General Science, Space and Technology (250):

(A) New direct loan obligations, $200,000,000;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(4) Energy (270):

(A) New direct loan obligations, $10,300,000,000;

(B) New primary loan guarantee commitments, $400,000,000;

(C) New secondary loan guarantee commitments, $0.

(5) Natural Resources and Environment (300):

(A) New direct loan obligations, $50,000,000;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(6) Agriculture (350):

(A) New direct loan obligations, $22,600,000,000;

(B) New primary loan guarantee commitments, $2,700,000,000;

(C) New secondary loan guarantee commitments, $0.

(7) Commerce and Housing Credit (370):

(A) New direct loan obligations, $12,050,000,000;

(B) New primary loan guarantee commitments, $28,200,000,000;

(C) New secondary loan guarantee commitments, $68,200,000,000.

(8) Transportation (400):

(A) New direct loan obligations, $350,000,000;

(B) New primary loan guarantee commitments, $750,000,000;

(C) New secondary loan guarantee commitments, $50,000,000.

(9) Community and Regional Development (450):

(A) New direct loan obligations, $2,000,000,000;

(B) New primary loan guarantee commitments, $850,000,000;

(C) New secondary loan guarantee commitments, $0.

(10) Education, Training, Employment and Social Services (500):

(A) New direct loan obligations, $1,300,000,000;

(B) New primary loan guarantee commitments, $6,500,000,000;

(C) New secondary loan guarantee commitments, $700,000,000.

(11) Health (550):

(A) New direct loan obligations, $50,000,000;

(B) New primary loan guarantee commitments, $100,000,000;

(C) New Secondary loan guarantee commitments, $0.

(12) Income Security (600):

(A) New direct loan obligations, $2,750,000,000;

(B) New primary loan guarantee commitments, $17,050,000,000;

(C) New Secondary loan guarantee commitments, $0.

(13) Veterans Benefits and Services (700):

(A) New direct loan obligations, $1,050,000,000;

(B) New primary loan guarantee commitments, $11,900,000,000;

(C) New Secondary loan guarantee commitments, $0.

(14) Administration of Justice (750):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New Secondary loan guarantee commitments, $0.

(15) General Government (800):

(A) New direct loan obligations, $50,000,000;

(B) New primary loan guarantee commitments, $0;

(C) New Secondary loan guarantee commitments, $0.

(16) General Purpose Fiscal Assistance (850):

(A) New direct loan obligations, $250,000,000;

(B) New primary loan guarantee commitments, $300,000,000;

(C) New Secondary loan guarantee commitments, $0.

(17) Interest (900):

(A) New direct loan obligations, $0;

(B) New primary loans guarantee commitments, $0:

(C) New secondary loan guarantee commitments, $0.

(18) Allowances (920):

(A) New direct loan obligations, $0:

(B) New primary loan guarantee commitments, $0:

(C) New secondary loan guarantee commitments, $0:

(19) Undistributed Offsetting Receipts (950):

(A) New direct loan obligations, $0:

(B) New primary loan guarantee commitments, $0:

(C) New secondary loan guarantee commitments, $0:

(c) It is the sense of the Congress that the President and the Congress, through the appropriations process, should limit in fiscal year 1982 the off-budget lending activity of the Federal Government to a level not to exceed $30,200,000,000, the on-budget lending activity to a level not to exceed $33,200,000,000, new primary loan guarantee commitments to a level not to exceed $74,850,000,000, and new secondary loan guarantee commitments to a level not to exceed $68,950,000,000.

TITLE II—SETTING FORTH THE CONGRESSIONAL BUDGET FOR THE UNITED STATES GOVERNMENT FOR THE FISCAL YEARS 1983, 1984, AND 1985

Sec. 201. The Congress hereby determines and declares, pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on October 1, 1982—

(1) the level of Federal revenues is $676,700,000,000, and the net amount by which the aggregate level of Federal revenues should be increased is $31,700,000,000;

(2) the level of total new budget authority is $828,000,000,000;

(3) the level of total budget outlays is $780,550,000,000;

(4) the amount of the deficit in the budget is $103,850,000,000, and

(5) the level of the public debt is $1,285,550,000,000, and the amount by which the statutory limit on such debt should accordingly be increased is $885,550,000,000.

Sec. 202. Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of section 201 of this resolution, the Congress hereby determines and declares pursuant to section 301(a) of the Congressional Budget Act of 1974 that, for the fiscal year beginning on October 1, 1982, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are as follows:

(1) National Defense (050):

(A) New budget authority, $242,850,000,000;

(B) Outlays, $212,300,000,000.

(2) International Affairs (150):

(A) New budget authority, $16,150,000,000;

(B) Outlays, $12,100,000,000.

General Science, Space, and Technology (250):

(A) New budget authority, $7,750,000,000;

(B) Outlays, $7,600,000,000.

(4) Energy (270):

(A) New budget authority, $5,300,000,000;

(B) Outlays, $5,000,000,000.

(5) Natural Resources and Environment (300):

(A) New budget authority, $9,400,000,000;

(B) Outlays, $10,850,000,000.

(6) Agriculture (350):

(A) New budget authority, $6,900,000,000;

(B) Outlays, $10,100,000,000.

(7) Commerce and Housing Credit (370):

(A) New budget authority, $8,050,000,000;

(B) Outlays, $3,050,000,000.

(8) Transportation (400):

(A) New budget authority, $22,300,000,000;

(B) Outlays, $20,400,000,000.

(9) Community and Regional Development (450):

(A) New budget authority, $7,000,000,000;

(B) Outlays, $7,900,000,000.

(10) Education, Training, Employment and Social Services (500):

(A) New budget authority, $27,550,000,000;

(B) Outlays, $27,450,000,000.

(11) Health (550):

(A) New budget authority, $77,300,000,000;

(B) Outlays, $80,100,000,000.

(12) Income Security (600):

(A) New budget authority, $286,950,000,000;

(B) Outlays, $273,800,000,000.

(13) Veterans Benefits and Services (700):

(A) New budget authority, $24,100,000,000;

(B) Outlays, $23,400,000,000.

(14) Administration of Justice (750):

(A) New budget authority, $4,600,000,000;

(B) Outlays $4,650,000,000.

(15) General Government (800):

(A) New budget authority, $5,000,000,000;

(B) Outlays, $4,850,000,000.

(16) General Purpose Fiscal Assistance (850):

(A) New budget authority, $6,500,000,000;

(B) Outlays, $6,500,000,000.

(17) Interest (900):

(A) New budget authority, $115,000,000,000;

(B) Outlays, $115,000,000,000.

(18) Allowances (920):

(A) New budget authority, −$1,050,000,000;

(B) Outlays, −$850,000,000.

(19) Undistributed Offsetting Receipts (950):

(A) New budget authority, −$43,650,000,000;

(B) Outlays, −$43,650,000,000.

Sec. 203. (a) There is established a congressional federal credit budget for fiscal year 1983 of which the levels of total federal credit activity for fiscal year 1983 are:

(1) New direct loan obligations, $60,900,000,000.

(2) New primary loan guarantee commitments, $99,100,000,000.

(3) New secondary loan guarantee commitments, $68,250,000,000.

(b) Based on allocations of the appropriate levels of total federal credit activity as set forth in paragraph (1) of this subsection, the appropriate levels of new direct loan obligations, new primary loan guarantee commitments, and new secondary loan guarantee commitments for each functional category are as follows:

National Defense (050):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

International Affairs (150):

(A) New direct loan obligations, $10,850,000,000;

(B) New primary loan guarantee commitments, $8,950,000,000;

(C) New secondary loan guarantee commitments, $0.

General Science, Space and Technology (250):

(A) New direct loan obligations, $150,000,000;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(4) Energy (270):

(A) New direct loan obligations, $11,950,000,000;

(B) New primary loan guarantee commitments, −$850,000,000;

(C) New secondary loan guarantee commitments, $0.

(5) Natural Resources and Environment (300):

(A) New direct loan obligations, $50,000,000;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(6) Agriculture (350):

(A) New direct loan obligations, $19,150,000,000;

(B) New primary loan guarantee commitments, $2,650,000,000;

(C) New secondary loan guarantee commitments, $0.

(7) Commerce and Housing Credit (370):

(A) New direct loan obligations, $12,150,000,000;

(B) New primary loan guarantee commitments, $40,100,000,000;

(C) New secondary loan guarantee commitments, $68,250,000,000.

(8) Transportation (400):

(A) New direct loan obligations, $350,000,000;

(B) New primary loan guarantee commitments, $750,000,000;

(C) New secondary loan guarantee commitments, $0.

(9) Community and Regional Development (450):

(A) New direct loan obligations, $1,950,000,000;

(B) New primary loan guarantee commitments, $500,000,000;

(C) New secondary loan guarantee commitments, $0.

(10) Education, Training, Employment and Social Services (500):

(A) New direct loan obligations, $850,000,000;

(B) New primary loan guarantee commitments, $7,250,000,000;

(C) New secondary loan guarantee commitments, $0.

(11) Health (550):

(A) New direct loan obligations, $50,000,000;

(B) New primary loan guarantee commitments, $100,000,000;

(C) New secondary loan guarantee commitments, $0.

(12) Income Security (600):

(A) New direct loan obligations, $2,050,000,000;

(B) New primary loan guarantee commitments, $18,700,000,000;

(C) New secondary loan guarantee commitments, $0.

(13) Veterans Benefits and Services (700):

(A) New direct loan obligations, $1,050,000,000;

(B) New primary loan guarantee commitments, $20,950,000,000;

(C) New secondary loan guarantee commitments, $0.

(14) Administration of Justice (750):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(15) General Government (800):

(A) New direct loan obligations, $50,000,000;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(16) General Purpose Fiscal Assistance (850):

(A) New direct loan obligations, $250,000,000;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(17) Interest (900):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(18) Allowances (920):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(19) Undistributed Offsetting Receipts (950):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(c) It is the sense of the Congress that the President and the Congress, through the appropriations process, should limit in fiscal year 1983 the off-budget lending activity of the Federal Government to a level not to exceed $31,050,000,000, the on-budget lending activity to a level not to exceed $29,850,000,000, new primary loan guarantee commitments to a level not to exceed $99,100,000,000, and new secondary loan guarantee commitments to a level not to exceed $68,250,000,000.

Sec. 204. The Congress sets forth the following budgetary levels for fiscal years 1984 and 1985—

(1) the level of Federal revenues is as follows:

Fiscal year 1984: $753,650,000,000.
Fiscal year 1985: $846,550,000,000.

and the amount by which the aggregate levels of Federal revenues should be increased is as follows:

Fiscal year 1984: $51,650,000,000.
Fiscal year 1985: $66,550,000,000.

(2) the level of total new budget authority is as follows:

Fiscal year 1984: $888,400,000,000.
Fiscal year 1985: $952,850,000,000.

(3) the level of total budget outlays is as follows:

Fiscal year 1984: $826,400,000,000.
Fiscal year 1985: $881,200,000,000.

(4) the amount of the deficit in the budget is:

Fiscal year 1984: $72,750,000,000.
Fiscal year 1985: $34,650,000,000.

(5) the level of the public debt is as follows:

Fiscal year 1984: $1,404,450,000,000.
Fiscal year 1985: $1,490,800,000,000.

and the amount by which the temporary statutory limit on such debt should be accordingly increased is as follows:

Fiscal year 1984: $1,004,450,000,000.
Fiscal year 1985: $1,090,800,000,000.

Sec. 205. Based on allocations of the appropriate level of total new budget authority and of total budget outlays for fiscal years 1984 and 1985 as set forth above, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are respectively as follows:

(1) National Defense (050):

Fiscal year 1984:

(A) New budget authority, $268,150,000,000;

(B) Outlays, $235,350,000,000.

Fiscal year 1985:

(A) New budget authority, $295,950,000,000;

(B) Outlays, $265,950,000,000.

(2) International Affairs (150):

Fiscal year 1984:

(A) New budget authority, $16,800,000,000;

(B) Outlays, $12,300,000,000.

Fiscal year 1985:

(A) New budget authority, $21,200,000,000;

(B) Outlays, $12,300,000,000.

(3) General Science, Space, and Technology (250):

Fiscal year 1984:

(A) New budget authority, $7,750,000,000;

(B) Outlays, $7,750,000,000.

Fiscal year 1985:

(A) New budget authority, $7,600,000,000;

(B) Outlays, $7,600,000,000.

(4) Energy (270):

Fiscal year 1984:

(A) New budget authority, $4,700,000,000;

(B) Outlays, $4,050,000,000.

Fiscal year 1985:

(A) New budget authority, $4,850,000,000;

(B) Outlays, $3,850,000,000.

(5) Natural Resources and Environment (300):

Fiscal year 1984:

(A) New budget authority, $8,750,000,000;

(B) Outlays, $9,850,000,000.

Fiscal year 1985:

(A) New budget authority, $8,350,000,000;

(B) Outlays, $8,850,000,000.

(6) Agriculture (350):

Fiscal year 1984:

(A) New budget authority, $8,400,000,000;

(B) Outlays, $8,250,000,000.

Fiscal year 1985:

(A) New budget authority, $6,850,000,000;

(B) Outlays, $7,500,000,000.

(7) Commerce and Housing Credit (370):

Fiscal year 1984:

(A) New budget authority, $8,650,000,000;

(B) Outlays, $2,750,000,000.

Fiscal year 1985:

(A) New budget authority, $8,350,000,000;

(B) Outlays, $2,600,000,000.

(8) Transportation (400):

Fiscal year 1984:

(A) New budget authority, $22,400,000,000;

(B) Outlays, $20,050,000,000.

Fiscal year 1985:

(A) New budget authority, $22,950,000,000;

(B) Outlays, $20,250,000,000.

(9) Community and Regional Development (450):

Fiscal year 1984:

(A) New budget authority, $7,150,000,000;

(B) Outlays, $7,600,000,000.

Fiscal year 1985:

(A) New budget authority, $7,350,000,000;

(B) Outlays, $7,700,000,000.

(10) Education, Training, Employment, and Social Services (500):

Fiscal year 1984:

(A) New budget authority, $28,250,000,000;

(B) Outlays, $28,000,000,000.

Fiscal year 1985:

(A) New budget authority, $28,300,000,000;

(B) Outlays, $28,200,000,000.

(11) Health (550):

Fiscal year 1984:

(A) New budget authority, $81,700,000,000;

(B) Outlays, $89,650,000,000.

Fiscal year 1985:

(A) New budget authority, $94,100,000,000;

(B) Outlays, $101,250,000,000.

(12) Income Security (600):

Fiscal year 1984:

(A) New budget authority, $314,500,000,000;

(B) Outlays, $290,050,000,000.

Fiscal year 1985:

(A) New budget authority, $344,550,000,000;

(B) Outlays, $312,400,000,000.

(13) Veterans Benefits and Services (700):

Fiscal year 1984:

(A) New budget authority, $25,150,000,000;

(B) Outlays, $24,550,000,000.

Fiscal year 1985:

(A) New budget authority, $26,000,000,000;

(B) Outlays, $25,900,000,000.

(14) Administration of Justice (750):

Fiscal year 1984:

(A) New budget authority, $4,600,000,000;

(B) Outlays, $4,600,000,000.

Fiscal year 1985:

(A) New budget authority, $4,600,000,000;

(B) Outlays, $4,600,000,000.

(15) General Government (800):

Fiscal year 1984:

(A) New budget authority, $4,700,000,000;

(B) Outlays, $4,600,000,000.

Fiscal year 1985:

(A) New budget authority, $4,700,000,000;

(B) Outlays, $4,500,000,000.

(16) General Purpose Fiscal Assistance (850):

Fiscal year 1984:

(A) New budget authority, $6,750,000,000;

(B) Outlays, $6,700,000,000.

Fiscal year 1985:

(A) New budget authority, $6,850,000,000;

(B) Outlays, $6,850,000,000.

(17) Interest (900):

Fiscal year 1984:

(A) New budget authority, $119,300,000,000;

(B) Outlays, $119,300,000,000.

Fiscal year 1985:

(A) New budget authority, $110,850,000,000;

(B) Outlays, $110,850,000,000.

(18) Allowances (920):

Fiscal year 1984:

(A) New budget authority, $200,000,000;

(B) Outlays, $500,000,000.

Fiscal year 1985:

(A) New budget authority, $500,000,000;

(B) Outlays, $900,000,000.

(19) Undistributed Offsetting Receipts (950):

Fiscal year 1984:

(A) New budget authority, −$49,500,000,000;

(B) Outlays, −$49,500,000,000.

Fiscal year 1985:

(A) New budget authority, −$50,850,000,000;

(B) Outlays, −$50,850,000,000.

TITLE III—PROVIDING RECONCILIATION INSTRUCTIONS AND OTHER ENFORCEMENT MEASURES

PART A—RECONCILIATION INSTRUCTIONS

SEC. 301. Pursuant to section 301(b)(2) of the Budget Act—

(A) the House Committee on Agriculture shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $207,000,000 and outlays by $207,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $530,000,000 in budget authority and $530,000,000 in outlays in fiscal year 1984, and $661,000,000 in budget authority and $661,000,000 in outlays in fiscal year 1985.

(B) the House Committee on Armed Services shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $212,000,000 and outlays by $212,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $691,000,000 in budget authority and $691,000,000 in outlays in fiscal year 1984, and $1,228,000,000 in budget authority and $1,228,000,000 in outlays in fiscal year 1985.

(C) the House Committee on Banking, Finance, and Urban Affairs shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce outlays by $695,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $697,000,000 in outlays in fiscal year 1984, and $687,000,000 in outlays in fiscal year 1985.

(D) the House Committee on Education and Labor shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $73,000,000 and outlays by $73,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $101,000,000 in budget authority and $101,000,000 in outlays in fiscal year 1984, and $97,000,000 in budget authority and $97,000,000 in outlays in fiscal year 1985.

(E) the House Committee on Energy and Commerce shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $60,000,000 and outlays by $60,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $68,000,000 in budget authority and $68,000,000 in outlays in fiscal year 1984, and $77,000,000 in budget authority and $77,000,000 in outlays in fiscal year 1985.

(F) the House Committee on Foreign Affairs shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce outlays by $3,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $2,000,000 in budget authority and $8,000,000 in outlays in fiscal year 1984, and $4,000,000 in budget authority and $15,000,000 in outlays in fiscal year 1985.

(G) the House Committee on Merchant Marine and Fisheries shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $4,000,000 and outlays by $4,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $15,000,000 in budget authority and $15,000,000 in outlays in fiscal year 1984, and $27,000,000 in budget authority and $27,000,000 in outlays in fiscal year 1985.

(H) the House Committee on Post Office and Civil Service shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $000,000,000 and outlays by $273,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $242,000,000 in budget authority and $925,000,000 in outlays in fiscal year 1984, and $538,000,000 in budget authority and $1,648,000,000 in outlays in fiscal year 1985.

(I) the House Committee on Veterans' Affairs shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $171,000,000 and outlays by $171,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $187,000,000 in budget authority and $187,000,000 in outlays in fiscal year 1984, and $195,000,000 in budget authority and $195,000,000 in outlays in fiscal year 1985.

(J) the House Committee on Ways and Means shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $334,000,000 and outlays by $2,489,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $205,000,000 in budget authority and $3,576,000,000 in outlays in fiscal year 1984, and $267,000,000 in budget authority and $4,160,000,000 in outlays in fiscal year 1985.

(K) the House Committee on Ways and Means shall report changes in laws within the jurisdiction of the committee sufficient to increase revenue by $31,700,000,000 for fiscal year 1983; further, the Congress finds that the prospect of unacceptably high deficits in future years requires additional revenues of $51,650,000,000 for fiscal year 1984, and $66,550,000,000 for fiscal year 1985.

SEC. 302. Pursuant to section 301(b)(2) of the Budget Act—

(A) the Senate Committee on Finance shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $393,000,000 and outlays by $2,548,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future years requires additional savings of $270,000,000 in budget authority and $3,641,000,000 in outlays for fiscal year 1984, and $339,000,000 in budget authority and $4,232,000,000 in outlays in fiscal year 1985.

(B) the Senate Committee on Finance shall report changes in laws within the jurisdiction of that committee sufficient to increase revenues by $31,700,000,000 for fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional revenues of $51,650,000,000 for fiscal year 1984, and $66,550,000,000 in fiscal year 1985.

(C) the Senate Committee on Agriculture, Nutrition, and Forestry shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $207,000,000 and outlays by $207,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future years requires additional savings of $530,000,000 in budget authority and $530,000,000 in outlays for fiscal year 1984, and $661,000,000 in budget authority and $661,000,000 in outlays in fiscal year 1985.

(D) the Senate Committee on Armed Services shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $213,000,000 and outlays by $213,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future years requires additional savings of $694,000,000 in outlays for fiscal year 1984, and $1,232,000,000 in budget authority and $1,232,000,000 in outlays in fiscal year 1985.

(E) The Senate Committee on Banking, Housing, and Urban Affairs shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $190,000,000 and outlays by $785,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future years requires additional savings of $100,000,000 in budget authority and $797,000,000 in outlays for fiscal year 1984, and $104,000,000 in budget authority and $791,000,000 in outlays in fiscal year 1985.

(F) the Senate Committee on Commerce, Science, and Transportation shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $4,000,000 and outlays by $4,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future years requires additional savings of $15,000,000 in budget authority and $15,000,000 in outlays for fiscal year 1984, and $27,000,000 in budget authority and $27,000,000 in outlays in fiscal year 1985.

(G) the Senate Committee on Foreign Relations shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce outlays by $3,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future years requires additional savings of $2,000,000 in budget authority and $8,000,000 in outlays for fiscal year 1984, and $4,000,000 in budget authority and $15,000,000 in outlays in fiscal year 1985.

(H) the Senate Committee on Governmental Affairs shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce outlays by $270,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future years requires additional savings of $240,000,000 in budget authority and $917,000,000 in outlays for fiscal year 1984, and $534,000,000 in budget authority and $1,633,000,000 in outlays in fiscal year 1985.

(I) the Senate Committee on Labor and Human Resources shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $73,000,000 and outlays by $73,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future years requires additional savings of $101,000,000 in budget authority and $101,000,000 in outlays for fiscal year 1984, and $97,000,000 in budget authority and $97,000,000 in outlays in fiscal year 1985.

SEC. 303. The committees named in sections 301(A)-(I) and 302(C)-(I) shall submit their recommendations to the Committees on the Budget of their respective Houses. Those recommendations shall be sufficient to accomplish the changes required by such subsection. After receiving those recommendations, the Committees on the Budget shall report to the House and Senate a reconciliation bill or resolution or both carrying out all such recommendations without any substantive revision. If the changes in laws reported to the House by the House Committee on Ways and Means pursuant to Sec. 301(k) of this resolution contain changes involving the imposition of new or expanded user fees within the jurisdiction of any other Committee of the House an appropriate referral pursuant to Rule 10 of the Rules of the House should be considered.

DEFERRED ENROLLMENT

SEC. 304. (a) In the House of Representatives, no bill or resolution providing—

(1) new budget authority for fiscal year 1983, or

(2) new spending authority described in section 401(c)(2)(C) of the Congressional Budget Act first effective in fiscal year 1983—which exceeds the appropriate allocation or subdivision of such new discretionary budget authority or new spending authority made pursuant to section 302 of such Act shall be enrolled until after Congress has completed action on the second concurrent resolution on the budget required to be reported under section 310 of such act. (b) If Congress increases revenues in a trust fund exempt under section 401(d)(1)(B) of the Congressional Budget Act, then for purposes of this section, "budget authority" and "new discretionary budget authority" shall not include spending authority or budget authority derived from any trust fund, 90 percent or more of the receipts of which consist or will consist of amounts (transferred from the general fund of the Treasury) equivalent to amounts of taxes (related to the purposes for which such outlays are or will be made) received in the Treasury under specified provisions of the Internal Revenue Code of 1954.

302(b) REPORT

SEC. 305. It shall not be in order in either the House of Representatives or the Senate to consider any bill or resolution, or amendment thereto, providing—

(1) new budget authority for fiscal year 1983; or

(2) new spending authority described in section 401(c)(2)(C) of the Budget Act first effective in fiscal year 1983;

within the jurisdiction of any of its committees unless and until such committees makes the allocations or subdivisions required by section 302(b) of the Budget Act.

SEC. 306. It is the sense of the Congress that if Congress acts to restore fiscal responsibility and reduces projected budget deficits in a substantial and permanent way, then the Federal Reserve Open Market Committee shall reevaluate its monetary targets in order to assure that they are fully complementary to a new and more restrained fiscal policy.

By Mr. ROUSSELOT:

(Amendment in the nature of a substitute.)

—Strike out all after the resolving clause and insert in lieu thereof the following:

TITLE I—REVISION OF THE CONGRESSIONAL BUDGET FOR THE UNITED STATES GOVERNMENT FOR THE FISCAL YEAR 1982

SEC. 101. The provisions of this title shall supersede the figures reaffirmed in S. Con. Res. 50 of the Ninety-seventh Congress for the fiscal year beginning on October 1, 1981.

SEC. 102. (a)(1) The level of Federal revenues is $622,800,000,000 and the net amount by which the aggregate level of Federal revenues should be decreased is $200,000,000.

(2) The level of total new budget authority is $784,500,000,000.

(3) The level of total budget outlays is $743,900,000,000.

(4) The amount of the deficit in the budget is $121,100,000,000.

(5) The level of the public debt is $1,147,700,000,000 and the amount by which the statutory limit on such debt should accordingly be increased is $747,700,000,000.

(6) The level of total obligations for the principal amount of new direct loans is $63,400,000,000, the level of total new primary commitments to guarantee loan principal is $74,850,000,000, and the level of total new secondary commitments to guarantee loan principal is $68,950,000,000.

(b) Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of subsection (a) of this section of this resolution, the Congress hereby determines and declares that, for the fiscal year beginning on October 1, 1981, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are as follows:

(1) National Defense (050):

(A) New budget authority, $218,200,000,000;

(B) Outlays, $190,800,000,000.

(2) International Affairs (150):

(A) New budget authority, $16,750,000,000;

(B) Outlays, $11,450,000,000.

(3) General Science, Space, and Technology (250):

(A) New budget authority, $7,000,000,000;

(B) Outlays, $7,000,000,000.

(4) Energy (270):

(A) New budget authority, $4,750,000,000;

(B) Outlays, $6,500,000,000.

(5) Natural Resources and Environment (300):

(A) New budget authority, $10,400,000,000;

(B) Outlays, $12,850,000,000.

(6) Agriculture (350):

(A) New budget authority, $9,900,000,000;

(B) Outlays, $13,800,000,000.

(7) Commerce and Housing Credit (370):

(A) New budget authority, $7,500,000,000;

(B) Outlays, $3,750,000,000.

(8) Transportation (400):

(A) New budget authority, $21,350,000,000;

(B) Outlays, $21,450,000,000.

(9) Community and Regional Development (450):

(A) New budget authority, $7,000,000,000;

(B) Outlays, $8,650,000,000.

(10) Education, Training, Employment and Social Services (500):

(A) New budget authority, $25,450,000,000;

(B) Outlays, $28,200,000,000.

(11) Health (550):

(A) New budget authority, $79,050,000,000;

(B) Outlays, $73,750,000,000.

(12) Income Security (600):

(A) New budget authority, $261,350,000,000;

(B) Outlays, $251,850,000,000.

(13) Veterans Benefits and Services (700):

(A) New budget authority, $24,800,000,000;

(B) Outlays, $23,800,000,000.

(14) Administration of Justice (750):

(A) New budget authority, $4,500,000,000;

(B) Outlays, $4,650,000,000.

(15) General Government (800):

(A) New budget authority, $5,200,000,000;

(B) Outlays, $5,050,000,000.

(16) General Purpose Fiscal Assistance (850):

(A) New budget authority, $6,350,000,000;

(B) Outlays, $6,350,000,000.

(17) Interest (900):

(A) New budget authority, $102,350,000,000;

(B) Outlays, $102,350,000,000.

(18) Allowances (920):

(A) New budget authority, $2,850,000,000;

(B) Outlays, $1,900,000,000.

(19) Undistributed Offsetting Receipts (950):

(A) New budget authority, −$30,250,000,000;

(B) Outlays, −$30,250,000,000.

SEC. 103. (a) There is established a congressional Federal credit budget for fiscal year 1982 of which the levels of total Federal credit activity for fiscal year 1982 are:

(1) New direct loan obligations, $63,400,000,000.

(2) New primary loan guarantee commitments, $74,850,000,000.

(3) New secondary loan guarantee commitments, $68,950,000,000.

(b) Based on allocations of the appropriate levels of total Federal credit activity as set forth in paragraph (1) of this subsection, the appropriate levels of new direct loan obligations, new primary loan guarantee commitments, and new secondary loan guarantee commitments for each functional category are as follows:

(1) National Defense (050):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(2) International Affairs (150):

(A) New direct loan obligations, $10,400,000,000;

(B) New primary loan guarantee commitments, $8,100,000,000;

(C) New secondary loan guarantee commitments, $0.

(3) General Science, Space and Technology (250):

(A) New direct loan obligations, $200,000,000;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(4) Energy (270):

(A) New direct loan obligations, $10,300,000,000;

(B) New primary loan guarantee commitments, $400,000,000;

(C) New secondary loan guarantee commitments, $0.

(5) Natural Resources and Environment (300):

(A) New direct loan obligations, $50,000,000;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(6) Agriculture (350):

(A) New direct loan obligations, $22,600,000,000;

(B) New primary loan guarantee commitments, $2,700,000,000;

(C) New secondary loan guarantee commitments, $0.

(7) Commerce and Housing Credit (370):

(A) New direct loan obligations, $12,050,000,000;

(B) New primary loan guarantee commitments, $26,200,000,000;

(C) New secondary loan guarantee commitments, $68,200,000,000.

(8) Transportation (400):

(A) New direct loan obligations, $350,000,000;

(B) New primary loan guarantee commitments, $750,000,000;

(C) New secondary loan guarantee commitments, $50,000,000.

(9) Community and Regional Development (450):

(A) New direct loan obligations, $2,000,000,000;

(B) New primary loan guarantee commitments, $850,000,000;

(C) New secondary loan guarantee commitments, $0.

(10) Education, Training, Employment, and Social Services (500):

(A) New direct loan obligations, $1,300,000,000;

(B) New primary loan guarantee commitments, $6,500,000,000;

(C) New secondary loan guarantee commitments, $700,000,000.

(11) Health (550):

(A) New direct loan obligations, $50,000,000;

(B) New primary loan guarantee commitments, $100,000,000;

(C) New secondary loan guarantee commitments, $0.

(12) Income Security (600):

(A) New direct loan obligations, $2,750,000,000;

(B) New primary loan guarantee commitments, $17,050,000,000;

(C) New secondary loan guarantee commitments, $0.

(13) Veterans Benefits and Services (700):

(A) New direct loan obligations, $1,050,000,000;

(B) New primary loan guarantee commitments, $11,900,000,000;

(C) New secondary loan guarantee commitments, $0.

(14) Administration of Justice (750):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(15) General Government (800):

(A) New direct loan obligations, $50,000,000;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(16) General Purpose Fiscal Assistance (850):

(A) New direct loan obligations, $250,000,000;

(B) New primary loan guarantee commitments, $300,000,000;

(C) New secondary loan guarantee commitments, $0.

(17) Interest (900):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(18) Allowances (920):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(19) Undistributed Offsetting Receipts (950):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(c) It is the sense of the Congress that the President and the Congress, through the appropriations process, should limit in fiscal year 1982 the off-budget lending activity of the Federal Government to a level not to exceed $30,200,000,000, the on-budget lending activity to a level not to exceed $33,200,000,000, new primary loan guarantee commitments to a level not to exceed $74,850,000,000, and new secondary loan guarantee commitments to a level not to exceed $68,950,000,000.

TITLE II—SETTING FORTH THE CONGRESSIONAL BUDGET FOR THE UNITED STATES GOVERNMENT FOR THE FISCAL YEARS 1983, 1984, AND 1985

SEC. 201. The Congress hereby determines and declares, pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on October 1, 1982—

(1) the level of Federal revenues is $701,750,000,000, and the net amount by which the aggregate level of Federal revenues should be increased is $

(2) the level of total new budget authority is $785,400,000,000,

(3) the level of total budget outlays is $701,750,000,000,

(4) the amount of the deficit in the budget is 0, and

(5) the level of the public debt is $1,285,550,000,000, and the amount by which the statutory limit on such debt should accordingly be increased is $885,550,000,000.

SEC. 202. Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of section 201 of this resolution, the Congress hereby determines and declares pursuant to section 301(a) of the Congressional Budget Act of 1974 that, for the fiscal year beginning on October 1, 1982, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are as follows:

(1) National Defense (050):

(A) New budget authority, $243,450,000,000;

(B) Outlays, $213,000,000,000.

(2) International Affairs (150):

(A) New budget authority, $12,050,000,000;

(B) Outlays, $7,500,000,000.

(3) General Science, Space, and Technology (250):

(A) New budget authority, $7,000,000,000;

(B) Outlays, $6,500,000,000.

(4) Energy (270):

(A) New budget authority, $4,400,000,000;

(B) Outlays, $3,300,000,000.

(5) Natural Resources and Environment (300):

(A) New budget authority, $9,400,000,000;

(B) Outlays, $9,000,000,000.

(6) Agriculture (350):

(A) New budget authority, $9,900,000,000;

(B) Outlays, $9,600,000,000.

(7) Commerce and Housing Credit (370):

(A) New budget authority, $5,000,000,000;

(B) Outlays, $2,000,000,000.

(8) Transportation (400):

(A) New budget authority, $21,300,000,000;

(B) Outlays, $17,000,000,000.

(9) Community and Regional Development (450):

(A) New budget authority, $6,700,000,000;

(B) Outlays, $6,500,000,000.

(10) Education, Training, Employment, and Social Services (500):

(A) New budget authority, $27,450,000,000;

(B) Outlays, $24,000,000,000.

(11) Health (550):

(A) New budget authority, $77,300,000,000;

(B) Outlays, $74,000,000,000.

(12) Income Security (600):

(A) New budget authority, $288,250,000,000;

(B) Outlays, $249,000,000,000.

(13) Veterans Benefits and Services (700):

(A) New budget authority, $23,750,000,000;

(B) Outlays, $23,050,000,000.

(14) Administration of Justice (750):

(A) New budget authority, $4,800,000,000;

(B) Outlays, $4,100,000,000.

(15) General Government (800):

(A) New budget authority, $5,000,000,000;

(B) Outlays, $4,000,000,000.

(16) General Purpose Fiscal Assistance (850):

(A) New budget authority, $6,500,000,000;

(B) Outlays, $1,800,000,000.

(17) Interest (900):

(A) New budget authority, $92,000,000,000;

(B) Outlays, $92,000,000,000.

(18) Allowances (920):

(A) New budget authority, −$1,000,000,000;

(B) Outlays, −$1,000,000,000.

(19) Undistributed Offsetting Receipts (950):

(A) New budget authority, −$43,650,000,000;

(B) Outlays, −$43,650,000,000.

SEC. 203. (a) There is established a congressional Federal credit budget for fiscal year 1983 of which the levels of total Federal credit activity for fiscal year 1983 are:

(1) New direct loan obligations, $33,223,000,000.

(2) New primary loan guarantee commitments, $143,293,000,000.

(3) New secondary loan guarantee commitments, $32,008,000,000.

(b) Based on allocations of the appropriate levels of total Federal credit activity as set forth in paragraph (1) of this subsection, the appropriate levels of new direct loan obligations, new primary loan guarantee commitments, and new secondary loan guarantee commitments for each functional category are as follows:

(1) National Defense (050):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(2) International Affairs (150):

(A) New direct loan obligations, $5,425,000,000;

(B) New primary loan guarantee commitments, $8,975,000,000;

(C) New secondary loan guarantee commitments, $0.

(3) General Science, Space, and Technology (250):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $171,000,000;

(C) New secondary loan guarantee commitments, $0.

(4) Energy (270):

(A) New direct loan obligations, $105,000,000;

(B) New primary loan guarantee commitments, $5,289,000,000;

(C) New secondary loan guarantee commitments, $0.

(5) Natural Resources and Environment (300):

(A) New direct loan obligations, $45,000,000;

(B) New primary loan guarantee commitments, $25,000,000;

(C) New secondary loan guarantee commitments, $0.

(6) Agriculture (350):

(A) New direct loan obligations, $13,869,000,000;

(B) New primary loan guarantee commitments, $5,702,000,000;

(C) New secondary loan guarantee commitments, $0.

(7) Commerce and Housing Credit (370):

(A) New direct loan obligations, $8,905,000,000;

(B) New primary loan guarantee commitments, $66,733,000,000;

(C) New secondary loan guarantee commitments, $32,000,000,000.

(8) Transportation (400):

(A) New direct loan obligations, $121,000,000;

(B) New primary loan guarantee commitments, $628,000,000;

(C) New secondary loan guarantee commitments, $8,000,000.

(9) Community and Regional Development (450):

(A) New direct loan obligations, $1,781,000,000;

(B) New primary loan guarantee commitments, $8,698,000,000;

(C) New secondary loan guarantee commitments, $0.

(10) Education, Training, Employment, and Social Services (500):

(A) New direct loan obligations, $848,000,000;

(B) New primary loan guarantee commitments, $10,300,000,000;

(C) New secondary loan guarantee commitments, $0.

(11) Health (550):

(A) New direct loan obligations, $36,000,000;

(B) New primary loan guarantee commitments, $104,000,000;

(C) New secondary loan guarantee commitments, $0.

(12) Income Security (600):

(A) New direct loan obligations, $1,000,000,000;

(B) New primary loan guarantee commitments, $18,356,000,000;

(C) New secondary loan guarantee commitments, $0.

(13) Veterans Benefits and Services (700):

(A) New direct loan obligations, $938,000,000;

(B) New primary loan guarantee commitments, $20,307,000,000;

(C) New secondary loan guarantee commitments, $0.

(14) Administration of Justice (750):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(15) General Government (800):

(A) New direct loan obligations, $5,000,000;

(B) New primary loan guarantee commitments, $5,000,000;

(C) New secondary loan guarantee commitments, $0.

(16) General Purpose Fiscal Assistance (850):

(A) New direct loan obligations, $145,000,000;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(17) Interest (900):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee, commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(18) Allowances (920):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee, commitments, $0;

(C) New secondary loan guarantee commitments, $0;

(19) Undistributed Offsetting Receipts (950):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

SEC. 204. Based on allocations of the appropriate level of total new budget authority and of total budget outlays for fiscal years 1984 and 1985 as set forth above, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are respectively as follows:

(1) National Defense (050):

Fiscal year 1984:

(A) New budget authority, $270,000,000,000;

(B) Outlays, $241,000,000,000.
Fiscal year 1985:
(A) New budget authority, $310,100,000,000;
(B) Outlays, $275,700,000,000.
(2) International Affairs (150):
Fiscal year 1984:
(A) New budget authority, $14,500,000,000;
(B) Outlays, $8,000,000,000.
Fiscal year 1985:
(A) New budget authority, $14,900,000,000;
(B) Outlays, $8,900,000,000.
(3) General Science, Space, and Technology (250):
Fiscal year 1984:
(A) New budget authority, $7,000,000,000;
(B) Outlays, $6,000,000,000.
Fiscal year 1985:
(A) New budget authority, $7,000,000,000;
(B) Outlays, $6,000,000,000.
(4) Energy (270):
Fiscal year 1984:
(A) New budget authority, $4,200,000,000;
(B) Outlays, $3,000,000,000.
Fiscal year 1985:
(A) New budget authority, $4,100,000,000;
(B) Outlays, $2,500,000,000.
(5) Natural Resources and Environment (300):
Fiscal year 1984:
(A) New budget authority, $9,300,000,000;
(B) Outlays, $8,700,000,000.
Fiscal year 1985:
(A) New budget authority, $8,900,000,000;
(B) Outlays, $8,000,000,000.
(6) Agriculture (350):
Fiscal year 1984:
(A) New budget authority, $9,800,000,000;
(B) Outlays, $9,200,000,000.
Fiscal year 1985:
(A) New budget authority, $9,000,000,000;
(B) Outlays, $8,700,000,000.
(7) Commerce and Housing Credit (370):
Fiscal year 1984:
(A) New budget authority, $5,000,000,000;
(B) Outlays, $500,000,000.
Fiscal year 1985:
(A) New budget authority, $6,900,000,000;
(B) Outlays, $500,000,000.
(8) Transportation (400):
Fiscal year 1984:
(A) New budget authority, $19,200,000,000;
(B) Outlays, $17,000,000,000.
Fiscal year 1985:
(A) New budget authority, $19,500,000,000;
(B) Outlays, $16,500,000,000.
(9) Community and Regional Development (450):
Fiscal year 1984:
(A) New budget authority, $6,900,000,000;
(B) Outlays, $6,400,000,000.
Fiscal year 1985:
(A) New budget authority, $7,000,000,000;
(B) Outlays, $6,300,000,000.
(10) Education, Training, Employment, and Social Services (500):
Fiscal year 1984:
(A) New budget authority, $21,700,000,000;
(B) Outlays, $22,500,000,000.
Fiscal year 1985:
(A) New budget authority, $21,700,000,000;
(B) Outlays, $21,500,000,000.
(11) Health (550):
Fiscal year 1984:
(A) New budget authority, $84,900,000,000;
(B) Outlays, $84,900,000,000.
Fiscal year 1985:
(A) New budget authority, $93,600,000,000;
(B) Outlays, $93,500,000,000.
(12) Income Security (600):
Fiscal year 1984:
(A) New budget authority, $289,900,000,000;
(B) Outlays, $274,800,000,000.
Fiscal year 1985:
(A) New budget authority, $315,200,000,000;
(B) Outlays, $290,100,000,000.
(13) Veterans Benefits and Services (700):
Fiscal year 1984:
(A) New budget authority, $24,200,000,000;
(B) Outlays, $23,600,000,000.
Fiscal year 1985:
(A) New budget authority, $24,200,000,000;
(B) Outlays, $24,200,000,000.
(14) Administration of Justice (750):
Fiscal year 1984:
(A) New budget authority, $4,200,000,000;
(B) Outlays, $4,200,000,000.
Fiscal year 1985:
(A) New budget authority, $4,200,000,000;
(B) Outlays, $4,200,000,000.
(15) General Government (800):
Fiscal year 1984:
(A) New budget authority, $4,700,000,000;
(B) Outlays, $4,000,000,000.
Fiscal year 1985:
(A) New budget authority, $4,200,000,000;
(B) Outlays, $4,000,000,000.
(16) General Purpose Fiscal Assistance (850):
Fiscal year 1984:
(A) New budget authority, $4,000,000,000;
(B) Outlays, $1,900,000,000.
Fiscal year 1985:
(A) New budget authority, $3,000,000,000;
(B) Outlays, $1,900,000,000.
(17) Interest (900):
Fiscal year 1984:
(A) New budget authority, $80,000,000,000;
(B) Outlays, $80,000,000,000.
Fiscal year 1985:
(A) New budget authority, $80,000,000,000;
(B) Outlays, $80,000,000,000.
(18) Allowances (920):
Fiscal year 1984:
(A) New budget authority, −$800,000,000;
(B) Outlays, −$800,000,000.
Fiscal year 1985:
(A) New budget authority, −$800,000,000;
(B) Outlays, −$600,000,000.
(19) Undistributed Offsetting Receipts (950):
Fiscal year 1984:
(A) New budget authority, −$45,000,000,000;
(B) Outlays, −$45,000,000,000.
Fiscal year 1985:
(A) New budget authority, −$47,300,000,000;
(B) Outlays, −$47,300,000,000.

TITLE III—PROVIDING RECONCILIATION INSTRUCTIONS AND OTHER ENFORCEMENT MEASURES

PART A—RECONCILIATION INSTRUCTIONS

SEC. 301. Pursuant to section 301(b)(2) of the Budget Act—

(A) the House Committee on Agriculture shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $271,000,000 and outlays by $2,742,000,000 in fiscal year 1983;

(B) the House Committee on Banking, Finance, and Urban Affairs shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce outlays by $4,905,000,000 in fiscal year 1983;

(C) the House Committee on Education and Labor shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $898,000,000 and outlays by $3,317,000,000 in fiscal year 1983;

(D) the House Committee on Energy and Commerce shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $5,344,000,000 and outlays by $9,984,000,000 in fiscal year 1983;

(E) the House Committee on Foreign Affairs shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce outlays by $3,589,000,000 in fiscal year 1983;

(F) the House Committee on Merchant Marine and Fisheries shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $298,000,000 and outlays by $441,000,000 in fiscal year 1983;

(G) the House Committee on Post Office and Civil Service shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $349,000,000 and outlays by $1,280,000,000 in fiscal year 1983;

(H) the House Committee on Veterans' Affairs shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce the budget authority by $1,133,000,000 and outlays by $1,113,000,000 in fiscal year 1983;

(I) the House Committee on Ways and Means shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce the budget authority by $50,922,000,000 and outlays by $64,068,000,000 in fiscal year 1983;

SEC. 302. Pursuant to section 301(b)(2) of the Budget Act—

(A) the Senate Committee on Finance shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $50,928,000,000 and outlays by $64,657,000,000 in fiscal year 1983;

(C) the Senate Committee on Agriculture, Nutrition, and Forestry shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $275,000,000 and outlays by $2,757,000,000 in fiscal year 1983;

(D) the Senate Committee on Armed Services shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $89,000,000 and outlays by $103,000,000 in fiscal year 1983;

(E) the Senate Committee on Banking, Housing, and Urban Affairs shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $4,329,000,000 and outlays by $4,550,000,000 in fiscal year 1983;

(F) the Senate Committee on Commerce, Science, and Transportation shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $1,451,000,000 and outlays by $4,932,000,000 in fiscal year 1983;

(G) the Senate Committee on Foreign Relations shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce outlays by $3,934,000,000 in fiscal year 1983;

(H) the Senate Committee on Governmental Affairs shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce outlays by $2,215,000,000 in fiscal year 1983;

(I) the Senate Committee on Labor and Human Resources shall report changes in law within the jurisdiction of that commit-

tee to reduce spending in amounts sufficient to reduce budget authority by $2,159,000,000 and outlays by $6,084,000,000 in fiscal year 1983;

By Mrs. SCHROEDER:

—Section 102(a)(2) is amended to read:

"(2) the level of total new budget authority is $782,250,000,000;"

Section 102(a)(3) is amended to read:

"(3) the level of total budget outlays is $743,200,000,000;"

Section 120(a)(4) is amended to read:

"(4) the amount of the deficit in the budget is $120,400,000,000;"

Section 102(b)(1) is amended to read:

"(1) National Defense (050):
"(A) New budget authority, $215,950,000,000;
"(B) Outlays, $190,100,000,000."

Section 202(2) is amended to read:

"(2) the level of total new budget authority is $815,010,000,000;"

Section 201(3) is amended to read:

"(3) the level of total budget outlays is $772,342,000,000;"

Section 201(4) is amended to read:

"(4) the amount of the deficit in the budget is $95,642,000,000, and"

Section 202(1) is amended to read:

"(1) National Defense (050):
"(A) New budget authority, $229,860,000,000;
"(B) Outlays, $204,092,000,000."

Section 204(2) is amended to read:

"(2) the level of total new budget authority is as follows:
"Fiscal year 1984: $865,281,000,000.
"Fiscal year 1985: $916,633,000,000."

Section 204(3) is amended to read:

"(3) the level of total budget outlays is as follows:
"Fiscal year 1984: $808,612,000,000.
"Fiscal year 1985: $845,866,000,000."

Section 204(4) is amended to read:

"(4) the amount of the deficit in the budget is:
"Fiscal year 1984: $54,962,000,000.
"The amount of surplus in the budget is:
"Fiscal year 1985: $084,000,000."

Section 205(1) is amended to read:

"(1) National Defense (050):
"Fiscal year 1984:
"(A) New budget authority, $245,031,000,000;
"(B) Outlays, $217,562,000,000.
"Fiscal year 1985:
"(A) New budget authority, $259,733,000,000;
"(B) Outlays, $230,616,000,000."

By Mr. SIMON:

—Page 14, line 13, strike out "$27,550,000,000" and insert in lieu thereof "$28,218,000,000".

Page 14, line 14, strike out "$27,450,000,000" and insert in lieu thereof "$27,537,000,000".

Page 12, and line 14, increase the level of total new budget authority by $668,000,000, on line 16, increase the level of total budget outlays by $87,000,000, and on line 18, increase the deficit in the budget by $87,000,000.

—To the matter concerning Function 150:

Increase budget authority by $300 million in fiscal year 1983, by $650 million in fiscal year 1984, and by $900 million in fiscal year 1985;

Increase outlays by $50 million in fiscal year 1983, by $150 million in fiscal year 1984, and by $300 million in fiscal year 1985;

Increase the aggregate budget authority level by $300 million in fiscal year 1983, by $650 million in fiscal year 1984, and by $900 million in fiscal year 1985;

Increase the aggregate outlay level by $50 million in fiscal year 1983, by $650 million in fiscal year 1984, and $300 million in fiscal year 1985; and

Increase the deficit by $50 million in fiscal year 1983; by $650 million in fiscal year 1984, and by $300 million in fiscal year 1985.

the revenue level by $0 in fiscal year 1983, by $0 in fiscal year 1984, and by $0 in fiscal year 1985.

—To the matter concerning Functions 150 and 500:

Increase budget authority in Function 150 by $300 million in fiscal year 1983, by $650 million in fiscal year 1984, and by $900 million in fiscal year 1985;

Increase outlays in Function 150 by $50 million in fiscal year 1983, by $150 million in fiscal year 1984, and by $300 million in fiscal year 1985;

Increase budget authority in Function 500 by $668 million in fiscal year 1983, by $0 in fiscal year 1984, and by $0 in fiscal year 1985;

Increase outlays in Function 500 by $87 million in fiscal year 1983, by $0 in fiscal year 1984, and by $0 in fiscal year 1985;

Increase the aggregate budget authority level by $968 million in fiscal year 1983, by $650 million in fiscal year 1984, and by $900 million in fiscal year 1985;

Increase the aggregate outlay level by $137 million in fiscal year 1983, by $150 million in fiscal year 1984, and by $300 million in fiscal year 1985; and

Increase the deficit by $137 million in fiscal year 1983, by $150 million in fiscal year 1984, and by $300 million in fiscal year 1985.

—To the matter concerning Function 500:

Increase budget authority by $668 million in fiscal year 1983, by $0 in fiscal year 1984, and by $0 in fiscal year 1985;

Increase outlays by $87 million in fiscal year 1983, by $0 in fiscal year 1984, and by $0 in fiscal year 1985;

Increase the aggregate budget authority level by $668 million in fiscal year 1983, by $0 in fiscal year 1984, and by $0 in fiscal year 1985;

Increase the aggregate outlay level by $87 million in fiscal year 1983, by $0 in fiscal year 1984, and by $0 in fiscal year 1985; and

Increase the deficit by $87 million in fiscal year 1983; by $0 in fiscal year 1984, and by $0 in fiscal year 1985.

the revenue level by $0 in fiscal year 1983, by $0 in fiscal year 1984, and by $0 in fiscal year 1985.

By Mr. SOLARZ:

—To the matter concerning Functions 550, 600, 800:

Decrease budget authority in Function 550 by $4 million in fiscal year 1983, by $61 million in fiscal year 1984, and by $120 million in fiscal year 1985;

Increase outlays in Function 550 by $715 million in fiscal year 1983, by $835 million in fiscal year 1984, and by $955 million in fiscal year 1985;

Increase budget authority in Function 600 by $250 million in fiscal year 1983, by $325 million in fiscal year 1984, and by $450 million in fiscal year 1985;

Increase outlays in Function 600 by $250 million in fiscal year 1983, by $325 million in fiscal year 1984, and by $450 million in fiscal year 1985;

Increase budget authority in Function 800 by $250 million in fiscal year 1983, by $300 million in fiscal year 1984, and by $300 million in fiscal year 1985;

Increase outlays in Function 800 by $200 million in fiscal year 1983, by $250 million in fiscal year 1984, and by $300 million in fiscal year 1985;

Increase the aggregate budget authority level by $496 million in fiscal year 1983, by $564 million in fiscal year 1984, and by $630 million in fiscal year 1985;

Increase the aggregate outlay level by $1,165 million in fiscal year 1983, by $1,410 million in fiscal year 1984, and by $1,750 million in fiscal year 1985;

Increase the revenue level by $1,500 million in fiscal year 1983, by $1,750 million in fiscal year 1984, and by $2,000 million in fiscal year 1985;

Decrease the deficit by $350 million in fiscal year 1983, by $350 million in fiscal year 1984, and by $300 million in fiscal year 1985.

Decrease the reconciliation instruction to the Committee on Ways and Means by $234 million budget authority and $949 million in outlays in fiscal year 1983; by $105 million budget authority and $940 million in outlays in fiscal year 1984; and $167 million budget authority and $1,122 million in outlays in fiscal year 1985.

Decrease the reconciliation instruction to the Senate Finance Committee by $234 million budget authority and $949 million in outlays in fiscal year 1983; by $105 million budget authority and $940 million in outlays in fiscal year 1984; and $167 million budget authority and $1,122 million in outlays in fiscal year 1985.

—To the matter concerning Function 150:

Increase budget authority by $400 million, and outlays by $250 million in fiscal year 1983.

Increase budget authority by $400 million, and outlays by $350 million in fiscal year 1984.

Increase budget authority by $400 million, and outlays by $400 million in fiscal year 1985.

Increase the aggregate level of budget authority by $400 million in fiscal year 1983, $400 million in fiscal year 1984, and $400 million in fiscal year 1985.

Increase the aggregate level of outlays by $250 million in fiscal year 1983, $350 million in fiscal year 1984, and $400 million in fiscal year 1985.

Increase the deficit by $250 million in fiscal year 1983, $350 million in fiscal year 1984, and $400 million in fiscal year 1985.

—To the matter concerning functions 550, 600, 800:

Decrease budget authority in function 550 by $4 million in fiscal year 1983, by $61 million in fiscal year 1984, and by $120 million in fiscal year 1985;

Increase outlays in function 550 by $715 million in fiscal year 1983, by $835 million in fiscal year 1984, and by $955 million in fiscal year 1985;

Increase budget authority in function 800 by $250 million in fiscal year 1983, by $300 million in fiscal year 1984, and by $300 million in fiscal year 1985;

Increase outlays in function 800 by $200 million in fiscal year 1983, by $250 million in fiscal year 1984, and by $300 million in fiscal year 1985;

Increase the aggregate budget authority level by $246 million in fiscal year 1983, by $239 million in fiscal year 1984, and by $180 million in fiscal year 1985;

Increase the aggregate outlay level by $915 million in fiscal year 1983, by $1,085 million in fiscal year 1984, and by $1,255 million in fiscal year 1985;

Increase the revenue level by $1,500 million in fiscal year 1983, by $1,750 million in fiscal year 1984, and by $2,000 million in fiscal year 1985;

Decrease the deficit by $600 million in fiscal year 1983, by $650 million in fiscal year 1984, and by $750 million in fiscal year 1985.

Decrease the reconciliation instruction to the Senate Finance Committee by $715 million in outlays in fiscal year 1983; by $835 million in outlays in fiscal year 1984; and $955 million in outlays in fiscal year 1985.

By Mr. WEISS:

—Page 30, lines 8 and 9, strike out "PROVIDING RECONCILIATION AND OTHER".

Page 30, strike out line 11 and all that follows thereafter through Page 39, line 12.

Redesignate the succeeding sections accordingly.

By Mr. WHITTEN:

—Strike out section 304 relating to deferred enrollment and insert in lieu thereof the following:

"SEC. 304. In the House of Representatives, no bill or resolution providing—

"(1) new budget authority for fiscal year 1983, or

"(2) new spending authority described in section 401(c)(2)(C) of the Congressional Budget Act first effective in fiscal year 1983—which exceeds the appropriate total allocation of new discretionary budget authority or new spending authority made pursuant to section 302(b) of such Act by the committee of jurisdiction shall be enrolled until after Congress has completed action on the second concurrent resolution on the budget required to be reported under section 310 of such Act."

—Strike out section 304 relating to deferred enrollment and renumber the following sections accordingly.

By Mr. WOLF.

(Strike COLA cap.)

—Page 12, line 14, increase the amount by $485,000,000.

Page 12, line 16, increase the amount by $485,000,000.

Page 12, line 18, increase the amount by $485,000,000.

Page 14, line 21, increase the amount by $485,000,000.

Page 22, line 12, increase the amount by $933,000,000.

Page 22, line 13, increase the amount by $1,766,000,000.

Page 22, line 15, increase the amount by $1,616,000,000.

Page 22, line 16, increase the amount by $2,876,000,000.

Page 22, line 18, increase the amount by $1,616,000,000.

Page 22, line 19, increase the amount by $2,876,000,000.

Page 27, line 14, increase the amount by $933,000,000.

Page 27, line 15, increase the amount by $1,616,000,000.

Page 27, line 18, increase the amount by $1,766,000,000.

Page 27, line 19, increase the amount by $2,876,000,000.

Page 31, strike out line 1 and all that follows down through line 11, and redesignate the following subsections (and cross references thereto) accordingly.

Page 32, strike out line 18 and all that follows down through line 2 on page 33, and redesignate the following subsections (and cross references thereto) accordingly.

Page 33, strike out line 14 and all that follows down through line 24, and redesignate the following subsections (and cross references thereto) accordingly.

Page 37, line 22, insert "and" after the semicolon.

Page 37, strike out line 23 and all that follows down through line 17 on page 38, and redesignate the following subsection (and cross references thereto) accordingly.

By Mr. WYLIE:

—Page 12, line 10, (relating to the recommended level of Federal revenues for the 1983 fiscal year) strike out "$676,700,000,000" and insert in lieu thereof "$691,700,000,000" and on page 12, line 12, increase the amount by which revenues should be increased by $15,000,000,000.

Page 12, line 14, (relating to total new budget authority for fiscal year 1983) strike out "$828,000,000,000" and insert in lieu thereof "$795,200,000,000".

Page 12, line 16, (relating to total budget outlays for fiscal year 1983) strike out "$780,550,000,000" and insert in lieu thereof "$759,050,000,000".

Page 12, line 18, (relating to the amount of the deficit for fiscal year 1983) strike out "$103,850,000,000" and insert in lieu thereof "$67,350,000,000".

Page 13, line 19, (relating to functional category 050) strike out "$242,850,000,000" and insert in lieu thereof "$225,050,000,000".

Page 13, line 10, (relating to functional category 050) strike out "$212,300,000,000" and insert in lieu thereof "$205,800,000,000".

Page 15, line 11, (relating to functional category 900) strike out "$115,000,000,000" and insert in lieu thereof "$100,000,000,000".

Page 15, line 12, (relating to functional category 900) strike out "$115,000,000,000" and insert in lieu thereof "$100,000,000,000".

Page 35, line 1, (relating to reconciliation instructions to the House Committee on Ways and Means) strike out "$31,700,000,000" and insert in lieu thereof "$46,700,000,000 (of which at least $15,000,000,00 shall be generated through increased user fees and luxury and excise taxes)".

Page 35, line 21, (relating to reconciliation instructions to the Senate Committee on Finance) strike out "$31,700,000,00" and insert in lieu thereof "$46,700,000,000 (of which at least $15,000,000,000 shall be generated through increased luxury and excise taxes)".

By Mr. ZEFERETTI:

—On page 12, line 14, strike "$828,000,000,000" and insert "$828,400,000,000";

On page 12, line 16, strike "$780,550,000,000" and insert "$780,850,000,000";

On page 12, line 18, strike "$103,850,000,000" and insert "$104,150,000,000";

On page 14, line 6, strike "$22,300,000,000" and insert "$22,600,000,000";

On page 14, line 7, strike "$20,400,000,000" and insert "$20,600,000,000";

On page 15, line 1, strike "$4,600,000,000" and insert "$4,700,000,000";

On page 15, line 2, strike "$4,650,000,000" and insert "$4,750,000,000";

On page 22, line 12, strike "$888,400,000,000" and insert "$888,800,000,000";

On page 22, line 13, strike "$952,850,000,000" and insert "$953,250,000,000";

On page 22, line 15, strike "$826,400,000,000" and insert "$826,750,000,000";

On page 22, line 18, strike "$881,200,000,000" and insert "$881,600,000,000";

On page 22, line 18, strike "$72,750,000,000" and insert "$73,100,000,000";

On page 22, line 19, strike "$34,650,000,000" and insert "$35,050,000,000";

On page 26, line 2, strike "$22,400,000,000" and insert "$22,700,000,000";

On page 26, line 3, strike "$20,050,000,000" and insert "$20,300,000,000";

On page 26, line 6, strike "$22,950,000,000" and insert "$23,250,000,000";

On page 26, line 7, strike "$20,250,000,000" and insert "$20,550,000,000";

On page 28, line 7, strike "$4,600,000,000" and insert "$4,700,000,000";

On page 28, line 8, strike "$4,600,000,000" and insert "$4,700,000,000";

On page 28, line 11, strike "$4,600,000,000" and insert "$4,700,000,000";

On page 28, line 12, strike "$4,600,000,000" and insert "$4,700,000,000".

H. CON. RES. 345

By Mr. HUGHES:

—To the matter concerning Function 750: Administration of Justice:

Increase budget authority by $251,000,000 in fiscal year 1983, by $261,000,000 in fiscal year 1984, and by $271,000,000 in fiscal year 1985;

Increase outlays by $251,000,000 in fiscal year 1983, by $261,000,000 in fiscal year 1984, and by $271,000,000 in fiscal year 1985;

Increase the aggregate budget authority level by $251,000,000 in fiscal year 1983, by $261,000,000 in fiscal year 1984, and by $271,000,000 in fiscal year 1985;

Increase the aggregate outlay level by $251,000,000 in fiscal year 1983, by $261,000,000 in fiscal year 1984, and $271,000,000 in fiscal year 1985; and

Increase the deficit by $251,000,000 in fiscal year 1983; by $261,000,000 in fiscal year 1984, and by $271,000,000 in fiscal year 1985.

the revenue level by $0 in fiscal year 1983, by $0 in fiscal year 1984, and by $0 in fiscal year 1985.

EXPLANATION OF AN AMENDMENT BY MR. HUGHES

[In millions]

Increase for	1983	1984	1985
Federal Bureau of Investigation	39	43	47
Drug Enforcement Administration	17	21	25
Bureau of Alcohol, Tobacco and Firearms	5	7	9
Office of Justice Assistance (per H.R. 4481, passed, Feb. 10, 1982	190	190	190
Total	251	261	271

Since these funds are spent for salaries and expenses, the outlays almost always equal appropriations.

S. 1230

By Mr. ANNUNZIO:

(Amendment in the nature of a substitute)

—Strike out all after the enacting clause and insert in lieu thereof the following:

SHORT TITLE

SECTION 1. This Act may be cited as the "Olympic Commemorative Coin Act".

COIN SPECIFICATIONS

SEC. 2. (a)(1) Notwithstanding any other provision of law, the Secretary of the Treasury (hereinafter in this Act referred to as

the "Secretary") shall issue not more than fifty million one-dollar coins which shall weigh 26.73 grams, have a diameter of 1.50 inches, and shall contain 90 per centum silver and 10 per centum copper.

(2) The Secretary shall determine the design of such one-dollar coins. Such design shall be emblematic of the 1984 summer Olympic games which are to be held in Los Angeles, California. On each such one-dollar coin there shall be a designation of the value of the coin, an inscription of the year of issue, and inscriptions of the words "Liberty", "In God We Trust", "United States of America", and "E Pluribus Unum".

(3) The coins shall be issued in two separate designs, one in 1983 and one in 1984.

(b)(1) Notwithstanding any other provision of law, the Secretary shall issue not more than two million ten-dollar coins which shall weigh 16.718 grams, have a diameter of 1.08 inches, and shall contain 90 per centum gold and 10 per centum copper.

(2) The Secretary shall determine the design of such ten-dollar coin. Such design shall be emblematic of the 1984 summer Olympic games which are to be held in Los Angeles, California. On each such ten-dollar coin there shall be a designation of the value of the coin, an inscription of the year 1984, and inscriptions of the words "Liberty", "In God We Trust", "United States of America", and "E Pluribus Unum".

(c) The coins issued under this section shall be issued in uncirculated and proof qualities.

(d) All coins issued under this section shall be legal tender as provided in section 102 of the Coinage Act of 1965.

SALES WITHIN THE UNITED STATES

SEC. 3 (a) Notwithstanding any other provision of the law, the coins issued under this Act shall be sold within the United States (including United States military and diplomatic establishments outside the United States) by the Secretary under such regulations as he may prescribe and at a price equal to face value, plus the cost of issuing such coins (including labor, materials, dies, use of machinery, and overhead expenses).

(b) The Secretary shall make bulk sales at a reasonable discount to reflect the lower costs of such sales.

(c) The Secretary shall accept prepaid orders for the coins prior to the issuance of such coins. Sales under this subsection shall be at a reasonable discount to reflect the benefit of prepayment.

(d) All sales shall include a surcharge, established by the Secretary, of not less than $10 per coin for one-dollar coins and not less than $50 per coin for ten-dollar coins.

(e) The Secretary shall not use any words, perform any act, or make any statement, written or oral, which would imply or indicate, or tend to imply or indicate, that any portion of the coins' sale price to the public constitutes a tax-deductible contribution.

INTERNATIONAL SALES

SEC. 4. (a) The Secretary shall assign the rights to market the coins outside the United States (excluding United States military and diplomatic establishments outside the United States) to a marketing organization selected under section 5.

(b) The marketing organization assigned the rights under this section shall pay a price determined under sections 3(b) and (d).

SELECTION OF INTERNATIONAL MARKETERS

SEC. 5 (a) As soon as possible after the effective date of this Act, a committee consisting of the Secretary of the Treasury, the executive director of the United States Olympic Committee, shall solicit, in accordance with procedures specified by the Secretary of the Treasury, proposals from marketing organizations to carry out a marketing agreement. Such procedures shall include the publication of evaluation criteria that will serve as a basis for selecting one or more marketing organizations. Such criteria shall include—

(1) the financial resources and coin marketing experience of the marketing organization;

(2) the estimated proceeds from the sale or other disposition of the coins; and

(3) the commitment of the marketing organization to purchase a certain minimum number of such coins or to pay the surcharge on such coins; and

(4) the terms and conditions for the marketing of the coins, including—

(A) proper and equitable distribution of the coins, and

(B) accurate and otherwise appropriate advertising materials to be used in promoting the coins.

(b) Within forty-five days after the effective date of this Act, the committee shall consider all proposals received from marketing organizations under subsection (a) and select by majority vote one or more marketing organizations which offer the terms for marketing of the coins most favorable in accordance with the published evaluation criteria. Any marketing organization selected shall be acceptable to the Secretary of the Treasury.

(c) No amounts derived from the sale or other disposition of coins minted under this Act shall be deemed to be a charitable contribution, for purposes of the Internal Revenue Code of 1954, by the marketing organization or its assignees or subcontractors.

DISTRIBUTION OF PROCEEDS

SEC. 6. (a) Fifty per centum of the amount of all surcharges which are received by the Secretary from the sale of coins issued under this Act shall be promptly paid by the Secretary to the United States Olympic Committee. Such amounts shall be used to train United States Olympic athletes, to support local or community amateur athletic programs, and to erect facilities for the training of such athletes.

(b) Fifty per centum of the amount of all surcharges which are received by the Secretary from the sale of coins under this Act shall be promptly paid by the Secretary to the Los Angeles Olympic Organizing Committee. Such amounts shall be used to stage and promote the 1984 Los Angeles Olympic games.

(c) Amounts received by the Secretary from advance sale of coins to be issued under this Act shall be paid to the United States Olympic Committee and the Los Angeles Olympic Organizing Committee under subsections (a) and (b), provided that any amounts paid to the Committees shall not exceed an amount equivalent to the surcharges received by the Secretary from the advance sale of coins.

(d)(1) On March 31, 1985, the Los Angeles Olympic Organizing Committee shall remit to the United States Olympic Committee all amounts remaining from the disposition of the coins under this Act. In no event may such amount be less than that portion of the unobligated funds of the committee on that date represented by the ratio of the total amount of income received by the committee from the disposition of the coins minted under this Act to the total amount of income received by the committee from all sources.

(2) After March 31, 1985, all amounts received by the committee from the disposition of coins minted under this Act shall be remitted within ten days to the United States Olympic Committee.

(3) All amounts received by the United States Olympic Committee under this subsection shall be used solely for the purposes described in subsection (a).

IMPLEMENTATION AGREEMENT

SEC. 7. (a) The Secretary of the Treasury shall enter into an agreement with the marketing organization selected under section 5 which shall provide for the implementation of that section and which shall include an agreement on—

(1) the price and schedule of payments for the coins;

(2) the schedule and other provisions for the delivery of the coins; and

(3) the proportions of proof and uncirculated coins.

(b) The agreement between the Secretary of the Treasury and the committee shall ensure that the issuance of coins under this section shall result in no net cost to the United States Government.

(c) The agreement between the Secretary of the Treasury and the marketing organization shall direct that the marketing organization shall not use any words, perform any act, or make any statement, written or oral, which would imply or indicate, or tend to imply or indicate, that any portion of the coins' sale price to the public constitutes a tax-deductible contribution.

(d) To the extent possible, the agreement between the Secretary of the Treasury and the marketing organization shall be concluded within sixty days of the date of the selection of the marketing organization.

(e) The Secretary may terminate the implementation agreement and cease minting and the delivery of the coins issued under this section if the Secretary of the Treasury finds that such termination is in the best interests of the United States. Reasons for such termination may include actions which are inconsistent with the terms of the implementation agreement or advertising materials that are inappropriate for advertising the sale of United States coinage or otherwise not in keeping with the dignity of the United States coinage.

(f) If the Secretary of the Treasury exercises his authority under subsection (e), the amount of any proceeds guaranteed to the Los Angeles Olympic Organizing Committee and the United States Olympic Committee by a marketing organization under a marketing agreement shall not be reduced.

COINAGE PROFIT FUND

SEC. 8. Notwithstanding any other provision of law—

(1) all amounts received from the sale of coins issued under this Act shall be deposited in the coinage profit fund;

(2) the Secretary shall pay the amounts authorized under section 6 from the coinage profit fund; and

(3) the Secretary shall charge the coinage profit fund with all expenditures under this Act.

AUDITS

SEC. 9. The Comptroller General of the United States shall have the right to examine such books, records, documents, and other data of the United States Olympic Committee and the Los Angeles Olympic Organizing Committee as may be related to the expenditure of amounts paid under section 6.

FINANCIAL ASSURANCES

Sec. 10. (a) The Secretary shall take all actions necessary to ensure that the issuance of the coins authorized by this Act shall result in no net cost to the United States Government.

(b) No coin shall be issued under this Act unless the Secretary has received full payment therefor.

(c) The Secretary shall certify, in reports required to be filed under section 11 of this Act, that he is in compliance with this section.

REPORTS TO CONGRESS

Sec. 11. Not later than forty-five days after the last day of each calendar quarter, the Secretary shall transmit a report to the Congress regarding the activities carried out under this Act during such calendar quarter. No such report shall be required with respect to any calendar quarter beginning after December 31, 1985.

By Mr. ST GERMAIN:

—On page 17, line 3, after the period insert a new sentence to read as follows: "Funds that have been paid in advance into the trust fund may be used to reimburse without delay the appropriation against which charges properly chargeable to the trust fund have been made."

—On page 19, line 5, delete the period and insert in lieu thereof the following: ", except that nothing in this section shall relieve any person entering into a contract under the authority of this Act from complying, in a manner consistent with that person's obligation to meet or contribute to meeting the schedules prescribed in section 5(b) of this Act and in the implementation agreement, with any applicable Federal laws relating to equal employment and to contracting with small business and with minority and female-owned businesses."

H.R. 6267

By Mr. WORTLEY:

—At the end of line 23, page 6, strike "." and insert "other than debt obligations subordinated to the claims of general creditors which were outstanding when any such guarantee of net worth was issued."

At the end of line 9, page 13, strike "." and insert "other than debt obligations subordinated to the claims of general creditors which were outstanding when any such guarantee of net worth was issued."

At the end of line 13, page 19, strike "." and insert "other than debt obligations subordinated to the claims of general creditors which were outstanding when any such guarantee of net worth was issued."

By Mr. WYLIE:

(Amendment in the nature of a substitute)

—Strike all after the enacting clause and insert in lieu thereof the following:

Section 1. This Act may be cited as the "Income Capital Certificates Act of 1982".

Sec. 2. (a) Section 406 (f) of the National Housing Act, as amended (12 U.S.C. 1729 (f)), is amended by adding a new paragraph (4), to read as follows:

"(4)(A) Notwithstanding any other provision of state or federal law, and without limitation on any authority provided elsewhere in this Act or the Home Owners' Loan Act of 1933, as amended, the Corporation, in its sole discretion and on such terms and conditions as it may provide, is authorized to increase or maintain the capital of a qualified institution by making periodic purchases of capital instruments, as defined by the Corporation, for such form of consideration as the Corporation may determine, from such qualified institution, and may authorize such institution to issue such instruments, pursuant to this paragraph.

"(B) For the purposes of this paragraph, a qualified institution shall mean an insured institution that, as determined by the Corporation:

"(i) Has net worth equal to or less than 3 percent of its assets;

"(ii) Has incurred losses during the immediately preceding month or during such other immediately preceding period as the Corporation may specify;

"(iii) Agrees to comply with all the terms and conditions established by the Corporation for receiving assistance pursuant to this paragraph, including, without limitation on the foregoing, those relating to reporting, compliance with laws, rules and regulations, execution and implementation of resolutions and agreements to merge or reorganize, suspension of dividends by stock institutions, submission and adoption of plans of operation, restrictions on operations, repayment of assistance received, and consent to supervisory action; and

"(iv) Will be solvent for more than six months, as determined by the Corporation in accordance with the methods for calculating net worth pursuant to this paragraph.

"(C) The Corporation initially may purchase capital instruments as follows:

"(i) With respect to a qualified institution having net worth greater than 2 percent and less than or equal to 3 percent, the Corporation may not purchase capital instruments in any period from such institution in an amount greater than 30 percent of the average losses (calculated in terms of return on average assets) sustained by insured institutions within that net worth range during the immediately preceding period, as determined by the Corporation.

"(ii) With respect to a qualified institution having net worth greater than 1 percent and less than or equal to 2 percent, the Corporation may not purchase capital instruments in any period from such institution in an amount greater than 40 percent of the average losses (calculated in terms of return on average assets) sustained by insured institutions within that net worth range during the immediately preceding period, as determined by the Corporation.

"(iii) With respect to a qualified institution having net worth greater than zero and less than or equal to 1 percent, the Corporation may not purchase capital instruments in any period from such institution in an amount greater than 50 percent of the average losses (calculated in terms of return on average assets) sustained by insured institutions within that net worth range during the immediately preceding period, as determined by the Corporation.

"(D) In the exercise of its authority under this paragraph, the Corporation at any time, in its sole discretion, may establish criteria that, with respect to ranges of net worth, calculation of average losses, and percentage of average losses to be met by purchases of capital instruments, differ from those set forth in subparagraph (C) hereof.

"(E) No assistance may be provided to a qualified institution pursuant to this paragraph if the Corporation determines that providing such assistance would be costlier than liquidating (including paying the insured accounts of) such institution or dealing with it in accordance with paragraphs (1) or (2) of this subsection. The Corporation shall in no period purchase capital instruments from a qualified institution in an amount equal to more than 100 percent of such institution's actual losses incurred for the immediately preceding period.

"(F) Notwithstanding any other provision of law:

"(i) No court, state or federal, shall have jurisdiction to review any action taken by the Corporation pursuant to this paragraph; and

"(ii) The Corporation shall account on its books and records for transactions pursuant to this subsection in such manner as it determines to be reasonable."

(b) Section 406(f)(1) of the National Housing Act, as amended (12 U.S.C. 1729(f)(1)), is amended to add, immediately after the words "purchase the assets", the words "or the securities".

(c) Section 406(f)(2) of the National Housing Act, as amended (12 U.S.C. 1729(f)(2)), is amended to add, immediately after the first time the phrase "such other insured institution" appears, the words ", or purchase the securities thereof,".

Sec. 3. (a) Section 5(b)(5) of the Home Owners' Loan Act of 1933, as amended (12 U.S.C. 1464(b)(5)), is amended as follows:

(1) By amending subparagraph (B) to read as follows:

"(B) Capital instruments issued by an association pursuant to section 406(f) of the National Housing Act, as amended, shall constitute part of the general reserves and net worth of the association, in accordance with the rules and regulations of the Board."; and

(2) By adding a new subparagraph (C) to read as follows:

"(C) The Board shall provide in its rules and regulations for charging losses to mutual capital certificates, capital instruments issued pursuant to section 406(f) of the National Housing Act, as amended, reserves, and other net worth accounts.".

(b) Section 402(b) of the National Housing Act, as amended (12 U.S.C. 1726(b)), is amended as follows:

(1) By amending the fourth-to-last sentence to add, immediately after the word "items,", the words "including capital instruments issued pursuant to section 406(f) of this Act,"; and

(2) By amending the second-to-last sentence to strike the words "the mutual capital certificate" and to substitute therefor the words "mutual capital certificates, capital instruments issued pursuant to section 406(f) of the National Housing Act, as amended,".

Sec. 4. Section 13 of the Federal Deposit Insurance Act (12 U.S.C. 1823), as amended, is amended by adding a new subsection (h) to read as follows:

"(h)(1) Notwithstanding any other provision of state or federal law, the Corporation, in its sole discretion and on such terms and conditions as it may provide, is authorized to increase or maintain the capital of a qualified bank by making periodic purchases of capital instruments, as defined by the Corporation, for such form of consideration as the Corporation may determine, from such qualified bank, and may authorize such bank to issue such instruments, pursuant to this paragraph.

"(2) For the purposes of this paragraph, a qualified bank shall mean an insured bank that, as determined by the Corporation:

"(A) Has net worth equal to or less than 3 percent of its assets;

"(B) Has incurred losses during the immediately preceding month or during such other immediately preceding period as the Corporation may specify;

"(C) Agrees to comply with all the terms and conditions established by the Corporation for receiving assistance pursuant to this paragraph, including, without limitation on the foregoing, those relating to reporting, compliance with laws, rules and regulations, execution and implementation of resolutions and agreements to merge or reorganize, suspension of dividends by stock institutions, submission and adoption of plans of operation, restrictions on operations, repayment of assistance received, and consent to supervisory action; and

"(D) Will be solvent for more than six months, as determined by the Corporation in accordance with the methods for calculating net worth pursuant to this paragraph.

"(3) The Corporation initially may purchase capital instruments as follows:

"(A) With respect to a qualified bank having net worth greater than 2 percent and less than or equal to 3 percent, the Corporation may not purchase capital instruments in any period from such bank in an amount greater than 30 percent of the average losses (calculated in terms of return on average assets) sustained by insured banks within that net worth range during the immediately preceding period, as determined by the Corporation.

"(B) With respect to a qualified bank having net worth greater than 1 percent and less than or equal to 2 percent, the Corporation may not purchase capital instruments in any period from such bank in an amount greater than 40 percent of the average losses (calculated in terms of return on average assets) sustained by insured banks within that net worth range during the immediately preceding period, as determined by the Corporation.

"(C) With respect to a qualified bank having net worth greater than zero and less than or equal to 1 percent, the Corporation may not purchase capital instruments in any period from such bank in an amount greater than 50 percent of the average losses (calculated in terms or return on average assets) sustained by insured bank within that net worth range during the immediately preceding period, as determined by the Corporation.

"(4) In the exercise of its authority under this paragraph, the Corporation at any time, in its sole discretion, may establish criteria that, with respect to ranges of net worth, calculation of average losses, and percentage of average losses to be met by purchases of capital instruments, differ from those set forth in subparagraph (3) hereof.

"(5) No assistance may be provided to a qualified bank pursuant to this paragraph if the Corporation determines that providing such assistance would be costlier than liquidating (including paying the insured accounts of) such bank or dealing with it in accordance with this section. The Corporation shall in no period purchase capital instruments from a qualified bank in an amount equal to more than 100 percent of such institution's actual losses incurred for the immediately preceding period.

"(6) Notwithstanding any other provision of law:

"(A) No court, state or federal, shall have jurisdiction to review any action taken by the Corporation pursuant to this paragraph; and

"(B) The Corporation shall account on its books and records for transactions pursuant to this subsection in such manner as it determines pursuant to this subsection in such manner as it determines to be reasonable; and

"(C) Income capital certificates issued under this subsection may be treated as part of general reserves and net worth of the bank for supervisory, regulatory or accounting purposes in accordance with rules, regulations or orders of the Corporation."

Sec. 5. (a) Except as otherwise authorized by law, the authority of the Federal Savings and Loan Insurance Corporation and the Federal Deposit Insurance Corporation the purchase income capital certificates as provided in this act shall expire on September 30, 1984.

(b) Income capital certificates issued prior to October 1, 1984 and any terms or conditions established prior to that date or subsequently by the purchasing Corporation shall remain in full force and effect.

SENATE—*Wednesday, May 19, 1982*

(*Legislative day of Tuesday, May 11, 1982*)

The Senate met at 8:45 a.m. and was called to order by the President pro tempore (Mr. THURMOND).

PRAYER

The Chaplain, the Reverend Richard C. Halverson, LL.D., D.D., offered the following prayer:

Father in heaven, I pray this morning in the words of J. G. Holland:

"God give us men!

"A time like this demands strong minds, great hearts, true faith, and ready hands; men whom the lust of office does not kill; men whom the spoils of office cannot buy; men who possess opinions and a will; men who have honor; men who will not lie; men who can stand before a demagogue and damn his treacherous flatteries without winking; tall men, sun-crowned, who live above the fog in public duty and in private thinking."

Father, let Thy name be magnified, Thy kingdom come, Thy will be done in this place as it is in heaven * * *. For Thine is the kingdom and the power and the glory, forever. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The majority leader is recognized.

THE JOURNAL

Mr. BAKER. Mr. President, I ask unanimous consent that the Journal of the proceedings of the Senate be approved to date.

The PRESIDENT pro tempore. Without objection, it is so ordered.

SHORT COMPLIMENT FOR THE CHAPLAIN

Mr. BAKER. Mr. President, once again, I commend the Chaplain on his eloquent prayer. He was going good until he got to the tall men part. [Laughter.]

ORDER FOR TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that after the recognition of the two leaders under the standing order and the execution of the special orders in favor of four Senators, there be a brief period for the transaction of routine morning business, in the time remaining before 10 a.m., in which Senators may speak for not more than 3 minutes each.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BAKER. I may explain, Mr. President, that if there is no time after the execution of the special orders at 10 o'clock, I will provide later for a period for the transaction of routine morning business.

There is an order, is there not, for the Senate to resume consideration of Senate Concurrent Resolution 92 at 10 a.m.?

The PRESIDENT pro tempore. The Senator is correct.

Mr. BAKER. I thank the Chair.

Mr. President, I have no further need for my time under the standing order, which has been reduced to 5 minutes today. I am prepared to yield a portion of that time to any Senator seeking recognition or to the acting minority leader.

I yield back my time remaining under the standing order.

RECOGNITION OF THE ACTING MINORITY LEADER

The PRESIDENT pro tempore. The acting minority leader is recognized.

THE FISCAL YEAR 1983 DEFENSE AUTHORIZATION BILL

Mr. PROXMIRE. Mr. President, the Senate has passed the largest defense authorization bill in the history of the country—war or peace. By a vote of 84 to 8, the Senate approved the fiscal year 1983 defense authorization at a level of $180 billion which, is a full $50 billion higher than the authorization for fiscal year 1982. This is a 39-percent increase in 1 year.

At a time of unparalleled economic disruption, with record high unemployment, interest rates crushing the housing and auto industries, and mammoth Federal deficits for as far as the eye can see, this enormous growth in defense spending is imprudent. No single sector of our economic system should be given immunity to reduction during these difficult times. No budget should be given a blank check.

It is true that defense spending must increase annually. This is a fact of life that flows from the basic decision to pay the personnel of our All-Volunteer Force an adequate salary. We need to attract, and retain, a highly qualified, professional military force that is capable of operating the sophisticated equipment in the inventory. This insistence on quality also has a budget impact. With higher reenlistment rates and less washouts during training, the personnel system avoids huge recruiting and training costs.

It is also important to recognize the need for higher production rates in some categories of military equipment. Higher production rates often means increased costs in the near term while long-term costs drop. This is particularly true with tactical aircraft and Army ground equipment—areas where we need to increase our force levels substantially.

But we must be careful in which areas we choose to accelerate production rates. It is critically important that we purchase only the type of military equipment that is essential to our national security. And not every military program fits that description.

For example, this bill contains several high cost items of limited military utility—ships and aircraft which drain our resources from higher priority missions. Several issues fit this category, most notably the two nuclear aircraft carriers, the B-1B bomber, and the binary nerve gas production decision.

I have discussed each of these in detail at different times. If the hostilities in the South Atlantic have taught us anything, it is that large capital ships are subject to destruction from sophisticated ground-to-ground and air-to-ground munitions. Likewise, the long-range torpedo has demonstrated its effectiveness. Yet, the Defense Department stubbornly adheres to the World War II commitment to battleships and aircraft carriers.

The downpayment for these nuclear carriers is about $3.5 billion. With two airwings over the life of the carrier, there is an additional cost of $9.3 billion in constant fiscal year 1982 dollars, for a total of $12.6 billion for the carrier and its wings. The 20-year operating cost of the carrier and its airwings is $6.5 billion more. Then add two *Aegis*-class CGN-42 cruisers and four DDGX or DD-963 class destroyers, plus operating costs over 20 years, for $7.5 billion more. Manpower for the carrier and its escorts would total about $2.5 billion over 20 years.

Adding everything together—procurement, operation and manpower costs of the carrier, the escorts—the aircraft gives a fixed constant dollar commitment of $30 billion for each carrier group.

Thus $3.5 billion downpayment will actually result in a downstream expenditure of $30 billion.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Since attempts to delete the aircraft carrier, or even one of the two in this bill, failed, and in view of the spending proposals for the B-1B and nerve gas, I voted against the fiscal year 1983 defense authorization bill. Should these items be deleted in the defense appropriations bill, I would reconsider my vote at that time.

MEDICAL EFFECTS OF A SOVIET NUCLEAR ATTACK TO DESTROY AMERICA'S ECONOMIC POWER

Mr. PROXMIRE. Mr. President, the CATO policy analysis study of the consequences of a Soviet nuclear attack to destroy America's economic power would have effects that would go far beyond the economy.

In the Katz and Osdoby study the medical consequence are spelled out as follows:

MEDICAL EFFECTS

The potential losses in medical resources are dramatic, particularly because United States medical resources, especially specialists, are so heavily concentrated in urban areas: 68 percent of the physicians, including about 70 percent of the specialists, over 60 percent of the surgeons, and 64 percent of the dentists, are located in the 71 urban areas attacked. These urban areas contain only 55 percent of the total population. Likewise, the areas exposed to both the attack against 71 urban areas and the adjunct attack against selected industries contain 61 percent of the total U.S. population, but 71 percent of U.S. physicians and 68 percent of its dentists. Thus physicians and dentists would be comparatively more vulnerable than the general populace in an urban/economic attack. Also concentrated in the urban areas are many of the most advanced hospitals and almost 80 percent of the hospital-based physicians.

The combination of physician losses and injuries on the order of 20-30 million would produce patient-physician ratios of 100-600 to 1. In the early period, when the wounded and dying cannot be distinguished, ratios would be 1,000 to 1, depending on the movement of physicians into and/or patients out of damaged areas. For perspective, an average physician sees perhaps 25 patients a day with only 20 percent having serious problems, usually not emergencies. Surviving hospitals would face ratios of 30 to 40 injured per bed. There would be hundreds of thousands of burn victims; most large burn units—found only in major hospitals—have about 10 beds. And few major urban hospitals would be left.

Under these attacks, medical care for the injured will be further complicated by the virtual elimination of the pharmaceutical industry, one of the eight critical industries targeted for maximum destruction. Even simple protection against infection will be difficult without antibiotics and other prophylactics. Urban stocks of these medicines will be largely destroyed and new supplies unavailable. Chronically ill individuals (heart disease, diabetes, etc.) who depend on drugs to sustain physical activity or life itself will also be affected.

Providing high quality medical care requires high capital investment and long training periods; thus post-attack medical care norms may continue to be dramatically below current standards for a considerable time, with negative implications for labor productivity and other aspects of economic recovery. Significant radioactive fallout or the breaching of immunological barriers in the aftermath of the attack would permit a high incidence of epidemic disease. [16] The loss of major medical research centers will be devastating to research on improved disease treatment. The heavy burden of chronically ill or permanently injured survivors will continuously tax the reduced medical capabilities and disoriented social service support system, leading to a general deterioration of all medical care.

Because malnutrition lowers resistance to disease, medical problems would be exacerbated if the food supply system proves ineffective. Serious mental health problems will arise from the impact of the attack—particularly a sense of impotence from watching people die who in a "normal" society would have lived—or from the stress of the postattack recovery period.

The implications of all these problems would be a society burdened and preoccupied with human suffering, unable to cope successfully with its demands. The credibility of the remaining leadership and its ability to focus resources for recovery might very well hinge on how it was able to manage the medical effects of nuclear war.

SUPPORT FOR THE GENOCIDE CONVENTION CONTINUES TO GROW

Mr. PROXMIRE. Mr. President, when I urge swift passage of the Genocide Convention, I speak for myself but I do not stand alone. The list of supporters of this treaty is very long and there is great size and strength to the movement against genocide.

Recently, the Leadership Conference of National Jewish Women's Organizations became the latest group to formally join the campaign by releasing a policy statement calling for the Senate to adopt this treaty.

The leadership conference acts as an umbrella group for 12 national Jewish women's organizations.

Mr. President, this group's proclamation constitutes a major statement. It tells us that over 1 million women are publicly voicing their support for this important treaty. Add to the National Jewish Women's Organizations more than 50 other labor, civic, religious, and nationality groups which have endorsed the convention, and one begins to realize the groundswell of support for Senate ratification. Furthermore, let us not forget that these are only the groups that have officially endorsed the treaty. There is no telling how many more Americans favor passage of the Genocide Convention but have not taken formal action.

Public support, among other reasons, demonstrates that this treaty warrants Senate attention now. When we debate it, I feel confident that my colleagues will realize that ratification of the treaty would be an unquestionably sound and praiseworthy move—it would place the United States on record as opposing the extermination of ethnic, religious, racial, and national groups.

Mr. President, I wish to express my appreciation and commendation to the Leadership Conference of National Jewish Women's Organizations for their support of the Genocide Convention. I sincerely hope that someday soon I will be able to thank and praise the Senate on this issue, as well.

Mr. President, I ask unanimous consent that the proclamation by the Leadership Conference of National Jewish Women's Organizations be printed at this point in the RECORD.

There being no objection, the proclamation was ordered to be printed in the RECORD, as follows:

THE GENOCIDE CONVENTION

Only three years after it came into being the United Nations General Assembly, with strong support from the United States, adopted the Convention on Genocide. This historic document was passed on December 9, 1948. Since then more than four score nations both large and small have become its signatories.

It is a painful reality that in all the ensuing years the Genocide Convention has not been signed by this country through action of the United States Senate. Despite endorsement by a succession of presidents, the Departments of State, Defense, and Justice, as well as resolutions in favor by many distinguished organizations including the American Bar Association, the Convention is not yet a recognized treaty of this country which prides itself upon dedication to human rights.

Representatives of the more than 1,300,000 women of 12 national Jewish women's organizations which are members of the Leadership Conference of National Jewish Women's Organizations unanimously urge the Administration and the Senate of the United States to adopt this Convention promptly. To do so now, even though it is tragically belated, would strengthen the position of the United States in all of its human rights efforts with other nations. It would again attest to the American determination to see that never again does any nation attempt to destroy a national, ethnic, racial or religious group as was done during the Holocaust and in earlier tragedies. Furthermore, the Convention requires that genocide be established as a crime under the legal system of every signatory which for this country is indeed already a fact.

Mr. PROXMIRE. Mr. President, I yield the remainder of the minority leader's time to the senior Senator from Florida.

RECOGNITION OF SENATOR CHILES

The PRESIDING OFFICER (Mr. BOSCHWITZ). Under the previous order the Senator from Florida (Mr. CHILES) is recognized for not to exceed 15 minutes plus the time just yielded to him by the Senator from Wisconsin.

Mr. CHILES. I thank the Senator from Wisconsin.

S. 2543—CRIME CONTROL ACT OF 1982

(Introduced by Mr. Chiles, for himself, Mr. Nunn, and Mr. Randolph.)

Mr. CHILES. Mr. President, I rise today to speak on this special order with Senator Nunn.

It is my belief that all of us in the Senate share a commitment to try to do something to fight crime. Just about everyone of us has introduced or sponsored a bill to help our law enforcement officials catch criminals or to reform our criminal justice system or to provide some relief to the victims of crime.

The Senate is not along in its concern with fighting crime. A number of crime fighting proposals are pending in the House of Representatives. The President established a Special Task Force on Violent Crime, headed by the Attorney General, and asked it to make recommendations that would help us in this fight. The Justice Department has made several legislative proposals to Congress, proposals based on the recommendations of the Violent Crime Task Force. State governments and local governments are moving ahead with anticrime proposals, and they are pressing the Federal Government to move ahead, too.

The business community has also become involved in trying to fight crime, with the establishment of the national legislative business task force against crime. The business task force, which is composed of many major corporations and business associations, has added its voice to the voices calling out for tougher measures against crime. And most importantly, the people of America, people from all walks of life and from all parts of the country, are calling on Congress to move now to do something about crime.

People have become fed up because street crime has made their neighborhoods unsafe. They are fearful for their children, who are exposed to illegal drugs. They are dismayed when they learn about bail bond laws that put dangerous criminals back on the streets within days, or even hours, of the time of their arrest. They are outraged by criminals who use legal loopholes in the law, loopholes which seem to have little to do with guilt, innocence, or a fair trial, to avoid conviction. They are incensed by the short sentences given to violent criminals or big-time drug traffickers who are convicted. And they are appalled by the way a convicted criminal can file a seemingly endless number of appeals and petitions to overturn a conviction, or to delay execution of a sentence. And they are angered by big-time criminals who seem to be above the law. Yet, important legislation—vital legislation—to deal with those concerns continues to languish in Congress while the opportunity for action begins to slip away from us.

It is worth looking ahead at the time remaining in this Congress, as well as the issues we face, to understand the concerns that Senator Nunn and I bring here today. If we adjourn in early October, as the leadership would like, there is very little time left. If we meet as a body 4 days each week, I estimate that there are only 67 days left in this Congress. Sixty-seven days is not much time. It sounds like even less time when we look at some of the issues we will have to face in those 67 days. First of all, there are the budget resolutions, two of them, as well as a reconciliation bill. Then, of course, we also have to act on the appropriations measures, both the supplemental bills for this fiscal year and the 13 regular appropriations bills for the next fiscal year. We will also have to consider an extension of the debt ceiling limit some time soon.

These economic issues are not the only matters we must face. Then we have authorization bills to deal with. New authorizations are needed for the Clean Air Act, the Voting Rights Act, the Clean Water Act, and Federal aid to highways. And that is not all. We also have the housing industry assistance bill that the House of Representatives voted on last week. We have a mass transit authorization, another housing authorization, and the Federal Trade Commission authorization bill. We also may have to consider a constitutional amendment to balance the Federal budget. And we may have to face abortion, busing, and school prayer proposals. All of these are issues which have generated considerable debate and controversy.

Mr. President, when I look at all of these issues, and I look at the number of days left, I know that my concerns that anticrime proposals will be lost in the shuffle are well founded. The House of Representatives has not seen fit to act on anticrime measures, and time is running out for us in the Senate. We must act, and we must decide to make anticrime legislation a priority, and to specifically set aside some time for the Senate as a body to consider and pass anticrime bills.

Mr. President, the people of this country expect us in Congress to take action to fight crime, and I believe that they are fully entitled to that expectation. We must take action. I am not suggesting that any one change in a specific law, by itself, will cure our crime woes. What we need is a comprehensive attack on crime, an attack which combines tough new laws with reforms in the criminal justice system and gives our law enforcement agencies the resources to do an effective job. But most importantly, we in Congress have to show our determination to fight crime, and let the public know that we are serious about restoring law and order.

So today, with Senator Nunn and Senator Randolph, I am introducing a bill that will help refocus our attention on the need to move on anticrime legislation. The bill contains parts of several other bills that Senator Nunn, Senator Randolph, and I and other Senators have sponsored in this Congress. In the days ahead, we will speak out in greater detail on specific provisions of each of the proposals in this bill. At this point, let me give an overview and a brief summary of the four titles of the bill.

The first title focuses on organized crime and establishes methods to help our Federal law enforcement officials fight organized criminal activities. Title I is similar to S. 814, a bill that Senator Nunn and I, along with other members of the Permanent Investigations Subcommittee, introduced. It deals with violent crime.

Title II is a bail reform measure, and modifies the bail laws, especially as they relate to persons arrested for drug trafficking. It is modeled in part after S. 1253, a bill that I proposed earlier this Congress.

Title III is a sentencing reform proposal. It increases penalties for persons who commit violent crimes and for persons convicted of smuggling large amounts of marihuana. It is similar to several sentencing bills now pending in the Senate.

Finally, title IV of the bill revises the Federal habeas corpus statutes by eliminating purely technical challenges to convictions fairly arrived at in a State court. It is designed to give greater weight to the notion of finality in criminal cases, and is similar to S. 653, a bill that the chairman of the Judiciary Committee and I introduced last year.

Taken together, these four titles, if enacted, will help make it easier to arrest criminals and break up organized crime operations. It will assure that dangerous criminals and drug peddlers who are arrested will not be able to commit more crimes, or escape justice entirely, by getting out on bail. It will create stronger deterrents against crime, especially violent crime, by increasing penalties. And it will help restore confidence in our criminal justice system by eliminating frivolous appeals.

I would like to mention one other anticrime proposal that I strongly feel is a vital component of any fight against crime. I am referring to S. 732, a bill that Senator Nunn, myself, and others are sponsoring that would get the Internal Revenue Service fully involved in the fight against crime and drugs. Last year, that bill passed the Senate as part of the tax reform package. Presently, we are working with the House to arrive at a version that both Houses can support.

Mr. President, as I said earlier, the American public expects us in Congress to do something about crime, to pass laws that will curb drug smuggling and that will reform our criminal justice system. With the amount of crime we face today, that expectation on behalf of the public is entirely justified. However, those of us who want to pass legislation to fight crime have no reason to be optimistic at this point in time. We can look ahead to the end of this Congress and we can see numerous other priorities. We have good reason to be fearful that Congress in fact will not act this session to pass a package of anticrime bills. That is something we cannot let happen, Mr. President, and I hope that we in Congress can rally together and act quickly to let the American people know that we in Congress have heard their voices, and are as determined as they are to do something to make our neighborhoods and communities safe once again.

Mr. President, I ask unanimous consent that this bill be introduced and that the text of the bill be printed in the Record.

There being no objection, the text of the bill was ordered to be printed in the Record, as follows:

S. 2543

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Crime Control Act of 1982".

TITLE I—ORGANIZED CRIME ENFORCEMENT

Sec. 101. (a) Title 18, United States Code, is amended by adding a new section 1118, as follows:

"§ 1118. Contract murder

"(a) Definitions.—As used in this chapter—

"(1) 'contract murder' means a murder, attempted murder, or assault which violates the laws of the State where the prohibited acts were committed or commissioned, and which was commissioned, committed, or attempted to be commissioned or committed by any person offering, providing, agreeing to provide, threatening to cease providing, or soliciting, receiving, or agreeing to receive anything of value;

"(2) 'commission or commissioned' means offering, planning, instructing, ordering, coercing, or otherwise initiating or being instrumental in a contract murder or attempted contract murder.

"(3) 'anything of value' means anything tangible or intangible the offering party agrees to provide or the receiving party agrees to receive in exchange for committing or attempting to commit a contract murder as defined in this chapter, and may include, but is not defined in this chapter, and may include, but is not limited to, tangible items such as money, land, or position, or intangible items such as gaining favor, anticipation of rewards for services performed, or other similar items;

"(4) 'superior' means any person exerting direct or indirect responsibility, authority, control, or influence over another person; and

"(5) 'subordinate' means any person who is directly or indirectly responsible to or under the authority, control, or influence of another person.

"(b) Commissioning, or Committing a Contract Murder, Attempted Contract Murder, or Contract Assault.—(1) Any person who offers, provides, agrees to provide, threatens to cease providing, solicits, receives, or agrees to receive, anything of value as consideration for the commission of a murder, attempted murder, or assault which violates the laws of the State in which the prohibited acts were committed or commissioned shall be fined not more than $10,000 or imprisoned for not more than ten years, or both; and if personal injury results, shall be fined not more than $50,000 or imprisoned for not more than twenty years, or both; and if death results, shall be fined not more than $100,000 or be imprisoned for any term of years or for life, or both.

"(2) In any prosecution under this section, if it is shown that there was present—

"(A) a direct or indirect contact or communication between two or more persons involving an offer, agreement, or solicitation to commit a contract murder, or

"(B) a direct or indirect contact or communication between a superior and a subordinate involving an offer, agreement, or solicitation to commit a contract murder.

then there is prima facie evidence that the prohibited acts described in subsection (b)(1) were committed and commissioned for anything of value.

"(3) Any person who uses actual or threatened force, violence or fear, or any person who uses his reputation for being a person who uses force and violence, to coerce or attempt to coerce another person to commit a murder, attempted murder, or assault in violation of the law of the State in which the prohibited acts were committed or commissioned shall be in violation of this section and shall be subject to the penalties set forth in subsection (b)(1).

"(c) Attorney General Guidelines.—The Attorney General shall, by regulation, designate criteria for Federal participation in the investigation and prosecution of contract murders as defined in this section. These criteria shall be used solely for the purpose of providing comity with State and local authorities and to preserve and coordinate the limited resources of the Federal Government, and in no way shall limit the authority of the Federal Government to investigate and prosecute violations of this section.

"(d) Effect on Existing Federal Cooperation With State and Local Authorities.—Nothing in this section shall compromise or otherwise affect the ability of Federal officials to assist State and local officials upon request.

"(e) Effect on State Laws.—This chapter shall not preempt any field of law with respect to State legislation which would be permissible in the absence of this section. No law of any State which would be valid in the absence of this section and no officer, agency, or instrumentality of any State may be deprived by virtue of this section of any jurisdiction over any offense over which it would have jurisdiction in the absence of this section.".

(b) The analysis of chapter 51 of title 18, United States Code, is amended by adding at the end thereof the following:

"1118. Contract murder.".

Sec. 102. Section 1114 of title 18, United States Code, is amended by adding after "Department of Justice," the following: "any attorney, agent, or employee of the United States Government employed to investigate or prosecute violations of Federal criminal statutes, or any officer or employee of any department or agency within the Intelligence Community (as defined in section 4-207 of Executive Order 12036 of January 24, 1978, or successor orders),".

Sec. 103. (a) Chapter 7 of title 18, United States Code, is amended by adding at the end thereof the following new section:

"§ 115. Protection of families of Federal officers

"Any person who assaults, maims, kidnaps, murders or threatens to assault, maim kidnap or murder the spouse, parent, brother, sister, child, ward, or other relative by blood or marriage, of any person designated in section 1114 of this title, with intent to impede, intimidate, interfere with, or retaliate against, the designated person while engaged in or on account of the performance of his official duties, shall be fined not more than $10,000 or imprisoned not more than ten years, or both. If a dangerous weapon is used in the commission of the offense, he shall be fined not more than $20,000 or imprisoned not more than fifteen years, or both. If personal injury results, he shall be fined not more than $50,000 or imprisoned for not more than twenty years, or both. If death results, he shall be imprisoned for any term of years or for life.".

(b) The analysis of chapter 7 of title 18, United States Code, is amended by adding at the end thereof the following:

"115. Protection of families of Federal officers.".

Sec. 104. Section 1503 of title 18, United States Code, is amended to read as follows:

"§ 1503. Influencing or injuring officer, juror, witness, potential witness, or informant

"Any person who corruptly, or by threats or force, or by any threatening letter or communication, endeavors to influence, intimidate, or impede any witness, potential witness, or informant in any court, grand jury, or other proceeding of the United States or beforc any United States commissioner or other committing magistrate, or any grand or petit juror, or officer in or of any court of the United States, or officer who may be serving at any examination or other proceeding before any United States commissioner or other committing magistrate, in the discharge of his duty; or who injures any party, witness, potential witness, or informant in his person or property on account of his attending, having attended, or his potential participation in such court, grand jury, or other proceeding or examination before such officer, commissioner, or other committing magistrate, or on account of his testifying, having testified, being a potential witness to, or providing information on any matter pending therein; or who injures any such grand or petit juror in his person or property on account of any verdict or indictment assented to by him, or on account of his being or having been such juror; or who injures any such officer, commissioner, or other committing magistrate in his person or property on account of the performance of his official duties; or who corruptly or by threats or force, or by any threatening letter or communication, influences, obstructs, or impedes, or endeavors to influence, obstruct, or impede the due administration of justice, or who corruptly or by threats or force or by any threatening letter or communication endeavors to influence, intimidate or impede any witness, potential witness or informant with intent to hinder, delay or prevent the communication to a law enforcement officer of information relating to an offense or possible offense, shall be fined not more than $10,000 or imprisoned not more than ten years, or both.".

Sec. 105. Section 552(b)(7)(D) of title 5, United States Code, is amended by inserting ", or tend to disclose," after "disclose".

Sec. 106. Subsection (b) of rule 35 of the Federal Rules of Criminal Procedure is amended by adding at the end thereof the following new paragraph:

"The court may also reduce a sentence at any time upon the application of the Attorney General, or any Department of Justice attorney specially designated by the Attorney General, when a convicted defendant provides substantial assistance in the identification, investigation, indictment, arrest, or conviction of any of the defendant's accomplices, accessories, co-conspirators, principals, or other persons engaged in criminal conduct. Any such motion may be filed and heard on an ex parte motion in camera. The judge hearing such motion may reduce the sentence of the defendant if he finds that the defendant rendered such substantial assistance.".

Sec. 107. Section 2518(1)(e) of title 18, United States Code, is amended by adding ", provided that any information as to previous applications which might compromise a current or pending case or investigation shall be reviewed by the judge in camera" after "each such application".

Sec. 108. (a) Chapter 119 of title 18, United States Code, is amended by adding at the end thereof the following new section:

"§ 2521. Limitations on disclosures to protect ongoing criminal investigations

"(a) If the disclosure of any information contained in the affidavits, application, orders, or accompanying documents required by this chapter would tend to disclose the existence of other pending investigations or wire interceptions, a Federal district court judge may seal, use in camera proceedings, or other procedures to insure that the portion or portions of such documents which may disclose an ongoing criminal investigation or wire intercept are not disclosed. In making his decision, the judge shall consider the legal rights of any party receiving or requesting access to such documents and whether or not the portion or portions concerning ongoing criminal investigations, or wire intercepts are essential to protect any statutory or constitutional right claimed by such party.

"(b) The Attorney General or any attorney specially designated by him may make application to a Federal district court judge to seal, hold in camera proceedings, or use other appropriate procedures to protect the confidentiality of information relating to ongoing criminal investigations or wire intercepts as described in subsection 2521(a) of this title.".

(b) The analysis at the beginning of chapter 119 of title 18, United States Code, is amended by adding at the end thereof:

"§ 2521. Limitations on disclosures to protect ongoing criminal investigations.".

Sec. 109. (a) Rule 6(e)(3)(A) of the Federal Rules of Criminal Procedure is amended by adding at the end thereof the following:

"(iii) a State or local law enforcement official duly authorized as an agent of the grand jury, where such an official is assisting an attorney for the Government in the enforcement of Federal criminal law.".

(b) Rule 6(e)(3)(B) of the Federal Rules of Criminal Procedure is amended by striking out "subparagraphs (A)(ii) and (A)(iii)" and inserting in lieu thereof "subparagraph (A)(ii)".

TITLE II—BAIL REFORM

Sec. 201. Part D of title II of the Controlled Substances Act (21 U.S.C. 841) is amended by adding at the end thereof the following new sections:

"RELEASE CONDITIONS

"Sec. 413. (a) In setting conditions of release under section 3146(a) of title 18, United States Code, for any person charged with an offense under section 401(a) of this title or section 1010(a) of title III with respect to a controlled substance in schedule I which is a narcotic drug or a controlled substance in schedule II, or charged under section 406 of this title with attempting or conspiring to commit an offense under section 401(a) of this title relating to an opiate, or charged under section 1013 of title III with attempting or conspiring to commit an offense under section 1010(a) of title III relating to a controlled substance in schedule I which is a narcotic drug or a controlled substance in schedule II, the judicial officer shall, in addition to determining which conditions will reasonably assure the appearance of such person for trial, consider which conditions will reasonably assure the safety of the community, the personal safety of persons in the community, including witnesses to the offense, and the prevention of similar offenses in the future by such person.

"(b) For purposes of this section and section 414, 'judicial officer' means any person or court authorized pursuant to section 3041 of title 18, United States Code, or the Federal Rules of Criminal Procedure, to admit to bail or otherwise to release a person before trial or sentencing or pending appeal, in a court of the United States and any judge of the Superior Court of the District of Columbia.

"DENIAL OF RELEASE PRIOR TO TRIAL

"Sec. 414. (a) Notwithstanding the provisions of section 3146 of title 18, United States Code, a judicial officer shall deny release of a person charged with a violation of section 401(a) of this title or section 1010(a) of title III with respect to a controlled substance in schedule I which is a narcotic drug or a controlled substance in schedule II, or charged under section 406 of this title with attempting or conspiring to commit an offense under section 401(a) relating to a controlled substance in schedule I which is a narcotic drug or a controlled substance in schedule II, or charged under section 1013 of title III with attempting or conspiring to commit an offense under section 1010(a) of title III relating to a controlled substance in schedule I which is a narcotic drug or a controlled substance in schedule II, who—

"(1) has previously been convicted of an offense under any provision of Federal, State, or foreign law, relating to a controlled substance in schedule I which is a narcotic drug or a controlled substance in schedule II which is punishable by a term of imprisonment of more than one year;

"(2) at the time of the alleged violation, is on parole, probation, or other conditional release in connection with a conviction for a pending charge of an offense under Federal or State law that is punishable by a term of imprisonment of more than one year;

"(3) is not a citizen of the United States and who is not lawfully admitted for permanent residence, as defined in section 101(a)(20) of the Immigration and Nationality Act;

"(4) was arrested while in possession of a passport or other document of identity and nationality which incorrectly identifies such person or belongs to some other person; or

"(5) has been convicted of having been a fugitive from justice, an escapee, or for willfully failing to appear before any court or judicial officer under Federal or State law.

"(b) No person described in subsection (a) of this section shall be denied release unless the judicial officer—

"(1) holds a hearing in accordance with the provisions of subsection (c) of this section; and

"(2) finds that—

"(A) there is clear and convincing evidence that such person is a person described in paragraph (1), (2), (3), (4), or (5) of subsection (a) of this section; and

"(B) on the basis of information presented to the judicial officer, there is a substantial probability that the person committed the offense for which he is present before such judicial officer.

Notwithstanding the requirements of subsection (a) of this section, a judicial officer may grant release to such a person who has not been previously convicted of a felony under Federal, State, or foreign law relating to a controlled substance in schedule I or a controlled substance in schedule II if such judicial officer finds special mitigating factors for granting release and he records such factors in writing as part of the court proceedings.

"(c) The following procedures shall apply to any hearing held pursuant to this section:

"(1) Whenever the person seeking release is before the judicial officer, such hearing may be initiated on oral motion of the United States attorney.

"(2) Whenever the person has been released pursuant to section 3146 of title 18, United States Code, and it subsequently appears that such person may be subject to an order denying release under this section, the United States attorney may initiate a hearing by ex parte written motion. Upon such motion the judicial officer may issue a warrant for the arrest of the person.

"(3) The hearing shall be held immediately after such person is brought before the judicial officer for such hearing, unless such person or the United States attorney moves for a continuance. A continuance granted on motion of such person shall not exceed five calendar days, unless there are extenuating circumstances. A continuance or motion of the United States attorney shall be granted upon good cause shown and shall not exceed three calendar days. Such person may be detained pending the hearing.

"(4) Such person shall be entitled to representation by counsel and shall be entitled to present information, to testify, and to present witnesses in his own behalf.

"(5) Information stated in, or offered in connection with, any order entered pursuant to this section need not conform to the rules pertaining to the admissibility of evidence in a court of law.

"(6) Testimony of such person given during such hearing shall not be admissible on the issue of guilt in any other judicial proceeding, but such testimony shall be admissible in proceedings under sections 3150 and 3151 of title 18, United States Code, in perjury proceedings, and for the purposes of impeachment in any subsequent proceedings.

"(7) Appeals from any order denying release may be taken pursuant to section 3147 of title 18, United States Code. The United States may appeal from any order granting release under this section.

"(d) The case of a person denied release pursuant to this section shall be placed on an expedited calendar and, consistent with the sound administration of justice, his trial shall be given priority.".

Sec. 202. The table of contents at the beginning of the Controlled Substances Act is amended by adding at the end of the listing for part D of title II the following:

"Sec. 413. Release conditions.
"Sec. 414. Denial of release prior to trial.".

TITLE III—SENTENCING

Sec. 301. Chapter 227 of title 18, United States Code, is amended by adding at the end thereof a new section 3579, as follows:

"§ 3579. Increased penalties for violent offenders

"(a) Notwithstanding any penalties in any other Act of Congress prescribing penalties for offenses against the United States, and in addition to those penalties where a crime is carried out through the use, or threatened use, of violence, or with the use of a dangerous weapon or destructive device, the court may also sentence the defendant to pay a fine of not more than $25,000 or to imprisonment for not more than five years, or both; and if a dangerous weapon or destructive device is used, to pay a fine of not more than $50,000 or to imprisonment for not more than ten years, or both; and if serious bodily injury or death results, to pay a fine of not more than $100,000 or to imprisonment for any term of years or to life imprisonment, or both.

"(b) As used in this section—

"(1) 'dangerous weapon' means (A) a firearm; (B) a destructive device; or (C) any other weapon, device, instrument, material, or substance, whether animate or inanimate, that is used or is intended to be used and is capable of producing death or serious bodily injury;

"(2) 'destructive device' means an explosive, an incendiary material, a poisonous or infectious material in a form that can readily be used to cause serious bodily injury, or a material that can be used to cause a nuclear incident as defined in section 11(q) of the Atomic Energy Act of 1954 (42 U.S.C. 2014(q)); and includes a bomb, grenade, mine, rocket, missile, or similar device containing an explosive, an incendiary material, or a material that can be used as a chemical, biological, or radiological weapon; and

"(3) 'serious bodily injury' means bodily injury which involves (A) a substantial risk of death; (B) unconsciousness; (C) extreme physical pain; (D) protracted and obvious disfigurement; or (E) protracted loss or impairment of the function of a bodily member, organ, or mental faculty."

Sec. 302. The analysis at the beginning of chapter 227 of title 18, United States Code, is amended by adding at the end thereof:

"§ 3579. Increased penalties for violent offenders.".

Sec. 303. Section 1010 of the Controlled Substances Import and Export Act (21 U.S.C. 960) is amended—

(1) in the first sentence of subsection (b)(2) by adding "except as provided in paragraph (3) of this subsection" before "schedule I or II"; and

(2) by adding after paragraph (2) of subsection (b) the following new paragraph:

"(3) In the case of a violation of subsection (a) involving a quantity of marihuana exceeding one thousand pounds, such person shall be sentenced to a term of imprisonment of not more than fifteen years, and in addition, may be fined not more than $125,000.".

TITLE IV—HABEAS CORPUS REFORM

Sec. 401. Section 636(b)(1)(B) of title 28, United States Code, is amended to read as follows:

"(B) a judge may also designate a magistrate to conduct hearings, including evidentiary hearings, except evidentiary hearings in cases brought pursuant to section 2254 of this title, and to submit to a judge of the court proposed findings of fact and recommendations for the disposition, by a judge of the court, of any motion excepted in subparagraph (A), of applications for post-trial relief made by individuals convicted of criminal offenses in a United States district court.".

Sec. 402. Section 2244 of title 28, United States Code, is amended by adding at the end thereof the following new subsections:

"(d) In a habeas corpus proceeding brought in behalf of a person in custody pursuant to the judgment of a State court, if the Federal question presented was not properly presented under State law in the State court proceedings both at trial and on direct appeal, or properly presented in a collateral proceeding and disposed of exclusively on the merits, the claim may not be considered or determined by judge or court of the United States, unless the petitioner establishes that the alleged violation of the Federal right was prejudicial to the petitioner as to his guilt or punishment and that—

"(1) the Federal right asserted did not exist at the time of the trial and that right has been determined to be retroactive in its application;

"(2) the State court procedures precluded the petitioner from asserting the right sought to be litigated;

"(3) the prosecutorial authorities or a judicial officer suppressed evidence from the petitioner or his attorney which prevented the claim from being raised and disposed of; or

"(4) material and controlling facts upon which the claim is predicated were not known to petitioner or his attorney and could not have been ascertained by the exercise of reasonable diligence.

"(e) No petition filed in behalf of a person in custody pursuant to the judgment of a State court shall be considered or determined by a judge or court of the United States if it is not filed within three years from the date the State court judgment and sentence became final under State law, unless the Federal right asserted did not exist at the time of the State court trial and that right has been determined to be retroactive, in which case the petition may be entertained within three years from the date said right was determined to exist.".

Sec. 403. Section 2254(d) of title 28, United States Code, is amended to read as follows:

"(d) In any proceeding instituted in a Federal court by an application for a writ of habeas corpus by a person in custody pursuant to the judgment of a State court, a determination after a hearing on the merits of a factual issue, made by a State court of competent jurisdiction in a proceeding to which the applicant for the writ and the State or an officer or agent thereof were parties, evidenced by a written finding, written opinion, or other reliable and adequate written indicia, shall not be redetermined or relitigated by a judge or court of the United States, unless—

"(1) the applicant shall establish or it shall otherwise appear, or the respondent shall admit—

"(A) that the merits of the factual dispute were not resolved in the State court hearing;

"(B) that the factfinding procedure employed by the State court was not adequate to afford a full and fair hearing;

"(C) that the material facts could not be developed at the State court hearing;

"(D) that the State court lacked jurisdiction of the subject matter or over the person of the applicant in the State court proceeding; or

"(E) that the applicant was an indigent and the State court, in deprivation of his constitutional right, failed to appoint counsel to represent him in the State court proceeding; or

"(2) the Federal court viewing that part of the record of the State court proceeding in which the determination of such factual issue was made, pertinent to a determination of the sufficiency of the evidence to support such factual determination, in the light most favorable to the prosecution concludes that a rational trier of fact could not have made such a finding.

No evidentiary hearing may be conducted in the Federal court when the State court records demonstrate the factual issue was litigated and determined, unless the existence of one or more of the circumstances set forth in paragraphs (1) through (6) is shown by the applicant.".

Mr. CHILES. Mr. President, last year we passed two bills which certainly will help as a part of the package in our fight against crime. The first one was the amendment to the doctrine of posse comitatus. It was a bill that Senator Nunn and I worked on, and it came out of the work that Senator Nunn did as chairman of the Permanent Committee on Investigations. That bill was passed and has become a part of the law. It is already considered to be tremendously successful. In my State, we have had Navy E-2 planes, the Hawkeye radar planes, and they have been used for drug surveillance.

Being able for the first time, to avail ourselves of the capacity of military intelligence and military equipment, has been of tremendous help in trying to combat drugs coming into this country.

That bill by itself, of course, will not do the job, and that is why we need other parts of the package.

Another major part was passed last year. It removed the ban that prohibited us from entering into agreements with other countries to have the herbicide paraquat used to spray the marihuana fields and the opium fields. The spraying program was successful in Mexico. But then we had prohibited use of the spray.

Mr. President, this has been a fight that has been going on for some time. Over 3½ years ago the Permanent Committee on Investigations started hearings into organized crime. Organized crime quickly brought us into drugs and narcotics, and we began to find the tremendous drug problems that were coming into this country. It has taken a considerable amount of time to come up with a package of legislation.

Most of this legislation was introduced last year. Some hearings have been held.

You cannot find people who are actually against the legislation. Yet it is languishing in committees, and at this late time in the session we have not passed any major crime bill. Time is running short on us, and that is why it is absolutely necessary that we try to bring this issue to the attention of the Senate to see that we have a block of time to deal with anticrime bills.

Mr. President, we have to realize that we need to work through two Houses. As of now I know of no bills that are on the calendar in the House; in fact, I think we have been ahead of the House probably even in the committee work we have done in regard to work on anticrime bills. So, I think it is tremendously important that we try to come forward with a block of bills, with a package of bills, that will speak to this question.

Approximately, a year and a half ago, some 13 Senators went to the White House to see the President of the United States, to lay before him our concerns with this tremendous problem of crime. The President was receptive at that meeting. He had the Attorney General there, he had Vice President Bush there.

Yet, Mr. President, we still do not see any anticrime bills that have actually made their way through the committee process and onto the floor.

We recognize there are tremendous other problems facing each of our committees and that are facing us in regard to passing other legislation. That is why we feel it is essential that we try to come forward with this legislation and that we try to begin to work on this package of bills I have talked about this morning.

Senator Nunn and I want to bring the attention of the Senate to focus on this matter. I would say, Mr. President, we do not consider this to be an exclusive package; we know other Senators have bills that also would go a long way to deter crime, and we would invite other Senators to bring their bills forward. In this way, we can make these proposals a part of a comprehensive crime package, then the Senate can set aside a block of time and use that time to pass a package of bills.

I would hope, Mr. President, we could pass that package of bills, and send that legislation to the House. Then I hope the American people will call to the attention of the House—and those Members are all running this year—that it would be time that they pass a package of crime bills.

Mr. President, it is interesting to see—and I guess this is how our democracy works—that with all the problems we have had to regard drugs and organized crime in my State that the first impetus for action came from the grassroots. It was the people themselves who finally decided that they were not going to allow the criminals to take complete authority and control over the State. They were going to do something about it themselves.

In my State, and across the country, you are seeing an organization and a network of neighborhood crime watch groups. On the other side, drug awareness and parent groups have organized themselves.

We are talking about a supply problem and we are also talking about a demand problem.

In my State, at the grassroots level, there is a tremendous impetus for citizen involvement to do something about crime, and to try to protect their neighborhoods, into cooperative efforts with the police. People are crying out and saying, "What in the world is going to happen, when are we going to get some help from the Federal Government? When are we going to get the kind of resources that we need?"

That has been a big problem, Mr. President, to try to find the resources we need. The people are also saying, "When can we have a comprehensive package of bills that is actually going to help us fight crime?"

I see Senator Nunn is here and I want to yield to him. At this time, I want to express my appreciation for the work he has done as the chairman of the Permanent Committee on Investigations or the subcommittee for a number of years. I think he took the leadership in the fight in this regard. He held hearings on organized crime. We then carried our subcommittee to Miami where we held hearings.

From his work on the Permanent Committee on Investigations we began to develop this package. He is the prime sponsor of the posse comitatus bill which, as I say, is working so effectively in my State now.

The tax reform proposal, which I know he will speak about today is once again a bill he has worked on. In fact, he has worked on all of the other bills in this package. I think that he has taken a tremendous role of leadership in trying to initiate this effort. I am happy to associate myself with him in this regard today.

RECOGNITION OF SENATOR NUNN

The PRESIDING OFFICER (Mr. Andrews). Under the previous order, the Senator from Georgia (Mr. Nunn) is recognized for not to exceed 15 minutes.

Mr. NUNN. Mr. President, I see the Senator from West Virginia here who would like to make a brief statement, and I will yield to him, and then I will yield to the Senator from Maine for a unanimous-consent request.

Mr. RANDOLPH. Mr. President, I am grateful for the consideration of the Senator from Georgia (Mr. Nunn). Of course, Senator Nunn and the Senator from Florida (Mr. Chiles), and many others in this Senate are giving intensive study to the critical crime problem in this country. They hope for a program with a broad base of support to control and prevent crime. This needs to be done more than ever before in our Nation.

People hunt animals in many parts of this country. And there are seasons that are closed, and then there are seasons that are opened. There may be 6 weeks or 2 months and it is an open season on a certain animal that people hunt. I was thinking, as Senator Chiles was talking, that there should never be a closed season on crime in this country.

People, as he has indicated, are beginning now to feel their individual responsibility. I think perhaps our greatest need in this Nation is a rebirth of individual responsibility, not a group responsibility, not a party responsibility, although we must have organizations, but personal responsibility.

This individual rebirth of responsibility is taking place, I hope.

Although some may say this is not related, I am constantly talking about the appalling lack of participation of the American people with the ballot, which is a part of the very constitutional process of this country. In my judgment, failure to vote is part of the larger problem of individual participation in solving the problems confronting our Nation, including crime. Only 53.4 percent of the men and women eligible and registered to vote in the elections of 1980 for President of the United States were at the polls. As the author of the 26th amendment for 18-, 19-, 20-year-old youths, I had such high hopes that these persons would be active participants in the democratic process. Then I look at the figures in 1980, and I find that these young people had only 22 percent, the lowest in our country, of participation with the ballot.

The young man comes to me or the young woman and says, "Senator, why is my one vote important?" And I say, and I believe it is the only way the answer can be given, "It is important because it is your vote. And if you do not use it, it ceases to exist." But I am hopeful that these conditions are changing and people are becoming more concerned about their obligations as citizens.

Somehow or other in the crucial days ahead we must work not at cross-purposes but with common goals to strengthen our communities, States, and Nation. One of these goals must be crime prevention and control. Thus, I am thankful to Senators Nunn and Chiles who are taking the initiative based on their assessment of the damage done to the body politic by increase in criminal activity throughout this country.

Mr. NUNN. I thank my friend and colleague from West Virginia, and I certainly would like to associate myself with his remarks on individual responsibility. I completely agree with that.

I yield to the Senator from Maine.

[The remarks of Mr. Cohen at this point in connection with the introduction of legislation are printed under Statements on Introduced Bills and Joint Resolutions.]

Mr. NUNN. Mr. President, I first wish to thank my friend and colleague from the State of Florida for his outstanding leadership in introducing this Crime Control Act of 1982. I have joined him as an original cosponsor. We have worked on this together. We have worked on the component parts of this legislation for several years. There probably is not any new proposal here this morning, but what is new is we are trying to put it in one package. And we are going to, not only today but for the next few weeks or months, or whatever time is required, we are going to bring it continually to the attention of our colleagues in the Senate until we do get action on these very important problems.

Mr. President, in the last few months many of us in the Senate have introduced tough legislation designed to deal with such nationwide problems as organized crime, narcotics trafficking, juvenile justice, arson and sentencing reform. The Judiciary Committee has worked long hard hours on criminal code reform. We have all unanimously passed Senator Heflin's Senate Resolution 141 in which we declared that:

> Taking all appropriate action necessary to combat violent crime should be a national priority as well as a priority in the Senate and should receive immediate attention.

We passed this in July 1981—9 months ago.

We all agree that Congress must do something to stem the rising tide of violent crime now sweeping this country and yet we have done little. But crime continues to be a worsening problem. Statistics compiled and published by the FBI and reported to us by Senator Heflin last July reveal that violent crime is running rampant in every section of the country. The FBI statistics indicate that, over the past 30 years, the number of murders in the United States has increased by 370 percent. Also, in 1980, crime was up nationwide by 10 percent.

One significant result of this alarming increase is the paralyzing effect it is having on the American people. They are virtually being held prisoner in their own homes by criminals who operate in the streets with impunity and with little or no fear of arrest or punishment. And this is particularly true for those who live in the inner cities—our older citizens, our minority groups. Increasingly they are, indeed, prisoners in their own country. A 5-minute drive through this very city will reveal the stunning truth: Honest citizens have had to bolt iron bars over their own windows and doors for protection against crime. We seem to have reached a complete reversal in our society: The law-abiding citizens lock themselves behind bars and the criminals freely roam our streets. It is as if an invading army had conquered our cities.

We all recognize that there is no one law or group of laws that we could pass which would solve this problem. And I certainly again want to emphasize my strong agreement with the Senator from West Virginia when he said that, in the final analysis, we have to resume individual responsibility in this country.

And we must remember that well over 90 percent of all crime committed in the United States falls within the jurisdiction of State and local law enforcement. On the average, a murder is committeed in the United States every 24 minutes. A house is burglarized every 10 seconds in this country. A woman is raped every 7 minutes in the United States. By and large, these crimes are beyond our direct reach here on the floor of the U.S. Senate. But we must also keep clearly in mind that organized crime flourishes. It is an interstate network of criminal operations which, in some areas of our country, controls entire industries. The illegal narcotics trade now does as much business in the United States as Exxon, our largest U.S. corporation. These problems—organized crime and drug trafficking—are problems we can directly address here and can have an impact on. And as we do, we will see that we have had an impact on burglaries and certainly we will have an impact on murders and many other crimes that are occurring. And these two problems spawn much of the violent crime which now infects our streets. A recent study, for example, found that 237 addicts were responsible for over 500,000 crimes over an 11-year period—about one crime every other day per addict. And most of these crimes were related to their drug use.

We can address this problem by taking measures in several areas. Specifically, we can address the areas of bail and sentencing for drug-related crime; we can address organized crime by improving our Federal law enforcement system; we can address the overcrowding and abuse of our Federal court system through habeas corpus reform. That is a part of this package. These are measures which many of us have already agreed upon. These are measures on which Senator Chiles and I have introduced bills in this Congress. I believe that the Reagan administration will agree with many of these measures.

Senator Chiles and I are today offering one piece of legislation which combines our efforts in these areas. In this bill we specifically address bail reform in narcotics cases, sentencing reform in narcotics cases, organized crime control, and habeas corpus reform. Our proposals are well known to all of our colleagues and are not controversial or the subject of much debate. We offer this legislation in the belief that, while we cannot all agree on the specifics of criminal code reform, we can at least agree on these basic steps to improve our Federal efforts against crime.

Over the next several weeks, I intend to discuss this and other pending criminal legislation, together with my colleague from the State of Florida, and I am hopeful that we will be able to act affirmatively in the area of criminal law during this Congress.

I also wish to thank Senator Roth, the chairman of the Permanent Subcommittee on Investigations, for his work in this area, as well as Senator Rudman, the vice chairman, who has played a vital role in many of our hearings since he came to the U.S. Senate.

This is not a partisan question, Mr. President. This is a bipartisan question that affects all of our constituents. Certainly while we are struggling over many controversial items in the budget and many other controversial items, we should pause for a moment and try to come together on a very important package of criminal law reform that indeed can lay the foundation for beginning to turn around these awful statistics that afflict our people.

I yield the floor.

Mr. CHILES. Mr. President, with Senator Nunn and Senator Randolph, I introduce a bill and ask unanimous consent that it be read for the first and second time.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

Mr. CHILES. Mr. President, I ask that the bill be read the first and second time.

The PRESIDING OFFICER. Is there objection to the bill having two readings on this day?

The Chair, in his capacity as a Senator from North Dakota, objects to two readings of the bill on this day. The bill will be read the first time.

Mr. CHILES. Mr. President, I ask that the clerk lay the bill before the Senate and read it for the first time.

The PRESIDING OFFICER. The clerk will read the bill for the first time.

The legislative clerk read as follows:

A bill (S. 2543) to improve the effectiveness and efficiency of Federal law enforcement efforts.

The PRESIDING OFFICER. The bill having been read once——

Mr. CHILES. Mr. President, I ask for the second reading.

The PRESIDING OFFICER (continuing). Is there objection to the second reading of the bill?

Mr. QUAYLE. I object.

The PRESIDING OFFICER. Objection is heard.

The bill having been read once, and the objection having been made to the second reading, the bill will be read the second time on the next legislative day.

Mr. CHILES. I thank the Chair.

RECOGNITION OF SENATOR QUAYLE

The PRESIDING OFFICER. Under the previous order, the Senator from Indiana is recognized for not to exceed 15 minutes.

U.S. SUGAR PRICE SUPPORT PROGRAM

Mr. QUAYLE. Mr. President, last September the Senate passed a farm bill which established an unwise and unneeded sugar price support program. We are now paying a very high price for our hasty actions. Not only are consumers facing increased sugar costs totaling over $3.6 billion, but our foreign policy and free trade policies are now threatened by the imposition of import quotas on sugar.

Furthermore, it is ironic that as we debate the budget and express concern about deficits, this sugar program may cost the taxpayers an additional $800 million.

Along with Senator TSONGAS I have introduced Senate bill 2484 to eliminate this embarrassing program. Joining us as cosponsors to S. 2484 are Senators PERCY, HEINZ, NICKLES, HUMPHREY, D'AMATO, ROTH, CHAFEE, WEICKER, SPECTER, LUGAR, DENTON, RUDMAN, GORTON, MATTINGLY, PELL, and MOYNIHAN.

Last September I cautioned the Senate that we would face the probability of huge and costly Government purchases of sugar under the program in the 1981 farm bill. At that time, the world price of sugar was around 11 cents per pound. It was quite clear that an oversupply of sugar on the world markets was going to drive prices lower. We also knew that the USDA could not avoid purchases of sugar if prices went much below 10 cents per pound, unless we resorted to the distasteful alternative of restricting imports. We knew that eventually we would have to make the unpalatable choice between direct Government payments to sugar producers and quotas on imports.

World production of sugar for the 1981-82 growing year is now estimated at 96.3 million tons by the USDA, 97 million tons by a British sugar analyst, and 96.7 million tons by a West German analyst. Since world consumption is expected to hover around 91 or 92 million tons, we will see 4 to 6 million tons of sugar added to an existing stockpile of about 4 million tons of sugar. In these circumstances, Mr. President, it is hard to fathom how prices can rise during the coming year—in fact, they will probably continue their precipitious decline. Thus the U.S. Government will continue to face the necessity of choosing between import quotas and losses to the U.S. Treasury.

The subsidies for sugar production in the United States can only exacerbate this imbalance between supply and demand. Sugar growers are encouraged to increase their plantings by the certainty of receiving a handsome return on their product. At the same time, high sugar prices lead to the substitution of cheaper sweetener substitutes such as high fructose corn syrup, which further cuts demand for sugar.

Preliminary estimates of 1982-83 sugar production are running at about 95 million tons, a total supply that would again exceed demand by several million tons. Mr. President, the worldwide glut of sugar is making and will continue to make the U.S. sugar price support program costly to consumers because world prices are almost certain to remain at their current low levels for the near future. The price support program will also continue to force us to choose between quotas and direct Government purchases of sugar for the next 18 months or 2 years.

Mr. President, we all know that artificial price supports for sugar are highly inflationary and costly to the consumer. We are also beginning to realize that the use of import quotas is seriously compromising our attempts to maintain free trade in international markets.

For the past several years we have been locked in an ongoing battle to convince the European Economic Community, the Japanese, and other trading nations to lift some of their restrictive barriers to trade with U.S. producers. Just last month, for instance, we were able to convince the EEC, at least temporarily, to back off from imposing new restrictions on imports of U.S. corn gluten feed. We now sell about $500 million of corn gluten to the EEC each year. In all, the United States sells about $45 billion worth of agricultural products abroad each year, about one-third of all U.S. agricultural production. Any threat of restricting this trade could be devastating to our agricultural economy, which is already undergoing its most severe crisis since the 1930's.

On April 26 of this year, before the President decided to invoke import quotas, Trade Representative Bill Brock said that such quotas would "make it more difficult" to argue against trade barriers in Japan and the EEC. Bill Brock's warnings are now being fulfilled. A case in point is a report from Tokyo dated May 18. Japanese Foreign Minister Yoshio Sakurauchi told the United States yesterday that Japan has virtually ruled out any immediate removal of import quotas on agricultural products. Japanese officials said their government would be quick to "point out Washington's recent imposition of sugar import quotas to counter any pressure by the United States."

I remind some of my colleagues, particularly those who are concerned about beef, that with the import quotas that Japan imposes on beef and other items, they will have hard sledding over this new policy we have adopted.

When President Reagan met with Brazilian President Figueiredo he was criticized for imposing import quotas. President Reagan will continue to hear a chorus of criticism on this subject, especially from the Caribbean Basin nations whose economies are dependent on sugar. I do not endorse the idea that we should base U.S. policy on the many suggestions coming to us from abroad, but we must remember that we have made a serious commitment to aid Caribbean and other developing nations in stabilizing their economies. I do not know the eventual consequences of our sugar import quotas on economic and political stability in the Caribbean, but I do know that our resolve and integrity in foreign policy initiatives and world leadership are going to be questioned because of the blatant contradiction between our stated political purpose and our actions in regard to protecting domestic sugar interests.

Another point we should keep in mind is that the United States has constantly pressured the Europeans to reduce their excessive subsidies for agricultural products such as sugar and wheat. Supporters of the U.S. sugar program often point to the unfair competition of highly subsidized EEC sugar as a reason for maintaining the U.S. sugar support program. While I wholeheartedly agree that EEC subsidies should be reduced or preferably eliminated, I think it is ludicrous to ask American consumers and taxpayers to compete with the Europeans in a bidding war to see who can be more generous toward their sugar growers. Why should Americans have to bear the huge burden of the U.S. sugar program simply to keep up with our placid European neighbors?

The point I would like to emphasize is simply that we will never convince the EEC either to open their own markets or to reduce their subsidies as long as we aimlessly pursue our own subsidies and import quotas on sugar. On May 14, EEC officials were quoted as saying, they feel U.S. sugar quotas may "help dispel the myth that our agriculture is more subsidized than in the United States." On this issue, they continued, "Americans really live in a glass house and they really should not throw stones at us."

Mr. President, I believe the sugar price support program is a blatant example of our damaging propensity to protect special interest groups in a way that saps the entire economy. I believe this program should be abolished immediately. Elimination of the sugar program would save the American consumer over $3.6 billion this year alone—not a small amount. It would also save us from the embarassing position of advocating free trade and economic development while protectionism is economically damaging in the long run, as we learned in the 1930's, but in the short run, it could be disastrous to the already depressed agricultural sector. I urge my colleagues to join us in eliminating the sugar program before more damage is done to American consumers, American agriculture, and the American economy.

Mr. President, I ask unanimous consent that recent articles and editorials on the sugar program from the Wall Street Journal, the New York Times, the Washington Post, the New York Daily News, and Business Week be printed in the RECORD immedately following my remarks.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, May 10, 1982]

SWEET CHARITY

President Reagan last week imposed import quotas on sugar in hopes of keeping his sugar price support program solvent. No doubt the quotas will shift some of the cost of subsidizing sugar farmers from the Treasury to the consumer. Caribbean Basin nations, supposedly an object of U.S. solicitude, also will likely pay. And none of this will really deal with the problem of the sugar supports.

The problem is that the sugar support prices are too high. That's not necessarily Mr. Reagan's fault, or at least not entirely. Sugar price supports were one of the prices he had to pay to win support for his tax rate cuts in Congress last year. The supports had expired in 1980 but sugar producers and their favorite Congressmen wanted them reinstated.

Sugar producers were worried because last summer's fine weather helped provide a very good harvest and, as a result, world sugar prices had fallen sharply from the 30-cents-a-pound level of last spring. Under the new four-year sugar plan, the price support level was set at its current 16.75 cents a pound, rising to 18 cents by 1985. Even at the time the measure was enacted last year, however, the world price for sugar was already down to 12.6 cents a pound. It has since fallen to about 8.5 cents, or about half the level guaranteed by the U.S. government.

With the U.S. price double the world price, the U.S. taxpayer was in some danger of subsidizing the entire world. U.S. farmers were filing applications for support payments and loans like crazy, threatening to force the government to cough up $800 million next fall to pay for surpluses. The import quotas are an effort to reduce this future exposure.

But this is ultimately a losing game. With those cushy supports provided to them by their Congressmen, the sugar farmers will merely be encouraged to produce more and more sugar and less and less of something else consumers might want. The government's bills, and the need to protect itself through quotas, will keep rising. Substitutes, such as fructose made from corn (which already supply 37% of the U.S. sweetener market) will become more attractive. Consumers will pay and pay, at the supermarket and in their tax returns, just as they have to maintain the lifestyles of dairy farmers, peanut farmers et al. Rep. Peter Peyser figures the consumer cost of the sugar program as it now stands at $3 billion a year.

Mr. Reagan's quotas also drive a truck through his two-month-old Caribbean Basin plan, which aims at fostering economic growth in the region through increased trade with the U.S. The President did say that Latin American and Caribbean sugar cane producers will receive special treatment under the import quota program. Nonetheless, some producers will be locked out of the U.S. market and the administration's flip-flop doesn't bode well for a lasting trade rapport with our neighbors to the South.

Commodity stabilization is one of those ideas that are plausible in theory—at some price level, government could ease the impact of weather and market cycles for farmers and thus make the business more orderly and secure. But in practice, politics comes into play and the support levels are invariably set too high. The result is inflated prices, overproduction and government stockpiles of unwanted products. The best answer to the sugar problem for Mr. Reagan is not quotas—indeed that may be the worst. It's to scuttle sugar supports at the first opportunity.

[From the New York Times, May 10, 1982]

A SHAMEFUL SUGAR POLICY

Not surprisingly, the White House did not really announce the decision to impose quotas on sugar imports. It merely confirmed the rumors that President Reagan will bring joy to a few thousand American sugar growers at a cost of about $1 billion to consumers and a further drain on the incomes of poor countries that depend on sugar exports.

In a rational world, the United States would not bother producing sugar in constant need of protection. Other countries, notably Brazil, the Philippines and some Caribbean islands, can supply all of America's needs at much lower cost.

But owing to protectionism, America still has sugar growers, and they cannot operate in an open world market. By allying themselves with other subsidy-seeking farm lobbies in Congress, the sugar growers keep enacting import barriers that protect a sizable portion of the American market.

Last year that alliance almost cracked. Other agricultural interests, stung by Congress failure to provide generous price guarantees, wavered on high tariffs on sugar. But a few sugar-state Democrats saved the industry by buying White House support with their votes for the Reagan budget. The 1981 farm bill set an effective minimum price for raw sugar at 18.5 cents a pound, several cents above the world price.

That might have been the end of it if world sugar prices had not further declined. Today sugar sells in the free market for about 9 cents a pound. And legal limits on import tariffs and fees make it impossible to protect the American price at the agreed-upon minimum. So President Reagan has decided to raise the domestic price by further limiting imports with quotas.

The quotas will add an additional $1 billion to Americans' sugar bill. They will also cut deeply into the revenues of impoverished sugar exporters, including the Caribbean nations that Mr. Reagan is so assiduously wooing with lectures on the magic of the free market.

Then why do it? The law's the law, say the President's supporters; the only way to make it satisfy domestic growers is to sock it to consumers and foreign growers.

Well, not quite. The Agriculture Department could help defend the domestic price by taking several hundred thousand tons of sugar "on loan" from domestic growers. Most likely, this sugar would end up as Government surplus, incurring a cost to taxpayers. But that would be only a fraction of the cost of quotas to consumers.

Why, then, choose quotas?

The answer is as simple as it is crude: Mr. Reagan is loath to add expenditures to the Federal budget. He prefers to hide the subsidy in the price of Coke and Frosted Flakes. Billions for sugar growers, but not one cent for Big Government.

Some day, America might adopt a sane sugar policy—that is, no sugar policy at all. For the moment, the best to hope for is a policy that satisfies the sweet deals in Congress at minimum cost to the economy. Quotas are not the answer.

[From the Washington Post, May 9, 1982]

REAGAN'S QUOTAS ON SUGAR GREW OUT OF A RAW DEAL

When President Reagan agreed last week to impose severely restrictive quotas on sugar imports, driving up domestic prices, it was a case of a raw political deal coming back to haunt him—and American consumers.

In addition to taking from $1.5 billion to $3 billion out of consumer pocketbooks by boosting sugar prices here a minimum of 5 cents or as much as 10 cents a pound, quotas make a farce out of the administration pretense that it believes in free trade and free markets.

Consumers will pay the price for this outrageous protective measure not only in the cost of sugar itself, but also for soft-drinks, candy and other foods using sugar.

And what an embarrassment for Reagan and his highly publicized Caribbean Basin initiative, which was supposed, among other things, to allow Caribbean countries to export sugar here duty-free! Quotas obviously would take away with one hand what was to be given with the other. And if quotas are adjusted for the Caribbean countries to maintain their traditional market shares, other exporters will have to be squeezed even more.

Sugar quotas, also, hardly make the administration trade hawks look good as they pressure Japan to drop quantity limits on imports of beef, citrus and other agricultural commodities.

Reagan got himself into this mess when he agreed not to oppose sugar price supports in order to button up three or four Southern state votes in Congress for his budget reconciliation bill last year. He was warned then that it could be costly—but his single-minded focus was on driving his budget through Congress.

In his award-winning Atlantic Monthly article on "The Education of David Stockman," writer William Greider reported how Stockman, for those few votes, "casually" traded a promise that the president would not oppose revival of a scandalous sugar price-support loan program that had been killed by Congress in 1979:

"'In economic principle, it's kind of a rotten idea,' [Stockman] continued. Did Ronald Reagan's White House object? 'They don't care, over in the White House. They want to win.'" In the same time frame, Reagan reversed his opposition to peanut price-support legislation to pick up five votes, four from the peanut state of Georgia.

As Greider wrote, Stockman was a willing participant in this open barter for votes. When the sugar deal was offered to him by a Southern congressman, he ran it past the White House: when they didn't say "no," Stockman sacrificed principle for votes. He and Agriculture Secretary John R. Block even put the peanut deal in writing.

". . . as the final balance was being struck," Greider wrote, Stockman "was forced to concede in private that the claim of equity in ahrinking the government was significantly compromised if not obliterated."

This is dramatically highlighted by new sugar quotas, which simply transfer the burden of protecting domestic sugar interests to consumers from the government, making a mockery of the Reagan propaganda line that he is "getting the government off your backs."

The specific White House congressional deal on sugar, passed last December, in effect guarantees American producers a price of 17 cents a pound—nearly twice the current glut-induced world market price of 9 cents.

Adding in duties and fees of 6.8 cents, plus the cost of shipping and insurance, the imported price works out to about 18 cents—which sets the market price here. Domestic producers claim they're losing money, and unless they can get 20 to 21 cents a pound, they'll exercise their right to force the government to lend them 17 cents a pound, and then forfeit the sugar to Uncle Sam. That could cost the federal treasury $800 million in fiscal 1983.

So Reagan turned to quotas as a way of boosting prices to 20 cents or more, allowing domestic producers to sell their sugar to consuming industries and individuals, rather than sticking Uncle Sam with it. For every dollar thus saved the budget, it appears consumers will have to shell out a minimum of $2.

Defensively, Secretary Block said that quotas were "necessary to avoid a massive flow of sugar imports into the United States, which would disrupt the commercial market for domestically produced sugar and would cause large quantities of domestic sugar to move into government ownership."

What Block failed to say was that regardless of the sugar glut, the administration would not have had to impose quotas now if it hadn't abandoned its own free-trade principles last year by agreeing to support prices. As Reagan or Stockman should have learned from the Faust legend, a bilateral pact with the devil has a costly payment in the end.

[From the New York Daily News, April 29, 1982]

Another Lump for Consumers

What an outrage! The Reagan administration is planning to belt all us consumers with a four-cent hike in sugar prices—as if we aren't having enough trouble with soaring costs and the recession and all that.

How did it happen? Well, Congress was sweet-talked by the sugar lobby into a price support program last year. Predictably, the domestic growers then produced a mountain of a crop.

Now, faced with the prospect of paying their bill, the administration is considering slapping quotas on cheaper imported sugar so that more of the homegrown product can be sold to consumers. The effect of this move will be to drive up the cost of sugar at the supermarket by four cents a pound.

While Congress bears the major part of the blame for the fiasco, President Reagan can't be exonerated. He approved the giveaway in return for votes to pass his budget and tax packages.

It was an inexcusable blunder. Opponents of the subsidy warned at the time that the government would have to shell out a huge bundle of dough if the notoriously erratic sugar market went into a tailspin. Now that the dire prediction has come true, Washington will make consumers pay through the nose to avoid adding to the already horrendous federal deficit.

And that's not all. Quotas are bound to offend friendly countries such as Brazil and the Philippines that export sugar to the U.S. They will mean real hardship for the economically depressed Dominican Republic—one of the countries targeted for special aid under Reagan's Caribbean Basin program.

And how, in good conscience, can we hammer the Japanese for throwing up import barriers against our farm products when we employ the same tactics against other nations' produce?

The sensible way to get out of the hole is to boot the sugar producers away from the public trough as soon as possible—preferably, right now. Resorting to quotas and other gimmicks won't remedy the original mistake, it will just make a bad situation worse.

[From Business Week, May 10, 1982]

A Sweet Deal Turns Sour

Last year the Reagan Administration made a deal with Congressmen representing the sugar industry to accept a price-support program in return for votes on its budget (page 36). Budget Director David Stockman, who engineered the deal, thought support could be supplied by the mix of import duties and fees the U.S. already uses to keep U.S. sugar prices higher than those of the world market. But under a world sugar glut, prices have sagged, and the Administration must now either impose country-by-country quotas on sugar imports, pushing up the price to U.S. consumer, or buy close to $300 million worth of surplus sugar that it will not be able to sell any time soon, which would increase spending at a time when it is fighting with Congress over the budget.

The sugar deal clearly never should have been made. But the basic problem is a price-support system that protects so many agricultural commodities from the free market. With apologies to Sir Walter Scott: Oh what a tangled web we devise, when first we practice to subsidize.

Mr. QUAYLE. Mr. President, I ask unanimous consent that the names of the cosponsors that I referred to in my remarks be added to the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. QUAYLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNITION OF SENATOR HARRY F. BYRD, JR.

The PRESIDING OFFICER. Under the previous order, the Senator from Virginia is recognized for not to exceed 15 minutes.

THE 1983 BUDGET RESOLUTION

THE FACTOR OF FORTY-FOUR, AND OTHER DEPRESSING THOUGHTS

Mr. HARRY F. BYRD, JR. Mr. President, today, I rise—with no enthusiasm—to address myself to the 15th regular budget resolution which has been presented to the Senate. Although the Senate debate is not yet half over, the spending and deficit figures already have been increased. In speaking today, I shall use the original figures, which already were bad enough.

Like many of my colleagues, I was "present at the creation" of the 1974 Budget Act—to borrow a phrase from Dean Acheson. So I have participated in all 14 regular budget resolution debates—plus a few debates on separate resolutions that revised the budget after a fiscal year was under way.

The very first resolution was a whopper. Passed in 1975, it projected a recordbreaking deficit of $68 billion. Indeed, the actual red ink total for fiscal year 1976 did reach $66 billion. That is a record which, officially, still stands—although obviously it will be broken this year and next.

It is a measure of the gravity of the Government's financial condition today that, were we able to bring the deficit for next year down to that record-

breaking total of $66 billion in 1976, we would consider ourselves heroes.

Sometimes a little history helps to put things into focus.

First, let me say that I recognize the hard work of the members of the Budget Committee and the difficulties they have faced.

But the appalling fact is that, even after all their hard work, all their difficult choices, they have brought to the floor of the Senate a resolution which projects deficits exceeding $100 billion each for 2 years in a row—the current year and the one beginning on October 1, 1982.

In round numbers, the deficit recommended by the Budget Committee for the current year, 1982, is $118 billion, and the deficit for the coming year, 1983, is $115 billion.

That means that if we are to pass this resolution, a majority of the U.S. Senate must go on record as stating that the deficits which are appropriate for this year and next exceed $100 billion each.

Perhaps a majority of the Senate will cast such a vote. I am convinced that a majority of the American people would not cast any such vote.

But there is a further difficulty. That is the question of the reliability of numbers.

Over the past 3 years, an interesting pattern has developed in our first congressional budget resolutions.

I call it the Factor of Forty-Four.

In the 1980 first resolution, spending was projected at $532 billion. The actual total for the year was a bit over $576 billion—an increase of about $44 billion.

In the 1981 resolution, spending was set at a little over $613 billion. It came in just above $657 billion. Another increase of $44 billion.

Last year, in enacting the first resolution for 1982, outlays were forecast to be just under $696 billion. The current resolution contains a revision of that figure, setting it at about $740 billion. You guessed it—that is an increase of $44 billion.

That is the Factor of Forty-Four.

If that same factor is at work in the calculations for the coming year—fiscal year 1983—then spending will be not the $783 billion contained in the resolution, but $44 billion higher, or $827 billion.

That would give us a spending increase over the current year of $86 billion, or 11 percent.

Even worse, we would have a deficit of $159 billion.

Beware the Factor of Forty-Four.

Mr. President, let me be the first to admit that the Factor of Forty-Four has no scientific validity but, given the track record of economists and public officials in their forecasts over recent years, it may be as sound a theory as anyone else's.

Indeed, the Factor of Forty-Four is already at work. Even as I am speaking, the deficit in the resolution is being increased. In any event, the Factor of Forty-Four is something worth keeping in mind.

On the revenue side of the budget, there also have been wide discrepancies between projections and results, but there has been no clear pattern. In the current year of 1982 we have experienced our first large-scale overestimate of revenues—$35 billion. Let us hope that this figure does not establish a new pattern.

In discussing the budget resolution so far, I have referred only to the current year of 1982 and the upcoming year of 1983.

The resolution also includes projections for the two succeeding years of 1984 and 1985—the so-called "outyears."

In my view, the projections for the outyears are of limited value. They are perhaps an expression of intent, but beyond that I cannot see that they are particularly significant.

Looking at what has happened to the projections for the current year just since it began—with the deficit going up from $43 billion to almost $118 billion—it is difficult to take seriously numbers that reach out 3 years into the future.

This inherent uncertainty is in part a reflection of the limitations of economic forecasting, and in a part a result of the political temptation to set spending estimates unrealistically low.

The economic variables themselves are so numerous, and they interact so extensively, that exactitude is not to be expected. Moreover, underlying all economic forecasts are even less reliable assumptions that are essentially psychological: Views about the confidence of consumers and investors, for example, which can spin like a weathervane in shifting winds when policy is inconsistent.

This element of confidence, however, is critical. The most important single contribution which Government can make to economic recovery is to follow steady policies which will build the kind of confidence that leads investors to provide capital, business to expand, and consumers to make purchases.

The last year has taught us that we have an imperfect understanding of what builds this kind of confidence. But I think we can be sure of this: Policies that lead to continued high deficits, continued increases in this national debt and continued huge Government borrowing will not build confidence. Quite the opposite.

Therefore, as I see it, we need a credible policy of deficit reduction—a substantial reduction and not a cosmetic one. We must get spending under control. The rate of growth in spending has been out of control. Let us look at the record.

For 1977 over 1976, spending grew by 10 percent.

For 1978 over 1977, spending grew by 12 percent.

For 1979 over 1978, spending grew by 10 percent.

For 1980 over 1979, spending grew by 17 percent.

For 1981 over 1980, spending grew by 14 percent.

For 1982 the current year over 1981, spending will grow by 13 percent, according to the Budget Committee.

Thus, the spending increase for the current year is almost as great as last year's.

It is significant to note that, for every year but one during that period, Federal spending went up faster than the inflation rate.

The budget resolution now before the Senate projects that spending in 1983 will show an increase over 1982 of just over 5 percent. Such a figure would be a welcome decline from the trend of recent years.

But is it credible?

At this time last year, it was confidently forecast that the increase for the current year—1982—over the preceding year would be 6 percent. But it has turned out to be 13 percent. In other words, the rate of spending increase has more than doubled.

How can we expect businessmen, consumers, wage earners, and investors to believe that the Government will hold the increase to 5 percent in the year ahead?

That is asking a lot.

If the marketplace looks at the record, the decisionmakers out there will note the Factor of Forty-Four and add something on the order of $44 billion to the expectation of Government spending. And as I pointed out earlier, that would raise the spending growth rate to 11 percent, which is in line with recent years.

So spending has not been controlled. Why should the public believe it will now be controlled?

I mentioned earlier that increases in the national debt, largely because of their tremendous impact on Government borrowing and therefore on the money market, also have a big impact on business and consumer confidence.

What does this budget resolution project as to the national debt?

It foresees that by the end of fiscal 1985, the debt will be $1,533 billion.

That is 44 percent above today's figure. Yes, a 44-percent increase in the debt in 3 years. How foolish can we get?

I said earlier that projections for the outyears are not reliable, and I believe that to be the case. But I think the general assumption will be that if the projections for spending and the debt level are inaccurate, they will be on the low side.

In other words, even the astonishing figure of a 44-percent increase in the debt—based on the record—may be too low.

Certainly the figure will be much too low if the Factor of Forty-Four—underestimating spending of $44 billion each year—continues to operate.

As I see it, the huge increase in the national debt—with all its implications for the level of Government borrowing, crowding in the money market, and upward pressure on interest rates—will not build confidence. It will undermine confidence.

Yet confidence must be restored if interest rates are to be lowered and economic recovery is to be achieved.

Today's interest rates are devastating.

How can we achieve a strong economy, how can we stimulate the housing market and the automobile market unless interest rates are substantially reduced.

Is it logical to believe that there can be a substantial reduction in interest rates if the Government must go into the money market for nearly one-half of all available funds?

Is it likely that there will be a significant reduction in interest rates when it is realized that the Government will spend $473 billion more than it takes in during the next 3½ years? The huge deficits provided for in the budget resolution for which we are asked to vote are pyramided on top of 20 years of other deficits. The accumulated effect will be devastating.

These huge deficits result from a combination of continued uncontrolled spending coupled with a reduction in revenues.

Earlier in this speech, I developed the fact that spending for the past fiscal year increased 14 percent and this budget resolution puts the increase the current year at 13 percent. Thus, contrary to the television commentators and the public perception, not only has there not been a reduction in spending but, indeed, there has been only a minute reduction in the rate of increase—from 14 to 13 percent.

Now, I need to say a word about taxes. In the fall of 1980, I voted against the Republican proposal (Roth-Kemp) to reduce taxes by 30 percent over 3 years. I also opposed the Democratic tax reduction program—being one of only two Members of the Senate to oppose both the Democratic plan and the Republican plan.

I did so not because I favored high taxes, but because neither proposal coupled tax reduction with a spending reduction.

Now comes 1981, and a new President, Ronald Reagan. He proposed a 25-percent reduction in taxes over a 3-year period, coupling that with a reduction in spending. Because he showed determination to control spending, I decided to support his program.

But none foresaw the huge deficits which now are apparent, and only recently have we learned that there has been no significant reduction in the rate of increase in spending.

If we are to have any hope of getting on a sound economic basis, if we are to reduce interest rates, if we are to encourage job-creating economic growth, if we are to continue to hold down inflation, then I believe the present budget resolution must be substantially reshaped. The figures submitted by the budget resolution simply are too high on the spending side and too low on the revenue side.

The projected deficits are too alarming to be permitted to stand.

I do not contend that these deficits can be cut without discomfort, but the longer we put off getting on a sound basis the more difficult it will be for everybody.

The Defense Department must be aware, for example, that while a strong national defense is essential, such cannot be maintained in the long run without a sound economy and a soundly based financial structure. Entitlement programs cannot be exempt from reductions, except that President Reagan and the overwhelming majority of the Congress feel that any changes in social security must await the report of the Commission which is now studying the entire scope of the program, with the mission of preserving its solvency.

In view of the gravity of the Government financial situation, it may also be necessary to eliminate or defer some of the various tax reductions enacted last year.

We must have a credible program of deficit reduction—otherwise, the critical element of business and consumer confidence will be lacking, and a soundly based and sustainable economic recovery will not be forthcoming.

While I do not profess to be an economist, I am of the view that there will be some recovery in the latter part of this year. I have noted the recent reports of gains in retail sales, consumer credit, housing starts, and factory orders.

The seeds of recovery are in the ground. But that does not insure a bumper crop.

What remains to be seen are the strength, the scope, and the duration of any such recovery. And the determination of that will depend to a significant extent on what is done by the Congress in acting on the budget.

The immediate and actual consequences of our budgetary decisions are considerable. But the psychological effects are even greater.

In summary, I cannot support the budget submitted to the Senate by the Senate Budget Committee for two basic reasons: Spending is too high, the deficits are too great.

Let me give precise figures taken from the Budget Resolution.

First. The committee puts the "appropriate" level of total budget outlays, namely spending for fiscal year 1983 at $783 billion, an increase of $126 billion over last year; and for 1985, $889 billion, an increase of $106 billion over fiscal year 1983.

I cannot vote for such huge increases in spending.

Second. The committee resolution on which I must vote says the "appropriate" deficits are $118 billion for the current year and $115 billion for the upcoming year. Such huge deficits, in my judgment, are not "appropriate."

I cannot vote for such deficits which, I feel, will play havoc with our economy, will keep interest rates high or force them higher, and probably will lead to renewed inflation.

Third. The committee resolution on which I must vote says that it is "appropriate" that the public debt go to $1 trillion $533 billion in 1985, an increase of 44 percent in 3½ years—yes, a 44-percent increase over what the debt is today. Thus, the debt will have doubled since 1978—a period of 7 years.

I cannot vote for such a staggering increase. The interest cost on the debt is now $115 billion. To put this figure in perspective, the interest cost is more that 50 percent of what we will pay for our entire defense needs.

To put it another way, 36 cents of every personal and corporate income tax dollar paid into the Treasury is already going—already going—to pay the interest on the debt. Obviously, a huge increase in the debt will mean a huge increase in the burden of interest costs on the taxpayer.

I shall vote against the budget proposal now before the Senate.

Mr. President, I suggest the absence of a quorum.

The **PRESIDING OFFICER**. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. **BOSCHWITZ**. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

The **PRESIDING OFFICER**. There will now be a period for the transaction of routine morning business not to exceed past 10 a.m., wherein Senators may speak for 3 minutes each.

The Senator from Minnesota is recognized.

S. 2545—PENSION PLAN CAPITAL FORMATION ACT OF 1982

Mr. **BOSCHWITZ**. Mr. President, today I am introducing the Pension Plan Capital Formation Act of 1982.

This legislation will provide small business with access to a currently unavailable pool of capital in excess of $130 billion—capital that is needed for growth and expansion of small business.

Very simply, this legislation removes the restrictions that presently prohibit a small business from borrowing money from an employee profit-sharing plan for legitimate purposes. The legislation would replace the total prohibition of certain transactions with substantial safeguards to protect the employees who participate in the plan, while providing a small business with access to much needed capital.

This is how it works: A loan of up to 10 years from a profit-sharing plan to a small business would only be allowed if it is adequately secured and its interest rate is not less than that of a comparable loan in the open market. Leases of real or personal property could be entered into between the small business and the profit-sharing plan, so long as the terms of the lease and the consideration obtained for it are comparable to leases, also in the open market—an arm's length transaction. The total value of these loans and leases cannot exceed 50 percent of the total value of the assets of the profit-sharing plan.

Mr. President, if I had been able to do this in my own business over the years, our retirement plan would have been much larger than it is today. Instead, a bank has invested the plan assets in investments that have caused it to grow at a rather slow rate. When you get into the rural parts of our country, like Minnesota, retirement plan funds almost inevitably flow to the larger cities and the money centers, not to the small businesses in the communities where the funds are generated.

Current law which prohibits these loans and leases is ERISA—the Employee Retirement Income Security Act—which was passed in 1974 primarily to protect the interests of employees. Before ERISA was passed, businesses were allowed to borrow money from either pension or profit-sharing plans if the loan was an arm's length transaction. ERISA was enacted to correct the highly-publicized abuses of self-dealing that occurred in large pension plans—not really in small business retirement plans, because, by and large, I find that small businesses are closely identified with their plans and their employees, and as a result do not abuse such funds. Unfortunately, the efforts to correct these abuses in pension plans have had a substantial negative effect on the profit-sharing plans of small businesses, where the moneys are truly needed. These profit-sharing plans comprise the vast majority of all retirement plans.

Mr. President, ERISA is a very technical and complicated law. For those small businesses that voluntarily choose to establish a profit-sharing plan, it imposes substantial paperwork and reporting burdens. In addition, the onerous restrictions on transactions between a business and a plan result in a disproportionate amount of the plan's assets being invested in large, publicly traded stocks and bonds. In effect, the restrictions compel plans to make those kinds of investments. As a result, much needed capital is drained from local communities while safe and secure investments with a greater rate of return are available in the plan's backyard.

This legislation will give some flexibility to those plans and will allow small businesses access to an additional, legitimate source of capital, while preserving and protecting the interests of the employees. It will keep capital in local communities by eliminating the middleman and at the same time provide the profit-sharing plan a greater return in a safe and secure investment. I urge my colleagues to join me in sponsoring this legislation and working for its passage.

Mr. President, I ask unanimous consent to have the bill printed in the Record.

[Applause in the gallery.]

The **PRESIDING OFFICER**. The galleries will be in order.

The bill will be received and appropriately referred; and, without objection, the bill will be printed in the Record.

The bill is as follows:

S. 2545

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) this Act may be cited as the "Pension Plan Capital Formation Act of 1982".

(b) Except as otherwise specifically provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Employee Retirement Income Security Act of 1974.

AMENDMENT OF DEFINITION OF QUALIFYING EMPLOYER REAL PROPERTY

Sec. 2. Section 407(d)(4) (29 U.S.C. 1107 (d)(4)) is amended by striking out subparagraph (A) and redesignating subparagraphs (B), (C), and (D) as subparagraphs (A), (B), and (C), respectively.

ALLOCATION OF PROHIBITED TRANSACTION ENFORCEMENT RESPONSIBILITIES

Sec. 3. Section 408(a) (29 U.S.C. 1108 (a)) is amended in the third sentence by inserting "with respect to plans described in section 4975 (e) (1) of the Internal Revenue Code of 1954" after "subsection".

EXEMPTIONS FROM PROHIBITED TRANSACTION PROVISIONS FOR CERTAIN LOANS, LEASES, AND SALES

Sec. 4. (a) Section 408 (b) (29 U.S.C. 1108 (b)) is amended by adding at the end thereof the following new paragraph:

"(12) (A) A loan made by a defined contribution plan to a party in interest who is a substantial employer maintaining the plan if the loan—

"(i) bears a reasonable rate of interest which is consistent with the fiduciary duties under section 404 and which is not less than the rate of interest which would be borne by a comparable loan made to an unrelated third party in an arm's-length transaction,

"(ii) is adequately secured, and

"(iii) is limited to a term of not more than 120 months.

"(B) A lease of real or personal property between a defined contribution plan and a party in interest who is a substantial employer maintaining the plan if the consideration obtained for the lease—

"(i) if obtained by the plan, is not less than the adequate consideration which would be obtained for a comparable lease entered into with an unrelated third party in an arm's-length transaction; or

"(ii) if obtained by the party in interest, is not more than the adequate consideration which would be obtained for a comparable lease entered into with an unrelated third party in an arm's-length transaction.

"(C) For purposes of subparagraphs (A) and (B), the term 'substantial employer' means an employer maintaining a plan who contributed during the preceding plan year not less than 75 percent of the employer contributions under the plan.

"(D) For purposes of subparagraphs (A) and (B), the determination of what is a comparable loan or lease may not include consideration of the tax consequences of the loan or lease.

"(E) Subparagraphs (A) and (B) do not apply in the case of a transaction if, immediately after the transaction, the aggregate fair market value of the loans and real and personal property described under such subparagraphs which are included in the plan's assets exceeds 50 percent of the aggregate fair market value of all the assets of the plan.".

(b)(1) Section 403(c)(1) (29 U.S.C. 1103(c)(1)) is amended by inserting "section 408(b)(12)," after "subsection (d),".

(2) Section 404(a)(1) (29 U.S.C. 1104(a)(1)) is amended by inserting "408(b)(12)," after "403 (c) and (d),".

(3) Section 408(d) (29 U.S.C. 1108(d)) is amended by inserting "(other than paragraph (12) of subsection (b) of this section)" after "(b), (c), and (e) of this section".

CONFORMANCE OF PROVISIONS RELATING TO TRANSACTIONS BY PARTIES IN INTEREST WITH PROVISIONS OF THE INTERNAL REVENUE CODE OF 1954

Sec. 5. Section 408(c) (29 U.S.C. 1108(c)) is amended—

(1) by striking out "any fiduciary from";

(2) by inserting "a fiduciary or party in interest from" after "(1)" in paragraph (1);

(3) by inserting "a fiduciary or party in interest from" after "(2)" in paragraph (2); and

(4) by inserting "a fiduciary from" after "(3)" in paragraph (3).

EXTENSION OF PROHIBITED TRANSACTION EXEMPTION PROCEDURE TO OWNER-EMPLOYEES

Sec. 6. Section 408 (d) (29 U.S.C. 1108 (d)) is amended by striking out "(a)," in the second sentence thereof.

AMENDMENTS TO THE INTERNAL REVENUE CODE OF 1954

Sec. 7. (a) Paragraph (2) of section 4975 (c) of the Internal Revenue Code of 1954 (relating to special exemption from prohibited transaction) is amended by inserting "with respect to plans to which part 4 of subtitle B of title 1 of the Employee Retirement Income Security Act of 1974 applies" after "subparagraph" in the third sentence thereof.

(b)(1) Subsection (d) of section 4975 of the Internal Revenue Code of 1954 (relating to exemptions from prohibited transactions) is amended—.

(A) by striking out "or" at the end of paragraph (14),

(B) by striking out the period at the end of paragraph (15) and inserting in lieu thereof "; or",

(C) by inserting immediately after paragraph (15) the following new paragraph:

"(16) any transaction described in subsection (i).", and

(D) by striking out "paragraphs (9) and (12)" in the next to last sentence thereof and inserting in lieu thereof "paragraphs (9), (12), and (16)".

(2) Section 4975 of such Code (relating to tax on prohibited transactions) is amended by redesignating subsection (i) as subsection (j) and by inserting after subsection (h) the following new subsection:

"(i) Certain Loans and Leases of Defined Contribution Plans.—

"(1) In general.—For purposes of subsection (d) (16), each of the following transactions shall be treated as described in this subsection:

"(A) A loan made by a defined contribution plan to a disqualified person who is a substantial employer maintaining the plan if the loan—

"(i) bears a reasonable rate of interest which is consistent with the fiduciary duties under section 404 of the Employee Retirement Income Security Act of 1974 and which is not less than the rate of interest which would be borne by a comparable loan made to an unrelated third party in an arm's-length transaction,

"(ii) is adequately secured, and

"(iii) is limited to a term of not more than 120 months.

"(B) A lease of real or personal property between a defined contribution plan and a disqualified person who is a substantial employer maintaining the plan if the consideration obtained for the lease—

"(i) if obtained by the plan, is not less than the adequate consideration which would be obtained for a comparable lease entered into with an unrelated third party in an arm's-length transaction; or

"(ii) if obtained by the disqualified person, is not more than the adequate consideration which would be obtained for a comparable lease entered into with an unrelated third party in an arm's-length transaction.

"(2) Definitions.—For purposes of this subsection—

"(A) Substantial employer.—The term 'substantial employer' means an employer maintaining a plan who contributed during the preceding plan year not less than 75 percent of the employer contributions under the plan.

"(B) Comparable loans and leases.—The determination of what is a comparable loan or lease may not include consideration of the tax consequences of the loan or lease.

"(3) Subsection not to apply.—This subsection shall not apply in the case of a transaction if, immediately after the transaction, the aggregate fair market value of the loans, and real and personal property described under paragraph (1) which are included in the plan's assets exceeds 50 percent of the aggregate fair market value of all the assets of the plan.".

(c) Subparagraph (B) of section 514(c)(9) of the Internal Revenue Code of 1954 (relating to real property acquired by qualified trust) is amended by adding at the end thereof the following:

"If the qualified trust leases property to a person who is a substantial employer (within the meaning of section 4975(i)(2)(A)) and such lease meets the requirements of section 4975(i), clauses (iii) and (iv) shall not apply to such lease.".

EFFECTIVE DATE

Sec. 8. The amendments made by this Act shall be effective for taxable years ending after December 31, 1982.

SENATE DEMOCRATIC TASK FORCE ON SMALL BUSINESS

Mr. BENTSEN. Mr. President, last Thursday, May 13, I was joined by Senators Robert C. Byrd, Stennis, Melcher, Dixon, and Levin to recognize Small Business Week. We did so at a hearing I chaired and conducted under the auspices of the Senate Democratic Task Force on Small Business.

It was not an optimistic hearing; we heard from four small business entrepreneurs who related the stark facts of the depression sweeping through our small business sector—from Texas to Oregon and Maine. I spoke at length about the effects of the recession and the administration's efforts to achieve too much, too quickly, in this Chamber last Wednesday. I do not intend to duplicate those comments today.

I want to add only that the depression in small business is delivering a double whammy to our small towns and rural communities.

Coupled with the depression in farming, many of our rural communities are beginning to look like they did back in the 1930's. We forget that America is still mostly small towns and rural communities. They provide the sons and daughters to protect our freedom, the taxes to build our roads, and the food to fill our stores. They and the small businesses which dominate our heartland are the real spirit of our Nation. Well, that spirit is sagging; it is being broken by hard times. It is easy sitting here in Washington talking about safety net this or safety net that. But the family farmer watching a life's hope being auctioned off or the small builder closing up a 30-year-old family business does not have a safety net. Neither do the 2.3 million hard-pressed farmers facing another year of low prices and perhaps bankruptcy. The American farmer today is spending as much time fending off the debt collector as planting wheat, corn, or cotton. He is having to do that just when his real income, adjusted for inflation, is at depression-era levels, as well.

Let me make one further point. In April, some 10.3 million Americans were out of work—the largest number since 1938. And, if you add the 1.3 million discouraged workers—men, women, and youths who in frustration have simply stopped looking for work—some 11.6 million Americans were jobless, the second largest number in our history and the largest number since 1933.

Let there be no doubt that we are in the midst of a very deep recession, and that small business, including farmers, are paying the heaviest price along with the millions of men and women seeking work without success.

TASK FORCE HEARING

The Senate Democratic Task Force hearing on May 13, heard from three small businessmen and one businesswoman. She was Mrs. Suzanne Trusler, Montana's Small Business Person of the Year for 1982. Mrs. Trusler and her husband have built a remarkable business and fully deserve to be so honored this year.

Mr. President, I ask unanimous consent for her testimony at the task force hearing to appear at this point in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Statement of Suzanne Trusler

Mr. Chairman and task force members. Thank you for the opportunity to present testimony today.

I am the vice president of Morning Star Enterprises, a general construction firm located on the northern Cheyenne Indian Reservation in Montana.

This is an important week for me and for my fellow businessmen here in Washington and throughout the Nation.

We are here to celebrate Small Business Week. This is a time that we not only enjoy the honors bestowed upon us as State Small Business Persons of the Year, but it is also a time to reflect upon the bleak financial future that small businesses face.

There has never been, since the Depression, greater stress on the small business as there is now.

It is hard to enjoy the success that we State winners have encountered when the high interest rates are still keeping small business floundering. We feel this is one of the primary reasons small businesses are rapidly disappearing from the business circle. The economic conditions of today are stalemating and destroying small business throughout the nation.

We have heard promises from this administration that they will create conditions under which small businesses can grow and prosper, yet almost every day we are reading the headlines of how U.S. business failures are near record levels.

In our business of construction, the lack of construction projects has forced many a reputable small contractor into bankruptcy.

This always creates a domino effect: when one of us goes out of business, our employees lose a job, the subcontractors lose contracts, the suppliers lose sales, and so on and so on.

Having grown up and started a business on an Indian reservation, I have seen almost every type of adverse economic condition that there is to see—from reservation cattle ranchers and farmers going broke, to a reservation unemployment rate of 60 percent, welfare programs at their extreme, and very little individual or tribal business. Thus, the bleak economic conditions that the entire country is facing now are not only on the reservations but are everywhere. It is absolutely frightening. It was almost easy to help combat the economic conditions on our reservation, but when we as small businessmen are expected to, as one speaker this week stated, help reestablish the country's credibility and stabilize the economy, it becomes too overwhelming. What a large task; yet, that's exactly what small business has done in the past and is doing now.

Statistics show that two out of every three jobs are created by a small business. They also show that small businesses represent nearly forty percent of the gross national product and have 2½ times more innovative ideas per employee than large firms, although large business is again 2½ times more likely to receive Government assistance. These statistics alone show that we definitely are the glue that holds America together, but we still receive the comfortable old shoe treatment—always there but never really noticed.

It seems when the times are the toughest and the small businessman's need is the greatest, the Federal Government is busily concentrating on Federal programs, mainly in the social areas. True, concentration on Federal programs is important, but should not be the most important issue. The Federal programs that we need are those that will help put our people back to work through small business. We are here to stay—many big businesses and Federal programs are not—but unless the current administration places more emphasis on using small business as a solution, we all will continue riding that train to a depression.

I have heard too much about the Great Depression to even be curious about it and I will continue doing my share to stay in business, pay taxes, and employ our people to avoid that, but we need help doing so. We cannot do it alone.

Small business has been fortunate to have received some help from the Small Business Administration but, as it turns out, that agency is fighting for survival.

It has proven to be the one agency that has all the tools to help small business.

It needs to be activated more, not deactivated.

The tools that SBA has to help are the loan guarantees for small business. It has, for construction, the bond guarantee, the small business set-asides and the 8a program.

We have participated in the 8a program and the loan guarantee program and, if it weren't for those two, our business could not have survived. Without the loan guarantee from SBA, banks are less likely to give a small business a loan. In our instances, being from a reservation, there was no way we could have obtained a loan.

We play a lead role in our Nation's economy, but it was only recently that a resolution was presented to allow the SBA administrator to participate fully in the meetings of the Cabinet Council on Economic Affairs. It has been the general consensus of the State winners that the SBA have Cabinet status. The need of small business is that great to this country's future.

It has been said before and I will say it again; many more steps have to be taken, many more policies made to strengthen small business before we can see economic recovery. It is well known that everyone likes a small business. In fact, everyone loves us. But, what we need is less affection and more tolerance and more commitment and representation.

Mr. BENTSEN. Mr. President, in my comments following her testimony, I asked Mrs. Trusler to carry a message to the President from Congress, or at least from the Democrats in Congress. She went to the Rose Garden at the White House immediately following her appearance before the task force, and I hope the message was received in the same bipartisan, cooperative spirit it was sent. The message was straightforward: The President's economic program is too large for our economy to digest at once. Looked at separately, its components of improved defense spending, tight money, and large tax cuts are necessary. But thrown together, they spell soaring deficits and real interest rates at record levels. And they spell depression for our small businessmen and women.

Mr. Ken Auvil, Mr. Francis Collahan, and Mr. Ronald Piercy followed Mrs. Trusler in presenting testimony before the task force. And I ask unanimous consent, Mr. President, for the testimony of Mr. Auvil and Mr. Piercy to appear at this point in my remarks in the Record.

There being no objection, the statements were ordered to be printed in the Record, as follows:

Testimony of Ken Auvil

Mr. Chairman, Senators. My name is Ken Auvil. I am founder and President of New Era Homes, located in Belington, West Virginia. We are the largest builder of modular homes in our state and aim our product primarily at low and moderate income residents. I am currently also the President of Small Business United of West Virginia, a grass roots organization dedicated to providing effective small business advocacy in our state and at the federal level when we feel we can be helpful.

I sincerely appreciate the opportunity you have given me to emphasize what you already know—that small business men and women throughout this country are being hammered into the ground by a national policy of high interest rates, tight money and curing inflation through unemployment. It is an interesting sidelight that two years ago, as Small Business Person of the Year 1980 for West Virginia, I was over in the Rose Garden with President Carter discussing the great success of the White House Conference on Small Business. We in small business have been asking President Reagan to reconvene that historic gathering of delegates representing our nation's 14 million small businesses, but he doesn't seem to want to hear from us. I'm certainly glad you do.

It is only because my company is small enough, and I am stubborn enough to want to assure my 55 employees a pay check, that New Era Homes is still in operation. Were profit—that all too often referred to bottom line—my only reason for being a manufacturer, my company probably would not be in business today. Last year, for example, my company paid an additional $100,000 in interest costs over the previous year. As you can imagine, in our industry, which has been decimated primarily because of the cost of money, that increase in cost cannot be passed along. It is simply impossible to raise our prices. So we just absorbed that horrendous increase in interest cost.

And I won't put a lock on the doors to our plant and wait for better times. My employees, like most small business employees, have been loyal to me. I must be loyal to them.

Fortunately, again because we are small, our manufacturing plant is flexible enough to roll with the punches more effectively than some of the larger firms in our industry. You may have read recently that U.S. Homes, one of our nation's largest home builders, was forced to close its doors. That means more people out of work and even fewer homes being built.

I want to build homes for West Virginians and to continue to help replace our State's severely substandard housing stock. But I can't afford to build them and our people cannot afford to buy them. In 1980, New Era Homes produced 75 percent single-family homes and 25 percent commercial structures—motels, apartments, office buildings. Last year, that ratio was exactly reversed. We produced only 25 percent single-family homes and 75 percent commercial structures. This year we're scrambling again and I can't guarantee what the results will be.

I'm paying 18, 19, sometimes 20 percent for money to finance our operation. We just can't survive long at those rates and long-term capital from other sources is incredibly scarce. And our potential home buyers, if they have a job, are being priced out of the market.

At current mortgage interest rates, 17 percent, it costs a homeowner $718 a month for 25 years to finance a $50,000 home. Now that's not a lavish home in today's market. If those interest rates were lowered to 12½ percent, certainly not what you and I would consider reasonable, the monthly cost for that home is lowered to less than $550 per month. That savings of almost $200 each month, $2,400 a year, quite probably means the difference between being able to afford a home and not being able to afford a home.

Must those interest rates be that high? Historically, we have paid from 3 to 5 points above the inflation rate for money. If the Reagan Administration's figures are accurate and current inflation is 3 to 4 percent, then shouldn't our real cost of money be 8 or 9 percent. I raise that question not because I have an answer, but because I and many others in our Nation want one.

Mr. Volcker and the Federal Reserve economists don't seem to understand that their tight money policies are forcing small businesses to close their doors in record numbers. Business failures have increased more than 100 percent since 1979 and some economists project that by the end of this year that failure rate could increase to 300 percent if corrective action is not taken immediately.

The huge government-sized businesses in our country apparently can survive these oppressive interest rates—they have a safety belt woven of deep reserves and the massive tax shelters provided by the Administration's economic program. Meanwhile, small business is going through the windshield as the Federal Reserve continues to apply the brakes.

But, it is not big business which can provide the jobs we need to get our economy moving again if small businesses are allowed to die. Small business is the job creator. Between 1976 and 1981, INC. magazine surveyed the 700 fastest growing small firms in our country. Those 700 small companies added 200,000 jobs to the labor force during those five years, an increase of 519 percent. In contrast, the Fortune 500 companies, the United States' largest industrial firms, added just seven per cent to their employee rosters

Inflation has been curbed by dislocating 10 million American workers. We must look to the small companies of our nation, manufacturers such as New Era Homes, retailers on Main Street, trade and service companies, small coal companies in West Virginia and neighboring states, and the high tech companies which provide the cutting edge of American innovation to provide paychecks to our country's working men and women.

Besides the critical problem of high interest rates, there are two items which would greatly benefit small business.

One is the implementation of a maximum jobs tax credit of at least 50 per cent of the first $6,000 in wages paid to a new employee. Each company should only be allowed a maximum aggregate credit of $100,000 per year, assuring the program would benefit small companies.

I want to emphasize that such a jobs tax credit will not only provide a subsidy for youth employment and jobs skills training, offset somewhat the impact of high interest rates and provide equity in the tax code for small, labor intensive firms as opposed to large capital intensive firms, but it will help reduce the massive deficit which has been predicted under the upcoming budget.

You are aware that the cost to the Treasury for every one per cent of unemployment—each million unemployed Americans—is estimated at $25 billions. If just one million jobs were created, and I have a strong belief that it would be more than that, and there is a maximum $3,000 credit per job, the most this program would cost the Treasury is $3 millions. However, the hiring of those one-million people would reduce the cost to the Treasury $25 billions, a reduction of $22 millions in the projected budget.

Reducing that deficit is critical for another reason. While it seems the Administration is somewhat unclear as to whether the impact of the Government's needing to borrow more than $100 billion will contribute to even higher interest rates, my dozen years as a state legislator and more as a businessman tell me its a lead-pipe cinch.

The other area of concern to small business owners I wish to mention is allowing small companies continued access to the use of Industrial Development Bonds and allow the pooling of several separate bonds into one common issue. That will save administrative expenses and make the bonds more attractive to potential investors. Very important is the tax exempt feature of the IDB's which enables small businesses to obtain funding for expansion and growth at interest rates usually 60 to 75 per cent of the prime lending rate.

I am aware of the criticisms of IDB's—that large firms have benefited at the expense of locally owned smaller firms. But 90 percent of all IDB's have been utilized by small companies and they should not be penalized for the possible excesses of larger companies.

You may be interested in a proposal that Small Business United of West Virginia made to our state legislators this week regarding the high interest rate situation. Feeling that we cannot wait for some national solution to our economic quagmire, we proposed that the state participate in an "interest rate buy-down" for small businesses seeking loans, Just as home builders and realtors are putting up some money to bring down interest rates to a national level for potential home buyers, we proposed that the state invest a relatively few dollars in buying down interest rates for small companies needing capital for expansion or survival. That buy-down would not be a gift from the taxpayers. We don't want a handout. It would be a loan and the borrower would be required to repay the state Treasury, or perhaps, pension fund, at a moderate interest rate. The key to the proposal is providing sufficient time for repayment so that the company could become economically healthy.

I am convinced we must take action now to assure that the most innovative, productive and job creating segment of our economy is not seriously damaged during this recession. If small business is to achieve the 50 percent of our Gross National Product goal called for in the report of the White House Conference on Small Business, then particular attention must be paid to the unique needs of small business. Our national economic security, I believe, depends on that recognition.

Placing our faith in some mythical hope that catering to the largest, most powerful economic entities in our nation will somehow trickle benefits down to our smaller, less powerful companies and individuals, is a folly we cannot afford.

We have seen in recent months a continuing and, to me, frightening spectre of merger after merger, with increased aggregation and concentration of our productive resources. It is apparent that nothing is being done to halt the insatiable appetite for acquisition.

Abraham Lincoln said over a hundred years ago that this nation cannot survive half slave, half free. We have a system of laws which assure the separation of political power. We must concern ourselves now with the concentration of economic power. For it is just as true, to paraphrase Lincoln, that we cannot survive as a nation politically free and economically slave.

Again, thank you for your interest. I will be happy to answer any questions you may have.

TESTIMONY BY RONALD L. PIERCY

Senators: My name is Ron Piercy and I am president of A-D-E Lumber and Supply Co., Inc., a Kansas City, Mo., wholesale lumber—family owned, small business.

We have been in business almost 23 years and are on the same brink of disaster that virtually the majority of small business in this country is on.

Small business cannot operate any kind of labor or capital intensive business in an interest rate climate of over 15 percent. We have been in such a mode since October 6, 1979, when the Federal Reserve decided to cure inflation in one fell swoop, by extracting its price for deflation out of business and the consumers of this country.

Do not get me wrong, I believe in a steady, moderate and even handled policy of money growth, but we have not received anything resembling that in my opinion. We have seen large speculators bailed out by the Federal Reserve System while at the same time, we see small companies, farmers, et cetera, struggling to survive in an exhorbitant interest climate.

We have seen erratic growth in money supply plus and minus, from month to month. We have seen erroneous M-1 figures put out each Friday which adds to all the confusion in the money markets.

The bottom line is that inflation is being licked because depression does deflate inflation. But is it long lasting in a growing world?

We have seen the creation of the money market instruments which have taken capital out of the communities all over this country, and ship it to the highest bidder, which more often as not is our own Government. This capital is the life blood of small business.

We have problems that are super big in proportion, but the answer is not to stifle the engine of production "free enterprise." It should be a crime for Treasury bills, the best security going to be sold as they are and at the rate they are sold, which saddles our future generation with crushing debt.

A controlled recession and depression causes massive unemployment at a time when tax revenues are critical for all the things we need.

We must come to an approach which strikes the middle ground between fiscal and monetary responsibility. We must plan a timely transition to a balanced budget and then an orderly repayment of our debt. Government must run with prudence just like each citizen must manage his of her resources or go into bankruptcy.

The three superpowers of American Government: the Federal Reserve, the executive branch, and the Congress, must set down together and agree to timetables for beating deficits and inflation and not use the radical approaches of the past.

Our company has gone from 23 employees in 1979 to 12 in 1982. We are in an industry that has suffered a virtual controlled depression. We have seen strong companies, well managed, go down. In my own area, a couple of vibrant retail yards in Wichita just liquidated and closed up. A retail yard of over 30 years business in Blue Springs, Mo.—"closed"—a retail yard of over a decade in Union Star declared bankruptcy—a wholesaler of some 28 years in Topeka liquidated—a large wholesaler in K.C. (part of the largest chain in the country) closed up. Scores of my customers have simply flown the coop—cleared out of our area and left suppliers holding the bag.

We deal exclusively with companies, not consumers, and our incidents of checks bouncing increases daily. Our sales to 90% to small business with approximately 10% to big business customers.

The dream of starting a company with a good idea and nurturing it to become a future big business is dead. The only new businesses starting up are one and two person survival tactic type businesses, such as window washing companies and the like.

Farm auctions dot the country side and farms are failing at alarming rates. Small business attempts to bridge the gap and continue to fight for free enterprise but it is losing ground fast.

Last year's tax bill did some good but it was not constructive in terms of stimulating the largest employer in this country.

SMALL BUSINESS

How can a small business that is not making any money invest for depreciation? How can the small percentage in the tax rates create any incentive with small business if and when a company makes $25,000, he has an effective tax relief of about $250. Can this be a stimulant for small business to expand and grow?

In conclusion, small business is the backbone of this country and it is bent out of shape. It can lead this country back to prosperity, but it cannot and will not move forward until the average cost of capital in this country drops below 15%. It is an economic fact that it cannot survive at levels above that percentage.

Give us fiscal responsibility and a prudent planned way out. Give us a climate where interest rates can sustain business and we will again come roaring back like we can do!

Small business can put the people back to work, but we need a conducive atmosphere in which to function.

Mr. BENTSEN. Mr. President, the task force heard from one additional witness yesterday. He was Dr. David Jones, a financial expert with the Wall Street brokerage firm of Aubrey, Lanston & Co., Inc. Dr. Jones presented powerful testimony regarding the damaging results of the administration's economic policies on small business. Before submitting his testimony, however, I want to highlight one point. Dr. Jones discussed the likely course of interest rates this year. As my colleagues know well, a sharp decline in interest rates—a fall to 12 percent in the prime at a minimum from the 16.5 percent rate today—is one key to a robust recovery later this year. But, my colleagues also know that we are counting heavily on the July tax cut to provide steam for that recovery, as well—to materially aid in boosting aggregate demand and retail sales.

Dr. Jones is not sanguine that either spark will be ignited this summer or fall. Indeed, he expects interest rates to stay up, and much of the tax cut to be saved—meaning only a slow and halting recovery. That is bad news for all of us. But it certainly should help focus the attention of Congress on the need to act speedily in trimming the budget to ease the demand for credit. That is one sure way to bring interest rates down and prove Dr. Jones to be a pessimist.

Mr. President, I ask unanimous consent for the prepared testimony of Dr. Jones to appear at this point in the RECORD.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

THE IMPACT OF THE REAGAN ECONOMIC PROGRAM ON SMALL BUSINESSES, THE FINANCIAL MARKETS AND ECONOMIC ACTIVITY

The U.S. economy is in a dangerous state of deepening recession and mounting financial disorder. Business failures in the first quarter of 1982 surged to the highest level in 40 years. Interest rates have soared beyond the reach of most mortgage borrowers, consumers and small businesses. Distressed business borrowing remains high as many profit-squeezed firms are forced to fall back on banks for loans to meet interest payments, unintended inventory accumulation, and cover other necessities. Compounding their problem is the inability of most businesses, small and large, to raise longer-term funds that could be used to lessen staggering short-term debt burdens.

Adding importantly to the current economic pain and distress is a profoundly disturbing Government policy mismatch between a commendable dose of prolonged and aggressive monetary restraint (aimed at crushing inflation and inflationary psychology) and an irresponsibly loose fiscal policy. Assuming no further congressional budget trimming actions, Federal budget deficits could escalate from $58 billion in fiscal 1981 to roughly $100 billion in the current 1982 fiscal year and still higher to about $180 billion in fiscal 1983. Heavy Federal Government borrowing required to finance these record deficits is likely, against the background of persisting monetary restraint, to keep interest rates high in the months ahead and to crowd out most other borrowers including many state and local governments.

ECONOMIC OUTLOOK

These financial pressures threaten to push the U.S. economy to the brink of collapse. The psychology of hard-pressed farmers, small businessmen, and mortgage borrowers, in particular, is turning negative and starting to snowball. Some eternally optimistic forecasters—mainly within the Administration and a few outside—expect a strong recovey in economic activity to begin around the middle of 1982. However, a more likely outcome would be a false start, involving a couple of months of stronger economic indicators around the middle of this year, followed by a return to prolonged sluggishness. Looking ahead on a quarter-to-quarter basis, real GNP, following a 3.9 percent decline in the first quarter of 1982, is likely to show no change in the second quarter, a slight 1-2% increase in the third quarter and another 1-2 decline in the fourth quarter of this year. Even more ominously, real GNP is likely to remain sluggish at least through the first half of 1983.

In such an environment, consumers are likely to save a significant portion of the mid-1982 tax cut, particularly in view of high real interest rates and special direct savings incentives. While this increased saving may eventually be good for the bond market, it provides little near-term solace for businesses facing plunging sales and profits. At the same time businesses, in the face of a choking short term debt burdens and declining productive capacity utilization rates, are attempting to cut back on spending, especially on new plant and equipment. The result may be a more pervasive and deep-seated recession than has been typically the case in the post World War II period. This, prospect, in turn, threatens more permanent weakness in the job market. The unemployment rate rose to a post World War II record level of 9.4% in April and further increases in the months ahead are likely. It would not be surprising to see the unemployment rate hit 10% or higher by summer of this year.

DOWNSIDE RISKS

At this moment, the risks of further financial adversity and economic collapse far outweigh potential sources of strength. The special combination of negative factors now at work include: severely strained businesses balance sheets characterized by excessive short-term debt burdens, weak liquidity positions, and a general vulnerability to a major shift in background conditions from accelerating inflation to disinflation, as is now occurring; an extremely weakened thrift industry posing the threat of unprecedented mergers and bankruptcies among savings and loan associations and mutual savings banks in the coming 3-6 months; declining state and local government spending and hiring that serves to reinforce recessionary tendencies, in contrast with typically rising public spending which in the past has cushioned recessionary tendencies; and world recession which has operated, along with a strengthening U.S. dollar, to depress foreign demand for U.S. exports.

It is this unique combination of downside risks that renders earlier post World War II recessionary experience almost meaningless in attempts to predict the depth and duration of the current recession. About the only conclusion that can be safely drawn at present is that sustained economic recovery is unlikely to begin until there has been a significant drop of 4-5 percentage points in real interest rates. So far, at least, real interest rates remain at or near the peak levels of 1981, which are 2-3 times the normal level.

BUSINESS FAILURES

According to Dun and Bradstreet, business failures so far in 1982 are running at a whopping 3 times the pace as recently as 1979. In the week ending February 11 a post-Depression record 529 businesses folded (this figure includes construction, manufacturing, retailing, but excludes finance, insurance and real estate). More recent data show little relief, as evidenced by a still high 511 business failures in the last week of April.

The special feature of the current recession is that it is a grass roots business recession. So far at least smaller businesses are being hit the hardest in contrast with more dramatic failures of larger companies such as W. T. Grant and Penn Central in earlier recession periods. In addition, there are perhaps more severe current problems in the farm sector than at any time since the depression. Farm debt is massive, land values and food prices are falling, and new credit is costly and increasingly scarce to all but borrowers of the highest creditworthiness.

INTEREST RATE OUTLOOK

The Reagan Economic Program is largely responsible for the current extraordinarily high level of interest rates. In essence, the program involves an attempt to do too much, too fast. The program generally and appropriately supports prolonged monetary restraint aimed at permanently reducing inflationary pressures. However, at the same time the program virtually guaranteed a severely unbalanced Federal budget, in providing for a massive 3-year tax cut program on one hand while calling for a sharp step up in defense spending on the other. Adding to the upward pressure on short-term interest rates—apart from the clash between monetary restraint and Federal borrowing excesses—has been distressed business borrowing at banks.

Only three options are available in bringing interest rates down. First the Federal Reserve might cave in and open the money and credit floodgates (though this seems most unlikely). Secondly, the Federal budget deficit might be sharply reduced in fiscal years 1983-85 (a prospect that seems less likely day by day, particularly in an election year and after the breakdown of the budget talks). Third, the recession may deepen and widen, eventually causing business and consumers to cut back spending and borrowing to minimal levels. At present, the third alternative seems the most likely, though most painful, avenue to eventually lower interest rates.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

FIRST CONCURRENT BUDGET RESOLUTION

The PRESIDING OFFICER. Under the previous order, the hour of 10 a.m. having arrived, the Senate will now resume consideration of Senate Concurrent Resolution 92, which the clerk will state by title.

The assistant legislative clerk read as follows:

> A concurrent resolution (S. Con. Res. 92) setting forth the recommended congressional budget for the U.S. Government for the fiscal years 1983, 1984, and 1985, and revising the congressional budget for the U.S. Government for the fiscal year 1982.

The Senate resumed consideration of Senate Concurrent Resolution 92.

CALL OF THE ROLL

Mr. BAKER. Mr. President, I ask unanimous consent that it be in order to suggest the absence of a quorum without it charged the statutory time for debate or against either party.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll and the following Senators answered to their names:

[Quorum No. 33 Leg.]

Andrews
Armstrong
Baker
Byrd, Harry F., Jr.
Byrd, Robert C.
Cranston
Domenici
Durenberger
Exon
Glenn
Heinz
Hollings
Mattingly
Moynihan
Simpson
Specter

The PRESIDING OFFICER. A quorum is not present.

Mr. BAKER. Mr. President, I move that the Sergeant at Arms be instructed to require the attendance of absent Members and I ask for the yeas and nays on the motion.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Tennessee. The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Kansas (Mr. DOLE), and the Senator from Arizona (Mr. GOLDWATER), are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Connecticut (Mr. DODD), the Senator from Missouri (Mr. EAGLETON), the Senator from Maryland (Mr. SARBANES), the Senator from Arkansas (Mr. PRYOR), are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 89, nays 5, as follows:

[Roll call Vote No. 122 Leg.]

YEAS—89

Abdnor
Andrews
Armstrong
Baker
Baucus
Bentsen
Biden
Boren
Boschwitz
Bradley
Brady
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chafee
Chiles
Cochran
Cohen
Cranston
D'Amato
Danforth
DeConcini
Denton
Dixon
Domenici
Durenberger
East
Exon
Ford
Garn
Glenn
Gorton
Grassley
Hart
Hatch
Hatfield
Hawkins
Hayakawa
Heflin
Heinz
Helms
Hollings
Huddleston
Humphrey
Inouye
Jackson
Jepsen
Johnston
Kassebaum
Kasten
Kennedy
Laxalt
Leahy
Levin
Lugar
Mathias
Matsunaga
Mattingly
McClure
Melcher
Metzenbaum
Mitchell
Moynihan
Murkowski
Nickles
Nunn
Packwood
Pell
Percy
Pressler
Randolph
Riegle
Roth
Rudman
Sasser
Schmitt
Simpson
Specter
Stafford
Stennis
Stevens
Symms
Thurmond
Tower
Tsongas
Wallop
Zorinsky

NAYS—5

Long
Proxmire
Quayle
Warner
Weicker

NOT VOTING—6

Dodd
Dole
Eagleton
Goldwater
Pryor
Sarbanes

So the motion was agreed to.

The PRESIDING OFFICER. With the addition of Senators voting who did not answer the quorum call, a quorum is now present.

Mr. BAKER addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. BAKER. Mr. President, may we have order?

Mr. ROBERT C. BYRD. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. BAKER. Mr. President in a moment, on behalf of the Budget Committee, I shall send to the desk a modification to Senate Concurrent Resolution 92. However, before I do that, I should like to explain the situation as it exists at this time.

The modification is extensive. A copy will shortly be on the desk of each Senator.

I have discussed this matter with the distinguished minority leader, and he has suggested that, in view of the rather extensive changes that are made by the modification, the better part of discretion would be to recess briefly while Senators have an opportunity to examine this document. Therefore, immediately after I modify the resolution, I will ask unanimous consent that the Senate stand in recess until 12 noon.

In the course of conversations, Mr. President, several things emerged that are probably of interest to Members, in terms of the management of this resolution.

First, there are several ways to proceed to conform this resolution to the wishes of a majority of the Budget Committee. I will not prolong these remarks by describing them in detail, except to say that I prefer this method because I believe it gives every Senator a maximum opportunity to offer amendments and to assert a point of view and an opportunity for all Members, in effect, to be together in the starting blocks.

The modification is not an amendment. The modification will be original text. It is subject to amendment thereafter. I have indicated, on inquiry from the minority leader, that, to the extent it is possible to do so, I am willing to recommend to the chairman of the committee—the manager of the bill on this side and the one designated to control time under the statute on this side—that we vote on the merits of each issue as it is presented. That does not mean that there never will be a tabling motion. Perhaps there will be. But there is no intention to try to deprive the Senate of the right to vote on the issues on their merits, absent circumstances that strongly indicate the contrary.

As I indicated last evening, I am anxious to provide that every Member will have the opportunity to present amendments; and the minority leader has requested, and I have agreed, that we informally propose that Senators will alternate on Republican and Democratic sides of the aisle as they present the amendments.

Once again, no unanimous-consent order will be requested to that effect, but I herewith represent that that is my policy and that is my intention. There may be times when that will not be possible, because there may be times when there are not amendments on one side or the other that are eligible at that moment or are convenient at that moment to be presented. But to the maximum extent, I pledged to the minority leader—and I reiterate now to all Senators—that I will make an effort to see that there is some rough approximation of opportunities on an alternate basis for Republicans and Democrats to act on this text.

Mr. President, the point was raised that there may not be enough time to

deal with this matter. Let me say two things.

First, there is a lot time left—28 hours, give or take a little—and I am convinced that we can deal with this matter in that time. But I am perfectly willing to reiterate another representation I made to the minority leader and to the ranking minority member of the Budget Committee. If we come to the end of the 28 hours and it is clear that there should be some additional time for debate, I am willing to consider that and to try to negotiate a satisfactory arrangement. There will be no effort on this side to deprive Senators of the opportunity to discuss the matter.

In that connection, Mr. President, we have a good bit of time remaining in which to do this, and it is the intention of the leadership on this side to complete this resolution, if it is possible to do so, this week.

I understand that there are commitments, perhaps even on both sides of the aisle, on Friday that Senators may wish to fulfill, which will call them away from the Senate Chamber. I expect, however, that it may be necessary to have a session on Friday to deal with this matter.

I assure Senators that I will try to cooperate with them to meet the maximum convenience of Members and to do it as early as possible on Friday, assuming that we do not finish this measure on Thursday.

In terms of the schedule, Mr. President, it is my intention to ask the Senate to remain in session until perhaps 8 o'clock this evening and to go out until an early hour tomorrow. I have not yet discussed that hour with the minority leader, and I shall do so shortly. It will be an early time, so that we can try to come down the home stretch on Thursday. Thursday is the regular late day. I hope desperately that it is not as late as last Thursday. But Senators should be on notice that Thursday, in all likelihood, will be a late evening and that an effort will be made to try to finish this resolution at that time. If we cannot finish on Thursday, at a late hour during the evening, I am prepared to go over until early Friday, but it is not my preference that we do so.

Mr. President, I have taken this time to give an outline of the situation as it exists and to relate the conversations that have been conducted.

I am prepared now to yield to the minority leader.

Mr. ROBERT C. BYRD. Mr. President, the distinguished majority leader is certainly within his rights and within the rules in proceeding as he has stated he will do. There is no question that he can do this by simply saying that he is directed by the Budget Committee, a majority thereof, to modify the pending resolution; and he can make whatever modifications he chooses and in as many places as he chooses, since no amendment has been adopted to the resolution thus far.

Mr. President, I thank the distinguished majority leader for yielding. I understand that he intends to retain the floor, and I respect that right. That was his intention, to yield on that basis only.

Mr. BAKER. Mr. President, I ask unanimous consent that I may yield to the minority leader without losing my right to the floor.

The PRESIDING OFFICER (Mr. COCHRAN). Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, we are faced here with a situation in which the majority party, all day yesterday, for the most part—insofar as action on this resolution is concerned—met in caucus and deliberated and brought forth a modification en bloc of the resolution that has been pending before the Senate for several days.

I do not say what I am about to say with rancor; I simply state a fact. The Members on my side of the aisle have been given no opportunity to offer amendments. If I were still leader of the majority, I might proceed to act on some occasion as the majority has acted, because it is within the power of the majority to do so. They kept our Members from offering amendments because if this resolution had been amended, it would have been more difficult for the majority to present this modified version of the resolution which contains many amendments en bloc and on which otherwise the Senate would have been voting individually and separately. But as the situation is, this resolution is being amended in many places. There will be no votes on those amendments, as such, individually; there will be no opportunities to table amendments, and so forth. So it is a move within the rules. But I think Senators on my side of the aisle should know what is happening.

Second, I should point out that no Democrats in the Senate were involved in those meetings yesterday and no Democratic members of the Budget Committee were involved.

And, of course, the Budget Committee is made up of a majority of Republicans, as it is expected to be, and if the Republican majority can get a majority of the Budget Committee to approve of the modification of the resolution as the distinguished majority leader is about to send to the desk, they can do that. However, I must say that we Democrats, while we knew yesterday that something of this kind was going on, have had no opportunity to study the changes. We had no opportunity to have any input into the changes and we have only now been provided with a copy of what amounts to a new resolution in many ways.

I also take the floor to point out that the majority on the Budget Committee have removed from this particular package the $40 billion in cuts under social security which we on our side of the aisle have objected to strenuously and on which we have had two rollcall votes heretofore in recent days. We Democrats were defeated on both those rollcall votes, but nevertheless we sought to protect the elderly citizens of our country from having the budget balanced on their backs. So this is part of a pattern that we have seen emerge over the past year.

Last year, as Senators will recall, the administration sent to the Congress a proposed $88 billion in cuts in social security, one of which was a reduction in the amount, by about 40 percent, which those individuals electing to retire at age 62, perhaps for health reasons, would otherwise receive if they worked until they were age 65. We on this side of the aisle offered an amendment to reject that social security cut, and our amendment was beaten down by 1 vote on a party-line vote, whereas, our good friends on the other side of the aisle then seized our language, after defeating us by 1 vote, and made a slight change so that parliamentarily their amendment would be in order; whereupon we joined with them and by a vote of 96 to 0 sent the White House the message that the Senate would not concur and would not go along with that social security cut.

Also the minimum social security payments were eliminated last year. That fell through the President's safety net, and we Democrats tried five times to restore those minimum social security payments and five times we failed on party-line votes until the President in September went before a televised national audience and stated that he was asking Congress to restore the minimum social security payments. When he reversed his own position, of course, our Republican friends joined us, and again we Democrats were able to declare victory because when our Republican friends joined us at the behest of the President—who had initially requested the cut—we were able to restore the minimum social security payment for 3 million Americans.

Now, after two bites at the apple, and our efforts to assure the elderly community of this country that it would not suffer $40 billion in social security cuts in this budget process, and having lost—again on party-line votes—our Republican friends have joined together on yesterday to remove the $40 billion cut in social security from this package for the time being at least. So I again say we Democrats can declare victory for our points of view once more because this is the third time that we have seen our efforts prevail in the long run although they lost in the earlier skirmishes.

So I thank my distinguished friend the majority leader and others in the majority party for coming around to the Democratic point of view on saving social security from cuts in the budget process.

I do not want to impose on the majority leader any longer. He has the floor, and, of course,——

Mr. RIEGLE. Mr. President, will the majority leader yield for a question?

Mr. BAKER. No.

Before I do, I am perfectly willing to go forward with this a little later.

Mr. ROBERT C. BYRD. May the majority leader allow me to finish my sentence?

Mr. BAKER. Yes.

Mr. ROBERT C. BYRD. He has the floor.

I wish to say that I do not want to prevail on the majority leader any longer. He has the floor. He certainly could cut me off in the middle of a sentence if he wanted to, but he would never do that, I am sure.

I thank him for yielding to me.

Mr. RIEGLE. Mr. President, will the Senator yield?

MODIFICATION

Mr. BAKER. Mr. President, on behalf of the committee I send a modification to the desk.

I modify the resolution, send the modification to the desk, and ask the clerk to report.

The PRESIDING OFFICER. The resolution is so modified.

(The modified resolution is as follows:)

S. Con. Res. 92

Resolved by the Senate (the House of Representatives concurring), That the Congress hereby determines and declares, pursuant to sections 301(a) and 304 of the Congressional Budget Act of 1974, that:

(a) The following budgetary levels are appropriate for the fiscal years beginning on October 1, 1981, October 1, 1982, October 1, 1983, and October 1, 1984:

(1) The recommended levels of Federal revenues are as follows:

Fiscal year 1982: $623,000,000,000.
Fiscal year 1983: $668,200,000,000.
Fiscal year 1984: $741,000,000,000.
Fiscal year 1985: $825,000,000,000.

and the amounts by which the aggregate levels of Federal revenues should be increased are as follows:

Fiscal year 1983: $23,200,000,000.
Fiscal year 1984: $39,000,000,000.
Fiscal year 1985: $45,000,000,000.

(2) The appropriate levels of total new budget authority are as follows:

Fiscal year 1982: $777,600,000,000.
Fiscal year 1983: $835,200,000,000.
Fiscal year 1984: $896,900,000,000.
Fiscal year 1985: $972,600,000,000.

(3) The appropriate levels of total budget outlays are as follows:

Fiscal year 1982: $740,700,000,000.
Fiscal year 1983: $783,500,000,000.
Fiscal year 1984: $832,200,000,000.
Fiscal year 1985: $889,200,000,000.

(4) The amounts of the deficits in the budget which are appropriate in the light of economic conditions and all other relevant factors are as follows:

Fiscal year 1982: $117,700,000,000.
Fiscal year 1983: $115,300,000,000.
Fiscal year 1984: $91,200,000,000.
Fiscal year 1985: $64,200,000,000.

(5) The appropriate levels of the public debt are as follows:

Fiscal year 1982: $1,144,200,000,000.
Fiscal year 1983: $1,292,000,000,000.
Fiscal year 1984: $1,419,800,000,000.
Fiscal year 1985: $1,532,800,000,000.

and the amounts by which the temporary statutory limits on such debt should be accordingly increased are as follows:

Fiscal year 1982: $64,400,000,000.
Fiscal year 1983: $147,800,000,000.
Fiscal year 1984: $127,800,000,000.
Fiscal year 1985: $113,000,000,000.

(6) The appropriate levels of total Federal credit activity for the fiscal years beginning on October 1, 1981, and October 1, 1982, are as follows:

Fiscal year 1982:

(A) New direct loan obligations, $67,300,000,000.

(B) New primary loan guarantee commitments, $93,000,000,000.

(C) New secondary loan guarantee commitments, $69,000,000,000.

Fiscal year 1983:

(A) New direct loan obligations, $63,600,000,000.

(B) New primary loan guarantee commitments, $102,200,000,000.

(C) New secondary loan guarantee commitments, $68,300,000,000.

(b) Pursuant to sections 301 and 304 of the Congressional Budget Act of 1974, the Congress hereby determines and declares the appropriate levels of budget authority, and budget outlays, for the fiscal years 1982 through and inclusive of 1985 and the appropriate levels of new direct loan obligations, new primary loan guarantee commitments, and new secondary loan guarantee commitments for fiscal years 1982 and 1983 for each major functional category are:

(1) National Defense (050):

Fiscal year 1982:

(A) New budget authority, $216,900,000,000.

(B) Outlays, $190,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $30,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, $251,700,000,000.

(B) Outlays, $215,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $30,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $278,300,000,000.

(B) Outlays, $243,000,000,000.

Fiscal year 1985:

(A) New budget authority, $316,500,000,000.

(B) Outlays, $277,700,000,000.

(2) International Affairs (150):

Fiscal year 1982:

(A) New budget authority, $16,800,000,000.

(B) Outlays, $11,400,000,000.

(C) New direct loan obligations. $10,400,000,000.

(D) New primary loan guarantee commitments, $9,300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, $16,200,000,000.

(B) Outlays, $12,100,000,000.

(C) New direct loan obligations, $10,200,000,000.

(D) New primary loan guarantee commitments, $9,300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $16,700,000,000.

(B) Outlays, $12,300,000,000.

Fiscal year 1985:

(A) New budget authority, $21,000,000,000.

(B) Outlays, $12,200,000,000.

(3) General Science, Space, and Technology (250):

Fiscal year 1982:

(A) New budget authority, $7,000,000,000.

(B) Outlays, $7,100,000,000.

(C) New direct loan obligations, $200,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, $7,800,000,000.

(B) Outlays, $7,600,000,000.

(C) New direct loan obligations, $200,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $7,700,000,000.

(B) Outlays, $7,800,000,000.

Fiscal year 1985:

(A) New budget authority, $7,300,000,000.

(B) Outlays, $7,400,000,000.

(4) Energy (270):

Fiscal year 1982:

(A) New budget authority, $4,800,000,000.

(B) Outlays, $6,400,000,000.

(C) New direct loan obligations, $10,600,000,000.

(D) New primary loan guarantee commitments, $1,700,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, $5,300,000,000.

(B) Outlays, $5,000,000,000.

(C) New direct loan obligations, $12,100,000,000.

(D) New primary loan guarantee commitments, $600,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $4,600,000,000.

(B) Outlays, $3,900,000,000.

Fiscal year 1985:

(A) New budget authority, $4,500,000,000.

(B) Outlays, $3,700,000,000.

(5) Natural Resources and Environment (300):

Fiscal year 1982:

(A) New budget authority, $10,300,000,000.

(B) Outlays, $12,800,000,000.

(C) New direct loan obligations. $30,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, $9,900,000,000.

(B) Outlays, $11,400,000,000.

(C) New direct loan obligations, $30,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $9,300,000,000.

(B) Outlays, $10,300,000,000.

Fiscal year 1985:

(A) New budget authority, $8,900,000,000.

(B) Outlays, $9,300,000,000.

(6) Agriculture (350):

Fiscal year 1982:

(A) New budget authority, $9,900,000,000.

(B) Outlays, $13,806,000,000.

(C) New direct loan obligations, $22,600,000,000.

(D) New primary loan guarantee commitments, $2,700,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, $6,600,000,000.

(B) Outlays, $10,100,000,000.

(C) New direct loan obligations, $19,000,000,000.

(D) New primary loan guarantee commitments, $2,600,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $8,300,000,000.

(B) Outlays, $8,200,000,000.

Fiscal year 1985:

(A) New budget authority, $6,700,000,000.

(B) Outlays, $7,300,000,000.

(7) Commerce and Housing Credit (370):

Fiscal year 1982:

(A) New budget authority, $11,600,000,000.

(B) Outlays, $3,800,000,000.

(C) New direct loan obligations, $15,400,000,000.

(D) New primary loan guarantee commitments, $41,200,000,000.

(E) New secondary loan guarantee commitments, $68,200,000,000.

Fiscal year 1983:

(A) New budget authority, $7,100,000,000.

(B) Outlays, $3,900,000,000.

(C) New direct loan obligations, $15,100,000,000.

(D) New primary loan guarantee commitments, $41,200,000,000.

(E) New secondary loan guarantee commitments, $68,200,000,000.

Fiscal year 1984:

(A) New budget authority, $7,600,000,000.

(B) Outlays, $3,600,000,000.

Fiscal year 1985:

(A) New budget authority, $7,400,000,000.

(B) Outlays, $3,300,000,000.

(8) Transportation (400):

Fiscal year 1982:

(A) New budget authority, $20,800,000,000.

(B) Outlays, $21,300,000,000.

(C) New direct loan obligations, $400,000,000.

(D) New primary loan guarantee commitments, $900,000,000.

(E) New secondary loan guarantee commitments, $3,000,000.

Fiscal year 1983:

(A) New budget authority, $21,600,000,000.

(B) Outlays, $19,900,000,000.

(C) New direct loan obligations, $500,000,000.

(D) New primary loan guarantee commitments, $800,000,000.

(E) New secondary loan guarantee commitments, $3,000,000.

Fiscal year 1984:

(A) New budget authority, $21,800,000,000.

(B) Outlays, $19,700,000,000.

Fiscal year 1985:

(A) New budget authority, $22,100,000,000.

(B) Outlays, $19,700,000,000.

(9) Community and Regional Development (450):

Fiscal year 1982:

(A) New budget authority, $6,700,000,000.

(B) Outlays, $8,500,000,000.

(C) New direct loan obligations, $2,200,000,000.

(D) New primary loan guarantee commitments, $900,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, $6,900,000,000.

(B) Outlays, $7,700,000,000.

(C) New direct loan obligations, $2,200,000,000.

(D) New primary loan guarantee commitments, $600,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $6,900,000,000.

(B) Outlays, $7,500,000,000.

Fiscal year 1985:

(A) New budget authority, $7,000,000,000.

(B) Outlays, $7,400,000,000.

(10) Education, Training, Employment and Social Services (500):

Fiscal year 1982:

(A) New budget authority, $25,400,000,000.

(B) Outlays, $28,100,000,000.

(C) New direct loan obligations, $1,300,000,000.

(D) New primary loan guarantee commitments, $6,500,000,000.

(E) New secondary loan guarantee commitments, $700,000,000.

Fiscal year 1983:

(A) New budget authority, $26,500,000,000.

(B) Outlays, $27,000,000,000.

(C) New direct loan obligations, $800,000,000.

(D) New primary loan guarantee commitments, $7,200,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $26,700,000,000.

(B) Outlays, $26,900,000,000.

Fiscal year 1985:

(A) New budget authority, $26,400,000,000.

(B) Outlays, $26,500,000,000.

(11) Health (550):

Fiscal year 1982:

(A) New budget authority, $78,500,000,000.

(B) Outlays, $73,700,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $100,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, $79,500,000,000.

(B) Outlays, $77,600,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $100,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $92,200,000,000.

(B) Outlays, $85,700,000,000.

Fiscal year 1985:

(A) New budget authority, $103,600,000,000.

(B) Outlays, $97,200,000,000.

(12) Income Security (600):

Fiscal year 1982:

(A) New budget authority, $255,800,000,000.

(B) Outlays, $251,500,000,000.

(C) New direct loan obligations, $2,800,000,000.

(D) New primary loan guarantee commitments, $17,000,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, $281,800,000,000.

(B) Outlays, $272,600,000,000.

(C) New direct loan obligations, $2,000,000,000.

(D) New primary loan guarantee commitments, $18,700,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $300,900,000,000.

(B) Outlays, $288,300,000,000.

Fiscal year 1985:

(A) New budget authority, $333,000,000,000.

(B) Outlays, $309,800,000,000.

(13) Veterans Benefits and Services (700):

Fiscal year 1982:

(A) New budget authority, $24,800,000,000.

(B) Outlays, $23,800,000,000.

(C) New direct loan obligations, $1,000,000,000.

(D) New primary loan guarantee commitments, $11,900,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, $23,900,000,000.

(B) Outlays, $23,100,000,000.

(C) New direct loan obligations, $1,000,000,000.

(D) New primary loan guarantee commitments, $20,900,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $24,900,000,000.

(B) Outlays, $24,100,000,000.

Fiscal year 1985:

(A) New budget authority $25,300,000,000.

(B) Outlays $25,200,000,000.

(14) Administration of Justice (750):

Fiscal year 1982:

(A) New budget authority $4,500,000,000.

(B) Outlays $4,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority $4,600,000,000.

(B) Outlays $4,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $4,600,000,000.

(B) Outlays, $4,600,000,000.

Fiscal year 1985:

(A) New budget authority, $4,600,000,000.

(B) Outlays, $4,600,000,000.

(15) General Government (800):

Fiscal year 1982:

(A) New budget authority, $5,200,000,000.

(B) Outlays, $5,000,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, $5,000,000,000.

(B) Outlays, $4,800,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $4,700,000,000.

(B) Outlays, $4,600,000,000.

Fiscal year 1985:

(A) New budget authority, $4,700,000,000.

(B) Outlays, $4,400,000,000.

(16) General Purpose Fiscal Assistance (850):

Fiscal year 1982:

(A) New budget authority, $6,400,000,000.

(B) Outlays, $6,300,000,000.

(C) New direct loan obligations, $200,000,000.

(D) New primary loan guarantee commitments, $800,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, $6,600,000,000.

(B) Outlays, $6,500,000,000.

(C) New direct loan obligations, $200,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $6,700,000,000.

(B) Outlays, $6,700,000,000.

Fiscal year 1985:

(A) New budget authority, $6,900,000,000.

(B) Outlays, $6,800,000,000.

(17 Interest (900):

Fiscal year 1982:

(A) New budget authority $102,000,000,000.

(B) Outlays, $102,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, $115,500,000,000.

(B) Outlays, $115,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $120,800,000,000.

(B) Outlays, $120,800,000,000.

Fiscal year 1985:

(A) New budget authority, $114,600,000,000.

(B) Outlays, $114,600,000,000.

(18) Allowances (920):

Fiscal year 1982:

(A) New budget authority, $700,000,000.

(B) Outlays, $800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, −$2,000,000,000.

(B) Outlays, −$2,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, −$800,000,000.

(B) Outlays, −$800,000,000.

Fiscal year 1985:

(A) New budget authority, −$800,000,000.

(B) Outlays, −$600,000,000.

(19) Undistributed Offsetting Receipts (950):

Fiscal year 1982:

(A) New budget authority, −$30,500,000,000.

(B) Outlays, −$30,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, −$39,300,000,000.

(B) Outlays, −$39,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $44,800,000,000.

(B) Outlays, −$44,800,000,000.

Fiscal year 1985:

(A) New budget authority, −$47,300,000,000.

(B) Outlays, −$47,300,000,000.

RECONCILIATION

SEC. 2. (a) Not later than June 18, 1982, the committees named in subsection (a)(1) through (15) of this section shall submit their recommendations to the Committees on the Budget of their respective Houses. Those recommendations shall be sufficient to accomplish the reductions required by subsection (a)(1) through (15) of this section. After receiving those recommendations, the Committees on the Budget shall report to the House and Senate a reconciliation bill or resolution or both carrying out all such recommendations without any substantive revision.

SENATE COMMITTEES

(1) The Senate Committee on Agriculture, Nutrition, and Forestry shall report changes in laws within the jurisdiction of that committee sufficient to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $779,000,000 in budget authority and $779,000,000 in outlays in fiscal year 1983; and $1,083,000,000 in budget authority and $1,083,000,000 in outlays in fiscal year 1984; and $1,428,000,000 in budget authority and $1,428,000,000 in outlays in fiscal year 1985.

(2) The Senate Committee on Armed Services shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $583,000,000 and outlays by $583,000,000 in fiscal year 1983; to reduce budget authority by $1,345,000,000 and outlays by $1,345,000,000 in fiscal year 1984; and to reduce budget authority by $1,906,000,000 and outlays by $1,906,000,000 in fiscal year 1985.

(3) The Senate Committee on Commerce, Science, and Transportation shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $11,000,000 and outlays by $11,000,000 in fiscal year 1983; to reduce budget authority by $28,000,000 and outlays by $28,000,000 in fiscal year 1984; and to reduce budget authority by $42,000,000 and outlays by $42,000,000 in fiscal year 1985.

(4) The Senate Committee on Foreign Relations shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $0 and outlays by $6,000,000 in fiscal year 1983; to reduce budget authority by $5,000,000 and outlays by $15,000,000 in fiscal year 1984; and to reduce budget authority by $8,000,000 and outlays by $21,000,000 in fiscal year 1985.

(5) The Senate Committee on Governmental Affairs shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $0 and outlays by $680,000,000 in fiscal year 1983; to reduce budget authority by $628,000,000 and outlays by $1,800,000,000 in fiscal year 1984; and to reduce budget authority by $1,000,000,000 and outlays by $2,629,000,000 in fiscal year 1985.

(6) The Senate Committee on Labor and Human Resources shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $102,000,000 and outlays by $457,000,000 in fiscal year 1983; to reduce budget authority by $136,000,000 and outlays by $625,000,000 in fiscal year 1984; to reduce budget authority by $120,000,000 and outlays by $744,000,000 in fiscal year 1985.

(7) The Senate Committee on Veterans' Affairs shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $188,000,000 and outlays by $188,000,000 in fiscal year 1983; to reduce budget authority by $269,000,000 and outlays by $269,000,000 in fiscal year 1984; and to reduce budget authority by $355,000,000 and outlays by $355,000,000 in fiscal year 1985.

HOUSE COMMITTEES

(8) The House Committee on Agriculture shall report changes in laws within the jurisdiction of that committee sufficient to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $779,000,000 in budget authority and $779,000,000 in outlays in fiscal year 1983; and $1,083,000,000 in budget authority and $1,083,000,000 in outlays in fiscal year 1984; and $1,428,000,000 in budget authority and $1,428,000,000 in outlays in fiscal year 1985.

(9) The House Committee on Armed Services shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $581,000,000 and outlays by $581,000,000 in fiscal year 1983; to reduce budget authority by $1,340,000,000 and outlays by $1,340,000,000 in fiscal year 1984; and to reduce budget authority by $1,899,000,000 and outlays by $1,899,000,000 in fiscal year 1985.

(10) The House Committee on Education and Labor shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $157,000,000 and outlays by $157,000,000 in fiscal year 1983; to reduce budget authority by $202,000,000 and outlays by $202,000,000 in fiscal year 1984; and to reduce budget authority by $196,000,000 and outlays by $196,000,000 in fiscal year 1985.

(11) The House Committee on Energy and Commerce shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $514,000,000 and outlays by $1,031,000,000 in fiscal year 1983; to reduce budget authority by $741,000,000 and outlays by $1,230,000,000 in fiscal year 1984; and to reduce budget authority by $815,000,000 and outlays by $1,439,000,000 in fiscal year 1985.

(12) The House Committee on Foreign Affairs shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $0 and outlays by $6,000,000 in fiscal year 1983; to reduce budget authority by $5,000,000 and outlays by $15,000,000 in fiscal year 1984; and to reduce budget authority by $8,000,000 and outlays by $21,000,000 in fiscal year 1985.

(13) The House Committee on Merchant Marine and Fisheries shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $11,000,000 and outlays by $11,000,000 in fiscal year 1983; to reduce budget authority by $28,000,000 and outlays by $28,000,000 in fiscal year 1984; and to reduce budget authority by $42,000,000 and outlays by $42,000,000 in fiscal year 1985.

(14) The House Committee on Post Office and Civil Service shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $2,000,000 and outlays by $688,000,000 in fiscal year 1983; to reduce budget authority by $638,000,000 and outlays by $1,820,000,000 in fiscal year 1984; and to reduce budget authority by $1,015,000,000 and outlays by $2,657,000,000 in fiscal year 1985.

(15) The House Committee on Veterans' Affairs shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $188,000,000 and outlays by $188,000,000 in fiscal year 1983; to reduce budget authority by $269,000,000 and outlays by $269,000,000 in fiscal year 1984; and to reduce budget authority by $355,000,000 and outlays by $355,000,000 in fiscal year 1985.

SENATE AND HOUSE COMMITTEES

(b)(1) The Senate Committee on Finance shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $1,750,000,000 and outlays by $5,456,000,000 in fiscal year 1983; to reduce budget authority by $2,509,000,000 and outlays by $7,923,000,000 in fiscal year 1984; and to reduce budget authority by $3,339,000,000 and outlays by $9,549,000,000 in fiscal year 1985.

(2) The Senate Committee on Finance shall also report changes in laws within the jurisdiction of that committee sufficient to increase revenues as follows: $21,200,000,000 in fiscal year 1983; $37,000,000,000 in fiscal year 1984; and $43,000,000,000 in fiscal year 1985.

(3) The Senate Committee on Finance shall also report changes in laws within the jurisdiction of that committee sufficient to increase receipts from user fees authorized by that committee as follows: $2,000,000,000 in fiscal year 1983; $2,000,000,000 in fiscal year 1984; and $2,000,000,000 in fiscal year 1985.

(4) The legislation required in paragraphs (1) through (3) of this subsection shall be reported to the Senate no later than June 11, 1982.

(5) The House Committee on Ways and Means shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $1,183,000,000 and outlays by $4,727,000,000 in fiscal year 1983; to reduce budget authority by $1,707,000,000 and outlays by $7,121,000,000 in fiscal year 1984; and to reduce budget authority by $2,455,000,000 and outlays by $8,665,000,000 in fiscal year 1985.

(6) The House Committee on Ways and Means shall also report changes in laws within the jurisdiction of that committee sufficient to increase revenues as follows: $21,200,000,000 in fiscal year 1983; $37,000,000,000 in fiscal year 1984; and $43,000,000,000 in fiscal year 1985.

(7) The House Committee on Ways and Means shall also report changes in laws within the jurisdiction of that committee sufficient to increase receipts from user fees authorized by that committee as follows: $2,000,000,000 in fiscal year 1983; $2,000,000,000 in fiscal year 1984; and $2,000,000,000 in fiscal year 1985.

(8) The legislation required in paragraphs (5) through (7) of this subsection shall be reported to the House no later than June 11, 1982.

(c)(1) In order to insure the solvency of the Social Security Old-Age and Survivors Insurance Trust Fund created pursuant to title II of the Social Security Act, as amended, the Senate Committee on Finance shall report changes in laws within the jurisdiction of that committee so as to reduce outlays or increase revenues, or a combination thereof, to insure that all payments to beneficiaries are made in a timely manner.

(2) In order to insure the solvency of the Social Security Old-Age and Survivors Insurance Trust Fund created pursuant to title II of the Social Security Act, as amended, the House Committee on Ways and Means shall report changes in laws within the jurisdiction of that committee so as to reduce outlays or increase revenues, or a combination thereof, to insure that all payments to beneficiaries are made in a timely manner.

(3) The legislation required in paragraphs (1) and (2) of this subsection shall be reported no later than December 1, 1982, and shall take into account the recommendations of the National Commission on Social Security Reform. Such changes in laws shall do no more than is absolutely necessary to preserve the financial integrity of the Social Security system.

(4) It is the sense of Congress that the amounts set forth in paragraphs (a)(1) through (a)(5) of section 1 shall be deemed revised to incorporate the budgetary effects of actions required by this subsection to insure the solvency of the Social Security trust funds immediately upon enactment of such changes.

(5) It is the sense of the Congress that the President of the United States should direct the National Commission on Social Security Reform to report its recommendations to the Congress not later than November 11, 1982.

SEC. 3. The enactment of savings required by this resolution is critical to the health of the economy of the Nation; and

Expeditious action on legislation pursuant to these instructions is critical to achieving the savings required by this resolution; and

The Senate is committed to completing action on the savings legislation required by this resolution at the earliest possible time; and

It is the sense of the Senate that Senate committees instructed in this resolution should begin deliberations on the legislation those committees are required to report under this resolution as soon as this resolution is agreed to in the Senate.

MISCELLANEOUS PROVISIONS

SEC. 4. It is the sense of the Congress that the President through administrative actions should limit in fiscal year 1983 total Federal Financing Bank origination of direct loans guaranteed by other Federal agencies to $15,900,000,000; and Federal Financing Bank purchases of loan assets from Federal agencies to $14,000,000,000. It is the further sense of Congress that direct borrowing transactions of Federal agencies should be, to the maximum extent possible, restricted to the Federal Financing Bank.

SEC. 5. It shall not be in order in the House or the Senate during fiscal years 1982 and 1983 to consider any bill, resolution, or amendment, except proposed legislation reported in response to reconciliation instructions contained in this resolution, authorizing new direct loan obligations or new loan guarantee commitments unless that bill, resolution, or amendment also provides that the authority to make or guarantee such loans shall be effective only to such extent or in such amounts as are contained in appropriation Acts.

SEC. 6. It is the sense of the Congress that it is urgent that effective budgetary control be established over all types of Federal direct loans and Federal loan guarantees. The Congress directs the committees of jurisdiction to move with expedition to consider legislation that establishes a process of annual determination of appropriate levels and proper budgetary treatment of Federal credit activity.

SEC. 7. No bill or resolution providing new budget authority for fiscal year 1983 or providing new spending authority described in section 401(c)(2)(C) of the Congressional Budget Act of 1974 in excess of the allocation to or report by a committee or subcommittee pursuant to section 302 of the Budget Act shall be enrolled until Congress has completed action on the Second Budget Resolution for that fiscal year as required to be reported under section 310 of the Budget Act.

SEC. 8. It is the sense of the Senate that the new spending and revenue levels for fiscal year 1982, adopted by the Senate, shall be the ceilings against which the spending and revenue actions of the Senate will be measured pending final agreement with the House of Representatives on the revision of the Second Concurrent Resolution on the Budget for Fiscal Year 1982.

SEC. 9. It is the sense of the Congress that if Congress acts to restore fiscal responsibility and reduces projected budget deficits in a substantial and permanent way, then the Federal Reserve Open Market Committee shall reevaluate its monetary targets in order to assure that they are fully complementary to a new and more restrained fiscal policy.

Mr. BAKER. Mr. President, I think we sort of established the ground rules. If the minority leader wishes to continue with the colloquy at this time, we can do that, or we can agree on the time at which to recess.

Mr. RIEGLE addressed the Chair.

Mr. ROBERT C. BYRD. Mr. President, if we could have until, say, 1 p.m., in the meantime if Senators wanted to discuss the matter, would that time be charged against the time on the resolution?

Mr. BAKER. No.

Mr. President, I am prepared to ask the Chair.

Will the Chair indulge me just a moment?

Mr. President, I indicated earlier that we would stay no later than 8 p.m. I think there is such a desire to finish this matter as soon as possible that I must vacate that statement. We may stay later than 8 p.m. tonight.

But with that, then, I am willing to suggest that we continue this colloquy, and I am going to yield the floor so the distinguished chairman of the committee may seek the floor as the designee with control of time on this resolution. Then I propose that at 12 o'clock the Senate stand in recess for 1 hour. The time between now and 12, assuming the colloquy continues, will be charged against the resolution.

The time, of course, in recess will not count, am I correct in that respect?

The PRESIDING OFFICER. The Senator is correct.

ORDER FOR RECESS UNTIL 1 P.M. TODAY.

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate at 12 noon stand in recess until the hour of 1 p.m. today.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I yield the floor.

Mr. RIEGLE and Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, did the Senator from Michigan want the floor?

Mr. RIEGLE. I was seeking the floor, yes. May I ask who controls the time so that I might seek time?

Mr. ROBERT C. BYRD. Mr. HOLLINGS controls it on this side.

Mr. RIEGLE. Mr. President, I ask the Senator from South Carolina to yield to me so that I can make a comment and inquire about what has transpired here.

Mr. DOMENICI. I have the floor. Do we understand that between now and noon we each have half the time, is that what we agreed upon? Senator, I yield the floor.

Mr. HOLLINGS. I yield to the Senator from Michigan.

Mr. RIEGLE. I thank the Senator for yielding.

I rise as a member of the Budget Committee. What I am concerned about here is what has taken place over the last 4 days, Friday, over the weekend, Monday, and Tuesday, that the Republican caucus has been meeting, in effect, as a budget committee for the Senate as a whole, and what has happened here is that apparently the budget has been changed dramatically and a new budget has been developed. The sheets have just been distributed that lay this out.

But the thing that is disturbing to me is that with this new document before us it is very, very difficult within the period of only an hour-and-a-half, as I understand it, the proposal is, that——

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The point of order is well taken. The Senate is not in order. The Senate will please be in order.

Mr. RIEGLE. The difficulty we face here with this proposal is, I think, that the proposal is very unreasonable and unfair.

As I understand it, what is being said is we can use the period of the next 40 minutes to try to discuss and raise questions as to exactly what this new procedure is and what has taken place. But then, if I understand it, we are to go into a recess for an hour, from 12 to 1, and at 1 o'clock those of us on this side of the aisle will find ourselves in a situation of attempting to respond, either with an entire budget alternative or separate amendments, to a new budget which has been developed over the past 4 days by the Republicans in their caucus.

I do not think it is fair for one side to have 4 days where activity on the floor has been stopped by the procedures that were used to develop their proposal, and now that proposal is just presented to us here and we have literally an hour-and-a-half to try to respond to what is substantially a new budget.

In this budget there are all kinds of changes. The taxes are changed, the revenue picture is changed, money is moved around among programs. It is not clear, for example, what is happening to social security. On the one hand, it appeared that $40 billion of cuts are taken out as a line item, but I am told there is a possibility that in the reconciliation instructions that, in fact, there is a binding requirement that those cuts in fact be made in the future.

These are fundamental questions, and to try to run all these things down in a period of an hour-and-a-half when the majority party has been working on them for 4 days, and tying up the Senate so that those of us who had amendments to offer were not able to do so, I think is unfair, and I think it is unreasonable. I think it actually shorts the country here.

I do not think it is fair for the country to find ourselves in situation where one party can by its ability to control the parliamentary situation take and use whatever time they think is necessary to rework the budget on their own, acting in behalf of the Senate Budget Committee, in effect, and then come back around and say that we have an hour on this side to try to come forward with some kind of a response or some kind of an alternative to this very different budget that we see before us today.

Mr. RANDOLPH. Mr. President, will my able colleague yield?

Mr. RIEGLE. Yes, I yield to the Senator.

Mr. RANDOLPH. While all of this is going on the economy is worsening, is that correct?

Mr. RIEGLE. There is no question about it. All the statistics that one sees even in today's paper, firms failing on Wall Street, business firms failing across the country, people being laid off, people being hurt, and in the face of all this we are finding ourselves now, I think, handicapped in terms of our ability to develop and put forward our own budget alternatives.

So I think it is important that the country understands that this proposal, that has been put forward today by the majority party here, substantially changes the budget as a whole. It changes the deficits, it changes the tax picture, it changes the outlay side of the budget, and it is going to take hours really to understand and to analyze precisely what these changes mean in the aggregate, because it is not sufficient to just try to take it piece by piece. We have to try to assess what this means as a whole.

What will it do, as the Senator from West Virginia has raised, to the economy as a whole? What will be its effect in terms of macroeconomic strategy, and that is the issue. I think it is unreasonable to assess and weigh these questions within the period they have offered of 1 hour's time. I just think it is unfair, and I think the country ought to understand what is going on here because this is not the way to develop a budget, a budget that has to fit for the whole country.

I would much have preferred to see a bipartisan effort made here to try to develop something rather than have one party take and attempt to do this work for the entire Senate.

Finally, I want to say this: It appears that we have run the Republicans off on the issue of the social security cuts as we did last year with repeated efforts that were made by that party to make cuts in the minimum benefits and early retirement, and so forth, and it appears that we have run them off this time on the proposed $40 billion cuts over the next 3 years. But that is not certain, because in the reconciliation instructions they appear to have buried a requirement to make those cuts in the future, and if then; the notion that they have retreated on this issue just may not be an honest one. It may be a dishonest presentation, and it is going to take us time to go through these new documents which have just been presented—in fact, the ink is not even dry—to try to find out if, in fact, they are being honest about the social security issue.

So I want to register my distress about the fact that I think it is wrong and unfair that we proceed in this fashion. We will, obviously, do the best we can with it, but I think it is a disservice to the country to tackle a matter of this consequence in this fashion.

I thank the Senator from South Carolina for yielding.

Mr. HOLLINGS. I thank the distinguished Senator from Michigan.

Unless the distinguished chairman wants to be recognized, Mr. President, with this particular change, I move to endorse what the Senator from Michigan has said. We have had, more or less, a bipartisan effort throughout the past year, meeting and working to develop a budget resolution. But once we voted the President's budget down, our leadership went into executive session and reported out a budget that could not last, even within their own party, for a week. Then they stonewalled us. We never should have been a Budget Committee from there on out because they voted everything down.

Now we have the very group which has been asking for the Senate to be on television again, meeting in front of the camera. Perhaps we ought to amend that resolution and have the Republican caucus on TV. Maybe then we could find out what was happening with our Government. Maybe they want television coverage to start only after they have gotten their particular budget out. Maybe that is a good time to start the movies, once they have agreed on it.

But let us say this much now and to the point: As you can see, we are getting a more realistic budget. The votes are not there this year for social security, even though I happen to believe something should have been done last year, and have tried and tried again this year. Realistically, we have added funds to the student loan program, and we have given a more realistic figure with this proposal.

I have only one comment at this point, Mr. President, and that is that we could have a budget that would move the markets and that would move those interest rates, were it not a fetish on the other side of the aisle relative to next year's increment on the 1981 tax cut. Namely, if we were to cancel that 1983 increment of a 10-percent individual across-the-board tax cut, and pick up that revenue, we would then have a resolution that would really do the job.

I am confident the distinguished chairman would agree with me that the particular resolution we have before us would never have passed the Budget Committee. The principal reason for this is that it brings the deficit down to only $64 billion by the third year. That is not enough of a move toward fiscal responsibility and putting the Government again in the black.

If we had the amendment of the Senator from Nebraska and myself—and I hope we would propose it again and give them a chance to vote on it—to cancel that third-year increment of the tax cut, the deficits would be $108 billion, $58 billion, and $28.2 billion. Then we would have a realistic budget that would meet the particular challenge we have at hand, to lower the deficits and lower the interest rates.

But, be that as it may, this is a compromise situation. Any mammoth task of trying to raise some $425 billion over a 3-year period has to be a give and take in a compromise situation. And, I hope that my friends on the other side of the aisle will look at that proposal when we formally introduce it later on.

No one is worried here in May 1982 about the taxes they are going to have to pay in April 1984. They are worried about survival. They have seen Braniff, they have seen International Harvester, and they have seen Drysdale Securities yesterday. They see it with farm income being even lower than the interest rates paid on the loans. And with all of this destitution and high unemployment, we are going in the wrong direction. If they really want to make that dramatic change and hold up next year—they say, "Oh, that would raise us to $170 billion." Well, $170 billion is not unrealistic when you realize we lose $190 billion in a 1-year period under the tax cut enacted last year. And, if you compare it to the revenue hemorrhage that we caused in August of last year, then you see it is not the impossible dream but the responsible action.

If we could take that responsible action, not to destroy Reagonomics, but let the supply side that took effect in January of last year continue; let the 5 percent, even the 10 percent in July, all of those things occur, but just cancel the July 1983 cut. This would increase revenues so that we could bring down interest rates—we will all be here in 1984—then we can have a 10-percent tax cut in 1984 after the interest rates have come down.

I know we do not need that for a recession in 1983 or a stimulus in 1983. All of the projections, even with this particular budget, call for an increased real growth rate in this country under GNP.

I believe we have almost taken up half of that time. Let me yield to my distinguished colleague from Nebraska.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. I thank my friend and colleague from South Carolina, the ranking minority member on the Budget Committee.

I have some of the same concerns that have been expressed by my colleagues on this side of the aisle on the Budget Committee with regard to the haste that we are taking up this matter that has been dreamed up in the Republican caucus and that has delayed the work of the U.S. Senate now for at least 3 days.

I was here last Friday when we began work on the budget. Since that time, we have been basically in perfunctory sessions doing nothing. I object to the haste in which this has been presented. I further object that, as a member of the Budget Committee, those of us who have tried very hard to work constructively with the majority when we can, we are not even favored with the chance of voting for or against the modification that was just sent to the desk by the majority leader on behalf of what I assume to be the Republicans, marching in lockstep once again, with regard to what they think is best politically under the circumstances.

They may have a good plan, but hasting into this in jet speed seems to me to be another march—hopefully not into the never-never land—with regard to straightening out the economy of this country. Just because it is a Republican initiative does not necessarily mean, in and of itself, that it is good for the United States of America.

I have a question or two that I might like to pose, to help me out and those on this side of the aisles, of my friend and colleague, the very distinguished and able chairman of the Budget Committee. I would first like to point out that the bottom line reading of the document that has just been presented under the modification would indicate to me that this modification indeed raises significantly the deficits faced by the Federal Government in the years to come. I am looking at page 3 of that document and I see that under the amendment, the 1982 fiscal deficit is locked in at $117 billion. In 1983, the mark of $106 billion as it came out of the Budget Committee, has been raised to $115 billion. In 1984, the deficit that came out of the Budget Committee in the amount of $69 billion has gone up to $91 billion. And for 1985—into never-never land once again—the deficit of $39 billion out of the Budget Committee has been raised to $64 billion.

I would assume that those increased deficits in the out-years would have a negative effect on the reduction of interest rates. I would think that these increased deficits would further fuel the interest rate problems that we are having in this country today that have made a depression indeed out of several of our industries, agriculture and many segments of agriculture and the homebuilding industry. Now my question is: Have the interest payments on the national debt borrowings, which are going to continue to go up, have they been adjusted upward as a result of the increased deficits in the out-years?

Mr. DOMENICI. I say to my good friend from Nebraska, he is absolutely right in his statement that when you take the $40 billion that was the estimate for social security solvency and do what this resolution does—it orders solvency through reconciliation, I make no bones about that. For someone who said it is hidden, it is not hidden. On page 32 it is ordered. And then it says that, whatever the solvency activity yields, the budget is modified to include it when you have done it.

Now what we were doing before in the resolution that came out of committee was taking credit in advance, assuming Congress would make that much of a change. Now we are saying no to that, yet we are acknowledging its imminent insolvency, as this institution has by 92 votes, and it will have to be made solvent.

So, yes, I say to the Senator, in the 1983 year, we have taken the six that was part of the solvency out, so we have increased it by six. Then the sum of all those small changes that resulted from arguments principally over what freezing appropriations means—we had a dispute over deferred items being included or not—and we have compromised most of those. So, there is an additional $3 billion. We have done that in each of the years, the 17, plus those items that I have just described, including some room for housing. Then we have gone ahead, as the Senator asked, and indicated it would cost us more interest because of that.

Mr. EXON. The Senator has added in additional interest cost in the budget?

Mr. DOMENICI. Yes; we could probably argue about whether it is the right amount or not, but we did that.

Mr. EXON. But at least you recognize it?

Mr. DOMENICI. Yes, indeed.

Mr. President, I ask that the time I used in responding be taken from my time, not from the Senator's time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EXON. One last question. I would point out that the President submitted a budget to us in February that has been unanimously rejected on both sides of the aisle. I do not know of a single vote for the President's budget that was presented to us because of the huge deficits now and in the outyears and the tremendous increase that the President's budget in February would have required in the raising of the national debt. I outlined that in my remarks on Friday.

So the President's February budget has been knocked out. It is kaput. It is gone. It has been thoroughly rejected unanimously by both sides of the aisle in the Senate.

Now a few days ago in the Budget Committee, the chairman came in and announced that the President and he had agreed—and it was a unanimous vote, in lockstep once again from those on that side of the aisle—to rush through the approval of the Reagan-Domenici budget. I take it that the action that has been taken here this morning with the modification that has been introduced knocks out that heralded budget compromise that was announced in the Budget Committee. So the President's February budget has been rejected and the agreement that was made a few days ago between the President and some of the Republican leadership of the Senate has been knocked out.

My question is, "Has the President approved the modification that was just sent to the desk? Has he endorsed that as his budget and will he agree to it, if it passes?"

Mr. DOMENICI. I can answer that in this way: I have not confirmed officially whether he does or will. We are in the process of submitting it so the administration can take a look at it. But basically, when you look at the major changes they really have to do with an accounting issue on the $40 billion. That is, with reference to social security. We now propose that the resolution order solvency actions and we take the estimated $40 billion out. The rest of the changes are not major.

I would assume, though I am not sure, that the President will support it. There is an additional item we put in because we thought the Senate was going to vote it in, since our appropriators already have, and that is some room for the Lugar housing bill. I know that was voted in yesterday by the appropriators. I believe it is going to happen so I suggested that we might as well make room for it. That does not mean we are endorsing it. That does not mean it makes the bill a reality. But that additional item is in here. Otherwise, the changes are very small items. I would not think there is that big a departure from the previous budget.

Mr. EXON. I thank my friend. Before we go any further, I want to say I know he has had a most difficult task this year in the budget. Regardless of how this comes out, I know that the chairman of the Budget Committee is one Member of this body—and there are others—who has been outstanding, in the opinion of this Senator, in at least trying to reach some kind of a workable compromise. I intend to support him when I can. I thank my friend.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. How much time have I remaining?

The PRESIDING OFFICER. The Senator has 18 minutes remaining and the minority has 2 minutes. Two minutes were consumed in response to a question by Senator Exon.

Mr. DOMENICI. They have 2 minutes remaining?

The PRESIDING OFFICER. Yes.

Mr. DOMENICI. I yield 3 minutes to the Senator from Louisiana.

Mr. TSONGAS. Will the Senator yield for an inquiry?

Mr. JOHNSTON. Yes.

Mr. TSONGAS. Mr. President, I would like to put the Senate on notice that I would like to have 5 minutes, from 12 to 12:05, before the recess period to make a statement on another matter. I want to say that now in case anyone has any objection.

Mr. DOMENICI. The Senator is not requesting that time now?

Mr. TSONGAS. No.

Mr. JOHNSTON. Mr. President, I thank my distinguished colleague, the chairman of the Senate Budget Committee, for yielding me this time.

Mr. President, this whole process would be highly amusing were it not for the tragic consequences and tragic situation of our economic plight in this country. It would be highly amusing, because of the disarray in which the Republicans find themselves over this budget.

The lesson to be learned, I think, is that there can be no ideological purity when it comes to the budget. You simply cannot put a budget together with one wing of a party. So, it is that we see a budget here made up of the domestic spending of what you might call the left or moderate wing of the Republican Party, the defense spending of the right wing, the tax policy of the right wing, and in the process, Mr. President, I think you have a budget which is totally unacceptable because the deficits are way too big.

Mr. President, I know the chairman of the Budget Committee feels that way. You simply cannot have a projected cumulative deficit of $270 billion in the years 1983 through 1985.

Mr. President, may we have order?

The PRESIDING OFFICER. The point of order is well taken. The Senate will please be in order.

The Senator from Louisiana.

Mr. JOHNSTON. Mr. President, what we do is we go in for openers, with a total budget deficit of $270 billion from 1983 through 1985, and then you add to that what you might call the "magic asterisk" savings which are not realistic, the management savings, of $9 billion, $12 billion, and $12 billion. I think those are realistically too large. You end up with deficits which are way too big.

What I am saying, Mr. President, in all seriousness to my friend, the chairman of the Budget Committee and my friend the chairman of the Finance Committee, is this country is in desperate shape, and we are ready for a bipartisan budget.

You cannot run the country with one wing of your party. It is time to put something together. We are ready to do business.

You cannot continue day after day going off in secret meetings and not involve the whole Congress in this matter. It is wrong and it is not going to work. It has not produced a product which is worthy of the Republican Party or worthy of Ronald Reagan's campaign promises.

Mr. President, it seems to me, just for starters, that you are going to have to figure out something else that is magic. There is one thing which is irresistible. The ideology of it is going to be very hard to swallow, but the conclusion is irresistible. That is that you cannot have the third year of a tax cut and continue to have a 10 percent real increase in spending for defense and continue to have this kind of social spending. You have to take your choice.

I think what the Republicans have done is made a choice, decided you want defense and decided you want social spending. I think those choices, certainly in social spending, are realistic. They reflect the center of gravity of this Congress. But you are simply going to have to come around to the third year of the tax cut, and when you do, I think you have the makings here of something that might just catch hold in a bipartisan way and might bring those interest rates down. It might affect those markets on Wall Street.

I know the distinguished Senator from New Mexico cannot say yes to that at this point, but it is irresistible in its appeal and in its logic. I think it is going to happen before this is over.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I want shortly to yield 5 minutes to the distinguished Senator from Colorado and the distinguished Senator from Kansas. I would like to yield myself just 2 minutes.

I think in the course of the afternoon we will have an opportunity to explain in more depth what is here. I would just like to acknowledge a few things.

My good friends on the other side have put it properly. This is a tough year. It is tough to get a budget.

I do not operate in a vacuum and those who know me know I would like to have a bipartisan budget. I would love to have had one reported out of the committee.

There are those who think that in getting out a budget resolution, which is my responsibility, that we should have gotten a bipartisan one. Let me make sure the Senate knows. I did not operate in a vacuum. I happened to know I could not get any votes on the other side for the kinds of things I could get votes for on my side. I was put in the position where, if I wanted Republican votes, I had to do it this way because what the Democrats wanted we could not live with on our side.

We are hearing the same basic arguments here. It is not over the few changes that we made. It is that if we raise taxes another $40 billion, $50 billion, $60 billion, $70 billion we get a bipartisan budget.

Mr. JOHNSTON. Will the Senator yield?

Mr. DOMENICI. Let me say I do not think that is the way to get a bipartisan budget, and I do not think the American people think we are going to solve our economic problems with those kinds of additional tax increases over the 100-plus billion dollars in added revenues that are already provided for in the resolution.

Of course I acknowledge that if you get rid of the third year and tax the people $30 billion more, you will bring the deficit down substantially. If you did both this and achieved social security solvency, you are probably in balance by 1985, But you have also done it again by raising taxes substantially.

I think that is one issue that inhabits bipartisanship, Mr. President. And the military budget is another divisive issue.

I happen to know, Mr. President, that there were very few votes for bipartisanship the last couple of days as the result of Democratic caucuses, which we could have televised, since some on the Democratic side want to televise the real action. There was not a single vote for our position over there, as I understand it. Maybe one, we are told. Maybe one.

Left with that, Mr. President, I assume we could have come down here and had 3 days of flailing away at the budget, with amendments all over the place. We did not choose to do that.

We think we have a budget we can live with. When social security solvency gets plugged in in December, after it is accomplished—which it will be—those deficits will be substantially less—if not 40, maybe 30. If not 30, maybe 50. But the solvency actions will be plugged back in and those deficits will be down, because we are mandating ourselves to take the solvency actions.

Mr. JOHNSTON. Will the Senator yield for a question before he yields to the Senator from Colorado?

Mr. DOMENICI. I am just about out of time. Yes, I am glad to yield.

Mr. JOHNSTON. Mr. President, I just say to my friend that he stated there were no votes for certain things on our side. I tell the Senator, not once was a request made, either by the distinguished chairman or by any other member of the committee, or even by staff-to-staff contacts. So, I say the Senator is not in a position to know what the votes might have been on this side.

Mr. DOMENICI. I stand on what I said, Mr. President. It is my statement and it is nothing more than that.

With that, I yield to the Senator from Colorado.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. ARMSTRONG. Mr. President, I appreciate the Senator from New Mexico for yielding to me. I think there is a real danger that we are going to lose sight of what we are doing. The issue is not who voted for what or who did not vote; the issue is not whether this is a bipartisan budget or not bipartisan; the issue is whether it is good for the country.

The recommendation that came out of the Budget Committee, I mean the original recommendation, not the revised one, the recommendation endorsed by the President, would have, if adopted, set the stage for a dramatic recovery of the U.S. economy because it addressed itself in a forceful, bold, broad-gaged, fair, equitable manner to the serious problems our country faces. That is $600 billion of budget deficits in the next few years.

The proposal the Budget Committee recommended to the Senate actually called for reduction in those deficits of $417 billion in the next 3 years. It did it in a way that was not evasive, was not blue smoke in mirrors, but with actual, solid cuts.

I remind all Senators that in preparing our recommendation, we started not with optimistic assumptions about the economy, but with very pessimistic assumptions, with an attempt to be realistic about how serious this problem is. Over and over again, the Budget Committee, the Senate, the Congress, and others have tried to obscure from the gnomes of Wall Street and others just how bad things really are. Every time we do it, we lose credibility. We decided this time around to let everything hang out and let everybody know where we were going.

The budget we recommended to the Senate would have reduced by two-thirds the magnitude of the deficit in the next 3 years; would have reduced by 75 percent the projected deficit in 1985, and would have done so in a balanced manner, with $95 billion in tax increases, which were hard for us to swallow; with some reductions in defense spending, which were very, very difficult for a number of Members, including me, to agree to; with reductions in entitlement programs; and with real reductions on what would have been the interest paid on the national debt.

Mr. President, that budget recommendation is a good one. It is one which, frankly, is a lot better than the modified recommendation; one which, in my opinion, could have set the stage for a response by the credit markets of this country that would have our economy humming within a matter of weeks.

That is not just my opinion, Mr. President. That is the opinion of a number of economists who came before the committee to testify and a number of additional economists whom I personally contacted to ask their views. I call the attention of all Senators to the correspondence which begins at page 137 of the report of the Budget Committee. In that, a number of economists in the academic community, on Wall Street, and elsewhere, comment about the effect of this budget if it were to be enacted.

The reason we did that, the reason we were prepared to undergo the agony of cutting back on some meritorious and worthy programs, was that we had a longrun objective of cutting the deficits and getting interest rates down. For that reason, and that is the only reason, the committee was prepared to throttle back the rate of increase in veterans' programs, food stamps, science programs, agriculture, public works, reclamation projects, national defense, and even to put back $95 billion in taxes, which was anathema to most of us. We did it because we thought there was an overriding consideration, that this was a moment when there could be no sacred cows, and we all had to make sacrifices in order to accommodate ourselves to the reality of the situation.

Now we have come to the floor and we are making still another accommodation, one which, frankly, I regret very much, and one which I have not fully decided I am going to support. That is to add back some additional spending in a number of areas that have been discussed by the chairman, particularly a large add-back in the area of social security.

Mr. President, it has been argued that we are really not changing anything. In one sense, that is perfectly true. Nothing we do in the budget resolution is going to change the fact that social security is in terrible trouble. Every Senator knows that. The Congressional Budget Office knows that. The social security trustees know it. And significantly, the public is well aware of this fact. That is not going to change whether or not we change the numbers in the budget resolution. The social security time bomb ticks on and it is going to explode 15 months from now on June 30, 1983. By that date, social security is not going to be able to meet its obligations unless Congress does something to rectify the situation.

Mr. President, I mentioned that the public is well aware of the seriousness of this problem. A recent Gallup poll asked these questions about the likelihood of receiving benefits and the financial soundness of the system. Here are the questions that were put to voters of America and their responses:

> When you retire, do you expect that social security benefits you'll receive will be better than those received by retired people today, not as good, or are you afraid that you might not receive social security payments at all?

Here is what people who were surveyed by the Gallup organization said: 7 percent said that things will be better; 16 percent said the benefits would not be as good; 63 percent said they did not think they would receive social security benefits at all; 9 percent said they will be the same and 5 percent did not know.

Mr. President, may I inquire of the Senator from New Mexico, is he encouraging me to conclude my remarks at this time? Are we under time restraint?

Mr. DOMENICI. Mr. President, we are not overall. We are for now. We plan to recess at 12, and I wanted to yield to the Senator from Kansas.

Mr. ARMSTRONG. In order to accommodate that, Mr. President, I should like to sum up this portion of my remarks and I shall pick it up with the chairman at this point at whatever is the proper time.

What I am trying to put into perspective, and I shall relate it to the overall status of the budget resolution and how we shall dispose of this issue finally, is that the Senators, the Budget Office, the trustees, the administration, the press, and certainly the public know that social security is in trouble. The question is how will they evaluate our action in sweeping this under the rug by adopting the modifying amendment and saying, "We will take care of it another time." I should like, when it is convenient for the chairman to yield to me further, to discuss that at some length.

Mr. DOMENICI. Mr. President, I assure the Senator from Colorado I shall give him time. I compliment him on his analysis. I think he has hit the nail on the head. It is not a question of whose budget it is, whether it is bipartisan or not bipartisan. The question is, Will it help the present situation by bringing the deficits down?

I yield to the Senator from Kansas.

Mr. BAKER. Mr. President, will the Senator yield to me first?

Mr. DOMENICI. Yes, Mr. President.

ORDER FOR PERIOD FOR TRANSACTION OF ROUTINE MORNING BUSINESS TODAY AND FOR RECESS AT 12:15 P.M.

Mr. BAKER. Mr. President, I ask unanimous consent that at 12 noon, there be a brief period for the transaction of routine morning business not to extend past the hour of 12:15, in which Senators may speak.

Mr. President, I ask unanimous consent that, at 12:15 p.m., the Senate stand in recess until 1 p.m. under the terms and conditions previously ordered.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Kansas is recognized.

Mr. DOLE. Mr. President, as one who has participated in an effort to work out the budget problems, this Senator believes that we are going to keep the social security fund solvent. It seems to me that is the least we can do in the Senate and in the Congress. It is my hope that we can address this problem so that when the Social Security Advisory Committee makes its recommendations in December, we can move very quickly to make certain we keep the fund solvent. That is a matter of Finance Committee jurisdiction, as is the third year of the tax cut that has been discussed here this morning.

Mr. President, there are certainly enough revenue-raising opportunities—up to about $107 billion now, or $101 billion, depending on how you look at user fees, which would be more than adequate if, in fact, there was some indication in the Senate Finance Committee that the third year should be deferred. That will be a matter of legislation—not a matter that we can determine in the budget resolution.

I want to commend the distinguished chairman of the Senate Budget Committee. This is a different year. It is a more difficult year. There have been many false starts in the budget process. In fact, some of us spent 5 weeks trying to work out a compromise. This Senator still hopes that can be done, but it seems to me we are at a rather late stage now to start discussions about a bipartisan compromise. Maybe it would be better yet to hear the Members on the other side spell out their budget proposal, and perhaps then we could see whether or not there would be some basis for getting together.

Finally, the Senator from Kansas would like to point out one matter that I failed to mention yesterday when we were meeting to put together this budget compromise. I am referring to the food stamp issue. I believe the numbers in the Senate Budget Committee resolution for fiscal years 1984 and 1985 are too high. The Senator from Kansas introduced what I believe to be realistic and sensible food stamp legislation at the beginning of this month. Notwithstanding the fact that the savings targets of S. 2493 are not accurately reflected in the modified budget resolution, it would be the intent of this Senator not to exceed in the Senate Agriculture Committee the declared budget limits in the bill introduced by this Senator, the Presiding Officer, Senator Cochran, Senator Andrews, Senator Jepsen, and Senator Boschwitz, on the Agriculture Committee. (We were also joined by Senators Danforth and Cohen.) I regret that we were not able to make a change in the Agriculture Committee numbers, so it would be reflected in this compromise, because, as far as this Senator is concerned, the budget numbers are not realistic—they are too high for fiscal years 1984 and 1985. We cut about $2.3 billion from the food stamp program last year. Now I am amazed at all the fat programs that cannot be touched, while everybody keeps saying, "Well, take it out of the food stamp program. Take it from low-income Americans."

That will not happen if this Senator can prevent it. Although I am not going to be in a position to support any amendments that might do this on the floor, it is my hope that we can work out some arrangement with the distinguished chairman of the Budget Committee. We believe the numbers are flexible enough between the House Budget Committee resolution and our Budget Committee resolution so that we should have just about the latitude we need to make moderate changes in the food stamp program—but not the drastic changes recommended by the Budget Committee for fiscal year 1984 and 1985, or by the administration, or by the chairman of the Senate Agriculture Committee.

Mr. GRASSLEY. Mr. President, the debate over social security is beginning to remind me of the story, "The Emperor's New Clothes." In that story, a clever tailor convinces the emperor of a mythical country that he has made him a magnificent new suit of clothes when, in fact, he has made nothing. So the emperor stands around looking proud of his new finery when he is actually naked. The courtiers and subjects of the emperor, fearful of being punished or considered unsophisticated if they should speak the truth, go along with the deception and offer extravagent compliments to the emperor. This makes the emperor so proud of his finery that he decides to hold a parade to show it off. The subjects all turn out to praise the emperor, and all is proceeding according to plan until a small child, too young to fear the consequences of the truth, speaks up, "But he's naked!" The deception is exposed and the child is a hero, for in this mythical kingdom the truth only needs to be spoken to win out.

The Senate is a different sort of mythical kingdom. There are just certain things we do not speak of, and I guess one of them is the exact gravity of the social security crisis.

Mr. President, virtually everyone who has studied social security's financial condition agrees that we are faced with a serious short-term financial problem. If we do not make some changes we are in real danger of not being able to pay benefits on time sometime in 1984. That is the immediate problem. That is the problem that both CBO and the Social Security Board of Trustees agree on. To quote a CBO memorandum dated January 25, 1982, "During fiscal year 1984, balances will fall below the 12-percent level and even full interfund borrowing will not insure the timely payment of all benefits."

Mr. President, something needs to be done to at least keep enough money on hand to pay benefits on time. That is all we were trying to accomplish in the Budget Committee, to look honestly at the least the Senate would have to do to achieve solvency, and include our assumptions in the budget. As long as the budget includes the social security trust funds it is the legitimate role of the Budget Committee to include trust fund assumptions in the budget.

There is no shortage of ways we can come up with to do whatever is necessary to maintain a prudent reserve in the Old Age and Survivors Trust Fund without reducing anyone's benefit by even a single dollar. The Senator from Colorado, Mr. Armstrong, has shown us 39 ways. The Senator from Minnesota, Mr. Boschwitz, has shown us 19 ways. My own preference would be to alter the system radically by separating the welfare aspects of the system from the pension aspects. The point is that none of the actions we take need reduce the benefits of anyone who is currently dependent on social security. In fact, Mr. President, on October 15, 1981, the Senate adopted an amendment where we went on record as saying that any future changes in social security will not affect benefits for current recipients.

In spite of all that, we still had people saying that the Budget Committee had voted to cut benefits by $1,000 per recipient. Mr. President, I know there is wide disagreement on what exactly to do about social security. I don't expect that there ever will be agreement, but I wonder why we cannot even have a frank rational discussion.

Mr. President, the latest budget compromise does not include any assumption as to the amount of the social security solvency fund. The $40 billion has been expunged. The compromise does maintain our commitment to do whatever is necessary to pay benefits on time and I intend to support it because I believe in the solvency of the trust fund.

Mr. DOMENICI. Mr. President, the committee modification now before the Senate responds directly to concerns expressed repeatedly in this Chamber in recent days regarding the committee's recommendations on social security. I will say once again that the committee's recommendation was a responsible attempt to address the urgent solvency problems in the social security system, in the overall context of a budget resolution.

The committee's recommendation did not cut social security; indeed it attempted to guarantee that social security benefits would continue to be received. The committee's original recommendation did not balance the budget on the backs of social security recipients but simply included in the total deficit calculations the effect of the actions Congress must take to save the social security system. I guarantee you that 1 year from today, Congress will have acted to achieve the social security solvency actions shown in the original committee recommendation—or very close to those amounts. Congress may reduce benefit growth, it may raise payroll taxes, it may do some of both. But it will act.

It is normal budget procedure, to take account of likely future congressional actions. It is now clear, however, that if we retained the committee's recommendation in its original form, we would endanger the passage of the whole budget resolution. The country needs a budget and this budget is a responsible one, even after dropping the social security solvency actions out of the totals.

Mr. President, the committee's modification does remove from the resolution any specific estimate of the actions that will be needed to achieve solvency for social security. The committee modification removes these numbers both from the estimates of the deficits in future years and from the reconciliation instruction to the Finance Committee. As a result, the deficits in the committee's modification rise by the amounts of the original social security savings—$6 billion, $17 billion, and $17 billion in fiscal year 1983, 1984, and 1985, respectively.

However, let me be very clear, the committee's modification does not "throw in the towel" on social security. We have retained the section of the original resolution that requires the Finance Committee to report legislation, under the reconciliation process, to achieve solvency. The amounts will be those determined necessary to assure that the elderly of America will continue to receive their social security benefits and that these benefits will not be reduced from current levels. The committee's modification continues to call for the National Commission on Social Security Reform to make its report by November 11, 1982, and requires that the Senate Finance Committee report solvency legislation by December 1, 1982.

Mr. President, the deficits in the committee modification are overstated. The committee modification requires legislative action on social security solvency, under the strongest enforcement provision in the budget process—reconciliation—but it does not take the budgetary effect of these actions into account. The committee modification does, however, include sense of the Senate language that requires the budget totals be adjusted to reflect Congress action on social security as soon as that action is complete.

In addition, the committee modification provides room for more spending for a number of programs than would have been available under the original version. These changes reflect concerns of several Senators that some of the spending levels in the original committee recommendation were too low. These changes raise outlays by $4.4 billion in fiscal year 1983, $7.2 billion in fiscal year 1984, and $10.7 billion in fiscal year 1985. Each Senator has before him copies of the committee modification and a summary of the changes. Let me discuss briefly the specifics of some of the changes.

The committee modification removes from the First Concurrent Resolution for Fiscal Year 1983 the estimates of savings required to achieve social security solvency for fiscal year 1983 through fiscal year 1985. The effect of this change is to raise the recommended level of budget deficits by $6 billion, $17 billion, and $17 billion in fiscal years 1983, 1984, and 1985, respectively.

Although the committee modification removes the specific estimates of the savings required to make the social security trust fund solvent from the budget recommendation and from the estimates of the budget deficits, the modification still contains a reconciliation instruction to the Finance Committee to report legislation by December 1, 1982, to achieve such savings as may be necessary to assure the solvency of the social security system.

In addition, the committee modification increases the spending levels for several programs and results in an increase in aggregate outlays of $4.4 billion, $7.2 billion, and $10.7 billion in fiscal years 1983, 1984, and 1985, respectively. The specific programs and functions affected by these changes are listed below.

The committee modification also increases the proposed levels of revenues and the amounts by which revenues should be raised by $1.2 billion, $2 billion, $3 billion, in fiscal years 1983, 1984, and 1985, respectively. This change is intended to offset increases of these amounts in medicare outlays over the committee's original recommendation.

I ask unanimous consent that two tables summarizing the changes made in the modification of the resolution and the new functional allocations and aggregate totals be inserted in the Record at this point.

There being no objection, the tables were ordered to be printed in the Record, as follows:

FIRST BUDGET RESOLUTION FOR FISCAL YEAR 1983—SUMMARY OF PROPOSED CHANGES

[Dollars in billions]

	Fiscal year— 1982	1983	1984	1985
Deficit as reported by Senate Budget Committee on May 10	117.7	106.1	69.0	39.5
Removal of social security solvency estimates pending action later this year		+6.0	+17.0	+17.0
Additional increase in revenues		−1.2	−2.0	−3.0
Reduction in medicare savings		+1.2	+2.0	+3.0
Medicaid offset related to change in medicare savings		−0.1	−0.2	−0.3
Elimination of guaranteed student loan savings		+0.1	+0.7	+1.2
Add-back for 12 programs in which fiscal year 1981 deferrals lowered BA level in fiscal year 1982		+0.8	+1.2	+1.4
Additional funds for:				
Space and science programs (to President's proposed budget request)		+0.5	+0.8	+0.4
Housing programs		+0.9	+1.0	+1.0
Veterans health and service-connected disability compensation		+0.4	+0.5	+0.8
Postal service		+0.2	+0.2	+0.2
Additional interest costs due to higher deficits		+0.4	+1.0	+3.0
Total changes		+9.2	+22.2	+24.7
Deficit in this proposal	117.7	115.3	91.2	64.2

MODIFIED MARK

[Dollars in billions]

Function	Fiscal year— 1982 BA	1982 O	1983 BA	1983 O	1984 BA	1984 O	1985 BA	1985 O
050: National defense	216.9	190.3	251.7	215.3	278.3	243.0	316.5	277.7
150: International affairs	16.8	11.4	16.2	12.1	16.7	12.3	21.0	12.2
250: General science, space and technology	7.0	7.1	7.8	7.6	7.7	7.8	7.3	7.4
270: Energy	4.8	6.4	5.3	5.0	4.6	3.9	4.5	3.7
300: Natural resources and environment	10.3	12.8	9.9	11.4	9.3	10.3	8.9	9.3
350: Agriculture	9.9	13.8	6.6	10.1	8.3	8.2	6.7	7.3
370: Commerce and housing credit	11.6	3.8	7.1	3.9	7.6	3.6	7.4	3.3
400: Transportation	20.8	21.3	21.6	19.9	21.8	19.7	22.1	19.7
450: Community and regional development	6.7	8.5	6.9	7.7	6.9	7.5	7.0	7.4
500: Education, training, employment, and social services	25.4	28.1	26.5	27.0	26.7	26.9	26.4	26.5
550: Health	78.5	73.7	79.5	77.6	92.2	85.7	103.6	97.2
600: Income security	255.8	251.5	281.8	272.6	300.9	288.3	333.0	309.8
700: Veterans benefits and services	24.8	23.8	23.9	23.1	24.9	24.1	25.3	25.2
750: Administration of justice	4.5	4.6	4.6	4.7	4.6	4.6	4.6	4.6
800: General government	5.2	5.0	5.0	4.8	4.7	4.6	4.7	4.4
850: General purpose fiscal assistance	6.4	6.3	6.6	6.5	6.7	6.7	6.9	6.8
900: Interest	102.0	102.0	115.5	115.5	120.8	120.8	114.6	114.6
920: Allowances	0.7	0.8	−2.0	−2.0	−0.8	−0.8	−0.8	−0.6
950: Undistributed offsetting receipts	−30.5	−30.5	−39.3	−39.3	−44.8	−44.8	−47.3	−47.3
Total spending	777.6	740.7	835.2	783.5	896.9	832.2	972.6	889.2
Revenues		623.0		668.2		741.0		825.0
Deficit		117.7		115.3		91.2		64.2
Public debt		1,144.2		1,292.0		1,419.8		1,532.8

RECONCILIATION

Mr. DOMENICI. Mr. President, in addition to the changes on social security solvency reconciliation requirements I have already discussed the following other changes have been made in the reconciliation provisions.

The instruction to the Senate Labor and Human Resources and the House Education and Labor Committees has been modified to include the assumption of greater funding for GSL's than the original resolution.

The instruction to the Senate Finance and House Ways and Means Committees has been modified to reflect the assumption of lower savings

in medicare hospital insurance than the original resolution.

The instruction to the Senate Finance and House Ways and Means Committees has been additionally modified to reflect increased revenues to offset the additional medicare funding.

Finally, Mr. President, let me say again that there is nothing in the committee's modification to preclude any Senator from offering any amendment or modification that he or she so desires. The committee modification is original text for the purposes of amendment.

In conclusion, the committee modification retains the basic thrust of making major reductions in budget deficits in a substantial and permanent way. I recommend its adoption.

Mr. HATCH. Mr. President, the first concurrent resolution on the budget which is now pending before the full Senate is a document which attempts to strike a compromise, as all budgets do, between a large number of national priorities, none of which has been overlooked by the chairman, the committee, and others of my colleagues who have an interest in establishing the correct role for the Federal Government as a provider of services, protector of the vulnerable, and regulator of the economic environment of the Nation. The resolution does not contain all of the resources that I would personally propose for many of these facts of the Government's work, nor does it restrain the wasteful spending that I would restrain in other programs. Last, it does more to raise the tax burden of the Nation than I think is appropriatc for a healthy economy. Nonetheless, it is a resolution which I can support as a continuation of the sound economic initiatives that we launched last year.

The pivotal issue faced by the Budget Committee this year was the rapidly accumulating deficits projected for fiscal year 1983 and the years following. Such deficits would represent an unprecedented drain on the Nation's capital markets and it was the expectation of these deficits that contributed to the unusually high level of interest rates that still persists in our credit markets. The committee has attempted to fashion a compromise that will limit the increase in taxes which I feel will inevitably result as this Chamber attempts to fashion a budget with the House of Representatives. The overwhelming portion of the reduction in the deficit proposed by this resolution comes as a reduction in overall Government spending, which is the key to economic health, not only in the short run but for the distant future as well.

Let me emphasize that my concern on the issue of tax increases was that the key provision of the Economic Recovery Tax Act of 1981 which lowered marginal tax rates across the board during a 3-year period be protected from elimination in this resolution. Given the assumptions for revenue increases made in this resolution, I believe that the third year of the personal income tax reduction will not be jeopardized in an effort to raise revenues. The provisions of last year's tax act should be kept in perspective. There were no acutal personal income tax reductions in absolute terms. What last year's tax act accomplished was to eliminate the source of ever-increasing tax burden of the individual as inflation drove the taxpayer into higher marginal brackets. Even with the Economic Recovery Tax Act of 1981, personal income tax rates would fall short of compensating for the effects of inflation. For example, the average combined Federal and social security taxes and State income taxes paid by a family of four filing a joint return in Utah for an income of $15,000, the average tax rate in 1980 would be 17.4 percent. If we assume income increases to compensate for inflation, this family's average tax rate in 1984 will have risen to 19.3 percent, even with the 1981 tax law.

I think that as a solution to the deficit problem, raising taxes is the wrong approach. Higher taxes have quite regularly failed to balance the budget in past years, and there is no reason to believe that they would in the future. For example, between fiscal years 1977 and 1981, total taxes increased nearly $250 billion, yet total spending increased so rapidly that the Federal Government ran deficits of nearly $200 billion.

In attempting to adopt a correct approach to solving the deficit problem and, at the same time, encouraging growth in the economy, I think it is important to view last year's tax law changes in a more instructive light. Last year's law merely unmasked the precipitous increases in the Federal spending and made them identifiable for the world to see.

Mr. President, the issue facing this Congress is removing the burden of past Federal spending policy from the back of the economy. Contrary to the wisdom of those who look at tax revenues only, it is spending by the Federal Government which is the real measure of the tax on the economy. This burden should be measured by the volume and quality of Federal spending. Massive, wasteful spending is a burden to the economy regardless of whether the funds to pay for it are obtained by the Bureau of Public Debt borrowing in capital markets, or by the IRS collection of income taxes. Either way, resources that would otherwise be available for productive economic activity are removed to accommodate Government spending, whether this spending be useful or wasteful.

I ask my colleagues to consider the magnitude of this spending problem, especially with respect to open ended spending programs. For example, these open ended spending programs will have grown from $231 billion in fiscal year 1977 to a projected $592 billion in 1985, an increase of 157 percent in 8 years for an annual average compound growth rate of 12.5 percent and many of the open ended spending programs are indexed. In 1970 only 3 percent were indexed, but by 1981 over 30 percent of this spending increased automatically with the inflation level. It is no surprise, therefore, that the growth of open ended spending programs accounts for two-thirds of the year-to-year increases in Federal spending.

I fear that the automatic spending increases which are now running out of control in the Federal budget will lead to a greater spending burden that will eventually have to be paid for by the people of this country and my own constituents in Utah in the long run. Let me give you some idea what type of spending burden I am talking about. For the fiscal year 1983 alone, the automatic increases estimated for the Federal budget have grown without any action on the part of the Congress to slow them, and since October of 1982 to the present, the automatic increases have amounted to $65.3 billion. What this means for the people of Utah is that in just the last 6 months, the spending burden for just 1 year for every income tax filer in the State will have increased $588 on the average. This is money that will have to be paid in current or future taxes, with interest added, by my constituents. And this does not count corporate taxes. I think this is the real hidden burden which the Congress has to face, and which the President in his valiant struggle is trying to bring to the attention to the American people.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. The hour of 12 o'clock having arrived, there will now be a period for the transaction of routine morning business not to extend past 12:15 p.m. during which Senators may speak.

The Senator from Massachusetts.

Mr. TSONGAS. Thank you, Mr. President.

I begin by thanking the majority leader for his kindness.

ARMS CONTROL HONEYMOON

Mr. TSONGAS. Mr. President, the White House is enjoying an arms control honeymoon this week. It started on Sunday, May 9, when the President unveiled his nuclear arms control proposal at Eureka College, and indeed it continues.

There is a general feeling of relief and a genuine sense of hope that something can be done about nuclear war. It is, in fact, not the arms control proposal that I would prefer, but, everything considered, the President chose wisely and many acknowledge that. There are genuine voices of dissent and doubt, the Arms Control Association for one, but many experts and activists, both here and in Europe, welcome the Reagan initiative.

I concur. On paper, START is arguably a mainstream arms control document. As one expert confided to me, "If the President wants to negotiate a treaty, START is flexible enough to follow that option." It is negotiable, in other words. By selecting warheads and launchers instead of throw weight and megatonnage, the President should be able to negotiate an agreement without the embarrassment of fully abandoning his original proposal.

But does Ronald Reagan really want an agreement with the Soviet Union? The corrosive question persists over Presidential intent. Is START a political gesture, a fancy expedient with no followthrough, or is START a genuine arms control initiative with the full support and resolve of the President behind it? Or, put another way, is the President trying merely to deflate the nuclear freeze movement that has such broad based support around the country?

That question is posed so often it has almost become a cliche. But the answers do not come as easily as the question. On the one hand, the START proposal itself is cited as evidence of sincere intent because the President could have selected any one of several unnegotiable, unreasonable options offered by the more dogmatic of his advisers. Instead, he chose Secretary Haig's formula, according to press reports, and thereby demonstrated at least on the surface his arms control bona fides. Skeptics reply that the Eureka College speech was timed to precede Senate Foreign Relations Committee hearings on arms control, a NATO summit, and the President's trip to Europe. It was, therefore, a preemptive tactic aimed at antinuclear movements here and in Europe. Certainly the tone of the Eureka speech marked a real change in the President's oratorical approach to the issue. Some believe he has shifted his thinking toward dialog with the Soviets and an emphasis on arms control. But doubts persist in the minds of serious people. Some believe the President to be the ultimate arms controller because he has the built-in credibility to sell an agreement to the U.S. Senate. That may be true, but will Mr. Reagan take advantage of his unique position? Perhaps he is less taken with the Nixon-China analogy and more persuaded of the need to build up U.S. strategic forces. After all, he was elected on a strong defense platform and his administration has insisted again and again that we must negotiate from strength, achieve a nuclear "margin of safety" and convince the Soviets that we mean business. Those sentiments collide with the START proposal, which, if agreed to by the Soviets, would probably force the scrapping of the MX missile, the near abandonment of U.S. land-based missilery in favor of sea- and air-based forces, and the dismantling of some 2,500 deployed warheads. Is this Reagan START proposal to be believed, ask the skeptics?

President watchers pour over his every word looking for clues. Some have seized upon his uneasy technical grasp of the strategic nuclear issues. He said recently that sea-based ballistic missiles can be recalled after launch—they cannot. It is disturbing to think that the man who has his finger on the button would not know the difference. He thinks that destabilizing nuclear weapons are the ones launched by a push button—they are not. Mastery over technical matters, however, is not a Reagan hallmark on this or any other issue. He still may be committed to a real START, no matter how incomplete his understanding may be.

I would suggest that history has provided the President with a narrow "window of opportunity" to make START a reality. Leonid Brezhnev is in his final years, along with an elder generation of Soviet leaders largely committed to arms control. They are in power but not for long. No one knows who will succeed Brezhnev and what policies they will pursue. I think it is safe to say that whoever comes to rule from the Kremlin will do so after a bitter struggle and that consolidation and risk avoidance will characterize their leadership style. This would not auger well for arms control, at least not for formal negotiations with the United States.

As William Colby put it recently, "The problem is that we may look back on this last decade as the good old days of Leonid Brezhnev." I think that President Reagan should act while Brezhnev is still in control and seek a prompt, yet significant, arms control agreement with the Soviet Union. The vehicle is in place. Brezhnev has responded positively to the resumption of talks. The question is resolve, both from the President and from his advisors.

The President's men, we should note, are not of one mind on this issue. I have described the START proposal as the outcome of a vigorous competition between bureaucratic team A and team B. Secretary Haig, his Assistant Secretary, Richard Burt, and the Joint Chiefs of Staff, led team A and were the winners. Team B was captained by Secretary Weinberger, his assistant Secretary Richard Perle, and the Director of the Arms Control and Disarmament Agency, Eugene Rostow.

The battle was over the START counting rules. Team A argued for the SALT tradition of counting launchers and warheads, while team B advocated a throw weight approach which would emphasize the enormous advantage the Soviets have in that one category of strategic measurement. All of this has been well ventilated in the press—it is no secret. Nor is it the first time a major bureaucratic war has been fought on an important issue.

The remarkable feature of this particular tussle is that I do not think it is over. The President has made a decision, but those who must carry it out are those who fought it. Director Rostow and Assistant Secretary Perle will play major rules in the START negotiations. I fear that neither are seriously interested in a successful agreement with Moscow. Mr. Perle is on record with his anti-Soviet views, with such statements as: "Between contemporary Soviet history and Catherine the Great is a continuum, and I don't see any evidence that succession will mean an abrupt change." Mr. Rostow, with whom I studied many years ago, astounded me last week by stating the George Kennan, McGeorge Bundy, and Robert McNamara, are all "accommodationists to Soviet power." He also warned in his testimony against "the treaty trap," by which he meant that U.S. negotiators may offer reckless concessions in order to achieve an agreement. The President's START negotiator, Edward Rowny, seems to be obsessed with Russian "nature" and "character." He has warned that the Soviets do not believe in "compromise" and do not "think like us." He questions whether it is possible to negotiate seriously with the Soviets.

Those are not hopeful signals. Frankly, I am concerned that bureaucratic sabotage may undo START. Through a combination of lethargy, obstinacy, and diversionary tactics, START may never get off the ground.

What is plainly and clearly needed at this juncture is a Presidential demonstration of resolve. The START skeptics to the left and center of the President need reassurance that the proposal is genuine and that the negotiations will be in good faith. The START opponents within the administration need unequivocal instructions that the President supports START and wants a united team strongly behind the negotiations.

This calls for more than a memo. I can think of several Presidential actions which would convey the right message. For one, he could publicly embrace the SALT II Treaty and call for its ratification by the Senate. Given his long standing anti-SALT campaign, that might be too much to ask. But there are other SALT II options. Joe Kraft has suggested that the President take an amended version of SALT II to the Soviets, quickly negotiate the differences, and call the new document START I. Or, minimally, the President could announce publicly and unequivocally that the United States will adhere to the terms of SALT II so long as the Soviets do.

A second type of Presidential gesture could address the potential for START sabotage from within the administration. I would propose that the President appoint a new START negotiator to lead the U.S. negotiating team. Currently, Gen. Edward Rowny is the official START negotiator. Without maligning General Rowny's qualifications, I think replacing him with a negotiator more positively associated with U.S. arms control efforts would be an unambiguous symbol of the President's resolve to negotiate in good faith. General Rowny, as our negotiator, makes a mockery of any credible commitment to arms control. Mr. President, how serious are you? A new negotiator with a sound reputation in the arms control community would serve as a point of contact and credibility.

My parochial, political sense tells me that I am offering the President an idea which will help him and his party. His Presidency is imperiled by a growing grassroots movement demanding an end to the nuclear arms race. For me to point the way out of that dilemma is an affront to partisan politics. But I have long been convinced that nuclear war and nuclear weapons should transcend party politics. As Secretary Haig urged last week, "Now is the time to rally behind the President's proposals." I am ready to do that.

This is the ultimate issue. More and more Americans are understanding how profoundly critical our arms control policies are. I do not mind if Ronald Reagan makes political headway with my suggestions. If it helps diminish the risk of nuclear war, I will not complain.

Madam President, I ask unanimous consent to have printed in the RECORD two articles in connection with this matter.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Post, May 18, 1982]

A BRIDGE BETWEEN SALT AND START

(By Joseph Kraft)

Arms control is not Ronald Reagan's bag. At one National Security Council session on the subject, the president was observed carefully drawing a horse. At another he was heard asserting that, unlike missiles, ships could be sunk and planes shot down.

So Reagan will need help in moving from the slogans he enunciated at Eureka College to a full-dress accord with the Russians. Since so many in the administration are potential backsliders, the help will have to come from outside, and for that purpose the right instrument is some version of the SALT II treaty.

Dimness about arms control was demonstrated by the president repeatedly at his news conference on May 13. Though he introduced the topic in an opening statement, he seemed ill at ease in responding to questions. He strained not to make mistakes. Still, he erred in saying that missiles launched from submarines could be recalled. He erred again in asserting that "the parts" of the SALT II treaty that were currently being observed had "to do with the monitoring" of weapons.

He twice defined "destabilizing weapons" as those that "can be touched off by the touch of a button." In fact, almost all nuclear weapons are push-button jobs. The destabilizing ones are those—like Russia's S18 and this country's projected MX—that can wipe out so many on the other side that they provide an incentive to start a nuclear war.

That definition is central to the proposals that the president broached in his address at Eureka College on May 9. The headlines on the speech rightly centered on the proposal that the United States and Russia reduce by one-third the number of warheads—roughly 7,500 apiece—that each side can shoot from long-range, or strategic, missiles.

The one-third reduction slogan tops the call for a nuclear freeze. It thus gets the president past hearings on arms control due to open in the Senate next week; and past the summit meetings in Europe, set for the first 10 days of June; and past the United Nations disarmament conference in the middle of next month. The way is thus open to commence with the Russians at the end of June negotations on what the president calls START, for a Strategic Arms Reduction Treaty.

But the fine print of the president's offer declares that, of the 5,000 warheads left after one-third reductions, only half could be on land. That obliges the Russians to dismantle some of the 300 SS18 missiles with 10 warheads apiece that they have already deployed. In return, the United States would only forgo building the MX.

The Russians, given that unequal offer, are bound to make loud noises about two kinds of weapons the president did not include—bombers and cruise missiles. Moscow will also continue to use arms control talks—including those already in progress on intermediate-range missiles based in Europe—to split the allies from the United States. So what lies ahead is several years of extremely difficult negotiations.

In the interim, technology will change. The declining economy may further undermine support for defense in this country. Those in the president's entourage who favored calling on the Russians for even deeper cuts will regroup and press their claims anew. At that point, the president will need help from outsiders to stay the course, and some version of SALT II comes into focus.

The Strategic Arms Limitation Treaty, which was signed by President Carter but never ratified is currently being observed in almost all respects. Both the United States and Russia are following its prescriptions as to both the kind and number of weapons they are deploying.

To be sure, the administration insists, in the words of Secretary of State Alexander Haig, that "SALT is dead." But a few changes could bring it back to life for most Republicans. Former Secretary of State Henry Kissinger, in a notable speech in Holland last week, listed three—lengthening the term of the treaty from 1985 to 1987; providing for some token reductions in number of warheads; and giving the United States a right—which it almost certainly would not exercise to build a weapon like the SS18.

Changes of that sort could be tied up very quickly between Reagan and Leonid Brezhnev at the summit meeting that seems to be shaping up for the fall. They could be put to the Senate for approval as an executive agreement. Majority Leader Howard Baker, who was party to the Kissinger speech, would willingly lead the charge. If partisanship required it, the dirty name could be erased, and the new accord could be called START I. In any case, a bridge would be built that assured safe passage from SALT to START.

[From the Reader's Digest]

HOW NOT TO NEGOTIATE WITH THE RUSSIANS

(By Lt. Gen. Edward L. Rowny)

(From the beginning of the second round of Strategic Arms Limitation Talks (SALT) in 1973 until the completion of the SALT II treaty with the Soviet Union in 1979, Lt. Gen. Edward L. Rowny was the chief military negotiator for the United States. A scholarly combat veteran (World War II, Korea, Vietnam) and a student of arms control, Lt. General Rowny studies previous East-West negotiations closely. He found that, true to form, the Soviets came to SALT prepared to agree only when agreement meant an advantage for them. Reluctantly, he went before the U.S. Senate in 1979 and recommended rejection of the SALT II treaty as a one-sided document giving great strategic advantage to the Soviets. Lt. General Rowney now reflects on the pitfalls of talking with the Soviets.)

Is it possible to seriously negotiate with the Russians? Soviet overtures for new talks with the Reagan Administration make an answer to that question imperative. But the record of the past decade must give us pause.

While we negotiated arms limitation with the Soviets, they engaged in the most costly military buildup in world history and eventually surpassed us in numbers of strategic weapons. Simultaneously, they became increasingly aggressive in their foreign policy. As we talked and traded with Moscow, more than 100 million people fell under the domination of repressive Soviet-backed regimes—in Angola, Ethiopia, Vietnam, Laos, Cambodia, Afghanistan. Worse, the strategic balance was threatened rather than preserved.

Russian "diplomacy" is rough and assertive, reflecting Moscow's deep seated conviction that a Soviet-dominated communist world order is inevitable. Consider the frustrating techniques they employed in past SALT negotiations:

1. The Soviets do not believe in compromise. There is no Russian equivalent to the root word of the English "compromise." The Soviets have adopted our word, but not embraced our meaning. The search for a reasonable middle ground of agreement, the heart of the Western sense of negotiation, is foreign to them. Soviet negotiators seem to regard compromise as a sign of weakness.

They always come to the negotiation table with exact objectives in mind. They did not retreat from them. What were often greeted as Soviet "compromises" were in fact bits of window dressing. Or they would throw out extreme demands and then grudgingly withdraw them, creating the illusion of compromise. Their basic position was "What's mine is mine. What's yours is negotiable." When the Soviets felt their strategic interest was at stake, they did not budge. Examples.

The Soviets came to SALT with at least 328 "heavy" missiles—huge ICBMs far bigger than our Minutemen. Each is capable of hurling explosive power more than 1,000 times that of the Hiroshima A-bomb. We sought repeatedly to reduce the number of these missiles, for which we have no equivalent. The Soviets simply refused to discuss the matter. In the final treaty they kept all their heavy missiles.

Under development when the talks began was the Soviet Backfire, a dangerous new long-range bomber. The Russians parried every American effort to have Backfire brought under treaty limitations. Finally the Carter Administration caved in and accepted a meaningless "assurance" from Soviet Premier Leonid Brezhnev—written only in Russian and unsigned—that in essence said Backfire would not be employed as a strategic weapon against us.

"Throwweight"—the total amount of destructive power a nuclear warhead can carry to its target— is critical to the strategic balance. The larger Soviet missiles can direct more warheads to targets than ours. This should have been a prime item of treaty business, but the Soviets refuse to discuss throwweight. Anxious to "keep the talks moving," we gave in.

One of the chief ways to monitor weapons systems in any arms agreement is via the electronic data transmitted from missiles during test flights. The Russians encode this data; we do not. It was vital to monitoring any treaty that the Soviets stop encoding their data. The Soviets were offended that we brought up the issue. In an empty "concession," they agreed to stop encoding some data, reserving the right to decide for themselves what to hide from us!

2. The Soviets seek every possible advantage. The United States tends to enter negotiations in a spirit of good will and fair play. This is hardly the Soviet approach. The Russians are prepared to manipulate people, places, paperwork, language—any possible leverage point, in what Henry Kissinger has called their "undying quest for petty advantage." For instance, they alway seek to control the agenda. Only by meticulous pre-negotiation preparation and a firm grasp of our position can we hope to counter this Soviet tactic.

Unfortunately, we went to Geneva in 1973 with no clear idea of the agenda, and amazingly—because of last-minute disagreements in Washington—no firm overall approach to SALT. The Soviets had a carefully prepared team, and they knew what they wanted.

While we waited for instructions, the Soviets seized the initiative, thus appearing to be the ones who cared about ending the arms race. When we finally received our instructions, we were told to proceed with the vital business of nailing down definitions—what constitutes an ICBM, a heavy bomber, etc. But the Soviets refused to discuss this. They had decided it was time to move on to more "substantive" issues, namely how the old SALT I interim agreement could be made permanent.

From the outset, the Russian negotiators made it clear that nothing in the interim agreement (which heavily favored Moscow) could be challenged, most especially those sections that put the stamp of approval on clear Soviet advantages. We wanted to define and discuss true parity. They refused, arguing that the Soviet Union was entitled to larger strategic forces than the United States because Russia was, "encircled" by the capitalists!

In 1974, after the meeting of President Gerald Ford and Brezhnev at Valdivostok had gotten SALT back on track, we needed time to fashion a treaty encompassing their agreements. But the Soviets once again seized the advantage, urging us to hurry back to the negotiating table. At Geneva, our own version of the treaty still unfinished, we found the Soviets on the high ground, with a "completed" treaty version. The document was a diplomatic farce—15 pages of generalizations celebrating the need for arms control with few specific proposals.

It became clear that the Soviets were after a broad agreement, the loose wording of which would enable them to continue reaping the benefits of détente—Western technology and trade—without paying a real price in arms restraint. When we finally got our version to Geneva—a detailed 60-page draft that dealt with the meat and potatoes of arms reduction—the Soviets resisted the specific proposals and became intransigent.

The Russians used other tactics to jockey for an advantage. They seemed to cherish the idea of strength in numbers and tried to load conferences with extra people—"stenographers" or "interpreters" in need of "on-the-job training."

The Soviets would also hold huge formal dinners that always turned out to be working sessions. Russian interpreters and advisers, allowed to drink only mineral water, would sit in the background while we dined on smoked salmon, caviar, sirloin steaks and wine. After hours of vodka toasts and after-dinner drinks, the Russians would launch into serious discussions as if on cue. Soviet delegates would get knee to knee with their counterparts, always trying to extract information but never giving any. The slightest substantive remark by one of us might show up at the next regular session as a point of "agreement."

3. The Soviets are prepared to wait until we give them what they want. Confident that the "objective reality" of history is moving their way, the Soviets' chief credo seems to be: "Wait long enough and the impatient Americans will give us what we want."

I was disturbed by the way Soviet impassiveness and a calculating patience reaped benefits from our negotiators, who always seemed anxious to "get on with it." The Soviets believed that factions within our government or public opinion would force us to make progress for the sake of progress. And numerous times our Secretaries of State, Kissinger and later Vance, reinforced this belief by facing cameras and microphones to assure the public that a treaty was imminent.

Between March and September 1977 we made proposal after proposal for limiting heavy ICBM launchers, while the Soviets folded their arms and waited. First we proposed a cut to 150 (we had non heavy missiles). The Russians waited. anxious for results, we then suggested 190. They waited. We offered 250. They waited. Finally we "offered" 308, the figure we knew they wanted all along. The Russians "conceded."

At one point in 1977 the Carter Administration offered a bold treaty approach that significantly cut strategic arms. I thought this new "comprehensive proposal" had much merit. However, on my way to Moscow, I learned we were going to put two proposals before the Russians. One was the comprehensive proposal—the other was our fallback position! It was based on the old Vladivostok agreements but with two vital issues—cruise missiles and the Backfire bomber—set aside.

This contravened all I had learned about negotiating with the Soviets. Further, I learned later that Secretary of State Vance (following what was the routine U.S. negotiating procedure) had briefed the Soviet ambassador to the United States, Anatoly Dobrynin, in advance on the contents of the two proposals. Predictably, the Soviets waited for our fall-back proposal. The comprehensive offering, which held elements that might have led to some significant force reductions, was stillborn.

Rather than stand up to the Russians we accepted Soviet intransigence as a fact of life. We in effect negotiated for them, rejecting good positions ourselves. We became preoccupied with what would be acceptable to the Russians, rather than what served our national interest.

Too often we cherished the false notion that by giving up something unilaterally, we would cause the Soviets to give up something in return. Thus Carter, supposedly setting an example for Brezhnev, slowed development of our new MX missile, shut down the Minuteman III production line, delayed development of the Trident II submarine-launched ballistic missile and canceled the B-1 bomber—all while we were in negotiations. As we should have anticipated from past experience, there was no reciprocity on the part of Moscow.

Sen. John Tower (R., Texas), visiting our delegation in Geneva, joined me in conversation with Alexander Shchukin, the Soviet scientist who was one of their most perceptive negotiators, "We have given up the B-1 in the interest of restraining strategic arms," said Tower. "What are you willing to give up in return?"

"Senator, you misunderstand the Soviets," Shchukin said. "We are not pacifists, nor are we philanthropists."

We failed in the SALT negotiations because we continued to believe that the Russians would or could think like us. While we slipped from strategic superiority to parity to inferiority, the Soviets sought, not to establish a strategic balance, but to win a strategic game. And they have largely succeeded.

The prospect of a new dialogue with the Russians offers us the chance to profit from our past errors, to negotiate with a new realism to match the Russians' toughness and patience. But we must carefully prepare ourselves, have a sure policy in mind and pursue it to the finish. Above all, we must talk from a position of strength. It is absolutely vital that we rebuild our defenses, for unfortunately it is strength alone that the Soviets understand and grudgingly respect.

We must suffer no illusions that negotiating with good will can somehow change the Russian nature. What we can change is the Soviet perception of us. They must see that we are not in "inevitable" decline; that we are the leaders of the free world and that we have the purpose and strength to carry out that role.

We must send the clear signal that we are as strongly prepared to defend our interests as we are determined to reach a common ground of agreement. This is the best way to assure the possibility of genuine arms reduction.

ADDRESS BY GERALD W. McENTEE BEFORE THE NATIONAL PRESS CLUB

Mr. KENNEDY. Mr. President, at a time when we are making basic choices about the health and fairness of our national economy, it is important to hear from those who speak for the men and women most affected by our decisions. One of the most eloquent voices for economic sense and equity is that of the new president of the American Federation of State, County, and Municipal Employees—Gerald McEntee. Gerry is a close friend; he is also someone whose experience and wisdom command my respect, and whose views can make a real contribution to the debate in which we are engaged. I ask unanimous consent that his recent address to the National Press Club be printed in the Record at this point.

There being no objection, the material was ordered to be printed in the Record, as follows:

Remarks by Gerald W. McEntee, International President

Back in the Dark Ages of the 1960s, the radicals of those times took an ordinary word—mother—and gave it an extraordinary new dimension. Here in the enlightened 1980s, an older generation of radicals is transforming another ordinary word. This time the word is "government."

Our incumbent President, Ronald Reagan, doesn't much like government. In fact, he spends a considerable part of his energies denouncing the institution he was elected to administer. And I think that he has been more than a little successful in encouraging people to lose faith in that institution.

Unfortunately, it is the one, the single entity in this nation that was created and that exists to unite us.

As the press reminds me with some frequency, the labor movement, and particularly us big-shot labor bosses, are behind the times. Since this labor boss doesn't want to be out of character, let me advance a thought that seems to be fading from fashion.

Simply put, it is this: Our form of democratic government is good. It is not perfect, mind you, but in general it has worked to the substantial benefit of this nation's people for some 200 years, and most certainly for the past half century.

So let me make clear at the outset that I and the one-million-member union that I serve, AFSCME, support democratic government despite its flaws. We like the idea that we as Americans, despite our own flaws, have chosen to govern ourselves by rules that are based on the notions of justice and equality and fair play.

Today the nation is preoccupied with economic concerns. Fear that the Reagan Administration will induce a new depression is no longer confined to few nervous nellies on Wall Street; that fear now reaches across the land, and with good reason.

But I think we have something more than the economy to worry about. We have the Administration itself. I believe that the Reagan Administration is endangering not only our economy but the health and vitality of democratic self-governance.

I do not think that this is the result of any sinister conspiracy. The cause is much more prosaic than that. For all his sincerity and amiability, Ronald Reagan is a profoundly uninformed citizen. He has confused history with nostalgia; he has confused reality with the fantasies on which he built his career.

For example, he apparently does not understand that the central government has a specific constitutional responsibility to promote—actively promote—the general welfare. It is bound to protect citizens against events beyond their control.

Instead, using the considerable powers of his office, the President has ignored or abandoned that responsibility. Let me note only the Reagan Administration's initiatives that imperil the health, the safety, and the economic security of the great majority of this nation's citizens.

For example, he does not understand that the nation's one common institution—the central government, the Federal government—must attempt to deal with all citizens even-handedly, without regard to their zip code, their party affiliation, or their economic lot.

Instead, his policies are forcing lower- and middle-income citizens to assume an increasing proportion of the costs of self-governance and reducing their access to its benefits. At the same time, he is freeing the affluent from the burden of government and freeing them as well from accountability for their actions.

He believes that government should be run as a business, but business and government do not have the same bottom line. The business of business is to show a profit for the shareholders. The business of government is to pursue the common good for everyone. There is more at work here than a cost-benefit ratio.

For example, President Reagan has reopened the debate on federalism, and that is a good thing. But once again he has stepped off on the wrong foot. Profound constitutional questions are embedded in the issue of federalism, questions that we will have to address sooner or later, but the President has framed the debate as a simple matter of budgetary convenience.

I was taught that our form of governance depends at minimum on the ability of the people to inform their judgments so that they can reach a reasonable consensus.

Instead—and as you know better than most—the President has actively sought to restrict access to information, to control its presentation, and sometimes to distort it.

Instead of leadership that seeks to shape and guide consensus, he appears eager to impose on all of us policies that are espoused by economic and ideological minorities.

And through all of this there is precious little tolerance for dissent or an understanding of its role. Those who break step are cast into the outer political darkness, there to mingle with such dangerous groups as the Audubon Society.

Nostalgia can be a powerful marketing tool, but I think it is a hell of a way to run a government. What it has given us to date is a spectacle of inconsistency, confusion, and miscalculation.

The President's rigid faith in an economic version of Laetrile has propelled us toward economic chaos.

The President's brand of foreign policy, which appears to have its intellectual roots in World War II movie scripts, has both our allies and adversaries consulting fortune tellers. We now claim the ability to distinguish between good tyrants and bad tyrants. And if you displease us, watch out—we'll sic Frank Sinatra on you.

The President believes that throwing the federal purse at the Pentagon will solve our military problems—precisely the approach he denounces if the purse is aimed at domestic problems.

The litany could go on, but what strikes me beyond this strain of shallowness and contradiction is that every major initiative of the Reagan Administration also seems to depend on a generous element of fraud.

The centerpiece of his effort to quote "bring government close to the people" end quote is the so-called New Federalism. He says that there are no winners and no losers. Except that his proposal would have penalized every one of the 50 states—and substantially. Penalized them on top of the damage he has already inflicted by his budget and tax programs.

The centerpiece of his urban program, the enterprise zone, is predicated on economically depressed cities subsidizing businesses while the Federal government does nothing more than offer those same businesses additional tax breaks.

And of course there's that inviolate safety net. By now he has shrunk this to the size of a Band-aid. How? By redefining the really, truly, absolutely, positively deserving needy. This boils it down to three crippled World War I veterans who live in the slums of Nome.

Now comes his promotion of a constitutional amendment to require Congress to balance the budget each year. Our President pushes this at a time when his own budget is about $180 billion short. It's as if he were telling us, "All the things I have done are good. Now let's make sure nobody ever does this good again."

Since January 20, 1981, AFSCME has developed the habit of not taking the White House at its word. That spring we began to warn against the extravagant unfairness of Reagan's budget and tax cuts. David Stockman was kind enough to eventually confirm this.

That same spring, we warned that Reagan's tax giveaways to business set a booby trap for state revenues; this went unheeded until August, and by then it was too late.

Within two days after the President announced his New Federalism program this past January, we analyzed the White House figures and found that these, too, were fraudulent, and this was later confirmed by the Congressional Budget Office.

As soon as the President climbed aboard the Balanced Budget Amendment medicine wagon, AFSCME asked Data Resources, Inc., whose economic forecasts are highly credible, to reserve some computer time for AFSCME. We wanted to find out what would happen to the economy if the budget amendment version supported by the President were approved.

Among the assumptions that DRI pumped into its model of the national economy were that the President would get about half the non-defense budget cuts he wants in Fiscal 83 and that the amendment would take effect at the earliest possible time, Fiscal 1985.

DRI's computer had a hard time digesting this one. I am told that before the end of the run, Otto Eckstein personally had to replace the fuses several times. But here are a few of the outcomes, compared with DRI's standard forecasts:

If the Balanced Budget Amendment becomes the law of this land in Fiscal 1985, by Fiscal 1987 2,650,000 more people will be out of work—a 2¼-percent increase in the unemployment rate. Between Fiscal 1985 and 1987 our Gross National Product will be down by $519 billion.

The Federal budget in Fiscal 87 would be cut $163 billion. In fact, there would be an average budget decrease of 14 percent for each of the three years.

What would forced reductions of this magnitude mean?

You may recall the cries of anguish from state capitals when the President cut Federal grants in aid by $11 billion in fiscal 1982. Well, under the Balanced Budget Amendment, state and local governments would lose $49 billion in revenues in Fiscal 1987 alone.

In fact, all major Federal functions, including defense and Social Security, would have to be drastically reduced.

Even the total elimination of all grants programs—Medicaid, Social Services, the Highway Trust Fund, Aid to Families with Dependent Children, waste water treatment, revenue sharing, the whole works—even their total elimination would achieve less than half the cuts required.

Ah, —but there's that big trade off, reduced inflation. Well, in Fiscal 87 the inflation rate would drop—from 7.2 percent to 6.9 percent. So for all of this we gain a three-tenths of one-percent advantage—and pay for each tenth of a percent with one million jobs.

These are only the highlights of the DRI run. We have prepared a more detailed report, and this will be available to you as you leave. The point is that the amendment would hamstring—irresponsibly hamstring—the entire Federal government, put another bullet into the economy, and push millions of more Americans—and particularly the elderly—into the misery of poverty.

I have no doubt that those who most vigorously promote the Balanced Budget Amendment see it as a means of achieving savage cutbacks in the Social Security program, cutbacks they are unable to get through the regular legislative process.

And I have no less doubt that the defense cuts it would require would pose a real and present danger to this nations's security.

So much for this President's penchant for the quick fix.

As you may know, the vast majority of AFSCME's members provide state and local public services—in prisons, in homes for the retarded, in sewers, and in a variety of other unglamorous settings. For this, our members earn an average wage of $14,500 a year and all the public hostility they can carry away.

Our union is in an unusual position. We see every day what is going on in the great majority of our states, our big cities and our smaller communities. And what is going on is bad.

Another tax break to Occidental Oil or General Electric or the Chase Manhattan Bank is not going to patch a single pothole in Dubuque, rebuild a crumbling bridge in Cleveland or ensure clean drinking water for St. Louis. It won't take care of an old person who is trying to live out his or her remaining days at home, and it certainly won't take care of that legion of the old who no longer have a home. It won't keep a library open in Denver or repair the boiler in any town's public schools.

Most of our cities and states and communities are falling apart. Services are declining, public works are eroding, and the quality of life is going down, down, down—and nobody back here near the throne of power appears to understand what this means or give a damn.

President Reagan must have a rather baleful image of the people he was elected to lead. He appears to see them as driven by the same impulses that carried his close friends to wealth. But he's wrong again.

He is a leader who is out of touch—perhaps never was in touch—with the realities of this nation's people.

And I believe that too many of our incumbent politicians are similarly out of touch. They spend their waking hours chasing the latest opinion survey, counting their machine-generated mail, and jockeying for advantage in the next election. They check their principles at the door, rent their votes, and all of us are losers as a result.

I am a member of the Democratic National Committee and of its Labor Advisory Board. I want the Democratic Party to win big this November and I am working toward that goal.

But in the past five months I have also traveled the country from one end to the other visiting AFSCME's members and listening to what is on their minds. From what they say, and from the polls I've seen, and from the tales of other travelers, I have heard nothing or seen nothing to indicate that the people of this nation have exhausted their capacity for compassion, their desire for fair play, or their hopes for their own futures and those of their children.

They don't like what the Republican party seems to stand for, but they are not very enthusiastic about their old friend, the Democratic party, either. To paraphrase the saying, they are willing to deal with their enemies—it's their friends who worry them.

What they want is some positive leadership, and I believe they share this feeling with the majority of the electorate.

As president of AFSCME, I cannot deliver the vote of a single member. That's not my job. My job is to represent our members and help them get a fair shake.

But I can tell our members who I think will give them positive leadership, and I have two things to support by recommendations: voting records and campaign promises. It's the latter that concerns me.

Thus my recommendation to AFSCME's members has been this: Our overriding political priority as members of the union, as workers, and as citizens must be to elect candidates who are accountable—who have established their accountability or who can convince our people that their promises are more durable than a campaign hat.

That party hat is less important than leadership. The Yahoos of this land are in full cry, and all we have to stand against them is principled leadership. And it is my hope that the members of AFSCME will have a hand in returning that kind of leadership to power.

Thank you.

THE EFFECT OF BUDGET CUTTING ON MAIN STREET

Mr. MATHIAS. Mr. President, in this budget debate, as we seek ways to curb Federal spending and reduce the projected Federal deficits, I want to take a moment to ask each of my colleagues to translate the abstract reductions in spending that are being proposed into concrete terms, into the real effect they will have on many Americans.

There is no doubt that huge projected deficits and high interest rates have eroded our economy and our morale. There is no doubt that a balanced budget must be our ultimate objective. But we must not balance the budget on the backs of those who can least afford it—the elderly and disabled. In a very real sense, we are their caretakers. We are dutybound to weigh carefully how our efforts to bring our economy under control will affect them.

Spending reductions and revenue increases obviously must be achieved. But, as we proceed, let us not lose sight of the fact that we are speaking of real cuts and real people, and real suffering. Sometimes, listening to the debate, you get the feeling that the only cause and effect at work in budget cutting is the wondrous effect a balanced budget would have on Wall Street.

But what about Main Street? Is it any wonder that our retired citizens are worried? Is it any wonder that their confidence and sense of security is shaken? Should we be proud of the fears and concern our debate has inspired among them?

Mr. President, to help us keep this debate in human perspective, I ask to have printed in the Record, a letter from a constituent and fellow citizen of Frederick, Victor Barnes. His clear thoughts on the state of Federal health coverage hold a message for each of us. His situation is not good, and his comments speak as much to our times as to our action here. His letter deserves our thoughtful and compassionate attention. He speaks for thousands and thousands who listen to our discussion silently and apprehensively.

The letter follows:

There being no objection, the letter was ordered to be printed in the Record, as follows:

A General Comment on the United States

Frederick, MD.
May 10, 1982.

Dear Senator Mathias: May 8, 1982, passed without a mention of the end of World War II in Europe, where I was on May 8, 1945; at Rennes, France. Now, at the age of 70 years, the nation that praised our "boys " in arms, could care less about these citizens. I spent 22 years in federal service till a tumor in the rear of my right eye convinced the IRS that my useful service should be terminated there and so it was promptly. December 2, 1958.

My medical bills have been high since, considering my income. And now it seems like since the Economic Recovery Act of 1981 has been passed wherein large corporations can legally just about eliminate their taxes, I still pay on my $500 per month pension, in addition to paying for medical coverage of $324.00 per year. . . .

However, I honestly feel that the OPM and the new insurance contracts have a feeling that they can clip the insured five here and ten there, and even disallow large bills without a reason. The procedure is so cum-

bersome before one can get into the Federal Courts, that they hope people in my age bracket will forget, wear out, or die before the insurance company has to pay the just bills.

The vicissitudes of life handed me a blow in 1980, so that in otherwise good shape, I had to have open heart surgery consisting of three by passes, and a mitral valve of metal. Since this great medical advance I take 12 pills a day, and am more or less an 80 percent invalid. The insurance company takes an attitude that I should be recovered. But hundreds who go thru this are not helped too much when heart valves are involved.

These things plus the constant cuts of this administration on retired federal workers, and the looming possibility that we will be be reduced to serfs, is ebbing my patriotic feelings for the United States of America. We need leadership, true, but not down hill.

While millions are suffering, on the radio each day, on TV, stand these well dressed men with glass towers, which they have built with TAX EXEMPT INCOME, and they could care less about the bread lines, the overcrowded hospitals (Frederick is one such) urging the listeners to stand up for God and Country.

One Republican said, "God must love the common man he made so many of them". A. Lincoln.

How times have changed. Good wishes to you, and good health. And thank you for listening.

Sincerely,

Victor A. Barnes.

100TH ANNIVERSARY YEAR OF UNITED STATES-KOREAN DIPLOMATIC RELATIONS

Mr. THURMOND. Mr. President, in commemoration of the 100th anniversary year of United States-Korean diplomatic relations, I was pleased to represent the leadership of the U.S. Senate at a luncheon earlier today in the Capitol.

This luncheon was hosted by Senator Percy in his role as chairman of the Committee on Foreign Relations and honored a distinguished group of Korean public officials, including His Excellency, Byong Hion Lew, the Ambassador of Korea, and the Honorable Tong Jin Park, chairman of the Committee on Foreign Affairs of the Republic of Korea National Assembly.

Mr. President, I am pleased to take this opportunity to salute the distinguished delegation representing our ally, South Korea, on this auspicious occasion. I would also like to express the hope that our two nations will enjoy peace, prosperity, freedom, and continued close, cooperative ties in the next 100 years of United States-Korean diplomatic relations.

Mr. President, I ask unanimous consent that a resolution adopted by the Korean National Assembly in commemoration of the centennial of diplomatic relations between Korea and the United States be printed in the Record, along with a list of the persons attending today's luncheon.

There being no objection, the material was ordered to be printed in the Record, as follows:

Resolution of the Korean National Assembly

Bearing in mind that the political and military actions taken by the people and the government of the United States of America to resist the continuing armed threats from North Korea and to bring about peace and stability on the Korean peninsula have been widely acclaimed by all peaceloving people of Korea and of the world;

1. Expresses our profound appreciation for the positive support and cooperation extended by the people and the government of the United States of America in the restoration of the sovereign independence of the Korean people and the subsequent establishment of the Government of the Republic of Korea;

2. Pays the highest tribute to the members of the Armed Forces of the United States of America who gave their lives in the defense of freedom and peace by resolutely resisting Communist aggressors during the 1950-53 Korean War, and extends to their bereaved families our sincere condolences and prayers;

3. Desires the continuous support and cooperation of the people and the government of the United States of America in our efforts to bring about peace, stability, freedom, progress and the early realization of peaceful unification of the Korean peninsula;

4. Pledges to work for further enhancement of friendly and cooperative relations between the peoples and governments of the Republic of Korea and the United States of America in political, economic, cultural, security and all other fields on the basis of reciprocity and equal partnership;

5. Decides on the occasion marking the centennial of diplomatic relations between Korea and the United States of America to present the Plaque of Friendship to the Congress of the United States of America in the name of the Korean people, extrolling the bonds of friendship that unites the peoples of our two countries.

(Adopted at the 7th Plenary Meeting, the 110th Extraordinary Session, the National Assembly, March 13, 1982.)

Jung Nae-Hiuk,
Speaker.

[Luncheon Meeting, 12 noon, S-116 The Capitol]

Committee on Foreign Relations,
Washington, D.C., May 19, 1982.

Host:

Senator Charles H. Percy (R. Illinois), Chairman, Commitee on Foreign Relations.

Guests of Honor:

His Excellency Byong Hion Lew, The Ambassador of Korea.

The Honorable Tong Jin Park, Chairman of Committee on Foreign Affairs, National Assembly, Republic of Korea.

The Honorable Jim Soo Shin, Member of Committee on Foreign Affairs, National Assembly, Republic of Korea.

The Honorable Young Il Lee, Member of Committee on Foreign Affairs, National Assembly, Republic of Korea.

The Honorable Joo Bong Kim, Staff Director of Committee on Foreign Affairs, National Assembly, Republic of Korea.

The Honorable Chang Hee Roe, Minister, Embassy of Korea.

The Honorable Byung Suk Min, Counselor, Embassy of Korea.

Leadership, U.S. Senate:

Senator Strom Thurmond, President Pro Tempore.

Members, Committee on Foreign Relations:

Senator S. I. Hayakawa (R. California), Chairman, Subcommittee on East Asian and Pacific Affairs.

Senator Richard G. Lugar (R. Indiana).

Senator Larry Pressler (R. South Dakota).

Senator John Glenn (D. Ohio), Ranking Minority Member, Subcommittee on East Asian and Pacific Affairs.

Senator Paul E. Tsongas (D. Massachusetts).

Committee on Armed Services:

Senator Sam Nunn (D. Georgia).

Staff, Committee on Foreign Relations:

Mr. Edward G. Sanders, Staff Director.

Ms. Mary Locke, Professional Staff Member.

Mr. Carl Ford, Professional Staff Member.

RECESS UNTIL 1 P.M.

The **PRESIDING OFFICER.** Under the previous order, the Senate will stand in recess until 1 p.m.

At 12:15 p.m., the Senate recessed until 1 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. Warner).

FIRST CONCURRENT BUDGET RESOLUTION

The Senate continued with the consideration of the concurrent resolution (S. Con. Res. 92).

Mr. BAKER. Mr. President, I ask unanimous consent that I may suggest the absence of a quorum without the time being charged.

The **PRESIDING OFFICER.** Is there objection? Without objection, it is so ordered.

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The **PRESIDING OFFICER.** The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER.** Without objection,it is so ordered.

Mr. HOLLINGS. Mr. President, I yield to the distinguished Senator from Massachusetts.

The **PRESIDING OFFICER.** The Senator from Massachusetts.

HEALTH CARE

Mr. KENNEDY. Mr. President, in just a few moments, the Senator from New York (Mr. Moynihan) will send to the desk an amendment which will basically undo the unwarranted recommendations of the proposal now before the Senate on medicare and medicaid. He will offer that amendment in behalf of himself, Senator Melcher, and myself and other Members of the Senate. I am extremely hopeful that this amendment will be accepted. What I should like to do now, Mr. President, is outline briefly what this amendment will do, then make some general comments.

About 10 years ago, Mr. President, I stood on the floor of the U.S. Senate as a principal sponsor of a national health insurance proposal. At that time, I pointed out to this body that, over a period of time, we would see a dramatic escalation in health care costs. And we have. We have gone from devoting about 7.4 percent of GNP health care costs to, nearly 10 percent of our GNP today. Mr. President, that trend is projected to continue over the next 10 years. It will not be long before the American people will simply be unable to afford the kind of health care system we now have.

Over the last decade, I have tried to make suggestions concerning how to address that increase in health care costs. We ought to be debating here, in the U.S. Senate, how we are going to deal in a comprehensive way with these dramatic increases that affect millions of people all over this country. That is the central problem, which I think we have a fundamental responsibility to address.

Mr. President, the proposal we have before the Senate this afternoon purports to address this problem by tackling one segment of our health care system, medicare and medicaid. The proposal penalizes the senior citizens of this Nation, more than 90 percent of medicare enrollees are senior citizens. The proposal that is before us, says in effect is that we are going to put limits on medicare by increasing the percentage that elderly people are going to have to pay for their health care costs under medicare and under medicaid.

We are putting a squeeze on the already limited resources available to the elderly by asking them to pay a good deal more for services now covered by medicare and medicaid.

We are not, in this budget resolution, asking the doctors to reduce the fees they charge the elderly. We are not asking the hospitals to reduce their costs in any significant way. What we are doing, Mr. President, I think, in this Republican recommendation, is saying that the sicker you are, if you are an elderly citizen, the more you are going to have to pay.

At a time of illness when a senior citizen is the most vulnerable; at a time when a senior citizen is in the greatest fear; at a time when a senior citizen has the greatest anxiety; we are saying, "You are going to have to pay more."

The fact of the matter is, Mr. President, that on average, the health care costs of the senior citizens of this Nation are 2½ times the costs of the population as a whole. That should be easily understandable by every man and woman in this country and every Member of the Senate. They have greater health care needs, so the cost of their health care is much higher. But we are not asking the rest of the population, effectively, to pay any more. We are not asking everyone to sacrifice. We are asking the elderly who are sick to pay more.

The elderly are the ones who have the greatest percentage of heart attacks. They are the ones who have the greatest number of strokes. They are the individuals who, for the most part, have the greatest incidence of cancer. They are the ones who have the greatest health care needs and they spend the longest time in the hospital.

The average stay in the hospital for a person who has a heart attack is about 10 days; a stroke, 1 to 3 weeks; other diseases, a good deal longer period of time.

This proposal, says to our elderly: If you are hospitalized for 10 days for a heart attack, you are going to be spending at least $13 a day more; if you are in there for 3 weeks, 21 days, you will pay about $250 more over and above the $260 you must pay when you first enter the hospital.

Senior citizens, how spend nearly 20 percent of their income on health care needs, far more than the rest of the population.

So already they are spending more out of their limited income than the rest of the population.

And now the Senate wants them to spend even more.

That, Mr. President, is unfair and inequitable. It is not, with all due respect to those who are recommending it, the kind of compassion and decency which this country ought to stand for.

Now, Mr. President, I was a Member of the U.S. Senate when we passed medicare. At that time there were Members who thought, if we start off trying to deal with the health care needs of our country, let us start off with the elderly people. So we passed a medicare proposal that was supposed to deal with the health care needs of the elderly.

Now we find that the average senior citizens are spending more than $1,400 a year out of their pocket—about three times what they spent when medicare was enacted.

And today, this proposal is asking them to pay a good deal more.

Mr. President, how have the elderly been treated by the doctors in our society?

We know that under medicare, doctors may, but are not required to accept assignment. Doctors who do accept assignment agree to accept reimbursement under medicare as payment in full.

Fifty percent of the American doctors will not take the patients on assignment today—50 percent. And it is interesting, Mr. President, that in States which have the highest number of elderly people in our society, that percentage goes up even higher. In Florida for example where you have a large number of elderly the percentage of unassigned service in nearly 70 percent. That means they are not willing to take the elderly people to treat them unless they pay more out of their pockets.

We in the U.S. Senate ought to be saying to the medical profession, "Look, you ought to treat the senior citizens, and take the payment in full." We ought to have said it when we enacted medicare 17 years ago. Instead, the Senate of the United States, I daresay, out of the lobbying of the American Medical Association, refused to bite that bullet. Now we find hundreds and thousands of doctors bailing out of this particular system and leaving the senior citizens of this Nation in too many instances with inadequate health care or exorbitant out-of-pocket costs.

There are constructive steps that we could take in the Senate this afternoon that would reduce costs. We could require assignment and say whatever medicare reimburses for treating elderly people is payment in full. Then you would save the elderly billions of dollars and do something about the escalation of health care costs.

This body is not prepared, Mr. President, to do that. I daresay we probably will not be prepared to do it until skyrocketing health care costs reach so deeply into the pockets of middle- and upper-income people of this country that they demand that the Congress reform the system. Tragically, that day is still down the road.

I would hope that Members of this body accept this amendment that we are offering this afternoon. Up to a few hours ago the senior citizens of our country feared that they might lose $1,000 in income over the period of the next 3 years. As a result of the proposal to cut $40 billion from social security that was originally in this resolution. Fortunately, that proposal has now been abandoned, like the social security cuts proposed and abandoned last year when the concerns of senior citizens were finally heard. The Members of the Senate should understand, as the elderly do that this battle on the Medicare program is equally important. Unless the Senate of the United States accepts our amendment, the Senate will be telling the elderly and the sick that you are going to be penalized more and more the sicker you are and the longer that you stay in the hospital, in order to help bail out the flawed and failed economic policies of this administration.

Mr. President, if we approve the medicare cuts we are debating today we are not asking the hospitals to tighten their belts, nor are we asking the doctors to tighten their belts. Instead, if you are sick and you are under medicare and medicaid we are going to tighten your belt for you and for your family, at the time that you are most vulnerable and your family is most deeply concerned for the wellbeing and the welfare of a loved one.

Mr. President, a humane and compassionate and decent society would give greatest protection to the special needs of elderly people when they are most vulnerable and when they are the most ill and most sick. This proposal turns that concept right on its head.

If we are going to hold ourselves out as a compassionate nation and country that does believe in equity and decency, then we should accept this amendment.

I believe that every great civilization is tested by the kind of respect that it has had for its senior citizens. That has been true since the earliest civilizations, including many of the most primitive. I think this country understands and appreciates the wisdom and the values of the elderly and their contributions in defending our freedom and building this country to the great nation that it is today. I think we have a very important responsibility to those individuals not to abandon them in the twilight of their life, when they are living in some degree of peace and dignity, or make them pay an unfair and unreasonable burden.

That is the issue, Mr. President, and I think we all should be prepared to accept this amendment. It is necessary and it is important.

Members of this body are able to get the very best in health care. We have been able to look after the Members of the Senate very well. We have Walter Reed Hospital and Bethesda Naval Hospital. We have a health clinic right here in the U.S. Capitol. We have been able to look after ourselves very, very well.

How wonderful it is to see this body, which has looked out for itself very well, say that we are going to tighten the belts of individuals who are the most vulnerable in our society.

Many of us, from personal experience, have had our families affected by high health care costs. I spent 7 months in the hospital, and all my medical bills were paid for in full by insurance, when I broke my back in a plane crash. I have had a son in the hospital, affected by cancer, and we were able to get his bill paid for because we had good health insurance. My father suffered a stroke and was taken care of for 7 years, and that would have bankrupted any other family.

Why should people who depend on medicare, the elderly people of our country, have their belts tightened? This society should be directing its attention toward trying to meet their health care needs at a time when they are most vulnerable.

Mr. President, I hope this amendment will be accepted.

The **PRESIDING OFFICER**. Who yields time?

Mr. **MOYNIHAN**. Mr. President, is there a time agreement on this amendment?

The **PRESIDING OFFICER**. There is no amendment pending. The time is allocated on the resolution.

Mr. **MOYNIHAN**. I ask the Senator from Michigan how much time he desires?

Mr. **RIEGLE**. Five minutes.

Mr. **MOYNIHAN**. I am happy to yield 5 minutes to the Senator.

Mr. **RIEGLE**. I thank the Senator. I want to speak to the amendment that I believe will be offered shortly.

Mr. **MOYNIHAN**. It will be offered shortly.

Perhaps the Senator will allow me to make a statement.

Mr. **RIEGLE**. By all means.

Mr. **MOYNIHAN**. Simply to tell the distinguished Presiding Officer that there was a technical difficulty with the amendment as drafted. It is now with legislative counsel, and it will be at the desk in approximately 10 minutes.

I appreciate the patience the Presiding Officer is showing.

The **PRESIDING OFFICER**. The Chair thanks the Senator.

The Senator from Michigan is recognized for 5 minutes.

Mr. **RIEGLE**. Mr. President, it is essential that we restore these cuts in medicare, and we need to do so because, as has been pointed out, the people who are the targets of these cuts are those least able to provide for themselves. Many of them are very elderly people, in poor health, who need to rely on good health care, and they need to know that they can have their health care without having to be driven literally into personal bankruptcy.

I can say, from my conversations in traveling throughout the State of Michigan, that there are literally tens of thousands of elderly people who would be hurt if these sharp medicare cuts were to stand. That is why we offer the amendment to take out these cuts in medicare that have been proposed from the Republican side of the aisle.

Actually, the proposed cuts in medicare that are contained in the budget resolution are five times greater than the cuts that were proposed just 1 year ago, and I think it is clearly a part of the effort of the Reagan administration to systematically dismantle the protections of the social security system.

We have seen it in a variety of initiatives—the efforts to eliminate the minimum benefit under social security, the 40-percent proposed reduction in early retirement benefits, this year's $40 billion 3-year cut in the regular social security program, and now this major cut in medicare protections.

As a matter of fact, of the $17 billion of cuts in medicare over the 3 years, all but $2 billion would be achieved by increasing the out-of-pocket costs of those persons, those elderly persons, who are covered under medicare and whose health problems require medical attention.

I might also say that, in terms of where this money is going. The reason why the proposed cuts in social secutity were put forward and these major cuts in medicare coverage which are still in the budget proposal, is to free up the money for other areas of the budget that the administration supports, such as tobacco subsidies, the Clinch River breeder reactor, the $1.600 trillion in defense spending over the next 5 years, and money for 17,000 new nuclear warheads in this budget.

The reason why these vital human service programs are being raided and looted, as is proposed in the medicare area, is to take that money and spend it on other things.

It is not being taken out to reduce the deficit. It is not being taken out to try to deal with the fundamental economic problems of the country. It is actually a budget shift. It is to take the money out of medicare and spend it on the sacred cows still in the budget.

That is why there is tremendous hypocrisy in this budget, with a clear double standard, where the sacred cows have not been touched. They are still there: lavish funding, bloated funding, billions and billions of dollars being wasted. To cover that waste, what we see here is literally an attack on the people who are the oldest and in the poorest health in our society, who are being told they are the ones who will have to make the sacrifices to come up with the money to fund these increases in the defense budget and the other sacred cows in the package that has been presented here.

It is wrong, heartless, mean, and short-sighted, in terms of the long-term good of our people and our country. What it constitutes, in the end, is a selfish budget to protect special interests, but it is very much at the expense of the broad public interest.

So the elderly of this country, the senior citizens, have a right to be upset, have a right to be angry, have a right to feel as if they have been betrayed, because they are being betrayed with these kinds of cuts.

I hope the amendment we are offering today will be adopted, because it is essential. It is a vital expenditure. It meets a pressing and a critical public need.

Mr. MOYNIHAN. Mr. President, I thank the Senator from Michigan for his eloquent and compelling remarks.

I see that the Senator from Montana is rising. He will be a cosponsor of the amendment. Would he like to speak at this point?

Mr. MELCHER. I should like to speak very briefly.

Mr. MOYNIHAN. I yield 5 minutes, or such time as he requires, to the Senator from Montana (Mr. MELCHER).

The PRESIDING OFFICER. The Senator from Montana (Mr. MELCHER) is recognized.

Mr. MELCHER. I thank my colleague from New York.

Mr. President, this country really is made up of individual citizens, one at a time. Each of us counts as much as the next.

We now have before us the opportunity to make sure that each of our elderly counts equally, one with another, and with all of us of all ages.

The threat of illness for the elderly, without the capability of paying for the care that is necessary, is a grievous threat that all the elderly I know of, in median income or lower status, feel. In the United States, we are committed to health care to meet the needs of all those who cannot meet those needs on their own resources. That is our philosophy. It is basic in this country. If those who are sick do not have the means to take care of themselves, we help them.

Whoever is injured and do not have the means of paying for their medical costs, and their hospital care, we help them. That is our philosophy. It is inbred into our culture and into our conscience as a country.

It is not an unusual type of feeling toward one another. In fact, it is the most natural of all feelings that we have, one individual toward another.

The threat of illness or the threat of injury for the elderly is the heaviest burden hanging over their heads.

We have had great strides in medicine and in hospital care here in the United States. We have developed technologies in drugs, technologies in treatments, and they have all come at a cost. We have developed engineering technology to treat illness and treat disease that is such a marvel that we could not imagine the strides made during the last three decades. In the early part of this century, we could not even imagine what those strides would be. But they come with a cost.

In order to meet those costs, the elderly, whether they have median income or below, have a great fear that a long, extended illness or a long, extended injury will drive them into bankruptcy; will force them to use all of their assets and to go on welfare. That is a terrible threat to place upon the elderly.

This budget can be reduced in other places, and indeed we must do that, but we should not make these cuts on medicare that will take it out of the hides of the elderly who are sick or injured. Our conscience as a country simply cannot allow us to do so.

I thank my colleague from New York, the manager of this amendment, for allotting me this time.

Mr. MOYNIHAN. Mr. President, I wish to express my appreciation to the Senator from Montana who has never failed to speak up and be present when this issue has been before this body and once again has done so with eloquence and incision, for which we are grateful.

Mr. MELCHER. I thank the Senator.

Mr. BAUCUS addressed the Chair.

Mr. MOYNIHAN. Mr. President, does my colleague, Senator BAUCUS, wish to address the Senate as a cosponsor of the amendment to be?

Mr. BAUCUS. The Senator from Montana will be delighted so to do.

Mr. MOYNIHAN. I ask the Senator from Montana if 5 minutes will be agreeable?

Mr. BAUCUS. It will suffice.

Mr. MOYNIHAN. Mr. President, I yield to the Senator from Montana 5 minutes.

Mr. BAUCUS. Mr. President, I thank the Senator from New York for yielding.

Mr. President, let us make clear what we are doing here. The proposal here is to cut medicare and medicaid. These are various proposals made by the Budget Committee. The Budget Committee's revised targets, as I recall, cuts about $5 billion in medicare and medicaid in fiscal year 1983.

There is no doubt that senior citizens are paying more in health care costs. Let us be clear here. The root of the problem is the steady rise in health care costs which affect all Americans. We are faced with rising hospital costs, rising physician fees, and rising health insurance costs. The problem is complicated. Its causes are complicated. Health care costs are rising in part because about 80 or 90 percent of all hospital costs are paid for by someone else, either by Uncle Sam or by a private insurer. Rising costs are in part caused by physicians, worried about medical malpractice, who insure themselves heavily. Costs are rising in part because medicare part A hospital costs are reimbursed on the basis of cost plus an additional charge.

My point is very simple. Medicare beneficiaries should not be required to shoulder, by themselves, the additional costs produced by an inefficient health care system. If we want to help Americans and if we want to distribute on an evenhanded basis the burden of cuts in this budget, let us not cut medicare benefits. Medicare beneficiaries are the people who truly need the health care service, and we should cut instead, frankly, the factors which contribute to the increase in health care costs. We should look at some kinds of hospital cost controls. We should look at HMO's. We should look at all the problems today that are boosting health care costs.

Hospital costs are increasing at a rate of 50 percent more than the annual rate of inflation. That has been the case for the last 7 or 8 years. It may sound incredible, but let me repeat it: hospital costs are increasing 50 percent more than the annual rate of inflation. Senior citizens under medicare part A have to pay for these costs.

The Budget Committee proposal assumes that we will index the part B deductible to the CPI.

Mr. President, if that deductible had been indexed to the CPI when medicare began, that deductible would be $150 instead of the $75 that is now required.

Yet, the Budget Committee wants us to index that deductible to the CPI. With recent rates of inflation we know what that is going to mean to senior citizens on fixed incomes.

The Budget Committee also wants to base the medicare part B premium on what is called "program experience." That, also, is going to push up those premiums.

I do not have enough time here to address this complicated subject in detail.

Let me just say as simply as I possibly can that we must work to balance the budget more quickly. We have to cut spending to do this, but we have to do it fairly.

The medicare cuts assumed by the Budget Committe in this resolution are not evenhanded. It is not fair to older Americans because it tells senior citizens that they are going to get reduced benefits to the tune of $5 billion plus in the first year, and an even greater amount in subsequent years.

Rather, we should help senior citizens and help America by balancing the budget in a fair and more evenhanded way. Let us act responsibly and get to the root of the problem, which is the rising costs of health care services, hospital costs, physician fees, and all of the services that hospitals and health care professionals provide.

Mr. President, Congress has not faced up to this problem. What we should do is have the Budget Committee issue instructions to the Finance Committee to find responsible ways to cut health care costs. That is what the root of the problem is; we should not focus only on cutting the benefits of America's elderly.

The Budget Committee's recommendation does not show what we should do. Its recommendations are not effective in cutting health care costs generally. Rather, its recommendations take

it out of the hides of the senior citizens, and that is why I am very much in favor of the amendment offered by the Senator from New York. This amendment is trying to rectify an imbalance caused by the Budget Committee's proposal.

Mr. MOYNIHAN. Mr. President, I thank the Senator from Montana (Mr. BAUCUS) for bringing us to the central point of our concern on this side.

As the Senator has said, the cost of treating the elderly is doubling every 4 years. This is not a judgment the elderly are making. This is not some kind of depredation that they are responsible for. It is the judgment of hospitals and doctors as to what treatment they need, what treatment they will benefit from, and our continued inability to control those costs.

Some parts of the country have done better than others in controlling health care costs. Some areas have done better than others. That we can control these costs is clear.

What the budget before us proposes to do is not to control the costs but to pass them on to the people least able to pay for them, the elderly for whom the services were meant to benefit and which will now increasingly bear financial burdens that they cannot meet.

Our amendment is very simple. It would restore funding to the level which assumed no cuts in funds for benefits or eligibility, no additional copayments beyond those already in the legislation, and would propose that cost control measures in this would not unduly burden the providers or the beneficiaries, and would be implemented only where they are feasible.

The Budget Committee would either provide less health care or to charge the beneficiaries more.

The amounts, I am sure the Senator from Montana (Mr. BAUCUS) would agree, are at some level derisory when you consider the reality of a budget which is, I am sorry to say, not in balance or anywhere approaching balance. Just last week when the Budget Committee was suggesting a $105 billion deficit, Mr. Henry Kauffman, a distinguished Wall Street economist, said it was really $160 billion. Now we are hearing $113 billion, so we will call it $170 billion.

We would not produce any change in our economy by allowing a slightly less ungenerous health care policy for senior citizens.

Mr. BAUCUS. Mr. President, will the Senator yield?

Mr. MOYNIHAN. I would be happy to yield.

Mr. BAUCUS. As the Senator from New York is stating, this Budget Committee proposal will place an unfair additional burden on the backs of senior citizens.

Let me make one additional point. This will not be the first time that this body has taken such action. For example, 80 percent of last year's medicare cuts are borne on the backs of medicare beneficiaries. Last year's budget raised the part A hospital insurance deductible by one-eighth. This is what medicare beneficiaries must pay before their medicare hospital benefits begin to cover hospital charges.

In addition, the part B deductible was increased from $60 to $75. This is what seniors have to pay before they are entitled medicare reimbursement for physician services. We have already shifted, as I said, 80 percent of last year's medicare cuts onto the backs of senior citizens. This Budget Committee proposal represents an additional burden to them. That is why I very much support the Senator from New York.

Mr. MOYNIHAN. If it happens this year, you can be sure it will happen next year again. These cuts are not being taken more for program purposes; they are being taken in opposition to the principles behind the legislation. Protecting the beneficiary does not matter; only reducing the deficit matters.

We cut it once on the ground that it had to be done. Now it turns out it has to be done again and again, and what had become one of the great achievements of the social security system, health care for the elderly, will have withered and all but disappeared in consequence. Withered certainly from its original purpose. It will be unrecognizable from the legislation adopted in 1965. That is my view and, I think, the Senator from Montana (Mr. BAUCUS) shares it.

I think the Senator from Kansas does not share that view, and if he would like to speak at this point I would be happy to listen and to hear what he has to say, since it will be his committee that will have to carry out the instructions or at least follow this resolution in that regard. I am happy to yield the floor.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. Mr. President, I yield as much time as the Senator from Kansas needs.

Mr. DOLE. Mr. President, let me say I have listened with interest to those who have spoken on medicare, and I certainly do not quarrel generally with the statements they made. But I do believe that if we are going to try to bring medicare costs under control we cannot continue to delay action by Congress.

We were told in 1965, that medicare program costs in 1990, would be $8.8 billion. Estimated costs this year will reach about $58 billion, and will climb to about $103 billion in 1990.

The medicare outlays this year in 1983 are estimated to be $57.1 billion. Of this amount benefit payments will account for about $56.6 billion. This represents an increase of 16.5 percent over fiscal 1982 benefit payments. So we are not talking about big reductions in benefit payments.

I hope the Senator from Kansas is as sensitive and as concerned about medicare, medicaid, and other programs that affect elderly and low-income Americans as anyone else who has spoken. In the past this Senator opposed President Carter's mandatory hospital cost containment program. I indicated to hospitals and other health care providers at that time that they had to make an effort to control rising costs. They told us they could reduce increasing rates of health care costs, without mandatory controls.

The facts are that total hospital expenses went up by 18.7 percent last year over the previous year.

I now feel some obligation, recognizing this failure of V.E. and having opposed President's Carter's proposal, to support certain proposals that aim at reducing or limiting rising hospital costs.

I believe there are a number of things we can do, and certainly the Budget Committee will not tell us where to gain the savings. The Senate Finance Committee and everyone who has spoken, has volunteered to help in certain areas in medicare reductions—so I do not think there is any major disagreements on how we do it.

I would say very honestly, looking ahead to the conference, that the 1983 figure should be somewhat less, but you cannot go to conference with a low figure when the House has virtually nothing, and come back with any savings at all. So I would say to some on the other side that I believe we can do much better in conference, as far as lowering the figure that you now have in the budget resolution. But it seemed to me yesterday when we were discussing this among Republicans that we had to put together a package that would result in some real savings when, in fact, we came back from the conference.

Let me also suggest that, as I look at some ideas that we proposed to the Budget Committee, about half the savings comes from health care providers, and I think someone indicated that all of it came from the beneficiaries. That is not the case. We hope to make a number of changes in the Senate Finance Committee that will impact on providers reimbursement.

We may propose to change, if we can, the way we reimburse pathologists and radiologists in a way that will save about $150 million in fiscal year 1983, $195 million in 1984, and $230 million in 1985. This is a significant change and one I think most Members would support.

We may propose to repeal the routine nursing salary differential. That would save about $100 million a year. We could expand current medicare limits.

MEDICARE: REDUCTIONS IN GROWTH ARE NECESSARY

The Committee on Finance is obliged this year to tackle the medicare problem. As this body knows full well, the costs of the medicare program have grown at an alarming rate over the past 17 years since its creation.

Our long arduous discussions on social security have repeatedly pointed out that the combined trust funds are facing a serious financing problem in the very near future. The problems are not simply a result of deficits in the OADSI program—they are also, over the long run, a result of serious deficits in the medicare trust funds. Even without interfund borrowing, the medicare trust funds could begin to experience deficits as early as the late 1980's. These deficits grow considerably over time.

The medicare savings which are assumed in this compromise, while substantial, recognize our concerns with this program. There is obviously room for compromise with the House; however this Senator believes strongly that some changes resulting in savings of $3 to $4 billion will have to be made this year.

When the Finance Committee begins the deliberations on how best to achieve savings in the medicare program, we will look at all parts of the program. It is the intention of this Senator that no one aspect of the program be held accountable for an unreasonable percentage of the reductions.

BENEFICIARIES

While agreeing with the intentions of the Budget Committee to reduce the size of growth in the medicare program, it appears that too large a share of their proposed savings would come from increased beneficiary cost sharing. while I recognize that medicare's share of total health care expenditures for those over 65 has increased over time, each elderly person's out of pocket responsibility for his or her health care bill has also grown.

For persons over age 65, medicare currently only pays for 45 percent of their total health care costs. The remainder is paid by the elderly beneficiary and represents out-of-pocket costs for uncovered services, such as drugs and nursing homes; cost sharing, like the medicare hospital deductible; the amounts physicians bill in excess of medicare reasonable charges; and premiums for medicare part B coverage and private medigap insurance. It is not likely we will increase coverage of any of these items in the near future, so that high out-of-pocket costs are likely to continue. In 1980 out-of-pocket costs for the elderly amounted to $1,436. The Budget Committee proposal would have substantially added to this amount. Some changes in the current medicare cost sharing requirements may be necessary, but a substantial shift in policy should be considered as part of long-term reform of medicare.

HOSPITALS

The single largest expenditure for the medicare program is hospital care. Last year and again this year almost 70 percent of medicare's budget will be used to pay for this service.

In fiscal year 1983 medicare benefit payments for hospital care are expected to reach about $36.8 billion—a 14.7-percent increase in payments for these services over fiscal year 1982 and a 32-percent increase over fiscal year 1981 payments. There is no doubt that the medicare HI trust fund will be unable to tolerate such large increases in outlays for hospital care over the long run. As you well know, latest data shows that total hospital expenses increased by 18.7 percent in 1981. This increase occurred despite the existence of the health industry's voluntary effort. We, therefore, must begin to concentrate our efforts on reforming the way we pay for hosptial care under the medicare program. Our current methods provide no incentives for efficiency and continue to encourage inappropriate utilization of institutional services. The Senator from Kansas believes the Finance Committee is ready to develop legislation that will reflect substantial savings and also begin long-term reimbursement reform.

I suggest that we have a problem in medicare. It is a problem we should address, and I believe that, given the membership of the Senate Finance Committee on both sides, we will properly address the problem, that we will bring to this floor, I hope within the next 3 or 4 weeks, a program of spending reductions which includes reasonable reductions in medicare, some reduction in medicaid, and I would hope at that time we would have widespread support on both sides of the aisle.

Mr. DOMENICI. Mr. President, might I inquire, do we have the amendment pending?

Mr. MOYNIHAN. Mr. President, if I can say to the distinguished chairman in a mode that will probably reappear today, we know exactly what the amendment does, but we are trying to reach agreement at staff level of what numbers are changed.

Mr. DOMENICI. That question was not made in any critical way.

Mr. MOYNIHAN. I understand that.

Mr. DOMENICI. Did the Senator from Massachusetts wish to be recognized?

Mr. KENNEDY. Mr. President, we all have a number of amendments. The chairman of the Budget Committee, as did the majority leader last night, indicated they would help to accommodate the adjusting of our amendments to the new draft resolution.

As I understand it, the original number from the committee was about $26½ billion and modified it is about $21 billion. Our amendment would reduce the modified by $13.5 billion in the medicare-medicaid area, leaving $7.4 billion. It is just a question of accommodating the new draft and the new numbers to our amendment. But we appreciate the understanding.

At some time I would like just 2 or 3 minutes to respond to a few of the points that have been made by the chairman of the Finance Committee before we vote.

Mr. MOYNIHAN. I can assure the Senator he will have that time.

Mr. DOMENICI. Why do we not do this? Since the distinguished Senator from Kansas is here, would the Senator from Massachusetts care to comment now and then I will use some time on some general matters in a moment?

Mr. KENNEDY. Yes.

Mr. DOMENICI. Before the Senator does that, I wish to express my appreciation, as chairman of the Budget Committee, to the distinguished Senator from Kansas, Senator Dole, who chairs the Finance Committee, and the distinguished senior Senator from Louisiana, the ranking minority member. They have been most helpful in helping us arrive at what is a realistic reduction in the growth of this health function.

In particular, I appreciate Senator Dole's assistance in yesterday's discussions. It is to be noted that the modification, which we submitted today and that is pending, does, indeed, reflect a reduction in the amount that should be saved by reducing the growth of this function. Senator Dole and his staff are the primary ones that helped us with that. I appreciate his remarks here today about the various things that they might do in their committee to achieve savings. All we do is mandate that they save in that function the amounts as indicated in the amendment.

Mr. President, I yield the floor.

Mr. MOYNIHAN. I yield to the Senator from Massachusetts such time as he requires if he wishes to comment while the Senator from Kansas is present in the Chamber.

Mr. KENNEDY. I thank the Senator from New York.

In the statement of the Senator from Kansas, he indicated that some of us had mentioned that our amendment was directed toward the recipients of medicare and medicaid and that there was also going to be belt tightening in terms of the providers. I want to indicate, as the Senator from Kansas I am sure is aware, that in our particular proposal we leave that aspect untouched, the $7.4 billion for reimbursement reform. There, basically, is no controversy about that. I am extremely hopeful that we can achieve those savings in a variety of ways including prospective reimbursement and greater use of prepaid providers.

I would like to point out that I do not believe—and if I am wrong I would welcome the correction—that the Senator from Kansas can assure the Members of the Senate and all those who are under medicare and medicaid that they are not going to have to pay more for every day that they are in the hospital or that those who are receiving home health care are not going to have to pay more. Or that there is not going to be an increase in deductibles and copayments which the elderly people are going to have to pay.

Now, I would call this modified committee proposal a sickness tax. The way it really works is that the sicker you are and the longer you are sick, the higher your sickness tax is going to be. No medicare recipient and no one that qualifies under medicaid is in the hospital because they want to be in the hospital. Yet if you are sick and if you are a senior citizen or if you are poor, you are the ones that are going to have to bear the burden. The proposal before us fails to address in a significant way the compelling challenge before us—the enormous explosion of health care costs, an issue which this body will be forced to address in the next several years.

Can the Senator from Kansas give us any assurance that if you are sick and you are eligible for medicare or medicaid that you are not going to have to pay additional costs? Or if you are getting home health services that you are not going to have to pay additional costs? Or that there will be no increases in copayments and deductibles?

Mr. DOLE. Obviously, I cannot give an assurance. I am not sure what the Senate Finance Committee will do.

I would just suggest that under some of the proposals we are considering, the change would be very mild, indeed. In fact, I would recommend to our committee—I am not certain what the committee would do—that we apply a 20-percent coinsurance to home health visits, starting with the 20th visit. I do not think that is an unreasonable measure.

The distinguished Senator from Montana (Mr. Baucus) also previously referred to indexing the part B deductible to the CPI. That would probably save $65 million in 1983. We could try to hold the part B premium to a constant percentage of program costs. It started out at 50 percent. Now it is down to 25 percent. We would like to keep it at 25 percent. So that does not seem to this Senator to be a very radical change.

Mr. MOYNIHAN. Mr. President, may we have order? The Senator from Kansas is speaking to a very important matter.

The PRESIDING OFFICER. The Senator from New York observes that there is not order in the Chamber. Senators are requested to refrain from conversations and staff are requested to remain in their seats.

Mr. DOLE. So I would say to the Senator from Massachusetts that the final point I mentioned was to hold the part B premium to a constant percentage of program costs. We want to keep it at about 25 percent so it will not continue to decline.

Any medicaid changes, I think, would allow the States to require nominal copayments on services. The administration has proposed eliminating Federal matching for medicare part B, premium. That is estimated to save about $200 million.

I say to the Senator from Massachusetts that those are only suggestions. They are proposals which I hope to discuss with the Senate Finance Committee; they are very moderate in their impact. The primary impact of medicare savings that I feel strongly about will affect provider reimbursement.

Mr. KENNEDY. Could the Senator give us any assurance that there would not be an increase in out-of-pocket expenses for those medicare-medicaid patients that are in the hospital? What is the Senator's best estimate now about the increase in those costs?

It is not going to do us very much good to increase copayments on home health services. What it is going to do is drive those individuals back into the hospital or into nursing homes.

But let us not lose sight of essential aspect of this amendment—the fact that the proposal before us asks our elderly people, when they are the sickest, and who already pay more than the average citizen pays in terms of health care costs, to pay an additional amount of money. For hospital care alone, according to our best estimate, it will be about $13 a day. I am just wondering if the Senator can give us any assurance that those costs are not going to be increased.

I think this should be for the record. We would like to hear from the Senator.

Mr. DOLE. I would just say to the Senator from Massachusetts that we are not making any assumptions based on that. My understanding is that the average number of home health visits are between 18 and 20. The only thing we recommend is that there be a coinsurance after the 20th home health visit. I just suggest we have no assumptions based on the premise stated by the Senator from Massachusetts regarding new copayments.

Again, I do not have a legislative proposal. The Senator from Kansas has a number of suggestions which I would hope might be translated into a legislative proposal when we deal with this in the Senate Finance Committee. Let me assure the Senator from Massachusetts, if I can assure the Senator from Massachusetts, that the Senator from Kansas believes—Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will please be in order. Those desiring to converse will please retire from the Chamber.

Mr. DOLE. I am advised that the average number of home health visits in Massachusetts is 12. There would be a large gap there between 12 and 20.

May I further say to the Senator from Massachusetts that the Senator from Kansas indicated to the chairman of the Budget Committee yesterday that I thought his numbers were too high, that I believed we should add back $1.2 billion in 1983, $2 billion in 1984 and $3 billion in 1985. I am not certain that they are still not too high, but I know we must go to conference. If the Senator from Kansas had his way and we did not have to go to the other body, I would go in a different direction. They would be lower than those proposed in the resolution but higher than those proposed by the Senator from Massachusetts and others.

I want to be candid with all Senators. I believe that once you see the final product, we are not going to be talking about very many differences. Obviously, there will be some differences in the out-years, but they are changes that should be made in the medicaid and medicare programs.

Mr. KENNEDY. Mr. President, the final point I would like to make is that the fact is that for hospital treatment of the elderly, and that is by far where there is the greatest cost, whether under medicaid or medicare, there will be significant out-of-pocket increases for the patients.

Mr. DOLE. Will the Senator yield?

Mr. KENNEDY. In just a moment. Senior citizens are not in the hospital because they like to be there, not because they are abusing the health care system, but they are there because they have to be there, because the greatest incidence of illness and sickness comes when you are old. This Republican budget proposal is just providing an additional cause for anxiety and stress on elderly who are sick, and on their families, by increasing copayments.

The final point I will make, and then I will yield, is that I think the Senate ought to do the right thing now. This idea that we have to do that which is not right, until we meet with the House of Representatives in conference so we come out right, I do not think holds much water. I think we should be doing what is right, what we believe is right, and what the Senator from Kansas, at least, believes is right. We may have some difference on that issue, but at least it seems to me that we ought to be doing what we consider to be in the best interests of the senior citizens.

Mr. DOLE. Again, I really do not think our differences are that far apart, but as the Senator from Massachusetts pointed out, or indicated, it will start costing more for older people in the hospital. Can he point out what those additional costs will be? Rather than make a statement that it is going to cost more, can I ask the Senator from Massachusetts where will it cost more? What provisions have been discussed that would indicate, substantially, more costs for senior citizens? We are not assuming any new copayments in anything the Senator from Kansas discussed. I do not understand.

Mr. KENNEDY. I will be glad to respond. Using the figures from the Budget Committee, this was based on the original committee report, which was $26.6 billion.

Mr. MOYNIHAN. Mr. President, I must say we do not have order. An important colloquy question is underway.

The PRESIDING OFFICER (Mr. QUAYLE). The Senate will please come to order and stay in order. Those in the back of the Chamber, please cease conversations or retire from the Chamber. The noise is coming from the back of the Chamber.

Mr. KENNEDY. Mr. President, the figures that I am using are from the Budget Committee's working document. This proposal was initially drafted at $26.6 billion and it has been reduced to $21 billion in the modified committee report. The cuts, according to the Budget Committee, include $0.5 billion for home health, $2.2 billion under medicaid, $2.1 billion in insurance costs for working aged, $2.2 billion for part B premium and deductible increases, and $11 billion in additional hospital copayments. What we have done is extrapolate so that the home health, medicaid, insurance for working aged, and part B are included in that $21 billion and the hospital copayment is reduced to $5.6 billion. That works out to about $13 a day for every time that you are in the hospital.

Mr. DOLE. Will the Senator yield?

Mr. KENNEDY. Yes.

Mr. DOLE. The Senator correctly stated what was in the original budget document. I can only share with the Senator from Massachusetts, the Senator from New York, and the Senator from Montana that there is no such assumption in anything the Finance Committee has under consideration, except the three areas mentioned by the Senator from Kansas on 20 percent coinsurance on home health visits, on indexing part B, and on holding the part B premium constant as a percentage of the program costs.

Mr. KENNEDY. How does the Senator get his $21 billion in savings? Give us your figures. We have given you ours. How do you get $21 billion? You say you are not going to increase hospital copayments. Where do you get $21 billion? That is what we are driving at. That is how we get it. It is extrapolated from the budget figures. If the Senator has another set of figures, we will be glad to hear about them.

Mr. DOLE. The Senator from Kansas is not trying to have new copayments, if that is what the Senator from Massachusetts is talking about. We have been trying to figure out a painless way to attack medicare and there are no painless ways.

Mr. KENNEDY. I do not think there are.

Mr. DOLE. We believe that at a cost in the budget of $57 billion or $58 billion, headed for $100 billion in 1990, we have to start making some reforms. I hope the Senator has some confidence in the Senate Finance Committee and will not be in too much disagreement when the Senate Finance Committee reports its bill to the floor.

Mr. KENNEDY. The only thing I can say is that the Senator is suggesting that the Senate buy a pig in a poke. There are more than $20 billion in cuts. They are directed toward medicare and medicaid patients. I believe the Senator would like to do it a painless way. But how will he do it?

Basically, what we are saying is that people who have absolutely nothing to do with the increase in the health care costs of this country are being asked to bite the bullet while others within the health care system, the providers who have contributed to the escalation of health care costs are asked to do little or nothing. Our amendment does not touch the $7.4 billion, in reimbursement returns. Our amendment says that the elderly people, who are already paying a disproportionately high percentage of their income on health care costs, should not have to bear that cost.

Mr. DOLE. If I may have just 1 minute, Mr. President, I will be happy to go over with the Senator from Massachusetts some of the suggestions we have and some figures I think we will finally adopt in conference, which are more than the Senator from Massachusetts and the Senator from New York suggests. They are about $11 or $12 billion less than in the original budget proposal.

We believe that we now have a responsible medicare package, or will have when we come back from conference, and it is one that should be supported. Again, I say to my colleagues on the other side that this is a very sensitive issue. We are going to try to deal with it in a nonpartisan, bipartisan way. We may have some differences.

We are going to hold down hospital costs—that is provider reimbursement. We are going to look at how we pay radiologists, and pathologists. We are going to examine the way we pay physicians, without driving physicians out of the program. All this relates to health care providers. They will all provide savings. I am hoping the Finance Committee will have an opportunity to work its will on this issue.

Mr. MOYNIHAN. Mr. President, as a member of the Committee on Finance on this side, may I say I accept the chairman's proposal in the good faith it is made in. We shall do that.

We would wish to do it with lesser instructions in the budget. I understand why the Senator from Kansas does not agree, but we can settle the matter by voting, which would be no great harm.

UP AMENDMENT NO. 963

(Purpose: To restore funds for medicare and medicaid)

Mr. MOYNIHAN. Mr. President, I send to the desk an unprinted amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from New York (Mr. MOYNIHAN) for himself, Mr. MELCHER, Mr. KENNEDY, Mr. RIEGLE, Mr. BAUCUS and Mr. METZENBAUM proposes an unprinted amendment number 963.

On page 2, beginning with line 15, strike out through line 1 on page 3 and insert the following:

(2) The appropriate levels of total new budget authority are as follows:

Fiscal year 1982: $777,600,000,000.
Fiscal year 1983: $835,900,000,000.
Fiscal year 1984: $897,600,000,000.
Fiscal year 1985: $973,400,000,000.

(3) The appropriate levels of total budget outlays are as follows:

Fiscal year 1982: $740,700,000,000.
Fiscal year 1983: $786,100,000,000.
Fiscal year 1984: $835,300,000,000.
Fiscal year 1985: $893,500,000,000.

On page 3, strike out lines 9 through 15 and insert the following:

(5) The amounts of the deficits in the budget which are appropriate in the light of economic conditions and all other relevant factors are as follows:

Fiscal year 1982: $117,700,000,000.
Fiscal year 1983: $117,900,000,000.
Fiscal year 1984: $94,300,000,000.
Fiscal year 1985: $68,500,000,000.

On page 15, beginning with line 17, strike out through line 7 on page 16 and insert the following:

Fiscal year 1983:
(A) New budget authority, $80,200,000,000.
(B) Outlays, $80,200,000,000.
(C) New direct loan obligations, $100,000,000.
(D) New primary loan guarantee commitments, $100,000,000.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:
(A) New budget authority, $92,900,000,000.
(B) Outlays, $88,800,000,000.

Fiscal year 1985:
(A) New budget authority, $104,400,000,000.
(B) Outlays, $101,500,000,000 plus $5,700,000,000.

Mr. KENNEDY. Mr. President, will the Senator from New York yield for a few seconds?

Mr. MOYNIHAN. I am happy to yield, Mr. President.

Mr. KENNEDY. If the Senator from Kansas would propose on amendment to indicate that there would be no further increase in out-of-pocket expenses for medicare recipients and would instruct the Committee on Finance to find these savings without increasing in out-of-pocket expenses or cutting benefits, I would welcome the opportunity to cosponsor that amendment to this particular budget resolution.

Mr. DOLE. I do not quarrel with the offer, Mr. President. I just cannot accept it. I do not really believe we are that far apart, but it would not be fair to my colleagues on the Committee on Finance. The Senator from Kansas has only one vote. There are 20 members of the committee.

I think in the area the Senator discussed, we are going to have complete agreement, where provider reimbursement is concerned. There are areas where we shall have minor differences.

Mr. KENNEDY. If the Senator were to offer an amendment, there would be a fair opportunity for our colleagues in the Senate to join with the Senators from Kansas, Massachusetts, New York, and Montana to support what we all say we agree with in protecting beneficiaries.

Mr. DOLE. If, in fact, we bring an amendment to the floor from the Senate Committee on Finance that, in the opinion of the Senator from Massachusetts, goes too far, then, of course, I assume we shall have a vote on that.

Mr. MELCHER and **Mr. DOMENICI** addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. Mr. President, I yield myself 5 minutes.

Mr. President, again, I thank the distinguished chairman of the Committee on Finance for his assistance and his explanation. I would like to make some general observations.

It is amazing, Mr. President, that for the last year, comments which have been made on the floor, give the impression that the social security trust fund is the only fund which is facing bankruptcy. This is clearly not the case.

Let me say to those who like to come to the floor and talk about health care for our senior citizens under medicare and talk about fairness and fair play, make sure that we also tell senior citizens that their trust fund for medicare is in desperate shape. In fact, it is actuarially speaking, in worse shape then social security. I regret to say that even under the original proposal of the Budget Committee, the medicare hospital insurance trust fund would be unable to pay benefits by the early 1990's. It is in terrible shape.

Mr. President, I hope that in the near future we can address the problems of medicare in terms of its actuarial soundness as well as in terms of specific reform proposals.

Mr. President, one would think that the Budget Committee recommendation is proposing a cut in medicare. I should like all the Senators to know the facts.

With the medicare funding restorations in the modified resolution—that is, with a restoration of $1.2, $2, and $3 billion respectively, for 1983, 1984, and 1985—medicare outlays will grow by about 12 percent a year. Obviously, the conference agreement will probably provide for still higher growth rate than 12 percent.

Mr. President, I ask unanimous consent that a table prepared by the Senate Budget Committee, based on data supplied by the Office of the Medicare Actuary, Department of Health and Human Services be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

[Calendar years]

	Assumtions 2A					Assumtions 2B				
	Tx revnu	Ben pay	HI adm exp	End yr bal	Net	Tx revnu	Ben pay	HI adm exp	End yr bal	Net
1981				$18,748					$18,748	
1982	$35,474	$35,096	$573	18,553	−$195	$34,702	$35,097	$573	17,780	−$968
1983	38,904	40,439	616	16,402	−2,151	38,563	40,995	627	14,621	−$3,159
1984	42,285	45,951	657	12,079	−4,323	42,476	47,587	685	8,825	−5,796
1985	47,990	52,618	717	5,734	−5,345	48,109	54,853	743	1,338	−7,487
1986	56,167	59,979	778	2,144	−4,590	56,144	62,543	803	−5,964	−7,302
1987	61,463	68,280	844	−5,517	−7,661	61,007	71,260	866	−17,083	−11,119
1988	66,797	77,636	914	−17,270	−11,753	66,046	80,951	934	−32,922	−15,839
1989	72,133	87,504	986	−33,627	−16,357	71,211	91,644	1,006	−54,361	−21,439
1990	77,467	97,811	1,058	−55,029	−21,402	76,424	103,057	1,079	−82,073	−27,712
1991	82,695	109,044	1,128	−82,506	−27,477	81,797	115,694	1,151	−117,121	−35,048
1992	87,673	121,170	1,197	−117,200	−34,694	87,106	129,466	1,224	−160,705	−43,584
1993	92,702	134,451	1,267	−160,216	−43,016	92,412	144,799	1,302	−214,394	−53,689
1994	97,925	147,961	1,341	−211,593	−51,377	98,040	160,641	1,383	−278,378	−63,984
1995	103,497	162,787	1,419	−272,302	−60,709	104,060	178,195	1,471	−353,984	−75,606
1996	109,472	178,749	1,499	−343,078	−70,776	110,485	197,280	1,561	−442,340	−88,356
1997	115,796	195,975	1,581	−424,838	−81,760	117,308	218,077	1,655	−544,764	−102,424
1998	122,509	214,694	1,666	−518,689	−93,851	124,563	240,880	1,752	−662,833	−118,069
1999	129,624	233,533	1,755	−624,353	−105,664	132,306	264,196	1,854	−796,577	−133,744
2000	137,180	253,933	1,849	−742,955	−118,602	140,546	289,665	1,963	−947,659	−151,082
2001	145,176	275,989	1,947	−875,715	−132,760	149,299	317,443	2,077	−1,117,880	−170,221
2002	153,640	299,832	2,049	−1,023,956	−148,241	158,597	347,736	2,197	−1,309,216	−191,336
2003	162,596	325,779	2,157	−1,189,296	−165,340	168,475	380,978	2,324	−1,524,043	−214,827
2004	172,074	353,949	2,271	−1,373,442	−184,146	178,967	417,372	2,459	−1,764,907	−240,864
2005	181,743	384,685	2,392	−1,578,776	−205,334	189,914	457,400	2,602	−2,034,995	−270,088

Mr. DOMENICI. Mr. President, in every year between 1982 and 2005, expenditures from the medicare hospital insurance trust fund will exceed income. Between 1982 and 1985, expenditures from this fund will exceed income—under moderately pessimistic assumptions—by $17.4 billion. By 1988, expenditures will exceed income by $52 billion. The total unfunded liability in the medicare hospital insurance trust fund over the next 23 years is over $2 trillion.

Actuarially, as I indicated earlier, medicare is in worse shape than the main social security retirement fund. By 1988 it will be unable to pay claims in a timely fashion. Further interfund borrowing, which delays facing the social security problem, will hasten that onset. In fact borrowing through 1983 will cause medicare to approach bankruptcy by 1986.

The assumptions of the Budget Committee are not binding; we all know that. The Finance Committee will use its own legislative wisdom in making the savings assumed in this resolution. The recommendations do assume, however, that limitations will be placed on the increase in reimbursement under medicare. The good Senator from Kansas has described these options in detail.

I urge that the Senate defeat the Moynihan amendment to the budget resolution and permit us to go to conference with the House and come back with reasonable reductions so that we can begin that very difficult and long road to continuing to provide health care for our senior citizens and move in the direction of reasonableness, good judgment, and, equally important, a sound financial base on which to provide benefits.

Mr. President, I suggest the absence of a quorum and ask unanimous consent that it be charged to the Senator from New Mexico.

Mr. KENNEDY. Mr. President, will the Senator withhold that for just a brief point?

Mr. DOMENICI. Mr. President, I shall be pleased to withhold it.

Mr. KENNEDY. May I have just 2 minutes on this?

Mr. MOYNIHAN. Mr. President, I yield 2 minutes to the Senator from Massachusetts, 2 each to the Senators from Montana; then we can expect the vote.

Mr. KENNEDY. Mr. President, I would agree with everything that the Senator from New Mexico has said about the trends in the cost of medicare and health care generally. That is no mystery and should come as no surprise to this body. We allocate a certain amount of money for national security and we know that. That is decided by the Congress of the United States.

We allocate a certain amount in terms of preventive health care, and we know what that figure is going to be. We allocate a certain amount in terms of elementary and secondary education, and we know what that is going to be. But we never have done it for health care costs.

When we put in place medicare and medicaid, we guaranteed benefits, but we never did anything about costs, and we are not doing that today. And we cannot simply address the costs of medicaid and medicare. We must look at the whole system.

Under the Budget Committee's recommendations, we have no ability whatsoever to propound any comprehensive cost containment proposals, nor does the Budget Committee recommend any.

A major reason why we have the increase in health care costs is because the doctors have raised their fees and the hospitals have raised their fees. There is no mystery about that, absolutely none. This body has refused to address the issue of cost containment. Some States have addressed it and they have had some success. We have not done it. Every other nation in the world has done it, but we have not done it in this Chamber. We voted for the benefits, but we refuse to bite the bullet on the costs.

What this amendment is all about is that costs are going up. Who are we going to make pay for it? Do we make the hospitals pay for it? No. Do we make the doctors pay for it? No. Senior citizens pay for it. It is unfair and inequitable. It does not reach the question of the bankruptcy of the health care system in this country.

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

The Senator from Montana is recognized for 2 minutes.

Mr. MELCHER. Mr. President, as a member of the Senate Committee on Aging, I should like to make a couple of suggestions to the Finance Committee.

Our Committee on Aging does have a very deep and long interest in the medicare program. I would like to recommend that the Finance Committee look at the question of paperwork.

There has never been a time during the past dozen years when the burden of paperwork connected with medicare has not been singled out, both by the hospitals and by the doctors, as being too heavy and too costly.

Second, I think that we need to provide more flexible and adequate home health care to reduce the need for expensive hospital stays.

Third, when we talk about providers, meaning hospitals, I should like to strike a blow for the small hospitals and suggest to the Finance Committee that they find means of reducing the requirements of small hospitals that are unneeded and costly.

I think there is plenty of room for cutting in medicare without hurting the patients that receive it and threatening the elderly with the difficulties that go along with the disappearance of medicare benefits.

Mr. BAUCUS addressed the Chair.

Mr. MOYNIHAN. Mr. President, I yield 2 minutes to the Senator from Montana.

Mr. BAUCUS. I thank the Senator.

Mr. President, this debate is the social security debate revisited.

What has happened is this: The Senate Budget Committee says cut—I do not know what it is now, perhaps $18 billion, $20 billion out of medicare and medicaid—but trust us; there will be no cuts in benefits. We will take some other cuts; but trust the Budget Committee.

The Senator from Massachusetts tried to get the Senator from Kansas, the chairman of the Finance Committee, to itemize the cuts he proposes to reach that budget level. There are places we can cut, I recommend to the Senator from Kansas, in section 223. There are various other changes which can achieve medicare savings up to about, say, $2 billion in the first year.

But the resolution we are talking about now goes further. It says cut about $4.7 billion in medicare and medicaid benefits.

I can tell this body with confidence we cannot cut $4.7 billion from these programs next year without also cutting medicare benefits by about $2.7 billion. It cannot be done.

This debate is just like the social security debate. The Budget Committee said we should make $40 billion in social security cuts. Trust us, we hear, there will be no reductions in benefits. But, of course, we knew then—as we know now—that there would be significant cuts in benefits if that proposal were accepted.

Today we hear the Budget Committee say *x* amount in cuts are needed: 4.7 in cuts in medicare and medicaid in 1983. Trust us, the Budget Committee says, there will be no cuts in medicare.

That just is not true.

Why is this important? It is important for this reason.

Everyone—the aged, the middle-aged, and the young—has to pay more when health care costs rise. Medicare beneficiaries have to pay. Others who are under the age of 65 have to pay.

Medicare administrative costs account for only about 2 percent of total program expenditures. Medicare is a very efficient system. In contrast, the administrative overhead costs of health insurance companies is about 15 to 20 percent—not quite so efficient a system.

I say to my fellow Senators that if we are going to deal with health care programs fairly and responsibly, we should address the heart of the matter, which is that health care costs are continuing to rise at a rate of 50 percent above the annual rate of inflation. These inefficiencies in the health system are what we should be focusing on. This budget resolution should address the Finance Committee to find those savings, instead of digging into the pockets of the elderly once again.

I commend the Senator from Kansas because he is moving in that direction. But I tell the Senator and I tell this body that we cannot cut $4.7 billion from medicare and medicaid. That figure represents an additional $2.7 billion beyond what can safely be cut. This additional $2.7 billion in medicare and medicaid savings represents a drastic reduction in medicare benefits.

I say the way we should reduce medicare outlays is to reduce the underlying reasons for health care cost increases, instead of relying on arbitrary cuts in medicare benefits.

Mr. MOYNIHAN. Mr. president, I ask for the yeas and nays?

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

Mr. MOYNIHAN. Mr. President, I think there is nothing further that need be said on this side. If I might indulge myself a 20-second response in concurrence with the Senator from Montana (Mr. Baucus) he will remember that hospital cost containment legislation was sent to this Chamber by the previous administration and roundly rejected by those who now deplore the impending insolvency of the

funds dependent upon hospital costs, but that no more today.

Mr. DURENBERGER addressed the Chair.

Mr. MOYNIHAN. Does the Senator wish to speak?

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. How much time does the Senator desire?

Mr. DURENBERGER. Approximately 5 minutes.

Mr. DOMENICI. I yield 5 minutes to the Senator from Minnesota.

The PRESIDING OFFICER. The Senator from Minnesota is recognized for 5 minutes.

Mr. DURENBERGER. Thank you, Mr. President. I thank my colleague, and I thank all of my colleagues on both sides of the aisle who have spoken to this issue today. Senator Kennedy has been speaking to this issue for the 17 or 18 years that he has been in the Senate. Senator Moynihan has spoken eloquently here and in the Finance Committee to this issue. Senator Baucus, who is the ranking member of the Subcommittee on Health of the Senate Finance Committee, has expressed his concern.

I think those concerns are shared by all of us who have some very strong feelings about what we have done since 1965 about the problem of economic access to health care, particularly for the needy in this country and, in addition, for the elderly.

I have been striving for the 3½ years that I have been in the Senate to find some better way to make health care accessible to the needy and to the elderly and constantly fighting the high cost of health care.

I had suggested that I might be on the floor here sometime this week talking about a somewhat lower figure than the one that was presented today by the Budget Committee. However, I find the figure presented by the Budget Committee together with the commitments made this afternoon by the chairman of the Finance Committee, with the help of those of us who will be shaping those recommendations from our side of the aisle, to be——

Mr. MOYNIHAN. Mr. President, I hesitate to interrupt, but the Senator from Minnesota is making an important statement on a matter that affects millions of Americans. He will be one of the leaders in the Senate Finance Committee. May we have order?

The PRESIDING OFFICER. The Senate will come to order. Senators will please cease conversing.

Mr. DURENBERGER. Mr. President, I am indebted to my colleague for adding to the significance of my statement by that request.

We have been trying for quite some period of time, as all Senators know, to deal with this issue. I would not be more comfortable with the figures presented by the Senators from Massachusetts, New York, and Kansas or any other figures because they really do not get to the heart of the issue that faces elderly and needy Americans.

However, these figures present us at least with an opportunity to do something about the issue that at least I heard the Senator from Massachusetts talk about—the issue, for example, of cost containment.

Cost is what drives most people out of the health care system they cannot afford, and it is the high cost of health care that we need to deal with.

In the authorizing proposal for medicare is an increase from $58.1 to $77.8 billion, a 16-percent rise. It has to be one of the largest increases over the 3-year period we have had to deal with in this budget. Even under the proposal of the Budget Committee, that increase is in the neighborhood of 12 percent a year, reflecting the realities of what is going on out there in the marketplace.

I want to conclude by commenting on the opportunities for cost containment that I think we are presented with this year, next year, and the following year.

We have tried cost containment of the kind suggested to us by the Senator from Massachusetts, and we have found that it has not worked. It has not worked as well on a voluntary basis as we thought it would, and I think many of us were apprehensive about making a voluntary system mandatory pretending that that would make it different.

We have tried certificate of need. We have tried franchising hospital beds all over the country through the certificate of need process, and that has not worked. We have tried a variety of peer review and other mechanisms, and they have worked with varying degrees of success.

This year, as the Senator from New York and the Senator from Montana know, I have suggested that we preserve some form of peer review in the Peer Review Improvement Act. That, I think, is an approach toward cost containment that will be helpful.

The Senate Finance Committee will deal with limitations on 223 reimbursement. We already have heard the Senator from Kansas speak to the issue of prospective reimbursement.

Various associations have proposals before us. HHS is working hard to come up within a 12-month to 18-month period with a system that will change the way we reimburse. We have done demonstrations on vouchers for HMO. We will start that process and are examining it. The Senator from Pennsylvania and others will suggest to us that we move farther in the direction of vouchering the process of making a choice in medicare.

So, Mr. President, there are a variety of means available to us, some already in the system and many that are available to the Senate Finance Committee, to come back to this body in the authorizing process this year and in the 2 out years that seem to concern people. So I am very comfortable that within the numbers recommended to us by the Budget Committee, we will find not only savings in that sense but also a greater opportunity to access more people in this country to a better quality of health care.

I thank my colleague from New Mexico for yielding to me.

Mr. DOMENICI. Mr. President, I understand that we are coming close to a vote on this issue. Does the Senator from Pennsylvania desire some time?

Mr. HEINZ. I should like 3 or 4 minutes.

SENATE CONCURRENT RESOLUTION 92, AS FURTHER MODIFIED

Mr. DOMENICI. May I just finish this unanimous-consent request? Then I will yield.

Mr. President, we have had many requests that the committee modification be printed, and I ask unanimous consent that it be printed as modified.

Further, I ask unanimous consent to make a technical correction in the modification before printing. I have cleared this with the distinguished ranking minority member of the Budget Committee, Senator Hollings. It makes technical adjustments in function 700 that arose because of a communication problem between our committee and theirs.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. This means we will now have a full print for everybody.

The text of Senate Concurrent Resolution No. 92, as further modified, follows:

S. Con. Res. 92

Resolved by the Senate (the House of Representatives concurring), That the Congress hereby determines and declares, pursuant to sections 301(a) and 304 of the Congressional Budget Act of 1974, that:

(a) The following budgetary levels are appropriate for the fiscal years beginning on October 1, 1981, October 1, 1982, October 1, 1983, and October 1, 1984:

(1) The recommended levels of Federal revenues are as follows:

Fiscal year 1982: $623,000,000,000.
Fiscal year 1983: $668,200,000,000.
Fiscal year 1984: $741,000,000,000.
Fiscal year 1985: $825,000,000,000.

and the amounts by which the aggregate levels of Federal revenues should be increased are as follows:

Fiscal year 1983: $23,200,000,000.
Fiscal year 1984: $39,000,000,000.
Fiscal year 1985: $45,000,000,000.

(2) The appropriate levels of total new budget authority are as follows:

Fiscal year 1982: $777,600,000,000.
Fiscal year 1983: $835,300,000,000.
Fiscal year 1984: $897,000,000,000.
Fiscal year 1985: $972,800,000,000.

(3) The appropriate levels of total budget outlays are as follows:

Fiscal year 1982: $740,700,000,000.

Fiscal year 1983: $783,600,000,000.

Fiscal year 1984: $832,300,000,000.

Fiscal year 1985: $889,400,000,000.

(4) The amounts of the deficits in the budget which are appropriate in the light of economic conditions and all other relevant factors are as follows:

Fiscal year 1982: $117,700,000,000.

Fiscal year 1983: $115,400,000,000.

Fiscal year 1984: $91,300,000,000.

Fiscal year 1985: $64,400,000,000.

(5) The appropriate levels of the public debt are as follows:

Fiscal year 1982: $1,144,200,000,000.

Fiscal year 1983: $1,292,100,000,000.

Fiscal year 1984: $1,420,000,000,000.

Fiscal year 1985: $1,533,200,000,000.

and the amounts by which the temporary statutory limits on such debt should be accordingly increased are as follows:

Fiscal year 1982: $64,400,000,000.

Fiscal year 1983: $147,900,000,000.

Fiscal year 1984: $127,900,000,000.

Fiscal year 1985: $113,200,000,000.

(6) The appropriate levels of total Federal credit activity for the fiscal years beginning on October 1, 1981, and October 1, 1982, are as follows:

Fiscal year 1982:

(A) New direct loan obligations, $67,300,000,000.

(B) New primary loan guarantee commitments, $93,000,000,000.

(C) New secondary loan guarantee commitments, $69,000,000,000.

Fiscal year 1983:

(A) New direct loan obligations, $63,600,000,000.

(B) New primary loan guarantee commitments, $102,200,000,000.

(C) New secondary loan guarantee commitments, $68,300,000,000.

(b) Pursuant to sections 301 and 304 of the Congressional Budget Act of 1974, the Congress hereby determines and declares the appropriate levels of budget authority, and budget outlays, for the fiscal years 1982 through and inclusive of 1985 and the appropriate levels of new direct loan obligations, new primary loan guarantee commitments, and new secondary loan guarantee commitments for fiscal years 1982 and 1983 for each major functional category are:

(1) National Defense (050):

Fiscal year 1982:

(A) New budget authority, $216,900,000,000.

(B) Outlays, $190,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $30,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, $251,700,000,000.

(B) Outlays, $215,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $30,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $278,300,000,000.

(B) Outlays, $243,000,000,000.

Fiscal year 1985:

(A) New budget authority, $316,500,000,000.

(B) Outlays, $277,700,000,000.

(2) International Affairs (150):

Fiscal year 1982:

(A) New budget authority, $16,800,000,000.

(B) Outlays, $11,400,000,000.

(C) New direct loan obligations, $10,400,000,000.

(D) New primary loan guarantee commitments, $9,300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, $16,200,000,000.

(B) Outlays, $12,100,000,000.

(C) New direct loan obligations, $10,200,000,000.

(D) New primary loan guarantee commitments, $9,300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $16,700,000,000.

(B) Outlays, $12,300,000,000.

Fiscal year 1985:

(A) New budget authority, $21,000,000,000.

(B) Outlays, $12,200,000,000.

(3) General Science, Space, and Technology (250):

Fiscal year 1982:

(A) New budget authority, $7,000,000,000.

(B) Outlays, $7,100,000,000.

(C) New direct loan obligations, $200,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, $7,800,000,000.

(B) Outlays, $7,600,000,000.

(C) New direct loan obligations, $200,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $7,700,000,000.

(B) Outlays, $7,800,000,000.

Fiscal year 1985:

(A) New budget authority, $7,300,000,000.

(B) Outlays, $7,400,000,000.

(4) Energy (270):

Fiscal year 1982:

(A) New budget authority, $4,800,000,000.

(B) Outlays, $6,400,000,000.

(C) New direct loan obligations, $10,600,000,000.

(D) New primary loan guarantee commitments, $1,700,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, $5,300,000,000.

(B) Outlays, $5,000,000,000.

(C) New direct loan obligations, $12,100,000,000.

(D) New primary loan guarantee commitments, $600,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $4,600,000,000.

(B) Outlays, $3,900,000,000.

Fiscal year 1985:

(A) New budget authority, $4,500,000,000.

(B) Outlays, $3,700,000,000.

(5) Natural Resources and Environment (300):

Fiscal year 1982:

(A) New budget authority, $10,300,000,000.

(B) Outlays, $12,800,000,000.

(C) New direct loan obligations, $30,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, $9,900,000,000.

(B) Outlays, $11,400,000,000.

(C) New direct loan obligations, $30,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $9,300,000,000.

(B) Outlays, $10,300,000,000.

Fiscal year 1985:

(A) New budget authority, $8,900,000,000.

(B) Outlays, $9,300,000,000.

(6) Agriculture (350):

Fiscal year 1982:

(A) New budget authority, $9,900,000,000.

(B) Outlays, $13,800,000,000.

(C) New direct loan obligations, $22,600,000,000.

(D) New primary loan guarantee commitments, $2,700,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, $6,600,000,000.

(B) Outlays, $10,100,000,000.

(C) New direct loan obligations, $19,000,000,000.

(D) New primary loan guarantee commitments, $2,600,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $8,300,000,000.

(B) Outlays, $8,200,000,000.

Fiscal year 1985:

(A) New budget authority, $8,700,000,000.

(B) Outlays, $7,300,000,000.

(7) Commerce and Housing Credit (370):

Fiscal year 1982:

(A) New budget authority, $11,600,000,000.

(B) Outlays, $3,800,000,000.

(C) New direct loan obligations, $15,400,000,000.

(D) New primary loan guarantee commitments, $41,200,000,000.

(E) New secondary loan guarantee commitments, $68,200,000,000.

Fiscal year 1983:

(A) New budget authority, $7,100,000,000.

(B) Outlays, $3,900,000,000.

(C) New direct loan obligations, $15,100,000,000.

(D) New primary loan guarantee commitments, $41,200,000,000.

(E) New secondary loan guarantee commitments, $68,200,000,000.

Fiscal year 1984:

(A) New budget authority, $7,600,000,000.

(B) Outlays, $3,600,000,000.

Fiscal year 1985:

(A) New budget authority, $7,400,000,000.

(B) Outlays, $3,300,000,000.

(8) Transportation (400):

Fiscal year 1982:

(A) New budget authority, $20,800,000,000.

(B) Outlays, $21,300,000,000.

(C) New direct loan obligations, $400,000,000.

(D) New primary loan guarantee commitments, $900,000,000.

(E) New secondary loan guarantee commitments, $3,000,000.

Fiscal year 1983:

(A) New budget authority, $21,600,000,000.

(B) Outlays, $19,900,000,000.

(C) New direct loan obligations, $500,000,000.

(D) New primary loan guarantee commitments, $800,000,000.

(E) New secondary loan guarantee commitments, $3,000,000.

Fiscal year 1984:

(A) New budget authority, $21,800,000,000.

(B) Outlays, $19,700,000,000.

Fiscal year 1985:

(A) New budget authority, $22,100,000,000.

(B) Outlays, $19,700,000,000.

(9) Community and Regional Development (450):

Fiscal year 1982:

(A) New budget authority, $6,700,000,000.

(B) Outlays, $8,500,000,000.

(C) New direct loan obligations, $2,200,000,000.

(D) New primary loan guarantee commitments, $900,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, $6,900,000,000.

(B) Outlays, $7,700,000,000.

(C) New direct loan obligations, $2,200,000,000.

(D) New primary loan guarantee commitments, $600,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $6,900,000,000.

(B) Outlays, $7,500,000,000.

Fiscal year 1985:

(A) New budget authority, $7,000,000,000.

(B) Outlays, $7,400,000,000.

(10) Education, Training, Employment and Social Services (500):

Fiscal year 1982:

(A) New budget authority, $25,400,000,000.

(B) Outlays, $26,100,000,000.

(C) New direct loan obligations, $1,300,000,000.

(D) New primary loan guarantee commitments, $6,500,000,000.

(E) New secondary loan guarantee commitments, $700,000,000.

Fiscal year 1983:

(A) New budget authority, $26,500,000,000.

(B) Outlays, $27,000,000,000.

(C) New direct loan obligations, $800,000,000.

(D) New primary loan guarantee commitments, $7,200,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $26,700,000,000.

(B) Outlays, $26,900,000,000.

Fiscal year 1985:

(A) New budget authority, $26,400,000,000.

(B) Outlays, $26,500,000,000.

(11) Health (550):

Fiscal year 1982:

(A) New budget authority, $78,500,000,000.

(B) Outlays, $73,700,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $100,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, $79,500,000,000.

(B) Outlays, $77,600,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $100,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $92,200,000,000.

(B) Outlays, $85,700,000,000.

Fiscal year 1985:

(A) New budget authority, $103,800,000,000.

(B) Outlays, $97,200,000,000.

(12) Income Security (600):

Fiscal year 1982:

(A) New budget authority, $255,800,000,000.

(B) Outlays, $251,500,000,000.

(C) New direct loan obligations, $2,800,000,000.

(D) New primary loan guarantee commitments, $17,000,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, $281,800,000,000.

(B) Outlays, $272,600,000,000.

(C) New direct loan obligations, $2,000,000,000.

(D) New primary loan guarantee commitments, $18,700,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $300,900,000,000.

(B) Outlays, $288,300,000,000.

Fiscal year 1985:

(A) New budget authority, $333,000,000,000.

(B) Outlays, $309,800,000,000.

(13) Veterans Benefits and Services (700):

Fiscal year 1982:

(A) New budget authority, $24,800,000,000.

(B) Outlays, $23,800,000,000.

(C) New direct loan obligations, $1,000,000,000.

(D) New primary loan guarantee commitments, $11,900,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, $24,000,000,000.

(B) Outlays, $23,200,000,000.

(C) New direct loan obligations, $1,000,000,000.

(D) New primary loan guarantee commitments, $20,900,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $25,000,000,000.

(B) Outlays, $24,200,000,000.

Fiscal year 1985:

(A) New budget authority, $25,500,000,000.

(B) Outlays, $25,400,000,000.

(14) Administration of Justice (750):

Fiscal year 1982:

(A) New budget authority, $4,500,000,000.

(B) Outlays, $4,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, $4,600,000,000.

(B) Outlays, $4,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $4,600,000,000.

(B) Outlays, $4,600,000,000.

Fiscal year 1985:

(A) New budget authority, $4,600,000,000.

(B) Outlays, $4,600,000,000.

(15) General Government (800):

Fiscal year 1982:

(A) New budget authority, $5,200,000,000.

(B) Outlays, $5,000,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, $5,000,000,000.

(B) Outlays, $4,800,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $4,700,000,000.

(B) Outlays, $4,600,000,000.

Fiscal year 1985:

(A) New budget authority, $4,700,000,000.

(B) Outlays, $4,400,000,000.

(16) General Purpose Fiscal Assistance (850):

Fiscal year 1982:

(A) New budget authority, $6,400,000,000.

(B) Outlays, $6,300,000,000.

(C) New direct loan obligations, $200,000,000.

(D) New primary loan guarantee commitments, $800,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, $6,600,000,000.

(B) Outlays, $6,500,000,000.

(C) New direct loan obligations, $200,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $6,700,000,000.

(B) Outlays, $6,700,000,000.

Fiscal year 1985:

(A) New budget authority, $6,900,000,000.

(B) Outlays, $8,800,000,000.

(17) Interest (900):

Fiscal year 1982:

(A) New budget authority, $102,000,000,000.

(B) Outlays, $102,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, $115,500,000,000.

(B) Outlays, $115,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $120,800,000,000.

(B) Outlays, $120,800,000,000.

Fiscal year 1985:

(A) New budget authority, $114,600,000,000.

(B) Outlays, $114,600,000,000.

(18) Allowances (920):

Fiscal year 1982:

(A) New budget authority, $700,000,000.

(B) Outlays, $800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, −$2,000,000,000.

(B) Outlays, –$2,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, –$800,000,000.

(B) Outlays, –$800,000,000.

Fiscal year 1985:

(A) New budget authority, –$800,000,000.

(B) Outlays, –$600,000,000.

(19) Undistributed Offsetting Receipts (950):

Fiscal year 1982:

(A) New budget authority, –$30,500,000,000.

(B) Outlays, –$30,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, –$39,300,000,000.

(B) Outlays, –$39,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, –$44,800,000,000.

(B) Outlays, –$44,800,000,000.

Fiscal year 1985:

(A) New budget authority, –$47,300,000,000.

(B) Outlays, –$47,300,000,000.

RECONCILIATION

Sec. 2. (a) Not later than June 18, 1982, the committees named in subsection (a) (1) through (15) of this section shall submit their recommendations to the Committees on the Budget of their respective Houses. Those recommendations shall be sufficient to accomplish the reductions required by subsection (a) (1) through (15) of this section. After receiving those recommendations, the Committees on the Budget shall report to the House and Senate a reconciliation bill or resolution or both carrying out all such recommendations without any substantive revision.

SENATE COMMITTEES

(1) The Senate Committee on Agriculture, Nutrition, and Forestry shall report changes in laws within the jurisdiction of that committee sufficient to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $779,000,000 in budget authority and $779,000,000 in outlays in fiscal year 1983; and $1,083,000,000 in budget authority and $1,083,000,000 in outlays in fiscal year 1984; and $1,428,000,000 in budget authority and $1,428,000,000 in outlays in fiscal year 1985.

(2) The Senate Committee on Armed Services shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $583,000,000 and outlays by $583,000,000 in fiscal year 1983; to reduce budget authority by $1,345,000,000 and outlays by $1,345,000,000 in fiscal year 1984; and to reduce budget authority by $1,906,000,000 and outlays by $1,906,000,000 in fiscal year 1985.

(3) The Senate Committee on Commerce, Science, and Transportation shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $11,000,000 and outlays by $11,000,000 in fiscal year 1983; to reduce budget authority by $28,000,000 and outlays by $28,000,000 in fiscal year 1984; and to reduce budget authority by $42,000,000 and outlays by $42,000,000 in fiscal year 1985.

(4) The Senate Committee on Foreign Relations shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $0 and outlays by $6,000,000 in fiscal year 1983; to reduce budget authority by $5,000,000 and outlays by $15,000,000 in fiscal year 1984; and to reduce budget authority by $8,000,000 and outlays by $21,000,000 in fiscal year 1985.

(5) The Senate Committee on Governmental Affairs shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $0 and outlays by $680,000,000 in fiscal year 1983; to reduce budget authority by $628,000,000 and outlays by $1,800,000,000 in fiscal year 1984; and to reduce budget authority by $1,000,000,000 and outlays by $2,629,000,000 in fiscal year 1985.

(6) The Senate Committee on Labor and Human Resources shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $102,000,000 and outlays by $457,000,000 in fiscal year 1983; to reduce budget authority by $136,000,000 and outlays by $625,000,000 in fiscal year 1984; to reduce budget authority by $120,000,000 and outlays by $744,000,000 in fiscal year 1985.

(7) The Senate Committee on Veterans' Affairs shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $100,000,000 and outlays by $100,000,000 in fiscal year 1983; to reduce budget authority by $169,000,000 and outlays by $169,000,000 in fiscal year 1984; and to reduce budget authority by $155,000,000 and outlays by $155,000,000 in fiscal year 1985.

HOUSE COMMITTEES

(8) The House Committee on Agriculture shall report changes in laws within the jurisdiction of that committee sufficient to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $779,000,000 in budget authority and $779,000,000 in outlays in fiscal year 1983; and $1,083,000,000 in budget authority and $1,083,000,000 in outlays in fiscal year 1984; and $1,428,000,000 in budget authority and $1,428,000,000 in outlays in fiscal year 1985.

(9) The House Committee on Armed Services shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $581,000,000 and outlays by $581,000,000 in fiscal year 1983; to reduce budget authority by $1,340,000,000 and outlays by $1,340,000,000 in fiscal year 1984; and to reduce budget authority by $1,899,000,000 and outlays by $1,899,000,000 in fiscal year 1985.

(10) The House Committee on Education and Labor shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $157,000,000 and outlays by $157,000,000 in fiscal year 1983; to reduce budget authority by $202,000,000 and outlays by $202,000,000 in fiscal year 1984; and to reduce budget authority by $196,000,000 and outlays by $196,000,000 in fiscal year 1985.

(11) The House Committee on Energy and Commerce shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $514,000,000 and outlays by $1,031,000,000 in fiscal year 1983; to reduce budget authority by $741,000,000 and outlays by $1,230,000,000 in fiscal year 1984; and to reduce budget authority by $815,000,000 and outlays by $1,439,000,000 in fiscal year 1985.

(12) The House Committee on Foreign Affairs shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $0 and outlays by $6,000,000 in fiscal year 1983; to reduce budget authority by $5,000,000 and outlays by $15,000,000 in fiscal year 1984; and to reduce budget authority by $8,000,000 and outlays by $21,000,000 in fiscal year 1985.

(13) The House Committee on Merchant Marine and Fisheries shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $11,000,000 and outlays by $11,000,000 in fiscal year 1983; to reduce budget authority by $28,000,000 and outlays by $28,000,000 in fiscal year 1984; and to reduce budget authority by $42,000,000 and outlays by $42,000,000 in fiscal year 1985.

(14) The House Committee on Post Office and Civil Service shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $2,000,000 and outlays by $688,000,000 in fiscal year 1983; to reduce budget authority by $638,000,000 and outlays by $1,820,000,000 in fiscal year 1984; and to reduce budget authority by $1,015,000,000 and outlays by $2,657,000,000 in fiscal year 1985.

(15) The House Committee on Veterans' Affairs shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $100,000,000 and outlays by $100,000,000 in fiscal year 1983; to reduce budget authority by $169,000,000 and outlays by $169,000,000 in fiscal year 1984; and to reduce budget authority by $155,000,000 and outlays by $155,000,000 in fiscal year 1985.

SENATE AND HOUSE COMMITTEES

(b)(1) The Senate Committee on Finance shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $1,750,000,000 and outlays by $5,456,000,000 in fiscal year 1983; to reduce budget authority by $2,509,000,000 and outlays by $7,923,000,000

in fiscal year 1984; and to reduce budget authority by $3,339,000,000 and outlays by $9,549,000,000 in fiscal year 1985.

(2) The Senate Committee on Finance shall also report changes in laws within the jurisdiction of that committee sufficient to increase revenues as follows: $21,200,000,000 in fiscal year 1983; $37,000,000,000 in fiscal year 1984; and $43,000,000,000 in fiscal year 1985.

(3) The Senate Committee on Finance shall also report changes in laws within the jurisdiction of that committee sufficient to increase receipts from user fees authorized by that committee as follows: $2,000,000,000 in fiscal year 1983; $2,000,000,000 in fiscal year 1984; and $2,000,000,000 in fiscal year 1985.

(4) The legislation required in paragraphs (1) through (3) of this subsection shall be reported to the Senate no later than June 11, 1982.

(5) The House Committee on Ways and Means shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $1,183,000,000 and outlays by $4,727,000,000 in fiscal year 1983; to reduce budget authority by $1,707,000,000 and outlays by $7,121,000,000 in fiscal year 1984; and to reduce budget authority by $2,455,000,000 and outlays by $8,665,000,000 in fiscal year 1985.

(6) The House Committee on Ways and Means shall also report changes in laws within the jurisdiction of that committee sufficient to increase revenues as follows: $21,200,000,000 in fiscal year 1983; $37,000,000,000 in fiscal year 1984; and $43,000,000,000 in fiscal year 1985.

(7) The House Committee on Ways and Means shall also report changes in laws within the jurisdiction of that committee sufficient to increase receipts from user fees authorized by that committee as follows: $2,000,000,000 in fiscal year 1983; $2,000,000,000 in fiscal year 1984; and $2,000,000,000 in fiscal year 1985.

(8) The legislation required in paragraphs (5) through (7) of this subsection shall be reported to the House no later than June 11, 1982.

(c)(1) In order to insure the solvency of the Social Security Old-Age and Survivors Insurance Trust Fund created pursuant to title II of the Social Security Act, as amended, the Senate Committee on Finance shall report changes in laws within the jurisdiction of that committee so as to reduce outlays or increase revenues, or a combination thereof, to insure that all payments to beneficiaries are made in a timely manner.

(2) In order to insure the solvency of the Social Security Old-Age and Survivors Insurance Trust Fund created pursuant to title II of the Social Security Act, as amended, the House Committee on Ways and Means shall report changes in laws within the jurisdiction of that committee so as to reduce outlays or increase revenues, or a combination thereof, to insure that all payments to beneficiaries are made in a timely manner.

(3) The legislation required in paragraphs (1) and (2) of this subsection shall be reported no later than December 1, 1982, and shall take into account the recommendations of the National Commission on Social Security Reform. Such changes in laws shall do no more than is absolutely necessary to preserve the financial integrity of the social security system.

(4) It is the sense of the Congress that the amounts set forth in paragraphs (a)(1) through (a)(5) of section 1 shall be deemed revised to incorporate the budgetary effects of actions required by this subsection to insure the solvency of the social security trust funds immediately upon enactment of such changes.

(5) It is sense of the Congress that the President of the United States should direct the National Commission on Social Security Reform to report its recommendations to the Congress not later than November 11, 1982.

Sec. 3. The enactment of savings required by this resolution is critical to the health of the economy of the Nation; and

Expeditious action on legislation pursuant to these instructions is critical to achieving the savings required by this resolution; and

The Senate is committed to completing action on the savings legislation required by this resolution at the earliest possible time: and

It is the sense of the Senate that Senate committees instructed in this resolution should begin deliberations on the legislation those committees are required to report under this resolution as soon as this resolution is agreed to in the Senate.

MISCELLANEOUS PROVISIONS

Sec. 4. It is the sense of the Congress that the President through administrative actions should limit in fiscal year 1983 total Federal Financing Bank origination of direct loans guaranteed by other Federal agencies to $15,900,000,000; and Federal Financing Bank purchases of loan assets from Federal agencies to $14,000,000,000. It is the further sense of Congress that direct borrowing transactions of Federal agencies should be, to the maximum extent possible, restricted to the Federal Financing Bank.

Sec. 5. It shall not be in order in the House or the Senate during fiscal years 1982 and 1983 to consider any bill, resolution, or amendment, except proposed legislation reported in response to reconciliation instructions contained in this resolution, authorizing new direct loan obligations or new loan guarantee commitments unless that bill, resolution, or amendment also provides that the authority to make or guarantee such loans shall be effective only to such extent or in such amounts as are contained in appropriation Acts.

Sec. 6. It is the sense of the Congress that it is urgent that effective budgetary control be established over all types of Federal direct loans and Federal loan guarantees. The Congress directs the committees of jurisdiction to move with expedition to consider legislation that establishes a process of annual determination of appropriate levels and proper budgetary treatment of Federal credit activity.

Sec. 7. No bill or resolution providing new budget authority for fiscal year 1983 or providing new spending authority described in section 401(c)(2)(C) of the Congressional Budget Act of 1974 in excess of the allocation to or report by a committee or subcommittee pursuant to section 302 of the Budget Act shall be enrolled until Congress has completed action on the Second Budget Resolution for that fiscal year as required to be reported under section 310 of the Budget Act.

Sec. 8. It is the sense of the Senate that the new spending and revenue levels for fiscal year 1982, adopted by the Senate, shall be the ceilings against which the spending and revenue actions of the Senate will be measured pending final agreement with the House of Representatives on the revision of the Second Concurrent Resolution on the Budget for Fiscal Year 1982.

Sec. 9. It is the sense of the Congress that if Congress acts to restore fiscal responsibility and reduces projected budget deficits in a substantial and permanent way, then the Federal Reserve Open Market Committee shall reevaluate its monetary targets in order to assure that they are fully complementary to a new and more restrained fiscal policy.

Mr. DOMENICI. Mr. President, I yield 3 minutes to the distinguished Senator from Pennsylvania.

Mr. HEINZ. Mr. President, I thank the Senator from New Mexico for yielding.

I wish to enter into a colloquy with Senator Dole, Senator Durenberger, and other interested Senators on the issue of what it means if we accept and what it means if we reject the Moynihan amendment.

I want it made very clear that very early this year, in January, when I received word that an effort was going to be made by the administration to impose a very high hospital copayment on medicare recipients, I made a speech to a number of health care organizations who had come to Washington, explaining to them and to the administration that to increase the hospital copays for the elderly was a very poor public policy and was not justifiable. The elderly, depending on which set of statistics you believe or you use, are already paying somewhere between 40 and 60 percent of their health care costs today, even though they are protected—if I may use that word loosely—by medicare. Many of the elderly who depend on medicare are very poor. They do not have much income.

You are talking about people trying to get by on $4,000, $6,000, $8,000 a year, for a family of two in many instances. And we are talking about people whose savings already have been wiped out by inflation. It one of these senior citizens is hospitalized for 60 days, not the entire 90 days, and if the hospital cost is $250 a day—you are lucky if you can get one such as that in most cities—I think we can all figure the mathematics and understand clearly what a 6 percent, not to mention a 10 percent, daily copay would mean to an elderly couple.

Mr. President, I also understand that with respect to the $2.6 billion that Senator Moynihan seeks to restore here, if his amendment is rejected, we are not in any way, shape, or form bound to putting any additional hospital copays on senior citizens. Indeed, it is my understanding, having looked at the alternatives, that there are a number of other things we can do to save this $2.6 billion.

We can move aggressively to implement a prospective payment system for hospitals and health care plans.

That is something many of us have been trying to get established for some time. We could adopt—and maybe we will adopt, if health care cost escalation keeps going the way it is—a hospital cost containment measure. I think Senator Moynihan would favor that.

Mr. MOYNIHAN. We can reach an agreement on the floor.

Mr. HEINZ. There could be some kind of overall medicare revenue cap, either directly or indirectly.

There are a number of options here that will directly address health care inflation and have nothing to do with saving money by increasing hospital copays for the elderly.

I ask the chairman of the Senate Finance Committee, Senator Dole, if what I have said is correct, and whether he agrees with me that, if we reject the Moynihan amendment, the Senate Finance Committee, Republicans or Democrats, are in no way bound to vote for some kind of increase in hospital copays.

Mr. DOLE. The Senator is correct. In fact, our modification would not increase the amount.

I point out that for those services medicare pays for, the program has actually increased its share of costs from 70 percent to 75 percent. Medicare has increased its original share of hospital expenditures covering 74 percent of hospital bills in 1970 to 80 percent in 1980. The Senator is correct. We are not assuming any new copayments.

I have outlined in the colloquy with the Senator from Massachusetts three areas in which there possibly could be any increases, and they would be only moderate.

I also say to the Senator from Pennsylvania, as the Senator from Minnesota indicated, that the Senator from Kansas believes that the number in the budget will not be the final number.

Mr. HEINZ. I hear the Senator. I do not want to put words in his month, but I gather that what he is saying is that he does intend to go to conference with the House one of these days.

Mr. DOLE. Yes.

Mr. HEINZ. We would like very much to get to conference with the House. The chairman is, is he not, going to be very practical and realistic, and he is not going to adopt, in the final analysis, anything unfair to senior citizens. Is that correct?

Mr. DOLE. That certainly is correct.

As I said, let us be very candid. Look at the House committee budget numbers and the Senate committee budget numbers. I felt that the Senate committee budget number was too high, much higher than the Senator from Minnesota or the Senator from Pennsylvania or the Senator from Kansas would support.

We believe there will be some middle ground in the conference that will be just about right and make certain that we do not impact adversely on senior citizens or low-income Americans.

Mr. HEINZ. If the Senator will permit me to engage further, is it not true that if we adopt the Moynihan amendment—and I am not saying the Senator's amendment would leave us in the wrong position overall necessarily—but is it not true that if we were to adopt his amendment the chances are the pressure would be off the entire Congress, predictably, after it got through conference, to move ahead with things like ways and means of containing health care costs, which we all favor?

We know we have to develop some means, in the very near future, to contain health-care costs. My fear is that if we adopt the amendment of the Senator from New York, the pressure is going to be off all of us. Several years ago, when the pressure was off, the health-care industry implemented the voluntary effort. Last year, hospital costs spiraled at 19 percent. Hospital inflation is not just eating up the very few dollars we have in medicare and medicaid. It is eating up a large portion of everyone's budget in this country. It is sometimes a little obscure because it is hidden in the first dollar coverage on employer provided third party health insurance.

But make no mistake about it. People talk about the military-industrial complex. The biggest complex is the health care complex. It is big and getting bigger with an increase of 19 percent in hospital costs each year.

So I do not quarrel with the humanitarian instincts of the Senator from New York at all. But I do say that in this instance tactically I cannot at this point support what he is trying to do, because I want to keep the pressure on all of us as a country to restrain health care costs, and I will say this to my friend: If there is anything in the Finance Committee instructions or if anyone offers a proposal in the Finance Committee or anyplace else to increase hospital copays as has been suggested by the Budget Committee, this Senator will be the first to join with the Senator from New York to defeat that measure.

Mr. MOYNIHAN. I thank the Senator from Pennsylvania.

Mr. President, I ask unanimous consent to modify my amendment for technical purposes. Two pages were left out of the original.

The PRESIDING OFFICER. Without objection, it is so ordered.

The modified amendment is as follows:

On page 2, beginning with line 15, strike out through line 1 on page 3 and insert the following:

(2) The appropriate levels of total new budget authority are as follows:

Fiscal year 1982: $777,600,000,000.
Fiscal year 1983: $835,900,000,000.
Fiscal year 1984: $897,600,000,000.
Fiscal year 1985: $973,400,000,000.

(3) The appropriate levels of total budget outlays are as follows:

Fiscal year 1982: $740,700,000,000.
Fiscal year 1983: $786,100,000,000.
Fiscal year 1984: $835,300,000,000.
Fiscal year 1985: $893,500,000,000.

On page 3, strike out lines 9 through 15 and insert the following:

(5) The amounts of the deficits in the budget which are appropriate in the light of economic conditions and all other relevant factors are as follows:

Fiscal year 1982: $117,700,000,000.
Fiscal year 1983: $117,900,000,000.
Fiscal year 1984: $94,300,000,000.
Fiscal year 1985: $68,500,000,000.

On page 15, beginning with line 17, strike out through line 7 on page 16 and insert the following:

Fiscal year 1983: (A) New budget authority, $80,200,000,000.

(B) Outlays, $80,200,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $100,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984: (A) New budget authority, $92,900,000,000.

(B) Outlays, $88,800,000,000.

Fiscal year 1985: (A) New budget authority, $104,400,000,000.

(B) Outlays, $101,500,000,000.

On page 28, beginning with line 23, strike out through line 6 on page 29 and insert the following:

(11) The House Committee on Energy and Commerce shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $0 and outlays by $331,000,000 in fiscal year 1983; to reduce the budget authority by $41,000,000 and outlays by $530,000,000 in fiscal year 1984; and to reduce budget authority by $15,000,000 and outlays by $639,000,000 in fiscal year 1985.

On page 30, beginning with line 21, strike out through line 5 on page 31 and insert the following:

(b)(1) The Senate Committee on Finance shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $1,050,000,000 and outlays by $2,856,000,000 in fiscal year 1983; to reduce budget authority by $1,809,000,000 and outlays by $4,823,000,000 in fiscal year 1984; and to reduce budget authority by $2,539,000,000 and outlays by $5,249,000,000 in fiscal year 1985.

On page 31, beginning with line 20, strike out through line 4 on page 32 and insert the following:

(5) The House Committee on Ways and Means shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $1,183,000,000 and outlays by $3,127,000,000 in fiscal year 1983; to reduce budget authority by $1,707,000,000 and outlays by $4,721,000,000 in fiscal year 1984; and to reduce budget authority by $2,455,00,000 and outlays by $5,165,000,000 in fiscal year 1985.

Mr. METZENBAUM. Mr. President, the Republican budget proposal re-

quires deep and massive cuts in the medicare program. Despite protestations to the contrary by my Republican colleagues, the vast majority of these cuts will come directly out of the pockets of the elderly. For example, under this budget resolution elderly persons would be required to make copayments for the 2d through the 60th day of their hospital stays. They would be required to pay part of the costs of home health care visits. The deductible on part B coverage for doctors' visits would be automatically increased every year as would the premiums which they pay for this coverage. Even the reduction in the reimbursement level for radiologists and pathologists, which certain Republican members have cited as an example of cuts directed at providers, is not what it seems. The radiologists and pathologists will not charge any less; they will simply bill their elderly patients directly for 20 percent of their fees.

I am absolutely opposed to any cuts in medicare and medicaid which will come directly out of the pockets of the poor and elderly. Much could be done in the area of cost containment to get at the real causes of runaway inflation in the health care industry but the Republican budget proposal does not address these issues. Instead, they take the easy way out and take from those who are least able to fight back—those without any strong and powerful lobby here in Washington. I am cosponsoring an amendment to the budget resolution today that would reduce those cuts in medicare and medicaid to just those items which are actually cost containment measures. It eliminates those cuts which would increase the elderly's out-of-pocket costs.

Some Members of Congress have attempted to justify these proposed cuts on the grounds that they will make the elderly more cost conscious about health care. This is ludicrous given that the elderly already pay 43 percent of their health care costs out of their own pockets. Many low-income elderly are already forced to choose between eating and going to the doctor. Given that choice, many forgo needed heath care which only increases the costs of the system in the long run.

The elderly are still reeling from the blow of last year's medicare cuts. Even those with insurance coverage were not protected from these increases in their health care costs. In some instances, Blue Cross and Blue Shield plans tripled the premium rates in order to compensate for the cuts in Government funding.

At a hearing on health care issues in Akron, Ohio, I recently heard testimony from elderly persons that doctors were requiring as much as $260 in cash up front before taking on a new patient. As a result, older persons are often not seeking the services of a physician unless they are seriously ill. Of course, this does not gain any savings in the long run—it actually increases the burden on the system when these same older persons have to eventually seek more acute and expensive care.

It is time that this body was forced to address the underlying causes of inflation in the health care industry. Perhaps if a majority of Senators refuse to simply pass on these costs to those who cannot fight back, we will actually begin to attack this problem at its roots.

This is a rich and powerful nation. There is no reason that we cannot provide decent health care for our senior citizens. I for one will continue to make this an urgent priority.

Mr. DODD. Mr. President, I strongly support the Moynihan-Kennedy amendment to restore funds to medicare. A budget which attempts to curb medicare cost by requiring elderly recipients to pay more makes the wrong choice.

According to the latest figures from the Bureau of the Census, half of those households headed by Americans aged 65 and over have money incomes below $8,780. The Census Bureau also tells us that more than one-quarter of all elderly households have money incomes below $5,000. Those who intimate that these households can afford to pay more for their health care must not be paying close enough attention to the census statistics.

Mr. President, I agree with the sponsors of this amendment that we must not curb medicare costs by penalizing our senior citizens. Rather, we must look toward measures which will help contain costs such as prospective reimbursement. I urge my colleagues to pass this amendment.

MEDICARE AND MEDICAID CUTS IN THE BUDGET RESOLUTION: TOO MUCH

Mr. CHILES. Mr. President, one of the reasons I voted against this budget resolution in the Budget Committee was because of what I considered extraordinarily high cuts in function 550, which includes medicare and medicaid. The budget resolution recommends cuts from current spending levels for medicare and medicaid totalling $25.7 billion over a 3-year period: $5.8 billion in 1983, $8.8 billion in 1984, and $11.1 billion in 1985.

I believe it is important that we do make significant reductions in medicare spending, in particular, because we have got to be able to take strong action to fight rising hospital and medical care costs. We have to do this if for no other reason than to protect the solvency of the medicare hospital insurance trust fund for future years.

But the magnitude of the cuts in the budget resolution are just too much. They are not reasonable. We would end up with a package that would force unprecedented increases in medicare beneficiary cost-sharing—out-of-pocket costs—in addition to the best we could do to contain hospital and other provider costs.

Before we took up the budget resolution in committee, I studied all the proposals we have had for medicare and medicaid savings. I looked at current and past administration proposals, at the Congressional Budget Office figures, and at Finance Committee estimates. And I concluded that even with the most aggressive action we could take to contain health care costs, we could only get about half the savings contained in this resolution. Anything else would have to come directly out of the pockets of medicare beneficiaries.

That was the reasoning behind the amendment which I offered in the Budget Committee. My amendment would have reduced the cuts in medicare and medicaid by over one-half: to $3 billion in 1983 with further savings of $4.1 billion in 1984 and $5.25 billion in 1985. I felt that these figures would allow us to achieve much more thoughtful, and much more effective, health care cost containment. But we would not have to increase, for the second year in a row, medicare beneficiary out-of-pocket costs. We would not have to cut medicare benefits. And we would not have to make any more large cuts in medicaid which could force many elderly out of nursing homes. My amendment failed in committee.

Mr. President, before we try again to reduce these cuts I want to make sure that my colleagues all understand just how much protection medicare now provides against rising health care costs—and just how much it does not.

First, even with medicare's current protections, the elderly pay, on a national average, a full one-third of their health care costs directly out-of-pocket. On the average, that meant almost $800 per person in 1980. Add to that the annual premium paid for the medicare part B program—$146 this year—and the average annual cost of a supplemental health insurance policy—about $400.

Second, medicare covers less than half—45 percent—of the elderly's total health care costs. Health care expenditures for the elderly not paid by medicare have been steadily increasing over the years in relation to income and are now approaching the same share of the elderly's income that health care costs consumed in 1965—before medicare was enacted—20.4 percent.

I shall submit for the Record an excerpt from an information paper prepared by the Senate Committee on Aging which provides a comprehensive summary of medicare's performance. I think my colleagues will find it a useful document.

The excerpt follows:

Health Care Expenditures for the Elderly: How Much Protection Does Medicare Provide?

INTRODUCTION

Medicare was enacted in 1965 as a means of providing protection for the elderly from the costs of health care. There is no question that medicare has, in fact, provided this protection to many older Americans and, in doing so, has become the single largest purchaser of health care in the world. From a program spending $3.2 billion in 1967, it will grow to $49.8 billion in 1982.[1]

Nevertheless, in recent years, there has been considerable debate concerning whether medicare is adequately covering the cost of care for the elderly. Some have pointed to the gaps in medicare's coverage and the increasing costs of physician services not paid for by medicare. Others have argued that medicare has not only kept pace with total personal health care expenditures, but its share has grown over time.

The concern over reducing Federal deficits and the large share of outlays that medicare represents in the overall Federal budget has made it important to carefully reexamine medicare's performance. Recent data on medicare provides an overall description of the protection provided by the program, particularly in regard to the health care services it was intended to cover. The adequacy of medicare's coverage, however, must also be examined in light of expenditures by the elderly for services not covered by medicare and the performance of other sources of payments (supplemental insurance and medicaid) in meeting the shortfall between medicare and total health expenditures. This paper examines these three issues.

Medicare coverage and payment

Although medicare's share of health care costs for individual beneficiaries may vary widely according to services needed and duration of care, aggregate data can provide an overall description of the level of protection medicare currently provides.

Total Personal Health Care Expenditures for the Elderly[2]

As can be seen by table I below, medicare's share of total personal health care expenditures for the elderly has not declined. In fact, it has risen since 1970, though it represents only 45 percent of total health expenditures for persons over the age of 65.

TABLE I.—TOTAL PERSONAL HEALTH CARE EXPENDITURES FOR THE AGED[1]

Year	Total (millions)	Medicare (millions)	Medicare percent of total
1965	$8,869		
1970	17,270	$6,098	35.3
1976	37,674	16,313	43.3
1977	43,303	19,140	44.2
1978	49,366	21,770	44.1
1980[2]	68,400	30,800	45.0

[1] Fisher, Charles R., "Differences by Age Groups in Health Care Spending," Health Care Review, vol. 1, No. 4 (spring 1980).

[2] Estimated data supplied by the Health Care Financing Administration.

Despite medicare's increasing share of costs, however, the elderly person's per capita responsibility for his or her total health care bill is also growing, from $503 in 1970 to $1,436 in 1980. As table II shows, this is an increase from 16.8 to 19.1 percent of total income.

TABLE II.—TOTAL PER CAPITA PERSONAL HEALTH CARE EXPENDITURES NOT PAID BY MEDICARE AS A PERCENT OF TOTAL INCOME FOR THE ELDERLY

Year	Total per capita expenditures	Medicare per capita expenditures	Expenditures net of medicare	Personal income	Percent
1965	$472		$472	$2,137	20.4
1970	854	$351	503	2,991	16.8
1976	1,624	703	921	5,147	17.9
1977	1,821	805	1,016	5,592	18.2
1978	2,206	893	1,133	6,161	18.4
1980[1]	2,638	1,201	1,436	7,512	19.1

[1] Estimates supplied by the Health Care Financing Administration.

Thus, health care expenditures for the elderly not paid by medicare have been increasing over the years between 1970 to 1980 with respect to income and are approaching the same share of income that health care costs consumed in 1965, prior to medicare (20.4 percent).

Health Care Costs Not Paid by Medicare

There are four major sources of health care costs for the elderly not paid by medicare:

(a) *Uncovered services.*—Since medicare's focus is essentially on covering acute care, many services remain outside its scope of benefits. These services range from basic preventive services to long-term care. For example, while the pneumococcal vaccine was recently included as a covered service, other preventive measures, from flu shots to physical exams, are not covered. Further, while there is a limited skilled nursing home benefit (restricted to 100 days), longer term skilled care and lower levels of chronic care are not covered. In addition, the hospital benefit is limited to 150 days. Finally, there is no coverage for outpatient drugs under medicare, nor for basic dental service, or eyeglasses.

(b) *Cost sharing.*—Medicare employs a variety of cost-sharing mechanisms including a deductible for hospital services ($260 in 1982), copayments on hospital and nursing home services,[3] and a $75 per calendar year initial deductible and 20 percent coinsurance on physician and outpatient services. The hospital and nursing home deductible and copayment amounts are automatically increased each year.

(c) *Charges in excess of medicare payments for covered services.*—When physicians bill a medicare patient directly for services ("unassigned claims"), the beneficiary must then pay not only the 20 percent coinsurance but also any amount above what medicare considers "reasonable" for that claim (as determined by law and regulation). Almost 50 percent of all physician claims are unassigned.

(d) *Premiums.*—Although not included in total personal health care expenditures, beneficiaries also pay a monthly premium for medicare coverage for physician services. The premium rises automatically each year and is currently $11 per month.

Evaluating medicare's performance on the basis of its share of total health expenditures is somewhat misleading, however, since personal health care expenditures include nursing home costs (usually covered by medicaid and direct out-of-pocket payments rather than medicare) and other services which medicare was never intended to cover. Considering only medicare-covered services provides a description of more typical coverage for a noninstitutionalized medicare beneficiary and a better picture of how well medicare has done with those services it was specifically intended to cover.

Hospital Expenditures

Hospital expenditures represent the single largest component of the medicare program. Of the $1,201 spent per capita for personal health care under medicare in 1980, $888 (or 74 percent) was for hospital services. Medicare hospital expenditures rose by almost 260 percent between 1970 and 1980.[4]

Table III shows overall and medicare spending for hospital care on a per capita basis between 1967 and 1980:

TABLE III.—OVERALL AND MEDICARE PER CAPITAL HOSPITAL EXPENDITURES FOR THE AGED[1]

Year	Total hospital	Medicare hospital	Medicare as percent of total
1967	$219	$151	69
1968	245	179	73
1969	302	223	74
1970	320	237	74
1971	351	265	75
1972	386	291	75
1973	386	291	75
1974	479	362	76
1975	578	451	78
1976	675	520	77
1977	752	578	77
1978	816	673	82
1979	919	774	84
1980	1,083	888	82

[1] Data supplied through the Bureau of Data Management and Strategy (BDMS), HCFA.

Clearly, medicare has more than maintained its original share of hospital expenditures, despite significant increases in the cost of hospital care. When considered as a percent of the elderly's income, the amount not covered by medicare has actually declined from 2.8 percent in 1970 to 2.6 percent in 1980.

This is true largely because of the structure of the current medicare hospital benefit. Medicare pays the full cost of hospital care until the 60th day for most beneficiaries who use hospital services, except for a deductible based on the average national cost of a hospital day. Since only 4 percent of medicare beneficiaries use more than 60 days, total hospital out-of-pocket expenditures are very small.[5]

Physician Expenditures

Medicare's share of charges for physician services has remained virtually the same since 1969, as can be seen in table IV:

TABLE IV.—OVERALL AND MEDICARE PHYSICIAN EXPENDITURES ON A PER CAPITA BASIS FOR THE AGED[1]

Year	Overall	Medicare physician	Medicare percent overall expenditures
1967	$99	$51	52
1968	117	72	62
1969	132	78	59
1970	143	85	59
1971	152	90	59
1972	158	94	59
1973	172	99	58
1974	190	108	57
1975	240	139	58
1976	270	156	58
1977	306	177	58
1978	348	204	59
1979	403	237	59
1980	471	279	59

[1] Data supplied through the Bureau of Data Management and Strategy (BDMS), HCFA.

Medicare pays a considerably smaller portion of physician services that it does of hospital services. Although that portion has remained essentially constant over time, the nonmedicare portion of costs for physicians services in terms of actual expenditures has increased as a percent of total income, from 1.9 percent to 2.65 percent from 1970 to 1980.

The reasons why medicare coverage of physicians services has not been effective as that of hospital services are complex. First, medicare's 20 percent coinsurance on physicians services means that, under the best circumstances, medicare would only pay 80 percent of costs (less the annual deductible). Second, on an unassigned claim, medicare may pay less than 80 percent of actual charges if the amount billed is deemed not to be "reasonable." Reasonable charges in 1980 constituted 77.3 percent of actual physician charges.[6] According to actuarial estimates, this percentage declined to 75 percent in 1981 and will decline further to 72.4 percent in 1982. Medicare's payment, if reasonable charges were 72.4 percent of total costs, would equal only 58 percent of the total physician bill.[7]

The assignment rate (the percent of claims where the physician will accept medicare payment in full and not bill the beneficiary for more than the 20 percent coinsurance) has remained just above 50 percent since 1974. It was 51.8 percent in 1980. Thus in almost 50 percent of the claims, beneficiaries are responsible for the difference between reasonable charges and actual cost.[8] On average, this difference has risen from 14.4 percent of the total amount of a claim in 1974 to 22.4 percent in 1980.[9] (The difference between reasonable charges and actual cost is also seldom covered under private supplemental insurance or medicaid.)

Trends in Medicare Coverage

Although medicare has slightly increased its share of total personal health care expenditures over the past 5 years, health care costs not paid for by medicare are steadily increasing as a percent of the elderly's income (19.1 percent in 1980) to almost premedicare levels (20.4 percent). Medicare's ability to maintain its share of total costs has been largely due to the structure of the hospital benefit. The elderly remain at risk for the rising costs of those health services which medicare does not cover and also face increasing physician costs. While medicare's share of payments for physician services has remained static, the cost of physician services not paid by medicare is growing faster than the elderly's income, on average.

Trends in medicare coverage for persons over the age of 65 are only available through 1980. However, the 1981 Omnibus Budget Reconciliation Act further added to costs not paid by medicare by increasing the hospital deductible from $204 to $260, twice the average annual increase, and by increasing the part B deductible from $60 to $75, the first such increase in 9 years.

Other sources of payment

The above discussion focused on the relationship between medicare coverage and total health care expenditures. The total gap between expenditures and coverage is not necessarily absorbed by the beneficiary, however. Over 70 percent of the elderly have some sort of supplemental coverage, including both private insurance and medicaid.[10] Table V below shows the share of payments for health care for the elderly by source of payor. Other than medicare, the major sources of payment are medicaid and private, which includes private insurance and direct out-of-pocket payments.

TABLE V.—SHARE OF PAYMENTS FOR HEALTH CARE FOR THE ELDERLY BY SOURCE OF PAYOR[1]

[Source of funds per capital]

Year	Total	Percent private[2]	Percent medicare	Percent medicaid	Percent other public[3]
1965	$472	70.1			29.9
1970	854	38.8	41.1	11.0	9.2
1976	1,624	35.5	43.3	15.0	6.2
1977	1,821	36.1	44.2	13.9	5.9
1978	2,026	36.9	44.1	13.4	5.6

[1] HCFA memorandum from the Director, Office of Legislation and Policy to the Deputy Administrator, Jan. 8, 1981.

[2] Includes direct out-of-pocket expenditures and expenditures covered by private supplemental insurance. HCFA statistics show that in calendar year 1978, of total private expenditures, 37.3 percent was for nursing homes, 19.9 percent for physician services, 15 percent for other health care professionals, and 2.2 percent for eyeglasses and other appliances.

[3] Other public in 1965 included funds paid under the Kerr-Mills program which was a forerunner to medicaid and now includes medical payments under vocational rehabilitation, temporary disability insurance, public health service programs, veterans' and defense health programs, and State and local health expenditures.

Supplemental Insurance

Private insurance's share of total personal health expenditures for the elderly was 6.6 percent in 1977, the most recent year for which data is available.[11] There is little evidence that this share has changed in recent years. Even though a full range of private benefit packages are available to the elderly, the bulk of coverage is primarily designed to cover medicare deductibles and coinsurance amounts. Many policies also provide some coverage for hospital stays beyond the medicare 150-day lifetime limit. Thus, while private insurance can fill some of the gaps in medicare coverage, a large portion of most services to the elderly are not included in the basic supplemental insurance package. Few supplemental policies, for instance cover long-term care or out-patient drugs, which can represent sizable expenses for many elderly persons.

In addition, the elderly who do have supplemental health insurance have been confronted with increasing premium rates over the years. A typical annual premium rate for an over-65 individual, $180 to $250 in 1965 (prior to medicare), is $300 to $400 in 1982 (only as a supplement to medicare).[12] Data from one State shows increases in premiums of over 250 percent between 1970 and 1980, and there is evidence that premiums for some Blue Cross plans might have been higher had they not been subsidized by the plan's other insurance business.[13]

While more extensive packages covering medicare's uncovered services may be available, the premium costs for these packages can be prohibitive. For example, in Pennsylvania, an out-of-pocket drug benefit alone would cost $10.65 per month.[14] A policy of another company that paid up to 40 percent of the difference between the physician billing amount and medicare payments added approximately $12.95 to monthly premium payments. Rising premium costs may result in the elimination of some forms of coverage. For example, the company offering the benefit described above has decided to discontinue this option after 1982 due to its rising costs.[15]

Changes in the level of medicare copayments contribute to increasing supplemental insurance premium costs. For example, in January 1982, Prudential offered a new medicare supplemental portfolio. The part A portion of these plans ($10.40 a month) were 27 percent more costly than they would have been in 1981. Twelve percent of this higher cost is the direct result of the increased deductible enacted in the 1981 Omnibus Budget Reconciliation Act.

The cost of a new Prudential supplemental policy covering parts A and B which does not cover the part B deductible (and only picks up the 20 percent coinsurance on reasonable charges) would only be 3 to 5 percent higher if written in 1982. However, the increase of a plan covering the difference between actual costs and medicare payments would be 24 percent higher if written in 1982 ($64 a month).[16] One-quarter of this increase in actuarial value is the result of increased copayments enacted in the 1981 Omnibus Budget Reconciliation Act. The remainder is due to the normal increase in medicare's hospital deductible, higher medical costs, and the declining percentage of total costs designated as reasonable charges.[17]

Blue Cross/Blue Shield medicare supplemental insurance plans (held by over one-half of persons over 65 with any form of supplemental coverage) are experiencing similar rate increases. A BC/BS survey of plans chosen at random, with consideration given to insure good geographic representation by plan size, reveled average rate increases of 24 to 37 percent effective early 1982. While some of these rate increases were stated to be due to previous inadequate rates, at least two of the six medicare supplemental plans had rate increases of 24 and 35 percent which were virtually all due to benefit increases and higher medicare copayments. A forthcoming survey of plans underwriting the majority of medicare supplemental coverage for Blue Cross/Blue Shield suggests even higher rate increases.[18]

Medicaid

While medicaid covers over 13 percent of the health care costs to the elderly, this figure can be put in clearer perspective. The vast majority of these expenditures is for a small percentage of the population using the long-term care benefit. Because medicaid is a means-tested program for low-income individuals only, it does not provide any protection at all for most elderly (about 80 to 85 percent of medicare beneficiaries do not participate in medicaid).[19] Therefore, although medicaid does fill an important gap, particularly in terms of services for the poorest elderly and for needed long-term care, its impact is limited or nonexistent for the majority of medicare beneficiaries.

Direct Out-of Pocket Payments

The major source of payment for health expenditures not paid by medicare is direct out-of-pocket payment by the beneficiary. The elderly were responsible for 29.1 percent of their total personal health care expenditures in calendar year 1977.[20] This would equal $525 per capita in 1977 and approximately $768 in 1980. There is no evidence that this share has changed in recent years. Further, these direct out-of-pocket costs do not include the part B premium costs paid by the beneficiary (currently $132 a year, increasing to $146.40 in July 1982), nor the cost of supplemental medical insurance premiums.

CONCLUSION

For those services which medicare covers, the program has slightly increased its share of costs, from 70 percent of the total cost of medicare-covered services in 1970 to 75 percent in 1980.[21] This is mainly a result of medicare's increased share of hospital expenditures for the elderly, 74 percent in 1970 to 82 percent in 1980. Medicare's share of physician expenditures, on the other hand, has remained static at 59 percent.

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[1] Footnotes at end of article.

Even though medicare's coverage as a percentage of total health care expenditures has also increased slightly, rising health care costs have resulted in increasingly burdensome out-of-pocket health costs for persons over 65. Total health costs not paid by medicare are increasing as a percentage of the elderly's income. Further, significant gaps in coverage for the over-65 population clearly remain. There continue to be services uncovered by medicare or private insurance. Thirty percent of persons over 65 have no supplemental insurance to help meet the gaps between what medicare pays and the actual cost of services. In addition, as in the instance of unassigned claims for physician services, even private insurance seldom meets the growing difference between actual cost and what medicare pays for reasonable charges.

Whatever the past performance, there is a certain fragility in medicare's capacity to maintain its share of health care expenditures. Further increases in the costs of health care, changes in patterns of utilization, decreased assignment rates, and actual changes in current law can all significantly alter medicare's contribution. Any increases, for example, in cost sharing for hospital services would significantly increase out-of-pocket expenditures, especially given the expensive nature of such services. Similarly, any reductions in physician reimbursement could be expected to further erode medicare's share of physician costs by decreasing the assignment rate and by increasing the difference between physicians' billing and medicare reimbursement. Private coverage and medicaid may pick up part of this differential, but they can neither account for all of it nor would this be accomplished without marked increases in premium rates for those who do have private insurance.

Thus, in considering new measures to limit medicare expenditures, there must be consideration also for the cost-shifting impact of those proposals. While proposals shifting costs could reduce anticipated medicare expenditures, they would also result in even larger health liabilities for the elderly. The need to restrain the growth of medicare costs must be balanced with the need to protect many of this Nation's most vulnerable citizens from the growing risk of medical pauperization. Ultimately, the tension between these two objectives may only be resolved through consideration of a wider range of alternatives for reform of the existing health care system.

Mr. CHILES. Mr. President, I would also like to discuss four specific proposals which were considered by the Budget Committee which I am afraid Congress would be forced to adopt if we do not lower the medicare and medicaid cuts in the budget resolution before us. We could go over a whole laundry list of proposals, but these are some of the proposals which I am afraid would have the worst effect on all older Americans.

NEW DAILY HOSPITAL COPAYMENT

Currently, medicare pays for the full costs of hospital care for the 2d through the 60th days in the hospital. The beneficiary already pays an initial deductible equal to the cost of the first day ($260) and pays an increasing portion of those costs as copayments for additional days after 60 days in the hospital.

Under the terms of this Budget Resolution, for the first time, we would probably have to require medicare beneficiaries to pay a daily hospital copayment beginning right away through the 60th day in the hospital.

Some of the initial proposals we heard earlier this year would have set this copayment amount at 10 percent of the daily average cost of a medicare hospital day, currently $260 and expected to be about $290 next year. If this 10-percent figure was used, medicare beneficiaries ill enough to remain in the hospital for 60 days would end up paying $1,794 in out-of-pocket expenses rather than the $260 they now pay. That is an increase of almost 600 percent. Even if this copayment amount was cut in half, to 5 percent, the total out-of-pocket expenses for that same patient would increase from $260 to over $1,000. There are a number of ways you can juggle these numbers, but it all boils down to greatly increased out-of-pocket costs for hospital stays.

If we think back to when the President's budget was first sent to Congress this year, we will remember that this proposal for new medicare hospital copayment was being floated and speculated about in a number of different ways. That is where the 10-percent figure first came from. But when it was being talked about then, it was at least coupled with a provision to link it to a new "catastrophic cap" on total beneficiary liability for out-of-pocket expense. Sometimes we heard $2,500, sometimes $1,500. But this "catastrophic cap" was nowhere in evidence in any of the assumptions used during the Budget Committee debate.

FURTHER INCREASES IN PART B PREMIUMS AND DEDUCTIBLES

Under the medicare part B supplemental medical insurance program, medicare beneficiaries are currently required to pay an annual premium of $146.40, effective July 1, 1982, plus an annual deductible of $75, plus 20 percent of the "reasonable charges" of all covered services. The deductible was just raised by Congress last year to $75 from the $60 which had been required for the previous 9 years. The annual premiums have regularly increased every year based on the percentage increase in the social security cost of living adjustments. Any medicare beneficiary will laugh when you point out that the medicare law says that they are liable for only 20 percent of the bills they receive. That only happens under the best of circumstances. In reality, because of rising differences between what physicians charge and what medicare considers a "reasonable charge," medicare has consistently paid under 60 percent of the charges for covered part B services.

If we adopt the numbers in this budget resolution we will have to add considerably to out-of-pocket expenditures for part B services by indexing the annual deductible to automatically increase it each year from now on and by increasing the annual part B premium at a faster rate each year.

HOME HEALTH COPAYMENTS

The budget proposal before us also includes as an assumption that the medicare home health program would be subject to beneficiary copayments for the first time. Home health has been specifically excluded from any copayment requirements in the past as a matter of policy. A decision was made not to require any copayments precisely because we wanted to encourage medicare beneficiaries to use the home health benefit as an alternative to other health care as much as possible.

The administration initially proposed that home health be subject to a 5-percent copayment for the first 100 home visits, beginning with the first visit, and 20 percent thereafter. This proposal, said the administration, would save $35 million in 1983. The budget resolution, however, assumes that the first 20 home health visits in any year would remain without a copayment with all visits after that subject to a 20-percent copayment. Doing it this way would save $100 million in 1983 and almost $200 million in 1985. Either way, the copayment will serve to discourage medicare beneficiaries from the best use of the home health benefit. And additional administrative costs for the medicare program will be involved.

I will be the first to agree that we have seen some problems with the way the home health program is run. The administration suggested earlier this year that it was proposing home health copayments in order to "act as a deterrent to unnecessary utilization." I have seen too many examples of overutilization of home health services to deny that they exist. But I do not believe that instituting a copayment will make any real difference where over-utilization might exist. Let us not lose sight of the fact that the medicare patient is not the one who decides on, or prescibes, home health. By law, the decision to make home health services available to a medicare patient is made by the physician. If home health is being prescribed when it is not actually needed, it will continue to be prescribed whether or not the patient is required to pay for a portion of the visit.

This proposal is another one which attempts to cut medicare program costs by directly reducing medicare benefits to patients, not by any overall health care cost containment. Whatever is saved will come directly out of the pockets of medicare beneficiaries.

If we do as the administration suggested—require a 5-percent copayment from the first day—over 1 million medicare beneficiaries will be affected and those who require the most visits could be expected to pay as much as $1,300 more out-of-pocket in 1 year.

If we adopt the Budget Committee proposal by waiting until after 20 visits before requiring a copayment of 20 percent, the out-of-pocket cost to the sickest patients will be even more. It is true that most home health patients require less than 20 visits a year, but in 1978—the most recent statistics available from the medicare program—35 percent of all home health patients required more than 20 visits a year. About 385,000 medicare beneficiaries would be affected and those who require the most visits could be expected to pay as much as $1,700 more out-of-pocket in 1 year.

PENALIZING THE WORKING AGED: A WOLF IN SHEEP'S CLOTHING

There is one more proposal which I think is particularly bad policy and which I am afraid could not be avoided with cuts of this magnitude. I am referring to the proposal in the President's original budget submission to require that all employee health benefit plans become the primary payor for employees over the age of 65—rather than medicare as is now the case. During the Budget Committee's markup session, this so-called working aged proposal was estimated to save $610 million in 1983, with a 3-year savings of $2.1 billion.

On the surface, this proposal may should like it makes some sense for the medicare program. Why should medicare assume the primary health insurance risks for someone who is employed and, though eligible for medicare because of age, also eligible to be covered by a company health insurance plan? It sounds like a good way to save the medicare program some money, perhaps without taking away much in health benefits.

But when you look a little closer at how this system actually works—with many employers able to keep on older workers or add them to their work force without having to assume the additional burden of higher health benefit costs for their older workers—you can clearly see that this provision will act as a strong disincentive for any employer to retain or hire older workers.

That is not the policy we want to pursue. It has implications far beyond the short-term savings for the Federal budget and for the medicare hospital insurance trust fund which is assumed in this proposal.

First, I think we need to understand how the system works now. Typically, an employee over the age of 65, who is eligible for medicare coverage, has a supplemental health insurance policy from his employer's health insurance plan. Either that, or he is part of an overall company group health insurance plan, the same as other younger employees. But because of the older worker's medicare coverage, the company's health insurance plan in effect functions as a medicare supplement. Because of this, the employer does not have to face the additional health benefit costs of having older workers—who are actuarially a higher risk—as part of his overall health insurance pool. Because of this the current arrangement actually works as an incentive for retaining and hiring older workers.

This situation was specifically addressed by Congress as part of the Age Discrimination in Employment Act. This legislation, which I dare say all of my Senate colleagues have supported, was enacted to protect older employees and to promote employment of older persons on the basis of ability rather than age. Section 623 of the Age Discrimination in Employment Act states that an employer may not refuse to hire or discharge an employee—or otherwise discriminate against an individual with respect to compensation, terms, conditions, or privileges of employment—simply because of an individual's age.

When we crafted this law, we recognized that the costs to an employer of providing health insurance benefits to older workers would be higher than the costs of health benefits for younger workers. Because our goal was to encourage more employment opportunities for older workers, and not to penalize employers, the law and legislative history makes it clear that an employer can provide different health benefits to older workers than younger workers. Differences in this specific area are exempted from violations of the act. We wanted to make it clear that the current practice of many employers of providing different health benefit coverage for older workers, or for requiring higher health plan contributions for older employees, would be acceptable under the terms of the Age Discrimination in Employment Act. In this way we could guarantee that employers would not be subject to higher costs of doing business because they were required to treat older workers in the same manner as younger workers. Without it, we knew we could not realistically achieve our overall goal of protecting older workers from age discrimination.

I am not arguing that this medicare "working aged" proposal is directly in conflict, in legal terms, with the Age Discrimination in Employment Act. But it is certainly directly contradictory to the goals we have set for the Nation under this landmark legislation.

If we are forced to make this change in the medicare law for the "working aged," as we will be if we keep these large function 550 cuts in the budget, we will be rejecting our own goals of increased employment opportunities for older workers. If medicare can no longer be the primary payor of health insurance benefits for older workers, employers with full health benefit plans will be faced with increased costs. The more older workers they employ, the higher their costs will be. As I see it, employers will have one of three choices: First, absorb the extra costs themselves, second, pass it on to all employees by raising employee health benefit contributions equally, or third, pass it on to their older workers only, requiring higher health benefit contributions from older workers only. In the first two situations, the employer has every incentive to get rid of all his older workers and certainly not to hire any more.

If the third choice is made—and it might be the easiest solution for an employer—the older worker is the one with the incentive not to work anymore. If he works, he will have to pay much more for health insurance than either his younger working colleagues

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FOOTNOTES

[1] Information provided by the Health Care Financing Administration (HCFA), Department of Health and Human Services.

[2] Total health care expenditures include total payments from all public and private sources for personal health care including physician services, hospital care, nursing home care, drugs and medical sundries, home health services, and other professional services such as dental services, laboratory services, and eyeglasses and other appliances.

[3] Copayments for hospital services are imposed only after 60 days of care and are equal to one-fourth of the hospital deductible for the 61st through 90th day (currently $65 per day) and one-half the deductible for the 91st to 150th day (currently $130 a day). For nursing home care, the copayment is applied only after 20 days of care and is equal to one-eighth the hospital deductible from the 21st through 100th day of care ($32.50 per day).

[4] Health Care Financing Administration, unpublished data, 1982.

[5] Data supplied through the Bureau of Data Management and Strategy (BDMS), HCFA.

[6] "Reasonable," or allowable, charges are based on past billing experience of that doctor and comparisons with other physicians performing the same procedure in the same area. The amount of increase in the allowable charge is constrained year-to-year by an inflation factor called the economic index.

[7] Data supplied by the Prudential Insurance Co. of America.

[8] BDMS, op. cit.

[9] HCFA, unpublished data, 1982.

[10] Ibid.

[11] Fisher, Charles, R. "Differences by Age Groups in Health Care Spending," Health Care Financing Review, vol. 1, No. 4, Spring 1980.

[12] Based upon discussions with Blue Cross of Western Pennsylvania. While these figures only represent one plan's experience, discussions with the Blue Cross Association would indicate that they are not atypical.

[13] Ibid.

[14] Ibid.

[15] Mutual of Omaha, unpublished data, 1982.

[16] Such a plan includes coverage for the part B deductible, part A hospital and 100 percent private duty nursing benefits, and 50 percent of drug costs.

[17] Data supplied by the Prudential Insurance Co. of America.

[18] Data supplied by Blue Cross/Blue Shield.

[19] BDMS, op. cit.

[20] Fisher, op. cit.

[21] Ibid.

or his retired contemporaries. And if that worker does drop out of the workforce, he no longer pays income taxes or social security payroll taxes. As a matter of fact, he not only uses medicare benefits—he draws social security benefits also.

There is another scenario. Older workers tend to be concentrated in part-time work and in other employment which offers less generous health benefit plans than some.

Many employers already offer their older workers only a modest medicare supplemental health insurance policy. If we make this change in the medicare law we are, in effect, making it much more attractive for all employers to opt for separate, very small coverage for older workers. In that way, they will be able to escape most of the extra costs of keeping older workers among their employees. If that happens, medicare would not save much money, because there would not be much of an employer health benefit to be the primary payor. But medicare still would have to shoulder what could be huge additional administrative costs.

All claims from working medicare beneficiaries would have to be coordinated with the employer's plan. This is a completely new administrative process which would have to be adopted by the medicare program, and we do not even have any good estimate of how much this would add to medicare administrative costs. Under current law, with medicare as the primary payor in all cases, there is no administrative requirement for coordination of benefits. When benefits are coordinated with medicare now, it is the private insurer who assumes the administrative cost—not medicare. The savings estimates used for the "working aged" proposal in the Budget Committee and earlier by the administration did not take this additional medicare administrative cost into consideration. Hundreds of additional staff might have to be added.

There is one more point about the policy implications of this proposal I would like to make.

In discussions of this plan, some have noted correctly that many older workers are now concentrated in smaller businesses. "If we want to avoid as much as possible forcing older workers themselves to have to shoulder the burden of increased health insurance premiums," the reasoning goes, "why not exempt small businesses from the working aged proposal? After all, these are the employers who are most likely to have the least comprehensive health plans, and most likely to already require the highest employee contribution to these health plans. We can take care of the worst problems and still get a medicare savings."

That also sounds attractive, but I do not believe even a "partial working aged" proposal is good policy. If we exempt small businesses, are not we actually just directing the employment disincentive to the larger companies? We would then be penalizing just the employment sector we have tried to encourage in many ways to develop new and innovative employment opportunities and new career patterns for older workers. Many Members of this body have said over and over again how important it is, as a matter of national policy, to encourage in every way new and innovative employment patterns in the Nation's economy which recognize the unique contributions and needs of older workers.

While smaller employers are certainly doing their part, we cannot expect them to take the lead in reshaping the workplace. Older workers are concentrated there right now because—statistically anyway—that is where you have the seasonal and/or part-time jobs, and the lower paying jobs, that are most frequently available to older workers. These jobs will continue, but that is not where we should expect to find major experiments with new and innovative work patterns which over the long term can lead to much more satisfactory opportunities for older workers.

In short, I submit that this proposal to make medicare the secondary health insurer for the "working aged," though it appears to be a relatively painless way to save the medicare trust funds some substantial money, is not at all as innocent as it seems when viewed from a larger policy perspective.

It contradicts the clear policy that Congress has set for the Nation in the Age Discrimination in Employment Act. It will seriously disrupt efforts of many of those in the business community who recognize that new career patterns and opportunities for older workers are essential for the future of the Nation's economy. It will make it even harder than it is now to recognize that the future of the social security system also depends on longer working careers for all. It is a "cost shifting" proposal. But it is not just shifting part of the costs of health care from medicare to employers. In the long run we are just shifting these costs, and more, right back into the social security system.

Mr. MOYNIHAN. Mr. President, I yield back the remainder of our time.

Mr. DOMENICI. Have the yeas and nays been ordered?

Mr. MOYNIHAN. The yeas and nays have been ordered.

If the distinguished chairman will hold for just a moment, I ask unanimous consent that the time since 1 p.m. that has been used on this amendment in fact be charged to this amendment. This has no difference in the outcome whatever since the clock is running without regard. The request is made by the Senator from Massachusetts for some reason.

Mr. DOMENICI. Why do we want to do this?

Mr. MOYNIHAN. I do not know why, but the Senator from Massachusetts says it will have no consequence.

Mr. DOMENICI. Let me just inquire of the Chair. How much time has each side used? I think that is reasonably important.

Mr. MOYNIHAN. That will be charged appropriately.

The PRESIDING OFFICER. The proponents of the amendment have used 9 minutes on the amendment; the opponents of the amendment have used 21 minutes on the amendment. In addition, time has been used subsequent to 1 p.m. Fifty-five minutes have been used by the proponents of the amendment and 12 minutes by the opposition.

Mr. DOMENICI. What is the Senator's request?

Mr. MOYNIHAN. That the time since 1 p.m. be technically charged against the amendment, but I will be happy to have it equally divided.

Mr. DOMENICI. I think the Senator's first proposal makes good sense.

Mr. MOYNIHAN. I thought he would think that. But if that is agreeable the time as used would be charged against each side.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOYNIHAN. Mr. President, I yield back the remainder of our time.

Mr. DOMENICI. I yield back the remainder of our time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment, as modified, of the Senator from New York. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MOYNIHAN. Mr. President, may we have order?

Mr. RANDOLPH. Mr. President, point of order. The Senate is not in order.

The VICE PRESIDENT (presiding). The Senate will be in order. The point of order is well taken.

The Senate is in order and the clerk may proceed.

The assistant legislative clerk continued with the call of the roll.

Mr. RANDOLPH. Mr. President, point of order, the Senate is not in order.

The VICE PRESIDENT. The clerk will suspend. The Senate is not in order.

The Senate is in order and the clerk may proceed.

The assistant legislative clerk continued the call of the roll.

Mr. RANDOLPH. Mr. President, I rise to again say the Senate is not in order.

The VICE PRESIDENT. The Senate is not in order and the clerk will suspend. The Chair will ask the Senators to clear the well. The Senate is not in order. Senators are asked to take their seats.

The clerk will proceed.

The assistant legislative clerk continued the call of the roll.

Mr. RANDOLPH. Mr. President, will you please look and you will know that the Senate is not in order.

The VICE PRESIDENT. I thank the Senator for the observation. The Senator is correct. The Senate is not in order. The clerk will suspend. Senators are asked to take their seats, and the clerk will not continue until the Senate is in order.

The clerk will continue.

The assistant legislative clerk continued and concluded the call of the roll.

Mr. CRANSTON. I announce that the Senator from Mississippi (Mr. Stennis) is necessarily absent.

The VICE PRESIDENT. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 39, nays 60, as follows:

[Rollcall Vote No. 123 Leg.]

YEAS—39

Baucus
Bentsen
Biden
Bradley
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chiles
Cranston
Dixon
Dodd
Eagleton
Ford
Glenn
Hart
Heflin
Hollings
Huddleston
Inouye
Jackson
Johnston
Kennedy
Leahy
Levin
Long
Matsunaga
Melcher
Metzenbaum
Mitchell
Moynihan
Pell
Pryor
Randolph
Riegle
Sarbanes
Sasser
Tsongas
Weicker

NAYS—60

Abdnor
Andrews
Armstrong
Baker
Boren
Boschwitz
Brady
Byrd, Harry F., Jr.
Chafee
Cochran
Cohen
D'Amato
Danforth
DeConcini
Denton
Dole
Domenici
Durenberger
East
Exon
Garn
Goldwater
Gorton
Grassley
Hatch
Hatfield
Hawkins
Hayakawa
Heinz
Helms
Humphrey
Jepsen
Kassebaum
Kasten
Laxalt
Lugar
Mathias
Mattingly
McClure
Murkowski
Nickles
Nunn
Packwood
Percy
Pressler
Proxmire
Quayle
Roth
Rudman
Schmitt
Simpson
Specter
Stafford
Stevens
Symms
Thurmond
Tower
Wallop
Warner
Zorinsky

NOT VOTING—1

Stennis

So Mr. Moynihan's amendment (UP No. 963) was rejected.

Mr. DOMENICI. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOMENICI addressed the Chair.

The VICE PRESIDENT. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, it is my understanding that the Senator from Kansas has the next amendment and it will be on our side. I yield to the Senator from Kansas.

The VICE PRESIDENT. The Senator from Kansas is recognized. The Senate will be in order.

UP AMENDMENT NO. 964

(Purpose: To consolidate the reconciliation instructions relating to increases in revenues)

Mr. DOLE. Mr. President, I send an unprinted amendment to the desk for myself, and Senators Long, Packwood, McClure, Hatfield, Huddleston, Heflin, Danforth, Matsunaga, Johnston, Bentsen, Gorton, Eagleton, Ford, and Durenberger, and ask for its immediate consideration.

Mr. DOMENICI. Mr. President, may we have order, please?

The VICE PRESIDENT. The Senate will be in order, The Senator from Kansas has been recognized, but the Senate will please be in order before he proceeds.

The Senator from Kansas.

Mr. DOLE. Mr. President, I might say, for the benefit of those who are here, that this should not take a great deal of time. There are two, three, four, or five Senators who want to speak on it briefly.

The PRESIDING OFFICER (Mr. Specter). Will the Senator from Kansas suspend momentarily so the clerk may report the amendment?

The legislative clerk read as follows:

The Senator from Kansas (Mr. Dole), for himself, Mr. Long, Mr. Packwood, Mr. McClure, Mr. Hatfield, Mr. Huddleston, Mr. Heflin, Mr. Danforth, Mr. Matsunaga, Mr. Johnston, Mr. Bentsen, Mr. Gorton, Mr. Eagleton, Mr. Ford, proposes an unprinted amendment numbered 964.

Mr. DOLE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 31, strike out line 6 and all that follows down through the end of line 20, and insert in lieu thereof the following:

"(2) The Senate Committee on Finance shall also report changes in laws within the jurisdiction of that committee sufficient to increase revenues as follows: $23,200,000,000 in fiscal year 1983; $39,000,000,000 in fiscal year 1984; and $45,000,000,000 in fiscal year 1985.

"(3) The legislation required in paragraphs (1) and (2) of this subsection shall be reported to the Senate no later than June 11, 1982.

"(4) The House Committee on Ways and Means shall".

On page 32, strike out line 5 and all that follows down through line 18 and insert in lieu thereof the following:

"(5) The House Committee on Ways and Means shall also report changes in laws within the jurisdiction of that committee sufficient to increase revenues as follows: $23,200,000,000 in fiscal year 1983; $39,000,000,000 in fiscal year 1984; and $45,000,000,000 in fiscal year 1985.

"(6) The legislation required in paragraphs (4) and (5) of this subsection shall be reported to the House no later than June 11, 1982.".

Mr. DOLE. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. DOLE. Mr. President, I have just offered an amendment to the first concurrent resolution on the fiscal 1983 budget to clarify the Finance Committee's reconciliation instructions. The principal cosponsor of the amendment is the distinguished Senator from Louisiana, Senator Long.

As currently drafted the reconciliation instructions will require the Finance Committee to raise $101 billion in revenue increases over the next 3 fiscal years, $21.2 billion in fiscal year 1983, $37 billion in fiscal year 1984, and $43 billion in fiscal year 1985. In addition, the Finance Committee will have to raise $6 billion in user fee increases over the next 3 fiscal years, $2 billion each fiscal year.

This amendment will add the $6 billion in user fee increases to the general revenue increases. Therefore, the reconciliation instructions will require the Finance Committee to raise $107 billion over the next 3 fiscal years in general revenue increases, $23.2 billion in fiscal year 1983, $39 billion in fiscal year 1984, and $45 billion in fiscal year 1985.

The Finance Committee believes that for purposes of reconciliation instructions it is inappropriate for the instructions to specify which taxes must be increased in order to reach the total amount of revenue increases. The Finance Committee agrees with the total amount of revenue which the reconciliation instructions will require the committee to raise over the next 3 fiscal years. We simply believe that the instructions should not specify that $6 billion should be raised in user fee increases. The $6 billion should be added to the general revenue increases.

This amendment does not change the total dollar amount of revenue increases that the reconciliation instructions will require the Finance Committee to raise over the next 3 fiscal years. It only insures that the reconciliation instructions will not specify which taxes must be increased in order to reach the total revenues required.

Mr. President, I would like to emphasize that we do not change the final revenue figure. Rather we suggest that the Budget Committee really has no authority to tell us to raise user fees, or to tell us what income taxes to raise, what corporate taxes to raise, or whether to lower or raise other taxes. The Budget Committee sets an aggregate revenue figure. I believe if I should propound a question to the distinguished chairman of the Budget Committee, which I will do in a few moments, the chairman would say, "Well, that is understood and the language in the resolution is meaningless." I will propound that question later on.

I would hope this amendment might be accepted. I know there is a great deal of interest in it. I know that the Senator from New Mexico has a great deal of interest in user fees. I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. LONG. Will the Senator yield?

Mr. DOLE. I yield to the Senator from Louisiana.

Mr. LONG. Mr. President, there are many cosponsors on the amendment. I have not discussed the amendment with anybody who does not agree with the Senator's position, except perhaps one person. The amendment simply takes the view that you have no business specifying what particular kind of tax the Committee on Finance shall recommend when you instruct the committee to raise revenue.

Mr. President, some years ago we had a fight about user fees, and the final settlement was that we would put a tax on diesel fuel.

Well, revenue is revenue. Money is money, no matter what kind of tax you raise it with, whether you call it a highway tax, a waterway tax, a user fee, or a tax on whiskey. It is revenue. It was never intended under the budget process that the Budget Committee would tell the other committees——

Mr. DOLE. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. LONG. It was never intended, Mr. President, that the Budget Committee would tell the taxwriting committees how they were to raise the revenues that they would recommend. That is why you have the other committees. The Budget Committee is expected to recommend that the Senate give us instructions to raise a certain amount of money, and we are expected to comply. We fully intend to comply. But we do believe that we have the right to the latitude intended for us under the law.

Mr. President, we had to fight this battle in a different context some years ago.

Some years ago, under the chairmanship of Mr. Muskie, the Budget Committee recommended that we should raise a certain amount of money by reducing tax expenditures. We fought that battle on the floor, and the Senate overwhelmingly sustained the Finance Committee, that we had the privilege to recommend whatever tax provisions we thought we ought to recommend to result in a given amount of revenue, and that is what we did. The result was achieved just as we propose to achieve it here.

The Finance Committee should have the flexibility to recommend whatever revenue measure that, in the committee's judgment, it believes appropriate.

For that reason, Mr. President, I hope very much that the amendment proposed by the Senator from Kansas will be agreed to.

Mr. PACKWOOD. Mr. President, the Senator from Kansas asked me to control the time while he had to leave the floor momentarily. I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator is recognized.

Mr. PACKWOOD. Mr. President, the Senator from Louisiana very clearly put his finger on what the history of this situation is. It is what committee is going to control and make determinations as to where we spend money, where we raise money, how we allocate it. Every now and then we approach this issue and every now and then there is a little nibble from the Budget Committee. I was on the Budget Committee and I understand what is happening. Every now and then when that nibble happens, the committee affected, and the rest of the committees by and large, has said no. Indeed, if we are going to approach the situation where the Budget Committee is going to tell us that, we ought to have a reform fight and determine whether or not we want to change what the situation is going to be. Otherwise, Budget can say to Appropriations, "You shall lop $1 billion off housing and add $500 million to defense," and that would be the instruction.

The debate that Senator Long referred to was a significant debate. Let me read, if I might, the closing debate on that occasion. The Senator from Louisiana put it exactly right. The Budget Committee, in its report, not a reconciliation instruction, had directed that the Finance Committee, in considering taxes, raise $2 billion by closing tax expenditures, or loopholes as some people like to call them. It was a specific recommendation. I asked Senator Muskie after the debate between Senator Long and Senator Muskie closed:

> Mr. Packwood. Then we are saying to the Finance Committee, "the collective judgment of the Senate is $362 billion. It is up to you, gentlemen, to determine how we go to that figure."
>
> Mr. Muskie. Yes. We, of course, would like to have the Finance Committee look at the Budget Committee report to get whatever insight it chooses to take from the Budget Committee's recommendations and the basis for the Budget Committee's judgment.
>
> But in the last analysis, it is the Finance Committee's judgment, and I think the Senators and the Senate subsequently.

We have had three reconciliation instructions from the Budget Committee. We had one in 1980, another in 1981, and now we have this one. But this is the first time that the Budget Committee has specifically directed, by the reconciliation process, where the Finance Committee is to determine the money is to come from. It is up to the judgment of the Senate as to what they want to do. All I am saying is that if we start down this road now on this instruction with the Finance Committee, and if we set this precedent, it is not going to end here with just the Budget Committee and the Finance Committee. It is going to be the Appropriations Committee, it is going to be every committee in the Senate.

Mr. McCLURE. Will the Senator from Oregon yield?

Mr. PACKWOOD. I am happy to yield to the Senator from Idaho.

Mr. McCLURE. I thank the Senator from Oregon.

Mr. President, my concern is not only as others have stated it, but an initial concern that is not embedded in the resolution itself but in the report. Because the committee in the resolution said that in their instructions to the Finance Committee to act within the jurisdiction of the Finance Committee, that has its own kind of problem which has already been addressed by the three Senators who have already spoken on this amendment.

But in the body of the report on the measure, on pages 26 and 27, it goes further than that and says that the Finance Committee shall, after consulting with three other committees, act within the jurisdiction of those other committees. The report implies that the jurisdiction of committees is being changed by the reconciliation instruction.

Mr. JOHNSTON. Will the Senator yield at that point?

Mr. McCLURE. I yield.

Mr. JOHNSTON. The Senator should have seen it in its first draft before we changed it. In its first draft it actually was jurisdictional and attempted, I thought by the side door, to actually put this in the Public Works Committee.

Mr. McCLURE. As I see it, it may have backed off a little, and I am glad they backed it off a little, but it does indicate in here that the committee should consider legislation to increase aviation user fees and Coast Guard user fees, which looks like saying that the Finance Committee has jurisdiction to do that. The Finance Committee does not have jurisdiction to do that.

It does the same thing with respect to the Corps of Engineers' projects,

which is within the jurisdiction of the Environment and Public Works Committee, and other user fees.

I support the amendment for all the reasons that have been stated, plus the fact that I think it is necessary to clarify the record so far as the Senate is concerned that we are not going to get into the business, through the reconciliation process or the budget resolution, of changing the authority of committees with respect to their legislative authority.

Mr. President, for all of those reasons, I hope that the Senate will adopt the pending amendment and thus clarify the role of the Budget Committee and the roll of the other committees as directed by the reconciliation resolution.

In conclusion, Mr. President, let me say that I, too, served on the Committee on the Budget. I know something of the difficulty of trying to do what we have to do in trying to achieve economic policy and direction for the country. I sympathize with that.

On the last amendment, the Budget Committee was criticized because they were not specific enough—they should have been more specific about what was going to happen, and the amendment was offered in order to make that more specific. Now we get to the other side of the coin where we are criticizing the Budget Committee for being too specific.

They do have a problem, and I sympathize with Members on both sides of the aisle with respect to that problem that the committee does have to confront. I suspect that in this instance it goes too far in the direction of being prescriptive, and the amendment ought to be agreed to.

Mr. DOMENICI. Mr. President, if the Senator will yield on my time, as chairman of the Committee on the Budget, I say I am most grateful that the Senator has sympathy for me. I think most people in this institution know what I mean when I say to my good friend, the Senator from Louisiana (Mr. Long) that we need sympathy in bushels. But I would be more appreciative if the Senator would understand the nature of our problems. Since Franklin D. Roosevelt, Congress has been asked, begged, cajoled to put on user fees in this country. This President comes along and says, "Yes, indeed, that is a missing link. Let us put some on."

We on the Budget Committee think that all those Presidents are right. We did not want to tell you to put more taxes on, to tell the truth. We wanted to tell you to put user fees on. That is what we did.

We have had enormous cooperation from the Finance Committee and I want to recognize that right now. I do not think that, 2 or 3 years ago, I say to members of the Finance Committee that are here, they would have concurred in our telling them to raise general taxes, let alone user fees, as we have here. They know we have a problem and they know it helps to get action in their committee when the whole institution votes on a number and reconciliation. That is some help to their decision process.

Mr. President, I would really like to talk with the members of the Finance Committee and others about how we solve this problem. I am not sure the Parliamentarian would not rule that we lack the authority to reconcile on user fees, I say to Senator Packwood, who maintains that we do not. I would like to see if there is some way we can fix this problem up and yet preserve the important point that it was by a majority vote in the committee that we recommended user fees.

Maybe we can solve it in that way, that we give the Senators their change, but clearly indicate that in arriving at that tax level, the Budget Committee at least recommended that it be user fees. With that in mind, maybe I can get a quorum call and talk with some of the Senators and perhaps we can resolve it.

Mr. PACKWOOD. Mr. President, I might say we are fully aware that the Budget Committee has the power to recommend. In that famous debate between Senator Long and Senator Muskie 6 years ago, it was the recommendation of the Budget Committee to the Finance Committee to find $6 million, and all other committees had recommendations from the committee. We have no objection to the recommendations. If the Senate directs us, we in the Finance Committee shall find money that we are directed to find, but we would like it left in our discretion as to where we find it.

Mr. DOMENICI. Let me say to my good friend, the distinguished Senator from Oregon, I would also like to clarify something. If the Dole-Long amendment passes, it would not be intended that the Finance Committee did not have the authority to raise barge fuel taxes and call it a tax, would it?

I ask Senator Dole: Do we not have a fuel tax on barges now? If the Finance Committee wanted to raise that tax, that would be part of living up to the instruction even if the amendment prevails, would it not?

Mr. DOLE. Yes, Mr. President.

Mr. DOMENICI. And aviation fuel tax increases would be a part of complying with the instruction if they were adopted?

Mr. DOLE. In fact, Mr. President, we are looking at that issue right now in our committee. We hope to raise user fees, maybe not in the exact amount in the resolution now, but they are revenues.

Mr. DOMENICI. Could I have just a couple of minutes——

Mr. DOLE. Mr. President, may I propound a parliamentary inquiry?

The PRESIDING OFFICER. The Senator will state it.

Mr. DOLE. Mr. President, what is the effect of that part of the budget resolution that purports to reconcile the Finance and Ways and Means Committees as to user fees?

The PRESIDING OFFICER. The budget law in section 310 states that the total amount by which revenues are to be changed shall be in the reconciliation instruction. The only operative figures in this resolution are the totals.

Mr. DOLE. There is no requirement other than that?

The PRESIDING OFFICER. There is no requirement that the Finance Committee deal with user fees.

Mr. DOLE. I thank the Chair. This Senator believes that the Budget Act authorizes reconciliation on revenues, spending, and the public debt. It does not provide for reconciliation instructions on the specific ways to raise revenues and cut spending. The latter specificity is reserved for the authorizing committees. This Senator does not believe the Budget Act authorizes reconciliation on user fees.

My question is: Is that correct?

Mr. HEINZ. Would the Senator yield?

Mr. DOLE. I want the Chair to address that, Mr. President.

The PRESIDING OFFICER. As the Budget Act states, only totals of revenues are to be reconciled.

Mr. DOLE. I thank the Chair.

Mr. HEINZ. Mr. President, I ask the Senator to add me as a cosponsor.

Mr. DOLE. Mr. President, I ask unanimous consent that the Senator from Pennsylvania (Mr. Heinz) be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, may I engage the distinguished Senator from Kansas in a bit of a dialog here to see if he agrees, as a principal sponsor of the amendment and chairman of the Finance Committee, with this: When you look at that reconciliation instruction, it has a total for revenue to be raised in each of the years and it has within that total a specific amount of user fees—$2 billion, $2 billion, and $2 billion for the respective years of 1983 to 1985.

That is six, and that six is included annually within the total to be raised, and collectively the six is in the total for the 3 years. If I understand correctly, we agree that the total is binding, but whether or not the six is raised specifically by user fees is within the discretion of the Finance Committee.

Mr. DOLE. I say to the Senator from New Mexico that is exactly correct. We might report less than $6 billion in user fees; we might do more than $6 billion.

The only point the Senator from Kansas wants to make—and I think others maybe have a little different approach to the problem—is that we believe we have to have the flexibility in the Senate Finance Committee to reach that revenue figure. It is $107 billion under the revised resolution. That may include $6 billion in user fees; it may include $10 in user fees. But the Senator from Kansas believes that the Budget Committee is without authority to direct us to raise any specific tax. They can direct us and reconcile us on total revenues and spending and on the public debt but not on specifics.

Mr. HATFIELD. Will the Senator yield?

Mr. DOMENICI. I am pleased to yield to my good friend from Oregon.

Mr. HATFIELD. I am a cosponsor of the amendment only on the basis that I feel the Senator from Kansas has expressed very clearly the flexibility required for his committee operation, and I certainly grant the validity of his argument.

I should like to pursue this point just one step further to make certain that we all understand clearly that any new user fee that is not presently authorized would have to come through an authorization process and stand on its own merit, vis-a-vis or that is, a water user fee that might be within the wisdom of the committee to recommend the establishment of. There is no such authorization now for that kind of fee. That would have to go through the regular authorization process and stand independently as to the total budget that you were raising; is that not correct?

In other words, it could not become a back door to a new tax that does not exist today on the statute books?

Mr. DOLE. The Senator is absolutely correct.

I wanted to add before I finished my entire statement that there are other committees that have jurisdiction over certain users fees who very properly do not want the Finance Committee getting into their jurisdiction. Some are disturbed by report language which says "in consultation with the Finance Committee" certain things may happen.

I agree with the Senator from Oregon, but I want the record clear that we are not looking for anyone else's jurisdiction. We have enough now.

Mr. HATFIELD. I fully appreciate the Senator's comment, but I just want to underscore the simple fact that this is not in any way a subterfuge or a back door attempt at establishing a nonexisting present tax base or tax program, that it would have to go through the regular authorization process.

Mr. DOLE. I thank the Senator from Oregon.

Mr. DOMENICI. Mr. President, let me just say to the senior Senator from Oregon that it goes both ways. There is not any intention, nor was there ever—even before we agreed to this amendment of the distinguished Senator from Kansas—that we either vest or divest committees of any jurisdiction. Obviously, the Finance Committee has from time to time indicated that it has sole jurisdiction and that Appropriations or Energy and Natural Resources of Environment and Public Works does not have any in the area of user fees. They have maintained that. We are certainly not resolving any of those problems that have lingered here for a long time.

My intention with the resolution was not to try to solve any of those. Reconciliation certainly does not intend to vest any authority on Finance that it does not have already. They could bring out changes in user fees or changes in tax laws, as long as what they were dealing with was within their jurisdiction.

That is the way we intended it, and I do not want anyone to misunderstand that.

I think it might be appropriate at this point then to just accept the amendment, if there is no objection. I certainly am prepared on this side——

Mr. LONG. Mr. President, reserving the right to object——

The PRESIDING OFFICER. Who yields time?

Mr. PACKWOOD. I will yield time to the Senator from Louisiana.

Mr. LONG. May I ask that 2 minutes be used in debate?

Mr. DOLE. Mr. President, I ask unanimous consent that Senator PACKWOOD may take over the time.

Mr. PACKWOOD. I yield 2 minutes to the Senator from Louisiana.

Mr. LONG. Mr. President, I should like to ask the distinguished Senator from South Carolina, who is the ranking Member on the minority side and who has served as chairman of the committee, if he will give us the benefit of his thought on this subject.

Mr. HOLLINGS. Mr. President, I agree with the amendment of the Senator from Louisiana and the Senator from Kansas. I think it clears the air on the fundamental facts. The key point here is that we in the budget process never infringe upon the jurisdiction of the particular authorizing committees or ever indicate to any committee that we are directing them how to do their business by way of line itemizing.

When this point was raised—and it was raised in the budget considerations—I stated this position.

I understand the sensitivity that leads us to resist calling tax increases tax increases. We now call them revenue enhancers. And in order to further diminish tax increases, with all the supply-side, Kemp-Roth nonsense of so-called tax cuts, anything that could diminish the impact of revenue enhancement in any way was lauded. They thereby came with this so-called user fee.

We can direct and should direct in explicit terms an amount to the particular authorizing committee, which in this case is the Finance Committee. But we should never in any instance specify the collection of so much in excise taxes, so much in user fees, or so much revenue to be income adjustment.

On the contrary, we destroy the process in doing this. With this entire fetish about tax increases vis-a-vis revenue enhancements, we destroy the credibility of the budget process.

Those in the authorizing committees have been learned to understand on a bipartisan basis that we never do line itemize the monstrous defense budget, with its many, many items on which we agree and disagree. I might be considering the elimination of the B-1 or the inclusion of the AH-64 helicopter—we can go right on down the grocery list—and another Senator may have something different in his mind, but we never try to instruct the Armed Services Committee. I think it is a point of order, as I see it, that we never do that. I think this is a wise amendment for the reason that we in the budget process have never wanted to try to destroy the good relationship that has been worked up between the Budget Committee and the Finance Committee. I agree with the Senator and would be delighted to cosponsor the amendment, and I stated a similar view in the budget consideration.

Mr. MATSUNAGA. Mr. President, will the Senator from South Carolina yield to me half a minute?

The PRESIDING OFFICER. Who yields time?

Mr. HOLLINGS. I yield to the distinguished Senator from Hawaii.

Mr. MATSUNAGA. Mr. President, as a cosponsor of the Dole-Long amendment, I rise in its support. I subscribe fully to the statements made by the Senator from Kansas, the Senator from Louisiana, and the Senators from Oregon.

As a Senator from a State which is completely surrounded by water, in excess of 2,000 miles from the west coast, and inasmuch as transportation to the islands is the lifeline for the people of Hawaii, I am absolutely opposed to any user fees, which in the final analysis amounts to a consumer tax.

Since the Finance Committee has the jurisdiction to determine how the money shall be raised, the Budget Committee need only recommend what needs to be raised, not how it should be raised. I believe it is within the right of the members of the Finance Committee to determine how such funds should be raised, and the pending amendment would recognize that right. The amendment should be adopted.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. Mr. President, I am going to accept the amendment. I do want to repeat, from my standpoint and that of a majority of the committee, that in agreeing to it, we continue to urge the Finance Committee to consider higher user taxes as ways to help get to the $107 billion. It is nothing more than that.

I say to my good friend, Senator HOLLINGS, that I do not think in this instance the argument holds that we were trying to be evasive and to put as small an amount of taxes in as possible, that by putting some user fees in, that would sort of detract from the total. I do not think that is true here, because the resolution on page 2, in referring to revenue, shows the total, including the user fees, right up front. In other words, it is not 21; it is 23 in fiscal year 1983. It is not 37; it is 39 in fiscal year 1984—including the 2 in user fees.

Later in the resolution, in the reconciliation provisions, the separate breakdown is included. I am prepared to accept the amendment at this point.

Mr. HOLLINGS. While the distinguished Senator and I agree, I still maintain that that is how they have capped and carried these particular revenue figures, not with the user fees. That, in my opinion, was intentional—not by the distinguished Senator from New Mexico, but David Stockman and right on down the line. Ever since we started the breakdown with the gang of 17, it was to break that out in that particular fashion.

What we did with the defense amount was to use current policy for every one of the functional budget categories except 050, Defense. Therein, we worked from the President's increase. We assumed his increase had already been enacted into law.

I will never forget about 10 o'clock one night when the distinguished Senator from Texas, the chairman of the Armed Services Committee, got up in great wroth and said he had to go to work and save, somehow, $5 billion that he had to cut out of that defense budget. What he was saying, in cutting $5 billion, in reality—as the Senator from New Mexico says, look at the budget and look at the figures—was actually adding $25 billion. That really was his task—how to add $25 billion.

So, yes, the Senator from New Mexico and I can refer to the resolution; but I think as the media, Senators and everyone working with the particular situation see it, it was intentional from the beginning, to call tax increases revenue enhancements. It has been treated that way ever since, and it is similar with defense and several other figures in this budget.

Mr. PACKWOOD. Mr. President, I ask unanimous consent that the name of the Senator from Alabama (Mr. DENTON) be added as a cosponsor of this amendment.

The PRESIDING OFFICER (Mr. CHAFEE). Without objection, it is so ordered.

Mr. PACKWOOD. Mr. President, I should like to pose a question to the Senator from New Mexico, to make sure we understand.

When this amendment is accepted, the Finance Committee is free to raise revenue as they want, the total that was otherwise called user fees. The $6 billion over the 3 years will be in the total, but there is no suggestion that we must use user fees to get there.

Mr. DOMENICI. The Senator is correct. They are free to.

Mr. PACKWOOD. They are not bound, and they are not prohibited from.

Mr. DOMENICI. They are not bound, and they are not prohibited from. Exactly.

Mr. President, I yield back the remainder of my time.

Mr. PACKWOOD. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (UP No. 964) was agreed to.

Mr. DOMENICI. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PACKWOOD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Who yields time?

Mr. METZENBAUM. Mr. President, will the Senator yield?

Mr. HOLLINGS. I yield to the distinguished Senator.

Mr. METZENBAUM. Mr. President, I do not think there is any more serious problem facing this Nation today than the one of unemployment. Throughout the entire Nation, the problem exists of people wanting a job, anxious to work, but being unable to find employment.

Unfortunately, this administration—perhaps one of the few in the history of our Nation—has been very indifferent to the entire problem of the unemployed in this country.

Today, in my State of Ohio, the unemployment rate is 12.4 percent, and across the Nation it is approaching a 10-percent level. When 1 of every 10 persons in the country cannot find a job, notwithstanding their willingness to work, it is a responsibility of our country to do something about it. Every point of unemployment causes the budget to be out of balance by $25 billion.

The PRESIDING OFFICER. Will the Senator withhold?

The Senate will be in order. May we please have order in the Chamber, so that the Senator from Ohio can be heard?

Mr. DOLE. Mr. President, will the Senator from Ohio yield for a question?

Mr. METZENBAUM. I yield.

Mr. DOLE. The Senator from Kansas is required to be at a conference. Would this be an amendment on unemployment compensation or some other amendment?

Mr. METZENBAUM. Not on unemployment compensation.

Mr. DOLE. I thank the Senator.

Mr. METZENBAUM. Mr. President, there is a travesty out there today. There are people in every State, almost with no exception, who are finding that the jobs are not here. No matter how hard they try, no matter how many employers' doors they knock on, jobs are not there.

What is our Government going to do under those circumstances? Can we say to the unemployed of the country "Wait, supply-side economics is going to work"? Can we somehow say to them, "If you will just be patient we know that there will be jobs at some point in the future"?

There were two ladies in Washington recently who visited with the Vice President of the United States. They came from Ohio. They were wives of unemployed steelworkers along the Ohio River. They made their point to him by saying:

> Mr. Vice President, in the past the American dream has been to be able to own your own home, to own your own car. Now, Mr. Vice President, the American dream is to be able to keep the home that you do own, to keep the car that you do own.

We are doing nothing in this budget measure and there is nothing contemplated by Congress with respect to the problem of employment. Yet it is possible for us to act in this respect to come up with some positive answers.

Mr. President, Senator Kennedy and I will today offer an amendment designed to put 250,000 unemployed Americans to work on projects that will stimulate private investment and economic development in a nation hard hit by recession.

This month, as I previously stated, the national unemployment rate has climbed from 9 percent to 9.4 percent and it continues upward and onward.

This means that over 10 million Americans can now testify that the "Reagan road to recovery" has for them turned out to be a highway leading straight to the unemployment lines.

More Americans are out of work today than at any time since the Great Depression.

Basic American industries like housing, construction, automobiles, and steel are in the deepest kind of distress.

Last month, the Conference of Mayors issued a report on a survey of 125 major cities across the country on the severity of the youth unemployment problem. Over half of all survey cities fear that youth crime, in one form or another, will increase this summer as a result of the summer youth employment program reductions and overall conditions this summer.

The Republican mayor of the city of Cleveland has just addressed a communication to the President of the United States indicating that there is a need for some kind of a signal, some kind of a word, some kind of an effort, that this administration truly cares about the unemployed, young and old alike. There is no signal forthcoming. I think it is time that today we may make it clear in this body that although the administration is not prepared to move forward in this respect this body is concerned about trying to provide some kind of stimulation, some indication that we have a feeling and that we feel for those who are unemployed and want a job and for those who have a job and who are concerned day by day as to whether that job will be there tomorrow.

This month, the Immigration and Naturalization Service conducted a week-long effort called Operation Jobs to root out undocumented workers in jobs that could be performed by Americans. In the Chicago area, 43 undocumented workers were found at the Claussen Pickel Co. according to a spokesman for the company, 250 Americans applied for these unadvertised jobs when that word became known in the Chicago area.

At Price Feasta Brassworks outside of Los Angeles, where another raid netted 88 undocumented workers, it is unbelievable how many people applied for those vacant jobs. Over 10,000 people applied for 88 vacant jobs.

Unemployment, Mr. President, is not just a cold statistic. For millions of families in this country, it is a bitter, painful, demeaning, and tragic experience.

Last month I heard from Ohioans about the problems they are facing while they are unemployed. I tell you that it was a moving experience.

I heard from people who have worked all of their lives, who have paid their dues, who have saved to send their children to school, to buy homes and cars, and they pointed out how all of that is threatened because they can no longer find decent work, they cannot find a job.

I heard from people who have worked hard, who have taken extra classes, who have retrained themselves to move into positions, but who still cannot find a job.

I heard from those who have exhausted their unemployment benefits and who now must turn to food stamps and welfare benefits—not out of choice but because they have no alternative.

And I heard from a young college graduate who has found that her hard-earned degree will not help her break into this disastrous job market.

Finally, I heard from educators and union representatives, the people who deal with the effects of unemployment day in and day out.

They believe we have an administration in Washington which is totally insensitive to the problems of the unemployed.

We have a Republican President in office who literally demeans the working man.

On March 18, 1982, President Reagan complained about the news coverage of the unemployment problem.

"You can't turn on the evening news," he said, "without seeing that they are going to interview someone else who has lost his job or they are outside the factory that has laid off workers."

"Is it news," he asked, "that some fellow in South Succotash someplace has just been laid off?"

I say to the President it is news when the number of unemployed Americans in South Succotash and countless other places is the highest in 42 years.

It is news when interest rates have destroyed millions of jobs in housing, construction, automobiles, steel—the heartland industries of Ohio, Kentucky, Indiana, and Michigan.

And it is news when business failures and farm foreclosures are running at the highest levels since the Great Depression.

And in response to this economic disaster and its attendant human suffering, The administration says: "Wait. Don't worry. Everything is going to be all right. Just wait till out program takes effect."

I do not believe that this country can afford to wait. Waiting can only bring us more of the same—more steel workers forced to draw unemployment benefits rather than paychecks, more construction workers forced into food stamp lines in order to feed their families, more autoworkers losing their homes to mortgage foreclosures. We cannot wait because there is work that can be done.

In thousands of communities across this Nation, the deterioration of public transportation, sewer systems, bridges, street lighting, water supply, and public housing has reached the point of crisis.

One of every five bridges in the United States requires either major rehabilitation or reconstruction. The Department of Transportation has estimated the costs of this task to be as high as $33 billion. Yet in fiscal year 1981 Federal highway authorizations, only $1.3 billion was allocated to repair bridge deficiencies.

The Nation's municipal water supply needs will make heavy demands upon capital markets in the 1980's. The 756 urban areas with population of over 50,000 will require between $75 billion and $110 billion to maintain their urban water systems over the next 20 years. Approximately one-fifth of these communities will face investment shortfalls, even if present water rates are doubled to produce capital for new investment. At least an additional $10 to $13 billion beyond that generated by existing user charges will be required.

Consider, Mr. President, the urgent needs of just one city—Cleveland, Ohio.

At least $1 billion will be required to rebuild Cleveland's basic infrastructure—$250 to $500 million is needed to replace and renovate the publicly-owned water system: over $150 million is required for major repairs of city bridges: and over $340 million must be spent for flood control facilities. In addition to these expenditures, Cleveland must find additional funds to rebuild or resurface 30 percent of its streets, now in a state of advanced deterioration, and to reconstruct the city's sewer collection system, which frequently floods commercial and residential buildings.

Because of tight budgets and inflation, many communities have delayed maintenance and repair on their infrastructure to the point of crisis. It is a catch-22. Without the adequate sewer and transportation systems, cities cannot attract business. And without private investment, cities cannot afford to repair or maintain these facilities. It is time that we put unemployed Americans to work on these problems.

Senator Kennedy and I are not alone in suggesting this kind of program. The Republican mayor of Cleveland recently wrote to President Reagan, suggesting that he create local jobs to help alleviate unemployment. The mayor warned the President that the pressures and tensions caused by the sluggish economy * * * and a serious growth in the crime rate demand an immediate response from the public sector before this perception becomes reality. * * * As the situation presently stands, we need some immediate short-term support if we are in the long term going to perpetuate the ideas of New Federalism. The mayor also said that job funds could be used effectively to help clean up the city and to repair property and facilities. The program, he suggested, could be put into effect in 3 weeks.

Mr. President, I ask unanimous consent that the mayor's letter be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

City of Cleveland,
April 22, 1982.

Mr. Ronald Reagan,
President, United States of America,
The White House, Washington, D.C.

Dear President Reagan: Recently when I spoke to the leading business executives in Cleveland, I pointed out to them that "much of what is coming out of Washington is a result of a nation that has said it wants to take its own destiny back into its own hands. Now that we are getting what we asked for, we have to accept the responsibility that comes with self-reliance and local problem solving. This is our challenge. If we fail, the President's program will fail".

As I believe you know, no other city has done a better job than Cleveland to involve the private sector in attempts to solve the city's problems and to plan for the future.

I, however, am deeply concerned about the growing perception in Cleveland, and elsewhere, that the next few months will be an extremely difficult period for us. The pressures and tensions caused by the sluggish economy, (my city has 15.1 percent unemployment), and a serious growth in the crime rate demand an immediate response from the public sector before this perception becomes a reality.

I have communicated with Steve Rhodes and Rich Williamson about this situation and have offered specific suggestions to help resolve this problem (copies attached). Basically, I am urging that we initiate a soft Public Works Program which would help us through the difficult economic period of the next few months until the positive aspects of your economic program takes effect. If, at a later date we still need assistance, this additional program could be based on the Round II Local Public Works Program, which is the best approach I've seen to this concept.

We are not turning to the Federal Government for assistance without doing everything we can locally. Cleveland is working to resolve its own problems through a number of constructive policies and programs. I have attached information about the number of foundation grants the City has received, the close private-public union we have created, and the innovative concepts we have initiated to help ourselves resolve our own problems in Cleveland. I call particular attention to the programs planned for this summer.

I trust that you will agree that we are working hard to overcome our problems locally. However, as the situation presently stands, we need some immediate short term support if we are in the long term going to perpetuate the ideals of New Federalism.

Mr. President, I believe our constituents need a sign, a signal, from the White House which indicates not only your sensitivity to their current economic condition, but your willingness to provide a specific program which will give a helping hand to those who truly deserve help.

The institution of a short term Public Works Program would be an act of cooperation to those who are attempting to cooperate with your overall agenda.

I look forward to your response and thoughts on this situation.

Sincerely,

George V. Voinovich,
Mayor, City of Cleveland.

Mr. METZENBAUM. Crain's Cleveland Business, which cannot be called a liberal publication, had this to say about the mayor's proposal.

"The mayor's suggestion for some sort of 'soft' public works program 'which would help us through the difficult economic period of the next few months' is certainly the least Washington can do. The temporary job funding from the Federal Government would add relatively little to the giant deficits already expected.

At the same time, such a program could provide a genuine safety net for those who otherwise might, in their desperation, light the match of rebellion.

We commend Mayor Voinovich for taking the lead at a time when compassionate leadership is so lacking in Washington.

And we hope to see a 'yes' checked off on the President's R.S.V.P."

Mr. President, I ask unanimous consent that the entire editorial of Crain's Cleveland Business of May 10, 1982, be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

[From the Crain's Cleveland Business, May 10, 1982]

A Sound Plea for Help

Will Cleveland burst into riots and flames this summer?

It's a question, which merely by posing it, should send shivers through anyone who can remember the Hough and Glenville riots of the '60s.

But it's a question more and more folks are asking these days as the economy continues to sink into the quicksand—and with no savior in sight.

And it's not just alarmist Democrats and other assorted political partisans seeking to pick a fight with Reaganomics who are questioning what fate lies before America's major cities in the next few months.

Even our Republican mayor, George Voinovich, appears genuinely fearful of how a 15%-plus unemployment rate in the city, combined with a rising crime rate and summer's sweat, will affect the sociology of the city.

For all the political implications, the mayor recently sent to President Reagan what must be considered something akin to a letter of extortion.

Wrote Voinovich in the April 22 letter: "I . . . am deeply concerned about the growing perception in Cleveland, and elsewhere, that the next few months will be an extremely difficult period for us.

"The pressures and tensions caused by the sluggish economy . . . and a serious growth in the crime rate demand an immediate response from the public sector before this perception becomes reality . . . As the situation presently stands, we need some immediate short term support if we are in the long term going to perpetuate the ideals of New Federalism.

"Mr. President, I believe our constituents need a sign, a signal, from the White House which indicates not only your sensitivity to their current economic condition, but your willingness to provide a specific program which will give a helping hand to those who truly deserve help."

While some political observers see Voinovich's request for help as a "message from the frontlines," to be interpreted with the November elections in mind, it just as likely represents the mayor's anguished concern about the possibility of a long, hot and bloody summer.

Lest anyone think we're exaggerating the mayor's concern, we note that he has reconstituted the community task force, a group of community leaders he describes as "a coordinated body to keep our neighborhoods calm, squash rumors and keep us informed on potential flash points in our community."

The mayor's suggestion for some sort of "soft" public works program "which would help us through the difficult economic period of the next few months" is certainly the least Washington can do.

The temporary job funding from the federal government would add relatively little to the giant deficits already expected.

At the same time, such a program could provide a genuine safety net for those who otherwise might, in their desperation, light the match of rebellion.

We commend Mayor Voinovich for taking the lead at a time when compassionate leadership is so lacking in Washington.

And we hope to see a "yes" checked off on the president's R.S.V.P.

Mr. METZENBAUM. Mr. President, the amendment we support is designed to put 250,000 Americans to work at rebuilding and repairing the infrastructure of their own communities. These projects would be highly targeted going only to those communities that have suffered the longest from high unemployment. And the projects could commence within 60 days and conclude within a year.

We are asking for $1 billion in 1982, although only a small portion of that could be spent, and $1.5 billion in 1983 anticipating that the program will phase out as the recession draws to an end. Some might suggest that this is a large amount. But I say that we can afford no less.

The program would contemplate employing many who right now cannot find a job. Or it would contemplate that there would be a leader in the role of providing the journeyman effort and the leadership, and that others would come on board at a lower rate so that there might be more employed.

We have today the first adminstration, Democratic or Republican, since that of Herbert Hoover to let a major recession run its course without trying to help the unemployed.

And we have come to a point, Mr. President, at which we in the Senate must do what this administration refuses to do to get on with the task of putting our people back to work.

Mr. President, I yield to the Senator from Massachusetts.

The **PRESIDING OFFICER** (Mr. Abdnor). The Senator from Massachusetts.

Mr. **HOLLINGS.** Mr. President, will the distinguished Senator yield? We are trying to conserve the time. If we offer the amendment, the other side has been good about this, and we have split the time, and if the amendment can be offered, it will help. Otherwise, we will be eating up an hour on our side. So I suggest that the distinguished Senators can control the time but just try to conserve it by getting the amendment offered.

UP AMENDMENT NO. 965

(Purpose: To add additional funds to put unemployed individual to work in projects rebuilding their communities in order to stimulate private investment and economic development)

Mr. **KENNEDY.** Mr. President, I send an amendment to the desk on behalf of myself, Senator Metzenbaum, Senator Riegle, Senator Moynihan, and Senator Randolph.

The **PRESIDING OFFICER.** The clerk will report.

The bill clerk read as follows:

The Senator from Massachusetts (Mr. Kennedy), for himself and others proposes an unprinted amendment numbered 965.

Mr. **KENNEDY.** Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

The amendment is as follows:

On page 2, strike out lines 17 and 18 and insert the following:

Fiscal year 1982: $777,600,000,000 plus $1,000,000,000.

Fiscal year 1983: $835,300,000,000 plus $1,500,000,000.

On page 2, strike out lines 23 through 25 and insert the following:

Fiscal year 1982: $740,700,000,000 plus $256,000,000.

Fiscal year 1983: $283,600,000,000 plus $2,096,000,000.

Fiscal year 1984: $832,300,000,000 plus $150,000,000.

On page 3, strike out lines 12 through 14, and insert the following:

Fiscal year 1982: $117,700,000,000 plus $256,000,000.

Fiscal year 1983: $115,400,000,000 plus $2,096,000,000.

Fiscal year 1984: $91,300,000,000 plus $150,000,000.

On page 14, strike out lines 9 and 10 and insert the following:

(A) New budget authority, $25,400,000,000 plus $1,000,000,000.

(B) Outlays, $28,100,000,000 plus $256,000,000.

On page 14, strike out lines 18 and 19 and insert the following:

(A) New budget authority, $26,500,000,000 plus $1,500,000,000.

(B) Outlays, $27,000,000,000 plus $2,096,000,000.

On page 15, strike out line 3 and insert the following:

(B) Outlays, $26,900,000,000 plus $150,000,000.

Mr. **KENNEDY.** Mr. President, I ask unanimous consent that the earlier remarks be included in our time disposition.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

Mr. **KENNEDY.** Mr. President, I will not take much time on this particular issue. The case, I think, has been well-stated by the Senator from Ohio.

I say that as the ranking minority member for the Committee on Human Resources. We held extensive hearings about the problem of unemplyment in our society today.

I also serve on the Joint Economic Committee, and for the past year and a half I have gone to those meetings on the first Friday of each month where the unemployment figures are announced by the Department of Labor.

We are now facing a situation where over 10 million men and women in this country who want work cannot find it.

Just a few weeks ago we saw the Immigration and Naturalization Service raid a small factory out in California which employed 87 individuals. The next day there were more than 1,000 individuals who showed up to try to get those jobs, even though there had been no advertisement in the newspapers that those jobs were available. Those 1,000 workers heard about it on the evening television news.

But it is very clear, Mr. President, that the millions of men and women of this country who are unemployed, are extremely interested in working and in providing for their families and being a part of the community and of society.

I am today proposing a program to put the unemployed back to work. This particular economic situation we are in is quite a bit different from the last recession we faced in our society in 1974 and 1975, where we had unemployment insurance of some 65 weeks, we had a public works program, we had a public jobs program, and I know that all of those programs had their flaws and had their difficulties. But they can be redesigned and restructured in ways to be a more efficient investment of the taxpayers' money.

Mr. President, I am sending to the desk an amendment for myself and Mr. Metzenbaum to add $1 billion to function 500 in the budget for 1982 and $1.5 billion for 1983, for the purpose of addressing the most pressing problem facing our Nation today—the highest unemployment rate in 40 years.

Approximately 10.3 million Americans are jobless. Millions more can only find part-time jobs; others are so discouraged they have totally given up the search for work and the situation is much worse for black Americans and for our young people.

We are all painfully aware of the human suffering behind these statistics. Decent, hard-working men and women are losing their savings, their homes, their hope, and their pride.

These men and women have searched the want ads and pounded the pavement and still cannot find work.

The fact is that there are 1.5 million fewer jobs today than there were a year ago. It is no longer possible to say that anyone who really wants to work can find a job. The jobs are simply not there.

And, despite the promises of this administration, unemployment grows worse each day. In April alone 450,000 workers lost their jobs. How many more will it be in May and June and July?

No longer is this recession confined to the auto and steel and construction industries. No longer is high unemployment limited to Michigan and Ohio, and Indiana and Oregon.

Every industry and every region of the country is feeling the bite. From Maine to California, from Florida to Washington, unemployment is on the rise.

It used to be that workers could count on unemployment benefits to tide them over the worst of a recession. But no longer.

Only 40 percent—less than half—of those 10 million now unemployed are covered by unemployment insurance. In 1975 66 percent of those out of work could collect unemployment insurance.

I support providing additional weeks of unemployment benefits and I favor increasing the funding for job training. But those proposals will only benefit a portion of the unemployed—those 40 percent who are eligible for unemployment insurance and those poor enough to qualify for job training programs.

I believe we need a jobs program now to put people back to work now.

Senator Metzenbaum and I believe that our No. 1 problem—unemployment—can be addressed by putting the jobless to work on another important problem facing the country—rebuilding the decaying infrastructure of our cities and towns.

It is impossible to drive through any city in this country today without noticing the deterioration in our roads

and highways and bridges. But the decline in our public infrastructure is not always so visible.

Many of our public schools, parks, and transportation facilities are literally falling apart. Hospitals in the North and airports in the West are in critical need of repair. All across the country, sewage and drainage facilities are in dismal condition.

There are more specific examples:

One of every five bridges in the country needs repair or reconstruction.

One of every four prisons needs remodeling to relieve overcrowding.

At least half of the Nation's 43,000 dams must be repaired to eliminate hazards.

Let us put the unemployed to work repairing our roads, rebuilding our bridges and making our public facilities safe and attractive again.

Our proposal is modest. It would create just 250,000 jobs—less than the number eliminated by Ronald Reagan last year; less than the jobs created by President Ford when unemployment hit 9 percent in 1975; less than the 425,000 jobs created in 1977.

But these jobs will decide whether the unemployed become taxpayers or tax users.

Our economy is in critical condition. It does not help the unemployed to counsel patience. It does not help the unemployed to promise better things to come. It does not help the unemployed to promise a tax cut. But the unemployed can be helped with jobs which mean new hope and dignity and pride for them and their families.

The Senator from Ohio mentioned his own city of Cleveland and other communities in the State of Ohio. I know in Boston that we lose 35 percent of all the water that is brought down to supply water for the city of Boston. It would cost $2 billion to reconstruct the water system in Boston, something that is an unthinkable investment for the city to make now given the difficulties which that State is now facing because of the economy; absolutely unthinkable.

The jobs are there, Mr. President, the people are there, and the need is there to meet our national interests. This is an extremely modest program, but it would keep faith with the working men and women of this country who now find themselves unemployed. They have skills, they have commitment, they want to work, and we ought to take a limited amount of resources to permit them to invest in the future of this country.

What we are talking about is what any business or corporation of this country would talk about—investing in the future. This is how I view it. This is how our colleagues view it. And I am very hopeful that we can gain the support of the Members of the Senate.

I reserve the remainder of the time.

The **PRESIDING OFFICER.** Who yields time?

Mr. **METZENBAUM.** Mr. President, I ask for the yeas and nays.

The **PRESIDING OFFICER.** Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. **GORTON.** I yield such time to myself as I may consume, Mr. President.

Mr. President, there are some respects in which this has been a difficult amendment with which to deal, primarily because we have not seen a copy of the amendment itself. We understand, however, that what it does is to add approximately $1 billion in fiscal 1982 and $1.5 billion in fiscal 1983 for a substantially unstated, so-called employment program.

There is, of course, no proposal for countervailing revenues with which to pay for this proposal. And, as a consequence, I think it might well be entitled "The Unemployment Amendments of 1982."

Now why do I say that? For this reason: The Senator from Ohio played a significant role in this body during the course of the last half or so of the decade of the 1970's, a time at which programs which fall within the general ambit of this were frequently passed, almost always had whatever effect they had on providing employment after the fact, after it was too late, but which contributed to leave us in an economic situation in which both interest rates and the rate of inflation were significantly higher than they are today.

The kind of program which this amendment seeks to revive or resuscitate, assuming that we ever get a more specific description of it than we have at this point, would simply add to all of the pressures, both on interest rates and on rates of inflation, which have already shown themselves so extremely difficult to deal with.

It may be appropriate to remind the Senate that at the end of the last administration, after literally dozens of bills of this nature having been passed, the prime interest rate was 20 to 21½ percent; significantly in excess of the rate which obtains today, although that rate very obviously is far, far too high and contributes overwhelmingly to the economic difficulties which we face. In addition, of course, at the end of 1980, or the beginning of 1981, we were in perhaps the third bout of significant double digit inflation, an inflation which at least has been very substantially reduced during the course of the last year and one half.

Since no revenues are proposed to pay for this program, it would simply come out of that very, very limited amount of credit available to the private sector at the present time for the creation of jobs. This billion- or billion-and-a-half dollars, which would go through various levels of governmental administration to projects which presumably would not otherwise be undertaken because they would not otherwise be financially feasible, will come directly out of the small and medium and large business in this country which are already suffering because they cannot find credit at reasonable rates.

If we have learned a lesson from the course of the last decade or so, it must, of necessity, be that. The most important goal which we all share here in the Congress of the United States today is the goal, the commitment to lower interest rates across the board in order to provide business opportunities, in order to provide employment opportunities, and in order to provide purchase opportunities for people who wish to buy on credit. Causing another $2.5 billion to disappear out of that limited market will contribute, once again, to increasing interest rates rather than to decreasing them.

More and more, as we go through this debate, a debate which might much better have been conducted last fall or early this winter rather than in May of 1982, we face the prediction that, if we do not very significantly reduce the 1983 deficit and put ourselves on line toward a balanced budget in the foreseeable future thereafter, we will not have 16.5 percent interest rates later on in this year, we will not have the lower interest rates which are necessary to economic recovery, we will have interest rates which are higher than they are at the present time and which will choke off any incipient economic recovery which might otherwise have taken place.

It is important to note that during the course of the last several economic cycles, in the situation of each one of which the recession has caused a governmental reaction precisely like that proposed by the Senator from Ohio, the bottom of each recession, from the point of view of unemployment, has been more severe and the recovery has left still more unemployment even at its low point than the low point at the end of the previous recession. The same thing, incidentally, might be said in exactly the opposite sense in connection with the rate of inflation until this time around.

With such of the eloquent statement of the Senator from Ohio, I can more than readily agree. Unemployment is the great curse facing the people of the United States at the present time. But the amendment of the Senator from Ohio would not cure unemployment, it would make it worse. It would be a signal that we are going back to the old way of ever-increasing deficit spending and of a lack of attention toward problems of either inflation or interest rates.

In fact, of course, the Senator from Ohio has ignored the proposition that the budget resolution which is before us now is already considerably more generous in the field of employment and training programs for fiscal year 1983 than was the proposal originally submitted to us by the President, a change which can be accomplished because this budget resolution is more responsible from the point of view of revenues which it seeks than was the original administration budget submitted to us in February.

Moreover, the numbers in this budget resolution anticipate the passage through the Labor Committee of a very carefully worked out, carefully crafted employment and training program which is bipartisan in nature and which will overcome many, one hopes, of the difficulties and inefficiencies which attended upon the various employment and training programs of the decade of the 1970's.

In other words, Mr. President, we know what we are getting as a result of the changes which have already been made in this budget. We do not know what kind of program we would get with the success of this amendment, but we do know inevitably and certainly as a result of our experience in the decade of the 1970's and through 1980 that what we would get would be further upward pressure on interest rates, further pressure on the rate of inflation, and, therefore, a continuation and a worsening of the recession and of the unemployment statistics, rather than the kind of improvement which only fiscal responsibility and smaller deficits can possibly create for us.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. METZENBAUM. Mr. President, I ask the Senator from Massachusetts to yield further to me.

Mr. KENNEDY. I yield.

Mr. METZENBAUM. Mr. President, I think the Senator from Washington indeed is a gentle being, a concerned and very sincere person. I think when he addresses himself to the question of what the interest rate was in January 1981 when this administration took office, and then talks about what the interest rate is now, indeed it has come down a bit. But I think it is also important to point out that when this administration took office the unemployment rate in this country was 7.4 percent, and today the unemployment rate in this country is 9.4 percent, notwithstanding supply-side economics.

Can any of us in this body, or anyone in America, forget the rosy pictures that were painted if only the Congress would enact the President's budget and the President's tax bill?

Well, they were enacted. They came through the way the President wanted them. He had a tremendous victory. And then we saw the results of that victory.

The results meant that, whereas on the day he took office there were 8,022,000 people unemployed, today, less than a year-and-a-half later, there are over 10 million people unemployed.

The Senator from Washington knows the problem well because in his own State, it is my understanding that unemployment is indeed a very serious problem.

There are people on both sides of the aisle who are concerned about what is happening to America with supply-side economics. As that able Congressperson from Pennsylvania, a member of the majority party—as far as the Senate is concerned, a member of the Republican Party—stated:

> The time has come to stop this massacre. If this President knows at all about what is taking place throughout this land,

said he,

> then he lacks the compassion necessary to be President. The time is now to see what Washington, Lincoln, and Roosevelt accomplished, that is, to provide for those who cannot provide for themselves, is not destroyed forever by a President and his cronies whose belief in Hooverism has blinded them to the wretchedness and the suffering they are inflicting on the sick, the poor, the handicapped, the blue collar and white collar workers, the small business person. In the name of all that is holy,

said Congressman Marks,

> how can you and I read about what is happening and believe we can do nothing?

The unemployment rate, I am informed, in the State of Washington is 12.8 percent.

I am not prepared to say that this amendment will solve the problems of all the unemployed in this country. I am prepared to say that it will be a step in the right direction. It will be that signal that the Republican mayor of the city of Cleveland was talking about to those who are unemployed that this administration does indeed care. The $1 billion out of a $779 billion budget is not really going to have that kind of an impact as far as the budget is concerned, as far as interest rates are concerned. It will have an impact and be a message to the unemployed of this country that we in the Senate care.

Mr. KENNEDY. Mr. President, I yield myself such time as I might need. I do not intend to take much time. I think we can get to a vote on this.

I was interested in listening to my good friend from the State of Washington talk about the period of the 1970's, as the time when many programs that were developed were not really as effective as they should be. I think that is true, but I think it also interesting that in 6 out of the 10 years of the 1970's, we had a Republican President. To look back and try, by suggestion or implication, to tie our particular proposal to those measures I do not think stands the test of the history of that period.

Mr. President, I want to make another point in response to Senator Gorton's comments about the state of our economy: In January of 1981 we were at 7.4-percent unemployment. By July unemployment had dropped to 7.2 percent. In the first 6 months of the Reagan administration there was an improvement in the unemployment situation in this country.

It was in July and early August that the President's program went into effect, and since July of 1982 we have seen the highest unemployment since the Great Depression. It jumped from 7.2 percent to 9.4 percent. That period coincides exactly with the passage of the administration's program.

So, Mr. President, ever since we found one President who has gained his job, we have 10 million Americans who can not find work. This particular amendment is intended to offer some hope and opportunity for hundreds of thousands of people in the remaining months of this year and next to find employment.

A final point I would make, Mr. President, is that this is not a job training program. Senator Quayle and I are working on a job training program, which is primarily targeted toward the youth of this country and will provide important help to older workers to be retrained for jobs.

But Senator Quayle and my training bill is not a jobs program. We ought to understand that. It was not intended to be so, and it should not be used as a reason for not accepting this amendment.

I want to make just one final point. This amendment is targeted to areas with unemployment in excess of the national average, and it will end when unemployment falls below 8 percent. It is very carefully targeted, unlike many programs in the past.

I was here when Senator Bellmon talked about title VI of CETA. He pointed out that the Labor Department was required to spend moneys in Oklahoma when they had virtually full employment, and they had waste and inefficiency in that program.

I agree. That problem was as a result of Members of the Congress.

The targeting of that program was diffused and scattered so that the program was not nearly as efficient or as effective as we might like.

I think the advantage of this program, unlike many of those developed in the past, is that it is highly targeted. It is limited to those areas that have extremely high unemployment. There is a very significant need and a great deal of benefit that would be gained from it.

I hope, Mr. President, that we can get acceptance of the amendment. If

there is no further discussion, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. GORTON. Mr. President, it is my understanding that the proponents of the amendment are prepared to yield back the remainder of their time. I have just been informed that the Senator from Indiana (Mr. Quayle) is on his way to the floor and does desire to speak to this amendment. If it is appropriate, I shall suggest the absence of a quorum, even though the amendment might be acceptable.

The PRESIDING OFFICER. Without objection, the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GORTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GORTON. Mr. President, I yield such time to the Senator from Indiana (Mr. Quayle) as he may need.

Mr. QUAYLE. Mr. President, the way I understand this amendment, it adds about $1 billion in 1982 and $1.5 billion in 1983, basically for jobs creation legislation to be determined by the Committee on Labor and Human Resources. I think it is important, Mr. President, to put in perspective what has happened not only in the Budget Committee, but also in the Committee on Labor and Human Resources.

In the Labor and Human Resources Committee, Senator Kennedy and I have been working very long and very diligently on a job training program. We have not gotten into the jobs creation proposal or public service employment. Our legislation deals with a training program. That is the way it was reported out of the subcommittee and is now in the full committee.

Obviously, Mr. President, it is something that, as it stands now, is going to be a training program. This is what we have been striving to do for a number of months. We have been working hard and making progress and I hope to see a piece of legislation that the President will be proud to sign.

Mr. President, in the Committee on the Budget, we had a discussion on the amount of funding for employment training. The administration originally requested about $2.4 billion for 1983. The Budget Committees first compromise was around $3 billion. I offered a mark that was not voted upon because of the lateness of the hour, but with the understanding that it would be taken care of on the floor. It has been taken care of on the floor. We have now added about $700 million to employment training, which gets us up to a figure of about $3.8 billion for 1983. That is just about the amount of money at current program level, give or take a very small fraction.

That is where we are on a training and employment program.

The way I understand this amendment, it would really be the CETA public service program all over again. That is something that this Congress overwhelmingly rejected last year. It is something that I believe this Congress will reject overwhelmingly again this year.

I believe that if Senators had to ask one reason why we are having some trouble today with a training program, it is because of the CETA public service part of the training program that brought the bad name to CETA in the first place.

There are a lot of good things with a comprehensive employment training. I want to see one. There are many Members in this Chamber who want to see one. But the reason we have problems convincing some of our colleagues, the reason we have problems convincing the administration is because of the documentation of fraud and abuse and mismanagement that was in this public service employment program that was started back in the 1970's. It has two great big jumping periods: In 1975, it went from 40,000 to 300,000. It did not work. Then in 1977 it went from 300,000 to 700,000, to the tune of about $10 billion a year.

President Carter began to phase out the public service employment program because it did not work. President Reagan concluded what President Carter had initiated.

This really does not create new jobs. That is magic. It is not a creation of new jobs. New jobs are going to be created through the private sector.

What happens under normal considerations with a public service program like this is that the Federal Government will give money to the local jurisdictions, and they will simply substitute that Federal money for local money.

It is like revenue sharing. You are not going to create any new jobs. It is not going to get training. It is going to give us the bad situation that we found ourselves in in the late 1970's and early 1980's.

Mr. President, I hope that this amendment is defeated. I hope that it will be defeated on its merits. This Senate has answered the CETA public service employment program before, will answer it again today, and then I hope that we can get on with the job later on this year. Hopefully, we will bring to this body a comprehensive training and employment program that will deal with training, that will deal with training of our young people, that will deal with training and retraining the displaced workers that we have and provide an infrastructure and a system that will have credibility.

Today we do not have credibility in the system. We do not have credibility primarily because of the abuses that were delegated in the public service employment in its heyday.

Two Presidents have said we are going to scale it down. The Congress finally did. It was completed last year. I hope that we do not go back on a different path this year.

Mr. KENNEDY. Mr. President, I yield myself 3 minutes.

Mr. President, as the Senator from Indiana has rightfully stated, we are working closely together to put before the Senate a training program which the Senator from Indiana deserves great credit for. I think there is an important need for it. I am very hopeful that we will act positively on that particular program.

As is implicit in the word "training," that is going to take time, to provide both young people as well as unemployed individuals in our society the skills they need to go back to work.

There are important facts to consider, as we debate this amendment. Only 40 percent of the unemployed people in this country now are getting unemployment insurance as compared to 1974–75, the period of the last recession, where you had about 65 or 66 percent of the people getting unemployment insurance.

What is happening to those people who are not getting unemployment insurance? They are going on welfare. It is going to be a drain on the local communities and on the States.

What we are saying is let us at least take a few hundred thousand people and put them into jobs before they end up on welfare. That is the question here today.

Let us not get away from the central point, that we are trying to put people on the job rolls before they have to resort to welfare.

The CBO estimates that about 20 percent of this particular program will be offset in payroll taxes. That is an important consideration.

The public should not be under any illusion that they are not going to be paying a price for millions of Americans unemployed and out of work. They are paying it in Federal dollars in the whole range of different programs that are currently in existence. Economists estimate that every percentage point increase in unemployment adds $25 billion to the deficit. We believe that it is better to have people working than on welfare.

The way that the benefit structures are established now as compared to times in the past, there are going to be many, many more people who are on welfare and dependent on that type of local support. We think our proposal is a vastly superior way of dealing with unemployment.

Mr. SARBANES. Will the Senator yield for a question or two?

Mr. KENNEDY. Yes.

Mr. SARBANES. As I understand it, this assistance would make it possible for State and local governments to undertake important repair activities with respect to basic infrastructure. Is that correct?

Mr. KENNEDY. The Senator is correct. It could be done through private contractors. What we did try to do was tie this into what we called the PIC organizations, which are the business organizations in local communities, to harmonize this program with the job training program Senator QUAYLE and I are proposing.

Mr. SARBANES. But the objective is to get our infrastructure back into shape, I must say to the Senator, I think that is extremely important. It makes absolutely no sense that people are sitting idle, collecting benefits to sustain them and their families and thereby causing a drain on the Treasury when the same money could be invested to put them to work in important projects—tunnels, bridges, waterworks, sewage treatment plants, the whole range of activities that are essential to maintaining the infrastructure.

The other thing that I heard said in criticism of the program was that they were "public jobs." But as I understand it, many, if not most, would actually be private sector jobs achieved through contracting out with private companies to do the work, whether it is bridges or highways or tunnels or whatever it may be. Would that be correct?

Mr. KENNEDY. The Senator is exactly correct. I think that the Senator from Ohio and the Senator from Maryland and I as well have pointed out the serious nature of the infrastructure in our country. I understand the Baltimore tunnel——

Mr. SARBANES. I was just going to mention the Baltimore tunnel. We have just had a situation in which rail traffic between Washingon and New York had to be suspended overnight because of the deterioration of the tunnel. This is creating an absolute bottleneck in the whole flow of passengers and freight in the Northeast corridor. We absolutely and critically need to do something about that basic problem.

There are peope out there with the skills to do it who are sitting idle. It seems to me to make a lot more sense to put them to work to get those things done than to let them sit idle and spend the money in order to sustain them and their families. I commend the Senator for his amendment.

Mr. QUAYLE. May I have 30 seconds?

Mr. GORTON. I yield to the Senator from Indiana.

Mr. QUAYLE. I will just take 30 seconds.

Let us make no doubt about it. This amendment is a CETA public service employment amendment. What the Senator from Maryland is talking about, infrastructure, yes, you can possibly use this unskilled labor market to help on that, but it is not going to be an actual contribution to the bricks and mortar and everything else that goes with it. This is a public service employment, CETA amendment. It has not worked in the past. I do not believe it will work in the future. It has put a pall over the whole training and employment program that we find today. I hope it is defeated.

The PRESIDING OFFICER. Who yields time?

Mr. MATHIAS addressed the Chair.

Mr. GORTON. I yield to the Senator from Maryland for a unanimous-consent request.

Mr. President, I yield to the Senator from New Mexico.

Mr. DOMENICI. Mr. President, I commend the distinguished junior Senator from Indiana, who chairs the subcommittee on jobs—the major subcommittee that will have jurisdiction over this money in the event it is put into this function. I think he is absolutely right.

I have heard discussed on the floor that there is a tunnel problem in Baltimore, and maybe this money will solve that. I do not really think we should let that go without an observation. Any Senators who have infrastructure problems in their States—bad bridges, highways that might need rebuilding, or anything else—might go home and say they voted for putting in this billion dollars. If they are in earshot of the voice of the Senator from New Mexico, they should come here and say that is what it is going to do.

The truth is that most probably it would do none of those things. It would be allocated to a committee. We do not have any law on the books that says how it is to be used. It just says there is another $2 billion in 1983 for that function. That means that the responsible committee and the full Senate and the House and its committees will have to decide how to use an extra $2 billion—in a function that has education, jobs, vocational education, social services—all those things. It means they have $2 billion more to spend. It means no more, no less. It may produce jobs; it may not.

That is what it will be—$2 billion that can be funneled into any aspect of the jurisdiction of the committee that has jurisdiction over education and jobs and many other things.

In my State, we have some enormous bottlenecks on the freeway system, and I am not going to say people should not come here and say that is what the money could be used for. But I think it should be put into the perspective of the hundreds of thousands of public works jobs that are awaiting funding from various programs—State, county, city, or Federal. We could come down and say that each of those would be completed if only we were able to add billions to the Federal deficit today.

I thank the Senator for yielding.

Mr. RANDOLPH. Mr. President, I ask the Senator from Massachusetts (Mr. KENNEDY) if he will yield to me for a very brief comment?

Mr. KENNEDY. I yield to my colleague who is a cosponsor of the pending amendment.

Mr. RANDOLPH. My commendation to the Senator (Mr. KENNEDY) for a valid assessment.

I suggest that there will be a less than desired support for this proposal to aid the unemployed in America. I do, however, recall for the record that almost 12 percent unemployment exists in West Virginia.

Mr. BRADLEY. Mr. President, the distinguished Senator from Ohio has offered an amendment to assure that there are at least minimal funds in the budget for job training. Job training is critical to our efforts to get back on a course of growth over the long haul.

Today we seek ways to cut the enormous budget deficits which are projected for the next 3 fiscal years, as part of an overdue effort to restore stability to financial markets, and thereby set the basis for recovery from a deep recession. Enormous tax cuts and record defense spending have given us deficits that are twice as high as any in our history. These deficits combined with an extremely tight monetary policy have produced and perpetuated this recession, as extraordinarily high real interest rates extinguish any sparks of recovery. Harmonizing our fiscal and monetary policies, which now are working at cross-purposes, is the major prerequisite to recovery from this recession. But recovery alone will not give us sustained growth.

Sustained growth will occur only if we can rapidly adapt our economic institutions to the changes which are taking place in world markets and in our own economy. First, the world is becoming a single marketplace and the United States is selling more, buying more, and competing more on an international basis. As our economy, along with the economies of our trading partners, grows more sophisticated, the goods and services which we produce best also change.

This is related to the second major change: The transformation of the American workplace and work process by technology. Robots, computers, and communications systems are changing how things are made as much as what is made. Information increasingly is a tool of production, as well as the final product. Information-based services, such as banking, financial management, insurance, and accounting have

been among the fastest growing industries in our economy.

As American production changes, so will American jobs. Furthermore, in order for American industries to keep pace with the worldwide demand for sophisticated products and services, the working skills of Americans will have to change, and change rapidly. By 1990, Americans will have some 17 to 26 million new job opportunities, with most of those in the computer science field. For example, by 1990, jobs for computer science technicians are expected to grow by 93 to 112 percent from 1980. There is no more important single action that we can take as a nation to position ourselves to capture opportunities for sustained economic growth, than to invest in the education and training of our work force.

Just as the industrial revolution created new ways of living and working in America around the turn of the century, the shift of labor activity from the manufacturing of goods to the provision of services is changing life and work styles in our country today. This trend is likely to continue, even accelerate, in the future. Prof. Peter Drucker, a well-known management expert, predicts that within 25 years, only 5 to 10 percent of our labor force will be needed to manufacture what some 20 percent manufacture today. Even a 10-percent decline would entail a reduction of the manufacturing work force from some 21 million today to about 10 million in the near future. The implication of Drucker's figures is that just this change will mean some 10 to 15 million workers will have to retrain for new jobs, probably within the service sector.

Productivity growth is an important weapon in our battles with our foreign competitors. Unfortunately, the growth of productivity in the United States has neither kept pace with our performance in the past, nor with our major foreign competitors. Since 1965, the rate of U.S. productivity growth has declined each year. Since 1979, productivity levels actually have fallen.

Slowing productivity is partly a result of aging U.S. capital stock—public and private. It is also in part due to decline in the pace of American innovation and the introduction of new technology into our industries. However, the decline in American productivity can also be traced to failures in education and work-related training. New insight into the direction and needs of our economy should help correct these failings in our basic educational institutions. But right now more than insight is needed.

Historically, our efforts to improve productivity have focused on mobilizing new captial investment and improving technology. Tax advantages and regulatory policies have encouraged businesses to invest in new buildings, machines and technology. As a result, investment in people has been subordinated.

The principal financial incentives extended to private firms today to improve their workforce are tax deductions for on-the-job training expenses and certain credits and deductions to finance some entry level training, for example the targeted jobs tax credit. One estimate holds that the total value of all these tax incentives is less than $15 billion per year. The annual value of entry level training alone is less than $4 billion. By contrast, the aggregate value of financial incentives to firms to invest in capital or technology is about 6 to 7 times greater than all training tax incentives. Now there is no doubt that capital and technology are very important, but we should recognize human skills are equally important, and therefore should not be shortchanged by our revenues or spending policies.

Finally, emerging population changes intensify the urgency of providing for a continual upgrading of the skills of our existing workforce. As the postwar baby-boom generation reaches maturity, the growth of the American workforce is slowing. The total force is expected to grow by only 17 to 22 percent by 1990. This means American companies have a smaller pool of workers from which to select. Because of rapid technological change and the concentrated demand for certain kinds of skills, the pool of appropriately trained workers will be even smaller. Existing workers will constitute over 90 percent of the workforce in 1990 and over 75 percent of the workforce in the year 2000. Therefore, how effectively we renew our workforce today will determine how effective a workforce we have tomorrow. Further, the major source of potential new entrants to the workforce will be women. Some estimate that 2 out of every 3 new entrants will be women. Many of these women will be entering the workforce for the first time, and will need training and experience as well as fair opportunities to make them highly productive workers in our changing economy.

Finally, Mr. President, sometimes we simply do not appreciate the constructive results which flow from these job training programs. For some time, Mathematica Policy Research of Princeton, N.J., has been studying the progress of individuals who participated in the Job Corps, one of the programs authorized under CETA. The Mathematica report was prepared for the Employment and Training Administration within the Department of Labor.

The most recent Mathematica followup report indicates that the Job Corps does indeed work to increase employment and earnings, improve labor market opportunities, reduce dependence on welfare assistance and reduce criminality. Under the most likely economic assumptions, the benefits of the program exceeded costs by almost $2,300 per Corps member. In addition, under a wide range of alternative assumptions the program was still found to be economically efficient. Many Members truly believe that all jobs programs are bad simply because these programs have an extraordinarily bad reputation. The hard evidence indicates otherwise.

Mr. President, I have only been able to touch on the need for improved and accelerated training and retraining of our work force. Our ability to assure that our stock of human resources keeps pace with our capital and technological stock will determine whether we enter the 21st century as a first- or second-class economic power. Looked at in this light, the small amount of funds we are proposing to set aside today for training and retraining to protect our future hardly is worth a long debate. It is a very small beginning, directed at the most needy potential workers and our most urgent work force problems. To cut training is truly to cut out the core of an important human enrichment process which can make America as great tomorrow as it has ever been in the past. Only short-sightedness would have us excise spending critical to our future growth in order to make a miniscule improvement in our budget position today. Even in this climate of austerity, I do not believe we will be tempted to commit such a grave miscalculation.

The PRESIDING OFFICER. Who yields time?

Mr. KENNEDY. I yield myself 1 minute.

Mr. President, it is amazing to me that we can spend $3.7 billion for job training programs working with local private groups and business groups, and yet we are saying that we cannot develop a program to try to put American people back to work, to deal with the chronic needs in our society. That seems to me to be an implausible argument.

If we targeted this money more directly, we probably would be accused of not giving sufficient flexibility and latitude. Now we provide flexibility and latitude, but it is targeted in ways which will go to areas of unemployment higher than the national average. This would insure that this program is consistent with the job training programs. We would insure that local business groups are involved. The work could be contracted to private employers. We would only support jobs to deal with the vital infrastructure problems of this Nation.

Frankly, my colleagues and I would not be here offering this amendment unless we had the kind of unemployment situation reflected in this chart.

That red line shows what has happened since July 1981, when the President's economic program went into effect: unemployment has gone from 7.2 percent, up to 9.4 percent—and I daresay that red line is headed up to the ceiling.

We say that we should try to get people off the welfare rolls, put them on the job rolls, and invest something back into the local community.

Mr. President, I yield back the remainder of my time.

Mr. GORTON. I yield back the remainder of my time.

Mr. President, have the yeas and nays been ordered?

The PRESIDING OFFICER. The yeas and nays have been ordered. The question is on agreeing to the amendment of the Senator from Massachusetts. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Alabama (Mr. Denton) is necessarily absent.

Mr. CRANSTON. I announce that the Senator from Hawaii (Mr. Inouye) is necessarily absent.

The PRESIDING OFFICER (Mr. East). Are there any Senators in the Chamber wishing to vote?

The result was announced—yeas 14, nays 84, as follows:

[Rollcall Vote No. 124 Leg.]

YEAS—14

Bradley
Dodd
Eagleton
Hart
Jackson
Kennedy
Levin
Matsunaga
Melcher
Metzenbaum
Moynihan
Randolph
Riegle
Sarbanes

NAYS—84

Abdnor
Andrews
Armstrong
Baker
Baucus
Bentsen
Biden
Boren
Boschwitz
Brady
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chafee
Chiles
Cochran
Cohen
Cranston
D'Amato
Danforth
DeConcini
Dixon
Dole
Domenici
Durenberger
East
Exon
Ford
Garn
Glenn
Goldwater
Gorton
Grassley
Hatch
Hatfield
Hawkins
Hayakawa
Heflin
Heinz
Helms
Hollings
Huddleston
Humphrey
Jepsen
Johnston
Kassebaum
Kasten
Laxalt
Leahy
Long
Lugar
Mathias
Mattingly
McClure
Mitchell
Murkowski
Nickles
Nunn
Packwood
Pell
Percy
Pressler
Proxmire
Pryor
Quayle
Roth
Rudman
Sasser
Schmitt
Simpson
Specter
Stafford
Stennis
Stevens
Symms
Thurmond
Tower
Tsongas
Wallop
Warner
Weicker
Zorinsky

NOT VOTING—2

Denton
Inouye

So the amendment (UP No. 965) was rejected.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. QUAYLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOMENICI. Mr. President, I think, pursuant to our understanding, an amendment is now in order on this side, and we have agreed that Senator Kassebaum, the junior Senator from Kansas, would proceed with her amendment.

UP AMENDMENT NO. 966

(Purpose: To reduce the recommended levels of new budget authority by $7.4 billion in fiscal year 1983 and new outlays by $1.3 billion in fiscal year 1983 for function 050, national defense, and by similar additional reductions in fiscal year 1984 and 1985)

Mrs. KASSEBAUM. Mr. President, I send to the desk an unprinted amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Kansas (Mrs. Kassebaum) proposes an unprinted amendment numbered 966.

Mrs. KASSEBAUM. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, line 18 strike "$835,300,000,000", and insert in lieu thereof the following: "$927,600,000,000";

On page 2, line 19 strike "$897,000,000,000", and insert in lieu thereof the following: "$886,200,000,000";

On page 2, line 20 strike "$972,800,000,000", and insert in lieu thereof the following: "$955,700,000,000";

On page 2, line 24 strike "$783,600,000,000", and insert in lieu thereof the following: "$782,300,000,000";

On page 2, line 25 strike "$832,300,000,000", and insert in lieu thereof the following: "$828,200,000,000";

On page 3, line 1 strike "$889,400,000,000", and insert in lieu thereof the following: "$881,000,000,000";

On page 3, line 13 strike "$115,400,000,000", and insert in lieu thereof the following: "$114,100,000,000";

On page 3, line 14 strike "$91,300,000,000", and insert in lieu thereof the following: "$87,100,000,000";

On page 3, line 15 strike "$64,400,000,000", and insert in lieu thereof the following: "$58,000,000,000";

On page 5, line 16 strike "$251,700,000,000", and insert in lieu thereof the following: "$244,300,000,000";

On page 5, line 17 strike "$215,300,000,000", and insert in lieu thereof the following: "$214,000,000,000";

On page 5, line 25 strike "$278,300,000,000", and insert in lieu thereof the following: "$267,500,000,000";

On page 6, line 1 strike "$243,000,000,000", and insert in lieu thereof the following: "$238,800,000,000";

On page 6, line 4 strike "$316,500,000,000", and insert in lieu thereof the following: "$299,400,000,000";

On page 6, line 5 strike "$277,700,000,000", and insert in lieu thereof the following: "$269,300,000,000".

The PRESIDING OFFICER. Will the Senate be in order? The Senator from Kansas has the floor and is entitled to be heard.

Mr. BUMPERS. Mr. President, will the Senator from Kansas yield for a question?

Mrs. KASSEBAUM. I would be happy to yield.

The PRESIDING OFFICER. The Senate is not in order. Will those Senators who do not wish to hear discussion on the amendment please leave the Chamber and conduct their business elsewhere. The Senator from Kansas has the floor and has yielded to the Senator from Arkansas for a question.

Mr. BUMPERS. I thank the Chair.

I wonder if the chairman of the Budget Committee would be willing to see if we can work out some semblance of order here. The majority leader is here, and I assume the next amendment will be offered on this side. I would like to go next. I am not trying to preempt anybody, but I think everyone would be well served if we could get four amemdments lined up in sequence so that Members would have some idea as to who is ready to go next.

Mr. BAKER. I have no problem with that whatsoever. The way we have done it is we have left it up to the managers on each side in sequence, and so far we have alternated between sides successfully.

I would recommend then, if the managers are so inclined, that they try to work up a list of three or four on each side and make that announcement as soon as they can do so.

Mr. BUMPERS. I thank the Chair, and I thank the distinguished majority leader.

Mr. HOLLINGS. Mr. President, if the distinguished Senator will yield, we tried to do exactly that. We were not able to get them up here. We had Senator Bradley next on elementary and secondary education on this side. We can put the Senator from Arkansas in position, keep the Senator in mind. Is that all right?

Mr. BUMPERS. That is all right.

The PRESIDING OFFICER. Who yields time?

Mrs. KASSEBAUM. Mr. President, the amendment I am offering proposes reductions from the resolution levels on spending for national defense as follows: For fiscal year 1983 the budget authority would be reduced by $7.4 billion, outlay reductions would be $1.3 billion; in fiscal 1984 the reductions would be $10.8 billion in budget authority——

Mr. DOMENICI. Mr. President, can we have order?

The PRESIDING OFFICER. If the Senator will desist, the Senate is not in order. The Senator from Kansas deserves the courtesy of being heard on her amendment.

The Senator will proceed.

Mrs. KASSEBAUM. In fiscal year 1984 the reductions would be $10.8 billion for budget authority and $4.2 billion for outlays. In 1985 budget authority reductions would be $17.1 billion. Outlay reductions would be $8.4 billion. This is a total of outlay reductions of $13.9 billion.

Taken in its entirety, this amendment would reduce the resolution-reported rate of real growth in defense budget authority for fiscal year 1983 from 9.7 percent to an even 7 percent. The amendment would also reduce the 3 year average annual rate of real defense growth from 6.8 percent to approximately 6 percent.

The growth pattern for budget authority offered in the amendment is consistent with the pattern of the President's request. The largest rate of real growth is provided in the first year—fiscal year 1983. Budget authority growth drops off in 1984 and increases again in 1985. The similarity between the growth patterns found in the President's request and in this amendment exists by design. The amendment is structured to accommodate a defense buildup consistent with the path proposed by the President. The amendment would not preclude the implementation of existing plans for force modernization or readiness. It would, however, slow the pace at which such a buildup would take place to a rate consistent with sound economic policy.

Mr. President, when Ronald Reagan was inaugurated as President, he came to office with a solid consensus on national defense. It was the consensus of the American electorate that the Defense Establishment of this country had dangerously eroded. During the Presidential campaign, the extent of the Soviet military buildup was held in contrast to our own record of a half century of neglect of national defense. "Window of vulnerability" became a household phrase. The President was elected with a mandate to close that window.

Today—scarcely 15 months later—that consensus is slipping. And I think that should be a concern to us here. The public cannot reconcile the pronounced need to "get control over the growth of Federal spending" with the announced plan to spend $1.6 trillion for national defense by fiscal year 1986.

The American people have not changed. The perceived need for restoring this country's military strength has not changed. However, the public refuses to accept the premise that military strength flows from the uncontrolled infusion of money into the Pentagon. The American people are deeply cynical on the issue of defense spending. "Cost overrun" has become synonymous with military procurement. The public is looking toward the Congress to strengthen the defense of this country. They are looking for responsible defense spending.

In offering this amendment I do not quarrel with those who say the military balance has become more precarious. I respond, however, that military superiority has never been a function of outlay rates or total obligational authority. This resolution—and the defense authority bill recently passed by this body—make that point more clearly, and more concisely than any argument I could advance. Spending for defense under both of these measures is greatly increased over fiscal year 1982 levels.

In offering this amendment, I do not question the need for increased spending for national defense. In fact this amendment incorporates a substantial portion of the President's requested funding increase for the fiscal year 1983–1985 period. The amendment would—however—require the Pentagon to practice the same vigilance in procurement, efficiency in operation, and fiscal discipline in program administration as we demand in nondefense spending.

It is always difficult, Mr. President, to get into assumptions one makes on spending levels in the budget. But, obviously, we have certain assumptions under which we have operated as we have drawn up an amendment. I would like to speak to an assumption that I have made. However, there might be other assumptions that would go into any decisions made by the authorizing or appropriating committee.

The program assumptions for the amendment I am offering would not require the demobilization of a single military unit. They would not necessitate the cancellation of any weapons programs. The size of U.S. forces would not be reduced in any way. In fact, my amendment could accommodate the force expansion contemplated in the President's original fiscal year 1983 defense request.

The funding levels within this amendment assume the existence of a commitment on the part of Congress and the Department of Defense to insure that weapons systems are brought into production and funded on the basis of systematic testing and evaluation that results in proven effectiveness.

My amendment assumes that procurement funding would be deferred without prejudice for the production of any new weapons program until that program, has, first, met all originally specified performance and cost criteria on a unit cost basis taking inflation into account; second, has been subjected to rigorous, fully combat loaded, live fire, free play testing monitored by the General Accounting Office; and, third, has been demonstrated by such testing in a side by side competitive format to be superior or equal in performance to similar purpose, existing foreign and domestic produced weapons systems and to be less or equally expensive on a unit cost basis to such existing systems. Testing should also be conducted to demonstrate the superiority of the new system to that which it is replacing, a suggestion that should not always be taken for granted.

Upon meeting these criteria the new weapons program shall be fully funded for production. Whenever a foreign weapons system is found to be superior in performance and lower in cost than a U.S. developed system, the foreign system will be procured on the condition that it will be license-built in the United States.

In the event that no competitive system exists, only the requirements of the third competitive testing assumption would be waived.

It is not necessary for us to consider now where the line should be drawn to determine that weapons systems must have their procurement funding deferred without prejudice to meet the spending level established by my spending mark. That can be computed by the Department of Defense. Quite obviously, this assumption would not affect those weapons systems that are already well into production. I have no intention of disrupting programs that are now being procured at efficient rates.

The logic of this amendment should be evident to those who understand that deterrence results from a proven ability to fight and defeat aggression using the most advanced weaponry available to the United States. I believe that the effectiveness of U.S. weapons is a vital and necessary component of our ability to wage and, therefore, deter war. In the absence of real combat, weapons effectiveness can only be proven in realistic, fully combat loaded, free play tests, monitored by those with no vested interest in assuring that a weapon system being tested is not embarrassed. In this way, we can determine better than we have in the past whether a weapon in development is faulty in either concept or performance before—not after—it is delivered to U.S. servicemen in the field.

As an example of the problem that I am addressing and of the unfortunate consequences of past practices, I ask unanimous consent that there be printed in the Record at the conclusion of my remarks a series of articles that appeared in the Wichita Eagle-

Beacon concerning testing and development problems that occurred in the case of the Viper antitank missile system.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

(See exhibit 1.)

Mrs. KASSEBAUM. Mr. President, my amendment assumes that we should be more thorough in assuring that the weapons we give to our soldiers in the field work as advertised and are the best available to any soldier in the world. In achieving that goal, I believe we should make constructive use in what I hope and expect is transitional budgetary tightness in the overall Federal budget not to kill any weapons program or to demobilize any defense unit, but to defer some programs without prejudice to insure more thoroughly that we have the most effectively equipped defense establishment in the world.

Unless the administration's planned defense buildup has the confidence of the American people, it is doomed to failure. The public will not support massive funding for any program perceived to be fraught with mismanagement and waste. The Congress must exercise responsible budgetary control over defense spending if a public consensus in support of that spending is to endure. I offer my amendment in the hope of improving the climate necessary to guarantee such a consensus.

Exhibit 1

Ground Rules Limited Design—In Its Early Days, Everyone Loved New Weapon

(By Frank Greve)

The Army's new infantry anti-tank rocket called the Viper was supposed to cost $78 when proposed in 1976. It also was supposed to stop enemy tanks.

Now, the Army admits Viper is largely ineffective against modern Soviet armor, and the cost of the rocket has reached $787 a round. Nonetheless, the Army proposes to buy 649,100 Vipers.

Once viper did not look like a turkey. Once, in 1974, Lawrence O'Neill, chairman of the Army Scientific Advisory Panel, acclaimed the project "the most complete, competent and comprehensible technical program I have ever seen."

Army Chief of Staff Creighton Abrams loved it, too. So did Gen. William Westmoreland, who had started the ball rolling.

Late in 1967, Westmoreland had sent back from his command in South Vietnam a Soviet anti-tank weapon called the RPG-7. It worked, said Westmoreland, a lot better than the U.S. equivalent, the LAW (light anti-tank weapon). The LAW, widely cursed in Vietnam, had a 15 percent to 20 percent dud rate, a bad habit of exploding in its launch tube and a range of only about 130 yards.

Westmoreland asked the Army's Missile Command, in Huntsville, Ala., to take the RPG-7 apart and "reverse engineer" it: Find out what made it tick so nicely. Then he wanted the Army to begin work on a new LAW.

Research, involving fins, propellents, warheads, launching systems, fuses and other weapon elements consumed four years. Finally, in 1972, the Army was ready to pull its subsystem research together and invent a new weapon.

The challenge of overseeing research on the new weapon fell to Steven C. Walker, a sandy-haired, enthusiastic major from New Orleans, a West Point graduate who had excelled at the Army's graduate courses in rocketry. Walker and others offer great praise for the chief civilian engineer chosen to work with him, Bernie Cobb. In the community of intense rocket wizards developed by the Army at its Redstone Arsenal, Cobb was considered both a wizard and a workaholic.

Higher-ups at other Army commands set the ground rules. On weight, for example, the Human Engineering Laboratory at the Army's Aberdeen (Md.) Proving Grounds imposed a limit of 6 to 7 pounds. That was arrived at after adding various weights to the 48.4-pound load of assault gear U.S. infantry normally carry in battle. More than seven pounds of added weight, the laboratory found in extensive testing, slows a soldier and deteriorates his marksmanship.

Implicit in the decision on weight was a basic battlefield strategy: Every infantryman was to carry a Viper. Rather than designate a squad member to lug a heavier and perhaps more potent weapon, Vipers would be dealt to everyone, cooks and mechanics included. In a European war, in which Soviet-bloc tanks stand to outnumber NATO tanks by more than 3 to 1, Army generals wanted a tank-killer behind every haystack and hedgerow.

The Army surgeon general set another standard: The blast noise of the new Viper could not exceed the level applied to other battlefield weapons. That was, and remains, a more than thunderous 180 decibels after penetrating through earplugs.

It may seem odd, the notion that a soldier about to be crushed by a tank should worry about his eardrums. But hearing loss is a common military disability. And the surgeon general's office, stung at the time by bad publicity about Army experiments with mind-altering drugs, was in no mood to compromise on noise.

"We're in peacetime," shrugged Viper project manager Col. Aaron Larkins, 44, a pipe-smoking engineer from Tennessee.

As Walker and Cobb sought to come up with a more lethal and accurate rocket with a longer range, weight was a crucial factor. Given that the weapon would have three components—a launching tube, a warhead and a rocket motor to propel the warhead—the weight constraint limited the warhead to one pound. Because of limits in warhead engineering, that limited Viper's ability to penetrate armor.

But the noise limit was troublesome, too. For longer range, Walker and Cobb needed a sharp, tremendously powerful blast.

And, to give Viper a nearly flat trajectory, improving accuracy, the developers needed the rocket's velocity to approach the speed of sound as it left the launch tube. High velocity also promised a flight time for the projectile so fast the target couldn't move much before the warhead hit. The surgeon general's standard limiting the noise made these goals more difficult to achieve.

What Walker and Cobb came up with was a projectile 27 inches long that looked like a stubby arrow fired from a 44-inch tube. The rocket motor was at the back, connected by a short, tapered metal shank to the warhead. Except for the shank, the current Viper is basically similar and works exactly the same way. The warhead consists of three parts. At the front are two hollow copper cones with their rims joined and their noses facing in opposite directions. Packed behind the rear cone are a powerful explosive and a fuse.

When the warhead, propelled by the rocket, hits its target, the fuse explodes the charge. The explosion collapses the cones and turns the copper into a molten and gaseous plasma, surging forward with tremendous force.

The plasma jet, focused by the cone's original shape, eats through the tank's armor like an acetylene torch. When the molten metal penetrates the tank's crew compartment, it cools into hot, fatal shrapnel.

Because of the overall weight limit and the dynamics, geometry and weight of the warhead cone, Cobb and Walker figured Viper would have to be about 2.8 inches (70 millimeters) in diameter.

That meant a plasma jet a little thicker than an ordinary lead pencil and able to penetrate about 14 to 18 inches of steel. Such a jet was sufficient to be deadly—at least against the Soviet armor being reported by U.S. intelligence at the time.

To give the Viper's rocket blast a greatly enhanced punch, the Army came up with a complex, exotic propellent additive called carborane. It has two disadvantages infantry someday may care about: The blast from firing produces a terrific cloud of smoke, making viper gunners easy to spot. And prolonged exposure to moisture destabilizes carborane and may cause erratic firing.

Past Army Viper project managers have cared far more about another carborane trait: The firing blast it produced exceeded, until recent modifications in the weapon, the surgeon general's standard for noise.

"We knew we were trading noise (to get) a flat trajectory and better range and time of flight," explained Walker, now an executive with a Huntsville defense firm. "You discover in the rocket business that everything is interrelated. You trade penetration for weight, fin surface for velocity, always something for something.

"Balancing those trade-offs becomes almost more an art than a science because you can't predict on paper or on a computer exactly what will happen in other systems when you tweak something in a system that seems unrelated."

Finally, in 1974, after some 400 test firings, Walker and Cobb had a prototype Viper everybody liked. It had good accuracy to 330 yards. It met the weight standard. The warhead worked.

Walker considers his work on Viper "one of the two or three best things I've done in my life." He keeps the praise of O'Neill, the Army's Science Board chairman, in a presentation album and keeps a model of Viper—his Viper—on the living room bookshelf in his home.

Cobb, his old colleague, still works for the Army and wouldn't talk much. "When we put it together," Cobb did let himself say, "it was the best system in the world."

What happened next made their baby nobody's baby. The Army transferred Walker to Riyadh, Saudi Arabia, to be a procurement officer for the Saudi National Guard. He didn't resist: "It was time in my career for an overseas tour."

At the same time, the Army decided to push Viper into the design engineering stage, the next necessary step leading to mass production. This meant taking Viper from the Advanced Systems Concepts Laboratory where Cobb and Walker had worked, and creating a new, separate Viper project

office. Cobb remained in the Concepts Laboratory, no longer Viper's chief engineer.

So, what the Viper project officers issued in January 1975 was a set of performance specifications for an anti-tank weapon that could do what the Viper prototype did. But the design was to be up to the manufacturer.

By that procedure, the art involved in the prototype Viper's carefully balanced systems was lost just as the artists—Walker and Cobb—were lost.

Redesigns, Turnovers Slowed Viper Work as Costs Increased

(By Frank Greve)

General Dynamics Corp., today the biggest defense contractor in the noncommunist world, typically makes small quantities of expensive, complex weapons.

In its $5-billion-a-year sales bucket, the Viper anti-tank weapon project is less than a $100-million-a-year drop.

What kindled General Dynamics' interest was not the Viper's $78 price tag, but the quantity of the purchase, then projected at 1.7 million units. Moreover, the Army had nearly 3 million outmoded anti-tank weapons to replace, so Viper could turn into a perpetual contract, a virtual money machine.

In 1976, General Dynamics won the contract over two other companies. The first job, recalled Joseph Alcala, the firm's initial Viper project manager, was to "develop our engineering design and beat it against our cost targets."

As it turned out, Viper, General Dynamics and the Army all took a beating.

One of General Dynamics' first fateful decisions, for example, was to dump Viper's curved-tail fin design and its pop-off ring, which kept the fins furled.

Instead, Alcala wanted a cluster of dagger-type fins that would be easier to mass produce, even though they provided less stabilization.

But without the pop-off ring, the fins dragged in the launch tube and sometimes broke off. They also had less surface area, making the emerging Viper more wobbly in crosswinds.

Instead of restoring the old fins, Alcala and the Army's engineers decided to change the rocket's shape so it would be less vulnerable to aerodynamic forces.

First, they filled in with hardened plastic foam the narrowed shaft between rocket and warhead. But, recalled veteran Viper engineer James Hughes, the foam sometimes disintegrated under the force of the explosion.

Eventually, an aluminum shield replaced the foam, the interior surface of the launch tube was streamlined and the fins themselves were reshaped.

The cost: between $2 million and $5 million in design engineering money, according to Hughes, plus six months of research time.

The new version also proved as much as 25 percent less accurate.

In another fateful decision, General Dynamics changed the way the warhead was connected to the rocket. Instead of a threaded joint, General Dynamics proposed a stamped-and-crimped process called magneforming.

Result: Fuses were damaged by the process, and rockets and warheads sometimes broke apart. Eventually, General Dynamics went back to the threaded joint.

The weapon's noise problem also proved persistent. Engineers moved the rocket motor away from the gunner's ear. They lengthened the launch tube. They shortened it again. They fussed with the tube's rear opening.

All told, fixing the noise problem cost from $5 million to $10 million, according to Army engineer Hughes, while research took until January 1981.

Retired Col. Hubert O. Lacquement, the first project manager assigned to Viper, offered this summation of the early work: "We took a great prototype and screwed it up."

Lacquement also warned his commanding general in August 1977 that trouble lay ahead.

"There's going to be a major slip in the production schedule and it's going to carry costs with it," he recalled telling his boss. "You've got to allow this or quit."

Lacquement was given a month to fix the problems. He could not, and was canned a month later.

His boss on the Viper project, Maj. Gen. Charles Means, on the job four months, had decided the project needed new blood, top to bottom. Alcala was recalled to California just as Lacquement left.

Once again, Viper had been orphaned all at once, of its top experts. That turnover problem persists. When its current manager retires this month, Viper will have its fifth top Army executive in six years.

Turnover also made it impossible for anyone to master costs. Asked where the original, $78-a-unit figure had come from, General Dynamics spokesman Charles Mimbs replied: "Corporate memory has forgotten how that number was generated."

Said a Viper analyst: "Nobody gave a damn about price."

Actually, the origin of the $78 figure isn't mysterious. Viper's original designers had priced components of their prototype, added an assembly fee, and figured that was about right.

Said General Accounting Office examiner Hyman Baras: "The military is not good at estimating. If private business estimated with the imprecision of the military, they'd be out of business pretty soon."

Often, however, industry accepts or offers unrealistically low cost estimates to win an initial contract, procurement experts suggested. As happened with Viper, estimates are kept down during development engineering stages, lest Congress or the Pentagon take fright and drop a project. Most increases show up—as they did on Viper—just as a weapon system goes into production. In Viper's case, $433 a unit has been added to the cost since August 1980.

Explaining the cost growth is another matter. For example, costs arising from Viper's fin changes are termed "safety improvements" in the official Army-General Dynamics account. The increased cost of the threaded joint connecting the warhead to the rocket motor is described as a "reliability improvement."

Col. Aaron Larkins, the present Army project manager, inherited another unenviable chore: Between 1980 and 1981, he had to bring Viper, already two years behind schedule, through extensive field testing so that production could begin.

Watching with wolfish skepticism were Defense Department officials who thought Viper expendable, plus the producers of competing weapons systems, plus a few congressional staff experts in defense overruns.

Aware of the growing skepticism, Larkins and a representative of the Army's Training and Doctrine Command proceeded to exempt Viper from standards it couldn't meet, before it was judged by those standards.

First, Viper was exempted from killing all tanks, and expected to fight only older models. Maj. Gen. Lawrence F. Skibbie, director of combat support systems for the Army, acknowledged the exemption in a Knight-Ridder interview.

Larkins, with Army consent, also eliminated a requirement that Viper function after two hours of being submerged in three feet of water. It already had been found that Vipers leak after three to five minutes.

Finally, Viper's weight was allowed to go up from its original 7-pound standard to 8.98 pounds. That permitted General Dynamics to fix an embarrassing problem. The back end of a launch tube had blown off in one early test.

The Marine Corps was not consulted and not impressed by the changes.

The Marines didn't withdraw their support, however, until a General Accounting Office report appeared July 28, 1981, six days before the Army was to make a final decision on Viper production.

The GAO report was scathing. It concluded: "Viper's demonstrated effectiveness barely meets the low end of the Army's requirements and, at that, only against older Soviet tanks. Against the new tanks, which will be the predominant tanks it will be facing, Viper remains largely ineffective."

Despite Other Suitors, Army Won Battle

(By Frank Greve)

When Congress and Viper's competitors sensed the weapon's weaknesses, beginning in 1980 and growing in 1981, a classic procurement battle commenced.

The Army closed ranks to support it. Indeed, Gen. John Vessey, Army vice chief of staff, has gone so far in recent months as to call Viper "the sponge that will soak up the enemy's armor."

Gen. E. C. "Shy" Meyer, Army chief of staff, was more measured in his support during 1980 congressional testimony: He said Viper's effectiveness "is appreciably greater than any other anti-tank rocket of comparable size available in the same time period."

That is true. Viper is the only weapon available in its size and weight class, except the weapon it was intended to replace.

Most other countries and manufacturers have developed a bigger, heavier anti-tank rocket, and when they realized that Viper was in trouble, they decided to peddle their weapons anew.

They also realized they would be battling the Army in promoting their wares, so they courted and supported influential decision-makers at the Defense Department and in Congress.

Manurhin of France, for example, which makes a 19-pound tank-killer called APILAS, employs Carl Bernard, a retired Army colonel who specializes in the French arms industry. His brother, Charles, is director for land warfare in an undersecretary of defense office.

Charles Bernard recommended killing Viper in 1981. Carl Bernard says he's never talked to his brother about Viper, but opposes it for a personal reason: An army company he led in the Korean War lost 100 of 125 men to North Korean tanks while carrying inadequate anti-tank weapons.

A-F Raufoss of Norway, would-be manufacturers of an improved version of the U.S. light anti-tank weapon, employs through a

U.S. partner company another retired Army colonel, George Poole. Poole is a close friend of Charles Bernard's specialist in infantry weapons, Col. Charles Garvey.

Garvey also had a business relationship with a General Dynamics executive: In July 1980, General Dynamics representive Charles Mimbs called Garvey "out of the blue," Garvey said, and asked Garvey to sell his house.

"I had never met him before nor since," Garvey said of Mimbs. "We have never discussed business or anything else." Of his dealings with Poole and the Norwegian weaponmaker, Garvey said: "I truly didn't—and don't—feel I've done anything wrong."

Many Pentagon employees are linked to defense industry representatives by part-time work, and close friendships arc common.

"You have to understand that we all need each other," said one player of the procurement game. "A lobbyist can find out things on the Hill where a Pentagon civilian, by law, can't go. Sometimes a general can lobby better than a company rep. Other times, they're in closed meetings that the company rep can't attend.

"You've got to play the game to win at it," he said.

With Viper threatened, General Dynamics also played procurement politics. Through a New Hampshire-based Viper subcontractor, it urged Sen. Warren Rudman, R-N.H., in his words, "to be reasonable. They wanted my understanding that it was a difficult project and that General Dynamics and the government had a lot invested in it." Rudman, who said in an interview he once had the votes to kill Viper, eventually elected to compromise instead.

General Dynamics also had contracted a key critic of defense spending, Rep. Joseph Addabbo, D-N.Y., chairman of the House Defense Appropriations subcommittee. Viper's fuses are made in Addabbo's district.

As part of the rescue operation, General Dynamics and the Army also promised they could bring down Viper's costs. In an interview, General Dynamics spokesman Mimbs said fuses could be reduced in price from $80 to $30 and launch tubes made nearly $100 cheaper.

But these aren't genuine cost reductions, their makers have said subsequently. For instance, the $100 reduction would come from machine wrapping, rather than hand wrapping, the launch tubes.

Late in 1981, things looked bad for Viper. The Norwegian manufacturer promised a weapon nearly as good as Viper at $225 a copy, less than a third the price. The French APILAS, made by Manurhin, could kill tanks that Viper couldn't. The West German Armbrust had enough congressional support to force a shoot-off. Moreover, the Marines' withdrawal of support for the weapon threatened to make Viper's per-unit price even higher, since the larger the contract, the lower the unit price and vice versa.

Then, in November, a shaky compromise was worked out in the House and Senate Defense Appropriations subcommittees. Total Viper production, until then set at 1.7 million rounds, would be cut to 889,100, presuming Marine participation, or 649,100 without it. The Army also agreed to drop plans to find a competing Viper manufacturer.

Instead, General Dynamics was to be granted a "sole source" contract, if it could reduce costs to a level acceptable to the Army. Additionally, Viper's production rate would be slowed to allow evaluation of the weapons of foreign competitors.

As another element of the delicate compromise, Raufoss, the Norwegian firm, was to receive $3 million from the Army to improve its light anti-tank weapon prior to the shoot-off demanded by Sen. Rudman.

In return for these concessions, and over the resistance of the Defense Department's Charles Bernard, the Army was allowed by Congress to proceed into production of Viper at the rate of 60,000 units in fiscal 1982.

Neutralizing the Defense Department's opposition is probably the most cunning Army effort on Viper's behalf since 1976.

Bernard had urged that the Defense Department's Research and Engineering section oppose Viper's production. His argument had won tentative acceptance in that office.

Undersecretary Richard DeLauer, according to several sources involved in the compromise, was ready to sign a rejection letter to Congress to kill the program.

However, Army brass, upon learning of this threat, approached an aid to DeLauer, Richard Hardison. Hardison, Bernard's boss, was sympathetic to the Army's position. The DeLauer letter was to pass through Hardison's hands.

It did, in a draft which said that while DeLauer agreed with the battlefield need for Viper, it should not be bought if it would cost more than two times the current, unimproved LAW. That was $400—far lower then General Dynamics' cost-reduction effort could ever hope to go for Viper. Thus, according to the draft letter which reached Hardison, Viper was dead.

But with one sentence, he restored it to life: "Perhaps you will be able to find a better solution, but an approach something along the following lines might be considered." That sentence preceded language about doubling the cost of the existing LAW.

Thus, the Army now says—without contradiction—that DeLauer merely suggested Viper's costs be no more than double that of LAW.

That's not the end of the procurement battle. Rankled by the congressional demand that they test Viper's foreign competitors, Army brass have found obstacles.

Even it the tests of competing systems come off as scheduled by July 1983, the Army does not plan to test Viper head-to-head against its foreign competitors. Nor is it committed to buying the winner.

Viper—nobody's baby—has joined the Army family.

Excel Tool Service Inc., a small Wichita machine stop, has been working on three component parts of the Army's Viper anti-tank rocket since 1979, and could make $8 million to $15 million on the project over the next five years.

Allen Oakleaf, president and part owner of the 11-year-old company, said Tuesday the company has been through various testing stages and is "now ready to go into full-scale production."

Oakleaf said the company, with 20 employees working at its plant at 3258 S. Hoover, will have to hire additional workers when production is in full swing. He estimated 25 or more will be working in three shifts to make the parts for the 649,100 weapons expected to be ordered.

Excel is making two internal components of the missile and one external component of the launcher. Oakleaf said the parts are being manufactured for a subcontractor who has been a regular customer for years. General Dynamics is the prime contractor.

Oakleaf declined to name the subcontractor or to give any detail about the components his company is manufacturing. He said he did not know what information may be classified. However, he said the subcontractor is an out-of-state "defense products manufacturer."

Oakleaf said the company's work has been accepted, assuring it of a continuing production contract provided the Viper gets the go-ahead.

He said the company has invested in expensive computer numerical control machines and has a robot-operated machine on order. These machines are needed, he noted, because the "stringent requirements and the tolerances we have to hold to are extremely tight."

Because of those requirements and the equipment needed to meet them, Oakleaf said he can understand why the cost of the weapon has escalated so rapidly from the original estimate of $78 to $787.

The PRESIDING OFFICER. Who yields time?

Mr. SPECTER. Mr. President, will the Senator yield?

Mrs. KASSEBAUM. I yield.

Mr. SPECTER. If the Senator will yield 5 minutes, that will be sufficient.

Mrs. KASSEBAUM. I yield.

Mr. SPECTER. I support the amendment which has been offered by the Senator from Kansas (Mrs. KASSEBAUM). I am impressed with her thoughtful presentation and with her analysis of the substance of her amendment, which, as she outlined it, would permit a reduction in cost without a reduction in the size of the Armed Forces and without a reduction of weapons systems.

I have no illusions, frankly, about the likelihood of passage of such an amendment at this time. But if it were to pass, I think it would be in the national interest.

I think it is appropriate that such a reduction be passed in light of the reductions being required in so many of the other programs which this body is considering at this time.

We face an extraordinarily difficult situation with our economy, and the rising deficit is an enormous problem for business expansion, for job opportunities, for a prosperous economy. No matter how strong our Defense Establishment, in the final analysis, it can be no stronger than the economic foundation upon which it rests.

Mr. President, I want to emphasize my continuing support for the new weapons and the additional strength the country requires. Last year, and again last week, I voted for the MX missile and the B-1 bomber as well as the other weapons and programs in the President's strategic arms modernization program and for programs to improve conventional forces. My support for the amendment is based on the understanding that cost reductions in the amounts indicated are realistically achievable through increased efficiency and will not require reductions in defense material or manpower, or in the readiness of our military forces. If this understanding is correct, the actual increase in the strength of our defense capabilities will be as great under the amendment as under the spending levels set forth in the resolution. In view of the size of the projected deficits and their possible effect of keeping interest rates so high as to undermine the economic health of the country, I believe it is appropriate to put the responsibility on the Defense Department to increase our military strength without unnecessary cost. Budgetary belt-tightening is required in all departments.

Accordingly, I believe that the logic and the position outlined by the distinguished Senator from Kansas are sound and I urge adoption of her amendment.

Mrs. KASSEBAUM. I thank the Senator from Pennsylvania.

Mr. RIEGLE. Mr. President, will the Senator from Kansas yield briefly? Will the Senator yield 5 minutes?

Mrs. KASSEBAUM. I am happy to yield 5 minutes to the Senator from Michigan.

Mr. RIEGLE. Mr. President, I ask unanimous consent that I may be made a cosponsor of her amendment, because I think it is a sound and necessary amendment. I congratulate her for her initiative in offering it. I ask to be made a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RIEGLE. Let me say that if this amendment should fail, as it very likely may, it would be my intention sometime tomorrow to offer an amendment somewhat along this line but a little bit different. That is, I would propose a 5-percent annual increase in defense spending over the next 3 years—the Senator from Kansas proposed 6—but in my approach I would propose defense savings and apply them to other functions in the budget where there have been sharp reductions. In other words, it would be a transfer amendment that would attempt to reduce the projected rate of increase in defense spending and to shift that money over into a variety of other functions, to make whole the veterans program, to apply some additional money to undo and to offset the projected cuts in medicare, in education, and some of the other areas.

I just announce that as an intention now so that others who have an interest in this issue might have a chance to think about that approach which will be offered later.

I want to say from the vantage point of serving on the Senate Budget Committee there is really no sound justification for $1.6 trillion in defense spending over the next 5 years in the Reagan administration budget proposals. We are setting aside more money than we can intelligently spend in defense. I have talked to defense contractors from across the country, top executives in leading defense firms, who are appalled at the waste that they see today in the defense area. They will say to me privately that we are overspending on defense, that it cannot be spent efficiently, it cannot be spent well. Yet, billions keep being poured into these kinds of expenditures at a time when we do not have the money and, second, when we have other needs in the country which are real, which are urgent, and to which our efforts should, instead, be directed.

So I join the Senator from Kansas. I think we have to restrain the overspending in defense, bringing it down to a level of increase which we can manage and which, in fact, is consistent with our real needs in the country, and instead use those extra resources in other ways, to reindustrialize our Nation, to get people back to work, to enable us to get interest rates down so that the business sector of the country can start to recover.

In that regard, I want to cite an item which has just come over the ticker which reads as follows:

> Crushed by the recession, U.S. company profits today took their second biggest plunge ever during the first 3 months of this year, new Government figures indicated Wednesday. Before-tax profits dropped 20.2 percent and after-tax profits dropped 17.5 percent from the fourth quarter. The dollar amount of the declines, $43 billion and $25.2 billion were bigger than any except during the second quarter of 1980 in that year's short but very steep recession.

The private sector in this country is under enormous pressure and stress. We are seeing a rising pattern of business failures and bankruptcies. We saw a major firm on Wall Street go under yesterday. One of the reasons that we are in this trouble is that we continue to spend more money on sacred cow items in this budget than we can afford. The defense budget has become the largest sacred cow of all. Yes, we need to increase defense spending for certain items, but we can do that within a 6-percent annual rate of growth which the Senator from Kansas has proposed here. I hope her amendment will be successful. Again, I congratulate her for offering it.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. Mr. President, I yield myself 1 minute for a statement of clarification.

We have been discussing this amendment, and I want to report to the Senate that it is the intention of the chairman of the Armed Services Committee, Senator TOWER, to move to table this amendment. It is my understanding that will not be done until the Senator from Kansas has used her time or yielded it back. We will use as much time as is needed before that occurs.

With that, if the Senator from Kansas has additional remarks, I will yield back to the Senator. I have about four people who want to speak in opposition at this point.

Mrs. KASSEBAUM. Mr. President, I thank the Senator.

I would like to ask unanimous consent to add Senators DURENBERGER, CHAFEE, PRYOR, HEINZ, HATFIELD, MELCHER, and RANDOLPH as cosponsors of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, will the Senator yield to me for a second?

Mrs. KASSEBAUM. I yield to the distinguished majority leader.

Mr. BAKER. Mr. President, let me say that there will in all likelihood be a tabling motion against this amendment, perhaps by the chairman of the Committee on Armed Services. So Senators can be on notice, it is my hope that we can have that vote at 6 p.m.

The PRESIDING OFFICER. Who yields time?

Mrs. KASSEBAUM. Mr. President, I yield to the Senator from Rhode Island.

Mr. CHAFEE. Mr. President, I am happy to join the distinguished Senator from Kansas as a cosponsor of this amendment. It seems to me that we have to put things in perspective. The high unemployment that we are experiencing in this Nation unquestionably stems from high interest rates. I do not think anybody disputes that. The high interest rates stem from the uncertainty in the financial community as to what is taking place in Congress plus the deep concern about the high deficits that the country is now running, and about huge prospective deficits.

Mr. President, the committee budget that we have before us for 1983 has a projected deficit of $115 billion. Mind you, the highest deficit we have ever had in the history of our Nation was $65 billion, so this is just about twice the highest deficit we have ever had.

Mr. President, what the Senator from Kansas has suggested is a very modest reduction in the extraordinarily, substantially high increases in defense. She has proposed a reduction of $1.3 billion for 1983 in outlays. I do not think anybody seriously questions that that money can be saved in the defense budget.

Mr. President, we are constantly hearing on this floor and shall hear again this afternoon about the immediacy of the threat, the magnitude of the threat. Mr. President, who knows what the threat really is, and who can say? Certainly, it makes far more sense to build up our defenses in a gradual, steady, substantial manner rather than plunge ahead with very high percentage increases the way this budget proposes.

I am confident, Mr. President, that what we have proposed in this budget after the amendment submitted by the Senator from Kansas will provide us Armed Forces, both general purpose forces and strategic forces, that are perfectly satisfactory to protect us against any threat.

Mr. President, I congratulate the Senator from Kansas for her amendment.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. Mr. President, I yield 5 minutes to the distinguished Senator from Texas.

The PRESIDING OFFICER. The Senator from Texas.

Mr. TOWER. Mr President, it is a big deal to talk about deficit, how defense impacts upon the deficit. Let me simply note that over the past 21 years, defense spending has increased in real terms by 12 percent, most of that in the decade of the sixties. Nondefense spending has increased by 230 percent. So let us identify the real culprit in terms of what is causing the deficit.

I might note that entitlement programs have gone up in much greater percentages than has defense. As a matter of fact, for the decade preceding last year, defense spending had actually not increased in real terms by as much as 1 percentage point.

I might point out something else. That is that for every dollar spent on defense procurement, some 46 cents comes back to the Treasury, so there is some yield back on that. I think there is no other form of direct spending by the Federal Government that produces that much return to the Treasury in taxes.

This cut is billed as being a very small cut. In fact, what it does over a 3-year period is reduce the President's original request in the budget authority by $81.1 billion, and outlays by $44.1 billion. That is an enormous amount. As a matter of fact, it would be a disastrous cut in terms of our attempt to modernize our military and get into the ball park with the Soviet Union, that has increased its defense spending by $350 billion in the last decade; $350 billion. They continue to spend at greater rates than we do. They have done so without provocation.

We have not provoked the Soviet Union, Mr. President. We have acted with great restraint at a time when we have possessed vast superiority and the Soviets committed a number of provocative acts. We did not respond from that vast superiority to that great provocation and fight a preemptive war against them. They know that. Yet without provocation, they continue to build this enormous capability.

Mr. President, if we were in a war, would we even consider this amendment? If we were currently in a war, would we say, well, defense has to take its reductions like everything else? We would not do that if we were involved in a shooting war. We did not do it during World War II. Defense was the top priority.

Mr. President, we are not in a war now, but we should understand that the next war we fight is going to be a Communist-initiated war and we had better be prepared now, not wait until that war comes to start getting prepared.

The United States has been in four wars in this century. Each one of them we have gone into reluctantly and ill prepared. I submit if we go into the next one ill prepared, we will not survive.

Mr. President, I suggest further that if we are prepared, we reduce dramatically the likelihood that we will ever have to go to war. Let it be understood that the Soviet economy is on a wartime footing. The Soviets are imposing enormous privation and hardship on their people to build this great offensive military machine, offensive far beyond the requirement to defend their own country. It is a military regime that is capable of great force projection.

What can they mean by this? One can only conclude that they intend to become the most powerful military force in the world. What would naturally flow from that should they achieve that objective would be that they would be the dominant political and economic power of this world. If that comes, we will not have the resources in this country, even though a shot is never fired. If they dominate the world economy, it is going to bode ill for the economy of the United States and the welfare of the American people and we are not going to have the resources to look after the socially and economically disadvantaged people of this country.

Mr. President, if we want to add programs back, let us do it, but not at the expense of the security of the people of the United States. The defense dollar is $1 spent by Government that benefits all of the people, 100 percent of the people, by providing them with security. Virtually everything else the Government spends benefits one particular constituency or another—large constituencies indeed. No one denies that we have an obligation to look after the elderly and the sick in this country. But we have an equally great obligation to our people to provide for their security from their external enemies. I submit, Mr. President, that there is no higher priority than providing security to the people of the United States against their potential external adversaries.

We are not in a war. If we were, this debate would not even be occurring. But please know, Mr. President, that if we get into a war, we will be getting into it in the particular state that we happen to be in in the moment and there will not be time to crank up American industry and spend the time and the billions of dollars to enable us to prevail when the outcome may already be decided because we were fools and repeated history and determined there were things far more important than national defense for us to spend our money on.

Let us not go into the next one ill prepared. Beyond that, Mr. President, let us assure that there will not be one by being so militarily strong that the Soviets not only will not attack us, but will be ineffective in trying to exercise military blackmail against us or against our friends.

Mr. President, I urge the Senate to reject this amendment. Defense has already taken a reduction. We are the only authorizing committee that has acted to reduce spending in compliance with the provisions of the budget resolution now before us.

I might add, Mr. President, we have gone even farther in that direction in the military construction bill, which was marked up in subcommittee a day or so ago and which we shall consider in the full committee tomorrow. That reduces by $1.4 billion the obligational authority for military construction.

Mr. President, if this amendment is adopted, it will undermine the President in his meeting with the other heads of state, heads of government at the NATO summit. It will undermine his efforts to achieve meaningful strategic arms reduction.

I recite again a letter which I submitted for the RECORD during the course of the debate on the Department of Defense authorization bill to the effect that he strongly opposes any further reductions than we have already agreed to take on the defense budget.

If we are lacking in vision, if we are only concerned about our immediate economic and political problems, yes, we can reduce defense. Why not cut it out altogether? If you are going to make it ineffective, why have it at all? But what are we doing to the future generations of Americans if we are not forward looking enough to try to guarantee their security?

I close with a Biblical admonition that "where there is no vision, the people perish."

The PRESIDING OFFICER. Who yields time?

Mr. WARNER addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. How much time does the Senator wish?.

Mr. WARNER. Four minutes.

Mr. DOMENICI. Mr. President, I yield 4 minutes to the Senator from Virginia.

Mr. WARNER. Mr. President, if I may, I should like to direct my comments to the distinguished Senator from Kansas.

In her presentation she said as follows:

> The amendment would not preclude the implementation of existing plans for force modernization or readiness. It would, however, slow the pace at which such buildup would take place to a rate consistent with sound economic policy.

It seems to me that the President has very carefully paced the modernization program in accordance with the threat as he and the intelligence community perceives that threat. Do I judge from the Senator's presentation that she might have information different than the President with regard to the threat? And that threat indeed is a driving component of all of our defense plans.

Mrs. KASSEBAUM. No, I would certainly say to the Senator from Virginia that I do not have any information, and he probably has more intelligent information than I do. But my amendment was designed in a way that would sustain the growth that is necessary but being consistent with the economic assumptions that we have to make.

Mr. WARNER. But it would in your own words "slow the pace at which such a buildup would take place."

Mrs. KASSEBAUM. As far as proving those systems. I said I would not want to hold up any program that was ongoing that could meet those requirements, but that I felt that a better testing of those systems would provide us those safeties and I think a sound and sensible defense, which fits in exactly with what the distinguished chairman of the Armed Services Committee was saying.

Mr. WARNER. If I might turn the distinguished Senator's attention to another comment she made, which I find somewhat perplexing—I do not fully understand it—in which the Senator says that testifying should be on a side-by-side competitive format to be superior or equal in performance to similar-purpose existing foreign weapons.

Does the Senator indicate that if we cannot in this country produce weapons systems of comparable military effectiveness at a comparable cost, we should buy the foreign system?

Mrs. KASSEBAUM. License-built in the United States.

Mr. WARNER. Nevertheless, those license arrangements would not necessarily mean that it would be less costly if built in the United States.

Mrs. KASSEBAUM. That cost is a matter of the competitive contract. It would be based on the same cost estimates as any contract that would be let.

Mr. WARNER. While I respect the distinguished Senator's motives here, I do question the means by which she thinks this amount of money can be eliminated from the budget without a slowdown in the rate of modernization, which again I say is pegged very closely to the threat and not the economic situation here in this country.

The PRESIDING OFFICER. Who yields time?

Mr. STENNIS. Mr. President, may I have 2 minutes.

The PRESIDING OFFICER. Who is yielding time?

Mr. DOMENICI. Mr. President, I would be pleased to yield for 2 minutes.

Mr. STENNIS. Mr. President, I thank my colleague.

Mr. President, just let me say this. The Senator from Kansas is so clear in her presentation and her purposes are so good, but this bill has been worked on, the figures at least, as much or more than any that I know of in several years. It is very, very difficult now, in view of the increased prices of hardware of all kinds, to set figures that really match the problem. The prices are increasing enormously.

The bill was previously on the floor, and that was really the time to open up the amendments and scrap this thing out. On a budget resolution it is an awkward approach. So far as I am concerned, I should like to see some reduction squeezed out, if possible. I will have another chance at that directly on the Appropriations Committee and as a member of the conference.

That would be my approach. But this kind of an amendment now will stir up the whole bill.

Mr. President, I was awakened here the first time I had ever held hearings on a SALT proposed agreement, and that was in 1979. That agreement has not been approved and new ones are in the beginning.

I had a chance to tell President Reagan that I thought, after all was said and done, the most important thing that came up to him in his 4 years was what he was able to do with reference to something in the nature of a SALT agreement.

It is pretty well stacked up for him. This bill is very firm. I would hate to see us changing the rules, changing the money, and showing any kind of a disposition not to back him on any position he might see fit to take. So I hope that we can leave this figure like it is for now.

Mr. BAKER. Mr. President, will the distinguished manager of the bill yield 30 seconds to me?

Mr. DOMENICI. I yield to the majority leader.

Mr. BAKER. Mr. President, I indicated earlier my hope that we could vote on the tabling motion which I expect to be made against this amendment at 6. For a variety of reasons, mostly because there are a number of Senators who still wish to speak, I ask the distinguished chairman of the Armed Services Committee not to make that motion until 7.

Mrs. KASSEBAUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Kansas.

Mrs. KASSEBAUM. I yield to the Senator from North Dakota.

Mr. ANDREWS. Mr. President, I appreciate my colleague yielding. It has been interesting listening to the debate. I think one of the things that should be pointed out is the amendment of the gentlelady from Kansas does not take out necessary defense capability in this country. I think we ought to point out to the Senate that we voted at a late night session last week to delete the C-5. I am a member of the Budget Committee. The Budget Committee staff just told me that the figures in this budget resolution include building the C-5 which the Senate itself voted down on this very floor. I think you can also take a look at other systems and decide if they are valid.

Mr. President, all too often in debates such as this, we hear too much talk about the fact that we are going to cut the defense budget, but we do not say why. That is not good enough for the American public. I think the American public should know that we can follow the amendment of the Senator from Kansas and cut these figures in the budget resolution, because the Senate already has voted to cut out the C-5; the Senate has voted to cut back on the MX program from the President's recommendation which is the level that is in this budget resolution.

Speaking frankly, as someone who is interested in the defense of this country, I have never been able to figure out why it makes sense to put a 10-warhead missile in a silo that is now targeted for a 3-warhead missile. If that is cost effectiveness, the meaning of those words escapes my mind. We do not need to do that, and it does not detract from the defense of this country.

We also should realize that we are spending a lot of dollars on battleship restoration. The Senator from North Dakota, together with a number of other Senators, voted to cut out that spending, up to $1.3 billion, on one battleship. Perhaps if we put some restrictions in this budget resolution, we can cut that back, after the lesson we were taught by a little French missile against a very modern British destroyer in the Falkland Islands.

I think we can also look at what we are doing with our individual military units. In our subcommittee, we have learned that we are adding units to our Air Force at the same time we are refusing to give adequate weaponry and up-to-date airplanes to our Air National Guard units who are on the line and ready to do the job of maintaining the defense of this country at a much lower dollar cost than their counter parts in the regular forces.

We can also point out that in the case of NATO, 350,000 American troops are stationed over there. One of the key leaders on the Republican side of the aisle is contemplating calling back some of those troops, which would save considerable money and make sense from the economic standpoint.

One of my colleagues just pointed out that it does not undermine NATO; it is not going to undermine the President when he goes to talk to the leaders of NATO. Those leaders of NATO are now spending less than half the amount we are, as a percentage of their gross national product, for their defense.

It is idiotic even to keep that number of troops there. We are now maintaining 120,000 troops in this country for rapid reinforcement of NATO if it is attacked. We learned in the subcommittee on which I serve that we could do far better by having the Germans and the other NATO nations maintain some of their reserves and use some of our equipment that is over there. It would be a lot cheaper than sending American troops there to back up a third of a million troops while they sit on their hands and make fast and loose with our economic future by being able to out trade us because their economy stays better.

Mr. President, another reason why we should support the amendment of the Senator from Kansas, another saving, is that if we do the simple thing of extending the tour of duty of our people in the military, we can save close to a billion dollars.

Yes, there are any numbers of ways we can make the savings within the defense establishment to come up with the figures with which the Senator from Kansas has come up.

I think it is incumbent upon the Senate to recognize that one of our greatest strengths is the strength of our economy. Quite franky, it is not in very good shape today. If we are serious about getting at the challenge of high interest rates, if we are serious about meeting the challenge that faces our overall strength, our basic economy, then these cuts that can be made in the fat and the flab of the defense establishments should be made in this budget resolution.

That is why I am happy to support my colleague from Kansas, and I hope the Senate will adopt this amendment.

The PRESIDING OFFICER (Mr. RUDMAN). Who yields time?

Mr. DOMENICI. I yield myself 3 minutes.

Mr. President, the Kassebaum amendment would hold real growth in defense budget authority to a 3-year pattern of 7 percent real growth in 1983, 3 percent in 1984, and 5 percent in 1985. The administration opposes this. Consistent with the President's commitment to keep defense capabilities on a growth pattern adequate for any contingency in the future, they have authorized me to indicate their opposition to the amendment.

I think the Senator from Kansas knows that I have the deepest respect for her. Obviously, I want to put together a comprehensive budget. She has heard me on more than one occasion say, however, that I was not in favor of cutting anything out of defense unless we had a comprehensive budget that dramatically reduced the deficits, put them on a trend line that was clear, credible, and a down trend line that significantly reduced the deficit.

I think we have done that. In the budget resolution before us, we have put together a package that begins that trendline moving dramatically toward balance. When the social security savings that are going to be made have finally been taken into account at the end of this year, we will have a significant trendline downward.

In summary, Mr. President, the Appropriations Committee would have to cut $20 billion in budget authority, and that is what they appropriate—$20 billion, this year. I know this is a large defense budget, but I have been asking if appropriators have ever cut $20 billion or anything like that in budget authority.

I repeat: While we in the Budget Committee talk about outlays, we still live in an era when the appropriators appropriate budget authority.

I ask: Have we ever had anything like $20 billion cut in 1 year over a President's request? I am told by the staff that even in the darkest years, when Congress regularly denied what Presidents asked for, we never did anything such as this, proportionately.

I hope the Senator from Kansas understands my opposition to the amendment. I do not think there is magic to one number or another. Obviously, we have to cut almost everything in the budget—"reduce growth wherever we can" may be a better way to say it. But in this case, I do not think it is credible to think we will cut $20 billion, and I do not believe we want to cut $80 billion in budget authority over the 3 years. Her amendment will not do that by itself, but when added to what we have accomplished, it will call for that.

I hope the amendment is tabled when the distinguished Senator from Texas so moves.

Mr. President, I am going to designate a member of our committee, the distinguished junior Senator from Idaho, to take my place and manage the remaining time. He wants time now to speak in opposition, so I yield to him.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. SYMMS. I thank the distinguished Senator from New Mexico for yielding.

Mr President, I oppose this amendment, with all due respect to my colleagues on the Budget Committee and the Senators from North Dakota and Kansas who have spoken in favor of this measure since I have been on the floor.

I really am surprised to see the amendment come up, in view of what we just went through recently, when some 90 Senators attended the top-secret DIA Soviet threat briefing which was ably presented to us by the distinguished chairman of the Armed Services Committee, Senator TOWER, where we had an opportunity to see the state of world affairs, of the weakness of the United States vis-a-vis the Soviet Union, in terms of relative military capability.

One wonders if we think we have the ability to defend ourselves and our security with $300 billion worth of entitlement programs. Yet, somehow we seem to fail to recognize that the most important of all entitlement programs for the American people is to provide security for the United States of America, to provide a safe world in which we can raise our children, a safe world in which to live. This is the most important of all social programs.

Yet, we are talking about the old refrain that always comes back at budget time: Cut defense, raise taxes, and increase social programs, as though somehow that will be the way to solve all our problems.

Mr. President, an historic debate is now taking shape in the Congress on the proposed increase in the U.S. defense budget, and on the reallocation of U.S. spending priorities. I offer my colleagues a framework within which to think about the defense budget issue.

We should go back and look at history. During the years that President Eisenhower was in office we were spending some 55 percent of our national budget for military preparedness. During the Kennedy years it dropped slightly. But that was during another critical time in our peaceful history, the late fifties and early sixties. President Kennedy made quite an issue during his Presidential campaign that the Soviets intended to checkmate the U.S. strategic deterrent in order to advance the cause of their world revolution.

That was in 1960, 22 years ago. The famous Kremlinologist Herbert Dinerstein stated in Foreign Affairs in 1958:

> If Soviet leaders acquire preponderant military strength, they would have policy options even more attractive than the initiation of nuclear war. By flaunting presumably invincible strength, the Soviet Union could compel piecemeal capitulation of the democracies.

That was Herbert Dinerstein in 1958. But then President Kennedy predicted during his 1960 Presidential campaign:

> Soviet missile power will be the shield from behind which they will slowly but surely advance—through Sputnik diplomacy, limited brush-fire wars, indirect non-overt aggression, intimidation and subversion, internal revolution, increased prestige or influence, and the vicious blackmail of our allies. The periphery of the free world will slowly be nibbled away.

That was in the fall of 1960 when John F. Kennedy said that, and how prophetic that has appeared to be.

There was quite a campaign issue, as I recall, on the Soviet missile gap. There really was a missile gap, but only years later did we realize that it was not a Soviet advantage in intercontinental-ballistic missiles—ICBM's—that was threatening us, but instead a Soviet advantage in medium range and intermediate-range ballistic missiles—MRBM's and IRBM's—that threatened U.S. and NATO allies in Europe and the Far East. The missile gap Kennedy feared was real, but it involved a huge Soviet advantage in MRBM's and IRBM's. Immediately after the 1960 election and starting in early 1961, the policy of the U.S. Government was to start an immediate augmentation of our strategic capability.

Immediately after Kennedy's inauguration, there were significant increases in defense spending and an acceleration of the deployment of the Polaris and Minuteman strategic missiles. Quickly the United States started to move toward filling that perceived and real missile gap.

Mr. President, it appears to me that after all the evidence of the massive Soviet threat that we have seen recently, we have been amply prepared to decide just what is enough for defense spending. To decide to cut the defense budget further would be a grave mistake on the part of this body. I go back again to the early sixties; 9 percent of the U.S. GNP was devoted to defense spending and today we are talking about 5.7 percent of GNP for defense spending. The rate of spending that we have made on defense has consistently declined until recently, and it is just not defensible, in my opinion, to make the argument that the cause of the big budget deficits is in any way related to the defense budget. I am the first to say we want to use all the economies we can, but I think the Kassebaum amendment goes far, far to far.

Mr. President, Kennedy fulfilled his 1960 campaign to close the real missile gap. Beginning in 1961, the United States deployed massive Polaris and Minuteman missile forces after only 3 years of research and development. This accelerated deployment demonstrated that if the American people can be made to understand the grave threat from the Soviets, a national political consensus will result and we can achieve a quick fix strategic deployment.

Defense experts are increasingly agreeing that the Soviet Union has achieved overall military supremacy over the United States and her allies.

The awesome Soviet military buildup began in 1960, as it was accurately predicted by Kennedy, and it has continued relentlessly ever since, with a U.S. strategic and military decline taking place since 1967.

There is growing awareness of the negative implications for U.S. foreign policy and our defense budget of the following dangerous facts of life:

The Soviets have achieved strategic nuclear superiority, both quantitatively and qualitatively, offensively and defensively.

The Soviets have achieved intermediate range nuclear superiority against NATO, Israel, and Japan.

There is growing Soviet naval superiority, and overwhelming Soviet conventional and general purpose superiority.

Now, in 1982, with overwhelming Soviet military supremacy evident in revolutionary events around the world, it appears that the sense of urgency that Kennedy acted on 20 years ago is nowhere to be seen, despite the vastly more dangerous Soviet nuclear blackmail threat today. We just do not have the same sense of urgency today, when the situation is much worse. It is much more dangerous today with the greater threat of Soviet blackmail. The threat is much more dangerous today. I do not say this in a partisan sense. It would make no difference who is in the White House.

The Soviet foreign policy objective is to exploit their nuclear blackmail capability. As Dinerstein so accurately predicted 24 years ago, and as a great Democratic President predicted 22 years ago, the Soviets have long-term, well-articulated foreign policy objectives which are served by their ongoing military buildup. For us to fail to see that after the course of the last 20 years would beg one to wonder just where the will and the commitment of the American people are and where the will and commitment of Congress are.

Soviet leaders themselves have stated that the main function of the Soviet state is to prepare for war. The Soviets declare quite openly that their present strategic and military superiority now checkmates all U.S. military forces.

Behind their bulwark of strategic supremacy, the Soviets declare that Communist-inspired wars of "national liberation" will be unleashed around the globe against an America paralyzed into inaction by fear of nuclear devastation.

I as one Senator cannot support this amendment, and I hope my colleagues will also oppose this amendment.

The question of whether or not the United States is going to be a free people is what we are talking about. Are we going to have the United States in a position so that we will not be blackmailed by future Soviet leaders behind their bulwark of strategic supremacy?

I repeat, the Soviets declare quite openly that Communist-inspired wars of "national liberation" will be unleashed around the globe and America will be paralyzed by inaction and fear with the threat of nuclear devastation. U.S. military response will be incapacitated by the strategic nuclear checkmate and by overall Soviet superiority.

With U.S. military response incapacitated by strategic nuclear checkmate, and also by overall Soviet military superiority, the Communist revolutionary movement is demonstrably on the offensive around the world. The Soviets are currently doing all they can in every place in the world to openly encourage armed revolution ever-more openly throughout the globe. They also now have the capability to engage in outright aggression against NATO, Poland, Afghanistan, Iran, and Japan, while attempting to forestall U.S. countermeasures by threatening nuclear blackmail.

I urge our colleagues to not run the risk of sending the wrong signal out of this body tonight by voting for this amendment.

We have long been witnessing the political consequence resulting from a shift in the overall military balance. Many things have happened since the fall of Southeast Asia in 1975, Angola in 1976, Ethiopia in 1977. These American foreign policy setbacks happened before the revolution in Iran, the hostage crisis in 1979 and 1980, and the belated recognition of the Soviet combat brigade in Cuba in 1979, the invasion of Afghanistan in 1979, the Soviet military threats to intimidate Poland, the Soviet-Cuban takeover of Nicaragua, in 1978 and the assault on El Salvador that is going on this very moment. The forces that are arrayed against America every day are becoming stronger.

I say again to my colleagues there is one entitlement that the American people deserve out of a $700-plus billion budget. I would think we could surely come up with the adequate funds which is 28 percent of our national budget, as the chairman of the Armed Services Committee has said. Twenty-eight percent of this budget is all we are talking about for a commitment for the defenses of America, the one Nation on Earth which is the greatest place you could be fortunate to be born a citizen of, and yet we seem to be so unconcerned about making the commitment to defend ourselves.

I say all people have to do is go back and look at history, whether you look at Carthage and their failure to defend themselves against the Roman legions or any other country, and find out that the surest way to get in trouble militarily is to let your guard down, let your defenses down.

Mr. President, in 1980 and in 1981 U.S. defense spending still has remained at the lowest point since Pearl Harbor as a percentage of overall Government spending. U.S. defense spending is at the lowest point as a percentage of our gross national product since just before the Korean war. The United States in 1982 is still only spending about 5.7 percent of our gross national product on defense.

I have the greatest respect for my colleague from North Dakota and my colleague from Kansas, but our Europeans and Japanese allies are also not spending as much as they should on defense. I am sorry they are not spending more to help in the overall defense of the free world. We have made efforts for them to do that. But that fails to answer the question of just who is going to defend the United States in a time of crisis or a confrontation.

I think the question has to be that it is going to come back here to the United States for that ultimate responsibility. So let us forget about Europe, let us forget about Japan. What about the defense of the United States of America? Surely a country of our strength and of our will and the wonderful people and the wonderful opportunities that we have, the industrial capacity, can spend more than 5.7 percent of our gross national product to defend what it is that is so good about this country, and to not only do that but to insure the fact that we will not be asked to send American boys to fight somewhere on foreign soil by keeping our strength up. History should teach us this lesson.

In contrast, the Soviets are spending from 14 to 18 percent of their smaller GNP on defense. Official U.S. estimates show that the Soviets have spent over $400 billion more than the United States on military investment alone in the decade since 1969.

The Soviets are devoting over $50 billion more to defense annually than the United States. If the United States were to increase its defense spending by 5 percent a year, as the previous administration proposed, it would take us about 40 years to catch up to the Soviets.

U.S. DEFENSE CUTBACKS

In the face of the steadily growing Soviet military preponderance during the 1970's resulting from relentlessly increasing Soviet military expenditures, the United States nevertheless continuously cut-back its defense spending.

According to the Heritage Foundation, about $45 billion were cut from our defense budget in the early 1970's.

About $38 billion more were again cut from our defense budget in the late 1970's.

The combined $400 billion Soviet spending advantage and $83 billion total U.S. defense spending cutback, together with the direct U.S. subsidy of Soviet defense capability through financial credit, trade, and technology transfer worth over $62 billion have created a total spending gap of over $545 billion.

In sum, the Soviets already have amassed an advantage in modern military procurement assets valued at about $545 billion more than the United States. If the $100 billion the United States spent in its Vietnam war defeat are taken into account, the gap increases to over $645 billion.

	Billions
Soviet 1969-82 military procurement advantage	$400
U.S. defense cuts, early 1970's	45
U.S. defense cuts, late 1970's	38
U.S. trade subsidy of Soviet military	62
U.S. Vietnam expenditure	100
Soviet military advantage	645

Mr. President, even these stark figures probably significantly understate the real defense spending gap. The estimated Soviet defense spending number does not account for the KGB border troops, civil defense, some military training, some military space activities, and certain military research and development.

The congressional defense cuts of the 1970's were made to defense budgets already signficantly cut by the President before being submitted to Congress. Moreover, the actual present value of the total Warsaw Pact debt to the West is significantly greatly than I have stated. Finally, the $13 billion that the Reagan administration has already cut from our defense budget in 1981 is not counted.

The fiscal year 1983 defense posture statement estimated the United States-Soviet military spending gap to be $710 billion, through 1982. So my estimated $645 billion Soviet defense spending advantage is both reasonable and conservatively low.

Mr. President, defense spending aggregates are not good measures of overall military power or of the military threat. The United States still maintains some technological and industrial advantages over the U.S.S.R. Thus, the United States need not match the Soviet Union in sheer magnitude of defense spending. But the $645 to $710 billion gap is nevertheless a measure of the major American effort that is required to restore military parity. We need to exploit our technological and industrial advantages to the fullest, in order to overcome Soviet advantages as cheaply as possible.

MAINTAINING THE MOMENTUM OF THE DEFENSE BUDGET INCREASE

Mr. President, already the negative signs are appearing. There have been massive protests in Europe against the American nuclear presence, and similar antidefense demonstrations in the United States. There are overblown complaints that increased military spending is causing "cruel cuts in social services." Intensive pressure is being brought to bear on President Reagan, even from members of his own party in Congress and in the administration, to cut military funding. And, an odd new philosophy, "military reform" is gaining support. By advocating cutting defense, we are being told we can somehow make our military stronger.

These signs bode ill for the security of America. The past 2 years have been described as a last chance for revitalizing our national security capability. In 1980, the American people clearly recognized the ominous Soviet threat and sent a host of bipartisan strong defense legislators to Washington with a prodefense mandate. In 1981, however, this mandate began to dissipate.

In fiscal year 1982, under the Reagan administration, defense spending increased actually less than 1 percent more than President Carter planned. Many legislators still do not realize the critical condition of our defenses. Many seem to have forgotten that the Soviets have achieved absolute superiority in all strategic and conventional measures largely because they outspend us by as much as 50 percent—$645 to $710 billion more in the last decade.

Have we forgotten that the Soviet leadership despises political systems based upon freedom and faith, and that the Russians invaded Hungary in 1956, Czechoslovakia in 1968, Afghanistan 2 years ago, and forced the resubmission of Poland in early December 1981?

Last year there was a slight reversal of our military decline. Major strategic modernization programs; namely, the MX missile and the B–1 bomber, and sorely needed personnel incentives and combat readiness improvements, were all approved. Important military assistance agreements with Saudi Arabia, Pakistan, and El Salvador were passed by Congress.

But the mandate for bolstered defense seems to have weakened somewhat. President Reagan, although very reluctant to do so, was persuaded in September to reduce fiscal year 1982 funding by $6 billion, and by $7 billion in fiscal year 1983. Now we see that defense increases in the Congress are facing even tougher sledding as the budget for fiscal year 1983 is debated.

But the awesome Soviet threat makes it necessary to significantly boost defense expenditures in real terms. It will nevertheless be vulnerable to attacks from those distressed by further cuts only in the rate of growth in social services and entitlements.

It would be extremely dangerous if the Congress bowed to pressure and approved a less than adequate defense program this year. The United States is already going through the window of vulnerability to a Soviet first strike. We must not hesitate to fund the vital weapons now on line. We must achieve as quickly as possible and maintain that margin of safety that a strong and effective defense provides. As the richest, still the most industrially advanced nation in the world, we can surely increase our defense capabilities simultaneously with a solution to our economic problems. We need not abandon the social programs helping the truly poor and needy. We need to at least freeze the rate of growth of social programs.

COUNTERING DEFENSE CUTS

In considering the arguments being made to cut the Defense budget, it is important to bear in mind several additional factors.

First, Defense Secretary Weinberger's 1983 posture statement points out that about $60 billion have already been cut out of the Defense budget projects through 1987. This figure represents cost overruns, inefficiency, waste, and mismanagement. Thus, the Defense budget has already largely been scrubbed clean in this area.

Second, it takes a factor or about $4 cut in budget authority the outyears to achieve a $1 cut in current year defense outlays. Thus, huge amounts have to be cut from outyear procurements, due to the long leadtimes for major weapons programs, in order to achieve marginal cuts in current year outlays.

Third, cuts in defense spending cannot significantly reduce the deficit or balance the budget. Moreover, defense cuts will not significantly achieve lower interest rates or lower inflation rates. Indeed, defense cuts could actually increase unemployment.

Finally, if defense procurement is cut, we will wind up paying higher unit prices for our weapons systems. Large multiyear buys have been planned to take advantage of mass production economies of scale, which significantly lower unit costs. With procurement cuts, unit costs will rise once again, and we will be right back to the old cost overrun problems of the past.

DEFENSE DEBATE SUMMARY

In sum, the Soviet military threat to our Nation is now totally unprecedented. Here is a summary of the most important factors which need to be considered in our debate over the Kassebaum defense cut.

First, according to the Baltimore Sun of March 11, 1982, the Defense Department has recently concluded a study confirming that the Soviets will maintain their overall strategic superiority through 1990. Many other expert analyses have reached this same conclusion. Long-term U.S. strategic inferiority means that the United States may never be able to regain strategic nuclear parity with the Soviets without emergency catchup efforts. We may find ourselves under the Soviet jack boot forever.

Second, Marshal Ogarkov, Chief of the Soviet General Staff, has proposed recently that the Soviet people be fully mobilized to prepare for war. This is yet another sign of extremely critical danger to the United States, because since 1960 the entire Soviet economy has already been operating on a near wartime basis producing armaments. The Soviet Union itself has long been the epitome of a military-industrial complex.

Third, I have already given the breakdown of a gap of between $645 and $710 billion between United States and Soviet defense expenditures since 1969. We are way behind the Russians in defense expenditures and overall military power.

Fourth, even with the proposed Reagan defense buildup over the next 5 years, there are authoritative reports that our planned military forces are still underfunded by $750 billion over the next 5 years. And there are also reliable reports that even after our forces are enhanced, they may still have trouble defending our vital national security interests and executing our national strategy.

Fifth, there is strong evidence that the Soviet military and strategic nuclear offensive threat from Cuba is greater now than it was during the Cuban missile crisis of 1962. There are reports of Soviet heavy bombers, strategic submarines, and fighter bombers capable of nuclear delivery already present in Cuba in violation of the Kennedy-Khrushchev agreement of 1962.

Finally, Soviet President Brezhnev recently threatened nuclear blackmail to try to force the United States to freeze our strategic nuclear forces into permanent vulnerability and inequality. Soviet sources in Moscow revealed that Brezhnev was threatening to openly banish Soviet strategic nuclear forces already in Cuba to force the United States into submitting to a highly disadvantageous, unequal nuclear weapons freeze. Brezhnev seems to be trying to prevent both U.S. theater nuclear and strategic force modernization by nuclear blackmail threats. Such a freeeze would permanently freeze the United States into dangerous military inferiority.

The magnitude of the Soviet threat is totally unprecedented. Can the Senate continue to allow uncontrolled social spending and entitlement programs to prevent us from our fundamental obligation to defend America from the ever more formidable Soviet threat? Can our defense needs really be budgeted, or are they an independent variable?

CONCLUSION

Mr. President, it is necessary to summarize where we have been and the situation that Ronald Reagan inherited upon taking office:

Government spending has been growing at a rapid and increasing rate over the past 30 years; during the last 10 years the greatest increase in spending has come from the entitlement programs which now compromise nearly 60 percent of the Federal budget.

The public (Government) sector has grown faster than the private sector.

The size and cost of the Federal Government has grown faster than State and local government.

The Federal Government has relied increasingly on large deficits, along with inflation, to finance its spending.

Excessive and anticapitalistic taxes have had a substantially depressing effect on economic activity.

Persistent high rates of monetary inflation threaten economic stability, leading to social degradation and instability.

The rapid shift in spending priorities away from national defense, along with the decline in scientific research and development, is eroding America's technology base and has already resulted in the Soviet Union achieving military superiority over the United States.

The situation just described is the result of 50 years of "tax-spend-elect" politics utilizing the largess of the National Treasury in deficit to cause the population to favor personal income transfer payments at the expense of broader national goals.

Ronald Reagan is the first President in 50 years who has attempted to make real change in the policy direction of the Federal Government. This includes reductions in the percentage of the GNP consumed by Government; an end to increasingly progressive taxation, as well as "inflation bracket creep;" a reversal in the direction of budget priorities so that the portion going for national defense is increased and the nondefense portion decreased; and the beginning of a geopolitical strategy to resist Soviet expansionism.

THE REAGAN MANDATE

The election of 1980 was a mandate for change from the voters. It was a victory for a conservative coalition of limited Government/free enterprise advocates, prodefense advocates, and antiabortion/profamily voters—all backing Ronald Reagan because they liked his stand on particular issues of concern to them. This conservative coalition not only elected Ronald Reagan, but also elected a number of conservative Republicans to the Senate and House of Representatives, resulting in Republican control of the Senate for the first time since 1952. The victorious Senate and House Republicans in 1980 were supported by the same winning coalition that worked for the President. For the first time in many years, the Republican Party in 1980 appeared to present a clear philosophical position as a party. Thus, the 1980 Reagan victory was accompanied by a parallel sweep of so many conservative candidates down through the local level.

THE LIBERAL REACTION

Liberal critics of the Reagan programs are purporting to be most concerned over the large deficits projected for the next couple of years. Yet, I would suggest that what really is at issue with the liberals is not the deficits but the changing priorities contained in the Reagan budget. Specifically, they oppose the defense increases and the cuts in social welfare programs, along with the incentive tax cut to encourage saving and investment. Liberals have never been sensitive to budget deficits in the past—in fact, they promoted them. What is feared most is that the Reagan economic program might actually be successful. For if the tax cuts and budget cuts prove beneficial to the economy, then the American people would have final proof that the Federal tax and spending machine has indeed been the cause of economic decline; that it has been the vehicle for locking a generation of Americans into an endless cycle of dependence on Government income redistribution in exchange for political support.

Consequently, the liberal media and other opponents of the Reagan philosophy of government are beating the drums for tax increases and defense cuts in an effort to stampede the Congress and the administration into abandoning the President's economic and defense program even before it has had a chance to work.

KEEPING THE REAGAN MOMENTUM

In the final analysis, however, Ronald Reagan and his program will succeed if he holds his coalition together. The Reagan program still enjoys the popular support of most people throughout America. Recent public opinion polls show that the majority of the voters want the Federal budget cut further and they also want our defense posture improved. This is exactly what the President is trying to do. Also, the various components of the Reagan political coalition are gaining—not losing—in terms of power, members, and money. This coalition that elect him and other conservatives will remain solid in its support, provided he and the administration remain true to the conservative principles.

I believe that the fundamental entitlement and social program as specified in the Constitution is national defense. The Constitution states that providing for the common defense is the most basic purpose of the Federal Government. The Constitution gives the Federal Government a monopoly on defense. Social programs are important, but other levels of government are equally competent to fund and administer them. I believe that it is time to reassess the spending priorities of our Federal Government, and begin funding an adequate defense responsive to the unprecedented Soviet military threat.

Mr. President, the dramatic growth in the Federal budget during the last 20 years has been in the nondefense sector, and more specifically, in the entitlement programs. It is futile to try to balance the budget or make significant reductions in the deficit by cutting President Reagan's defense budget.

I, therefore, conclude that Congress must address the problem of near runaway growth in the entitlement programs, in order for spending and the deficits to be brought under control.

Mr. President, I yield 5 minutes to the distinguished Senator from Maine.

The PRESIDING OFFICER. The Senator from Maine.

Mr. COHEN. I thank the Chair.

Mr. President, I think before we get carried away on the wings of glittering generalities we ought to require more. It is the Senator's recommendation that we cut this budget and it is not going to require us to reduce weapons systems, not going to require us to have any force reductions, no reductions in operation and maintenance. We are simply going to do it now through some sort of better management.

What I object to with this particular amendment is it is the wrong vehicle. If you really want to deal with the defense budget then deal with it during the authorization process where you have a chance to be specific. Everybody is up here talking about how we can do a lot of things. My colleague from North Dakota is absolutely right. We can cut out the MX, let us do that. If you want to cut out the MX do it on the authorization bill or on the appropriation bill. But why do you come here and offer an amendment saying that, "We will figure out how we are going to take the money out somehow," without being specific?

We can cut out the battleship. I would question whether it is $1.3 billion for the battleship. As I recall it was considerably less than that, $320 million for reactivation of the battleship, which is on schedule, on time, on cost.

Mr. TOWER. Mr. President, will the Senator yield?

Mr. COHEN. I yield.

Mr. TOWER. It is on schedule, on time, and on cost. If you cut out the battleship then you are going to have to—you are not saving money because you have to—find some other platform that could carry 32 Tomahawks, 16 Harpoons, and have naval gunfire support forcible entry by the Marines. You are not going to find that in one ship. You have to build several. You have to build several new ships that are a much greater cost than the battleship cost.

If the proposers of this amendment want to identify a specific system they want to cut out this is what they ought to do. Does not the Senator from Maine agree that really this is probably the politically dishonest way to cut defense because everybody can go out individually and say, "I want to cut this weapons system" or "Cut that weapons system," and when they do a meat-ax cut nobody has to say what it is they want to cut?

I have always opposed meat-ax cuts, whether they be in social programs, in education or in defense. A meat-ax cut does not tell the constituency out there what it is he thinks he can cut.

If the proposers of the amendment would tell us specifically what system they want to cut then we could deal with it on a case-by-case basis.

If they do not want to cut anything, let me say if they reduced—the Senator from Kansas has always criticized high unit costs. I wonder if the Senator from Kansas realizes that if we reduce production costs on these things we raise the per unit cost because we are spending more and getting less? We are pushing it ahead of us, and for those who say we can modernize on an orderly basis, we delay it for years, and that is one of the reasons why we have the high per unit costs.

If we follow the line advocated by the right honorable lady from Kansas, we are going to push costs much, much higher.

Mr. COHEN. I agree with the chairman.

I would like to go down the list of systems. Talk about the F-18, which is controversial. Are we for or against it? If you are against the F-18 you should have voted against it in the defense authorization bill. It is an expensive

proposition, but take it out, if that is your decision.

Or take the F-16 or F-14, or take out the hospital ship we have in the Navy's budget. Take out the battleship called for. Bring the troops home. If the Senator from Alaska is going to introduce an amendment to bring the troops home, you might find it is going to cost more money to keep them here than in Europe.

Mr. TOWER. Mr. President, if the Senator would yield, if you want to bring the troops home you ought to be prepared to put more, not less, in the defense budget because the initial cost of relocating those troops will be enormous or you had better be prepared to accept a reduction in Army strength of about four divisions.

Where are you going to put all these troops when you bring them home? How much is it going to cost you? If indeed the Senate elects to do that, and it might—Congress—then it had better be prepared to increase the defense budget because relocation costs are going to be phenomenal.

Mr. COHEN. Mr. President, we can go on or I can go on down the list of things we might do. I might, for example, make a recommendation that we freeze the pay of everybody in the military, no more pay increases. That is going to carry some consequences. I know a number of people here still support the All-Volunteer Force. Over the last 3 or 4 years, where we rather substantially increased pay and reenlistment bonuses, it has produced some dramatic results. It has built the All-Volunteer Force into one of the most capable forces we have had, and even the critics will admit that. One of the principal reasons is we have increased the pay commensurate with the kind of commitment our fighting people have made.

We can cut back the pay, but if we want to do it let us say so and not hide again behind this hedge of abstractions.

I could go on, Mr. President, looking at the Falkland Islands. I have heard the Falkland Islands raised here again, that there is a big lesson in the Falkland Islands.

In the Falkland Islands we had the country of Great Britain faced with the same kind of problem we are faced with here today, domestic economic difficulties and a declining defense capability. They had a choice, and what they did was to cut back even further on their defense capability, and they are paying the price for it right now. They are paying a heavy price for it right now, in trying to go down and remove some troops from an island 8,000 miles away. They are having great difficulty in carrying out that task.

We can take a lesson from the Falkland Islands in terms of what we want to do. Make that choice to cut back and retrench and then face contingencies in the future, wherever they might be or we can choose to be more prudent about how we proceed. We had a choice last week, to cut out the aircraft carriers. It was put to a vote and rejected—try to have two lighter ones instead of one big one, and that was rejected. Instead of building two 688 nuclear subs, let us build just one, maybe not even one. We can do that. We can take out the battleship and take out all the systems, and we can really reduce the defense budget. I could reduce it down rather quickly if you want to do that.

How about military construction? I want to hear the clamor that will take place on this Senate floor when we start closing down some of the bases. The first people to line up will say, "Do not close my base," because there is a little philosophy rampant here, because we live in the era of "cut thy neighbor's subsidies," and you cut your neighbor's military program as well, but not your own, and that has been a consistent practice in this body.

What I am trying to suggest, Mr. President, with all due respect to the people who are supporting the amendment is we can find ways of cutting the budget, but let us be specific on it. Let us take it up on the appropriate vehicle. Let us do it during the DOD authorization; let us do it during the appropriation process, and then each one of these amendments can be voted upon. But let us not hide behind this generalized abstraction that somehow we are going to have better management techniques and better procurement practices.

Let me tell you something, we are trying to put more competition into the defense industries.

May I have 1 more minute?

Mr. SYMMS. I yield the distinguished Senator from Maine 1 more minute.

Mr. COHEN. We are trying to put more competition into the defense industries because one of the most frequent complaints we hear is, there is too much sole-source contracting—and there is; too much waste in the way we contract out—and there is. What we are trying to do is to put more competition into it. More competition does not cost you less, it costs you more initially. If you are going to open up a second line, for example, in a shipbuilding program to have a competitor so that you can eventually bring the prices of ships down, it does not cost you less money, it costs you more money.

This Congress is undertaking some very specific procurement recommendations and reforms. The Senator from Georgia (Mr. NUNN) has offered an amendment—an amendment he offered last year and pursued it this year, to put restrictions on. Senator LEVIN from Michigan is working in that area as well. We are trying to put restrictions on what we consider to be wasteful practices, and we are moving toward that goal.

But it seems to me we are taking the wrong vehicle to simply propose to reduce the budget but not tell us what you want to cut. Cut the battleship, let us bring the troops home, let us cut the Trident, let us cut the LHD-1, let us cut the F-18, let us cut the C-5, let us cut the B-1, let us cut out the hospital ship; let us do all of those things if that is the judgment of the Members of this body, but let us do it on the merits, on the record, and not hide behind the wall of abstractions. Specificity may be inconvenient, but before we rush to judgment I think we ought to insist upon it.

The PRESIDING OFFICER. Who yields time?

Mrs. KASSEBAUM. Mr. President, I am happy to yield time to the Senator from Michigan.

Mr. LEVIN. I thank my friend from Kansas.

First of all, Mr. President, I ask unanimous consent to be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEVIN. Mr. President, I notice that the Senator from Maine talked about economies, and he has indeed been in the forefront of helping us achieve those economies in this Senate. I wish to commend him for the effort he has made.

One of the economies we are seeking to achieve is increased competition through advertising, trying to give more notice to potential competitors. That is a way that we could significantly increase the savings in this budget. That would not require a second line to be opened. That would simply allow additional competitors to offer their proposals. Nonetheless, we find, as the Senator from Maine knows, that the Pentagon has been fighting us tooth and nail. They come into the Senate and we compromise with them and work out a way in which we can get some additional competitors in. The Pentagon seems to accept the proposal and, lo and behold, we find them opposing us in the House and beating us in the House.

Sixty percent of the contracts are noncompetitive contracts—60 percent—in this country. Sure, we can increase competition and every time we try we run into the same bottleneck at the Pentagon.

The amendment of the Senator from Kansas does not cut defense spending. It increases it by slightly less than the Budget Committee would have us increase the rate of growth.

This deficit crisis that we confront is so great that we simply have to slash Government spending. Now, in the revised budget mark that the Budget Committee presented to us today, in the 16 substantive functions, 8 functions show absolute reductions in outlays from 1982 to 1983. And, of the remaining eight, most show no growth, if you take into account the impact of inflation. Real growth comes primarily in the defense budget—and, it is real, indeed.

I happen to think that some increases in the defense budget is justified. But within the context of the cuts that we are asking people to take, absolute cuts in outlays, even before inflation, in functions like energy, education, training, employment, social services, veterans, and so forth, the huge increase in national defense is out of place.

National defense is one place where we can make some modest reductions in this deficit. We can cut back on some of the huge increases in national defense without jeopardizing, in any way, the security of this country. There is a tremendous growth which would be left in national defense even after this amendment. Senator KASSEBAUM has suggested one approach and there are many others.

We can cut out F-15's for air defense. We can eliminate money which is still left in there for the MX basing mode, which makes no sense. We can do a number of things which can be done safely.

This is not the place in this budget resolution to decide specifically on where the cuts should be made. This is the place to adopt the overall number. And, Mr. President, we lose hundreds of millions of dollars each year because we ignore the savings potential of competition, and hundreds of millions more dollars because we do not have a systematic way of curtailing systems which are infected with cost overrun problems prior to having committed so much to their development and deployment that it is too late.

If we just put a little light lid on Pentagon spending on this huge increase, perhaps they would stop fighting simple amendments designed to increase competition and reduce cost overruns and see that these simple managerial tools are essential methods if they are to get the defense that we all need at a price that we can afford.

As to whether or not we are going to jeopardize the security of this country, let me just quote from former President Ford. He is as good an authority on this subject, I would think, as any. And I do not think anyone would call him a flaming dove or a feathered dove. President Ford said just a few weeks ago, in urging cuts in this budget, that:

> The Soviet Union is not going to attack the United States because you deliver in 1 fiscal year three less B-1 bombers or you delay the deployment of two *Nimitz* class carriers by 9 months. That's baloney.

President Ford, in another recent interview, said:

> I am a hawk and I am proud of it and I don't intend to change. But I think there can be some reasonable delays in purchases of some big ticket items in the defense budget.

Mr. President, I inquire of the Chair whether or not I am under a time limitation.

The PRESIDING OFFICER. There was no time limit indicated when the Senator from Kansas yielded to the Senator from Michigan.

Mr. LEVIN. I thank the Chair. I will be finished in just 2 minutes, if that is all right with the Senator from Kansas.

Mr. President, it has been said here today that we are not at war. We are at war. We are in an economic war. We are battling for our lives in this country. The economic security of this country is now at issue and this huge increase in the defense budget will help keep us from winning the economic war which is being fought right now in this country in my State and most States of the Union.

We have two threats. There is a Soviet threat and there is an economic threat. They are both real and we have to approach them with some balance. We cannot afford, militarily or economically, this huge increase. Militarily, it is not needed. And the Chairman of the Joint Chiefs of Staff, the incoming chairman, General Vessey, when asked whether he would swap our capabilities for that of the Soviets, said: "Not on your life." And, again, it is our economic life, as well as our military life, which is at issue. And this amendment of the Senator from Kansas is a very modest step to indicate that the Congress is listening to the American people.

If the American people could be heard, I think they would be heard as reflected in the U.S. News & World Report public affairs poll taken just a few weeks ago where 54 percent want to reduce the growth in defense spending—and that is the top priority for 54 percent—and 87 percent of the people interviewed in that May 10 poll give a high priority to reducing the growth in defense spending.

We can do it safely without jeopardizing our security. The amendment of the Senator from Kansas is a very modest way to begin. I thank her and the other cosponsors and the manager of the bill.

Mr. DURENBERGER addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. DURENBERGER. Mr. President, how much time remains on the amendment?

The PRESIDING OFFICER. Who yields time?

Mrs. KASSEBAUM. Mr. President, I yield time to the Senator from Minnesota.

The PRESIDING OFFICER. There is approximately 24 minutes remaining for the Senator from Kansas and 18 minutes remaining to the managers.

Mr. DURENBERGER. I thank the Chair.

Mr. President, let me begin by putting what we are doing here in these 2 or 3 days in some context, the overall context the role of the budget plays in this country.

I noticed myself, in the last few weeks that I have been back in my home State, telling a little story about the farmer who goes in to see his local banker. He said, "I have some good news and some bad news for you, Mr. Banker." He said, "The bad news is I haven't got very much money. In fact, I haven't got enough to pay but half the interest on my note here at the bank and none of the principal." The banker said, "What is the good news?" And the farmer said, "Well, the good news is I'm still willing to do business with you."

I think, Mr. President, that, in that context, it is important to know that the American people are still willing to do business with their elected representatives. I think what we are doing here today and tomorrow and on into Friday morning is going to be the major test of whether the people of this country are still willing to do business with us.

No one of those people can ignore the events of the past 15 to 20 years. We have seen our defense spending decline until recently, while that of the Soviet Union has grown on a regular and impressive basis. The concern felt by the entire country has been expressed here in the Congress ever since I came to the Senate in late 1978. Americans want a strong defense—and we can find polls like the poll that was just cited or different polls that prove that.

The neglect which characterized so much of the late sixties and the seventies has ended, and it has done so because of the wisdom and hard work of many people, such as the members of the Armed Services Committee—especially our distinguished colleagues from Texas and Mississippi who spoke here today.

But, Mr. President, we live in times of great economic strain. Interest rates are high, inflation has only recently been brought to heel, unemployment is at levels which are unprecedented in my lifetime, and we look upon the prospects of budget deficits which can only be called chasms.

The program for economic recovery outlined by President Reagan is designed to end these conditions, and it can do so if there is national support

for the spending decisions of this Congress and if there is a willingness here to face up to all the really tough decisions. The best way we can improve our economy is to recognize that we must begin to assess policy before we alter budget numbers. As I noted in a speech here on February 10, 1982, we will never achieve our goal of a balanced budget until we change the role that Government plays in the lives of people of this country and people abroad. We will never balance the budget until we get to the fundamental, underlying policies that drive budget numbers higher and higher despite our efforts to slow the rate of growth in Government spending.

A balanced budget is above all else a clear signal that the Government is doing its job well. It shows that the role of Government is in keeping with public expectations of Government. It is the most effective way we have to keep politicans under control and to hold them to their promises. And it is a vital element of a sound national economy, for it keeps the Government out of the credit markets, permitting borrowing at affordable interest rates by consumers and producers alike.

But we cannot expect to balance the budget solely by confining reductions in growth in spending to that small portion of Federal spending which makes up so-called discretionary social spending programs. This is not only bad arithmetic, it is bad policy as well. It erodes public trust in Government if we exempt huge areas of the budget from our restraint in outlay commitments while making arbitrary cuts in such things as assistance to women, infants and children; nutrition programs; Federal rail assistance; aid to elementary and secondary education; and so forth.

Early this year, the Pentagon sent over a budget which was so large in the context of this country's and the world economy, that it simply lacked credibility.

It seemed based more on a blind commitment to increased spending for the sake of spending than to a judicious statement about our global commitments, the resources needed to carry out those commitments, and criteria by which to measure how well we are doing. The size and composition of that first budget presentation prompted even the Army Times, a journal hardly known for its opposition to military programs, to editorialize about a lack of priorities. As the edition of March 1, 1982, noted:

> The defense budget is not only large, it is indiscriminate. The Pentagon seems to be saying, "We want it all."

Shortly before that editorial was published, I had released the draft of a 200-page policy paper on defense in which I attempted to come to grips with the entire question of priorities. I did so because of my concern that far too many of us were asking the wrong questions and arriving at the wrong solutions, that we were too often tempted to fix the real problems in our military posture simply by raising spending by an arbitrary amount—often expressed as a round number, such as 5 percent. Spending does not create policy; only policy creates policy, and it is our duty in this Chamber to set some broad guidelines on that policy.

Since January, we have made some real progress on that front. We have seen the Pentagon reduce its request in early March. We have seen the Armed Services Committee come to grips with some very tough issues and reduce spending further, while imposing a sense of direction. We have seen the Budget Committee recommend reductions totaling $22 billion in outlays over the next 3 years. And, most recently, we have seen this body—with passage of the defense authorization bill—further shape overall priorities.

In other words, I believe that we are more realistic—and that our military might is thus far more assured—today than was the case 4 months ago. We are now beginning to recognize the wisdom of Melvin Laird's advice in an editorial published shortly after the elections: "Our defense budget must represent not a binge, but a buildup."

But we still have a long way to go. I am deeply concerned that we may lose the public confidence and support which is needed to sustain a revitalization of our defense over the long haul. I am deeply concerned that we are asking the American public to undertake selective sacrifice for the sake of abstract or aged goals. I am deeply concerned that we will commit so much money to defense that we will only create industrial logjams as defense contractors scramble for scarce resources.

I strongly believe that our defense budget should reflect the urgency of these times, that we must continue to rebuild the strength which we allowed to erode for 15 or more years. I therefore regularly voted for more defense spending than President Carter requested during the 96th Congress. So did the vast majority of my colleagues, on both sides of the aisle.

In addition, I was part of the majority which voted dozens of times to reduce spending in this body in discretionary, nondefense, nonentitlement areas, the 15 percent of the budget, by $39 billion last year.

But, after we had begun the painful job of rebuilding, and after we began to face the prospect of damage to our economic recovery, and after many Americans had begun to question whether there was any cohesive sense of policy behind unprecedented spending requests, I voted on some 11 occasions in late 1981 against amendments which would have only increased spending still further. So did many of my colleagues, again on both sides of the aisle

Mr. President, we have come a long way since last January, as I said. But we have much work to do. Above all else, we need to continue the debate which was begun last week over priorities in our defense policy.

We must do so in the context of a larger debate over total Federal priorities and national purposes—aid to the disadvantaged, environmental health and safety, and national defense. Today's debate on this budget resolution has provided the vehicle for that debate, and it is the appropriate place for the debate. I and the vast majority of the people I represent in Minnesota, and a clear majority of the people of this country, congratulate the junior Senator from Kansas on proposing an amendment I am pleased to cosponsor, to urge all my colleagues on both sides of the aisle to support, and to oppose every effort to table.

Mr. President, 3 years ago this body took the lead in recognizing and acting on our eroding military capability. By an overwhelming majority we adopted amendments that committed us to sustain real growth in defense spending, and we have stuck with them. We met that test, and we are still meeting that test.

Mr. President, the Kassebaum amendment provides for even greater real growth in defense spending, 7 percent in 1983 and 6 percent overall. These are strong increases, enough to bring defense spending up to 28 percent of the Federal budget. I am supporting this amendment offered by my colleague from Kansas because I am concerned about deficits, because I am concerned about our economy, because I am concerned about our cities, because I am concerned about our people, and I am concerned about the potential strengths of our Nation, not just our national defense.

The PRESIDING OFFICER. Who yields time?

Mr. SYMMS. Mr. President, I just wanted to make one comment concerning the remarks of the distinguished Senator from Michigan (Mr. LEVIN), with respect to his reference to the fact that former President Ford had said he was a hawk but he thought we could stand some delays in some of our defense appropriations.

I just want to make it very clear that I do not believe this amendment has anything to do with whether one is a hawk or a dove. I would just like to say, Mr. President, that the Senator from Idaho considers himself a dove. Yes; I am indeed a dove. I just want to be a very well-armed, well-prepared dove so I will not be asked to go to war. That is really what we are talking about here. We are playing with some very risky business by proposing amendments like this. I think the Senator from Maine made some very, very cogent points about this. The defense cuts being proposed are devastating to President Reagan's defense program, but nobody is talking about just exactly what weapons systems they want to get rid of, which division they want to cadre, what command capability they want to give up, or where it is they want to let our guard down so that this country and the young men in the country might be called upon to give the fullest measure that anyone can give for their country.

I just hope that this amendment will be defeated. I appreciate the sincerity and the arguments of those who are supporting it, but I do believe it would be a mistake to have this amendment be successfully passed in view of the magnitude of the Soviet threat which was presented in the DIA threat briefing right here on the Senate floor recently. As I have said, I would hope the Members of the Senate would vote this amendment down.

At this time I am happy to yield 3 minutes to the distinguished Senator from Mississippi.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. STENNIS. Mr. President, I have no personal grievance on this, but I believe that we do not want to do what these figures mean if we do vote in favor of this amendment.

Just a few days ago as to the 1983 budget, we passed a bill after everyone had had their say and made their moves, by a vote of 84 to 8, 84 for the bill and 8 against it.

Just lay aside the dollars for a moment and think about this. That message went out to the world and more particularly to our adversaries that the Chief Executive of this Nation, when he talks on this subject about any kind of arms limitation and have the possibility of doing good, is speaking from the vantage point of these figures with a solidarity of virtually 10 to 1.

Now, about a week later, we change our minds to the extent of making a very substantial and material change to weaken—say what you will, but it does weaken—his position.

Regardless of what party or name the President has, the Chief Executive has been downgraded to this extent.

Is that in keeping, too, with what we call our sound judgment in this body?

All these matters have been gone over several times by the membership of the Committee on Armed Services. I can claim no credit for that work, but I know it has been carefully gone over by knowledgeable people, presented here, considered, and passed on in a really good debate and a solemn judgment given in the regular processes, now to come back in a new and different door to this Chamber—a different door altogether, the budget resolution.

The President, by the way, has already given up, in an effort to get together, some $5 billion—I do not have that figure accurately. It is a substantial amount. Are we going to drop down and lower our standards of procedure, lower our standards of on-the-merits consideration and go back here into a proposition and send that out as the more recent word to the world?

Mr. President, I do not think we want to do that and I just cannot believe we will.

The PRESIDING OFFICER. Who yields time?

Mrs. KASSEBAUM. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. Fourteen-and-a-half minutes. The floor managers of the bill have roughly 13½ minutes.

Mrs. KASSEBAUM. I shall be happy to yield 3 or 4 minutes to the Senator from Arkansas.

The PRESIDING OFFICER. Is that 3 minutes or 4?

Mr. BUMPERS. Can we make it 4?

Mrs. KASSEBAUM. Yes, Mr. President.

The PRESIDING OFFICER. The Senator from Arkansas is recognized for 4 minutes.

Mr. BUMPERS. Mr. President, it is not likely that I can add a great deal to what has already been said, but I should like to say this: The man on the street believes as strongly in the security of this country as anybody. Nobody in this Senate has to take a back seat to anybody else on defense spending. I do not care who the self-styled patriots are. We all love our country, and we want to save it. But that same man on the street who has been told that we have to spend this money on defense—that man is the one who has now lost his enthusiasm for it—because he is out of a job. If he is not out of a job, he cannot buy a house, cannot buy a car, cannot buy anything else because of high interest rates.

We are talking about $1.6 trillion in 5 years in budget authority for national defense, $1.6 trillion. When I make that statement in a speech, I see people's eyes begin to glaze over because they cannot even begin to relate to it.

We are debating whether or not we can find the amount of money the Senator from Kansas is trying to cut out of a $1.6 trillion defense budget. Listen to this.

In 1981, defense spending constituted 23.4 percent of our budget. This year, that figure is up to 24.9 percent. In 1983, when the amendment of the Senator from Kansas would take effect, defense spending will be 29.2 percent of the budget; the next year, 1984, 31.4 percent; in 1985, 33.6 percent; in 1986, 35 percent; and in 1987, 37.2 percent.

Mr. President, do you think our economy and the industrial base of this country can accommodate that kind of spending? How can we still keep our trust with the people of this country that we have promised jobs to; take care of the handicapped, the elderly, and everybody else; and spend the kind of money we are going to spend on defense?

If the people on the other side of the aisle who have submitted the alternative budget would like me to join them, I shall tell them exactly how they can do it. It would be easy: Vote for the amendment of the Senator from Kansas, vote for the amendment of the Senator from South Carolina, that would defer the 1983 tax cut. Put safe harbor leasing in there—that little provision which allowed General Electric to make $2.6 billion last year and not only not have to pay any tax, but get a $100 million refund from the Treasury. Do you think we will ever convince the American people of the fairness of a tax system that permits that kind of thing to happen?

Do those three things and we shall have the deficit down to $20 billion or less in 1985; and Henry Kaufman, who is the best guru I know on interest rates, will tell you that interest rates could very well be 10 percent at the end of this year.

If we want to send a message to the American people that, all of a sudden, the U.S. Senate broke out in a spate of responsibility, pass those amendments. You do that before the evening news comes on tomorrow night and send a message around this country and, indeed, around the world, and you will see a nation in a state of euphoria. You will see financial markets rhapsodic.

There is not any economic problem of this country that cannot be solved right here, tonight and tomorrow.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Is all time yielded back?

Mr. SYMMS. Mr. President, I yield 5 minutes to the distinguished chairman of the Committee on Armed Services.

Mr. TOWER. Mr. President, I think the Senator from Maine (Mr. COHEN) hit the nail on the head when he said that when we vote to cut defense in this manner, it is to cut somebody else's program, not our own. If this amendment is not tabled, I intend to offer a series of amendments that will permit the Senate to vote on specific cuts to be made in defense, because I think that the people have a right to know what it is we are willing to cut. Since a lot of the people supporting this amendment were not forthcoming with amendments to the authorization bill to make cuts in specific systems, I think they should be given an opportunity. The meat ax approach to cutting any spending program is tantamount, in my view, to moral cowardice.

I have heard some of the speakers here tonight and my guess is that the Senator from Pennsylvania would not agree with the Senator from North Dakota on cutting the battleships because the *Iowa* is going to be retrofitted in Philadelphia.

Mr. President, let us look at some of these specific areas to cut and see what the cutters are willing to agree on that should be cut. If none of those amendments prevails, then I think that it will have revealed this exercise for what it is; that is, an act of a singular lack of political courage and a singular unwillingness to exercise public judgment on these matters as to what should be cut.

The PRESIDING OFFICER. Who yields time?

Mr. SYMMS. Mr. President, I yield to the distinguished senior Senator from Georgia (Mr. NUNN) 3 minutes.

Mr. NUNN. Mr. President, I shall say just a brief word in support of the Senator from Texas and his motion to table. I recognize that defense has to play a role in the overall budget cuts and I have had that position from the very beginning. But I believe that this particular amendment goes much too far in terms of the overall cuts.

As I understand it, this would be a cut of an additional $13.9 billion in outlays. Frankly, budget authority cuts, it seems to me, are much more responsible in this respect than the outlay cuts. For instance, as the Senator from Kansas knows—she was on the floor the other day when I made my argument on the C-5 as against the 747. What we did last week on the authorization bill when we went to the 747 purchase was add $2 billion over the next 3 years in outlays, assuming that action goes through, if it is appropriated as we authorized it. So what we have done on the one hand is add $2 billion to outlays. Now we are turning around and cutting them, over the same 3-year period, $13.9 billion.

I agree with the chairman of the Committee on Armed Services, Mr. President, that at some point, we have to get down to specifics as to what people are willing to cut. While in budget authority, we can deal with the large-ticket items and make some cuts there, when you start talking about outlays, particularly if you start talking about this size cut in outlays, you are really not only going to have to cut programs but cut very severely in the force structure and the personnel.

I support the position of the Senator from Texas on this tabling amendment.

The PRESIDING OFFICER. Who yields time?

Mr. GOLDWATER. Will the Senator yield to me just a few minutes?

Mr. DOMENICI. I will be pleased to yield to the distinguished Senator from Arizona. How much time?

Mr. GOLDWATER. About 2 or 3 minutes.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. GOLDWATER. Mr. President, we go through this little act every year. In my years in the Senate, every year somebody gets out that great big meat ax and says, "We are going to save money by cutting the defense budget."

But they do not say where, they do not say how.

I would like some of the critics of our defense to spell out what it is they would like to stop—the B-1 bomber? We just learned today that the Soviets are building a brand new bomber, and they are building 150 Backfires a year. They have a stronger strategic air force than the United States.

Do they want to cut down our fighter force? Well, there is a lot of money spent on fighters, I know. I am chairman of the subcommittee that spends the money on them. We spent 6 solid months studying where we could save a little bit of money, and we saved about $1.2 billion.

Do they want to cut down on the fighter force? The Soviets outproduce us 5 to 1. They are five times stronger than we are on the battlefields of Europe with tactical weapons. Do they want to cut out the Abrams tank?

Now, there is a dandy. It only cost $3 million. I remember when it was going to cost $600,000. Is it the Defense Department's fault that that weapon went up to $3 million? No; it is not the Defense Department's fault. Is it the fault of the defense budget that this country is in trouble? Mr. President, this country has been spending deficit money for 40 long years, and you do not correct the stupidity of deficit spending over that length of time in 4 or 5 or 6 months.

I point out that the social security fund is bankrupt. We do not tell the American public that. We stand around here and phrase ourselves to the point that we are going to do something about a $3 trillion debt, money that was stolen from every man, woman, and child in the United States. And what are we doing about it? We are going to cut the defense budget.

We are not doing anything for the people of this country when we cut the defense budget. What we are doing is telling our potential enemy that they are getting into a position to blackmail us. They are also almost in that position today. Mr. President, I think this amendment, with all due respect to the Senator who introduced it, is wrong, wrong, wrong. This country is weak enough. We cannot afford to make ourselves any weaker at the expense of defense. If we really want to save money, we will start ending the ridiculous spending that has been going on in this Senate and this Congress for year after year after year on subjects that we do not care to touch. We have not looked at where our money is going, and we do not dare to because, Mr. President, the votes sit there. When we start looking at the waste that goes on in food stamps, the waste that goes on in welfare, the waste that goes on in unemployment compensation, that is going to cost somebody some votes. And you talk about having the courage to cut the defense budget. I say it is time we have the guts to get at what is really wrong with the economics of this country, and the defense budget is far, far from it.

The PRESIDING OFFICER. Who yields time?

Mrs. KASSEBAUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Kansas.

Mrs. KASSEBAUM. I have great respect for the Senator from Arizona and his judgment on defense issues, as I do the chairman of the Armed Services Committee. I am just as dedicated to a sound defense system as they are.

I certainly am not speaking to add money back in because I am very concerned about the deficits that face us, and the economic conditions facing this country.

But I believe very strongly that economic solvency is just as important to the strength of this country as is a strong defense system. When I was speaking to our defense needs, I was speaking to a system that is stronger, not weaker, by the recommendations I made. But when we are asked by the Senator from Maine or the chairman of the Armed Service Committee to be specific, time and time again we are told we are not a line item committee. I have heard that every year that I have been on the Budget Committee. So in an effort not to be specific, we have to make some very broad assumptions, which I did. Certainly, as I mentioned earlier, it would be up to the appropriations or the authorizing committee to make those distinctions.

But I think there are very important issues here which indeed have been addressed and are continuing to be addressed by the Armed Services Committee.

The chairman of the Armed Services Committee has talked about the budget authority and an $80 billion reduction in the budget authority. We have talked over and over in the Budget Committee about outlays being the important figure, and over a 3-year period of time that is $13.9 billion.

It may appear a big figure to those who are intent on keeping all of the extra moneys that have already been voted into the armed services budget, but if we consider we were starting in our budget markup with a base of all of the other functions in the budget which we marked up, we have to remember we were starting with a 10-percent increase. And mine would only be a reduction in that additional increase, which still allows for a 6-percent real growth over the 3-year peiod of time.

I would agree with much of what the chairman of the Armed Services Committee said in that we have allowed our defense spending to deteriorate over the past decade, and in an effort to readdress that we now have, I think, gone too far in that we are not as critical and as analytical of our defense needs and our defense systems and what it will take to give us a sound and sensible defense system. That is what my amendment addresses. We have an obligation to provide our people with security, economic security and national defense security. I along with all of my colleagues, I am sure, do firmly believe that. I urge that the tabling motion be defeated.

Thank you, Mr. President.

The PRESIDING OFFICER. Who yields time?

Mr. EXON addressed the Chair.

Mr. DOMENICI. How much time does the Senator from Nebraska desire?

Mr. EXON. Three or four minutes.

Mr. DOMENICI. I yield 4 minutes to the Senator from Nebraska.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. I thank my friend, the chairman of the Budget Committee.

Mr. President, I studied the amendment that is being offered by my friend and colleague from Kansas, and I urge my colleagues to vote against this for the reasons that I am about to outline as briefly as I possibly can.

I am a member of the Armed Services Committee and I am also a member of the Budget Committee. I have listened to much of the debate on the amendment offered by the Senator from Kansas. I think that my good friend, NANCY KASSEBAUM, has done an excellent job in presenting such very important views on the matter of how are we going to reduce the defense expenditures—and reduce them we must—and still maintain significant increases because we face a critical threat, in the opinion of the Senator from Nebraska, with the continuing buildup of the Soviet Union.

I am one on the Armed Services Committee that is looked at with some askance from time to time by those who do not take as sharp a look in my opinion at some of the expenditures of the military as we should.

I have heard some statements on the floor today about the waste in the food stamp program, the waste in the social programs, and I say amen. There is a great deal. But I say that if we ever get down to the bottom line, we will find out that there is a great deal more waste in the military budget than in the food stamp budget. I do not think anyone could stand on the floor of the U.S. Senate and in good conscience say that is not true.

Nevertheless, the reason why I intend to support what I understand will be a tabling motion by either the chairman of the Budget Committee or the chairman of the Armed Services Committee is that we all know that the budget of the Department of Defense is going to be reduce further when we get into conference with the House of Representatives.

I believe it rather dangerous to make broad-based suggestions of cuts without saying where those cuts are going to come from.

I agree with some of the statements that have been made on the floor with regard to the arguments on this amendment. I do think, though, that if we are going to bring the everescalating Defense budget into some kind of order and control, we will have to start focusing on some of the expensive weapons systems that seem to come down the pike from the Pentagon as if they never knew what it was to meet or attempt to balance a budget.

I simply say that I think the amendment being offered at this time would not be in the overall defense interests of the United States. I hope the amendment offered by the distinguished Senator from Kansas will be defeated and that we will eventually pass some kind of budget bill and attempt to work this out as an overall budget ceiling, in consultation with our colleagues on the other side of the Hill. Then it will have to come back and go through the appropriations process. I have been assured by some people there that additional reductions are going to be made.

Therefore, Mr. President, it is my view that to adopt at this time the amendment offered by the Senator from Kansas would not be the wisest thing we could do under the circumstances that presently confront us.

Mrs. KASSEBAUM. Mr. President, I ask for the yeas and nays on my amendment.

The VICE PRESIDENT. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. BAKER. Mr. President, will the distinguished manager of the bill yield me one-half minute?

Mr. DOMENICI. For the purpose of a motion or to speak? I want to speak.

Mr. BAKER. Let me simply say that I had announced earlier that I would make a tabling motion at 7 or thereabout. I am prepared to do that, and the parties are ready to proceed. If they will let me know when they are ready to yield back their time, or when it has expired, I will do so.

The VICE PRESIDENT. Who yields time?

Mr. DOMENICI. I yield myself 1 minute.

Mr. President, I repeat what I said earlier: From the President's request and the baseline in this budget, this would require a $19.1 billion budget authority reduction in 1 year. While we may perceive these budget resolutions as policy documents, the truth of the matter is that it is unrealistic to assume that $19.1 billion in budget authority will be cut in 1 year. We find no precedent for Congress doing that, even when they were totally without regard for defense, and I do not think that is where we are.

I urge that the tabling motion of the majority leader receive the support of the Senate.

Mrs. KASSEBAUM. Mr. President, I yield back any remaining time I have.

Mr. DOMENICI. I yield back any time I have on the amendment.

The VICE PRESIDENT. The majority leader.

Mr. BAKER. Mr. President, I move to table the Kassebaum amendment, and I ask for the yeas and nays.

The VICE PRESIDENT. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The VICE PRESIDENT. The question is on agreeing to the motion to table the amendment of the Senator from Kansas. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the role.

Mr. STEVENS. I announce that the Senator from Pennsylvania (Mr. HEINZ) is necessarily absent.

Mr. CRANSTON. I announce that the Senator from Hawaii (Mr. INOUYE) is neccessarily absent.

Mr. BAKER (after having voted in the affirmative). Mr. President, on this vote I have a live pair with the distinguished senior Senator from Pennsylvania (Mr. HEINZ). If he were present and voting, he would vote "nay." I have voted "aye." I withdraw my vote.

The VICE PRESIDENT. Are there any other Senators in the Chamber desiring to vote?

Mr. DOMENICI. Regular order.

The result was announced—yeas 53, nays 44, as follows:

[Rollcall Vote No. 125 Leg.]

YEAS—53

Abdnor
Armstrong
Bentsen
Boschwitz
Brady
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Chiles
Cochran
Cohen
D'Amato
Danforth
DeConcini
Denton
Domenici
East
Exon
Garn
Glenn
Goldwater
Gorton
Hatch
Hawkins
Hayakawa
Heflin
Helms
Huddleston
Humphrey
Jepsen
Johnston
Kasten
Laxalt

Long
Lugar
Mattingly
McClure
Murkowski
Nickles
Nunn
Quayle
Roth
Rudman
Sasser
Schmitt
Simpson
Stennis
Stevens
Symms
Thurmond
Tower
Wallop
Warner
Zorinsky

NAYS—44

Andrews
Baucus
Biden
Boren
Bradley
Bumpers
Burdick
Cannon
Chafee
Cranston
Dixon
Dodd
Dole
Durenberger
Eagleton
Ford
Grassley
Hart
Hatfield
Hollings
Jackson
Kassebaum
Kennedy
Leahy
Levin
Mathias
Matsunaga
Melcher
Metzenbaum
Mitchell
Moynihan
Packwood
Pell
Percy
Pressler
Proxmire
Pryor
Randolph
Riegle
Sarbanes
Specter
Stafford
Tsongas
Weicker

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Baker, for.

NOT VOTING—2

Heinz
Inouye

So the motion to lay on the table Mrs. KASSEBAUM's amendment (UP No. 966) was agreed to.

Mr. DOMENICI. Mr. President, I move to reconsider the vote by which the motion to lay on the table was agreed to.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOMENICI. Mr. President, I understand now that pursuant to our agreement, the next amendment, Senator HOLLINGS, is on your side, and it is Senator BUMPERS' amendment.

Mr. HOLLINGS. Senator BUMPERS.

The PRESIDING OFFICER (Mr. GORTON). The Senator from Arkansas.

UP AMENDMENT NO. 967

(Purpose: To add additional funds for the Childhood Immunization Program)

Mr. BUMPERS. I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Arkansas (Mr. BUMPERS) for himself, Mr. CRANSTON, Mr. RIEGLE, Mr. SARBANES, Mr. BENTSEN, Mr. METZENBAUM, Mr. KENNEDY, Mrs. HAWKINS, Mr. PRYOR, Mr. HOLLINGS, Mr. STAFFORD, Mr. CHAFEE, Mr. GLENN, and Mr. LEAHY proposes an unprinted amendment numbered 967.

Mr. BUMPERS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 15, beginning with line 7, strike out through line 7 on page 16 and insert the following: (11) Health (550):

Fiscal year 1982:

(A) New budget authority, $78,500,000,000.

(B) Outlays, $73,700,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $100,000,000.

(E) New secondary loan guarantee commitments, $0.00.

Fiscal year 1983:

(A) New budget authority, $79,503,700,000.

(B) Outlays, $77,603,700,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $100,000,000.

(E) New secondary loan guarantee commitments, $0.00.

Fiscal year 1984:

(A) New budget authority, $92,206,200,000.

(B) Outlays, $85,706,200,000.

Fiscal year 1985:

(A) New budget authority, $103,608,700,000.

(b) Outlays, $97,208,700,000.

Mr. BUMPERS. Mr. President.

Mr. HART. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The Senate will be in order.

Mr. BUMPERS. Mr. President, the floor manager of this bill is familiar with my amendment. Everybody has heard the arguments in favor of my amendment many times, so I do not want to belabor it.

My amendment deals with the immunization program. It is a small amount of money. All I want is for the Senate to go on record that we want this program adequately funded; the immunization levels continued as they have been; and, to continue the progress we have made in the past 5 years in the area of childhood immunization.

I am willing to do either of two things: If the floor manager would like to accept the amendment then I am willing to enter into a 5-minute time agreement. If he wants a rollcall on it, I would want just a little more time. I will leave it up to the distinguished floor manager as to how he would like to pursue this.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Let me ask, has the amendment been sent to the desk?

Mr. BUMPERS. Yes.

The PRESIDING OFFICER. The amendment has been reported.

Mr. DOMENICI. How much does the Senator propose to add to function 550 for the immunization program?

Mr. BUMPERS. The figures are $3.7 million in 1983, $6.2 million in 1984, and $8.7 million in 1985.

Mr. DOMENICI. The Senator is not speaking of billions.

Mr. BUMPERS. Millions. I know it is hard for the chairman of the Budget Committee to get used to dealing with millions, but my amendment only involves millions.

Mr. DOMENICI. It is not difficult for the chairman to understand millions, it is just that it does not show up in the budget, even if we accept the amendment.

Mr. BUMPERS. Let the word go out to the Nation that figures of less than $50 million do not show up in the budget.

Mr. DOMENICI. Before we make a decision, let me ask if the Senator would mind yielding to the distinguished Senator from Rhode Island for a couple of comments?

Mr. BUMPERS. I will be happy to enter into a time agreement or let anybody on that side speak on the amendment.

Mr. CHAFEE. Mr. President, I hope the distinguished chairman of the Budget Committee will accept this amendment. This is for the immunization program which has had extraordinary success over the years, and it would just be a shame to reduce this valuable activity for the immunization of small children.

If any Federal program warrants our support, it is this one. The program spares children and their families from lifetimes of suffering. It also spares the Federal Government from spending millions upon millions of dollars on health care.

We have come a long way in this area. We are close to eradicating measles, a disease which not long ago caused deaths, deafness, and other disorders. The costs of immunizing children have escalated in recent years. That necessitates this effort to make a modest increase in funding for the program. It has been estimated that last year alone costs for the measles-mumps-rubella vaccine rose by 44 percent. It is well worth buying these vaccines, however. Between 1966 and 1974, we saved $1.3 billion in medical and long-term-care costs by vaccinating our children. The chairman of the pediatrics department at the Duke University Medical Center has estimated "conservatively" that the measles program saved $10 in medical costs alone for every dollar it cost.

With health care costs rising at rates well above the inflation rate over the past several years, and with the difficulty we have encountered in devising ways to control those costs, it is imperative that we take advantage of the easy, obvious, and humanitarian ways of finding savings. Properly funding the immunization program does just that.

I congratulate the Senator from Arkansas for offering this amendment, on which he and I have been associated for many years. He and I are cosponsors of it. He has presented it very well, and I certainly urge the chairman of the Budget Committee to accept it. I think it can be done—we do not need any rollcall vote—just on a voice vote if you wish.

Mr. DOMENICI. I was wondering if the distinguished Senator from Arkansas would have any objection to permitting any Senator who wants to join his amendment as original cosponsors to do so before we recess this evening.

Mr. BUMPERS. Certainly; I would be honored. There are two or three people, and Senator Dole wishes to be added as a cosponsor.

Mr. BENTSEN. Mr. President, will the Senator yield for 1 minute?

Mr. BUMPERS. Let us just not enter into an agreement right now because there are two or three Senators who would like to be heard on it on both sides of the aisle, and I am sure everybody will be brief.

I yield to the Senator from Texas.

Mr. BENTSEN. Mr. President, I am pleased to join my colleague, Senator Bumpers, as a cosponsor of the pending amendment to allow the Federal Government to increase immunization program funding from the current level of $28.3 million, to $32 million in fiscal year 1983 and $34.5 million in fiscal year 1984.

The Federal immunization effort was curtailed with enactment of the 1981 Reconciliation Act, and we are currently spending $2.5 million less this year on innoculations than was spent in 1981. That cut in funding, and a 30 percent increase in the cost of vaccine, have forced health officials to reduce the number of innoculations given by one-third. According to testimony before the House Subcommittee on Health and Environment, the 3.5 million babies born annually require a series of 12 innoculations to be immunized against diseases such as polio, measles, tetanus, diphtheria, and mumps. About 50 percent will receive their shots from private physicians. Therefore to keep up with newborns alone, 21 million doses of public vaccine will be required each year. Yet the program funding cuts, coupled with increased costs, will restrict purchase of vaccine to about 11 million doses—about one-half of what is needed.

Mr. President, some may dismiss the importance of innoculations against the so-called childhood diseases by recalling their own bouts with mumps and measles. It is not uncommon to hear individuals talk of their brush with these diseases as inevitably a "part of growing up." The fact is, Mr. President, that the seven infectious diseases against which the Center for Disease Control (CDC) provides vaccine include polio, which can result in permanent paralysis; measles, which can produce encephalitis; rubella, which when it strikes pregnant women can result in birth defects; diphtheria and tetanus which, left untreated, can kill. Last year, I joined the Senator from North Carolina, Mr. Helms, on the floor of the Senate in voting to increase appropriations for the National Technical Institute for the Deaf and Gallaudet College to accommodate the 15,000 children between 1963 and 1965 who are deaf because their mothers contracted rubella during the earliest stages of their pregnancies. Thankfully, the availability of a rubella vaccine has reduced the incidence of the disease from 16,652 cases in 1975 to near 2,000 in 1981. Polio, the dreaded viral infection that crippled many of this Nation's children prior to 1955 when the vaccine was introduced, has almost been eradicated with the number of cases dropping from 21,000 in 1952 to 6 last year. Lest we be complacent about the progress made, however, Dr. Frederick Robbins, president of the Institute of Medicine at the National Academy of Sciences and winner of the Nobel Prize for his work in polio, has testified that:

> We cannot relax our vigilance, and we must continue to provide for the immunization of our children or new epidemics will become not only possible, but probable.

Immunization, Mr. President, is a Government program that works exceptionally well and serves the vital interests of the American people. Since communicable diseases do not respect State lines, the Federal Government has a clear and compelling role to play in immunization. CDC is to be commended for its willingness to work with the State and local health authorities to forge a viable and effective partnership in our national effort to arrest the spread of diseases that, until a few short years ago, weakened, handicapped, and kill thousands of Americans.

Mr. President, this is no time to retreat in our battle against disease. With the addition of $3.2 million to the 1983 immunization program, as proposed by this amendment, thousands of children who would otherwise have to take their chances against disease will be innoculated. Mr. President, I think it would be a tragedy of unequaled proportion to allow children to die or be crippled by diseases that never should have occurred. I urge my colleagues to join with me in support of the pending amendment.

Mr. President, I ask unanimous consent to be added as a cosponsor, as I was before.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUMPERS. I thank the Senator from Texas. I yield to the Senator from Nebraska.

Mr. EXON. Mr. President, I have stood with the Senator from Arkansas on frequent occasions when we have tried to get a little bit more money for the immunization program before. I wish to stand that way again. I ask unanimous consent that my name be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EXON. I urge the Budget Committee to accept the amendment on as quick a basis as possible, hopefully a voice vote.

Mr. BUMPERS. Mr. President, I yield to the Senator from New Jersey, Mr. Bradley.

Mr. BRADLEY. Mr. President, I ask unanimous consent that I may be added as a cosponsor on this very important amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUMPERS. Mr. President, Senator Kennedy is on his way to the floor and wishes to speak on the amendment. Senators Moynihan, Packwood, Kennedy, Sasser, Heflin, Long, and Matsunaga all wish to be cosponsors. I ask unanimous consent that they be added as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUMPERS. Mr. President, while we are waiting, if I could make one observation so that the committee will understand the magnitude of this problem.

Mr. STENNIS. Mr. President, may we have order?

The PRESIDING OFFICER. The Senator from Arkansas cannot be heard.

Mr. BUMPERS. Mr. President, I want to commend my distinguished colleague from Florida, Senator Hawkins, who held hearings on this vital subject recently. I was not able to attend. My staff told me it was one of the most impressive hearings they have ever attended. Senator Hawkins, who is a cosponsor of this amendment, told me that she will have further hearings on this to try and determine why we are having these monumental increases in the costs of vaccines. The measles, mumps, and rubella vaccine, which is a triple shot given in one dose, has gone up 147 percent since 1977; 47 percent of the increase has occurred in the last 6 months. It comes from a single-source, and the U.S. Government buys 50 percent of that vaccine. It is very difficult to understand why a vaccine that has been perfected for many years, and one which the United States purchases 50 percent of the production is escalating so astronomically. I applaud her for holding this extra hearing to investigate this issue. This is one of the reasons my amendment is absolutely necessary.

I want to make one other observation. Right now in this country we are on the verge of totally eradicating measles. But the measles germ is still here. And any time you find an area that is not vaccinated against it and that germ finds a home, you are going to have an epidemic.

That is what has happened in Ohio this year with mumps. Right now the incidence of mumps in this country is higher than is was last year at the same time. But if you took the State of Ohio out, the incidence is down considerably. That just shows you that when these cesspools of susceptibles develop, the disease breaks out. You cannot let your guard down for a minute with this program.

I know the Members of the Senate get tired of hearing me talk about this program. But I am going to tell you something. Betty Bumpers did this in Arkansas when I was Governor. When the Carters came to town, she got it done on a national basis. The President, in his infinite wisdom, talked to her. Then he called Joe Califano and said he wanted Joe Califano to talk to her. They started the immunization program nationwide, and 2 years ago we reached 91 percent immunization levels of all the children in this country. It is a remarkable success story. And the only way it can remain a success is if we do not let our guard down.

One final statistic: 8 percent of all the people institutionalized in this country are there because of a problem that was created or came about because of a preventable childhood disease.

● Mr. KENNEDY. Mr. President, I support the amendment of the Senator from Arkansas to exempt the childhood immunization program from the freeze on discretionary spending programs.

The impact of fluctuations in Federal support for childhood immunization is felt immediately. Recent history illustrates all too well what happens when Federal interest and financial support wane.

The national childhood immunization initiative began in 1977 when surveys revealed that over one-third of school aged children were not protected against the major vaccine-preventable diseases. This level of neglect was a direct result of a complacency on the part of the Federal Government that the immunization campaign of the late sixties had been victorious and that the States—on their own—could maintain the effort.

The 1977 initiative set a goal of raising immunization levels to over 90-percent by the fall of 1979. Resources were committed to that goal. And that goal was attained. Today, fully 91 percent of the 24 million children between kindergarten and eighth grade are protected.

The health impact of this level of protection is enormous considering the morbidity and mortality associated with these common childhood diseases. For example, encephalitis occurs in 1 of every 1,000 measles cases, often producing permanent brain damage; death occurs in 1 of every 10,000 cases. One case of deafness occurs in every 16,000 cases of mumps. Diphtheria, whooping cough and tetanus can cause serious respiratory, cardiovascular and nervous system complications. Whooping cough is fatal to 1 of every 100 children afflicted. No one would want to recall the scourge of paralytic polio.

Yet our children can be protected from every one of these childhood diseases. And the savings in human life, misery, and economic resources are huge. For every dollar we spend to immunize our children against measles, for example, we save $8 in treatment costs. The Massachusetts commissioner of public health has estimated that the net savings of the Massachusetts immunization program over the past 15 years exceeds $16 million.

We must respect the lessons of the past. We cannot afford to be complacent and deem the national immunization initiative a final victory. Each year 3.5 million new children must be protected. A residual 3.2 million school age children have never been vaccinated. And the cost of vaccines has skyrocketed—over the past 2 years the cost has risen 44 percent. The center for disease control anticipates a further 15-percent increase next year. Only by a sustained effort and adequate funding levels can we protect our children from deadly or permanently disabling vaccine-preventable disease.

We cannot afford to do less.●

Mr. BUMPERS. Mr. President, I ask unanimous consent that Senators DeConcini, Quayle, Stafford, and Stennis be added as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HOLLINGS. Mr. President, the distinguished Senator from Arkansas has been in the vanguard of this movement. There is no question that childhood immunization is a tremendous budget saver. I did not hear him give one other statistic tonight that I heard him give in an earlier debate. That was that for every dollar spent on polio vaccine, we save $90 in other health and rehabilitation costs. And you could continue to go down the list of the various vaccinations and calculate the lives and the money that are saved. So, really, we are not adding to the budget. This is cutting the budget in a sensible fashion—through preventive health and human investment.

I am proud to join the distinguished Senator as a cosponsor.

Mr. BUMPERS. I thank the Senator.

Just one other thing, Mr. President. I have had other people request to be added as cosponsors. I ask unanimous consent that Senator Riegle and Burdick be added as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUMPERS. Mr. President, I would observe, as the chairman of the Budget Committee said a moment ago, the record will be open until we adjourn tonight for anybody else who wishes to join as cosponsors. I am prepared to yield back to the Senator from New Mexico.

Mr. DOMENICI. Mr. President, we are going to accept this amendment. However, I want to make a couple of points. I am not here to belittle the effort and the praise that has been given to the distinguished Senator from Arkansas. But, I would like to put his amendment in perspective.

The budget which we are considering contains $490 billion which are allocated to the Appropriation Committee. They decide how much is allocated to each of their Subcommittees. Roughly $90 billion goes to the Subcommittee on Labor, Health, Human Services, Education and Related Agencies which has jurisdiction over the immunization program. This amendment says $3.7 million is added to the budget for it. However, this amendment cannot assure that these funds will actually be appropriated for this purpose.

Now, frankly, the $3.7 million is already in the budget, because the subcommittee is allocated the $90 billion. The Appropriations Committee can certainly spend $3.7 million in the year of 1983 for this purpose if they so choose.

I am not going to stand here tonight and try to argue the point. I would say that if a sense-of-the-Senate resolution has any effect on a budget, then what we have done with the amendment of the distinguished Senator from Arkansas is to say the Senate thinks this is a good program. We are indicating by this resolution that the Senate believes that the immunization program ought to receive an additional $3.7 million out of the $90 billion allocated to the subcommittee. We are also saying to the administration that we think you ought to support an additional $3.7 million for this program.

So with that, I will accept the amendment on this side, unless there is objection.

Mr. BAKER subsequently said: Mr. President, I ask unanimous consent on the immunization amendment (UP No. 991) the following Senators be added as cosponsors: Senators Andrews, Gorton, Symms, Robert C. Byrd, Moynihan, and Baker.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SARBANES. Mr. President, I am pleased to join my colleague from Arkansas as a cosponsor to the amendment to restore funds to the childhood immunization program. This is a program that is a success. It is extremely cost effective and protects millions of children from severe, agonizing, and costly health problems.

Adequate funding could provide protection for our Nation's children against polio, measles, mumps, tetanus, whooping cough, and rubella. In fiscal year 1981 $30.9 million provided vaccines for 6.3 million children. President Reagan's budget for fiscal year 1982 requested only $24.8 million and in September of last year he asked for further cuts down to $21.9 million. The Congress did not agree to these severe reductions and provided $28.8

million—an amount that still falls short of the goal of this program.

Immunization has been successful in almost eradicating some of the most severe childhood diseases. Polio has been wiped out because of immunization. In 1952, a few years before the polio vaccine existed, there were 21,000 cases of polio. In 1981 there were only six cases. More recently, the immunization program has been credited with greatly reducing and almost eradicating measles. My own State of Maryland has essentially wiped out measles because of the immunization program.

With the cost of the vaccine increasing by 30 percent last year and an estimated 20 percent this year, the administration's budget limitations will mean fewer and fewer children being immunized. Budget reductions in the childhood immunization program is penny-wise and pound-foolish. Reductions in funds will only result in greatly increased funds being spent in the future on more severe resulting illnesses. Dr. David Banta, the Assistant Director of the Office of Technology Assessment, told the House Committee on Energy and Commerce:

> Immunization against childhood diseases has been shown to be cost effective as well as cost saving in well-designed analyses . . . Failing to provide the vaccine will not only result in increased disease but also cost the society more in treatment than the vaccination program would have cost.

The childhood immunization program makes sense—it prevents serious health problems, protects children from pain, and saves money. I urge my colleagues to support this amendment.

Mrs. HAWKINS. Mr. President, I support the amendment of Senator Bumpers to increase funding for the child immunization program.

Thanks to strong Federal involvement in immunization programs, this country has seen a dramatic decline in the prevalence of seven preventable childhood diseases—polio, measles, rubella, diptheria, tetanus, pertussis, and mumps. The Federal Government has furnished financial and other assistance to State and local health agencies and allowed them to buy Government procured vaccines at a discount. This high level of cooperation between the States and Federal Government has resulted in protection against diseases that produce deformity, disability, and death.

The immunization program is a proven method of safeguarding our children against pain, suffering, and death. Although savings in human costs cannot be quantified in dollars, economic considerations alone justify support of the program as a continuing element of Federal public policy. Cost savings from prevention of infectious and crippling diseases include not only the direct costs of physician care and hospitalization, but also time and productivity lost from school and work.

The basic soundness and success of the immunization program has been widely demonstrated. A poliomyelitis outbreak in 1952, which struck 58,000 Americans, caused 14,000 deaths and left thousands of others confined to wheelchairs and steel braces for life. Today, due to the development and availability of the antipolio vaccine, this crippling disease has been all but wiped out in the United States.

Similarly, in the early 1960's, about 400,000 cases of measles were reported in the United States each year. Indeed, measles were so common that they were regarded as an inevitability of childhood despite the danger the disease poses to a child's life and health. Of 100,000 cases of measles, 10 will result in death, and 100 will result in measles encephalitis. One-third of those 100 will experience permanent mental retardation or other damage to the central nervous system. Some number of cases will also result in blindness deafness, or other impairments. Introduction of the measles vaccine during the 1960's resulted in a dramatic reduction in the number of reported cases and led to a national campaign to eradicate measles in the United States by October 1982. According to the Center for Disease Control, if the current level of effort can be maintained, it is likely that the United States will soon eliminate this "scourge" which is the leading cause of death in some developing countries, killing 1,500,000 children a year.

Trend data on immunizations, also shows success against diptheria, pertussis, mumps, and rubella. A strong immunization program and constant, intensive surveillance will continue to be necessary. The 1964 rubella disaster caused about 2,200 deaths, 1,800 cases of mental retardation and left about 12,000 children deaf or blind. I was alarmed, therefore, when I recently read that an outbreak of rubella, mainly among the young adult population in Los Angeles County, was reported by health officials. This disease can have devastating effects on the unborn. It would be unconscionable for us to allow explosive epidemics, reminiscent of the past, to occur.

England showed a dramatic increase in the incidence of pertussis disease from 1977 through 1980. As public confidence in the pertussis vaccination seriously declined, the resulting epidemic saw 102,500 cases of the disease, resulting in 28 deaths.

Aside from issues of funding and public disinterest, the immunization program is now threatened on another front—the fear of adverse health effects resulting from immunization. To combat this fear and to achieve and maintain high immunization rates, full public communication and health education is essential. The general public has a right to be given information about vaccines—even in areas of scientific and medical uncertainty. We must present the issues to the public clearly and accurately. There must be candid disclosure of the risks as well as the benefits of the vaccines. If a vaccination is not recommended for particular classes of individuals, that fact should be stated and those high risk individuals screened, if possible, to prevent administration of the vaccine to them. Parents should be fully informed and on the lookout for adverse reactions associated with the vaccine. Accurate and timely reporting and statistical gathering on adverse reactions is critical in order that a realistic picture of the problems associated with the use of a particular vaccine can be compiled. Risks from vaccines also warrant increased efforts to produce safer vaccines.

It would be tragic if efforts to eliminate or control communicable disease were to become hampered because the publics' confidence was so eroded as to cause frightened segments of the population to oppose and reject vaccines. Neither can we afford revival of serious childhood epidemics because a complacent and apathetic public, with a diminishing memory, forgets the iron lung. Public policy dictates that safe and effective immunization programs be implemented and maintained. This requires a system of adequate financing, public awareness and understanding of the importance of vaccines, and promotion and incorporation of preventive medicine into the general health care system. To prevent pain and suffering and health care costs, we must vigorously guard against inadequate immunization of our children.

The PRESIDING OFFICER. Do Senators yield back their time?

Mr. DOMENICI. I yield back any time I have remaining.

Mr. HOLLINGS. I yield back any remaining time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (UP No. 967) was agreed to.

Mr. BUMPERS. I move to reconsider the vote by which the amendment was agreed to.

Mr. HOLLINGS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOMENICI. Mr. President, I understand it would be the Republican turn to offer an amendment but we are not prepared at this point. I yield to the Senator from South Carolina.

Mr. HOLLINGS. I yield to the Senator from New Jersey.

Mr. DOMENICI. If the Senator will yield, I understand it is the desire of

the majority leader that we not vote until 9 o'clock.

Mr. BAKER. First, could I inquire of the Senator from New Jersey how long he thinks his amendment will take?

Mr. BRADLEY. I think it will take less than an hour.

Mr. BAKER. Mr. President, altogether it would appear unlikely that we could get this to a vote before 9 o'clock. A number of Senators have commitments that they find absolutely essential during this period. I will not now put a unanimous-consent request, but let me say it is not the intention of the leadership to request a rollcall vote or to attempt to arrange one prior to the hour of 9 p.m. I am sure all Senators will cooperate in trying to follow that course.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. DOMENICI. Will the Senator further yield for a moment?

Mr. BRADLEY. Yes.

Mr. DOMENICI. I am going to leave the floor for about a half hour. I designate Senator Boschwitz to take my place in opposition to the amendment.

UP AMENDMENT NO. 968

(Purpose: To restore funding for title I of the Elementary and Secondary Education Act, handicapped and vocational education programs, Head Start and Pell grants)

Mr. BRADLEY. Mr. President, I send an amendment to the desk on behalf of Senators Hollings, Baucus, Moynihan, and myself, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

> The Senator from New Jersey (Mr. Bradley), for himself, Mr. Hollings, Mr. Baucus, Mr. Moynihan, Mr. Levin, and Mr. Randolph, proposes an unprinted amendment numbered 968.

Mr. BRADLEY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> On page 2, beginning with line 4, strike out through line 1 on page 3 and insert the following:
>
> (1) The recommended levels of Federal revenues are as follows:
>
> Fiscal year 1982: $623,000,000,000.
>
> Fiscal year 1983: $668,200,000,000 plus $100,000,000.
>
> Fiscal year 1984: $741,000,000,000 plus $700,000,000.
>
> Fiscal year 1985: $825,000,000,000 plus $1,300,000,000.
>
> and the amounts by which the aggregate levels of Federal revenues should be increased are as follows:
>
> Fiscal year 1983: $23,200,000,000 plus $100,000,000.
>
> Fiscal year 1984: $39,000,000,000 plus $700,000,000.
>
> Fiscal year 1985: $45,000,000,000 plus $1,300,000,000.
>
> (2) The appropriate levels of total new budget authority are as follows:
>
> Fiscal year 1982: $777,600,000,000.
>
> Fiscal year 1983: $835,300,000,000 plus $600,000,000.
>
> Fiscal year 1984: $897,000,000,000 plus $1,200,000,000.
>
> Fiscal year 1985: $972,800,000,000 plus $1,900,000,000.
>
> (3) The appropriate levels of total budget outlays are as follows:
>
> Fiscal year 1982: $740,700,000,000.
>
> Fiscal year 1983: $783,600,000,000 plus $100,000,000.
>
> Fiscal year 1984: $832,300,000,000 plus $700,000,000.
>
> Fiscal year 1985: $889,400,000,000 plus $1,300,000,000.
>
> On page 14, beginning with line 17, strike out through line 6 on page 15 and insert the following:
>
> Fiscal year 1983:
>
> (A) New budget authority, $26,500,000,000 plus $600,000,000.
>
> (B) Outlays, $27,000,000,000 plus $100,000,000.
>
> (C) New direct loan obligations, $800,000,000.
>
> (D) New primary loan guarantee commitments, $7,200,000,000.
>
> (E) New secondary loan guarantee commitments, $0.
>
> Fiscal year 1984:
>
> (A) New budget authority, $26,700,000,000 plus $1,200,000,000.
>
> (B) Outlays, $26,900,000,000 plus $700,000,000.
>
> (A) New budget authority, $26,400,000,000 plus $1,900,000,000.
>
> (B) Outlays, $26,500,000,000 plus $1,300,000.
>
> On page 31, strike out lines 6 through 10 and insert the following:
>
> (2) The Senate Committee on Finance shall also report changes in laws within the jurisdiction of that committee sufficient to increase revenues as follows: $23,200,000,000 plus $100,000,000 in fiscal year 1983: $39,000,000,000 plus $720,000,000 in fiscal year 1984; and $45,000,000,000 plus $1,300,000,000 in fiscal year 1985.
>
> On page 32, strike out lines 5 through 9 and insert the following:
>
> (2) The House Committee on Ways and Means shall also report changes in laws within the jurisdiction of that committee sufficient to increase revenues as follows: $23,200,000,000 plus $100,000,000 in fiscal year 1983: $39,000,000,000 plus $700,000,000 in fiscal year 1984; and $45,000,000,000 plus $1,300,000,000 in fiscal year 1985.

Mr. BRADLEY. Mr. President, I rise to offer an amendment to provide adequate funding for those high priority elementary, secondary, and postsecondary education programs which assure equality of educational opportunity to all our children—title I compensatory education for the disadvantaged; handicapped State grant programs; vocational education programs; Head Start; and Pell grants. This amendment would restore funding to allow for the continuation of these valuable programs at their current level of operation, so that children now benefiting from these programs will not be denied participation.

Mr. President, these are significant programs offering a real chance for educational achievement to millions of children. During the 1980-81 school year title I served 5.4 million students in local school districts and another 658,000 students in title I programs operated through State educational agencies. Almost 4 million handicapped children were served the same year and 16.5 million children were served by vocational education programs. Among the pre-school-aged population, 372,000 children—less than 20 percent of those who are eligible—are enrolled in Head Start programs. Over 90 percent of these preschoolers are from families with incomes below $8,450 a year for a family of four and nearly 11 percent of all Head Start children are handicapped. Finally, approximately 2.5 million lower income students received Pell grants to help finance their college education.

In my own State of New Jersey, large numbers of children are benefiting from these programs. This year title I is providing compensatory instruction to over 300,000 children; 160,000 handicapped children are being assisted by Federal dollars; and some 70,000 New Jersey college students are pursuing higher education with the help of Pell grants.

Education, Mr. President, is one of the cornerstones upon which this country was built. Our Founding Fathers recognized that the strength and vitality of the new America democracy required an educated citizenry. However, the time is long past when children from less advantaged families and handicapped children can acquire an education merely by reading by the fireside, as Abraham Lincoln was able to do. Today, educational achievement is affected by such factors as economic conditions, physical condition of schools, the character of the educational environment at school and in the home and, in the case of higher education, family income. For many children, equal access to education requires special help and the Congress and the people of this country have spoken clearly over the last several decades in favor of a strong Federal role in assuring such equality of educational opportunity. The commitment of Federal dollars to our educational system has increased in recognition of the importance of educational achievement for every member of the next generation.

The trend of increasing Federal aid to these programs was reversed, however, last year. With the exception of Head Start, which enjoyed the highly erratic protection of the so-called social safety net, these programs were all targeted for budget cuts by the new administration. With the exception of Head Start and handicapped education, which Congress was able to shield, all suffered funding reductions as part of the administration's economic program. Now we are being asked to agree to funding that will be inadequate to continue these programs as they currently operate. In the case of title I compensatory education programs, the effect of the cuts would be a 20-percent reduction in funding from the amount provided for fiscal year 1980.

Mr. President, cuts of this magnitude would create a terrible burden. Imagine a public school in one of our Nation's larger cities, with 45 or 50 students in a class. In recent years the school has been able to peel out of that class the five or six students who need special attention. They have received special attention. They have not pulled back the rest of the class. They have progressed. Now, under the Budget Committee's resolution, Federal funds are being cut back, placing an increased burden on the remarkable abilities of public school teachers in these urban schools.

Mr. President, no matter how talented school teachers are, and I think they are dramatically talented, when there are too many students in a class, with too few facilities to deal with the students, the result is a downgrading of education. Title I was intended to meet, and has met, the needs of that overcrowded class. If this amendment is not adopted, we are likely to see a dramatic cut in these very important programs.

In the case of Pell grants, which make college attendance possible for many low-income students, the funding cuts have already had the effect of lowering the value of the grants, which average only $900 per student, and eliminating some from the program. Under the terms of this budget resolution, we would face a choice between increasing the value of the grants to cover inflation in educational costs—with the result that an estimated 500,000 fewer students could receive grants by 1985—or maintaining the number of students served but with drastically reduced grant aid. In either case, many needy students may find that the only alternative is to leave school and to try to find a job in an economy that has few jobs to offer, especially to individuals without a college education. This would be a tragic outcome of the current budget cutting exercise.

Mr. President, Federal expenditures on education are an investment in the future of this Nation. At a time of rising unemployment, increased industrial competition from efficient and technologically advanced foreign producers and rapid technological change not only in the goods we manufacture but also in the ways we manufacture them—we should not be slowing our investments in education. We must provide our future workers with the educational preparation which will expand their job opportunities.

I believe that we need to make significant new investments in our entire educational system, recognizing that we have fallen behind in producing the engineers, the scientists, the high school foreign language, math and science teachers that we need if our economy is to regain and maintain its strength. But we must be equally sensitive to the special help that disadvantaged and handicapped children must have if they are to have an equal opportunity to achieve the promise of this future.

Mr. President, these programs—title I, handicapped education, vocational education, Head Start, and Pell grants—move us closer to the goal of equality of educational opportunity and they must not be neglected. We must sustain at least our current effort. Our amendment will do so.

Mr. President, I have a number of other comments but I shall be pleased to yield at this time to my distinguished cosponsor, the ranking member of the Committee on the Budget, Mr. HOLLINGS, for his comments. Before doing that, I ask unanimous consent that Senator RIEGLE be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BRADLEY. Mr. President, I yield to the distinguished Senator from South Carolina.

Mr. HOLLINGS. I thank the distinguished Senator from New Jersey.

Mr. President, our amendment restores $600 million for high priority education programs, including title I, Pell grants, vocational education, education for the handicapped, and Head Start.

Mr. President, we must stop cutting back our education programs. For example, in title I compensatory education, in fiscal year 1981, the President proposed and Congress approved a $400 million rescission in title I. In fiscal year 1982, in the continuing resolution, we cut another $200 million. So, according to the Congressional Budget Office, the freezing of title I through 1985—as proposed by the Budget Committee—would represent a 40-percent cut from the 1981 prerescission level. Cuts of this magnitude are intolerable.

We are not yet sure how schools will cope with cuts of this magnitude. But if schools take half of the cut through reductions in the number of children served almost 1.4 million fewer children would be served in 1985 than would have been served in 1981 prior to these cuts. If schools absorb the other half of this cut by increasing teacher-student ratios and other dilution of the services, then the size of the school grant per student will be reduced by over 20 percent in 1985 from what it would have been prior to the President's cut. Is it not apparent that cuts of this magnitude will reduce our capacity.

Mr. President, I have here a Congressional Budget Office memorandum dated May 13 of this year, analyzing funding for title I. The memorandum compares the Senate Budget Committee reductions to 1981 baseline funding. I ask unanimous consent that this document be printed in the RECORD at this point.

There being no objection, the document was ordered to be printed in the RECORD, as follows:

REAL REDUCTIONS IN FUNDING FOR TITLE I COMPENSATORY EDUCATION

In response to your request, this memo compares the current Senate Budget Committee mark for title I with the pre-recission 1981 funding level, adjusted for inflation.

Relative to this baseline, the SBC mark represents a real reduction in BA of 25 percent in 1982, growing to a 40 percent reduction in 1985 (see Table 1). Outlay reductions grow from 11 percent in 1982 to 36 percent in 1985. They are smaller than changes in BA because of forward funding and carry-over provisions.

TABLE 1.—FUNDING FOR TITLE I: SBC MARK COMPARED TO 1981 BASELINE (PRERECISSION, INFLATED)

[Millions of dollars]

	Fiscal year—			
	1982	1983	1984	1985
1981 baseline:				
BA	3,828	4,138	4,464	4,808
Outlays	3,367	3,848	4,162	4,490
SBC mark:				
BA	2,886	2,886	2,886	2,886
Outlays	3,006	2,948	2,886	2,886
Percent reduction baseline to SBC mark:				
BA	25	30	35	40
Outlays	11	23	31	36

It is not possible to estimate the effect of these cuts on the number of children served, because SEAs and LEAs can respond to cuts by reducing either the number of children served or the average grant per child. It is very likely that both approaches will be used, but the balance between the two can not be predicted. To illustrate the magnitude of the cuts, however, Tables 2 and 3 show estimated effects of the cuts if LEAs and SEAs absorb half of the cut through reductions in children served and the other half through reductions in grants per child. In this case, the number of children served would drop by about 807,000 in 1982 (Table 2). The number of children dropped or excluded from the program would grow to 1.4 million by 1985. The average grant per student served would decrease $85 in 1982—a real reduction of 13.4 percent (Table 3). By 1985, grant per student served would drop by $180—a 22.5 percent real reduction.

TABLE 2.—STUDENTS SERVED BY TITLE I, IF HALF OF FUNDING CUTS ARE ABSORBED BY REDUCTIONS IN THE NUMBER OF STUDENTS SERVED

[Thousands of children]

	Fiscal year—			
	1982	1983	1984	1985
Children served	5,228	5,028	4,841	4,665
Reduction from 1981 baseline	793	993	1,180	1,356
Percent reduction	13.2	16.5	19.6	22.5

Note.—Includes SEA programs. 1981 baseline is prerecission 1981 funding (inflated), not 1981 actual child counts. These are estimates of the number of children served when each fiscal year's funding is spent out, not the number of children served in each fiscal year.

TABLE 3.—GRANTS PER STUDENT SERVED, IF HALF OF FUNDING CUTS ARE ABSORBED BY REDUCTION IN THE NUMBER OF STUDENTS SERVED

[Current dollars]

	Fiscal year—			
	1982	1983	1984	1985
1981 baseline	636	687	741	799
SBC mark	552	574	596	619
Dollar reduction	84	113	145	180
Percent reduction	13.2	16.4	19.6	22.5

Note.—Includes SEA programs. 1981 baseline is prerecission 1981 funding (inflated), not 1981 actual child counts. These are estimates of the average grant per child when each fiscal year's funding is spent out, not the amount spent per child served in each fiscal year.

Mr. HOLLINGS. I would also, Mr. President, like to discuss a recent Congressional Budget Office report on compensatory education. A few minutes ago we talked about the investment we make in immunization. What about the investment we make in the minds, the capabilities, and the skills of our youth?

The CBO report concludes that numerous studies have shown that title I works. The fact of the matter is that recent major evaluations of title I have consistently shown that title I improves achievement in both reading and mathematics. Estimates of the size of the program's success vary, but together, the studies suggest that nationwide, title I students gain about 20 percent more in achievement in 1 year than would be expected in the absence of title I. In short, the program works. It is a good investment. The program should not be cut back.

Mr. President, a recent issue of Time magazine highlighted various persons impacted by the social security program. They told the story of one minority citizen from Lane, S.C. He had never received an education, had worked in the tobacco fields all his life as a farmer. He never paid anything in social security. Now he is a minimum beneficiary, trying to live with escalating health costs and everything else. Social security literally keeps him alive.

What is happening in that same Lane area in Williamsburg County is very, very dramatic. Title I for the disadvantaged is working to bring people out of poverty.

Politicians like to come to Lane, S.C. When George Romney was running for President, and he wanted to be identified with the concern for the poor and underprivileged, he jetted down to South Carolina. He could not come to Williamsburg County. They have never seen a jet airplane in that county. But he went to a neighboring airport in Florence, came in, rode over, had his picture taken, and after an hour, left and was supposedly identified with concerns about hunger.

I have also visited Lane. I do not mind being identified with the concern for the poor. But I also want to work for progress. And title I is progress.

If you stay in Lane a little bit longer than 1 hour, you begin to realize what Republican and Democrat, rich and poor, upper class, middle class, all agree on: The title I program is a magnificent investment for the disadvantaged. If we spend $1 now on remedial reading and math, we save more than $1 in future Federal costs. And with our enormous deficit problems we need to insure that the next generation of Americans are all productive, taxpaying citizens. Title I will help with this.

At this point, Mr. President, I ask unanimous consent that the summary of the study by the Congressional Budget Office on title I for the disadvantaged be printed in the RECORD.

There being no objection, the study was ordered to be printed in the RECORD, as follows:

TITLE I, (CHAPTER I) COMPENSATORY EDUCATION: CURRENT ISSUES

This memorandum discusses the operation and effects of the Title I (Chapter I) compensatory education program. It addresses three general concerns:

How does the program operate?

How well does the program meet its goals, including providing financial assistance to areas with high concentrations of low-income children, providing special services to educationally disadvantaged students, and furthering the educational development of such children?

What are the possible effects of recently enacted and proposed changes in Title I, including budget cuts and Chapter 1 of the Education Consolidation and Improvement Act (ECIA) of 1981? Can state-funded compensatory education programs serve as a cushion against the effects of reductions in Title I?

The memo focuses on Part A of Title I, which funds programs operated by local education agencies (LEAs), though some information is also provided about Part B programs, which are operated by state education agencies (SEAs).

THE OPERATION OF TITLE I

Allocation of funds

Part A funds are allocated by a formula that includes a count of formula-eligible children and a "cost factor" reflecting state expenditures for education. Formula-eligible children include children in poverty, children whose families exceed the poverty threshold because of receipt of AFDC, and children in foster homes or institutions for the neglected or delinquent. The cost factor is the state average per-pupil expenditure, except that it is capped at 80 percent and 120 percent of the national average per-pupil expenditure.

In terms of total Title I expenditures and allocations per school-aged child, the formula favors the South over other regions. In terms of allocations per formula-eligible child, however, the Northeast fares best, while the South fares worst. These regional patterns reflect differences in poverty rates, AFDC payments, and per-pupil expenditures.

On average, Title I provides roughly 3 percent of total revenues for elementary and secondary education. This varies, however, from 1.4 percent in Nevada to 9.9 percent in Mississippi. In general, Southern states receive a higher proportion of revenues from Title I than do states in other regions.

Services provided

In 1980-81, Part A programs provided services to about 5.4 million students, while Part B programs served an additional 660,000. About 71 percent of Part A students are in grades 1 through 6, while an additional 24 percent are in grades 7 through 9.

About 74 to 81 percent of Title I funds are spent on instructional services, primarily in reading and mathematics. Nearly 80 percent of Title I students receive compensatory instruction in reading, and just under half receive compensatory instruction in math.

THE EFFECTIVENESS OF TITLE I

Providing financial assistance to LEAs and schools with high concentrations of low-income students

Title I has been successful in channeling aid to LEAs with the highest concentrations of low-income children. When LEAs are ranked in terms of the proportion of children in poverty and then broken into quartiles, Title I aid to LEAs in the highest quartile averages 5.5 times the aid provided to LEAs in the lowest quartile. In this respect, Title I is substantially more highly targeted than other federal education aid.

Within LEAs, Title I is moderately successful in targeting funds to schools with high concentrations of students in poverty. Schools with higher proportions of low-income students are more likely to receive Title I funds, particularly in urban areas. A sizable number of schools with relatively low proportions of children in poverty, however, receive Title I funds. These patterns result from the Title I allocation system, in that schools are ranked on poverty concentration relative to their own LEA, and from the fact that LEAs generally provide funds to all of their eligible schools.

It is likely that among recipient schools, the size of Title I grants is related to schools' poverty concentrations. Systematic data on this point, however, is lacking.

Funding special educational services for educationally disadvantaged children

Title I has generally been successful in targeting services at educationally disadvantaged students. Available data, which probably understate somewhat the extent to which Title I services are targeted, indicate that 85 percent of Title I students fall below the median on a standard achievement test when compared to national norms. About 54 percent of Title I students fall into the lowest quartile in achievement.

Title I has been quite successful in providing these students with services that are special in the sense of being above and beyond those normally provided in the absence of Title I. One study estimated that every dollar of Title I aid produces 72 cents of additional spending, compared to 41 cents for other federal education aid, and 13 cents for state aid. Title I students receive additional hours of instruction and a more expensive mix of services than do other students in the same schools.

Furthering the educational development of educationally disadvantaged students

Recent major evaluations of Title I have consistently shown that Title I improves achievement in both reading and mathematics. Estimates of the size of the program's effect vary somewhat, but together they suggest that nationwide, the average Title I student gains about 20 percent more in achievement in one year than would be expected in the absence of Title I. This additional growth raises Title I student's standing in percentile terms by about 3.3 percentiles.

Evidence concerning the persistence of the positive effects of Title I after services are terminated is mixed and inconclusive. One study found that students who "graduate" from Title I because of improved achievement maintain the improvement through the following year. Scattered reports from LEA's, however, indicate that when all Title I students are considered, the program's effects erode somewhat after students leave Title I. One systematic study of long-term effects that also considered all Title I students found no evidence that effects persist, but this study is technically problematic and might be considered inconclusive at this time.

Providing employment

Although providing employment is not an explicit goal of the Title I program, the program has served as a substantial source of jobs, because most of its funds are used to hire instructional staff. In 1979-80, Title I funded 170,000 full-time-equivalent positions—78,500 for teachers and 91,500 for teacher-aides.

POLICY ISSUES

Possible effects of ECIA

Chapter I of ECIA substantially altered Title I in several respects:

Requirements imposed on LEAs were simplified and, in some cases, loosened;

The oversight roles of the federal government and SEAs were reduced; and

Several very specific provisions in Title I that were intended to increase flexibility for LEAs were repealed.

The effects of these changes will not be known for some time, but two studies suggest possible LEA responses. These studies suggest that some LEAs might increase the number of schools they serve and lessen their targeting on the students most in need, probably by serving more students. The extent of these changes, however, is hard to predict.

Possible effects of enacted and proposed budget cuts

The 1982 Continuing Resolution represents a 28 percent reduction from 1980, after accounting for inflation. The Administration's proposed budget would reduce 1982 funding to a level 38 percent below 1980, and 1983 funding to a level 51 percent below 1980, after accounting for inflation. LEAs could respond to these cuts by reducing services per student, by reducing the number of students served, by increasing their own fiscal support of compensatory education, or by some combination of these. As an upper limit of the effects of the cuts, if LEA and state support was not increased and if per-student assistance was held constant, the proposed 1983 funding would cause the number of students served by LEA programs to drop from 5.4 million in 1980 to 2.7 million. If state and LEA support was not increased and if the number of students aided was held constant, per student aid would drop from $506 in 1980 to $248, in constant 1980 dollars. Because of forward funding and carry-over provisions, however, these effects could be spread over several years.

The extensiveness of comparable State-funded programs

State-funded compensatory education programs, unless expanded greatly, are unlikely to mitigate the effects of reductions in Title I substantially. Fewer than half of the states have such programs, and most of the states that are highly reliant on Title I have no state program. Moreover, the programs are small relative to Title I. In 1978-79, state programs provided 16 percent of the funds LEAs received from state and federal programs came from state programs; the remaining 84 percent came from Title I.

Mr. HOLLINGS. Mr. President, our distinguished colleague, CARL PERKINS, chairman of the House Education and Labor Committee have written a letter to the Senate imploring that we protect this program. This letter has the signatures—from both sides of the aisle—of over 180 Members of Congress. I have been here quite a while and I have never seen a letter come over with half the House Members' endorsing a program and stressing their concern. I ask unanimous consent that the letter be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CONGRESS ON THE UNITED STATES,
COMMITTEE ON EDUCATION AND LABOR,
Washington, D.C., May 10, 1982.

Sen. PETE V. DOMENICI,
Chairman, Senate Budget Committee,
Washington, D.C.

DEAR CHAIRMAN: We are gravely concerned about the erosion of funding for Title I of the Elementary and Secondary Education Act that has occurred during the past year. We are writing to enlist your support in stemming further cutbacks in one of our most worthwhile Federal programs, a program that has successfully provided remedial education services to millions of disadvantaged children.

A review of the budget events of last year demonstrates how Federal support for Title I has been chiseled away. The origianal FY 1981 appropriation for Title I was $3.5 billions. As a result of a rescission enacted early last year, the FY 1981 funding was cut back to $3.1 billions. Although the Omnibus Budget Reconciliation Act authorized $3.48 billions for Title I, the FY 1982 continuing resolution resulted in the program being further reduced to $2.88 billions.

The President has proposed a rescission of $412 millions in FY 1982, and an unacceptably low level of $1.9 billions for FY 1983. We strongly believe that the program has already suffered from the FY 1981 rescission and that the FY 1982 figure falls short of what is necessary to meet even the minimal needs of Title I schools. At current levels the program is reaching only 45% of the appproximately 11 million children who need help. To reduce it to the President's recommended level would result in approximately two million poor and low-achieving children losing services and thousands of schools being forced out of the program.

We cannot understand the rationale for severely cutting a program which, according to all recent evaluations, has been extremely effective in improving the basic skills of educationally-deprived children. Even the Administration has attested to the success of Title I, through the solid, verifiable research findings summarized in the Secretary of Education's 1981 annual evaluation report and in the testimony of the Secretary before our Committee.

If we are to continue the progress made under Title I, we feel the FY 1982 continuing resolution level must be increased. We urge you to reject any FY 1982 rescission requests and to hold fast to the $3.48 billion authorized level passed by the Congress in the Omnibus Budget Reconciliation Act of 1981.

For FY 1983 we believe that a baseline level of $3.48 billions would be a starting point for deliberations which would address inflation factors and the maintenance of adequate levels of service.

There is no question that decreasing Title I's Federal support at the baseline level of $3.48 billions will cripple the program to the point where it will be difficult to rebuild, even in better budget times.

We seek your assistance in our effort to save this valuable, proven program.

AUGUSTUS F. HAWKINS.
CARL D. PERKINS,
Chairman.

COSIGNERS OF THE CONGRESSMAN CARL D. PERKINS/CONGRESSMAN AUGUSTUS F. HAWKINS TITLE I "DEAR COLLEAGUE" LETTER

Hon. Tom Bevill, Hon. Beryl Anthony, Hon. Morris K. Udall, Hon. Robert T. Matsui, Hon. John L. Burton, Hon. Phillip Burton, Hon. George Miller, Hon. Ronald V. Dellums, Hon. Fortney (Pete) Stark, Hon. Don Edwards, Hon. Tom Lantos, Hon. Norman Mineta, Hon. Tony Coelho, Hon. Leon E. Panetta, Hon. Anthony C. Beilenson, Hon. Henry A. Waxman, Hon. Julian C. Dixon, Hon. George E. Danielson, Hon. Mervyn M. Dymally, Hon. Glenn M. Anderson, Hon. George E. Brown, Hon. Jerry M. Patterson, Hon. Edward Roybal, Hon. Patricia Schroeder, Hon. Timothy E. Wirth, Hon. Ray Kogovsek, Hon. Barbara Kennelly.

Hon. Sam Gejdenson, Hon. Lawrence J. DeNardis, Hon. Stewart McKinney, Hon. William R. Ratchford, Hon. Anthony T. Moffett, Hon. William Lehman, Hon. Claude Pepper, Hon. Dante B. Fascell, Hon. Wyche Fowler, Hon. Billy Lee Evans, Hon. Cecil (Cec) Hefner, Hon. Marty Russo, Hon. Harold Washington, Hon. Augustus F. Hawkins, Hon. Carl D. Perkins, Hon. Gus Savage, Hon. John G. Fary, Hon. Cardiss Collins, Hon. Sidney R. Yates, Hon. Frank Annunzio, Hon. Paul Simon, Hon. Floyd J. Fithian, Hon. David W. Evans, Hon. Lee H. Hamilton, Hon. Andrew Jacobs, Hon. Jim Leach, Hon. Tom Harkin, Hon. Berkley Bedell, Hon. Thomas Tauke, Hon. Carroll Hubbard, Jr.

Honorable Romano L. Mazzoli, Honorable Roy Dyson, Honorable Clarence D. Long, Honorable Barbara A. Mikulski, Honorable Steny Hoyer, Honorable Parren J. Mitchell, Honorable Michael D. Barnes, Honorable Barney Frank, Honorable Nicholas Mavroules, Honorable Edward J. Markey, Honorable Joe Moakley, Honorable Brian J. Donnelly, Honorable James M. Shannon, Honorable John Conyers, Jr., Honorable Vic Fazio, Honorable Carl D. Pursell, Honorable Howard Wolpe, Honorable Jim Dunn, Honorable Dale E. Kildee, Honorable Bob Traxler, Honorable Donald J. Albosta, Honorable David E. Bonior, Honorable George W. Crockett, Jr., Honorable Dennis M. Hertel, Honorable William D. Ford, Honorable John D. Dingell, Honorable William M. Brodhead, Honorable James J. Blanchard, Honorable Bruce F. Vento, Honorable Martin O. Sabo, Honorable James L. Oberstar, Honorable David R. Bowen, Honorable Wayne Dowdy.

Honorable William (Bill) Clay, Honorable Pat Williams, Honorable Jim Santini, Honorable Norman E. D'Amours, Honorable Frank J. Guarini, Honorable Christopher Smith, Honorable James J. Florio, Honorable William J. Hughes, Honorable James J. Howard, Honorable Robert A. Roe, Honorable Harold C. Hollenbeck, Honorable Peter W. Rodino, Honorable Joseph G. Minish, Honorable John LeBoutillier, Honorable Manuel Lujan, Jr., Honorable Donald Mitchell, Honorable Thomas J. Downey, Honorable Raymond J. McGrath, Honorable Joseph P. Addabo, Honorable Benjamin S. Rosenthal, Honorable Geraldine A. Ferraro, Honorable Mario Biaggi, Honorable James H. Scheuer, Honorable Shirley Chisholm, Honorable Stephen J. Solarz, Honorable Frederick W. Richmond, Honorable Leo C. Zeferetti, Honorable Charles E. Schumer, Honorable Charles B. Rangel, Honorable Ted Weiss, Honorable Robert Garcia, Honorable Jonathan B. Bingham, Honorable Peter A. Peyser.

Honorable Richard L. Ottinger, Honorable Frank Horton, Honorable John J. LaFalce, Honorable Henry J. Nowak, Honorable Stanley N. Lundine, Honorable Walter B. Jones, Honorable Ike Andrews, Honorable Stephen L. Neal, Honorable Charles Rose, Honorable W. G. (Bill) Hefner, Honorable Tony P. Hall, Honorable Bob Shamansky, Honorable John F. Seiberling, Honorable Mary Rose Oakar, Honorable Louis Stokes, Honorable Dennis E. Eckart, Honorable Ronald M. Mottl, Honorable Mike Synar, Honorable Ron Wyden, Honorable James Weaver, Honorable Les AuCoin, Honorable Allen E. Ertel, Honorable Doug Walgren, Honorable Marc L. Marks, Honorable Thomas M. Foglietta, Honorable William H. Gray III, Honorable Joseph Smith, Honorable Gus Yatron, Honorable Bob Edgar, Honorable Baltasar Corrada, Honorable Robert W. Kastenmeier, Honorable Clement J. Zablocki, Honorable Henry S. Reuss.

Honorable William J. Coyne, Honorable Joseph M. Gaydos, Honorable Austin J. Murphy, Honorable Fernand J. St Germain, Honorable Claudine Schneider, Honorable Butler Derrick, Honorable Floyd Spence, Honorable Ken Holland, Honorable Thomas A. Daschle, Honorable John J. Duncan, Honorable Albert Gore, Jr., Honorable William H. Boner, Honorable Harold E. Ford, Honorable E. de la Garza, Honorable Jim Mattox, Honorable William (Bill) Patman, Honorable Mickey Leland, Honorable Henry B. Gonzalez, Honorable Abraham Kazen, Jr., Honorable Martin Frost, Honorable Jack Brooks, Honorable James M. Jeffords, Honorable Joel Pritchard, Honorable Don Bonker, Honorable Mike Lowry, Honorable Robert H. Mollohan, Honorable Nick Joe Rahall, Honorable Fofo I. F. Sunia, Honorable Walter E. Fauntroy, Honorable Antonia Borja Won Pat, Honorable Ron de lugo.

Mr. HOLLINGS. Mr. President, our amendment also restores funds for Pell grants. I see the distinguished chairman of our Committee on Education, and we have no greater friend in education than the Senator from Vermont. Government is the art of the possible. I know he could not get all he wanted in this budget for education. Yes, you have taken care of guaranteed student loans but that does not take care of the Pell grant program or other education programs for the underprivileged. In my sense of values to take care of the middle class under the guaranteed student loan program and not take care of the poor and minority students who receive Pell grants is really an imbalance, an inequity and, in a sense, unconscionable.

I have, for example, many, many minority college students in my State, and many black colleges. Rightly, they are proud to be referred to as black colleges. Someone in the field of sociology wanted to eliminate the black colleges of America. That would be ridiculous. Our black colleges have a good record, and they are proud historically of their record. They have a sense of institutional pride and history. There were some six in the State of South Carolina.

I find that at these institutions, 90 percent of the students are either under some assistance or, more particularly, under Pell grants. Cut back the grant and these kids are on the street. Cut back the grant and we dishonor the future of America. Without college, there is no future for some of these kids. In South Carolina, they just closed another plant and 600 jobs were eliminated. The Williams Furniture plant has closed, and 12 percent unemployment is real. The opportunity is not there. The opportunity comes with a college degree, and the college degree will only come with continued Federal support.

We have billions upon billions of dollars in the defense area, and we are just literally throwing money at problems, with cost overruns that will far exceed any Pell grant or student loan program. We have already eliminated some 300,000 students in 1982 who received grants.

And a 3-year freeze necessitates one of two things: Either the average grant size is frozen or we cut off more low-income students. If the size of the grant award is allowed to grow, an additional 500,000 students will be forced out of the program by fiscal year 1985. This makes no sense.

Why should all these programs suffer reductions in their purchasing power of 20 percent over that 1983 to 1985 period?

We have an analysis from the Congressional Budget Office on Pell grant funding showing that a half million minority, poor, and disadvantaged students in America may not receive Federal assistance in the future. And you want to televise the Senate proceedings, and show the American people that we have taken care of the middle class in this budget but not the disadvantaged? Not if I have my way. We are not going to put 500,000 students out on the streets of America and say that we cannot afford the program. We cannot afford not to continue this program.

Mr. President, I ask unanimous consent to have printed in the RECORD the memorandum from the Congressional Budget Office on Pell grants.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, D.C., May 17, 1982.

Memorandum to: Ken Apfel, Senate Budget Committee.
From: Maureen McLaughlin.
Subject: Pell grant funding.

In response to your request, this memorandum compares baseline projections for Pell Grants with continuing the current level of funding. Baseline projections assume the fiscal year 1982 appropriation of $2.279 billion and adjusts for inflation in fiscal years 1983 through 1985. Current level of funding assumes a continuation of the nominal fiscal year 1982 appropriation through fiscal year 1985. As Table 1 indicates, the current funding level is 7.5 percent below in fiscal year 1985.

Estimating the effects on students of continuing current spending rather than adjusting funding for inflation is difficult because the program could be changed to reduce either the number of recipients, or the real average award, or both. For this reason, estimates are presented assuming first, that the average award is held constant in real terms and second, that the number of students is held constant.

If Pell Grant funding were adjusted for inflation, average awards for 2.558 million recipients would increase from $886 in fiscal year 1982 to $1,114 in fiscal year 1985 (see Table 1). Maintaining these average awards and continuing current funding levels would reduce the number of students receiving Pell Grants from 2.558 million in fiscal year 1982 to 2.034 million in fiscal year 1985. On the other hand, maintaining the same number of Pell Grant recipients would continue the current average award of $886, reducing the real value by 20.4 percent in fiscal year 1985.

I hope this information is useful. Please call if you need further information.

TABLE 1.—PELL GRANTS: COMPARISON OF BASELINE FUNDING WITH CONTINUATION OF CURRENT FUNDING LEVELS; FISCAL YEAR 1982–85

	Fiscal year			
	1982	1983	1984	1985
Baseline—adjusting current funding levels for inflation:				
Budget authority (in billions of dollars) [1]	2.279	2.464	2.657	2.862
Number of students (in millions) [2]	2.558	2.558	2.558	2.558
Average award (in dollars) [3]	886	958	1,034	1,114
Continuing current funding levels:				
Budget authority (in billions of dollars) [1]	2.279	2.279	2.279	2.279
Comparison to baseline (in percent)		−7.5	−14.2	−20.4
Number of students assuming baseline average award (in millions)	2.558	2.365	2.192	2.034
Average award assuming baseline number of students (in dollars)	886	886	886	886

[1] Includes $13 million in administrative costs

[2] Assumes number of students continues and awards are adjusted for inflation.

[3] Assumes awards are reduced in order to meet fiscal year 1982 appropriation level.

Mr. HOLLINGS. The Budget Committee also freezes the program for the handicapped for the next 3 years at the 1982 level. There are 4 million students currently served by this program. Federal funds represents about $200 per student, less than 10 percent of the cost of educating the handicapped student.

Mr. President, you can do certain things in a budget document, but you do not change the fundamental policy of the Congress relative to providing an appropriate education for the handicapped. Federal law mandates that an appropriate education be provided to the handicapped.

Federal cutbacks are not in this case going to reduce the number of students served. Instead, the schools will be forced to serve the students and we at the Federal level are going to offload the financial burden and force the local school districts to increase their spending to make up for the Federal cutbacks.

The local schools are already financially strapped.

So, in essence, we have just transferred the financial responsibility, and the Record should so reflect.

I thank the distinguished Senator from New Jersey for his leadership. I tried in the Budget Committee to restore funds for these programs. We only lacked one vote. I only emphasize that because we did not come within one vote on any other amendment in committee.

I also want to mention that our amendment would help Head Start. The 3-year freeze, Mr. President, would necessitate a 20 percent real reduction in services, and it is likely that about 50,000 kids will be thrown out of Head Start by 1985.

That is not America in 1982. We cannot be doing that. We have problems, but we do not want to create further problems in the spirit of so-called balancing the budget, when we know we actually are creating a tremendous intellectual and opportunity deficit.

I also want to say a few words about vocational education.

We built up a solid technical education system in South Carolina in the early sixties. That was without a large Federal program. I don't know if it could be done again without Federal funds.

Why did we do it? To attract new industry.

We had a few expansions down into the Sun Belt because industry has customers down there, and we had the opportunity to share in some of those expansions. We had a labor force willing to learn the new skills necessary to compete. The United States needs to do what South Carolina did in the fifties and sixties so we can compete with Japan.

I visited Allied Chemical just the other day. It is an outstanding firm. We brought it there in 1960. I wish you could talk to Mr. Hennessey, the president of the board, and ask him what technical training meant. It meant the location of that particular industry because all the surveys showed that we had the skills. A good lesson for the eighties with our problems with Japan.

There is no greater investment that can be made in dollar return. These programs must be supported. Those who think they are doing something to bring about Government in the black are really putting Government in the red skill-wise and competition-wise, that is a bad investment decision.

I yield to the Senator from New Jersey.

The **PRESIDING OFFICER**. The Senator from New Jersey.

Mr. **BRADLEY**. Mr. President, I think the Senator from South Carolina the ranking member of the Budget Committee, for his very strong support. At least I know now the secret of South Carolina—it is vocational education.

I concur with the Senator that many of the measures that South Carolina has managed to accomplish have been because of the manpower pool that it has developed with vocational education.

Mr. President, this amendment, I think, is a very clear amendment. Its thrust is that we have to recognize that we need all the people of this country in order to maximize our potential for economic growth and to retain our self-respect. There is no way that we are going to get the levels of economic growth that we could otherwise attain in the mid-1990's if we have a growing portion of our young population in poor areas of this country that are without adequate educational training.

Mr. President, title I was an attempt to balance out those inequities.

We need education for upper class, middle class, and poor families in this country. If you look at a school district that has an imcome level that is very low, that has a low tax base, that school district does not generate the kinds of revenues that a school district does that has wealthier residents or more prosperous businesses. That is a fact.

Title I of the Elementary and Secondary Education Act recognized that unequal tax bases created certain inequities in our system and recognized that the Federal Government had a responsibility to help correct the inequities because the economic forces of this country are national in nature and impact on regions differently. Title I says that the Federal Government should assist those school districts that have a disproportionate number of poor residents. Title I says let us give all the people of this country a chance to get an education, a chance to climb up that ladder of upward mobility, a chance to be a productive member of a growing economy.

If we say that any poor person in this country cannot get that education, in my view, we are not only losing a certain self-respect as a nation; we are also forgetting that by the mid-1990's we will have a labor shortage. If we do not develop all the potential manpower of our country, we will not reach the levels of economic growth we might otherwise attain.

Mr. President, that is the argument for title I and, to a lesser but nonetheless significant extent, for the Pell grants.

The argument for handicapped education, in my view, deals primarily with our self-respect as a nation. If we are to be inclusive, if we are to say to all our people that they should have a chance, then we must allow the handicapped person in this country to have access to education.

In 1975, when the handicapped education bill was passed, 70 percent of the handicapped children in this country were not in schools. Seventy percent. They were in homes or they never went to school or they were family responsibilities. Handicapped education has given them an opportunity.

Just one anecdote: A few weeks ago, in the House Education Subcommittee, a person named Ed Akersley testified. Ed Akersley is 14 years old and autistic. He was testifying on the contemplated reductions in this budget with respect to handicapped education.

In 1975, Ed Akersley was not in school. But because of handicapped education, his problem was diagnosed, he had a therapist, he worked hard, and there he was in the Education Subcommittee.

The chairman of that committee, Paul Simon, asked what he wanted to be.

He said, "Well, I would like to be an electrician."

Mr. Simon said, "No. What do you hope for?"

Ed Akersley said, "Well, I hope to have a family, live in a red brick house with a white picket fence, just like you, Mr. Chairman; just like you."

It seems to me that we deserve a Government that is sensitive to the Ed Akersleys of this world who believe they have a chance too, and that we have Federal programs that are sensitive to their needs. Our self-respect as a nation depends on it.

This amendment is minimal in its revenue impact. We are talking about $2.1 billion over a 3-year period; in 1983, $100 million. The chairman of the Finance Committee increased the revenue assumptions $6 billion with a wave of the hand.

Mr. President, this is an amendment about where we are going to go as a country, whether we are going to have economic growth, utilizing all the human resources of this country, and whether we are going to retain our self-respect, bringing into the educational process all those people in America, whether they are poor or handicapped, or whether we are going to pursue a course that says it is politically expedient only to address this class or that class and forget about the rest.

Mr. President, I contend that the latter course is not only a recipe for stagnation in our economy but also for moral bankruptcy. I hope we might give a close look at this amendment and not dismiss it out of hand as just another amendment to increase spending in an irrelevant area of the budget. This area is not irrelevant and these programs mean something to human beings who hope for a better life in our country.

Mr. **DODD**. Mr. President, I support the Bradley-Hollings amendment to restore funding for discretionary programs in education. Title I compensatory education, Pell grants, Education for the Handicapped, Head Start, and vocational education have been among our most successful efforts for disadvantaged children.

Efforts on behalf of our children should be among our Nation's most compelling priorities. To diminish or destroy our commitment to them, is to default on our future.

In this country today, more children live below the poverty line than any other age group. The means at their disposal, that would help secure their future, lie largely in the educational tools with which we can supply them.

We have a long history of direct aid to the education of children and young people. We first established such programs in the Woodrow Wilson administration. Those early vocational grants recognized the need to educate young people for future jobs.

In succeeding decades, such practical steps toward building a stronger America have not been the exclusive domain of either political party. Grants to college students were first established in the Eisenhower administration. Pell grants and compensatory education programs were enacted in the 1960's with overwhelming bipartisan support.

Many of these programs were cut deeply last year. Title I, which provides special reading and math classes to millions of children, was reduced 20 percent in fiscal year 1982. In my home State of Connecticut, 7,000 children lost these services.

Education for the handicapped was reduced 35 percent. In Connecticut, each handicapped child received less help this year than they had the year before.

Vocational education suffered reductions equally devastating. Last year 20,000 Connecticut students lost access to vocational programs.

And 9,000 Connecticut students have been worried over the future of Pell grants. These young people would have lost their awards had we enacted the administration's proposed 42 percent cut in college expenses for disadvantaged students.

For young children, one of the most comprehensive and enriching programs has been Head Start. Ninety percent of the hundreds of thousands of children who have benefited from Head Start have been children from low income families.

We cannot reduce further the number of children who can participate in the educational opportunities these programs provide. These are programs of proven value and we must maintain our investment in them and in our children by allowing funding to keep pace with the cost of services.

We did not keep pace this year. We cannot lose further ground next year. Reducing funding for these programs is shortsighted and counterproductive. In the long run, such reductions will be expensive not only to the individuals who have suffered them but to the Nation as a whole. A society will succeed in proportion to the way it enhances the development of its children. We cannot continue to cut their development short.

Mr. **SARBANES**. Mr. President, will the Senator from New Jersey yield some time to me?

The **PRESIDING OFFICER**. Who yields time?

The Senator from Minnesota.

Mr. **BOSCHWITZ**. Mr. President, we believe that $2.1 billion is not minimal, as the distinguished Senator from New Jersey has just stated. Indeed, $2.1 billion is worthy of a good deal of consideration.

In the modified budget resolution that this side has presented to the Senate, we have increased budget authority in function 500 by $1 billion in fiscal 1983, $1.5 billion in fiscal 1984, and $2 billion in fiscal 1985. Over the entire appropriated program, we have increased the funding levels even further. So the appropriate subcommittees of the Appropriations Committee will have these moneys that they can spend and that they can allot in the manner they find fitting for education programs.

I know that my friend from New Jersey made reference to the Senator from Vermont, who has been most concerned about the college programs; and they, too, have been kept at a sound level, at a level of $1.6 billion over what the President has requested.

The Pell grants, about which the Senator from New Jersey spoke, will be at the level of $2.3 billion for the fiscal year 1983 and thereafter. This is $500 million above the level that was asked for by the President.

So it is hoped that curbing the growth of Federal expenditures, inflation, as has already been reflected in our economy, will continue to moderate, and that these funds will be adequate for the years to come.

The GSL program—the guaranteed student loan program—is, of course, an entitlement program, and we have not assumed reductions in that program nor instructed the authorizing committee to change the law. As we estimate the costs in 1983, 1984, and 1985, expenditures for this program will increase.

The college work-study program, which is important to many colleges in my State and in the State of the distinguished Senator from New Jersey, has also been kept at level funding, as has the national direct students loan program and the State student incentive grants and supplementary education opportunity grants.

So, overall, the student aid programs about which the Senator from Vermont is concerned and about which I am concerned, and which private education absolutely needs for the purpose of continuing as a viable group of institutions, are kept at levels that are above the President's requests. They are not reduced in these 3 years but are kept at constant levels of funding. Indeed, the GSL, being an entitlement program, grows as more people use that program and the Federal Government subsidizes their loans.

Constant funding of education programs does not necessarily mean that children are going to be denied their ability to receive an adequate education.

I am not certain I agree with the distinguished Senator from New Jersey when he says that people can no longer educate themselves, as did Abraham Lincoln, but require a certain form of building and a certain form of help for their economic situation. I do not disagree that factors do have an impact, but I think that those who desire an education can still obtain it despite adverse circumstances.

The freeze on funding, and that is precisely what it is, with the exception of the GSL program, will not work to the disadvantage of students. It is our hope that we will effectively eliminate the scourge of inflation that we find in our economy. Education programs are generally forward funded which means that the moneys appropriated this year will really be spent next year, giving our educators a year to plan the most effective and efficient use of money. As a practical matter we do not provide much money for elementary and secondary education. Little of the moneys spent in the States comes from the Federal Government. In our State 6 or 7 percent of the total money spent is from the Federal Government. Consequently, level funding will have a limited adverse effect on education in my State.

Particularly because our educators will plan how best to make adjustments necessary to conform to the funding levels assumed in this budget resolution.

The amendment that the Senator from New Jersey suggests would increase outlays $100 million in 1983.

I know that some people feel that is a minimal amount. When seen in the scope of the entire budget, perhaps it should be considered a minimal amount. And even when it is spread among all the relevant program participants, and there are approximately 30 million of them, it results in increased funding of $3.30 a student. It is hard to imagine exactly how this amount of money will improve levels of education and precisely how this $3.30 will improve education, which is the end result that both the Senator from New Jersey and I wish to achieve in our Nation's school systems.

We will help people who seek to educate their children more by constraining the growth of Federal spending, lowering interest rates, and bringing about a decline of inflation so that the economy improves. This will help all students, teachers, and administrators. That is the goal of this budget and despite the fact that these are worthy programs, programs on which we would all like to spend money because money spent on education is truly an investment in the future. Even this one, Mr. President, has to be affected by the times. Even spending for this function of the budget must be constrained.

We have added, as I said at the beginning of my remarks, $1 billion in fiscal 1983 to this function, $1½ billion in 1984, $2 billion in 1985, and it may be that the Appropriations Committee will decide to add more money and spend it exactly in the way that the distinguished Senator from New Jersey suggests.

But I will oppose this amendment and I will ask others of my colleagues to oppose it as well.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. BRADLEY. Mr. President, I will yield to the Senator from Maryland for his statement on this issue but shall respond briefly to the Senator from Minnesota.

I think all of us here want to get interest rates down. That is really not the issue of this amendment.

The Senator from Minnesota argued how is $3 a student spent across the country going to improve education? One might argue conversely how is $100 million added to a $740 billion budget going to keep interest rates high?

The point is this program and this amendment is not an interest rate amendment. This is a human being amendment. It is not an either/or situation. It is a real live environment when you are working in an urban school. The question is, if this program is cut instead of having 33 students in the classroom with 10 getting special instruction, remedial education, you will have 45 to 50 in a classroom. Forty-five to 50, with 5 and 10 grouped behind the other students and they will only go through the high school once. And they will not have adequate training. They will be disadvantaged because of the economic circumstances of their community.

Meanwhile we are whistling here hoping that interest rates go down.

So, Mr. President, I yield to the Senator from Maryland but I hope my colleagues will have a chance to focus on what this really is. We all want interest rates to go down. The Senator from South Carolina has 15 to 20 ideas to get interest rates down that are a lot better than $100 million.

The question is, What are you going to do about the students in the schools of this country who are poor and who want an education and cannot get it because there are no funds in the school? Are we writing them off or are they a part of this society?

Mr. President, I ask unanimous consent that the Senator from Connecticut, Senator DODD, the Senator from Maryland, Senator SARBANES, the Senator from Delaware, Senator BIDEN, and the Senator from Montana, Senator MELCHER, be listed as cosponsors of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BRADLEY. I yield to the Senator from Maryland.

Mr. SARBANES. Mr. President, I rise in very strong support of this amendment to restore funds for priority education program.

This amendment goes to the very heart of what we should be concerned about as a nation, the education of our citizens.

The development of the talents and the abilities of the next generation is a basic purpose of any society, developed or developing.

I know of no society that is serious about its future that does not place the development of the talents and the abilities of its people and particularly of its next generation at the top of its priority list. It is fundamental to any society that hopes to be educated and civilized.

The programs that this amendment would strengthen—Head Start, title I, education for the handicapped, vocational education, and the Pell grants for college students—these programs have been instrumental in helping to develop equity, opportunity, and excellence in our educational system.

They represent a wise and prudent investment in the human resources of our Nation and hence a strengthening of our society.

Not only have these programs worked in human terms but they have also worked in cost-benefit terms.

Both Head Start and title I studies have shown that children participating in these programs advance at a much faster rate in basic educational skills than students not participating.

One study concluded that Head Start's benefits outweigh its costs by 235 percent, based on projected lifetime earnings for Head Start children above what they otherwise would have been, and based on the savings of the special educational costs which would have been associated with those children had they not been in the Head Start program.

While President Reagan designated Head Start as part of his so-called safety net, it still only serves 20 percent of the eligible children, and the additional cutbacks will bring that figure down even lower.

The title I program is another prime example of a highly beneficial cost-effective program. Several studies have concluded that title I is effective in improving the reading achievement of students in the first, second, and third grades, and is effective in improving the math performance of students in all elementary grades.

Students in the first grade made an average gain of 12 months in reading and 11 months in math in the 7-month period between fall and spring testing. Graduates from the title I program continue to perform at markedly higher levels than would be expected had they not received the benefits of that program.

Last year President Reagan proposed severe cuts in title I, and again this year is calling for even further deep cuts.

The proposal before us from the Senate Budget Committee freezes the funds for title I for the next 3 years. It is estimated that this freeze will result in approximately a 30-percent reduction in services to title I students.

Currently approximately 5.5 million children in the Nation, representing 45 percent of those eligible, are participating in the program.

The proposal before us would by 1985 force 1 million children out of the program, out of a program that has proven itself on the basis of every study which has been made.

The vocational education program should not be curtailed at a time when unemployment is increasing, and youth unemployment has reached an extremely high rate.

We have the responsibility as a society to make sure that we have a well-trained employment force for our Nation. In this regard it is interesting to note that there has been an increasing demand from students to participate in the vocational education programs.

In the decade of the seventies enrollments increased over 80 percent, and currently almost half of all students in

grades 10 through 12 are enrolled in occupational programs.

We must obviously continue to place a high priority on developing a workforce to meet the technological and complex employment needs of our country. How else can we meet the economic challenges that lie ahead of us as a Nation? How else can we insure that our people will be able to participate in our economic life?

It is also counterproductive to curtail the funds for the Education for All Handicapped Children Act. This program enables us to improve the performance of handicapped children thereby preventing many of them from being institutionalized with the attendent high human and financial costs.

Maryland's education system currently serves 95,000 handicapped children. With the President's budget proposals from last year, and the reductions proposed this year, the Maryland Department of Education estimates the State will reduce services to over 8,000 handicapped school children, 5,000 preschool children, and over 2,000 severely handicapped students in residential facilities.

These are all students who are being moved along the path of achieving the maximum in their own development at a benefit to them and a benefit to the society that will now lose this opportunity.

Finally, the Pell grants are extremely important for many students from low-income families who hope to achieve a college education. Those grants are part of a coordinated program that has been put into place to try to make it possible for our young people to achieve higher education.

The Pell grants, the guaranteed student loan program, the work-study program, all of the programs of aid to higher education which have been put into place in recent years enable the Nation to say to any family that their children will be able to get the college education to which their talents and abilities will take them, regardless of the family's own economic circumstances or difficulties. The reductions in these programs are drawing back on that promise; are knocking down the ladders of opportunity that are so extemely important to what this Nation means and what this society represents.

The cutbacks in the education programs last year and the proposed cutbacks in the administration's submitted budget this year have so concerned educators and parents in my State that a number of groups, which have previously not joined together in a common effort, have now formed the Maryland Committee on Federal Funding for Education.

This committee encompasses the Maryland Association of Boards of Education, the Maryland Congress of Parents and Teachers, the Maryland State Teachers Association, the Maryland State Department of Education, the Public Schools Superintendents Association, and the Maryland State Board of Education. These groups have joined together in a concerted effort to analyze how local and State school systems will be affected by the proposed cutbacks, and to discuss their impact on our educational system with parents, teachers, students, and other concerned citizens across our State.

The conclusion of the discussions has been that these reductions will do irreparable harm to our educational system.

It was Thomas Jefferson, who wanted above all else to be remembered as the founder of the University of Virginia, who warned us that a nation which hopes to be ignorant and free, hopes for what never was and never will be. Such was the premium which Jefferson placed upon education.

Mr. President, I submit that the programs contained in this amendment are important in moving this Nation further toward the goal that all of our citizens will be educated to the full extent of their talents and abilities. It means not only a better, more productive life for each individual, but it means a better and more productive society, one that can come closer to realizing its potential. A society that places a premium on fairness and opportunity must strive to achieve opportunity and excellence in education.

We ought not to be turning our backs on a national commitment which has been at the very heart of the meaning of American society since the founding of the Republic.

I urge my colleagues to support the pending amendment and thereby reaffirm that education will continue to be one of our Nation's highest priorities.

I thank the Senator from New Jersey.

The PRESIDING OFFICER. Who yields time?

Mr. BRADLEY. Mr. President, at this time there are one or two other people I am told who want to speak in behalf of the amendment but they are presently not here. What is the intention of the chairman of the Budget Committee?

Mr. MELCHER. Mr. President, will the Senator yield 2 minutes to me?

Mr. BRADLEY. I would be pleased to yield to Senator MELCHER what time he needs in support of the amendment.

Mr. MELCHER. I thank my colleague from New Jersey. I want to commend the Senator from Maryland who just preceded me for a very, very fine statement. My colleague from Maryland has very eloquently made the case for the amendment.

I want to echo and reiterate what should be a profound commitment of this Senate this Congress and this country to continue to place the highest priority on the educational opportunities for our children.

What we are doing in this amendment is little enough. It is not going to do as much as we should be doing for education, but to do less would be a tremendous disservice to all the people of this country, not just for the coming generation but all of us who have the responsibility to make sure that our children do have the opportunity for quality education, and to have the opportunity whether they are handicapped or in any was disadvantaged.

This amendment seeks in a small way to do justice to our youth, and I want to thank the Senator from New Jersey for allowing me to be a cosponsor, and I want to compliment him on drafting a very fine and meritorious amendment.

Mr. BRADLEY. Mr. President, I thank the Senator from Montana.

I would like to add, and I ask unanimous consent to add, the Senator from Kentucky (Mr. FORD) as a cosponsor of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BRADLEY. What is the pleasure and intention of the Senator from New Mexico?

Mr. DOMENICI. Mr. President, I want to speak for a few minutes. It was my understanding, if the minority agrees, that the leader has promised that we will vote no sooner than 9. I hope we will vote shortly after 9 and then go on to the next amendment. Unless a Republican has an amendment, and I am unaware of it now, it will be Senator MELCHER's that we will take up next. But we will have a rollcall vote on Senator BRADLEY's amendment sometime shortly after 9. Does the Senator from New Jersey have others that wish to speak on his side?

Mr. BRADLEY. I think we could very well get to a vote by 9 o'clock, depending on how long the Senator from New Mexico takes.

Mr. DOMENICI. I have not spoken yet. But I will yield myself 5 minutes, to begin with.

Mr. President, I think the Senator from New Jersey knows that I hold him in high respect and esteem. I really wish that our country was not broke so we could all support his amendment.

There are some people who are going to say: "How could you not support this?"

One of my good friends in the Senate was talking about voting against a very, very attractive amendment affecting 34,000 people in his State. Another Senator who has about 5,000 or 6,000 people in his State who will also not get a raise in their Federal pensions, heard him and said: "How can we vote to keep pensions steady and not raise it with so many affected people in our home States?" He had a very simple answer. He said, "When my opponents run an ad saying that I do not care about pensioners, I am going to run one back that says: "How could the Federal Government pay you more when it is broke?"

That is the plain and simple truth. We are not kidding anyone. This budget is going to have a deficit of $115 billion. And I guess if we were not already putting significant new money in this function, I would probably say, "Broke or not broke, let's pay for some of these things."

For the last 30 or 40 minutes we have been talking about four or five Federal education programs. I have heard claims about how many thousands are not going to get services and what a big reduction we have made.

The total new outlays in this Bradley amendment for the 1983 fiscal year are $100 million. It seems to me that as we have been discussing elementary and secondary education—for which our country spends a total of $75 billion—that some people may have been persuaded to think that if this amendment does not pass, we may not have any schools or classrooms left in this country at all.

For those who are wondering whether or not we are trying to do right by this function, let me give you a couple more facts.

When the President sent his budget up on title I for fiscal year 1983 he asked for $1.9 billion. We have already added $1 billion back. We assume $2.9 billion in this budget resolution.

Now, in fiscal year 1982 we spent $3 billion. So I am willing to acknowledge, if everything went exactly as we have assumed, there would be a $100 million cut in a $3 billion program from 1982 to 1983. That reflects nothing more than our assumptions about how money will be spent. Since that is what we are discussing, I want to make sure that no one thinks we are devastating these programs.

Education for the handicapped was funded in 1982 at $1.1 billion. We have $1 billion in here. The President asked for $800 million in budget authority. We put $1 billion in—an increase of $200 million.

The PRESIDING OFFICER (Mrs. KASSEBAUM.) The Senator's 5 minutes have expired.

Mr. DOMENICI. I yield myself 5 additional minutes.

Mr. STEVENS. Madam President, will the Senator yield to me for just a moment?

Mr. DOMENICI. Yes; I am pleased to yield to the acting majority leader.

Mr. STEVENS. Madam President, I ask unanimous consent that the vote on the pending amendment commence at 9:15 p.m. and, if time is no longer required on the debate of this amendment prior to that time, that it be in order to lay down another amendment but that the vote on this amendment commence at 9:15 p.m.

The PRESIDING OFFICER. Is there objection? Hearing no objection, it is so ordered.

Mr. DOMENICI. Madam President, I just want to go through a few more comparative examples.

Vocational education, the President requested $500 million in budget authority. We have $700 million in the resolution. Another increase of $200 million. Guaranteed student loans, the President requested budget authority of $3.5 billion and outlays of $3.4 billion. We are at $3.9 billion and $3.7 billion. Pell, the President was at $1.4 billion and we are at $2.3 billion.

Now, I am willing to go back and compare the actual expenditures for these programs. Suffice it to say that in almost every case we are at or above the 1982 level of funding.

Now, that does not mean that one could not go back to 1979 and 1980 and say maybe we went down from those times. But I think it ought to be made clear that we are very close to level funding in 1983 versus 1982 and, in most cases, higher.

I remember that right after the President's 1983 budget was released, my State's educators came to see me. From them I first got the idea that if we could level fund programs it would be all right, considering how severe the deficit is. And we have done that.

I yield myself an additional 5 minutes, Madam President.

Madam President, I ask unanimous consent that the table for function 500, education, training, employment, and social services be printed in the RECORD. It has the comparisons that I have spoken of and others.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

FUNCTION 500: EDUCATION, TRAINING, EMPLOYMENT AND SOCIAL SERVICES—PROGRAM ELEMENTS

[In billions of dollars]

Major program	Fiscal year 1982 SBC mark outlays	Fiscal year 1983					
		SBC mark		Baseline		President's requests	
		Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays[1]
Compensatory education (includes title I of ESEA)	3.0	2.9	2.9	3.1	2.9	1.9	2.9
Education for the handicapped	1.1	1.0	1.1	1.1	1.1	.8	1.1
Vocational education	1.0	.7	.7	.8	.8	.5	.8
Education impact aid	.6	.5	.5	.5	.6	.3	.4
Other elementary, secondary education	1.0	1.0	1.2	1.1	1.0	.9	.4
Guaranteed student loans	3.0	3.9	[2] 3.7	3.9	3.7	3.5	8.4
Other student assistance	4.2	4.0	4.1	4.3	4.1		3.7
CETA title VI and II–D, public service employment	.1						
Other CETA	4.2	3.0	3.3	4.0	4.0	2.4	2.2
The employment service	.8	.8	.8	.8	.8	.7	.7
WIN	.3	.2	.2	.3	.3	0	
Social services block grant (title XX)	2.9	2.4	2.4	2.4	2.4	2.0	2.0
Community services block grant	.3	.3	.4	.4	.4	.1	.1
Other social services (includes vocational rehabilitation and headstart)	3.3	3.6	3.5	3.6	3.6	2.8	2.9

[1] As reestimated by CBO.

[2] Additional savings of $568,000,000 in fiscal year 1983 BA and $420,000,000 in fiscal year 1983 outlays are assumed due to lower interest rates.

Mr. DOMENICI. Madam President, there are those who wonder, even though we are broke: Have we been doing justice to these areas or have we just decided that we are not going to take care of our handicapped? Do we not care about vocational education? Do we not care about student loans? So I asked the staff just to give us a few percentage increases so that we could measure what we have done for these programs from 1976 to 1982. Let me give you a couple.

Pell grants, an increase of 900 percent; guaranteed student loans, an increase of 2,200 percent; education for the handicapped, an increase of 4,500 percent; title I, an increase of 36 percent; vocational education, an increase of 43 percent.

Mr. SARBANES. Will the chairman yield for a question?

Mr. DOMENICI. Let me finish and I will yield the floor.

Mr. SARBANES. What is the base for this presentation?

Mr. DOMENICI. 1976 through 1982, outlays.

Mr. SARBANES. Is it the chairman's intention to compare 1979 and 1980 with 1982 as well?

Mr. DOMENICI. No, you did that. You did not compare 1982 to 1983. I think you compared 1979 and 1980 to 1983.

Mr. SARBANES. You take a base year with a program just starting and compare it with a year when it has been put into action, at least to cover some of the people, and then give us the high percentages, is that right?

Mr. DOMENICI. That may be the case for the education for the handicapped, but not for other programs. I simply requested a 1976–82 comparison for all programs.

I would also say that when the Senator spoke about 30 and 40 percent reductions, he was not speaking of 1982 versus 1983 in outlays, because the programs are level funded. He was speaking about 1979, when they were at their highest point.

Mr. SARBANES. The point I was trying to make was that level funding over the years represents a program cut. Does the chairman disagree with that point?

Mr. DOMENICI. No, I am totally in agreement that if inflation continues level funding will not add to the program. It may not do as much as it did in previous years. I am saying that level funding is not 30 percent fewer students in handicapped, vocational education, Pell grants, or student loans.

It may be some slight reductions in some places, but not 30 percent across the board.

So we have comparative differences.

Mr. SARBANES. No, it depends on the level of inflation that you are assuming, if you maintain level funding over a 3-year period.

Mr. DOMENICI. That is right.

Mr. SARBANES. That is what you are doing in the title I program.

Mr. DOMENICI. I also would call to the attention of the Senate that these programs are not reconciled, that these outyear figures are targets, where a great deal of it is subject to the appropriations process each year. I, for one, hope that we will be doing much better in 2 or 3 years than we are now as a nation. I choose to compare our modified budget to that which the President submitted about 2½ or 3 months ago, and as best I can compare our modified budget with what happened in 1982. Those are the basic things that I am discussing, and I believe they are as accurate as possible. I just do not think that it is a fair assessment to be saying here that education is going to all of a sudden be destroyed.

Mr. BRADLEY. Will the chairman yield for a question?

Mr. DOMENICI. I will add one more thing.

In summary, the budget resolution is nearly $4 billion above the President's request for exactly the kind of students and children that the Senator has been talking about. That is the best I can do for our Nation's schoolchildren, $4 billion more than the President's. It is $1.7 billion above the President's for elementary and secondary education; $1.6 billion above the President for student aid programs for the neediest college students, such as the Pell grants and the campus-based programs.

I am not saying anything more than that. One can immediately say, "Well, so what, the President was inadequate." But I am telling you that is what it is versus the President's budget, and it has been submitted by the majority party that works with and represents and attempts to help the President in these matters. This is how much more we put in than he did.

I yield the floor.

Mr. BRADLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. BRADLEY, May I follow up with a question to the chairman of the committee?

I heard him say that maybe there would be more in the future. Is this opening the door with respect to increases in this function or at least higher appropriations, and would he fight for that?

Mr. DOMENICI. I am a man of great hope. As the Senator knows, I have a lot of students in my own household. I think I happen to have more children in college than any Member here. I have them in batches, three at a time. It has been that way for a while and it will be that way for a while longer. In fact, my last born are twins and they will both hit college at the same time. I will have four in college then.

I cannot promise where our economy will be next year. I just say that when we have as bad a budgetary situation as we do now, $115 billion deficit projected for 1983, it seems to me that to level fund education, when we are cutting elsewhere, is just not all that bad. Beyond that, I am not prepared to say that I would not vote for it to be better. I am not prepared to say that I hope in 1985 we will not do better, because I do. But I cannot commit that. I am expressing my hope and that is all I can do.

Mr. SARBANES. Will the Senator yield?

Mr. BRADLEY. I yield.

Mr. SARBANES. I would like to say to the chairman of the committee that I respect the effort he has tried to make. It seems to me that one of the difficulties with the reference to being broke, is that a large part of the revenue base has been eliminated. I think anyone examining carefully the tax cut would say some aspects of it ought to take a lesser priority than some of these educational programs designed to build our strength for the future.

Certain parts of the tax cut I think we needed in order to move the country forward in economic terms. But what we clearly have to recognize here, when it is constantly asserted that there is too large a gap to address these needs, is that one cause of the gap is what has been done on the revenue side.

I am interested to know whether the chairman would assert that all aspects of the tax cut in terms of who benefited from it take a higher priority than a number of the educational programs encompassed in this amendment.

Does the chairman assert that all aspects of the tax cuts constitute higher priority items than what is contained in this amendment with respect to education?

Mr. DOMENICI. Mr. President, I would not dare admit that all items in the U.S. Tax Code are of the highest priority to this Senator or of highest priority versus any other items that the Senator might mention. I would not even admit that every item in the so-called tax reform package passed last year are of the highest priority.

Let me tell you, that bill passed 89 to 11. I do not know how the Senator voted. I know how my good friend from South Carolina voted. He voted against it; 89 Senators voted for it.

Madam President, I am positive that we are going to have a chance in this body—at least from what I can tell, Senators are going to have a chance tomorrow—to vote for higher taxes. So we are going to get an answer to whether this institution wants to vote for higher taxes than the $106 billion in new revenue that is in this budget. We are going to get a chance to do that.

Then we are going to have a tax bill sometime here from the Committee on Finance. We are going to get a chance to see if they want to vote for the $106 billion or more.

That is the issue, Madam President. There is going to be a package and the Senators can express their will and they can offer amendments. But basically, I do not think there is a majority in this body that thinks we ought to raise taxes substantially more than proposed in this budget resolution.

Mr. BRADLEY. Will the Senator yield on that point?

Mr. DOMENICI. Yes.

Mr. BRADLEY. Madam President, this afternoon, we had the distinguished chairman of the Committee on Finance raise the revenue estimates $7 billion.

Mr. DOMENICI. $6 billion.

Mr. BRADLEY. $6 billion. This is $100 million we are talking about here. So all this talk about raising taxes and this amendment will force us to raise taxes—

Mr. DOMENICI. No, Madam President, I say to the Senator, I did not say that. The Senator from Maryland said that, not this Senator.

Mr. SARBANES. What I asked the Senator, Madam President, because he kept talking about going broke in terms of not meeting educational needs, was whether he regarded all aspects of the tax cut as having a higher priority than these educational programs. That is the only question I asked him. I take it from his answer that he does not regard them as all having a higher priority.

Mr. DOMENICI. Let me say to the Senator that my recollection is that from the appropriated accounts alone—maybe the Senator from South Carolina could help me. How many requests did we have——

Mr. HOLLINGS. $18 billion.

Mr. DOMENICI. The appropriation subcommittees sent a letter stating they needed $18 billion more than is in the President's budget. So I think we can get Senators here who would have that broken up in little pieces. So that when we ask "Would we be willing to raise taxes to pay for that hundred million dollars?" we could find Senators who would be willing to do almost anything for that money.

Mr. HOLLINGS. If the Senator will yield, would he mind calling my tax increase proposal a revenue enhancement? Better yet, when I keep the revenue from being lost, would he say "putting a tourniquet on the revenue hemorrhage, not raising taxes"? Would the Senator do that for me?

Mr. DOMENICI. Madam President, wherever the Senator from New Mexico has referred to tax increases, could we strike it from the record and refer to them as revenue enhancers?

Mr. DOLE. Would the Senator yield?

Mr. DOMENICI. I am pleased to yield.

Mr. DOLE. They are, in effect, loophole closings.

Mr. DOMENICI. We shall refer to them both ways. We shall put "enhancer" first, then in parentheses, "loophole closings," and switch each time.

Mr. HOLLINGS. The Senator would not want to call them Kemp-Roth loopholes?

Mr. DOLE. If the Senator will yield, it is Roth-Kemp. In this body, we put Roth ahead.

Mr. HOLLINGS. My understanding is that the Senator would prefer to have it known as Kemp-Roth.

Mr. DOLE. No, Madam President, if the Senator wants anything preserved, he wants it to be his part.

Mr. BRADLEY. Madam President, the chairman of the Committee on the Budget said that he thinks that maintaining level funding for these programs was a pretty good job. He then pointed out that for guaranteed student loans, funding was maintained for the current level of program instead of the no-inflation level provided for title I, Pell grants and the other programs for which we seek to increase funding. My question is, if funding at the current policy level was provided for guaranteed student loans, which I strongly support, but which benefit middle to upper income at an additional cost of $100 million in fiscal year 1983, why could he not add the other $100 million so we would have current policy funding for these education programs that primarily benefit low-income families?

The question here is how much money do we need to do the job we are now doing in programs of demonstrated effectiveness? No one disputes the effectiveness of title I. No one disputes the effectiveness of handicapped education or vocational education. With this cut of $100 million from current levels, the choice is going to be simple. If you are a school, you either cut the services, which means you cut out the teacher to teach the autistic child, which I described earlier——

The PRESIDING OFFICER. Will the Senator from New Jersey suspend? The hour of 9:15 having arrived, the question is on agreeing to the amendment.

Mr. BRADLEY. Madam President, I ask for the yeas and nays and ask unanimous consent that I may finish my statement.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New Jersey?

Mr. DOMENICI. How long is the rest of his statement?

Five minutes, I ask the Senator?

Mr. BRADLEY. Surely.

Mr. DOMENICI. So long as the Senator from New Mexico has 5 minutes also, Madam President. Up to 5 minutes.

The PRESIDING OFFICER. Is there objection? Hearing no objection, it is so ordered.

Mr. BRADLEY. The Senator from New Mexico is looking at me with a wary eye.

The choice is when you cut out $100 million in these programs that primarily benefit low-income students in school districts that are poor, you either reduce the services—you cut out the teacher for autistic students, you eliminate the special teacher for remedial reading—or you cut out the people that are served. That is the only choice, one or the other.

As I said earlier, Madam President, I think we are going to have to recognize that we need all the people in this country, not just the middle class or the upper class. We need the contributions of all the people to maximize our potential for economic growth and to retain our self-respect. To cut out $100 million for programs that benefit the handicapped, for programs that benefit students in school districts that happen to have poor families in them is shortsighted and, in my view it does not play to the best traditions of this body. I urge my colleagues to support this amendment.

Madam President, I am prepared to vote if the Senator from New Mexico is.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Madam President, I apologize to the Senator from New Jersey. I did not hear the Senator.

Mr. BRADLEY. I suggested we vote, unless the Senator would like me to give my speech again.

Mr. DOMENICI. No, Madam President, I shall not take very long.

Madam President, when the modified resolution was presented earlier today, we distributed to each Senator's desk copies of three summary tables showing the key numbers in the modified resolution and the changes from the version originally reported.

I ask unanimous consent that these tables be printed in the CONGRESSIONAL RECORD at the appropriate place.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

FIRST BUDGET RESOLUTION FOR FISCAL YEAR 1983—SUMMARY OF COMMITTEE MODIFICATION

[In billions of dollars]

	Fiscal year—			
	1982	1983	1984	1985
Revenues:				
Committee recommendation	623.0	667.0	739.0	822.0
Change		+1.2	+2.0	+3.0
Committee modification	623.0	668.2	741.0	825.0
Budget authority:				
Committee recommendation	777.6	831.7	892.3	966.0
Change		+3.6	+4.7	+6.8
Committee modification	777.6	835.3	897.0	972.8
Outlays:				
Committee recommendation	740.7	779.1	825.0	878.5
Change		+4.5	+7.3	+10.9
Committee modification	740.7	783.6	832.3	889.4
Social security solvency:				
Committee recommendation		−6.0	−17.0	−17.0
Change		+6.0	+17.0	+17.0
Committee modification		0	0	0
Deficit:				
Committee recommendation	−117.7	−106.1	−69.0	−39.5
Change		+9.3	+22.3	+24.9
Committee modification	−117.7	−115.4	−91.3	−64.4
Pubic debt:				
Committee recommendation	1,144.2	1,290.0	1,414.6	1,522.9
Change		+2.1	+5.4	+10.3
Committee modification	1,144.2	1,292.1	1,420.0	1,533.2

Note.—Corrected copy as of May 19, 1982.

FIRST BUDGET RESOLUTION FOR FISCAL YEAR 1983—SUMMARY OF PROPOSED CHANGES IN COMMITTEE MODIFICATION

[In billions of dollars]

	Fiscal year—			
	1982	1983	1984	1985
Deficit as reported by Senate Budget Committee on May 10	117.7	106.1	69.0	39.5
Removal of social security solvency estimates pending action later this year		+6.0	+17.0	+17.0
Additional increase in revenues		−1.2	−2.0	−3.0
Reduction in medicare savings		+1.2	+2.0	+3.0
Medicaid offset related to change in medicare savings		−0.1	−0.2	−0.3

FIRST BUDGET RESOLUTION FOR FISCAL YEAR 1983—SUMMARY OF PROPOSED CHANGES IN COMMITTEE MODIFICATION—Continued

[In billions of dollars]

	Fiscal year—			
	1982	1983	1984	1985
Elimination of guaranteed student loan savings		+0.1	+0.7	+1.2
Add-back for 12 programs in which fiscal year 1981 deferrals lowered BA level in fiscal year 1982		+0.8	+1.2	+1.4

FIRST BUDGET RESOLUTION FOR FISCAL YEAR 1983—SUMMARY OF PROPOSED CHANGES IN COMMITTEE MODIFICATION—Continued

[In billions of dollars]

	Fiscal year—			
	1982	1983	1984	1985
Additional funds for:				
Space and science programs (to President's proposed budget request)		+0.5	+0.8	+0.4
Housing programs		+0.9	+1.0	+1.0
Veterans' pension, compensation, and health programs		+0.5	+0.6	+1.0
Postal service		+0.2	+0.2	+0.2

FIRST BUDGET RESOLUTION FOR FISCAL YEAR 1983—SUMMARY OF PROPOSED CHANGES IN COMMITTEE MODIFICATION—Continued

[In billions of dollars]

	Fiscal year—			
	1982	1983	1984	1985
Additional interest costs due to higher deficits		+0.4	+1.0	+3.0
Total changes		+9.3	+22.3	+24.9
Deficit in committee modification	117.7	115.4	91.3	64.4

Note: Corrected copy as of May 19, 1982.

FIRST BUDGET RESOLUTION FOR FISCAL YEAR 1983—COMMITTEE MODIFICATION

[In billions of dollars]

Function	Fiscal year—							
	1982		1983		1984		1985	
	BA	0	BA	0	BA	0	BA	0
050: National defense	216.9	190.3	251.7	215.3	278.3	243.0	316.5	277.7
150: International affairs	16.8	11.4	16.2	12.1	16.7	12.3	21.0	12.2
250: General science, space and technology	7.0	7.1	7.8	7.6	7.7	7.8	7.3	7.4
270: Energy	4.8	6.4	5.3	5.0	4.6	3.9	4.5	3.7
300: Natural resources and environment	10.3	12.8	9.9	11.4	9.3	10.3	8.9	9.3
350: Agriculture	9.9	13.8	6.6	10.1	8.3	8.2	6.7	7.3
370: Commerce and housing credit	11.6	3.8	7.1	3.9	7.6	3.6	7.4	3.3
400: Transportation	20.8	21.3	21.6	19.9	21.8	19.7	22.1	19.7
450: Community and regional development	6.7	8.5	6.9	7.7	6.9	7.5	7.0	7.4
500: Education, training, employment, and social services	25.4	28.1	26.5	27.0	26.7	26.9	26.4	26.5
550: Health	78.5	73.7	79.5	77.6	92.2	85.7	103.6	97.2
600: Income security	255.8	251.5	281.8	272.6	300.9	288.3	333.0	309.8
700: Veterans benefits and services	24.8	23.8	24.0	23.2	25.0	24.2	25.5	25.4
750: Administration of justice	4.5	4.6	4.6	4.7	4.6	4.6	4.6	4.6
800: General government	5.2	5.0	5.0	4.8	4.7	4.6	4.7	4.4
850: General purpose fiscal assistance	6.4	6.3	6.6	6.5	6.7	6.7	6.9	6.8
900: Interest	102.0	102.0	115.5	115.5	120.8	120.8	114.6	114.6
920: Allowances	0.7	0.8	−2.0	−2.0	−0.8	−0.8	−0.8	−0.6
950: Undistributed offsetting receipts	−30.5	−30.5	−39.3	−39.3	−44.8	−44.8	−47.3	−47.3
Total spending	777.6	740.7	835.3	783.6	897.0	832.3	972.8	889.4
Revenues		623.0		668.2		741.0		825.0
Deficit		117.7		115.4		91.3		64.4
Public Debt		1,144.2		1,292.1		1,420.0		1,533.2

Note.—Corrected copy as of May 19, 1982.

Mr. DOMENICI. Madam President, I really must say a few words to my good friend (Mr. BRADLEY) with regard to student aid. I am fully aware that the way we have structured the student loans program—so that it certainly does not help the neediest as much as Pell grants and campus work-study type programs. The problem we have is that there is only one pot of money, so that the larger the student loans account, which is an entitlement, the smaller the Pell grants are.

I want the Senator to know that, personally, I have a commitment to try to reverse that trend. I cannot reverse it in a budget resolution, but I am going to be part of reversing that trend.

The Pell grant program should not be going down; it should be going up. We put more money in for that program. It is just that the student loan program is growing so fast. It must be paid first because it is an entitlement. We have to fix that. We cannot add to all programs but we have added where we could.

I think we added $900 million in Pell grants over the President's request in our modified resolution.

I yield, and I am ready to vote.

Mr. BRADLEY. Madam President, I simply say to the chairman that I find the Budget Committee's action far preferable to the President's. Again, that is not the base I would start from, either from the point of view of our potential economic growth or the point of view of keeping past commitments to handicapped poor students in this country.

Madam President, I am ready to vote.

The PRESIDING OFFICER. All time having been yielded back——

Mr. RANDOLPH. Madam President, will the Senator yield for 1 minute?

Mr. DOMENICI. I am pleased to yield.

Mr. RANDOLPH. Madam President, it has been my privilege during these 24 years in the Senate——

Mr. DOMENICI. Could we have order, Madam President.

The PRESIDING OFFICER. The Senate will be in order.

Mr. RANDOLPH. It has been my privilege during almost 24 years in the Senate to serve on the Subcommittee on Education within the structure of the Labor and Human Resources Committee. I have participated in the development of the authorizing legislation for all of the education programs covered by the pending proposal of the able Senator from New Jersey (Mr. BRADLEY) and other Senators. I am pleased to have the opportunity to support this amendment and to cosponsor it. This action would restore funds for the guaranteed student loan program and other vital education activities. However, I will limit my comments to the GSL portion of the amendment.

At the outset, I do not feel it is wrong to say I am glad that David Stockman had a student guaranteed loan when he was in college. The Director of the Office of Management and Budget knows that the record is clear on this. We have discussed it. I am glad for any person who needed such a loan, who had it, and who then made a valuable contribution through achievements to whatever he or she was doing personally or within the structure of the Federal Government.

At Salem College in Salem, W. Va., to which I am very close—and I work diligently for all of the private, independent colleges, 10 of them in our State—92 percent of our students have to receive some sort of aid or they would not be in college. This is a fact. We must not allow these small, private, independent colleges to go down the drain in the United States of America.

I hope that well-reasoned attention can be given by the Members when we vote on this amendment, because I think that in the very real sense the vision as well as the substance of the future of America is wrapped up in what we are able to do constructively for the youth of this country.

Mr. President, last year during the agonizing months of debate on the Omnibus Budget Reconciliation Act, the Senate was instructed by its Budget Committee, and we complied with those instructions to the extent possible, to provide more austerity in student aid programs while keeping restrictions on students and their families to a minimum. Those restrictions included an income cap of $30,000, requiring students to demonstrate financial need in order to be eligible for a GSL, and an origination fee of 5 percent on each student loan made. Expected family contributions were increased, and other modifications made to reduce the rate of growth of the guaranteed loan program without denying access to a college education to low- and middle-income students.

Despite our having taken drastic steps last year to restrict the program, and to streamline it so that only the most needy students would have access to those loans, the President has now come back to the Congress and requested further reductions in the guaranteed loan program, as well as in the campus-based grant and work-study programs. Furthermore, he would terminate completely the future capitalization of the national direct student loans which go to the very neediest students.

Again this year, the Senate Budget Committee instructed the Labor and Human Resources Committee to save $289 million in the GSL program in fiscal year 1983. That instruction is not specific, but recommendations have been made to change the law so that the savings could be realized. We have been told we should perhaps eliminate the in-school interest subsidy and begin the payback requirements for students in their second year of college, rather than 4 months after graduation. We have been told that we could save those dollars if we deny eligibility to all graduate students for guaranteed loans. We have been told that if we double last year's 5-percent loan origination fee and charge each student 10 percent, we can save some of those dollars.

Mr. President, it was not enough for us to drastically cut back on student aid last year and to restrict the loan programs, but the administration, through footdragging in the regulatory process, has managed to compound the effects of those cutbacks and restrictions through failure to meet regulatory responsibilities by holding up required rules, or moving slowly to release appropriated funds. They know that students are hostages, along with their financial aid officers at colleges nationwide, to a host of provisions including forms, fees, and family contribution schedules—where administration rulemaking and legislative oversight and delays can leave students, parents, and schools waiting for a long, long time to learn whether they will, or will not, have enough money to begin, or to continue their college educations.

It is difficult for persons in the States to follow and understand what is going on in Washington in the best of times. In the past 2 years, it has been almost impossible for the Members to follow and understand what is going on in the budget process, much less to expect students, counselors, and parents who are trying to help make future education decisions for our young people, to understand what is happening.

Will they have a choice? Can they possibly afford to attend a private college of their choice? Or will the programs of student aid be so drastically reduced, changed, and underfunded that if they can go to college at all, it will have to be at a local, State-supported school or junior college rather than their chosen, albeit more expensive, private institution?

The students and families in West Virginia, and I am certain throughout the country, have heard about additional, more severe actions being considered by the Congress and the President in the matter of student aid programs. They suspect that their needs are being ignored for the sake of a numbers game.

The administration, and Education Secretary Bell, have stated that there would not be severe reductions in the amount of moneys available to students if their proposals are adopted.

These statements are misleading. I hope they are not intentionally trying to convince families and students that there is no danger to their future college plans, hoping no one will find out the truth until it is too late to do anything about it.

The Reagan administration is seeking to reduce Federal student assistance—exclusive of the guaranteed loans—from $3.5 billion when it took office, to $1.4 billion by fiscal year 1984. Even this does not measure the extent of the cuts in student aid sought by the administration, since it does not include $2 billion per year in social security educational benefits which President Reagan asked Congress to eliminate last year, and which are now being phased out, as of May 1.

The President's proposal would require graduate students to pay 14 percent interest, instead of the present 9 percent, and would require them to start paying the interest while in school. Further, the President stated that the amount of 14 percent loans made by banks would increase from today's $27 million to $4.4 billion in fiscal year 1983.

Yet our State officials and banking officials, as well as the Congressional Budget Office, say that banks are not willing to make large numbers of 14 percent loans to students. The CBO estimates only $700 million in fiscal year 1983—not $4.4 billion as claimed by the administration.

The President has admitted that the amount of 9 percent loans to undergraduate students would decline from $7.7 billion in fiscal year 1981 to $5.8 billion in fiscal year 1983 under his proposal. How could that $2 billion reduction not have an adverse effect on students?

Under the administration's proposals, as many as 1 million students could actually lose their guaranteed loans. Some 650,000 graduate students would be denied eligibility, and hundreds of thousands of undergraduates would find the costs too high to borrow because the administration would double the origination fee to 10 percent, and then set the repayment rate at market interest rates 2 years after graduation.

The administration constantly refers to the parent loan program as an "out" or an additional resource for undergraduate and graduate students who are denied eligibility under its proposal. The administration knows, and the Congress knows, that the parent loan programs—the 14 percent loans—are not now available in 33 States, and indications show that banks will not make those loans to graduate students because the administrative costs are too high.

Mr. President, the administration's recommendations to reduce funding for student aid are extensive. They include the elimination entirely of campus based aid such as supplemental grants, State student incentive grants, further capitalization of the national direct student loans, huge reductions and additional restrictions in the guaranteed loan program. If we combine these reductions with the recent cuts in social security and other income maintenance programs, which mean an additional loss of resources to severely disadvantaged or handicapped students, there can be no other result than depriving hundreds of thousands of students of a higher education.

I support the Bradley amendment to restore funds to the guaranteed student loan program. If we do not pass this proposal, we will force a virtual shutdown of the guaranteed loan program entirely. Such action will not only keep hundreds of thousands of students out of college next year, it will close the doors of many small colleges and private institutions nationwide.

Mr. President, I urge the passage of this amendment.

Mr. BENTSEN. Mr. President, I want to commend Senators BRADLEY and HOLLINGS for their efforts to insure that the Head Start program, title I services for the educationally disadvantaged, vocational education, handicapped children's education, and student assistance for low-income college students are protected from excessive budgetary cuts.

Mr. President, as we consider the very real economic problems now facing our Nation and make the difficult and often painful sacrifices needed to bring Federal spending under control, it is important—indeed critical—to consider the impact of our actions on the future of our Nation's most precious resource, our children. To freeze support in these vital education programs is to reduce the numbers of children for whom there is an opportunity to succeed. Let there be no mistake—failure to allow each of these programs to keep pace with the cost of living means that we have made a conscious decision to deny youngsters a helping hand.

Mr. President, I would be less concerned about level funding these programs were it not for the fact that current services already fall short of what is needed. The Head Start program, for example, has served some 8 million children since its inception in 1965. Head Start has provided education, medical and dental services, and nutrition supplements through the more than 9,200 Head Start centers located in every region of the United States.

There is dramatic evidence that Head Start children score significantly higher on achievement tests, are less likely to fail a grade and to be placed in remedial classes. Yet 80 percent of those eligible for Head Start cannot participate in the program because there are insufficient financial resources to accommodate all who are eligible and need the help.

In title I programs, Mr. President, the story is very similar. Title I has been an exceptionally effective program. In recent hearings before the House Education and Labor Committee, Secretary of Education Bell attested to the success of title I using solid, verifiable, research findings. Yet of the 11 million children who need the help which this program offers, only 45 percent, or less than 5 million, are being reached.

Public Law 94-142 guarantees that each handicapped child be provided an appropriate public education. Mr. President, the services offered under Public Law 94-142 permit early intervention and appropriate education for handicapped children, many of whom will function as contributing members of their communities because of the skills they were able to acquire through full participation in the educational process. The total cost of lifetime institutionalization, according to the Health Care Financing Administration, can range from an estimated $1 million to $4 million per individual. Can we fail to give these children a chance? Is it cost-effective to opt for institutionalization as a more desirable alternative? I think not.

Pell grants, on which many low-income families must rely for the assistance essential to postsecondary schooling, must be continued. Nearly 3 million economically disadvantaged students—one-third of whom are self-supporting—receive Pell assistance each year. And though the average award is under $900, for many, the Pell grant is the difference between going to college and not continuing their education. The Pell program has become even more important since Federal support for other student aid has been reduced or phased out. Failure to fund this program at the level necessary to accommodate cost-of-living increases will result in a loss of a significant portion of the college educated human capital we must have to meet the needs of the labor force in the 1980's and beyond. Perhaps even more importantly, Mr. President, the potential and dedication of youngsters who are willing to work toward a college degree must not be thwarted.

Finally, the vocational education program is a vital and increasingly important source of skilled personnel. While the Federal funding of vocational education amounts to only $1 for every $10 expended on the program, vocational education administrators in my State tell me the Federal contribution is essential to purchase equipment and to attract and retain quality teaching faculty. At a time when we must do all we can to upgrade the training of our work force, it is exceedingly cost-effective to make the best possible use of our existing educational network.

Mr. President, I am pleased to join Senator BRADLEY as a cosponsor, and urge my colleagues to cast their votes in support of the pending amendment. The $100 million expenditure called for with the adoption of this amendment is a wise and cost-conscious investment in the very future of this country.

Mr. KENNEDY. Mr. President, the Bradley amendment allows the Senate to reverse the disturbing trend exhibited by this body in its actions during the last session. Repeatedly, the Senate reduced its historic commitment to the improvement of education in our country.

Overall, this Congress, at the President's request, cut Federal aid to education by over $1.2 billion last year. It eliminated some programs entirely and reduced services provided under others severely. I fought some of those cuts last year because I thought they were unwise—but the cuts proposed by the President this year would be a disaster.

For the five programs included in this amendment, the President proposed a cut of $700 million in fiscal year 1983, an additional cut of $1.4 billion in fiscal year 1984, and $600 million more in fiscal year 1985. But even these figures mask the true extent of these cuts.

To keep programs at their current level of service, the funding proposals by President Reagan must be increased by $900 million in fiscal year 1983, $2.7 billion in fiscal year 1984, and $3.9 billion in fiscal year 1985.

Fortunately, the Budget Committee recognized that these and other cuts would mean disaster for the programs included in this amendment—Pell grants, title I, handicapped education, vocational education, and Head Start—as well as for many others. The President's budget was rejected unanimously in committee. The committee proposed instead to freeze the current funding levels for these programs, thus increasing the funding levels significantly.

Despite this increase, the proposal of the Budget Committee nevertheless permits an erosion of these programs. The Bradley amendment, on the other hand, will insure, not that the numbers are the same, but that the program levels are the same. Put simply, without this amendment, more students will receive less educational services. Such further program cuts on top of the cuts provided last year are simply unacceptable.

There has been much talk about new ways to spur productivity—about the need to make new investments to revitalize our economy. In that process, we have too often forgotten about an old way—but one of the best ways—to spur productivity: The support of education.

Education is the best investment America has, and can ever make, for a productive economy. It has yielded vast new wealth in the past and will do so in the future if we let it. We must remember that to invest in America, we must invest not only in plants and machinery and robots, but in human beings. Because in that human capital lies the economic destiny of America.

In adopting the budget, the Senate should not again try to balance an enormous and unwise tax cut and an unrestrained defense increase with cuts in aid to education. Building all the machines needed for a productive economy and a strong national defense will mean nothing, if no one knows how to run the machines.

Mr. President, we should adopt this amendment. We must not penalize a generation of Americans in the pursuit of a panacea for short-term economic productivity. We must not make the mistake of mortgaging away our future—but rather we must continue to build for it by investing in our children and their education.

Mr. MITCHELL. Mr. President, I support the amendment offered by Senators BRADLEY and HOLLINGS to restore funds for priority education programs.

The President's 1983 budget proposal would make deep cuts in domestic programs that were already slashed this year. Such additional cuts are, in my opinion, ill-timed and ill-advised. The President is asking for disproportionate reductions in domestic programs and is jeopardizing one of the most important functions of government: to support educational opportunities for our children.

Mr. President, the administration's proposed budget for title I compensatory education, now called chapter I of the Education Consolidation and Improvement Act of 1981, would have a dramatic impact on the school administrative units in my State which receive program funds. I have a table summarizing a comparison of their current allocation and their allocation under the President's plan. I ask unanimous consent that the table be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TITLE I—ALLOCATIONS

	Fiscal year 1982 allocation [1]	Reagan 1983 budget
School Administrative unit		
Androscoggin County:		
Auburn	$205,824	$140,783.22
Durham	11,470	7,845.46
Lewiston	280,512	191,869.67
Lisbon	36,250	24,794.93
Mechanic Falls	24,086	16,474.78
Minot	8,224	5,625.20
Poland	14,354	9,818.11
Sabattus	13,624	9,318.79
Wales	12,408	8,487.05
Aroostook County:		
Bancroft	653	446.65
Benedicta	24,549	16,791.47
Caribou	164,357	112,419.88
Caswell Plantation	26,100	17,852.35
Crystal	549	375.52
Dyer Brook	1,031	705.20
Easton	26,100	17,852.35
Hersey	1,031	705.20
Island Falls	16,022	10,959.02
Limestone	105,954	72,472.33
Macwahoc	18,607	12,727.15
Madawaska	71,796	49,108.32
Merrill	8,525	5,833.14
Moro Plantation	549	375.52
New Sweden	13,955	9,545.19
Oakfield	8,984	6,145.04
Orient	1,082	740.08
Reed Plantation	12,921	8,837.94
Smyrna	5,944	4,065.58
Stockholm	5,685	5,888.53
Woodland	42,122	
Unorganized Townships	44,707	30,579.51
Cumberland County:		
Brunswick	130,257	98,436.21
Cape Elizabeth	19,218	13,145.08
Falmouth	17,285	11,822.91
Freeport	30,602	20,931.71
Gorham	45,740	31,286.08
Portland	663,724	426,626.23
Raymond	4,356	2,979.49
Scarborough	29,863	20,426.23
South Portland	70,182	48,004.35
Westbrook	61,696	42,199.95
Windham	31,365	21,453.60
Yarmouth	20,304	13,887.90
Franklin County:		
Jay	4,623	3,162.13
Rangeley	10,705	7,322.20
Hancock County:		
Bar Harbor	20,501	14,022.65
Blue Hill	12,086	8,266.80
Brooklin	2,753	1,833.05
Brooksville	19,581	13,393.36
Bucksport	22,326	15,270.94
Dedham	14,241	9,740.81
Deer Isle	19,073	13,045.90
Ellsworth	34,089	23,316.81
Franklin	8,093	5,535.60
Gouldsboro	5,271	3,605.35
Hancock	36,874	25,211.75
Lamoine	11,444	7,827.67
Long Island Plantation	422	288.65
Mount Desert	9,769	6,681.98
Orland	15,447	10,565.72
Penobscot	22,124	15,132.77
Sedgewick	18,056	12,350.27
Sorrento	8,901	6,088.27
Southwest Harbor	1,216	831.74
Stonington	25,176	17,220.34
Sullivan	9,288	6,352.97
Surry	6,535	4,469.93
Tremont	2,952	2,019.16
Trenton	5,838	3,993.18
Winter Harbor	16,276	11,132.75
Kennebec County:		
Agusta	141,351	96,683.81
Chelsea	9,975	6,822.88
China	15,084	10,317.43
Lichfield	14,111	9,651.90
Manchester	1,985	1,357.74
Monmouth	7,785	5,324.92
Mount Vernon	12,985	8,881.72
Readfield	2,061	1,409.72
Rome	1,216	831.74
Vassalboro	24,815	16,973.41
Waterville	95,856	65,565.32
Wayne	3,406	3,406.00
Windsor	12,164	8,320.15
Winslow	33,087	22,631.44
Winthrop	24,329	16,640.99
Knox County:		
Appleton	23,650	16,176.56
Hope	2,490	1,703.16
Lincoln County:		
Boothbay	17,360	11,874.21
Boothbay Harbor	2,201	1,505.48
Bremen	12,207	12,207.00
Bristol	41,705	28,526.14
Damariscotta	9,000	6,155.99
Dresden	20,853	14,263.41
Edgecomb	6,037	4,129.30
Jefferson	18,564	12,697.74
Newcastle	7,750	5,300.99
Nobleboro	1,299	888.51
Somerville	2,499	1,709.31
South Bristol	17,293	11,828.38
Southport	8,392	5,740.11
Whitefield	22,633	15,480.93
Wisecasset	11,554	7,902.91
Oxford County:		
Gilead	3,163	2,163.49
Peru	15,084	10,317.43
Rumford	81,502	55,747.21
Penobscot County:		
Alton	14,841	10,151.21
Bangor	352,039	223,694.05
Bradley	10,461	7,155.30
Brewer	62,525	42,766.98
Carroll Plantation	8,029	5,491.82
East Millinocket	6,326	4,326.97
Glenburn	6,082	4,160.07
Greenbush	14,841	10,151.21
Greenfield	1,082	740.08
Hermon	18,247	12,480.92
Medway	16,057	10,982.96
Milford	12,894	8,819.47
Millinocket	49,388	33,781.29
Old Town	47,441	32,429.03
Orono	23,112	15,808.57
Orrington	22,383	15,993.93
Veazie	2,171	1,484.96
Penobscot Indians (Indian Island)	763	521.89
Unorganized Townships	15,814	10,816.74
Sagadahoc County:		
Bath	104,858	71,722.67
Georgetown	10,218	6,989.09
Phippsburg	18,733	12,813.34
Richmond	28,951	19,802.43
West Bath	2,676	1,830.38
Woolwich	22,139	15,143.03
Somerset County:		
Harmony	9,664	6,610.16
Unorganized Townships	9,410	6,436.43
Waldo County:		
Lincolnville	3,908	2,673.06
Palermo	1,758	1,196.06
Washington County:		
Alexander	5,419	3,706.59
Baileyville	2,381	1,628.60
Baring Plt.	433	296.17
Beals	6,968	4,766.10
Calais	31,483	21,534.32
Charlotte	745	509.58
Cooper	378	258.55
Dennysville	1,340	916.56
Eastport	55,741	38,126.74
Grand Lake Stream	5,161	3,530.12
Jonesboro	18,323	12,532.90
Jonesport	24,774	16,945.37
Machias	8,736	5,975.41
Marshfield	1,065	728.46
Pembroke	13,162	9,002.78
Perry	19,613	13,425.26
Princeton	25,806	17,651.25
Robbinston	9,033	6,178.55
Roque Bluffs	3,613	2,471.28
Steuben	22,193	15,179.97
Vanceboro	138	94.39
Wesley	4,132	2,826.28
Whitneyville	378	258.55
Indian Township	1,464	1,001.38
Pleasant Point	1,961	1,341.32
Unorganized Townships	33,807	23,123.93
York County:		
Acton	7,299	4,992.50
Arundel	23,112	15,808.57
Biddeford	142,324	97,349.34
Dayton	2,676	1,830.38
Kittery	60,336	41,269.71
Old Orchard Beach	60,336	18,305.16
Saco	113,859	77,879.34
Sanford	73,474	50,255.39
Wells	40,629	27,790.16
York	22,626	15,476.14
School Administration Districts		
1—Castle Hill, Chapman, Mapleton, Presque Isle, Westfield; Cong. Dist. 2	$150,406	$102,877.41
2—Greenville, Shirley; Cong. Dist. 2	15,022	10,275.02
3—Brooks, Freedom, Jackson, Know, Liberty, Monroe, Montville, Thorndike, Troy, Unity, Waldo; Cong. Dist. 1	92,783	63,463.39
4—Abbott, Cambridge, Guilford, Parkman, Sangerville, Wellington; Cong. Dist. 2	54,394	37,205.39
5—Owl's Head, Rockland, South Thomaston; Cong. Dist. 1	96,221	65,814.98
6—Buxton, Hollis, Limington; Cong. Dist. 1	61,314	41,815.54
8—Vinalhaven; Cong. Dist. 1	13,224	9,045.19
9—Chesterville, Farmington, Industry, New Sharon, New Vineyard, Temple, Vienna, Weld, Wilton; Cong. Dist. 2	93,377	63,869.69
10—Allagash; Cong. Dist. 2	7,250	4,958.98
11—Gardiner, Pittston, Randolph, West Gardiner; Cong. Dist. 1	80,211	54,864.17
12—Dennistown Plantation, Jackman, Moose River Plant	12,055	8,245.60
13—Bingham, Caratunk Plantation, Moscow, The Forks Plantation, West Fork Plantation; Cong. Dist. 2	23,132	15,822.24
14—Danforth, Weston	19,871	13,591.73
15—Gray, New Glouster; Cong. Dist. 1	73,552	50,309.43
16—Farmingdale, Hallowell; Cong. Dist. 1	19,220	13,146.45
17—Harrison, Hebron, Norway, Otisfield, Oxford, Paris, Waterford, West Paris; Cong. Dist. 2	132,272	90,473.80
18—Prospect, Verona	2,274	1,555.41
19—Lubec; Cong. Dist. 2	29,936	20,476.16
20—Fort Fairfield; Cong. Dist. 2	91,999	62,927.14
21—Canton, Carthage, Dixfield; Cong. Dist. 2	30,472	20,842.79
22—Hampden, Newburgh, Winterport; Cong. Dist. 2	86,516	59,176.78
23—Carmel, Levant; Cong. Dist. 2	25,302	17,306.52
24—Cyr Plantation, Grand Isle, Hamlin Plantation, Van Buren; Cong. Dist. 2	126,674	86,644.78
25—Mt. Chase Plantation, Patten, Sherman, Stacyville; Cong. Dist. 2	38,739	26,497.40
26—Eastbrook, Waltham	12,461	8,523.30
27—Eagle Lake, Fort Kent, New Canada Plantation, St. Francis, St. John Plantation, Wallagrass Plantation, Winterville Plantation; Cong. Dist. 2	195,089	133,440.50
28—Camden, Rockport; Cong. Dist. 1	81,631	55,835.45
29—Hammond Plantation, Houlton, Littleton, Monticello; Cong. Dist. 2	152,984	76,140.71
30—Lee, Prentiss Plantation, Springfield, Webster Plantation, Winn	25,561	17,483.67
31—Burlington, Edinburg, Enfield, Howland, Lowell, Maxfield, Passadumkeag, Seboeis Plantation; Cong. Dist. 2	51,144	34,982.40
32—Ashland, Garfield Plantation, Masardis, Oxbow Plantation, Portage Lake; Cong. Dist. 2	45,801	31,327.80
33—Frenchville, St. Agatha; Cong. Dist. 2	75,718	51,790.97
34—Belfast, Belmont, Morrill, Northport, Searsmont, Swanville; Cong. Dist. 1	100,706	68,882.71
35—Eliot, South Berwick; Cong. Dist. 1	44,287	30,286.07
36—Fayette, Livermore, Livermore Falls; Cong. Dist. 2	57,932	39,625.38
37—Addison, Cherryfield, Columbia Falls, Harrington, Milbridge; Cong. Dist. 2	75,750	51,812.86
38—Dixmont, Etna	25,545	17,472.73
39—Buckfield, Hartford, Sumner; Cong. Dist. 2	19,904	13,614.30
40—Friendship, Union, Waldoboro, Warren, Washington; Cong Dist. 1	99,965	68,377,92
41—Atkinson, Brownsville, La-Grange, Lake View Plantation Milo, Cong Dist. 2	42,811	29,282.64
42—Blaine, Bridgewarer, Mars, Hill; Cong Dist. 2	73,651	50,377,14
43—Byron, Mexico, Roxbury; Cong Dist. 2	53,624	36,678.81
44—Andover, Bethel, Greenwood, Newry, Woodstock; Cong Dist. 2	52,451	35,876.39
45—Perham, Wade, Washburn, Cong Dist. 2	38,505	26,337.34
46—Dexter, Exeter, Garland; Cong Dist. 2	47,252	32,320.28
47—Belgrade, Oakland, Sidney; Cong Dist. 1	67,878	46,428.42
48—Corinna, Hartland, Newport, Palmyra, Plymouth, St. Albans; Cong Dist. 2	82,211	56,232.16
49—Albion, Benton, Clinton, Fairfield; Cong Dist. 2	166,191	113,674.33
50—Cushing, St. George, Thomaston; Cong Dist. 1	26,130	17,872.87
51—Cumberland, North Yarmouth; Cong Dist. 1	36,756	25,141.04
52—Greene, Leeds, Turner; Cong Dist. 2	77,122	52,751.30
53—Burnham, Detroit, Pittsfield; Cong Dist 2	61,059	41,764.24
54—Canaan, Cornville, Mercer, Norridgewock, skowhegan, Smithfield; Cong Dist. 2	130,317	89,136.57
55—Baldwin, Cornish, Hiram, Parsonfield, Porter, Cong Dist. 2	80,404	54,996.18
56—Frankfort, Searsport, Stockton Springs; Cong Dist. 1	59,419	40,642.48
57—Alfred, Limerick, Lyman, Newfield, Shapleigh, Waterboro; Cong Dist. 1	71,361	48,656.89
58—Avon, Eustis, Kingfield, Phillips, Strong; Cong Dist. 2	46,622	29,153.37
59—Athens, Brighton Plantation Madison, Stark; Cong Dist. 2	82,795	56,631.62
60—Berwick, Lebanon, North Berwick; Cong Dist 1	31,798	21,749.77
61—Bridgton, Casco, Naples, Sebago, Cong. Dist. 1	65,146	44,559.74
62—Pownal	24,458	16,729.22
63—Clifton, Eddington, Holder; Cong. Dist. 2	24,816	16,974.10
64—Bradford, Corinth, Hudson, Kenduskeag, Stetson; Cong Dist. 2	85,882	58,743.13
67—Chester, Lincoln, Mattawamkeag; Cong. Dist. 2	65,863	45,050.17
68—Charleston, Dover-Foxcroft, Monson, Sebec; Cong. Dist. 2	63,498	43,432.51
70—Amity, Cary Plantation, Haynesville, Hodgdon, Linneus, Ludlow, New Limerick; Cong. Dist. 2	86,214	58,970.21
71—Kennebunk, Kennebunkport; Cong. Dist. 1	62,769	42,933.76
72—Brownfield, Denmark, Fryeburg, Lovell, Stoneham, Stow, Sweden, Cong. Dist. 2	31,628	21,633.49
74—Anson, Embden, New Portland, Solon; Cong. Dist. 2	56,887	38,910.60
75—Bowdoin, Bowdoinham, Harpswell, Topsham; Cong. Dist. 1	77,558	53,049.52
76—Swan's Island	1,504	1,028.73
77—Cutler, East Machias, Machias Port, Whiting, Cong. Dist. 2	51,553	35,262.16

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[1] 1982 figures provided by the Maine State Department of Education.

Mr. MITCHELL. Mr. President, the amendment offered by my distinguished colleague from New Jersey would provide moderate increases for some of the discretionary educational programs such as chapter I. This program has been an effective means of providing basic reading and math skills to millions of children in this country who are educationally disadvantaged. Studies have shown dramatic improvements in the performance of those who have participated in chapter I, thereby confirming its success in achieving the objective for which it was written.

I think we have a responsibility to maintain these programs at reasonable levels of funding. The resolution reported by the Senate Budget Committee would freeze funding for discretionary education programs at the current level. This proposal would at least allow for moderate increases over the next few years in order to permit some adjustment for inflation.

Mr. President, I support the objective of this amendment, I think it is a reasonable proposal, and I hope it will be adopted by my colleagues.

The PRESIDING OFFICER. The question is on the amendment of the Senator from New Jersey. The clerk will call the roll.

The bill clerk called the roll.

Mr. HEINZ (when his name was called). Madam President, on this vote I have a live pair with the Senator from Arizona (Mr. GOLDWATER). If he were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "aye." I therefore withhold my vote.

Mr. STEVENS. I announce that the Senator from Arizona (Mr. GOLDWATER) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 44, nays 54, as follows:

[Rollcall Vote No. 126 Leg.]

YEAS—44

Baucus
Bentsen
Biden
Bradley
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chiles
Cranston
DeConcini
Dixon
Dodd
Eagleton
Exon
Ford
Glenn
Hart
Heflin
Hollings
Huddleston
Inouye
Jackson
Johnston
Kennedy
Leahy
Levin
Long
Mathias
Matsunaga
Melcher
Metzenbaum
Mitchell
Moynihan
Nunn
Pell
Pryor
Randolph
Riegle
Sarbanes
Sasser
Stennis
Tsongas
Weicker

NAYS—54

Abdnor
Andrews
Armstrong
Baker
Boren
Boschwitz
Brady
Byrd,
Harry F., Jr.
Chafee
Cochran
Cohen
D'Amato
Danforth
Denton
Dole
Domenici
Durenberger
East
Garn
Gorton
Grassley
Hatch
Hatfield
Hawkins
Hayakawa
Helms
Humphrey
Jepsen
Kassebaum
Kasten
Laxalt
Lugar
Mattingly
McClure
Murkowski
Nickles
Packwood
Percy
Pressler
Proxmire
Quayle
Roth
Rudman
Schmitt
Simpson
Specter
Stafford
Stevens
Symms
Thurmond
Tower
Wallop
Warner
Zorinsky

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Heinz, for.

NOT VOTING—1

Goldwater

Mr. DOMENICI. Madam President, I move to reconsider the vote by which the amendment was rejected.

Mr. BAKER. Madam President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Madam President, could I be recognized?

The PRESIDING OFFICER. The majority leader.

Mr. BAKER. Madam President, will the distinguished chairman of the committee yield to me 1 minute?

Mr. DOMENICI. I yield to the distinguished majority leader.

Mr. BAKER. Madam President, if I could have the attention of Senators, it is now 9:45 p.m., give or take a minute, and I think it is unlikely that we will be able to complete debate on another amendment and conduct the rollcall if there is a rollcall prior to the hour of 10 p.m.

I announced earlier that we would not go past 10 p.m. and, therefore, unless there is some urgent objection by some Member, there will be no further rollcall votes tonight, but before Members leave the Chamber I wish to try to set the schedule for tomorrow because we still have a full agenda in trying to deal with this matter.

If I could invite the attention of the minority leader for just a moment, I am going to propose a unanimous-consent request.

ORDERS FOR THURSDAY

ORDER FOR RECESS UNTIL 8 A.M. TOMORROW

Mr. BAKER. Madam President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 8 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

REDUCTION IN LEADER TIME

Mr. BAKER. Madam President, if the minority leader is agreeable to this, I hope to reduce our time under the standing order from 10 minutes to 5 minutes each. Is that satisfactory?

Mr. ROBERT C. BYRD. Yes.

ORDER FOR RECOGNITION OF CERTAIN SENATORS

Mr. BAKER. Madam President, I ask unanimous consent that on tomorrow the time for the two leaders be reduced to 5 minutes each and that following on after the recognition of the two leaders under the standing order three Senators be recognized on special order of not to exceed 15 minutes each as follows: Senators CHILES, LEAHY, and QUAYLE.

ROUTINE MORNING BUSINESS

Madam President, I further ask unanimous consent that after the execution of the special orders that any time remaining prior to the hour of 9 a.m. be devoted to the transaction of routine morning business in which Senators may speak for not more than 2 minutes each.

Madam President, I further ask unanimous consent that at the hour of 9 a.m. the Senate resume consideration of Senate Concurrent Resolution 92.

Madam President, I put that unanimous consent request at this time.

The PRESIDING OFFICER. Is there objection?

Mr. LEAHY. Madam President, reserving the right to object, and I shall not object, I wonder if the majority leader, if it is all right with the distinguished Senator from Indiana, will switch my time with Senator Quayle because I believe I am going to have an amendment coming up shortly after that.

Mr. BAKER. Yes, Madam President. The next part of my request, if indeed the Senate grants this arrangement for the conduct of business of the Senate tomorrow, would be to inquire if it is appropriate to lay down tonight the Leahy-Moynihan amendment, make it the pending business and provide for a time limitation of perhaps 30 minutes equally divided and that the vote to occur no later than 9:30 a.m. That was to be the next part of my request.

Several Senators addressed the Chair.

Mr. QUAYLE. Madam President, I reserve the right to object. I shall not object.

Mr. HOLLINGS. Madam President, will the distinguished majority leader yield to me?

Mr. BAKER. Madam President, it begins to appear that some Members have serious complications in the morning with resuming consideration of this resolution at 9 a.m.

I am grateful that they have not objected, but in recognition of that, I am inclined to think that the better part of discretion will be to change the time when the Senate resume consideration of this measure until, say, 10 a.m. or 10:30 a.m., and obviously what that means, if we are going to finish tomorrow night, it would add this on the other end of the day. As long as we are aware of that and aware of the fact that the leadership would like very much to finish this resolution tomorrow night, if possible, I have no objection to doing that.

Several Senators addressed the Chair.

Mr. DOMENICI. Could we go on and not vote?

Mr. HOLLINGS. We could start early and stack the votes.

Mr. BAKER. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAKER. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Madam President, may I be recognized? I have consulted with a number of Senators—could we have order, Madam President?

The PRESIDING OFFICER. Will Senators please take their seats.

Mr. BAKER. Madam President, it appears that the request I put may be acceptable with a couple of modifications. Let me add to the unanimous-consent request in this manner: I reiterate the first portion of that in respect to the convening time, the time for the leaders, the time for special orders, the resumption of consideration of the resolution, of morning business.

BUDGET RESOLUTION—9 A.M.

Madam President, I further ask unanimous consent that when the Senate resumes consideration of Senate Concurrent Resolution 92 at 9 o'clock on tomorrow the pending amendment be a Leahy-Moynihan superfund amendment. I ask unanimous consent that on that amendment there be a time limitation of 30 minutes equally divided.

Mr. LEAHY. Madam President, reserving the right to object, we have a couple of people who——

Mr. BAKER. How much time does the Senator want?

Mr. LEAHY. How about 45 minutes evenly divided, and I will assure the Senator from Tennessee that I will be yielding my portion of that.

Mr. BAKER. I thank the Senator. Of course, that is satisfactory. I amend the request so there will be 45 minutes on that amendment to be equally divided.

Madam President, I further ask unanimous consent that any rollcall votes on the Moynihan-Leahy amendment or any other amendment prior to the hour of 11 o'clock be stacked and the notes occur at 11 o' clock back to back.

The PRESIDING OFFICER. Is there objection?

Mr. BAKER. Madam President, on or in relation to the amendments. I do not anticipate tabling motions, but I reserve that option.

The PRESIDING OFFICER. Is there any objection? The Chair hears none, and it is so ordered.

Mr. BAKER. Madam President, there will be no more rollcall votes tonight.

FIRST CONCURRENT BUDGET RESOLUTION

The Senate continued with the consideration of the concurrent resolution.

UP AMENDMENT NO. 969

(Subsequently numbered amendment No. 1488)

(Purpose: To add funds for the Environmental Protection Agency)

Mr. LEAHY. Madam President, I send to the desk an amendment on behalf of myself, Senator Moynihan, Senator Hart, Senator Kennedy, Senator Biden, and Senator Cranston, and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Vermont (Mr. Leahy), for himself, Mr. Moynihan, Mr. Hart, Mr. Kennedy, Mr. Biden, Mr. Cranston, proposes an unprinted amendment numbered 969.

Mr. LEAHY. Madam President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, beginning with line 15, strike out through line 1 on page 3 and insert the following:

(2) The appropriate levels of total new budget authority are as follows:

Fiscal year 1982: $711,000,000,000.

Fiscal year 1983: $835,300,000,000 plus $300,000,000.

Fiscal year 1984: $597,000,000,000 plus $400,000,000.

Fiscal year 1985: $972,800,000,000 plus $500,000,000.

(3) The appropriate levels of total budget outlays are as follows:

Fiscal year 1982: $740,700,000,000.

Fiscal year 1983: $783,600,000,000 plus $100,000,000.

Fiscal year 1984: $832,300,000,000 plus $200,000,000.

Fiscal year 1985: $889,400,000,000 plus $300,000,000.

On page 3, beginning with line 9, strike out through line 3 on page 4 and insert the following:

(5) The amounts of the deficits in the budget which are appropriate in the light of economic conditions and all other relevant factors are as follows:

Fiscal year 1982: $117,700,000,000.

Fiscal year 1983: $115,400,000,000 plus $100,000,000.

Fiscal year 1984: $91,300,000,000 plus $200,000,000.

Fiscal year 1985: $64,400,000,000 plus $300,000,000.

(6) The appropriate levels of the public debt are as follows:

Fiscal year 1982: $1,144, 200,000,000.

Fiscal year 1983: $1,242,100,000,000 plus $100,000,000.

Fiscal year 1984: $1,420,000,000,000 plus $300,000,000.

Fiscal year 1985: $1,533,200,000,000 plus $600,000,000.

and the amounts by which the temporary statutory limits on such debt should be accordingly increased are as follows:

Fiscal year 1982: $64,400,000,000.

Fiscal year 1983: $147,900,000,000 plus $100,000,000.

Fiscal year 1984: $127,900,000,000 plus $200,000,000.

Fiscal year 1985: $113,200,000,000 plus $300,000,000.

On page 9, beginning at line 6, strike out through line 5 of page 10, and insert the following:

(5) Natural Resources and Environment (300):

Fiscal year 1982:

(A) New budget authority, $10,800,000,000.

(B) Outlays, $12,800,000,000.

(C) New direct loan obligations, $30,000,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, $9,900,000,000 plus $300,000,000.

(B) Outlays, $11,400,000,000 plus $100,000,000.

(C) New direct loan obligations, $30,000,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $9,300,000,000 plus $400,000,000.

(B) Outlays, $10,300,000,000 plus $200,000,000.

Fiscal year 1985:

(A) New budget authority, $9,400,000,000. plus $500,000,000.

(B) Outlays, $9,300,000,000 plus $300,000,000.

Mr. DOMENICI. Madam President, could we clarify what we are doing.

Mr. LEAHY. Madam President, if I might just for a moment then tell my distinguished friend from New Mexico, I simply want to lay down this amendment so it will be pending tomorrow morning, which we have now done. I do not intend to speak on it.

Mr. DOMENICI. I have no objection.

Mr. LEAHY. Mr. President, I ask that we be able to reserve the remainder of the time on the Leahy-Moynihan, and others, amendment until tomorrow morning according to the previous unanimous-consent agreement.

The PRESIDING OFFICER (Mr. Hayakawa). Without objection, it is so ordered.

THE BUDGET RESOLUTION AND SOCIAL SECURITY

Mr. STENNIS. Mr. President, I am very gratified and pleased that the budget resolution will be revised so as to eliminate the $40 billion in social security "savings" over the next 3 years which was originally proposed. Meddling with the social security program now is the wrong thing at the wrong time. It is absolutely necessary that we in the Congress separate the issue of social security financing from the overall budget of the U.S. Government. The soundness of the social security system should not be coupled to the national budget for 1983 or any other year. The underlying soundness of the social security system is an issue which must be dealt with in its own right and should stand on its own bottom.

I believe that the talk about social security "savings" in the budget resolution had a very unsettling and disturbing impact upon those presently receiving social security benefits and those who expect to receive them in the future. The current debate over social security funds, in the context of the budget resolution, has caused unnecessary confusion over the treatment of social security trust funds.

The old age and survivors insurance fund is a basic long-term commitment to the American citizens who have paid payroll taxes dedicated for the specific purpose of providing social security benefits. Everyone in the Congress knows or should know that reducing social security trust funds or cutting social security benefits will not reduce the overall Federal deficit. I am not in favor of cutting social security benefits at all. If additional revenue must be found to fulfill our commitment to social security it must and will be provided. As a start, we should enact legislation promptly returning to the social security trust fund the money it was cheated out of when the Federal Government failed to pay the trust fund interest on trust funds borrowed by the Government at the going market rate for other Government securities. In some years, this lost interest amounted to as much as $2 billion. It is disgraceful that the Federal Government would take advantage of its fiduciary relationship as trustee of these funds which really belong to those who paid social security payroll taxes. This must be remedied promptly. If this money is promptly returned, a part of the financing problem would be solved. I am preparing legislation to require the Federal Government to refund this money to the social security trust fund.

It serves no useful purpose at all, Mr. President, for anyone to suggest that the budget can be balanced by "saving" funds from the social security program or cutting social security payments. Such a suggestion ignores the fiduciary nature of these trust funds and causes undue worry and concern among social security recipients.

As far as I am concerned, any discussion of social security in connection with balancing the overall budget should stop. The two matters are not connected at all. As a matter of fact, Mr. President, I believe that in preparing the budget resolution the deficit or surplus for social security or other trust funds should be stated separately from the deficit or the surplus from Federal general funds. This will not interfere with the purposes of the Congressional Budget Act. On the contrary, it will improve the capability to analyze and control the regular Federal budget.

The unified budget concept does not portray the true status or condition of the Government's financial and fiscal affairs unless the general funds and the trust funds are analyzed separately. We should recognize at the outset that the enormous deficit with which we are now confronted is not a deficit created by trust funds, social security or otherwise. In view of the furor which has arisen over the social security trust fund, I believe that a more realistic approach to the budget crisis and budget problems is in order. What is happening under the existing budgetary process is that the real operating deficits have been offset by the trust fund surpluses.

I do not mean to suggest, Mr. President, that all is well with the social security system. Steps must be taken to insure that the system is financially sound and solvent so that the funds to pay present and future beneficiaries will be available. The information which I have is that the funds will be sufficient to pay the benefits due at least through the middle of next year if interfund borrowing continues.

While interfund borrowing is admittedly an interim or short-term solution, I believe that this is the best course to follow until we have the specific recommendations of the National Commission on Social Security Reform for permanent actions to maintain social security funding. This Commission is not scheduled to report until December 31 of this year, and I believe that the best course for us to follow is to await this report before making permanent changes in the social security system.

Fortunately there is time to await this report. Whatever value it has can be fully utilized. My position will be to develop the entire system on a sound basis based on the trust relationship and trusteeship of the Federal Government. Benefits and income can be adjusted from time to time and the trust relationship shall be retained for the benefit of those who paid in the money. It is their money

SOCIAL SECURITY

Mr. CHAFEE. Mr. President, during the past 2 weeks this body has devoted an unusual amount of energy and time to discussion of issues related to the solvency of the social security system. There is good reason for this concern. There is probably no program that affects so directly the lives of so many of our citizens.

We commonly say that 36 million elderly Americans receive benefits from the system. Underlying this raw statistic is the poignant reality that these benefits are an indispensable source of income and, literally, of survival for a great number of our older citizens.

Ninety-four percent of people aged 65 and over at the beginning of 1981 were receiving, or would be able to receive, benefits when they or their spouse retire. Sixty percent of these retirees depend on social security payments for at least half of their incomes, and forty percent depend on benefits for three-quarters of their incomes.

Social security payments are thus essential to the lives of millions of our older citizens. But social security also affects virtually every currently employed man and woman. It affects all those who are now paying into the system and upon whom now rests the main responsibility for keeping the system solvent.

These millions of men and women have a stake in the system too—they want to be sure that it stays strong and that their retirement incomes will be secure.

It is because of the tremendous importance of social security to current and future retirees that I and a great many of our colleagues have been so concerned that any changes in the system be considered outside the context of the budget process and that decisions about the system not be forced or driven by the current budget crisis.

These and other concerns were expressed in an amendment offered on May 11 by the senior Senator from Kansas, Senator Dole, to the Defense authorization bill, an amendment of which the Senator from New Mexico and I were cosponsors. This amendment, which Senators will recall passed by a vote of 91 to 7, expressed the sense of the Senate with regard to key aspects of the social security system.

It assured that the social security cost-of-living adjustment of 7.4 percent, due on July 1 this year, would be paid in full, and on schedule. It renewed the Senate's commitment to maintaining and assuring that the system shall be preserved and strengthened so that benefits for present and future retirees shall be paid in a timely manner. It established the Senate's intent that any corrective action we must take shall be no more than is absolutely necessary to preserve the financial integrity of the system.

Finally, the Dole-Domenici-Chafee amendment determined that the Congress would await the recommendations of the National Commission on Social Security Reform before making any binding determinations about any changes or corrective actions that might be needed to keep the system solvent, and it thereby established that any such actions must rest with the Committees on Finance and Ways and Means.

Mr. President, I assisted in the drafting of the Dole amendment. But I indicated during debate on the amendment that I would at the appropriate time—that is, in the context of the Senate's consideration of the budget resolution—offer an amendment to delete the $40 billion of changes in the Social Security Old Age and Survivors Trust Fund that is mandated by the resolution.

Thus, Mr. President, on May 14, I introduced with my colleagues—Senators Durenberger, Stafford, Roth, Lugar, Weicker, Hawkins, and Mathias—an amendment that would have deleted from the budget resolution the provision that benefits paid by the social security old age and survivors insurance trust fund be reduced, and/or that social security taxes be increased, so as to provide a savings of $40 billion in the cost of the program over 3 fiscal years, 1983-85.

It also removed the provision contained in section 2(c) that the Finance and Ways and Means Committees must report by December 1, legislation implementing the requirement for a $40 billion saving.

It retained the provision in section 2(c)(4) requesting the President to direct the National Commission on Social Security to report by November 11 its recommendations for insuring the solvency of the system.

And it contained a provision requiring the Finance and Ways and Means Committees to report by December 1 this year whatever legislation may be needed to insure the solvency of the social security trust funds. It also contained a provision that such changes in laws shall do no more than is absolutely necessary to preserve the financial integrity of the social security system.

The amendment made no change in the technical treatment of the social security trust funds for budgetary purposes, and thus, it left intact the unified budget.

Mr. President, I am very pleased that our amendment has been included in the Budget Committee's modified language. The committee modification deletes the $40 billion mandated social security savings yet retains the solvency provisions requiring Finance and Ways and Means Committees action by December 1 this year. The committee language completely encompasses the purposes of the amendment offered by myself and my distinguished colleagues.

The committee modification is directly responsive to the expressed desire of a great many Members of this body that we not mandate specific changes in the social security system in order to achieve budgetary objectives. By deleting the requirement for changes in the social security system providing $40 billion of savings over 3 fiscal years, and by removing the requirement that legislation implementing such an amount of savings be reported by the Finance and Ways and Means Committees, we make inalterably clear that any changes that may be needed to keep the system solvent will be based on the findings of the bipartisan Commission on Social Security Reform.

The modification insures that the Finance and Ways and Means Committees will report any needed changes after receiving the Commission's report and after hearings and public discussion of the recommendations. It will help assure that decisions taken by the committees will be based not on an arbitrary estimation of the needs of the system but on thorough study and analysis.

I and those who cosponsored the Chafee-Durenberger amendment had no intention of sweeping the problems of the social security system under the rug, out of sight. And thus by requiring the Finance Committee and Ways and Means Committee to report by December 1 as our amendment provided, the modification acknowledges that the Congress may have to reconvene in December to deal with social security.

I believe the committee amendment is appropriate. I am delighted it so completely embraces my objectives with regard to social security.

Mr. MURKOWSKI. Mr. President, our country faces grave economic problems: Unemployment is at 9.4 percent and climbing; housing starts remain below 1 million units for the ninth consecutive month; auto sales are severely depressed; and the number of bankruptcies is up. In the midst of the economic decline, the prime rate remains at 16½ percent. Until interest rates go down, the housing, auto, and other industries dependent on credit will not recover. If they do not recover, the economy will not recover, and we will remain in this economic morass.

Mr. President, why are interest rates remaining high in the midst of a recession? They are remaining high because the Federal Government is still absorbing some 50 percent of the credit market. Unless we take remedial action, deficits will climb to well over $200 billion by 1985. These deficits have to be financed in the credit market and, by 1984, will be absorbing 54 percent of that market. To put that percentage in perspective, just 5 years ago, the Federal Government took up only 27 percent of the credit market. Because the Federal Government must have credit to finance these deficits, and it will pay any price to get that credit, interest rates are driven up and other borrowers are squeezed out. Given that reality, who in the financial markets is foolish enough to make long-term fixed rate loans?

We must send a signal to the financial markets—we must reduce the deficit in 1983 and in future years.

Mr. President, I commend Senator Domenici and his colleagues on the Senate Budget Committee. They have demonstrated leadership and courage in producing a budget resolution that will send such a signal to the financial markets.

We must squarely face difficult and politically dangerous choices. We must hold the line on discretionary spending. We must limit cost-of-living increases. We must limit entitlement increases.

No part of the budget must be exempt from cuts.

This country faces dangerous military threats. These threats justify the administration's support of a strong defense capability. But we cannot remain strong militarily while our economic base remains in shambles. We must reconcile ourselves to smaller increases in the defense budget than we would like.

Mr. President, I deeply resent suggestions that we are balancing the budget on the backs of the poor. In 1964, the first full year of Lyndon Johnson's Presidency, 28.8 percent of the budget was devoted to "human services," which included health, education, welfare, social security, and many others. In 1981, 53.3 percent of the budget went for human service programs. The "harsh results" of continuing the Reagan cuts approved last year would be to shrink this to just under 52 percent of the total budget. The Republican amendments to the concurrent resolution that were introduced today will not significantly change this percentage—hardly cause for the outcry we are hearing.

We are not turning our back on the poor, the aged, the disadvantaged. I would not go along with it if we were.

Mr. President, it will be necessary to raise some revenues through selected tax increases. But before we rush to revise the tax package that we enacted last August, let us reflect on why we passed that package. Taxpayers were pushed into ever-higher tax brackets by the ravages of inflation, thereby suffering declines in real income. The tax system had built-in disincentives to working, saving, and investing, thereby discouraging increases in productivity.

The tax package that we enacted in August went a long way in eliminating these defects in the tax law. The 3-year, 25-percent individual tax cut that we passed will give every American the choice of having that 25 percent to either save or go out and make purchases which will stimulate the economy and create new jobs and investment; both of these actions will help our economy. The indexing provisions scheduled to take effect in 1985 will protect the real income of taxpayers from the bracket creep caused by the ravages of inflation.

The answer to our budget woes is not to simply raise taxes. Government is a strange animal—the more money it collects, the more it tends to spend. We must not sacrifice the tax relief for the hard-working men and women of this country contained within the August tax package to an ever-hungry, ever-growing, bloated Federal Government.

In November 1980, Mr. President, the election centered around the issue of the size and cost of Government. President Reagan and Congress were given a message by the people: To reduce the extent and activities of the Federal Government, to cut waste and fraud, to balance the budget, and to provide tax relief. I challenge my colleagues to live up to this message. Let us have the courage and determination to hold the line on all aspects of Federal spending. We have the opportunity to revive the economic health of this country. Let us exercise that opportunity.

IN SUPPORT OF PROVIDING ADEQUATE FUNDING FOR THE GUARANTEED STUDENT LOAN PROGRAM

● Mr. WEICKER. Mr. President, as a cosponsor of the Stafford amendment to provide adequate funding for the guaranteed student loan (GSL) program, I am pleased that the Republican leadership has agreed to include the amendment in the 1983 budget resolution.

I have been steadfastly opposed to the drastic reductions in funding levels for the student financial assistance programs, either directly by requests to significantly reduce funding levels or by restricting eligibility requirements. With my colleague, Senator Stafford, I recommended full funding as authorized by the Omnibus Reconciliation Act of 1981 for fiscal year 1983 appropriations for the campus based programs. This past winter I held field hearings in my home State of Connecticut to personally get feedback from some of those most affected by the administration's proposals. Now I am giving my full support to the GSL program to insure that those students who need financial assistance for a higher education will receive it.

The opportunity for a college education should not be eliminated by a student's inability to pay. Limiting access to higher education is shortsighted and ill advised. The strength of our Nation is dependent on an educated citizenry. Not only for the sake of individual citizens but for the sake of our Nation as well, it is vital that higher education be maintained as a national priority. Without adequate funding for the GSL program we will be faced with a tragic setback in terms of access and choice to higher education for all but our Nation's most prosperous.

Indeed the proposed new standards for the GSL program would shift much of the burden for the cost of loans to the students and their families. The origination fee would increase from 5 to 10 percent and an insurance fee would be added when appropriate. Graduate students would no longer be eligible for the lower, more reasonable interest rate of 9 percent. This would discourage many from pursuing specialized professions which require additional years of preparation. Due to the proposed elimination of the Federal special allowance payments 2 years after repayment begins, students would be required to take on the full subsidy at that time. This means that the student and lender must renegotiate the loan at the current market rate. Two years out of college, students may be paying as high as 16 percent interest on their loans. It is unclear from the proposed standards as to what the rights of the student and the lender would be concerning this renegotiation process.

The proposed new standards would result in implications for the lender as well as the student. Lenders would likely be more hesitant to lend to students, considering the changes which would give more responsibility to the student for guaranteeing repayment of the loans.

Most importantly, we need to consider why the costs of the GSL program have escalated. The costs associated with the GSL program involve payments directly to the lenders, which are largely contingent on market interst rates. In order to reduce long-range costs, we should emphasize bringing down the interest rates in the general economy as opposed to limiting the financial assistance available to students. This takes the onus off the students and their families, which is a far better solution.

Countless numbers of deserving students are dependent on these loans for the opportunity to reap the benefits of higher education. It is essential that we do not "close the window of opportunity" (David, Bokman, Yale University) for our most valuable resource, the young men and women of our Nation.●

ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, in view of that, I ask unanimous consent that there now be a brief period for the transaction of routine morning business to extend not past the hour of 10:15 p.m. in which Senators may speak.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE CALENDAR

Mr. BAKER. Mr. President, there are a number of items I am anxious to take up tonight if they can be cleared by unanimous consent. Could I invite the attention of the minority leader to certain items on today's Calendar of Business? I refer particularly to Calendar Orders 519, 521, 532, 548, 549, 552, 563, 564, and 569. I am prepared to proceed on those items by unanimous consent if it is agreeable to the minority leader.

Mr. ROBERT C. BYRD. Mr. President, the minority is ready to proceed on the aforementioned items.

Mr. BAKER. I thank the minority leader.

TRANSFER OF CERTAIN REAL PROPERTY

The bill (H.R. 1543) to confirm a conveyance of certain real property by the Central Pacific Railway Co. and Southern Pacific Co. to A. C. Taber and his wife, Mary Taber, was considered, ordered to a third reading, read the third time, and passed.

TRANSFER OF CERTAIN FEDERAL LANDS

The Senate proceeded to consider the bill (S. 982) to provide for the conveyance of certain Federal land adjacent to Lake Shore Drive, Lake Lowell, Boise project, Idaho, which had been reported from the Committee on Energy and Natural Resources with an amendment:

On page 2, strike line 2, and insert the following: "Orchard and Lake Shore Drives, Lake Lowell, Boise project, Idaho".

So as to make the bill read:

S. 982

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. The Secretary of the Interior (hereinafter referred to as the "Secretary") is hereby authorized to convey all right, title, and interest, except as reserved herein, to certain small tracts of Federal lands located adjacent to Orchard and Lake Shore Drives, Lake Lowell, Boise project, Idaho, to the adjacent landowners.

SEC. 2. Such conveyances shall be made by the Secretary only to the adjacent landowners, and shall be made within one year from the date of his receipt of a proper application from such landowners. Applicants for such conveyances must pay the fair market value of the lands as of the date of the conveyance, including administrative costs, but excluding the costs to the Government of conducting the necessary land surveys and preparing the legal descriptions of the land to be conveyed. In determining the fair market value of the lands, the Secretary shall not include the value of any improvements made to the lands by the adjacent landowners or their predecessors.

SEC. 3. All conveyances made pursuant to this Act shall reserve to the United States all mineral deposits in the lands and shall assure that the right to mine and remove such minerals is subservient to the surface rights granted in the conveyances.

● Mr. McCLURE. Mr. President, the Committee on Energy and Natural Resources does not intend that this measure (S. 982) authorize any additional budget authority for fiscal year 1982 than that already available to the Department of the Interior. The committee intends that any fiscal year 1982 costs incurred from the bill will be absorbed from existing funds.●

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read:

"A bill to provide for the conveyance of certain Federal lands adjacent to Orchard and Lake Shore Drives, Lake Lowell, Boise project, Idaho.".

POSTAL SERVICE AMENDMENTS OF 1981

The Senate proceeded to consider the bill (S. 1407) to amend title 39, United States Code, by strengthening the investigatory and enforcement powers of the Postal Service by authorizing inspection authority and by providing for civil penalties for violations of orders under section 3005 of such title (pertaining to schemes for obtaining money by false representations or lotteries), and for other purposes, which had been reported from the Committee on Governmental Affairs with an amendment to strike out all after the enacting clause, and insert the following:

That this Act may be cited as the "Mail Order Consumer Protection Amendments of 1982".

INSPECTION AUTHORITY

Sec. 2. (a) Chapter 4 of title 39, United States Code, is amended by adding at the end thereof the following new section:

"§ 413. Inspection authority

"(a) The Postal Service may require, pursuant to a written demand made under this section, that any officer or employee designated by the Postal Service be given access at reasonable times to inspect or copy any books, records, documents, or other objects that the Postal Service has reason to believe relate to any matter (except a matter pertaining to chapter 6 of this title or to the provisions of title 18 concerning the carriage of letters by private express) under investigation by the Postal Service pursuant to its authority under section 404(a)(7) of this title. Any written demand under this section shall describe with reasonable particularity the items sought to be examined, and shall specify a reasonable time and place for making the inspection. No written demand issued under this section may impose an unreasonable burden upon the party to whom the demand is issued. The Postal Service shall, after reasonable notice and opportunity for interested parties to comment, issue regulations providing procedures and conditions for exercising its inspection authority under this section.

"(b) If a person issued a written demand under subsection (a) refuses to obey such demand, any district court of the United States within the judicial district within which such person is found, resides, receives mail, or otherwise transacts business, may (upon application by the Postal Service) order such person to comply with the written demand issued under subsection (a). Any failure to obey such order of the court may be punished by the court as a contempt thereof.".

(b) The table of sections of chapter 4 of title 39, United States Code, is amended by inserting after the item relating to section 412 the following new item.

"413. Inspection authority.".

AMENDMENT TO SECTION 3005

Sec. 3. Section 3005 of title 39, United States Code, is amended to read as follows:

"§ 3005. False representations; lotteries

"(a) (1) The Postal Service may issue an order described under paragraph (1) or (2) of subsection (b), or both such orders, upon determining on the basis of evidence satisfactory to the Postal Service that any person—

"(A) is engaged in conducting a scheme or device for obtaining money or property through the mail by means of false representations, including the mailing of matter which is nonmailable under section 3001(d) of this title; or

"(B) is engaged in conducting a lottery, gift enterprise, or scheme for the distribution of money or of real of personal property, by lottery, chance, or drawing of any kind.

The mailing by any person of matter which is nonmailable under section 3001(d) shall constitute prima facie evidence that such person is engaged in conducting a scheme or device described by subparagraph (A).

"(2) Nothing in this subsection shall prohibit the mailing of—

"(A) a newspaper of general circulation containing advertisements, lists of prizes, or information concerning a lottery conducted by a State acting under authority of State law, published in that State, or in an adjacent State which conducts such a lottery; or

"(B) tickets or other materials concerning a lottery within that State to addresses within that State.

As used in this paragraph, the term 'State' means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and any territory or possession of the United States.

"(b) When permitted under subsection (a), the Postal Service may issue—

"(1) an order which——

"(A) directs the postmaster of the post office at which mail arrives, addressed to any person engaged in an activity described by subsection (a)(1) (or to any representative of such person), to return such mail to the sender appropriately marked as in violation of this section if such person or representative is first notified and given reasonable opportunity to be present at the receiving post office to survey the mail before the postmaster returns the mail to the sender; and

"(B) forbids the payment by a postmaster to such person or representative of any money order drawn to the order of either, and provides for the return to the remitter of the sum named in the money order; or

"(2) an order which requires any person (or representative of such person) engaged in an activity described by subsection (a)(1) to cease and desist from such activity.

"(c)(1) The public advertisement by a person engaged in activities described by subsection (a)(1) that remittances may be made by mail to a person named in the advertisement is prima facie evidence that the latter is the agent or representative of the advertiser for the receipt of remittances on behalf of the advertiser. The Postal Service may ascertain the existence of the agency relationship in any other legal way satisfactory to it.

"(2) As used in this section and in section 3006 of this title, the term 'representative' includes an agent or representative acting as an individual or as a firm, bank, corporation, or association of any kind.

"(d)(1) In conducting investigations to determine whether any person is engaged in activities described by subsection (a)(1), the Postal Service (or any duly authorized agent of the Postal Service) may tender at any reasonable time, and by any reasonable means, the price of any article or service that such person has offered for sale by mail. If the United States district court determines that there has been an unreasonable failure by any such person to provide the article or service to the Postal Service or its agent upon the tender of the advertised price of the article or service, such failure shall, for purposes of section 3007 of this title, constitute probable cause to believe that such person is engaged in activities described by subsection (a)(1).

"(2) If the Postal Service issues to any person a written demand, under section 413 of this title, to inspect documents or other items in the course of investigations to

determine whether such person is engaged in activities described by subsection (a)(1), and if the United States district court determines that there has been an unreasonable refusal, such refusal by such person to comply with such demand shall, for purposes of section 3007 of this title, constitute probable cause to believe that such person is engaged in activities described by such subsection.

"(3) The Postal Service shall, after reasonable notice and opportunity for interested parties to comment, issue regulations regarding reasonable conditions for compliance with written demands to inspect documents or other items under paragraph (2), and reasonable conditions for providing the article or service involved upon tender of the advertised price under paragraph (1).".

CIVIL PENALTIES

SEC. 4. (a) Chapter 30 of title 39 of the United States Code is amended by adding after section 3011 the following new section:

"§ 3012. Civil penalties

"(a) Any person—

"(1) who evades or attempts to evade the effect of an order issued under section 3005(b)(1);

"(2) who fails to comply with any order issued under section 3005(b)(2); or

"(3) who (other than a publisher described by section 3007(b)) has actual knowledge of any such order, is in privity with any person described by paragraph (1) or (2), and engages in conduct which assists any such person to evade, attempt to evade, or fail to comply with any such order (as the case may be);

shall be liable to the United States for a civil penalty in an amount not to exceed $10,000 for each day that such person engages in conduct described by paragraph (1), (2), or (3). If orders are issued under both paragraphs (1) and (2) of section 3005(b) with respect to any activity described under section 3005(a), separate penalties may be assessed under this subsection for conduct described by paragraphs (1) and (2) of this subsection. The resumption through use of any instrumentality of interstate commerce of any activity with respect to which a cease and desist order has been issued under section 3005(b)(2) of this title shall, for purposes of this subsection, be considered to be a failure to comply with such order.

"(b)(1) Whenever, on the basis of any information available to it, the Postal Service finds that any person is engaging in conduct described by paragraph (1), (2), or (3) of subsection (a), the Postal Service may commence a civil action to enforce the civil penalties established under such subsection. Any such action shall be brought in the district court of the United States for the district in which such conduct occurred or in which the defendant resides, transacts business, or receives mail.

"(2) In determining the amount of any civil penalty, the court shall take into account the nature, circumstances, extent, and gravity of the violation or violations and, with respect to the violator, ability to pay, effect on ability to conduct lawful business, any history of prior such violations, the degree of culpability, and such other matters as justice may require.".

(b) The amendment made by subsection (a) shall apply with respect to conduct which occurs on or after the date of the enactment of this Act.

(c) The table of sections of chapter 30 of title 39, United States Code, is amended by inserting after the item relating to section 3011 the following new item:

"3012. Civil penalties.".

ANNUAL STATEMENTS

SEC. 5. Section 2401(g) of title 39, United States Code, is amended by redesignating paragraphs (3) and (4) as paragraphs (4) and (5), respectively, and by inserting after pargraph (2) the following new paragraph:

"(3) investigative activities of the Postal Service, including a statistical summary of matters referred for prosecution and the results thereof, the number of investigative demands issued pursuant to section 413 of this title, and a statistical summary of administrative and civil actions initiated pursuant to sections 3005 and 3007 of this title;".

Mr. STEVENS. Mr. President, I urge support for passage of S. 1407, the Mail Order Consumer Protection Amendment of 1982. The bill, when passed, will significantly strengthen the investigatory and enforcement powers of the U.S. Postal Service to crack down on fraudulent mail order schemes.

Each year, thousands of Americans are bilked out of millions of dollars by promoters promising the public one thing through false and misleading advertisement and delivering something quite different through the mails. We have had this particular problem in Alaska with scheme after scheme to con people out of their hard-earned money by promising high-paying jobs in Alaska when there is no ability or intention of fulfilling this promise.

Recently, the U.S. Postal Service won a suit against the publisher of a pamphlet entitled "Alaska Employment," who offered for sale information concerning attractive job opportunities in Alaska. The promoter described employment opportunities that did not exist. Contrary to the advertisement, the promoter could not in any meaningful way assist the individual to obtain such employment.

In this case, the Postal Service was severely hampered because it could not gain access to the promoter's records to determine whether or not they could fulfill the promise made in their advertising. The Postal Service was able to prove their case only after substantial delay and expense, including bringing representatives from the State of Alaska to Washington, D.C. This case went on for over a year. Meanwhile, more and more Americans were continuing to be ripped off by similar fraudulent promotions using the mails to bilk the public.

One important aspect of S. 1407 bears comment. The written demand provision allows the Postal Service to determine the truth or falsehood of the claims in the cases such as the one I have described. Had this provision existed in current law as it does in this bill, the Postal Service could have easily obtained the necessary information that would have demonstrated once and for all whether or not there existed the job opportunities that the promoters claimed, thus saving considerable time and money for all involved.

Ed Orbeck, commissioner of the Alaska Department of Labor, has been especially diligent in his efforts to stop such fraudulent job promotion schemes affecting our State. Ed and many Alaskans know we have 18 percent unemployment. Raising the hopes of Americans looking for jobs and then dashing those hopes by providing useless information is an especially cruel hoax to play on people, not to mention the loss of their money.

Mr. President, I ask unanimous consent to insert at the end of my remarks a letter to the staff director of the Senate Civil Service, Post Office, and General Services Subcommittee from the Postal Service regarding the Alaska employment case and another fraud case, including the statement that this bill would help the Postal Service stop such fraud cases.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. POSTAL SERVICE,
CONSUMER PROTECTION DIVISION,
Washington, D.C., February 17, 1982.

MR. WAYNE SCHLEY,
Staff Director, Subcommittee on Civil Service and General Services, Committee on Governmental Affairs, U.S. Senate, Washington, D.C.

DEAR WAYNE: During our February 16 meeting you expressed interest in two of our recent misrepresentation cases and inquired as to how the provisions of S. 1407, if enacted, would have been of assistance in these cases.

Our complaint against Alaska Employment, P.S. Docket No. 7/166, was filed in March, 1980 and resulted in a final decision favorable to the Postal Service (copy enclosed) on April 30, 1981. The promoter offered for sale information concerning the alleged availability of attractive employment in Alaska. Our case consisted primarily of testimony from witnesses familiar with the Alaskan job market that the employment opportunity the promoter described did not exist and that its ability to assist persons seeking Alaskan employment was minimal.

In Classified Reports, P.S. Docket No. 12/178, we contend that the promoter promises to provide, but does not, information which will allow anyone to obtain free money and automobiles from the Government. Our complaint (copy attached) was filed on December 1, 1981. A hearing was held February 8-9, 1982 and the case is awaiting an initial decision by the Administrative Law Judge. Our case consisted primarily of the testimony of persons from the Government agencies which administer the major entitlement programs to the effect that only persons meeting particular eligibility requirements, and not just anyone, would be entitled to benefits under the programs they administered and that "free" automobiles were not available.

These cases are difficult to prove under the existing misrepresentations statute (39 U.S.C. § 3005). We are confronted with necessity of proving that the respondent cannot do what its advertising claims but have no authority to gain access to its records of what it is, in fact, doing. In the Alaska Employment case we had to prove that the job market in Alaska was not as respondent claimed and that respondent could not provide leads to the desirable jobs it described. This was eventually accomplished after substantial delay and expense—including bringing witnesses from the Alaskan government to Washington. Similarly in Classified Reports we expect to prove from the testimony of witnesses familiar with the major Government entitlement programs that no Government entitlement program offers the benefits respondent claims. Unlike many of our other cases where experts are called upon to testify that generally accepted scientific principles disprove the respondent's claims for its products, cases like the above require that we prove that the promoter is not doing something that is scientifically possible without the advantage of commonly available investigative tools that would allow us to determine what the promoter is, in fact, doing. Ultimately we can prevail but the process is dilatory and consumers may continue to be fleeced while we develop our case.

The written demand provisions of S. 1407 (Section 413) would allow us promptly to determine the truth or falsity of the claims in cases like the two described above. In Alaska Employment we could have demanded any records which demonstrate the existence of the job opportunities the promoter claimed. In Classified Reports we could have demanded documents identifying the entitlement program(s) the promoter alluded to and the names of any of its customers who had actually received the benefits it claimed were available. In all likelihood, the use of such authority would have resulted in the informal settlement of these cases very early in the investigative stage and the public would not have continued to sustain losses during the course of our proceedings.

Please let me know if I may be of further assistance.

Sincerely,

GEORGE C. DAVIS,
Assistant General Counsel,
Law Department.

● Mr. HEINZ. Mr. President, as chairman of the Senate Special Committee on Aging and an original cosponsor, I am particularly pleased today to rise in support of S. 1407, the Mail Order Consumer Protection Amendments of 1982. The measure will strengthen the investigatory and enforcement powers of the Postal Service in its efforts to combat mail fraud. Although the bill will help postal authorities protect the interests of all consumers, it has special significance for our Nation's 26 million senior citizens. Many older people must rely heavily upon making purchases through the mail, and therefore are frequently victimized by mail fraud. I should therefore like to commend Senators Pryor, Chiles, and Stevens for their leadership and aggressive support in bringing this matter to the floor.

Our Postal Service has about 650,000 employees who last year, handled nearly 100 billion pieces of mail in some 40,000 facilities. For that same period the service generated cash receipts of nearly $18.5 billion. This volume constitutes a full half of the world's mail.

Most of the mail carried by the Postal Service consists of personal correspondence and legitimate business related materials. Unfortunately, the mails are also used by unscrupulous conartists, charlatans, and quacks to perpetrate fraudulent schemes. Recent testimony by Postal Inspection Service personnel suggests that these frauds, amount to billions of dollars per year and are increasing.

While these schemes affect all citizens, they are of particular consequence to the elderly. Postal authorities estimate that 60 percent of mail fraud is perpetrated upon older Americans. Although many of the elderly are far from rich, as a group their income approaches $200 billion per year.

Mr. President, to learn more about the range of frauds perpetrated against the elderly, the severity of their impact, and ways of solving these problems, I chaired a hearing of the Senate Special Committee on Aging on August 4, 1981, on "Frauds Against the Elderly." witnesses who testified before the Committee included: Virginia Knauer, special assistant to the President and Director of the U.S. Office of Consumer Affairs; Kenneth Fletcher, Chief Postal Inspector, U.S. Postal Service; Carlon M. O'Malley Jr., U.S. attorney, Middle district of Pennsylvania; LeRoy S. Zimmerman, attorney general, Commonwealth of Pennsylvania; Terry W. Lazin, director, Pennsylvania Bureau of Consumer Protection; Gorham L. Black Jr., secretary, Pennsylvania Department on Aging; Laurence H. Brown, director, Economic Crime Project, National District Attorneys Association; and Hap A. Seiders, a convicted felon who conducted a fraudulent mail order rare coin business. Collectively, our witnesses testified to a staggering array of frauds, deceits, and callous exploitation worked against the elderly.

The hearing included demonstrations of fraudulent techniques and devices commonly used against the elderly. Virginia Knauer illustrated fraudulent medical devices which had been sold through the mails. Kenneth Fletcher dramatized the danger of mail order miracle cures by citing an example of a cancer cure which consisted of contaminated kelp compound that the purchaser was to inject into himself. The product was seized by postal officials and upon analysis was determined to be so full of toxic substances that use of it in the manner described in the accompanying advertising material could have caused death. Chief Fletcher also described a $500,000 real estate scam that drove a retired farmer to suicide. Former counterfeit coin dealer, Hap Seiders, gave examples of common swindling techniques, such as changing his corporation's name to avoid detection by authorities and of several other financial investment scams.

During the hearing I introduced into the record a letter from a constituent of mine which complained of a solicitation he had received. In bold letters the ad heralded its message "Hidden Money Secrets from Social Security" and asked that the reader mail the sum of $10 to the New Jersey based firm. This ad is apparently part of an ongoing effort to deceive and defraud the elderly. The material offered provides information which is readily available free-of-charge from any social security office. In addition, several of the statements made in the text of the advertisement about social security benefits are false or misleading. Chief Postal Inspector Fletcher indicated that he and his investigators were all too familiar with the ad and that his office had entered into a consent decree in which the firm agreed to stop promoting and selling the material. However, due to a loophole in the law this company continues to operate. If S. 1407 were enacted, it would close this loophole and provide for the imposition of civil penalties for wrongdoers who seek to evade the intent of law.

While certain elderly people have specific characteristics that make them particularly at risk of being defrauded, those who seek to defraud the elderly do not discriminate. The poor elderly are defrauded of their nickels and dimes, while those with formal education and sufficient income only lend themselves to more sophisticated fraud for bigger takes.

The Office of the Chief Postal Inspector (the Inspector General of the Postal Service) is manned by 2,000 inspectors who work to combat mail fraud and related offences. While the Postal Inspection Service has accumulated an impressive track record in putting an end to innumerable mail-fraud schemes, several obstacles impede its efforts to obtain an even greater number of successful prosecutions and to permanently ban those convicted of wrongdoing from reestablishing their fraudulent operations by simply changing their names or operations. This bill would give the Postal Inspector the tools he needs to overcome these impediments.

In order for the Postal Inspection Service to evaluate whether a product measures up to its advertised claims, the Service must send for it through the mail in much the same way that an ordinary citizen does. It can take up to 3 months to receive a product, which must then be evaluated. The Service must then approach an administrative law judge or a U.S. attorney for action. The critical factor is the delay caused by this process.

Defrauders of the elderly know the nature of this procedure. As a result,

they commonly place an ad, take orders for several months, and fill all the orders at one time as they close down their business operation. By the time the inspectors receive their product the perpetrators and their assets have vanished. All too often defrauders successfully evade the intent of postal stop orders by making a technical change in the name of their operation and continuing their activity as if nothing had happened.

S. 1407 provides a solution to these problems. It gives the Postal Service the authority to appear at the address mentioned in a suspicious ad, present a postal money order for the amount of the purchase, and receive immediate access to the product.

The bill would give the Chief Postal Inspector (who functions as Inspector General of the Postal Service) authority to seek access to books, records, documents and other matter related to an investigation through a written investigative demand.

A third item in the bill would give the Chief Postal Inspector the authority to obtain an order barring named individuals from further engaging in the scheme which was the subject of a prior action. Violations of this order could be punished with civil penalties up to $10,000 for each violation.

S. 1407 does not add significant new costs to the Treasury. It will, if passed, go a long way toward providing the Postal Inspection Service with the necessary tools to move promptly and efficiently against those who victimize our Nation's elderly.

Mr. President, the witnesses at our Senate Aging Committee hearing uniformly testified that the problem of mail fraud is a real and growing one. Additional hearings by the Senate Government Affairs Committee and the House Committee on Aging have confirmed the need for us to act quickly and affirmatively on this matter. I urge my colleagues to approve S. 1407 and help to end the abuse of our mails.●

● Mr. PRYOR. Mr. President, S. 1407, the Mail Order Consumer Protection Amendments of 1982, which the Senate takes up today for consideration, is a bill to strengthen the investigation and enforcement authority of the U.S. Postal Service. This legislation represents a major breakthrough in protecting our Nation's citizens from mail order schemes that defraud the public through false and misleading advertisements.

Mail fraud has grown in epidemic proportions in recent years. Citizens are now being bilked out of hundreds of millions of dollars each year by fraudulent schemes. According to the Postal Service, postal inspectors last year received more than 200,000 complaints of mail fraud or misrepresentation, completed more than 4,400 investigations, and saw nearly 1,400 would-be swindlers convicted of mail fraud. However, more can be done to fight mail fraud and much more needs to be done to protect consumers from dishonest individuals who prey upon our society. Yet because our postal fraud statute is over 100 years old, it is often hard to indict, convict, and punish the perpetrators of these crimes.

Investigations by the House Select Committee on Aging under its distinguished chairman, Congressmen CLAUDE PEPPER, have uncovered numerous examples of mail fraud and false representations which have been perpetrated upon thousands of honest, hardworking Americans.

The Aging Committee became interested in this problem because, unfortunately, over 60 percent of the victims of these frauds are elderly citizens, most of whom are living on fixed incomes and literally counting their pennies. Many of the victims have lost their entire life savings and are provided very little recourse for recovery.

At a hearing before the Governmental Affairs Committee's Subcommttee on Civil Service, Post Office, and General Services, Chief Postal Inspector Kenneth H. Fletcher testified:

> Of special concern to us are schemes which prey on our senior citizens. These include work-at-home schemes, investment and job opportunities ventures, land and merchandise frauds, and spurious medical promotions. Through cleverly conceived advertising, promoters tout all manner of miracle cures. Due to rising costs of medical attention and, perhaps, previous unsuccessful attempts to alleviate their suffering, the elderly are often tempted to try these purported cure-alls for a long list of problems, including arthritis, cancer, obestity, impotency and baldness. * * *
>
> Another prevalent fraud is the so-called work-at-home scheme. Although the most common offering is for envelope stuffing, schemes also include the making of products such as baby booties or aprons.
>
> It is usually alleged there is a market for such products when there is none, or that the promoter will buy the products when, in fact, the promoter will not. I think you are all familiar with the kind of advertisements I am talking about: "earn $400 or more per month in your own home, no investments necessary, choose your own hours," and that kind of come-on. We know of no such work-at-home scheme that ever produces income as alleged.

Postmaster General William Bolger in a letter to the Governmental Affairs Committee said that existing statutes are:

> Powerful weapons, but their effectiveness has been lessened due to unavoidable time constraints involved in obtaining product samples necessary to initiate investigations, the lack of access to certain business records, and the ease with which operators can escape the reach of mail-stop orders once issued.

S. 1407 addresses these concerns.

First, it would give the Chief Postal Inspector, who functions as the Inspector General of the Postal Service, authority to seek access to any books, records, documents, or other matter related to an investigation through a written investigative demand.

Second, the Postal Service would be granted authority to tender the advertised purchase price to a firm in order to gain immediate access to an advertised product so that an examination of the product may begin at once.

Third, the measure amends title 39, United States Code, to authorize imposition of a civil penalty in the amount up to, but not to exceed $10,000 per day against anyone who continues to engage in fraudulent schemes after having been found in violation of postal statutes and ordered to cease such activity.

S. 1407, as amended, was ordered reported by the Governmental Affairs Committee on April 29, 1982, by a unanimous vote at the committee. The legislation was the subject of hearings held by the Subcommittee on Civil Service, Post Office, and General Services on October 13, 1981. The legislation is cosponsored by Senators HEINZ, CHILES, STEVENS, BUMPERS, MELCHER, DURENBERGER, HOLLINGS, PRESSLER, ROTH, SASSER, KASSEBAUM, EAGLETON, COHEN, BURDICK, GRASSLEY, NUNN, HEFLIN, BYRD of Virginia, CRANSTON, DIXON, LUGAR, INOUYE, SARBANES, MATHIAS, and SCHMITT.

Mr. President, I urge the approval of this measure. It will give needed enforcement tools to the Postal Service to protect consumers and to fight fraudulent activities through the use of the mail.●

● Mr. CHILES. Mr. President, I am pleased that the Senate today unanimously passed S. 1407, the Mail Order Consumer Protection Amendments of 1982, giving the U.S. Postal Inspector authority to effectively crackdown on fradulent mail-order schemes which bilk the elderly and others out of hundreds of millions of dollars every year.

There are literally hundreds of reputable, completely legitimate businesses in this country which provide a great convenience to consumers through mail-order sales. They are often especially convenient for the elderly and many others who are somewhat limited in their mobility and find it difficult to do much shopping outside their home without help.

But we also know that there are a lot of quick buck, fraudulent operators who find it easy to use the mails to sell merchandise or services which have been completely misrepresented to consumers. Phony land schemes, promises of wealth from questionable work at home schemes, investment opportunities in nonexistent securities, commodities or franchises, amazing cures for deadly diseases and physical disabilities, you name the scheme and someone will try to sell it, frequently by mail.

This activity is already against the law. There are schemes for obtaining money through false representation. But they are often difficult to prosecute. What this bill will do is strengthen the investigatory and enforcement ability of the U.S. Postal Service to enforce the law and stop these schemes before consumers are bilked out of their money.

I am pleased that over a quarter of the Senate has cosponsored this bill since Senator PRYOR, Senator HEINZ, and I introduced it in June 1981. A companion bill in the House now has over 300 cosponsors. I would particularly like to commend Senator PRYOR and Senator STEVENS for the careful attention they gave to the bill during its consideration in the Committee on Governmental Affairs. Every effort was made to consider the views of all who would be affected by its provisions. Today's action by the Senate clearly demonstrates that we have a good bill, one which will greatly enhance the authority of the U.S. Postal Service to crackdown on fraudulent mail-order schemes without posing any unnecessary problems for the many completely legitimate and worthwhile mail-order marketing businesses in the Nation.

As passed, S. 1407 gives the Chief Postal Inspector authority to seek access to any books, records, documents, or other matter related to an investigation through a written investigative demand.

Second, the Postal Inspector would be granted authority to gain immediate access to an advertised product which is suspected of being part of a fraudulent scheme so that an examination of the product can begin at once. This provision eliminates what the Postal Inspector called, in testimony on the bill, a great weakness in the current investigatory authority: An inability to quickly obtain samples of advertised products which are suspected of being misrepresented to consumers. Currently, postal inspectors have to follow the same procedures as any consumer, responding through the mail and waiting for an advertised product to arrive before they can even begin an investigation. Many deceptive operators are well aware of this test purchase procedure and delay shipping products until they believe they have gotten all they can from their operation. Then they pack up and leave before the Postal Service can even begin an investigation.

Third, the bill authorizes imposition of a civil money penalty of up to $10,000 per day against anyone who continues to engage in fraudulent schemes after having been found in violation of false representation statutes and ordered to cease such activity. The Chief Postal Inspector has testified that even after authorities have issued an order to cease business after a determination of false representation, fraudulent operators simply change their names or their addresses and continue to sell the product under the same false advertising. Inspectors must then initiate administrative proceedings each time the promoter renews the activity under a different name. And each time, the promoter keeps pulling in the consumers' money until a new proceeding can be brought and a new order obtained. The civil penalty contained in this bill directly addresses this weakness. Anyone who attempted to evade the effect of an order to stop doing business would be subject to a fine of up to $10,000 per day.

As I noted when we first introduced this bill, there is ample precedent for the powers that it gives to the U.S. Postal Inspector. We are granting virtually the same investigative demand authority now held by other Federal Inspectors General.

Mr. President, I hope that the House will be able to act quickly on this bill and that we can get this new authority in operation soon.●

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

EXEMPTION OF LAKE OSWEGO FROM CERTAIN PROVISIONS OF LAW

The Senate proceeded to consider the bill (S. 1573) to amend the Water Resources Development Act of 1976 with respect to Lake Oswego, and for other purposes, which had been reported from the Committee on Energy and Natural Resources, with an amendment to strike out all after the enacting clause, and insert the following:

That part I of the Federal Power Act (Act of June 10, 1920) as amended, and section 408 of the Energy Security Act (Act of June 30, 1980), shall not be applicable to the Lake Oswego, Oregon, hydroelectric facility or Lake Oswego, until and unless otherwise provided by the Congress.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read:

A bill to exempt the Lake Oswego, Oregon, hydroelectric facility from part I of the Federal Power Act (Act of June 10, 1920) as amended, and for other purposes.

REPAIR OF CERTAIN NEVADA WATER PUMP FACILITIES

The Senate proceeded to consider the bill (S. 1621) to authorize the replacement of existing pump casings in southern Nevada water project pumping plants 1A and 2A, and for other purposes, which had been reported from the Committee on Energy and Natural Resources, with an amendment on page 2, line 12, after "appropriated", insert the following:

"beginning October 1, 1982".

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior is authorized to procure, and provide for the installation of, twelve new stainless steel casings and minor appurtenant parts to replace twelve existing cast steel pump casings in pumping plants 1A and 2A of the southern Nevada water project, first stage.

SEC. 2. The Secretary is hereby authorized to negotiate with the original manufacturer for the procurement of the new stainless replacement casings.

SEC. 3. Costs incurred in the procurement of the twelve pump casings and minor appurtenant parts shall be borne by the United States and shall be nonreimbursable and nonreturnable. The State of Nevada shall install the twelve stainless steel casings and minor appurtenant parts at its cost in a manner satisfactory to the Secretary.

SEC. 4. There is hereby authorized to be appropriated beginning October 1, 1982, for procurement of twelve stainless steel pump casings and minor appurtenant parts for southern Nevada water project pumping plants 1A and 2A the sum of $1,500,000 (July 1980 price levels), plus or minus such amounts, if any, as may be justified by reason of changes in procurement costs as indicated by engineering cost indexes applicable to the type of procurement involved: *Provided,* That, except as otherwise may be required by existing contracts, the United States shall incur no further liability with respect to the twelve pumps in pumping plants 1A and 2A of southern Nevada water project, first stage and no further expenditures or actions by the United States with respect to those pumps are either expressly or impliedly authorized by this Act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

AMENDMENT OF COLORADO RIVER BASIN PROJECT ACT

The bill (S. 2177) to amend title III of the Colorado River Basin Project Act, Public Law 90–537 (82 Stat. 885), as amended by Public Law 95–578 (92 Stat. 2471), and Public Law 96–375 (94 Stat. 1505), was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 2177

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Public Law 90-537 (82 Stat. 885), as amended is further amended to provide for cost indexing as may be justified by reason of ordinary fluctuations in construction costs.

Section 309(b), first sentence, is amended to read: "There is also authorized to be appropriated $100,000,000 for construction of distribution and drainage facilities for non-Indian lands plus or minus such amounts, if any, as may be justified by reason of ordinary fluctuations in construction costs as indicated by engineering and cost indices applicable to the types of construction involved therein from the date of the Colorado River Basin Project Act.".

NATIONAL JUNIOR BOWLING CHAMPIONSHIP WEEK

The joint resolution (S.J. Res. 175) authorizing and requesting the President to proclaim "National Junior Bowling Championship Week," was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. RES. 175

Whereas the game of bowling has origins in ancient times with American roots dating back to the Pilgrims;

Whereas more than a million youngsters enjoy regular weekend bowling competition in more than seven thousand eight hundred bowling centers in the United States;

Whereas the sport of bowling teaches its junior participants sportsmanship and discipline which are helpful qualities in later life;

Whereas these youngsters are engaged in a clean and wholesome form of entertainment which enhances their character and productivity to prepare them for adulthood;

Whereas the American Bowling Congress, the Bowling Proprietors' Association of America and the Women's International Bowling Congress have united their individual youth members into one organization known as the Young American Bowling Alliance;

Whereas the Young American Bowling Alliance will conduct its first National Junior Bowling Championship tournament in Washington, District of Columbia, in July of this year; and

Whereas the Young American Bowling Alliance will continue to conduct local and national tournaments which will provide healthy competition for young bowlers: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to issue a proclamation recognizing the week of July 18, 1982, as National Junior Bowling Championship Week in recognition of the valuable contribution the national junior bowling program has made to our young people nationwide, and calling upon all government agencies and the people of the United States to observe the week with appropriate programs, ceremonies, and activities.

MYASTHENIA GRAVIS AWARENESS WEEK

The joint resolution (S.J. Res. 197) to provide for the designation of the week of October 17 through October 23, 1982, as "Myasthenia Gravis Awareness Week", was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. RES. 197

Whereas the incidence and prevalence of myasthenia gravis present a significant health problem in the United States;

Whereas myasthenia gravis is a severe neuromuscular disorder, characterized by weakness of the voluntary muscles of the body;

Whereas an estimated one hundred thousand to two hundred thousand diagnosed, and over one hundred thousand undiagnosed, Americans of both sexes, and all races and ages, are afflicted with the disease;

Whereas the Nation faces a continuing need to support innovative research into the causes, treatment, and cure of myasthenia gravis;

Whereas it is appropriate to focus the Nation's attention upon the problem of myasthenia gravis: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of October 17 through October 23, 1982, is designated as "Myasthenia Gravis Awareness Week" and the President of the United States is authorized and requested to issue a proclamation calling upon all government agencies and the people of the United States to observe the week with appropriate programs, ceremonies, and activities.

AMELIA EARHART DAY

The joint resolution (H.J. Res. 412) to authorize and request the President to designate May 20, 1982, as "Amelia Earhart Day," was considered, ordered to a third reading, read the third time, and passed, and the accompanying preamble was agreed to.

ORDER OF BUSINESS

Mr. BAKER. Mr. President, I have two or three other brief matters to attend to, then I understand the distinguished junior Senator from Alaska wishes to claim the floor for morning business. I believe these have been cleared by the minority and I will state them now for the consideration of the minority leader and for other Senators.

DESIGNATION OF THE SQUARE DANCE AS THE NATIONAL FOLK DANCE OF THE UNITED STATES

Mr. BAKER. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on Senate Joint Resolution 59, a resolution to designate the square dance as the national folk dance of the United States.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives.

Resolved, That the resolution from the Senate (S.J. Res. 59) entitled "Joint resolution designating the square dance as the national folk dance of the United States", do pass with the following amendment:

Page 2, line 4, after "America", insert: for 1982 and 1983.

Mr. BAKER. Mr. President, I move that the Senate concur in the House amendment.

The motion was agreed to.

Mr. ROBERT C. BYRD. Mr. President, concerning the action taken on Senate Joint Resolution 59, would the distinguished majority leader move to reconsider the action that has been taken?

Mr. BAKER. Mr. President, I am happy to do that. It is with a great deal of pride and special privilege that I move to reconsider the vote by which the motion was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

WORKING MOTHERS' DAY

Mr. BAKER. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on Senate Joint Resolution 53, "Working Mothers' Day."

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the resolution from the Senate (S.J. Res. 53) entitled "Joint resolution to provide for the designation of September 6, 1981, as 'Working Mothers' Day' ", do pass with the following amendments:

Page 2, lines 2 and 3, strike out "September 6, 1981,", and insert: September 5, 1982,".

Amend the title so as to read: "Joint resolution to provide for the designation of September 5, 1982, as 'Working Mothers' Day'."

Mr. BAKER. Mr. President, I move that the Senate concur in the House amendments.

The motion was agreed to.

NATIONAL POW-MIA RECOGNITION DAY

Mr. BAKER. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on Senate Joint Resolution 160, "National POW-MIA Recognition Day."

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the resolution from the Senate (S.J. Res. 160) entitled "Joint resolution to designate July 9, 1982, as 'National P.O.W.-M.I.A. Recognition Day' ", do pass with the following amendments:

Strike out all after the resolving clause and insert: "That the ninth day of July 1982 and the ninth day of April 1983 shall be designated as 'National P.O.W./M.I.A. Recognition Day' and the President of the United States is authorized and requested to issue a proclamation each year calling upon the people of the United States to commemorate such day with appropriate activities.".

Amend the title so as to read: "Joint resolution to provide for the designation of July 9, 1982, and April 9, 1983, as 'National P.O.W./M.I.A. Recognition Day'.".

Mr. BAKER. Mr. President, I move that the Senate concur in the House amendments.

The motion was agreed to.

ORDER TO INDEFINITELY POSTPONE SENATE JOINT RESOLUTION 150

Mr. BAKER. Mr. President, in connection with Calendar Order No. 562, Senate Joint Resolution 150, which is the companion bill to Calendar Order No. 569, House Joint Resolution 412, I ask that Calendar Order 562, Senate Joint Resolution 150, be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

CHILD PASSENGER SAFETY WEEK

Mr. CRANSTON. Mr. President, I bring to the attention of the Senate a California statewide event, Child Passenger Safety Week, held May 7-14. The California Division of the American Trauma Society has taken the lead in heightening public awareness of the danger involved in permitting small children to ride unrestrained in automobiles.

The enthusiastic response already generated is impressive. With the broad participation of businesses, public schools, hospitals, and the media, well over 200 communities throughout California will soon launch assertive educational campaigns directed particularly toward parents with children under 4 years of age. Efforts will be made to inform parents of the benefits of using properly installed car safety seats.

According to Dr. Thomas K. Hunt, president of the California Division of the American Trauma Society, automobile accidents are by far the leading cause of death of children over 1 year of age, killing more children than any other disease or condition. In 1980 over 1,000 children under 4 were killed nationwide and over 93,000 injured. In California alone 127 children were killed and 7,369 injured.

These statistics are truly disheartening when we realize that most of these deaths and injuries were preventable. It is estimated that 85 percent of these deaths and most serious of injuries were and are preventable through the use of proven safety measures. At the present time only 16 percent of children are buckled up when riding in vehicles.

Clearly, greater public awareness of the problem would be beneficial in combating this needless killing. Part of the solution lies in educating parents to the severity of the problem and encouraging them to make sure their children are safely secured when traveling by car. Indeed, this is the purpose and goal of Child Passenger Safety Week.

It is noteworthy that a number of other States have also recognized the importance of this problem. Eleven States have enacted laws requiring use of car safety seats. In one of these States, Tennessee, the child death rate has been reduced by one-half. This commendable record adds convincing evidence that buckling up saves lives. As a result, seven other States, including California, are considering similar measures.

When we realize the immeasurable savings gained in terms of prevented deaths and injuries, the purchase of a car safety seat is truly a negligible cost and a wise investment for families.

In addition to the hardship and turmoil experienced by families who have had a child die or injured, public expenditures in the form of long-term hospital rehabilitation, special schooling, medicaid, and other necessary support services are substantial. The estimated cost for less severe injuries requiring 1 to 5 days of hospital care is $3,600 per child, not including emergency care treatment, medication, or followup care, all of which can greatly augment total health care costs.

Mr. President, both the emotion and financial costs of these tragic accidents can and should be avoided. Insuring children are safely secured every time they go for a drive is a habit well worth adopting. It should be as automatic as turning the ignition key. Forming this kind of habit will assure the safety of children and avoid the enormous heartache and suffering that follows a preventable accident.

THE NUCLEAR DEBATE

Mr. PELL. Mr. President, the Committee on Foreign Relations will soon meet to mark up a resolution expressing the committee's judgment how best to proceed to insure a viable and effective nuclear arms control regime.

These deliberations follow 5 days of thorough hearings, during which the committee heard from Senators, Members of the House, the Secretaries of State and Defense, and numerous other expert witnesses.

Having carefully weighed the testimony, I conclude that a nuclear freeze, coupled with other steps to preserve the SALT regime and to move toward substantial reductions, is definitely in the national interests of the United States.

I was impressed and reassured by the President's May 9 proposal for strategic arms reductions. As administration officials have indicated, that negotiation would take years to succeed. No one doubts that the negotiations will be tough.

Given the likelihood of a protracted effort with no certainty as to what can be achieved, I conclude that the case for a freeze becomes even stronger. As my colleagues, the Senator from Massachusetts (Mr. KENNEDY) and the Senator from Oregon (Mr. HATFIELD) point out in an excellent article in the May 16, 1982, Washington Post, "A mutual freeze as the first step could well make the difference in the success or failure of the Reagan plan."

Mr. President, this article by the sponsors of the Kennedy-Hatfield resolution, which I am cosponsoring, addresses the arguments for and against a freeze. I find the reasoning thoughtful and compelling. I hope my fellow Senators will have an opportunity to read the article. I ask unanimous consent that it be inserted in the RECORD following my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, May 16, 1982]

THE FREEZE IS BETTER

(By Edward M. Kennedy and Mark O. Hatfield)

The president's movement on arms control is a tribute to the nationwide grassroots movement for a nuclear weapons freeze. Indeed, there are those who would forthwith dispense with the freeze on grounds that it has already achieved its only real purpose: to convince the administration to do something, almost anything positive, about arms control. We dissent from that view. We believe a mutual and verifiable freeze is not merely good politics, but good policy.

A freeze would stop the deployment of new weapons. By contrast, the Reagan START proposal would start a new round in the arms race in the form of the MX missile, the Trident II and other advanced nuclear weapons. The Reagan plan does not cover bombers of any kind or cruise missiles at all—a loophole big enough to fly a fleet of bombers through, with each plane carrying more destructive force than all the bombs dropped in World War II. And the Soviets will match us every step and every missile of the way in any futile quest for nuclear superiority.

There is another clear measure of the difference between a freeze and START: a freeze would save a least $100 billion now scheduled to be spent on new weapons systems in the next five years; START envisions spending that additional money and even more.

A nuclear weapons freeze has the clear advantage of bypassing endless arguments about which nation is ahead in an endless arms race. Strategic advantage is largely in the eye of the beholder. In fact, both sides today are at essential parity. Each side, even after absorbing a first strike, can destroy the other many times over.

At best, as Secretary of State Alexander Haig has testified, the Reagan plan means protracted negotiations with the Soviets. But as he also concedes, it is precisely during such negotiations that nuclear buildups reach maximum intensity as the two superpowers compete for marginal advantage. In essence, the president will have to negotiate at a faster pace than the weapons labs generate ideas. History discredits that assumption. A mutual freeze as the first step could well make the difference in the success or failure of the Reagan plan. American negotiators of long experience believe that a freeze agreement could be reached in a matter of months, in contrast to the years it would take to work out the complicated details of major reductions.

Opponents of the freeze respond that the Soviets might have no incentive to reduce their arsenals after a freeze. They suggest that the only incentive can come from American resolve to brandish new weapons systems as bargaining chips. In reality, this theory has contributed little to arms control and a lot to the arms race. A decade ago, an American administration rationalized multiple independent warheads—the destabilizing advance called MIRVs—as essential bargaining chips during the SALT I talks. But soon the Pentagon was insisting that MIRVs were too important to bargain away, and they are still with us—and the Soviets now have as many of them as we do.

With a freeze in place, both sides will have a vested interest in reductions, since each will still possess weapons that detract from the overall stability of the nuclear balance, and which they can no longer strive to perfect or protect. The absurdity and danger of overkill will become starkly apparent even to strategic planners who now seek security in the search for superiority.

Finally, we are told, the freeze is not verifiable. We hear it from administration supporters in the Senate who seek more sophisticated nuclear arsenals now and a freeze later. But why is it harder to verify a freeze before we multiply the technological capabilities of our weaponry? There are respected defense experts, including former high officials of the CIA, who have testified that a freeze is sufficiently verifiable. They agree that it can be better verified than less comprehensive and more complex arms control accords. Moreover, under our Joint Resolution, what is not verifiable will not be frozen. A freeze can ensure that wherever controls on nuclear weapons can be verified, they will be imposed—which is more than anyone can say for any other arms control proposal.

A freeze goes further than the SALT II treaty, which some have urged the Senate to ratify. But to force a ratification vote, when the treaty could never achieve the necessary two-thirds in the face of administration opposition, would provide a ready excuse for those in the White House and the Pentagon who would prefer to break out of the SALT II limits. The treaty is being informally observed by both the Americans and the Soviets now; to demand a formal stamp of approval could prove stunningly counterproductive. And SALT II, like the Reagan START plan, would not block some of the most dangerous advances in nuclear weaponry, such as the American MX missile and the Soviet Typhoon submarine.

In short, truly effective arms control now depends on three important steps:

First, to prevent massive buildups on either side during negotiations for reductions, the administration should propose to the Soviet Union a mutual and verifiable nuclear weapons freeze.

Second, while seeking a freeze, the administration should pledge unequivocally that it will abide by the SALT II limits unless the Soviet Union violated them. To date, the president has refused to give such a pledge.

Third, the administration should seek to negotiate major reductions in all aspects of nuclear forces, not simply in one or two elements of those forces.

The freeze is the key to this process. It is a simple idea, but not a simplistic one. The critics are right that it is not perfect, but it is better than any alternative they have proposed.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGE FROM THE HOUSE

At 12:14 p.m., a message from the House of Representatives, delivered by Mr. Gregory, one of its reading clerks, announced that the Speaker has signed the following enrolled bills:

S. 1611. An act to amend Public Law 90-533, to authorize the transfer, conveyance, lease and improvement of, and construction on, certain property in the District of Columbia, for use as a headquarters site for an international organization, as sites for governments of foreign countries, and for other purposes; and

H.R. 5118. An act to provide water to the Papago Tribe of Arizona and its members, to settle Papago Indian water rights claims in portions of the Papago reservations, and for other purposes.

The enrolled bills were subsequently signed by the President pro tempore (Mr. THURMOND).

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, May 19, 1982, he presented to the President of the United States the following enrolled bill:

S. 1611. An act to amend Public Law 90-553, to authorize the transfer, conveyance, lease and improvement of, and construction on, certain property in the District of Columbia, for use as a headquarters site for an international organization, as sites for governments of foreign countries, and for other purposes.

REPORT OF THE COMMITTEE ON APPROPRIATIONS FILED DURING THE RECESS

Under the authority of the order of the Senate of January 5, 1981, the following report was filed on May 18, 1982, during the recess of the Senate:

By Mr. HATFIELD, from the Committee on Appropriations, with amendments:

H.R. 5922. An act making urgent supplemental appropriations for the fiscal year ending September 30, 1982, and for other purposes (Rept. No. 97-402).

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. PACKWOOD, from the Committee on Commerce, Science, and Transportation, with an amendment in the nature of a substitute:

S. 2301. A bill to amend the Federal Railroad Safety Act of 1970 and other rail safety acts (Rept. No. 97-403).

By Mr. PACKWOOD, from the Committee on Commerce, Science, and Transportation, with amendments:

S. 2181. A bill relating to the National Telecommunications and Information Administration, and for other purpose (Rept. No. 97-404).

By Mr. PACKWOOD, from the Committee on Commerce, Science, and Transportation, with an amendment in the nature of a substitute:

S. 2430. A bill to provide authorization of appropriations for railroad rehabilitation and improvement financing, and for other purposes (Rept. No. 97-405).

By Mr. HELMS, from the Committee on Agriculture, Nutrition, and Forestry, with an amendment in the nature of a substitute, and an amendment to the title:

S. 2351. A bill to authorize the Secretary of Agriculture to implement the agreement on the international carriage of perishable foodstuffs and on the special equipment to be used for such carriage (ATP), and for other purposes (Rept. No. 97-406).

By Mr. PERCY, from the Committee on Foreign Relations, with amendments:

S. 1940. A bill to amend chapter 209 of title 18, United States Code, relating to extradition, and for other purposes.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. TOWER, from the Committee on Armed Services:

Gen. Charles A. Gabriel, 243-32-9018FR, U.S. Air Force, under the provisions of title 10, United States Code, section 8034, to be reassigned in his current grade to a position of importance and responsibility designated by the President; and

Adm. James D. Watkins, U.S. Navy, for appointment as Chief of Naval Operations in the Department of the Navy for a term of 4 years pursuant to title 10, United States Code, section 5081 (a), and (b). Admiral Watkins, having been designated for command and other duties of great importance and responsibility in the grade of admiral within the contemplation of title 10, United States Code, section 601, for this appointment while so serving.

Mr. TOWER. Mr. President, from the Committee on Armed Services, I report favorably the following nominations: In the Naval Reserve their are six permanent promotions to the grade of commodore (list begins with Beverly J. Lowe), Gen. Lew Allen, Jr., U.S. Air Force, (age 56) for appointment to the grade of general on the retired list and Lt. Gen. Robert W. Sennewald, U.S. Army, to be general. I ask that these names be placed on the Executive Calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TOWER. Mr. President, in addition, in the Marine Corps there are 333 transfers from the Reserves to the grade of major and below (list begins with J. F. Amos), in the Navy and Naval Reserve there are 354 permanent promotions to the grade of lieutenant commander (list begins with Ronald J. Abler), in the Air Force there are 842 appointments to the grade and date of rank to be determined by the Secretary of the Air Force (list begins with David J. Abramowitz), in the Army there are 50 promotions to the grade of colonel and below (list begins with Charles P. Bernstein), in the Army there are 887 appointments to the grade of second lieutenant (list begins with Paul F. Abel), in the Army there are 17 appointments to the grade of lieutenant colonel and below (list begins with Ronald Hunter) and in the Navy there are 19 midshipmen from the Naval Academy for appointment as second lieutenants in the Air Force (list begins with Barry Batiste). Since these names have already appeared in the Congressional Record and to save the expense of printing again, I ask unanimous consent that they be ordered to lie on the Secretary's desk for the information of any Senator.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The nominations ordered to lie on the Secretary's desk were printed in the Record of May 5, May 6, May 10, May 11, and May 18, 1982, at the end of the Senate proceedings).

JOINT REFERRAL OF S. 2258 AND S. 2442

Mr. BAKER. Mr. President, pursuant to the order of August 4, 1977, I ask unanimous consent that S. 2258 be referred to the Committee on the Budget for the purpose of permitting the committee to review the following provisions: Sections 102(d), 201(b)(1), 201(b)(2), and 201(c). Further, I ask unanimous consent that S. 2442 be referred to the Committee on the Budget for the purpose of permitting the committee to review the following provisions of the bill: Sections 102(d), 201(b)(1), 201(b)(2), and 201(c).

The PRESIDING OFFICER. Is there objection?

Mr. ROBERT C. BYRD. There is no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. CHILES (for himself, Mr. Nunn, and Mr. Randolph):

S. 2543. A bill to improve the effectiveness and efficiency of Federal law enforcement efforts; read the first time.

By Mr. COHEN:

S. 2544. A bill to provide access to trade remedies to small business, and for other purposes; to the Committee on Finance.

By Mr. BOSCHWITZ:

S. 2545. A bill to amend the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code of 1954, to permit the making of certain loans and leases by an employee benefit plan to a substantial employer maintaining the plan, and for other purposes; to the Committee on Finance.

By Mr. CANNON (for himself and Mr. Laxalt):

S. 2546. A bill to authorize the conveyance of certain lands to the County of Mineral, Nev.; to the Committee on Armed Services.

By Mr. METZENBAUM:

S. 2547. A bill to amend the Internal Revenue Code of 1954 to require recognition of gains by distributing corporation, and for other purposes; to the Committee on Finance.

By Mr. HUMPHREY:

S. 2548. A bill to amend the Occupational Safety and Health Act of 1970 to specify the necessity of a warrant when the owner, operator, or agent in charge of any workplace refuses entry, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. PACKWOOD (for himself, Mr. Matsunaga, Mr. Mitchell, and Mr. Durenberger):

S. 2549. A bill to amend the Internal Revenue Code of 1954 to make cogeneration equipment eligible for credit under section 38 of such Code until December 31, 1985; to the Committee on Finance.

By Mr. HEINZ:

S. 2550. A bill to provide a program of Federal supplemental unemployment compensation; to the Committee on Finance.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. CHILES (for himself, Mr. Nunn, and Mr. Randolph):

S. 2543. A bill to improve the effectiveness and efficiency of Federal law enforcement efforts; read the first time.

(The remarks of Mr. Chiles and Mr. Nunn on this legislation appear earlier in today's Record.)

By Mr. COHEN:

S. 2544. A bill to provide access to trade remedies to small businesses, and for other purposes; to the Committee on Finance.

SMALL BUSINESS ACCESS TO TRADE REMEDIES ACT OF 1982

Mr. COHEN. Mr. President, I rise today to introduce the Small Business Access to Trade Remedies Act of 1982, which is designed to alleviate a host of problems that confront our small businesses in seeking relief under our trade laws.

Small businesses—which are most vulnerable to the effects of foreign competition—too frequently find our trade remedies costly, complex, and ultimately illusory. In my experience as a Member of the House of Representatives and now as a Senator, I have seen time and time again Maine industries seeking relief from foreign imports, relief to which they are entitled under our trade laws. Time and time again, they have been denied relief because of bureaucratic indifference, lack of resources, or other reasons unrelated to the merits of a case.

Industries without legal and financial resources, and with little voice in trade policy, are clearly in need of assistance to deal with the complexities of the trade relief process. The bill I am introducing today has been carefully crafted with this objective in mind, while still fully honoring our international obligations under the General Agreement on Tariffs and Trade (GATT). Specifically, the legislation would: (First), set aside a trust fund from tariff collections to establish an office in the Department of Commerce to provide assistance during all phases of trade relief cases for small businesses, including reimbursement of a portion of reasonable costs; (second), provide a horticultural fast-track system to shorten the time necessary to process cases involving perishable commodities; third, require the International Trade Commission to consider differing circumstances and resources of small businesses in documenting material injury determinations; and fourth, require the President to give more weight to regional considerations when small businesses petition the Government under section 201 of the Trade Act of 1974.

Last November, I chaired a hearing of the Subcommittee on Oversight of Government Management to examine these problems in greater detail. At that hearing, testimony was offered from a wide variety of small businesses on their experience with the U.S. trade laws. This legislation is the fruit of those hearings and it is designed to resolve the most difficult problems facing small businesses seeking trade remedies: access, speed, and cost.

The first problem facing any small business considering a trade remedy petition is cost. The trade remedies available to a would-be petitioner are complicated in the extreme and a tour through the process, at the hand of an experienced trade attorney, can easily run to $200 an hour. It is not at all unusual for costs associated with a trade remedy petition to run as high as $100,000 to $150,000.

At present, the Commerce Department is conducting an examination of our potato trade with Canada under section 332 of the Tariff Act of 1930. With an annual budget of $80,000 to $100,000, the Maine Potato Council will certainly be hard pressed to pursue remedial action if the investigation suggests that some form of relief is warranted.

Another problem related to pursuing trade remedies is the simple collection of proper data. For example, although our trade laws allow for the filing of

countervailing duty cases on a regional basis, the Federal Government does not collect its trade data region by region. The regional petitioner, therefore, must either collect this information himself, which, for most industries, is impossible, or use the information available from the importing country. At the hearing in November, many witnesses who were affected by Canadian imports testified that they had no choice but to use Canadian information in order to complete petitions alleging unfair trade practices by the Canadians.

Still another problem related to data collection is that there is an insufficient accounting for imported items as they pass through customs posts. Furthermore, the standards that the Federal Government uses to collect trade information frequently bear little, if any, relation to the practices of the industries from which they are collected.

In the case of small agricultural industries, the data collection problems are particularly acute. Since wide price fluctuations are commonplace in agricultural markets, it is almost impossible to sort out the effect of imports on our domestic agricultural markets. At one time, when the Maine potato industry sought to pursue trade remedies against Canadian imports, it was compelled to hire an economist to assist it. Even then, the economist concluded that, although the industry has been harmed by the imports, it was impossible to document the injury.

In sum, Mr. President, although the Trade Agreements Act of 1979 intended that the Commerce Department assist trade petitioners in gathering trade information that was not reasonably available to them and provided further that in determining whether information is reasonably available the Commerce Department take into account the circumstances of each individual petitioner, the data is either not available in a usable form or not available at all. In fact, the International Trade Commission sends out a standard industry questionnaire to document injury determinations regardless of its relevance to a particular case.

A second important problem that afflicts small businesses is that the entire trade relief process is tailored for the benefit of large rather than small businesses. At the Tokyo Round of Multilateral Trade Negotiations, for example, the Private Sector Advisory Committees, which made recommendations about negotiating priorities for various sectors of the economy, were largely composed of representatives of large corporations. It is not surprising that given this representation the trade remedies are more suited to our larger industries.

For proof of the perspective of general U.S. trade policy, one need look no further than current statistics on trade petitions. Of the 23 countervailing duty cases pending at the beginning of this year, 17 were filed by representatives of steel companies and another was filed by a chemical company. Similarly, 10 of the 14 cases pending under our antidumping laws were steel cases and, of the remaining 4, one was filed by a representative of the high technology electronics industry.

Mr. President, the legislation I am introducing today would reach the problems I have just raised in several ways. It would create within the Department of Commerce a "Small Business Trade Assistance Office." This office would be funded from a percentage of customs duties and would assist small businesses in any proceedings related to the administration of our trade laws. The office is intended to provide the flexibility and receptivity that has been lacking in the existing bureaucratic framework. The office is charged with tailoring its assistance to meet the needs of a particular industry and to adapt the kind of information that is appropriate to the situation. The simple existence of the office would build within the Commerce Department an expertise in dealing with small businesses that have been affected by imports. In this respect, my legislation would give effect to the congressional intent embodied in the Trade Agreements Act of 1979 where the Commerce Department as the "authority" under the act was directed to "allocate adequate resources to countervailing duty investigations." Despite this directive, the Commerce Department expertise in assisting small businesses in these or any other kinds of remedial actions is sadly lacking.

The bill I am introducing would also provide financial assistance to small business petitioners. The Federal Government would defray the first $50,000 of the small business petitioner's reasonable costs and expenses. Any expenses incurred in excess of this amount would be shared equally by the Federal Government and the petitioner. This method of cost sharing would bring trade remedies within the reach of small businesses, while at the same time insuring that they have a financial stake in the proceedings that is sufficient to discourage frivolous claims.

My bill also provides for a horticultural fast track system for perishable commodities. If an industry filing a petition under seciton 201 of the Trade Act of 1974 markets perishable products, the petitioner may file with the Secretary of Agriculture to request emergency action. The Secretary of Agriculture would then have 14 days to make a determination that the imports are causing, or could cause, serious injury to the domestic industry. If the Secretary makes a favorable determination, he would then recommend action to the President. The President, in turn, would have the option to impose the relief he feels is appropriate. In the event that the President chose to recommend no relief, he would be required to provide his rationale for not taking action. This process would not jeopardize, in any way, the ITC 201 proceeding; they would, instead, go on simultaneously.

I believe that this provision is necessary to assist small horticultural industries which find it difficult to plan their next marketing season without a more immediate assessment of the import situation than is available under current law. Also, this provision has been carefully written so that an injury determination is made before any relief is imposed, in order to meet our GATT obligations.

Special provision for perishable commodities is not a new concept. The Trade Agreement Extension Act of 1951 contained a section giving the Department of Agriculture and the International Tariff Commission additional authority to meet the needs of perishable commodities.

One of the most burdensome parts of the trade remedy process is the material injury determination by the ITC for countervailing duty and antidumping cases. This legislation would add a section to mandate the special circumstances that should be considered for small businesses in the information-gathering process. Substitutions should be made wherever possible to coincide with industry practices.

The legislation that I am introducing today also requires the President to consider regional impacts when ruling on the recommendations of the ITC in section 201 cases filed by small businesses. The President would have to consider the employment levels in a region, alternative job opportunities, and the ability of the industry to switch into alternative product lines. In addition, the President would be required to consider the impact that fluctuating exchange rates have on the small industry. The border States are the first to feel the effects of exchange rate fluctuations. I am not suggesting that exchange rate policy be changed in any way, but only that the impact on the industry be considered in making import relief determinations.

In recent years, the President has consistently overruled the recommendation of the International Trade Commission in section 201 cases. Out of 45 cases filed since the passage of the 1974 act, only 9 have resulted in import relief. I feel that this provision will improve the chances for small industries to get relief by mandating special considerations for them.

Mr. President, the legislation I am introducing today is fully consistent with the General Agreement on Tariffs and Trade and the statutes Congress has enacted to implement our trade policy. Through this legislation we will keep faith with the small businesses of America, which constitute the bulk of all businesses in our national economy. We will open to them the trade remedy process and, in so doing, will insure that they are not unfairly precluded from obtaining relief, when that relief is appropriate, by obstacles unrelated to the merits of their cases.

This legislation is long overdue, and I urge its prompt consideration.

Mr. President, I ask unanimous consent that the text of the bill and a section-by-section analysis be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

S. 2544

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Small Business Access to Trade Remedies Act of 1982".

SEC. 2. FINDINGS.

The Congress finds that—

(1) since obtaining relief under existing domestic trade remedies is complex and expensive, such remedies are unavailable to most small businesses;

(2) existing trade remedies are unavailable to producers of perishable commodities because of the length of the normal proceedings;

(3) the documentation requirements with respect to certain trade proceedings increase the expense of filing a claim; and

(4) more weight should be given to regional economic impact in proceedings under section 201 of the Trade Act of 1974.

SEC. 3. ESTABLISHMENT OF SMALL BUSINESS TRADE ACCESS TRUST FUND.

(a) Creation of Trust Fund.—There is established in the Treasury of the United States a trust fund to be known as the Small Business Trade Access Trust Fund (hereinafter in this section referred to as the "Trust Fund"), consisting of such amounts as may be appropriated or credited to the Trust Fund as provided in this section.

(b) Transfer to Trust Fund of Amounts Equivalent to Certain Customs Duties.—

(1) In general.—There are hereby appropriated to the Trust Fund amounts determined by the Secretary of the Treasury (hereinafter in this section referred to as the "Secretary") to be equivalent to that percentage of amounts received in the general fund of the Treasury attributable to the collection of customs duties as is necessary to carry out the provisions of this section.

(2) Method of transfer.—The amounts appropriated by paragraph (1) shall be transferred at least quarterly from the general fund of the Treasury to the Trust Fund on the basis of estimates made by the Secretary of the amounts referred to in paragraph (1) received in the Treasury. Proper adjustments shall be made in the amounts subsequently transferred to the extent prior estimates were in excess of or less than the amounts required to be transferred.

(c) Management of Trust Fund.—

(1) Report.—It shall be the duty of the Secretary to hold the Trust Fund, and to report to the Congress each year ending on or after September 30, 1983, on the financial condition and the results of the operations of the Trust Fund during the preceding fiscal year and on its expected condition and operations during the fiscal year and the next 5 fiscal years after the fiscal year. Such report shall be printed as a House document of the session of the Congress to which the report is made.

(2) Investment.—

(A) In general.—It shall be the duty of the Secretary to invest such portion of the Trust Fund as is not, in his judgment, required to meet current withdrawals. Such investments may be made only in interest-bearing obligations of the United States. For such purpose, such obligations may be acquired (i) on original issue at the issue price, or (ii) by purchase of outstanding obligations at the market price.

(B) Sale of obligations.—Any obligation acquired by the Trust Fund may be sold by the Secretary at the market price.

(C) Interest: proceeds from sales and redemptions.—The interest on, and the proceeds from the sale or redemption of, any obligations held in the Trust Fund shall be credited to and form a part of the Trust Fund.

(d) Availability of Trust Fund.—Amounts in the Trust Fund shall be available, as provided by appropriations Acts, for making expenditures to carry out the program established under subsection (e).

(e) Small Business Assistance Program.—

(1) Establishment of office.—The Secretary of Commerce shall establish within the Department of Commerce the Small Business Trade Assistance Office (hereinafter in this section referred to as the "Office").

(2) Functions of office.—

(A) In general.—The Office shall assist small businesses in the preparation for, and participation in, any proceedings relating to the administration of the trade laws of the United States.

(B) Awarding of reasonable expenses.—

(i) In general.—The Office shall establish and maintain a system for the awarding of reasonable expenses paid or incurred by small businesses involved in any proceeding described in subparagraph (A).

(ii) Limitation on amount.—With respect to any proceeding, awards for reasonable expenses under clause (i) shall be made with respect to—

(I) 100 percent of such expenses to the extent not in excess of $50,000, and

(II) 50 percent of the expenses to the extent in excess of $50,000.

(iii) No expenses for frivolous, etc. actions.—No award shall be made under this paragraph with respect to any action which the Office determines to be frivolous or for purposes of harassment or delay.

(iv) Reasonable expenses.—For purposes of this subparagraph, the term 'reasonable expenses' includes attorneys' fees and expenses for data collection.

(3) Small business.—For purposes of this subsection, the term "small business" means—

(A) a small business concern (within the meaning of section 3 of the Small Business Act), or

(B) an association substantially all of the members of which are small business concerns (as so defined).

(f) Expenditures Must Be Otherwise Authorized by Law.—Nothing in this section shall be deemed to authorize any program, project, or other activity not otherwise authorized by law.

(g) Effective Date.—The provisions of this section shall apply to fiscal years beginning after September 30, 1982.

SEC. 4. FACTORS TAKEN INTO ACCOUNT TO DETERMINE MATERIAL INJURY.

(a) In General.—Section 771(7) of the Tariff Act of 1930 (19 U.S.C. 1677) is amended by adding at the end thereof the following new subparagraph:

"(F) Special rules for small businesses.—In any case in which the petitioner is a small business (within the meaning of section 3(e)(3) of the Small Business Access to Trade Remedies Act of 1982), the Commission, in making any determination as to meterial injury, shall consider the separate circumstances of the petitioner, including the fact that information may or may not be available to different petitioners by reason of different resources or otherwise.".

(b) Effective Date.—The amendments made by subsection (a) shall apply to petitions filed on or after the date of the enactment of this Act.

SEC. 5. REGIONAL IMPACT TO BE TAKEN INTO ACCOUNT.

(a) In General.—Subsection (c) of section 202 of the Trade Act of 1974 (19 U.S.C. 2252) is amended—

(1) by striking out "and" at the end of paragraph (8);

(2) by striking out the period at the end of paragraph (9) and inserting in lieu thereof; "and"; and

(3) by adding at the end thereof the following new paragraph:

"(10) in any case in which the petitioner is a small business (within the meaning of section 3(e)(3) of the Small Business Access to Trade Remedies Act of 1982)—

"(A) The general economic situation (including employment levels and opportunities) in the major geographic area (within the meaning of section 201(b)(3)(C)) in which the small business is located;

"(B) the impact of fluctuations in exchange rates on any industry in such major geographic area; and

"(C) the ability of any such small business to adjust by converting to alternative product lines.".

(b) Effective Date.—The amendments made by this section shall apply to petitions filed on or after the date of the enactment of this Act.

SEC. 6. SPECIAL PROCEDURES FOR PERISHABLE PRODUCTS.

(a) In General.—Chapter 1 of title II of the Trade Act of 1974 (19 U.S.C. 2251 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 204. SPECIAL RULES FOR PERISHABLE PRODUCTS.

"(a) If a petition is filed under section 201 in connection with any perishable product, the petitioner may at any time file with the Secretary of Agriculture a petition under this section for emergency action.

"(b) Within 14 days after a petition has been filed under subsection (a), the Secretary of Agriculture shall make a determination as to whether there is reason to believe the perishable product is being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or threat thereof, to the domestic industry producing a perishable product like or directly competitive with the imported product.

"(c) If the Secretary of Agriculture—

"(1) makes an affirmative determination under subsection (5), he shall recommend to the President emergency action to be taken, and

"(2) does not make an affirmative determination, he shal publish notice of his determination and notify the petitioner.

"(d) Within 7 days after receipt of any recommendation under subsection (c)(1), the President shall—

"(1) issue a proclamation ordering relief consisting of such actions as are described in section 203 and as he determines necessary, or

"(2) publish notice of his determination not to take action.

"(e) Action taken under subsection (d) (1) shall cease to apply—

"(1) upon a determination by the President to provide (or not to provide) relief in connection with a petition filed under section 201 with respect to the perishable product,

"(2) on the date the Commission makes a negative determination under section 201 (b) with respect to such a petition, or

"(3) whenever the President determines such relief is no longer warranted as a result of changed circumstances.

"(f) Any petitioner may, after a negative determination under subsection (c) (2) or (d) (2), file another petition under this section with respect to such product—

"(1) within days of such determination, or

"(2) at any earlier date in the case of changed circumstances.

"(g) For purposes of this section, the term 'perishable product' means—

"(1) fresh or chilled vegetables provided for in TSUS items 135.10 through 138.42;

"(2) fresh mushrooms provided for in TSUS item 144.10;

"(3) fresh fruit provided for in TSUS items 146.10, 146.20, 146.30, 146.50 through 146.62, 146.90, 146.91, 147.03 through 147.33, 147.50 through 149.21, and 149.50; and

"(4) fresh cut flowers provided for in TSUS items 192.17, 192.18, and 192.21.".

(b) Conforming Amendment.—The table of sections for chapter 1 of title II of the Trade Act of 1974 is amended by adding at the end thereof the following new item:

"Sec. 204. Special rules for perishable products.".

(c) Effective Date.—The amendments made by this section shall apply to petitions filed after the date of the enactment of this Act.

The Small Business Access to Trade Remedies Act of 1981—Section-by-Section Analysis

SHORT TITLE

Section one sets forth the short title of this bill, the Small Business Access to Trade Remedies Act of 1982.

SECTION 2: FINDINGS

Section 2 presents the findings that existing trade remedies are not available to small businesses because of the complexity and expense of filing petitions and the difficulty of documentation; that trade remedies are not available to producers of perishable products because of the length of normal proceedings; and that regional considerations are not given sufficient weight in proceedings under section 201 of the 1974 Trade Act when petitioners are small businesses.

SECTION 3: SMALL BUSINESS TRADE ACCESS TRUST FUND

Section 3 would create a Small Business Trade Access Trust Fund financed by a percentage of customs receipts as may be necessary to carry out the purposes of this section. It is intended that the appropriations process determine the level of funding needed for the functions outlined below.

First, the Commerce Department is directed to establish a Small Business Trade Assistance Office to assist small industries in preparing for participation in any proceedings under our trade laws. To the extent that the existing statutes direct agencies other than the Commerce Department to investigate trade complaints, these agencies are to cooperate with the Office for purposes of section 3 of this Act.

Second, the Office of Small Business Assistance is charged with administering a system of awarding reasonable costs to small business petitioners. Reasonable costs are intended to include such things as attorney's fees, consultant fees, and any expenses incurred in gathering information for a petition. The government would pay the first $50,000 of the petition cost and 50 per cent of any costs incurred thereafter. The provision is intended to lessen the expense to the small business petitioner of participating in proceedings related to the administration of the trade laws of the United States. The limitation on the extent to which the federal government will defray these costs is intended to ensure that a small business petitioner bear some financial responsibility for the action. It is also intended to discourage frivolous claims.

For purposes of section 3, the definition of small business is the same as "small business concern" as defined in section 3 of the Small Business Act or an association whose members are substantially all small business concerns.

SECTION 4: DETERMINATION OF MATERIAL INJURY

Section 4 amends section 771(7) of the Trade Ageements Act of 1979 which contains the definition of material injury. The International Trade Commission is directed to take into account the differing circumstances and resources when the petitioners are small businesses as defined in this Act. This is intended to give industries whose information is not organized to coincide with normal ITC practices an opportunity to substitute information that is available.

SECTION 5: REGIONAL IMPACT

Section 5 is intended to require the President to give more weight to regional economic considerations when a small business files a petition under section 201 of the Trade Act of 1974. The President would be charged with considering the general economic situation of the affected region including employment levels and alternative job opportunities, the impact of exchange rate fluctuations on the region's industries, and the ability of the small industry to adjust by converting to alternative employment lines.

SECTION 6: PERISHABLE PRODUCTS

Section 6 would establish a fast-track system for perishable commodities. The industry would file a petition with the Secretary of Agriculture to request emergency action. The Secretary of Agriculture would then have 14 days to make a determination that there is reason to believe that the imports are a substantial cause of serious injury to the industry. If the determination is favorable, the Secretary would recommend action to the President. If a negative determination is made, the Secretary must publish a rationale for why the petition was denied.

The petitioner may request emergency action under section 6 at any time during the 201 investigation and no such request shall interfere with normal proceedings at the International Trade Commission under section 201. If an industry's circumstances have changed since a denial by the Secretary of Agriculture, the industry may file another request.

By Mr. BOSCHWITZ:

S. 2545. A bill to amend the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code of 1954, to permit the making of certain loans and leases by an employee benefit plan to a substantial employer maintaining the plan, and for other purposes; to the Committee on Finance.

(The remarks of Mr. Boschwitz on this legislation appear earlier in today's Record.)

By Mr. CANNON (for himself and Mr. Laxalt):

S. 2546. A bill to authorize the conveyance of certain lands to the County of Mineral, Nev.; to the Committee on Armed Services.

CONVEYANCE OF CERTAIN LANDS

● Mr. CANNON. Mr. President, I introduce, on behalf of my distinguished colleague, Senator Laxalt, and myself, a bill to provide for the transfer of certain lands to the County of Mineral, Nev.

This bill includes a legal description of the land to be transferred which was not available when I introduced S. 204, for the same purpose last year. Otherwise the purpose of this bill is the same as for S. 204, to provide a badly needed tract of land for the expansion of Hawthorne, Nev.

Mineral County is 90-percent federally owned. The only major community, Hawthorne, is virtually surrounded by Federal land. In order to expand, the community must attempt to secure additional land from the Federal Government. The Department of the Army has determined that some 238 acres of land at the ammunition depot at Babbitt are excess to Army needs and should be released. It is this acreage that the county desires.

This land is appropriate for the expansion envisioned by the county and I am hopeful the Senate will agree to this measure. I urge its early consideration.●

By Mr. METZENBAUM:

S. 2547. A bill to amend the Internal Revenue Code of 1954 to require recognition of gains by distributing corporation, and for other purposes; to the Committee on Finance.

LEGISLATION RELATING TO CORPORATE MERGERS

● Mr. METZENBAUM. Mr. President, today I am introducing legislation to close two gaping tax loopholes. These loopholes permit large corporations that acquire other companies through mergers to legally escape paying hundreds of millions, and perhaps billions, of dollars in taxes.

In recent months this Nation has witnessed one corporate giant after another gobbling up smaller firms. United States Steel bought Marathon Oil; Atlantic Richfield bought Anaconda; American Express bought Shearson Loeb Rhoades; and the merger mania goes on and on.

Each of these mergers ties up precious sums of capital, helping to keep interest rates high and reducing the funds available for job-creating small business expansion and housing production. And at a time when the Reagan administration is proposing cuts in many needed human service programs, we ought not to countenance tax breaks that subsidize economically destructive conglomerate mergers.

The legislation I am introducing today will eliminate from the Tax Code two tax loopholes.

The first of these deals with a provision of the Internal Revenue Code which allows a firm acquiring another company to avoid "recapture" by the Treasury of excessive depreciation deductions and investment tax credits previously taken by the target company.

The United States Steel-Marathon Oil merger gives a striking example of how the recapture loophole works.

Over the years, one of Marathon's most valuable assets has been the rich Yates oilfield. Marathon has, like other oil companies, used a variety of Internal Revenue Code provisions to reduce its tax burden, chiefly investment tax credits, accelerated depreciation, and intangible drilling cost deductions.

Normally, the acquisition of Marathon by United States Steel would trigger the Code's recapture provision, a method devised by Congress to enable the Treasury to recover all or a portion of the excess depreciation taken on an asset at the time of its sale.

But the loophole in question allows the new United States Steel-Marathon to avoid recapture. This is accomplished by United States Steel's purchasing the Yates field from Marathon. This enables United States Steel to increase the depreciation deductions in the oil field. Then, by filing a single tax return for the merged companies, Unites States Steel-Marathon can defer recapture of Marathon's excess depreciation and totally avoid recapture of Marathon's investment tax credits.

This procedure, according to the United States Steel prospectus on the merger, would save $400 million in taxes in the first year alone.

That may be good for United States Steel and for other acquiring companies, but it most certainly is not good for business and individual taxpayers who must ultimately make up for the revenue given away via tax provisions like this one.

The second loophole to which this bill is addressed, involves the tax treatment of capital gains realized by a firm which redeems its stock in exchange for appreciated assets.

What does that mean? The classic case study is provided by the Mobil Oil's acquisition of Esmark's Oil subsidiary, Vickers Petroleum Energy Corp. Vickers in turn owned several corporations, including Transocean Oil.

Here's how the deal worked.

Mobil bought enough shares of Esmark to equal the agreed purchase price. Esmark then turned around and redeemed its shares from Mobil in exchange for the stock of Vickers, whose only asset would be Transocean.

Congress has recognized the potential in such transactions for abuse. In 1969, Congress enacted a provision which requres a corporation to pay tax on the profit earned when it distributes appreciated property in order to redeem stock.

But for whatever reason, Congress enacted seven exceptions to this general rule. One of these exceptions allows the transfer to be tax-free if the appreciated property is the stock of a 50-percent-or-more subsidiary of the redeeming corporation. This exception offers corporations an opportunity to continue the very sheltering activity that Congress intended to halt.

Robert Wilkins, a partner with Peat, Marwick, Mitchell & Co., described the transaction this way in a Forbes magazine interview:

> After the deal for the oil properties has already been struck and the price agreed upon, Esmark said, "Look Mobil, you go out and tender for whatever portion of my stock the subsidiary is worth. Then, as soon as you get the stock, we will turn over the oil operation to you in exchange for the stock."

A pretty neat and tidy arrangement. In this case, it was worth an estimated $100 million in tax savings to Esmark. In the transaction involving Dome Petroleum and Conoco Oil Co., Dome saved an estimated $250 million through the same procedure. IU International, Inc. and American Home Products each used a similar tactic to escape taxes in deals involving Canadian Utilities, Ltd., and the Sherwood Medical Group respectively.

Mr. President, laws like these give corporations an incentive to merge. The current merger madness is the price we pay for them. Rather than seeking mergers to improve efficiency, to better serve consumers, to improve productivity or to create jobs, corporations are literally searching for tax shelters. What a waste of investment capital. And what a drain on a Federal budget that is starved for revenue.

We have already seen that this administration cares little about enforcing our antitrust laws designed to prevent anticompetitive mergers. Let us at least eliminate some of the laws that are destructive to our free enterprise system.

I ask unanimous consent that the text of my bill be printed at this point in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2547

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. PARTIAL LIQUIDATIONS.

(a) In General.—Section 346 of the Internal Revenue Code of 1954 (relating to partial liquidations) is hereby repealed.

(b) Effective Date.—The amendments made by this section shall apply with respect to distribution completed after the date of introduction of this bill.

SEC. 2. EXEMPTIONS AND LIMITATIONS TO RECOGNIZING GAIN BY A DISTRIBUTING CORPORATION.

(a) In General.—Paragraph (2) of Section 311(d) of the Internal Revenue Code of 1954 (relating to appreciated property used to redeem stock) is amended by striking Subparagraphs (A), (B) and (C) and redesignating Subparagraphs (D), (E), (F) and (G), as Subparagraphs (A), (B), (C) and (D), respectively.

(b) Effective Date.—The amendments made by this section shall apply with respect to distributions completed after the date of introduction of this bill.

SEC. 3. REDEMPTIONS TREATED AS EXCHANGES.

(a) In General.—Section 302(b) of the Internal Revenue Code of 1954 (relating to redemptions treated as exchanges) is amended by adding at the end thereof the following new paragraph:

"(5) Termination of a business.—For purposes of paragraph (1) of this subsection a redemption shall not be treated as essentially equivalent to a dividend if—

"(A) the distribution is attributable to the corporation's ceasing to conduct, or consists of the assets of, a trade or business which has been actively conducted throughout the 5-year period immediately before the distribution, which trade or business was not acquired by the corporation within such period in a transaction in which gain or loss was recognized in whole or in part, and

"(B) immediately after the distribution the liquidating corporation is actively engaged in the conduct of a trade or business, which trade or business was actively conducted throughout the 5-year period ending on the date of the distribution and was not acquired by the corporation within such period in a transaction in which gain or loss was recognized in whole or in part.

Whether or not a distribution meets the requirements of Subparagraphs (A) and (B) of this paragraph shall be determined without regard to whether or not the distribution is pro rata with respect to all of the shareholders of the corporation.".

(b) Effective Date.—The amendments made by this section shall apply with respect to redemptions completed after the date of introduction of this bill.●

By Mr. HUMPHREY:

S. 2548. A bill to amend the Occupational Safety and Health Act of 1970

to specify the necessity of a warrant when the owner, operator, or agent in charge of any workplace refuses entry, and for other purposes; to the Committee on Labor and Human Resources.

OCCUPATIONAL SAFETY AND HEALTH AMENDMENTS OF 1982

● Mr. HUMPHREY. Mr. President, today I am introducing legislation to codify a recent Supreme Court decision which safeguards a businessman's fourth amendment right against unreasonable searches by inspectors for the Occupational Safety and Health Administration (OSHA).

The Occupational Safety and Health Act of 1970 was the result of a bipartisan effort promising to guard workers from job-related injury, illness, or death. Its passage culminated over 20 years of efforts to enact a single comprehensive safety and health law applicable to almost all U.S. private industry workers. The aim of the legislation was laudable and clearly in the overall best interest of the individual worker, unions, and businessmen. In fact, over the past 11 years the act has fallen far short of achieving its promise.

Each year millions of American workers are injured, disabled, or killed on the job. In 1979, there were nearly 5,000 job-related deaths and almost 6 million occupational injuries. Nearly 2.7 million of these injuries resulted in time off work, causing over 42 million lost work days. The National Institute for Occupational Safety and Health has published a list of over 2,400 potential occupational carcinogens which indicates the possible impact of occupational disease. It should be the goal of employers and employees alike to cooperate in significantly reducing all of these numbers.

In addition to the incalculable human costs arising from injury, illness, and death, work accidents contribute to inflation when their cost is passed on to the consumer. In 1980, the National Safety Council estimated the cost of workplace accidents to be more than $30 billion. This cost figure includes wage loss, medical expenses, insurance administration costs, fire loss, and an estimate of indirect costs stemming from work-related illnesses.

The Occupational Safety and Health Act of 1970 created OSHA, giving it authority to establish mandatory standards, conduct inspections of workplaces, and assess civil penalties for employers not in compliance with the standards. During its first decade of existence, OSHA's policies encouraged an atmosphere of confrontation, adversary relations and litigation instead of mutual cooperation and problem-sharing. American businessmen considered OSHA an adversary who stressed administrative requirements and punitive measures more than the goal of reducing work-related injuries and illnesses. Employers became resentful of inspections, skeptical of other OSHA programs, and unconvinced the Agency could accomplish the act's purposes.

Furthermore, OSHA's adversarial policies proved to be ineffective in substantially improving the safety of the American workplace. During the period 1972–79 Bureau of Labor Statistics show a 10-percent decrease in the overall rate of workplace fatalities and a 12-percent decrease in the overall rate of injuries, but a 25-percent increase in the rate of lost workday injuries, and an even greater 34-percent increase in the rate of lost workdays per year. Because of OSHA's disappointing record and history of administrative problems, fundamental changes have been recommended by such groups as President Carter's Interagency Task Force on Workplace Safety and Health, President Ford's OSHA Task Force, the U.S. General Accounting Office, the National Safety Council, and the U.S. Chamber of Commerce.

Clearly the time had come for a major revision in occupational safety and health policy and the Reagan administration declared OSHA to be one of its prime targets for regulatory reform. In a short period of time, Assistant Secretary of Labor Thorne Auchter has made significant progress in turning the former adversarial relationship between OSHA and employers into one of mutual cooperation and goodwill. The legislation I am introducing today will strengthen the development of that spirit of partnership between equals.

Inspections of workplaces are authorized under section 8(a) of the Occupational Safety and Health Act which authorizes the Secretary of Labor, upon presenting appropriate credentials to the owner or operator in charge to enter a worksite, without delay and at reasonable times, and inspect and investigate during regular working hours and at other reasonable times, within reasonable limits and in a reasonable manner.

In a 1978 case, Marshall against Barlow's, Inc. the Labor Department argued that no search warrant or other process was required for searches to enforce the act, and that such warrantless searches were reasonable within the meaning of the fourth amendment. The Supreme Court, however, held that the act was unconstitutional insofar as it purported to authorize nonconsensual inspections without a warrant but construed the act to permit inspection pursuant to an employer's consent or a judicially authorized search warrant or its equivalent.

The bill I am introducing today simply amends the Occupational Safety and Health Act to conform to existing law as promulgated in Barlow's. The amendment to section 8(a) provides that whenever an owner, operator, or agent in charge refuses entry for, limits, or interferes with the conduct of an OSHA inspection and investigation a warrant shall be required for the inspection.

The purpose of this legislation is to make known to all employers their right to refuse entry to an OSHA inspector who does not present a warrent. Less than 3 percent of employers exercise their right to deny entry to compliance officers without a warrant. This strongly suggests that all businessmen, especially those in smaller businesses, may not be aware that the present law gives them this right. Even if they are aware of the Supreme Court ruling, employers may not refuse entry to an inspector without a warrant because of fear of retaliation in excessive citations or more severe penalties. Incorporation of the Barlows ruling into the statute will help to overcome that fear by emphasizing the importance our society places on an employer's fourth amendment right to remain free from unannounced, unreasonable searches by OSHA inspectors.

Mr. President, I ask unanimous consent that the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2548

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Occupational Safety and Health Amendments of 1982".

Sec. 2. Section 8 (a) of the Occupational Safety and Health Act of 1970 is amended by adding at the end thereof the following new sentence: "Whenever an owner, operator, or agent in charge—

"(A) refuses entry for,
"(B) limits, or
"(C) interferes with,

an inspection and investigation conducted under this subsection, a warrant shall be required to conduct the inspection and investigation."●

By Mr. PACKWOOD (for himself, Mr. Matsunaga, Mr. Mitchell, and Mr. Durenberger):

S. 2549. A bill to amend the Internal Revenue Code of 1954 to make congeneration equipment eligible for credit under section 38 of such Code until December 31, 1985; to the Committee on Finance.

COGENERATION TAX INCENTIVE EXTENSION

● Mr. PACKWOOD. Mr. President, today Senators Matsunaga, Durenberger, Mitchell, and I are introducing legislation to extend the termination date of the cogeneration tax incentive enacted as part of the Windfall Profit Tax Act of 1980.

Even though Congress enacted a tax incentive for cogeneration in 1980, it is still a new concept for many people. In short, cogeneration is the production of electricity and some other form of useful energy from the sequential use of energy. For example, an industrial facility which uses energy to manufacture a product can install cogeneration equipment which uses the same energy to generate electricity. When installed, cogeneration equipment can more than double the energy output of fuel used in an industrial facility.

The cogeneration tax incentive enacted in 1980 allows a 10-percent energy tax credit, in addition to the 10-percent investment tax credit, for the purchase of cogeneration equipment. We believe that extension of this credit is important to help encourage this clean, safe and highly desirable energy source—termed "industry's North Slope" by Robert Stobaugh and Daniel Yergin in their book "Energy Future."

The current oil glut tempts us to forget our Nation's energy vulnerability. Yet, even during the current severe recession, we import about one-third of our crude oil. These imports remain vulnerable to supply interruption. Worse yet, the dependency on foreign oil is expected to worsen when our economy recovers.

The cogeneration tax credit was enacted in 1980. IRS has yet to propose cogeneration regulations, much less to put regulations into effect. Major interpretative questions are still unsettled. This has discouraged utilization of the cogeneration incentive.

Importantly, use of cogeneration leads to a cleaner environment. This is the conclusion of an April 28, 1982 study prepared for the Environmental Protection Agency. That study concluded that "* * * a net reduction in emissions results from cogeneration in almost every case." This study was performed by Temple, Barker & Sloane, Inc., of Lexington, Mass.

PRIOR CONGRESSIONAL ACTION

I introduced legislation to provide cogeneration tax incentives on July 25, 1979 (S. 1571), and on September 17, 1979 (S. 1760). Cogeneration provisions from these bills were included in the Senate Finance Committee amendments to the Windfall Profit Tax Act of 1979 (S. Rept. 96–394), and enacted with the Windfall Profit Tax Act of 1980 (Public Law 96–223).

The provisions enacted allow a 10-percent energy tax credit in addition to the 10-percent investment tax credit for investment in cogeneration property. To qualify, the property must be an intregal part of a commercial or industrial system designed to use the same fuel to produce both electrical energy and some other useful energy. The cogeneration equipment must be installed in a facility in existence on January 1, 1980.

The energy used by the separate system in which the cogeneration property is installed may be oil and gas only for startup, backup, or flame stabilization, and may not comprise more than 20 percent of the fuel consumed annually by the system. For replacement cogeneration property, the credit applies only to the extent that the new property expands or extends cogeneration capacity.

The cogeneration tax incentive is slated to sunset on December 31, 1982.

PROVISIONS OF THIS BILL

The bill we are introducing today extends the termination date for the cogeneration tax incentives from December 31, 1982, until December 31, 1985.

In addition, the bill deletes the requirement that oil or gas may consist of only 20 percent of the energy used in the system, or that it may only be used for flame stabilization or back up.

This substantive change is made to encourage cogeneration property to be installed in oil and gas burning facilities. There is enormous potential for increasing energy productivity from oil and gas using energy systems. Currently, failure to install cogeneration means energy is simply wasted. Installation of cogeneration in these facilities would cut wasted energy, would reduce the need to expand other electrical or energy producing systems, and would result in a cleaner environment.

If this legislation is extended, then Oregon and the United States will be a little better equipped when the next energy shortage occurs. Failure to act now could leave us short of energy when that happens.

Mr. President, I request unanimous consent that the bill be inserted in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2549

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the table contained in clause (i) of section 46 (a) (2) (C) of the Internal Revenue Code of 1954 (relating to amount of credit) is amended by adding at the end thereof the following new subclause:

"VII. Cogeneration Equipment.—Property described in section 48(l)(14).	10 percent	January 1, 1983.	December 31, 1985.".

(b) Section 48(l)(14) of such Code is amended by striking out subparagraph (C), and redesignating subparagraphs (D) and (E) as (C) and (D), respectively.

(c) The amendments made by this section shall apply to periods after December 31, 1982 and before January 1, 1986, under rules similar to the rules of section 48(m) of such Code.●

By Mr. HEINZ:

S. 2550. A bill to provide a program of Federal supplemental unemployment compensation; to the Committee on Finance.

FEDERAL SUPPLEMENTAL UNEMPLOYMENT COMPENSATION ACT OF 1982

● Mr. HEINZ. Mr. President, today I am introducing legislation to provide an additional 13 weeks of unemployment benefits to those jobless workers who have exhausted all available unemployment compensation assistance. It addresses a frighteningly clear economic emergency.

Behind the unemployment statistics are the anguished faces of millions of Americans who are out of work through no fault of their own, and who want nothing more than to return to productive work—steelworkers, auto workers, and construction workers; the people whose sweat and muscle have contributed to our economy, and who are waiting to contribute again.

The national unemployment rate is above 9 percent, and nearly 10 million persons are unemployed. While an economic upturn is expected in the near future, it will be many months before the unemployment lines shrink from these catastrophic levels. Better days for unemployed workers are coming, but many workers will have been terminated from the Federal-State unemployment compensation program in the near future.

Food bills and mortgages, school tuition and car payments, and doctor's bills and rent continue to come due. Workers who continue to suffer are in desperate need of the relief this legislation will provide.

When the economy does begin to recover, local industries are going to require a trained labor force back on the job. If workers have been forced to give up their homes, split up their families, and seek work in another part of the country, the economic recovery will not occur in the hardest hit sections of our Nation where it is needed the most.

In my home State of Pennsylvania, the seasonably adjusted unemployment rate for April was 10.7 percent, up from the March figure of 10.1 percent. In whole numbers, that means that over half a million Pennsylvanians are without jobs.

Some of that unemployment stems from the current recession, but a significant number of Pennsylvania's unemployed are without work because our country has failed to take prompt action to protect our vital national industries.

In the steel industry for example, which is one of the pillars of the Pennsylvanian economy, unemployment is averaging 14.3 percent—nearly 50 percent higher than the average State unemployment level for this month. Nationally, 117,000 steel workers are laid off. In the specialty steel industry, unemployment is at 23 percent, 2½ times the national average.

Yet, the administration has done nothing to halt the flow of dumped

and subsidized steel imports. Import penetration is up sharply—from 11.6 percent in the first quarter of 1980 to 21.2 percent in the last quarter of 1981. Unless we act promptly and adequately, the number of unemployed steelworkers will continue to grow. The villain will not be our economy—it will be unfair foreign trade practices.

Mr. President, I was astonished to hear that the President had decided to impose restrictions on imported sugar. That is certainly a different tune from the one that I have heard sung when I try to discuss the steel industry. I will not make any claims on a musical ear, but I think that "sugar and steel" has a nice ring to it.

Mr. President, unemployment will come down with a healthy economy, new investment, and increased opportunities. But we must also work to insure that unfair foreign competition does not undermine the economic recovery in our basic industries like steel and autos.

Until the economy gets moving again, we will need legislation to help our unemployed workers to meet their needs during this period.

The legislation I am proposing would provide qualified persons additional weeks of benefits equal to one-half of the number of weeks of State benefits he or she was entitled to receive. No one, however, could receive more than 13 additional weeks of benefits or a maximum total of 52 weeks under the combined Federal-State program. The benefits payable under my legislation would be provided under the same trigger used for the existing Federal-State extended benefit program.

The Congressional Budget Office estimates that this bill would produce revenue losses of $315 million in fiscal year 1982, and $627 million in fiscal year 1983. The total cost of the legislation would be $942 million.

Representative Ford of Tennessee has introduced a companion bill in the House, and the House Ways and Means Committee will mark up his bill in the near future. I would hope that my colleagues on the Senate Finance Committee act with equal dispatch.

The Labor Department estimates that 628,000 Americans in 31 States are in their final 13 weeks of eligibility for unemployment insurance benefits. We must act quickly.

Mr. President, I will be happy to work with other members of the Finance Committee to devise appropriate measures to pay for additional costs of this program.

Mr. President, I ask unanimous consent that the text of the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2550

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

Section 1. This Act may be cited as the "Federal Supplemental Unemployment Compensation Act of 1982".

FEDERAL-STATE AGREEMENTS

Sec. 2. (a) Any State which desires to do so may enter into and participate in an agreement with the Secretary of Labor (hereinafter in this Act referred to as the "Secretary") under this Act. Any State which is a party to an agreement under this Act may, upon providing thirty days' written notice to the Secretary, terminate such agreement.

(b) Any such agreement shall provide that the State agency of the State will make payments of Federal supplemental compensation—

(1) to individuals who—

(A)(i) have exhausted all rights to regular compensation under the State law;

(ii) have exhausted all rights to extended compensation under the State law;

(B) have no rights to compensation (including both regular compensation and extended compensation) with respect to a week under such law or any other State unemployment compensation law or to compensation under any other Federal law; and

(C) are not receiving compensation with respect to such week under the unemployment compensation law of Canada;

(2) for any week of unemployment which begins in—

(A) an extended benefit period; and

(B) the individual's period of eligibility,

except that no payment of Federal supplemental compensation shall be made to any individual for any week of unemployment which begins more than two years after the end of the benefit year for which he exhausted his rights to regular compensation.

(c)(1) For purposes of subsection (b)(1)(A)(i), an individual shall be deemed to have exhausted his rights to regular compensation under a State law when—

(A) no payments of regular compensation can be made under such law because such individual has received all regular compensation available to him based on employment or wages during his base period; or

(B) his rights to such compensation have been terminated by reason of the expiration of the benefit year with respect to which such rights existed.

(2) For purposes of subsection (b)(1)(A)(ii), an individual shall be deemed to have exhausted his rights to extended compensation under a State law when no payments of extended compensation under a State law can be made under such law because such individual has received all the extended compensation available to him from his extended compensation account (as established under State law in accordance with section 202(b)(1) of the Federal-State Extended Unemployment Compensation Act of 1970).

(d) For purposes of any agreement under this Act—

(1) the amount of the Federal supplemental compensation which shall be payable to any individual for any week of total unemployment shall be equal to the amount of the regular compensation (including dependents' allowances) payable to him for such a week during his benefit year under the State law; and

(2) the terms and conditions of the State law which apply to claims for extended compensation and to the payment thereof shall apply to claims for Federal supplemental compensation and the payment thereof; except where inconsistent with the provisions of this Act or with the regulations of the Secretary promulgated to carry out this Act.

(e)(1) Any agreement under this Act with a State shall provide that the State will establish, for each eligible individual who files an application for Federal supplemental compensation, a Federal supplemental compensation account with respect to such individual's benefit year.

(2) The amount established in such account for any individual shall be equal to the lesser of—

(A) 50 per centum of the total amount of regular compensation (including dependents' allowances) payable to him with respect to the benefit year (as determined under the State law) on the basis of which he most recently received regular compensation; or

(B) Thirteen times his average weekly benefit amount (as determined for purposes of section 202(b)(1)(C) of the Federal-State Extended Unemployment Compensation Act of 1970) for his benefit year.

(f)(1) No Federal supplemental compensation shall be payable to any individual under an agreement entered into under this Act for any week beginning before whichever of the following is the latest:

(A) the week following the week in which such agreement is entered into; or

(B) the first week which begins after the date of the enactment of this Act.

(2) No Federal supplemental compensation shall be payable to any individual under an agreement entered into under this Act for any week beginning after September 30, 1983.

PAYMENTS TO STATES HAVING AGREEMENTS FOR THE PAYMENT OF FEDERAL SUPPLEMENTAL COMPENSATION

Sec. 3. (a) There shall be paid to each State which has entered into an agreement under this Act an amount equal to 100 per centum of the Federal supplemental compensation paid to individuals by the State pursuant to such agreement.

(b) No payment shall be made to any State under this section in respect of compensation to the extent the State is entitled to reimbursement in respect of such compensation under the provisions of any Federal law other than this Act.

(c) Sums payable to any State by reason of such State's having an agreement under this Act shall be payable, either in advance or by way of reimbursement (as may be determined by the Secretary), in such amounts as the Secretary estimates the State will be entitled to receive under this Act for each calendar month, reduced or increased, as the case may be, by any amount by which the Secretary finds that his estimates for any prior calendar month were greater or less than the amounts which should have been paid to the State. Such estimates may be made on the basis of such statistical sampling, or other method as may be agreed upon by the Secretary and the State agency of the State involved.

FINANCING PROVISIONS

Sec. 4. (a) The Secretary shall from time to time certify to the Secretary of the Treasury for payment to each State, the sums payable to such State under this Act. The Secretary of the Treasury, prior to audit or settlement by the General Accounting Office, shall make payments to the State in accordance with such certification, by transfers from the funds appropriated pursuant to subsection (b) to the account of such State in the Unemployment Trust Fund.

(b) There are hereby authorized to be appropriated from the general fund of the Treasury, without fiscal year limitation, such sums as may be necessary to carry out the purposes of this Act.

DEFINITIONS

Sec. 5. For purposes of this Act—

(1) the terms "compensation", "regular compensation", "extended compensation", "base period", "benefit year", "State"; State agency", "State law", and "week" shall have the meanings assigned to them under section 205 of the Federal-State Extended Unemployment Compensations Act of 1970;

(2) the term "period of eligibility" means, in the case of any individual, the weeks in his benefit year which begin in an extended benefit period and, if his benefit year ends within such extended benefit period, any weeks thereafter which begin in such extended benefit period; except that an individual shall not have a period of eligibility unless—

(A) his benefit year ends on or after January 1, 1982; or

(B) such individual was entitled to extended compensation for a week which begins on or after January 1, 1982; and

(3) the term "extended benefit period" shall have the meaning assigned to such term under section 203 of the Federal-State Extended Unemployment Compensation Act of 1970.

FRAUD AND OVERPAYMENTS

Sec. 6. (a)(1) If an individual knowingly has made, or caused to be made by another, a false statement or representation of a material fact, or knowingly has failed, or caused another to fail, to disclose a material fact, and as a result of such false statement or representation or of such nondisclosure such individual has received an amount of Federal supplemental compensation under this Act to which he was not entitled, such individual—

(a) shall be ineligible for further Federal supplemental compensation under this Act in accordance with the provisions of the applicable State unemployment compensation law relating to fraud in connection with a claim for unemployment compensation; and

(B) shall be subject to prosecution under section 1001 of title 18, United States Code.

(2)(A) In the case of individuals who have received amounts of Federal supplemental compensation under this Act to which they were not entitled, the State is authorized to require such individuals to repay the amounts of such Federal supplemental compensation to the State agency, except that the State agency may waive such repayment if it determines that—

(i) the payment of such Federal supplemental compensation was without fault on the part of any such individual, and

(ii) such repayment would be contrary to equity and good conscience.

(B) The State agency may recover the amount to be repaid, or any part thereof, by deductions from any Federal supplemental compensation payable to such individual under this Act or from any unemployment compensation payable to such individual under any Federal unemployment compensation law administered by the State agency or under any other Federal law administered by the State agency which provides for the payment of any assistance or allowance with respect to any week of unemployment, during the three-year period after the date such individuals received the payment of the Federal supplemental compensation to which they were not entitled, except that no single deduction may exceed 50 per centum of the weekly benefit amount from which such deduction is made.

(C) No repayment shall be required, and no deduction shall be made, until a determination has been made, notice thereof and an opportunity for a fair hearing has been given to the individual, and the determination has become final.

(3) Any determination by a State agency under paragraph (1) or (2) shall be subject to review in the same manner and to the same extent as determinations under the State unemployment compensation law, and only in that manner and to that extent.●

ADDITIONAL COSPONSORS

S. 505

At the request fo Mr. Hayakawa, the Senator from Nevada (Mr. Laxalt) was added as a cosponsor of S. 505, a bill to improve the quality of table grapes for marketing in the United States.

S. 924

At the request of Mr. Metzenbaum, the Senator from Florida (Mrs. Hawkins) was added as a cosponsor of S. 924, a bill to amend title XVIII of the Social Security Act to provide medicare coverage for influenza vaccine and its administration.

S. 954

At the request of Mr. Heflin, the Senator from Louisiana (Mr. Long) was added as a cosponsor of S. 954, a bill to amend title 18 and the Omnibus Crime Control and Safe Streets Act of 1974 and for other purposes.

S. 1407

At the request of Mr. Pryor, the Senator from New Mexico (Mr. Schmitt) was added as a cosponsor of S. 1407, a bill to amend title 39, United States Code, by strengthening the investigatory and enforcement powers of the Postal Service by authorizing inspection authority and by providing for civil penalties for violations of orders under section 3005 of such title (pertaining to schemes for obtaining money by false representations or lotteries), and for other purposes.

S. 1675

At the request of Mr. Hatfield, the Senator from Minnesota (Mr. Durenberger) was added as a cosponsor of S. 1675, a bill to help eliminate world hunger and malnutrition and promote global security.

S. 1844

At the request of Mr. Johnston, the Senator from Arizona (Mr. DeConcini) was added as a cosponsor of S. 1844, a bill to facilitate the national distribution and utilization of coal.

S. 1931

At the request of Mr. Robert C. Byrd, his name was added as a cosponsor of S. 1931, a bill to amend title 5, United States Code, to entitle Civil Air Patrol cadets 18 years of age and older to compensation available to Civil Air Patrol senior members in event of disability or death, and to increase the level of compensation available to both.

S. 1951

At the request of Mr. Bentsen, the Senator from Arizona (Mr. DeConcini) was added as a cosponsor of S. 1951, a bill to change the penalties for possession of controlled substances under section 401 (b) of the Controlled Substances Act.

S. 2130

At the request of Mrs. Kassebaum, the Senator from Indiana (Mr. Quayle), and the Senator from Montana (Mr. Melcher) were added as cosponsors of S. 2130, a bill to amend the Federal Food, Drug, and Cosmetic Act to facilitate the development of drugs for rare diseases and conditions, and for other purposes.

S. 2372

At the request of Mr. Hatfield, the Senator from Florida (Mrs. Hawkins) was added as a cosponsor of S. 2372, a bill to affirm the intrinsic value of all human life, to recognize the humanity of unborn children, and to insure that the Federal Government not participate in or support abortions.

S. 2397

At the request of Mr. Roth, the Senator from Arizona (Mr. Goldwater) was added as a cosponsor of S. 2397, a bill to require (1) the enactment of special legislation to continue the expenditure or obligation of funds on any major civil acquisition initiated after January 1, 1982, whenever the cost of such acquisition has increased or, on the basis of estimates, will increase over the initial estimate when the project was justified to the Congress by 25 per centum or more, and (2) reporting of status information on all major civil acquisitions.

S. 2404

At the request of Mr. Heinz, the Senator from Massachusetts (Mr. Tsongas), the Senator from Rhode Island (Mr. Chafee), the Senator from Michigan (Mr. Riegle), the Senator from Pennsylvania (Mr. Specter), the Senator from Hawaii (Mr. Inouye), the Senator from Connecticut (Mr. Dodd), the Senator from North Dakota (Mr. Andrews), the Senator from Montana (Mr. Melcher), and the Senator from North Dakota (Mr. Burdick) were added as cosponsors of S. 2404, a bill to amend section 202 of the Housing Act of 1959 to reauthorize the housing for the elderly and handicapped program, and for other purposes.

S. 2420

At the request of Mr. Heinz, the Senator from Arizona (Mr. Goldwater) was added as a cosponsor of S. 2420, a bill to protect victims of crime.

S. 2425

At the request of Mr. Roth, the Senator from Nebraska (Mr. Zorinsky) was added as a cosponsor of S. 2425, a bill to amend the Internal Revenue Code of 1954 to clarify certain requirements which apply to mortgage subsidy bonds, to make tax-exempt bonds available for certain residential rental property, and for other purposes.

S. 2430

At the request of Mr. Danforth, the Senator from Missouri (Mr. Eagleton) was added as a cosponsor of S. 2430, a bill to provide authorization of appropriations for railroad rehabilitation and improvement financing, and for other purposes.

S. 2465

At the request of Mr. Exon, the Senator from Nebraska (Mr. Zorinsky) was added as a cosponsor of S. 2465, a bill to specify the manner in which uncompensated services provided by a skilled nursing facility or an intermediate care facility shall be calculated for purposes of titles VI and XVI of the Public Health Service Act, and to require the Secretary of Health and Human Services to promulgate regulations under section 1621(b)(1)(k) of the Public Health Service Act (42 U.S.C. 300s-1(b)(1)(k)).

S. 2484

At the request of Mr. Quayle, the Senator from Pennsylvania (Mr. Heinz), the Senator from Oklahoma (Mr. Nickles), the Senator from New Hampshire (Mr. Humphrey), the Senator from New York (Mr. D'Amato), the Senator from Delaware (Mr. Roth), the Senator from Rhode Island (Mr. Chafee), the Senator from Connecticut (Mr. Weicker), the Senator from Pennsylvania (Mr. Specter), the Senator from Indiana (Mr. Lugar), the Senator from Alabama (Mr. Denton), the Senator from New Hampshire (Mr. Rudman), the Senator from Washington (Mr. Gorton), the Senator from Georgia (Mr. Mattingly), the Senator from Rhode Island (Mr. Pell), the Senator from New York (Mr. Moynihan), and the Senator from Illinois (Mr. Percy) were added as cosponsors of S. 2484, a bill to amend the Agricultural Act of 1949 to repeal the price support program for the 1982 through 1985 crops of sugar.

S.2507

At the request of Mr. Hayakawa, the Senator from Arizona (Mr. Goldwater), and the Senator from Texas (Mr. Tower) were added as cosponsors of S. 2507, a bill to require a properly executed warrant before an officer or employee of the Immigration and Naturalization Service may enter a farm or other agricultural operation.

S. 2514

At the request of Mr. Heinz, the Senator from Florida (Mrs. Hawkins), and the Senator from California (Mr. Hayakawa) were added as cosponsors of S. 2514 , a bill to amend the Social Security Act to provide for the removal of the OASI, DI, and HI trust funds from the unified budget.

SENATE JOINT RESOLUTION 150

At the request of Mrs. Kassebaum, the Senator from Hawaii (Mr. Matsunaga) was added as a cosponsor of Senate Joint Resolution 150, a joint resolution to authorize and request the President to designate May 20, 1982, as "Amelia Earhart Day."

SENATE JOINT RESOLUTION 162

At the request of Mr. Roth, the Senator from New Jersey (Mr. Bradley), the Senator from Vermont (Mr. Stafford), the Senator from Oklahoma (Mr. Boren), the Senator from Nebraska (Mr. Exon), and the Senator from Connecticut (Mr. Weicker) were added as cosponsors of Senate Joint Resolution 162, a joint resolution to authorize and request the President to designate the week of June 20, 1982, through June 27, 1982, as "National Safety in the Workplace Week."

SENATE CONCURRENT RESOLUTION 73

At the request of Mr. Heinz, the Senator from Montana (Mr. Melcher), the Senator from New York (Mr. D'Amato), the Senator from South Dakota (Mr. Pressler), the Senator from Tennessee (Mr. Sasser), the Senator from California (Mr. Cranston), the Senator from Minnesota (Mr. Boschwitz), the Senator from Michigan (Mr. Levin), the Senator from Nebraska (Mr. Exon), the Senator from Rhode Island (Mr. Pell), the Senator from Massachusetts (Mr. Kennedy), the Senator from Rhode Island (Mr. Chafee), the Senator from Alabama (Mr. Denton), the Senator from Arizona (Mr. DeConcini), and the Senator from Oklahoma (Mr. Boren) were added as cosponsors of Senate Concurrent Resolution 73, a concurrent resolution to condemn the Iranian persecution of the Bahai community.

SENATE CONCURRENT RESOLUTION 91

At the request of Mr. Heinz, the Senator from Massachusetts (Mr. Tsongas), the Senator from Kansas (Mr. Dole), and the Senator from New Mexico (Mr. Schmitt) were added as cosponsors of Senate Concurrent Resolution 91, a concurrent resolution to call upon the President to invite the Small Business Administration to participate in the Cabinet Council on Economic Affairs.

SENATE CONCURRENT RESOLUTION 95

At the request of Mr. Glenn, the Senator from Michigan (Mr. Levin) was added as a cosponsor of Senate Concurrent Resolution 96, a concurrent resolution reaffirming Senate Resolution 179 and House Resolution 177 and urging the President to seek agreement at the Versailles summit conference that nuclear supplier nations should export nuclear fuel and equipment only to nations that permit full-scope safeguards.

SENATE RESOLUTION 370

At the request of Mr. Glenn, the Senator from Pennsylvania (Mr. Specter) was added as a cosponsor of Senate Resolution 370, a resolution expressing the sense of the Senate with respect to a halt by the United States and the Soviet Union of further production and deployment of nuclear warheads while beginning strategic arms negotiations.

SENATE RESOLUTION 391

At the request of Mr. Mathias, the Senator from Michigan (Mr. Levin) was added as a cosponsor of Senate Resolution 391, a resolution expressing the sense of the Senate with respect to the policy of the U.S. Government during the period of negotiations for a START (strategic arms reduction talks) treaty.

AMENDMENT NO. 1333

At the request of Mr. Mathias, the Senator from Texas (Mr. Bentsen), and the Senator from New York (Mr. Moynihan) were added as cosponsors of amendment No. 1333 intended to be proposed to S. 1758, a bill to amend title 17 of the United States Code to exempt the private noncommercial recording of copyrighted works on video recorders from copyright infringement.

AMENDMENTS SUBMITTED FOR PRINTING

NATIONAL POLICY WITH RESPECT TO THE ARCTIC

AMENDMENT NO. 1453

(Ordered to be printed and referred to the Committee on Governmental Affairs.)

Mr. MURKOWSKI (for himself, Mr. Stevens, and Mr. Jackson) submitted an amendment intended to be proposed by them to the bill (S. 1562) to provide comprehensive national policy dealing with national needs and objectives in the Arctic.

ARCTIC SCIENCE POLICY

● Mr. MURKOWSKI. Mr. President, today I am submitting an amendment in the nature of a substitute to S. 1562, a bill to provide a comprehensive national policy dealing with national needs and objectives in the Arctic. Senator Stevens and Senator Jackson have joined me as cosponsors of this amendment. Last April, the Committee on Governmental Affairs held a field hearing in Fairbanks, Alaska, and received a good deal of supportive and constructive testimony on S. 1562. On May 26, the Governmental Affairs Committee will convene hearings here in Washington. I offer this substitute at this time in order to give the witnesses at the May 26 hearing an opportunity to comment on some of the changes we have in mind as a result of the Fairbanks hearing.

I wish to thank Senators **Stevens** and **Jackson** for their continued support and guidance in this matter.

Mr. President, I ask unanimous consent that the amendment be printed in the Record.

There being no objection, the amendment was ordered to be printed in the Record, as follows:

AMENDMENT No. 1453

Strike out all after the enacting clause and insert in lieu thereof:

FINDINGS AND PURPOSE

Sec. 2. (a) The Congress finds and declares that—

(1) the Arctic, onshore and offshore, contains vital energy resources that can reduce our dependence on foreign oil and improve the national balance of payments;

(2) the Arctic is our only common border with the Soviet Union and is critical to national defense;

(3) the renewable resources of the Arctic, specifically fish and other seafood, represent one of the Nation's greatest commercial assets;

(4) Arctic conditions directly affect global weather patterns and must be understood in order to promote better agricultural management throughout the United States;

(5) industrial pollution not originating in the Arctic region collects in the polar air mass and has the potential to disrupt global weather patterns, and must be addressed through international cooperation and consultation;

(6) the Arctic is the only natural laboratory for research into human adaptation, physical and psychological, to climates of extreme cold and isolation and may provide information crucial for future defense needs;

(7) atmospheric conditions peculiar to the Arctic provide a unique testing ground for research into high-latitude communications, which is likely to be crucial for future defense needs;

(8) Arctic marine technology is critical to cost-effective recovery and transportation of energy resources and to the national defense;

(9) all Arctic-rim countries, particularly the Soviet Union, possess Arctic technologies far more advanced than those currently available in the United States;

(10) at the present time, Arctic research undertaken by the Federal Government is fragmented, uncoordinated and undercapitalized, creating an immediate need to formulate a comprehensive national policy to organize and fund scientific research with respect to the Arctic; and

(11) The Federal Government should focus its efforts on the collection and characterization of basic data related to biological and geophysical phemonena, and special attention should be directed toward the broad accumulation of data related to sea-ice dynamics.

(b) The purposes of this Act are—

(1) to establish an Arctic Science Policy Council and an Arctic Research Commission to promote Arctic research;

(2) to establish a central system for the collection and retrieval of scientific data with respect to the Arctic; and

(3) to establish priorities and provide Federal financial support for basic and applied scientific research with respect to the Arctic that is essential to our Nation's needs.

ARCTIC SCIENCE POLICY COUNCIL

Sec. 3. (a) There is established a council to be known as the Arctic Science Policy Council (hereafter in this Act referred to as the "Council").

(b) The Council shall be composed of the following members:

(1) Three members appointed by the President from among individuals knowledgeable in the field of Arctic science who have been nominated for membership on the Council by the Secretary of Defense, the Secretary of the Interior, the Secretary of Transportation (representing the interests of the Coast Guard) the Secretary of State, the Secretary of Commerce, and the Director of the National Science Foundation.

(2) The Governor of the State of Alaska, ex officio.

(c)(1) Except as provided in paragraph (2), each member shall have an equal vote on matters decided by the Council.

(2) The member specified by paragraph (2) of subsection (b) shall vote only with respect to the appointment of members of the Arctic Research Commission pursuant to section 6 (b) (1).

(d) The President shall designate a member of the Council appointed pursuant to paragraph (1) of subsection (b) to be chairperson of the Council.

(e)(1) Except as provided in paragraph (2), the term of office for a member of the Council shall be three years.

(2) (A) of the members of the Council first appointed under paragraph (1) of subsection (b)—

(i) one shall be appointed for a term of one year;

(ii) one shall be appointed for a term of two years; and

(iii) one shall be appointed for a term of three years.

(B) A member may serve after the expiration of his term of office until the President appoints a successor.

(f) (1) A member of the council not otherwise employed by the United States shall be compensated at a rate equal to the daily equivalent of the rate for level V of the Executive Schedule under section 5316 of title 5, United States Code, for each day such member is engaged in the actual performance of his duties as a member of the Council.

(2) A member of the council who is an officer or employee of the United States shall serve without additional compensation.

(3) All members of the Council shall be reimbursed for travel and other necessary expenses incurred by them in the performance of their duties as members of the Council.

(4) No member may receive compensation for more than 90 days of service each year in performance of his duties as a member of the Council.

DUTIES OF COUNCIL

Sec. 4. (a) the Council shall—

(1) facilitate cooperation between the Federal Government and State governments with respect to Arctic research;

(2) coordinate and promote cooperative Arctic scientific research programs with other nations (in consultation with the Secretary of State);

(3) develop and supervise an integrated national Arctic science policy (except with respect to the areas of authority specifically reserved to the Arctic Research Commission under section 7 of this Act); and

(4) appoint the members of the Arctic Research Commission.

(b) Not later than January 31 of each year, the Council shall—

(1) publish a statement of goals and objectives with respect to Arctic research to guide the Arctic Research Commission in the performance of its duties; and

(2) submit to Congress a report describing the activities and accomplishments of the Council during the immediately preceding calendar year.

COOPERATION WITH COUNCIL

Sec. 5. (a)(1) The Council may acquire from the head of any Federal agency unclassified data, reports, and other non-proprietary information with respect to Arctic research which the Council considers useful in the discharge of its duties.

(2) Each such agency shall cooperate with the Council and furnish all data, reports, and other information requested by the Council to the extent permitted by law.

(b) The Council may (with the consent of the appropriate agency head) utilize the facilities and services of such agency, taking every feasible step to avoid duplication of research and effort.

ARCTIC RESEARCH COMMISSION

Sec. 6. (a) There is established a commission to be known as the Arctic Research Commission (hereafter in this Act referred to as the "Commission").

(b) (1) The Commission shall be appointed by the Arctic Science Policy Council and shall be composed of the following members:

(A) Four members shall be appointed from among individuals with expertise in representative areas of research relating to the Arctic (including, but not limited to, the physical, biological, and social sciences; and including at least one member professionally associated with the University of Alaska.

(B) Two members shall be appointed from among individuals familiar with the Arctic and representative of the needs and interests of Arctic residents.

(C) Two members shall be appointed from among individuals familiar with the Arctic and representative of the needs and interests of private industry undertaking resource development in the Arctic.

(D) One member shall be appointed from among individuals familar with the Arctic and professionally associated with the United States Coast Guard.

(2) Upon the appointment of the members of the Commission pursuant to paragraph (1), the Council shall designate a member of the Commission to be chairperson of the Commission.

(c)(1) Except as provided in paragraph (2), the term of office for a member of the Commission shall be four years.

(2)(A) of the members of the Commission originally appointed under paragraph (1) of subsection (b)—

(i) two shall be appointed for a term of one year;

(ii) two shall be appointed for a term of two years;

(iii) two shall be appointed for a term of three years; and

(iv) three shall be appointed for a term of four years.

(B) An individual appointed to complete a partially completed term of office shall be eligible for reappointment to—

(i) two consecutive full terms of office if the term of office of his predecessor was one-half or more completed at the time of such appointment; or

(ii) one full term of office if the term of office of his predecessor was less than one-half completed at the time of such appointment.

(C) A member may serve after the expiration of his term of office until the Council appoints a successor.

(d)(1) A member of the Council not otherwise employed by the United States shall be compensated at a rate equal to the daily equivalent of the rate for GS-16 of the General Schedule under section 5114 of title 5, United States Code, for each day such member is engaged in the actual performance of his duties as a member of the Commission.

(2) A member of the Commission who is an officer or employee of the United States shall serve without additional compensation.

(3) All members of the Commission shall be reimbursed for travel and other necessary expenses incurred by them in the performance of their duties as members of the Commission.

(4) No member may receive compensation for more than 180 days of service each year in performance of his duties as a member of the Commission.

DUTIES OF COMMISSION

Sec. 7. (a) The Commission shall—

(1) study Arctic research conducted by Federal and State agencies, universities, and other private and public institutions to determine priorities for future Arctic research;

(2) establish a data collection and retrieval center for Arctic research and promulate guidelines for the use and dissemination of Arctic research information;

(3) make grants for such research with respect to the Arctic as the Commission deems necessary and desirable to further the policy goals published annually by the Council pursuant to section 4(b)(1);

(4) consult the Council with respect to—

(A) all proposed, ongoing, and completed research programs and studies funded by the Commission;

(B) recommendations proposed by the Commission with respect to future Arctic research; and

(C) guidelines for awarding and administering Arctic research grants.

(b)(1)(A) Not later than December 31 of each year, the Commission shall transmit to the Council a report describing the activities and accomplishments of the Commission during the immediately preceding calendar year and making recommendations with respect to future Arctic research policy.

(B) such report shall be available for public inspection at reasonable times.

(2) Not later than March 31, 1983, the Commission shall submit to Congress a report making recommendations with respect to the continued operation of the Naval Arctic Research Laboratory, taking into account the efficiency and effectiveness of such facility and the degree to which the continued operation of such facility and the degree to which the continued operation of such facility would result in the duplication of research and effort.

ADMINISTRATION OF THE COMMISSION

Sec. 8. Subject to such rules and regulations as may be adopted by the Commission, the Commission is authorized to—

(1) appoint and fix the compensation of an Executive Director and such additional staff personnel as may be necessary;

(2) procure temporary and intermittent services to the same extent as is authorized by section 3109 of title 5, United States Code;

(3) make contracts and procure supplies, services, and property; and

(4) enter into agreements with the General Services Administration for procurement of necessary financial and administrative services, for which payment shall be made by reimbursement from funds of the Commission in such amounts as may be agreed upon by the Commission and the Administrator of the General Services Administration.

ARCTIC RESEARCH FUND

Sec. 9. (a) There is hereby created on the books of the Treasury of the United States a fund to be known as the "Arctic Research Fund", to be available for support of the activities of the Arctic Science Policy Council and the Arctic Research Commission.

(b)(1) There is hereby appropriated to the Arctic Research Fund for each fiscal year an amount equal to the lesser of—

(A) one percent of all revenues paid to the Federal Government for such fiscal year with respect to the disposition by sale or lease of any interest in Federal lands located in the Arctic (including outer continental shelf areas, as defined in section 2(a) of the Outer Continental Shelf Lands Act (43 U.S.C. 1331)), or

(B) $25,000,000.

(2) The amount determined pursuant to subsection (b)(1) for a fiscal year shall be paid to such Council and such Commission during such fiscal year.

(c) There is authorized to be appropriated for each fiscal year an amount equal to $25,000,000 minus the amount determined pursuant to subsection (b)(1) for such fiscal year.

(d) The total amount in such Fund may not exceed $50,000,000 at any time.

NAVAL ARCTIC RESEARCH LABORATORY

Sec. 10. Notwithstanding any other provision of law, the Secretary of Defense shall maintain the Naval Arctic Research Laboratory until a date which is 180 days after the Commission submits a report to Congress on the status of such facility pursuant to section 7(b)(2) of this Act.

DEFINITION

Sec. 11. The term "Arctic" shall mean all United States and foreign territory north of the Arctic Circle and all United States territory north and west of the boundary formed by the Porcupine, Yukon, and Kuskokwim Rivers; all contiguous seas, including the Arctic Ocean and the Beaufort, Bering, and Chukchi Seas; and the Aleutian chain.

NONAPPLICABILITY OF NEPA

Sec. 12. The National Environmental Policy Act of 1969 shall not be construed to require the submission of environmental impact statements for any activities conducted pursuant to this Act.●

URGENT SUPPLEMENTAL APPROPRIATIONS, 1982

AMENDMENTS NO. 1454 THROUGH NO. 1487

(Ordered to be printed and lie on the table.)

Mr. **ARMSTRONG** submitted amendments intended to be proposed by him to the bill (H.R. 5922) making urgent supplemental appropriations for the fiscal year ending September 30, 1982, and for other purposes.

NOTICES OF HEARINGS

SUBCOMMITTEE ON FORESTRY, WATER RESOURCES, AND ENVIRONMENT

Mr. **HAYAKAWA**. Mr. President, I wish to announce that the Senate Agriculture Subcommittee on Forestry, Water Resources, and Environment has scheduled a hearing on S. 1187. I have invited the U.S. Department of Agriculture and other interested parties to testify on the bill.

The hearing will be held on Monday, May 24, beginning at 10 a.m. in room 324, Russell Senate Office Building.

Anyone wishing further information should contact John Cozart at 224-2035.

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON LABOR

Mr. **GRASSLEY**. Mr. President, I ask unanimous consent that the Subcommittee on Labor, of the Committee on Labor and Human Resources, be authorized to meet during the session of the Senate on Wednesday, May 19, at 9:30 a.m., to hold an oversight hearing on Pension Benefit Guaranty Corporation premium increase.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

SUBCOMMITTEE ON FEDERAL EXPENDITURES, RESEARCH, AND RULES

Mr. **BAKER**. Mr. President, I ask unanimous consent that the Subcommittee on Federal Expenditures, Research, and Rules, of the Committee on Governmental Affairs, be authorized to meet during the session of the Senate on Thursday, May 20, at 9:30 a.m., to hold a field hearing in Washington, D.C., to discuss furniture procurement practices of the FLRA.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

Mr. **BAKER**. Mr. President, in the future, I hope committees will at least put an asterisk in explanation for these acronyms and abbreviations that go with these announcements so as to at least satisfy the curiosity of the person who puts the request, such as what is the FLRA, and what do they have to do with the procurement of furniture.

The minority leader asked if I was referring to a magic asterisk. Indeed, I am not.

COMMITTEE ON THE JUDICIARY

Mr. **BAKER**. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet Thursday, May 20, 1982, during the session of the Senate to consider and act on committee business.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

COMMITTEE ON AGRICULTURAL PRODUCTION, MARKETING, AND STABILIZATION OF PRICES

Mr. **BAKER**. Mr. President, I ask unanimous consent that the Subcommittee on Agricultural Production, Marketing, and Stabilization of Prices, of the Committee on Agriculture, Nutrition, and Forestry, be authorized to meet during the session of the Senate at 10 a.m. on Thursday, May 20, to conduct an oversight hearing on the Federal crop insurance program.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. **BAKER**. Mr. President, I ask unanimous consent that the Committee on Environment and Public Works be authorized to meet during the session of the Senate on Thursday, May 20, at 9:30 a.m., to conduct a hearing on S. 1606, the Nuclear Property Insurance Act of 1981.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

FIRST CONCURRENT RESOLUTION ON THE BUDGET

AMENDMENT NO. 1488

(Ordered to lie on the table.)

Mr. **LEAHY** (for himself, Mr. MOYNIHAN, Mr. HART, Mr. KENNEDY, Mr. BIDEN, Mr. CRANSTON, and Mr. SARBANES) proposed an amendment to the concurrent resolution (S. Con. Res. 92) setting forth the recommended congressional budget for the U.S. Government for the fiscal years 1983, 1984, and 1985, and revising the congressional budget for the U.S. Government for the fiscal year 1982.

ADDITIONAL STATEMENTS

THE REAGAN RECESSION: TIME TO STOP PASSING THE BUCK

● Mr. **METZENBAUM**. Mr. President, more American workers are unemployed today than at any time since 1938.

The Nation's farmers, who President Reagan once described as "miracle workers," are being forced in record numbers by today's agricultural depression to perform their miracles in other lines of work.

The failure rate of American business—over 17,000 firms went under in 1981—approximates the disastrous level of the Depression year of 1933.

High interest rates have devastated the housing industry, the auto industry, and all the other industries that supply these two sectors of our economy.

And in his famous Atlantic Monthly article on OMB Director David Stockman, William Grieder reported that in the earliest days of the Reagan administration, Mr. Stockman fed the administration's tax, budget, and defense spending program into OMB's computer model of the American economy.

The result?

The computer predicted that enactment of the Reagan program would produce the largest peacetime deficits in the Nation's history.

That is precisely what we have, and what we will continue to have, as long as the Reagan program remains fully in effect.

But when called to account for the results of their own Alice-in-Wonderland economic policies, officials of this administration have responded with a resounding chorus of "Who, me?"

"Don't blame us." they say. "Blame the other guy."

To that end, the Republican Party is about to launch a national advertising campaign, complete with actors who resemble Speaker O'NEILL and former President Carter.

"Republicans." one of the commercials says, "are beginning to make things better."

The question, Mr. President, is "better" for whom?

Things are not getting better for the people of my State. Our unemployment rate in Ohio exceeds 12 percent.

Things are not getting better for the farmers, for small business, for ordinary taxpayers who do not have access to the enormous tax loopholes created by this administration for the very rich.

Things are not getting better for the elderly who have good reason to fear this administration's intentions with regard to social security.

And things most certainly are not getting better for families who hope to buy or sell a home, for young people who need loans for higher education, or for disadvantaged children who, under the Reagan budget proposals, lose both education and nutrition programs.

Mr. President, the public employee department of the AFL-CIO today released an excellent study entitled, "The Reagan Recession: Time To Stop Passing the Buck." I believe that this study, which concludes that Reagan administration policies have "lengthened, deepened, and broadened the current recession," should be required reading for all of those who prefer Madison Avenue gimmickry to the difficult task of making essential changes in a failing economic program. I ask that the study be printed in the RECORD.

THE REAGAN RECESSION: TIME TO STOP PASSING THE BUCK

Who's to blame for the current recession? Is it President Reagan and his policies of tight money, huge hikes in defense spending, and generous tax breaks for the wealthy and large corporations? Or, as President Reagan contends, is it his Democratic predecessors and the after effects of their policies of "tax and tax, spend and spend"?

How Congress chooses to answer this question will ultimately determine the shape of next year's Federal budget—and whether last year's corporate tax breaks are altered in any way, whether further cuts in basic income security programs will be made, and even whether Federal workers will receive a raise. How millions of Americans choose to answer this question in November will ultimately determine the shape of next year's Congress.

The Public Employee Department of the AFL-CIO has attempted to answer this question by looking at two separate forecasts of the American economy, both based on Data Resources, Inc.'s computer model of the U.S. economy. The first forecast incorporates President Reagan's tax and spending proposals, and projects future economic trends assuming that they will remain in place. The second forecast projects future economic trends assuming that key elements of the Reagan program were never adopted. This "baseline" forecast shows how the economy would have performed had the massive corporate tax cuts contained in last year's tax bill never been enacted, had the huge tax breaks for the wealthy been capped at $700 per family, and had there been a slight easing of monetary policy over the course of the forecast period (for a more detailed discussion of the study methodology, please see the PED background paper. "The Impact of Current Economic Policy").

To sort out what effect, if any, the Reagan policy mix has had on the current recession, economic performance under the two competing forecasts must be compared. If the Reagan policy forecast shows some improvement in the economy from the baseline forecast, then clearly the Reagan economic program has had the salutary effect of easing what otherwise would have been an even more severe recession. If the Reagan policy forecast shows no change from the baseline forecast, then the Reagan program at least cannot be said to have made things any worse. But if the Reagan forecast shows a worsening of conditions when compared to the baseline forecast. then the Reagan economic program must be held accountable for having significantly weakened an already struggling economy—and President Reagan must not be permitted to pass the political buck to anyone else.

THE FINDINGS

Comparison of the Reagan policy forecast to the baseline forecast clearly shows a marked deterioration of economic performance directly attributable to the Reagan economic program. In addition, this comparison shows that the recent reduction in the rate of inflation—a fact for which President Reagan has been quite willing to claim responsibility—has had very little to do with his economic program.

The major findings of the PED study are summarized below:

(1) Despite the enactment of federal business tax cuts totaling $33 billion in fiscal year 1982 and fiscal year 1983, business investment under the Reagan economic program will fall considerably below what would have occurred had these massive tax cuts never been enacted.

The Reagan policy forecast projects that business investment will fall 2.1 percent short of the baseline in 1982 and 3.2 percent short in 1983. This amounts to a decline of $25 billion in investment spending over the two-year forecast period—a decline directly attributable to the Reagan program.

WHY

The basic premise of the Reagan tax plan for business—that deep cuts in the federal business tax burden would automatically result in increased investment spending—is fundamentally mistaken. While it is true that the accelerated depreciation provisions of the Reagan tax bill will reduce the cost to firms of making investments in new machinery or structures, taxes represent only one of the costs firms consider when making an investment. The cost of borrowing the money with which to pay for the new machine or building is another one. And with real interest rates at record levels, the cost of borrowing easily overwhelms any temporary cash flow advantage the tax cuts might have afforded these firms.

More to the point, however: firms only make investments if they believe that these investments will lead to profits. Even if tax rates are zero—or negative, as is the case under the new federal tax law—firms will not invest in a machine if they do not think that they can sell the products produced by that machine. The basic fact that the investment decision hinges on the level of demand seems to have been forgotten by the architects of the Reagan plan.

With an improved cash position, yet reduced demand for their products, firms have looked for ways to spend their money other than in capital investments. Not surprisingly, increased spending on mergers and dividend payments seems to be the only immediate result of the 1981 business tax cut.

	Annual rate of change, 1981 (percent)
Total dollar value of mergers	86
Number of mergers	27
Number of "hostile" mergers	42
Number of $1,000,000,000 mergers	300

Source. W. T. Grimm & Co.

	Annual rate of change (percent)		
	1981	1982	1983
Personal dividend income	12.5	9.6	14.3
Wage and salary disbursements	10.3	5.8	8.7

Source. Data Resources, U.S. Review, April 1982.

Similarly, firms will be unlikely to put much money into new buildings and machines if they are unable to fully utilize the buildings and machines they already have in service. Last month the Federal Reserve Board reported that manufacturers and materials producers were operating at 71 percent of their capacity—the lowest level of capacity utilization since the depths of the 1975 recession.

Finally, the "Accelerated Cost Recovery System" (ACRS)—the rubric for the new federal depreciation rules—has proven to be perhaps the most inefficient way ever devised for distributing government subsidies to corporations. Because effective tax rates on new investments range from −53 percent for office and computing machinery to +37 percent for industrial buildings, ACRS can make a "good" investment—from an economic standpoint—look "bad"—from a tax standpoint. Or, it can make a bad investment look good. And because of the tax leasing provisions of ACRS—whereby poor firms are allowed to sell their tax credits they cannot use to their rich brethren who can—the benefits of ACRS are extended both to firms who don't need them and to firms who don't deserve them—all at an immense cost to the federal treasury.

(2) Despite President Reagan's attempts to curb government spending—and his endorsement of the drive for a constitutional amendment requiring a balanced federal budget—his own economic program adds nearly $50 billion to the fiscal year 1983 deficit.

HOW?

The size of the federal deficit is directly related to the health of the American economy. When people lose their jobs and economic growth declines, tax receipts fall and claims on government programs (e.g., unemployment insurance or food stamps) rise. the Congressional Budget Office estimates that each additional percentage of unemployment adds $28 billion to the federal deficit, and that each percentage drop in GNP growth adds another $17 billion.

[Dollar amounts in billions]

	Change in Federal deficit
A 1-percent increase in unemployment	+$28
A 1-percent increase in inflation	−11
A 1-percent increase in GNP	+17
A 1-percent increase in interest rates	+6

Source: Congressional Budget Office.

The quickest way to reduce the federal deficit is to adopt a budget that would have the effect of putting people back to work and spurring economic growth—a fact which seems to have been forgotten during recent Congressional debate over whether or not to cut Social Security or whether or not to freeze the wages of federal workers. The only reason Congress is even forced to consider such deficit-reducing measures is due to the immediate and negative impact of the Reagan program on the economy.

President Reagan has greatly expanded the use of the federal tax system as a means of distributing federal subsidies. In fact the amount of money devoted to corporate tax "expenditures"—or "loopholes"—is slated to grow faster than any other budget item, including spending on defense, between fiscal year 1981 and fiscal year 1985. Tax loopholes for individuals, too, represent one of the high growth components of an otherwise austere budget.

These tax "expenditures"—which are not subject to the Congressional budget process—contribute to the federal deficit just as surely as do regular spending programs.

THE REAGAN FISCAL YEAR 1983 BUDGET PROJECTIONS IN CONSTANT 1981 DOLLARS

Function	Percent change, 1981-85
Corporate Tax expenditures	+57
National defense	+45
Interest	+15
Health	+13
Individual tax expenditures	+11
Income security	+3
Veterans benefits	−7
International Affairs	−7
Science, space technology	−8
General government	−15
General purpose fiscal assistance	−19
Administration of justice	−23
Agriculture	−34
Transportation	−34
Community and regional development	−41
Natural resources and environment	−55
Education, training, employment, and social services	−55
Energy	−71
Commerce and housing credit	−110
Total Budget	+5

Sources: Office of Management and Budget, "Budget of the United States Government," fiscal year 1983. Joint Committee on Taxation, "Summary of Tax Expenditures," Citizens for Tax Justice, Mar. 30, 1982, press release.

(3) Despite OMB predictions that the President's brand of supply-side economics would result in an immediate spurt of labor effort and business confidence, real economic growth under the President's plan will be significantly lower than it would have been in the absence of "supply-side" proposals.

The Reagan policy forecast shows an 0.6 percent decline from the baseline in real GNP in 1982, and another 1.3 percent drop in 1983.

OMB has dramatically reduced its own expectations of the impact of the Reagan program on the economy. When the President's tax and spending plans were first unveiled a year ago, OMB predicted that real GNP would grow by 4.2 percent in 1982. When the President's budget for 1983 was released this year, OMB had scaled back that prediction to 0.2 percent—a drop of 95 percent—even though Congress had given the President everything he asked for.

Now that the President has chosen the "blame the Democrats" strategy for our current economic woes, it is useful to note that not too long ago both he and his advisers had a far different opinion of how fast and how well his economic program would work.

OMB FORECASTS OF KEY ECONOMIC INDICATORS FOR 1982

[In percent]

	Forecast		Percent change
	March 1981	February 1982	
GNP (constant dollars)	4.2	0.2	95
Unemployment rate	7.2	8.9	24
Consumer Price Index	8.3	7.3	12
Interest rate (91-day Treasury bills)	8.9	11.7	31
Deficit (billions)	$54.9	$91.5	67

WHY?

True believers in Reaganomics argue that high marginal tax rates—that is, the rate applied to the last dollar of taxable income—serve to discourage people from working harder or saving more. Therefore, the real key to economic recovery in their view was the "across-the-board" personal tax cut—a cut that would reduce marginal rates and serve to spur people to greater levels of work effort and sacrifice.

A dubious proposition at best (since people may react to higher after-tax incomes by reducing their work effort—now that they have more money for vacations, entertainment, or leisure)—it is now irrelevant. For the vast majority of working Americans, the Reagan tax plan simply does not lower marginal rates—a fact even the Administration now admits.

The 1982 Economic Report of the President points out that in 1984—when the rate cuts will be fully in effect—median income households will be in the 25 percent income tax bracket, an increase compared to the 24 percent bracket they were in in 1980. In other words, even under the optimistic inflation projections of the Reagan Administration, the tax "cut" is more than eaten up by offsetting tax increases as inflation pushes taxpayers into higher brackets. Moreover, the Economic Report ignores the additional upward push on marginal rates for wage earners caused by increases in Social Security taxes. Even so, it concludes that "despite the substantial reductions introduced by the 1981 tax cut, most rates in 1984 will remain near the historical high rates on real income."

Business confidence in the Reagan program faded quickly with the realization that its strange combination of high deficits and tight money were driving many smaller firms straight to bankruptcy court and forcing widespread layoffs and cuts in production among small and large firms alike.

In fact, the Reagan policy forecast shows that those sectors of the economy which are most sensitive to swings in the interest rate are being particularly devastated by the stop-go, push-pull policies of the Reagan Administration.

The Reagan policy mix will be directly responsibile for a decline of 1.2 million automobile sales and 500,000 housing starts over the two-year forecast period.

(4) With business investment, auto sales, housing starts, and GNP growth all on the decline—and federal deficits, real interest rates, and business failures all on the rise—the conclusion that the Reagan economic program has led directly to increased unemployment should hardly be surprising.

The Reagan policy forecast projects a two-year loss of 700,000 jobs when compared to the baseline forecast.

These job losses are concentrated in the major manufacturing states. New York stands to lose 54,000 jobs; Pennsylvania—35,000; Ohio—33,000; Illinois—36,000; Michigan—26,000; New Jersey—23,000; Massachusetts—20,000. Three states which have been hurt particularly by the downturn in the construction industry—California, Texas, and Florida—will lose an additional 156,000 jobs. All in all, these ten states account for more than half of the total job loss which may be directly tied to the enactment of the Reagan economic program.

(5) Despite the President's call for a return of program responsibility to the states, his own budget policies have turned this long-time "dream" of his into a fiscal nightmare.

The states will lose $2.9 billion of tax revenue over the forecast period as a direct result of the deeper recession caused by the Reagan policy mix.

Cuts in federal grants-in-aid to state and local governments totaled $18 billion in fiscal year 1982 and President Reagan's budget recommendations for fiscal year 1983 contained further cuts of $11 billion.

Conformity to the new federal depreciation rules will cost those states which have failed to take any action to counter the expected revenue loss in excess of $500 million in 1982 and an additional $1 billion in 1983.

For a state-by-state breakdown of the total $34 billion loss to the states that may be directly linked to the President's budgetary program, please see Appendix III.

(6) Despite the President's claims to the contrary, his economic program has had virtually nothing to do with the recent drop in the inflation rate.

The Reagan policy forecast shows no change in the Consumer Price Index for 1982 when compared to the baseline, and only a 0.2 percent decline in the CPI for 1983.

WHY?

The underlying premise of the President's anti-inflation program—that inflation is the direct result of "excessive" federal spending—is invalid. As the accompanying chart demonstrates, a comparison of the relative severity of inflation in other major industrial nations indicates no relationship between the size of the public sector and general price increases.

Country	Taxes as percentage of gross domestic product,[1] 1970–79	Average annual increase, Consumer Price index, 1970–79[2]
United States	29.97	7.1
Sweden	45.60	8.6
France	37.90	8.9
Germany	35.85	4.9
United Kingdom	34.93	12.6
Canada	29.97	7.4
Japan	22.07	9.1

[1] Organization for Economic Cooperation and Development, "Revenue Statistics of OECD Member Countries," 1965–80.

[2] International Monetary Fund, "International Financial Statistics," 1981 Yearbook.

In West Germany, for instance—where taxes make up a far greater portion of the Gross Domestic Product (GDP) than in the United States, inflation has consistently run at about two-thirds the U.S. level. In Japan, however—where the share of GDP made up of taxes is well below that of the United States—the average inflation rate during the 1970's was two percentage points higher than ours.

Much, if not all, of the recent decline in the inflation rate may be attributed to nonrecurring factors that would have taken place regardless of who was President. The worldwide oil glut—which has driven down energy prices—is the result of gradual consumer adjustment to the OPEC price shocks of the 1970's. Better-than-average food harvests—combined with dampened demand for food exports due to the worsening of U.S.-Soviet relations—have helped keep food prices down.

The table below pinpoints the recent sources of improvement in the Consumer Price Index.

The almost complete devastation of the housing industry by the Reagan economic program—our simulation of economic performance under Reagan policy showed a drop of 500,000 housing starts over the forecast period—probably has contributed to the recent decline in housing prices. Yet to force any particular sector of the economy to bear such a disproportionate share of the hardship associated with a policy designed to bring down inflation is both unwise and unfair.

SOURCES OF IMPROVEMENT IN THE CONSUMER PRICE INDEX

	Annual percent change		Contribution to slowdown (percentage points)
	December 1978 to December 1980	November 1981 to February 1982	
CPI—All items	12.9	3.7	9.2
Food and beverages	10.0	5.9	.8
Energy	27.4	−1.1	3.3
Gasoline	35.1	−13.2	2.8
Heating fuels	37.0	4.2	.4
Electricity and gas	15.3	12.1	.1
Home ownership	18.1	2.0	4.3
Home prices	13.6	3	1.4
Finance, taxes, insurance	25.4	1.3	2.9
All other			.8

Source: Data Resources U.S. Review, April 1982.

CONCLUSION

"Our current problems are not the product of the recovery program that is only just now getting underway as some would have you believe; they are the inheritances of decades of tax and tax, spend and spend."—President Ronald Reagan, State of the Union Address, January 26, 1982.

The President is mistaken. His policies have lengthened, deepened, and broadened the current recession.

This is the only possible conclusion of a comparison of two separate economic forecasts based on the Data Resources, Inc. model of the U.S. economy. The forecast which incorporates the tax and spending policies of the Reagan Administration shows a marked deterioration in economic performance from the baseline forecast.

Moreover, the extent to which the Reagan policy forecast diverges from the baseline forecast understates the negative consequences of the Reagan economic program. This study serves only to compare the Reagan economic programs to a baseline that eliminates or modifies its major elements. It does not compare the Reagan economic program to a set of policies that would truly mean significant improvement in tax fairness, economic security, and employment opportunities for all Americans. No doubt the difference between Reagan policy and that baseline would be much, much greater.

APPENDIX I.—REAGAN POLICY FORECAST VERSUS BASELINE FORECAST [1]

	1982	1983
Real growth (percent)	−0.6	−1.3
Employment	−200,000	−500,000
Investment (percent)	−2.1	−3.2
Inflation	0	−0.2
Housing starts (units)	−160,000	−340,000
Federal deficit (fiscal year basis) (billion)	$19	$48
Auto sales	−400,000	−800,000

[1] These figures represent the divergence of the Reagan policy forecast from the baseline forecast.

APPENDIX II.—THE REAGAN RECESSION STATE-BY-STATE IMPACT

[Fiscal year 1982 and fiscal year 1983]

State	Revenue loss (millions)	Job loss
Alabama	$33	10,300
Alaska	22	1,400
Arizona	37	8,800
Arkansas	20	5,800
California	378	77,000
Colorado	36	10,200
Connecticut	25	11,000
Delaware	8	2,000
District of Columbia	10	4,500
Florida	95	29,700
Georgia	56	16,600
Hawaii	17	3,100
Idaho	7	2,500
Illinois	154	36,000
Indiana	44	15,800
Iowa	31	8,000
Kansas	27	7,300
Kentucky	41	9,100
Louisiana	46	12,800
Maine	15	3,200
Maryland	60	12,700
Massachusetts	105	20,300
Michigan	123	26,100
Minnesota	68	13,400
Mississippi	18	6,300
Missouri	44	14,800
Montana	12	2,100
Nebraska	23	4,800
Nevada	10	3,400
New Hampshire	8	3,100
New Jersey	78	23,400
New Mexico	15	3,700
New York	383	54,400
North Carolina	58	18,400
North Dakota	10	1,900
Ohio	113	32,700
Oklahoma	32	9,300
Oregon	35	7,700
Pennsylvania	143	34,800
Rhode Island	14	3,000
South Carolina	32	9,200
South Dakota	4	1,700
Tennessee	39	13,200
Texas	150	49,400
Utah	16	4,300
Vermont	5	1,600
Virginia	62	16,400
Washington	53	12,100
West Virginia	20	4,700
Wisconsin	60	14,900
Wyoming	8	1,700
U.S. total	2,903	700,000

APPENDIX III.—STATE REVENUE LOSS DUE TO REAGAN ADMINISTRATION POLICIES

[In millions of dollars]

State	Fiscal year 1982 budget cuts	Fiscal year 1983 budget cuts	Current year 1982 ACRS	Current year 1983 ACRS	Fiscal year 1982 and Fiscal year 1983 recession	Grand total
Alabama	324	204.3	14.9	29.3	33	605.5
Alaska	92	55.9	(1)	(1)	22	169.9
Arizona	172	119.8	14.8	29.6	37	373.2
Arkansas	192	93.5	(1)	(1)	20	305.5
California	1,802	1,277.1	(1)	(1)	378	3,457.1
Colorado	204	118.7	15.5	30.5	36	368.7
Connecticut	237	148.5	(1)	(1)	25	410.5
Delaware	56	31.0	6.2	12.0	8	113.2
Florida	584	416.4	(1)	(1)	95	1,095.4
Georgia	486	277.1	(1)	(1)	56	819.1
Hawaii	95	58.4	7.9	15.3	17	176.6
Idaho	80	44.0	5.9	11.5	7	148.4
Illinois	916	603.6	100.7	200.8	154	1,975.1
Indiana	329	227.0	(1)	(1)	44	600.0
Iowa	204	127.8	(1)	(1)	31	362.8
Kansas	167	91.1	18.7	37.3	27	314.1
Kentucky	301	184.0	(1)	(1)	41	526.0
Louisiana	321	190.1	28.6	58.0	46	643.7
Maine	107	67.7	(1)	(1)	15	189.7
Maryland	377	226.2	26.7	51.3	60	741.2
Massachusetts	591	356.5	72.0	142.0	105	1,266.5
Michigan	804	568.9	15.5	25.8	123	1,537.2
Minnesota	341	214.1	(1)	(1)	68	623.1
Mississippi	244	123.5	8.0	16.0	18	409.5
Missouri	349	231.4	19.3	37.7	44	681.4
Montana	99	44.0	5.9	11.7	12	172.7
Nebraska	112	67.0	(1)	(1)	23	202.0
Nevada	69	30.1	(2)	(2)	10	109.1
New Hampshire	71	42.4	6.7	13.8	8	141.9
New Jersey	580	384.6	61.3	122.6	78	1,226.5
New Mexico	137	24.5	5.4	10.8	15	192.7
New York	1,959	1,181.3	(1)	(1)	383	3,523.3
North Carolina	395	232.5	40.7	79.9	58	806.1
North Dakota	71	35.8	(1)	(1)	10	116.8
Ohio	703	525.8	(1)	(1)	113	1,341.8
Oklahoma	217	121.9	12.4	20.5	32	403.8
Oregon	253	86.3	(1)	(1)	35	374.3
Pennsylvania	924	630.8	(1)	(1)	143	1,697.8
Rhode Island	98	57.6	6.9	13.7	14	190.2
South Carolina	219	130.9	(1)	(1)	32	381.9
South Dakota	91	43.6	(2)	(2)	4	138.6
Tennessee	347	293.7	(1)	(1)	39	679.7
Texas	811	482.8	(2)	(2)	150	1,443.8
Utah	117	64.2	6.5	12.4	16	216.1
Vermont	73	36.7	3.1	6.1	5	123.9
Virginia	363	216.5	(1)	(1)	62	641.5
Washington	343	204.7	(2)	(2)	53	600.7
West Virginia	194	104.0	(1)	(1)	20	318.0
Wisconsin	414	274.1	(1)	(1)	60	748.1
Wyoming	60	−38.5	(2)	(2)	8	29.5
U.S. total	18,164	11,334.0	503.6	988.6	2,903	33,893.2

[1] State will avoid the ACRS revenue loss by either remaining tied to pre-ACRS depreciation rules, disallowing a certain percentage of ACRS deductions, or increasing the corporate income tax rate.

[2] State does not have an income tax and, therefore, is unaffected by ACRS.

Source: Fiscal year 1982 budget cuts: AFSCME, Public Employee, November 1981, vol. 46, No. 11.
Fiscal year 1983 budget cuts: Public Employee Department, AFL–CIO, "Reagan's 83 Budget: More Bad News for the States," Mar. 31, 1982.
Current year 1982 and current year 1983 ACRS: Citizens for Tax Justice, "The Impact of Recent Changes in Federal Depreciation Tax Rules on State Revenues," August 1981.
Fiscal year 1982 and fiscal year 1983 recession: Public Employee Department, AFL–CIO, "The Impact of Current Economic Policy."●

SUPPORT GROWS FOR EMERGENCY FARM LEGISLATION

● Mr. SASSER. Mr. President, last week I introduced legislation, the Emergency Farm Stabilization Act of 1982, S. 2528. This bill would release some $600 million in Farmers Home Administration economic emergency loans which are under the Secretary of Agriculture's discretion to distribute, and it would also declare a moratorium of 2 years on Farmers Home Administration foreclosures.

Given the existing state of the farm economy, I feel that both these steps must be taken now. The depression in the farm sector must not be allowed to continue to devastate the family farms of this Nation.

Other legislative efforts are underway which address these problems as well, and many farm groups have come forth with agendas for action.

One such agenda has been proposed by the National Farm Coalition. Because it represents such a positive step toward a resolution of the difficulties that farmers today are facing, I would like to share it with my colleagues who may not have had the opportunity to see it.

Mr. President, I ask that the statement of the National Farm Coalition be printed in the RECORD.

The statement follows:

NATIONAL FARM COALITION,
Washington, D.C., May 10, 1982.

Enclosed is a statement adopted by the membership of the National Farm Coalition at its recent annual meeting.

The farm organizations participating in the Coalition are deeply concerned over the current state of the agricultural economy. The recommendations developed by the group represent a coordinated set of policy actions that can, for the most part, be taken within the framework of present legislative authority. These steps are essential to restoring the basic economic strength of agriculture.

We know that you share our concerns regarding the need for action by government to deal with current economic problems and look forward to working with you in this regard.

EDWARD ANDERSEN, *Chairman.*

APRIL 22, 1982.

Agriculture is the nation's number one business. The 2.4 million farmers and ranchers across the country have committed assets with an estimated value of more than $1.1 trillion to the production of food and fiber. The production, and marketing of food and fiber is the nation's largest employer, providing an estimated 23 million jobs. Agricultural exports are the largest positive factor in the nation's international trade balance.

Agriculture has achieved this economic stature while maintaining and improving production efficiency. Today, one farmer produces enough food to feed 78 people, three times the number in 1960. Fourteen percent of the consumer's disposable income is spent for food today, down from 20 percent in 1960.

Despite this record of solid achievement, the nation's farmers and ranchers face the most critical economic conditions since the years of the Great Depression. 1982 marks the third consecutive year of sharply declining net farm income. Adjusted for inflation, real net farm income, as estimated by the U.S. Department of Agriculture, will be lower in 1982 than at any time since USDA began making such estimates early in this century. Even without the adjustment for inflation, net farm income will be less than one-half what it was in 1979. Farm debt has almost doubled in the past five years, rising to $194.5 billion this year. Agriculture today faces a farm debt to net income ratio of 13.2:1, more than three times as high as it was in 1979.

These are general indicators of the deterioration of the nation's agriculture economy. More concrete are the foreclosures and forced farm sales taking place throughout the nation.

The combination of high interest rates, lagging export sales, inadequate crop prices as markets are burdened with product flowing from the farmer's response to the government's request for unrestrained production are threatening the basic stability of agriculture.

These conditions, coupled with weakness of the general economy have combined to produce major problems in other broad segments of agriculture, including meat and dairy production.

As a first step, the National Farm Coalition supports maximum farmer participation in the announced reduced acreage program for 1982 crop wheat, feed grain, rice and cotton and pledges full cooperation to help the programs achieve their maximum effectiveness.

The National Farm Coalition, on behalf of the undersigned members, recognizes the need to restore the nation to economic stability through reductions in the federal deficit. For the most part, sufficient legislative authority exists to address these current problems. Where it does not, we call upon the President and Secretary of Agriculture to work with the Congress to obtain the needed authorities.

Specifically, we recommend:

1. That the President use his influence to immediately encourage adoption of policies by the Congress and the Federal Reserve Board that will result in the reduction of interest rates, including consideration of reduced military spending, elimination of tax loopholes including adoption of a minimum corporate tax, temporary deferral of 1981 tax reductions and review of indexed entitlement programs to reduce federal spending.

2. Reduction of program costs through use of authority provided in the Agriculture and Food Act of 1981 to increase the price support loan rates for 1982 crop wheat, feed grains, rice and cotton, thus reducing the prospect of deficiency payments to farmers. The Secretary of Agriculture should make immediate announcement of his intentions with respect to programs for the 1983 crops with full details announced later.

3. Immediate action to assure adequate storage capacity for the 1982 crop through one or more of the following, reinstitution of the Farm Storage Facility Loan Program, approval of a guaranteed loan program to finance construction, provide storage rates under the farmer-held reserve that are equitable in comparison with rates for commercial storage, and use of other authorities to meet the need.

4. Implementation of an aggressive agricultural export development program through funding of the CCC export credit revolving fund, institution of competitive export credit program and other action to lend stability to the markets including immediate negotiation of a new long term grain agreement with the Soviet Union.

5. That the administration work with dairy farmers in the development and support of legislation amending the Dairy Price Support Program that will reduce program costs and bring about the production adjustment needed to alleviate present overproduction while retaining the basic structure of the price support program.

6. As a means of enabling farmers to sustain themselves through the current agricultural depression, a moratorium on FmHA foreclosures for forced sales through 1983. We also urge the immediate use of the previously authorized funds for the FmHA Economic Emergency Loan Program and urge the expeditious processing of all FmHA loan applications.

Should the administration fail to take such actions, there is no other course available but for the Congress to act to re-establish the stability of American agriculture.●

THE 250TH ANNIVERSARY OF THE UNITED CHURCH OF CHRIST, SOUTHBURY, CONN.

● Mr. **WEICKER.** Mr. President, on May 22-23, the United Church of Christ in Southbury, Conn., will celebrate its 250th anniversary. This is an occasion of great spiritual and historical significance for the residents of the Southbury community and for all of us.

The earliest settlers arriving in America in the 1600's and early 1700's encountered a vast unconquerable wilderness. Many had left their homelands in Europe fleeing religious persecution, civil strife, and economic hardship. They brought with them their courage, strength, and burning desire to forge a new and better world for themselves and their children. The product of their toil was a nation unlike any that history had ever seen, a noble experiment in democracy, religious toleration, and economic opportunity.

Mr. President, Americans were able to triumph over the wilderness due largely to the strength of their communities. The moral ties of love, compassion, sacrifice, courage, faith, and devotion gave rise to the sense of destiny in the American soul, contributed to the spirit of the country, and strengthened our resolve to prevail. For 250 years now, the United Church of Christ has helped to foster the growth of these principles and this commitment to a continually brighter future in the Southbury community. I hope my colleagues will join me in congratulating the church on this special anniversary and thank them for reminding us all of the possibilities for goodness in the human heart.

The future presents many challenges. Our hopes for the human race will depend on the continuing courage and strength of our communities and institutions, like the United Church of Christ in Southbury, in helping us rise to meet and overcome these challenges, and send us forth in search of greater glory for America and mankind.

Mr. President, I would like to insert in the Record at this time a resolution passed by the Southbury Board of Selectmen commemorating this occasion. A similar resolution has been passed by the Connecticut General Assembly.

The resolution follows:

Resolution: Southbury Board of Selectmen

Whereas the United Church of Christ, representing earlier Congregational and Methodist Societies, has been a leading factor in the spiritual life of the Southbury Community, and,

Whereas the United Church of Christ has long been identified with the growth and historic development of the Town, and,

Whereas the United Church of Christ in the month of May 1982 attains 250 years of service for the people of this Connecticut community: Now, therefore, be it

Resolved, That the Board of Selectmen of the Town of Southbury, in meeting assembled March 23, 1982, recognize by this Resolution the substantial contribution made by the United Church of Christ to the character and integrity of Southbury, and be it further

Resolved, That appreciation of this significant anniversary be recognized and inscribed in the minutes of the Southbury Board of Selectmen.●

CONGRATULATIONS TO SCOTT BLOCH OF ST. JOSEPH, MINN.

● Mr. **DURENBERGER.** Mr. President, during the course of this week, as we debate the Federal budget, we will start laying the groundwork for decisions that will affect our country not only in the next fiscal year, but in years to come. In a very real sense, we are making decisions that will shape our future.

But, while it is we who are debating that future, it will be up to those who come after us to make the most of

what we leave them. Mr. President, I am confident that our country will be in good hands.

One reason for my confidence is the renewal of commitment and dedication to a goal that I see in young people today. Few exemplify that more than a young Minnesotan, Scott Bloch. Scott is the son of Mr. and Mrs. David J. Bloch of St. Joseph, Minn. This spring he is finishing high school in Cold Spring School District 750.

Mr. President, I ask my colleagues to take just a minute out of this important debate on the budget to join me in congratulating Scott for a remarkable feat. Since the day he started kindergarten in District 750, Scott has not missed one day of school in 13 years of education.

Scott is the kind of young person to whom we will look in the future for leadership. Scott's record speaks well for him and for our next generation of leaders.●

EMERGENCY MORTGAGE INTEREST REDUCTION ACT

● Mr. **DANFORTH.** Mr. President, as a cosponsor of Senate bill 2226, the Emergency Mortgage Interest Reduction Act, I wish to encourage my colleagues to support this important piece of legislation. I commend Senator Lugar and the staff of the Subcommittee on Housing and Urban Affairs for the careful craftsmanship that is demonstrated in this necessary jobs-creating bill. Senator Garn and the staff of the full Committee on Banking, Housing, and Urban Affairs are to be congratulated for working to improve S. 2226 in the markup session—while maintaining the integrity of the legislation's original scope and intent—and for bringing this bill before the Senate in record time and with unanimous and bipartisan committee support.

Time is of the essence. The housing industry has been in a sustained slump for over 40 months. Unemployment in the construction trades is double that of the national average. And yet, studies show that we are not building half as many housing units as we will need to meet the demand for the decade of the eighties. The decade of the seventies saw a record-setting 1.7 million housing units built. However, housing statisticians estimate that during this decade over 40 million Americans will turn 30 years old, the prime first home buying period, requiring a new production record of 1.8 million housing units.

Perhaps the worst aspect of the current housing industry predicament is that, as the pent-up demand for housing swells, we may be permanently losing the capacity—the firms, builders, as well as manufacturers—needed to satisfy the demand after the economy improves and the interest rates decline. This loss of capacity occurred in the much milder and shorter housing slump of the midseventies. We cannot afford an additional loss of skilled craftsmen and manufacturers.

Clearly, S. 2226 meets the three important standards that its sponsor, my colleague Senator Lugar, established for it:

First, it will create the greatest number of jobs in the shortest amount of time, by providing for a reduction of mortgage interest rates on newly constructed homes by up to 4 percent;

Second, it is compatible with the Nation's overall economic recovery program, by requiring that low and moderate individuals who qualify for these special reduced mortgage interest rates will have to pay back to the Federal Government the full amount of subsidy upon resale or refinancing of the home; and

Third, it will not establish a permanent Federal involvement in the housing market or industry, by limiting the authorization of the program to 5 years.

We must take advantage of this window of opportunity. The House of Representatives passed on May 11 by a vote of 349 to 55 a more limited but conceptually similar bill to S. 2226. There remains precious little time to pass the Lugar housing stimulus program and work out the necessary differences between the Senate and House bills. It is crucial that we pass this legislation in time to have a significant impact on this summer's building cycle.

To own a home is part of the American dream. And those who are builders of homes symbolize the essence of the free enterprise system and the pride of individual accomplishment. Mr. President, I hope and trust that my colleagues will give this legislation their full support.●

REAGANISM AND MANAGING THE GOVERNMENT

● Mr. **RIEGLE.** Mr. President, Steven Kelman, assistant professor of public policy at the John F. Kennedy School of Government recently published an article in the April 1982 issue of the New Leader magazine. The article is entitled "Reaganism and Managing the Government." I ask that the article be printed in the Record, and commend it to the attention of the Senate.

The article follows:

Reaganism and Managing the Government

(By Steven Kelman)

Two images of the Federal bureaucracy have fueled the popular resentment against "big government" that the Reagan Administration has so richly exploited. One pictures bureaucrats as slothful and ineffectual—wasting tax dollars through a propensity to dole out money for research on the sex lives of butterflies. The other sees bureaucrats as all too zealous about what they do—diligently seeking new ways to oppress citizens with onerous requirements for the design of workplace ladders and the installation of wheelchair ramps in every public building . . .

There is, of course, an implicit contradiction between these two views. The blast against bureaucratic laziness is part of the "waste, fraud and abuse" charge leveled at Washington that includes such other complaints as cheating by welfare recipients. On the whole it is the less radical critique: It does not necessarily question Federal purposes, only their misuse by some citizens and the competence of government workers. The alternative lament, dubbed the "getting government off our backs" approach, is more an ideological assault against the very notion that government has an active role to play in society. This reflects the President's expressed philosophy, but the Reagan camp has not hesitated to take advantage of both sentiments in pursuit of its desire to reduce the Federal presence.

Perhaps it suspects, as I do, that the incompetence of public servants gets most Americans angrier than the fact of their existence. Analyzing survey data about attitudes toward taxes and government (in connection with the passage of Proposition 13 in California), Seymour Martin Lipset has pointed out that the bulk of the voters favored both lower taxes and the continuation of most important domestic programs. They saw no inconsistency because they believed that high levels of bureaucratic waste made it possible to significantly cut budgets while retaining services. Between 1964–80 the percentage of Americans who said they believe the Washington bureaucracy wastes "a lot" of tax dollars jumped from under half to an overwhelming 78 percent. During the same period, the percentage agreeing that "government is run by people who don't know what they're doing" rose dramatically from just over one-fifth to 63 percent.

As a candidate, Ronald Reagan appealed to this feeling when he stated that essential programs would be maintained without additional sacrifices by pruning away "waste, fraud and abuse." It is a matter of historical record that campaign-vintage supply-siders also repeatedly claimed taxes could be sharply reduced without any budget cuts, because the Laffer effect would bring in greater revenues at the lower rates. Only after Reagan's election and the emergence of Office of Management and Budget Director David A. Stockman did the reality of large cuts appear.

"Getting government off our backs" appeals most to traditionally Republican constituencies. Although the abstract slogan undoubtedly sounds attractive to many Americans, no majority support existed for its specific content until very recently. As late as 1979, opinion surveys found Americans were about evenly divided on the essence of the issue, with 48 percent favoring the same or more Federal regulation of business and 47 percent favoring less. In 1980 the figures did swing to a 54-38 percent majority for reducing regulation. Yet this is new, and there is still evidence of strong public approval for strictly regulating the environment and workplace safety, two of the biggest sources of Republican "off our backs" hostility.

In any event, since he assumed the Presidency, Reagan's policies have been aimed more at meeting the concern of those who consider the government overbearing than at coping with the inefficiency that seems to trouble most Americans. Much of the budget cutting, whatever else one might say about it, is not directed at what the average citizen has in mind when he thinks of waste or fraud or abuse. The promised "regulatory relief" is an unambiguous ideological bow. Even the Reagan tax program, as communicated by the Great Communicator himself, took on a distinctly "off our backs" ring with his talk of letting people decide how to spend their money instead of having Washington make the decision for them.

But the dilemma facing Reaganism in terms of the management of the Executive Branch is that efforts to minimize the importance of the Federal bureaucracy are likely to increase laziness and incompetence where the government must continue to function. The reasons for this are simple. First, in a hostile atmosphere most domestic policy agencies lose many of their best people, while much of the dead weight is left in place. Second, bad-mouthing the bureaucracy severely damages attempts to instill Federal employees with a sense of mission, a vital element in promoting dedicated performance. And these problems are exacerbated by the reductions in force many agencies are experiencing, by pay hikes being held to less than half the inflation rate, as well as by retaining ceilings on salaries for top career managers (at about $50,000 a year) so that many of them have received no raises for several years.

Why, after all, do people go to work for the government? To begin with, many idiosyncratic factors that would apply anywhere are involved, ranging from the chance recommendation of a friend to commuting convenience. Blacks and women have been said to seek govèrnment jobs because they believe there is less discrimination in the public than in the private sector. Others are thought to be attracted by the power inherent in the ability to make or influence decisions that take on the force of law. Still others, preferring to avoid the vicissitudes of the private job market, have been drawn by the relatively superior job security of government. Then there is the age-old bane of the Civil Service: To the extent that the pay and/or chances for advancement are not on a level with private business, government tends to be the refuge, everything else being equal, of the less able.

Be that as it may, things have not been equal since the establishment of the Great Society in the mid-'60s, and of the environmental, consumer protection and safety/health regulatory programs in the early '70s. In fact, I think that just as the potential for making America a better place inspired bright, idealistic people to take up mid-level career positions in Washington during the New Deal, a significant number of the past decade's bureaucrats have chosen their jobs out of a commitment to the substantive goals of their departments. Especially over the last few years as economic stress has limited the possibilities for contributing to the shaping of our society, Washington has become attractive to younger managers loath to join the corporate world, an appealing alternative to working for a poverty law center in a migrant labor camp or as a freelance writer.

My evidence for this phenomenon is admittedly impressionistic. I am thinking of those I know personally or have interviewed in the course of various research projects who work in government. I am comparing, too, the motivations of students at Harvard Law School on the one hand, and the Kennedy School of Government at Harvard on the other. What matters here is the intuitive plausibility of my hypothesis: Support for a program draws the aggressive and dedicated, and probably a good number of the intelligent and talented, into the public sector. Where other systematic factors relating to the nature of government employment may produce a poor quality of civil servant, in other words, this factor tends to significantly raise the quality.

That many domestic policy agencies today have devoted employees has not escaped notice. Some neoconservative writers, particularly Irving Kristol, have emphasized the increasing affinity of educated people of liberal persuasion—the so-called "new class"—for public work. Kristol sees something sinister in this: Such individuals become the main constituency for government activism out of self-interest. But it is obscure to me why those pursuing government jobs compatible with their inclination to do good are subject to question, while those entering the private sector to satisfy their inclination to make money raise no comment. Indeed, I would suggest that the availability of jobs that allow individuals to work without doing violence to their convictions, liberal or conservative, is a healthy social underpinning for political pluralism. Certainly managers in any organization, public or private, will welcome the availability of people who work hard and care about what they do.

Reaganism's ideological assault on government, in contrast, deals a direct blow to bureaucrats who believe in the programs they are a part of. Those still holding office are likely to either languish in inner exile or leave as quickly as the job market allows. Nor is it probable that they will be replaced by enthusiastic junior level personnel. Instead, the dead weights and the indifferent will listlessly carry on, and the Civil Service will thus gradually become more freighted down with time-servers.

It might be objected that there are determined and bright conservatives, and that this Administration could bring them in to replace the committed liberals. The problem is, by and large intelligent conservatives have demonstrated little desire to work in the middle echelons of bureaucracy. Most of them find the private sector not only more remunerative but more congenial.

True, the Administration has had little trouble persuading fine conservatives to head Federal agencies. Yet recruiting for top posts has never been, and is not ever likely to be, a chore: the power of the positions guarantees that. In lower levels of career Civil Service, though, the Reaganites face big difficulties getting good people who share their views—with the important exceptions of defense and foreign policy. (Perhaps these anomalies are attributable to the higher status of the State Department and the national security agencies, a prestige historically validated by distinguished members of the nation's old-family elite serving in them. In any case, my argument here is confined to domestic agencies.)

The impact of Reaganism's negative attitude toward the bureaucracy on the management of government deserves separate consideration. Encouraging a feeling of purpose among employees improves performance much the way hiring persons already deeply convinced of an organization's value does. The difference is the source and timing of the commitment. Groupwide fervor can grow out of the working environment, too, it is not necessarily something recruits must arrive with. Managers typically view sparking this sort of dedication as a critical aspect of leading effectively, for the greater the proportion of eager employees, the easier it is to accomplish assigned tasks.

Instilling a sense of mission also plays a role beyond giving the initially apathetic—frequently the majority—ardor approaching that of the previously persuaded. It reinforces the enthusiastic, assuring them that their first impressions of the organization were correct and maintaining esprit against the effects of entropy.

The most fashionable current example of this—no less valid for its fashionableness—is the experience of Japanese industry. As observers of Japanese firms have noted, the various steps taken to foster worker identification with, say, Mitsubishi or Honda (everything from company songs to lifetime employment) contribute mightily to the country's industrial success. Or to choose a precedent closer to home, in his classic study of the United States Forest Service, Herbert Kaufman showed how morale-building devices—from training in the philosophy of the organization to (believe it or not) distinctive uniforms—helped account for the good performance of forest rangers.

Given the way the Civil Service System functions, convincing employees to look upon their jobs as a vocation is especially crucial. Measures that businessmen use to motivate workers, such as the carrots of large bonuses and rapid promotion or the stick of dismissal, are rarely feasible for government managers. Moreover, the frequently greater difficulty of gauging the results of government actions in "bottom line" profit and loss terms complicates matters: It is harder for managers to know whether subordinates are performing well.

But the same ideological assault that hurts Washington's ability to keep or attract dedicated people discourages a sense of pride and diminishes drive. When bureaucrats who have come to believe that their responsibility is to succor the downtrodden and right injustice are blasted for placing a venal government on people's backs, morale drops and performance suffers.

Some may protest that, the bleeding hearts notwithstanding, Reagan-era agencies have their own missions to motivate them. The Administration stated early on, for instance, that it was looking for individuals "meaner than a junkyard dog" to be Inspectors General in Cabinet departments. Perhaps fanatical cost-cutting could really replace do-gooding; perhaps with the Reagan stress on dismantling programs that hamper freedom (or, even more horrible, hurt the economy), managers and managed will glory in battering down the Washington-imposed barriers to America's new beginning.

That is surely possible, yet very doubtful. Bureaucrats will have a hard time working up enthusiasm for a battle against Federal waste that is to a large extent directed at cutting back their incomes, reducing their benefits and in many cases laying them off. It may be difficult as well to enlist crusaders to free the American spirit from the shackles of government out of the very ranks that imposed the "shackles."

The unavoidable conclusion, in sum, is that Reaganism's onslaught against the bureaucracy can only hinder any effort to eliminate the waste, fraud and abuse that constitute the most widespread beef against "big government." The attack is likely to nurture indolence and incompetence by decreasing the proportion of able, eager people in career Civil Service positions, and by undercutting the ability of government agencies to instill the requisite sense of mission.

It is difficult to sound the alarm about the effects of Reaganism on managing the government. Most Americans seem to have such a low opinion of civil servants that they would be skeptical whether performance could be any worse than it already is. I think those who have had intimate experience with the bureaucracy, though, would agree that the popular view is highly exaggerated. In a number of interviews after arriving in Washington, for example, Secretary of the Treasury Donald T. Regan noted that one of his greatest surprises was the dedication and intelligence of the top career people at Treasury.

In addition to the public's skepticism, the results of declining competence and demoralization are likely to be perceived only indirectly—as the environment gets even dirtier than the Administration would want to allow, consumers are less protected, the poor become more desperate. Conceivably, corruption scandals among Federal regulatory officials or inspectors could occur and be noticed, yet the public might not appreciate just how uncommon scandals of that kind among Federal civil servants have been in the past.

Further, my own entire line of criticism may be dismissed with the charge that it appears to be saying liberal domestic policies must be followed for government to have any chance of being well managed. To be sure, the Reagan conception of government at its most extreme does not embrace the concerns I have presented. In January 1976 the New York Times quoted Ronald Reagan as declaring, "I've always thought that the best thing government can do is nothing." In the light of that opinion, how the government performs its functions hardly matters, since the government shouldn't have any functions to perform. An agency with zero appropriations can't get on the backs of the people, much less wallow in waste, fraud and abuse.

But the reality is that the President has not yet proposed the total elimination of the social welfare or regulatory functions of government. Apparently there is a consensus among most of his political associates that some level of regulatory effort in pollution control, safety and health regualtion and social welfare is desirable. On top of that, the Administration needs efficient people to provide facts and figures and arguments to meet the judicial and political challenges to its deregulatory and antiredistributive initiatives.

Granted, liberals have a far broader agenda for government and consequently a greater interest in seeing it managed effectively. And the damage that Reaganism can do to the Civil Service by driving out the good people and leaving the system in the hands of the time-servers is long term. But even Reaganites should be concerned about the competent performance of the domestic policy functions of government that they agree need to be carried out. It is therefore not only liberals who have to worry that the present ideological assault on the bureaucracy will make government worse. It is a problem for the Reagan Administration as well.●

BREZHNEV LIKES THE FREEZE AND SALT II: SHOULD ANYONE BE SURPRISED?

● Mr. GARN. Mr. President, whatever the Soviets may be, they are certainly not dumb. They sought vigorously to exploit public pressure in Western Europe concerning the NATO theater nuclear modernization program in order to divide and weaken the alliance. Only the bold "zero option" arms control proposal of President Reagan was able to stem the tide of this public pressure and diminish Soviet opportunities for political exploitation.

Now we see that President Brezhnev is attempting to capitalize on the nuclear arms control debate in this country in order to solidify the Soviet position of nuclear superiority and pressure the United States into a disadvantageous arms control agreement. The Soviets are, in effect, picking up on the latest currents of American political life by weaving both the threads of SALT II and the nuclear freeze into the fabric of their response to President Reagan's proposal for arms reductions. This should come as no surprise, since it was the partisan U.S. political attacks against the President's proposal that formed the basis of the initial Soviet commentary against the plan outlined during President Reagan's commencement address at Eureka College.

The Soviets would like to preserve the basic elements of SALT II and use this agreement for the basis upon which to negotiate a START agreement. The Soviets recognize the wisdom of the Senate Armed Services Committee's judgment that SALT II, as submitted by President Carter, was not in the national security interest of the United States. The Soviets can be expected to do all in their power to preserve the inequities and verification loopholes that were embodied in the SALT II accord.

Moving beyond the calls heard for ratification of SALT II, however, the Soviets also hope to exploit the nuclear freeze movement. There are few things that would suit the Soviets better than to see the Reagan strategic force modernization program frozen while the negoations for START are in progress. This would remove much of the U.S. bargaining leverage and leave the Soviets in the enviable position to dictate its terms to the U.S. negotiators while relying on the pressure of public opinion to force this country to accept an agreement, whatever its flaws, merely for the purpose of achieving a "successful" conclusion to the negotiations. A nuclear freeze, whatever the variation that is preferred, does fundamental damage to our negotiation position in the INF talks and the START negotiations.

The Soviets understand one thing, this is, the reality, not the rhetoric of strength. SALT II and the nuclear freeze represent a deadly combination which will leave the United States with little more than the rhetoric of strength, while draining us of the substance of strength we will need to negotiate reductions in the nuclear arsenals of both superpowers.

Mr. President, a recent editorial commentary by Mr. Seymour Weiss entitled, "The Current Debate Over Nuclear Arms," candidly addresses itself to the difficult challenge we face in the years ahead. Mr. Weiss notes that:

> There is no chance, absolutely none, that arms limitation will solve our problem in the forseeable future.

Certainly, he is correct in reminding us that arms alone is not the panacea for our national security problems. He then goes on to point out that:

> They (the Soviets) will not negotiate equitable arms reduction agreements until convinced that they face an America determined to make the sacrifices necessary to re-establish its military power. That is why the anti-nuclear clamour plays right into the Soviets' hands.
>
> Why should they enter into serious negotiations when there are good prospects that the U.S. will eventually accept military inferiority?

Mr. President, I conclude that Mr. Weiss has reminded us all that there are no easy solutions to the security challenges before us. We should take heed of his words and act accordingly. I now ask that the article from the Wall Street Journal by Mr. Weiss be printed in the RECORD.

The article follows:

[From the Wall Street Journal, April 20, 1982]

THE CURRENT DEBATE OVER NUCLEAR ARMS

(By Seymour Weiss)

A plea was made recently on this page for a more temperate and reasoned approach to the debate of major foreign policy issues. The current emotional outpouring over nuclear weapons illustrates the point. It puts one in mind of Rousseau's plea at the outset of his Discourse on the Origins of Inequality: "Let us begin, then, by laying facts aside, as they do not affect the question. . . ."

Thus, some 40 Catholic bishops have criticized U.S. policy on nuclear weapons and the president of the hierarchy has stated that the church "needs to say 'no' clearly and decisively to the use of nuclear weapons." Clergy of other faiths have taken similar positions. What might be the consequences of adopting such a position? Some relevant considerations follow.

First, whatever impact anti-nuclear advocates have in our own society, it is clear that such protests will have no comparable impact in Moscow. Unilateral U.S. constraints on nuclear weapons would recieve a warm welcome in Moscow, since they would solidify the advantage in such weaponry the Soviets have worked so diligently for. There should be no illusions however; there will be no reciprocity from the Russians if we propose equal arms levels.

Second, to the rejoinder that the so-called Soviet nuclear advantage is ephemeral, one must answer that the opposite is true. At one point, no less an authority than Henry Kissinger asked while in Moscow in July 1974, "What in the name of God is strategic superiority?" claiming it had no political significance. He should have known better, and by 1979 he did. Mr. Kissinger recognized then that for the U.S. to concede superiority to the Soviets "must tempt a political disaster."

It is popular now to say that nuclear weapons have no practical use, that "advantages" in such weapons are meaningless. Nuclear weapons have, in fact, been "used" for three decades to keep the peace and help deter Soviet adventurism.

U.S. NEEDS EDGE OVER SOVIETS

In every major political confrontation, from Berlin in the early 1960s, through the 1973 Middle East war, U.S. nuclear superiority cast a major shadow of restraint on potential Soviet aggression. One of the most powerful signals of our serious intent has been for U.S. policymakers to order our nuclear forces to a higher state of alert as a crisis deepened. Up until now the Soviets have gotten the message. Would they believe such an implicit threat in the future if the U.S. is manifestly inferior in nuclear weaponry or has said, "clearly 'no' to the use of nuclear weapons"? It seems unlikely.

Third, if nuclear weapons have been "used" effectively in this political sense—to deter aggression—do they, as some assert, lose utility once deterrence fails? Much would depend on how they are used in war and the relative state of preparedness of the major combatants.

Some of course simply refuse to think about the contingency, as if that might make it disappear. But suppose it does not disappear. Curiously, some nuclear strategists who tend to support the anti-nuclear movement embrace the notion that if nuclear weapons are ever used, they should be used against cities. The immorality of killing tens of millions of civilian men, women and children seems not to trouble them. The fact that in return for such an attack even larger numbers of American men, women and children would be killed, seems equally unimportant. Surely there must be a wiser strategic doctrine, one more in keeping with U.S. interests.

Fourth, this adherence to a strategy relying on the attack of Soviet cities is explained by the belief that the threat of such an attack will deter war. However, given the consequences of such an attack, i.e. comparable destruction in the U.S., it is hard to imagine such an attack ever being initiated by the U.S. Its use as a threat is diminished. A military threat that we dare not carry out is unlikely to deter the Soviets.

Fifth, if we are to abandon reliance on nuclear weapons for our defense and for the defense of our allies, how will we defend ourselves? One frequent answer is through a buildup of our conventional military forces. This is a splendid idea on its merits. But a military capability sufficient to offset the massive Soviet capability will make the concern today over the cost of the defense budget pale by comparison.

Our strategic nuclear capabilities have traditionally absorbed 9% to 15% of our defense budget. The big dollar items are in conventional forces. How many Senators who support the anti-nuclear movement would vote for huge defense-spending increases, above the levels proposed by President Reagan?

Sixth, suppose the U.S. unilaterally decides to reduce its nuclear capabilities? One consequence would be an acceleration of world-wide nuclear proliferation. Our nuclear commitments to friendly powers induce them not to undertake their own nuclear weapons programs on the not unreasonable assumption that a nuclear proliferated world would be more dangerous for all of us. Some nuclear proliferation has nonetheless occurred, and it's probable more will take place. Surely it would be unfortunate if a growing lack of confidence in U.S. commitments to others ironically increased the pace of nuclear proliferation.

Finally, even if the U.S. said "no" to the use of nuclear weapons, what would that avail us? Such simple alternatives are not feasible if for no other reason than the existence of huge Soviet inventories and Soviet doctrine, which embraces their use in war.

Unless one simply opts for the "better Red than dead" approach, are there things we can do to defend U.S. interests? There are, though none is easy or guarantees results:

We have to rebuild our military posture, conventional and nuclear. This will be very costly, possibly as much as 14% annually of our GNP to the end of the decade. Too expensive? It depends what value one places on freedom.

We have to adopt realistic strategic concepts. Distasteful and indeed dangerous as it may be, we will need a strategy with a wide range of nuclear options and which can be typified, not unfairly, as involving nuclear war-fighting. Our nuclear policy has been moving in precisely such a direction for more than a decade. This was at the heart of Defense Secretary James Schlesinger's flexible-response strategy, reconfirmed with modest modifications in President Carter's P.D. 59 strategy. There is every reason to believe the Reagan administration would abandon this trend.

Finally, there's the question of arms control. Here what must be said must be said candidly. There is no chance, absolutely none, that arms limitations will solve our problem in the forseeable future. The momentary enthusiasm generated by President Reagan's "zero option" proposal (applied to certain European-based systems) has what the nuclear physicists term a short "half-life."

U.S.S.R. WON'T ALLOW VERIFICATION

Senators Kennedy and Hatfield are already calling for a freeze that would essentially vitiate the zero-option proposal. Senators Jackson and Warner have sponsored a bipartisan proposal of their own calling for negotiations looking toward a "verifiable nuclear forces freeze *at equal and sharply reduced levels of forces.*" (Emphasis added.) This proposal is surely on the right track. President Reagan has already endorsed the concept and his administration is likely to offer a proposal meeting these criteria. Unfortunately, such a proposal hasn't a chance of being accepted by the Soviets.

It is worth remembering that President Carter proposed deep arms cuts in 1977. The Soviets flatly rejected the notion. They will do so again if President Reagan proposes such cuts. What the anti-nuclear, pro-arms control advocates do not understand, or cannot bring themselves to believe, is that the Soviets will not accept equitable, verifiable arms control.

They will not enter into arms limitation agreements stripping them of hard-won military advantages which they see as necessary to advancing their political objectives. They will not negotiate equitable arms reduction agreements until convinced that they face an America determined to make the sacrifices necessary to re-establish its military power. That is why the anti-nuclear clamor plays right into the Soviets' hands. Why should they enter into serious negotiations when there are good prospects that the U.S. will eventually accept military inferiority?

The lesson is clear. If we react emotionally to tough, complicated security policy issues such as how best to handle nuclear weapons we are fated to make decisions "laying facts aside." Such decisions are not likely to serve the national interest.

(Mr. Weiss, a former ambassador and director of the State Department bureau of political-military affairs, is a Washington consultant on national security.)●

MANAGEMENT OF THE PUBLIC LANDS

● Mr. JACKSON. Mr. President, in recent years, the wisdom of Federal management of the public lands has been sharply questioned. Competition for use of the public lands has intensified, and conflicting proposals for use of the public lands have become commonplace.

The public lands of the United States belong to all Americans. The Federal Government must manage this national treasure wisely. During the past decade, the Congress has provided the statutory framework for balanced Federal land management. Notwithstanding the continued stridency of many of the special interests involved in the debate over public land management, the Federal Government now has the tools to insure a management scheme that balances the interest of all users of Federal lands and guarantees the protection of those lands for use by future generations.

An article published in the spring 1982 edition of the Cornell Executive, written by D. Michael Harvey, chief counsel for the minority of the Senate Committee on Energy and Natural Resources, carefully examines the issues surrounding the management of the public lands. The existing statutory framework set forth in the Federal Land Policy and Management Act of 1976 (FLPMA) provides the Federal Government with the ability to insure a balanced approach to the management of public lands. As Mr. Harvey notes:

> Both preservationists and developers have ignored the central issue: our survival does not depend simply on preservation or development; it depends on both. The FLPMA takes into account that both are necessary.

To achieve the necessary balance, all those with an interest in the management and use of the public lands must work together, avoiding rhetoric and the resultant polarization. Mr. Harvey concludes that:

> All interested parties must be willing to enter into dialogue, not diatribe. We need reasoned responses, not knee-jerk reactions; cooperation, not confrontation or litigation. All must be willing to work within the FLPMA process to argue and then to resolve their differences. To ignore them is to invite suspicion, stridency, and eventual stalemate.

Mr. President, I ask that Mr. Harvey's excellent analysis of these issues be printed in full in the CONGRESSIONAL RECORD. I believe that Mr. Harvey's insights on this matter should be instructive to my colleagues and to all Americans concerned about the future uses of the public lands.

The article follows:

[From the Cornell Executive, spring 1982]

UNCLE SAM'S ACRES

(By D. Michael Harvey)

The public lands of the United States have always been the arena in which we Americans have struggled to fulfill our dreams. Even today dreams of wealth, adventure, and escape are acted out on these farflung lands. These lands and the dreams they foster are a part of our national heritage. What we do with them tells a great deal about what we are, what we care for, and what is to become of us.

As a nation, we once owned nearly two billion acres of public lands. In the course of our national expansion and development, the federal government sold or gave some public lands to the states and their counties and municipalities, to educational institutions, and to private citizens and industries. Other lands were set aside for national parks, forests, and wildlife refuges, and for military installations.

About 350 million acres remain as public lands—one-fifth of our nation's land area. A little over half of these acres are in Alaska. The other 174 million acres are almost entirely in the eleven western states. Public lands are owned by all citizens and managed by the Secretary of the Interior through the Bureau of Land Management (BLM).

Few areas of the country are so vast, so rich, and so poorly understood as the public lands. Few Americans understand that they own all this land, or know where it is, what it is worth, who is in charge, or why it is managed the way it is.

Although they are rarely recognized as such, many of our most pressing domestic problems—using natural resources (oil, gas, coal, timber, water), developing power plants and pipelines, disposing of nuclear wastes, deploying MX missiles, preserving the quality of our open public spaces—require decisions about the use of public lands.

Until recently, the public lands were called "the lands nobody wanted." But those days are over. The competition for the use of these lands is intense and growing; given what is at stake, that is no surprise.

Public lands contain an estimated 25 percent of the nation's oil and gas resources, 50 percent of our coal, 80 percent of our oil shale, 50 percent of the uranium, and 50 percent of the geothermal energy deposits. Management of these public resources is arguably the federal government's most important responsibility in the realm of energy.

Public lands contain an enormous storehouse of the nation's nonenergy mineral deposits, and they include some of the world's principal sources of berylium, molybdenite, antimony, phosphate, and potash.

Four percent of the nation's beef cattle and 38 percent of its sheep graze on the public lands at some point during their lives.

About 1.2 billion board feet of timber—enough to build 86,000 three—bedroom houses—are harvested annually from the public lands.

Each year, nearly 200 million people visit hundreds of unique recreational areas on the public lands.

The public lands are home to one out of every five of the big game animals in the United States—including most of the caribou, brown bears and grizzly bears, and desert bighorn sheep, 50 percent of the moose, 65 percent of the mule deer, and 45 percent of the antelope. No single federal or state agency manages more wildlife habitats than does the BLM.

In the past, these lands were used predominantly by western livestock operators and mining companies. These users had few rules and competed little. Recently, however, people have begun to realize that these lands are important. The increasing scarcity of basic commodities, the rapid shift of the nation's urbanized demographic center to the West and South, and a growing appreciation of environmental quality have increased pressures to use these lands for competing purposes such as energy production, urban growth, recreation, wildlife management, and wilderness preservation. More people now feel they have a stake in, and something to say about, how the public lands are managed.

It is not so much that the rules of the game have changed as it is that there are many new players. There are new definitions of the public interest, new constituencies to be served, and new claims on the resources of the public lands.

Congress has led the way in recognizing the new demands, values, and attitudes. During the 1970s, it enacted a number of laws that affected public land management. These laws required environmental impact analyses; changed policies for the leasing of land for oil, gas, and coal mining; regulated surface mining of coal; protected endangered species; designated public lands in Alaska as parks or other conservation units; and required the improvement of public rangelands.

The most important and sweeping of these laws is the Federal Land Policy and Management Act (FLPMA), passed in 1976. This act replaced over 2,500 separate laws and was the first definitive, comprehensive statement of policy regarding public-land management. It formally denied the longstanding view that the public domain lands would eventually be disposed of; it mandated that the lands be retained in federal ownership for the benefit of the entire nation.

FLPMA established the policy that the public lands are to be managed under principles of multiple use and sustained yield. It expressly recognized that the many and varied resources of the public lands are important but not limitless, and that they require balanced use before we can realize their many potential benefits.

This act did not specify which uses would be allowed on which areas. Rather, it set out a process to be used to reach land-use decisions, and it established general principles to be followed in those decisions. These principles include relying on resources inventories and on plans made with broad public participation; protecting the environment to the maximum possible extent, with users paying for prevention or minimization of damage; charging the fair market value for private use of public resources; and cooperating closely with state and local governments.

During the six years that Congress was considering FLPMA, these principles and the land-use planning process were accepted by both preservationists and developers. However, implementation of the new law by the Carter Administration started a fierce debate over the "choice" between preservation and development. Some developers though that President Carter's Secretary of the Interior, Cecil Andrus, had become a tool of "eastern environmental elitists" and had "locked up" the public lands. He had supposedly thereby frustrated industries' efforts both to decrease the nation's dependence on foreign resources and to provide lumber for housing.

Some environmental groups felt that plans for development were being allowed to move ahead without proper attention to the values of underdeveloped land. These groups cited the fact that 80 percent of the over 100 million acres of public land under oil and gas leases had not been explored. They cited the rapid expansion of production from federal coal leases. They alleged that overgrazing by domestic livestock was continuing. They charged that the still-operative 1872 Mining Law had failed to control environmental damage from mineral development.

Both preservationists and developers have ignored the central issue: our survival does not depend simply on preservation or development; it depends on both. The FLPMA takes into account that both are necessary.

More and more frequently these issues have been characterized as East versus West. The ultimate expression of this view is the "Sagebrush Rebellion." The goal of the Rebellion is legal transfer of public lands to the states. The Rebellion rose rapidly to national prominence, perhaps reaching its high point in late 1980, when Ronald Reagan said, "Count me in as a rebel," and James Watt said, "I am a sagebrush rebel."

The Rebellion has since waned considerably. There have been no hearings on the proposed legislation. Secretary Watt believes his "good neighbor" policy with state and local governments makes the transfer unnecessary. Any administration, particularly one interested in balancing the budget, would be loath to give up the large revenues from these lands. Perhaps both President Reagan and Secretary Watt now share the widely held view that the Rebellion is one last effort by livestock and mineral interests to keep effective control over the public lands in the face of new demands and new users. I think the Rebellion will ultimately be viewed as representing not the beginnings of a second American Revolution, but the last gasp of a passing era, an effort to turn back the clock to the days when competition among users of public lands was rare, when resources seemed inexhaustible, and when everyone believed in exploitation.

Where should we go from here? Congress wisely did not establish a policy requiring either pure development or pure preservation. It recognized the diversity of resources on public lands and the many, sometimes competing, demands for their use. Congress anticipated that professional public-land managers operating in the field would apply the FLPMA's policies and planning process to strike a balance among uses and users.

It has been said that we do not inherit the land from our parents, we borrow it from our children. The private marketplace, for all its virtues, is not equipped to deal with long-term, virtually unquantifiable issues like protecting watersheds and preserving wilderness. How, then, can this elusive balance be achieved?

First, we must use the processes established by FLPMA for planning how to use the land. We need to make the hundreds of thousands of decisions that are required every year. These decisions must be based on knowledge both of the available resources and of the costs and benefits of alternative uses. All interests—including timber, mining, recreation, and wildlife, and also urban consumers, state and local governments, local industries, and neighboring landowners—must be represented. Once made, decisions should be carried out so that land users can make financial decisions as safely as possible. Most users are willing to take sometimes costly steps to minimize environmental damage resulting from their activities. They need to know the legal requirements and to believe that the requirements will be enforced reasonably and promptly.

Second, the Executive Branch and the Congress must actively support the FLPMA. This means providing adequate manpower and funding so that professional land managers can do their job properly. The current and proposed budget cuts, and low morale now so common, will lead only to decisions that are susceptible to delay and litigation.

A large portion of the budget for public lands consists of items that any responsible private business would treat as capital investments, not annual operating costs. It is time that the federal government do so too. A small portion of the annual income from these lands should be set aside as a capital-improvement fund for the public lands.

Third, in an era of reduced federal budgets and widespread desire to return power to the states, we should take full advantage of all the federal-state cooperative provisions of public-land policy. These include consistency between federal plans and state and local plans for land use; opportunities for state and local governments to acquire public lands needed for public purposes, frequently at little or no cost; and equal division of federal mineral-lease revenues between the federal government and the appropriate state. In 1982 these payments are estimated to be close to $500 million.

Fourth, and most important, we must reduce the polarization that has characterized much of the recent debate on public-land policy. Cecil Andrus called traditional users of public land the "rape, ruin, and run boys." James Watt has referred to "toadstool worshippers" and "environmental extremists" who are always selfish and usually easterners. These and other colorful statements may make good press, but they do not help to make good decisions about public-land use.

We all must recognize that Congress did not side with any group of users in establishing FLPMA. It took the middle ground, not just out of political expediency but out of recognition of reality. Public land issues are never simply development versus preservation, East versus West, urban versus rural, or federal versus state.

All interested parties must be willing to enter into dialogue, not diatribe. We need reasoned responses, not knee-jerk reactions; cooperation, not confrontation or litigation. All must be willing to work within the FLPMA process to argue and then to resolve their differences. To ignore them is to invite suspicion, stridency, and eventual stalemate.●

PROPOSED ARMS SALES

● Mr. PERCY. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $50 million or, in the case of major defense equipment as defined in the act, those in excess of $14 million. Upon such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of a proposed sale shall be sent to the chairman of the Foreign Relations Committee.

In keeping with my intention to see that such information is available to the full Senate, I ask to have printed in the RECORD at this point a notification which has been received.

The notification follows:

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., May 14, 1982.

Hon. CHARLES H. PERCY,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 82-54 and under separate cover the classified annex thereto. This Transmittal concerns the Department of the Navy's proposed Letter of Offer to Greece for defense article and services estimated to cost $32 million. Shortly after this letter is delivered to your office, we plan to notify the news media of the unclassified portion of this Transmittal.

You will also find attached a certification as required by Section 620C(d) of the Foreign Assistance Act of 1961, as amended, that this action is consistent with Section 620C(D) of that statute.

Sincerely,

WALTER B. LIGON,
Acting Director,
Defense Security Assistance Agency.

TRANSMITTAL NO. 82-54

Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b) of the Arms Export Control Act

(i) Prospective purchaser: Greece.

(ii) Total estimated value:

	Millions
Major defense equipment [1]	$30
Other	2
Total	32

[1] As defined in Section 47(6) of the Arms Export Control Act.

(iii) Description of articles or services offered: Thirty-two RGM-84A-3 HARPOON missiles.

(iv) Military department: Navy (AJF).

(v) Sales commission, fee, etc., paid, offered, or agreed to be paid: None.

(vi) Sensitivity of technology contained in the defense articles or defense services proposed to be sold: See Annex under separate cover.

(vii) Section 28 report: Included in report for quarter ending December 31, 1981.

(viii) Date Report Delivered to Congress: May 14, 1982.

POLICY JUSTIFICATION

GREECE—HARPOON MISSILES

The Government of Greece has requested the purchase of 32 RGM-84A-3 HARPOON missiles at an estimasted cost of $32 million.

This sale will contribute to the foreign policy and national security objectives of the United States by improving the military capabilities of Greece in fulfillment of its NATO obligations; furthering NATO rationalization, standardization, and interoperability; and enhancing the defense of the Western Alliance.

The Hellenic Navy will install these HARPOON missiles on its ships as a surface-to-surface anti-ship missile for additional defense against surface targets. These defense articles will be furnished in accordance with, and subject to, the limitations on use and transer provided for under the Arms Export Control Act, as embodied in the terms of sale. The sale will not affect the military balance in the region or our efforts for a peaceful settlement of the Cyprus question.

The prime contractor will be the McDonnell Douglas Astronautics Company of St. Louis, Missouri.

Implementation of this sale will not require the assignment of any additional U.S. Government or contractor personnel to Greece.

There will be no adverse impact on U.S. defense readiness as a result of this sale.

UNDER SECRETARY OF STATE,
Washington, April 20, 1982.

Pursuant to section 620C(d) of the Foreign Assistance Act of 1961, as amended (the Act), and the authority vested in me by Department of State Delegation of Authority No. 145, I hereby certify that the provision to Greece of 32 HARPOON missiles is consistent with the principles contained in section 620C(b) of the Act.

This certification will be made part of the certification to the Congress under section 36(b) of the Arms Export Control Act regarding the proposed sale of the above-named articles and is based on the justification accompanying said certification, and of which such justification constitutes a full explanation.

JAMES L. BUCKLEY.

EXPORT TRADING COMPANIES

● Mr. TSONGAS. Mr. President, we are all increasingly aware of the threat to our long-term economic prosperity posed by mounting trade challenges from abroad. We are losing important markets to the effective export policies and practices of countries like Japan. We need to respond to these challenges.

I would like to share with all of my colleagues some remarks I made before the House Committee on Banking, Finance and Urban Affairs this morning on the need for export trading companies. These companies can be an effective tool in encouraging U.S. exports and opening up foreign markets.

I argue that the quickness with which we complete legislative action creating strengthened export trading companies is a litmus test of our competitiveness in international markets. The longer we delay, the further behind we may fall.

The remarks follow:

TESTIMONY OF SENATOR PAUL TSONGAS

Mr. Chairman and Members of the Committee, it is a special pleasure to testify before you today on the merits of H.R. 6016, the Bank Export Services Act, introduced

by Chairman St Germain and cosponsored by thirteen members of this subcommittee. We have been barraged in recent months by dismal economic news—by weak projections for our own economy, and the mounting trade challenges from competition abroad. Foreign observers have rightly questioned whether we have the wherewithal to cope with these difficult economic realities.

The leadership Chairman St Germain and the members of this committee have provided in moving this bill forward, evidence that as a nation we are willing and able to meet the challenges of international trade competition head on. There is nothing Japanese business would like better than to watch endless U.S. debate on the merits of export trading companies. While we debate, their giant trading companies like Mitsubishi and Mitsui will comtinue to sell billions of dollars worth of goods, expanding their gigantic world-wide trading network—at our expense.

In authoring H.R. 6016, this committee and its chairman have demonstrated that regaining our competitive edge in international markets is too important an issue to become bogged down in ideological discussion or partisan politics.

Export trading companies can be a tremendous boon to U.S. competitiveness. Chase Econometrics estimates that U.S. exports could increase by $100 billion over the next eight years should the bill before this committee become law. In other words, we may increase our export sales by almost 10% by giving ourselves the same authority to engage in export trading practices already enjoyed by our competitors. The Export Trading Company Task Force of the New England Institute has estimated that in New England alone, this legislation may generate $500 million in export sales, and create as many as 15,000 jobs.

Thanks to the Chairman and the members of this committee, this measure enjoys truly remarkable broad-based support. Bipartisanship has been the hallmark of export trading company legislation. This committee has continued that tradition. H.R. 6016 has the support of Democrats and Republicans alike. The testimony received by this committee on April 22nd demonstrates the widespread support this measure enjoys all over New England. Further, consponsors of H.R. 6016 come from 19 states, demonstrating the nationwide interest in sharing the benefits of export trading companies.

As one of the regional cosponsors of the Senate legislation, I must admit a preference for some of the features of the Senate approach for the establishment of trading companies. As the committee continues its work on this measure, I hope it will consider the following items:

Inclusion of other financial institutions in addition to bank holding companies and Edge Act companies as potential participants in trading company venture. Such authorization would expand the powers of the many regional institutions and thrifts, which I know are of particular interest to the committee and its chairman. Such expanded authorization will extend the benefits of this legislation even further to many smaller community and small business interests.

The ceilings on bank investments in export trading companies can be raised without endangering bank safety and soundness which the traditional separation of banking and commerce affords. In addition to a 5% equity interest, I believe additional lending authority up to 5% of the bank's capital surplus is desirable.

To avoid unintended restrictions on the effectiveness of trading companies, it would be advantageous to require that they engage principally in export activities rather than exclusively in such activities. Confining operations exclusively to export would diminish the effectiveness and thereby the long-term competitiveness of trading companies.

To guarantee that export trading companies have the ability to meet special requirements of foreign markets, the limitation on manufacturing activities should, in my opinion, be changed to allow for limited product modification, packaging, and provision of special instructions.

Finally, I would like to thank the chairman and this committee for its expeditious consideration of this legislation. It is a litmus test of our competitiveness. It proves we can and will respond to our new economic challenges.●

NEW BILL WORSE THAN THE ORIGINAL

● Mr. HARRY F. BYRD, JR. Mr. President, the Judiciary Committee recently approved a so-called compromise bill which would extend enforcement provisions of the Voting Rights Act of 1965 another 25 years.

Thus, the bill's punitive preclearance provision—which was intended to be a temporary remedy for alleged voting rights violations in mostly Southern States—will remain in effect until the year 2007.

Moreover, the compromise bill, as a recent editorial in the Richmond Times-Dispatch pointed out, makes matters worse by creating new opportunities for Federal interference in local elections. The editorial refers to the new language in section 2 which establishes the discriminatory results test in deciding court challenges of local election procedures.

I ask that the excellent Richmond Times-Dispatch editorial, "Making Matters Worse," be printed in the RECORD.

The editorial is as follows:

[Editorial]

MAKING MATTERS WORSE

Many Americans were encouraged by the results of the 1980 national elections to hope that the federal Voting Rights Act, an unnecessarily punitive law that falls most harshly upon the South, would be purged of its inequities. After all, one of the act's severest critics—Ronald Reagan—won the presidency and his Republican Party captured control of the Senate.

But in politics hopes do not always blossom into reality. Instead of changing the Voting Rights Act to make it less offensive, President Reagan and a majority of the Republicans on the Senate Judiciary Committee have embraced legislation that would make it far more objectionable. This bill not only would retain the act's anti-South "preclearance" provision but would add language that might give federal courts veto power over the structure of local governments throughout the country.

Under prevailing judicial interpretations of the Voting Rights Act, minorities can successfully-challenge the electoral process of a local government only by proving that it was designed intentionally to discriminate against them. The House of Representatives approved a change that would invalidate any system that had "discriminatory results," whether intended or not. Critics of this approach argued that it would lead to proportional representation, for minorities could successfully contend that their failure to control the number of councilmanic seats seemingly justified by their population was a discriminatory result.

Until recently, Mr. Reagan and Republican Senate leaders adamantly opposed the "results" test. But several days ago they crumbled. Republican Sen. Robert Dole of Kansas fashioned a "compromise" that coated this offensive provision with enough semantic syrup to make it palatable, and the president quickly swallowed it. The Dole compromise accepts the results test but provides that federal courts must consider "the totality of circumstances" in determining the validity of a representation system. A qualifier in the measure states that it is not intended to establish the right of a minority to proportional representation.

If this bill becomes law, it could turn local governments throughout the land over to federal judges. The legality of every local electoral system in the country might remain clouded until a federal court had examined the "totality of circumstances" and passed judgment on its validity. As a result, the local citizenry's voice in local governmental matters, already reduced to a whisper in Richmond and many other Southern communities, would fade throughout the land. Meanwhile, Virginia and the eight other states—mostly in the South—covered by the pre-clearance provision of the law would have to continue, for 25 years, to obtain the federal government's advance approval of any law or government action affecting political processes.

How did all this happen? What impelled President Reagan and his Republican colleagues to retreat from their promise to treat all sections of the country fairly and equally on this issue? Quite obviously, principle quaked in the presence of politics. Alarmed by complaints that the Reagan administration has been pursuing anti-black policies, the Republicans decided to placate black leaders by giving them a Voting Rights Act they would like.

And like it they do, as their effusive praise for the Dole compromise has shown. But the American people as a whole are likely to rue the day this bill becomes a law of the land.●

SOLVENCY OF THE SOCIAL SECURITY FUND

● Mr. ARMSTRONG. Mr. President, two brilliant editorials in the Washington Post and the Christian Science Monitor explain why Congress must face facts, and take action to insure the solvency of the social security system.

"In short, a combination of things could result in social security carrying on to meet the Nation's needs without undue strain. But finding the right combination means getting together on the matter rather than playing football with it," is the advice of the Christian Science Monitor.

"When all the politicking is done, Congress and the administration are going to put social security's financial house in order * * *" is the bottom line observation of the Washington Post.

In view of the timely advice offered, I encourage my colleagues to read the two editorials.

The editorials follow:

[From the Washington Post, May 12, 1982]

How to Fix Social Security

What should be done about Social Security's financial situation? You won't get much of an answer to that question from the current budget debate. The White House is backpedaling from an agreement it made with Senate Republicans last week to cut Social Security outlays by $40 billion over the next three years. House Republicans are toying with the idea of sidestepping the issue by pretending that Social Security isn't part of the federal budget. The Democrats, meanwhile, continue their ritual dance to ward off spirits that might compromise their favorite political issue.

None of this agonizing will dispel the fact that Social Security faces a financial squeeze as early as the middle of next year. Enough is known about the likely state of the economy to say that some time in 1983 the combined disability and retirement funds will have trouble maintaining their cash flow. Nor is there any prospect of swift improvement. A conservative forecast of economic conditions suggests that the combined trust funds could continue to fall more deeply into the red for several years.

Set aside the Medicare part of Social Security—it's in good shape for a few more years, though, without serious cost-containment efforts, it will fall into deep trouble thereafter. It appears that the retirement and disability funds need an infusion of about $12 billion a year over the next three years—not a large amount compared with the $580 billion in cash benefits that the system is expected to dispense over the same period. This would not produce any increase in the funds' relatively low current reserves—it would only keep them from further deterioration.

There are only two ways to get the needed money: raise payroll taxes—a bad idea—or curb growth in benefits. The best way to do the latter is to limit cost-of-living adjustments so that they no longer outrun increases in the wages that are taxed to pay for them. This method has an additional benefit: if the economy is unexpectedly strong, unneeded cutbacks will be avoided.

There is no justification for building up extra reserves in the trust funds to offset deficits elsewhere in the budget. This would amount to financing the defense buildup and the income tax cuts from a regressive payroll tax. But neither is it wise to let basic Social Security benefits become a drain on general revenues. One of the strengths—and major sources of protection—for Social Security is that it is self-financing.

When all the politicking is done, Congress and the administration are going to have to put Social Security's financial house in order—and that means reducing the growth in benefits by perhaps $10 billion to $15 billion a year.

[From the Christian Science Monitor]

That $40 Billion Sideshow

Saving social security is too important an issue in itself to become a politicians' sideshow in the budgetmaking process. Unless something is done, according to federal figures, there will be reserves for less than nine weeks of benefits by the end of 1983, or a mere 29 days by the end of 1985.

Something can be done—about this immediate problem as well as the long-range needs of a system facing statistics like this: the number of beneficiaries per 100 taxpaying workers will rise from last year's 31 to 50 by the year 2025 after the "baby boom" generation has retired.

But constructive action demands a bipartisan willingness to consider social security on its own rather than as a budgetary diversion. It started to become the latter when President Reagan and the Republican majority on the Senate Budget Committee called for $40 billion is social security savings without saying how. Then Democrats conveniently interpreted savings as heartless cuts in benefits and dropped budget-balancing for elephant-baiting. Then the President and his supporters had to deny they meant $40 billion in cuts, certainly not in present benefits.

Republican Senator Heinz went so far as to introduce a resolution removing the social security trust fund from the federal budget. A bold gesture. And perhaps not a vain one if it serves as a reminder that, whatever the condition of the rest of the budget, the future of social security is a kind of free-standing challenge that has to be addressed.

Mr. Reagan roused hopes early in his term when he bit a small social security bullet (reducing some benefits)—but quickly spit it out under political fire. Then he proposed the sort of bipartisan commission that could lift social security out of the realm of rhetoric. But its report was put off until after this fall's election. Think of how much more productive the current social security debate could be if that report had been delivered April 15, as congressional leaders once appeared to favor.

We have written before about the range of remedies the commission has to consider: taxing benefits assuming those wholly dependent on them would not reach a taxable income level raising the eligibility age; increasing payroll taxes calculating individual benefits according to individual contributions, with a floor for the needy provided from general revenues; financing the medicare portion from general revenues; switching to a welfare system funded by general revenues.

As for the immediate question of solvency raised by the Republicans $40 billion of savings over three years: this assumes that the present borrowing of one social security fund from another cannot continue indefinitely. There will have to be either higher payroll taxes restraint of future benefit increases, different eligibility requirements, new sources of financing, or some mixture of these. According to one calculation, a change of 3 percent in either taxes or benefits would reach half the goal.

In the long term, it has been projected that the system could operate without radical change if the combined employer-employee tax rate rose from the present 11 percent of taxable payroll for the pension portion of social security to 17 percent in the next century—still less than the 20 percent in some European countries now.

Are Americans prepared to pay this much to continue a humane and useful system? They at least need to be seriously offered the alternatives by their leaders.

And they should know of the potentially ameliorating factors in the outlook. Though the proportion of elderly dependent Americans is expected to increase, the proportion of young dependents is expected to decline. When these two groups of dependents on the middle generation are calculated as a "dependency ratio," the figure peaked in 1965 and has been declining ever since. It is expected to continue to decline until 2005 and then go up to a plateau that still remains lower than in 1965.

Also there are economic and actuarial calculations that extend the working lives of Americans both because of the necessity for them in the labor force and their capacity to work longer.

In short, a combination of things could result in social security carrying on to meet the nation's needs without undue strain. But finding the right combination means getting together on the matter rather than playing football with it.●

SOVIET ACQUISITION OF WESTERN TECHNOLOGY

● Mr. **ARMSTRONG.** Mr. President, an unclassified report issued last month by the Central Intelligence Agency provides an excellent summary of the extent to which Western technology, acquired both legally and illegally, has contributed to the massive Soviet military buildup that now threatens our existence. As the CIA report, entitled: "Soviet Acquisition of Western Technology," makes vividly clear, we now must spend tens of billions of dollars more on defense simply in order to counter weapons the Soviets could not have built without our assistance. All Senators should read this report with care. I ask that it be printed in the Record.

The report follows:

Soviet Acquisition of Western Technology

INTRODUCTION

The United States and its Allies traditionally have relied on the technological superiority of their weapons to preserve a credible counterforce to the quantitative superiority of the Warsaw Pact. But that technical superiority is eroding as the Soviet Union and its Allies introduce more and more sophisticated weaponry—weapons that all too often are manufactured with the direct help of Western technology.[1] Stopping the Soviets' extensive acquisition of military-related Western technology—in ways that are both effective and appropriate in our open society—is one of the most complex and urgent issues facing the Free World today.

This report describes the Soviet program to acquire US and Western technology, the acquisition mechanisms used, the spectrum of Western acquisitions that have contributed to Soviet military might, the projected Soviet priority needs for Western technology, and the problems of effectively stemming the transfer of Western technology that could someday find application in weapons used to threaten the West.

SOVIET ACQUISITION OF WESTERN TECHNOLOGY: A NATIONAL-LEVEL PROGRAM

Since at least the 1930s, the Soviet Union has devoted vast amounts of its financial and manpower resources to the acquisition of Western technology that would enhance its military power and improve the efficiency of its military manufacturing technology. Today this Soviet effort is massive, well planned, and well managed—a national-level program approved at the highest party and governmental levels.

This program accords top priority to the military and military-related industry, and major attention is also given to the civilian sectors of Soviet industry that support military production.

The Soviets and their Warsaw Pact allies have obtained vast amounts of militarily significant Western technology and equipment through legal and illegal means. They have succeeded in acquiring the most advanced Western technology by using, in part, their scientific and technological agreements with the West to facilitate access to the new technologies that are emerging from the Free World's applied scientific research efforts; by spending their scarce hard currency to illegally purchase controlled equipment, as well as to legally purchase uncontrolled advanced Western technologies having military-industrial applications; and by tasking their intelligence services to acquire illegally those US and Western technologies that are classified and export controlled.

The Soviets have been very successful in acquiring Western technology by blending acquisitions legally and illegally acquired by different government organizations. The Soviet intelligence services—the Soviet Committee for State Security (KGB) and the Chief Intelligence Directorate of the Soviet General Staff (GRU)—have the primary responsibility for collecting Western classified, export-controlled, and proprietary technology, using both clandestine and overt collection methods. They in turn make extensive use of many of the East European Intelligence Services (see inset, p. 2); for their efforts in acquiring Western technology, these countries are paid in part with Soviet military equipment and weapons.

Clandestine acquisition of the West's most advanced military-related equipment and know-how by the KGB and GRU is a major and growing problem.

These intelligence organizations have been so successful at acquiring Western technology that the manpower levels they allocate to this effort have increased significantly since the 1970s to the point where there are now several thousand technology collection officers at work. These personnel, under various covers ranging from diplomats to journalist to trade officials, are assigned throughout the world.

Soviet foreign trade organizations, or enterprises, although quasi-independent entities, are partially subordinated to the Ministry of Foreign Trade, and their activities are closely coordinated by this Ministry.

They have major responsibilities for both legal and illegal acquisitions and purchases; they work closely with the KBG and GRU in arranging trade diversions. East European trade companies assist them in clandestine and illegal acquisition operations.

Official Soviet and East European science and technology (S&T) organizations also play a major role in both open and clandestine acquisition of Western technology. The Soviet State Committee for Science and Technology (GKNT) is the key player in arranging government-to-government science and technology agreements to facilitate access to and the acquisition of established as well as new technologies, including those just emerging from Western universities, laboratories, and high-technology firms. It is the GKNT that oversees the allocation of scarce Soviet hard currency for the legal purchase by various Soviet organizations of selected Western technology for Soviet military purposes. If the GKNT is unable to acquire the necessary technology by open or legal means, it tasks Soviet intelligence to clandestinely acquire the technology.

It is the well-organized and well-coordinated use of all these organizations that has made the Soviet program to acquire Western technology so successful. As a result, the Soviets have acquired militarily significant technologies and critically important industrial Western technologies that have benefited every major Soviet industry engaged in the research, development, and production of weapon systems.

SOVIET MECHANISMS FOR ACQUIRING WESTERN TECHNOLOGY

Soviet acquisition mechanisms include: legal means through open literature, through legal trade channels, and through student scientific and technological exchanges and conferences; illegal means through trade channels that evade US and Western (i.e. CoCom)[2] export controls, including acquisitions by their intelligence services through recruited agents and industrial espionage. While a large volume of technology is acquired by nonintelligence personnel, the overwhelming majority of what the United States considers to be military significant technology acquired by and for the Soviets was obtained by the Soviet intelligence services and their surrogates among the East European intelligence services. However, legal acquisitions by other Soviet organizations are important since it is often the combination of legally and illegally acquired technologies that gives the Soviets the complete military or industrial capability they need.

Because of the priority accorded to the military over the civilian sectors of the Soviet economy, Western dual-use technology—i.e., technology with both military and civilian applications—almost always finds its way first into military industries, and subsequently into the civilian sectors of industries that support military production. Thus, Soviet assurances that legally purchased dual-use technology will be used solely for civilian applications can seldom be accepted at face value.

Legal acquisitions generally have their greatest impact on the Soviets' broad industrial base, and thus affect military technology on a relatively long-term basis. The Soviet Kama Truck Plant, for example, was built over some seven years with massive imports of more than $1.5 billion worth of US and West European automotive production equipment and technology. Large numbers of military-specification trucks produced there in 1981 are now being used by Soviet forces in Afghanistan and by Soviet military units in Eastern Europe opposite NATO forces. Similarly, large Soviet purchases of printed circuit board technology and numerically controlled machine tools from the West already have benefited military manufacturing sectors.

The Soviets give priority to those purchases that meet the direct needs of the Soviet military-industrial complex by paying for them in hard currency. Over the past 10 years, the Soviets legally and illegally purchased large quantities of Western high-technology microelectronics equipment that has enabled them to build their own military microelectronics industry in a short time. This acquired capability in microelectronics is the critical basis for the present wide-ranging enhancements of Soviet military systems and for their continuing sophistication.

Acquisitions through illegal trade channels often have both industrial and military applications, and thus are important in the near term. Illegal acquisitions of technology fall into two general categories, both of which are extremely difficult to detect and monitor. One is the diversion of controlled technology from legitimate trade channels to proscribed destinations. This is done through US and foreign firms that are willing to engage in profitable impropriety; through agents-in-place in US or foreign firms or foreign subsidiaries of US firms; through Soviet- and East European-owned firms locally chartered in the West; and through foreign purchasing agents (including arms dealers). For instance, to evade the US embargo on microelectronic technology exports to the Soviet Union, the Soviets and their surrogates have set up dummy corporations in the West that purchase sophisticated microelectronics manufacturing equipment. This equipment is then shipped and reshipped, sometimes with the knowledge of individuals in the companies, to disguise its ultimate destination—the Soviet Union or Eastern Europe. Both the Soviet and Warsaw Pact intelligence services are in the mainstream of this illegal technology trade flow. The other type of diversion is an in-place diversion, in which legally acquired technology and equipment—in the computer area, for example—are put to military end uses not authorized in export license applications.

The acquisitions that most directly affect Soviet military development have come from intelligence collection and related illegal trade diversions. Soviet Bloc intelligence services have concentrated their effort in the United States, Western Europe, and Japan. These services target defense contractors and high-technology firms working on advanced technology (both classified and unclassified), foreign firms and subsidiaries of US firms abroad, and international organizations with access to advanced and/or proprietary technology, including access to computer data base networks throughout the world.

Both legal and illegal acquisitions of U.S. and Western technology and equipment are coordinated with information obtained through the complex network of international governmental scientific and technical agreements and exchanges that the USSR maintains with the advanced industrial nations. There include know-how, equipment, and computer data base collection activities of Soviet scientists and engineers who participate in academic, commercial, and official S&T exchanges. Visiting Soviet and East European technical and student delegations to the United States generally consist of expert scientists, many of whom are connected with classified work in their home countries. Such was the case with the Soviet scientist who managed to get assigned to fuel-air explosives work. When he finished his U.S. study programs, he almost certainly returned to the USSR to work on related weapons. Other Soviet and East European scientists have come to the United States to work in the aerohydrodynamic, cryogenic, optic, laser, computer, magnetic bubble computer memory, nuclear, microelectronic, and structural and electronic material areas. Given the military importance of these fields to the Soviet Union, it appears likely that a high percentage of these scientists will work on military-related programs in these areas after they return home.

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[1] While there are numerous interpretations of "technology" for weapons, it is defined in this report as the application of scientific knowledge, technical information, know-how, critical materials, keystone manufacturing and test equipment, and end products which are essential to the research and development as well as the series manufacture of modern high-quality weapons and military equipment. Western technology is defined as that technology developed by the Free World.

[2] The Coordinating Committee (CoCom) was established in 1949 to serve as the forum for Western efforts to develop a system of strategic export controls. It is composed of the United States, the United Kingdom, Turkey, Portugal, Norway, the Netherlands, Luxembourg, Japan, Italy, Greece, France, the Federal Republic of Germany, Denmark, Canada, and Belgium.

From the beginning, Soviet candidates in various academic and scientific exchange programs have nearly always proposed research activities involving technologies in areas that have direct military applications and in which the Soviets are technologically deficient. Table 1 provides a list of the key high-technology fields that Soviet and East European visitors come to the United States to study, research, or discuss, many of which are on the U.S. Militarily Critical Technology List today. In each of the past two years, more than a third of the 50 program proposals offered under the Graduate Student/Young Faculty Program of the International Research and Exchanges Board (IREX) has been completely unacceptable in terms of prospective technology loss, and many other programs needed to be modified or have access constrained before the exchanges could be allowed.

TABLE 1.—MAJOR FIELDS OF TECHNOLOGY OF INTEREST TO SOVIET AND EAST EUROPEAN VISITORS TO THE UNITED STATES

Computers	Architecture	Memories.
	Automatic Control	N/C (Numerically Controlled) Units.
	CAD (Computer-Aided Design).	Networks.
	Cybernetics/Artificial Intelligence.	Pattern Recognition.
	Data Bases	Programming.
	Image Processing Design	Robots.
	Image Processing/Retrieval.	Software.
Materials	Amorphous	Metallurgy.
	CAD	N/C Machine Tools.
	Composites	Powder Metals.
	Cryogenics	Superconductors.
	Deformation	Testing/NDT (Non-Destructive).
Semiconductors	CAD	Design.
	Circuits	Ion Implantation.
	Defects	Production Technology.
	Devices	SAW (Surface Acoustic Wave) Devices.
Communications, Navigation, and Control.	Antennas	Satellite Communications.
	Microwave/Millimeter Waves.	Signal Processing.
	Radio Wave Propagation	Telecommunications.
Vehicular/Transportation.	Marine Systems	Shipbuilding.
Laser and Optics	Fiber Optics	Optics.
	Gas Lasers	Tunable Lasers.
Nuclear Physics	Cryogenics	Reactors.
	Fusion	Structural Designs.
	Materials	Superconductors.
	MHD (Magnetohydrodynamics).	
Microbiology	Genetic Engineering	

The Soviets correctly view the United States and several other Western countries as a continuing source of important and openly available scientific and technical information, which they take every opportunity to obtain access to. Some of the unclassified documents so acquired are previously classified materials which had been downgraded to unclassified through U.S. procedures providing for automatic declassification after a stipulated period. When collected on a massive scale and centrally processed by the Soviets, this information becomes significant because it is collectively used by Soviet weapons designers and weapons countermeasure experts.

The Soviets also regularly attend high-technology trade shows, and attempt to visit commercial firms in the West, particularly small and medium-sized firms that are active in developing new technologies. These apparent trade promotion efforts often mask Soviet attempts to acquire emerging Western technological know-how before its military uses have been identified and government security controls have been applied. Emerging technologies are particularly vulnerable to foreign collection efforts of this type.

Soviet intelligence continues to place a high priority on the collection of S&T information on genetic engineering and futuristic weapons such as lasers and particle beam weapons. The Soviets have been stepping up their efforts to acquire new and emerging technologies such as very-high-speed integrated-circuit (VHSIC) and very-large-scale integration (VLSI) technology from Western universities and commercial laboratories for both military and commercial applications.

Over the past few years there has been an increased use of Soviet- and East European-owned firms locally chartered in the United States and abroad to exploit Western-controlled and military-related technology. There are more than twenty Soviet- and East European-owned firms in the United States, and near the end of the 1970s there were more than 300 similar firms in Western Europe. In addition to the United States, heavy concentrations are in the United Kingdom, Sweden, the Netherlands, Italy, the Federal Republic of Germany, France, Canada, Belgium, and Austria. These firms are avenues for Soviet acquisition of advanced Western technolgies, as was shown when the US engineer arrested in late 1981 was charged with selling US secret documents to an East European intelligence officer employed by a Polish-owned firm chartered in Illinois. Furthermore, firms chartered in the United States can legally purchase controlled US technology and study it without actually violating US export controls unless they attempt to export the equipment or related technical data from the United States without a license.

SOVIET ACQUISITIONS AND BENEFITS

Today's recognition of the crucial role of Western technology in the development and production of Soviet weapon systems and related military equipment is not unique. Soviet dependence on Western technology was visible and clear-cut in the years immediately after World War II, when the Soviets stole Western nuclear secrets leading to their development of a nuclear weapon capability, and copied a US bomber in its entirety leading to production of their TU-4. To achieve major improvements in their military capability quickly, they exploited captured scientists and industrial plants and resorted to a combination of espionage, stealing, and copying Western systems.

Since that early period of near-complete reliance in the 1950s, the Soviets' dependence on Western technology to develop their weapons has decreased. Nevertheless, despite several decades of Soviet priorities focused on science, technology, and weapon systems, the Soviets, because of their inability to be innovative and effectively apply new technology to weapons developments, still depend on Western technology and equipment to develop and manufacture some of their advanced weapon systems more quickly.

Today, Soviet military designers carefully choose the Western designs, engineering approaches, and equipment most appropriate to their deficiencies and needs. These needs are still substantial and pervade almost every area of weapons technology and related manufacturing equipment. Table 2 lists classes of Western technology acquired by the Soviets and East Europeans and illustrates the wide range of Soviet military technology needs. In the following paragraphs of this section, Soviet Bloc acquisitions have been grouped according to their likely applications: strategic systems, aircraft systems, naval systems, and tactical systems. Also cited are acquisitions in the microelectronic and computer areas that have broad application to military and industrial programs. In certain of these areas, notably the development of microelectronics, the Soviets would have been incapable of achieving their present technical level without the acquisition of Western technology. In other areas, acquisitions have allowed the Soviets to reduce the indigenous effort they would otherwise have had to expend.

TABLE 2.—SELECTED SOVIET AND EAST EUROPEAN LEGAL AND ILLEGAL ACQUISITIONS FROM THE WEST AFFECTING KEY AREAS OF SOVIET MILITARY TECHNOLOGY

Key Techology Area	Notable Success.
Computers	Purchases and acquisitions of complete systems designs, concepts, hardware and software, including a wide variety of Western general purpose computers and minicomputers, for military applications.
Microelectronics	Complete industrial processes and semiconductor manufacturing equipment capable of meeting all Soviet military requirements, if acquisitions were combined.
Signal Processing	Acquisitions of processing equipment and know-how.
Manufacturing	Acquisitions of automated and precision manufacturing equipment for electronics, materials, and optical and future laser weapons technology; acquisition of information on manufacturing technology related to weapons, ammunition, and aircraft parts including turbine blades, computers, and electronic components; acquisition of machine tools for cutting large gears for ship propulsion systems.
Communications	Acquisitions of low-power, low-noise, high-sensitivity receivers.
Lasers	Acquisitions of optical, pulsed power source, and other laser-related components, including special optical mirrors and mirror technology suitable for future laser weapons.
Guidance and Navigation	Acquisitions of marine and other navigation receivers, advanced inertial-guidance components, including miniature and laser gyros; acquisitions of missile guidance subsystems; acquisitions of precision machinery for ball bearing production for missile and other applications; acquisition of missile test range instrumentation systems and documentation and precision cinetheodolites for collecting data critical to postflight ballistic missile analysis.
Structural Materials	Purchases and acquisitions of Western titanium alloys, welding equipment, and furnaces for producing titanium plate of large size applicable to submarine construction.
Propulsion	Missile technology; some ground propulsion technology (diesels, turbines, and mfaries); purchases and acquisitions of advanced jet engine fabrication technology and jet engine design information.
Acoustical Sensors	Acquisitions of underwater navigation and direction-finding equipment.
Electro-optical Sensors	Acquisition of information on satellite technology, laser rangefinders, and underwater low-light-level television cameras and systems for remote operation.
Radars	Acquisitions and exploitations of air defense radars and antenna designs for missile systems.

The Soviets' strategic weapons program has benefited substantially from the acquisition of Western technology. The striking similarities between the US Minuteman silo and the Soviet SS-13 silo very likely resulted from acquisition of US documents and expedited deployment of this, the first Soviet solid-propellant ICBM. The Soviets' ballistic missile systems in particular have, over the past decade, demonstrated qualitative improvements that probably would not have been achieved without Western acquisitions of ballistic missile guidance and control technology. The most striking example of this is the marked improvement in accuracy of the latest generation of Soviet ICBMs—an improvement which, given the level of relevant Soviet technologies a decade ago, appears almost certainly to have been speeded by the acquisition of Western technology. Their improved accuracy has been achieved through the exploitation and development of good-quality guidance components—such as gyroscopes and accelerometers. The quality of these instruments, in turn, depends to a considerable degree on the quality of the small, precision, high-speed bearings used.

Through the 1950s and into the 1960s, the Soviet precision bearing industry lagged significantly behind that of the West. However, through legal trade purchases in the 1970s, the Soviet Union acquired US precision grinding machines for the production of small, high-precision bearings. Similar grinding machines, having lower production-rate capabilities, were available from several foreign countries. Only a few of these machines, either US or foreign, would have been sufficient to supply Soviet missile designers with all the quality bearings they needed. These purchases provided the Soviets with the capability to manufacture precision bearings in large volume sooner than would have been likely through indigenous development. The Soviets probably could have used indigenous grinding machines and produced the required quality of bearings over a long period by having an abnormally high rejection rate.

While some of the Soviet acquisition in the aircraft area appears directed toward the development of countermeasures against Western systems, the Soviets appear to target data on Western aircraft primarily to acquire the technology. Furthermore, while the Soviets have acquired a large amount of hardware and data from planes downed or captured in Vietnam and elsewhere, they continue to attempt to acquire the most advanced technologies through both legal and illegal transactions with the West. Assimilation of Western technology has been of great benefit to both their military and commericial aircraft development programs—to the extent that aircraft from certain Soviet military design bureaus are to a significant degree copies of aircraft of Western design. Soviet military aircraft designers have "ordered" documents on Western aircraft and gotten them within a few months, including plans and drawings for the US C-5A giant transport aircraft early in its development cycle; these plans, although dated now, have contributed to current Soviet development of a new strategic military cargo plane. Designers were in particular need of data on US technology advances, but more importantly, they needed information on aerospace manufacturing techniques.

Soviet aircraft designers have been interested in US military transports and wide-body jets and probably have managed to accelerate the development programs for their IL-76 Candid and IL-86 transports. The IL-86 looks much like the Boeing 747 and the IL-76 resembles the C-141. Neither system is an identical copy.

The IL-76 also is used by the Soviets as the platform for their new AWACS (Airborne Warning and Control System), which is expected to be operational in the mid-1980's. This system will provide the Soviets with a major improvement in attacking low-flying missiles and bombers. The Soviet AWACS is strikingly similar in a many ways to the US AWACS, and is a major improvement over their old AWACS.

The Soviets' acquisition effort in the naval systems area reflects well the two major factors that motivate their requirements; the acquisition of technology not readily available to them—yet critical to their programs—and the acquisition of equipment which, while producible in the Soviet Union, allows them to divert resources to more pressing naval programs. The Soviets appear to have concentrated their acquisitions in areas related to aircraft carriers, deep sea diving capabilities, sensor systems for antisubmarine warfare and navigation, and ship maintenance facilities. In the maintenance area, two huge floating drydocks purchased from the West for civilian use by the Soviets have been diverted to military use. Drydocks are critical for both routine and fast repair of ships damaged in warfare. In 1978, when the Soviets took possession of one of the drydocks, they diverted it to the Pacific Naval Fleet. The other was sent to the Northern Fleet in 1981.

These drydocks are so large that they can carry several naval ships. More importantly, they are the only drydock facilities in either of the two major Soviet fleet areas—Northern or Pacific—capable of servicing the new Kiev-class V/STOL aircraft carriers. Soviet advanced submarines carrying ballistic missiles, Soviet Kiev aircraft carriers, and Soviet destroyers were among the first ships repaired in these drydocks. It is important to note that the drydocks themselves are so large that no Soviet shipyard would have been capable of accommodating their construction without major facility modifications, associated capital expenditures, and interruptions in present weapons programs. Their importance will be even more pronounced when the Soviets construct the still-larger carriers (for high-performance aircraft) projected for the 1990s. The Soviets even have acquired Western aircraft carrier catapult equipment and documentation for this larger carrier; catapult technology, though relatively common in the West, is outside the Soviet experience.

Within the past few years, the USSR also has contracted for or purchased foreign-built oceanographic survey ships equipped with some of the most modern Western-manufactured equipment. In place of US equipment that was embargoed, other Western equipment has been installed on the ships. This modernization of what is the world's largest oceanographic fleet with Western technology will help support the development of Soviet weapon system programs and antisubmarine systems against the West.

Although the Soviets have a strong indigenous technology base that could support the development of much of their tactical weapons systems, this does not prevent them from maintaining an ambitious program for acquiring and benefiting from Western technology in this area. In some cases, their acquisitions satisfy deficiencies in Soviet technology; smart weapons technology and electro-optical technology and examples of this. Signal and information-processing technology, particularly for Soviet air defense systems, is another. More often, however, technology is exploited to speed up a developmental program or to improve upon original Western designs in an expeditious manner. The Soviets appear to have concentrated their tactical systems acquisitions on Western tank, antitank, and air defense-related technology and equipment in order to derive concepts and know-how to benefit their weapons programs and to design countermeasures to the Western systems. The Soviet SA-7 heat-seeking, shoulder-fired antiaircraft missile contains many features of the US Redeye missile. Such acquisitions have enabled the Soviets to obtain advanced tactical weapon capabilities sooner than otherwise would have been possible.

Western equipment and technology have played a very important, if not crucial, role in the advancement of Soviet microelectronic production capabilities. This advancement comes as a result of over 10 years of successful acquisitions—through illegal, including clandestine, means—of hundreds of pieces of Western microelectronic equipment worth hundreds of millions of dollars to equip their military-related manufacturing facilities. These acquisitions have permitted the Soviets to systematically build a modern microelectronics industry which will be the critical basis for enhancing the sophistication of future Soviet military systems for decades. The acquired equipment and know-how, if combined, could meet 100 percent of the Soviets' high-quality microelectronic needs for military purposes, or 50 percent of all their microelectronic needs.

Table 3 identifies the microelectronic production related equipment that has been acquired by the Soviet Bloc. These acquisitions have been grouped into areas related to the four steps required to produce a microchip: wafer preparation, circuit-mask making, device fabrication, and assembly and testing.

TABLE 3.—MICROELECTRONIC EQUIPMENT AND TECHNOLOGY LEGALLY AND ILLEGALLY ACQUIRED BY THE SOVIET BLOC

Equipment or Technology	Comments.
Process Technology for Microelectronic Wafer Preparation.	The Soviets have acquired hundreds of specific pieces of equipment related to wafer preparation, including expitaxial growth furnaces, crystal pullers, rinsers/dryers, slicers, and lapping and polishing units.
Process Technology for Producing Circuit Masks.	Many acquisitions in this area include computer-aided design software, pattern generators and compilers, digital plotters, photorepeaters, contact printers, mask comparators, electron-beam generators, and ion milling equipment.
Equipment for Device Fabrication.	Many hundreds of acquisitions in this area have provided the Soviets with mask aligners, diffusion furnaces, ion implanters, coaters, etchers, and photochemical process lines.
Assembly and Test Equipment.	Hundreds of items of Western equipment, including scribers, bonders, probe testers, and final test equipment have been acquired by the Soviets.

Soviet computer technology has long been limited by fabrication and production technology problems and by difficulties in software development. Since 1969 the USSR and East European countries have been developing a family of general purpose computers known as the Ryad series. These computers, which make up virtually the total Soviet and East European effort in large general purpose computers, have been and will continue to be used in a wide variety of civil and military applications. Western technology has been important to development of the Ryad series by providing proven design directions both at the system and component levels. The architectural designs of the Ryad computers, for example, are patterned after those of the highly successful mass produced IBM 360 and 370 series, computers that are used in a wide range of applications and are highly serviceable in the field.

With this approach, the Soviets and East Europeans eliminated many of the risks involved in undertaking the development and production of a new series of general purpose computers, and saved considerable amounts of manpower and time. Since the early 1970s the Soviets and East Europeans have legally purchased more than 3,000 minicomputers, some of which are now being used in military-related organizations. Furthermore, they are also developing minicomputers that are direct copies of Western models. Soviet and East European development of computer systems has been aided by all available means—legal and illegal, including clandestine—for acquiring the needed technical know-how.

Thus, the Soviets and their Warsaw Pact allies have derived significant military gains from their acquisitions of Western technology, particularly in the strategic, aircraft, naval, tactical, microelectronics, and computer areas. This multifaceted Soviet acquisitions program has allowed the Soviets to:

Save hundreds of millions of dollars in R&D costs, and years in R&D development lead time.

Modernize critical sectors of their military industry and reduce engineering risks by following or copying proven Western designs, thereby limiting the rise in their military production costs.

Achieve greater weapons performance than if they had to rely solely on their own technology.

Incorporate countermeasures to Western weapons early in the development of their own weapon programs.

These gains are evident in all areas of military weapons systems. While difficult to quantify, it is clear that the Western military expenditures needed to overcome or defend against the military capabilities derived by the acquisition of Western technology far outweigh the West's earnings from the legal sales to the Soviets of its equipment and technology.

OUTLOOK FOR THE 1980'S

The Soviets' military R&D and weapon test-and-evaluation efforts are continuing at a rapid pace. Several hundred development projects for weapons systems and major system elements are now under way, and it is expected that through the 1980s the number of new or modified advanced Soviet weapon systems emerging from these projects into production and deployment will remain at the high levels of the last two decades—some 200 weapon systems per decade.

Soviet military manufacturing capacity increased by a significant 80 percent during the 1960s and 1970s, and new plant expansion now under way at one-fourth of their key weapons manufacturing facilities will add considerably to their capabilities. These new facilities will be ready to produce weapons in the next four to 10 years. Plant expansion is in the following areas: ground warfare vehicles, including new tanks; aviation, including facilities for a new B-1-type bomber and a new long-range military transport aircraft having strategic airlift capabilities; naval shipbuilding, including submarines for ballistic missiles and cruise missiles, as well as full-size aircraft carriers for high-performance aircraft capable of competing with the United States in global operations; and electronic and microelectronic manufacturing facilities throughout the USSR. The development and production of new Soviet weapons at these facilities is sure to be more complex and costly than during the 1970s.

All of this military development and plant expansion activity, however, is taking place at a time when the Soviet economy has reached its lowest level of growth since World War II. Soviet annual GNP growth may well be limited to an average of 1 to 2 percent by the mid-1980s. Stagnation in industrial sectors that are key to both the civilian and the military sectors will make it increasingly difficult for the Soviets to satisfy the needs of both. Thus, Soviet leaders will have to make tough choices among defense, investment, and consumption; the competition among rival claimants for resources will become intense. Under these conditions, it may be impossible for the Soviets to maintain current growth in military production without hurting the civilian economy.

Despite these economic difficulties, there are no signs that the Soviets are shifting resources away from the military sector or slowing down development of weapon systems that will be entering the production stage by mid-decade. New generations of Warsaw Pact weapons will require selected critical component and modern manufacturing technologies. It is in these areas that Soviet illegal acquisitions of Western technology, complemented by legal acquisitions, are most likely to be concentrated over the next five to 10 years.

Among the more important technologies are microelectronics, computers, and signal processing. Microelectronics will play a very significant role in advances in computers and signal processing, and all of these technologies will be important in developing advanced Soviet missile, aircraft, naval, and tactical weapon systems, and associated detection systems. Additional projected Soviet technological needs related to such systems are presented in the appendix.

As the result of both tactical and strategic force modernizations, Soviet and Warsaw Pact military manufacturers are increasingly pressed by large-scale production requirements and the related need to control manufacturing and materials costs. Thus, particularly critical for the 1980s are Soviet needs to improve their manufacturing capability. To a large extent, the level of manufacturing technology in Soviet plants determines the Soviets' capability to move new technology from R&D into military applications. Manufacturing technologies play a significant role not only in the development of advanced component technologies, such as microelectronics and computers, but also in the actual production of modern military systems.

Future Soviet and Warsaw Pact acquisition efforts—including acquisitions by their intelligence services—are likely to concentrate on the sources of such component and manufacturing technologies, including:

Defense contractors in the United States, Western Europe, and Japan who are the repositories of military development and manufacturing technologies.

General producers of military-related auxiliary manufacturing equipment in the United States, Western Europe, and Japan.

Small and medium-size firms and research centers that develop advanced component technology and designs, including advanced civil technologies with future military applications.

The combination of past Soviet acquisition practices and projected Soviet military needs indicates that the United States and its Allies are likely to experience serious counterintelligence and related industrial security and export control problems over the next five to 10 years.

The task of stopping Soviet Bloc intelligence operations aimed at Western military and industrial technologies already poses a formidable counterintelligence problem, both in the United States and abroad. But that task is likely to become even more difficult in the future as several trends identified in the 1970s continue into the 1980s:

First, since the early 1970s, the Soviets and their surrogates among the East Europeans have been increasingly using their national intelligence services to acquire Western civilian technologies—for example, automobile, energy, chemicals, and even consumer electronics.

Second, since the mid-1970s, Soviet and East European intelligence services have been emphasizing the collection of manufacturing-related technology, in addition to weapons technology.

Third, since the late 1970s, there has been increased emphasis by these intelligence services on the acquisition of new Western technologies emerging from universities and research centers.

The combined effect of these trends is a heavy focus by Soviet Bloc intelligence on the commercial sectors in the West—sectors that are not normally protected from hostile intelligence services. In addition, the security provided by commercial firms is no match for the human penetration operations of such foreign intelligence services. But the most alarming aspect of this commercial focus by Soviet Bloc intelligence services is that as a result of these operations the Soviets have gained, and continue to gain, access to those advanced technologies that are likely to be used by the West in its own future weapons systems.

The Soviet intelligence effort against Western defense contractor firms poses a serious problem in itself. With more then 11,000 such firms in the United States and hundreds of subsidiaries abroad, U.S. counterintelligence efforts are stretched thin. Protection of U.S. firms abroad from hostile intelligence threats is the responsibility of host governments, but they too are feeling the burden of well-orchestrated Soviet Bloc efforts. The Soviet intelligence threat and the illegal trade problem appear to be severe in Japan. It appears that Western industrial security—both defense and commercial—will be severely tested by the Soviet intelligence services and their surrogates among the East European intelligence services during the 1980's.

Western industrial nations also can expect increased Soviet Bloc intelligence activities directed at the acquisition of their key industrial technologies. Western export controls are presently being updated and broadened; the CoCom allies have recently agreed to strengthen controls and to enhance their enforcement. Moreover, serious hard currency shortages, along with generally increased restrictions on Soviet S&T visitors to the United States, will make the Soviets even more dependent on intelligence and other illegal efforts to acquire the goods and equipment they will need.

The massive, well-planned, and well-coordinated Soviet program to acquire Western technology through combined legal and illegal means poses a serious and growing threat to the mutual security interests of the United States and its Allies. In response, the West will need to organize more effectively than it has in the past to protect its military, industrial, commercial, and scientific communities.

APPENDIX—PROJECTED SOVIET TECHNOLOGICAL NEEDS AND ACQUISITION TARGETS THROUGH THE 1980'S

Given the dynamic nature of their collection program, is is expected that the Soviets will continue their attempts to acquire a broad range of Western technologies. Certain areas, however, represent priority collection targets for them; these areas are critical to the Soviets' enhancement of their weapons capability.

Over the past decade, the Soviets' most pronounced improvements in strategic weaponry have been in the development of a MIRV ballistic missile capability and a significant improvement in the accuracy of their ICBMs. The former capability was made possible largely through the introduction of on-board digital computers and the latter through the improvement in the quality of the missile guidance systems and the procedures used to calibrate them. Technology acquisitions from the West contributed significantly to these improved capabilities.

The Soviets probably will continue to make their highest priority the acquisition of Western microelectronics and computer technology for in-flight guidance computers. This acquisition effort will be motivated by a desire to overcome reliability problems and also to provide the on-board processing capability required for the development of new guidance options with the potential for extremely high accuracies.

The Soviets will also give top priority to acquiring information on the latest generation of U.S.-inertial components upon which the MX ICBM and the Trident SLBM guidance systems are based. Despite the past accuracy improvements of Soviet ICBMs, these two U.S. systems incorporate technologies beyond present Soviet technological capabilities. Moreover, their SLBM accuracies are significantly behind those of U.S. systems. In addition to information on hardware, the Soviets are expected to seek calibration software algorithms which, as the guidance instruments themselves reach their practical performance limit, would allow for continued improvement in weapon system accuracy.

Western solid rocket propulsion technology also will be a high-priority Soviet acquisition target in the 1980s. While the Soviets have vast experience with the liquid-propellant systems which represent the bulk of their ballistic missile force, they are shifting their emphasis to solid propulsion systems, which have practical advantages over liquid systems in a variety of applications. At the same time, the Soviets have had only limited success with the progress of their solid-propulsion program. They probably will pursue the acquisition of information on solid-propellant production procedures, and propellant grain design, motor case, and rocket nozzle technologies.

The Soviets' ABM R&D effort has continued apace since the 1960s. As a result, they have gained considerable expertise in the development of large fixed-site radars for early warning, tracking, and engagement, and their interceptor technology has also improved substantially over the years. Areas remain, however, in which the Soviets will still seek and would benefit from sophisticated Western ABM technology. These include signal processing for detection, discrimination, target assignment, and sensor technology, particularly in the long-wave infrared portion of the electromagnetic spectrum applicable toward improving their launch detection capability.

Priority Soviet targets in the aircraft area will include Western materials technology, particularly composite materials to allow weight-efficient designs. The Soviets would also benefit from the acquisition of certain engine technologies, in particular those critical to the development of high-bypass turbofans for large strategic airlift type of aircraft. While, in general, Soviet avionics technology appear adequate, the Soviets have yet to demonstrate a capability to deploy reliable, accurate airborne inertial navigation systems for long-range navigation and weapons delivery. Thus, while long used in the West, these systems are still prime candidates for acquisition.

Very high priority probably will be given to the acquisition of computer-aided aircraft design technology, an area in which the Soviets are clearly impressed by US progress. In general, they also will continue to benefit from the acquisition of efficient aircraft production technology from the West to reduce costs.

While the Soviets have a strong indigenous air defense radar and missile technology, their general lag in microelectronics and microprocessing will direct them to attempt wherever possible in the West the acquisition of advanced signal-processing hardware and software.

The Soviets will continue to emphasize the acquisition of naval-related technologies applicable to improving their antisubmarine warfare capabilities, an area in which much Western technology is superior to theirs. Thus, a significant effort to acquire acoustic sensor technology can be expected, in particular that technology applicable to the development of large towed acoustic arrays that would assist the localization of Western submarines in open waters. They probably will also target the acquisition of Western signal-processing hardware and software required to fully exploit the detection capabilities of these sensors.

Another critical problem area to which the Soviets will direct acquisition is that of submarine quieting. Here also the Soviets lag the West significantly. As a result, not only are their submarines more vulnerable to detection but the self-generated noise reduces the effectiveness of their own acoustic sensors.

An area in which the Soviets have historically lagged behind the West is precision submarine navigation—in particular, in the development of submarine inertial navigation systems. The need for improvements here will become more pressing as the Soviets develop long-range cruise missiles for land attack which require precise knowledge of launch location.

The Soviets also will continue to target technologies related to the design and construction of large aircraft carriers (for high-performance aircraft) to reduce the likelihood of poor design choices that would arise in what is for them an entirely new type of construction program.

Much of the Soviet acquisition effort in the area of tactical weapons is likely to be targeted against seeker and sensor technology for tactical missiles and precision-guided munitions. The Soviets will apply considerable effort in particular to acquiring advanced Western electro-optical technology including that related to antitank weapons. As in other weapons areas, the signal processing and microelectronics technologies supporting tactical weapon systems will also be priority acquisition targets. Technical documentation on entire weapon systems, if obtained, will be used to develop countermeasures.

In the microelectronics area the USSR is now at the stage of implementing its LSI (large-scale integration) technology to high-volume production. Despite the large acquisitions of Western technology and production equipment over the past 10 years which have brought them to the LSI level, additional acquisitions from the West are needed for the more sophisticated weapons projects of the future. Ever-increasing needs for higher precision Western equipment will extend at least through the 1980s.

In addition, the Soviets will require considerable expansion of their microelectronic material base to support continued expansion of integrated-circuit production. In this regard, the USSR is seeking Western help to build two or three poly-silicon plants that will more than double current Soviet capacity for military applications. Also, with increasing advances in the technology, the USSR already will be seeking additional Western assistance in key complementary technologies such as packaging and printed circuit board production.

The USSR is expected to focus its future acquisitions efforts on the emerging technologies related to very-high-speed integrated circuits (VHSIC) and very-large-scale integration (VLSI). It is important to note that, while VHSIC is thought of as a military development program, and VLSI as a civilian technology, there is little difference between the two as far as Soviet production needs are concerned. The same materials, production, and test equipment will be used to produce both. In both of these technological areas, the USSR has developed effective means for illegally acquiring Western advanced products.

Prime Soviet collection efforts in computer technology through the 1980s are likely to include large-scale scientific computers such as the US-built CRAY-1 Computer. Computers of this class offer significant improvements over Soviet models in weapons-systems design and simulation and in the processing of numerical data for many military applications. Other hardware targets will include: very dense random-access memory chips; high-capacity disk drives and packs; the so-called "superminicomputer" class of machines; and the latest in general purpose computer technology. All of the above targets offer opportunities for significant performance improvements and represent technologies of substantial Soviet lag.

In computer software, the Soviets will continue to attempt to collect IBM programs and programs of other vendors written for these machines because of past Soviet decisions related to copying IBM computers. The large and growing number of IBM-compatible computers in the USSR means that collection activity in this area can be expected to increase. The compelling attraction of computer networks also should spur great Soviet interest in acquiring network-control software and other programs related to networking.

SEVENTEENTH ANNIVERSARY OF HADASSAH

● Mr. LEVIN. Mr. President, on Thursday, May 20, 1982, there will be a ceremony at the White House commemorating the 70th Anniversary of Hadassah, the Women's Zionist Organization of America. This is an occasion which demands our respect and attention.

Henrietta Szold founded this organization on February 24, 1912. In seven decades it has grown to be the largest women's volunteer organization in the United States with 370,000 members.

There are two areas in which Hadassah has concentrated its efforts: Hadassah created and maintains to this day the Hadassah-Hebrew University Medical Center in Jerusalem, Israel. This center was originally built on Mount Scopus and operated there until Israel's war of independence in 1948. Jordan captured that part of Jerusalem, and Mount Scopus became cut off from Israel. The center had to be abandoned.

Recognizing the need to continue the work of this outstanding medical facility, Hadassah set about to create a new center, this time in Ein Kerem in West Jerusalem. It operates there now and is available to people of the region no matter what their religion, race or nationality.

Hadassah was also involved before, during and after World War II in a program called Youth Aliyah. Jewish orphans from those parts of the world affected by the war were saved by this organization and brought to Israel to begin new lives. Youth Aliyah is a program which also exists to this day and takes care of disadvantaged youth in Israel.

Hadassah is an organization which exemplifies volunteerism, humanitarian service and the highest ethical values.

I wish to extend my congratulations to Frieda Lewis, the national president of Hadassah, and to the entire membership as it celebrates this anniversary. I know that Hadassah's future will be as great as its past and that the link that it has forged between the people of Israel and the people of the United States will remain strong.●

ROADBLOCKS TO FREE TRADE WITH JAPAN

● Mr. HELMS. Mr. President, I am indebted to John J. Omar of Charlotte, N.C., for an interesting article from the South China Morning Post of April 16, which sheds light on the pressing problem of our enormous trade imbalance with Japan.

All of us who believe in the concept of free trade as a two-way street should focus some attention on the roadblocks and other hurdles the Japanese have devised to discourage foreign participation in the Japanese market.

I encourage my colleagues to read this piece and consider its significance to the U.S. balance of trade.

Mr. President, I ask unanimous consent that the article be printed in the Record.

The article follows:

[From the South China Post, Apr. 16, 1982]

Japan's "Typical" Product List Fools Few Westerners

(By Jon Woronoff)

When the American officials gathered in Tokyo recently for a meeting of the United States-Japan Trade Sub-Committee, they found among the documents given them a list of "typical foreign products holding a high market share in Japan."

This list was drawn up by none other than the Ministry of International Trade and Industry (MITI) to correct the supposedly false impression of foreign businessmen and diplomats that the Japanese market is "closed."

Here, in a list of some 80 headings and 200 companies, was proof positive that the market could be penetrated and that, in some cases, it was possible to gain as much as a 100 per cent market share. In fact, the tabulation showed that American and European products had a market share of 50 per cent and up for 23 categories and 80 per cent and up for 11 categories.

Reading through the list there may have been some American officials who sniggered at one heading or another. However, on the whole, they accepted it for what it purported to be, some concrete evidence for once on how foreigners could succeed in Japan.

And, since these diplomats have only a rather hazy notion of how business is actually accomplished in Japan, they may have accepted it as such.

Alas, in the hands of someone who knows a bit more about Japan, the list can turn into the complete opposite. Actually, it makes it easier than ever to understand why the tremendous trade imbalance has arisen with America and Europe and why it is likely to continue.

Looking at the list, one is first somewhat disturbed by the reference to "typical" foreign products sold in Japan because many of them seem a bit more atypical. There is almost nothing included from the standard household appliances, no mention of major consumer goods such as television or audio equipment, no cars or lorries, and not much machinery.

Instead, taking the headings where the market share is highest, we get things that are as "typical" as dry soup, ropes for mountain climbing, deodorants, golf balls, stem wine glasses, cola drinks and instant cameras.

Yet, even to get such high market shares, it appears that the category has been artificially narrowed. Obviously, if you take stem wine glasses and not all glasses or glassware as such, you can get impressive figures. The same thing happens when you have a special category for BBP-type plasticiser or butyl rubber and not chemicals or artificial rubber in general.

Thus, a reference to high market shares is rather meaningless when the categories are cut so thin that most entrants happen to be foreign companies and sometimes they would seem to have a monopoly on certain products.

If you take most of the sectors with high market share and multiply by the value of the product, the actual result in sales is quite modest. It can add up to hundreds of millions of U.S. dollars. But that is nothing balanced against a major Japanese export such as cars, televisions or steel.

Looking through the list, however, it is possible to find a few items which do add up to a fair amount of money. Among them are cola drinks, instant coffee, some high-fashion apparel, cosmetics and perfume, computers, copy machines, typewriters and cash registers, sporting goods, razor blades, and perhaps pet food.

But how much of this money ever leaves Japan?

What is striking about most of the items on this list, and particularly those which actually do show reasonable sales, is that very few of them are imported. Indeed, the number of articles that are imported is extremely low while the vast majority are manufactured in Japan either under license or by an affiliated firm.

Even for the imports, it is necessary to remember that pitifully few have entered the Japanese market without solid support from a local wholesaler or distributor.

That explains part of the "success" of Shick razor blades and Procter and Gamble's disposable nappies. Naturally, the Japanese partner, in this case K Hattori and Sunhome, have a right to recover their costs and share in the profit and thus any earnings accruing to the foreign company are somewhat less.

Still, at least the companies concerned will be making some profit on exports of the actual product and they will be remunerating their workers, paying taxes, and buying various inputs locally, all of which is to the good of their home country. The same cannot be said of the two other groups.

When a foreign manufacturer or designer allows its goods to be produced abroad under license, as happens for Pierre Cardin or Christian Dior, for Tetrapak or Adidas, it is only collecting a royalty.

Even if the manufacturing is done by its own Japanese affiliate or a joint venture (IBM, Dow Chemical, Max Factor, Catepillar, Coca Cola, etc), there is at most a profit, royalty, and some residual sales of products and intermediate goods to be expected. Otherwise, most of the basic inputs, labour costs, overheads, and so on are expended in Japan.

Thus, when foreign goods are manufactured in Japan, relatively little benefit accrues to the foreign country and only somewhat more to the foreign company.

That, in case anyone is interested, is why Japanese companies fight desperately to avoid being forced into local production or joint ventures and push their exports so aggressively.

That is also why most of them tend to set up their own distribution channels as quickly as possible and only pass through a local partner when necessary.

Looking at this in broader terms, we can understand what is happening to the trade balance. For, when a product made abroad is sold to Japan, the total value of the product (its cost plus profit) accrues to the foreign country.

When the same product is made in Japan, almost nothing accrues to the foreign country in the trade balance. In the payments balance, at least there is an entry for the profits and royalties. Still, the value of these items is at best a fifth, and more normally only a tenth or even a twentieth, of the value of the exported good.

Of course, if local production makes it possible to reduce costs and expand sales, it could make sense for the manufacturer. But this would mean an immediate dip in the trade balance. And it may be necessary to expand sales by five, 10, 20 or more times to compensate for this in the payments balance.

In Japan, there is a regular pattern followed by most imports. First, they come in small quantities and have to be squeezed into the market by a local distributor. The return is modest given the small quantity sold.

However, if the article makes good and has to be imported in large quantities, the Japanese distributor will immediately demand the right to produce it locally either under license or in a joint venture. Or the foreign company will manufacture it locally on its own or with a partner. Then, although large sales are achieved, very little of this flows out.

That is why a list of foreign products holding a high market share is so meaningless. For these goods are only foreign in brand name, design or patent. For all useful purposes, they are really Japanese and the foreign country benefits from them only marginally.

So, to someone with a bit of insight, this MITI list does not prove that foreign products can enter the market and therefore help foreign countries to balance their trade and payments with Japan.

It proves the opposite.

It shows how hard it is to get products into the market unless they are rather special or unique. Then, if they do succeed in gaining market share, they will be absorbed by the Japanese economy and end up of little help to the home country.●

RALPH SAMPSON'S DECISION

● Mr. HARRY F. BYRD, JR. Mr. President, the outstanding college basketball player in America for the last 2 years has been Ralph Sampson, the immensely talented center of the University of Virginia basketball team.

Ever since his arrival on the collegiate scene, Ralph Sampson has lived in the glare of constant media attention. He has heard himself compared to the all-time greats of the game. And he has been ardently wooed by professional sports teams, who reportedly have offered him as much as $6 million to quit college for the big leagues.

As a recent editorial in the Winchester (Va.) Star points out, all that flattery, courtship, and money can have a heady effect on a young man.

But Ralph Sampson has not succumbed. As the Star notes, he showed a great deal of character in deciding to complete his education at Virginia. In spurning the promises of instant wealth, he has placed education and athletics in their proper relationship.

I commend Ralph Sampson for his difficult and mature decision and I ask that the Winchester Star editorial, entitled "Sampson's Delilah," be printed in the Record.

The editorial follows:

Sampson's Delilah

In basketball, height is worth a lot. Ralph Sampson, 7-foot 4-inch center for the University of Virginia, knows this at least as well as any, perhaps better than any. For his height and, as it happens, some special talent, this week he could have had as much as $6 million as good as in the bank.

For a young man who has observed that "fifty dollars is a lot of money to me," the lure of seven figures can be as irresistible as a Delilah. Others have taken the lure. Sampson's worthy arch-rival, James Worthy of national champion University of North Carolina, took it on Saturday. The junior passed up his final season of college eligibility and made himself available for the June 29 National Basketball Association draft.

Ralph Sampson resisted. On Friday he passed up the big money, the fat contracts, instant wealth and decided instead to stay in school and play ball through his coming senior year.

It would be easy to make the young man out a saint. He's not. He misses free throws. He loses his composure occasionally. He can be ornery, standoffish. But the decision he arrived at on Friday shows a lot of poise in the clutch.

For weeks—years, really—Ralph Sampson has been courted, flattered and lusted after by professional teams and news organizations. It's easy to lose sight of who you are and where you stand under such pressure.

Ralph Sampson did not lose it. He decided, as he put it, "that I wanted to stay in school." For a young man who owes his national visibility to more than his physical height, his decision may reach a long way into the nation's classrooms perhaps to keep other youngsters in school until graduation day.

That's not to say that Ralph Sampson is giving up a fat contract for a sheepskin. Hardly. One year hence his value to professional basketball is almost certain to appreciate substantially. But by resisting the powerful lure of big money, Ralph Sampson has shown he possesses something more than mere height. He also has stature.●

CONCLUSION OF MORNING BUSINESS

Mr. BAKER. Mr. President, I am going to ask the Chair to inquire if there is further morning business.

The PRESIDING OFFICER. Is there further morning business? If there is no further morning business, morning business is closed.

RECESS UNTIL TOMORROW AT 8 A.M.

Mr. BAKER. Mr. President, I see no Senator seeking recognition. I move, in accordance with the order previously entered, that the Senate stand in recess until 8 a.m. tomorrow morning.

The motion was agreed to, and at 10:09 p.m., the Senate recessed until tomorrow, Thursday, May 20, 1982, at 8 a.m.

NOMINATIONS

Executive nominations received by the Senate May 19, 1982:

National Credit Union Administration

Elizabeth Flores Burkhart, of Texas, to be a Member of the National Credit Union Administration for the remainder of the term expiring April 10, 1985, vice Lawrence Connell, Jr., resigned.

U.S. Synthetic Fuels Corporation

Milton M. Masson, Jr., of Arizona, to be a Member of the Board of Directors of the U.S. Synthetic Fuels Corporation for a term of 1 year, vice John D. DeButts, resigned.

John B. Carter, Jr., of Texas, to be a Member of the Board of Directors of the U.S. Synthetic Fuels Corporation for a term of 2 years, vice Catherine Blanchard Cleary, resigned.

In the Navy

Adm. Bobby Ray Inman, U.S. Navy, age 51, for appointment to the grade of admiral on the retired list pursuant to the provisions of title 10, United States Code, section 1370.

The following-named officer, under the provisions of title 10, United States Code, section 601, to be reassigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be vice admiral

Vice Adm. Lee Baggett, Jr., 425-40-6909/1110, U.S. Navy.

In the Marine Corps

The following-named officers, under the provisions of title 10, United States Code, section 601, to be assigned, or reassigned, to positions of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Lt. Gen. John H. Miller, 453-42-3313, U.S. Marine Corps.

Maj. Gen. William R. Maloney, 187-20-9074, U.S. Marine Corps.

Maj. Gen. William H. Fitch, 262-38-2228, U.S. Marine Corps.

EXTENSIONS OF REMARKS

THE THIRD OPTION IN MILITARY PREPAREDNESS

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 19, 1982

● Mr. McDONALD. Mr. Speaker, Maj. Gen. John Kirk Singlaub, USA (Ret.), recently made a significant address to the April 25, 1982, meeting of The Council for National Policy. The address was entitled, "The Third Option in Military Preparedness" and follows:

President Reagan during his campaign spoke frequently about the growing Soviet military threat, both strategic and conventional, and about the serious "window of vulnerability" which would open in the early 1980's. He was referring to the Soviet capability to use a minor percentage of their strategic missile force to destroy a major percentage of the total U.S. strategic forces—land based missiles, submarine launched missiles, and strategic bombers.

On 2 October, of last year, President Reagan announced a "comprehensive plan" for the modernization of our strategic forces. This program will end the relative decline of U.S. strategic capabilities and will put the United States in a position to reshape the U.S.-Soviet strategic competition in the years ahead. Presidential concentration on correcting the major deficiencies and weakness in our strategic forces is most appropriate because war at this end of the conflict spectrum poses the greatest threat to our national survival. It is absolutely imperative that we prevent war at this level of violence by demonstrating a capability to survive a Soviet first strike and then inflicting on them an unacceptable level of damage. By so demonstrating, we will deter the Soviet Union from using this military option as a deliberate way of waging and winning a war to continue planned Soviet expansionism. Most important, we must achieve this demonstrated capability to survive a Soviet first strike to prevent the Soviet Union from blackmailing us into inaction and acceptance of Communist expansion by less violent means.

If strategic nuclear war is at the high end of the conflict spectrum in terms of levels of violence and the greatest threat to a nation's survival, it must be recognized as having the lowest order of probability of occurrence. In the middle of this spectrum of conflict is what is commonly referred to as conventional warfare. Here we are talking about war involving battalion and division formations equipped with tanks and artillery and deployed and supported by conventional air and naval forces. Here the level of violence is less than in strategic warfare and the threat to national survival is less. But the probability of occurrence is considerably greater for this second option than it is for the first.

The Reagan defense program is significantly improving our capabilities in the conventional forces as well. The program includes procurement of ships and aircraft to improve our strategic mobility, new tanks and artillery to improve firepower, new radios to improve command and control, and more ammunition and fuel to improve readiness. When these programs are completed, our ability to respond to conventional military threat situations will be greatly improved. The Rapid Deployment Joint Task Force is being given some substance by this Administration for the first time since its creation a few years ago.

As we have previously stated, the most serious threat to the United States involves the recently acquired ability of the Soviet Union to destroy our strategic forces in a first strike. As we have pointed out, however, it is not the most likely attack to be launched against the free-world. The most likely force to be used is at the opposite end of the conflict spectrum—terrorism, subversion, guerrilla and irregular warfare which is known as unconventional warfare.

The term unconventional warfare includes, in addition to terrorism, subversion, and guerrilla warfare, such covert and non-military activities as sabotage, economic warfare, support to resistance groups, black and gray psychological operations, disinformation activities, and political warfare. The Soviet Union today, acting directly or through their proxies and surrogates, is heavily engaged in all of these unconventional warfare operations against the free world. Because they are covert and generally conceal the involvement of the Soviet Union, there is a tendency to pretend that we are not under attack. We must understand that in the Soviet scheme of things, "conflict, struggle and violence are the driving force of human history." The Soviet empire, by the sheer necessity postulated by its doctrinal axioms, is relentlessly expansionist. This expansionism is not the result of personality quirks of successive leadership groups but rather the direct result of ideological core beliefs which are deemed immutable. Since the Soviets have recognized that expansion by a direct assault on Europe entails grave risks, they have concluded that it is much safer to resort to an indirect, but no less menacing strategy elsewhere. We can be absolutely certain that the Soviet Union with the help of their surrogates such as Cuba, East Germany, North Korea, Libya, and others will continue to use this unconventional form of conflict to expand their empire through "wars of national liberation as a part of the continuing class struggle"—to use their own words.

Unless we recognize that our enemies are exercising the "third option" in the conflict spectrum we cannot take the steps essential for our own defense. If we continue to ignore the unconventional or irregular warfare option we can be defeated just as certainly as we would if we ignored the threats posed at the upper end of the conflict spectrum.

The Soviets not only have a global strategy to implement their world-embracing ideology, but they have demonstrated a ruthless political will to employ their Special Purpose Forces of The Committee for State Security (KBG) to augment and complement in a covert way their overt foreign programs. Soviet unconventional warfare activities are managed at the highest level of government authority. In peacetime such as the current situation they are controlled by the KGB. In conventional war situations these special purpose assets might be placed under the operational control of the Main Intelligence Directorate (GRU) of the General Staff to operate in small groups against key political, military, command and control transportation and industrial targets in the enemy rear area. Today these elite forces are used in civilian clothes by the KGB in destabilization, penetration, and other subversion operations throughout Africa, Southeast Asia, the Middle East, and Central and South America. They are exceptionally well trained, superbly equipped, and fully funded.

On the other hand, the U.S. capability to counter terrorism or to participate in unconventional warfare operations was seriously curtailed by specific actions of the last administration. Not only did President Carter direct the dismantling of the CIA's Human Intelligence Collection and Covert Action capabilities, but the military's Unconventional Warfare forces, in all services, were cut back drastically. Some evidence of this weakness was demonstrated in April, 1980, during what has come to be known as "Jimmy Carter's Desert Classic" in Iran.

Today as we examine the situation around the world, it we are realistic, we find many places where the West is under direct or indirect attack by the Soviet Union using these unconventional methods. In many cases we don't even realize that we are under attack because there is a tendency in the West to assume that the Soviet Union and its allies have the same standards of behavior and the same humanitarian goals as ourselves. There has been a tendency to ignore what actually exists and concentration on what might be brought into existence. This denial of reality has produced serious misjudgements with often fatal consequences. As a result, we find ourselves forced into inactivity because we lack the capability and the will to exercise the third option for our own defense, to take pressure off an ally, or to exploit to our advantage the many vulnerabilities that now exist in the Soviet empire.

In distant Afghanistan, two years after the Soviet invasion to prop up an unpopular Marxist regime, the 85,000 Soviet troops have been unable to control the anti-communist Moslem freedom fighters. In recent weeks there is new evidence that the USSR has already started to reinforce its troops there with large numbers of new troop formations. The intelligence coming from that area suggests that there are now over 110,000 Soviet forces in that country and they plan to increase that number to 150,000 in time for the spring offensives against the defiant freedom fighters. The Communist Afghan Army continues to lose strength due to defections and casualties.

While the Soviet invasion of Afghanistan with conventional forces, assisted by Soviet Special Purpose Forces, presented a serious challenge to the West, in my opinion, we were correct in refusing to use our conventional forces to repell that conventional attack. Afghanistan is at the extreme end of a logistical supply line for the United States but only a minor problem for the USSR. Because of the recently acquired strategic superiority of the USSR, it was clear that a threat to use our strategic forces lacked credibility. Disregarding what we might have done to prevent this take over if our intelligence and covert actions capabilities had been intact and judiciously employed, what is needed now is the ability to provide assistance and support to the valiant Afghan Freedom Fighters. Because our capability in this UW area is so seriously enfeebled, our efforts to support the Afghans must be handled through third parties without adequate supervision or direction.

In the mineral-rich West African country of Angola, the UNITA forces of Dr. Jonas Savimbi are conducting an heroic resistance to the occupation of Soviet, East German, and Cuban regular forces. These occupation troops constitute the only force which keeps the unpopular and ineffective communist MPLA government in power. The Savimbi forces completely control about 20 percent of the country and operate freely over another 40 percent. The morale of the UNITA force is very high and their support within Angola is increasing. The morale of the 23,000 Cubans is quite low with defections to UNITA causing serious problems for Fidel Castro and his communist masters. In my opinion, the United States should have the UW capability and the national will to assist the anti-communists in their valiant struggle for real freedom. At the present time a congressionally decreed limitation, known as the Clark Amendment, prevents the President from doing what is necessary and moral in this case. The issue in Angola is complicated by the fact that Gulf Oil has been extracting and refining oil in territory controlled by Angola and is thereby, subsidizing the Soviet and Cuban occupation of Angola. In fact, the Cuban military forces are providing the security for the Gulf Oil installations. Gulf Oil payments to Angola constitute the primary source of income for the communist MPLA government and its Soviet, East German, and Cuban protectors. It appears that it is the Gulf Oil lobby which is bringing pressures on the State Department and the House of Representatives to retain the limitations of the Clark Amendment.

In neighboring Namibia the communist movement known as SWAPO continues to launch terrorist raids from their sanctuary in that part of Angola under MPLA control. These raids against civilian villages are designed to destabilize efforts by the majority of the people of Namibia to form an independent multi-party, non-communist government. Without Cuban and East German assistance, support, and protection in other bases in Angola, SWAPO would cease to be a factor to be reckoned with in the area.

Closer to home, in fact, in our front yard in Nicaragua the establishment of a dictatorship of the proletariat is almost complete. There is no longer any serious effort made to conceal the fact that the leadership is now 100 percent Marxist. Most non-communists have been purged and the anti-communists eliminated. The Sandinistas are creating, with Cuban and Soviet assistance, an army and militia of over 250,000, equivalent to one-tenth the population. The combined forces of Nicaragua and Cuba, even without the Soviet Brigade in Cuba, will be larger than any army south of the Rio Grande.

The national economy of Nicaragua is collapsing. The country already owes almost $3 billion to foreign creditors, and this is increasing at $2.5 million per day. This foreign debt incurred by the Sandinistas in only two years, is almost equal to the giant indebtedness accumulated by the "corrupt" Somoza regime in 43 years of systematic pillage.

A very important fact came to light recently. According to an independent public opinion poll published on 10 November in Nicaragua, only 28 percent of the Nicaraguan people support the Sandinistas revolution. I should add that after those results were published, public opinion polls have been outlawed.

After the fall of Nicaragua to the communist-supported Sandinistas, the Cubans announced that the next target in Central America would be El Salvador. The evidence is irrefutable that weapons and other support has been flowing from Cuba through Nicaragua to El Salvador. The basic strategy of the Marxist guerrillas in El Salvador has been to develop enough strength that they could destroy the five bridges over the Rio Lempa with the view of separating the eastern one-third of the country from the rest. In keeping with this plan, one year ago the Marxists called for a general uprising or revolution. To the great surprise of Havana and Moscow, no one came to the party. In recent weeks they planned again to cut off eastern El Salvador with the view of establishing their own enclave. Thanks to some help from their neighbors, including Guatemala, the guerrillas have been unable to achieve any significant military success. The guerrillas or terrorists in El Salvador, as in most areas under communist assault, must use military power to seize control because they do not have the support of the people. The counter-guerrilla forces of El Salvador could use some help from our counter-insurgency experts. Unfortunately, this part of our Unconventional Warfare capability was dissipated and lost by the last administration. Current U.S. policy in El Salvador is simply to prevent a communist military victory while hoping wistfully that some sort of political solution will emerge from the recent election.

Although difficult for impatient Americans, we must be prepared for a protracted conflict in that area. We must also recognize that if we permit the terrorists a sanctuary in Nicaragua or elsewhere, we will be adding an unnecessary handicap to the situation and increasing the probability of communist victory.

On the other side of the globe, in the Korean Peninsula, the North Koreans continue the covert offensive against South Korea while continuing to build up their conventional military forces. North Korea continues its efforts to infiltrate agents into the Republic of Korea by crossing through and under the DMZ, by landing from specially constructed agent boats, by use of legal travelers from third countries, and by floating in with the tide up the Imjin and Han Rivers. The type, quantity, and disposition of North Korean weapons systems such as artillery and attack aircraft all indicate a concentration on offensive intentions rather than a concern for defense. The presence of U.S. conventional combat forces standing alongside those of the Republic of Korea constitutes a deterrent against any overt North Korean adventure to the south. But, the defense plans for the Republic of Korea must take into account the ongoing unconventional war being waged against it today and appropriate forces and strategy have been developed to cope with it.

In all of the situations just mentioned, freedom-loving people are being subjected to communist-inspired warfare in which a response by the United States at either the nuclear or the conventional warfare option is either inappropriate or lacks credibility as an effective course of action. There are many other areas of the world where individual and national liberties are being repressed by the covert, unconventional warfare efforts of the Soviet Union and its proxies as it carries out its globally-oriented expansionist foreign policy.

In other areas of the world, communist imperialism already has been imposed and Marxist governments now maintain control of vast populations by force of arms. This includes the captive nations of Eastern Europe, Africa, and Southeast Asia. In many of these nations, resistance to Russian controlled communism is well established and the populations are crying out for help and encouragement from the free world, especially the United States.

To frustrate Moscow's global strategy, it is essential to recognize and acknowledge that it exists. The Soviet Union continues resolutely to be committed to revolutionary activism in all corners of the globe. With a single-mindedness of purpose, the USSR is forging ahead to secure its position as the world's paramount power, using multiple agencies and multiple military options for achieving this goal.

We must not lose sight of the fact, however, that communist doctrine calls for the avoidance of a direct confrontation when it meets a wall of resistance. It is prepared to take a step backwards whenever it meets an obstacle to its expansion even if the obstacle is litle more than a wall of resolve.

The striking success of Moscow's foreign policy in recent years is the combined result of Soviet deception and Western self-deception. It is the unpalatable truth that the West is the Soviet's strongest ally in its own destruction. This has been demonstrated by the continuing export to the Soviet Union of our most advanced technology and by our enthusiastic willingness to pull Soviet chestnuts out of the fire by paying off satellite debts and providing agricultural products to compensate for communist inefficiency in the socialist management of its own agricultural sector.

In order to stymie Soviet imperial ambitions, and to reverse the trend, the U.S. has to come to terms with the existence of an enduring adversary relationship with the USSR, and to accept this challenge to the point of resisting it forcefully and exploiting to the maximum those weaknesses in the Soviet empire with a view toward rolling back communist tyranny and domination. What is needed as a matter of urgency is a national strategy which recognizes the whole spectrum of potential conflict and most especially the current unrecognized conflict at the unconventional warfare end of the scale. A central building block of this new strategy could be a return to the abandoned policy of containment as articulated by George Kennan in 1947 when he said that our policy should include: "* * * the adroit and vigilant application of counter-force at a series of constantly shifting geographical and political points, corresponding to the shifts and maneuvers of Soviet policy." But in addition, because the Soviets have made such great progress in expansion since our policy of containment was jettisoned, the new national strategy must have a roll-back component which will give hope and encouragement to the captive nations and peoples of the world.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

In addition to this expression of a new strategy, a demonstration of a new national will to carry out this strategy is required. This can be shown by the immediate assignment of the resources, human and financial, needed to carry out this new strategy. This would include as a matter of priority the revitalization of the Central Intelligence Agency and the reconstruction of that part of our military forces which will give us the capability to counter the ongoing attacks on our free world allies and also give us the option of exploiting the growing disillusionment and resistance inside the Soviet empire.

This strategy must be based on the indisputable fact that the USSR can ultimatley only be contained by the ready availability and demonstration of American power. There is no substitute for American leadership in this great venture. If we don't do it now, it may be too late.●

HIGH UNEMPLOYMENT STILL HAUNTS US

HON. PARREN J. MITCHELL

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 19, 1982

● Mr. MITCHELL of Maryland. Mr. Speaker, it is no secret that our national unemployment level hovers around 10 percent. In my own Seventh District of Maryland, like many other inner cities, the level is slightly higher than the national average. Still further, unemployment among minorities, blacks, and particularly black youth remains at critical levels.

Such startling and prevailing statistics should necessitate, without question, a firm Government commitment to the Nation's small businesses, since these entities create the bulk of our new employment opportunities. Unfortunately, the current administration is succeeding in diminishing the Federal commitment in both providing a full employment economy, and undergirding small businesses.

The prevailing philosophy among most of our chief policymakers is to continue in the tradeoff: Keep unemployment high in order to fight inflation. Any denial of this by the current administration appears quite weak when we have witnessed severe budget reductions in every initiative which sought to provide job training, skills acquisition, and supplemental educational tools to those who are generally among the chronically unemployed. Additional evidence of the lack of any bona fide approach to the massive unemployment problem presents itself when we witness inflationary defense spending which will not induce the creation of much-needed labor-intensive facilities and projects. Lastly, if we talk about tradeoffs, what about a tradeoff which mandates that those large corporations which are recipients of the administration's tremendous additional tax incentives and writeoffs must illustrate a much greater commitment to addressing the problems of the chronically unemployed. Certainly those top corporate brains who are able to devise numerous ways to utilize tax incentives for mergers could think of more innovative ways for their establishments to help the Government address the massive levels of unemployment.

Mr. Speaker, I do not believe we can fight the philosophical obsession with allowing high unemployment to purportedly fight inflation. What we can do, however, is struggle fiercely to maintain and strengthen our small businesses. These entities provide the greatest percentage of jobs, and have the potential to address our bleak unemployment situation in a way which we can all support.●

GOODWILL FIRE COMPANY OF MUHLENBERG TOWNSHIP, PA.

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 19, 1982

● Mr. YATRON. Mr. Speaker, on Saturday, May 15, the Goodwill Fire Company of Hyde Park, Muhlenberg Township, Pa., celebrated their 75th anniversary.

I think it is indeed fitting to take this opportunity to acknowledge the enormous contribution these firefighters have made, and will continue to make, to the public safety.

The firefighter's job requires an exceedingly high degree of dedication, courage, and professional skill. They underline through their actions everyday, the community spirit of helping one's neighbors. Each day they place their very lives in jeopardy in order to secure the lives and property of the citizens they have sworn to protect. I would like to extend a personal note of gratitude, and I know that my colleagues in the U.S. Congress will join me, to the members of the Goodwill Fire Company, for their high degree of concern and dedication to the public safety and welfare. Their contributions exemplify the emphasis that our Nation has always placed on community action and service.●

IMMUNITY-COMPELLED TESTIMONY

HON. ED BETHUNE

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 19, 1982

● Mr. BETHUNE. Mr. Speaker, the highly charged Wayne Cryts bankruptcy case has brought to my attention a serious flaw in our Criminal Code as it relates to "Immunity-Compelled Testimony." It seems that there is currently no distinction between the issuance of a compulsion order in criminal, civil, or bankruptcy cases. I believe that this is a major oversight in the code, given the disparate nature of these cases.

Mr. Speaker, today I am introducing legislation that would allow the presiding Federal judge discretion in deciding to issue a compulsion order in a civil or bankruptcy proceeding. Furthermore, this legislation would allow for the witness for whom the order is requested to present his case at a hearing on the compulsion order. However, my bill would maintain the present mandatory status of compulsion orders in criminal proceedings.

It is my belief that civil and bankruptcy cases are very different in nature than criminal cases. Present Department of Justice policy does not attempt to differentiate between them. Since the bulk of the requests for "Immunity-Compelled Testimony" orders are in criminal cases, there is little likelihood that civil and bankruptcy cases will receive the special review they deserve. My bill is an attempt to recognize this difference by giving the presiding judge discretion in these few special cases.●

RECIPROCAL AGRICULTURAL TRADE ACT OF 1982

HON. TOM HAGEDORN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 19, 1982

● Mr. HAGEDORN. Mr. Speaker, today I am introducing the Reciprocal Agricultural Trade Act of 1982. The purpose of this legislation is to establish the concept of reciprocity of market access as a key principle of U.S. agricultural trade policy and trade law. The bill requires the executive branch to identify and obtain the elimination of barriers maintained by our major trading partners and by strengthening the provisions of the Trade Act of 1974 that provide remedies against foreign unfair agricultural trade practices.

I am convinced that it is time to address the monumental problems that the U.S. agricultural sector is facing in international markets. Since the early 1970's with the huge expansion of exports, U.S. agriculture has become highly dependent on access to international markets. Agriculture is the only major U.S. industry that maintains a trade surplus and offsets the U.S. balance of trade which has been in a deficit position since 1971. U.S. agricultural trade surplus is projected to be $26.5 billion, the same level as last year. Nonetheless, the value of U.S.

exports for fiscal year 1982 is projected to be $42.5 billion, $1.3 billion below the level a year ago. This would be the first time since 1969 that the value of U.S. farm exports failed to increase from one year to the next.

Mr. Speaker, increasingly the American farmer is finding it difficult to compete in international trade on a free-market basis. Many foreign countries provide export subsidies or impose trade barriers which have threatened our export markets.

The European Community, through its common agricultural policy, maintains high domestic support prices for agricultural commodities through a system of import tariffs and variable import levies. These high support levels encourage excess production. With no limit placed on production, the excess is disposed in international markets through the use of export subsidies at our expense. In the current fiscal year, the EC will spend over $14 billion on agricultural programs. In addition, the EC member states spend even more on agricultural programs than the EC itself.

Since the inception of the CAP, the EC's share of world food product exports has increased gradually to the point that last year for the first time they became a net grain exporter. The EC now accounts for more than 15 percent of total world wheat exports.

The result of these subsidized exports is to reduce the export volume and place a dampening effect on prices of agricultural prices. We are increasingly facing competition from EC export subsidies in third-country markets.

Currently, soybeans and corn gluten feed are not subject to the EC's variable levy. However, the EC has asked for a ministerial mandate to negotiate limits on imports and unbind the zero-duty level of U.S. corn gluten. I find this proposal simply intolerable. The zero-duty binding on corn gluten was a concession granted to the United States in the Kennedy round of negotiations under the general agreement on tariffs and trade and was paid for with U.S. counterconcessions. If the request is approved by the EC Council of Ministers, it would jeopardize almost 3 million tons of U.S. corn gluten exports valued at nearly a half billion dollars. I have personally appealed to Agriculture Secretary Block to vigorously oppose this proposal and use all existing tools to resist it. As I understand it, the Council has temporarily deferred the request because of the serious consequences raised by U.S. officials.

Japan is the single most important market for U.S. agricultural exports. The value of U.S. farm exports is forecasted to total $6.1 billion, even though exports are projected to fall below year-earlier levels for the first time since 1975.

Japan also maintains significant protection of its agricultural sector. They have developed a system of formal and informal trade barriers, primarily on semiprocessed and processed goods. However, some raw products, such as corn for industrial use, wheat, and rice, are under quota.

In addition to quotas, the Japanese maintain tariffs, administrative guidance, State trading, plant and animal quarantines, health regulations and standards, and a generous rice-support program.

Taiwan, an increasingly important trading partner of the United States, maintains a foreign trade policy composed of high tariffs and a restrictive licensing system.

Thus, it is obvious that the American farmer has formidable tariff and nontariff barriers to the exports of their agricultural products. High interest rates, the renewed strength of the dollar, and large world supplies have only exacerbated the problem.

Currently, section 301 of the Trade Act of 1974 provides guidelines for Presidential action to enforce U.S. rights under trade agreements and response to certain foreign trade practices. Several petitions have been registered by U.S. industries concerning unfair trade practices by the EC on several agricultural commodities. The petition on wheat flour was filed in 1975 and is yet to be resolved. Numerous industry petitions concerning EC import duties on U.S. citrus products have been filed since 1970. More recently, petitions have been filed covering poultry, sugar, pasta, and canned fruits and raisins. This administration, more than any other in recent past, has taken an aggressive stance in bringing our trading partners into line on fair trade issues.

Mr. Speaker, the bill I am introducing is designed to strengthen the provisions in section 301. It requires the administration to identify and measure the impact of foreign barriers to U.S. agricultural exports and provide an annual report to Congress regarding these barriers. The identification process would extend to foreign trade barriers irrespective of whether or not these are prohibited by GATT. In addition, the President would be required to propose such actions deemed necessary to offset these trade barriers if the executive branch fails to obtain their elimination.

Section 301 would be amended to allow the Committee on Agriculture, Nutrition, and Forestry of the Senate or the Committee on Agriculture of the House of Representatives to file a petition with the U.S. Trade Representative to initiate formal 301 action. The International Trade Commission would provide estimates of the impact on the U.S. economy of the barriers under investigation. Finally, 180 days after initiating the 301 case, the President would be required to indicate which alternatives for retaliatory action he would consider using if efforts to eliminate the foreign barrier fail.

The dispute settlement procedure provided in the GATT and the accompanying Subsidies Code have not been particularly effective in resolving our trade disputes. The United States is expected to call for a renegotiation of the Subsidies Code at the meeting of Trade Ministers scheduled later this year. However, we cannot afford to rely on these negotiations to seek redress to our trade problems. I believe it is time to send a strong signal to our customers and trading partners that we intend to continue to be a reliable supplier and simply will not tolerate unfair intrusion to our markets through tariff and nontariff trade barriers.

I would urge my colleagues to examine the merits of this legislation and I would hope you would join me in cosponsoring it. Thank you, Mr. Speaker.●

SEVENTIETH ANNIVERSARY OF HADASSAH

HON. MARTIN OLAV SABO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 19, 1982

● Mr. SABO. Mr. Speaker, I would like to take this opportunity to honor a very special anniversary; the 70th year of Hadassah. Founded in 1912 by Miss Henrietta Szold, an American-Jewish scholar, Hadassah has grown from a small Zionist women's study group to a highly respected and influential organziation claiming over 360,000 women members in the U.S.A. and Puerto Rico. Although devoted to the study of Jewish affairs, Hadassah involvement reaches beyond culture to touch all our lives.

Throughout its history this nonprofit voluntary organization has offered educational opportunities to anyone interested in Jewish studies. Thousands of young people have enriched their lives through experiences gained by participation in Hadassah-sponsored programs in Israel. Others of us have leaned about the plight of Soviet Jews through materials researched and published by this organization.

More than a mere resource for information, however, Hadassah has served as a symbol of unwavering support to Israel in its fight to preserve its homeland. It is this dedication to traditional liberties and ideals that we honor today. Happy anniversary Hadassah, and thank you for 70 years of excellence in leading this Nation to a better understanding of Israel, its people, and its importance to American life.●

BUDGET RESOLUTION AMENDMENTS SUBMITTED

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 19, 1982

● Mr. WAXMAN. Mr. Speaker, in connection with the upcoming deliberations on the first Concurrent Budget Resolution for fiscal year 1983, I have submitted the following letter and amendments to the Rules Committee for its consideration:

HOUSE OF REPRESENTATIVES,
Washington, D.C., May 19, 1982.

Hon. RICHARD BOLLING,
Committee on Rules,
Washington, D.C.

DEAR MR. CHAIRMAN: Enclosed are three amendments to H. Con. Res. 345, one relating to biomedical research, one relating to Medicare, and one relating to both biomedical research and Medicare. I respectfully request that each of these be made in order to H. Con. Res. 345 and to any substitute thereto.

Since I have not yet had the opportunity to review any substitutes or other amendments which might be offered to H. Con. Res. 345, I would also request the opportunity to offer further amendments to any substitute, or any amendment thereto, that might be offered to H. Con. Res. 345 and that might alter the budget authority levels or the budget outlays for the health (550) function or the reconciliation instructions to the Energy and Commerce Committee.

Let me briefly describe each of the attached amendments, beginning with the amendment relating to biomedical research. H. Con. Res. 345 provides $8.05 billion for discretionary health programs in FY 1983. While the Budget Committee included $150 more than FY1982/83 freeze level, the amount provided is still nearly $400 million below the CBO baseline for these programs for FY1983, a baseline which is itself based on the drastically reduced FY1982 funding levels. That $150 million increase would be insufficient to bring even biomedical research up to its baseline level, leaving nothing for needed increases in other vital public health programs. My amendment would restore $247 million in FY1983, $501 million in FY1984, and $766 million in FY1985. This would allow funding for biomedical research at the baseline levels, freeing up the $150 million increment by the Budget Committee for programs such as childhood immunizations, tuberculosis protection, veneral disease control, and food and drug safety.

With respect to Medicare, H. Con. Res. 345 proposes to cut outlays by $2.15 billion in fiscal year 1983. Included in this recommendation are potential savings from two proposals which my amendment would delete. The working aged proposal would require employers to retain private health insurance coverage for those elderly individuals who work, shifting $610 million in Medicare costs to those individuals' insurance plans and creating an incentive against employing the elderly. The proposal to delay the date of Medicare entitlement to the month following the month of eligibility would simply delay Medicare coverage and shift $145 million in costs to the aged and to private insurers. My amendment would eliminate the "savings" of $755 million in fiscal year 1983, $883 million in fiscal year 1984, and $1,007 million in fiscal year 1985 derived from these proposals.

In addition to these two amendments, I would also like the opportunity to offer an amendment combining the biomedical research and Medicare changes described above.

Please note that each amendment would increase revenues by the amounts necessary to offset any increase in outlays that would result. The amendments do not specify how revenues would be increased. However, revenues could be derived from revisions in the existing medical expense deduction for out-of-pocket health spending above three percent of income. Such a change in tax policy could generate the revenues needed to pay for these vitally important increases in health outlays.

Thank you for your consideration of this request.

With all best wishes,

Sincerely,

HENRY A. WAXMAN,
Chairman, Subcommittee on
Health and the Environment.

AMENDMENTS TO H. CON. RES. 345, AS REPORTED

RELATING TO BIOMEDICAL RESEARCH

Page 12, line 10, strike out "$677,700,000,000" and insert in lieu thereof "$676,835,218,000".

Page 12, line 12, strike out "$31,700,000,000" and insert in lieu thereof "$31,835,218,000".

Page 12, line 14, strike out "$828,000,000,000" and insert in lieu thereof "$828,247,309,000".

Page 12, line 16, strike out "$780,550,000,000" and insert in lieu thereof "$780,685,218,000".

Page 14, line 16, strike out "$77,300,000,000" and insert in lieu thereof "$77,547,309,000".

Page 14, line 17, strike out "$80,100,000,000" and insert in lieu thereof "$80,235,218,000".

Page 22, line 4. strike out "$753,650,000,000" and insert in lieu thereof "$754,017,109,000".

Page 22, line 5, strike out "$846,550,000,000" and insert in lieu thereof "$847,173,568,000".

Page 22, line 8, strike out "$51,650,000,000" and insert in lieu thereof "$52,017,109,000".

Page 22, line 9, strike out "$66,550,000,000" and insert in lieu thereof "$67,173,568,000".

Page 22, line 12, strike out "$888,400,000,000" and insert in lieu thereof "$888,901,183,000".

Page 22, line 13, strike out "$952,850,000,000" and insert in lieu thereof "$953,616,290,000".

Page 22, line 15, strike out "$826,400,000,000" and insert in lieu thereof "$826,767,109,000".

Page 22, line 16, strike out "$881,200,000,000" and insert in lieu thereof "$881,823,568,000".

Page 27, line 5, strike out "$81,700,000,000" and insert in lieu thereof "$82,201,183,000".

Page 27, line 6, strike out "$89,650,000,000" and insert in lieu thereof "$90,017,109,000".

Page 27, line 9, strike out "$94,100,000,000" and insert in lieu thereof "$94,866,290,000".

Page 27, line 10, strike out "$101,250,000,000" and insert in lieu thereof "$101,873,568,000".

Page 35, line 1, strike out $31,700,000,000" and insert in lieu thereof "$31,835,218,000".

Page 35, line 4, strike out "$51,650,000,000" and insert in lieu thereof "$52,017,109,000".

Page 35, line 5, strike out "$66,550,000,000" and insert in lieu thereof "$67,173,568,000".

Page 35, line 21, strike out "$31,700,000,000" and insert in lieu thereof "$31,835,218,000".

Page 36, line 1, strike out "$51,650,000,000" and insert in lieu thereof "$52,107,109,000".

Page 36, line 2, strike out "$66,550,000,000" and insert in lieu thereof "$67,173,568,000".

RELATING TO MEDICARE

Page 12, line 10, strike out "$676,700,000,000" and insert in lieu thereof "$677,455,000,000".

Page 12, line 12, strike out "$31,700,000,000" and insert in lieu thereof "$32,455,000,000".

Page 12, line 16, strike out "$780,550,000,000" and insert in lieu thereof "$781,305,000,000".

Page 14, line 17, strike out "$80,100,000,000" and insert in lieu thereof "$80,855,000,000".

Page 22, line 4, strike out "$753,650,000,000" and insert in lieu thereof "$754,533,000,000".

Page 22, line 5, strike out "$846,550,000,000" and insert in lieu thereof "$847,557,000,000".

Page 22, line 8, strike out "$51,650,000,000" and insert in lieu thereof "$52,533,000,000".

Page 22, Line 9, strike out "$66,550,000,000" and insert in lieu thereof "$67,557,000,000".

Page 22, Line 15, strike out "$826,400,000,000" and insert in lieu thereof "$827,223,000,000".

Page 22, Line 16, strike out "$881,200,000,000" and insert in lieu thereof "$882,207,000,000".

Page 27, Line 6, strike out "$89,650,000,000" and insert in lieu thereof "$90,533,000,000".

Page 27, Line 10, strike out "$101,250,000,000" and insert in lieu thereof "$102,257,000,000".

Page 34, Line 16, strike out "$2,489,000,000" and insert in lieu thereof "$1,734,000,000".

Page 34, Line 20, strike out "$3,576,000,000" and insert in lieu thereof "$2,693,000,000".

Page 34, Line 22, strike out "$4,160,000,000" and insert in lieu thereof "$3,153,000,000".

Page 35, line 1, strike out "$31,700,000,000" and insert in lieu thereof "$32,455,000,000".

Page 35, line 4, strike out "$51,650,000,000" and insert in lieu thereof "$52,533,000,000".

Page 35, line 5, strike out "$66,550,000,000" and insert in lieu thereof "$67,557,000,000".

Page 35, line 12, strike out "$2,548,000,000" and insert in lieu thereof "$1,793,000,000".

Page 35, line 16, strike out "$3,641,000,000" and insert in lieu thereof "$2,758,000,000".

Page 35, line 17, strike out "$4,232,000,000" and insert in lieu thereof "$3,225,000,000".

Page 35, line 21, strike out "$31,700,000,000" and insert in lieu thereof "$32,455,000,000".

Page 36, line 1, strike out "$51,650,000,000" and insert in lieu thereof "$52,533,000,000".

Page 36, line 2, strike out "$66,550,000,000" and insert in lieu thereof "$67,557,000,000".

RELATING TO MEDICARE AND BIOMEDICAL RESEARCH

Page 12, line 10, strike out "$676,700,000,000" and insert in lieu thereof "$677,590,218,000".

Page 12, line 12, strike out "$31,700,000,000" and insert in lieu thereof "$32,590,218,000".

Page 12, line 14, strike out "$828,000,000,000" and insert in lieu thereof "$828,247,309,000".

Page 12, line 16, strike out "$780,550,000,000" and insert in lieu thereof "$781,440,218,000".

Page 14, line 16, strike out "$77,300,000,000" and insert in lieu thereof "$77,547,309,000".

Page 14, line 17, strike out "$80,100,000,000" and insert in lieu thereof "$80,990,218,000".

Page 22, line 4, strike out "$753,650,000,000" and insert in lieu thereof "$754,900,109,000".

Page 22, line 5, strike out "$846,550,000,000" and insert in lieu thereof "$848,180,568,000".

Page 22, line 8, strike out "$51,650,000,000" and insert in lieu thereof "$52,900,109,000".

Page 22, line 9, strike out "$66,550,000,000" and insert in lieu thereof "$68,180,568,000".

Page 22, line 12, strike out "$886,400,000,000" and insert in lieu thereof "$888,901,183,000".

Page 22, line 13, strike out "$952,850,000,000" and insert in lieu thereof "$953,616,290,000".

Page 22, line 15, strike out "$626,400,000,000" and insert in lieu thereof "$827,590,109,000".

Page 22, line 16, strike out "$881,200,000,000" and insert in lieu thereof "$82,830,568,000".

Page 27, line 5, strike out "$81,700,000,000" and insert in lieu thereof "$82,201,183,000".

Page 27, line 6, strike out "$89,650,000,000" and insert in lieu thereof "$90,900,109,000".

Page 27, line 9, strike out "$94,100,000,000" and insert in lieu thereof "$94,866,290,000".

Page 27, line 10, strike out "$101,250,000,000" and insert in lieu thereof "$102,880,568,000".

Page 34, line 16, strike out "$2,489,000,000" and insert in lieu thereof "$1,734,000,000".

Page 34, line 20, strike out "$3,576,000,000" and insert in lieu thereof "$2,693,000,000".

Page 34, line 22, strike out "$4,160,000,000" and insert in lieu thereof "$3,153,000,000".

Page 35, line 1, strike out "$31,700,000,000" and insert in lieu thereof "$32,590,218,000".

Page 35, line 4, strike out "$51,650,000,000" and insert in lieu thereof "$52,900,109,000".

Page 35, line 5, strike out "$66,550,000,000" and insert in lieu thereof "$68,180,568,000".

Page 35, line 12, strike out "$2,548,000,000" and insert in lieu thereof "$1,793,000,000".

Page 35, line 16, strike out "$3,641,000,000" and insert in lieu thereof "$2,758,000,000".

Page 35, line 17, strike out "$4,232,000,000" and insert in lieu thereof "$3,225,000,000".

Page 35, line 21, strike out "$31,700,000,000" and insert in lieu thereof "$32,590,218,000".

Page 36, line 1, strike out "$51,650,000,000" and insert in lieu thereof "$52,900,109,000".

Page 36, line 2, strike out "$66,550,000,000" and insert in lieu thereof "$68,180,568,000".●

UNILATERAL DISARMAMENT GROUP MASQUERADES AS DEFENSE ADVOCATES

HON. THOMAS F. HARTNETT

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 19, 1982

● Mr. HARTNETT. Mr. Speaker, I would like to bring to your attention two separate articles. These articles are "Misfire: How Pentagon Critics Shot Down Their Own Ace" by Jonathan Alter, appearing in the May issue of Washington Monthly, and "Second Thoughts on Schell" in the May 3 issue of Time magazine.

I have found these articles interesting for a number of reasons. Mr. Alter details the surprising "behind-the-scenes" activity surrounding the recent firing of Dina Rasor as director of the National Taxpayers Legal Fund's "Project on Military Procurement." In a similar vein, the Time magazine article highlights criticism of "The Fate of the Earth" by Jonathan Schell. Originally hailed as a leading antinuclear work by such journalists as Walter Cronkite and Mary McGrory, it is now being lampooned by even the most ardent liberal opinionmakers. I bring these items to the attention of my colleagues concurrently, Mr. Speaker, because they both demonstrate how individuals in the so-called defense "reform" movement are actually for unilateral disarmament.

For the past 2 years, Ms. Rasor has received considerable notoriety with her criticisms of many weapons programs. She has taken a particular interest in the hydraulic system of the M-1, the Sparrow missile and other military hardware. her work has been featured on the CBS television program "60 Minutes," the New York Times, the Washington Post, and numerous other publications.

While I have watched Ms. Rasor's work with interest, it has been rare that I have agreed with her particular criticisms. I often felt that her approach was misguided, but I am sure she is a sincere individual who was concerned about building a strong America. It is for this reason that I was surprised to learn that the NTLF board had removed her from her post.

The Washington Monthly describes the attitude of the "old left" as being "Why build effective weapons? To kill more people? No weapons are good; in fact, they're so hateful they shouldn't even be talked about. So just get rid of them."

Mr. Speaker, I suggest that the true identity of the Project of Military Procurement was in this case revealed, a unilateral disarmament group masquerading as defense advocates.

I bring this to your attention, Mr. Speaker, because I feel this incident goes far beyond the isolated case of Dina Rasor, but is an actual indictment of the so-called defense reform movement. The Center for Defense Information, the Council for a Livable World, and the Coalition for a New Foreign and Military Policy are just a few of the many organizations which pretend to advocate a more efficient military, while actually working toward unilateral disarmament.

In fact, Mr. Speaker, it should be pointed out that the chairman of NTFL is former Senator Eugene McCarthy, who as a Member of the body in 1958, founded the Democratic Study Group, and of course achieved national prominence with his antiwar views in the late sixties. According to the magazine, McCarthy felt it was "more important to cut the Pentagon's lean than its fat."

An avowed disciple of Jonathan Schell, McCarthy is one of the few who remain committed to the ideas set forth in "The Fate of the Earth." In an article appearing in the New Republic, a stronghold of liberalism, columnist Max Lerner says that Schell's logic could be used to justify "certain surrender through unilateral disarmament by the West." A recent New York Times editorial blasted Schell for "utopianism," saying:

> The rest of us are left in the real world, stuck with the only available alternative to catastrophe. Deterrence it will have to be.

And Harper's magazine editor Michael Kinsley argues that Schell too readily subordinates "liberty," "national sovereignty" and other values to "survival," because the only alternatives he sees are worldwide incineration or peace at any price.●

ANTHRACITE STEAM FIRE CO. NO. 1 CELEBRATES 100TH ANNIVERSARY

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 19, 1982

● Mr. YATRON. Mr. Speaker, I rise today to honor the members of the

Anthracite Steam Fire Co. No. 1 of Mount Carmel, Pa., who will be celebrating their 100th anniversary during the week of May 24 through May 30. The week of activities will culminate in a banquet on May 30.

The Anthracite Steam Fire Co. No. 1 enjoys the enthusiastic support of the community it serves and not only works to protect the lives of the citizens and their property, but has unceasingly contributed time and effort on many projects to benefit their neighbors and friends.

The members of this company demonstrate, every day, the community spirit of helping one another, which is the very foundation of our country. I think that it is indeed fitting that their accomplishments should be recognized in the U.S. Congress. I know my colleagues will join me in paying tribute to the members of the Anthracite Steam Fire Co. No. 1 and will wish them many more years of continued success. It is my hope that their excellent example of what can be accomplished continues to underline the importance of aiding those in need.●

WORLD TRADE WEEK

HON. ANDY IRELAND

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 19, 1982

● Mr. IRELAND. Mr. Speaker, President Reagan has proclaimed this week, May 16–22, as World Trade Week. This is a time designated to emphasize that trade is vital both to our domestic economy and to our international relations.

The theme for World Trade Week is "Exports Mean Jobs." In a proclamation signed by the President, he noted that exports account for almost 6 million U.S. jobs and generate billions of dollars for U.S. companies.

In a special message concerning World Trade Week, Secretary of Commerce Malcolm Baldrige said:

> As the world's greatest trader, the economic health of the United States is closely tied to exporting. Exports create jobs. They support the value of the dollar. They blunt the thrust of inflation. They pay for critically-needed resources and materials from abroad.

He continued by saying, "* * * in the final analysis the kind of export performance we need requires the concerted efforts of American business."

Mr. Speaker, as chairman of the Small Business Subcommittee on Export Opportunities and Special Small Business Problems, I am well aware that small- and medium-sized businesses constitute an untapped pool of export potential. I hope the events scheduled throughout the week will encourage more of these businesses to enter into the exporting field. We can all benefit from small businesses who broaden their marketing base outside of the United States. The rewards for investing the time and money into export expansion can be very substantial. The substantial growth of the U.S. economy can be assured, more jobs will be created to offset rising unemployment, the vital small business sector will be stimulated, and the sagging dollar with be enhanced.●

THREATS TO THE ENVIRONMENT

HON. PARREN J. MITCHELL

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 19, 1982

● Mr. MITCHELL of Maryland. Mr. Speaker, I am very proud to share a copy of a speech delivered by Maryland State Delegate Larry Young before a Democratic National Committee forum on "Our Environment—Can It Survive the Reagan Administration?" Delegate Young has been a leading advocate for adequate environmental protections in our State and on the national level. I commend both Delegate Young and the Democratic National Committee for continuing to hold matters of the environment among their top priority.

"Building for a Better Tomorrow"—Remarks of Hon. Larry Young, Maryland House of Delegates, Before the DNC Forum on "Our Environment—Can It Survive the Reagan Administration?"—April 21, 1982

Good evening. It is a true pleasure for me to be here with you this evening with such distinguished panelists to address a topic near and dear to me. The environment.

As some of you know, I began my environmental career in the early 1970s under the guidance of the late, great Joe Penfold, then with the Izaak Walton League of America. What a man and leader. Joe Penfold gave a speech in 1969 that provided focus and meaning to the word "environment." Joe said:

"If we can achieve the technology and create the artificial environment required to put men on the moon, we can preserve or restore a rewarding natural environment for the rest of us earth-bound mortals. Moreover, clean air to breathe and clean water to drink are inalienable civil rights that belong to all the people and may not willfully be abridged."

The message is clear. As Americans, we should expect a national policy that promotes a decent environment for all, just as we expect equal opportunity to be one of the basic cornerstones of our nation. There are many in this nation, namely the man on Pennsylvania Avenue, who do not believe in Joe Penfold's wisdom.

Many Republican and other right wing types have tried to tell the nation that the environmental movement is dead, unrepresentative of American society and made up of "liberals" who are out to get the Republicans and torpedo progress.

Let us ask ourselves these questions: Is the environmental movement over? Are we headed on a path of environmental decay in the 1980s? Are we going to allow Mr. Watt, Ms. Gorsuch and others to turn back the clocks to an era as objectionable as stealing from the poor box?

Believe me, the movement is not over. It is shifting into high gear to confront the turbulence ahead.

How long will it take? Long enough for the tremendous public outcry for a good, clean and decent environment to be translated into a cohesive block of voters. Faster, in my opinion, if we could translate the word "environment" to mean more than just water, trees and wildlife.

For environment means the totality of city life. It means the air we breathe; the housing we live in; the streets we drive and walk on; the schools our children attend; and the businesses we work in and buy from.

When we can integrate all of these concerns under the banner of environmentalism then we will no longer have to wait for clean air, clean water and a decent environment for all Americans. We have waited long enough.

Contrary to what the President and other conservative Republicans are saying, an improved environment—one that displays respect for even the most basic amenities like clean air—will positively benefit all segments of society. The effects of an improved environment will ripple across political boundaries.

Cleaner air will reduce the danger of disease. Pure water will improve health. Quieter neighborhoods will reduce the risk of hearing loss. Cleaner streets will reduce the dangers posed by rodents. Citizens will stand a bit taller and prouder of their neighborhoods.

But what is the short-term strategy of the anti-environmentalists that are one of the basic elements of the conservative Republican constituency? They would sacrifice short-term corporate gain for long-term human improvement. They look at the results of the Harris Poll and the New York Times/CBS News Poll that show a pro-environment sentiment in America with a defiant gesture that includes only their middle-finger.

The pitfalls of the Republican proposals will be reduced enforcement of environmental laws and the delay and/or rescinding of regulations taking effect. The total environment will suffer. Not just people, but housing, schools and stores. When individuals are asked to accept a political philosophy that says "we don't care about the human condition," then those same individuals will begin to look for allies in their war.

One of the consequences of 1980–84 will be a movement full speed ahead within the environmental movement. Some of the chief Republican villains whose names I have already mentioned have provided a renewed spirit and focus for environmentalists. While in the early 1970s the in-thing was to pass new environmental laws like the Clean Air Act, Clean Water Act and the National Environmental Policy Act, the job we have before us now is to tread water to maintain what we have.

In all honesty, this job would be made easier if the traditional environmentalists and urban groups could strike an important agreement—to work together for the betterment of all. These are two important Democratic constituencies that if pulled together and packaged, can become one of the

strongest and most potent political forces America has known.

The Republican anti-urban and anti-environmental policies have provided the impetus for this great coalition. We have talked of pulling it together. Now let's do it. What I mean is an all out drive by the DNC to keep these constituencies in the Democratic column forever.

And what if these constituencies don't come together in a peaceful marriage? What will be the consequences?

The result will be a continued voice screaming out because of environmental failures in our urban communities. There will continue to be an insensitivity to the potentials for solutions. There will continue to be those who can effectively use environmental progresss as the "scapegoat" for the lack of jobs in Black communities. And there will continue to be an effort to discredit those of us who care about the environment with thick, biased studies and glib one-liners.

What I am saying it that we must use now as the time to get our own house together. Let us consummate the urban/environmental marriage that I spoke about. The Republican party has given us the opportunity. Now, let us take advantage of their blunders.

As a Black legislator representing an inner-city area of Baltimore, I maintain a special, personal interest in environmental degradation. My own mother suffers from asthma and I have seen the human suffering on "pollution alert" days. I have seen thousands of dollars used to control rats because of improper sanitation when the money could be better used to create jobs. And I spend every legislative session in Maryland promoting environmental quality among my colleagues. We all must make a special effort to reach out. In no other time in recent years is the enemy of a clean environment and a decent urban life as identifiable as now.

On the economic front, we must undertake two fundamental policies. One—we must get our nation back to work. Two—we must put in place a fair and progressive tax system that spreads the burdens and benefits of government equitably.

Jobs are number one. Unemployment draws from the strength of America like cancer draws from the human body.

A fair and just tax system is number two. The Republican tax-cut of 1981 provides a windfall to the wealthiest Americans, the one's who need it least.

A Democratic economic policy should promote the creation of jobs. A CETA-like program is needed for the short-term. Private-sector jobs will come with the advent of an economic program—unlike the President's—that provides essential services to Americans and is relatively deficit free.

Democrats must examine the Kemp-Roth Christmas tree tax cut legislation of 1981. A high income surtax may be necessary. Rollbacks may be required. A minimum corporate tax makes sense. And the sale of tax breaks by corporations, while hungry children go without a decent school lunch, must be stopped.

I believe Democrats need not stray from a long life of concern for the human factor. From the New Deal, to the New Frontier, through the Great Society and to the present, Democrats have always showed a concern for human beings. In 1982, as opportunity knocks, let us look to Chairman Manatt, Speaker O'Neill, Senator Bob Byrd and other party and elected leaders for the wisdom and direction we need.

In closing, if a friend or enemy asks why Democrats care about the environment, ask them one which I have borrowed from an ex-Hollywood star: Is the environment better off now than it was in January, 1981?

Thank you.●

WE SHALL NOT INTERRUPT AGRICULTURAL COMMODITY EXPORT CONTRACTS

HON. TOM HAGEDORN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 19, 1982

● Mr. HAGEDORN. Mr. Speaker, I am introducing legislation today identical to that which was introduced on April 21 by my two Senate Colleagues from Minnesota, Mr. Durenberger and Mr. Boschwitz, which would prohibit the Federal Government from interrupting agricultural commodity export contracts except during a national emergency or a state of war.

If our foreign trade policy is one of a free market concept then we must assure our producers that contracts entered into with our foreign trading partners will be honored.

Because the United States has an enormous capacity to produce farm agriculture commodities and do so very efficiently, it is imperative that we seek new markets and continue to be a reliable supplier to our existing ones. This legislation would preserve the integrity of existing agricultural export contracts in the event of a trade embargo.

I am introducing this legislation in conjunction with another proposal I have introduced today entitled the Reciprocity Agricultural Trade Act of 1982. The purpose of this legislation is to establish the concept of reciprocity of market access as a key principle of U.S. agricultural trade policy and trade law. The bill requires the executive branch to identify and obtain the elimination of barriers maintained by our major trading partners and by strengthening the provisions of the Trade Act of 1974 that provide remedies against foreign unfair agricultural trade practices.

Our producers cannot be asked time and time again to produce food to feed the world just to have the Government use agricultural commodities as a tool of foreign policy without protection. The residual effects of the Carter embargo are still being felt by our farmers today with low commodity grain prices and this is of great concern to me. We must assure both our domestic producers and foreign trading partners that we are a reliable supplier of agricultural commodities and will not tolerate barriers or subsidies which are contrary to a free market policy. Because our agricultural contracts will be honored, foreign importers will be under pressure to plan ahead for their agricultural needs and will not be able to come into our markets when prices are depressed.

I feel that these two bills address the concerns that have been raised by farmers across the Nation and will do much to stimulate agricultural exports. I would ask my colleagues for their support.

Thank you, Mr. Speaker.●

STUDENTS WHO CARE

HON. BERNARD J. DWYER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 19, 1982

● Mr. DWYER. Mr. Speaker, it is with a deep sense of pride and admiration that I call the attention of this chamber to a dedicated and exemplary volunteer force in my district—the high school student coaches of the Metuchen "Y" Stars.

This special Olympics "Y" Stars swim team was formed in 1974 with less than 10 competitors. Since that year, the program has grown to almost 40 competitors on two teams. For the past 3 years, our "Stars" have had one of the top teams in the State of New Jersey.

All this could not have been achieved without the generosity of their sponsor and host—the Metuchen YMCA—and the students at J. P. Stevens High who volunteer their time and energy to one-on-one coaching duties with each of the team members.

In addition to all their extensive coaching duties, these young people are very involved in other academic and extracurricular activities at J. P. Stevens. They also give holiday parties, birthday parties, picnics, and join their team members at plays and other activities, at the volunteer's expense. These same students are involved in hand-in-hand, one-to-one, special Olympics track, and wheelchair championships.

In behalf of the citizens of my district and handicapped people nationwide, I want to offer these young men and women—coaches and team members alike—our deepest appreciation and continued support.

This program and its people epitomize the spirit, dedication, community initiative, and caring that makes this country great. Theirs is an example we would all be wise to heed.●

THE INTRODUCTION OF THE HIGH TECHNOLOGY TRADE ACT OF 1982

HON. JAMES M. SHANNON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 19, 1982

● Mr. SHANNON. Mr. Speaker, today I am introducing the High Technology Trade Act of 1982. I do this for myself, for Mr. GIBBONS, chairman of the Trade Subcommittee, and for a number of my colleagues.

In the last few years, there has been a growing recognition of an important fact: High technology has rapidly become one of the industries most essential to the health of the American economy.

The fact that this remarkable field has grown so quickly and effectively has led some people to assume that America's superiority in this area will be as permanent as the Rock of Gibraltar.

But it is time we got realistic. The American high technology industry stands on the threshold of a major threat from Japan. The Japanese are in the middle of a major buildup that could sink America's superiority in both hardware and software just as surely as our ships were sunk at Pearl Harbor.

By now, hard experience should have taught us what happens when we take thriving sectors of our economy for granted. Today, many of our older industries are in deep trouble. Around the world we face closing markets, and the creation of market barriers.

In the fast-paced world of high technology, there is absolutely no time to sit and contemplate current successes. Things change too fast. We must move quickly to promote our interests, or our advantage will be permanently lost. If there were ever a time to set out a forceful, organized high technology policy, that time is now.

Specifically, the High Technology Trade Act of 1982 takes four major steps.

It authorizes the President to negotiate high technology trade issues on both a bilateral and multilateral basis.

It affirms U.S. commitment to national treatment in trade and investment.

It takes the important step of establishing a system which will track practices which distort trade and investment flows, and which will offer proposed remedies to any problems that develop.

And finally, it expands the President's current authority under section 301 of the Trade Act of 1974 to cover investment.

The High Technology Trade Act of 1982 will be effective because it anticipates the industry's critical future needs. These days, you hear a lot of talk about reciprocity. This bill proposes a more positive approach to resolving trade issues. Our purpose is to strengthen our Nation's ability to negotiate barriers in the areas of goods, services, information, and investment.

Ours is a frankly pro free trade bill. It is not sectoral. It would complement the general agreement on tariffs and trade, so as to insure that our U.S. Trade Representative has the kind of negotiating authority he needs and has requested.

With the High Technology Trade Act of 1982, we can begin today to address the challenges of the future. This bill will help us avoid the kinds of mistakes we have made in the past with other industries.

Let us not sit back on the complacent assumption that our currently thriving high technology industries are invulnerable to foreign invasions. They are not.

Economic defense requires a willingness to look ahead, a willingness to commit ourselves to future successes. By supporting this bill, we display exactly that kind of commitment.

SECTION-BY-SECTION ANALYSIS

SHORT TITLE

Section 1 states that the Act is entitled the "High Technology Trade Act of 1982."

FINDINGS AND PURPOSE

In Section 2 the Congress recognizes the importance to the national interest and the U.S. high technology industries of an open world economy for international trade in goods, services, information and investment. Congress finds that international competition in high technology products is increasingly characterized by various forms of government intervention. Congress recognizes that strong, innovative high technology industries are essential to the U.S. national security and defense, future economic development, and international competitiveness, and states that the U.S. should recognize the importance of providing them with a favorable domestic environment. Congress further finds that joint scientific cooperation between U.S. and foreign companies is in the national interest, and that the results of cooperative efforts should be available to all participants. The purposes of the Act are to obtain maximum openness for international trade in high technology goods, services, information and investment, and to strengthen the international trading system.

NEGOTIATING MANDATE

Section 3 authorizes the President to enter into bilateral or multilateral agreements which may include, nonexclusively, commitments by foreign governments not to discourage public or private procurement of foreign high technology products, services or information; commitments to reduce or eliminate tariff and nontariff barriers to high technology trade, including the acceleration of the tariff rates agreed to during the Tokyo Round of trade negotiations and the elimination of any tariffs of five percent ad valorem or equivalent or less; and commitments to provide national treatment. The President is further authorized to make commitments to change U.S. laws, regulations or policies as necessary and appropriate to ensure the competitiveness of U.S. high technology industries.

To carry out agreements negotiated under the Act, Section 3 authorizes the President to use existing procedures under the Trade Act of 1974 to affect duty treatment or to change U.S. law.

ADDITIONAL ACTIONS TO OBTAIN OPENNESS OF FOREIGN MARKET ACCESS

Section 4 directs the President to determine, on a continuing basis, whether any key country has failed to take sufficient actions to provide national treatment for U.S. high technology products and investments. The President is directed to promptly enter into consultations with any such country and, if consultations do not provide the means to obtain national treatment, promptly consider other action under existing laws and international agreements.

EFFECTS OF FOREIGN INDUSTRIAL POLICY

Section 5 directs the Secretary of Commerce, in consultation with the High Technology Industry Advisory Committee, to report annually to Congress on the extent to which any key country utilizes industrial policies or measures which have, or may have, substantially adverse effects on a U.S. high technology industry. This report is to contain an analysis of foreign government industrial policies and measures which are designed to enhance the competitiveness of, or increase the exports of, a foreign high technology industry, and which impair access to domestic markets, as well as subsidies, toleration of cooperation among firms, other anticompetitive activities, interference with the outward flow of nonstrategic technology, and other export-enhancing or import-inhibiting practices. The report to the Congress will also specify the steps the President is taking, or proposes, to remedy the adverse effects of such policies and measures on U.S. high technology industries.

Section 5 further directs the President to use existing authority, as necessary or appropriate, to eliminate or offset the effects of policies or measures which significantly distort trade or investment to the detriment of a high technology industry, or which may result in sales at less than fair value or the provision of a subsidy, and which cause or threaten material injury to a U.S. high technology industry.

MONITORING OF KEY COUNTRIES

Section 6 directs the Secretary of Commerce to establish a mechanism to evaluate the competitive opportunities available in foreign markets, by monitoring high technology trade and investment patterns. Specifically, the analysis will address import, export and investment flows, prevailing competitive conditions, and the nature and extent of government intervention in key countries. This analysis is to be contained in a report to the President, published annually by the Secretary of Commerce.

Section 6 further directs the U.S. Trade Representative and the Secretary of Commerce, after consulting with the High Technology Industry Advisory Committee, to report annually to the President any such measures which they consider to violate U.S. international agreements or to be unjustifiable, unreasonable or discriminatory and a burden or restriction on U.S. high technology trade, services or investment. In response, the President will consider action under existing U.S. laws and trade agreements to reduce or eliminate the measures.

Finally, Section 6 directs the Secretary of Commerce to establish a High Technology Industry Advisory Committee, and to consult with it regarding actions under the Act.

DEFINITIONS

Section 7 defines certain key terms. It specifies that in measuring the openness of foreign markets, structural barriers to U.S. trade and investment, structural advantages of foreign companies due to noncompetitive conditions, and the provision of national treatment, among other factors, will be considered.

National treatment is defined as treatment no less favorable than that accorded to any national, in the areas of establishment, tax and financial incentives, nonstrategic public procurements, and internal regulations and procedures.

AMENDMENTS TO OTHER LAWS

Section 8 amends Section 301 of the Trade Act of 1974 by allowing the President to respond to foreign acts or policies which burden or restrict U.S. investment abroad, and by broadening the range of responses, permitting the President to restrict foreign direct investment in the U.S. in response to unfair foreign trade and investment practices.

H.R. 6433

A bill to authorize negotiations directed toward opening foreign markets to U.S. exports of high technology products, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE

This Act may be cited as the "High Technology Trade Act of 1982."

SEC. 2. FINDINGS AND PURPOSE

(a) FINDINGS.—The Congress finds that—

(1) the growth and maintenance of an open world economy for international trade in goods, services and information, and for investment is in the national interest and in the interest of the United States high technology industries;

(2) international competition in high technology products is increasingly characterized by a high degree of Government intervention through central planning, joint establishment of industrial objectives, subsidization, anti-competitive practices tolerated or fostered by Government policy, denial of national treatment, nontariff and tariff barriers, investment performance requirements, access to preferential financing, and sponsorship of limited-access joint research projects;

(3) the strength, vitality and innovativeness of the United States high technology industries are essential to the national security and the national defense, the future development of the United States economy and the competitiveness of United States industry in international trade;

(4) domestic policies play a critical role in determining the international competitiveness of United States high technology companies, and therefore the United States should take into account the importance of providing a favorable domestic economic environment for United States high technology industries in order to preserve United States international competitiveness; and

(5) the pursuit of joint scientific cooperation in areas of mutual interest between companies of the United States and companies of the trading partners of the United States, through such measures as financial participation and technical and personnel exchanges, is in the national interest, and access by all participants to the results of any such cooperative efforts should not be impaired.

(b) PURPOSES.—The purposes of this Act are—

(1) to obtain and preserve the maximum openness with respect to international trade in high technology goods, services, and information, and for investment in high technology industries; and

(2) to strengthen the international trading system as embodied in the General Agreement on Tariffs and Trade and related agreements.

SEC. 3. NEGOTIATING MANDATE.

(a) PRESIDENTIAL AUTHORITY.—The President is authorized to enter into such bilateral or multilateral agreements as may be necessary or appropriate to achieve the purposes of this Act.

(b) AGREEMENTS.—Agreements under this Act may include but need not be limited to—

(1) a commitment that official policy of signatory countries will not discourage government or private procurement of foreign high technology products, services or information;

(2) the reduction and elimination of all tariffs on, and other barriers to, imports of high technology products, including, but not limited to—

(A) the acceleration of the full concession tariff rates on high technology products agreed to during the Tokyo Round of trade negotiations; and

(B) the elimination of any tariff which on the date of enactment of this Act is 5 percent ad valorem (or ad valorem equivalent) or less; and

(3) a commitment to provide national treatment.

(c) ACTIONS BY PRESIDENT TO CARRY OUT AGREEMENTS.—In order to carry out any agreement concluded under this Act, the President is authorized with respect to products which he deems to be high technology products—

(1) to proclaim such modification or continuance of any existing duty, duty-free or excise treatment, or such additional duties, as he determines to be required or appropriate, pursuant to the procedures governing tariff agreements in sections 131 through 135 of the Trade Act of 1974; and

(2) to utilize the procedures contained in sections 102 and 151 of the Trade Act of 1974 (and corresponding provisions of law) in the event that changes in United States laws are required or appropriate.

(d) CHANGES IN LAW.—The President is authorized to include in any agreement concluded under this Act commitments to make changes in United States laws, regulations and policies that are considered necessary and appropriate to ensure the continued competitiveness in open international markets of the United States high technology industries. Such changes shall be considered by Congress as provided in subsection (c)(2) of this section.

SEC. 4. ADDITIONAL ACTIONS TO OBTAIN OPENNESS OF FOREIGN MARKET ACCESS

(a) DETERMINATIONS BY PRESIDENT REGARDING NATIONAL TREATMENT.—

(1) IN GENERAL.—In order to ensure that national treatment is accorded by a key country to—

(A) United States high technology companies for sales in such country, and

(B) United States persons for investments in high technology industries in such country,

the President shall, on a continuing basis, determine whether such country is taking actions sufficient to provide national treatment in such country for United States exports of high technology products and United States investments in high technology industries.

(2) BASIS OF DETERMINATIONS.—The President shall base the determinations under paragraph (1) on such product categories as are deemed appropriate in accordance with the procedures established under such paragraph.

(b) ACTIONS INVOLVING NEGATIVE DETERMINATIONS.—If the President determines under subsection (a) that a key country is not providing national treatment, the President shall promptly enter into consultations with such country with a view to establishing national treatment in such country and achieving the purposes of this Act. If such consultations do not provide the means to obtain this objective, the President shall promptly consider taking such actions, within his power as he deems necessary or appropriate, under trade agreements to which the United States is a party and under provisions of United States law.

SEC. 5. EFFECTS OF FOREIGN INDUSTRIAL POLICY

(a) REPORT BY SECRETARY OF COMMERCE.—The Secretary of Commerce, in consultation with the High Technology Industry Advisory Committee established under section 6(c), shall analyze and report annually to the Congress—

(1) the extent to which any key country utilizes industrial policies or measures which significantly distort international trade in goods, services or information, or investment flows, and which have or may have substantial adverse effects on any United States high technology industry; and

(2) the steps which the President is taking or proposes to take domestically and internationally to remedy any adverse effects determined under paragraph (1), including any adverse effect arising out of any action which provides a subsidy with respect to articles imported into the United States or the sale of such articles at less then fair value in the United States market.

(b) SCOPE OF ANALYSIS.—The analysis under subsection (a) shall include an analysis of—

(1) any foreign government industrial policies and measures—

(A) which are designed to enhance, or having the effect of enhancing, the international competitiveness of a foreign high technology industry, or

(B) which increase the rate of savings and investment, decrease consumption, channel private or public financial or other resources to favored industries, or otherwise have the effect of increasing high technology exports, and

(C) which impair access to domestic markets; in the case of key commodity components (for example, random access memories (RAMs)), access shall be measured by reference to the extent to which sales in a major developed country of such products manufactured by United States companies in the United States or abroad, taking into account the relative size of markets, are less than sales of those products in other international markets where more open conditions of competition prevail, and such other factors as the United States Trade Representative and the Secretary of Commerce shall prescribe;

(2) specific foreign government industrial policies and measures such as—

(A) subsidies,

(B) toleration of cooperation among firms, or

(C) other anticompetitive activities, including allocation of product or geographic markets, exclusive nonstrategic joint research and development activities, interference with the outward flow of nonstrategic technology, and other export-enhancing or import-inhibiting practices.

(c) Other Presidential Actions.—If the President determines under subsection (a) that a foreign country has foreign industrial policies or measures which—

(1) significantly distort international trade or investment to the detriment of any United States high technology industry; or

(2) may result in sales of articles at less than fair market value in the United States market or provision of a subsidy with respect to articles imported into the United States, and cause, or threaten to cause, material injury to any United States high technology industry,

the President shall take whatever steps within his power that he deems are necessary or appropriate (including entering into agreements) to obtain the elimination of such practices or to offset their adverse effects.

(d) Definitions.—For purposes of this section, the terms "less than fair value", "material injury" and "subsidy" shall have the same meaning as they have under Title VII of the Tariff Act of 1930 (19 U.S.C. 1671 et seq.).

SEC. 6. MONITORING OF KEY COUNTRIES: REPORTS

(a) Analysis of Competitive Opportunities.—The Secretary of Commerce shall establish a mechanism to analyze high technology trade and investment patterns in key countries to evaluate competitive opportunities offered in foreign markets, and to further the objectives of this Act. The Secretary of Commerce shall prepare and publish annually a report to the President containing the results of his analysis which shall include, but not be limited to, information with respect to—

(1) United States exports and imports of high technology products to and from such key countries;

(2) direct and indirect investment flows;

(3) the conditions of competition in such countries, including the nature and extent of intercompany cooperation and coordination in joint research and development, market allocation, and the development and implementation of industrial objectives; and

(4) the nature and extent of government intervention, including the development of industrial objectives, the financing of research and development, the providing of financial, tax and other incentives, and the directing of procurement.

(b) Report to the President—

(1) Report.—The United States Trade Representative and the Secretary of Commerce shall, after consultation with the Advisory Committee established under subsection (c), report annually to the President with respect to measures enumerated in the report submitted under subsection (a)—

(A) which they consider to be violations of United States international agreements, or

(B) which are unjustifiable, unreasonable or discriminatory and a burden or restriction on United States high technology products, services or investments.

(2) Action by the President.—The President shall consider what action may be taken under the laws of the United States and trade agreements to obtain the reduction or elimination of such measures.

(c) Advisory Committee.—The Secretary of Commerce and the United States Trade Representative shall—

(1) establish a High Technology Industry Advisory Committee comprised of representatives of interested high technology industries; and

(2) fully consult with this Committee with respect to actions under this Act relating to—

(A) the preparation of negotiating positions,

(B) the conclusion of any agreement,

(C) the imposition of any restriction, and

(D) the monitoring of the results of any such agreement or restriction.

The provisions of section 135(f) of the Trade Act of 1974 shall apply to the Committee.

SEC. 7. DEFINITIONS

(a) Openness of foreign markets.—For the purpose of this Act, openness of international trade and investment shall be measured by reference to—

(1) the existence of structural barriers to United States trade and investment;

(2) structural advantages enjoyed by foreign companies by virtue of an absence of fully competitive market conditions in their home markets;

(3) the extent to which national treatment is afforded United States investments to produce and sell high technology products and services for sale in the local market of a major developed country; and

(4) such other factors as the United States Trade Representative and the Secretary of Commerce shall prescribe.

(b) National Treatment.—The term "national treatment" shall include, but not be limited to, treatment not less favorable than that accorded to any national with respect to—

(1) the freedom of establishment of a market;

(2) taxation and financial incentives;

(3) nonstrategic government purchasing and public contracts; and

(4) internal regulations and practices.

(c) Key Country, Etc.—For the purpose of this Act—

(1) the term "key country" means Japan, the European Economic Community, Canada, and any other foreign country (including any newly industrialized country) designated by the President as a key country for any purpose of this Act; and

(2) The term "newly industrialized country" means Korea, Taiwan, Malaysia, Brazil, Argentina, Hong Kong, Singapore, Spain, Mexico, and Israel, and any other foreign country designated by the President.

SEC. 8. AMENDMENTS TO OTHER LAWS

(a) Subsection (b)(2) of section 301 of the Trade Act of 1974 (19 U.S.C. 2411(a)) is amended by adding the words "or foreign direct investments" after "services".

(b) Subsection 301(d)(1) is amended—

(1) by deleting the period; and

(2) by adding the phrase "and direct investment abroad by citizens or nationals of the United States."

(c) Subsection 304(b) is amended—

(1) by deleting the word "or" the first time it appears, and replacing it with a comma; and

(2) by inserting the words "or direct investment" after the word "service".●

STATEMENT ON HIGH TECHNOLOGY TRADE ACT OF 1982

HON. STAN LUNDINE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 19, 1982

● Mr. LUNDINE. Mr. Speaker, I am pleased to join with the principal sponsor of this legislation, Congressman Jim Shannon, to introduce the High Technology Trade Act of 1982 for consideration by the House of Representatives. Currently, our high technology industries are being threatened by our inability to set forth a coordinated and aggressive trade policy in response to our international competitors in this field, particularly the Japanese.

Passage of the legislation we are introducing today, I believe, will go a long way toward providing the necessary impetus to dealing with this problem. It does not advocate a protectionist trade policy. Rather, it is designed to insure that our domestic industries are provided the opportunity to compete in a free and fair international trading environment.

The pivotal provisions of this legislation are designed to open up foreign markets to U.S. products and to insure that our domestic industries are afforded no less favorable treatment in doing business in foreign countries than are that nation's own domestic firms. As we all are aware, the United States has been losing its competitive edge in many instances because of the establishment by foreign countries of nontariff barriers to trade that severely restrict the ability of U.S. firms to penetrate their markets for sales. These barriers include subsidies, performance requirements, and barriers to investment and access to capital. We cannot afford to tolerate use of such nontariff barriers by our trading partners any longer.

This legislation includes two major provisions: First, it provides a congressional mandate to the President to undertake negotiations with our international trading partners to eliminate barriers to free trade in high technology, and to provide for national treatment of U.S. firms in foreign countries with respect to investment, taxation, research and development, and government procurement. The bill leaves with the President the final decision regarding any action that might be appropriate in response to a failure to obtain these conditions.

Second, the legislation establishes a High Technology Advisory Committee, which together with the Secretary of Commerce, is required to assess the effects of foreign industrial policy on the flow of international trade in goods, services, or information. A capacity to understand the connection between foreign industrial policy and international trade is essential if we are going to be able to effectively deal with the impact of industrial policy planning abroad on our economy.

The future of our domestic high technology firms is critical to the maintenance of a strong U.S. industrial base and defense capability. Moreover, high technology items will grow more important to the preservation of a strong manufacturing sector in our economy as high technology items are utilized to bring about process and product innovations that will improve productivity performance and profitability. Many of our competitive high technology industries are at a critical juncture—semiconductors, specialty steel, communications, and electronics—and the aggressive implementation of our trade laws and international agreements could well be the critical factor which will determine their long-term survival and international competitiveness.

Over the years, the United States has always maintained an excellence in basic research and in an ability to patent new products and processes. It is clearly our inability to take this scientific excellence and to coordinate it with national policy goals that is damaging our economy today. Because we are no longer the unchallenged world economic leader, we must begin to define our economic goals and pursue them through trade policies and other domestic policies that will ultimately impact positively on our competitiveness in the international marketplace.

One in every seven manufacturing jobs in the United States and over 5 million American jobs remain tied to our ability to export, and our ability to coordinate with our trading partners a fair and effective international trading policy. The High Technology Trade Act is a step in the right direction in dealing with the future survival of a critical sector of our economy. More than this, the elimination of nontariff barriers to trade that can be accomplished under this act will lead to progress toward a more open international trading system in general, and this will be a benefit to all nations of the world.

I commend this legislation to your attention and urge that this legislative body move forward on consideration of it without delay.●

THE MISTAKE OF CUTTING FEDERAL AID FOR HIGHER EDUCATION

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 19, 1982

● Mr. STARK. Mr. Speaker, I strongly condemn the administration's proposed reductions of Federal support for higher education. Clearly, the Federal budget has grown alarmingly over the past few years, but so has the cost of education. In fact, since 1980, college tuition has risen significantly above the inflation rate. Last year, with inflation running at 8.9 percent, the National Association of State Universities and Land-Grant Colleges found that its schools increased tuition costs by 17.7 percent.

Putting an end to waste in any entitlement program is a valid, desirable objective; however, the President's proposals in the area of education are so overly broad that students in genuine need will suffer. A 41-percent reduction in Federal support for higher education during the next 3 years is penny wise but pound foolish. I feel, very strongly, that the Government should encourage postsecondary learning for only through knowledge and competence will America emerge from its present state of disarray.

I particularly disapprove of the administration cutting funds for the guaranteed student loan program (GSL) and the Pell grant program. Currently, 3.5 million students receive GSL's, the Government's largest student-aid program. By 1983, due to a doubling of the 5-percent origination fee, a needs-analysis test applicable to students at all income levels, and the elimination of graduate and professional students from the program, this number will fall to 2.8 million.

President Reagan recently voiced his assumption that those cut from the GSL program would be able to finance their educations through new, lightly subsidized loan programs. Unfortunately, the facts of the situation—that half the States do not have such programs and banks show little interest in starting them—render the President's starry-eyed assumption impractical.

Instead of redirecting the $912 million saved from cuts in GSL's toward lower income students, three low-income aid programs—supplemental grants, National direct student loans, and State student incentive grants—are proposed for elimination.

Pell grants, in the next few years will also be severely restricted. By 1983, the highest grant possible from this particular program will be reduced to a maximum of $1,600. In this age of $5,000 plus tuition bills, $1,600 is not a particularly weighty sum. Adding to the severity of this cut is the strictness of the proposed eligibility requirement. In order to receive a Pell grant, a family of four must have a maximum adjusted income of $16,000. This 40-percent reduction from the 1982 maximum of $27,000 is unreasonable.

I sincerely hope we do not make the mistake of sacrificing long-term benefits of higher education for the relatively minor role that savings from cuts in this area will play in balancing the budget. I would like to include in the Record at this point an outstanding editorial on the true impact of these cuts and the administration's failure to be candid about the cost of these cuts. This administration apparently thinks education is expensive—but wait till they discover the cost of ignorance.

[From The Washington Post, Apr. 13, 1982]

The Facts About Student Aid

The President's radio broadcast last Saturday—in which he set out to dispel what he claimed was a "great misconcept" of his plans for aid to higher education—strikes us as different in kind from his occasional press conference garbling of certain facts. In this case there was ample time for preparation. And while Mr. Reagan may have surprised many of his aides by his choice of topics, the array of statistics included in his prepared remarks makes it clear that he had access to ample staff assistance. In this case it was not in fact the numbers that were wrong. What was wrong was that the numbers he used don't tell the story about what he is proposing to the country.

"We haven't cut [student] loans," said the president, "we've cut the cost to taxpayers of making these loans available. Surely, no one can quarrel with the reduction in administrative costs that results in more money for needy students."

The fact is, however, that these administrative savings aside, the administration has already cut student loans and it wants to cut them more. As of last October, students from families with incomes above $30,000 have had to prove need to get a partial or full loan. Maximum interest rates for students were raised to 9 percent and for parents to 14 percent. (Private banks make the loans, but the government pays all interest on student loans while the students are in school and the difference between market rates and the subsidized rate thereafter. Presumably that's what the president meant when he said that "not one dime of the money being cut has ever gone directly for loans to students"—it just went to make the loans affordable.)

Because these changes weren't effective before the start of the school year, their impact won't be felt until next year—but they are part of what is currently worrying many students. In his 1983 budget, the president wants to tighten up further by applying the needs test to lower-income students, cutting graduate students out of the 9 percent loan program, terminating interest subsidies two years after graduation or if a student quits school, and doubling loan fees. All of this is expected to save over $900 million in 1983 and affect several hundred thousand students. The president assumes that these students will get aid from new, lightly subsidized loan programs—which is why his figures don't show a drop-off in students aided—but half the states don't have such programs yet, and banks have shown little interest in starting them.

The money saved will not be used for lower-income students. Instead, the grant programs for these students will also be cut. The major Pell grant program is slated for a 40 percent reduction—not counting inflation—and three other aid programs now serving several hundred thousand low-income students would be eliminated entirely. All in all, the House budget committee estimates that almost 2 million fewer college students would receive aid in the 1983-84 school year than in the previous year.

When the president returns to the airwaves next Saturday, perhaps he will want to defend the case for these cuts. But he cannot deny they are real or that many people will be affected by them—and it is baffling to us why he would have so distorted his administration's position in a public nationwide broadcast.●

MORE CHRISTIANS BEING PERSECUTED IN ROMANIA

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 19, 1982

● Mr. McDONALD. Mr. Speaker, the number of people being jailed or being deprived of their human rights in Communist Romania continues to grow. Among them are:

Ioan Raceala, Str. Vasile Alexandrii 20, Slobozia, Jud. Jalomita. His wife's name is Maria. They have two children. Ioan has been sentenced to 5 years and 6 months in prison.

Petru Furnea, Str. Zidari 1, Ploiesti, Jud. Prahova. His wife's name is Fiwi. They have four children. Petru has been sentenced to 5 years and 3 months in prison.

Hans Holzmann, Str. Dragos Voda 20, Brasov. His wife's name is Rosl. They have five children. Hans has been sentenced to 5 years and 6 months in prison.

Horst Feder, Str. Ilarie Chendi 87, Sighisoara, Jud. Mures. His wife's name is Ilse. They have two children. Horst has been sentenced to 5 years and 6 months in prison.

Dr. Silviu Cioata, Str. Intrarea Petuniei 9, Bloc 148, Sc. B, App. 20, Ploiesti, Jud. Prahova. His wife's name is Elena. They have 3 children. Dr. Silviu has been sentenced to 5 years and 6 months in prison.

Georgescu Costel, Soseaua Vestului 20, Bloc 101, Sc. B, Etage 9, App. 73, Ploiesti, Jud. Prahova. Georgescu has been sentenced to 6 years in prison.

Ioan Toader, Str. Veronica Micle 42, Ploiesti, Jud. Prahova. His wife's name is Elena. They have one child. Ioan has been sentenced to 5 years and 3 months in prison.

Mircea Cioata, Bulevardul V.L. Lenin 1, Bloc A, Sc. B. App. 19, Ploiesti, Jud. Prahova. His wife's name is Florica. They have three children. Mircea has been sentenced to 5 years and 3 months in prison.

According to my sources their only crime is the possession and distribution of the Gospel of Jesus Christ. This certainly again demonstrates that Romania is not worthy of extension of her Most Favored Nation status, and my hope is that the President will not recommend a continuation of this status to the Congress unless the situation in Romania improves.●

IMMUNIZATION FUNDS REDUCTION

HON. BOBBI FIEDLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 19, 1982

● Ms. FIEDLER. Mr. Speaker, on February 24, 1982, the Los Angeles Times ran an article titled "Putting Children in Danger of Death," concerning the Reagan administration's 1983 budget request for the childhood immunization program. The article questions the commitment of the Reagan administration to the immunization program, despite the fact that the administration's budget request for the program in fiscal year 1983 is $1 million greater than actual spending this year.

Secretary Richard Schweiker responded to the article in a letter published in the March 15, 1982 edition of the Los Angeles Times, detailing the success of the immunization program, and justifying the level of spending requested by the administration. I have included a copy of the Secretary's letter, and ask that it be inserted in the RECORD.

IMMUNIZATION FUNDS REDUCTION

The following is our department's response to the article by Carol Levine, editor of the Hastings Center Report, on the Administration's 1983 budget request for the immunization program, which appeared in The Times (Editorial Pages, Feb. 24).

"Putting Children in Danger of Death" is a very scary headline. However, it has nothing to do with the reality of the successful childhood immunization program being funded nationwide by the Department of Health and Human Services—a program the Reagan Administration fully and strongly supports, a program continuing on a steady course.

The fact is that our immunization program is in no danger whatsoever—nor is our determination to protect those most precious of all America's resources—our children. Two days after Carol Levine's article appeared, alleging a letdown in the immunization program, news accounts from the Centers for Disease Control reported another in a long series of immunization-related successes. Cases of measles, the report showed, continued to decline in January, hitting a record low of just 36 cases nationwide—71 percent below the same reporting period last year. Measles is on the way to being wiped out altogether in this country.

Continuing this immunization progress to protect our children is something I feel very deeply about as secretary of health and human services.

Over the years, as a U.S. senator from Pennsylvania, I was deeply involved in virtually every major piece of health legislation passed in this country, including legislation funding childhood immunization.

I've seen these immunization programs work. I've seen them battle measles, polio, mumps and rubella to a standstill.

Unfortunately, Levine's criticism failed to take into account the background of our ongoing commitment to immunization of children.

To suggest that, because the fiscal year 1983 budget request of $29 million for immunization represents only a modest increase over last year's funding level, it somehow marks a lessened commitment to protect our children is seriously inaccurate.

Last month, Dr. William Foege, director of the Centers for Disease Control (and a professional who was not appointed by the Reagan Administration), summarized the budgetary needs of the immunization program this way:

"We believe the decrease in the numbers of susceptible children, improved program efficiency and widespread public involvement in the immunization program will more than offset any decline in the purchasing power of federal funds."

In other words, we've come such a long way that, obviously, we don't need as many dollars to keep the momentum of the program going as we did to start it and get it up to speed in the first place. Moreover, any fiscal year 1983 "decrease" in federal funds results only from the effects of inflation and rising vaccine costs. Our actual budget request is $1 million higher for fiscal year 1983 than we are spending this year.

Back in 1977, we had 57,345 cases of measles in America. In 1981, we had just 3,032. Six years ago, only 75 percent of our children were inoculated against measles, only 78 percent against diphtheria, tetanus and pertusses. Only 70 percent were inoculated against rubella, 72 percent polio.

Today, that's changed. Virtually all children—95 percent or better of all school enterers—are inoculated.

With only about 5 percent of our children entering school still requiring inoculation, instead of 22 percent to 30 percent a few short years ago, it stands to reason we don't need the same number of dollars.

We have the money to do the job. If we didn't, I'd be the first one to go to Capitol Hill to ask for more. All 50 states now have immunization requirements for school entry; 39 states, and the District of Columbia, have immunization requirements for all students, from kindergarten through 12th grade.

Moreover, voluntary groups, PTAs and, especially, parents, are wholeheartedly involved in the campaign to conquer childhood diseases once and for all. Parents' understanding of the benefits of inoculation has improved tremendously. Parents are aware and concerned. They're cooperating by taking the steps necessary to help protect their children.

So, too, are local health departments in communities across America. They are justifiably proud of the efficient immunization system they have helped build over the years.

Additionally, any state needing more funds for its immunization program can now turn to the preventive health and the

maternal and child health services block grants that are given to the states to use as they see fit under newly passed legislation authored by the Reagan Administration last year.●

CRAMER HILL BOYS' CLUB HONORS CAMDEN ATHLETES

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 19, 1982

● Mr. FLORIO. Mr. Speaker, I recently had the honor of sharing a very special evening with members and friends of the Cramer Hill Boys' Club of Camden, N.J. On Saturday, May 8, the club held it's 27th annual sports banquet, where it recognized many of the community's young athletes.

The Cramer Hill Boys' Club is the oldest youth organization in the city of Camden. Incorporated in 1954, the club has been a leader in promoting neighborhood activities for its young people and enhancing civil responsibility and service to others. I am proud to have been a close observer and supporter of the club's work for many years.

Today the club serves between 350 and 400 Camden youth. For more than a quarter century the club has provided invaluable guidance and encouragement to many thousands of young people in scholastics, athletics, development of character, and community involvement.

Mr. Speaker, the Cramer Hill Boys' Club is composed of interested and thoughtful persons who are working hard to improve their community and their children's future. Anthony Iezzi is president. I know that my colleagues will want to join me in saluting the achievements of the Cramer Hill Boys' Club, and wishing them continued success. At this time I wish to insert in the RECORD the names of the young men and women who were awarded special recognition this month at the club's annual sports banquet.

Boy of the Year—Gerald Dorso
Girl of the Year—Joanne Graves

BASEBALL—MOST VALUABLE PLAYERS

Little League—Rodney Chandler
Minor League—Mike Rocabaldo
V.F.W. League (American Division)—Don Rocabaldo
V.F.W. League (National Division)—Michael Iezzi

SOFTBALL—MOST VALUABLE PLAYERS

Age 10-12—Margaret Iezzi
Age 13-15—Terry Ayers
Age 15-18—Beth Mandruck

BASKETBALL—MOST VALUABLE PLAYERS

Age 13-15—Michael Hadley
Age 16-18—Lou Simpson

FOOTBALL—MOST VALUABLE PLAYERS

Chris Broccoli (70 lbs. division)
Al Alfred (85 lbs. division)
Joe Edwards (110 lbs. division)
James Weathers (130 lbs. division)

CHEERLEADING

Robin Gant, Bridgette Getts, Cindy Genery, Terry Collins●

THE NEW ILLITERACY

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 19, 1982

● Mr. LAFALCE. Mr. Speaker, one of the most alarming trends of recent years concerns the declining capabilities of American students in the maths and sciences. At a meeting last week of the National Academy of Sciences, stern warnings were sounded over the fact that greater and greater proportions of students are graduating American high schools despite the fact that they are scientifically and technologically illiterate. Our science and math education compares sorrowfully with what is afforded to students in the Soviet Union, the People's Republic of China, East Germany, and Japan.

The specter of an American populace ill-equipped to deal with the worldwide technological boom is truly frightening. Our ability to make educated decisions in an increasingly technological society, our ability to form a productive economic base which can provide jobs and our ability to insure a strong national defense all vitally depend upon adequate educational preparation.

If we are going to insure a defense system in which soldiers can operate sophisticated weaponry, and a civilian economic system in which there is an adequate supply of technologically competent men and women, and a political system where everyone participates in decisionmaking, we cannot have scientific know-how in the hands of a select few. The scientific training must be broadly disseminated to all of our Nation's citizens.

I commend to my colleagues the following two editorials from the May 16, 1982, Washington Post. These prescient essays describe in greater detail the crisis we face in the area of scientific and technological preparation of our Nation's youth:

FALLING BEHIND IN MATH AND SCIENCE

(By Paul DeHart Hurd)

The fastest growing minority group in the United States is the scientifically and technologically illiterate. Chances are that if you know a young person finishing high school this spring, he or she is part of it.

Of the 25 instructional hours available in a school week, elementary school children get an average one hour of science and less than four of arithmetic. In junior high, students continue math, but most don't start algebra until the 9th grade, and then only two-thirds of 9th graders do so. The science program is mixed up, with few opportunities to explore a science or engineering topic in any systematic way.

Only 34 percent of our 3 million annual high school graduates have completed three years of math. Only 8 percent complete a course in calculus—only 31 percent of the high schools even teach calculus. Most seniors have had a biology course, a little over a third have had chemistry. Physics is a part of this sequence for perhaps as few as 10 percent.

Three successive nationwide assessments have shown a decline in achievement in science. Two assessments of mathematics have shown a negligible decline in mathematics learning in elementary schools, but the decline increased for 13-year-olds and was greatest for 17-year-olds. The mean score in mathematics on the Scholastic Aptitude Test dropped from 502 in 1963 to 466 in 1980. The proportion of students who scored at the highest level declined by 15 percent between 1967 and 1975, while the lowest scoring groups grew by 38 percent. There has been a 70 percent increase in remedial math courses in public four-year colleges over the last five years.

There is one bright spot: in the 1970s the number of students taking advanced placement examinations more than doubled. If we can assume that these are the students best qualified to pursue scientific and technical careers, our schools are generating a talent pool of some 50,000 students each year. Even if this number were sufficient to provide us with our future researchers and professional engineers—and no one knows if it is—it would still leave our country without other scientifically knowledgeable young people.

There is a critical shortage of qualified science and mathematics teachers. During the 1970s, we experienced a 77 percent decline in the number of secondary school mathematics teachers being trained and a 65 percent decline in science teachers. Of those trained, more and more are leaving teaching for business or industry. Nationwide this school year, 50 percent of the teachers employed by high schools to teach mathematics and science were unqualified and are now teaching with emergency certificates.

Compare science and mathematics education in the United States with that in the Soviet Union, East Germany, China and Japan:

Their school years average 240 days, and absences, considered a family responsibility, are minimal. Typically, our school year is scheduled for 180 days but shrinks to 160 because of absences.

Their schools have a five-and-a-half or six-day school week and a six- to eight-hour school day. Our children attend school four to five hours a day, five days a week.

Their school vacations are short and dispersed to minimize interferences with the learning sequence. Our children have a three-month intellectual vacation in the summer.

Each of the four countries has a national educational policy emphasizing the importance of science and mathematics to economic and cultural progress. We have no such policy.

As with our own, children abroad begin instruction in science and arithmetic in elementary school. Specially trained teachers take over science and mathematics in grade four. For the most part, our elementary school children have one teacher for all subjects throughout the first six years, and sometimes the first eight years.

Specialized study begins for children in other countries in the sixth grade with separate courses in mathematics, biology, chemistry, physics and geography. Each course extends over a period of four to six years. These courses are required of all students. The time spent on these subjects, based on class hours, is approximately three times that of even the most science-oriented students in the United States.

But at no time do the course requirements in science and mathematics in those countries exceed what is allocated to the social sciences, humanities and languages. Indeed foreign language study—usually English—is encouraged to make it possible for students to tap the world's largest resource of scientific and technical information—ours. There are more students and adults learning English in China than there are English-speaking people in the United States.

Russia requires precollege science teachers to carry out a research project in their major field before they may teach in a secondary school. Each of the four countries has provisions for continuing programs of in-service education. Local colleges and universities are expected to assume much of this responsibility. Members of the Academy of Sciences in each of the countries share a responsibility for keeping curriculum materials up to date and socially valid.

None of these comparisons means we should do the same. But they do tell us that other countries recognize the importance of science and mathematics to meeting future economic challenges and that they succeed in encouraging a large percentage of students to pursue careers in science, mathematics and engineering, and in generating a supportive citizenry for scientific endeavors. I am not sure we are doing the same.

Among the developed and developing countries throughout the world there is widespread recognition of the importance of science and technology in fostering human welfare and in meeting the economic and political demands of living in the 20th century and beyond. For the United States to meet these demands will require a knowledgeable and concerned public as well as specialists in the generation of scientific knowledge and technological innovations. A commitment to precollege education in the sciences, in technology and in mathematics must be made by the American public.

THE NEW ILLITERACY

Prof. Paul Hurd outlines a frightening national trend on today's op-ed page. American precollege students are heading toward scientific and technological illiteracy in a world where security and prosperity increasingly depend on science and technology. Dr. Hurd presented his warning to a convocation at the National Academy of Sciences last week.

At the meeting, educators told of steadily declining student achievement in mathematics and the sciences and of less demanding and more out-of-date curricula. School administrators confirmed an appalling shortage of science and mathematics teachers. The superintendent of Houston's public schools reported that thousands of students had graduated without ever having had a qualified math or science teacher.

Representatives of industry, both the new high-technology companies and the traditional "smokestack" industries, warned that they are already unable to find workers sufficiently trained and comfortable with mathematics and technology, and that their need for such workers is going to grow steadily. The secretary of defense linked the problem directly to national security because of manpower needs in both the armed services and defense industries. Numerous speakers reminded the audience that its literate work force has been a traditional advantage of the U.S. economy since the beginning of the industrial age.

Specialists reported that while science and mathematics education has been allowed to fall into decline in the United States, it is being accorded the highest priority elsewhere. Prof. Hurd illustrates some of the ominous differences between this and other countries. Yet even more than in those other societies, democracy demands that citizens understand the choices they have to make. A very small number of American students are being well prepared for careers in science and engineering, but nearly everyone else—about 98 percent of high school graduates—is leaving school as a functional illiterate in these fields in effect denied full citizenship.

Twenty-five years ago, Sputnik galvanized the United States into the realization that it had fallen way behind. This time, there is no single foreign threat—at least not yet—though the problem may be worse. Last time, there was an immediate federal response and the programs worked, until funding and attention dissipated in the late '60s. This time, there is little or no federal money available and a disinclination to look toward Washington for a solution.

Certainly the solution will require the efforts of nearly every sector of society. But the first question that needs to be answered is whether an enterprise run by 16,000 independent and underfunded school districts, with 95,000 directors (school board members) who have a 20 percent annual turnover, can do what is required without concerted leadership and money from Washington.●

REVEREND GRAHAM AND THE SOVIET PEACE OFFENSIVE

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 19, 1982

● Mr. McDONALD. Mr. Speaker, as the Second Special Session on Disarmament at the United Nations nears, a crescendo of rhetoric and media hype builds so as to culminate on June 12. On that date a mass demonstration is scheduled in support of a nuclear freeze—if not unilateral Western disarmament, and acceptance of the Soviet peace proposals as enunciated at the 26th Congress of the Communist Party of the Soviet Union last year.

It has long been an aim to legitimize support for such pro-Soviet policies through the use of well-meaning citizens in this country and Europe. One particular group sought after has been the clergy. Their deep concerns for peace and brotherhood have often led to support of actions which in the long term would aid Soviet foreign policy objectives. The most recent example of this can be seen in the Reverend Billy Graham's visit to Moscow and the reception he received from the Soviet authorities.

I strongly commend to the attention of my colleagues Mr. John F. Burns' article in the May 16, 1982, New York Times, entitled "Soviet Peace Charade Is Less Than Convincing," as an example of Soviet manipulation of the press and clergy in this country and Europe. The article follows:

SOVIET PEACE CHARADE IS LESS THAN CONVINCING

(By John F. Burns)

MOSCOW.—When the Rev. Billy Graham departed last week it seemed clear that his sojourn here would be remembered in the West mainly for his observations about the degree of religious freedom he found during his six-day stay. But the value of his visit for the Kremlin probably lay less in the evangelist's generous view of the state-controlled churches than in his attendance at a conference promoting the Soviet "peace" campaign, a curious bowdlerization of the movement against nuclear weapons that has been gathering momentum in the West.

Though the forms the Soviet movement has adopted are a deft facsimile of its Western counterparts, only the most credulous could equate them. The Kremlin campaign has its rallies and its slogans, and its polemicists have shown understanding of the oral and spiritual concerns that underpin Western antinuclear protests. But there is nothing impartial about the Soviet version, no propensity to look for fault at home. As in everything of consequence in Soviet life, the Kremlin has imposed its monopoly.

American clerics, who remained at the conference after Mr. Graham left, fought successfully for an amendment to its communique that added an approving reference to President Reagan's agreement to open strategic arms talks to the otherwise pro-Soviet text. But the concession seemed unlikely to perturb the Russians, who seem well-organized to keep the peace issue running their way; elaborate peace programs have been a staple of Soviet foreign policy since Lenin. The current Soviet peace committee apparatus was established in 1950 and the committee has served as a conduit for Soviet influence in the World Peace Council in Helsinki, a faithful supporter of Soviet positions. With the advent of the Reagan Administration and the resurgence of the nuclear issue in Western European politics, the committee has assumed new importance.

Its recently named chairman is 73-year-old Yuri A. Zhukov, a senior Pravda commentator who presides in a shiny new steel-and-glass headquarters complete with conference hall, film theater and a staff of 100. It operates 120 branches whose reach can be judged by their success in obtaining 180 million signatures in the 1976 "Stockholm appeal" for an end to the arms race, and by the recent marshaling of six million letters to the North Atlantic Treaty Organization from young Russians protesting plans to deploy new American missiles in Europe. The committee budget comes from popular contributions and activities such as the "peace shifts" that were worked in thousands of factories last weekend to mark the 37th anniversary of the end of World War II.

HELPING PEACE MOVEMENTS ALONG

Demonstrating its total control, the peace committee held protest meetings and rallies last week and was able to announce in advance how many people would attend each event—for example, "a meeting with antiwar slogans in Brest Fortress—40,000 people." To nobody's surprise, the meetings

produced "spontaneous" denunciations of President Reagan's policies on nuclear missiles, the neutron bomb and chemical weapons, which could have been clipped from Pravda.

The committee publishes no accounts, but some of its largesse evidently has been bestowed on Europeans opposing the Western alliance plan to deploy new missiles as a counterbalance to Soviet SS-20's. Moscow has ridiculed President Reagan and NATO Secretary General Joseph Luns for suggesting the link, but a Norwegian group, Art for Peace, acknowledged receiving Soviet financial help for a "peace meeting" last year and the Danish representative on the World Peace Council came under investigation after $45,000 was found hidden in a cupboard in his home. A Soviet diplomat in Copenhagen was declared persona non grata for activities that included contacts with the Danish peace campaign and a Tass correspondent was expelled from Holland for his contacts with the Dutch antinuclear movement.

The Soviet agent's help probably amounts to little more than a jog in the direction that the protestors would have gone anyway. More intriguing is Mr. Zhukov's assertion that his committee is independent of the Soviet Government. That its policies happen to be identical with the Kremlin's, he said, is no wonder, since it is the Soviet leadership that is "objectively" pushing for peace.

Similar circular arguments were expressed in an October 1980 article in Voprosy Filosofii, a Soviet Academy of Sciences journal, by Maj. Gen. Arsenii F. Milovidov, dean of philosophy at the Lenin Military-Political Academy. He argued that nuclear missiles were "fearsome weapons of war" in imperialist hands but "a shield for peace" in the Communist armory.

Of late, there have been signs of anxiety that the emphasis on peace may have gone too far, and that encouragement of European protests could backfire by stimulating similar manifestations in Moscow. How unwelcome that would be was demonstrated last month when European visitors who attempted to unfurl a disarmament banner in Red Square were thrown to the ground by K.G.B. security agents and hauled off for interrogation.

Kremlin worries that popular feelings may yet erupt have shown up in warnings about what the newspaper Sovietskaya Rossiya called "toothless pacifism." The newspaper did not have to explain that in parks in Moscow and other Soviet cities, young people gather with guitars and sing peace songs, including some borrowed from the American antiwar movement of the 1960's. In a booklet entitled "Always Ready to Defend the Fatherland," Marshal Nikolai V. Ogarkov, chief of staff of the armed forces, lamented that two generations of Soviet people have grown up since World War II "not knowing what war is" and consequently adopting "easy-going attitudes and carelessness." Such attitudes, the marshal said, were "a dangerous phenomenon, fraught with grave consequences" that should be eradicated by the party and the Young Communist League by all possible means.●

AMENDMENTS TO THE FIRST BUDGET RESOLUTION

HON. WYCHE FOWLER, JR.

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 19, 1982

● Mr. FOWLER. Mr. Speaker, the following is a brief summary of three amendments I hope to offer to House Concurrent Resolution 345, the first concurrent resolution on the budget, and to the Michel substitute to House Concurrent Resolution 345.

AMENDMENT SUMMARIES: AMENDMENT NO. 1—PROVIDE FOR NATIONAL SECURITY

[In billions of dollars]

Function and description	Change in— BA[1]	Change in— Outlays
050—National defense	−4.10	−1.80
270—Energy	+.19	+.10
500—Education, training, employment, and social services	+2.20	+1.70
Total	−1.71	
AMENDMENT NO. 2—INVEST IN OUR FUTURE		
250—General science, space, and technology	+0.50	+0.46
300—Natural resources and environment	−1.90	−1.90
350—Agriculture	+.60	−.35
400—Transportation	+.05	+.05
500—Education, training, employment and social services	+1.15	+.85
Total	+0.40	−0.89
AMENDMENT NO. 3—MAINTAIN BASIC INFRASTRUCTURE/ESTABLISH REAL FEDERALISM		
300—Natural resources and environment		
370—Commerce and housing credit	+4.80	+.70
400—Transportation	−7.90	−7.98
750—Administration of justice	+.08	+.08
Total	−3.02	−7.20

[1] Budget authority.

AMENDMENT NO. 1—PROVIDE FOR NATIONAL SECURITY

[In billions of dollars]

Function and program	Change in— BA[1]	Change in— Outlays
050—Cancel MX program, except for $200 million R. & D. program for additional study of survivable basing modes (including sea basing)	−4.00	−1.70
050—Slow growth in defense atomic energy activities to reflect cancellation of MX program	−.10	−.10
270—Eliminate funding for Clinch River Breeder Reactor	−.21	−.20
270—Add funding for research and development for solar and renewable energy, and fossil fuels and for energy conservation	+.20	+.10
270—Add funding for strategic petroleum reserve (construction and oil purchases), all to be included on-budget	+.20	+.20
500—Add funding for job training by adopting community partnership for employment and training program to replace CETA and to be funded at a level of $5 billion	+2.20	+1.70
Total	−1.71	

[1] Budget authority.

AMENDMENT NO. 2—INVEST IN OUR FUTURE

[In billions of dollars]

Function and program	Change in— BA[1]	Change in— Outlays
250—Increase funding for National Science Foundation (to upgrade scientific equipment and instrumentation, and to fund science and engineering education and minority institutions science improvement programs at fiscal year 1981 levels	+0.15	+0.13
250—Increase funding for NASA to provide for the following programs: mission operations and research analysis, 30/20 GH, communications satellite demonstration, solar electric propulsion system, Venus orbiting imaging radar; comet rendezvous, and Shuttle/Centaur launch of Galileo mission	+.35	+.33
300—Increase funding for land and water conservation fund, historic preservation, and urban parks	+.10	+.10
300—Increase funding for EPA operations with additions concentrated in the fields of drinking water, air and water quality, and hazardous wastes	+.40	+.40
300—Reduce funding for water resources program by ending Federal support for least cost-effective project construction in fiscal year 1983. Move to $3.5 billion block grant in fiscal year 1984. (See amendment No. 3)	−.40	+.40
300—Impose additional user fees for national resources to more fully recover costs to the Federal Government. Target areas include livestock grazing, ocean dumping, hardrock mineral production, irrigation, deep draft ports usage, improved collection of Federal royalty payments	−2.00	−2.00
350—Provide financial incentives for producers of surplus commodities who reduce acreage planted and employ qualified land conservation practices	+.50	+.45
350—Increase funding for Agricultural Research and Services (including research, extension, and animal and health programs)	+.10	+.10
350—Gradually reduce dairy price support levels to bring supply more into line with projected demand		−.90
400—Increase funding for NASA aeronautical research and technology program	+.05	+.05
500—Increase funding for elementary and secondary education programs (education for the disadvantaged, education for the handicapped)	+.90	+.60
500—Increase funding for higher education programs (Pell grants, college work study)	+.25	+.25
Total	+40	+.89

[1] Budget authority.

AMENDMENT NO. 3—MAINTAIN BASIC INFRASTRUCTURE/ESTABLISH REAL FEDERALISM

[In billions of dollars]

Function and program	Change in— BA[1]	Change in— Outlays
300—Establish block grant for water resources program in fiscal year 1984 and fund at $3.5 billion. States would be able to use their allocation for all programs currently funded under this account plus urban water system maintenance. States would be allowed to carry forward their allocations to future years		
370—Establish temporary mortgage interest rate subsidy program for purchases of single family homes in order to make homeownership more affordable, and to stimulate the depressed housing industry	+3.50	+.70
370—Establish multifamily rental housing construction block grant program, targeted to areas of low vacancy and to low income households	+1.30	
400—Turn back Federal highway programs (and the revenues to finance them) to State governments. Remove highway programs from the Federal budget and levy an additional 10 cents/gallon motor fuels excise tax that would be returned to State governments to fund highway construction and maintenance at an annual national level of about $11 billion	−8.50	−8.30
400—Block grant, and increase funding for federal mass transit assistance to qualifying local governments	+.30	.12
400—Increase funding for airports and airways programs and reject defederalization of major airports	+.10	+.10
400—Increase funding for the Coast Guard to better enable it to accomplish its missions, including environmental protection and drug enforcement	+.20	+.10
750—Increase law enforcement grants to State and local governments for selected successful anticrime programs	+.08	+.08
Total	−3.02	−7.20

[1] Budget authority.●

THE EXPORT TRADING COMPANY ACT

HON. THOMAS F. HARTNETT

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 19, 1982

● Mr. HARTNETT. Mr. Speaker, with unemployment at unacceptably high levels, this body must be on the lookout for ways to create new American jobs. At the same time, budget constraints dictate that we must find these jobs in such a way that we do not put a further burden on the taxpayers.

I commend to my colleagues a job-creating bill that accomplishes both of these goals. The Export Trading Company Act would create over 300,000 new American jobs—4,000 to 5,600 in South Carolina alone—by encouraging the development of effective and knowledgeable trade intermediaries to market American goods and services overseas.

Many American companies now produce goods and services that can be competitive with anything on the world market. The problem is that they lack the necessary expertise to develop the foreign markets. In addition, they are not in a financial position to assume the heavy risk involved.

Export trading companies would be in a position to provide the expertise, as well as provide the economies of scale necessary to reduce the risk to acceptable levels.

If these trading companies are so great, why have they not been developed before? The answer is that there are currently two areas of significant disincentives that have discouraged the formation of trading companies. First, small companies fear that any collaborative efforts will run afoul of antitrust laws, even though the activities occur outside the United States. The legislation under consideration by the House would provide for a "preclearance" of the proposed activities, and a certificate of review would be issued to insure that the companies' activities tended not to violate the antitrust laws.

Second, banks would be allowed to bring their considerable financial clout—with adequate safeguards for depositors—and international expertise to the trading companies.

Mr. Speaker, this is a first-class idea whose timing could not be better. I urge my colleagues to give this bill their strong support.●

REV. WALTER J. VETRO OF BROOKLYN, N.Y.

HON. FREDERICK W. RICHMOND

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 19, 1982

● Mr. RICHMOND. Mr. Speaker, I am sure my colleagues will join me in commending and congratulating Rev. Walter J. Vetro, of Brooklyn, N.Y., as he celebrates his 40th anniversary in the priesthood on May 23.

Born in New York City, Reverend Vetro has served as the pastor of St. Nicholas Roman Catholic Church in Brooklyn for the past 10 years. Reverend Vetro earned his degree as bachelor of sacred theology at the Gregorian University of Rome, Italy, in 1940. He also possesses a master's degree in science in education on the level of administration and supervision, as a graduate of St. John's University, New York in 1962.

Reverend Vetro is the chairman of the board of directors of the St. Nicholas Neighborhood Preservation and Housing Rehabilitation Corp. He also serves as the vice chairman of the board of the Jennings Hall Senior Citizen Housing Development Fund Corp. and is a member of the community planning board No. 1 in Brooklyn. In addition to his outstanding service in the community, Reverend Vetro is the chairman of the Brooklyn Diocesan Council for the administration of church properties and chairman of the board of directors of the Pastoral Institute for the continuing education of clergy and religious of the Diocese of Brooklyn. Reverend Vetro has demonstrated an exceptional zeal, not only in his religious calling, but in the field of community development and housing, for which a testimonial is being sponsored by the 40th anniversary committee, whose members include St. Nicholas Church trustees, parish organizers and clergy associates, business associates and friends. Mr. Joseph Farco is the committee chairman.

Mr. Speaker, this exceptionally dedicated spiritual and community leader in the Greenpoint-Williamsburg neighborhood of Brooklyn, Rev. Walter J. Vetro, is worthy of our highest praise as he achieves yet another milestone in his illustrious career.●

PARRIS SUPPORTS PARK MEMORIAL

HON. STAN PARRIS

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 19, 1982

● Mr. PARRIS. Mr. Speaker, almost 50 years ago, in 1933, an innovative program was initiated by the U.S. Government under President Franklin D. Roosevelt. This program, the CCC—Civilian Conservation Corps—offered hope and opportunity to some 4.5 million Americans from 1933 to 1942. About 2 million of these individuals are active today and have formed the NACCCA, the National Association of Civilian Conservation Corps Alumni. A nonprofit organization organized in 1977, they have come to Capitol Hill to ask for congressional support for a very special effort. So you can appreciate their endeavor, let me first inform you of their goals. The objectives of the NACCCA are to recapture and preserve the history and accomplishments of the CCC, to help resolve problems of our growing senior population, to assist America's youth, and to beautify our countryside and our parks.

To asssist in accomplishing these worthwhile goals this organization has requested that Congress grant NACCCA the use of land in the Prince William Forest Park in Virginia for the purpose of establishing a museum, headquarters, and other buildings for use as a memorial to the Civilian Conservation Corps. This legislation will not represent any cost to the taxpayers since funds would come from private donations. The legislation also contains provisions which will assure that plans for the memorial are satisfactory to the Secretary of the Interior and that the authority to use the Prince William Forest Park land for memorial purposes shall lapse unless privately donated funds adequate to develop the memorial are available within 5 years. The operational costs of the memorial will be dereived from NACCCA funds.

The executive council and the memorial task force of the NACCCA had considered several locations and concluded that a site in the vicinity of the Nation's Capital and within a unit of the national park system would be most appropriate. The Prince William Forest Park offers a unique opportunity to commemorate the Civilian Conservation Corps and to make known to the public its history and accomplishments nationwide during the decade of its existence. Paramount in the opinion of the task force was: First, the Park's location about 30 miles from Washington with easy access from U.S. Interstate Highway 95; second, the presence of a CCC campsite with a variety of remains that could contribute to an understanding of what a typical CCC camp looked like; and third, the national symbolism provided by an attractive park, reforested and developed from submarginal farmland, largely by CCC personnel. Additionally, the site illustrates an accomplishment of the Recreational Areas Development Program, a New Deal agency responsible for acquiring the privately

owned farmlands which were incorporated in the park.

The interpretive program of the memorial would focus on the original CCC campsite, and a museum-history center constructed on lands adjacent to the campsite and on which would be located a parking area with easy access to existing park roads. Pedestrian paths would link the two major interpretive units.

The museum-history center would provide space for the perservation and use of objects and documents related to the CCC program and especially to the more than 2,500 camps originally located throughout the United States; a centrally located display telling the story of the Civilian Conservation Corps program, utilizing modern museum and interpretive techniques; the preservation for public use of plans for recreational facilities that were prepared in the CCC era; a small reference library of publications pertaining to the Civilian Conservation Corps, and facilities for the reception and comfort of visitors. In addition, the structure would contain office space for the National Association of CCC Alumni. It is anticipated that the Center would be used by scholars performing research and would encourage such use, as well as that of the general public.

The museum-history center structure will be designed so that its exterior will harmonize with the local environment. The interior design will emphasize the functional and will be reasonably modern in appearance, particularly where it is necessary to protect the items collected from excessive heat and humidity. Wherever possible, modern day energy concepts such as solar and wind energy would be used. The structure would be designed to permit future floor space expansion, if it should be required.

The original campsite would be developed either as a fullscale reproduction of the original buildings, or a restoration of the remains of the camp, plus such reconstruction as may be needed to develop the total story. The access paths to the site would be developed to conform in appearance to the local environment. Interpretive devices along the paths would explain facets and details of the story. If needs indicate it, a study would be made of such adaptive uses of the structures that would conform to national park policy and serve additionally to interpretation.

Should the needed legislation be approved, the association would launch a nationwide full scale fund raising drive, the purpose of which would be to raise the moneys needed for the total project, including the establishment of a fund for the operation and maintenance of the facilities.

Mr. Speaker, I urge my colleagues to join me in supporting the National Association of Civilian Conservation Corps Alumni's worthwhile endeavor.●

THE RULE OF THE LAW

HON. WENDELL BAILEY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 19, 1982

● Mr. BAILEY of Missouri. Mr. Speaker, I submit the attached remarks by Chief Justice Robert T. Donnelly delivered at the annual meeting of the committees of the Missouri bar in Jefferson City, Mo. on April 30, 1982, for inclusion in the Record:

Remarks of Chief Justice Robert T. Donnelly follow:

THE RULE OF THE LAW

As one who stems from a family of lawyers, I have an abiding devotion to The Rule of Law. Over the years I have become more and more disquieted by the progressive tendency of the Supreme Court of the United States to identify its moral convictions with constitutional imperatives, substituting the justices' personal predilections for the governing law. You may recall Justice Holmes' 1930 dissent in *Baldwin* v. *Missouri* in which he stated:

"I have not yet adequately expressed the more than anxiety that I feel at the ever increasing scope given to the Fourteenth Amendment in cutting down what I believe to be the constitutional rights of the States . . . I cannot believe that the Amendment was intended to give us carte blanche to embody our economic and moral beliefs in its prohibitions.[1]"

His successors have continued to identify their convictions with constitutional requirements. Justice Douglas disclosed in his autobiography that "the 'gut' reaction of a judge" [a]t the level of constitutional adjudications . . ." is the main ingredient of his decision.[2]

Concerned by this course of events. I delivered an address before the General Assembly of Missouri on January 7, 1982, the heart of which was that "even the United States Supreme Court should not be permitted to wield power it was never given." In response to my remarks, Senator Thomas Eagleton sought to align me with "opponents of rational thinking" who would "subvert the basic guarantees of our constitutional democracy;" with "jurisdiction strippers" who whould "toss aside the Constitution."[3]

He protests too much. And he accuses me unjustly—I do not question the benevolence of the Court's legislative efforts—I merely urge a rededication to to The Rule of Law.

In 1958, in *Cooper* v. *Aaron*, the Supreme Court asserted the power to amend the Constitution by judicial fiat: it declared its decisions the supreme law of the land and of binding effect on the States. On January 7, I proposed an amendment to Article V of the Constitution which would give a decision of the Court such stature only "when ratified by the Legislatures of three-fourths of the several States . . ." In a government derived from the consent of the governed, nothing is more important than the right of the people to govern themselves. In the words of Senator Eagleton, "the very survival of our constitutional democracy" is at stake.[4]

I do not yield to Senator Eagleton in my dedication to "the basic guarantees of our constitutional democracy."[5] Those guarantees rest upon a basic principle which he would ignore: ours is a government of "limited and defined powers."[6] In 1942, the Court stated that "courts possess no power not derived from the Constitution."[7] The Court confessed in *Ferguson* v. *Skrupa*[8] that it had gone out of bounds during the Lochner Era, saying:

"We have returned to the original constitutional proposition that courts do not substitute their social and economic beliefs for the judgment of legislative bodies, who are elected to pass laws."[9]

Unfortunately, the Court thereafter merely transferred its penchant for constitutional revision from the economic to the libertarian sphere, leading Professor Philip Kurland of the University of Chicago to say that "the most immediate constitutional crisis of our present time [is] the usurpation by the judiciary of general governmental powers on the pretext that is authority derives from the Fourteenth Amendment."[10]

Thus is posed the essential issue: has the Court usurped power? If it has, our system of checks and balances must provide a cure—otherwise the Court will be free to exercise illimitable power, contrary to the constitutional scheme.[11]

Let me therefore turn to judical usurpation. The watershed case was *Brown* v. *Board of Education*,[12] the desegregation decision, about which I wrote in 1979: it was inspired by "consecrated principles," by "decency and justice," but "[u]nfortunately, it also established a pattern for subsequent distortions of the judicial process."[13] It hardly needs argument to a body of lawyers that a Court may not overleap the bounds of its power in order to achieve a benign result. Substitution of "[an] individual sense of justice," Cardozo wrote, "might result in a benevolent despotism if judges were benevolent men. It would put an end to the reign of law."[14]

Was Brown authorized by the Fourteenth Amendment? A proponent of expansive judicial review, Professor Michael Perry of Ohio State University, recently observed that "the legislative history of the fourteenth amendment clearly discloses that the framers did not mean for the amendment to have any effect on segregated schools or segregation generally."[15] The desegregation decision represents, he indicates, the Court's displacement of the Framers' value choices by "a value judgment of its own."[16] Perry finds that "[t]here is no plausible textual or historical justification for constitutional policymaking by the judiciary," and that such policymaking "cannot be justified by reference either to the text or to the intention of the Framers of the Constitution."[17] Another activist, Professor Paul Brest of Stanford University, agrees that "[f]undamental rights adjudication is open to the criticism that it is not authorized and not guided by the text and original history of the Constitution,"[18] and he has been driven to maintain that the Judges are not bound by the Constitution.[19]

Among the grievious consequences of my point of view, Senator Eagleton asserts, is the threat to rights secured by the [Federal] Bill of Rights.[20] Chief Justice Marshall held in *Barron* v. *Baltimore*[21] that the Bill of Rights applied only to the federal government, not to the States. This holding is supported by the First Amendment's language that "Congress shall make no law . . ." and is confirmed by legislative history.[22] For more than 160 years that was unchallenged learning until Justice Black, dissenting, propounded the theory that the Fourteenth Amendment "incorporated" the Bill of Rights en bloc,[23] a view never accepted by the Court.[24] Perry concluded that the Fourteenth Amendment did not incorporate the Bill of Rights, as was demonstrated "by such renowned historians as Charles Fairman and, more recently, by Leonard Levy," and "is amply documented and widely accepted."[25]

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[1] Footnotes at end of article.

In place of Black's doctrine of wholesale incorporation, the Court proceeded to a process of piecemeal, selective incorporation. The result was, in the words of Justice Brennan, that "from 1962 to 1969 . . . the face of the law changed. Those years witnessed the extension to the states of nine of the specifics of the [Federal] Bill of Rights."[26] This "extension" was not authorized by an amendment; it was judicial construction without constitutional warrant. Professor Louis Henkin of Columbia University concluded that "selective incorporation finds no support in the language of the amendment, or in the history of its adoption."[27] One of the most respected federal judges, Judge Henry Friendly of the Court of Appeals for the Second Circuit, wrote, "It appears undisputed that the selective incorporation theory" has no "historical support."[28]

Let me tick off a few other revisions of the Constitution by the Court. Although its overthrow of segregation was morally just, it was done in spite of the Framers' intention to leave segregation untouched by the Fourteenth Amendment. The "one person-one vote" doctrine contradicts what Justice Harlan stated was the "irrefutable" intention of the Framers to exclude suffrage from the scope of the Fourteenth Amendment.[29] *Shapiro* v. *Thompson*[30] held that the "right to travel," never satisfactorily located in the Constitution by the Court, carries with it the right of an indigent to immediate support at the terminus, overthrowing hundreds of years of English, colonial and State Law to the contrary and imposing back-breaking burdens on certain Eastern States overrun with indigent migrants.[31] *Furman* v. *Georgia*[32] called death penalties into question on the theory that they constitute "cruel and unusual punishments," notwithstanding that in the 100 years between 1689, when the English framed the phrase, and 1789, when it was adopted by the Founders, death penalties were inflicted both in England and the colonies. The death penalty was a commonplace of State law and was never questioned until 1972.[33] The issue, it bears emphasis, is not whether we are for or against death penalties, but whether the Court may deprive the people of the right to enact them.

What of the Court's alleged duty to bring the "cruel and unusual punishments" clause into harmony with more benign modern views? Should the Court be made the arbiter of morals on an issue upon which opinion is sharply divided? As an immediate reaction to Furman there was "a virtual stampede of State reenactments" of death penalties.[34] More important, Hamilton, the most vigorous proponent of judicial review, assured the Farmers in Federalist No. 78 that until the "people" changed the Constitution by amendment, it was binding, "and no presumption, or even knowledge of their sentiments, can warrant their representatives in a departure prior to such an act." A departure by the Court, on the basis of Justices' morals, was not even dreamed of. In our time, Justice Black dismissed "rhapsodical strains about the duty of the Court to keep the Constitution in tune with the times," pointing to the Framers' provision for change by amendment.[35] And Justice Harlan declared:

"When the Court disregards the express intent and understanding of the Framers, it has invaded the realm of the political process to which the amending power was committed, and it has violated the constitutional structure which it is its highest duty to protect."[36]

I am therefore in very good company when I protest against the Court's exercise of ungiven power.

It is a fact that my January 7 proposal was buried in a House Committee many weeks ago. However, if the Court has "violated" the Constitution, if it is acting in excess of its power, then there must be some remedy; for unlimited power is alien to our democratic system. One of the foremost proponents of expansive judicial review, Professor Charles Black of Yale University, considers the jurisdiction-limiting powers conferred on the Congress by Article III to be "the rock on which rests the legitmacy of the judicial work in a democracy." Indeed, Black declared, "I am not sure that I would defend as consistent with the postulates of democracy a system which really did put nine men, with life tenure, in an absolutely invulnerable position of final power. I am very sure that the designation of such a government as one of 'checks and balances' would be quite absurd."[37] Black concludes that "those people are very badly mistaken who think they strengthen the position of the Court by arguing that its jurisdiction is outside congressional control."[38]

From the beginning of the nation the Supreme Court recognized power in the Congress to limit the jurisdiction of the lower federal courts. Article III, § 1, provides that the judicial power shall be invested in "such inferior courts as the Congress may . . . ordain and establish." The Court early held that "although the judicial power has its origin in the Constitution" it is "dependent for its distribution . . . entirely upon the action of Congress, who possess the sole power" of investing the inferior courts "with jurisdiction . . . and of withholding jurisdiction from them" as Congress may deem "proper."[39] What Congress delegates it can withdraw.

Article III § 2, provides that the Supreme Court's appellate jurisdiction shall be subject to "such exceptions and under such regulations as the Congress shall make." In 1810, Chief Justice Marshall declared that the Court's appellate powers "are limited and regulated by the judicial act.[40] He was referring to the Judiciary Act of 1789, enacted by the First Congress. Thus, the power of Congress to "limit" the appellate jurisdiction of the Supreme Court received early recognition both from the Congress and the Court.

During the Reconstruction era the Court, in *Ex parte McCardle*,[41] affirmed Congress' power to withdraw its jurisdiction in a case involving the constitutionality of Reconstruction legislation, and this during the pendency of an appeal. Chief Justice Chase said, "[the] power [of the Congress] to make exceptions to the appellate jurisdiction [of this court] is given by express words."[42] And in 1881, Chief Justice Waite observed that the Supreme Court's appellate powers "always have been proper subjects of legislative control . . . [and] whole classes of cases [may] be kept out of the jurisdiction altogether."[43]

No case in the Supreme Court, to my knowledge, has questioned these cases. Certainly one who relies on these cases may not be dismissed as exhibiting a desire to "toss aside the Constitution." In the most charitable view, Senator Eagleton is unfamiliar with the case law, law that is incompatible with his charge that "jurisdiction stripping proposals are . . . unconstitutional as a matter of law," and are merely "disguised efforts to amend the Constitution."[44] Instead, it is he who would ignore the Constitution by reading out of it the unambiguous provisions for limitation by the Congress of federal court jurisdiction.

Respectable opinion holds that the school prayer and busing decisions, for example, represent judicial revision of the Constitution because the Bill of Rights does not apply to the States and because segregation was excluded from the scope of the Fourteenth Amendment. And it is even more plain that if the Court has acted unconstitutionally, there must be some remedy lest we be ruled by judicial despotism; and that a cure, as the Court has repeatedly recognized, is furnished by the power of Congress to limit the Court's jurisdiction under the provisions of Article III.

The tone of Senator Eagleton's critique suggests that it is lese majesty to question the decisions of the Court. Judges as different as Chief Justice Burger and Justices Douglas and Frankfurter insisted on their right to look behind decisions to the Constitution itself. Burger "categorically" rejected the "thesis that what the Court said lately controls over the Constitution,"[45] Douglas affirmed that a judge swore "to support and defend . . . [the Constitution] . . . not the gloss which his predecessors may have put upon it."[46] Frankfurter did the same.[47] I too claim the right to look at the Constitution for myself. Surely a State court judge may be permitted to point out that both the Founders and the Framers of the Fourteenth Amendment were deeply attached to State sovereignty. Roscoe Conkling, a member of the Joint Committee for Reconstruction, said in 1866 that the proposal to limit State denial of suffrage "encounters a great objection on the threshold. It trenches upon the principle of existing local sovereignty."[48] That principle was delineated by Madison in Federalist No. 39: "[the federal] jurisdiction extends to certain enumerated objects only, and leaves to the several States a residuary and in violable sovereignty over all other objects."[49] His assurance was fortified by the Tenth Amendment's expressed reservation to the States of all powers not delegated to the federal government. Those expressed reservations ought not to be neutered by resort to what the activists themselves label as the "inscrutable," "obscure," and "indeterminate" terms of the Fourteenth Amendment.[50]

I would not deny those who seek change the right to alter the Constitution, but would insist that the exclusive medium of change is amendment by the people, not the Justices. I agree with Washington who said, "let there be no change by usurpation; for though this, in one instance may be the instrument of good, it is the customary weapon by which free governments are destroyed."[51] Self-government, not rule by Platonic Guardians, is crucial for the survival of a democracy, and it can only be assured by clinging to *The Rule of Law*, which

is not to be confused with assertions of "morality" on the part of the Justices. Those who under the aegis of moral imperatives, espouse more than a *restraining role* for the Court, preach false doctrine. To borrow from Thomas Huxley: "The *foundation* of morality is to have done, once and for all, with lying."[52] (italics mine).

I have been asked: Why, as you enter the twilight of your life, did you deliberately expose yourself to the distortions and vilification which you must have known would follow the giving of the speech to the Missouri General Assembly? There are at least two reasons: The first is that "[o]nly when the people understand that it is the Justices, not the Constitution that require [extravagant intrusions into their lives] . . . will they be moved to reassert their right to self-government."[53] The other is that I do not wish to die with music left in me. Thank you very much.

FOOTNOTES

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[1] 281 U.S. 586, 595 (1930) (Holmes, J., dissenting).

[2] Douglas recounts that when he came on the bench, Chief Justice Hughes told him, "you must remember one thing. At the constitutional level . . . ninety percent of a decision is emotional. The rational part of us supplies the reason for supporting our predilections." W. O. Douglas, The Court Years 1939-1975, 8 (1981).

[3] Remarks on the floor of the United States Senate in Senate Press Release, March 17, 1982, pp. 1 and 2.

[4] *Id.*, at 8.

[5] *Id.*, 1.

[6] Loan Association at Topeka, 87 U.S. (20 Wall.) 655, 663 (1874). Chief Justice Marshall declared that the government "can exercise only the powers granted to it . . ." McCulloch v. Maryland, 17 U.S. (4 Wheat.) 316, 405 (1829).

[7] Ex parte Quirin, 317 U.S. 1, 25 (1942).

[8] 372 U.S. 726 (1963).

[9] *Id.*, at 730.

[10] Quoted on dust jacket of *R. Berger, Government by Judiciary: The Transformation of the Fourteenth Amendment* (1977).

[11] See comments of Charles Black, *infra* in text corresponding to notes 37-38.

[12] 347 U.S. 483 (1954).

[13] Baker v. State, 584 S.W.2d 65, 70 (Donnelly, J., dissenting).

[14] *Benjamin N. Cardozo, The Nature of the Judicial Process* 136 (1937).

[15] Perry, *Interpretivism, Freedom of Expression, and Equal Protection*, 42 Ohio St.L.J. 261, 292 (1981).

[16] *Id.*, at 293.

[17] *Id.*, at 275.

[18] Brest, *The Fundamental Rights Controversy: Essential Contradictions of Normative Constitutional Scholarship*, 90 Yale L.J. 1063, 1987.

[19] Brest, *The Misconceived Quest For the Original Understanding*, 60 B.U.L. Rev. 204, 224 (1980).

[20] Eagleton remarks, *supra* n. 3, at 5-6.

[21] 32 U.S. (7 Pet.) 243 (1833).

[22] Perry, *supra* n. 15, at 291, n. 122.

[23] Adamson v. California, 332 U.S. 46, 74 (1947) (Black, J., dissenting).

[24] So Justice Black acknowledged in Betts v. Brady, 316 U.S. 455, 474 (1942) (Black, J., dissenting); *see* Henkin, *"Selective Incorporation" in the Fourteenth Amendment*, 73 Yale L.J. 74, 74-75 (1963).

[25] Perry, *supra* n. 15, at 285-286.

[26] Brennan, *State Constitutions and the Protection of Individual Rights*, 90 Harv. L. Rev. 489, 493 (1977).

[27] Henkin, *supra* n. 24, at 77.

[28] Friendly, *The Bill of Rights as a Code of Criminal Procedure*, 53 Calif. L. Rev. 929, 934, 935 (1965).

[29] Harlan charged in Griswold v. Connecticut, 381 U.S. 479, 501 (1965), (Harlan, J., concurring), that the reapportionment decisions were "made in the face of irrefutable and still unanswered history to the contrary . . ." Professor Louis Lusky is of the same opinion, Lusky, Book Review, 6 Hastings Con.L.Q., 403, 406 (1979).

[30] 394 U.S. 618 (1969).

[31] Berger, *Residence Requirements for Welfare and Voting: A Post Mortem*, 42 Ohio St.L.J. 853 (1982).

[32] 408 U.S. 238 (1972).

[33] *R. Berger, Death Penalties: The Supreme Court's Obstacle Course* (to be published in the Fall of 1982).

[34] *J. Ely, Democracy and Distrust* 65 (1980).

[35] Griswold v. Connecticut, 381 U.S. 479, 522 (1965) (Black, J., dissenting).

[36] Oregon v. Mitchell, 400 U.S. 112, 203 (1970) (Harlan, J., concurring in part and dissenting in part).

[37] Perry, *Noninterpretivist Review in Human Rights Cases: A Functional Justification*, 56 N.Y.U.L.Rev. 278, 332 (1981).

[38] *Id.*, at 334, n. 213.

[39] Cary v. Curtis, 44 U.S. (3 How.) 236, 245 (1845); *see also* Lockerty v. Phillips, 319 U.S. 182 (1943).

[40] Durousseau v. United States, 10 U.S. (6 Cranch) 307, 314 (1810).

[41] 74 U.S. (7 Wall.) 506 (1868).

[42] *Id.* at 514.

[43] The "Francis Wright", 105 U.S. 381, 396 (1881).

[44] Eagleton remarks, *supra* n. 3, at 2, 1.

[45] Coleman v. Alabama, 399 U.S. 1, 22-23 (1970) (Burger, C.J., dissenting).

[46] Douglas, *Stare Decisis*, 49 Colum.L.Rev. 735, 736 (1949).

[47] Graves v. New York ex rel. O'Keefe, 306 U.S. 466, 491-492 (1939) (Frankfurter, J., concurring). "[T]he ultimate touchstone of constitutionality is the Constitution itself and not what we have said about it."

[48] Berger, *supra* n. 10, at 61; for the Founders *see id.*, 60-64; and *R. Berger, Congress v. The Supreme Court* 260-262 (1969).

[49] The pervasive attachment to federalism, *i.e.*, State control of local institutions, Philip Paludan repeatedly emphasizes, was "the most potent institutional obstacle to the Negroes' hope for protected liberty." Berger, *supra* n. 10, at 155.

[50] *J. Ely, Democracy and Distrust* 98 (1981) ["inscrutable"]; Mendelson, Book Review, 6 Hastings Con.L.Q. 437, 451 (1979) ["obscure"]; Professor Paul Brest refers to the "indeterminacy" of the equal protection clause. Brest, *supra* n. 18, at 234, n. 115.

[51] 35 *George Washington, Writings* 228-229 (J. Fitzpatrick ed. 1940).

[52] H. T. Mencken, *Treatise of Right and Wrong* 197 (1934).

[53] R. Berger, *Residence Requirements for Welfare and Voting: A Post-Mortem*, 42 Ohio St.L.J. 853, 877 (1981).●

MEDICAL EXPENSE DEDUCTION ACT OF 1982

HON. JACK FIELDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 19, 1982

● Mr. FIELDS. Mr. Speaker, I am today introducing legislation to amend the Internal Revenue Code of 1954 to allow a parent or legal guardian to deduct certain expenses incurred in connection with their child's required medical treatment.

Mr. Speaker, under current law, only transportation costs are clearly defined as medical deductions in those cases when a parent must accompany a severely ill child to a medical facility for treatment.

The purpose of my legislation is to expand the availability of medical deductions by allowing a parent or legal guardian to deduct certain living expenses, that is meals and lodging, for themselves and their dependent child, who is receiving medical attention as an outpatient.

While my bill does not attempt to deal with every hypothetical situation that may occur, I am hopeful that it will prompt discussion among my colleagues in the Congress who need to focus attention on this most important issue.

Although I clearly recognize that we are living in austere times, I firmly believe this Congress should enact this compassionate legislation. In the last several years, our Tax Code has become replete with deductions and credits for such things as adoption fees and child care expenses. While these are certainly well-meaning programs, I cannot think of a more deserving group of individuals, for this type of tax treatment, than those parents or guardians who are facing the crushing economic burden as well as the psychological strain of watching their child suffer from a debilitating disease.

In my own city of Houston, we are extremely fortunate to have one of the finest facilities for cancer treatment and, for that matter, many other major diseases. As a result, many people from all over the Nation travel to Houston so that their children may receive cancer treatment, chemotherapy, and radiation. While this treatment does not necessarily require full-time hospitalization, it may require treatment administered on an outpatient basis which calls for extended periods of time away from home.

As a result, a parent or guardian may find his or her living expenses reaching an interolerable level and may be faced with the unenviable prospect of abandoning the child or suffering financial insolvency. I do not believe these individuals, at a time of personal crisis, should be forced to make such a decision.

Additionally, I believe it has been clearly demonstrated at hospitals, like those in Houston, that these parents and legal guardians not only provide irreplaceable comfort to these young children, but actually assist in their child's medical care by insuring a proper diet, by providing medication, by assisting in physical therapy, and by generally attending to their emotional needs which is so important to the overall success of their medical treatment.

At a child's most critical moment of need, upon entering the hospital or as an outpatient, a parent or guardian can and does make the difference between a stable period of medical treatment and one of unquestionable anxiety.

My bill is an attempt to utilize the Tax Code to assist these parents or guardians, at this critical time, in a realistic manner. For instance, by bill only allows one parent or a guardian to deduct their living expenses; it limits deductability for those children under the age of 18; it restricts availability to expenses incurred outside one's hometown; and it encourages the affected individuals to maintain accurate records of their living expenses and those of their child.

Mr. Speaker, I urge my colleagues to approve this legislation which will clarify our Tax Code so that a parent or guardian may deduct living expenses on those unfortunate occasions when it is necessary for them to accompany their severely ill child to a medical facility for required medical treatment.

I urge the adoption of the Medical Expense Deduction Act of 1982.●

LEGISLATION AMENDING THE AT-RISK RULE FOR THE INVESTMENT TAX CREDIT

HON. BARBER B. CONABLE, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 19, 1982

● Mr. CONABLE. Mr. Speaker, I am introducing legislation to amend one of the technical rules in the Economic Recovery Tax Act of 1981.

The Economic Recovery Tax Act of 1981 (ERTA) extended the at-risk rule in the tax law to apply as a condition for claiming the investment tax credit (ITC). Thus, a person generally will receive an ITC only with respect to that portion of the property's basis for which he is at risk. Previously, the at-risk rule only applied as a condition for claiming depreciation deductions.

The term "at-risk" generally means that the taxpayer must be personally liable on loans used to finance the purchase of the property for which he is claiming a tax benefit. Thus, taxpayers who use nonrecourse loans may jeopardize some of the tax benefits on the property so financed.

A principal objective of this provision was to curb the overvaluation of tax shelter property. However, one unfortunate side effect is that legitimate, active businesses may be caught up in such broad antitax shelter measures. This fact first was recognized when the original at-risk rule for depreciation was established. The at-risk rule for depreciation provides an exception for active equipment leasing businesses.

The ERTA ITC at-risk rule provides an exception for a person who is at least 20 percent at risk and who borrows from an unrelated financial institution. This limited expection is helpful but it does not go far enough in accommodating active business operations.

In particular the situation of active subchapter S corporations requires further attention. The issue is whether each subchapter S shareholder must independently satisfy the at-risk rule or whether the at-risk loans of the subchapter S corporation will be imputed to the shareholders. Under prior law the ITC generated by a subchapter S corporation was allocated to the respective shareholders in a manner proportionate to their ownership interests. Some persons maintain that ERTA sought to allow for a comparable allocation of at-risk loans made to a subchapter S corporation among the shareholders in section 46(c)(8)(C). Other persons maintain that such a broad interpretation of section 46(c)(8)(C) would undercut the antitax shelter objective of the ITC at-risk rule. That is, they maintain that an expansive interpretation of section 46(c)(8)(C) would go beyond accommodating active businesses and provide a means for tax shelter participants to circumvent the ITC at-risk rule.

My current objective is to provide a limited accommodation in the ITC at-risk rule for active subchapter S corporations without casting a judgment on the extent to which section 46(c)(8)(C) applies to subchapter S corporations. The proposed legislation is modeled on section 465(c)(5) of the Internal Revenue Code which provides an exception to the depreciation at-risk rule for active, equipment leasing businesses. The legislation provides that the at-risk loans of an active subchapter S corporation in the automobile leasing business will be allocated among the shareholders in a manner similar to their ownership interests. Thus, the owners of automobile leasing companies with substantial operations will be allocated part of the corporation's at-risk loans for purposes of meeting the ERTA ITC at-risk rule. The result is that the operators of legitimate, active automobile leasing companies will not have their ITC jeopardized by sweeping at-risk rules which were intended to curb unproductive tax shelters.●

MIDDLESEX ELEMENTARY SCHOOL VISIT TO OUR NATION'S CAPITOL

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 19, 1982

● Mr. LONG of Maryland. Mr. Speaker, on Wednesday, May 19, 1982, 32 young men and women from the Middlesex Elementary School, Essex, Md., will journey to Washington for a first-hand look at their Nation's Capitol.

The students, led by parents and teachers, will tour the Capitol, the White House, and Mt. Vernon.

I am delighted these students are taking the opportunity to visit with us, and hope their interest in our Nation's political process will continue.

Students visiting us Wednesday are: Stacy Asbury, Eric Bates, Doug Boyer, Joey Cook, Bridgette Fleming, Randy Helton, Jennifer Iglehart, Dawn Pahl, Beth Ritterbusch, Dina Schenning, Janice Suehs, Drew Williams, Scott Wood, Mike Ayres, Ricky Stokes, Nicole Bocam, James Bryant, Michele Buckler, Steven Clark, Toby Hall, Tammy Paris, Denise Paulus, Robert Purkey, John Rockstroh, Bryan Sanders, Deanna Saraceno, Alissa Schaub, Jeff Sefa, Joan Weiman, Ray White, Lisa Zornes, and Joseph Mummert.

Teachers and parents accompanying the students are: Mrs. Sandra Louderback, Mr. Walter Blake, Mrs. Lilian Bocam, Mrs. Vicky Bryant, Mrs. Peggy Buckler, Mrs. Shirley Clark, Mrs. Sandy Hall, Mrs. Brenda Paris, Mrs. Linda Paulus, Mrs. Phyllis Saraceno, Mrs. Della Schaub, Mrs. Vickie Sefa, Mrs. Linda Zornes, Mrs. Mummert, Mr. Michael Hartin, Mrs. Thelma Asbury, Mrs. Helen Helton, Mrs. Margaret Schenning, and Mrs. Donna Ayres.●

ATLANTIC RICHFIELD'S ROBERT O. ANDERSON TO RECEIVE BOYS CLUBS OF AMERICA'S HIGHEST AWARD

HON. MANUEL LUJAN

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 19, 1982

● Mr. LUJAN. Mr. Speaker, it is always a pleasure to rise before this body and tell you of another New Mexican who has received national acclaim. It is my pleasure to represent a State which has produced so many national government, civic, and business leaders. The latest is Robert O. Anderson, a New Mexican who has received the Boys Club of America's highest award—the Herbert Hoover Humanitarian Award. Mr. Anderson is chairman of the board of Atlantic Richfield Co. and joins a distinguished list of American leaders who have been honored with this award. He is being honored because of his commitment of the productive use of America's resources and for leading his company to an enviable record of community service. I ask that the House join me in congratulating Mr. Anderson for this award, which will be presented on Wednesday in New York.

TELEGRAM FOR ROBERT O. ANDERSON

BOB: Congratulations on receiving the 1982 Herbert Hoover Humanitarian Award from the Boys Clubs of America. I can't think of anyone who deserves this award more and, as a New Mexican, I am proud to see you so honored.

Best regards,

MLJ.

ATLANTIC RICHFIELD'S ROBERT O. ANDERSON TO RECEIVE BOYS CLUBS OF AMERICA'S HIGHEST HONOR

NEW YORK.—Robert O. Anderson, Chairman of the Board of the Atlantic Richfield Company has been selected as the 1982 recipient of the Herbert Hoover Humanitarian Award of Boys Clubs of America, it was announced here today by Boys Club National President Jeremiah Milbank.

The coveted Hoover Award, the highest volunteer award given by Boys Clubs of America, will be presented to Anderson at the youth organization's annual President's Dinner at the Waldorf-Astoria on May 19. Thornton W. Bradshaw, Chairman and Chief Executive Officer of RCA, will serve as Dinner Chairman.

Other humanitarians who have received the Hoover Award include distinguished leaders such as the Honorable Gerald R. Ford, entertainer Bob Hope, J. Paul Lyet of the Sperry Corporation, Richard R. Shinn of Metropolitan Life, John E. Swearingen of Standard Oil Company (Indiana) and Charles L. Brown of A.T. & T.

Over the past 40 years, Anderson's business endeavors have included—in addition to the exploration, production, refining and marketing of oil—cattle raising and feeding operations, mining and milling, and general manufacturing. Elected to the Board of Directors of The Atlantic Refining Company (now Atlantic Richfield Company) in October 1963, he was named Chairman of the Company's Executive Committee in June 1964. On May 4, 1965 he was elected Chairman of the Board and Chief Executive Officer.

Anderson is being honored for his vision of the future that "focuses on a commitment of the productive use of resources . . . a commitment that is evident in Atlantic Richfield's inspiring record of community service," according to Milbank. The award honors the memory of the 31st President of the United States, who served as BCA Chairman for 28 years and lead the effort to strengthen and expand the Boys Clubs of America Movement.

Today, career professionals and volunteers are providing educational, vocational and recreational programs on a daily basis in 1,000 Boys Club of America facilities. The Boys Clubs serve over one million youth in all 50 states, Puerto Rico and the Virgin Islands.●

SPACE POLICY AS VIEWED BY THE AIAA

HON. HAROLD C. HOLLENBECK

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 19, 1982

● Mr. HOLLENBECK. Mr. Speaker, the American Institute of Aeronautics and Astronautics is a technical society representing over 30,000 aerospace engineers and workers and, in the past, representatives from the AIAA have testifed many times before our authorizing committees on space and aeronautics. In the May 1982 issue of "Astronautics and Aeronautics" appears the AIAA view on what should be our Nation's space policy. In light of the recent upsurge in interest in our space program, I would like to share the AIAA space policy with my colleagues.

SPACE POLICY: AN AIAA VIEW

PROLOGUE

The modern world is influenced in every sense by technology. Space activities require some of the most advanced technical innovations and offer some of the most significant beneficial returns. They have brought us much of our present microelectronics capability, as well as more accurate forecasting of weather and natural disasters, low-cost global communication and navigation, and the surveillance from space that is so essential to our national security. Space opens unbounded opportunities for expanding mankind's understanding and utilization of the resources of the universe, and for improving the quality of life.

The Apollo program, one of this nation's greatest technological achievements, was a true source of pride and national prestige to our citizens. Because it was a civil program, open to the world through television via satellite, its impact was even greater outside this country. Its benefits were extraordinary; they ranged far beyond most expectations.

Today, more than a decade later, the benefits of the Space Shuttle are beginning to accrue. Our challenge, therefore, is to frame space policies and goals that will continue a rational and orderly program of space activities.

THEME

President Reagan said in his inaugural address, "It is time for us to realize that we are too great a nation to limit ourselves to small dreams." He thereby enunciated the theme that our nation is embarked on "a new beginning" to revitalize its economy, strengthen its defense, improve its institutions, reassert technological leadership, and regain national self-esteem.

We believe that the continued exploration, utilization, and development of space is a necessary and integral part of that "new beginning." The AIAA therefore urges the administration to make a firm commitment to the principles enunciated in the National Aeronautics and Space Act of 1958, and to U.S. preeminence in space activities. These principles form the cornerstone of the policies and goals we propose here.

POLICIES

It is national space policy to:

Maintain vital space operations in support of national security under all conditions.

Assure that space systems are used in the national interest, through maximizing the return on our past investments and developing promising new applications to keep the United States competitive with increasingly competent commercial space capabilities overseas.

Assure concerted and sustained space-program cooperation among the government, industry, and university communities, each fulfilling the role to which it is best suited.

Have the federal government continue to provide the primary support for space research, exploration, and the development of new and long-range technology, not only in its own laboratories, but also in those of the universities and industry.

Have the federal government encourage, by cooperation and appropriate incentives, entrepreneurial investment by the private sector in high-risk, high-payoff applied research and development and the applications of space systems and technology to the commercial marketplace.

Support and encourage international cooperation consistent with the above-stated economic and national security requirements, particularly in space science and exploration.

Protect the right to travel and operate in space so that the benefits of space accrue to all mankind equitably and economically in accord with the 1967 Outer Space Treaty, to which the United States is a party.

GOALS

The goals of the national space program are to:

Maintain coordinated and mutually supporting but separately administered civil and military space programs encompassing both long-term and short-term elements.

Continue a unified military space doctrine and architecture for maximum effectiveness in defense operations of the United States and its allies during periods of peace, crisis, or warfare, and assure enduring access to space systems by all military services and commands.

Sustain a federal program to achieve the practical utilization of Earth orbit through cooperative efforts with the private sector, including appropriate incentives and a careful balance of entrepreneurial risks and rewards.

Achieve routine access to space through continued commitment to an operational space transportation system sized to meet both current and projected needs for defense, commercial, science, and foreign users.

Reduce the cost and improve the efficiency of all space operations, particularly transportation, through maintaining an active and sustained program for development of advanced technology and giving attention to emerging problems such as geostationary orbit crowding and the proliferation of space debris.

Extend man's knowledge by systematically exploring the Earth, the Moon, and the solar system using unmanned spacecraft and by studying the universe beyond through the use of both unmanned and man-tended Earth-orbiting astronomical observatories.

Extend man's capability to live and work in space by developing the orbital facilities and support systems necessary for uninterrupted operations in Earth orbit.

ACTIONS

Initial actions to begin the process of accomplishing these goals are:

Make a firm commitment to a specific national space program plan for the next two decades, identifying schedule milestones for operation and expansion of the space transportation system, civil and military operations in Earth orbit, research and exploration, and development of the enabling space technologies.

Establish programs to develop and implement technologies not only to improve surveillance, navigation, and military communications functions, but also to support and assure survivability of U.S. satellites and military ground systems against hostile action.

Initiate vigorous programs in the enabling technologies that are essential to all space activities, particularly in propulsion, large space structures, power generation, life-support systems, and robotics, to support extended-duration space operations.

Expand and intensify present efforts to establish specific private-sector incentives for public-service and advanced-technology satellite communication services, Earth observation systems, research in space materials processing, and operation of prototype and demonstration commercial space manufacturing facilities.

Initiate procedures to determine the optimum operational mode for the space transportation system once it has been fully developed and demonstrated. Such a mode could involve a dedicated federal, semi-federal, or private organization or a restatement of the National Aeronautics and Space Administration's charter to include such operation. Whatever approach is selected should not erode the important research, technology, and development efforts which are fundamental to all space achievements in the future.

Continue and expand the evolutionary development of a versatile operational space transportation system adequate to support projected traffic demand, incorporating elements to improve the efficiency and reduce the cost of carrying freight and personnel not only from the Earth into orbit but also between various Earth orbits and other trajectories.

Establish a specific plan for the next two decades to include a stable program for planetary exploration, investigation of comets and asteroids, reestablishment of lunar exploration activities, continued development of space-based platforms for scientific observation of the Earth, the Sun, the stars, and the universe, and integration of scientific studies wherever possible in spacecraft or space platforms launched primarily for other purposes.

Establish a resolute evolutionary program commitment for a manned space facility in low Earth orbit to serve as an opertional base for Shuttle Orbiters and other orbital transfer vehicles, an orbital storage, power, and servicing depot, a research laboratory, a construction center, an assembly station for higher Earth orbit missions and outbound deep space flights, a support facility for low-orbit free-flying satellites, and a staging area for constructing and servicing both commercial and public-service multi-purpose goestationary platforms.

By making such a firm commitment to a comprehensive space policy and a consistent action plan to implement its goals, the United States can continue to maintain a leading role in many of the space activites in which it has pioneered. Five hundred years after Columbus opened a path to the New World, we can ensure that U.S. leadership in the exploration and utilization of space will bring maximum returns from the "new world" of space to the nation's citizens and to all the peoples of the world.●

THE CHRISTIAN BROTHERS

HON. TONY COELHO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 19, 1982

● Mr. COELHO. Mr. Speaker, I rise today to pay tribute and bring attention to an essential part of California's heritage, the Christian Brothers. They have a tradition of quality in the production of premium wines, a dedication to the education of young men, a deep interest in the cultural expressions of the winemakers craft, and certainly wines with excellent reputations.

It was 100 years ago that the Christian Brothers began making wine in California for their own table, a few neighbors, and sacramental use. Since that era, the Christian brothers winemaking operations have grown to become the largest and most successful ever managed by a religious organization, and the Brothers now produce in excess of 3 million cases of premium wines and brandy annually which are available throughout the United States and in approximately 40 countries abroad.

With the recent trend of large outside interests acquiring more and more California wineries, the Christian Brothers now stand as the single largest independent premium wine producer in the Napa Valley with storage capacities at their Napa, St. Helena, and Reedley facilities of more than 12½ million gallons of wines and brandy.

Founded in Rheims, France in 1680 by St. Jean Baptiste de La Salle, the Christian Brothers are a teaching order of the Roman Catholic Church, who, as laymen, devote their talents to education. Today, there are about 12,000 brothers teaching over 700,000 students at 1,600 schools in 78 countries throughout the world. Proceeds from the Christian Brothers winemaking activities through the years have been used to support the 13 schools in their Western U.S. province. Specially trained brothers supervise all activities at their wineries, from the growing of the grapes to aging, blending, and bottling of all the Christian Brothers products.

Mont La Salle, 7 miles outside of Napa, is the headquarters for the Brothers' winemaking operations. Situated in the rolling Mayacamas mountain range, the property includes a stone winery dating back to 1903, aging cellars, a modern laboratory, bottling facilities, and a novitiate or monastery where young men are trained for the religious life. In addition, there is a boarding elementary school for some 100 boys and a Christian Brothers retirement home on the grounds. The Christian Brothers champagne and aging cellars, commonly referred to as "Greystone," is located just outside St. Helena and has been designated as a historic landmark by the State of California. Said to be the largest stone winery in the world, Greystone lies adjacent to 710 acres of prime vineyard acreage devoted to table wine grapes, and houses one of the largest collections of oak cooperage in the Western hemisphere.

A never-ending drive toward the development of extensive resources and capabilities is a hallmark of the Brothers' work in the world of premium wines. A seasoned technical staff of viticulturists, enologists, chemists, and microbiologists continually monitors the evolution of all Christian Brothers products from wine to bottle. Because the Brothers own vineyards in all three of Napa Valley's climatic regions, they have great flexibility in matching grape varieties to various soil conditions and microclimates within the valley. The many technical innovations which they have helped to pioneer in the Napa Valley are well known. These include vacuum filtration and the use of stainless steel for fermentation and finishing tanks, cold fermentation, sterile filtration, and bottom filling of wines in the bottle so as to better eliminate oxidation. Modern vineyard techniques which the Christian Brothers were among the first to utilize are: Planting of virus-free root stocks, sprinkler frost protection, metal grape stakes, and new trellis systems.

In retrospect, one of the Brothers' most significant accomplishments in the field of wines and spirits is their brandy, considered by many experts to be the definitive American brandy. It is reported that within the total brandy business, the percentage of Christian Brothers brandy sold is larger than that of any major brand of American whiskey, gin, vodka, or scotch in each respective class. A blend of five different brandies, the Christian Brothers brandy is distilled through an exclusive combination of continuous and pot-still processes. Developed by the Brothers, the continuous still in their Mount Tivy winery in Reedley is designed to eliminate certain objectionable fusel oils and higher esters. This distillation results in a finer, smoother brandy with none of the "hotness" often associated with cognacs. A special blend of brandies from this still is then combined with brandy which has been cooked in small quantities in large copper pots. Each pot processes no more than 100 barrels of brandy in a 24-hour period. This pot-stilled brandy provides the full body and rich aroma which have become the trademark of this popular brandy. Finally, the brandy is stored in 50-gallon white oak barrels to age for several years. It should be noted the Brothers' inventories of aging and full-aged brandies are the largest of any brandy producer.●

CONCERNED WIVES FOR LAID OFF WORKERS, INC.

HON. DOUGLAS APPLEGATE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 19, 1982

● Mr. APPLEGATE. Mr. Speaker, I want to focus the spotlight on seven constituents of mine who have led the fight of bringing the plight of the unemployed American worker to the attention of the administration.

Three of these ladies, Mrs. Regina Hart, Mrs. Elsie Bogard, and Mrs. Pat Scharfenberg, all of Steubenville, Ohio, have organized a grassroots coalition called the "Concerned Wives for Laid Off Workers, Inc." as a result of their personal circumstances and the circumstances of many other wives and husbands who are out of work due to unfair trade laws and high interest rates impacting heavily on the steel industry.

Through this coalition, over 225,000 letters have been signed by unemployed workers, and others in affected communities, and include many from 42 States across the country who have asked to join their efforts. These people have lost their jobs in the steel or related industries due to unfair U.S. trade policies which allow government subsidized foreign firms to unfairly compete with domestic firms.

On Thursday, May 13, these ladies appeared before the executive committee of the Congressional Steel Caucus to present a story of desparation, yet expressing a show of faith and compassion for our Nation and its working people.

Their testimony was articulate, frank, and candid in which they expressed an extensive knowledge of the causes of unemployment and what must be done to get Americans back to work.

These ladies pointed out that the domestic steel industry is working less than 50 percent capacity, with 120,000 steelworkers fully or partially unemployed, while foreign steel is accounting for nearly 25 percent of all steel in the United States. For every $1,000 invested in the steel industry, $465 tax dollars are generated. "None of us are advocating an isolationist trade policy, but quotas must be imposed and laws against illegal subsidation must be enforced," said Mrs. Hart, who was the spokeswoman for the group.

She further stated:

> Many of the 225,000 signatures collected on these petitions are those of people who have defended this country and have helped guarantee the rights and freedoms we enjoy today. The working man is the backbone of this country and now the country is breaking him by taking away his job, his hope, and his self-esteem. For many of these people, their benefits have run out. There are no jobs. They have nowhere to turn to but the welfare lines or the cheese lines. But these people don't want welfare; they don't want cheese; they want a job. Those of us who have jobs and are able to pay our bills cannot completely understand the despair they live with daily. Congress can, however, provide them with hope and a sincere pledge to change the tide of unfair trade.
>
> The President recently imposed a quota on sugar imports but the Congress must now do the same with steel and auto imports. In 1973, countervelling duties were imposed on Japanese auto imports; and in 1976, President Ford imposed quotas for three years on certain specialty steel items. Certainly, the Congress to take such statutory action is not without precedent.
>
> It is time we again give the people of this nation something to hope for and in which to believe. Our factories cannot continue to remain idle. As President Reagan said, "The best social program is a job." I think it is time he put those words into action.●

EXPERIMENTAL GROUP YOUNG PEOPLE'S THEATER

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 19, 1982

● Mr. DELLUMS. Mr. Speaker, I take this opportunity to commend an organization located within the Eighth California Congressional District for providing an extraordinary cultural service to the local community. This group is known affectionately in our community as EGYPT—an acronym for Experimental Group Young People's Theater. EGYPT is a community-based, nonprofit organization which is dedicated to developing the creative talents of our young people, and to enhancing the cultural lives of East Bay residents through innovative programs in the performing arts. The activities are offered to the community at a nominal fee, thereby providing opportunities in an area and to a community which has largely lacked effective access to cultural experience.

In past years, EGYPT was sustained through the generous support of private foundations, including the San Francisco Foundation, the W. A. Gerbode Foundation, the East Bay Community Foundation, the Alameda County neighborhood arts program and the Oakland parks and recreation program. Additionally, it received very valuable assistance from the CETA title VI program.

The founding director of EGYPT is Ms. Minnie Gibson, herself a talented performing artist, and above all, a person who has demonstrated a remarkable commitment to the cultural health and viability of the Oakland community. Ms. Gibson has expressed the aim of EGYPT as being "a forum for expression in the performing arts and an effort to provide a continuing service to those who wish to become professionals in this field." With so great a reservoir of generally undirected talent in our urban communities, and with so great a need for the cultural enrichment that improves immeasurably the quality of all our lives, we can only commend Ms. Gibson and EGYPT, and wish them outstanding future success.●

THE 70TH ANNIVERSARY OF HADASSAH

HON. JAMES H. SCHEUER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 19, 1982

● Mr. SCHEUER. Mr. Speaker, Congress recently passed House Concurrent Resolution 309, a resolution congratulating Hadassah, the Women's Zionist Organization of America, on its 70th anniversary. Tomorrow, May 20, there will be a ceremony at the White House commemorating this event. Noting this auspicious occasion, I would like to offer a few words of tribute to this commendable organization of American women.

Founded in 1912 by Jewish scholar and educator Henrietta Szold, Hadassah was created to provide preventive and curative health services in Palestine and to develop systematic Jewish education as a background for intelligent and creative Jewish living in America. Since its inception, Hadassah has expanded its scope considerably, and it has grown to a membership in excess of 370,000 with chapters in every State—making it one of the largest Jewish service organizations in the world.

Perhaps best known for its efforts in the field of medicine, Hadassah has long been a leader in healing, training, and research. It established the first schools of nursing, medicine, and dentistry in Jerusalem, and its contributions to the research and treatment of cancer have been highly significant. The Hadassah-Hebrew University Medical Center in Jerusalem has been responsible for important advances in social medicine, public health, and pharmacy. In the more than one dozen trips I have made to Israel since 1967, I have been consistently impressed by the high quality of health care provided by the medical center—without discrimination—to all Israelis, Jews and Arabs alike.

Hadassah also provides special programs for young people, including educational opportunities. Since 1942, when Hadassah initiated its vocational educational program, it has developed creative approaches to secondary and postsecondary education that have set a high standard for others to follow. Hadassah established Jerusalem's first 2-year community college and operates the only nonpublic guidance center for scholars and other professionals in Israel.

Hadassah also has American and foreign affairs programs which offer the most complete and up-to-date information available on matters of interest to its members. Through its various publications, Hadassah provides accurate information needed to help members analyze vital current issues and to participate intelligently in public affairs as individual citizens. Nationally, Hadassah is a nongovernmental organization (NGO) of the United Nations, operating as a public relations arm of the U.N. Department of Public Information, and as an accredited observer to the U.S. Mission to the U.N.

As a women's organization devoted to service, Hadassah is an organization of Americans who are also deeply involved in their home communities.

Over the years of its existence, Hadassah has been highly successful in its mission to strengthen American democracy, in helping to create a better society and way of life, and in providing knowledgeable leadership for the American Jewish community.

Although I have only highlighted Hadassah's major activities and accomplishments, I can assure you that their list of contributions is without limit. I am delighted by the passage of House Concurrent Resolution 309, a most appropriate gesture of appreciation for this worthy organization's 70 years of outstanding achievements.●

NAMIBIA'S STRATEGIC IMPORTANCE TO THE UNITED STATES

HON. JACK FIELDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 19, 1982

● Mr. FIELDS. Mr. Speaker, many Members of this body question the role of the U.S. Government in protecting our interests in Namibia. Today, I am inserting for the Record, an article which clearly explains the strategic importance of Namibia to the United States and the growing Soviet influence in this region.

This lucid description provides us with an outline of the Soviet operations in this country as they continue to pursue the spread of Communism in this region.

It is imperative that Members of this body become aware of the Kremlin's activities so that we can develop and implement an effective anti-Soviet, anticommunist foreign policy in this volatile area.

Again, I commend your attention to this article. It is important that we, and the U.S. taxpayers, realize the national security interest Americans have in keeping Namibia out of the hands of the Soviets.

Soviet Threat Seen in Namibia

(By Jack Anderson)

Washington.—While some of their colleagues were junketing around the Caribbean last January, two Senate staff members were trekking through the bush in southwest Africa, riding on "mine-proof" vehicles and hunkering down in machine-gun nests.

The two men, Joel Lisker and Bert Milling, were checking out firsthand the guerrilla warfare that has torn Namibia for 15 years. They were gathering information and lining up witnesses for hearings this week by Sen. Jeremiah Denton's (R-Ala.) subcommittee on security and terrorism.

What led the two committee aides to forsake the comforts of Capitol Hill for the combat zone along the Angolan border was the growing concern in Congress over Soviet influence in the region. As to why the United States should worry about Russian intentions in Namibia, a top-secret CIA file on the country lists explicit reasons for concern.

Namibia, which is bigger than Texas but has a population smaller than Houston's, contains enormous quantities of uranium, diamonds, copper and other minerals. In fact, it has both the world's largest uranium mine and the largest diamond concession. Much of its mineral wealth is classified by the CIA as "strategic," meaning that the United States needs the minerals and doesn't have its own supply.

Though the Soviets are largely self-sufficient in these essential minerals, the CIA suspects the Kremlin wants to be able to deprive the West of these strategic minerals by controlling Namibia. Also, when coupled with Angola, Namibia would give the Soviets a strategic anchor in the South Atlantic.

That's why the United States worries about the South West Africa People's Organization (SWAPO)—and why the Marxist guerrillas are covertly supported by the Soviet Union. According to the CIA, the Russians provide training, weapons and other necessities that have kept the insurgents in business over the years.

"Moscow remains SWAPO's main supporter," a recent secret CIA report states. "Although there are unconfirmed reports that SWAPO has expressed interest in reviving its old ties with Peking, the Chinese currently are not willing to do more than offer the insurgents moral support and quietly back the initiative of five Western powers to negotiate a settlement with South Africa."

Intelligence sources and secret reports examined by my associates Dale Van Atta and Joseph Spear detail the extent of the Kremlin's involvement with SWAPO. Here are the key bits of evidence.

SWAPO's present leader, Sam Nujoma, is virtually a Soviet puppet. Internal SWAPO documents indicate that Nujoma has to get Moscow's permission before dealing with his own subordinates.

Young Namibians are sometimes recruited into SWAPO with promises they will become doctors or teachers within six months. Instead, they are packed off to "engineering camps"—terrorist training centers in Angola and Zambia.

The most promising recruits are sent to advanced terrorist schools in East Germany and the Soviet Union. Aeroflot flies them from Luanda, Angola, to Moscow by way of Libya; sometimes the Namibians are provided with United Nations passports. In East Germany, they are told to pass themselves off as Ugandans.

SWAPO guerrillas are well equipped with Soviet rocket pistols, rifles and rocket launchers.

There is evidence that discipline is harsh in the guerrilla forces. One defector, who walked 150 to 200 miles to escape SWAPO's clutches, told of being forced to dig his own grave and lie in it when he was suspected of treachery. He was nearly buried alive before his fellow guerrillas finally believed his protestations of innocence. One method of public execution for defectors, the Senate staff members were told, is a dagger blow in the kidney for a slow and excruciating death.●

BUDGET AMENDMENT SPONSORS

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 19, 1982

● Mr. ASPIN. Mr. Speaker, the budget amendment printed today in the Record's list of amendments is being introduced under my name simply because my name comes first in the alphabet. The amendment is, however, the result of considerable effort by a group of five Republicans and five Democrats. For the record, I wish to spell out at this point the full list of Members responsible for this amendment.

In alphabetical order, the Republican drafters are: Jim Jeffords of Vermont; Jim Leach of Iowa; Joel Pritchard of Washington; Claudine Schneider of Rhode Island; and Tom Tauke of Iowa.

In alphabetical order, the Democratic drafters are: Les Aspin of Wisconsin; Richard Gephardt of Missouri; Norman Mineta of California; Leon Panetta of California; and Tim Wirth of Colorado.●

HONORING OUR SENIOR CITIZENS

HON. STENY H. HOYER

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 19, 1982

● Mr. HOYER. Mr. Speaker, I think it is appropriate that during the month set aside to honor the senior citizens of this country, I should submit for the Record the report of the White House Conference on Aging, prepared by the delegate of the Fifth District of Maryland, Mr. Kenneth Goodger.

From November 30 to December 3, 1981, 2,200 delegates from all 50 States came to Washington to participate in the White House Conference on Aging. The conference is held every 10 years to examine issues important to the aging and to make recommendations for legislative and administrative action to improve the quality of life of older Americans.

As the representative from the Fifth District of Maryland, I nominated Kenneth Goodger from Hyattsville. He is a retired Federal employee and is active in the National Association for Retired Federal Employees. He did an outstanding job at the conference in representing the interests of people in the Fifth District, and I commend him for it. Ken has proven himself a truly dedicated man and represents the high caliber of men and women in my district who work on behalf of issues

of vital importance to our older citizens.

What follows are excerpts from the report Mr. Goodger prepared for me on the conference and I believe my colleagues in this House will find his candid observations of great interest.

It is extremely important that we continue to preserve the true spirit of the White House Conference. And what do we mean by the true spirit? We mean the positive, intellectual fervor of the Conference. We mean the continual struggle we all must make to attain dignity and respect for America's senior citizens. To be sure, senior citizens know about this struggle.

I attended the Conference as a delegate, recommended by Senator John Garrity to Congressman Steny Hoyer who formally nominated me last fall. As a delegate, I was actively involved in the tremendous struggle I mentioned earlier. This struggle involved intensive caucusing, negotiating and compromising on a number of vital issues. As a group, we worked with prominent academicians and the most powerful political figures of our land, including the President and Congressman Claude Pepper, in seeking ways to come to consensus on issues. Our goal was simple—we knew we had to barter for a better future for older Americans.

The climate of the 1981 Conference was radically different from that of 1971. The mood in 1971 was positive and hopeful, and appropriately so, for early in that decade we saw the enactment of Supplemental Security Income; five, ten and twenty percent increases in Social Security benefits; the enactment of a Cost of Living Adjustment; all necessary steps in helping older Americans maintain a minimum level of income security.

As the decade moved along, social services for the elderly were expanded and strengthened through Title XX of the Social Security Act, and through the Older Americans Act, including the establishment of the nutrition program. Federal programs of housing for the elderly were expanded and rental assistances were made available. Medicaid provided increasingly for the long-term care of the low-income disabled elderly. Almost 70 million Americans now receive $350 billion from taxpayers under "entitlement programs."

In 1971, the delegates to the White House Conference on Aging viewed their government as the appropriate instrument for assuring income and for providing health care and services that would enable them to live out their older years in dignity and security. The delegates in 1981 felt the same, but the times had changed.

The number of Americans reaching 65 years of age is growing. In the next decade alone, their numbers will increase from 26 million to 32 million. At the same time, Congress and the Administration are going on a spending diet for programs that aid seniors—cutting the budget and taxes while increasing defense spending.

Because of these deep concerns, the delegates of the 1981 Conference faced a difficult task. There were 14 committees at the Conference, dealing with the economy, and its implications for an aging population, health and wellness issues, family and community support systems, housing, education and training, private and public sector roles and opportunities, older Americans as a continuing resource, and the special needs of the growing numbers of older women in this country. From the work of these communities, the delegates carefully enacted 668 of the recommendations. It is imperative that we treat these considerations with respect, not only for their impact on us as individuals, but on their impact on the legislative bodies of this country. It should be noted that while a very important basic priority list was developed, all 668 recommendations are important and should not be overlooked as we tackle the more important ones.

Finally, the Conference established the following priorities:

Development of a national health policy for all Americans;

Preservation of current levels of funding for Medicare, Medicaid, and Social Security;

Opposition to a voluntary social insurance system, but expansion of Social Security to all gainfully employed persons;

Elimination of employment discrimination because of age and abolishment of mandatory retirement;

Development of a long-term, community-based health care;

General fund financing for Social Security, if deemed necessary by both the House and the Senate;

Assurance of appropriate and affordable housing;

Expansion of home health and in-home services, with tax incentives for home-care; and

Support for economic policies to control inflation.

In conclusion, we must be wary of proposals to manipulate important programs such as Social Security, in order to meet short-term budget goals. We have a sincere obligation to our older Americans, and we must not falter from living up to that obligation.●

RESTORE FUNDING FOR THE U.S. FIRE ADMINISTRATION

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 19, 1982

● Mr. OBERSTAR. Mr. Speaker, the Reagan administration has decided to eliminate funding for the U.S. Fire Administration, which was established to promote fire prevention and reduce the loss of life and property caused by fires.

Thousands of people are killed every year in fires and tens of thousands more are injured. In addition, scores of firefighters are killed each year in the line of duty. In recent years, these numbers have been declining, but the decline is largely due to the fire prevention efforts and improved firefighting methods promoted by the USFA.

Abolishing the USFA would be a serious mistake and a significant step backward in fire safety and prevention. The USFA has been a leading force in promoting fire safety education programs and arson prevention. It has played a significant role in the development of safer and greatly improved firefighting equipment for firefighters.

The administration's claim that State and local governments can take over the responsibilities of the USFA with increased assistance from the private sector is not realistic. The local fire departments, particularly the volunteer fire departments, lack the funding and other resources needed to undertake adequately the activities of the USFA. They also back the means for research, development, training, and nationwide exchange of information among local departments. Adequate funding for the USFA is needed to maintain the cooperative relationship which currently exists between the local, State, and national fire prevention agencies.

Unless we act soon, the valued and necessary services of the USFA will be cut off. I urge my colleagues to restore funding for this vital organization.●

THE WORK FORCE OF THE FUTURE

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 19, 1982

● Mr. LaFALCE. Mr. Speaker, more and more we are hearing about the need to invest in the greatest of our Nation's resources—human capital. The ironic fact is that at the same time that our country is experiencing the highest unemployment rate since the Depression, we are actually facing critical shortages of adequately trained workers in many industries.

Recently, an excellent column by Pat Choate and Noel Epstein described our requirements for a trained work force to fulfill the wide variety of occupations which are, and will continue to be, in great demand in this country. Fully 90 percent of the American work force in 1990 and more than 75 percent in the year 2000 will be composed of men and women who are working now. This means, therefore, that it is crucial that we not only train tomorrow's youth for jobs, but that we retrain the workers of today for the occupational job skills which will be necessary to meet the job requirements of the future.

As the Congress and the administration debate the national policy on employment and training, we cannot let ourselves get mired in discussions solely of: Dollars for the program; the proper balance between Government and business in providing training; the composition of private industry councils; et cetera. These are important issues, but of even greater importance is that we address ourselves to a job training policy which prepares Americans for the ever-changing work force of the future. It is an issue which demands our careful and immediate attention.

At this time I would like to insert for the RECORD the column by Pat Choate and Noel Epstein.

[From the Washington Post, May 9, 1982]

WORKERS OF THE FUTURE, RETOOL! NOTHING TO LOSE BUT YOUR JOBS

(By Pat Choate and Noel Epstein)

You can stop looking for one of those "new ideas" everybody seems to be hunting for in American politics. It's about to hit us over the head, whether we want it or not.

Right now the idea is trapped in a yawn of a phrase—"human capital"—but that should not deter any one from appreciating its power. What it means is that the prevailing wisdom is nonsense, that we certainly cannot revive our economy or our national defense merely by pumping more investment into microchips or megabombs, robots or rocketry.

Consider some simple facts of "human capital":

American productivity still relies as much, if not more, on people—you remember them—as on machines. Traditionally, about half of our productivity growth comes from increases in individuals' skills and knowledge.

Despite our lengthening unemployment lines, we are suffering from shortages of critical workers, from machinists to engineers. The result: bottlenecks, higher prices and lower quality in both domestic and defense products.

This problem will worsen dramatically in coming years when greatly accelerating technological change confronts a work force which, for the most part, could not find its way home in the Techno-Era around the corner.

We have no choice but to equip ourselves for the future that's upon us. We have to retrain the millions whose current jobs can be kissed goodbye and who will be needed for new work. We have to boost the skills of the still-employed and pound knowledge into millions of adults who are functionally illiterate. We have to ensure, once and for all, education, training and job opportunities for women, blacks and Hispanics, who will make up the overwhelming majority of new workers.

In short, we have to invest in people or we'll get precious little out of the machines. That fact has been dawning on many people.

MIT's Lester Thurow, an adviser to the Democratic National Committee: "The economy is not going to thrive unless there is a major effort to upgrade the American labor force from the top to the bottom."

The Pentagon's Defense Science Board: A "major contributor to the increased lead times and costs currently afflicting the defense community is a continuing shortage of skilled labor."

The House Wednesday Group, a caucus of moderate Republicans: An unreleased Army training study in 1977-78 "found that 17 percent of the tank commanders in Europe and 21 percent of those in the United States 'did not know where to aim when employing battlefield gunnery techniques.'" Similary, the survey uncovered men in charge of firing surface-to-air missiles who couldn't "differentiate between the silhouettes of Soviet and American planes."

The National Alliance for Business, on the need to train on-the-street youth, disproportionately black and Hispanic: "If you look out a decade at the demographics, it is clear that we will be doing all this out of economic necessity rather than out of any moral concern . . ." Forget justice; think profits.

Yet so far there has been little but rhetoric. That can't last—unless America wishes to sit back and watch its inevitable decline. Without serious action, that's what's ahead. Bet on it. The forces at work are unstoppable.

Start with the displaced workers from Akron or Detroit or other decaying cities who've begun their migratory treks for work elsewhere, reminding some Sun Belt folks of "The Grapes of Wrath." We can expect more warnings like the one issued recently by the Texas labor chieftain who told the cars and hitchhikers from Michigan and elsewhere to stay out, that "jobs are no longer available in Texas," that they are not wanted.

We can expect these episodes because the ranks of such modern-day Okies are going to expand as technology and foreign competition continue to do their nasty work—with the displaced largely unaware of and unprepared for the jobs for which they will be needed.

Management analyst Peter Drucker, for example, anticipates that through the 1980s and 1990s, 10 million to 15 million manufacturing jobs will disappear from the American landscape. Even if he is only half right—and some think he is entirely right—you can wave farewell to 5 million to 7.5 million manufacturing jobs, starting yesterday.

In other words, brace yourself: The economic, social and political panic created in 1980-81 by the loss of a mere 300,000 auto industry jobs will multiply 16 to 25 times—unless the dispossessed are redirected toward and retrained for new jobs.

That millions of new jobs are being created—in addition to the existing ones tragically going begging in hard times—there is no doubt. A survey last year by the American Electronics Association, for example, estimates that 671 of its member companies will create more than 140,000 paraprofessional spots (engineering aides, laser technicians, drafters, assemblers and the like) and over 113,000 professional places (chiefly engineers, computer analysts and programmers) by 1985.

The National Tooling and Machining Association projects a shortage in three years of more than 240,000 machinists, those people who make the tools and other devices needed to make everything else.

Millions of slots will emerge in the design, production, installation, operation and servicing of the robots that are going to populate American industry. While as recently as 1979 we had only 2,000 of these technological wonders, business leaders expect robot ranks to multiply a hundredfold—to at least 200,000—just eight years from now.

Other jobs will open in fiber optics, which has the capacity to revolutionize communications by making copper wire obsolete, and in genetic engineering, which, for starters, will change the face of agriculture and medicine. And this is to say little of the explosion of computer applications we can anticipate in the office as well as the home—in banking, insurance, health, education, communications and other service fields.

There will be far too many new spots, of course, for all to be filled by the displaced, even if they acquire the skills and knowledge to do so. But what seems little appreciated is that the Techno-Era's employees will have to come chiefly from the people already working, and that this will hold true for well into the next century. There simply isn't anybody else. Just as economic survival dictates technological advance, so demography is destiny.

What the demographers' population figures tell us is that with much of the post-World War II baby-boom generation now into its thirties, our labor force growth rate is slowing dramatically. In fact, unless we suddenly import large numbers of highly skilled individuals from abroad, more than 90 percent of the American work force in 1990 and more than 75 percent in the year 2000 will be composed of those working here now. The largest need, then, will be to train and retrain today's workers.

The figures also tell us that the ranks of young workers, aged 16 to 25, are shrinking—by about 16 percent in this decade—and that an increased portion of this smaller youth force will be black and Hispanic.

That means, for one thing, that it will be the military against business, the Joint Chiefs versus McDonald's, in a rivalry for the young. Something will have to give. More women in the military? A draft? More grandparents behind fast-food counters?

Martin Binkin, a senior fellow at the Brookings Institution who specializes in military manpower issues, remarks: "The decline in the number of youths unquestionably is going to contribute to, and provide added pressure in, the debate on renewing conscription in coming years." According to The Wall Street Journal, Burger King has already begun recruiting employees among the elderly.

The increased portion of minorities among scarcer youth (and in the prime-age labor force as well because of retirement patterns and other factors) will produce another intriguing clash: prejudice versus pocketbooks. Will fear of deep American decline finally move us to do what speeches about dreams and justice have not? In the words of Robert B. Hill, former research director of the National Urban League:

"If America wants its Social Security checks to keep being paid in coming years, it had better ensure full opportunity and productivity for minorities and women."

Definitely women. The population tallies tell us that the primary source—indeed, two-thirds—of new workers in this decade will be women. While about half of adult women already work, we can reasonably expect that number to climb to 60 percent or above by 1990.

Will we at last break down job barriers against women? Will sufficient day care facilities finally be provided? More flexible work hours?

As the Bureau of Labor Statistics remarks in its understated manner: "Given that much of the increase in female labor force activity will probably come from mothers, employers may have to review their personnel practices (such as provision of day care) to attract these workers."

Okay, those are some of the inescapable needs ahead and the people available to meet them. What, specifically, will a national "human capital" drive require? How do we, for example, redirect and retrain millions of displaced workers?

It would be folly to do it by expanding the maze of 22 separate training programs already on the books—from Trade Adjustment Assistance to aid for redwood forest lumberjacks. That would just bury the effort beneath confusion, fragmentation, bureaucracy and the political pork barrel. What's needed is a single, fresh approach.

Try this one: an Individual Training Account (ITA), jointly funded by employer and employe, that guarantees retraining—and, if necessary, help with the movers—to any worker whose job goes poof. Say the company and individual each put up $500 a year, up to a total over six years of $3,000 each, and that each would get back the cash plus interest if it is not used by retirement.

The money would finance retraining vouchers to be used, as with the GI Bill, at any institution the displaced worker chooses. Moreover, as with Individual Retirement Accounts (IRAs), these Individual Training Accounts would inject an additional pool of capital for executives to finance more new technology and jobs. No bureaucracy. No money directly to vocational schools or businesses or other institutions. No overhead. A clean approach.

Before any workers are retrained, though, it would be nice if they knew where they were needed. Current federal job-vacancy information is so incomplete, untimely and unspecific as to be virtually useless. That's why the Houston papers are such big sellers in Detroit these days—for the help-wanted ads.

It's past time for Washington to collect useful information about job vacancies and to insist that the computerized job listings of each state finally be connected to each other, which, absurdly, they now are not.

What about immediate shortages of critical workers? Note that Atlantic Research Corp. of Alexandria is offering staff members a $1,000-a-head bonus to land new workers for hard-to-fill jobs, ranging from communications test equipment technicians to electronic engineers. More broadly, the National Science Foundation has forecast a 47 percent shortage of industrial engineers in this decade. In such areas as California's Silicon Valley, bidding wars for engineers, computer professionals and other skilled workers are so intense that they have spawned annual job turnover rates of 80 to 100 percent.

Clearly, Adam Smith's "invisible hand" has palsied: His "marketplace" is not filling these and other needs (shortages of machinists and engineers have been plaguing us for 10 or 15 years, with scarcely any relief from supply-and-demand curves). So, if you'll pardon the expression, we've got to give the marketplace another hand. We'll have to define more sharply our vital defense and domestic needs. We'll have to create special government and business fellowships to attract and hold on to top-quality teaching faculty, who are being lured away with fatter paychecks from industry. We'll have to give special cash breaks to draw qualified students to essential (and expensive) fields of study.

During World War II, the National Emergency Production Act financed the training of 7.5 million skilled workers, popularly symbolized by "Rosie the Riveter" at aircraft and shipbuilding yards. (Indeed, a large portion of today's skilled workers were trained then and are now in or heading toward retirement. To wit: Today's 300,000 machinists have an average age of 58.) There is nothing stopping us from meeting our less massive critical skills needs today—except our will to do so.

Next, how do we boost the skills of the still-employed, from clerical workers to the executives whose weak thinking and rotten management are heavily responsible for our current predicament? Much of this training task is now paid for by business, as it should be. The private sector, led by the largest corporations, shells out an estimated $30 billion annually to train workers. But smaller employers—who create most new jobs and hire the majority of American workers—are least able to foot these bills.

What's mainly needed is to help the smaller guys invest in people as much as in machines—while making sure taxpayers don't subsidize any corporation for doing what it should and would be paying for anyway. One possible approach: a training tax credit. It would apply only to training above and beyond what a business historically has done itself. (If you wonder how we keep the corporate folks honest, remember that they already report the highest training outlays possible to the Internal Revenue Service for tax-deduction purposes.)

In this way, only the training needed would be done. If the credit isn't used, there would be zero cost to taxpayers.

Finally, the issue of education, where we need an effort far exceeding our late-1950s response to the Soviet launching of Sputnik. We must, for one thing, develop students' critical thinking, their ability to analyze and organize and express information—the essence of the liberal arts. We obviously must also sharpen their knowledge of math, science and specific technologies. These are all areas in which students are not exactly excelling these days, to put it mildly.

As the National Assessment of Educational Progress reports, "The gap between the number of highly skilled workers needed and the number of students prepared for higher-level jobs is widening. Clearly we are not cultivating the raw materials, our future workers, who will be vital both for economic progress and ultimately for economic survival."

So what are we doing about this? With many large school systems in or near bankruptcy—particularly those with the heaviest concentrations of minority students—we're slashing national aid for the disadvantaged, for math, for science and for other education programs. It's as if we were bent on making sure that essential instruction disintegrates further. That's a sure-fire formula not only for American economic and defense erosion but for creating a large and brooding underclass, permanently locked out.

It's also a sure-fire formula for intensified decay of hard-hit cities, whose best single shot at rekindling economic growth lies in their human capital. The industrial Northeast, with its troubled metropolises from Chicago to New York, still has an immense advantage over others in its vast pool of skilled labor—if existing and future workers are educated and retrained for new jobs.

The education needs do not stop there. We have to attack the anti-blue-collar arrogance that discourages our children from learning skilled trades. We must overhaul a vocational education system that has failed miserably in important respects. William E. Hardman, executive vice president of the National Tooling and Machine Association, remarks:

"Many of our vocational schools have better equipment than contract tool shops—except they don't know what to do with it in most cases. . . . If our members had as much money as the vocational education system to spend on training for this purpose, we could no doubt end the skill shortage in four years and ensure that we never fall behind again."

Then we've got to reverse the decline in American teacher competence. Full fellowships to lure qualified students into teaching could be one step, intensive summer retraining institutes for today's teachers another. Retraining is essential, for example, if teachers are to teach the varied uses of computers; forget about having those shiny toys in schools if most teachers really don't know what to do with them, as is now the case.

All this by no means exhausts the issues wrapped up in the human capital agenda. But it should make one thing crystal clear: We are currently in the process of killing American hope for economic, defense and social renewal. One after another, we are cutting or ending programs that invest in people, from job training to public school assistance from day care to college aid to basic research monies. If that were not enough, we are not even seriously addressing such crucial problems as helping the displaced workers lost in the confusion of change.

The supply-side crowd obviously thinks that people don't count as much as machines. If that mindset continues, the historians can start writing their books about the decline of America.●

ROMULUS JR. HIGH SCHOOL SYMPHONIC BAND

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 19, 1982

● Mr. FORD of Michigan. Mr. Speaker, I would like to call our colleagues' attention to the recent accomplishments of the Romulus Junior High School Symphonic Band, in my congressional district of Michigan.

This outstanding band performed May 8 at the State Band Festival in Fraser, Mich., and received a first division superior rating. The coveted I rating places the Romulus band among the elite few class A junior high bands to achieve this distinction in Michigan.

Earlier, on March 13, the Romulus group received a first division rating at the District Band Festival held in Romulus. This qualified the young musicians for the State festival, competing at the class A junior high level.

Two of the four judges in the State festival accorded the Romulus Junior High School Symphonic Band an A in each of the five musical categories—tone, intonation, rhythm, technic and interruption—graded at the festival. One of the judges concluded his final remarks with "The entire community of Romulus can be proud of the performance of this band."

The bands were graded by three judges in the prepared music section, which includes a required composition, a march and a selected number, and then by another judge in the sight reading section, where two numbers are performed without practice.

The Romulus Junior High Band members, under the leadership of Band Director Richard Kruse, achieved their high performance goals despite the difficult economic times which have forced school consolidations, program cutbacks and some of their parents out of work. They have received outstanding support from the Romulus Board of Education—Michael Woods, president, Theresa Kraft, vice president, Sandra Langley, secretary, Richard Campbell, treasurer, Dan Bates, trustee, JoAnn Marvicsin, trustee, and Kenneth Berlinn, trustee. The Central Office Administration also boosted the band and helped them achieve this award, including Dr. William Bedell, superintendent, Dr. Terrel LeCesne, assistant superintendent for personnel, and the Junior High School Administration, Nick Tottis, principal, and William McDonald, assistant principal.

Mr. Speaker, I want to express my public congratulations to the Romulus community and to this fine band and its leaders, and at this point insert, for the RECORD, the names of the band members who have brought positive recognition to this community:

Flute—Tina Gajgic, Kimberly Pappas, Mickey McDonald, Kimberly Winer, Jennifer Harriff, Katy Baker, Tina DuCheny, Valarie Sagert, Debbie Szente, Anna Hoffman, Stacey Shellman, Robin Brooks, Susan Fator.

Oboe—Kimberly Molitor.

Clarinet—Patti Lecroix, Mary Fletcher, Nicole O'Neal, Mary Silvey, Shannon Murray, Debbie Barr, Pam Witherow, Lorraine Zurawski, Tracie McGraw, Mike Hawkins, Tina Dillon, Louis Harris, Michele Ward, Brian Wood.

Alto Clarinet—Angela Katcher, Devin Doherty.

Bass Clarinet—Deanna Kushner, Kimberly Taylor.

Bassoon—Renee Scamp.

Alto Sax—Thomas Greenan, Mike Casto, Lynn Garcia, Ronald Underwood.

Tenor Sax—Matthew Deloge.

Baritone Sax—Kevin Allen.

Cornet—Michele Plonka, Glenn Smith, Angela Gaffka, Kim Polianchick, Kevin Tracy, Paula Wilson, Steve Chafins, Terry Faulkner, Allen Hall, Nathan Zabik, Jennifer Phillips, Kim Hood, Jackie Pochmara, Kim Burgess.

French Horn—Doug Adkins, Kathy Hood, Gina Williams, Kathy Jablonkay, David Quick.

Trombone—Allen Kenner, Lia Goree, Dawn Madison, Tammy Kerekes, Richard Davidson, Melinda Gilbert, David Biro, Julie Glotfelty, Rose Devita.

Baritone—Eric Talley, Robert Burkett, Robert Kobylas, Denise Domas.

Tuba—Michael Molenda, Patrick Stark, Michele Williams

Percussion—Mary McGrath, Patrick Rhodes, Antione Bosley, Jerry West, Greg Milatz.●

STAND FIRM MR. PRESIDENT

HON. HENRY HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 19, 1982

● Mr. HYDE. Mr. Speaker, as we begin the first round of what promises to be an emotional, protracted and difficult debate on the budget resolution, it is important to remind my colleagues of the President's words not long ago—words which, in turn, recall to mind the deplorable state of our economy just 2 years ago under a different administration.

It is difficult to understand our present economic predicament without some grasp of the economic environment that prevailed as the new administration began to assume authority.

The distinguished editor of U.S. News & World Report, Mr. Marvin Stone, recalls President Reagan's words in the May 24 issue of U.S. News & World Report, perhaps America's most respected weekly news magazine. I urge my colleagues to read Mr. Stone's editorial—and I suggest that President Reagan and his supporters in Congress have good cause to stand firm.

Mr. Stone's editorial follows:

[From U.S. News & World Report, May 24, 1982]

REAGAN: STUBBORN OR STEADFAST?

(By Marvin Stone)

The President is under heavy fire these days, not only from Democrats but also from some members of his own party who feel he is being bullheaded about his budget.

Mr. Reagan is holding out for less government. He remains convinced that this longing is shared by the vast majority of Americans who elected him by a landslide 19 months ago.

The President, it seems, has a longer memory than most politicians. This was evident the other day in a speech in Washington when he reminded fellow Republicans why, while foes call him stubborn, he remains determined to rein in the growth of federal spending and the mammoth bureaucracy it has spawned. From his speech:

"Let's go to the American people. Let's remind them of the economic mess we faced when we took office [in January, 1981]:

"Inflation in double digits . . . for two years in a row, back to back;

"First time in peacetime, interest rates that had hit, yes, 21.5 percent;

"Productivity and the rate of growth in the gross national product down for the third year in a row. . . .

"Let's remind them that in 1976 the inflation rate stood at 4.8 [percent]. By 1980, it was 2½ times as high—12.4.

"Let's remind them that in December of 1976 the prime rate . . . averaged 6.4 percent. By December, 1980 . . . it reached 21.5 percent, a 200 percent increase.

"Let's remind them that when we took office, unemployment had been climbing and business failures increasing.

"When the recession hit us, it was our legacy from the years of boom and bust, of erratic spending and monetary policy. . . .

"Let's point out that for all of this, there's been one overriding cause—we've said it before and let's say it again—government is too big and it spends too much money.

"In the last 10 years, federal spending tripled.

"In the last five years, federal taxes doubled, largely because of the growth of social programs. In 1950, social programs cost the taxpayers 12 billion dollars; in 1980, nearly 300 billion dollars—an increase of an incredible 2,300 percent. In that same period, prices rose by 278 percent. So real social spending was actually 5½ times higher than in 1950.

"By 1980, 1 out of every 3 American families was receiving federal assistance of one sort or another—1 out of every 3 families. The budget for the Department of Health and Human Services—250 billion dollars, roughly—the third-largest budget in the world, exceeded only by the total budgets of the Soviet Union and the United States.

"Take just one social program as an illustration: Sixteen years ago, we were spending 65 million dollars on food stamps—65 million dollars; in 1981, we spent 11.3 billion dollars. That's an increase of over 16,000 percent. . . .

"Now, include in this picture the interest payments on our tremendous federal debt that . . . reached more than a trillion dollars last year. The yearly interest payments are 100 billion dollars, and that's as much as the entire federal budget was just 20 years ago. . . .

"In fact, if you take the cost of automatic spending increases and entitlement programs, add them to the interest payments and the federal debt and the other uncontrollables, and it means that 70 percent of the entire federal budget is made up of items over which the Congress and the administration are supposed to have no control. I wonder how some of you in the private sector would feel if you were told to rescue a sinking business, but only on the condition that you could work with 30 percent of that business's budget and the other 70 percent was off limits.

"So I think you can begin to understand the difficulty of halting the kind of momentum built up by the federal spending juggernaut over the past few decades."

Facts and figures such as those make it easier to understand why Mr. Reagan is standing firm.●

A TRIBUTE TO MR. SANFORD E. LYNE

HON. DOUGLAS APPLEGATE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 19, 1982

● Mr. APPLEGATE. Mr. Speaker, I would like to take this time to commend the achievements of one of my constituents, Sanford E. Lyne, of Cambridge, Ohio.

Mr. Sanford "Sandy" Lyne has been teaching for 40 years. He began his teaching career with the Cambridge city schools in January of 1939 as an eighth grade teacher and football coach after receiving his bachelor's degree from Ohio State University in 1938. For the next 23 years he taught at the elementary, junior high, and senior high levels. During that time, he attended Rio Grande College, Ohio University, University of Dayton, and Montana State University. He completed his master's degree in 1960 from Ohio State University.

In 1962 he became assistant principal at Cambridge City High School and in 1965 he became principal; a position which he held until fall of 1972 when be became administrative assistant.

In 1975 Sandy became the junior high school principal and he will retire from that position at the end of this year. Mr. Lyne's basic educational philosophy is that each child is an individual and must be given wholesome educational experience and opportunities regardless of ability, race, customs, language, creed, or economic conditions. This philosophy has had a positive impact on all those students Mr. Lyne has taught and his presence will be missed.

I would like to thank Sandy Lyne for his dedication and hard work and wish him the very best in his retirement.●

DOUBLE-PRONGED ATTACK ON THE WORLD TRADE FRONT IS COSTING U.S. JOBS

HON. NICK JOE RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 19, 1982

● Mr. RAHALL. Mr. Speaker, there has been a great deal of discussion recently regarding the impact world trade is having on the employment situation in this Nation. At this time, the American labor force is suffering from a perverse application of the "trickle down" theory of economics. As foreign steel is dumped in the United States, demand for domestic steel already weakened due to slumping auto and home sales is further eroded. For each displaced steel industry job, numerous other jobs are lost in the coal industry which supplies the steel industry with low-sulfur metallurgical coal for coking purposes.

In the metallurgical coalfields of southern West Virginia, the "trickle down" effect of foreign steel dumping is now being harshly felt. Over the last few months, some 3,200 West Virginia coal miners have been laid off work with one major steel company alone finding it necessary to reduce its employment roles by 1,250 jobs out of its total labor force of 2,500. In a region where the coal industry plays a major role in the local economy, this is a formula for disaster. In McDowell County, for example, 73 percent of personal income comes from employment in the coal industry; in Logan County, this figure is 50 percent, and in Wyoming County, it is 70 percent.

These jobs are being lost due to a double-pronged attack on the world trade front: Increased foreign steel dumping and decreased demand for U.S. coal exports.

It is incumbent upon all the Congress to take steps to reduce the inadequacies of our present trade balance. Last week, members of the Steel Caucus took the first step toward alleviating what has turned into a trade war by introducing House Concurrent Resolution 342. The bottom line of this commendable legislative effort is that the trade laws must be enforced, and enforced strongly, in order to reduce this Nation's vulnerability to subsidized foreign steel dumping. This is not protectionist legislation, Mr. Speaker; it is equitable legislation seeking to rectify the misuse of this Nation's concept of free trade.

Our trade balance is also being violated by foreign consumers of coal in many instances who are not honoring their contracts with domestic producers. A contract is fine and well, but is a moot point when no ship calls at port.

The coal trade is also leveling off because competitors to U.S. coal exporters are providing foreign consumers with less expensive supplies. This became apparent when the political situation in Poland was quelled, and with the strong reentry of Australia and South Africa into the world coal trade. Since U.S. coal is already the highest priced on the market, primarily due to transportation costs, many foreign consumers seem to be finding a quick fix from our competitors. Yet, these competitors can never offer the same stability of supply as U.S. producers and sooner or later they will call upon this Nation again. Nonetheless, the intent of this country to play a major role in the world coal trade must be made loud and clear. For this reason, I introduced House Concurrent Resolution 324, which expresses the intent of Congress that increased coal exports are in the national interest and must be accommodated through a national coal export policy.

The double-pronged attack on U.S. coal employment is being addressed by concerned Members, Mr. Speaker, through our efforts on both House Concurrent Resolution 342 and House Concurrent Resolution 324. These legislative initiatives serve as a clear signal that American jobs must be preserved.●

REV. JOHN S. LUKSYS CELEBRATES 40th ANNIVERSARY

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 19, 1982

● Mr. YATRON. Mr. Speaker, I would like to bring to the attention of my colleagues in the U.S. Congress, the outstanding achievements of Rev. John S. Luksys, who will be celebrating his 40th anniversary in the holy priesthood on May 30, 1982.

Father Luksys and his twin brother, the Reverend Stanley J. Luksys, pastor of Sts. Peter and Paul Church in Tamaqua, who is also celebrating his 40th anniversary in the priesthood, were ordained in 1942, by Dennis Cardinal Dougherty in Philadelphia. Father Luksys was then appointed assistant pastor of St. George Church in Shenandoah, where he served for 13 years until 1955. While at St. George's Church, Father Luksys initiated the founding of the Shenandoah Little League, started a parish Catholic Youth Organization and also was instrumental in opening a bowling alley for his community. He was awarded the "Man of the Year" plaque in 1955 by the Shenandoah Civic Association in recognition of his dedication to the people and for his many accomplishments. He is the only Catholic priest to ever have received this honor.

In later years, Rev. Luksys served as the chaplain of the Holmesburg State Prison, a home for the indigent and a house of correction. There he educated the convicts in his faith and under his spiritual guidance 40 prisoners asked to convert to his church. This most impressive accomplishment was acknowledged by the Archdiocese of Philadelphia and John Cardinal Krol personally visited the prison to administer the sacrament of confirmation to these men.

In 1970, Rev. Luksys was appointed pastor of St. Casimir's Church in Saint Clair and in 1972, he became the administrator and then pastor of the St. Francis of Assisi Church in Minersville, where he still serves today. During his 10 years in this position, he has accomplished the renovation of all parish properties, a new cafeteria has been built adjacent to the school, and perpetual care for the cemetery was initiated.

Rev. John S. Luksys, is an outstanding example of one who has given unceasingly of his efforts for the benefit of his church and community. We can all look to his accomplishments as an inspiration on how we can contribute to making this world of ours a better place ot live and grow. I know my colleagues will join me in wishing Rev. Luksys continued success in the future and will commend him on his 40th anniversary as a priest. I would also like to offer congratulations to Rev. Stanley J. Luksys on his 40th anniversary of ordination.●

PERSONAL EXPLANATION

HON. TIMOTHY E. WIRTH

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 19, 1982

● Mr. WIRTH. Mr. Speaker, this morning I was out of town on official business. Had I been here I would have voted for final passage of H.R. 6068, the Intelligence Authorization Act for 1983. I also would have voted against the Winn amendment to the National Science Foundation authorization for 1983. Thank you.●

TABERNACLE BAPTIST CHURCH: A COMMITMENT TO HUMANITY

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 19, 1982

● Mr. HAWKINS. Mr. Speaker, on June 19, 1982 the Tabernacle Baptist Church will celebrate its 85th year anniversary as a religious fellowship. Organized in 1897, it is the second oldest missionary baptist church in the city of Los Angeles. Mr. Speaker, there is no possible way to measure the outstanding community service Tabernacle Baptist Church has brought to the Los Angeles area. The legacy of the Tabernacle Baptist Church is best epitomized in the words of Rev. Hartwell Simms, who inspired his following with these words:

> We can't stop here. As long as there are lost souls to be won, as long as there are sick and aging people, as long as there are hungry people, as long as there is a society, there is still work to do. Mission, what are you doing? The need is there. Are you reaching out to touch somebody?

Mr. Speaker, I hope my colleagues can find time to think about the words of Reverend Simms and the dedicated cause of his church. These are the people and the institutions, through their tireless efforts, who are promoting the quality of life for our citizens.●

WASTE OIL RECOVERY

HON. BERKLEY BEDELL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 19, 1982

● Mr. BEDELL. Mr. Speaker, earlier this year, the House Small Business Subcommittee on Energy, Environment and Safety, which I chair, held hearings on the subject of waste oil recovery.

Each year, this country uses approximately 3 billion gallons of motor oil and industrial lubricants. About half of that amount can be recovered and used a second time. However, a great deal of that waste oil instead is being discharged into the environment where it can create a variety of pollution and health problems.

Waste oil can be treated and used again as a lubricant. This is good, not only because it reduces environmental contamination and helps conserve petroleum, but also because the amount of virgin feedstock used in lubricant manufacturing is becoming less abundant.

Virtually all of the waste oil re-refiners in the United States are small businesses. Certainly, they are small by comparison with the integrated oil companies who have left this job for others to perform. Similarly, the independent lubricant manufacturers in this country are mostly small firms.

Historically, these groups have had some difficulty marketing lubricants made from recycled waste oil. The chief problem has been consumer acceptance of the product, based on a vague suspicion that the re-refined oil is in some way inferior to the virgin product. This is a difficult issue to resolve, because no standards exist that would allow simple analysis and comparison of re-refined petroleum products.

Recognizing the need for such standards and the fact that they can only come from the Government if they are to be credible and therefore useful, the Congress several years ago directed that the National Bureau of Standards should develop the tests and standards necessary for encouraging the recycling of waste oil in the United States. To the extent allowed by its limited resources, the re-refining industry has assessed itself and provided some funding and personnel to assist in this project.

It is my understanding that the administration has proposed terminating the National Bureau of Standards research on waste oil recovery at the end of this fiscal year. I believe this would be very unfortunate, as it would mean that several years of ongoing research would be ended just as we are reaching the point of having usable results.

I am told that there is no adequate substitute in the private sector for the work the Bureau is doing in this field. It is my understanding that the petroleum re-refining industry is counting on getting the results of the Bureau's project, in which they have participated. Thus, it would be a terrible waste of resources, both in the public and the private sectors, if we let the program be shut down just as it is about to yield productive results.

Both the Independent Lubricant Manufacturers Association and the Association of Petroleum Re-refiners have advised me of their concern over the proposed termination of the waste oil research work being done by the National Bureau of Standards.

John Fahey, president of the Independent Lubricant Manufacturers Association, recently wrote to me:

> ILMA members have been waiting for several years for the development of test procedures by the Commerce Department's National Bureau of Standards that would determine whether re-refined lubricant base stocks are of sufficient quality, consistency, and additive response to produce a truly equivalent finished product. This standard setting for recycled oil was mandated by Section 383(c) of the Energy Policy and Conservation Act. * * *
>
> ILMA is disappointed to learn that the Administration's proposed budget for fiscal year 1983 terminates NBS' recycled oil program after September 30, 1982. The termination of this program would be a serious setback to efforts to encourage the greater recycling of used oils, particularly when NBS is nearing completion of its work. NBS officials have indicated that the recycled oil program could achieve its legislative mandate within two years and, possibly, by the end of fiscal year 1983. * * *.
>
> The work remaining to be completed involves the application of NBS' recommended test procedures in a wide variety of actual uses. . . . The results from such field applications would not have any credibility without the reputation of NBS behind them.

In a similar vein, I have also been contacted by James A. McBain, the executive director of the Association of Petroleum Re-refiners. He states:

> The NBS research in the area of base stock consistency and equivalency is of extreme importance to our industry and to the lubricating oil consuming public. As of the (proposed) date of termination of this project, the research will be about 75 percent complete.
>
> This industry is compiled of small business which neither has the capital nor the technical sophistication to complete the work. When the program is terminated, the research will remain only 75 percent completed and, at best, will have only limited value.

And just yesterday, I was contacted by Paul Strigner, chairman of the Committee on Petroleum Products and Lubricants of the American Society for Testing Materials. He wanted me to know that ASTM, which is the private sector counterpart to the National Bureau of Standards, was concerned by the potential adverse effects of stopping the Bureau's used oil recycling research before its fruition.

Clearly, we should not let this valuable program be terminated before the results of their research is made available to industry in a usable form. I urge the administration to continue NBS recycled oil program beyond September 30, 1982.●

CONGRESSIONAL SALUTE TO THE HONORABLE HARRISON H. GEROW, M.D., OF NEW JERSEY, ESTEEMED PHYSICIAN, OUTSTANDING COMMUNITY LEADER, AND GREAT AMERICAN

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 19, 1982

● Mr. ROE. Mr. Speaker, on Friday, May 21, the residents of my congressional district and State of New Jersey will join together in testimony to an esteemed physician, outstanding community leader, and good friend, the Honorable Harrison H. Gerow, M.D., whose standards of excellence throughout his lifetime—and particularly his exemplary expertise and professional skills as a doctor of medicine—have truly enriched our community, State, and Nation.

As Dr. Gerow retires from his high office of public trust as physician of the city of Clifton which he has held for the past quarter of a century, I know that you and our colleagues here in the Congress will want to join with me in deep appreciation of all of his good works and share great pride in the success of his achievements with his good wife, Mary; their daughters, Jacquelyn Moellers and June Ann Duzs; five grandsons, and other family members.

Mr. Speaker, as the physicians' Hippocratic Oath has served as an ideal for the professional attitude and ethics of Dr. Gerow—"for the benefit of my patients and abstain(ing) from whatever is deleterious and mischievous"—so has Dr. Gerow served as an ideal to all of us—"respected by all men, in all times."

Dr. Gerow has indeed earned the highest respect and esteem of all of us. Throughout his lifetime, he has forged ahead with endless energy, dedication, and sincerity of purpose in his quest to utilize his fullest talents in being of service to his fellowman.

He was born in Wilmington, Del., educated in Wilmington public schools, attended the Philadelphia College of Osteopathic Medicine, and adopted the State of New Jersey as his home.

We applaud his knowledge, training, hard work, and personal commitment that has enabled him to achieve the fullest confidence and strongest support of the people of our community. He has been a physician for the Montclair Academy athletic program and for 19 years was with the athletic program of Clifton High School. He was also athletic physician for the borough of Elmwood Park, N.J.

Dr. Gerow has been a staunch supporter and active participant in many civic, charitable, and community improvement programs. During World War II, he was chairman of the USO program of East Paterson, N.J., and has been in the vanguard of the lifesaving efforts of the American Red Cross Blood Bank in Clifton, N.J. He is a member of the Volunteer Elmwood Park Department No. 1, New Jersey Arco (a narcotics drug abuse prevention and control group), Elks Sarasota, and Sarasota Yacht Club.

Mr. Speaker, it is indeed appropriate that we reflect on the deeds and achievements of our people who have contributed to the quality of life here in America and I am pleased to call your attention to Dr. Gerow's lifetime of outstanding public service. As he retires his official position as physician of the city of Clifton, N.J., I respectfully seek this national recognition of Dr. Gerow and all of his good works. We do indeed salute a distinguished citizen, good friend, and great American—the Honorable Harrison H. Gerow, M.D.—for his contribution to the quality of life for the people of our community, State, and Nation.●

SELECT PANEL RECONVENED

HON. JAMES H. SCHEUER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 19, 1982

● Mr. SCHEUER. Mr. Speaker, you may recall that as part of Public Law 95-626, Congress established a select panel for the promotion of child health, to undertake a comprehensive review of the Nation's child health policies and programs. The panel completed its extensive work and submitted its four-volume report in December 1980. Those of us who have had occasion to utilize the panel's findings and analysis in our legislative deliberations have found the report to be invaluable, and the panel's recommendations to be a uniquely useful guide in addressing a wide spectrum of concerns related to child health.

Earlier this month, the panel reconvened, with the support of funds provided for this purpose by the W. T. Grant Foundation, to consider developments affecting child health that have occurred since the panel released its report. The members of the panel issued a statement which I believe will be of interest to my colleagues, particularly since the statement comes from a group with unique expertise and diverse backgrounds, including a former surgeon general of the United States, a large number of other prominent health professionals, as well as citizen representatives of considerable eminence.

The panel's statement follows:

> Looking at current events in the light of the Panel's 18 months of hearings, fact-finding, deliberations and analysis, we conclude that the major changes in federal funding and program authority which have recently occurred or been proposed, clearly were made without any systematic assessment of their cumulative detrimental effects—now and in the future—on maternal and child health and on long-term public expenditures.
>
> We are particularly alarmed at the cutbacks in support for services the Panel identified less than 2 years ago as of highest priority, because these services demonstrably contribute to improved health, greater productivity, and the security of the nation.
>
> In our original report, we identified the following services as especially cost-effective and of highest priority, and recommended specific actions to expand their availability:
>
> "Prenatal care (including nutrition), delivery, and postnatal care
>
> "Comprehensive health care for children from birth through age 5 (including nutrition and immunizations)
>
> "Family planning services."
>
> Many of the recent and proposed cutbacks in public funding for these high priority health services will be penny wise but pound foolish, since they are likely to result in:
>
> "Increased death, sickness and preventable suffering, especially among the children of the poor and near-poor;
>
> "Increased public expenditures in the future, not only in the health and mental health system, but also in welfare and education;
>
> "A less productive work force as today's children grow to adulthood."
>
> Any retreat from the levels of public support that have been provided for these services is unconscionable. Present cutbacks already seriously damage a structure of essential services which has been painstakingly built over the years, and which has resulted in remarkable gains in child health.
>
> After hearing a series of six reports on current developments, we are increasingly concerned about the interactive and cumulative effects on children and their families of the cutbacks and program changes not only in child health programs, but also in food stamps, nutrition, and public welfare programs. The AFDC changes alone have already resulted in the damaging loss of medical benefits for a large number of working AFDC mothers and their children.
>
> The following are examples of specific developments that arouse our deep concern:
>
> "The Title V Maternal and Child Health Block Grant—the only federal health program specifically for mothers and children—was one of the most severely cut federal health programs in the FY 1982 Budget Act and Continuing Resolution, and is threatened with further cuts. The current drastic reduction in federal funding is resulting in substantial decreases in highly effective preventive health services of the type which the Panel's report identified as particularly important in improving the health of mothers and children, and is occurring dispite the fact that many mothers and children did not have access to these essential health services even prior to the FY 1982 funding reduction.
>
> Adequate nutrition has been consistently associated with better pregnancy outcomes, including a lower incidence of mental retardation, and the healthier growth of infants and children. Nevertheless, current proposals would cut WIC nutrition funds by approximately a third, directly resulting in an alarming reduction in the number of needy infants and pregnant and lactating women who could receive food supplements.
>
> Recent and proposed changes in the Medicaid program, reducing eligibility both for those on welfare and the medically needy, requiring copayments from recipients, and the suspension of the EPSDT penalty regulations, have the effect of limiting the appropriate use of preventive and primary care for children and pregnant women, precisely the most cost-effective components of care.
>
> Funding cutbacks are also decimating existing capacities to provide certain services which the Panel had found especially important but insufficiently available even before the current funding reductions. These include services for handicapped children, services for adolescents, genetic, mental health and psychosocial services, and services that promote access to care."
>
> We wish to emphasize that our assessment of current developments is not partisan in intent, and to reaffirm the statement we made at the time our report was released: Our children's good health, competence and vigor are so central to the national interest that, whatever the differences among citi-

zens, legislators and administrators about the precise forms of required action, we can all unite on the need for action. We regard our report as a long-term prospectus for a sound investment in America's future. The very children who are dependent on us today will be the adults we will look to tomorrow to protect our natural environment, maintain our standard of living, keep our economy competitive with other nations, preserve our defense capabilities, and maintain our humanitarian values.

A list of Panel members, with their current affiliations, is attached.

MEMBERS OF THE SELECT PANEL FOR THE PROMOTION OF CHILD HEALTH

Jo Anne Brasel, M.D., professor of pediatrics and medicine, UCLA School of Medicine, Harbor-UCLA Medical Center, Los Angeles, Calif.

Mitchell I. Ginsberg, professor, Columbia University School of Social Work, New York, N.Y.

Frank Hardart, Jr., M.D., obstetrician and gynecologist, New York, N.Y.

Benjamin W. Heineman, Jr., Esq., Califano, Ross & Heineman, Washington, D.C.

Roger C. Herdman, M.D., vice-president for Prof. Affairs, Sloan-Kettering Memorial Inst., New York, N.Y.

Nicholas Hobbs, professor of psychology, emeritus, Vanderbilt University, Inst. for Public Policy Stds., Nashville, Tenn.

George I. Lythcott, M.D., professor of pediatrics, University of Wisconsin, Madison, Wis.

John C. MacQueen, M.D., professor of pediatrics, University of Iowa, (vice-chairman), Iowa City, Iowa.

Howard N. Newman, Esq., Memel, Jacobs, Pierno & Gersh, Washington, D.C.

Katherine B. Nuckols, Ph. D., F.A.A.N., professor of nursing, University of North Carolina, Chapel Hill, N.C.

John L. Palmer, Ph. D., senior fellow, The Urban Institute, Washington, D.C.

Julius B. Richmond, M.D., professor of health policy, Harvard Medical School, Boston, Mass.

Lisbeth B. Schorr, visiting professor of maternal and child health policy, University of North Carolina, Washington, D.C. (chairman).

Aaron Shirley, M.D., project director, Jackson-Hinds Comprehensive Health Center, Jackson, Miss.

Jeanne C. Sinkford, D.D.S., dean, School of Dentistry, Howard University, Washington, D.C.

George Tarjan, M.D., director, Mental Retardation Program and Child Psychiatry Division, UCLA School of Medicine.

Charlotte Wilen, president, continuum, Georgia Alliance for Human Development, Atlanta, Ga.●

CONGRESSMAN MILLER HONORS RETIRING TEACHERS

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 19, 1982

● Mr. MILLER of California. Mr. Speaker, three outstanding teachers will retire from the Martinez Unified School District at the end of this school year and I want to take this opportunity to salute them.

Lillian Thomas is retiring after teaching in the Martinez Unified School District for 25 years. While in Martinez, Mrs. Thomas has taught second, third, fourth, fifth and sixth grades at Martinez Elementary School. Prior to teaching in Martinez, she taught in Washington and Oregon.

Mr. Thomas enjoys numerous interests and hobbies, including traveling. She has traveled extensively through Egypt, Israel, Europe, Canada, and Mexico. She has visited all but six of our own United States. Mrs. Thomas and her husband, Edward, who is also retired from teaching, look forward to further travel in their shared retirement. They also look forward to spending time with their two daughters and four grandchildren.

Agnes Ariey is retiring after teaching for 25 years in the Martinez Unified School District. Mrs. Ariey, a native Californian, grew up in Port Costa and graduated from Alhambra High School in Martinez. She attended Holy Names College in Oakland, traveling by train from Martinez to Oakland and back each day. She was graduated from the College of Holy Names and received her teaching credential from the University of California in Berkeley. Prior to teaching in Martinez, Mrs. Ariey taught in Knightsen.

Mrs. Ariey is married to Andrew Ariey, an engineer for Pacific Gas & Electric. They have four daughters, all college graduates, and one grandson. Mrs. Ariey is looking forward to an active retirement.

Claudia Whitnah, a fourth grade teacher at Martinez Elementary School, is retiring after 35 years of teaching. Mrs. Whitnah, a native Californian, was born and educated in Berkeley. She attended the University of California in Berkeley and graduated from New York University. She began her teaching career in San Pablo, Calif., with a class of 75 students. Before coming to Martinez, Mrs. Whitnah taught in the Mt. Diablo School District and also taught special education for Contra Costa County. She taught at Montecito School in Martinez for 2 years and Martinez Elementary for 27 years. She has taught at all levels through eighth grade, including special classes in wood shop and music. Mrs. Whitnah has taught over 1,000 children in her 35 years of teaching, many of them children of former students. She plans an active retirement, continuing her studies and working on her music.

These three women have been inspiring educators and we will enjoy the benefits of their outstanding efforts for many years to come. Mr. Speaker, I know that you and my other colleagues join with me in saluting and commending Lillian Thomas, Agnes Ariey, and Claudia Whitnah, and wishing them the best for a long, well-deserved retirement.●

W. CLEMENT STONE

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 19, 1982

● Mr. HYDE. Mr. Speaker, one of our Nation's great entrepreneurs and philanthropists, W. Clement Stone of Chicago, recently celebrated his 80th birthday. Mr. Stone is indeed an American success story—a true Horatio Alger of the 20th century—who started as a newsboy and built a great business empire. He is also one of the those rare individuals who possesses the ability to inspire others on to greatness, and has certainly done so as an author and a lecturer.

In honor of Mr. Stone's 80th birthday, I am pleased to include the following remarks from the Paul Harvey News broadcast of May 1.

I know my colleagues join me in wishing Mr. Stone many, many more years of good health, success and fulfillment.

W. CLEMENT STONE LED SOCIAL REVOLUTION

For W. Clement Stone this is birthday number eighty and counting.

Look up W. Clement Stone in "Who's Who" or in a biographical dictionary and you're impressed with credentials . . .

Insurance executive of fabulous wealth, author, advisor to Presidents—that sort of thing.

But the Clem Stone I've been honored to know in his home and in my own—

Or when just the two of us were late hours in my light plane returning from a speaking engagement somewhere—

The other Clem Stone—

When he is not moving corporate mountains or inspiring enormous audiences or charming a boardroom or ramrodding a charity.

That Clem Stone is much more remarkable than the other one.

Our nation has spawned many rich men.

Our generation has witnessed several billionaires—

But Howard Hughes decayed in his cloister . . .

H. L. Hunt sought immortality futilely tilting with windmills . . .

J. Paul Getty's succession of wives could never relieve his loneliness . . .

John MacArthur settled for a coffee-shop forum and left his wealth to be administered in ways he never would.

Our generation has witnessed a procession of billionaires and only one happy one.

I don't mean ours to sound like a buddy-buddy friendship; for better or worse busy men sacrifice that degree of fraternity.

But we have been close enough so that every day I parrot some of his wisdom without even meaning to.

The secret of Clem Stone's success is no secret. He shouts it from platforms and pulpits, delights in sharing it with the most casual passerby.

It's as new as now and as old as Scripture . . . "As a man believeth in his heart . . ."

That is what he is.

Most anywhere I travel I meet somebody who credits his own success to something Clem Stone said or wrote.

Elected officials, corporate executives, very recently the CEO of a prospering chain of restaurants.

I know Mr. Stone hears from many others—not counting the countless he never knew were paying attention.

Angel and I, previously committed, cannot be present for our friend's birthday celebration—but he would understand about commitments.

I'd like to be there to hear the Captains and the Kings pay their respects and join the toasts of family and friends.

I've sent this greeting this way only because I feared that in their toasts and tributes all he's done might eclipse all that he's been.

For he has been the leader of a social revolution.

In a climate where bigness was suspect he altered that climate with persistent integrity and decency . . .

In an era when rich men begat mostly resentment, this one earned respect, inspired emulation . . .

And when money motivated many to all manner of excesses . . .

Clem Stone's sustaining love for his childhood sweetheart, Jessie . . . confounded the cynics.

Clem Stone—the newsboy who made of his newsstand—a skyscraper . . .

The young son of a widowed mother whose faith in God, his country and himself—in that order—was the foundation for an empire.

Yet, every step of the way up—he was climbing with one hand—and holding out the other to anybody with the gumption to follow.

Clem Stone, cherished friend, lead on!●

TRIBUTE TO TWO PENNSYLVANIA EAGLE SCOUTS

HON. JAMES L. NELLIGAN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 19, 1982

● Mr. NELLIGAN. Mr. Speaker, I join my colleagues today in honoring two Boy Scouts from Luzerne County in the 11th District of Pennsylvania, which I am privileged to represent. These two Scouts, from Troop 281 of Dallas, Pa., have recently received the highest scouting award, the coveted Eagle Scout Award.

Kurt Fetterman, 16, the son of John and Elizabeth Fetterman, is a sophomore at Dallas Senior High School, where, in addition to his scouting activities, he is involved in soccer and in painting.

Stephen Strazdus, 15, the son of Richard and Barbara Strazdus, is active in sports and theater as a sophomore at Dallas Senior High School.

I commend the troop's Scout leader, Bob Vanderhook, for spurring these young men on to such outstanding achievements, and I join parents, friends and residents of Dallas in wishing these young men equal success in their future endeavors.●

NEED FOR A NUCLEAR FREEZE

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 19, 1982

● Mr. FRANK. Mr. Speaker, the issue of a mutual and verifiable nuclear freeze is one of the best examples we have had in a long time of the power of the American people to make their elected officials pay attention to their views.

By their widespread support for a freeze, the voters have compelled both the President and Congress to take a far more serious interest in arms reduction than was the case last year.

Some commentators have professed puzzlement at the support the freeze is receiving. A recent article by Boston Herald American columnist Peter Lucas may help them understand why the freeze has become unpopular. Mr. Lucas, in his straightforward style, articulates very concisely the reasons that the freeze petitions have met such a broad, popular response and I think his exposition should be shared with the Members.

The article follows:

[From the Boston Herald American, May 14, 1982]

SENATOR KENNEDY IS RIGHT ON NUCLEAR FREEZE ISSUE

(By Peter Lucas)

Ed Markey stole my line.

Before I could write it, the congressman from Malden, up front on the nuclear freeze issue, used it in the op-ed section of the Herald American Tuesday in a piece he did with Stuart Langton of Tufts University about nuclear disarmament possibly becoming the political issue of the 1980s.

The call for a nuclear freeze between the United States and the Soviet Union will be THE issue in the 1980s, particularly in the 1984 presidential campaign. It is an issue whose time has come.

For Sen. Edward M. Kennedy, up for re-election this year, and possibly considering another run for the presidency in 1984, the issue is a ready made one.

Although Kennedy may be vulnerable on issues that business leaders are interested in, he handles business questions by answering about what he has done to deregulate the airlines and the trucking industry.

But the business issues pale in comparison to the nuclear freeze issue. Kennedy, along with Oregon Sen. Mark Hatfield, Sen. Paul Tsongas, Markey and Republican U.S. Rep. Silvio Conte of Pittsfield, introduced a resolution in Congress two months ago to stop the nuclear arms race. And since then the issue has taken off.

"The Kennedy-Hatfield resolution," Kennedy said, "calls for an immediate, mutual and verifiable freeze on nuclear weapons between the United States and the Soviet Unio, followed by a major reduction in the nuclear arsenals on both sides. In the midst of this nuclear madness, it is time for all of us to stand up and say, enough is enough."

How can anybody in his right mind be in favor of building more nuclear bombs when both sides have more than enough to blow the place up and kill everybody?

"Together, the United States and the Soviet Union stockpile a total of 16,000 strategic nuclear warheads," Kennedy said, "with nearly four tons of T.N.T. for every man, woman and child presently living on this planet. Today, the earth itself is an endangered species."

Kennedy has a whole lot of credibility talking about the nuclear freeze.

Perhaps this is due in part to the dumb plans of the people around President Reagan to spend $4.2 billion for a civil defense plan to relocate some two-thirds of the people from the urban areas to remote areas in the event of a nuclear war.

"Recently, the administration has been asking more and more money for civil defense," Kennedy said. "They are discussing the evacuation of our major cities, which would give the Soviets many days of warning about a possible attack.

"What are the Russians supposed to think when their spy satellites see Route 128 clogged with cars crawling toward the Massachusetts Turnpike and heading toward Pittsfield and the Berkshires?"

Kennedy is right on the nuclear freeze issue.

I'm not going to be evacuated. I'm not going anywhere, but I am sticking around to cover the nuclear arms freeze issues or the end of the world, whichever comes first.●

RABBI ERWIN ZIMET

HON. HAMILTON FISH, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 19, 1982

● Mr. FISH. Mr. Speaker, on March 26, 1982, Rabbi Erwin Zimet of Temple Beth-El in Poughkeepsie, N.Y., celebrated both his 70th birthday and his 35th year with the congregation as senior Rabbi.

Rabbi Zimet has devoted most of his life to making the congregation of Temple Beth-El feel like part of his family and in teaching the values of Judaism to those persons fortunate enough to have heard his sermons. Rabbi Zimet has been a constant source of knowledge and comfort for every member of his congregation and has achieved a stature in the local community unmatched by his peers.

I was personally unable to attend the tribute to Rabbi Zimet, but I share the entire congregation's gratitude for his contributions over the past 35 years. Although many changes have occurred in the city of Poughkeepsie over the past four decades, Rabbi Zimet has always been there to guide and counsel his congregation and the entire community. I have every reason to believe the city of Poughkeepsie will continue to benefit from Rabbi Zimet's contributions in the future.●

ADMINISTRATION POLICIES HELP RICH GET RICHER

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 19, 1982

● Mr. FLORIO. Mr. Speaker, an increasing number of Americans now believe that the essential element of fairness is missing in the administration's economic program.

The administration's supply side economic plan is creating deep economic and social divisions in our society. There are more jobless Americans today than at any time since 1939. Real interest rates are now higher than they have been since 1932. Last year saw the lowest number of housing starts since 1940, and home resales are at their lowest level in 8 years. U.S. auto production is the lowest it has been since 1947. In just 1 week in May, 530 firms went bankrupt. This year's business and farm failures are at their highest level since the Great Depression. Each business closing adds to the 10 million unemployed Americans looking for work.

Yet many Americans are far removed from today's economic realities. The Philadelphia Inquirer article which follows this statement reports that the number of Americans with assets of $1 million or more grew by more than 55,000 last year, an 11-percent increase from 1980.

According to a 1982 study by the Congressional Budget Office, the administration's economic recovery program measurably helps the rich get richer while it penalizes low- and moderate-income households. For families earning less than $10,000 next year, the CBO report concludes that the administration's budget and tax cut program will reduce the family's net worth by $120. Yet CBO finds that the administration's program will award families earning $80,000 or more with an average $15,000 tax reduction.

This year over 35 percent of the administration's tax cut will go to less than 5 percent of the population, those earning over $50,000 a year. For my colleagues who wish to learn more about how some of these prosperous Americans are spending their tax bonanza, Mr. Speaker, I request that the following article be inserted in the RECORD.

[From the Philadelphia Inquirer, May 16, 1982]

WHAT RECESSION? THE RICH ARE GETTING RICHER

(By Arthur Howe)

ASPEN, COLO.—Here in the valley of $1.5 million condominiums, $100-a-day ski lessons, $73 takeout Chinese dinners for four, and crocodile-skin cowboy boots for $750, is a sort of Disneyland for adults. No one, at least, quibbles over the price of things.

"Recession? The people who come here aren't really affected by it," local real estate broker Evan Boenning said. His company, along with the rest of the local merchants, innkeepers and restaurateurs, had a near-record winter season.

Far from the baleful lines of millions of jobless Americans are flourishing pockets of prosperity like Aspen, which are removed from the effects of a prolonged recession and economic confusion. They are supported by an expanding class of moneyed people—mostly nouveau riche, educated professionals and business executives. A minority of them were born to wealth. All are virtually untouched by the current economic downturn.

Similarly, those restaurants and resorts, real estate agents and automobile manufacturers that attend to the wishes of the rich—offering high-priced exotica from quail eggs to Maserati Quattroportes—are enjoying boom times.

Consider, for instance, Autohaus Atlantic, an Atlantic City, N.J., dealer of Mercedes-Benz automobiles. Manager William Hamar said the agency had trouble stocking enough 380 SECs and 300 turbo-diesels to meet demand.

"They're lining up for them," he said. "Customers come in here and spend 25, 35, 45 and 55 in cash." These are thousands of dollars.

At Cartier Inc. in New York, the demand is strong for jewelry—earrings, bracelets and necklaces with bright-hued stones, priced from $25,000 to $100,000—as well as art deco clocks at more than $90,000. Business is "doing very well," a spokesman said.

No price appears too high for those interested in prime real estate. Sotheby Parke Bernet Internationally Realty Corp., which offers a range of "distinctive" properties from $300,000 to $24 million, has reported that sales for the first three quarters of its 1982 fiscal year were running 45 percent ahead of last year. Said Samuel Beach, vice president for mid-Atlantic sales: "There's a lot of money out there."

Exactly who are these free spender?

"Primarily they are people who are tied to recession-proof businesses," involved in high technology, energy, financial services, engineering and certain manufacturing processes, said John K. Holland, assistant vice president of marketing for the United States Trust Co., a New York investment firm that has prepared a study describing the growing class of well-to-do Americans.

The study showed that, based on tax information from the IRS, the number of individuals with assets of $1 million or more grew by more than 55,000 last year, an 11 percent increase from 1980.

Recently released figures from the Commerce Department and Census Bureau support evidence of an expanding number of prosperous Americans as well as a growing number of people at the lower end of the income ladder.

In 1970, the bureau said, 14.8 percent of all families had incomes of $35,000 or more. In 1980, 19.5 percent of all families were in that category. Similarly, in 1980, 6.7 percent of all families had incomes of $50,000 or more, compared with 5.5 percent in 1970.

"Middle- and lower-income families have been hardest hit by the combination of inflation and high unemployment, while the wealthier people are better insulated from inflation and have benefited from high interest earnings and recent tax cuts," said Sandra Shaber, senior economist for Chase Econometrics in Bala Cynwyd, Pa.

Chase Econometrics projects that the gap between lower- and upper-income earners will continue to grow through the 1980s. The economic forecasting service said that as of 1980, some 948,000, or 1.6 percent, of the nation's 60.3 million families had an annual income of $75,000 or more. By 1985, that number is expected to grow to 4.9 million, or 7.6 percent of U.S. families. And in 1990 about 16.8 million families, or 23.8 percent, will have annual incomes of at least $75,000. Even allowing for the effect of inflation on incomes, the earnings of this elite group are expected to grow significantly in absolute terms in coming years.

One factor that will greatly affect the growth of affluence is the recent reversal of the progressive tax laws and federal programs aimed at income redistribution—a turnaround advanced largely by what critics have labeled President Reagan's "Beverly Hills budget."

Thanks to tax-reform legislation passed by Congress last year, wealthy Americans will benefit from a three-year, 25 percent tax cut and a reduction in the maximum income tax to 50 percent from 70 percent. The budget also offers significant cuts in capital gains taxes and the opportunity for those with discretionary cash to invest tax-free in all-savers certificates and Individual Retirement Accounts while at the same time enjoying substantial tax deductions.

Prolonged high interest rates, the bane of the middle and lower classes, work as something of a boon to the rich.

In fact, interest income from money market funds, bonds, certificates of deposit and other financial instruments whose return is linked to the high interests rates represents the fastest-growing segment of personal income, economists say. The Department of Commerce reports that such personal interest income enjoyed by those wealthy enough to invest grew from $300.9 million during the first quarter of 1981 to $338.5 million in the first quarter of 1982.

At the same time, evidence indicates that the wages of middle- and lower-income workers during the last decade, adjusted for inflation and expanded work force, declined by an annual average rate of 0.1 percent per year, according to economist Shaber. Moreover, for this class of individuals normally preoccupied by the cost of living, inflation hurt the most.

"Inflation hit the necessities—food, fuel and housing—much harder than the price of luxuries," Shaber said.

Thus, a sort of spending spree has developed for the well-to-do.

"People figure goods are a better way of using their greenbacks," said Fabian Linden, executive director of consumer research at the Conference Board, a New York business-research group. "It used to be that you let your money work for you. Now the attitude is instead of investing it, maybe buy a little more."

Nowhere, perhaps, is this attitude more prevalent than Aspen, the century-old Colorado mining town that now resembles a demi-Eden for the rich.

By day the slopes on the four mountains are crowded with suntanned skiers, many with $100 Sony Walkmans attached to their $600 Bogner reversible jumpsuits. Their equipment: $450 fiberglass skis and $250 plastic boots. So many skiers paid $22 a day for lift tickets this season that the Aspen Ski Corp., a division of Aetna Life Insurance Co. and 20th Century-Fox, is comparing sales last winter with the resort's record year in 1980.

Aspen's streets are filled with wealthy Texans, West Coast industrialists, Mexicans and Germans in mink parkas and accessories by Gucci. Many spend their days searching for jewelry, clothes and gifts in the refurbished, Victorian-era shops and boutiques that offer prices exceeding even those found in the shops of Los Angeles' famed shopping area for the stars, Rodeo Drive. At night, they press into the dozens of chic restaurants like the Ute City Bank, festooned with hanging plants and stained glass.

"The recession really doesn't mean much to these people," said Carol Kiesinger, a member of the Aspen Chamber of Commerce. "I've been going out at night with a millionaire friend from Cleveland to the good restaurants in town, and they're mobbed—I mean mobbed. The top, top real estate is still selling well, too. It's the moderately priced real estate, in the 300 to 400 [thousand dollar] range, that's a little slow."

Across the country, businesses offering exotic cars and boats report that sales are unchanged by the economy. Some, like Martin C. Keenan, president of Keenan Motors Inc., a Philadelphia Mercedes-Benz and Rolls-Royce dealer, say sales of Rolls-Royces, priced at $110,000 to $163,000, are running 50 percent ahead of last year.

"I am only two Rolls-Royces behind last year's entire sales," he said. "With our Mercedes, everything that comes in is almost pre-sold."

Philip Tegtmeier, sales manager for Algar Enterprises Inc., a Paoli-based dealer of Ferraris and Maseratis, priced between $41,000 and $65,000, said, "The activity, the traffic, the kind of buyer—they're still out there."

Art Willis, owner of Sailing Emporium, a Rock Hall, Md., marina, said demand was strong for luxury sailing boats—specifically Mariner 36s, at $120,000 each, Canadian Sailing Yachts at $90,000, and 38-foot Hoods for $140,000 to $160,000.

"We've had better sales this year than any other year. We can't get enough good quality boats' to meet demand, he said. "Right now we have deposits on boats that can't be built."

Likewise, the affluent appear not afraid to indulge their palates.

At the one-year-old Sutton Place Gourmet store in Washington, which bills itself as "the world's largest one-stop gourmet shop," sales are "still climbing," according to a public relations spokesman hired by the store. The fare includes Beluga Malossal (slightly salted) caviar, flown in fresh three times a week from Russia, at $199 for a 9-ounce jar, Moreau chocolates at $17.99 per 7-ounce jar, and leg of lion for $19.99 per pound.

"We have occasional calls for the lion, but mostly people want reindeer, hare and fowl," said Sutton Place's public relations representative Norm Atkins.

The taste for expensive goodies has proved a boon to most high-priced restaurants and to magazines like Bon Appetit, which has trebled its circulation in five years.

Godiva Candies, a Reading-based subsidiary of Campbell Soup Co. that makes Belgian-style molded chocolates selling for as much as $45 a pound, has seen its sales balloon by 900 percent over the past three years, according to Godiva executive Albert Pechenik. Godiva recently began marketing $5-a-pint ice cream and plans to open some 50 retail outlets in the next three years. French gourmet chef Paul Bocuse is under contract to develop a line of gourmet foods for the company.

Pechenik attributes his company's success, in the face of dozens of bankruptcies across the candy industry in recent years, to Godiva's adherence to quality.

"Those businesses who have paid attention to quality are thriving," he said. "The others, like Detroit, are not. What's happening now, I believe, is a day of reckoning.

Luxury real estate—from smogfree havens like Boca Raton, Fla., to roof-top Rittenhouse Square apartments—is selling briskly, too, report brokers.

Barbara Greenfield, an associate broker with the Greenfield Co. who specializes in Center City Philadelphia real estate priced above $200,000, said that last year she personally sold $7.3 million worth of real estate—"and that was supposed to be the worst year ever for real estate," she said. So far this year, her sales are "not far away" from last year's level.

Sotheby's International Real Estate division, which specializes in a line of "distinctive properties," reports that in some sectors of the luxury real estate market, there aren't enough properties to meet demand.

"Basically," said Sotheby's real estate president, Charles H. Seilheimer Jr., "the co-ops [cooperative apartments in New York city] going for one, two or three million—there are more people around to buy them than apartments to go around."

It is not surprising that publications catering to the interests of the upper crust are springing up across the country. Since December, Texas' sizable moneyed population has been able to compare notes in Ultra, a magazine that concerns itself with the "upbeat lifestyles of Texans," according to the managing editor.

Sprinkled among advertisements for Baccarat vases for $1,315 each and society photographs, Ultra offers articles about "Greek Island Hopping" and an "inside view" of the wife of the publication's founder, real estate mogul Harold Farb. In the March issue, a writer for Ultra wonders:

"Where are the linens and the music? Why is the food slapped on the plate rather than garnished? Where are the strawberries in December and the *huevos ranchereos* in June?"

Arizona has a similar publication, Elite. Its founder, Ellie Schultz, said it is aimed at those 71,000 states residents who earn more than $100,000 per year.

Finally, the flagship of the landed gentry, Town & Country magazine is enjoying the biggest financial boon in its 136-year-history. Ad revenues for the first half of the fiscal year are up 41 percent from the similar 1981 period, to $6.95 million. Circulation, which for decades hovered under 150,000 reached 310,000 during the first quater of 1982.

Said David A. McCann, publisher: "We're doing spectacularly well. For the first six months of this year and revenue has surpassed every full year's revenue from 1848 to 1979."

The periodical, which bills itself as "The Magazine of privileged information," has been undergoing something of an editorial metamorphosis in recent years. It now not only gives homage to the wealthy at international playgrounds, but also addresses some singular problems of the rich: health care money and social behavior.

"We use to be basically a magazine for dowagers and debutantes," McCann said. "We now address ourselves to people who have money and address them as honest-to-goodness people. In our opinion the rich are really no different from the general public—except, of course, that they have money."●

A TRIBUTE TO DR. PATRICK MOGAN

HON. JAMES M. SHANNON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 19, 1982

● Mr. SHANNON. Mr. Speaker, I would like to take this opportunity to recognize the extensive contributions of Dr. Patrick Mogan, the superintendent of public schools in Lowell, Mass.

After 35 years as a nationally renowned educator and city planner, Dr. Mogan will be retiring on June 30, 1982. Dr. Mogan, who received a doctorate in education from the University of Massachusetts in 1975, has also received honorary degrees from Amherst College and from the University of Lowell.

Dr. Mogan has served as the superintendent of public schools since 1977. However, that is only one of the many capacities from which he has contributed to the Lowell community. Dr. Mogan is recognized throughout eastern Massachusetts as being the individual most responsible for the rebirth of the city of Lowell. He was the initiator of the Lowell development plan, which developed into the Lowell State Heritage Park. He also instigated the Lowell National Historical Park project, and has continued to lend his support, expertise and influence to this project. Finally, he created the legislation which designated Lowell as the first national urban cultural park in the United States.

In addition to these contributions to the city of Lowell, Dr. Mogan developed the migrant project for Middlesex and Essex Counties, organized the National Teachers Corp., the Center for Human Development, and the Cultural Center of Lowell, and the city learning system for children.

Dr. Mogan has been cited by the U.S. Office of Education and the educational facilities laboratories of the Ford Foundation for the development of the "Everywhere School," a new concept for a community school. He has worked with the National Center for Urban Ethnic Affairs for the planning and implementation of an intercultural education program. And, Dr. Mogan has been a frequent contributor to national conferences on urban education and urban environmental planning.

On behalf of the city of Lowell, the Commonwealth of Massachusetts, and every individual who is concerned about the development of excellence in our public schools, I would like to thank Dr. Patrick Mogan for his contributions.●

GENE WILSON MARTIN

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 19, 1982

● Mr. COLLINS of Texas. Mr. Speaker, vocational excellence is essential to keeping a full, productive economy. It gives all of us pride to see people take the lead in their profession.

A profession that is being recognized more and more for its art and creative expression is the field of hair dressing. In Dallas, we take pride in recognizing Gene Wilson Martin when she won the world championship as creating the best in commercial hair style. This designation was the styling that would have the widest appeal among actual salon clients.

And even more, in the field where Gene was chosen the best, it provided the livable hair dressing which brings back the more involved feminine look.

Most people do not realize the time, work, and dedicated practice that goes into building a champion. Just a few years ago, Gene Wilson Martin was a U.S.A. team representative at the World Championship Hair Dressing Competition in Stuttgart, Germany. Her work has appeared in various international publications. She is president of a company which provides training programs for stylists. She manages her own shop and also keeps her two hands active and experienced with new challenging ideas.

I am proud of Gene Wilson Martin because she is a Texan. I am proud of her because she worked her way to the top to become champion at the World Hair Dressing Congress in London. Competition builds greatness. And competition stimulates creativity.●

A BETTER ARMY

HON. J. KENNETH ROBINSON

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 19, 1982

● Mr. ROBINSON. Mr. Speaker, I should like to draw to the attention of my colleagues a recent editorial that appeared in the Richmond, Va., Times-Dispatch about the encouraging progress being made to improve the capabilities of the U.S. Army under the able leadership of Secretary of the Army John O. Marsh, Jr.

Colleagues will recall that Secretary Marsh was my predecessor in office as the Representative of Virginia's Seventh Congressional District.

The text of the editorial is as follows:

A Better Army

When John O. Marsh, Jr. took over as secretary of the Army in 1981, he assumed responsibility for an organization that appeared to be suffering badly from a severe affliction of the "Three Ds": Declining enlistments, Deteriorating morale and Drug abuse. The Army seemed to be trapped in a spiritual Valley Forge, and many informed people worried about its ability to respond effectively to a major enemy assault.

Conditions are better today. Volunteerism is proving increasingly successful in producing the quality of recruits the Army needs to sustain its strength. Re-enlistments are up; morale is rising. Discipline is stronger and training is tougher. Drug abuse, a scourge that threatens every segment of American society, remains a serious problem but the Army is trying hard to combat it.

Mr. Marsh is not solely responsible for all of the improvements, of course, but he is entitled to a major share of the credit. The leadership of a man of his qualities seems to be exactly what the Army needs at this critical point. In this distinguished Virginian are combined characteristics that superbly qualify him for the post he occupies: an understanding of military science, a deep commitment to a strong national defense and a resolute dedication to the principles of efficient and economical management in governmental affairs.

Mr. Marsh honed his views on the whetstone of experience in conservation politics. For four terms he ably served Virginia's Seventh Congressional District in the House of Representatives, making a mark there as an effective—and conservative—member of the House Appropriations Committee. He served Vice President Gerald Ford as assistant for national security affairs and President Ford as a White House counselor with Cabinet rank. Meanwhile, he maintained his interest in military affairs, which began with his entry into the Army in 1944 and included service as an officer in the Army Reserve and in the Virginia National Guard.

Secretary Marsh knows that despite the United States' awesome nuclear strength—or perhaps because of the awesome nuclear strength that both the United States and Russia possess—this nation needs a strong conventional Army. And it is his aim, he assured us in a recent interview, to provide that kind of Army as economically as possible.

The American people should be immensely pleased with the progress he has made. Consider:

The educational level of recruits is rising. Fears that the Army is attracting mostly semilliterates who are barely able to decipher instructions for erecting a pup tent must give way to the reality that 80 percent of today's volunteers are high school graduates. The number of recruits in the Army's "mental category IV," the lowest classification it will accept, dropped from 52 percent in 1980 to 31 percent in 1982. Of course, a high school diploma does not guarantee intellectual duty but it must be accepted as presumptive evidence that the holder is capable of coping with the ordinary complexities an enlisted man is likely to face. During World War II, Mr. Marsh notes, no more than 38 percent of the Army's enlisted men were high school graduates.

Morale, discipline and training, all interrelated, are improving significantly. Several factors are responsible for this. Under Mr. Marsh's leadership, the Army is intensifying its efforts to raise the quality of life for soldiers—and their families—without turning them into fops. Soldiers stay together longer as units, and some, involved in an experimental program called COHORT (for cohesion, operational readiness and training), remain together throughout their first enlistments. Family needs and problems, especially housing, are receiving increasing attention from the Army leadership. Several changes, all designed to produce tougher and more disciplined troops, have been made in training methods and policies.

The National Guard and the Army Reserve are being strengthened. Secretary Marsh considers them to be essential segments in what he calls the "total Army," so he has been deeply interested in increasing their enlistments, strengthening their training and improving overall conditions. As of last October, the regular Army included 782,809 soldiers, the National Guard membership totaled 379,715 and the Army Reserve's strength stood at 220,364.

Mr. Marsh does not pretend that the Army has solved all of its problems. More improvements are needed, especially in the critical area of sustenance. The Army's ability to keep its units supplied with spare parts, fuel and ammunition is alarmingly limited by a number of deficiencies in its support system. He is concerned, too, about the drug problem. And he believes that the quality of housing for American military families in Europe is far too low.

But today's Army, he is convinced, is an army of "good, tough soldiers." He is determined to make it better and tougher, not to embellish his own reputation as a military administrator but to lessen the chances of war. The stronger the United States' conventional armed forces, the less tempting it will be for an adversary to engage in aggressive experiments that could escalate to nuclear warfare. To the extent that he can contribute to the development of a strong American Army, then, Secretary Marsh feels that he is reducing the chance of nuclear conflict. His contributions, so far, have been notable; we are glad he's there.●

PASADENA JEWISH TEMPLE AND CENTER—RABBI MAURICE T. GALPERT SPECIAL ANNIVERSARY CELEBRATIONS

HON. CARLOS J. MOORHEAD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 19, 1982

● Mr. MOORHEAD. Mr. Speaker, I am very pleased today to bring to the attention of my colleagues in the House of Representatives a special dual anniversary celebration involving the Pasadena Jewish Temple and Center and the its spiritual leader, Rabbi Maurice T. Galpert.

On Friday, June 4, the Pasadena Jewish Temple will commemmorate its 60th year of dedicated service to its members and its community. The Pasadena Jewish Temple is the oldest and most prestigious Jewish congregation in the San Gabriel Valley.

On the same day, the congregation will also celebrate and recognize Rabbi Galpert for 30 years of exemplary service and faithful devotion to his

creed, his congregation and his fellowman.

Both the man and the organization have contributed significantly to the harmony, growth and enlightment of our community and I wish both Rabbi Galpert and the Pasadena Jewish Temple and Center the same success in the future as they have experienced in the past.●

SUDDEN INFANT DEATH SYNDROME

HON. HAROLD C. HOLLENBECK

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 19, 1982

● Mr. HOLLENBECK. Mr. Speaker, sudden infant death syndrome (SIDS) is the leading cause of death among young children between the ages of 1 and 12 months in the United States. SIDS tragically strikes children who appear to be perfectly healthy and developing normally.

Although the Federal Government has addressed the SIDS problem through the funding of research, it is obvious that assistance from private organizations is essential if SIDS is to be conquered in the forseeable future.

The National Sudden Infant Death Syndrome Foundation is such a private organization responding to the challenges posed in combating SIDS. The organization sponsors research to determine the origin of the disease, counsels families of SIDS victims, and serves to educate the interested public.

Mr. Speaker, I am proud to report that the New Jersey chapter of the NSID Foundation is now in the developmental stage of creating an Infant Apnea Evaluation Center which will identify and assist babies at high risk for the syndrome. They also hope to establish SIDS awareness centers throughout the State to help parents of SIDS victims in coping with this tragedy.

Over 113 junior women's clubs in New Jersey have demonstrated their support for this cause by participating in numerous volunteer projects for the past 2 years. Significant advancements have been made toward raising the $60,000 needed as seed money for the establishment of the Infant Apnea Evaluation Center at a New Jersey hospital. The efforts of these clubs have, indeed, been tireless and numerous.

Mr. Speaker, I believe you will join me, on behalf of Congress, in extending a most heartfelt congratulations to the dedicated members of the New Jersey chapter of the National Sudden Infant Death Syndrome Foundation and the New Jersey women's clubs who have worked so diligently to eradicate this most dreaded disease.●

THE FAIRNESS DOCTRINE

HON. TIMOTHY E. WIRTH

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 19, 1982

● Mr. WIRTH. Mr. Speaker, I would like to call the attention of the Members to two recent articles concerning the importance of the Fairness Doctrine and access to the broadcast airwaves. The first appeared in Ralph Nader's newsletter, "Access," and the second was written by conservative columnist Patrick J. Buchanan. It is interesting to note that the Fairness Doctrine is strongly defended by both sides of the political spectrum. Perhaps the Reagan administration, which believes itself to be a recent victim of unfair broadcasting practices, will reconsider its opposition to this critical safeguard of the public interest.

People Like Us

First, President Reagan told the American people that he found "a valid reason" for the Fairness Doctrine. "I have no quarrel with both sides being presented," he told TV Guide.

No sooner had we passed this along to our readers (see Access 142) than the National Association of Broadcasters convened its annual soiree in Dallas. Propped about the hall were 3-by-5 foot blow-ups of a letter from President Reagan seemingly endorsing the NAB's "full First Amendment parity" theme ("parity," in NAB-speak, means "them that's got keeps, and us who ain't got keep quiet.")

And now, what to our wondering eyes should appear, but the President's spokesman, David Gergen, badgering CBS for an opportunity to respond on-the-air to Bill Moyers' hard-hitting documentary, "People Like Us," which aired April 21. "In the interest of fairness," Gergen told CBS.

"I believe the last time I looked that there was such a thing as the fairness doctrine," Gergen told reporters.

Indeed there is, Mr. Gergen. Now the White House (which gets more coverage than just about anything else) knows what it's like to feel so aggrieved by broadcast coverage of a controversial issue that it's compelled to ask for fairness.

Which prompts the question: "What about 'people like us?'" Perhaps the White House will take a second look at the Fairness Doctrine, which is as much a friend of the poor and powerless as it is a friend of corporations and Presidents.

[From the Washington Inquirer]

Reaganism Adulterated

(By Patrick J. Buchanan)

Mr. Reagan's men had best send a scouting party over to the FCC to check out the lieutenant they put in charge of that particular bureaucratic outpost. Because Mark Fowler, chairman—gunning for Libertarian of the Year—is about to give away the store.

Citing the late Justice William O. "Wild Bill" Douglas as his mentor, Fowler is preparing to unleash the national networks from all requirements of fairness and balance in news and commentary; to dismantle entirely the modest pollution control equipment that keeps the rawest sewage of the permissive society out of your living room.

The "fairness doctrine" that requires broadcasters to present both sides of controversial issues and the "equal time" provision for candidates should be scrapped as "censorship provisions" of federal law, says Fowler. For the FCC to threaten stations with loss of license for failing to comply is a "frightening specter . . . antithetical to our most precious freedom, speech itself.

"The simple fact is that no newspaper and no newsmagazine is subject to second guessing by a government agency when it comes to fairness . . . It's one thing for stations to follow principles like fairness or equal time. I call that not only sensible but good business. It's another when the government enforces these rules. I call that 'censorship.'"

Unsurprisingly, Fowler has been received by broadcasters with the enthusiasm a junior high principal might be accorded if he announced to the assembled student body that henceforth there would be no more "censorship," i.e., no more chaperones, on the school hayride.

But what Fowler is preaching is not Reaganism; it is ideological claptrap.

If Bill Moyers of CBS informs his evening news that the good guys in Central America are the left-wingers the United States always opposes, it is not a censorship of Moyers to require CBS also to air the administration point of view. How "frightening" a "specter" can the fairness doctrine be, when not a single radio or television station within memory has lost its license for the most egregious abuse?

And because the U.S. Supreme Court has declared "anything goes" in the printed word, producing a proliferation of dirt and filth unimagined a generation ago, is that solid precedent and sound argument for redirecting that sewer into the car radios and homes of the people who elected Mr. Reagan to curb cultural pollution?

Let the "market mechanism" work, demands Fowler. Well, the market mechanism produced 42nd Street. Is the First Amendment an unfulfilled promise if I can't get the same peep shows and porno shop productions with a flick of the switch on my television set?

"It seems beyond reason," writes Marvin Stone of U.S. News, "that Mr. Reagan's appointee at the FCC is willing to tell TV-station owners they may keep their licenses no matter how irresponsibly they behave." Yet that is exactly what Fowler is telling them.

Eliminate equal time and the fairness doctrine and the nation's networks have been given unrestricted license to savage candidates they oppose, to silence opinions they detest, to shut off the microphones to Middle America. Did not the conservative movement suffer enough from such abuse of power in the Vietnam era, to preclude our being the ones responsible for legitimizing it?

How would the Right-to-Life Movement, so abhorred by the trendies who occupy the peaks of broadcasting, ever get a fair hearing? Yet here we have Reagan's appointee at the FCC telling us that for Reagan's friends to insist on a fair hearing for Reagan's positions—on economics, abortion or El Salvador—is a violation of the constitutional rights of Roone Arledge.

Fowler, who invokes the Founding Fathers, might do well to read one. Jefferson's model was not some Middle Eastern bazaar, but the town meeting, which he writes was "called to discuss . . . and to decide matters of public policy . . . Now, in that method of political self-government, the point of ultimate interest is not the words of the speakers, but the minds of the hearers . . . What is essential is not that everyone shall speak, but that everything worth saying shall be said. To this end, for example, it may be arranged that each of the known conflicting points of view shall have, and shall be limited to, an assigned share of the time available. The vital point . . . is that no suggestion of policy shall be denied a hearing because it is on the one side of an issue than another."

When they labored for Ronald Reagon's revolution, how many conservatives thought they would be working to displace Thomas Jefferson—with "Wild Bill" Douglas?●

MILDRED BOCK

HON. MARK D. SILJANDER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 19, 1982

● Mr. SILJANDER. Mr. Speaker, I would like to take this opportunity to commend to the House of Representatives one of the truly outstanding citizens of the Niles community today, Mrs. Mildred Bock.

Born August 31, 1915, Mrs. Bock has been a lifelong resident of the southwest Michigan community. From a very early age, Mildred has dilligently devoted her time, effort, and ideas to the educating and guiding of youth. In 1936, at the age of 21, she began her illustrious career in public education as a teacher in a two-room schoolhouse in Pokagon, Mich.

In that same year, she met and married her husband, Nicholas Bock. This union produced three children: Margaret, Jean and Nicholas, Jr. Mildred was a full-time housewife and mother until her children passed early childhood, at which time she returned to the profession that she loved dearly. She resumed her teaching career in Eureka, Mich., in the early 1950's. With unfaltering forthrightness and the stupendous ambition to present to her profession her best possible abilities, while holding her full-time teaching position and the ongoing job of raising a family, Millie, through night and summer courses was able to receive a bachelor or arts degree in 1961 and a master of arts in 1964.

Mrs. Bock taught in Eureka for 3 years until 1956 when she joined the Brandywine School District as a guidance counselor. For 29 years, the Niles community and the Brandywine School District has been accented by the invaluable contributions of Mildred Bock. The unprecedented influence she has bestowed upon the hundreds of students who have sought her caring guidance is evidenced by the many well-wishers who will be present to congratulate her on her many years of service.

Although this retirement is but a milestone in an acclaimed career in the field of education, I would like to extend my appreciation and felicitations for the outstanding service Mildred Bock has rendered to the Brandywine School District, the community of Niles, and to the State of Michigan.●

AL KUMSKIS HONORED AS MAN OF THE YEAR

HON. MARTY RUSSO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 19, 1982

● Mr. RUSSO. Mr. Speaker, today I want to pay tribute to a man who has demonstrated through 50 years of public service what it means to be a caring and involved citizen. His energy and his talents have produced an incredible record of achievements and those of us privileged to know Mr. Al Kumskis are delighted that on May 22 he will receive the "Man of the Year" award at the Lithuanian Chamber of Commerce scholarship awards banquet. It is an honor well deserved.

The only difficulty in paying tribute to Mr. Kumskis is what to select from the multitude of activities and awards to talk about. He presently is the administrative aide for community relations for suburban towns, appointed by Sheriff Richard J. Elrod, and it is a position that reflects his skill with people and his organizational abilities. Through the years he has always managed to pull together the people and the plans necessary to stage events of great magnitude.

Mr. Kumskis began his work as a civil service employee with the park district as supervisor of recreation and was a general supervisor of special recreation activities and special events for 529 parks. He held a commendable service record of 45 years with the Chicago Park District. He staged such outstanding special events as the first annual all Chicago "Youth on Parade" day camp jamboree, involving 25,000 day campers, and supervised the first mentally retarded special olympic games, which included Canada and France and promoted the annual Mayor Richard J. Daley Chicago Youth Week Federation.

A former American Lithuanian newspaper publisher, Mr. Kumskis also was sports editor for the Lithuanian Daily Friend. This is not surprising considering his athletic background—high school and college football, baseball, and swimming. A gold medal winner in swimming and water polo and an organizer of the first olympic games, representation of outstanding American Lithuanian athlete in Lithuania. He is a former swimming coach and was athletic director for the Lithuanian Catholic grammar schools of Chicago.

That gives you a bit of a picture of Mr. Kumskis, but we have not even touched on his political work yet. To cite just a bit of it—he was endorsed by the late Mayor Daley for the 13th regular alderman in 1967, was an active member of the Palos Democratic Township Organization, a former precinct captain in three different wards, and served as deputy clerk of the criminal courts and deputy bailiff of municipal court.

He has been honored by receiving awards such as "Outstanding Park Supervisor," "Outstanding Youth Service" award from Illinois Park and Recreation Association and in 1971 he was awarded a citation as one of Chicago's 100 outstanding civic leaders of Chicagoland. He received a citation from Mayor Bilandic for the Senior Citizen's Hall of Fame. He has been a member of organizations such as the Fourth Degree Knights of Columbus, the Holy Name Society and is an Illinois Athletic Club life member and past president of the Lithuanian National Alliance of America.

I think the message is clear. This man is exceptional. He has given of himself and the results have meant enjoyment for others, or good representation or shared wisdom. He has indeed been a "public servant." But I want to say that he also is a husband, father of four, and a good friend, a warm and loving human being. I know my colleagues join with me in congratulating Mr. Kumskis. The awards dinner will surely be a joyous evening of celebration and pride for his friends and family.●

PIKESVILLE SENIOR HIGH SCHOOL TO VISIT OUR NATION'S CAPITOL

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 19, 1982

● Mr. LONG of Maryland. Mr. Speaker, on Thursday, May 20, 1982, 55 young men and women from Pikesville Senior High School, Pikesville, Md., will journey to Washington for a firsthand look at their Nation's Capital.

These students, led by their teacher Mr. Jim Johns, and parents, will tour the Capitol, observe committee hearings, and will visit the Supreme Court and the Library of Congress.

I am delighted these students are taking the opportunity to visit with us, and hope their interest in our Nation's political process will continue.

Students visiting us Thursday:

Sally Abramson, Marty Baumohl, Marc Baylin, Stacy Blank, Robyn Brody, Penny Brown, Martha Burns, Julie Colton, Lauren David, Jon Efron, David Einhorn, Alicia Frank, Hal Friedlander, and Judy Goldman.

Julie Goldman, Adam Goldstein, David Goldstein, Harriette Golob, Daniel Goodman, Cheryl Gordon, Ellie Greenberg, Minna Greenspun, Howard Groh, Andrew Hameroff, Stephi Kalfon, Michele Katz, Scott Liberman, Richard Rapazzo, Melissa Sachs, and Susan Shaneybrook.

Peter Avery, Erin Bass, Craig Cippollini, Jodi Dagold, Jamie David, Betsy Fader, Larry Finglass, Michael Fraidin, Vladimir Gutin, Stephen Hofkin, and Eric Kaldanow.

Jennifer Levin, Stephen Levitt, Alyson Lichtenberg, Ricky Maltz, Robert Morrow, Sarah Noonberg, Tara Paige, Nancy Pickus, Stacy Seidman, Jason Shobin, Shari Solomon, Brian Timin, Jeffrey Vanderclute, and Amie Wolf.●

REPRESENTATIVE GILMAN NAMED LEGISLATOR OF THE MONTH

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 19, 1982

● Mr. DERWINSKI. Mr. Speaker, on May 17, our distinguished colleague, Benjamin Gilman, who represents the 26th District of New York, was the recipient of the Population Action Council's Legislator of the Month award. Congressman Gilman was recognized for his dedication to global humanitarian concerns and for his strong and continuing support toward the goal of stabilizing world population. The award was presented to Congressman Gilman at United Nations Headquarters in New York before an audience of U.N. mission members, a wide spectrum of business and community leaders, and constituents from his home district. Participating in the ceremony was Ambassador Jeane J. Kirkpatrick, permanent representative of the United States to the United Nations, who paid a glowing tribute to Congressman Gilman, a delegate to the U.N. General Assembly last fall.

Remarks by Ambassador Kirkpatrick

Representative Gilman, while serving as a U.S. delegate to the U.N., made a constructive and reliable contribution to our work in the United Nations General Assembly. He was always available, understanding, and supportive of our problems and our work at the U.N.

I testified before Congress last week in relation to a number of aspects of funding of U.N. programs and in the course of the testimony I was asked to comment on the population program. I made clear that we were very wholeheartedly supporting the United Nations Fund for Population Activities. I, personally, am very enthusiastic about the work of UNFPA. It is one of the most important fields of successful activity in U.N. endeavors.

Anyone who has studied development particularly understands that we cannot hope to significantly contribute to the well being of people unless we help them cope with the population growth problem. To do less would be like pouring water into a bucket with a hole in the bottom.

Remarks by Representative Gilman

It is good to be back at the U.N. this morning. As a delegate to the U.N. General Assembly this past fall, and as a congressional advisor to the Law of the Sea Conference, I've had the opportunity to work shoulder-to-shoulder with many of our guests here this morning. I have come to recognize that theirs is far from an easy task, and that negotiations within the family of nations is not without frustration. Yet, the outcome of your endeavors, the results of your long, and often arduous negotiations, have a critical bearing on the future of all within the community of nations—a fact that, unfortunately, is all too often minimized. I commend all of you who labor here at the U.N. in behalf of promoting a positive interdependence among nations which seek to promote the complementary interests of nations.

I am especially pleased to accept this award because of the work being accomplished by the Population Action Council. We live in a world that is expected to grow by the rate of 100 million people a year by the end of this century. But, we don't inherit the future, we create it. By creating a network of people from all walks of life to make the population issue an international priority, the Population Action Council is at the cutting edge of the immense task of reducing global population growth and enhancing the quality of life for people everywhere.

As a member of the House Committee on Foreign Affairs and as a member of the Presidential Commission on World Hunger, I have come to recognize that any thoughtful analysis of the problem of global hunger and malnutrition would be incomplete without addressing the subject of excessive population growth.

Reasoned estimates indicate that between 400 million to possibly more than 1 billion people are plagued by hunger and malnutrition. Projections estimate that by the end of this century, another 1.5 billion people will be added to the world's population—with more than 90 percent of that increase in those nations most plagued by poverty and hunger.

Our Hunger Commission found that: "Population pressures not only limit the per capita availability of food, but also contribute in various ways to problems of malnutrition. For example, the cost of providing basic health services, safe drinking water, housing and education rises in relation to the number of citizens who must be served. If all these services must be financed from the public treasuries of very poor countries, the costs may rapidly become prohibitive. The ability of poor people to meet their own basic needs by raising their incomes is further undercut when rapid population growth outstrips the creation of new employment opportunities. A vicious cycle arises when population pressures, among other factors, force the next generation not only into the cities but also into less crowded rural areas with undesirable land. Efforts by migrants to farm this land without adequate inputs—such as fertilizer, water or training—will further undermine the land's long-term productive capacity."

The U.S. Agency for International Development, in its presentation to Congress this year, pointed out that "the demographic situation is serious, but not hopeless." Indeed, AID stated that "over the past decade, 30 developing countries have achieved birth rate reductions of between 15 percent and 47 percent . . . . Family planning programs work and are cost effective. AID's experience proves that a balanced program which provides family planning services and information, combined with strong community and family support for family planning is the most effective way of helping countries achieve the smaller families they desire."

As we recall also, President Reagan at the July 1981 Ottawa Summit reaffirmed U.S. support for world population programs. While the October 1981 Cancun Summit focused for the most part on agricultural development issues, leaders at that meeting identified reductions in population growth rates as a major development objective.

A coordinated international effort is a prime prerequisite to an effective and forward-looking population policy. In that regard, the United Nations Fund for Population Activities plays an integral role in promoting awareness of the social, economic, and environmental implications of population growth and in helping countries to develop and carry out strategies to deal with their population problems. Individual and collaborative efforts of nations to promote effective population programs can well benefit from the expertise and resources which the UNFPA has developed since its creation in 1967.

In closing, I would like to reassert and associate myself with the concerns raised by our previous speakers concerning the need to raise awareness about the issue of world population growth. As we well know, in the coming decades, we must concentrate on increasing crop production and significantly increasing access to food, if we are to alleviate the problem of global hunger. However, in a world threatened with the prospect of a population which will grow by almost 2 billion in the next 20 years, our efforts must be geared to recognizing that progress toward attaining our goal of resolving the hunger problem will be severely impeded if we address only casually the critical need of stabilizing world population.

I am honored to be here with you this morning, honored by this award, and look forward to working with you in the future to realizing these objectives.●

DISTINGUISHED ALABAMIAN STEPS DOWN AS CHAIRMAN OF CSX CORP.

HON. RICHARD C. SHELBY

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 19, 1982

● Mr. SHELBY. Mr. Speaker, on May 1, 1982, one of the most distinguished natives of the Seventh Congressional District of Alabama, Prime F. Osborn III, stepped down as chairman of the CSX Corp. It is the largest rail system in the United States and was formed by the merger of two great rail systems, the Chessie and the Family Lines (the Seaboard Coast Line Railroad and the Louisville & Nashville Railroad). This highly successful merger was the culmination of his long and distinguished career in railroading.

I am happy to note that Mr. Osborn is merely "stepping down" into what will be a very active retirement. He will remain a member of the CSX board and will continue his active interest in the Boy Scouts, the Salvation Army and the Episcopal Church. Mr. Osborn's lifelong dedication to community service sets an example for us all and has won him many well deserved awards, including the William Booth Award from the Salvation Army, the Silver Buffalo Award from the Boy Scouts, and the Outstanding Jacksonville Citizen Award from the Jacksonville Chamber of Commerce.

I am proud to claim Prime Osborn as at least a part-time constituent because he still maintains a farm in Greensboro, Ala., and, as a loyal alumnus of the University of Alabama, continues an active interest in the university. As one of his many friends, I wish him well as he enters a new and rewarding phase of his career.●

LIBERAL DEMOCRATIC BUDGET IMPOSED ON CHAIRMAN

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 19, 1982

● Mr. GINGRICH. Mr. Speaker, every moderate and conservative Democrat should be aware of how really bad the liberal Democratic budget is. The following remarks by Chairman JIM JONES in his hometown newspaper indicate the liberal bias of his Budget Committee colleagues and how destructive a budget they forced on him.

The chairman in his own words "had to go to the left." That does not require that moderate and conservative Democrats have to go to the left.

JONES SAYS HE RELUCTANTLY WENT ALONG WITH THE BUDGET PLAN

(By Mike Flanagan)

House Budget Committee Chairman Jim Jones said Monday the $780 billion budget he steered through committee last week lists too far to the left to suit him.

But political realities, and a belief that Congress must adopt a budget to prove to the country that the government can work, persuaded him to go along with his committee, Jones, a Tulsa Democrat, said.

"I had to go to the left," Jones said at a press conference at his local office. If he had the deciding vote on the budget, Jones added, he would junk the committee plan.

The House plan calls for outlays of $780 billion in fiscal 1983, $826 billion in '84 and $881 billion in '85.

Even by raising taxes $147 billion during the period and reducing President Ronald Reagan's military spending proposals by $47 billion, the House committee plan would produce hefty deficits.

In fiscal '83, the House plan would tolerate a deficit of $104 billion. It would lower the deficit to $73 billion in '84, and to $35 billion in '85.

Jones said he believes the proper budget lies somewhere between the plan drafted by the House committee and one drafted by the Senate Budget Committee.

While his House committee was pushing him left, the Senate committee was pushing its chairman, Sen. Pete Domenici, R-N.M., to the right, Jones said.

"What I would hope to do is come back to the middle," Jones said.

The Senate committee's plan would raise taxes by only $95 billion over the three-year period and reduce Reagan's military spending proposals by only $22 billion.

But the Senate committee plan also would cut Social Security benefits by $40 billion during the three-year period—or raise unspecified taxes by $40 billion to match anticipated Social Security outlays.

Jones said last month in Tulsa that automatic increases in Social Security benefits must be checked to keep the retirement system solvent.

Jones said neither the House, the Senate nor the White House has enough votes to pass a budget plan, but that he hopes the House will approve its version before its Memorial Day recess.

He said he is considering offering amendments to make the House committee plan more attractive to the House at large, but that he is not ready to discuss details.

Even if the House does approve a budget, it is doubtful that it would be approved by the Senate, Jones said. That means that a final version would be written in by a conference committee.●

HADASSAH 70th ANNIVERSARY

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 19, 1982

● Mr. MATSUI. Mr. Speaker, I would like to extend my heartiest congratulations to Hadassah, the Women's Zionist Organization, on this, its 70th anniversary. Through seven decades, this organization has provided extensive education and health services to thousands of individuals in both the United States and Israel.

I am particularly proud of the accomplishments of the Hadassah chapter in my district of Sacramento, Calif. Since its founding by 20 charter members in 1931, the Sacramento Hadassah has grown to more than 600 women strong.

Members of the Hadassah are active in all aspects of community life: From civil service and local government, to education, medical services and teaching. Their volunteer work extends from assistance in local hospitals and nursing homes, to participation in the League of Women Voters and a host of other civic, cultural and religious activities.

This group of women is truly a major source of inspiration and service to Sacramento.

Once again, I congratulate this fine organization for its outstanding contributions at the local, national and international levels. I look forward with its members to many more years of humanitarian service.●

HANDGUN BODYCOUNT

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 19, 1982

● Mr. LEHMAN. Mr. Speaker, the handgun bodycount for the month of March was 591. Once again, I am saddened by the fact that my own State of Florida reported the highest number of deaths due to handguns; 108 persons were killed by handguns in Florida.

Handgun Control, Inc., which compiles the handgun bodycount, has taken special note of the fact that many of the victims during March were killed by friends and family members. Guns which we might presume were purchased for the purpose of protection from intruders were instead used to kill persons close to the killer. Often the end result is murder-suicide.

All too frequently, handguns become more of a threat to the owners and their families than a means of protection. Strong handgun control legislation may not put an end to all senseless killings, but it can greatly reduce the number of accidents and the number of deaths resulting from acts of rage.

The list follows:

HANDGUN BODYCOUNT—MARCH 1982

ALABAMA (3)

Eddie Lankford, Jo Ann Pennucci, unidentified male.

ALASKA (1)

Michael Corbeil.

ARIZONA (7)

Theresa Acuna, Carl Bartlett, Jay Cox, Suzanne England, Paul Fuller, Mildred Klingel, Gary Tibbett.

ARKANSAS (4)

James Hankins, Loren House, Florence Mauldin, Larry Volk.

CALIFORNIA (82)

Richard Allen, Tina Apodaca, Allen Arsenault, Daniel Avent, Weldon Bales, Jesus Baques, Adridge Brigham, Valerie Chacon, Bruce Chester, Sheriff's Deputy Coleman, David Colgan, James Conn, Deanna Cox, Donald Cox, Lisa Darling, Donald Davis, Melissa Davis, Michelle Davis, Ronald Foster, Daniel Franks, George Garcia, Ralph Garcia, Daniel Hernandez.

David Hernandez, James Higgins, Adnoica Holub, Jaun Jimenez, Roberto Jimenez, Michael Lara, Jr., Jose Mares, Jose Mariona, Calvin McBride, Lisa Miller, James Moucheron, Michael Mowry, Fred Myres, Theodore 'Nelson, George Pulido, Charles Reed, Dorthea Reed, Duane Richard, Orozco Sanchez, Eric Spears, Mark Stately, James Suggs, Marquis Sunday, Stacey Tanner, Mae Tate, Carla Trebon, Bertha Valenzuela, unidentified female, unidentified male, unidentified male, unidentified male, unidentified male, unidentified male, unidentified male, unidentified male, unidentified male, unidentified male, unidentified male.

COLORADO (9)

Adelo Basaldura, Roger Colantonio, Donna Emery, Harry Hatten, Noel Karr, Wade Ketcham, Jesus Sanchez, Ronald Tompkins, Roland Wittkowski.

CONNECTICUT (5)

Alvaris Brown, Robert Guzowski, Adam Hamilton, Willie Harris, David Leong.

DISTRICT OF COLUMBIA (2)

George Knights, Apollano Perez.

FLORIDA (108)

Jeffery Adams, Stanley Bader, Johnny Barge, James Beaudry, Marvin Bell, Luis Cano, Gerald Cariota, Robert Carlos, Keith Cobb, Wilson Cortez, Michael David, Clinton Davis, Mark Delson, Norris Denson, Carol Didio, John Eckstein, Donald Elrath, Frank Esposito, Russell Faust, Willian Flanders, George Gallton, Albert Gilliam, Kenneth Glenn, Samuel Glogger, Sue Glogger.

Emma Gold, Jacob Gold, Bernice Goldberg, Michael Gondyes, Rene Gonzalez, Nathan Gordon, Karen Griffin, Sherrie Hancock, Jerald Hatfield, Barry Hersker, Gladys Hill, Frank Humenyi, Claude Johnson, Elizabeth Kapala, Peter Kapala, Leon Kearney, Edward Lacca, Benny Lacue, Edward Lalla, Sheldon Levy, Greta Lewis, Robert Lewis, Alvin Lyons, Wilfrido Mario.

Alberto Martinez, Lawrence Matthews, Charles Matus, James McAdams, Gary McKay, Gary Meeky, Eduardo Mendoza, George Michael, Angel Miret, Celestine Mitchell, Barron Mosely, Willie Nelson, Daniele Norris, Jerry Palmer, Beatrice Parker, Calvin Parker, Gregory Patterson, George Patty, Peter Pereira, Raul Polanco, Kenneth Price, Dirk Rayford, Livern Richardson, Earnest Robinson, Roberto Rodriguez, Polo Rojoz, Carol Rollins, Beverly Russo, James Scott.

Frank Senffner, Susan Silk, Gloria Simon, Rene Simon, Mark Sinclair, Orlando Sotolongo, Dereck Stebbing, James Steffani, Clarence Strong, Juan Tasgiano, Brian Tennis, John Thomas, Frederick Turner, Octavia Valencia, Rene Vargas, Joaquin Vasquez, Dewey Veach, Bernard Webster, Elizabeth White, Philip Zimmer, Haasan Zock, Heide Zock, Heriberto Zurbaranmaya, unidentified male, unidentified male, unidentified male, unidentified male, unidentified male, unidentified male, unidentified male.

GEORGIA (7)

Stella Brown, Edward Jackson, Jerry Penny, Tyrone Ruth, Annette Stevens, unidentified male, unidentified male.

ILLINOIS (50)

Svetislov Bajovic, Jacob Bird, Daniel Born, Clifton Brakes, Lewis Bryant, Ernestine Bush, Ruby Butler, Richard Campbell, Toni Caposey, Arthur Carpenter, Lynn Conrady, Anthony Dills, Harold Eckhardt, Raymond Frazier, Edward French, Jr., Thorraine Gonyer, Byron Grooms.

Nicolas Guerrero, Cleave Herron, Christy Jackson, Donald Koss, James Mallard, LeRoy McCambry, Freddie Mendoza, Willie Odom, Luis Ortiz, Raymond Ostrowski, Alvin Peterson, Alexander Pratt, Arlene Price, Hector Rivera, Manuel Rodriquez, Anton Sabo, Fidel Sanchez, Paul Schomer, Henry Scott, Eddie Smith, Delia Sosa, Ruben Sosa, George Soteras, Antonio Villasana, Chad Vitello, Kenneth Williams, James Wimes, Natalie Woods, Alfred Young, Robert Young, Walter Zitko, unidentified male, unidentified male.

INDIANA (7)

Jeff Brown, John Buennage, Keith Johnson, Robert Lusk, John Neal, Keith Smith, Arthur Thomas.

KANSAS (7)

Waldo Emerson, Melvin Kollmann, Floyd Mitchell, Mike McKeown, nathaniel Nolen, Leon Smith, Judith Townshend.

KENTUCKY (2)

Delbert Hart, Julia Leet.

LOUISIANA (18)

Michael Blackwell, Wallace Brandon, Janice Bruce, Gracie Cooper, Melvin Cooper, Hazel Draughter, Lawrence Foreman, Maurine Foreman, Bryan Hepburn, Charles Hudson, Raymond Lewis, Curtis Manuel, Deborah Mutin, Joseph Poirrier, C. R. Roberts, Michael Zeller.

MARYLAND (21)

Robert Battle, Jr., Herman Christopher, Jr., Carl Clark, Ellen Day, (female) Flowers, John Henderson, Lawrence Henson, John Holt, Anthony Jones, Michael Jones, Marcie Newhall, Helen Perian, Joseph Robinson, Raphel Sampson, Carville Schisler, Carroll Scott, Kenneth Sicchilano, Virginia Sicchilano, Wendy Stark, Charles Steinberg, Sr., Susan Wray.

MASSACHUSETTS (7)

Dale Daniels, Lisa Daniels, Melinda Daniels, David Gouse, Edward Manley, Michael Marino, Anthony Taylor.

MICHIGAN (43)

Walter Bailey, Jr., Thomas Bak, William Bonin, Charles Bost, Jerome Bougard, James Bowman, George Braggs, Johnny Broaden, Michael Burnette, Gerald Chapman, Cynthia Christian, Woodrow Cole, Valerie Cox, Ronard Davis, Thomas Denton, Thomas Everson, Freddie Fulgham.

Richard Garrett, Paul Gilmore, Gerald Glenn, Renell Glenn, Ronald Glenn, Officer Wm. Green, Lee Griffin, Ruth Harvey, Terry Hayes, John Look Larry Mason, William Mason, Joseph McPherson, Michael Miles, Ronald Moore, Darryl Mustin, Clarence Neal, Sinclair Norris, Dale Patrick, Hubert Robbins, Carole Roketa, Andy Salkovic, Lawrence Singleton, Gary Stewart, Harvey Waters, Michael Walker.

MINNESOTA (7)

Donald Bullhead, James Cox, Derrio Green, Duane Lohmann, David Studler, Eric Spears, unidentified male.

MISSISSIPPI (1)

William Akers.

MISSOURI (19)

Willard Baker, Robert Becherer, Eddie Carthen, Jeffrey Davis, Ronald Davis, Waldo Emerson, Richard Glenn, Dr. Mary Groom, John Hathcock, Michael Harris, Ruby Johnson, Dale Jones, Valerie Mitchell, Karl Lohmar, Bettina Openlander, Phillip Sledge, Kevin Tillman, Jim Triplett, unidentified male.

MONTANA (1)

Curt Jacky.

NEBRASKA (1)

Laurence Winston.

NEVADA (4)

Lorraine Owens, Neil Owens, Clarence Piggott unidentified male.

NEW HAMPSHIRE (1)

Valerie Blair.

NEW JERSEY (12)

John Altman, Frances Bernett, Paul Boccia, Thomas Dunne, Delby Fernandez, James French, Diego Gierra, Max Goldberg, Iran Law, Andrew Saporito, Henry Smith, unidentified male.

NEW MEXICO (9)

Patsy Crum, Thomas Hansaker, John Jones, Berna Moya, Bruce Maulden, Amanda Urban, Charles Wier, Roland Wittkowski, Hans Wohlfahrt.

NEW YORK (7)

George Hondros, James Matthews, Juan Rivera, Theodore Rodill, Santiago Valdez, unidentified female, unidentified male.

NORTH CAROLINA (18)

Ernest Barnhardt, Earl Britt, Ransom Connelly, Evelyn Evans, Albert Frazier, Freda Gandy, Walter Graves, Elinor Harrison, Gino Locklear, Michael Outing, Angela Propst, Rick Propst, James Silver, Nancy Taylor, Mary Thomas, Terry Tilley, Carolyn Wallace, Fred Wheeler.

OHIO (14)

Salim Abilmouna, Niarchos Brooks, Reginald Brooks, Vaughn Brooks, Elizabeth Brondes, Robert Bryan, Paula Cunningham, Charles Johnson, Harold Lee, Rocco Marinucci, Thomas Pugh, Hammond Russell, Lon White, Vaughn Woodland.

OKLAHOMA (1)

Glen Senters.

OREGON (3)

Patrick Harrington, Brian Kelson, Randall Stevens.

PENNSYLVANIA (19)

Mohammed Aslam, Mary Figueroa, Robert Gallagher, Jay Craig, Hohn Hilliard, Eugene Jefferson, Robert Johnson, Rocco Marinucci, Carl Mickles, John Murphy, William Parker, Francis Phillips, June Robinson, Barbara Robriguez, Joseph Robriquez, Peter Santangelo, Paul Yeakley, unidentified male.

RHODE ISLAND (1)

Kerry Vincent.

SOUTH CAROLINA (1)

Ouida Coker.

TENNESSEE (9)

Franklin England, William Herndon, Hazel Jordan, Clark Knighton, Paul Mount, Vincent Rizzo, Benjamin Shtatman, Marvin Thomas, David Ware.

TEXAS (78)

Kenneth Addington, Adolfo Agueros, Branda Ard, Brenda Baldez, Lillie Benton, Lisa Blackwell, Robert Boyd, Pedro Briones, Earl Brown, Sebero Bustos, David Callihan, Bobby Cessum, Tina Covington, Burton Dees, Miguel Escoto, Jerry Finney, Miguel Freeney, Artie Gilford, Anthony Guiliano, Anthony Gomez, Antonio Gomez, Elaine Goss, Jackie Greene, Joseph Grigaitis, Carolyn Gross, Robert Guidry, Joel Hackstedde, Jeffery Jordan, Jr., Robert Hill, Edalgo Hooper, Jr., Anthony Hughes, Charles Jackson, Johnny Jackson, Nolan Jackson, Jr., Erminio Jaimes, Harvey Johnson, Jeffery Jordan, Jr., Earl Joseph, Karen Joseph, Sheila Lewis, Roland Lopez, Dol Ly, E. L. Long, Margaret McEntire, Terry McGill, Myron McIntosh, Billy McMillan, Phyllis McMillian, Michael McNaull, Ismael Mendoza, Jose Navas, Harlon Nugent, James Raditke.

Robert Rasberry, Willie Ray, Minnie Robinson, Thomas Robinson, Gelaxio Robledo, Felix Romero, Lethea Smith, Howard Steele, Phil Steffler, Marvis Sutton, Betty Taylor, Glen Taylor, Tarbell Travis, Douglas Treadwell, Fernando Ugartel, Jose

Valdez, Jr., Harvey Walker, Jimmy Williams, Clara Winters, Abel Zapata, unidentified female, unidentified female, unidentified male, unidentified male, unidentified male.

UTAH (3)

Buddy Booth, Jordan Rasmussen, Paul Saunders.

VIRGINIA (2)

Herman Berry, James Lamm, Jr.

WASHINGTON (9)

James Barbee, Wm. Bledsoe, Edward Getoor, Dixie Kassab, Brent Marshall, Ernesto Pino, Lisa Principe, Oscar VanHook, unidentified male.

WEST VIRGINIA (5)

Roxie Baker, Michael Davis, Chester Means, Stewart Moore, John Muncey.

WISCONSIN (2)

William Condon, Stevan Knopf.

WYOMING (3)

Gary Lewis, Richard Nickels, Jerry Salzman.

PREVIOUSLY UNREPORTED HANDGUN DEATHS—1982

January

CALIFORNIA

Nishan Bagdassarian.

FLORIDA

Albert Bromiky, John Banks, Angelyn Cipolla, Jorge Cruz, Michael Cullen, John Cutler, Obdulio Diaz, Sandra Eddleston, Pablo Garcia, Gabriel Gonzalez, Julio Hernandez, Danny Jones, Lawrence Kelly, Betty Marshall, Deborah McKinnon, Douglas Miller, Jose Obregon, Gail Pilgrim, Jorge Rios, Llewellyn Roberts, Richard Roper, George Schulman, William Shivie, David Smith, Mario Thybulle, Carlos Valdes, James Williams, Jr., Norbert Wittner, Byron Yee.

MISSOURI

Beverly Wilson.

NEW JERSEY

Sharon Trussell.

NEW YORK

Ramon Fernandez, Eugene Mahoney.

TEXAS

Cindy Curtin.

February

CALIFORNIA

Lauren de Laet, Don MacVicars.

KENTUCKY

Edward Harper, Alice Harper.

MICHIGAN

George Haggart, family members.

NORTH CAROLINA

William Lucas

TENNESSEE

Rodney Long, William Tatum.

TEXAS

Estanislao Perez.

VIRGINIA

Paige Leonard.●

DULLES EXPO '82

HON. FRANK R. WOLF

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 19, 1982

● Mr. WOLF. Mr. Speaker, I would like to take this opportunity to bring to the attention of my colleagues an upcoming event of local and national interest.

Washington's Dulles International Airport will celebrate its 20th anniversary year with Dulles Expo '82. This is an unusual aviation plus family-style festival set for June 26 and 27 at the spectacular Virginia facility to promote Dulles Airport, the beautiful terminal, and the metropolitan-area businesses which utilize the air transportation service at Dulles.

Here is a sampling of the planned events: Over 100 exhibits will be on display with demonstrations ranging from the Smithsonian Institution to Rolls-Royce to the U.S. Navy—all relating their kinship to Dulles via special demonstrations and unusual educational events. All 15 airlines serving Dulles will exhibit. Vintage barnstormers and the famed Concorde SST will showcase flight history. The world's largest transport carrier, the C5A, will be available for inspection, while a smaller "personal-size" 220-pound craft basks in its own glory.

The Dulles Mobilounges will be on exhibit, and short photo flights over the region also will be offered. Dulles promotional items, such as a specially created map of the Dulles area, will be available.

There will be an abundance of family festivities with a series of weekend-long musical events. World-renowned Irish fiddler Kevin Burke will be a main attraction at the 2-day festival which includes a varied program of traditional music with a high-quality flair. The Bluemont Concert Series has scheduled performers including folk dancers, cloggers, and well-known blues singer John Jackson who has performed at the White House.

During the Dulles Expo '82, one of Dulles' three runways will be turned into a parking lot for the weekend event in order to accommodate 8,000 cars. One spokesman for the festival has projected over 50,000 people will view the 100-plus exhibits. A constant stream of shuttle buses will transport visitors to the exhibit area. Special highway entrance and exit routes have been designated to facilitate the traffic flow and to speed visitors on their way.

Special shuttle service from Philadelphia to Dulles is planned by Ransome Airlines, using their 50-seat Dash-7 aircraft. Other commuter airlines also plan shuttle service into Dulles for the Expo.

Loudoun County Chamber of Commerce conceived the Expo idea, and is assisted by the Washington Dulles task force, as well as the Federal Aviation Administration and other organizations.

The Expo will provide an exciting family outing complete with food and fun, entertainment and education for anyone in the area on June 26 and June 27. The Expo will be open to the public, on Saturday, June 26, from 10 a.m. to 7 p.m. and Sunday, June 27, from 10 a.m. to 6 p.m. at no charge. More information on this can be obtained by calling (703) 777-2176.●

ENTERPRISE ZONES

HON. HENRY J. NOWAK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 19, 1982

● Mr. NOWAK. Mr. Speaker, the administration's unveiling of its enterprise zone plan nearly 2 months ago has sparked a great deal of debate and discussion—mostly positive, mostly constructive. It has been a healthy process that is generating ideas that will be valuable for the Congress as it refines this plan into final legislative form.

From the outset, it is important to stress that the administration's bill (H.R. 6055) is not the final word, not the finished product. There is room for improvement and refinement. For instance, while I am a cosponsor of this bill, I believe some key elements could and should be added to improve its efficiency and effectiveness.

Enterprise zones should not be viewed as a panacea * * * but as a valuable new tool in promoting economic development. They must be a supplement to existing economic development tools, not a replacement.

There is broad-based support for the underlying concept of enterprise zones—the notion of targeting Federal tax incentives to identifiable distressed communities.

Ever since I began serving in Congress in 1975, I have been a vocal advocate of targeting Federal resources to areas of greatest need. That led me to introduce legislation—enacted in 1976—that enabled the U.S. Economic Development Administration—EDA as we know it—to target its resources to communities such as Buffalo. The Nowak amendment, which added long-term economic deterioration as a criterion for EDA's broad range of title IX assistance, has brought more than $6.5 million in aid to Erie County in recent years.

The bulk of that has been used by the Erie County Industrial Development Agency (ECIDA) for a revolving loan fund to assist in stimulating local

business expansions. This Federal seed money has resulted in the creation of more than 1,200 local jobs since 1979.

The administration's enterprise zone plan relies almost exclusively on the use of Federal tax incentives to stimulate job creation in economically distressed areas. I applaud the use of the Tax Code as an economic development tool.

My belief, however, is that it should not be an exclusive tool.

Tax incentives alone will not cure our urban ills.

As chairman of a House Small Business Subcommittee, I held hearings last fall on the broad subject of Job Creation and the Revitalization of Small Business. The overall conclusion was that we need to develop a well-balanced economic revitalization strategy for our Nation's distressed areas.

I would like to enumerate some of the items I believe should be considered for either addition to the administration's enterprise zone bill or to supplement it.

The bill needs to do more to help small and medium sized businesses. As it stands, the proposed tax incentives for these zones are heavily weighted toward healthy and established capital intensive concerns. Tax incentives alone are not as valuable to small businesses in the startup and development stage, when they have little or no profitability and thus derive no benefit from tax breaks.

Small and medium sized companies are the ones that create the most new jobs in this country. They are the kinds of companies we want in these enterprise zones. What they need is capital—seed capital and working capital—to grow and to succeed.

To its credit, the administration's bill includes provision for use of industrial development bonds in enterprise zones. These so-called IDB's have been used widely, wisely, and well on the Niagara Frontier. Especially in these times of high interest rates, IDB's are an irreplaceable source of capital for developing firms.

I strongly believe we must buttress the tax incentive and IDB elements in order for enterprise zones to realize their potential.

A bill I introduced in 1981—the Enterprise Development Act—proposed the use of EDA title IX authorities in these zones, to provide a source of sorely needed seed moneys. Our experience in Erie County has shown how valuable public seed money can be in attracting private dollars.

I also introduced a bill—that could be a valuable add-on to the enterprise zone package—that would enable small business investment companies—SBIC's—to provide much needed venture capital for firms located in these zones. Again, the mix of Small Business Administration loan moneys, coupled with private dollars, would be a source of invaluable seed money to supplement the tax incentives.

I also believe the enterprise zone bill should have a jobs training component. For one, I support a broadening of the private industry council concept, which has worked so well in our area. The key is cooperation of the public and private sectors in identifying specific job needs in the community and developing training programs to meet those identified needs.

While the enterprise zone bill offers tax credits for firms hiring disadvantaged workers, I believe there also should be additional tax credits offered to offset the high cost of specialized skills training. The tooling and machine industry, for example, testified before my subcommittee that today it already faces a shortage of 60,000 skilled workers.

To supplement the enterprise zones, we also need to continue such successful programs as the urban development action grants and the community development block grants. There remains a continued need for Federal assistance to insure that communities have an adequate infrastructure base.

Adequate water, sewer, highway, and public transportation networks are a prerequisite for attracting business investment. Despite the need for budgetary tightening, the Federal Government must not abandon its support role in this area.

That suggests a serious concern about the administration's enterprise zone approach. Local governments will have to make certain public improvements—whether it is new street lighting, improved roads, or new water/sewer lines—to help make these zones attractive and workable.

Who is going to pay for these zone-related public improvements? The administration's bill provides no direct Federal aid to help localities with this added burden. Some provision should be made in the final bill to help hard-pressed cities to meet this added responsibility, at least in the short term.

Another concern is the administration's inclusion of local incentives within zones as a major criterion in the package communities must submit for what will be in effect a nationwide competition for these limited zone designations. Older cities like Buffalo, with eroded tax bases and near constitutional property tax limits, would not be able to compete effectively against richer communities in the Sun Belt that can easier afford an immediate loss in tax revenues. Again, the final legislation must develop ways to make this competition fairer, and less costly to local and State taxpayers.

The prognosis on enacting enterprise zone legislation this year is murky. Hearings have been held in the Congress but the current budget impasse has stalled expedited consideration of enterprise zones.

That impasse includes differences of opinion on what taxes should or should not be raised and what tax cuts should or should not be delayed. Once that is resolved, the House Ways and Means Committee should be able to focus more steadily on enterprise zones.

In any event, the reception the concept has received indicates it is only a question of time and enterprise zone legislation will be enacted. I look forward to continue working with you and exchanging ideas as this process evolves—and as we on the Niagara Frontier seek to insure that we will be among the first 25 communities to benefit from this challenging program.●

TRIBUTE TO NORTH SACRAMENTO AREA UNIT OF THE CALIFORNIA HIGHWAY PATROL

HON. VIC FAZIO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 19, 1982

● Mr. FAZIO. Mr. Speaker, I rise today to pay tribute to the North Sacramento area unit of the California Highway Patrol for being granted the commissioner's "Unit Citation" for its outstanding record during 1980 and 1981.

During this 2-year period, the North Sacramento area unit made 11,691 drunk driving arrests, more than were made by any other highway patrol unit in the State. Moreover, during 1980, more drivers were arrested for being under the influence of alcohol by this one unit than were arrested in 10 of our 50 States.

As a result of this exemplary record, there has been a 7-percent reduction in area DUI-related accidents in 1981 over 1980. Not only are our highways safer today because of the extraordinary efforts of this one highway patrol unit, but undoubtedly fewer people have perished senselessly at the hands of drunk drivers.

Nearly 70 persons each day—about 1 every 23 minutes—are killed in accidents involving drunk drivers, making it the Nation's leading cause of highway deaths and the No. 1 killer of people under 34. But through efforts such as those of the North Sacramento area unit, I am hopeful that we can begin to make strides in whittling down the number of intoxicated drivers on the roads.

The Congress, and State and local governments, however, must do their part to help keep drunk drivers off the roads once they are arrested by our law enforcement officers and convicted.

The Congress, for example, must adopt legislation authored by my good friends and colleagues Congressman **Barnes** and Congressman **Howard**, and which I have cosponsored. This bill would provide "seed money" to assist and reward those States that take effective steps toward establishing comprehensive—and ultimately self-sufficient—programs aimed at deterring drunk driving, and assuring the swift arrest, conviction, punishment, and rehabilitation of the offender. The bill would involve no additional cost to the U.S. Treasury since the funds would simply be earmarked from the existing Highway Trust Fund.

I commend the North Sacramento Area California Highway Patrol for its outstanding performance and for its enormous and immeasurable contribution to the safety and well-being of the residents of Sacramento and the State of California. I only hope that the Congress can measure up to the high standards set by the highway patrol and act swiftly to pass the Barnes-Howard bill.●

DEFICIT REDUCTIONS

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 19, 1982

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, May 19, 1982, into the Congressional Record:

Deficit Reductions

Even with all the attention in the news media paid to the federal budget, I am not sure that the difficulty of the budget problem is sufficiently understood. If the federal government continues its current policies and makes no changes in tax laws or spending policies, the projected 1983 deficit is $182 billion (three times what it was in 1980). We will receive $645 billion and spend $827 billion. Everyone agrees that such a deficit is intolerable, and that the consequences for the economy would be disastrous.

The question becomes, then, how the deficit can be reduced. There are three ways: raising taxes, cutting spending, or some combination of the two. Everyone's first choice, at least in the abstract, is to reduce spending.

Let's take a closer look at reducing the deficit by cutting spending. Here is a list of expenditures that are most unlikely to be cut significantly:

	Billions
National defense	$224.2
Social security and railroad retirement	177.0
Interest on the national debt	108.55
Federal civilian retirement	21.55
Unemployment compensation	24.95
Veterans' benefits	14.8
Federal payroll	2.4
Total	573.25

That leaves $253.7 billion ($826.95 billion less $573.25 billion) in which to find spending cuts to reduce significantly the $182 billion deficit. A look at some of the remaining programs suggests how difficult the cutting is:

	Billions
Medicare	$52.8
Medicaid	19.15
Food stamps	12.75
Child nutrition	3.6
Supplemental security income and aid for families with dependent children	16.3
General revenue sharing	4.6
Guaranteed student loans	3.7
Social services (title XX)	2.45
Total	115.35

If these programs were not cut, and if we abolished completely the remaining programs in education, job training, space, highway and mass transit, community development, and law enforcement, we would still have a deficit of $46.05 billion.

I do not suggest that no cuts be made in these programs; the difficulty in cutting them is in itself no argument not to cut. Nevertheless, they enjoy strong political support, and the costs for many of them are certain to increase; for example, rising health care costs will surely increase Medicaid and Medicare costs even with cutbacks and efficiencies. The rate of expansion in these programs needs to be better controlled, but political support simply does not exist for a fundamental retreat from them. Waste and fraud must always be attacked, but there is no reason to believe that tens of billions of dollars can be saved in this way. The growth in the federal budget has principally been in pensions, health care and defense, each of which is an important and strongly supported public responsibility.

Now let's look at the revenue side. Here are some of the proposals that are being discussed to increase revenue:

[In billions]

5 cents per gallon tax on gasoline	$2.9
Corporate minimum tax	2.3
Repeal of safe-harbor leasing provisions	2.9
Tighter taxpayer compliance provisions	4.5
Accelerated corporate tax payments	1.4
$5 per barrel oil import fee	8.6
Individual minimum tax hike	.5
Reduction in energy depletion allowance	2.1
Total	25.2

If these proposals were enacted, there would still be a deficit of $156.8 billion. We could go further and eliminate the 1983 individual income tax reduction and cap the 1982 cut at $700 per person. This would provide $30.4 billion more in revenue. But even if all of these proposals were enacted the deficit would still be $126.4 billion.

It is, of course, highly unlikely that each of these proposed spending cuts and tax increases will be enacted. I am not saying they should be. The purpose of these calculations is simply to illustrate the difficulty of getting the deficit down. What they show is that only a combination of spending cuts and revenue increases can bring the deficits down to manageable levels over the next several years.

To achieve that goal requires substantial changes, all of them painful. No one is eager for them: Given the split control of the government between the political parties, my judgement is that we must lay aside partisan rhetoric and political posturing and fashion a bi-partisan solution. The political fact is that the Congress cannot do it without the President and the Democrats cannot do it without the Republicans, and vice versa. But the national interest is compelling: We must do it now.

(Note: Information for this newsletter was taken from a memorandum produced by the House Committee on the Budget.)●

EXPORT TRADING COMPANY LEGISLATION TO RECEIVE FLOOR ACTION SOON

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 19, 1982

● Mr. BONKER. Mr. Speaker, today the Monopolies and Commercial Law Subcommittee of the House Judiciary Committee held a markup on H.R. 1799, legislation that would foster the creation of export trading companies. I would like to commend my distinguished colleague, Chairman **Peter Rodino**, for acting on this most important piece of legislation.

The subcommittee adopted an amendment offered by my distinguished colleagues, Congressman **William Hughes**. The amendment provides for a simple, straigthforward certification procedure in which an exporter applies directly to the Attorney General for certification of export conduct. The Justice Department must render its decision within 60 days, with a provision for a 30-day extension to request additional information. Injured domestic persons are also guaranteed a single damage remedy. This prevents any abuse of the certification procedure by those who might wish to use a certificate as a basis for predatory practices directed at domestic competitors.

Again, I commend Chairman **Rodino** and Congressman **Hughes** for moving ahead with this markup. Passage of H.R. 1799 is vital to our domestic economic growth and our status in the international marketplace.

This week is "World Trade Week." But the increased national attention to world trade this week must be converted into a year-round conviction that exporting is a key to a stronger U.S. economy. Secretary of Commerce Baldrige recently stated that:

> As the world's greatest trader, the economic health of the United States is closely tied to exporting. Exports create jobs. They support the value of the dollar. They blunt the thrust of inflation. They pay for critically needed resources and materials from abroad.

Mr. Speaker, this Nation has an enormous export potential that has not been tapped. Our small- and medium-sized companies simply do not export. They find the process confusing and frightening. They lack the expertise in language and law, the capital and the knowledge of overseas markets to be successful in export trade.

Export trading company legislation would allow the United States to generate this expertise. It would assist our domestic companies in finding their way through the thicket of regulations that may bar the door. In effect, this is a positive, aggressive approach to the problem of nontariff barriers, one that steers clear of protectionist legislation which carries the danger of retaliation and a full-scale trade war.

My distinguished colleague, Chairman **Fernand St Germain**, is also holding hearings on H.R. 6016, the Bank Export Services Act. This bill allows for bank participation in export trading companies. Bank holding companies would be allowed to invest up to 5 percent of their consolidated capital and surplus, and Edge Act corporations up to 25 percent of their capital and surplus in export trading companies. The Financial Institutions Subcommittee of the House Banking Committee will continue hearings on H.R. 6016 on Tuesday, May 25, with a markup scheduled soon thereafter. I commend Chairman **St Germain** for moving ahead with this legislation.

Mr. Speaker, as chairman of the House Export Task Force, and with my very strong commitment to the promotion and expansion of American export trade, I am pleased that we are moving rapidly toward passage of export trading company legislation. Both the Banking and Judiciary Committees are nearing completion of hearings and markup, and the Foreign Affairs Committee passed out H.R. 1799 last month.

A private study conducted by Chase Econometrics estimated that by 1985, export trading companies would increase the gross national product by $27 to $55 billion, increase employment by 320,000 to 640,000 workers, and reduce the Federal deficit by $11 to $22 billion.

Mr. Speaker, we cannot afford to ignore legislation which has the potential for creating jobs and helping the country toward true economic recovery.●

PERSONAL EXPLANATION

HON. CLAUDINE SCHNEIDER

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 19, 1982

● Mrs. SCHNEIDER. Mr. Speaker, on part of Wednesday, May 12 and on Thursday, May 13, I was necessarily absent due to a serious illness in my family. Had I been present, I would have voted as follows: Rollcall No. 71, "yes"; rollcall No. 72, "no"; rollcall No. 73, "no"; rollcall No. 74, "yes"; rollcall No. 76, "yes"; rollcall No. 77, "no"; and rollcall No. 78, "yes."

Thank you, Mr. Speaker.●

THE PROPOSED IRS DEBT-EQUITY REGULATIONS: A FINANCIAL TIME BOMB FOR SMALL BUSINESS

HON. DAN MARRIOTT

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 19, 1982

● Mr. MARRIOTT. Mr. Speaker, the proposed IRS regulations, which define debt and equity capital for Federal Tax Code purposes, are financial time bomb, which could cause an explosion that will destroy much of the small business community as we know it.

The proposed regulations totally fly in the face of the current administration's promise to simplify Government regulations. As Jack S. Levin, senior partner in Kirkland & Ellis, and a nationally known tax attorney notes, the proposed regulations are over 40 pages' long, containing "a dazzling array of confusing and difficult to comprehend rules, subrules, exceptions, qualifications, definitions, safe harbors, and rules of convenience."

I would suggest to my colleagues that, if one of the leading experts in tax laws finds the proposed section 385 regulations confusing, it is more than reasonable to expect that they will present an obstacle absolutely insurmountable for most small businesses.

Small businesses, I would remind you, operate on the slimmest of margins, especially at the time of their formation, when the need for capital is greatest. Adding the expense of hiring the kind of expertise necessary merely to understand these proposed regulations, not to mention the expense necessary to comply with them as well, is an unconscionable additional burden to lay on our already beleaguered small business community.

The most critical effect, however, is the impact these regulations will have on the ability of small business to raise much needed capital. Let me once again quote Mr. Levin:

> To say that the proposed section 385 regulations are complex is an understatement. To say that they will impede the financing of America's business by professional venture capitalists and by the business' own shareholders is a gross understatement. If allowed to go into effect in their present form, the proposed regulations will undeniably impede the capital formation process for young, growing businesses and mature financially troubled businesses. The continued flow of capital to these businesses is essential to the renewed vitality of the American economy.

By the way, to those who might suspect that only big business or corporations would be hurt, Mr. Levin categorically notes that the promulgation of these regulations would "apply to every new and existing business that is attempting to raise additional capital."

I think it is time we stop and ask ourselves what tax law is for. To paraphrase scripture:

> The tax law is made for people; people are not made for the tax law.

Section 385 seems to have lost sight of this. The prevention of tax fraud and the clarification of tax policy for the taxpayer are legitimate ends of new regulations; the legalistic obfuscation of tax law to confound the taxpayer and to find clever new ways of confiscating our citizens' wealth for the feeding of an already overgrown Federal Establishment are totally illegitimate ends.

Walter B. Stults, president of the National Association of Small Business Companies (NASBIC), is equally emphatic. He calls the proposed regulations "an unmitigated disaster for small businesses." He goes on to drive home the point:

> They are incredibly complex and full of traps, and they show a complete disdain for the realities of how smaller firms are born and how they finance their growth. They will create huge unforeseen tax liabilities for thousands of unwary small firms.

Actually, they may show not so much "disdain," as they do ignorance. A Treasury official, who recently appeared before our Subcommittee on Tax, Access to Equity Capital and Business Opportunities, spent the bulk of his testimony trying to convince us that a controversial Treasury policy was good for small business. When he was asked how he would define small business, he said he could not do it and that, moreover, it probably could not be done.

The fact is that, although there are some gray areas in defining small business, there is absolutely no doubt that most of those so identified are small by any standard. The answer reflects what the Treasury Department, which operates at the highest levels of commerce and Government, really believes from the perspective of their ivory tower, so far removed from the real world of the individual taxpayer and small business community that they have no way to relate to that world. It is an insensitivity that is all the more tragic because those who suffer from it are sincerely trying to do their job as they see it.

William D. Barth of Arthur Andersen & Co., whose efforts for small business have been noteworthy as among the most sensible, creative and effective, makes the following comments:

> It is widely acknowledged that the primary impact of these rules would be on new and small firms, which have difficulty raising capital under ordinary conditions . . . the vast majority of ongoing businesses potentially affected by these rules are only dimly aware of their adverse impact. . . . Some business owners question the appropriateness of imposing regulations in this sensitive area at all . . . [but] With the goals of the legislation and small business considerations in the correct perspective, it might be possible to avoid unduly burdening the financing of legitimate new and small businesses to a large extent.

Mr. Barth also notes that on April 22, the advisory committee to the Senate Small Business Committee unanimously adopted a resolution calling for repeal of section 385; and, on April 29, the Small Business Administration advisory committee adopted a similar resolution.

He and Earl Brown, also of Arthur Andersen & Co., also conclude that the proposed regulations would "restrict risk-taking by entrepreneurs, friends, relatives, and outside sources of capital." This would, they note, "deny opportunity for small business" and, not incidentally, "dampen overall economic performance." We simply cannot stand by idly while a disaster of such proportions takes place, particularly when our bill can prevent it.

The bill which I and my colleagues are introducing today is a prudent one. It merely says that we will postpone the implementation of these regulations for 2 years, during which time a study will be made to determine their impact, on the business community as a whole and on small business in particular. As Mr. Levin notes, we have "reasonable guidance" already, based on common law well developed by the courts.

Far too often, we consider something a "good" law or a "good" regulation based on its technical precision, rather than on the nature of its effects on those who must live under it. The situation created by section 385 is a perfect example of why we must ask whether a law or regulation achieves correct objectives in the correct way as well as whether it is drafted correctly in a legal sense.

I urge my colleagues to join us in this effort by cosponsoring this measure in such numbers that its speedy passage will be assured and a great injustice avoided.●

TRANSFERRING OF SENIOR EXECUTIVES AT GSA

HON. FRANK R. WOLF

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 19, 1982

● Mr. WOLF. Mr. Speaker, I have recently learned of a disturbing situation which I would like to bring to the attention of my colleagues.

While I have advocated a reexamination of the role of the Federal Government in our society to benefit those in need of services and those who pay for them, I believe any changes in Government policies require a great deal of compassion and consideration on the part of those responsible for implementing these policy changes, particularly when these changes involve personnel decisions.

That is why I was distressed to learn of recent actions at the General Services Administration which resulted in the transferring of 17 senior executives, 2 of whom were married to each other and who were transferred to 2 separate locations.

Because of the depth of my concern in this matter, and because of recent developments at the GSA, I have been prompted to send the following letter to Dr. Donald J. Devine, Director of the Office of Personnel Management, requesting an investigation into this matter. I hope this situation is resolved quickly to set an example that this administration considers the human element when developing policies for laws passed by this Congress. I am sure the intent of our legislation was to be of benefit to society, not to disrupt families.

CONGRESS OF THE UNITED STATES,
Washington, D.C., May 12, 1982.

Dr. DONALD J. DEVINE,
Director, Office of Personnel Management, Washington D.C.

DEAR DR. DEVINE: I am concerned about the situation which has developed at the General Services Administration (GSA) involving the forced reassignment and pay cuts given a number of career SES members.

As you know, the SES system was established, in part, to provide management the flexibility to meet the needs of the agency by reassigning executives to where the greatest need exists. It was intended, however, that these reassignments be carried out in a manner which would promote efficiency and effectiveness of government operations—not hinder them.

In addition, the pay reduction provision of the SES statute was designed to reduce the pay levels of those whose work was not up to the fully satisfactory level. At GSA, for example, this provision was applied to reduce carreer executives pay levels on two weeks notice.

What concerns me most of all, however, is the fact that two of the SES reassignments would have the effect of splitting up a family. One spouse is being involuntarily reassigned to New York, the other to Philadelphia. I believe firmly that this Administration's philosophy and positions have been to strengthen the family unit, not place additional pressures on it by separating the spouses. This is especially true where, as here, there is a child involved.

Although the actions being taken at GSA and at other agencies which involve career members of the SES have, in most instances, met the minimum requirements of the law, they have not been humanely implemented.

I urge you to look into the GSA matter, and to advise me whether some modifications are appropriate which would meet the concerns I have outlined above.

At a time when we are seeking a more efficient and effective administration and management of government, we cannot afford to give our senior executives any less than fair and compassionate treatment.

I look forward to hearing from you in this regard.

Sincerely,

FRANK R. WOLF,
Member of Congress.●

LAND AND WATER CONSERVATION FUND

HON. JAMES M. JEFFORDS

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 19, 1982

● Mr. JEFFORDS. Mr. Speaker, on May 13, I testified before the House Appropriations Committee's Subcommittee on Interior and Related Agencies about an extremely popular and effective program, the Land and Water Conservation Fund. I touched specifically on the land acquisition program for protection of the Appalachian Trail and on the State grants portion of the fund. I would like to include in the RECORD a copy of this testimony for the benefit of my colleagues:

TESTIMONY OF HON. JAMES JEFFORDS ON THE LAND AND WATER CONSERVATION FUND

I appreciate the opportunity you have given me to come before this subcommittee today to talk about one of the most sucessful programs in the Interior Department—the Land and Water Conservation Fund. This government program is one of the few that can boast of a permanent legacy of benefits to all states in the country. Since its inception in 1965, it has aided close to 30,000 projects involving 14,000 communities.

The concept behind the fund has always been extremly sound. The idea that our nation should reinvest a portion of the proceeds from a nonrenewable resource—oil—to save resources that cannot be replaced—our land and water—is probably more important now than ever before. The need for preservation has never been greater and communities with and expanding need for public recreation are experiencing overcrowding and deterioration at existing facilities. Furthermore, revenues from off-shore oil have risen drastically with decontrol and increased drilling activity.

I would like to address two particular issues with respect to the Land and Water Conservation Fund. One is the state grants portion of the fund, which was zero funded

last year, and the Appalachian Trail Project, which is at a critical stage, particularly in my state of Vermont.

Mr. Chairman, the Applachian Trail is certainly one of our unique national treasures. Its 2,100 miles from Maine to Georgia link more than sixty public land areas in fourteen states. The trail is easily accessible to most major populations centers along the route. The Appalachian Trail Conference estimates that the trail accommodates 3 to 4 million visitors each year.

In 1978, the Congress responded to the need for additional protection of the Appalachian Trail corridor by authorizing funds for the purchase of lands or interests in lands along the trail. Public Law 95-248 also provided the right to exercise eminent domain.

Most of the work on a permanent route and a protection corridor has been completed and 713 of the 830 miles of trail in need of protection have entered the final stages of land acquisition. Of this total, 342 miles have been acquired and I am here today to urge this subcommittee to do whatever it can to expeditiously finish the job.

I am most familiar with the acquisition process in Vermont and I would like to share some of the history of that process because I think it illustrates the need for quick action on the entire project. Four years ago when the acquisition process entered its most recent phase, there was a great deal of opposition on the part of many Vermont landowners to sell their land. The admirable traditions of stubbornness and resistance to government intervention lead to a resistance to discuss the AT land acquisition process despite the statewide support for the viability of the trail.

To the credit of all of those involved in the project, notably the Appalachian Trail Conference, the Park Service, the State of Vermont's Environmental Conservation Agency, the Ottaquechee Land Trust and hiking groups, a series of meetings were held in the critical areas of the state and many of the problems and objections have been worked out. This is not to say that there is no opposition, but it is small and landowners now feel that they have a voice in the process and an opportunity to participate in determining what options will be used to protect the trail.

Those close to the process on both sides feel that the accomodation that has been reached in Vermont is nothing short of miraculous. This consensus will be threatened if adequate funds are not provided to allow land acquisition to proceed as quickly as possible. Delays could also increase the cost of AT protection as land values escalate. Furthermore, there are areas where development could occur in tracts slated for the corridor.

Mr. Chairman, the moneys spent on protecting the Appalachian trail throughout its length will be nearly meaningless unless we finish what we have started. In many areas, particularly in Vermont, parcels purchased by the Park Service are not connected with each other. They will be far less useful if land acquisition does not continue.

I would also like to call the Subcommittee's attention to the plight of the state grants portion of the Land and Water Conservation Fund. After a zero-funding in fiscal year 1982, I believe it would be a grave mistake to not fund this program in FY '83. We are reaching a point when there is almost no money left in the form of unobligated balances. It would indeed be tragic if we were to allow this program to disappear by letting the administrative machinery wither away due to a lack of funds. I know of no program that is more popular and more scandal-free than this one.

Even in my small state of Vermont, the Land and Water Conservation Fund's state side has had a hand in the development of 361 projects. While we have made a great deal of progress in protecting land and in providing recreational opportunities for our citizens, the pressures for continuing the program are greater than ever. The pressures of land and water development by the private sector are increasing and the Land and Water Conservation Fund has helped to balance this activity with matching funds for resource protection.

Examples of the principles of balancing development are numerous. Municipal projects have provided recreation facilities and protected land from less desirable types of development. Several state projects have helped to create State Parks and Reserves that preserve wildlife habitats, rare plant species, and the views and lookouts of so many areas on our state. Such values are not only important to the aesthetic qualities of states like Vermont, but they are absolutely essential to their economic health. In Vermont, we have learned that environmental protection and a balanced approach to development are one of our best assets in trying to assure a good business climate in the long term.

Furthermore, as states like Vermont grow, the need for recreational opportunities increase, as does the competition for land and water resources. In addition to protecting precious resources such as prime farmland park areas, the Land and Water Conservation Fund has helped the state to take a more balanced approach to sorting out competing claims for the use of our rivers. The use of Vermont's rivers has increased in all areas, including recreation, hydroelectric development, snowmaking for ski areas, domestic water consumption and waste disposal.

In short, the state grants program of the Land and Water Conservation Fund has been an extremely important and popular form of federal revenue-sharing. It has helped to draw in states, local governments and private donations to protect and preserve what can be renewable resources if we treat them with respect—our land and water. Despite our goal of fiscal austerity, it seems reasonable that this Congress should appropriate some of the more than $10 billion that is expected to come from offshore oil revenues. I urge the Subcommittee to inject new life into the Land and Water Conservation Fund.●

INTRODUCTION OF AMENDMENT TO RESTORE COLA TO RETIREES

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 19, 1982

● Mr. DOWNEY. Mr. Speaker, today I introduced an amendment to House Concurrent Resolution 345, which revises the congressional budget for fiscal year 1983. The purpose of my amendment is to restore the full cost-of-living adjustment (COLA) to Federal civilian and military retirees. If this amendment does not pass, 1.7 million civilian retirees and 1.2 million military retirees will have their COLA capped at 4 percent, although it is projected to reach 6.6 percent next year.

Federal retirees are the only group that will be denied the full COLA. The injustice of excluding this one group is obvious and insupportable. Relegating Federal employees to the status of second class citizens will do nothing but indicate to them that their employer feels that they are less deserving than any other group. Is this what Congress really wants to do? I know that I appreciate the dedication and hard work of Federal employees, and I have no intention of telling them that they have not been appreciated.

Further, capping the COLA will have serious repercussions on the entire Federal employment system. The promise of the Federal pension program is one of the biggest magnets pulling people into Federal employ. Without it, many qualified, talented, and dedicated individuals will be forced into the private sector where pay and working conditions are far better. Does Congress really intend to drive the country's best people out of public service?

Recent congressional actions have done nothing but undermine confidence in the Federal Government's ability and willingness to deliver what it promised. Last year, Federal retirees lost the twice annual COLA. This year, there are attempts to cap, or even freeze it. Any smart Federal employee will think twice about sticking around to see what next year will bring.

A cap on the COLA is particularly unfair to the Federal retiree who no longer has the option of looking for another job, or who has lost the promise of bonuses, promotions, and improved economic conditions. Retirees are stuck with a fixed amount of income which they budget carefully to make ends meet. Despite what anyone else says, capping the COLA is the same thing as cutting benefits. And cutting the income of dependent people is cruel and outrageously unreasonable.

By tampering with the COLA, Congress does nothing but stab itself in the foot. The proposed cap is unjust, harmful to the elderly, counterproductive, and unnecessary. I hope that my amendment will be supported.●

MSGR. WALTER P. ARTIOLI AND REV. BENEDICT P. MILITELLO CELEBRATE ANNIVERSARIES

HON. FRANK J. GUARINI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 19, 1982

● Mr. GUARINI. Mr. Speaker, on Sunday, May 23, 1982 the people of Our Lady of Mount Carmel Roman Catholic Church in Jersey City are having a unique celebration.

This fine church, which is located in the Marion section of our community, is celebrating the anniversaries of two of their great spiritual leaders. On this day, Rev. Msgr. Walter P. Artioli, pastor emeritus of Our Lady of Mount Carmel Church will mark the 50th anniversary of his ordination to the priesthood, on May 21, 1932. Also, on this occasion, the current pastor of Our Lady of Mount Carmel Church, Rev. Benedict P. Militello will celebrate the 25th anniversary of his ordination to the priesthood, which occurred on May 25, 1957. Both of these men are extraordinary individuals.

Monsignor Artioli retired as pastor in 1969. Born in New York in 1906 he moved to Jersey City at an early age where he graduated from Dickinson High School. He was ordained after attending Seton Hall University and Immaculate Conception Seminary. His first assignment was as assistant pastor of St. Lucy's Church for 2 years.

In 1934 he became administrator of Our Lady of Mount Carmel Church and was made pastor in 1936.

After his retirement he served as chaplain at Holy Rosary Academy in Union City for 3 years.

During his tenure at Mount Carmel the church debt was erased in 1947, and ground breaking for a new school took place during January 1954. He was elevated to Very Reverend Monsignor during 1954. He laid the cornerstone for the new day care nursery on Garrison Avenue on May 21, 1954, and the new school and recreation center on July 16, 1955, during the golden anniversary celebration of the founding of the parish, which began in April 1905.

September 1955 was a great day in Mount Carmel Church history as its school accepted students for the first four grades in the new school with Filippini Sisters in attendance.

A brief review of Mount Carmel parish reveals the following:

Beginning in 1905 when Rev. Ernest Montelecone purchased a former Baptist Church on the corner of Broadway and Giles Avenue and transformed it into a Roman Catholic Church, where the first solemn Mass was celebrated in 1905.

On June 16, 1917, Rev. Julius Moscati was the pastor and he built a new rectory, which was dedicated April 25, 1917.

On November 14, 1926, the new church was built and Rev. Hercules Di Primio was assigned as first assistant to Father Moscati.

On January 17 of the next year the Sisters of St. Elizabeth came to the new convent and operated the kindergarten school.

On May 2, 1934, after the death of father Moscati, Rev. Walter P. Artioli was named administrator by His Excellency Thomas P. Walsh.

On December 24, 1936, Father Artioli was officially appointed pastor of the church which saw Rev. Eugene Fanelli assigned as an assistant in May of 1940.

Following the death of father Di Primio, Rev. Robert P. Garner was assigned to the parish. Father Garner was elevated to the position of Auxiliary Bishop of the Archdiocese of Newark where he now serves.

In 1950 Rev. Salvatore Citarelli became assistance pastor and in 1954 the groundbreaking for the new school took place.

Father Benedict P. Militello, known affectionately as "Father Ben" was also born in Jersey City in the Marion section. He has the distinct honor of being pastor of the chucrh he served as an altar boy.

After attending Seton Hall University, and Immaculate Conception Seminary he was ordained to the priesthood on May 25, 1957, where he was assigned as assistant pastor of St. Anthony's Church in North Vale. Other assignments include St. Joseph's Church and St. Anne's Church in Jersey City.

He became pastor of Our Lady of Mount Carmel Roman Catholic Church on May 9, 1981.

These tributes by the devoted parishioners of Mount Carmel parish indeed reflect the love they have for their beautiful edifice with its stately arch and steeple, made up of a neighborhood with groups of friendly people.

Mount Carmel parish has served thousands of families whose parents and grandparents, in many cases, migrated from Italy in search of economic opportunity and religious freedom. Mount Carmel Church was indeed a haven for these newcomers, with a language barrier, seeking to establish themselves in their new land, while proudly maintaining their traditions and cultures.

Many of Mount Carmel's early parishioners helped build the church while they were raising their families. They are among Jersey City's finest citizens who have answered the calls of America time and time again during periods of war and peace.

Mount Carmel Church has stood like a beacon to its parishioners. Their devotion to the church and the Sabbath is echoed in the words of Henry Ward Beecher:

> A world without a Sabbath would be like a man without a smile, like a summer without flowers, and like a homestead without a garden. It is the joyous day of the whole week.

The contributions of the parishioners of Mount Carmel Church and these two men of God is best reflected in remarks by Pope John Paul II on his Battery Park, N.Y., visit of October 1979 when in the shadow of the Statue of Liberty he said:

> It will always remain one of the glorious achievements of this nation that, when people looked toward America, they received together with freedom also a chance for their own advancement. This tradition must be honored also today. The freedom that was gained, must be ratified each day by the firm rejection of whatever wounds, weakens or dishonors human life. And so I appeal to all who love freedom and justice to give a chance to all in need, to the poor and the powerless. Break open the hopeless cycles of poverty and ignorance that are still the lot of too many of our brothers and sisters; the hopeless cycles of prejudices that linger on despite enormous progress toward effective equality in education and employment; the cycles of despair in which are imprisoned all those that lack decent food, shelter or employment; the cycles of underdevelopment that are the consequences of international mechanisms that subordinate the human existence to the domination of partially conceived economic progress; and finally the inhuman cycles of war that springs from the violations of man's fundamental rights and produces still graver violation of them.
>
> Freedom in justice will bring a new dawn of hope for the present generation as it has done before; for the homeless, for the unemployed, for the aging, for the sick and handicapped, for the migrants and the undocumented workers, for all who hunger for human dignity in this land and in the world.

At Sunday evening's reception in the church hall more than 800 friends and parishioners will join heart and hand with our guests of honor, breaking bread in celebration.

I am sure my colleagues share their joy.●

THE PROFESSIONAL HOWLERS

HON. DANIEL B. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 19, 1982

● Mr. DANIEL B. CRANE. Mr. Speaker, after spending my first few months as a Member of Congress, I was appalled at the attitude of many who came to see me. "Yes," they would say, "we agree with you that massive Federal spending is inflationary; it produces high interest rates, unemployment and has been responsible for our Nation's economic ills for decades. We want you to cut the budget. But—don't cut my program."

I have heard this refrain from so many that I am thinking of getting a sculpture for my desktop—a pair of outstretched hands. I will put a little metal plate on it, and every time somebody comes in singing the old familiar "gimme" song, I will have their name engraved on the plate.

Better make that a very large metal plate.

Joan Beck knows what I am talking about. Her March 3, 1982, column for the Philadelphia Inquirer is a classic. Now, I do not say I agree with every last thing in it, but it is a biting critique of a very pervasive attitude.

> BUDGET HAS A LITTLE FOR EVERYONE
>
> (By Joan Beck)
>
> At Yale, a student complains that cutbacks in federal student loans not based on need would be unfair to her father, who earns $60,000 a year. She's entitled to help, she says, because she wants to go to one of the nation's most expensive schools.
>
> Representatives of kidney dialysis centers have held demonstrations about proposals that funds for patients' treatment be reduced slightly to encourage more dialysis at home. The nation's 72,000 victims of kidney disease are entitled to the full $1.8 billion, they say, because they have such an expensive ailment.
>
> The working poor are entitled to food stamps and public aid because they don't earn as much as many people on welfare and proposed reductions would create a "work disincentive," their advocates are protesting.
>
> As estimates of federal budget deficits zing higher faster than the scores in a pinball game—$120.6 billion in 1983, $128.9 billion in 1984, maybe $139.6 billion by 1985, according to the Congressional Budget Office—the trickle of indignant news stories about victims of cutbacks—real and anticipated—has turned into a torrent.
>
> A sense of entitlement has infected the nation and everyone—from touring ballet dancers to cancer researchers to unemployed autoworkers—is afraid the Reagan administration and a deficit-leery Congress may try to reduce the amount of money they feel entitled to take out of taxpayers' pockets as a matter of right.
>
> Kids, for example, should be entitled to a subsidized lunch because they might be hungry, the arguments against reducing school lunch subsidies go. College students should be entitled to financial help to go to any school for which they are qualified, whether or not they can afford it, because they are entitled to freedom of choice.
>
> The handicapped are entitled to barrier-free buildings and transit facilities regardless of cost because they are handicapped. Artists of all kinds should be entitled to at least a trickle of support because culture is important and they should have opportunity to use their talents, they contend. Tobacco farmers feel entitled to price support help so they can continue to make a living by growing carcinogens.
>
> Chrysler claims entitlement to federal help because it has made so many management mistakes. People who live near toxic waste dumps are entitled to have the government clean them up because no one else will. World War I veterans should be entitled to a $10,000 bonus, according to a bill introduced in Congress by Henry B. Gonzalez (D., Texas).
>
> Indians are entitled to federal help because their ancestors were here before ours. Admirals and generals are entitled to fancy perks because they are admirals and generals. Enlisted personnel are entitled to early pensions, educational benefits and subsidized shopping because they might not sign up otherwise. States and municipalities are entitled to financial subsidies because they don't like to raise their own taxes.
>
> Businesses are sometimes entitled to federal help because they are small and struggling or big and failing, or owned by minorities or essential to defense. Coal miners are entitled to black lung benefits, whether or not cigarette smoking contributed to their disability. Textile workers say they should be entitled to the same breaks because brown lung disease is just as bad. Victims of other catastrophic illnesses argue that they should be entitled to financial help because kidney dialysis patients get it.
>
> The elderly are entitled to Social Security because the government promised, whether or not they ever paid enough to support their claims. The poor are entitled to first-class health care, because they are poor. The unemployable are entitled to job training because they have no work skills.
>
> Poor, single mothers are entitled to welfare because they aren't married and their children shouldn't be penalized. Teenagers are entitled to family planning services because they can't wait for marriage.
>
> Oil companies feel entitled to tax breaks because they are oil companies. Former presidents have become entitled to millions of dollars in Secret Service protection and lavish expense accounts because they are former presidents. Members of Congress consider themselves entitled to enormous tax breaks because they make the rules. Business executives are entitled to lavish expense account breaks because they generate business.
>
> Scientists consider themselves entitled to research grants because a few of them might come up with something useful. The unemployed are entitled to compensation because they aren't working. Urban transit services are entitled to federal help so their unions can continue to insist successfully on higher wages.
>
> All in all, current entitlement programs cost the federal government $305.8 billion in 1981 and will increase to $458.9 billion by 1987, even without adding any of the new entitlements for which strong political pressures already exist.
>
> One reason Ronald Reagan continues to be popular, I think, is that he is giving at least indirect recognition to the one entitled group everyone else has ignored: the taxpayers. Their claim to be entitled to a little more of the national pie is based on a very simple argument: They made the money the old-fashioned way. They earned it.●

SMALL BUSINESS REGULATORY RELIEF TAX ACT OF 1982

HON. HENRY J. NOWAK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 19, 1982

● Mr. NOWAK. Mr. Speaker, as chairman of the Small Business Subcommittee on Tax, Access to Equity Capital and Business Opportunities, I have conducted a multitude of hearings regarding the capital formation and financing needs of small business. All of these hearings have been based on the premise that the future vitality and economic growth of the U.S. economy is dependent on small business. In particular, a study conducted by the Massachusetts Institute of Technology indicates that two-thirds of all net new jobs created between 1969 and 1976, were created by firms of fewer than 20 employees and about 80 percent were created by firms with 100 or fewer employees.[1] A National Science Foundation study also concludes that small business is about 4 times as innovative as medium-sized firms and about 24 times as innovative as the largest firms.

In recognition of the important role small business plays in innovation and job creation and with the objective of insuring that role, I am introducing today H.R. 6429, the Small Business Regulatory Relief Tax Act of 1982. Joining me in introducing this most important piece of legislation are the ranking minority member of my subcommittee, DAN MARRIOTT; the Small Business Committee chairman, PARREN MITCHELL; the ranking minority member of the Small Business Committee, JOE McDADE; two members of the Ways and Means Committee, HENSON MOORE and PHIL CRANE; Small Business Subcommittee chairman, JOHN LAFALCE; and MARGARET HECKLER.

GENERAL PURPOSE OF BILL

H.R. 6429 delays the effective date of the so-called debt-equity Federal tax regulations from July 1, 1982, to July 1, 1984. The bill also requires that the General Accounting Office, in consultation with the Department of the Treasury and Small Business Administration, prepare a study for submittal to Congress by January 1, 1984, as to the impact of Internal Revenue Code section 385 and its underlying regulations on small business.

CRITERIA IN ANALYZING SMALL BUSINESS AND TAX LEGISLATION

In each of the subcommittee hearings that I have conducted during the past 3½ years, I have tried to analyze small business legislation based on three criteria. These criteria are regulatory impact, the need for simplification, and the prospects for increasing capital formation and investment. Accordingly, it is based upon these criteria that I would direct the General Accounting Office to analyze the impact of section 385 and its underlying regulations on small business.

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[1] For a further discussion of the role of small business in job creation, see the report on "Job Creation and The Revitalization of Small Business," by the House Small Business Subcommittee on Tax, Access to Equity Capital and Business Opportunities (Rept. No. 97-434).

DO THE DEBT-EQUITY TAX REGULATIONS FULFILL THESE CRITERIA?

Internal Revenue Code section 385, which was enacted into law in 1969, provides the Department of the Treasury with broad authority to prescribe regulations as to whether an obligation of a business is to be treated as stock or indebtedness.

This is a distinction which is most important to small and closely held businesses. To the extent an individual makes a loan to his business, it is possible under certain circumstances that the loan would be reclassified as stock. A reclassification of the loan into stock would, thus, result in the interest paid by the corporation not to be deductible. Instead, the interest payments by the firm would be treated as dividends on preferred stock. Since the payment of dividends are not deductible for tax purposes, the reclassification of a loan into stock can clearly have a dramatic impact on the cash flow of a business.

Section 385 was enacted into law at a time when Congress and the Nation were concerned about the increase in conglomerate mergers and corporate acquisitions. One of the prime concerns with respect to conglomerate mergers in 1969 was the increased use of debt to finance business acquisitions.

The rationale for section 385 came from the April 22, 1969, testimony of Edwin S. Cohen, Assistant Secretary of Treasury for Tax Policy, before the House Ways and Means Committee.[2] After detailing the concern about the wave of corporate acquisitions taking place in the late sixties, he stated:

> In our tax structure, an interest deduction is properly disallowed only if the underlying obligation constitutes equity rather than debt. The Treasury is presently seeking to develop rules or a regulation that will aid in distinguishing debt from equity and disallow the interest deduction where the interest payments represent in substance a return on equity.

Section 385 originated from the desire of the Treasury Department to have a broad grant of authority for determining the deductibility of interest, whether it be a corporate acquisition or otherwise. Cohen admitted this much when he stated that:

> These rules would apply whether the instrument comes into existence in an acquisition, in recapitalization, or in any other manner, and whether the company is closely held or publicly held.

It took the Treasury Department 11 years to release its first draft of the debt-equity regulations. The original 1980 draft was found to be so complicated that the Treasury was ultimately forced to release two further drafts of the regulations.

In addressing the regulations' complexity, James McCarthy, vice president of the tax services group of General Business Services, Inc.,[3] recently stated:

> There is no way the owner of a very small business, many of which are unincorporated, will be able to cope with these regulations, nor will the persons that these owners often look to for help (small bookkeeping or accounting firms) be of assistance.

Besides the issue as to its complexity, I am also concerned with the possible impact that the regulations will have on small business capital formation. In particular, there is a strong possibility that the debt-equity tax regulations will impede the flow of venture capital to high technology and growth firms. This is significant given the fact that these firms are often the most innovative and greatest contributors to the Nation's employment rolls.

THE NEED FOR AN INDEPENDENT STUDY TO REVIEW TAX POLICY QUESTIONS

I believe that hasty implementation of the section 385 regulations on July 1 would only serve to thwart the current congressional attitude of reducing regulatory impact and statutory complexity. For this reason, H.R. 6429 would require the General Accounting Office to analyze the various tax policy questions regarding the regulations and their impact on small business capital formation.

If the Nation has been without the so-called debt-equity regulations for 13 years, I believe we can live without them temporarily for another 2 years. It is possible that Congress might even find 13 years of judicial decisions; for example case law, sufficient to handle the debt-equity dilemma.●

BUDGET ALTERNATIVE

HON. DAVID R. OBEY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 19, 1982

● Mr. OBEY. Mr. Speaker, there is an old adage that if in a group of 100 economists you can get 3 to agree, you have a consensus. We have a very broad consensus in the economic community today that we will not be able to have a sustained economic recovery without lowering interest rates and that there will be no dramatic lowering of interest rates until we get the deficits down. That is why this budget resolution is so crucial to the country's well-being.

But the President's proposal, Senator DOMENICI's proposal, Congressman MICHEL's proposal, the gypsy moth proposal, and even the House Budget Committee proposal call for continuing high deficits and no significant departure from the economic game plan which has brought us to the disastrous economic situation we now find ourselves in. The fact is, we need a tight fiscal policy and a loose monetary policy and we are looking at five proposals, all of which give us a different variation of a loose fiscal policy which everyone concedes will lead to tight money and weak and brief periods of recovery followed by deep and lengthy recessions.

Of the five proposals only the House Budget Committee's makes any effort to deal with the pain and misery which this tight money recession is bringing or the rapid decline in public investment in our Nation's infrastructure, physical, social, and scientific and that effort can at best be described as marginal.

That is why we have today asked the Rules Committee to make in order a substitute that offers the only real hope of releasing this tight money trap in which our economy is ensnared. We would offer lower deficits in each of the next 3 years with a balanced budget by 1985. These numbers are based on the CBO baseline of spending used in the summit meetings and the same economic assumptions used by both House and Senate Budget Committees.

We would provide for a new tax law replacing the second and third years of the so-called Economic Recovery Tax Act. Under the new tax law, tax cuts which would take effect on July 1 would give some taxpayers, particularly low-income families, a bigger tax cut than they would have received in either 1982 or 1983. Higher income families would get a tax cut but not as large as the one which the President's plan would allow. The safe harbor leasing provision of ERTA is substantially reformed and targeted to distressed industries. The accelerated cost recovery provision in the Tax Code is left largely in place but the so-called faster acceleration is repealed and businesses will no longer be allowed to depreciate the portion of the cost of any investment for which they have already received a tax credit.

Substantial additional revenues will be raised from closing such loopholes as the foreign oil tax credit and intangible drilling costs.

In defense, we will provide both civilian and uniformed personnel with a 5-percent increase, larger than that allowed by either the Senate or the House committee. We will provide 7 percent real growth for the nonpay portion of the Defense Department. In total outlays, defense will grow by $66 billion between now and fiscal 1985 under this budget. This is $40 billion less than the President requested and about $10 billion less than the House committee would allow, but it still provides for 7 percent real growth.

In our resolution, we provide for an immediate economic stimulus program to put people back to work. In addition to what is in the committee package, we provide $1 billion for minimum wage jobs for unemployed workers who have exhausted unemployment benefits that would be run under national contracts in much the same manner as the older workers program. We also provide $1 billion in immediate aid to local governments for maintenance and repair of local facilities to be targeted toward communities with the highest unemployment levels. In addition, we will be creating 360,000 summer youth jobs and 400,000 work-study positions in colleges and universities to try to keep young people in school even if their families are facing economic difficulties. There will be additional funds for bridge repair and sewage treatment construction. We will accelerate the purchase of needed buses under the urban mass transit capital grants. In total we will create more than 1 million jobs beginning this summer. These are for the most part one-time expenditures to ease the pain and counter the recession.

We will also begin expanded efforts in improving our education and science base. A new program aimed at tightening academic standards in high schools will begin in 1983 and be expanded by 1985. We will greatly expand efforts at training industrial engineers, all of which are in critical short supply, a shortage that will impede the economic recovery and reduce our capacity to compete abroad. We will increase research grants and the National Science Foundation and at the National Institutes of Health.

We will prevent some of the erosion in the real dollar size of domestic discretionary programs by permitting 5 percent cost-of-living adjustment in 1984 and again in 1985. That combined with the initiatives described above will result in domestic spending staying at approximately the same level in real terms as it was in fiscal 1982 following adoption of the Reagan cuts. All other alternatives call for further real dollar cuts of $15 to $20 billion.●

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[2] Testimony of Edwin S. Cohen on the administration's Interim Program of Tax Reform and Tax Relief. For a reprint of Cohen's testimony, see "Taxes," vol. 47, No. 6, June 1969, p. 325.

[3] General Business Services, Inc., is the largest consulting firm in the United States providing tax and financial services to small business.

A LIFETIME OF SERVICE

HON. JOHN L. NAPIER

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 19, 1982

● Mr. NAPIER. Mr. Speaker, the true test of an American citizen is service to his fellow man. Public service in this Nation has reached lofty levels throughout its history. Whether those public servants are soldiers on the lines of defense or individuals conducting the daily operations of our Government, the efforts they make are valuable to the functioning of this democracy.

There are those who have given of themselves, dedicated themselves to a lifetime of service to their fellow citizens. U.S. Senator STROM THURMOND is one such person. His long and unmatched record of public service will stand for decades to come as a high-water mark for those who follow in Government administration.

I want to take this opportunity to bring to your attention an event which occurred recently at which Senator THURMOND was honored for his lifelong service. The remarks made during that ceremony follow:

REMARKS BY MR. JOHN LUMPKIN, VICE PRESIDENT, BROOKGREEN GARDENS

Mr. President, my fellow trustees, my fellow South Carolinians, ladies and gentlemen who visit us from all over this nation and all over this world, it is my happy privilege to present to you this afternoon a distinguished man, a great American, a great South Carolinian, who it has been privilege to know for at least 45 years.

Our senior Senator Strom Thurmond is the story of South Carolina. School teacher, brilliant lawyer, judge, governor of our State, and for the past 27 years serving with great distinction as our senior United States Senator. Friday past, Caroline Lumpkin and I had the privilege of attending the very moving ceremony when the auditorium at the University of South Carolina Law School was dedicated in his name and a bust was unveiled. Both of us were moved by the occasion because it is scant recognition of one of the great Americans of our time, a legendary figure.

As all of you know, next to the President of the United States, President Reagan, Strom Thurmond is the most powerful man in America, serving as President Pro Tempore of the Senate and as Chairman of the Judiciary Committee, that powerful Committee in the Senate. Some of you may remember this quotation from Kipling, which I paraphrased to describe in some measure our distinguished visitor: "If you can move with crowds and keep your virtue, and walk with kings and don't lose the common touch, you are Strom Thurmond." It is my great honor and happy privilege to present to you—I am just sorry that Nancy, his lovely wife, and his great children could not be here today—our Senior Senator, The Honorable Strom Thurmond.

RESPONSE BY SENATOR THURMOND

Mr. Chairman, Mr. Tarbox, Mr. Noble, Mrs. Dunwiddie, Mr. John Lumpkin, I wish to thank you for that flattering introduction, which I do not deserve. I wish to ask Mr. Lee Letts to stand. He is the second South Carolinian to have sculpture here and the only one from this area, the Grand Strand. I commend him.

Congratulations to you, Mr. Alex Quattlebaum, Mr. Bob Coker, and other members of the Board of Trustees of Brookgreen Gardens.

Ladies and gentlemen, I feel honored that Mr. Tarbox and the Trustees wanted me to appear here this evening, and I want to thank all of you for coming. I hope I get a better reception than I did the last time I ran for the Senate. I was in the upper part of the State and spoke one night. The next morning I was walking down the street and a young, eighteen year-old boy came up and said, "Is this Senator Thurmond?" I said, "Yes, it is." He said, "I heard you speak last night." I replied, "Well, I hope you enjoyed it." He said, "Senator, that is the sorriest speech I have ever heard." I remarked, "Well, I will try to do better next time." As we walked down the street, my friend, who was introducing me to the people along the sidewalk, turned and said, "Senator, do not be concerned about what that young man said. No one pays any attention to him; do not let it bother you. He is the town idiot. Why, he only repeats what he has heard others say."

I am so pleased to see such a large crowd here. I wish every South Carolinian and every American could come to this beautiful spot. I have never seen a more beautiful place in my life than exists right here at Brookgreen Gardens. If it was for sale and I had the money of John Lumpkin, I would try to purchase every part of it.

It is a distinct pleasure for me to be with you today in this serene and attractive place—Brookgreen Gardens. It is an honor to have been selected to receive this impressive medallion, which is an original design by Karen Worth, who has created commemorative medals for such events as the wedding of Prince Charles and Princess Diana.

Your selection of me to receive this medallion for public services rendered is deeply appreciated. There can be no higher honor than the one bestowed upon me by the people of South Carolina—namely, the privilege of representing them in public office. Throughout my life, I have attempted to live by the principle of helping others. Nothing gives me greater satisfaction than beneficial public service.

When I think about South Carolina, two qualities come to mind—its renowned beauty, and its reputation for producing dedicated public servants.

Public service—the quality which you single out in bestowing this award—is a distinguishing characteristic that has long been the hallmark of South Carolinians. The history or our State is filled with numerous examples of those who have given unselfishly of themselves in service to others. Men like John C. Calhoun and James F. Byrnes, for instance, have exemplified that spirit of public service which reflects a true commitment to working for the benefit of mankind. They, and other great South Carolinians, have made a significant contribution to our State and Nation.

Brookgreen Gardens has acknowledged the importance of public service for several years, as others before me have received the same award with which I am being honored today. Equally important is Brookgreen Gardens' recognition and commitment to the other quality of South Carolina—beauty.

I am convinced that South Carolina is the most beautiful State in the Nation. The combination of plants and animals native to our State, along with other fauna and flora which are characteristic of the South, make a significant display in this garden. Few places in our State, and even our Country, can compare with the collection of over 1,600 species of rare plant life in Brookgreen Gardens.

Not only does Brookgreen Gardens emphasize the preservation of natural beauty, but it is dedicated to the promotion of man-made beauty, the beauty of art.

This outdoor museum of over 400 pieces of American sculpture illustrates the ability of man to create a thing of beauty in a way that compliments the beauty of nature.

As the peak of spring draws near, I am reminded of these words written by a poet:

That God once loved a garden,
We learn in Holy writ.
And seeing gardens in the spring,
I well can credit it.

This poem could have very well been written about Brookgreen Gardens in its floral splendor. We should take the time to appreciate the riches of nature and the richness of man's creative powers of art.

We, and future generations, can visit Brookgreen Gardens to marvel at the products of man's artistic creativity as they stand among the picturesque setting of God's own artwork—creation itself.

To the Huntington family, the Board of Trustees, and all those who share their vision to preserve the beauty of South Carolina at Brookgreen Gardens, I commend you for your remarkable efforts. You have proven that art and nature are precious entities worthy preservation, and I know that the countless hours of hard work in making Brookgreen Gardens what it is today will be appreciated by generations of South Carolinians and guests to our State.

It is my sincere hope that Brookgreen Gardens will continue to stress the importance of public service, as well as natural and manmade beauty. May we appreciate, protect, and perpetuate those qualities that make South Carolina the choice State in the Nation.

Thank you for coming on this occasion, and be assured that I shall always cherish this unique medal in recognition of public service benefiting my State and Country.

Address by Dr. Henry Lumpkin, Professor of History University of South Carolina

A SHORT HISTORICAL STUDY OF WACCAMAW NECK

Senator Thurmond, Dr. Nobel, Mr. Quattlebaum, Mrs. Charlotte Dunwiddie, Mr. Tarbox, my brother, John Lumpkin, Distinguished Friends of Brookgreen Gardens:

I am deeply honored to be your speaker today.

As we come together here at Brookgreen Gardens I think the most important historical fact to remember is that Waccamaw Neck has been inhabited by men and women continuously from 10,000 B.C. (Possibly 12,000 B.C.) to the present day. The earliest migrants from Asia who crossed the land and ice bridge where the Bering Straits now run probably came to North America at the end of the last glacial epoch when the vast ice masses had begun slowely to melt, but before the glaciers retreated, the seas rose, and the ancient passage way was covered by the waters. This would have been approximately between 14,000 to 18,000 B.C. and how long it took a wandering hunting, fishing people without any mode of transportation except their feet to travel across an entire continent to the shores of the Atlantic, we just don't know. We do know that by 10,000 B.C. they most certainly had reached the east coast here in South Carolina. As a matter of fact various groups of what we know as the American Indian had travelled all the way in the same time period to Terral del Fuego, the southernmost tip of South America, one of the greatest and most extensive folk migrations in human history.

Who these first primitive shadowy people of this archaic period of migration were, we cannot really tell. They left fragmentary evidence only, identified by carbon dating or comparative manual work, a piece of pottery crudely formed, a flint spearhead found on the bottom of Winyah Bay by diver archaelogists. The hunter must have lost it when the bay was still a marshy plain before the glaciers finally retreated, the sea came in, and the five ancient rivers: Santee, Pee Dee, Sampit, Black and Waccamaw formed the bay as we know it today.

We have discovered considerably more about their first successors, the so called people of the Woodland culture which lasted approximately from 500 B.C. to 900 A.D. Whether these Woodland Folk found an empty land, wiped out or drove away their more primitive predecessors or merely absorbed them (which seems likely) cannot, of course, be stated. The Woodland tribes had developed a more advanced culture pattern, possibly with semi-permanent settlements along Waccamaw Neck. My friend Professor Robert Stephenson, of the Institute for Archaeology at the University of South Carolina, tells me that literally scores of shell middens may be found along Waccamaw Neck, where the Indians feasted on the plentiful oysters and clams, depositing the empty shells in mounds to commemorate for posterity their gluttony or, at least, their taste for good seafood, a pleasant vice shared by most of the modern inhabitants of this area.

The neck is not geologically endowed with rock formations. Few flint implements are discovered from this period, and we may guess that they pointed their spears and arrows with bone or possibly shark's teeth (as the Polynesians did). What flint arrow or spearheads survive from both periods, archaic and woodland, undoubtedly point to trade with upcountry tribes, a fascinating aspect of very early human commerce in North America.

We are not sure that these people with their limited numbers made war on each other or neighboring folk, certainly not organized war in our sense. War unhappily is a product of civilization, since it predicates weapons designed specificially for war, war plans, a military organization with a command hierarchy, and a logistical supply concept. These only can be evolved and produced by a culturally advanced people, but primitive man goes to battle and fights with whatever hunting weapons he possesses. Heads may be bashed with a crude wooden club quite successfully whether that club was meant to be a weapon or not. The Woodland people of Waccamaw Neck undoubtedly went to battle with each other and resisted fiercely the more evolved tribal types pressing upon them from the West.

The latter came over the mountains in the last great wave of Indian migration before the coming of the white man. This was in about 800 A.D. and these were the people the Spaniards, English and Huguenot French found when they first came to South Carolina and Waccamaw Neck in the 16th and 17th centuries. The tribes on the Neck and its general area were mostly Siouan related linguistically to the Dakotah of our North and West and mortal enemies of the Iroquoian Cherokees who held the Western mountains and the Muskogean folk, Yemassees and the powerful Creeks whose lands lay to the South and West.

These Siouan Waccamaws, Peedees, Sewees, Santees, Sampas or Sampits, Weenees and Winyahs (your rivers and the great bay bear their names still) with their inland cousins the Catawbas were a settled, farming folk. They had only one domesticated animal, the dog, before the white man came, but they planted corn, beans, pumpkins, gourds and squash and harvested the wild fruits of field and forest.

From the reports of early Spanish and English observers the tribes on Waccamaw Neck lived in fairly large communal houses made of pine logs planted upright and covered with reed matting. Some of the settlements were stockaded for defense. There were several such villages on Waccamaw Neck according to contemporary reports, and one may imagine the life in the forest and wild savannahs, the hunters bringing in game: deer, turkey and black bear, the women draped in grey moss, tending the fish weirs, bringing in crabs, oysters and clams from the creeks or marshes and grinding corn in rude mortars while the little brown children played as all children do among the houses.

This is how the Spaniards found them when the first high pooped, square sailed caravels sailing from Hispaniola or Cuba on tentative exploration and slaving voyages in 1521 entered the bay they called The Bay of St. John the Baptist—the modern Winyah Bay. It is very probable that here on the lower Waccamaw Neck across Winyah Bay from Georgetown the Licentiate Lucas Vazquez d'Ayllon with a grant from the Emperor Charles V established in August of 1526 the first Spanish settlement north of the Caribbean and named it San Miguel De Gualdape in the land the Spanish called Chicora.

There were six ships and 600 people in the expedition including several Dominican friars (three are mentioned by name) some women and apparently a handful of black slaves—the first of these people to come to Waccamaw Neck. There also were 89 horses, a few probably destined to be ancestors of the little marsh tackeys which still roam in small numbers in areas of the Low Country today.

The Spaniards with commendable industry built houses of wood, erected a defensive stockade and even, it would seem, built a church, again a "first," the first house of Christian worship on Waccamaw Neck. One of the ships having been lost crossing the bar at the entrance to the bay, the Spanish settlers cut down local trees, sawed planks, laid the keel and built a ship to replace the one shattered in the bar. This is the first instance we know of ship building by Europeans in South Carolina.

It was August, and hot as only South Carolina can be in that month. A scourge of fever hit the settlement (probably malaria brought by the expedition itself and transmitted enthusiastically by the local anopheles). Many died including the leader d'Ayllon who according to the sources, repented of his sins, received the sacraments, and passed away with great dignity and courage on St. Lukes Day, 18 October 1526. As in most Spanish colonies jealousy, treasons and rebellion followed the death of a strong leader. The local Indians, infuriated by the harsh treatment meted out to them by the Spaniards as pagan idolaters, rose and killed several of the settlers, who disheartened, with many seriously ill, abandoned St. Miguel in 1527 and sailed for Hispaniola. The first European attempt to establish a permanent base in South Carolina had failed.

It is interesting to note in passing that U.S. 17, on which you came to Brookgreen Gardens, is the old Kings Highway of eighteenth century days and the general route of

the ancient Indian trail that ran between the several villages on Waccamaw Neck.

In 1711 the Lords Proprietors of the new English colony, placed in Carolina in defiance of the Spanish threat from Florida, set up ten baronies of 12,000 acres each. Remember that South Carolina is the only British Royal colony with a titled aristocracy: Landgrave, Cacique and Baron, depending on land tenure. One barony called Hobcaw, which meant in the local Indian language "Between the Rivers," fell by lot to John Lord Carteret, later elevated to be Earl Granville. Hobcaw comprised all the lands of the lower Waccamaw Neck. Later, with the change from a proprietory to a royal government in South Carolina, Waccamaw Neck was divided up into areas of private ownership, long narrow plantations stretching from the river to the sea. One early plantation called Armordale traditionally received that name from a piece of Spanish armor found on the property, probably originally encasing the bones of some poor devil of d' Ayllon's colony, dead from fever, mutiny or Indian arrow and buried in his war gear.

Rice, the famous "Seed from Madagascar," first planted in South Carolina by Dr. Henry Woodward in 1686, came to Waccamaw Neck in the early 18th century and rice planting changed the entire economy of the South Carolina Low Country. Waccamaw Neck was in the very center of the rice producing territory and the land was owned by some of the great families of the colony and later the state.

Allston (both single and double L), Heriot, LaBruce, Waties, Weston, Jordan, Pawley, Tucker, Nesbit, Magill, Dunkin, Ward, Hasell, Willet and many others. Some of their descendants are sitting here today. The Spaniards had built the first church, but the Anglicans came and stayed. All Saints Waccamaw, still an active parish right now, originally of the Church Established by Law under the Bishop of London, was founded on 23 May, 1767.

Since Waccamaw Neck is a natural cul de sac and thus a tactical trap, there were no engagements of any size in the area during the Revolutionary War. Men of Waccamaw Neck, however, rode with Francis Marion, the Swamp Fox, part of that devoted band of desperate, ragged partisans without pay, proper weapons or logistical support, striking out from swamp, savannah or forest with savage courage, keeping the Revolutionary war alive in the South when hope seemed dead and the cause lost. Marion and his second in command, Peter Horry, drew supplies from Waccamaw Neck sent by friendly plantation owners, so did the British, and patrols fanned out along the neck to protect the valuable rice crop and keep it for the Royal forces in Georgetown and Charleston. After the British evacuated Georgetown on 6 June 1781, Nathanael Greene and his army, moving down the state from battle to battle toward Charleston, also used Waccamaw Neck as an essential supply area.

At the battle of Breach Inlet in 1776 where Colonel William "Danger" Thomson turned back Sir Henry Clinton's attempt to out-flank William Moultries' position at Fort Sullivan by an amphibious assault from the Isle of Palms across the inlet, Captain John Allston commanded at Breach Inlet a unit of 50 Peedee, Waccamaw, Cheraw and Catawba Indian riflemen called the Raccoon or Foot River Company: the last appearance in battle of the red warriors of Waccamaw Neck.

By 1850 there were 35 rice plantations along the eastern shore of the Waccamaw River. Four of these: Laurel Hill, Springfield, Brookgreen and The Oaks form the present Brookgreen Gardens. These decades prior to the War between the States were the hey day of the rice culture and Waccamaw Neck with its many great plantations and wealthy owners maintained that life at its best. Then came the war and with it everything changed.

The state of South Carolina was divided into ten military districts, each district to furnish two regiments and Georgetown, Horry, Marion, Williamsburg Counties and part of Charleston County made up the 10th District. On Waccamaw Neck, Captain Thomas Daggett was in command of the Waccamaw Light Artillery which manned guns at Forts Randall and Ward. In an amusing footnote Plowden Weston of Waccamaw Neck who had replaced Richard Greene White as the captain of the Georgetown Rife Guards a Company of the 10th regiment (White had been promoted to Major) followed his colonel Arthur Middleton Manigault to repel a reported Union landing on Waccamaw Neck from the blockading ships. There proved to be no landing but on the return march Plowden Weston entertained his entire company of 150 men and officers at Hagley Plantation on Waccamaw Neck with a full, seated four course dinner complete with silver, crystal and the best wines from the plantation cellar, served with ceremony by the family servitors, a fitting commentary on the almost feudal magnificence of life on Waccamaw Neck rice plantations.

The Union Naval blockade closed around the coasts of the Confederacy and Federal War vessels patrolled the waters of lower Winyah Bay. Some even made daring incursions into the bay. On December 24/25 the U.S.S. *Gem of the Sea* pursued a British schooner, *Prince of Wales*, into North Inlet, hulling her several times with long range gun fire. The schooner captain abandoned his ship after setting fire to it, and the Federals sent a naval boarding party in long boats to capture the schooner. Captain John Hyrne Tucker bringing his company at double time from Waccamaw Neck drove off the boarders with concentrated rifle fire.

There were other minor victories and defeats in the waters around the neck and on the neck itself. Finally Battery White was constructed on Mayrants Bluff, 20 feet above the water and armed with three old rifled 32 pounders and eight smaller guns. While the new fort successfully covered the main channel and blockade runners still slipped through, it only was effective against wooden warships. Its few guns were no match for the new Federal ironclads. However, behind the valiant but inadequate protection of Battery White, a few rice plantations still made crops to feed the hungry Confederacy.

On 23 November 1864 all Confederate troops still in the Georgetown area were ordered south to defend Charleston against an expected heavy attack. Only Battery White was left to guard Waccamaw Neck and Winyah Bay and Captain Franz Melchers, its Commander, was given orders to fight to the last. If the fort must be lost the guns were to be spiked and all powder supplies removed. The fort garrison then would retreat to Mount Pleasant near Charleston.

On 23 February 1865 Union naval units, the U.S.S. *Pawnee* and U.S.S. *Mingoe* steamed up Winyah Bay. They sent in landing forces which occupied Battery White abandoned by its defenders. Captain Melchers, faithful to his orders, had spiked all guns and removed the powder supply. Georgetown was occupied, after a brief resistance by a few Confederate cavalry soldiers, and the town surrendered on 25 February 1985. Resistance on Waccamaw Neck and the Georgetown area was over. On 27 February Columbia and Charleston both fell to Union attack and the war in South Carolina effectively was ended.

One last act of Confederate defiance occurred in Winyah Bay. On 1 March 1985 just after the Navy had transferred command of the Georgetown area to the Union Army, Admiral Dahlgren's flag, the U.S.S. *Harvest Moon* with the admiral aboard, struck a confederate mine while steaming down the bay and sank in five minutes in two and a half fathoms of water.

Rice planting began again in Waccamaw Neck after the war, but by the end of the century competition from new fields in Louisiana, Texas and Arkansas, the afforestation of the upcountry with its accompanying fresh water floods down the rivers and a series of disastrous hurricanes between 1893 and 1911 together killed the rice culture of Waccamaw Neck and all of low country South Carolina.

The land today has gone back in many areas to its original forest and probably looks much as it did when the Waccamaw hunters roamed its woods and marshes. My brothers and I have hunted and fished this general area for many years. When you move through the forested lands and paddle the salt creeks and rivers you almost can feel the presence of all the people who have known and lived on Waccamaw Neck and in the Winyah Bay country for 12 or 14 millennia. This is a land where history lives in the past and the future. These beautiful gardens are part of that history. This is a beloved country, beloved by many people for many, many centuries. We are very fortunate to be here today.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, May 20, 1982, may be found in the Daily Digest of today's RECORD.

Meetings Scheduled

MAY 21

9:30 a.m.

Energy and Natural Resources

Energy Regulation Subcommittee

To hold hearings on S. 1626, removing the requirement for Federal regulation to allow the competitive market system to establish petroleum pipeline transportation rates while maintaining safeguards to protect the industry and consumers against unlawful discrimination.

3110 Dirksen Building

*Finance

Taxation and Debt Management Subcommittee

To hold hearings on miscellaneous tax bills, S. 1485, S. 2075, S. 2424, and S. 2425.

2221 Dirksen Building

Joint Economic

To hold hearings on the Consumer Price Index figures for the month of April.

2154 Rayburn Building

10:00 a.m.

Agriculture, Nutrition, and Forestry

Agriculture Production, Marketing, and Stabilization of Prices Subcommittee

To continue oversight hearings on the implementation of the Federal crop insurance program of the Department of Agriculture.

324 Russell Building

Conferees

On H.R. 4717, amending the effective date provisions of section 402(b)(3) of the Windfall Profit Tax Act of 1980 (Public Law 96-223) to further defer the effective date of certain provisions providing for the recognition as income of LIFO inventory amounts.

H-208, Capitol

Judiciary

Courts Subcommittee

Business meeting, to markup S. 1531, providing greater discretion to the U.S. Supreme Court in selecting cases it will review, S. 1532, entitling defendants and Government attorneys in criminal cases, or parties in civil cases, to conduct the examination of prospective jurors, and other pending legislation.

2228 Dirksen Building

10:30 a.m.

Governmental Affairs

Energy, Nuclear Proliferation and Government Processes Subcommittee

To hold hearings on energy resiliency, focusing on strengthening and developing the strategic petroleum reserves.

3302 Dirksen Building

MAY 24

9:30 a.m.

Commerce, Science, and Transportation

Aviation Subcommittee

To hold hearings on proposed committee amendments to S. 508, Airport and Airway System Development Act of 1981 (pending on Senate Calendar), extending the funding level through fiscal year 1987 for airport improvement and development programs.

235 Russell Building

Finance

Energy and Agricultural Taxation Subcommittee

To hold hearings on S. 1713, providing an exemption for farmers from capital gains taxation on the income received from the sale of easement rights, provided the funds are rolled over into the purchase of new farmland or used for capital improvements in the existing farm.

2221 Dirksen Building

Judiciary

To hold hearings on S. 2167 and S. 2517, bills providing economic relief to American industries and companies injured by foreign products being dumped or sold on the American market at less than fair value.

6226 Dirksen Building

10:00 a.m.

Agriculture, Nutrition, and Forestry

Forestry, Water Resources, and Environment Subcommittee

To hold hearings on S. 1187, transferring authority to conduct national forest system boundary surveys from the Bureau of Land Management, Department of the Interior, to the U.S. Forest Service, Department of Agriculture.

324 Russell Building

Appropriations

HUD-Independent Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1983 for the Federal Emergency Management Agency, Selective Service System, National Aeronautics and Space Administration, National Science Foundation, Veterans' Administration, and the Environmental Protection Agency.

1224 Dirksen Building

Energy and Natural Resources

Energy Regulation Subcommittee

To resume hearings on S. 1885, to place electric utilities, including members of registered holding company systems, on the same basis as nonutilities to encourage their investment in cogeneration and small power production facilities, focusing on committee amendments thereto, relating to avoided costs and interconnection provisions of the Public Utility Regulatory Policies Act (Public Law 95-617).

3110 Dirksen Building

2:00 p.m.

Finance

To hold hearings on the administration's New Federalism proposal.

2221 Dirksen Building

Foreign Relations

Closed briefing on the administration's preparations for the Versailles Economic Summit (June 4-6, 1982).

S-116, Capitol

Select on Intelligence

Closed briefing on intelligence matters.

S-407, Capitol

MAY 25

9:00 a.m.

Governmental Affiars

To hold hearings on the annual report of the Postmaster General.

3302 Dirksen Building

9:15 a.m.

Appropriations

State, Justice, Commerce, the Judiciary and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1983 for the Federal Trade Commission.

S-146, Capitol

9:30 a.m.

Agriculture, Nutrition, and Forestry

Rural Development, Oversight, and Investigations Subcommittee

To hold oversight hearings to review the energy needs of rural communities.

324 Russell Building

Appropriations

HUD-Independent Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1983 for the Environmental Protection Agency, and the Department of Housing and Urban Development.

1224 Dirksen Building

Commerce, Science, and Transportation

Merchant Marine Subcommittee

To hold hearings on S. 2414, extending Federal Maritime Commission jurisdiction to intermodal shipments of cargo to and from the United States transported through Canadian ports, and requiring the filing of tariffs for such shipments.

235 Russell Building

Governmental Affairs

Oversight of Government Management Subcommittee

To hold oversight hearings on social security disability terminations, focusing on the Social Security Administration's decision to accelerate the required review of disability eligibility, the continuing deficiencies in the system, and the resulting impact on claimants.

1318 Dirksen Building

*Labor and Human Resources

Business meeting, to resume markup of S. 1182, improving the administration of the Longshoremen's and Harbor Workers' Compensation Act by removing certain inequities, reducing incentives for fraud and abuse, and assuring immediate compensation benefits and competent medical treatment for injured employees, and to begin markup of S. 1889, authorizing funds for the establishment of a national institution to promote international peace and resolution of international conflict.

4232 Dirksen Building

Rules and Administration

To resume hearings on a proposed resolution of regulations and/or rules changes needed to implement television and/or radio coverage of the Senate.

301 Russell Building

10:00 a.m.

Energy and Natural Resources

Business meeting, to consider pending calendar business.

3110 Dirksen Building

Environment and Public Works

To hold hearings to examine the chemical and meteorological effects of acid deposition.

4200 Dirksen Building

Conferees

On S. 1193, authorizing funds for fiscal year ending September 30, 1982, and fiscal year 1983 for the Department of State, authorizing funds for fiscal year ending September 30, 1982 for the Arms Control and Disarmament Agency, authorizing funds for fiscal year ending September 30, 1982, and fiscal year 1983 for the International Communications Agency, and authorizing funds for fiscal year ending September 30, 1982, and fiscal year 1983 for the Board for International Broadcasting.

S-116, Capitol

2:00 p.m.

Environment and Public Works

Regional and Community Development Subcommittee

Business meeting, to markup S. 2144, authorizing funds for the Appalachian Regional Commission.

4200 Dirksen Building.

MAY 26

9:00 a.m.

Banking, Housing, and Urban Affairs

To hold hearings on S. 2531 and S. 2532, bills providing for capital assistance to insure the long-term viability of certain financial institutions engaged in mortgage lending.

5302 Dirksen Building

Governmental Affairs

To hold hearings on S. 1562, establishing a national policy to promote and consolidate Arctic research programs.

3302 Dirksen Building

9:30 a.m.

Agriculture, Nutrition, and Forestry

Rural Development, Oversight, and Investigations Subcommittee

To continue oversight hearings on the energy needs of rural communities.

324 Russell Building

Commerce, Science, and Transportation

To hold hearings on the nomination of D. Bruce Merrifield, of Connecticut, to be an Assistant Secretary of Commerce.

235 Russell Building

Judiciary

Criminal Law Subcommittee

To hold hearings on S. 1043, prohibiting the drugging or numbing of racehorses and related practices.

5110 Dirksen Building

Judiciary

Juvenile Justice Subcommittee

To hold hearings on the alleged abuse of juveniles in certain State-operated care facilities.

2228 Dirksen Building

10:00 a.m.

Energy and Natural Resources

Business meeting, to consider pending calendar business.

3110 Dirksen Building

Environment and Public Works

Toxic Substances and Environmental Oversight Subcommittee

To resume hearings on S. 1866, revising regulatory procedures relating to safe drinking water requirements,and S. 2131, authorizing funds through fiscal year 1986 for the safe drinking water program.

4200 Dirksen Building

Governmental Affairs

Permanent Subcommittee on Investigations

To hold hearings on certain alleged mismanagement practices within the Department of Energy.

3302 Dirksen Building

10:30 a.m.

Select on Intelligence

To hold closed hearings on intelligence matters.

S-407, Capitol

2:00 p.m.

Environment and Public Works

Business meeting, to consider pending calendar business.

4200 Dirksen Building

Judiciary

To hold hearings on pending nominations.

2228 Dirksen Building

*Select Committee to Study Law Enforcement Undercover Activities Of Components of The Department of Justice

To hold an organizational business meeting.

301 Russell Building

MAY 27

9:30 a.m.

Appropriations

State, Justice, Commerce, the Judiciary and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1983 for contributions to international organizations of the Department of State, and the Securities and Exchange Commission.

S-146, Capitol

Banking, Housing, and Urban Affairs

To continue hearings on S. 2531 and S. 2532, bills providing for capital assistance to insure the long-term viability of certain financial institutions engaged in mortgage lending.

5302 Dirksen Building

Judiciary

Juvenile Justice Subcommittee

To continue hearings on the alleged abuse of juveniles in certain State-operated care facilities.

2228 Dirksen Building

10:00 a.m.

Energy and Natural Resources

Public Lands and Reserved Water Subcommittee

To hold hearings on S. 1964 and S. 1965, bills designating certain wilderness areas in the Mark Twain National Forest in Missouri as components of the National Wilderness Preservation System, S. 2021, providing for the disposal and acquisition of certain Federal lands in New Mexico, and S. 2405, providing for certain lands in New Mexico to be included in the Cibola National Forest System and into the existing Sandia Wilderness.

3110 Dirksen Building

Environment and Public Works

To resume hearings to examine chemical and meteorological effects of acid deposition.

4200 Dirksen Building

Governmental Affairs

Permanent Subcommittee on Investigations

To continue hearings on certain alleged mismanagement practices within the Department of Energy.

3302 Dirksen Building

10:30 a.m.

Select on Intelligence

To hold hearings on the nomination of John N. McMahon, of Maryland, to be Deputy Director of Central Intelligence.

5110 Dirksen Building

2:30 p.m.

Appropriations

Foreign Operations Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1983 for the United Nations, focusing on voluntary contributions to international organizations and programs.

1223 Dirksen Building

JUNE 8

9:30 a.m.

Banking, Housing, and Urban Affairs

Securities Subcommittee

To resume hearings on S. 1869, S. 1870, S. 1871, and S. 1977, bills revising or repealing certain provisions of the Public Utility Holding Company Act of 1935.

5302 Dirksen Building

Energy and Natural Resources

To resume hearings on S. 1844, to facilitate the development of interstate coal pipeline distribution systems by granting the Federal power of eminent domain to those interstate pipelines which are determined to be in the national interest.

3110 Dirksen Building

1:30 p.m.

Appropriations

Foreign Operations Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1983 for programs which fall within the jurisdiction of the subcommittee.

1318 Dirksen Building

JUNE 9

9:30 a.m.

Select on Indian Affairs

To hold hearings on law enforcement problems on Indian reservations including the authority and effectiveness of the Bureau of Indian Affairs police, tribal police, and the Federal Bureau of Investigation, and the quality of U.S. prosecution of criminal offenses.

6226 Dirksen Building

JUNE 10

9:30 a.m.

Banking, Housing, and Urban Affairs

Securities Subcommittee

To resume hearings on S. 1869, S. 1870, S. 1871, and S. 1977, bills revising or repealing certain provisions of the Public Utility Holding Company Act of 1935.

5302 Dirksen Building

Labor and Human Resources

Labor Subcommittee

To hold oversight hearings on the implementation of the employee retirement income security program (ERISA).

4232 Dirksen Building

Small Business

To hold oversight hearings on activities of small business investment companies (SBIC's) and minority enterprise small business investment companies (MESBIC's).

424 Russell Building

10:00 a.m.

Environment and Public Works

Business meeting, to consider pending calendar business.

4200 Dirksen Building

1:30 p.m.

Appropriations

Foreign Operations Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1983 for the Export-Import Bank of the United States.

1318 Dirksen Building

JUNE 14

9:00 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To hold hearings on S. 2469, providing for improved international telecommunications.
235 Russell Building

JUNE 15

9:00 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To continue hearings on S. 2469, providing for improved international telecommunications.
235 Russell Building

10:00 a.m.
Environment and Public Works
Business meeting, to consider pending calendar business.
4200 Dirksen Building

Select on Indian Affairs
To hold hearings on proposed authorizations for the tribally controlled community college program.
6226 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1983 for the Agency for International Development, focusing on the trade and development program, international disaster assistance, and American schools and hospitals abroad program.
S-146, Capitol

JUNE 16

9:30 a.m.
Commerce, Science, and Transportation
Merchant Marine Subcommittee
To hold oversight hearings on Federal Government cargo preference.
235 Russell Building

10:00 a.m.
Environmental and Public Works
Environmental Pollution Subcommittee
To hold oversight hearings on the implementation of the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (Super Fund).
4200 Dirksen Building

JUNE 17

9:00 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To resume hearings on S. 2469, providing for improved international telecommunications.
235 Russell Building

Select on Indian Affairs
To hold hearings on S. 1735, providing for the use and distribution of funds awarded the Pembina Chippewa Indians in specified dockets of the U.S. Court of Claims.
5110 Dirksen Building

10:00 a.m.
Environment and Public Works
Business meeting, to consider pending calendar business.
4200 Dirksen Building

JUNE 23

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold oversight hearings on the implementation of the National Materials and Minerals Policy Act of 1980 (Public Law 96-479).
235 Russell Building

10:00 a.m.
Select on Indian Affairs
To hold oversight hearings on indirect cost and contract provisions of the Indian Self-Determination and Education Assistance Act (Public Law 93-638).
6226 Dirksen Building

JUNE 24

10:00 a.m.
Environment and Public Works
Business meeting, to consider pending calendar business.
4200 Dirksen Building

SEPTEMBER 21

10:30 a.m.
Veterans Affairs
. To hold hearings to receive American Legion legislative recommendations for fiscal year 1983.
318 Russell Building

HOUSE OF REPRESENTATIVES—*Thursday, May 20, 1982*

The House met at 10 a.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

O God, may Your blessing be with all those who respond to Your grace and who seek to live lives worthy of the high calling You have given. As we meet others in our daily tasks may we display the characteristics of kindness and appreciation, of understanding and caring, of good will and forgiveness that are the heritage of Your word. May our faith in Your truth inspire us to live each day with such common purpose and we may be the people through which Your holy light shines. This we pray. Amen

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Saunders, one of its clerks, announced that the Senate had passed without amendment a bill and a joint resolution of the House of the following titles:

H.R. 1543. An act to confirm a conveyance of certain real property by the Central Pacific Railway Co. and Southern Pacific Co. to A. C. Taber and his wife, Mary Taber; and

H.J. Res. 412. Joint resolution to authorize and request the President to designate May 20, 1982, as "Amelia Earhart Day."

The message also announced that the Senate agrees to the amendments of the House to joint resolutions of the Senate of the following titles:

S.J. Res. 53. Joint resolution to provide for the designation of September 6, 1981, as "Working Mothers' Day";

S.J. Res. 59. Joint resolution designating the square dance as the national folk dance of the United States; and

S.J. Res. 160. Joint resolution to designate July 9, 1982, as "National P.O.W.-M.I.A. Recognition day".

THE BUCK STOPS IN THE OVAL OFFICE

(Mr. WRIGHT asked and was given permission to address the House for 1 minute.)

Mr. WRIGHT. Mr. Speaker, Presidential counselor Edwin Meese told reporters Tuesday night that if banks and financiers do not voluntarily lower interest rates after the congressional budget is passed, the White House would have to consider "other measures."

We should be grateful that the administration apparently recognizes—however belatedly—that interest rates at these present levels are economically ruinous to the country—and have been—and that the administration does indeed have a primary responsibility to bring them down.

That is exactly what some of us have been trying vainly to explain to the President and his advisers for more than a year.

If Mr. Meese has some specific answers in mind, I hope he will share them with the President without delay. Harry Truman in the early 1950's simply called in the members of the Federal Reserve and ordered that interest rates be lowered—and it was done.

But then Harry Truman never tried to pass the buck. He operated on the theory that the buck stops in the oval office.

THE TATTERED SAFETY NET

(Mr. ADDABBO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ADDABBO. Mr. Speaker, I urge all my colleagues to look long and hard at any budget resolution put before us this week. I, for one, will not accept any provision which attempts to balance the budget on the backs of our senior citizens.

Any way I look at it, the administration's proposals will completely pull the already tattered safety net out from under the elderly. Nearly every vital program will be seriously affected. Medicare, medicaid, food stamps, housing subsidies, energy assistance, social services, Older Americans Act programs—to name a few—will be cut even further beyond the already slashed fiscal year 1982 levels. This includes a loss of millions of home-delivered and senior center meals, meals which help sustain some of our most vulnerable seniors. It also includes the dismantling of the senior employment program. Over 50,000 older persons will lose employment nationwide. Many of these older workers now in the program provide valuable services to other seniors. This compounded effect, coming on top of the elimination of the title X job opportunity program, spells the absolute end to federally funded training and employment programs for low-income elderly.

And let there be no mistake about any proposals to reduce operating costs for the social security program—these are cuts pure and simple. On or off budget, or any other way you care to put it, a reduction in the moneys available for social security means a cut for someone, somewhere, either now or in the future. It appears that the other Chamber has come around to this point of view, but I am still wary. There may be those who will still be fooled by this numbers game, but I and our seniors will not be among them.

AUTHORIZING A CONSUMER RIPOFF

(Mr. FLORIO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FLORIO. Mr. Speaker, within the next several days the House will vote on whether to veto a proposed Federal Trade Commission rule that would require used-car dealers to disclose known defects and warranties to their customers.

New car prices are driving unprecedented numbers of Americans into the used-car market. It is, therefore, even more imperative that used-car dealers be required to tell their customers if they know, for example, that a transmission needs repair, a valve job is needed and what exactly a warranty covers.

The Federal Trade Commission spent nearly 5 years investigating the used-car industry and found widespread deceptive practices. Often guarantees that are given orally are contradicted by the fine print in sales contracts. Assurances given orally about a car's condition are often found to be greatly exaggerated after the sale is completed and the customer drives away from the lot.

If the House vetoes this rule we will be telling used-car buyers that their elected representatives really do not care if they are victimized by unscrupulous dealers.

Honest dealers have nothing to fear from this rule, despite the exaggerated claims that used-car industry spokesmen have made to the contrary.

Both Houses of Congress must exercise their veto power to prevent this FTC rule from taking effect. The Senate's overwhelming action to kill this simple consumer protection measure was unconscionable.

☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

I urge my colleagues to vote against the veto resolution when this matter comes before the House.

If the House follows the Senate's lead and vetoes this rule we will be authorizing the consumer ripoff of 1982.

ABANDONED, AGAIN

(Mr. BONIOR of Michigan asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BONIOR of Michigan. Mr. Speaker, last year Congress enacted landmark legislation for Vietnam veterans.

We promised veterans with employment problems that they would be eligible for employment assistance, yet the Veterans' Administration (VA) has made them ineligible by regulatory fiat.

We promised that veterans could use a new small business loan program, yet the VA has refused to implement the program at all.

Last year was a year of great promise. This year, Vietnam veteran unemployment has jumped an astounding 47 percent.

Mr. Speaker, I support efforts to control Federal spending, but both these programs combined, over their entire lifetime, will cost $167 million.

This is not a budgetary issue. This is an issue of national fidelity. It is a question of whether or not this Congress can look Vietnam veterans in the eye and ask them to believe in us.

Mr. MONTGOMERY. Mr. Speaker, will the gentleman yield?

Mr. BONIOR of Michigan. I am happy to yield to the gentleman from Mississippi.

Mr. MONTGOMERY. Mr. Speaker, I commend the gentleman from Michigan and also the gentleman from Pennsylvania for pointing out the very serious situation concerning Vietnam veterans. I congratulate the gentleman.

Mr. BONIOR of Michigan. I thank the gentleman from Mississippi.

PERMISSION FOR COMMITTEE ON RULES TO FILE PRIVILEGED REPORT ON RESOLUTION RELATING TO HOUSE CONCURRENT RESOLUTION 345, FIRST CONCURRENT RESOLUTION ON THE BUDGET, 1983

Mr. BOLLING. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have permission to file a privileged report on a resolution relating to House Concurrent Resolution 345 at any time prior to the time that the House convenes tomorrow, and that said report may be considered tomorrow notwithstanding the requirement in clause 4(b), rule XI of a two-thirds vote on the question of consideration.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

EQUAL JUSTICE UNDER LAW

(Mr. ALEXANDER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ALEXANDER. Mr. Speaker, I am deeply disturbed by the news which I heard yesterday reporting the decision of the Reagan administration to prosecute violators of the selective service laws for failing to register for the draft in rural areas rather than upon an equal case-by-case basis.

It is believed that the administration has made this unjust decision to prosecute rural violators for political purposes to avoid attracting attention from the media which is centered in metropolitan centers.

If this change is taken this will be a violation of the most fundamental principle of the law of the land; equal justice under the law.

I would strongly urge the administration to reconsider this decision.

EXPORT TRADE COMPANY

(Mr. CRAIG asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CRAIG. Mr. Speaker, it is painfully apparent to even the most casual observer that it is long past time that we took strong action to put our economic house in order. Difficult decisions on reducing Federal expenditures and interest rates, and improving the performance of our economy will dominate the remainder of this session of Congress.

A significant area for improvement is international trade, where we have suffered a continuing erosion of our share of world trade over the past two decades. In addition to losing a growing share of the domestic market to imports, too few U.S. companies are exporting too few goods and services overseas.

Export trading company legislation, currently being considered by three House committees, will give American business—particularly smaller business—a badly needed shot in the arm. By acting as trade intermediaries, these trading companies can provide a full range of export services and functions that will help our companies realize the economies of scale necessary to make their products competitive in the world market.

Increased exports means increased American jobs, thousands of them. Currently, one out of every eight manufacturing jobs in the United States, and one out of every three jobs in the agricultural sector, are related to exports. An increase of only 5 percent in our exports would support over 300,000 additional American jobs.

Mr. Speaker, we must give American business the tools to increase exports, and stop exporting American jobs. I commend the Committees on Foreign Affairs, Banking, and the Judiciary, for the actions they have taken, or plan to take this month, and urge them to complete their actions without delay so that this important legislation can be enacted as soon as possible.

□ 1015

CONGRATULATIONS TO HADASSAH

(Mr. DAUB asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DAUB. Mr. Speaker, I would like to take this opportunity to offer my congratulations to the largest Zionist organization in the world, and one of the largest women's organizations: Hadassah.

This year, Hadassah celebrates their 70th anniversary in serving humanity. Henrietta Szold, the first president of Hadassah, played a vital part in the strength of this organization, and I would like to point out that the organization may not be where it is today, had it not been for the efforts of Mrs. Szold.

Hadassah should be recognized for its many great contributions to our society, as well as to the backbone of Israel. The Hadassah Medical Organization of Israel, the Hebrew University-Hadassah Medical School, and the Hadassah Dental School, Youth Aliyah; these are all works of the women of Hadassah.

Medical care, youth training, research, and education are only a few of the wide spectrum of achievements of this organization. We owe great thanks to the women of Hadassah for their undying efforts to better the lives of countless individuals. Today, I offer my personal thanks, and extend my best wishes for an even more successful future for Hadassah. Congratulations, Hadassah.

WE DO NOT NEED TO RAISE TAXES

(Mr. SMITH of Oregon asked and was given permission to address the House for 1 minute and to revise and extend his remarks.

Mr. SMITH of Oregon. Mr. Speaker, I am sending out a "Dear Colleague" today with some information that deserves the immediate attention of every Member in this House.

Make sure you get a hold of it.

The facts are plain and simple:

We do not need to raise taxes.

For those of you on both sides of the aisle who might be a little hard of hearing, I will repeat what Americans across the country are pleading.

We do not need to raise taxes.

Last year's Tax Act did not cut taxes.

It only cut the rate of growth in taxation.

Revenues to the Federal Treasury will increase even with the tax rate cuts in place.

The problem is clearly on the spending side.

By 1985, spending will reach $1 trillion.

That is a 25-percent growth rate in 3 years.

That is 25 percent too much.

That is a slap in the face of the American people who sent all of us here to turn this country around.

NEW ERA OF HARMONY BETWEEN MEN AND WOMEN?

(Ms. FERRARO asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. FERRARO. Mr. Speaker, I got an invitation from the Land of Oz the other day. I know it could not be from the real world because it asked me to join on June 30 in celebrating "the expiration of the equal rights amendment and the commencement of a new era of harmony between men and women."

Only in the land of the munchkins are men and women of equal stature and only in a make-believe world does anyone believe the women of America will have equal rights without assuring those rights in our Constitution.

The sponsors of this celebration, Phyllis Schlafly, the Reverend Falwell, and others, call it an Over the Rainbow Celebration on an evening of unique constitutional significance. If they are looking for a pot of gold at the end of that illusory anti-ERA rainbow, they will be disappointed. For on July 1, those of us truly dedicated to human rights will reintroduce the ERA and begin the process of ratification all over again.

It took 72 years for the Susan B. Anthony amendment, which gave women the right to vote, to become part of the Constitution. Our cause is only in its infancy. We will redouble our efforts to assure that equality of rights under the law shall not be denied or abridged by the United States or by any State on account of sex.

HONORING THE 70TH ANNIVERSARY OF HADASSAH

(Mr. LENT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LENT. Mr. Speaker, I rise to call to the attention of my colleagues a most significant event taking place today. At the White House, a special ceremony is being held, marking the 70th anniversary of Hadassah, the women's Zionist organization of America. It is appropriate that we in this Chamber mark this observance as well, for Hadassah is a truly remarkable organization which has given new meaning to the words "dedicated service to others."

Hadassah today is an organization of 370,000 active and concerned citizens, who help continue the great work begun 70 years ago by one of the most remarkable women in all recorded history, Henrietta Szold. Her pioneering work in helping others continues to this day as the inspiration and guiding force for Hadassah.

When she founded Hadassah in 1912, Henrietta Szold had very few material resources at her command. But she did possess great vision, vast courage, undying determination, and tremendous compassion. Perhaps her greatest possession was the premise which guided her long and heroic life: Great principles can and must be brought to bear on the reality of everyday living.

That premise lies at the heart of Hadassah's magnificent achievements and its commitment to the future. For 70 years, Hadassah has, in the spirit of its founder "radiated the light of human kindness around the world." Its work in health care and social services has brought needed assistance to millions, particularly to the hundreds of thousands of refugees who have sought freedom and security in Israel.

Mr. Speaker, Hadassah is a truly remarkable organization which deserves our highest commendation. I know my colleagues join me in saluting the great work of Hadassah, and in offering our best wishes for continuation of its invaluable humanitarian work.

A TRIBUTE TO HADASSAH

(Mr. LEVITAS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEVITAS. Mr. Speaker, I would like to welcome to our Nation's Capital today representatives of one of the strongest volunteer organizations in this country. These are the women of Hadassah, the Women's Zionist Organization of America. They come to Washington today to celebrate their 70th anniversary. Not only do we want to welcome them, but also we want to thank them for the work they do in our country and throughout the world.

Hadassah was founded on February 24, 1912, by Henrietta Szold. It was founded on the holiday of Purim, the holiday commemorating the deliverance of the Jews from the massacre plotted by Haman. The motto of the Hadassah organization, "Healing of the daughters of my people," is taken from the prophet, Jeremiah, and it signifies the work of the women who belong to Hadassah.

The Hadassah organization can be proud today as its members, of which there are over 370,000, celebrate 70 years of working for the needs of children and in working miracles in medicine, dentistry, and research.

A modest hospital facility in the Old City of Jerusalem, established by Hadassah in 1913, has grown into an internationally recognized medical center. The hospital of the Hadassah Medical Organization in Ein Karem, Jerusalem, serves the region providing expert medical treatment for all people in the area, regardless of race, nationality, or religion. It is truly one of the outstanding health care facilities anywhere.

Hadassah is also to be commended for its work in career education, youth rescue, Zionists achievement and Jewish education. This organization exemplifies what the volunteer spirit and effort can do for humanity in many areas of service.

I am proud to note that my mother, Mrs. Louis J. Levitas, served as president of the Atlantic chapter of Hadassah from 1929 to 1930, the year in which I was born. She knew the founder, Henrietta Szold, and Ida Levitas has been a member and a leader for over 59 years. I am pleased and proud to have this opportunity to congratulate her and her fellow Hadassah members on the outstanding work they do.

Hadassah is celebrating today 70 years of great achievements. Let us congratulate them on past successes and wish them well as they continue their work in the future.

URGING PRESIDENT TO SEEK ALLIED AGREEMENT AT VERSAILLES TO LIMIT NUCLEAR EXPORTS

Mr. BINGHAM. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the concurrent resolution (House Concurrent Resolution 340) reaffirming Senate resolution (Senate Resolution 179) and House resolution (House Resolution 177) and urging the President to seek agreement at the Versailles economic summit conference that nuclear supplier nations should export nuclear fuel and equipment only to nations that permit full-scope safeguards, and ask for its immediate consideration.

The SPEAKER. The Clerk will report the concurrent resolution.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 340

Whereas the proliferation of nuclear weapons is a threat to the security of every nation in the world;

Whereas the International Atomic Energy Agency (IAEA) safeguards inspection system was created to verify that nuclear facilities in non-nuclear-weapon states are used strictly for peaceful purposes;

Whereas a number of non-nuclear-weapon states do not permit full-scope safeguards, that is, IAEA inspections of all their nuclear facilities;

Whereas only Canada, Australia, and the United States now require full-scope safeguards as a condition of exports of nuclear fuel and equipment;

Whereas certain other supplier nations have from time to time indicated that they would impose the same restrictions on their nuclear exports provided all other suppliers agree to take the same steps;

Whereas the United States has traditionally taken a leading role in developing agreement to control the spread of nuclear weapons;

Whereas on July 16, 1981, the President stated that the United States will continue "to seek agreement on requiring IAEA safeguards on all nuclear activities in a non-nuclear-weapon state as a condition for any significant new supply commitment";

Whereas on July 17, 1981, the Senate, without dissenting vote, adopted S. Res. 179, calling on the President to implement a series of important initiatives to strengthen the international nonproliferation regime;

Whereas such initiatives are still needed, including consultations on an urgent basis with other nuclear supplier nations to limit nuclear transfers only to non-nuclear-weapon states which have accepted full-scope safeguards;

Whereas on July 17, 1981, the House of Representatives, without dissenting vote, adopted H. Res. 177, calling on the President to take a number of significant steps to strengthen the political, institutional, and technical barriers against the spread of nuclear weapons; and

Whereas such steps are still needed, including the need to achieve restraint on the part of nuclear supplier nations: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That (a) the Senate and the House of Representatives, respectively, hereby reaffirm S. Res. 179 and H. Res. 177; and

(b) The President, as an initial step toward implementing these resolutions, should urgently seek, at the Versailles economic summit conference and through other appropriate channels, to obtain agreement from all nuclear supplier nations that they will export nuclear fuel, equipment, and technology only to those non-nuclear-weapon states that have accepted full-scope safeguards of the International Atomic Energy Agency.

The **SPEAKER**. Is there objection to the request of the gentleman from New York?

Mr. **LAGOMARSINO**. Mr. Speaker, reserving the right to object, I would like to propound some questions to the author of the amendment. While the thrust of the resolution does seem appropriate, there are certain questions that I would like to ask the gentleman.

Does the gentleman intend to include all nuclear fuel, equipment, and technology?

Mr. **BINGHAM**. If the gentleman will yield, the purpose of the resolution is to urge the President to take up at the Versailles conference with other nuclear suppliers the issue of withholding nuclear fuel and technology to states that do not observe full-scope safeguards; that is, to withhold nuclear weapons from nonnuclear-weapons states that do not permit inspection of all their nuclear facilities by the International Atomic Energy Agency. The coverage to which the gentleman extends his question would be precisely the same as that for the United States. In other words, we are simply asking the President to see if he can negotiate with other nuclear suppliers the same kind of restrictions on exports with the same degree of coverage as we observe, as Canada observes, as Australia observes.

I might say to the gentleman in this regard that Mr. UDALL, Mr. FINDLEY, Mr. GOODLING, Mr. OTTINGER, Mr. LEACH, and Mr. MARKEY have sponsored this resolution with me precisely because we think it gives congressional support for a realistic step by the President in advancing his nonproliferation policy. That policy is to use the leverage offered by U.S. nuclear technology to get other nations to cooperate in curbing proliferation.

Seeking agreement on full-scope safeguards makes sense for several reasons.

First, acceptance of full-scope safeguards has become an important standard for judging nonnuclear-weapons states' intentions. Pakistan, South Africa, and Argentina have all refused to accept full-scope safeguards. Each is involved in ambitious commercial nuclear power programs that seem to cloak serious efforts to create nuclear arsenals. Moreover, each country continues to receive nuclear fuel and equipment from suppliers who accept only limited safeguards as a condition for export. These limited safeguards are accepted by some suppliers out of fear that more strict requirements imposed unilaterally will result in someone else leaping in to take their place in nuclear trade. This resolution would allay that fear and deny nuclear trade to countries presenting the greatest proliferation risks.

A second and related reason is that if the President were to take the initiative, suppliers are likely to agree. Already, and as I said, the United States, Australia, and Canada require full-scope safeguards. A number of other nuclear suppliers, including the Soviet Union, have indicated that they would accept the principle of full-scope safeguards provided all nations did so. For years France has refused to join in such a policy. But the new administration there is more sensitive to the dangers of weapons spread and also more open to responsible multilateral steps in this area.

Third, this resolution is a logical extension of legislation previously passed overwhelmingly by the Congress. Last July, one day after the announcement of the President's nonproliferation policy, both the House and the Senate passed without a single dissenting vote, resolutions supporting—as Chairman ZABLOCKI put it—the need to use imaginative diplomacy to achieve supplier agreements to control nuclear exports. I might add that the administration has indicated that it recognizes the importance of gaining universal acceptance by exporters of full-scope safeguards. And according to testimony by Under Secretary Kennedy last week in the Senate the State Department is proposing nuclear nonproliferation issues to be raised at the upcoming summit.

International acceptance of the need for full-scope safeguards is, of course, just one of the specific steps called for in the resolutions passed last year. As Congress recognized, it is by no means the only step that the President should ultimately take. For that reason this resolution reaffirms the broader goals in those earlier resolutions as still necessary.

Mr. **LAGOMARSINO**. I thank the gentleman.

Further reserving the right to object, would that include research isotopes for a country that has no nuclear program and, therefore, has no full-time safeguards, for example New Zealand?

Mr. **BINGHAM**. No, that would not be included, any more than it is included in the U.S. program.

Mr. **LAGOMARSINO**. The gentleman has already said that we are not in this resolution asking other supplier nations to go further than the United States.

Mr. **BINGHAM**. No. Exactly.

Mr. **LAGOMARSINO**. Further reserving the right to object, I yield to the gentleman from Illinois.

Mr. **FINDLEY**. Mr. Speaker, I am pleased to join Mr. BINGHAM in this important effort and salute him for his leadership in introducing this resolution.

A strong interest in an effective U.S. nuclear nonproliferation policy is found now, as in the past, among Republicans as well as Democrats, among liberals and conservatives. Stemming the spread of nuclear weapons to many countries is one of the most pressing matters the United States faces today. It must be an urgent priority.

Passage of this resolution today is timely. We are urging President Reagan to take up the issue of nuclear nonproliferation with our allies in his June meetings in Europe.

Like many, I welcomed the President's speech on arms control at Eureka College. It was important that he make such a speech prior to his European meetings to demonstrate the U.S. commitment to East-West nuclear arms reduction. However, I was disappointed that, in such an important speech on arms control, the President made no reference to nuclear nonproliferation. This is also an issue of arms control and one of critical importance to the United States and its allies.

And now is a particularly opportune time to press the allies on our nonproliferation objectives:

First, the Falklands crisis is disturbing enough with Great Britain and Argentina squaring off in a conventional conflict. Imagine just how much more frightening and destabilizing this situation would be were Argentina to possess already the nuclear weapons capability it is seeking. How ironic that it is European nuclear supplier states—such as West Germany—that are aiding Argentina in its nuclear quest by not only providing nuclear materials under very lax safeguards but also by providing dangerous nuclear technology. It is particularly timely for President Reagan to underline this point to the European states.

Second, the Reagan administration is prepared to make concessions to the Europeans on the question of the reprocessing of U.S.-supplied nuclear fuel. Such a concession, however, should not be made without a European guarantee, in return, that we will have full European cooperation in dealing with proliferation problem countries such as Argentina, Brazil, Iraq, and Pakistan. The French, in the past, have been the most recalcitrant about requiring full-scope safeguards on their nuclear exports. The United States needs to press the French extremely hard on this critical matter. Requiring full-scope safeguards on all nuclear facilities and exports is a vital component of any serious nonproliferation effort.

I urge my colleagues to support this resolution and to speak out in favor of a serious and vigorous U.S. nonproliferation policy.

Mr. **LAGOMARSINO**. Further reserving the right to object, I yield to the gentleman from Pennsylvania (Mr. GOODLING).

Mr. **GOODLING**. Mr. Speaker, the President will be attending the Versailles Economic Conference in early June. This resolution asks the President to urge our allies to join the United States in its commitment to nuclear nonproliferation. It seeks to avoid a situation in which we have found ourselves all too frequently.

So often the United States has acted unilaterally to try to achieve one international goal or another without the cooperation of other members of the world community. We have found ourselves standing alone in a proper and morally upstanding position, but without achieving the goals we had sought.

Nuclear nonproliferation is an international problem that must be faced up to by all responsible states. A number of nations, such as Pakistan, Argentina, Brazil, Israel, and South Africa, for example, are moving closer and closer to having the capability and desire to develop a nuclear weapons arsenal.

I think it is essential that the United States vigorously urge all nuclear supplier nations to export nuclear fuel equipment and technology only to those non-nuclear-weapon states that have accepted full-scope safeguards of the International Atomic Energy Agency.

I commend the gentleman from New York (Mr. BINGHAM) for introducing this resolution.

Mr. **LAGOMARSINO**. Mr. Speaker, I wish to commend the gentleman from New York for his initiative in bringing this resolution for the consideration of the House today. As President Reagan will be participating in the Economic Summit Conference at Versailles in early June, he will have the opportunity to raise our concerns about nuclear proliferation and nuclear supply issues with other major nuclear supplier nations.

As you will recall, last July the President stated his objective to achieve IAEA safeguards on all nuclear activities in a non-nuclear-weapon state as a condition for any significant new supply commitment. This resolution emphasizes the importance the House attaches to that commitment and urges the President to pursue his objectives at Versailles.

The administration had made clear that the United States will be a reliable supplier of nuclear material. That is to be understood in the context of our Nation's commitment to preserving and strengthening the political, institutional, and technical barriers to proliferation. It is imperative that the nuclear supplier nations cooperate in regulating the flow of nuclear materials and technology in order to insure the security of the world at the same time as providing for a sound energy policy. Again, I commend the gentleman's initiative and urge my colleagues to support this resolution.

● Mr. **ZABLOCKI**. Mr. Speaker, this resolution represents another important initiative in support of longstanding U.S. policies to prevent the spread of nuclear weapons, and I compliment the gentleman from New York for his efforts to bring it before us today. It has long been recognized that the adoption of a full-scope safeguards requirement by all nuclear suppliers would be an integral part of a successful nonproliferation regime.

International nuclear safeguards are not designed to detect clandestine nuclear activities, and are incapable of doing so. But the adoption of a full-scope safeguards requirement would make it much more difficult for those countries so inclined to covertly use civilian nuclear facilities to produce nuclear material for weapons. Were all nuclear facilities to be placed under safeguards, the security of all nations would be greatly improved, and there would be much less suspicion among adversaries concerning the possible use of civil nuclear facilities for military purposes.

This resolution supports a central element of the President's nonproliferation policy, and coincides with the policies of past administrations as well. It is fully consistent with the established efforts of the United States to promote universal adherence to the nonproliferation treaty. I urge its adoption.●

Mr. **OTTINGER**. Mr. Speaker, I know of no one who disagrees with the principle that International Atomic Energy Agency safeguards should be applied to all the nuclear facilities of countries engaged in the development of nuclear energy. Indeed, a requirement for full-scope safeguards by all countries with whom we conduct nuclear trade is already a matter of U.S. nonproliferation law.

Rather, the issue here is whether the United States should now exercise its leadership among nations, particularly nations which supply nuclear technology and materials, to gain unanimous agreement that full-scope safeguards will be a prerequisite for all nuclear trade in the future. Although I have a number of serious reservations with the present capability of the IAEA to apply safeguards effectively for certain critical facilities, I believe most strongly that nuclear facilities of every type must be subject to international inspection and verification.

The arguments for taking an initiative seeking supplier agreement for full-scope safeguards now are highly persuasive.

First, uniform international safeguards, impartially applied to all countries, is an imminently fair and reasonable means to insure the collective security of not only the nuclear supplier countries and their customers, but also, it should not be forgotten, the security of the many countries not significantly involved in nuclear trade at all.

Second, the level of nuclear commerce and the number of potential nonsupplier countries is growing. We must move now to seek uniform supplier agreement on full-scope safeguards for all future trade if we are to keep that trade from increasing the spread of nuclear weapons around the world. In my opinion, the United States should also diligently pursue this proposal at the general meeting of the IAEA in Vienna this fall. This administration has constantly stressed the need for the United States to remain a reliable supplier of nuclear technology and materials as a means of attaining our nuclear nonproliferation objectives. It is time, however, for another term, namely the reliability of the nuclear customer to be factored into the security equation.

In my view it is time for us in the Congress to reaffirm the U.S. commitment to stopping the spread of nuclear weapons by insisting on this unique high stand for trade in this critical area.

Through this concurrent resolution, Democrats and Republicans alike have a rare opportunity to speak with one voice in urging President Reagan to place on the table at Versailles this nuclear safeguards proposal.

I urge its unanimous passage.

Mr. LAGOMARSINO. Further reserving the right to object, Mr. Speaker, I want to say that I support the resolution and I hope that the House will pass it.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. BINGHAM. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the concurrent resolution just agreed to.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

PROVIDING FOR CONSIDERATION OF H.R. 6267, NET WORTH GUARANTEE ACT

Mr. MOAKLEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 471 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 471

Resolved, That upon the adoption of this resolution it shall be in order, clause 2(l)6 of rule XI and section 402(a) of the Congressional Budget Act of 1974 (Public Law 93-344) to the contrary notwithstanding, to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6267) to revitalize the housing industry by strengthening the financial stability of home mortgage lending institutions and ensuring the availability of home mortgage loans, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking, Finance and Urban Affairs, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Banking, Finance and Urban Affairs now printed in the bill as an original bill for the purpose of amendment under the five-minute rule. It shall be in order to consider an amendment in the nature of a substitute printed in the Congressional Record of May 19, 1982, by, and if offered by, Representative Wylie of Ohio, and all points of order against said amendment for failure to comply with the provisions of clause 5, rule XXI and clause 7, rule XVI are hereby waived. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER. The gentleman from Massachusetts (Mr. Moakley) is recognized for 1 hour.

Mr. MOAKLEY. Mr. Speaker, I yield the customary 30 minutes to the gentleman from Arizona (Mr. Rhodes) and, pending that, I yield myself such time as I may consume.

Mr. Speaker, the resolution (H. Res. 471) provides for the consideration of the Net Worth Guarantee Act (H.R. 6267). It is an open rule and provides for 1 hour of general debate, divided in the customary manner.

The rule waives two rules of the House which would otherwise prevent the consideration of the bill.

Points of order are waived under clause 2(l)(6) of rule XI, the 3-day-layover requirement for committee reports. The report was filed on Monday. However, the committee substitute and report have been available previously to all the Members involved with the legislation.

Points of order also are waived under section 402(a) of the Congressional Budget Act of 1974 (Public Law 93-344). This is needed because the bill provides for certain contracts, which constitute budget authority, to be entered immediately. But there are no outlays under the bill and it responds to an emergency situation.

During the Rules Committee hearing, the gentleman from Arizona (Mr. Rhodes) indicated that the minority wished to make in order a minority substitute. That amendment, to be offered by the gentleman from Ohio (Mr. Wylie), would be subject to points of order under both clause 7 of rule XVI, the germaneness rule, and clause 5 of rule XXI, which prohibits appropriations in authorizing legislation. The gentleman from Arizona had prepared an amendment to the rule which would waive those points of order. There was general agreement that the proposal was fair and the minority's request was accommodated in the rule that was moved by the majority.

The resolution also contains certain provisions that are routinely included in rules on bills reported with amendments in the nature of a substitute. They are technical and simply insure that the minority enjoys the same rights that would exist in the case of a clean bill. The rule provides for the substitute to be considered as an original bill for purpose of amendment; this permits amendments in the second degree which would otherwise be ruled tertiary. It permits Members to demand separate votes in the House on amendments adopted in the Committee of the Whole and it provides that a motion to recommit may contain instructions.

Mr. Speaker, H.R. 6267 is an extraordinarily vital piece of legislation. Its prompt enactment is essential to the very survival of small thrift institutions which serve rural areas and neighborhood institutions in many urban areas, as well.

There are some concerns about Federal involvement of this sort but there is also wide recognition that there is a clear Federal responsibility to move to protect diversity in thrift institutions. This is especially true because the institutions which find themselves in difficulty have reached this point because of heavy commitments in long-term, low-interest, residential mortgages.

Mr. Speaker, this is important legislation. The rule provides a fair and open procedure by which the House can work its will and I urge the adoption of the resolution.

□ 1030

Mr. RHODES. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentleman from Massachusetts has accurately explained the provisions of House Resolution 471. This is an open rule, providing 1 hour of general debate on H.R. 6267, the Net Worth Guarantee Act. The 3-day layover and the May 15 reporting deadline are waived against consideration of the bill.

The rule also makes in order a substitute amendment by Mr. Wylie of Ohio, printed in the May 19 Record. All points of order against this substitute for failure to comply with the provisions of clause 5, rule XXI and clause 7, rule XVI are waived.

One motion to recommit, with or without instructions, is in order.

Mr. Speaker, this is a fair and open rule which accommodates both majori-

ty and minority interests. I am aware of no opposition to the rule and urge its adoption.

Mr. Speaker, at this time I yield 1 minute to the gentleman from Ohio (Mr. Wylie).

Mr. WYLIE. Mr. Speaker, I thank the gentleman for yielding.

I am going to support the rule today because I do think that we need to get on with some legislation which would be of assistance to the thrift institutions. I must say that I will be candid with my colleagues, though, that I approach the adoption of this rule with some serious misgivings in that we are waiving the 3-day rule, and the report only became available yesterday.

This is a very complex issue, and I would think under ordinary circumstances that the Members would want a little bit more time to acquaint themselves with the issues which would be involved. I appreciate the fact that the majority adopted a rule which will allow me to offer a substitute. I was not all that sure that we would need a waiver of the rules to which the gentleman from Massachusetts referred, but in order that this question might not be at issue on the floor with reference to germaneness and other things, this rule will clear it up so that those points of order cannot be raised.

There are two basic differences in the substitute which I will offer from the committee bill, or from the bill which will be offered by Mr. St Germain. They have to do with the net worth guarantee arrangement versus the so-called promissory note arrangement. It also has to do with whether banks should be included in the legislation along with thrift institutions.

It is a net worth guarantee bill for thrift institutions basically, but these issues can be decided under the substitute which I will offer.

Mr. SPEAKER, I appreciate the gentleman from Arizona yielding the time. I think that even though I have serious misgivings about the 3-day rule, which will preclude Members generally from, I think, acquainting themselves in the manner in which they should be allowed to acquaint themselves in this complex issue, I will not oppose the rule.

Mr. RHODES. Mr. Speaker, I yield 3 minutes to the gentleman from Connecticut (Mr. McKinney).

Mr. McKINNEY. Mr. Speaker, I would like to thank the Rules Committee for their fairness in allowing the Republican substitute to be put in the legislation and receive floor time. This bill involves an extremely complicated issue. The amount of money we are talking about and the problems facing the thrift institutions are boggling to the mind.

There are two different alternatives to save them that can be placed in front of the Members today. One is the committee-passed bill, and the other is Mr. Wylie's substitute. Frankly, I would suggest to my colleagues that both approaches have some very serious problems. The chairman's approach is not considered by accountants and by others who control these matters to be a real asset approach, and therefore I do not think would do what we hope it will do.

Mr. ST GERMAIN. Mr. Speaker, will the gentleman yield on that point?

Mr. McKINNEY. I yield.

Mr. ST GERMAIN. On that point, let us not go overboard. A letter from a staff member of that group came up late yesterday afternoon which contained nothing but his own personal opinion. No opinion was asked for as far as the substitute is concerned, and I am suspicious of a letter that comes in at this point in time when this legislation has been before us for so long.

It was not reviewed by the board of this organization, but a staff member of that group. My conversations with people in the investment community, in designing the legislation, they stated, "If you have the full faith and credit of the Treasury behind the bill that is all we need. We accept that. We have confidence in the Treasury of the United States."

I thank the gentleman for yielding.

Mr. McKINNEY. I would say, as the gentleman well knows, I did cosponsor the original legislation. I am simply bringing forth the fact that there are questions in some people's minds. I would also say, Mr. Speaker, that there is a very great problem in my mind with the substitute because, as I read the substitute, what we are doing is giving a negotiable asset to an institution. Under the very definition of that negotiable asset, we are creating a federally backed instrument that can be bought, sold, traded, bartered, whatever.

What are we going to do? What safeguards are we going to have if a savings and loan in some town has qualified to receive these, after its net worth drops below 2 percent and it receives this promissory note the directors turn to each other and say, "We are going to go down in another 6 months anyway; let's unload them on the street and take the cash." They have sold it, and those people who are going to buy it are going to be walking around with an interest-paying Government security. There is a real problem there.

I would suggest to my colleagues that even though the hour is late, they take a very hard look at both proposals. I am not going to come down hard on either side except that to say I see a problem with both options.

Mr. RHODES. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. MOAKLEY. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF S. 1230, OLYMPIC COIN ACT OF 1982

Mr. LONG of Louisiana. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 470 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 470

Resolved, That upon the adoption of this resolution it shall be in order, clause 2(l)6 of rule XI to the contrary notwithstanding, to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 1230) to provide for the minting of commemorative coins to support the 1984 Los Angeles Olympic Games, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking, Finance and Urban Affairs, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Banking, Finance and Urban Affairs now printed in the bill as an original bill for the purpose of amendment under the five-minute rule, all points of order against said substitute for failure to comply with the provisions of clause 5, rule XXI, are hereby waived, and said substitute shall be considered as having been read for amendment under the five-minute rule. It shall be in order to consider an amendment to said substitute printed in the Congressional Record of May 19, 1982, by, and if offered by, Representative St Germain of Rhode Island, and all points of order against said amendment for failure to comply with the provisions of clause 5, rule XXI, are hereby waived. After the consideration of said amendment and other perfecting amendments to said substitute, it shall be in order to consider an amendment in the nature of a substitute to said substitute printed in the Congressional Record of May 19, 1982, by, and if offered by Representative Annunzio of Illinois, and all points of order against said substitute for failure to comply with the provisions of clause 5, rule XXI are hereby waived. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER. The gentleman from Louisiana (Mr. Long) is recognized for 1 hour.

Mr. LONG of Louisiana. Mr. Speaker, I yield 30 minutes, for the purpose of debate only, to the gentleman from Mississippi (Mr. Lott), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 470 provides for the consideration of the bill (S. 1230) to authorize the minting and sale to the public of the U.S. legal tender commemorative coins to support the 1984 Los Angeles Olympic games.

The rule provides for 2 hours of general debate. The time is divided equally between the chairman and the ranking minority member of the Committee on Banking, Finance and Urban Affairs. The first reading of the bill is dispensed with.

Since the report on the bill has not been available for the required 3 days, the rule waives clause 2(l)(6) of rule XI against consideration of the bill. Ordinarily, the Rules Committee does not look favorably on requests to waive the layover rule. However, the urgency of establishing the method for the minting and the marketing of these commemorative coins was, in the judgment of the committee, sufficient to move forward with the bill. The Banking Committee estimates a time lag of at least 1 year for the bidding process to be completed and the coins to be minted and sold. Each day of delay jeopardizes prospects of making the kind of sales which will genuinely benefit our athletes and the Olympic Committee.

Mr. Speaker, the committee substitute will be made in order as an original bill for the purpose of amendment. The rule is open so that any amendment germane to the bill will be in order. However, the rule does specifically make one amendment and one substitute in order.

It will be in order to consider an amendment printed in the Record of May 19, 1982, by and if offered by Representative St Germain.

It will further be in order to consider an amendment in the nature of a substitute printed in the Congressional Record of May 19, 1982, by and if offered by Representative Annunzio.

The rule waives all points of order for violations of clause 5 rule XXI against the committee substitute, the amendment, and the Annunzio substitute, each of which contains appropriations language in the section providing for the distribution of funds. The rule provides for a motion to recommit with or without instructions.

Mr. Speaker, it may seem unusual to consider a rule calling for 2 hours of debate on commemorative legislation. However, in the Committee on Rules, the gentleman from Illinois (Mr. Annunzio) made an impassioned plea for 1 additional hour of debate in order that he might have ample opportunity to present his case for a different marketing approach to the olympic coins. Mr. Annunzio is chairman of the Subcommittee on Consumer Affairs and Coinage, which reported by a 6 to 0 vote, a procedure which varies significantly from the procedure adopted by the full Banking Committee. Mr. Annunzio succeeded in persuading the members of the Rules Committee that the additional time was essential to fully air the differences of opinion in a manner which is fair to all parties.

Since the Members of the House will have sufficient time to consider two very different approaches to the sale of olympic coins, I will not devote a great deal of time here to a description. Briefly, the legislation managed on the floor by Chairman St Germain proposes to mint legal tender coins in 17 emblematic designs. The coins would be sold through private marketers, selected through a process overseen by the Treasury Department and allowing for competitive bidding. A $30 million guarantee to the Olympics is required from any private marketer. Receipts from sales would be split between the private marketers, the Los Angeles Olympic Organizing Committee (LAOOC) and the U.S. Olympic Committee.

The substitute proposed by Mr. Annunzio, and reported by the Consumer Affairs and Coinage Subcommittee, recommends one silver and one gold coin. Marketing would be accomplished through the Mint as opposed to private marketers, and through bulk sales. Only foreign sales would be arranged through private marketers, who would be chosen in a competitive bidding process. All sales would require a surcharge to be divided equally between the Los Angeles Olympic Operating Committee and the U.S. Olympic Committee for training and construction of training facilities.

Mr. Speaker, though there may be disagreement over the best method of marketing an olympic coin, there is no disagreement about the importance of minting an olympic coin. In July and August of 1984, Los Angeles will be the site of the XXIII Olympiad. It will be the first time in half a century that a city in the United States has served as host to this prestigious sporting event, and the first time in history any nation has been host to three Olympic games. Over 150 nations throughout the world are planning to compete before a worldwide audience that could number in the billions.

An Olympic coin program is important in two respects. The tradition of minting special coins can be traced back centuries to the ancient Greeks. Throughout history, special coins played a role in generating enthusiasm and support for the games, and more recently, have helped fund the staging of the games so that countries from all over the world could participate.

Second, the coin program plays an important role in providing support for the training of our athletes. This training is a long-term process. Financial support is critical to our ability to provide American youth of all ages and skills the opportunity to develop their athletic ability, and to build the pride and confidence important to compete in today's world. Without an effective Olympic coin program for the Los Angeles games, we would lose out on an important source of these funds.

Mr. Speaker, the legislation we have before us is vitally important. I believe the rule provides a fair and orderly procedure for its consideration and I urge the adoption of the rule.

□ 1045

Mr. LOTT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this rule provides for the consideration of S. 1230, the Olympic Coin Act of 1982, a bill which turns out to be surprisingly controversial.

The basic purpose of this legislation is a goal which I am sure each Member of this House can readily support, that of raising funds for the 1984 Los Angeles Olympics. The controversy stems from the two alternative approaches which have been put forward as methods for raising these funds. When one comes to realize that the Olympic coin program has the potential of netting hundreds of millions of dollars, it becomes easier to understand the intensity of feeling which surrounds this legislation.

On one hand, we are presented with the committee version of this bill, which authorizes the Treasury Department to mint up to 42 million coins in denominations of $1, $10, $50, and $100, and issued in 17 different designs. Under the committee proposal, the marketing of these coins would be accomplished by private firms, with a graduated percentage of the net proceeds going to the Los Angeles Olympic Organizing Committee and the U.S. Olympic Committee.

The alternative approach to this issue will be espoused by the gentleman from Illinois (Mr. Annunzio) and the gentleman from Texas (Mr. Paul), the chairman and ranking minority member of the Subcommittee on Consumer Affairs and Coinage. Under this proposal, up to 50 million $1 coins and up to 2 million $10 coins would be minted. This alternative differs significantly from the full committee version in that the marketing of the coins would be carried out by the Treasury Department itself, rather than by private businesses, with 100 percent of

the proceeds going to the Olympic committees.

Mr. Speaker, I must say at this point that that is one aspect which worries me. I do not have a whole lot of confidence in the Treasury Department's ability to handle matters like this, and for that reason I am strongly inclined to support the committee version of the bill.

The merits of these competing approaches was the subject of an interesting debate before the Committee on Rules earlier this week, and I am, therefore, pleased that the rule before us allows for the full consideration of both plans.

The rule specifically makes in order the committee amendment in the nature of a substitute as an original bill for purposes of amendment. In addition, it provides for an amendment printed in the May 19, 1982, Congressional Record and offered by the chairman of the Committee on Banking, Finance and Urban Affairs (Mr. St Germain) and an amendment in the nature of a substitute in that same issue of the Record and offered by the gentleman from Illinois (Mr. Annunzio). Clause 5 of rule 21, which prohibits appropriations in a legislative bill, is waived against each of these amendments.

This is an open rule allowing other amendments which comply with the House rules and providing one motion to recommit with or without instructions. The 3-day layover rule, clause 2(l)(6) of rule 11 is also waived against consideration of the bill. Ordinarily, I do not support waivers of the 3-day rule, since it is important in providing ample notice to the Members of the House. However, in this instance I am convinced that all interested parties have had sufficient opportunity to see that their positions are properly framed before the full House. The 2 hours of general debate which this rule provides should give the proponents of each alternative enough time to present a convincing case on the House floor.

Mr. Speaker, I am aware of no problems with regard to the rule, since it is eminently fair to each side. We have 2 hours of general debate ahead of us, and I therefore do not feel there is much need for extensive debate on the rule. I urge the prompt adoption of this resolution so that the real debate can begin.

Mr. HYDE. Mr. Speaker, will the gentleman yield?

Mr. LOTT. I am pleased to yield to the gentleman from Illinois.

Mr. HYDE. Mr. Speaker, I thank my friend, the gentleman from Mississippi, for yielding.

I, too, wish to join in commending the Committee on Rules for providing for the extended debate that we will have on this very important issue because I think that when Members vote, they ought to be fully informed as to what the nuances are concerning the sale of U.S. legal tender to be handled by Mr. Armand Hammer and his group.

I regret that I disagree with the gentleman. This is one of the few times in history that I have disagreed with my friend, the gentleman from Mississippi. I have supreme confidence in the Treasury in handling this as against the consortium that has been put together to profit so handsomely from the sale of U.S. currency.

So I commend the Rules Committee for providing the opportunity for every Member to be fully informed so that when they do cast their votes, they will have no regrets as the years march on.

Mr. LOTT. Mr. Speaker, I fear to tread into any territory that would involve disagreement with my very articulate friend, the gentleman from Illinois (Mr. Hyde), but I do want to make it clear that there has been no decision at all as to who would handle this marketing process.

A name was mentioned by the gentleman from Illinois in his comments, and neither that person nor any other person has a guarantee of getting this marketing award. I know that firm certainly would be one of the competitors, but there may be others and the comments on this matter will be very interesting.

Mr. WYLIE. Mr. Speaker, will the gentleman yield?

Mr. LOTT. I yield to the gentleman from Ohio.

Mr. WYLIE. Mr. Speaker, I thank the gentleman for yielding.

The gentleman has, of course, made a correct observation on this bill which did come from the committee and which I will support. It will be open for bid, and there will be a requirement that $30 million be deposited up front.

However, I do not want to get into the merits of the bill just now. I do want to commend the Committee on Rules for a decision which is reminiscent of Solomon. As was suggested, this bill has become very contentious. There will be a considerable amount of discussion; I suppose it will last for almost 2 hours.

The fact of the matter is that we do need to act quickly, and that is why I supported the rule which waived the 3-day rule, because we need to provide adequate funds for the Los Angeles Olympic Committee, and I think too much time has already expired in that regard.

I support the bill which came out of the committee, but as I say, during the course of the debate, the gentleman from Rhode Island (Mr. St Germain) will make the point on the committee bill, as I will, and then the gentleman from Illinois (Mr. Annunzio), the chairman of the Subcommittee on Consumer Affairs and Coinage, who, I might say, has been extremely diligent and deserves to be complimented for making us aware of the issues which are involved in this legislation, and the gentleman from Texas (Mr. Paul), who is the ranking Republican member, will make the other arguments.

Mr. Speaker, I am pleased with the rule which was reported, and I urge its adoption.

Mr. LOTT. Mr. Speaker, I have no further requests for time, and I reserve the balance of my time.

Mr. LONG of Louisiana. Mr. Speaker, I yield 11 minutes, for purposes of debate only, to the distinguished gentleman from Illinois (Mr. Annunzio).

Mr. ANNUNZIO. Mr. Speaker, I want to thank the chairman of the Committee on Rules and all the members of that committee for the courtesies that they extended to me when I testified on Tuesday seeking a 2-hour open rule so that we could have full discussion of an Olympic coin bill.

I strongly support the Olympic coin bill, and in fact I was the first Member of the House to introduce an Olympic coin bill. I did not wait 10 months before I decided that I supported the Olympic games in Los Angeles and our Olympic athletes.

The Members of the House will have an opportunity under this rule to determine whether they want an Olympic coin program that benefits the Olympic athletes and the Olympic games in Los Angeles or whether they want a bill that benefits a group made up of a foreign-based company and a company that has not paid a dime of U.S. income tax in the past 3 years.

I want to say to the gentleman from Mississippi (Mr. Lott) that in his statement he made reference to the fact that he was not sure who was going to get this bid, and I want to inform him today that Dr. Hammer appeared as a witness before my committee, and it is a foregone conclusion. They signed a contract 1½ years ago with the Los Angeles Olympic Organizing Committee under which they laid down $5 million in advance and $1 million was to be spent in order to lobby this legislation so that this consortium could be put together, which is Lazard-Freres, Occidental Petroleum, and the Franklin Mint Co. We do not hear much about the Franklin Mint anymore because several weeks ago they were found guilty by the SEC and paid a $286,000 fine. The Members of this House owe the subcommittee a debt of gratitude because we would have given a contract out to someone who would have been fined while engaging in a Government contract of this magnitude, one in the millions and millions of dollars, because the bill provides that the Treasurer of the United States, in conjunction with the

Los Angeles Olympic Committee, will select the bidder.

Dr. Hammer had all of the answers. He could not give me any answers on the Russian coin sales because that was privileged information, but he did say—and I want to straighten out that $30 million guarantee—that a $20 million guarantee would be paid in up-front money when the bill was signed, but that the other $10 million would not be paid until 1984.

□ 1100

I will offer a substitute which will call for the minting of three coins by the U.S. Mint, but all of the profits will be going to the U.S. Olympic Committee, the Los Angeles Olympic Organizing Committee. There is no middleman to siphon off profits under my bill. There are no lobbyists who have to be paid fat salaries to get my bill passed.

My substitute would raise as much as $600 million for the Olympic games and our Olympic athletes. The program would not cost the taxpayers of the United States, your constituents and my constituents, one dime.

My substitute calls for the minting of a silver dollar in 1983, a silver dollar in 1984 plus a $10 gold piece in 1984. These coins would be available in both proof and uncirculated specimens. The silver dollar would be sold to the public at a cost of between $20 and $25 and the gold piece would cost approximately $250 to $300. For every silver coin $10 and for every gold coin $50 would be turned over in its entirety to the Olympic committees.

There is widespread support for my bill. As the members of the subcommittee know, I brought before the committee over 10,000 letters that I received, over 10,000 pledges from the people of the United States who want to buy these silver coins. The Nation's more than 8 million coin collectors wholeheartedly support my bill and testified before the subcommittee. Since we are the House of the people we should give the people what they want, and this is what the people want. They want an opportunity to buy a coin for the Olympics because under the other program it is much too expensive for them to participate.

On the other hand, S. 1230 is not a product of the people. It is a product of the lobbyists, the largest lobbying I have ever seen in 18 years on any legislation in this House. This is an outrageous piece of legislation.

If S. 1230 is, indeed, a bill to help the Olympic games and is supported by so many organizations, why is it then that the promoters of the legislation have already hired five different lobbying organizations?

You know it and I know it, to sell the bill to the Congress.

Good legislation stands on its own merits, not on the wallets of the lobbyists. The lobbying is so intense that the promoters of the legislation have even hired, I am told, a designated lobbyist whose sole function is to lobby the conservative Republicans in the House.

If this keeps up, perhaps we should require the lobbyists to wear numbers on their backs because this is an Olympic bill, and to issue score cards to all Members of the House so that they can follow the progress of this legislation.

S. 1230 is not a bill to help our Olympic games. S. 1230 is a bill to fatten the corporate profits of one of the largest tax-dodging companies in this country, and do not forget it.

I was asked how I know that they did not pay taxes for 3 years. I would say to my colleagues, just read the Wall Street Journal.

S. 1230 is not a bill to help our Olympic games. S. 1230 is a bill to fatten the corporate profits. The contractors who sell the coins under S. 1230 will, without a doubt, because they have a written contract already with the Los Angeles Olympic Committee, will be awarded to Occidental Petroleum Co., a company which has not paid a dime of Federal income tax in 3 years, even though it has had millions of dollars of earnings. In addition, that company recently sold over $95 million of its tax breaks under the last year's tax bill. It is doubtful that Occidental will even pay U.S. taxes on the millions of dollars of profits that it will receive under the coin program.

Under the Occidental Relief Act, known in legislative circles as S. 1230, 33 coins will be minted by the Treasury and turned over to Occidental. It will cost your constituents and my constituents roughly $5,000 to buy these coins. How can we justify requiring Americans to pay $5,000 for a set of coins at a time when our Nation faces nearly 10 percent unemployment?

Congress is often accused of having only the concerns of the wealthy in mind. Why do we as a Congress continually have to prove that that accusation is true?

Why are the Olympic Committees and the satellite Olympic organizations supporting S. 1230 when my bill will clearly raise more money for them? The answer is simple. Their minds have been brainwashed with financial "Gatorade," and who would not be brainwashed with five lobbying firms working full time to sell this bill?

I want an Olympic coin bill, but I want a bill that is made up of good old U.S. currency, made and sold by the mint. I further want to inform the Members of this House that your mint sells over 5 million mint sets a year, that it has the experience for selling and marketing, that this is the first time that we have engaged and embarked on a program of such a magnitude to sell coins, because it is the first time that an organization chartered by the Congress of the United States has come before this Congress and asked for permission to use legal tender coins in the mint in order to promote their games.

I as your chairman, and chairman of the Coin Committee, refuse to turn over your mint, the mint that belongs to the people of the United States, to a private corporation. This is a precedent that we can ill afford in this Congress. We have too many people suffering, too much unemployment, too many children who are being deprived of programs to help them in order for us to say to these people, in the United States of America, who want to buy a coin for $20 or $25, that they cannot do it because this is another rich man's program.

I want to say to the members of the Rules Committee and to the members of the Committee on Banking, Finance and Urban Affairs, to all of the Members of the Congress of the United States, I have fought this good battle alone the past 10 months. I have tried to keep you informed through the Congressional Record. You have read articles in the Chicago Tribune that endorse my program. You have read articles in the Wall Street Journal, you have read articles in the Los Angeles Times, you have read articles in periodicals all over the United States.

So there is only one decision to be made today, one decision. We either keep the mint under the jurisdiction of the Congress as provided in the Constitution, or we turn the mint over to private marketers who stand to make $200 million, $300 million or $400 million to line their own pockets.

Mr. LONG of Louisiana. Mr. Speaker, I yield 11 minutes, for the purposes of debate only, to the gentleman from Rhode Island (Mr. St Germain).

Mr. ST GERMAIN. Mr. Speaker, I want to thank the gentleman for yielding me this time and I want to thank the Rules Committee for their consideration and for allocating ample time for discussion of this very important legislation.

I appreciate the opportunity to speak in support of the rule to provide for consideration of S. 1230, a bill that is designed to maximize private fund raising efforts to support the 1984 Olympic games in Los Angeles, and to assist in the training of U.S. teams as well as supporting local amateur and youth athletic programs around the Nation.

The Committee on Banking, Finance and Urban Affairs by a 32-to-7 vote a week ago today supported the authorization of 17 different Olympic coins to be produced by the U.S. Mint and marketed worldwide by private firms.

I would like to point something out. I heard the statement that no bill had been forthcoming from me for a period of time. The reason was that the chairman of the committee gave to the chairman of the subcommittee the prerogative of handling the legislation. At a given point in time, the chairman of the committee was contacted, not by lobbyists, but by the U.S. Olympic Committee, as represented by Colonel Miller, and the LAOOC, as represented by Mr. Usher, as well as by colleagues from California who were becoming concerned with the fact that the contract would run out.

The chairman of the full committee then sat down with Colonel Miller and with Mr. Usher and with the chairman of the subcommittee. There were 17 points of disagreement at that point in time. After a very lengthy meeting that went approximately 3 hours, those 17 points were boiled down to essentially one, which was a difference as to whether there would be 17 coins or 10 coins.

That obviously could not be resolved. There were strong feelings on both sides. On the part of the Olympic committee, they felt that 17 coins were a necessary item if the program were to be successful. The chairman of the subcommittee felt just as strongly that there should not be that many coins, that there should be 10 coins. Both parties had a right to their opinions.

Once the meeting broke up and it became obvious that there would not be a meeting of the minds or compromise on the all important number of coins, the Chair then, working with the GAO, taking into consideration the 16 points that were agreed upon in that meeting, then introduced legislation upon which the staff of the subcommittee also was consulted. That is why we have two bills before us today.

Under my bill, the private marketeers who would be selected through open bids would be required to provide a $30 million guarantee for the Olympic committees, and to pay all production costs in advance to the U.S. Treasury. The bill specifically states the Secretary of the Treasury shall carry out the program with no net cost accruing to the Federal Government. The successful bidder must be approved by the Secretary of the Treasury and will be required to operate the program under the ongoing supervision and audit of the Treasury and the GAO.

The coin program approved by the committee is a continuation of fund-raising efforts which have become a traditional part of the Olympic games. Through a formula established by the International Olympic Committee, the U.S. Olympic team has received a share of the proceeds of sales of Olympic coins in the United States. This has been a substantial source of funds for the U.S. Olympic Committee, and the chances of the U.S. team sharing in coin sales of future Olympic games is directly dependent on the approval of a U.S. Olympic coin program for 1984 as contemplated in S. 1230.

S. 1230 centers on five key points:

First, a minimum of $30 million guarantee for the Olympics from private sources. Yes indeed, the first $20 million will be paid by the successful bidder upon an award of the contract. In addition, a promissory note for $10 million, payable in January 1984, is called for. That $10 million is as good as gold. It is just like cash that can be discounted in any financial institution.

Second, proper incentives to attract private marketeers and provide a significant profit for the Olympic Committee.

Third, rational marketing plans that take into consideration the international markets and the international character of the Olympics.

Fourth, proper ongoing supervision of the coin program by the U.S. Treasury and the General Accounting Office.

Fifth, ironclad assurances that there will be no costs to the Federal Government and that the marketers assume the risks.

S. 1230, which incorporates the provisions of H.R. 6058, is supported by the Los Angeles Olympic Organizing Committee, the U.S. Olympic Committee, and dozens and dozens of amateur and youth organizations throughout the Nation.

□ 1115

They are excellent lobbyists, I will admit that. They are excellent lobbyists. When I heard the Olympic Gold Medal winners who appeared before our committee—Wilma Rudolph, Donna de Varona, our former colleague, Bob Mathias, the Rev. Bob Richards, the high jumper, John Naber, the swimmer—chills went up and down my spine. Never have I heard testimony like that from such outstanding examples of American youth who have benefited from participation in the Olympics. It made me proud once again to be an American. And, frankly, when they lobbied me, I was happy, extremely happy, to react to their pleas and their requests.

The administration gives full backing to the committee-passed bill. Speaking for the administration, the Treasurer of the United States, Miss Angela Buchanan, who oversees the U.S. Mint, addressed the key point in testimony before the Consumer Affairs Subcommittee on April 29. I quote:

> There is every reason to believe that the 17-coin program sponsored by Chairman St Germain would generate a far greater sum of money. The potential of the larger coin program offered and promoted by a capable private sector marketing group on a world wide basis should add substantially to the preceeds received by the Olympic Committee.

Speaking to the Annunzio program, Miss Buchanan said, and I quote:

> We are reluctant to hinge the success of the 1984 Los Angeles Olympics on a coin marketing program run by the Government. This is particularly the case when a program is proposed that has no exact historical precedence and, therefore, makes projections based on historical results somewhat more speculative.

The Annunzio proposal not only threatens the financial stability of the 1984 games, but forces a marketing disaster on the Treasury Department. The Annunzio bill calls for a 3-headed marketing monster with each segment in a position to undercut the other. It is doubtful that such a program could attract qualified international marketers, and failure to market the coins worldwide could threaten the opportunity of U.S. Olympic teams to share in proceeds of other countries' coin sales in future Olympic games.

A substantial part of the projected sales of the Annunzio proposal would be through unsupervised bulk sales by the U.S. Mint at large discounts. This part of the marketing is not only speculative, but could threaten the integrity of the U.S. Mint and the Olympic coin program.

Under this proposal, any group with cash in hand, without regard to its reputation, could buy huge quantities of the coins at discount and market them in any manner. The St Germain bill provides specific requirements and controls for advertising and promotions, but the bulk purchaser, provided under the Annunzio bill, would be unknown to the Mint and would be under no supervision and no strictures as to claims, promotions and advertising. These discounters would be in the markets in direct competition to the Mint that produced the coins, not to mention the strong possibility that such a discount program would deter bidders from entering into agreements with the Treasury for international marketing rights.

While the numismatic trade press and some professional coin groups have lobbied for the Annunzio proposal—they are lobbyists, too—and a limited program, a number of respected people in the numismatic field have been willing to step forward with objective analyses of the Olympic programs.

Norman Stack, of Stack's of New York, a large coin firm with widely recognized expertise, wrote me:

> Based on my 36-year association with this firm I can state conclusively that in my opinion a government-run marketing program simply will not reach beyond collectors in the marketplace and, more significantly, will not result in sufficient broadly-based revenues to meet the stated need of the Olympic Committee.

Some confusion has been generated about the references in the bill concerning the division of the proceeds. The references are to gross margins, not net. The formula was negotiated by the Los Angeles Olympic Organizing Committee in an agreement with prospective marketers—an agreement that was terminated after the Congress failed to pass the coinage legislation in a timely fashion. We felt strongly that the hard-fought position of the Olympic Committee should be retained and included their formula in the bill as a "floor" for future negotiations.

Translating the gross margin numbers, the Olympic Committees will receive at least two thirds of the net pre-tax profits of the coin sales. The marketing costs and the risks will be borne by the private companies. The formula protects the Olympic Committees from being charged any increases in marketing costs which occur during the life of the program.

I support the rule. I look forward to the debate. Hopefully, within the next few hours, we can say to our prospective Olympic participants throughout the Nation, "Yes, the Congress is providing you the means, the wherewithal, to be properly trained, and we are providing the means by which the U.S. Olympic Committee can live up to its commitments to its sister committees throughout the world as far as the international marketing of coins is concerned." We had to pull out of Moscow. They gave up a lot for us at that time, those Olympic people. Now, let us say to them, "We are going to make up for what we did to you when we made you pull out of Moscow for foreign policy reasons."

Mr. LOTT. Mr. Speaker, I have no further requests for time.

Mr. LONG of Louisiana. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

REMOVAL OF NAMES OF MEMBERS FROM LIST OF COSPONSORS OF H.R. 4498

Mr. McKINNEY. Mr. Speaker, I ask unanimous consent for Mr. Zeferetti, of New York, and Mr. Edwards of Oklahoma to be removed from the list of cosponsors of H.R. 4498, a bill which I introduced to allow for the therapeutic use of marihuana.

The **SPEAKER.** Is there objection to the request of the gentleman from Connecticut?

There was no objection.

OLYMPIC COIN ACT OF 1982

Mr. ST GERMAIN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the Senate bill (S. 1230) to provide for the minting of commemorative coins to support the 1984 Los Angeles Olympic Games.

The **SPEAKER.** The question is on the motion offered by the gentleman from Rhode Island (Mr. St Germain).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the Senate bill, S. 1230, with Mr. Levitas in the chair.

The Clerk read the title of the bill.

The **CHAIRMAN.** Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from Rhode Island (Mr. St Germain) will be recognized for 1 hour, and the gentleman from Ohio (Mr. Wylie) will be recognized for 1 hour.

The Chair recognizes the gentleman from Rhode Island (Mr. St Germain).

Mr. ST GERMAIN. Mr. Chairman, I yield one-half hour to the gentleman from Illinois (Mr. Annunzio).

Mr. ANNUNZIO. Mr. Chairman, I yield myself 10 minutes.

The question before the House, Mr. Chairman, is not whether or not we will have an Olympic coin program, but whether we will have an Olympic coin program free of scandal, run by the U.S. Government, and with all of the money going to the athletes of the United States. That is the program contained in the substitute that I will offer.

Members will also have an opportunity to vote for an Olympic coin program that will turn control of the U.S. Treasury over to special interests, privileged interests, if you please, allow the coins to be sold at a windfall profit by a company that has not paid a penny of Federal income taxes in 3 years, allow that company to siphon off 65 percent of all profits, with only 36 percent going to our athletes.

That is the approach embodied in S. 1230.

Mr. HYDE. Mr. Chairman, I make the point of order that a quorum is not present.

The **CHAIRMAN.** At this point the Chair does not recognize the gentleman from Illinois for purposes of making a point of order that a quorum is not present.

Mr. HYDE. I thank the Chairman.

Mr. ANNUNZIO. Mr. Chairman, this is a historic moment for me. It is a moment that causes me great personal pain. But I find that I cannot let personal pain stand in the way of my sworn oath of office. In the nearly 18½ years that I have been a Member of the House of Representatives, I have never stood in this well to oppose a committee chairman. I pride myself, as all of you know, on being a team player. That is my nature. And certainly that is the political background from which I come. The fact that I am breaking such a long, personal tradition certainly should tell you how deep felt my convictions are with regard to this legislation. It distresses me greatly to take such a hard stand against my chairman, but the situation in which we find ourselves today was not one that I created. For 10 months I have fought virtually on my own to protect this House from having to accept a Senate bill that was so bad that even its backer in the House has now asked that it be withdrawn from consideration. Many of the changes that I have suggested to improve the Senate bill are incorporated in S. 1230 that is before you today. They would not have been there had I not worked for such improvements.

Ten months after I began my fight, H.R. 6058, the forerunner of S. 1230, was introduced in the House.

Mr. Chairman, I have from time to time fought to amend bills in the Banking Committee, and on occasions there have been amendments that were not totally acceptable to the chairman. But I never introduced a bill in direct confrontation with my chairman, and never would I think of doing so after my chairman had waged a 10-month fight.

I would like to make it perfectly clear that I am not asking Members to vote against an Olympic coin program. I am the first Member of the House to introduce Olympic coin legislation for an Olympic coin program. I am wholeheartedly for an Olympic coin program. And the only reason it has taken so long to get this far is that the private marketers who will sell the coins refused for 10 months to provide me and my subcommittee with copies of a contract that they had negotiated with the Los Angeles Olympic Committee and themselves. Had I received those contracts prior to the 10-month period, I would have begun hearings immediately.

I want a strong coin program, but I want a coin program—and this is imperative to each and every Member of this House—I want a coin program like you want a coin program, but we want to turn over all of the money under this program to athletes and not the middlemen.

☐ 1130

The substitute that I plan to offer will accomplish that without any cost to the taxpayers of America. S. 1230 at best will turn not more than 36 percent of the money over to the athletes. Under my substitute, the Olympic committee and our athletes could receive as much as $600 million and, according to the Treasurer of the United States, using nothing but the mint mailing list, she could turn over—I want to point out that Bay Buchanan, in testimony before my subcommittee said she could turn over $31 million to the Olympic committee within 4 months after the passage of the act.

S. 1230, on the other hand, has more than 60 percent of the money going to the private sellers of the coins.

We hear representations that under S. 1230 each Olympic committee will receive $100 million. If that is the case, why is it that the bill only requires a $30 million guarantee and a full guarantee will not be paid until January 2 of 1984?

That is not a guarantee. It is an IOU.

Members of the House should have an opportunity to vote on whether or not they want a coin bill that will turn all the money over to the Olympics without any middleman, or whether they want a middleman to siphon off the bulk of the profits.

There is no question that this is a plum contract. I know there are many companies that would like to bid on the contract, but they know it is a waste of time. They know that Occidental has already entered into a contract with the Los Angeles Olympic Organizing Committee. They know that the contract belongs to Occidental Petroleum Co., a company which I said earlier feels no obligations to pay taxes to the United States. It contends that it pays enough taxes to foreign governments so that it does not have to pay taxes to the United States.

In addition, it just sold some $95 million worth of tax benefits under last year's tax act which will give it another nice tax break. If Occidental feels it has more of an obligation to pay taxes to foreign governments than to the United States of America, why the hell should the United States of America feel any obligation to give Occidental Petroleum an exclusive contract that could put as much as $100 billion into its corporate treasury and not a dime's worth of income tax will be paid on that money? How can we face our constituents who are struggling to pay their taxes, asking them to tighten their belt, in this day and age of deficits, in this day and age of austerity, and allow such a large corporation who does not pay taxes to have such a privileged contract awarded by the Government of the United States of America?

You explain that to your constituents. My constituents already understand it.

There have been editorials in all of the papers of Chicago supporting my position—the conservative Chicago Tribune and others.

I want to tell you that two former Mint Directors, Eva Adams and Mary Brooks support this program wholeheartedly, and I hear so much about Bay Buchanan.

Well, in the Senate when she testified she supported a coin program originally to be marketed by the Mint of the United States, but for some reason best known to her, by the time she got from the Senate to the House she had been completely muzzled.

But in testifying before my subcommittee, she guaranteed me that the mint could not only mint the coins, that the mint could market the coins, and she said within 4 months she would have $31 million to distribute to the Olympic committees.

I want to say to my colleagues, as I close, on the time I have alloted to myself, and I will be continuing to talk, that I want each and every Member of this House to search their souls today.

We have a subcommittee system in this House. I am chairman of a subcommittee known as the Subcommittee on Consumer Affairs and Coinage. It would have been a hell of a lot easier for me to agree with the Senate, to agree with a bill than would turn over all of the minting of legal tender to a private corporation and not have taken on this fight. But I could not sleep with myself.

I was so shocked to think that the Congress responsible for the minting of coins and in the preservation of our coinage system would turn over the selling and marketing of coins to a private corporation. It shook me. And when you read the editorial in the Chicago Tribune you will find that if we allow these 33 coins to enter our coinage system, you are going to be creating a banana republic in America. If that is what my colleagues want, they will vote for S. 1230. But if my colleagues want to protect their Mint, their coinage system, and give the most money to the Olympic athletes, they will be voting for the Annunzio substitute.

The **CHAIRMAN.** The gentleman from Illinois (Mr. Annunzio) has consumed 12 minutes.

The Chair would inquire of the gentleman from Rhode Island, would he be amenable to yielding further at a later time to the gentleman from Illinois?

Mr. ST GERMAIN. I yielded the gentleman 30 minutes under our agreement.

The gentleman from Illinois may proceed and have his other speakers speak.

Mr. ANNUNZIO. Other people have 30 minutes.

The **CHAIRMAN.** The Chair would observe from a procedural point of view that the gentleman has been yielded 30 minutes which he may use now or yield back as he so desires.

Mr. ANNUNZIO. Mr. Chairman, I reserve the balance of my time.

The **CHAIRMAN.** The gentleman is not able to reserve the balance of the time yielded to him by the gentleman from Rhode Island unless the gentleman from Rhode Island agrees to yield further at a later time.

PARLIAMENTARY INQUIRY

Mr. WYLIE. Mr. Chairman, a parliamentary inquiry.

The **CHAIRMAN.** The gentleman from Ohio will state his parliamentary inquiry.

Mr. WYLIE. What I had intended to do was yield 20 minutes to the gentleman from Texas (Mr. Paul), who takes a similar position as the gentleman from Illinois. I understand the gentleman from Illinois' position and my parliamentary inquiry is, may I yield 30 minutes of my time, which I had agreed to do, to the gentleman from Texas at this time and allow the gentleman from Illinois to use his 30 minutes in exchange with the gentleman from Texas (Mr. Paul)?

The **CHAIRMAN.** The Chair in response would advise the gentleman from Ohio that while he may yield 30 minutes to the gentleman from Texas (Mr. Paul), the gentleman from Texas (Mr. Paul) may use that time but may not reserve portions of that time for subsequent yielding except by unanimous consent.

Does the gentleman from Illinois ask unanimous consent to be able to yield further times during the general debate portions of the 18 minutes remaining to him?

Mr. ANNUNZIO. Would the Chair repeat that, I did not hear the Chair.

May I just say I was under the assumption when the chairman of the Rules Committee made this rule, he said that the chairman of the full committee and I would work out as far as the time. We have worked it out.

The **CHAIRMAN.** Let the Chair try to simplify this.

Does the gentleman from Illinois ask unanimous consent to be able to yield portions of the remaining 18 minutes he has available to him at subsequent times during the course of the general debate?

Mr. ANNUNZIO. Yes.

The **CHAIRMAN.** Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. WYLIE. Mr. Chairman, I intend to yield 30 minutes to the gentleman from Texas as I stated that I would here a few minutes ago. The gentleman from Connecticut has to be at another meeting and would like to be heard in support of S. 1230.

Mr. Chairman, I yield 5 minutes to the gentleman from Connecticut (Mr. McKinney).

Mr. McKINNEY. Mr. Chairman, I appreciate my ranking Member allowing me the time. I will not use the full 5 minutes.

I stand very strongly in support of the chairman of the full committee's Olympic coin bill. I have examined these various bills for a long time and I think there are some basic questions that have to be addressed in a nonemotional fashion.

First, I do not think anybody in this House wants the Government going any further into private business than it already has. Under the subcommittee chairman's bill, the Mint would strike coins, would offer them to their list of coin collectors, and those that were not sold to their list would then be offered in bulk discount to various different organizations such as Sears, Roebuck and other coin marketers.

What you see in that instance is that once the list was exhausted, the Olympic Committee certainly would not raise the amount of money that you want to achieve with this bill. Also, in discounting the coins to organizations such as J. C. Penney, Sears, or whoever wishes to market them, at that point those organizations would only offer a price for that coin that would include their marketing costs, their advertising costs, and other related costs.

Since you would disburse those marketing and advertising costs across the board they would be much more expensive for each individual organization that was going to market these coins, and the Olympics would get a great deal less money for them.

Another objection I have with the subcommittee chairman's bill is the fact that it is only a three coin bill and the smallest denomination coin that you are going to have, which will be a silver dollar, is going to sell in fact for $22 on the market.

I would suggest that that is far too high for the coin that we hope American children and households are going to buy to bring home. In addition, I have been told by people who are in the coin business that three coins are not enough to make a collector's set of value, and there is really a variety that people need or want when they are building a collection.

The chairman's bill would have 17 coins, two different types in each, and it would allow a collector to buy 1 for $8, buy a set of 4, by a set of 8, by a set of 12, to buy whatever combination they wanted to buy, or any kind of presentation that the selling person wanted to have for those coins.

Really what you are talking about and what is the most important distinction is that S. 1230, the bill that we are discussing, will give a $30 million guarantee to the Olympic Committee to get on with the job.

Mr. Chairman, I would suggest to my colleagues that if we were doing our duty, such as every other nation in the world does, we would be meeting here and appropriating $50 million for the U.S. Olympics Committee to do this country proud rather than getting ourselves involved in prolonging this debate. But we will not do that. We are going to continue to be the only nation that does not give the direct support to its Olympic Committee that it should give to its Olympic Committee. We burst with pride when our hockey team beats the Russians. We still have Lake Placid wallowing in debt because we did not do our duty.

I suggest we have to do something now. The chairman's bill is the only bill that gives the money up front, when it is needed. It is the only bill that gives a guarantee of at least $30 million. It is the only bill with administration support. It is the only bill that is going to market the line of coins that is going to sell and make money. I strongly suggest the Members put aside the negative argument that has been promoted about the way that these coins are going to be sold and vote for S. 1230.

□ 1145

Mr. WYLIE. Mr. Chairman, I yield 30 minutes to the gentleman from Texas (Mr. PAUL).

Mr. PAUL. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I think it is quite interesting how this bill has come to the floor and how this discussion has evolved. I quite frankly am astounded at the amount of energy and effort and enthusiasm that has gone into this debate, because there is a good chance that either version will not be significantly detrimental to the American taxpayer, that is, cost a lot of dollars as compared to a lot of other things that we have done around here.

Quite frankly, I think there are times when we fail to even take a recorded vote on bills dealing with tens of billions of dollars and quite rapidly handle legislation even in the Banking Committee in short order, legislation with much more significance than this particular piece of legislation; but nevertheless, a lot of energy has gone into it and it is an important piece of legislation.

In one sense, I agree with the Congressman from Connecticut saying that this energy that we have expended maybe is unwisely spent; but I certainly come up with a conclusion different than his. The gentleman indicates that maybe the more proper solution would have been just to grant money to the Olympic Committee and have it settled a long time ago.

I would like to make an important point. Today we are doing something differently than we have ever done before. We are debating two pieces of legislation. Both involve the Government, but up until this time we in the Congress and we in the Federal Government have not been involved in raising funds and supporting amateur athletics; so we are taking a different path with the passage of either bill.

Really. there are three choices. The third choice we have not spent much time with and really is not being considered seriously; but I would like to suggest that third alternative, allowing the true marketplace to handle this is another alternative; but today we are limiting our discussion to two other pieces of legislation.

Some Members have come to me and have asked: "Why are you opposing the private marketeers bill and supporting the more Government-oriented bill?"

Well, this is an important question; but as most everybody knows here, I do my very best to consistently defend the free market and the market economy and private enterprise; but quite frankly, I do not accept the argument that the St German bill is a private enterprise bill. I do not think it has anything to do with it.

Yes, it certainly does incorporate private business in association with dealing with the Government, but to me this is a very dangerous thing to do. This is not reassuring.

The market method of handling coinage and raising funds for the Olympics would have been that approximately 18 months ago the Olympic Committee would have gone to a coin dealer and a coin manufacturer, minted a coin and started raising money and would have been over the hump by now. That did not occur; but today the proposal that we have before us is that the Government sanction this coin and deliver it to a private marketer so that they can make $300 million or $400 million. This is not an example of the private enterprise system. That is a special privilege system. I think we should be as critical of that as we are so often on the conservative side of that system that we call socialism and government intervention.

I am not reassured in any way that this involves the private market in a beneficial way. All the involvement of the private market under this bill is detrimental and very dangerous and is open to great risk, because under these conditions you have a much greater opportunity of having corruption, and for this reason we should go very carefully.

So I agree very strongly with the gentleman from Illinois (Mr. ANNUNZIO) stating the position that it could be a very dangerous vote to accept the St Germain bill, with the possibility of scandal coming on at a later date.

It has been quite interesting to find out how much lobbying effort has gone on in this particular bill. Tax dollars per se are limited in both pieces of legislation; yet it has been over a year ago that I was lobbied very heavily by those who were advocating the guaranteed contract to the Occidental group and even up until now I get lobbying calls asking to be not too harsh or too critical with the company of Occidental.

A lot of money has gone into this. Now, why would a lot of money go into a lobbying effort unless there is a lot of money to be made?

This is true. There is a lot of money to be made.

Now, I think the main error that has been made by those who support the St Germain pseudoprivate marketeer

bill is that they think and believe that the private enterprises may sell more coins and for that reason the Olympic Committee will benefit more so.

You know, I do not think anybody knows in this House who will sell the most coins. I happen to believe that under the Annunzio bill and the position I hold there will be more coins sold; but the point that I would like to make is that I am quite confident in saying that even if there are 10 times as many coins sold under the St Germain bill, there are no guarantees whatsoever that that money will go to the Olympic Committee. I think that is where the danger is.

The efficiency of the marketplace or the combination of Government and the businessman, let us say Occidental, is known. It just happens that that company is known to be very efficient. They are very efficient when they deal with subsidies from our own Government and dealing with other nations, other Socialist and Communist nations. They are very efficient in avoiding taxes and they are very efficient in making profits and protecting their wealth. However, there is no guarantee whatever that the efficiency of that company is going to be translated into anything beneficial to the American taxpayer, to the Mint, or to the Olympic Committee. The main purpose is to support the Olympic Committee, and I think there is a guarantee that there may be some big profits made, but it will not necessarily help the Olympic Committee.

The St Germain bill, I believe, is a very impractical bill. For instance, it provides for 33 coins. The mintage of 33 coins is cumbersome and very difficult as compared to the three coins in the Annunzio bill. It is much more attractive to have three coins. This has been verified and confirmed by all the coin dealers and all the coin collectors. They claim that it would be much better and much more attractive for them to see three decent coins. The coins in the Annunizo bill are of better quality and very attractive, and many are attracted to the coins because they are the proper weight. They are the proper silver weight and the proper gold weight. They have a legal tender status, so there are a lot of benefits to the coins.

We have had dealers testify before our subcommittee and they were quite frank and very blunt. They said that if the St Germain bill is passed, they would not purchase the coins and did not believe the coins would sell.

Now, I do not know how you can get stronger testimony than that to indicate that the people who are the experts in the selling and the purchasing of coins claim they will not buy them. So why wait a year or so from now and find out that the program failed and say, "Well, why didn't we listen to the coin dealers?"

Another important aspect why it is totally impractical to go the way of the St Germain bill and more practical to go with the Annunzio bill is that the bottom line is the consumer, the person who is going to purchase the coin will pay more under the St Germain bill. There is only one coin that we really can compare in like weight and like quality in the two bills; but the two coins, it is estimated that there is going to be a significant difference, maybe a 50-percent to 100-percent markup difference between the Annunzio bill and the St Germain bill, which means that it is going to be more available for the smaller individual, the individual who might want to buy one or two coins; but to buy a set of Olympic coins where there are 33 different coins is just asking for trouble and very, very impractical.

The dealings that the Occidental Co. has had in the selling of Olympic coins in the past has not been successful. Under a similar marketing arrangement Canada was guaranteed they would raise hundreds of millions of dollars for the Olympic Committee there. They raised a total of $24 million, and the people who started buying the coins, right in the middle, the coin dealers, said they stopped buying the coins because as they would sell one set, they would raise the price each time, trying to trap that individual who has started to make the collection into purchasing higher cost coins. For this reason, they did not raise the money. I am quite sure they made an adequate profit, but the Olympic Committees there did not benefit significantly.

Also, there was a tremendous——

Mr. ST GERMAIN. Mr. Chairman, would the gentleman yield? The gentleman just made a statement which I would like to correct. Occidental Petroleum was not involved in the Montreal coin program.

Mr. PAUL. May I finish my statement?

The CHAIRMAN. The gentleman from Texas has the time.

Mr. PAUL. Occidental was involved with the Russian sale. When they were asked before our subcommittee if they made a profit and how much, they refused to answer. There was a significant amount of profit made.

Now I will be glad to yield to the gentlewoman from California.

Ms. FIEDLER. Mr. Chairman, I thank the gentleman very much.

I was originally a cosponsor of the first Patterson bill which was offered in the House, which would have left the responsibility for overseeing this to the Olympic Committee and would have assured that the funds would be going to the Olympic Committee.

My one concern is that the highest level of money go toward the athletes and toward underwriting the cost of this program. Being from Los Angeles, I am deeply concerned that the people in my community not end up having to pick up some of the loose ends of the Olympic expenditures, as has happened in other parts of the world.

So I did an independent analysis of what kind of profits might be accrued in the event we had one bill or the other, because for me the bottom line is how much money is going to be going to the Olympics.

If we have a $30 million guarantee under the St Germain bill, that means that there has to be a $39 million sale that would accrue; however, if we wanted to have $100 million for the Olympic Committee, under the St Germain bill, there would have to be $202 million, which would be raised, while the Annunzio bill would require only $120 million to be raised.

As you go down the line and you take a look at the various breakouts of profits versus funds which are going to go to the Olympic Committees, as far as my independent analysis goes at this point it seems to me that it will require a much smaller number of sales under the Annunzio bill than it would under the other bill to have a higher profit margin going to the Olympic Committee.

I continue to try to keep my mind open. I will be listening to the debate, but I would hope that the Members of the House take a look at what the bottom line is.

The purpose of this entire process is to underwrite the cost of the Olympics, not to create profits for any individual company and my vote will be going to that particular bill which determines the highest level of profit.

Mr. ANNUNZIO. Mr. Chairman, will the gentleman yield?

Mr. PAUL. I yield to the gentleman from Illinois.

Mr. ANNUNZIO. I want to complement the gentlewoman from Los Angeles, calif. she is as beautiful as she is brilliant.

Mr. WEBER of Ohio. Would the gentleman yield, please?

Mr. PAUL. I yield to the gentleman from Ohio.

Mr. WEBER of Ohio. Mr. Chairman, I rise in opposition to the committee bill. I am perhaps as fervent in my support of the Olympics as any Member of this Congress, but there are limits to what the Federal Government should do to be of assistance. Specifically, I cannot agree that private marketing—in effect renting out the U.S. Mint—as provided by the committee bill is the better way to proceed. Therefore, I support the Annunzio substitute as potentially yielding more funds to the athletes than does the committee bill and at truly no cost to the taxpayer.

I urge all of my colleagues to support the Annunzio substitute to S. 1230. The aim of Congress, through this legislation, is to provide financial assistance to the Los Angeles Olympic Organizing Committee, the U.S. Olympic Committee, and many local amateur and youth athletic organizations. This goal is admirable and should be supported by every Member of Congress. The question we have to address today is what form this aid should take so that we are providing the best assistance we can for these organizations.

The first concern about S. 1230 which must be faced is the lack of enthusiasm for the set of coins to be produced by the coin collectors. These are the very people who we have to count on to buy the majority of the coins. S. 1230 provides for a set of coins that will cost between $3,000 and $5,000 to purchase. Who can afford to buy such a set of coins? If the coin collectors do not support this effort, who will?

A second concern with the bill is the actual amount of money which can be raised by selling the coins. Under the present bill, the marketers who sold coins for both the Montreal and Moscow Olympics will sell the coins for the Los Angeles Olympics. The Montreal Olympics saw $24 million raised to support the Olympics, this was only 10 percent of the amount that was promised. These marketers will not release any figures for what was raised for the Moscow Olympics, however, it is generally considered that the efforts were a failure. Why are we now asking this same group of marketers to sell the coins for the Los Angeles Olympics?

The Annunzio substitute provides for more money to go to the athletes than does S. 1230. Under the legislation currently before the House, only 36 percent of the profits go to the athletes. The substitute provides for all of the profits to go to the athletes. It is estimated that the Annunzio substitute will raise up to $600 million for the Olympics. It also provides that the Olympics will receive $10 for every silver coin sold and $50 for every gold coin sold, S. 1230 has no such guarantee.

Finally, S. 1230 provides for giving away 260 million dollars' worth of gold and silver. The gold and silver to be used in minting the coins is not paid for by the marketers. In a time when Congress is struggling to cut the budget, it is not right to give away $260 million to private marketers.

Considering the negative aspects of S. 1230 and the amount of revenue which can be raised by the Annunzio substitute for the athletes, I urge all of my colleagues to support it instead of the language of the current bill.

□ 1200

Mr. PAUL. If the gentleman will allow me to reclaim my time, could I ask one more question?

Is it true that the marketing method in Canada was somewhat similar to the marketing method suggested by the St Germain bill?

Mr. ANNUNZIO. Mr. Chairman, I want to say to the gentleman from Texas that it is identical, the marketing method suggested under S. 1230.

Mr. ST GERMAIN. Mr. Chairman, will the gentleman yield?

Mr. PAUL. Just briefly.

Mr. ST GERMAIN. The program was run by the Canadian Government. They hired private marketers as Government employees. They had a mint strike and the gentleman is very familiar with what happened to the price of gold back then. The price of gold shot up on them and the economy was going through a recession. And that is why that Government-run program failed. It was not a private program. It was a Government-run program.

Mr. PAUL. All right. That begs the question, because there are some who anticipate that between now and 1984 you may see the same thing happen to the price of gold in nominal dollar terms.

I would like to go ahead now, Mr. Chairman, and yield 7 minutes to the gentleman from Wisconsin (Mr. PETRI).

Mr. ANNUNZIO. Mr. Chairman, will the gentleman from Texas yield?

Mr. PAUL. I will yield briefly.

Mr. ANNUNZIO. There were $3 million in coins melted down in Canada.

Mr. PAUL. Mr. Speaker, I yield 7 minutes to the gentleman from Wisconsin (Mr. PETRI).

The CHAIRMAN. The gentleman from Texas (Mr. PAUL) has consumed 17 minutes.

Under the yielding by the gentleman from Ohio (Mr. WYLIE), the gentleman has 13 minutes remaining. Does the gentleman ask unanimous consent to yield portions of his time at other times during the general debate intermittently?

Mr. PAUL. I will do that if I have not consumed my 30 minutes after I have yielded to the next two speakers.

The CHAIRMAN. Without objection, it is so ordered.

The gentleman from Texas (Mr. PAUL) yields 7 minutes to the gentleman from Wisconsin (Mr. PETRI).

Mr. PETRI. Mr. Chairman, in the 1964 movie "Goldfinger,' the intrepid James Bond prevented the evil Goldfinger from stealing the U.S. gold reserves.

Today, Goldfinger is back. In this 1982 remake of that action thriller, Goldfinger is played by Mr. Armand Hammer—the man with the midas touch when the subject is gold.

The plot is essentially the same. Goldfinger is poised to strike at Fort Knox. The question is whether we will be as intrepid as the fictional James Bond in preventing this real-life raid on the Nation's gold reserves.

Under the committee bill Armand Hammer and his partners will receive 260 million dollars' worth of gold and silver from the U.S. Treasury free of charge. In addition, Mr. Hammer gets an insurance policy against any decline in the price of this gold.

Hammer will buy Olympic coins from the Treasury at face value plus a small minting charge. Since the coins are legal tender they may be redeemed at any time for their face value.

For this reason they need not contain any precious metals to speak of. The coins could be made of clay. However, Mr. Hammer's Olympic coins will have a bullion content equal to 80 to 90 percent of their face value for which Mr. Hammer will not be charged.

While the General Accounting Office recommended that Mr. Hammer be charged for this bullion—the GAO's recommendation was ignored.

Thus Mr. Hammer has obtained a $260 million bullion speculation with no downside risk since the coins can always be redeemed.

Some $260 million worth of gold and silver will suddenly disappear from Fort Knox and the taxpayer will get nothing for it. Where Goldfinger failed, Mr. Hammer has appeared to succeed.

The taxpayers would be just as well off if their agents in Washington sold the bullion outright and gave the entire $260 million to the Olympics.

Meanwhile Mr. Hammer has guaranteed $30 million to the 1984 Olympics. If he sells the coins he gets to keep all he can write off as expenses plus 64 percent of the remainder. The Olympic Committees will receive only 36 percent of the proceeds from the sale of these coins.

But if Mr. Hammer does not sell many coins or cannot get the markup he wants he still has his own bullion speculation guaranteed by the U.S. Treasury. He cannot really lose. All in all Armand Hammer is cleaning up.

If these arguments have not persuaded you—and I hope they have—then I think we should also take a long and careful look at the record of the man we are going to entrust with $260 million of the Nation's gold and silver reserves. That record—of Occidental Petroleum and its subsidiaries—is marked by a pattern of misrepresentation and litigation.

Time does not permit me to go into all the details of the pending and past court cases against Mr. Hammer and his company.

We are of course familiar with one of these proceedings involving Hooker Chemicals—an Oxy Petroleum subsidiary—which deposited chemical waste materials at Love Canal. Subsequently Federal and State authorities declared an emergency situation at the site. Approximately 1,000 area residents have filed suits alleging injuries and property loss resulting from the waste materials. The Federal Government has also filed a civil action against Hooker Chemicals.

From the people who brought you Love Canal, there is more.

In 1976 a Federal judge sentenced Mr. Hammer to 1 year's probation and fined him $3,000 for making illegal political contributions to former President Nixon's 1972 reelection campaign.

In short, Mr. Hammer's company is up to its corporate gluteous maximus in lawsuits.

You remember the old saying, "It's as good as gold." For Mr. Hammer, this committee bill is better than gold.

The bill is a wonderful deal for Mr. Hammer—a rotten deal for the taxpayers—and nothing short of an affront to the taxpayers.

By contrast, the Annunzio substitute would prevent this Goldfinger-like raid on Fort Knox and provide more funds for the Olympics.

To paraphrase that great statesman from Nebraska, William Jennings Bryan, we will not be crucified by a hammer of gold.

I urge support for the Annunzio substitute.

For your information, here is a comparison of the two approaches:

COIN COMPARISON

[In millions of dollars]

	St Germain [1]	Annunzio
Amount of face value	300	70
Amount of bullion	260	597
Minting cost	34	104
Government receives	334	774
Taxpayers lose	260	0

[1] St Germain program also includes $25 million of $1 coins with no bullion content.

Note.—No other bullion coin in the world has a face value near the bullion value. Thus, the St Germain coins are a unique animal, constituting a bullion speculation with little downside risk.

Mr. PAUL. Mr. Chairman, I yield 3 minutes to the gentleman from Illinois (Mr. HYDE).

Mr. HYDE. Mr. Chairman, I want to join those colleagues of mine supporting the Annunzio substitute and bring to the attention of the House the testimony of a former Director of the Mint and a Republican, Mary T. Brooks, who did testify on this issue. She referred to the bill that Mr. ANNUNZIO seeks to amend in rather colorful and unflattering terms, but she did say, and I think it is interesting, "the spectacle of the greatest nation in the world with the strongest currency in the world allowing its money to be consigned to a private group for sale and profit is outrageous." She commended Mr. ANNUNZIO for his courage in fighting what she termed as a ripoff.

Now, I have heard statements that the Government should not be in the business of merchandising its own coins. I might point out the Postal Service does a marvelous job on commemorative stamps. The Eisenhower coins, the bicentennial coins, have provided experience to the mint in this sort of function, and the mint has the greatest list in the world, the largest and most valuable numismatic mailing list in the world, that would stand it in good stead in this proposal.

Mrs. Brooks says she has attended a number of world mint meetings and she is very proud of the esteem in which the mint is held throughout the world. She feels that the Annunzio bill would maintain the integrity and the control of our own national coinage.

There is a lot of heavy money riding on this legislation. The lobbying effort has been remarkable, and that is fine. That is as it should be. Freedom of speech ought to apply in Washington and on the Hill as everywhere else. But that money ought to go to the Olympic games and to the athletes where it is intended, not to some middleman brokers who are locked in a deal where they just cannot lose. They can always redeem at the face value, and they can melt the coins down should the price of gold even go further up and make a windfall profit.

I think it is clear that the Annunzio substitute is preferable. I will enthusiastically support it.

Mr. PAUL. I have just one comment to make and then I will reserve the balance of my time.

There have been several statements made on the floor already alluding to the fact that the company that is most likely to get the contract to distribute the coins has not paid a whole lot of taxes in recent years. Now, I, for one, am not all that anxious to make anybody pay taxes, so I do not necessarily jump on anybody who pays less taxes. I have had objection to this particular company because a lot of the money that they have made and a lot of the so-called investments they have made have been with the assistance of a lot of programs here in this country, a lot of subsidies out of our legal programs that we have. But they certainly take advantage of it. I know that they have been rather efficient in this way.

I was wondering if the gentleman from Illinois (Mr. ANNUNZIO) would tell us a little bit about the amount of tax they have paid. Is it true that the Occidental Co. has not paid a lot of taxes in recent years?

Mr. ANNUNZIO. The last article that I read in the Wall Street Journal pointed out the Occidental Petroleum Co. has not paid any taxes for the last 3 years, and only recently they took advantage of the new tax law by selling a $95 million tax lease.

Mr. PAUL. I thank the gentleman.

Mr. Chairman, I yield 1 minute to the gentleman from Illinois (Mr. DERWINSKI).

Mr. DERWINSKI. Mr. Chairman, I rise in support of the substitute offered by my colleague from Illinois (Mr. ANNUNZIO) because I share his doubts about the benefits for the Olympic games and the Olympic athletes which would result from the provisions of S. 1230.

I believe that we can best raise money for the Los Angeles games and the training of our athletes by retaining control of the marketing of the Olympic coins under the U.S. mint. In that manner, we can be assured that all the net proceeds raised by the sale of these special coins will go to the athletes and the games, rather than the partial amount they would receive if the coins were sold by private marketers.

As a longtime enthusiastic supporter of the Olympic games, I want to see our athletes receive the maximum amount of assistance, especially since they will be competing against athletes from Communist countries who are supported by their governments. I understand that American coin collectors favor the Annunzio approach and therefore urge the House to adopt the substitute providing for the U.S. mint to sell special Olympic coins.

The CHAIRMAN. The Chair will state that the gentleman from Texas (Mr. PAUL) has 2 minutes remaining.

Mr. PAUL. Mr. Chairman, I reserve the balance of my time.

Mr. ST GERMAIN. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, I would say to the gentleman from Illinois, who is just departing the microphone, that the charges are not the important thing. Rebuttals have not begun as yet. This side has not taken advantage of any time as yet.

But let us put something into perspective here.

Are we debating whether or not we love Armand Hammer? Frankly, I do not really know the man. No. No. That is not the question.

The question is which legislation is prime, utmost benefit to the U.S. Olympic Committee and the LAOOC. Now, if the contract which is specified in the St Germain legislation is a giveaway, I am appalled at the idiocy and stupidity of corporate America. Why would every other firm that has the capacity to bid, and there are many, and to participate, why are they not jumping into this if it is a giveaway, if it is so profitable for whomever is the successful bidder?

Contemplate that, my colleagues of the House, before you cast your vote.

We demand in the legislation $30 million as a guarantee. Anyone, any corporation, any individual, group of individuals, or groups of corporations that wish to participate and bid are free to do so. It is an open bidding process.

If it is that lucrative, if indeed it is a giveaway, how come they are not beating the doors down?

I will tell you why. It is a gamble for whoever participates, because they have to put up $30 million. They have to expend tremendous sums of money for advertising, promotion, design, and marketing.

Frankly, I repeat, the question here is not who paid taxes or who took advantage of tax shelters. If we want to go into that, read this morning's paper.

□ 1215

Read this morning's paper. There are a lot of individuals and corporations who have taken advantage of tax loopholes and the tax laws. If we are concerned about that, let us change the shelters, let us change and eliminate the loopholes. If we are concerned about the benefit to the U.S. Olympic athletes, those fine young men and women; if we are concerned about training them so that we can be competitive and show that we are the best in the world, then we go with the best bill, the one the U.S. Olympic Committee wants. They are the ones who lobbied me, the U.S. Olympic Committee and the athletes, past, present, and future. They are the ones that I want to support, and that is why I introduced my legislation.

I do not know who is brilliant enough to look at both bills and say that this bill is going to earn so much, that will earn so much. Frankly, no one to my knowledge—no one really knows what the market will be. They do not really know. That is the point.

Private enterprise is going to take a chance and hope they make a profit and can sell a great number of coins, and the more they sell, the more the Olympic Committees get, but no one knows either, and anyone who contends they do know how much will be earned when we let the mint, whose successes in marketing over the years have been pretty disastrous, anyone who thinks they can figure out how much a mint-sponsored program would bring in, with any number of unknown marketers who are going to make bulk purchases—uncontrolled marketers—unchecked by anyone—they could be anything under the sun. There is no criteria there.

The CHAIRMAN. The time of the gentleman from Rhode Island (Mr. St Germain) has expired.

Mr. ST GERMAIN. I will be back, Mr. Chairman.

The CHAIRMAN. Does the gentleman reserve the balance of his time?

Mr. ST GERMAIN. Why, of course.

Mr. WYLIE. Mr. Chairman, I yield myself 8 minutes.

Mr. Chairman, I rise in support of S. 1230, which represents the full Banking Committee action on the Olympic coin legislation. I do hope that we can pass this bill today so that we can have a commemorative coin program in effect very soon. Further delays will only have a harmful effect on the Olympic athletes. I think further delays could prove very costly. As a matter of fact, we should have had this program in effect before this, as far as I am concerned.

Now, Treasury will administer this program, so we thought it was important that Treasury's opinion be taken into account. Regardless of which program is adopted, Treasury will administer it. I have a letter here, Mr. Chairman, from Mr. Tim McNamar, who is Deputy Secretary of the Treasury, and he says:

> The Deputy Secretary
> of the Treasury,
> *Washington, D.C., April 19, 1982.*
>
> Hon. Fernand J. St Germain,
> *Chairman, Committee on Banking, Finance and Urban Affairs, U.S. House of Representatives, Washington, D.C.*
>
> Dear Mr. Chairman: This letter responds to your request for a statement of the Administration's position on the currently pending Olympic Coin legislation. I am pleased to have the opportunity to address this issue prior to our meeting on Wednesday so that we may concentrate on other matters.
>
> At the outset, let me commend you for the introduction of H.R. 6058, the Olympic Coin Act of 1982. This bill, which provides for a 17 coin program commemorating the 1984 summer Olympic games in Los Angeles, meets many of the Treasury Department's original objections to earlier Olympic Coin proposals. It also responds to the issue which we consider to be of paramount importance—meeting the needs of the Los Angeles Olympic Organizing Committee and the United States Olympic Committee for initial advance funding. Without an appropriation to or a payment of funds by the Treasury; as you know, the Administration opposes any such appropriation or advance which would increase federal borrowing and the deficit.
>
> Thus, we welcome the opportunity to express our support for the enactment of your bill; in doing so, we assume that during the scheduled hearings the Committee will receive assurances from one or more private coin marketing groups that they will bid on the 17 coin program you have proposed, and from the LAOOC and the USOC that your proposal has their continued support. In addition, we have some substantive and technical considerations concerning your bill which we regard as significant and have furnished to your staff.
>
> If I can provide any additional information on this issue please do not hesitate to contact me.
>
> Sincerely,
>
> R. T. McNamar.

Now, I think that Treasury's positions is worth taking note of. In this procedure there is a procedure for selecting a private marketing organization, and we have established certain criteria in that procedure. The criteria shall include a review of the marketer's financial resources and coin marketing experience, the estimated proceeds to the committee for the sale or other disposition of the coins, and the manner of payment for the actual proceeds and guarantees.

The marketing organization must agree to guarantee the committee at least $30 million from the sale or other disposition of the coins. Now, during the bid process it is made clear that there will have to be $30 million deposited up front. I agree that not every organization can do that. Perhaps the only organization will be the one which is put together by Occidental Petroleum and Lazard Freres. We do not know that for sure because it does not specify them in this legislation, but if they put $30 million up front, where is the Federal Government going to lose anything? It goes to the benefit of the Los Angeles Olympic Committee.

Also, some point has been made that the Treasury will somehow lose on this arrangement. Well, the Treasury will advertise for bids, bids will be accepted, and at the time the bid is accepted, then there will be a payment for delivery of coins, so the Treasury again does not have to appropriate taxpayers' money. The orders will, as I say, be made ahead of time for delivery of the coins, but in advance of the delivery of the coins, $30 million will have to be made as a deposit for the Los Angeles Olympic Committee.

Now, just in case nobody accepts the advertisement for bids, or no organization puts up $30 million an amendment I had offered is included in this bill. If there is no bid from the private sector within 45 days, we can go ahead with the program suggested by Mr. Annunzio, which would be administered by Treasury. So, as I say, I do think it is important, and we have the benefit of Treasury's views, and Treasury does indeed support the St Germain approach.

Mr. BARNARD. Mr. Chairman, will the gentleman yield?

Mr. WYLIE. I yield to the gentleman from Georgia.

Mr. BARNARD. Mr. Chairman, I thank the gentleman for yielding.

I would like to ask this question: It was my understanding that sometime during the hearings a representative of the Mint indicated that if the Mint had charge of the sales that they could turn over to the Olympic Committee within 90 days after the coins went on sale as much as the guarantee that was included in this bill. In other words, that their estimate of the sales based on previous sales, would be that they could turn over to the Olympic Committee approximately $30 million.

Mr. WYLIE. The Treasury of the United States could turn over $30 million to the Olympic Committee?

Mr. BARNARD. Within a reasonable time, 90 days or 120 days.

Mr. WYLIE. I yield to the chairman of the full committee.

Mr. ST GERMAIN. That again is speculation. I asked May Buchanan, "Are you a marketer? Do you have marketeers, experts in the Mint?"

She said, "No."

The quotes that I had in my statement I will repeat later on, which are the actual quotas. She said very definitely the 17-coin program by efficient private marketers would be much more preferable as far as profits to the Olympic Committee was concerned.

Mr. BARNARD. Well, of course I think all of it is speculation because even in the Montreal coin program it was suggested that as much as $270 million would be earned by the sales. Actual sales were $24 million.

Mr. WYLIE. This has been mentioned several times. Occidental Petroleum was not involved in the Montreal Olympics. Another marketer was called in later because there were a lot of problems and they had some expertise which the Montreal group wanted to get in order to recoup some of their losses caused by marketing through the Canadian Government. I do not think we want to go through experience again, if we can avoid it.

This bill was put together with the help of the Treasury. It is an honest effort to produce a program which forecloses the possibility of financial loss to the U.S. Government and to the Los Angeles Olympic Committee. Now, the Los Angeles Olympic Committee is important in all of this because they are going to be the beneficiaries of what we do here today. The U.S. Olympic Committee is important in all this, and let me say that both of them have written letters. They came to testify, and the Olympic athletes came and testified, and indeed their testimony was impressive to this gentleman, but they are supporting S. 1230. They are supporting this bill which was reported by the Banking Committee as being the best one to get money into the Los Angeles Olympic Committee.

Mr. ST GERMAIN. If the gentleman will yield, let me read from the transcript of the hearings before the subcommittee.

Mr. St Germain's question to Miss Buchanan: "Does the Annunzio bill guarantee $100 million? Can you guarantee that under the Annunzio bill, they will get $100 million?"

May I make another observation, if the gentleman will yield further? This is not the Moscow coin program. This is not the Canadian-Montreal coin program. This is the coin program of the U.S. Olympic Committee being put forth by the Committee on Banking and Currency which reported out a bill by a vote of 32 to 7. We reject what they did. We hope by using private marketers to have a successful program for our athletes.

One more thing: Do not forget to mention the fact that we have a backup that the gentleman and I and Treasury agreed upon in this legislation, a backup; to wit, if the private marketers did not come forward with their $30 million guarantee, and if they do not comply with the provisions and requirements of the legislation, as they are approved by Treasury, there is a backup program for the Mint, but I hope to God we get private marketers.

Mr. WYLIE. I want to associate myself with the remarks of the chairman. I think they are very impressive. We are indeed calling on the Moscow experience, if I may call it that, and the Canadian experience, and trying to prevent and preclude the unhappy experiences which those nations had with their Olympic coin program. I think we have bent over backward to provide safeguards against the possibility of a scandal in this program. We have heard persuasive evidence that our program should be approved, and I do not feel it will in any way cause harm or any embarrassment to this Congress or to this Nation or to the Olympics, such as the Moscow program and Canadian program proved to those governments.

Mr. BARNARD. If the gentleman will yield further, I appreciate the sincerity of the gentleman, and certainly the chairman of the Banking Committee in what we are trying to accomplish, and I think all of us here are trying to determine what is the best plan for the Olympics and the Olympic committee.

I have in hand a letter to Chairman Annunzio dated April 27, 1982, signed by Ms. Angela Buchanan.

□ 1230

And as I understand it, when she appeared in the Senate, she supported the Annunzio approach. She says in this letter:

> The gold and silver programs as described above suggest the mint could collect total revenues of $37 million for the Olympic Committees over the next two years of the program.

She says further that under the Annunzio program $21 million would be available to the Olympics by August of this year and $10 million in September. That is $30 million.

So I am confused since the Treasurer testified before the committee in one way, and we have a similar statement on her letterhead to the gentleman from Illinois (Mr. Annunzio) why would she now reverse her testimony.

Mr. ST GERMAIN. Mr. Chairman, will the gentleman yield?

Mr. WYLIE. Mr. Chairman, I will yield to the chairman of the committee, but first may I respond by saying that I talked to Ms. Buchanan about that, and she was concerned about it. She said time was of the essence here, there has been too much delay, and that we want to get on with this. She felt that perhaps the Treasury could do it more expeditiously. Those were some of her concerns.

Then I said, "Why don't we put in this backup provision so we don't have to come back in?" And she thought that was a good idea. She went to the gentleman from Rhode Island (Mr. St Germain), and we do have the backup provision.

Mr. Chairman, I know that the committee chairman is anxious to say something, and I yield to him at this time.

Mr. ST GERMAIN. Mr. Chairman, the letter the gentleman read from is dated April 27.

Mr. BARNARD. 1982.

Mr. ST GERMAIN. Yes, 1982. And that which I read—not the letter, but when I had the interchange back and forth with Ms. Buchanan in committee on April 29, 1982, that was when she pulled back on these projects and guarantees and stated in answer to my question, "That's right, I am not a marketer. Those are speculative. I can't guarantee it."

Mr. WYLIE. And she got some better figures, may I say, a little later on from Mr. McNamar and the Secretary of the Treasury.

Mr. ST GERMAIN. Mr. Chairman, I yield 5 minutes to the gentleman from Lake Placid, N.Y., who has a little experience in this area, the gentleman from New York (Mr. Martin).

Mr. MARTIN of New York. Mr. Chairman, I rise in support of S. 1230 as reported by the Committee on Banking, Finance and Urban Affairs.

It was just over 2 years ago that the people of New York's Adirondack Mountains and vicinity hosted the 13th Olympic winter games at Lake Placid, and as millions of us who watched those games know, they were a remarkable success for America, for the world's amateur athletes, and for the State of New York, including the people of Lake Placid, which is part of my congressional district.

Our objective, as I understand it, is to insure that we raise money to put on the Olympic games, and that we do it in a way that reflects well on the United States.

Mr. Chairman, I know that this is a very emotional topic. I know in some instances it is the object of misdirected emotions, but for me the Olympics are a real emotional experience. The gentleman from Connecticut mentioned that hockey game between the Soviet Union and the United States of America, and I was privileged to have been there in person. I was never prouder to be an American. I learned a great deal about the Olympic traditions and about the people who make sacrifices on a regular basis for an event that happens only once every 4 years. As a result, I think it is very important that America adequately support the Olympic games. And we want to do it without expense to our taxpayers.

The object of this exercise is to help insure that the people of California, unlike the people of New York, do not find themselves financially strapped as they seek to host the most successful Olympic games ever. We are trying to forge a partnership between the free enterprise system and Govenment to do just that.

I cannot suggest to anyone that somewhere down the line there might not be problems. I make no such guarantee, but I would submit that the members of the Committee on Banking, Finance and Urban Affairs who voted so overwhelmingly to send this bill to the floor thought carefully about that in their hearings.

I would suggest that we have two alternatives. We can have the private enterprise system involved in the marketing, and, yes, if a profit is made I say to the people of California in particular, "You ought to hope that they make a profit, because if they make a profit and are out marketing and doing what they know how to do, there is going to be more money raised so you are not left with the bills."

On the other hand, we have the U.S. Treasury. In all due respect to them, down through the years marketing is, quite frankly, not their strong suit. On one hand we have private enterprise which is involved in marketing and knows how to market; on the other hand, we have the folks who have a few million Susan B. Anthony dollars kicking around.

I would hope that this program is passed. I ask the Members for their support of the bill, and I would suggest that the people who can do the marketing are the people who are in business to do just that kind of marketing.

Mr. Chairman, if I may add one further thought, this is concerning something that was brought up about the lobbying for this bill. I have received a number of letters, and that is indeed lobbying. There are people who feel there are sinister motivations. I would suggest that the litany which I will submit in the Record, consisting of the list of organizations supporting S. 1230, includes the Catholic Youth Organization, the Jewish Welfare Board, the U.S. Olympic Committee, the YMCA's of America, and many other groups whose motivations are beyond reproach.

Mr. Chairman, the list to which I refer is as follows:

Organizations in Support of S. 1230

United States Olympic Committee.
Los Angeles Olympic Organizing Committee.
U.S. Treasury Department.
President's Council on Physical Fitness.
YMCA's of America.
Catholic Youth Organization.
Jewish Welfare Board.
Special Olympics, Inc.
Exploring Division of the Boy Scouts of America.
Governors' Council on Physical Fitness and Sports.
National Junior College Athletic Association.
National Association of Intercollegiate Athletics.
American Association of the Deaf.
National Association of Sports for Cerebral Palsy.
National Wheelchair Athletic Association.
U.S. Association for Blind Athletes.
U.S. Rowing Association.
U.S. Ski Association.
Catholic Youth Organization of the Archdiocese of New York.
Dr. Tenley Albright (gold medal).
U.S. Gymnastics Federation.
Oregon Association of the U.S.A. Amateur Boxing Federation, Inc.
U.S. International Speedskating Association.
Women's Sports Foundation.
Mayor Thomas Bradley of Los Angeles.
U.S.A. National Bobsled Federation, Inc.
Pony Baseball.
International Swimming Hall of Fame, Inc.
The Athletics Congress USA (track & field).
U.S. Fencing Association.
Amateur Softball Association of America.
National Archery Association of United States.
U.S. Amateur Confederation of Roller Skating.
USA Amateur Boxing Federation.
Little League Baseball.
U.S. Team Handball Federation.
U.S. Volleyball Association.
U.S. Jaycess.

The CHAIRMAN. The Chair will state that the gentleman from Ohio (Mr. Wylie) has 14 minutes remaining, the gentleman from Rhode Island (Mr. St Germain) has 21 minutes remaining, the gentleman from Illinois (Mr. Annunzio) has 18 minutes remaining, and the gentleman from Texas (Mr. Paul) has 2 minutes remaining.

Mr. ANNUNZIO. Mr. Chairman, I yield 3 minutes to the gentleman from Kansas (Mr. Glickman).

Mr. GLICKMAN. Mr. Chairman, the chairman of the full committee has asked the question, What is the issue? And the answer, he says, is that the issue is getting as much money in to the U.S. Olympic Committee as possible. But I suggest that is only part of the issue.

The other part of the issue is insuring that the taxpayers of this country are treated in a fair and responsible way, particularly in an era of very high budget deficits.

It looks to me from studying this issue—and I am coming in for the first time today—that the Annunzio approach is the better approach. It looks to me as if we desperately needed the operations and systems under the St Germain bill because the mint could not operate and could not sell coins and perhaps their approach would be better, but my experience tells me the mint has in fact been involved in the disposition and sale of coins, the Carson City dollars and other kinds of things, so we do not need these third parties.

But I would like to raise a third question. It looks to me as if under the committee's bill the Treasury of the United States could be the loser of $260 million. If that is the case, that is more than we would have spent yesterday in both bills, as I recall, the National Bureau of Standards and the other piece of legislation we considered. That worries me. Why should the taxpayers be losing $260 million?

I would like to ask my colleague, the gentleman from Illinois, or my colleague, the gentleman from California, this question. There is a letter dated May—and I have the date as May 7—from the GAO to the gentleman from Illinois (Mr. Annunzio), and it asks this question. I think it is referring to the question of the gentleman from Illinois (Mr. Annunzio).

Does the $210 million in forgone seigniorage revenues—which, as I understand it, are increased value from the original value of the gold, in other words, current value—in this bill constitute a "cost" directly applicable to the coinage program or are they, as some contend, merely a "profit" that will not be made by the Federal Government?

The answer by the GAO was this:

> Seigniorage is a revenue to the Federal Government historically derived from the minting of legal tender coins. Since the Olympic coins are legal tender, historical precedent implies that the Federal Government should derive the same revenues as it does for minting other coins. Foregoing this revenue—

Of $210 million, which, as I understand it, is now $260 million because the projects have been changed in the House bill—

> constitutes a lost opportunity to reduce Federal costs.

By that amount of money, over $200 million.

Continuing, the GAO said:

> The decision to forgo such seigniorage revenues would be similar to decisions providing income tax credits or deductions which serve to reduce the revenues that would otherwise be collected under our Federal income tax structure. Therefore, the foregone seigniorage revenues under H.R. 6058 could be viewed as a "lost opportunity cost" directly applicable to the program and not as foregoing a "profit" that could have been made by the Federal Government. Furthermore, this foregone revenue would, in effect, be contributed to both the Olympic Committee and the private marketer.

The CHAIRMAN. The time of the gentleman from Kansas (Mr. Glickman) has expired.

Mr. ANNUNZIO. Mr. Chairman, I yield 1 additional minute to the gentleman from Kansas (Mr. Glickman).

The CHAIRMAN. Without objection, the gentleman from Kansas (Mr. Glickman) is recognized for 1 additional minute.

Mr. ST GERMAIN. Mr. Chairman, if the gentleman will yield, I have the answer.

Mr. GLICKMAN. Mr. Chairman, I would like to first ask the gentleman from Illinois (Mr. Annunzio), and then I would ask the gentleman from Rhode Island to respond.

Mr. ANNUNZIO. Mr. Chairman, I thank the gentleman for yielding.

I would say to the gentleman from Kansas (Mr. Glickman) that the statement of the GAO, the watchdog of the Treasury and the Accounting Office, is absolutely correct. Money that you do not receive is money that you lose.

Mr. GLICKMAN. I would, then, ask, in full fairness to the gentleman from Rhode Island, to respond, and I yield to him for that purpose.

Mr. ANNUNZIO. First, Mr. Chairman, if the gentleman will yield further, let me say that the chairman of the full committee will probably answer by reading from the testimony of the GAO before the committee, but I wrote a letter to GAO after this testimony, and GAO said it will absolutely be a $260-million loss to the taxpayers of this country.

Mr. GLICKMAN. All right. Now, Mr. Chairman, I yield to the gentleman from Rhode Island (Mr. St Germain).

Mr. ST GERMAIN. Mr. Chairman, I thank the gentleman for yielding.

No. 1, let me say that I read not from GAO. By the way, as far as GAO is concerned, we all have a great deal of respect for it. I have a great deal of respect for the gentleman from Kansas, the gentleman from Illinois, the gentleman from California, and the gentleman from Ohio, but none of us have been imparted with absolute total knowledge. We all make mistakes.

The CHAIRMAN. The time of the gentleman from Kansas (Mr. Glickman) has again expired.

Mr. ST GERMAIN. Mr. Chairman, I yield an additional 30 seconds to the gentleman from Kansas.

Mr. Chairman, will the gentleman yield further?

Mr. GLICKMAN. I yield to the gentleman from Rhode Island.

Mr. ST GERMAIN. Mr. Chairman, Ms. Buchanan of the mint, the person that everybody is talking about here, when asked the question about the GAO's position on seigniorage, said:

> Their argument is a peculiar one and not one that individuals at the mint are familiar with, their argument being that if you have a $100 coin, for instance, that has $100 worth of gold in it and one could sell it for $200. Using that argument, we would sell out 25-cent pieces for 27 cents.

Mr. CHAIRMAN. The time of the gentleman from Kansas (Mr. Glickman) has again expired.

Mr. ST GERMAIN. Mr. Chairman, I yield 30 additional seconds to the gentleman from Kansas (Mr. Glickman).

Mr. Chairman, if the gentleman will yield further, the Buchanan statement continues:

> There is no precedent that one has to add face value to the bullion value to come up with the figure by which you then market your coins.

It is a specious thing. In other words, if you do not sell any coins, you do not make any money. If you do not have a program, you would not lose. They admitted it was forgone revenue, and Ms. Buchanan said it is ridiculous.

Mr. WYLIE. Mr. Chairman, will the gentleman yield?

Mr. GLICKMAN. I yield to the gentleman from Ohio.

Mr. WYLIE. Mr. Chairman, I think this argument against this bill is taking an interesting direction. We are arguing both ways. Moscow lost money, Canada lost money, and now we are going to lose money.

The CHAIRMAN. The time of the gentleman from Kansas (Mr. Glickman) has expired.

Mr. ST GERMAIN. Mr. Chairman, I yield 8 minutes to the distinguished gentleman from California (Mr. Patterson), a member of the committee.

Mr. PATTERSON. Mr. Chairman, I rise in support of S. 1230 as proposed by the distinguished gentleman from Rhode Island (Mr. St Germain), the chairman of the full Banking Committee.

Mr. Chairman, this bill has been favorably reported by the full Banking Committee by a 32-to-7 vote after some 10 months of consideration. It is a very technically complex bill, but it is very simple in its philosophy.

Mr. Chairman, when I introduced the original Olympic coin bill last June, I never dreamed that such an innocuous and high and noble purpose would stimulate as much heated discussion as the President's budget proposal.

☐ 1245

I am extremely pleased that the Olympic Coin Act has finally made its way through the legislative maze to the floor after nearly a year in the Subcommittee on Consumer Affairs and Coinage, and is before us for a vote.

I am, however, saddened by the fact that our Nation's Olympic athletes have once again become a political football.

In the past few days, Mr. Chairman, Members of this body have been assaulted by a barrage of letters opposing the St Germain bill. However, this opposition is without substance, based entirely on falsehoods, inaccuracies, and rhetorical twists.

The commemorative coin program, as embodied in S. 1230, has been carefully crafted so as to provide the maximum amount of revenues for the United States and the Los Angeles Olympic committees while, at the same time, insuring that the coin program is carried out in a manner worthy of this Federal Government's support.

It is true, Mr. Chairman, that S. 1230 utilizes a private marketer. And yes, it is true that that marketer may earn, and hopefully will earn, a designated portion of the proceeds from the retail distribution of the coins. However, Mr. Chairman, this approach was not chosen because the Olympic committees felt compelled to subsidize private industry. This approach was chosen because past experience has shown that the revenues raised by an experienced marketing firm, particularly one with international connections, will greatly surpass those which would likely be generated by a Government-run marketing program. Despite a percentage of the profits going to the marketing firm, the Olympic committees still come out much better than they could or would under the Annunzio substitute.

Mr. Chairman, the simple truth is there are some things which the private sector, and this is a liberal Democrat speaking, can do better than the Government, and one of them is selling.

I would refer Members to the Susan B. Anthony coin and remind them of that experience and the valuable lessons learned from that experience. Merely by putting a committee together, designing a coin of quarter-size, and saying it is a dollar, the U.S. Mint destroyed the effectiveness of that dollar coin. The decision to create a coin of this type was a seriously flawed marketing decision by the mint.

Like all Members of this body, I would like to see all of the proceeds turned over to the athletes, but in order to turn over profits one must make a profit; 10 percent of nothing is nothing. No precedent exists to suggest that the Treasury's ability to market commemorative coins would result in any profit at all.

Contrary to recent allegations, Mr. Chairman, S. 1230 will not cost the American taxpayers one cent, let alone give away $260 million worth of Federal gold and silver. The Los Angeles Olympic Organizing Committee will pay the U.S. Mint, and I hope my colleagues will note, those who have heard the arguments of the other side the greater of either the sum of the total face value of the coins plus the manufacturing costs, or the sum of the market price of the bullion content, the cost of manufacturing, plus a 15-percent surcharge. I feel compelled to point out that in today's gold and silver market the potential profit to the government is considerable, under the St Germain approach, this profit would be more than $65 million, if all of the authorized coins are minted and sold.

You can see, Mr. Chairman, the St Germain Olympic coin bill assures the Federal Government all costs, plus some profit. In fact, the St Germain proposal breaks with commemorative coin precedent in that the Federal Government is reimbursed for manufacturing costs. In the past, the beneficiaries of the commemorative coins have enjoyed a subsidy in that manufacturing costs have been absorbed by the Treasury. The St Germain proposal breaks with that precedent. Again, I must stress that the primary purpose of the coin program is to raise revenues for the Olympics. A discussion of foregone profits to the Federal Government is highly inappropriate. I ask my colleagues, do we really want the Federal Government to profit on our Nation's Olympic athletes?

Mr. Chairman, opponents of the bill have alleged that the St Germain proposal leaves the mint vulnerable to scandal. This is a serious charge and one that should not be taken lightly. Contrary to these suggestions, the St Germain proposal has taken into careful consideration the need for both Treasury and GAO oversight and audit of the coin program and they are in the St Germain bill. I would like to point out that such safeguards are absent from the Annunzio substitute. These sections of the bill have been refined numerous times to insure the sanctity of the U.S. Mint. Under the provisions of S. 1230 of the Department of Treasury and the Los Angeles Olympic Organizing Committees enter into an implementation agreement which provides strict guidelines for all of the details of the coin program, including the price and the schedule of payments, the design of coins, and the choice of marketing organizations. I repeat, the choice of marketing organizations. It will be open to public bid. The allegation that it is going to go to a particular coin group is false. It may go to that group, but the fact is that it will be a public bid.

Mr. ST GERMAIN. Mr. Chairman, will the gentleman yield?

Mr. PATTERSON. I yield to my chairman.

Mr. ST GERMAIN. Let us repeat, if this is such a lucrative thing, there will be thousands of bidders, will there not?

Mr. PATTERSON. I thank my chairman.

Under the other alternative, the Annuzio substitute, however, any group with cash in hand could buy large quantities of coin, large quantities of coins at a discounted rate, and market them in any manner and at any price which they deemed fit.

In other words, this is the coin collectors' alternative, the coin collectors' substitute. Unsupervised bulk sales of coins of this type are not only highly speculative in nature, but they threaten the integrity of the Mint.

After the purchase of these coins at a discounted rate under the Annuzio substitute, these purchasers would be in direct competition with the Mint in the public market. I ask my colleagues, what kind of successful marketing organization would intentionally undermine its own potential market in such a manner?

Mr. Chairman, the commonsense arguments against the gentleman from Illinois' alternative Olympic coin program are endless, but my time is not. I will stop here to allow other Members an opportunity to speak in regard to this bill.

Let me conclude by reminding the House that S. 1230 is the bill supported by the U.S. Olympic Committee, the LA Olympic Committee, the Treasury, the city of Los Angeles and the U.S. Senate, to name just a few. I wholeheartedly urge its adoption without amendment. The moral support offered the Olympic athletes in this legislation will erase all concern in their hearts that the sacrifice which they made in 1980 has been forgotten by the American people.

Mr. ANNUNZIO. Mr. Chairman, I yield 6 minutes to the gentleman from Texas (Mr. Gonzalez), a member of the subcommittee.

I would ask the gentleman to yield to me.

Mr. GONZALEZ. I yield to the gentleman.

Mr. ANNUNZIO. The statement is made on the floor of the House that the U.S. Government cannot market these coins but the U.S. Government can bail out McDonnell Douglas, can bail out Lockheed, can bail out the city of New York, can bail out Chrysler Corp., and this afternoon we have a loan guarantee program where we can bail out the savings and loan industry.

But the U.S. Government cannot mint or market these coins which it has been doing since the creation of the mint.

Mr. GONZALEZ. Mr. Chairman, I rise first of all because I think this was an important point made here by Mr. Annunzio, but actually I think the main one has been overlooked. If nothing else out of this heat and travail, I hope it becomes obvious, at least to the Members of the House, that the time for codification and a whole scale revision of our coinage and mint legislation is long overdue.

There have been some egregious distortions based on, I am sure, a lack of historical analysis and knowledge. When Alexander Hamilton presented his report to accompany the legislation for the establishment of a mint in Philadelphia, which was enacted on April 2, 1792, he just sent a 21-line report, and that included the organization of the mint and designating the specific officers who, to this day, are organized substantially the same way.

Since 1792 there has been only one major revision or codification of this law and that was in 1873, with some recodification efforts in 1875 in the Coinages Act, and they called that the Coinage Act of 1873 and 1875.

Today, contrary to the statements made here by some previously that this is a pattern and that there is precedent, this is not so. This is definitely new legislation, new departures. This bill, as presented now in its present form, is a basic departure because it provides for a variety and a number of coins and other factors.

We are not talking about commemorative medal legislation. We are talking about commemorative coins.

This coinage is legal tender under U.S. statutes. If anyone here thinks that does not have a specific meaning, he is laboring under a great delusion and a mistake in the interpretation of the full range and significance of this fact.

In effect, what we are doing here is reaching the ultimate outer limits of the existing legislation.

A second statement made here that there has been no record of abuse is absolutely contrary to every single experience our country has had with the minting of coins under this peculiar system which, incidentally, did not exist until 1892. It was the 1892 statutes that provided for the issuance or the minting of commemorative coins for individuals or events.

Since I have been a member of this subcommittee, and that is 20 years, I have had a great interest in following the wallowing and floundering we have had in the emergencies that have come up.

Surely even the Members that last spoke right preceding me here were here in Congress and can remember the great contortions and agitation with respect to the Bicentennial issue.

I am sure this is the reason why we are so agitated now. From the very beginning, there was trouble.

Let me show what our history shows. President Hoover on April 21, 1930, in a message to the Congress said:

> During the past 10 years, 15 such special coins have been issued, an average of one each eight months, an aggregate of over 13,000,000 such coins have been authorized. There are now pending before Congress five other bills for such coinage. . . . The monetary system of the country is created and exists for certain well-defined and essential purposes . . . [which] can best be served and the integrity of our coins . . . protected form counterfeiting by limiting the number of designs with which in the course of time the public can become thoroughly familiar. . . . The growing practice of issuing commemorative coins, incidentally to be sold at a profit and provide funds for projects of celebrations, appears to me to run counter to this principle and by their multiplicity to have become a misuse of our coinage system.

President Roosevelt, who followed him, in 1935, in a similar message, said:

> "Nine issues of such coins have been authorized, an average of one issue every three and a fraction months, notwithstanding the fact that in each case the Treasury Department reported adversely on the bill." Noting further that medallic commemoration could suitably replace commemorative coins, Roosevelt quoted from section 3510 of the Revised Statutes to the effect that no change in design should be made more often than once in twenty-five years. He recommended that draft legislation be adopted to the end of declaring it "the policy of the United States to authorize the striking of commemorative medals in lieu of commemorative coins and to discontinue striking of such coins."

What we are doing here today is opening the doors wide to corruption and excess profiteering. The only amendment that I have offered is one that is a feeble attempt to cap the excessive profiteering in this legislation, because it is too late to try to do anything substantive. The issue has now been falsely diverted to whether one is for or against the American Olympic athletes.

But I close, as I started, I hope that if nothing else comes out of this we go into a determined effort to revise and codify our laws with respect to the minting and the coinage that exists today. I am afraid we are like the old Bourbon kings: we learn nothing and forget nothing.

□ 1300

Mr. WYLIE. Mr. Chairman, I yield 3 minutes to the gentleman from Colorado (Mr. Kramer).

Mrs. HOLT. Mr. Chairman, will the gentleman yield?

Mr. KRAMER. I yield to the gentlewoman from Maryland.

Mrs. HOLT. Mr. Chairman, I rise in strong support of S. 1230 brought to the floor by Chairman St Germain. We are all in agreement that the 1984 Olympic games in Los Angeles are worthy of support. The promotion of amateur athletic competition through the Olympics contributes to better understanding between the peoples of the world.

For that reason, I am very comfortable with the bill brought before us by the gentleman from Rhode Island (Mr. St Germain). His bill will not incur any net cost to the American taxpayer. I urge my colleagues to support the St Germain bill.

S. 1230 places the substantial risks of the program on the private marketers and not on the taxpayers, as does the substitute program. That plan calls for total Government marketing in the United States. That program requires an immediate $50 million advance to the Olympic committees out of the Treasury. Whether you call this payment an advance, appropriation, or entitlement it is still a direct payment out of the Treasury.

S. 1230 does not require any Government payments. It requires the private sector to assume the payment of the guarantee to the Olympic committees.

Mr. KRAMER. Mr. Chairman, I rise in support of S. 1230.

I come from a district that is the home of the U.S. Olympic Committee and the U.S. Olympic Training Center. I have watched the development of a national sports festival from its inception in 1978. I have seen the great sacrifices of our athletes firsthand. I have watched the development and selection of our great Olympic hockey team. I have seen the increased ability to train young athletes with limited resources.

I support a coin bill. The U.S. Olympic Committee is currently $2.6 million in debt, and it has a $77 billion budget to fulfill over the next 3 years.

In the Amateur Sports Act of 1978 the Congress mandated that the U.S. Olympic Committee develop and coordinate all amateur sports in the United States, but provided no money to the committee to perform this task. The committee is committed to fielding the best possible team of athletes for the 1984 games.

Funds derived from this bill at no cost to the taxpayer, will help establish a permanent endowment for amateur athletics. A cutback in funding of athletic programs at the high school and collegiate levels means that someone must fill the gap if we are to continue to train fine young men and women who become fine athletes.

The U.S. Olympic Committee—and I think this is an important fact—is the only one out of 150 Olympic committees in the entire world which does not receive government funding.

The committee bill will not, and rightly so, provide Government funding but it will provide the mechanism needed to do the job, and that is why I support the St Germain bill over the other vehicle.

We live in a free enterprise system, and it is free enterprise which can, in joining with Government and the Olympic movement, best provide the optimal amount of funds for the U.S. Olympic movement. This fact is substantiated by testimony of the Secretary of the Treasury and by other experts who know the business of marketing coins.

The administration, the Treasury, the USOC and the LAOC all support the committee bill. The Treasury simply does not have the expertise or the resources to market coins on a domestic and international basis, the approach called for in the substitute.

Let us not risk the future of the 1984 games. Let us not risk the future of the U.S. Olympic Committee and, probably most important of all, let us not risk the future of amateur athletics in this country with a substitute that we are not sure can do the job. For that reason, let us support the St Germain bill.

Mr. ANNUNZIO. Mr. Chairman, I yield 3 minutes to the gentleman from New York (Mr. Biaggi).

Mr. BIAGGI. I thank the gentleman for yielding.

Mr. Chairman, like my colleagues, I have been sitting through this debate for some time. And, like my colleagues, we were delighted to know the Banking Committee was undertaking this particular need, responding to the need of the Olympic Committee and the athletes. So I would like to take this opportunity to congratulate the Chairman, the gentleman from Rhode Island (Mr. St Germain), and also the chairman of the subcommittee, the gentleman from Illinois (Mr. Annunzio), for both of them address an important issue.

I have listened to some of the acrimonious remarks, and I do not think they are relevant. There is a single issue that comes to mind that was made very effectively by the gentlewoman from California when she revealed an analysis that she had made. In order to raise $100 million under the Annunzio bill, it would cost $120 million. In order to raise that same $100 million under the St Germain bill, it would cost some $220 million.

I am not opposed to private marketing. Clearly there is a place for it. But I would be hard pressed to convince my constituents that we would be prepared to pay $120 million in an effort to raise $100 million. It clearly impacts on the consumer and on the taxpayers of our country and, as a result, I would have to come down on the side of the Annunzio substitute.

I am gratified, however, that no matter which version prevails, the needs of our athletes will be responded to in this major effort. But I do not think that we should be required to pay as much as $120 million. I would be prepared to support something that would cost considerably less, but certainly not that exorbitant sum.

I want to take this occasion, once again, to thank the gentlewoman from California for making what I believe is probably one of the most telling points in this entire debate.

Mr. WYLIE. Mr. Chairman, I yield 1 minute to the gentleman from Texas (Mr. Fields).

Mr. FIELDS. Mr. Chairman, I would like to congratulate the gentleman from Rhode Island, the chairman of the House Banking Committee, for his outstanding leadership and perseverance in bringing this important legislation to the floor of the House.

I, too, am a strong supporter of amateur athletics in this country. In fact, I have introduced a bill, H.R. 4454, which is designed to significantly aid the U.S. Olympic Committee in both its short-term and its long-term funding raising efforts.

This bill, which now has been cosponsored by 163 of our colleagues in the House, would simply allow taxpayers to check off a box on their yearly 1040 income tax form indicating they wished to donate $1 of their money to the U.S. Olympic Committee—a dollar from their refund, or by adding a dollar to their taxpayment if there were no refund.

Let me emphasize that the key difference between this checkoff system and the Presidental campaign fund checkoff is that under my bill money going to the USOC would be individual's money not Federal—Government money.

I would say to the gentleman from Rhode Island, that I believe my bill compliments the proposal of the distinguished chairman, and would assist the USOC not only in the upcoming 1984 Olympic games but in its future athletic endeavors. I would be very pleased to have the gentleman join me in this effort and I am happy to support his legislation today.

As a result of the Amateur Sports Act of 1978, the USOC became the coordinating body for all amateur sports in this Nation. While 'I believe the USOC has met that challenge with distinction. The USOC's new role constitutes a significant change in its historical responsibilities which were limited to sending teams to the Olympic and Pan American games.

Today, the USOC conducts a broad range of programs that attempt to reach the novice competitor as well as the Olympic level participant. In fact, only 14 percent of the USOC's 1976-80 budget was used to send U.S. teams to the Pan American and Olympic games.

In order to fulfill the purposes of its Federal charter, however, the USOC needs more funds to reach athletic performers of all ages and abilities, with new emphasis on the handicapped, minorities and women. As a quick example, it now costs $3,000 a year to train a competitive swimmer, $10,000 for an individual gymnast and between $15,000 to $20,000 to properly train a world class figure skater.

I believe that as a nation we must provide our athletes with the proper resources to effectively compete in international competition. For too long, America's athletes have participated in Olympic games with one hand tied behind their backs because of poor facilities and less-than-ideal training programs. That is not fair to them and it is not fair to the literally millions of Americans who support them.

I believe Olympic great Edwin Moses best summarized my feelings in testimony before the Senate Finance Committee on the Senate companion to my bill when he said:

> The Soviet Union and their satellities view the Olympic games as an opportunity for propaganda. They would like nothing more than to come to our soil in 1984 and beat the United States badly. Whether we like it or not, the United States must face this issue and face it immediately. Our choices are three: First, we can quit international sports, saying that we cannot compete effectively against the socialist system; second, we can continue to contest these countries in the haphazard way of the past; or third, we can respond to the challenge.

I believe we must respond to the challenge. Who of us will ever forget that magic moment at Lake Placid, when a group of unknown young American athletes whipped the mighty Russians and stole our hearts as a result of their "miracle on ice."

It is my firm belief that one excellent mechanism for meeting this challenge is contained within my bill, H.R. 4454, the U.S. Olympic Development Fund Checkoff Act. This bill will assist the USOC by allowing Americans to give of themselves to these amateur athletes who spend endless hours training for the opportunity to represent this Nation in international competition.

I would emphasize that my bill does not create a new Federal bureaucracy nor does it mandate new requirements on the Olympic Committee. It simply would establish the U.S. Olympic Development Fund, which would collect money donated by Americans when filing their tax returns. The fund would exist only on paper and would serve only as a bookkeeping tool to transfer donations, 100 percent of the money collected, to the USOC in an orderly fashion.

Every month, the Secretary of the Treasury would transfer an equal portion of the total money collected by the fund to the committee, which would use the money to improve amateur athletics in the United States.

With the 1984 Olympic games quickly approaching, the time for action is now. While I support the legislation we are considering today, I feel we need to go further to meet not only the short-term but the long-term financial needs of the U.S. Olympic Committee. In this way, we can insure that both our Olympic hopefuls and other amateur athletes receive the proper training and facilities they so deserve.

With the passage of this legislation and mine, we can relive those magic moments of 1980 by insuring that our amateur athletes do not make their journey alone and that their dreams and ours become a reality.

Thank you, Mr. Chairman.

The CHAIRMAN. The Chair will announce that the gentleman from Rhode Island (Mr. St Germain) has 12 minutes remaining; the gentleman from Ohio (Mr. Wylie) has 10 minutes remaining; the gentleman from Texas (Mr. Paul) has 2 minutes remaining; and the gentleman from Illinois (Mr. Annunzio) has 5 minutes remaining.

Mr. ST GERMAIN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I would like to at this point use a bit of my time to apologize to the amateur athletes of this Nation, to the volunteers who work with our Olympic committees, to the hundreds of local youth and athletic organizations who have seen their efforts besmirched by some very vitriolic language against this legislation. They deserve better from the House.

Seldom have so few cast so much misinformation about an issue. The excesses have been many. Regardless of one's feelings about this legislation, I trust there are few on this floor who will endorse the tactics of the opposition.

When the unpaid volunteers from the Olympic committees dared to oppose the Annunzio legislation, he opened a session of his subcommittee with this series of charges, and I quote: "Could there be some secret deals, under-the-table payments, special contracts, the hiring of favored law firms, or even out-and-out bribes?"

You know, that is similar to the old cabal, "When did you stop beating your wife?"

Then, as if to wipe away the blood with a single swipe of the towel, he said, and I quote: "I have no information that this is the case, and I hope that these possibilities are not true."

Repeatedly, we have had charges of worldwide scandals. We have had the convenient and, of course, selected leaks to Jack Anderson. We have had the broad innuendoes about supporters of the legisation "helping Communists," a charge that would have made Joe McCarthy proud.

The charges have hurt the Olympics and they have hurt our athletes. The long delay in bringing this measure to the floor, after it sat in the subcommittee for a year, has cost the Olympic effort in Los Angeles and the American team millions of dollars.

Mr. Chairman, under this smokescreen of excesses—and we have heard more today—the Olympic coin issue remains a very simple question.

Commemorative coin programs have become a tradition with the Olympic games. These programs have become an important source of private funds for all host countries. Our own Olympic committees are asking that their Congress allow them, as the 1984 hosts, to continue that tradition and to be allowed to raise funds, as other nations have, in all recent Olympic games.

Our U.S. Olympic Committee has shared the profits of all of these programs—3 percent of the sales conducted in the United States. These sums have been very important to our athletes, and if this Nation fails to conduct a worldwide coin program for the 1984 Olympics, this source of funding for U.S. teams in future Olympics would be eliminated.

The Olympic committees are asking only that we authorize the minting of 17 different Olympic coins that would be sold worldwide by private marketers—private marketers who would assume all of the risks of the program. They are not asking for any public funds.

We have never funded our Olympic athetes with tax dollars. As a result, our U.S. team is heavily dependent on the type of private fundraising contained in S. 1230, more so than any other Olympic team in the world.

As reported by our committee, it is a workable program, S. 1230, lined with public interest safeguards, and with all of the risks and the costs borne by the private sector.

There are five key points to the committee-passed legislation:.

First, a minimum of $30 million guarantee for the Olympics from private sources;

Second, proper incentives to attract private marketers and provide a significant profit for the Olympic Committee;

Third, rational marketing plans that take into consideration the international markets and the international character of the Olympics;

Fourth, proper ongoing supervision of the coin program by the U.S. Treasury and the General Accounting Office; and

Fifth, absolutely ironclad assurances there will be no costs to the Federal Government and that the marketers assume the risks.

As a counter to S. 1230, the opponents of the Olympic Committee's efforts will offer a jerry-built program, patched together in the middle of the subcommittee hearings, which will shift the costs, the risks, and the marketing largely to the backs of the Federal Government, onto a Treasury Department that does not want it.

The gentleman from Illinois (Mr. Annunzio) and the gentleman from Texas (Mr. Paul) have tried mightily to suggest that the mint is secretly behind their plan.

The Treasurer of the United States, who oversees the U.S. Mint, Angela Buchanan, spoke clearly when she appeared before the subcommittee, and I quote:

> There is every reason to believe that the 17-coin program sponsored by Chairman St Germain would generate a far greater sum of money. The potential of the larger coin program offered and promoted by a capable private sector marketing group on a worldwide basis should add substantially to the proceeds received by the Olympic Committees.

Speaking of the Annunzio program, Ms. Buchanan said, and I quote:

> We are reluctant to hinge the success of the 1984 Los Angeles Olympics on a coin marketing program run by the Government. This is particularly the case when a program is proposed that has no exact historical precedents and, therefore makes projections based on historical results somewhat more speculative.

The administration supports S. 1230. This was confirmed as recently as Tuesday of this week when Deputy Secretary R. T. McNamar wrote the distinguished minority leader, Mr. Michel, and I quote:

> We feel that the marketing of the coins by the private sector will maximize the revenues to the Los Angeles Olympic Committee and the U.S. Olympic Committee. *The Administration strongly supports this legislation as reported by the Committee on Banking, Finance and Urban Affairs*. . .

The Treasury Department has been working on this legislation from almost day one. They have met with the Olympic Committees, the prospective marketers, the committees of the House and Senate side.

□ 1315

They have held innumerable conferences on the issue; they have talked with GAO. They have explored the issue fully.

I have a very strong feeling that if there were a worldwide scandal, or any of the other nefarious schemes charged by the opposition, that the Treasury Department and the administration would have long since backed away. They clearly have not been impressed by the string of "Dear Colleague, I have a new charge today" letters of a few of my colleagues.

Mr. Chairman, I want to briefly address the question of coin dealers, coin collectors and the numismatic press. Some elements of this community—particularly the professionals who make their bread and butter off the coin shoppers guides—have lobbied hard for a limited program. The editorial positions of these publications and the gentleman from Illinois (Mr. Annunzio) have, miraculously come out at the same place at the same time.

The editors and publishers of these coin papers have appeared in the hearing room as "members of the press" one day and have appeared on other days as witnesses for the Annunzio proposal. One of the newspapers, Numismatic News, is blatant about its lobbying and has openly boasted that its staff prepared position papers for lawmakers who are opposed to what they describe as an expansive Olympic coin program.

Despite the "Dear Colleague" letters and despite this trade publication lobbying, there is not unanimity of opinion in the coin community. Many important coin people, respected dealers, support the committee reported bill and sincerely question the viability of a Government run program. The numismatic witnesses who take this position—who support the Olympic bill—did not have an opportunity at the hearings, despite repeated requests, they tell me, to testify.

So when you hear claims about the coin community, take it with a little grain of salt.

The collectors are very important, but a program based solely on their desires and their market is doomed to failure. The Annunzio bill may make important elements of the numismatic community feel good, but we are talking about raising funds for the Olympics, not about what the publisher of Numismatic News would like to sell in his newspaper.

In addition to running for the coin publications and their allies in the numismatic community, the opponents of S. 1230 have spent a great deal of time running against Armand Hammer.

Mr. Hammer is head of Occidental Petroleum, one of the firms which has stated it will bid on the marketing program. Mr. Hammer has been shot at from all angles.

"Forget the Olympics and attack Armand Hammer," has become the battle cry of the opponents of S. 1230. They will be passing out ripe tomatoes today for anyone who wants to join in the fun.

Mr. Hammer can defend himself. He and representatives of Lazard Freres appeared voluntarily and willingly—in fact, they had difficulty getting on the witness list—as witnesses before the gentleman from Illinois (Mr. Annunzio).

The CHAIRMAN. The gentleman from Rhode Island (Mr. St Germain) has 2 minutes remaining.

Mr. WYLIE. Mr. Chairman, I yield 2 minutes of my time to the gentleman from Rhode Island (Mr. St Germain).

Mr. ST GERMAIN. I thank the gentleman.

That public record speaks loudly, but it has not stopped the innuendoes.

Frankly, we do not know whether Mr. Hammer or someone else will be the successful bidder. I repeat, if it is such a giveaway, such a profitmaker, there will be an untold number of bidders at the next bidding.

The bidding is open. All bidders must meet a strong list of criteria and all must be willing and able to put up $30 million in the form of guarantees for the Olympics, to pay all production costs to the U.S. Mint, and to assume all risks of the marketing of the coins worldwide and pass muster at the Treasury Department. If the market believes this is a lucrative program, I am sure we will have a long list of bidders. I am hopeful that we will have qualified bidders. I am convinced we will.

One of the dead cats thrown into this debate has been a discussion of a "Greek coin program." Part of this—and I do mean only part—of this story found its way into Jack Anderson's column through a lack of a cable from the U.S. Embassy in Athens—a cable requested by the Annunzio subcommittee. The cable contained a rehash of the charges and countercharges which had apparently been initiated by the losing bidder. The cable concluded that the issue was basically a dispute between two companies.

The connection, via the well worn innuendo path, is that the winning bidder was Numarco, a subsidiary of Lazard Freres, a possible bidder on the U.S. program.

Strangely enough, neither Jack Anderson nor the other peddlers of the Greek mythology bothered to mention the complaining company. The company is Italcambio, a name to remember.

Italcambio is a Venezuelan firm with offices in Milan, Miami, Switzerland, France, Germany, and I am sorry to say Canada. In the 1970's, Italcambio was caught redhanded in the State of New York and charged with fraudulent acts in the marketing of gold coins, purposed to be issued by Cambodia. The New York attorney general moved against Italcambio, put a stop to the fraudulent activities, fined the company, and obtained a court order that among other things forced the company to refund money to purchasers of the "Cambodian" coins.

Now, Italcambio wants back in another program, a "Government-run" U.S. Olympic coin program. The request has moved through State Department channels.

That is one of the things that worries me about the Annunzio proposal which he will present in opposition to S. 1230. Under the marketing plans of the Annunzio bill, uncontrolled marketers—unchecked by anyone—could purchase coins at huge discounts at the Treasury. Nothing could prevent these marketers—from whatever background—from moving in and selling these coins under any kind of misleading promotion to an unsuspecting public.

The St Germain bill, S. 1230, controls the advertising and promotion and requires that the Secretary of the Treasury not only review the materials in advance, but monitor the program throughout.

The Annunzio bill does not have this safeguard for the bulk purchasers and there is nothing to prevent an Italcambio from repeating its Cambodian Gold coin caper.

The marketing under the Annunzio bill is conflicting, with each element undercutting the other. The chances of obtaining qualified foreign marketers under the bill is jeopardized by this strange structure. Frankly, it is simply not workable on a worldwide basis

The gentleman from Illinois (Mr. Annunzio), of course, has attacked the international aspects of the coin program on the floor of the House. As a result, I assume his provision for international marketing is little more than window dressing, and that it is not intended to work.

Today, Mr. Chairman, we will hear opponents of S. 1230 tell us how much they love the Olympics and admire the U.S. athletes. They just want to gut the financing. The Olympics can remain, just do not finance them with a workable program, is the basic line of the opponents of S. 1230.

With friends like this, the 1984 Olympics needs no enemies.

The CHAIRMAN. The time of the gentleman from Rhode Island (Mr. St Germain) has expired.

The gentleman from Ohio (Mr. Wylie) has 8 minutes remaining.

Mr. WYLIE. Mr. Chairman, I yield 3 minutes to the gentleman from California (Mr. Shumway).

Mr. SHUMWAY. Mr. Chairman, I am delighted to have this opportunity to raise my voice in the midst of this spirited debate in support of S. 1230. We have had many statements, very eloquent statements, on the floor here today, I am sure that all of them are very well intentioned. However, I think that some of them have really masqueraded the real need and issue before the House this afternoon. That issue is not whether Armand Hammer pays U.S. taxes or not, it is not whether Occidental Petroleum discloses its prior earnings or not, or whether it happens to be involved in litigation or not. The issue, I believe, Mr. Chairman, is how we can best finance the 1984 Olympic games.

This is a matter that has been under long review, and unfortunately most of that review has not been before the committees of Congress, but has been conducted by media, in the backrooms, and perhaps very little of it in the full committee.

But I think it is very significant for all of us to remind ourselves here today, as we consider this issue, that the athletes themselves, who are very much involved, their organizers, their planners, everyone who is connected with the forthcoming games, have heard all of the points that have been made here today. They have considered these issues. They have heard these arguments and, nevertheless, they have united virtually unanimously in support of S. 1230.

I might add the same kind of analysis and the same kind of position is true with the administration.

I would, therefore, suggest, Mr. Chairman, that this issue has really been unnecessarily protracted. I think the fact of the matter is that most countries who host Olympic games do traditionally mint coins in connection with those games. In this case, we are doing that and simply adding to it the device of financing the games, which certainly is a worthy cause.

I have reviewed this bill and I have heard the arguments, not just today but in the course of committee. I am a Californian. I am a member of the Banking Committee. I am very much in favor of this bill and urge the House that it pass it without limiting amendments.

The CHAIRMAN. Does the gentleman from Texas (Mr. Paul) desire to yield time or to take time at this point?

Mr. PAUL. Not at this point, Mr. Chairman.

The CHAIRMAN. Does the gentleman from Ohio (Mr. Wylie) desire to yield further at this time?

Mr. WYLIE. Not at this point, Mr. Chairman.

The CHAIRMAN. Does the gentleman from Illinois (Mr. Annunzio) desire to yield at this time?

Mr. ANNUNZIO. Mr. Chairman, I yield 3 minutes to a distinguished member of the House Committee on Banking, Finance and Urban Affairs, the gentleman from Georgia (Mr. Barnard).

Mr. BARNARD. Mr. Chairman, we are here today for one and only one purpose. We are here to determine how we can best help our amateur athletes in their efforts to compete in the 1984 Olympic games in Los Angeles.

I do not believe that support for one of the two proposals before us today indicated support for the athletes, while support for the other indicates lack of interest. In fact, I believe that precisely the opposite is true. If we, and I mean all of us, did not have the welfare of the athletes at heart, and if we did not care whether or not they get the best deal, we would be doing other things. We would just pass one bill or the other, and let it go.

However, we really care that the athletes get the best deal, and the debate today has brought up some serious points that really need to be answered. For one thing, we need to decide the question of who will sell these coins.

We know almost exactly who will bid to sell these coins, and in all likelihood, the winner will be the coin group, made up of Occidental Petroleum and Lazard Freres. They have spent hundreds of thousands of dollars on lobbying to get this contract.

Unfortunately, groups of this sort have had a very poor track record in the past, and the money they have provided the Olympics in similar programs have been well below what they promised.

This is no minor point. In 1976, the Montreal Olympics were promised $250 million from coin sales. They got

$24 million. This was a similar program to the one we are asked to support today.

There is no way of telling how much the Moscow Olympics were promised and got, because the same group that is asking us to trust them today with these coins refuses to tell us anything about the details of that transaction. How can we possibly trust an organization with a secret track record with the future of our Olympic games?

Without a doubt, selling either program will take a great deal of selling expertise. However, I question whether only one approach allows for such expertise.

There is no question in my mind about the inbred support this country feels for our Olympian athletes. The length of this debate today is some indication of this support. I have no doubt that there are unlimited professionals who would be pleased to donate their services to help with a mint lead marketing effort, and would insure that the Olympic committees would get all of the proceeds after expenses, and not just a minimum of 36 percent. The provisions of S. 1230 are not the only approach that will allow Americans to buy Olympic coins, and they are not necessarily the provisions that give the athletes the best financial break.

This is a point that needs to be stressed. Under the bill's language, the Olympic athletes are promised only $30 million out of the hundreds of millions that the sales of these coins will raise. After that, they could get 36 percent of what is left after expenses, if there is any left after expenses.

In S. 1230, we would not just be giving the marketing organization 64 cents out of every $1 earned, we would let them subtract whatever expenses they have first. For example, if the coins raised $500 million, the Olympics would not get $180 million, with the coin group getting $320 million. Instead, all the expenses incurred by the coin group would be subtracted first. So if the expenses came to half the purchase price of the coins, which is low by business standards, the Olympic committee would get $90 million, while the coin group would get $410 million; $250 million to repay expenses, and $160 million profit.

This is just plain bad business. If all the expenses of the coin group come off the top, what incentive do they have to keep costs down? How are we going to be able to tell, despite auditing by the Treasury Department, which expenses were necessary, and which simply increase the profits of the coin group?

Let us be honest, is a 36-percent share of the profits fair to the athletes? What about a 55/45 split? Or how about 50/50? If the marketers are really interested in helping the athletes of this country, why will not they give the athletes a better break?

Finally, let us consider the buyers of these coins, our constituents. Some of them bought Olympic coins in 1976 and 1980, and have seen their investments turn to dust. The advertising promised them that they were not only supporting the Olympics, they were making an investment that would grow. Do we want to make the same mistakes with the same type of program again.

Today, both Olympic series sell for the cost of the metal. There were just too many different coins for the collectors to collect, so they ignored them. How many of your constituents are going to come back to you in a couple of years after spending up to $5,000 for basically worthless coins?

In addition, last time this group sold Olympic coins, an individual could not buy just one coin. The purchasers had to sign up for a whole series. This froze out the common man, who might have wished to support the Olympics but could not afford the cost of a whole series.

Mr. Chairman, these problems are avoided by Mr. Annunzio's substitute. It is a fair way to fund the Olympics, while at the same time taking into consideration the needs of the coin buyers. It will avoid the abuses of the past, and is supported by both the American Numismatic Association and the coin press, both of whom represent the people we will expect to buy the bulk of these coins.

I believe that this is the fair way to support our athletes, and I urge my colleagues to support the Annunzio substitute.

The CHAIRMAN. The Chair will state that the gentleman from Ohio (Mr. Wylie) has 5 minutes remaining, the gentleman from Texas (Mr. Paul) has 2 minutes remaining, and the gentleman from Illinois (Mr. Annunzio) has 2 minutes remaining.

Mr. WYLIE. Mr. Chairman, I yield 2 minutes to the gentleman from California (Mr. Lowery).

Mr. LOWERY of California. Mr. Chairman, I rise in support of S. 1230. The most important thing to keep in mind as we consider this legislation is the objective that we are trying to reach, and that is the financial support for hosting the 1984 summer Olympic games in Los Angeles and training for our U.S. teams in athletic programs throughout the country.

Under S. 1230 the support can be provided without spending $1 of taxpayers' money—without spending $1 from the U.S. Treasury.

We all know that our U.S. athletes do not receive Government subsidies. This fact makes it all the more critical that Congress and the Federal Government express support for these fine Americans by approving the measure that will be most beneficial to the athletes.

In addition, the summer Olympics are being held in this country for the first time in 50 years. As is the case with all Olympics, the success of the games reflects directly on the world image of the host country. What better way to emphasize the success of our free enterprise system than a private market effort to fund the games and train the athletes.

As a primary cosponsor of this legislation since it was first introduced almost a year ago, I am fully confident that S. 1230 will be far more effective than any other legislation.

This bill is in fact an improvement over earlier versions. Stronger restrictions against conflict of interest and inappropriate advertising have been added. The legislation provides for control of the program by the Secretary of Treasury, audits by the GAO, and specifically states that there shall be no net cost to the Federal Government.

□ 1330

S. 1230 enjoys bipartisan support in both the House and the Senate, the support of both the United States and the Los Angeles Olympic organizing committees, the mayor of Los Angeles, the Honorable Tom Bradley, U.S. Treasury, the White House, the House Banking Committee by a vote of 32-to-7, as well as a host of athletic organizations all over this country, including:

U.S. Olympic Committee;

Los Angeles Olympic Organizing Committee;

U.S. Treasury Department;

President's Council on Physical Fitness;

YMCA's of America;

Catholic Youth Organization;

Jewish Welfare Board;

Special Olympics, Inc.;

Exploring Division of the Boy Scouts of America;

National Junior College Athletic Association;

National Association of Intercollegiate Athletics;

National Wheelchair Athletic Association;

U.S. Association for Blind Athletes;

Women's Sports Foundation;

Amateur Softball Association of America;

USA Amateur Boxing Federation;

Little League Baseball; and

U.S. Jaycees.

In short, S. 1230 would provide a far greater sum of money to support the Olympics and shifts both the costs and the risks of the program from the Federal Government to the private firms who will be awarded the successful bid.

This is the only viable, workable legislation which is under consideration today.

Now, we have heard a great deal of assumptions today, assumptions that the U.S. Treasury would automatically sell $120 million worth of coins, thus netting the Los Angeles Olympic Committee some $100 million. Well, it is not as easy as just assuming. There is a good deal of work, expertise, advertising and money that is involved.

The U.S. Mint assumed that the Susan B. Anthony dollar would be accepted. Well, shucks, as we all know, it was not even accepted by the ticket machines at Washington Metro.

I cannot say as I blame the machines, they did not assume it was a dollar, when it looked like a quarter.

The key here is the word assumption. Who is assuming the risk? If we want the risk to be borne by the taxpayers of the United States, then support Mr. Annunzio's substitute amendment. I do not think that is the way to go, the Reagan administration does not think that is the way to go, the Treasury Department does not think that is the way to go, the U.S. Olympic Committee does not think it is the way to go. Under S. 1230 the risk is borne by the private sector.

Mr. Chairman, the gentleman from Rhode Island (Mr. St Germain) so ably pointed out we have heard a good deal of debate, charges innuendo, and outright character assassination. As a wise old lawyer once said, "If you've got the facts, you pound the facts. If you've got the law, you pound the law. If you don't have either, you pound the table."

I submit to my colleagues that we have heard a great deal of table pounding today in utter disregard of the facts.

Mr. Chairman, time is of the essence if we are to reach our objective of private support for our U.S. Olympics. I urge passage of S. 1230.

Mr. PAUL. Mr. Chairman, I yield 2 minutes to the gentleman from Delaware (Mr. Evans).

Mr. EVANS of Delaware. Mr. Chairman, I want to congratulate the chairman of the Banking Committe, the gentleman from Rhode Island (Mr. St Germain), and the chairman of the subcommittee, the gentleman from Illinois (Mr. Annunzio), and our ranking member, the gentleman from Ohio (Mr. Wylie), and the gentleman from Texas (Mr. Paul), the ranking minority member on the subcommittee, for bringing this issue to the floor of the House.

I think the debate has been good and I think the differences of opinion have been well expressed. I do not think there is a single soul in this body that does not believe in the Olympic movement, that does not believe in the importance of the Olympics.

Since we did not participate at Moscow in 1980, it underscores the importance of participation at Los Angeles in the summer of 1984, because the Olympic movement and the Olympics themselves can be a bridge toward better understanding. I think they can help pierce that veil of distrust that exists among nations by developing greater respect on a personal level from participants all over the world.

Therefore, I think there is no question but that both sides should quite properly support strongly the Olympics.

The question and the real issue is what form our support takes, whether it takes the form of the St Germain-Wylie bill or the form of the Annunzio substitute.

Personally, I do not think we need to see another Susan B. Anthony type debacle. I say that in terms of the emotional atmosphere surrounding the issue on the floor of the House and in the Banking Committee when that bill passed through the Banking Committee by a vote of 39-to-1 and overwhelmingly on the floor.

I am proud of the fact that I was that one dissenting vote in the Banking Committee and the one that spoke up here on the floor against it, not because I was opposed to Susan B. Anthony, but because I was opposed to the manner in which it came to the floor. In fact, we had not had the complete debate we needed. We did not test market the product before spending millions of dollars paid for by American taxpayers. In this instance we have had extended debate and there are two alternatives. One is that of the gentleman from Rhode Island (Mr. St Germain), and if that is the only alternative available, I am going to vote for it. But, I think the alternative of the gentleman from Illinois (Mr. Annunzio) is a better one. I think it gives us another option, one that gives the total amount of money raised to the Olympic movement and to our amateur athletes.

I think the very best approach, would be to appropriate the funds for the Olympics, because it is a wise investment of limited resources. I do strongly believe that the Olympics can help to bring about a more peaceful world.

But, the direct appropriations route is not available to us today. Of those available I think the Annunzio approach is the best one, but if it does not prevail, I certainly will support the St Germain proposal because we need to insure the success of the Olympics.

Mr. ANNUNZIO. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, in the remaining 2 minutes I want to express my deep appreciation to all of the Members of the House who have participated in this debate, especially those who have sat here throughout the entire morning and the afternoon.

This has been a good debate. As chairman of your coin committee, I have in all honesty tried to bring to the floor of this House all of the facts confronting the Members of this House as far as the Olympic coin bill is concerned.

Fact 1: The Los Angeles Olympic Organizing Committee had entered into a $5 million contract with the Occidental Petroleum Co. and $1 million of that $5 million has already been used.

As you know, about a month ago, because of the lateness of the hour, Occidental and Lazard-Freres withdrew from the contract. One week after they withdrew, I was asked for a statement and I made a very simple statement. They are going to be back in the ball game.

Well, they are back into the ball game. Dr. Armand Hammer appeared before our subcommittee. He talked about his $30 million guarantee. Let no one fool you. There is no $30 million guarantee. There is a $20 million guarantee.

Mr. WYLIE. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, the Olympic coin legislation which is before us today has drawn a degree of interest which is very unusual for a coin bill. It is unusual in my stay in Congress, I might say.

This bill does provide for an allocation formula which is designed to protect all interests, including the taxpayers of the United States. We have acted at the request of the Treasury and with the approval of the Olympic interests, so that there would be no doubt about the distribution of the funds under this plan.

Most Members support the Olympic games. Most Members of the House, of course, support the spirit of the Olympic games and we want to be behind those games. There is something of a tradition for the host nation to issue commemorative coinage to honor and support our athletes and our Olympics.

I see that the chairman wants me to yield.

I yield to the gentleman from Rhode Island.

Mr. ST GERMAIN. If the gentleman will yield, just a quick statement on the guarantee. Is it not correct that S. 1230 requires that there be a $30 million guarantee if the legislation is adopted.

Mr. WYLIE. Absolutely, and that point has been made many, many times.

In authorizing the Olympic coinage, the Congress may directly act to assist the Olympics and our athletes.

I think it is an appropriate role for Congress to act in that fashion. As a matter of fact, no one else can mint

coins of the realm and that is what is going to make the Olympic coins attractive, the fact that they do have legal tender status.

The debate in our committee, as I have said, has been very extensive and most of us believe that this program should not be rejected because of suspicions, either real or imagined, about the motives of the prospective marketeers.

I honestly believe that there are adequate safeguards so that the Olympics will benefit from the sale of these coins.

I think the bill we have before us is the appropriate vehicle and I urge adoption of S. 1230.

● Mr. DIXON. Mr. Chairman, it is with great pleasure that I rise in strong support of S. 1230, the Olympic Coin Act, and urge its prompt passage and final enactment by this Congress.

The bill before us today will go a long way toward making the 1984 Olympics in Los Angeles the finest in the history of the modern games. It is an effort of which all Americans can be proud. Certainly it is one in which I have great pride, as one who has the honor and privilege of representing a district which includes the sites of many Olympic events, including the colorful opening and closing ceremonies, the Olympic village at the University of Southern California, and the sites of the track and field, boxing, basketball, swimming, and weight-lifting competitions.

Anyone who has been involved in the planning of the games must appreciate the magnitude of the task facing the Los Angeles Olympic Organizing Committee. The summer Olympic games, the first to be held in the United States in 52 years, requires a myriad of preparations, from the construction and renovation of venues to transportation and security in order to accommodate the thousands of athletes, press, and spectators who will converge in Los Angeles 2-years hence. At the same time, the U.S. Olympic Committee is in constant need of financial support in order to develop and maintain training facilities to enable our country to compete with athletes from the rest of the world.

At the same time, we in Los Angeles have been acutely aware of the excesses of past Olympiads, and the need to place the 1984 games in proper perspective. It is with this thought in mind that Los Angeles, site of the 1932 games, presented their bid, and it is with this thought that the planning of the games has proceeded. To an extent unparalleled in Olympic history, the games of the XXIIId Olympiad are to be conducted for the most part in already existing stadiums, taking advantage of the already excellent facilities which have made Los Angeles the sports capital of the world. Beyond this, the organizers of the games very early on foreswore the use of Government funds, a commitment to private funding backed up by the Los Angeles City Council, which passed a charter amendment insulating local taxpayers from any financial responsibility or liability for the games. As 1984 approaches, the LAOOC is well on the way to meeting this goal, having arranged for a select but lucrative series of corporate sponsorships, including the privately underwritten construction of new world-class swimming and bicycle racing facilities.

The Olympic coin bill fits well into both of the aforementioned needs, by providing a lucrative source of funding for both Los Angeles and the ongoing U.S. Olympic movement, and maintaining the concept of private contributions and no cost to the taxpayers. As amended by the House Banking Committee, the bill authorizes the minting of 17 different commemorative coins in honor of the 1984 games. All coins will be legal tender as "coins of the realm". Marketing of the coins would be done by private entities with capacity for such a massive worldwide undertaking, but only after competitive bidding and with safeguards, including full authority for GAO audits and quarterly reports to Congress, to insure that the integrity of U.S. currency is maintained and that the maximum revenue go for the conduct of the games and the training of our Olympic athletes. Under the bill, the LAOOC will obtain a minimum of $30 million, in up-front money from the private marketers, regardless of the number of coins sold, with the potential, based on previous examples from other countries, of more than $200 million.

Mr. Chairman, anybody who has followed the progress of this legislation, particularly since its initial Senate passage a year ago, realizes that there have been some contentious issues and sticking points, and perhaps even some hard feelings. Yet I think in future years we will be able to look back onto this program with pride, knowing that we in Congress have reaffirmed our Nation's commitment to the Olympic movement after the Moscow boycott in a manner which safeguards coin collectors and the taxpaying public. I strongly urge the passage of this bill.●

● Mr. ROBERTS of South Dakota. Mr. Chairman, I rise in support of S. 1230, to produce gold coins in honor of the 1984 Olympic games in Los Angeles. In announcing my support for S. 1230, I do so because I definitely believe that the proper way to market these coins is through the free enterprise system.

I would remind my colleagues of the strong support of this free-market approach by the Jaycees. As a former State vice president of the Jaycees, I find the argument to leave the marketing in private hands is the most sensible manner to honor the Olympic tradition in a country committed to free enterprise.

In opposing the Annunzio amendment to make this a wholly Government project, I feel that the free enterprise system can be trusted to market the coins to the best benefit of all concerned.

Further, Mr. Chairman, I congratulate the Jaycees for making this one of their priority projects.●

The CHAIRMAN. All time has expired.

Pursuant to the rule, the substitute committee amendment recommended by the Committee on Banking, Finance and Urban Affairs, now printed in the reported bill, shall be considered as an original bill for the purpose of amendment, and shall be considered as having been read. It shall be in order to consider: First, an amendment to said substitute printed in the Congressional Record on May 19, 1982, by, and if offered by, Representative St Germain; and second, an amendment in the nature of a substitute to said substitute printed in the Congressional Record of May 19, 1982, by, and if offered by, Representative Annunzio after consideration of the amendment offered by Representative St Germain and other perfecting amendments.

The Clerk will designate the amendment.

The text of the committee amendment in the nature of a substitute is as follows:

S. 1230

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

Section 1. This Act may be cited as the "Olympic Coin Act of 1982".

PURPOSES

Sec. 2. It is the purpose of this Act to provide for the minting of commemorative coins to honor and commemorate the 1984 Los Angeles Olympic games.

MINTING

Sec. 3. (a) Notwithstanding any other provisions of law, the Secretary of the Treasury shall mint—

(1) not more than twenty-five million coins with a face value of $1, each coin—

(A) weighing 22.68 grams;

(B) having a diameter of 38.1 millimeters; and

(C) comprised of two identical outer layers, weighing together at last 30 per centum of the total weight of the coin and consisting of an alloy made of 75 per centum coppper and 25 per centum nickel, which are metallurgically bonded to an inner layer made of copper;

(2) not more than fifteen million coins with a face value of $10, each coin—

(A) weighing 33.625 grams;

(B) having a diameter of 38.1 millimeters; and

(C) consisting of an alloy made of 92.5 per centum silver and 7.5 per centum copper;

(3) not more than one million coins with a face value of $50, each coin—

(A) weighing 4.937 grams;

(B) having a diameter of 19 millimeters; and

(C) consisting of an alloy made of 90 per centum gold, and of 10 per centum silver or copper in such proportions as are determined by the Secretary; and

(4) not more than one million coins with a face value of $100, each coin—

(A) weighing 9.874 grams;

(B) having a diameter of 23 millimeters; and

(C) consisting of an alloy made of 90 per centum gold, and of 10 per centum silver or copper in such proportions as are determined by the Secretary.

(b) The coins minted under subsection (a) shall bear—

(1) a designation of the face value of the coin;

(2) an inscription of the year the coin is issued; and

(3) an inscription of the wards "Liberty", "In God We Trust", "United States of America", and "E Pluribus Unum".

(c) The designs of all coins minted under subsection (a) shall be determined by the Secretary, in consultation with the Los Angeles Olympic Organizing Committee, and shall be emblematic of the Olympics, United States participation in the Olympics, United States athletes, and other symbols consistent with the purposes of this Act. All coins minted under subsection (a) shall have a common reverse design.

(d) All coins minted under subsection (a) shall be legal tender as provided in section 102 of the Coinage Act of 1965.

(e) No coins shall be minted under subsection (a) after December 31, 1984.

MINTING SPECIFICATIONS

SEC. 4. (a)(1) The coins with a face value of $1 minted under section 3(a)(1) shall be issued in a single design and shall be of brilliant-uncirculated quality.

(2) The coins with a face value of $10 minted under section 3(a)(2) shall be issued in three series with four designs for each series and shall be of brilliant-uncirculated and proof qualities.

(3) The coins with a face value of $50 minted under section 3(a)(3) shall be issued in two series with a different design for each series and shall be of brilliant-uncirculated and proof qualities.

(4) The coins with a face value of $100 minted under section 3(a)(4) shall be issued in two series with a different design for each series and shall be of brilliant-uncirculated and proof qualities.

(b) The Secretary may reduce the number of designs for each series of coins specified in subsection (a) if the Secretary determines that such reduction is in the best interests of the United States, including meeting the coinage needs of the Nation.

(c) The Secretary shall obtain gold and silver for the coins minted under section 3(a) pursuant to the authority of the Secretary under existing law.

SALE AND DELIVERY

SEC. 5. (a) All coins minted under section 3(a) shall be delivered by the Secretary as requested by the committee for distribution and sale to the public in accordance with the terms of the agreement entered into under section 7.

(b)(1) The Secretary shall begin delivery of the coins with a face value of $1 minted under section 3(a)(1) not later than January 1, 1984. The Secretary shall begin delivery of the three series of coins with a face value of $10 minted under section 3(a)(2)—

(A) not later than January 1, 1983, for the first series;

(B) not later than July 1, 1983, for the second series; and

(C) not later than January 1, 1984, for the third series.

(2) The Secretary shall begin delivery of the two series of coins with a face value of $50 minted under section 3(a)(3) and the two series of coins with a face value of $100 minted under section 3(a)(4) not later than January 1, 1983, for the first series of each such coin and not later than January 1, 1984, for the second series of each such coin.

PRICE

SEC. 6. The Secretary shall furnish the coins minted under section 3(a) to the committee at a price agreed to under the agreement negotiated under section 7(a), which price shall be equal to the greater of—

(1) the sum of the total face value of the coins and the cost of manufacturing and engraving; or

(2) the sum of the market price of the metal used in minting the coins, the charges for strip and blank fabrication, the cost of manufacturing and engraving, and a 15 per centum surcharge on the amount of the cost of manufacturing and engraving.

IMPLEMENTATION AGREEMENT

SEC. 7. (a) The Secretary shall enter into an agreement with the committee which shall provide for the implementation of the provisions of this Act and which shall include an agreement on—

(1) the amounts to be advanced under section 10;

(2) the details of how the price for the coins will be determined and the schedule of payments for the coins;

(3) the number of each type of coin to be minted, and schedules and other provisions for the delivery of the coins;

(4) the quality and tolerance of the coins; and

(5) the proportions of proof and brilliant-uncirculated ten dollar, fifty dollar, and one hundred dollar coins.

(b) The agreement between the Secretary and the committee shall identify the designs of the coins as determined under section 3(c).

(c) The agreement between the Secretary and the committee shall ensure that the minting of coins authorized by this Act shall result in no net cost to the United States Government.

(d) The agreement between the Secretary and the committee shall provide that neither the committee nor the marketing organization, its assignees, or its subcontractors shall make any statement or representation which would state, imply, implicate, or tend to imply or to implicate that any portion of the purchase price of any coin authorized by this Act is tax deductible in whole or in part by the purchaser. Such agreement shall provide appropriate sanctions for the breach of such provision of the agreement.

(e) The agreement between the Secretary and the committee shall be concluded within sixty days of the date of the enactment of this Act. The Secretary, upon notice to the committee, may extend, by not to exceed an additional fifteen days, the time by which such agreement shall be concluded.

(f) The Secretary may not enter into an implementation agreement with the committee unless the selection of a marketing organization has been made under section 8.

(g) The Secretary may terminate the implementation agreement and cease minting and the delivery of the coins authorized by this Act if the Secretary finds that such termination is in the best interests of the United States. Reasons for such termination may include—

(1) actions which are materially inconsistent with the terms of the implementation agreement or the marketing agreement between the committee and the marketing organization; or

(2) advertising materials that are inappropriate for advertising the sale of United States coinage or otherwise not in keeping with the dignity of United States coinage.

(h) If the Secretary exercises his authority under subsection (g) or section 4(b), the amount of any proceeds guaranteed to the committee by a marketing organization under the marketing agreement shall be reduced appropriately.

SELECTION OF MARKETING ORGANIZATION

SEC. 8. (a) As soon as possible after the effective date of this Act, the committee shall solicit, in accordance with procedures specified by the Secretary, proposals from marketing organizations to carry out a marketing agreement. Such procedures shall include the publication of evaluation criteria that will serve as the basis for selecting one or more marketing organizations. Such criteria shall include—

(1) the financial resources and coin marketing experience of the marketing organization;

(2) the estimated proceeds to the committee from the sale or other disposition of the coins and the manner of payment of actual proceeds and guaranteed amounts;

(3) the commitment of the marketing organization to guarantee the committee not less than $30,000,000 from the sale or other disposition of the coins; and

(4) the terms and conditions for the marketing of the coins, including—

(A) proper and equitable distribution of the coins;

(B) accurate and otherwise appropriate advertising materials to be used in promoting the coins; and

(C) the wholesale and the retail prices of the coins, and if necessary, reasonable ranges for such prices.

(b) Within forty-five days after the effective date of this Act, the committee shall consider all proposals received from marketing organizations under subsection (a) and select one or more marketing organizations which offer the terms for marketing of the coins most favorable to the committee, in accordance with the published evaluation criteria. The selection of any marketing organization shall be subject to the approval of the Secretary.

(c) Any marketing organization selected shall agree, as part of its proposal, to comply with provisions—

(1) ensuring that the marketing organization will use its best efforts to achieve the broadest practicable distribution of coins consistent with maximizing the receipts to the committee;

(2) preventing the possibility of a conflict of interest by requiring that neither the marketing organization, its assignees, nor any person or entity controlling, controlled by, or under common control with, the marketing organization or its assignees, will buy or sell or profit from the coins in the secondary market, or in retail sales (except direct mail sales), without the prior consent of the committee and the Secretary;

(3) requiring the marketing organization to select marketers and distributors based on such marketers' and distributors'—

(A) past experience with coin programs;

(B) sales potential for the coins;

(C) professional integrity;

(D) marketing and support capabilities; and

(E) financial stability;

(4) requiring that the marketing organization will closely monitor any marketers and distributors it selects to ensure that their advertising copy and marketing and coin distribution methods are in accordance with procedures and policies that protect the reputation, image, and dignity of the Olympics, United States coinage, and the United States Government;

(5) ensuring that all advertising material intended for use in connection with the marketing of the coins shall be subject to approval by the committee and the Secretary; and

(6) ensuring that the prices of coins sold by the marketing organization or its assignees to purchasers in the United States shall be uniform throughout the United States, except for such differences in price as shall be appropriate in selling to wholesalers, dealers, and to the public through direct mail or otherwise.

(d)(1) In the event that no marketing organization bids on the solicitation or no bid is found acceptable, the Secretary may implement as many provisions of this Act as the Secretary deems to be in the best interests of the United States. In no event may the Secretary implement the program in such a manner that the program involves any net cost to the United States Government, or that the required recordkeeping, reporting to the Congress, or auditing by the General Accounting Office are in any way impaired.

(2) The Secretary may mint and issue coins in such quantities, denominations, and designs as the Secretary shall determine. The Secretary may provide for the marketing of such coins, pursuant to the Secretary's authority under this law or any other law, through the committee, through one or more marketing organizations (with which he may contract directly), through the facilities of the mint, or any combination of the foregoing.

(3) The Secretary shall attempt to implement the program in a manner which will provide such revenues as may reasonably be raised under the circumstances for the committee from the disposition of coins, consistent with the other obligations of the Secretary under this Act. Nothing in this subsection shall permit the Secretary to guarantee any minimum payment to the committee.

RECEIPTS FROM DISPOSITION OF COINS

SEC. 9. (a)(1) From all amounts received by the marketing organization from the commercial sales of the coins, redemption of the coins at face value, and sales of the coins' contents, the committee shall receive from the marketing organization not less than the amount determined under the following cases:

(A) if the aggregate gross margin does not exceed $350,000,000, 38 per centum of the aggregate gross margin;

(B) if the aggregate gross margin exceeds $350,000,000 but does not exceed $500,000,000, 40 per centum of the aggregate gross margin; and

(C) if the aggregate gross margin exceeds $500,000,000, 40 per centum of the aggregate margin that does not exceed $500,000,000 and 80 per centum of the aggregate gross margin in excess of $500,000,000.

(2) For purposes of this subsection—

(A) the term "gross margin" means the total of the gross amounts paid to the marketing organization or its assignees by purchasers for the coins' sold by the marketing organization or its assignees plus such other amounts paid to the marketing organization or its assignees for the redemption of the coins at face value and for sales of the coins' contents, minus allowable costs. To avoid duplication, all sales of the coins between or among the marketing organization and its assignees shall be excluded from the gross amounts charged or invoiced by the marketing organization or its assignees; and

(B) the term "allowable costs" means only—

(i) fees and commissions but not gains or losses, of "hedging transactions" necessary to protect against fluctuations in the cost of metals;

(ii) commissions to be paid to direct mail proprietors of exclusive mailing lists in the case of retail direct mail sales by or for the marketing organization's account;

(iii) the purchase price paid to the Secretary or the committee for the coins;

(iv) returns and refunds, credits, discounts, allowances, or similar customer adjustments;

(v) sales, use and turnover taxes;

(vi) customs duties and tariffs;

(vii) fees for conversion of foreign currency to United States dollars;

(viii) costs of transporting, in an insured manner, and delivering the coins from the Treasury to distribution centers prior to sale by the marketing organization or its assignees; and

(ix) the cost of packaging the coins prior to sale by the marketing organization or its assignees.

(3)(A) To the extent any allowable costs are not actually incurred by the marketing organization or its assignees, such costs shall not be charged in computing gross margin.

(B) All computation of gross margin shall be made on the cash basis of accounting.

(b) All amounts received by the committee under subsection (a) shall be used for the purpose of staging and promoting the 1984 Los Angeles Olympic games and assisting the United States Olympic Committee and amateur athletics. Within ten days of receipt of any amounts under subsection (a), the Committee shall remit 50 per centum of such amount to the United States Olympic Committee, which, after fulfilling its obligations to foreign National Olympic Committees, shall use such funds directly and solely for the purposes of training American Olympic and American amateur athletes and erecting facilities for the training of such athletes.

(c)(1) On March 31, 1985, the committee shall remit to the United States Olympic Committee all amounts remaining from the disposition of the coins under this Act. In no event may such amount be less than that portion of the unobligated funds of the committee on that date represented by the ratio of the total amount of income received by the committee from the disposition of the coins minted under this Act to the total amount of income received by the committee from all sources.

(2) After March 31, 1985, all amounts received by the committee from the disposition of coins minted under this Act shall be remitted within ten days to the United States Olympic Committee.

(3) All amounts received by the United States Olympic Committee under this subsection shall be used solely for the purposes described in subsection (b).

(d) With respect to the sale of any coin authorized under this Act, no portion of the purchase price of such coin which is paid to the committee, to the marketing organization selected by the committee pursuant to section 8, to such marketing organization's assignees or subcontractors, or to any other person shall be deductible by the purchaser as a charitable contribution under section 170 of the Internal Revenue Code of 1954.

FUNDING

SEC. 10. The committee shall pay in advance to the Secretary such sums as are necessary to carry out the provisions of this Act. Such funds shall be deposited in a trust fund which shall be subject to, and administered in accordance with, the provisions of section 20 of the Permanent Appropriations Repeal Act (31 U.S.C. 725s). Funds in such trust fund shall be used solely for the purpose of carrying out the provisions of this Act. Any sums advanced under this section shall be deducted from the amount the committee is required to pay the Secretary for the coins authorized by this Act.

REPORTS TO CONGRESS

SEC. 11. Not later than forty-five days after the end of each calendar quarter, the Secretary shall transmit to the Congress a report regarding the disposition of coins minted under section 3(a) during such calendar quarter. No such report shall be required with respect to any calendar quarter beginning after June 30, 1985. The committee and the marketing organization shall furnish to the Secretary, in a timely manner, such information as the Secretary may require in order to prepare such reports.

RECORDKEEPING REQUIREMENTS

SEC. 12. The Los Angeles Olympic Organizing Committee, the United States Olympic Committee, any person with whom the Los Angeles Olympic Organizing Committee enters into a contract for the marketing or distribution of coins minted under this Act, and any person to whom the rights to market such coins are assigned or to whom obligations of the marketing organization are subcontracted, shall keep records which fully disclose the amount and disposition of commemorative coins and other funds received pursuant to this Act, all funds received from the disposition of such coins, the total cost of the project or undertaking, the amount of the cost of the project or undertaking provided by other sources, and such other records as will facilitate an effective audit.

AUDITS

SEC. 13. The Comptroller General of the United States shall have the right to examine all books, records, documents, and other data relating to the marketing agreement, the coins, and the funds under this Act of (1) the Los Angeles Olympic Organizing Committee, (2) the United States Olympic Committee, and (3) any person with which the Los Angeles Olympic Organizing Committee enters into a contract for the marketing or distribution of coins minted under this Act, as well as any person to whom the rights to market the coins are assigned or to whom obligations of the marketing organization are subcontracted. The Comptroller General of the United States shall also have the right to examine all books, records, documents, or other data of the Los Angeles

Olympic Organizing Committee to determine compliance with section 9(c).

RELATION TO OTHER LAWS

Sec. 14. No Federal law regarding Federal procurement or public contracts shall apply with respect to any contract entered into pursuant to authority provided by this Act for purposes of carrying out the provisions of this Act.

SECURITY OF MINT MAILING LIST

Sec. 15. The Secretary may not permit the list of numismatic customers maintained by the Bureau of the Mint to be used, directly or indirectly, by any marketing organization.

DEFINITIONS

Sec. 16. For purposes of this Act—

(1) the term "coins" means coins minted under this Act;

(2) the term "Committee" means the Los Angeles Olympic Organizing Committee;

(3) the term "marketing organization" means a firm or joint venture which proposes to purchase coins from the Los Angeles Olympic Organizing Committee and resell such coins to the public;

(4) the term "marketing agreement" means a contract for the marketing of coins; and

(5) the term "Secretary" means the Secretary of the Treasury.

AMENDMENT OFFERED BY MR. ST GERMAIN

Mr. ST GERMAIN. Mr. Chairman, I offer an amendment that was printed in the Record pursuant to the rule.

The Clerk read as follows:

Amendment offered by Mr. St Germain: On page 17, line 3, after the period insert a new sentence to read as follows: "Funds that have been paid in advance into the trust fund may be used to reimburse without delay the appropriation against which charges properly chargeable to the trust fund have been made."

Mr. ST GERMAIN (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. ST GERMAIN. Mr. Chairman, this amendment was requested by the Treasury Department and is intended to deal with a technical accounting problem that Treasury considers extremely important. Under S. 1230, as amended, a trust fund is set up to receive advance payments from the private marketers to defray Treasury's operational costs of minting the coins. Treasury may draw on that trust fund for its expenses incurred under the act. A problem arises, for example, when a mint employee spends part of his or her time in a given period on Olympic coin matters and part on other regular mint matters. In that situation, Treasury is concerned that it would have to draw two separate checks, one on the trust fund and one on the mint's regular appropriation account. Treasury says, "it is administratively easier to operate the mint's accounts from one 'checkbook,' the appropriated account, and reimburse expenses as required, rather than establish a separate operating account solely for Olympic coin purposes."

This amendment would allow Treasury to draw on its appropriations account, subject to reimbursement without delay, from the trust fund, for the portion allocable to the Olympic coin program. I hasten to point out that that, because of the requirement in the bill for advance payments by the marketers of Treasury's minting costs, all the money needed to reimburse the mint's regular appropriation would be in the trust fund before the regular mint appropriation is drawn on. Therefore, there would be absolutely no risk whatsoever to the appropriation in taking care of this technical problem, and the transfer must take place without delay so the impact of the amendment is rather minimal.

Mr. ROYBAL. Mr. Chairman, I move to strike the last word.

I would like to use the time to ask some questions.

Mr. ST GERMAIN. On the amendment?

Mr. ROYBAL. On the amendment, particularly and then following that on the bill as a whole.

Now, what does that amendment actually do? Will it request an appropriation of any kind from the House?

Mr. ST GERMAIN. No, sir. I thought I had explained that.

Mr. ROYBAL. It was quite fast reading and I could not follow it.

Mr. ST GERMAIN. Under the legislation, S. 1230, the successful bidder when ordering coins must first say, let us say they are buying $20 million worth of coins, they have come up with $20 million cold hard cash that they give to the Treasury before the mint starts producing the coins. That is put in a trust fund and those moneys are then drawn upon.

On a given day, a mint employee might be working 3 hours on Olympic coins, 5 hours on regular coinage for the Nation.

All right, they have to split up those hours. Because of the technicality, instead of giving two checks, they want to be able to give him one check and then reimburse from the trust fund to the appropriated funds.

Mr. ROYBAL. Under this amendment then, the buyer of the coins puts the money up front——

Mr. ST GERMAIN. No; under the legislation the buyer of the coins puts up the money up front.

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Mr. ROYBAL. Who bares the cost of manufacturing the coins?

Mr. ST GERMAIN. That is included. It is the cost of the coins plus manufacturing costs.

Mr. ROYBAL. But who advances the money?

Mr. ST GERMAIN. They are paid for ahead of time by the private marketer, whomever the successful bidder might be.

Mr. ROYBAL. Is it not true, then, that the buyer of the coins actually advances the money for the manufacturing of the coins?

Mr. ST GERMAIN. That is correct under the legislation; not under the amendment.

Mr. ROYBAL. Under the legislation that is true?

Mr. ST GERMAIN. Yes, sir.

Mr. ROYBAL. What is the difference, then, between the legislation and the amendments you have introduced?

Mr. ST GERMAIN. This is a technical amendment to allow the Treasury, in the case of an employee who is working half a day on Olympic coins, half a day on regular work for the Treasury, they have for that regular work appropriated funds through your subcommittee, and through the Congress. They also have to pay that man from that trust fund. Rather than draw two checks, they want to give him one check, and then reimburse from the trust fund to the appropriated funds.

Mr. ROYBAL. It seems to me that in this instance the Treasury could make available a good cost man that could design a program for the distribution of costs. I am just surprised that they found it necessary to bring such a thing up on the floor.

Mr. ST GERMAIN. Treasury is the one that came to me and asked me for the amendment, I would say to the gentleman.

Mr. ROYBAL. I understand. I do not fault the gentleman at all. What I am saying is that Treasury should have made the expertise available by administrative action.

Mr. WYLIE. Mr. Chairman, I move to strike the last word.

I would say to the gentleman from California (Mr. Roybal) he makes a valid point. But this amendment from the Treasury is designed to do exactly what he seeks to do. This says that the money can all be placed in one pocket, so that it can be taken out of one pocket rather than two pockets, which is the way it would be under the present bill.

The present bill just simply says that the committee shall pay in advance to the Secretary such sums as are necessary to carry out the provisons of this act, and that such funds shall be deposited in a trust fund. That is one trust fund there for the money which is paid out of this. And then there are other funds to pay the employees of the Treasury. This just says it will be one pocket.

Mr. ROYBAL. Mr. Chairman, will the gentleman yield?

Mr. WYLIE. I yield to the gentleman from California.

Mr. ROYBAL. Mr. Chairman, the main point of information I was seeking was whether or not it would be necessary under each bill, or either one of the bills, to seek an appropriation.

Mr. WYLIE. No.

Mr. ROYBAL. The answer is "No."

I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Rhode Island (Mr. St Germain).

The amendment was agreed to.

The CHAIRMAN. Are there other perfecting amendments to the committee substitute?

AMENDMENT OFFERED BY MR. ROSTENKOWSKI

Mr. ROSTENKOWSKI. Mr. Chairman, I offer an amendment to strike subsection (d) of section 9 on the grounds that it invades the constitutional prerogatives of the House.

The Clerk read as follows:

Amendment offered by Mr. Rostenkowski: Page 16, strike out lines 14 through 21.

Mr. ROSTENKOWSKI. Mr. Chairman. I offer this motion to strike the language in S. 1230 regarding the tax deductibility of the portion of the coin purchase price allocated to the Olympic Organizing Committee. I want to emphasize that this motion does not reflect on the merits of this bill nor the policy of this section. In fact, I commend the distinguished gentleman from Rhode Island and the entire Committee on Banking, Finance, and Urban affairs for their work on this bill. However, my concerns are of a procedural nature. As the gentleman is aware, the inclusion of this provision, which is clearly a revenue matter, on a Senate bill, is an invasion of the constitutional prerogatives of the House of Representatives. Article I, section 7, clause 1 of the Constitution provides that "all bills for raising revenue shall originate in the House of Representatives, . . ." While in actuality the revenue provision originated in the House, the precedents indicate that courts will not look beyond a bill as enrolled to ascertain where a provision has originated. It is conclusively presumed that if the bill has a Senate designation, it has originated in the Senate. Thus, passage of this provision on a Senate bill would set an undesirable precedent for the future.

The gentleman will recall in an exchange of correspondence earlier this month, the Committee on Ways and Means agreed not to exercise its right to sequential referral of the House bill which originally contained this provision, H.R. 6058, so as to accommodate his efforts to move this bill as expeditiously as possible. However, the problem arises from the fact that the provision was reported from the Committee on Banking, Finance, and Urban Affairs as part of a Senate bill, S. 1230.

Mr. ST GERMAIN. Mr. Chairman, if the gentleman will yield, is it the gentleman's understanding that present law is adequate to preclude deductions for purchases of these coins?

Mr. ROSTENKOWSKI. It is my review that present law is sufficiently clear to preclude this result. In the event that there is any uncertainty in this regard in the future, the Committee on Ways and Means would be glad to accommodate the gentleman's concerns on the next revenue measure reported from the committee.

I thank the gentleman again for his cooperation in protecting the prerogatives of the House with respect to the origination of revenue bills.

Mr. ST GERMAIN. Mr. Chairman, this side is very happy to accept the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. Rostenkowski).

The amendment was agreed to.

The CHAIRMAN. Are there further perfecting amendments?

AMENDMENT OFFERED BY MR. ST GERMAIN

Mr. ST GERMAIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. St Germain: On page 19, line 5, delete the period and insert in lieu thereof the following: ", except that nothing in this section shall relieve any person entering into a contract under the authority of this Act from complying, in a manner consistent with that person's obligation to meet or contribute to meeting the schedules prescribed in section 5(b) of this Act and in the implementation agreement, with any applicable Federal laws relating to equal employment and to contracting with small business and with minority and female-owned businesses."

Mr. ST GERMAIN (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. ST GERMAIN. Mr. Chairman, in the committee amendment there is a provision waiving the applicability of Federal procurement law for contracts entered into under the Olympic Coin Act. The reason for having this waiver was to assure that time-consuming delays and litigation would not hold up meeting and deadlines for coin delivery specified in the act. If those deadlines slip, the marketing of the coins becomes more difficult and the amount of money going to our athletes and to the Olympics could be reduced.

At the full Banking Committee markup on the Olympic coin bill, my Banking Committee colleague Parren Mitchell, who is also chairman of the Small Business Committee, expressed concern that the provision waiving Federal procurement law for the coin program might be construed to override Federal civil rights laws and laws encouraging contracting with small and minority business. I said then that it was never my intent to abridge anyone's rights, and offered to work on mandatory language for the floor to take care of this problem. I am happy to say that the amendment I now offer, which was printed in yesterday's Record and has Mr. Mitchell's full support, would say that the waiver of procurement laws does not relieve anyone who is involved in a contract under the bill from complying with the Federal laws relating to equal opportunity and contracting with small and minority and female-owned businesses. The amendment is drafted to insure consistency with the important coin production deadlines under the act. I thank my colleague Mr. Mitchell for making this very significant point.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Rhode Island (Mr. St Germain).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. CONTE

Mr. CONTE. Mr. Chairmen, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Conte: Page 5, strike out lines 6, 7, and 8 and insert in lieu thereof the following:

(c)(1) The Secretary shall obtain gold for the coins minted under section 3(a) pursuant to the authority of the Secretary under existing law.

(2) The Secretary shall obtain silver for the coins minted under section 3(a) from stocks of silver held by the Secretary of the Treasury or from any other federally owned stocks of silver.

Mr. CONTE. Mr. Chairman, I am offering this amendment today to head off any signals of confusion in the marketplace which might come about over the uncertainty of how silver will be procured to accommodate the minting of commemorative coins to help raise money for the 1984 Olympics.

The amendment simply says that in procuring silver to comply with the Olympic Coin Act, the Secretary of the Treasury shall use only silver from the Treasury or other federally held stocks as opposed to going out on the open markets to procure what is needed to mint the commemorative coins.

As my colleagues know, I have, over the years, repeatedly pointed to the surplus of Government silver. My latest figures show that the Treasury Department alone has approximately 38.8 million ounces of silver in its stockpile, while other sectors of the Federal Government have another 140 million plus ounces. As long as this quantity of silver is sitting around, it is serving no purpose.

We all remember back when the price of silver soared and, along with that drastic price rise, a corresponding leap took place in the prices of consumer products which contain silver, such as medical and dental supplies, photographic equipment, electrical equipment, and silverware. An incursion into the market by the Government at this time, while not producing drastic price rises, is unnecessary and could certainly send prices up to some degree.

The notion that the Government might go into the private markets to procure silver could produce conditions of uncertainty which we do not need at this time. Therefore, in the interest of market stability, I urge my colleagues to vote for this amendment to give some assurance that the Treasury will use Government stocks of silver for the Olympic commemorative coins.

Mr. ST GERMAIN. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Rhode Island.

Mr. ST GERMAIN. Mr. Chairman, I would say to my colleague from Massachusetts I am pleased to accept his amendment. It has been discussed.

I would say the committee attempted to deal with your concern, as you know, in the committee report language. However, I do not have any difficulty accepting the amendment. I am told Treasury has no problem with it, so I urge its adoption.

Mr. CONTE. I thank the gentleman.

Mr. FASCELL. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Florida.

Mr. FASCELL. We are not talking about silver mines?

Mr. CONTE. No; they use the silver from Treasury or from the stockpile.

Mr. FASCELL. And your purpose is to maintain a rational market?

Mr. CONTE. Exactly right.

Mr. FASCELL. The price of silver is so low now, how does this help? In other words, if the word gets out that the Treasury, under this bill, is about to go out and mint a lot of coins and use a lot of silver, it will drive the price up?

Mr. CONTE. They would not go out in the private market and buy it when they have their own silver. We want them to use their own silver.

Mr. FASCELL. You mean out of the stockpile?

Mr. CONTE. Either that, or whatever Treasury has.

Mr. FASCELL. that seems to make sense. But what concerns me is if you drive the market price up by using the stockpile, then the Government has to go back out in the market to buy the silver for the stockpile at a higher price. On the other hand if the silver in the stockpile has an average acquisition cost to the Government higher than the present market price the Government will suffer a loss.

Either way it will seems to me a mandate would be costly.

The stockpile presumably is essential for national security purposes and there has been complaints that the stockpile overhang dampens the market price.

So the natural question arises, Why involve the stockpile? Why not just buy on the market?

Mr. ST GERMAIN. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Rhode Island.

Mr. ST GERMAIN. There is so much silver in the stockpile, as you know, that will not be a problem.

Mr. BENNETT. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Florida.

Mr. BENNETT. As chairman of the Stockpile Committee that has most of the silver I think the Federal Government owns, I am a little disturbed. I had not heard of this amendment before, I am not quite sure what it is going to do to our stockpile.

We have not been appropriating very much money to put things in that stockpile. We have great deficiencies in the stockpile. We are relying upon the silver as a source of money to get other things which are in very short supply.

What would the gentleman's amendment do to that?

Mr. CONTE. The latest figures show that the Treasury Department alone has approximately 38.8 million ounces of silver in their stockpile, while another sector of the Federal Government, which you know, has another 140 million-plus ounces of silver. We have an abundance of silver. We do have some shortages in the defense stockpile of titanium, cobalt, and several other metals, as the gentleman knows, that we cannot mention here.

Mr. BENNETT. What I am apprehensive about is the money from the stockpile silver may escape the stockpile and not be available to get the cobalt and other things we need.

Mr. CONTE. No; any silver that is going to be bought by the stockpile will be definitely used for the stockpile.

Mr. BENNETT. Will the money come back; the stockpile fund?

Mr. CONTE. Exactly right.

Mr. BENNETT. Rather than in the Treasury in general?

Mr. CONTE. If it comes from the stockpile, right.

Mr. WYLIE. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Ohio.

Mr. WYLIE. The minority has had an opportunity to examine the amendment. We support it.

It would not seem to cost the Government any money. I think that is uppermost in our minds here. We have the assurance of the gentleman it would not raise the price of silver, or tend not to raise the price of silver. Whereas, if they were required to go out on the open market, it might raise it. I think it is a stabilizing influence.

Mr. CRAIG. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Idaho.

Mr. CRAIG. Mr. Chairman, I commend the gentleman on this amendment.

I think, coming from a silver-producing State, the argument a lot of us have had over the years is that the stockpile and the presence of that silver there, in effect, has a depressing effect on the market. To use it this way would be a wise utilization. It would enter the market in the form of a coin and not in the form of bullion to be used for a variety of other purposes.

I commend the gentleman for looking at the silver that is available to be utilized for this purpose. I think it is an appropriate amendment for this type of legislation.

Mr. CONTE. I appreciate the gentleman's comments.

Mr. ANNUNZIO. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Illinois.

Mr. ANNUNZIO. Would the gentleman from Massachusetts (Mr. CONTE) tell the House when these marketeers are billed for the silver by the Treasury Department, will they pay the price that the Treasury paid for the silver some years ago? I believe it was $1.29 an ounce. In today's market, it is about $7 an ounce.

The CHAIRMAN. The time of the gentleman from Massachusetts (Mr. CONTE) has expired.

(By unanimous consent, Mr. CONTE was allowed to proceed for 1 additional minute.)

Mr. ANNUNZIO. Will the marketeers pay Treasury the old or new price?

Mr. CONTE. They will pay the market price. They will bid for that silver.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts (Mr. CONTE).

The amendment was agreed to.

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The CHAIRMAN. Are there further perfecting amendments to the committee substitute?

If not, does the gentleman from Illinois (Mr. ANNUNZIO) desire to offer his amendment covered by the rule?

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. ANNUNZIO

Mr. ANNUNZIO. Mr. Chairman, pursuant to the rule, I offer an amendment in the nature of a substitute.

The CHAIRMAN. The Clerk will report the amendment.

Mr. EVANS of Delaware. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

Members will record their presence by electronic device.

The call was taken by electronic device.

The following Members responded to their names:

[Roll No. 89]

ANSWERED "PRESENT"—350

Akaka
Albosta
Alexander
Anderson
Annunzio
Anthony
Applegate
Atkinson
Bafalis
Bailey (MO)
Bailey (PA)
Barnard
Barnes
Beard
Bedell
Benedict
Benjamin
Bennett
Bereuter
Bevill
Biaggi
Blanchard
Bliley
Boggs
Boland
Boner
Bonker
Bouquard
Bowen
Breaux
Brinkley
Brooks
Broomfield
Brown (CO)
Broyhill
Burgener
Butler
Byron
Campbell
Carman
Carney
Chappie
Clausen
Clinger
Coats
Coelho
Coleman
Collins (TX)
Conable
Conte
Conyers
Corcoran
Coughlin
Courter
Coyne, James
Coyne, William
Craig
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Dannemeyer
Daschle
Daub
Davis
de la Garza
Deckard
Dellums
DeNardis
Derrick
Derwinski
Dicks
Dixon
Donnelly
Dorgan
Dougherty
Dowdy
Duncan
Dunn
Dwyer
Dymally
Dyson
Early
Eckart
Edwards (AL)
Edwards (CA)
Emerson
Emery
English
Erlenborn
Ertel
Evans (DE)
Evans (GA)
Evans (IA)
Evans (IN)
Fary
Fascell
Fazio
Fenwick
Ferraro
Fiedler
Fields
Findley
Fish
Fithian
Flippo
Florio
Foley
Ford (TN)
Forsythe
Fountain
Fowler
Frank
Frenzel
Fuqua
Garcia
Gaydos
Gejdenson
Gephardt
Gilman
Gingrich
Glickman
Gonzalez
Goodling
Gore
Gradison
Gramm
Gray
Green
Gregg
Guarini
Gunderson
Hagedorn
Hall (OH)
Hall, Ralph
Hall, Sam
Hamilton
Hammerschmidt
Hance
Hansen (ID)
Harkin
Hatcher
Heckler
Hefner
Heftel
Hendon
Hertel
Hightower
Hiler
Hillis
Holland
Hollenbeck
Hopkins
Horton
Howard
Hoyer
Hubbard
Huckaby
Hughes
Hunter
Hutto
Hyde
Jeffords
Jeffries
Jenkins
Jones (OK)
Jones (TN)
Kastenmeier
Kazen
Kemp
Kennelly
Kildee
Kindness
Kogovsek
Kramer
LaFalce
Lagomarsino
Lantos
Latta
Leach
Leath
LeBoutillier
Lee
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Loeffler
Long (LA)
Lott
Lowery (CA)
Lowry (WA)
Lujan
Luken
Lungren
Madigan
Markey
Marlenee
Marriott
Martin (IL)
Martin (NY)
Matsui
Mavroules
Mazzoli
McClory
McCollum
McCurdy
McDonald
McEwen
McGrath
Mica
Michel
Mikulski
Miller (CA)
Miller (OH)
Mineta
Minish
Mitchell (MD)
Mitchell (NY)
Moakley
Molinari
Mollohan
Montgomery
Moore
Moorhead
Morrison
Mottl
Murphy
Murtha
Myers
Napier
Natcher
Neal
Nelligan
Nelson
Nichols
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Oxley
Panetta
Parris
Pashayan
Patman
Patterson
Paul
Pease
Perkins
Petri
Peyser
Pickle
Porter
Price
Pritchard
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Richmond
Rinaldo
Ritter
Roberts (KS)
Roberts (SD)
Robinson
Rodino
Roe
Roemer
Rose
Rosenthal
Rostenkowski
Roukema
Roybal
Rudd
Sabo
Sawyer
Schneider
Schroeder
Schulze
Schumer
Seiberling
Sensenbrenner
Shamansky
Shannon
Sharp
Shaw
Shelby
Shumway
Siljander
Skeen
Skelton
Smith (AL)
Smith (IA)
Smith (NE)
Smith (NJ)
Smith (OR)
Snowe
Snyder
Solarz
Solomon
Spence
St Germain
Stangeland
Staton
Stenholm
Stratton
Studds
Stump
Swift
Synar
Tauke
Tauzin
Taylor
Traxler
Udall
Vander Jagt
Vento
Volkmer
Walgren
Wampler
Washington
Weber (MN)
Weber (OH)
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams (MT)
Williams (OH)
Winn
Wirth
Wolf
Wolpe
Wortley
Wyden
Wylie
Yates
Yatron
Young (AK)
Young (FL)
Young (MO)
Zablocki

☐ 1415

The CHAIRMAN. Three hundred fifty Members have answered to their names, a quorum is present, and the Committee will resume its business.

At the time the point of order of no quorum was made the Clerk was about to report the amendment in the nature of a substitute offered by the gentleman from Illinois (Mr. ANNUNZIO).

The Clerk will report the amendment.

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mr. ANNUNZIO:

Strike out all after the enacting clause and insert in lieu thereof the following:

SHORT TITLE

SECTION 1. This Act may be cited as the "Olympic Commemorative Coin Act".

COIN SPECIFICATIONS

SEC. 2. (a)(1) Notwithstanding any other provision of law, the Secretary of the Treasury (hereinafter in this Act referred to as the "Secretary") shall issue not more than fifty million one-dollar coins which shall weigh 26.73 grams, have a diameter of 1.50 inches, and shall contain 90 per centum silver and 10 per centum copper.

(2) Secretary shall determine the design of such one-dollar coins. Such design shall be emblematic of the 1984 summer Olympic games which are to be held in Los Angeles, California. On each such one-dollar coin there shall be a designation of the value of the coin, an inscription of the year of issue, and inscriptions of the words "Liberty", "In God We Trust", "United States of America", and "E Pluribus Unum".

(3) The coins shall be issued in two separate designs, one in 1983 and one in 1984.

(b)(1) Notwithstanding any other provision of law, the Secretary shall issue not more than two million ten-dollar coins which shall weigh 16.718 grams, have a diameter of 1.06 inches, and shall contain 90 per centum gold and 10 per centum copper.

(2) The Secretary shall determine the design of such ten-dollar coin. Such design shall be emblematic of the 1984 summer Olympic games which are to be held in Los Angeles, California. On each such ten-dollar coin there shall be a designation of the value of the coin, an inscription of the year 1984, and inscriptions of the words "Liberty", "In God We Trust", "United States of America", and "E Pluribus Unum".

(c) The coins issued under this section shall be issued in uncirculated and proof qualities.

(d) All coins issued under this section shall be legal tender as provided in section 102 of the Coinage Act of 1965.

SALES WITHIN THE UNITED STATES

SEC. 3. (a) Notwithstanding any other provision of the law, the coins issued under this Act shall be sold within the United States (including United States military and diplomatic establishments outside the United States) by the Secretary under such regulations as he may prescribe and at a price equal to face value, plus the cost of issuing such coins (including labor, materials, dies, use of machinery, and overhead expenses).

(b) The Secretary shall make bulk sales at a reasonable discount to reflect the lower costs of such sales.

(c) The Secretary shall accept prepaid orders for the coins prior to the issuance of such coins. Sales under this subsection shall be at a reasonable discount to reflect the benefit of prepayment.

(d) All sales shall include a surcharge, established by the Secretary, of not less than $10 per coin for one-dollar coins and not less than $50 per coin for ten-dollar coins.

(e) The Secretary shall not use any words, perform any act, or make any statement, written or oral, which would imply or indicate, or tend to imply or indicate, that any portion of the coins' sale price to the public constitutes a tax-deductible contribution.

INTERNATIONAL SALES

SEC. 4. (a) The Secretary shall assign the rights to market the coins outside the United States (excluding United States military and diplomatic establishments outside the United States) to a marketing organization selected under section 5.

(b) The marketing organization assigned the rights under this section shall pay a price determined under sections 3 (b) and (d).

SELECTION OF INTERNATIONAL MARKETERS

SEC. 5. (a) As soon as possible after the effective date of this Act, a committee consisting of the Secretary of the Treasury, the executive director of the United States Olympic Committee, and the president of the Los Angeles Olympic Organizing Committee, shall solicit, in accordance with procedures specified by the Secretary of the Treasury, proposals from marketing organizations to carry out a marketing agreement. Such procedures shall include the publication of evaluation criteria that will serve as a basis for selecting one or more marketing organizations. Such criteria shall include—

(1) the financial resources and coin marketing experience of the marketing organization;

(2) the estimated proceeds from the sale or other disposition of the coins; and

(3) the commitment of the marketing organization to purchase a certain minimum number of such coins or to pay the surcharge on such coins; and

(4) the terms and conditions for the marketing of the coins, including—

(A) proper and equitable distribution of the coins, and

(B) accurate and other wise appropriate advertising materials to be used in promoting the coins.

(b) Within forty-five days after the effective date of this Act, the committee shall consider all proposals received from marketing organizations under subsection (a) and select by majority vote one or more marketing organizations which offer the terms for marketing of the coins most favorable in accordance with the published evaluation criteria. Any marketing organization selected shall be acceptable to the Secretary of the Treasury.

(c) No amounts derived from the sale or other disposition of coins minted under this Act shall be deemed to be a charitable contribution, for purposes of the Internal Revenue Code of 1954, by the Marketing organization or its assignees or subcontractors.

DISTRIBUTION OF PROCEEDS

Sec. 6. (a) Fifty per centum of the amount of all surcharges which are received by the Secretary from the sale of coins issued under this Act shall be promptly paid by the Secretary to the United States Olympic Committee. Such amounts shall be used to train United States Olympic athletes, to support local or community amateur athletic programs, and to erect facilities for the training of such athletes.

(b) Fifty per centum of the amount of all surcharges which are received by the Secretary from the sale of coins under this Act shall be promptly paid by the Secretary to the Los Angeles Olympic Organizing Committee. Such amounts shall be used to stage and promote the 1984 Los Angeles Olympic games.

(c) Amounts received by the Secretary from advance sale of coins to be issued under this Act shall be paid to the United States Olympic Committee and the Los Angeles Olympic Organizing Committee under subsections (a) and (b), provided that any amounts paid to the Committees shall not exceed an amount equivalent to the surcharges received by the Secretary from the advance sale of coins.

(d)(1) On March 31, 1985, the Los Angeles Olympic Organizing Committee shall remit to the United States Olympic Committee all amounts remaining from the disposition of the coins under this Act. In no event may such amount be less than that portion of the unobligated funds of the committee on that date represented by the ratio of the total amount of income received by the committee from the disposition of the coins minted under this Act to the total amount of income received by the committee from all sources.

(2) After March 31, 1985, all amounts received by the committee from the disposition of coins minted under this Act shall be remitted within ten days to the United States Olympic Committee.

(3) All amounts received by the United States Olympic Committee under this subsection shall be used solely for the purposes described in subsection (a).

IMPLEMENTATION AGREEMENT

Sec. 7. (a) The Secretary of the Treasury shall enter into an agreement with the marketing organization selected under section 5 which shall provide for the implementation of that section and which shall include an agreement on—

(1) the price and schedule of payments for the coins;

(2) the schedule and other provisions for the delivery of the coins; and

(3) the proportions of proof and uncirculated coins.

(b) The agreement between the Secretary of the Treasury and the committee shall ensure that the issuance of coins under this section shall result in no net cost to the United States Government.

(c) The agreement between the Secretary of the Treasury and the marketing organization shall direct that the marketing organization shall not use any words, perform any act, or make any statements, written or oral, which would imply or indicate, or tend to imply or indicate, that any portion of the coins' sale price to the public constitutes a tax-deductible contribution.

(d) To the extent possible, the agreement between the Secretary of the Treasury and the marketing organization shall be concluded within sixty days of the date of the selection of the marketing organization.

(e) The Secretary may terminate the implementation agreement and cease minting and the delivery of the coins issued under this section if the Secretary of the Treasury finds that such termination is in the best interests of the United States. Reasons for such termination may include actions which are inconsistent with the terms of the implementation agreement or advertising materials that are inappropriate for advertising the sale of United States coinage or otherwise not in keeping with the dignity of the United States coinage.

(f) If the Secretary of the Treasury exercises his authority under subsection (e), the amount of any proceeds guaranteed to the Los Angeles Olympic Organizing Committee and the United States Olympic Committee by a marketing organization under a marketing agreement shall not be reduced.

COINAGE PROFIT FUND

Sec. 8. Notwithstanding any other provision of law—

(1) all amounts received from the sale of coins issued under this Act shall be deposited in the coinage profit fund;

(2) the Secretary shall pay the amounts authorized under section 6 from the coinage profit fund; and

(3) the Secretary shall charge the coinage profit fund with all expenditures under this Act.

AUDITS

Sec. 9. The Comptroller General of the United States shall have the right to examine such books, records, documents, and other data of the United States Olympic Committee and the Los Angeles Olympic Organizing Committee as may be related to the expenditure of amounts paid under section 6.

FINANCIAL ASSURANCES

Sec. 10. (a) The Secretary shall take all actions necessary to ensure that the issuance of the coins authorized by this Act shall result in no net cost to the United States Government.

(b) No coin shall be issued under this Act unless the Secretary has received full payment therefor.

(c) The Secretary shall certify, in reports required to be filed under section 11 of this Act, that he is in compliance with this section.

REPORTS TO CONGRESS

Sec. 11. Not later than forty-five days after the last day of each calendar quarter, the Secretary shall transmit a report to the Congress regarding the activities carried out under this Act during such calendar quarter. No such report shall be required with respect to any calendar quarter beginning after December 31, 1985.

Mr. ANNUNZIO (during the reading). Mr. Chairman, in view of the fact that the substitute amendment was printed in the Record, I ask unanimous consent that it be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ANNUNZIO. Mr. Chairman, I have a technical amendment that the gentleman from Illinois (Mr. Rostenkowski), chairman of the Committee on Ways and Means, has asked me to introduce.

Mr. Chairman, I ask unanimous consent that the substitute amendment made in order by the rule be modified by striking paragraph (e) of section 3, beginning at line 24, page 3, and by striking paragraph (c) of section 5, beginning at line 21, page 5.

The purpose of the modification is to avoid any problems that tax legislation is not considered in a banking bill, and it is offered at the suggestion of the chairman of the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The CHAIRMAN. The substitute amendment is modified.

The Chair recognizes the gentleman from Illinois (Mr. Annunzio).

Mr. ANNUNZIO. Mr. Chairman, we have had a 2-hour debate on the merits of this coin legislation. I am not going to take my entire 5 minutes, but I want to say to those Members of the House who are assembled here this afternoon that your Coin Subcommittee, which I have the honor to chair, has worked long and hard on a program to protect the integrity of the U.S. Mint.

My substitute is a very simple bill. All of the proceeds under the substitute will go to the athletes and the Olympic Committees.

There is no Member of this House who is against an Olympic coin program. We all favor an Olympic coin program, but we want an Olympic coin program by which the athletes of America will derive the most benefit.

In S. 1230 the bill provides the private marketeters. They have a split of 64 percent for the private marketers and 36 percent for the Olympic Committee. The argument has been heard the mint has no expertise in marketing coins. I want to remind the Members of this House that we have never had in the history of this country an Olympic coin program. This is the first program that we are embarking on.

The experience of other countries with private marketers has not been to the benefit of the athletes. The Canadian program was a disaster. On the Moscow program, which was marketed by Occidental Petroleum Co., there is no information available from Mr. Hammer. When I asked him the question in subcommittee, he said that is privileged information.

□ 1430

I want to remind the Members of this House that it is a foregone conclusion, Occidental Petroleum, Hazard Freres did sign a contract with the Los Angeles Olympic Committee for $5 million. $1 million was turned over immediately so that the Los Angeles Olympic Committee could use that money for lobbying purposes and promoting the legislation that they so desired.

About 3 or 4 weeks ago Occidental canceled their contract. When they notified Los Angeles Olympic Committee, that they were canceling their contract, it came over the air on NBC and all over the Nation. I said, "Thank God, the American athletes and the American people have been saved. These people have now dropped out of the contract."

But my enthusiasm was shortlived. Two weeks later they came back into the program.

The private marketeers stand to make on this bill a minimum, a minimum of $300 million. I want to say to my colleagues no money, no money should be given to private marketeers. No American should make money on the blood and the sweat and the tears of American athletes.

Today you have an opportunity to tell your constituency and the taxpayers of America that you are not investing one dime in an Olympic program, that all of the proceeds under my substitute will go to the athletes and the Olympic committee.

The first vote will occur on the Annunzio substitute. If you want a strong coin program, if you want the athletes to have all the money, then you vote for the Annunzio substitute.

Mr. PAUL. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the substitute amendment.

Mr. Chairman, I rise in strong support of the substitute offered by the gentleman from Illinois (Mr. Annunzio). We have spent 2 hours of general debate and I think most of the important points have been made, but I would like to just review very briefly the reasons why I am supporting this bill over the proposal of the gentleman from Rhode Island (Mr. St Germain).

I think the most important point I would like to make is that is frequently said that the St Germain proposal is that of a private approach to the sale of these gold coins. Obviously private companies are involved and I, for one, am anxious to defend the private enterprise system at every chance I get.

It happens, though, that I do not believe that this is a private approach. It is a combination approach. It is a combination approach with Government and big business.

I happen to think that is a bad combination, and I do not like to support this type of arrangement. I think it is much safer for us and much better for us to support an arrangement where the Mint and the Government will have control, where there will not be an opportunity because of privilege given to a particular company to make hundreds of millions of dollars of profit.

I have nothing against profit. I just do not like to see large companies making large profits by special privilege and special interest legislation.

I, too, agree entirely with the statement made by the gentleman from Illinois (Mr. Annunzio) that under his arrangement and under his proposal more money will go to the Olympic Committee. I believe that sincerely. I think there is less chance for corruption under this arrangement that there would be under the arrangement and proposal of the gentleman from Rhode Island (Mr. St Germain).

One thing that is of particular interest to me is the differences between the coins presented, and because they are attractive to me more so in the Annunzio bill, I am sure this is going to be true with the millions of Americans who are planning to buy the coins. The coins are very attractive in the Annunzio substitute.

This silver dollar coin is the same weighted coin that our dollar once was and is similar to the Morgan dollar. For this reason it will have great attractiveness to coin dealers.

Not only that, the gold coin is the same weight as our old $10 gold piece. So this means that there will be tremendous attraction to those who buy and save coins.

For this reason, the dealers and the collectors who testified in our committee all endorse the Annunzio proposal. These are the experts in the field of buying and selling coins. So I believe that we should listen to their recommendations.

Another important point, and I think this is one that might be just the bottom line of all what will it cost the individual consumer when these coins finally come to the market?

Most likely, in order for these large companies who are selling these coins to make these hundreds of millions of dollars profit, they must charge more. It is estimated that it could be two, three times as much as it will be under the Annunzio bill.

So, for this reason, more coins will be sold and there will be no splitting of the profits, and for these reasons I think it is absolutely the best arrangement.

Mr. GLICKMAN. Mr. Chairman, will the gentleman yield?

Mr. PAUL. I yield to the gentleman from Kansas (Mr. Glickman).

Mr. GLICKMAN. I compliment the gentleman's remarks and I would like to ask the gentleman a question. Would we be establishing a precedent by letting someone other than the Treasury of the United States market coins, coins that are circulating, that are not just commemorative coins, but commemorative coins which have value, which you can take down and buy something?

Does the gentleman know the answer to the question?

Mr. PAUL. I think that would be the case. I think we would be breaking new ground. I do not believe we have done this in the past.

I think for one like myself who believes in the use of Government in a minimal way, I think the use of the mint should be done with the Government and not with private enterprise, as we are indicating here.

Mr. GLICKMAN. I am hearing some of the talk behind me that says most of the commemorative coins we have done in the last 30 years have been by the U.S. Government issuing those coins that are in circulation.

I understand there have been some cases of coins, and one was the Booker T. Washington coin in the early 1950's, where they were, in fact, marketed.

I understand there have been some examples in the country's history over the last many, many years where on occasion we have let private institutions coin, market, and sell commemorative coins in circulation. In almost every instance there has been either a problem or a scandal, and the last one was in the early 1950's, I believe, with the Booker T. Washington coin.

I guess my point is that if we are going to coin money in America that is going to go into general circulation, that people can use to pay for things, that that ought to be done by the Treasury of the United States exclusively and not by some third party.

Mr. PAUL. I agree. I think the Booker T. Washington coin was not legal tender, if I am not mistaken.

Mr. GLICKMAN. It was legal tender coin. But I understand there was a major scandal involved in that one, and that is why it has never been done since.

Mr. McKINNEY. Mr. Chairman, will the gentleman yield?

Mr. PAUL. I yield to the gentleman from Connecticut.

The CHAIRMAN. The time of the gentleman from Texas has expired.

(At the request of Mr. McKinney and by unanimous consent Mr. Paul was allowed to proceed for 2 additional minutes.)

Mr. PAUL. I yield to the gentleman from Connecticut.

Mr. McKINNEY. I really have to answer a couple of remarks made by the last speaker.

No. 1, under either proposal the mint is going to mint the coins.

No. 2, when you talk about an affordable coin, I would have to suggest to my friend from Texas that under the Annunzio proposal the cheapest coin that any American can buy is $22. That is an awful lot for a kid to pay that is interested in supporting the Olympics.

Under the chairman's bill, the cheapest coin is $8, which I would suggest is a great deal more affordable.

Let us then go on to one other point. I understand, and I respect my friend from Texas' thought about corruption, but let me tell the gentleman where the corruption in the past has come from.

Certainly there may be a one-only bid or a two-only bid, who knows who is going to bid on the contract. But under the Annunzio proposal, once the mint has finished selling from their list, there is no money up front for the Olympics at all, so nothing is happening for the Olympics whatsoever under the bill, then the mint is going to bid out to who knows who, Sears, Roebuck, the Danbury Mint, J. C. Penney. If the gentleman wants to talk about an opportunity for corruption, let us go into discount sales to other disparate organizations, plus the fact since those other disparate organizations are going to have far less of the sale market, their markup charge, their advertising writeoff, their cost to get the discount price is going to be twice as high as someone who has an exclusive.

Think about it.

If you have the whole package you are going to have much cheaper advertising costs and marketing costs.

That is the way it is done. If you have an exclusive, it is cheaper because you have it all. But if you are going to go to J. C. Penney and Sears, and the rest, and they are going to fight against each other and come in and buy at discount, then they are going to raise their proportionate charge on the net cost much higher.

Mr. PAUL. Could I respond to the gentleman?

Mr. McKINNEY. I am almost finished.

The CHAIRMAN. The time of the gentleman from Texas has again expired.

(At the request of Mr. McKinney and by unanimous consent Mr. Paul was allowed to proceed for 2 additional minutes.)

Mr. McKINNEY. So I would suggest the cost of the coins, the competition, the corruption, these are all like foggy shadows floating across Long Island Sound where I live. They do not exist in truth, and in comparison to the fact that the big question in here is do we as a national legislative body give a darn about the Olympics. I would suggest we do not because we do not have the guts to just come in and appropriate $50 million and build what we should build in California.

Every other nation in the world does it. So be it.

The question would be then: Do we want the Olympics to have meaningful money? Meaningful money comes up front. It does not drift in.

So I would suggest my colleagues think about what they are doing and I yield the rest of my time to the gentleman from Texas.

Mr. PAUL. I thank the gentleman and would like to address the point he makes about the price of the coins. I do not think the gentleman is comparing apples with apples. He is comparing a cheap copper token with a silver dollar. No wonder one is $8 and the other one is $22.

What we have to compare is what would that silver dollar cost under the St Germain bill. It is estimated that it would cost over $80 compared to the $22. That is the difference.

People do not buy copper tokens, they buy real money. They buy silver and gold coins. So if you want them to buy coins, you have to make the coins attractive. If it is attractive, it is going to cost a lot to buy it under the St Germain bill and a lot less under the Annunzio bill, and those dollars collected will go to the Olympic Committee and they will not go into the coffer of Occidental Oil Co.

Mr. LEACH of Iowa. Mr. Chairman, will the gentleman yield?

Mr. PAUL. I yield to the gentleman from Iowa.

Mr. LEACH of Iowa. I would like to voice my support for the position of the gentleman from Texas and say what we have here basically is private sector marketing in two different ways, one through exclusivity and monopoly and the other through greater competitiveness.

There is a possibility of scandal in either direction. But I am firmly convinced there is less of a possibility of scandal with greater competitiveness than with monopoly, and I would hope very much that the position of the gentleman from Illinois would prevail on this issue.

Mr. PAUL. The gentleman makes an excellent point and I thank him for it.

□ 1445

Mr. PATTERSON. Mr. Chairman, I rise in opposition to the Annunzio substitute.

Mr. Chairman, I spoke for some time previously under general debate in support of the St Germain Olympic coin bill because it is the one that will work, it is under private marketing, strict rules, with GAO audit, a public bidding process. It has all of the protections that would avoid any type of scandal.

Mr. ST GERMAIN. Mr. Chairman, will the gentleman yield?

Mr. PATTERSON. I yield to the gentleman from Rhode Island, the full committee chairman.

Mr. ST GERMAIN. Mr. Chairman, I would like to make a few points, if I might.

A great deal of confusion has been generated about the references in the bill concerning the division of proceeds. What we have to look at, you translate the gross margin numbers, and, under that, the Olympic committees will receive at least two-thirds of the net pretax profits of the coin sales. The marketing costs and the risks will be borne by the private companies. The formula protects the Olympic Committee from being charged any increase in marketing costs which occur during the life of the program.

In a telegram from Mr. Harry Usher, executive vice president and general manager, Los Angeles Olympic Organizing Committee, he says:

> Thank you for offering the legislation and including in your legislation the formula we had previously negotiated. Your proposal should provide the Olympics with $2.00 for every $1.00 of pre-tax profit earned by the marketing group that is the successful bidder.

In other words, two-thirds of the pretax profits will go to the U.S. Olympic Committee and the Los Angeles Organizing Committee. That is a whole lot more than under the substitute that we have before us right now.

So when Dr. Paul says that millions and millions of dollars are going to be made by the private marketeers, that is fantastic, because two-thirds of the profits will go to the Olympic committees.

Let us not forget one thing. Under the substitute before us the mint sends out to their list and offering, saying, "Do you want to buy some coins?" That is the end of it. They are not marketers. Then they are going to offer bulk sales. Anybody can back a truck up to the mint and purchase these coins at a discount, thereby destroying the international market. Because which international marketer would want to bid on that aspect of it, knowing full well that somebody here locally—J. C. Penney, as my colleague from Connecticut said, anyone at all, Sears, Roebuck, 7-Eleven stores—can back the truck up and buy them in bulk. And there you have private marketers.

If the gentleman will yield further for one more point, as to the GAO, there is no GAO auditing of the private marketers in the substitute. The

GAO audits everything under the St Germain bill. Treasury supports the St Germain bill and opposes the substitute. There are no specific guarantees to the Olympics in the Annunzio bill and, regardless of what the Buchanan speculations might have been, she also stated she could not guarantee one thin dime. And, as I say, there is a loophole in the substitute before us right now. GAO does not have the right to audit the books of the international marketer or any domestic marketer of the coins, and the GAO audit section only gives the GAO the right to look at the books of the Los Angeles Olympic Organizing Committee and the U.S. Olympic Committee, whereas my bill extends the audit and recordkeeping requirement to the marketers as well.

Mr. PATTERSON. I thank my chairman for his remarks.

Mr. Chairman, I want to commend the gentleman from Ohio, the ranking minority member, the gentleman from Connecticut, who spoke previously, and all of those members of the Banking Committee who voted 32 to 7 for the St Germain bill, and all of those Members who are here bearing with us today in this emotionally charged debate. I ask my colleagues to vote against the Annunzio substitute and for final passage of the St Germain Olympic coin bill so that we can make the 1984 Olympic dream of self-support a reality.

Mr. WYLIE. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the substitute.

Mr. Chairman, I believe the issue has been debated adequately. It was debated during general debate a little while earlier.

The question is whether the Federal Government will market these coins for the benefit of the Olympics which, in my judgment, could cost the taxpayers money if the program did not have the success that we hope that it will have, or whether it can be marketed through the private sector.

We have seen the experience of marketing through the Governments of Canada and the Soviet Union, and it did not work in those cases.

Now, as to the matter of safeguards, there is a selection process for the private marketer which is provided for very specifically in the bill on page 9, and I will not repeat the criteria but they are there for each Member to look at.

One of the things that appealed to me about the fact that the private marketing process could take place here is the fact that whoever receives the bid—and there is no mention of whoever might receive the bid in there—they have to come up with not less than $30 million up front to assure that the Federal Government would not be exposed through the budget or appropriation process.

Now, Treasury has the job of administering this bill, whichever one we might pass here today. So I think Treasury, as I have said before, should have something to say about what goes into the program.

I do not mean to be repetitious, but I think sometimes repetition serves to emphasize; so I would read again from a letter from Mr. Tim NcNamar, the Deputy Secretary of the Treasury, who says:

> We favor the St Germain Olympic Coin Act because it responds to the issue which we consider to be paramount in importance, meeting the needs of the Los Angeles Olympic Organizing Committee and the United States Olympic Committee for the initial advance funding without an appropriation to or a payment of funds by the Treasury. As you know, the Administration opposes any such appropriation or advance which would increase Federal borrowing and the deficit.

I just think that we have the best opportunity through the private marketing arrangement. And if it happens that nobody bids on this within 45 days, then there is an amendment which I suggested, a backup amendment, so that the Treasury could be brought into place and Treasury could then mint the coins and market the coins.

So I think given all of the considerations that have gone into this bill which we have here today, the Members should not vote for the substitute and should support the committee amendment.

Mr. Chairman, for several years, I was chairman of the Legal and Monetary Affairs Subcommittee of the Committee on Government Operations. In our oversight capacity I became acquainted with the mint and the coin world. I found out in those years of hearings, searching questions, interrogations, and writing of reports that this money business is big business. It should have occurred to me that dealing in legal tender for whatever reason is big business. I just did not realize how big. I found out, for example, that it is not unusual to read a commercial that dimes were sold in carload lots. We are talking about legal tender being sold by the bagful, by the pound, by the carload.

read a commercial that dimes were sold in carload lots. We are talking about legal tender being sold by the bagful, by the pound, by the carload.

So I rise in support of the substitute, primarily because my instincts tell me to be nervous.

I do not want to argue with anybody. I know emotions run deep and there is a lot of pride involved in this among individuals and States. I want to help Los Angeles and the Olympic athletes, and all of that. But basically it comes down, finally, to a matter of public policy.

Yes, of course, private enterprise can mint coins. I just think that is bad public policy, that is all. It is that simple. In the committee bill minting is done by the U.S. Mint but it is for a private contractor to market U.S. legal tender.

We created a mint to mint the coinage of the realm. Any private organization which wants to mint Olympic medallions, they can do that. There is quite a market in that. You ought to see the hype that goes all over the world, because it is big money. But there is a problem involved. If you just have a medallion, that is not so hot. But when you have the Government's stamp on it and it says "legal tender," now, you have got something that can really move in the marketplace. You have got something that is really worth some money, especially if it says "Uncle Sam" on it.

I am not against a middleman making a profit. They have got to make a profit to pay for their marketing, their advertising, and their handling. And it is big money. Otherwise, why would somebody put up or be willing to put up $20 million up front with another $10 million on delivery of the first coin? You would have to be an idiot. He is obviously—whoever it is, is a good businessman.

So, admittedly, there is good money involved in this process. Let us all admit that.

I am not sure the Government can match the kind of hyperbole that will be necessary to go on a big international and domestic marketing push. And it may be necessary at some point to pack up a truck and sell at one-hundredth or one-tenth or 1 percent, or whatever they want to fix it at, discount to some large buyers. But I cannot see how you can say that private enterprise is good if it is a sole source contract, or a single competitive contract and at the same time say that Sears, Penneys, and all other potential coin buyers suddenly become bad or that competition is not good.

I think the way we have been doing it with our coins up to now has not been too bad. It may not make the multimegabucks that everybody is dreaming about. Nevertheless I get nervous about that factor—the megabucks dream. I keep coming back to the fact that here we are today—we are all well meaning—we have been trying to do something for the Olympic athletes and the committee. We have not had guts enough to make the public policy decision to put the money in the Olympic program that we should have been doing all along so here we come through the back door to mint a coin, to use the mint and to turn the product over to private marketers.

What are we trying to do? One, to hold the Olympics; two, to help our athletes; and three, to uphold the patriotism and the glory of the United States of America. But it seems to me with the process before us we are doing it through the back door. Furthermore, we have to do it by turning around a public policy which has stood us in good stead for a couple of hundred years. So I am still nervous about the bill. That is the reason I support the substitute. I hope it passes. If it does not pass, I will vote for the next best thing, Mr. Chairman, because I respect the fact that a whole lot of people on both sides of the full committee did what they thought was right in bringing this bill to the floor.

Mr. WYLIE. Mr. Chairman, will the gentleman yield?

Mr. FASCELL. I yield to the gentleman from Ohio.

Mr. WYLIE. I thank the gentleman for yielding, and may I respectfully suggest that when the gentleman revises and extends his remarks he might want to correct the Record. Private marketers will not mint these coins.

Mr. FASCELL. I did not say that. If I did say that, I will correct the Record. All I said was that I am not—well, yes, I see what the gentleman means. I will correct that. I did not mean to say that we were turning the mint over to private marketers. I just meant that the product of the mint would be turned over to a private contractor.

The CHAIRMAN. The time of the gentleman from Florida (Mr. Fascell) has expired.

(On request of Mr. Wylie and by unanimous consent, Mr. Fascell was allowed to proceed for 1 additional minute.)

Mr. WYLIE. If the gentleman will yield further, I have one other point. Whereas these coins will be legal tender, and that will increase the appeal to the coins, under the Annunzio substitute a $1 coin would cost $22. They are not going to be in general circulation; not everyone is going to have these coins in their pockets.

Mr. FASCELL. Has the gentleman tried to buy a silver dollar lately that is before the year 1900? You pay a premium of at least $35.

Mr. WYLIE. I have not used one for legal tender.

Mr. FASCELL. But that is not where the market is. The market is numismatic. You can do it. The question is, who is going to get the premium?

So there are all kinds of ways to look at this thing. I am not arguing that. Obviously, private enterprise can do the job. I just do not think we ought to go the committee proposal route for this very worthy purpose.

□ 1500

AMENDMENT OFFERED BY MR. CONTE TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. ANNUNZIO, AS MODIFIED

Mr. CONTE. Mr. Chairman, I offer an amendment to the amendment in the nature of a substitute offered by the gentleman from Illinois (Mr. Annunzio), as modified.

The Clerk read as follows:

Amendment offered by Mr. Conte to the amendment in the nature of a substitute offered by Mr. Annunzio, as modified: On page 3, line 5, insert the following at the end of section 2:

(e)(1) The Secretary shall obtain gold for the coins minted under this Act pursuant to the authority of the Secretary under existing law.

(2) The Secretary shall obtain silver for the coins minted under this Act from stocks of silver held by the Secretary of the Treasury or from any other federally owned stocks of silver.

Mr. CONTE. Mr. Chairman, I will take only 30 seconds. This is exactly the same amendment that I offered and was adopted by the Committee of the Whole House on S. 1230.

Mr. ANNUNZIO. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Illinois (Mr. Annunzio).

Mr. ANNUNZIO. I thank the gentleman for yielding.

I commend the gentleman from Massachusetts for offering the amendment and it is acceptable.

Mr. CRAIG. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Idaho.

Mr. CRAIG. I thank the gentleman for yielding.

I would like to associate myself with the remarks made by the gentleman from Massachusetts. It is an identical amendment that certainly should strengthen the stability of the market.

Mr. WYLIE. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Ohio.

Mr. WYLIE. I thank the gentleman for yielding.

The gentleman as usual is hedging his bet. I thought the amendment was all right on the other bill. It is all right on this and we accept it.

Mr. ROYBAL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to seek some clarification.

For example, the chairman, the gentleman from Illinois (Mr. Annunzio) told the House that under the St Germain bill 64 percent of the money would go to the sellers and only 36 percent to the Olympic Committee and to the athletes.

He further stated that under his bill the full amount of the profit would go to the athletes.

Now, in contrast to all of this, the chairman of the full committee, Mr. St Germain, told the House that two-thirds of the profits would go to the Olympic Committee.

Mr. Annunzio says that under the St Germain bill, 64 percent will go to the sellers, but St Germain says that under his bill two-thirds of the money goes to the Olympic Committee. What are the facts?

Mr. ANNUNZIO. Mr. Chairman, will the gentleman yield?

Mr. ROYBAL. I yield to the gentleman from Illinois.

Mr. ANNUNZIO. My statement comes from a request that I made to the General Accounting Office and I am using their figures.

Mr. ROYBAL. Under the Accounting Office figures 64 percent of the profits under the St Germain bill would be retained by the sellers, whomever they happen to be; 36 percent would go to the Olympic Committee.

Mr. ST GERMAIN. Mr. Chairman, will the gentleman yield?

Mr. ROYBAL. I yield to the gentleman from Rhode Island.

Mr. ST GERMAIN. I can show the gentleman the telegram I have from Harry Usher. I think the gentleman is familiar with the gentleman. He is with the Los Angeles Olympic Organizing Committee.

Mr. ROYBAL. Yes.

Mr. ST GERMAIN. He negotiated the contracts with the bidders. We put into the legislation the same floor on the contracts as the contract that was negotiated.

I read from his telegram. He thanks me for including in my legislation the formula that had previously been negotiated with the marketers, and he says,

> Your proposal should provide the Olympics with $2—

That is the U.S. Olympic Committee and the LAOOC—

> per every one dollar of pre-tax profit earned by the marketing group that is the successful bidder; also the use of the formula means the return to the Olympics will not be reduced if the marketing costs rise.

Remember, it is a guarantee. They cannot charge off any rise or increase in marketing costs.

I am just reading to you, as I say, from a telegram from Mr. Usher.

Now, it says here, translating, the gross margin numbers the Olympics committee will receive two-thirds of the net pretax profits. Coin sales marketing cost and risk will be borne by private companies. The formula protects the Olympic committees from being charged any increase in marketing cost which occur during the life of the program.

Mr. ROYBAL. In one instance, Mr. Chairman, we get figures that have been submitted by someone from the Olympic Committee. The gentleman from Illinois (Mr. Annunzio) has

other figures. They both completely contradict one another.

Mr. ST GERMAIN. May I make a point.

Under the Annunzio substitute, now before us, once the list that Treasury has is exhausted and they then begin selling in bulk to the private marketers who can just drive up and purchase whatever amount they want. They sell those at a discount thereby further reducing the profit to the Olympic Committee just in order to sell them at a discount.

Mr. ROYBAL. That may be so, but still the facts and figures given the House are in complete contradiction one from the other.

I would like to understand how someone can figure that 64 percent will go one way and still derive two-thirds of the profit.

Mr. ST GERMAIN. Thirty-six percent of the gross margin, the gross revenues, minus coin costs, but it does not include any advertising or marketing costs.

Mr. ROYBAL. Did OMB or any of the governmental agencies actually make a survey or study that would reveal the amounts of moneys that would be generated by the sale of these coins?

Mr. ST GERMAIN. I think the best source we have—I am talking about the legislation that I have introduced, that hopefully will be up next for a vote, once this is defeated—the best source I have is the LAOOC. Some very sharp businessmen within that committee negotiated with the marketing groups, got the best terms possible, and they are the ones that say to me that it is two-thirds to the Olympic Committee and one third to——

Mr. ANNUNZIO. Mr. Chairman, will the gentleman yield?

Mr. ROYBAL. I yield to the gentleman from Illinois.

Mr. ANNUNZIO. The source I used is a Government source, the General Accounting Office, not the LAOOC. I trust the General Accounting Office.

Ms. FIEDLER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to clarify the question which was asked by my colleague from California. He asked a question regarding where this information came from.

Before I did a calculation regarding how the breakdown of the profits would go and what would go to the Olympic Committee. Basically those figures are on page 13 of the bill, section 9(a). It determines the breakdown of the profits, after some portion of the expenses, leaving some of them as indicated by the gentleman from Rhode Island, and they are broken down rather clearly.

The first $30 million will go to the Olympic Committee. Between $30 million and the next $350 million in that contract, 64 percent of it will go to the marketer.

Mr. ST GERMAIN. Mr. Chairman, will the gentlewoman yield?

Ms. FIEDLER. I yield to the gentleman from Rhode Island.

Mr. ST GERMAIN. I thank the gentlewoman for yielding.

That is gross margin. That is before advertising, marketing, et cetera.

But on the net pretax profits, it is two-thirds, one-third.

Ms. FIEDLER. All we can go by today are the specific statistics which are indicated in the bill, and it is in the gentleman's bill.

Mr. ST GERMAIN. That is a floor. I think the gentlewoman read it very carefully. That is the floor. That is the lowest they can go. They can contract upwards from there for a higher profit.

Mr. ANNUNZIO. Mr. Chairman, will the gentlewoman yield?

Ms. FIEDLER. I yield to the gentleman from Illinois.

Mr. ANNUNZIO. I agree with the gentlelady. It is gross. Under my bill you do not need a formula. All the profits go to the athletes and the Olympic Committee and the city of Los Angeles. If we want to help Los Angeles, help the Olympic Committee, we want to help the athletes, eliminate the middleman and give all the profits to the athletes and the Olympic Committee.

Ms. FIEDLER. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts (Mr. Conte) to the amendment in the nature of a substitute offered by the gentleman from Illinois (Mr. Annunzio), as modified.

The amendment to the amendment in the nature of a substitute, as modified, was agreed to.

□ 1510

Mr. ST GERMAIN. Mr. Chairman, I rise in opposition to the substitute amendment offered by the gentleman from Illinois.

Mr. Chairman, all around America this morning a very wonderful thing was happening. About 4 o'clock or 4:30 a.m. hundreds of thousands of young men and women and their parents and their trainers and their coaches were getting out and about. In order to get to the fieldhouse, the municipal gymnasium, the YMCA, the CYO, maybe down to the Potomac before dawn this morning, these young swimmers, speed skaters, rollers, marchers, basketball players, cyclists, figure skaters, short-, medium-, and long-distance runners, pole vaulters, javelin throwers, discus throwers, all our young athletes made their way to their respective training grounds. For all these young Americans, for their parents, their coaches, and trainers, for all their efforts and blood, sweat, and tears, as well as for another group of Americans, those who participate in wheelchair basketball games, those who work with the National Association of Sports for Cerebral Palsy, the Association for Blind Athletes, and all those who work night and day for the Special Olympic nationwide, for all these hundreds of thousands of young Americans, I say to you after long and hard deliberation, after much work—and by the way, I am on the Coinage Subcommittee, I attended all the hearings, no one has worked harder on this legislation than I have, I take a back seat to no one—for all these young Americans, and by the way, no million dollars was spent by the Olympics for lobbying. The lobbying was done by these people. The lobbying was done by the medalists who came before us. The lobbying was done by the volunteers around this country, who though they themselves were not successful enough as athletes in many cases to participate and compete in the Olympics, nonetheless they have a great dedication to the U.S. Olympics and to the greatness of this Nation. For all the people who really did the lobbying and for those who studied the matter carefully, and I have all the respect in the world for my subcommittee chairman, his opinion, his judgment differs from mine and there are two schools of thought.

I do, indeed, hope that we will tip the scales in favor of the legislation that is supported by the Treasury, the administration, the U.S. Olympic Committee, the LAOOC and the hundreds of organizations throughout this Nation who are dependent upon the result of our actions here today, who have said, "Support S. 1230."

Mr. McKINNEY. Mr. Chairman, would the chairman yield?

Mr. ST GERMAIN. I yield to the gentleman from Connecticut.

Mr. McKINNEY. There has been a great deal of concern about cost to the taxpayers. There is no cost to the taxpayers in the chairman's bill.

There has also been a great deal of concern expressed about corruption. The Annunzio substitute has no real protection against corruption on the secondary discounted sales by the mint.

The St Germain bill has audit protection that goes way down below the original marketeers to the second marketeers and it has all the protection you want.

Mr. ST GERMAIN. And control over advertising and marketing techniques.

Mr. McKINNEY. I knew the chairman would finish my statement and I thank the gentleman for yielding.

Mr. ST GERMAIN. I thank the gentleman for his contribution and I do, indeed, hope we can defeat the substitute and overwhelmingly adopt S. 1230.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. ANNUNZIO), as modified, as amended.

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. ST GERMAIN. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 302, noes 84, answered "present" 2, not voting 44, as follows:

[Roll No. 90]

AYES—302

Addabbo
Akaka
Albosta
Alexander
Andrews
Annunzio
Anthony
Applegate
Archer
Aspin
Atkinson
Bafalis
Bailey (PA)
Barnard
Barnes
Beard
Bedell
Beilenson
Benedict
Benjamin
Bennett
Bevill
Biaggi
Bliley
Boggs
Bonior
Bonker
Bouquard
Bowen
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown (CA)
Broyhill
Byron
Campbell
Carman
Carney
Chappell
Chappie
Chisholm
Coats
Coleman
Collins (IL)
Collins (TX)
Conable
Conte
Conyers
Corcoran
Coughlin
Courter
Coyne, William
Craig
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Dannemeyer
Daschle
Daub
Davis
de la Garza
Deckard
Dellums
DeNardis
Derwinski
Dickinson
Dicks
Dingell
Donnelly
Dorgan
Dougherty
Downey
Duncan
Dunn
Dwyer
Dymally
Dyson
Early
Eckart
Edgar
Emerson
Emery
Erlenborn
Ertel
Evans (DE)
Evans (GA)
Evans (IA)
Fary
Fascell
Fenwick
Ferraro
Fiedler
Findley
Fish
Fithian
Flippo
Florio
Foley
Ford (MI)
Ford (TN)
Fountain
Fowler
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gephardt
Gibbons
Gilman
Glickman
Gonzalez
Goodling
Gore
Gradison
Gramm
Guarini
Gunderson
Hagedorn
Hall (OH)
Hall, Ralph
Hall, Sam
Hamilton
Hance
Harkin
Heckler
Hefner
Heftel
Hendon
Hightower
Hiler
Hillis
Holland
Hollenbeck
Hopkins
Horton
Howard
Huckaby
Hughes
Hutto
Hyde
Jeffries
Jenkins
Johnston
Jones (TN)
Kastenmeier
Kazen
Kennelly
Kildee
Kindness
LaFalce
Lantos
Leach
Leath
Lee
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Loeffler
Long (LA)
Long (MD)
Lowry (WA)
Lujan
Madigan
Marriott
Martin (IL)
Martin (NC)
Matsui
Mavroules
Mazzoli
McClory
McCurdy
McDade
McDonald
McEwen
McGrath
McHugh
Mica
Mikulski
Miller (CA)
Miller (OH)
Mineta
Minish
Mitchell (MD)
Mitchell (NY)
Moakley
Molinari
Mollohan
Montgomery
Morrison
Mottl
Murphy
Murtha
Myers
Napier
Natcher
Neal
Nelligan
Nelson
Nichols
Nowak
O'Brien
Oberstar
Obey
Ottinger
Panetta
Patman
Paul
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Porter
Price
Pritchard
Rahall
Railsback
Rangel
Ratchford
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Roberts (KS)
Robinson
Rodino
Roe
Roemer
Rose
Rosenthal
Rostenkowski
Roth
Roybal
Rudd
Russo
Sabo
Sawyer
Scheuer
Schneider
Schroeder
Schulze
Seiberling
Shamansky
Sharp
Shelby
Shuster
Siljander
Simon
Skelton
Smith (AL)
Smith (IA)
Smith (NE)
Smith (NJ)
Smith (OR)
Snowe
Snyder
Solomon
Spence
Stangeland
Stark
Staton
Stenholm
Stratton
Stump
Swift
Tauzin
Taylor
Traxler
Udall
Vento
Volkmer
Walgren
Wampler
Washington
Weber (MN)
Weber (OH)
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams (MT)
Williams (OH)
Winn
Wirth
Wolf
Wolpe
Yates
Young (AK)
Young (FL)
Young (MO)
Zablocki

NOES—84

Anderson
Bailey (MO)
Bereuter
Blanchard
Boland
Boner
Brown (CO)
Burgener
Burton, Phillip
Cheney
Clausen
Clinger
Coelho
D'Amours
Derrick
Dixon
Dowdy
Edwards (AL)
Edwards (CA)
English
Evans (IN)
Fazio
Fields
Forsythe
Frank
Gejdenson
Gingrich
Gray
Green
Gregg
Hammerschmidt
Hansen (ID)
Hartnett
Hertel
Holt
Hoyer
Hubbard
Hunter
Jeffords
Jones (OK)
Kemp
Kogovsek
Kramer
Lagomarsino
Latta
LeBoutillier
Lott
Lowery (CA)
Luken
Lungren
Markey
Marlenee
Martin (NY)
McCollum
McKinney
Moore
Moorhead
Oakar
Oxley
Parris
Pashayan
Patterson
Quillen
Regula
Roberts (SD)
Roukema
Schumer
Sensenbrenner
Shannon
Shaw
Shumway
Skeen
Solarz
St Germain
Studds
Synar
Tauke
Vander Jagt
Walker
Waxman
Wortley
Wyden
Wylie
Yatron

ANSWERED "PRESENT"—2

Coyne, James
Rousselot

NOT VOTING—44

AuCoin
Badham
Bethune
Bingham
Bolling
Brown (OH)
Burton, John
Butler
Clay
Crockett
Dornan
Dreier
Edwards (OK)
Erdahl
Foglietta
Ginn
Goldwater
Grisham
Hansen (UT)
Hatcher
Hawkins
Ireland
Jacobs
Jones (NC)
Lundine
Marks
Mattox
McCloskey
Michel
Moffett
Pursell
Rogers
Santini
Savage
Smith (PA)
Stanton
Stokes
Thomas
Tribble
Watkins
Weaver
Wilson
Wright
Zeferetti

□ 1530

The Clerk announced the following pairs:

On this vote:

Mr. Zeferetti for, with Mr. Hawkins against.

Mr. Stokes for, with Mr. Smith of Pennsylvania against.

Messrs. HILLIS, MARTIN of North Carolina, HENDON, JOHNSTON, HILER, and GARCIA changed their votes from "no" to "aye."

Mr. WORTLEY and Mr. HUNTER changed their votes from "aye" to "no."

Mr. JAMES K. COYNE changed his vote from "no" to "present."

So the amendment in the nature of a substitute, as modified, as amended, was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. The question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Are there further amendments?

If not, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the Chair, Mr. LEVITAS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the Senate bill (S. 1230) to provide for the minting of commemorative coins to support the 1984 Los Angeles Olympic Games, pursuant to House Resolution 470, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the committee amendment in the nature of a substitute adopted by the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the third reading of the Senate bill.

The Senate bill was ordered to be read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. WYLIE

Mr. WYLIE. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. WYLIE. I am in its present form, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. WYLIE moves to recommit the bill, S. 1230, to the Committee on Banking, Finance and Urban Affairs.

The SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

AUTHORIZING CLERK TO CORRECT SECTION NUMBERS, PUNCTUATION, AND CROSS REFERENCES AND TO MAKE OTHER TECHNICAL AND CONFIRMING CHANGES TO REFLECT ACTIONS OF THE HOUSE IN AMENDING S. 1230

Mr. ST GERMAIN. Mr. Speaker, I ask unanimous consent that, in the engrossment of the bill, the Clerk be authorized to correct section numbers, punctuation, and cross references and to make such other technical and conforming changes as may be necessary to reflect the actions of the House in amending the bill, S. 1230.

The SPEAKER. Is there objection to the request of the gentleman from Rhode island?

There was no objection.

GENERAL LEAVE

Mr. ST GERMAIN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks, and to include extraneous matter, on the Senate bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

REPORT ON RESOLUTION OF INQUIRY CONCERNING ROBERTO D'AUBUISSON

Mr. ZABLOCKI, from the Committee on Foreign Affairs, submitted a privileged report (Rept. No. 97-579) on the resolution (H. Res. 465) directing the Secretary of State to provide to the House of Representatives certain information concerning Roberto D'Aubuisson, which was referred to the House Calendar and ordered to be printed.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 5105

Mr. RITTER. Mr. Speaker, I ask unanimous consent to have Congressman DWYER's name removed as a cosponsor on the bill, H.R. 5105.

The SPEAKER. Is there objection of the request of the gentleman from Pennsylvania?

There was no objection.

CONFERENCE REPORT ON H.R. 4, INTELLIGENCE IDENTITIES PROTECTION ACT

Mr. FOWLER submitted the following conference report and statement on the bill (H.R. 4) to amend the National Security Act of 1947 to prohibit the unauthorized disclosure of information identifying certain U.S. intelligence officers, agents, informants, and sources:

CONFERENCE REPORT (H. REPT. No. 97-580)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4) to amend the National Security Act of 1947 to prohibit the unauthorized disclosure of information identifying certain U.S. intelligence officers, agents, informants, and sources, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 6, 7, 10 and 12.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 8, 9, 11, 13, 14, 15, 16, 17, 18 and 19, and agree to the same.

Amendment numbered 5:

That the House recede from its disagreement to the amendment of the Senate number 5, and agree to the same with an amendment as follows:

In lieu of the matter stricken by said amendment insert:

"REPORT

"SEC. 603(a) The President, after receiving information from the Director of Central Intelligence, shall submit to the Select Committee on Intelligence of the Senate and the Permanent Select Committee on Intelligence of the House of Representatives an annual report on measures to protect the identities of covert agents, and on any other matter relevant to the protection of the identities of covert agents.

"(b) The report described in subsection (a) shall be exempt from any requirement for publication or disclosure. The first such report shall be submitted no later than February 1, 1983."

And the Senate agree to the same.

Amendment numbered 20:

That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment as follows:

Restore the matter stricken by said amendment, amended to read as follows:

"SEC. 601. Protection of identities of certain United States undercover intelligence officers, agents, informants, and sources.

"SEC. 602. Defenses and exceptions.

"SEC. 603. Report.

"SEC. 604. Extraterritorial jurisdiction.

"SEC. 605. Providing information to Congress.

"SEC. 606. Definitions.".

And the Senate agree to the same.

EDWARD P. BOLAND,
R. L. MAZZOLI,
WYCHE FOWLER,
LEE H. HAMILTON,
NORMAN Y. MINETA,
J. K. ROBINSON,
ROBERT MCCLORY,
Managers on the Part of the House.

STROM THURMOND,
JEREMIAH DENTON,
JOHN EAST,
JOE BIDEN,
PATRICK LEAHY,
JOHN H. CHAFEE,
DICK LUGAR,
HENRY M. JACKSON,
LLOYD BENTSEN,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE ON CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4), to amend the National Security Act of 1947 to prohibit the unauthorized disclosure of information identifying certain United States intelligence officers, agents, informants, and sources, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The text of the bill resulting from the agreements of the committee on conference is as follows:

An Act to amend the National Security Act of 1947 to prohibit the unauthorized disclosure of information identifying certain United States intelligence officers, agents, informants, and sources

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Intelligence Identities Protection Act of 1982."

SEC. 2. (a) The National Security Act of 1947 is amended by adding at the end thereof of the following new title:

"TITLE VI—PROTECTION OF CERTAIN NATIONAL SECURITY INFORMATION

"PROTECTION OF IDENTITIES OF CERTAIN UNITED STATES UNDERCOVER INTELLIGENCE OFFICERS, AGENTS, INFORMANTS, AND SOURCES

"SEC. 601. (a) Whoever, having or having had authorized access to classified information that identifies a covert agent, intentionally discloses any information identifying such covert agent to any individual not authorized to receive classified information, knowing that the information disclosed so identifies such covert agent and that the United States is taking affirmative measures to conceal such covert agent's intelligence relationship to the United States, shall be fined not more than $50,000 or imprisoned not more than ten years, or both.

"(b) Whoever, as a result of having authorized access to classified information, learns the identity of a covert agent and intentionally discloses any information identifying such covert agent to any individual not authorized to receive classified information, knowing that the information disclosed so identifies such covert agent and that the United States is taking affirmative measures to conceal such covert agent's intelligence relationship to the United States, shall be fined not more than $25,000 or imprisoned not more than five years, or both.

"(c) Whoever, in the course of a pattern of activities intended to identify and expose covert agents and with reason to believe that such activities would impair or impede the foreign intelligence activities of the United States, discloses any information that identifies an individual as a covert agent to any individual not authorized to receive classified information, knowing that the information disclosed so identifies such individual and that the United States is taking affirmative measures to conceal such individual's classified intelligence relationship to the United States, shall be fined not more than $15,000 or imprisoned not more than three years, or both.

"DEFENSES AND EXCEPTIONS

"SEC. 602. (a) It is a defense to a prosecution under section 601 that before the commission of the offense with which the defendant is charged, the United States had publicly acknowledged or revealed the intelligence relationship to the United States of the individual the disclosure of whose intelligence relationship to the United States is the basis for the prosecution.

"(b)(1) Subject to paragraph (2), no person other than a person committing an offense under section 601 shall be subject to prosecution under such section by virtue of section 2 or 4 of title 18, United States Code, or shall be subject to prosecution for conspiracy to commit an offense under such section.

"(2) Paragraph (1) shall not apply (A) in the case of a person who acted in the course of a pattern of activities intended to identify and expose covert agents and with reason to believe that such activities would impair or impede the foreign intelligence activities of the United States, or (B) in the case of a person who has authorized access to classified information.

"(c) It shall not be an offense under section 601 to transmit information described in such section directly to the Select Committee on Intelligence of the Senate or the Permanent Select Committee on Intelligence of the House of Representatives.

"(d) It shall not be an offense under section 601 for an individual to disclose information that solely identifies himself as a covert agent.

"REPORT

"Sec. 603. (a) The President, after receiving information from the Director of Central Intelligence, shall submit to the Select Committee on Intelligence of the Senate and the Permanent Select Committee on Intelligence of the House of Representatives an annual report on measures to protect the identities of covert agents, and on any other matter relevant to the protection of the identities of covert agents.

"(b) The report described in subsection (a) shall be exempt from any requirement for publication or disclosure. The first such report shall be submitted no later than February 1, 1983."

"EXTRATERRITORIAL JURISDICTION

"Sec. 604. There is jurisdiction over an offense under section 601 committed outside the United States if the individual committing the offense is a citizen of the United States or an alien lawfully admitted to the United States for permanent residence (as defined in section 101(a)(20) of the Immigration and Nationality Act).

"PROVIDING INFORMATION TO CONGRESS

"Sec. 605. Nothing in this title may be construed as authority to withhold information from the Congress or from a committee of either House of Congress.

"DEFINITIONS

"Sec. 606. For the purposes of this title:

"(1) The term 'classified information' means information or material designated and clearly marked or clearly represented, pursuant to the provisions of a statute or Executive order (or a regulation or order issued pursuant to a statute or Executive order), as requiring a specific degree of protection against unauthorized disclosure for reasons of national security.

"(2) The term 'authorized,' when used with respect to access to classified information, means having authority, right, or permission pursuant to the provisions of a statute, Executive order, directive of the head of any department or agency engaged in foreign intelligence or counterintelligence activities, order of any United States court, or provisions of any Rule of the House of Representatives or resolution of the Senate which assigns responsibility within the respective House of Congress for the oversight of intelligence activities.

"(3) The term 'disclose' means to communicate, provide, impart, transmit, transfer, convey, publish, or otherwise make available.

"(4) The term 'covert agent' means—

"(A) an officer or employee of an intelligence agency or a member of the Armed Forces assigned to duty with an intelligence agency—

"(i) whose identity as such an officer, employee, or member is classified information, and

"(ii) who is serving outside the United States or has within the last five years served outside the United States; or

"(B) a United States citizen whose intelligence relationship to the United States is classified information, and—

"(i) who resides and acts outside the United States as an agent of, or informant or source of operational assistance to, an intelligence agency, or

"(ii) who is at the time of the disclosure acting as an agent of, or informant to, the foreign counterintelligence or foreign counterterrorism components of the Federal Bureau of Investigation; or

"(C) an individual, other than a United States citizen, whose past or present intelligence relationship to the United States is classified information and who is a present or former agent of, or a present or former informant or source of operational assistance to, an intelligence agency.

"(5) The term 'intelligence agency' means the Central Intelligence Agency, a foreign intelligence component of the Department of Defense, or the foreign counterintelligence or foreign counterterrorism components of the Federal Bureau of Investigation.

"(6) The term 'informant' means any individual who furnishes information to an intelligence agency in the course of a confidential relationship protecting the identity of such individual from public disclosure.

"(7) The terms 'officer' and 'employee' have the meanings given such terms by section 2104 and 2105, respectively, of title 5, United States Code.

"(8) The term 'Armed Forces' means the Army, Navy, Air Force, Marine Corps, and Coast Guard.

"(9) The term 'United States,' when used in a geographic sense, means all areas under the territorial sovereignty of the United States and the Trust Territory of the Pacific Islands.

"(10) The term 'pattern of activities' requires a series of acts with a common purpose or objective.".

(b) The table of contents at the beginning of such Act is amended by adding at the end thereof the following:

"TITLE VI—PROTECTION OF CERTAIN NATIONAL SECURITY INFORMATION

"Sec. 601. Protection of identities of certain United States undercover intelligence officers, agents, informants, and sources.

"Sec. 602. Defenses and exceptions.

"Sec. 603. Report.

"Sec. 604. Extraterritorial jurisdiction.

"Sec. 605. Providing information to Congress.

"Sec. 606. Definitions.".

SECTION 601(C)

Although the Senate amendments to H.R. 4 did not affect the language of section 601(c) adopted by the House, the Committee of Conference believes it important and appropriate to discuss that section in this Joint Explanatory Statement because debate in both Houses centered upon its meaning.

BACKGROUND OF 601(C)

H.R. 4 as reported from the House Permanent Select Committee on Intelligence and S. 391 as reported from the Senate Committee on the Judiciary in 1981 both required that to be criminal the disclosure made by those with no access to classified information would have to be made "in the course of an effort to identify and expose covert agents with the intent to impair or impede the foreign intelligence activities of the United States by the fact of such identification and exposure."

H.R. 4 as passed in the House in 1981 and in the Senate in 1982, replaces this intent standard with a more objective standard which requires that the disclosure must be "in the course of a pattern of activities intended to identify and expose covert agents and with reason to believe that such activities would impair or impede the foreign intelligence activities of the United States."

In adopting this amendment neither House intended to change the scope of the conduct which the Act seeks to proscribe. Rather, the change was made to deal with elements of proof at trail. The language as adopted makes it clear that the defendant must be engaged in a conscious plan to seek out undercover intelligence operations and expose them with reason to believe such conduct would impair U.S. intelligence efforts.

The language of section 601(c) was considered by the House as a result of an amendment offered on the floor by Representative Ashbrook. The amendment was adopted by a vote of 226 to 181. The same language was considered by the Senate as a result of an amendment offered on the floor by Senators Chafee and Jackson. This amendment was adopted by a vote of 55 to 39. The bill containing the amended section 601(c) language was adopted by the House by a vote of 354 and 56 and by the Senate by a vote of 90 to 6. Thus, the following language appears in section 601(c):

"Whoever, in the course of a pattern of activities intended to identify and expose covert agents and with reason to believe that such activities would impair or impede the foreign intelligence activities of the United States, discloses any information that identifies an individual as a covert agent to any individual not authorized to receive classified information, knowing that the information disclosed so identifies such individual and that the United States is taking affirmative measures to conceal such individual's classified intelligence relationship to the United States, shall be fined not more than $15,000 or imprisoned not more than three years, or both.

The record indicates that the harm this bill seeks to prevent is most likely to result from disclosure of covert agents' identities in such a course designed, first, to make an effort at identifying covert agents and, second, to expose such agents publicly. The gratuitous listing of agents' names in certain publications goes far beyond information that might contribute to informed public debate on foreign policy or foreign intelligence activities. That effort to identify U.S. intelligence officers and agents in countries throughout the world and to expose their identifies repeatedly, time and time again, serves no legitimate purpose. It does not alert to abuses; it does not further civil liberties; it does not enlighten public debate; and it does not contribute one iota to the goal of an educated and informed electorate. Instead, it reflects a total disregard for the consequences that may jeopardize the lives and safety of individuals and damage the ability of the United States to safeguard the national defense and conduct an effective foreign policy. The disclosure of covert agents' identities is detrimental to the successful and efficient conduct of foreign intelligence and counterintelligence activities of the United States. Whatever the motives of those engaged in such activity, the only result is the disruption of our legitimate intelligence collection programs—programs that bear the imprimatur of the Congress, the President, and the American people. Such a result benefits no one but adversaries of the United States.

The standard adopted in section 601(c) applies criminal penalties only in very limited circumstances to deter those who make it their business to ferret out and publish the identities of agents. At the same time, it does not affect the First Amendment rights of those who disclose the identities of agents as an integral part of another enterprise such as news media reporting of intelligence failures or abuses, academic studies of U.S. government policies and programs, or a private organization's enforcement of its internal rules.

Section 601(c) applies to any person who discloses the identity of a covert agent. As is required by sections 601 (a) and (b), the government must prove that the disclosure was intentional and that the relationship disclosed was classified. The government must also prove that the offender knew that the government was taking affirmative measures to conceal the classified intelligence relationships of the covert agent. As is also the case with sections 601 (a) and (b), the actual information disclosed does not have to be classified. However, the government must prove that the defendant knew that he was disclosing a classified relationship the government seeks to conceal by affirmative measures.

Unlike the previous two sections, authorized access to classified information is not a prerequisite to a conviction under section 601(c). An offender under this section has not voluntarily agreed to protect any government information nor is he necessarily in a position of trust. Therefore, section 601(c) establishes three elements of proof not found in sections 601 (a) or (b). The United States must prove:

1. That the disclosure was made in the course of a pattern of activities, i.e., a series of acts having a common purpose or objective;
2. that the pattern of activities was intended to identify and expose covert agents; and
3. that there was reason to believe that such activities would impair or impede the foreign intelligence activities of the United States.

PATTERN OF ACTIVITIES

"Pattern of activities" is defined as a "series of acts with a common purpose or objective." It is important to note that the pattern of activities must be intended to identify and expose covert agents. The process of identifying such agents must involve a substantial effort to ferret out names which the government is seeking to keep secret. This pattern of activities must involve much more than merely restating that which is in the public domain. The process of uncovering names could include, for example, techniques such as: (1) seeking unauthorized access to classified information, (2) a comprehensive counterintelligence effort of engaging in physical surveillance, electronic surveillance abroad, and other techniques of espionage directed at covert agents, or (3) systematically collecting, collating and analyzing information from documentary sources for the purpose of identifying the names of agents. The process of exposing covert agents must involve the deliberate exposure of information identifying them, the intentional "blowing" of intelligence identities.

It should, of course, be clear that "pattern of activities" does not necessarily mean a pattern of disclosures; a single, first disclosure of information identifying a covert agent is punishable under section 601(c) if the requisite pattern of activities and the other elements of the offense are proved beyond a reasonable doubt.

Most laws do not require intentional acts, but merely knowing ones. The difference between knowing and intentional acts was explained as follows in the Senate Judiciary Committee report on the Criminal Code Reform Act of 1980:

"As the National Commission's consultant on this subject put it, 'it seems reasonable that the law should distinguish between a man who wills that a particular act or result take place and another who is merely willing that it should take place. The distinction is drawn between the main direction of a man's conduct and the (anticipated) side effects of his conduct.' "

A newspaper reporter, then, would rarely have engaged in a pattern of activities with the requisite intent "to indentify and expose covert agents." Instead, such a result would ordinarily be "the (anticipated) side effect of his conduct."

Of course, the fact that a defendent claims one or more intents additonal to the intent to identify and expose does not absolve him from guilt. It is only necessary that the prosecution prove the requisite intent to identify and expose covert agents.

This crucial distinction between the main direction of one's conduct and the side effects that one anticipates but allows to occur forms an important safeguard for civil liberties. Because the intent standard in section 601(c) is an intent "to identify and expose covert agents" rather than an intent to "impair or impede the foreign intelligence activities of the United States," it is clear that the fact that a journalist had written articles critical of the CIA which did not identify covert agents could not be used as evidence that the intent standard was met.

In order to fit within the definition of "pattern of activities," a discloser must be in the business, or have made it his practice, to ferret out and then expose undercover officers or agents where the reasonable foreseeable result would be to damage an intelligence agency's effectiveness. Those who republish previous disclosures and critics of U.S. intelligence would all stand beyond the reach of the law if they did not engage in a pattern of activities intended to identify and expose covert agents.

A journalist writing stories about the CIA would not be engaged in the requisite "pattern of activities," even if the stories he wrote included the names of one or more covert agents, unless the government proved that there was an intent to identify and expose agents. To meet the standard of the bill, a discloser must be engaged in a purposeful enterprise of revealing identities—he must, in short, be in the business of "naming names."

The following are illustrations of activities which would not be covered:

An effort by a newspaper intended to uncover CIA connections with it, including learning the names of its employees who worked for the CIA;

An effort by a university or a church to learn if any of its employees had worked for the CIA. (These are activities intended to enforce the internal rules of the organization and not identify and expose CIA agents.);

An investigation by a newspaper of possible CIA connections with the Watergate burglaries. (This would be an activity undertaken to learn about the connections with the burglaries and not to identify and expose CIA agents.); and

An investigation by a scholar or reporter of the Phoenix program in Vietnam. (This would be an activity intended to investigate a controversial program and not to reveal names.).

The government, of course, has the burden of demonstrating that the pattern of activities was engaged in with the requisite intent to identify and expose covert agents. The government's proof could be rebutted by demonstrating some alternative intent other than identification and exposure of covert agents.

For example, the reporters who have investigated the activities of Wilson and Terpil, former CIA employees who allegedly supplied explosives and terrorist training to Libya, would not be covered even if they revealed the identity of covert agents if their pattern of activities was intended to investigate illegal or controversial activities, and not to identify covert agents. Similarly, David Garrow would not be within the scope of the statute even though he purported to give the identity of covert agents in his book, "The FBI and Martin Luther King, Jr.: from "Solo" to Memphis." His intent presumably was to explain what drove the FBI to wiretap Martin Luther King and not to identify and expose covert agents.

REASON TO BELIEVE

The government must also show that the discloser had reason to believe that the pattern of activities in which he was engaged would impair or impede the foreign intelligence activities of the United States. The "reason to believe" standard is met when the surrounding facts and circumstances would lead a reasonable person to believe that the pattern of activities would impair or impede the foreign intelligence activities of the United States. A government warning to a news reporter that a particular intended disclosure would impair or impede foreign intelligence activities could be considered by the jury, but the ultimate question for the jury would be whether the government had demonstrated that a reasonable person would believe that the pattern of activities in which he had engaged would impair or impede the foreign intelligence activities of the United States. Thus what would be relevant would be the objective facts about likely harm. Among the objective facts to be weighed by the jury in determining what a reasonable person would believe would certainly be the ease with which the name of a covert agent was identified and the extent to which it was widely and publicly known.

The conferees expect that the Department of Justice and the federal courts will limit the application of section 601(c) to those engaged in the pernicious business of naming names as that conduct is described in the legislative history of this Act.

SECTION 603

The House bill contained section 603 which deals with procedures for establishing cover for intelligence officers and employees. This section required the President to establish procedures to ensure the protection of the identities of covert agents. Such procedures were to include provision for any federal department or agency designated by the President to assist in maintaining the secrecy of such identities.

The Senate struck section 603 by unanimous consent.

The conference report contains a substitute section 603 requiring an annual report from the President on measures to protect the identities of covert agents. The conferees expect such report to include an assessment of the adequacy of affirmative measures taken by the United States to conceal the identities of covert agents.

The conferees stress, however, as was made clear during consideration of this measure in both bodies, that nothing in this provision or any other provision of H.R. 4 or in any other statute or executive order affecting U.S. intelligence activities in any way diminshes the 20-year old Congressionally-sanctioned Executive Branch policy of maintaining the total separation of the Peace Corps from intelligence activities. The importance to the effectiveness of the Peace Corps of maintaining this policy and its essential components was spelled out in detail in the reports of the Senate Judiciary Committee and the House Permanent Select Committee on Intelligence and in the debate on this measure in both bodies, and the conferees wish to reemphasize this point and call attention to the strong views of both bodies as set forth in that legislative history.

SECTION 606(4)

Senate amendment 13 struck from the definition of "covert agent" certain former intelligence officers and certain other U.S. citizens who formerly were intelligence agents, informants, or sources of operational assistance. The conferees agreed to the Senate amendment.

In adopting the Senate amendment, the conferees note that the definition of "covert agent" and thus the scope of possible prosecution is closely tied to the concept of classified information. This connection is of utmost importance in insuring that, as it applies to those who are not undercover intelligence agency employees, the definition of covert agent does not include those private citizens who might provide information to the CIA or FBI, but whose public identification, though causing personal embarrassment, would not damage the national security.

It is to be noted that after House passage of H.R. 4 and Senate passage of S. 391, the President promulgated a new executive order on classification. The Committee of Conference understands that the changes contained therein, particularly the elimination of the concept of "identifiable" damage, the addition of the category of "confidential source," and the addition of a presumption of classification for "intelligence sources and methods," were not intended to affect, and will not affect, a decision on whether an individual is or is not a "covert agent." The Committee of Conference expects the executive branch to exercise the utmost care in making classification decisions in this area.

Edward P. Boland,
R. L. Mazzoli,
Wyche Fowler,
Lee H. Hamilton,
Norman Y. Mineta,
J. K. Robinson,
Robert McClory,
Managers on the Part of the House.

Strom Thurmond,
Jeremiah Denton,
John East,
Joe Biden,
Patrick Leahy,
John H. Chafee,
Dick Lugar,
Henry M. Jackson,
Lloyd Bentsen,
Managers on the Part of the Senate.

NET WORTH GUARANTEE ACT

Mr. ST GERMAIN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6267), to revitalize the housing industry by strengthening the financial stability of home mortgage lending institutions and insuring the availability of home mortgage loans.

The SPEAKER. The question is on the motion offered by the gentleman from Rhode Island (Mr. St Germain).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 6267, with Mr. Kildee in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from Rhode Island (Mr. St Germain) will be recognized for 30 minutes, and the gentleman from Ohio (Mr. Wylie) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Rhode Island (Mr. St Germain).

Mr. ST GERMAIN. Mr. Chairman, I yield myself such time as I may consume.

□ 1540

Mr. Chairman, the Banking Committee has been concerned for almost 2 years with the growing difficulties encountered by financial institutions. Deregulation, technological change, and severe dislocation in the economy created an environment which threatens the stability of our financial service delivery system. Particularly telling was the rapid rise and subsequent volatility of interest rates.

Thrift institutions—savings and loan associations, mutual savings banks, and other depository institutions emphasizing savings accounts—traditionally relied on consumer deposits which were relatively stable. The funds were placed in the accounts as a source of savings rather than as a mechanism for payment of immediate expenses. This stability allowed those depository institutions to lend funds with a much longer maturity or repayment date than the underlying deposit. For most of these institutions, the major purpose of the loans was to finance residential real estate. As a result these institutions became major providers of long-term mortgage money for home purchasers.

The climb in interest rates and the volatility of those rates helped to bring an end to this traditional method of operation. Consumers have become more aware of the possibilities of earning higher returns on their funds. As a result, deposits which were once reasonably stable have become less reliable sources of funding for long-term loans. The small saver can now shop around for higher returns coupled with liquidity much as corporate and financially sophisticated individuals have done for many years. In addition, concern for the safety of their funds caused many depositors to move funds out of these institutions. This creates the silent run which is affecting the Nation's thrift institutions. Deposit withdrawals are exceeding new deposits flowing into these institutions.

In an effort to keep deposits and other lendable funds, thrift institutions and other depository institutions have had to increase the interest they pay on their deposits. This has had the effect of drastically raising the cost of funds for the institutions. At the same time this rise in cost was occurring, however, the return those institutions received on their assets moved upward only slightly. By 1981, therefore, these institutions had a negative spread between their cost of funds and the return on their mortgage portfolios and by early 1982 the overwhelming majority to the Nation's thrift institutions were experiencing operating losses.

These losses are absorbed by the institutions by dipping into their net worth or capital accounts. Net worth or capital is an item on the balance sheet of depository institutions which represents retained earnings and the value of any equity or stock issued by the institution. It is designed to provide a cushion for the institution to absorb operating losses or losses incurred by loans which go into default. The earnings squeeze affecting the industry is causing a major rundown of the industry's net worth. Last year the Nation's savings and loans and mutual savings banks lost over $5 billion. This year the losses are expected to be substantially higher. As a result, the erosion in net worth has led to serious concern over the future stability of these institutions.

On February 23, I introduced H.R. 5568, the Home Mortgage Capital Stability Act. That legislation was prompted by the growing realization that economic conditions, especially

very high interest rates, now adversely affected a substantially larger number of institutions than earlier in the Congress and the belief that it is in the national interest to preserve a mortgage lending industry. Comprehensive hearings were held on the provisions of H.R. 5568 under the auspices of the Subcommittee on Housing and Community Development.

Based on those hearings revised legislation was introduced on May 3, 1982. That bill, entitled the Net Worth Guarantee Act, was adopted by the Subcommittee on Financial Institutions Supervision, Regulation and Insurance by a rollcall vote of 19 ayes to 3 nays on May 4, 1982. The full committee on May 11, 1982 ordered the bill, as amended, reported by a rollcall vote of 25 ayes, 15 nays, and 3 present but abstaining.

The act would establish a program to guarantee the net worth of qualifying depository institutions—savings and loans, mutual savings banks, commercial banks, and credit unions. The program would be administered by the Federal Home Loan Bank Board, the Federal Deposit Insurance Corporation, and the National Credit Union Administration Board. Any guarantees provided pursuant to the act would be backed by a net worth guarantee account established in the Treasury and would be subject to an $8.5 billion guarantee limit. The act would provide that the full faith and credit of the United States stands behind the obligation to pay any guarantee which has to be honored and authorizes the appropriation of such sums as might be necessary for this program, subject to the $8.5 billion guarantee limit, and without restriction as to fiscal year.

The FHLBB, the FDIC, and the NCUA Board would determine institution eligibility in accordance with the criteria specified in the act and would be required to consult with the appropriate State supervisory agency if the institution being considered for eligibility is a State chartered institution. Institutions could be considered for eligibility if they have either Federal or State deposit insurance.

For an institution to qualify the agencies would have to find that the institution:

Has a net worth below 2 percent of assets—in the case of commercial banks 1 percent less than the minimum established in the December 18 policy statements of the bank regulators;

Has suffered earnings losses for at least two consecutive quarters and that such losses are not the result of speculation in futures or forward contracts, of management attempts to qualify their institution for assistance, or of excessive operating expenses;

Has a loan portfolio at least 20 percent of which is in residential real estate or securities backed by residential real estate;

Shows a need for assistance and has reasonable prospects of long-term viability; and

Agrees to comply with commitments required by the agencies and the act.

The conditions for receiving assistance include, but are not limited to, the responsibility to:

Retire the guarantees of net worth;

Provide reports to the agencies on its financial condition and its lending practices at such intervals as the agencies may require; and

Earmark, for as long as a guarantee of net worth is outstanding, at least 60 percent of its net new deposits—defined as deposits less interest and dividends credited with withdrawals—to the issuance of mortgages for 1-to-4 residences or co-op or condo units, such mortgages to be at or below FHA mortgage loan amount ceilings. An institution would have the option to comply with up to half of this mortgage requirement by purchasing securities backed by mortgages as defined above that are issued after the date the institution first receives a guarantee of net worth.

Each qualified institution would receive guarantees sufficient to bring its net worth up to a 2 percent of assets level for commercial banks the minimum level mentioned earlier and to maintain that level for a period not to exceed 2 years. After the expiration of that 2 year period, further guarantees may be provided only if the agency determines that the losses necessitating a further guarantee are the result of general economic conditions rather than management decisions.

The act provides that the guarantees shall be considered net worth for statutory and regulatory purposes; that an institution which has a stock form of ownership may not pay dividends on that stock so long as it has outstanding guarantees; and that an institution which has outstanding guarantees will defer any State or local tax that is based on deposits rather than on the profit or loss of the institution. In the event an institution which has outstanding guarantees is merged or acquired by another firm, the guarantees may be transferred to the surviving entity in the discretion of the agency.

Should an institution which has outstanding guarantees be liquidated, the Secretary of the Treasury would pay to the receiver of such institution the amount of the guarantees outstanding. This is the only time that cash would exchange hands under this program. Since the legislation is designed to restore public and investor confidence in institutions receiving assistance and to assure an adequate deposit and borrowing flow to institutions from the public and investors, the Government would have a claim on the liquidated assets of the institution after all deposits, certificates of deposit, and debt obligations are paid. If the Federal Government were to take any higher position, potential lenders, such as investment houses and money center financial institutions, many of which deposit or lend millions of dollars to individual institutions, would not be willing to undertake the risk involved in lending to these institutions. This is essential to improving the vitality of these institutions in the future.

In order to provide an orderly implementation of the act, the agencies are directed to issue regulations within 30 days of the date of enactment of the New Worth Guarantee Act. Those regulations would define terms to be used in the program, describe the criteria to be used in determining eligibility, and specify the conditions which would be imposed on institutions receiving guarantees. To assure that congressional intent is carried out and to provide congressional oversight of the program, the agencies are required to provide to each House of the Congress detailed quarterly reports on each guarantee provided by the agencies, and the General Accounting Office is directed to conduct an audit of each guarantee transaction and of the net worth guarantee account in the Treasury on a semiannual basis.

The act would take effect upon enactment and authority to issue guarantees of net worth would cease at the end of fiscal year 1984.

Mr. MINISH. Mr. Chairman, will the gentleman yield?

Mr. ST GERMAIN. I yield to the gentleman from New Jersey.

Mr. MINISH. Mr. Chairman, I rise in support of the bill H.R. 6267, the Net Worth Guarantee Act. As a cosponsor of this measure, I believe it offers the best solution to the problems facing the beleagured thrift institutions today.

We do not need to be economists to understand what has happened to the mortgage lending industry. The persistence of excessively high interest rates has seriously impaired the earning ability of thrift institutions. They cannot possibly fulfill their mission of providing long-term low-interest mortgages when the cost of funds they must borrow in the short term is so high. The disparity between the thrift institution's low yield on mortgage holdings and the high cost of funds has resulted in tremendous operating losses throughout the industry.

Obviously, a permanent remedy to the maladies of the thrift institutions will only be achieved by long-term reductions in interest rates. It is not clear, however, when interest rates will come down or for how long they will stay down. We are faced with a crisis in this industry which cannot be neglected. Without immediate action on our part the viability of the mortgage finance system may be seriously jeapordized, a development which could have tragic ramifications for the entire housing industry.

As we work toward long-term solutions to the problems of the economy, the bill before us today will insure that mortgage lending institutions survive their present difficulties and continue to support homeownership and homebuilding.

Community oriented thrift institutions have traditionally acted as the principal providers of affordable mortgages to the home buyers in this country. By sustaining the viability of these institutions we can preserve a source of affordable mortgages and also spur a recovery in the housing industry. Construction of homes has been depressed by high-interest rates and the inability of thrift institutions to provide mortgage credit to the housing sector. This bill serves a twofold purpose. It strengthens a suffering industry while stipulating that mortgage moneys be made available at reasonable rates for buyers such as the young people in this country who so desperately want to purchase their first homes. By accomplishing these two goals, we will encourage new construction and employment in a housing industry which is currently suffering an unemployment rate of nearly 20 percent.

Today, we all agree that something must be done to assist the mortgage industry. The question before us involves the method which we will pursue to provide that assistance. In this regard I can only reiterate my strong support for the committee's bill.

What is important is that we make a strong commitment to the mortgage industry, and in doing so, to home buyers and those employed by the homebuilding industry. I believe we can only do this by passing the committee bill.

The substitute does not address the very real question of the backing of guarantees to be issued by the agencies. I am concerned that the resources of the FSLIC in particular will not be viewed by the public and the investing community as sufficient to back the volume of guarantees which will be outstanding. We must address this matter up front and directly. The committee bill does this by providing an authorization to issue guarantees up to the limit established in the bill and the provision of an authorization to appropriate the sums which might be needed to honor the guarantees. This will be viewed, I am confident, by the public as a real commitment by the U.S. Government, and they will not have to wait for us to act at some point in the future to provide further funding, as called for in the substitute.

Mr. Chairman, the committee bill will provide an answer to the Nation's thrift institutions which will go a long way to assuring that the Nation's home buyers have the mortgage lending institutions in the future they have relied upon in the past.

Mr. PATMAN. Mr. Chairman, will the gentleman yield for a question?

Mr. ST GERMAIN. I yield to the gentleman from Texas.

Mr. PATMAN. Mr. Chairman, there is some fear that I have heard expressed that this bill, by going to the Senate, would result in amendments being attached to it for our consideration when it comes back here for concurrence.

Will the gentleman assure us that no amendment will be agreed upon by him which would in effect, for example, preempt the States rights to set certain limits on usury and limits on interest rates and that sort of thing? Will the gentleman assure us that this bill will not be Christmas-treed over in the Senate?

Mr. ST GERMAIN. Naturally, it is not the committee chairman's intent to make this Christmas-tree legislation. The gentleman is a member of the committee. He is aware of the fact that some amendments were ruled out of order as not being germane. I did that because I did not feel that this was the proper vehicle for some of the amendments that were proffered, and I can assure the gentleman that the same will apply in negotiations with the Senate.

Mr. PATMAN. The gentleman will not accept such amendments, then?

Mr. ST GERMAIN. I will say to the gentleman that it is not my intent to ask for adoption of this legislation as a means of accomplishing other things which have not been considered by-the House.

Mr. PATMAN. Right. Last year when the gentleman gave us another assurance, in effect that the bill would be pulled down if such amendments were adopted by the Senate.

Mr. ST GERMAIN. I restate to the gentleman that it is not the intent of this committee chairman to send this legislation over and accept legislative items that have not been considered by our committee and by the House.

Mr. PATMAN. And the gentleman will in effect pull the bill down if that is done?

Mr. ST GERMAIN. I do not know about "pulling." I wish the gentleman would not press so hard. I think that I have answered his question.

Mr. PATMAN. It is substantially the same as the gentleman did last year?

Mr. ST GERMAIN. That is correct.

Mr. PATMAN. We have substantially the same assurance?

Mr. ST GERMAIN. That is correct.

Mr. PATMAN. Mr. Chairman, I thank the gentleman from Rhode Island (Mr. St Germain).

Mr. LaFALCE. Mr. Chairman, will the gentleman yield?

Mr. ST GERMAIN. I yield to the gentleman from New York.

Mr. LaFALCE. Mr. Chairman, our consideration today of H.R. 6267, the Net Worth Guarantee Act, is clear evidence that the House can move quickly on legislation when the situation warrants. Since the introduction of the chairman's original capital infusion bill in February, the Banking Committee has moved steadily ahead, examining the alternatives and devising a program designed to help the Nation's mortgage lenders survive current economic conditions.

Few would doubt that such assistance is needed. Indeed, a Newsweek cover story last month so developed the public's awareness of the problems of the thrifts that Congress was forced to reaffirm the safety and stability of the Nation's banking system. These are times of great change within all sectors of our financial system, and mortgage lenders would be challenged under the best of conditions: Prolonged high interest rates have helped to make the transition almost unbearably painful, as institutions saddled with huge portfolios of low interest mortgages struggle to compete for record cost deposits.

Our committee heard testimony from the Chairman of the Federal Home Loan Bank Board which further quantified the extent of thrift problems. A negative 0.75 percent return on industry assets for 1981, losses of almost $5 billion over the year, and net worth eroded by some 15 percent over the course of the year—these statistics threaten the survival of many institutions. Survival is directly tied to interest rates, rates which many expected to drop before now but which have shown enormous resistance to real improvements. Slight drops this spring were insignificant when corrected for inflation, which virtually disappeared during the same period.

By the Federal Home Loan Bank Board's own estimate, some 400 institutions would exhaust their capital accounts this year if interest rates remain at current levels. Even with a drop of 200 basis points, nearly half that number would not survive. These are the grim statistics that motivate our action today.

For most institutions, erosion of net worth have proved to be the most serious threat to survival. Cash flow is often adequate to keep them in business, but when net worth falls below the guidelines established by banking regulators, institutions are subject to intervention and often merger. During 1981, the pace of mergers was furious, unprecedented in industry history. The public's confidence in the survival of the industry was eroded right along with net worth, and that, coupled with

aggressive competition from nonbanking institutions like money market funds, precipitated a dangerous decline in the share of net savings deposits flowing into thrifts.

Twenty-three of the 1981 thrift mergers arranged by the FSLIC required some form of financial assistance from the deposit insurance fund. Additional mergers of savings banks drew on the more substantial assets of the FDIC. The high costs of some mergers, coupled with the growing potential for more large-scale assisted mergers, helped the regulators to recognize the limitations of the merger solution. Although the risk to the insurance fund depends on future interest rates, and thus is impossible to predict accurately, it became clear that some form of assistance would be necessary for the survival of both the industry and the insurance system. During committee consideration of this legislation, I advocated that we hold any proposal to certain minimum criteria, in order that we accomplish our goal as efficiently as possible. I believe that most other members of the committee shared my concern that the program we design be of long-term benefit to both the industry and to the Nation's consumers. Certainly I am convinced of the public benefits of the survival of the Nation's savings and loans; but it is equally important to secure that survival as efficiently as possible.

First, we need to protect against subsidizing those institutions which have no chance of survival. There is no direct cost to the guarantees, until an institution should fail, whereupon the full value of the guarantees must be paid. It makes sense to minimize the risk of such failures by permitting the regulators to withhold assistance from doomed institutions. I am pleased that H.R. 6267 provides the necessary authority.

Second, we should deny Federal assistance to those institutions whose troubles are the result of poor management and bad investment decisions. It is not our intent to shelter the unwise from the consequences of their own mistakes. We aim only to sustain those who are threatened by murderous interest rates. The bill we have before us mandates that the regulators shall ascertain that the losses of any participating institution are not due to mismanagement. They will also disqualify those who may attempt to manipulate net worth in order to qualify for the program. These are important safeguards which I endorse.

From the beginning, there was also a strong consensus among committee members that assistance should be limited to institutions with significant mortgage portfolios and that assistance should be tied to continuing that mortgage lending commitment. In the first draft, the bill specified a low rate of interest for new mortgage commitments. As attractive as such rates would be to consumers, I opposed requiring such low-interest rates on the grounds that they would only perpetuate the current mismatch between assets and liabilities of thrifts. I am pleased that the current version of the bill contains the mortgage lending requirement without specifying an interest rate.

One amendment accepted by the committee during markup was of special interest to those of us to represent States with franchise taxes. Such taxes are not based on profits, and thus failing institutions are equally liable, yet the committee was reluctant to permit Federal assistance payments to flow through the institutions into State coffers. The original version of the bill simply exempted institutions from such State taxes. Although I am opposed on principal to franchise taxes, I am equally opposed to Federal overrides of State taxing prerogatives, and thus I was pleased to support a compromise amendment which simply provides for a delay in payment of State franchise taxes during participation in this program.

It is important to remember that the net worth guarantee program will not solve the basic problems which brought savings and loans so much trouble. They will remain saddled with low-yield mortgages for many years, and despite the fact that their investments in such mortgages were mandated by Federal regulation, this program does not address this problem. I have introduced a mortgage warehousing program which would relieve mortgage lenders of the worst of this burden, but my bill seems to have fallen victim to the budget ax.

The more fundamental problem which, unless solved, will remain a wolf at the door of these institutions is the level of interest rates. We are really buying a temporary reprieve, in hopes that future interest rates will provide a permanent solution to these problems. It is clear that mortgage lenders will have an important role to play in the future if those interest rates return to tolerable levels, but it is more difficult to predict when that might be. In the meantime, I commend this legislation to my colleagues.

Mr. ST GERMAIN. Mr. Chairman, I reserve the balance of my time.

Mr. WYLIE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I say to my colleagues that the committee chairman, the gentleman from Rhode Island (Mr. St Germain) and I are in complete agreement that many thrift institutions in this country are in trouble and are in need of help. We also agree that it is important that we help some of these troubled thrift institutions through this transition period until we can get interest rates down.

We think that interest rates will not come down until there is a substantial decrease in the budget deficit, but that is not going to happen today or tomorrow. In the meantime I think it is fair to say that there are some financial institutions, thrifts especially, which do need some help as far as their net worth is concerned, and I would suggest that the net-worth guarantee proposal which the committee chairman has proposed here, and which has been brought out of the Committee on Banking, Finance and Urban Affairs, does not do that.

I think it is also fair to say that we need to help the thrift industry, partly because of the psychological impact which failures of one or two or any number of thrift institutions might have as far as the state of our economy is concerned.

For example, recently the Economy Savings & Loan failed in Chicago. And most people, I might say, do not distinguish between a savings and loan and a bank; that is my opinion.

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As a matter of fact, our local newspaper at home had a headline on it, "Bank Fails in Chicago." So I think there is an impact which is of a serious nature which could prevail here if we do not do something to help the troubled savings and loan industry through this difficult period.

In other words, what I am saying is we simply cannot stand by and do nothing for the savings and loans which find themselves in difficulty because of a law or a mandate which we impose on them that they were supposed to put most of the their money into long-term, low-interest-rate home mortgage loans.

The problem is with the fact that they are, in most cases, in a position of realizing only a small interest rate, or much below market interest rates on these long-term, low yielding interest rate mortgages and, at the same time, have to compete in a marketplace with everybody else for very expensive money which has put them in a real bind.

I think the chairman has shown a proper concern. I think he does conscientiously want to try to help the thrift institutions. In his first bill which he introduced, and which was the subject of extensive hearings before the House Committee on Banking, Finance and Urban Affairs, the chairman suggested $8.5 billion cash infusion into the troubled institutions. That received little support, so the chairman introduced the bill which we have before us here today which calls for a guarantee arrangement, a guarantee of net worth, if you 276please.

The net worth of a thrift institution is reduced as the liabilities increase when compared to assets, and when the institution's liabilities become greater than its assets with no hope for improvement, the institution is merged with another institution, a similar institution, or it is liquidated.

Fortunately, we have not had occasion to have too many liquidations, but there have been a considerable number of mergers.

The concept behind H.R. 6267 is to somehow maintain the net worth of these financial institutions at 2 percent in the case of a thrift, or in the case of banks at 4 percent. Do not ask me why there is a different formula with reference to thrift institutions than there is with banks, but there is.

The counsel for the Federal Home Loan Bank Board says that a net worth guarantee does not, and I repeat, does not increase the net worth of that financial institution, and that is really what brought us here today, an attempt to increase the net worth of that financial institution so it would not be a troubled institution, so there would not be the necessity to merge it or liquidate it.

I have a letter here from the counsel for the Federal Home Loan Bank Board and another one from Mr. Pratt which says, "It is our opinion that the net worth guarantee does not increase net worth."

You might say, well, that comes from the counsel of the Federal Home Loan Bank Board and Richard Pratt and the Federal Home Loan Bank Board is for a different approach. They are for an approach which would provide for income capital certificates which would be exchanged by the institutions for promissory notes which would bear interest and which will, in fact, increase the net worth of that financial institution.

But, more importantly, and I think this is very important, and I hope my colleagues take note, I have a letter here from Mr. J. T. Ball, who is the assistant director of the financial accounting standards board. They provide for what are called generally accepted accounting principles as far as accounting with reference to thrift institutions is concerned.

He says on reading the bill, the bill which brings us here, H.R. 6267,

> We are of the opinion that a guarantee of net worth would be a commitment by the U.S. Government for the Secretary of the Treasury to pay a specified amount to the receiver of a thrift in the event the thrift is closed and only in that event.
>
> Accordingly, the FASB staff believes that a guarantee of net worth lacks the first and second essential characteristics of an asset and should not be recognized as an asset under GAAP by the thrift.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. WYLIE. I yield to the gentleman from California.

Mr. ROUSSELOT. Then what my colleague is telling us is that under his alternative bill, which contains the income capital certificate program, under generally accepted accounting principles, there is a real increase in net worth that is very likely to be acceptable to independent auditors under the gentleman's bill but not under the committee bill; is that correct?

Mr. WYLIE. The gentleman is correct. One of the things that we have is a considerable amount of apprehension about is that there are many thrift institutions which are in trouble because their net worth has fallen below the 2-percent level which is the trigger at which they can receive help from the Federal Home Loan Bank Board.

What we want to do is fortify or buttress that net worth, if you please. In my bill, which calls for the issuance of an income capital certificate from a thrift institution to the Federal Home Loan Bank Board in exchange for a promisory note to the thrift which, I might say, is negotiable and would carry market interest rates, that is recognized today as an asset and would add to the net worth of that financial institution whereas, as I have just said here, the Financial Accounting Standards Board said that a guarantee of net worth, which would only come into play if there is a failure of that financial institution, does not rise to the standard of an increase in net worth.

Mr. ROUSSELOT. I appreciate my colleague clearing that up, since the net worth consideration is so important in comprehending this problem facing the savings and loan associations and other thrift institutions. It is obvious that the gentleman's particular provisions provides more effectively for the appropriate increase in net worth, whereas the committee bill provides nothing but a guarantee which is good only in the event of liquidation.

I appreciate my colleague bringing that point up.

Mr. WYLIE. I thank the gentleman for his contribution on that point. This becomes important because in the case of large, publicly held stock companies, of which there are many in California, Wall Street would say the thrift is just as insolvent with a net worth guarantee, and the stock would be just as unattractive, let us put it that way, after the net worth guarantee as it would be before.

So the reason for the net worth guarantee, which does not come into play until the institution fails, would not necessarily add to the value of that company and would, therefore, not be translated into value to the stockholder or recognized as an asset for the purpose of generally accepted accounting principles.

Mr. ROUSSELOT. I appreciate my colleague clearing that up, because it is important for those that are trying to make a decision as to whether to support the version the gentleman is recommending or the version authored by my colleague from Rhode Island (Mr. St Germain) and the gentleman's proposal obviously is superior on the basis of its conformity with generally accepted accounting principles.

Mr. WYLIE. I think so.

Mr. BLILEY. Mr. Chairman, will the gentleman yield?

Mr. WYLIE. I yield to the gentleman from Virginia.

Mr. BLILEY. Is it not true that the gentleman's substitute is endorsed by the Home Loan Bank Board, the Treasury, and the Savings and Loan Association?

Mr. WYLIE. The substitute which I will offer is supported by Treasury. I have a letter here from Mr. McNamar which says it is supported by the Federal Home Loan Bank Board. I just referred to a letter from Mr. Pratt in that regard.

It is also supported by the Federal Deposit Insurance Corporation, and I have a letter from Mr. Bill Isaac to that effect.

So all of the regulatory agencies which have responsibility in this area, plus the Treasury, support my substitute bill.

Mr. BLILEY. Will the gentleman yield further?

Mr. WYLIE. I yield to the gentleman.

Mr. BLILEY. The gentleman's substitute would get help to the S. & L.'s quicker and at less exposure to the Federal taxpayers; is that correct?

Mr. WYLIE. That is a very cogent observation. The St Germain proposal would require an appropriation. And requiring an appropriation, given the budget problems that we have now, given the fact that we are working in an area or in an arena of a huge budget deficit, I think it might be a long time before we could get, one, the Budget Committee to accommodate an additional appropriation for moneys we do not have, and, two, then to get the Appropriations Committee to act.

My bill would infuse net worth into the troubled financial institution immediately. It could be implemented immediately and indeed already has been implemented through the so-called Phoenix plan of the Federal Home Loan Bank Board. So they do have a track record. I say "they," meaning Federal Home Loan Bank Board through the FSLIC has a track record on the approach which I take in my substitute bill.

Mr. BLILEY. One final question, if the gentleman will yield. Was it not true the gentleman offered this in committee and that it failed by one vote?

Mr. WYLIE. That is partly accurate. I offered my substitute in the full Banking Committee. I gave a presentation in support of my substitute. Maybe it was not all that good, but I thought it was good enough that it should be the subject of some debate, or at least someone should respond to it. A motion to table was made from the other side of the aisle, and that motion to table carried by a vote of 21 to 20, so actually there was no debate.

Mr. BLILEY. No debate?

Mr. WYLIE. There was no debate in the full Banking Committee.

Mr. BLILEY. I certainly want to commend the gentleman for bringing this up and offering the substitute on the floor. I pledge the gentleman my full support.

Mr. WYLIE. I thank the gentleman very much for his support.

Mr. SMITH of Oregon. Mr. Chairman, will the gentleman yield?

Mr. WYLIE. I yield to the gentleman from Oregon.

Mr. SMITH of Oregon. Am I to understand the gentleman's substitute requires no appropriations, as opposed to the bill that is before us?

Mr. WYLIE. That is correct, and I am glad the gentleman made that point again. I think it deserves emphasis.

Mr. SMITH of Oregon. I think that is very important. The savings and loan industry is in difficult shape. Maybe neither of the bills is exactly what we ought to have, but I think that is an important point as we look at the problem.

Mr. WYLIE. I thank the gentleman very much for making that observation.

I would also say that in my area of Ohio, the healthy thrift institutions—and I emphasize the word "healthy" here—like my substitute. They like my substitute because if there is a trigger for a guarantee of net worth when the net worth of the financial institution falls below 2 percent, then the institutions in the community which maybe have not been as good on management tactics or management techniques will benefit by this. In other words, a financial institution which has a net worth of slightly above 2 percent would not benefit under the St Germain proposal, whereas an institution with a net worth of slightly less than 2 percent would benefit, and if that institution then fails, they would be the beneficiary of the guarantee under the St Germain proposal.

So I would say that those institutions which have had good management in my area think that my proposal is superior to the proposal which is being offered by the gentleman from Rhode Island, the chairman of the committee.

My bill, as I say, would correct that inequity.

Now, according to the Federal Home Loan Bank Board, some 2,200—not 200 or not 20, but 2,200—financial institutions, thrift institutions, would have a low enough net worth to qualify for this program.

Now, assuming that the 6-month T-bill rate continues at around 13.5 percent, the Federal Government, if all of these were guaranteed, and if all of them either found themselves in a situation where they were merged or they failed or were liquidated, there could be contingent liabilities so far as the Federal Government is concerned of $2.7 billion for fiscal year 1982, $7.2 billion for fiscal year 1983, and $8.3 billion for fiscal year 1984.

Now, this is not, as I have said, provided for in the budget. It would require an appropriation, and that point has been made several times; but the objections that I have made I will discuss again in my substitute bill and will indicate how I think my substitute bill is superior in correcting what I regard as inequities and soft spots in the net worth guarantee proposal.

Mr. ST GERMAIN. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, I would like to make a point, and that is that the committee bill indeed asks for $8.5 billion in guarantees. This has no budgetary effect whatsoever. None whatsoever. There is no cash whatsoever that changes hands.

A question was asked by the gentleman from Oregon a little earlier, when the gentleman from Ohio (Mr. Wylie) was speaking. If the gentleman will give me his attention, the committee bill provides $8.5 billion in guarantees, with no cash transactions. In other words, the institution receives a net worth guarantee certificate to tide it over. During that period of time, hopefully, according to projections of the administration, interest rates will subside, come down, allowing the institution to recoup and then return that certificate. No cost, not one red penny.

The Wylie substitute will cost the FSLIC fund $1.2 billion. The market value of that fund today is $3.9 billion.

Do you know what could happen when that fund is depleted? And the way things are going, it will not be long. They have to come to us for additional money. That is where the cost factor is. The gentleman is concerned about the effect on the deficit. You vote for the committee bill. You be cautious of the Wylie substitute.

Mr. WYLIE. Mr. Chairman, will the gentleman yield on that point?

Mr. ST GERMAIN. I yield to the gentleman from Ohio.

Mr. WYLIE. Does the gentleman from Rhode Island agree that there would have to be an appropriation to accommodate his bill?

Mr. ST GERMAIN. The Appropriations Committee would have to approve the guarantee, the full faith and credit, but until such time as one of those net worth guarantee certificates has to be cashed in because an institution fails, because interest rates were not brought down by the economic policies of the administration, we would not have to appropriate 1 thin dime. As I state—and we will argue this a little further—CBO estimates that my bill is indeed a moneymaker, whereas the gentleman's bill, unfortunately, will cost the fund.

Mr. WYLIE. CBO did not make that estimate, I submit to the Chairman.

Mr. ST GERMAIN. There is an estimate by CBO, as well.

Mr. WYLIE. But the CBO did say there would have to be an appropriation which would have to be accommodated by a contingent liability in the budget. And therefore there would be some budget impact as far as outlays are concerned.

Mr. ST GERMAIN. I respectfully disagree with the gentleman. He is in error on that point.

Mr. Chairman, I yield such time as he may consume to the gentleman from Illinois (Mr. Annunzio).

Mr. ANNUNZIO. Mr. Chairman, I wish to add my strong support for this legislation. It addresses some of the growing difficulties encountered by financial institutions. Deregulation, technological change, and severe dislocation in the economy created an environment which threatens the stability of our financial service delivery system. Particularly telling was the rapid rise and subsequent volatility of interest rates.

This climb in interest rates and their volatility helped to bring an end to the thrift industry's traditional method of operation. Deposits which were once reasonably stable have become less reliable. In addition, those funds which are being attracted have a much higher cost. At the same time this rise in cost occurs, the return those institutions receive on their assets is rising only slowly. The result is major operating losses.

What led to this situation? Thrift institutions—savings and loan associations, mutual savings banks, and other depository institutions emphasizing savings accounts—traditionally relied on consumer deposits which were relatively stable. This stability allowed those depository institutions to lend funds with a much longer maturity or repayment date than the underlying deposit. For most of these institutions, the major purpose of the loans was to finance residential real estate.

With a stable source of funds all but lost, our Nation's thrift institutions have been unable to fulfill this traditional role. They have been forced to do far less mortgage lending, and have been attempting to simply ride out the storm. However, even this strategy has become less and less viable as interest rates remain high. These institutions face continued losses, unless something is done.

These losses are being absorbed by the institutions by dipping into their net worth or capital accounts. The earnings squeeze affecting the industry is causing a major rundown of the industry's net worth. This erosion in net worth has led to serious concern over the future stability of these institutions. It has led to a series of weekend mergers, and some concern about the long-term strength of the Federal deposit insurance system. Therefore, the Banking Committee decided to design a program that would decrease the need for emergency mergers, and provide new resources to the deposit insurance agencies.

The legislation reported by the Banking Committee would establish a program to guarantee the net worth of qualifying depository institutions—savings and loans, mutual savings banks, commercial banks, and credit unions. The program would be administered by the Federal Home Loan Bank Board, the Federal Deposit Insurance Corporation, and the National Credit Union Administration Board. Any guarantees provided pursuant to the act would be backed by a net worth guarantee account established in the Treasury and would be subject to an $8.5 billion guarantee limit. The act would provide that the full faith and credit of the United States stands behind the obligation to pay any guarantee which has to be honored and authorizes an appropriation of such sums as might be necessary for this program, subject to the $8.5 billion guarantee limit.

Mr. Chairman, this program is well designed to meet the goals set for it, to give the Federal deposit insurance agencies the resources they need, and to help preserve the country's home finance industry.

Mr. WYLIE. Mr. Chairman, I yield 5 minutes to the gentleman from New York (Mr. CARMAN).

Mr. CARMAN. Mr. Chairman, I rise to speak on behalf of the Wylie substitute.

I would like to make a clarification in regard to what the chairman of the committee, the gentleman from Rhode Island, just spoke to a few moments ago.

There is an $8.5 billion sum of money that is contemplated in his legislation and, actually, the guarantee pledges the full faith and credit of the United States to back up the applications of the several institutions that are called our thrift institutions. Whereas the Wylie substitute continues to maintain the use of the insuring funds.

I commend the gentleman from Rhode Island because of the remarkable concern that he has shown for the plight of the savings and loan associations.

Mr. WYLIE. Mr. Chairman, will the gentleman yield on that point?

Mr. CARMAN. I yield to the gentleman from Ohio.

Mr. WYLIE. I think the gentleman makes a very good point there. There is no budget impact in my amendment because the funds used by FSLIC would be from the insuring fund. Therefore, no new taxpayers' money would be needed under my amendment.

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Mr. CARMAN. That is correct, and I thank the gentleman for pointing that out, but I would like to emphasize the importance in this particular type of legislation.

I would like to stress the importance of maintaining the concept of the insuring funds. If what we do is set up a special account for $8.5 billion, it seems to me what we will do is create a tremendous temptation for the utilization of those funds, whereas if we maintain sanctity of the insurance funds, it seems to me that we will be in a much better position to continue the proper and orderly procedure in regard to the handling of how these institutions are going to be able to confront the earnings problem that we are so concerned about.

There is another part that I think is very essential for us to understand, and that is this entire debate—and it does not solve the whole problem and we all know that but it goes toward a net worth concept which is what the gentleman from Rhode Island's bill tries to address and certainly the Wylie substitute tries to address—but I have grave concern that in the event that we take the position, more especially the accountants in this Nation take the position, that the St Germain legislation will not conform to general accounting principles, there will be no effect upon the net worth and as a result of that the effort that is being made by the chairman of the committee as well as by the Wylie substitute more especially being made by the St Germain bill simply will not have the result that we desperately need for these institutions.

We have them dropping like flies all over the country. We have mergers that seemingly we would like to avoid and what is necessary here, it seems to me, is to make sure that we are in a position to guarantee not necessarily the full faith and credit, that is to say, not to guarantee the institutions viability but more especially, which is a new concept in the St Germain legislation, but now to insure and guarantee that the depositors are protected, which is what we have always done in the past.

What the Wylie substitute is doing is simply insuring and keeping the insuring concept in place, whereas what is happening with the St Germain bill in chief, which we are now debating, it seems to me is we are ending up guaranteeing the institution as such with an $8.5 billion outlay.

Mr. ST GERMAIN. Mr. Chairman, will the gentleman yield?

Mr. CARMAN. I yield to the gentleman from Rhode Island.

Mr. ST GERMAIN. Was the gentleman not concerned about the rash of mergers that are being forced upon the thrift industry right now through the regulatory agencies? Was the gentleman not concerned?

Mr. CARMAN. Of course I am.

Mr. ST GERMAIN. About management, efficient management, competent management and boards of directors that are being——

Mr. CARMAN. Indeed I am.

Mr. ST GERMAIN [continuing]. Kicked in the trousers.

Mr. CARMAN. As the gentleman is.

Mr. ST GERMAIN. That is right.

Now the regulatory agency is now being told under the Wylie substitute to continue that process. Does the gentleman not see what is going to happen? No restrictions on mergers as in my bill.

Mr. CARMAN. I think that point of the gentleman's bill the gentleman speaks properly to is extremely germane and most appropriate.

Mr. ST GERMAIN. The problem with the Wylie substitute is that same insuring fund has been forcing these mergers and throwing people out of jobs in order to preserve their fund that is down so low now.

You do not think they are going to do it even more with the Wylie substitute. That is going to take money out of that same insuring fund and bring it down even lower.

Mr. CARMAN. We know in fact, Mr. Chairman, that de facto we have got the U.S. Government backing up these obligations. We passed a resolution in this House not too long ago.

Mr. ST GERMAIN. That is deposit insurance. That has nothing to do with the preservation of this insuring fund.

The CHAIRMAN. The time of the gentleman from New York (Mr. CARMAN) has expired.

Mr. WYLIE. Mr. Chairman, I yield 2 additional minutes to the gentleman from New York (Mr. CARMAN).

Mr. Chairman, will the gentleman yield?

Mr. CARMAN. I yield to the gentleman from Ohio.

Mr. WYLIE. On the point the chairman is making, if my substitute is not adopted, the insurance fund, FSLIC, according to the Federal Home Loan Bank Board, would go down more than if mine is adopted, because they have to come into play on the regulations which they have in place now with reference to net worth.

They say in their report to me that if my amendment is not adopted that the insurance fund could go down to $3.505 billion, whereas if my substitute is adopted, that they would expect that the fund would not go below $4.787 billion.

So the people who administer the fund think that my substitute would save money for the fund.

Mr. CARMAN. I think, in fact, it will.

I think what is important here is to understand that this is a new concept to guarantee any industry with the full faith and credit of the United States. It is a lot different than the insuring fund concept that we have had that has continued rather well there since the 1930's when all of them were put into effect.

Mr. ST GERMAIN. Mr. Chairman, I yield such time as he may consume to the distinguished chairman of the Subcommittee on Housing and Community Development, the gentleman from Texas (Mr. GONZALEZ).

Mr. GONZALEZ. I in turn thank the very efficient and distinguished chairman of the full Committee on Banking and let me say right at the outset that had both the committee and the House and the Congress acted in response to his early initiatives, more than a year ago, a lot of this could have been avoided and in fact certainly alleviated.

But at this time I rise mostly to ask a question, but also to preface my questions by some very brief remarks.

There is no doubt about the plight of the thrift industry. In the entire State of New York, for example, there are only two savings banks that are presently operating at a profit. For the State as a whole, losses are better than 50 percent higher than they were a year ago.

This is why I said what I said a while ago about the chairman's efforts. In fact, several years ago he inaugurated and initiated lengthy hearings—time after time he was there all by himself—in anticipation that reforms were needed and long overdue and it just kind of exacerbates me because I think this chairman has really performed outstandingly.

So here now twice this rate of failure or sad situation as a year ago.

This situation is just not exclusive in New York, it is common througout the country. In fact, during the last few months, the Federal regulatory agencies have spent $2 billion or more to facilitate the mergers of ailing thrift institutions and there is no end in sight right now. This is the issue we have just heard debated about the meager resources left in these facilties, insurance facilities, with an unlimited problem staring us in the face.

So clearly the situation is urgent.

Legislation to stabilize the thrift industry is timely.

The gentleman from Rhode Island has brought forward a bill that will serve its purpose, a bill that is well thought out, and a bill that certainly is going to have my full-hearted support.

Let me also point out that the sickness of the thrift business contributes to the depression of the housing industry. What we do here is to do more than help a segment of the financial community. We set the basis for a healthy recovery of housing.

I would like to address a question to the author of the bill at this time, the distinguished chairman and gentleman from Rhode Island. Last year when the House passed the so-called regulatory bill, the chairman said then that he would not accept and would not kow-tow to Senate action that greatly changed the nature and scope of the bill.

He was firm and he was clear in his position, and it was a wise and correct position to take and I certainly admire him for it.

The other body has never acted on that regulatory bill for precisely that reason.

Now it appears that they want to hang some decorations on the presently pending bill that we are discussing here.

For example, the other body seeks to grant through this bill, when passed, additional banking powers to the thrift industry. They seek to put in language that would override any State's antiusury laws.

The gentleman last year made it clear that he would oppose any kind of shenanigans of that nature. So that my question today is merely really just to put on the record a reaffirmation of that intention.

☐ 1620

Mr. ST GERMAIN. Mr. Chairman, I would say to the gentleman, as I stated to his colleague, the gentleman from Texas, a little earlier, it is not the intent of the chairman that this legislation be used to accomplish other things. Were there to be other legislation adopted, it will be done in the ordinary course of legislation in the House.

Mr. GONZALEZ. I thank the distinguished chairman and thank the gentleman for the time allotted.

Mr. ST GERMAIN. Mr. Chairman, I yield such time as he may consume to the gentleman from California (Mr. PATTERSON).

Mr. PATTERSON. Mr. Chairman, I rise in support of the committee bill as presented by the chairman, the gentleman from Rhode Island.

Mr. Chairman, I think that all Members of this body will agree that the thrift industry crisis is rapidly worsening. We have already experienced a run on several small savings and loan institutions and there is wide recognition that unless Congress acts, the public's confidence in the entire financial system will be undermined. Lacking this confidence, recovery of the national economy will be further threatened. I am convinced, Mr. Chairman, that the short-term crisis facing home-mortgage lending institutions which have become victims of circumstances beyond their control can best be addressed by the adoption and immediate implementation of the St Germain capital assistance program. This legislation has been carefully crafted and refined so as to answer to the needs and concerns of both the troubled institutions and the regulatory agencies. Furthermore, Mr. Chairman, this legislation is an ideal way to assist ailing thrifts in that it would involve no present budget outlays. It is my hope, and I am certain that my colleagues share this hope, that the economic climate will improve significantly enough over the next few months that this legislation will never require a budget appropriation.

Mr. Chairman, the Banking Committees of both the House and the Senate have labored over the past 2 to 3 years in a truly bipartisan effort to provide reasonable and timely assistance to our Nation's financial institution. During the 96th Congress, the Congress enacted the first phase of a broad program to deregulate our Nation's traditional financial community. I was fully supportive of the actions taken in this regard. However, no one at that time could predict that the phasing out of regulation Q and the worsening economic malaise, including historically high interest rates, would be compounded by a steadily increasing onslaught from nonregulated competitors to the serious detriment of thrift institutions. Although the House has taken additional steps in the 97th Congress to eliminate the difficulties being encountered by these financial institutions, the debate on the restructuring of the financial industry has dragged on endlessly. The outlook for many thrift institutions is now so glum that the House finds itself once again assembled to act on a legislation proposal to provide short-term relief. The adoption of the Net Worth Guarantee Act as proposed by Chairman ST GERMAIN is crucial for the future viability of the thrift industry. I am especially pleased that the House Banking Committee saw fit to include langauge to prohibit the forced merger of troubled institutions who are eligible for assistance and/or the forced resignation of such an institution's officers. These institutions and their governing officers should not be unfairly penalized for fulfilling the traditional role of providing moneys for home mortgage lending.

I strongly urge my colleagues to support the American dream of homeownership through their yea vote on the St German proposal before us today.

Mr. WYLIE. Mr. Chairman, I yield 3 minutes to the gentleman from Connecticut (Mr. MCKINNEY).

Mr. McKINNEY. Mr. Chairman, I thank the ranking Member for yielding.

I suppose after my preceding exercise of trying to talk commonsense on another bill, it is pointless to try to talk commonsense about this one; but I think we ought to cover a couple points. I will probably, even though I was the only Republican cosponsor of the chairman's bill, and I admire the chairman for bringing this in front of us, support the substitute; but I think it is only fair that a minute's criticism be brought to the process, not of the chairman, not of the ranking member, not of the committee, but of the various agencies with which we are dealing, because we have in front of the House two very badly flawed pieces of legislation.

I think it is only fair to point out that they are both flawed. I do not think they needed to be flawed. I do not think we needed two pieces of legislation, if only the regulatory agencies had bothered to come and consult and remember that there is such a thing as conversation and a little bit of negotiating back and forth.

The chairman has come forth with a bill which guarantees the net worth of an institution. It is a bill with a few flaws, which I would like to point out. Under the chairman's bill, you are going to guarantee the net worth of an institution below 2 percent, and except for a GAO audit of the entire process on a semiannual basis, you are really going to guarantee the net worth of an institution regardless of what its managers or board of directors or anyone else does with it.

You are going to turn around and say, "We are going to guarantee your net worth, even if you totally blow the place apart, you are foolish or foolhardy and you are anything else and we are going to protect you and we are going to keep you sound and we think you are wonderful."

Everybody agrees that the thrift institutions have to be saved, but under that condition I am not so sure.

Second, the chairman's bill, it seems to me, has a flaw in that if you are below 2 percent of net equity, you get all the help you could possibly want from any source under this bill; whereas if you are 2.1 percent net worth or 1.5, it is entirely different. There is a great disparity.

The alternative substitute at least has a sliding scale that recognizes the differences among institutions.

But then to be fair, since I have been harping on the chairman's bill, I must say to my good friend who received this substitute from downtown without much communication nor time or anything else, we have a bill which says it is going to create a certificate, which is under normal accounting procedures a net asset since the accountants have said the chairman's instrument is not an asset.

All right, now, what do they mean by this? What they simply mean is that they are going to create a negotiable security. It can be sold.

The **CHAIRMAN.** The time of the gentleman from Connecticut has expired.

Mr. WYLIE. Mr. Chairman, I yield 1 additional minute to the gentleman.

Mr. McKINNEY. Anyway, under the Wylie substitute, that particular instrument can be sold; so in effect the S. & L. is saved by us through this new Government certificate. Think about that. We are creating a brandnew governmental certificate. They finally admitted that this afternoon on the telephone.

The S. & L. board sees the S. & L. going down the tube. They can turn around and sell it to you or to me or to anybody else. It is completely negotiable and somebody is walking around the street with a new Government security, paying a Government interest. We are again raiding the Treasury.

So I just hope that you know what you are doing. Under both processes we are jeopardizing the Treasury. Under the chairman's bill, over a 3 year span, if it all falls apart, by $8 billion; under the ranking minority member, if it all falls apart to the tune of $6.9 billion, there is no choice; but I would suggest the position of the gentleman from Ohio (Mr. WYLIE) is probably a sounder one because it is immediate.

Mr. WYLIE. Mr. Chairman, I yield 2 minutes to the gentleman from Delaware (Mr. EVANS).

Mr. EVANS. Mr. Chairman, I want to join my colleagues in commending our committee chairman for his efforts to focus attention on the serious problems of the thrift industry. It is crucial that we maintain the integrity of our Nation's system of financial intermediaries, and the public confidence in these institutions.

I am concerned, however, that the measure reported out of the Banking Committee does not constitute the most workable and responsible means of providing the needed temporary assistance. I think it is clear that the committee bill will take far too long to implement, will greatly impair the flexibility of the regulators who will administer this net worth guarantee system, and, could significantly reduce the ability of managers of assisted institutions to restore these institutions to profitability.

There is an alternative, however. Our ranking minority member from Ohio (Mr. WYLIE) has introduced a substitute proposal that is a truly responsible proposal that will provide the needed assistance, and will do so immediately.

There are several compelling arguments that favor the Wylie substitute over the committee bill, and which have resulted in the endorsement of the Treasury Department and of the regulatory agencies charged with protecting the safety and soundness of our Nation's depository institutions.

The substitute provides for immediate aid—it is based on the existing FSLIC trust fund and can be put into operation without delay. The committee bill, on the other hand, will not be effective until Congress appropriates new funds for the guarantees—a certain and significant delay.

The substitute is a proven solution to temporary net worth problems; it is based upon an existing program that does conform with generally accepted accounting principles. By contrast, the "guarantees" provided by the committee bill are not recognized as an asset of a thrift institution under these principles, and the committee bill's "guarantees" would thus be simply unworkable for all publicly held savings and loans, all commercial banks, and any mutual savings bank or S. & L. which must satisfy GAAP (generally accepted accounting principles) for operating purposes.

Finally, the committee bill requirement that assisted institutions invest 60 percent of net new deposits in residential mortgages at or below the FHA ceilings, or in mortgage-backed securities, will simply perpetuate the portfolio problems of the institutions it is designed to assist. I believe that maintaining a strong and viable system of mortgage originators is an important and laudable goal, but one that can certainly not be best accomplished by legislating that our most distressed financial institutions be required to make long-term, unprofitable loans in exchange for short-term, questionable net worth assistance. I urge my colleagues to reject the committee bill and vote for the Wylie substitute.

● **Mr. WIRTH.** Mr. Chairman, I supported this measure and commend you for your efforts to develop responsible legislation to deal with the immediate and serious problems facing many of our depository institutions. I believe it is important, however, that we distinguish this necessary, short-term measure from certain broader proposals relating to financial institutions.

As you know, during the past year I have met with many members of the financial community who are concerned abut the dramatic and rapid changes taking place in financial services. It is clear that many of the laws regulating financial institutions have not kept pace with innovations in technology, services and products, or with the changes in our economy. However, Congress should address broad regulatory and structural changes affecting these institutions only after a comprehensive review.

The Subcommittee on Telecommunications, Consumer Protection and Finance, which I chair, has jurisdiction over the securities over the securities laws and capital markets. The subcommittee therefore has a direct interest in any legislation that would affect the securities powers of institutions.

I am assured by statements from you that you will resist efforts to make this bill a vehicle for more far-reaching legislation that has not been more carefully considered by the House, and that you will resist any significant departure from today's bill should the Senate wish to add extraneous provisions.●

● **Mr. CORRADA.** Mr. Chairman, I rise in strong support of H.R. 6267 the Net Worth Guarantee Act. After World War II it became part of the American dream—and it was justifiably so—that each family be able to own it's home. We all supported that and it became the policy of this Nation. In furtherance of that policy, Government agencies began to guarantee mortgage loans and a strong home mortgage lending industry developed in this Nation. It emphasized the provision of mortgage credit based on an assessment of local community needs and the national goal of providing safe, decent, sanitary housing for all Americans.

Savings and loans and mutual savings banks have been the major source of such mortgage credit for several decades. In so doing they contributed not only to the realization of that dream for millions of American families, but also to a growing and healthy economy. However, because they conducted their business in a manner consistent with that national policy, these thrift institutions are experiencing very difficult times today. They lent their deposits and other funds in the form of low interest long term fixed rate maturities while relying on much shorter term deposits and funding sources for which presently they must pay high, volatile interest rates. This is affecting the institutions and is causing them to lose money and placing some in serious financial difficulty. It has in addition meant a rather drastic reduction in their net worth, and for a great number of them, seeing their net worth fall to zero.

This bill does justice to them, implementing a program with an emphasis on a strong industry with institutions having reasonable prospects of long-term viability, with minimal strains on the insurance funds and limiting to the smallest number of cases the need of forced mergers and Government intrusion into management decisionmaking.

The situation is affecting today 85 percent of the 3,786 Government insured savings and loans nationally, which showed loses in the last half of 1981 compared with 70 percent in the first half.

H.R. 6267 authorizes the Federal Deposit Insurance Corporation, the Federal Home Loan Bank Board and the National Credit Union Administration to guarantee a percentage of the net worth of qualified insured banks, and authorizes $8.5 billion without restriction as to fiscal year.

The guarantees would be backed by the Treasury, which would guarantee payment of a percentage of an institution's net worth in the event of its failure. Those institutions receiving the benefit of a guarantee would have to comply with conditions established by the insuring agency and the bill.

It is most significant that in order to qualify, an institution must among other things earmark, for as long as the guarantee is outstanding, at least 60 percent of its new deposits for the issuance of mortgages for one to four family housing units.

In being helped, these institutions will therefore continue to propitiate the realization of the American dream I referred to, and contribute further to the resurgence of the depressed housing industry and of the economy itself.

By passing this bill, which I urge you all strongly to do, we not only help those who have been so useful before, but help them to remain useful for the better future of our people and our Nation.●

☐ 1630

Mr. WYLIE. Mr. Chairman, I yield back the balance of my time.

Mr. ST GERMAIN. Mr. Chairman, I yield back the balance of my time.

The **CHAIRMAN.** Pursuant to the rule, the substitute committee amendment recommended by the Committee on Banking, Finance and Urban Affairs, now printed in the reported bill shall be considered as an original bill for the purpose of amendment. It shall be in order to consider an amendment in the nature of a substitute to said substitute printed in the CONGRESSIONAL RECORD of May 19, 1982, by, and if offered by, Representative WYLIE.

The Clerk will read.

The Clerk read as follows:

H.R. 6267

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Net Worth Guarantee Act".

GUARANTEES OF NET WORTH

SEC. 2. (a) Section 13 of the Federal Deposit Insurance Act (12 U.S.C. 1823) is amended by adding at the end thereof the following:

"(h)(1) The Corporation may issue guarantees of net worth under this subsection to any insured bank which the Corporation determines under paragraph (2) to be eligible for such assistance. In making a determination under this subsection, the State supervisor of the State in which an insured, State chartered bank which is the subject of the eligibility determination is located shall be consulted.

"(2) No guarantee of net worth may be provided under this subsection unless the Corporation determines that—

(A) the net worth of the insured bank involved—

"(i) is less than 2 per centum of such insured bank's assets;

"(ii) with respect to an insured bank which is a State chartered commercial bank that is not a member of the Federal Reserve System, is less than 4 per centum of the ratio of such bank's adjusted equity capital to adjusted total assets; or

"(iii) with respect to an insured bank which is a national bank engaged in commercial banking or an insured bank which is a State chartered commercial bank that is a member of the Federal Reserve System, is less than 4½ per centum of the ratio of total capital to total assets for regional organizations, and is less than 5 per centum of such ratio for community organizations;

"(B) such insured bank—

"(i) has sustained losses for any two consecutive quarters which occur during any period beginning with the two quarters which are the most recently completed quarters prior to the effective date of the Net Worth Guarantee Act; and

"(ii) such losses are not the result of transactions involving speculation in futures or forward contracts, the result of management action designed soley for the purpose of qualifying for assistance, or the result of excessive operating expenses;

"(C) not less than 20 per centum of such insured bank's loan and investment portfolio consists of mortgages which are secured by residential real property or of securities which are backed by such mortgages;

"(D) such insured bank needs such assistance and has reasonable prospects for long-term viability; and

"(E) such insured bank has agreed to comply with all requirements established by the Corporation, including requirements—

(i) to reduce guarantees of net worth in accordance with the provisions of this subsection;

"(ii) to provide reports to the Corporation regarding such insured bank's financial condition and lending practices, such reports to be provided at such intervals and with such information as the Corporation shall determine;

"(iii) that, during the period in which such insured bank has outstanding guarantees of net worth under this subsection, not less than 60 percentum of its annual net new deposits (as determined by subtracting from the deposits for each year the total amount of withdrawals and of interest and dividends credited during such year) shall be used to issue loans, mortgages, credit sales, or advances which—

"(I) are secured by a first lien on residential real property on which there is located a one-to-four family residence or a condominium, by a first lien on stock in a residential cooperative housing corporation where the loan, mortgage, credit sale, or advance is used to finance the acquisition of such stock, or by a first lien on a residential manufactured home;

"(II) are made in an amount which does not exceed the applicable amount specified in title I and title II of the National Housing Act; and

"(III) are for the purchase of the principal residence of the borrower; and "(iv) which will permit an insured bank to satisfy up to 50 per centum of the requirement specified in clause (iii) by purchasing securities which are backed by security instruments described in clause (iii) that are issued after the date on which such insured bank first receives a guarantee of net worth under this subsection.

"(3) The Corporation may permit an insured bank which is a State chartered commercial bank subject to State supervisory capital adequancy requirements which are more stringent than the requirements established by the Federal agency supervising such bank to receive guarantees of net worth where such bank is in violation of such State requirements and such permission would be consistent with the purposes of the Net Worth Guarantee Act.

"(4) The Corporation may not condition the receipt of a guarantee of net worth on the agreement of the board of directors of an insured bank to allow, in the discretion of the Corporation, such insured bank to be merged with or acquired by another company, if—

"(A) such insured bank has net worth greater than one-half of 1 per centum of such insured bank's assets;

"(B) such insured bank has reasonable prospects for long-term viability: and

"(C) such insured bank is otherwise deemed eligible for a guarantee of net worth.

"(5)(A) The amount of any guarantee of net worth provided by the Corporation to any qualified insured bank shall be equal to the difference between such qualified insured bank's net worth eligibility applicable to such qualified insured bank as specified in paragraph (2)(A) and determined on the date qualified insured bank is deemed eligible for assistance under this subsection, and, on a quarterly basis thereafter for a period not to exceed two years, such additional amounts as are necessary to maintain such qualified insured bank's net worth at the minimum level of net worth eligibility applicable to such qualified insured bank as specified in paragraph (2)(A).

"(B) After such two-year period, additional guarantees of net worth for such qualified insured bank may be made only if the Corporation certifies that the continued earnings losses which would necessitate additional guarantees of net worth are caused by general market conditions and not by the actions of such qualified insured bank.

"(6) Notwithstanding any other Federal or State law, guarantees of net worth provided by the Corporation shall be deemed to be net worth for statutory and regulatory purposes.

"(7)(A) When the net worth of a qualified insured bank exceeds by 1 per centum the minimum level of net worth eligibility applicable to such qualified insured bank as specified in paragraph (2)(A), such qualified insured bank shall begin to reduce the amount of guarantees of net worth received by such qualified insured bank.

"(B) The total annual reduction of guarantees of net worth received by such qualified insured bank shall not be less than 50 per centum of the net income, after taxes, of such qualified insured bank for the year involved.

"(8) During any period in which a qualified insured bank which has a stock form of ownership has an outstanding guarantee of net worth, such qualified insured bank may not pay dividends to its shareholders.

"(9)(A) During any period in which a qualified insured bank has an outstanding guarantee of net worth, such qualified insured bank may defer the payment of any State or local tax which is determined on the basis of the deposits held by such qualified insured bank or of the interest paid on such deposits.

"(B) When such qualified insured bank no longer has any outstanding guarantees of net worth, such qualified insured bank shall pay all taxes which were deferred under subparagraph (A). Such payments shall be made in accordance with a payment plan established by the Corporation, after consultation with the applicable State and local taxing authorities.

"(10) In the event a qualified insured bank which has an outstanding guarantee of net worth is merged with or acquired by another company, any guarantee of net worth may remain outstanding, in the discretion of the Corporation.

"(11) In the event a qualified insured bank which has an outstanding guarantee of net worth is closed, the dollar amount of such guarantees of net worth shall be paid by the Secretary of the Treasury from the Net Worth Guarantee Account, established under the Net Guarantee Act, to the receiver of such qualified insured bank.

"(12) In the event the Secretary of the Treasury has paid to a receiver of a qualified insured bank the dollar amount of outstanding guarantees of net worth, the Secretary of the Treasury shall have the right to recover such amount from the assets of the qualified insured bank involved, subject to the prior payment of all accounts, certificates of deposit, and debt obligations.

"(13) Outstanding guarantees of net worth provided by the Corporation shall be backed by the Net Worth Guarantee Account established under the Net Worth Guarantee Act.

"(14) For purposes of this subsection—

"(A) the term 'net worth'—

"(i) with respect to an insured bank which is not a mutual savings bank, shall have the same meaning given the term 'capital' as defined by the Corporation; and

"(ii) with respect to an insured bank which is a mutual savings bank, shall have the same meaning given the term 'surplus' as defined by the Corporation;

"(B) the term 'insured bank' means any bank the deposits of which are insured under this Act or under the laws of any State;

"(C) the term 'qualified insured bank' means an insured bank which the Corporation determines under paragraph (2) to be eligible for assistance under this subsection; and

"(D) the term 'residential manufactured home' means a manufactured home as defined in section 603(6) of the National Mobile Home Construction and Safety Standards Act of 1974 which is used as a residence.

"(15)(A) The Corporation shall promulgate regulations to implement a program to issue guarantees of net worth under this subsection. Such regulations shall provide definitions of terms, establish procedures for the program, including the form in which the guarantees of net worth shall be provided, describe the criteria to be used in making determinations of eligibility and the conditions to be imposed on qualified insured banks, and such other matters as determined by the Corporation.

"(B) The Corporation shall consult with the Comptroller of the Currency and the Board of Governors of the Federal Reserve System for the purpose of ensuring that such regulations are consistent with and carry forth the purpose of their jointly issued capital adequacy guidelines.

"(C) Such regulations shall be published in final form no later than 30 days after the date of the enactment of the Net Worth Guarantee Act.".

(b) Section 406 of the National Housing Act (12 U.S.C. 1729) is amended by adding at the end thereof the following:

"(g)(1) The Federal Home Loan Bank Board (hereinafter in this subsection referred to as the Board) may issue guarantees of net worth under this subsection to any insured institution that the Board determines under paragraph (2) to be eligible for such assistance. In making a determination under this subsection, the State supervisor of the State in which an insured, State chartered institution which is the subject of the eligibility determination is located shall be consulted.

"(2) No guarantee of net worth may be provided under this subsection unless the Board determines that—

"(A) the net worth of the insured institution involved is less than 2 per centum of such insured institution's assets;

"(B) such insured institution—

"(i) has sustained losses for any two consecutive quarters which occur during any period beginning with the two quarters which are the most recently completed quarters prior to the effective date of the Net Worth Guarantee Act; and

"(ii) such losses are not the result of transactions involving speculation in futures or forward contracts, the result of management action designed solely for the purpose of qualifying for assistance, or the result of excessive operating expenses;

"(C) not less than 20 per centum of such insured institution's loan and investment portfolio consists of mortgages which are secured by residential real property or of securities which are backed by such mortgages;

"(D) such insured institution needs such assistance and has reasonable prospects for long-term viability; and

"(E) such insured institution has agreed to comply with all requirements established by the Board, including requirements—

"(i) to reduce guarantees of net worth in accordance with the provisions of this subsection;

"(ii) to provide to the Board regarding such insured institution's financial condition and lending practices, such reports to be provided at such intervals and with such information as the Board shall determine;

"(iii) that, during the period in which such insured institution has outstanding guarantees of net worth under this subsection, not less than 60 per centum of its annual net new deposits (as determined by subtracting from the deposits for each year the total amount of withdrawals and of interest and dividends credited during such year) shall be used to issue loans, mortgages, credit sales, or advances which—

"(I) are secured by a first lien on residential real property on which there is located a one-to-four family residence or a condominium, by a first lien on stock in a residential cooperative housing corporation where the loan, mortgage, credit sale, or advance is used to finance the acquisition of such stock, or by a first lien on a residential manufactured home;

"(II) are made in an amount which does not exceed the applicable amount specified in title I and title II of this Act; and

"(III) are for the purchase of the principal residence of the borrower; and

"(iv) which will permit an insured institution to satisfy up to 50 per centum of the requirement specified in clause (iii) by purchasing securities which are backed by security instruments described in clause (iii) that are issued after the date on which such insured institution first receives a guarantee of net worth under this subsection.

"(3) The Board may not condition the receipt of a guarantee of net worth on the agreement of the board of directors of an insured institution to allow, in the discretion of the Board, such insured institution to be merged with or acquired by another company, if—

"(A) such insured institution has net worth greater than one-half of one percent of such insured institution's assets;

"(B) such insured institution has reasonable prospects for long-term viability; and

"(C) such insured institution is otherwise deemed eligible for a guarantee of net worth.

"(4)(A) The amount of any guarantee of net worth provided by the Board to any qualified insured institution shall be equal to the difference between such qualified insured institution's net worth and an amount equal to 2 per centum of such qualified insured institution's assets as determined on the date the qualified insured institution is deemed eligible for assistance under this subsection, and, on a quarterly basis thereafter for a period not to exceed two years, such additional amounts as are necessary to maintain such qualified insured institution's net worth at 2 per centum of such qualified insured institution's assets.

"(B) After such two-year period, additional guarantees of net worth for such qualified insured institution may be made only if the Board certifies that the continued earnings losses which would necessitate additional guarantees of net worth are caused by general market conditions and not by the actions of such qualified insured institution.

"(5) Notwithstanding any other Federal or State law, guarantees of net worth provided by the Board shall be deemed to be net worth for statutory and regulatory purposes.

"(6)(A) When the net worth of a qualified insured institution reaches 3 per centum of such qualified insured institution's assets, such qualified insured institution shall begin to reduce the amount of guarantees of net worth received by such qualified insured institution.

"(B) The total annual reduction of guarantees of net worth received by such qualified insured institution shall not be less than 50 per centum of the net income, after taxes, of such qualified insured institution for the year involved.

"(7) During any period in which a qualified insured institution which has a stock form of ownership has an outstanding guarantee of net worth, such qualified insured institution may not pay dividends to its shareholders.

"(8)(A) During any period in which a qualified insured institution has an outstanding guarantee of net worth, such qualified insured institution may defer the payment of any State or local tax which is determined on the basis of the deposits held by such qualified insured institution or of the interest paid on such deposits.

"(B) When such qualified insured institutions no longer has any outstanding guarantees of net worth, such qualified insured institution shall pay all taxes which were deferred under subparagraph (A). Such payments shall be made in accordance with a payment plan established by the Board, after consultation with the applicable State and local taxing authorities.

"(9) In the event a qualified insured institution which has an outstanding guarantee of net worth is merged with or acquired by another company, any guarantee of net worth may remain outstanding, in the discretion of the Board.

"(10) In the event a qualified insured institution which has an outstanding guarantee of net worth is closed, the dollar amount of such guarantees of net worth shall be paid by the Secretary of the Treasury from the Net Worth Guarantee Account, established under the Net Worth Guarantee Act, to the receiver of such qualified insured institution.

"(11) In the event the Secretary of the Treasury has paid to a receiver of a qualified insured institution the dollar amount of outstanding guarantees of net worth, the Secretary of the Treasury shall have the right to recover such amount from the assets of the qualified insured institution involved, subject to the prior payment of all accounts, certificates of deposits, and debt obligations.

"(12) Outstanding guarantees of net worth provided by the Board shall be backed by the Net Worth Guarantee Account established under the Net Worth Guarantee Act.

"(13) For the purposes of this subsection—

"(A) the term 'net worth' shall have the same meaning given the term 'reserves' as defined in section 403(b) of this Act and in the regulations issued pursuant to such section;

"(B) the term 'insured institution' means any institution the deposits of which are insured under this Act or under the laws of any State;

"(C) the term 'qualified insured institution' means an insured institution which the Board determines under paragraph (2) to be eligible for assistance under this subsection; and

"(D) the term 'residential manufactured home' means a manufactured home as defined in section 603(6) of the National Mobile Home Construction and Safety Standards Act of 1974 which is used as residence.

"(14) The Board shall promulgate regulations to implement a program to issue guarantees of net worth under this subsection. Such regulations shall provide definitions of terms, establish procedures for the program, including the form in which the guarantees of net worth shall be provided, describe the criteria to be used in making determinations of eligibility and the conditions to be imposed on qualified insured institutions, and such other matters as determined by the Board. Such regulations shall be published in final form no later than thirty days after the date of the enactment of the Net Worth Guarantee Act.".

(c) Section 208 of the Federal Credit Union Act (12 U.S.C. 1788) is amended by adding at the end thereof the following:

"(e)(1) The Board may issue guarantees of net worth under this subsection to any insured credit union which the Board determines under paragraph (2) to be eligible for such assistance. In making a determination under this subsection, the State supervisor of the State in which an insured State chartered credit union which is the subject of the eligibility determination is located shall be consulted.

"(2) No guarantee of net worth may be provided under this subsection unless the Board determines that—

"(A) the net worth of the insured credit union involved in less than 2 per centum of such insured credit union's assets;

"(B) such insured credit union—

"(i) has sustained losses for any two consecutive quarters which occur during any period beginning with the two quarters which are the most recently completed quarters prior to the effective date of the Net Worth Guarantee Act; and

"(ii) such losses are not the result of transactions involving speculation in futures or forward contracts, the result of management action designed solely for the purpose of qualifying for assistance, or the result of excessive operating expenses;

"(C) not less than 20 per centum of such insured credit union's loan and investment portfolio consists of mortgages which are secured by residential real property or of securities which are backed by such mortgages;

"(D) such insured credit union needs such assistance and has reasonable prospects for long-term viability; and

"(E) such insured credit union has agreed to comply with all requirements established by the Board, including requirements—

"(i) to reduce guarantees of net worth in accordance with the provisions of this subsection;

"(ii) to provide reports to the Board regarding such insured credit union's financial condition and lending practices, such reports to be provided at such intervals and with such information as the Board shall determine;

"(iii) that, during the period in which such insured credit union has outstanding guarantees of net worth under this subsection, not less than 60 per centum of its annual net new deposits (as determined by subtracting from the deposits for each year the total amount of withdrawals and of interest and dividends credited during such year) shall be used to issue loans, mortgages, credit sales, or advances which—

"(I) are secured by a first lien on residential real property on which there is located a one-to-four family residence or a condominium, by a first lien on stock in a residential cooperative housing corporation where the loan, mortgage, credit sale, or advance is used to finance the acquisition of such stock, or by a first lien on a residential manufactured home;

"(II) are made in an amount which does not exceed the applicable amount specified in title I and title II of the National Housing Act; and

"(III) are for the purchase of the principal residence of the borrower; and

"(iv) which will permit an insured credit union to satisfy up to 50 per centum of the requirement specified in clause (iii) by purchasing securities which are backed by security instruments described in clause (iii) that are issued after the date on which such insured credit union first receives a guarantee of net worth under this subsection.

"(3) The Board may not condition the receipt of a guarantee of net worth on the agreement of the board of directors of an insured credit union to allow, in the discretion of the Board, such insured credit union to be merged with or acquired by another company, if—

"(A) such insured credit union has net worth greater than one-half of 1 per centum of such insured credit union's assets;

"(B) such insured credit union has reasonable prospects for long-term viability; and

"(C) such insured credit union is otherwise deemed eligible for a guarantee of net worth.

"(4)(A) The amount of any guarantee of net worth provided by the Board to any qualified insured credit union shall be equal to the difference between such qualified insured credit union's net worth and an amount equal to 2 per centum of such qualified insured credit union's assets as determined on the date the qualified insured credit union is deemed eligible for assistance under this subsection, and, on a quarterly basis thereafter for a period not to exceed two years, such additional amounts as are necessary to maintain such qualified insured credit union's net worth at 2 per centum of such qualified credit union's assets.

"(B) After such two-year period, additional guarantees of net worth for such qualified insured credit union may be made only if the Board certifies that the continued earnings losses which would necessitate additional guarantees of net worth are caused by general market conditions and not by the actions of such qualified insured credit union.

"(5) Notwithstanding any other Federal or State law, guarantees of net worth provided by the board shall be deemed to be net worth for statutory and regulatory purposes.

"(6)(A) When the net worth of a qualified insured credit union reaches 3 per centum of such qualified insured credit union's assets, such qualified insured credit union shall begin to reduce the amount of guarantees of net worth received by such qualified insured credit union.

"(B) The total annual reduction of guarantees of net worth received by such qualified insured credit union shall not be less than 50 per centum of the net income, after taxes, of such qualified insured credit union for the year involved.

"(7)(A) During any period in which a qualified insured credit union has an outstanding guarantee of net worth, such qualified insured credit union may defer the payment of any State or local tax which is determined on the basis of the deposits held by such qualified insured credit union or of the interest paid on such deposits.

"(B) When such qualified insured credit union no longer has any outstanding guarantees of net worth, such qualified insured credit union shall pay all taxes which were deferred under subparagraph (A). Such payments shall be made in accordance with a payment plan established by the Board, after consultation with the applicable State and local taxing authorities.

"(8) In the event a qualified insured credit union which has an outstanding guarantee of net worth is merged with or acquired by another company, any guarantee of net worth may remain outstanding in the discretion of the Board.

"(9) In the event a qualified insured credit union which has an outstanding guarantee of net worth is closed, the dollar amount of such guarantees of net worth shall be paid by the Secretray of the Treasury from the Net Worth Guarantee Account, established under the Net Worth Guarantee Act, to the receiver of such qualified insured credit union.

"(10) In the event the Secretary of the Treasury has paid to a receiver of a qualified insured credit union the dollar amount of outstanding guarantees of net worth, the Secretary of the Treasury shall have the right to recover such amount from the assets of the qualified insured credit union involved, subject to the prior payment of all accounts, certificates of deposit, and debt obligations.

"(11) Outstanding guarantees of net worth provided by the Board shall be backed by the Net Worth Guarantee Account established under the Net Worth Guarantee Act.

"(12) For purposes of this subsection—

"(A) the term 'net worth' shall have the same meaning given the term 'reserves' as defined in section 116 of this Act and the regulations issued pursuant to such section;

"(B) the term 'insured credit union' means any credit union the deposits of which are insured under this Act or under the laws of any State;

"(C) the term 'qualified insured credit union' means an insured credit union which the Board determines under paragraph (2) to be eligible for assistance under this subsection; and

"(D) the term 'residential manufactured home' means a manufactured home as defined in section 603(6) of the National Mobile Home Construction and Safety Standards Act of 1974 which is used as a residence.

"(13) The Board shall promulgate regulations to implement a program to issue guarantee of net worth under this subsection. Such regulations shall provide definitions of terms, establish procedures for the program, including the form in which the guarantees of net worth shall be provided, describe the criteria to be used in making determinations of eligibility and the conditions to be imposed on qualified insured credit unions, and such other matters as determined by the Board. Such regulations shall be published in final form no later than 30 days after the date of the enactment of the Net Worth Guarantee Act.".

NET WORTH GUARANTEE ACCOUNT

Sec. 3. (a)(1) There is hereby established in the Treasury of the United States a Net Worth Guarantee Account (hereinafter in this Act referred to as the "Account") which shall be used by the Secretary of the Treasury for the required payment of any guarantee of net worth issued by—

(A) the Federal Deposit Insurance Corporation to carry out the provisions of section 13(h) of the Federal Deposit Insurance Act;

(B) the Federal Home Loan Bank Board to carry out the provisions of section 406(g) of the National Housing Act; and

(C) the National Credit Union Administration Board to carry out the provisions of section 208(e) of the Federal Credit Union Act.

(2) All guarantees of net worth provided by the Federal Deposit Insurance Corporation, the Federal Home Loan Bank Board, and the National Credit Union Administration Board shall be debited from this account. All reductions of outstanding guarantees of net worth shall be credited to the account.

(b) The full faith and credit of the United States is pledged to the payment of all amounts which may be required to be paid under any guarantee of net worth provided under this Act.

(c)(1) The total amount of guarantees of net worth outstanding under this Act shall not exceed at any time $8,500,000,000.

(2) The authority to issue guarantees of net worth shall be limited to such amounts as are provided in advance in appropriation Acts.

(3) No guarantee of net worth may be issued after September 30, 1984.

(4) There are authorized to be appropriated without fiscal year limitation such sums as may be necessary to carry out the provisions of this Act and the amendments made by this Act.

REPORTS TO CONGRESS

Sec. 4. The Federal Home Loan Bank Board, the Board of Directors of the Federal Deposit Insurance Corporation, and the National Credit Union Administration Board shall each transmit a quarterly report to each House of the Congress specifying the types and amounts of guarantees of net worth provided to each depository institution and the conditions imposed on each such depository institution. Each such report shall include the most current periodic assessment and evaluation of each assisted institution's performance in meeting local community credit needs prepared by the appropriate Federal financial supervisory agency pursuant to the Community Reinvestment Act of 1977.

GENERAL ACCOUNTING OFFICE AUDIT

Sec. 5. The Comptroller General of the United States shall conduct on a semiannual basis an audit of the guarantee of net worth programs of the Federal Deposit Insurance Corporation, the Federal Home Loan Bank Board, and the National Credit Union Administration Board and of the Net Worth Guarantee Account established in section 3 of this Act. Each such report shall be transmitted to each House of the Congress.

DEFINITIONS

Sec. 6. For purposes of this Act, the term "guarantee of net worth" means any guarantee of net worth issued by—

(1) the Federal Deposit Insurance Corporation under section 13(h) of the Federal Deposit Insurance Act;

(2) the Federal Home Loan Bank Board under section 406(a) of the National Housing Act; and

(3) the National Credit Union Administration Board under section 208(e) of the Federal Credit Union Act.

EFFECTIVE DATE

Sec. 7. This Act shall take effect on the date of the enactment of this Act.

Mr. ST GERMAIN (during the reading). Mr. Chairman, I ask unanimous consent that the committee amendment in the nature of a substitute be considered as read, printed in the Record, and open for amendment at any point.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

AMENDMENT OFFERED BY MR. WORTLEY

Mr. WORTLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Wortley: On page 9, line 9; on page 17, line 7; and on page 24, line 15 strike the "." and insert in lieu thereof the following: "other than debt obligations subordinated to the claims of general creditors which were outstanding when any such guarantee of net worth was issued.".

Mr. WORTLEY (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the Record.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. WORTLEY. Mr. Chairman, the amendment is simple and straightforward. It is designed to insure that the U.S. Treasury receives adequate protection should the net worth certificates have to be redeemed.

Our committee spent a great deal of time and effort crafting a bill that will help ailing thrift institutions without placing an undue strain on the Treasury. I think the committee has done an admirable job.

However, I also believe that this amendment strengthens the bill.

Simply put, the amendment provides that holders of subordinated debt outstanding at the time net worth guarantees are issued will not be paid ahead of the Treasury should the bank go into receivership.

In a letter to the chairman of the House Banking Committee and its members, William Isaac, Chairman of the Federal Deposit Insurance Corporation stated:

> We . . . do not know why Treasury's position should be subordinate to debt obligations for net worth guarantees. We believe that a subordinated debtor who extended funds prior to qualification for a Federal net worth guarantee has undertaken a risk similar to a stock investment and deserves no more consideration.

I agree. The House of Representatives is proceeding in a responsible fashion by considering the Net Worth Guarantee Act. By permitting the Treasury to recoup its losses should the worst occur demonstrates to the taxpayer that we are just as serious about guarding their interest as we are in acknowledging the difficulties facing an important segment of our finanical industry.

I urge my colleagues to support this amendment as a matter of equity.

Mr. ST GERMAIN. Mr. Chairman, will the gentleman yield?

Mr. WORTLEY. I yield to the gentleman from Rhode Island.

Mr. ST GERMAIN. Mr. Chairman, we can abbreviate this. I think the Members of the House would appreciate it.

I am prepared to accept the gentleman's amendment.

Mr. WORTLEY. I think the gentleman.

Mr. WYLIE. Mr. Chairman, if the gentleman will yield, I have seen the amendment. I am prepared to accept the amendment, too. Congratulations.

Mr. WORTLEY. I thank the gentleman.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from New York (Mr. Wortley).

The amendment was agreed to.

AMENDMENTS OFFERED BY MR. SCHUMER

Mr. SCHUMER. Mr. Chairman, I offer amendments.

The Clerk read as follows:

Amendments offered by Mr. Schumer: Page 5, line 4, insert after the comma the following: "by a first lien on property on which there is located a multifamily rental project.".

Page 5, line 13, insert before the semicolon the following: ", including, in the case of a multifamily rental project, the maximum per unit limitation in the area under section 207 of such Act".

Page 5, line 14, insert "except in the case of a multifamily rental project," after "(III)".

Page 13, line 13, insert after the comma the following: "by a first lien on property on which there is located a multifamily rental project.".

Page 13, line 21, insert before the semicolon the following: ", including, in ther case of a multifamily rental project, the maximum per unit limitation in the area under section 207 of this Act".

Page 13, line 22, insert "except in the case of a multifamily rental project," after "(III)".

Page 20, line 23, insert after the comma the following: "by a first lien on property on which there is located a multifamily rental project.".

Page 21, line 7, insert before the semicolon the following: ", including, in the case of a multifamily rental project, the maximum per unit limitation in the area under section 207 of such Act".

Page 21, line 8, insert "except in the case of a multifamily rental project," after "(III)".

Mr. SCHUMER. Mr. Chairman, I ask unanimous consent that the amendments be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. SCHUMER. Mr. Chairman, this amendment is a very simple amendment.

Mr. ST GERMAIN. Mr. Chairman, will the gentleman yield?

Mr. SCHUMER. I yield to the gentleman from Rhode Island.

Mr. ST GERMAIN. We have reviewed the amendment. We are prepared to accept the amendment.

Mr. WYLIE. Mr. Chairman, will the gentleman yield?

Mr. SCHUMER. I yield to the gentleman from Ohio.

Mr. WYLIE. Mr. Chairman, I do not think that the amendment offered by the gentleman from New York makes the bill significantly worse.

May I say that I think that is a soft spot in the bill right now, tying it into housing. My substitute would not permit that. But given that scenario of events, I think the amendment of the gentleman from New York is all right.

The CHAIRMAN. The question is on the amendments offered by the gentleman from New York (Mr. Schumer).

The amendments were agreed to.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. WYLIE

Mr. WYLIE. Mr. Chairman, I offer an amendment in the nature of a substitute.

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mr. Wylie: Strike all after the enacting clause and insert in lieu thereof the following:

Section 1. This Act may be cited as the "Income Capital Certificates Act of 1982".

Sec. 2. (a) Section 406(f) of the National Housing Act, as amended (12 U.S.C. 1729(f)), is amended by adding a new paragraph (4), to read as follows:

"(4)(A) Notwithstanding any other provision of state or federal law, and without limitation on any authority provided elsewhere in this Act or the Home Owners' Loan Act of 1933, as amended, the Corporation, in its sole discretion and on such terms and conditions as it may provide, is authorized to increase or maintain the capital of a qualified institution by making periodic purchases of capital instruments, as defined by the Corporation, for such form of consideration as the Corporation may determine, from such qualified institution, and may authorize such institution to issue such instruments, pursuant to this paragraph.

"(B) For the purposes of this paragraph, a qualified institution shall mean an insured institution that, as determined by the Corporation:

"(i) Has net worth equal to or less than 3 percent of its assets;

"(ii) Has incurred losses during the immediately preceding month or during such other immediately preceding period as the Corporation may specify;

"(iii) Agrees to comply with all the terms and conditions established by the Corporation for receiving assistance pursuant to this paragraph, including, without limitation on the foregoing, those relating to reporting, compliance with laws, rules and regulations, execution and implementation of resolutions and agreements to merge or reorganize, suspension of dividends by stock institutions, submission and adoption of plans of operation, restrictions on operations, repayment of assistance received, and consent to supervisory action; and

"(iv) Will be solvent for more than six months, as determined by the Corporation in accordance with the methods for calculating net worth pursuant to this paragraph.

"(C) The Corporation initially may purchase capital instruments as follows:

"(i) With respect to a qualified institution having net worth greater than 2 percent and less than or equal to 3 percent, the Corporation may not purchase capital instruments in any period from such institution in an amount greater than 30 percent of the average losses (calculated in terms of return on average assets) sustained by insured institutions within that net worth range during the immediately preceding period, as determined by the Corporation.

"(ii) With respect to a qualified institution having net worth greater than 1 percent and less than or equal to 2 percent, the Corporation may not purchase capital instruments in any period from such institution in an amount greater than 40 percent of the average losses (calculated in terms of return on average assets) sustained by insured institutions within that net worth range during the immediately preceding period, as determined by the Corporation.

"(iii) With respect to a qualified institution having net worth greater than zero and less than or equal to 1 percent, the Corporation may not purchase capital instruments in any period from such institution in an amount greater than 50 percent of the average losses (calculated in terms of return on average assets) sustained by insured institutions within that net worth range during the immediately preceding period, as determined by the Corporation.

"(D) In the exercise of its authority under this paragraph, the Corporation at any time, in its sole discretion, may establish criteria that, with respect to ranges of net worth, calculation of average losses, and percentage of average losses to be met by purchases of capital instruments, differ from those set forth in subparagraph (C) hereof.

"(E) No assistance may be provided to a qualified institution pursuant to this paragraph if the Corporation determines that providing such assistance would be costlier than liquidating (including paying the insured accounts of) such institution or dealing with it in accordance with paragraphs (1) or (2) of this subsection. The Corporation shall in no period purchase capital instruments from a qualified institution in an amount equal to more than 100 percent of such institution's actual losses incurred for the immediately preceding period.

"(F) Notwithstanding any other provision of law:

"(i) No court, state or federal, shall have jurisdiction to review any action taken by the Corporation pursuant to this paragraph; and

"(ii) The Corporation shall account on its books and records for transactions pursuant to this subsection in such manner as it determines to be reasonable."

(b) Section 406(f)(1) of the National Housing Act, as amended (12 U.S.C. 1729(f)(1)), is amended to add, immediately after the words "purchase the assets", the words "or the securities".

(c) Section 406(f)(2) of the National Housing Act, as amended (12 U.S.C. 1729(f)(2)), is amended to add, immediately after the first time the phrase "such other insured institution" appears, the words ", or purchase the securities thereof,".

SEC. 3. (a) Section 5(b)(5) of the Home Owners' Loan Act of 1933, as amended (12 U.S.C. 1464(b)(5)), is amended as follows:

(1) By amending subparagraph (B) to read as follows:

"(B) Capital instruments issued by an association pursuant to section 406(f) of the National Housing Act, as amended, shall constitute part of the general reserves and net worth of the association, in accordance with the rules and regulations of the Board."; and

(2) By adding a new subparagraph (C) to read as follows:

"(C) The Board shall provide in its rules and regulations for charging losses to mutual capital certificates, capital instruments issued pursuant to section 406(f) of the National Housing Act, as amended, reserves, and other net worth accounts.".

(b) Section 403(B) of the National Housing Act, as amended (12 U.S.C. 1726(b)), is amended as follows:

(1) By amending the fourth-to-last sentence to add, immediately after the word "items,", the words "including capital instruments issued pursuant to section 406 (f) of this Act,"; and

(2) By amending the second-to-last sentence to strike the words "the mutual capital certificate" and to substitute therefor the words "mutual capital certificates, capital instruments issued pursuant to section 406(f) of the National Housing Act, as amended,".

SEC. 4. Section 13 of the Federal Deposit Insurance Act (12 U.S.C. 1823), as amended, is amended by adding a new subsection (h) to read as follows:

"(h)(1) Notwithstanding any other provision of state or federal law, the Corporation, in its sole discretion and on such terms and conditions as it may provide, is authorized to increase or maintain the capital of a qualified bank by making periodic purchases of capital instruments, as defined by the Corporation, for such form of consideration as the Corporation may determine, from such qualified bank, and may authorize such bank to issue such instruments, pursuant to this paragraph.".

(2) For the purposes of this paragraph, a qualified bank shall mean an insured bank that, as determined by the Corporation:

(A) Has net worth equal to or less than 3 percent of its assets;

(B) Has incurred losses during the immediately preceding month or during such other immediately preceding period as the Corporation may specify;

(C) Agrees to comply with all the terms and conditions established by the Corporation for receiving assistance pursuant to this paragraph, including, without limitation on the foregoing, those relating to reporting, compliance with laws, rules and regulations, execution and implementation of resolutions and agreements to merge or reorganize, suspension of dividends by stock institutions, submission and adoption of plans of operation, restrictions on operations, repayment of assistance received, and consent to supervisory action; and

(D) Will be solvent for more than six months, as determined by the Corporation in accordance with the methods for calculating net worth pursuant to this paragraph.

(3) The Corporation initially may purchase capital instruments as follows:

(A) With respect to a qualified bank having net worth greater than 2 percent and less than or equal to 3 percent, the Corporation may not purchase capital instruments in any period from such bank in an amount greater than 30 percent of thc average losses (calculated in terms of return on average assets) sustained by insured banks within that net worth range during the immediately preceding period, as determined by the Corporation.

(B) With respect to a qualified bank having net worth greater than 1 percent and less than or equal to 2 percent, the Corporation may not purchase capital instruments in any period from such bank in an amount greater than 40 percent of the average losses (calculated in terms of return on average assets) sustained by insured banks within that net worth range during the immediately preceding period, as determined by the Corporation.

(C) With respect to a qualified bank having net worth greater than zero and less than or equal to 1 percent, the Corporation may not purchase capital instruments in any period from such bank in an amount greater than 50 percent of the average losses (calculated in terms or return on average assets) sustained by insured bank within that net worth range during the immediately preceding period, as determined by the Corporation.

(4) In the exercise of its authority under this paragraph, the Corporation at any time, in its sole discretion, may establish criteria that, with respect to ranges of net worth, calculation of average losses, and percentage of average losses to be met by purchases of capital instruments, differ from those set forth in subparagraph (3) hereof.

(5) No assistance may be provided to a qualified bank pursuant to this paragraph if the Corporation determines that providing such assistance would be costlier than liquidating (including paying the insured accounts of) such bank or dealing with it in accordance with this section. The Corporation shall in no period purchase capital instruments from a qualified bank in an amount equal to more than 100 percent of such institution's actual losses incurred for the immediately preceding period.

(6) Notwithstanding any other provision of law:

(A) No court, state or federal, shall have jurisdiction to review any action taken by the Corporation pursuant to this paragraph;

(B) The Corporation shall account on its books and records for transactions pursuant to this subsection in such manner as it determines to be reasonable; and

(C) Income capital certificates issued under this subsection may be treated as part of general reserves and net worth of the bank for supervisory, regulatory or accounting purposes in accordance with rules, regulations or orders of the Corporation.

SEC. 5. (a) Except as otherwise authorized by law, the authority of the Federal Savings and Loan Insurance Corporation and the Federal Deposit Insurance Corporation to purchase income capital certificates as provided in this act shall expire on September 30, 1984.

(b) Income capital certificates issued prior to October 1, 1984 and any terms or conditions established prior to that date or subsequently by the purchasing Corporation shall remain in full force and effect.

Mr. WYLIE (during the reading). Mr. Chairman, I ask unanimous consent that the amendment in the nature of a substitute be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. WYLIE. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears. Members will record their presence by electronic device.

The call was taken by electronic device.

☐ 1640

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to clause 2, rule XXIII, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

The Chair recognizes the gentleman from Ohio (Mr. WYLIE) for 5 minutes in support of his substitute amendment.

Mr. WYLIE. Mr. Chairman, I urge you to support my substitute which would provide for a paper for paper exchange. The exchange would be in the form of an income capital certificate from the FSLIC, which would them provide the thrift institution with a promissory note to any institution which had a net worth of, in some cases below 3 percent, in some cases 2 percent, down to 1 percent. The note would be marketable at market interest rates, and as in the past, because this method has been used before, this promissory note would become a part of the assets held by the troubled thrift institution and would, therefore, improve the net worth of that troubled financial institution.

The staff of the Financial Accounting Standards Board has said that my income capital certificate promissory note approach would result in an increase in the net worth of the recipient institution. The FASB staff, in a letter to us dated May 19, has said that the net worth guarantee proposal, as recommended by the chairman, lacks first and second essentials characteristic of an asset and should not be recognized as an asset under GAAP principles by a thrift. So, therefore, whereas the net worth guarantee proposal of the chairman is presented as an attempt to increase the net worth of a troubled thrift institution, it would not according to the people who would have to determine net worth under accounting principles.

The administration, I would say, supports my substitute. Mr. McNamar has said, "It is our position that the approach contained in the income capital certificate program provides maximum flexibility to the regulators without incurring unnecessary additional funding authority. We are confident that such a program is the least expensive and most appropriate form of temporary assistance to the thrift industry during the current period of high interest rates," and would not require an appropriation.

☐ 1650

I think that is a significant point.

Mr. William Isaac, Chairman of the Federal Deposit Insurance Corporation, supports the substitute which I have now offered. He says:

> However, as between the committee bill and your substitute, we favor your substitute because is offers more flexibility to depart from a fixed formula and structure assistance to meet the needs of the individual institution.

Mr. Pratt, who heads the FHLBB, an agency which will administer this bill, has written to me on several occasions. He said:

> Your bill would be essentially easier to administer. It would maintain incentives for an institution to cut their costs.

And I think that is awfully important. Under my bill the institutions would have the incentive to exercise good management practices to reduce their costs. Under the net worth guarantee proposal, an institution which had bad management practices could be persuaded perhaps to continue those bad management practices because their losses would be guaranteed if they, indeed, failed later on.

My substitute is an incentive for good management practices whereas the guaranteed net worth proposal by the chairman is not.

The Wylie substitute provides net worth assistance to the institutions most in need, to institutions as a peer group, which is a point which the gentleman from Connecticut (Mr. MCKINNEY) made earlier, and I think that is awfully important. It would not lend itself to lawsuits the St Germain proposal could because in that case the Federal Home Loan Bank Board has to make a decision as to which institutions they might or might not help under the guaranteed proposal.

Under mine there is a formula.

The Wylie substitute would provide the time which is necessary to adjust to a less regulated environment and, indeed, to adjust to a more favorable interest rate climate. It could be put into effect immediately.

I urge support of the substitute which I have offered.

Mr. HUBBARD. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the substitute offered by our colleague, Mr. WYLIE. The committee bill is, as a result of the full and comprehensive consideration given by the committee in hearings and in markup, a bill which directly addresses the problems encountered by the Nation's depository institutions.

Those depository institutions which have traditionally relied upon consumer deposits to fund long-term home mortgage loans are suffering under the high and volatile interest rates the Nation has today. These institutions have provided a valuable service to their local communities. They have provided Americans with the opportunity to be homeowners. They have as a result contributed to the provision of jobs in the construction and related industries.

The committee bill recognizes this contribution and provides a realistic program to bolster the net worth or capital of qualifying institutions. Institutions which are eligible are savings and loans, credit unions, mutual savings banks, and commercial banks, particularly community banks. With respect to commercial banks, the committee bill, as a result of the adoption of an amendment which I sponsored, provides ample recognition that many of our commercial banks have operated just like savings and loans. They have taken in the deposits of small savers, consumers, and in turn used those funds for the provision of home mortgages. As a result, they now suffer from a mismatch between their cost of funds and the return on their assets. Their costs exceed their income. The bill, as I say, provides equitable treatment of those institutions.

In addition, the substitute would not address the concerns raised by existing agency procedures for arranging solutions to their problem cases. The agencies are arranging forced mergers of institutions and these mergers are usually accompanied by forced management changes as well. As a result of these actions, local communities are losing institutions and managers who have a direct and close involvement with their communities. These firms know the needs of their communities. The institutions created by the agencies are remote and often involve merging local institutions into large firms based in States far from the home offices of the local institutions. The committee bill, on the other hand, recognizes the value of these local institutions and provides appropriate guidance to the agencies in addressing the needs of these institutions.

The substitute also does not address the very real question of the backing of the guarantees to be issued by the agencies. I am concerned that the resources of the FSLIC in particular will not be viewed by the public and the investing community as sufficient to back the volume of guarantees which will be outstanding. We must address this matter up front and directly. The committee bill does this by providing an authorization to issue guarantees up to the limit established in the bill, and the provision of an authorization to appropriate the sums which might be needed to honor the guarantees. This will be viewed, I am confident, by the investing community as a real commitment by the U.S. Government, and they will not have to wait for us to act at some point in the future to provide further funding for the proposal in the substitute.

Mr. Chairman, the committee bill will provide a superior approach to the problems of the Nation's thrift institutions which will go a long way to assuring that our Nation has the mortgage lending institutions it needs for the future. The substitute does not and should be rejected.

Mr. WYLIE. Mr. Chairman, will the gentleman yield?

Mr. HUBBARD. I will be glad to yield to my friend and colleague from Ohio.

Mr. WYLIE. I thank the gentleman for yielding. He made a point that what we need is money or some help directly up front. I submit that with the guarantee arrangement the money would not be immediately available. This is only a guarantee. There is no capital infusion.

But over and beyond that, I wanted to make the point that the gentleman is interested in an amendment which he offered which would provide the same assistance for commercial banks and his threshold is 5 percent of net worth which could qualify many of the Nation's largest banks, I might say, and diffuse from the fund.

But these guarantees, whereas the gentleman wants his banks to be helped, as I pointed out a little earlier in the letter from the Financial Accounting Standards Board, these net worth guarantees would not allow the banks to get assistance, whereas these are institutions which are traded on the open market and that that would not improve their stock positions.

So I do not see how a commercial bank, which is what the gentleman's amendment was directed to, could be assisted.

Mr. HUBBARD. It is my opinion that the commerical banks, especially in small community banks in districts such as mine, would be benefited more by the committee bill rather than by the gentleman's substitute.

Mr. ST GERMAIN. Mr. Chairman, will the gentleman yield?

Mr. HUBBARD. I yield to the gentleman from Rhode Island.

Mr. ST GERMAIN. I thank the gentleman for yielding.

I want to make a point. No. 1, we amended the gentleman's amendment and it is now down to 4 percent.

But on this Accounting Standards Board, some staff member with a green eyeshade came up with a quick opinion yesterday and also he was not asked for his opinion on the Wylie substitute. So I would not give too much credence to that one.

Mr. PAUL. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the substitute amendment.

I rise in support of the Wiley substitute and would like to address a subject, though slightly different, than the technical points of both the bills that are before us today.

I would like to talk a little bit about the problems that have brought us to this point where we are needing to have some type of a bailout bill for our savings institutions. To me that is the most important issue.

Why are we in this predicament? Will that which we are doing today really help? I quite frankly do not think there is going to be a lot of help in the long run.

In the short run I think legislation of this sort does provide some sort of temporary help but it is at the expense of other institutions and it is at the expense of probably a lot more inflation in the future.

I think what we are doing here today is symbolic and characteristic of what happens in an age of inflation, and currency destruction. When a currency becomes very weak and it is on its last legs, we expect to see institutions failing.

In the last decade we have gone through a period of time where our total money supply as measured by M-3 has nearly tripled and this period of time has coincided with the severance of the last linkage that we had with gold in 1971.

□ 1700

During this period of time, these past 10 years, our mortgage markets have essentially been wiped out. The bond market is essentially nonexistent, in a practical financial sense. So the real question is: What has happened? Why have we allowed our institutions to get in this predicament?

I happen to think it has nothing to do directly with the savings and loans or the bonds themselves. It has to do with the currency. The currency is sick. The savings and loans have suffered the consequences and are manifesting the symptoms of a sick currency. The currency is sick for a precise reason. It is sick because it is not a healthy, strong currency. It no longer has value in itself. It is a fiat currency. The period between 1971, to the present time, is the first time in our history since the Continental dollar that we have had this type of currency. Even in the Civil War it never got as bad. Interest rates even then only got to about 14 percent, and at that particular time gold continued to circulate. But under today's circumstances there is no other currency circulating and we are totally dependent on this fiat currency.

This is also, to me, very symbolic of the age of Government that has gotten out of control. We are having a difficult time coming up with a budget. We came up with a budget last year that was $42 billion in deficit, and it actually turned out that it was over $100 billion in deficit. And the same problem faces us this year. So we are facing conditions today where the currency is weak, the currency is sick, the Government itself is out of control. And we seem to lack control in doing anything about it.

The financial markets today are in serious trouble mainly because people say the interest rates are high. Well, again, high interest rates are a symptom; they are not the cause. People who have lost trust in money demand a high premium for that money when they loan it. It is as simple as that. So often I hear the statement made that the interest rates are higher than they should be. They say real interest rates should always be 4 or 5 percent, and then there should be an inflation premium equal to the rate of price inflation. It happens that price inflation today is rather low, yet interest rates remain at 15 and 16 percent. It is because of the risk factor, the unknown factor, is so great, because people have lost trust in us to manage and help the economy, and they have lost trust literally in the currency.

In recent years much greater emphasis has been put on the quantity of money, and this is understandable. The quantity of money is very important. If you increase the supply of money rapidly, it is very natural to understand why the individual unit will lose its value; and, literally, this is what we have been doing. We have been increasing the supply of money rather rapidly, the unit is losing value, and people are anticipating that we will continue to do this. But the whole point is that if the creation of money continues as it has been, people will not have the restoration of trust that is needed to get interest rates down to tolerable levels. But not only should we be concerned about the quantity of money, we must also be concerned about the quality of money. We have not addressed this subject at all in the last several decades, if not in 50 years. So until we address the subject of the quality of money we are going to continue with the serious financial problems that we face today.

Not only that, if we continue with bailout measures as we are doing today the problems will get much worse.

If we are not careful, and fail to understand the nature of money, we can expect the serious conditions of today to become chaotic and threaten our political institutions. We must all work to avert this. For this reason I urge all my collegues to investigate and become knowledgeable about the gold standard—a standard where money has quality and its value comes from the market and not by government fiat.

Mr. ALEXANDER. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the substitute and in support of the committee bill.

Mr. Chairman, the bill before us is designed as a bridge to assist the savings and loan industry, and subsequently the housing industry, through this difficult period of high interest rates.

It is designed to help the savings and loan associations that have gone out on a limb to help the homebuyer and the housing industry. This bill, I believe, will help stem the tide of the mergers of the savings and loan establishments from the small and midsized communites.

Many times we have all heard President Reagan talk about getting the Federal Government off the backs of the people—of giving back to State and local governments decisionmaking powers that rightfully belong with them—of allowing decisions to be made on the grassroots level.

Mr. Reagan is to be applauded for recognizing the importance of freedom of enterprise. However, many times we have seen this administration's policies, perhaps unintentionally, work against those stated goals.

In the savings and loan industry, decisionmaking and managerial responsibilities are moving out of the communities directly affected. This transfer of responsibility is an indirect result of high interest rates.

Let me illustrate with a few examples from my own district in Arkansas. In my district, two savings and loan institutions in Helena, Ark., have been merged with institutions in Little Rock and Pine Bluff—both outside of the First Congressional District. In West Memphis, Marianna, and Batesville, savings and loan institutions have been merged into one Little Rock Savings & Loan Association—again out of my district.

Other savings and loan institutions remain in the First Congressional District, whose decisionmaking powers have be absorbed by other, larger associations.

Since January 1, 1981, 29 savings and loans in Arkansas have completed or announced mergers. Arkansas has thus far escaped savings and loan failures and mergers with savings and loans from outside the State, but these examples of the problems facing savings and loans can be found elsewhere.

Five Texas savings and loan institutions were merged with a Los Angeles-based savings and loan this year. Is this giving the community power over its fate?

All of the mergers in Arkansas I have mentioned are the result of declines in net worth or were encouraged by declines in earnings and net worth as the result of mortages held by those institutions at such low rates as 7¼ percent while those institutions are paying much more for that money.

One Little Rock savings and loan institution which has remained profitable has done so by making no home loans in more than 3 years. Eleven smaller savings and loans have been merged with that institution this year.

That statement illustrates for you the effect that is wrought on the homebuilding industry—the savings and loans which will provide financing for homes are disappearing.

Passage of this bill would only be a beginning to the solution. The long-term solution is to bring down high interest rates and we are all working toward reduction of the deficit to accomplish that end.

But this bill is necessary now to stem the tide—to stop the decisionmaking responsibility's flow outside of the communities affected—to do something to bolster the housing industry now.

If the conduit for home financing is destroyed by lack of action by the Congress, the homebuilding industry will be destroyed.

In Arkansas alone, eight savings and loan could be helped to remain independent if the bill were enacted today. The Federal home loan bank says that by the time it is enacted 15 or 16 savings and loans in Arkansas could be helped.

I urge your support of the committee bill.

Mr. ANNUNZIO. Mr. Chairman, will the gentleman yield?

Mr. ALEXANDER. I yield to the gentleman from Illinois.

Mr. ANNUNZIO. Mr. Chairman, I rise in opposition to the substitute offered by our colleague, Mr. WYLIE. The committee bill is far superior as a solution to the problems facing the thrift industry today than the substitute. Two major points stand out in my mind. First, the committee directly addresses one of the major concerns that I have about the existing procedures used by the insuring agencies, and in particular the Federal Home Loan Bank Board, to resolve problem cases.

Today, the agencies are arranging forced mergers of institutions suffering losses caused primarily by high interest rates. These mergers are usually accompanied by forced management changes as well. As a result of these actions, local communities are losing institutions and managers who have a direct and close involvement with their communities. These firms know the needs of the people and businesses in their market and they have been responsive in providing financial services to them.

The creation of the multibillion-dollar interstate institutions with their operations being directed from some faraway State and with management brought in from the outside destroys the ties that the former local institution had with its community. I want to know how a savings and loan officer in California who now owns a S. & L. operation in New York or Florida or some other State can provide that same personalized service to the people of those States with the same knowledge and understanding of the needs of those people. I do not think that that officer can or will.

The substitute does nothing to address this concern. It will, in fact, lead to more mergers, more multistate operations and a further depersonalization of essential banking services. The committee bill, on the other hand, would preclude conditioning receipt of a guarantee on the signing of a blank merger resolution by the board of directors of an institution which will receive aid. The committee report also stresses that in the majority of cases, management will be found to be capable and effective. In those cases, we stress that the agency should not condition receipt of a guarantee on management signing blank resignations which can be exercised at the whim of the agency. The substitute does not address this issue and in fact would allow the agency to condition receipt of assistance on the provision of blank merger resolutions and on management changes.

Second, the substitute does not address the very real question of the backing of the guarantees to be issued by the agencies. I am concerned that the resources of the FSLIC in particular will not be viewed by the public and the investing community as sufficient to back the volume of guarantees which will be outstanding. We must address this matter up front and directly. The committee bill does this by providing an authorization to issue guarantees up to the limit established in the bill, and the provision of an authorization to appropriate the sums which might be needed to honor the guarantees. This will be viewed, I am confident, by the investing community as a real commitment by the U.S. Government, and they will not have to wait for us to act at some point in the future to provide further funding for the proposal in the substitute.

Mr. Chairman, the committee bill will provide an answer to the problems of the Nation's thrift institutions which will go a long way to assuring that the Nation has the mortgage lending institutions it needs for the future. The substitute does not and should be rejected.

Mr. PARRIS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I was one of the three members of the committee who abstained on this legislation in the committee, and I did so because I believe the savings and loan industry needs help. But I also did so because this substitute received what can only be generously characterized as summary treatment in the committee. There was no debate, and there has been very little debate here today on the merits of this measure.

I rise in strong support of the substitute to H.R. 6267 offered by the gentleman from Ohio (Mr. WYLIE). For the benefit of my colleagues who have yet to make up their minds about what they are going to do on this legislation, let me point out what Chairman Pratt of the Federal Home Loan

Bank Board, the Federal agency which supervises savings and loans institutions has to say. He urges us to support the substitute instead of the main bill because the substitute "offers an easily administrable, cost-effective, and market-disciplined program that could avoid aggravating deficit problems, while buying time for large numbers of potentially viable thrift institutions."

Let me point out that both approaches, H.R. 6267 and the substitute, are designed to buy time for these institutions, as Chairman Pratt has pointed out. Only the Wylie substitute, however, Mr. Chairman, will allow us to buy that time now, today. I submit that the gentleman from Arkansas who just spoke, Mr. ALEXANDER, is incorrect when he suggests that this is a bridge for the benefit of struggling savings and loan institutions, because it is not, and it will not be effective for that purpose.

One shortcoming of H.R. 6267 is in section 3. In part, section 3 requires that—

> The authority to issue guarantees of net worth shall be limited to such amounts as are provided in advance in appropriation acts.

This seems like a perfectly acceptable way to treat such guarantees. Yet I would ask the chairman of the Banking Committee, when can we expect to get the necessary appropriations? Before the end of the month? Before the July 4 district work period? Before the election? Will such an appropriation find its way into a continuing appropriations resolution?

Mr. ST GERMAIN. Mr. Chairman, will the gentleman yield?

Mr. PARRIS. I will yield to the gentleman when I complete my statement.

Mr. ST GERMAIN. The gentleman is asking me a question. I want to answer it.

Mr. PARRIS. What assurances, if any, do we have from the Appropriations Committee in the House and the other body? These are, of course, rhetorical questions, but I submit that the Chairman cannot answer them because there is no answer. There is no guarantee that the appropriations will ever be made.

By way of contrast, let me state that the income capital certificate program contained in the Wylie substitute can be implemented and funded immediately. No appropriations are required. The reason for this is that the ICC program is based on the existing funds of the FSLIC and thus does not have to be appropriated.

The Wylie substitute, which is supported by the Federal Home Loan Bank Board, the Federal Deposit Insurance Corporation, and the Treasury Department will be implemented immediately upon enactment, thereby bringing swift if not immediate relief to failing financial institutions. I need not remind all Members of the frustrating delays in enacting this fiscal year's appropriations bills. Hundreds of thrift institutions could encounter net worth problems before the fiscal year 1983 appropriations process is completed.

Our choice is very simple. We can enact the Wylie substitute and provide immediate relief to troubled financial institutions. We can make a real contribution to solving a real problem in the real world. Or we can pass H.R. 6267 and wait for an unknown and unspecified period during which the necessary appropriations may be approved.

I urge the quick adoption of the Wylie substitute. One final point. The suggestion of the gentleman from Kentucky (Mr. HUBBARD) does not apply because the net worth in the local community banks to which he referred has been raised to a 5-percent figure, which is obviously not an ailing thrift institution that needs early help. That is the situation this substitute attempts to address.

Mr. ST GERMAIN. Mr. Chairman, will the gentleman yield?

Mr. PARRIS. I yield to my chairman, the gentleman from Rhode Island.

Mr. ST GERMAIN. Mr. Chairman, I can assure the gentleman that as soon as the Senate accepts H.R. 6267 as reported by our committee there will be no problem getting the appropriation, any more than there was getting the appropriation for the housing stimulus bill that passed here a week and a half ago so overwhelmingly.

Mr. PARRIS. I would say to my chairman that if the other body is no more expedient in their consideration of this legislation than they have been in the general banking reform legislation, which has been under consideration by this Congress for 16 months, then that gives me very little solace.

Mr. WYLIE. Mr. Chairman, will the gentleman yield?

Mr. PARRIS. I yield to the gentleman from Ohio.

Mr. WYLIE. I think the gentleman makes a good point. My substitute is already moving in the Senate. Hearings are scheduled on it. I have talked to the chairman of the Banking Committee, and he thinks it is superior and he is going to try to move it as quickly as possible if we can get it out over here.

Mr. SCHUMER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I think there are two points to be made in support of H.R. 6267 and against the Wylie substitute.

The first is, we have been talking about fiscal appropriation, how much money will be appropriated. The supporters of the substitute, I believe, mistake contingent liability and guarantees for outlays. The Congressional Budget Office, in its report on H.R. 6267, anticipated no outlays in fiscal year 1984 and, in addition, stated that the net worth program will save the insurance fund $2.3 billion.

So if you are talking about fiscal responsibility, if you are talking about keeping budget costs down. H.R. 6267 is the way to go.

The second point I would like to make I think is a broader point, and I think it is a very important point. We all must ask ourselves: Why are we saving these ailing institutions? Why is it that we should not have them be taken over by the big, large banks?

The reason is that it is my belief—and I think the belief not only of this House but of the American people—the smaller institutions play a specific role.

□ 1710

The role of thrift institutions in this country has always been to provide money for housing. To save those institutions, and then simply let them make car loans, personal loans, corporate loans, international loans, makes no sense whatsoever. Unless we have a specific purpose, a specific plan, for saving these institutions, unless we decide that they have a unique and special mission, and craft our legislation accordingly, we are saving them for no good purpose whatsoever.

H.R. 6267 does just that. H.R. 6267 says that a certain percentage, 60 percent of the new money that comes into thrifts that receive net worth certificates shall go into housing. I think a fatal flaw in the substitute is that it does not require money to go into any specific area. It will create little Banks of America and little Chase Manhattans all over the country, without caring about people, young people who want to buy homes, without caring about the need for funneling money into the home industry.

I would just like to say that last week this House was in a paroxysm almost to give money to housing. It would be extremely ironic if my colleagues on this side of the aisle or on that side of the aisle voted for a substitute that saves thrift institutions and does not do a thing for housing when the mission of thrift institutions has primarily been and should continue to be housing.

Mr. ST GERMAIN. Mr. Chairman, will the gentleman yield?

Mr. SCHUMER. I yield to the gentleman from Rhode Island.

Mr. ST GERMAIN. To follow up on what the gentleman was saying: There is no cost or outlay, as the gentleman's quote from the report from the Congressional Budget Office indicates. However, the substitute, according to the sponsor himself, involves outlays of $1.2 billion; is that not a fact?

Mr. SCHUMER. Yes, it is.

Mr. ST GERMAIN. So the St Germain bill has no budgetary effect, no outlays, whereas the substitute requires outlays that are included in the budget tables of $1.2 billion.

Furthermore, if you want speedy action on something like the Wylie substitute, talk to the Senate. The regulators bill gives the regulators the discretion that they need for the type of capital infusion contemplated in the Wylie substitute.

If they will only pass the regulators bill it does that. I do not want to take a chance and that is why I am opposing this substitute and saying let us go with H.R. 6267 as reported by the committee.

I would like to also point out that H.R. 6267 is endorsed by and supported by the U.S. League, the Independent Bankers, the National Association of Mutual Savings Banks, and the Consumer Coalition, and they all indeed also oppose the Wylie substitute.

Mr. WYLIE. Mr. Chairman, will the gentleman yield?

Mr. SCHUMER. I yield to the gentleman from Ohio.

Mr. WYLIE. The gentleman from New York indicated that the bill of the gentleman from Rhode Island does not require an appropriations, but there is specific language in here that says there are authorized to be appropriated without fiscal year limitations such sums as may be necessary to carry out the provisions of this act and the amendments made by the act.

So the bill itself specifically calls for appropriations.

Over and above that, the charter of the Federal Home Loan Bank Board requires them to foster the development——

The CHAIRMAN. The time of the gentleman from New York (Mr. SCHUMER) has expired.

Mr. SCHUMER. Mr. Chairman, I ask unanimous consent that I may proceed for 1 additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. ST GERMAIN. I object, Mr. Chairman.

The CHAIRMAN. Objection is heard.

Mr. ST GERMAIN. Mr. Chairman, I rise in opposition to the substitute.

Mr. Chairman, I would say to my colleague that I will yield to him. I wanted to make a statement.

Mr. Chairman, I rise in opposition to the substitute offered by our colleague, Mr. WYLIE. As you know, the bill reported by the committee establishes a temporary program to bolster the net worth of depository institutions, expecially that of the Nation's thrift institutions which have done so much to provide vital mortgage credit for our citizens. The bill fashions a program which balances our need to avoid major cash outlays by the Government and which realistically helps those institutions which are suffering from the devastation caused by high and volatile interest rates.

Mr. WYLIE has offered a substitute for the program provided under the committee bill. At the outset, I want to commend Mr. WYLIE for his efforts over the last 2 years in seeing that the committee addresses the problems evident in our financial system today. The committee has benefited from the bipartisan spirit of cooperation in trying to develop proposals which affect our Nation's depository institutions. I do, however, have serious reservations about the specific proposal offered by Mr. WYLIE, and I would like to take a few minutes to talk about some points which all of you should consider as you make your decision on how to vote on the substitute.

First, the committee bill provides a limitation on the amount of guarantees which may be outstanding as a result of providing assistance to qualified institutions, and this limitation is coupled with an authorization to appropriate such sums as might be needed to make required payments under the act. The committee, however, does not anticipate—and the Congressional Budget Office cost estimate supports this view—any cash outlays under the program. Thus, the committee bill provides a real backing for the guarantees issued under the provisions of the act; but it avoids direct cash outlays.

The substitute, on the other hand, because it relies on a program established earlier by the agencies, would entail an estimated $1.2 billion in actual cash outlays by the FSLIC—cash outlays which show up in calculating the budget deficits.

Second, the committee bill directly addresses the need for a temporary backup of the insurance funds to make the guarantee program believable. The substitute does not and instead relies on a funding by the existing deposit insurance funds, which many fear are inadequate. For example, the FSLIC fund has liquid assets composed of cash and investments. The latter are Government securities. The market value of those securities is estimated to be $3.9 billion. Those funds provide the backing for any guarantees which might be issued by the FHLBB under the Wylie substitute. They also must provide the backing for the existing contingent liabilities of the FSLIC fund. Those contingencies—primarily losses which will result from assistance plans already operating—will rise very rapidly over the next 2 years. Given present interest rates, those contingencies alone will use up the entire amount of the securities in the fund. How can we realistically expect that the public and the investing community will accept that those funds can also support almost $7 billion in income capital certificates to be issued by the FHLBB under the Wylie substitute? And, of course, the outlays required under the Wylie plan must come from the FSLIC fund.

The committee bill addresses this issue. It provides a separate account to back up net worth guarantees. It also responds more forthrightly to the concerns evidenced by the Chairman of the FHLBB about the need for a backup of the insurance fund. Chairman Pratt has proposed as early as March of this year that the FSLIC fund needs additional support. He suggested that language be added to the FSLIC act providing that the full faith and credit of the United States stands behind the fund and language increasing the Treasury borrowing authority of the fund. This was opposed by the administration. He reiterated this concern when he testified before the Banking Committee, and in response to a question stated:

> A line of credit sufficient to cover FSLIC securities issued in conjunction with an assistance program would largely eliminate the default risk likely to be associated with such a program instituted with a more limited line of credit. This would help both assisted institutions and the thrift industry generally to continue to hold and secure deposits and to tap money and capital markets in their efforts to restructure through enhancing the confidence of the financial community in the ability of the FSLIC to carry out its basic insurance function.

The committee bill answers these concerns by providing a separate guarantee account in the Treasury sufficient to back up the net worth guarantees issued pursuant to the act.

Third, the committee bill recognizes the value of locally organized and managed institutions and is designed to provide a breather for those institutions which, given some time, can be viable providers of financial services for their communities. Under the substitute, many viable institutions would, because the assistance provided by the substitute is not sufficient to prevent a continued reduction in net worth, be forced to merge with other institutions, many of which are not even in the same State let alone community. We have all heard about the interstate mergers putting together institutions in California, New York, and Florida and other combinations. I would want to know how the owners in California will really know the needs of local communities to be served in New York, Florida, or Missouri. The substitute—using the numbers on which the proponents base their arguments—shows that almost 1,700 institutions would be subject to forced merger by the end of 1985 under that program. I want to emphasize that number: 1,700. That is 1,700 out of 3,700 savings and loans in the country today.

Fourth, I feel compelled to address concerns that have been raised by a document produced by the staff of an accounting organization. As previously noted, the committee bill provides that the full faith and credit of the U.S. Government is behind the guarantees authorized by the act. That backing is, I believe, of greater value than the backing provided by the substitute and will provide ample assurances to depositors and the investing community that the net worth guarantees provided by the act are real. If those individuals wish to rely on a "green eyeshade" opinion of a staff of an accounting organization, then I say, "So be it". I would rather believe that the full faith and credit of the U.S. Government means exactly what that phrase states—the money will be paid if needed.

As I understand the objections raised by the accounting staff, any guarantees, whether they are provided by the Net Worth Guarantee Act or another program like the substitute or the existing ICC program, must provide probable future economic benefits that contribute directly or indirectly to future net cash inflows of the firm; must provide that the firm have control over the assets; and must provide that the assets are in fact of value to the firm. I submit that the net worth guarantee program meets these criteria because the guarantees will provide confidence in assisted institutions and the industry; they will provide indirect economic benefit through an improved cash flow; and more importantly, without those guarantees, the firm might not exist in the future.

In addition, the substitute and the existing ICC program may be lacking in essential criteria. The "green eyeshade" types have not provided to date an opinion on the existing ICC program or that of the substitute. The existing ICC program only has the support of individual accounting firms—support which may not be the most enthusiastic that I have ever known. It also does not provide an asset which the entity receiving the assistance can control. The FSLIC promissory notes issued to buy the ICC's may state that they are transferable to third parties. In reality the agency requires the institution to immediately use the note as collateral for FHLBB advances. In addition and most importantly, the existing promissory note and that envisioned by the substitute is backed, as I mentioned, by extremely limited resources and thus may be viewed as having limited value. The committee bill relies instead on the Treasury of the U.S. Government.

In conclusion, I urge you to support the committee bill. It is a better approach to the problems of the industry. The substitute is lacking.

☐ 1720

Mr. MINISH. Mr. Chairman, will the gentleman yield?

Mr. ST GERMAIN. I yield to the gentleman from New Jersey.

The CHAIRMAN. The time of the gentleman from Rhode Island has expired.

(At the request of Mr. Minish, and by unanimous consent, Mr. St Germain was allowed to proceed for 1 additional minute.)

Mr. MINISH. Mr. Chairman, if the gentleman will yield, did I understand the gentleman to say that the FSLIC fund is now down to a market value of less than $4 billion?

Mr. ST GERMAIN. That is the market value of the assets of the fund, $3.9 billion.

Mr. MINISH. $3.9 billion?

Mr. ST GERMAIN. Yes.

Mr. MINISH. Then that fund has dropped close to $2 billion in the last few months.

Mr. ST GERMAIN. Well, you see, they have been using it on all these mergers. They cost money. Their contingent liabilities are rising.

The Wylie substitute, as I stated, means 1,700 forced mergers between now and 1985.

Mr. MINISH. So the urgency of the situation can be well pointed out by the drop in the FSLIC fund.

Mr. ST GERMAIN. Most assuredly, that is why I have been urging the committee, the House and hopefully the Senate to act.

Mr. MINISH. I thank the gentleman for yielding.

Mr. SHUMWAY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the severity of the problems now facing the thrift industry cannot be overstated. Over the years, savings and loan institutions have played a leading role in making housing widely available for all Americans; ironically, because of the thrift industry's very success in carrying out its mandate to provide affordable mortgage loans, generally on a long-term, fixed-rate basis, it has been disproportionately impacted by our persistently high interest rates. It is clear that, if this vital industry is to survive and prosper, we must bring about a substantial and sustained reduction in interest rates. No industry can remain viable when the cost of money exceeds its return on investment.

The problem, Mr. Chairman, is that many thrifts are in such precarious financial condition that they may not be able to hold out until the economy improves. More than 80 percent of FSLIC-insured institutions suffered losses in 1981; nearly 10 percent saw net worth drop below 2 percent of assets by the end of the year. In order to prevent further deterioration, and to protect the financial institution insurance funds and ultimately the taxpayer from unmanageable claims, immediate action is therefore necessary.

In this regard, Mr. Chairman, I would like to commend Chairman St Germain for bringing the Net Worth Assistance Act to the attention of the House. Widespread agreement exists among members of the Banking Committee, industry representatives, financial institution regulators, and the administration, that the best means of providing for an improvement of the net worth position of qualifying institutions is by what, in essence, can be viewed as an exchange of paper. Such transactions can, in theory, boost the net worth positions of declining thrifts without budgetary impact—unless, of course, the institution in question actually fails.

Unfortunately, Mr. Chairman, H.R. 6267, as reported by the Banking Committee, is not the best and most effective way of dealing with net worth problems. The Wylie substitute allows the regulators greater flexibility, provides thrift institution managers with more options, can take effect sooner, and has a substantially lower contingent budgetary liability.

As noted in the minority views to the committee report:

> Every member knows that there are scores, even hundreds of thrift institutions which, at the rate their net worth is eroding, can expect to fail or be merged within a matter of months unless they receive assistance. It is therefore imperative that an assistance program be put in place without any undue delay * * *

The Wylie substitute authorizes FSLIC and FDIC to provide capital assistance to qualified institutions—on a sliding scale basis—through the purchase of income capital certificates (ICC's). In exchange for an ICC, a promissory note is issued which is treated as an asset by the recipient institution. Such assistance is made available in such fashion that institutions in similar competitive circumstances are treated similarly, while retaining the incentive to minimize further losses. An additional advantage of the Wylie approach is that it does not condition the acceptance of assistance, as does H.R. 6267, on an institution's commitment to invest at least 60 percent of net new deposits in residential mortgages at or below the FHA ceilings, or in mortgage-backed securities. It seems to me, Mr. Chairman, that if the purpose of this legislation is to restore the net worth position of thrifts as quickly as possible, it makes little sense to impose severe restrictions on an industry already suffering from the effects of excess regulation.

Mr. Chairman, our objective is to restore the health of the thrift industry to a level where it can once again be in a position to profitably invest in residential mortgages. The Wylie substitute to the Net Worth Assistance Act is the most efficient and least costly means of reaching this objective. I therefore urge that it be strongly supported.

Mr. WYLIE. Mr. Chairman, will the gentleman yield?

Mr. SHUMWAY. I would be happy to yield to the gentleman from Ohio.

Mr. WYLIE. I just want to make a couple points.

The gentleman from New York is not here at the moment, but the charter of the Federal Home Loan Bank Board is to foster the development of thrifts and the Federal Home Loan Bank Board favors my bill in carrying out that charter.

The gentleman from New York mentioned the possibility of a lot of little Banks of America. It is funny that he would mention Bank of America, because there is an amendment in this bill which would allow the net worth guarantees to commercial banks with 5 percent net worth. Now, it just happens that the Bank of America is close to 5 percent net worth. Now, there are other considerations, but the largest bank in the United States, on that part of the formula, could qualify for a net worth guarantee.

My bill does not contain anything for commercial banks because commercial banking is not a troubled industry at the present time. I do not want to diffuse the effort that we are making here when we are recognizing that the thrift industry is indeed in some difficulty, as the gentleman said.

My bill would not require the establishment of any new funds. It would go through the Federal FSLIC fund and two major accounting firms, may I say, have already signed off and accepted this income capital certificate proposal with an exchange for a promissory note under the so-called Phoenix plan. Major accounting firms have not accepted the guaranteed net worth as improving the net worth.

Here we have an existing fund in place, the FSLIC fund, which can administer it. Also the Federal Home Loan Bank Board has indicated to me that under the St Germain plan we are only postponing the problem.

I do not know if I should say this or not, but by 1985 when the net worth guarantee program expires as many as 2,000 savings and loans would either have to merge or liquidate.

Mr. PATTERSON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I do not intend to use my 5 minutes here this afternoon, but I would like to say that this debate has been very enlightening. I think it was unfortunate that we did not have the opportunity in the committee to reach a conclusion between the committee amendment and the Wylie substitute. This debate has been fruitful in that regard, but I find there are some flaws in the Wylie substitute which at least lead me to the conclusion that it does not meet the real urgent needs.

We have all agreed, I think, that the urgency for passing the Net Worth Guarantee Act, in whatever form, is caused by high interest rates at this time.

The financial institutions that are in the recycling business on a short-term basis, the commercial banks and that sort of thing—those not committed to long term lending—are doing fine. They are paying higher costs for their money and they are lending it out at a higher interest rate. Those institutions, however, who have made those long-term, 30-year, fixed-rate mortgages on homes for the American people are the ones who are really feeling the pinch.

Now, the Wylie substitute does not treat that in any equitable way.

The committee bill, on the other hand, has a requirement that any financial institution, in order to gain assistance under the Net Worth Guarantee Act, must have at least 20 percent of its assets in mortgage lending finance. So, it seems to me, that is the key difference of why the institutions with 20 percent or more of their lending portfolios in long-term lending ought to receive this kind of assistance. I do not think we ought to be in the bail-out business for those who are turning their money over rather rapidly.

☐ 1730

Second, we have heard some debate on the flexibility under the Wylie amendment, but all the flexibility arguments seem to be given out under the auspices of one of the regulators. As Members know, the regulators are really another set of bureaucrats, and flexibility to them is another form of stronger regulation.

For example, as I understand it, in the Wylie substitute, there could be forced mergers, there could be forced resignations on the part of institutions where they might be managed well. And that flexibility is up to these regulators out there, the same ones that brought you FDIC—and they are issuing more regulations under the name of deregulation than they are, in fact, granting.

I am really wary of granting any of these regulatory institutions more power and calling it flexibility.

Finally, as I understand the Wylie substitute, it does not cover at all any credit unions that might have the same sort of problem. I wonder why they are not covered? The bill, on the other hand, does cover all insured institutions, including credit unions.

So if Members really believe in the American dream, in homeownership, in helping institutions that got into their trouble through no fault of their own, in those in the mortgage home lending financing. And, if those Members do not want to give more power to the bureaucrats in terms of giving them what they call flexibility, that I would call the ability to force mergers and resignations, then Members have no other alternative than to vote against the Wylie substitute and for the final passage of the bill.

Mr. WEBER of Ohio. Mr. Chairman, I move to strike the requisite number of words and I rise in support of the Wylie substitute.

Mr. Chairman, I want to come back to this question of whether the committee bill does what it is intended to do. That comes back to the question of the generally accepted accounting standards.

Does the committee bill actually improve—will it actually improve the net worth of the financial institutions?

Now, under the Wylie substitute, which I support, we are using a proven technique, a plan which does improve the net worth of the troubled financial institutions, the troubled savings and loan institutions that it is seeking to serve.

On the other hand, I do not think that the comments from the staff member of the Financial Accounting Standards Board can be lightly dismissed when he or she points out that a guarantee of net worth would not be recognized as an asset on the balance sheet of a thrift institution.

I think that that is a serious indictment of the committee plan, because we are being asked to support something that is an untried solution to the problem, whereas the Wylie substitute is a proven success. And if it turns out that the net worth guarantees under the committee bill do not meet the standards of generally accepted accounting principles, then at very best the financial statements would be footnoted and qualified by the auditors and the accountants of the financial institutions, and at the very worst, the guarantees could not be listed as assets and, therefore, would not improve the net worth picture for that financial institution.

Mr. PARRIS. Mr. Chairman, will the gentleman yield?

Mr. WEBER of Ohio. I yield to the gentleman from Virginia.

Mr. PARRIS. Mr. Chairman, I would just like to make a point.

The $1.2 billion estimated cash expenditure required by the Wylie substitute on notes in this year would be, in fact, cash that comes out of the FSLIC funds. It is not an appropriation. That is what the fund is there for. That is what it was created for. It would be a wash, because the premiums and the interest received in the next year would offset that $1.2 billion and be recovered.

So to characterize the expenditures under the Wylie substitute as equivalent to an appropriation is simply erroneous.

Mr. **WEBER** of Ohio. I thank the gentleman for pointing that out.

Mr. Chairman, if I may reclaim my time, let me summarize by saying I think there are many good reasons why the Wylie substitute is preferable to the committee bill, and I urge my colleagues to support it.

The **CHAIRMAN**. The question is on the amendment in the nature of a substitute offered by the gentleman from Ohio (Mr. WYLIE).

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. **ST GERMAIN**. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 155, noes 209, answered "present" 2, not voting 66, as follows:

[Roll No. 91]

AYES—155

Atkinson
Bafalis
Bailey (MO)
Benedict
Bereuter
Bethune
Bliley
Breaux
Broomfield
Brown (CO)
Broyhill
Burgener
Campbell
Carman
Carney
Chappell
Chappie
Cheney
Clausen
Clinger
Coats
Coleman
Conable
Corcoran
Courter
Coyne, James
Craig
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Dannemeyer
Daub
Deckard
DeNardis
Derwinski
Dickinson
Edwards (AL)
Emerson
Emery
Erlenborn
Evans (DE)
Evans (IA)
Fiedler
Fields
Forsythe
Gibbons
Gilman
Gingrich
Goodling
Gramm
Green
Gregg
Gunderson
Hagedorn
Hall (OH)
Hansen (ID)
Hartnett
Hiler
Hillis
Hopkins
Horton
Huckaby
Hunter
Jeffords
Jeffries
Johnston
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leath
LeBoutillier
Lee
Lent
Livingston
Loeffler
Lott
Lowery (CA)
Lujan
Lungren
Madigan
Marlenee
Marriott
Martin (IL)
Martin (NC)
Martin (NY)
McCollum
McDonald
McEwen
McGrath
McKinney
Michel
Miller (OH)
Mitchell (NY)
Molinari
Montgomery
Moore
Moorhead
Morrison
Myers
Nichols
O'Brien
Parris
Pashayan
Paul
Petri
Porter
Pritchard
Railsback
Regula
Rhodes
Ritter
Roberts (KS)
Roberts (SD)
Robinson
Roemer
Roth
Rousselot
Rudd
Sawyer
Schulze
Sensenbrenner
Shaw
Shelby
Shumway
Siljander
Skeen
Smith (AL)
Smith (NE)
Smith (OR)
Snyder
Solomon
Spence
Stangeland
Staton
Stenholm
Stump
Tauke
Tauzin
Taylor
Vander Jagt
Walker
Wampler
Weber (MN)
Weber (OH)
White
Whitehurst
Whittaker
Williams (OH)
Wilson
Winn
Wolf
Wylie

NOES—209

Addabbo
Akaka
Albosta
Alexander
Anderson
Andrews
Annunzio
Applegate
Aspin
Bailey (PA)
Barnard
Barnes
Beard
Bedell
Beilenson
Benjamin
Bennett
Bevill
Biaggi
Bingham
Blanchard
Boland
Boner
Bonior
Bonker
Bouquard
Bowen
Brinkley
Brodhead
Brooks
Brown (CA)
Byron
Chisholm
Collins (IL)
Conte
Conyers
Coyne, William
D'Amours
Daschle
Davis
de la Garza
Dellums
Derrick
Dicks
Dingell
Donnelly
Dorgan
Dougherty
Dowdy
Downey
Duncan
Dunn
Dwyer
Dymally
Dyson
Early
Edgar
Edwards (CA)
English
Ertel
Evans (GA)
Evans (IN)
Fary
Fascell
Fazio
Ferraro
Findley
Fithian
Flippo
Florio
Foley
Ford (MI)
Ford (TN)
Fountain
Fowler
Frank
Frost
Fuqua
Garcia
Gaydos
Gejdenson
Gephardt
Glickman
Gonzalez
Gore
Gray
Guarini
Hall, Ralph
Hall, Sam
Hamilton
Hammerschmidt
Hance
Harkin
Heckler
Hefner
Heftel
Hendon
Hertel
Hightower
Holland
Hollenbeck
Howard
Hoyer
Hubbard
Hughes
Hutto
Jenkins
Jones (OK)
Jones (TN)
Kastenmeier
Kazen
Kennelly
Kildee
Kogovsek
LaFalce
Lantos
Lehman
Leland
Levitas
Long (LA)
Long (MD)
Lowry (WA)
Luken
Markey
Matsui
Mavroules
Mazzoli
McClory
McCurdy
McDade
McHugh
Mica
Mikulski
Miller (CA)
Mineta
Minish
Mitchell (MD)
Moakley
Mollohan
Murtha
Napier
Natcher
Neal
Nelligan
Nelson
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patman
Patterson
Pease
Pepper
Perkins
Pickle
Price
Rangel
Ratchford
Reuss
Rinaldo
Rodino
Roe
Rosenthal
Rostenkowski
Roukema
Roybal
Russo
Scheuer
Schneider
Schroeder
Schumer
Seiberling
Shamansky
Shannon
Sharp
Simon
Skelton
Smith (IA)
Smith (NJ)
Snowe
Solarz
St Germain
Stratton
Studds
Swift
Synar
Traxler
Udall
Vento
Volkmer
Walgren
Washington
Waxman
Weiss
Whitley
Whitten
Williams (MT)
Wirth
Wolpe
Wortley
Wright
Wyden
Yates
Yatron
Young (AK)
Young (MO)
Zablocki

ANSWERED "PRESENT"—2

Hyde
Young (FL)

NOT VOTING—66

Anthony
Archer
AuCoin
Badham
Boggs
Bolling
Brown (OH)
Burton, John
Burton, Phillip
Butler
Clay
Coelho
Collins (TX)
Coughlin
Crockett
Dixon
Dornan
Dreier
Eckart
Edwards (OK)
Erdahl
Fenwick
Fish
Foglietta
Frenzel
Ginn
Goldwater
Gradison
Grisham
Hansen (UT)
Hatcher
Hawkins
Holt
Ireland
Jacobs
Jones (NC)
Leach
Lewis
Lundine
Marks
Mattox
McCloskey
Moffett
Mottl
Murphy
Oxley
Peyser
Pursell
Quillen
Rahall
Richmond
Rogers
Rose
Sabo
Santini
Savage
Shuster
Smith (PA)
Stanton
Stark
Stokes
Thomas
Trible
Watkins
Weaver
Zeferetti

□ 1750

The Clerk announced the following pairs:

On this vote:

Mr. Thomas for, with Mr. Rahall against.

Mrs. Holt for, with Mrs. Boggs against.

Mrs. Fenwick for, with Mr. Eckart against.

Mr. McCloskey for, with Mr. Stokes against.

Mr. Hansen of Utah for, with Mr. Richmond against.

Mr. **DUNN** and Mr. **ANDREWS** changed their votes from "aye" to "no."

Mr. **WILSON** and Mr. **WILLIAMS** of Ohio changed their votes from "no" to "aye."

Mr. **O'BRIEN** changed his vote from "present" to "aye."

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

(By unanimous consent Mr. LOTT was allowed to speak out of order.)

DIFFICULTIES WITH VOTING MACHINERY

Mr. **LOTT**. Mr. Chairman, I think this will be of interest to all Members if I could get their attention.

Mr. Chairman, I would like the record to show that on the previous vote and on earlier votes today and yesterday my vote has been recorded correctly by the machines but incorrectly on the board.

I understand the technicians are working on it and even though there may be an assumption that I always vote "no," I do occasionally vote "aye," as I just did.

I raise this point to inform Members that they are having trouble with the machines. I hope you will check your vote to make sure you are being recorded properly by both the machines and by the board.

I yield back my time.

The **CHAIRMAN**. The question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The **CHAIRMAN**. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. FOLEY) having assumed the chair, Mr. KILDEE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 6267) to revitalize the housing industry by strengthening the financial stability of home mortgage lending institutions and insuring the availability of home mortgage loans, pursuant to House Resolution 471, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The **SPEAKER** pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the committee amendment in the nature of a substitute, as amended, adopted by the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The **SPEAKER** pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. WYLIE

Mr. **WYLIE**. Mr. Speaker, I offer a motion to recommit.

The **SPEAKER** pro tempore. Is the gentleman opposed to the bill?

Mr. **WYLIE**. I am, Mr. Speaker, in its present form.

The **SPEAKER** pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. WYLIE moves to recommit the bill, H.R. 6267, to the Committee on Banking, Finance and Urban Affairs.

The **SPEAKER** pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The **SPEAKER** pro tempore. The question is on the motion to recommit.

The motion to recommit was rejected.

The **SPEAKER** pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. **WYLIE**. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 272, noes 91, answered "present" 2, not voting 67, as follows:

[Roll No. 92]

AYES—272

Addabbo
Akaka
Albosta
Alexander
Anderson
Andrews
Annunzio
Aspin
Atkinson
Bafalis
Bailey (MO)
Bailey (PA)
Barnard
Barnes
Beard
Bedell
Beilenson
Benedict
Benjamin
Bennett
Bereuter
Bevill
Biaggi
Bingham
Blanchard
Boland
Boner
Bonior
Bonker
Bouquard
Bowen
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown (CA)
Byron
Carman
Carney
Chappell
Chisholm
Clausen
Clinger
Coleman
Collins (IL)
Conte
Conyers
Courter
Coyne, James
Coyne, William
D'Amours
Daschle
Davis
de la Garza
Deckard
Dellums
DeNardis
Derrick
Derwinski
Dickinson
Dicks
Dingell
Donnelly
Dorgan
Dougherty
Dowdy
Downey
Duncan
Dunn
Dwyer
Dymally
Dyson
Early
Edgar
Edwards (AL)
Edwards (CA)
Emerson
English
Ertel
Evans (DE)
Evans (GA)
Evans (IA)
Evans (IN)
Fary
Fascell
Fazio
Ferraro
Fiedler
Findley
Fithian
Flippo
Florio
Foley
Ford (MI)
Ford (TN)
Forsythe
Fountain
Fowler
Frank
Frost
Fuqua
Garcia
Gaydos
Gejdenson
Gephardt
Gibbons
Gilman
Gingrich
Glickman
Gonzalez
Gore
Gray
Green
Guarini
Hamilton
Hammerschmidt
Harkin
Heckler
Hefner
Heftel
Hendon
Hertel
Hightower
Hollenbeck
Horton
Howard
Hoyer
Hubbard
Huckaby
Hughes
Hutto
Jeffords
Jones (OK)
Jones (TN)
Kastenmeier
Kazen
Kennelly
Kildee
Kogovsek
LaFalce
Lantos
LeBoutillier
Lee
Lehman
Leland
Lent
Long (LA)
Long (MD)
Lowery (CA)
Lowry (WA)
Lujan
Luken
Markey
Marlenee
Marriott
Martin (IL)
Martin (NY)
Matsui
Mavroules
Mazzoli
McCollum
McCurdy
McDade
McEwen
McGrath
McHugh
McKinney
Mica
Mikulski
Miller (CA)
Mineta
Minish
Mitchell (MD)
Mitchell (NY)
Moakley
Molinari
Mollohan
Montgomery
Morrison
Murtha
Napier
Natcher
Neal
Nelligan
Nelson
Nichols
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Parris
Patman
Patterson
Pease
Pepper
Perkins
Pickle
Price
Pritchard
Railsback
Rangel
Ratchford
Reuss
Rinaldo
Roberts (KS)
Rodino
Roe
Rosenthal
Rostenkowski
Roukema
Roybal
Russo
Sawyer
Scheuer
Schneider
Schumer
Seiberling
Shamansky
Shannon
Sharp
Shaw
Shelby
Siljander
Simon
Skelton
Smith (IA)
Smith (NJ)
Snowe
Snyder
Solarz
Solomon
Spence
St Germain
Staton
Stratton
Studds
Swift
Synar
Tauke
Traxler
Udall
Vander Jagt
Vento
Volkmer
Walgren
Wampler
Washington
Waxman
Weiss
White
Whitley
Whittaker
Whitten
Williams (MT)
Williams (OH)
Wilson
Winn
Wirth
Wolf
Wolpe
Wortley
Wright
Wyden
Yates
Yatron
Young (AK)
Young (MO)
Zablocki

NOES—91

Applegate
Archer
Bethune
Bliley
Brown (CO)
Broyhill
Burgener
Campbell
Chappie
Cheney
Coats
Conable
Corcoran
Craig
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Dannemeyer
Daub
Emery
Erlenborn
Fields
Goodling
Gramm
Gregg
Gunderson
Hagedorn
Hall (OH)
Hall, Ralph
Hall, Sam
Hance
Hansen (ID)
Hartnett
Hiler
Hillis
Hopkins
Hunter
Jeffries
Jenkins
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leath
Levitas
Livingston
Loeffler
Lott
Lungren
Madigan
Martin (NC)
McClory
McDonald
Michel
Miller (OH)
Moore
Moorhead
Myers
Pashayan
Paul
Petri
Porter
Regula
Rhodes
Ritter
Roberts (SD)
Robinson
Roemer
Roth
Rousselot
Rudd
Schroeder
Schulze
Sensenbrenner
Shumway
Skeen
Smith (AL)
Smith (NE)
Smith (OR)
Stangeland
Stenholm
Stump
Tauzin
Taylor
Walker
Weber (MN)
Weber (OH)
Whitehurst
Wylie

ANSWERED "PRESENT"—2

Hyde
Young (FL)

NOT VOTING—67

Anthony
AuCoin
Badham
Boggs
Bolling
Brown (OH)
Burton, John
Burton, Phillip
Butler
Clay
Coelho
Collins (TX)
Coughlin
Crockett
Dixon
Dornan
Dreier
Eckart
Edwards (OK)
Erdahl
Fenwick
Fish
Foglietta
Frenzel
Ginn
Goldwater
Gradison
Grisham
Hansen (UT)
Hatcher
Hawkins
Holland
Holt
Ireland
Jacobs
Johnston
Jones (NC)
Leach
Lewis
Lundine
Marks
Mattox
McCloskey
Moffett
Mottl
Murphy
Oxley
Peyser
Pursell
Quillen
Rahall
Richmond
Rogers
Rose
Sabo
Santini
Savage
Shuster
Smith (PA)
Stanton
Stark
Stokes
Thomas
Trible
Watkins
Weaver
Zeferetti

□ 1810

The Clerk announced the following pairs:

On this vote:

Mr. Pursell for, with Mr. Collins of Texas against.

Mrs. Holt for, with Mr. Dornan of California against.

Mr. **HALL** of Ohio, Mr. **RALPH M. HALL**, and Mr. **TAYLOR** changed their votes from "aye" to "no."

Mr. **BAILEY** of Missouri changed his vote from "no" to "aye."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

AUTHORIZING CLERK TO MAKE CHANGES IN SECTION NUMBERS, PUNCTUATION, CROSS REFERENCES, AND OTHER TECHNICAL AND CONFORMING CORRECTIONS IN ENGROSSMENT OF H.R. 6267

Mr. **MINISH**. Mr. Speaker, I ask unanimous consent that, in the engrossment of the bill, the Clerk be authorized to correct section numbers, punctuation, and cross references and to make such other technical and conforming changes as may be necessary to reflect the actions of the House in amending the bill, H.R. 6267.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from New Jersey? There was no objection.

GENERAL LEAVE

Mr. **MINISH**. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and include extraneous material on the bill, H.R. 6267, just passed.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

A GOVERNMENT FOR AMERICAN SAMOA

(Mr. SUNIA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SUNIA. Mr. Speaker, the bill I am introducing today is by far the most important of all the measures that I have brought before this body for consideration. In it, I ask that the Congress of the United States authorize the legislature of American Samoa to call a constitutional convention for the purpose of drafting a new constitution, a privilege already granted to the territories of Guam and the Virgin Islands. It is now an appropriate time for this Congress to establish a form of government for American Samoa.

As you may know, I represent the only "unorganized and unincorporated" territory of our great Nation. We will remain classified as such until Congress decides to pass a law such as that which I am proposing today.

America became interested in Samoa 100 years ago. Our islands were willingly ceded by our chiefs to the United States in 1900 and 1904. These treaties were accepted in 1929. Since then, and particularly during the last 20 years, we have progressed in a manner that has made us the envy of our neighbors in the South Pacific. But the basic political structure that governs the territory continues to be the cause of questions and controversy among our island neighbors and by other countries in the United Nations. Last year, for example, the committee of 24 as part of the United Nations, sent a team to American Samoa because the territory is not wholly self-governing.

Mr. Speaker, we are not talking here about independence or statehood or any of the other options for political reorganization that have been suggested in recent years. We are simply seeking to place our territorial government on a firmer foundation. When Congress approved the treaties 60 years ago, it gave the President the responsibility for administering to American Samoa, "until Congress shall provide for the government of such islands * * *." I believe that this time is now and I am asking Congress to fulfill its promise.

Under the same mandate from Congress, the President assigned the administration of American Samoa first to the Department of the Navy and, in 1951, transferred it to the Department of the Interior. Up to this point, under these agencies and with the continued concern of the Congress, American Samoa has fared exceedingly well in all respects. Human and social services for our people are some of the best in our part of the Pacific. Though on-island opportunities for employment are limited and many of our people are forced to seek jobs on the mainland and in Hawaii, local fish canneries do make a substantial contribution to the gross national product.

Under the Interior, our local legislature has been granted more and more authority. Five years ago, we were permitted to elect our own Governor under a law passed by the local legislature. In 1978, legislation was passed which provided the territory's first non-voting seat in Congress. These are indeed gigantic political steps for such a small and developing territory. The basis for all of this development was a constitution drawn up in American Samoa under the guiding influence of Interior officials. This document was voted on and approved by voters in the territory and then approved by the Secretary of the Interior. While it is evidence of political development, self-rule remains incomplete in that the Secretary of the Interior still holds the authority to appoint our Chief Justice and Associate Chief Justices, the power to determine if a gubernatorial veto should be upheld or overturned by legislative initiative and the final authority to approve or disapprove all amendments to our constitution.

It is these powers kept by the Secretary for himself which have cast doubt upon the integrity of the existing document and which reflects negatively on the expressed purpose and intent of the United States in dealing with the territory. If my proposed bill becomes law and our new constitution is approved by Congress, all doubt and confusion about local control will be eased. American Samoans will be assured that Congress has come through and made good on its promise to structure a local government that is truly responsive to the needs of the people whom it most deeply affects. More important, our constitution will have behind it all of the power of the Congress of the United States. Who can ask for a more solid basis on which to build a government?

Earlier this year, I met with the Governor and legislative leaders of the territory as well as many of the traditional leaders of the islands. I am happy to report that we have unanimously agreed that a constitution approved by the Congress is the next logical step in our march toward more complete self-government within the American family of States and territories.

The procedure for congressional approval of this constitution is lengthy. But such details are necessary in order to have all of the best possible input into the document. Following enactment of this measure, the Legislature of American Samoa will call a constitutional convention which will prepare a draft document. The Governor will then submit this draft to the President of the United States for his comments. He will then transmit the document to Congress together with his suggestions. After Congress has reviewed the document, it will be returned to the people of the territory for their consideration and vote.

Mr. Speaker, I firmly believe that the territory must establish this direct contact with this Congress. While the Department of the Interior has been most helpful and we have prospered under their guidance, we have no real representation there. We do, however, have a Representative here in Congress.

There are advocates of all types of political status for our territory and each has its own merits and disadvantages. It is not my purpose here to suggest a basic shift in our relationship to the United States or to propose an elaborate or overly detailed reworking of the government system. I do not believe in creating long and serious debates over a step whose time has come. As we move toward the end of the eighties, we must recognize the urgent need for the changing political demands of the territory. A new constitution facilitates the kind of flexibility in policy development which is crucial to increased self-government and autonomy. Self-government which results from the adoption of one's own constitution is an integral and necessary step in the political development of any State or territory. If this bill is enacted, it would be an important step in the 82-year political evolution of American Samoa as a part of the United States.

VIETNAM VETERANS

(Mr. EDGAR asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. EDGAR. Mr. Speaker, on November 3, 1981, the President begrudgingly signed Public Law 97-72, a landmark piece of legislation for Vietnam veterans. The new law provided a 2-year targeted extension of the 10-year delimiting period for certain Vietnam-era veterans to utilize VA on-the-job training and vocational training programs. The legislation also authorized a new small business loan program within the VA to provide loans up to $200,000 for eligible Vietnam-era and disabled veterans.

The administration has yet to fund the small business loan program nor draft regulations as required by law, for the implementation of the provision even though veteran owned businesses across the country are crying out for assistance and the Small Business Administration has established a very poor record in providing "special

consideration" for veterans as required by law.

On the other hand, the 2-year extension of job training benefits has been practically overregulated out of existence by restrictive regulations which in no way follow either legislative history or congressional intent.

The President signed the bill into law on November 3, 1981.

The VA published an internal circular describing the implementation of the program to its staff on December 22, 1981.

The effective date of the extension was January 1, 1982.

On March 1, 1982, I asked the VA Administrator in hearings before the House Committee on Veterans' Affairs if regulations for the program had been published in the Federal Register for public comment.

Neither he nor his staff knew.

The regulations were published on March 11. The deadline for public comment was April 12, 1982.

Already, nearly 4 months of the 24-month extension provided under the law had been allowed to slip away either through bureaucratic inertia or by willful intent.

As chairman of the House Veterans' Affairs Subcommittee on Education Training and Employment I have called a hearing of the subcommittee on June 17 to receive an explanation from the Veterans' Administration on their record implementing the extension of job training benefits and the small business loan program.

The extension of VA job training benefits last year was a last ditch effort to target vocational and employment assistance to thousands of Vietnam veterans. Even the VA estimated that 39,000 Vietnam-era veterans would benefit from this extension. I doubt if that target could ever be reached as the program is designed now. I also doubt that these veterans will receive the type of training they actually need.

The Nation is currently experiencing the highest unemployment rate in 40 years. Likewise, Vietnam veteran unemployment is the highest since the war; 750,000 Vietnam-era veterans are currently out of work. This statistic should not be surprising seeing the recession we are in. However, significantly, in every age category, the rate of unemployment among Vietnam veterans is now higher than their nonveteran peers. This is a new development which has accompanied the recession. It clearly shows, the economic vulnerability and continuing readjustment problems plaguing the Vietnam veteran. When the economy sours, the Vietnam veteran, "last hired" because of his military service, is the "first fired."

Mr. Speaker, today I am introducing comprehensive legislation designed to improve and strengthen employment services for veterans through the Department of Labor. If enacted this legislation will go a long way to extend quality employment counseling and placement services for veterans. However, the legislation also requires the Secretary of Labor through the Assistant Secretary of Labor for Veterans Employment to coordinate these programs with existing training services within the Federal Government and particularly the Veterans' Administration. However, we have yet to see the Administration come forward with a separate job training initiative for veterans. We have also seen them grossly restrict utilization of such new programs as the 2-year extension passed last year under existing law.

In response to Public Law 97-72 and the extension of job training, the VA drew up an 11-page circular of regulations citing eligibility criteria for the program based on who they considered to be either skilled or nonskilled. That determination, in turn, was based on another set of documents, 5 inches thick and 2,656 pages long, published by the Department of Labor. This, Mr. Speaker, coming from an administration that prides itself on reducing Government regulations, is an outrage.

After reading these regulations, there might be one veteran, who lives in the Aleutians—who happens to be lefthanded—who might qualify for the program.

In fact in the first quarter of this year, in the entire Philadelphia area, only two veterans had their claims accepted.

Nationwide statistics for the first quarter reveal that: 1,131 veterans have applied for this job training; only 56 have been approved for training; 430 had their claims denied; and 645 claims are still pending.

Just what good does a 2-year on-the-job training program do for a Vietnam veteran who has to wait 6 months in an unemployment line waiting for the VA to process his claim? Only to be declared ineligible anyway.

Time is running out on this program in more ways than one.

For this reason, today, I am introducing legislation to extend the 2-year period for job training for 1 additional year to see if we cannot get the job done right a second time.

I welcome and appreciate the support of my colleagues here this morning in cosponsoring this legislation.

Mr. Speaker, to document our frustration and the frustration of the Vietnam veteran community, I would like to submit for the Record two examples. First is page 42 of hearings before the House Committee on Veterans' Affairs regarding the Veterans' Administration budget for fiscal year 1983 on March 1, 1982, in which I engaged in a colloquy with the VA Administrator and his staff on the subject of the 2-year job training extension. Second, I submit a copy of a letter from Mr. Mark Kaufman, Esq., of the Delaware County Legal Assistance Association, Chester, Pa., sent to the VA Administrator requesting clarification of the provisions of public law 97-72. Mr. Kaufman represents the local chapter of the Vietnam Veterans of America in Delaware County. He and his associates have established an outstanding record in representing veterans free of charge before the Veterans' Administration.

At this point I include the following:

Testimony Before the House Committee on Veterans' Affairs, March 1, 1982, on the Veterans' Administration Budget for 1983

Mr. Edgar. Mr. Administrator, the 2-year targeted extension of the date that we passed last year, have VA regulations been published in the Federal Register for that?

Ms. Starbuck. I do not remember. Let me get the answer for the record on that.

Mr. Edgar. Does anybody remember? All right. Submit that for the record.

Do you know that the designated cost in fiscal year 1983 for this extension is going to be?

Ms. Starbuck. No, I do not, not offhand.

Mr. Edgar. Do you know how many veterans will use this benefit?

Ms. Starbuck. Do we have an estimate on that? No, we do not have an estimate on that.

Mr. Edgar. We are receiving rumors, the opposite to the question before, that this particular benefit is being overregulated and severely restricting that service to the veteran on this extension as being somehow confused and overregulated and causing a great deal of confusion. Are you receiving those same kind of inquiries?

Ms. Starbuck. Not from our field stations. We have received some information of that, someone who objects to basically the way the rule was implemented. It was our impression, and we have so provided in our instructions to the field, that this extension be made available to individuals who are in need of vocational training or educational benefits or an extension. I do not think this is designed for——

Mr. Edgar. How many are receiving benefits?

Ms. Starbuck. I would have to provide that for the record.

Mr. Edgar. A few or a lot?

Ms. Starbuck. I have no idea.

Mr. Edgar. It was an important item that we included in last year's legislation. We would like for the record an update on the status of that program, the regulations, the number of applicants, how well it has been publicized, et cetera.

Ms. Starbuck. Very good.

[The information follows:]

"To date, 1,131 veterans have applied for this benefit with 56 being approved for training, 430 denied benefits and 645 still pending award action."

Delaware County
Legal Assistance Association,
Chester, Pa., May 11, 1982.

Re Delimiting date extensions under Public Law 97-72.

ADMINISTRATOR (271A),
Veterans Administration,
Washington, D.C.

DEAR SIR: I represent the local chapter of the Vietnam Veterans of America and am counsel to large numbers of veterans before the military review boards agencies and the Veterans Administration. I have been asked to express their concerns regarding the proposed regulations under Section 201 of Public Law 97-72.

Section 201 provides, in pertinent part, for extension of the delimiting date to pursue—

(i) a program of apprenticeship or other on-job training;

(ii) a course with an approved vocational objective; or

(iii) a program of secondary education, if the veteran does not have a secondary school diploma (or an equivalency certificate).

Under the proposed rules, need for a program of education with a vocational objective is limited to those who have less than 60 semester hours of higher education, do not hold a 2 year degree and have never been employed in other than an "entry level" non-managerial job. Under this rule, unemployment is essentially irrelevant. Lack of any work record, experience or marketable education may also be irrelevent under this rule. Whether the non-entry level job for which the veteran is trained is available in current economic circumstances, or available under current technological circumstances appears also to be irrelevant under this rule. The net effect is to bar many veterans in need of training for actually existing jobs, who are unemployed, but who have because of some prior experience or training demonstrated real long term prospect for self sufficiency from receiving the benefit of the extension.

There is nothing in the legislative history to suggest that Congress intended so narrow a reading of "need". Certainly "need" and "suitability" are better measured by reference to:

(1) whether the veteran is employed;

(2) whether the veteran possesses training, education or skills or a work record which, in fact, equips him or her to compete for jobs which are or are likely to be actually available vice merely "exist" in the sense typically employed in disability determinations under the Social Security Administration;

(3) whether the program proposed is substantial and has demonstrated effectiveness;

(4) whether the program proposed has as its occupational or vocational objective furtherance of programs already undertaken, but not completed.

There appears to be nothing in the statute which would preclude extension to complete advanced technical or occupational training, college degree programs, graduate professional programs, or the kind of substantial technical and career oriented training available at Community Colleges or universities. The proposed rules would appear to steer veterans in to the "fly-by-night" profit oriented "vocational training" schools which have often proven ineffective. The object of the extension should be to enable a veteran to begin or complete a program with definitive occupational and/or vocation objectives which offer a real prospect of employment, regardless of the level of such training.

Given the fact that most veterans do possess a high school diploma or equivalency, that the lapse of time since the "Vietnam era" and experience suggest that most have held other than entry level jobs, and that nonetheless unemployment-chronic or becoming so—among such veterans is very high the narrow reading afforded "need" by the proposed rule will largely defeat the Congressional aim.

Sincerely yours,

MARK KAUFMAN.

PRESIDENT REAGAN: DOING THE JOB HE WAS ELECTED TO DO

(Mr. LUNGREN asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. LUNGREN. Mr. Speaker, after yesterday's stunning failure to keep the Bureau of Standards bill within budget, I would like to bring to my colleagues' attention an excellent editorial which appears in the May 24 issue of U.S. News & World Report.

The editorial points out that "The President, it seems, has a longer memory than most politicians." Many in this body have suddenly forgotten the mandate of November 4, 1980, in which the American people undeniably told Washington to change its erratic spend, spend, tax and tax, high-money-growth economic policy. But let us refresh their memories of the huge economic hangover which in reality the President inherited. I believe the record speaks pretty well for itself.

In December of 1976, the prime rate averaged 6.4 percent. By December 1980, it climbed to the all-time high of 21.5 percent.

There has been no growth in real GNP since early 1979. Furthermore, unemployment and business failures were increasing when President Reagan took office.

And inflation, our Nation's "No. 1 economic problem" according to President Carter in his 1980 economic report, reached double-digit rates in back-to-back years for the first time since World War I. This is after inflation was 4.8 percent in December 1976. The good news is that President Reagan has brought us the lowest inflation rate since 1977 and now some economists believe inflation may end the year below 5 percent.

As is stated in the editorial, "Facts and figures such as those make it easier to understand why Mr. Reagan is standing firm." In reality, the President is only doing the job he was elected to do.

Mr. Speaker, I submit the editorial so that all Members may have the opportunity to read it.

REAGAN: STUBBORN OR STEADFAST?

(By Marvin Stone)

The President is under heavy fire these days, not only from Democrats but also from some members of his own party who feel he is being bullheaded about his budget.

Mr. Reagan is holding out for less government. He remains convinced that this longing is shared by the vast majority of Americans who elected him by a landslide 19 months ago.

The President, it seems has a longer memory than most politicians. This was evident the other day in a speech in Washington when he reminded fellow Republicans why, while foes call him stubborn, he remains determined to rein in the growth of federal spending and the mammoth bureaucracy it has spawned. From his speech:

"Let's go to the American people. Let's remind them of the economic mess we faced when we took office [in January, 1981]:

"Inflation in double digits . . . for two years in a row, back to back;

"First time in peacetime, interest rates that had hit yes, 21.5 percent;

"Productivity and the rate of growth in the gross national product down for the third year in a row. . . .

"Let's remind them that in 1979 the inflation rate stood at 4.8 [percent]. By 1980, it was 2½ times as high—12.4.

"Let's remind them that in December of 1976 the prime rate . . . averaged 6.4 percent. By December, 1980 . . . it reached 21.5 percent, a 200 percent increase.

"Let's remind them that when we took office, unemployment had been climbing and business failures increasing.

"When the recession hit us, it was our legacy from the years of boom and bust, of erratic spending and monetary policy. . . .

"Let's point out that for all of this, there's been one overriding cause—we've said it before and let's say it again—government is too big and it spends too much money.

"In the last 10 years, federal spending tripled.

"In the last five years, federal taxes doubled, largely because of the growth of social programs. In 1950, social programs cost the taxpayers 12 billion dollars; in 1980, nearly 300 billion dollars—an increase of an incredible 2,300 percent. In that same period, prices rose by 278 percent. So real social spending was actually 5½ times higher than in 1950.

"By 1980, 1 out of every 3 American families was receiving federal assistance of one sort or another—1 out of every 3 families. The budget for the Department of Health and Human Services—250 billion dollars, roughly—the third-largest budget in the world, exceeded only by the budgets of the Soviet Union and the United States.

"Take just one social program as an illustration: Sixteen years ago, we were spending 65 million dollars on food stamps—65 million dollars; in 1981, we spent 11.3 billion dollars. That's an increase of over 16,000 percent. . . .

"Now, include in this picture the interest payments on our tremendous federal debt that . . . reached more than a trillion dollars last year. The yearly interest payments are 100 billion dollars, and that's as much as the entire federal budget was just 20 years ago.

"In fact, if you take the cost of automatic spending increases and entitlement programs, add them to the interest payments and the federal debt and the other uncontrollables, and it means that 70 percent of the entire federal budget is made up of items over which the Congress and the administration are supposed to have control. I wonder how some of you in the private sector would feel if you were told to rescue a sinking business, but only on the condition that you could work with 30 percent of that business's budget and the other 70 percent was off limits.

"So I think you can begin to understand the difficulty of halting the kind of momentum built up by the federal spending juggernaut over the past few decades."

Facts and figures such as those make it easier to understand why Mr. Reagan is standing firm.

SEVENTIETH ANNIVERSARY OF HADASSAH

(Mr. FRANK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FRANK. Mr. Speaker, we celebrate today the 70th anniversary of the Hadassah, one of the prime voluntary organizations in this country. They are an organization of several hundred thousand American women who have dedicated a great deal of time and energy on behalf of a variety of causes. They were founded by Henrietta Szold in 1912 in the field of medical aid to what was then Palestine. They have gone on to become one of the premier volunteer organizations in this country and the source of an enormous amount of good on behalf of a great variety of causes.

● Mr. ZEFERETTI. Mr. Speaker, today marks the 70th anniversary of the founding of Hadassah, the Women's Zionist Organization of America. Since its establishment in 1912, Hadassah has been an organization of American women who are deeply involved not only in Hadassah's Israel projects and on fundraising commitments motivated by knowledge and understanding of the human needs but are also involved in their communities. The Hadassah women seek to safeguard the American democracy, to create a better society and way of life and to provide knowledgeable leadership for the American Jewish community.

In recognizing the valuable work of Hadassah, we must first look at what each chapter focuses their energies on in the United States. First, the American Affairs Program of Hadassah bring members accurate information needed to help them analyze vital current issues and participate intelligently in public affairs, as individual citizens. Nationally, Hadassah is a nongovernmental organization of the United Nations, operating as a public relations arm of the U.N. Department of Public Information and as an accredited observer to the U.S. Mission to the U.N.

Concerned with a just and lasting peace in the Middle East, Hadassah's Zionist Affairs Program provides factual information on the development and security of Israel to the American public. In addition, it is engaged in the struggle to alleviate the plight of Soviet, Syrian, and Ethiopian Jewry.

To equip members to understand their Jewish heritage and to enrich their lives as Jews in this country, Hadassah's Jewish Education Department provides guidance and resource materials for creative Jewish living; including study, discussion, book reviews, seminars, education days and Sabbath retreats. Hadassah also promotes the use of Hebrew to develop closer ties between Israel and Jews all across the Nation.

Finally, on the American scene, Hadassah offers young people a varied program whose goals are to enrich Jewish living in the United States, to provide deeper understanding and acceptance of Zionism, and to stimulate active interest in Israel and its people. Its youth movement, Hashachar, is geared to each age level and provides valuable social activities, seminars, leadership training, summer camps and Israel work-study-travel institutes.

Hadassah today, as it has been for the past 70 years, is Israel's medical pacesetter in healing, teaching and research. They were the first to bring modern medical care to the land of the old city of Jerusalem. They established its first nurses training, medical and dental schools, public health and social welfare systems, and introduced medical equipment and techniques that made possible the first complete center for cancer care and many other firsts. The core of Hadassah's activities is the medical center—with facilities at Ein Karem and Mount Scopus in Jerusalem. The medical center is a university teaching hospital of special excellence, utilizing the most modern Western standards, the best skilled personnel and facilities and services that represent the latest in medical technology and treatment in the world.

For many, Hadassah internationally means a child rescue movement. Founded in 1934, Youth Aliyah has integrated into the life and land of Israel over 185,000 youngsters from 80 lands. Since its beginning, over 47 years ago, Hadassah has cared about and cared for those who have turned to Youth Aliyah for physical and spiritual survival—from the first prewar group of German youngsters in 1934 to the homeless destitute waifs of the Holocaust, to those now seeking rescue from oppression and religious persecution.

For many, Hadassah also means an educational break. Since 1942, when Hadassah initiated its vocational education program, it has developed creative approaches to secondary and college education that set the pattern for many others. Constantly updating and pioneering progressive education, Hadassah continues to make dramatic and far-reaching moves to meet new challenges. Its steadfast commitment over the years has been to both the young people—many disadvantaged and needing a break—and to Israel, which counts on skilled workers to develop technologically.

Mr. Speaker, as we recognize the Women's Zionist Organization today on their 70th anniversary, we must also remember Henrietta Szold—the founder of Hadassah. A liberated woman, who was ahead of her time, Ms. Szold was a Jewish scholar, working editor, pioneer Zionist, defender of democracy and the driving force behind Hadassah's vocational education program. For the 370,000 Hadassah members in the United States and Puerto Rico, her ideals and programs will continue to enrich the lives and work of many. I call upon my colleagues to applaud and commend the work of Hadassah, as they look forward to the future.●

● Mr. BENJAMIN. Mr. Speaker, May 20 marks the 70th anniversary of Hadassah, the Women's Zionist Organization of America. Hadassah, with more than 374,000 members, is the largest volunteer organization of its kind in the United States.

Hadassah was founded in 1912 by Henrietta Szold. Miss Szold, the daugher of a Baltimore rabbi, visited what is now Israel when she was 49 years old. While there, she noticed the rampant health problems and the lack of adequate health facilities. When Henrietta saw a child's trachoma-dimmed eyes covered with flies she asked the mother why the flies were not brushed away. The child's mother merely responded with, "They will only return."

Henrietta decided then to find a way to make the flies go away from all children's eyes. She founded Hadassah to treat trachoma and the other diseases she found the Jewish people suffering from. Henrietta worked to establish a hospital, to get doctors and nurses to treat the patients and, until her death in Jerusalem in 1945 at the age of 84, dedicated here life to raising the health standards and the educational level of the Jewish people.

Mr. Speaker, the 70th anniversary of Hadassah is significant not only to Jews but to all the world. Henrietta Szold taught fellow Jews and all those around her to care for those in need of help. Those who came after her to carry out Hadassah objectives embraced her work and continued to expand its influence in vocational and social welfare programs.

Today Hadassah has established itself on the national level. It serves as a public relations arm of the United Nations Department of Public Information. On the local level, Hadassah disseminates information on political and economic issues; it organizes discussion groups and urges participation of its members in welfare and civic efforts.

With a history of such remarkable achievement behind it, I join with my colleagues to commend the Women's Zionist Organization of America for its great strides in health and education and look forward to its continued success.●

● Mr. FRANK. Mr. Speaker, I want to extend my very enthusiastic congratulations to the members of Hadassah on their 70th anniversary.

Since one of the great leaders of this century, Henrietta Szold, founded Hadassah in 1912, this organization has done extremely important work on behalf of a multitude of good causes. It remains true to its original role of providing medical care in what was then Palestine and is now Israel. And its 375,000 members in the United States are an extraordinarily valuable resource for education, child rescue work, vocational education, medical research and many other matters.

Hadassah is a major pillar of the American-Jewish community. Whether it is in supporting a foreign policy that recognizes America's interest in a strong and independent Israel, or in working for social advancement in the United States, Hadassah and its members are in the forefront.

I am delighted to have the opportunity to thank them for all that they have done, are doing, and will do for all of us.●

● Mr. BOLAND. Mr. Speaker, I am pleased to join with my colleagues in offering congratulations to the members of Hadassah, the Women's Zionist Organization of America on the 70th anniversary of that fine organization.

Since its founding in 1912 by Henrietta Szold, Hadassah has sought to improve the quality of health and education available to people throughout the world. Now numbering 370,000 members, it is the largest volunteer organization in the United States. These women have raised hundreds of millions of dollars over the years to train physicians, and establish hospitals and clinics to provide medical services. Perhaps Hadassah's best known achievement has been the creation of the medical center in Jerusalem which treats those in need regardless of their race, nationality, or religion. It is an institution in keeping with the humanitarian instincts of Henrietta Szold.

Mr. Speaker, Hadassah's 70th anniversary is an appropriate time to reflect on the many works of service and charity the members of this organization have rendered in communities throughout the United States. In my hometown of Springfield, the Hadassah chapter has recently celebrated its 50th anniversary. The efforts of the 2,000 members of the Springfield chapter on behalf of the sick and disadvantaged are well known. Their work has been in the true spirit of volunteerism and certainly worthy of commendation.

The need for organizations devoted to creating a better society has never been greater. Hadassah's history of achievement will stand it in good stead as it confronts the challenges which will arise in the days ahead.●

● Mr. WEISS. Mr. Speaker, I would like to express my congratulations to Hadassah, the Women's Zionist Organization of America, on the occasion of the group's 70th anniversary. As America's largest women's volunteer organization, Hadassah's 370,000 members wear many hats.

As a medical research and treatment foundation, Hadassah has disregarded religion, race, and nationality in treating all who come to its Hebrew Medical Center in Jerusalem. The center attests to the tradition of excellence that Hadassah has established in the field of medical care.

As a rescue force, Hadassah's members helped to resettle thousands of children who were wounded and displaced as a result of World War II. Additionally, as educators, they have established and maintained vocational and training programs in which underprivileged youths can learn practical and useful skills.

As a humanitarian service organization, they have contributed to the well-being of thousands of people and have promoted the ideals of a democratic society by serving without bias. Their commitment to the general social welfare has remained unwielding in their illustrious seven decades of existence.

In an era when volunteer groups are being forced to bear a greater brunt of caring for society's well-being, Hadassah's work takes on even more significance. I am proud to associate myself with Hadassah in recognizing its 70 years of outstanding achievement and hope that the dedication of its members will make others realize how volunteer service, with a goal of common good, can uplift a struggling society.●

● Mr. DONNELLY. Mr. Speaker, I would like to take a few moments today to commend Hadassah, the Women's Zionist Organization of America, on its 70th anniversary of providing public service and leadership for the American Jewish community. Too infrequently do we hear of organizations who devote themselves for the good and well-being of all citizens. Hadassah, however, has stood out as one of the few all-volunteer organizations that has, through its arduous efforts, demonstrated a unique devotion to community service. Indeed we have all been the beneficiaries of the great strides Haddassah has made in the fields of medicine, education, and public welfare. It is for this that I would like to congratulate all the members of Hadassah on this anniversary, and I would personally like to wish them a long future of continued, productive service.●

● Mr. SMITH of New Jersey. Mr. Speaker, on May 11, 1982, the House of Representatives passed Senate Concurrent Resolution 62, a resolution commemorating the 70th anniversary of Hadassah, the Women's Zionist Organization of America. As a cosponsor of House Resolution 374 and House Concurrent Resolution 309, companion House resolutions, I was very pleased by this action.

Hadassah is an outstanding organization of American women. While chapter activities center on Hadassah's Israel projects, and on fundraising commitments motivated by knowledge and understanding of the human needs they represent, Hadassah's members are also very involved in their local communities. They seek to safeguard American democracy, to create a better society and way of life, and to provide knowledgeable leadership for the American Jewish community.

As concerned and involved citizens, Hadassah's chapters focus on four major projects—Zionist affairs, Jewish education, American affairs, and youth activities. They provide their members with detailed information on a wide variety of current issues, work for a just and lasting peace in the Mideast, provide guidance and resource materials to help their members understand their Jewish heritage, and sponsor a varied youth program to help their young people develop a deeper understanding and acceptance of Zionism.

Mr. Speaker, Hadassah has taken an active interest in providing quality health care, equal educational opportunities, better housing, and a healthy environment. This fine organization has made an enormous contribution to our society, and I am proud to join in congratulating them for their efforts.●

● Mr. YATES. Mr. Speaker, this year marks the 70th anniversary of Hadassah, the Women's Zionist Organization of America. In honor of this important occasion, the House last week passed a resolution of recognition, and today representatives of Hadassah will participate in a White House ceremony of recognition for Hadassah.

I am proud to have been one of the cosponsors of House Resolution 374, congratulating Hadassah on this momentous occasion. Hadassah is now the largest women's volunteer organization in the country, with a membership of 370,000. Through the work of its members, hundreds of thousands of people have been educated and served.

Since World War II, Hadassah has helped to resettle in Israel and rehabilitate over 100,000 children from 72 countries. It founded and maintains the Hadassah-Hebrew Medical Center in Jerusalem, Israel, whose facilities have been made available to treat all peoples of the region regardless of religion, race, or nationality. And it has established and operated a comprehensive system of vocational education to train young men and women in necessary trades.

Mr. Speaker, I watched on television last week the docudrama about Golda Meir, and it brought back many memories of the times I have been privileged to meet, in Israel and America, with this great Prime Minister. Golda Meir was active in Hadassah throughout her adult life. She typified the Jewish women represented in the membership in the Hadassah membership, strong minded, caring, and with sense of duty to those less fortunate. It is most fitting that the American people honor this vital and remarkable organization.●

● Mr. EDGAR. Mr. Speaker, the Women's Zionist Organization of America, Hadassah, is presently celebrating its 70th anniversary. Since its founding by Henrietta Szold in 1912, Hadassah has been a leader in the field of humanitarian service. With over 1,600 local groups and 370,000 members, Hadassah is the largest volunteer women's group in the United States. However, it retains its community-based style of operation and its original purpose of community service in the United States and Israel.

Specifically, Hadassah is responsible for setting up and maintaining the world renowned Hadassah-Hebrew University Medical Center in Jerusalem, Israel. This facility provides medical and dental care to patients without regard to their nationality or religion. Hadassah also supports a school of nursing in this complex. In another section of Jerusalem, the group sponsors an occupational therapy unit, a rehabilitation center, and a general hospital.

On the local level, Hadassah has organized numerous community healthcare centers. In cooperation with the Jewish National Fund, it has worked extensively on planting trees as part of land reclamation efforts in Israel. Hadassah's activities are particularly oriented toward children and young adults—the organization sponsors child welfare projects, a high school, and a community college. The Vocational Guidance Institute in Isreal offers inclusive training for young people, providing them with functional technical skills. Also, Hadassah supports the U.S. operations of Youth Aliyah villages and day-care facilities for underpriviledged children and young immigrants to Israel.

Mr. Speaker, the women of Hadassah provide an exemplary model for all of us in their seven decades of charitable work. Their endeavors have meant health care, education, and shelter for thousands of needy individuals. I hope my colleagues will join me in congratulating Hadassah on its 70th anniversary; we look forward to many more years of outstanding service.●

● Mrs. HECKLER. Mr. Speaker, we commemorate this month the 70th anniversary of Hadassah, the Women's Zionist Organization of America. With 370,000 members in all 50 States and Puerto Rico—over 24,000 members in Massachusetts—Hadassah is the largest women's volunteer organization in America. In its seven decades of international service, it has held true to the volunteer spirit of its founder, Henrietta Szold.

Hadassah's good works are perhaps best known through its establishment and maintenance of the Hadassah-Hebrew University Medical Center in Jerusalem, Israel. This prestigious medical facility is open to all people of the region—whatever their religion, race, or nationality. This institution's policies pay tribute to the oath of the Hebrew physician:

> You shall help the sick, base or honorable, stranger or alien or citizen, because he is sick.

Hadassah's efforts are also directed toward medical education, training health care personnel to continue providing the highest level of care to all who are sick.

Hadassah's contributions extend beyond funds to service. After the end of World War II, thousands of children were brought into Israel from all over the world. Hadassah accepted the challenge and aided in the resettlement and rehabilitation of these children, and established a comprehensive vocational education system. This training insured that these new citizens could take their place in the labor force to strengthen Israel.

Over the past 70 years, the women of Hadassah have affected the lives of untold numbers of people through their international humanitarian services. In the future, we will face a need for more voluntarism from citizens to promote the well-being of our society. We could do no better than to follow the example set by Hadassah.

I congratulate Hadassah on this anniversary and wish the organization many more decades of outstanding service.●

● Mrs. COLLINS of Illinois. Mr. Speaker, today we pay tribute to the largest women's Zionist organization in the world, Hadassah. Founded in 1912 by Henrietta Szold, the daughter of a distinguished Baltimore rabbi, Hadassah boasts 370,000 members actively involved in humanitarian service, particularly in the areas of health and education.

In commemorating the 70th anniversary of Hadassah, we must recognize the great contributions made by this women's organization, which has remained in the forefront in providing community services in both the United States and Israel, and dedicated to activities to improve the living conditions of Jews in Palestine.

After visiting Jewish Palestine at the age of 50, Miss Szold realized the urgent need for public health services, and during World War I, took American-trained medical volunteers to Palestine. This was the basis of the medical organization which built and maintains Hadassah-Hebrew University Medical Center that includes the medical school, the Henrietta Szold School of Nursing, and the school of dentistry. This facility provides care every year for 41,000 inpatients and half a million outpatients without regard to race, religion, or national origin.

I am proud to welcome the visiting national board of Hadassah and congratulate its members for its many outstanding achievements.●

● Mr. LEHMAN. Mr. Speaker, as a cosponsor of H.R. 374 commemorating the 70th anniversary of Hadassah, the Women's Zionist Organization of America, I would like to congratulate the Nation's 370,000 members of Hadassah for its many achievements during the past 70 years.

Hadassah's founder, Henrietta Szold, had a vision which started to become a reality during her lifetime and has since become a most outstanding organization of humanitarian leadership. The work of Hadassah is unequaled in the organization of Youth Aliyah, of educational programs, culture, and voluntarism in America. In Israel, Hadassah supports a medical healing, teaching, and research network radiating from the Hadassah-Hebrew University Medical Center in Ein Karem and Mount Scopus, Jerusalem. Hadassah also provides education through a comprehensive high school and community college.

Hadassah has always been dedicated to the betterment of people regardless of religion and has affirmed in its work the ethical values of caring for those in need and fostering understanding which is the root of creating a better society for us all.

I am personally aware of the excellent work of the Miami region of Hadassah in furthering the visions of Henrietta Szold, and extend to them and to all Hadassah members my commendation and best wishes for continued success in the years ahead.●

● Mr. MINISH. Mr. Speaker, it gives me pleasure to rise today to mark an important event, the 70th anniversary of Hadassah, the Women's Zionist Organization of America. I would like to convey my sincere congratulations to all the women who have been dedicated to this organization for many years.

I am certain that many of us in this Chamber are already familiar with the outstanding humanitarian service which this group has provided. Hadassah created and maintains the world famous Hadassah-Hebrew University Medical Center in Jerusalem. This outstanding medical institution is a living reminder of the highest ideals in medical, scientific, social, and humanitarian values. These are international values, but they are particularly symbolic of the close friendship shared by the people of the United States and Israel.

Mr. Speaker, I am proud to be one of the cosponsor of the House resolution congratulating Hadassah on its 70th anniversary and was pleased that the House passed the Senate measure commemorating this organization last week. I thank the Chair for this time and hope that my other colleagues will also mark this auspicious anniversary.●

● Mr. SOLARZ. Mr. Speaker, today is the 70th anniversary of the founding of Hadassah, the Women's Zionist Organization of America. The longevity and continued growth of this dedicated association provides a superb example of true humanitarian ideals in action. I urge my colleagues to join with the members of Hadassah in celebrating its long and fruitful life.

Hadassah was started 70 years ago by Henrietta Szold with the hope of eliminating some of the poverty and sickness in what was then Palestine. In 1913, its first medical dispatch unit arrived in Jerusalem. Since that date, the organization has expanded to an active membership of 370,000 women.

The Hadassah membership provides numerous community and educational programs in the United States and Israel. They originally built and presently maintain, for example, the Hadassah-Hebrew University Medical Center at Kiryat Hadassah, Jerusalem, Israel, whose facilities include a medical school, a nursing school, and a dental school. In addition to this they maintain other hospitals, health centers, and educational facilities throughout the State of Israel.

Here in the United States, they are the principal agency for support of the Youth Aliyah villages and day centers for immigrant and deprived youth. They also sponsor Hashachar, the largest Jewish youth organization in the United States. Perhaps most importantly, Hadassah members work tirelessly to promote cultural understanding of Israel and the Jewish religion throughout the United States.

Today, we pay homage not only to a remarkable organization, but also to the ideal to which it is so deeply committed. Hadassah, whether through a much needed medical facility, a school, or a center for displaced children is striving to improved the quality of life of all those it touches. All of its efforts reflect that same rare commitment and dedication.

It is unlikely that we could ever be so fortunate as to have an overabundance of organizations like Hadassah, that play such an important role in the continued development of a cooperative and humanitarian international community. One can only hope that new associations will spring up that possess the same ideals that have so strongly motivated Hadassah and its activities.

It is, therefore, with great pride and admiration that I rise today to congratulate the members of Hadassah on the 70th anniversary of the organization's founding. I know my colleagues join with me in wishing them many more years of continued success.●

● Mr. LANTOS. Mr. Speaker, Congress has recently passed House Concurrent Resolution 309, a resolution congratulating Hadassah, the Women's Zionist Organization of America, on its 70th anniversary. In light of this wonderful occasion, I would like to offer a few words of praise to this commendable organization of American women.

Founded in 1912 by a Jewish scholar and educator, and a relative of mine, Henrietta Szold, Hadassah was created to provide preventative and curative health services to Palestine and to develop systematic Jewish education as a background for intelligent and creative Jewish living in America. Since Hadassah's inception, it has expanded its scope greatly. Hadassah has grown to a membership well over 370,000 with chapters in every State.

Perhaps best known for its efforts in the field of medicine, Hadassah has long been a leader in healing, training, and research. It established the first schools of nursing, medicine, and dentistry in Jerusalem, and its contributions to the research and treatment of cancer have been most significant. The Hadassah-Hebrew University Medical Center in Jerusalem has been responsible for important advances in social medicine, public health, and pharmacy.

Hadassah also provides special programs for young people, including educational opportunities. Since 1942, when Hadassah initiated its vocational educational program, it has developed creative approaches to secondary and postsecondary education that have set a high standard for others to follow. Hadassah established Jerusalem's first 2-year community college and operates the only non-public-guidance center for scholars and other professionals in Israel.

Hadassah also has American and foreign affairs programs which offer the most complete and up to date information available on matters of interest to its members. Through its various publications, Hadassah provides accurate information needed to help members analyze vital current issues and to participate intelligently in public affairs as individual citizens.

As a women's organization devoted to service, Hadassah is an organization of Americans who are also deeply involved in their home communities. Over the years of its existence, Hadassah has been highly successful in its mission to strengthen American democracy, in helping to create a better society and way of life, and in providing knowledgeable leadership for the American Jewish community.

As my wife is a lifetime member of this great organization, we share in the enjoyment of seeing the passage of House Concurrent Resolution 309. This measure is a most honorable gesture for noting Hadassah's 70 years of outstanding achievements.●

● Mr. BARNES. Mr. Speaker, I am delighted today to join my colleagues in honoring Hadassah, the Women's Zionist Organization of America, on the occasion of its 70th anniversary.

It is impossible to mention all of the accomplishments and services of this unique organization. The list is endless. Over the years, Hadassah has participated actively in public affairs, taking a special interest in such issues as health, education, child welfare, housing and environment; has been active in educating the public on U.S. policy concerns relating to the security of Israel and the struggle to alleviate the plight of Soviet and Syrian Jewry; has commissioned important and valuable books on Jewish heritage as part of an intensive approach to the education and cultural enrichment of its members; and has stimulated a zest for learning among young people of all ages through discussions, seminars, leadership training and work-study programs.

One of Hadassah's most outstanding and proudest achievements is the internationally known Hadassah Medical Organization which began in 1913 as a simple mother and child station in the old city of Jerusalem, 1 year after the organization's founding. This remarkable facility now includes a university hospital, community health center and a full range of medical services.

And finally, through its youth immigration movement, Hadassah has helped resettle and rehabilitate in Israel nearly 155,000 Jewish youth from 80 lands and, through its Jewish National Fund, has participated in the reclamation of tens of thousands of acres for farming, industry and settlement by immigrant families.

The success of this committed group of volunteers is truly a testament to the ability of individuals working together in common, unselfish pursuits to accomplish great and lasting achievements for the good of mankind. For 70 years the dedication of its thousands of volunteers has made Hadassah the fine organization that it is today, and the cherished goal of enriching life for all has been fulfilled innumerable times. I am so proud to honor the consistent work and active commitment of these wonderful women and to celebrate their great contribution to our communities, our country and to the world. To the women of Hadassah I say, L'chaim! ●

● Mr. BINGHAM. Mr. Speaker, I am proud to salute Hadassah, the Women's Zionist Organization of America, on the occasion of its 70th anniversary. I have long been impressed by the work of Hadassah. I have visited the Hadassah Hospital in Jerusalem which is a remarkable institution and the finest medical facility in the Middle East.

In my home district of the Bronx, I have worked with the women of Hadassah for many years. These are outstanding women who give of themselves in support of Israel and of projects here in the United States. The women of Hadassah are leaders in the Jewish community and in the community at large.

I am a sponsor of the recently passed resolution commemorating the 70th anniversary of Hadassah and am pleased to join in this celebration of a great organization. I would especially like to note the strong and devoted leadership of Mrs. Maxwell Simon of Bronx Hadassah, with whom I have worked over the years. She has made a great contribution to Israel and the American community and I congratulate her on this anniversary. To Mrs. Simon and to Hadassah I say: May you go from strength to strength.●

● Mr. GILMAN. Mr. Speaker, I would like to take this opportunity to congratulate the members of Hadassah on the 70th anniversary of their organization.

February 24 marked the end of the 70th year of humanitarian service of Hadassah, the Women's Zionist Organization of America. Hadassah has grown into a significant international organization from the efforts of one woman, Henrietta Szold, who founded Hadassah in 1912; her activities have since been continued by this expanding group of volunteers. Hadassah currently has 370,000 members, concerned citizens and community leaders, residing in all 50 States and in Puerto Rico. Together, they aim to achieve economic and social justice, as they strive to build a better world.

Hadassah has offered assistance and comfort to people of all races and nationalities. In the 1930's, Hadassah worked for the rescue and rehabilitation of thousands of children as they escaped the horrors of Nazi persecution. Since that time, members of Hadassah have worked toward the elimination of religious persecution throughout the world.

In 1918, Henrietta Szold started a 52-bed hospital and a small school of nursing. Through the training of medical personnel, Hadassah has extended its services to thousands of people. The small hospital served as the foundation for the Hadassah-Hebrew University Medical Center which exists today in Jerusalem and which many of us have visited. The medical center provides care for 41,000 inpatients and 500,000 outpatients every year, and continues to honor the Oath of the Hebrew Physician, to "help the sick, base or honorable, stranger or alien, because he is sick."

The volunteers of Hadassah have continually and consistently given of themselves, for the sake of improving conditions for their neighbors throughout the world. In an era when our Nation is striving to renew a sense of patriotism and charitable good will in its people, we cannot reward the efforts of Hadassah enough.●

● Ms. MIKULSKI. Mr. Speaker, I rise today to pay tribute to Hadassah, the Woman's Zionist Organization of America, which is today commemorating its 70th anniversary. As a life-time member of Hadassah, I feel a tremendous pride in being associated with its long history of accomplishments in a broad range of areas.

I take special pride in the fact that Hadassah's founder and moving force, Henrietta Szold, was a native of Baltimore. Henrietta Szold was one of thousands of Russian Jews who poured into Baltimore after 1881 in the wake of Russian pogroms. What she saw after arriving was thousands of fellow immigrants yearning for anchors of stability, of tradition and of caring.

Henrietta Szold responded, first by organizing night classes so that workers could learn after the work day was done. Later, she went on to found Hadassah as the natural extension of what she saw as the woman's function—to serve the family and the community.

There was no conflict for Henrietta Szold between the role of the woman, and the role of community leader. They were closely tied. Her people had needs—for education, for medical services, for social services, and for moral guidance. She found a way to meet those needs, just as the historic mothers during the exile had always found a way to magically make food when there seemingly was nothing.

In the years since the time of Henrietta Szold, Hadassah has become a pioneer in providing for basic human needs. It has undertaken massive programs to build hospitals, develop research institutes, and provide basic medical training.

But Hadassah has not limited itself to concerns with social and medical needs. Throughout its history, Hadassah has worked to forge a vital link between Israel and the United States. That link has served to raise the level of mutual understanding between our two sister democracies, and enhance the richness of relations between our peoples.

I applaud my colleagues for passing the resolution in honor of Hadassah's anniversary. Surely, there are few groups more deserving of our praise.●

● Mr. CONTE. Mr. Speaker, too often we hear that Americans have lost the spirit of voluntarism and depend instead on the Government. Today, I am honored to join in commemorating an organization which proves that the private volunteer and a dedicated organization can be a dynamic force in our country and the world. I wish to give tribute to Hadassah—the Nation's largest women's volunteer organization—on its 70th anniversary which is being celebrated today.

Founded in 1912 by Henrietta Szold, Hadassah has for seven decades been in the forefront of health, education, child and youth benefits. It has a membership of 370,000 which is active in every State of this Nation and in Israel. Its medical facilities in Jerusalem are well-known and admired throughout the world and are provided for the benefit of all people.

We can all learn from Hadassah's example of dedication to the improvement of the lives of people. I salute the women of Hadassah on their 70th anniversary and wish them continued success in the decades ahead.●

● Mr. FORSYTHE. Mr. Speaker, 70 years ago Hadassah, the Women's Zionist Organization of America, was founded upon a spirit of peace and service to mankind. Since that time this extraordinary organization has made enormous strides in relieving suffering throughout the world. I am proud to congratulate Hadassah on its 70th anniversary.

In seven decades the Women's Zionist Organization of America, with a present membership role totaling well over 350,000 has become the largest women's service group in the Nation. In the years since 1912, this army of mercy has aided thousands of people, particularly in the Middle East, through education, health and resettlement programs designed to further brotherhood and understanding among all peoples.

Foremost among Hadassah's many humanitarian endeavors is the Hadassah Hebrew Medical Center in Jerusalem. This center, despite the often violent political winds of the Middle East, has steadfastly remained dedicated to the objective of providing medical relief to the sick, regardless of their religion or nationality. In establishing this and other services, Hadassah has strengthened the hope that someday all Middle Eastern countries can live together in an atmosphere of cooperation and trust.

In cosponsoring House Concurrent Resolution 309, I join in congratulating Hadassah on the accomplishments of the past, and I wish it equal success in the future.●

● Mr. ROE. Mr. Speaker, I rise today to congratulate Hadassah, the Women's Zionist Organization of

America, on its 70th year of exemplary service to our Nation.

Since it was founded on February 24, 1912, Hadassah has played a major leadership role over the past seven decades in serving humanitarian needs here and around the world.

With a membership exceeding 370,000, Hadassah is now the largest women's volunteer organization in the United States. Its dedicated members have helped thousands of Americans, regardless of their religion, race, or nationality.

Perhaps the credo of this fine service organization is best expressed by the Hadassah-Hebrew University in Israel, which it created and maintains. At that medical facility, which it created and maintains. At that medical facility, doctors are trained on the basis of the Oath of the Hebrew Physician: "You shall help the sick, base or honorable, stranger or alien or citizen, because he is sick * * *."

Earlier this year, I was proud to cosponsor a resolution commemorating the 70th anniversary of Hadassah, which was overwhelmingly approved by both the House and Senate.

At a time when citizen groups are being urged to play a greater role in our society, Hadassah truly can serve as the model for other organizations seeking to better the life of all Americans.

After 70 years, Hadassah still proves on a daily basis that the volunteer spirit is alive and well in America. I am most proud to join this well deserved salute today to the women of Hadassah.●

● Mr. **FORD** of Michigan. Mr. Speaker, earlier today I had the privilege of addressing the 70th anniversary luncheon of Hadassah, the Women's Zionist Organization of America. It was an honor to attend a gathering with so many outstanding individuals and I was proud to be the original sponsor of the House resolution commemorating this birthday.

During the recent AWACS battle, it was suggested that friends of Israel, especially members of the Jewish community, have a dual loyalty, and that this loyalty is always more heavily weighed toward Israel.

I reject this anti-Semetic proposition and submit to you that Jews, who are active in the political process, have a "dual love" for the United States and Israel. And "dual love" is a direct quote from my close friend, the late Hubert H. Humphrey.

Henrietta Szold epitomized this dual love. She was a great patriot from Baltimore, a great humanitarian for the Middle East in helping to establish the Hadassah Medical Center. I applaud Henrietta Szold and I applaud Hadassah on this happiest of occasions.●

● Mr. **MOFFETT**. Mr. Speaker, I would like to take this opportunity to congratulate Hadassah, the Women's Zionist Organization of America, on its 70th anniversary, and to applaud that organization's distinguished tradition of public service.

Since its inception in 1912, Hadassah has amassed an impressive record of humanitarian service. It established and operates the Hadassah-Hebrew Medical Center in Jerusalem, an institution noted for its excellence in caring for patients of all races and religious. Hadassah has also played an instrumental role in resettling over 100,000 children in Israel. It continues to be actively involved in vocational education, medical care, training and research, and other aspects of social welfare. Hadassah's excellent work was recently recognized by a resolution passed overwhelmingly by both Houses of Congress.

At a time when our Government appears to be retreating from its commitments to the welfare of its citizens, it is reassuring to know that this organization continues its generous service to those in need. As Hadassah celebrates its 70th anniversary, its 375,000 members nationwide and 11,000 members in our Connecticut region can look forward to a challenging future—a future in which their services will provide an increasingly important contribution to the people of this Nation and the world.●

● Mr. **FASCELL**. Mr. Speaker on the occasion of its 70th anniversary, I am pleased to salute Hadassah, the largest women's volunteer organization in the United States. Founded in 1912, it has always served to strengthen the American-Jewish community and to provide knowledgeable leadership for its members. Hadassah strives to establish unity among all Jewish people, teaching American Jews to appreciate their heritage while encouraging its members to be active American citizens.

Perhaps best known for its participation in the promotion of health and education projects in Israel, Hadassah sponsors fellowships for doctors, immunization programs and home health services in Israel, and also supports Hadassah Hospital in Jerusalem, one of the most renowned hospitals in the world.

As an international humanitarian organization of Jewish women, Hadassah focuses much of its attention on promoting peace, especially in the Middle East. Its members are kept abreast of current national and international political issues in order to allow them to participate intelligently in public affairs. To young Americans, Hadassah offers seminars, discussions and work-study-travel programs in Israel.

The outstanding women who form its membership deserve much recognition and credit for all their hard work and success. Therefore, it is with pleasure that I join in congratulating Hadassah on its 70th anniversary.●

● Mr. **DeNARDIS**. Mr. Speaker, it is my privilege and pleasure to welcome to Washington the members of the national board of Hadassah on this proud occasion of their 70th anniversary. The opportunity to commend Hadassah comes most timely. Now, when we must rely more than ever on the volunteer spirit in America, the Women's Zionist Organization of America sets a standard for all to strive for.

In its 70 years of existence, Hadassah has grown to be the largest women's volunteer organization in the United States, with 370,000 members nationwide. Prominent among its countless community service accomplishments are its education programs, which have enriched the understanding of all Americans about the heritage of the Jewish people.

In Israel, Hadassah has made equally valuable contributions, especially in the fields of education and medicine. Hadassah Community College and Hadassah Vocational Guidance Institute have significantly improved the quality of education in that country. While visiting in Israel last summer, I was fortunate to tour the Hadassah University Hospital, whose facilities were truly impressive. Its medical training and research programs rank unquestionably among the best in the world.

The tireless efforts of Hadassah's dedicated membership have not only improved the quality of life in communities both here and in Israel, but have also advanced this country's relations with its most important ally in the Middle East. For all it has done, and will do, Hadassah has the deepest gratitude of all Americans.●

● Mr. **MARKEY**. Mr. Speaker, I am very pleased to honor Hadassah on its 70th anniversary. This organization, with its dedication to the principles of American democracy and Zionism, is a model of the American tradition of strong community involvement.

The work of Hadassah has been a great inspiration for those of us who are firm supporters of the State of Israel, and a continued close relationship between our two nations. The programs of Hadassah have done much to perpetuate these close ties, as well as integrating American Jews into the mainstream of American society.

I truly wish to applaud Hadassah's efforts which recognize the importance of education and individual participation in civic affairs. The work of Hadassah's American affairs program, which epitomizes the principle that an enlightened citizenry is a keystone of an effective democracy, is one example.

I am a firm believer in the importance of strong education in history, and this is an essential principle of Hadassah as well. The program of Jewish education recognizes the vital necessity of linking Jewish Americans to their rich historical past. Only through an understanding of the past can we fully comprehend the present. Hadassah's contribution to youth programs also acknowledges the particular importance of enriching the lives of our young people, who represent the future.

In its 70 years of existence, Hadassah has already left great monuments to its success. The Hadassah-Hebrew University Medical Center in Jerusalem, Israel's first teaching hospital, is living testimony to the dedication of your organization to excellence. The Hadassah University Hospital at Mount Scopus and the Israel education services are further representations of this group's work.

The overall commitment to Israel, a commitment shared by millions of other Americans, is of course the lifeblood of this group. Hadassah's strong participation in the Jewish National Fund has truly helped turn that once barren desert into the land of milk and honey.

Mr. Speaker, at a time when the enemies of Israel are maintaining their unrelenting pressure on that state, it is important that all Americans, Jew and non-Jew alike, reaffirm their support for Israel. This Nation will never shy away from its special commitment to Israel. And I hope that Hadassah will always continue its participation in the affairs of the American Jewish community and American society as a whole. The link of the Jewish Americans to non-Jewish Americans and of the United States and Israel not only is benefited by Hadassah's efforts, but is truly dependent upon those efforts.●

● Mr. **ANNUNZIO**. Mr. Speaker, I am delighted to join with the officers and members of Hadassah, the Women's Zionist Organization of America, Inc., in celebrating the 70th anniversary of this humanitarian organization's founding. As a cosponsor of House Concurrent Resolution 309, congratulating Hadassah, I extend my sincerest congratulations to all of Hadassah's members on their outstanding and dedicated efforts over the years in education, medicine, and land development.

The Hadassah membership's high standards and noble examples of service are most commendable and inspiring, and their continuing dedication is symbolic of the nobility of the human spirit. Americans have a long tradition of compassionate assistance for those who are less fortunate, and the 370,000 members of Hadassah nationwide are a part of this splendid heritage.

Again, I congratulate the members of Hadassah who reside in the 11th District of Illinois I am honored to represent, and all over this Nation, on the 70th anniversary of the founding of the Women's Zionist Organization of America, Inc., and extend my warmest best wishes for continued success in devotion to the highest standards of service.●

● Mr. **HOLLENBECK**. Mr. Speaker, I want to rise and join my colleagues in commemorating the 70th anniversary of Hadassah, the Women's Zionist Organization of America. Founded in February 1912 Hadassah has grown into an organization containing approximately 370,000 individuals representing all 50 States. During its 70-year existence Hadassah has a great deal of which to be proud. The organization has contributed to the health and education of countless thousands of persons through the tireless training of medical personnel. Hadassah created and maintains the world renowned Hadassah-Hebrew University Medical Center in Jerusalem which opens its facilities to all peoples regardless of religion, race, or nationality. With this in their past, I have no doubt that during the next 70 years of its existence Hadassah members will continue to promote democracy and a better society for all people.

This afternoon I had the privilege of attending a luncheon celebrating the 70th anniversary milestone. In meeting with the representatives from my district in New Jersey, I saw firsthand the dedication they display for the Hadassah cause. Mr. Speaker, I only wish that this Nation was blessed with more organizations like Hadassah. For my part, I pledge to continue working with the Hadassah organization to help achieve our mutual goals for mankind.●

● Mr. **DWYER**. Mr. Speaker, the 70th anniversary of the founding of Hadassah is truly a celebration of people.

The women who have peopled Hadassah these past seven decades have woven their guiding principles of humanity, justice and conviction into a blueprint for action and change that has made for significant advancements in the quality of life worldwide.

The contributions made by this national volunteer organization in such areas as health, education, and simple equity for the oppressed are vast and made possible by the many local, grassroots chapters in hometowns across the Nation which have built and continue to sustain Hadassah's huge network of effectiveness.

As we look back on the history of this pioneering organization, we find innumerable examples of courage and achievement. Hadassah provides a much-needed international perspective on the critical problems of today, an outlook that recognizes the need to transcend physical boundaries and reach out to help those less fortunate.

The women of Hadassah represent voluntarism at its best. We are fortunate here in the United States to have the benefit of their leadership and inspiration in our mutual and unceasing efforts toward a better world.●

● Mr. **ADDABBO**. Mr. Speaker, I am pleased and honored today to join my colleagues in paying tribute to the fine women of Hadassah. As a cosponsor of the resolution to commemorate the 70th anniversary of this organization and an ardent admirer, I would like to take this time to speak of Hadassah.

Founded in 1912 by Henrietta Szold, Hadassah, the Women's Zionist Organization of America has a remarkable history of achievement behind it. The organization began as a modest attempt to raise the health standards of what was then Palestine. It now conducts an internationally renowned program of healing, teaching, and medical research, child rescue work, vocational, educational, social welfare, and land redemption.

On a national level, Hadassah disseminates information on political and economic issues, organizes discussion groups, and urges participation of members in welfare and civic efforts which are in accordance with Hadassah's programs. In Zionist affairs, Hadassah interprets Israel and its people to the American public, forging closer links between the sister democracies. But Hadassah's first and still the largest project is the Hadassah Medical Organization. This facility includes a unique mother and child pavilion, outpatient clinics, a nursing school, over 30 institutes and laboratories, a medical school, and the latest in medical and surgical equipment.

In addition, Hadassah is the official representative of the Youth Aliyah—immigration—movement, and has helped resettle and rehabilitate thousands of Jewish youths in Israel.

The list of Hadassah's accomplishments and contributions goes on endlessly. The organization's unique quality lies in its flexibility, its ability to expand or modify every program to meet the needs of Israel and the Jewish community. At the same time, Hadassah has always been involved in long range and pioneering efforts which have set standards and goals for Israel and other nations.

I would like to extend my sincerest congratulations and best wishes to Hadassah on its anniversary, and my deepest gratitute for the outstanding work it has done in the past 70 years.●

● Mr. **SCHUMER**. Mr. Speaker, I am most pleased to take this opportunity to commend the Women's Zionist Organization of America, Hadassah, on its 70-year-old history of significant contributions to both the United States and Israel. Founded in 1912 by a remarkably purposeful and courageous woman, Ms. Henrietta Szold, Hadassah has demostrated its commitment to the betterment of Jewish life through its extensive medical, vocational, and immigration work in Israel and its educational and political efforts in the United States.

Few volunteer organizations can claim the outstanding record of achievement that Hadassah has earned. Medical science in Israel has been dramatically advanced by Hadassah's initiatives; currently, the 374,000 member orgnization helps finance two large hospitals and several clinics in Israel that serve as internationally acclaimed centers of healing, teaching, and research. Through the Seligsberg/Brandeis Comprehensive High School and the Hadassah Vocational Guidance Institute, Israeli youth are offered broadening educational opportunities and specialized vocational training that prepare them to be responsible adults and contributors to the enrichment of Israeli life. In addition, Hadassah, as the official U.S. representative of the Youth Aliyah—immigration—movement, has helped resettle and rehabilitate in Israel over 100,000 Jewish youth from over 70 countries. Further, Hadassah's contributions to the Jewish National Fund have promoted agricultural development and the reclamation of tens of thousands of acres of Israeli land.

In the United States, Hadassah's achievements have been no less significant. Forums and institutes sponsored by Hadassah, as well as its youth faction, the Young Women's Zionist Organization of America, help members understand their Jewish heritage and enhance their lives as American Jews. Further, Hadassah has often demonstrated its political integrity by taking strong stands on many American political issues, always defending the rights and freedoms of the individual, regardless of race, sex, age, or creed.

On this momentous occasion of Hadassah's 70-year anniversary, I can only speak with pride of its outstanding achievements throughout the decades. I know that Hadassah will continue to build on this record with the same undying spirit so inspiring to us all.●

● Mr. PEYSER. Mr. Speaker, I wish to draw my colleagues' attention to an outstanding group—Hadassah, the Women's Zionist Organization of America.

Founded in 1912 by Miss Henrietta Szold, Hadassah began with a group of 12 Jewish women, known as the Daughters of Zion. Today it is the largest volunteer association in the United States and continually attracts new members. Hadassah began as a modest attempt to raise the health standards of what was, at the time, Palestine. It now conducts an internationally renowned program of healing, teaching, and medical research, child rescue work, vocational education, social welfare, and many other activities. This group is committed to improving health care in the United States and helps finance two large teaching and research hospitals and several clinics in addition to the Hadassah Community College, the Seligsberg/Brandeis Comprehensive High School, the Hadassah Vocational Guidance Institute, Youth Aliyah, an immigrants' welfare organization, and other numerous projects.

Hadassah disseminates information on political and economic issues, organizes discussion groups and urges participation of members in welfare and civic efforts. They also play an important role in forging closer links between Israel and the United States. Aside from these activities, this organization places great emphasis on guiding our youth of today, through the Junior Hadassah.

This year, Hadassah is commemorating the 70th anniversary of their organization's service to America. I am pleased to honor Hadassah and their many members who contribute much to helping our friends in Israel and our needy at home.●

GENERAL LEAVE

Mr. FRANK. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to express themselves on the subject of this anniversary of the Hadassah.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

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THE LATE HONORABLE HERMAN T. SCHNEEBELI

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. McDade) is recognized for 60 minutes.

GENERAL LEAVE

Mr. McDADE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks regarding the life, character, and public service of the late Herman T. Schneebeli, a Member of Congress from the 17th District of Pennsylvania, from 1960 to January 1977.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. McDADE. Mr. Speaker, it is my sad duty to announce to the House that our former colleague, my fellow Pennsylvanian and dear friend, Herm Schneebeli, has passed away. His death brings great sadness. Our hearts go out to his wonderful family. He was an outstanding Member of this House and a great American citizen.

I venerate the memory of a man who, during the almost 17 years he served in Congress, was a model of dedication to the welfare of the Nation, of decency toward all men, and of commitment to the daily task of addressing the needs of his congressional district, his State, and his country.

Herman Schneebeli had been elected in April 1960 to fill the vacancy caused by the death of Alvin Bush, and had therefore been a Member of Congress for almost 3 years when I, myself, came to Congress in 1963. His district, the 17th of Pennsylvania, was adjacent to my own 10th District and from the beginning, he was my friend and adviser.

There was never a day in which he was not fully involved in the work of Congress, in legislation, in attending to the problems and concerns of his constituents. He gave full measure of his attention, energy, and sympathetic concern to serving the public, and he did so every day.

Born in Lancaster, Pa., Herman Schneebeli exemplified in his life the finest strengths and traditions of his God-fearing, hard-working, community-minded forefathers. As they had helped build America, this wise and good man helped keep her strong.

Friendships he had made in his early days as a student at Dartmouth College were evidence of Herman's character and stature. One college friend and roommate was Nelson A. Rockefeller, later to become Governor of New York and Vice President of the United States. Governor Rockefeller and Congressman Schneebeli remained friends over the years and the former made appearances on his behalf during his reelection campaigns.

Another such college friend was our colleague, the gentleman from Illinois, Robert McClory, who is present to share some of his own deep feeling about Herman Schneebeli with us today.

It was sad, indeed, that Herman was stricken at the Presbyterian-University of Pennsylvania Medical Center in Philadelphia while waiting for his dear wife, Mary Louise, to undergo eye surgery.

He was 74 years of age, and he had lived each day of those years to the full, I have no doubt.

The memory of Herman Schneebeli will always be with me, and his judgment, good will, and commitment will always remain an example.

We thank God for giving to us a man like Herm Schneebeli. We are all better for his having been among us.

I extend my warm sympathy to his wife Mary Lou and his family. They will be able to take great solace in the example of a life richly lived.

Mr. Speaker, I now yield such time as he may consume to the gentleman from New York (Mr. Conable).

Mr. CONABLE. Mr. Speaker, I thank the distinguished gentleman from Pennsylvania for giving me the

opportunity once again to express my great affection and my pleasure in the memory of my long association with Herm Schneebeli.

As one who participated in the services for Herm up in Williamsport, Pa., his hometown, I can tell my colleagues that he was held in as high regard in his home community as he was by his colleagues here in the House.

The Trinity Episcopal Church in which the services were conducted was full and there was a sense of togetherness and a sense of the community warmth that I think must have been a great support to the members of Herman's family, as the qualities that endeared him to all of us were remembered at that service.

Mr. Speaker, I do not wish to say anything more about our former colleague, the late Herm Schneebeli, but I would like to read into the Record a letter I received from the Vice President.

He said:

> If you can include in your remarks if you would be so kind something along the following lines for me, for I really loved the guy and respected him as well.
>
> Herm taught me a lot—he was my senior, by far, on the Ways and Means Committee, but he always had time to lend a helping hand—to help me learn. He was a caring individual, a man whose friendships were strong and firm, a class guy all the way around. I have tried to convey my condolences to Mary Louise and his family, but I want you to tell my former colleagues in the House that I join them as they pay their tributes to one of the finest men ever to serve in the House of Representatives.

This assessment by one of the Nation's leading citizens I am very pleased to place in the Record on behalf of Herm Schneebeli.

Mr. Speaker, I also would like to ask for inclusion in the Record at this point a very warm article from the Milton Standard of Milton, Pa., written by a gentleman by the name of John N. Swank, entitled "Herm Schneebeli Remembered."

There were people all over Pennsylvania who knew this man, who loved him and who wanted to participate in this tribute. This particular article, I think, strikes the tone that we all would like to strike about Herm Schneebeli, our friend.

[From the Milton (Pa.) Standard, May 14, 1982]

Herm Schneebeli Remembered

(By John N. Swank)

"Call me Herm," that's what he told everyone.

And from Presidents to coal miners, from governors to janitors, just about everybody did.

Those of us who worked for him always referred to him with titles of respect: Mr. Schneebeli, the Congressman, or simply, the Boss. Except in private, when the familiar "Herm" was just too natural to resist.

The familiarity he generated was genuine. It preceded the political gimmickry of putting your nickname in quotes or parentheses, or dropping your given name altogether. On his franked envelopes and in the signature block of official correspondence, he was Herman T. Schneebeli, M.C. (for Member of Congress). But on the phone or in person, he was Herm.

It hardly seems possible that it's been more than five years since he gave up his big corner office overlooking the Capitol to have more time to watch his grandchildren "grow and mature," as he put it. For years, he consistently supported the concept of mandatory retirement for Congressmen by ago 70. It was predictable that he would voluntarily give up his position before he passed that milestone himself.

Next Monday, many of us who worked for him will come together again to join the many others who will be gathering to pay their final respects. No doubt there will be a lot of reminiscing.

The first time I met Herm Schneebeli was in his Congressional office. I had spent the previous summer as a cub reporter (more accurately, an intern) on The Milton Standard. I was lucky enough to have been asked back for a second summer, the summer of 1966, and had taken the paper at school to keep abreast of things. That's how I learned of the intern program Herm Schneebeli was offering that year.

I didn't know the Congressman but, with low expectations, I secured the Standard's permission to renege on our agreement if necessary, and applied. A few weeks later I received a long letter telling me where and when to report for the six-week program.

There was no centrally organized intern program then, and relatively few offices bothered with student workers. Most of those which did, took in a small number for the full summer. It was typical of Herm that he divided his program into two sessions, to accommodate twice as many young people.

The apolitical way in which he ran his office was atypical in Washington then, as it is now.

It wasn't until nearly two years later, when I had been working as a full time member of his staff for a few months that he asked me my politics. And he did so apologetically.

The Northumberland County Republican chairman was indicating dissatisfaction with Schneebeli, and hinting that he might oppose his renomination. (He subsequently did.) One of his complaints was that the county was getting short-changed, meaning it wasn't represented on Schneebeli's staff.

In fact, two Northumberland countians were working for him at the time, both with the proper political credentials. Herm informed the chairman of that, but also made the point that his staff positions were filled by professional criteria, not by patronage.

It was not an absolute requirement that staff members even be from Pennsylvania, but most tended to be. There simply are a lot of Pennsylvanians in Washington who either work for the Congress or want to.

When the husband of one long-time staffer announced his candidacy as a Democrat for a Congressional seat from Iowa, Herm didn't bat an eye. He granted the staffer a leave of absence to campaign and welcomed her back when the bid failed.

Although Herm didn't tend to name-drop, he had access to some pretty influential people.

I was impressed that first summer when I learned Nelson Rockefeller had been his college roommate. Rocky was running for President then and I got caught up in his campaign, spending much time after work and weekends in Maryland shopping centers. The effort was geared to convincing the Republican governor of Maryland to support Rocky. It turned out the governor had other things in mind; his name was Spiro T. Agnew.

Herm had been the first Pennsylvania Republican to support the effort of Gerald Ford of Michigan to lead the party in the House of Representatives. His action led to a long, close relationship.

In 1970, when Schneebeli had a primary battle, Ford hosted a reception for him in Washington. To a group of young staffers, he proved surprisingly approachable. He told us Herm should be very careful how he handled such a primary campaign, pointing out that he himself first won his Congressional seats by ousting an incumbent Republican.

Years later, when Ford abruptly became President, one of the few previously arranged speaking engagements he kept was in Harrisburg. In speaking to the press, the President "let it slip" that Herm planned to run again. The Congressman didn't want to seem to politicize his work by announcing his candidacy that early, but it was worthwhile for a fair number of people who had ambitions for the office to be aware of his plans.

When Ford made his surprise selection for the Vice Presidency, Herm was in the enviable position of having two long-time personal friends and professional colleagues holding the two highest offices in the land.

Before being confirmed by the House and the Senate, Rockefeller paid courtesy calls on the chairmen of many Congressional committees; several had offices on our floor. When he got off the elevator he saw the sign to Herm's office and marched in bellowing, "Where is the old son-of-a-gun (or a somewhat similar expression), anyway?"

Although at ease with the powerful, Herm never lost the common touch. Some of the most enlightening moments I spent with him came on our district tours. Schneebeli held office hours back home as often as his schedule allowed. In Harrisburg and Williamsport he used his district offices. But in the rest of the district, he met the people in public places, most often in post offices.

He thrived on talking to them, whether to get their views, explain his, or help them with their problems.

When their problems really weren't federal in nature, he didn't brush them off. He tried to steer them to the right place for help, whether state or local officials, or even charities, if necessary.

Often, people tried to pay him for his help. He never accepted, of course. But once, during a busy post office visit, a man handed him an envelope, giving the impression it contained a letter about a problem he was having. When the Congressman opened it at his office later, it turned out to be a $100 bill given as a thank-you for help in processing a black lung claim.

That $100 turned out to be a real problem, and it could have been worse. The man was adamant about not taking it back; he seemed hurt by the suggestion. In the meantime, the cash was stored in a safe, with all the potential for trouble that implies.

Finally, the Congressman got the man's clergyman to intercede, and satisfactory arrangements were made to donate the money to the church.

Working on the Schneebeli campaigns was a fulfilling experience. The biggest problem, when Congress was in session, was getting the Congressman to come home to campaign. He wanted to stay and so the job he was elected to do, and campaigns distracted him from that.

But once he hit the campaign trail, he could outlast everyone else. He invariably kept the longest hours, traveled the farthest, and talked to the most people.

During his final campaign, we did a series of radio spots featuring the voices of people who supported him for one reason or another, and there were many. My favorite featured an elderly Pennsylvania Dutch lady from rural Dauphin County. The sincerity of her rather high-pitched sing-songy recitation must have convinced many voters; she was irresistible.

It was in radio stations in which I spent some of my most tense moments as a Schneebeli campaign aide. Most election nights I spent in the news room at WKOK (first in Sunbury then atop Blue Hill). I traded the local results they obtained for ones our people gathered in Harrisburg and Williamsport. Fortunately, the totals always came out our way.

Coincidentally, WKOK always was about the first to get interviews with the Congressman once his opponent conceded.

Incidentally, it was characteristic of Herm that we were circumspect about the mixing of Congressional and political business. During campaign periods I went off the official payroll or took salary reductions as appropriate, with the Congressman's political committee picking up the political expenses. Not all offices were nearly so careful.)

Many people, I am sure, will remember Congressman Schneebeli for the questionnaires he sent out every year. He was a pioneer in the field.

He used it legitimately as an information source. When he first went to Congress in 1961, never having held elective office before, he genuinely wanted to find out what people thought about the issues he would be facing.

His survey became an institution.

What affected the staff most about them wasn't tabulating the results; be arranged for volunteers to do that. But he always insisted on leaving spaces for, and actually encouraging, comments: comments about anything and everything.

He was just as insistent that the comments be answered, to let the people know as specifically as possible what he thought or what he was doing about their concerns.

The approach also guaranteed that everyone's comments would be read. Many were read by the Congressman himself. And he signed nearly all the 13,000 or so letters that went out in response to the survey each year.

Of necessity, many form letters were used, and were produced by robot-style typewriters (a far cry however from the computers and word processors widely used today). But many hundreds required individually prepared responses. In these cases, the incoming questionnaire always was attached to the outgoing letter for the Congressman's personal review.

Others, of course, would adapt such popular techniques for blatantly political purposes. Congress now feels it necessary to regulate itself as to how close to an election such mass mailings can go out, and even on the sizes and number of pictures of a Congressman that can be used at one time.

At a time like this, many more personal memories come to mind, like the time he gave my bride and me an ice cream machine, informing us his favorite flavor was chocolate. Other offices may have had drinks and hors d'oeuvres for those special occasions; we tended more toward ice cream socials.

Also, the companionship and friendship between the Congressman and his wife makes such a strong impression. To the extent that two people can function as one, that phrase described the Schneebelis.

And there are the host of professional accomplishments to be considered. Certainly they will be addressed in some detail at the memorial service. I hope they will be set down in lasting form at some time, for they are substantial.

For the moment, though, it seems important to remember and savor the little incidents about the man known variously as Herm, the Congressman, or the Boss—or, perhaps most appropriately, as he was called on the House floor, "the gentleman from Pennsylvania."

Mr. McDADE. Mr. Speaker, I thank the gentleman from New York for his contribution.

Mr. Speaker, I yield such time as he may consume to the gentleman from Illinois (Mr. McClory).

Mr. McCLORY. Mr. Speaker, it is with a sense of personal loss and reflection that I take part of this special order.

Mr. Speaker, I am proud and privileged to take part today in the Special Order dedicated to the memory of our late former colleague, Herman Schneebeli, who represented the 17th District of Pennsylvania from 1960 to 1977. For my own part, I recall a long period of close association with Herm Schneebeli beginning when we first enrolled as undergraduates at Dartmouth College in 1926 as members of the class of 1930.

Herm Schneebeli was, from the outset, one of the most active and best liked members of the class. He participated enthusiastically as a freshman "heeler" in support of Dartmouth's various athletic activities, and at the end of his freshman year he became an assistant manager of football, rising in his senior year to be the manager of football—the most prestigious managerial position attainable on the Dartmouth College campus.

As a Dartmouth undergraduate, Herm Schneebeli was elected to virtually all of the honorary societies at the college, including the Casque and Gauntlet Society and Palaeopitus, the managerial organization of the college, in which he served as vice president. He was also a member of Theta Delta Chi Fraternity, and as I said earlier, a very popular person on the Dartmouth campus.

It is my recollection that when Herm Schneebeli's predecessor, Congressman Alvin Bush, died early in 1960, Herm Schneebeli was then an active businessman in Williamsport, Pa., and an equally active member of the chamber of commerce. He gained popular support in his campaign for Congress in 1960, and following his election he served with us in this House with great distinction, rising to become the ranking member of the House Ways and Means Committee.

Herm Schneebeli's effectiveness as a Member of this body and his popularity among his colleagues on both sides of the aisle are recalled by many of us who are in the U.S. House today. His decision to retire from the House in 1976 did not bring on any inactivity. Herm returned to his business in Williamsport as head of a Gulf Oil distributorship and took part in numerous other community and public affairs until his unexpected and abrupt death on May 6.

My wife, Doris, and I were in the company of Herm and Mary Lou Schneebeli at our 50th Dartmouth College reunion in 1980, and we maintained a periodic contact in the intervening years since their return to Williamsport.

Let me recall again that Herm and Mary Lou Schneebeli were among my first contacts when I came to the Congress in 1963. We took up residence in Southwest Washington where Herm and Mary Lou maintained their Washington home and our two families maintained close social and political contacts throughout the time that Herm and Mary Lou served here.

Herm Schneebeli was of Swiss descent. I, as the father-in-law of a Swiss, who is married to my daughter Beatrice, it was quite natural that the Schneebelis and the McClorys took part frequently in events relating to Switzerland, such as the annual celebration of Swiss Independence Day at the Swiss Embassy. We sometimes described ourselves as the Swiss Caucus or the Swiss bloc in the U.S. House.

Mr. Speaker, the memorial services which were held in Williamsport on Monday, May 17, were attended by several Dartmouth classmates, including Fred Scribner of Portland, Maine, and Jim Dunlap of Lancaster, Pa. I am also informed that our colleague, Representative Barber Conable, the ranking member of the House Ways and Means Committee, was in active attendance. An eloquent tribute to Herm Schneebeli was delivered by Fred Scribner recounting Herm's life and his deeds of service to the college and to the Nation.

My wife, Doris, joins me in extending to Mary Lou Schneebeli, and to Herm's brother, Otto Schneebeli, to his daughters, Mrs. Susan Belin and Mrs. Marta Johnson, and other members of the family our affection, respect, and deep sympathy.

Mr. McDADE. Mr. Speaker, I thank the gentleman from Illinois for his very eloquent remarks.

Mr. Speaker, I yield such time as he may consume to my colleague, the gentleman from Pennsylvania (Mr. Goodling).

Mr. GOODLING. Mr. Speaker, I am privileged today to pay tribute to a good friend of my State of Pennsylvania and mine who passed away recently: our former colleague from the 17th District, Herman Schneebeli. Herm and Mary Lou were great friends of my dad and very kind to me as a freshman in the Congress.

Central Pennsylvanians can be proud of the man who served them so ably for 16 years in Congress. At the time he retired from this body, Herm held the distinguished position of ranking Republican member of the House Ways and Means Committee. While serving in that capacity, Herm was a leading advocate for insuring that U.S. industry remained competitive and was not put at a disadvantage with foreign countries in its trade dealings. He was concerned with health insurance reform, an interest stemming from his work as a member of the board of managers at Williamsport Hospital, and his fundraising efforts for better nursing facilities in that area. I for one am glad that he lived to see this Congress pass the Economic Recovery Tax Act of 1981, for the capital gains tax provision contained within the package was a brainchild of his back in the 93d Congress.

Throughout his years of service, Herm was known as a GOP maverick, and it is this trait, his independence, which I remember most—the independence of conviction—the courage to make difficult choices—that I believe is necessary to best serve all of one's constituents. From Lycoming to Dauphin, in Union and Northumberland Counties, and throughout these Halls and committee rooms, Herm was noted for being a man who had all the enviable qualities so needed in public life. His associates found him to be an indefatiguable worker, and a Member who also had sound business sense.

At this time, may I extend my condolences to Herm's wife, Mary Lou, to his daughters, Marta and Susan, and to all his family and personal friends.

In the early sixties Herm was cited for his outstanding work in raising funds for worthy projects in the south cental Pennsylvania area. I paraphrase from newspaper accounts words which hold true some 20 years later.

Herman Schneebeli was serious, but at the same time friendly; he was deliberate, but could also act quickly when the occassion demanded. He was calm and unruffled, but spoke his mind when necessary; he had convictions, but also appreciated the opinions of others.

All of us from Pennsylvania will miss him.

☐ 1830

Mr. McDADE. Mr. Speaker, I now yield such time as he may consume to my colleague, the gentleman from Pennsylvania (Mr. Clinger).

Mr. CLINGER. I thank the gentleman for yielding to me.

Mr. Speaker, I wish to join in this tribute to our good friend and former colleague, Herm Schneebeli.

Herm represented part of the central Pennsylvania district that I now have the honor to serve in this body. He was a respected and influential man in Pennsylvania. He labored for the good of his constituents and his country with great distinction through his work here, affecting many lives for the better.

I, for one, was one who was privileged to know him, if only for a brief time. But I always found his counsel to be wise and helpful to me, not only in my political career but also in representing my district, which he had represented for so many years with such great distinction.

His recent death touches all of us here in Washington and back in his native Pennsylvania. He will be most deeply missed, Mr. Speaker, by not only his congressional colleagues, as well as by his family and his many friends in Pennsylvania. I am privileged to have the opportunity to join in this tribute to a great and good man.

Mr. McDADE. I thank my colleague for his very warm remarks.

Mr. Speaker, I now yield such time as he may consume to my colleague, the gentleman from Pennsylvania (Mr. Walker).

Mr. WALKER. I thank the gentleman very much for yielding to me.

I, too, want to note on the occasion of Herm Schneebeli's passing the deep loss that this Member feels personally and that I know that the Nation has to feel.

Herm Schneebeli was a civic leader. He was a businessman. He was a patriot. And he was a legislator supreme. He knew how to get things done here in Washington, but he never lost touch with his roots in Pennsylvania. He remained close enough to his constituents all the time that what he did here in Washington, D.C., really reflected what their concerns were.

Even after he retired, he stayed active in politics, and even though I did not have a chance to serve here with him in the House, I did know him well, and knew he was available for consultation and advice even after he left the Congress. I know many of us continued to avail outselves of that wisdom during his years of retirement.

Herm Schneebeli will be missed not only by his community, and not only by his former colleagues, but most especially by his country.

Mr. McDADE. I thank my colleague for his very touching remarks.

I yield to my friend, the gentleman from Pennsylvania (Mr. Nelligan).

Mr. NELLIGAN. I thank the gentleman for yielding to me.

Mr. Speaker, I met Herm Schneebeli just once in my life. I did not know the man as a new Member of Congress. I did not have the opportunity of serving with Mr. Schneebeli. But I did know him through the feelings of my uncle, Harold "Jiggs" Gansel, from Columbia County. There was a time when Congressman Schneebeli represented Columbia County, a county which I now have the honor and privilege to represent.

That one time when I met Herm Schneebeli was in his office right here in the Capitol. I was with my Uncle Harold. I remember how proud he was when he turned to me and he said, "Jim, this is my Congressman, Congressman Herm Schneebeli."

He will surely be missed. I remember during that meeting how warm he was, and I was impressed with his grasp of what he was doing here in the Capitol, the issues that we discussed.

At that particular time I was a Federal employee. And I remember leaving his office and saying to myself, "That, I believe, is what a Congressman should be."

I know, on behalf of my constituents in Columbia County, that they will surely miss Herm Schneebeli. He was a friend of theirs as well as their Representative for many, many years. And to his family, I offer my deepest sympathies, and my regret here today is that I did not have the opportunity to serve with Herm Schneebeli in this body. He will surely be missed.

● Mr. HORTON. Mr. Speaker, it was with great sadness that I learned of the death of an old friend and former colleague, Herman Schneebeli. For those of us who had the privilege of serving with him, Herman's many contributions to this institution and this country will long be remembered.

I first came to know Herman when I was elected to serve in the House 20 years ago. Throughout our service, Herman established a record of achievement and leadership as ranking minority member on the House Committee on Ways and Means. As ranking minority member on the Government Operations Committee, our paths crossed frequently at leadership meetings.

Herman's contributions in the field of foreign affairs represent lasting achievements. His participation in the United States-Japan Parliamentary Conference in Tokyo in 1968, like his attendance at the German-American Alliance Conference in West Berlin in 1962 is a reflection of his commitment to international stability and peace.

I join my many colleagues in extending our condolences to his family. My wife Nancy and I regret the loss of a good friend and great American.●

● Mr. MILLER of Ohio. Mr. Speaker, it is with great sorrow that I join my colleagues today in this tribute to our good friend and former member from Pennsylvania, the late Herman Schneebeli.

As the former ranking minority member of the House Ways and Means Committee, Herm was a truly dedicated servant of his district, his State, and the Nation. He was a conscientious leader who placed the needs of America above petty politics. As such, he earned the respect and admiration of those—like I—who served in the House with him. I recall very well how Herm was frequently singled out as the epitome of an able legislator. It was a distinction he earned with hard work, consistency and the rare talent for listening to the views of others and responding to their opinions without over-reacting or changing the principles that made him a positive force and influence in the Congress.

I commend my colleagues today for reserving this time to pay tribute to a man who honored us with his presence, his example and his deeds. My wife, Helen, joins me in extending our sincerest sympathy to Mary Lou Schneebeli and the Schneebeli family at this time.●

● Mr. DERWINSKI. Mr. Speaker, it is with great sadness that I join my colleagues in paying tribute to our late colleague, Herman Schneebeli. Herman and I entered the Congress in the same year, and I wish to say on the onset that he was one of the finest Members of Congress that I have ever known, and I will long remember him as a good friend and a fine gentleman.

Herman Schneebeli brought honor and distinction to this Chamber and while we are saddened by his death, we are indeed fortunate to have benefited from his contributions. Herm and I were close friends, and I could always turn to him and get his sound advice and practical knowledge.

The loss of Herm Schneebeli is a personal tragedy to those of us who knew and enjoyed his humor and warmth, but one need not have been a personal friend to sense his influence and example in the Congress. Herm established a reputation as an intelligent and diligent member of the House Ways and Means Committee and was known by his colleagues for his great integrity and sound judgment. The people of Pennsylvania and the Nation join in mourning the loss of Herm Schneebeli, who will always be remembered as a sincere, hardworking, fairminded public official.

My wife, Pat joins me in extending our sympathies to his wife, Mary Louise, and his daughters, Marta and Susan. Both of us knew Herm as a warm, and understanding friend and as an outstanding Member of Congress. I will miss his counsel, good humor and friendship.●

● Mr. CONTE. Mr. Speaker, I want to rise today and join my colleagues on this special order. I also want to thank my colleagues, Joe Gaydos and Joe McDade, for taking this special order after the sudden and tragic death of our former colleague and very good friend, Herman Schneebeli.

Herm served for 16 years in this body, and was the ranking minority member of the House Committee on Ways and Means. He came 2 years after I did, and I always enjoyed working with him. There was so much that he did for this body, and the people of Pennsylvania, who he served so well.

What saddens me particularly about his death is the suddenness of it. Apparently, while waiting for his wife to have surgery, he was stricken by an apparent heart attack. All of us who knew Herman can attest to his strength and determination and are all surprised at his death.

He returned home to Pennsylvania after retiring in 1977, the year that his former roommate, Nelson Rockefeller, left the White House. He had continued to serve his fellow man, and we all can be assured that he will long be remembered.●

● Mr. ERTEL. Mr. Speaker, it has been my honor to succeed Herman T. Schneebeli as Representative from Pennsylvania's 17th Congressional District.

My contacts with Herm Schneebeli were many and always they were warm. In 1954 Herm Schneebeli recommended me for admission to Darthmouth College. When I won the election to succeed him, he extended to me both a hearty handshake of congratulations and a gracious helping hand, as I prepared for a new challenge.

Always willing to extend the helping hand is how Herm Schneebeli will be remembered. Those of you who worked with him in this "great theater of the Nation" know this well. We who were neighbors of Herm Schneebeli in Pennsylvania benefited time and again from his concern and help.

In 1961 Grit newspaper honored Herm Schneebeli with a citation for his efforts on behalf of his community. I think it is appropriate to recall this citation now:

> Herman T. Schneebeli is equipped with the enviable qualities so needed in public and civic life.
>
> He is serious, but at the same time friendly; he is deliberate, but can also act quickly when the occasion demands. He is calm and unruffled, but speaks his mind when necessary; he has convictions, but also appreciates the opinions of others.
>
> Associates also have found that Mr. Schneebeli possesses a combination of rare business ability and tireless energy—attributes from which Williamsport has benefited handsomely in recent years.
>
> ### LOCAL GROUPS AIDED
>
> In addition, Mr. Schneebeli has a genial disposition not easily disturbed. He can disagree with vigor while maintaining an atmosphere of good humor and conciliation.
>
> It's little wonder, then, that Williamsport civic, welfare, and other organizations have called on him so often to assist in management and fundraising. And it is little wonder that Mr. Schneebeli responds, because he has such an intense desire to help his community—just as he is striving so earnestly to do for a larger area today as a dedicated, hard-working Congressman.
>
> It is for his wide range of civic service to his fellow men that Grit this year singles out Mr. Schneebeli for one of its awards for meritorious community service.
>
> Mr. Schneebeli was nominated for a Grit Award in 1959 and would have been presented the citation but for the fact that he was selected by Republican conferees to run for the congressional seat made vacant by the death of Alvin R. Bush. Grit's board of directors believed that it would have given Mr. Schneebeli an unfair advantage over his opponent to cite his many commendable civic contributions at a time when he was competing for public office. Therefore, though greatly deserving, he was passed up in the final selection.
>
> ### PRAISED FOR CIVIC WORK
>
> Now that Mr. Schneebeli has won the full 2-year term to Congress in his own right, the political objection no longer applies, and he can properly be extolled for his many good civic works.
>
> Though removed from active on-the-scene civic leadership by his larger services in Washington, his efforts on behalf of his community go on and on.
>
> A case in point is the Williamsport Hospital.
>
> Mr. Schneebeli has been a member of the board of managers at the hospital since June 17, 1958. When, in August of that year, the board looked around for a general chairman for its campaign for funds to provide a school of nursing and a nurses' residence, the one man who stood out as the best choice was Herman Schneebeli.
>
> ### RECEIPTS TOP GOAL
>
> A tribute to the chairman's resolute effort is shown by the fact that a whopping $875,000—$130,000 above the fund goal—was raised in the campaign.
>
> "The wonderful results attained in the drive were due, in large measure, to the organizational ability, and the efforts of Herm Schneebeli," said Daniel W. Hartman, executive director of the hospital's building program and for many years administrator of the hospital.
>
> And Paul G. Wedel, present administrator at the hospital, describes Mr. Schneebeli "as a sincere and conscientious member of the board of managers who has shown a tremendous interest in the hospital."
>
> This valuable hospital expansion program now is nearing fruition. The new building, containing a residence and educational facilities for student nurses and an auditorium for staff and other meetings, is now about two-thirds finished, with construction expected to be completed April 30.
>
> The structure will house 138 student nurses and will be in use next summer.
>
> Mr. Schneebeli and his aides in the campaign must have a real feeling of pride as they watch this hospital addition become a reality.
>
> ### OTHER GROUPS BENEFIT
>
> Other organizations also have benefited from Mr. Schneebeli's selfless efforts.
>
> In 1958, he was a member of the steering committee which directed a campaign for funds staged by Lycoming College. In addition, he aided in the advance solicitation in the drive.

> A total of $1,001,120 was contributed in the campaign—the largest sum of money ever subscribed in Williamsport for the support of any welfare or educational undertaking.
>
> "Mr. Schneebeli showed a deep interest in the college," commented Dr. D. Frederick Wertz, Lycoming president. "He gave wise counsel and advice in overall planning."
>
> One of Congressman Schneebeli's favorite organizations is the Lycoming United Fund, of which he long has been a booster and director. His interest in the United Fund doubtless developed from his connections with the Community Chest, predecessor of the United Fund. He served as Community Chest campaign director in 1951 and as president of the Chest in 1952 and has had a part in all Chest and United Fund drives since 1947.
>
> ### PRESIDENT OF BOARD
>
> President of the board of trustees of the Williamsport YWCA, he also served as chairman of a YWCA drive which had a quota of $125,000 and raised $130,000.
>
> For 2 years—1954 and 1955—he served by appointment as a member of the Williamsport school board, where another member said of him:
>
> "I never saw anyone grasp problems as quickly as Herm Schneebeli. And he also could find the right answers."
>
> In 1959, Mr. Schneebeli served as chairman of a Williamsport Chamber of Commerce committee which conducted a nine-session course in "Practical Politics for the Business Man."
>
> This course on politics was so popular that the chamber of commerce is now operating two different classes on the subject for local business and professional men.
>
> Mr. Schneebeli evidently followed his own precepts well, for, as the Republican nominee, he was elected to Congress April 26, 1960, from the 17th District to fill the vacancy resulting from the death of Alvin R. Bush. Last November 8, he was elected to a regular 2-year term in the House of Representatives in Washington. He is a member of two important House committees—Public Works and Banking and Currency.
>
> ### COMMENT ON ELECTION
>
> Mr. Schneebeli's successful move from a businessman merely interested in politics for the betterment of his country to a legislator able to work for such betterment on the scene in Washington was so unusual that it drew special comment from such noted writers as Victor Riesel.
>
> Because he was elected by the people, the 17th District Congressman goes to the people for advice.
>
> One of his earliest acts after taking office was to send to the 100,000 voters in the district a questionnaire covering the many facets of Federal Government. Constituents were asked to list their answers to questions on subjects ranging from foreign affairs to taxes.
>
> Fifteen thousand replies—a remarkable response—were received, giving Congressman Schneebeli a clear view of the thing back home.
>
> In Williamsport, Mr. Schneebeli also has been a director of the chamber of commerce; active in the chamber's Lift campaign and its industrial development bureau, of which he was a vice president, and a member of the group's sales team seeking new industries for the Williamsport area.
>
> One of Mr. Schneebeli's principal interests is his church—Trinity Episcopal. At Trinity, he has been a vestryman, member of the finance committee, and chairman of the every-member canvass committee. Under his leadership, Trinity has steadily increased the size and proportion of stewardship pledges toward the church budget.
>
> "From a pastor's viewpoint, however," said the Reverend William B. Williamson, D.D., former rector at Trinity, "Mr. Schneebeli's most valuable asset is his creating, with his lovely wife, of a strong and healthy Christian home. The Schneebeli family possesses one of the best church attendance records in the parish, and each member has been happily engaged in some phase of the work and life of the church.
>
> "Regardless of his busy life and schedule, this fine churchman always makes and takes time to be of service to his parish."
>
> Mr. Schneebeli also was a board member of the Williamsport Council of Churches in 1957.
>
> ### ACTIVE IN BUSINESS
>
> He has been active in the Williamsport area business world since 1939, when he became commission distributor here for the Gulf Oil Co. Between 1931-39, he was employed by Gulf, working in Texas, Oklahoma, and Kentucky and traveling in six States from New York to North Carolina.
>
> Mr. Schneebeli also is president of the Muncy Motor Co. and has a major financial investment and partnership in four oil and tire businesses in Lycoming and Tioga Counties.
>
> He is vice president of the oil information committee, a member of the Pennsylvania Motor Truck Association, and a director of the First National Bank of Williamsport.
>
> During the Second World War, Mr. Schneebeli served 44 months as captain of the Ordnance Department, U.S. Army. He was an executive officer at three plants manufacturing high explosives.
>
> He was born July 7, 1907, of naturalized Swiss parents in Lancaster. His father, Alfred Schneebeli, was general manager for the largest silk broadcloth manufacturers in the United States and supervised five plants in three States.
>
> Herman Schneebeli was graduated in 1930 from Dartmouth College, where he was a classmate of Nelson A. Rockefeller, New York governor, who visited this area to help him in his congressional campaign.
>
> ### GOT MASTER'S DEGREE
>
> After obtaining his A.B. degree at Dartmouth, Mr. Schneebeli received a master's degree from the Amos Tuck School of Business Administration at the same college. Prior to attending Dartmouth, he was an honor student at Mercersburg Academy. He is now serving as Willamsport area chairman of a Mercersburg $1 million development campaign.
>
> In Williamsport, Mr. Schneebeli is a member of Garrett Cochran Post No. 1, American Legion; the Elks' Lodge, and a 20-year member and former director of the Kiwanis Club.
>
> September 21, 1939, he married Mary Louise Meyer, of Bellefonte, who also has been active in community affairs. She is a graduate of Hood College, a former president of the Williamsport Home, a director of various parent-teacher associations, and head of the Episcopal women of the Williamsport Archdeaconery.
>
> The Schneebelis, who live at 870 Hollywood Circle, have two daughters—Marta Louise, a freshman at Hood College, and Susan Jane, a senior at the Williamsport High School.
>
> As a Member of the House of Representatives, Mr. Schneebeli now must spend a great deal of his time with congressional work—both here and in Washington. At the same time and despite his busy schedule, he has maintained his close and helpful ties with local religious, civic, and welfare organizations.
>
> These groups know that they can always depend on Herm Schneebeli for assistance and counsel even as he continues to work with vigor and dedication in his larger sphere in Washington.

Mr. Speaker, when Herm Schneebeli retired from Congress, he announced he was going to devote more time to his family and in particular, his grandchildren. I know it is a promise he kept—Herman T. Schneebeli was a man who had his priorities straight.●

● Mr. SCHULZE. Mr. Speaker, I was saddened to hear of the loss of my friend and former colleague, Herman Schneebeli. He represented the 17th Congressional District of the Commonwealth of Pennsylvania for 16 years and compiled an exemplary record in the House of Representatives. Following his retirement from the House in 1977 I was privileged to be selected to occupy his seat on the Ways and Means Committee. Pennsylvania has lost a favored son and we all have lost a truly kind and gentle man.

I remember the many times we talked and his sage advice still remains with me. Herman did not seek the limelight but instead chose to work behind the scenes to get the job done. As the ranking minority member on Ways and Means he provided the touch of the common man to difficult problems. His experience in the business world served him and the Nation in good stead during his years in the House. I will miss him, as we all will, especially when we have a moment to reflect on those who have served their country in public office.

I wish him eternal peaceful rest and to his beloved Mary and his daughters Marta and Susan I extend my heartfelt sympathies.●

● Mr. SHUSTER. Mr. Speaker, I rise today in tribute to a friend and former colleague Herman T. Schneebeli, who passed away on May 6, 1982.

Herman Schneebeli faithfully represent the people of the 17th District of Pennsylvania for 16 years. It was my honor to serve with him in this body for 4 of those 16 years.

As the dean of the Pennsylvania delegation and the ranking Republican on the Ways and Means Committee, he was an example of dedication and hard work for me to follow when I was newly elected.

He represented several counties in central Pennsylvania which border on the district that I represent. There are many shared concerns and interests between these two areas, and the people of the Ninth District respected and appreciated the efforts of Herman

Schneebeli in his community and in Congress.

The people of the Commonwealth of Pennsylvania and of the entire Nation have benefited from the public service of Herman Schneebelie, and though his loss may cause us sadness, his memory stirs pride and inspiration.●

● Mr. RHODES. I was indeed sorry to learn of the sudden death on May 6 of my friend, former Congressman Herman T. Schneebeli.

Herman was a fine Member of this House, who rose to become the ranking Republican serving on the House Ways and Means Committee.

Not only was he a good friend, but he was also a dependable and wise counselor. As Republican leader, I relied on him heavily for guidance on the complex issues which came before his committee. He was generous with his time and his talents, freely sharing with his colleagues the special expertise which was his.

Herman enjoyed his affiliation with the Congress as much as those of us who were privileged to serve with him, enjoyed having him as a colleague. Herman also enjoyed his long friendship with the late Nelson Rockefeller, which began when they were roommates at Dartmouth College.

While I am saddened at the death of Herman Schneebeli, I am pleased to have had the honor of serving with him in the Congress, and being his friend. Mrs. Rhodes joins me in experiencing sincere sympathy to Mrs. Schneebeli, and to their two daughters.●

● Mr. GIBBONS. Mr. Speaker, I was privileged to serve with Herman Schneebeli on the Ways and Means Committee for a great many years. He was always a fine gentleman and a warm friend. He conducted himself in an exemplary manner, stating his position with effective reasoning and debate. His years in Congress were well spent, and he will be greatly missed by all of us who knew him.

Mr. Speaker, Martha and I join with the many other friends of Herman Schneebeli in extending our condolences to his wife, Mary Louise, and his family.●

● Mr. MONTGOMERY. Mr. Speaker, I am honored to participate in this tribute to one of my very dear friends and a truly outstanding American, former Representative Herman T. Schneebeli.

I know my colleagues share with me the deep sense of loss at learning of his death. His accomplishments, both in this Chamber and in his native State of Pennsylvania, will live on.

He served the people of the 17th District well during his 17 years in the House of Representatives but Herman Schneebeli's illustrious career began long before coming to Washington.

He attained the rank of captain in Army ordnance during World War II and then became a successful businessman in Williamsport, Pa.

When he came to the House of Representatives in 1960, he immediately became known as a diligent and hard worker for the people of the 17th District and for this country.

His service and leadership as ranking GOP member of the House Ways and Means Committee were examples for others to follow.

I considered Herman Schneebeli a close personal friend and his friendship was a valuable asset during the 10 years we served together until his retirement in 1977.

He was truly a gentleman and it was an honor and privilege to have served alongside such an outstanding American.

I also want to express my condolences to his wife, Mary Louise and daughters Marta and Susan.●

● Mr. ERTEL. Mr. Speaker, Herm Schneebeli was remembered recently by John Swank, a member of his Washington staff. John's tribute was published in the Milton Standard on May 14; I want to share it with you today.

HERM SCHNEEBELI REMEMBERED

(By John N. Swank)

"Call me Herm," that's what he told everyone.

And from Presidents to coal miners, from governors to janitors, just about everybody did.

Those of us who worked for him always referred to him with titles of respect: Mr. Schneebeli, the Congressman, or simply, the Boss. Except in private, when the familiar "Herm" was just too natural to resist.

The familiarity he generated was genuine. It preceded the political gimmickry of putting your nickname in quotes or parentheses, or dropping your given name altogether. On his franked envelopes and in the signature block of official correspondence, he was Herman T. Schneebeli, M.C. (for Member of Congress). But on the phone or in person, he was Herm.

It hardly seems possible that it's been more than five years since he gave up his big corner office overlooking the Capitol to have more time to watch his grandchildren "grow and mature," as he put it. For years, he consistently supported the concept of mandatory retirement for Congressmen by age 70. It was predictable that he would voluntarily give up his position before he passed that milestone himself.

Next Monday, many of us who worked for him will come together again to join the many others who will be gathering to pay their final respects. No doubt there will be a lot of reminiscing.

The first time I met Herm Schneebeli was in his Congressional office. I had spent the previous summer as a cub reporter (more accurately, an intern) on The Milton Standard. I was lucky enough to have been asked back for a second summer, the summer of 1968, and had taken the paper at school to keep abreast of things. That's how I learned of the intern program Herm Schneebeli was offering that year.

I didn't know the Congressman but, with low expectations, I secured the Standard's permission to renege on our agreement if necessary, and applied. A few weeks later I received a long letter telling me where and when to report for the six-week program.

There was no centrally organized intern program then, and relatively few offices bothered with student workers. Most of those which did, took in a small number for the full summer. It was typical of Herm that he divided his program into two sessions, to accommodate twice as many young people.

The apolitical way in which he ran his office was atypical in Washington then, as it is now.

It wasn't until nearly two years later, when I had been working as a full time member of his staff for a few months that he asked me my politics. And he did so apologetically.

The Northumberland County Republican chairman was indicating dissatisfaction with Schneebeli, and hinting that he might oppose his renomination. (He subsequently did.) One of his complaints was that the county was getting shortchanged, meaning it wasn't represented on Schneebeli's staff.

In fact, two Northumberland countians were working for him at the time, both with the proper political credentials. Herm informed the chairman of that, but also made the point that his staff positions were filled by professional criteria, not by patronage.

It was not an absolute requirement that staff members even be from Pennsylvania, but most tended to be. There simply are a lot of Pennsylvanians in Washington who either work for the Congress or want to.

When the husband of one long-time staffer announced his candidacy as a Democrat for a Congressional seat from Iowa, Herm didn't bat an eye. He granted the staffer a leave of absence to campaign and welcomed her back when the bid failed.

Although Herm didn't tend to name-drop, he had access to some pretty influential people.

I was impressed that first summer when I learned Nelson Rockefeller had been his college roommate. Rocky was running for President then and I got caught up in his campaign, spending much time after work and weekends in Maryland shopping centers. The effort was geared to convincing the Republican governor of Maryland to support Rocky. It turned out the governor had other things in mind; his name was Spiro T. Agnew.

Herm had been the first Pennsylvania Republican to support the effort of Gerald Ford of Michigan to lead the party in the House of Representatives. His action led to a long, close relationship.

In 1970, when Schneebeli had a primary battle, Ford hosted a reception for him in Washington. To a group of young staffers, he proved surprisingly approachable. He told us Herm should be very careful how he handled such a primary campaign, pointing out that he himself first won his Congressional seat by ousting an incumbent Republican.

Years later, when Ford abruptly became President, one of the few previously arranged speaking engagements he kept was in Harrisburg. In speaking to the press, the President "let it slip" that Herm planned to run again. The Congressman didn't want to seem to politicize his work by announcing his candidacy that early, but it was worthwhile for a fair number of people who had ambitions for the office to be aware of his plans.

When Ford made his surprise selection for the Vice Presidency, Herm was in the enviable position of having two long-time personal friends and professional colleagues holding the two highest offices in the land.

Before being confirmed by the House and the Senate, Rockefeller paid courtesy calls on the chairman of many Congressional committees; several had offices on our floor. When he got off the elevator he saw the sign to Herm's office and marched in bellowing, "Where is the old son-of-a-gun (or a somewhat similar expression), anyway?"

Although at ease with the powerful, Herm never lost the common touch. some of the most enlightening moments I spent with him came on our district tours. Schneebeli held office hours back home as often as his schedule allowed. In Harrisburg and Williamsport he used his district offices. But in the rest of the district, he met the people in public places, most often in post offices.

He thrived on talking to them, whether to get their views, explain his, or help them with their problems.

When their problems really weren't federal in nature, he didn't brush them off. He tried to steer them to the right place for help, whether state or local officials, or even charities, if necessary.

Often, people tried to pay him for his help. He never accepted, of course. But once, during a busy post office visit, a man handed him an envelope giving the impression it contained a letter about a problem he was having. When the Congressman opened it at his office later, it turned out to be a $100 bill given as a thank-you for help in processing a black lung claim.

That $100 turned out to be a real problem, and it could have been worse. The man was adamant about not taking it back; he seemed hurt by the suggestion. In the meantime, the cash was stored in a safe, with all the potential for trouble that implies.

Finally, the Congressman got the man's clergyman to intercede, and satisfactory arrangements were made to donate the money to the church.

Working on the Schneebeli campaigns was a fulfilling experience. The biggest problem, when Congress was in session, was getting the Congressman to come home to campaign. He wanted to stay and do the job he was elected to do, and campaigns distracted him from that.

But once he hit the campaign trail, he could outlast everyone else. He invariably kept the longest hours, traveled the farthest, and talked to the most people.

During his final campaign, we did a series of radio spots featuring the voices of people who supported him for one reason or another, and there were many. My favorite featured an elderly Pennsylvania Dutch lady from rural Dauphin County. The sincerity of her rather high-pitched sing-songy recitation must have convinced many voters; she was irresistible.

It was in radio stations in which I spent some of my most tense moments as a Schneebeli campaign aide. Most election nights I spent in the news room at WKOK (first in Sunbury then atop Blue Hill). I traded the local results they obtained for ones our people gathered in Harrisburg and Williamsport. Fortunately, the totals always came out our way.

Coincidentally, WKOK always was about the first to get interviews with the Congressman once his opponent conceded.

(Incidentally, it was characteristic of Herm that we were circumspect about the mixing of Congressional and political business. During campaign periods I went off the official payroll or took salary reductions as appropriate, with the Congressman's political committee picking up the political expenses. Not all offices were nearly so careful.)

Many people, I am sure, will remember Congressman Schneebeli for the questionnaires he sent out every year. He was a pioneer in the field.

He used it legitimately as an information source. When he first went to Congress in 1961, never having held elective office before, he genuinely wanted to find out what people thought about the issues he would be facing.

His survey became an institution.

What affected the staff most about them wasn't tabulating the results; he arranged for volunteers to do that. But he always insisted on leaving spaces for, and actually encouraging, comments: comments about anything and everything.

He was just as insistent that the comments be answered, to let the people know as specifically as possible what he thought or what he was doing about their concerns.

The approach also guaranteed that everyone's comments would be read. Many were read by the Congressman himself. And he signed nearly all the 13,000 or so letters that went out in response to the survey each year.

Of necessity, many form letters were used, and were produced by robot-style typewriters (a far cry however from the computers and word processors widely used today). But many hundreds required individually prepared responses. In these cases, the incoming questionnaire always was attached to the outgoing letter for the Congressman's personal review.

Others, of course, would adapt such popular techniques for blatantly political purposes. Congress now feels it necessary to regulate itself as to how close to an election such mass mailings can go out, and even on the sizes and number of pictures of a Congressman that can be used at one time.

At a time like this, many more personal memories come to mind, like the time he gave my bride and me an ice cream machine, informing us his favorite flavor was chocolate. Other offices may have had drinks and hors d'oeuvres for those special occasions; we tended more toward ice cream socials.

Also, the companionship and friendship between the Congressman and his wife makes such a strong impression. To the extent that two people can function as one, that phrase described the Schneebelis.

And there are the host of professional accomplishments to be considered. Certainly they will be addressed in some detail at the memorial service. I hope they will be set down in lasting form at some time, for they are substantial.

For the moment, though, it seems important to remember and savor the little incidents about the man known variously as Herm, the Congressman, or the Boss—or, perhaps most appropriately, as he was called on the House floor, "the gentleman from Pennsylvania."●

● Mr. ADDABBO. Mr. Speaker, I join my colleagues on this sad occasion to pay tribute to our late friend and former colleague, Herman Schneebeli. His passing will be felt by countless people throughout the Nation, and especially by those in his old congressional district in Pennsylvania. Herman's integrity, courage, and dedication served all of them well.

Herman was one of those rare men: a businessman who successfully made the transition to public life. He initially did not want to run for Congress, and ended up as the ranking Republican member of the House Ways and Means Committee in the 93d Congress.

Herman possessed many of the enviable qualities so necessary for a public servant: He was serious, but at the same time friendly; he was always deliberate, but could respond quickly when the situation called for that; he had strong opinions, but respected and appreciated other's convictions.

Herman was always involved in a multitude of community and civic projects, he was well-known and well-loved for his generous giving. The people of Pennsylvania benefited greatly from his work, and Herman expanded that energy and desire to help to a larger area when elected to Congress. He was very active in the United Fund, the YWCA, the chamber of commerce, and his church.

All of people whose lives Herman's work touched, and all of us who had the honor of working with him will miss him greatly. My deepest sympathies go to his family for their loss.●

● Mr. FUQUA. Mr. Speaker, it is with great sadness that I join my colleagues in this much-deserved tribute to Herman Schneebeli.

Herm Schneebeli was a good friend with whom I shared many pleasurable hours, a friend on whom I could count at any time in any situation.

To speak of his legislative accomplishments in this House would be redundant in view of the much closer working relationships that his former colleagues from Pennsylvania had with him on issues which affected their commonwealth.

I would be remiss, however, if I did not at least mention the values I placed on his wise counsel on matters of national and international interest and of the tireless devotion to duty which he constantly exhibited.

While I have lost a good friend, the Nation has lost a valuable patriot.

I shall miss and mourn them both.●

● Mr. GAYDOS. Mr. Speaker, when the people of Pittsburgh sent me to Congress in 1968, our late colleague Herman Schneebeli of Williamsport, Pa., had been here four terms, and had I lacked an idea of what the job calls for, I could have learned it by watching him work.

Had I watched him closer I might have avoided some early missteps.

Ranking minority member of the Ways and Means Committee, Herm had a keen eye for abuses and distortions of the world trade system that might harm the vital interests of Pennsylvania and the United States, and he attended the 1961 GATT Conference in Geneva.

But he knew the value of free and fair trade and he worked to establish it and to further it.

They say he operated on Ways and Means as a team captain, encouraging each of his members to participate fully and making sure the opportunities were available.

He treated his Pennsylvania colleagues in the same gentlemanly fashion.

Of Swiss heritage and a thrifty man, those who served with him say, Herm liked spending the taxpayer's money no better than spending his own and disliked raising taxes even more.

Diligent in all phases of this craft, Herm nevertheless was not above a little good-natured legpulling.

A longtime minority staff member of the committee recalls that shortly after he joined the staff, he thought he began detecting signs of concern in Herm about the coming election. He became concerned.

Congressman Schneebeli's winning margin that year was 83 percent

They say he left Congress because he felt that when a Member gets old enough he ought to leave Congress.

They liked Herm around Williamsport and in the 17th District and we liked him here. Williamsport needed him here and we needed him here. And even today—6 years after he felt it was time to leave—it would help us do a better job if we would recall his example from time to time.●

WORLD TRADE WEEK

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Washington (Mr. Bonker), is recognized for 60 minutes.

Mr. **BONKER.** Mr. Speaker, I have asked for this special order as chairman of the Export Task Force to commemorate World Trade Week.

I would like to take this opportunity to commend the Department of Commerce for its extensive activities to promote World Trade Week throughout the country. They have scheduled a number of events. They have been involved in various aspects of trade promotion. And I think the theme that they have chosen indeed is a relevant one: that is, "Trade Means Jobs."

The fact is that for every $1 billion in manufactured goods, it creates 31,000 jobs.

In 1981 the United States had $154 billion in trade, and if we were to add just 10 percent to that volume, that would have created another $15 billion and would have added up to a considerable number of additional jobs.

If we are to create more jobs, Mr. Speaker, and if we are to achieve economic recovery, we are not going to do so until we recognize the importance and value of international trade to our domestic economy.

The fact is that we have pretty much reached the limits of an expanding domestic economy to meet our growth needs. At the same time we are in a fiercely competitive world economy with Japan alone challenging U.S. preeminence in steel, in shipbuilding, home electronics, microelectronics, automobiles, motorcycles, and it goes on and on.

The fact is that the U.S. share of the world market is declining.

In 1980 the United States had 18 percent of the world market and that has dropped to 12 percent in 1981. And if we are to measure our export performance in relationship to GNP, we will discover that the United States has the lowest export volume compared to GNP of any of the industrialized countries, registering at about 8 percent compared to 12 percent in Japan, 23 percent in West Germany and 26 percent in Canada.

But despite those declines, the United States still is the dominant exporter. We now have a 13-percent share of that world market, followed by West Germany with 9.7 percent.

But we are in a competitive world economy. The United States must achieve more trade activity, must promote and distribute its export products, if we are going to have economic recovery at home.

Government policy does have a direct impact on our trade performance.

We have itemized a number of issues that involve both incentives and disincentives to exports.

If one were to look at some of the disincentives, he would see dramatically that the Foreign Corrupt Practices Act does more to inhibit and frustrate our trade potential than almost any other law on the books. A bill that is currently pending before one of the House committees would modify and streamline that law so that we can retain the original purpose without placing an undue burden upon the business community in its efforts to compete in the international market.

The Export Administration Act is another example. The fact is that we have placed a burden upon our businesses through the Export Administration Act every single time that a President chooses to impose economic sanctions for foreign policy reasons. That act authorizes the President to deny the issuance of an export license for human rights or national security reasons.

We have seen recent examples in Poland, or when Russia invaded Afghanistan, of two different Presidents using that act to impose economic sanctions to carry out certain foreign policy decisions. And the same applies to human rights considerations throughout the world, and U.S. policy.

We have got to find a more creative and perhaps a more effective way of dealing with our foreign and strategic needs.

We have discovered now in recent years that every single time we have attempted to impose economic sanctions for foreign policy reasons, we have not succeeded. That country merely will seek its imports and purchases from other countries, thereby bypassing American businessmen, and we have not achieved either the economic or the policy goals that were intended.

□ 1840

But the United States can and does play a positive role. The Export-Import Bank is one example of how the Government can help industry compete on an equal footing with its foreign counterparts, and we have this administration that is attempting to drastically reduce our contribution to the Export-Import Bank. The fact of the matter is that we need that instrument if our large and small companies are going to compete effectively on the world market.

If one were to look at just one company, Boeing, and recognize that Boeing is our No. 1 exporter, with 60 percent of Boeing's sales in the export market, and indeed if we did not have the Export-Import Bank in place providing comparable credit terms there is simply no way whatsoever that Boeing can compete. That company can compete on all other bases. It has a fine line of aircraft, but as long as the French engage in predatory credit practices and undermine the international market through subsidized interest rates, then we are going to see one of our major companies drawn completely away from the market. We should recognize that Boeing is a large industry, but it has 2,500 subcontractors that are small businesses, so many facets of our economy benefit by the Eximbank.

Beyond the Eximbank, we ought to look at some form of export credit, recognizing full well that financial capital is critical when it comes to participating in the world market. There is another example of how the Government can help in the international trade and U.S. potential to compete in that market. Shortly, hopefully next week, the Banking and Currency Committee will pass out its section of the export trade company bill. I happen to be the principal sponsor on this side of H.R. 1799, which would allow formation of export trade companies that will make it possible for the first time for small and medium sized firms to get into that export market.

The Department of Commerce has estimated that there are 20,000 manufacturing firms today in America that have the capability and the products that can be competitive in the world market if we could find a means of facilitating the export of those products. The export trading company bill could be one of the most important trade issues to come along in several decades. What that legislation will do, very simply, is to allow banks to participate as equity owners in the formation of trading companies. That is extremely important again if we are to provide the financial capital that will make it necessary for companies to get into that market.

The Banking and Currency Committee, I think, has passed out, or is shortly to pass out, language that would make it possible for banks to move beyond the depository function and into commercial activity through holding companies or through EDAC corporations. With necessary safeguards, I think we can do a great deal to enhance our export potential through this section of the legislation.

But secondarily, the export trading company bill will remove the continuing threat of antitrust violations to companies that come together in order to compete on a collective basis in world markets. As long as those antitrust provisions are intact, there is simply no way the companies are going to engage in this practice and take the risk. The Judiciary Committee, under Chairman Rodino, has already marked up legislation that will allow exporters to be exempt from antitrust provisions of the law, and through a certification procedure will extend to them the certainty and the immunity that they need from any potential threat of violation of those provisions of the law.

Mr. Speaker, I believe that the export trading company bill, once it is adopted by this House and indeed is placed before the President of the United States, will do more to regionalize American trading activities than anything else I can think of. It simply will serve as a catalyst to get more and more of America's businesses to think positively and creatively about our trade potential.

Government's role is critical. In these days we are going through a redefinition of Government's role in society, indeed in the business community, but I really think it is important that we take a strong look at Government policy with respect to our strategy and our efforts to enhance our trade activity around the world. That is going to call upon Congress to pass some kind of reorganization bill so that we can put together the various bits and pieces of the trade picture so that we do not have it spread out through a number of Federal departments and agencies. We are going to need a trade strategy to attempt to identify what those markets are so that we can make it possible for U.S. businessmen to compete effectively. We are going to need to know what the impact of government policies and of budgets and regulations are on the trade picture. Perhaps we can have an export impact statement just as we have an environmental impact statement that is already in place.

We have to recognize that even though there is a potential market out there, trade barriers do exist, and while the United States believes and attempts to practice an open market, and is probably closer to the ideal of free trade of any country in the world, the fact of the matter is those barriers exist through tariffs, through nontariff barriers, through duties and quotas and a whole maze of obstacles which make it exceedingly difficult for U.S. businessmen to compete.

The U.S. Government must accelerate its efforts to break down those barriers through multilateral negotiations like GATT, though trade agreements, through bilateral consultation efforts, and it goes on and on, but nonetheless that is a legitimate and important role for Government to play.

Government should also do more to promote trade opportunities. While this year we will spend $100 million to promote commercial interests through the Department of Commerce, through our emissaries to trade centers, through AID, through OPIC, the fact is the budget cuts as they are being applied indiscriminately will take away those opportunities in the future. The Chamber of Commerce has testified before the Foreign Affairs Committee and has offered an idea that I think has merit; that is, to establish a U.S. trade promotion corporation that would be a quasi-public venture and attempt to privatize some of the many functions that are in place, and add new ones to make sure that we are taking full advantage of our trade promotions and the promotion of important American products in the world market.

Government also has a role with respect to education and training. The fact is, as we have grown in importance, not only economically and militarily and culturally in the world, we are also in a startling decline of our educational requirements. At any given time, the Japanese will have 100,000 businessmen in our country, most of whom speak English, and the United States will have about 1,000 businessmen in Japan, very few of whom speak Japanese. If we are going to be competitive in the future, we have to train future generations of American businessmen who understand and speak the language, who know about marketing techniques in other countries, who can identify those products and help American businessmen compete.

We also need to extend those trading opportunities to the technical fields. If anything, in the 1980's and 1990's we are going to be in an era of high technology, and the only way we are going to compete, again economically as well as militarily, is to train a new generation of Americans who are fully equipped to live up to these new challenges.

The same applies to research and development opportunities. There was a California study recently that pointed out that there were 60,000 newly created jobs in the electronics field over the next few years, and only 14,000 graduates who were prepared to qualify for those jobs. The fact is, we have got to do much more in the educational field. We also must recognize Government's important role with respect to infrastructures. In almost every country that I know of, developed and nondeveloped, the Government takes responsibility for putting into place an infrastructure. That means port facilities, dredging channels, and the like.

This administration, in trying to find new sources of revenue, trying to remove the Government completely from the private sector, has placed the burden of paying for dredging and other channel operational work upon the private sector, which is going to put them at a competitive disadvantage in the future.

Mr. Speaker, one could say a great deal about productivity, which has an important role in this entire international trade picture. I am not going to elaborate at this point, but I will place something in the Record about productivity, but I do want to emphasize one aspect of it. That is what I call cooperative synergistic relationships. The fact of the matter is that we can no longer afford the adversarial relationship that exists between Government and business and business and labor.

□ 1850

We have got to replace those adversarial relationships with a partnership. We have to replace confrontation with consensus if we are going to achieve greater productivity and be more competitive in the world market.

The Japanese worker sees his self interests coinciding with the company. He sees the macroeconomic importance in that country. In our country we have never been able to emulate that.

It is very important that management and labor especially come together and form a common bond that would give them a focus on international trade in such a way that they can be more competitive.

Recently I was on a trip to Japan, sponsored by the American Productivity Center, and all of us were impressed by what we saw in that country in terms of management-labor relationships.

Management was rather magnanimous compared to our standards by extending to their employees lifelong employment, bonuses twice a year, on-the-job education and training, and even to the extent of offering low-interest loans so that their employees could find housing around the plant.

But, in return, the Japanese worker was fiercely loyal to his company, would not engage in job-hopping, minimized the strikes and confrontations that normally exist between labor and management.

The result is that their companies have become more productive and far more competitive in the world market.

Adversarial relations may be endemic to American tradition and systems. Certainly in Japan it seems that way now, but prior to 1955 adversarial relations were very much the case there. But we have to put aside these highly polarized positions among our major institutions and find a way to cooperate, to find that consensus that would help make our businesses more competitive.

In that case everybody, company, workers, government alike will benefit.

Mr. Speaker, I think all areas of the country have a stake in the international trade picture. We have not begun to realize our full potential. In the Northwest the three major industries, agriculture, aerospace, and wood products all have a heavy stake in trade. In fact, in each of those industries approximately 80 percent of the jobs are related in one way or another to trade.

In Washington State trade represents 16 percent of our GNP compared to the national average of 8 percent; $1 out of every $8 is involved in trade. Three hundred thousand jobs in the State of Washington are connected to trade. There is simply no way that we can avoid its importance.

I think Washington State is only one example of many throughout the country. We have the unique opportunity in our area, because of our vast natural resources, because of our manufacturing facilities and capabilities, because of our excellent port facilities, and our proximity to the Pacific rim countries. All of those things add up to exciting ventures in trade and economic recovery in the Northwest.

But I would appeal to the Members of this body to put aside some of their traditional inhibitions about the cooperative efforts that will be required between Government and private sectors so that we can achieve a trade policy that will not only make us more competitive in the world economy but will bring economic recovery at home as well.

Mr. DAUB. Mr. Speaker, will the gentleman yield?

Mr. BONKER. At this time I would like to yield to the gentleman from Nebraska (Mr. Daub).

Mr. DAUB. I thank the gentleman for yielding.

Mr. Speaker, I would like to join with my colleague today in welcoming the declaration of "World Trade Week" and expressing my support for efforts to further open and expand international markets for U.S. products, particularly agricultural products.

Our imbalance of foreign trade would be far worse if it were not for the add-on advantage of the dollars we receive from the exports of agricultural products.

For example, in my home State of Nebraska we often say, and the statistics bear this out, that 1 out of every 2 acres, or one-half of every acre that is in production actually leaves the boundaries of our continental United States and makes its way into the export market.

In light of the economic difficulties currently plaguing our agricultural sector we must emphasize the fact that increased efforts to promote agricultural exports would be a shot in the arm for our farmers.

I have written recently to the Secretary of Agriculture requesting his support for the funding of the revolving export credit fund, as it is called, as a vehicle for stimulating the kind of exports I am talking about.

The efforts of our farmers account for over one-half of the Nation's exports, assisting greatly in our balance of trade or lack thereof, depending upon which way one wishes to view it.

However, the great surpluses accompanied by the prospect of bumper yields for the 1983 crops currently being planted are serving to depress commodity prices such that farmers find little incentive to remain in business.

I submit that greater emphasis on agricultural exports would be the best remedy currently available for relieving depressed commodity prices.

I have urged this administration to exert every effort to work for a long-term grain agreement with the Soviets. Moreover, I would like to stress the importance of increased efforts to encourage the exports of "value-added agricultural products."

Not only does the export of enhanced agricultural products benefit the farmer, many other Americans are benefited through the processing of agricultural products.

Not only is the demand increased for the raw commodities, processors are given greater demand and the need for labor compounds the availability of jobs so badly needed at this time.

I am told that the State Department has taken special efforts recently to encourage our Ambassadors overseas to emphasize the benefits of exporting "value-added products."

I applaud this effort.

Furthermore, I have requested the Secretary of Agriculture's support for funding the revolving export credit fund as a means of increasing the exports of our agricultural products.

Finally, I ask my colleagues to join me in promoting the advantages of increased agricultural and value-added agricultural products.

I want to commend the gentleman for taking this time and this special order to focus this body and those who will find the advantage in stimulating our economy through what has been called World Trade Week. Let us make the best of it.

I thank the gentleman.

Mr. BONKER. I thank the gentleman.

I would simply point out that the export task force and also the Export Council has singled out agriculture as the most important of our export resources and commodities. We are continuing our efforts to find ways to promote these products as well as to bring down the barriers that exist, particularly in Japan and some of the other countries that make it difficult for us to penetrate those markets.

I think the studies have shown over and over again that we can export commodities to Japan, agricultural commodities that would greatly reduce the price to their consumers.

So we have to continue our unrelenting efforts to break down those barriers and to promote our agricultural products at the same time.

Mr. DAUB. I fully agree with the gentleman and think he has focused and emphasized accurately that free trade ought to mean truly that, and we need to keep the pressure on our foreign trading partners to understand that in the GATT negotiations which the gentleman talked about, and/or the efforts the administration has made with Japan about 4 months ago, that these barriers have had, the ad valorem, the tariffs, the barriers, the complicated maze of paperwork the gentleman so aptly described, need to be focused on, and those barriers need to come down, and what we can offer to our trading partners overseas is indeed more value for the dollars that they have to spend for things that they do not have or cannot readily produce in their own economies.

Mr. BONKER. I thank the gentleman.

Mr. WEBER of Ohio. Mr. Speaker, will the gentleman yield?

Mr. BONKER. I yield to the gentleman from Ohio (Mr. Weber).

Mr. WEBER of Ohio. I thank the gentleman from Washington for yielding. I want to compliment the gentleman on the excellent presentation he has made on this subject of foreign trade.

I have become very interested in some information which has been furnished to me by the U.S. Department of Commerce about my home State of Ohio. I find, according to their information, that Ohio ranks second in the country on the number of export-related jobs, according to the 1980 census of export origins done by the Bureau of the Census.

I bring this to the attention of this body because too often we in Ohio fail to recognize the importance of exporting to the jobs and the industries and the people of our State.

We now have 199,800 jobs related to the export of manufactured goods, which is about one out of every six jobs in the State of Ohio. Ohio ranks third in the country in the dollar value of its exports of manufactured goods with $18.1 billion in total manufactured goods in export.

□ 1900

Moreover, according to the Commerce Department's Cleveland district office, there are hundreds, if not thousands, of Ohio companies who could get into the export markets in the future, which would provide more jobs for Ohio and undoubtedly more jobs for the entire country.

Some of the products that are being exported from Ohio would be chemicals and allied products, $1.4 billion; primary metal industries, contributing $3.62 billion in exports; fabricated metal products, $1.84 billion; machinery, not counting electric, $3.45 billion; electric and electronic equipment, $1.3 billion; transportation equipment, $3.38 billion. And then turning to agriculture, there is a total of $1.633 billion of agricultural exports during the year 1980, including feed grains, soybeans, wheat, animal and meat, not counting poultry, miscellaneous, hides and skins. And then in addition, processed foods and kindred products of $402.8 million. One out of every four farmers in Ohio is involved in exports. For every $1 in exported agricultural products, that generates $2 in the Ohio economy.

I become exasperated at the manner in which U.S. products have such difficulty in penetrating many foreign markets. As the gentleman has pointed out in his presentation, our efforts in this Congress must address that problem, and I know of no other way than by the threat of retaliation. Perhaps existing laws are sufficient and, if so, I call upon the executive branch to enforce those laws vigorously, to force foreign countries to pull down their trade barriers. If existing laws are inadequate, then we must strengthen the trade laws to provide our U.S. officials with additional tools to assure fair opportunity for our exports.

In this regard, I have joined in cosponsoring several trade reciprocity bills directed toward opening up foreign markets, I have supported temporary import quotas on Japanese automobiles to send the message that we want fair treatment for our exports. For the U.S. economy to grow, we must increase the sale of our products overseas, and our efforts in this Congress must be directed to that objective.

I thank the gentleman for his presentation and for yielding me this time.

Mr. BONKER. I thank the gentleman for his contribution. I think he demonstrates very well the export potential of his State, as I have attempted to demonstrate for the State of Washington, and I think we could look at almost any State in the Union and see either natural resources or manufacturing capability that is indeed competitive. If we could just find a way to facilitate the export of these commodities, I think we could experience tremendous economic benefits at home.

Mr. SWIFT. Mr. Speaker, will the gentleman yield?

Mr. BONKER. I yield to the gentleman from Washington.

Mr. SWIFT. I thank the gentleman for yielding.

Mr. Speaker, I am glad that the President has made this World Trade Week. It is important that we act on a bipartisan basis to restore America's competitive edge in the world economy. This will require a recognition by Government and business alike that our prosperity depends on our role in a healthy world economy.

In the Pacific Northwest, the importance of trade and jobs have been dramatically emphasized by the severe economic slide. Unemployment is at historic highs in many of our port and timber towns. Resilient people are turning to despair. People who should and could benefit from fair international trade are calling for import restrictions that could lead to a 1930's style trade war. Clearly this is an area where there is a supportive role for the National Government to play.

I welcome the President's call to action and I agree with his statement that government can set the framework for expanded trade.

I fear, however, that the administration is destroying the infrastructure and eliminating the training and services that form the "framework for expanded trade."

One ray of hope in my district has been the work undertaken by the Economic Development Council of Puget Sound as the regional administrator of the Trade Adjustment Assistance Act. It is currently helping the timber industry develop new products and techniques that will help them compete in foreign markets, and meet foreign competition at home. Testimony before the Congress demonstrated that similarly valuable efforts are underway as part of this program in different parts of the country. Nonetheless, in the name of budget cutting the administration sought the total elimination of this program—a modest $27 million program that returns far more to the Nation with the companies it saves from bankruptcy and the workers it saves from unemployment.

I have worked with a bipartisan coalition of members to restore funding to this program and was pleased that the Ways and Means Committee so recommended. I am troubled, however, that in the material recently circulated by the Department of Commerce in support of "World Trade Week" there is no mention of the trade adjustment assistance program, even though the materials were prepared by the Bureau that supervises this program.

It is vital that we find ways to stimulate private business to compete effectively in the world. The Export Task Force has identified a number of ways we can help do that and I am pleased to support their efforts. As we move forward, however, we need also to pay greater attention to the net positive return to the taxpayers from Government service and infrastructure programs. Money invested in the Coast Guard and Customs Service brings money into the Federal Treasury and saves jobs and lives. Money invested in ports and transportation moves our goods to market so that they can be cost competitive and find a place in the world's market.

Emergency housing aid will keep a major industry working at a scale that makes exports possible in addition to its other benefits for the Nation's economy.

It is with distress that I note that the administration apparently opposes all of these proposals to help our trade position, our workers, and their employers in the private sector. It would be a tragic mistake if we failed to take prudent steps to insure that potentially productive small- and medium-sized firms survived in the short run, while we consider long-term steps to turn the economy around. We do not want to promote a nation and an economy in which only massive firms can survive and become successful in taking advantage of new export markets. Such an outcome would damage the whole foundation of our society.

I hope this debate on export policy is a sign that private business and Government, Democrats and Republicans, can work together to build a national infrastructure that will allow us to use our talents to compete successfully into the 21st century.

Mr. Speaker, I attended, with a number of my colleagues, an interparliamentary meeting of members of the OECD, essentially the industrialized democracies of the world, and the major concern with these democracies—Europe, Canada, the United States, Japan—was the preservation of free trade. But because we were parliamentarians, people who have to go back and deal with the political realities of our constituents, I was intrigued as to whether other countries faced some of the same kinds of pressures that I feel in my district, which is a net exporting district, but, still, political pressures faced from those who are hurt when certain kinds of imports impinge upon their businesses. And they said yes, indeed, that was true. Norway spoke up, Spain spoke up, West Germany spoke up. They said yes, of course, they have the same kinds of pressures within their society to build trade restrictions for the benefit of some internal economic matter.

It occurred to us—and I think this special order that the gentleman has taken may give an opportunity to bring it up—we noticed there was something else that was also common in all of our countries, and that is those businesses and industries which are hurt by free trade speak out. They tell their elected representatives, and very frequently they tell the public—and that is their right and I am not suggesting there is anything inappropriate about that at all—but it is ironic that those industries in each of these nations who benefit enormously from free trade, the industries and businesses which provide the jobs because they export from the United States and from the other countries, rarely come and call on us and tell us about that aspect of the problem, and almost never do they communicate with the general public. In other words, to the extent that keeping free trade and avoiding what is the inevitable downward spiral of trade barriers, once that kind of trade war starts, we need a general understanding among the public of the importance of free trade to a nation economically as a whole. We have the great Boeing Co. in Seattle, we have John Fluke Manufacturing, which has some of the finest electronic testing equipment in the country, bulbs and seeds, in Skagit County, from where I come, lumber, and so forth. But these companies, because of whatever reason, do not seem to me to take full advantage of the opportunities they could have to tell their employees and to tell the communities in which they serve and to which they contribute economically the importance of "what's in it for us" in free trade. It seems to me that they could be an enormous help to our effort, as American public policy makers, to keep a wise and prudent free trade policy going if they were to tell their story of the jobs provided by and the benefits to the economy of a free trade policy.

I thank the gentleman for requesting this special order. I am proud to participate, and I congratulate the gentleman on his efforts.

Mr. BONKER. Let me just point out to the gentleman who represents a congressional district that is heavily dependent on wood products that in several areas of my district the export of those products is the only thing that is keeping the economy afloat. There are certain areas where we have mills that are operating at capacity because of the export business. There was an article in the Wall Street Journal just a few weeks ago about a small mill in Williams, Oreg., that was near collapse until they went on a trade mission and as a result the mill is now running at capacity and indeed it is planning on expansion.

We can no longer depend exclusively on the domestic wood products industry or housing to keep our wood products industry going. We have to find new outlets for our products. My preliminary study shows that there is a tremendous market out there, not only in the Pacific rim countries, but other places. However, if we do not work steadily toward this free trade ideal—and it is far from realized at this point—we are going to hurt in the long run. The United States still is the No. 1 exporter. During times of worldwide recession it would be very tempting for countries to erect more trade barriers, and there are only one or two aternatives to economic recession in this country, so long as we allow other countries to compete as actively as they are within our domestic market. We can either erect trade barriers to keep those imports out and protect domestic industries, or we can find our place on that world market, enhance our export activity and make sure that we are more competitive.

If we can do the latter, we will not only experience the economic benefits at home, but we will make major strides toward that concept all of us want to see fully embraced by other countries—free trade.

● Mr. ALEXANDER. Mr. Speaker, I rise to join with my friend and colleague, Don Bonker, to celebrate World Trade Week 1982. The House Export Task Force, which is chaired by Don Bonker, has done an excellent job in promoting and informing Members of Congress and the public about what exports mean to the United States. I commend Don and the Export Task Force staff for their diligence and assistance.

Mr. Speaker, the purpose of World Trade Week is to call attention to the importance of world trade to the United States. One only has to look at our trade deficit with the resultant inflation and loss of jobs to know what exports mean in our daily lives. What Don Bonker and I, and many other Members of this body, have been trying to do is to convince people that by increasing exports we can lower inflation and create more jobs for our people. World Trade Week will help in informing people about this.

One piece of legislation presently before the Congress which will increase exports at the small- and medium-sized business level is Export Trading Co. legislation. It is estimated that 95 percent of U.S. foreign trade is carried out by only 5 percent of the U.S. business community. Clearly, there is a pressing need to involve small- and medium-sized businesses in the export market. Export Trading Co. legislation will allow these groups to enter the export arena in a controlled manner. Our colleagues, Mr. St Germain, Mr. Bonker, and Mr. LaFalce, among others, deserve our thanks for diligently working on this measure which I believe we will see enacted this year.

May 16-22 has been designated by President Reagan as World Trade Week. However, exports and trade competition continue 52 weeks a year. We must allow our industries to compete equitably with foreign businesses—whether that be in Export Trading Cos., Ex-Im financing, tax issues, foreign corrupt practices amendments or trade reciprocity. Our competitors are playing hard-ball in the international trade arena. I believe there is a substantial number of members in this body who are willing to play the trade game just as hard. World Trade Week can be the call to begin this process. I stand ready to work with my colleagues toward this end.●

● Ms. OAKAR. Mr. Speaker, This month we are celebrating National Small Business Week and World Trade Week. Both of these American enterprises deserve a special priority.

When we look at our economy we see a situation that is the worst we have known since the Depression of the 1930's—in terms of unemployment, capital investment and productivity. Our declining GNP and trade deficit are two problems that are interrelated. Unemployment and foreign competition are two problems that are intertwined.

There are markets out there, but we have to be able to modernize, to afford new technology, to find skilled workers at reasonable wages, to train international sales representatives and managers for a global market. Free trade should mean fair trade—competitive parity. As Members of Congress we have an obligation to provide legislation that will promote the conditions of parity—not advantage—for American workers and American businesses.

We know that approximately 86 percent of the Nation's new jobs in the private sector are created by small businesses. We also know that each $1 billion in manufactured exports means almost 31,000 jobs for U.S. workers. Over 50 percent of the major inventions in this century have been the result of efforts of individuals associated with small businesses. The creative efforts of these small firms and manufacturing companies has provided our Nation with new services, new products and technological breakthroughs

which have been the lifeblood of our economy. Now more of that lifeblood is being drained off by the expanding horizons of a world market we can no longer escape.

But there are severe obstacles to our expansion into that world market. The combined effect of tax policy, fiscal policy and monetary policy has crippled the growth of small businesses at a time when our economy badly needs the refueling they can supply.

Interest rates, in particular, have had a devastating effect on small businesses. These small companies are extremely sensitive to higher interest rates because they usually pay a higher premium to borrow money than larger companies. High interest rates have been a prime factor in the escalating rate of business failures and bankruptcies. Capital investment has been hard to come by because these smaller companies are increasingly "crowded out" of the credit market. When they are crowded out of the credit market, they are crowded out of the resources they need to stay competitive in the world economy. Small businesses are far more likely to contract terminal illness from exposure to foreign competition and the ravages of protectionism. On the other hand, small businesses are a potential, untapped bonanza for export opportunities.

American businesses are faced with a challenge. The domestic market can no longer absorb all of our potential. Foreign competition has increased quantitatively and qualitatively. It is time to retool, reorganize and get into gear on the global scene.

In my own area, this week celebrates World Trade Week. We have tremendous potential in world trade. I will do all I can to assist our area.●

● Mr. FRENZEL. Mr. Speaker, I am pleased to join my colleagues in a salute to World Trade Week. In this time of domestic economic recession, it is easy to forget the importance of world trade. It is even easier to forget the fact that world trade has to be a two way street.

Many of us are eager to support U.S. exports, because we all know that means more U.S. jobs, but too many of us here in the Congress are just as eager to support demands for import restraints by industries in our districts as a means to deal with falling revenues and layoffs.

We must remember that we cannot expect to export and eliminate trade barriers abroad unless we import and work to eliminate our own trade barriers. The simple rule of world trade is that if you want to sell, you must buy.

World Trade Week is being promoted in major cities all over the country. I salute all of those people who are working on it. They are dedicated to raising the export consciousness of our country.

There is still only a tiny percentage of U.S. businesses which actually is in the export business. We cannot afford to continue our competitive decline. We must continue to look for ways to encourage new exports and increased exports by those currently in that business.

I will be one of the first to admit that Congress has not been terribly helpful in the area of export promotion. Export trading companies legislation is starting to move along, but the House should have passed this legislation months ago.

Foreign Corrupt Practices Act remains a serious disincentive, yet a House subcommittee displays little interest in addressing the bill which would make some worthwhile changes. Foreign policy controls on U.S. exports are a continuing disincentive and our export financing terms are not as attractive as those offered by competitors aboard.

I urge my colleagues to reaffirm our dedication to promote world trade beyond World Trade Week.●

● Mr. DICKS. Mr. Speaker, I am pleased to join with my colleagues in recognition of World Trade Week, and to add my voice to the many others who have spoken here today on the importance of trade to the U.S. economy and to U.S. jobs.

As many of you know, one of my particular interests in the trade sector is the Export-Import Bank. I would like to speak for just a minute about the importance of this institution, and about the budget reductions which have been proposed for it.

For fiscal year 1983, the administration proposed an authorization of $3.8 billion for the Export-Import Bank's direct loan program. This would be a reduction of 13 percent from the Bank's 1982 funding level of $4.4 billion, and nearly a 30-percent reduction from the 1981 funding level. If our share of world exports is to remain strong, we cannot afford cuts of this magnitude.

The Eximbank operates as a self-sustaining institution, and does not require appropriated funds. Instead, it seeks loan and loan guarantee authority, not direct outlay authority.

Through its direct loans, loan guarantees and insurance, the Eximbank supported exports of $18.6 billion in 1980 alone. According to a survey done by the Treasury Department, at least 70 percent of that $18.6 billion would not have occurred without Eximbank support.

According to the Bureau of the Census, every $1 billion in exports supports 30,800 American jobs. One in every seven workers is involved in the production of manufactured goods sold abroad. In 1981 alone, Eximbank assistance was used by more than 2,600 firms across the country.

Virtually every other country in the world which exports its technology offers the lowest interest rate permitted by the OECD arrangement. In some cases, through the use of mixed credits and other financing tools, the interest rates have actually been reduced below that agreed-upon level. The comparable U.S. "blended rate" is 3 percentage points higher than the base rate offered by most other countries. And to top that off, we support far fewer of our exports with competitive financing assistance than other exporting nations. A 1980 study by the General Accounting Office found that during 1978, Japan and England supported 35 percent of their exports with favorable financing, France supported 20 percent of its exports, and West Germany supported 12 percent. By contrast, only 6 percent of American exports were supported by the Export-Import Bank.

America is losing jobs and sacrificing its place as a strong exporting nation by failing to provide adequate funding for the Export-Import Bank. Now, during World Trade Week, we should be all the more aware of the importance of trade to our economic wellbeing.

Let me give you two specific examples of deals which were lost due to lack of competitive financing.

The Westinghouse Electric Corp. had an opportunity to sell turbine generators to Korea. The export price was to be $80.4 million. Eximbank agreed to provide 85-percent coverage, though 10 percent of that coverage was subsidized by the supplier, at an interest rate of 10.75 percent, plus a 2-percent fee. The rival for the sale was, in this case, France. France offered the turbines at 85-percent coverage with an interest rate of only 7.6 percent for a period of 15 years. The deal was lost to France.

Another example is a deal which was to be made between Combustion Engineering and the Mexican Government. Combustion Engineering wanted to sell a fossil powerplant, at a cost of $139 million. Eximbank offered 42.5 percent financing at 12 percent interest, with another 42.5 percent of the financing to be provided through commercial lenders satisfactory to the Bank. The term was 12 years, and a 2-percent fee was to be applied. The Japanese Government offered the Mexicans 100 percent financing at 8.5 percent interest for 12 years. The deal was lost to Japan.

We cannot allow U.S. companies to continue to loose business to foreign rivals because of a lack of competitive financing. It costs us jobs, it hurts the strength of the American dollar, and it adds to our trade deficit. I hope that World Trade Week will heighten the awareness of my colleagues here in the House to the extreme importance of maintaining the Export-Import Bank as an institution strong enough to provide competitive financing for American products in the world market.

Thank you, Mr. Speaker.●

GENERAL LEAVE

Mr. BONKER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of my special order of today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

VETERANS' ADMINISTRATION FAILS TO PROPERLY IMPLEMENT VIETNAM VETERAN LEGISLATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. BONIOR) is recognized for 5 minutes.

● Mr. BONIOR of Michigan. Mr. Speaker, I call my colleagues' attention to the following letter, sent to President Reagan today, and to the attached factsheet outlining the VA's failure to properly implement Vietnam veteran legislation enacted by this body last year:

HOUSE OF REPRESENTATIVES,
Washington, D.C., May 20, 1982.

Hon. RONALD REAGAN,
The White House, Washington, D.C.

DEAR MR. PRESIDENT: Last Saturday, in your weekly radio broadcast, you reminded the nation of its deep obligation to those who serve in the armed forces. Today, we urge you to honor that obligation by fully implementing two vital Vietnam veteran programs.

In March of this year, 747,000 Vietnam veterans were unemployed, a 47% jump from a year ago. Their unemployment rate of 9.9% was significantly higher than that of their non-veteran peers. Tragically, these figures are just the latest sign of the continuing employment problems facing many Vietnam veterans.

To meet these problems, last year Congress extended eligibility for the training programs under the GI Bill as part of The Veterans' Health Care, Training, and Small Business Loan Act of 1981, P.L. 97-72. As the legislative history made clear, Congress sought to extend hope to a broad group of underemployed and unemployed Vietnam veterans.

That great hope has been dashed. The Veterans' Administration (VA) regulations implementing the legislation have barred from the program many of the veterans we sought to help. Without regard to a veteran's employment history or present employment problems, the VA has made ineligible *any* veteran with sixty (60) hours of post-secondary education and *any* veteran who has ever had just three months of vocational "preparation".

Unfortunately, the VA's failure to implement P.L. 97-72 did not stop there. Several years of hearings have clearly demonstrated that Vietnam veterans were not benefiting from the government's small business loan programs. To correct the problem, Congress created a special Small Business Loan Program for Vietnam veterans. In drafting the program, Congress merely extended, belatedly, to Vietnam veterans the consideration it had offered World War II veterans.

The Small Business Loan Program was to begin earlier this month, yet the VA has not even proposed regulations to implement the program. Nor do they have plans to issue regulations by any specific date. The Office of Management and Budget (OMB) has not submitted to Congress a funding request for the program.

Mr. President, this is not a budgetary problem. It is a question of national fidelity. The combined cost of both programs over their entire lifetime is $167 million.

Vietnam veterans have waited too long for basic benefits. The important Readjustment Counseling Program was only enacted in 1979. The training and business programs enacted last year followed the beginning of American involvement in Vietnam by nearly two decades. They followed the official end of the Vietnam era by more than a half a decade.

By failing to aggressively implement these measures, we compound long delay with present neglect. We urge you to take the necessary action to force prompt and full implementation of these important Vietnam veteran initiatives.

Sincerely,

DAVID E. BONIOR.
BOB EDGAR.
THOMAS A. DASCHLE.
DON EDWARDS.
LEON E. PANETTA.

FACT SHEET

BACKGROUND: EMPLOYMENT AND BUSINESS ASSISTANCE FOR VIETNAM VETERANS

Last year, the Congress enacted landmark legislation for Vietnam veterans, The Veterans' Health Care, Training, and Small Business Loan Act of 1981, Public Law 97-72. Among the Act's provisions were two (2) important employment and business initiatives:

A Small Business Loan Program for Vietnam and disabled veterans providing loans and loan guarantees of up to $200,000. (Title III of Public Law 97-72, 38 USC 1841-1851.)

Eligibility for employment assistance under the GI Bill through On-the-Job Training, Vocational or Secondary Education was extended. (Section 201 of Public Law 97-72, 38 USC 1662)

Both programs were carefully focused and budgeted:

The Small Business Loan Program was sunsetted. New commitments could not be made after September 30, 1986. The program's 5 year cost is $25 million.

Eligibility for employment assistance under the GI Bill was extended for only a 2-year period, from January 1, 1982 to January 1, 1984. Its total cost is $142 million over two (2) years.

The two programs were the long overdue response to the continuing needs of Vietnam veterans: In March, 747,000 Vietnam veterans were unemployed, up 47 percent from a year ago. The Vietnam veteran unemployment rate of 9.9 percent was 14 percent higher than the unemployment rate of their nonveteran peer.

Vietnam veterans by the tens of thousands were coming to the Readjustment Counseling Centers opened during 1980 and their greatest concern was employment problems, yet all but a few were no longer eligible for the VA's employment programs. To correct the problem, Congress created the limited eligibility extension. Hearings demonstrated that the Small Business Administration (SBA) was not serving Vietnam veterans. Congress responded by creating a limited program focused specifically on Vietnam veterans.

IMPLEMENTATION

Enacted nearly two decades after the beginning of the American involvement in Vietnam, more than a half decade after the end of the Vietnam era, the employment and business programs created in the Veterans' Health Care, Training, and Small Business Loan Act of 1981 offered long overdue hope to Vietnam veterans. In addition to providing immediate help, the Act was a sign to all Vietnam veterans that, however long it had taken, their government was prepared to recognize their service and its own obligations. Despite the importance of the two programs, the Administration has blocked their implementation.

1. The small business loan program has not been implemented at all.

Signed by the president on November 3rd, 1981, the Small Business Loan Program was to begin 180 days after enactment, by May 3d, 1982. The Veterans' Administration (VA) was given immediate authority to promulgate regulations implementing the program. (Public Law 97-72, Section 305, 38 USC 1841.)

To date, the Administration has failed to promulgate regulations and has no specific plans to propose the regulations by any definite date. The failure to promulgate regulations is part of an explicit decision not to implement the program. The Administration did not request funding for the program as part of their request for fiscal year 1983 or for the fiscal year 1982 Supplemental.

The Administration has opposed the Small Business Loan Program from its inception. Opposing enactment of the program, the President specifically announced his opposition to funding the program when he signed the bill, noting that he would "weigh carefully any effort to fund this program." (Weekly Compilation of Presidential Documents, Vol. 17, No. 45 (1981), Nov. 3.)

2. Eligibility for the extended employment assistance has been conscribed through regulations that frustrate Congressional intent.

Eligibility was extended to the GI Bill On-the-Job Training Program, Vocational Education and Secondary Education in order to serve Vietnam veterans who were facing continuing employment problems. While including unemployed veterans, Congress also sought to help underemployed veterans and veterans who had interrupted employment histories.

This broad purpose was reflected in the statute which made all Vietnam veterans eligible who needed the program "in order to achieve a suitable occupational or vocational objective." (Public Law 97-72, Section 101; 38 USC 1662, emphasis added.) Both the House and Senate managers of the bill repeatedly emphasized the program's broad purposes. (See especially, statements of Congressmen David E. Bonior (D-Michigan), Bob Edgar (D-Pennsylvania), and Tom Dachel (D-South Dakota), June 1 and 2, 1981.)

By DVB Circular 22-81-15, December 22, 1981, the VA implemented the extended eligibility Vocational Education and On-the-Job Training in a way that precludes significant impact:

Without regard to his actual employment history and present employment needs, any

Vietnam veteran with a college diploma is barred, as is any Vietnam veteran with either a 2-year degree or a mere 60 semester hours of college courses. (Section 6(b)(1)(b)).

Without regard to his actual employment history and present employment needs, only a Vietnam veteran who has never held a job beyond an entry level is clearly eligible. Any veteran who has ever received even minimal vocational "preparation" of three months or more is barred. (Section 6(b)(1)).

In essence, the end product is that only presently unemployed veterans are likely to be eligible, and even presently unemployed veterans will probably be barred if they have any post-secondary education or have ever held a regular job requiring any skills. Of the Act's bold effort to help Vietnam veterans, only the eligibility for high school training survives intact.

3. Because both programs are sunsetted, delay may eliminate entirely the hope Congress sought to extend.

No benefits may be awarded to veterans seeking employment assistance under the Act's extended eligibility after December 31, 1983, only a year and a half from now. The first quarter (25 percent) of the eligibility period has already expired. Similarly, no loan or loan guarantees can be made under the Small Business Loan Program after September 30, 1986. One-tenth of the program's 5-year eligibility period has expired.

Even strong Congressional action cannot change the Administration's actions without some further delay. For Vietnam veterans, new policies promulgated in December, 1982 or January, 1983 may prove a hollow victory. Even when it loses the final battle over policy, the Administration may have won a substantial victory in implementation.●

MILITARY BANDS: WE SHOULD HOLD THEIR SPENDING IN LINE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kansas (Mr. GLICKMAN) is recognized for 10 minutes.

● Mr. GLICKMAN. Mr. Speaker, with all of the talk about how we must cut Government spending, it was absolutely amazing to me to find out that the Defense Department included nearly $100 million in its fiscal 1983 budget request to cover the costs associated with operating military bands. Their request for next year represented a 6-percent increase over this year's budget and a 17-percent increase over fiscal 1981 spending for the bands.

When this came to my attention in reviewing the budget documents submitted by the administration and asking a number of questions seeking more details, it prompted me to write to Secretary Weinberger questioning the need for the increase and urging that the administration revise downward that portion of its budget request. My letter led to an interesting exchange of correspondence with Deputy Secretary of Defense Carlucci. It was particularly surprising when he advised me that, "The increase in operation and maintenance funds is to offset inflation and maintain a constant funding level."

Given the fact that the administration's initial budget explicitly stated that discretionary programs "have generally not been provided inflation allowances" in an attempt to create an incentive to ferret out wasteful expenditures and to "ensure that the money * * * is utilized in the most efficient and productive manner possible," it seems clear to me that we have a clear case of using a double standard in the budget process.

As I see it, waste is waste regardless of where it is found. If we can expect valuable domestic programs including a number which have been proven cost-savers to hold the line or even sustain cuts in funding levels, we should be able to expect the same in the case of programs within the Pentagon's jurisdiction like these bands. We have limited resources and they must be expended wisely. These are tax dollars we are talking about.

I want my colleagues to be aware of my exchange of correspondence with the Pentagon. I think it will be instructive in terms of the varying perspectives on the funding needed for these bands. Apparently the Defense Department wants to put these bands in the entitlement category by claiming they are not discretionary. It is a small item, given the magnitude of the deficits we are confronting, but we cannot ignore these small items if we are serious about turning the goals set in whatever budget resolution is adopted into real savings.

I include the exchange of correspondence at this point in the RECORD:

HOUSE OF REPRESENTATIVES,
Washington, D.C., March 12, 1982.

Hon. CASPAR WEINBERGER,
Secretary, U.S. Department of Defense, The Pentagon, Washington, D.C.

DEAR SECRETARY WEINBERGER: It has just come to my attention that the Fiscal 1983 budget request for your Department includes $95.5 million to cover the costs of various military bands. That is an increase of $5.8 million or 6% over the funding request for these military bands included in last year's Pentagon budget request and a $13.8 million or 17% increase over just two years ago. I realize that in comparison to the total $263 billion request for the defense function this is "small potatoes," but it is totally incomprehensible that the Administration has seen fit to request nearly $100 million for military bands including any increase at all over last year's budget request at a time when program after program is being asked to take cuts below last year's funding levels.

From your perspective as Secretary of Defense, I would think that probably the biggest problem with this increase is what it signals to the American people. They hear day after day that we need to spend more on our military operations and that there is just nowhere to cut in the Pentagon budget that would not weaken the Administration's plan for enhancing our national security posture, but the fact that the military budget includes this $95.5 million request for bands seriously weakens the credibility of that premise. It points up the fact that the Pentagon is not immune to wasteful, unnecessary expenditures any more than any other federal department.

We do a lot of talking about waste, but if we don't take seriously the responsibility to rout it out, taxpayers aren't going to sit by patiently and let it continue. I would hope that the Administration would, as this budget process continues, recognize the fact that this portion of the military budget can indeed be reduced and should be without a doubt.

Before I close, I want to make one more point regarding the use of taxpayers' dollars for these bands, particularly with regard to how it worked last year. The FY82 budget request included $89.7 million for the bands, but that figure has already grown to $92.8 million. As I read it, that is a cost overrun pure and simple. There are certainly situations where cost overruns will develop and must be absorbed. That should not have been the case in this type of non-essential portion of the budget.

With best regards,

DAN GLICKMAN.

THE SECRETARY OF DEFENSE,
Washington, D.C., April 1, 1982.

Hon. DAN GLICKMAN,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN: The purpose of this letter is to respond to your letter of March 12, 1982, concerning the costs of military bands. I share your interest in eliminating waste and unnecessary expenditures, but submit that our military bands are necessary and they are doing more with limited resources.

Historically, military bands have played an integral part in military life and tradition. Today, bands play a major part in our recruiting effort, they sustain troop morale which contributes to retention and they make community relation appearances at no additional cost to DoD. Military musicians are among the hardest working members of the Armed Forces with many evening, weekend and holiday commitments.

A recent GAO report (FPCD-81-72) concluded that use of military bands has increased despite declining resources. Since 1964 the number of military bands has decreased by 50% and the number of personnel has decreased by 32%. Despite personnel reductions, performances per band increased substantially between 1970 and 1980. Additionally, the report concluded that although current appropriations increased since 1975, in terms of constant dollars, funding has decreased.

So much for general information, let me be specific regarding the apparent cost increases. There has been no change to the level of effort for the military band programs. The table below summarizes the resource requirements in millions of dollars for military bands.

	Fiscal year—		
	1981	1982	1983
O&M	10.6	11.4	12.1
Mil Pers	71.1	81.4	83.3
Proc			
DoD total	81.7	92.8	95.4

The increase in operation and maintenance funds is to offset inflation and maintain a constant funding level.

The increase in military personnel costs between FY81 and FY82 is attributed to the pay raise that became effective on October 1, 1981. It is misleading to attribute all pay and allowance costs to support of band programs. Band members are first and foremost trained assets as military personnel and represent a readily available manpower pool in times of crisis.

The increase in military personnel costs between FY82 and FY83 will allow the Services to man near the authorized level.

Because of the continuing interest in military bands the Services conducted a total review of band operations to insure all costs were properly identified. This review resulted in the corrected estimates in the FY82 budget. It must be emphasized that there was no change in level of effort and dollar amount changes resulted from improved accounting procedures.

Thank you for the opportunity to explain the important contribution military bands are making.

Sincerely,

Frank C. Carlucci,
Deputy Secretary of Defense.

House of Representatives,
Washington, D.C., April 6, 1982.

Hon. Frank C. Carlucci,
Deputy Secretary of Defense, The Pentagon, Washington, D.C.

Dear Secretary Carlucci: I have your letter of April 1 responding to my letter last month raising questions about the cost of operating the various military bands. I do appreciate the fact that you took the time and trouble to reply; however, I continue to question the wisdom of seeking an increase in the budget allocation for the bank programs during this period of fiscal austerity.

It was particularly surprising to me when you stated that, "The increase in operation and maintenance funds is to offset inflation and maintain a constant funding level." In previous years, that has generally been accepted as a reasonable basis for increased program costs; however, a quick look at the budget will show that similar generosity has not been extended to programs elsewhere in the budget. In fact, in the budget documents submitted to the Congress in February, it was explicitly stated that discretionary programs "have generally not been provided inflation allowances." That section goes on to explain that the purpose for not allowing such increases was "to provide a powerful incentive to reduce overhead, waste, and low priority activities and ensure that the money we spend for many worthwhile purposes . . . is utilized in the most efficient and productive manner possible."

The challenge of holding down the federal deficit is not an easy one; we all know that. It will be much harder to meet if we continue to apply a double standard when it comes to the defense budget.

With best regards,

Dan Glickman.

The Deputy Secretary of Defense,
Washington, D.C., April 28, 1982.

Hon. Dan Glickman,
House of Representatives,
Washington, D.C. 20515

Dear Congressman: This is in response to your letter of April 6, 1982, expressing concern over the requested increase in operation and maintenance funds for military bands to offset inflation.

In your letter you quote the President's Budget Message concerning the deficit reduction plan as it applies to domestic discretionary programs. You suggest that military bands should be considered discretionary, i.e., of lower priority, and that an allowance for inflation should not be applied to their operations. This would ensure that the dollars spent for this program are used as productively and efficiently as possible.

Unfortunately, your suggestion is not appropriate in the case of the military band program. Bands are an essential ingredient in our recruiting and retention programs for military personnel. They are also productive and efficient—as the GAO has noted—having significantly increased the number of their performances since the advent of the All Volunteer Force while reducing overhead and personnel. Consequently, their costs in terms of constant dollars have remained at the same level since 1975. To do their share of the work in our recruiting and retention programs, they must be maintained at their current level of effort—and cannot be classified as discretionary.

Again, May I thank you for the opportunity to explain the importance of military bands. The challenge of holding down the federal deficit is indeed not an easy one and we cannot have double standards. Your suggestion and comments are most appreciated.

Sincerely,

Frank C. Carlucci.●

LEGISLATION PROPOSING PRESIDENT SHOULD PROPOSE POOLING OF DEFENSE RESOURCE AT NATO SUMMMIT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. Zablocki) is recognized for 5 minutes.

● Mr. ZABLOCKI. Mr. Speaker, increased attention is being focused in the Congress on the appropriate level of commitment and contributions to Western security which should be undertaken by the United States and our NATO allies.

To help develop a constructive consensus on this crucial issue, I am today introducing a concurrent resolution which calls on the President to propose at the upcoming NATO summit in June 1982 a pooling of defense resources in order to develop a cost-effective, credible, collective, conventional force for the defense of Western Europe.

The key elements of the resolution emphasize what will be required to bring about this important objective. They include: First, a cooperative defense-industrial effort within Western Europe and the United States in order to reduce defense costs; second, equitable burdensharing and economic benefits for all members of the NATO alliance; third, specific strategies and programs to make more equitable burden sharing and economic benefits a reality; and fourth, proper congressional oversight.

The resolution is similar to an amendment overwhelmingly approved by the Senate in its consideration of the Defense Department authorization legislation. I hope the resolution will receive similar support in the House.

AMENDMENTS TO BUDGET RESOLUTION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Colorado (Mr. Wirth) is recognized for 5 minutes.

● Mr. WIRTH. Mr. Speaker, in today's Record are the two amendments to the budget resolution which were filed Wednesday, May 19, 1982, before noon, with the Rules Committee and with the Budget Committee. Both have been analyzed for content and processed by the Budget Committee and the Congressional Budget Office.

On committee business, I was in New York City on Wednesday morning and thus could not insert these amendments in the Record by the noon deadline. However, they were filed with the Rules Committee and the Budget Committee. At this point I include the following:

Amendment to Function 300: Natural Resources and Environment by Mr. Wirth

Purpose: To provide adequate funding for implementation of Environmental Protection Agency hazardous waste management programs, research and development and other operating budget activities.

HAZARDOUS WASTE MANAGEMENT

Through fiscal year 1981, EPA was responsible for implementation of five federal environmental statutes which were part of its original mission, including the Clean Air Act, the Clean Water Act, the Safe Drinking Water Act and others. However, with the enactment of two new statutes in 1976 and 1980, Congress expanded EPA's mission to address the serious problem of hazardous wastes. Both are now ready for implementation:

The "Superfund" Act of 1980 directs EPA to inventory and begin cleanup of thousands of abandoned hazardous waste dumps nationwide which present serious dangers to public health. EPA has currently identified 10,000 abandoned sites nationwide, of which 200 have been identified as extremely dangerous—potential "Love Canals." EPA has spent the past 18 months developing inventories and procedures for cleanup efforts, which are now ready to begin. Freezing funds at fiscal year 1982 levels would virtually halt cleanup work: only 3 to 5 sites per year could be cleaned up at that level.

The Resource Conservation and Recovery Act of 1976 directed EPA to begin inspection and licensing of the 20,000 active hazardous waste dumps in operation nationwide. This effort is now ready for implementation. At fiscal year 1982 funding levels, inspections would not be completed for 13 years. Communities located near these active dumps could not be assured of their safety until the mid-1990's.

RESEARCH AND DEVELOPMENT

Research and development into hazardous waste control is in its infancy. Fiscal year 1982 budget reductions made large cuts in EPA's R&D capabilities in this and other areas. Standard-setting functions under the hazardous waste statutes and under the Clean Air and Clean Water Acts would be seriously hampered if funding is left at that level, causing uncertainty and frustration for regulated industries.

GRANTS TO STATES AND OTHER ACTIVITIES

The state perform 80 percent of the field work necessary for permitting processes under the Clean Air Act and other environmental statutes. EPA grants fund much of this work, and some additional funds beyond fiscal year 1982 levels will be critical to preventing additional permitting delays for major industrial facilities, powerplants and energy projects in many states.

HOUSE BUDGET COMMITTEE MARKUP AMENDMENT OF THE FIRST BUDGET RESOLUTION, FISCAL YEAR 1983, BY MR. WIRTH

[In millions of dollars; fiscal years]

	Natural resources and environment					
	1983		1984		1985	
	BA	0	BA	0	BA	0
Reduce function by						
Increase function by	$250	$100	$250	$200	$250	$250

Purpose: To provide increased funding for Environmental Protection Agency hazardous waste management programs, research and development, pollution control and abatement activities and grants to States.

PRODUCTIVITY PACKAGE: REVITALIZING THE ECONOMY

As our country enters into an era of increasingly sophisticated economic development, our budget expenditures must reflect a careful set of investments in research and development which are essential to reverse a decade of level or declining productivity. These investments are necessary now to ensure that our economy will be able to compete in a world of intensifying foreign economic challenges.

The program outlined below provides a carefully developed initiative to address the recent declines in productivity by increasing investments in R&D going to our colleges and universities, upgrading our university laboratory equipment and facilities, and providing a renewed commitment to graduate fellowship programs.

The productivity package (budget authority), fiscal year 1983 proposed increases

	Millions
University research and development:	
NIH	$38.0
NSF	60.0
USDA	19.0
NASA	14.0
Total	131.0
Graduate fellowships (Ph. D. program)	[1] 26.5
University instrumentation program	[1] 230.0
University facilities upgrading	[1] 120.0
NASA: Space science applications and technology	70.0
Total	577.5

[1] DOD portion to be funded from existing DOD R. & D. budget.

A PROGRAM FOR GRADUATE FELLOWSHIPS IN SCIENCE AND ENGINEERING

[Budget authority in millions of dollars, fiscal year]

	Adm., 1983	New fellowships	Proposed			
			1983	New fellowships	1984	New fellowships
NSF	15.0	500	26.0	600	33.0	750
DOD	2.5	125	6.0	300	6.0	300
NIH			8.0	400	10.0	500
DOE			2.5	120	3.0	150
USDA			2.5	120	3.0	150
NASA			2.5	120	3.0	150
Total	17.5	625	41.5	1,600	58.0	2,000

Assumption: 3-yr competitive merit-based graduate fellowships, in fields selected by agencies.

R. & D. IN COLLEGES AND UNIVERSITIES

[Budget authority in millions of dollars; 7.3 percent inflation increase each year]

	Fiscal year—				
	1981	1982	1983	1984	1985
NSF:					
Administration budget	813	817			
Option			877	941	1,009
Increase			60	64	68
Agriculture:					
Administration budget	248	265			
Option			284	305	327
Increase			19	21	22
NASA:					
Administration budget	184	191			
Option		205	220	236	
Increase			14	15	16
NIH: [1]					
Administration budget	545	527			
Option			565	606	651
Increase			38	41	45
Totals:					
Administration budget	1,790	1,800			
Option			1,931	2,072	2,223
Increase			131	141	151

[1] New and competing research projects grants.

A RECOMMITMENT TO EXCELLENCE—SPECIAL $2,100,000,000, 5-YR INSTRUMENTATION RENEWAL PROGRAM FOR UNIVERSITY LABORATORIES

[By fiscal years, budget authority in millions of dollars]

	1983	1984	1985	1986	1987
National Science Foundation	100	125	125	125	125
Department of Defense	[1] 70	100	100	100	100
Nat'l Institutes of Health	35	100	100	100	100
Department of Energy	40	40	40	40	40
Department of Agriculture	35	45	45	45	45
NASA	20	40	40	40	40
Total	300	450	450	450	450

[1] The proposed fiscal year 1983 administration budget contained $30,000,000 for DOD instrumentation.

Purpose: To update university research equipment used to conduct scientific research programs.

Assumption: A $2,100,000,000 need to be met by a shared effort among six federal agencies as proposed above.

SPECIAL $1,500,000,000, 5-YR RESEARCH FACILITIES RENEWAL PROGRAM FOR UNIVERSITY LABORATORIES

[Budget authority in millions of dollars]

	Fiscal year—				
	1983	1984	1985	1986	1987
National Science Foundation	50	150	100	100	100
Department of Defense	35	105	70	70	70
National Institutes of Health	20	50	35	35	35
Department of Energy	20	60	40	40	40
Department of Agriculture	20	50	35	35	35
NASA	10	30	20	20	20
Total	155	445	300	300	300

Purpose: To rehabilitate university research laboratories in which scientific research programs are conducted.

Assumption: A $3,000,000,000 need for replacement construction, modernization and renovation must be met by a shared effort—½ among 6 Federal agencies as proposed above and ½ by industry, States, universities, and others.●

LEAVE OF ABSENCE

(By unanimous consent, leave of absence was granted to:)

Mrs. Collins of Illinois, at her own request, for May 21, 1982, on account of official business of the Government Operations Subcommittee on Manpower and Housing.

Mr. Jacobs (at the request of Mr. Wright), for today, on account of official business.

Mr. Jones of North Carolina (at the request of Mr. Wright), after 1:30 p.m. today and for the balance of the week, on account of official business.

Mr. Rahall (at the request of Mr. Wright) after 5 p.m. today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Bonker) to revise and extend their remarks and include extraneous material:)

Mr. Yates, for 5 minutes, today.

Mr. Bonior of Michigan, for 5 minutes, today.

Mr. Glickman, for 10 minutes, today.

Mrs. Collins of Illinois, for 5 minutes, today.

Mr. Gonzalez, for 15 minutes, today.

Mr. Annunzio, for 5 minutes, today.

Mr. Coelho, for 5 minutes, today.

Mr. Mazzoli, for 5 minutes, today.

Mr. Zablocki, for 5 minutes, today.

Mr. Gaydos, for 60 minutes, May 25, 1982.

(The following Members (at the request of Mr. Swift) to revise and extend their remarks and include extraneous material:)

Mr. Foley, for 5 minutes, today.

Mr. Wirth, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. OTTINGER, at conclusion of debate on House Concurrent Resolution 340 today.

(The following Members (at the request of Mr. Bereuter) and to include extraneous matter:)

Mr. Courter.

Mr. Hyde in two instances.

Mr. Gradison.

Mr. Forsythe.

Mr. LeBoutillier in two instances.

Mr. Green.

Mr. Shumway in three instances.

Mr. Derwinski in two instances.

Mr. Gilman in three instances.

Mr. Bereuter.

Mr. Dornan of California.

Mr. Parris.

Mr. Fields.
Mr. Conte.
Mr. Burgener.
Mr. DeNardis.
Mr. Lagomarsino in two instances.
Mr. Smith of New Jersey.
Mr. James K. Coyne.
Mr. Wortley.
Mrs. Heckler.
Mr. Dunn.
Mr. Paul in two instances.
Mr. Corcoran.

(The following Members (at the request of Mr. Bonker) and to include extraneous matter:)

Mr. Roe.
Mr. Brodhead.
Mr. Stokes in two instances.
Mr. Rangel.
Mr. Rodino.
Mrs. Bouquard.
Mr. Gejdenson.
Mr. Ford of Michigan in two instances.
Mr. Solarz in two instances.
Mr. Boland.
Mr. Ottinger in five instances.
Mr. Neal.
Mr. Donnelly in two instances.
Mr. Dwyer in two instances.
Mr. Markey in two instances.
Mr. Fascell.
Mr. Frank.
Mr. Addabbo in two instances.
Mr. Schumer.
Mr. Peyser.
Mr. Zeferetti.
Mr. Mazzoli.
Mr. Lantos.
Mr. Minish.
Mr. Conyers.
Mr. Zablocki.
Mr. Edgar in two instances.
Mr. Bingham.
Mr. Scheuer in two instances.
Mr. Lehman in two instances.
Mr. Hubbard.
Mr. McDonald in four instances.
Mr. Garcia in two instances.
Mr. Clay.
Mr. Yates.
Ms. Oakar.
Mr. Barnes in two instances.
Mr. Moffett.
Mr. Won Pat.
Mr. Oberstar in two instances.
Mr. Shelby.
Mr. Dyson.
Mr. Akaka.
Mr. Stark in two instances.
Mr. Wirth in two instances.

SENATE ENROLLED JOINT RESOLUTIONS SIGNED

The SPEAKER announced his signature to enrolled joint resolutions of the Senate of the following titles:

S.J. Res. 53. Joint resolution to provide for the designation of September 5, 1982, as "Working Mothers' Day";

S.J. Res. 59. Joint resolution designating the square dance as the national folk dance of the United States; and

S.J. Res. 160. Joint resolution to provide for the designation of July 9, 1982, and April 9, 1983, as "National P.O.W./M.I.A. Recognition Day."

ENROLLED JOINT RESOLUTION SIGNED

Mr. HAWKINS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a joint resolution of the House of the following title, which was thereupon signed by the Speaker:

H.J. Res. 412. Joint resolution to authorize and request the President to designate May 20, 1982, as "Amelia Earhart Day."

BILL AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. HAWKINS, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, a bill and a joint resolution of the House of the following titles:

H.R. 5118. An act to provide water to the Papago Tribe of Arizona and its members, to settle Papago Indian water rights claims in portions of the Papago reservations, and for other purposes; and

H.J. Res. 412. An act to authorize and request the President to designate May 20, 1982, as "Amelia Earhart Day."

ADJOURNMENT

Mr. SWIFT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 11 minutes p.m.), the House adjourned until tomorrow, Friday, May 21, 1982, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3973. A letter from the Acting Director, Defense Security Assistance Agency, transmitting notice of the Navy's intention to offer to sell certain defense articles to Japan (Transmittal No. 82-59), pursuant to section 36(b) of the Arms Export Control Act, together with a report on the impact on U.S. readiness, pursuant to section 813 of Public Law 94-106; to the Committee on Armed Services.

3974. A letter from the Chairman, Council of the District of Columbia, transmitting D.C. Act 4-185, Closing of a Public Alley in Square 861 Act of 1982, pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

3975. A letter from the Secretary of Labor and the Secretary of Education, transmitting the annual report for fiscal years 1979 to 1981 on the status of bilingual vocational education, pursuant to section 182 of the Vocational Education Act of 1963, as amended; to the Committee on Education and Labor.

3976. A letter from the Acting Director, Defense Security Assistance Agency, transmitting notice of the Navy's intention to offer to sell certain defense articles and services to Japan (Transmittal No. 82-59), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

3977. A letter from the Acting Director, Defense Security Assistance Agency, transmitting a report that the Defense Department has provided certain defense articles, services, and training to El Salvador under the authority of Presidential Determination 82-5, pursuant to section 506(b)(2) of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

3978. A letter from the Secretary of Transportation, transmitting a report on the Department's activities under the Freedom of Information Act during calendar year 1981, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3979. A letter from the Inspector General, Department of Health and Human Services, transmitting the quarterly report on the activities of his office, covering the period ended March 31, 1982, pursuant to section 204(b) of Public Law 94-505; to the Committee on Government Operations.

3980. A letter from the Inspector General, Department of Labor, transmitting a report of the Department's Inspector General, pursuant to section 5 of Public Law 95-452; to the Committee on Government Operations.

.3981. A letter from the Acting Staff Director, U.S. Commission on Civil Rights, transmitting a report on the Commission's activities under the Government in the Sunshine Act during calendar year 1981, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

3982. A letter from the Attorney General, transmitting a report listing the recipients of the Young American Medals for Bravery and Service Award for calendar years 1975, 1976, 1978, and 1979, pursuant to the act of August 3, 1950; to the Committee on the Judiciary.

3983. A letter from the Director, Peace Corps, transmitting a draft of proposed legislation to authorize appropriations for the Peace Corps for the fiscal year 1984; to the Committee on Foreign Affairs.

3984. A letter from the Secretary of Commerce, transmitting the annual report of the Economic Development Administration for fiscal year 1981, pursuant to section 707 of the Public Works and Economic Development Act of 1965, as amended; to the Committee on Public Works and Transportation.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ZABLOCKI: Committee on Foreign Affairs. House Resolution 465. A bill directing the Secretary of State to provide to the House of Representatives certain information concerning Roberto D'Aubuisson; with an amendment (Rept. No. 97-579). Referred to the House Calendar.

Mr. BOLAND: Committee of conference. Conference report on H.R. 4 (Rept. No. 97-580). Ordered to be printed.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. McCOLLUM: Committee on the Judiciary. H.R. 1482. A bill for the relief of Christina Boltz Sidders; with an amendment (Rept. No. 97-581). Referred to the Committee of the Whole House.

Mr. FISH: Committee on the Judiciary. H.R. 4662. A bill for the relief of Eun Ok Han; (Rept. No. 97-582). Referred to the Committee of the Whole House.

SUBSEQUENT ACTION ON A BILL SEQUENTIALLY REFERRED UNDER TIME LIMITATION

Under clause 5 of rule X, the following action was taken by the Speaker:

Referral of H.R. 5427 to the Committee on Energy and Commerce extended for an additional period ending not later than June 1, 1982.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BROOMFIELD:

H.R. 6437. A bill to amend the Internal Revenue Code of 1954 to allow individuals a refundable income tax credit for expenditures to remove formaldehyde foam insulation from their homes; to the Committee on Ways and Means.

By Mr. DAVIS:

H.R. 6438. A bill to restrict the importation of copper, copper bearing ores and materials, copper alloys and their so-called basic shapes and forms; to the Committee on Ways and Means.

H.R. 6439. A bill to restrict the importation of steel mill products and of iron ore; to the Committee on Ways and Means.

By Mr. EDGAR:

H.R. 6440. A bill to amend title 38, United States Code, to improve job training and job placement programs for veterans; to the Committee on Veterans' Affairs.

By Mr. EDGAR (for himself, Mr. Bonior of Michigan, Mr. Daschle, Mr. Edwards of California, and Mr. Panetta):

H.R. 6441. A bill to amend title 38, United States Code, to extend until December 31, 1984, the special provisions allowing Vietnam era veterans whose G.I. Bill educational assistance eligibility has otherwise expired to pursue programs of vocational or on-job training or a program of secondary education; to the Committee on Veterans' Affairs.

By Mr. GONZALEZ (by request):

H.R. 6442. A bill to expand and reorganize the Federal Home Loan Mortgage Corporation; to the Committee on Banking, Finance and Urban Affairs.

By Mr. HAMMERSCHMIDT:

H.R. 6443. A bill to provide a temporary exemption from certain provisions of the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code of 1954 relating to prohibited transactions for the purchase of certain bonds sold to fund residential mortgages and domestic motor vehicle loans and to provide for interest reduction payments by the Secretary of Housing and Urban Development to assist with the financing of the purchase of certain residential dwellings and domestic motor vehicles; jointly, to the Committees on Education and Labor, Ways and Means, and Banking, Finance and Urban Affairs.

By Mr. KASTENMEIER (for himself, Mr. Brooks, Mr. Railsback, Mr. Sawyer, and Mr. Butler):

H.R. 6444. A bill to amend the patent law to restore the term of the patent grant for the period of time that nonpatent regulatory requirements prevent the marketing of a patented product; to the Committee on the Judiciary.

By Mr. PAUL:

H.R. 6445. A bill to amend the Internal Revenue Code of 1954 to allow individuals a deduction for certain expenses paid or incurred in connection with the adoption of a child; to the Committee on Ways and Means.

By Mr. PEYSER:

H.R. 6446. A bill directing the President not to sell to Saudi Arabia any AWACS aircraft or certain other defense articles; to the Committee on Foreign Affairs.

By Mr. RODINO:

H.R. 6447. A bill to provide additional protections and assistance to victims and witnesses in Federal cases; to the Committee on the Judiciary.

H.R. 6448. A bill to help States assist the innocent victims of crime and to create a crime victims compensation trust fund; jointly, to the Committees on the Judiciary and Ways and Means.

By Mr. SUNIA:

H.R. 6449. A bill to authorize the legislature of American Samoa to draft a constitution for the local self-government of the people of American Samoa; to the Committee on Interior and Insular Affairs.

By Mr. UDALL:

H.R. 6450. A bill to establish a national commission to commemorate the historic events that occurred in the forming and establishment of the Federal Government between 1776 and 1800; to provide a means by which the private sector may participate in such celebration; to provide for the cooperation and assistance of the National Park Service in the Department of the Interior and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. BRINKLEY (for himself, Mr. Trible, Mr. Bennett, Mr. Dickinson, Mr. Montgomery, Mr. Whitehurst, Mr. Kazen, Mr. Mitchell of New York, Mr. Won Pat, Mr. Hutto, Mr. Dougherty, Mr. Foglietta, Mr. Kramer, and Mr. Dyson):

H.R. 6451. A bill to amend title 10, United States Code, to revise and codify the permanent provisions of law relating to military construction and military family housing; to the Committee on Armed Services.

By Mr. EVANS of Iowa:

H.R. 6452. A bill to amend the Federal Crop Insurance Act to authorize the Federal Crop Insurance Corportion to insure producers against the loss of commodities due to the insolvency or bankruptcy of warehousemen who store such commodities; to the Committee on Agriculture.

By Mr. FARY (for himself and Mr. Stangeland) (by request):

H.R. 6453. A bill to approve the master plan for the U.S. Capitol Grounds, and related areas; to the Committee on Public Works and Transportation.

By Mr. HUGHES (for himself, Mr. Sawyer, Mr. Roybal, Mr. Rodino, and Mr. Glickman):

H.R. 6454. A bill to amend title 18, United States Code, to clarify the applicability of offenses involving explosives and fire; to the Committee on the Judiciary.

By Mr. MAZZOLI (for himself, Mr. Dougherty, and Mr. Hyde):

H.R. 6455. A bill to affirm the intrinsic value of all human life, to recognize the humanity of unborn children, and to insure that the Federal Government not participate in or support abortions; jointly, to the Committees on Education and Labor, Energy and Commerce, the Judiciary, and Post Office and Civil Service.

By Mr. FIELDS:

H.J. Res. 490. Joint resolution proposing an amendment to the Constitution requiring the Federal judges be reconfirmed by the Senate every 10 years; to the Committee on the Judiciary.

By Mrs. HECKLER:

H.J. Res. 491. Joint resolution designating the week beginning June 7, 1982, as "Azorean Heritage Week"; to the Committee on Post Office and Civil Service.

By Mr. ZABLOCKI:

H. Con. Res. 347. Concurrent resolution to express the sense of the Congress that the member countries of NATO must more effectively pool their resources for their common defense; to the Committee on Foreign Affairs.

By Mr. YATES:

H. Res. 474. Resolution to disapprove the historic preservation fund deferral; to the Committee on Appropriations.

H. Res. 475. Resolution to disapprove the land and water conservation fund deferral; to the Committee on Appropriations.

H. Res. 476. Resolution to disapprove the urban park and recreation deferral; to the Committee on Appropriations.

MEMORIALS

Under clause 4 of rule XXII,

383. The SPEAKER presented a memorial of the Legislature of the State of New York, relative to the purchase of the A-10A Thunderbolt II attack plane; to the Committee on Armed Services.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. ANDERSON introduced a bill (H.R. 6456) for the relief of Patrick Starkie; which was referred to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 748: Mr. Brown of California, Mr. de la Garza, Mr. Duncan, Mr. Edwards of Oklahoma, Mr. Emery, Mr. Ertel, Mr. Fascell, Mr. Fauntroy, Mr. Gore, Mr. Hagedorn, Mr. Hertel, Mr. Mattox, Mr. Moakley, Mr. Rangel, Mr. Richmond, Mr. Roe, Mr. Roybal, Mr. Santini, Mr. Shamansky, Mr. Washington, Mr. Wortley, and Mr. Yates.

H.R. 1489: Mr. Biaggi.

H.R. 1540: Mr. Wolf.

H.R. 1648: Mr. Evans of Delaware.

H.R. 1918: Mr. Solarz, Mr. Mavroules, Mr. Weber of Ohio, Mr. Evans of Delaware, and Mr. Wampler.

H.R. 2034: Mr. Barnes, Mr. Bereuter, Mr. Biaggi, Mr. Burgener, Mr. Coelho, Mr. Corcoran, Mr. de Lugo, Mr. Edwards of Oklahoma, Mr. Evans of Georgia, Mr. Foglietta, Mr. Gilman, Mr. Hagedorn, Mrs. Heckler, Mr. Jacobs, Mr. Jones of North Carolina, Mr. Kazen, Mr. Kramer, Mr. Leach of Iowa, Mr. Livingston, Mr. Long of Louisiana, Mr. Lowery of California, Mr. McCurdy, Mr. McKinney, Mr. Marks, Mr. Mazzoli, Mr. Murphy, Mr. Peyser, Mr. Porter, Mr. Rahall, Mr. Ratchford, Mr. Regula, Mr. Rinaldo, Mr. Ritter, Mr. Roemer, Mr. Russo, Mr. Spence, Mr. Stark, Mr. Sunia, Mr. Tauke, Mr. Waxman, Mr. Weber of Ohio, and Mr. Whitten.

H.R. 2832: Mr. Murtha and Mr. Goodling.

H.R. 3236: Mrs. Bouquard, Mr. Rahall, Mr. Derwinski, and Mr. Horton.

H.R. 3760: Mr. Simon, Mr. Won Pat, Mr. Tauke, and Mr. Fauntroy.

H.R. 3904: Mr. Vento, Mrs. Schroeder, Mr. Deckard, and Mr. Guarini.

H.R. 3984: Mr. Hance, Mr. Stenholm, Mr. Roth, Mr. Leath of Texas, and Mr. Volkmer.

H.R. 4070: Mr. Fazio, Mr. Waxman, Mr. Shannon, Mr. Daschle, and Mr. Dowdy.

H.R. 4449: Mr. Nichols.

H.R. 4498: Mr. Wolf.

H.R. 4787: Mr. Rahall.

H.R. 4944: Mr. Madigan.

H.R. 5088: Mr. Garcia and Mr. James K. Coyne.

H.R. 5097: Mr. Andrews, Mr. Bafalis, Mr. Barnard, Mr. Bereuter, Mr. Bevill, Mr. Bonior of Michigan, Mr. Chappell, Mr. Crockett, Mr. Daub, Mr. Emerson, Mr. Evans of Iowa, Mr. Findley, Mr. Forsythe, Mr. Frenzel, Mr. Gingrich, Mr. Horton, Mr. Kemp, Mr. Lagomarsino, Mr. LeBoutillier, Mr. Lee, Mr. Marlenee, Mr. Martin of New York, Mr. Murphy, Mr. Ottinger, Mr. Patterson, Mr. Pursell, Mr. Railsback, Mr. Roe, Mr. Rudd, Mr. Sawyer, Mr. Stanton of Ohio, Mr. Stenholm, Mr. Sunia, Mr. Tauke, Mr. Taylor, Mr. Vento, Mr. Weber of Ohio, Mr. Whitehurst, Mr. Wilson, Mr. Wolpe, and Mr. Young of Alaska.

H.R. 5608: Mrs. Collins of Illinois, Mr. Pepper, Mr. Lundine, Ms. Oakar, Mr. Vento, Mr. Swift, Mr. Sabo, Mr. Washington, and Mr. Matsui.

H.R. 5840: Mr. Weaver and Mr. Fithian.

H.R. 5886: Mr. James K. Coyne and Mr. Madigan.

H.R. 5918: Mr. Roe and Mr. McDonald.

H.R. 5924: Mr. Neal and Mr. Bereuter.

H.R. 5976: Mr. Tauke, Mr. Grisham, and Mr. Robert W. Daniel, Jr.

H.R. 5999: Mr. Shamansky.

H.R. 6003: Mr. Derwinski.

H.R. 6037: Mr. Corcoran.

H.R. 6045: Mr. Foglietta, Mr. Rahall, Mr. Daschle, Mr. Hendon, Mr. Daub, Mrs. Boggs, Mr. Traxler, Mr. McCloskey, Mr. Synar, Mr. DeNardis, Mr. Gregg, Mr. Gingrich, Mr. Tauke, Mr. Campbell, Mr. Weber of Ohio, Mr. Evans of Georgia, Mr. Fithian, Mrs. Bouquard, Mr. Bailey of Missouri, and Mr. Dowdy.

H.R. 6098: Mr. Mitchell of Maryland, Mr. Evans of Delaware, Mr. Smith of Pennsylvania, Mr. Green, Mr. Wolf, Mr. Fish, Mr. Martin of New York, Mr. Jeffries, and Mr. Frank.

H.R. 6100: Mr. Duncan.

H.R. 6163: Mr. Bonior of Michigan, Mr. Murphy, Ms. Mikulski, Mr. Mitchell of Maryland, Ms. Ferraro, Mr. McHugh, Mr. Dorgan of North Dakota, Mr. Waxman, Mr. Schumer, Mr. Edwards of California, Mr. Wolpe, Mr. Gingrich, and Mr. Weber of Ohio.

H.R. 6190: Mr. Bonior of Michigan, Mr. Daschle, and Mr. Murphy.

H.R. 6230: Mr. Dellums, Mr. Edwards of California, Mr. Wyden, Mr. Weiss, Mr. Kildee, Mr. Foglietta, Mr. Fazio, Mr. Mitchell of Maryland, Mr. Frost, and Mr. Lundine.

H.R. 6274: Mr. Hatcher, Mr. Beilenson, Mr. Traxler, Mr. Sam B. Hall, Jr., Mr. Oberstar, Mr. Richmond, and Mr. Fithian.

H.R. 6325: Mr. Wright, Mr. Annunzio, Mr. Archer, Mr. Broomfield, Mr. Carney, Mr. Clausen, Mr. Coats, Mr. Dannemeyer, Mr. Davis, Mr. Dornan of California, Mr. Hammerschmidt, Mr. Hiler, Mrs. Holt, Mr. Latta, Mr. Lee, Mr. McDade, Mr. Molinari, Mr. Mottl, Mr. Moorhead, Mr. Myers, Mr. Sawyer, Mr. Skeen, Mr. Spence, Mr. Taylor, Mr. Roberts of Kansas, and Mr. Walker.

H.R. 6407: Mr. Gephardt.

H.R. 6408: Mr. Hansen of Idaho.

H.J. Res. 436: Mr. Biaggi, Mr. Frost, Mr. O'Brien, and Mr. Simon.

H.J. Res. 486: Mr. Vento.

H. Con. Res. 271: Mr. Leland.

H. Con. Res. 275: Mr. Shamansky, Mr. Carney, Mr. Courter, Mr. Ertel, and Mr. James K. Coyne.

H. Con. Res. 298: Mr. Richmond, Mr. Ratchford, Mr. Roybal, and Mr. Traxler.

H. Con. Res. 309: Mr. Stokes and Mr. Spence.

H. Con. Res. 335: Mr. Beard, Mr. Daschle, Mr. Findley, and Mr. Kramer.

H. Res. 332: Mr. Ford of Michigan, Mr. James K. Coyne, Mr. Tauke, Mr. Ratchford, Mr. Lantos, and Mr. Waxman.

H. Res. 345: Mr. Bereuter, Mr. Dannemeyer, Mr. Kindness, Mr. Craig, Mr. Butler, Mr. Ertel, Mr. Mottl, Mr. Chappie, Mr. Edgar, Mr. Wirth, Mr. Pease, Mr. Smith of New Jersey, Mrs. Martin of Illinois, Mr. Morrison, Mr. Bedell, Mr. Tauke, Mrs. Roukema, Mr. Weber of Ohio, Mr. James K. Coyne, Mr. Dyson, Mrs. Bouquard, and Mr. Miller of Ohio.

H. Res. 346: Mr. Bereuter, Mr. Dannemeyer, Mr. Craig, Mr. Ertel, Mr. Mottl, Mr. Edgar, Mr. Pease, Mr. Smith of New Jersey, Mrs. Martin of Illinois, Mr. Morrison, Mr. Bedell, Mrs. Roukema, Mr. Weber of Ohio, Mr. James K. Coyne, and Mr. Miller of Ohio.

H. Res. 362: Mr. Goodling.

H. Res. 394: Mr. Courter and Mr. O'Brien.

H. Res. 406: Mr. Mavroules.

H. Res. 427: Mr. Rosenthal, Mr. Fithian, Mr. Ford of Michigan, Ms. Mikulski, Mr. Roe, Mr. Ottinger, Mr. Phillip Burton, Mr. Rose, Mr. Garcia, Mr. Sensenbrenner, Mr. Walgren, Mr. Dorgan of North Dakota, Mr. Dyson, and Mr. Oberstar.

H. Res. 430: Mr. Bingham, Mr. Bonior of Michigan, Mr. Conyers, Mr. James K. Coyne, Mr. William J. Coyne, Mr. Dyson, Mr. Gibbons, Mr. Green, Mr. Guarini, Mr. Ireland, Mr. LeBoutillier, Mr. Mazzoli, Mr. Mitchell of Maryland, Mr. Railsback, Mr. Richmond, Mr. Scheuer, Mr. Downey, Mrs. Chisholm, Mr. Courter, Mr. Dannemeyer, Mr. Dixon, Mr. Hughes, Mr. Lee, Mr. Mottl, Mr. Ottinger, Mr. Pursell, Mr. Rangel, Mr. Roberts of South Dakota, Mr. Rosenthal, Mr. Sawyer, Mr. Duncan, Mr. Howard, Mr. Rinaldo, Mr. Roybal and Mr. Young of Florida.

H. Res. 443: Mr. Moakley, Mr. Won Pat, Mr. Lantos, Mr. Stark, Mr. Schumer, Mrs. Kennelly, Mr. LaFalce, Mr. Bingham, Mr. Oberstar, Mr. Fithian, Mr. Fish, and Mr. Jeffords.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 4498: Mr. Edwards of Oklahoma and Mr. Zeferetti.

H.R. 5105: Mr. Dwyer.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

445. By the SPEAKER: Petition of the council of the city of Thunder Bay, Ontario, Canada, relative to the Clean Air Act; to the Committee on Energy and Commerce.

446. Also, petition of the National Association of Attorneys General, Washington, D.C., relative to the reauthorization of the Clean Water Act; to the Committee on Public Works and Transportation.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

[Omitted from the Record of May 19, 1982]

H. Con. Res. 345

By Mr. ROE:

—Section 304 is amended to read as follows:

Sec. 304. (a) In the House of Representatives, no bill or resolution providing—

(1) new budget authority for fiscal year 1983, or

(2) new spending authority described in section 401(c)(2)(C) of the Congressional Budget Act first effective in fiscal year 1983 which exceeds the appropriate allocation or subdivision of such new discretionary budget authority or new spending authority made pursuant to section 302 of such Act shall be enrolled until after Congress has completed action on the second concurrent resolution on the budget required to be reported under section 310 of such Act.

(b) If Congress increases revenues in a trust fund exempt under section 401(d)(1)(B) of the Congressional Budget Act, then for purposes of this section, "budget authority" and "new discretionary budget authority" shall not include spending authority or budget authority derived from any trust fund, 90 percent or more of the receipts of which consist or will consist of amounts (transferred from the general fund of the Treasury) equivalent to amounts of taxes (related to the purposes for which such outlays are or will be made) received in the Treasury under specified provisions of the Internal Revenue Code of 1954.

—Section 304 is amended to read as follows:

Sec. 304. (a) In the House of Representatives, no bill or resolution providing—

(1) new budget authority for fiscal year 1983, or

(2) new spending authority described in section 401(c)(2)(C) of the Congressional Budget Act first effective in fiscal year 1983 which exceeds the appropriate allocation or subdivision of such new discretionary budget authority or new spending authority made pursuant to section 302 of such Act shall be enrolled until after Congress has completed action on the second concurrent resolution on the budget required to be reported under section 310 of such Act.

(b) For purposes of this section, "budget authority" and "new discretionary budget authority" shall not include spending authority or budget authority derived from any highway, public transportation or aviation trust fund, 90 percent or more of the receipts of which consist or will consist of amounts (transferred from the general fund of the Treasury) equivalent to amounts of taxes (related to the purposes for which such outlays are or will be made) received in the Treasury under specified provisions of the Internal Revenue Code of 1954."

—In section 303 of the resolution insert the following new language: "If the changes in laws reported to the House by the House Committee on Ways and Means pursuant to section 301(K) of this resolution contain changes involving the imposition of new or expanded user fees within the jurisdiction of any other Committee of the House an appropriate referral pursuant to Rule 10 of the Rules of the House should be considered."

—Section 301(K) is amended by adding the following at the end thereof: "For purposes of this section, if any such changes involve the imposition of new or expanded taxes related to the use of inland waterways or deep draft ports (including, but not limited to, taxes on fuel, commodities, or vessels) or the imposition of any new or expanded user fees, they shall be submitted to and duly approved by the committee or committees of authorizing jurisdiction prior to submission to the House pursuant to section 310 of Public Law 93-344."

—Section 301(K) is amended by adding the following at the end thereto: "For purposes of this section, if any such changes involve the imposition of new or expanded user fees, they shall be submitted to and duly approved by the committee or committees of authorizing jurisdiction prior to submission to the House pursuant to section 310 of Public Law 93-344."

—Amend section 301 by adding the following new subsection (L):

(L) The House Committee on Public Works and Transportation shall report changes in laws within the jurisdiction of that Committee sufficient to reduce appropriations for programs authorized by that Committee so as to achieve savings in budget authority and outlays, as follows: $100,000,000 in budget authority, and $10,000,000 in outlays for fiscal year 1983.

—Section 301 (K) is amended by striking out "$31,700,000,000" and inserting in lieu thereof "$31,200,000,000."

—Section 301 is amended by adding the following new subsection:

(L) the House Committee on Public Works shall report changes in laws within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $25,000,000 and outlays by $2,500,000 in fiscal year 1983.

(Amendment in the nature of a substitute.)

—Strike all after the resolving clause and insert in lieu thereof the following:

TITLE I—REVISION OF THE CONGRESSIONAL BUDGET FOR THE UNITED STATES GOVERNMENT FOR THE FISCAL YEAR 1982

Sec. 101. The provisions of this title shall supersede the figures reaffirmed in Senate Concurrent Resolution 50 of the Ninety-seventh Congress for the fiscal year beginning on October 1, 1981.

Sec. 102(a)(1). The level of Federal revenues is $622,800,000,000 and the net amount by which the aggregate level of Federal revenues should be decreased is $200,000,000;

(2) the level of total new budget authority is $784,500,000,000;

(3) the level of total budget outlays is $743,900,000,000;

(4) the amount of the deficit in the budget is $121,100,000,000;

(5) the level of the public debt is $1,147,700,000,000 and the amount by which the statutory limit on such debt should accordingly be increased is $747,700,000,000, and

(6) the level of total obligations for the principal amount of new direct loans is $63,400,000,000, the level of total new primary commitments to guarantee loan principal is $74,850,000,000, and the level of total new secondary commitments to guarantee loan principal is $68,950,000,000.

(b) Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of subsection (a) of this section of this resolution, the Congress hereby determines and declares that, for the fiscal year beginning on October 1, 1981, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are as follows:

(1) National Defense (050):

(A) New budget authority, $218,200,000,000;

(B) Outlays, $190,800,000,000.

(2) International Affairs (150):

(A) New budget authority, $16,750,000,000;

(B) Outlays, $11,450,000,000.

(3) General Science, Space, and Technology (250):

(A) New budget authority, $7,000,000,000;

(B) Outlays, $7,000,000,000.

(4) Energy (270):

(A) New budget authority, $4,750,000,000;

(B) Outlays, $6,500,000,000.

(5) Natural Resources and Environment (300):

(A) New budget authority, $10,400,000,000;

(B) Outlays, $12,850,000,000.

(6) Agriculture (350):

(A) New budget authority, $9,900,000,000;

(B) Outlays, $13,800,000,000.

(7) Commerce and Housing Credit (370):

(A) New budget authority, $7,500,000,000;

(B) Outlays, $3,750,000,000.

(8) Transportation (400):

(A) New budget authority, $21,350,000,000;

(B) Outlays, $21,450,000,000.

(9) Community and Regional Development (450):

(A) New budget authority, $7,000,000,000;

(B) Outlays, $8,650,000,000.

(10) Education, Training, Employment and Social Services (500):

(A) New budget authority, $25,450,000,000;

(B) Outlays, $28,200,000,000.

(11) Health (550):

(A) New budget authority, $79,050,000,000;

(B) Outlays, $73,750,000,000.

(12) Income Security (600):

(A) New budget authority, $261,350,000,000;

(B) Outlays, $251,850,000,000.

(13) Veterans Benefits and Services (700):

(A) New budget authority, $24,800,000,000;

(B) Outlays, $23,800,000,000.

(14) Administration of Justice (750):

(A) New budget authority, $4,500,000,000;

(B) Outlays, $4,650,000,000.

(15) General Government (800):

(A) New budget authority, $5,200,000,000;

(B) Outlays, $5,050,000,000.

(16) General Purpose Fiscal Assistance (850):

(A) New budget authority, $6,350,000,000;

(B) Outlays, $6,350,000,000.

(17) Interest (900):

(A) New budget authority, $102,350,000,000;

(B) Outlays, $102,350,000,000.

(18) Allowances (920):

(A) New budget authority, $2,850,000,000;

(B) Outlays, $1,900,000,000.

(19) Undistributed Offsetting Receipts (950):

(A) New budget authority, −$30,250,000,000;

(B) Outlays, −$30,250,000,000.

Sec. 103. (a) There is established a congressional federal credit budget for fiscal year 1982 of which the levels of total federal credit activity for fiscal year 1982 are:

(1) New direct loan obligations, $63,400,000,000

(2) New primary loan guarantee commitments, $74,850,000,000

(3) New secondary loan guarantee commitments, $68,950,000,000

(b) Based on allocations of the appropriate levels of total federal credit activity as set forth in paragraph (1) of this subsection, the appropriate levels of new direct loan obligations, new primary loan guarantee commitments, and new secondary loan guarantee commitments for each functional category are as follows:

(1) National Defense (050):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(2) International Affairs (150):

(A) New direct loan obligations, $10,400,000,000;

(B) New primary loan guarantee commitments, $8,100,000,000;

(C) New secondary loan guarantee commitments, $0.

(3) General Science, Space and Technology (250):

(A) New direct loan obligations, $200,000,000;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(4) Energy (270):

(A) New direct loan obligations, $10,300,000,000;

(B) New primary loan guarantee commitments, $400,000,000;

(C) New secondary loan guarantee commitments, $0.

(5) Natural Resources and Environment (300):

(A) New direct loan obligations, $50,000,000;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(6) Agriculture (350):

(A) New direct loan obligations, $22,600,000,000;

(B) New primary loan guarantee commitments, $2,700,000,000;

(C) New secondary loan guarantee commitments, $0.

(7) Commerce and Housing Credit (370):

(A) New direct loan obligations, $12,050,000,000;

(B) New primary loan guarantee commitments, $26,200,000,000;

(C) New secondary loan guarantee commitments, $68,200,000,000.

(8) Transportation (400):

(A) New direct loan obligations, $350,000,000;

(B) New primary loan guarantee commitments, $750,000,000;

(C) New secondary loan guarantee commitments, $50,000,000.

(9) Community and Regional Development (450):

(A) New direct loan obligations, $2,000,000,000;

(B) New primary loan guarantee commitments, $850,000,000;

(C) New secondary loan guarantee commitments, $0.

(10) Education, Training, Employment and Social Services (500):

(A) New direct loan obligations, $1,300,000,000;

(B) New primary loan guarantee commitments, $6,500,000,000;

(C) New secondary loan guarantee commitments, $700,000,000.

(11) Health (550):

(A) New direct loan obligations, $50,000,000;

(B) New primary loan guarantee commitments, $100,000,000;

(C) New Secondary loan guarantee commitments, $0.

(12) Income Security (600):

(A) New direct loan obligations, $2,750,000,000;

(B) New primary loan guarantee commitments, $17,050,000,000;

(C) New Secondary loan guarantee commitments, $0.

(13) Veterans Benefits and Services (700):

(A) New direct loan obligations, $1,050,000,000;

(B) New primary loan guarantee commitments, $11,900,000,000;

(C) New Secondary loan guarantee commitments, $0.

(14) Administration of Justice (750):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New Secondary loan guarantee commitments, $0.

(15) General Government (800):

(A) New direct loan obligations, $50,000,000;

(B) New primary loan guarantee commitments, $0;

(C) New Secondary loan guarantee commitments, $0.

(16) General Purpose Fiscal Assistance (850):

(A) New direct loan obligations, $250,000,000;

(B) New primary loan guarantee commitments, $300,000,000;

(C) New Secondary loan guarantee commitments, $0.

(17) Interest (900):

(A) New direct loan obligations, $0;

(B) New primary loans guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(18) Allowances (920):

(A) New direct loan obligations, $0.

(B) New primary loan guarantee commitments, $0.

(C) New secondary loan guarantee commitments, $0.

(19) Undistributed Offsetting Receipts (950):

(A) New direct loan obligations, $0.

(B) New primary loan guarantee commitments, $0.

(C) New secondary loan guarantee commitments, $0.

(c) It is the sense of the Congress that the President and the Congress, through the appropriations process, should limit in fiscal year 1982 the off-budget lending activity of the Federal Government to a level not to exceed $30,200,000,000, the on-budget lending activity to a level not to exceed $33,200,000,000, new primary loan guarantee commitments to a level not to exceed $74,850,000,000, and new secondary loan guarantee commitments to a level not to exceed $68,950,000,000.

TITLE II—SETTING FORTH THE CONGRESSIONAL BUDGET FOR THE UNITED STATES GOVERNMENT FOR THE FISCAL YEARS 1983, 1984, AND 1985

SEC. 201. The Congress hereby determines and declares, pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on October 1, 1982—

(1) the level of Federal revenues is $676,700,000,000, and the net amount by which the aggregate level of Federal revenues should be increased is $31,700,000,000;

(2) the level of total new budget authority is $828,000,000,000;

(3) the level of total budget outlays is $780,550,000,000;

(4) the amount of the deficit in the budget is $103,850,000,000, and

(5) the level of the public debt is $1,285,550,000,000, and the amount by which the statutory limit on such debt should accordingly be increased is $885,550,000,000.

SEC. 202. Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of section 201 of this resolution, the Congress hereby determines and declares pursuant to section 301(a) of the Congressional Budget Act of 1974 that, for the fiscal year beginning on October 1, 1982, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are as follows:

(1) National Defense (050):

(A) New budget authority, $242,850,000,000;

(B) Outlays, $212,300,000,000.

(2) International Affairs (150):

(A) New budget authority, $16,150,000,000;

(B) Outlays, $12,100,000,000.

General Science, Space, and Technology (250):

(A) New budget authority, $7,750,000,000;

(B) Outlays, $7,600,000,000.

(4) Energy (270):

(A) New budget authority, $5,300,000,000;

(B) Outlays, $5,000,000,000.

(5) Natural Resources and Environment (300):

(A) New budget authority, $9,400,000,000;

(B) Outlays, $10,850,000,000.

(6) Agriculture (350):

(A) New budget authority, $6,900,000,000;

(B) Outlays, $10,100,000,000.

(7) Commerce and Housing Credit (370):

(A) New budget authority, $8,050,000,000;

(B) Outlays, $3,050,000,000.

(8) Transportation (400):

(A) New budget authority, $22,300,000,000;

(B) Outlays, $20,400,000,000.

(9) Community and Regional Development (450):

(A) New budget authority, $7,000,000,000;

(B) Outlays, $7,900,000,000.

(10) Education, Training, Employment and Social Services (500):

(A) New budget authority, $27,550,000,000;

(B) Outlays, $27,450,000,000.

(11) Health (550):

(A) New budget authority, $77,300,000,000;

(B) Outlays, $80,100,000,000.

(12) Income Security (600):

(A) New budget authority, $286,950,000,000;

(B) Outlays, $273,800,000,000.

(13) Veterans Benefits and Services (700):

(A) New budget authority, $24,100,000,000;

(B) Outlays, $23,400,000,000.

(14) Administration of Justice (750):

(A) New budget authority, $4,600,000,000;

(B) Outlays, $4,650,000,000.

(15) General Government (800):

(A) New budget authority, $5,000,000,000;

(B) Outlays, $4,850,000,000.

(16) General Purpose Fiscal Assistance (850):

(A) New budget authority, $6,500,000,000;

(B) Outlays, $6,500,000,000.

(17) Interest (900):

(A) New budget authority, $115,000,000,000;

(B) Outlays, $115,000,000,000.

(18) Allowances (920):

(A) New budget authority, −$1,050,000,000;

(B) Outlays, −$850,000,000.

(19) Undistributed Offsetting Receipts (950):

(A) New budget authority, −$43,650,000,000;

(B) Outlays, −$43,650,000,000.

SEC. 203. (a) There is established a congressional federal credit budget for fiscal year 1983 of which the levels of total federal credit activity for fiscal year 1983 are:

(1) New direct loan obligations, $60,900,000,000.

(2) New primary loan guarantee commitments, $99,100,000,000.

(3) New secondary loan guarantee commitments, $68,250,000,000.

(b) Based on allocations of the appropriate levels of total federal credit activity as set forth in paragraph (1) of this subsection, the appropriate levels of new direct loan obligations, new primary loan guarantee commitments, and new secondary loan guarantee commitments for each functional category are as follows:

National Defense (050):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

International Affairs (150):

(A) New direct loan obligations, $10,850,000,000;

(B) New primary loan guarantee commitments, $8,950,000,000;

(C) New secondary loan guarantee commitments, $0.

General Science, Space and Technology (250):

(A) New direct loan obligations, $150,000,000;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(4) Energy (270):

(A) New direct loan obligations, $11,950,000,000;

(B) New primary loan guarantee commitments, −$850,000,000;

(C) New secondary loan guarantee commitments, $0.

(5) Natural Resources and Environment (300):

(A) New direct loan obligations, $50,000,000;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(6) Agriculture (350):

(A) New direct loan obligations, $19,150,000,000;

(B) New primary loan guarantee commitments, $2,650,000,000;

(C) New secondary loan guarantee commitments, $0.

(7) Commerce and Housing Credit (370):

(A) New direct loan obligations, $12,150,000,000;

(B) New primary loan guarantee commitments, $40,100,000,000;

(C) New secondary loan guarantee commitments, $68,250,000,000.

(8) Transportation (400):

(A) New direct loan obligations, $350,000,000;

(B) New primary loan guarantee commitments, $750,000,000;

(C) New secondary loan guarantee commitments, $0.

(9) Community and Regional Development (450):

(A) New direct loan obligations, $1,950,000,000;

(B) New primary loan guarantee commitments, $500,000,000;

(C) New secondary loan guarantee commitments, $0.

(10) Education, Training, Employment and Social Services (500):

(A) New direct loan obligations, $850,000,000;

(B) New primary loan guarantee commitments, $7,250,000,000;

(C) New secondary loan guarantee commitments, $0.

(11) Health (550):

(A) New direct loan obligations, $50,000,000;

(B) New primary loan guarantee commitments, $100,000,000;

(C) New secondary loan guarantee commitments, $0.

(12) Income Security (600):

(A) New direct loan obligations, $2,050,000,000;

(B) New primary loan guarantee commitments, $18,700,000,000;

(C) New secondary loan guarantee commitments, $0.

(13) Veterans Benefits and Services (700):

(A) New direct loan obligations, $1,050,000,000;

(B) New primary loan guarantee commitments, $20,950,000,000;

(C) New secondary loan guarantee commitments, $0.

(14) Administration of Justice (750):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(15) General Government (800):

(A) New direct loan obligations, $50,000,000;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(16) General Purpose Fiscal Assistance (850):

(A) New direct loan obligations, $250,000,000;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(17) Interest (900):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(18) Allowances (920):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(19) Undistributed Offsetting Receipts (950):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(c) It is the sense of the Congress that the President and the Congress, through the appropriations process, should limit in fiscal year 1983 the off-budget lending activity of the Federal Government to a level not to exceed $31,050,000,000, the on-budget lending activity to a level not to exceed $29,850,000,000, new primary loan guarantee commitments to a level not to exceed $99,100,000,000, and new secondary loan guarantee commitments to a level not to exceed $68,250,000,000.

SEC. 204. The Congress sets forth the following budgetary levels for fiscal years 1984 and 1985—

(1) the level of Federal revenues is as follows:

Fiscal year 1984: $753,650,000,000.

Fiscal year 1985: $846,550,000,000.

and the amount by which the aggregate levels of Federal revenues should be increased is as follows:

Fiscal year 1984: $51,650,000,000.

Fiscal year 1985: $66,550,000,000.

(2) the level of total new budget authority is as follows:

Fiscal year 1984: $888,400,000,000.

Fiscal year 1985: $952,850,000,000.

(3) the level of total budget outlays is as follows:

Fiscal year 1984: $826,400,000,000.

Fiscal year 1985: $881,200,000,000.

(4) the amount of the deficit in the budget is:

Fiscal year 1984: $72,750,000,000.

Fiscal year 1985: $34,650,000,000.

(5) the level of the public debt is as follows:

Fiscal year 1984: $1,404,450,000,000.

Fiscal year 1985: $1,490,800,000,000.

and the amount by which the temporary statutory limit on such debt should be accordingly increased is as follows:

Fiscal year 1984: $1,004,450,000,000.

Fiscal year 1985: $1,090,800,000,000.

SEC. 205. Based on allocations of the appropriate level of total new budget authority and of total budget outlays for fiscal years 1984 and 1985 as set forth above, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are respectively as follows:

(1) National Defense (050):

Fiscal year 1984:

(A) New budget authority, $268,150,000,000;

(B) Outlays, $235,350,000,000.

Fiscal year 1985:

(A) New budget authority, $295,950,000,000;

(B) Outlays, $265,950,000,000.

(2) International Affairs (150):

Fiscal year 1984:

(A) New budget authority, $16,800,000,000;

(B) Outlays, $12,300,000,000.

Fiscal year 1985:

(A) New budget authority, $21,200,000,000;

(B) Outlays, $12,300,000,000.

(3) General Science, Space, and Technology (250):

Fiscal year 1984:

(A) New budget authority, $7,750,000,000;

(B) Outlays, $7,750,000,000.

Fiscal year 1985:

(A) New budget authority, $7,600,000,000;

(B) Outlays, $7,600,000,000.

(4) Energy (270):

Fiscal year 1984:

(A) New budget authority, $4,700,000,000;

(B) Outlays, $4,050,000,000.

Fiscal year 1985:

(A) New budget authority, $4,650,000,000;

(B) Outlays, $3,850,000,000.

(5) Natural Resources and Environment (300):

Fiscal year 1984:

(A) New budget authority, $8,750,000,000;

(B) Outlays, $9,850,000,000.

Fiscal year 1985:

(A) New budget authority, $8,350,000,000;

(B) Outlays, $8,850,000,000.

(6) Agriculture (350):

Fiscal year 1984:

(A) New budget authority, $8,400,000,000;

(B) Outlays, $8,250,000,000.

Fiscal year 1985:

(A) New budget authority, $6,850,000,000;

(B) Outlays, $7,500,000,000.

(7) Commerce and Housing Credit (370):

Fiscal year 1984:

(A) New budget authority, $8,650,000,000;

(B) Outlays, $2,750,000,000.

Fiscal year 1985:

(A) New budget authority, $8,350,000,000;

(B) Outlays, $2,600,000,000.

(8) Transportation (400):

Fiscal year 1984:

(A) New budget authority, $22,400,000,000;

(B) Outlays, $20,050,000,000.

Fiscal year 1985:

(A) New budget authority, $22,950,000,000;

(B) Outlays, $20,250,000,000.

(9) Community and Regional Development (450):

Fiscal year 1984:

(A) New budget authority, $7,150,000,000;

(B) Outlays, $7,600,000,000.

Fiscal year 1985:

(A) New budget authority, $7,350,000,000;

(B) Outlays, $7,700,000,000.

(10) Education, Training, Employment, and Social Services (500):

Fiscal year 1984:

(A) New budget authority, $28,250,000,000;

(B) Outlays, $28,000,000,000.

Fiscal year 1985:

(A) New budget authority, $28,300,000,000;

(B) Outlays, $28,200,000,000.

(11) Health (550):

Fiscal year 1984:

(A) New budget authority, $81,700,000,000;

(B) Outlays, $89,650,000,000.

Fiscal year 1985:

(A) New budget authority, $94,100,000,000;

(B) Outlays, $101,250,000,000.

(12) Income Security (600):

Fiscal year 1984:

(A) New budget authority, $314,500,000,000;

(B) Outlays, $290,050,000,000.

Fiscal year 1985:

(A) New budget authority, $344,550,000,000;

(B) Outlays, $312,400,000,000.

(13) Veterans Benefits and Services (700):

Fiscal year 1984:

(A) New budget authority, $25,150,000,000;

(B) Outlays, $24,550,000,000.

Fiscal year 1985:
(A) New budget authority, $26,000,000,000;
(B) Outlays, $25,900,000,000.
(14) Administration of Justice (750):
Fiscal year 1984:
(A) New budget authority, $4,600,000,000;
(B) Outlays, $4,600,000,000.
Fiscal year 1985:
(A) New budget authority, $4,600,000,000;
(B) Outlays, $4,600,000,000.
(15) General Government (800):
Fiscal year 1984:
(A) New budget authority, $4,700,000,000;
(B) Outlays, $4,600,000,000.
Fiscal year 1985:
(A) New budget authority, $4,700,000,000;
(B) Outlays, $4,500,000,000.
(16) General Purpose Fiscal Assistance (850):
Fiscal year 1984:
(A) New budget authority, $6,750,000,000;
(B) Outlays, $6,700,000,000.
Fiscal year 1985:
(A) New budget authority, $6,850,000,000;
(B) Outlays, $6,850,000,000.
(17) Interest (900):
Fiscal year 1984:
(A) New budget authority, $119,300,000,000;
(B) Outlays, $119,300,000,000.
Fiscal year 1985:
(A) New budget authority, $110,850,000,000;
(B) Outlays, $110,850,000,000.
(18) Allowances (920):
Fiscal year 1984:
(A) New budget authority, $200,000,000;
(B) Outlays, $500,000,000.
Fiscal year 1985:
(A) New budget authority, $500,000,000;
(B) Outlays, $900,000,000.
(19) Undistributed Offsetting Recepits (950):
Fiscal year 1984:
(A) New budget authority, −$49,500,000,000;
(B) Outlays, −$49,500,000,000.
Fiscal year 1985:
(A) New budget authority, −$50,850,000,000;
(B) Outlays, −$50,850,000,000.

TITLE III—PROVIDING RECONCILIATION INSTRUCTIONS AND OTHER ENFORCEMENT MEASURES

PART A—RECONCILIATION INSTRUCTIONS

SEC. 301. Pursuant to section 301(b)(2) of the Budget Act—

(A) the House Committee on Agriculture shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $207,000,000 and outlays by $207,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $530,000,000 in budget authority and $530,000,000 in outlays in fiscal year 1984, and $661,000,000 in budget authority and $661,000,000 in outlays in fiscal year 1985.

(B) the House Committee on Armed Services shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $212,000,000 and outlays by $212,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $691,000,000 in budget authority and $691,000,000 in outlays in fiscal year 1984, and $1,228,000,000 in budget authority and $1,228,000,000 in outlays in fiscal year 1985.

(C) the House Committee on Banking, Finance, and Urban Affairs shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce outlays by $695,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $697,000,000 in outlays in fiscal year 1984, and $687,000,000 in outlays in fiscal year 1985.

(D) the House Committee on Education and Labor shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $73,000,000 and outlays by $73,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $101,000,000 in budget authority and $101,000,000 in outlays in fiscal year 1984, and $97,000,000 in budget authority and $97,000,000 in outlays in fiscal year 1985.

(E) the House Committee on Energy and Commerce shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $60,000,000 and outlays by $60,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $68,000,000 in budget authority and $68,000,000 in outlays in fiscal year 1984, and $77,000,000 in budget authority and $77,000,000 in outlays in fiscal year 1985.

(F) the House Committee on Foreign Affairs shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce outlays by $3,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $2,000,000 in budget authority and $8,000,000 in outlays in fiscal year 1984, and $4,000,000 in budget authority and $15,000,000 in outlays in fiscal year 1985.

(G) the House Committee on Merchant Marine and Fisheries shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $4,000,000 and outlays by $4,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $15,000,000 in budget authority and $15,000,000 in outlays in fiscal year 1984, and $27,000,000 in budget authority and $27,000,000 in outlays in fiscal year 1985.

(H) the House Committee on Post Office and Civil Service shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $000,000,000 and outlays by $273,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $242,000,000 in budget authority and $925,000,000 in outlays in fiscal year 1984, and $538,000,000 in budget authority and $1,648,000,000 in outlays in fiscal year 1985.

(I) the House Committee on Veterans' Affairs shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $171,000,000 and outlays by $171,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $187,000,000 in budget authority and $187,000,000 in outlays in fiscal year 1984, and $195,000,000 in budget authority and $195,000,000 in outlays in fiscal year 1985.

(J) the House Committee on Ways and Means shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $334,000,000 and outlays by $2,489,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $205,000,000 in budget authority and $3,576,000,000 in outlays in fiscal year 1984, and $287,000,000 in budget authority and $4,160,000,000 in outlays in fiscal year 1985.

(K) the House Committee on Ways and Means shall report changes in laws within the jurisdiction of the committee sufficient to increase revenue by $31,700,000,000 for fiscal year 1983; further, the Congress finds that the prospect of unacceptably high deficits in future years requires additional revenues of $51,650,000,000 for fiscal year 1984, and $66,550,000,000 for fiscal year 1985. For purposes of this section, if any such changes involve the imposition of new or expanded user fees, they shall be submitted to and duly approved by the committee or committees of authorizing jurisdiction prior to submission to the House pursuant to section 310 of Public Law 93-344.

SEC. 302. Pursuant to section 301(b)(2) of the Budget Act—

(A) the Senate Committee on Finance shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $393,000,000 and outlays by $2,548,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future years requires additional savings of $270,000,000 in budget authority and $3,641,000,000 in outlays for fiscal year 1984, and $339,000,000 in budget authority and $4,232,000,000 in outlays in fiscal year 1985.

(B) the Senate Committee on Finance shall report changes in laws within the jurisdiction of that committee sufficient to increase revenues by $31,700,000,000 for fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional revenues of $51,650,000,000 for fiscal year 1984, and $66,550,000,000 in fiscal year 1985.

(C) the Senate Committee on Agriculture, Nutrition, and Forestry shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $207,000,000 and outlays by $207,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future years requires additional savings of $530,000,000 in budget authority and $530,000,000 in outlays for fiscal year 1984, and $661,000,000 in budget authority and $661,000,000 in outlays in fiscal year 1985.

(D) the Senate Committee on Armed Services shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $213,000,000 and outlays by $213,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future years requires additional savings of $694,000,000 in outlays for fiscal year 1984, and $1,232,000,000 in budget authority and $1,232,000,000 in outlays in fiscal year 1985.

(E) the Senate Committee on Banking, Housing, and Urban Affairs shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $190,000,000 and outlays by $785,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future years requires additional savings of $100,000,000 in budget authority and $797,000,000 in outlays for fiscal year 1984, and $104,000,000 in budget authority and $791,000,000 in outlays in fiscal year 1985.

(F) the Senate Committee on Commerce, Science, and Transportation shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $4,000,000 and outlays by $4,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future years requires additional savings of $15,000,000 in budget authority and $15,000,000 in outlays for fiscal year 1984, and $27,000,000 in budget authority and $27,000,000 in outlays in fiscal year 1985.

(G) the Senate Committee on Foreign Relations shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce outlays by $3,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future years requires additional savings of $2,000,000 in budget authority and $8,000,000 in outlays for fiscal year 1984, and $4,000,000 in budget authority and $15,000,000 in outlays in fiscal year 1985.

(H) the Senate Committee on Governmental Affairs shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce outlays by $270,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future years requires additional savings of $240,000,000 in budget authority and $917,000,000 in outlays for fiscal year 1984, and $534,000,000 in budget authority and $1,633,000,000 in outlays in fiscal year 1985.

(I) the Senate Committee on Labor and Human Resources shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $73,000,000 and outlays by $73,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future years requires additional savings of $101,000,000 in budget authority and $101,000,000 in outlays for fiscal year 1984, and $97,000,000 in budget authority and $97,000,000 in outlays in fiscal year 1985.

SEC. 303. The committees named in sections 301(A)-(I) and 302(C)-(I) shall submit their recommendations to the Committees on the Budget of their respective Houses. Those recommendations shall be sufficient to accomplish the changes required by such subsection. After receiving those recommendations, the Committees on the Budget shall report to the House and Senate a reconciliation bill or resolution or both carrying out all such recommendations without any substantive revision.

DEFERRED ENROLLMENT

SEC. 304. (a) In the House of Representatives, no bill or resolution providing—

(1) new budget authority for fiscal year 1983, or

(2) new spending authority described in section 401(c)(2)(C) of the Congressional Budget Act first effective in fiscal year 1983—which exceeds the appropriate allocation or subdivision of such new discretionary budget authority or new spending authority made pursuant to section 302 of such Act shall be enrolled until after Congress has completed action on the second concurrent resolution on the budget required to be reported under section 310 of such act.

(b) If Congress increases revenues in a trust fund exempt under section 401(d)(1)(B) of the Congressional Budget Act, then for purposes of this section, "budget authority" and "new discretionary budget authority" shall not include spending authority or budget authority derived from any trust fund, 90 percent or more of the receipts of which consist or will consist of amounts (transferred from the general fund of the Treasury) equivalent to amounts of taxes (related to the purposes for which such outlays are or will be made) received in the Treasury under specified provisions of the Internal Revenue Code of 1954.

302(b) REPORT

SEC. 305. It shall not be in order in either the House of Representatives or the Senate to consider any bill or resolution, or amendment thereto, providing—

(1) new budget authority for fiscal year 1983; or

(2) new spending authority described in section 401(c)(2)(C) of the Budget Act first effective in fiscal year 1983;

within the jurisdiction of any of its committees unless and until such committees makes the allocations or subdivisions required by section 302(b) of the Budget Act.

SEC. 306. It is the sense of the Congress that if Congress acts to restore fiscal responsibility and reduces projected budget deficits in a substantial and permanent way, then the Federal Reserve Open Market Committee shall reevaluate its monetary targets in order to assure that they are fully complementary to a new and more restrained fiscal policy.

(Amendment in the nature of a substitute.)

—Strike all after the resolving clause and insert in lieu thereof the following:

TITLE I—REVISION OF THE CONGRESSIONAL BUDGET FOR THE UNITED STATES GOVERNMENT FOR THE FISCAL YEAR 1982

SEC. 101. The provisions of this title shall supersede the figures reaffirmed in Senate Concurrent Resolution 50 of the Ninety-seventh Congress for the fiscal year beginning on October 1, 1981.

SEC. 102. (a)(1) The level of Federal revenues is $622,800,000,000 and the net amount by which the aggregate level of Federal revenues should be decreased is $200,000,000;

(2) the level of total new budget authority is $784,500,000,000;

(3) the level of total budget outlays is $743,900,000,000;

(4) the amount of the deficit in the budget is $121,100,000,000;

(5) the level of the public debt is $1,147,700,000,000 and the amount by which the statutory limit on such debt should accordingly be increased is $747,700,000,000, and

(6) the level of total obligations for the principal amount of new direct loans is $63,400,000,000, the level of total new primary commitments to guarantee loan principal is $74,850,000,000, and the level of total new secondary commitments to guarantee loan principal is $68,950,000,000.

(b) Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of subsection (a) of this section of this resolution, the Congress hereby determines and declares that, for the fiscal year beginning on October 1, 1981, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are as follows:

(1) National Defense (050):
(A) New budget authority, $218,200,000,000;
(B) Outlays, $190,800,000,000.
(2) International Affairs (150):
(A) New budget authority, $16,750,000,000;
(B) Outlays, $11,450,000,000.
(3) General Science, Space, and Technology (250):
(A) New budget authority, $7,000,000,000;
(B) Outlays, $7,000,000,000.
(4) Energy (270):
(A) New budget authority, $4,750,000,000;
(B) Outlays, $6,500,000,000.
(5) Natural Resources and Environment (300):
(A) New budget authority, $10,400,000,000;
(B) Outlays, $12,850,000,000.
(6) Agriculture (350):
(A) New budget authority, $9,900,000,000;
(B) Outlays, $13,800,000,000.
(7) Commerce and Housing Credit (370):
(A) New budget authority, $7,500,000,000;
(B) Outlays, $3,750,000,000.
(8) Transportation (400):
(A) New budget authority, $21,350,000,000;
(B) Outlays, $21,450,000,000.
(9) Community and Regional Development (450):
(A) New budget authority, $7,000,000,000;
(B) Outlays, $8,650,000,000.
(10) Education, Training, Employment and Social Services (500):
(A) New budget authority, $25,450,000,000;
(B) Outlays, $28,200,000,000.
(11) Health (550):
(A) New budget authority, $79,050,000,000;
(B) Outlays, $73,750,000,000.
(12) Income Security (600):
(A) New budget authority, $261,350,000,000;
(B) Outlays, $251,850,000,000.
(13) Veterans Benefits and Services (700):
(A) New budget authority, $24,800,000,000;
(B) Outlays, $23,800,000,000.
(14) Administration of Justice (750):
(A) New budget authority, $4,500,000,000;
(B) Outlays, $4,650,000,000.
(15) General Government (800):
(A) New budget authority, $5,200,000,000;
(B) Outlays, $5,050,000,000.
(16) General Purpose Fiscal Assistance (850):
(A) New budget authority, $6,350,000,000;
(B) Outlays, $6,350,000,000.
(17) Interest (900):
(A) New budget authority, $102,350,000,000;
(B) Outlays, $102,350,000,000.
(18) Allowances (920):
(A) New budget authority, $2,850,000,000;
(B) Outlays, $1,900,000,000.
(19) Undistributed Offsetting Receipts (950):
(A) New budget authority, −$30,250,000,000;
(B) Outlays, −$30,250,000,000.

SEC. 103. (a) There is established a congressional federal credit budget for fiscal year 1982 of which the levels of total federal credit activity for fiscal year 1982 are:

(1) New direct loan obligations, $63,400,000,000.

(2) New primary loan guarantee commitments, $74,850,000,000.

(3) New secondary loan guarantee commitments, $68,950,000,000.

(b) Based on allocations of the appropriate levels of total federal credit activity as set forth in paragraph (1) of this subsection, the appropriate levels of new direct loan obligations, new primary loan guarantee commitments, and new secondary loan guarantee commitments for each functional category are as follows:

(1) National Defense (050):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(2) International Affairs (150):

(A) New direct loan obligations, $10,400,000,000;

(B) New primary loan guarantee commitments, $8,100,000,000;

(C) New secondary loan guarantee commitments, $0.

(3) General Science, Space and Technology (250):

(A) New direct loan obligations, $200,000,000;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(4) Energy (270):

(A) New direct loan obligations, $10,300,000,000;

(B) New primary loan guarantee commitments, $400,000,000;

(C) New secondary loan guarantee commitments, $0.

(5) Natural Resources and Environment (300):

(A) New direct loan obligations, $50,000,000;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(6) Agriculture (350):

(A) New direct loan obligations, $22,600,000,000;

(B) New primary loan guarantee commitments, $2,700,000,000;

(C) New secondary loan guarantee commitments, $0.

(7) Commerce and Housing Credit (370):

(A) New direct loan obligations, $12,050,000,000;

(B) New primary loan guarantee commitments, $28,200,000,000;

(C) New secondary loan guarantee commitments, $68,200,000,000.

(8) Transportation (400):

(A) New direct loan obligations, $350,000,000;

(B) New primary loan guarantee commitments, $750,000,000;

(C) New secondary loan guarantee commitments, $50,000,000.

(9) Community and Regional Development (450):

(A) New direct loan obligations, $2,000,000,000;

(B) New primary loan guarantee commitments, $850,000,000;

(C) New secondary loan guarantee commitments, $0.

(10) Education, Training, Employment and Social Services (500):

(A) New direct loan obligations, $1,300,000,000;

(B) New primary loan guarantee commitments, $8,500,000,000;

(C) New secondary loan guarantee commitments, $700,000,000.

(11) Health (550):

(A) New direct loan obligations, $50,000,000;

(B) New primary loan guarantee commitments, $100,000,000;

(C) New secondary loan guarantee commitments, $0.

(12) Income Security (600):

(A) New direct loan obligations, $2,750,000,000;

(B) New primary loan guarantee commitments, $17,050,000,000;

(C) New secondary loan guarantee commitments, $0.

(13) Veterans Benefits and Services (700):

(A) New direct loan obligations, $1,050,000,000;

(B) New primary loan guarantee commitments, $11,900,000,000;

(C) New secondary loan guarantee commitments, $0.

(14) Administration of Justice (750):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(15) General Government (800):

(A) New direct loan obligations, $50,000,000;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(16) General Purpose Fiscal Assistance (850):

(A) New direct loan obligations, $250,000,000;

(B) New primary loan guarantee commitments, $300,000,000;

(C) New secondary loan guarantee commitments, $0.

(17) Interest (900):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(18) Allowances (920):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(19) Undistributed Offsetting Receipts (950):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(c) It is the sense of the Congress that the President and the Congress, through the appropriations process, should limit in fiscal year 1982 the off-budget lending activity of the Federal Government to a level not to exceed $30,200,000,000, the on-budget lending activity to a level not to exceed $33,200,000,000, new primary loan guarantee commitments to a level not to exceed $74,850,000,000, and new secondary loan guarantee commitments to a level not to exceed $68,950,000,000.

TITLE II—SETTING FORTH THE CONGRESSIONAL BUDGET FOR THE UNITED STATES GOVERNMENT FOR THE FISCAL YEARS 1983, 1984, AND 1985

SEC. 201. The Congress hereby determines and declares, pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on October 1, 1982—

(1) the level of Federal revenues is $676,700,000,000, and the net amount by which the aggregate level of Federal revenues should be increased is $31,700,000,000;

(2) the level of total new budget authority is $828,000,000,000;

(3) the level of total budget outlays is $780,550,000,000;

(4) the amount of the deficit in the budget is $103,850,000,000, and

(5) the level of the public debt is $1,285,550,000,000, and the amount by which the statutory limit on such debt should accordingly be increased is $885,550,000,000.

SEC. 202. Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of section 201 of this resolution, the Congress hereby determines and declares pursuant to section 301(a) of the Congressional Budget Act of 1974 that, for the fiscal year beginning on October 1, 1982, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are as follows:

(1) National Defense (050):

(A) New budget authority, $242,850,000,000;

(B) Outlays, $212,300,000,000.

(2) International Affairs (150):

(A) New budget authority, $16,150,000,000;

(B) Outlays, $12,100,000,000.

General Science, Space, and Technology (250):

(A) New budget authority, $7,750,000,000;

(B) Outlays, $7,600,000,000.

(4) Energy (270):

(A) New budget authority, $5,300,000,000;

(B) Outlays, $5,000,000,000.

(5) Natural Resources and Environment (300):

(A) New budget authority, $9,400,000,000;

(B) Outlays, $10,850,000,000.

(6) Agriculture (350):

(A) New budget authority, $6,900,000,000;

(B) Outlays, $10,100,000,000.

(7) Commerce and Housing Credit (370):

(A) New budget authority, $8,050,000,000;

(B) Outlays, $3,050,000,000.

(8) Transportation (400):

(A) New budget authority, $22,300,000,000;

(B) Outlays, $20,400,000,000.

(9) Community and Regional Development (450):

(A) New budget authority, $7,000,000,000;

(B) Outlays, $7,900,000,000.

(10) Education, Training, Employment and Social Services (500):

(A) New budget authority, $27,550,000,000;

(B) Outlays, $27,450,000,000.

(11) Health (550):

(A) New budget authority, $77,300,000,000;

(B) Outlays, $80,100,000,000.

(12) Income Security (600):

(A) New budget authority, $286,950,000,000;

(B) Outlays, $273,800,000,000.

(13) Veterans Benefits and Services (700):

(A) New budget authority, $24,100,000,000;

(B) Outlays, $23,400,000,000.

(14) Administration of Justice (750):

(A) New budget authority, $4,600,000,000;

(B) Outlays, $4,650,000,000.

(15) General Government (800):

(A) New budget authority, $5,000,000,000;

(B) Outlays, $4,850,000,000.

(16) General Purpose Fiscal Assistance (850):

(A) New budget authority, $6,500,000,000;

(B) Outlays, $6,500,000,000.

(17) Interest (900):

(A) New budget authority, $115,000,000,000;

(B) Outlays, $115,000,000,000.

(18) Allowances (920):

(A) New budget authority, −$1,050,000,000;

(B) Outlays, −$850,000,000.

(19) Undistributed Offsetting Receipts (950):

(A) New budget authority, −$43,650,000,000;

(B) Outlays, −$43,650,000,000.

SEC. 203. (a) There is established a congressional federal credit budget for fiscal year 1983 of which the levels of total federal credit activity for fiscal year 1983 are:

(1) New direct loan obligations, $60,900,000,000.

(2) New primary loan guarantee commitments, $99,100,000,000.

(3) New secondary loan guarantee commitments, $68,250,000,000.

(b) Based on allocations of the appropriate levels of total federal credit activity as set forth in paragraph (1) of this subsection, the appropriate levels of new direct loan obligations, new primary loan guarantee commitments, and new secondary loan guarantee commitments for each functional category are as follows:

National Defense (050):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

International Affairs (150):

(A) New direct loan obligations, $10,850,000,000;

(B) New primary loan guarantee commitments, $8,950,000,000;

(C) New secondary loan guarantee commitments, $0.

General Science, Space and Technology (250):

(A) New direct loan obligations, $150,000,000;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(4) Energy (270):

(A) New direct loan obligations, $11,950,000,000;

(B) New primary loan guarantee commitments, −$850,000,000;

(C) New secondary loan guarantee commitments, $0.

(5) Natural Resources and Environment (300):

(A) New direct loan obligations, $50,000,000;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(6) Agriculture (350):

(A) New direct loan obligations, $19,150,000,000;

(B) New primary loan guarantee commitments, $2,650,000,000;

(C) New secondary loan guarantee commitments, $0.

(7) Commerce and Housing Credit (370):

(A) New direct loan obligations, $12,150,000,000;

(B) New primary loan guarantee commitments, $40,100,000,000;

(C) New secondary loan guarantee commitments, $68,250,000,000.

(8) Transportation (400):

(A) New direct loan obligations, $350,000,000;

(B) New primary loan guarantee commitments, $750,000,000;

(C) New secondary loan guarantee commitments, $0.

(9) Community and Regional Development (450):

(A) New direct loan obligations, $1,950,000,000;

(B) New primary loan guarantee commitments, $500,000,000;

(C) New secondary loan guarantee commitments, $0.

(10) Education, Training, Employment and Social Services (500):

(A) New direct loan obligations, $850,000,000;

(B) New primary loan guarantee commitments, $7,250,000,000;

(C) New secondary loan guarantee commitments, $0.

(11) Health (550):

(A) New direct loan obligations, $50,000,000;

(B) New primary loan guarantee commitments, $100,000,000;

(C) New secondary loan guarantee commitments, $0.

(12) Income Security (600):

(A) New direct loan obligations, $2,050,000,000;

(B) New primary loan guarantee commitments, $18,700,000,000;

(C) New secondary loan guarantee commitments, $0.

(13) Veterans Benefits and Services (700):

(A) New direct loan obligations, $1,050,000,000;

(B) New primary loan guarantee commitments, $20,950,000,000;

(C) New secondary loan guarantee commitments, $0.

(14) Administration of Justice (750):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(15) General Government (800):

(A) New direct loan obligations, $50,000,000;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(16) General Purpose Fiscal Assistance (850):

(A) New direct loan obligations, $250,000,000;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(17) Interest (900):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(18) Allowances (920):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(19) Undistributed Offsetting Receipts (950):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(c) It is the sense of the Congress that the President and the Congress, through the appropriations process, should limit in fiscal year 1983 the off-budget lending activity of the Federal Government to a level not to exceed $31,050,000,000, the on-budget lending activity to a level not to exceed $29,850,000,000, new primary loan guarantee commitments to a level not to exceed $99,100,000,000, and new secondary loan guarantee commitments to a level not to exceed $68,250,000,000.

SEC. 204. The Congress sets forth the following budgetary levels for fiscal years 1984 and 1985—

(1) the level of Federal revenues is as follows:

Fiscal year 1984: $753,650,000,000.

Fiscal year 1985: $846,550,000,000.

and the amount by which the aggregate levels of Federal revenues should be increased is as follows:

Fiscal year 1984: $51,650,000,000.

Fiscal year 1985: $66,550,000,000.

(2) the level of total new budget authority is as follows:

Fiscal year 1984: $888,400,000,000.

Fiscal year 1985: $952,850,000,000.

(3) the level of total budget outlays is as follows:

Fiscal year 1984: $826,400,000,000.

Fiscal year 1985: $881,200,000,000.

(4) the amount of the deficit in the budget is:

Fiscal year 1984: $72,750,000,000.

Fiscal year 1985: $34,650,000,000.

(5) the level of the public debt is as follows:

Fiscal year 1984: $1,404,450,000,000.

Fiscal year 1985: $1,490,800,000,000.

and the amount by which the temporary statutory limit on such debt should be accordingly increased is as follows:

Fiscal year 1984: $1,004,450,000,000.

Fiscal year 1985: $1,090,800,000,000.

SEC. 205. Based on allocations of the appropriate level of total new budget authority and of total budget outlays for fiscal years 1984 and 1985 as set forth above, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are respectively as follows:

(1) National Defense (050):

Fiscal year 1984:

(A) New budget authority, $268,150,000,000;

(B) Outlays, $235,350,000,000.

Fiscal year 1985:

(A) New budget authority, $295,950,000,000;

(B) Outlays, $265,950,000,000.

(2) International Affairs (150):

Fiscal year 1984:

(A) New budget authority, $16,800,000,000;

(B) Outlays, $12,300,000,000.

Fiscal year 1985:

(A) New budget authority, $21,200,000,000;

(B) Outlays, $12,300,000,000.

(3) General Science, Space, and Technology (250):

Fiscal year 1984:

(A) New budget authority, $7,750,000,000;

(B) Outlays, $7,750,000,000.

Fiscal year 1985:

(A) New budget authority, $7,600,000,000;

(B) Outlays, $7,600,000,000.

(4) Energy (270):

Fiscal year 1984:

(A) New budget authority, $4,700,000,000;

(B) Outlays, $4,050,000,000.

Fiscal year 1985:

(A) New budget authority, $4,650,000,000;

(B) Outlays, $3,850,000,000.

(5) Natural Resources and Environment (300):

Fiscal year 1984:

(A) New budget authority, $8,750,000,000;

(B) Outlays, $9,850,000,000.

Fiscal year 1985:

(A) New budget authority, $8,350,000,000;

(B) Outlays, $8,850,000,000.

(6) Agriculture (350):

Fiscal year 1984:

(A) New budget authority, $8,400,000,000;

(B) Outlays, $8,250,000,000.

Fiscal year 1985:

(A) New budget authority, $6,850,000,000;

(B) Outlays, $7,500,000,000.

(7) Commerce and Housing Credit (370):

Fiscal year 1984:

(A) New budget authority, $8,650,000,000;

(B) Outlays, $2,750,000,000.

Fiscal year 1985:

(A) New budget authority, $8,350,000,000;

(B) Outlays, $2,600,000,000.

(8) Transportation (400):

Fiscal year 1984:

(A) New budget authority, $22,400,000,000;

(B) Outlays, $20,050,000,000.

Fiscal year 1985:

(A) New budget authority, $22,950,000,000;

(B) Outlays, $20,250,000,000.

(9) Community and Regional Development (450):

Fiscal year 1984:

(A) New budget authority, $7,150,000,000;

(B) Outlays, $7,600,000,000.

Fiscal year 1985:

(A) New budget authority, $7,350,000,000;

(B) Outlays, $7,700,000,000.

(10) Education, Training, Employment, and Social Services (500):

Fiscal year 1984:

(A) New budget authority, $28,250,000,000;

(B) Outlays, $28,000,000,000.

Fiscal year 1985:

(A) New budget authority, $28,300,000,000;

(B) Outlays, $28,200,000,000.

(11) Health (550):

Fiscal year 1984:

(A) New budget authority, $81,700,000,000;

(B) Outlays, $89,650,000,000.

Fiscal year 1985:

(A) New budget authority, $94,100,000,000;

(B) Outlays, $101,250,000,000.

(12) Income Security (600):

Fiscal year 1984:

(A) New budget authority, $314,500,000,000;

(B) Outlays, $290,050,000,000.

Fiscal year 1985:

(A) New budget authority, $344,550,000,000;

(B) Outlays, $312,400,000,000.

(13) Veterans Benefits and Services (700):

Fiscal year 1984:

(A) New budget authority, $25,150,000,000;

(B) Outlays, $24,550,000,000.

Fiscal year 1985:

(A) New budget authority, $26,000,000,000;

(B) Outlays, $25,900,000,000.

(14) Administration of Justice (750):

Fiscal year 1984:

(A) New budget authority, $4,600,000,000;

(B) Outlays, $4,600,000,000.

Fiscal year 1985:

(A) New budget authority, $4,600,000,000;

(B) Outlays, $4,600,000,000.

(15) General Government (800):

Fiscal year 1984:

(A) New budget authority, $4,700,000,000;

(B) Outlays, $4,600,000,000.

Fiscal year 1985:

(A) New budget authority, $4,700,000,000;

(B) Outlays, $4,500,000,000.

(16) General Purpose Fiscal Assistance (850):

Fiscal year 1984:

(A) New budget authority, $6,750,000,000;

(B) Outlays, $6,700,000,000.

Fiscal year 1985:

(A) New budget authority, $6,850,000,000;

(B) Outlays, $6,850,000,000.

(17) Interest (900):

Fiscal year 1984:

(A) New budget authority, $119,300,000,000;

(B) Outlays, $119,300,000,000.

Fiscal year 1985:

(A) New budget authority, $110,850,000,000;

(B) Outlays, $110,850,000,000.

(18) Allowances (920):

Fiscal year 1984:

(A) New budget authority, $200,000,000;

(B) Outlays, $500,000,000.

Fiscal year 1985:

(A) New budget authority, $500,000,000;

(B) Outlays, $900,000,000.

(19) Undistributed Offsetting Receipts (950):

Fiscal year 1984:

(A) New budget authority, −$49,500,000,000;

(B) Outlays, −$49,500,000,000.

Fiscal year 1985:

(A) New budget authority, −$50,850,000,000;

(B) Outlays, −$50,850,000,000.

TITLE III—PROVIDING RECONCILIATION INSTRUCTIONS AND OTHER ENFORCEMENT MEASURES

PART A—RECONCILIATION INSTRUCTIONS

SEC. 301. Pursuant to section 301(b)(2) of the Budget Act—

(A) the House Committee on Agriculture shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $207,000,000 and outlays by $207,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $530,000,000 in budget authority and $530,000,000 in outlays in fiscal year 1984, and $661,000,000 in budget authority and $661,000,000 in outlays in fiscal year 1985.

(B) the House Committee on Armed Services shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $212,000,000 and outlays by $212,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $691,000,000 in budget authority and $691,000,000 in outlays in fiscal year 1984, and $1,228,000,000 in budget authority and $1,228,000,000 in outlays in fiscal year 1985.

(C) the House Committee on Banking, Finance and Urban Affairs shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce outlays by $695,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $697,000,000 in outlays in fiscal year 1984, and $687,000,000 in outlays in fiscal year 1985.

(D) the House Committee on Education and Labor shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $73,000,000 and outlays by $73,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $101,000,000 in budget authority and $101,000,000 in outlays in fiscal year 1984, and $97,000,000 in budget authority and $97,000,000 in outlays in fiscal year 1985.

(E) the House Committee on Energy and Commerce shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $60,000,000 and outlays by $60,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $68,000,000 in budget authority and $68,000,000 in outlays in fiscal year 1984, and $77,000,000 in budget authority and $77,000,000 in outlays in fiscal year 1985.

(F) the House Committee on Foreign Affairs shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce outlays by $3,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $2,000,000 in budget authority and $8,000,000 in outlays in fiscal year 1984, and $4,000,000 in budget authority and $15,000,000 in outlays in fiscal year 1985.

(G) the House Committee on Merchant Marine and Fisheries shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $4,000,000 and outlays by $4,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $15,000,000 in budget authority and $15,000,000 in outlays in fiscal year 1984, and $27,000,000 in budget authority and $27,000,000 in outlays in fiscal year 1985.

(H) the House Committee on Post Office and Civil Service shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $000,000,000 and outlays by $273,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $242,000,000 in budget authority and $925,000,000 in outlays in fiscal year 1984, and $538,000,000 in budget authority and $1,648,000,000 in outlays in fiscal year 1985.

(I) the House Committee on Veterans' Affairs shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $171,000,000 and outlays by $171,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $187,000,000 in budget authority and $187,000,000 in outlays in fiscal year 1984, and $195,000,000 in budget authority and $195,000,000 in outlays in fiscal year 1985.

(J) the House Committee on Ways and Means shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $334,000,000 and outlays by $2,489,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $205,000,000 in budget authority and $3,576,000,000 in outlays in fiscal year 1984, and $267,000,000 in budget authority and $4,180,000,000 in outlays in fiscal year 1985.

(K) the House Committee on Ways and Means shall report changes in laws within the jurisdiction of the committee sufficient to increase revenue by $31,700,000,000 for fiscal year 1983; further, the Congress finds that the prospect of unacceptably high deficits in future years requires additional revenues of $51,650,000,000 for fiscal year 1984,

and $66,550,000,000 for fiscal year 1985. For purposes of this section, if any such changes involve the imposition of new or expanded user fees, they shall be submitted to and duly approved by the committee or committees of authorizing jurisdiction prior to submission to the House pursuant to section 310 of Public Law 93-344.

SEC. 302. Pursuant to section 301(b)(2) of the Budget Act—

(A) the Senate Committee on Finance shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $393,000,000 and outlays by $2,548,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future years requires additional savings of $270,000,000 in budget authority and $3,641,000,000 in outlays for fiscal year 1984, and $339,000,000 in budget authority and $4,232,000,000 in outlays in fiscal year 1985.

(B) the Senate Committee on Finance shall report changes in laws within the jurisdiction of that committee sufficient to increase revenues by $31,700,000,000 for fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional revenues of $51,650,000,000 for fiscal year 1984, and $66,550,000,000 in fiscal year 1985.

(C) the Senate Committee on Agriculture, Nutrition, and Forestry shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $207,000,000 and outlays by $207,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future years requires additional savings of $530,000,000 in budget authority and $530,000,000 in outlays for fiscal year 1984, and $661,000,000 in budget authority and $661,000,000 in outlays in fiscal year 1985.

(D) the Senate Committee on Armed Services shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $213,000,000 and outlays by $213,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future years requires additional savings of $694,000,000 in outlays for fiscal year 1984, and $1,232,000,000 in budget authority and $1,232,000,000 in outlays in fiscal year 1985.

(E) the Senate Committee on Banking, Housing, and Urban Affairs shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $190,000,000 and outlays by $785,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future years requires additional savings of $100,000,000 in budget authority and $797,000,000 in outlays for fiscal year 1984, and $104,000,000 in budget authority and $791,000,000 in outlays in fiscal year 1985.

(F) the Senate Committee on Commerce, Science, and Transportation shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $4,000,000 and outlays by $4,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future years requires additional savings of $15,000,000 in budget authority and $15,000,000 in outlays for fiscal year 1984, and $27,000,000 in budget authority and $27,000,000 in outlays in fiscal year 1985.

(G) the Senate Committee on Foreign Relations shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce outlays by $3,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future years requires additional savings of $2,000,000 in budget authority and $8,000,000 in outlays for fiscal year 1984, and $4,000,000 in budget authority and $15,000,000 in outlays in fiscal year 1985.

(H) the Senate Committee on Governmental Affairs shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce outlays by $270,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future years requires additional savings of $240,000,000 in budget authority and $917,000,000 in outlays for fiscal year 1984, and $534,000,000 in budget authority and $1,633,000,000 in outlays in fiscal year 1985.

(I) the Senate Committee on Labor and Human Resources shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $73,000,000 and outlays by $73,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future years requires additional savings of $101,000,000 in budget authority and $101,000,000 in outlays for fiscal year 1984, and $97,000,000 in budget authority and $97,000,000 in outlays in fiscal year 1985.

SEC. 303. The committees named in sections 301(A)-(I) and 302(C)-(I) shall submit their recommendations to the Committees on the Budget of their respective Houses. Those recommendations shall be sufficient to accomplish the changes required by such subsection. After receiving those recommendations, the Committees on the Budget shall report to the House and Senate a reconciliation bill or resolution or both carrying out all such recommendations without any substantive revision.

DEFERRED ENROLLMENT

SEC. 304. (a) In the House of Representatives, no bill or resolution providing—

(1) new budget authority for fiscal year 1983, or

(2) new spending authority described in section 401(c)(2)(C) of the Congressional Budget Act first effective in fiscal year 1983—which exceeds the appropriate allocation or subdivision of such new discretionary budget authority or new spending authority made pursuant to section 302 of such Act shall be enrolled until after Congress has completed action on the second concurrent resolution on the budget required to be reported under section 310 of such act. (b) For purposes of this section, "budget authority" and "new discretionary budget authority" shall not include spending authority or budget authority derived from any highway, public transportation or aviation trust fund, 90 percent or more of the receipts of which consist or will consist of amounts (transferred from the general fund of the Treasury) equivalent to amounts of taxes (related to the purposes for which such outlays are or will be made) received in the Treasury under specified provisions of the Internal Revenue Code of 1954.

302(b) REPORT

SEC. 305. It shall not be in order in either the House of Representatives or the Senate to consider any bill or resolution, or amendment thereto, providing—

(1) new budget authority for fiscal year 1983; or

(2) new spending authority described in section 401(c)(2)(C) of the Budget Act first effective in fiscal year 1983;

within the jurisdiction of any of its committees unless and until such committees makes the allocations or subdivisions required by section 302(b) of the Budget Act.

SEC. 306. It is the sense of the Congress that if Congress acts to restore fiscal responsibility and reduces projected budget deficits in a substantial and permanent way, then the Federal Reserve Open Market Committee shall reevaluate its monetary targets in order to assure that they are fully complementary to a new and more restrained fiscal policy.

(Amendment in the nature of a substitute.)

—Strike all after the resolving clause and insert in lieu thereof the following:

TITLE I—REVISION OF THE CONGRESSIONAL BUDGET FOR THE UNITED STATES GOVERNMENT FOR THE FISCAL YEAR 1982

SEC. 101. The provisions of this title shall supersede the figures reaffirmed in Senate Concurrent Resolution 50 of the Ninety-seventh Congress for the fiscal year beginning on October 1, 1981.

SEC. 102(a)(1). The level of Federal revenues is $622,800,000,000 and the net amount by which the aggregate level of Federal revenues should be decreased is $200,000,000;

(2) the level of total new budget authority is $784,500,000,000;

(3) the level of total budget outlays is $743,900,000,000;

(4) the amount of the deficit in the budget is $121,100,000,000;

(5) the level of the public debt is $1,147,700,000,000 and the amount by which the statutory limit on such debt should accordingly be increased is $747,700,000,000, and

(6) the level of total obligations for the principal amount of new direct loans is $63,400,000,000, the level of total new primary commitments to guarantee loan principal is $74,850,000,000, and the level of total new secondary commitments to guarantee loan principal is $68,950,000,000.

(b) Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of subsection (a) of this section of this resolution, the Congress hereby determines and declares that, for the fiscal year beginning on October 1, 1981, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are as follows:

(1) National Defense (050):

(A) New budget authority, $218,200,000,000;

(B) Outlays, $190,800,000,000.

(2) International Affairs (150):

(A) New budget authority, $16,750,000,000;

(B) Outlays, $11,450,000,000.

(3) General Science, Space, and Technology (250):

(A) New budget authority, $7,000,000,000;

(B) Outlays, $7,000,000,000.

(4) Energy (270):

(A) New budget authority, $4,750,000,000;

(B) Outlays, $6,500,000,000.

(5) Natural Resources and Environment (300):

(A) New budget authority, $10,400,000,000;

(B) Outlays, $12,850,000,000.

(6) Agriculture (350):

(A) New budget authority, $9,900,000,000;

(B) Outlays, $13,800,000,000.

(7) Commerce and Housing Credit (370):

(A) New budget authority, $7,500,000,000;

(B) Outlays, $3,750,000,000.

(8) Transportation (400):

(A) New budget authority, $21,350,000,000;

(B) Outlays, $21,450,000,000.

(9) Community and Regional Development (450):

(A) New budget authority, $7,000,000,000;

(B) Outlays, $8,650,000,000.

(10) Education, Training, Employment and Social Services (500):

(A) New budget authority, $25,450,000,000;

(B) Outlays, $28,200,000,000.

(11) Health (550):

(A) New budget authority, $79,050,000,000;

(B) Outlays, $73,750,000,000.

(12) Income Security (600):

(A) New budget authority, $261,350,000,000;

(B) Outlays, $251,850,000,000.

(13) Veterans Benefits and Services (700):

(A) New budget authority, $24,800,000,000;

(B) Outlays, $23,800,000,000.

(14) Administration of Justice (750):

(A) New budget authority, $4,500,000,000;

(B) Outlays, $4,650,000,000.

(15) General Government (800):

(A) New budget authority, $5,200,000,000;

(B) Outlays, $5,050,000,000.

(16) General Purpose Fiscal Assistance (850):

(A) New budget authority, $6,350,000,000;

(B) Outlays, $6,350,000,000.

(17) Interest (900):

(A) New budget authority, $102,350,000,000;

(B) Outlays, $102,350,000,000.

(18) Allowances (920):

(A) New budget authority, $2,850,000,000;

(B) Outlays, $1,900,000,000.

(19) Undistributed Offsetting Receipts (950):

(A) New budget authority, −$30,250,000,000;

(B) Outlays, −$30,250,000,000.

Sec. 103. (a) There is established a congressional federal credit budget for fiscal year 1982 of which the levels of total federal credit activity for fiscal year 1982 are:

(1) New direct loan obligations, $63,400,000,000.

(2) New primary loan guarantee commitments, $74,850,000,000.

(3) New secondary loan guarantee commitments, $68,950,000,000.

(b) Based on allocations of the appropriate levels of total federal credit activity as set forth in paragraph (1) of this subsection, the appropriate levels of new direct loan obligations, new primary loan guarantee commitments, and new secondary loan guarantee commitments for each functional category are as follows:

(1) National Defense (050):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(2) International Affairs (150):

(A) New direct loan obligations, $10,400,000,000;

(B) New primary loan guarantee commitments, $8,100,000,000;

(C) New secondary loan guarantee commitments, $0.

(3) General Science, Space and Technology (250):

(A) New direct loan obligations, $200,000,000;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(4) Energy (270):

(A) New direct loan obligations, $10,300,000,000;

(B) New primary loan guarantee commitments, $400,000,000;

(C) New secondary loan guarantee commitments, $0.

(5) Natural Resources and Environment (300):

(A) New direct loan obligations, $50,000,000;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(6) Agriculture (350):

(A) New direct loan obligations, $22,600,000,000;

(B) New primary loan guarantee commitments, $2,700,000,000;

(C) New secondary loan guarantee commitments, $0.

(7) Commerce and Housing Credit (370):

(A) New direct loan obligations, $12,050,000,000;

(B) New primary loan guarantee commitments, $26,200,000,000;

(C) New secondary loan guarantee commitments, $68,200,000,000.

(8) Transportation (400):

(A) New direct loan obligations, $350,000,000;

(B) New primary loan guarantee commitments, $750,000,000;

(C) New secondary loan guarantee commitments, $50,000,000.

(9) Community and Regional Development (450):

(A) New direct loan obligations, $2,000,000,000;

(B) New primary loan guarantee commitments, $850,000,000;

(C) New secondary loan guarantee commitments, $0.

(10) Education, Training, Employment and Social Services (500):

(A) New direct loan obligations, $1,300,000,000;

(B) New primary loan guarantee commitments, $6,500,000,000;

(C) New secondary loan guarantee commitments, $700,000,000.

(11) Health (550):

(A) New direct loan obligations, $50,000,000;

(B) New primary loan guarantee commitments, $100,000,000;

(C) New secondary loan guarantee commitments, $0.

(12) Income Security (600):

(A) New direct loan obligations, $2,750,000,000;

(B) New primary loan guarantee commitments, $17,050,000,000;

(C) New secondary loan guarantee commitments, $0.

(13) Veterans Benefits and Services (700):

(A) New direct loan obligations, $1,050,000,000;

(B) New primary loan guarantee commitments, $11,900,000,000;

(C) New secondary loan guarantee commitments, $0.

(14) Administration of Justice (750):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(15) General Government (800):

(A) New direct loan obligations, $50,000,000;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(16) General Purpose Fiscal Assistance (850):

(A) New direct loan obligations, $250,000,000;

(B) New primary loan guarantee commitments, $300,000,000;

(C) New secondary loan guarantee commitments, $0.

(17) Interest (900):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(18) Allowances (920):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(19) Undistributed Offsetting Receipts (950):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(c) It is the sense of the Congress that the President and the Congress, through the appropriations process, should limit in fiscal year 1982 the off-budget lending activity of the Federal Government to a level not to exceed $30,200,000,000, the on-budget lending activity to a level not to exceed $33,200,000,000, new primary loan guarantee commitments to a level not to exceed $74,850,000,000, and new secondary loan guarantee commitments to a level not to exceed $68,950,000,000.

TITLE II—SETTING FORTH THE CONGRESSIONAL BUDGET FOR THE UNITED STATES GOVERNMENT FOR THE FISCAL YEARS 1983, 1984, AND 1985

Sec. 201. The Congress hereby determines and declares, pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on October 1, 1982—

(1) the level of Federal revenues is $676,700,000,000, and the net amount by which the aggregate level of Federal revenues should be increased is $31,700,000,000;

(2) the level of total new budget authority is $828,000,000,000;

(3) the level of total budget outlays is $780,550,000,000;

(4) the amount of the deficit in the budget is $103,850,000,000, and

(5) the level of the public debt is $1,285,550,000,000, and the amount by which the statutory limit on such debt should accordingly be increased is $885,550,000,000.

Sec. 202. Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of section 201 of this resolution, the Congress hereby determines and declares pursuant to section 301(a) of the Congressional Budget Act of 1974 that, for the fiscal year beginning on October 1, 1982, the appropriate level of new budget authority and the estimated

budget outlays for each major functional category are as follows:

(1) National Defense (050):

(A) New budget authority, $242,850,000,000;

(B) Outlays, $212,300,000,000.

(2) International Affairs (150):

(A) New budget authority, $16,150,000,000;

(B) Outlays, $12,100,000,000.

General Science, Space, and Technology (250):

(A) New budget authority, $7,750,000,000;

(B) Outlays, $7,600,000,000.

(4) Energy (270):

(A) New budget authority, $5,300,000,000;

(B) Outlays, $5,000,000,000.

(5) Natural Resources and Environment (300):

(A) New budget authority, $9,400,000,000;

(B) Outlays, $10,850,000,000.

(6) Agriculture (350):

(A) New budget authority, $6,900,000,000;

(B) Outlays, $10,100,000,000.

(7) Commerce and Housing Credit (370):

(A) New budget authority, $8,050,000,000;

(B) Outlays, $3,050,000,000.

(8) Transportation (400):

(A) New budget authority, $22,300,000,000;

(B) Outlays, $20,400,000,000.

(9) Community and Regional Development (450):

(A) New budget authority, $7,000,000,000;

(B) Outlays, $7,900,000,000.

(10) Education, Training, Employment and Social Services (500):

(A) New budget authority, $27,550,000,000;

(B) Outlays, $27,450,000,000.

(11) Health (550):

(A) New budget authority, $77,300,000,000;

(B) Outlays, $80,100,000,000.

(12) Income Security (600):

(A) New budget authority, $286,950,000,000;

(B) Outlays, $273,800,000,000.

(13) Veterans Benefits and Services (700):

(A) New budget authority, $24,100,000,000;

(B) Outlays, $23,400,000,000.

(14) Administration of Justice (750):

(A) New budget authority, $4,600,000,000;

(B) Outlays $4,650,000,000.

(15) General Government (800):

(A) New budget authority, $5,000,000,000;

(B) Outlays, $4,850,000,000.

(16) General Purpose Fiscal Assistance (850):

(A) New budget authority, $6,500,000,000;

(B) Outlays, $6,500,000,000.

(17) Interest (900):

(A) New budget authority, $115,000,000,000;

(B) Outlays, $115,000,000,000.

(18) Allowances (920):

(A) New budget authority, −$1,050,000,000;

(B) Outlays, −$850,000,000.

(19) Undistributed Offsetting Receipts (950):

(A) New budget authority, −$43,650,000,000;

(B) Outlays, −$43,650,000,000.

Sec. 203. (a) There is established a congressional federal credit budget for fiscal year 1983 of which the levels of total federal credit activity for fiscal year 1983 are:

(1) New direct loan obligations, $60,900,000,000.

(2) New primary loan guarantee commitments, $99,100,000,000.

(3) New secondary loan guarantee commitments, $68,250,000,000.

(b) Based on allocations of the appropriate levels of total federal credit activity as set forth in paragraph (1) of this subsection, the appropriate levels of new direct loan obligations, new primary loan guarantee commitments, and new secondary loan guarantee commitments for each functional category are as follows:

National Defense (050):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

International Affairs (150):

(A) New direct loan obligations, $10,850,000,000;

(B) New primary loan guarantee commitments, $8,950,000,000;

(C) New secondary loan guarantee commitments, $0.

General Science, Space, and Technology (250):

(A) New direct loan obligations, $150,000,000;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(4) Energy (270):

(A) New direct loan obligations, $11,950,000,000;

(B) New primary loan guarantee commitments, −$850,000,000;

(C) New secondary loan guarantee commitments, $0.

(5) Natural Resources and Environment (300):

(A) New direct loan obligations, $50,000,000;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(6) Agriculture (350):

(A) New direct loan obligations, $19,150,000,000;

(B) New primary loan guarantee commitments, $2,650,000,000;

(C) New secondary loan guarantee commitments, $0.

(7) Commerce and Housing Credit (370):

(A) New direct loan obligations, $12,150,000,000;

(B) New primary loan guarantee commitments, $40,100,000,000;

(C) New secondary loan guarantee commitments, $68,250,000,000.

(8) Transportation (400):

(A) New direct loan obligations, $350,000,000;

(B) New primary loan guarantee commitments, $750,000,000;

(C) New secondary loan guarantee commitments, $0.

(9) Community and Regional Development (450):

(A) New direct loan obligations, $1,950,000,000;

(B) New primary loan guarantee commitments, $500,000,000;

(C) New secondary loan guarantee commitments, $0.

(10) Education, Training, Employment and Social Services (500):

(A) New direct loan obligations, $850,000,000;

(B) New primary loan guarantee commitments, $7,250,000,000;

(C) New secondary loan guarantee commitments, $0.

(11) Health (550):

(A) New direct loan obligations, $50,000,000;

(B) New primary loan guarantee commitments, $100,000,000;

(C) New secondary loan guarantee commitments, $0.

(12) Income Security (600):

(A) New direct loan obligations, $2,050,000,000;

(B) New primary loan guarantee commitments, $18,700,000,000;

(C) New secondary loan guarantee commitments, $0.

(13) Veterans Benefits and Services (700):

(A) New direct loan obligations, $1,050,000,000;

(B) New primary loan guarantee commitments, $20,950,000,000;

(C) New secondary loan guarantee commitments, $0.

(14) Administration of Justice (750):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(15) General Government (800):

(A) New direct loan obligations, $50,000,000;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(16) General Purpose Fiscal Assistance (850):

(A) New direct loan obligations, $250,000,000;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(17) Interest (900):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(18) Allowances (920):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(19) Undistributed Offsetting Receipts (950):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(c) It is the sense of the Congress that the President and the Congress, through the appropriations process, should limit in fiscal year 1983 the off-budget lending activity of the Federal Government to a level not to exceed $31,050,000,000, the on-budget lending activity to a level not to exceed $29,850,000,000, new primary loan guarantee commitments to a level not to exceed $99,100,000,000, and new secondary loan guarantee commitments to a level not to exceed $68,250,000,000.

Sec. 204. The Congress sets forth the following budgetary levels for fiscal years 1984 and 1985—

(1) the level of Federal revenues is as follows:

Fiscal year 1984: $753,650,000,000.

Fiscal year 1985: $846,550,000,000.

and the amount by which the aggregate levels of Federal revenues should be increased is as follows:

Fiscal year 1984: $51,650,000,000.

Fiscal year 1985: $66,550,000,000.

(2) the level of total new budget authority is as follows:

Fiscal year 1984: $888,400,000,000.

Fiscal year 1985: $952,850,000,000.

(3) the level of total budget outlays is as follows:

Fiscal year 1984: $826,400,000,000.

Fiscal year 1985: $881,200,000,000.

(4) the amount of the deficit in the budget is:

Fiscal year 1984: $72,750,000,000.

Fiscal year 1985: $34,650,000,000.

(5) the level of the public debt is as follows:

Fiscal year 1984: $1,404,450,000,000.

Fiscal year 1985: $1,490,800,000,000.

and the amount by which the temporary statutory limit on such debt should be accordingly increased is as follows:

Fiscal year 1984: $1,004,450,000,000.

Fiscal year 1985: $1,090,800,000,000.

SEC. 205. Based on allocations of the appropriate level of total new budget authority and of total budget outlays for fiscal years 1984 and 1985 as set forth above, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are respectively as follows:

(1) National Defense (050):

Fiscal year 1984:

(A) New budget authority, $268,150,000,000;

(B) Outlays, $235,350,000,000.

Fiscal year 1985:

(A) New budget authority, $295,950,000,000;

(B) Outlays, $265,950,000,000.

(2) International Affairs (150):

Fiscal year 1984:

(A) New budget authority, $16,800,000,000;

(B) Outlays, $12,300,000,000.

Fiscal year 1985:

(A) New budget authority, $21,200,000,000;

(B) Outlays, $12,300,000,000.

(3) General Science, Space, and Technology (250):

Fiscal year 1984:

(A) New budget authority, $7,750,000,000;

(B) Outlays, $7,750,000,000.

Fiscal year 1985:

(A) New budget authority, $7,600,000,000;

(B) Outlays, $7,600,000,000.

(4) Energy (270):

Fiscal year 1984:

(A) New budget authority, $4,700,000,000;

(B) Outlays, $4,050,000,000.

Fiscal year 1985:

(A) New budget authority, $4,650,000,000;

(B) Outlays, $3,850,000,000.

(5) Natural Resources and Environment (300):

Fiscal year 1984:

(A) New budget authority, $8,750,000,000;

(B) Outlays, $9,850,000,000.

Fiscal year 1985:

(A) New budget authority, $8,350,000,000;

(B) Outlays, $8,850,000,000.

(6) Agriculture (350):

Fiscal year 1984:

(A) New budget authority, $8,400,000,000;

(B) Outlays, $8,250,000,000.

Fiscal year 1985:

(A) New budget authority, $6,850,000,000;

(B) Outlays, $7,500,000,000.

(7) Commerce and Housing Credit (370):

Fiscal year 1984:

(A) New budget authority, $8,650,000,000;

(B) Outlays, $2,750,000,000.

Fiscal year 1985:

(A) New budget authority, $8,350,000,000;

(B) Outlays, $2,600,000,000.

(8) Transportation (400):

Fiscal year 1984:

(A) New budget authority, $22,400,000,000;

(B) Outlays, $20,050,000,000.

Fiscal year 1985:

(A) New budget authority, $22,950,000,000;

(B) Outlays, $20,250,000,000.

(9) Community and Regional Development (450):

Fiscal year 1984:

(A) New budget authority, $7,150,000,000;

(B) Outlays, $7,800,000,000.

Fiscal year 1985:

(A) New budget authority, $7,350,000,000;

(B) Outlays, $7,700,000,000.

(10) Education, Training, Employment and Social Services (500):

Fiscal year 1984:

(A) New budget authority, $28,250,000,000;

(B) Outlays, $28,000,000,000.

Fiscal year 1985:

(A) New budget authority, $28,300,000,000;

(B) Outlays, $28,200,000,000.

(11) Health (550):

Fiscal year 1984:

(A) New budget authority, $81,700,000,000;

(B) Outlays, $89,650,000,000.

Fiscal year 1985:

(A) New budget authority, $94,100,000,000;

(B) Outlays, $101,250,000,000.

(12) Income Security (600):

Fiscal year 1984:

(A) New budget authority, $314,500,000,000;

(B) Outlays, $290,050,000,000.

Fiscal year 1985:

(A) New budget authority, $344,550,000,000;

(B) Outlays, $312,400,000,000.

(13) Veterans Benefits and Services (700):

Fiscal year 1984:

(A) New budget authority, $25,150,000,000;

(B) Outlays, $24,550,000,000.

Fiscal year 1985:

(A) New budget authority, $26,000,000,000;

(B) Outlays, $25,900,000,000.

(14) Administration of Justice (750):

Fiscal year 1984:

(A) New budget authority, $4,600,000,000;

(B) Outlays, $4,600,000,000.

Fiscal year 1985:

(A) New budget authority, $4,600,000,000;

(B) Outlays, $4,600,000,000.

(15) General Government (800):

Fiscal year 1984:

(A) New budget authority, $4,700,000,000;

(B) Outlays, $4,600,000,000.

Fiscal year 1985:

(A) New budget authority, $4,700,000,000;

(B) Outlays, $4,500,000,000.

(16) General Purpose Fiscal Assistance (850):

Fiscal year 1984:

(A) New budget authority, $6,750,000,000;

(B) Outlays, $6,700,000,000.

Fiscal year 1985:

(A) New budget authority, $6,850,000,000;

(B) Outlays, $6,850,000,000.

(17) Interest (900):

Fiscal year 1984:

(A) New budget authority, $119,300,000,000;

(B) Outlays, $119,300,000,000.

Fiscal year 1985:

(A) New budget authority, $110,850,000,000;

(B) Outlays, $110,850,000,000.

(18) Allowances (920):

Fiscal year 1984:

(A) New budget authority, $200,000,000;

(B) Outlays, $500,000,000.

Fiscal year 1985:

(A) New budget authority, $500,000,000;

(B) Outlays, $900,000,000.

(19) Undistributed Offsetting Receipts (950):

Fiscal year 1984:

(A) New budget authority, −$49,500,000,000;

(B) Outlays, −$49,500,000,000.

Fiscal year 1985:

(A) New budget authority, −$50,850,000,000;

(B) Outlays, −$50,850,000,000.

TITLE III—PROVIDING RECONCILIATION INSTRUCTIONS AND OTHER ENFORCEMENT MEASURES

PART A—RECONCILIATION INSTRUCTIONS

SEC. 301. Pursuant to section 301(b)(2) of the Budget Act—

(A) the House Committee on Agriculture shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $207,000,000 and outlays by $207,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $530,000,000 in budget authority and $530,000,000 in outlays in fiscal year 1984, and $661,000,000 in budget authority and $661,000,000 in outlays in fiscal year 1985.

(B) the House Committee on Armed Services shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $212,000,000 and outlays by $212,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $691,000,000 in budget authority and $691,000,000 in outlays in fiscal year 1984, and $1,228,000,000 in budget authority and $1,228,000,000 in outlays in fiscal year 1985.

(C) the House Committee on Banking, Finance, and Urban Affairs shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce outlays by $695,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $697,000,000 in outlays in fiscal year 1984, and $687,000,000 in outlays in fiscal year 1985.

(D) the House Committee on Education and Labor shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $73,000,000 and outlays by $73,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $101,000,000 in budget authority and $101,000,000 in outlays in fiscal year 1984, and $97,000,000 in budget authority and $97,000,000 in outlays in fiscal year 1985.

(E) the House Committee on Energy and Commerce shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $60,000,000 and outlays by $60,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $68,000,000 in budget authority and $68,000,000 in outlays in fiscal year 1984, and $77,000,000 in budget authority and $77,000,000 in outlays in fiscal year 1985.

(F) the House Committee on Foreign Affairs shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce outlays by $3,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $2,000,000 in budget authority and $8,000,000 in outlays in fiscal year 1984, and $4,000,000 in budget authority and $15,000,000 in outlays in fiscal year 1985.

(G) the House Committee on Merchant Marine and Fisheries shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $4,000,000 and outlays by $4,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $15,000,000 in budget authority and $15,000,000 in outlays in fiscal year 1984, and $27,000,000 in budget authority and $27,000,000 in outlays in fiscal year 1985.

(H) the House Committee on Post Office and Civil Service shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $000,000,000 and outlays by $273,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $242,000,000 in budget authority and $925,000,000 in outlays in fiscal year 1984, and $538,000,000 in budget authority and $1,648,000,000 in outlays in fiscal year 1985.

(I) the House Committee on Veterans' Affairs shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $171,000,000 and outlays by $171,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $187,000,000 in budget authority and $187,000,000 in outlays in fiscal year 1984, and $195,000,000 in budget authority and $195,000,000 in outlays in fiscal year 1985.

(J) the House Committee on Ways and Means shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $334,000,000 and outlays by $2,489,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $205,000,000 in budget authority and $3,576,000,000 in outlays in fiscal year 1984, and $267,000,000 in budget authority and $4,160,000,000 in outlays in fiscal year 1985.

(K) the House Committee on Ways and Means shall report changes in laws within the jurisdiction of the committee sufficient to increase revenue by $31,700,000,000 for fiscal year 1983; further, the Congress finds that the prospect of unacceptably high deficits in future years requires additional revenues of $51,650,000,000 for fiscal year 1984, and $66,550,000,000 for fiscal year 1985.

SEC. 302. Pursuant to section 301(b)(2) of the Budget Act—

(A) the Senate Committee on Finance shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $393,000,000 and outlays by $2,548,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future years requires additional savings of $270,000,000 in budget authority and $3,641,000,000 in outlays for fiscal year 1984, and $339,000,000 in budget authority and $4,232,000,000 in outlays in fiscal year 1985.

(B) the Senate Committee on Finance shall report changes in laws within the jurisdiction of that committee sufficient to increase revenues by $31,700,000,000 for fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional revenues of $51,650,000,000 for fiscal year 1984, and $66,550,000,000 in fiscal year 1985.

(C) the Senate Committee on Agriculture, Nutrition, and Forestry shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $207,000,000 and outlays by $207,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future years requires additional savings of $530,000,000 in budget authority and $530,000,000 in outlays for fiscal year 1984, and $661,000,000 in budget authority and $661,000,000 in outlays in fiscal year 1985.

(D) the Senate Committee on Armed Services shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $213,000,000 and outlays by $213,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future years requires additional savings of $694,000,000 in outlays for fiscal year 1984, and $1,232,000,000 in budget authority and $1,232,000,000 in outlays in fiscal year 1985.

(E) The Senate Committee on Banking, Housing, and Urban Affairs shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $190,000,000 and outlays by $785,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future years requires additional savings of $100,000,000 in budget authority and $797,000,000 in outlays for fiscal year 1984, and $104,000,000 in budget authority and $791,000,000 in outlays in fiscal year 1985.

(F) the Senate Committee on Commerce, Science, and Transportation shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $4,000,000 and outlays by $4,000,000 in fiscal year 1983: further, the Congress finds that the prospect of unacceptably high budget deficits in future years requires additional savings of $15,000,000 in budget authority and $15,000,000 in outlays for fiscal year 1984, and $27,000,000 in budget authority and $27,000,000 in outlays in fiscal year 1985.

(G) the Senate Committee on Foreign Relations shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce outlays by $3,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future years requires additional savings of $2,000,000 in budget authority and $8,000,000 in outlays for fiscal year 1984, and $4,000,000 in budget authority and $15,000,000 in outlays in fiscal year 1985.

(H) the Senate Committee on Governmental Affairs shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce outlays by $270,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future years requires additional savings of $240,000,000 in budget authority and $917,000,000 in outlays for fiscal year 1984, and $534,000,000 in budget authority and $1,633,000,000 in outlays in fiscal year 1985.

(I) the Senate Committee on Labor and Human Resources shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $73,000,000 and outlays by $73,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future years requires additional savings of $101,000,000 in budget authority and $101,000,000 in outlays for fiscal year 1984, and $97,000,000 in budget authority and $97,000,000 in outlays in fiscal year 1985.

SEC. 303. The committees named in sections 301(A)-(I) and 302(C)-(I) shall submit their recommendations to the Committees on the Budget of their respective Houses. Those recommendations shall be sufficient to accomplish the changes required by such subsection. After receiving those recommendations, the Committees on the Budget shall report to the House and Senate a reconciliation bill or resolution or both carrying out all such recommendations without any substantive revision. If the changes in laws reported to the House by the House Committee on Ways and Means pursuant to Sec. 301(k) of this resolution contain changes involving the imposition of new or expanded user fees within the jurisdiction of any other Committee of the House an appropriate referral pursuant to Rule 10 of the Rules of the House should be considered.

DEFERRED ENROLLMENT

SEC. 304. (a) In the House of Representatives, no bill or resolution providing—

(1) new budget authority for fiscal year 1983, or

(2) new spending authority described in section 401(c)(2)(C) of the Congressional Budget Act first effective in fiscal year 1983—which exceeds the appropriate allocation or subdivision of such new discretionary budget authority or new spending authority made pursuant to section 302 of such Act shall be enrolled until after Congress has completed action on the second concurrent resolution on the budget required to be reported under section 310 of such act.

(b) If Congress increases revenues in a trust fund exempt under section 401(d)(1)(B) of the Congressional Budget Act, then for purposes of this section, "budget authority" and "new discretionary budget authority" shall not include spending authority or budget authority derived from any trust fund, 90 percent or more of the receipts of which consist or will consist of amounts (transferred from the general fund of the Treasury) equivalent to amounts of taxes (related to the purposes for which such outlays are or will be made) received in the Treasury under specified provisions of the Internal Revenue Code of 1954.

302(b) REPORT

SEC. 305. It shall not be in order in either the House of Representatives or the Senate to consider any bill or resolution, or amendment thereto, providing—

(1) new budget authority for fiscal year 1983; or

(2) new spending authority described in section 401(c)(2)(C) of the Budget Act first effective in fiscal year 1983;

within the jurisdiction of any of its committees unless and until such committees makes the allocations or subdivisions required by section 302(b) of the Budget Act.

SEC. 306. It is the sense of the Congress that if Congress acts to restore fiscal responsibility and reduces projected budget deficits in a substantial and permanent way, then the Federal Reserve Open Market Committee shall reevaluate its monetary targets in order to assure that they are fully complementary to a new and more restrained fiscal policy.

[Submitted May 20, 1982]

H. CON. RES. 345

By Mr. WIRTH:

—Page 12, line 14, increase the level of total new budget authority by $800,000,000.

Page 12, line 16, increase the level of total budget outlays by $225,000,000.

Page 12, line 18, increase the amount of the deficit by $225,000,000.

Page 12, line 18, (relating to functional category 250) strike out "$7,750,000,000" and insert in lieu thereof "$8,150,000,000", and on line 17, strike out "$7,600,000,000" and insert in lieu thereof "$7,725,000".

Page 13, line 25, (relating to functional category 350) strike out "$6,900,000,000" and insert in lieu thereof "$7,000,000,000", and on page 14, line 1, strike out "$10,100,000,000" and insert in lieu thereof "$10,150,000,000".

Page 14, line 16, (relating to functional category 550) strike out "$77,300,000,000" and insert in lieu thereof "$77,400,000,000", and on line 17, strike out "$80,100,000,000" and insert in lieu thereof "$80,150,000,000".

Page 22, line 12, increase the level of total new budget authority by $950,000,000.

Page 22, line 13, increase the level of total new budget authority by $900,000,000.

Page 22, line 15, increase the level of total budget outlays by $600,000,000.

Page 22, line 16, increase the level of total budget outlays by $850,000,000,000.

Page 22, line 18, increase the amount of the deficit by $800,000,000.

Page 22, line 19, increase the amount of the deficit by $850,000,000.

Page 24, line 6, (relating to functional category 250) strike out "$7,750,000,000" and insert in lieu thereof "$8,300,000,000", and on line 7, strike out "$7,750,000,000" and insert in lieu thereof "$8,100,000,000", and on line 10, strike out "$7,600,000,000" and insert in lieu thereof "$8,100,000,000", and on line 11, strike out "$7,600,000,000" and insert in lieu thereof "$8,050,000,000".

Page 25, line 8, (relating to functional category 350) strike out "$8,400,000,000" and insert in lieu thereof "$8,550,000,000", and on line 9, strike out "$8,250,000,000" and insert in lieu thereof "$8,350,000,000", and on line 12, strike out "$6,850,000,000" and insert in lieu thereof "$7,000,000,000", and on line 13, strike out "$7,500,000,000" and insert in lieu thereof "$7,650,000,000".

Page 27, line 5, (relating to functional category 550) strike out "$81,700,000,000" and insert in lieu thereof "$81,950,000,000", and on line 6, strike out "$89,650,000,000" and insert in lieu thereof "$89,800,000,000", and on line 9, strike out "$94,100,000,000" and insert in lieu thereof "$94,350,000,000", and on line 10, strike out "$101,250,000,000" and insert in lieu thereof "$101,500,000,000".

—Page 12, line 14, increase the level of total new budget authority by $250,000,000.

Page 12, line 16, increase the level of total budget outlays by $100,000,000.

Page 12, line 18, increase the amount of the deficit by $100,000,000.

Page 13, line 22, (relating to functional category 300) strike out "$9,400,000,000" and insert in lieu thereof "$9,650,000,000", and on line 23, strike out "$10,850,000,000" and insert in lieu thereof "$10,950,000,000".

Page 22, line 12, increase the level of total new budget authority by $250,000,000.

Page 22, line 13, increase the level of total new budget authority by $250,000,000.

Page 22, line 15, increase the level of total budget outlays by $200,000,000.

Page 22, line 16, increase the level of total budget outlays by $250,000,000.

Page 24, line 24, (relating to functional category 300) strike out "$8,750,000,000" and insert in lieu thereof "$9,000,000,000", and on line 25, strike out "$9,850,000,000" and insert in lieu thereof "$10,050,000,000", and on page 25, line 3, strike out "$8,350,000,000" and insert in lieu thereof "$8,600,000,000", and on line 4, strike out "$8,850,000,000" and insert in lieu thereof "$9,100,000,000".

SENATE—*Thursday, May 20, 1982*

(Legislative day of Tuesday, May 11, 1982)

The Senate met at 8 a.m., on the expiration of the recess, and was called to order by the President pro tempore (Mr. THURMOND).

The PRESIDENT pro tempore. Our opening prayer this morning will be delivered by the Reverend John J. Hurley, Roman Catholic Mission, Calvinia, South Africa. Rev. Hurley is being sponsored by Senator BIDEN, of Delaware.

PRAYER

The Reverend John J. Hurley, O.S.F.S., Roman Catholic Mission, Calvinia, South Africa, offered the following prayer:

Father, today we join all creation in heaven and on Earth in praising You, our mighty God.

You made humankind to your own image and set them over all creation. Once you chose a people and gave them a destiny. And when you brought them out of bondage to freedom, they carried with them the promise that all people would be blessed, and all people could be free.

It happened to our fathers and mothers who came to this land as if out of the desert, into a place of promise and hope. It happens to us still, in our time, as you lead all Americans to the blessed vision of peace.

And so Father, we ask you to accept the prayers we offer for our Nation and its Senators. By the integrity and wisdom of our Senators, may harmony and justice be secured and may there be lasting peace. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The acting majority leader is recognized.

THE JOURNAL

Mr. STEVENS. Mr. President, I ask unanimous consent that the Journal of the proceedings of the Senate be approved to date.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I would like to reserve our leadership time until after the special orders.

Mr. SYMMS. Mr. President, will the Senator from Alaska yield to me?

Mr. STEVENS. Would the Senator like to use some of our leadership time?

Mr. SYMMS. Just 1 minute.

Mr. STEVENS. Mr. President, I yield such time as the Senator from Idaho wishes to use.

APOLOGY TO SENATOR ROBERT C. BYRD

Mr. SYMMS. Mr. President, I had hoped that the distinguished minority leader would be here this morning. I have mentioned this to him personally, but I would like to make an apology to him for an insertion in the RECORD that a member of my staff made on March 9, 1982, making the comment with reference to Senator ROBERT C. BYRD and I having a difference of opinion on a matter of what should be done with respect to the Caribbean Basin.

The statement was put in the RECORD:

> Senator BYRD is attempting to paralyze the President further and bring greater power to his own senatorial office.

For those comments, I wish to apologize to him. I did not say that on the floor of the Senate. My remarks were corrected by a staff member, who put in that part.

What I actually said was that Senator BYRD's amendment was noble for whatever efforts it had; but that I disagreed with it.

I in no way wish to take anything away from what Senator BYRD said for his opinion, and I will and have made the proper corrections in my staff for the mistake that was put in the RECORD.

I said:

> It is going to be necessary for us to do nothing which would in any way weaken the power and authority of our Commander in Chief. That is what I object to in the otherwise nobly intended amendment offered by the distinguished minority leader.

I should just like to say that publicly to him.

Mr. STEVENS. Does the Senator seek to make a correction to the permanent RECORD? Has that been done?

Mr. SYMMS. I am not sure of the details of that. I think it might be a little late. It has already been done, but I just wanted to tell him I am sorry that it happened.

Mr. STEVENS. I would advise the Senator that the permanent RECORD has not been printed. Does the Senator wish to ask unanimous consent to correct the permanent RECORD?

Mr. SYMMS. Mr. President, I ask unanimous consent that in the permanent RECORD the words "and bring greater power to his own senatorial office" be stricken.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I ask unanimous consent that I may reserve the remainder of the time we may have.

The PRESIDENT pro tempore. Without objection, it is so ordered.

RECOGNITION OF SENATOR CHILES

The PRESIDENT pro tempore. The Senator from Florida is recognized.

S. 2543—CRIME CONTROL ACT OF 1982

Mr. CHILES. Mr. President, yesterday Senator NUNN and I introduced S. 2543, the Crime Control Act of 1982. The bill is a package of proposals aimed at fighting crime and drug trafficking.

One title of the bill revises the bail laws, so that persons who are arrested for drug trafficking cannot avoid justice by simply paying bail, no matter how high it is set, and then skipping town. This "revolving door" situation must be brought to a halt if we are serious about stopping the traffic in drugs.

I would like to discuss one example of how this "revolving door" situation has worked in the past, and how a big time drug dealer was able to use the bail system to avoid justice.

Early last year, the drug enforcement administration, in Operation Grouper, was able to make one of the largest drug busts of all time. In a 2-year operation, DEA undercover agents infiltrated several marihuana smuggling rings. With the information they obtained, 155 persons were arrested and over 1.2 million pounds of marihuana were seized. In addition, 3 million doses of quaaludes were seized, along with 30 ships and over $10 million in assets.

One of the persons arrested in Operation Grouper was José Fernandez. Fernandez was alleged to be the chief of two separate marihuana trafficking organizations. His ships picked up the marihuana in Colombia and carried it up through the Caribbean into Southeastern United States. According to DEA, some of these shipments contained as much as 20 tons of marihuana. It is clear that we were dealing with a person who is at the top of the drug trafficking racket.

Bond for Fernandez was originally set at $21 million. However, a month after Fernandez was arrested, he was able to get his bond reduced to $10 million. Then 10 days later, Fernandez was able to get that new bond of $10 million reduced even further. A Federal judge in New Orleans reduced it to $500,000. This last reduction came in spite of the Government's objections.

Mr. President, to most of us $500,000 sounds like a staggering sum for bail. But we must remember that in this instance, we were not dealing with the average criminal. We were dealing with a big time dope trafficker. In fact, estimates indicate that Fernandez may have netted anywhere from $250,000 to $500,000 a month from his drug smuggling operations. When you take that sum, between a quarter and half a million dollars every month, from drug trafficking you can begin to understand the magnitude of the narcotics profits we are talking about. You can also begin to understand why the bail bond laws will never work for people like Mr. Fernandez. As far as they are concerned, paying a bail bond of a half million dollars is nothing more than losing a month's profits. Put yourself in his shoes. Does it make more sense to forfeit a good month's profits or to try your chances at trial, with a possible term in jail facing you?

Mr. Fernandez asked himself that same question last year. It is no surprise that he decided to forgo his profits for a month. One week after his bail had been reduced to a half million dollars, Mr. Fernandez posted bail. To no one's surprise, he did not show up in court several days later when he was supposed to. Today, Mr. Fernandez remains at large. DEA sources believe that Fernandez is currently at large in Spain and was able to reach Spain because he had a false Spanish passport.

Mr. President, as a result of our bail laws, one of the biggest drug dealers ever arrested was able to walk free. We have learned that the key to stopping drug trafficking is to put the people at the top of the drug rings behind bars. Operation Grouper was designed to catch some of the people at the top. It succeeded by arresting José Fernandez. But our bail laws let us down.

One of the provisions of S. 2543 prevents a person arrested on drug charges from getting bail, if that person has a false passport. If this bill had been law, today Mr. Fernandez would be behind bars, instead of at large.

Mr. President, Operation Grouper involved several years in the actual carrying out of that operation. During that time, the Federal Government infiltrated the off-loading provisions—actually, set up the provisions to provide for off-loading of the drugs; and a number of our agents were undercover in that operation.

Those men risked their lives for almost a couple of years. At any time, if they had been discovered, their lives could have been snuffed out.

One can imagine what happens to the morale of a force such as that, which risked their lives, made this kind of bust, seized $10 million in assets and a number of ships and a number of personnel, and then saw the largest crime figure, the top of that operation, be able to walk away and today be free, on the basis of $500,000, knowing that his profits amounted to that every month.

It just shows that we have to do something about our bail laws, and that is one of the propositions we will have in this package. Our laws have to be designed to protect the public. They have to be designed to protect us, and the only way we ever are going to be able to stop these drug operations is to hit the people at the top.

To bring those cases against them is difficult enough. I compliment this operation. It involved DEA, the Coast Guard, Customs, the local and State law enforcement officials from the top to the bottom. It was a very cooperative effort. It went off without a hitch.

When they are able to make these kinds of arrests and seize a person like Fernandez and then have him walk out on $500,000 bond, it shows that we have to do something about our bail laws. The bill before us will allow us to do that.

We will continue to urge this every day by pointing out graphic examples of what is being allowed to happen in crime in this country, until we can pass a package of crime bills such as this to get the attention of the Senate, to see if we can schedule debate and passage of a major crime package, so that Congress can do its job in trying to reform these laws in order to protect our people.

Mr. President, I urge my colleagues to join me in pushing for action on S. 2543, and getting the Senate to move on anticrime legislation.

I yield to the Senator from Georgia.

The PRESIDING OFFICER (Mr. Symms). The Senator from Georgia is recognized.

TITLE I, ORGANIZED CRIME ACT OF 1982

Mr. NUNN. Mr. President, I support the Crime Control Act of 1982 and again call the Senate's attention to the public's increasing concern over crime in the United States. Only as recently as 4 weeks ago, Mr. and Mrs. Wallace Brewer of Harlem, Ga., visited Washington for the express purpose of voicing to Congress and the President their wishes and those of their fellow Georgians for stricter and more effective law enforcement legislation. They carried to Washington petitions bearing the signatures of some 9,664 Georgia residents which they had personally collected throughout five rural Georgia counties. Those petitions, ask, in part, that convicts "* * * not be released on technicalities and * * * that the laws [be] enforced more strictly." The Brewers themselves know only too well the need for an improved system of criminal justice: On July 4, 1981, their 7-year-old granddaughter, Alicia Watts, was brutally murdered in McDuffie County, Ga. In November, 1981, an individual was convicted of the murders of Alicia and two other persons and sentenced to death. To date, the sentence has yet to be carried out.

I bring that incident to light as but one indication of the strong public support which exists for effective anticrime legislation. Our bill not only deals with individual acts of violent crime in title III, but also assists, in title I, Federal enforcement efforts against organized crime. Title I is the outgrowth of extensive hearings I chaired in 1980 in the Permanent Subcommittee on Investigations on Organized Crime and the Use of Violence and is virtually identical to S. 814, the Organized Crime Act of 1981, which I introduced in March 1981 with Senator Chiles, and which 13 of my colleagues agreed to cosponsor.

A number of its specific provisions were advocated during our hearings in April and May 1980 by FBI Director William Webster and the then Assistant Attorney General for the Criminal Division, Philip B. Heymann. Their recommendations were amplified by the testimony of other law enforcement officials and the evidence we received.

Our hearings painted an alarming picture of organized crime and its use of violence. As Judge Webster testified, organized crime consists of "various groups engaged in an enormous, structured and deadly serious illegal business that rely on violence to maintain themselves."

Even though organized crime has become richer and somewhat more sophisticated, gang warfare still exists, especially among rival narcotics organizations. We heard testimony that in Dade County, Fla., police investigated 189 murders in 1979 alone—an increase of 81 percent since 1976. Of those 189 murders, 42 were determined to have been drug related. Many of these murders remain unsolved. Most of them apparently resulted from shootouts between rival gangs. This type of open warfare reaches beyond gang members, however, for they have been known to open fire in parking lots and on the freeways of south Florida—thereby endangering innocent bystanders.

Quite often gang wars are carried out through contract killings or murder for hire in which someone is paid to carry out a "hit" on a rival mobster or even a member of the same gang. There have been numerous cases, especially within the fraternity of drug traffickers, in which contracts have been placed on the lives of

judges, prosecutors, and investigators—and especially on witnesses who testify against members of the ring. The brutal slaying of Federal District Judge Wood in Texas was evidence that mob violence is not the stuff of fiction. It is very, very real.

To combat that violence, our bill does the following:

First, we would grant limited Federal jurisdiction over cases involving "contract" killings or murder for hire.

Second, we would amend the Federal assault statute to cover all Government personnel who investigate and prosecute Federal criminal offenses and who gather national security intelligence.

Third, we would make it a Federal crime to harm or threaten the families of Federal law enforcement officials.

Fourth, we would amend the obstruction of justice statute to cover informants and potential witnesses as well as witnesses who actually are under subpena to testify.

Fifth, we would allow the Government to apply for a reduction in the sentence of a defendant who cooperates with the Government.

Sixth, we would permit Federal judges to seal those portions of wiretap documents which could reveal ongoing criminal investigations or wire intercepts.

Seventh, we would allow State and local law enforcement officials limited access to Federal grand jury information when they are assisting in the investigation or prosecution of a Federal offense.

Mr. President, I described this morning just one part of the overall Organized Crime Act of 1982 sponsored by Senator Chiles and myself, and I hope that we will begin to get the attention of our colleagues about the essential steps of beginning to consider this legislation and other related legislation in the law enforcement field.

ORDER RESCINDING SENATOR QUAYLE'S SPECIAL ORDER

Mr. STEVENS. Mr. President, I ask unanimous consent that the order granting the Senator from Indiana (Mr. Quayle) 15 minutes be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I yield back the time of the leadership on both sides.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 8:45 A.M.

Mr. STEVENS. Mr. President, I ask unanimous consent that the Senate stand in recess until the hour of 8:45 a.m. while awaiting the next special order or routine morning business.

There being no objection, the Senate, at 8:29 a.m., recessed until 8:45 a.m., at which time the Senate reassembled when called to order by the Presiding Officer (Mr. Symms).

RECOGNITION OF SENATOR LEAHY

The PRESIDING OFFICER. The Senator from Vermont is recognized.

JOHN CROWELL, ASSISTANT SECRETARY OF AGRICULTURE

Mr. LEAHY. Mr. President, a year ago today the Senate was in the midst of considering the nomination of John Crowell as Assistant Secretary of Agriculture for Natural Resources and Environment. I wanted to take a few minutes this morning to follow the time-honored tradition of taking stock, and evaluate his performance over the past year.

As many of my colleagues may remember, there was much consternation that Mr. Crowell, as a long-time employee of the timber industry, would not bring a balanced approach to managing our Nation's forests. Many Senators, myself included, were afraid that appointing someone to manage our forests who had spent the previous 20 years representing one of the country's largest timber companies would be, to paraphrase an expression that has been used for a number of other Reagan nominees, similar to sticking a termite in the woodpile.

Mr. Crowell himself was aware of these criticisms, and during his confirmation hearing before the Senate Agriculture Committee, stated that:

> Fears have been publicly expressed by some and will be expressed here today, that because of my long association with the forest products industry, I am either unlikely to bring or am incapable of bringing a sense of balance to shaping policy-making decisions with respect to the national forests.

He went on to say:

> I would suggest to such critics that they ponder for a bit the meaning of the words "conservative" and "conservation". The conservative is one who tends to preserve established traditions or institutions and who tends to resist changes in those institutions, he is one who acts with caution and who adopts new ideas only after carefully examining their merit. The conservationist is one who advocates and practices protection from loss, avoidance of waste and wise use. I am unabashedly both a conservative and conservationist.

Mr. President, Mr. Crowell's self-proclamation as a conservative and conservationist was a Trojan Horse designed to lull the public into a false sense of security that our national forests are being carefully watched over. But after a quick review of Mr. Crowell's words and deeds as Assistant Secretary of Agriculture, it is clear that he has mounted a full-scale attack.

Has Mr. Crowell shown a willingness to "preserve established traditions or institutions"?

During his first year, he has authorized an overhaul of the regulations governing the National Forest Management Act (NFMA). This act is one of the principal pieces of legislation governing the management of our 120 national forests. The current regulations took 3 years to formulate and were the result of hard-won compromises between the timber industry and conservation groups. That the regulations took 3 years to finalize reflect how difficult the consensus was to attain, and how delicate that balance is. The regulations to which they agreed strengthened and gave teeth to the concept of managing the forest for multiple uses. This means balancing commodity production, such as timber harvests, with consideration for fish, wildlife, water, soil, recreation, and wilderness values.

The new regulations would upset the carefully crafted balance.

I should remind my colleagues that the concept of managing our forests for multiple uses dates well before the passage of the NFMA in 1976. It was first embodied over 20 years in the Multiple Use Sustained Yield Act of 1960. This approach was endorsed again with passage of the Resources Planning Act of 1974. By proposing to overhaul the regulations during his first year in office, Mr. Crowell quickly belied his claim "one who tends to preserve established traditions."

As for labeling himself as a conservative "who adopts new ideas only after carefully examining their merit," Mr. Crowell did not involve himself in the drafting of these important regulations nor did he even review them before they were formally proposed. As he explained in the Washington Post on March 3, 1982, "basically, I had too much else to do."

Mr. President, because I want to be sure that Mr. Crowell has time to carefully reflect on the effects of the regulations which he has authorized, and because I want to be sure that he can have the benefit of the best advice available, I am introducing today a resolution recommending four basic steps:

First. That the Forest Service extend the public comment period for these regulations for another 180 days (the first comment period was for only 60 days).

Second. That the Forest Service hold public hearings around the country to receive testimony from those who are most familiar with the forests in their areas.

Third. That a committee of scientists be appointed to advise the Forest Service on the scientific effect of these changes, similar to the committee which advised the Service on the promulgation of the original regulations and as called for in the NFMA.

That, if final revisions are published, a supplement to the environmental impact statement that accompanied the 1979 regulations also be published.

A similar resolution has been introduced in the House by Congressman WEAVER.

The 1983 budget proposals show a clear deviation as well from a balanced approach to forest management. While congressional appropriations normally meet about 80 percent of the level recommended in the Resources Planning Act (RPA), this year's budget request would meet about 63 percent of RPA. But consider the disparities: While the number of mineral leases to be granted will represent 130 percent of the 1980 RPA assessment, the number of acres managed for wildlife habitat will reach only 36.5 percent. Where administration of timber sales will total 101 percent of RPA, the acres managed for soil and water protection will equal only 1.3 percent of RPA. Two other areas vitally important to the long-range productivity of our Nation's forests, research and State and private forestry activities, are funded at only 52 percent and 34 percent of RPA respectively. The number of acres available for use by livestock will equal 100 percent of RPA, but the trails maintained for use by people will reach only 10.6 percent of RPA. Mr. Crowell may contend that all multiple uses are equal, it is clear that he considers some uses to be more equal than others.

Based on Mr. Crowell's pledges during his confirmation hearings, we can expect him to "advocate and practice protection from loss, avoidance of waste and wise use." With this in mind, I invite you to examine the portions of his fiscal 1983 budget which reduce funding for land management activities, forest road and trail maintenance, and management for wildlife and fish habitat.

Is it protection when you reduce the soil and water improvement programs from 5,580 acres to 400 acres, or one-fourth of its fiscal 1982 level? Even the Forest Service budget admits that "reducing the 1983 program to 400 acres postpones the time when the deterioration of these lands—that is, the acres not being treated—will be stopped and their productivity restored."

Although it looks as if reforestation activities will be increased, in fact 20,000 less acres will be reforested compared to 1982, and 97,000 acres less than 1981. This will bring the total backlog to over 1.7 million acres.

As for Mr. Crowell being an advocate of protection, we should heed his statement before the House Public Lands Subcommittee. When asked whether he would leave any minerals or "one drop of oil" in the ground for future generations, he replied with an unequivocal "no."

That is not really a conservative or conservationist attitude.

Mr. Crowell has become the leading advocate of "supply-side forestry," stressing the need to apply economics to forest management decisions. He believes that offering a near-record level of timber sales this year will be his contribution to "getting this economy moving again." Not surprisingly, his economic forecasts to justify this approach are no less rosy than those that have been used to justify the administration's overall supply-side theory—and the results will probably be as disastrous.

For example, by increasing timber sales 11 percent, Mr. Crowell plans to reap an amazing increase of 60 percent in receipts to the Treasury.

I think he has found that magical formula that people looked for throughout the Middle Ages, that they could somehow turn lead into gold. These assumptions are literally too good to be believed.

Mr. Crowell proposes selling 12.3 billion board feet of timber in 1983, a near record level. This high level has two main purposes: To insure we are prepared for the eventual housing boom and to boost the ailing timber industry. Worthy intentions, but rosy and deceptive.

I have great difficulty in understanding such a high level of sales when we already have over 35 billion board feet of timber that has been sold on the National Forest but that has not yet been cut. This equals a backlog of over 3 years' worth of timber. Even if by some miracle interest rates plummeted and housing construction revived, this record backlog of uncut timber gives us more than ample cushion.

As for assisting the timber industry, we need to remember that only 25 percent of the Nation's timber comes from national forests, mostly in the Northwest. Only a few companies are heavily dependent on this timber. Offering large sales may result in lower prices, but this will only place the producers of the other 75 percent of our timber supplies at a competitive disadvantage. The principal problem facing the timber industry is the lack of demand, not lack of supply.

The National Association of State Foresters has strongly criticized the Forest Service's proposal and scoffs that this level of timber sales will aid the industry. They argue that if additional Government timber is placed on the market in the Northwest in fiscal year 1983 it will further depress sale prices of timber offered for sale by private nonindustrial forest land owners all over the United States. Reduced revenues will have a serious effect on reforestation and stand improvement practices on all nonindustrial forest land. * * * The simple fact is that the Forest Service has the bulk of the old growth timber in the Northwest. Industry wants to have access to this timber at bargain prices and get out of high-priced contracts executed earlier. It amounts to a subsidy to the industry in the Northwest. This does not help the depressed timber industry in other parts of the country.

If we are expected to apply economics to our analysis of the Forest Service, what kind of economic theory can lower the price of timber that is sold, yet increase revenues to the Treasury by an amazing 60 percent? How is it that users of our national timber supplies are having their costs reduced, while citizens using the forests for recreational purposes will have their fees increased?

Mr. President, I think the record clearly shows that John Crowell is not the conservative nor the conservationist as he announced at his confirmation hearings. During his first year as Assistant Secretary of Agriculture he has promoted and authorized policies which sharply deviate from standard past practices of the Forest Service. He has placed the short-term interests of the timber industry, and a select portion of the industry at that, ahead of the long-term interests of our national forests and of the citizens of this country. This review shows that my worst fears, and those of my colleagues who joined me in opposing Mr. Crowell's appointment a year ago, have been confirmed.

● Mr. KENNEDY. Mr. President, 1 year ago today, I stood in this Chamber and strenuously opposed the confirmation of John Crowell as Assistant Secretary of Agriculture for Natural Resources and Environment. My opposition was based both on Mr. Crowell's approach to environmental issues and his possible involvement in major antitrust violations arising out of the activities of his former company in Alaska.

Regrettably, Mr. Crowell's actions during the past year reveal that he has wasted no time in undoing the sensible forest management policy which took years to develop. To justify his regressive policies, he invokes the familiar administration refrain of "regulatory reform." But close examination of Mr. Crowell's proposals reveals that his so-called reform is really a return to the abuses of the past.

In 1976, in response to major abuses in the management of our national forests—including severe overcutting,

unacceptable logging practices on steep slopes and fragile soils, massive destruction of wildlife habitats and "sweetheart" timber sales that cost the Treasury millions of dollars in revenue losses every year—Congress enacted the landmark National Forest Management Act. This legislation was the most significant revision of our forestry laws since the national forests were established in the late 1800's. The principal purposes of the act were to correct the abuses of timber harvesting in national forests and to limit timber production on land that is environmentally fragile and economically unproductive.

The National Forest Management Act expressly requires that timber harvesting be conducted "in a manner consistent with the protection of soil, watershed, fish, wildlife, recreation and esthetic resources." It directs the Forest Service to "identify lands which are not suited for timber production, considering physical, economic and other pertinent factors to the extent feasible." Lands so identified are not to be managed for timber production.

After extensive drafting and redrafting, the Forest Service in 1979 adopted rules to implement the National Forest Management Act. Opposition to the approach taken in the 1979 rules was led by Mr. Crowell, who was general counsel to Louisiana-Pacific and was representing the National Forest Products Association.

In March 1982, as Assistant Secretary for Natural Resources and Environment, Mr. Crowell proposed sweeping changes in the 1979 regulations. Those changes would give the timber industry the victory in 1982 that was denied in 1979.

The so-called streamlined regulations proposed by Mr. Crowell would:

Allow for rapid increases in cutting of old growth timber, by eliminating the safeguard that the Chief of the Forest Service must personally approve any departure from sustained yield harvesting. The principle of sustained yield requires that timber cannot be cut at a rate faster than it can be regrown. The new proposed rules send a clear signal that accelerated timber cutting is acceptable without regard to the cost or feasibility of reforesting. This is a reckless, unnecessary policy. The housing industry is depressed; there is already a backlog of 34 billion board feet of timber which has been sold but not felled. The administration's efforts to step up timber sales, like its efforts to accelerate OCS oil and gas lease sales, is a clumsy and short-sighted effort that threatens the future of our forests and achieves no valid economic goal;

Weaken the process for determining the suitability of lands for timber production, by establishing a low, nationwide biological growth standard to define commerical timberland. This change will result in too much timber being harvested on lands where regeneration is less likely to occur;

Eliminate "integrated pest management" as the principle for dealing with insect and other pest problems. IPM uses nonchemical practices and biological controls to reduce use of chemical pesticides and herbicides and other toxic substances to combat insects and other pests;

Weaken protection for fish and wildlife, by eliminating the requirement that habitat for especially valuable species like trout or elk be maintained or improved. Forest management plans which result in substantial reductions in fish and wildlife protection would be allowed, as long as species extinction did not result.

The proposed rules would institutionalize the shift in management priorities contained in Mr. Crowell's 1983 budget request, which increases timber harvest targets at the expense of watershed protection and trails. For example, although national forest trails receive extensive visitor use, Mr. Crowell has proposed cutting the maintenance funds for the 100,000 miles of trails through national forests by almost one-half. And his request for watershed protection is only 1.3 percent of the Resources Planning Act target figure, while his requests for minerals development and timber harvesting exceeds 100 percent of the RPA budget.

The prime beneficiary of these proposed changes is the timber industry. And Louisiana-Pacific, in particular, will realize greater benefits than the timber industry in general, because of its heavy dependence on national forest timber.

Congress must not stand silent while years of progress in the management of our national forests are rolled back. I join Senator LEAHY today in offering a resolution expressing the sense of the Senate that the Secretary of Agriculture should provide additional opportunities for public comment on the proposed new regulations for management of our national forests, and should prepare a supplementary environmental impact statement examining the serious environmental effects of the changes proposed by Mr. Crowell.●

NATIONAL FOREST MANAGEMENT ACT

Mr. LEAHY. Mr. President, I am submitting a concurrent resolution today to express my concern about revisions which were recently proposed to the regulations guiding the National Forest Managment Act (NFMA) of 1976. I am joined in this concurrent resolution by Senators KENNEDY, HART, CRANSTON, STAFFORD, and MOYNIHAN as cosponsors.

A similar concurrent resolution, House Concurrent Resolution 344, was submitted on May 13 in the House by Congressman WEAVER.

The NFMA is one of the principal pieces of legislation governing the management of our national forests. The current regulations took 3 years to formulate and were the result of hard-won compromises between the timber industry and conservation groups. That the regulations took 3 years to finalize and reflect how difficult the consensus was to reach, and how delicate that balance is.

It is unnecessary and premature to alter these regulations just 2 years after they were instituted. The administration claims that these changes will only "clarify" and "streamline" the planning process, but it is clear that what it terms "editorial changes" will weaken the NFMA and in some cases deviate significantly from what Congress intended the act to accomplish. There is no basis for claiming that the present guidelines are not working, since none of the Nation's 120 forests have had time to finalize or implement their management plans under the regulations.

Despite the significance of these changes, they were drafted without any prior notice to the general public. Even though the comment period lasted only 60 days, public reaction has been vocal and voluminous. At least 1800 responses were received, many of which were from those involved in the drafting of the original regulations.

Mr. President, I believe that these changes deserve careful reflection and a thorough, informed assessment of their potential impact.

The concurrent resolution which I am submitting today calls for the comment period to be extended for another 180 days. I am also calling for public hearings to be held around the country so that the Forest Service can receive firsthand testimony from those who will be directly affected by the changes. The concurrent resolution recommends that a Committee of Scientists be formed to advise the Forest Service of the impact of the changes in the regulations. This was the recommendation of the Committee of Scientists who aided in the drafting of the original regulations, as called for in section 6(h)(1) of the act. Finally, if any final revisions are published, a supplement to the environmental impact statement accompanying the original regulations should also be issued.

I am including for the RECORD a very persuasive letter from the distinguished director of the Department of Forestry at North Carolina State University, Mr. Art Cooper, commenting on the proposed changes. His remarks are especially significant since they are based in large part on his experience as chairman of the Committee of

Scientists which assisted the Forest Service in issuing the original regulations. His analysis is particularly thoughtful and articulate.

I ask unanimous consent that the letter be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the Record, as follows:

NORTH CAROLINA STATE UNIVERSITY,
SCHOOL OF FOREST RESOURCES,
Raleigh, April 22, 1982.

Mr. R. MAX PETERSON,
Chief (1920), U.S. Forest Service, USDA, Washington, D.C.

DEAR MAX: I am reluctantly commenting on changes in the regulations prepared pursuant to the National Forest Management Act to guide land and resource planning in the National Forest System as they have been proposed in the Federal Register, February 22, 1982, pages 7678-7696. My comments are based upon my experience as Chairman of the Committee of Scientists, appointed pursuant to Sec. 6(h) of the National Forest Management act to advise the Forest Service on preparation of the regulations. However, the comments contained in this statement are my own, do not reflect the views of any other committee members, and have not been discussed with them.

My views are presented reluctantly because I had hoped that it would not be necessary to comment on proposed changes in the regulations so soon after they were put into effect in October 1979. As the Committee of Scientists stated in its final report (Federal Register 44(181):53976), "The task is now to make that process [land and resource management planning] work. We trust that both Congress, and the various groups with interests in management of the National Forests, will allow the planning process to be implemented and allow it to deal with critical management problems." Obviously, our plea has not been heeded. Furthermore, the changes that have been proposed in the regulations do much more than "clarify and simplify planning procedures" as is stated in the material (p. 7679) explaining the proposed changes. Some changes do clarify and simplify the process and some improve it. Others, however, change the intent of the regulations and several go so far that they effectively change Congressional intent as expressed in the National Forest Management Act.

When a job is done one hopes that it is completed. Those of us on the Committee of Scientists hoped that when we were discharged it would not be necessary for us to inject ourselves into further debate about the regulations. My hopes in this regard were not met and I feel obliged to express my views concerning the content and intent of the proposed changes. Although I was asked to react by several persons representing different groups, my decision to comment was not precipitated by any of them. Rather, it was precipitated by my own belief that, because I had been so closely involved in the development of the first regulations, I had an obligation to comment. Furthermore, my comments may help clarify some of the intense debate that is bound to occur before the proposed changes are ultimately resolved.

Before commenting on substantive matters I want to comment on the procedures by which the proposed changes were developed. As I understand it, the revision process was carried on entirely within USDA and without any notice to the public and without any opportunity for public involvement. Input, as I understand it, was sought from the timber industry but other groups with legitimate interests in management of the National Forests were excluded.

If these statements are true, as I understand them to be, a serious procedural and ethical error has been made. The great value of the Committee of Scientists was not that it was "wise," but that its existence and meetings offered a legitimate means whereby both industry and environmental groups could participate and influence the drafting of the regulations. The Committee's meetings were entirely open and, as chairman, I diligently strove to see that all views whether I agreed with them or not, were aired and considered. The timber industry benefited from this openness and there are provisions in the regulations now that otherwise would not have been there. It is my opinion that much of the reason that the original regulations were accepted to the extent they were is that all parties realized the process was open and that their views were fairly considered. To revise a set of regulations that is as important as these without public involvement is to beg for trouble and invite opposition to the changes. Furthermore, I will be frank to say that I resent the change in policy with respect to openness in this particular process.

You will recall that the Committee of Scientists recommended that the regulations require involvement of a similar sort of committee whenever the regulations were revised. The Forest Service may have cause to regret omitting that provision.

My remaining comments will be directed in two areas: (1) changes in provisions of the regulations and their positive and negative impact on the planning process, and (2) the changes in philosophy that one detects when one considers the proposed changes in their totality, rather than as single isolated modifications.

I cannot comment on all of the specific changes in the regulations. I will comment on certain areas with which I am familiar and on certain areas I feel are critical.

(1) I disagree with deletion of 219.1(b) from the original regulations as this change does more than remove "unnecessary language." The material deleted contains important statements of policy which serve Forest Service planners and the public alike as philosophical guides for management of the National Forest System. In its report (Fed. Reg. 44(88):26604) the Committee of Scientists developed in detail the argument for including policy statements in the regulations. I see no need to recant those arguments now. The statements at issue are important principles and they should be left in.

(2) I agree with separation of the Regional and Forest Planning processes as proposed in the revised regulations. Regional and Forest plans are sufficiently different so that forcing them into the same planning process was probably unwise. Experience with Regional plans, as I understand it, substantiated this view.

(3) I am deeply concerned about the changes proposed in the Public Participation section. The original regulations were written to state the purpose of public participation and to provide standards for participation activities. The intent was to provide planners with standards they must meet and the public with the "rules" by which it could become involved in planning. Most of the specificity has been removed and replaced with vague statements that can be interpreted in a variety of ways. Although a full, and open, public participation process is still possible under the proposed regulations, it is also possible that public participation can be drastically reduced from what was previously required and still meet the new standards. Therefore, I cannot support the proposed changes.

(4) I am similarly concerned about changes in the Coordination section. The language eliminated is not "nonsubstantive." It is directive, articulates policy, and is therefore necessary for competent coordination among government agencies. Again, a coordination effort fully meeting the intent of the original regulations could be generated under the revision. An effort of much more limited scope hardly providing effective coordination would also be possible. Insofar as that is the case, the regulations have been weakened.

(5) A new section identifying the content of the Regional Plan is appropriate (new 219.9). However, some of the important provisions of the Regional Plan required in the old regulations have been deleted. For example, it is no longer necessary to prescribe standards for minimum growth potential (an arbitrary standard is included elsewhere in the revision) or units of measure for expressing mean annual increment in the regional plan. Furthermore, the minimum standard for defining when an opening is no longer an opening is such that a stand of seedlings could be considered as a new forest stand. Although this criterion can be made more demanding in the Regional Plan, it sets such a low standard that one can easily envision new clear cuts being made immediately adjacent to stands less than 5 years in age.

(6) A new criterion for analyzing and choosing among alternative management strategies, "net public benefits," permeates and proposed regulations. I have searched RPA, NFMA, and the Multiple-Use and Sustained Yield Act and nowhere do I find "net public benefits" mentioned as a decision criterion. It is clear that it has come from the present administration's guidelines for streamlining the regulatory process (see Fed. Reg. 47(35): 7679). Insofar as that is the case, it represents replacement of Congressional intent with an executive branch criterion and is inappropriate.

Although it can be argued that "net public benefits" is merely an expression of the kind of balanced decision making envisioned in NFMA, and is therefore consistent with multiple use, the danger lies in its application and in the data used to support decisions. The definition of "net public benefits" makes it clear that both quantitative and qualitative benefits and costs will be considered. However, the process by which this balancing is to be done is nowhere explained. The process of formulation of alternatives and estimating their effects (proposed 219.12(e) (f) and (g)) is so heavily ladened with economic analyses (costs and benefits, present net worth, gross returns to the Federal Government, opportunity costs) that one can hardly escape the conclusion that these are intended to dominate the decision process. Although NFMA clearly intended for the Forest Service to improve economic analysis of its activities, it did not intend for economic criteria to rule the decision process. To the extent that better economic analytic procedures are incorporated, one can support the proposed regulations. However, such procedures so thoroughly

dominate the proposed regulations that one can reasonably conclude that they are intended to dominate decision-making also.

(7) Changes have been made in the section dealing with timber harvest scheduling (proposed 219.13(d)) that upset the rather delicate structure of that section in the original regulations. Whereas the original regulations clearly established that departures from the base timber harvest schedule were the exception (as I am firmly convinced Congress intended) and required that they be approved by the Chief, the proposed regulations shift the entire decision-making process in favor of departures. Specifically: the emphasis on net present worth in conjunction with the new trigger for considering a departure ("It is reasonable to expect that departure from the corresponding base sale schedule would increase net public benefits") greatly increase the likelihood that alternatives containing departures will be approved; although the base harvest schedules are constrained to non-declining even flow, planners are not constrained by even flow considerations in analyzing the management situation; the level for approving departures has been moved down to the Forest Supervisor and he, in fact, has the flexibility to change harvest levels even to the extent of incorporating a departure without public comment when there is a difference "between planned annual budgets and funds actually appropriated" (proposed 219.10(e)).

The aggregate effect of these changes is to shift the entire analytic and decision-making process in favor of departures and thus represents a direct contravention of the intent of Congress.

(8) To my great regret constraints on consideration of areas for wilderness designation are included in the proposed regulations. The inclusion of an arbitrary 5,000 acre limit for an area to qualify for wilderness designation is inappropriate, unsupported by any legal or technical criteria, and simply bad planning.

Finally, I commend to you the comments of my colleague on the Committee of Scientists, Bill Webb, as contained in his letter to you of April 8, 1982. He has pointed out some of the same concerns I have, and has identified a number of additional areas where important changes have been made. I have deliberately not commented about changes in wildlife and diversity because his views and mine are essentially identical and I endorse them.

Clearly, then, the proposed regulations are a mix of changes, some of which are desirable but most of which appear to me to upset the carefully struck balance between environmental and industrial interests that was reflected in the original regulations. The Committee of Scientists interpreted the National Forest Management Act as an effort to require the Forest Service to prepare regulations to govern a planning process that offered an opportunity to balance the desires of the various groups with interests in management of the National Forests. Every effort was, therefore, directed in preparing the regulations to reflect this philosophy. To the extent that the proposed regulations upset that balance they represent a source of conflict rather than a means to resolve it and thus bode ill for the National Forest System.

Those who drafted the revision of the regulations contend that the proposed changes are editorial, deletions of unnecessary language, and minor technical revisions. This contention may be true for each individual change. However, when the changes are considered in their entirety, they take on a very different complexion. Specifically, changes involve, but are not limited to: preparation of the revision entirely without notice and public participation; deletions of language that describes important principles for management of the National Forest System; reductions in the specificity of language pertaining to public participation and coordination which open the way to much less substantive actions in these areas; inclusion of a new criterion for decision-making, net public benefits, that has no statutory basis; injection of economic analyses into the framing and evaluation of alternatives in a way that sets the stage for quantitatively-assignable economic values to dominate the process; changes in the timber harvest section that shift the burden of proof from those favoring departures from non-declining even flow to those opposing them in a manner quite contrary to Congressional intent; and injecting a criterion for defining the minimum size of areas to be considered for wilderness in future planning that is indefensible and unnecessary.

One is, therefore, compelled to conclude that the philosophy and intent of the regulations have been extensively changed. Because the original regulations represented a balancing of interests reflecting the balance sought in NFMA, the proposed changes create a document that I seriously doubt meets the intent of Congress in many key areas.

Insofar as I can tell, virtually everything that has been accomplished by the changes in the proposed regulations could have been done with the regulations as they were. Since manual direction and policy direction relating to choice of alternatives could have covered most changes, one wonders why the changes were necessary. Surely it is not worth amending an entire set of regulations merely to remove non-substantive language. The fact that the regulations were changed by a new administration directly upon taking office creates the dangerous precedent that each new administration may do the same. If this happens the regulations will become a document for conveying the political wishes and aspirations of each new administration rather than a technically sound blueprint for governing National Forest planning. Politics clearly has its place in National Forest management but that place is not in the details of the planning process. To politicize the planning process is to do the Forest Service, the National Forests, and the nation a grave disservice.

Should you wish further comment or assistance, I will be happy to provide it.

Sincerely yours,

ARTHUR W. COOPER,
Head, Department of Forestry.

Mr. LEAHY. The administration has assured us that these revisions to the National Forest Management Act are meant to simply clarify the forest planning process, but I fear that the results of these changes may be all too visible for generations to come. I am submitting this concurrent resolution in the hopes that the Forest Service will carefully evaluate the impact of these changes and will make its final recommendations based on input from those who are concerned about the proper management of our Nation's forests.

Mr. President, I ask unanimous consent that the concurrent resolution submitted by myself, Mr. KENNEDY, Mr. HART, Mr. CRANSTON, Mr. MOYNIHAN, and Mr. STAFFORD be printed at this point in the RECORD, and that the concurrent resolution be appropriately referred.

There being no objection, the concurrent resolution was ordered to be printed in the RECORD, as follows:

S. CON. RES. 97

Whereas, the National Forest Management Act of 1976 (NFMA) required the Secretary of Agriculture to issue regulations for developing and revising land management plans for the National Forest System; and

Whereas, the existing regulations under NFMA issued in September of 1979 were painstakingly developed over a three-year period with the advice and counsel of a special Committee of Scientists established by NFMA; and

Whereas, regulations on this subject are perceived by many as a "major federal action having a significant impact on the human environment," and the existing regulations were understood to have an effect of this magnitude and were, therefore, accompanied by an Environmental Impact Statement, as required by the National Environmental Policy Act; and

Whereas, in February of this year, the Forest Service issued proposed revisions to the existing regulations, which were characterized by Department of Agriculture officials as being merely simplifying and clarifying in nature; and

Whereas, the proposed revisions allow only 60 days for public comment, although in testimony before a House Subcommittee and in an enormous volume of written comments, many persons have stated that the new regulations would have far-reaching substantive consequences and may severely strain, if not violate, provisions of NFMA; and

Whereas, the proposed revisions include significant changes in existing regulations which, if adopted, will undoubtedly influence major decisions regarding resource management on the national forests throughout the country, and, therefore, merit a searching and thorough public review; and

Whereas, a more extensive solicitation of comments would afford the Forest Service the opportunity to take advantage of the advice and counsel of a Committee of Scientists and provide time to convene formal hearings to ensure the full and effective citizen participation in the regulatory process as envisioned by NFMA; and

Whereas, there are no overriding time constraints compelling hasty implementation of the proposed revisions since (1) adequate regulations governing forest management are already in place which readily can be used until the need to implement new regulations is clearly established, (2) the existing record-high volume of national forest timber under contract for harvest totals over 34 billion board feet—equal to well over a three-year supply, and (3) there has not been sufficient time to guage fully the adequacy and effectiveness of the existing regulations in implementing NFMA, or to see the completion of even one of the 120 national forest plans: Now, therefore, be it

Resolved, by the Senate (the House of Representatives concerning), that the Secretary of Agriculture is urgently requested—

(1) to extend, for not less than 180 days, the public comment prior to publication of the revised NFMA regulations in final form;

(2) purusant to section 6(h)(1) of the NFMA, formally to designate a Committee of Scientists to furnish advice and counsel in connection with the regulatory revisions;

(3) to conduct formal public hearings in various regions of the country in order to provide a greater opportunity for citizens to register their concerns about these revisions; and

(4) to publish, with any final regulatory revisions and comments, a Supplement to the Environmental Impact Statement that accompanied the existing regulations when published in 1979.

Mr. LEAHY. Mr. President, I believe I have a few minutes remaining. I am prepared to yield that time to the distinguished Senator from Wisconsin.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized.

Mr. PROXMIRE. Mr. President, I thank my good friend from Vermont for graciously yielding me time.

VITAL ROLE OF SIPC

Mr. PROXMIRE. Mr. President, yesterday's New York Times carried an article on the front page entitled "A Dealer in Bonds Defaults on Debt." The article went on to state that the Federal Reserve held itself ready to act as a "lender of last resort" to alleviate a credit crunch in the bond market.

I commend this article to my colleagues. What is not in the article is the significant but complex monitoring function played by the Securities Investor Protection Corporation (SIPC) in this matter.

The government bond dealer referred to—Drysdale Government Securities—because it deals exclusively with government securities—is exempt from registration with the SEC and, therefore, does not fall within SIPC's jurisdication. However, about 30 percent of Drysdale Government Securities is owned by Drysdale Securities, which is registered by the SEC and, therefore, within SIPC's jurisdiction. In this situation SIPC's monitoring consists of assessing the impact of the default on a SIPC-covered firm and analizing Drysdale Securities customer base to determine coverage under the SIPC law.

Mr. President, as you can appreciate, the questions SIPC is called upon to address are intricate and intimately involve the securities industry. No doubt legislation to abolish the exemption from SIPC coverage for securities firms dealing exclusively in government bonds will be considered.

Mr. President, this all points up the need to place the management of SIPC into experienced hands. Unfortunately, President Reagan has nominated James G. Stearns for the chairmanship of SIPC. Mr. Stearns, as I have stated before on this Senate floor, is not qualified at all for this position. It is time for President Reagan to withdraw the Stearns nomination and to nominate a well-qualified person for the chairmanship of SIPC.

I ask unanimous consent to have printed in the RECORD the article which appeared in the New York Times for May 19, 1982.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A DEALER IN BONDS DEFAULTS ON DEBT

DRYSDALE MOVE CAUSES LARGE DROP IN CHASE BOND STOCK

(By Robert J. Cole)

A major dealer in Government bonds and notes, Drysdale Government Securities, informed creditors yesterday that it was unable to meet $160 million in interest payments, creating considerable concern throughout the financial community.

The Chase Manhattan Bank, one of several New York banks that have acted as clearing agents for such dealers as Drysdale, led a broad decline in bank stocks on the New York Stock Exchange, slumping 3¼, to 48¾.

Drysdale's inability to meet its debt payments prompted the Federal Reserve Bank of New York, in an unusual late-afternoon statement, to tell Government bond dealers that it "stood ready as lender of last resort" to help commercial banks meet "unusual credit demands related to market problems."

While it is not one of the nation's three dozen major dealers in Government securities, Drysdale has played a prominent role in recent months as a speculator in Treasury bonds and notes. To buy and sell these Government securities, it relies heavily on short-term borrowings from banks and other dealers, often using borrowed Treasury securities as collateral. The interest payment it missed was interest due on the borrowed securities.

Although versions of what happened differed substantially among bankers and Wall Street bond dealers, it seemed clear that Drysdale has sold short. That is, in accordance with accepted custom, it had sold Government securities it did not in fact own in the hope of making good later by buying back the securities at a lower price and pocketing the difference. But instead of falling, Government bond and note prices had risen since early May, although in recent days prices had begun to weaken as yields rose.

Drysdale itself did not comment on what caused its problem.

The surprisingly strong statement of support for New York's top banks came in the wake of a meeting called Monday evening at the Federal Reserve by Willard C. Butcher, chairman of the Chase Manhattan Bank, and the subsequent announcement by Chase yesterday that an unidentified Wall Street dealer in Government bonds—widely known to be Drysdale Securities of 65 Liberty Street, Manhattan—had failed to meet $160 million in interest payments due to a number of leading Wall Street dealers.

A major controversy developed over whether Chase, as the clearing agent for Drysdale's transactions, could be held responsible for the entire loss. Banking sources said that Drysdale had $30 million in capital and, in view of its inability to meet interest payments far in excess of its capital, it might be technically bankrupt.

Some dealers said that the Drysdale case might lead to a revival of proposals to regulate the Government securities market, the last unregulated securities market in the country. Such proposals last arose in March 1978 after an official at the University of Houston engaged in a pyramiding scheme that resulted in commitments to buy $445 million in securities and resulted in a loss to the school of several million dollars.

Drysdale was not among the three dozen dealers, including some of the nation's major banks, designated by the Federal Reserve to handle the majority of its transactions, when it buys and sells securities to add or subtract reserves from the banking system. Such transactions are the Fed's principal tool for influencing the nation's money supply.

Among the Wall Street bond dealers and banks reported to be owed interested by Drysdale were the Manufacturers Hanover Trust Company; the U.S. Trust Company; Merrill Lynch, Pierce, Fenner & Smith; Drexel Burnham Lambert; Paine, Webber, Jackson & Curtis; Goldman, Sachs & Company; Donaldson, Lufkin & Jenrette; New York Hanseatic and Salomon Brothers.

Wall Street bond dealers maintained privately that despite the enormous overall sum, no individual firm had enough of a potential loss to create a major problem or endanger its survival. Nevertheless, the Butcher meeting on Monday, coupled with the statement by the Federal Reserve, suggested that the full dimensions of the Drysdale situation were uncertain and that all precautions were being taken to prevent disruption of the Government bond market.

Fraser Seitel, a spokesman for the Chase Manhattan, said that Mr. Butcher called the meeting, which was attended by representatives of 10 Wall Street firms, "to try to avoid any disruption of the Government securities market—to work out alternative solutions to prevent disruption of the U.S. Government securities market."

Peter J. Wasserman, president of the Drysdale Securities Corporation, a 92-year-old Wall Street house, said that it once had corporate ties to Drysdale Government Securities but had had none since early this year, when the latter set itself up as a separate company with Richard Taaffee as its president. Mr. Wasserman said that he and Joseph Vicent Ossorio, chairman of Drysdale Securities, held "small, nonvoting interests" in Drysdale Government Securities.

Mr. Taaffee, who did not return repeated telephone calls to his office, is understood to have established himself on Wall Street as a successful bond dealer. He is thought to have been extremely successful in playing the market, and Wall Street executives even joked about a computer he had called Arnold that "knows everything." The firm is also understood to have been in the process of buying its five-story headquarters building at 65 Liberty Street for several million dollars.

A handful of Wall Street firms called finders, including one known as Buttonwood Securities, bring together firms such as Drysdale wanting to borrow Government securities with firms such as Merrill Lynch, Drexel or Goldman, Sachs willing to lend them at interest. Chase contends that it acted as clearing house, seeing to it that the Government securities are delivered to the borrower—in this case Drysdale—and the interest payments reach the lender, whichever Wall Street dealer is involved.

Wall Street dealers, on the other hand, took the position yesterday that they dealt with Chase Manhattan or other banks and therefore expected Chase to be responsible for recovery of their losses.

U.S. HOLOCAUST MEMORIAL COUNCIL: A YEAR OF ACHIEVEMENTS

Mr. PROXMIRE. Mr. President, the Director of the U.S. Holocaust Memorial Council recently appeared before a Senate Appropriations Subcommittee to describe the Council's 1982 activities. I commend the Council and its Director, Robert Agus, for focusing on two essential aims: To spread awareness of the tragedy of genocide in history and to work toward preventing any similar disasters.

The U.S. Holocaust Memorial Council was established by Congress to provide for appropriate ways for the Nation to commemorate the Days of Remembrance; to build and oversee a Memorial Museum to the Holocaust victims; and to carry out the recommendations of the President's Commission on the Holocaust.

Mr. President, let me tell you about some of the progress the Council has made toward achieving its goals.

In conjunction with the International Day of Remembrance, a National Commemoration of the Days of Remembrance for 1982 was held on April 20. There was a very moving two-part ceremony in the Capitol Rotunda and the White House, which was well attended by many distinguished figures.

In addition to the national commemorative observance, 42 States, two territories, and the District of Columbia also conducted areawide civic commemorations.

Significant progress has also been made on the Holocaust Memorial Museum. A site has been selected, themes to be presented in the museum are being developed and fundraising will soon begin.

Mr. President, I was particularly impressed by one project called the International Liberators Conference. Held at the Department of State from October 26 through 28, 1981, it was a historic occasion honoring those who liberated the Nazi concentration camps. Official delegations from 13 nations, liberators from 40 different U.S. States, and hundreds of other citizens, Government officials and survivors attended the plenary sessions. The proceedings were video taped for use in school systems and libraries and for other interested groups throughout the world.

Mr. President, there is one final Council activity that we should pay special attention to. Plans have begun for the Committee on Conscience. This committee will be designed to serve as an early warning system against threats of genocide against any people, any place in the world.

Like the U.S. Holocaust Memorial Council, Mr. President, we in the Senate must undertake activities aimed at preventing any more genocidal atrocities. The Genocide Convention should be a prime vehicle for our goal.

In the final analysis an international treaty making genocide a crime can only be effective if the hearts of the signatory nations are committed to the goals of this international law. Because the United States is recognized as a world leader in the field of human rights, I believe we have a unique opportunity. We can help spur other governments to find the will to participate in the international effort to prevent genocide.

We can help foster a world climate of vivid awareness of the historical tragedy of genocide and a world committed to preventing its recurrence.

Mr. President, I urge my colleagues to immediately ratify the Genocide Convention.

NUCLEAR ATTACK DEVASTATION: HIGHER EDUCATION

Mr. PROXMIRE. Mr. President, higher education plays an absolutely essential role in the technological and military as well as in the social and cultural strength of our country. What effect would a Soviet nuclear attack designed to destroy our economy have on higher education in America? The CATO policy analysis by Katz and Osdoby reports the following:

> America's economic and military power derives in large measure from its ability to maintain its technological leadership; higher education plays a central role in maintaining this lead. Universities and colleges provide trained personnel to assist in scientific and technological development. They also provide the institutional framework for basic research that becomes the basis of scientific discovery and technological innovation.
>
> In the above attack on the 71 major urban areas, over 50 percent of the higher education system would be damaged or destroyed. Professional schools are even more vulnerable—over 70 percent of the students are concentrated in these urban areas, which contain only 55 percent of the general student population. Of equal significance, an attempt to measure not only the quantity but also the quality of graduate (science and engineering) and professional (medicine, law) schools found a disproportinate number—70 percent—in attacked areas. In other words, in the academic areas we evaluated, quality educational facilities tended to be highly concentrated in the major urban areas. In addition, these universities and professional schools attract or spin off important private research-and-development or consulting firms and high-technology manufacturing firms in close proximity.
>
> Given the massive scale of population losses and casualties after nuclear attacks, it is likely that the concept of the function of the university would also change, assuming a more narrow role as vocational and professional training ground. The training could be at a very basic level, with many important intellectual pursuits and professions abandoned. The basic scientific and technological infrastructure could be most seriously injured since even if the capacity remained, the justification for basic research during the post-attack recovery period would likely be questioned, and any diversion of energies in this direction challenged. Complex scientific experiments requiring extraordinary collaboration among scientific groups and expensive, sophisticated equipment would be eliminated or delayed for perhaps decades. The quality of research and the university's vital contribution to technology would diminish drastically in almost any nuclear attack. Thus, the damage to the higher education system would pose serious obstacles to a strong and rapid economic recovery.

ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, is there an order for the transaction of routine morning business?

The PRESIDING OFFICER. Yes; under the previous order, there will now be a period for the transaction of routine morning business, to continue until 9 a.m., with Senators being permitted to speak for not more than 2 minutes.

ARMS CONTROL AND THE REAGAN ADMINISTRATION

Mr. CRANSTON. Mr. President, I am deeply concerned by recent statements of President Reagan and members of his administration regarding arms control policy. Because of my concern, I telegramed the President last Friday seeking urgent clarification of several vital arms control issues.

I ask unanimous consent that the full text of my telegram be printed in the RECORD at this point:

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

Hon. RONALD REAGAN,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: I am deeply concerned that several statements made by you during your press conference last night are seriously misleading and suggest that U.S. arms control policies are following new and dangerous directions.

I urgently request clarification so that all parties to the arms control process—the Executive Branch, the Congress, and Soviet leaders—can proceed with clear knowledge of the Administration's position on these matters.

First, you said that "the parts that we're observing of SALT II have to do with the monitoring of each other's weapons". Your reluctance to formally embrace SALT II limits could be interpreted to mean that while we are "monitoring" the Soviet's weapons, we may at any moment "break-out" from treaty provisions. The fact is we are not meeting with the Soviets at the Standing Consultative Commission in Geneva—as we would if SALT II were in force—to raise SALT II monitoring issues.

Second, you suggested in your answer to Helen Thomas that SALT II failed to curb destabilizing Soviet weapons. In fact SALT II prohibits the Soviets from adding more warheads and missiles to their land based forces. Your failure to state unequivocally that we will adhere to SALT II restraints as an interim arms control measure leave ambiguities which could erode U.S. security.

Furthermore, the statement of Presidential Counselor Edwin Meese III on May 7 appears to be in direct contradiction to the testimony of Secretary of State Alexander Haig, Jr. on May 11.

Meese, in a press interview, stated that the Reagan Administration does not "feel bound by" the provisions of SALT II. In contrast, Secretary Haig, asked about Administration intentions on complying with SALT I and SALT II, told the Senate Foreign Relations Committee "we intend to comply by those provisions".

Third, you stated that "in the past several years (SALT) negotiations took place with (the Soviets) having a superiority over us and us actually unilaterally disarming". Like your recent statement that the Soviets have "a definite margin of superiority" your latest statement is either misleading or you are seriously misinformed. Are you contending that the U.S. was inferior in overall strategic nuclear forces in the 1970's? That is not true; no responsible U.S. military official would trade our overall arsenal for the Soviets' now, not would they have traded it then. Senators have put this question to key civilian and military officials in recent hearings of the Senate Foreign Relations Committee and the Armed Services Committee.

In addition, your assertion regarding "unilateral disarmament" completely ignores the many, many research, development and deployment efforts we made to modernize our strategic forces during SALT negotiations—including the MIRVing or our Minuteman ICBMs, the deployment of the first of our Trident subs, and progress made on the B-1 and cruise missiles.

Despite my misgivings about some of the personnel and some of the policies involved in the formulation of your Administration's arms control proposals, I earlier this week publicly welcomed your START proposal as a constructive first step towards arms curbs.

However, bipartisan consensus behind such efforts requires that the Administration clarify its intentions regarding SALT II observance and clarify its views regarding the strategic balance.

Alan Cranston,
U.S. Senator.

LAND OF LINCOLN CONFERENCE

Mr. PERCY. Mr. President, two weekends ago Republican leaders from throughout Illinois gathered for the first Land of Lincoln Conference.

This conference was patterned after the annual Tidewater conferences in which I and many of our colleagues in Congress have participated.

I was pleased to have as cosponsors of this conference Illinois Governor Jim Thompson and State party chairman Don Adams.

The conclusion of those 55 leaders who attended the conference was that it was extremely valuable and the participants voted unanimously to make the Land of Lincoln Conference an annual event. We intend to do this, and planning is already beginning do next year.

The purpose of the conference was to provide an informal and relaxed atmosphere in which leaders could discuss and debate issues of importance to Illinois and the Nation. The debate was constructive and I believe enlightening to all of us who participated in it. Conference participants broke into table groups named after some of our best know Illinois leaders of the past: President Abraham Lincoln, U.S. Senator Everett Dirksen, Illinois Senate Minority Leader David Shapiro, Speaker of the Illinois House of Representatives Warren Wood, U.S. Senator C. Wayland Brooks, and Illinois Secretary of State Charles Carpentier.

Resolutions drafted in advance, based on interests indicated by the invitees, were introduced individually and arguments pro and con were offered by selected participants. The resolution in question was then debated at each table, and amendments were prepared by the tables or by individuals acting on their own. This was followed by general discussion during which the amendments were debated and voted on. A vote was then taken on the final resolution as amended.

Following our conference, I joined the President in Illinois and discussed the resolutions with him. He subsequently sent me a letter commenting on the conference, and I ask unanimous consent that the text of the President's letter be printed at this point in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

The White House,
Washington, May 15, 1982.

Hon. Charles H. Percy,
U.S. Senate,
Washington, D.C.

Dear Chuck: Thank you for discussing with me in Chicago the resolution of the Land of Lincoln Conference, copies of which you had given Jim Baker Sunday evening.

I was pleased to see that the summary resolution you adopted at the conclusion of your conference on Basic Human Needs paralleled the emphasis I placed on the role of volunteerism in my speech at the Chicago YMCA luncheon Sunday, May 9.

I was also most interested in the resolutions adopted on a balanced budget, new Federalism, economic development, nuclear arms reduction, federal taxes and defense spending.

I commend you, Governor Jim Thompson and State Republican Chairman Doc Adams for holding such a timely three day conference of Republican leaders on some of the vital issues facing our nation today.

I understand by unanimous vote of the 1982 Conference a similar weekend meeting will be held in 1983, and I look forward to not only studing the results of the Conference, but measuring the progress we have made in the year ahead on the goals established this past weekend.

Sincerely,

Ron.

Mr. PERCY. Copies of the resolutions adopted by the conference will be sent to other national and State leaders as well.

The conference, which was held in Springfield, Ill., also provided the opportunity for several informal social gatherings. We were entertained by pianist Evans E. Brittin, Jr., at both our Friday and Saturday night dinners, and Springfield High School's "Seven and the Senators" singers, led by Dan Spreckelmeyer, performed brilliantly for us on Saturday evening.

Mr. President, I ask unanimous consent that the resolutions adopted by the first Land of Lincoln Conference and the list of attendees be printed at this point in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

RESOLUTION 1: BALANCED BUDGET

Resolved, That the Federal Government should implement a balanced budget as soon as possible. Deficits lead to high inflation and high interest rates and are an important cause of the present economic recession. All means should be considered to bring spending and revenues into balance: a Constitutional amendment, wording in the manner and form of Senate Joint Resolution 58, immediate spending reductions, better management of Federal assets, better control of Federal lending, better debt collection, both foreign and domestic, smaller defense increases if consistent with the needs of National Security, and reexamine the tax structure.

RESOLUTION 2: THE NEW FEDERALISM

Resolved, The current role of the Federal Government in the federal system—and the government in society—should be reexamined and redefined and the federal government should be required to lessen its role and strengthen that of the states and local governments, taking care that adequate revenue sources follow major shifts in functions.

RESOLUTION 3: ECONOMIC DEVELOPMENT

The primary role of the private sector in reducing unemployment and creating new jobs should be reaffirmed, encouraged and supported by federal, state and local government policies through tax incentives and regulatory reforms such as enterprise zones and workfare.

Government's role in training and retraining for employment should be fostered through traditional State and local educational and vocational educational institutions in concert with the private sector rather than massive government bureaucracy.

A genuine effort should be made to eliminate duplication and overlap by various agencies of Government in the area of job training.

People receiving unemployment compensation or welfare should be required to either demonstrate that they are using their best efforts to find employment or to attend training programs when they need new or updated skills or be required to participate in a local work program where available.

Federal, state and local government policies, statutes and regulations should be reassessed to remove disincentives to work.

RESOLUTION 4: NUCLEAR ARMS LIMITATIONS

To express the sense of the Land of Lincoln Conference that the United States and the Soviet Union should engage in substatial, equitable, and verifiable reductions of their nuclear weapons in a manner which would contribute to peace and stability.

Whereas a nuclear war would kill or injure millions and millions of people and threaten the survival of the human race;

Whereas there can be no assurance that a nuclear war, once initiated, would remain limited in scope;

Whereas there exists the ever-present risk that nuclear weapons might be employed through accident or miscalculation;

Whereas the American people, who are people of peace, maintain nuclear armaments only in the defense of freedom and yearn for world conditions in which they could do far more to lift the burdens of human privation and despair;

Whereas the current nuclear force imbalance is destabilizing and could increase the likelihood of nuclear war;

Whereas sizeable and verifiable mutual reductions of Soviet and U.S. nuclear forces to an equal and far-lower level would enhance stability and the maintenance of peace; and

Whereas President Reagan, on November 18, 1981, stated that the United States "will seek to negotiate substantial reductions in nuclear arms which would result in levels that are equal and verifiable": Now, therefore, be it *Resolved by the Land of Lincoln Conference assembled,* that—

(1) the United States should propose to the Soviet Union a manual, and verifible nuclear force freeze at equal and sharply reduced levels of forces;

(2) the United States should propose to the Soviet Union practical measures to reduce the danger of nuclear war through accident or miscalculation and prevent the use of nuclear weapons by third parties, including terrorists;

(3) the United States should challenge the Soviet Union to join in this historic effort to channel the genius of our two peoples away from the passing of nuclear armaments and to focus the energy and resources of both nations on attacking the ancient enemies of mankind—poverty, hunger, and disease;

(4) the United States should continue to press month after month, year after year, to achieve balance, stablizing the reductions, looking, in time, to the elimination of all nuclear weapons from the world's arsenals;

(5) to maintain stability and continuity while these stractegic arms reduction negotiations are conducted, the United States should propose to the Soviet Union that both Parties avoid actions that would undercut previously negotiated SALT agreements;

(6) the US should propose that the people of the Soviet Union be heard on this issue;

(7) the threshhold Test Ban Treaty be passed;

(8) means should also be found to control proliferation of nuclear weaponry in other countries capable of producing nuclear weapons; and

(9) research and development of conventional weaponry should be encouraged.

RESOLUTION 5: FEDERAL TAXES

The principles underlying the 1981 Economic Recovery Tax Act should be maintained. Federal personal and corporate income taxes have damaged people's ability to save and invest and have diminished jobs creation efforts. The President's tax cut program was passed to breathe life into our economy. Its healthy effect has not yet come to fruition, because the January automatic Social Security tax hike washed out the first modest cut. The full three-year phased tax cut must be retained in order to provide jobs for people, which will in turn produce additional tax revenues through a broader base of taxpayers. Enforcement of our revenue collection procedures must be strengthened so that taxpaying citizens are not required to subsidize tax evaders. Congress must concentrate its efforts toward cuts in spending rather than to increase the present punitive taxation on both individuals and corporations.

(Note: A significant number of the participants wanted it made known that adoption of this amendment did not mean that no tax reforms were considered necessary. It was the consensus of the Conference that specific reform proposals should not be dealt with in this context.)

RESOLUTION 6: DEFENSE SPENDING

The United States should increase defense spending from the fiscal year 1982 level to maintain a defense capability that can deter aggression and protect vital national interests. We reaffirm the support expressed in the 1980 Republican National Platform for a defense capability second to none. Cost-saving methods should be effected wherever practicable in order to maximize actual defense capability from funds appropriated. We urge other countries in the free world to do more for their own and the common defense.

RESOLUTION 7: SUMMARY STATEMENT, LAND OF LINCOLN CONFERENCE

Let us, as Republicans, be evermindful that "Basic Human Needs" do exist and while we believe there must be a reduction in the role of the federal government in providing such basic services, we urge all Americans to lend greater voluntary assistance to the less fortunate among us.

We further acknowledge and recognize that we, as a society, have both a legal and moral obligation to provide for the basic needs of those incapable of providing for themselves.

CONFERENCE ATTENDEES

Republican State Central Committee Chairman Don Adams.

State Central Committeeman Mary Jo Arndt.

State Representative David Barkhausen.

Marshall County Chairman Fritz Campbell.

State Senator John "Doc" Davidson.

State Senator Aldo DeAngelis.

State Representative Sue Deuchler and Walter Deuchler.

State Representative Ralph Dunn.

Secretary of State Jim Edgar and Brenda Edgar.

Attorney General Tyron Fahner.

Moultrie County Chairman Billy Farris.

State Central Committeeman Robert Follett and Nancy Follett.

Congressional Candidate Robert Gaffner.

Richland County Chairman Henry Gassman and Pat Gassman.

Peoria County Chairman Camille Gibson.

Republican Nationalities Council 1st Vice President Edward Gjertsen.

State Senate Candidate John Glynn and Betty Glynn.

State Senator John Grotberg.

University of Illinois Trustee Ralph Hahn and Jane Hahn.

State Central Committeeman Joseph Hale.

State Central Committeeman Harber Hall.

State Young Republicans President Robert Hall.

Ward Committeeman John Hoellen and Mary Jane Hoellen.

Springfield Mayor J. Michael Houston.

Former President, National Federation of Republican Women and Chairman, Women's Division of RNC Pat Hutar.

Rich Township Representative Mary A. Johnson.

Douglas County Chairman Marvin Jones.

State Representative John Kociolko.

State Representative Judy Koehler.

Sue and Gail Luck, of Decatur, Ill.

Sangamon County Auditor Marylee Lindley.

Grundy County Chairman Del Linn.

Salem Mayor Charles McMackin.

Lake County Chairman Robert Neal and Pat Neal.

State Representative Diana Nelson.

Ward Committeeman Donald A. Neltnor.

State Representative Josephine Oblinger.

Wheeling Township Secretary, IFRW, Dian Perkins.

Senator Chuck Percy and Loraine Percy.

Wheeling Township Committeeman Connie Peters.

State Representative Penny Pullen.

Madison County Chairman Dr. Edward Ragsdale and Meredith Ragsdale.

Former State Central Committeeman and former State Representative Paul Randolph.

State Representative Jim Reilly and Mary Reilly.

State Representative Clyde Robbins.

Arlington Heights Mayor James Ryan.

President, Wheeling Township Republican Women, Carol Ryan.

Candidate for Comptroller and former State Representative Cal Skinner.

Oak Park Township Committeeman Dean Sodaro and Jean Sodaro.

Whiteside County Chairman George "Bud" Thompson.

Governor James R. Thompson.

Jayne Thompson.

Candidate for State Representative Jon Walker.

State Representative Robert Winchester.

Brown County Chairman Glenn Worthington and Evalyn Worthington.

CONGRATULATIONS TO HADASSAH ON ITS 70TH ANNIVERSARY

Mr. SASSER. Mr. President, as a cosponsor of Senate Concurrent Resolution 62, commemorating the 70th anniversary of Hadassah, the Women's Zionist Organization of America, I am pleased to join in marking this day of May 20 as a day of celebration. The tremendous spirit and energy that have gone into 70 years of achievement by the women of Hadassah indeed give cause for celebration, both by those who applaud their efforts here today and by the thousands upon thousands of people from all walks of life who have been the direct beneficiaries of their efforts over the years.

Now 370,000 strong, Hadassah exemplifies the commitment to humanitarian concerns shared by the people of Israel and the United States. These concerns, as carried out primarily in educational and medical services and training are also a fundamental part of our mutual commitment to peace in the Middle East and to freedom and self-determination for all peoples. These commitments are inseparable.

For those who are unacquainted with the level of achievement and the ideals of Hadassah, I would point to the internationally recognized excellence of the Hadassah-Hebrew University Medical Center in Jerusalem. As noted in Senate Concurrent Resolution 62, the center and its facilities have been made available to treat all peoples of the region regardless of religion, race, or nationality in the tradition of the oath of the Hebrew physician: "You shall help the sick, base or honorable, stranger or alien or citizen because he is sick." The center was created and is maintained by Hadassah and stands as one of the world's finest examples of what individuals, when joined by a common purpose and strength of spirit, can do to improve the quality of life for millions of people.

From that day in February of 1912 when Hadassah was founded under the leadership of Henrietta Szold, individual lives have been touched and changed in many ways by the efforts of this multiservice organization. Since World War II, Hadassah has helped to resettle in Israel and rehabilitate over 100,000 children from countries all over the world. Young men and women continue to benefit as well from a comprehensive system of vocational education. Additionally, the Hadassah-Hebrew University Medical Center provides top-caliber training and research in the health sciences.

Mr. President, we are facing times ahead when voluntarism is going to be more important than ever in providing humanitarian services for people around the world who are caught in the uncertainties of the world economy. Hadassah's 70 years of service provide an inspiration to us all. It is with great admiration that I join in celebrating the good works of the past, and offer my support and best wishes for many more years of valuable service to humanity.

DISTINGUISHED ALABAMIAN STEPS DOWN AS HEAD OF CSX CORP.

Mr. HEFLIN. Mr. President, on May 1, a distinguished Alabamian and longtime friend of mine, Prime F. Osborn, reached a milestone in his 36-year career in the railroad industry when he stepped down as chairman of the CSX Corp. The CSX Corp. is the largest railway system in the Nation and was formed by the merger of two great railroads, the Chessie System and the Family Lines. The Louisville and Nashville Railroad, a component of the Family Lines, is the largest railroad in the State of Alabama and has played a key role in the industrial development of Alabama.

Mr. Osborn is a native Alabamian who was born and raised in Greensboro, where he still maintains the family farm. He is a graduate of the University of Alabama and its law school. Early in his career he served as an assistant attorney general of Alabama. From my many conversations with him, I know of his deep loyalty and affection for his native State, and I am delighted to have him as a part-time constituent.

The merger which formed the CSX Corp. was a major achievement in Prime's business career. But those who know him also know of the many hours of work he has given to public service. He has been a leader in the Salvation Army, the Episcopal Church, and the Boy Scouts. For his work, he has received many well-deserved awards, including the Outstanding Jacksonville Citizen Award of the Jacksonville Chamber of Commerce and being named the Transportation Man of the Year by the National Defense Transportation Association. I am sure that his commitment to public service will continue in what his friends know will be an active retirement for Prime Osborn. I wish this distinguished son of Alabama well as he begins this new phase of his career.

DISALLOWANCE OF CERTAIN TAX DEDUCTIONS

Mr. HEFLIN. Mr. President, in an effort to raise new revenues and, therefore, cut the projected Federal deficit, the Budget Committee is proposing $95 billion in new tax increases over the next 3 years. I am afraid, however, that these unidentified tax increases will merely turn out to be another attempt by Congress to balance the Federal budget on the backs of poor and middle-income Americans.

We must reduce the budget deficit and restore fiscal responsibility in Washington, but I am bitterly opposed to proposals now being considered which would eliminate essential tax deductions and increase consumer taxes for the Nation's poor and middle-income citizens.

In recent weeks, the chairman of the Budget Committee has identified a number of areas where taxes might be increased in order to reach the goal of $95 billion in new revenues. I am alarmed to find that most of the new revenue will come out of the pockets of those Americans least able to afford it. The proposals which have been specified by the chairman of the Budget Committee include: the elimination of tax deductions for State and local taxes; elimination of the deduction for interest on consumer loans, except automobiles and housing; new excise taxes on gasoline and telephones; raising from 3 percent to 10 percent the amount of income that must be spent on medical costs before a taxpayer can declare it as a deduction; and modifying the exclusion of employer contributions for medical insurance premiums and medical care.

We simply must not allow for the budget crisis to be solved at the sole expense of those members of our society who can least afford the extra burden—the middle-income taxpayer and the poor. Many of these proposals are clearly and simply unfair, unfeeling, and fiscally unsound.

We must reject these tax increases which would have a devastating and disproportionate impact on the poor and middle-income taxpayer. Raising the taxes of the working people of this country through repeal or modification of these vital tax deductions in the name of stimulating economic recovery makes no economic sense. The deductions for medical expenses, interest on consumer loans, and State and local taxes were written into our laws in recognition of the fact that these items severely diminish the taxpayer's taxable income.

Eliminating the tax deduction for interest payments on consumer loans would be counterproductive and fiscally dangerous. The average American family depends on consumer credit and loans to purchase major consumer items and American manufacturers depend on this "buying on time" to sell their products. Eliminating this interest deduction would have a devastating and unfair impact not only on middle-income American families, but on the already strapped economy in general.

The same is true with medical expenses. All of us in this body are aware of the staggering costs of medical care. The proposal to raise from 3 percent to 10 percent the amount of one's income which must be spent before a taxpayer can deduct medical costs would effectively wipe out this major deduction for millions of elderly citizens and those beset by major medical problems. This is a cruel and heinous crime perpetrated on our Nation's elderly citizens at the same time social security benefits are seriously threatened.

Furthermore, imposing excise taxes on such items as gasoline and telephones is once again placing a disproportionate share of the tax burden on the Americans least able to pay. The American people deserve better than to have Congress attempt to straighten out the economic shambles our country is in by taking from them these essential and needed tax deductions. It is time that Congress stop trying to balance the budget by reaching into the pockets of those people in our society who struggle to survive day to day under the harshest economic conditions in many years.

Americans have always believed in a fair and equitable tax system, and

they do not mind paying reasonable taxes so long as they are called upon to pay only their fair share. What American taxpayers do object to are paying taxes which are disproportionate and the seeing their tax dollars wasted by the Government. If Congress repeals these deductions, I expect a hue and cry to ring out across this country from working Americans over the insidious way that Congress has indirectly increased their taxes.

Like my colleagues on the Budget Committee, I, too, believe that economic recovery through decreasing the Federal deficit is the key problem facing our country today. But I think we often lose sight of the average American taxpayer and the impact of taxes on the working men and women of our country. We must never forget that it is the average taxpayer who pays the bulk of taxes in this country. Asking these already overtaxed, hard-working men and women to shoulder an even heavier burden by increasing their taxes is unthinkable and inexcusable.

In conclusion, Mr. President, I strongly oppose any attempt by Congress to repeal or modify these deductions or raise revenues by increasing taxes on gasline and telephones. I urge my colleagues in this body to stand firm against these ill-conceived and untimely proposals.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER (Mr. GORTON). Morning business is closed.

FIRST CONCURRENT BUDGET RESOLUTION

The PRESIDING OFFICER. Under the previous order, the Senate will resume consideration of the First Concurrent Budget Resolution, which the clerk will state by title.

The legislative clerk read as follows:

A Senate concurrent resolution (S. Con. Res. 92) setting forth the recommended congressional budget for the United States Government for the fiscal years 1983, 1984, and 1985, and revising the congressional budget for the United States Government for the fiscal year 1982.

AMENDMENT NO. 1488

The PRESIDING OFFICER. The pending amendment is the amendment of the Senator from Vermont.

Who yields time?

Mr. LEAHY. Mr. President, I yield myself such time as I may need.

I am proud to join today with the Senator from New York (Mr. MOYNIHAN) in offering an amendment to increase funding for the environmental protection and toxic dump cleanup programs for the Enivronmental Protection Agency.

Quite frankly, Mr. President, after hearing the comments of the Director of the Environmental Protection Agency on NBC's "Today Show" this morning, I think this amendment is all the more necessary, because it is obvious they are unaware of the amount of money they have or even what they have been doing. I hope that they will pay attention to this amendment, because it will increase outlays in 1983 by $100 million and budget authority by $300 million.

The particular subject matter of this amendment is dollars and cents. But the real subject matter of this amendment is much broader.

We are debating here this week the most controversial budget resolution ever considered by this body. We are being asked, in this resolution, to choose between increasing taxes or cutting defense—to choose between balanced budgets and social security.

The reason our economy is in the mess it is in today can be described in three words, supply-side economics—or as someone called it, "surprise-side economics."

A year ago, these words were magic. Today, they appear more like black magic as unemployment reaches its highest level since the Great Depression and business failures reach historic levels.

As it turned out, there were only two things wrong with supply-side economics.

First, it was unfair. And, second, it did not work.

It was unfair because the tax break given to a taxpayer earning $80,000 is 34 times—that is right, 34 times bigger than the tax break for a family which earns $10,000 to $20,000 per year.

And not only was supply-side economics unfair, it did not work. Investment is not up, it is down. And unemployment is not down, it is up. It seems we have the wrong charts going in the wrong direction.

What we really learned from supply-side economics is that there is no free lunch. The old Republican gospel said we had to pay the price of millions unemployed to reduce inflation. The new supply-side economics said you did not. It said you could cut taxes, balance the budget, restrict the money supply, whip inflation, and create a boom economy all at once. In fact, today we are reducing inflation only because there are 10 million unemployed. We have learned again the hard way that there is no free lunch.

I believe that this administration's environmental policy can be fairly described as supply-side environmentalism. Like supply-side economics, there are only two things wrong with it—it is unfair and it will not work. And there is only one lesson it ignores—"there is no free lunch."

This administration's environmental policy is completely unfair. Instead of evenhanded enforcement of our environmental laws, this administration cut enforcement efforts by 70 percent—70—in its first year in office. It has allowed the dumping of liquid hazardous wastes. It plans to assign only two and one-half Federal workers to oversee the entire system designed to control millions of shipments of toxic wastes.

And who will suffer from this retreat? Not the polluters that might be with Fortune 500, not the Midnight dumpers. No; it will be the unborn who are endangered by toxic environmental chemicals, children who are threatened by lead in the air, and the elderly and infirm beset by respiratory diseases who will pay the price.

Even those companies who want to obey the laws—out of commonsense or because of concern for their public image—will lose business to the fly-by-night operators who know they can flout the laws with impunity because the EPA's enforcement division has been reorganized so often it does not know what its job is or whether it dares to do it.

This supply-side environmentalism is not only unfair, it will not work. Just as many today regret their support for supply-side economics, next year and the year after, many will regret their support for destroying EPA's ability to enforce our environmental laws through cutting EPA's budget by nearly 30 percent in just 2 years.

Instead of saying, "Give a hoot, don't pollute," we are saying, "Go ahead and pollute; we don't give a hoot." It is like saying we are against burglary, but we will not allow you to have locks on your doors, and we will not hire any policemen to enforce the laws. That is what the administration is saying, we will have laws against environmental degradation, but we will not enforce them. I think we have an administration which has determined that they could not buck public opinion and repeal our environmental laws, so they are not going to enforce them. It is a back-door way to repeal our environmental laws.

Mr. President, I think that when the public realizes these budget cuts mean it will take a decade to implement just the first stage of controls on hazardous waste dumps, they will not stand for it.

When the public realizes these budget cuts mean millions of additional tons of hazardous air pollutants, they will not stand for it.

When the public realizes this budget means millions more gallons of organic chemicals in the water, they will not stand for it.

When business realizes that cuts in research and development budgets mean that new environmental regulations will be based on bad science or inadequate data, they will not stand for it.

When States realize that EPA has so loosely delegated environmental programs to the States that they are losing jobs to smokestack chasers, they will not stand for it.

The American people want environmental protection. They want their health and their children's health protected. They want clean air to breathe and clean water to drink. Indeed, a recent Roper poll found that 70 percent of the public want EPA to be as tough or tougher than it was in the past.

The American people want an environmental policy that works.

Finally, like supply side economics, supply side environmentalism ignores the fact that there is no free lunch. If we want a stronger national defense, we must pay for it. If we want environmental protection, we must pay for it. If we do not pay for it, we will not get it.

The administration has claimed that all its budget cuts can be accommodated by increased efficiency and increased delegation of responsibilities to the States. But aphorisms will not stop pollution. Shibboleths will not prevent cancer. It takes dollars and cents, bright minds and strong hands, sound science and good administrative talents. None of these come for free—or are even cheap.

Mr. President, I am sure that it will be argued that, since the budget resolution rejects the President's draconian 1983 budget cuts, there is nothing to worry about. That is just not correct.

Between 1981 and 1983, the administration has proposed cutting EPA's budget by 39 percent. But the President already achieved 75 percent of that reduction—in the 1982 appropriation bill.

The administration claims that, because of increased efficiency, delegation of responsibilities to the States, and smoke and mirrors, EPA's budget can be cut 30 or 40 percent, with no reduction in environmental protection. But its own budget documents tell a different story.

Let me read from EPA's own budget documents. These documents show what the 1982—not 1983—but the 1982 budget cuts accepted by this resolution mean. If we accept the resolution funding levels:

There will be more hazardous air pollution because there will be "fewer national emission standards (for) hazardous air pollutants."

There will be less effort to control toxic chemicals in water.

Investigations of hazardous wastes will be postponed.

The entire effort to establish and enforce hazardous waste controls will be cut. Let me quote in full from EPA's own 1982 documents:

> This reduction represents a significant loss of contract funds for Hazardous Waste Management in the Regions. EPA and State personnel will have to assume the responsibility for doing inspections on generators and transporters. The increased workload will translate into decreased inspections of such facilities. A large portion of the contract would have funded technical assistance in writing land disposal permits under RCRA. The loss of the contract dollars will reduce the number of permits issued and could impair the quality and consistency of permits on a nationwide basis.

And, as controls on toxic wastes are being weakened, efforts to efficiently understand which chemicals affect human health are being cut back. I quote:

> This reduction will eliminate a substantial part of a program designed to allow the Office of Toxic Substances to more accurately and economically predict human health and environmental effects of chemicals without the need for extensive testing.

In summary, these levels of funding proposed by this budget are unjustified and unjustfiable reductions in public health protection. They must be rejected.

We are proposing a very different budget. This budget asks what we should be doing to protect the public health, and what it will cost to do those tasks.

This morning's Congressional Record contains an in-depth justification for each increase in pollution control funding assumed in this amendment. My colleague from New York will speak about the Superfund program. Let me give an example for each of the major pollution control programs.

HAZARDOUS AIR POLLUTION

Increased funding for the air program will provide EPA resources to begin 37 hazardous air assessments as opposed to only 9 assessments. These reviews provide the basis for determining the health and environmental risks of hazardous air pollutants and are the basis for setting standards. This will allow EPA to complete these assessments in 3 to 5 years as opposed to the 7 to 10 years it will take now.

TOXIC WATER POLLUTANTS

Increased funding for the water program will provide resources to perform health effects research for newly discovered toxics found in water. All funds for this research have been discontinued.

Additionally, resources will be available to continue compliance inspections of dischargers in States that do not have permit programs. The budget resolution level drastically cuts these inspections.

DRINKING WATER

Increased funding will provide abatement, control, and compliance funds to provide assistance to Indian lands and nonprimacy States in developing public water system supervision programs. All abatement, control, and compliance funds were zeroed out.

HAZARDOUS WASTE

Increased funding for the hazardous waste program will provide additional funds to encourage and assist States to develop hazardous waste programs. Increases will also speed up the development and promulgation of final hazardous waste regulations. EPA does not plan to begin issuing final regulations until sometime in fiscal year 1984.

It will take EPA, under this budget, 10 years just to complete the first step of writing permits for hazardous waste dumps. This proposal would provide the funds to do that job in 5 years.

PESTICIDES

Increased funding for the pesticides program will provide resources to perform 2,500 inspections, as opposed to 275, and to continue funding the pesticides certification and training program which the budget request cut.

TOXICS

Increased funding for the toxics program will fund long-term toxics research. This research has been cut by 71 percent and is fundamental to controlling toxics.

STATE GRANTS

In almost every program, the suggested increases include additional funding for State grants progams. In order to implement the New Federalism concept, States must receive additional funding to develop the capability and expertise to assume greater levels of responsibility in environmental protection.

Mr. President, the environmental protection budget assumed in this resolution is completely inadequate, but I am sure that some will call this proposal a budget-busting amendment.

That argument is nothing but a smoke screen.

There is no doubt that $100 million is a substantial amount of money, but in the context of this budget resolution, it is a very small amount of money. It is about what the Pentagon spends on military bands and museum curators. It is only about half of President Reagan's requested increase in 1983 or the Federal Emergency Management Agency. It is only one-sixth of the increase in NASA's budget requested by President Reagan.

Mr. President, it is time for this body to say clearly that it will not permit our environmental laws to be repealed through the budget process. I urge the adoption of the amendment.

Mr. President, I ask unanimous consent to have printed in the Record a detailed explanation of the justification for these increased outlays for the Environmental Protection Agency.

There being no objection, the material was ordered to be printed in the Record, as follows:

SUMMARY TABLE.—SUGGESTED LEVELS OF FUNDING FOR FISCAL YEAR 1983 BY EPA PROGRAM

[Amounts in thousands of dollars]

EPA programs	Actual 1981	BA 1982	EPA proposed 1983	Suggested 1983
Air	235,388.5	219,761.9	184,053.3	258,370.6
Water	318,236.9	236,796.7	185,965.7	276,988.3
Drinking water	79,329.7	83,831.1	69,750.1	94,385.2
Hazardous waste	141,427.7	107,228.1	103,343.7	205,090.4
Pesticides	64,769.8	53,738.1	50,782.0	74,129.3
Toxics	94,103.8	77,377.8	68,604.0	106,027.1
Subtotal	933,256.4	778,733.7	662,498.8	1,014,990.9
Other [1]	339,998.3	308,720.3	298,893.2	308,720.3
Total	1,273,254.7	1,087,454	961,392.0	1,323,711.2

[1] Includes management and support, interdisciplinary, noise, radiation, and energy

EPA AIR PROGRAM

[Amounts in thousands of dollars]

Air	Actual 1981	BA 1982	Proposed 1983	Suggested 1983
R&DOxidants nonenergy:				
(S)	5,268.5	5,240.6	4,581.0	6,226.4
(R. & D.)	8,433.4	9,961.0	6,877.8	11,539.9
Hazardous air pollutants nonenergy:				
(S)	4,799.6	5,339.1	4,941.7	11,743.9
(R. & D.)	5,099.4	4,034.5	3,052.7	10,805.4
Mobile sources nonenergy:				
(S)	4,054.4	3,031.8	2,034.6	2,034.6
(R. & D.)	2,891.5	2,563.8	2,441.9	2,441.9
Gases and particles nonenergy:				
(S)	11,177.9	12,069.1	11,547.1	11,547.1
(R. & D.)	17,361.1	13,491.8	11,708.2	11,708.2
Total R. & D.	59,085.8	55,731.7	47,185.0	68,047.4
ABATEMENT CONTROL AND COMPLIANCE				
Air quality stationary source:				
(S)	9,512.3	9,523.6	8,007.8	8,007.8
(A.C. & C.)	17,199.8	10,733.9	11,781.6	11,781.6
Mobile source air pollution control and fuel economy:				
(S)	10,309.6	10,019.3	8,980.7	8.980.7
(A.C. & C.)	4,367.6	1,548.3	3,038.3	3,038.3
State programs resource assistance:				
(S)	219.3	223.5	238.1	238.1
(A.C. & C.)	91,057.3	88,734.9	70,578.7	112,234.0
Air quality management implementation:				
(S)	9,526.1	9,564.4	8,791.5	8,791.5
(A.C. & C.)	222.0	116.5	34.3	34.3
Trends monitoring and progress assessment:				
(S)	3,924.7	4,313.9	4,425.3	4,425.3
(A.C. & C.)	431.7	312.6	452.3	452.3
Total (A.C. & C.)	113,278.4	101,446.2	85,885.2	157.983.9
ENFORCEMENT				
Stationary source enforcement:				
(S)	13,038.8	14,232.9	10,101.5	16,064.9
(A.C. & C.)	9,845.0	9,791.2	5,019.1	9,259.2
Mobile source enforcement:				
(S)	4,403.0	3,959.6	3,522.6	4,897.7
(A.C. & C.)	2,199.8	955.6	1,896.5	2,117.5
Enforcement total	29,486.6	28,939.3	20,539.7	32,339.3
Air total	235,388.5	219,761.9	184,053.3	258,370.6

AIR PROGRAM DESCRIPTION

Air Oxidants Nonenergy

[Amounts in thousands of dollars]

Program element	Active 1981	BA 1982	Proposed 1983	Suggested 1983
Salaries and expenses	5,268.5	5,240.6	4,581.0	6,226.4
Research and Development	8.433.4	9,961.0	6,877.8	11,539.9

Recommended changes.—Monitoring systems and quality assurance

Salaries	882.7	978.9	693.9	1,031.5
Research and Development	639.2	364.2	390.1	520.0

The suggested level of funding will provide the resources to continue to fully support monitoring and audits. In addition, the resources will provide research support in developing a low cost portable monitor for volatile organic compounds.

Health effects

Salaries	1,588.2	1,410.2	1,138.7	1,811.6
Research and Development	2,964.3	3,804.8	1,952.2	4,020.0

The suggested level of funding will provide resources to continue research on the human health effects related to inhalation toxicology of photochemical oxidants. The proposed budget seeks to slow this research down for budgetary reasons. This research is fundamental to the development of ozone criteria documents.

Environmental processes and effects

Salaries	1,744.5	1,896.8	1,375.4	2,010.3
Research and Development	4,049.0	5,096.4	2,632.0	5,096.4

The suggested level of funding provides the resources necessary to continue the urban scale ozone modeling program, crop loss assessment program, and the biogenic emissions measurement program. Research on ozone is of high priority and should be carried out at least at a constant level. Research is the starting point for determining the need for regulation and effects on health and environment. These research programs should continue.

Hazardous Air Pollutants Nonenergy

Salaries and expenses	4,799.6	5,339.1	4,941.7	11,743.9
Research and Development	5,099.4	4,034.5	3,052.7	10,805.4

Recommended changes.—Monitoring systems and quality assurance

Salaries and expenses	1,664.2	1,919.3	1,729.9	5,087.9
Research and Development	1,559.2	957.7	1,013.9	6,210.9

There is a backlog of 37 hazardous air pollutants. EPA is planning to do 9 assessments in fiscal year 1983. The suggested level of funding would provide resources adequate to perform the needed assessments in fiscal year 1983 so the necessary regulatory development can get under way in the next several years.

Health effects

Salaries	1,348.5	1,414.9	1,476.1	4,920.3
Research and Development	1,799.6	1,292.3	865.8	3,421.5

The suggested level of funding provides resources to do health assessments on hazardous air pollutants and develop a monitoring and laboratory program. Hazardous air pollutants is a new program and requires initial funding to establish a monitoring program and do the basic research necessary to set standards.

State Programs Resource Assistance

Salaries and expenses	219.3	223.5	238.1	238.1
A.C. & C.	91,057.3	88,734.9	70,578.7	112,234.0

Recommended changes.—Control agency resource supplementation

A.C. & C.	89,524.4	87,734.9	69,954.7	111,610.0

The suggested level of funding will provide resources adequate to establish a system of hazardous air monitors and upgrade the traditional air monitoring system. The present cost of the monitoring system for traditional pollutants is $30 million. This systems data is often attacked as inadequate by the regulated community. This level of funding assumes that a hazardous air monitoring system costs approximately the same as a monitoring system for traditional pollutants. The existing air monitoring system does not collect data in areas where 60 percent of the new power plants are likely to be built. The estimate assumes that the existing system will be expanded by 50 percent.

Stationary Source Enforcement

Salaries and expenses	13,038.8	14,232.9	10,101.5	16,064.9
A.C. & C.	9,845.0	9,791.2	5,019.1	9,259.2

Recommended changes.—Stationary source enforcement

Salaries	13,038.8	14,232.9	10,101.5	16,064.9
A.C. & C.	8,141.5	9,091.2	5,019.1	9,259.2

The suggested level of funding will provide resources to continue compliance monitoring inspections at the current 1981 levels. Many States have not assumed primacy for the air enforcement program and any reduction in monitoring by EPA now would be counter to what EPA is saying to States assuming primacy and would be unfair to industries that have made the capital expenditures for pollution control equipment.

Mobile Source Enforcement

Salaries and expenses	4,403.0	3,959.6	3,522.6	4,897.7
A.C. & C.	2,199.8	955.6	1,896.5	2,117.5

Recommended changes.—Mobile source enforcement

Salaries	4,403.0	3,959.6	3,522.6	4,897.7
A.C. & C.	2,199.8	955.6	1,896.5	2,117.5

The suggested level of funding provides resources adequate to continue emission testing for vehicle certification at the 1981 levels. These additional resources are necessary to conduct the emission testing program to ensure fair and equal automobile testing across the industry.

EPA WATER PROGRAM

[Amounts in thousands of dollars]

Water	Actual 1981	Estimated 1982	Proposed 1983	Suggested 1983
R&D				
Water quality nonenergy:				
(S)	13,378.7	12,713.0	10,143.3	13,096.7
(R. & D.)	11,850.7	6,429.7	900.0	8,059.8
Municipal waste-water nonenergy:				
(S)	6,606.0	7,169.8	5,514.8	7,158.3
(R. & D.)	8,132.0	9,398.6	6,117.0	8,878.7

EPA WATER PROGRAM—Continued

[Amounts in thousands of dollars]

Water	Actual 1981	Estimated 1982	Proposed 1983	Suggested 1983
Industrial waste-water nonenergy:				
(S)	3,993.5	3,952.1	3,200.3	5,014.0
(R. & D.)	5,947.3	5,426.5	1,834.7	5,334.3
Total	49,908.2	45,089.7	27,710.1	47,541.8
Abatement, control and compliance				
Water quality State programs management:				
(S)	11,721.3	7,959.8	10,974.9	18,422.4
(A.C. & C.)	14,322.7	8,774.4	2,850.0	10,454.1
Effluent studies and guidelines:				
(S)	5,780.4	5,165.6	4,785.5	6,727.8
(A.C. & C.)	22,392.7	6,578.5	7,448.5	10,471.6
Grants assistance programs:				
(S)				
(A.C. & C.)	97,802.3	60,700.0	40,845.6	61,440.0
Water quality strategies imp.:				
(S)	10,189.9	10,240.1	10,239.4	10,975.8
(A.C. & C.)	7,092.4	4,658.3	4,620.3	5,521.9
Water quality monitoring and analysis:				
(S)	7,981.4	7,894.3	8,791.7	10,686.0
(A.C. & C.)	2,382.5	573.7	375.7	1,472.7
Municipal Source control:				
(S)	28,309.1	26,661.3	18,267.2	18,267.2
(A.C. & C.)	29,721.2	23,777.8	25,502.4	31,849.0
Total	237,695.8	162,983.8	134,701.2	186,288.5
Enforcement				
Water quality enforcement:				
(S)	15,577.1	16,109.2	13,181.0	23,040.0
(A.C. & C.)	3,577.9	1,153.8	176.9	2,099.0
Water quality permits issuance:				
(S)	7,109.9	7,149.2	6,986.6	12,705.0
(A.C. & C.)	4,294.0	4,314.0	3,209.9	5,314.0
Total	30,558.9	28,273.2	23,554.4	43,158.0
Water total	318,236.9	236,796.7	185,965.7	276,988.3

WATER PROGRAM DESCRIPTION

Water Quality Nonenergy

[Amounts in thousands of dollars]

Program element	Actual 1981	Estimated 1982	Proposed 1983	Suggested 1983
Salaries and expenses	13,387.7	12,713.0	10,143.2	13,096.7
Research and development	11,850.7	6,429.7	900.0	8,059.8

Recommended changes—Monitoring systems and quality assurance

Salaries	2,633.9	2,676.4	2,057.9	2,728.0
Research and development	1,089.6	688.8		924.8

The suggested level of funding will provide resources to continue toxic pollutant measurement, monitoring, and quality assurance on areas where toxics are known to be present and on newly found toxics in the aquatic environment.

Health effects

R. & D.	1,656.1	1,671	200	2,095.9

The suggested level of funding will provide sufficient resources to do health effects assessments on newly discovered toxics. In addition EPA will continue to do health effects assessments on beaches offered by advanced wastewater treatment effluent.

Great Lakes study

Salaries	776.4	994		994
R. & D.	2,654.5	1,500		1,500

The suggested level of funding would continue funding for resesarch and development in the Great Lakes program as part of the continued United States commitment to Canada for this program. Research should continue in particularly the area of newly discovered toxics in the Great Lakes basin.

Environmental processes and effects

Salaries	7,395.9	7,157.9	6,217.4	7,505.9
R. & D.	3,505.9	1,992.5	500.0	3,339.1

The suggested level of funding will provide resources for developing ocean disposal impact assessment techniques and provide extramural support for determining the biological integrity of "hot spots."

Municipal Wastewater Nonenergy

Salaries and expenses	6,606.0	7,169.8	5,514.8	7,158.3
R. & D.	8,132.0	9,398.6	6,117.0	8,878.7

Recommended changes—Environmental engineering and technology

Salaries	4,969.7	5,900.4	4,256.9	5,900.4
R. & D.	6,176.3	7,365.8	4,604.1	7,365.8

The suggested level of funding would provide sufficient resources to continue research on toxic pollutants control and in wastewater treatment facilities and in removing toxics from sludge. In addition research of new processes development again with particular emphasis on toxics should continue.

Industrial Wastewater Nonenergy

Salaries and expenses	3,993.5	3,952.1	3,200.3	5,014.0
R. & D.	5,947.3	5,426.5	1,834.7	5,334.3

Recommended changes—Technical information liaison

Salaries	171.3	198.4	69.9	198.4

This level of funding will insure that there are adequate resources to disseminate information on industrial effluents and treatment methods to State and local officials. It will also provide resources to track research and development projects and provide a liaison with States and localities.

Monitoring systems and quality assurance

Salaries	2,462.4	1,905.1	1,807.7	2,314.5
R. & D.	2,769.5	1,712.6	1,190.2	2,178.0

The suggested level of resources would provide additional support for the research and development for trace priority pollutants in industrial discharges. Better data collection and analyses are needed to develop defensible protocols.

Health effects

Salaries		172.0	16.5	172.0

This level of funding will support the minimum resources necessary to provide in-house expertise to perform risk assessements and determine acceptable industrial discharges in order to protect public health in downstream water supplies.

Environmental engineering and technology

Salaries	1,359.8	1,194.0	1,001.2	1,194.0
R. & D.	2,921.3	3,675.9	439.5	2,921.3

The suggested level of resources will allow EPA to launch a large research and development effort on developing and evaluating control technologies for industrial wastewaters with high toxic concentrations.

Environmental processes and effects

Salaries		482.6	305	535.1
R. & D.		15.0		30.0

The suggested level of funding will provide EPA adequate resources to identify, measure and evaluate other potentially toxic organic chemicals found in industrial effluents. This data must be of high quality to insure proper risk assessments.

Water Quality State Program Management

Salaries and expenses	11,721.3	7,959.8	10,974.9	18,422.4
Abatement control and compliance	14,322.7	8,774.4	2,850.0	10,454.1

Recommended changes—State program management

Salaries	10,668.3	6,190.3	9,661.4	16,598.1
Abatement control and compliance	5,632.8	3,142.0	350.0	5,454.1

This level of funding provides the resources that were reprogramed out of municipal source control that are necessary to adequately oversee State water quality programs including grants under sections 106, 205(g), 205(j), and 303. In addition this level provides resources to continue the wastewater treatment training program. This level of funding does not represent a net increase in resources for this program.

Great Lakes program

Salaries	751.7	1,396.3	1,313.5	1,824.3
Abatement control and compliance	6,876.9	4,031.7	2,500.0	5,000.0

The suggested level of funding represents the minimum resources necessary to maintain our commitments to Canada and the International Joint Commission. Monitoring of the Great Lakes for toxics will be continued and implementation plans for toxics abatement will be developed. In addition, EPA will work closely with the States to monitor industrial and municipal discharges to insure compliance.

Effluent Standards and Guidelines

Salaries and expenses	5,780.4	5,165.6	4,785.5	6,727.8
Abatement control and compliance	22,392.7	6,578.5	7,448.5	10,471.6

Recommended changes

The suggested level of funding represents the minimum resources necessary to develop and implement effective effluent guidelines. In addition to the effort in promulgating effluent guidelines the agency must provide extensive followup to a published guideline. Testing, further collection of data and cost effectiveness analyses must be undertaken to ensure that the effluent guidelines provide the necessary level of protection while still economically attainable. EPA must implement pretreatment standards as required under sections 304(g), 307(b) and 307(c) of the Clean Water Act. This level of funding will provide resources necessary to assist state NPDES programs with implementing new effluent standards and enforcing pretreatment standards.

Grants Assistance Programs

Abatement control and compliance	97,802.3	60,700.0	40,845.6	61,440.0

Recommended changes—Control agency resource supplementation (Sec. 106)

Abatement control and compliance	51,170.7	51,200.0	40,845.6	61,440.0

The suggested level of funding represents increased assistance for State water quality programs to be used by the States for implementation of the "New Federalism" concept. All States will be encouraged, through the use of the section 106, funds to assume full delegation of EPA water quality programs and seek approval of the NPDES program. Funding will be focused on establishing the infrastructure necessary to assume more responsibility for water quality and pollution abatement under "New Federalism." Section 205(j) funds will be focused on reviewing water quality standards and section 106 funds will provide assistance for the NPDES program operations, nonpoint source control, pretreatment programs, monitoring, ground water management, and other priority programs.

Water Quality Strategies Implementation

Salaries and expenses	10,189.9	10,240.1	10,239.4	10,975.8
Abatement control and compliance	7,092.4	4,658.3	4,620.3	5,521.9

Recommended changes—Dredge and fill

Salaries	2,147.3	2,336.3	2,145.2	2,881.6
Abatement control and compliance	1,306.7	348.9	344.9	1,246.5

The suggested level of funding provides resources adequate to properly review 8,000 section 404 permits and 250 environmental impact statements. In addition, EPA will continue to support enforcement of dredge and fill regulations, actively encourage States to assume 404 permitting authority and develop an effective oversight system of States that have assumed the 404 permits program.

Water Quality Monitoring and Analysis

Salaries and expenses	7,981.3	7,894.3	8,791.7	10,686.0
Abatement control and compliance	2,382.5	573.7	375.7	1,472.7

Recommended changes—Ambient water quality monitoring

Salaries	7,981.3	7,894.3	8,791.7	10,686.0
Abatement control and compliance	2,382.5	573.7	375.7	1,472.7

The suggested funding level provides resources to continue the development and implementation of toxics control strategies, particularly multi-media toxics, POTW toxics and increase the number of pollutants reviewed for section 307(a)(1). EPA should continue to provide States with assistance in setting up monitoring programs and increase oversight activities as State programs are established. Further EPA should improve the water quality information system and the quality assurance program.

Municipal Source Control

Salaries and expenses	28,309.1	26,661.3	18,267.2	[1] 18,267.2
Abatement control and compliance	29,721.2	23,777.8	25,502.4	31,849.0

Recommended changes—Municipal wastewater treatment facility construction

Abatement control and compliance	4,055.8	2,772.5	1,904.4	4,120.0

The suggested level of funding reflects the need for extramural support for the municipal wastewater treatment program. Support for the development of the Needs Survey, assistance in the development of a compliance strategy, and support for the development of a State program oversight strategy are priority activities for the use of these extramural funds.

Corps of Engineers

Abatement control and compliance	20,810	16,232.5	17,387	21,518

The suggested level of funding reflects the Corps of Engineers increased role in achieving results in the agency's highest priority areas; including completion and closeout of construction grants, compliance with permit limitations, ensuring projects are affordable and Federal funds are protected from waste, fraud, and abuse. These efforts are in addition to the corps activities in the construction, management and inspections.

Water Quality Enforcement

Salaries and expenses	15,577.1	16,109.2	13,181.0	23,040.0
Abatement control and compliance	3,577.9	1,153.8	176.9	2,099.0

Recommended changes—Water quality enforcement

Salaries			13,181.0	23,040.0
Abatement control and compliance			176.9	2,099.0

Suggested funding levels provide for compliance inspections each year of all "major sources" in States without permit programs. In addition this level will provide resources to support wetlands and hazardous materials spill enforcement. This level will support the municipal compliance strategy through support for data collection and quality assurance of data on DMR's on minors and support of the continuous compliance strategy.

Water Quality Permits Issuance

Salaries and expenses	57,109.9	7,146.2	6,986.6	12,705.0
Abatement control and compliance	4,294.0	4,314.0	3,209.9	5,314.0

Recommended changes—Permits issuance

Salaries			6,986.6	12,705.0
Abatement control compliance			3,209.9	5,314.0

Suggested level of funding will provide resources adequate to issue permits to all sources in States without permit programs. This funding level will provide assistance for States developing permits programs and pretreatment programs. In addition, resources will focus on control of toxics from direct and indirect dischargers based on newly completed effluent guidelines.

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[1] Salaries were unchanged due to D.O. restructuring. See State program management.

EPA DRINKING WATER PROGRAM

[Amounts in thousands of dollars]

Drinking Water	Actual 1981	Estimated 1982	Proposed 1983	Suggested 1983
R&D				
Drinking water nonenergy				
(S)	7,363.9	9,782.0	9,447.2	9,996.2
(R. & D.)	14,487.5	18,571.5	13,458.3	21,592.5
Total (R. & D.)	21,481.4	28,353.5	22,905.5	31,588.7
Abatement, control and compliance				
Drinking water criteria, stds and guidelines:				
(S)	5,027.9	5,009.8	5,540.0	6,034.3
(A.C. & C.)	3,642.4	2,391.5	2,675.7	3,642.4
Drinking water management				
(S)	7,619.9	8,633.2	8,672.6	9,970.7
(A.C. & C.)	1,013.4	750.9	0	1,077.0
State program asst. (A.C. & C.)	39,421.5	37,847.5	29,100.2	38,907.5
Total	56,725.1	54,632.9	45,988.5	59,631.9
Enforcement				
Drinking water enforcement (S)	738.2	844.7	856.1	3,164.6
Enforcement Total	738.2	844.7	856.1	3,164.6
Grand Total	79,329.7	83,831.1	69,750.1	94,385.2

DRINKING WATER PROGRAM DESCRIPTION

[Amounts in thousands of dollars]

Program element	Actual 1981	Estimated 1982	Proposed 1983	Suggested 1983
Drinking Water Nonenergy				
Salaries and expenses	7,363.9	9,782.0	9,447.2	9,996.2
Research and development	14,487.5	18,571.5	13,458.3	21,592.5

Recommended changes—Health effects

Salaries	2,733.0	4,138.9	3,928.7	4,138.9
R. & D.	5,555.7	6,854.8	5,198.1	8,961.3

The suggested level of funding will provide resources to do research on the chronic effects of drinking water contaminants on public health. In addition, health risk assessments related to high priority drinking water contaminants will be continued as a high priority activity.

Environmental engineering and technology

Salaries	2,751.0	3,217.3	3,153.3	3,274.1
R. & D.	7,017.9	7,560.6	3,726.4	8,039.6

The suggested level of funding will provide resources for research development and evaluation of small systems. Small systems and small water supplies are easily contaminated by ground water. Research into small systems is needed to insure protection of drinking water at a reasonable cost.

Environmental processes and effects

Salaries	818.7	1,245.3	1,078.1	1,296.1
R. & D.	1,538.5	3,669.6	3,679.6	3,737.4

The suggested level of funding will provide the resources necessary to support research into the fate and effect of contaminants on underground drinking water sources. Additional funds are provided for disseminating the information gathered from the 5-year ground water research plan to the States to support the State assistance grants for sole source aquifer protection.

Drinking Water Criteria, Standards and Guideline

Salaries and Expenses	5,027.9	5,009.8	5,540.0	6,034.3
Abatement control and comp.	3,642.4	2,391.5	2,675.7	3,642.4

Recommended changes—Standards and regulations development

Salaries	5,016.6	5,009.8	5,540.0	6,034.3
Abatement	3,642	2,391.5	2,675.7	3,642.4

The suggested level of funding will provide resources to develop toxicological opinions for additives to drinking water and to develop criteria for waste water reuse. Both of these activities have been deferred in the fiscal year 1983 budget request.

Drinking Water State Program Resource Assistance

Abatement control and comp.	39,421.5	37,847.5	29,100.2	*48,907.5

*Includes a new program for sole source of aquifer protection.

Recommended changes—Public water system supervision program grants

Abatement control and comp.	30,188.8	29,450	23,560	30,188.8

In order to implement the "New Federalism" concept the suggested level of funding will provide the States with sufficient funds to insure that adequate infrastructure for public water system supervision is in place and that it will be integrated into the State's overall water quality program.

Underground injection control program

Abatement control and comp.	7,218.7	6,574.5	5,540.2	7,218.7

The suggested level of funding provides resources for EPA to actively encourage the remaining 10 States to assume privacy in anticipation of "New Federalism." In addition resources will be adequate to insure effective oversight of State programs.

Special Studies and Demonstrations

Abatement	1,530.3	1,823.0		1,500.0

It is suggested that this program has not been completed and should continue particularly because 10 States have not assumed primacy of the drinking water program. This program is useful in these states.

Drinking Water Management

Salaries and expenses	7,619.9	8,633.2	8,672.6	11,470.7
Abatement control and comp.	1,013.4	750.9		1,877.0

Recommended changes—Public water systems supervision (PWS)

Salaries	5,935.5	5,461.0	4,698.2	5,996.3
Abatement control and comp.	981.0	716.4		1,027.0

The suggested level of funding will provide resources sufficient to provide assistance in nonprimacy States and Indian lands to improve monitoring and compliance. The proposed 1983 level discontinues this effort. The suggested level of funding in addition provides increased funding for oversight of primacy States. As EPA transfers primary responsibility for the program EPA should move into an oversight role.

Underground injection control (UIC)

Salaries	1,684.4	3,172.2	3,974.4	3,974.4
Abatement	32.4	34.5		50.0

The suggested level of funding provides additional extramural funds to provide support to EPA in assisting States to assume delegation of the UIC program.

Drinking Water Enforcement

Salaries and expenses	738.2	844.7	856.1	3,164.6

Recommended changes—Drinking water enforcement

Salaries	738.2	844.7	856.1	3,164.6

The suggested level of funding provides resources to build a drinking water enforcement program that will address the problems cited in the GAO report on drinking water violations. Implementation of drinking water enforcement programs will be encouraged in all States with improvements initiated in existing State drinking water enforcement programs.

EPA HAZARDOUS WASTE PROGRAM

[Amounts in thousands of dollars]

Hazardous waste	Actual 1981	BA 1982	Proposed 1983	Suggestion 1983
R&D				
Hazardous waste, non-energy:				
(S)	4,605.4	7,942.0	11,862.0	28,937.4
(R. & D.)	23,695.9	21,546.3	17,717.2	41,350.7
R. & D. total	28,301.0	29,488.3	29,579.2	70,288.1
Hazardous waste (A.C. & C.)				
Waste management regulations, guidelines, and policies:				
(S)	6,199.3	6,574.0	6,559.0	9,430.0
(A.C. & C.)	14,022.1	12,358.3	17,160.0	20,300.5
Waste management, strategies implementation				
(S)	6,974.4	7,185.7	11,382.9	12,003.8
(A.C. & C.)	7,411.1	2,093.7	1,629.5	8,240.0
Financial assistance (A.C. & C.)	39,672.4	41,700.0	35,136.6	56,664.0
A.C. & C. total	101,705.1	69,911.7	71,868.0	106,638.3
Hazardous waste enforcement:				
(S)	9,450.2	7,499.2	1,896.5	17,149.8
(A.C. & C.)	1,941.1	328.9	—0—	11,014.2
Enforcement total	11,391.3	7,828.1	1,896.5	28,164.0
Hazardous waste total	141,427.7	107,228.1	103,343.7	205,090.4

HAZARDOUS WASTE PROGRAM DESCRIPTION

Hazardous Waste Nonenergy

Program	Actual 1981	BA 1982	Proposed 1983	Suggested 1983
Salaries and expenses	4,605.4	7,942.0	11,862.0	28,937.4
Research and development	23,695.9	21,546.3	17,717.2	41,350.7

Recommended changes—Monitoring and quality assurance

Salaries	1,557.9	2,966.5	3,521.2	7,896.5
R. & D.	7,840.2	4,272.1	3,662.1	9,073.8

The suggested level of funding will provide resources to develop and implement monitoring techniques in order to establish an accurate and defensible data base in order to set standards and to determine the environmental and health effects of hazardous toxic chemicals. In addition the oil and hazardous spills program has been transferred into the hazardous waste program requiring resources for equipment and expertise to staff the National Response Teams for spills. Other activities include a major effort in oversight of State and local labs for quality assurance and evaluations of groundwater monitoring systems.

Health effects

Salaries	90.9	142.4	376.5	5,640.0
R. & D.	374.0	946.7	691.9	7,250.0

The suggested level of funding will provide resources to do the basic human health effects research on hazardous wastes. This will be accomplished by performing risk assessments to develop criteria to support "listing/delisting" of hazardous waste. The emphasis on health effects research is vital to setting standards and developing technologies to deal with hazardous wastes. This research must be carried out immediately if the control of hazardous wastes is to be achieved in the near future.

Environmental engineering and technology

Salaries	2,495.2	2,511.6	4,524.9	8,484.2
R. & D.	14,665.1	14,582.5	10,408.4	18,082.0

The suggested level of funding will provide resources to adopt and develop techniques to assess ecological damage from disposal of hazardous waste. In addition extensive research will be undertaken to determine the effects and uses for landfill and surface impoundment, land treatment, and incineration. This effort must follow closely the health effects research as well as assist in the regulatory development process.

Environmental processes and effect

Salaries	142.0	1,603.2	2,318.2	5,795.5
R. & D.	430.6	1,484.4	2,559.9	6,550.0

The suggested level of funding will provide resources to develop methods for measuring the bioenvironmental stress of hazardous wastes. Additional funds will be expended on developing models to determine impacts on groundwater and various processes and effects research is vital to setting standards and developing technologies to provide protection from hazardouos wastes.

Hazardous Management Regulations, Guidelines, and Policy

Salaries and expenses	6,199.3	6,574.0	6,559.0	9,430.0
Abatement, control, and compliance	14,022.1	12,358.3	17,160.0	20,300.5

Recommended changes—Regulations, guidelines, and policies—Hazardous waste

Salaries	5,365.3	6,574.0	6,559.0	9,430.0
A. C. & C.	12,773.7	12,358.3	17,160	20,300.5

The suggested level of funding represents the consolidation of three program elements. This program element now includes regulations, guidelines, and policy development for solid waste and resources provided will allow EPA to speed up the development and promulgation of final rules for RCRA Phase I and Phase II. The budget submission assumes that these final rules will not.

Financial Assistance

Abatement, control, and compliance	39,672.4	41,700.0	35,136.6	56,664

Recommended changes

A.C. & C.	26,726.1	41,700.0	35,136.6	56,664

The suggested level of funding will provide resources necessary to assist States in developing and implementing their hazardous waste programs. Since regulations will become Final in FY 1983 many States will need to be encouraged to seek final authorization of their programs. Other States are still in the early stages of developing their programs. The expanded funding is needed to keep States moving toward establishing hazardous waste programs and for providing the additional Federal assistance needed a States phase-in the program.

Program Hazardous Waste Management Regulatory Strategies Implementation

Salaries and expenses	6,974.4	7,187.7	11,382.9	12,003.8
A. C. & C.	7,411.1	2,093.7	1,629.5	8,240.0

Recommended changes

The suggested level of funding represents the resources achieved through consolidation of the HQ and Regions program elements and to provide additional resources to assist States to achieve at a minimum interim authorization of their hazardous waste programs and encourage phase II and final authorization of programs. The extramural funds will provide assistance to the regions in evaluating hazardous waste facilities and implementing permitting programs in unauthorized States.

Hazardous Waste Enforcement

Salaries and expenses	9,450.2	7,499.2	1,896.5	37,149.8
Abatement control and compliance	1,941.1	328.9		16,014.2

Recommended changes—Hazardous waste permit issuance

Salaries	3,226.3	3,775.1		8,649.3
A. C. & C.	23.4			3,759.7

The budget submission says that resources for this program are requested under two other program elements; Hazardous Waste Management Regulatory Strategies Implementation and Management, Guidelines and Policy. The reprogrammings are grossly insufficient to carry out the task of assisting States and permitting in States without permit programs. In order to complete the permitting program within six years, EPA will have to permit 639 facilities in 1983 and assist States in achieving the same goal. The suggested level of resources will be adequate to achieve the FY 1983 goal.

Hazardous waste enforcement

Salaries	2,596.4	3,724.1	1,896.5	8,500.5
A. C. & C.	472.3	328.9		7,254.5

The suggested level of funding will provide resources sufficient to inspect each regulated site once every two years as well as tracing manifests that show problems. This would mean that in FY '83 21,000 inspection would be performed. This is significantly higher than the inspections planned for in the '83 budget request and is basically the reason for the major increases in resources. This program is in the process of staffing up in that it is still a very new initiative at EPA. With the additional inspections the number of enforcement actions will increase.

PESTICIDES PROGRAM

[Amounts in thousands of dollars]

Pesticides	Actual 1981	BA 1982	Proposed 1983	Suggested 1983
R&D				
Pesticides research and development:				
(S)	5,606.7	5,302.1	4,360.6	5,873.2
(R. & D.)	2,292.2	279.3	2,108.2	3,620.5
Total (R. & D.)	7,898.9	5,581.4	6,468.8	9,493.7
Pesticides (A.C. & C.)				
Registration, special registration tolerances				
(S)	12,048.6	11,939.8	11,842.5	14,211.7
(A.C. & C.)	1,035.6			740.0
Standards setting & RPAR:				
(S)	10,960.3	9,200.7	8,266.2	10,794.6
(A.C. & C.)	17,106.6	10,968.8	11,570.7	17,802.4
Federal and state program support:				
(S)	633.3	513.7		513.7
(A.C. & C.)	64.4			100.0
A.C. & C. total	41,848.8	32,623.0	31,679.4	44,162.4
Enforcement:				
(S)	3,949.0	4,282.1	3,670.1	6,385.8
(A.C. & C.)	11,027.1	11,251.6	8,963.7	14,087.4
Enforcement total	14,976.1	15,533.7	12,633.8	20,473.2
Pesticides total	64,769.8	53,738.1	50,782.0	74,129.3

PESTICIDES PROGRAM DESCRIPTION

Pesticides Research and Development

[Amounts in thousands of dollars]

Program element	Actual 1981	BA 1982	Proposed 1983	Suggested 1983
Salaries	5,606.7	5,302.1	4,360.6	5,873.2
R. & D.	2,292.2	279.3	2,108.2	3,620.5

Recommended changes—Health effects

Salaries	2,140.1	2,011.3	1,260.0	2,223.5
R. & D.	207.7	220.5	1,240.9	1,420.0

The suggested level of funding represents the resources necessary to carry out pesticide exposure assessments on laboratory animals and for field studies of human exposure to pesticides. In the budget submission the pesticide exposure assessments were to be significantly reduced.

Environmental processes and effects

Salaries	2,572.3	2,339.3	2,330.9	2,880.0
R. & D.	1,918.8		616.8	1,950.0

The suggested level of funding will provide resources to increase research and information on the environmental effects of pesticides with emphasis on developing better data to use in modeling and predicting impacts of pesticides. The additional information and techniques will be made available with technical assistance to the pesticides program at EPA and in the States.

Registration, Special Registration and Tolerances

Salaries	12,048.6	11,939.8	11,842.5	14,211.7
A.C. & C.	1,035.6			740.0

Recommended changes—Registration

Salaries	7,725.4	7,782.1	7,224.6	8,594.7
A.C. & C.	696.8			500.0

The suggested level of funding will provide resources sufficient to improve the registration process and therefore increase the number of registrations reviewed over the 7,550 reviews carried out in fiscal year 1982.

Special registration

Salaries	2,254.0	1,993.0	2,227.7	2,727.0
A.C. & C.	273.1			120.0

The suggested level of funding will provide resources to insure that the quality of the various reviews will at least be maintained or improved as the Agency now commits to meet the statutory time limits on these permits.

Tolerances

Salaries	2,069.2	2,164.7	2,390.2	2,890.0
A.C. & C.	65.7			120.0

The suggested level of resources will assure the high quality reviews are maintained while meeting the statutory time limit on tolerance petitions. In addition the additional resources will eliminate the backlog of tolerance petitions.

Standard setting and RPAR				
Salaries	10,960.3	9,200.7	8,266.2	10,794.6
A.C. & C.	17,106.6	10,968.8	11,570.7	17,802.4

Recommended changes—Registration standards

Salaries	6,063.2	4,107.6	3,689.9	5,418.1
A.C. & C.	8,115.3	3,913.5	4,180.1	8,400.4

The suggested level of funding will provide increased resources to focus on the registration process and on making significant progress on registration of existing pesticides.

Rebuttable presumption against registration (RPAR) reviews

Salaries	4,771.3	4,988.0	4,470.9	5,271.1
A.C. & C	8,991.3	7,055.3	7,390.6	9,402.0

The suggested level of funding will provide additional resources to evaluate the RPAR process and improve the process to handle the new requests that will come from the registration standards program.

Federal and State Program Support

Salaries	633.3	513.7		513.7
A.C. & C	64.4			100.0

Recommended changes—Pesticides use management

Funding for this program will be provided for fiscal year 1983 to continue this valuable service to pesticide users, producers, and officials at all levels of government. Until State pesticide programs are fully operational in all States there is a need for this service at the Federal level. Information and referral services are vital to poison control centers and hospitals for the treatment of pesticide injuries.

Pesticides Enforcement

Salaries	3,949.0	4,282.1	3,670.1	6,385.8
A.C. & C	11,027.1	11,251.6	8,963.7	14,087.4

Recommended changes—Pesticides enforcement

Salaries	3,949.0	4,282.1	3,670.1	6,385.8
A.C. & C	61.8	49.7	45.3	105.0

The suggested level of funding will provide resources sufficient to increase the number of inspections to 2,500 and emphasize State enforcement programs. State enforcement programs must be improved and more States need to establish pesticides enforcement programs.

Pesticides enforcement grants

A.C. & C	8,013.5	8,701.9	6,918.4	11,250.0

The suggested level of funding will be to provide EPA with the grants to encourage and improve state pesticides enforcement programs. This will in addition provide the resources to continue current monitoring activities that were reduced in the budget submission.

Pesticides certification and training

A.C. & C	2,951.8	2,500.0	2,000.0	3,250.0

The suggested level of funding will provide resources to the 57 State applicator and training programs and the Federal programs in Colorado and Nebraska. These certification and training programs are vital to improving State pesticide programs.

EPA TOXICS PROGRAM

[Amounts in thousands of dollars]

R. & D.	Actual 1981	BA 1982	Proposed 1983	Suggested 1983
Chemical testing and assessment non-energy:				
(S)	10,345.7	14,236.8	14,500.1	17,103.8
(R. & D.)	19,952.5	16,939.1	12,148.7	20,686.1
R. & D. total	30,298.2	31,175.9	26,648.8	37,789.9
Abatement, control and compliance				
Toxic substances strategies:				
(S)	19,177.9	18,177.2	16,926.3	19,452.8
(A.C. & C.)	39,594.9	23,537.7	22,396.0	39,746.6
A.C. & C. total	58,772.8	41,714.9	39,322.3	59,199.4
Enforcement				
Toxic substances enforcement:				
(S)	2,450.2	3,289.4	2,425.9	5,632.9
(A.C. & C.)	2,568.6	1,197.6	207.0	3,404.9
Enforcement total	5,018.8	4,487.0	2,632.9	9,037.8
Toxic total	94,103.8	77,377.8	68,604.0	106,027.1

TOXICS PROGRAM DESCRIPTION

Chemical Testing and Assessment Nonenergy

[Amounts in thousands of dollars]

Program element	Actual 1981	BA 1982	Proposed 1983	Suggested 1983
Salaries	10,345.7	14,236.8	14,500.1	17,103.8
R. & D	19,702.5	16,939.1	12,148.7	20,686.1
Recommended changes—Health effects				
Salaries	3,060.7	4,789.9	5,556.6	6,057.1
R. & D	5,396.3	5,698.1	3,455.8	5,755.3

The suggested level of funding will provide resources to cover higher laboratory costs as well as the development of test guidelines and rules and new chemical reviews. The increase in resources is for continuing long term health effects research. The budget submission moves the majority of resources in long term research and focuses them on short term regulatory needs. This allows the toxics program to take an overall reduction in resources.

Environmental engineering and technology

Salaries	502.2	673.7	384.9	1,218.1
R. & D	798.1	965.9	142.7	1,142.7

The suggested level of funding will provide resources to provide technical support to the office of toxic substances for review of premanufacturing notifications. The number of these notifications is expected to increase in fiscal year 1983.

Environmental processes and effects

Salaries	4,862.0	6,082.9	6,239.8	7,509.8
R. & D	6,658.3	4,373.0	3,189.1	6,089.0

The suggested level of funding will provide increased resources for the development of predictive techniques in particular structure-activity methods. In addition technical assistance to the Office of Toxic substanes and the regions in reviews of premanufacturing notifications and additional assistance to increased long term research activities.

National Center for Toxicological Research

R. & D	3,173.0	1,823.3	910.0	3,323.0

The suggested level of funding provides resources to improve and maintain a long term toxics research program at EPA. The budget submission doesn't recognize long term toxic research as a priority.

Toxic Substances Strategies

Salaries	19,177.9	18,177.2	16,926.3	19,452.8
A.C. & C	39,594.9	23,537.7	22,396.0	39,746.6

Recommended changes—Testing and evaluation

Salaries	6,842.9	7,647.5	6,652	7,068.3
A.C. & C	18,324.7	10,212.2	12,863	18,823.3

The suggested level of funding will provide resources sufficient to investigate new chemicals as well as continue an active testing program for chemicals currently in use, the budget submission suggests that resources can be cut because industry will provide resources to do voluntary testing of these chemicals. It is currently not known whether industry will voluntaryily test chemicals. If industry does testing there will need to be an effective oversight system developed. This level of resources will ensure that chemical testing will continue at the current pace.

Chemical control

Salaries	4,327.1	4,782.8	4,618.0	5,090.7
A.C. & C	6,558.6	5,473.9	3,718.9	6,930.0

The suggested level of funding will provide the minimum resources necessary to continue doing risk assessments and regulatory analyses. The budget submission says industry will pick up these activities through the voluntary control program. It is again unknown what the industry involvement will be and as with any self-monitoring, self-control program an effective oversight program must be developed to ensure that EPA and industry are meeting the requirements of TSCA. This level of resources will provide that assurance.

TSCA information

Salaries	5,792.3	4,357.7	4,494.6	5,755.9
A.C. & C	11,276.8	5,932.5	3,460.0	10,531.2

The suggested level of funding will provide resources to handle an increased number of premanufacture reviews. Without additional resources the toxic information offices will be under great pressure to reduce the quality of the reviews in order to get them completed. Premanufacture notification is only 90 days prior to manufacturing. Therefore to maintain the quality of these reviews additional resources are needed.

Toxics integration

Salaries	1,453.9	1,389.2	1,161.6	1,537.9
A.C. & C	3,262.4	1,919.1	2,353.4	3,462.1

The suggested level of funding provides resources sufficient to provide increased assistance to States trying to establish toxics management programs. Although TSCA doesn't describe a major State role, under the "New Federalism" concept EPA will encourage States to develop toxics management programs through an improved Chemical Substances Information Network as well as technical assistance.

Toxic Substances Enforcement

Salaries	2,450.2	3,289.4	2,425.9	5,632.9
A.C. & C	2,568.6	1,197.6	207.0	3,404.9

Recommended changes—Toxic substances enforcement

Salaries	2,450.2	3,289.4	2,425.9	5,632.9
A.C. & C	1,568.6	697.6	207.0	3,404.9

The suggested level of funding represents an increase in resources for toxics enforcement based on an increase in inspections and enforcement actions. The Toxic Substances Control Act doesn't contemplate a State role in toxics control. Therefore EPA must carry the responsibility for protection from toxic substances. This level of funding should be sufficient to conduct 17,000 inspections and process an estimated 1500 enforcement actions.

Toxic Substances Enforcement Grants

A.C. & C	1000.0	500.0	0	500.0

The suggested level of funding will be sufficient to continue the pilot State grant program for model chemical control programs. ●

Mr. LEAHY. Mr. President, I hope that Members of the Senate will realize that without this money, what we are saying is that we are going to be repealing, de facto repealing, the environmental laws that we have worked over a generation to build up.

I am pleased and proud to be joined in this amendment by my distinguished colleague from across Lake Champlain, the distinguished Senator from New York.

Mr. President, I yield to him.

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. MOYNIHAN. Mr. President, only a Vermonter could be so gracious at this hour of the morning. Yet here we are with the distinguished assistant manager of the legislation, our friend from Idaho. It is perhaps not the worst thing that representatives of three States that have been more than normally sensitive to environmental issues, having more than normally attractive environments to be sensitive about, should be here on the floor this morning.

Mr. President, I am joining my distinguished colleague and friend (Mr. LEAHY) in cosponsoring this amendment because, as with many members of the Committee on Environment and Public Works, I have grown concerned that the Environmental Protection Agency is not being supported at the level which enables it to carry out the Nation's environmental laws. I am also concerned that, contrary to an argument which I have had occasion to present on this floor on more than one subject—that budgetary reductions are being made in programs on the grounds that the programs do not need the money or that, in some way or another, it is something internal to the program that makes the reduction necessary (as the case of the $40 billion that was contemplated in social security reductions) here, we are seeing a pattern in which opposition to a particular program occasions the call for reductions in its support.

In the first set of cases, there is no particular opposition as such to the program, or no necessary one.

What is sought are revenues to offset the largest deficits in peacetime history in the United States, the consequences of a failed economic policy, which have to be mitigated and to some extent covered up by cutting programs here and there and elsewhere in order simply to obtain resources.

Mr. President, I have grown concerned, I think my friend from Vermont has grown concerned, that what we see in the environmental program of the country right now is the repeal of legislation by the denial of funds. If you do not have money to enforce the toxic waste program, the drinking water program, the clean air program, then you might as well not have those acts; you have in effect repealed them, and that is our concern here and that is what brings us to the floor at this hour.

The Senator from Vermont has explained in some detail the justification for adding $248 million in budget authority to the Environmental Protection Agency for fiscal 1983 for the operating budget. That is $98 million for the Agency's hazardous waste program, $40 million for the water program, $39 million for the air program, $29 million for the toxics program, $23

million for the drinking water program, and $20 million for pesticides.

I would like to speak with particular concern to the issue of the Superfund. This legislation passed only by the last Congress and at the last hours of that Congress. It is surely fair to say that it came about in the aftermath of the discovery of the toxic chemical waste dump to Love Canal in Niagara Falls, N.Y.

The Environment and Public Works Committee, of which I am a member led the efforts to bring about some comprehensive Federal response mechanism to deal with abandoned hazardous waste dumpsites, and I think it is fair to say that I was one of the principal persons involved.

Mr. President, the question of waterborne toxic substances is becoming to this age of chemistry what, until the last century, had been the problem of waterborne bacteria a problem occuring throughout the history of dense human settlement. It is only in the 19th century that such diseases as cholera were finally eliminated, and late in the 19th century the discovery that they were waterborne diseases and that water could be made clean.

In the 20th century there has been an enormous expansion of the field of chemistry, and only slowly the discovery that chemical compounds used for wholly different purposes, having nothing to do with human consumption, could in fact be deadly or at least dangerous to an unacceptable degree. For example, the PCB's, which were developed as an insulation, collant in effect, for electric motors, turned out to be a harmful contaminant adversely affecting a major portion of the Hudson River. Learning that waterborne toxic wastes are the problem they are, we in the Environment and Public Works Committee faced the question of how to develop a Federal response mechanism.

One of the basic difficulties was to find who was responsible for the deposit of the toxic waste, who was, as my friend from Vermont has said, the midnight dumper. The very designation suggests you do not know. Who buried the drums now disintegrated in a dumpsite and seeping miles and miles away? Where is the dumpsite in the first place if all you detect is the seepage and its toxic content? What of the firms who have gone out of business, who can be identified but are not there? What if the persons or corporations which might be responsible but do not admit responsibility or do not have sufficient resources to pay claims rendered against them? Will litigation be required?

These are difficult questions and legitimate ones. We do not want a country in which people can be found in dereliction of some rule and held accountable without any due process. In many cases the events involved were not derelictions at the time, and certainly in many cases there was no intent to harm.

Yesterday in our committee we were holding hearings on toxic wastes, having to do with the problem of sole source aquifers for clean drinking water. The county executive of the county of Suffolk, which is the eastern county of Long Island, made the strikingly important point that the drinking water that is now being pumped from wells in that county fell as rain 50 years ago. It took 50 years to make its way down into the aquifer before being pumped up, and when toxic compounds appear in such an aquifer—they have not in eastern Long Island, and it is our purpose that they should not—who is to know what happened 50 years ago and where to trace responsibility.

The point of the Superfund was that we would clean up first and ask questions afterward. We would impose a small tax on a limited number of toxic chemicals produced in this country by a relatively small number of firms—in the range of 1,000—a tax that can be collected efficiently. It goes into a trust fund, and this fund is there to clean up hazardous waste sites or spills, for dealing with situations where nobody could be found accountable or where there is a question of accountability but it would have to be litigated. We clean up first, ask questions and take cases later.

The money is assigned to this purpose. It can be used for no other purpose, like the highway trust fund.

The Office of Management and Budget indicates that there will be approximately $582 million in the Superfund Trust Fund available to be spent during fiscal 1983. That money is there. That is the only program it can be used for. The administration asks that about half that amount, $230 million, be made available in budget authority for fiscal 1983. That, it is estimated, would result in 197 sites and/or spills receiving direct financial assistance. This is some one-quarter more than would be the case if the funding were held at the 1982 levels.

The situation is that the administration's request is not even being honored. The budget resolution we are now considering simply continues Superfund at the 1982 level. The Committee on Environment and Public Works recommended increasing the administration's $230 million request for the Superfund by $20 million to insure that the Department of Health and Human Services and the Department of Justice receive adequate allocations from EPA to carry out their respective responsibilities under the law. EPA has to investigate. The Justice Department has to litigate. HHS has to perform health studies.

However, Mr. President, that has not been the judgment of the closed groups that reached the final figures that are before us in the concurrent resolution on the budget. Had those groups been open, they would have heard from us in this matter. They would have heard from us in the matter of the Superfund and not less with respect to the large panoply of EPA responsibilities.

The PRESIDING OFFICER. The Senator from New York should take notice that the proponents of the amendment have less than 1 minute remaining.

Mr. MOYNIHAN. I thank the distinguished Senator from Washington for so informing me, and I happily yield to the Senator from Vermont. I had concluded my remarks anyway.

● Mr. KENNEDY. Mr. President, I am pleased to support this amendment to assure that the Environmental Protection Agency in general, and the Superfund program in particular, are funded at an effective level.

We cannot stand idly by and watch the progress of the past two decades in protecting our environment come to a sudden halt. That is exactly what is happening as the result of the crippling budget cuts being proposed for the Environmental Protection Agency.

The need for adequate resources for EPA is especially critical in light of the expanded regulatory and enforcement responsibilities which Congress has given the Agency in the Toxic Substances Control Act, the Superfund Act, and the Resource Conservation and Recovery Act, among others.

Under the Toxic Substances Control Act, EPA is required to review and control, when necessary, 55,000 existing chemicals and approximately 1,000 new chemicals introduced each year. Congress also ordered EPA to regulate over 42 million tons of hazardous waste from initial shipment through permanent disposal. Finally, Congress enacted the Superfund law, which gives EPA responsibility for cleaning up hazardous waste dumpsites. These new authorities for regulation to toxic pollutants go far beyond EPA's traditional jurisdiction of clean air, clean water, and safe drinking water, and effectively double its workload for the period covered by this budget resolution.

This amendment provides for essential increases in the EPA operating budget for programs in the areas of air and water quality, drinking water protection, hazardous wastes, pesticides and toxic pollutants. The additional funds will enable the Agency to carry out research and monitoring necessary to establish a sound foundation for regulatory efforts, and to enforce pollution statutes in a manner that assures prompt attention to environmental problems.

The amendment calls for a $250 million budget for the Superfund program in 1983, rather than the $190 million that would be allocated if we freeze at fiscal year 1982 budget levels. The increase over 1982 levels is justified for several reasons.

There is no question that the improper disposal of hazardous waste is one of our Nation's most serious environmental problems. The Environmental Protection Agency estimates that as many as 30,000 dumpsites nationwide may pose significant health problems to the public. Millions of Americans are exposed each day to potentially serious health effects as the result of improper disposal of hazardous waste.

Congress enacted legislation in 1980 creating a Superfund to finance cleanup of abandoned hazardous waste dumpsites. The Superfund law provides ample revenues for Superfund in the form of an environmental tax on industry. It is essential that Congress appropriate enough of these revenues to get the cleanup job done, and done quickly.

The Environment and Public Works Committee, after a careful examination of the need for cleanup funds and the ability of EPA to expend the funds in a responsible manner during 1983, recommended the $250 million contained in this amendment. Further, the administration requested $230 million for Superfund for 1983. This amendment includes an additional $20 million over the administration request that would be transferred to the Department of Justice and Health and Human Services for conducting enforcement actions and indepth health studies.

Unfortunately, I am only too aware of the serious need for health studies because of the hazardous waste problems in Massachusetts. The lack of reliable health data has contributed to widespread public fear and confusion over the risks that hazardous waste disposal sites pose to human health.

We can all understand and sympathize with the emotions that are aroused when a community must deal with the human tragedy of an unusually high incidence of cancer, or other serious, irreversible illnesses. We need comprehensive, thorough health studies to identify the health dangers attributable to hazardous waste disposal sites and to establish public confidence in the Government's ability and desire to protect them from these dangers.

The additional funds for Superfund in 1983 are especially important because the national priority list which establishes candidates for Superfund cleanup will be completed by EPA this fall. This list will more than triple the number of sites at which EPA must begin work to evaluate the hazardous waste problem and devise a remedy.

It is extremely important to keep in mind that our appropriation for Superfund does not come from general revenues. Close to $600 million will be on deposit in Superfund in 1983 from the environmental tax. These revenues have been collected specifically to clean up hazardous wastes, and the money should be expended for that purpose. Adoption of the amendment will leave more than $300 million in the fund for cleanup in future years. I urge that this amendment be adopted.●

Mr. DOMENICI. Mr. President, I must oppose this amendment. The amendment provides $308 million in budget authority more for EPA—$248 million for its operating budget and $60 million for Superfund—than is assumed in the budget resolution. Under the budget resolution, EPA, as well as most other discretionary programs, is assumed to be funded at the fiscal year 1982 level.

As a member of the Environment and Public Works Committee, I have been as supportive as anyone in insuring that EPA continues to protect our environment. But the Chair knows as well as I do that more money does not necessarily mean that they can do the job better. There is always a question as to exactly how much is enough to do what needs to be done. As a member of EPA's Senate authorizing committee, I joined in its recommendation that EPA's operating budget be held at the fiscal year 1982 level. That recommendation provides $125 million more for EPA than the President requests for fiscal year 1983. As you know, the approach of holding discretionary spending to fiscal year 1982 levels in the budget resolution provides more for these programs than they would receive if the President's budget were agreed to. We took that approach because we felt that most of these programs were cut about as much as they should be cut in last year's budget.

In any case, Mr. President, adding more money for the EPA in this budget resolution is not going to insure that EPA actually gets it. As is true with every single discretionary program in this budget, the Appropriations Committee and the full Senate will have the final say. That is as it should be.

That applies to the additional funding sought for Superfund in this amendment as well. While the fund is primarily made up of collections from excise taxes on chemicals and oil and is a dedicated trust fund, it is still subject to appropriations. Adding money for it here will not guarantee that it gets it in the end.

I repeat that the budget resolution assumptions—and they are only that, assumptions—for EPA overall provides more for the Agency than is requested by the President. I know that the Appropriations Committee will exercise good judgment in allocating its crosswalk funding among the subcommittees and will increase or decrease programs as it deems necessary.

Mr. CRANSTON. Mr. President, as the Senate considers the first concurrent budget resolution and the Environmental Protection Agency's operating budget in particular, I believe that it is useful to consider what this budget means in terms of a State's ability to carry out environmental pollution control programs. One group, the Coordinating Committee on Pesticides and Toxics based in Albany, Calif., has analyzed the impacts the Reagan administration fiscal year 1982-83 budget cuts would have on California pollution control programs. Not surprisingly the report concludes that it will be easier to pollute and harder to enforce pollution control. Mr. President, I ask unanimous consent that portions of the report appear in the RECORD immediately following my remarks.

I am pleased to cosponsor the amendment offered by my colleagues Senators LEAHY and MOYNIHAN. It is a modest and vital effort to limit the setbacks in our control of hazardous wastes and toxic pollutants and cleanup of existing waste sites. Mr. President, I urge adoption of the amendment.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

PROJECTED IMPACTS OF EPA BUDGET CUTS ON CALIFORNIA POLLUTION CONTROL PROGRAMS FOR FISCAL 1982-83

INTRODUCTION

The effects of the EPA budget cuts on California can be described in one sentence. "It will be easier to pollute, and harder to enforce pollution control." Enforcement actions are based on regulations and on monitoring data. The regulations are developed from research. With major EPA cuts in monitoring, staff, and research monies, delays in promulgation of regulations are inevitable, and monitoring data, already deemed inadequate, will diminish. Field inspections, also currently insufficient in every state agency dealing with pollution and within EPA, will be cut. We therefore project fewer enforcement proceedings in California as a direct result of EPA budget cuts. It seems clear that, should you go to court against an environmental polluter without monitoring data or regulatory standards sufficient to uphold your claim, you will not prevail.

"We were hopelessly behind anyway", one EPA staffer said. "The budget cuts will just add deadlines we will miss to the deadlines we've already missed. The agency response will probably be to rewrite or eliminate deadlines."

CLEAN AIR

"The Air Resources Board has primary responsibility for protecting air quality in California. This responsibility includes establishment of ambient air quality standards for specific pollutants, evaluation of standards adopted by the EPA, and development and implementation of the State Implementation Plan for the attainment and the maintenance of these standards. The plan includes emission limitations for vehic-

ular and industrial sources established by the Board and local air pollution control districts."—Governor's Budget Proposal, 1982-83, Resources Section, p. 52.

With the responsibility for administration of the Clean Air Act in California, the Air Resources Board has a budget of $55 million for fiscal 1981, and the same for fiscal 1982. Of this, 2.38 million came from the EPA in fiscal 1981, which includes the EPA grant for that year and carry-over money from the previous year. The EPA grant to the state in fiscal 1982 is 1.85 million dollars, and the total EPA money available to the ARB in this fiscal year is 1.93 million dollars. For fiscal 1983, the EPA grant is projected to be 1.8 million dollars, and the total available EPA money will be $2,167,000 at best current estimate. The 18 percent cut in the grant, amounting to half a million dollars, may appear insignificant; however it represents a potential loss of eleven positions, during the period in which additional tasks are being described. The new tasks are focussed on the control of toxic substances in the air, with 7 positions asked for, and in the study of acid rain in California, with 4 positions requested. These are, of course, the areas in which we have the least information and the most pressing need for new information.

In addition to the cuts at the state level, research on air quality which directly affects California will be cut in fiscal 1983 by a minimum of $17 million by EPA. These cuts will hurt us for the next decade for two reasons. One is, of course, that research is the basis of regulations, but more significantly, air pollution causes billions of dollars of damage to crops, buildings, and human health every year. Without research, we will be forced to make regulatory decisions with an inadequate information base, which can only impact the 23 million people of California detrimentally.

Local air quality management districts are more dependent on federal money for their pollution control responsibilities than is the Air Resources Board. The local districts are direct recipients of EPA grants. The following chart shows the effects of 20 percent budget cuts in EPA money to local air districts in California.

Air district	Total budget	Fiscal year— 1981 grant	1982 grant	1983 projected grant
Bay area	$9,400,000	669,000	535,200	428,200
Fresno	700,000	190,000	152,000	212,600
Kern	900,000	112,000	90,000	72,000
Monterey	600,000	80,000	64,000	51,200
Sacramento	800,000	161,000	129,000	103,200
San Diego	3,100,000	538,000	430,000	344,000
Santa Barbara	500,000	92,000	74,000	59,200
South coast (includes Los Angeles)	21,900,000	1,488,000	1,191,000	952,800
Ventura	1,300,000	179,000	143,000	114,400

Source: Air Resources Board, State of California

Note—Total Loss to districts from fiscal year 1981 to fiscal year 1982: $700,800. Total projected loss from fiscal year 1982 to fiscal year 1983: $561,600.

CLEAN WATER

The loss of EPA funding will have a devastating effect on California. The decrease in construction grants effectively stops industrial, commercial and residential development from proceeding in the state, and cripples the regulatory program. The State Water Board is facing a $1.9 million shortfall in fiscal year 1983, and will probably lay off 80 people in July 1982; and perhaps another 50 personnel next year. There are hundreds of projects which request or require sewage treatment construction, either for increased use or to correct present health hazards. The list of projects far exceeds the available funds, and there will be no list of projects generated in 1982, as the extant list is already too large. While enforceable requirements of the Clean Water Act will not be cut, water pollution control, especially with respect to toxics in the water and smaller communities seeking to grow in no-urban areas will be hurt. The loss of personnel directly affects the state's ability to write waste discharge requirements, and to inspect and enforce water pollution control facilities and sources. Investigations of industrial, toxic, and pesticide pollution of the state's water will be cut. The identification of problem areas is currently inadequate, and cannot improve under the current budget. There may not be funds sufficient to complete the San Francisco sewer project. A projected 20 percent cut in 106 grants for research and monitoring will but the state's ability to do enforcement against water polluters. Each of the above statements has been made, more than once, by staff of the State Water Resources control Board.

California gets EPA money for clean water and wastewater construction grants under a complicated formulaic process. In fiscal year 1981, Congress appropriated $3.4 billion nationwide for construction grants. California's share was based on 7.841 percent, or $266,594,000. Out of this, $7,841,000 is set aside for administration of the Clean Water grant program. This represents 4 percent of the authorized $5 billion in this program. In addition, the state received "106" grants, for water pollution control, and aditional funds for urban runoff, planning, underground injection, Bay-Delta investigations, and other concerns. There's an enormous amount of money involved. With the exception of construction grants, of which the federal government pays 75 percent and state and local governments pay 12.5 percent each, the highest fraction of the funds involved in water pollution control come from the state. When the EPA gave $3 million for a water pollution control grant, the state's share was $10 million. Where the federal input has been $12 million, the state's portion has been closer to $24 million. The following chart shows the breakdowns of clean water programs and funding. It is helpful to bear in mind that these figures are based on the assumption that Congress will continue to fund construction grants at $2.4 billion in Fiscal Year 1983.

The basic grant to California in Fiscal Year 1981 was $7,841,009. Actual expenditures were $6,667,000. This is the 205g grant. The same grant in Fiscal Year 1982 is $7,751,996, and it is so far stalled, and may not be granted. The projection for Fiscal Year 1983 is $7,495,000.

Grant	Fiscal year— 1981	1982	1983 projected
106 (water quality)	2,974,000	3,276,000	2,555,000
205g (clean water)	6,667,000	7,251,976	7,495,000
208 (planning)	1,322,000	1,589,000	[1] 644,000
Underground injection	495,000	606,386	308,000
Urban runoff	221,800	282,000	231,000
U.S. Army Corps staff on loan to California	109,000	1,207,000	988,000
Minority business grants	0	0	375,000
Bay-Delta program	0	100,000	0

[1] Will be 0.

Source: State Water Resources Control Board

HAZARDOUS WASTE

Congress passed the Resource Conservation Recovery Act (RCRA) in 1976 to deal with the immense problem of hazardous waste in the United States. While California's hazardous waste management plan is acknowledged to be the nation's best, our job is by no means completed, and the state Department of Health Services continues to expand its workload in response to the growing size, nature and knowledge of the hazardous waste load in California.

The tasks of the department (DHS) relative to hazardous waste are immense. A look at the listings in the current budget proposal is educational. Some budget breakdowns are also informative. Last year, FY81, DHS' budget for toxics, which includes hazardous waste and hazardous waste research, was $14,685,000. The federal EPA grant was $2,376,000. In FY82, the DHS budget for toxics is $16,014,000. The EPA grant is $3,301,389. In FY83, the department is asking for $27,600,000 for toxics, which will include greatly expanded tasks. The projected EPA grant is $2,819,000.

The EPA grants are for ongoing hazardous waste monitoring, permitting, and enforcement; for developmental programs in response to additional legislative mandates; and for support programs, including new technology, public participation, siting decision-making, etc. In FY81, the grant was limited to development of the state's interim authorization plan under RCRA, and allowed for permits, surveillance, and enforcement. These aspects of the state's program will not be touched by loss of federal funds. However, it is interesting to note that the state has no mandate under RCRA to identify generators of hazardous waste. DHS has been receiving notification from EPA of such generators in California. Some 7- or 8,000 such generators have been identified, and the state will now have to take upon itself the responsibility for further identification of generators, if the EPA, with reduced staff, cannot accomplish the job.

The EPA budget cuts will probably come out of the public participation program, for which an 8-person office has been asked, out of the alternative technology development program, and out of country contracts for enforcement. This comes at the same time that the state is expanding these programs by more than 100 person-years, to meet the growing workload.

The Department of Health Services has not requested all the inspectors for monitoring and enforcement they need to meet their goals. They expect to meet their inspection goals for hazardous waste facilities, but not for generators or haulers. This year, one inspector inspected 13 major facilities and 32 minor facilities. Next year, it is expected that an inspector will handle 45 major facilities and 50 minor ones. Clearly, the department will be understaffed to do the most minimal necessary part of the job.

TOXIC SUBSTANCES

In 1976, Congress passed the Toxic Substances Control Act (TSCA) to identify toxic chemicals and protect the public from those compounds which are a public health hazard. It requires of EPA a pre-market review of new chemicals, and a review of all chemicals already in use, with regulation of those which pose "unreasonable risk" to the public health and safety. The compound most widely known which falls under this law is PCB—polychlorinated biphenyls. In order to deal with PCB's alone, EPA has required the ban of further manufacture, location of PCB's in equipment such as transformers nationwide, safe storage until destruction, and the identification of safe incineration facilities.

In California, numerous incidents involving PCB's have occurred. The state Department of Health Services has budgeted $5,800,000 for FY 83 for PCB's alone, and in FY 82 the legislature appropriated $3.6 million to remove leaking PCB equipment from state-owned facilities, according to the state budget. The current EPA grant to California for monitoring of compliance with PCB regulations is $299,746. This is a 15-month pilot grant, made to five states, one of which is California. The pilots are being dropped by EPA.

EPA estimates that there are several million pounds of PCB's in Region IX, which includes California, to be disposed of at a rate of 670,000 pounds per year over the next decade. Solids contaminated with PCB's can be as much as 10 times that amount, or more than 6 million pounds per year. Currently, there are no facilities in California for the disposal of liquid PCB's and one landfill has been approved for receiving them.

The EPA grant is supposed to:

Allow increased monitoring of spill cleanup,

Expand the spill notification program,

Increase surveillance of industrial areas for PCB's, and

Do sampling and analyses and take enforcement actions in cases involving PCB's.

The Department of Health Services is to conduct 169 investigations and take 585 samples of contaminated soils and spills under the grant. The Department is also to develop and conduct spill and disposal monitoring with major PCB users, such as utilities, under this grant.

PESTICIDES

The major industry of California is agriculture. The California Department of Food and Agriculture has the responsibility for enforcement of pesticide regulations, affecting the lives, health and safety of millions of Americans, including the consumers of California-grown food. In enforcement of pesticide regulations, California's laws are more stringent than the federal law, the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA).

The current CDFA regulatory budget is $10,242,663 (FY82). EPA's contribution is for pesticide enforcement. The EPA grant is $540,500, down from the prior fiscal year grant of $640,500. The federal grants have been higher in the past, and have been as high as $1.5 million. Current projections indicate that the grant will fall to $500,000 in FY83. By contrast, CDFA is proposing a $16 million program increase for pest prevention and detection, according to the current Governor's budget proposal.

Last year's EPA grant was to go to the following tasks:

2,509—Urban pesticide use inspections.

167—Pesticide producer establishment inspections.

247—Pesticide producer establishment samples.

3,438—Market surveillance and inspections.

1,323—Market samples.

97—Dealer inspections.

9—Pesticide import samples.

2—Experimental pesticide usé permits.

29—Special requests from EPA.

This year's EPA grant is to go to the following tasks:

1,600—Urban pesticide use inspections.

150—Pesticide producer establishment inspections.

200—Pesticide producer establishment samples.

0—Market inspections.

0—Market samples.

0—Dealer inspections.

Up to 20 pesticide import samples.

Up to 20 experimental pesticide use permits.

An undetermined number of special requests from EPA.

The market and dealer inspections and samples have been dropped from the grant. The rationale is apparently that the state has a solid and ongoing program which does not require federal funding.

(The name of Mr. MITCHELL was added as a cosponsor of the amendment No. 1488.)

Mr. LEAHY. Mr. President, a parliamentary inquiry. Have the yeas and nays been ordered on this amendment?

The PRESIDING OFFICER. The yeas and nays have not been ordered.

Mr. LEAHY. I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Who yields time?

Mr. LEAHY. If we have any time remaining, I reserve it.

The PRESIDING OFFICER. The Senator has 21 seconds.

Mr. LEAHY. I yield it back.

Mr. SYMMS. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. Under the previous order, the vote on this amendment will be postponed until 11 o'clock.

Mr. LEAHY. Mr. President, a further parliamentary inquiry.

Am I correct in my understanding that whatever votes are stacked between now and 11, this would be the first item to be voted upon at 11 o'clock?

The PRESIDING OFFICER. The Senator is correct.

Mr. LEAHY. I thank the Chair.

Mr. SYMMS. Mr. President, I ask unanimous consent that the time for the quorum call I am about to request be charged equally against both sides, on the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SYMMS. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. COHEN). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MELCHER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. ROTH). Without objection, it is so ordered.

UP AMENDMENT NO. 970

(Purpose: Reduce the budget deficits for fiscal years 1982, 1983, 1984, and 1985 by reducing budget authority and outlays for function 150)

Mr. MELCHER. Mr. President, I have an amendment which will save some money for the taxpayers.

While we have cut almost all domestic programs, in fact, it is hard to find a domestic program that has not been cut, foreign aid spending keeps going up. It keeps getting increased. The programs covered by our foreign aid budget have not been cut and are not cut in this budget resolution. If we would adopt the budget resolution as presented to us, it would increase the amount for foreign aid under function 150, $400 million this year and increase it slightly over $1 billion in each of the fiscal years 1983, 1984, and 1985.

I believe it is necessary to offer an amendment to correct that.

Mr. President, I send an amendment to the desk on behalf of myself and Senator DECONCINI and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Montana (Mr. MELCHER), for himself and Mr. DECONCINI, proposes an unprinted amendment numbered 970:

On page 2, line 17, strike "$777,600,000,000" and insert in lieu thereof "$777,100,000,000".

On page 2, line 18, strike "$835,300,000,000" and insert in lieu thereof "$830,800,000,000".

On page 2, line 19, strike "$897,000,000,000" and insert in lieu thereof "$892,000,000,000".

On page 2, line 20, strike "$972,800,000,000" and insert in lieu thereof "$987,800,000,000".

On page 2, line 23, strike "$740,700,000,000" and insert in lieu thereof "$740,300,000,000".

On page 2, line 24, strike "$783,600,000,000" and insert in lieu thereof "$781,500,000,000".

On page 2, line 25, strike "$832,300,000,000" and insert in lieu thereof "$830,000,000,000".

On page 3, line 1, strike "$889,400,000,000" and insert in lieu thereof "$887,200,000,000".

On page 3, line 5, strike "$117,700,000,000" and insert in lieu thereof "$117,300,000,000".

On page 3, line 6, strike "$115,400,000,000" and insert in lieu thereof "$113,300,000,000".

On page 3, line 7, strike "$91,300,000,000" and insert in lieu thereof "$89,000,000,000".

On page 3, line 8, strike "$64,400,000,000" and insert in lieu thereof "$62,200,000,000".

On page 6, line 2, strike "$16,800,000,000" and insert in lieu thereof "$16,300,000,000".

On page 6, line 10, strike "$16,200,000,000" and insert in lieu thereof "$11,700,000,000".

On page 6, line 19, strike "$16,700,000,000" and insert in lieu thereof "$11,700,000,000".

On page 6, line 22, strike "$21,000,000,000" and insert in lieu thereof "$16,000,000,000".

On page 6, line 2, strike "$11,400,000,000" and insert in lieu thereof "$11,000,000,000".

On page 6, line 11, strike "$12,000,000,000" and insert in lieu thereof "$10,000,000,000".

On page 6, line 20, strike "$12,300,000,000" and insert in lieu thereof "$10,000,000,000".

On page 6, line 23, strike "$12,200,000,000" and insert in lieu thereof "$10,000,000,000".

Between lines 23 and 24 on page 6, add the following:

"Not withstanding any of the budgetary limits placed on function 150, the United States shall continue to meet the financial commitments made to Israel and Egypt in conjunction with the Camp David Accords."

Mr. MELCHER. Mr. President, as is necessary in amending a budget resolution, my amendment strikes figures in a number of places on the various pages of the concurrent resolution. I will tell you very briefly, after having had all those numbers read, that this amendment by Senator DECONCINI and myself cuts function 150 as follows, and this will be much simpler than trying to decipher what has been read from the amendment.

For fiscal year 1982, the budget authority for function 150 is cut $500 million, and the budget outlay $400 million.

For 1983, the budget authority is cut $4.5 billion, and the budget outlay or the spending is cut $2.1 billion.

For 1984, the budget authority is cut $5 billion, and the budget outlay or spending is cut $2.3 billion.

For 1985, the budget authority is cut $5 billion, and the budget outlay or spending is cut $2.2 billion.

Lastly, the amendment requires that in function 150, for the fiscal year involved, the United States shall continue to meet financial commitment made to Isreal and Egypt in conjunction with the Camp David accords.

Mr. President, we have had pious pronouncements flowing out of Congress, both bodies, that the budget resolution, if adopted, will lead to declining interest rates by holding down spending and allow an economic recovery program to start occurring sometime this fiscal year. But it is not at all clear or conclusive that, with adoption of this budget resolution before the Senate now, that will be the case. The budget projects an additional increase in Federal deficit for this fiscal year over and above what was projected when we started in the fiscal year. Even with the reductions that the Budget Committee has trimmed out of the President's budget, the CBO projects that we shall end up with a budget deficit in this current fiscal year of more than $117 billion.

I do not concur that there is any likelihood that adoption of this budget as it is presented to us for this fiscal year would give us any encouragement that we are headed toward economic recovery, that interest rates will come down, and that. we can find people going back to work and the entire economic activity of the country picking up. We have taken a backward step in this particular area, function 150—foreign aid—by adding $400 million for fiscal year 1982 if we were to adopt the Senate Budget Committee's recommendation. That adds to the 1982 deficit, of course.

Mr. President, it is proposed that the $400 million will cover an additional program that the President envisions. We have still remaining unspent and unobligated as of today we are advised, somewhere around $850 million in the various agencies that handle operations that are covered in this function.

What is the $400 million proposed for? It is for the Caribbean, including $128 million for El Salvador.

Whether this additional foreign aid spending should be or will be approved by the Senate is a question not yet resolved. In any event, additional funds are not necessary because, as I have said, there are still remaining somewhere around $800 million in function 150 that is not obligated at present.

The first part of our amendment strikes that $400 million add-on for this fiscal year. It is apparent that with all the Federal cuts for domestic programs, there is a very stark contrast in the amount of money yet remaining unspent for foreign aid as compared to the amounts of money that remain in domestic programs of our Federal Government.

Our amendment for the next 3 fiscal years 1983, 1984, and 1985 would be cut slightly more than $2 billion from the budget, which adds up, including the $400 million for fiscal 1982, to a $7 billion cut in spending. The total, of course, is greater than that for budget authority; it is about $15 billion in budget authority.

Mr. President, under the Camp David accords, for the fiscal year 1982, this current year, there has been appropriated about $2.5 billion. That has been obligated. This amendment has nothing to do with that at all. Between $1.7 billion and $1.8 billion of that, split between Israel and Egypt, is for economic assistance. The balance between that and $2.5 billion is for military assistance for those two countries.

Mr. President, our obligations under the Camp David accords for fiscal year 1982 have been met. This amendment does not affect it.

For fiscal year 1983, if the U.S. obligation for the Camp David accords for Israel and Egypt is to be the same amount again—about $2.5 billion, and I point out to the Senate that that amount has been neither approved nor appropriated as of now—but if it were to be approved and appropriated as being our obligation to Egypt and Israel, we are also leaving plenty of money in function 150 to cover that $2.5 billion.

Mr. President, I want to make it clear again that the amendment requires that whatever is determined to be U.S. obligations for Israel and Egypt under the Camp David accords, they shall be met in all these fiscal years, 1983, 1984, and 1985. Leaving intact $10 billion for foreign aid for those fiscal years—1983, 1984, and 1985—would mean that there is about a 9-percent reduction in spending authority each of those years. The amendment leaves $10 billion, which is sufficient and ample not only to cover the obligations of the Camp David accords, but the needs of the World Bank, the International Development Agency, and the Export-Import Bank.

Mr. President, is there a need for curbing foreign aid? Let us look at the record. Foreign aid expenditures under function 150 have, since 1979, doubled. That is a 100-percent increase. During that same period, 1979 to now, energy spending has declined by 7 percent. Natural resources and environmental spending has increased by 6 percent. Commerce and housing spending has increased by 46 percent. Community and regional development has declined by 12 percent. Education, training, employment, and social services spending has declined by 5 percent. Health spending has increased by 57 percent. Veterans spending has increased 20 percent; total budget outlays increased 51 percent.

Mr. President, I give these figures for the period between 1979 and where we stand today to give some contrast to what has happened in foreign aid. In these domestic programs that I have listed, there have been some cuts between 1979 and today and some increases, but none of them approaches the 100-percent increase between 1979 and now in foreign aid functions. Even with our reductions in this amendment, foreign aid spending would increase 64 percent between 1979 and 1985.

Mr. President, we have had serious difficulties with how to hold down spending in so many different programs and yet meet our obligations for the entitlements.

Doing the best we can, the budget as a whole will have gone up 78 percent over those same years. That includes the rather dramatic increases we have had in national defense expenditures. It includes the dramatic increases in expenditures we have had for the elderly, both in social security and other retirement programs and in medicare and medicaid.

With our efforts to restrain spending and reduce the deficit, it is hardly clear to me how we could be sincere and diligent while allowing foreign aid to increase some 75 percent between 1979 and 1985, and that is what will happen if we allow this increase as the Senate Budget Committee has recommended.

If we make the modest cuts that our amendment provides for, we are still going to have a 64-percent increase in the foreign aid programs between the years 1979 and 1985.

Our priorities have been all wrong, and it is time to make some adjustment. Our first concern ought to be what we are doing in our own country and the well-being of our own citizens.

Further, the record of foreign aid over the past several decades has often shown that we have been giving taxpayers' dollars from the United States as aid to foreign countries without making friends with them. In fact, sometimes we find ourselves in the precarious situation of foreign aid actually causing us enemies rather than gaining friendship.

By increasing foreign spending, which is adding to the deficit, pushing up interest rates, and causing unemployment, we are asking our citizens to pay these costs by giving up their jobs and giving up their own economic well being.

I should like to point out to the Senate that we have cut the nutrition program over the past several years. We have cut health programs. We have cut education programs. We have cut agricultural programs. We have cut retirement programs. We have cut medicare and medicaid. We have cut job training programs. We have cut housing programs. We can go on and on. We must ask ourselves at this time who comes first, the U.S. citizens, our own economic well-being, or a foreign aid program that is lavishly authorized, lavishly appropriated and often wasted.

Mr. DeCONCINI. Will the Senator yield?

Mr. MELCHER. Yes, I am happy to yield to the cosponsor of the amendment, Mr. DeConcini.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. DeCONCINI. Mr. President, I thank the Senator from Montana. I thank him for putting together what I consider a most reasonable amendment.

I should like to follow up on a couple points.

The Senator from Montana pointed out some examples of domestic cuts in the 1982-84 budget last year and what we are living with today.

As the Senator pointed out, we actually cut food stamps $6.2 billion in 1982-84, child nutrition $4.7 billion, medicaid $2.8 billion, housing assistance $1.2 billion, social security student benefits $4.2 billion, social security minimum benefits $2.9 billion, guaranteed student loans $2.3 billion, unemployment insurance $2.7 billion, trade adjustment assistance $2.6 billion, medicare $3.9 billion, Federal retirees cost-of-living increase $2.3 billion, highway safety $115 million, mass transit $1.8 billion, maternal and child health block grants $65 million, social service block grants $423.5 million, Indian education $36 million, title I elementary-secondary education compensatory education $213 million, and the Pell grants we cut a nifty little $102 million.

Some of those, Mr. President, I joined in reducing but not social security. I felt there was need that we scrutinize the budget, that we make every effort to reduce expenditures across the board, and yet foreign aid seems to escape or elude us.

It is difficult for me to accept the proposition of increased foreign aid in times like this. If we were operating a surplus, maybe we could justify another Marshall plan, we could justify an increase of some 64 percent, as the Senator from Montana points out.

Function 150 of this budget would provide $37 billion more for foreign assistance over the next 3 fiscal years. Of that total, $31.1 billion or 84 percent, under the committee assumptions, goes for one form or another of economic, financial, or military assistance to other nations. Surely this administration can do better and Congress and this Senate can do better. It seems imperative to me that we realize every economic possibility to do something about this deficit. We are faced with a catastrophic deficit, one that is out of control.

We notice that the administration's budget was unanimously defeated in the Budget Committee. I am not sure of all the reasons that occurred, but I suspect that the major reason is the administration's own estimates where the deficit would be somewhere in the neighborhood of $105 billion. CBO and others suggested that it might be as much as $180 billion. However, we are increasing foreign assistance by over $3 billion.

It just does not make a lot of sense when you think of military retirees, people who have put in ample years serving their country, with an understanding that they are going to have a satisfactory pension for that service, sacrifices they have made and would have made in times of war, when military retirees have to take it on the chin to the tune of a $3.8 billion reduction, railroad retirees, people who have worked all their lives and paid into the retirement system have to absorb a $1.5 billion reduction, after having their so-called windfall benefits slashed last year. Civil service people who have worked for the Federal Government, put in their long hours and days like anyone else, are asked to sacrifice $5.1 billion. Just in medicare alone, last year the Congress enacted reductions of $3.9 billion. The budget before us assumes additional cuts of $18.2 billion over the next 3 years.

Mr. President, it seems very clear that the amendment before us is a sound amendment. It has ample funds to meet our commitments under bilateral development assistance to maintain our commitments with the Camp David peace accord.

I am prepared to continue to support an effort that will bring or attempt to bring some type of nonmilitary resolution to the Middle East.

We now have two nations that have joined hands, that have been at war with each other for many years, and I think it is proper for the United States to play a role.

I am willing to face the taxpayers of my State and this Nation and say that this is an investment in peace, and this is a time for us to put forward our commitment to that peace.

The ESF rose from $1.9 billion under the Carter administration to $2.5 billion under this administration, an increase of more than $630 million. Our commitments under ESF, as I understand them, for both Israel and Egypt, are roughly $1.3 billion. This leaves ample funds for other commitments that might arise or with which we feel impelled to go along.

It is my hope, Mr. President, that we can avert reducing the benefits for veterans; that we can add a modest amount of restoration funds to education; that the child nutrition program and the immunization program, offered last night by the Senator from Arkansas, which was adopted by a voice vote, is a major step by this body to put its priorities into proper perspective.

I am well aware that additional cuts and reductions have to be made, and that is what this amendment is all about—making the necessary reductions where we can afford it. We can afford to adopt the amendment of the Senator from Montana, which calls for approximately $6 billion over the 3-year period. This is not going to tie our hands, in my opinion. It is not going to cause us disgrace. It is not going to cause us to renege on Camp David.

I hope this body will step forward for the American people and place some priorities on where we are spending those tax dollars and find that it is a reasonable reduction in foreign assistance.

The PRESIDING OFFICER. Who yields time?

If neither side yields time, the time will run equally against both sides, on the amendment.

Mr. SYMMS. Mr. President, I will soon yield to Senator Percy, the chairman of the Foreign Relations Committee, but first I wish to make an inquiry of the Senator from Arizona.

How much in total does this reduce out of the foreign aid budget?

Mr. DeCONCINI. $15 billion in budget authority and close to $7 billion in budget outlays.

Mr. SYMMS. $15 billion in budget authority and $7 billion in budget outlays over the 3-year period?

Mr. DeCONCINI. Over the 4-year period.

Mr. SYMMS. Mr. President, I compliment both Senators for bringing this amendment to the floor.

It is interesting to note that Senator Helms recently released figures showing his computation of how much money the United States has given away since 1946, and it amounts to approximately $2 trillion, I believe, if we count what the interest costs were each year. So it has become a substantial amount of money.

I suppose there has been no other time when we have had fewer friends than we have right now around the world. All we have to do is look at what has happened with our friendship with Latin American countries in the last month; look to Europe, where there does not seem to be an appreciation for American defense of Europe. We have had problems in other parts of the world.

If I had any criticism of the amendment, I would say that it is too modest, that the Senator should have cut out more.

In my State of Idaho, we have a housing slump. We are a timber-producing State, a State that has had a good housing industry, a new State, where there was a lot of growth. Now the housing industry is flat on its back, and sawmills are closing. I know that the Senator from Montana has the same problem in his State, and I am sure the same problem exists in northern Arizona.

I note that the Appropriations Committee recently approved funding for the Lugar bill, for housing. If the Lugar bill is a good bill to help stimulated housing in the country, it seems to me that it would make more sense to take more money out of foreign aid and use it for aiding American families who need to be able to buy a house, and put people back to work building houses, rather than giving away more money overseas.

Mr. DeCONCINI. I prefer the bill that the Appropriations Committee reported, the urgent supplemental, including the Lugar housing bill. It is approximately $1 billion.

We have to make priorities, and that is what this amendment is all about—deciding where we are going to come down on priorities. I think housing and jobs in this country have to take priority.

In all of Arizona, not only the northern part of the State, the lumber industry is suffering. Over a thousand copper workers have been laid off. It is the first time the copper mines in Arizona have closed down because of an insufficient demand for copper. They have had problems before, but it has not been because the economy has been flat. If this housing bill should pass, we would see an upturn in the demand for copper, in the construction business.

Mr. SYMMS. I thank the Senator very much.

It is interesting that if we go back and trace the history of copper production, we find that right now copper is being sold at an all-time low, in terms of the cost of production in this country. Yet, we occasionally find some foreign countries which produce copper but have closed economies and have not responded to supply and demand, because it is the only means of their being able to produce foreign exchange. The Government controls copper production, and they produce political copper, as I call it, by directing the efforts of a closed economy, where people are told where and when to work. They will produce copper to get foreign exchange, at the expense of States such as Arizona and Idaho.

Mr. DeCONCINI. The Senator is absolutely correct. Today, 50 percent of the copper that is mined in the world is mined and controlled by governments.

Mr. SYMMS. That is correct.

Mr. DeCONCINI. Twenty years ago, it was less than 20 percent. So we see that the free enterprise system, at least in this country, is up against competition that does not care what the cost is. They are going to produce it in order to keep their people employed. We still work on the basis that there has to be a market.

Mr. SYMMS. With respect to the Arizona copper project that is on the Indian reservation—the name of it slips my mind—where the Heckler Mining Co., of my State, was involved, that decision was made based on the fact that copper would not be produced below the cost of production and that there would be a market response of supply and demand—not anticipating that governments would produce it at a loss, in order to gain foreign exchange. It caused a great deal of hardship and grief for many people both in my State and in the Senator's State, over the production of, I think, the Lake Shore property in Arizona.

Mr. DeCONCINI. The Lake Shore property, the Senator from Idaho is correct.

Mr. SYMMS. I know that is reasonable. If we trace it back we find in some cases U.S. foreign aid is going to those countries that are producing in direct competition with the U.S. producers.

So I compliment the Senator from Arizona.

Mr. DeCONCINI. The Senator from Idaho is absolutely correct, and I thank him for his support, and maybe it is a too modest amendment.

Mr. SYMMS. Mr. President, I am sure the Senator from Illinois wishes to speak to this issue.

Mr. MELCHER. Mr. President, will the Senator yield briefly?

Mr. SYMMS. I yield to the Senator from Montana before I yield to the Senator from Illinois.

Mr. MELCHER. Mr. President, I wish to make this suggestion for the Senate. I think it would be appropriate to have an up-or-down vote on this amendment. I do not want to take any more time than the Members of the Senate want to take on the amendment. But I think it is of a nature of an amendment that should have an up-or-down vote. I think it would save us a lot of time in the long run if that would occur that way.

Mr. SYMMS. I thank the Senator for the suggestion. I certainly agree with it.

However, I cannot speak for the leadership on what their wish would be.

Mr. PERCY. Mr. President, I reserve my right to table it and so do other members of the Foreign Relations Committee who are in the markup this morning on the fiscal year 1983 authorization. We have canceled that meeting. There is no use trying to mark up the bill when it is being decimated over here. We will be fiddling while Rome burns, in a sense. I wish to make the case on a bipartisan basis.

Senator Pell, I am sure, will want to speak to this.

But I will need probably 10 minutes at this particular time. I do not know what time Senator Pell would wish to ask for.

Mr. SYMMS. Mr. President, how much time remains on both sides?

The PRESIDING OFFICER. The Senator from Idaho has 52 minutes and 10 seconds; the Senator from Montana has 37 minutes.

Mr. SYMMS. Mr. President, I yield to the distinguished chairman of the Foreign Relations Committee for probably a somewhat different viewpoint than has been stated here in the Chamber thus far this morning.

How much time does he wish?

Mr. PERCY. Ten or fifteen minutes.

Mr. SYMMS. I yield 10 minutes to the Senator from Illinois.

The PRESIDING OFFICER. The Senator from Illinois is recognized for 15 minutes.

Mr. PERCY. I thank my distinguished colleague.

Mr. President, I simply feel that there is no better way to start this dialog than to read a letter from the President dated May 19, 1982. He addresses this letter as the Committee on Foreign Relations begins its markup on the fiscal year 1983 economic and military assistance bill. He says:

> As the Foreign Relations Committee approaches markup on the fiscal year 1983 Foreign Assistance Act, I wish to underscore my personal commitment to full funding of my request. Moreover, I ask you to inform all members of the Committee that these increases are fully consistent with the Admin-

istration's support of the Domenici budget mark, and can be accommodated within the First Budget Resolution I am endorsing.

We have taken steps to ensure that this bill contains adequate funding to deal with the pressing problems of economic and social development in the Third World. However, I have to emphasize that without the additional security assistance resources we are requesting, critical foreign policy objectives in support of specific national security goals would have to be abandoned or severely retrenched. For example:

Israel and Egypt would be deprived of the additional resources necessary to reinforce the post-Sadat peace process at a time when radical elements are working to unravel the tenuous cease-fire in Lebanon and to undermine the Mubarak regime;

Moderate states threatened directly by the Soviets (e.g. Pakistan) or by their Libyan/Ethiopian surrogates (Tunisia, Morocco, Sudan, Somalia) would be deprived of tangible American support when they need it, putting at doubt our ability to call on them when our own interests in the Middle East or the Persian Gulf are threatened;

Portugal, Spain and Turkey would be prevented from rebuliding their outmoded defense capabilities; NATO's southern flank would be vulnerable and we would jeopardize their cooperation in meeting threats beyond the Alliance's boundaries;

The momentum of the acclaimed Caribbean Basin Initiative would falter and the overwhelming plebiscite of the Salvadoran people for democracy would be left to wither.

In addressing our economic problems at home, it would be irresponsible and dangerous to pay the costs of abandoning vital foreign policy interests. The House Foreign Affairs Committee last week approved most of the Administration's request, and I now urge that the Foreign Relations Committee once again demonstrate the bipartisan leadership for which it is justly heralded by approving full funding of our request.

We vitally need the support and leadership of the Foreign Relations Committee to safeguard our national interests in these perilous times.

Mr. President, I modify that letter by saying that the President in effect is saying he needs the full support of the full Senate because uniquely this body has the responsibility with the President for formulating our foreign policy.

What are we really saying to the world? As King Hassan arrives today from Morocco to discuss with the President, the Secretary of State, and the Secretary of Defense the common defense in that part of the world, what are we saying to that chief of state? What are we saying to other chiefs of state with whom we have tried to build a closer working relationship?

Are we saying: No; the United States today is going to turn its back on the rest of the world? Are we going to just go it alone? Are we going to raise our own defense budget so much that we will just stand and fight for the principles of the free world alone? Arc we not going to pay any attention to the countries that are willing to use their manpower to fight to protect their areas of interest—which are our areas of interest as well—to maintain a stable, peaceful world? Do we intend to turn our back on them? Do we care about their economic development and their political stability, both of which can be assisted by this country's aid? Do we care about them arming and defending themselves so they can fight in the common interest against common adversaries? Are we saying that?

Are we willing at this stage to try to go it alone? Are we willing to simply say we can take on all of our adversaries that we face, the Soviet Union, the Warsaw Pack countries, insurrection in Central America, and Cuban infiltration through the Western Hemisphere? Are we saying that they do not need assistance and help and that we cannot offer a helping hand to others who are willing to help themselves?

I just think we are not ready to do that. We are not going to take an isolationist policy, a fortress America policy. That has not been the policy of a single recent President. It has not been the policy of a single Congress, and this Congress should not adopt that policy.

We have had a sensible, balanced policy that has moved us in cooperation with our friends and allies and friendly powers around the world to make the world safer and to give us peace and stability, and we do it not only for peace and stability for its own sake—though that is a good enough objective alone. We do it also because increasingly the United States cannot make it on its own.

How long could we last as an economic power and as a military power if we depended on raw materials just from our own resources? In a few years 80 percent of the raw materials consumed by American factories will come to us from lands abroad. That requires safe sealanes. That requires a stable world. That requires that we have access to those raw materials. Otherwise, our factories grind to a halt.

Why did we just authorize $11 billion for rapid deployment forces? We did so to protect the lifeline of the United States of America and its friends and allies in Europe and Japan because it is through the Persian Gulf, and through the Straits of Hormuz that the oil lifeline of the free world flows.

President Carter recognized when he called for a rapid deployment force—he drew a line out there—that we had no current capability to protect that area. Dynamite in the Straits of Hormuz would end the supply of oil to keep our factories going. We would have darkened homes and cold homes; we would have closed schools and factories, as we have had when we have been embargoed before. The same thing could happen again.

When we look at what has happened in Afghanistan, we see an invasion by foreign forces into a Third World country.

When we see that the capability exists through Baluchistan, a section of Pakistan and Iran, generally in turmoil, the Soviet Union could be within 300 miles and is now within 300 miles of the deep water, warm water port they have long wanted, can we sit here and say, "No, we are not going to provide the kind of protection, the kind of assistance and support and help the countries in that area need." Mr. President, these nations are willing to put their own shoulders to the wheel and work with us, providing they have encouragement, assistance, and help.

At this time I would like to yield to my distinguished colleague from Rhode Island (Mr. Pell) who, I understand, must leave the floor in just a few minutes, so that he may comment on the same situation.

Mr. PELL. Mr. President, I rise to support the theme, the words of the Senator from Illinois. I have the utmost respect for the sincerity and the objectives of the Senator from Montana. I recognize that in this bill there are areas where there can certainly be cuts, just as there are also areas where we need to spend more.

I think we should bear in mind that we now rank 17th in the world when it comes to the percentage of our gross national product that we turn over or put into international or public development.

This amendment, if we passed it, would put us at the very bottom. There would be no other industrial nation that gave less than we.

I recognize that we have hard times. In my State we have particularly hard times now, great unemployment, children's luncheons and food being cut back, medical benefits being cut back, very harsh conditions indeed. Obviously, we need to meet the needs of our own people. But there are areas of the budget that could be cut as well as aid, and I would like to see these cuts move a little bit into defense, a little bit into what I would call hardware programs, and less into human being programs.

Basically, the aid program is a human being program because it is designed to help people who are facing starvation, misery, and illness.

So I would hope this amendment would not prevail. I know that I intend to support the Senator from Illinois in opposing it. I understand the reasons behind it. I think it is too extreme, too draconian. At first glance, you could say it only means a reduction of about one-sixth of the total amount in this function. But then you recognize that the function includes a whole variety of subjects, the State Department, BIB, a whole variety of subjects, and the whole cut would come out of the aid program, which would be truly devastated.

My hope is that we can vote on it shortly, and vote it down.

I would observe also to the managers of the amendment and to the opposition that there is no need, just because there is a time agreement, to use up the time when the arguments have been made. As I look around the Senate floor I do not see anybody whose mind is going to be changed by further argument, so I hope we can vote fairly shortly.

Mr. MELCHER. Mr. President, will the Senator yield?

Mr. PELL. With pleasure.

Mr. MELCHER. I thank my friend from Rhode Island for yielding.

When he makes a comparison of how much the gross national product of a country goes into aid, would the Senator agree with me that if we carry that over to what the Senator from Illinois, the chairman of the Committee on Foreign Relations, was just stating, and apply it to defense, that indeed we are asking our European allies in NATO to come up with 3 percent of their gross national product for defense efforts while, at the same time, between 6 and 7 percent of the gross national product of the United States goes into defense?

Our commitment toward NATO, perhaps, is a little bit higher than it should be. In turn, with Japan less than 1 percent of their gross national product goes into defense, whereas 6 to 7 percent of the gross national product of the United States goes into national defense, and part of that defends Japan and the islands in the Pacific area in that vicinity.

So we are really mixing apples and oranges if we do as the Senator from Illinois has done, compare foreign aid with the military posture that we have where we are already spending a huge amount of our gross national product for national defense which does benefit our allied countries and does relieve, in effect permits, Japan or European countries to give more for aid than they would otherwise give if they were meeting more of their own national defense needs by paying a higher percentage of their gross national product.

Mr. PELL. The Senator is absolutely correct. But I think he is the one who is mixing apples and oranges because we are talking about defense and we are talking about aid, and they are two separate subjects.

I mentioned in my earlier remarks that I would like to see more money taken out of defense. That is where it should be taken out of. I think the fact that Japan spends only half or a quarter of 1 percent for defense is something that those of us—I know the Senator had a very distinguished war record—should be delighted with. I can remember the efforts we made to make sure that Germany and Japan would not get weapons again, and we were all very enthusiastic as veterans of World War II. I think the Senator has a Purple Heart from that war.

We cannot regret that some of the industrialized nations do not have weapons. That is their choice. I do not think we should force them into their unwilling hands. What we are talking about now is the aid program and people starving and should we get down lower than we have done.

Mr. MELCHER. I thank the Senator.

The PRESIDING OFFICER. Who yields time?

Mr. PELL. I suggest the absence of a quorum.

Mr. MELCHER. Mr. President, I just want to make three points and then we are ready to yield back our time.

Simply put, the cut of $400 million for 1982 should be made because there is no settlement as to whether that is going to be appropriated or not in the $800 million available.

I believe it is a totally unwarranted belief that we can afford spending more than $10 billion in each of the next 3 fiscal years for foreign aid. That is adequate funding, not turning our backs on anybody, and still offering a helping hand to all the great variety of countries we need to help, and each country can do with a little bit less of either economic or military aid so that we can help our own economy and finance our own national defense.

Ten billion dollars is not isolationism. Ten billion dollars is a 64-percent increase over the amount spend for foreign aid in 1979. Surely that is a big enough increase.

We are not being chintzy, perhaps we are even being a little bit on the extravagant side. But I think this is the minimum we can go for in any sensible way or commonsense way, $10 billion each year for the next 3 fiscal years.

Mr. President, I am willing to yield back the remainder of the time remaining on our side if the other side is.

(The names of Mr. Randolph and Mr. Harry F. Byrd, Jr. were added as cosponsors of UP amendment No. 970.)

The PRESIDING OFFICER (Mr. Schmitt). Who yields time?

Under the previous order, the hour of 11 o'clock having arrived, the Senate will now vote in relation to amendment No. 1488 offered by the Senator from Vermont (Mr. Leahy).

Mr. MELCHER addressed the Chair.

The PRESIDING OFFICER. The Senator from Montana.

Mr. MELCHER. Mr. President, is time yielded back or not?

The PRESIDING OFFICER. As of this time, it is not.

Mr. SYMMS. Mr. President, may I just say to my friend from Montana that it is my understanding that Senators Kasten and Kassebaum have requested some time to speak in opposition to the Senator's amendment, so I do not think at this time I should yield back the time. But I do think it would be advisable to go ahead and have the vote on the Leahy amendment.

Mr. MELCHER. Mr. President, I ask for the yeas and nays on the pending amendment.

The PRESIDING OFFICER. The Senator from Montana should be advised that to order the yeas and nays at this time on his amendment would preclude further debate on that amendment after the vote that is going to take place at this time.

Mr. MELCHER. Mr. President, I was unaware of that.

The PRESIDING OFFICER. For the information of the Senator from Montana, the reason is that there is an order in place to stack votes ordered at 11 o'clock.

Mr. MELCHER. I certainly do not want to interfere with any Senator's desire to speak on the amendment, so I withdraw the request.

AMENDMENT NO. 1488

The PRESIDING OFFICER. The hour of 11 o'clock having arrived, the question is on agreeing to amendment No. 1488 offered by the Senator from Vermont (Mr. Leahy). The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

The PRESIDING OFFICER. Will Senators who are conversing please cease their conversations? May we have order in the Chamber?

The legislative clerk resumed the call of the roll.

Mr. HART. Mr. President, the Senate is not in order.

The PRESIDING OFFICER. The Senator from Colorado is correct. The Chair is attempting to get the Senate to come to order. Those Senators conversing will please cease or retire to the cloakroom.

Mr. MOYNIHAN. Mr. President, may we have order?

The PRESIDING OFFICER. Apparently not, as the Senator from New York is well aware.

The Senate will come to order.

Mr. STEVENS. I announce that the Senator from Connecticut (Mr. Weicker) is necessarily absent.

Mr. CRANSTON. I announce that the Senator from Hawaii (Mr. Matsunaga) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 38, nays 60, as follows:

[Rollcall Vote No. 127 Leg.]

YEAS—38

Baucus
Biden
Bradley
Bumpers
Burdick
Byrd, Robert C.
Chiles
Cohen
Cranston
D'Amato
Dodd
Durenberger
Eagleton
Exon
Ford

Glenn
Hart
Hawkins
Hollings
Huddleston
Inouye
Jackson
Kennedy
Leahy
Levin
Mathias
Melcher
Metzenbaum
Mitchell
Moynihan
Pell
Pryor
Randolph
Riegle
Sarbanes
Sasser
Stennis
Tsongas

NAYS—60

Abdnor
Andrews
Armstrong
Baker
Bentsen
Boren
Boschwitz
Brady
Byrd,
  Harry F., Jr.
Cannon
Chafee
Cochran
Danforth
DeConcini
Denton
Dixon
Dole
Domenici
East
Garn
Goldwater
Gorton
Grassley
Hatch
Hatfield
Hayakawa
Heflin
Heinz
Helms
Humphrey
Jepsen
Johnston
Kassebaum
Kasten
Laxalt
Long
Lugar
Mattingly
McClure
Murkowski
Nickles
Nunn
Packwood
Percy
Pressler
Proxmire
Quayle
Roth
Rudman
Schmitt
Simpson
Specter
Stafford
Stevens
Symms
Thurmond
Tower
Wallop
Warner
Zorinsky

NOT VOTING—2

Matsunaga
Weicker

So Mr. Leahy's amendment (No. 1488) was rejected.

Mr. DOMENICI. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT 970

The PRESIDING OFFICER. The question recurs on the amendment of the Senator from Montana.

Who yields time?

The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I yield myself 1 minute on the bill.

The PRESIDING OFFICER. Will the Senator from New Mexico withhold? The Chair will say if there is not more order during the rollcalls, the Chair will not acknowledge any votes except those delivered from the desks of Senators. The Chair understands the need for conversations during the vote, but nothing to the extent that we have been exposed to.

The Senate will come to order. Conversations should retire to the cloakroom, hopefully with the Senators.

Mr. DOMENICI. Mr. President, may I ask the distinguished chairman (Mr. Percy) how many more speakers we have in opposition to the Melcher amendment that he is aware of?

Mr. PERCY. Mr. President, I shall make a few additional comments. I know of no other speakers on this subject.

Mr. DOMENICI. I understood Senator Kasten wished to speak. Is that correct?

Mr. PERCY. Senator Mathias would like to speak.

The PRESIDING OFFICER. Will the Senator from Illinois withhold? There is still entirely too much noise in this Chamber. Some of it may be coming from the galleries, but I have a feeling most of it is coming from the Chamber. Staff will please keep their conversations to an absolute minimum. Senators will retire to their cloakrooms if it is necessary to have long conversations.

The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I am going to speak briefly. I yield myself 3 minutes.

The PRESIDING OFFICER. The Senator is recognized.

Mr. DOMENICI. Mr. President, I want to tell the Senate that the distinguished majority leader has decided that he will move to lay this amendment on the table. At a time when it is appropriate, he will do so. We wanted to inform people ahead of time of that. We are not doing it on every amendment.

Let me say from my standpoint, I have encouraged him to do it because it does not appear to the Senator from New Mexico that this is an amendment that would just reduce the international affairs function of our National Government. As I view it, in light of the existing international commitments made by this administration and previous administrations, a cut of this dimension would literally demolish our foreign assistance program. The amendment would not just cut it; it borders on totally destroying it.

There are those who like to say that the amendment does not affect Egypt and Israel. I frankly do not believe we can absorb a $15 billion cut and claim that Egypt and Israel will not be affected.

I just do not see how we can have this kind of cut and say the Camp David accords and the commitments flowing from them will be lived up to. We would be taking so much out of the international affairs function that it might be impossible to live up to the Camp David commitments.

Mr. President, the Senate should know that an amendment to a budget resolution exempting Egypt and Israel really does not matter. What matters is the total amount of money in budget authority and outlays allocated to the Appropriations Subcommittee on Foreign Operations. We have had similar arguments on almost every amendment. This budget resolution has no such line item authority. It would be up to the appropriators how they saw fit to spend the money that is provided here, except for entitlements that would just flow from permanent laws. I truly hope that the Senate develops a more responsible, fiscally prudent approach to foreign assistance. I am not one who is enamored of the programs, but I think this amendment is radical surgery to impose upon these programs. I hope the majority leader will move to table.

Mr. MELCHER. Will the Senator yield?

Mr. DOMENICI. I have one last comment. The Budget Committee has already assumed cuts of $1.3 billion in budget authority, about 10 percent, from the President's fiscal year 1983 request for foreign aid and State Department operations. It seems to me that, in light of the international commitments already made, the Budget Committee acted responsibly in cutting the President's request by $1.3 billion. I do not support further cuts at this time.

I am pleased to yield.

Mr. MELCHER. I thank the chairman of the Budget Committee for yielding.

I want to inquire as to what amount the chairman would figure or feel is needed to see that the Camp David accords were protected?

Mr. DOMENICI. Could we have order, Mr. President?

Mr. MELCHER. What amount over $10 billion?

Mr. DOMENICI. Let me say to my good friend that obviously the resources needed for the Camp David accords have a very high priority in Congress and in the executive branch. That has been the case from the inception. So that one might conclude that it would be given preference over Eximbank, preference over all other international programs, but I frankly, as the chairman of the Budget Committee, just cannot tell the Senator what the appropriators will do.

I assume one could figure out how much was needed for the Camp David accords and say, "I put that in the budget and I assume it is so important the Senate will do nothing else." One might conclude that such intent would be enough, but that is not the way we conduct business in my Senate experience.

Mr. MELCHER. I thank the Senator for yielding. The Camp David accords has been taking $2.5 billion a year. I do not know how many years in the future it will be required that we keep paying that to Egypt and Israel, but at least $10 billion ought to be sufficient to cover that and the rest of the obligations.

The PRESIDING OFFICER. The time allotted the Senator from New Mexico has expired. Who yields time?

Mr. KASTEN addressed the Chair.

Mr. DOMENICI. Mr. President, Senator Percy has control of the time on the amendment.

Mr. PERCY. Yes. I would be happy to yield 3 minutes to the distinguished Senator from Wisconsin.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. KASTEN. Mr. President, as chairman of the Appropriations Subcommittee, I should like to address myself to some of the questions that Senator Melcher has raised.

It has long been a popular political tactic to take on foreign aid, especially in an election year. But let us not kid ourselves, this proposal by the Senator from Montana would simply wreak havoc with U.S. foreign policy, particularly the security assistance parts of foreign policy, because we have shifted from development assistance over into more and more security assistance. It is important to understand that shift.

I think it is important, also, that we not kid ourselves—the Senator from New Mexico is correct—it is simply impossible to exempt Egypt and Israel with these kinds of numbers. This is a budget resolution. The language here has no force in law whatsoever.

Egypt and Israel are simply the only places where substantial outlays occur, and there is no way, if this amendment were to pass, that Egypt and Israil would escape a cut. In my brief analysis, it would be a substantial cut.

Furthermore—and the Senator from Montana should be aware of this, as his State is a great grain-growing region—one of the other places that could get a cut that would make an immediate difference would be in the Public Law 480 program. Although I know that is not a program that we want to cut, it is one of the programs that we could get the immediate savings in, and it is one of the places where a cut could be made.

The Public Law 480 program could come in for a severe cut, adversely affecting many grain growing areas of the country. I do not want to do that. I come from a grain-growing State. I do not think we want to cut those programs.

The facts are undeniable, and let us look at fiscal 1983 as an example. New outlays for function 150 total $7,570,000,000. Of that amount, $3,110,000,000 is for Israel, Egypt, and Public Law 480.

In addition, $1.6 billion is for salaries and expenses for State, ICA, and AID, and $420 million is required by treaty obligations in contributions to the United Nations. Like it or not, the treaty obligations require us to pay that amount. We are locked into those amounts.

I am encouraging AID and State and others to cut, but we also then go throught the cost of RIF's. Large RIF's would be required by this cut.

Once more, I think we ought not to kid ourselves. If this passes, Egypt, Israel, and Public Law 480 would have to be cut. Those are the only areas where we can make the savings.

There is one more area that we could possible make the savings, and that is in the Export-Import Bank. I know that the Senate has in general supported that effort. The Export-Import Bank, at a time when we have high unemployment in this country, is one more area that I do not think we are going to want to cut, but that is one place where we could get the large dollar amount that the Senator is talking about, if we wanted to go at the Eximbank and go at it in a very, very brutal way.

In the foreign aid appropriations bill we provided 1-year money, which means that all of the outlays from prior years have been obligated, and those obligations have been made in agreements with other countries. Passage of the Melcher amendment would require this administration to go back and break these agreements which we have already made, including many that were made by the prior administration. I do not think the Senate wants to do that, and I am sure that the foreign relations of the United States would be adversely affected if, in fact, we did.

The PRESIDING OFFICER. The 3 minutes yielded to the Senator have expired, and while he is arranging further time, I still must ask the Senate and staff to be quiet.

Mr. KASTEN. Mr. President, may I have 1 additional minute?

The PRESIDING OFFICER. Does the Senator yield 1 additional minute?

Mr. PERCY. One additional minute.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. KASTEN. Briefly, a list of some of the countries that would suffer if this amendment were passed follows:

Israel—we have already talked about the special relationship which Israel has with the United States;

Egypt—the most important of all the Arab countries as we are trying to continue the Camp David peace process. Egypt is leading the world for peace. I think it is very important that we not cut them;

Sudan—a supporter of Camp David, desperately in need of assistance. It probably would be wiped out if this amendment were passed;

Turkey—important to our NATO alliance. The Secretary has just been in Turkey;

Portugal—there are U.S. bases which we need there, the use of which is linked to foreign assistance and particularly security assistance;

Spain—same reasons as Portugal, and in addition we are trying to encourage them to come into NATO;

The Philippines—again we have two large military facilities there;

Greece—we are encouraging them to continue to help us with the base agreements.

Those countries would be directly affected, and I believe our security assistance, economic assistance, and foreign policy would suffer a serious setback.

I am willing to go through this function item by item with the authors of the amendment so the Senate will understand what is to be cut. I am convinced that if the details are examined, there is no question but that the Senate will reject this amendment by a substantial margin.

The PRESIDING OFFICER. Who yields time?

Several Senators addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. BAKER. I thank the Chair, but I do not seek recognition.

Mr. HOLLINGS. Mr. President, I yield 3 minutes to our distinguished colleague from West Virginia.

The PRESIDING OFFICER. The distinguished Senator from West Virginia is yielded 3 minutes.

Mr. RANDOLPH. Mr. President, not on the subject matter of the pending amendment or the legislation, important as it is, I rise again to express personal appreciation, and I hope the appreciation of Senators, for the earnest effort by the Presiding Officer, the able Senator from New Mexico Mr. (Schmitt). He has repeatedly called attention to the fact that the Senate has not been in order while the rollcall was in effect or Senators were addressing remarks to the issue we have before us.

This is not a pleasantry with me. I desire to have the Record reflect credit when there is in the chair a man, a manly man, as is the Senator from New Mexico. At least six times—I have checked it—within the last 15 minutes the Presiding Officer has asked for order in this Chamber. We say to him, "Keep it up." At some time in the future, hopefully, when there is a vote again on my request that Senators either sit or stand at their desk when voting, that the result will not be as it was, 51 against and 46 for.

Regardless of where Members sit in this body or their membership in party, let us bring back to this Chamber—not dignity; that is not implied—but the decisionmaking process with decorum and discipline—that will reflect credit on all who serve here and the institution of the Senate itself.

The PRESIDING OFFICER. The Chair appreciates the remarks of the distinguished Senator from West Virginia (Mr. Randolph).

Mr. PERCY. Mr. President, I also should like to pay tribute to my colleague from West Virginia, who has been vigilant in attempting to preserve the decorum of the Senate.

We have a great tendency to be disrespectful of one another in carrying on our business. I noticed five conversations being carried on simultaneously on the floor while the distinguished Senator was speaking, and two of them are going on right now. There should be someplace we can carry on all these conversations other than the floor of the Senate.

I agree with the distinguished Senator from West Virginia. We would get along with our business a great deal better if there were not so much confusion down here.

Mr. President, I yield at this time to the distinguished Senator from Maryland to speak for whatever time he desires, and I ask that due diligence and great attention be paid.

Mr. MATHIAS. Three minutes.

Mr. PERCY. I yield 3 minutes on the pending amendment, which is an important amendment, which would absolutely decimate the President's security and economic assistance for the world if it were adopted.

Mr. MATHIAS. I thank the Senator from Illinois.

Let me take one moment to endorse the views of my neighbor and friend from West Virginia, who has occupied the south bank of the Potomac for so many years with such distinction.

Mr. President, the pending amendment is a typical example of being penny-wise and pound-foolish.

If we are looking at defense expenditures, if we want to have what the late Senator Robert Taft of Ohio called a searching scrutiny of defense costs, then we should look with very great care at this amendment, because it will cost far more in defense expenditures than it saves in outlays in the current budget.

Granting that the security assistance to Israel and Egypt was excluded from the impacted budget, I think it is not too much to say that the adoption of this amendment would destroy the security assistance program. Look at where it would be destroyed: in the southern flank of Europe, critical areas, Turkey and Greece; in the Persian Gulf, which is an area of obvious vital security concern for the United States and our allies in Europe.

It would destroy the security assistance programs in the Middle East. It would have a devastating impact in Central America and in the Horn of Africa, which is a sort of fulcrum on which many strategic questions turn.

Mr. President, I cannot think of anything more devastating to our strategic program for helping to maintain stability and peace in the world than to undermine the security assistance program to this degree.

I hope that as the Senate contemplates what really would be done by this amendment, it is fully cognizant of the fact that this, in the long run, will cost the taxpayers of this country a great deal more money than the outlays contemplated in the budget request for security assistance. I think it is a destructive amendment, not only destructive of the programs but also countereffective in terms of protecting the economy of the United States.

So I urge the Senate to defeat the amendment.

Mr. PERCY. Mr. President, I urge my colleagues to support the tabling motion to be made by the distinguished majority leader. That tabling motion is supported by the Foreign Relations Committee, by the chairman of the Budget Committee, and I believe by most members of the Budget Committee. It certainly is supported strongly by the administration. There is no other amendment we could probably consider that would do greater damage to U.S. interests around the world than this amendment.

The distinghished Senator from Montana asked a very pertinent question: What would this amendment do to the Camp Davis Accords and the agreements reached with Israel and Egypt?

Of course, a great deal of attention has been placed upon the Camp David Accords, and a great deal of public information has been provided to educate the public as to the necessity of backing up and supporting Israel and Egypt because of the dramatic steps they have taken.

This amendment specifically protects those two countries. But is that to say that those are the only trouble spots in the world? What of our rapid deployment forces, which we have been building up to protect the oil supplies of the free world? Are we to decimate that program?

Just a few months ago, Prime Minister Seaga of Jamaica came to this country officially as the first guest of President Reagan because of the progress being made in that area. Prime Minister Seaga could not possibly explain to his colleagues in the Caribbean why, a few months after the President of the United States has taken an initiative to create peace and stability in the Caribbean and to give them hope for forming democratic forms of government, in an orderly process of peace in that area, we would suddenly pull the rug out from under them, because this would not provide the money for the Caribbean Basin inititative.

It was greeted with enthusiasm on the floor of the Senate. It has been greeted with enthusiasm by the business community of the United States of America. The largest association of commerce and industry in America, in Chicago, pledged the support of 12,000 members for the Caribbean Basin initiative. It is largely based upon encouraging investments, encouraging a free trade area, and some aid.

That $350 million is essential because Venezuela is matching it with $600 million of oil. Canada and Mexico have joined.

Are we to enter into partnerships with three great countries in our hemisphere to help other countries in this hemisphere create peace and stability, and then, 3 or 4 months later, move away precipitately and pull the rug from under the President and the foreign policy of our country? I say no.

Do we have assured peace and stability in the Far East? Are there other countries in the world we should consider, that we assist them to provide for their security and protection, backed up and reinforced by us? Or, as I said earlier today, are we willing to just say no, we are going to go it alone? We will just increase our own defense budget of $126 billion, and we will fight all the battles. How will we keep the world free? How will we keep the sea lanes open? How will we keep peace and stability? How can we accomplish these basic goals if through mutual programs, economic and military, to other countries which are willing to offer their manpower, their assistance, and their help, provided they get a reasonable amount of help, which they can get, in many cases, only from the United States.

So I say this amendment deserves to be tabled. I wish it would be withdrawn actually because I really cannot see how the distinguished Senator from Montana could face his own constituents. I recognize the widespread unemployment in this country, but we also have a question of security. Of the raw material supplied to our factories, as I have mentioned earlier, 80 percent of those raw materials come from other countries abroad. They have to cross the seas to get here.

The large part of the markets that we are building abroad are only built in areas of security and peace, not areas of insecurity and warfare. It is to prevent that and provide a secure world that we offer the kind of assistance and help that the pending amendment would wipe out.

For that reason I solidly support the tabling motion by the majority leader.

Mr. DURENBERGER. Mr. President, will the Senator yield?

Mr. PERCY. I am happy to yield.

Mr. DURENBERGER. Mr. President, I listened to the argument of the distinguished chairman of the Foreign Relations Committee. I have heard him cite problems of Central America. I have heard him cite problems in the Caribbean where we are going to fortify Jamaicans. I have heard him cite examples with regard to the Middle East where in an effort to reach an accord that we really have not accomplished yet we are proposing billions of dollars in arms sales. I have heard him cite a variety of so-called troubled spots around the world.

I am also familiar with the fact that in addition to a sustantial increase in the foreign aid budget during this administration we are also facing record increases in military defense.

My question of the Senator from Illinois is very simply this: With his insight into the foreign policy of this ministation that he alluded to, can he

tell me do we ever reach a point at which we negotiate our foreign policy with policy rather than with money?

Mr. PERCY. I think we have reached that stage. Obviously, there is not a free lunch. There is always a cost, but I think the cost to the Caribbean initiatives, which would be wiped out by this amendment, is a very good example of an extremely small cost matched by three other countries who make relatively small our investment. Their investment is larger than ours, and the business community is backing this up by increasing trade, increasing investment, creating employment.

Just what is the cost to this country of the condition that we face in Haiti? These are not political refugees. They are economic refugees.

Rev. Jesse Jackson has interviewed all of these people who are interned in our prisons, kept there at the expense of the U.S. Government. How do we stop thousands of people from fleeing from the utter poverty that they face in their nation? Reverend Jackson would say this is the best way to keep Haitians in Haiti, to give them a chance to have their own economic well-being in their country and not end up in detention camps here at considerable taxpayers' expense and considerable personal trauma to them.

The expense of the Caribbean initiative is really modest when it comes to the investment the American enterprise system has said they will make. Twelve thousand members of Chicago's Association of Commerce and Industry in a book this thick has put out an analysis as to what this will mean to the ultimate well-being of the United States of America and its taxpayers for this small investment, and this is not just a big costly program. This is a modest program more than matched by money from Canada, Mexico, and Venezuela.

Mr. DURENBERGER. With due deference to the chairman of the committee, I am a cosponsor of the Caribbean Basin initiative, but this country for 20-some years, ever since John F. Kennedy started this process, has been trying to buy foreign policy in the Caribbean, in Central America, and in South America, and we are worse off today than we were before.

My only point to the Senator from Illinois is where is the policy on this? I would address the same question particularly with regard to military assistance. I will not bring up my involvement on the Intelligence Committee in that regard. But I am getting very tired of seeing armed sales used as foreign policy around this world, and I know this is not the place to debate the specifics of foreign aid.

But I just have to say it bothers me a great deal to give this particular administration that much more money when we cannot find the policy behind the expenditure.

Mr. PERCY. The policy is very clear, I think, in a country such as El Salvador. Here we have a country in the Western Hemisphere, close to the Panama Canal, vital to our own security interests, facing infiltration by forces that are certainly in opposition around the world to the interests of the United States of America. And where is the fertile soil in which they grow their seeds of discontent? This is a country which we know of 5 million people run by 11 families. Literally all of that land is owned by a handful of people. What is the opportunity for those people? The American policy that has been developed by the President and Congress is that there should be six goals toward which any government that we support works, and we are working toward those goals, including a free election, which they have held, a democratically based government, which they now have, an Assembly and a President responsive to the people, less repression, land reform, economic reform, progress in human rights.

That is a policy the architects of which have been the Congress of the United States and the President of the United States.

We are working toward peace and stability in Central America with that policy, and the investment in money is very minuscule compared to the investment of 5 million people now in land reform and economic reform that hopefully will bring peace and stability to that area vital to our own security.

Mr. BAKER. Mr. President, will the Senator yield to me?

Mr. PERCY. I am happy to yield.

Mr. BAKER. Mr. President, I obviously do not want to cut anyone off. I also want to try to move along on this.

I had announced earlier that at some appropriate time I would move to table this amendment.

I conferred with a number of Senators on both sides of the aisle, and there is a strong desire to have an up-or-down vote on this measure. It seems to me that after conferring with the chairman of the Foreign Relations Committee and the chairman of the Budget Committee, and others, we may expedite this matter by doing so.

Therefore, I will not move to table, and as soon as Senators can bring themselves to end debate, I am prepared to have a vote up or down on this amendment.

Mr. HEINZ. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Who yields time?

Mr. PERCY. Mr. President, how much time does the Senator desire?

Mr. HEINZ. Two minutes.

Mr. PERCY. I am happy to yield 2 minutes to the Senator from Pennsylvania.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized for 2 minutes.

Mr. HEINZ. Mr. President, as I understand the effect of this amendment, it would reduce outlays principally in fiscal 1983 for a variety of international affairs of program areas. Those include the ones mentioned by the Senator from Illinois (Mr. PERCY), the chairman of the Foreign Relations Committee. He has pointed out what this would mean to our foreign economic, financial, and international security assistance programs.

I think he makes a number of very important and good points.

We have to have a foreign policy in this country, and it may very well be that this would severely jeopardize what we are trying to do with our country's foreign policy. In this country foreign policy has traditionally been bipartisan, and I must say I am sorry to see an effort here by someone on the other side of the aisle that in my judgment is not bipartisan at all.

The second thing I wish to say, Mr. President, is that I see no way that this amendment would not affect our trade policy. That is because included in function 150 is a very substantial amount of budget authority and outlays for the Eximbank.

Mr. President, we are being slaughtered by imports in this country from overseas. Thanks to the proliferation of nontariff barriers, our exporters are being slaughtered by being shut out.

A part of the trade problem that we face in some disarray, I am sorry to say, is the fact that the Europeans in particular, the French most specifically but not exclusively, are engaged in an export credit war worldwide that is costing us tens of thousands of jobs. They are subsidizing their exports through export financing facilities. And if we do anything, Mr. President, that weakens the Export-Import Bank, because I believe this amendment does, we send the worst possible signal to the Europeans who have been asked to consider an offer right now from our Government to improve the so-called international arrangement, to raise the floor on those interest rates that are now obviously artificially low, depressed and subsidized, and if we were to agree to this amendment in this body we would on the issue of trade be committing unilateral disarmament in the midst of a trade war.

Well, we do not advocate unilateral disarmament with the Soviet Union. Why should we advocate unilateral disarmament in trade vis-a-vis the French and the Europeans who subsidize it?

So, Mr. President, I ask my colleagues to resoundingly defeat this amendment and to vote instead for a strong international posture and a strong trade policy for this country, a trade policy that is second to none.

The PRESIDING OFFICER (Mr. DURENBERGER). Who yields time?

Mr. PERCY. I yield 5 minutes to the distinguished Senator from Ohio.

Mr. GLENN. I thank the distinguished floor manager, the Senator from Illinois.

Mr. President, let us go back just a little bit to last fall. Last fall we passed a foreign aid bill that was to encompass 2 years. The President signed it in December.

I think the President broke faith with us a little bit on this one because it was only here in January when he came in with a new bill for the fiscal year 1983 that obviously had to be put together at a time when we were marking up a bill that was supposed to last us for 2 years, fiscal 1982 and 1983.

Now that bill they have proposed is for an additional $1.6 billion. I think we should hold the line on what we have already approved. I hope we can. But that is not what is at issue here.

What is at issue here is that while the budget authority we have now is $9.2 billion, the Senator from Montana proposes a $2 billion reduction in our outlay figure, as I understand it, which is $7.3 billion, and cutting that off would mean we are making a 27-percent reduction in actual funding. I repeat that, a 27-percent reduction in actual funding.

That may be politically popular across the country. Nothing is more unpopular, in fact, than foreign aid. That is understandable at a time when we are being asked to approve cuts in benefits of $165 million for service-connected disabled veterans, $450 million reduction for low-income energy assistance, $2.2 billion in loans and grants for higher education, $247 million in child nutrition programs, $328 million in education, $37.8 million in programs providing meals for older Americans, $600 million in energy R. & D. and the list goes on and on in what we are being asked to cut.

So I am not for increasing foreign aid, let me make that very, very clear. But, at the same time, to say we will turn around, and no matter how politically popular, reduce actual dollars going into foreign aid by 27 percent at this point means that they probably will come out of such things as the Inter-American Development Bank, which are under negotiation right now, coming up every 4 years.

There are two windows there, one the capital window, as it is called, which is the long-term regular interest loans; the other is the Fund For Special Operations, FSO fund, which is the soft loan window, concessionary rates being given.

The administration already has called for a cutback in support for that and is arguing, in the negotiations going on now for the next 4-year replenishment, that we go the bilateral route, keep funds out of there. It is a natural place for them to cut, and yet at the same time those are the ones we have been able to negotiate with other countries and for every American dollar put into those funds we get about a $4 additional amount from other countries.

So to cut these funds now would mean we lose that leverage because that is the place the administration would probably cut. We would lose that kind of 4-to-1 leverage. It does not make sense to cut this by 27 percent right now when we are at a very critical time in those negotiations.

I repeat, I am not for expanding foreign aid, but I certainly am not in favor of cutting it back some 27 or 28 percent of the actual outlay figure with the $2 billion reduction the Senator from Montana would propose. I think this would be a mistake. I think it would send all the wrong signals to people we have worked with and to those who are depending on some of these Bank funds and on the programs we have had running in the past, and it means that some of these programs would be absolutely decimated, they would just be wiped out. Once again the U.S. Government would be seen as a nonreliable partner in any of these efforts because we cut out 27 percent of the funding available for this coming year.

I know the politically popular thing back home is probably to vote for this. But I would hope people would think of what the responsible vote is for our international relations, for the United States of America in the future, and defeat this amendment. I thank the Chair.

Mr. MELCHER. Mr. President, will the Senator yield to me to clarify a point?

Mr. GLENN. Certainly. I yielded the floor, but go ahead on your time.

The PRESIDING OFFICER. Who yields time?

Mr. GLENN. I yielded the floor.

The PRESIDING OFFICER. The Senator from Montana is recognized.

Mr. MELCHER. Will the Senator from Ohio yield to me for a question?

Mr. GLENN. Certainly.

Mr. MELCHER. When the Senator speaks of a cut of 27 percent in this function where the reduction is from roughly $12 billion down to $10 billion, is the Senator assuming that the reduction in the function is going to come out of one group of categories or do you——

Mr. GLENN. I respond to the distinguished Senator by saying it was my understanding from the earlier part of the debate to which I was listening that this comes out of our budget outlay figure, which is $7.3 billion, and a $2 billion cut on that would be about a 27-percent reduction.

Mr. PERCY addressed the Chair.

Mr. MELCHER. May I respond. Do I still have the floor, Mr. President?

The PRESIDING OFFICER. The Senator from Montana.

Mr. MELCHER. May I respond to my friend from Ohio that we are working with the budget resolution, we are working with function 150. We are taking the reduction out of the entire function and with the direction that Israel and Egypt be accordingly protected. We are dealing with page 6, line 18 of the budget resolution with $12.1 billion and reducing that to $10 billion, which, I believe, is somewhat less than a 20-percent reduction.

Mr. President, I ask unanimous consent that Senator HARRY F. BYRD, JR. be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MELCHER. Mr. President, just to repeat, we started in 1979 with an appropriation of $6.1 billion for this budget function; $10 billion in 1981; $11 billion in 1982; and now we are being asked to increase that for 1982 with an additional $400 million. So the amendment for this function, I repeat, cuts $400 million out of this fiscal year.

It does not in the coming years of fiscal 1983, 1984, and 1985 do damage to the Export-Import Bank, the World Bank or any of the rest of the programs. It just says there is a little belt tightening, that we are going to have $10 billion to cover this entire function, and I do not think that is too much belt tightening. I think all of us really want to have our own national defense and be able to finance it. We are going to have to have a decent economy in this country to do so, and I think this small amount of belt tightening is entirely in order and does not devastate or dramatically change our program.

I am ready to yield back the remainder of my time if the other side is.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. PERCY. Mr. President, in just a moment I can sum up what the Melcher amendment would do. It would require a $400 million cut in 1982 outlays. It would eliminate the President's Caribbean Basin initiative. It would cut 1983 outlays by $2.1 billion below the Budget Committee level, and the Budget Committee level is already $1.3 billion below the President's request. It would force elimination of almost all security assistance to countries in the Caribbean, the Middle East, except to Israel and Egypt, and the rest of the world.

This would completely undercut the President's foreign policy and jeopardize our own national security. The Commander in Chief, the President of the United States, the Secretary of State, and the Secretary of Defense would certify to that fact.

Does any Senator want to have that on his record? I, therefore, urge defeat of the Melcher amendment.

The PRESIDING OFFICER. Who yields time?

Mr. MELCHER. I yield back our time, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. PERCY. I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Montana (Mr. MELCHER). The yeas and nays have been ordered, and the clerk will call the roll.

The bill clerk called the roll.

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 27, nays 73, as follows:

[Rollcall Vote No. 128 Leg.]

YEAS—27

Abdnor
Baucus
Bentsen
Boren
Burdick
Byrd,
  Harry F., Jr.
Cannon
DeConcini
Exon
Ford
Goldwater
Grassley
Hatfield
Heflin
Helms
Humphrey
Long
Melcher
Nickles
Pressler
Proxmire
Randolph
Roth
Stennis
Stevens
Symms
Zorinsky

NAYS—73

Andrews
Armstrong
Baker
Biden
Boschwitz
Bradley
Brady
Bumpers
Byrd, Robert C.
Chafee
Chiles
Cochran
Cohen
Cranston
D'Amato
Danforth
Denton
Dixon
Dodd
Dole
Domenici
Durenberger
Eagleton
East
Garn
Glenn
Gorton
Hart
Hatch
Hawkins
Hayakawa
Heinz
Hollings
Huddleston
Inouye
Jackson
Jepsen
Johnston
Kassebaum
Kasten
Kennedy
Laxalt
Leahy
Levin
Lugar
Mathias
Matsunaga
Mattingly
McClure
Metzenbaum
Mitchell
Moynihan
Murkowski
Nunn
Packwood
Pell
Percy
Pryor
Quayle
Riegle
Rudman
Sarbanes
Sasser
Schmitt
Simpson
Specter
Stafford
Thurmond
Tower
Tsongas
Wallop
Warner
Weicker

So Mr. MELCHER's amendment (UP No. 970) was rejected.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. DOMENICI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I understand that the distinguished Senator from Colorado (Mr. HART) will offer the next amendment. May I inquire of the Senator from Colorado and the chairman of the committee if we can get a time agreement of 40 minutes, to be equally divided?

I understand the Senator from Colorado is agreeable to that. Is the manager of the bill?

Mr. DOMENICI. Mr. President, the manager is agreeable.

Mr. BAKER. Mr. President, I believe that has been cleared through our regular process. I ask unanimous consent that on the next amendment, the Hart amendment, there be a time limitation of 40 minutes to be equally divided and controlled in the usual form; and that, following that debate, a vote will occur on the Hart amendment.

Mr. HARRY F. BYRD, JR. Reserving the right to object, that will not preclude the Senator from Virginia and the Senator from New Mexico having a colloquy at this point, will it?

Mr. BAKER. No, it will not, Mr. President.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. HARRY F. BYRD, JR. Mr. President, will the distinguished chairman of the Committee on the Budget permit me to ask several questions for clarification?

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. I shall be glad to yield time to the Senator from Virginia on the bill.

Mr. HARRY F. BYRD, JR. Mr. President, may I inquire of the Senator from New Mexico, as I understand the pending resolution, the national debt——

Mr. DOMENICI. Mr. President, I cannot hear the distinguished Senator. May we have order in the Senate?

The PRESIDING OFFICER. The Senator is correct. The Senate will be in order so the Senator from Virginia may make his request.

Mr. HARRY F. BYRD, JR. I thank the Chair.

Mr. President, I inquire of the Senator from New Mexico, as I understand the budget resolution, the public debt at the end of fiscal year 1983 is projected to be $1.292 trillion. Is that figure correct?

Mr. DOMENICI. The Senator is correct.

Mr. HARRY F. BYRD, JR. As I understand also, as of today, the national debt is $1.065 trillion. I might say as of April 30, it was $1.065 trillion, which is, in essence, what it is today.

Mr. DOMENICI. The Senator is correct.

Mr. HARRY F. BYRD, JR. If my arithmetic is correct, then, under this budget resolution, the national debt will increase by $227 billion during the next 1 year and 5 months.

Mr. DOMENICI. The Senator is correct.

Mr. HARRY F. BYRD, JR. Another way of putting it is the national debt will increase by 21 percent during the period of the next 17 months.

Mr. DOMENICI. The Senator is correct.

Mr. HARRY F. BYRD, JR. Mr. President, if we go to fiscal year 1985 under the budget resolution, the national debt will be $1.533 trillion.

Mr. DOMENICI. That is correct also, Mr. President.

Mr. HARRY F. BYRD, JR. With the national debt today being $1.065 trillion, that means, does it not, that the national debt under the budget resolution now before the Senate will increase by $468 billion?

Mr. DOMENICI. The Senator is correct.

Mr. HARRY F. BYRD, JR. So another way of putting it is that during the next 3 years and 5 months, the Nation's public debt will increase by 44 percent.

Mr. DOMENICI. The Senator is correct again.

Mr. HARRY F. BYRD, JR. May I ask, in another field, the spending increase—outlays—for 1981 over 1980 was a 14-percent increase during that fiscal year, 1981 over 1980.

Mr. DOMENICI. Mr. President, I do not have that memorized, but we shall check it. I assume it is right out of the budget book.

Mr. HARRY F. BYRD, JR. I think that is correct. If it is not, the Senator can let me know.

Mr. President, the point I am getting to is——

Mr. DOMENICI. Mr. President, it is 13.9.

Mr. HARRY F. BYRD, JR. Which rounds off to 14 percent, 13.9.

Mr. DOMENICI. The Senator is correct.

Mr. HARRY F. BYRD, JR. We come to the current fiscal year, 1982. I am trying to establish the increase in spending in 1982 over 1981 on a percentage basis. My figuring is that the increase in 1982, taking into consideration the figures in the current budget resolution, will be 13 percent, a 13-percent increase in spending this year over last year.

Mr. DOMENICI. Mr. President, if we round it as we did before, the Senator is correct.

Mr. HARRY F. BYRD, JR. So, Mr. President, contrary to the television commentators and the public perception, not only has there not been a reduction in spending; indeed, there has been only a minute reduction in the rate of increase in spending—namely, from 14 percent to 13 percent. Would the Senator agree that that is correct?

Mr. DOMENICI. The Senator is correct.

Mr. HARRY F. BYRD, JR. I thank the Senator.

Mr. CHAFEE addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. Mr. President, I should like to say to my good friend, the senior Senator from Virginia, what I would like to do and I shall put it in the Record.

I should like to take 1983, 1984, and 1985, and tell him that if we did not adopt this budget, I would like to tell the Senate how much larger the deficits would be than those which the Senator has so aptly projected here. As the Senator from Virginia knows, the Senator from New Mexico thinks that is a big deficit. His perception is correct; the budget is not coming down, with an increase of 1983 over 1982 or 1982 over 1981. But I think it is imperative that we all know what those deficits will be if we do nothing, if we leave everything alone. That would be a very revealing bit of information.

I am sure the Senator would be very interested in it and I shall put that in the Record at this point.

Mr. President, I ask unanimous consent to have printed in the Record the table to which I have referred.

There being no objection, the table was ordered to be printed in the Record, as follows:

BUDGET DEFICITS

	Actual	Baseline estimate	S. Con. Res. 92	Difference
Fiscal year:				
1980	−59.6			
1981	−57.9			
1982		−119.3	−117.7	1.6
1983		−182.0	−115.4	66.6
1984		−216.0	−91.3	124.7
1985		−232.5	−64.4	168.1

PERCENT CHANGE IN OUTLAYS FISCAL YEAR 1980–85

	Percent change over previous year		
	Actual	Baseline estimate	S. Con. Res. 92
Fiscal year:			
1980	17.5		
1981	14.0		
1982		12.9	12.7
1983		11.4	5.8
1984		11.0	6.2
1985		10.3	6.9

Mr. HARRY F. BYRD, JR. That will be fine. I think it has been ironic that the President is being condemned and Congress, to a degree, is being condemned for the public perception that there has been a reduction in spending when, of course, as all of us know, there has been no reduction in spending. I do believe that most Members of Congress have been under the impression that there has been a substantial reduction in the rate of increase in spending. However, that is not the situation, as has just been established by the able chairman of the Committee on the Budget.

Despite the tremendous effort made last year by the President and by members of the Budget Committee and of the Senate, the rate of increase in spending for the current year is 13 percent, and that is a minuscule reduction from the 14 percent rate of increase the year before.

The Senator from Virginia, I must say, is deeply alarmed at this continued high rate of increase in spending and deeply alarmed at the magnitude of the deficits. I do not see how we can get interest rates down when the Government will go into the money markets for such huge sums to finance deficits which will aggregate $468 billion during the period of 3 years and 5 months.

May I ask the Senator one additional question. In regard to the increase in the national debt going to $1.292 trillion by the end of fiscal 1983; namely, 1 year and 5 months hence, the deficits as listed in the budget resolution do not add up to that figure of $227 billion by which the debt will be increased. Of course, that 227 figure includes the offbudget deficits, does it not?

Mr. DOMENICI. Yes, the Senator is correct.

Mr. HARRY F. BYRD, JR. It includes both the budget deficits and the offbudget deficits?

Mr. DOMENICI. That is correct.

Mr. HARRY F. BYRD, JR. Will the Senator indicate what the offbudget deficits are estimated to be for fiscal 1982, fiscal 1983?

Mr. DOMENICI. Mr. President, I again have to have the staff look that up for me. I will be glad to do that. If the Senator wants, we will put it in the Record as part of my closing colloquy. As soon as they figure that out for us, we will do that, if it is all right with the Senator.

Mr. HARRY F. BYRD, JR. Good, if the Senator could put it in at this point.

Mr. DOMENICI. Yes, indeed, we will.

Mr. HARRY F. BYRD, JR. I thank the Senator.

Mr. DOMENICI. I say to my friend, the Senator has in a very succinct way pointed out to the Senate, to the American people, that the notion rampant across the land that the budget is being dramatically reduced, programs are being greatly cut, is just not true. I would add, however, that the part of the budget that we have not adequately addressed is the part that is called uncontrollable. Some do not like us to call them entitlements or uncontrollable entitlements because our people look and say, "You control everything so why do you not control them?" But the point I would like to make is that, for whatever, reason, programs like medicare, when somebody qualifies, you pay the bill we call an entitlement because either the person or the situation has created an entitlement. When you find a program growing at 19 percent a year with inflation down at 4 or 5, and when you have many of those programs indexed—with a consumer price index that we know is not measuring inflation accurately you have billions of dollars in those types of programs. Spending of this type adds up quickly.

I think in fairness we have to add that, during the episode that the Senator is referring to, we are increasing defense dramatically, and that is in the budget. It is not immune from the statement that the budget is growing. It is in the budget and it is a major source of the growth in that budget.

I hope that the Senator would eventually join with the Senator from New Mexico and others and resist efforts to take items like social security and medicare disability funds offbudget. I think we can find ways to account for them so people know precisely where they are. But we will encounter this debate with those who want to take that offbudget. If we took these trust funds and said, "Well, they will not be on the budget anymore," then we would fundamentally change the definition of onbudget and offbudget as we know it today.

We would be saying, "Well, these issues are not within our jurisdiction. You better call somebody else over here and talk with them, because they do not belong to us."

I do not know if the Senator has given this issue any thought, but I just use this occasion to say we had better keep these trust funds onbudget so that we can exercise proper legislative responsibility to see that these funds are managed prudently and that the benefits that are provided under these trust funds are paid.

Mr. HARRY F. BYRD, JR. There is only one valid argument that I can see for segregating the social security trust fund from the budget itself, and that argument is this: None of those funds are from general revenue, general taxation. They are from the employer and the employee. None comes from the Government as such. When Lyndon Johnson decided to incorporate the trust funds and have a unified budget, I opposed that. The reason he did that was to make the deficits appear to be less in operating the Government than they really were; the trust funds were running a surplus.

I think today I would agree with the Senator from New Mexico. This is not the right time to take the social security trust funds outside of the budget.

Mr. DOMENICI. Because they are running a deficit, or at least those trust funds are not running a big surplus.

Mr. HARRY F. BYRD, JR. That was not my reasoning, however. My reasoning is that if we do that, it is going to appear and the real purpose will be to camouflage and distort the budget as we have operated under it for the past 12 or 14 years. So I think, even if the argument is in favor, this is not the time to do it. I would be inclined to support the position of the distinguished Senator from New Mexico in that regard. As a matter of fact, I think there are too many offbudget items now.

Has the Senator had a chance to get those offbudget figures?

Mr. DOMENICI. Yes, Senator. For the year 1981, the offbudget contribution to the deficit is $19.8 billion; for the 1982, the offbudget contribution is $21.4 billion; for 1983, the offbudget contribution is $20.7 billion; in 1984 it is $20.2 billion; of course, the estimate for fiscal year 1982 through fiscal year 1985 projections.

Mr. HARRY F. BYRD, JR. If we take the fiscal year 1983 increase in the public debt, the deficit for that year is—I think your new figure is $116 billion; is it not?

Mr. DOMENICI. $115.4 billion.

Mr. HARRY F. BYRD, JR. In round figures $115 billion. That leaves $112 billion.

May I ask where is that other $112 billion? $21 billion is in offbudget items. That still leaves about $90 billion.

Mr. DOMENICI. The total increase in the public debt for fiscal year 1983 is $147.9 billion under the resolution as it now stands. This is composed of $115.4 billion for unified budget deficit, $21.4 billion for offbudget financing and $11.1 for trust fund surplus balances. In addition, I should like to give the Senator the number, showing the percent growth that was occurring in the Federal budget, if the economic assumptions and if all the reductions are carried out by Congress.

Mr. HARRY F. BYRD, JR. A very dubious assumption.

Mr. DOMENICI. The latter is a dubious assumption. The growth rate would be 5.8 percent, 1983 over 1982; 6.2 percent, 1984 over 1983; and 6.9 percent, 1985 over 1984. That is a significant drop.

Mr. HARRY F. BYRD, JR. Is it not correct, however—since the Senator has brought up the matter—that this time last year, the first budget resolution projected an increase in spending of 6 percent and we now learn it is 13 percent?

Mr. DOMENICI. The Senator is correct.

Mr. HARRY F. BYRD, JR. I also point out what I call the factor 44. If we go back 3 years, we will find that in each of those 3 fiscal years, the first budget resolution underestimated spending by $44 billion. That occurred 3 years in a row, including this current fiscal year. So if that factor of 44 continues on, we can see that not very substantial progress will be made.

I am not critical of the Senator from New Mexico, because it is very difficult to estimate these expenditures. I realize that. I know how conscientious and dedicated he is and how hard the chairman of the committee has worked to hold down these huge deficits. Nevertheless, the fact is that there has been virtually no reduction in the rate of increase in spending to date.

Mr. DOMENICI. Mr. President, I ask unanimous consent to have printed in the Record the information with respect to the total makeup of the deficits, about which the Senator from Virginia inquired.

There being no objection, the material was ordered to be printed in the Record, as follows:

COMPOSITION OF PUBLIC DEBT

[Dollars in billions]

	Level	Change
Debt fiscal year 1981	1,079.8	
Unified deficit	117.7	
Offbudget	19.8	
Trust fund	7.9	64.4
Debt fiscal year 1982	1,144.2	
Unified	115.4	
Offbudget	21.4	
Trust fund	11.1	147.8
Debt fiscal year 1983	1,292.1	
Unified	91.3	
Offbudget	20.7	
Trust fund	15.9	127.8
Debt fiscal year 1984	1,420.0	
Unified	64.2	
Offbudget	20.2	
Trust fund	28.6	
Debt fiscal year 1985	1,533.2	113.2

Mr. CHAFEE. Mr. President, will the distinguished manager of the resolution yield me 2 minutes on the committee's time, for a colloquy?

Mr. DOMENICI. I am pleased to yield 2 minutes.

The PRESIDING OFFICER. The Chair recognizes the Senator from Rhode Island.

Mr. CHAFEE. Am I correct in assuming that $434 million of the $1.5 billion in deferrals has been added back into the budget resolution specifically to fund Department of Energy activities?

Mr. DOMENICI. Yes; that is correct.

Mr. CHAFEE. Mr. President, I have discussed this matter with the distinguished chairman of the Budget Committee and understand that the budget resolution is not an appropriate vehicle to earmark these funds—$434 million—for specific programs within the Department of Energy. That is a prerogative of the Appropriations Committee which will be deciding these matters over the course of the summer.

However, I should like to point out for the benefit of my colleagues that the $434 million which is now contained within the resolution is, in fact, being used in fiscal year 1982 to fund specific fossil energy and energy conservation programs. It is my strong personal desire for the Congress to continue to use these funds to support continuation of these important programs.

I submit for the Record a table illustrating how this $434 million is presently divided among specific DOE programs. I also introduce a more detailed table illustrating the impact of such funds on energy conservation activities within DOE.

Clearly, 63 percent of the conservation budget, $241 million, is comprised of deferred moneys.

If activities such as the low-income weatherization program and the schools and hospitals conservation program are to continue in fiscal year 1983, it is imperative that budget levels include deferred moneys. In my mind, these programs are critical to maintain a balanced energy policy and, at the same time, they are important to maximize money spent for the low-income fuel assistance program.

In my home State of Rhode Island, for example, weatherization efforts have enabled us to save 18 cents out of every $1 of low-income fuel assistance funds, and I am very pleased to see that we have provided in the fiscal year 1983 budget resolution for the continued existence of the weatherization program.

Mr. President, I ask unanimous consent to have printed in the Record the material to which I have referred.

There being no objection, the material was ordered to be printed in the Record, as follows:

DOE PROGRAMS FUNDED IN WHOLE OR IN PART FROM DEFERRAL/TRANSFER FUNDS IN FISCAL YEAR 1982

[Millions of dollars]

	1983	1984	1985
Fossil energy R. & D:			
BA	9	9	9
O	3	8	9
Fosil energy construction:			
BA	9	2	2
O	5	6	2
Energy supply R. & D. operating:			
BA	115	115	115
O	75	105	115
Energy supply R. & D. plant capital:			
BA	22	22	22
O	7	17	22
Energy conservation:			
BA	241	241	241
O	63	184	241
Economic regulation:			
BA	38	38	38
O	26	33	33
Total:			
BA	434	427	427
O	179	353	422

BREAKDOWN OF ENERGY CONSERVATION FUNDING FISCAL YEAR 1982

[Millions of dollars]

	Fiscal year—		
	1982[1]	1981[3]	1983[3]
Conservation grants:			
Weatherization	32,893	111,107	144.0
State planning	15,000	9,000	24.0
Energy Extension Service		9,600	9.6

BREAKDOWN OF ENERGY CONSERVATION FUNDING FISCAL YEAR 1982—Continued

[Millions of dollars]

	Fiscal year—		
	1982 [1]	1981 [2]	1983 [3]
Schools and hospitals		48,000	48.0
Appropriation technology	2,880		2.88
Energy inventions	4,784	400	5.184
Program direction	6,310		6.31
Subtotal	61,867	178,107	239,974
Conservation R. & D.:			
Buildings	33,745	13,920	47.665
Industrial	8,948	19,900	28.848
Transportation	37,944	21,000	58.944
Energy conservation utility technology	384	7,843	8.227
Program direction	182		.182
Subtotal	81,203	62,663	143.87
Conservation funding:			
Grants	61,867	178,107	239.974
R. & D.	81,203	62,663	143.870
Total	143,070	240,770	383.844

[1] New appropriations.
[2] Deferrals to fiscal year 1982.
[3] Total new obligational authority.

Mr. HART. Mr. President, will the Senator yield?

Mr. CHAFEE. I yield.

Mr. HART. Mr. President, I had been prepared to offer an amendment to achieve the objectives the Senator from Rhode Island and I both wanted, and that is to continue energy conservation and alternative energy programs at the level of the 1982 budget. Since the Budget Committee has agreed to adopt this policy, I join my colleague from Rhode Island in congratulating the committee and urging the Energy Department to go forward with these funds to achieve these objectives.

Mr. President, I am pleased to join my colleagues in pointing out the significance of restoring funds for energy programs. The modified budget resolution, unlike the original committee resolution, allows continuation of all energy programs at the actual fiscal year 1982 level.

As my colleagues know, if the modified budget resolution had not included this change, I was going too offer, with Senators Tsongas, Cranston, and Bradley, an amendment to make this change.

The increased funding is $434 million in budget authority and $179 million in outlays. Without this increase, it would not have been possible to continue even the current very modest amount of funding for conservation and research into alternative energy supplies. These activities, while the most cost-effective in reducing our dependence on costly and insecure foreign oil, are not supported by the administration and would likely be the first programs cut if there were to be any reductions in the current level of appropriations on all energy programs.

Mr. President, while the modified budget resolution does restore the minimal commitment to energy programs, especially energy conservation programs, which was the purpose of the amendment I prepared, we should not delude ourselves that this modest change itself will bring about an adequate balance in our Federal energy efforts. The increase in budget authority will prevent energy conservation programs from being curtailed, but it will not guarantee what I hope the Appropriations Committee will achieve: shifting the Federal government's energy priorities, away from the relative costly and inefficient nuclear programs favored by the administration and toward a more even balance of programs more likely to end our dangerous addiction to imported oil.

Mr. CHAFEE. Mr. President, I thank the distinguished chairman of the committee.

Mr. DOMENICI. Mr. President, I say to the Senator from Rhode Island that it is a privilege to work with him on a matter such as this. He knows, and he properly indicated, that we add a lump sum to that energy function. We do not earmark, as we indicated. The Senator from Rhode Island has clearly and succinctly stated that if the appropriators choose to, they can accomplish these kinds of programmatic add-ons within the number we submitted in our amended budget, which the Senator helped us prepare.

Mr. CHAFEE. I thank the Senator very much for his comments and assistance.

Mr. DOMENICI. Mr. President, I yield to the distinguished Senator from Vermont.

Mr. STAFFORD. Mr. President, I thank my friend and colleague, the distinguished chairman of the Budget Committee, for yielding.

Mr. President, I want to indicate my strong support for the provisions contained in the modified budget resolution offered by Senators Domenici and Baker with regard to the guaranteed student loan program. I had serious objections to the amount of GSL savings which the original resolution reported by the Budget Committee required the Senate to achieve, and I am pleased that a compromise has been worked out. This compromise incorporates, I am assured by the chairman of the Budget Committee, the amendment I would have offered to the original resolution to restore GSL funding to allow for current law operation of the program.

The new version of Senate Concurrent Resolution 92 provides for increases above the original resolution levels for GSL, adding $289 million in budget authority and $144 million in outlays in fiscal year 1983; $819 million in budget authority and $684 million in outlays in fiscal year 1984; and $1.29 billion in budget authority and $1.173 billion in outlays in fiscal year 1985, and will insure that the Labor and Human Resources Committee will not be required to report changes in the GSL program.

Are those figures correct?

Mr. DOMENICI. Yes; my staff has reviewed them and has informed me that they are correct, and I am prepared to so indicate.

Mr. STAFFORD. I thank the Senator.

Mr. President, this compromise will enable the guaranteed student loan program to operate without further changes for the 1983 fiscal year, and will enable millions of students to plan the financing of their higher education without fear of being denied access to a loan or incurring unreasonable levels of debt. I recognize the concerns of the chairman of the Budget Committee with the cost of the GSL program, but I assure him that the provisions of the Omnibus Budget Reconciliation Act of last year have successfully curtailed the cost of the program without jeopardizing its very existence. We will continue to see the impact of these savings in future years.

I want to especially thank the 21 of my colleagues who agreed to join in cosponsorship of my amendment—Senators D'Amato, Danforth, Heinz, Weicker, Roth, Jepsen, Pressler, Pell, Burdick, Moynihan, Randolph, Levin, Riegle, Bradley, Melcher, Tsongas, Huddleston, Matsunaga, Cranston, Cannon, and Ford. Their strong interest in maintaining a strong and viable guaranteed student loan program reaffirms the bipartisan support which has characterized the Federal student aid programs since their inception.

There is no way we as a nation can remain competitive with other countries if we neglect the education of our young people. The cost of higher education is so great today that many prospective students are unwilling to risk incurring debt to attend college, particularly given the uncertain job market which they face upon graduation. The Federal Government should not be compounding the odds against students and their families by changing the GSL program to increase their financial burden, and I applaud the wisdom of my colleagues in adopting the provisions of my amendment.

Mr. DOMENICI. Mr. President, I understand that Senator Hart is prepared to proceed with his amendment, and I designate the junior Senator from Colorado (Mr. Armstrong) to manage the resolution for our side.

The PRESIDING OFFICER. The Chair recognizes the Senator from Colorado.

UP AMENDMENT NO. 971

(Purpose: To add additional funds for compensatory education)

Mr. HART. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Colorado (Mr. Hart), for himself and Mr. Hollings, Mr. Randolph, Mr. Bradley, Mr. Levin, Mr. Riegle, Mr. Stafford, Mr. Durenberger, and Mr. Biden, proposes an unprinted amendment numbered 971.

Mr. HART. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, beginning with line 15, strike out through line 1 on page 3 and insert the following:

(2) The appropriate levels of total new budget authority are as follows:

Fiscal year 1982: $777,600,000,000.

Fiscal year 1983: $835,303,700,000 plus $300,000,000.

Fiscal year 1984: $897,006,200,000 plus $600,000,000.

Fiscal year 1985: $972,808,700,000 plus $900,000,000.

(3) The appropriate levels of total budget outlays are as follows:

Fiscal year 1982: $740,700,000,000.

Fiscal year 1983: $783,603,700,000.

Fiscal year 1984: $832,306,200,000 plus $300,000,000.

Fiscal year 1985: $889,408,700,000 plus $600,000,000.

On page 3, strike out lines 6 through 8 and insert the following:

Fiscal year 1983: $115,403,700,000 plus $16,000,000.

Fiscal year 1984: $91,306,200,000 plus $300,000,000.

Fiscal year 1985: $64,408,700,000 plus $600,000,000.

On page 14, strike out lines 10 through 12 and insert the following:

Fiscal year 1983:

(A) New budget authority, $26,500,000,000 plus $303,000,000.

(B) Outlays, $27,000,000,000.

On page 14, strike out lines 19 through 24 and insert the following:

Fiscal year 1984:

(A) New budget authority, $26,700,000,000 plus $600,000,000.

(B) Outlays, $26,900,000,000 plus $300,000,000.

Fiscal year 1985:

(A) New budget authority, $26,400,000,000 plus $900,000,000.

(B) Outlays, $26,500,000,000 plus $500,000,000.

Mr. HART. Mr. President, this amendment is designed to achieve two fundamental objectives—that is, to restore certain minimal funds to continue title I compensatory education programs, and to achieve the same objective with regard to education for the handicapped. This amendment encompasses both those objectives. It represents, for all practical purposes, two parts of the four- or five-part amendment offered by the Senator from New Jersey (Mr. Bradley) last night, an amendment which was rejected very narrowly.

Mr. President, by way of review, let me just state, first of all, what the title I program achieves. Title I provides compensatory education for disadvantaged children. It is a clear-cut example of a Federal program that works in meeting a very demonstrated and clear-cut need.

Title I provides special help in reading and mathematics to low-achieving elementary students in low-income school districts.

The resolution presently on the floor freezes title I funding at the fiscal year 1982 continuing resolution level. The result of this would be a 20-percent loss in purchasing power over and above the $400 million cut in title I funding enacted last year.

The purpose of the amendment which I have just submitted on behalf of myself and cosponsors on both sides of the aisle restores modest funding to title I, in my judgment much less than required to meet the need for compensatory education in this country. In fiscal year 1983 this amendment would increase budget authority by $200 million, to $3.1 billion. It would increase outlays by $16 million for title I. That level is substantially lower than the $3.4 billion authorized through reconciliation last year. As I have indicated in budget outlays for fiscal year 1983 it is a mere $16 million increase.

This amendment is intended as a compromise which can be agreed to by the Senate under the very harsh budget realities that we face.

Briefly, let me summarize the record under title I.

Since 1965 title I has provided funds to 87 percent of the Nation's school districts to provide special help to students whose test scores show they are not working at or near the level of other children their age.

Presently, only 45 percent of the 11 million children who need this help are actually receiving it, due to insufficient funding. In other words, this assistance is less than half the level needed to solve a serious education problem in this country which purports to be an education leader of the world. Even with this low funding level, 87 percent of the school districts in the country receive some help.

For those who do participate in the program, title I provides necessary skills during the child's most formative years in school. It gives these children an honest chance to lead productive lives and nip in the bud the cycle of dependency before it begins.

Experts have almost uniformly agreed that this program has worked and worked very well for the last 17 years. One study cited by the Department of Education reports that title I students show achievement gains as high as 75 percent. Title I students continue to do better than students who do not receive compensatory education uniformly across the board.

Even this administration has attested to the effectiveness of title I. Education Secretary Bell told Congress last year, "Title I programs are successful," and that is a quote from his testimony.

Under other economic conditions, title I's funding should substantially be increased, but within this budget we should at a minimum be spared from further reductions. This amendment accomplishes this goal by providing moderate increases so that current levels of service can be maintained.

The second part of the amendment which I have offered, Mr. President, is directed toward minimal assistance for education for the handicapped. The Budget Committee freezes this program for the next 3 years at fiscal 1982 levels. About 4 million students are served by this program. This represents about $200 of Federal funds for each handicapped student, less than 10 percent of the cost of educating a handicapped student overall.

The Federal law, Mr. President, mandates that schools must provide an appropriate education for the handicapped. Therefore, Federal cutbacks will not reduce the number of students served. They will just force schools to increase spending to make up for Federal cutbacks out of State and local funds. We know these school systems are already financially strapped and, therefore, what happens when the 10 percent of Federal assistance is further reduced is that the handicapped children in our society receive even less adequate education.

Mr. President, in conclusion in arguing for this amendment, let me point out that in the past we have all viewed education as a necessity and not a luxury. But today as America is tested and challenged as never before, education is more than a necessity. It is a vehicle for national survival. We cannot compete in the world of the eighties and nineties without an adequate education base for all students in our society, not just for the most advantaged. We have to recognize that to have an expanding economy, to have economic growth, and finally, to have national security, not just economic security, but national security, we have to have a better trained and better educated citizenry.

Those of us who served on the Armed Services Committee, and the Senator from South Carolina has followed defense issues for many years, know that one of the problems we are facing in the security of this country is that we are sending people into our Armed Forces under the All-Volunteer Force who are not adequately educated to operate the sophisticated weapons systems of today and tomorrow. If we are serious about national security, and we say that we are going to spend $1.6 trillion on defense in the next 5 years, what difference does it make to buy the most sophisticated weapons that the laboratories can turn out but send people out to man, operate, and maintain those weapons systems who cannot even do it?

So what we are doing is rewriting the defense manuals for operation of weapon systems at lower and lower education levels to accommodate the lower training levels, skill levels, and education levels of people who we are bringing into our Armed Forces. That is not sound national security.

And it is also not sound education and economic investment. We cannot compete with the Japanese and the Germans and others, our principal economic competitors who are turning out a better educated and better skilled work force to compete in the world marketplace, while we continually cut and slash at the education base and the education skill levels of the average Americans who we hope will comprise the work force of the future.

So, Mr. President, I am arguing for this amendment, not only on economic grounds and grounds of economic security; I am arguing on grounds of national security and adequate national defense but most of all, Mr. President, I am arguing on moral grounds. We are not the society we purport to be or we hope to be or that we say we ought to be when we disadvantage those at the bottom of the economic ladder, take away their chance to compete and to have adequate economic opportunities in our society, or to take away the funding for handicapped children in this society.

So, I hope my colleagues on both sides of the aisle will see the wisdom in a modest restoration of the funds that are needed for all these purposes for the disadvantaged, for the handicapped, and for those who need compensatory education.

Mr. President, I yield to the Senator from Vermont.

Mr. STAFFORD. Mr. President, I thank the distinguished Senator from Colorado for yielding.

Mr. President, I was anguished, having served as chairman of the Subcommittee on Education and Arts and Humanities in this Congress, to find myself in a position where I had to vote against the Bradley amendment last night. There were two elements in that amendment that I particularly disliked having to vote against, the program increase for handicapped children and the proposed increase for disadvantaged children, title I of ESEA.

So, I feel it necessary to rise in support of the amendment which the distinguished Senator from Colorado has proposed and which I have cosponsored.

Mr. President, our amendment would increase funding for the title I and education of the handicapped programs by $300 million in fiscal year 1983; $600 million in fiscal year 1984; and $900 million in fiscal year 1985, all in terms of budget authority. Actual outlays in these years will be substantially less. These increases would bring these important programs up to a current policy level, only a slight increase over what would be allocated by the Budget Committee in these important areas.

This amendment is especially important because I feel very strongly that the education of our disadvantaged and handicapped children should be of the highest budgetary priority. I do wish to say emphatically that Senator DOMENICI, as chairman, and other members of the committee deserve a great deal of gratitude and a great deal of respect for the efforts they have made in Senate Concurrent Resolution 92 for Federal elementary and secondary education programs. The funding recommendations in these areas contained in the budget resolution are well above the fiscal year 1983 recommendations made by the administration, as they should be, and I recognize and am grateful for that fact.

However, the need for funding in these areas of national priority are very real. We have a tremendous responsibility to insure tht our handicapped and disadvantaged children have an education that will enable them to share in the fullest fruits of our society to the greatest of their abilities. Local school administrators have told me repeatedly that they have a very difficult time meeting the Federal requirements, in particular, of Public Law 94-142, the Education of All Handicapped Children Act, with the limited amount of Federal funding provided. In 1975, when this important legislation was passed, the law stated that the Federal responsibility would provide 40 percent of the funds necessary to educate a handicapped child. Obviously, this promise has not been kept, and last year the Federal contribution amounted to only 12 percent. Our amendment would provide some slight relief for fiscally constrained school districts to educate these students, and would help insure that the education of the disadvantaged and the handicapped remains a Federal priority.

Mr. President, I want to join with and be associated with the very able statement made by the principal sponsor of this amendment, the distinguished Senator from Colorado.

I yield the floor.

Mr. HART. Mr. President, how much time remains for the amendment?

The PRESIDING OFFICER (Mr. ANDREWS). The Senator has 7 minutes and 48 seconds.

Mr. HART. I yield 5 minutes to the Senator from South Carolina.

The PRESIDING OFFICER. The Senator from South Carolina is recognized.

Mr. HOLLINGS. I thank my distinguished colleague.

Some years back Senator Robert Kennedy came traveling south into the poverty areas of Mississippi and South Carolina. I, in turn, traveled to Bedford-Stuyvesant, Harlem, and various poverty areas in his State. There is poverty in all corners of the United States. Poverty is just not a regional thing. If I refer to it here now in a regional sense, it is because I know it intimately and I know what title I has done to alleviate poverty.

Our social programs interrelate. We established the WIC feeding program for the poor expectant mother, to insure that healthy children are born. You have to have a physically sound body in order to learn.

The only way to break the poverty cycle is first through a sound nutrition program for the expectant mother, then the child health care programs, and school lunches, and then at the elementary and secondary level, title I takes over and helps the child who has been falling behind or has not had the opportunity of Head Start.

Many of the youngsters in the United States today are TV educated. But I can tell you I have traveled miles and miles through sections of my own State where they have never seen a TV screen, have never turned a page of a book, do not know the alphabet; they are grown and healthy and ready to go, but they will never be able to keep up with their peers whatsoever. And these kids come from areas that have low capital income which is another catch-22 situation.

So the National Government some years back created a new special program—title I for the disadvantaged. We launched this particular program to help these kids catch up. Whether you are a Republican or Democrat, conservative or liberal, I categorically challenge anyone to say that the program does not work, or that there are tons of waste, fraud, and abuse in this program.

To the contrary, it works, it is successful, and it pays off.

We cut title I by $400 million in 1981 and $200 million last year, and this budget freezes it across the board for the next 3 years. These cuts may necessitate terminating 1 million children from title I, children who will not receive this kind of remedial reading, extra coaching, extra counseling, and special care. I think it is just poor economics, and I would plead with my colleagues. I tried to restore funds for title I in the Budget Committee; we only lost by one vote. I would hope on the floor of the Senate you will give more careful consideration to the title I program.

Title I is an investment we cannot afford not to fund.

Similarly, with respect to the handicapped, let us not play monkeyshines with the States. We hear all this talk

of New Federalism. We cannot offload the responsibility by cutting funding for the handicapped and then by Federal statute continue to require the States to provide an appropriate education for the handicapped.

If we cut education for the handicapped we are just forcing schools to increase their share of the costs, because the handicapped students must receive an education. This budget by way of sleight of hand merely passes costs on to the States which have had, incidentally, the courage and the gumption to raise the taxes to pay their bills. This body has not had that courage. The National Congress is right now on a $114 billion binge. That is how much extra Government spending they have allowed but they are not willing to pay for it. The States are paying their bills. The municipalities are paying their bills. So let us not shift costs to the States and say that we have solved our budget problems. That is hypocrisy.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. HOLLINGS. I thank my distinguished colleague from Colorado. I am a cosponsor of the amendment, which I offered in the Budget Committee markup. I join Senator STAFFORD and thank him for his help as chairman of the Education Subcommittee, and I join Senator HART in this respect.

The PRESIDING OFFICER. The Senator from Colorado (Mr. ARMSTRONG).

Mr. ARMSTRONG. Mr. President, I would like very much to join with my colleague from Colorado and other Senators who have spoken in support of this amendment because it is an inherently attractive idea, the notion that we would appropriate additional money or in this case add to the budget resolution additional funds of $1 billion or so for the next 3 years for the purpose of expressing our concern for those who are handicapped or educationally disadvantaged. This is a notion which instinctively I think appeals to every Senator and to every citizen.

Certainly if you are a parent of a child who is affected by these programs, that is, if you have a handicapped child or someone who is in some way or other touched in their day-to-day life by these programs which are funded under the programs or which would be increased by the amendment which my colleague from Colorado has suggested, you cannot fail to have a very great sense of interest and compassion.

I think if you actually have such a child in your home it would be perfectly natural if, in fact, you view this as the most important program in the Federal budget.

I would like to try to put that in some perspective, however, because virtually every program within the Federal budget is of the same quality of interest to someone.

If, for example, you are a Vietnam veteran and you have returned from Southeast Asia with a serious disability, whether it is a physical handicap or an emotional handicap or in some way or other your life has been changed by your experience in defending this Nation in Southeast Asia, if it is bad enough it may well be the very fact by which your whole life is defined. In other words, every day you get up and you are aware that you no longer have a leg or an arm or you are unable to work because of what you have been through in Southeast Asia.

In that event the probability is you do not have quite the same interest in what is the subject of this amendment, not because you are against it but because your life is so much influenced by a problem of another kind.

I would suggest to Senators if your thing is a symphony orchestra—and there are people who think symphony orchestras are one of the most important things because in the lives of some people they are not simply a form of entertainment but they are a part of culture and heritage, part of Western civilization—and I know people who literally believe, and I have had it asserted to me, I say to all Senators, "What is the sense in having a large budget for national defense to protect this country from invasion if, in fact, the country that remains is not a repository of the tradition and heritage of thousands of years which are accumulated in the arts and in the humanities and in symphony orchestras?"

If your interest is cancer research—and I happen to have a particular interest in that subject—it is very easy to focus on that to the exclusion of other kinds of concerns, particularly if you know someone who has been the victim of cancer. You may know someone who may have cancer and for whom an early cure of that dread disease would be an enormous blessing.

Then it is only natural to want to say, "Let's spend everything we possibly can for research into this dread disease."

The point I am making, I think, is obvious, and that is that every program, probably without any material exception, is important to some group of people. And while much has been made over the types of abuse that exist—and I think there is an overwhelming concensus that we want to do away with all the waste, fraud, and abuse in this budget—I would have to come to this conclusion: That most of the programs in the budget are worthy. They are subject, perhaps, to greater efficiency, to one degree or another, and clearly we all want to do away with the waste, fraud, and abuse. But the fact of the matter is that every program in here is meritorious, every one is worthy, every one, perhaps with a few exceptions, responds to a genuine human need which is of paramount importance to some members of society, probably to some constituents in the State of every Senator. It is important to keep that in mind because the amount of need is truly without limits.

Now, in response to the kind of concerns which I have mentioned, that is those of the handicapped and compensatory education, funding for science, for the arts and humanities, for national defense and for other purposes, the total of Federal spending has increased very rapidly in recent years. In fact, two decades ago it was about one-tenth of what it is today. When Dwight Eisenhower left the White House, Federal spending was $77 billion. When Ronald Reagan got into the White House, it was just about 10 times that amount. In spite of an enormous increase in Federal taxes during that 20-year period, Federal spending was going up so fast that even dramatic increases in taxes could not keep pace.

So, in consequence, we ran deficits year after year during that 20-year period. About $700 billion in deficits from 1960 to 1980. And, as we all know, recently Congress was asked to grant an increase in the national debt to more than $1 trillion.

What is the relevance of all of this to the amendment before us? Well, I think it is the very essence of the policy decision that is addressed not only in the amendment of my colleague from Colorado but in most of the amendments here, because the effect of that massive runup in Federal spending and the deficits which ensued was a structural change in the economy of the United States.

In 1960, when Ike left the White House, inflation was about 1.5 percent. By the time Ronald Reagan got to the White House, after 20 years of what one Senator termed fiscal debauchery—I wonder if the distinguished minority manager recalls the term "fiscal debauchery," which he once used to describe the activities of one spending jurisdiction in the United States—inflation, which had been running along at 1.5 percent, had reached the double-digit level. Interest rates which were about 5, maybe 6 percent, when Ike left office in 1960, were 22 percent when Ronald Reagan got here. Now, our productivity, which had been running along at an increase of 2.5 to 3 percent year after year, had fallen to a negative level. Unemployment, which had been much less, had risen to high levels and, in fact, has continued to rise since January a year ago.

Most economists believe, with some disagreement about the details, most economists believe that these adverse changes in our Nation's economy were caused by excessive Federal spending. That is an arguable proposition and I do not want to try to argue it to a conclusion today. But I think most economists, bankers, investors, businessmen, and most of our constituents believe that too much Federal spending produced the inflation, the runup in interest rates and the decline of productivity.

Programs for the education of handicapped and compensatory education suffer just as much as every other segment of society from inflation, high interest rates, and the resulting economic dislocations which have wracked small businesses and farms and have created so much inconvenience and disorder in the capital markets and unemployment and hardship for practically every American family. For that reason, it was the decision of the Budget Committee—and I think a decision which is endorsed by virtually every thoughtful person who has looked at the issue—to go through the budget and make a series of decisions which, frankly, we wish that we had not the necessity to make; that is, to go through and restrain and, in some cases, even pare back programs which, taken individually, are meritorious.

So we went through and we did not give everything for cancer research that somebody could have asked for or could have been productively or usefully spent. We gave less than that in this budget. We did not give as much for national defense as many of us would think would be a desirable, useful figure. Instead, we gave less for that. The same thing in education, the same for programs in public works, for building dams, for highways, you name it. There is not any worthy program that I know of in this budget which could not productively spend more resources than the Budget Committee allocated in the resolution which comes to the floor.

Now, why is that? Why did we restrain the growth of worthy programs? Precisely because of the fear which I think is almost universal in this Chamber and certainly is very widely shared by our constituents at home—that if we somehow did not get Federal spending under control the situation in the economy would get worse; that is, that inflation would continue to rise, that interest rates would go back up again, that there would be more and more unemployment, more economic dislocations, and that every public and private sector enterprise and family would, thereby, suffer. To put it in a nutshell, I think most of us believe that the best thing we can do for these worthy programs of education, programs for the handicapped, for veterans, for national defense, for science and for the arts and humanities, for public works, and you name it, is to get the economy under control.

I have talked to a lot of people who are interested in education, including programs for handicapped education. I talked to two ladies from western Colorado a few days ago about this matter. I think they probably know more about the needs of the handicapped than anybody in Colorado, certainly anybody in western Colorado. They have been deeply involved in it. And just about the first thing they said to me after we sat down to talk through the needs of this program was this: "We understand," they said, "why you have got to curb Federal spending, and we are ready to take our share of the load."

Now, that was partly because they are good citizens and partly because they are patriots in the best sense of the word. But it was partly because it was doing no service, no favor to the programs for the handicapped or compensatory education, or whatever they might be to insist upon and lobby for and obtain increases in funding for their programs if the result were to pump more and more inflation into the economy, because they have been on a treadmill trying to keep up with inflationary increases.

So, in a very real sense, those ladies believe, as I deeply believe, that the best thing we can do for all of these worthy and meritorious programs is to somehow draw the line and get Federal spending under control.

Mr. President, I want to talk about the overall context of this budget, but before I do let me just make several very specific points that relate to the pending amendment.

First of all, the resolution, as recommended to you by the Budget Committee, is a proeducation resolution. It is more generous than the request of the President of fiscal 1983. The committee recommends an increase of $1.7 billion above what the President requested for elementary and secondary education, broken down as follows: Nearly a billion dollars more for programs under title I; $200 million more for education of the handicapped; $240 million more for vocational education; $260 million more for other educational programs, including bilingual education and the State education block grants.

The Budget Committee's recommendation—even taking cognizance of what I have already said about the need just to restrain Federal spending generally and why that is the best bargain and the best favor we can give to any of these worthy programs—this resolution is, nonetheless, proeducation in another very important aspect, elementary and secondary education. As we all know, Federal support for elementary and secondary education represents only a small fraction of the total that our Nation spends on education in the school systems. The Federal Government money accounts for only 7 percent or so of the $100 billion that is spent on public education for grades kindergarten through 12 in America.

So what is clearly much more vital, more intrinsically important to the future of education is the condition of our economy. In other words, if we succeed by the strategy which underlies this budget in getting the genie in the bottle, the inflation genie back in the bottle, that will mean more than any conceivable increase in spending can possibly mean to programs of primary and secondary education.

And so in that most important and fundamental aspect, this budget is more proeducation than anything we have seen in this Congress in many, many years.

Mr. President, while I am on my feet, I would like to discuss briefly the total context of this budget. I began to do so yesterday. I want to pick up the threat of those remarks simply to complete them and to insert into the RECORD some material which I think is significant and germane.

I talked yesterday about the positive effect of deficit reductions on interest rates and the overall economic situation.

I mentioned my correspondence with Wall Street economists and their perception that interest rates would drop substantially if Congress enacted a tough budget.

Mr. President, I ask unanimous consent to have printed in the RECORD the correspondence to which I have referred.

There being no objection, the correspondence was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C. April 5, 1982.

DEAR SIR: As the Senate Budget Committee begins its work on the First Concurrent Budget Resolution for 1983, the issue causing greatest concern is the high level of interest rates. Given the size of projected deficits over the forseeable future, it is difficult to see how the economy can expect any relief unless Congress acts aggressively to reduce these deficits.

Recognizing this, several Members of the Budget Committee have devised deficit reduction programs (see attached). You will note that all the plans involve some very tough choices. I do not believe that Congress will bite the bullet and take the necessary actions unless there is the clear payoff of lower interest rates.

It would be very helpful to the Budget Committee's and Congress' deliberations if we had some sense of what these deficit reduction plans would mean for interest rates. To be specific, if a Domenici, Hollings, or any of the other plans, were enacted, what range of short term and long term interest rates might we expect in the near term and, say, six months from now? I would greatly appreciate your thoughts.

Best regards.
Sincerely,
WILLIAM L. ARMSTRONG.

DEFICIT REDUCTION OPTIONS, MAR. 31, 1982

[All numbers are reductions of the baseline deficits except where indicated by +; in fiscal years]

	Domenici			Hollings			Boschwitz			Kasten			Gorton			Grassley		
	1983	1984	1985	1983	1984	1985	1983	1984	1985	1983	1984	1985	1983	1984	1985	1983	1984	1985
Revenues	18.0	40.9	55.0	31.5	61.1	80.8	23.1	41.3	59.6	5.6	26.5	40.5	40.1	71.1	83.9	18.0	37.0	40.0
Defense	+.5	+3.7	+12.0	6.3	15.3	17.3	+2.2	+5.9	+14.7	+2.2	+9.0	+22.6						
Pay raises	5.7	8.2	10.7	5.7	8.2	10.7	3.3	7.1	11.2	1.1	2.3	4.5	5.7	6.2	10.7	3.2	7.0	7.7
Discretionary nondefense	3.4	8.8	15.8				3.6	9.4	16.6	8.3	17.0	25.0	3.6	9.4	16.6	3.6	9.4	16.6
COLA's	17.8	26.3	35.2	16.7	25.6	32.3	11.8	21.2	32.5	9.9	19.7	30.4	17.8	26.3	35.2	17.1	31.8	45.2
Other entitlement savings	8.6	11.4	14.3				14.9	26.9	39.5	11.0	16.7	23.1	2.6	6.4	11.4	11.0	16.9	23.7
User fees	1.0	1.9	2.2				.5	1.3	1.4	1.0	1.9	2.2						
Management savings	3.7	6.7	8.4	2.2	3.7	4.7	1.5	3.0	4.0	17.9	22.5	27.6	3.7	6.7	8.4	3.7	6.7	8.4
Interest savings	16.2	38.5	59.1	17.2	40.1	61.5	15.9	37.9	59.2	5.0	16.3	30.2	6.9	21.8	39.7	16.2	38.5	59.5
Total deficit reduction	73.9	147.1	188.7	79.6	154.0	206.8	72.4	142.2	209.3	57.6	115.9	160.7	80.4	149.9	205.9	72.8	147.3	201.1
Remaining deficit (−) or surplus (+)	−83.8	−41.0	−16.6	−78.1	−34.1	+1.5	−85.3	−45.9	+4.0	−100.1	−72.2	−44.6	−77.3	−38.2	+.6	−84.9	−40.8	−4.2

DILLON, READ & CO. INC.,
New York, N.Y., April 8, 1982.
Senator WILLIAM L. ARMSTRONG,
U.S. Senate,
Washington, D.C.

DEAR SENATOR: Many thanks for your letter of April 2nd asking my opinion of the impact of various deficit reduction programs on interest rates. The answers in this letter are the results of discussions with my partner, Pete Flanigan, and reflect the opinion of Dillon, Read & Co. Inc.

The reason interest rates remain high in the face of falling inflation is the prospect for continued extraordinarily high demands by the federal government on the credit markets. The argument that projected deficits are modest in relation to GNP is not germane. Deficits are financed from savings, not from GNP, and the Federal Government's preemption of savings has grown dramatically in the last few years (Table I).

In the decade ending 1974, Federal and Federal Related Borrowings averaged 25 percent of Net National Savings. In 1982 these Borrowings are estimated to absorb over 90 percent of savings (Table II), leaving less than 10 percent of savings for borrowings by cities and states, utilities, industries, mortgage institutions, consumers, etc. Future deficits under the current Administration's proposals would increase this already destructive level of Federal absorption of savings.

As the five charts on Table III make absolutely clear, a high level of Federal and Federal Related Borrowings as a percent of Net National Savings has historically called forth an equivalent increase in money supply, which has resulted in an equivalent increase in the CPI.

Hence, as the fifth chart indicates, high Federal borrowings have in the past resulted in inflation. That being the case, lenders who foresee high Federal borrowings also foresee high inflation and demand high interest rates to offset it.

All the budgets, except the Kasten alternative, in the table sent with your letter, call for a fiscal 1983 deficit of about $80 billion as does the Administration-Congress budget compromise discussed in today's Wall Street Journal and approximate balance in 1985. The Kasten option also differs in that it relies heavily on "Management Savings" which experienced observers in the financial world have learned to mistrust. Thus, the five alternatives other than Kasten's produce essentially the same bottom line results and would have the same effect on interest rates. Our estimate is that, while short term rates would remain at double digit levels, the effect on long term rates would be as follows:

[In percent]

	Current		Effect	
	Gov'ts	AA Ind	Gov'ts	AA Ind.
5 yr	14.19	15.12	10	10½
10 yr	14.13	15.12	10¼	10¾
Long term	13.67	15.75	11	12½

I trust this answers your questions. If you wish to discuss this further, please call either Pete Flanigan or me.

Very truly yours,
RICHARD A. BIANCO,
Managing Director.

DEAN WITTER REYNOLDS, INC.
New York, N.Y., April 8, 1982.
Hon. WILLIAM L. ARMSTRONG,
U.S. Senate
Washington, D.C. 20510

DEAR SENATOR ARMSTRONG: It has been my position for the past year that the mammoth Federal deficits that were expected in fiscal years 1982-84 would lead to record interest rates in 1981-82 and no growth in the economy. I was therefore delighted to receive your letter showing five alternative proposals to bring fiscal year 1984 down to $40 billion. I would expect short term interest rates to decline by 4-5% if that came about, and similarly bond rates would decline by 3% over a 6-12 month time horizon.

The tough budget-trimming numbers you show range between $160-200 billion by fiscal 1985. The financial markets would heartily embrace significant deficit trimming as these numbers imply. However, if only cosmetic changes of $30 billion by fiscal 1984 are made, it would be considered inappropriate and would lead to significantly higher interest rates.

Since you haven't supplied the details of how revenues will be raised, I assume it is either a business or personal tax increase. The President's staff has told me the Administration will not accept an elimination or deferral of the 1983 personal tax cut. I would offer for your consideration a suggestion that the third year of the personal tax cut be given to individuals in the form of a tax-free government savings bond paying market rates at the time of issue and nonredeemable for five years. This would eliminate $44 billion of fiscal year 1984 financing. It would give individuals their tax cut as a form of forced saving near term and potential buying later on. This would offer the beleaguered bond market some respite from government borrowing, and allow some corporate financing to occur.

I heartily endorse your courageous budget proposals and if you would like further elaboration of these points, please contact me.

Sincerely,
ARNOLD X. MOSKOWITZ.

IRVING TRUST CO.,
New York, N.Y., April 14, 1982.
Hon. WILLIAM D. ARMSTRONG,
U.S. Senate,
Washington, D.C.

DEAR SENATOR ARMSTRONG: Thank you for the opportunity to comment on the likely interest rate effects of bringing the Federal deficit under control. It is clear that we will not see sustained real growth in our economy until interest rates come down significantly. But it must be remembered that, although a significant reduction in interest rates is a necessary condition for growth, it is not sufficient. To see that this is so it may simply be noted that, if economic activity were to continue to decline this year, then interest rates would surely resume the drop they began last fall. But this decline of interest rates in a continuing recession is surely not what we want.

What we do want is lower interest rates along with the 4% or better real growth targeted by the Reagan Administration over the next several years and no acceleration in inflation. I am sure this could be achieved if the following two-part policy were adopted:

The financial markets must be sent a clear message that a program is in place to bring the Federal budget into balance as the economy moves back up toward full employment (which I take to be a 6% unemployment rate). The deficits must fall in a consistent and convincing manner over time under a realistic set of future economic forecasts as the economy recovers and unemployment falls. This will foster the expectations necessary to bring down long-term rates.

At the same time the Federal Reserve must also relax its monetary targets, which are too rigid and may allow insufficient room for real growth. Otherwise, there may not be sufficient transaction balances available to support an expanding economy, and therefore interest rates (which are the price of money) will remain very high. I believe the Fed's monetary growth targets must be broadened so that various unpredictable factors that impact money demand will not keep interest rates unduly high and prevent growth.

It is critical to its success that both parts of this policy be adopted. If it is, I am confident that we can have single digit short-term money market rates and a 12 percent or so residential mortgage rate within six months. At the same time I believe we will also begin the 4 percent plus real growth targeted by the Administration. And we will see no acceleration in the inflation rate over the next several years.

I fully realize that the monetary part of this policy package is not within the scope of the Congress. Nevertheless, I believe we need not only an accord between the Administration and the Congress over the budget, but just as critically between the Administration, the Congress, and the Federal Reserve over both parts of the above policy.

This would indeed be a historic step, but I believe the economic situation requires it. The unemployment rate is at a postwar high, and business defaults are running at the highest rate since the depression. Moreover, we are seeing slip from our grasp a once in a lifetime opportunity to dramatically reverse the trend towards an ever increasing role of government in the economy.

I hope you find these thoughts of some use in your deliberations. I would, of course, be happy to help clarify any points that may remain unclear.

Best regards.

Cordially,

Gordon B. Pye,
Senior Vice President.

Aubrey G. Lanston & Co. Inc.,
New York, N.Y. April 12, 1982.

Hon. William L. Armstrong,
U.S. Senate,
Washington, D.C.

Dear Senator Armstrong: Thank you for your request for my views regarding the impact on interest rates of various deficit reduction plans now being proposed in the Senate. The deficit cutting plans for fiscal 1983-85 are in my view vital in bringing about significant declines in interest rates. Such declines are, in turn, essential to cushion the current economic slump and to eventually pave the way to economic recovery.

Please allow me to underscore the seriousness of the problem. Our current estimates suggest that without further Congressional action the fiscal 1983 Federal budget deficit will soar to approximately $180 billion. This shocking prospect highlights the fundamental flaw in the Reagan economic program. On one hand it encourages commendable Federal Reserve efforts to starve the economy for new money and credit in order to permanently depress inflationary pressures and inflation psychology; while, on the other hand, the Reagan program has resulted in wildly escalating borrowing demands by the Federal government that threaten to shut many consumers, farmers, and business borrowers completely out of the financial markets. The fear is that this financial squeeze could lead to a tidal wave of bankruptcies and economic collapse.

In essence, there are only three ways to exert downward pressure on interest rates and to get out of the Reagan policy trap. One way might be for the Fed to cave in and open the new credit and money floodgates; but this would only lead to a future acceleration of inflationary pressures as in the past. Another way would be for Congress and the Administration to agree on deep cuts in the Federal deficit in the "out" years of fiscal 1983, 1984 and 1985 (as in the Senate proposals) in order to lessen the clash between the Federal government and private consumer, farmer and business borrowers and to aid the over burdened Fed in its lonely anti inflation efforts. Still another way to lower interest rates might be through a deeper and longer recession, eventually leading to further spending cut backs and reduced borrowing by consumers and, particularly, businesses; but the resulting weakening in job market conditions would likely push the unemployment rate well above 10 percent and the political consequences might be severe.

Clearly the most desirable alternative is to make deep cuts in the Federal budget deficits in fiscal 1983-85. At a minimum, the deficit cutting measures for fiscal 1983 should be $80 billion (in line with the options of Senators Hollings and Gorton). A good rule of thumb might be for roughly one half ($40 billion) of the needed deficit cut to come in the form of increased revenues (e.g., a $5 a barrel tax on imported oil, a 4% surcharge on incomes over $40,000 and a closing of corporate tax loopholes). The other half ($40 billion) should come in the form of spending cuts, but with even greater than proposed declines in defense spending.

In the event that such a deficit cutting agreement would be forthcoming by, say, May it would greatly ease pressures on interest rates. Not only would the Fed's anti-inflation burden be eased, but also the financial market's fears of a financial crisis and eventually higher interest rates would be eased. As a result, it could be expected that short-term interest rates, including the prime rate, might fall by at least 6 percentage points by later 1982 or early 1983 while longer term bond rates should fall by 4 percentage points or so.

If I can be of further assistance please let me know.

Sincerely,

David M. Jones.

U.S. Trust Co. of New York,
New York, N.Y., April 20, 1982.

Senator William L. Armstrong,
U.S. Senate,
Washington, D.C.

Dear Senator Armstrong: I have given the questions in your letter of April 5 a good deal of thought. I wish it were possible to give you unequivocal answers to them, but the extreme dependence of financial markets on expectations and shifts in expectations makes any views, at best, informed guesses.

Clearly the financial markets, as well as the Government and the public, are upset by the prospect of continuously increasing $100+ billion deficits. Even more important, in my opinion, is the fear that no one really understands these numbers and how to control them. So my first observation is that whatever budget plan is agreed upon should be credible and adhered to. If this means "accepting" a $125 billion deficit for FY 1983, that is better than aiming at a $100 billion figure and then exceeding it.

My second observation is that you must be able to show a declining trend in the deficit over the next few years, bringing it down to no more than 2 percent of GNP by the time the economy is fully recovered—probably 1984.

Finally, I believe the Treasury needs to be much more innovative in financing what will be an enormous volume of securities even under the most optimistic assumptions. Money managers, after all, are risking other people's money and are understandably afraid to invest in long-term bonds on a permanent basis until fiscal restraint has been proved. That may take several years. Individuals, however, can be appealed to on many grounds and, in my opinion, would be willing to provide funds in the two to three year maturity range at well under the 14 percent rate on marketable securities.

In this connection, I would like to recommend strongly that we revitalize the Savings Bond program. The Canadian government financed almost its entire annual deficit in its savings bond drive last fall. Certainly if higher-income taxpayers had a choice between a tax rate hike and a forced savings program, they would opt for forced savings.

We should recognize that a significant part of the current deficit is caused by the decline in inflation and therefore a lower "inflation tax," without a compensating decline in interest rates. The financing gap created by this development needs to be covered by longer-term bonds sold to the public directly. A key advantage of this approach is that it would tend to slow the growth in the reported monetary aggregates and make the Fed's targets less binding.

Assuming that all of this happens—a moderate-sized but credible budget reduction program, more innovative financing of the necessary borrowings and Federal Reserve Policy evolving away from extreme focus on one money variable and toward overall credit expansion and economic activity—it should be possible to bring interest rates down significantly over the next year or so. More specifically, the prime rate could be down to a more normal 3-4 points over the inflation rate, which by mid-1983 could be in the 5-6 percent range. Thus a 10 percent prime is not an impossibility. Over the next few months, the current monetary cycle could accommodate a decline in the prime to the 14 percent zone with long-term U.S. Treasuries in the 12½-13 percent range. Unfortunately, current Federal reserve procedures are likely to result in a rebound in rates back to present levels toward year-end. It is this prospect which must be forestalled.

Sincerely,

Thomas W. Synnott III,
Chief Economist.

Bankers Trust Co.,
New York, N.Y., April 16, 1982.

Senator William L. Armstrong,
U.S. Senate,
Washington, D.C.

Dear Senator Armstrong: I appreciate your invitation to comment on current fiscal policy and its implications for financial markets in connection with the forthcoming deliberations of the Senate Budget Committee. The members of the Committee clearly face some very tough choices in their consideration of the First Concurrent Budget Resolution for 1983, and the decisions that emerge may be crucial in influencing the behavior of interest rates during the remainder of 1982 and even more so in the period beyond.

As one who is fairly closely in touch with the nation's money and capital markets, let me assure you that the primary reason that interest rates, particularly bond yields and other long-term rates, are holding at such lofty levels in the face of the current recession and the encouraging headway made this past year in slowing inflation is the alarming and deteriorating Federal budget situation. Without prompt and meaningful action to improve the fiscal picture, it is obvious that we face triple-digit budget deficits as far ahead as one can see. Unless this trend is arrested and reversed, interest rates not only will stay elevated, but they may go appreciably higher, bringing greater financial problems for businesses and the thrifts and other financial institutions, thereby short-circuiting the widely hoped-for economic recovery.

Whereas in earlier years, Federal budget deficits tended to shrink more or less automatically with a revival in business activity

in the aftermath of business recessions, this is no longer the case. Because of both the broadening of eligibility requirements and the indexing of the major Federal entitlement programs—Social Security, Medicare, military and civil service pensions, etc.—and the undermining of the Federal revenue base that has resulted from last year's large and extended tax cuts, budget deficits cannot be reduced now without specific action being taken by the Congress and the Administration. In addition to a significant slowing of the growth of Federal spending, including a real curb on the entitlement programs and scme reduction in defense expenditures, these steps must encompass more than a modest increase in Treasury receipts. Moreover, there must be legislation to insure that the restraints on Government outlays will endure for a period of years.

Only then will major participants in the credit and capital markets become sufficiently reassured about the longer run inflation outlook and that Government borrowing will not "crowd out" private sector financing to go ahead and extend their security portfolios, thereby easing the upward pressure on long-term interest rates. Only then, too, can the Federal Reserve afford to loosen credit somewhat and ease pressures in the money markets.

As for how much interest rates might be expected to decline, given a meaningful and convincing improvement in the Federal budget picture, is very hard to say, in view of the deeply-rooted skepticism that presently exists in the financial markets. And it is even more difficult to assess the timing. It would certainly seem reasonable, though, with an early resolution of the budget dilemma to expect that long-term rates might fall by 2 or as much as 3 percentage points by the end of summer, and short-term rates somewhat more. If the Domenici, Hollings or other deficit reduction plans indicated were to be enacted, within a year long-term rates could well be down 4 or 5 percentage points.

I would emphasize again, however, that simply agreeing on a budget reducing target will not be enough to have a material and lasting impact on interest rates. It must be implemented by the appropriate legislation. The prevailing uneasiness in the money and capital markets was a long time in developing and will almost surely give ground gradually as well.

I trust these observations will prove helpful and I wish you and the Committee every success in the difficult task that now confronts the Congress and the Administration in putting the nation's fiscal house in order.

Sincerely,

Donald E. Woolley,
Senior Vice President.

Mellon Bank N.A.,
Pittsburgh, Pa., April 13, 1982.

Hon. William L. Armstrong,
U.S. Senate,
Washington, D.C.

Dear Senator Armstrong: In response to your letter of April 2, I am pleased to submit the following comments.

First of all, there is little or no doubt that hopes for a sustained and vigorous economic recovery depend heavily on lower interest rates. And it is very difficult indeed to see a significant drop in interest rates until the projected budget deficits for the next several years are decisively reduced. In other words the budget deficits now in sight for fiscal 1983 and beyond are constituting a major roadblock in the path of economic recovery.

All the various plans which were enclosed with your letter contemplate deficit reductions on a scale which I believe would elicit a very favorable market response. For example, enactment of the Domenici, Hollings or Boschwitz plans would dramatically curb the Treasury's claim on the nation's available supply of credit. This combined with the recent substantial progress toward a lower inflation rate would in my judgment bring about a sizable three percentage point drop in both short- and long-term rates. Thus if any of the plans were enacted, the yield on a AA industrial new issue might fall to the neighborhood of 12 percent or even a little lower. And with short-term market rates of interest dropping to around 10 percent, we could look for a prime rate in the vicinity of 12 percent. This decline in rates should certainly occur within six months of the enactment of a deficit-reducing program.

Incidentally, since each budget-cutting plan assumes that the 91-day Treasury bill will fall to 9.4 percent by 1985, it follows that the reduction in interest expense in fact constitutes one of the largest items of planned savings. Since no one really knows the extent to which interest rates may fall in response to realized cuts in government spending and/or tax increases, it might be better to exclude these large interest savings from the various deficit-reducing options.

I hope these few thoughts will be of some use to the Senate Budget Committee and if there is anything else I might do, please let me know.

Sincerely,

Norman Robertson,
Senior Vice President
and Chief Economist.

American Enterprise Institute
for Public Policy Research,
Washington, D.C., April 16, 1982.

Senator William L. Armstrong,
U.S. Senate,
Washington, D.C.

Dear Senator Armstrong: The simple answer to your question about interest rates is that I don't know and I don't think anyone else does, just as no one knows why interest rates are now as high as they are. My own view is that with continued monetary restraint strengthening the belief that the inflation rate will be significantly and durably reduced, and with any of the plans listed in your enclosure, interest rates would come down substantially. "Real" interest rates would be higher than in the pre-1980 past, because of continuing deficits and tax incentives to invest, but they would be much lower than today. If forced to make a guess, I would expect long term rates to be about 10 percent a year from now.

Sincerely,

Herbert Stein.

Lazard Freres & Co.,
New York, N.Y., April 14, 1982.

Hon. William L. Armstrong,
U.S. Senate,
Washington, D.C.

Dear Senator Armstrong. You have solicited our views on the probable direction of interest rates if the various deficit reductions currently being proposed by members of the Senate's Budget Committee were to be adopted.

Judging by the strong sentiment in the financial community, we are drawn to the conclusion that any indication of a material shrinkage in the budget deficit for the next three fiscal years would provide relief for the credit markets. Some legislators are still clinging to the hope that a surplus might be achieved by the mid-80's. If such were to be the case, we believe that it would have to be primarily the consequence of strong business conditions in an environment of moderate interest rates rather than through higher taxes or sweeping paring of expenditures. With the national debt having an average maturity of less than four years, a reduction of one percentage point in interest rates would save well in excess of $3 billion in annual carrying cost; similarly, an increase in Real Gross National Product of one percent could add $10-$15 billion in revenues, including saving on some transfer payments.

Although we do not fully agree with every element of each Committee member's proposals, we find Senator Domenici's outline to be the most acceptable of the six, provided that it does not rely on any material modification in the remaining portion of the Economic Recovery Tax Act of 1981. The sacrifices appear to be widely distributed, while the proposed figures do not include Management Savings that may be difficult to achieve, such as those being advanced by Senator Kasten. In addition, Senator Domenici's approach to defense spending appears to be conducive to public acceptance and consistent with the realities of the world in which we live. Finally, his proposed savings on entitlements programs would probably prove to be far less punitive.

Senator Domenici has often been quoted in the press as supporting the repeal or delay of the tax relief provisions due on July 1, 1982 and again in 1983. If adopted, this would do irreparable damage to the economy, both in the short and long-term. We believe it would almost immediately deepen the recession, reduce savings, and aggravate the condition of domestic underinvestment with adverse consequences on our already unfavorable competitive position in world trade. Once the tax measures now in place are delayed or cancelled, the Congress may find it expedient never to reinstate it. In the meantime, the perception in the credit markets and among the public at large would be that Washington is reverting to the highly inflationary policies of the past.

The focal point of your inquiry was interest rates. These rates do not only reflect the balance of supply and demand for money and credit, but also are greatly influenced by psychological factors. At the present time psychology is particularly adverse. Concern that the budget deficits in coming years would effectively crowd out the private sector has kept rates perhaps three to four percentage points above where they should be, economic activity and the level of inflation considered. The Congress should seize upon the current favorable sentiment on inflationary expectations and quickly translate it into much lower interest rates. This can only be accomplished through clear signals of a compromising attitude on the part of the Administration and a bi-partisan approach to the reduction of the deficit.

Thank you for soliciting our views.

Sincerely,

Stanley A. Nabi,
General Partner and
Chief Investment Officer.

Brown Brothers Harriman & Co.,
New York, N.Y., April 22, 1982.
Hon. William L. Armstrong,
U.S. Senate,
Washington, D.C.

Dear Senator Armstrong: Your letter of April 5th poses a proper, interesting, and an almost unanswerable question. Our feeling here at Brown Brothers Harriman & Co. is that all of the Deficit Reduction Options will tend to lower interest rates. Because current interest rate levels appear to have a rather large psychological element, however, a judgment as to how much of a decline will take place is subject to a wide range of uncertainty.

We would like to make the following observations:

1. Any deficit reduction which results merely from a decrease in the interest rate assumptions made by Congress will not impress the market vey much.

2. We feel that true reductions in Government expenditures will count for more in the market than increases in taxes. One of our partners closely associated with the credit markets believes that a $1 expenditure cut will have about the same effect on interest rates as a $2 tax increase. It is extremely important that the government share of the economy be reduced so as to permit the expansion of the private sector.

3. Although we are aware of the political difficulties inherent in any change in the direction of government policy, we feel that what would impress the market is the elimination of entire progams and/or Departments.

4. It is very important that whatever reductions are proposed are capable of being implemented. The market would be very discouraged by a budget which is balanced merely by assumptions.

If the markets could believe that the deficit would approach zero in the next three years the "fear" or uncertainty premium now in the markets should substantially decline. Past history suggests that, over time, the level of interest rates is closely associated with the rate of inflation plus some constant which may be called the "real rate of interest". Therefore, if inflation were to average six or seven percent over the next three years (as we believe it should, given the aims of monetary policy) and the long-term real interest rate is 3.0 percent, nominal long-term interest rates should average around 9 to 10 percent over the same period vs. 13 percent for a long-term government bond today. Moreover, the yield curve should be positively sloped with short rates lower than long rates. This being the case, Treasury Bills should average less than 9 to 10 percent vs. 12½ to 13½ percent today.

We wish you success with your efforts to get the budget under control. If someone on your staff has done the work, it would be interesting for us to see the details as to how the members of the Committee estimated the interest savings shown in your outline.

Sincerely,

Edward J. Campbell,
Manager and Chief Economist.

American Enterprise Institute
for Public Policy Research,
Washington, D.C., April 8, 1982.
Hon. William L. Armstrong,
U.S. Senate,
Washington, D.C.

Dear Senator Armstrong: Thank you for your letter of April 2.

The economic situation is so volatile that no one can promise with certainty that nominal interest rates will come down from current levels if the deficit is brought under control. A wave of major bankruptcies, erratic monetary policy and a thousand other things could keep them high.

However, the future deficit outlook is so horrible unless taxes are raised and outlays cut substantially that I feel confident in saying that if any of the plans in your enclosure were adopted, short and long interest rates would, in the future, be lower than they would be otherwise. How much lower is hard to say since we are now dealing with a psychological phenomenon called "fear."

But if a credible plan to lower deficits is combined with a renewed commitment by the Fed to adhere to its enunciated targets, I would not be shocked if long-rates were to tumble 300 basis points while short rates fell by a greater amount all other things equal.

Best wishes,

Rudolph G. Penner,
Resident Scholar.

Merrill Lynch,
Pierce, Fenner & Smith Inc.,
New York, N.Y., April 12, 1982.
Hon. William L. Armstrong,
U.S. Senate,
Washington, D.C.

Sir: Needless to say, any of the plans outlined by you that would substantially reduce prospective budgetary deficits over fiscal years 1983–85 would sufficiently bring down interest rates to encourage a sustained economic recovery. However, the actual magnitude of decline in rates and with it the potential magnitude of the resulting recovery would hinge not only on the ultimate size of budgetary deficits—or surpluses—but on the composition of the alterations to the CBO baseline outlay and revenue projections. Another critical determinant in interest rate movements would be the relationship between projected deficits in the alternative plans outlines and current market participant expectations as to what the deficits as now constituted will be.

Taking the latter consideration first, it is doubtful that the markets have discounted into the yield structure deficits of the magnitude of the CBO's baseline projections. As a result, a plan that incorporates actual budgetary deficits not dramatically lower than CBO projections would not have much of a positive impact on the financial markets. On the other hand, it appears certain that most in the market are cynical about the administration's optimistic projections of steadily declining deficits from the projected $91.5 billion level for fiscal 1983. It would be my estimate that the yield structure has built in the anticipation of deficits in the $100-$150 billion range for the next several fiscal years. On this score, therefore, all six plans outlined showing sub-triple digit deficits on a declining plane over the out years would bring down interest rates—if in fact they were enacted and perceived to be viable and sustainable.

Herein lies the importance of the contour of the alterations in the baseline outlay and revenue assumptions. In this regard, it is my view that the financial markets are sympathetic to the President's view that the major budgetary difficulty over the past fifteen years or so has been on the expenditure side. Indeed, revenues have been unfairly boosted through inflation-induced tax bracket creep. As such, much of the tax "reductions" merely represent a cancellation of bracket creep tax "increases" that would have gone into effect without the tax cut package. It is also my belief that a reduction in projected deficits that comes primarily from the revenue side could prove quite transitory as Congress would probably find ways to convert such savings into higher outlays. In this vein, the Hollings and Gorton plans would be least desirable and the Grassley plan the most desirable.

The proposed areas of reductions on the outlay side are also critical in terms of composition. The financial markets are aware of the need to rebuild our military capability and realize that too small a defense budget would not be realistic or sustainable in the present troubled times throughout the world. On the other hand, the markets are troubled about the inflationary nature of defense spending. Some realistic balance has to be struck between these two considerations. On one side of this spectrum is the Hollings plan that probably calls for unrealistically large defense cuts, and on the other are the Gorton and Grassley plans that call for none. Since I am not a military expert, I do not know whether the recommended cuts put forth in the Domenici or the Boschwitz plans are most ideal. Both of these plans in terms of defense trimming, however, are ideal to the others.

In terms of further reductions in discretionary nondefense spending, the Kasten plan seems ideal—but too ambitious, given the reality of the situation. The Domenici plan, on the other hand, could be more ambitious and the Hollings plan is most definitely unacceptable.

After viewing these plans in a general way of taking into account the actual aggregate deficit that would result in each, the relative contribution of budgetary reductions on the revenue and outlay sides and the composition of expenditure reductions, I would find the Domenici and Boschwitz plans the most ideal. While the two plans would probably have the same impact on interest rates over fiscal years 1983 and 1984, the Boschwitz plan would obviously have the most favorable impact on rates in fiscal 1985. Not that the $18.1 billion differential between the two (a swing from the Domenici deficit of $16.6 billion to the Boschwitz surplus of $1.5 billion) would have a major fundamental impact in an economy of $4 trillion or so. But it most certainly would have a beneficial psychological impact on the credit markets if the budget were to actually show a surplus.

The most favorably impacted area of the yield curve from the enactment of these two plans would be in the intermediate and long end. The short end would continue to remain responsive to monetary policy. However, it too would receive a boost to the extent that the Treasury could dramatically reduce its reliance on Treasury bill financing. It is my view that, in light of the historically high premium built into long-term yields at present, deficits of the size incorporated into these two plans could bring down long-term rates by 2%-3%—maybe even more—within six months without any problem. Short-term rates, on the other hand, probably would not benefit dramatically until actual borrowing demands by the Treasury diminish toward fiscal 1984—since they respond to actual not expected future financing needs. However, with the knowledge that deficits would be shrinking and that fiscal policy would be significantly less expansive in the future, the Fed would probably feel more leeway to loosen its grip on the monetary side. As a result, even

three-month bill rates could decline 2%-3% over the next six months.

Sincerely,

Donald E. Maude,
Chief Financial Economist, Chairman Interest Rate Policy Committee.

Claremont McKenna College,
Claremont, Calif., April 22, 1982.
Hon. William L. Armstrong,
U.S. Senate,
Washington, D.C.

Dear Senator Armstrong: Thank you for your letter concerning the effects of budget deficits on interest rates. In my judgment, the current deficit, since it is to a substantial extent the result of the recession, has not been a major cause of the current high level of interest rates. However, widespread expectations that under current policies deficits will remain a high percentage of GNP even after a return to full employment have been a major factor. Historically large high employment deficits have induced higher rates of monetary expansion. If repeated, this would increase the inflationary expectations premium in nominal interest rates. Alternatively if the Fed did hold firm on its projected course of gradually slowing the rate of monetary expansion, large deficits would raise real interest rates and crowd out private investment.

Under either scenario considerable upward pressure would be placed on nominal interest rates. I believe that the current anticipation of this dilemma has had a major adverse impact on longer run inflationary expectations and interest rates. Budget action to reduce these concerns about the larger run budget outlook should have a substantial impact on interest rates now.

Because expectations are so important in this process, it is difficult to give any hard econometric projections of the magnitude of this effect. Recent quantitative work at the Federal Reserve Board suggests that a $100 billion reduction in the annual deficit would reduce real interest rates by about 200 basis points. This seems like a reasonable order of magnitude and a concomitant dampening of inflationary expectations should contribute to a still larger decline in nominal interest rates. It is important to remember, however, that to the extent that new lower budget projections are not fully believed by the market, the magnitude of any initial impact on interest rates will be lessened.

I hope that you will find these observations of use.

Sincerely,

Thomas D. Willett,
Professor of Economics.

Mr. ARMSTRONG. Mr. President, I want to point out another aspect or two of that which I did not have an opportunity to discuss at that time.

That is the percentage of total new private capital which is eaten up by Federal borrowing.

In fiscal years 1965 through 1969, 16 percent was the Federal share. By 1980, this had risen to 36 percent; in 1981, 44 percent; by 1982, 47 percent. It is estimated that in 1983, it will be 52 percent and in 1984, 54 percent.

We are talking about that portion of available capital which is used up by Federal borrowing. Whatever the Federal Government uses up is not available to finance new home construction, new investment in private industry, which results in job-creating activities. It is not available to finance farms or small businesses. It is not available even to finance bond issues at the local level to provide schools and local government facilities.

It is not just that this means higher interest rates, although that is clearly the case, it also means higher unemployment and economic stagnation. That is why, in my judgment, it is absolutely critical that we turn down the trend of Federal spending and close the gap between Federal revenues and expenditures.

As we all know, and many of us have agonized in considering it, it is believed that in the next 3 years we will have $631 billion in deficits unless Congress acts affirmatively to reverse this trend. The effect of the budget resolution which has been presented to you by the committee is to reduce that by approximately two-thirds. That is, to introduce elements of budgetary restraint of more than $400 billion over the next 3 years, roughly $95 billion in new taxes and the balance in restraint in spending, in the original presentation of the committee, which has now been modified.

I discussed at some length the possible ramifications of such a budget recommendation with a number of people in the private sector. My theory was that those of us who are here in the Senate could easily be too close to the forest to see the trees and it would be useful to have some outside advice with respect to the task we were undertaking.

I would like to share with some of my colleagues the tremendous sense of enthusiasm expressed by private sector experts for efforts to substantially reduce the projected deficits.

I send to the desk and ask unanimous consent that it be included in the Record at this point a letter of May 14, 1982 from Robert C. Brown, executive vice president of the Tax Foundation, who comments on those issues. I would like to quote briefly from it.

> Those of us who have studied the budget process before 1968 and following, believe that in today's environment it is more important than ever to include all of the activities of the Federal Government within the framework of the budget resolution. Moving social security off budget in no way resolves the tremendously important problem of maintaining a solvent and adequate program.

In other words, the Tax Foundation thought we would be wise to leave the social security trust fund on budget, as I believe we have determined to do, and to reject efforts to take this matter from the unified budget.

In another letter, which I also ask unanimous consent to be printed in the Record, under date of May 13, 1982, the Tax Foundation made the point that a reduction in deficits is not only essential but will, in the opinion of people at the Tax Foundation, have an important economic result.

There being no objection, the letters were ordered to be printed in the Record, as follows:

Tax Foundation, Inc.,
Washington, D.C., May 14, 1982.
To All Members of Congress:

The attached letter to Senator Pete Domenici and Representative Jim Jones is self-explanatory. However, some added comments at this juncture of the deliberations on the budget are in order. If the proposal of removing $208 billion for Social Security from the fiscal 1983 budget should become the order of the day, you should realize that off-budget spending will be 40 percent of budget outlays.

Those of us who have studied the budget process before 1968 and following, believe that in today's environment it is more important than ever to include all of the activities of the Federal government within the framework of the budget resolution. Moving Social Security off budget in no way resolves the tremendously important problem of maintaining a solvent and adequate program, and the longer Congress delays the less chance there is for a satisfactory resolution of the issue.

Almost everyone is concerned about interest rates and why they won't come down. Everywhere I travel in this nation, I continue to hear the question, Why can't the Congress come to grips with some of these basic issues and solve them? Audience after audience reflects an attitude of disenchantment and extreme lack of confidence in both the desire and the ability of the Congress to resolve basic issues such as the Social Security dilemma.

We often speak of the money market as if it were an entity devoid of human thought and deliberation. But if the attitude of people who manage the private-sector resources is reflective of the attitude of the people I have been talking to this year, is it any wonder that interest rates will not come down? The more plans that surface which tend to avoid facing the issue, the greater the risk we run that the undesirable high rates of interest will be maintained. The signals that come from both ends of Pennsylvania Avenue are still not encouraging. Until they are, there is less and less chance for a strong recovery.

Sincerely yours,

Robert C. Brown,
Executive Vice President.

Enclosure.

Tax Foundation, Inc.,
Washington, D.C., May 13, 1982.
Hon. Pete V. Domenici,
Chairman, Senate Committee on the Budget.
Hon. James R. Jones,
Chairman, House Committee on the Budget.

Dear Chairman: Reports in today's news of proposals to move Social Security off budget are very distressing. Such action would return the nation to where we were in 1968, governed by a budgetary process which was woefully inadequate to depict the size and impact of the Federal government then, and would be even less adequate to do the job now.

As the bipartisan report of the President's Commission on Budget Concepts put it in 1967, calling their statement a *major* (italics are the Commission's, not mine) recommendation:

"The budget should, as a general rule, be comprehensive of the full range of Federal activities * * *. Specifically, the budget should include the transactions of the Federal trust funds."

Making Social Security an off-budget item does nothing to solve the present economic situation, much less correct the serious structural problems of programs like OASDI which are indexed to the rate of inflation. It distorts the true size of the unified budget deficit by over $10 billion for fiscal year 1983 alone. It misstates the true magnitude of the budget by some $195 billion for revenues and $206 billion for spending for FY 83. And it makes a joke out of the public finance debate.

While we can appreciate the desire on the part of Congressional incumbents to win reelection to the Senate and the House, we have to wonder whether those who are so willing to play fast and lose with the budgetary process of the nation deserve another opportunity to serve.

I hope that you two gentlemen, as concerned and serious leaders in the financial deliberations of both houses of Congress, will nip this movement in the bud. You have both espoused and spoken often of the need for true and meaningful reform of fiscal policy. I trust we can count on you to pursue this goal and reject such irresponsible moves as placing Social Security in an off-budget status.

Sincerely yours,

Robert C. Brown,
Executive Vice President.

Mr. ARMSTRONG. The reason I raise this at this point, Mr. President, and it is relevant in a sense to the amendment which is pending though it has a larger context,) is that with great reluctance some of us have agreed to the presentation of a modification to the budget resolution. The effect of this modification is to add back into the budget resolution a number of increases which were considered by the committee and which were not deemed advisable, among them approximately $40 billion in what were termed social security solvency savings.

I think it is generally understood that those savings must be made whether they are in the budget resolution or not, and I think it is transparently obvious that the reason we are taking the action that we are presumably about to take is simply because a majority of the Members of the Senate think this whole issue of social security is too hot to handle until after the election. My own belief is that this perception that somehow social security just cannot be mentioned, it is a political unmentionable, greatly underestimates the perspicacity and insight of the voters of the country. I think in this instance they are far more understanding of the reality than Senators give them credit for. In fact, it has been my observation that the people of the country, including social security recipients, are quite willing to have us make reasonable adjustments in the social security trust fund if necessary to save the trust fund itself.

I think they are sort of laughing at us for refusing to recognize the need to do so in this budget resolution. It does not really change anything because we are going to have to take the action that was recommended by the Budget Committee anyway. So in that sense it will not have any effect, although it does sort of transmit the signal, I would say to my colleagues, that we still have not quite gotten our courage up to what it ought to be to wrestle with these problems. We are sort of still skirting the issues and avoiding them.

The PRESIDING OFFICER. The time of the Senator from Colorado has expired.

Mr. ARMSTRONG. Mr. President, I yield myself additional time from the resolution.

This is important because, as I have previously pointed out, the whole reason that we are adopting a budget resolution of restraint is to impress the private sector with our seriousness in closing the gap between Federal spending and revenue. That is why we have restrained the growth of these worthwhile programs which I mentioned earlier. It is not because we wanted to but because we thought the health of the American economy demanded it, and that if we failed to do so, we would court more inflation and certainly higher interest rates.

So I must say that I am dismayed that it was deemed necessary to take this politically untouchable item and postpone it until after the election. I think it is bad for the social security trust fund, which clearly is in danger and needs to be repaired at the earliest time rather than some later time; and, second, I think it is unfortunate from the standpoint that those who are watching our actions will interpret it as a sign of political cowardice. I think that is most regrettable.

But it does not really change the final outcome because sometime after the election we are going to come back and make the changes that are necessary, and those will have, as the chairman of the Budget Committee pointed out, their necessary budgetary impact.

All in all, Mr. President, the point I want to make as I conclude my remarks on this amendment is simply this: That either we believe in the overall notion of restraining Federal spending in order to heal what is so evidently wrong with the Nation's economy, or we do not. Those of us who are deeply committed to the idea that that is essential are willing to make substantial sacrifices for that reason, sacrifices in virtually every function of the budget, where restraint had been introduced, which we otherwise would be unwilling to countenance.

Some may not think the problem is serious enough to warrant the degree of restraint that I might suggest. To those I simply say, how bad do things have to get in the economy before we are willing to restrain ourselves in some way? It is a matter of jugment.

I suggest that when unemployment reaches 10 percent and when interest rates are hovering up in the high teens and show an uneasy tendency to go up above 20 percent again, when we are hearing every day of new business failures in the private sector, and when, after all, private spending has increased tenfold in the last two decades, this is not an unreasonable time for us to show a great deal of restraint, possibly even more than has been demonstrated by this resolution.

In any case, it appears to me to add, even for worthy purposes, additional amounts would be most unwise. For that reason, I shall reluctantly oppose the amendment offered by my colleague.

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. HOLLINGS. From the bill itself, Mr. President, I yield such time as I may need.

The PRESIDING OFFICER. The Senator from South Carolina is recognized.

Mr. HOLLINGS. Mr. President, I listened to my distinguished colleague from Colorado, on the Budget Committee majority side. I agree with his comments on social security. I want to state that.

On the other hand, it sounds to me like a teacher and student debating in high school about the "octopus defense". That is where you squirt out the dark ink when you do not have any defense whatever. You squirt out the dark ink and steal away amidst the dark ink.

I tried to follow the Senator. He talked about symphonies and Vietnam war veterans. I was talking about the disadvantaged children of America. He talked about Vietnam veterans, symphony orchestras, and other things, and then went into a discussion about the Eisenhower years and then misquoted the Federal deficits.

The fact of the matter is that between 1950 and 1960, the cumulative deficit was only $17.7 billion, in a 10-year period. Between 1960 and 1970, it was $57 billion. So for a 20-year period it was $74.7 billion—less than $75 billion. We would love to get to a deficit this year of $75 billion, just in one year.

It was in the Nixon-Ford years, during their 8-year reign, that we started pell-mell down the road to big deficits. That is when we ran up, during that time, the $400 billion in cumulative deficits from 1971 to 1981—$400 billion. Our great Democratic President, Lyndon Baines Johnson, balanced the budget. That is the first time in that period between 1960-79.

The junior Senator from Colorado argued against our amendment but he did not state anything that was wrong with the program; he did not state that it was ineffective. He got into a very pleasing discourse about how we have to cut everything back to solve our problems.

But did we? Are we making cutbacks in just about every program? No. We are increasing many programs. We increased defense and the entitlement programs. And retired Senators and retired House Members should take us out to dinner, because we are going to take care of you. We did not make any decreases there. Or retired colonels, majors, admirals—no, no. They are going to get their increases.

We increased fire sales for surplus airplanes last week. They were 747's. They did not come offering us any L-1011's or DC-10's. Do you think that the Budget Committee just got together and cut all parts of the budget?

Hogwash.

The groups who can afford to hire people to lobby us, they get the treatment. For those who do not, the disadvantaged and handicapped children, who do not have the clout, they get cut out. What we are trying to do is get that particular disparity equalized, and given these kids a little head start.

What we are saying, Mr. President, is please do not cut these programs. We are trying to just freeze the program at the current policy level. That is not asking too much, I can assure you. Especially when we voted billions—$28 billion—more for entitlement programs in this budget. And gave billions more away in tax cuts.

Do you know what is going to happen here in 5 weeks' time, the 1st of July? We are going out to borrow $40 billion at 14.5 percent interest. And mail it around and call it a tax cut.

Of course, if we delayed cutting taxes, what do they call it—"revenue enhancement"? They have all kinds of key words for the way they want to describe raising taxes.

We do not have the political will to bring the budget under control. We need to address defense, taxes, and social security. The distinguished junior Senator from Colorado was talking about social security, and I admire him for it. On social security, he has been a stalwart and we tried to work together to sober this country up.

But with respect to defense programs, I am not sure we stand together. The poor defense contractor comes up, Paul Thayer from LTV, goes to the White House and says, "Please, Mr. President, we have a bottleneck. The contracts are coming so fast we cannot handle them."

So they come up to Barry Goldwater with the AH-64 helicopter and say, "Senator Goldwater, we need a billion dollars more." For what? For 100 less helicopters. Cost overruns. Just willy-nilly, billions and billions. We have 50 programs in the Defense Department, approved by this Congress to cost $145 billion that are now on the books at $325 billion. And we want to cut programs for the poor.

Maybe we should put the Senate debates on TV. We could get the soap companies to sponsor the darned thing, I can tell you that. We could sell a lot of Camay with this fiction.

I can say here and now, Mr. President, you cannot win arguments about cutting programs for the disadvantaged and the handicapped with all this doubletalk about the entire budget and the Eisenhower years and symphonies and Vietnam veterans. We have a real problem. The Senator from Colorado (Mr. Hart) touched on it when he pointed out the problems we are having in the All-Volunteer Army. Recruits are not coming with that talent and skills needed to operate effectively. So we are paying for cuts in title I with bigger problems in the military.

We are putting out field manuals in the armed services now that are like Life magazines, picture books on how to fix things the recruits cannot read. These cuts just do not make any sense.

Mr. President, the Senator from Vermont, the chairman of the Subcommittee on Education, is very frugal and very careful, has conscientiously stated he supports this amendment. He knows the problems. He has the responsibility to come up with solutions.

There is no use to come in and just stonewall all amendments and then give each other the good government award that we have a good budget. Later on I will offer an amendment that, if adopted, will make it a good budget.

We hope we can get a bipartisan effort going to really make a good budget. But barring that, do not reject every amendment and knock it down without consideration, even in the light of the plea of your own chairman on that side of the aisle.

Mr. President, I yield to the distinguished Senator from Colorado (Mr. Hart).

Mr. HART. Mr. President, I ask unanimous consent that the Senator from Massachusetts (Mr. Kennedy) and the Senator from Hawaii (Mr. Matsunaga) be added as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HART. Mr. President, my distinguished colleague from Colorado featured in his remarks two phrases, control and restraint. I agree with him that both are needed. He analyzed how the Congress of the United States and the Federal Government arrived at where they are. I would just like to add to that two factors which he did not mention, both having to do with restraint. One is a $1.8 trillion defense buildup in 5 years, and the other is a $150 billion tax cut.

By no stretch of the imagination can either of those qualify under the description of control or restraint.

I like to cut taxes as much as anyone, and if we lived in a period of 2- to 4-percent inflation and a balanced Federal budget where the Government of the United States was not borrowing money, I might be willing to go along, I might even lead the charge in some experiment called supply-side economics—cut taxes and get more revenues or however it is defined.

But we did not do that. We experimented in a highly volatile atmosphere. I believe we ought to increase defense spending—nowhere near a $1.6 trillion defense buildup in 5 years—more selectively, more carefully calibrated and buying the right kind of weapons systems and not just throwing money at the defense problem. But neither of those policy decisions a year ago represented restraint or represented control.

So where do we find ourselves now? In response to two unrestrained policy decisions, we are now asking the disadvantaged and the handicapped children of this country to pay for it. The issue is who does pay? Who is going to sacrifice, and who is sacrificing in my own State of Colorado, and all around this country, are handicapped children and disadvantaged children.

This body last week had a chance to vote to defer, not to cancel, but defer, a nuclear powered aircraft carrier, $3.7 billion. We voted against it 60 to 40. That was not restraint. That was not an exercise in budget control. Now we are being told by people who voted for that aircraft carrier that we cannot fund the disadvantaged and handicapped children's education program. That is not fairness and restraint, and that is not fairness and sacrifice.

The PRESIDING OFFICER. The time of the Senator has expired. All time on the amendment has expired.

The junior Senator from Colorado.

Mr. ARMSTRONG. Mr. President, I have a couple of observations and then I am going to yield to the distinguished Senator from New Mexico, the chairman of the Budget Committee, with the expectation that his remarks will close debate on this amendment, and I yield time from the bill.

The PRESIDING OFFICER. The Senator from Colorado is recognized.

Mr. ARMSTRONG. Mr. President, first of all, I say to my colleague from Colorado that this is a matter of priorities, and he is entitled, of course, to say that one portion of the budget is more important than another, and we all have our own opinions as to what the most important part of the budget is.

I respectfully disagree with my colleague, however, about the tax cut. To describe this as an unrestrained action or somehow to equate it with large increases in spending seems to be considerably wide of the mark. The fact is that taxes have risen very rapidly in this country for a number of years, due primarily to the graduated income tax and the rates of inflation which we have experienced, which have pushed all of us into higher and higher tax brackets; that is, all of us who have been fortunate enough to keep pace actually or approximately with the rise in inflation.

What we have had in our tax system and what for the next 3 years, at least, we will continue to have is sort of an engine that pushes taxes up. The tax reductions which were enacted by Congress last year, in fact, are just about enough, projected over the next 3 years, to hold us even. We are really not getting much in the way of a tax cut, but at least our taxes are not being raised very much more after two decades in which the average family's taxes were increased in nominal terms just about 500 percent, just about five times in nominal noninflation adjusted dollars.

There is another issue with respect to taxes that we should not lose sight of. The argument to put through the marginal tax rate reductions and the business tax cuts which were enacted by Congress and which were approved I believe on a vote of 87 to 11 in the summer of last year, I would remind my colleague, rested on two points. One was equity, the issue of whether or not it was fair to permit taxes on individuals and businesses to rise year after year, gobbling up a larger and larger fraction of their disposable income. That was one argument.

The other argument was what was it doing to our economy. It seemed to most of us that the evidence was quite clear that the increase in the Government portion of the economy occasioned in part by the tax increases was resulting in economic stagnation, unemployment, in a general decline in the tone and tenor and productivity and thrust and enthusiasm of the private sector and the productivity upon which our economic future depends. And so it was based on both equity and practical economics that 87 Members of this body voted to cut taxes.

Because there is an awful lot of hypocrisy in this game, I want to acknowledge that the Senator from Colorado, my colleague, is consistent on this matter. He was not for the tax cut then, he is not now, and so he is pursuing an agenda on which he has been consistent. I think that is admirable. I disagree with him in this particular instance, but I think it is quite different for him to make the argument that he has just made than it is for somebody who voted for the tax cut last year to now come back and complain of it, as some Senators have on a number of occasions recently.

Second, I would respond briefly on the question of whether or not $1.8 trillion in increased defense spending is well advised. That again is a judgment. Certainly, I wish that the military situation in the world were such that we could get by with a much lesser degree of increase. That is simply a judgment arrived at in consultation with the executive branch and many Members of Congress as to what is realistically necessary in order to meet our security requirements, that is, the threat posed by the Soviet Union. Somebody may think it is too much. It is my judgment that it is about right, although I wish that it could be a lot less and that that money could be returned to the taxpayers or returned to programs of education for the handicapped or for veterans or for any number of purposes which would be more desirable, at least, to this Senator.

I think it is worth pointing out that the distinguished minority leader of the Budget Committee raised the issue of how we piled up these deficits, and he may have left the impression that somehow the figures which I cited were incorrect. If he did so, I am sure it was unintentional. From 1960 to 1980, Federal spending, in fact, increased from about $77 billion to approximately 10 times that amount. He made the point that most of that increase came in the last half of the 20-year period, and reminded us that during part of that period Republicans occupied the White House.

I had not attempted to introduce a partisan element into it. I would certainly acknowledge that Jerry Ford had a big responsibility for that. He presided as President during the years when spending was very high and, in fact, when it was rising.

But since the Senator from South Carolina makes the point, let me just remind him that on the average the deficits during the Carter years were higher than those of the Nixon-Ford years. In fact, they were about twice as high.

I do not think, however, it is useful to get very deep in that partisan argument, because I believe most of us know that the blame falls pretty much equally on both parties, that both Republicans and Democrats had a hand in getting us into this mess; that if we are going to get out, if, in fact, we are going to show the kind of restraint and responsibility that is necessary to produce a budget which will head off an economic disaster, it is going to have to be done with the reasonable cooperation of Republicans and Democrats in both Chambers. I encourage my friend from South Carolina not to worry too much about whether or not the main responsibility for past indiscretions falls on Jerry Ford or L. B. J. or Jimmy Carter. The question is where do we go from here.

I am convinced that this budget resolution more or less in its present form, though it is far from perfect and I would say as one Member it is far from satisfactory to me, is so far better than the alternative, which is to let these enormous deficits in prospect occur, that I hope an overwhelming number of Senators will be disposed to turn down this amendment and subsequent amendments and, in fact, to support the resolution.

Mr. President, I now yield to the Senator from New Mexico, the chairman of the Budget Committee, who I believe has a few observations about this amendment, which I expect will close the debate on this issue.

Mr. DOMENICI. I thank my good friend from Colorado. I also thank him for relieving me on the floor.

Mr. HART. Mr. President, will the chairman yield for a question?

What does the floor manager have in mind in terms of a vote on this amendment?

Mr. DOMENICI. I was just going to say that I think the time on the amendment has expired.

The PRESIDING OFFICER. The time has expired.

Mr. DOMENICI. I am going to speak for about 5 minutes and then will be ready to vote, if the Senator from Colorado has nothing further.

We have not been rotating amendments, not because we have changed the procedure, but because we did not have any Republican amendments ready. We do now. An amendment by Senator HELMS will be next, and I understand the other side has a couple that have been ordered. So we will not take a Democratic amendment next, but one by Senator HELMS, on our side.

Mr. President, I have mixed feelings here, because I do not think there is any Senator more concerned about the future of education than this Senator. I stated some of the natural reasons for that last night, and I do not care to repeat them.

One does not have to be personally involved in a program in order to appreciate it, but I do happen to have eight children. They are in schools and often have classmates who are handicapped or need special help. I happen, through good fortune, to have a wife who, in a volunteer status, works in education for the handicapped. So I have a feel for it.

Soon after the President sent up his budget this year, in February, I met with teachers, administrators, parents, those involved in the programs that are in this amendment, from my State, from around the country. Originally I had wanted to support the President.

I said: "What do you think about the President's budget in these areas?"

I received a uniform reply: "Bad. Will not work. Too big a cut."

Even in my State, which has an excellent equalization formula for the schools, so that we do not have a big disparity between a school in a poor area, with poor children, versus a wealthier area—even in my State they thought it was too big a cut.

We suggested: "What do you think the effect would be if we stayed at the same level that you are getting this year?" I wish I had them before me now, because I cannot describe to the Senate the expressions of joy on their faces, to think that we might do that. We had all these cuts, and we said, "Why don't we make it level funding again—no cuts?"

In an almost incredulous response, they said, "Senators, if you can join others and do that, we would be satisfied."

Let us leave that.

The resolution before the U.S. Senate is a very proeducation resolution. Remember what the President originally requested which brought the educators—those concerned about title I, those concerned about handicapped education—up here in February, March, and April.

It significantly changes that original budget. In a moment, I will tell the Senate how much. It was a lot; not a few hundred million dollars, not $600 million or not $800 million, but $1.7 billion was added back to the function encompassing elementary and secondary education.

I say to the Senate that is really all you can do—add it back to the function. It does not matter what anybody says here about what it will be used for. That is up to the Appropriations Committee.

So $1.7 billion was added back. If anyone wants to insist on asking where it will go, I will be honest—I do not know. It will go where the Appropriations Committee puts it, not necessarily where we say it will go.

If you follow our assumptions, it is about a billion dollars that we have added back in title I. It is not $100 million; it is $1 billion: we have also added back $240 million for vocational education, $260 million for education, bilingual State block grants, and the like.

I think that is clear. I believe that if the Senate's Subcommittee on Education Art, and the Humanities were meeting today, with the economy we have today, and if they were drafting the laws that we are funding today, and if they saw the American economy today, with a projected $182 billion deficit in fiscal year 1983, $216 billion the next year, and $233 billion the next year, I honestly believe that that subcommittee would look at these numbers and say, "That is plenty of money, we have to take our share, too. We have a mess on our hands, and the best way to help education is to build the American economy back, to get interest rates down, to keep inflation down, and to get the country going again."

After all, most of education is not paid for by the Federal Government with programs such as this. It is paid for by State and local taxpayers, from State and local revenues.

In fact, last night I misspoke myself. I was trying to draw a comparison between how much money is spent in America for education and how much we were talking about in this measure, and I said $50 billion or $60 billion. It turns out to be $100 billion spent by local units of government to pay for elementary and secondary education.

We are here today talking about new budget authority of $4.5 billion over 3 years for these programs, as if that were the cornerstone for education in America. It is not. I understand, however, that since the avowed and alleged purpose for this $4.5 billion in new budget authority is for title I and handicapped, it is really hard for people to vote against it.

Let me summarize: The resolution before the Senate, which is sought to be amended, has already added back $1.7 billion over what the President asked for; $1 billion in title I over what he asked for.

If we assume that the money is going to be spent as recommended by the Budget Committee, there is level funding for these programs from 1982 to 1983. With inflation, that is somewhat of a cut. Nonetheless, it is level; it is not a reduction.

I urge that the Senate not adopt the amendment. We have been holding the line on what I think is a good budget.

In summary, I do not believe that anyone should ask for more for these programs now, with American economy in its present condition.

Mr. KENNEDY. Mr. President, once again the Senate is afforded an opportunity to send a message to the country regarding its priorities in this budget resolution. The issue is not—with all due respect to the chairman of the Budget Committee—whether our country is broke or whether we can afford more funds for education. The question instead is: Do Americans think that defense is so important to require a significant real growth while education is so unimportant that it can afford what is effectively a program cut?

I do not think that the country has such priorities—and I do not think that this budget should reflect such an orientation.

Mr. President, we are talking in this amendment about $1 billion in budget outlays. In terms of the budget deficit, that is a drop in the bucket. In terms of a $700 billion defense outlay, this is a drop in the bucket. But in terms of the title I program and the handicapped education program and many students across the country participating in these programs this amount is very important. Quite simply, it will be the difference between participation and aid or benign neglect and ignorance.

Mr. President, the title I program is a successful one. Study after study has shown that students benefit and in many cases benefit significantly from participation in this program. Yet the Budget Committee proposal will effectively cut 10 percent from this program. I think that such an action is simply wrong.

Handicapped education similarly has been effective at meeting a continuing, significant need. For too long prior to the adoption of Federal aid to handicapped for education, too many handicapped children had little prospect of receiving a quality education. This program changed that. It established an American commitment to these Americans. We should not now erode that commitment.

Our country cannot permit such an erosion in services—in fact, we cannot afford such a result. We talk often in these Chambers about the need to restore growth to our economy. We talk about investing in our Nation by investing in machines and new technology. But at the same time, we seem to forget who builds those machines and develops that technology. We forget, in short, our greatest resource—the American people. The best way to restore productivity to this economy is to train and educate our people—not to tell disadvantaged students that, in the eyes of the Senate, their education does not have a high priority.

Mr. President, we debated this issue last night and were told that the budget could not afford more money for education. I disagree. We can and must afford education. We must not forget the words of Franklin Roosevelt that "the last place that America should seek to economize is in the schools." This amendment needs the wisdom of President Roosevelt. I urge my colleagues to do likewise.

Mr. WEICKER. I rise in support of Senator HART, Senator STAFFORD and the other Senators cosponsoring an amendment to the budget resolution for increasing the funding for function 500, the education programs, in particular special education.

Adequate funding is critical for the implementation of the Education for All Handicapped Children Act. The law which mandates that special kids be given the special services they need to be all they can in our society must be supported. Last year's funding level will not accomplish next year's work. State and local school systems cannot provide tomorrow's level of services with yesterday's budget. They have yet to receive the percentage of Federal support promised them yet they are responsible for educating their handicaped children. To allow inflation to further erode Federal support is shirking our responsibility.

This amendment will provide at least some of the funds necessary to continue vital programs such as early childhood, vocational education, and other secondary programs, and personnel preparation. Early childhood programs for preschool handicapped children give them the best chance for learning to cope with their handicapping conditions and to capitalize on their capabilities. Vocational education programs which serve handicapped youth including regular vocational education provide preparation and training for employment. Personnel preparation is essential to keep the supply of competent special and regular education teachers we need to teach handicapped children.

These special education programs and others have been in jeopardy due to the budget cuts of last year. We cannot abandon our responsibility to handicapped children. I urge my colleagues to support this amendment and insure that handicapped children are afforded the rights of nonhandicapped children to a free, appropriate education.

● Mr. BIDEN. Mr. President, the title I compensatory education program for the disadvantaged has been one of the most successful education programs ever enacted by the Federal Government. By providing many basic reading and math skills to low-income students in our Nation's elementary and secondary schools, title I represents a crucial investment in this Nation's future.

Of course, Mr. President, most Federal programs are undertaken with goals as laudable as those which prompted enactment of title I. The fact of the matter, however, is that title I works, and works well.

Mr. President, numerous studies, including an extensive study undertaken by the Department of Education, have indicated that title I students perform at substantially higher levels than low-income students not served by title I programs. These are students who would not normally be exposed to the opportunity for a high quality education; and therefore would not otherwise be able to obtain the reading and math skills necessary to the achievement of success in later academic and career pursuits.

The sad fact, Mr. President, is that, even under current policy, title I reaches only about 40 percent of those students who are eligible for the program. If anything, we are not making a sufficient effort to provide this basic service to many millions of school children throughout the country.

Mr. President, if we do not make even the minimal commitment to continue this program at current service levels, we will be dooming those children to lives of substandard education and employment. Just as importantly, Mr. President, we will be robbing the Nation of its greatest natural resources—the minds of its young people.

Additionally, Mr. President, the Education for All Handicapped Children Act has made an invaluable contribution to our effort to open access to quality education to all American children. This fact was recognized when a bipartisan group of 285 Congressmen and 59 Senators wrote to President Reagan earlier this year requesting that no reductions be made in funding for Public Law 94-142 and that no changes be made in its regulations.

Mr. President, the fact of the matter is that, although the original plan was for the Federal Government to provide 40 percent of the funding for Public Law 94-142 programs, we are currently providing a mere 12 percent. We are already shirking the commitment made to the handicapped of this Nation when Public Law 94-142 was passed in 1975. We must not pull further back from that commitment.

Mr. President, I urge passage of the Hart amendment.●

Mr. DOMENICI. Mr. President, there is no time remaining on the amendment, and I am prepared to yield the floor, and am prepared to vote.

Mr. HART. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER (Mr. Hatch). Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICE. The question is on agreeing to the amendment. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Connecticut (Mr. Dodd), is necessarily absent.

The PRESIDING OFFICER. Is there any Senator in the Chamber who wishes to vote?

The result was announced—yeas 48, nays 51, as follows:

[Rollcall Vote No. 129 Leg.]

YEAS—48

Andrews
Baucus
Bentsen
Biden
Bradley
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chafee
Chiles
Cranston
DeConcini
Dixon
Durenberger
Eagleton
Exon
Ford
Glenn
Heflin
Heinz
Hollings
Huddleston
Inouye
Jackson
Johnston
Kennedy
Leahy
Levin
Long
Mathias
Matsunaga
Melcher
Metzenbaum
Mitchell
Moynihan
Nunn
Pell
Pryor
Randolph
Riegle
Sarbanes
Sasser
Stafford
Stennis
Tsongas
Weicker
Zorinsky

NAYS—51

Abdnor
Armstrong
Baker
Boren
Boschwitz
Brady
Byrd,
Harry F., Jr.
Cochran
Cohen
D'Amato
Danforth
Denton
Dole
Domenici
East
Garn
Goldwater
Gorton
Grassley
Hart
Hatch
Hatfield
Hawkins
Hayakawa
Helms
Humphrey
Jepsen
Kassebaum
Kasten
Laxalt
Lugar
Mattingly
McClure
Murkowski
Nickles
Packwood
Percy
Pressler
Proxmire
Quayle
Roth
Rudman
Schmitt
Simpson
Specter
Stevens
Symms
Thurmond
Tower
Wallop
Warner

NOT VOTING—1

Dodd

So Mr. Hart's amendment (UP No. 971) was rejected.

Several Senators addressed the Chair.

Mr. DOMENICI. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. HART. I ask for the yeas and nays.

Mr. DOMENICI. I move to lay that motion on the table.

Mr. BAKER. Mr. President, I ask for the yeas and nays on the motion to table.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from New Mexico (Mr. Domenici). The yeas and nays have been orderd, and the clerk will call the roll.

The bill clerk called the roll.

(During the call of the roll, the Vice President assumed the Chair.)

The result was announced—yeas 51, nays 49, as follows:

[Rollcall Vote No. 130 Leg.]

YEAS—51

Abdnor
Andrews
Armstrong
Baker
Boschwitz
Brady
Byrd,
Harry F., Jr.
Cochran
Cohen
D'Amato
Danforth
Denton
Dole
Domenici
East
Garn
Goldwater
Gorton
Grassley
Hatch
Hatfield
Hawkins
Hayakawa
Helms
Humphrey
Jepsen
Kassebaum
Kasten
Laxalt
Long
Lugar
Mattingly
McClure
Murkowski
Nickles
Packwood
Percy
Pressler
Proxmire
Quayle
Roth
Rudman
Schmitt
Simpson
Specter
Stevens
Symms
Thurmond
Tower
Wallop
Warner

NAYS—49

Baucus
Bentsen
Biden
Boren
Bradley
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chafee
Chiles
Cranston
DeConcini
Dixon
Dodd
Durenberger
Eagleton
Exon
Ford
Glenn
Hart
Heflin
Heinz
Hollings
Huddleston
Inouye
Jackson
Johnston
Kennedy
Leahy
Levin
Mathias
Matsunaga
Melcher
Metzenbaum
Mitchell

Moynihan
Nunn
Pell
Pryor
Randolph
Riegle
Sarbanes
Sasser
Stafford
Stennis
Tsongas
Weicker
Zorinsky

So the motion to lay on the table the motion to reconsider was agreed to.

Mr. DOMENICI. Mr. President.

The VICE PRESIDENT. The Senator from New Mexico.

Mr. BAKER. Mr. President, will the Senator yield to me for a moment?

Mr. DOMENICI. Yes, I am happy to yield.

The VICE PRESIDENT. The majority leader is recognized.

AMENDMENTS REMAINING

Mr. BAKER. Mr. President, this seems like a good time, perhaps, to try to get a bearing on where we are, how much time it is going to take, and when we are going to get finished. If I may have the attention of Senators, let me say that we have a great number of amendments on this list and I have a terrible feeling that the list may not be complete. What I need to do, if Senators will bear with me for a moment, is go over the list and ascertain if some of these amendments may not be offered and, in the cases where they will be offered, to try to suggest a time limitation less than that provided by statute and, heaven forbid, to see if there are others that may have to be added to the list.

If I may start down this list, I see on my list a Chiles amendment. I do not see the Senator from Florida on the floor. That is to deal with increased veterans benefits.

A DeConcini amendment.

Mr. President, I do not see—let me run through the list. There are not enough on the floor now to get a good count, but any Senators who do not intend to offer these amendments and/or any Senators who are willing to give us some sort of a reduced time, if they will contact either cloakroom and let us know, it would be most helpful as the leadership tries to decide how late we will stay in tonight and how late we may stay tomorrow in order to finish this resolution. We are going to try to finish it this weekend.

Chiles on veterans; DeConcini on waste, fraud, and abuse; DeConcini on veterans; Metzenbaum on tax increases; Moynihan on superfund. That has been done.

Mr. HOLLINGS. That is another one.

Mr. BAKER. We have to do it again?

Mr. HOLLINGS. We have to do it again.

Mr. BAKER. Moynihan on Postal Service; Kennedy on Social Security; Hollings on third year of tax cut; Leahy-Hollings on WIC; Eagleton on indexing; Sasser on railroad retirement; Bradley on SPRO; Riegle on defense cut; Proxmire on credit budget; Robert C. Byrd on unemployment benefits; and Chiles on law enforcement.

Mr. BUMPERS. Will the Senator yield?

Mr. BAKER. Yes.

Mr. BUMPERS. Mr. President, there is a very good possibility that the Senator from Rhode Island (Mr. Pell) and I may offer an amendment to repeal the safe harbor leasing provision.

Mr. BAKER. Anybody else?

Mr. CHILES. Mr. President, I have an amendment on germaneness on the reconciliation.

Mr. BAKER. Another Chiles amendment on reconciliation germaneness.

Mr. HELMS. Mr. President, I shall take 30 minutes equally divided. We are going to address ourselves to a tax cut.

Mr. BAKER. Thirty minutes equally divided, the Senator from North Carolina is willing to accept.

Mr. DOMENICI. The Senator has two amendments, does he not, just for the listing?

Mr. HELMS. Yes, Mr. President, I have a second tentative one. You may as well put it down, but I am going to try to avoid calling it up.

Mr. BAKER. Can the Senator tell me the nature of that amendment?

Mr. HELMS. That has to do with defense spending.

Mr. BAKER. Senator Mattingly?

Mr. MATTINGLY. About 20 minutes evenly divided.

Mr. BAKER. What is the amendment on?

Mr. MATTINGLY. Revenue restraint.

Mr. DOMENICI. Mr. President, did the Senator say equally divided or evenly divided?

Mr. BAKER. Equally divided.

Anybody else?

Mr. HEFLIN. I have one on cancer. I am agreeable to 20 minutes, equally divided.

Mr. BAKER. Twenty minutes is long enough for the Senator.

Mr. BUMPERS. As the majority leader knows, this side of the aisle has a little retreat planned this weekend. The schedule was to leave here at 2 o'clock tomorrow afternoon. Can the Senator give us some idea of whether our party has been torpedoed or not?

Mr. BAKER. I do not plan to torpedo the party, but I must reiterate what I said before. I think we are obligated to try to finish this resolution this weekend. Really, the question at hand is whether we can finish tonight and, if so, by what hour or if it is necessary to be in session tomorrow—by the way, we will be in session tomorrow—and whether it is necessary to be in session on this resolution tomorrow.

Once again, my preference would be to finish this tonight, because I know a great number of Senators have plans for tomorrow, but it really seems unlikely that we can finish it tonight, unless we can get time reductions on most of these amendments.

I am going to ask our cloakroom to start shopping each one of them, and I will speak with the minority leader about doing the same on his side, and then we will try to work out an arrangement.

Mr. BIDEN. Mr. President, will the majority leader yield?

Mr. BAKER, Yes; I yield to the Senator from Delaware.

Mr. BIDEN. We Democrats, quite frankly, think what the Senate is doing is considerably more important than our retreat, and so it is of no relevance to our retreat tomorrow at 2 o'clock. I would like to make it clear. It is totally irrelevant. If we have to stay here through Sunday, we are delighted to do that.

Mr. BAKER. I thank the Senator from Delaware.

Mr. DOLE. Will the Senator yield?

Mr. BAKER, Yes; I yield.

Mr. DOLE. Would it be helpful if we did not talk so much?

Mr. BAKER, It might even be helpful if we did not vote so much.

Mr. President, I am advised that there are 14 hours and 20 minutes left on the resolution. I will announce my intention at this time to ask the Senate to remain in tonight late—we will reserve on how late—in an effort to try to complete this resolution. If it is not possible to do it, I am not inclined to ask the Senate to remain in all night but would rather resume consideration of this bill sometime early in the morning. But we can still finish this tonight if we put our minds to it and if we can negotiate short-time agreements so that we can get through this list of what is now 26 amendments that remain—27 amendments.

Mr. President, I thank all Senators for their attention, and I yield the floor.

Mr. DOMENICI. Might I ask the majority leader, so there will be no misunderstanding, we are doing our best to get a list of amendments but this is not binding on anybody?

Mr. BAKER, Yes; that is exactly right.

Mr. DOMENICI. If anybody else has any in mind, I assume we would like to know about them, but that is about the best we can do at this point.

Mr. BAKER, I do not want to know about it, but I guess we have to.

Mr. DOMENICI. Mr. President, I understand that it is now a Republican turn, and we do have an amendment. The distinguished Senator from North Carolina (Mr. Helms) is going to offer an amendment. He says that we can agree on 30 minutes equally divided.

I ask unanimous consent that there be 30 minutes on the Helms amendment equally divided.

The PRESIDING OFFICER (Mr. MURKOWSKI). Is there objection?

The Senator from North Carolina.

Mr. HELMS. Mr. President, I thank the distinguished manager. May we have order?

The PRESIDING OFFICER. Will the Senate please come to order? Will the Senate please come to order?

The Senate is now in order. The Senator from North Carolina is recognized.

UP AMENDMENT NO. 972

(Purpose: To reduce the level of tax increases)

Mr. HELMS. Mr. President, I have an unprinted amendment at the desk which I call up and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from North Carolina (Mr. HELMS) proposes an unprinted amendment numbered 972.

Mr. HELMS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Beginning on page 2, line 6, strike all through page 21, line 2, and insert in lieu thereof the following:

Fiscal year 1982: $623,000,000,000.
Fiscal year 1983: $647,000,000,000.
Fiscal year 1984: $704,000,000,000.
Fiscal year 1985: $782,000,000,000.

and the amounts by which the aggregate levels of Federal revenues should be increased are as follows:

Fiscal year 1983: $2,000,000,000.
Fiscal year 1984: $2,000,000,000.
Fiscal year 1985: $2,000,000,000.

(2) The appropriate levels of total new budget authority are as follows:

Fiscal year 1982: $777,800,000,000.
Fiscal year 1983: $831,700,000,000.
Fiscal year 1984: $892,300,000,000.
Fiscal year 1985: $966,000,000,000.

(3) The appropriate levels of total budget outlays are as follows:

Fiscal year 1982: $740,700,000,000.
Fiscal year 1983: $762,300,000,000.
Fiscal year 1984: $795,200,000,000.
Fiscal year 1985: $846,200,000,000.

(5) The amounts of the deficits in the budget which are appropriate in the light of economic conditions and all other relevant factors are as follows:

Fiscal year 1982: $117,700,000,000.
Fiscal year 1983: $115,300,000,000.
Fiscal year 1984: $91,200,000,000.
Fiscal year 1985: $64,200,000,000.

(6) The appropriate levels of the public debt are as follows:

Fiscal year 1982: $1,144,200,000,000.
Fiscal year 1983: $1,292,000,000,000.
Fiscal year 1984: $1,419,800,000,000.
Fiscal year 1985: $1,532,800,000,000.

and the amounts by which the temporary statutory limits on such debt should be accordingly increased are as follows:

Fiscal year 1982: $64,400,000,000.
Fiscal year 1983: $147,800,000,000.
Fiscal year 1984: $127,800,000,000.
Fiscal year 1985: $113,000,000,000.

(7) The appropriate levels of total Federal credit activity for the fiscal years beginning on October 1, 1981, and October 1, 1982, are as follows:

Fiscal year 1982:

(A) New direct loan obligations, $67,300,000,000.

(B) New primary loan guarantee commitments, $93,000,000,000.

(C) New secondary loan guarantee commitments, $69,000,000,000.

Fiscal year 1983:

(A) New direct loan obligations, $63,600,000,000.

(B) New primary loan guarantee commitments, $102,500,000,000.

(C) New secondary loan guarantee commitments, $68,300,000,000.

(b) Pursuant to sections 301 and 304 of the Congressional Budget Act of 1974, the Congress hereby determines and declares the appropriate levels of budget authority, and budget outlays, for the fiscal years 1982 through and inclusive of 1985 and the appropriate levels of new direct loan obligations, new primary loan guarantee commitments, and new secondary loan guarantee commitments for fiscal years 1982 and 1983 for each major functional category are:

(1) National Defense (050):

Fiscal year 1982:

(A) New budget authority, $216,900,000,000.

(B) Outlays, $190,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $30,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, $257,700,000,000.

(B) Outlays, $215,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $30,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $278,300,000,000.

(B) Outlays, $243,000,000,000.

Fiscal year 1985:

(A) New budget authority, $316,500,000,000.

(B) Outlays, $277,700,000,000.

(2) International Affairs (150):

Fiscal year 1982:

(A) New budget authority, $16,800,000,000.

(B) Outlays, $11,400,000,000.

(C) New direct loan obligations, $10,400,000,000.

(D) New primary loan guarantee commitments, $9,300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, $16,200,000,000.

(B) Outlays, $11,600,000,000.

(C) New direct loan obligations, $10,200,000,000.

(D) New primary loan guarantee commitments, $9,300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $16,700,000,000.

(B) Outlays, $11,400,000,000.

Fiscal year 1985:

(A) New budget authority, $21,000,000,000.

(B) Outlays, $11,200,000,000.

(3) General Science, Space, and Technology (250):

Fiscal year 1982:

(A) New budget authority, $7,000,000,000.

(B) Outlays, $7,100,000,000.

(C) New direct loan obligations, $200,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, $7,000,000,000.

(B) Outlays, $7,300,000,000.

(C) New direct loan obligations, $200,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $6,900,000,000.

(B) Outlays, $7,300,000,000.

Fiscal year 1985:

(A) New budget authority, $6,900,000,000.

(B) Outlays, $6,800,000,000.

(4) Energy (270):

Fiscal year 1982:

(A) New budget authority, $4,800,000,000.

(B) Outlays, $6,400,000,000.

(C) New direct loan obligations, $10,600,000,000.

(D) New primary loan guarantee commitments, $1,700,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, $4,900,000,000.

(B) Outlays, $4,800,000,000.

(C) New direct loan obligations, $12,100,000,000.

(D) New primary loan guarantee commitments, $600,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $4,200,000,000.

(B) Outlays, $3,700,000,000.

Fiscal year 1985:

(A) New budget authority, $4,100,000,000.

(B) Outlays, $3,400,000,000.

(5) Natural Resources and Environment (300):

Fiscal year 1982:

(A) New budget authority, $10,300,000,000.

(B) Outlays, $12,800,000,000.

(C) New direct loan obligations, $30,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, $9,900,000,000.

(B) Outlays, $10,900,000,000.

(C) New direct loan obligations, $30,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $9,300,000,000.

(B) Outlays, $9,500,000,000.

Fiscal year 1985:

(A) New budget authority, $8,900,000,000.

(B) Outlays, $8,500,000,000.

(6) Agriculture (350):

Fiscal year 1982:

(A) New budget authority, $9,900,000,000.

(B) Outlays, $13,800,000,000.

(C) New direct loan obligations, $22,600,000,000.

(D) New primary loan guarantee commitments, $2,700,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, $6,600,000,000.

(B) Outlays, $9,700,000,000.

(C) New direct loan obligations, $19,000,000,000.

(D) New primary loan guarantee commitments, $2,600,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $8,300,000,000.

(B) Outlays, $7,500,000,000.

Fiscal year 1985:

(A) New budget authority, $6,700,000,000.

(B) Outlays, $6,700,000,000.

(7) Commerce and Housing Credit (370):

Fiscal year 1982:

(A) New budget authority, $6,500,000,000.

(B) Outlays, $3,800,000,000.

(C) New direct loan obligations, $15,400,000,000.

(D) New primary loan guarantee commitments, $41,200,000,000.

(E) New secondary loan guarantee commitments, $68,200,000,000.

Fiscal year 1983:

(A) New budget authority, $6,900,000,000.

(B) Outlays, $3,800,000,000.

(C) New direct loan obligations, $15,100,000,000.

(D) New primary loan guarantee commitments, $41,200,000,000.

(E) New secondary loan guarantee commitments, $68,200,000,000.

Fiscal year 1984:

(A) New budget authority, $7,400,000,000.

(B) Outlays, $3,400,000,000.

Fiscal year 1985:

(A) New budget authority, $7,200,000,000.

(B) Outlays, $3,100,000,000.

(8) Transportation (400):

Fiscal year 1982:

(A) New budget authority, $20,800,000,000.

(B) Outlays, $21,300,000,000.

(C) New direct loan obligations, $400,000,000.

(D) New primary loan guarantee commitments, $900,000,000.

(E) New secondary loan guarantee commitments, $3,000,000.

Fiscal year 1983:

(A) New budget authority, $21,300,000,000.

(B) Outlays, $19,000,000,000.

(C) New direct loan obligations, $500,000,000.

(D) New primary loan guarantee commitments, $800,000,000.

(E) New secondary loan guarantee commitments, $3,000,000.

Fiscal year 1984:

(A) New budget authority, $21,500,000,000.

(B) Outlays, $18,300,000,000.

Fiscal year 1985:

(A) New budget authority, $21,800,000,000.

(B) Outlays, $18,100,000,000.

(9) Community and Regional Development (450):

Fiscal year 1982:

(A) New budget authority, $6,700,000,000.

(B) Outlays, $8,500,000,000.

(C) New direct loan obligations, $2,200,000,000.

(D) New primary loan guarantee commitments, $900,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, $6,900,000,000.

(B) Outlays, $7,400,000,000.

(C) New direct loan obligations, $2,200,000,000.

(D) New primary loan guarantee commitments, $600,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $6,900,000,000.

(B) Outlays, $7,000,000,000.

Fiscal year 1985:

(A) New budget authority, $7,000,000,000.

(B) Outlays, $6,700,000,000.

(10) Education, Training, Employment and Social Services (500):

Fiscal year 1982:

(A) New budget authority, $25,400,000,000.

(B) Outlays, $28,100,000,000.

(C) New direct loan obligations, $1,300,000,000.

(D) New primary loan guarantee commitments, $6,500,000,000.

(E) New secondary loan guarantee commitments, $700,000,000.

Fiscal year 1983:

(A) New budget authority, $25,500,000,000.

(B) Outlays, $25,800,000,000.

(C) New direct loan obligations, $800,000,000.

(D) New primary loan guarantee commitments, $7,500,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $25,200,000,000.

(B) Outlays, $25,000,000,000.

Fiscal year 1985:

(A) New budget authority, $24,400,000,000.

(B) Outlays, $24,600,000,000.

(11) Health (550):

Fiscal year 1982:

(A) New budget authority, $78,500,000,000.

(B) Outlays, $73,700,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $100,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, $79,700,000,000.

(B) Outlays, $74,300,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $100,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $92,600,000,000.

(B) Outlays, $79,600,000,000.

Fiscal year 1985:

(A) New budget authority, $104,300,000,000.

(B) Outlays, $89,700,000,000.

(12) Income Security (600):

Fiscal year 1982:

(A) New budget authority, $260,900,000,000.

(B) Outlays, $251,500,000,000.

(C) New direct loan obligations $2,800,000,000.

(D) New primary loan guarantee commitments, $17,000,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, $281,700,000,000.

(B) Outlays, $260,800,000,000.

(C) New direct loan obligations $2,000,000,000.

(D) New primary loan guarantee commitments, $18,700,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $300,800,000,000.

(B) Outlays, $267,300,000,000.

Fiscal year 1985:

(A) New budget authority, $332,900,000,000.

(B) Outlays, $285,000,000,000.

(13) Veterans Benefits and Services (700):

Fiscal year 1982:

(A) New budget authority, $24,800,000,000.

(B) Outlays, $23,800,000,000.

(C) New direct loan obligations $1,000,000,000.

(D) New primary loan guarantee commitments, $11,900,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, $23,400,000,000.

(B) Outlays, $22,100,000,000.

(C) New direct loan obligations, $1,000,000,000.

(D) New primary loan guarantee commitments, $20,900,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $24,200,000,000.

(B) Outlays, $22,400,000,000.

Fiscal year 1985:

(A) New budget authority, $24,400,000,000.

(B) Outlays, $23,300,000,000.

(14) Administration of Justice (750):

Fiscal year 1982:

(A) New budget authority, $4,500,000,000

(B) Outlays, $4,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, $4,600,000,000.

(B) Outlays, $4,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $4,600,000,000.

(B) Outlays, $4,300,000,000.

Fiscal year 1985:

(A) New budget authority, $4,600,000,000.

(B) Outlays, $4,300,000,000.

(15) General Government (800):

Fiscal year 1982:

(A) New budget authority, $5,200,000,000.

(B) Outlays, $5,000,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, $5,000,000,000.

(B) Outlays, $4,600,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $4,700,000,000.

(B) Outlays, $4,300,000,000.

Fiscal year 1985:

(A) New budget authority, $4,700,000,000.

(B) Outlays, $4,100,000,000.

(16) General Purpose Fiscal Assistance (850):

Fiscal year 1982:

(A) New budget authority, $6,400,000,000.

(B) Outlays, $6,300,000,000.

(C) New direct loan obligations, $200,000,000.

(D) New primary loan guarantee commitments, $800,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1963:

(A) New budget authority, $6,600,000,000.

(B) Outlays, $6,200,000,000.

(C) New direct loan obligations, $200,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $6,700,000,000.

(B) Outlays, $6,200,000,000.

Fiscal year 1985:

(A) New budget authority, $8,900,000,000.

(B) Outlays, $6,300,000,000.

Mr. HELMS. Mr. President, let me say at the outset that I have nothing but the highest respect for Senator DOMENICI and all others who have worked so tirelessly on what has come to be known as the "compromise budget."

But the Senator from North Carolina very much feels that this compromise will not do the job that must be done if we are to turn the economy of this country around. All of us know what the problem is, we know the cause of the financial distress in this country. We have been talking about it for years and years, and doing little or nothing about it. We ran for the Senate on pledges that we would reduce spending and we would reduce taxes.

I have set here for hours this week and listened to the oratory about the various amendments to add billions of dollars in Federal spending. I have heard the suggestions that we drop the third year of the tax reduction. Both, combined, constitute precisely the wrong way to go in our efforts to turn the country around.

The PRESIDING OFFICER. The Senate will be in order. Those having conversations in the back please move to the cloakroom.

The Senator from North Carolina may proceed.

Mr. HELMS. I thank the Chair.

Mr. President, my amendment can be characterized, I suppose, as a "November amendment" because the vote on this amendment will provide an opportunity for Senators to go home and say, "I voted to reduce Federal taxes" and "I voted to cut Federal spending." This amendment will give us the opportunity to see where Senators stand on these issues.

My amendment would strike $101.2 billion in additional tax increases proposed by the pending resolution and would replace those taxes with pro rata reductions in nondefense spending.

Mr. HOLLINGS. Mr. President, what did the distinguished Senator call the amendment? The Senator said he would characterize it——

Mr. HELMS. The November amendment.

Mr. HOLLINGS. What?

Mr. HELMS. November amendment.

Mr. HOLLINGS. November.

Mr. HELMS. I will explain what I meant. I heard two Senators from the side of the aisle of the able Senator from South Carolina going down the corridor, and that is precisely what they called their proposals—and we have been voting on them all week—to increase Federal spending. They were chuckling and said, "Boy, we have them on the spot. This is a November amendment." So I decided to offer a November amendment which will do something to help the American people, and help turn the economy around.

Under the committee's proposal, revenues would go up. In other words, taxes would increase by over a third of a trillion dollars over the next 3 years. The committee's 1985 revenue figure of $825 billion would be $202 billion in excess of the revenue number for 1982. The total amount by which taxes in 1983, 1984, and 1985 would exceed the tax level for 1982 would be a startling $365.2 billion.

Mr. President, this $365.2 billion committee-approved tax increase would be used to finance the most massive spending splurge in the history of this country. Under the committee's budget, spending in 1985 would be $148.5 billion more than spending in 1982. Total spending increases over 3 years would total $282.8 billion.

Those figures speak for themselves. In other words, the committee's budget would use $365.2 billion in tax increases to pay for $282.8 billion in spending increases.

I do not know that any poll has been taken on this subject among the American people, but I expect that the people would indicate that this is not their idea of fiscally responsible budgeting. And they would be right.

In fact, if this level of tax increases were to continue indefinitely, the total tax burden imposed by the Federal budget could be larger than the gross national product as early as the year 2018, assuming a continuation of the most recent patterns of growth and inflation.

Mr. President, before anyone suggests that this is an "impossible" amendment, that it is too harsh, let me emphasize that even under this amendment, taxes and spending would continue to increase. But they would increase at a slower rate than is envisioned by the committee's target. Although the amendment would curb the enormous increase in taxes envisioned by the pending legislation, it would not result in reduction in taxes or spending. Rather, taxes would continue to climb to a 1985 level which would be $159 billion above the 1982 revenue figure, and my amendment permits that.

Revenues for 1983, 1984, and 1985 would be a total of $264 billion in excess of the 1982 figure.

In other words, even under my amendment, the American taxpayer would suffer from a $264 billion tax increase.

Mr. President, allow me to digress for a moment to ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HELMS. Similarly, even under my amendment, spending over the next 3 years would rise a total of $181.6 billion above what it would be if it remained at the 1982 level.

Mr. President, a recent study by economist Jude Wanniski for Polyconomics, Inc., addresses itself to the myth that it is possible to tax our way out of a recession.

"In 1932," notes Wanniski, "Herbert Hoover pushed through an enormous tax increase with the help of the Democrats at a time of 15 percent unemployment. The hike was to have increased projected revenues by one-third and balanced the budget. Of course, it merely lengthened unemployment lines and ballooned the Federal deficit."

Mr. President, Mr. Hoover created impetus for his proposition to increase taxes in order to eliminate the deficit in his State of the Union speech on December 8, 1931. At that time, in tones similar to those we are hearing on this floor today, and which are in the committee report, President Hoover said:

> Our first step toward recovery is to reestablish confidence and thus restore the flow of credit which is the very basis of our economic life . . .
>
> Even with increased taxation, the Government will reach the utmost safe limit of its borrowing capacity by the expenditures for which we are already obligated and the recommendations here proposed.

Herbert Stein, in his book "The Fiscal Revolution in America," analyzes the Hoover proposal from a historical perspective, saying:

> Once the President and his financial experts had said that balancing the budget was imperative, there were few, in the Congress or in the country, who would take the responsibility for denying it. . . . For the Democratic leadership in the Congress the President's tax proposal was an invitation either to take reasponsibility for a big deficit or to share responsibility for a big tax increase. Their riposte was to support the idea of a tax increase, thus aligning themselves with "sound finance," but to attack the particular tax increase the President proposed as a "rich man's tax bill," thus escaping the wrath of the majority of tax payers.

Of course, history is very clear about what happened when President Hoover applied this budget resolution strategy of raising taxes to balance the budget. Some of us in this Chamber are old enough to recall the Depression that ensued. Unemployment soared, and the increased taxes merely served as an excuse to avoid putting the reins on Federal spending.

So it was that Hoovernomics, if we can have a play on words—the act of raising taxes in order to try to buy our way out of a recession—did not work for Herbert Hoover, and since we cannot repeal the laws of economics, it won't work now. I do not think that this so-called compromise budget resolution will work.

In any case, Mr. President, it took the first 183 years of this Nation's history—from 1789 to 1972—for the total tax burden of the United States to rise above the $202 billion level; and in 3 years, under the pending proposed budget resolution—under the committee's budget—total taxation will rise on an annual basis in an amount in excess of the rise during the entire first 182 years of this country.

To put it another way, it was not until 1972 that revenues were increased to the amount by which they would increase in 3 years under the committee's resolution.

Mr. President, deficits do matter. But in a budget with $365.2 billion in tax increases and $282.8 billion in spending increases, it is clear that it is through measures to control spending, rather than through measures to increase taxes, that this country must seek fiscal responsibility.

Mr. MOYNIHAN. Will the distinguished Senator yield for a question?

Mr. HELMS. I will be glad to yield on the distinguished Senator's time. I do not have the time.

Mr. MOYNIHAN. My question will be brief.

Did I correctly hear the Senator say that the figures in debt owing to deficit in the next 3 years will be the equal of the whole of the increase in the debt from the beginning of the Republic until the year 1972?

Mr. HELMS. No, the Senator did not hear that. I said increase in taxes.

Mr. MOYNIHAN. Will the Senator read the passage? It was not quite clear to my hearing.

Mr. HELMS. Does the able Senator want me to restate what I said?

Mr. MOYNIHAN. Will he be kind enough?

Mr. HELMS. We must do this on the time of the other side.

Mr. MOYNIHAN. Yes.

Mr. HELMS. My exact words, as I recall them, were: "It took the first 183 years of this Nation's history—from 1789 to 1972—for the total tax burden of the United States to rise above the $202 billion level."

Mr. MOYNIHAN. And then the next 3 years?

Mr. HELMS. In 3 years, under the committee's budget—talking about this budget resolution—total taxation would rise on an annual basis in an amount in excess of the rise during the entire first 182 years.

Mr. MOYNIHAN. I see, I thank the Senator. It was my not being attentive enough. What the Senator is saying is that the tax rise in the next 3 years will be the equal of the total finally reached in the period 1789 to 1972. At that point, the tax has reached $202 billion, and now, in 3 years, there will be that equivalent amount.

Mr. HELMS. That is correct.

Mr. MOYNIHAN. So you would have to give the gentleman opposite credit for having done in 3 years what their predecessors took almost two centuries to achieve.

I can only admire and envy the chairman of the Finance Committee at this time. [Laughter.]

Mr. HELMS. Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. If anyone wishes time to speak for or against the amendment we have time here.

Mr. DOLE. Mr. President, I shall take a minute or two.

Mr. DOMENICI. I yield 2 minutes to the distinguished Senator from Kansas.

The PRESIDING OFFICER. The Senator from Kansas is recognized.

Mr. DOLE. Mr. President, as I understand the amendment, and I have looked at the amendment which is some 20 pages in length, it will eliminate any revenue increases and would offset that lack of revenue by decreasing spending.

Is that in essence what it is?

Mr. HELMS. Pro rated.

Mr. DOLE. It was $101.2 billion?

Mr. HELMS. Yes.

Mr. DOLE. I feel constrained to oppose the amendment.

The Senator from Kansas had hoped that the Finance Committee would be addressing a number of areas on the revenue side that should be addressed whether or not we have a deficit or a surplus. We are discussing such things as tax compliance where we find an estimated $80 to $90 billion was not paid in taxes because people did not report or understated income, or overstated their exemptions and deductions. It has been estimated by the Internal Revenue Service we lost about $80 to $90 billion this year.

So one thing that the Finance Committee is focusing on is closing that gap. It is called the compliance gap. We would hope in the next 3 years, if in fact we enact those provisions, which the Senator from Kansas believes we will, to pick up $12 to $14 billion.

In addition, we hope to address what is known as safe harbor leasing, a little $30 billion item tucked away in the tax bill last year that has had some unintended consequences, as far as this Senator is concerned.

I know that not everyone wants to repeal safe harbor leasing and not everyone wants to modify safe harbor leasing, but the Senator from Kansas is going to try to modify safe harbor leasing.

In addition, there are other areas the Senator from Kansas believes we should address from the standpoint of equity and from the standpoint of fairness in the system. We have a voluntary system in this country and—but it has been estimated that 5 million Americans did not file income tax reports last year for various reasons. This Senator thinks one reason is they do not believe the system is fair; they believe that too many people in the upper-middle-income and upper-income brackets shelter their income so that they pay for lower tax rates than the working men and women pay. For the working men and women in this country, 99 percent of their taxes are withheld from their wages, so they are at the top as far as compliance is concerned.

The Senator from Kansas also believes that upper-income individuals should pay a minimum tax. They should pay something. Everyone has an obligation to contribute to economic recovery, even the rich. That is true of corporations and true of individuals.

So we are looking at a minimum tax in those areas.

So for that reason, while it would seem to me that the Senator from North Carolina makes some valid points it may have the effect of undoing some of the areas which we should address in the Finance Committee.

So while I must oppose the amendment, I agree with the thrust of the amendment of the Senator from North Carolina. The American people are overtaxed. We are going to have to continue to do something about the tax burden. That is why we have a 3-year tax cut.

I hope we have a nice bipartisan vote later on today to keep the third year of the tax cut, as I believe we will have because there is no doubt about it: we need to reduce taxes.

So I commend the Senator from North Carolina for raising the issue, but I do believe that we go too far for some of the reasons just stated.

Mr. MOYNIHAN. Mr. President, will the distinguished chairman yield for a question?

Mr. DOLE. I yield.

Mr. MOYNIHAN. Is it not the case that the current resolution before us provides for approximately $102 billion in tax increases in the next 3 years?

Mr. DOLE. Yes, that is what the Senator from North Carolina would address. He would eliminate those and have $101.2 billion more in spending cuts.

Mr. MOYNIHAN. So we are going to have more taxes only of a different mix.

May I associate myself with many things the chairman said. But we are going to have more taxes.

Mr. DOLE. There is not much doubt about that. But certain people will have taxes to pay for the first time. That certainly will be more. Zero is zero and more is more than zero.

Mr. MOYNIHAN. That will be a novel experience for some of them. I wish to see an income class distribution.

Mr. DOLE. I might say to the Senator from New York, as we discovered last year in other legislation, that there are some people who may not pay tax for very good reasons.

Mr. MOYNIHAN. That is for what they certainly deem very good reasons.

Mr. DOLE. That is right. It may be they are providing jobs.

Mr. MOYNIHAN. I am sure this will be a disagreeable experience.

Mr. DOLE. And some find it disagreeable. Some of those are rather high income Americans or rather profitable corporations.

So it seems to the Senator from Kansas that we would not be able to pursue that course if in fact the amendment of the Senator from North Carolina were adopted.

In addition, the Senator from Kansas does not believe that we can reduce spending by $101.2 billion beyond the cuts already made.

Mr. DOMENICI and Mr. SYMMS addressed the Chair.

The PRESIDING OFFICER. The Senator From New Mexico.

Mr. DOMENICI. Mr. President, I am going to yield shortly, but first I am going to yield myself 5 minutes off the resolution.

Let me say to Senator HELMS that I cannot vote for his amendment, but I asked the staff to do a little figuring here. We are going to have it ready in a minute, It is going to point up something very dramatic. It is impossible for the Senator's amendment to become a reality, therefore, I do not think I can support it, and I hope a lot of other Senators do not.

But let me make a point. I heard a Senator in responding to our majority leader say that there was going to be an amendment to repeal safe harbor leasing. I have been for repealing that or modifying it for months. But I really hope we do not spend the remainder of tonight and all day tomorrow trying to fool anyone that we stand here on this resolution to repeal the safe harbor leasing tax law.

At this time, the resolution provides for $101 billion of tax increases, and the Finance Committee will have to decide how to do that. Repeal of safe harbor leasing may very well be part of that $101 billion.

When someone comes down now and says, "I am going to get rid of safe harbor leasing," all they are doing is saying we are going to raise more taxes because all we can do is add more dollars in taxes to the resolution.

If we are going to do that on that issue, and it is going to be reported, and everybody thinks that is the issue, then every Senator could raise a tax amendment and say, "I am bringing every tax issue here and I am going to vote on it even though it does not mean anything." All these amendments do is to affect the level of taxation in this resolution. They cannot affect the Tax Code directly.

Having said that, I asked my staff to do the following: to exclude interest from the national budget as well as offsetting receipts and defense. I understand that is what the Senator would exclude.

Mr. HELMS. That is right.

Mr. DOMENICI. At first I sent them to do this because I thought this would prove that it is impossible to accomplish what the Senator said.

But let me tell you what the number revealed. They revealed that if we cut the budget across the board by 6½ percent, I am sure there are people around who assumed that the cut would have to be 15 or 20 percent.

I do not want anyone to think that a 6½-percent cut is very easy, because that assumes cuts in all the rest of the budget such as social security, veterans' pensions, railroad retirement, medicare, medicaid, and all appropriated accounts.

Some of those we appropriate each year, but others grow automatically. Some grow with the CPI each year. Some, such as medicare, grow depending upon how much doctors, hospitals, drugs, nursing homes cost the people entitled to the benefits.

Mr. HELMS. May I ask a question so that I can follow the Senator's line of reasoning?

Mr. DOMENICI. Sure.

Mr. HELMS. Is the Senator talking about the baseline or the 1982 level or what?

Mr. DOMENICI. I am talking about the recommended budget. That was what I thought the Senator was talking about.

Mr. HELMS. I am. But from which one of these does the Senator draw his conclusion?

Mr. DOMENICI. It is a 6½-percent cut.

Mr. HELMS. On what?

Mr. DOMENICI. In the budget as proposed, excluding defense, interest, and offsetting receipts.

I know it bothers the Senator that he thinks that is an awful thing, 6½ percent, but actually I think it is rather dramatic that this figure is no more than it is. This amendment would literally take the $101 billion that we have in tax increases and take that same amount out of the budget.

Mr. HELMS. I will respond on my own time, but let me point out that my amendment permits a $264 billion increase in taxes and a $181.6 billion increase in spending. So let us not get confused about whether we are talking about increases—or increases on increases. So it is important whether we talk about baseline——

Mr. DOMENICI. Tax growth?

Mr. HELMS. Yes.

Mr. DOMENICI. I do not have any argument with that. There is some tax growth.

Mr. HELMS. Over the 1982 level.

I apologize to my friend for interrupting.

Mr. DOMENICI. I do not know where the Senator got that. Is it based on new economics or based on economics of this budget resolution?

Mr. HELMS. Based on the obvious arithmetic dealing with figures furnished by the Senator's own committee.

Mr. DOMENICI. So the tax base would be growing; I do not argue with that. But I think it does point up something very good, something very salutary, that this budget is growing very fast on the expenditure side. I surmise that that is really the purpose of this amendment, to show that the expenditure side of the budget is growing very, very fast.

On the other hand, a 6½-percent cut does not sound so big, but let me repeat that this would include entitlements and social security, the big one we had an argument about recently, and all the other pensions. So Senator, I cannot support your amendment because I do not think it could in any way be accomplished. You would have to change many, many laws. Nobody would change them during the rest of this year. But I do think you have performed a very salutary service for us here today.

Mr. HELMS. I thank the Senator.

Mr. DOMENICI. Senator SYMMS wanted to speak.

Mr. SYMMS. Mr. President, will the Senator yield to me?

Mr. DOMENICI. I would be pleased to yield 5 minutes.

Mr. SYMMS. I wanted to engage the Senator from North Carolina in colloquy. First, I support the amendment. I would say, Mr. President, that there would only probably be about 100 million Americans who file tax returns who would also support the amendment if they analyzed the Federal budget.

Mr. HELMS. I would think so, I say to my friend.

Mr. SYMMS. It is just that in this time and in the world in which we live, it appears that the Washington Post or other major news media are disseminating, and somehow setting the agenda and encouraging the situation where people think that some of these areas in the budget are untouchable.

As a consequence, we probably do not have enough votes, I am afraid to say, to pass this amendment.

Mr. HELMS. We will see. I suspect the Senator may be correct—and it is sad for the country.

Mr. SYMMS. We will see.

The Senator mentioned that it is a November amendment. I wish it were a May—what is this, the May 20 amendment—that would pass today, because, in my opinion, I would just say that I would like to relate a story of what has happened in my State.

Idaho is a State that has a real recession taking place. We are a timber-producing State, an agricultural State, a mining State in which all of those areas are in a decline, as the Senator knows. They are all interest rate-sensitive economies.

Then on top of that the housing industry, the homebuilding industry, is slow, as it is in all the rest of the country, so the State has some areas, some counties, with 30 percent unemployment because of the numbers of people who are laid off in mines, smelters, sawmills, and working in the woods.

As a result, State revenues are down, and the State of Idaho found itself in a situation where they had a shortfall to finish out the fiscal year which ends June 30.

There is an election going on in that State, too, and we have a Democratic Governor in the State. There are two challengers, who happen to be, one, the speaker of the house, a Republican, and the Lieutenant Governor, a Republican.

They all agreed, because the State had a shortfall, that rather than raise taxes they should cut everyone's salary who works for the State of Idaho by 20 percent until now and the first of July, when the fiscal year ends.

I am not sure that it sat real well with all the State employees, who got a 20-percent reduction in their wages for the next 6 weeks, but they did get a day off a week to offset for it, so they could at least have leisure time in lieu of the money they would have earned otherwise.

Everyone else in the State is very happy with it, and I think that is all we would have to do here. Some people will say this is unrealistic. One of my colleagues just said to me he could not vote for it because it was unrealistic.

It has been unrealistic suggestions like the one the Senator from North Carolina is offering this afternoon, which have been turned down for the last 20 years, that have caused us to have a $1 trillion debt, and if we look at which we have projected from the Budget Committee—and I think all Members would be advised to notice it—we are talking about having $1,532 billion worth of national debt by the fiscal year 1985.

If we believe that the United States of America was built on the theory of supply side economics, where you allowed people to be rewarded and to have incentives for working, producing savings, investing, then the impact of the Senator's amendment might have a double-barreled influence.

You would not only save on the negative aspects of raising taxes, and this is the worst time in our history to raise taxes, but you would have the impact of reducing Government expenditures and freeing those dollars to be spent in the private sector for something worthwhile and productive.

So it may sound too complex and too complicated, but I believe in the long run, and even in the short run, those people who would have to have the reductions in their benefits or slowing down in increased benefits or however it worked out in the formulas, whether it is 5 percent, 6 percent, or whatever, would be well served by this amendment because the Senator from North Carolina has offered a very beneficial amendment. I would ask the Senator a question. What is the percentage of taxes and Government spending of the gross national product today in the United States, 24 percent, 25 percent?

Mr. HELMS. Between 22 and 23 percent.

Mr. SYMMS. I heard a figure floated, and the senior Senator from Idaho says 24 percent, 23 percent, an alltime high Federal spending in our history.

Some people come around and say, "Well, this economic program is not working." But I do not believe that the people in the fall of 1980 who voted for a dramatic change in direction thought that what they were really going to get was spending at an alltime high. They voted hoping they were going to have what? Less taxes, less spending, less Government. That is what I thought most people voted for.

The Senator from North Carolina is offering an amendment that would achieve what I think the American people thought they were voting for on November 4, 1980. I think it is not only a November amendment for this coming November but it is a November amendment for the past November of 1980. It expresses what the taxpayers, the voters, the working Americans who are out there right now struggling to raise their families and feed their children and educate their children thought they were getting, and I think we should vote for this amendment and send it over to the other body and see what happens, and we might be amazed. The support for this would be overwhelming from the American people.

Mr. HELMS. If the Senator will yield, I do not believe that the majority of the taxpayers will be impressed with the observations that a 6½-percent reduction, in view of a $282.2 billion increase, is impossible.

Let me make two points very quickly. One is that when I referred to the November amendment, I was reacting in good nature to a comment that I heard from two of our colleagues who had been offering amendments. They said, "We will see how this sits in November. This is a November amendment." Of course, proposals have been made here yesterday and today to raise Federal spending. So I just thought I myself would offer a little November amendment myself—one to cut both taxes and spending—and let the American taxpayers who go to the polls in November make a judgment on it.

But we must not overlook that, even with my amendment, spending over the next 3 years will rise a total of $181.6 billion above what it would be if it remained at 1982 levels.

The PRESIDING OFFICER. The time of the opponents has expired and the Senator has 2 minutes remaining.

Mr. HELMS. Mr. President, has all time expired?

The PRESIDING OFFICER. The opponents' time has expired.

Mr. HELMS. Mr. President, I see no point in prolonging this. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from North Carolina (Mr. HELMS). The yeas and nays have been ordered, and the clerk will call the roll.

The result was announced—yeas 17, nays 83, as follows:

[Rollcall Vote No. 131 Leg.]

YEAS—17

Armstrong
D'Amato
Denton
East
Goldwater
Hayakawa
Helms
Humphrey
Kasten
Mattingly
McClure
Murkowski
Nickles
Proxmire
Symms
Thurmond
Zorinsky

NAYS—83

Abdnor
Andrews
Baker
Baucus
Bentsen
Biden
Boren
Boschwitz
Bradley
Brady
Bumpers
Burdick
Byrd,
 Harry F., Jr.
Byrd, Robert C.
Cannon
Chafee
Chiles
Cochran
Cohen
Cranston
Danforth
DeConcini
Dixon
Dodd
Dole
Domenici
Durenberger
Eagleton
Exon
Ford
Garn
Glenn
Gorton
Grassley
Hart
Hatch
Hatfield
Hawkins
Heflin
Heinz
Hollings
Huddleston
Inouye
Jackson
Jepsen
Johnston
Kassebaum
Kennedy
Laxalt
Leahy
Levin
Long
Lugar
Mathias
Matsunaga
Melcher
Metzenbaum
Mitchell
Moynihan
Nunn
Packwood
Pell
Percy
Pressler
Pryor
Quayle
Randolph
Riegle
Roth
Rudman
Sarbanes
Sasser
Schmitt
Simpson
Specter
Stafford
Stennis
Stevens
Tower
Tsongas
Wallop
Warner
Weicker

So Mr. HELMS' amendment (UP No. 972) was rejected.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. JEPSEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, may we have order in the Chamber?

The PRESIDING OFFICER. (Mr. D'AMATO). The Senate will come to order.

TIME LIMITATIONS ON CERTAIN AMENDMENTS

Mr. BAKER. Mr. President, I hope Senators will stay on the floor because I have a number of unanimous-consent requests in respect to time on remaining amendments that I would like to propound.

The following time limitations have been cleared, I believe, on both sides of the aisle. I wish to state them now for the consideration of all Senators.

On the DeConcini amendment dealing with waste, fraud, and abuse language, 30 minutes to be equally divided.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. On a DeConcini amendment dealing with increased benefits, 30 minutes equally divided.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. On a Moynihan amendment adding half of the dollars in the first Superfund amendment, 20 minutes equally divided.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. On a Moynihan amendment dealing with Postal Service, 20 minutes equally divided.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. On an Eagleton amendment dealing with indexing, 30 minutes equally divided.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. On a Sasser amendment dealing with railroad retirement, 60 minutes equally divided.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. On a Proxmire amendment dealing with credit budget, 60 minutes, equally divided.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. On a Robert C. Byrd amendment dealing with unemployment benefits, 30 minutes equally divided.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. On a Heflin amendment dealing with cancer, 20 minutes equally divided.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. On a Hawkins amendment dealing with COLA, 20 minutes equally divided.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. On a Mattingly amendment dealing with the sense of the Senate in respect to out-year tax increases, 20 minutes equally divided.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Relating to the Chiles query, Mr. President, I have on my list these and other amendments. I have these on which no time agreements have been agreed to yet. I earnestly solicit some consideration by their authors. The first is a Chiles amendment dealing with increased veterans' benefits.

Mr. CHILES. I think 1½ hours equally divided will be sufficient.

Mr. BAKER. I make that request, Mr. President. Ninety minutes equally divided.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. On a Metzenbaum amendment to add language to deal with revenues, is the distinguished Senator from Ohio on the floor? He is not.

Mr. President, on a Hollings amendment dealing with the third year of the tax cut, could the distinguished Senator from South Carolina give me some idea of whether we can have a time agreement of less than the regular amount?

Mr. HOLLINGS. I could call it up right now, I think. I thought Senator BYRD was going to have it. We have too many cosponsors. We shall try to limit it. We are not trying to filibuster.

Mr. BAKER. I thank the Senator.

A Metzenbaum amendment dealing with revenues.

A Hollings amendment dealing with WIC.

Mr. HOLLINGS. We can do that easily.

Mr. BAKER. Twenty minutes?

Mr. HOLLINGS. A half-hour.

Mr. BAKER. A half-hour, equally divided. Is that all right with the chairman of the committee?

Mr. DOMENICI. Yes, Mr. President.

Mr. BAKER. Mr. President, 30 minutes equally divided.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. On a Bradley amendment which is listed incorrectly on my list here as SPRO, I am told it is an amendment dealing with budget reporting. The Senator from New Jersey is agreeable to 1 hour equally divided. I make that request.

Mr. DOMENICI. Mr. President, I do not know what that is about.

Mr. BAKER. Is the Senator not prepared to agree to that yet?

Mr. DOMENICI. I am not prepared, Mr. President.

Mr. BAKER. I withdraw that request untill the Senator from New Jersey and the chairman of the committee can consult.

Mr. President, on a Mattingly-Nickles amendment, 20 minutes equally divided. Is the chairman of the committee agreeable to that? Proposing a 2-percent cut in spending each year, 20 minutes equally divided?

Mr. DOMENICI. That is fine.

Mr. BAKER. Is that agreeable to the minority manager of the bill?

Mr. HOLLINGS. Yes, Mr. President.

Mr. BAKER. Mr. President, I make that request.

THE PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, on a Riegle amendment dealing with defense cuts, is the distinguished Senator from Michigan present? He is not.

Mr. President, on a Chiles amendment on law enforcement?

Mr. CHILES. One hour equally divided.

Mr. BAKER. I make that request, Mr. President.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. A Bumpers-Pell amendment dealing with safe harbor leasing?

Mr. BUMPERS. Mr. President, I shall agree to a 30-minute time limit on that on the condition that there is not a motion to table.

Mr. BAKER. I can agree to that. Is the distinguished chairman able to agree on a 30-minute time limitation equally divided with the understanding that there will not be a motion to table? Let me withhold that request until I can also consult with the chairman of the Committee on Finance.

Mr. BUMPERS. Mr. President, I do not want to speak for him, but I mentioned it a while ago and he said 30 minutes would be acceptable to him.

Mr. BAKER. I am agreeable to that. Is that agreeable with the chairman?

Mr. DOMENICI. Yes, that is fine.

Mr. BAKER. I make that request, Mr. President.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Chiles amendment on reconciliation germaneness.

Mr. CHILES. Forty minutes equally divided.

Mr. BAKER. I make that request, Mr. President.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. On a Helms amendment on tax increases, on a pro rata decrease in all nondefense expenditures. Thirty minutes equally divided? I make that request, Mr. President.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, a Helms amendment to reinstate defense spending pro rata. Thirty minutes equally divided, Mr. President.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, a Mathias amendment dealing with the third year of the tax cut. I do not see the Senator from Maryland on the floor.

A Chafee amendment—yes, the Mathias amendment on the third year of the tax cut. Would the Senator take a shorter time limitation?

Mr. DOMENICI. It is the same.

Mr. HOLLINGS. It is the same one.

Mr. BAKER. It is the same one.

Mr. HOLLINGS. Yes, same amendment, bipartisan.

Mr. BAKER. What?

Mr. HOLLINGS. Bipartisan.

Mr. BAKER. I admire that.

Mr. President, a Chafee amendment dealing with increased funding for maternal and child health care.

The Senator from Rhode Island appears not to be on the floor as well.

That is good progress, Mr. President.

Mr. JOHNSTON. Mr. President, will the majority leader yield?

Mr. BAKER. Yes, I yield.

Mr. JOHNSTON. Is it possible to stack any of these votes?

Mr. BAKER. It may be later, but let me explore that, I may say to my friend from Louisiana.

Mr. GOLDWATER addressed the Chair.

Mr. HARRY F. BYRD, JR. addressed the Chair.

Mr. BAKER. Let me yield first to the Senator from Virginia.

Mr. HARRY F. BYRD, JR. Mr. President, I may have an amendment. I am not certain. I would agree to 20 minutes on my side and leave it open-ended on your side. Then the majority leader can decide, because I cannot tell him what the amendment will be because I do not know myself.

Mr. BAKER. All right, Mr. President, I appreciate that offer. May I withhold making the request until I have a chance to talk to the chairman of the committee.

Mr. RANDOLPH. Mr. President, will the able majority leader yield to me?

Mr. BAKER. Yes, I yield to the Senator from West Virginia.

Mr. RANDOLPH. I listened, but I was not certain what the total is of the time that has been allocated.

Mr. BAKER. Mr. President, there are 26 amendments, and we have time limitations now on perhaps 21 of them. I have not yet totaled up the time, but it is a long time.

May I inquire of the Chair how much time remains on the resolution?

The PRESIDING OFFICER. Thirteen hours and 47 minutes time remains.

Mr. BAKER. I thank the Chair.

I say to my friend from West Virginia that I will total this and I will be glad to speak with him as soon as I do.

Mr. GOLDWATER. Mr. President, will the majority leader yield?

Mr. BAKER. I yield to the Senator from Arizona.

Mr. GOLDWATER. Could the majority leader give a horseback guess as to how much time he has on that paper?

Mr. BAKER. All right. It looks like at least 8 hours.

Mr. GOLDWATER. At least.

Mr. BAKER. I am told that it totals approximately 10 hours. Of course, rollcall votes would be added to that, in the event rollcall votes are asked for.

Mr. President, may I say, while the subject has been brought up by my friend from Arizona, it has got to be very late. It is going to be very difficult to finish this by tomorrow. I urge Senators to consider that rollcall votes are not necessary on every amendment, and I urge Senators to consider that perhaps all of these amendments need not be offered. Some of them maybe could be dealt with by colloquy, even by assurances, explanations by chairmen of the committees and the ranking members. But we are going to be here until the wee, small hours the way this thing stacks up, and maybe even tomorrow as well. But I will continue to try to get a statement to the Senator from Arizona and others on the agenda for the balance of this day.

Mr. GOLDWATER. I just wonder if the majority leader could not say let us stay here and finish the bill, even if it takes all night, and let the Democrats stay here.

Mr. BAKER. Mr. President, I have already announced that it is my intention to ask the Senate to finish this resolution this weekend. I do not want it to go over until Monday.

Mr. GOLDWATER. How about tonight, Mr. Leader?

Mr. BAKER. We will use as much of tonight as we must in order to accomplish that.

I would like to stop short of saying we will be in all night, because I think we can do it in a shorter time than that. But I am willing to stay as long as my friend from Arizona, and that may be all night.

Mr. GOLDWATER. I have nothing to do.

Mr. BAKER. I yield to the Senator from Massachusetts.

Mr. TSONGAS. I wonder whether both cloakrooms would inquire of the various Senators as to who has not made up their minds on the various amendments and who would be open to debate and then take those results and deal with the time remaining.

Mr. BAKER. I have a better idea. I wonder if I could get both cloakrooms to inquire about the position of Senators, let me match it up, and announce the result.

Mr. TSONGAS. I move that request.

Mr. BAKER. I thank the Senator.

Mr. THURMOND. Mr. President, will the Senator yield?

Mr. BAKER. Yes, I yield to the Senator from South Carolina.

Mr. THURMOND. Mr. President, I was just thinking, there are probably a good many Senators who would like to be on record on these various amendments, but it really would not be necessary to have a rollcall. They could place in the RECORD their position, and that would save a lot of time.

Mr. BAKER. I am most grateful to the President pro tempore, and I agree absolutely with his admonition to Members and I join him in that fervent request, that we reduce the necessity for rollcalls from time to time.

Mr. BUMPERS. Mr. President, is the leader possibly ready to go to 10-minute rollcalls yet?

Mr. BAKER. No. I would like to do that, but I think that the chances that we have Members scattered about as we get later in the day would perhaps work an inconvenience on them. But if we can, I certainly will do that later in the day.

Mr. President, I thank the chairman for yielding and the distinguished ranking minority member. I think we have accomplished a great deal in these time limitations, and we will try to proceed as promptly as possible.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. I understand that it is Democrat amendment time, and the distinguished ranking minority member has an amendment he is going to offer.

UP AMENDMENT NO. 973

(Purpose: To reduce the deficits to $107.9 billion in 1983, $58.4 billion in 1984, and $28.5 billion in 1985, by eliminating the July 1983 tax cut)

Mr. HOLLINGS. Mr. President, I send an amendment to the desk and ask the clerk to report.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from South Carolina (Mr. HOLLINGS), for himself, Mr. JOHNSTON, Mr. EXON, Mr. HART, Mr. BIDEN, Mr. EAGLETON, Mr. BUMPERS, Mr. CRANSTON, Mr. MATHIAS, Mr. WEICKER, Mr. CANNON, and Mr. BRADLEY, proposes an unprinted amendment numbered 973.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, strike lines 7, 8, and 9, and insert:

"Fiscal year 1983: $675,700,000,000.
"Fiscal year 1984: $773,900,000,000.
"Fiscal year 1985: $860,900,000,000."

On page 2, strike lines 12, 13, and 14, and insert:

"Fiscal year 1983: $30,700,000,000.
"Fiscal year 1984: $71,900,000,000.
"Fiscal year 1985: $80,900,000,000."

On page 2, strike lines 18, 19, and 20, and insert:

"Fiscal year 1983: $835,303,700,000.

"Fiscal year 1984: $897,006,200,000.
"Fiscal year 1985: $972,808,700,000."
On page 2, strike lines 24, 25, and insert:
"Fiscal year 1983: $783,603,700,000.
"Fiscal year 1984: $832,306,200,000."
On page 3, strike line 1, and insert:
"Fiscal year 1985: $889,408,700,000."
On page 3, strike lines 6, 7, and 8, and insert:
"Fiscal year 1983: $107,903,700,000.
"Fiscal year 1984: $58,406,200,000.
"Fiscal year 1985: $28,508,700,000."
On page 3, strike lines 12, 13, and 14, and insert:
"Fiscal year 1983: $1,284,503,700,000.
"Fiscal year 1984: $1,386,906,200,000.
"Fiscal year 1985: $1,496,908,700,000.
On page 3, strike lines 19, 20, and 21, and insert:
"Fiscal year 1983: $140,303,700,000.
"Fiscal year 1984: $102,406,200,000.
"Fiscal year 1985: $110,008,700,000.

On page 30, strike lines 23, 24, and 25, and insert: "ficient to increase revenues as follows: $30,700,000,000 in fiscal year 1983; $71,900,000,000 in fiscal year 1984; and $80,900,000,000 in fiscal year 1985."

On page 31, strike lines 23, 24, and insert: "$30,700,000,000 in fiscal year 1983; $71,900,000,000 in fiscal year 1984; and $80,900,000,000 in fiscal year 1985."

Mr. HOLLINGS. Mr. President, what this amendment does is to take the resulting product of the work done on the other side of the aisle, the present first budget resolution, and to that we add the revenues that result from eliminating the third year personal tax cut from the Economic Recovery Tax Act of 1981.

In other words, if we cancel the July 1983 10 percent across-the-board individual income tax reduction, then we pick up $7.5 billion in fiscal year 1983, $32.9 billion in fiscal year 1984, and $35.9 billion in fiscal year 1985.

That would then reduce the deficits, Mr. President, for 1983 to $107.9 billion, $58.4 billion in 1984, and for 1985 a deficit of $28.5 billion.

I have grave misgiving about the present work product that we are now calling a budget resolution. It amounts to a compilation of figures that is only a vehicle to get the resolution out and over to the House side. It does not do the job. It is not taken seriously as an effort to really reduce the deficits and thereby reduce interest rates.

We were a bipartisan group in the Senate Budget Committee for most of this particular year, and last year, but it has broken down the last few weeks. After President Reagan realized that some adjustment in his program was necessary, when this monstrous program of revenue hemorrhage ruptured into the economy in August of last year, the President himself on September 27 on national TV asked for an adjustment that included tax increases.

The distinguished Senator from Idaho, I notice, had a letter—I just received note of it a minute ago—that my particular amendment amounts to a tax increase. No one should be fooled that it is a tax increase.

What I intended to do when I first started at the beginning of the year was not increase or decrease taxes, and my intent by this amendment is to insure that we do not further decrease revenues and then go to the open market and borrow the funds at a 14.5 percent interest rate.

That is exactly what occurs because we do not have the revenues; we do not have the taxes. That is what occurs here beginning this July. This July is really too late. I wish my amendment could have been effective before then.

The President thought we should have done something about it last September. The fact is that we did work as a bipartisan group all last fall, until the November Atlantic Monthly article got our chief witness, the Director of the Office of Management and Budget, in dutch. The President and the White House crowd got all out of sorts and they said, "Well, the President had not really submitted his budget. This was just a Carter budget. Let us cut what we can." And we did. We cut some $4 billion and then went home for Christmas. The rest is history.

The President has now submitted his budget for fiscal year 1983, and that budget has been voted down by every Democrat and by every Republican on the Budget Committee.

Thereupon, I noted a desperate effort being made to bring some budget document to the floor. We Democrats were then more or less shunted aside. I am told that this budget proposal was written in the office of the distinguished leader, with counsel from Stockman and the rest of that crowd. In any event, while it got a budget resolution out of committee, it did not last long, and now we have the present document. None of the 535 Members of Congress would come out with a similar budget.

On the other hand, it should also be realized that the task is not easy. No one is debunking the effort made to prove a budget. It is not easy. Any time you are looking for $425 billion, you really have a very difficult task. It has been my position that it is an impossible task.

What you need in order to coagulate a consensus is the Office of the Presidency to appear nationally to describe the dilemma and say, "Here are the things that must be done." A consensus of the body politic would then get behind us, as they did with the President's program last year.

The President came with the consensus, and we did dramatic things. We cut spending some $35.7 billion, almost $40 billion. We cut regulations, we increased defense, and we cut spending. We cut taxes. But that tax cut grew and grew and grew, and it practically burst the economy, losing some $750 billion between fiscal years 1982-86. There was also the indexation of the tax code but not the de-indexation of spending programs. It was a one-third indexation move that left all the spending increases going out willy-nilly and then indexing the Internal Revenue Code by reducing taxes in accordance with increases in the consumer price index thus losing billons and billions of dollars of revenues. The business community was rewarded for their consensus, their election of President Reagan in 1980, their program of supply-side tax cuts and depreciation allowances, investment tax credits, and so forth, commencing in January, over 1 year ago.

It left the business community, having accomplished what they had hoped for, actually stymied because they realized that they could not raise capital with these high-interest rates. They looked at the projected deficits that are now, by the President's own figures, at $182 billion for next year, $220 billion for the ensuing year, 1984, and $240 billion for 1985.

They said, "Something has to give. We cannot afford to make this particular investment at prime, or one point above prime, and be caught later by 20 or 25 percent interest rates. Something must have happened. We have to get Congress to its senses."

Instead of the dramatic, promised increases in economic growth—and we had been told in May, just 1 year ago, that we would have nothing less than 4.2 percent real growth in the last quarter of 1981 and 4.2 percent positive growth rate in 1982—we had a decline of 4.5 percent in the last quarter, and another decline of 4.3 percent in the first quarter of 1982.

The Department of Commerce announced, after a survey of the business community, that there would be less investment under Reaganomics in 1982 than in 1981—a very sad, sad commentary. In addition the economy has had some 500 bankruptcies per week. And the farm community is actually having to pay out in interest cost in excess of net farm income.

So we have a disastrous situation. We have to take the situation and make the best of it.

When the majority revealed this budget document yesterday, it was quite obvious to me that they were coming back into reality. I had learned the hard way that you could not cut social security. You could not even talk about it. And certainly you could not get the votes against social security.

So the $40 billion credit had to go out; and I, as a budgeteer, was looking for where they were going to find that $40 billion. I played that game all year long: Find $40 billion here, $20 billion here, $30 billion there. Where do you find the big increments to make a budget?

They did not find the $40 billion. In fact, they made some adjustments and came back with deferrals, listing an overall net increase of some $56 billion, not just $40 billion, and then spaced out the particular figures, leaving a $64.4 billion deficit for 1985.

The business community looks at certain things such as managemnt initiatives, and they discover the savings. Then the deficit is not $65 billion but nearer $85 billion.

So, having been in New York and having listened to what the financial experts say, you have to bring that deficit down in order to make the program work. I believe in education and title I for the disadvantaged, and I know how it hurt many here to vote against those problems. The work has been done and the votes are there for this budget as it now stands. If we could go just one step further and say, "Cancel out the 1983 10-percent tax cut," the message would go out to the financial markets, including Paul Volcker of the Federal Reserve, that Congress finally had become serious about the budget problem. We would pick up the revenues. We would have a product we could work with, and it would put us all on a path to Government in the black.

I do not want to say that they would dance in the streets, but they certainly would take heart. I said that all we need to do is to convince them that this is not the President's budget. It is a concurrent resolution of Congress, and the President of the United States does not sign it. But this budget would not ignore the President if we could pass it through this body. Rather than the President calling the business leadership and asking them why they are not investing and why they are not supporting his budget, on the contrary, the business leadership would be calling him and saying, "Stand pat. You finally have a solution, a chance for your Reaganomics to work."

I thought if we could get a bipartisan coalition, just by that one act alone, we really could come to grips with this particular problem.

Now, there are those who think differently. Let me deal with my own side in all candor. You can well imagine, and I am willing to debate that if they want to on my side, that some have seen that they have benefited politically since the chaos started last August. It is quite obvious that many, many were in deep, deep political trouble. Read last August's news and everyone was going to switch to the Republican Party. They had a list of names and they were cozying up. They had parties and there was glee on the White House lawn, in the Halls of Congress, happy days—in fact, they used the Democratic song "Happy Days Are Here Again."

Mr. President, some 9 months later Secretary Regan, their own chief economic spokesman, said the economy was dead in the water, and that is exactly where they are.

I have that school on my side of the aisle that says:

> For heaven's sake, Hollings, shut up, leave them dead in the water. We have a chance to take over this Senate. Do not bring order out of chaos; let the chaos continue.

That is not an absolute fanciful argument. I understand that. But I understand that as Senators all of us feel a responsibility to act responsibly. I really believe it as to my own side. I am not talking bipartisanship. I talk partisanship when I say I think the best politics is no politics. All of this shadowboxing is seen through by the social security recipient, in my judgment. All of this maneuvering around is seen through by all of the groups in our society.

I think the voters are being demeaned by the very idea that they do not know what is going on. I think they are going to measure us on just how we meet this particular responsibility.

If we have a chance, taking my own individual case, to repair the damage, get the deficits down and the interest rates down, and turn the economy around, get people employed, homes constructed, and automobiles purchased, then I think that we would get the credit for it. I would rather have that kind of credit than the discredit of just sitting by with simple amendments to add on here for veterans and there for education. I do not mind it. I have enjoyed it and I believe that they were very worthy amendments and I have voted with them.

But when we get down to the bottom line to just vote no and not provide some opportunity for some realistic budget to face up to this problem I do not think we should pass it by.

So I think if we can take this amendment and sweep aside all the charges and countercharges and provide a solution, then my individual politics would go along the line where the voter of South Carolina would say:

> Senator, we don't care that you didn't vote for the tax bill last year, and therefore don't take the responsibility; you still have a responsibility to offer a credible comprehensive solution and back it and support it and help turn this economy around.

So on that basis, I answer those who intimated that what we should do is not have any budget at all, any budget proposal. I have one. I have mailed it around to my colleagues, but I would withhold my own budget proposal and go along with the Republican budget, save this one amendment, and do so in a bipartisan fashion because this does practically what my budget proposal would do. Someone would then charge from the other side of the aisle about the revenue figures.

Let us talk revenues just a minute because I am glad the distinguished Senator from Washington now is handling the resolution on the other side of the aisle for the majority.

Last February we were all serious, but the discipline has broken down. It is chaotic. The news media cannot keep track as to who has which budget. Like they say aboard ship in the Navy, as the distinguished Senator knows, "When in danger, when in doubt, run in circles, scream and shout,"—they say, "Grab up a budget, put it in, call a news conference; everyone has a budget."

But we had that discipline going and it worked into an effective exercise, I thought for a good while, there at the White House and even before in February, March, the early part of April. The Senator from Washington, Senator GORTON, came up with a revenue figure. He was saying what we need is $195 billion. Someone is going to come and say that we have a tax increase of $100 billion and you are going to add another $76 billion. Some will add it up to $176 billion or want to put in big user charges to reach $183 billion. That is still less than what I thought was originally necessary and in my proposal in the budget resolution I was thinking around $200 billion.

The distinguished Senator from Washington here was thinking of $195 billion. The distinguished chairman of the committee was thinking of $125 billion, without eliminating the third-year tax reduction measure. So, he thought we could get $125 billion, without the third year or disturbing the President, because he had been loyal to this Reaganomics program. So you add my proposal on to his. This is not a crazy, loony, or extreme measure whatsoever.

Where we are, and then I will yield for a time because I do not want to lose some of my good colleagues here who want to address this proposal, is in essence on top of a $750 billion revenue hemorrhage we have heaped a $1.6 trillion defense increase and then started indexing the tax system and then told Congress that now you have to come up with a balanced budget.

We heard the statements last year from the White House and from the Republican leadership and Congressman KEMP. He said "We do not worship at the shrine of the balance budget any more." In fact, the distinguished Congressman from New York said it just this past week in the RECORD that balanced budgets are not that important. Then they give you that economic double talk about the deficit only being a small percent of the GNP. We got run out of office in 1980 with that nonsense, I can tell you that.

Well, I would admonish them to learn some lessons from 1980. That is not going to sell. These deficits do count. Let me add here that when I talk about these figures you could consider that the Senator from Minnesota (Mr. Boschwitz) wanted to raise $124 billion. You could add the elimination of the third year of the tax cut to his amount.

I am in league here. I know there is bipartisan support to repair the Kemp-Roth damage done this economy. "It is the worst single thing that has ever occurred to our national economy," said former Republican Director of the Office of Management and Budget James Schlesinger, and I agree with him.

Now, with that in mind we realized that we could not touch defense. The distinguished Senator from Kansas made a good effort last night trying to get just 6 percent real growth. I tried to come across with 6 percent.

They will not give an inch on that. They want their money. They want their fire sales for airplanes. Excuse me, if I am going to get bipartisan support, a very good amendment that was passed on Boeing last week under the great, able leadership of the distinguished Senator from Washington.

Mr. DOMENICI. The junior Senator.

Mr. HOLLINGS. Yes, junior Senator.

Well, he is a pretty senior Senator in your book and mine. We have watched him in the Budget Committee, and we do not have a better member.

But the fact remains if you cannot touch social security, and you cannot touch defense, you have got to go to the revenues, and that is really the culprit, make no mistake about it.

I started in February, and I did not come with any new taxes, save that $200 billion. I was freezing the entitlement increases, the defense increases, and the tax-spending increases. We were not increasing any taxes. We were just holding the line, if you please, at that particular point.

So what we are trying to do here now, if we can get folks to go along and vote this kind of approach, is to have a real amendment and a real budget document that can respond to the needs of the Nation.

There will be all kinds of other arguments. One that creeps in there is that somehow if you are not cutting taxes by law, taxes are being increased by inflation and the ratchet effect. Economically that is true. But, Mr. President, that is only half the picture.

We are losing for every percent of unemployment above $25 billion. And you get your unemployment increase from a recession. By the way, whose recession is it? They double-talk you on that. I do not want to lose this particular thought, and I will come back to that in a minute. I have heard the statement made just casually, that Carter raised taxes by $300 billion during his administration. You know I have been here 16 years and we had one surtax, as I remember it, back in the late days of 1968 under President Lyndon Johnson. Then in addition I voted to balance the social security budget. Now those are tax increases. But other than that, for 20 or more years we have not had tax increases at the Federal level. We have had increased revenues from inflation. But, Mr. President, we have had decreased revenues from the lack of economic growth. Therein is your $182 billion deficit. You know how?

Instead of the positive growth rate in the economy, you have the economy in a decline and there is the loss in revenues that you want to call a tax cut. You have had in addition to the $750 billion tax cut another $100 billion you have gotten on here from recession that has caused this deficit to go up. So let us not get into econometric monkeyshines that taxes are being increased without noticing the loss of taxes as a result of the economic decline.

Soon we will hear how this program—I can see the Senator from Delaware with his Kemp-Roth—got the inflation rate down. Well, if you have got the inflation rate down, is it the Carter recession that brought it down?

Mr. DOLE. Mr. President, if the Senator will yield, it is the Roth-Kemp.

Mr. HOLLINGS. I apologize. Roth-Kemp. Earlier he wanted it known as Kemp-Kemp. [Laughter.]

The deficit-caused recession—if anybody thinks this is a Carter recession, then that is the recession that brought the inflation rate down, and all of you Republicans write him a thank-you note, will you? All of you who really believe that it is the Carter recession that brought the inflation rate down, do that because it is the Carter recession, write him a thank-you note down in Plains. He would be delighted to hear from you.

But if you want to get to the truth of the matter, it is the Kemp-Roth recession with the high deficit, and I will give you the credit. You have wrung us out. You have—Roth-Kemp, excuse me, the Roth-Kemp—you have got us all on unemployment, you have got more money coming in here for unemployment compensation, more money for food stamps, more money for medicare. You are increasing under Kemp-Roth the size of Government. I dare you to take the size of Government under Jimmy Earl Carter and take the size of Government under Kemp-Roth and see which is the bigger. You got it last year and you got bigger Government. You got your program and you got bigger Government, and you cannot deny it. It is wrecking the country.

What we have got to do is to come to our senses and move forward and let us repair this damage and quit going out and borrowing money.

Oh, yes, the middle class. I never understood why 5-percent did not get to the middle class, the 5 percent cut we gave in October. That was across the board. I thought that got to the lower class, the middle class, and the upper class. Why is this 10 percent that you are going to give out here in about 5 weeks going to the middle class?

I think it goes as 10 percent across the board. But they have some contorted rationale now that next year for the first time the middle class gets a tax cut. I heard that silly statement just yesterday saying, "You reduced the maximum tax rate from 70 to 50 percent. Now the rich have got theirs. Now the middle class comes to get theirs."

Well, that is cute monkeyshines. I did not reduce any of it. I voted against all of it. But the fact remains 10 percent across the board is across the board. I am not trying for the middle class or the upper class or the lower class or any kind of class legislation. I am trying for all classes, including the middle class, to give them a chance to breathe. All elements of our economy are suffering, and suffering badly, and if we only have our sensibilities about us and can get the vote on this particular amendment then we would have a budget we could go with, and I think you could get some real support. A consensus would develop in this country and we would really have movement and begin to turn America around again.

Let me yield to the distinguished cosponsor.

Mr. GORTON. Mr. President, will the Senator yield for just a moment?

Mr. HOLLINGS. Yes.

Mr. GORTON. The Senator from Iowa had asked for just 2 minutes because he needed to leave. Can I yield 2 minutes to the Senator from Iowa?

Mr. JEPSEN. Mr. President, before anyone in this body votes to change the personal income tax cut enacted last year as part of the Economic Recovery Tax Act in any way, I just want everyone to understand clearly that they are voting for a tax increase. You should not delude yourselves into believing that eliminating the third year of the personal tax cut or even delaying its implementation constitutes anything but a tax increase.

There is a view, which is common in this body and elsewhere, that elimination or delay of the tax cut merely constitutes a give back of a gift which the taxpayer had no right to expect anyway, and therefore it is a costless operation. Well it is only costless if you assume that taxes should have kept rising at a rapid rate, due to bracket creep and social security. The reality is that this tax cut, which some people believe is responsible for large deficits and, by implication, high interest rates, really did not cut taxes at

all; it just keeps them from rising. The figures speak for themselves.

At the end of my statement I will include tables prepared by the Treasury Department which compare the tax cut under ERTA to the social security tax increases and the tax increases due to bracket creep from 1980 through 1988. The results are shown for families of four earning $15,000, $20,000, $25,000, $30,000, and $40,000 in 1982. Each family is assumed to receive cost-of-living increases to keep real pre-tax income unchanged over the period.

Bracket creep due to inflation and payroll tax increases scheduled under the 1977 social security amendments wipe out most or all of the personal income tax reductions in the Economic Recovery Tax Act across a wide range of middle income families. Even the full 3 years of marginal tax rate reductions followed by indexing are not enough to provide meaningful tax relief.

For example, the $25,000 family experiences net tax increases of $253 and $139 in 1981 and 1982 over 1980 levels. The 1.25 percent tax rate reduction under the ERTA from 1981 (5 percent for the last 3 months of the year) is insufficient to offset bracket creep, let alone the combined effect of bracket creep and the 1981 payroll tax increase. (See table No. 1 and lines 4, 6, 7, 8, and 9 of table No. 4.) The 10-percent marginal rate reduction effective July 1, 1982, is just enough to offset bracket creep since 1980, lowering the real income tax by $3 (table No. 1). However, the 1981 and 1982 payroll tax increases produce a net tax hike in 1982.

From 1083 through 1985, the $25,000 family finally experiences net tax cuts of $34, $107, and $22. Only the third year of rate reduction, a 10-percent cut beginning on July 1, 1983, is large enough to cut taxes below 1980 levels. The third installment is in effect for only part of 1983, achieving full effect in 1984. Beginning in 1985, the income tax is indexed for inflation to offset further bracket creep. Nonetheless, the 1985 payroll tax increase reduces the tax cut from 1984 levels.

The 1986 payroll tax increase eliminates the last trace of tax reduction. After all of ERTA, the $25,000 family faces real net tax increases of $6 in 1986, $5 in 1987, and $4 in 1988, compared to 1980 levels. The 1986 payroll tax increase is the last major tax change prior to the payroll tax increase of 1990.

The $30,000 family is more fortunate than the $25,000 family. It too has 3 years of tax relief in 1983, 1984, and 1985. However, the 1985 and 1986 payroll tax increases do not quite eliminate the whole tax cut. The family saves $4 in 1986, $5 in 1987, and $6 in 1988.

The other families are not so fortunate. The $20,000 family has only 1 year of net tax cut, $34 in 1984, followed by net tax increases rising from $40 to $72 between 1985 and 1988. The hardest hit are the low income $15,000 family and the upper middle income $40,000 family. Neither has even 1 year of net tax reduction.

The $15,000 family is hit harder than the others by bracket creep, and harder than most by the payroll tax increases. Consequently, the best that ERTA can do for the $15,000 family is to limit the 1984 tax burden to $32 above the 1980 level after which the tax burden rises by $122 over the 1980 level by 1988.

The personal exemptions, $4,000 for a family of four, are a large percent of the $15,000 family's income. Failure to adjust the personal exemptions for inflation from 1980 to 1984 increases the percent of this family's income subject to tax more rapidly than for the other families. The $15,000 family faces the same percentage increases in the social security tax rate as the other families. However, the family's payroll taxes are relatively larger, compared to its income tax, than other families. Consequently, the dollar values of the payroll tax rate increases are relatively larger compared to the value of the income tax rate reductions it receives. The only consolation is that lower income individuals receive a higher level of social security benefits per dollar of covered earnings and a better "return" on their social security tax "contributions," than do other workers.

The $40,000 family is hardest hit by the social security tax increases. The problem lies with the rapid increases in the level of wages subject to the payroll tax. The maximum covered wage is $32,400 in 1982. It will rise to $46,200 in 1987 under scenario II-A of the trustees' report, and will approach $50,000 by 1988. The maximum covered wage is indexed to average wages in occupations covered by social security. It rises faster than inflation, reflecting productivity gains and rising real income as well as prices. Thus, it produces very rapid increases in the real payroll tax for workers whose incomes are above the maximum covered earnings. By 1988, the $40,000 family will see its payroll tax burden increase faster than inflation and faster than its income by more than $1,000 above inflation adjusted 1980 levels. There is no consolation on the social security benefit side. Higher income individuals receive a very low increase in social security benefits on additional covered earnings, and a low or negative "return" on their added tax "contributions."

The $40,000 family also has the largest tax burden as a percent of income and the largest bracket creep problem in dollar terms. The bracket creep and the payroll tax increase produced a $517 tax increase in 1981. In the best year, 1984, the tax burden will be $21 above 1980 levels, rising to $477 by 1988.

Bracket creep and payroll tax increases are great levelers. Measured against prior law, the proportional across-the-board tax cuts in ERTA are larger in dollar amount, but not in percentage terms, for upper income taxpayers who pay more tax. However, bracket creep and payroll tax increases also rise with income. The net tax changes in real terms from 1980 levels after bracket creep and inflation are remarkably similar across middle-income levels.

Without the third year and indexing, taxpayers would experience even larger real tax increases of substantial amounts over the decade, roughly equal to the increase in the bracket creep and social security figures between 1983 and 1988. Only the highest, six figure, income families would come out ahead, those who received major benefits from the reduction of the top tax bracket from 70 to 50 percent.

The Brodhead amendment to lower the top rate from 70 to 50 percent in 1 year was offered during the debate over ERTA by the Ways and Means majority and the Democratic leadership in hopes of dissuading the bipartisan coalition from pressing for the third year and indexing. The coalition insisted on the deeper middle bracket rate cuts, because middle-income families get no relief without them. That is as true now as last summer. The President's program is not just a rich man's tax bill. It will be, however, if the administration and Congress retroactively give in to last summer's Ways and Means alternative.

I ask unanimous consent to include the tables I referred to at this point in the Record.

There being no objection, the tables referred to were ordered to be printed in the Record, as follows:

TABLE 1.—NET TAX CUT AFTER BRACKET CREEP AND PAYROLL TAX INCREASES

[Net tax increase (+) or decrease (−) in current dollars]

1982 income	1981	1982	1983	1984	1985	1986	1987	1988
$15,000	145	88	56	32	90	111	116	122
$20,000	199	108	21	−34	40	65	68	72
$25,000	253	139	−34	−107	−22	6	5	4
$30,000	306	171	−49	−136	−37	−4	−5	−6
$40,000	517	318	52	21	180	266	373	477

TABLE 2.—FAMILY OF FOUR EARNING $15,000 IN 1982 WITH COST-OF-LIVING ADJUSTMENTS

	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988
1. Income	11,181	12,690	13,980	15,000	15,900	16,631	17,430	18,231	19,052	19,909
2. Tax under 1980 Code	704	913	1,092	1,233	1,358	1,468	1,597	1,727	1,860	1,998
3. Tax under current law	704	913	1,078	1,082	1,110	1,134	1,184	1,237	1,293	1,351
4. Tax "cut" (3-2); tax decrease (−)			−14	−151	−248	−334	−413	−490	−567	−647
5. Tax at 1980 percent of income (7.195)			1,006	1,079	1,144	1,197	1,254	1,312	1,371	1,432
6. Tax increase from bracket creep since 1980 (2-5)			86	154	214	271	343	415	489	566
7. Bracket creep less tax cut (6+4); net tax increase (+); net tax decrease (−)			72	3	−34	−63	−70	−75	−78	−81
8. Social security tax increase from 1980 rates			73	85	90	95	160	186	194	203
9. Net tax cut (−) or increase (+) after bracket creep and social security (7+8)			145	88	56	32	90	111	116	122

TABLE 3.—FAMILY OF FOUR EARNING $20,000 IN 1982 WITH COST-OF-LIVING ADJUSTMENTS

	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988
1. Income	14,907	16,920	18,640	20,000	21,200	22,175	23,240	24,309	25,403	26,546
2. Tax under 1980 Code	1,220	1,515	1,793	2,013	2,207	2,379	2,576	2,773	2,975	3,187
3. Tax under current law	1,220	1,515	1,771	1,785	1,799	1,826	1,908	1,994	2,084	2,178
4. Tax "cut" (3-2); tax decrease (−)			−22	−228	−408	−553	−668	−779	−891	−1,009
5. Tax at 1980 percent of income (8.954)			1,669	1,791	1,898	1,986	2,081	2,177	2,275	2,377
6. Tax increase from bracket creep since 1980 (2-5)			124	222	309	393	495	596	700	810
7. Bracket creep less tax cut (6+4); net tax increase (+); net tax decrease (−)			102	−6	−99	−160	−173	−183	−191	−199
8. Social security tax increase from 1980 rates			97	114	120	126	213	248	259	271
9. Net tax cut (−) or increase (+) after bracket creep and social security (7+8)			199	108	21	−34	40	65	68	72

TABLE 4.—FAMILY OF FOUR EARNING $25,000 IN 1982 WITH COST-OF-LIVING ADJUSTMENTS

	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988
1. Income	18,634	21,150	23,300	25,000	26,500	27,719	29,050	30,386	31,753	33,182
2. Tax under 1980 code	1,792	2,199	2,587	2,901	3,178	3,425	3,712	4,000	4,295	4,617
3. Tax under current law	1,792	2,199	2,555	2,596	2,569	2,617	2,731	2,855	2,982	3,116
4. Tax "Cut" (3-2) tax decrease (−)			−32	−305	−609	−808	−981	−1,145	−1,313	−1,501
5. Tax at 1980 percent of income (10.397)			2,423	2,599	2,755	2,882	3,020	3,159	3,301	3,450
6. Tax increase from bracket creep since 1980 (2-5)			164	302	423	543	692	841	994	1,167
7. Bracket creep less tax cut (6+4); net tax increase (+); net tax decrease (−)			132	−3	−186	−265	−289	−304	−319	−334
8. Social security tax increase from 1980 rates			121	142	152	158	267	310	324	338
9. Net tax cut (−) or increase (+) after bracket creep and social security (7+8)			253	139	−34	−107	−22	6	5	4

TABLE 5.—FAMILY OF FOUR EARNING $30,000 IN 1982 WITH COST-OF-LIVING ADJUSTMENTS

	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988
1. Income	22,361	25,380	27,960	30,000	31,800	33,263	34,859	36,463	38,104	39,819
2. Tax under 1980 code	2,413	2,971	3,477	3,917	4,305	4,637	5,030	5,425	5,830	6,260
3. Tax under current law	2,413	2,971	3,434	3,512	3,492	3,568	3,723	3,892	4,066	4,249
4. Tax "cut" (3-2) tax decrease (−)			−43	−405	−813	−1,069	−1,307	−1,533	−1,764	−2,011
5. Tax at 1980 percent of income (11.706)			3,273	3,512	3,723	3,894	4,081	4,268	4,460	4,661
6. Tax increase from bracket creep since 1980 (2-5)			204	405	582	743	949	1,157	1,370	1,599
7. Bracket creep less tax cut (6+4); net tax increase (+); net tax decrease (−)			161	0	−231	−326	−358	−376	−394	−412
8. Social security tax increase from 1980 rates			145	171	182	190	321	372	389	406
9. Net tax cut (−) or increase (+) after bracket creep and social security (7+8)			306	171	−49	−136	−37	−4	−5	−6

TABLE 6.—FAMILY OF FOUR EARNING $40,000 IN 1982 WITH COST-OF-LIVING ADJUSTMENTS

	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988
1. Income	29,815	33,840	37,280	40,000	42,400	44,350	46,479	48,617	50,805	53,091
2. Tax under 1980 Code	3,877	4,779	5,627	6,312	6,996	7,551	8,158	8,865	9,590	10,346
3. Tax under current law	3,877	4,779	5,556	5,673	5,678	5,812	6,070	6,346	6,629	6,927
4. Tax "cut" (3-2); tax decrease (−)			−71	−639	−1,318	−1,739	−2,088	−2,519	−2,961	−3,419
5. Tax at 1980 percent of income (14.122)			5,265	5,649	5,988	6,263	6,564	6,866	7,175	7,498
6. Tax increase from bracket creep since 1980 (2-5)			362	663	1,008	1,288	1,594	1,999	2,415	2,848
7. Bracket creep less tax cut (6+4); net tax increase (+); net tax decrease (−)			291	24	−310	−451	−494	−520	−546	−571
8. Social security tax increase from 1980 rates			226	294	362	472	674	786	919	1,048
9. Net tax cut (−) or increase (+) after bracket creep and social security (7+8)			517	318	52	21	180	266	373	477

Mr. JEPSEN. Mr. President, again, everyone should understand that this constitutes a tax increase. The tax reduction act entitled the Economic Recovery Tax Act of 1981 just barely keeps the tax burden from rising. Any rescission or delay of the scheduled tax cut would, therefore, constitute a tax increase.

I urge all Senators to keep this point in mind when voting on this amendment. It is very simple. You will vote to raise taxes.

The **PRESIDING OFFICER.** Who yields time?

Mr. MATHIAS addressed the Chair.

The **PRESIDING OFFICER.** The Senator from Maryland.

Mr. MATHIAS. Mr. President, I wish I could say that I were happy to join with my distinguished friend from South Carolina in sponsoring this amendment. I am not happy. I would be much happier if there were no need for this amendment. But, as the Senator from South Carolina has so eloquently explained to the Senate, there is a need for this amendment. There is a need to consider this option; there is a need to look squarely at the situation as it is.

At another time and in different circumstances the 1983 personal income tax cut would be just what the doctor ordered—at another time. If, for example, interest rates were down somewhere at 6 percent or maybe 7.5 percent, if unemployment were under 5 percent, then—then, Mr. President—the tax cut that is contemplated for 1983 would give the economy a shot in the arm. And I do not think that anyone would dispute that.

But, we have to look at facts as they are. And the facts do not reflect a condition of that sort. Interest rates are hanging around 15 percent, unemployment has just topped 10 percent. We had hoped that the financial markets would respond to last year's tax cut.

Mr. President, may we have order?

The **PRESIDING OFFICER.** The Senator from Maryland has the floor. We will please have some order in the Chamber.

Mr. MATHIAS. We had hoped that the financial markets would respond to last year's tax cuts with renewed confidence in the future. And we hoped that the cuts would stimulate greatly increased reinvestment in industrial productivity. But that has not happened. I would be happier if it had.

The Federal budget deficit—the whopping Federal budget deficit—just keeps staring Wall Street in the eye, so Wall Street has decided to watch and to wait; and, sharing this caution, the Fed is doing the same thing.

Now it would be great if we could achieve a political miracle by putting together a balanced budget that is fair to all aspects of society while keeping these tax cuts. But it is not going to happen. It just is not going to happen. We have reached a political stalemate and the economy is in a state of suspended animation and it is holding its breath.

The financial managers and the corporate executives see the 1983 tax cut as just a kind of sham transfer of money from the Government to the consumer. It is just a kind of a trick. It would be financed by what? By budget deficits. It is just a transfer of funds by budget deficits which would cancel out whatever stimulative effect the tax cut is supposed to have.

Just this week I received a letter from one of the most purdent and, I might add, one of the most successful businessmen in the State of Maryland, a man who was supportive of the tax bill when it passed last year. And now he is telling me we ought to cut the 1982 tax cut in half and the 1983 tax cut at least in half. Well, that is a formula that I think is interesting, but I think is less achievable in the situation as it now is.

Our job, the job of the Senate and the job of Government, is to convince both Wall Street and main street that we plan to get the deficit under control by 1985. And once we convince both main street and Wall Street on this score, then I think the entire financial community will breathe a collective sigh of relief and we can get down to the serious business of retooling, rebuilding, and reemploying America.

Now, I think it is fair to state that the President had hoped to use the prospect of huge deficits as his lever to get the Congress to cut spending or else to suffer the political consequences. But it has not worked. With the elections on the horizon, time is not on the President's side. For better or for worse, under our system of Government, political factors distort neat economic models and they have to be factored into the equation. That is part of real life. So, let us patch and trim and contain our political losses and get the pain behind us and get the country moving again.

Now do not let us sell the American people short. They have a better understanding of economics than many think and they recognize political posturing when they see it. They will forego the tax cut if it means putting our economic house in order once and for all. And I think they will thank us, too, if we can rise to this occasion.

In his report on the state of the Union, President Reagan summoned the memory of our boldest and our most successful Presidents. In recalling them, I think we also must recall that they never worried about revising their policies and their programs when they were overtaken by events or by political realities. These great Presidents did not cling to consistency at the expense of developing steady or stable policies that moved the country forward.

Ralph Waldo Emerson said, "a foolish consistency is the hobgoblin of little minds." And that is a familiar quotation to many Americans.

But much less well known are the words that follow. Emerson also said:

> Speak what you think today in words as hard as connonballs, and tomorrow in hard words again, though it contradicts everything you say today.

Well, the time has come for words "hard as cannonballs" if we are to protect the tax revenues that we need to reduce the appalling deficit while maintaining the programs that are the true bedrock of national security.

So I urge all of my colleagues to get us out of this political box. And the way to do that is to support this amendment.

The **PRESIDING OFFICER.** The Senator from Washington.

Mr. GORTON. Mr. President, I yield such time as he may require to the senior Senator from New Mexico.

The **PRESIDING OFFICER.** The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I understand there are many people who wish to speak and the hour is late. I yield 3 minutes to myself.

I say to Senator HOLLINGS that it would indeed be a pleasure if I could join him. He indicated we have had a lot of difficulty during the last couple of weeks working in the committee and on the floor in a bipartisan manner. I wish I could say that this had never existed and that it disappeared.

But in simple terms, if I add up what the Senator proposes, the Senator suggests that we will cure the recession and, I assume, bring interest rates down and keep them down by directing the Finance Committee of the U.S. Senate to impose $183.5 billion in new taxes on the American people.

I just want to say in all honesty that while I have fought hard to bring this deficit down, to move it in the direction of balance so that we could get interest rates down, we need to convince the public that we are not going to reinflate this economy once again. We have to get the budget under control. The $183.5 billion in new taxes proposed by the Senator from South Carolina would raise the taxes of 76 million currently taxable returns by $2,414 on average over the next 3 years.

I just do not believe the economy can stand that much. I do not believe the American people can stand that much. I do not believe the President will go for that much.

When we started this new administration, we said we would have less taxes, less Government, and more military. I will say that the budget that is before this Senate preserves all three. Government's cost is really coming down. It is now growing at 5 or 6 percent a year instead of 14 or 15. Military is up. Some think this is still too high, but for others it is just right. We have imposed about $100 billion in new taxes, taxes that we will have to find in the Finance Committee.

We think they can do it without affecting marginal tax rates.

But a 3 year $183.5 billion tax increase at this point, seems to this Senator to be far too much of a burden on American business and American taxpayers. I really do not think it will work. I think it will have an adverse effect, not what the distinguished Senator and I hope.

Mr. SYMMS. Will the Senator yield?

Mr. DOMENICI. I am not in control of the time.

Mr. GORTON. The Senator from Georgia asked to be recognized.

Mr. MATTINGLY. First, Mr. President, let me say that I oppose this amendment. The first thing is the tax revenue increase that we have in this budget is one that is looking to try to create some type of tax equity, to close up tax loopholes. For us to say that we want to drop the 10-percent tax cut is not the direction to go. You know what bad politics or bad votes have done in the past year to increase the spending, but then to try to make it up at one time is not the direction to go.

The taxpayers did not create this budget; we created this budget. Preparing a tax increase is what this will do, to balance the budget or to decrease our deficit. It is not their deficit but it is our deficit.

The way to create a miracle is not to do away with the tax cut. We always go out and look for the individual American to start beating up on for the mistakes that we have made here. I am saying that with all the subsidies we vote for all year long, whether it be sugar or no matter what it be, and the other excesses that we vote for all year long, when it comes down to the time to really do something about it, to take on the entitlement programs or the index programs, we turn our backs on that. That is our job. That is not the taxpayers' fault.

I am just saying that because we lack 51 people with the stamina or the guts to take on the total entitlement programs in this Federal budget is not an excuse to go out and cancel or terminate the small, marginal tax rates that we tried to put into effect.

Thank you, Mr. President.

Mr. GORTON. Mr. President, I yield 3 minutes to the Senator from Idaho.

Mr. SYMMS. I thank the distinguished Senator from Washington for yielding.

Mr. President, I would just say that sitting here listening to this debate I find it very interesting that my good friend from the Budget Committee, Senator Hollings, stated that Roth-Kemp was the most destructive thing that has happened to the country.

I might say to my good friend from South Carolina, that the Roth-Kemp proposition was 10-10-10 originally. It was diluted to 5-10-10. Only 5 percent of it went into effect, so the only impact that it had in 1981 was a 1¼ percent reduction in marginal tax rates for the working American people.

It is hard for me to see how this tax program, which has barely been put into effect, could have had that much impact.

I think my good friend from South Carolina knows very well that our current economic dilemma has not been caused by the 1¼-percent marginal rate reduction of last summer.

I think that is a little unfair, to say that our good friend from Delaware's idea has done so much damage to the American people. In fact, it is an idea that was long overdue. It rewarded people for working.

I was also interested in the comments of the Senator from Maryland, Senator Mathias. He quoted some business leader who said all this was was a sham transfer of Government resources to the consumers.

Mr. President, that statement is based on the premise that somehow the Government owns the labor of the American people. I am sure the distinguished Presiding Officer would not agree that the Government owns what people consume in this country, or what they produce.

This is a country where people are supposed to be allowed to keep what they earn. Yet, somehow the argument here today, in 1982, has come clear around the circle to where we actually have a discussion saying it is a sham transfer of Government resources to the consumers.

How far have we gone in this country? What do the American people have to do? They are already paying, on the average, 45 cents out of every dollar they earn for taxes. They get a meager, marginal rate reduction that barely gets put into effect. They had the promise that they will get 5 percent in October of 1981, 10 percent in July of 1982, and another 10 percent in July of 1983. Barely is the ink dry on the bill before Members of Congress and the liberal media are pointing out that it is time now to repeal the tax bill because the tax bill is not working. We heard that when we came back from the summer recess.

Does the Senator from Georgia recall that?

The PRESIDING OFFICER (Mr. Quayle). The time of the Senator has expired.

Mr. GORTON. I yield 2 additional minutes.

Mr. SYMMS. We came back from the August recess and already the national media was saying that the Reagan economic program was not working and we ought to repeal it.

I remember the chairman of the Finance Committee said that the ink was not even dry on the bill and they wanted to have it repealed. Now we are seeing 6 months later that we have an offer to repeal it.

I say to those of you who want to raise taxes on the American people, go ahead and vote for the amendment, vote to raise the taxes 10 percent. That is what you are doing.

The problem with our economy is that we are not cutting spending. I would appeal to my colleagues, why not take a look at this budget and make some good cuts in spending and do what the Senator from South Carolina offered last year. It is not too late.

I would suggest he offer his amendment of last year. Let us not have this big increase in COLA's. We should not be doing that. We are giving people money we do not have. But to raise their taxes? They do not have the money to give back to the Government. We are trying to squeeze blood out of a turnip.

I urge my colleagues to vote no on the amendment.

Mr. GORTON. Mr. President, I yield 5 minutes to the distinguished Senator from Delaware.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. ROTH. I thank the Chair.

Mr. President, I have listened with great interest to the Hollings proposal. I have listened with great interest to determine whether there is anything new in this proposal. Very frankly, Mr. President, what he is proposing is the same old refrain. For years, the policy of this Government has been bigger government, bigger spending, bigger taxes. And where did it lead us? At the end of the Carter administration, we had double-digit inflation, running around 12.5 percent. Interest rates were as high as 21.5 percent. Unemployment was increasing. It was a pretty dismal period.

Make no mistake, Mr. President, it is voodoo economics to suggest the way to get this country out of a slump is by increasing taxes. That is all that is being proposed here, a massive tax increase on the American people at the very time it can be ill afforded.

Already, Mr. President, we are proposing something like a $107 billion tax increase, a very significant burden to be borne by our economy at this time, when it is in a recession.

The distinguished Senator from South Carolina proposes an additional $76.3 billion to be added, so that what we would be doing by this amendment is increasing taxes $183.5 billion—exactly the wrong kind of medicine. The wrong kind of medicine to get this economy moving; the wrong kind of burden to put on the American people.

Mr. President, let me point out that the Roth-Kemp, Kemp-Roth, Kemp-Kemp or Roth-Roth plan—I care not what they are talking about. What we are really talking about is Reaganomics, a policy that has been put into place to bring about some real, long-term growth. But I am concerned that the other side seems to have no concern about the working people, who are paying ever higher taxes, year by year.

Let me point out, Mr. President, even with the Reaganomics tax cut, the Roth-Kemp tax cut, the American people, the working people, have had little or no relief in the area of taxes. If we adopt the Hollings proposal, I think it is important to understand that every individual working American will be paying increased taxes. Let me point out that the man or woman making $15,000 will pay an additional $42 in taxes in 1983, $112 in 1984. The person making $20,000 will be paying an additional $80 in 1983, $203 in 1984. The person making $30,000 will be paying an additional $204 in 1983, an additional $410 in 1984. So what those who support this amendment will be doing is increasing the tax burden on all working Americans.

The tragedy, Mr. President, is that already, they are bearing too large a burden. Even now, with the 5-percent tax cut that was adopted last year, Americans find themselves facing higher taxes because of the social security increases, because of the inflation creep.

Let me point out that there is no support for increased taxes in much of the business community. Let me read what the Wall Street Journal just said in an editorial on May 11.

The answer to unemployment and our other problems is, "to shift the Nation's priority back toward production, away from nonproduction. Efforts by the politicians to resume the steady buildup of tax burdens on working people and the productive economy must be resisted."

Mr. President, most people do not understand that most of the new jobs come from small business and most of small business is not incorporated and the only real tax relief is in individual tax cuts. If we adopt the Hollings amendment, that means small business will lose whatever benefits they receive—much of the benefits they received in the tax cut last year—and we will be dampening really the most creative, innovative part of our economy where most of the new jobs come from.

Mr. President, let us make no mistake what this fight is about. The fight is between those who honestly believe that the wave of the future is the same as our policies in the past: to keep Government growing, to keep spending increasing, to raise taxes ever higher on the individual; versus those of us who believe the wave of the future is to get the economy growing again. What the President has done is put some long-term policies into effect that will create real growth.

The Democrats, some of them, begin saying 1 week or 2 weeks after the adoption of the program that it is not working. Of course, it is not working immediately. You cannot turn the ship of state around overnight. It takes time. I say to my colleagues the American people understand this. They want a change of policy.

I point out that the man in the White House ran on the platform of cutting taxes along the lines of Roth-Kemp as the core of his economic policy of getting the country to grow. Those who oppose that are on the sidelines.

I point out that we cannot permit the Reagan economic policy to be Carterized. One of the real problems we had in the late seventies was that we flip-flopped around to meet whatever seemed to be the immediate issue. I am delighted and pleased that we have now a man in the White House who has the courage to keep a steady course; who is willing to take the heat and flak that comes about from trying to develop a course that will mean real, long-term growth. I ask those who would reverse this trend why they think the policies of the seventies will work in the eighties.

During the Carter years, spending went up, taxes went up. That is what we are proposing if one looks back over the last 24 hours to witness what has happened on the Senate floor. It is perfectly clear that almost every proposal to increase spending has come from the other side. Now comes the proposal to increase taxes from $107 to $185 billion.

The distinguished Senator from Maryland pointed out that we are near an election. I would say the problem in the past has been the policy of Presidents of either political party trying to inflate the economy for the sake of election day.

This President is not making that mistake. As I said, he is keeping a steady course, and he is not going to permit his program to be gutted by amendments like this one being proposed today.

The real problem is that if you adopt the Hollings amendment, one would be prolonging the recession. The 10-percent tax cut that will take effect in July and the one following that year are programs that will give some buoyancy, some push, some boost to the economy at the very time it is needed.

I point out that some of the same critics of this program last year were urging the delay of the tax cut this year. Now some of those same critics say we should have accelerated it.

I am saying, Mr. President, the President has put a major new policy into effect. It means that we are reducing Government spending. It means that we are reducing Government taxes. That is what the American people demonstrated they wanted in the last election. That is what the polls show that they still want. It would be a mistake to make a change in course this year.

I think we are making some progress. It is interesting to note that the critics of that program sort of downplayed the fact that inflation is lower than it has been in 25 years, the fact that even interest rates, while far too high, are several points below that of Carter.

Mr. President, I urge that we reject this amendment because, if it is adopted, it will mean a massive increase in taxes on the working people. It will mean a sluggish growth in the economy, a continuation of the recession.

Businessman after businessman has come out against these high tax increases. I urge that each and every Senator vote against this as it would be a step in the wrong direction.

I yield back the floor.

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. Mr. President, before I yield to my distinguished colleague from Arkansas, let me comment on a couple of things.

The distinguished Senator from Delaware says that my proposal is a tax increase on all working Americans and what we need are tax cuts.

The truth of the matter is—and this goes to Senator Symms' comments earlier—we are now experiencing a present progressive tax, a $38 billion increment of Kemp-Roth, or Roth-Kemp. It commenced January 1, 1981, and we are now in the 17th month of a $38 billion tax cut.

Look what it has given us. "Ain't it grand." Reward working Americans.

I will tell the Senator from Idaho how he rewarded people for working. You put 2 million Americans out on the streets. That is how you have rewarded working Americans with this program.

Senator Roth really believes it. He says:

> Make no mistake about it, the way to get out of a slump is not to increase taxes.

I beg to differ. Economically somebody would argue that this is not the way you get out of recession. He is arguing Keynesian economics—no Laffer on that one; that is the Keynesian economics of stimulation.

The fact of the matter is that you want to try to bring in some incentives, and we gave incentives to everybody we could find with every kind of work program and every kind of tax cut.

Jimmy Carter had a 1977 tax cut. He had a 1978 tax cut.

The Senator from Kansas remembers that that tax cut was going to reindustrialize America then we reduced the capital gains tax rate from 48 down to 28 percent.

The small business that you talk about; we were going to reelect my friend Gaylord, Senator Nelson. He was chairman of that Small Business Committee. And so we thought up everything we could for small business—14 different items. We just put them into the law.

Gaylord is not here, and America is not reindustrialized.

I can tell you we have had it. And I have done it the other way, I say to the Senator.

I heard this same cry 32 years ago in South Carolina when we enacted the sales tax. They said that we could not afford it; it was on the working people, but we built a public education system. I authored it, and it is working. And if you put it to a popular vote, no one would ever have passed it, but no one in his right mind has ever recommended the repeal of it.

Twenty-two years ago, in 1959, we were running our budget in the red. And we had a constitutional amendment, a constitution of 1895, that said, "The budget shall be balanced." We had that in our constitution. We had always run it in the red.

But we will get to that one later. Even David Stockman is trying to finesse this mess with a constitutional amendment to balance the budget that could not possibly take place until the next President comes in. So they are very glib with the coverups, but running in the red, yes.

We raised the taxes in the lowest per capita income State next to Mississippi in the United States at that time, and by increasing taxes we balanced our budget. We paid our bills. We began cleaning out Delaware and bringing industry into South Carolina. If you want to, you can see four grand, great Du Ponts that went down there from Delaware, the largest facilities. They have come because we increased taxes and paid the bills.

So I know what it is to increase taxes and bring this economy around. I have tried it my way, and it has worked. I am trying your way and it is a bomb.

Now, let us get to the Senator from New Mexico, the distinguished chairman. Everyone knows the high regard I have for him. But what about these new taxes? They come up with a particular measure and they say, "Now, if we take the Hollings amendment, we have $183.5 billion in new taxes if we do not change any law," and they kept $183.5 billion in new taxes.

Let us get to that point. My amendment does not increase or decrease taxes. It leaves them even with the board. July 1, 1983, you can cancel the effect of that law and the tax structure remains the same.

Now, who mentioned new taxes? You did. You all brought out a plan. Here it is, I have it in my hand. How much is it—$107.2 billion in new taxes.

Well, you all have a stone wall in front of you. You have to march up to talk to HOWARD and vote for the thing. You know that.

I did not mention the new taxes. I tried to freeze.

Now they are embarrassed. They love new taxes. That whole crowd is mentioning trying to redeem their consciences with a minimum tax. You are trying to now get some corporations to pay taxes. They are trying to get rid of tax leases. You are trying to clean up your act. I can tell you there is the worst thing that ever happened in this body, and they just went wild.

New taxes? I did not mention new taxes. I mentioned holding the line. It is the Republican alternative, the present budget, that we now have before us that recommends $107.2 billion in new taxes.

It is much like the fellow that went to the psychiatrist and the psychiatrist drew a circle on the board and said, "Now, what does that make you think of?" He said, "Sex." He drew some lines. He said, "Sex." He drew some crosses. The man said, "Sex." The psychiatrist looked at him and said, "Young man, you are the most oversexed man I have ever seen." He said, "Doc, me oversexed? You are the one drawing the dirty pictures."

You are the ones drawing up this new stuff, not old HOLLINGS. Do not give me that about new taxes. You have before this body $107.2 billion in new taxes.

All I say is, do not go out and borrow it and mail it around and say you are doing something for the working man, because you are putting him out in the street. You are not being realistic. You are giving us the old "it has not taken effect" argument. Stick to it. Keep a steady course. You are right about that. Jimmy Carter gave changing your mind a bad name. They do not want to change in the White House, and I think that is the difficulty we have.

The President does not want to change. The fact is that he thinks, as some of you do—we just have a difference of opinion—that it is working well.

In fact, at the chamber of commerce meeting, he said, "If it ain't broke, don't fix it." So he is sweating it out, hoping that in July, with the mailing of some $18 billion to social security recipients, with the new 10 percent, across-the-board $40 billion in tax cuts—which is revenue distribution—he hopes that will stimulate the economy. Maybe it will. Maybe we will learn a lesson.

However, the economists are talking about what they call rational expectations. That is what the business community does.

I was on a forum not long ago at which someone from Manufacturers Hanover Trust said that Kemp-Roth started and the Reagan program started the day the President was elected back in November because, immediately anticipating—that is what the market does—they could see that here was a conservative Republican President coming in. He was going to reduce regulations and spending. He was going to reduce taxes. And they were going to get, as they saw it, a better deal, and they started in anticipation.

Rational expectations was the psychology, until it got into law, and then they sobered up.

Now the rational expectation is revenue hemorrhage upon revenue hemorrhage upon revenue hemorrhage.

They will never get this Government back into the black during the terms of the next two Presidents at this rate. In 1985, you lose $189 billion; then indexing triggers in, and you lose even more in later years.

Oh, yes, the gimmick of Kemp-Roth was to take away the resources, and that would force us into cutting spending. But your new budget plan added $56 billion for guaranteed student loans, medicaid, medicare, additional funds for space science, veteran pensions, Postal Service.

Here is Mr. Postal Service. He got his money in that caucus. He was there. He did not get dealt out, I can tell you that. I sat on that Appropriations Committee, and, just as I respect the Senator and every one of those particular subcommittee chairmen, the five subcommittee chairmen came in and asked for $18 billion more than the President asked.

So do not say it is the same old song. You are the ones giving the same old song.

You find the spending there, but you will not face up to paying, and you wreck the economy. Rigor mortis is setting in.

I yield to the distinguished Senator from Arkansas.

Mr. BUMPERS. Mr. President, first of all, I heard the Senator from Delaware talking about how the Democrats rushed to judgment on the President's whole economic policy by claiming within 2 days after he signed the reconciliation and tax bills that the program was not working.

I want to exclude myself from those who rushed to judgment. I was 1 of the 11 Senators who stood on the floor of the Senate in July of 1981 and said, that the President's tax progam would not work, and I voted against it. I am here today, in May, about 10 months later, saying it still is not working; and I will be here a year from now, if we do not do something today on this budget, again saying it is not working.

If there is anything people distrust more than a politician, it is a politician saying, "I told you so." So I am reluctant to say that.

What are the politics of this problem?

I can picture the people on that side of the aisle going out and campaigning this fall and telling their constitutents what yeoman service they have performed because they got the budget deficit down in the range of $110 to $120 billion for 1983. I would love to run against somebody who was boasting about getting the deficit down to $110 billion.

If I were interested solely in the politics of this problem we are confronted with, I would finally hope that the amendment offered by Senator HOLLINGS is defeated. I would finally hope that the President of the United States would not suddenly say, "I believe we went too far with the tax cut. We need to recant, because it is not working."

Every Democrat up for election this fall would be in big trouble if that happened. I am not worried about it, but I am just discussing the politics of it.

I said yesterday afternoon that if the U.S. Senate suddenly broke out in a spate of commonsense and responsibility and adopted the amendment by Senator KASSEBAUM to limit annual defense increases to 7 percent in real dollars, and adopted the amendment of the Senator from South Carolina to forego the third year of the tax cut, and repealed the safe harbor leasing provision—a provision for which, I am happy to say, the chairman of the Finance Committee shares my lack of enthusiasm—if we did those three things and then adopted this budget, I might vote for some of those $85 to $100 billion in taxes that this Budget Committee has recommended. If we adopted those amendments, we would get the deficit down to $15 billion for 1985, and we would be sending a clear and effective message to Wall Street, and one that is long overdue.

The folly of last year's tax bill was not just the personal tax cut for the wealthiest Americans but something that I daresay perhaps 15 Senators knew was in the bill—the so-called safe harbor leasing provision.

You talk about the business community this country having no enthusiasm for higher taxes? How could they? We virtually eliminated the corporate tax last year.

In 1948, the corporations of this country contributed 28 percent of all the revenues collected in the U.S. Treasury. That was in 1948. In 1980 it was only 12 percent. The Joint Committee on Taxation projects that by 1987, corporate taxes will be between 6 and 7 percent of all revenues.

One of the most interesting phenomena I have ever seen was noted in a study by the Joint Committee on Taxation, which concluded that productivity in this country has declined steadily as the corporate tax rate has declined. The whole theory of Reagan economics was that if the business community has more incentive, more tax cuts, more accelerated depreciation, more everything, you will suddenly see productivity in this country increase, and we will then become competitive with Germany and Japan.

What is the perception of the ordinary workingman in Arkansas? He was promised a tax cut, and last year, on July 1, he received a 5-percent cut. He hardly noticed it. On July 1 of this year, we are going to give him a 10-percent cut. I voted for that during the tax cut measure.

The Senator from South Carolina offered an amendment calling for 5 percent the first year and 10 percent the second year; further cuts were to be dependent on the condition of the economy. I voted "aye," but, unhappily, there were not too many of us who voted that way.

I saw some new statistics the other day that showed that the national median family income for one wage earner with a wife and two children—the median income for the household—is $20,000 to $21,000.

Under this tax bill when it is fully effective in 1984 that family will get $464 in tax cuts that year. That amount will not even pay the increase in natural gas bills in my State.

But what level tax does a U.S. Senator who happens to make $60,000 get in 1984? A nice round $3,000. I ask you, who needs it most? The family of four making $16,000 to $20,000 a year, or a U.S. Senator making $60,000 a year? The answer is clear.

In my State which is 49th in per capita income, the median family income is only $16,000, or $4,000 below the national median. In my State, the average household gets only a $281 tax reduction in 1984, the year the whole 3 year tax cut will be in place. And a man making $100,000 gets a nice round $6,000 that year. This is the tax program some Senators are defending here today.

Mr. President, when there is a provision in the tax bill that allows the General Electric Co. to make $2.6 billion, get off tax free, and on top of that get a $100 million refund from the U.S. Treasury, when the Occidental Petroleum Co. makes $950 million and does not pay 1 dime in Federal income tax, how can we expect the people of my State struggling on $10,000 and $15,000 a year to believe that our tax system is equitable? The answer is in the question.

Mr. President, we constantly say we want to represent the collective thought of the people of this country. But the Gallop poll showed 30 days ago that 74 percent—I repeat 74 percent—of the people of this country would be happy to forego the third year of the tax cut in order to reduce this deficit.

The Senator from Delaware referred to this terrible tax burden that the American people face. But I submit that if we can reduce interest rates by 4 percent we will really be relieving the American people of a burden. People cannot buy houses because of high interest. They cannot buy cars. In January of 1981 the economy of this country was in a mess, and today it is in a shambles. The reason people who make less than $20,000 a year overwhelmingly support repealing this tax cut is because they hardly feel it. What they do feel is their inability to buy a house. What they do feel is their inability to buy a car, a refrigerator, or anything else that they have to buy on time payments.

I have been interested in watching and listening to the Secretary of the Treasury Donald Regan. I do not want to embarrass him by quoting all the predictions he has been making now for a year: "Prosperity is just around the corner. We expect an upturn in the first quarter." It did not happen. "We expect an upturn in the second quarter." It did not happen. We now do not believe that even the third quarter will bring an upturn.

The stock market drifts lower and lower each day. The Senator from Delaware referred to the burdens of the small businesses to whom we look for jobs in this country. Five hundred of them are taking bankruptcy every week.

The PRESIDING OFFICER. The time of the proponents of the amendment has expired.

Mr. HOLLINGS. Let me yield on the resolution itself 5 minutes.

The PRESIDING OFFICER. The Senator is recognized for 3 additional minutes.

Mr. BUMPERS. That is what is happening to the small business community. They are dropping like tenpins, 500 to 550 a week taking bankruptcy. That is the burden the small business people of this country are bearing.

Mr. President, 10.5 million people in this country out of work translates into an umbelievable amount of human misery. Factory output is down another half percent in April. Productivity is at a minus status.

Mr. SYMMS. Mr. President, will the Senator yield?

Mr. BUMPERS. In just a minute.

The President says all he wants to do is to slow the rate of growth of Government. The budget he submitted called for spending $33 billion more in 1983 than in 1982. The interesting thing about this $33 billion figure is that he asked for $34 billion in increased defense spending. In other words, the entire $33 billion increase in the budget the President requested, plus $1 billion, was for increased defense spending.

At the rate we are spending for defense, the 24 percent of the budget that went for defense in 1981 will be over 37 percent in 1987.

It will not make any difference how many planes, tanks, guns, or anything else we have if we spend this country into bankruptcy and our economy collapses. There is nothing wrong with the economy of this country that could not be solved right here in the Senate before midnight. I doubt that what should be done will be done. But there is nothing wrong that we could not fix right here, right now.

So I ask all of my colleagues, as Atticus Finch implored, "For God's sake do your duty."

The PRESIDING OFFICER. Who yields time?

Mr. GORTON. How much time does the Senator desire?

Mr. GRASSLEY. Three minutes.

Mr. GORTON. I yield 3 minutes.

The PRESIDING OFFICER. The Senator from Iowa is recognized for 3 minutes.

Mr. GRASSLEY. Now we are told that 74 percent of the people are willing to forego a tax cut to balance the budget and get the deficit down. But there was a poll within the last month that said that the people of this country expect us by a 6-to-1 margin to cut spending over increasing taxes to bring this economy and this budget under control. They said this because the people of this country know that this budget is out of control and that it is too much business-as-usual to increase taxes in order to balance the budget.

Let me assure you that if this amendment of the Senator from South Carolina goes through to eliminate the third year of the tax cut then the next step, and it may be offered anyway, will be to eliminate indexing. If there is anything that is business-as-usual which is going to return to haunt this body it is eliminating indexing. If we eliminate indexing, we are going to continue to have automatic tax increases year after year that provide the easy way of increasing spending. This budget has gotten out of control simply because we have not had to be responsible for the additional taxes that come into the Treasury. As the Senator from South Carolina said, only twice in the years that he has been in the Senate did he have to vote for a tax increase. Why? Because of inflation. With each 1-percent increase in the consumer price index and in wages, taxes go up 1.6 percent.

Now, that is a windfall to the Federal Treasury above and beyond the real growth of our economy. If there is any one principle that we all should abide by if we want to be morally and ethically responsible, it is that we should not increase spending for the Federal Treasury beyond the economic growth of the taxes supporting those services.

Anything less than that is saying to ourselves that it is all right for this generation to live high-on-the-hog and let future generations pay for it.

Why should we not be able to foot the bill ourselves?

The PRESIDING OFFICER. The time yielded to the Senator has expired.

Mr. GORTON. I yield 1 additional minute.

The PRESIDING OFFICER. The Senator is recognized for 1 additional minute.

Mr. GRASSLEY. What we are doing here in reducing taxes, followed by the most important step, indexing, is to have any increase to the Federal Treasury beyond real growth held accountable by this body. We must do away with these automatic tax increases by which we can spend and spend without being responsible. Only then will this generation pay its own way, so that we can pass on to our next generation the sound economy that we help create.

Mr. President, I am afraid that those who would repeal the third year of the scheduled tax cuts, as well as tax indexing, would do so without having studied the implications of that action.

Under the full 3-year tax cut plus the indexing provision, the average taxpayer would have a reduction in average and marginal tax rates of just under the 1979 level. Whatever bracket creep would set in from 1980 to 1984 would be offset by the second and third years of the tax cut. Indexing would then maintain that level of taxation indefinitely.

If we repeal the third year and indexing, falling marginal tax rates would bottom out at 1980 levels in 1982 and 1983. After that, marginal rates would rise steadily—a ticket to a repeat performance of the current recession.

As my distinguished colleague from Iowa stated, due to bracket creep and scheduled social security tax increases, the third year of the tax cut is crucial. For most middle-income families, these increases wipe out the effects of the personal tax reductions. In fact, many families will end up paying a higher percentage of their income than in 1980, even with the third year and indexing in place.

Furthermore, the characterization of the 3-year tax cuts as a bonanza for the rich is comical, even cynical, if one looks at the facts. Those who would suffer the most from a repeal of the third year and indexing are lower and middle-income families. Upper income taxpayers have already received a substantial reduction thanks to a democratic initiative to lower immediately the top tax rate from 70 to 50 percent.

A family making $200,000 would lose only one-quarter of its tax cuts by 1986, while lower income families would lose about twice that much.

The $15,000 family is hit hardest by bracket creep, and harder than most by payroll tax increases. If we take away that family's third-year tax cut and its ability to adjust the personal exemptions for inflation, then that family's tax burden would rise dramatically.

The President's tax program, the program we passed last summer, is designed to give all taxpayers equal tax relief. Most importantly, it protects those least able to cope with the tax burden—the lower and middle-income families of our Nation.

Those lower and middle-income families would not be protected if we repeal the third year and indexing. Indeed, their tax burden would be disproportionately greater.

Mr. President, the personal tax cuts we passed last year are not a tax cut for the rich. But they will be if we repeal the third year and indexing.

The PRESIDING OFFICER. The Senator from Washington.

Mr. GORTON. Mr. President, will the Senator from Idaho withhold? I yield 2 minutes to the Senator from Oklahoma (Mr. Boren). I will yield to him at this point.

Mr. BOREN. I thank the Senator from Washington.

Mr. President, it makes no sense to me to go ahead with the third year of the tax cut and then turn around and impose over $101 billion in new taxes, as this resolution would do.

If the Hollings amendment were offered so as to substitute a 2-year postponement of the 10-percent tax cut or the $101 billion in new taxes, I would vote for it. However, this is not the case.

The Hollings amendment as now written imposes a postponement in addition to the $101 billion of new taxes already proposed in the resolution. This would mean a tax increase of over $180 billion. I cannot support an increase of that magnitude unless it is conditioned on certain economic factors, as I understand the Senator from Nebraska (Mr. Exon) may propose later or on additional cuts in spending which are adopted in return for it.

The original Hollings proposal to freeze all spending increases and individual taxes in place until we balance the budget had much appeal to me. I am very sorry that the administration rejected such a fair and evenhanded proposal out of hand.

Their rejection of the original Hollings proposal, in my opinion, was the first step in pushing the Nation down the slippery slope of outrageously high deficits.

·This proposal, however, relies solely on tax increases to balance the budget. It does not have the fairness of the original Hollings proposal and, as a result, I cannot vote for it.

Mr. GORTON. I yield 4 minutes to the Senator from Pennsylvania.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. HEINZ. Mr. President, I have listened carefully to the debate here today on the Hollings amendment, and I would like to say at the outset that I have expressed on many occasions my willingness to defer or even repeal the third year of the tax cut if that is what it takes to get the deficit down to an acceptable level, assuming there is acceptable spending restraint by Congress.

I have to correct my friend from South Carolina about one thing that he said. In his remarks he indicated that the report from the Senate Budget Committee, assumed that the third year of the tax cut will not be repealed. I ask him to look at page 50 of the committee report on the first concurrent resolution for 1983, and he will see it uses the phrase "no assumption was made regarding the manner in which these sums would be raised." It is clear that the report does not presume that the third year of the tax cut will or will not be repealed.

Let me make a second point, Mr. President. In order to understand the implications of this amendment we must perform a litle bit of mathematics. This amendment would make it necessary for the Finance Committee to raise $183 billion in additional taxes over the next 3 years. Now, as I understand it, last year, as part of the 1981 tax cut, for the 3-year period we are talking about, 1982 to 1985, this Congress voted $76 billion in business tax cuts; $76 billion in the third year of the individual tax cut; $9.5 billion in relief for estate taxes, and $11.5 billion in incentives for individual savings, and $7 billion to encourage energy production and conservation. As I add up those numbers, Mr. President, I get to a number that is considerably less than the $183 billion.

So, as I understand what the Senator from South Carolina is proposing we would have to increase the amount the Finance Committee is instructed to raise in taxes by $76 billion over the next 3 years, the full value of the third year of the tax cut. We would have to find the original $107 billion in revenue which is already in the budget resolution from other sources. What would we do, repeal every single business tax cut we enacted last year? Does the gentleman from South Carolina think there are sufficient votes in Congress to do that?

Faced with the need to raise $183 billion over 3 years, what Congress is more likely to do is repeal all of the estate tax reform and savings incentives that we enacted. Mr. President, I do not think this amendment has been very well thought through as to the consequences or as to the votes.

But I suppose there is always some logic to some tax increase, and I have gone through a list of things this Congress might consider. They are not things that I believe are wise to consider but faced with the need to raise $183 billion in taxes they will be considered nonetheless.

Someone says to me, "Well, we are not going to repeal all those business taxes, Senator. We are going to find that money some other way. We are not going to repeal accelerated cost recovery. We are not going to repeal the investment tax credit, not the IRA's. That would be wrong."

Well then, where are we going to find that money? I am told the list I now hold in my hand is the list of things the minority feels they might do.

The PRESIDING OFFICER (Mr. Rudman). The time yielded to the Senator has expired.

Mr. HEINZ. I ask for 2 additional minutes.

Mr. GORTON. I yield 2 additional minutes to the Senator from Pennsylvania.

Mr. HEINZ. I understand they want to increase the floor on medical deductions to 10 percent of an individuals income; they want to eliminate the $150 health insurance deductions; they want to limit industrial revenue bonds; they want to limit mortgage interest deductions. What impact would that have on the already depressed housing industry? The minority is apparently willing to repeal the DISC; they want to repeal State sales tax deductions so that people can be taxed twice; repeal the personal property deductions, so that people can be taxed twice; repeal the $100 exclusion on dividends; tax every penny of unemployment tax compensation—that is a nice one for families and communities devastated by unemployment. The minority appears willing to reduce energy investment credit; reduce the investment tax credit; tax employer-provided health insurance; put a $5 per barrel import fee on oil; double the beer and wine tax. I know the Senator from South Carolina would be opposed to doubling the beer and wine tax.

Would the Senator from South Carolina have us repeal the net interest exclusion or the dividend exclusion, tax social security benefits; tax railroad retirement benefits; double the motor fuel tax. Mr. President, these certainly are all things Congress could do.

But let me tell you I do not think most of those things—any of those things—are things Congress ought to do. But it would appear obvious to me that if we agree to the amendment of the Senator from South Carolina, then we do sign on to do all of those things. Should the amount of revenue the Finance Committee, of which I am a member, be instructed to raise an additional $76 billion beyond the amount already directed. I know all too well that many taxes that are either unwise or unfair would be enacted. Therefore I oppose this amendment.

The PRESIDING OFFICER. The Senator's time has expired.

Furthermore to the extent that the Finance Committee can find reasonable ways to raise revenues above the $107 billion floor currently set under the existing budget resolution we are free, and I hope would, do so.

Mr. GORTON. Mr. President, at this point I have the intention of yielding 5 or 6 minutes to myself. I have requests for time from the distinguished Senator from Virginia (Mr. Harry F. Byrd, Jr.), the Senator from Kansas, the chairman of the Finance Committee, who wishes to close debate for this side. I understand that Senator Hollings—I am also informed that Senator Kasten wishes to speak on this issue—I understand the distinguished Senator from South Carolina wishes to yield to the Senator from Nebraska, and I will offer him that opportunity at the conclusion of my own remarks. Is that satisfactory?

Mr. HOLLINGS. I would just like to correct the distinguished Senator from Pennsylvania.

Mr. GORTON. Obviously there will be time for that.

The PRESIDING OFFICER. The Senate will be in order.

Mr. GORTON. At this point I yield 5 or 6 minutes to myself.

The Senator from South Carolina, my good friend, is one of the great orators as well as one of the great Senators of this body. As a matter of fact, I think it is not an exaggeration to say that his oratory can charm the birds from the trees. I suspect he would have little difficulty in selling ice in the Falklands.

At this point, he is attempting to sell the American people on roughly $82 billion in taxes over the next 3 years over and above those already assumed in the budget resolution which is before us.

He was joined a few minutes go by the equally eloquent Senator from Arkansas, Mr. Bumpers, who criticized at length a system which has lowered the percentage of taxes collected in the United States from corporations and who proposes as a cure an increase in taxes on individuals by canceling the third year of the individual tax cut passed by this Congress last July.

With all respect to those gentlemen, I do not believe that this is the appropriate way to work our way out of a recession. I might remind the Senate that the problems in connection with budget deficits, with which we are so seriously faced today, were first recognized and a solution to them first proposed as long ago as last October and last November by the very distinguished chairman of the Budget Committee, who came very close, but not quite close enough, to reporting to this floor a second budget resolution for 1982, the passage of which I am convinced would leave the problems which we face today measurably smaller than they are at the present time.

That failure illustrates the vital importance of passing a budget resolution which calls for a reasonable balance between restraint in increases in Federal spending and increases in Federal revenues.

I do not believe that that reasonable balance is included in the proposal of the Senator from South Carolina, which would increase taxes in total by a greater amount than it would reduce the growth of spending.

I do not wish for one moment to criticize the courage or the farsightedness of the Senator from South Carolina. He was the first individual to present an alternate budget to the Senate and the people of the United States immediately after the President's message last February. It is true that that proposal called for even greater increases in taxation than this does. And it is also true that a proposal which I made not long thereafter was correctly and accurately described by the Senator from South Carolina in connection with its revenue increases.

But there are two significant differences between both of those proposals and what has happened since. First, neither of them accounted for the possitive effect on interest rates and on interest payments, and thus, when we take that into account, neither was necessary in its entirety. Second, both of them provided much more in the way of spending restraint, including the proposal of the Senator from South Carolina, than does the proposal which is before us right now. And, therefore, the balance, as we have this resolution before this Senate right now, is roughly what the balance was in our earlier proposals, which would have gone further toward balancing the budget and in fact would have done so by 1985.

I must say, however, I think it vitally important to say that there is very little opinion outside of this body for the proposition that by increasing taxes alone, that by taking this resolution and adding to it the cancellation of the third year of the income tax cut, we will somehow work our way out of a recession. It is simply not possible by increasing taxes to increase the capital necessary to lend to businesses and individuals at reasonable rates of interest. We need more such capital, not less such capital.

Even so, I may say, in order to attempt to provide some balance to this debate here this afternoon, that the budget which we pass here this evening or tomorrow will not be the final word. It may well be that some of the proposals in connection with spending made by the Senator from Arkansas will be included in the ultimate package. The House obviously will pass a different budget from that passed here.

I believe that a compromise between what the House passes and what we pass here will be reasonably balanced between spending restraints and between revenue increases. I believe it is much more likely to have that fate if we continue to defeat the amendments to increase spending from the other side of the aisle and if we defeat the proposal by the Senator from South Carolina here now.

I have no doubt that in any conference committee on this proposal the contribution of the Senator from South Carolina will be significant and that by going through with what we are doing right now, and by succeeding in doing so, we will do the best possible job for the future of the economy of the United States. And in order to do that we need to defeat this amendment.

Mr. SYMMS. Will the Senator from Washington yield for one question?

Mr. GORTON. Yes.

Mr. SYMMS. I thank the Senator very much for his very articulate statement. I agree with him that we need to get this uncertainty removed from the air.

But I think one question should be asked that has not been answered here. If those of us who have advocated a reduction in marginal rates are in fact responsible for those unemployed Americans, then I would say to those that are making that accusation, just who is it you are going to have hire those unemployed people by raising taxes? The Government? That is the question that should be answered. How are you going to raise taxes on Americans across the board and do anything about unemployment, do anything about capital investment, or do anything about jobs? That is the real question. It just simply will not work.

Mr. GORTON. Since the Senator from Washington agrees with the premises on which that question was asked, he will defer answering it to the Senator from South Carolina to whom he proposes to yield.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that the Senator from Ohio, Mr. GLENN, the Senators from Massachusetts, both Senators KENNEDY and TSONGAS, and the Senator from Michigan, Mr. LEVIN, be added as cosponsors to the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HOLLINGS. Mr. President, I yield to the distinguished Senator from Nebraska and, thereafter, so we will have some order, my hope would be to yield then to the Senator from Delaware and the Senator from Maryland and then close it down if we possibly can.

Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Chair would advise the Senator from South Carolina——

Mr. HOLLINGS. I yield time off the resolution.

The PRESIDING OFFICER. This is on the resolution?

Mr. HOLLINGS. Right.

Mr. EXON. Mr. President, I thank my friend and colleague from South Carolina. Mr. President, I support the Hollings amendment, not to increase spending, as some have indicated in debate, but to reduce—to reduce, Mr. President—the ruinous deficit totals. Those on that side of the aisle, not this side, have approved the spending totals that necessitate these highest deficits in our history.

As the chairman of the Budget Committee said a few moments ago, the President promised less government, less taxes, and more military. I will not go into a debate on that. Let us assume that all of that is true.

The President also promised a balanced budget. That was the hallmark of the successful 1980 campaign. I think the majority did not promise in that campaign the greatest spending, the largest deficits, and the highest trillion-dollar debt ceiling in the Nation's history.

Let us truly make no mistake about what we are about, Mr. President. We are simply increasing the deficits by increasing spending and making those deficits worse by trying to fool the American people by making them believe that we are responsible and good guys by giving tax cuts at the same time.

What we are really doing is cutting taxes for phony, political tomfoolery and not saving a like amount in spending. The result is obvious. We are driving up deficits, holding up high interest rates at the highest real level in their history, and thereby shackling any chance of economic recovery.

The new Republican approach, as recommended in the matter before us, locks in the highest and most irresponsible deficits by far—by far, Mr. President—in our history.

By comparison, they make Jimmy Carter look like the most conservative President since Calvin Coolidge. JACK KEMP says that his party no longer worships at the altar of a balanced budget. It is very obvious that that is true.

The new Republican deficits before us lock in the following unbelievable deficits for the following years: 1982, $117 billion; 1983, $119 billion; 1984, $91 billion; 1985, $64 billion, and that is optimistic.

Mr. President, we can point fingers, we can blame, we can find fault, and we can engage in argument indefinitely. The simple fact is that we must get on the glidepath of a balanced budget. That simply says that we must match income with outgo. It is not very difficult to understand.

I say, Mr. President, that no family, no business, no farmer, no corporation, no local government, and no federal government can go on indefinitely spending more money than they take in.

Mr. President, I am not very much influenced by those who have said in argument here today, in debate on this very important amendment offered by the Senator from South Carolina, that those of us who support this are simply supporting more spending. No, Mr. President, we are not supporting more spending. We are taking the spending totals advanced to us by the Republicans in the budget package that they have before us, and we are simply saying that the deficits that I have just cited are entirely too high to get the economy of this country back on track.

No one wants to eliminate tax decreases, but it is not responsible, it is not conservative, and it is not being honest with the people if we proceed on the course that we are on.

Let us tell the people the truth. While this is a very difficult amendment to vote for, and it is going to take some courage to do so, I think it is the only thing which has been offered thus far in the debate on the budget considerations before us which sincerely attacks the matter of reducing the deficits which I assume most Members of this body on both sides of the aisle are primarily concerned about.

I yield the floor.

Mr. HOLLINGS. Mr. President, I yield now to the Senator from Delaware from time on the resolution.

Mr. BIDEN. Mr. President, this is a little reminiscent of a year ago. A year ago the Senator from South Carolina had what I considered to be the only significant Democratic alternative offered to the Republican tax package and which I cosponsored. We said back then, "Look, we like the idea of a tax cut. We like the idea of sizable tax cuts." We were not even arguing about equity then.

We stood here on the floor and said, "Look, the President has told us a good story, a nice tale for us, more like a fairy tale. He has told us all will be well in America if we just cut taxes and if we cut them significantly."

He gave us his economic recovery plan that was the prescription for our recovery. He told us about what interest rates would be a year from then. He told us about the inflation rate.

He was right about inflation. In fact, inflation turned out better than he said. It is lower than he thought.

He told us about what the deficits would be. He told us about how the economy was going to rebound.

The Senator from South Carolina and I said, "Well, we like that. It sounds real good."

I like to say to my folks at home that I am against taxes, and I particularly like to vote, whenever I can, with my senior colleague. I mean that sincerely.

It is not real comfortable being back home in Delaware saying, "I do not like this tax cut." I would like not to have to say that.

So we said, "Look, if it does not work out quite the way you said it would, Mr. President, maybe we should not go forward with the second and third year of those cuts. Maybe we should make them conditioned upon what you say is going to happen."

We said we would like to have that cut. I do not know many people here who would not like to have the notion of an economic recovery coupled with significant tax cuts.

Well, as recently as yesterday the Republican majority in the U.S. Senate presented the U.S. Senate with a modified budget resolution, the second time out, which increases 3-year deficits to $270.7 billion.

Let me say, we Democrats do not have a lot of credibility to talk about deficits. We Democrats have not been running around here for the last 10 years, with the exception of the Senator from South Carolina and a few others, the Senator from Virginia, whom I see on the floor, and a couple of others, who have been disciples of balanced budget. We have to admit that the other team has scored. They have been the folks talking about that.

We used to talk about leverage in the economy, but not even we Democrats dreamed of a $270 billion deficit over 3 years. Not even the wildest, wild-eyed liberal among us believed that we would ever see a time when we would be talking about deficits like that.

Before my friend from Idaho comes back on the floor, suggesting that the Democrats are the ones who made everything bad, let us stipulate to that for the purpose of this discussion. "The reason America is in trouble is because of the Democrats." We did it all. I will stipulate that for the sake of this argument.

What are we going to do about it? We have a new team. The new team has been downtown now for 1½ years. We have a new team running the show up here in the U.S. Senate. We are not talking about the economy as a whole at this very moment; we are talking about the budget. This is the budget. We can argue about what the impact is that the budget has on the economy, but let us talk about the budget. The budget we are presented with here has a $270.7. billion deficit.

My friend from Idaho, and I wish he was on the floor, said not long ago, that we have been accused of being the reasons for unemployment and so on and so forth, but how we going to get people back to work unless we get more money out there?

Let me tell you something. First of all, you are not going to get a whole lot of money out there if, in fact, you do not get the economy moving a little bit. You will have more people unemployed and the deficit will go higher. But let us forget that for a moment.

I come from a State, as the senior Senator from Delaware does, which has a mild corporate interest. We have a few corporations that reside in our State. I will tell you what they are telling me. They are saying, "We really liked that tax cut at first."

"We really liked it. It was a good idea. But we have a problem now. We know that America cannot live with $100 billion deficits year in and year out. We know it is not going to work. And we know that what is going to happen is that one morning you are going to wake up and you are going to regain your senses and you are going to have to cut that deficit. We do not know where you are going to cut it. We do not know if you are going to change the tax law that I am relying on; we do not know if you are going to cut programs that I am relying on to get back my investment. We do not know what you are going to do."

So what happens is that the business people tell me there is a little economic uncertainty out there. They like certainty and the certainty is that we cannot live for a long time with these deficits. So they are worried about what we will cut and what we will do.

I would suggest to the Senator from Idaho and others, that one of the reasons why the economy is not surging ahead is not because of the lack of capital. Even those companies that are flush are still not investing because they do not know what is going to happen. But they know something has to happen.

These deficits, obviously, are too high. I find it somewhat fascinating that my Republican colleagues on the Committee on the Budget said, as they voted down the President's budget, as presented to the Budget committee, "The deficits are too high. We cannot take these deficits." Now that they have set the new deficits in the resolution before us, deficits that were just put before us, they are higher than the ones the President recommended in his February budget.

They could not take them 3 weeks ago and now they can take them. They could not take them 6 weeks ago, and now they are going to spur the economy. They could not take them 10 weeks ago and now they are the answer.

Mr. President, I want to point something else out to my colleagues and those who are listening on their squawk boxes back in the office. Funny things occur here, I say to Senator LONG. These Republicans were going out and cutting. They were going to cut programs, they were going to cut this, they were going to cut that, they were going to cut the deficit. Now they come with a budget resolution that restores the cut in social security.

They realize that those old people in their beds, that the Senator from Louisiana spoke so eloquently about earlier, cannot afford the cut. So they raised spending by backing off their cut.

They come along next and say, "By the way, that reduction in the medicare program is intolerable, so we are going to increase spending for medicare as compared with what we said we were going to do a little while ago." A little while meaning 3 days ago.

Then they come along and say, "By the way, we are not spending enough money on science and technology, so we are going to spend more money on science and technology."

They say, "We want to spend more money on housing." So they are raising the budget, pumping it back up, the budget they accuse we Democrats of inflating.

They say, "We want to raise veterans benefits," "we want to raise the Postal Service," relative to what they told us a week ago, a month ago, 2 months ago was desirable.

So now we have the magnificent picture here, on the floor—I guess it is like that joke about the committee that formed the camel, you know. They have a lot of camels over there. I thought we Democrats were the only ones who did not know what we were doing in committee. Obviously, you had a little fight over there in that donnybrook you had. You concluded you were going to do everything.

You are not going to cut social security. That satisfied a portion of you.

Then you are not going to cut student loans so much, and some of you are satisfied with that. Then you are not going to cut medicare; some of your folks were satisfied with that.

Then you said you were not going to cut housing.

Then you said you are not going to cut veterans benefits because everybody knows people are for veterans benefits.

Then you are not going to cut the Postal Service. Then, "By the way," you said, "we are not going to increase taxes."

So you have done what we Democrats used to do. You have given everybody in your party a piece of everything so you got unanimity. Except you gave us $270 billion in deficits.

Mr. President, what is it going to be, I ask? Do you want us to cut spending more? Is that how you are going to reduce the deficit? Or are we safe? Are you telling us that we have to accept the notion that there is nothing more we can do about the deficit? If that is what you are saying, I understand it, because I do not know what else you are going to do.

You just raised spending and the deficit is above what the President wanted it to be in his February figures. You gave him the tax cut he wanted. And you will not cut defense any more. I do not know how you get the numbers down. But something has to be done to get the deficit down.

Mr. President, I am cosponsoring this amendment with Senator Hollings to defer the third year of the income tax cut—a cut that will be 10 percent effective July 1, 1983. It will not affect the July 1982 cut. This amendment will increase revenues in 1983 by $7.3 billion; in 1984 by $32.9 billion; in 1985 by $35.9 billion, for a 3-year total of $78.3 billion.

You did not want to buy into Senator Helms' amendment. I notice all you Republicans voted against it. You could not buy his. He had an answer for you. He is the only one here who suggested cutting domestic spending rather than increasing taxes. Have you heard anybody else? I have not heard anybody else come to the floor to suggest this.

He had an answer. He said let us cut $100 billion in spending out, not touch defense, not touch the tax cut, not raise revenues, and take it out across the board. If you follow his example, that is one way to cut the deficit—cut spending. That is an honest approach.

There is only one other way, only one other place you get big numbers. That is the tax cut. Buy onto Hollings, Biden, et al. Or else go back out and say, "Ladies and gentlemen of America, for now and in the near term, there is nothing we are going to do about hundred-billion-dollar deficits. Hang on, learn to like them, they are not all that bad."

And you may be right. You may be able to convince business that that is good business. You may be able to convince the apostles of capitalism that this is the way to go.

Mr. President, I find a stark analogy between the folks the President and my colleagues on the Republican side attack first and those who Lyndon Johnson attacked first. During Vietnam, when the Democrats turned against Lyndon B. Johnson, whom did he turn on first? The ones who had been his supporters—the think tanks, the universities, the liberal organizations. "They question me; they question who runs America."

Mr. President, my colleagues on the other side question whether Wall Street people are capitalists. Ed Jefferson, chairman of the board of Du Pont Co., who went along with the tax cut originally.

But now he comes along last month and says that any good businessman knows when you have a plan that is not working you change it. That is only prudent business policy. It is time to change course, he now says.

And what do you folks over there call those captains of industry? You call them people who are bailing out on the President. They are not doing their share.

I find this the most humorous turn of events, Mr. President. If it were not all so important, it would be funny, the turnaround around this place.

Mr. President, I do not know. Unless you go the route that Sentor Hollings is suggesting, in all honesty, you have to go the route of deep spending cuts like those that Senator Helms is suggesting or the route that Senator Kassebaum suggested, with significant cuts in defense.

You have already signed on and said, "We don't like Kassebaum, we are not going to go with her, we are not buying on to that. We do not want to cut defense."

I am here to tell my colleagues, Mr. President, this is the last chance to buy into cutting the deficit. There are no more that are going to be offered.

If you do not buy into this one, you have to go out, if you are going to be honest about it, and tell the folks, that either these deficits are going to evaporate because supply side is going to kick in so fast, so quickly, that economic recovery is going to spur us on and eliminate the deficits; or else you have to say that you do not mind these big deficits.

You cannot have it all ways. The tax cut bill last summer——

The PRESIDING OFFICER. The Senator will suspend. The Senate is not in order.

Mr. BIDEN. I thank the Chair. I do not blame them for not listening, I am getting redundant. Let me summarize quickly.

You know as well as I do the numbers on employment, teenage unemployment, factory capacities, what we are operating at—71.1 percent was the capacity in March. We all know about GNP and the phenomenal growth rate we are having. We all know about housing starts, automobiles, and the prime rate. It does not appear that the majority has any further proposals to reduce the deficit this year. I do not see how we can accept the deficits higher than the unacceptable ones that they said existed in February, the President's deficit. So we either have to increase our revenues or make further spending cuts. You cannot come back into us and tell us you have a plan which includes doing nothing about increasing revenues beyond what you suggested and at the same time making spending increases in other programs.

Mr. President, I thank my colleague from South Carolina. He was very prophetic a year ago. I suspect he is going to appear, once again, prophetic a year from now. I happen to think that it is pathetic that we are going to live with these kinds of deficits when in fact we have an alternative.

I yield the floor.

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. For other than his references to me, I thank the distinguished Senator from Delaware for his very, very eloquent statement.

I yield now to the distinguished Senator from Maryland.

The PRESIDING OFFICER. On the resolution?

Mr. HOLLINGS. On the resolution.

Mr. MATHIAS. Mr. President, I ask unanimous consent that the chart showing the economic effect of the amendment on deferring the third year of the tax cut be placed in the Record.

There being no objection, the summary was ordered to be printed in the Record, as follows:

FIRST BUDGET RESOLUTION FOR FISCAL YEAR 1983

[Summary of Proposed Changes in Committee Modification]

	Fiscal year—			
	1982	1983	1984	1985
Deficit as reported by Senate Budget Committee on May 10	117.7	106.1	69.0	39.5
Removal of social security solvency estimates pending action later this year		+6.0	+17.0	+17.0
Additional increase in revenues		−1.2	−2.0	−3.0
Reduction in medicare savings		+1.2	+2.0	+3.0
Medicaid offset related to change in medicare savings		−0.1	−0.2	−0.3
Elimination of guaranteed student loan savings		+0.1	+0.7	+1.2
Add-back for 12 programs in which fiscal year 1981 deferrals lowered budget authority level in fiscal year 1982		+0.8	+1.2	+1.4
Additional funds for.				
Space and science programs (to President's proposed budget request)		+0.5	+0.8	+0.4
Housing programs		+0.9	+1.0	+1.0
Veterans pension, compensation, and health programs		+0.5	+0.6	+1.0
Postal service		+0.2	+0.2	+0.2
Additional interest costs due to higher deficits		+0.4	+1.0	+3.0
Total changes		+9.3	+22.3	+24.9
Deficit in Committee modification	117.7	115.4	91.3	64.4
Amendment—Defer 1983 personal tax cut		7.5	32.9	35.9
Deficits		107.9	58.4	28.5

Mr. MATHIAS. It shows that it would bring about a steady decrease in the deficits in the next 3 fiscal years from $107.9 billion to $58.4 billion to $28.5 billion.

I offer that because I think it is helpful in answering the very sensible question that was asked by the Senator from Idaho. the Senator from Idaho said that the important question was: Who is going to put people back to work? That is a reasonable, a sensibile, and a necessary question.

I differ with the Senator from Idaho in his suggestion that the question had not been answered yet. I think the question has been answered. It has been answered by, for example, members of the Business Roundtable, who went to the President of the United States and said the tax cut is too big. The remission of Government revenues is too large. And if you will trim down the tax cut, we believe that we, the business community of this country, will put the people back to work.

That is the answer to the Senator from Idaho—the business community will put people back to work.

Mr. President, it is in that real sense that this is a bipartisan amendment, not simply because Fritz Hollings is a Democrat and I am a Republican. It is a bipartisan amendment because Republicans and Democrats all over this country, members of the Business Roundtable, for example, are supportive of this concept, think the tax cut is too large, think we gave away too much revenue. The chance to do something about it, to put people back to work, and to answer the question of the Senator from Idaho is to adopt this amendment.

Mr. GORTON. addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington.

Mr. GORTON. I yield 10 minutes from the bill to the distinguished Senator from Virginia, Mr. Harry F. Byrd, Jr.

The PRESIDING OFFICER. The Senator from Washington still has time on the amendment.

Mr. GORTON. The Senator from Washington understands that but he has two Members who will take the time from him.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. HARRY F. BYRD, JR. Mr. President, before the time begins to run, may we have order so the Senator from Virginia may speak.

The PRESIDING OFFICER. The Senate will be in order.

Mr. HARRY F. BYRD, JR. Mr. President, I find this a difficult decision to make on the amendment offered by the distinguished Senator from South Carolina. I need to give a few moments of history to indicate why.

In 1980, I voted against the Kemp-Roth tax reduction proposal and I opposed the Democratic alternative to the Republican proposal. I was one of only two Members of the Senate to vote against both tax reduction plans.

I did so not because I am opposed to tax reduction but because I felt that we should bring the budget closer into balance before reducing taxes and also that we should couple any reduction in taxes with a reduction in spending.

Now comes 1981 and a new President, Ronald Reagan. President Reagan proposed an across-the-board, 25-percent reduction in taxes over a 3-year period. He coupled that with a reduction in spending. He showed by his actions that he was determined to get spending under control. I reversed my position from the year before, and I voted for the President's 3-year tax reduction program.

But what was not apparent then, and no one to my knowledge asserted, was the tremendous deficits which are now accuring. I also believe that there would be a sharp reduction in the rate of increase in spending. That has not taken place.

In a colloquy with the distinguished chairman of the Budget Committee today, I put this question to him. I said,

> Is it not correct that the spending increase in fiscal 1981 was 14 percent over the previous year?

And Senator Domenici said,

> That is correct, actually 13.9 percent.

Then I said,

> Is it not correct that the spending increase for the current year, fiscal 1982, is 13 percent?

He said,

> That is correct.

So there has been not only no reduction in spending, there has been only a minute reduction in the rate of increase in spending.

Now, that brings us to the deficits. These deficits which are projected are devastating. In the next 3 years and 5 months the deficits will total $468 billion. The national debt will go from $1.065 trillion today to $1.533 in 1985.

Now, this was from the colloquy I had with the distinguished chairman of the Budget Committee today. I asked the chairman—

> With the national debt today being $1.065 trillion, that means, does it not, that the national debt under the budget resolution now before the Senate will increase by $468 billion?
>
> Mr. Domenici. The Senator is correct.

The budget figures in this resolution show that the national debt at the end of 1985, 3 years and 5 months from now, will be $1.533 trillion. Subtract those figures and you will find that we have a shortfall of $468 billion in that short period of 3 years and 5 months—a 44 percent increase in the national debt in that period of time.

The magnitude of these deficits caused me to give sympathetic consideration to the proposal offered by the Senator from South Carolina. I would like to see the tax reduction proposed for next year retained, but I am in a quandary, frankly, as to what to do.

The fact is that if the Hollings amendment is defeated, the Finance Committee retains the authority and will have the authority to eliminate, if it so desires, the third year of the proposed tax reduction which is addressed by the Hollings amendment.

The budget resolution sets a minimum amount that must be raised in taxes. It does not set a maximum amount. The budget resolution provides for an increase in taxes of $107 billion, but the Finance Committee can go beyond that, if it so desires, and increase taxes more and, if it wishes, it can eliminate the third year of the President's tax reduction proposal.

So I am inclined to vote against the Hollings amendment at this time, because the Finance Committee still retains the authority to raise additional revenues at any subsequent date.

I think I shall delay my decision on voting to eliminate the third year of the tax reduction, although I am inclined to vote to eliminate it; but I will still have that opportunity when the Finance Committee considers this part of the budget resolution. For that reason, I shall support the President tonight in voting against the Hollings amendment. I want the record to show, however, that I may vote to eliminate the third year reduction when the Finance Committee considers the matter if these deficits continue in the magnitude which they appear at this time. I would prefer spending reductions, however. Spending is too high and is out of control.

Mr. RIEGLE. Mr. President, will the Senator yield for a question?

Mr. HARRY F. BYRD, JR. If I have time remaining.

Mr. RIEGLE. Mr. President, does the Senator have time to engage in a brief colloquy?

The **PRESIDING OFFICER.** The Senator has time to engage in a very brief colloquy.

Mr. RIEGLE. I must say to the Senator that I have listened carefully to his statement, and I share much of the concern he has expressed. I have voted for the tax cut until the present time; and I, too, find myself in a quandary on this amendment.

The deficits are so enormous that we are faced with the prospect of having to borrow the money to pay for the third year tax cuts. That is the dilemma we are in because, as the Senator pointed out, the deficits are here.

The Senator established in his colloquy with the chairman of the Senate Budget Committee that we are looking at nearly half a trillion dollars in new additions to the national debt with this package unless something is done with either further spending reductions or enhanced revenue items.

My question, and I ask it rhetorically as much as in direct fashion, is this: With what we now know, are we not faced here with a situation that if we need the third year of the tax cut, we literally have to go out and borrow the money or print some money to pay for the tax cut?

I must say that I am not clear in my own mind as to how that can be justified, given the fact that these deficits are just going right off the map and I think are putting us in a situation where it is thwarting the economic recovery.

Mr. HARRY F. BYRD, JR. I think the Senator is correct as to the sums that would need to be borrowed.

I have my serious doubts about maintaining the third year tax reduction, but that would be in the hands of the Finance Committee, regardless of what happens today to the Hollings amendment.

The **PRESIDING OFFICER.** The time of the Senator has expired.

Mr. RIEGLE. I thank the Senator for yielding.

Mr. GORTON. Mr. President, I yield 3 minutes on the amendment to the Senator from Wisconsin.

Mr. KASTEN. I thank the Senator.

Mr. President, I should like to mention a few very brief facts.

The most important single fact is that the third year of the tax cut is essential if we want to provide any real tax relief at all to the average working families over the next several years. The tax cuts enacted last year are simply going to offset the tax increases from bracket creep due to inflation and payroll tax increases already scheduled in the 1977 social security amendments.

Repealing the third year of the tax cut would result in substantial tax increases for average working families. The median family of four with an income of $24,000 in 1982 would have taxes increased $143 in 1983, $406 in 1984, $421 in 1985.

It is important to recognize that repeal of the third year of the tax cut would add $76 billion to the $107 billion tax increase already assumed in this budget resolution for 1983 through 1985. When that is added to the $238 billion from bracket creep and social security, the American people would face tax increases of $421 billion over the next 3 years, $15 billion more than the $406 billion tax cut enacted last year.

If these tax increases are enacted, taxes as a percentage of GNP would average 20.4 percent between fiscal 1982 through 1985. That is higher than the average tax burden of 20 percent of GNP under the previous administration—fiscal years 1978 through 1981.

The average taxpayer would bear the brunt of a repeal of the third year. It is the average working families. Upper income taxpayers have already benefited from the tax reduction in the tax rate from 70 to 50 percent. They would lose the least. The third year represents only 12 percent of the 3-year tax cut for the highest income—$200,000-plus—families, while the third year of the tax cut amounts to more than one-third of the tax cut for every other taxpayer.

There has been a lot of criticism about the Reagan economic plan—that it has not worked. It is true that it has not, but only because it has not yet had a chance. The tax cut that went into effect October 1981 is a reduction of only 5 percent. When coupled with the planned tax increases and bracket creep, this barely allows the taxpayer to break even. No real tax relief will occur until 1983. This is a disincentive to work, to save, to produce, and to take risks.

It is even possible that Congress will not feel the need to increase taxes, as a means to reduce the deficits in the out-years. According to recent Treasury data, revenues are coming in stronger than previously estimated, and outlays are coming in lower than previously estimated. For the first 5 months of the fiscal year, the deficit is running at an annual rate of $57 billion. The actual deficit for 1981 was $57.9 billion.

There is no clear reason for this deficit shortfall, and it is not known if this is a trend that will continue in the outyears. Something is happening in the economy, and I hesitate to increase taxes by the amounts stipulated in this resolution until Congress has sufficiently resolved the question of this deficit shortfall.

The **PRESIDING OFFICER.** The time of the Senator has expired.

Mr. KASTEN. Mr. President, I ask unanimous consent to have printed in the Record a table indicating the economic effect of the personal tax cuts and the tax increases this amendment would impose.

There being no objection, the table was ordered to be printed in the Record, as follows:

1981 ECONOMIC RECOVERY TAX ACT REDUCTION VERSUS CERTAIN TAX INCREASES

[In billions of dollars]

	Fiscal year—			
	1983	1984	1985	Total
Reductions from 1981 act	−90.0	−137.8	−177.6	−405.4
1st resolution tax increases	+23.2	+39.0	+45.0	+107.2
Tax increases from inflation and social security	+50.0	+78.0	+110.0	+238.0
Remaining tax cuts	−16.8	−20.8	−22.6	−60.2
Repeal 3d year	+7.5	+32.9	+35.9	+76.3
Tax cut (−)/increase (+)	−9.3	+12.1	+13.3	+16.1

Source: Senate Budget Committee, May 19, 1982.

Mr. GORTON. Mr. President, I yield 2 minutes to the Senator from New Mexico.

Mr. DOMENICI. Mr. President, I wish to address a few remarks to the distinguished Senator from Virginia (Mr. Harry F. Byrd, Jr.). I want the Senate to hear them.

The Senator is justly concerned about the deficits. The numbers he has given are right. We all are worried about it.

I suggest to the Senator that the budget we now have pending here, with a little over $100 billion in new taxes mandated in lieu of the larger figure Senator Hollings suggests, with all the other changes, would put the national budget in a position where it will be growing in 1983 at 5.8 percent, in 1984 at 6.2 percent, in 1985 at 6.9 percent. That is growth of 1 year over the previous one.

I understand that that is nothing more than a projection, but I gave it to the Senator and tell him that I think the economic assumptions in this budget are pretty realistic.

I think the unemployment projection is pretty realistic. We have not predicted miracles. This budgetary growth is compared with growth in 1980 and 1981 of 17½, 14 percent. I think that bodes well for moving in the direction that the Senator from Virginia so much wants to move in.

In addition, I suggest to the Senator from Virginia that if we go ahead with the $100 billion or so that is in the budget for the Finance Committee and the Ways and Means Committee, and Congress passes that, it does not mean that if we are incorrect we will not have another tax bill in a year or a

year and a half. That is the option we have.

The **PRESIDING OFFICER.** The time of the Senator has expired.

Mr. DOMENICI. Could I have another minute, please?

Mr. GORTON. Mr. President, I yield the Senator an additional minute.

The **PRESIDING OFFICER.** The Senator from New Mexico is recognized for 1 additional minute.

Mr. DOMENICI. That is the option we have; whereas, if we vote now, we are telling the Finance Committee that they are ordered to return a bill with at least that amount of tax increases by a date certain this year.

I think we preserve the option of voting later for higher taxes. The Budget Committee recommends these decreases in percentage outlay growth and greatly reduced deficits, and we still have not reformed social security. We took the numbers out, but it is going to occur, and when it does it is going to insure lower deficits.

I yield the floor.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator yield for a brief comment?

Mr. GORTON. Mr. President, I yield to the Senator from Virginia 1 minute.

The **PRESIDING OFFICER.** The Senator from Virginia is recognized for 1 minute.

Mr. HARRY F. BYRD, JR. Mr. President, what the Senator from New Mexico said about preserving my option is what I indicated when I spoke earlier, because whatever happens to the Hollings amendment, the Finance Committee can still eliminate that third year of the tax cut if it so desires.

The second comment I wish to make is when the Senator from New Mexico talks about the projections for the future, he is on dubious ground. I do not like to bring this up, but the projection of the Budget Committee this time last year was for 6-percent increase in spending for fiscal 1982, but it turned out to be a 13-percent increase in spending—more than double the original projection. So I have to be a bit skeptical of the projections for the future.

Mr. DOMENICI. The Senator is correct.

Mr. SYMMS. Mr. President, I would like to comment on my colleague's amendment to repeal the third year of the across-the-board marginal rate cut which was implemented in the last summer's tax bill. It simply amazes me that the Honorable Senator from South Carolina is offering a measure to raise income taxes on the already overtaxed, hard-working American under the guise that this will somehow bring down interest rates.

During the last 15 years, Americans have experienced ever higher levels of inflation and taxation in tandem with rising budget deficits. Given this historical relationship, I fail to understand how tax cuts are implicitly inflationary. The popular notion that has taken hold seems to dictate that since we can no longer spend ourselves into prosperity, we can tax ourselves into economic recovery.

Our true choice is not between tax reductions on the one hand and the avoidance of large Federal deficits on the other hand. An economy hampered by restrictive tax rates will never produce enough revenue to balance the budget, just as it will never produce enough jobs or enough profits.

Let us face it. We are considering a measure to raise taxes not because we want to lower interest rates or reduce the deficit or improve the economy, but because some in this Chamber do not want to cut the budget. They want to continue to try to distribute the wealth in our economy.

They believe that we live in a zero-sum economy, managed by Government, in which one man's gain is another man's loss. To the extent that such zero-sum concept is promoted in policy, it fosters a bitterness and factionalism that is inimical to capitalist creativity and stifles the expansion of opportunities and incentives for creation of new wealth.

The distributionist mentality is at the heart of our current economic distress. The fundamental misconception of the distribution mentality is manifest in the fact that redistribution improves the incomes but destroys the prospects of the poor.

Excessively high and progressive tax rates tend to impoverish the whole society by retarding the entrepreneurial creativity that is the prime source of new wealth. Progressive tax rates do not chiefly redistribute income; they destroy income and redistribute taxpayers. Taxpayers move out of the productive economy and into tax shelters or overseas tax havens. They consume more and invest less. They make less money that way, thus presumably pleasing the distributionists, but they also create fewer jobs and less wealth for the entire economy.

Under conditions of stagnation, moreover, Government spending and taxation tends to increase as a proportion of GNP. With the investments and potential earnings of the rich redistributed out of the system, the less mobile middle class has to suffer a rising tax burden. This is the dead end of the redistributionist program. Less money is collected from the rich and more from the middle class, all in order to sustain social bureaucracies that keep the poor in a condition of dependency and extend poverty on into future generations.

The Reagan program does not focus on redistributing money but on expanding incentives and opportunities. All available economic evidence suggests that low marginal tax rates on earnings foster a more equal distribution of income than do direct programs of redistribution. Excessive welfare benefits and excessively progressive income taxation produce a stagnant economy in which the established rich keep their position by exploiting tax shelters, while the creation of new wealth is stifled. High marginal tax rates on real income and capital gains constitute a Government protection act for established wealth against new wealth.

The key to reducing inflationary pressures and expanding the distribution of opportunities and incentives in America is low marginal tax rates which will reward work relative to additional leisure, and saving and investment relative to additional consumption.

An all-intrusive Federal Government, trying to apportion all available goods and services, has never worked and it never will. In November 1980, the American electorate sent a clear signal that they did not agree with the old tax, spend, and redistribute formula to economic recovery.

I am as concerned about the deficit as my colleague from South Carolina. I support the constitutional amendment to balance the budget. But I will not be deluded into balancing the budget on the backs of the taxpayers because I do not believe we will ever reach our objective of returning to fiscal sanity. The only sensible way to reduce the deficit is to reduce spending. If you review that rate at which Government programs are growing—a rate which by far outdistances the salaries of the working Americans who must pay for them—you get a better prespective as to where the deficits have come from.

One need only look around the globe for proof that increasing Government control, further punishing our producers, and robbing everyone of incentives—in short socializing our economy—will not work.

Our system of democratic capitalism, based on the freedom and genius of the individual, with individual rights and responsibilities under representative government and the rule of law, was a unique and precious gift to the world. It has been handed carefully to us by our forefathers and it is ours to protect and nurture for the generations that are to follow.

Raising taxes on individual, hard-working American citizens is, at this point, tantamount to reverting to a system that was headed in the direction of sentencing every lower and middle class American to a life without opportunity.

Mr. LEAHY. Mr. President, I support the amendment of the Senator from South Carolina which directs the Finance Committee to raise a total of

$183 billion in revenues by 1985 as opposed to $107 billion as directed by the modified Budget Committee plan.

As much as I support reductions in the tax burdens of Americans and American business, I remain convinced that we simply cannot afford the full $750 billion in revenue reductions approved with the Economic Recovery Tax Act of 1981.

The staggering budget deficits, high interest rates, and record unemployment we now face are fundamentally related to last year's fiscally irresponsible tax act.

Mr. President, my support of this amendment does not mean that I will necessarily support legislation to repeal the third year of the tax cut.

Although I am convinced that additional revenues must be raised over the next 3 fiscal years, I believe decisions about the specific nature of those revenue-raising measures must be left to the discretion of the Senate Finance Committee.

Economic conditions next July may very well argue against repeal of the third year of the tax cut, and if so, I would expect the Finance Committee to recommend alternative and equal tax-raising provisions.

Mr. LEVIN. Mr. President, as illuminating as it may be to go into all of the economic reasons why the Hollings amendment should pass, it all comes down to the simple phrase, "Interest rates are too high, unemployment is too high, and deficits are too high." The most positive, clearly identifiable step we can take to deal with these problems is to defer the 10-percent tax cut which is scheduled to go into effect in July of 1983.

Some economists both inside and outside the administration are now predicting that unemployment could exceed 10 percent in the coming months. Deficits which under the Congressional Budget Office's most pessimistic economic scenario published in late February would be $157 billion in fiscal year 1983 and $208 billion in fiscal year 1985 are now estimated to be at least $182 billion and $232 billion, respectively.

The majority on the Budget Committee presented to the Senate their latest plan to deal with the problem of high interest rates, high deficits, and high unemployment. In place of the Reagan deficit of $91.5 billion for fiscal year 1983 which many called intolerable only a couple of months ago, it offers a deficit of $115.3 billion. By fiscal year 1985, the deficit would still exceed $64 billion. Mr. President, clearly this is not a plan which will instill faith in the markets and drive interest rates down.

The Senator from South Carolina does now offer us an amendment which in one stroke would significantly reduce the deficit. In fiscal year 1984 the deficit would be reduced from the committee's recommendation of $91.2 billion to $58.3 billion and in fiscal year 1985 from $64.2 billion to $28.2 billion. If the Congress wants to send a direct signal to the money markets that deficits are coming down, this is the amendment which will do it. It is about the only way, given this budget. If the Congress wants to show that it is ready to make the hard choices necessary on the budget which will allow the Federal Reserve Board to ease up on the money supply, this is the amendment which will do it. If the Congress wants to take one clear step which will help to revitalize auto sales and housing sales and lower interest rates for hard-pressed small businesses and farmers, this is the amendment which will do it. If we want to do something about the deficit other than talk about it, the Hollings amendment will do it.

The **PRESIDING OFFICER.** Who yields time?

Mr. GORTON. Mr. President, I yield the remainder of the time under the unanimous-consent agreement and additional time off the resolution as he may desire to the Senator from Kansas.

The **PRESIDING OFFICER.** The Senator from Kansas is recognized.

Mr. DOLE. Mr. President, I think we have all heard the debate. I think we are about ready to vote. I am not going to delay the Senate.

I suggest we are going to have perhaps a better opportunity to discuss and debate the third year of the tax cut when we get a tax bill on the floor. I hope that will be within the next 2 or 3 weeks, and when we have this debate again, then we will be able to be specific.

I do not know how the Senator from South Carolina gets the first $101 billion or $107 billion. I do not know where that comes from before we eliminate the third year to make $183 billion in increased taxes. I do know if we add up the amendments that come from the other side over the next 3 years that would cause an additional $17 billion in spending, and I think there are about $17 billion more in amendments that have not been offered yet.

So we are talking about raising taxes on the one hand and increasing spending on the other hand.

So we want to take away a tax cut from the working people so that we can pay for more spending.

It is the hope of this Senator that we can reduce the growth of spending. We would like to do more than does this budget. If we had a few more votes we could do more. But I understand the politics of this.

We only have one President and his name is Ronald Reagan. Some of the rest of us went around the country saying, "if you are looking for a younger Ronald Reagan, here I am."

But the voters were not looking for a younger Ronald Reagan. He is the President. Maybe some here are gearing up and some will run for President. The Senator from Kansas is not, but maybe others in this Chamber are thinking about it. They may have a different idea about our tax policy. Maybe in 1984 or 1988 or 1992 or 1996 or the year 2000 one of those will be President and he can advocate and recommend certain policies.

But this President feels very strongly about the third year of the tax cut. The Senator from Kansas has flirted with the idea of moving indexing up in 1983 in place of the 10 percent. I do not believe that was highly regarded by some in the White House or by anyone in the White House that I can recall.

I just hope that we will have this battle at the appropriate place. If we are going to vote on the third year of the tax cut, then we should have a vote on leasing; we should have a vote on the minimum tax; we should have a vote on the sales tax; we should have a vote on everything that may be necessary to raise $107 billion plus the third year of the tax cut to make $183 billion.

So I hope that not withstanding my high regard for the Senator from South Carolina we will defeat this amendment at this time. There still is room, I might add, within the $107 billion, as Senator Harry F. Byrd, Jr., has pointed out, to take some action on the third year, and I must say that I would guess that action would be a lot closer than the vote this evening. We will get down to the nitty-gritty then and we have to make a choice whether we want to repeal leasing, modify leasing, or impose a minimum tax. I would guess someone in that committee is going to think about offering a substitute; rather than do all those hard things, they might reason: Why not do one easy thing and repeal the third year of the tax cut? That might be a very close vote in the Finance Committee. I hope not, but it could be a very close vote.

So it is the view of this Senator that we had a good discussion, and we have heard a lot of different ideas on what is wrong with the country. The problem is that the deficits are too big and the interest rates are high. This tax increase would in effect lower the deficits, but I do not think it is the right way to proceed. I would rather cut more spending and raise revenues as a last resort.

So do not give us any more to do in the Finance Committee. We are going to have enough difficulty trying to raise $107 billion, and I hope that all those here who would like to vote to raise $183 billion, are going to help me raise $107 billion. Because I have a feeling that some are going to vote for this amendment who may not want to help raise even $107 billion when we get down to considering the tax bill.

So I hope that we could postpone action on the third year. It is more or less symbolic, and I am ready to vote against the amendment. I was ready to vote at 5 p.m., ready to vote at 6 p.m., and I am hopeful we will vote at 7 p.m.

Mr. GORTON. Mr. President, I yield back the remainder of my time.

The **PRESIDING OFFICER.** All the time has been yielded back.

The question is on agreeing to the amendment of the Senator from South Carolina.

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

The **PRESIDING OFFICER** (Mr. Hayakawa). Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 32, nays 68, as follows:

[Rollcall Vote No. 132 Leg.]

YEAS—32

Andrews
Biden
Bradley
Bumpers
Burdick
Cannon
Cranston
Dodd
Eagleton
Exon
Glenn
Hart
Hollings
Inouye
Jackson
Johnston
Kennedy
Leahy
Levin
Mathias
Matsunaga
Metzenbaum
Nunn
Packwood
Pell
Pryor
Randolph
Sarbanes
Sasser
Specter
Tsongas
Weicker

NAYS—68

Abdnor
Armstrong
Baker
Baucus
Bentsen
Boren
Boschwitz
Brady
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Chafee
Chiles
Cochran
Cohen
D'Amato
Danforth
DeConcini
Denton
Dixon
Dole
Domenici
Durenberger
East
Ford
Garn
Goldwater
Gorton
Grassley
Hatch
Hatfield
Hawkins
Hayakawa
Heflin
Heinz
Helms
Huddleston
Humphrey
Jepsen
Kassebaum
Kasten
Laxalt
Long
Lugar
Mattingly
McClure
Melcher
Mitchell
Moynihan
Murkowski
Nickles
Percy
Pressler
Proxmire
Quayle
Riegle
Roth
Rudman
Schmitt
Simpson
Stafford
Stennis
Stevens
Symms
Thurmond
Tower
Wallop
Warner
Zorinsky

So Mr. Hollings' amendment (UP No. 973) was rejected.

Mr. BAKER, Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. GORTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DeCONCINI addressed the Chair.

The **PRESIDING OFFICER.** The Senator from Arizona.

Mr. DeCONCINI. Mr. President, I wonder if the majority leader would indulge me to ask a question of whether there is some dire need that we must pass this budget resolution today or tomorrow. I understand we have an agreement now to extend the time to the 30th of this month. I wonder what the press is that we do it tonight.

Mr. BAKER, Mr. President, I do not think we have to do it tonight. Indeed, I have just conferred with the minority leader and advised him that I thought it unwise to extend past 11:30 or 12 o'clock. I detect a growing accumulation of fatigue. All last year, in 12 months, we had only one all-night session and I am not inclined to ask the Senate to go twice in 1 week.

So we are going to try to go out at about 11:30 or 12 o'clock tonight. I would anticipate that we would come in at about 9 in the morning and attempt to finish the resolution during the day on Friday.

Mr. DeCONCINI. Will the majority leader yield?

Mr. BAKER, Yes.

Mr. DeCONCINI. Is there any reason why we cannot finish this next week?

Mr. BAKER. Mr. President, we have an urgent supplemental appropriation bill that must be dealt with and not only passed by the Senate but must be conferenced before the end of next week. I think the better part of discretion is to use Friday, which is a perfectly good workday, and late this evening to try to do that.

Could I inquire of the Chair how many hours are remaining on the resolution?

The **PRESIDING OFFICER.** There are 10 hours remaining.

Mr. BAKER. I think it is entirely possible to do that. By devoting another 4 hours tonight, that would leave 6 hours and 6 hours is not a staggering number of hours to utilize during the day on Friday. I would not expect us to be in, then, on Saturday. So I would say to my friend——

Mr. De CONCINI. Will the majority leader yield? I hate to press the point. My question really has not been answered. Is there a sufficient dire need that we pass it even this week?

Mr. BAKER. I think there is.

Mr. De CONCINI. Many of us have plans for tomorrow. We will cancel them and we will be here. I just do not see why this cannot be taken up next week. We extended it to the 30th. It is not like we extended it to the 24th or before. I would just ask and plead to the majority leader that the merits of staying in even until 11:30 tonight and doing it tomorrow just do not seem to be there in this Senator's opinion.

Mr. BAKER. Mr. President, I fail to see the reason why we should not work on Friday. And I am going to try hard to cooperate with my friends on that side of the aisle who have a conference tomorrow beginning at 2 o'clock, or leaving at 2 o'clock. I am going to try hard to accommodate that. But I have set the schedule so it should be possible for us to finish this resolution and to do it during a workday—that is, Friday—and still have ample opportunity for Senators to meet their obligations away from here.

Both sides have obligations, Republicans do and Democrats do, and they are literally a part of the legislative processes. There are these caucuses and arrangements we have where much policy is decided. I am as sensitive to that as anyone.

Once again I must tell my friend from Arizona that in addition to this measure, which I feel we still have time to pass during the regular working time this week, we have the urgent supplemental appropriations bill which will take a fair amount of time, which must be passed and conferenced before we go out on the Memorial Day recess which begins next Friday.

I believe we should try to arrange to complete this matter today and tomorrow. Once more, I do not intend to ask the Senate to remain all night. There is a good deal of sentiment for that, some on this side and some on the other side. But I feel the accumulation of fatigue is such that it would be unwise at this time.

Mr. McCLURE. Will the Senator yield?

Mr. BAKER. I yield.

Mr. McCLURE. I thank the Senator for yielding. We also have another matter to be acted upon next week, the International Energy Agency, in which many of my friends have an interest. The antitrust exemption expires next week. We have that legislation pending and we need to work on that next week. That also has to go to the House and be conferenced with the House and completed. There is some urgency in getting that done.

Mr. LONG. Will the Senator yield?

Mr. BAKER. I yield.

Mr. LONG. It is a suggestion which occurs to this Senator, to ask the majority leader if it might be possible to gain unanimous consent to reduce the number of hours that remain. As far as this Senator is concerned, they can have all of my portion of the time.

Mr. BAKER. I do not believe I will put that at this moment, but I thank the Senator for the suggestion. I certainly will take account of that as time goes by.

Mr. President, I would add to the list of things I would like to consider next week, which I think requires us to try to finish this measure, that there is perhaps a constitutional amendment on a balanced budget. I would like to get up the Voting Rights Act before we go out for the Memorial Day recess as well. Time is beginning to close in on us.

I regret to tell my friend that my judgment is that we should stay. I apologize to him and all the Members, but that is the best that I think can be arranged.

Mr. ROBERT C. BYRD. Will the distinguished majority leader yield to me?

Mr. BAKER. Mr. President, I am prepared to yield the floor. I understand the Senator from West Virginia, the minority leader, will offer an amendment. Is it correct that we can get a time limitation on this amendment?

Mr. ROBERT C. BYRD. As far as I am concerned, we can have a time limit of 15 minutes equally divided.

Mr. BAKER. Could I have just a moment?

Mr. ROBERT C. BYRD. It has already been discussed.

Mr. BAKER. Mr. President, could we have 10 minutes equally divided on this amendment?

Mr. ROBERT C. BYRD. I will try very hard.

Mr. BAKER. Mr. President, let me do that.

Mr. President, I ask unanimous consent that there be 10 minutes equally divided on the amendment by Robert C. Byrd, the minority leader, dealing with the third year tax cut.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 974

Mr. ROBERT C. BYRD. Mr. President, Senator Hollings has just performed a major service to this body. His courageous efforts place the blame for the huge deficits squarely where they belong—with the extravagant and unfair Kemp-Roth tax scheme. His work is appreciated by every Senator. I voted against the amendment offered by my good friend with great reluctance, but I did so because the resolution itself increases taxes by $107 billion. A vote to defer the third year, in my judgment, would be simply to add $76 billion to that $107 billion, making it $183 billion in increased taxes.

What I propose to do is to call up an amendment, a sense of the Senate resolution, that provides as follows:

> It is the sense of the Senate that in reporting legislation to achieve the $107.2 billion in revenues required under this Resolution, rather than impose new, regressive taxes on American taxpayers, the Committee on Finance should (1) defer the third year of the Kemp-Roth individual rate reduction until the current budget crisis has passed and interest rates have dropped to affordable levels, or (2) repeal the third year of the Kemp-Roth individual rate reduction and replace it with a fiscally prudent tax cut which distributes the benefits fairly to all working and middle-income Americans.

Mr. President, the $107 billion included in the budget resolution in increased taxes could come from many sources.

One possible tax increase is the repeal of the deduction for intangible drilling cost, which would destroy the oil and gas industry in West Virginia. This is a young and growing industry that provides jobs.

Another possible tax that could hurt our State is an across-the-board energy tax which would hurt oil, coal, and gas.

Another tax increase might be user fees on our waterways and ports, which would hurt the coal industry.

There are other taxes that could be imposed to make up the $107 billion included in the resolution before us. For example, there could be new taxes on disability payments for military personnel, veterans' payments, taxes on veterans' benefits, taxes on railroad retirement benefits, taxes on unemployment insurance, taxes on workmen's compensation payments, taxes on social security benefits, to name just a few.

There could be taxes on health insurance programs for workers, taxes on the GI bill student benefits, taxes on individual retirement plans, taxes on disability benefits, taxes on black lung payments.

So, Mr. President, we are talking about $107 billion in new taxes that do not now exist. In other words, Mr. President, we are voting a virtual blank check to raise $107 billion in new taxes on average people, in my own case on average West Virginia workers, farmers, small businessmen, and so on. These are people who have already been hurt and are now being asked to pay more.

I would say that to raise new taxes in the amount of $107 billion in the middle of a recession is the wrong way to go. It does not provide a solution to our fiscal crisis nor is it fair.

So, Mr. President, I offer this amendment so that the Senate may have an opportunity to vote to defer the third year of the Kemp-Roth tax cut as part of the $107 billion in new revenues called for by the resolution until the current budget crisis has passed and interest rates have dropped to affordable levels.

I am not saying to eliminate the third year. My amendment provides for deferral of the third year or replacement of it with a fiscally prudent tax cut that distributes reductions fairly to all working and middle-income Americans. The Kemp-Roth tax cut now provides that 40 percent of the benefits go to 5 percent of the taxpayers.

The Finance Committee could have the option of deferring the third year of the Kemp-Roth tax cut and thus avoid raising new taxes by $107 billion.

The third year—we are talking about $76 billion across 3 years—would be used as an offset against the $107 billion which will otherwise be raised in new taxes on workers, farmers, small businessmen, who are already heavily overtaxed.

Mr. President, I hope the Senate will vote for the amendment. I send it to the desk and ask that it be stated by the clerk.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

> The Senator from West Virginia (Mr. Robert C. Byrd) proposes an unprinted amendment numbered 974.
>
> At the end of the Resolution, add the following:
>
> "Sec. . It is the sense of the Senate that in reporting legislation to achieve the $107.2 billion in revenues required under this Resolution, rather than impose new, regressive taxes on American taxpayers, the Committee on Finance should (1) defer the third year of the Kemp-Roth individual rate reduction until the current budget crisis has passed and interest rates have dropped to affordable levels, or (2) repeal the third year of the Kemp-Roth individual rate reduction and replace it with a fiscally prudent tax cut which distributes benefits fairly to all working and middle-income Americans."

Mr. DOLE. Mr. President, as I understand it, there is now a 10-minute limit. We have already had about 15 minutes before the amendment was sent up. We may need a little more time because the Senator from West Virginia raised questions about a number of taxes. I am not sure whether he is supporting all those taxes on workmen's compensation or unemployment compensation. Are they taxes he is recommending? Are they taxes he is concerned about, or what?

Mr. ROBERT C. BYRD. Mr. President, I thought I made my myself clear. Evidently, I did not.

I am saying that the $107 billion in the resolution constitute new taxes. I am saying that we do not know what they are going to be. We just give a blank check to add new taxes. I was giving some illustrations of new taxes that could be imposed to make up the $107 billion. I am opposed to those taxes. That is why I intend to vote against the resolution.

Mr. DOLE. Mr. President, I might say I do not recall that any of those taxes that the Senator mentioned might be under consideration. If he is suggesting some of those, we ought to look at them.

I also say I am very pleased that the Senator from West Virginia wants to help the oil people. We certainly could have used his help during the windfall profit tax debate a few years ago when we had to swallow that tax in West Virginia, Kansas, and other States across the country. It did not do a great deal to help small oil producers and small royalty owners across this country. So I am pleased we have the support of the Senator from West Virginia on that item.

Mr. President, I also indicate this is the same thing we just voted on. In effect, it has no meaning. I could ask the Parliamentarian but again, it is an effort to direct the Senate Finance Committee on what we should do.

Mr. President, could the Senator explain what is a fiscally prudent tax cut

which distributes benefits fairly? If the Senator has a list of those tax cuts, then we could probably discuss this amendment and enlighten Members of the Senate. Otherwise, it is nothing but political rhetoric.

It says "defer the third year of the Kemp-Roth individual tax rates until the current budget crisis has passed and interest rates drop to affordable levels."

Again, I think we need to flesh out the rhetoric to find out precisely what the Senator from West Virginia has in mind.

Mr. President, what taxes does the Senator from West Virginia want us to look at when we markup in the Senate Finance Committee? If we cannot cut spending, because the other side will not let us cut spending, what taxes does he want to raise on the American people, the people of Kansas and West Virginia? What taxes does the Senator from West Virginia want?

Mr. ROBERT C. BYRD. Mr. President, I am saying I want to see the third year of the Kemp-Roth tax scheme deferred.

Mr. DOLE. That is not enough.

Mr. ROBERT C. BYRD. That is $76 billion over 3 years. If the Senator will yield, I shall answer his first question, which he asked about the taxes that I said might be imposed. He seemed to wonder where I was getting the idea that such taxes might be imposed. If he wants to look on page 51 of the first concurrent resolution on the budget, he will see.

> The list of tax expenditures in table 4 includes possible options for revenue increases. Other options for increasing revenues include expansion of excise taxes and a variety of possibilities for oil import fees and other types of energy taxes.

Then, on page 52 through page 61, there are several options suggested.

What I am saying is that I do not think we should use this blank check for $107 billion in increased taxes, many of which I have referred to and which are being discussed as possibilities. Why not simply tell the Finance Committee that in order to reach that figure of $107 billion, it defer the third year of the Kemp-Roth tax cut? That will reduce by $76 billion the amount of additional new taxes that would have to be placed on the American workers and farmers and small businessmen.

Mr. DOLE. Mr. President, I shall take 1 additional minute, because I think we understand his purpose. Obviously what the Senator proposes is to take that third year of the tax cut away from the working people in his State, my State, everyone else's State in this Chamber. They do not need the tax cut; we should not give them the tax cut; that is what the Senator from West Virginia is saying. He says defer on the third year of the Kemp-Roth tax cut. That is taking the tax cut away from workingmen and workingwomen all across this country.

Mr. President, I hope we shall treat this amendment as we did the last amendment.

There was a very basic tax policy change made last year. The President supports very strongly the third year of the tax cut. If the Senator from West Virginia wants to vote against the third year of the tax cut, there will be that opportunity when the Senate Finance Committee reports a tax bill. To direct what the Finance Committee should do in the first place has no binding effect and suggests that the Senate Finance Committee has no autonomy.

Mr. DOMENICI. Will the Senator yield?

Mr. DOLE. I yield.

Mr. DOMENICI. Mr. President, I want to make this point, that as chairman of the Budget Committee, I come down here after my committee has weeks of debate and suggest what the tax mix ought to be and I am confronted, quite appropriately, by the chairman and the ranking member of the Finance Committee saying it is their responsibility to decide and that we have to deal with the broad concepts and lump sum numbers.

I think, since this committee, which works long hours and is supposed to understand macroeconomics and look at the whole budget, is being bound regularly by that rule that we do not tell the committees what the tax mix should be, I think the Senate ought to follow that, not only when they adopt it for us, but all the time. I think that is fair to our committees.

Mr. DOLE. I would just say this, and then I yield the floor: I must assume, then, the Senator from West Virginia wants the big business corporations not to be taxed—let there be no minimum tax on big business or individuals who make a lot of money; not to modify safe harbor leasing—let physicians and lawyers put away $47,000 a year tax free while we are taking money away from food stamp families.

We are looking at a number of areas, I might say to the distinguished minority leader, in the Senate Finance Committee that improve equity in this country. I hope the Senator from West Virginia will help us in that effort.

Mr. President, does the Senator believe people ought to pay taxes in America?

Mr. ROBERT C. BYRD. Is the Senator asking me a question?

Mr. DOLE. Yes, Mr. President.

Mr. ROBERT C. BYRD. Yes, of course.

Mr. DOLE. Well, Mr. President——

Mr. ROBERT C. BYRD. If the Senator would wait for the rest of my answer.

Mr. DOLE. Certainly.

Mr. ROBERT C. BYRD. Mr. President, I would have been glad to be asked to help. I was not invited to the meeting between the President and the House Speaker. Democrats were not invited to the meetings that took place in 207 on yesterday. Only the Republicans were in that conference that brought out what amounted to a new budget package, scuttling the old one that had been before the Senate for 3 days.

The Senator speaks about the working people of West Virginia. The working people of West Virginia are entitled to a fair tax cut, but they did not get it with the Kemp-Roth tax cut. Forty percent of that went to 5 percent of the taxpayers in this country. That was not a fair tax scheme.

What I am saying here is that the Finance Committee, when it comes down to the point where it has to consider raising $107 billion in taxes, should consider the deferral of the third year of the Kemp-Roth tax cut or replace it with a tax scheme that would be fair and prudent and equitable to the working people of this country.

Mr. DOLE. Will the Senator tell us what that is?

Mr. ROBERT C. BYRD. The Senator is not telling us in this resolution what taxes are going to be raised.

Mr. DOLE. I did not offer the resolution.

Mr. ROBERT C. BYRD. The Senator wants us to give a blank check to raise $107 billion in new taxes, which could be a tax on social security payments, a tax on veterans' retirement benefits, a tax on railroad retirement benefits, and on and on.

Mr. DOLE. But the Senator from Kansas did not offer the resolution. Certainly if I offered it, I would try to tell the Members what I had in mind, what is a fair and equitable and just tax reduction.

Mr. ROBERT C. BYRD. The Senator from Kansas did not offer the resolution. I did not either. That resolution came out of the Republican conference on Tuesday in which the Senator from Kansas participated.

Mr. DOLE. The one the Senator just offered.

Mr. ROBERT C. BYRD. The amendment I am offering would suggest deferring the third year of the tax cut.

Mr. DOLE. But the Senator says it ought to be replaced with fiscally prudent tax cuts. Would you give me the particulars of that?

Mr. ROBERT C. BYRD. The Finance Committee is going to work that out, just as the Finance Committee is going to have to work out the $107 billion in new taxes.

Mr. DOLE. I thank the Senator. He has just made our case. Let us work it out. We will decide about the third year, and we will decide, hopefully, what is fiscally prudent. And when we come back to the floor, I hope we will have the support of the distinguished minority leader.

Mr. ROBERT C. BYRD. We may have, may not have. I shall have to wait and see what new taxes are proposed.

The PRESIDING OFFICER. The time of the Senator from Kansas has expired.

Mr. ROBERT C. BYRD. I wish I had the support of the distinguished Senator from Kansas.

Mr. DOLE. I am doing my best.

The PRESIDING OFFICER. Does the Senator from West Virginia yield back his time?

Mr. ROBERT C. BYRD. Yes.

Mr. DOMENICI. We yield back our time.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk called the roll.

Mr. STEVENS. I announce that the Senator from Oregon (Mr. Hatfield) is necessarily absent.

I further announce that, if present and voting, the Senator from Oregon (Mr. Hatfield) would vote "nay."

Mr. CRANSTON. I announce that the Senator from Massachusetts (Mr. Kennedy) is necessarily absent.

The PRESIDING OFFICER (Mr. Wallop). Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 35, nays 63, as follows:

[Rollcall Vote No. 133 Leg.]

YEAS—35

Baucus
Boren
Bradley
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chiles
Cranston
Dixon
Dodd
Eagleton
Exon
Ford
Glenn
Hart
Heflin
Hollings
Huddleston
Inouye
Jackson
Leahy
Levin
Matsunaga
Melcher
Metzenbaum
Mitchell
Nunn
Pell
Pryor
Randolph
Riegle
Sarbanes
Sasser
Tsongas

NAYS—63

Abdnor
Andrews
Armstrong
Baker
Bentsen
Biden
Boschwitz
Brady
Byrd, Harry F., Jr.
Chafee
Cochran
Cohen
D'Amato
Danforth
DeConcini
Denton
Dole
Domenici
Durenberger
East
Garn
Goldwater
Gorton
Grassley
Hatch
Hawkins
Hayakawa
Heinz
Helms
Humphrey
Jepsen
Johnston
Kassebaum
Kasten
Laxalt
Long
Lugar
Mathias
Mattingly
McClure
Moynihan
Murkowski
Nickles
Packwood
Percy
Pressler
Proxmire
Quayle
Roth
Rudman
Schmitt
Simpson
Specter
Stafford
Stennis
Stevens
Symms
Thurmond
Tower
Wallop
Warner
Weicker
Zorinsky

NOT VOTING—2

Hatfield
Kennedy

So Mr. Robert C. Byrd's amendment (UP No. 974) was rejected.

Mr. ROTH. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. DOMENICI. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 975

(Purpose: To add additional funds for the maternal and child health care block grant)

Mr. CHAFEE. Mr. President, I send to the desk an unprinted amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Rhode Island (Mr. Chafee) for himself, Mr. Stafford, Mr. Bumpers, Mr. Packwood, Mr. Specter, Mr. Murkowski, Mr. Metzenbaum, Mr. Cranston, Mr. Mathias, Mr. Chiles, Mr. Moynihan, Mr. Heinz, Mr. Riegle, and Mr. Sarbanes proposes an unprinted amendment numbered 975.

Mr. CHAFEE. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, beginning with line 15, strike out through line 1 on page 3 and insert the following:

(2) The appropriate levels of total new budget authority are as follows:

Fiscal year 1982: $777,600,000,000.

Fiscal year 1983: $835,303,700,000 plus $25,500,000.

Fiscal year 1984: $897,006,200,000 plus $25,500,000.

Fiscal year 1985: $972,808,700,000 plus $25,500,000.

(3) The appropriate levels of total budget outlays are as follows:

Fiscal year 1982: $740,700,000,000.

Fiscal year 1983: $783,603,700,000 plus $25,500-,000.

Fiscal year 1984: $832,306,200,000 plus $25,500,000.

Fiscal year 1985: $889,408,700,000 plus $25,500,000.

On page 3, beginning with line 2, strike out through line 21 on page 3 and insert the following:

(5) The amounts of the deficits in the budget which are appropriate in the light of economic conditions and all other relevant factors are as follows:

Fiscal year 1982: $117,700,000,000.

Fiscal year 1983: $115,403,700,000 plus $25,500,000.

Fiscal year 1984: $91,306,200,000 plus $25,500,000.

Fiscal year 1985: $64,408,700,000 plus $25,500,000.

(6) The appropriate levels of the public debt are as follows:

Fiscal year 1982: $1,144,200,000,000.

Fiscal year 1983: $1,292,103,700,000 plus $25,500,000.

Fiscal year 1984: $1,420,009,900,000 plus $51,000,000.

Fiscal year 1985: $1,533,218,600,000 plus $76,500,000.

and the amounts by which the temporary statutory limits on such debt should be accordingly increased are as follows:

Fiscal year 1982: $64,400,000,000.

Fiscal year 1983: $147,903,700,000 plus $25,500,000.

Fiscal year 1984: $127,906,200,000 plus $25,500,000.

Fiscal year 1985: $113,208,700,000 plus $25,500,000.

On page 14, beginning with line 25, strike out through line 25 on page 15 and insert the following:

(11) Health (550):

Fiscal year 1982:

(A) New budget authority, $78,500,000,000.

(B) Outlays, $73,700,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $100,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, $79,503,700,000 plus $25,500,000.

(B) Outlays, $77,603,700,000 plus $25,500,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $100,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $92,206,200,000 plus $25,500,000.

(B) Outlays, $85,706,200,000 plus $25,500,000.

Fiscal year 1985:

(A) New budget authority, $103,608,700,000 plus $25,500,000.

(B) Outlays, $97,208,700,000 plus $25,500,000.

Mr. CHAFEE. Mr. President, this is an amendment which is offered on behalf of myself, Mr. Stafford, Mr. Bumpers, Mr. Packwood, Mr. Specter, Mr. Murkowski, Mr. Metzenbaum, Mr. Cranston, Mr. Mathias, Mr. Chiles, Mr. Moynihan, Mr. Heinz, Mr. Riegle, and Mr. Sarbanes. It deals with maternity and child health, adding an additional $25 million to the current suggested authorization or budget figure of $347 million. I would add $25 million for each of 3 years.

Mr. President, I would be glad to have a time agreement of 10 minutes equally divided.

Mr. BAKER. Mr. President, I make that unanimous-consent request.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. I thank the Senator.

Mr. CHAFEE. I am pleased to be offering an amendment to restore a modest $76.5 million to the health function for the maternal and child health care (MCH) block grant. This money would be distributed evenly over the next 3 years, so that funding for the program could be raised from the present level of $347.5 million to its authorized level of $373 million.

The maternal and child health block grant is an example of government at its best. The program provides desperately needed services to mothers, infants, and children. It is relatively inexpensive, and it saves money in the long run. Moreover, it is a program in which Federal dollars and expertise promote a commitment to preventive health on the State level.

Last year, the program provided 1 million children with checkups, immunizations, and basic health services for hemophilia, genetic disorders, lead-based paint poisoning, and other disabling conditions. An estimated 1 million mothers received prenatal and perinatal care under the program. In most instances the recipients of services were poor. In many instances they would have received no help were it not for these programs.

Despite certain beliefs to the contrary, this country has a long way to go in its effort to assure that all pregnant mothers and children receive adequate care.

Mr. President, one of the shocking statistics I have run across in connection with preparing for this amendment is the high mortality rate for infants in the United States. One in every seventy-two babies, born in America dies within the first year. In the District of Columbia that figure is twice as high; 1 out of every 33 infants dies within the first year. I found that such a shocking statistic that I had it checked again, and that is what the statistics show.

There is no question that there is a direct correlation between infant mortality and the level of prenatal care and perinatal care for the mother.

Maternal and child health affects those levels of care. And we need to adequately fund it.

What we have done in this very modest addition is to try and recover some of the moneys that were cut from this program in the cuts made in 1982 from 1981. We cut that program by 24 percent from $457 million in 1981 to $347 million in 1982.

As I say, this would add $25.5 million for each of the next 3 years making it $373 million.

Mr. President, I do not think there is any argument against this. This rather modest effort to restore funding for it is desperately needed. Reports from around the country of the effects of prior cuts are alarming.

In my own home State, a number of services have already been cut; and Rhode Island's program has fared better than many. We have had to reduce the number of sites which provide primary, pediatric, preventive care. We have had to collect fees for maternal and child health care services, and this has driven some of those who most need care from seeking it.

Our genetics counseling program has undergone a dramatic restructuring which, again, will mean that fewer people will be served. This, in light of a GAO study which showed that the cost of genetic screening, along with early treatment of seven common disorders, was less than one-eighth of the costs of caring for an impaired child over a lifetime.

In other portions of the country, clinics have been closed and only those mothers at the highest risks are receiving help, and projects aimed at reducing birth defects and lowering infant mortality have nearly been eliminated.

A humane and enlightened society is one which is willing to commit at least modest resources to assuring proper health for infants and children. Such a commitment represents a sense of compassion and vision in an area in which the expertise exists to make much greater progress than we already have. Our commitment can, in its barest form, be seen as a good investment.

In my remarks yesterday in support of my colleague from Arkansas' effort to add moneys for the immunization program, I alluded to the rising costs of health care in this country. I need not recite the statistics, but the fact is, costs in this realm are outpacing those in virtually every other sector.

Medicare costs are expected to double by the end of the decade to nearly $100 billion; 9.8 percent of our gross national product went for health care expenditures in 1981. Most of that was for hospital costs.

It is about time we changed our priorities and laid emphasis on preventing disease and keeping people, especially children, out of hospitals and other institutions. Here is a program which represents such an effort.

A study done in Texas showed that $1 spent on preventive health for children could save $8 in long-term costs. It has been estimated that prevention of retardation in a mere 10 cases could save $15 million, to say nothing of the untold misery that families would be spared.

Opportunities like this cannot be overlooked. I know that my colleagues share this view, and I hope and trust that you will support this amendment.

I reserve the remainder of my time.

Mr. President, I am prepared to proceed with a voice vote if none of the time is being utilized.

Mr. DOMENICI. Mr. President, I was not here when Senator Biden, the distinguished junior Senator from Delaware, discussed the modification of Senate Concurrent Resolution 92 which was submitted in behalf of the majority of the Budget Committee through our leader yesterday. In discussing the modification, he listed many add-ons which were included in the resolution. I do not want to burden the Senate with why they were made, but there are two issues, the one discussed here and the WIC program in function 600 which explain why we made these additions.

With respect to WIC, the problem involved the use of a freeze on budget authority for appropriated programs which included reductions due to deferrals.

Of course, as soon as the deferral time is passed, spending can occur at the old rate. However, in the case of WIC, we froze the account at the lower level.

This amendment demonstrates for the record that many of the additions that the Budget Committee agreed to were cases where the deferral was temporary and the higher level was justified.

In the case of the maternal and child health block grant, this program is a major source of funds to provide cost-effective care to mothers and young children. This addition is justified and it does not materially change the budget totals for function 550. While it does not assure funding, since the Appropriations Committee has complete discretion in funding programs, it does indicate the concern of the Senate over funding of this program.

We are going to accept this amendment and I commend the Senator from Rhode Island for bringing this issue to our attention.

Senator Chaffee is very concerned about this account, along with a number of other Senators on both sides of the aisle. His amendment will make it eminently clear that they are concerned. They want the highest possible level of funding through the Appropriations Committee. But it will not add any real dollars to the budget resolution because of the size of the amendment.

With that explanation I am prepared to yield back the remainder of my time, and, if there is no one else seeking recognition, I will agree to accept the amendment.

Mr. CHAFFEE. Mr. President, I ask unanimous consent that Senator Levin be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I ask unanimous consent that Senator Hawkins be added as a cosponsor to the Chaffee amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RIEGLE. Mr. President, I am pleased to cosponsor this amendment to fully restore veterans' benefits as proposed by the Senator from Florida, Mr. Chiles.

I do so because the Republican modified budget is patently unfair to millions of men and women who have so well served this country. The modified budget yesterday partially corrected a shortcoming of the committee's reported budget by restoring a total of $2.1 billion over the next 3 years for veterans health and disability compensation. However, it still falls short by a total of $3.8 billion of the amount needed to help veterans stay even with inflation. A full inflation adjustment would require the addition to the modified budget of $0.8 billion in fiscal year 1983, $1.2 billion in fiscal year 1984, and $1.6 billion in fiscal year 1985. This budget now falls far short of meeting the deserved needs of our honorable veterans.

Mr. President, the policy proposed in this modified budget, which is recommended by our colleagues on the other side of the aisle, would force veterans to have their pensions actually reduced on a monthly basis. You see, under current law, social security benefits are fully countable as income under the Veterans Pension Act. Therefore, a veteran's pension benefit is reduced dollar for dollar by the amount of the social security increase. This means that veterans, unlike other retired people, would not benefit from the cost-of-living adjustment in social security, in fact veterans would actually lose income on a real basis because their combined benefits would be frozen and eaten away by inflation.

Mr. President, I ask that a brief report by the Congressional Budget Office describing this inequity be printed at this point in the RECORD.

Mr. President, I would also point out the particular need to restore the cuts that program is fully funded, thousands of veterans' hospital beds will close, 13,000 employees will be laid off, and 78 newly constructed nursing homes and hospitals due to be activated will be canceled.

I, therefore, urge my colleagues to join us in support of this amendment and to make it clear that the Congress will not seek to balance the budget by depriving veterans of the benefits which they richly deserve.

Mr. President, I ask unanimous consent that several letters in support of this amendment be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MAY 18, 1982.

Memorandum to: Senator Donald W. Riegle.
From: Nina Shepherd, Congressional Budget Office.

Pursuant to your telephone request, an explanation of the interaction of veterans' pension (as authorized by Public Law 95-588) and social security benefits is detailed below.

Pension benefits to eligible veterans and their dependents and survivors are determined by reducing the appropriate statutory benefit rate by the amount of the recipient's annual income and, with certain exceptions, the annual income of the recipient's family members. Since social security benefits are fully countable as income under the Public Law 95-588 pension program, a veteran's pension benefit is reduced dollar-for-dollar by the amount of his/her social security income.

Under current law, benefit rates for Public Law 95-588 pension are increased whenever social security benefit rates are increased (pursuant to section 215(i) of the Social Security Act) and by the same percentage of increase.

Should legislation be enacted prior to June 1, 1982 to delete or amend section 3112 of title 38, U.S.C. in order to detach veterans' pension rates from social security's automatic COLA's, the following situation would ensue:

Social Security benefit rates would be increased by 7.4 percent.

Veterans' pension rates would not increase.

Pension beneficiaries who also receive social security income would experience no change in their combined income from both sources.

Example:

A veteran with no dependents:	
Prior to June 1, 1982:	
Statutory pension rate	$4,960
Assumed social security income	−2,000
Annual pension benefit	2,960
After June 1, 1982, with no change in law:	
Statutory pension rate	5,327
Assumed social security income	−2,148
Annual pension benefit	3,179
After June 1, 1982, assuming legislation described above:	
Statutory pension rate	4,960
Assumed social security income	−2,148
Annual pension benefit	2,812

MILITARY ORDER OF THE PURPLE HEART,
Detroit, Mich., May 18, 1982.

Senator DONALD W. RIEGLE, Jr.,
McNamara Building,
Detroit, Mich.

DEAR SENATOR RIEGLE: I understand that the issues on veteran's benefits and services will be heard on the floor today and wish to submit my opinions on such.

I personally feel that the proposals suggested by the committee will be detrimental to all veterans and their dependents.

These proposed freezes and cuts to veterans programs and services will cause severe hardship and depression among all veterans and their dependents. The veterans are already suffering due to cuts of past and any more changes to their programs will create unfair and discriminatory practice because other COLAS are not being acted against the way the veterans groups are.

I am totally against the committees recommendations and will take a firm stand to stop any committee actions against veterans benefits and services.

Sincerely yours,

J. CRAIG GLYNN,
MOPH/Director,
Regional Office.

AMVETS,
SERVICE DEPARTMENT,
Detroit, Mich., May 18, 1982.

Senator DONALD RIEGLE,
Detroit, Mich.

DEAR SENATOR RIEGLE: The purpose of my letter is to voice my consternation concerning the so called "discressionary cuts" in the area of V.A. medical and hospital care, and the discontinuance of the "Cost of Living" increases for V.A. Compensation benefits. As a life time resident of the state of Michigan I have never witnessed a period when the V.A. hospitals have been in greater need. A great number of our auto-workers and those with related jobs are veterans who utilize these facilities, especially during hard times.

We are fortunate to have Mr. Al Zambarline as our Regional Medical Director and Mr. James Donachie as Medical District Director as these men have on many occasions gone that one step further to provide good health care to the veterans that they represent.

I am sure that it is thru their efforts and the combined efforts of the service organizations in the State of Michigan that we have maintained a quality of care second to none.

This quality care must be maintained not only for our present veterans but for those of the future who are expected to sacrifice for this country.

This brings us to the subject of discontinuing the cost-of-living increases for compensation benefits. These benefits are paid only to those individuals who were injured or exposed to disease in the service of their country. To deny them would be a declaration that their sacrifice was frivolous.

Oh yes, there are those who would accuse me of trying to protect another sacred cow. Perhaps I am doing that but all must realize that if it were not for those who made a sacrifice for America that there would be no sacred cows to protect.

Those veterans were inspired by those who swore that they and their dependents would be cared for by an appreciative government only to face cutbacks when support is needed most.

I support any efforts by your office to insure the continuation of V.A. medical care, compensation and pension as it is time to serve those who have served us.

I thank you in advance for your sincere interest in these very important matters.

Sincerely,

DAVID F. WANDRIE,
Amvets Assistant Service Director,
Amvets National Service Officer.

VETERANS OF FOREIGN WARS
OF THE UNITED STATES,
Washington, D.C., May 19, 1982.

Hon. DONALD W. RIEGLE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR RIEGLE: It is my understanding you intend to cosponsor the floor amendment to S. Con. Res. 92 to be offered by the Honorable Lawton Chiles to increase the Veterans Administration budget for the fiscal year 1983 from $23.4 billion in budget authority to $24.7 billion and outlays from $22.7 billion to $23.8 billion. This amendment would square with the recommendations of the Senate Veterans' Affairs Committee to the Senate Budget Committee in every respect except that the cost-of-living increase for VA beneficiaries would be 7.4 percent instead of 8.1 percent and also, to exempt the Veterans Administration from the proposed freeze at the 1982 levels the funding of non-defense discretionary appropriated programs in 1983 and the two subsequent fiscal years.

As you are aware, S. Con. Res. 92 proposed no cost-of-living increase for VA beneficiaries in the fiscal year 1983 and freezing subsequent increases to 4 percent. Freezing the Veterans Administration discretionary appropriations account at the 1982 level through the fiscal year 1985 would, in our opinion, necessitate closing an undetermined number of VA health-care facilities, reducing personnel in the Department of Medicine and Surgery by some 13,000, relo-

cating thousands of VA patients and personnel, and canceling the scheduled activation of 78 newly constructed projects including nursing home care units and replacement hospitals.

On behalf of the more than 2.5 million men and women of the Veterans of Foreign Wars of the United States and our Ladies Auxiliary, know that you have my full support for this amendment and that my overriding concern is the exemption of the VA discretionary appropriation account from the freeze and restoring the funding necessary to maintain the integrity of the VA hospital and medical care system.

Sincerely.

ARTHUR J. FELLWOCK,
Commander-in-Chief.

DISABLED AMERICAN VETERANS,
NATIONAL SERVICE AND
LEGISLATIVE HEADQUARTERS,
Washington, D.C., May 14, 1982.

Hon. DONALD W. RIEGLE, Jr.,
Dirksen Senate Office Building,
Washington, D.C.

DEAR SENATOR RIEGLE: The Senate will soon begin debate on the First Concurrent Resolution on the Budget—S. Con. Res. 92.

This measure, as reported by the Senate Budget Committee, substantially reduces the President's Fiscal Year 1983 request for VA medical care funding and fails to provide any cost of living adjustments for VA compensation and pension beneficiaries.

When this measure reaches the Senate floor, Senator Lawton Chiles will be offering an amendment to restore the needed funding for VA health care and cost of living adjustments.

As you probably well know, the VA health care system has taken the brunt of budget cuts time and time again and we in the DAV strongly urge you to join in the effort to cease these senseless proposals that endanger the quality and quantity of medical care the VA will be able to provide this nation's veterans in Fiscal Year 1983.

Further, the Senate Budget Committee proposal fails to provide a cost of living adjustment in VA compensation and pension benefits. The DAV has attempted to deal fairly with the COLA question in all federal programs and we have expressed our views to the Senate Budget Committee Chairman.

It is our belief that the Congress must deal with this situation in an evenhanded fashion and treat all federal programs equally. Service-connected disabled veterans, like all Americans, suffer from the same ravaging inflation and should be treated at least equally with all other federal beneficiaries.

Therefore, on behalf of the more than 715,000 members of the Disabled American Veterans, I respectfully request your support and vote for the Chiles' Amendment to restore VA medical care funding and provide a cost of living adjustment for service-connected disabled veterans and their families.

Sincerely yours,

SHERMAN E. ROODZANT,
National Commander.

HEALTH BUDGET CUTS

Mr. BRADLEY. Mr. President, last year's two rounds of budget cutting, first through the reconciliation legislation and then through the continuing resolution at year end, left much of the acclaimed "social safety net" in tatters. Nowhere has the damage been worse then in health care, and nowhere have the program cuts been more ill advised and, in the long run, costly.

Diseases and disabling conditions prevented are hard to cost out in budgetary terms, but the benefits should be clear to everyone. Early treatment of an illness is less expensive, both in human and in monetary terms, than delayed treatment. Yet last year the administration pushed for and got budget cuts in medicaid, the childhood immunization program, and the preventive and primary care program for mothers and children—all to shave a very modest amount of dollars off a budget deficit of over $100 billion.

This year, facing the prospect of skyrocketing budget deficits as a result of the failure of its supply side economic policies, the administration came back to Congress with still more proposals to cut even deeper into these health care programs. Medicare, the health care program on which so many of the Nation's elderly depend, was no longer exempt, apparently no longer part of the safety net. Medicaid, already tightly squeezed by last year's cuts, was slated for massive new reductions in benefits and changes in eligibility. In both programs the administration's tactic was not to save dollars by controlling costs and reforming the system but merely to shift the costs to someone else—to State governments, to local governments, to private insurers, to the elderly, to the disabled, and to low-income women and children. Meanwhile, the administration talked about competition in health care and New Federalism.

Mr. President, many of the administration's proposed cuts in these health programs have been recognized as unwise and inappropriate. To wreck more havoc on individuals in need of health care only to shave a modest amount from another record deficit makes no sense. The budget Committee's spending reductions for these health programs would require significant changes in eligibility, cuts in benefits and dramatic increases in out-of-pocket costs to the poor and elderly beneficiaries.

First in terms of equity, I question the appropriateness of continued reductions in health program funding after two rounds of substantial cuts last year. Must a large proposed deficit be reduced by further restricting care for those most vulnerable in society, the old, the poor, and the young? Must we diminish the deficit by failing to invest in the human capital so necessary for economic prosperity in the next generation?

My opposition to the program cuts required by this budget resolution does not mean that I am unconcerned about continued uncontrolled rises in health care costs, and the accompanying inflationary increase in the costs of these programs. Responsible and effective control of medical care costs must be accomplished. If the proposed budget were as vigorous in pursuit of health cost care containment as it is in depriving people of needed medical care, the deficit next year and for years to come would be reduced. Investments in cost containment today can produce dividends tomorrow; deferring care for those who can benefit will cost more tomorrow.

Mr. President, I will review the effects that are already apparent from cuts already administered to health care. These early experiences can be regarded as ominous.

When changes were made in the medicaid program last year, it was expected that States would increase their contributions to the medicaid program as Federal aid diminished. Exactly the opposite has occurred. Over one-fifth of States have reduced their contributions by severely limiting the number of hospital days to which a medicaid patient is entitled—many to as few as 10 to 20 days per patient in a year. Over two-fifths of the States eliminated optional services such as drugs, eyeglasses, and foot care. A fifth of the States have cut services to the medically needy or for those on general assistance.

Many of the sick and poor have dropped from medicaid eligibility, leaving only the most destitute and the most vulnerable eligible for the limited services remaining. Even before these cuts, only one of every two families at or near the poverty level were medicaid recipients. Surely we can agree that the poor have contributed enough to reducing the deficit. Even with no further changes, the 4-percent reduction in medicaid payments to States already in place assures an 18-percent reduction in real dollars to the States considering the 14-percent rate of inflation in health care costs.

The aged too are being asked to sacrifice. Last year more cost sharing by beneficiaries was required and cost-free days of institutional care were reduced. This year's proposals contain further requirements for cost sharing for home care and provide for rapid escalation in the deductibles which must be paid out of pocket. At the same time, some budget cutters have proposed reductions in the cost-of-living adjustments for social security beneficiaries. In this uncertain period, when the aged have so recently suffered the ravages of inflation on a fixed income, further required out-of-pocket expenses for the sick aged is unjust.

Mr. President, we are all concerned about the economy and the future. One way to assure a healthy and able work force in the future is to assure good health for the young and for pregnant women. This is also a means of containing health care costs—nowhere can prevention return a greater dividend than when it is provided to the young and to their mothers. It is puzzling, Mr. President, that in an administration that is such a strong advocate of prevention in health care, the budget so compromises programs aimed at prevention.

The most obvious compromise is the request for immunizations. With a continued growth in the number of children under 6 and a 40-percent inflation in cost of vaccines, far fewer children will be immunized under the proposed budget. If these immunizations are not done, we will experience a reappearance of polio, measles, German measles as occurred in the 1970's. We will pay for illness care, long-term complications, and for vaccination all at a higher cost. German measles vaccinations for child-bearing women is also dramatically cost beneficial as a prevention measure, protecting babies from the high risks of deafness or heart defects and protecting pregnant women from miscarriages.

Last year 30 percent was cut from the programs in the maternal and child health block grant. Similar cuts were required of community health centers and family planning programs. Each of these programs directly affects maternal and child health.

What have been the results? Forty community health centers have closed and 120 more are expected to close by this year's end. Similarly many special maternal and child health clinics have shut their doors and those that remain have cut back services. All this is occurring on top of medicaid cutbacks which have caused 661,000 children and their mothers to lose access to medical care. Mothers remaining eligible pay a greater share of the cost for the services they and their children receive. It is clear that there has already been substantial reduction in maternal and child health services; this service loss will have adverse effects and must cost more in long-term poor health. The additional program cutbacks that would be required under the proposed fiscal year 1983 budget would surely have further deleterious effects.

Finally, there is the WIC program, whose aim is to provide adequate nutrition to pregnant women, infants, and children. The most harmful and shortsighted proposal in the administration's February budget was to fold the WIC program into the maternal and child health block grant and reduce funding by $300 million. The WIC program has been shown to reduce the number of low birth weight infants. It is one of our most cost beneficial programs, saving $3 for every $1 spent in feeding pregnant women.

It is neither prudent nor wise to reduce the money for food and leave to chance whether States will provide food at all. Further proposals to expand the block grant by including migrant health and black lung programs and freeze total appropriations can only severely impair the health of future generations. Money "saved" now will be paid many times over in years to come.

Mr. President, I do share the growing concern for health care costs and for the size of the budget deficit. But I do not believe that we can afford to reduce that deficit by further reducing access of the poor and the aged to medical care. It also makes no sense to defer expenditures as for immunization and nutrition, knowing that one day soon we will have to provide these services but at a higher cost.

That does not mean we can afford to waste money. We must eliminate unnecessary care and assure that the care that is provided is appropriate, of good quality, and economic. Yet because we have not taken effective cost containment measures, we must now look to short-term measures which will help contain health care costs and move us in the direction of equitable payment for appropriate care.

To be certain that care received is appropriate, we must improve and continue utilization review and peer review. Both programs are cost beneficial. GAO has shown that for every $1 spent in utilization review by intermediaries, $26 is saved. Yet reduced funding for these programs has cut these cost containment efforts. This is cost saving of the most shortsighted type. Similarly, many PSRO's have been shown to be cost beneficial.

With the elimination of less effective PSRO's, the savings should be even greater. In addition, PSRO's have improved the quality of medical care, resulted in shorter lengths of stays for patients in hospitals and less frequent hospitalizations. Such changes in the way patients are cared for has a long range impact on medical practice and on medical savings.

Most important are measures which assure that care is provided economically. To attain this goal, we must move to a uniform, clearly defined and just manner of hospital reimbursement. Ten States have experimented with prospective reimbursement of hospital charges. Maryland and my State of New Jersey have established a diagnosis-related payment system for all hospitalization whether paid for by medicare, medicaid, or private insurance.

Such systems, while complex to develop, provide equitable treatment of hospitals and assure fiscal stability by providing predictable and prospective funding and by accommodating any mix of patients. To move toward eventual effective prospective reimbursement, we should adopt short-term changes in the formula for physician and hospital reimbursement under medicare. We should also encourage the development of hospital rate commissions in each State so that predictable and equitable reimbursement can occur under both medicaid and medicare.

Cost containment and reform of our health care system, rather than cost shifting and erecting cost barriers to discourage the elderly and low income mothers and children from making use of health care services—this is the approach which has guided the amendments on medicare and medicaid offered by Senators KENNEDY, MELCHER, MOYNIHAN, and RIEGLE; on childhood immunizations and maternal and child health offered by Senators BUMPERS and SARBANES; and on WIC offered by Senators LEAHY and HOLLINGS.

I endorse this approach and I shall work with my colleagues in the Finance Committee and with the hospitals, physicians and other health care professionals, and other health care providers to assure that good care is provided to those Americans who need it and that the health services are paid for in a fair and appropriate manner.

Mr. President, health is a very precious good. The health of the American people is a proper concern of Government. By our programs of prevention and treatment we help to promote a healthier and therefore happier populace. Let us not falter in these efforts.

Mr. CHAFEE. I move passage of the amendment.

The PRESIDING OFFICER. Is all time yielded back?

Mr. CHAFEE. I yield back our time.

Mr. DOMENICI. I yield back our time.

The PRESIDING OFFICER. All time is yielded back, and the question is on agreeing to the amendment of the Senator from Rhode Island.

Mr. CHAFEE's amendment (UP No. 975) was agreed to.

Mr. DOMENICI. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. CHAFEE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CHAFEE. I would like to thank the distinguished chairman of the Budget Committee for his support and assistance in this matter.

Mr. DOMENICI. I want to commend the distinguished Senator from Rhode Island (Mr. CHAFEE) for his work. It is a pleasure to work with him as it was to work with him on this amendment and with his cosponsors.

It is my understanding that we now go back to the other side of the aisle. The amendment that will be called up is an amendment by the distinguished senior Senator from Florida and it pertains to veterans.

I yield to the Senator from Florida.

The PRESIDING OFFICER. The Senator from Florida.

UP AMENDMENT NO. 976

(Purpose: To provide funding for full cost of living adjustments for veterans pensions and disability compensation, and to provide the President's January budget request for veterans medical facilities)

Mr. CHILES. Mr. President, I send an amendment to the desk on behalf of myself, Mr. MITCHELL, and others, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Florida (Mr. CHILES), for himself, and others, proposes an unprinted amendment numbered 976.

Mr. CHILES. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 17, beginning with line 15, strike out through line 4 on page 18 and insert the following:

Fiscal year 1983:

(A) New budget authority, $24,700,000,000.

(B) Outlays, $23,800,000,000.

(C) New direct loan obligations, $1,000,000,000.

(D) New primary loan guarantee commitments, $20,900,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $26,000,000,000.

(B) Outlays, $25,200,000,000.

Fiscal year 1985:

(A) New budget authority, $27,100,000,000.

(B) Outlays, $28,900,000,000.

On page 27, lines 1 through 7, strike all after "tee" and insert in lieu thereof: "sufficient to reduce budget authority by $150,000,000 and outlays by $150,000,000 in fiscal year 1983; to reduce budget authority by $150,000,000 and outlays by $150,000,000 in fiscal year 1984; and to reduce budget authority by $150,000,000 and outlays by $150,000,000 in fiscal year 1985.".

On page 30, lines 3 through 9, strike all after "tee" and insert in lieu thereof: "sufficient to reduce budget authority by $150,000,000 and outlays by $150,000,000 in fiscal year 1983; to reduce budget authority by $150,000,000 and outlays by $150,000,000 in fiscal year 1984; and to reduce budget authority by $150,000,000 and outlays by $150,000,000 in fiscal year 1985.".

Mr. CHILES. Mr. President, I am pleased to offer this amendment on behalf of myself and Senator MITCHELL, who has taken the leading role for the Veterans' Affairs Committee, and for Mr. DECONCINI, Mr. CRANSTON, Mr. BENTSEN, Mrs. HAWKINS, Mr. SASSER, Mr. MATSUNAGA, Mr. BIDEN, Mr. RIEGLE, and Mr. RANDOLPH.

Mr. President, there are three key policies that are embodied in this amendment. First, we would restore funds to allow the full cost-of-living adjustment for veterans pensions and compensation payments; second, we would fund the veterans hospitals and clinics at the level of the President's January budget request; and, third, we assume only the $150 million of legislative savings which the Veterans' Affairs Committee recommended in its March 15 report to the Budget Committee.

I would like to talk, first, about the cost-of-living adjustment for pensions and compensation. I think it is entirely unfair to cut these when we are not exerting Government-wide restraint on COLA's. We have already made it clear we are not going to cut COLA's for social security recipients, and that we are not going to cut them for food stamps, SSI, or other vital programs.

So I think we have to ask ourselves who are the recipients of veterans' pensions and compensation? In the case of pensions, Mr. President, it is only the low-income retired veterans. That is a key reform that we made several years ago. They simply do not have and cannot have the resources to pay for the increased cost of food, fuel, and housing. If they have those other resources, they are not entitled to the pension to start with.

The Consumer Price Index and the costs it represents are slowing down and, fortunately, that will save some money in the program. But the costs are still there, and those veterans on pensions are going to have to pay them.

The other recipients we would be cutting are the 2.6 million disabled veterans and their widows and dependents who receive compensation. Once again, these are the people who have given of their bodies and health in the defense of our country, and thereby they have impaired their ability to support themselves.

I believe a disabled veteran should have a top priority claim on our limited resources, and certainly they should get the same 7.4 percent COLA that a social security recipient would get or a recipient of SSI would get. Those are people who are low income. They are people who are dependent but here you are saying, "If you are low income and you are a veteran, you are not entitled to that cost-of-living adjustment."

Our second major concern is the level of funding for veterans' medical facilities, for the hospitals and clinics which are directly operated by the VA.

The President's January budget was a barebones request, and by his own calculations he asked for $200 million less than the level necessary to continue current service levels. That means that the VA would have to swallow some staff salary increases. They would have to hold off some planned improvements in drugs and equipment, and they would be squeezed on meeting their increased caseload requirements.

I supported the President's January request as a prudent way to meet the minimal needs of the VA hospitals and clinics and still restrain the Federal budget. However, this new package, which the President has now negotiated with the Budget Committee majority, falls far short of the minimum needs for veterans' medical care.

The budget resolution is at least $500 million below the President's January request, and $700 million below the current service level calculated by the administration. Our amendment, therefore, restores medical care funding to the level requested by the President in January. That adds about $130 million to the Budget Committee's baseline.

Finally, we do offset the necessary cost increase in medical care by assuming $150 million of legislative savings which the Veterans' Affairs Committee has said it can achieve without serious harm. We take them at their word and assume $150 million of savings in each of fiscal years 1983, 1984, and 1985.

Since the means to such savings are largely unspecified, we modified the reconciliation instruction to leave the Veterans' Affairs Committee full discretion as to which program to change. The Budget Committee's instruction would have come strictly from entitlements.

We also join the Budget Committee in assuming management savings from increased asset sales and VA mortgages. This is something the administration has announced it will do. It requires no legislation, and it does not affect the cost of housing to the veterans. These savings allow us to reduce the deficits substantially by bringing the veterans function over $900 million below the Budget Committee baseline.

Mr. President, the distinguished chairman of the Veterans' Affairs Committee has put out a letter in which he tells us that the modified Republican package now would take care of COLA's for compensation payment to disabled veterans. I would like to say for the record on that point in dollar terms they only restore $442 million or 12 percent out of $3.3 billion of cuts in compensation. To me, Mr. President, that is just a token approach. More important than the dollars, however, are the people who are going to be hurt. Only 12 percent—I repeat that, 12 percent—of the current recipients would get even the 4 percent COLA under the chairman's proposal. That means over 2 million disabled veterans are going to lose their COLA entirely.

Mr. President, I ask unanimous consent to have printed in the RECORD a letter from Mr. Sherman E. Roodzant, the National Commander of the Disabled American Veterans, which points out that the people cut out under this proposal would include veterans who have lost an arm or a leg as a result of their service, veterans who have lost an eye, or a part of their skull, or numerous other disabling conditions.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DISABLED AMERICAN VETERANS,
Washington, D.C., May 19, 1982.

Hon. LAWTON CHILES,
437 Russell Senate Office Building,
Washington, D.C.

DEAR SENATOR CHILES: We have just learned of the Senate Leadership Budget Compromise relative to the First Concurrent Resolution on the Budget for Fiscal Year 1983.

In this connection, I wish to inform you that the Disabled American Veterans is opposed to that portion of the proposed compromise dealing with veterans' programs and services. We find it appalling that the authors of the so-called Compromise Budget would exclude from benefit increases some 1.9 million of the 2.3 million service-connected disabled veterans currently on the VA rolls. Similarly, no widows or orphans of veterans who died from service-connected disabilities would be provided a cost of living adjustment in their benefits.

A closer look will show that under the compromise proposal, benefit adjustments would not be provided to:

Some 20,000 of the 24,583 service-connected veterans who have suffered the amputation of an arm or leg;

Veterans who suffer the anatomical loss or loss of vision in one eye;

Veterans who have suffered head injuries resulting in the loss of skull area larger than two square inches; and

Hundreds of thousands of other veterans who suffer various disabilities ranging from the loss of muscle tissue from gunshot wounds to respiratory conditions suffered by former prisoners of war.

Considering these facts, Senator Chiles, I know that you and your colleagues would not impose even further sacrifices upon America's wartime service-connected disabled veterans, their dependents and survivors.

On behalf of the 715,000 members of the Disabled American Veterans, I strongly urge you to pursue the adoption of your amendment which would provide for an equitable adjustment in the benefits provided to all VA beneficiaries.

Sincerely yours,
SHERMAN E. ROODZANT,
National Commander.

Mr. CHILES. Mr. President, I appreciate the good intentions of Chairman SIMPSON in trying to work out a reasonable compromise, and I think he worked to add back some of the funds cut by the Budget Committee. Unfortunately, I do not think this proposal meets the basic needs of veterans who have given up their health and livelihood in the service of their country.

The chairmen of the Budget Committee and the Veterans' Affairs Committee are saying they have modified the resolution to provide the President's request for veterans' medical care. However, they failed to take into account the $130 million loss from the Budget Committee's assumption that 54 percent of the pay freezes will be absorbed. The Congressional Budget Office has confirmed that they are short that $130 million.

I want to make two points about what the so-called "absorption means." First, it means that if your pay costs are $100 million you only get an appropriation of $46 million; you therefore lose $54 million that has to be made up by laying off staff, or otherwise cutting back on services. So the failure to provide that $130 million means you are cutting medical care.

The second point—and this is the most critical—is that the President's budget had already cut VA medical services $204 million below the amount they needed to continue their current level of service. Of that amount, $64 million would already be required in the absorption of personnel costs; and another $49 million from delaying the activation of new facilities; $35 million from delaying maintenance and repair projects, which means poorer facilities. Another $20 million would come from holding off the use of improved drugs and from increasing the intensity of use of existing facilities with increased caseloads. These numbers were provided to us by the Congressional Budget Office in consultation with the Veterans' Administration, and they show just how tight the President's January budget request was.

I do not see how the VA hospitals and clinics can absorb another $130 million on top of the $204 million that the President has already cut.

Mr. President, the bottom line is that the budget resolution before us simply does not meet the basic needs of American veterans for medical care.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a letter from the American Legion expressing their continued support for the amendment that I have put before you tonight after they have seen the Republican modification.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE AMERICAN LEGION,
Washington, D.C., May 19, 1982.

Hon. LAWTON CHILES,
Senate Committee on Budget,
Washington, D.C.

DEAR SENATOR CHILES: This is to reaffirm The American Legion's support for your amendment to Senate Concurrent Resolution 92.

As stated in our previous letter to you, we find the Senate Budget Committee's recommendations for Function 700 spending to be deficient in both entitlement and discretionary accounts. We believe that your amendment would correct these deficiencies and would adequately respond to veterans' demand for benefits and services in Fiscal Year 1983. We know of no other proposal, either already introduced or currently in the formulation stage, which meets our requirements in Function 700.

We appreciate your leadership in this initiative and we trust that your Senate colleagues will recognize the value of your amendment by offering their support for it.

Sincerely,
E. PHILIP RIGGIN,
Director, National
Legislative Commission.

Mr. CHILES. Mr. President, I ask unanimous consent that Senator MELCHER be added as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHILES. Mr. President, I yield at this time to the distinguished Senator from Maine, who serves on the Veterans' Affairs Committee and has taken a leading role in putting forward this amendment.

The PRESIDING OFFICER. The Senator from Maine.

Mr. MITCHELL. Mr. President, I am pleased to join Senator CHILES in offering this important amendment. The purpose of this amendment is to restore funding to the VA budget to insure that the needs of our Nations' veterans are met in fiscal year 1983 and the years beyond.

In February of this year, President Reagan proposed funding veterans' programs at $25.6 billion in budget authority and $24.4 billion in outlays in fiscal year 1983. While the President's proposed budget called for increases in certain accounts, the budget also called for legislative savings and receipts of $328 million. A majority of these savings, $165 million, would have been achieved through the elimination of the dependency allowance payments for those disabled veterans rated 30 or 40 percent.

In addition, the President's proposals would have eliminated the subsistence allowance for service-connected disabled veterans enrolled in the vocational rehabilitation program.

The Senate Veterans' Affairs Committee carefully considered the President's proposals and endorsed many of the President's recommendations. The committee could not, however, support the President's proposed cuts in benefits for service-connected disabled veterans.

Instead of the President's proposed cuts of $328 million in fiscal year 1983, the Veterans' Affairs Committee unanimously voted to recommend legislative savings of $150 million in fiscal year 1983; $70.7 million of these savings would be achieved largely through technical changes in the manner in which benefits are paid. The remaining $79.3 million would come from unspecified savings and/or receipts.

In addition, the committee revised the President's overall budget recommendations downward to take into account differing economic assumptions made by the Congressional Budget Office. These changes reflect a decrease in the cost-of-living adjustment for compensation and pension recipi-

ents from 8.1 to 7.4 percent. As a result of these changing assumptions, the VA would require $24.7 billion in budget authority and $23.8 billion in outlays in fiscal year 1983 to achieve the policy recommendations detailed in the Senate Veterans' Affairs Committee's March 8 report to the Budget Committee. Let me emphasize that the Veterans' Affairs Committee was unanimous in its recommendation to the Budget Committee. The amendment before us would simply restore funding in fiscal year 1983 to that level.

I ask unanimous consent that a copy of the Veterans' Affairs Committee's March 8 letter of transmittal to the Budget Committee be printed in the RECORD immediately following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. MITCHELL. The first concurrent budget resolution, as amended by the Budget Committee, would still cut the VA budget by $700 million in budget authority and $600 million in outlays in fiscal year 1983. I am pleased that the Budget Committee's modification restored some money for veterans' programs. The fact is, however, that the resolution before us is seriously deficient with respect to veterans' programs.

Although the resolution, as amended, provides for a 4-percent cost-of-living adjustment for disability compensation recipients rated 70 percent or more, there is no money in this budget for a cost-of-living adjustment for those rated less than 70 percent disabled, or for those veterans receiving a VA pension. In addition, the resolution maintains the 4-percent cap on both compensation and pension recipients in fiscal years 1984 and 1985. Finally, while the resolution restores some money for veterans' health care, it falls $129 million short of achieving the level unanimously approved by the Senate Veterans' Affairs Committee.

I believe we must reduce the size of the Federal deficit. But we must do so in a manner which is fair and just. The resolution we have before us, with respect to veterans' programs, is neither. It is a shortsighted attempt to balance the budget on the backs of those who have risked their lives to defend this country.

I am opposed to a number of the Budget Committee's specific recommendations. First, I am opposed to providing veterans who are rated 70 percent or more with a 4-percent COLA while eliminating the COLA entirely for those veterans rated less than 70 percent.

In 1980, then-candidate Ronald Reagan, speaking at the Veterans of Foreign Wars 81st National Convention, stated:

> To me it is a breach of faith that compensation for those with service-connected disabilities has not kept abreast of inflation.

The President was right then; he is wrong now.

The President's own budget, submitted in February of this year called for an 8.1-percent COLA for compensation and pension recipients. Now, just 3 months later, we are working on a budget calling for a cost-of-living ajustment of only half this amount for certain compensation recipients and totally eliminated for VA pensioners. I cannot, and will not, support such a change.

Under current law, a veteran with a service-connected disability is eligible for monthly benefits, ranging from $58 for a veteran with a 10-percent disability to $1,130 for a veteran who is totally disabled.

In fiscal year 1983, it is estimated that more than 2.2 million veterans nationwide will receive some amount of disability compensation. In my State of Maine more than 13,000 veterans have service-connected disabilities; almost 2,000 veterans are 70 to 100 percent disabled.

I believe the reduction of the cost-of-living adjustment for those rated 70 percent or more and the elimination of the COLA for those rated less than 70 percent will place an unfair, and unnecessary, burden on those who are least able to afford it.

Second, I am opposed to the elimination of the fiscal year 1983 COLA, scheduled to take effect on July 1 of this year, for those veterans receiving a VA pension. The VA currently provides needy—and I emphasize "needy"—wartime veterans who are totally and permanently disabled from non-service-connected causes, or who are age 65 or over, with a pension. These pensions provide the neediest of our Nation's veterans with a minimal source of income to live out their older years with pride and dignity.

It is estimated that in fiscal year 1983, approximately 1.8 million needy veterans or their survivors will receive a VA pension. Under current law VA pensions are indexed to social security: that is, whenever social security recipients receive a cost-of-living adjustment, so do VA pensioners. In addition, VA pensions are reduced, dollar for dollar, for each dollar of income over a certain base amount. In the case of a single veteran with no dependents this base amount, known as an income standard, is $4,960 a year.

Because of this dollar-for-dollar offset, if social security recipients receive their cost-of-living adjustment in fiscal year 1983 and VA pensioners lose theirs, a significant number of veterans will actually lose their entire VA pension. Thus, these veterans will be doubly penalized: not only will they lose their COLA in fiscal year 1983 but they will lose their entire pension as well.

If the Budget Committee's recommendation is adopted, according to the VA, an estimated 18,000 pensioners would lose their VA pensions; an additional 267,000 would have their monthly checks reduced by the amount of their social security increase.

So what we have here is a proposal which clearly discriminates against our Nation's needy and disabled veterans. We are not talking about eliminating waste and abuse in government spending. We are not talking about removing fat from a government program. We are talking about taking money out of the pockets of disabled and indigent veterans. If we in this Chamber have any compassion, any sense of commitment for the well-being of our Nation's veterans, we will vote to fully restore the cost-of-living adjustment for compensation and pension recipients.

Third, I am opposed to the elimination in the budget resolution of $136 million in funding for new construction projects. According to the VA, a cut of this magnitude would require the agency to defer four or five major project requests, making it that much more difficult to meet the needs of veterans in the years ahead.

Fourth, I am deeply disturbed that the resolution before us, as amended, does not provide sufficient funds to adequately meet the health-care needs of our Nation's veterans. While the budget resolution does restore $287 million for health care; $15.5 million for medical research; and $28.5 million for general operating expenses, the resolution falls nearly $150 million short of the amount necessary to restore discretionary funding up to the level approved by the Veterans' Affairs Committee.

The reason for this shortfall is that the Budget Committee has assumed that the VA will absorb $148 million in fiscal year 1983. This figure is equal to 54 percent of the pay increase granted VA employees in fiscal year 1982, but for which Congress never appropriated the necessary funds. The Budget Committee is now asking the VA to absorb this pay increase in its fiscal year 1983 budget. The President's own budget does not even assume such a carryover.

While this $148 million is spread throughout the VA's budget, the greatest impact will be felt in the medical care account. According to the administration's own figures provided by the VA, if this budget resolution is adopted, the medical care account will be underfunded by $129 million in fiscal year 1983. A cut of this magnitude will have a devastating effect on the ability of the VA to provide our

Nation's veterans with adequate health care.

While it is not certain how a cut of $129 million would be absorbed by the VA, it is clear such a cut would necessitate a reduction of several thousand, perhaps as many as 4,000, health-care personnel. There is a good possibility that a cut of this magnitude could lead to the closing of several VA hospitals nationwide. However the cut is absorbed, it is clear this would severely impair the VA's ability to provide veterans with necessary health-care in fiscal year 1983 and the years beyond.

I believe it is imperative for this country to maintain an independent VA health-care system for a number of reasons. First, such a system is absolutely necessary to meet the health-care needs of our Nation's veterans who were disabled while defending their country.

Second, nearly 12 million WW II veterans will be age 65 or older within a few years and will become eligible, under current law, for VA health care. It is important that we meet the needs of these veterans as well.

And third, I believe it essential for us to maintain the VA health-care system as a backup to the health-care facilities available to the Department of Defense in the event we are ever attacked by enemy forces.

Providing those who have served their country with adequate health-care is the primary function of the VA. In its March 8 letter to the Budget Committee, the Veterans' Affairs Committee reaffirmed this commitment, stating that:

> Providing for the well-being of medical care for service-connected veterans is the very highest priority mission of the Veterans' Administration.

In 1980, President Reagan said:

> To me it is unconscionable that veterans in need are denied hospital and medical care because of inadequate funding which has closed hospital beds and cut health-care personnel within the VA.

I agree.

I urge those in this body who share this view to support this amendment.

In conclusion, I would like to reaffirm my commitment to meeting the needs of our Nation's veterans. If the United States does not honor its obligations to those who have served the Nation in the past, I firmly believe we will not be able to summon those necessary to serve the country in times of crisis in the future.

We need a strong defense. But every military organization—indeed every society in history—is powered by human will, human courage, and human resolve. If that will is lost, if that courage fails, if that resolve declines, then nothing on Earth can save us.

This is the standard against which our actions in this Chamber should and must be measured.

Mr. President, I ask unanimous consent that a letter from the American Legion expressing support for my amendment be inserted in the RECORD at this time.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE AMERICAN LEGION,
Washington, D.C., May 18, 1982.

Hon. GEORGE MITCHELL,
U.S. Senate,
Russell Senate Office Building,
Washington, D.C.

DEAR SENATOR MITCHELL: The American Legion takes this opportunity to express its full support of your amendment to Senate Concurrent Resolution 92 which would restore absolutely necessary funding to the function 700 Veterans' Administration budget. We understand that your amendment seeks to establish spending ceilings which are essentially the same as those recommended by the Committee on Veterans' Affairs in March of this year, as the minimum necessary to maintain programs operated by the VA.

Under current provisions of Senate Concurrent Resolution 92, it must be emphasized that the funding shortfall created by denying cost-of-living adjustments in fiscal year 1983 for VA disability and pension entitlements is discriminatory while freezing funding levels for such discretionary VA accounts as medical care and VA regional office operations will have a disastrous effect on health care delivery and the ability of the VA to administer readjustment programs.

Recognizing that it has been said in some quarters that the VA budget is bloated, it must be properly understood that the VA budget over the last several years has been decremental—each year consuming a lesser percentage of the total federal budget. Those who would target veterans for disproportionately larger cuts than other groups ignore the fact that it has been the huge growth in a variety of other social programs that has caused the overall federal budget to mushroom seemingly out of control. Yet another fact that too often goes unnoticed is that many benefits available to veterans are readjustment benefits which by definition are subject to sunset by a specified date.

A close examination of discretionary spending accounts within the VA budget over the last several fiscal years reveals that they have already been cut to the bare bones. This is not only troubling, but in the VA Function 703 medical care account—it is dangerous. The VA hospital system has experienced the recent closure of more than 1,000 beds and while some would attribute this to a shortage of veterans desirous of VA medical care, the real reason is that these beds have had to be closed because it is unsafe to keep them open without sufficient nursing personnel.

By now it is clear that the VA hospital system is about to be deluged by requests for care from the aging World War II veteran population. Instead of cutting Federal expenditures for VA construction and medical care, it is critically important that the VA hospital system be prepared. If under the administration's "New Federalism" proposal the Federal Government will retain fiscal responsibility for Medicare—health care for the aged—then it must be understood that VA health care is cheaper than private sector health care and should be fully funded as both necessary and cost efficient. The integrity of the system is even more significant when one considers legislation enacted within the past several days (Public Law 97-174) which establishes the VA hospital network as the principle backup to DoD in case of national emergency and provides resource sharing arrangements between VA and DoD medical facilities.

For all of the above reasons, The American Legion pledges its full support of your efforts to restore funds to provide COLA's for VA compensation and pension as well as for discretionary VA spending accounts. Your attention to the needs of veterans, as always, is appreciated.

Sincerely,

E. PHILIP RIGGIN,
Director, National
Legislative Commission.

EXHIBIT 1

LETTER OF TRANSMITTAL

U.S. SENATE,
COMMITTEE ON VETERANS' AFFAIRS,
Washington, D.C., March 8, 1982.

Hon. PETE V. DOMENICI,
Chairman, Committee on the Budget,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to section 301(c) of the Congressional Budget Act of 1974, and the action of the Committee by a unanimous vote by poll following a March 3, 1982 meeting, the Committee on Veterans' Affairs is submitting the enclosed report to the Committee on the Budget. This report consists of views and estimates with regard to all programs included in Function 700 (Veterans' Benefits and Services) and four programs included in Function 500 (Education, Training, Employment and Social Services) of the Fiscal Year 1983 Federal Budget. In submitting this report, we wish to make certain observations and emphasize some specific items.

Having carefully reviewed the Administration's Fiscal Year 1983 Budget Request for Function 700—$25.63 billion in budget authority and $24.37 billion in outlays—which was submitted on February 8, 1982, the Committee recommends decreases of $422.6 million in budget authority and $508.9 million in outlays and certain realignments in the amounts budgeted for certain accounts. These decreases result from the Committee's use of Congressional Budget Office estimates for the entitlement accounts (missions 1 and 2)—$600.9 million less in budget authority and $687.2 million less in outlays and from the Committee's recommendation of $178.5 million less in budget authority and $178.2 million less in total outlays in legislative savings and receipts than the President has proposed.

It should be noted that the Committee rejects the Administration's proposal to save $165.4 million in fiscal year 1983 (out of total proposed legislative savings and receipts of $328.3 million)[1] by the action of reducing benefits to those veterans suffering from service-connected disabilities. The Administration's proposal would eliminate dependency allowances for those veterans receiving service-connected disability compensation at the 30 and 40 percent rate. In addition, it would eliminate increased subsistence allowances for dependency for service-connected disabled veterans participating in the Veterans' Administration's vocational rehabilitation program. Savings from these

two items would amount to $135.3 million and $19.7 million respectively. The Committee feels that providing for the well-being of and medical care for service-connected veterans is the very highest priority mission of the Veterans' Administration. Thus, the Committee has approved an alternative and more appropriate approach to achieving savings and receipts in Function 700.

The Committee would recommend, in lieu of the $328.3 million in legislative savings and receipts included in the President's budget for fiscal year 1983, a total of $150 million consisting of $70.7 million in specified cost savings measures and $79.3 million in presently unspecified savings and/or receipts.

The specified savings would include the following Administration proposals: First, delay the start of compensation and pension payments until the beginning of the first full month of entitlement, rather than starting on the first day of entitlement as under current law, for a fiscal year 1983 savings of $28.8 million; second, terminate compensation and pension dependency benefits at the end of the month in which dependency ceases, rather than at the end of the year as under current law, for a fiscal year 1983 savings of $3.2 million; and third, require that all pension benefit checks be "rounded down" to the next lower dollar rather than be issued in unrounded amounts as under current law, for a fiscal year 1983 savings of $10.8 million.

Other proposed specified savings, not proposed by the Administration, would result from enactment of the Administration-requested 8.1-percent compensation cost-of-living increase coupled with two modifications: "Rounding down" of all monthly benefits to the next lower dollar, rather than rounding up amount of 50 cents or more as under prior Congressional practice, and realigning dependents' allowances. The cost savings associated with these two proposal would be $27.9 million in fiscal year 1983.

The unspecified savings component of this proposal, $79.3 million, would be achieved through a combination of measures derived from some or all of the items in the following recommended list or others that may be proposed: (1) Eliminating the compensation "Q" award now paid by virtue of a 1968 "grandfathering provision" (section 4(b) of Public Law 90-493) to veterans with arrested, asymptomatic tuberculosis and no schedular service-connected disability rating for that condition; (2) placing a "user fee" on the VA home loan guaranty program, along the lines of the Administration proposal, but with the receipts to be deposited in the loan guaranty revolving fund and consideration of an exemption from the fee requirement for all service-connected disabled veterans or for all service-connected veterans and wartime veterans; (3) phasing out, as the Administration has proposed, pension benefits paid on behalf of dependent student-children of non-service-connected veterans enrolled in postsecondary education programs; (4) limiting the fiscal year 1983 cost-of-living increases in compensation dependent's allowances; (5) restricting the availability of over-the-counter medications and medical supplies in connection with non-service-connected outpatient care along the lines recommended by this Committee in May 1979 in S. 1039, and passed by the Senate in June 1979 in H.R. 3892; (6) restricting beneficiary travel benefits for non-service-connected veterans who are able to defray the cost of travel, as initially recommended by the Administration to be done administratively; and (7) eliminating the outpatient dental care eligibility that was provided by a 1979 amendment (section 102(b) of Public Law 96-22) to section 612 of title 38 to veterans whose 100-percent disability ratings are due to individual unemployability determinations.

With respect to the Committee's recommendation—based on the Administration's proposal—of an 8.1 percent cost-of-living increase in service-connected compensation on benefits effective October 1, 1982, the Committee notes that the basis for this recommendation is the Committee's strongly held conviction that the fiscal year 1983 compensation percentage increase should be no less than the indexed percentage increase that will "automatically" be granted, effective June 1, 1982, to Social Security beneficiaries and VA non-service-connected pension recipients. Both the Administration and the Congressional Budget Office estimate that that increase will be 8.1 percent. Should the Social Security increase be at a different rate, the Committee's recommendation for funding of the compensation increase will need to be revised as appropriate.

With regard to the four Function 500 accounts, the Committee is in agreement, with the President's fiscal year 1983 request. The veterans' employment programs funded under those accounts are designed specifically to assist veterans to find suitable employment in order that they may become productive participants in the society they fought to maintain.

In response to the request, stated in the February 8, 1982, letter from you and the ranking minority member of the Budget Committee, for information pertaining to programs under the jurisdiction of this Committee for the four succeeding fiscal years, this Committee has directed its majority and minority staff to develop and prepare an analysis of the future costs of veterans' programs during those years based on the Committee's recommendations for fiscal year 1983. That staff document is to be attached to the Committee's report.

The Committee wishes to emphasize that it has arrived at its recommendations after a thoroughgoing review of veterans' programs and extensive efforts to identify areas in which savings and economies could be achieved consistent with the Committee's commitment to the Nation's continuing to fulfill its obligations to its veterans and their survivors, and particularly to service-connected disabled veterans and veterans of wartime service.

These views and estimates reflect the Committee's best judgment as of this date. If we or the Committee staff may be of further assistance in your consideration of this report, please feel free to call upon us.

Sincerely,

ALAN K. SIMPSON,
Chairman.
ALAN CRANSTON,
Ranking Minority Member.

Mr. MITCHELL. I thank my friend, the distinguished Senator from Florida.

Mr. SASSER. Will the Senator from Florida yield?

Mr. CHILES. I yield.

Mr. SASSER. Mr. President, I rise to support the amendment of the distinguished Senator from Florida (Mr. CHILES). The amendment restores significant levels of funding for veterans services in the first concurrent budget resolution.

Mr. President, this amendment provides basic equity to our veterans programs in two ways. First, it reinstates cost-of-living adjustments for veterans payments in 1983 and it removes the 4-percent limitation on such payments for 1984 and 1985. It preserves the real value of veterans payments for 1983–85. It also restores $300 million for veterans medical care in 1983.

Mr. President, I would note that the Reagan administration proposed an 8.1-percent cost-of-living adjustment in veterans compensation in their original 1983 budget. Now they have gone back on this promise and are seeking some several billion in veterans spending reductions.

So instead of an originally proposed 8.1-percent increase in veterans benefits for 1983, the administration would cut back these benefits sharply and only provide for a 4-percent increase in 1984 and 1985. This action is recommended even though the Senate Budget Committee's own economic projections forecast an inflation rate that does not go below 6.5 percent before 1985.

I also support the Chiles amendment because it restores substantial funding for VA medical care.

Mr. President, it is imperative that we have a high-quality VA medical care system in the years ahead.

Already, Mr. President, the VA has delayed the implementation of the 5-year hospital construction plan which was mandated by Congress in 1979. The Veterans' Administration is now revalidating this plan. And in the process the VA has delayed the rehabilitation and renovation of many VA medical care facilities throughout the country.

In Tennessee, according to the original VA medical care facility plan, the Mountain Home VA medical facility was in line for major construction work to begin as soon as 1984. This facility serves some 193,000 veterans in Tennessee and neighboring States. But the delay in meeting the 5-year construction plan may increase the cost of Mountain Home renovation by some $18 to $25 million a year in the years ahead.

The first concurrent budget resolution as reported by the Senate Budget Committee and modified by the Republican substitute assumes a considerable reduction in VA medical care funding—a reduction which is bound to lower the quality of VA medical care and which could further delay the rehabilitation and renovation of VA facilities throughout the country.

Mr. President, the VA medical care system is going to be severely tested in the years ahead. More than seven million veterans nationwide are going to be eligible for VA medical care in the not too distant future.

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[1] It is noted that the VA's legislative proposals for cost-savings as submitted to the Congress fall $16.9 million short of the amount attributed to these proposals in the President's budget.

When they become eligible for medical care, the VA medical care system must be equipped to handle them.

But the modified first concurrent budget resolution ignores this fact. And when combined with the administration's 1983 budget reductions that cut unemployabilty benefits for veterans, student benefits for the children of our veterans, and medical care travel allowances, we have a 1983 budget which simply ignores the need or our veterans.

The Chiles amendment goes a long way to restoring needed veterans services and benefits, and I strongly urge its adoption.

Mr. President, I thank the distinguished Senator from Florida for yielding.

Mr. CHILES. I thank the distinguished Senator from Tennessee.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. Mr. President, I yield myself 10 minutes.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, regularly, when we have spoken about veterans and their programs here on the floor of the Senate, I think some of us fail to remember what was so eloquently stated last year by the distinguished Senator from Kansas (Mr. DOLE). The millions of veterans of the United States are not homogeneous in their thinking about how much should be spent on the veterans' function.

They run small restaurants where the interest rates are so high they cannot buy a new stove. They are automobile dealers; they are working men and women who would like to add a room to their house but they cannot with 17 percent interest. They are mothers and fathers who would like to plan again about their children going to college. In some instances, they are grandparents who are concerned that with all these high interest rates and the inflation that we are finally bringing under control, their children and their grandchildren are not going to be able to buy homes.

We have a lot of problems that veterans are concerned with and that the Senate is dealing with tonight in coming up with a budget. We are trying to reduce an enormous deficit to a livable deficit—not one we can be proud of—and leave in place as much of a tax reduction as humanly possible. In the process, we hope to do as much justice as we can to those that we in government are responsible to—prioritize as best we can, I guess, is the way to say it.

Mr. President, the distinguished Senator from Wyoming, who chairs the Veterans' Committee, will go into a little more detail about service-connected disabled veterans and those receiving pensions. I am sure he is going to assure the Senate that the action we took in modifying the Senate Budget Committee's resolution has restored funding to provide cost-of-living adjustments for those severely disabled veterans and pension recipients as well.

The truth of the matter is that there are some things that the gentleman who runs the Veterans' Administration has on his wish list that we do not have here. Let me try to put into perspective what we have done, what has happened to the veterans function over the last 3 or 4 years, and then yield to my good friend, the chairman of the committee.

First, we added back, as part of the modification that we sent to the desk yesterday through our distinguished majority leader, for the year 1983, $600 million in budget authority and $500 million in outlays; for 1984, $800 million in budget authority and $600 million in outlays; for 1985, $1.1 billion in budget authority and $1 billion in outlays.

This brings us now to the modified budget resolution numbers. In fiscal year 1983, it is $24 billion in budget authority and $23.2 billion in outlays; in fiscal year 1984, it is $25 billion in budget authority and $24.2 billion in outlays; in fiscal year 1985, it is $25.5 billion and $25.4 billion in budget authority and outlays, respectively.

Mr. President, my arithmetic tells me that if we went with the entire Chiles amendment, we would be very close to current policy. That is not saying anything to nonbudget people, but let me say what it means from the standpoint of the rest of the Government.

There are few, if any, entitlement or direct spending programs in this Federal budget that we have pending before us that are as high as current policy. Not only would we not be asking this function of Government to take its share of budget restraint; we would be saying it deserves the best treatment. To put it another way, that none of the other functions of Government deserves the same kind of treatment that the veterans function gets. I do not think veterans believe that. I think there are programs in this Government that they believe are equal in necessity to theirs.

Mr. President, we have been pretty good to the veterans of this country. With the Budget Committee modifications that I described, we restored funding for VA medical care to the President's level; medical and prosthetic research to slightly above the President's request; and general operating expenses to the President's level. There was some contention that the President had requested higher funding than this recommendation, but I believe that with the add-ons that the distinguished Senator from Wyoming requested, they are now irrelevant.

The modified first budget resolution restores funding for major discretionary programs such as the ones I have just described. I believe it is now fair to say that no one who is entitled to care will be denied.

The budget resolution as modified assumes a 4-percent cost-of-living increase for recipients of compensation benefits when they are rated 70 to 100 percent, or totally disabled. Thus, those veterans who are most severely disabled will get a 4-percent increase. Many others receiving that kind of benefit from the Government will get none.

The correction to the Veterans' Affairs Committee reconciliation instruction will allow the committee greater flexibility to provide a cost-of-living increase for veterans' pension recipients and achieve savings by enacting initiatives proposed by the President or other program reforms.

The budget resolution as modified accommodates additional funding for major veterans programs, yet holds the line on budget restraint. By restraining Federal spending across the board, the Senate is taking steps to slow escalating deficits. Veterans understand that. As I indicated in my opening remarks, veterans want jobs, relief from high interest rates, permanent relief from inflation, and restored economic growth. Veterans have proudly served and sacrificed for their country in times of war and peace. I am confident that they will join their fellow citizens in sharing the burden of budget restraint to bring long-term economic recovery.

With that, I am pleased to yield to my good friend from Wyoming, the chairman of the Veterans' Affairs Committee (Mr. SIMPSON).

Mr. SIMPSON. I thank the distinguished Senator very much.

The PRESIDING OFFICER. Did the Senator from New Mexico yield as much time as the Senator from Wyoming desires?

Mr. DOMENICI. Mr. President, I yield as much time as the Senator from Wyoming desires.

Mr. SIMPSON. Mr. President, I thank the Senator from New Mexico for his support, his diligence, and his experience. It is an effort of fiscal and mental stamina for him. I commend him.

Mr. President, woe be it in these times to be chairman of the Senate Veterans' Affairs Committee, especially in an election year, I might add. I think I hear again the sound of muffled drums and see the flash of bayonets as Simpson marches across the parade ground to be the central figure in the panoply where the executive directors of the various veterans' organizations gather together to strip the epaulets and the chevrons from the uniform of the day of the wretched

cadaverlike figure of the chairman of the Veterans' Affairs Committee. Mother never told me.

My fine friend and colleague from Florida is a very perceptive and able advocate for veterans and of benefits for veterans.

I recall that we shared a common podium about a year ago before a veterans' group. In the course of the afternoon he won the gold cup, and I received the lead dirigible award, or something very similar to it. I recall it distinctly. I know my friend from Florida recalls that.

With this amendment, it again discloses that the intentions of the Senator from Florida are, indeed, genuine, and I believe that. In fact, his amendment tracks the original recommendations made by the Senate Veterans' Affairs Committee and originally supported by me.

Since the time of the original endorsement of this initiative, and faced with the devastating requirement that we begin to attack the deficits that haunt our economy, I have obviously altered my position to a more modest conclusion in my current recommendation for the fiscal year 1983 budget for the Veterans' Administration.

Those recommendations are all included within the modified budget resolution, which I strongly support, and that in no way indicates any lessening of my support for needed programs for our Nation's deserving veterans.

In making these terribly tough decisions to modify the proposals recommended by the Senate Veterans' Affairs Committee, it was necessary to weigh most carefully those proposals against revised budget recommendations made by the Budget Committee and now endorsed by the President.

I sincerely feel that the amendment of Senator CHILES would add back, indeed, more money than would ever be expected, because, as the chairman of the Budget Committee says, it puts us back to current levels. That would mean this would be the only agency of the U.S. Government that would be so treated in light of these present economic conditions, of which we are all so well aware and which I certainly became more aware of during the debate this afternoon. I was quite intrigued by that.

I oppose the amendment to increase these totals for function 700 and express my support for that portion of the budget resolution, as modified, that sets a lesser functional total for veterans' benefits and service.

Of the original $1.3 billion that the original form of Concurrent Resolution 92 would have reduced from the function 700 totals recommended in March by the Senate Veterans' Affairs Committee, I am pleased to state that the modifications now incorporated into the budget resolution would restore over $600 million in fiscal year 1983 budget authority. Here is what we did:

We exempted from the freeze on nondefense discretionary spending the VA medical care account, the medical and prosthetic and research account, and the general operating expenses account, and in addition provided a cost-of-living increase for recipients of VA disability compensation rated at 70 percent disabled or over.

There was a reason for that. We felt that we should look at what we did last year with compensation cost-of-living increases.

Let me call attention to what this body and the Senate committee did last year for cost-of-living increases for compensation rates.

Last year, effective October 1, 1981, for the 10- to 30-percent disabled there was an increase of 8 percent; for the 40- to 60-percent disabled, a 12.6-percent increase; for the 70- to 90-percent disabled, a 20-percent increase; for the 100-percent disabled, an 11.2-percent increase.

The average last year of cost-of-living increases for compensation rates was 11.2 percent. That 11.2 percent came through also for surviving spouses and children of service-connected deceased veterans.

So when you hear a story or read a letter about some pretty dramatic things, I think, as we say in Wyoming, we have a word for that.

In addition, we provide a COLA for pensioners who will receive regular checks on July 1, 1982. There is no question about that.

The modified budget resolution figures for function 700 represent a very sincere and painstaking effort to balance these important competing interests that are at stake here.

It would restore funds to the most vital VA accounts, those accounts that can least afford to bear the very substantial program reductions that would result from a freeze on discretionary spending and an elimination of the COLA.

HISTORICAL GROWTH OF VA PROGRAMS

I just want to share with you, Mr. President and Members, the fact that the Veterans' Administration has two principal functions: the provision of health care, and the payment of benefits to our Nation's eligible veterans.

Because of policies developed gradually over many years, the nature of both functions has changed, contributing to a rapidly growing budget for the VA. World War II transformed that VA and created the Department of Medicine and Surgery. Virtually every facet of the health care system was then changed.

The original mission of the health care system was to treat those veterans who were wounded during service in World War II. Since that time, Congress has continued to continually add new categories of veterans eligible for certain VA health care services. The present health care services system, the largest one in the Nation, provides outpatient care, nursing home care, and domiciliary care at 172 medical centers, 226 outpatient clinics, 92 nursing homes, and 16 domiciliaries.

Seventy percent—and hear this; it is a startling statistic—70 percent of the veterans who generally utilize the health care services of the Veterans' Administration are non-service connected.

I do not think the American people realize that. They are thinking of the combat veteran, the one we turned our principal attention to over the years, and I always receive a rather incredulous look when I share that fact, that 70 percent of the veterans in the health care system are non-service connected disabled.

There are some other startling statistics that I will share with Senators as we get into eligibility issues and hearings in the Veterans' Committee in time to come.

The VA's function in the payment of benefits initially was to provide compensation for service connected veterans. Gradually it assumed responsibility for income support, for indigent veterans who are not service-connected.

In 1978, Public Law 95-588 indexed the pension payments to the cost-of-living adjustments granted by social security. It tied them together. As a result, the percentage of budget being used to pay pensions is growing larger every year.

Some are of the belief that as the population of World War II veterans reaches the average age of 65 in a couple of years, the percentage of the budget that will go out to pensioners will begin to overtake the percentage of the budget for compensating service-connected veterans.

Think about another one while you are at it. In 2 years there will be 12 million veterans of World War II who will be eligible for health care within the veterans' health care system under various preference bases, regardless of their net worth or their income.

Those are some of the little tidbits we play with in the Senate Veterans' Affairs Committee, a very interesting arena.

I am going to put into the RECORD a table of yearly budget outlays for the VA over 10 years, from 1973 to 1982, showing that the agency's budget has more than doubled during that period. It has done so primarily because the VA has greatly broadened its primary mission, which was to care for the service-connected injured, larger and newer missions constantly added with regard to the VA's various activities, including pension payments for needy veterans.

I ask unanimous consent to insert that table in the Record.

There being no objection, the table was ordered to be printed in the Record, as follows:

Total Veterans' Administration Budget Outlays

1973	$11,968,152
1974	13,336,873
1975	16,575,008
1976	18,414,835
1977	18,019,353
1978	18,962,152
1979	19,887,172
1980	21,134,537
1981	22,904,003
1982	24,134,135

MEDICAL CARE AND RESEARCH

During all of the discussions and negotiations on the budget, one of my major concerns has remained that of insuring the full funding of the "Medical Care Account." The bulk of the increase proposed in President Reagan's budget for fiscal year 1983 was in the medical care account. This was meant primarily to fund uncontrollable pay costs and workload increases. I believe that this proposal was quite generally fair considering current budgetary restrictions.

However, even with the President's proposed increases, the VA's research programs were lacking funds needed to maintain the highest quality research programs. Last year in the appropriations process, Congress made substantial reductions—reductions of almost 15 percent—in the medical and prosthetic research account. I believe that these research activities are cost-efficient and a vital adjunct to the provision of medical care by the VA, and that the work that is performed within this account, especially in the area of rehabilitative research, is unique and could not practicably be accomplished as well outside of the VA medical care system. In last year's appropriations process, this account was reduced $22 million below the level originally recommended in the conference report on the HUD and Independent Agencies Appropriations Act for fiscal year 1982. As a result of this reduction, the President's fiscal year 1983 budget proposal would not have adequately compensated for the reduction for fiscal year 1982. The elimination of 198 FTEE positions would have been difficult to accept.

Therefore, I have requested that the $10 million added back by the Veterans' Affairs Committee in its March 8 recommendations to the Budget Committee be included in the Budget Committee's modified resolution which is before us today.

The entire $287 million for medical care for fiscal year 1983, recommended in March—I want Senators to listen to this carefully—by the Veterans' Affairs Committee, is also contained in Senate Concurrent Resolution 92, as modified by Senator Domenici. I am satisfied that although certain painful compromises must be made to accommodate the recommendations made by the Budget Committee and now endorsed by President Reagan, it is imperative to retain the original recommendations in medical care in order to insure fully staffed, quality health care to all of the Nation's eligible veterans.

PAYRAISE ABSORPTION ISSUE

Mr. President, the amendment of the Senator from Florida is based in part upon the assumption that the fiscal year 1983 figures provided by both the Budget Committee and the Veterans' Administration do not adequately reflect the necessary absorption in fiscal year 1983 of the fiscal year 1982 civilian payraise, and that this will result in a $148 million shortfall primarily in the VA's most personnel-intensive accounts: medical care and general operating expenses.

There may indeed be some legitimate concern, Mr. President, as to whether the figures presently contained in the Budget Resolution are sufficient to fund the fiscal year 1982 payraise—taking into account the need for absorption of about 54 percent of that raise by the VA—without risking some reductions in overall employment totals. But whether or not the Budget Committee's figures are actually insufficient to meet this problem, let me assure my colleagues that this policy that has been applied by the Budget Committee in computing the effect of the payraise for the VA—has been uniformly applied with respect to payraise throughout all other budgetary functions specified in this budget resolution.

While I believe so very strongly that the beneficiaries of VA benefits and services stand very specially and sufficiently apart from any other class of Federal beneficiaries so as to warrant the preferential treatment that has been accorded to them in the modified budget resolution, I do feel it is far more difficult to justify extending this same special protection to civilian employees of the Veterans' Administration.

The significance of a fully funded, fully staffed medical care system in the VA is so critical, but I do wish to suggest to my colleagues that under the present economic circumstances, it is imperative that we attach relative priorities to the various VA budget accounts before us today and exempt them from the present program of reductions only under the most compelling circumstances. Those circumstances are not yet upon us.

CONSTRUCTION PROGRAMS

On the question of VA construction programs, I must urge my colleagues to reject this attempt to add any further monies in those accounts at this time.

I have long believed that there is substantial room for fiscal restraint in the area of VA construction. I emphasize that and say, boy, do I. I am pleased to note that my views in this regard have been strongly shared both by the distinguished chairman of the Senate Appropriations Subcommittee on HUD and independent agencies, Senator Garn, and by the VA Administrator, Robert Nimmo. In fact, Mr. Nimmo has recently launched a major reexamination program for all major construction projects now planned for fiscal years 1984 and beyond.

Why? They did not have any established priorities on veterans construction in the Department of Medicine and Surgery. So they said, "We'll go back and reevaluate that issue."

We used to get every year a list of the top 10 hospitals that had to be built. But we asked them how that list came about. They said, "We don't know. We'll have to go back and see how that happened."

Now we are going to get new criteria, on issues like geographical use, service to veterans in various areas, accessibility, what the mission is; and perhaps we will even begin to find out whether some of those facilities were simply erected as a tribute to the former chairmen of the House or Senate Veterans' Affairs Committees, which is in itself an anachronism and I hope can be dispatched.

Indeed, there can be little doubt that the construction accounts are of a relatively lower priority than other major VA programs that provide direct and immediate benefits or health care services to veterans and their dependents. Note that although $136 million in budget authority is involved, the nature of the construction programs is such that this money would spend out at a very slow rate, so that actual outlays requested in fiscal year 1983 would be only $22 million.

The VA Administrator has indicated that the effect of the freeze which the amendment before us now seeks to counteract could simply take the form of deferring four or five fully funded project requests, or the VA could request only the design funding for four or five projects and defer construction funds until a later year. These, I submit, are not unreasonable limitations to impose on the VA construction accounts.

I can tell Senators that this is a program that certainly needs review.

RESPONSE TO DAV AND LEGION LETTERS

Mr. President, one final note, because it is important when we see letters on our desks from the veterans groups in America. They carry a powerful clout. I can tell some stories about that in my time as chairman of the Veterans' Affairs Committee.

I am aware of the letters from the DAV and the American Legion which have been circulated here today.

All veterans who receive VA compensation do so because they have been disabled during service to their country. This benefit is not based on income and is not taxable. It is protected throughout the veteran's life and is extended to his widow and orphans if he was 100 percent disabled and died of service-connected causes or died in line of duty. I do view this type of compensation as the highest priority and the most basic of all veterans' benefits.

A very important point here is that every veteran and every survivor eligible for compensation will receive this benefit for a lifetime if eligibility for this benefit is retained.

No one here has ever or ever will, aside from some of the commentaries we hear when we discuss the veterans budget, I do not expect that anyone here will ever—either now or in the future—propose that that compensation be taken away. It will never be taken away.

I just say that every eligible veteran and survivor will receive his or her compensation right on the button and on time for as long as their eligibility is retained.

This issue had ballooned out of proportion to the significance of the cost-of-living increase itself. The American Legion and DAV request a full 7.4 percent cost-of-living increase for all compensation and DIC recipients. Many Americans, not just veterans, would wish also to have a cost-of-living increase each year.

Mr. President, every American has felt the pressures of inflation and high interest and wish for the good old days when inflation did not have to be recomputed every few months and high interest rates did not eat us all up and one could spend more freely. The trouble is that we all became used to having more and spending more, and I remember these words in the state of the Union address: "We can no longer afford things simply because we think of them." A rather interesting comment, with which I concur, by the President of the United States.

Our lifestyle has expanded, and now we are faced with a tight economy, and in many cases, we have to redefine our dreams themselves.

Veterans are certainly among the Americans who are feeling this squeeze. Service-connected veterans are disabled sometimes with injuries which plague and pain them throughout their lives. This is the reason they receive VA compensation no matter what their incomes may be. But the COLA's, the cost-of-living adjustments, are extras. They are moneys added to solid, secure, basic benefits to try to help them keep up with inflation.

In years when the budget can be expanded, they are treated that way. Catch this figure: There was no cost-of-living allowance at all for veterans compensation in fiscal years 1962, 1963, 1964, 1966, 1967, 1968, 1971, and 1973. Disabled veterans did not receive a single cost-of-living allowance in those years. It is not a "right."

Indeed, the major veterans' organizations are on record not to index these cost-of-living allowances, even though indexing would insure their annual occurrence. They have acknowledged that the opportunity to reexamine that issue every year is appropriate, and that is what we have just done.

Mr. President, at times, this annual examination has resulted in a higher COLA for some veterans, and in years of budgetary restraint, it has resulted in lower COLA's for some veterans.

This year is an extraordinary one. Our President is making an all-out effort to severely curtail spending in order to make a significant effort to cut our Nation's deficits and somehow slake our thirst for spending. I view this effort as a direction to all Americans to be prepared to do their part.

One final important and I think relevant historical point. In the past 60 years through 1980, the Consumer Price Index has increased about 569 percent while VA compensation benefits have increased 1,170 percent. And each time you add another increment in the annual amount, it stays right there.

A modified budget resolution retains a modest COLA for the most severely disabled veteran even in light of this need to work to lower the Federal budget. I do fully support the modified budget resolution and look forward to a time when things are right again and all Government beneficiaries might again enjoy a cost-of-living allowance.

I want to conclude by saying that the Veterans' Affairs Committee is not precluded anywhere under the modified budget resolution from reexamining this issue and allocating more money for compensation COLA's. We do have some flexibility to determine savings in other areas, and that flexibility is essential to allow the committee to examine all aspects of this issue in making its final determination regarding the compensation COLA when the entire budget resolution has been enacted.

Again I thank the chairman of the Budget Committee and I also thank the members of the Veterans' Affairs Committee for listening one more time to their chairman. I seldom rant and rave but tell you it is tough, tough, tough, tough. There is not any group in America that is tougher than 30 million veterans. If you walk out on the street and say "Should we take care of the veterans of this country?" 99 percent of the people of America would say "you bet, and whatever it costs." But they would be alarmed to see the person who has served 6 months or 9 months, never left the continental United States, never served in basic training, never carried an M-1 rifle, who draws every single benefit this country can confer on a combat veteran.

I have already shared with you the fact that the population of our veterans' hospitals is made up of 70 percent, non-service-connected disabled. There are people who are disabled whose disabilities are really not the result of any patriotic or courageous act. I hate to say that. I am a veteran. I am a lifetime member of the VFW. These are the things I have to deal with in connection with questions of eligibility. It is very easy to just become passive and this is how we got to a $26 billion budget in this function. This is the third largest independent agency in the U.S. Government. How did it get there? One reason and one reason only: A powerful, powerful veterans organization lobby in Washington, D.C.

Yet when you go out among the troops—boy, I did that when I was in the Army and thank God I can still do it here—when I go out among them, I say, "Is this what you want? Do you have to have this?" They say, "Look, you know, that isn't where we are. We agree we have to take it on the chin, too."

So, those are some of my concerns that I want to share with you. I just hope I can continue in the good graces of my good colleagues and fellow veterans in the State of Wyoming, because when I finish my appointed annual budget task here tonight, I will be burned in effigy at various posts from coast to coast.

I thank you very much.

Mr. DOMENICI. Mr. President, how much time do we have on the amendment?

The PRESIDING OFFICER. On the amendment the Senator from New Mexico has 6 minutes and 16 seconds.

Mr. DOMENICI. I yield myself 2 minutes.

May I say to my good friend from Wyoming that it is not a frequent occurrence that discussions on the Senate floor change many opinions, but I do hope that some of our colleagues listened to him tonight. Frequently, they are listening even if they are not present because our voices are carried back to their offices. I hope some listened, because his excellent remarks focused on the needs of our Nation's veterans during a time of extreme economic budget pressures.

In a discussion I had last night with several of my colleagues, we expressed concern about other issues that would affect our constituents. When we come in to vote, we remember the constituents we serve; that 30 million of them are veterans. One of our distinguished colleagues said when we came to a similar issue where we had to save a few hundred million dollars, "I am going to stay with the committee. We have added about as much as we should." And someone said, "How are you going to explain that?" And the Senator, who is running for office and comes from a State that does not frequently elect Republicans, said "My answer is going to be very simple. We are broke and we ought to all share a little bit in reducing the deficits."

I believe that when the message gets out that even with all this budget restraint we are still going to be broke to the extent of $115 billion deficit in fiscal year 1983, veterans will be willing to do their share of reducing the growth of, not cutting, basic veterans benefits and services.

I yield the floor.

Mr. CHILES. Mr. President, I yield 5 minutes to the distinguished Senator from California (Mr. Cranston).

The PRESIDING OFFICER (Mr. Nickles). The Senator from California is recognized.

CHILES-MITCHELL AMENDMENT TO RESTORE VETERANS' PROGRAMS

Mr. CRANSTON. Mr. President, as the ranking minority member of the Veterans' Affairs Committee, I join with my good friends from Florida (Mr. Chiles) and from Maine (Mr. Mitchell), my colleague in the committee, and others to urge the Senate to restore the proposed level of funding in the budget resolution for function 700—veterans benefits and services—to a level sufficient to provide benefits and services to our Nation's veterans consistent with the policy recommendations that the Veterans' Affairs Committee made in our March 8, 1982, report to the Budget Committee. This is a level of benefits requested by the President and still supported at this time by his Administrator of Veterans' Affairs.

It is a level derived from the unanimous vote of the Veterans' Affairs Committee membership—all seven Republican members and all five Democratic members.

Thus, we are urging a result that had complete bipartisan support in the Veterans' Affairs Committee, that is endorsed by the VA Administrator, and that deserves strong support from both sides of the aisle in the full Senate. In the letter transmitting our committee's budget views and estimates to the Budget Committee, my good friend, the committee chairman (Mr. Simpson), and I noted that the committee arrived at its recommendations after a thoroughgoing review of veterans' programs and extensive efforts to identify areas in which savings and economies could be achieved consistent with the committee's commitment to the Nation's continuing to fulfill its obligations to its veterans and their survivors, and particularly to service-connected disabled veterans and veterans of wartime service.

Despite the Veterans' Affairs Committee's efforts and the unanimous support of the committee for its recommendations, the Budget Committee paid no heed. Rather, it took a meat cleaver to function 700. Now, the Baker modification proposes to repair some of the damage, and I congratulate my good friend from Wyoming (Mr. Simpson) for achieving this much. But it is not enough, in my view. Adoption of our amendment is needed to repair the bulk of the damage caused by the Budget Committee's action.

Mr. President, since coming to the Senate in 1969, I have been deeply involved with issues affecting our Nation's veterans, first on the Subcommittee on Veterans' Affairs of the Labor and Public Welfare Committee and later on the Committee on Veterans' Affairs, including 4 years as the committee chairman and now as the ranking Democrat. During this time, I have come to recognize the cost of veterans' benefits and services as a real cost of war. If we do not meet these obligations, we will have a tough time with the All-Volunteer Army that so many of us would like to see thrive and we will have a tough time, if we have to resort to the draft, if we do not keep commitments that have been made to those who serve in the Armed Forces. It is because of my strong view that we should not sacrifice our commitments to our Nation's veterans in the name of shortsighted fiscal goals that I urge adoption of the pending amendment.

Taking an overall view of function 700, the damage we propose repairing in this budget to carry out our Nation's commitment to its veterans is as follows: First, restore funding for cost-of-living increases in VA compensation and pension programs; and second, restore funding to provide for a reasonable schedule of construction and improvement of VA health care facilities to the levels originally recommended by the President in his fiscal year 1983 budget and to assure the maintenance of quality health care services for veterans. In addition, this amendment anticipates enactment of the $150 million in legislative savings that the Veterans' Affairs Committee has recommended.

Mr. President, in order to attempt to assess, in the brief time available, the impact of the extensive reductions that the Budget Committee recommended in the President's fiscal year 1983 budget for the VA, on May 11 the Veterans' Affairs Committee chairman and I wrote to Administrator of Veterans' Affairs Robert P. Nimmo to request his evaluation of them. Although he was unable to provide a fully detailed analysis of the options that the VA would consider in response to those cuts and indicating some of the consequences of denying VA pensioners the 7.4-percent cost-of-living increase they are due to receive as of July 1 under current law. I recognize that it was a very difficult task for the Administrator to extract this letter from the White House and OMB, given their directives to the contrary, and I congratulate him on his having prevailed in his efforts to try to be responsive to the Congress' need for information.

Very significantly, Mr. Nimmo, before providing the requested analyses, stated:

> The President's 1983 budget includes funding for the Veterans Administration at a level that represents a reasonable balance between spending constraint and program growth. I continue to support the President's proposal.

Mr. President, let me say to my colleagues on the other side of the aisle that Administrator Nimmo's credentials as a loyal Republican are firmly established and beyond question. And, I would thus urge my Republican colleagues to heed Administrator Nimmo's position—in the face of the Budget Committee reductions—of continuing to support the President's original proposal for the appropriations accounts in question here today. I use the word "original" to describe the President's position because he is now supporting the Budget Committee's version of the budget. So, the President has been on both sides of this issue, and presently he is on the wrong side.

Having noted the Administrator's basic, steadfast position—for which I warmly applaud and congratulate him—however, I must note that, because of a technical oversight in analyzing the Budget Committee's cuts, his letter fails to take into account the full extent of those cuts.

The problem is that the Budget Committee's approach in imposing the so-called nondefense discretionary spending freeze was not made clear to the VA. This is a point that I will get into in some detail in discussing the VA medical care account. Let me just note here that the basic problem was the failure to take into account the minus $148 million that the Budget Committee incorporates in function 700 without indicating how that reduction affects individual VA appropriations accounts. When this oversight was brought to my attention, I asked a Veterans' Affairs Committee staff member to request a Congressional Budget Office analysis of the issue. In response, a May 19 memorandum was prepared showing the actual extent of the Budget Committee's cuts, and I have annotated the Administrator's letter to indicate where and the extent to which it understates the cuts.

Mr. President, I ask unanimous consent that there be inserted in the Record at this point a copy of our May 11 letter to the Administrator and his May 18 letter to me—which is identical to a letter of the same date to the Veterans' Affairs Committee chairman—with my bracketed annotations, along with a copy of the CBO memorandum.

There being no objection, the material was ordered to be printed in the Record, as follows:

Committee on Veterans' Affairs,
Washington, D.C., May 11, 1982.

Hon. Robert P. Nimmo,
Administrator of Veterans' Affairs,
Washington, D.C.

Dear Bob: As you know, the Senate Budget Committee, in developing a proposed budget for fiscal year 1983, is recommending that various Federal accounts—the so-called "non-defense discretionary" accounts, which include all VA accounts in subfunctions 703 and 705—be frozen at FY 82 levels and that certain cost-of-living adjustments (COLA) (including veterans' compensation, DIC, and pension) be withheld in FY 1983. The President has announced publicly his strong support for the Budget Committee's proposed budget.

Regarding the freeze proposal in this proposed Congressional FY 83 budget, we understand that these discretionary accounts would be limited to the amounts already appropriated for FY 82 plus the amounts in supplemental appropriations, not yet enacted, to cover the costs of the October 1981 Federal civilian pay raise. Since this proposed FY 83 budget would include no October 1982 pay raise for Federal employees, there would be no absorption of pay raise costs in FY 83.

For FY 84 and FY 85, the Budget Committee is recommending no increases in funding levels over the above-described FY 83 levels in any of the affected accounts except for amounts necessary to cover the costs of civilian pay raises in those years, which the Budget Committee recommends be limited to 4 percent in each year.

So that we can understand the impact of these proposals on the VA accounts affected (the medical care account, the medical and prosthetic research account, the medical administration and miscellaneous operating expenses account, the major and minor construction accounts, the State grants accounts, and the general operating expenses account), we request that you provide a detailed analysis of the impact of the proposed funding freeze on each of the affected VA accounts for each of the next three fiscal years, showing how the VA would modify its programs to accomodate the proposed funding levels in each instance. Since full Senate deliberations on the Budget Committee's proposals will probably begin late this week or early next week, we will need these analyses as soon as possible.

We would appreciate your including in these analyses, to the extent practicable, the anticipated programmatic effects of the proposed funding levels each year on employment levels, planned activities, and the caseload and workload indicators (for example, see pages 6-33 to 6-35 of Volume II of the FY 83 VA budget documents with respect to the medical care account) set forth in the VA's budget documents for each of the accounts involved; the number, type, and, wherever possible, location of any facilities that would be closed each year; and the specific changes that would be made in the construction projects for which funds have been appropriated or requested.

With respect to VA pension benefits, the Senate Budget Committee has recommended that the Veterans' Affairs Committees be given reconciliation instructions to achieve FY 83 legislative savings of $188 million. The Budget Committee has noted that this amount could be achieved by legislation to preclude VA pensioners from receiving in FY 93 the COLA that is scheduled to be granted, effective June of this year, under section 3112 of title 38, United States Code. In light of the 7.4-percent increase in social security benefits that will take effect in June, we would like to receive your analysis of the effect of such legislation on current VA pensioners who also receive social security benefits—particularly in terms of pension reductions that may result from the social security increase and the number of pensioners who would lose their eligibility for VA pension as a result of the social security COLA increase—and on potential pension beneficiaries who receive social security benefits.

We ask that you give these requests your personal attention so that we are provided a response not later than close of business Thursday, May 13. As always, your continuing cooperation is greatly appreciated.

With warm regards,

Cordially,

Alan K. Simpson,
Chairman.
Alan Cranston,
Ranking Minority Member.

Veterans Administration,
Washington, D.C. May 18, 1982.

Hon. Alan Cranston,
Ranking Minority Member, Committee on Veterans' Affairs, U.S. Senate, Washington, D.C.

Dear Senator Cranston: I appreciate the difficulty the Congress is having in developing 1983 budget recommendations that support needed programs and achieve an appropriate and responsible federal fiscal policy. The President's 1983 budget includes funding for the Veterans Administration at a level that represents a reasonable balance between spending constraint and program growth. I continue to support the President's proposal.

At your request, we have within the limited time available, studied the impact on our programs that would result from implementation of the Senate Budget Committee recommendations. As I am sure you fully appreciate, the potential number of options available in addressing the proposed adjustments is very large. Unfortunately, we were not able to fully consider, let alone fully evaluate, each such option. The adjustments as proposed could cause significant changes in the program scope and require adjustments to the level of service provided.

In analyzing the impact of the Committee's proposals, we used the assumptions contained in the Senate Budget Committee's tentative agreement on a budget resolution. They are:

The 1982 level includes pay raise funding;

[Note.—The budget resolution as reported does not include full funding for FY 1982 pay-increase costs. Rather, as explained in the Congressional Budget Office memorandum inserted in the Record immediately following this letter, the amounts proposed for VA accounts in FY 83 require absorption in FY 1983 of 54 percent of the FY 1982 (October 1981) pay-increase costs. As a result, the failure in this letter to take account of this pay absorption factor in FY 1983 results in understating the Budget Committee-recommended reductions in certain of the accounts discussed later in this letter. The actual amount of the reductions are indicated, consistent with the CBO memorandum, and percentages are appropriately adjusted in brackets.]

For 1983 no pay raise will be provided;

If pay raises are approved in 1984 and 1985, they will be funded by Congress;

1983-1985 will not provide for inflationary funding.

Although current policy direction prevents a detailed reestimate of the 1983 budget request, the following paragraphs summarize several of the options we have had the opportunity to address. Also included, as requested, is our analysis of the effect of the Social Security C.O.L.A. increase on VA pensioners.

MEDICAL PROGRAMS

The impact of maintaining resources for Medical Care at the revised Senate allowance level in 1983 will require a reduction of $286.8 million [$416 million]. Because of the complexity of the program, numerous alternatives exist for operating within such a figure. The funding level would be met by selecting the combination of alternatives that would least disrupt direct medical care to veterans on a long term basis.

The Agency would be required to reduce medical employment by about six [nine] percent in 1983 if the entire reduction were taken in employment; by 1985 the percentage reduction required would be fifteen [eighteen] percent. An employment reduction of 10 percent or more at any "covered office or facility" will require Congressional approval, which, could not, absent legislative modification, be obtained prior to October 1983.

If the adjustment were made in workload:

Inpatient workload would have to be reduced by six [nine] percent in 1983 to offset the entire reduction.

Outpatient workload would have to be reduced by 21 [31] percent in 1983 to offset the entire reduction.

Should a straight-line budget approach for three years be adopted, medical facility closures would have to be considered; major saving would only result after the third year.

In some cases the utilization of newly activated facilities might have to be deferred. The agency's obligation to maintain 90,000 operating beds pursuant to Public Law 97-72 limits, in the absence of legislative change, the availability of options to us.

The Medical and Prosthetic Research, and the Medical Administration and Miscellaneous Operating Expense appropriations will require reductions of $5.4 [$8.1] and $3.4 million respectively in 1983. Employment would be reduced by two percent for research and five percent for administrative operation.

CONSTRUCTION APPROPRIATIONS

The Senate Budget Committee's resolution reduced the FY 1983 Construction, Major Projects and Construction, Minor Projects appropriation request by $136,164,000. We assume that we would have the flexibility to adjust the Major Construction and the Minor Construction requests to meet the necessary total reduction.

The effect of this reduction in the Major Construction request includes several possible alternatives.

The Agency could defer four or five fully-funded project requests.

It could request only the design funding for four of five projects and defer construction funds.

It could supplement these actions with smaller reductions in nursing home projects, energy conservation and the Advance Planning Fund.

The Agency might support minimizing the reduction in the Minor Construction request with respect to fire and safety projects.

GENERAL OPERATING EXPENSES

The reduction to the General Operating Expenses appropriation in 1983 will be $28.3 [$42.2 million] million, which is a 4 [16] percent reduction. This appropriation is personnel-intensive. Most of the nonpayroll funding is nondiscretionary for such requirements as office space rental and communications and utilities. One area which would have to be reviewed is the extent to which we can continue to support State Approval Agencies when facing significant personnel reductions. The remaining nonpayroll funding which would be considered discretionary, such as travel, can be curtailed but can realistically provide only several million of the $28.3 [$42.2] million reduction required.

Personnel reductions will have to provide the predominant share of the cutback:

The average employment within the appropriation may have to be reduced 1,000 [1,565] from the 1983 budget estimate.

A hiring freeze or furlough may have to be implemented as the employment for the departments and staff offices within the appropriation is already declining from 1982 to 1983.

Personnel reductions will have to continue over the three year period if the nonpayroll costs continue to increase.

PENSIONS COLA INCREASE

With respect to VA pension benefits, the recommendation would remove the July 1, 1982, cost-of-living increase. The removal of the scheduled rate adjustment in light of the COLA that will be provided Social Security recipients will cause dislocation among the pension population. Approximately 18,000 pensioners would be removed from the rolls as their income would exceed the eligibility standard. Another 267,000 pensioners would have their monthly checks reduced to offset the Social Security increase. This would represent an income loss of over $70 million annually. In addition almost $200 million would be saved by not granting the general COLA increase to all other pensioners.

I trust that this information will be useful to you and the Committee.

Sincerely,

ROBERT P. NIMMO,
Administrator.

MEMORANDUM OF MAY 19, 1982

To: Ed Scott, Senate Veterans' Affairs Committee.
From: Nina Shepherd, Congressional Budget Office.

The information shown below is in response to the telephone request you made earlier today.

The budget resolution ordered reported by the Senate Budget Committee includes a reduction in function 700 in fiscal years 1983-1985 of $148 million. This reduction was assumed to be achievable through continued absorption of 54 percent of the October 1981 federal pay increase. The Senate Budget Committee did not assume any pattern for distributing this reduction among the function 700 accounts containing pay. However, if the $148 million reduction were allocated according to the distribution of total function obligations for personnel compensation, as reflected in the President's 1983 budget request, the account-by-account reduction would be as follows:

	Millions
Medical care	$ −129.3
Medical and prosthetic research	−2.6
Medical administration and miscellaneous operating expenses	−0.9
General operating expenses	−13.7
Construction, minor projects	−0.7
Cemeterial expense, Army	−0.1
American Battle Monuments Commission	−0.2
Soldiers' and Airmens' Home	−0.5
Total	−148.0

In a letter to Chairman Simpson dated May 18, 1982, VA Administrator Robert Nimmo stated the amounts by which the VA's 1983 appropriation request would have to be reduced in order to comply with the Senate-reported budget resolution levels for function 700. The amounts shown by Administrator Nimmo do not include the continued absorption of the October 1981 pay raise that was assumed in the resolution. Should the effects of the pay absorption be allocated as shown above, the total amount by which the President's request for these accounts would have to be reduced, would be as follows:

Fiscal year 1983 BA and O

	Millions
Medical care	$416.0
Medical and prosthetic research	8.1
Medical administration and miscellaneous operating expenses	(1)
General operating expenses	42.2
Construction, minor projects	89.7
Cemeterial expense, Army	2.2
American Battle Monuments Commission	(1)
Soldiers' and Airmen's Home	2.6

[1] In these accounts the amounts assumed in the resolution, reduced by the assumed pay absorption, are higher than the President's requested appropriation amounts.

COST-OF-LIVING INCREASES IN VETERANS' COMPENSATION AND PENSION PROGRAMS

Mr. CRANSTON. Mr. President, the budget resolution as reported anticipated the elimination of any cost-of-living increase in fiscal year 1983 in the service-connected disability compensation program and the capping of such increases in fiscal year 1984 and fiscal year 1985 at 4 percent. Now the Baker modification would lift the fiscal year 1983 freeze—but only for those with disabilities rated 70 percent or more disabling—and proposes a 4-percent cap for that year, too, for even these veterans. I find this discriminatory action totally incomprehensible.

Mr. President, I would like to quote Mr. Reagan on this subject of cost-of-living increases for the VA's service-connected disability compensation program. In August of 1980, in a campaign speech at the Veterans of Foreign Wars' convention in Chicago, he called it a "breach of faith" for "compensation for those with service-connected disabilities * * * [not to be] kept abreast of inflation. * * *"

I strongly agree with the President on that.

To me it is absolutely unacceptable to ask the more than 2.2 million veterans who have service-connected disabilities—injuries and illineses sustained while in service to our country—to forego an increase in the rates of their VA compensation benefits that would insure that their benefits keep pace with inflation. These individuals—as well as the more than 355,000 survivors of veterans who died while on active duty or as the result of service-connected causes—have already made sacrifices for this country and, in some cases, have made extreme sacrifices. They should not be asked to make this additional one.

I would note, however, that they would be willing to make still further, equitable sacrifices if that were being asked of all others similary situated. As the American Legion said in its May 17 letter to all Senators:

> The American Legion has stated its willingness to consider any official budget proposal requiring veterans to assume some of the burden associated with the undeniable need to restore the Nation's economic health. However, we demand that all segments of society share an equal budgetary hardship.

Thus, Mr. President, to appreciate the impact of what is being proposed here regarding denying COLA's to veterans' compensation and pension recipients, we need to step back and look at what is being proposed at the same time for other income-maintenance recipients in directly parallel—but certainly no higher priority, at least until now—programs.

With respect to veterans' disability compensation, let us compare a totally disabled, paralyzed individual, a nonveteran, who is covered by social security and is receiving social security disability insurance payments. This July, this individual's check will go up by 7.4 percent and the next year and the year after that, we anticipate paying him a full COLA—and that is as it should be.

Compare that disabled person's situation with that of his equally disabled neighbor, a paralyzed Vietnam veteran struck down on the battlefield and receiving full VA disability compensation.

Both individuals paid for their benefits—one with monetary contributions, the other with his loss of bodily functions in service to his country. They are both truly entitled to these benefits. Is one more deserving than the other? If so, is it the SSDI recipient? I think not.

Yet, we have before us a proposal by the Budget Committee—as proposed to be altered by the Baker substitute—to say to the veteran next October 1, sorry we could afford to give you only a 4-percent increase, just 54 percent—a little more than half of the rate increase we gave your neighbor?

How can we explain that result?

Has that veteran's sacrifice somehow been diminished in its value to our country? Is anyone proposing to give him back 46 percent of his mobility?

And to make matters worse, we go on to say to this veteran who is beginning to doubt all the rhetoric about "a grateful nation", "by the way, no matter how much the CPI jumps in the next 2 years, we are going to limit you to a 4-percent compensation increase each year; of course, we feel differently about your neighbor; we are not proposing any such cap on his SSDI benefits."

I find this disparate treatment totally indefensible. To discriminate against the service-connected disabled veteran is truly incomprehensible to me. There is no justification whatsoever for this inequitable result.

Moreover, for those veterans with less than 70-percent disabilities, how do we explain denying them any COLA and giving SSDI recipients and social security retirees the full COLA? I cannot and I do not see how the Senate can.

Denying all those with less than 70-percent disabilities any COLA this year means that we would enact no increase in rates of disability compensation for almost 2 million of those who suffer from disabilities incurred in service to their country.

Further, Mr. President, this budget would provide for no fiscal year 1983 increase to the more than 433,000 surviving dependents of veterans who died while in the service or who died of service-connected disabilities—that is, no inflation relief to more than 246,000 surviving spouses, 74,000 children, and 112,000 dependent parents of veterans who literally gave their lives for this Nation.

The effect then is to deny any equity to 2.4 million of these highest priority recipients while granting some—but inadequate—assistance to less than 8 percent in this category.

Now, the argument will be made that we are providing for the more severely disabled veterans by granting those veterans a partial cost-of-living adjustment. However, we should understand which veterans would be getting no increase: Veterans with leg and foot amputations; veterans who are totally blinded in one eye; veterans who have lost the use of their minor hand; veterans who have had prosthetic replacements of shoulders, elbows, or knees and suffer from chronic severe painful motion or weakness in that joint; veterans suffering from severely incapacitating rheumatoid arthritis; veterans suffering from severe emphysema that prevents climbing one flight of stairs or walking one block without stopping; and veterans who have lost golf-ball sized pieces of their skulls.

These are just some of the service-connected disabilities for which cost-of-living adjustments would not be granted. These are disabilities for which determinations have been made that they are the result of injuries or conditions incurred in or aggravated by military service.

Mr. President, while I can appreciate the good intentions of my good friend from Wyoming (Mr. SIMPSON) regarding the possibility that the Baker modification provides the flexibility needed to provide the full 7.4-percent cost-of-living increase in compensation benefits this year, I must point out that the Baker modification simply does not provide enough room for it.

To provide all 70-percent-or-more disabled veterans with a 7.4-percent COLA this year—instead of the 4-percent that the Baker modification allows—and to provide the 7.4 percent COLA to all other of the 2.4 million service-connected disabled veterans and the survivors of those who have died from service-connected causes requires $561 million in budget authority and $577 million in outlays in fiscal year 1983 that just are not in the Baker levels.

As the Veterans' Affairs Committee chairman knows, the resolution as reported assumes that that increase will be denied this year and the Baker modification adds back only $600 million in budget authority and $500 million in outlays for fiscal year 1983. Of those amounts, $478.4 million in B.A. and $437.2 million in outlays are accounted for by the 4-percent increase for 70 percent or more disabled veterans and noncompensation items. That simply does not leave room for the additional $568 million in budget authority and $577 million in outlays that CBO estimates would be needed for the full COLA for compensation, as I have just described it. Moreover, there is an even greater lack of room in the two out-year amounts under the Baker modification.

As the chairman knows, the only programs over which our committee has jurisdiction are veterans' benefits and services. If we are going to fund a full compensation COLA within the limits of the Baker modification, the money has got to come from other VA programs. The question is, which ones?

So, I think we need some clarification from the chairman as to exactly how he proposes to pay for this COLA. Does he propose further cuts of half a billion dollars in VA health care—on top of the $129 million reduction already taken? Does he propose cutting further into the VA pensioners' benefits—in addition to taking back some or all of the COLA that they will begin receiving in July? Does he have some other means for freeing up the needed funding?

Mr. President, we need to know the answers to these questions.

If the money is not in the budget for the pension COLA, just saying we will make room for it is not good enough because further down the road we are going to have to deal with the realities and constraints of the numbers themselves.

Now, regarding the veterans' pension program, for which the Budget Committee proposed no increase at all this year—with 4-percent caps proposed for the next 2 years—again, it seems to me we have a most unfair discrimination against those who served their country in time of war.

First, let us clarify what we have in this veterans' pension program. This is purely a needs-based, income maintenance program for war veterans and certain survivors of them. We are not talking about the old pension program where family income was not counted and where there were numerous exclusions from countable income. Congress reformed this program in 1978 to make it truly needs-based and truly equitable. Anyone receiving a pension under this program is truly needy. Veteran pensioners are either totaly disabled or over 65. Those are essentially the same qualifications for a low-income recipient of SSI—supplemental security income. Yet the SSI recipient—and I am not talking about contributory social security now but about the federalized welfare program—will be granted the full 7.4-percent COLA in the July check this year and the full COLA for each of the next 2 years—as, indeed, should be the case. Why then do we not do the same thing for the equally disabled or elderly low-income war veteran?

I have no acceptable answer to that question. Each of these individuals is poor and either old or disabled. It is true that Congress decided in 1978 to create a somewhat higher income standard—just over the poverty level—for the veteran pensioner. Today that means about $413 a month for a single war veteran with no dependents or other income, surely not a princely sum. That veteran needs the cost-of-living increase to subsist—just as does the SSI recipient.

Perhaps some will say, well the veteran can always get a COLA by switching to the SSI program. That may seem to some like a pretty appealing answer, but I content that it is not.

Many very poor elderly and disabled people in this country feel that they are demeaned by taking welfare; they feel diminished by this—less worthy. Yet, those who served this country in the military look at veterans' pension as something they earned by their wartime service. They do not feel they are on welfare and do not want to be.

Is it our policy that we want to force an elderly or disabled wartime veteran who is subsisting at or below the poverty level with a feeling of self-worth and dignity to follow a course that the veteran feels will deprive him of his own self-respect? I hope not. Such a policy makes no sense from the standpoint of humanity, and it makes little fiscal sense since the net savings to the Federal budget would be minimal if these persons were forced over to SSI in order to subsist.

Mr. President, I should also point out the gross impracticalities inherent in this proposal to eliminate the pension COLA this summer. It is, at this point, far too late for the Congress to prevent that COLA from beginning to be paid as of July 1. The rate of the increase has already been computed—7.4 percent—and announcement of it was made in the Federal Register on May 14. The programing of the computers to print the checks for mailing on July 1 is already underway, and the last date on which it would be even remotely feasible to turn that process around and cancel the increase would be May 25, the date on which the July 1 checks will begin to be printed. Obviously, the change in current law that would be needed to prevent the COLA from going into effect—a change that the House Budget Committee has rejected and that I assure you the House Veterans' Affairs Committee would very, very strongly oppose—simply cannot be enacted by that date.

Thus, it seems clear that the increase will be paid as of July 1 and will also be included in the August and, probably, September pension checks as well. Thereafter, what does the Budget Committee propose should occur—that the law be changed after the fact to reduce the benefit levels that would already have begun to be paid? Do any of my colleagues actually want the VA in August or September to announce to all 566,000 pensioners who would be affected that as of September 1 or October 1 their checks will be reduced by at least 7.4 percent? I ask each of you, please put yourselves in the shoes of a totally disabled or elderly veteran having a total income, if you have no dependents, of only $444 per month, or a widow of a wartime veteran having a total income of only $298 per month, who receives a notice from the Federal Government informing you that the Congress and the President of the United States have just passed and signed a law to cut your pension by 7.4 percent.

Think of it! Letters going out in August or September—or possibly in October—to hundreds of thousands of VA pensioners saying to each of them, in effect, the Congress and the President believed that you were getting too much money and decided to cut your pension benefits.

Are VA pensioners really getting too much?

I would point out to my colleagues that the poverty level for an urban family of four is—according to statistics released last August—a per annum income of $8,414. That level, according to a projection prepared by the Congressional Research Service, can be expected to increase to $9,289 in August of this year.

Now, compare this to the maximum income level for the VA's pension program. For a family of four, the current income standard for VA pension is $8,179—$235 less than the official level of poverty. And, when the level is revised in August, and when the VA pension checks are reduced as is proposed under this budget, the level of VA pension would be cut to a level more than $1,100 less than the level of poverty.

In essence, not only is the budget committee proposing that truly poor individuals be denied the necessary and appropriate cost-of-living adjustment due them under law, but also that they be required to give back the small increase that they have been promised and that they will receive under existing law. These are people struggling to survive on annual income levels that in the case of single veterans are just above the poverty level and that in the case of veterans with larger family units and surviving spouses of deceased veterans are below poverty levels.

Mr. President this is a truly unacceptable approach to dealing with the needs of those who are among our Nation's neediest citizens.

And please keep in mind that for 18,000 pensioners the effect of the budget would be not just a reduction—they would be dropped entirely from the rolls. Having received a 7.4-percent pension increase in July—along with a social security increase—when the law is changed to eliminate the pension COLA, they would be pushed all the way out of the program.

It also need be emphasized that the 267,000 VA pensioners who receive some social security are going to be hit with a double whammy if the Budget Committee's approach is adopted. When the pension COLA is eliminated, they will lose the 7.4-percent increase—just like all other pensioners. But, in addition, their pension benefits will be further reduced dollar for dollar by an amount equal to the July 1 social security increase.

For example, a veteran pensioner with no dependents who is currently receiving $3,000 a year in social security and no other nonpension income is today getting $1,960 per year in pension. On July 1, his social security check will increase to a $3,222 annual level and his VA pension to a $2,106 annual level—A $146 increase in pension. If the pension COLA is eliminated, he first loses the $146 annual increase in pension he started receiving on July 1. But he also suffers a further annual pension reduction of $222 because of the social security increase. Thus, this veteran will bet a total pension reduction of $368. In terms of monthly benefits, the veteran would have received a $12.17 pension increase in July and the Congress would be inflicting a $30.67 reduction in September or October. Such treatment will be as baffling to this veteran as it is hard to endure.

Mr. President, as the legislative history of the 1978 VA Pension Improvement Act makes abundantly clear, this is exactly the kind of result that was intended to be avoided—pension terminations and reductions resulting from social security increases. I am sure that Senators who were here in 1978 and for several years before then will recall the enormous amounts of mail they got each year from VA pensioners who, because pension and social security were not linked as they now are, suffered pension reductions in January each year because of social security COLA's they had received the previous July. I venture to say that year-in year-out that issue generated more constituent mail than any other matter. And correcting that problem—along with rectifying various inequities and deficiencies in the old pension program—were the driving forces behind the 1978 law. I do not think my colleagues really want to open those old sores again—but that would be the effect of the Budget Committee's proposal.

In summary, this proposal—which I am opposing now and will continue to oppose with every means possible wherever and whenever it comes up—is grossly inequitable, poorly conceived, and extremely impractical. It deserves to be rejected by an overwhelming vote in this body.

VA MEDICAL CARE

Mr. President, the Chiles-Mitchell amendment would provide for much-needed funding in the VA's medical care account to restore that account to the levels that the President recommended and which, as I have noted, the Administrator of Veterans' Affairs continues to support—but for which the Baker modification fails to provide.

To understand this issue, I must briefly address one fairly technical matter which has a very real impact on the Nation's sick and disabled veterans. The Baker modification would add, in fiscal year 1983, $287 million for appropriations to the VA's medical care account. We are told that the purpose of this add-on is to restore cuts that the Budget Committee made in the President's budget request for this vitally important account. Unfortunately, that amount does not make

the full restoration that is so badly needed.

The shortfall derives from the Baker modification's failure to take into account the minus $148 million that the Senate Budget Committee includes in function 700 for what it calls "pay absorption" in fiscal year 1983, and in the outyears, fiscal year 1984 and fiscal year 1985. That minus amount is reflected in the Budget Committee's function 700 total and is not restored by the Baker modification. It cannot be ignored.

Let me also emphasize that this absorption is of increased pay costs incurred in fiscal year 1982. It is not absorption of any pay raises that may occur in the future—in fiscal year 1983 or in later years. This so-called absorption represents the carrying forward to a full fiscal year of an amount that the Budget Committee has estimated may be absorbed Government-wide in fiscal year 1982 from the fiscal year 1982 pay raise—54 percent. This figure is not even accurate as it applies to the VA this year since a pay supplemental covering 68 percent of new pay costs is pending right now in Congress.

In reality, this prospective absorption factor is really no more than a disguise for a deep programmatic cut. Without these funds, the VA has essentially three options, or a combination of them, in the health care area—have less personnel, treat less veterans, or buy less supplies and equipment.

To tell what the Budget Committee proposal and the Baker modification really propose for the VA's medical care and research accounts, we must allocate that minus $148 million in appropriate proportions to each of the function 700 accounts entailing personnel costs. To make that allocation, I requested a Veterans' Affairs Committee staff member to ask the appropriate CBO staff member to provide a neutral, objective basis for doing so, and she has provided a May 19 memo, which I earlier inserted in the RECORD, showing the account-by-account allocation "according to the distribution of total function obligations for personnel compensation, as reflected in the President's 1983 budget request * * *" I do not think there can be any argument whatever with that analytical approach.

The results show a $129.3 million reduction in the medical care account. Thus, as the memo makes clear, a $287 million restoration to the medical care account—which the Baker amendment makes—does not suffice to bring the Budget Committee proposal up to the President's budget level—it is $129.3 million short.

Our amendment would make that restoration, and I want to emphasize how badly needed it is. In this regard, I would note that the Veterans' Affairs Committee's March budget report included a most significant discussion of the point that, although the committee was recommending acceptance of the administration's proposed levels for the medical care account, there were serious concerns that those levels entailed underfunding in some areas. In this regard, the committee noted that it was "deeply concerned about the effect that these potential funding deficiencies might have on the VA's Department of Medicine and Surgery's ability to provide the levels of health-care personnel necessary for it to support the patient-care workloads set forth in the budget request." The Veterans' Affairs Committee chairman, my good friend from Wyoming (Mr. SIMPSON), and I reemphasized this point in a letter to the Budget Committee's chairman (Mr. DOMENICI) and ranking minority member (Mr. HOLLINGS) dated March 31, 1982, noting the Veterans' Affairs Committee's view "that the President's request for the medical care account is one that leaves no margin for further reductions if the VA is to be able to provide the staffing levels and meet the patient-care workloads that have been proposed by the administration and are fully supported by our committee." We again addressed our concerns on this point in a letter to the Budget Committee chairman (Mr. DOMENICI) and ranking minority member (Mr. HOLLINGS) in a May 5, 1982, letter, dealing with the impact of a freeze on various VA programs, in which we strongly recommended that the Budget Committee not include in the budget resolution levels that would require the VA's Department of Medicine and Surgery to bear a reduction from the President's requested level for fiscal year 1983.

Mr. President, I ask unanimous consent that copies of the March 31, 1982, and May 5, 1982, letters from the chairman (Mr. SIMPSON) and me to the Budget Committee's chairman (Mr. DOMENICI) and ranking minority member (Mr. HOLLINGS) appear at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
COMMITTEE ON VETERANS' AFFAIRS,
Washington, D.C., March 31, 1982.

Hon. PETE V. DOMENICI,
Chairman.
Hon. ERNEST F. HOLLINGS,
Ranking Minority Member, Committee on Budget, U.S. Senate, Washington, D.C.

DEAR PETE AND FRITZ: Our Committee has very recently received and had an opportunity to review March 17 and 18 budget data prepared by the Congressional Budget Office setting forth CBO's latest account-by-account estimates of the fiscal year 1983 (and outyear) "current law" costs or programs within Function 700, Veterans' Benefits and Services, as well as reestimates of the President's budget requests and "baseline" estimates for each Function 700 account. Our Committee's March 8, 1982, report to your Committee on our fiscal year 1983 budget views and estimates for veterans' programs were based on the CBO February 5, 1982, estimates of current law costs provided to us by your Committee.

Because we understand that your Committee will be using the new and additional CBO estimates in marking up the first concurrent budget resolution for fiscal year 1983, we would like to indicate to you and your Committee members our views on those estimates.

MISSIONS 1, 2, AND 4

The accounts in Missions 1, 2, and 4 (subfunctions 701, 702, and 704) consist of entitlement accounts and various trust funds and revolving funds. With respect to your reliance upon reestimates for these missions—which in Mission 1 are in total substantially below the President's request and below the current law estimates that our Committee used in its March 8 report—we wish to stress our understanding that the accuracy of these reestimates of current law costs and of the cost of the cost-of-living adjustment (COLA) in the service-connected disability compensation account are dependent upon the accuracy of CBO's assumptions relating to future caseloads and economic conditions and that, if those current law and COLA costs eventually prove to be higher or are reestimated at higher levels, corresponding upward adjustments in the functional totals would be made in subsequent fiscal year 1983 concurrent resolutions.

MISSIONS 3 AND 5

With respect to Mission 3 (subfunction 703), which covers Veterans' Administration health-care and construction programs, and Mission 5 (subfunction 705), which covers primarily the management and administration of all VA benefit programs other than health care, as noted in our Committee's March 8 report, the Committee has recommended acceptance of the President's total budget requests for these missions, and considers that those requests would provide only marginally adequate support for the programs involved. We would like to emphasize, however, that we have very serious concerns with respect to any possible reliance on the CBO current law or baseline estimates as providing adequately for those programs. In this respect, our major budgetary concerns focus primarily on three accounts: medical care and minor construction (Mission 3) and general operating expenses (Mission 5).

Medical Care.—With respect to the VA's medical care account, which provides funding primarily for the operation and maintenance of VA health-care facilities, we note that the CBO baseline estimate is $96.7 million less in budget authority and $88.8 million less in outlays than the President's request. As we indicated in some detail in our report (part 2(b) of the discussion of Mission 3), although our Committee recommended acceptance of the President's request, we pointed out several areas in which the President's request reflects significant problems of potential underfunding. We stress our Committee's view that the President's request for this account is one that leaves no margin for further reductions if the VA is to be able to provide the staffing levels and meet the patient-care workloads that have been proposed by the Administration and are fully supported by our Committee.

It should be noted that the fiscal year 1982-to-fiscal year 1983 increase in the CBO baseline estimate would provide for an increase in appropriations of only 6.2 percent, and that even that increase is based on a fiscal year 1982 level that does not take into account the fiscal year 1982 costs (more than $150 million) of the October 1981 federal civilian pay raise for employees paid under this account, for the cost of which the VA has received a deficiency apportionment up to this point. Taking that fiscal year 1982 cost element into account, the fiscal year 1982-to-fiscal year 1983 increase in the baseline estimate would be only 3.9 percent. Further, we note that, as we understand it, the CBO model for computing baseline estimates does not take into account the costs—which we believe clearly should be assumed to be appropriate and necessary for budget purposes—of activating new facilities, the construction of which Congress has previously approved and funded. The total fiscal year 1983 costs for this essential component of the VA budget are $179.5 million and if added to the CBO baseline estimates would cause that estimate to exceed by more than $80 million the level we are recommending.

Construction.—The baseline estimate for the VA's minor construction account, which funds VA medical construction projects of less than $2 million, provides for appropriations of $82.5 million less than the President has requested. We note that substantial reductions made in the fiscal year 1982 appropriation for this account caused some necessary projects to be postponed to fiscal year 1983. Construction funded under this account covers a wide range of projects for modifications and minor additions that are necessary for the effective and efficient functioning of existing VA facilities, many of which are quite antiquated; for the correction of fire and safety deficiencies; and for the correction of various other deficiencies that have been cited by the Joint Commission on the Accreditation of Hospitals. We thus believe that reductions in the President's request for this account (aside from the $12 million reduction in the combined major and minor construction accounts that our Committee has recommended in order to offset increases we recommend in certain high-priority health care activities) could jeopardize the affected VA facilities' ability to provide quality care or the safety of the environment in which that care is provided.

Thus, we strongly urge that you recommend no reductions in the President's total request for fiscal year 1983 funding for the medical programs in Mission 3.

General Operating Expenses (GOE).—With respect to the VA's GOE account, the major account in Mission 5, for which our Committee recommended acceptance of the President's request, we note that the CBO baseline estimate would provide for the appropriation of $16.5 million less than the President has requested. Again, substantial reductions were made in this account in the fiscal year 1982 appropriations Act (Public Law 97-101). If substantial cuts were to be made in the President's current request for this account, we believe that the effective administration of various VA benefit programs—including service-connected disability compensation and vocational rehabilitation programs, the GI Bill, and the pension and burial benefit progams—would be impaired and that a slow-down in the processing and adjudication of claims for benefits, with consequent hardship for deserving veteran-applicants, could result.

Proposed GNMA-MBS Ceiling.—We are also concerned about the Administration's proposal to place a commitment ceiling of $38.4 billion on the Government National Mortgage Association mortgage-backed security (GNMA-MBS) program for fiscal year 1983—almost 50 percent less than the fiscal year 1982 ceiling of $68.25 billion—and the effect that such a ceiling would have on the VA's home-loan guaranty program and the availability of housing assistance for eligible veterans through the VA.

The GNMA-MBS program provides the major source of financing for VA-guaranteed loans. Approximately 70 percent of all VA-guaranteed loans that are originated by mortgage lenders are placed in GNMA-MBS pools, and the securities backed by these pools are sold to a diverse group of private investors. Thus, a reduction in the GNMA-MBS credit ceiling would have an impact on the supply of mortgage money available to fund VA loans, and could reduce the availability of credit to veterans seeking to purchase homes under the GI Bill home-loan program.

It should be noted that increasing the commitment ceiling level would not increase budget outlays or the budget deficit since the GNMA-MBS program is entirely supported by user fees. We urge you to keep these considerations in mind as you review this proposal.

We would greatly appreciate your consideration of the concerns we have expressed in this letter in your deliberations on budget levels for veterans' programs. If you have questions regarding any matters that we have raised, please have members of your staff get in touch with the staff of the Committee on Veterans' Affairs.

With warm personal regards,

Cordially,

Alan K. Simpson,
Chairman.
Alan Cranston,
Ranking Minority Member.

U.S. Senate,
Committee on Veterans' Affairs,
Washington, D.C., May 5, 1982.

Hon. Pete V. Domenici,
Chairman,
Hon. Ernest F. Hollings,
Ranking Minority Member, Committee on the Budget, U.S. Senate, Washington, D.C.

Dear Pete and Fritz: It has come to our attention that one of the options presently under consideration by your Committee for resolving the fiscal year 1983 budget impasse is an across-the-board appropriations freeze at fiscal year 1982 levels for discretionary spending. We wish to convey to you our very great concern about such a course of action insofar as Function 700 is concerned.

By far the Function 700 account that would be most affected by such an appropriations freeze would be the medical care account, for which both the Administration and this Committee have recommended fiscal year 1983 budget authority of $7.5 billion. You will recall that we have expressed to you on two recent occasions—in our March 8, 1982, report of budget views and estimates to your Committee and again in a letter dated March 31, 1982—our deep concern about the rather precarious funding situation facing the Veterans' Administration's Department of Medicine and Surgery in both fiscal year 1982 and fiscal year 1983. We refer you to those materials, and on the basis thereof strongly recommend that the Budget Committee not include in the budget resolution levels that would require the Department of Medicine and Surgery to bear a reduction from the President's requested level—such as the $530 million reduction that the freeze would entail—for fiscal year 1983.

We are concerned also about the effect that such a freeze would have on funding for the VA's general operating expenses account for fiscal year 1983. This account took a $26 million cut last year that it could ill afford, and we believe that the $53 million reduction resulting from a freeze would severely impair the VA's authority to administer effectively on a timely basis the broad range of benefits and services that the Congress has enacted to meet the needs of the Nation's veterans.

For these reasons, we would request that if your Committee decides to pursue this freeze option, all discretionary spending in Function 700 be exempted. We note that there is precedent for such an exemption in appropriations actions taken last year with respect to the VA medical care account.

We would also like to take this opportunity to comment upon your April 13 response to our March 13 letter urging that your Committee not assume that CBO baseline estimates for Missions 3 (VA health-care and construction programs) and 5 (primarily VA management and administration) provide adequately for the programs included in those missions. In the next-to-last paragraph of your letter, you noted that when our Committee's March 8 recommendations "are adjusted to take the most recent CBO estimates into account, the total [Veterans' Affairs] Committee recommendation is the same as the CBO current policy baseline for Function 700 . . ." You go on to note that "the net effect is that [the Veterans' Affairs] Committee has recommended Function 700 totals for fiscal year 1983 that are the same as the totals in the CBO baseline that we are using for markup."

It is very important to note, however, that our Committee's recommendation is not a "current policy" recommendation and that the major reason our Committee's recommended overall Function 700 totals (adjusted apparently to take into account CBO reestimates of Missions 1, 2, and 4 accounts) are the same as the CBO current policy baseline totals is that our Committee has recommended savings (of $150 million) not taken into account by those CBO totals while the CBO totals do not make adequate provision for Missions 3 and 5. Thus, we continue to believe that the points that we made in our March 31 letter are relevant and important and urge that you recommend no reductions in the President's total requests for fiscal year 1983 funding for Missions 3 and 5.

We appreciate your consideration of our proposal.

Sincerely,

Alan K. Simpson,
Chairman.
Alan Cranston,
Ranking Minority Member.

Mr. CRANSTON. Thus, Mr. President, as my good friend and colleagues from Florida (Mr. Chiles) and Maine (Mr. Mitchell) have already emphasized, there is no fat in this account as the President requested it be funded. Cuts here mean less health care for eligible veterans.

Thus, Mr. President, it is important to put some flesh on the bare bones that the dollar figure that we are dis-

cussing—the reduction of $129 million for VA medical care—represent. I do not have a precise analysis of the impact on the VA's Department of Medicine and Surgery if this amount is not restored. We have barely had time to digest the figures ourselves, much less receive detailed information from the agency. However, it is possible, on the basis of a very brief analysis provided by the Administrator in his May 18 response to a request by the Veterans' Affairs Committee chairman (Mr. Simpson), and me for the agency's view on the impact of the funding levels originally recommended by the Budget Committee, to translate the impersonal dollar figures into real people, both VA employees and veteran-patients, and then to consider the implications of not restoring the fiscal year 1983 funding level to the President's level, as supported by the Veterans' Affairs Committee and the Administrator of Veterans' Affairs.

Mr. President, in the area of VA health-care personnel, extrapolating from the analysis provided by the VA Administrator in his letter, if the pending amendment is not adopted and the agency dealt with the funding shortfall, in fiscal year 1983, by reducing the number of its health-care employees, the agency would have to lose over 5,500 employees. Such a loss, no matter how applied across the system, would be devastating. If most or all of the reductions were in direct-care providers, the impact on the quality and quantity of health care provided to eligible veterans would be immediate. If the agency instead tried to meet this $129 million reduction through the elimination of support and indirect-care positions, the results would be very similar because many direct-care employees would be pulled away from actually providing care and instead would have to perform some of the other jobs—ranging from clerical jobs to cleaning tasks—that had been carried out by the employees who were let go. In either event, it is certain that an employment reduction of this magnitude would result in slower, less adequate health care being provided.

Mr. President, compared to other health-care systems, the VA's is very thinly staffed, and there are few if any facilities in the system that could take any significant reductions in personnel levels and still deliver quality health care. Thus, I cannot help but believe that employee reductions of this magnitude would have to be met by closing entire wards, clinics, nursing homes, or other units and, probably, some entire facilities, and as my colleagues appreciate, the closing of VA health-care units and facilities would have very serious ramifications. The most serious result, of course, would be that the veterans—including those with diseases or disabilities incurred during their service—in the areas served by the facilities to be closed will lose currently available access to VA health care. The service-connected veterans will continue to be eligible for care through the VA—on a fee-for-service basis which almost certainly will cost the Government more on a per-episode basis than providing care through the VA—but those currently receiving care by virtue of being over 65 or being unable to defray the cost of the needed care will be left with no further access to VA care, a result that seems particularly ill-advised as other alternatives to VA care become more restrictive or expensive or both. I am unable to understand why we would want to endorse such a result.

Mr. President, although obviously interrelated with employment reductions, another way in which the VA might seek to deal with this reduced level of funding for fiscal year 1983 that will result if the pending amendment is not adopted would be in reductions in the actual number of veterans treated by the VA in fiscal year 1983. In this regard, the VA's earlier analysis indicates this option would result in over 40,000 fewer veterans being provided hospital care than the President recommended in his budget if the agency has to operate at the Baker amendment's reduced level of funding. At no time—either during the Veterans' Affairs Committee's deliberations on the fiscal year 1983 budget or since—has there been any suggestion that the President's projections of the number of patients to be treated by the VA in fiscal year 1983 was inflated, inaccurate, or inappropriate. Nor has there been any suggestion that the VA would be treating veterans who did not need care. Thus, if the Chiles-Mitchell amendment is not adopted and the VA makes the necessary reductions in the area of inpatient workload, VA hospital care will be provided to over 40,000 fewer eligible veterans who need that care. What is the possible justification for such a result? Why should over 40,000 veterans in need of inpatient care be turned away? I do not have answers to those questions, nor have I heard any satisfactory answers offered here today.

Mr. President, in a similar vein, if the pending amendment is not adopted and the VA assigns all the $129 million reduction to the area of outpatient visits, the agency's analysis would yield a reduction of over 1¾ million fewer episodes of outpatient care being provided to veterans in fiscal year 1983 than was recommended by the President.

I reject the notion that we should tell sick and disabled veterans in these vast numbers, "Sorry, you can't get treatment." The only basis for such denials of care would be the effort to reach a budget figure that has not been justified on any programmatic grounds. I recognize that the VA cannot treat all veterans for any and all diseases and disabilities and that, for that reason, the agency projects numbers of patients that will be seen in a given year. However, those projections—which form the basis of the President's budget—are based on historical data and estimates based on experience. What we would be doing by not adopting the pending amendment would be substituting projections that have no basis in fact or experience.

I do not believe any of these approaches are defensible approaches. These reductions would be totally arbitrary, and I urge my colleagues to reject them.

MEDICAL CONSTRUCTION

Mr. President, with respect to the VA's medical-facilities construction program, the Budget Committee proposal would reduce appropriations below an already bare-bones level requested by the President for major and minor construction projects. It would cut $136.2 million in fiscal year 1983 and freeze the resulting reduced level through fiscal year 1985. The Baker modification restores none of this funding. The effect of this reduction is, according to the letter received from Administrator Nimmo yesterday, that, in fiscal year 1983 alone, four or five fully funded projects would be deferred or that only design—and not construction—funding would be sought for four or five planned projects and that these actions would be supplemented with reductions in nursing home projects, energy conservation, and the advance planning fund.

The cost ineffectiveness of this shortsighted approach to the VA's construction program is overwhelming. For each year that a construction project is postponed, the cost of the project increases by about 9 percent. That means, Mr. President that a delay for 3 years of $136.2 million in fiscal year 1983 construction projects will raise the cost of those projects to $176.4 million—a $40.2 million increase. It should also be stressed that that increase is experienced only from the postponement of fiscal year 1983 projects and, since the VA's most recent 5-year construction plan shows $1.4 billion in major construction projects for each of fiscal years 1984 and 1985—a level nearly four times the frozen budget authority level of $372.3 million—it can be assumed that other planned construction, costing far, far more than the $136.2 million in construction projects affected in fiscal year 1983, would need to be postponed in fiscal year 1984 and fiscal year 1985 and would result in further, enormous increases as a result of inflation.

In connection with this approach of postponing and postponing again and again the bulk of planned VA medical construction projects, I would like to emphasize the great importance of the VA of continuing to upgrade—and where necessary replace—its existing health-care facilities, many of which are antiquated and have reached or are reaching the point where they are no longer capable of functioning effectively and efficiently and providing a setting for providing the quality, modern medicine that our Nation's veterans need and deserve.

For this fiscal year, 1982, budget constraints have already forced postponement of VA construction projects totaling more than $100 million. This process cannot go on and on.

We cannot turn a blind eye to the consequences of continuing to impair the VA's construction program in the way that the Budget Committee and the Baker modification would require. Allowing real construction and renovation needs to go unmet year after year will produce rundown and outdated facilities that are not fit for the provision of quality health-care services.

GENERAL OPERATING EXPENSES

Mr. President, although the Baker modification would add $28.3 million to the level recommended by the Senate Budget Committee for the VA's general operating expenses, as a result of the pay absorption problem which I discussed a few moments ago, the Baker proposal still leaves a reduction of $13.7 million.

Since the general operating expenses account is a personnel-intensive one and much of the nonpayroll funding is nondiscretionary expenditures for office space, communications, and utilities, a $13.7 million reduction could well, unless reversed, lead to staffing reductions in the form of RIF's, furloughs, and hiring freezes. Based on information provided in the Administrator's letter of May 18—and extrapolating again as it was necessary to do in connection with the medical care account—it would appear that we could expect a reduction of about 500 VA employees in fiscal year 1983 if the funding level is not increased to the level proposed in our amendment.

The consequence of this reduction in personnel levels means slower claims processing, fewer services to veterans, and general disruption to a system that is already struggling to absorb reductions required by fiscal year 1982 appropriations levels.

CONCLUSION

I appreciate the good sentiments and reassurances from my friend from Wyoming. But somehow, I am not reassured.

Generalities are fine, but you cannot build a budget out of fluff and good intentions. The numbers tell the truth.

And the harsh reality of the numbers being proposed in the Baker modification is that they add up to unfairness for veterans, especially those who are disabled, service connected, sick, poor, and elderly.

The Senate has a right to know what the implications are of the numbers being proposed, and we are not getting that at all. Indeed, the Senate needs to know clearly what it is allocating to entitlements—compensation, pension, and the GI bill—and what it is allocating to the so-called discretionary appropriation accounts—principally, medical care, medical research, construction, and general operating expenses. We must know this in order for the Senate's will be to reflected in the allocation to the Veterans' Affairs Committee made in the crosswalk in the explanatory statement accompanying the conference report on the first budget resolution. That is because our committee is allocated only spending authority as defined in section 401(c)(2)(C) of the Budget Act, the so-called entitlement accounts, and not the appropriated accounts which are allocated to the Appropriations Committee only.

So what is intended is the key, and the Baker modification clearly is posited on theses—which I urge the Senate to reject—of depriving veterans of fair cost-of-living adjustments and providing partial restorations for VA health-care programs.

Mr. President, I would like to address these final closing remarks to my colleagues on the other side of the aisle. What Senators Chiles, Mitchell, DeConcini, Randolph, and I and others have really been asking for in urging your support for this amendment is:

Follow your President who requested these levels in his original budget.

Follow your administrator of Veterans' Affairs who, in his May 18 letters to Senator Simpson and me, has stated that he continues to support the President's levels.

Follow all seven Republican members on the Committee on Veterans' Affairs who supported them in our committee's March budget recommendations for veterans' programs. It seems to me that this is not asking very much for the sake of the Nation's veterans—even though the President of the United States has now forsaken them by endorsing the Budget Committee cuts—and I urge your support of this amendment.

Mr. CHILES. Mr. President, I yield 4 minutes to the distinguished Senator from Hawaii.

The PRESIDING OFFICER. The Senator from Hawaii is recognized.

Mr. MATSUNAGA. Mr. President, as a member of the Committee on Veterans' Affairs, and as a cosponsor, I rise in support of the Chiles amendment to restore funding to the veterans function in the first concurrent budget resolution.

As the distinguished sponsor of the amendment, the Senator from Florida (Mr. Chiles) and others have already stated, this amendment seeks only to restore funding for fiscal 1983 veterans programs to levels which are adequate and essential to the proper administration of these programs, as determined by the Veterans' Affairs Committee and, in most cases, the administration itself.

At the outset, Mr. President, let me say that as a member of the Veterans' Affairs Committee, I welcome the changes in the veterans function contained in the Republican modification of the original Senate Budget Committee budget resolution. This is, indeed, a step in the right direction and I commend the members on the other side of the aisle who were instrumental in convincing the Republican leadership of the wisdom and the pressing need for these changes.

The level of veterans funding recommended by the Budget Committee in its original resolution was particularly disturbing to members of the Veterans' Affairs Committee and to the national veterans organizations who thought that our committee had come up with a responsible and reasonable veterans budget compromise with the administration.

I think it is safe to say that even the Veterans' Administration shuddered when, in response to a letter from the chairman and the ranking minority member of the Veterans' Affairs Committee, it began to look into the potential impact of the Budget Committee's proposals on veterans and veterans programs.

The original budget resolution recommended by the Budget Committee would have frozen cost-of-living increases for compensation received by service-connected disabled veterans and for pensions received by veterans and survivors of veterans who died from service-connected causes, many of whom depend upon these funds for survival.

The original resolution would have made deep cuts in VA medical care accounts which would, in my judgment, have nearly crippled the VA health care system by forcing the closing of numerous VA hospitals and clinics and by reducing health care staff.

The original resolution would have cut deeply into the medical research account, which was cut substantially last year, thereby damaging ongoing research efforts.

The original resolution would have also cut VA general operating funds far below the levels recommended by the Veterans' Affairs Committee and the administration, resulting in serious personnel, equipment purchasing and other operational problems for the VA.

Unfortunately, Mr. President, although the modified budget resolution addresses these problems to some extent, it has not gone far enough.

First of all, the modification does not restore any money for veterans pension cost-of-living increases for fiscal 1983. This is disturbing, Mr. President, because many pensioners depend heavily on these checks to make ends meet during these tough economic times. It is even more disturbing because we would be, in effect, singling out veterans pensioners to carry a disproportionate burden of the budget cutting effort. In the modified budget resolution, we are giving cost-of-living increases to social security recipients, to supplemental security income recipients, and to veterans disability compensation recipients. How can we then say that veterans pension recipients do not need a cost-of-living increase in the next fiscal year? Veterans pensioners, as well as disability compensation recipients, who have honorably and heroically served or sacrificed for their country, need and deserve these cost-of-living increases. The Chiles amendment would restore a cost-of-living increase to VA pension recipients in fiscal 1983.

Second, in the critical medical care account, the modified budget resolution falls short of restoring the President's recommended level of health care funding by some $129 million. The authors of the modification failed to take into account the $148 million which the VA must absorb in pay raise costs. If the medical care account is required to absorb the $129 million difference, we run the risk of forcing the VA to curtail certain important medical services to veterans. The Chiles amendment would restore adequate funding to the medical care account.

Third, the modified resolution falls short by some $13 million of the President's recommendation for VA general operating expenses (GOE). It is important that this difference be made up in order to enable the VA to adequately staff, equip, and operate VA hospitals and clinics. The Chiles amendment would restore that amount and the President's mark in the GOE account.

Fourth, in the VA construction account, the modification makes no change from the original resolution which was set at $136 million below the President's request in construction appropriations. In my view, Mr. President, a cut of this magnitude in new VA medical facility construction is unwarranted, unjustified, and just plain shortsighted. It will be a major setback to the VA's long-running effort to upgrade the quality of the medical care it provides to veterans in every part of the country. As as member of the Veterans' Affairs Committee, I have heard testimony that indicates that a number of VA facilities around the country are getting old and outmoded. They do not have the room or the physical capacity to hold much of the new, modern medical equipment which should be available to treat veterans. As a consequence, veterans going to these hospitals are not receiving the best and most comprehensive care to which they are entitled. Major cuts in new construction such as those proposed in both the original and modified budget resolutions will only perpetuate this problem and lower the overall quality of veterans health care. The Chiles amendment, Mr. President, would restore what the administration and the Senate Veterans' Affairs Committee believes to be a reasonable construction budget for the VA—one that will permit the necessary modernization of the VA health care system.

Mr. President, apart from the immediate needs of the Veterans' Administration, we must look beyond the next fiscal year, and the year after that, and even the year after that. As we stand here on this floor making judgments on funding levels for VA medical care, for health care staffing, for medical equipment purchases, for the construction of new hospitals and clinics, we must look at veterans needs in a broader perspective. We must look at our future obligations to veterans, at the future needs of veterans in term of health care, as we make these crucial budgetary decisions. In short, Mr. President, we must not be shortsighted where the veterans of this Nation are concerned.

The fact of the matter is, Mr. President, that we will, in the coming years, be faced with a greatly increased demand for VA medical care. We must face this fact. It is real, it is acknowledged by the Veterans' Administration, and it will be upon us sooner than we think.

For the benefit of my colleagues, let me recite a few statistics about veterans that are crucial to this debate, but which, I believe, are not being heeded.

It is a fact that over the next decade, most of the 12.6 million veterans of World War II, now averaging 59.1 years of age, will be 65 years of age or older. According to the Veterans' Administration, veterans over 65 need five times—I repeat—five times as much health care overall than those under 65.

Every 5 years after 1985, another 4 to 5 million veterans will join the over-65 group, and, by 1995, there will be an estimated 8,043,000 veterans over age 65, a figure which is nearly triple the 1980 level.

VA officials predict that as a result, the demand for VA hospital facilities for patients over 65 will jump by 11,000 beds—I repeat—11,000 beds over the next 6 years. And the number of veterans needing nursing home care is projected to soar from 120,000 in 1980 to 272,000 by the year 2000.

In view of these sobering statistics, Mr. President, rather than reducing funding for VA health care, rather than cutting back on VA health care facility construction, we ought to be planning for the future health care needs of our veterans and funding what needs to be funded, to make sure that when the time comes—and it's coming fast, Mr. President—the Veterans' Administration will have the capability to meet the needs of veterans. For our own national security we must look upon care of our veterans as part of our national defense effort.

We can do just that, Mr. President, by taking the only responsible course available to us, and that is to approve the Chiles amendment which will bring the funding of the veterans function in the modified budget resolution to levels which are adequate for the care of our Nation's veterans now and in the future.

I urge the adoption of the Chiles amendment.

Mr. CHILES. Mr. President, how much time does the Senator from Florida have remaining?

The PRESIDING OFFICER. The Senator from Florida has 5 minutes remaining.

Mr. CHILES. I yield 2 minutes to the Senator from Arizona.

Mr. DeCONCINI. I thank the Senator from Florida.

Mr. President, I am pleased to be a cosponsor of the Chiles amendment. As Senator Chiles has already noted, this amendment would simply restore to function 700 the levels of funding that were recommended in the President's budget for the Veterans' Administration and that were unanimously approved by the Senate Veterans' Affairs Committee.

Although the substitute budget before us now represents an improvement over the original Domenici budget vis-a-vis veterans, it remains inadequate. The substitute restores $600 million in fiscal year 1983 budget authority, and $500 million in outlays, but it falls far short of the $1.3 billion in budget authority and $1.1 billion in budget outlays which would be required to achieve the President's, as well as the Senate Veterans' Affairs Committee's, recommended funding levels. The substitute restores funding for VA medical care, medical research, general operating expenses, and would provide for a 4-percent cost-of-living increase for severely disabled veterans—those rated 70 percent or more.

It does not, however, restore recommended funding levels for VA medical construction; it does not provide for a cost-of-living increase for most disabled veterans in fiscal year 1983; it does not provide an adequate inflation adjustment for pension recipients; and it does not provide for a cost-of-living increase for survivors of veterans who died of service-connected causes. This is simply unacceptable in my view.

I commend Senator CHILES for the battle he waged in the Budget Committee and is now waging on the Senate floor to preserve essential funding for vital VA programs, and I am pleased to join him in this endeavor.

As I have indicated on many occasions, this is not the time to reduce our commitment to VA medical construction. World War II veterans are rapidly approaching the age of 65, at which point they will have eligibility for VA care. The VA medical centers in my State are already overburdened and understaffed. They will clearly not be able to meet the health care demands of our elderly veterans if planned construction does not proceed on schedule.

The elimination of cost-of-living increases for most disabled veterans and the inadequate increase for pension recipients in fiscal year 1983, and the capping of those COLA's at 4 percent in fiscal years 1984 and 1985 is, very simply, inequitable and unfair.

As you know social security disability recipients will be receiving a 7.4 percent COLA on June 1. Supplemental security income recipients will also be receiving an inflation adjustment in their benefits. How can we deny those same increases for their veteran counterparts?

I strongly support Senator CHILES efforts to provide equal treatment for veterans. His amendment provides for a 7.4 percent increase for cost-of-living increases for veterans' compensation and pension recipients, and for the survivors of veterans who died of service-connected causes. If the Chiles amendment is not adopted, I intend to offer that portion of the pending amendment that deals with the COLA issue. It is an issue of paramount importance to millions of disabled veterans and wartime needy and elderly veterans. It is an issue which merits separate consideration by this body.

Although I shall continue my efforts to balance the budget, I believe that veterans are a very special category of citizens. They served their country with every expectation that promised services and benefits would be honored. This is a national obligation and I urge my colleagues to adopt the Chiles amendment.

Mr. PRYOR. Mr. President, I support the amendment submitted by Senator CHILES.

Our veterans health care system is more than just a general provider of health care. It provides additional services such as general and specialty clinics, research centers, nursing homes, an integrated system of teaching hospitals, and other facilities that provide a broad range of inpatient and outpatient health-care services. We have 30.1 million eligible veterans in the United States who can make use of these services through the use of 172 hospitals, 228 outpatient clinics, 92 nursing homes, and 16 domiciliary facilities. It is vitally important that we continue to support and wherever possible, expand these services to those veterans who are eligible for VA treatment and health care.

In Arkansas alone we have 280,000 veterans of which 26,000 have service-connected disabilities. Our three hospitals serving these Arkansas veterans are located in Little Rock, North Little Rock, and Fayetteville. The Little Rock Veterans Hospital experienced 160,000 outpatient visits last year and provided medical services for another 19,000 veterans on an inpatient basis. At the present time there are 1,300 veterans being treated in that facility.

Veterans programs have been the target of a substantial portion of proposed budget cuts over the past few years, yet I can not think of a more appropriate group of Americans to receive Federal benefits than those who have honored and defended the rights and freedoms that all of us experience on a daily basis. They have served this country. They have sacrificed. We all share an obligation and a commitment to assure that their response to our country's needs is not forgotten. The debt that we owe them goes far beyond a line item in this budget.

I recognize that total Government spending must be reduced and I will support efforts to cut "Government waste." Veterans programs, however, serve people in a direct and important way and reductions in this area would mean that the Government is not honoring its commitments. We must not let this happen.

I urge support for Senator CHILES' amendment to restore these funds and to reinforce the obligation that we owe our Nation's veterans.

Mr. CHILES. Mr. President, I yield myself 3 minutes.

I listened with interest to the distinguished Budget Committee chairman when he said that he hoped the chairman of the Veterans' Affairs Committee, Mr. SIMPSON, could tell us that he would be able to restore all of the pay to all of the veterans who are disabled and not just the ones who are 70 percent disabled.

When I heard that, it piqued my hope. I listened with interest to the distinguished chairman of the Veterans' Affairs Committee. I heard at the close of his remarks that there was the flexibility within the Committee to be able to make such changes.

But, Mr. President, I do not think we should be deluded to the fact that there is that kind of possibility. We are talking about, under the numbers that are now before us, we are talking about 2 million disabled veterans will be cut and will not receive a cost-of-living adjustment. Those are 2 million disabled American veterans. All the Republican modification restored was $442 million out of a $3.33 billion cut in disability compensation. So the resolution is still almost $3 billion short of what is needed to pay those costs. That is one-eighth of all Veterans funds that will be cut. So I do not think there is going to be any way that we could restore COLA's for compensation unless my amendment is adopted. But we are told that these people have to just kind of take their cuts and it is necessary for them to do so and that we will bust this budget.

You know, we could put this money back in without hurting the deficit at all, if we simply were at the figure of revenue increases of $125 billion, the figure which chairman DOMENICI first proposed, which the bipartisan "Gang of Seventeen" had sort of agreed to, and the figure that the President was ready to accept. This would not increase the deficit one bit, would not touch it one bit, if we had that minimum level of revenues available to meet those critical needs.

But you are saying to the 2 million disabled American veterans that are anywhere from 69 percent disabled on down: "We're not going to be able to give you your cost-of-living adjustment. We are going to give it to all the social security recipients, food stamp recipients, and SSI recipients, but you're a veteran and you're not going to get it. You have to take your share of the load. So just buckle up, Buddy, and get ready to take your share of the load."

The funding in our amendment is a number that the distinguished chairman of the Veterans Affairs Committee had recommended earlier. The number that we are talking about is his number. But things have changed since then.

What has changed is, instead of raising 125 billion dollars worth of revenue, which was agreed to, you decided to raise only $95 billion. What is changed is we have decided that we are going to take out the illusory social security cuts and the real deficits are going to show up at unacceptably high levels.

Mr. President, I will make two other points. One is that last year, when we had this big debate, we debated time after time on minimum social security payments. Those on this side of the aisle kept saying, time after time, "That is going to be restored before this is over." I really think that what we are talking about now is the same thing we were talking about last time with minimum social security.

The PRESIDING OFFICER. The time Senator has yielded himself has expired.

Mr. CHILES. I yield myself the remainder of the time.

I just predict that before this is over we are going to take care of our disabled American veterans. I will bet you the package that is now working—remember Gramm-Latta came along, and after we had all these fights over here and our colleagues on the other side of the aisle, the Republicans voted to cut the veterans time after time, Graham-Latta came along. The President joined with them and, boom, they put the money for veterans back in. We have the "Boll Weevils" moving and they are moving with the "Gypsy Moths" and they are moving with the Republicans and we have got a package. What I am saying is before it is over they are going to put this money back. When you begin to find out who the 2 million disabled veterans are who you are cutting, you will want to put the money back, just like what happened when you realized your minimum benefit cut was hitting nuns and widows.

I would say to my friends on the other side of the aisle that I think we ought to do what is right now, tonight, and take care of these 2 million disabled American veterans. Do not let it just be done in the other House by the "Boll Weevils" and the "Gypsy Moths" and the Gramm-Lattas over there.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. Does the Senator from Kansas desire to speak? We have 4 minutes remaining. I believe the chairman of the committee wanted 1 minute. I will yield 3 minutes to the Senator from Kansas and the last minute to Senator SIMPSON.

Mr. DOLE. Mr. President, the Senator from Kansas will just take a couple of minutes. Somebody mentioned SSI and how they are going to get an increase. But I might say that the single recipient veteran's pension averaged about $413 a month and SSI is $264 a month. A veteran's basic pension benefit is 56 percent higher than the SSI benefit for single recipients and 36 percent higher for recipients with one dependent.

It just seems to me that, for all the reasons stated—and again I am not a member of the Veterans' Committee, but I have been a service officer in the American Legion, Disabled American Veterans, and the VFW for a good many years of my lifetime trying to help disabled veterans. I do not know of any group more patriotic and more concerned about the future of their country than veterans.

I listened with interest to the Senator from Wyoming. I know some of the professionals in the veterans organizations are going to try to get more than we can afford. In fact, last year the Senator from Kansas had the temerity to vote against the veterans and he received a very nasty letter from a national veterans organization that had contributed to my campaign. Apparently they thought that because of their contribution I should vote their way. I sent the contribution back.

The VFW people in my State are still my friends. But you cannot satisfy the representatives of veterans. They are not here to be satisfied. They are like any other special interest group.

It just seems to me we are looking at how we equitably balance the need for reductions in spending and still provide for our veterans. As the Senator from Wyoming will tell you, we did not do badly last year in increases. This Senator does not believe this budget compromise will impact adversely on any seriously disabled veterans; 70 percent or more are still going to be taken care of. I think Americans veterans want to do their part and be part of the team working to restore our economy.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. Mr. President, I yield the remaining time to the distinguished chairman of the Veterans Affairs Committee, Senator SIMPSON.

Mr. SIMPSON. Mr. President, after those remarks of Senator DOLE, really a man who has given not just time to this country but part of his very personhood to this country, I think you want to listen to that. It is kind of interesting. We have these tough choices coming up.

I am always interested in the debate because it is always the same. We always take care of our veterans because we always have and we always will.

If anyone tells you that we are taking the hospital beds and tipping them up on their heads and throwing them out on the floor of the hospital, try not to listen to that. That is the kind of stuff I have to wade through as chairman of the Senate Veterans' Affairs Committee—and "wade" is the word. At least they are cleaning up some of their letters that they send up to the membership which are often tinged between the absolute most bizarre and ghastely experiences.

One went out to the membership that said:

> The veteran is lying in his bed paralyzed. The food is on the table across the room, slowly getting cold because he can't get to it because there is nobody working there in that ward.

That is, as I say, the kind of stuff I have to wade through in this business.

So the tough choices are here. But I can promise you one thing. I will bet you—well, I will not bet you. I will not do that. I will just say to you that I am rather sure that in a budget of $26 billion that we will find enough bucks to go around to take care of every veteran in the United States, and properly so.

The PRESIDING OFFICER. Who yields time?

Mr. CHILES. Mr. President, I ask unanimous consent to have printed in the RECORD two tables that show that over the last 4 years veterans have lost in their real growth, and in the next 4 out of the 5 years they will also lose in real growth even under the amendment being considered. These tables were prepared by the staff of the Senate Budget Committee for our workup. Despite all the talk here tonight about how much power the veterans have, veterans' funding has simply not kept up with inflation. In real terms it declined 8 percent in 1977, 2 percent in 1978, 3 percent in 1979, and another 2 percent in 1980. It then fell 1 percent in 1981 and 3 percent in 1982. Add that all up, and it has fallen 18 percent behind inflation in the last 6 years. And even if we restored all the cuts back to the baseline, veterans' funding would decline another 3 percent in real terms next year. So, Mr. President, I am just not convinced that we are spending a disproportionate share of the budget for veterans' benefits. The real needs keep going up as more and more veterans reach retirement age. The Nation has a responsibility to those who gave up their health in its service, and we should provide the funds to meet that responsibility.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

TABLE I.—FUNCTION 700: VETERANS BENEFITS AND SERVICES

[Historical data outlays in billions of dollars]

Major program	Actual fiscal year—				
	1976	1977	1978	1979	1980
Veterans compensation	$5.2	$5.7	$6.2	$6.7	$7.4
Veterans pensions	2.9	3.1	3.2	3.5	3.6
Veterans education, training, and rehabilitation	5.5	3.7	3.4	2.8	2.3
Hospital and medical care for veterans	4.0	4.7	5.3	5.6	6.5
All other	0.8	0.8	1.0	1.3	1.3
Total function	18.4	18.0	19.0	19.9	21.2
Nominal growth (percent)	11	−2	6	5	7
Real growth (percent)	6	−8	−2	−3	−2

Source: U.S. Senate Budget Committee

TABLE II.—FUNCTION 700: VETERANS BENEFITS AND SERVICES

[Historical data outlays in billions of dollars]

Major program	Actual fiscal year 1981	CBO baseline projections, fiscal year—			
		1982	1983	1984	1985
Veterans compensation	$8.4	$9.5	$10.3	$11.1	$12.0
Veterans pensions	3.8	3.6	3.6	3.6	3.7
Veterans education, training, and rehabilitation	2.3	1.9	1.4	1.1	0.8
Hospital and medical care for veterans	7.0	7.5	8.1	8.4	8.7
All other	1.6	1.3	1.3	1.4	1.7
Total function	23.0	23.8	24.7	25.6	26.9
Nominal growth (percent)	8	3	4	4	5
Real growth (percent)	−1	−3	−3	4	−1

Source: U.S. Senate Budget Committee

Mr. BENTSEN. Mr. President, I am pleased to join my distinguished colleague from Florida, Senator CHILES, in cosponsoring an amendment to reinstate the cost-of-living adjustment for recipients of veterans pensions and compensation benefits, and to restore sufficient funds to the Veterans' Administration to allow the VA to provide adequate medical care for our Nation's veterans.

Over the years, we have called for and received great sacrifices from our men and women in uniform. At a time when an increasing number of our veterans are in need of medical care, we must not deny adequate resources to staff Veterans' Administration hospitals, clinics, and nursing homes. It is also equally important that we not reduce the pensions and/or compensation benefits that a number of our veterans are solely dependent on for subsistence.

Mr. President, I know that like all Americans, veterans suffer from the same ravaging inflation as all of us, and stand ready to join in the national effort to bring a halt to inflation and reduce Federal spending. However, we should not now shift our national obligations and responsibilities to our veterans by reducing medical care and pension and compensation benefits. I would like to remind my colleagues that the benefits received by our veterans were earned as a result of their unselfish service to our country. It would be a national disgrace to renege on our commitments to our veterans, and expect a new generation of Americans to answer the call of this country in the future.

However, incredible as it is, the Budget Committee has recommended a substantial reduction in medical benefits provided by the Veterans' Administration, and no COLA for veterans with disabilities rated below 70 percent and pension recipients. Mr. President, this is an outrage and I cannot endorse such a proposal that will invariably result in reduced medical care and promised economic benefits for the most needy of our veterans.

Mr. President, there are currently 30 million veterans in the United States, 10 percent of whom are over the age of 65. Further, 12.9 million of our World War II veterans are over the age of 62. Mr. President, many of these veterans have nowhere to look but the Veterans' Administration for health care, and I find it difficult to comprehend how we can now consider reducing funding for VA medical facilities.

If the committee's recommendations are approved, the Veterans' Administration would have to eliminate nearly 13,000 medical personnel and 4,200 beds, or 7,600-bed hospital over the next 3 years. This would also require canceling the activation of 76 hospitals, outpatient clinics, and nursng home facilities scheduled for opening during 1983. This needlessly endangers the quality and quantity of medical care the Veterans' Administration will be able to provide our veterans in the immediate future.

Further, approximately 2.3 millon veterans receive compensation benefits for service-connected disabilities. In addition, nearly 1.7 million veterans or their survivors receive pensions from the Veteran' Administration. These veterans are 100 percent disabled and solely dependent upon their pensions for subsistence. Yet, the committee has recommended that 1.9 million of the service-connected disabled veterans; 400,000 survivors of service-connected veterans; and 1.7 million pension recipients receive no COLA during the next year. Again, I find it hard to believe that we are attempting to transfer our economic troubles to those who have sacrificed at the expense of their own well-being for our Nation, and are now in dire need of economic assistance.

Mr. President, I urge all of my colleagues to join me in rejecting the committee's recommendation to cut medical care and freeze COLA's for our veterans, and to support the Chiles amendment. Failure to do so will not only inflict needless hardship on those who have already paid an enormous price for our freedom, but will also reduce the confidence of our young people in our sincerity and ability to maintain our commitments for future veterans.

I commend Senator CHILES for offering this amendment and urge its adoption.

Mr. SIMPSON. Mr. President, I note that the pending amendment would change the reconciliation instructions to the Veterans' Affairs Committee so as not to restrict the committee to recommending savings in entitlement accounts only. I was very sympathetic to this part of the pending amendment of the distinguished Senator from Florida. And before this amendment is fully debated, I would like to clarify my understanding of this matter with the distinguished chairman of the Senate Budget Committee. I would wish to focus on this matter which was not fully addressed in the technical correction which was made to the modified budget resolution submitted yesterday. In our discussions the chairman has made clear to me that he does not wish to change the reconciliation instructions to the Veterans' Affairs Committee. My specific concern is with the language found on page 27 at lines 10 and 11, as follows: "which provides spending authority as defined in section 401(c)(2)(C) of Public Law 93-334." This language appears to restrict reconciliation changes to entitlements only.

However, if the chairman of the Budget Committee would agree that the Veterans' Committee is able to act with sufficient latitude to allow the committee to determine the amounts which could be saved either by increasing receipts or reducing entitlements, the language change would not be essential to me. I simply wish to be reassured by the distinguished Senator from New Mexico that the Budget Committee agrees that savings the Veterans' Affairs Committee would recommend to meet our reconciliation instructions could be accomplished through offsetting receipts or entitlements, at our discretion, as long as the changes we recommend would satisfy the dollar amounts contained in our reconciliation instructions. Mr. Chairman, is this correct?

Mr. DOMENICI. Mr. President, in my opinion, the answer to the Senator's question is yes. The Veterans' Affairs Committee has broad flexibility in determining how to fulfill its reconciliation obligations under this resolution. It can do that through changes in pension laws or in laws affecting other VA accounts.

Mr. ROBERT C. BYRD. Mr. President, I rise in support of the amendment offered by the distinguished Senator from Florida (Mr. CHILES), to restore funding for veterans cost-of-living adjustments and for veterans health care. It is particularly important to note what this amendment does regarding an equitable COLA for disabled veterans.

The Republican modification of the budget resolution assumes the elimination of COLA for most disabled veterans. It restricts the eligible veteran population very severely, by granting only a 4-percent COLA to those veterans who are 70 percent disabled. Thus, only 12 percent of disabled veterans would be eligible for this reduced COLA.

Yet social security recipients will receive their 7.4 percent COLA in July. Is this fair to veterans? It is inequitable on the face of it. It is unfair. This arbitrary singling out of disabled American veterans for a reduced COLA is a disgrace we ought to correct before the budget resolution goes any further.

The veterans of America fulfilled their commitment, and disabled veterans sacrificed for their country. We ought to at least return their commitment by giving them the same cost-of-living adjustment we are providing for social security recipients.

I urge the adoption of the Chiles amendment.

Mr. SARBANES. Mr. President, I rise in strong support of the amendment offered by the Senator from Florida, Senator CHILES, and the Senator from Maine, Senator MITCHELL, to restore funds to veterans' programs. This amendment would provide for full cost-of-living adjustments for veterans' pensions and disability compensation payments and it would restore funds to veterans' health programs.

The budget resolution before us eliminates the annual cost-of-living adjustment for over 2 million disabled veterans and those who are low income and retired and receive a pension. It precludes veterans with up to 70 percent disability from receiving the annual adjustment in their compensation payment. These are men and women who served their country and suffered serious injury performing this duty. Mr. Sherman Roodzont, the national commander of the Disabled Veterans, points out that those veterans who will be prevented from receiving a cost-of-living adjustment would include veterans who have had an arm or leg amputated as a result of their service. Veterans who are considered over 70 percent disabled would receive a 4-percent adjustment under the budget proposal before us.

This budget proposal would also prevent veterans on a pension from receiving an annual adjustment to accommodate the cost-of-living increase. The recipients of these pensions are low-income retired veterans. Many times the pension they receive is their only source of income. At this time of economic hardship many of our veterans would find it impossible to meet their living needs without the adjustment. The amendment put forward by Senator CHILES and Senator MITCHELL would provide a full cost-of-living increase for our disabled veterans and those receiving a pension.

This amendment would also restore funds to the programs that meet the medical needs of the veteran. The budget resolution does not even provide adequate funds for the administration of veterans' hospitals and clinics to continue current service levels by approximately $700 million. We are at a time when the veteran population is getting older and their health needs increasing. We should certainly not address that need by severely reducing the funds that will enable us to provide adequate health services to our veterans.

It is incredible, Mr. President, that it is proposed to treat brave and courageous men and women who have sacrificed so much for their country in this unfair way. I urge my colleagues to support this amendment that would provide a full cost-of-living adjustment to our veterans and restore funds to the health service programs.

KEEPING OUR COMMITMENT TO VETERANS REQUIRES MORE THAN MERE WORDS

Mr. President, so often throughout this past year I have sat here on the floor and listened to my colleagues—both Democrats and Republicans—rise one by one to praise the sacrifices which our Nation's veterans paid to insure the freedom which all Americans enjoy today. On many occasions, I have joined in such statements—both here and in Delaware—because it is important to continually remind the Nation lest we forget. Many veterans are still paying for their service to the Nation. I speak of the 2.3 million disabled veterans and their families. I also speak of the tens of thousands of unemployed Vietnam-era veterans who are seeking nothing more than a place in the society they risked their lives for just a few years ago.

Unfortunately, many of my colleagues who are so quick to praise our Nation's veterans are unwilling to cast their votes in behalf of those same veterans. On a least five occasions last year, the Senate was faced with the decision of whether to restore funding for Veterans' Administration programs which were cut by President Reagan. On each vote, the veterans of our Nation lost. Yet the speeches on behalf of our veterans have not lessened. If anything, they have increased.

When President Reagan announced his budget for the year beginning October 1, 1982, in February, I was appalled at his recommendation that veterans with service-connected disabilities rated less than 50 percent would lose their dependency benefits while those who are between 60 and 90 percent disabled and are unemployable would lose the 100-percent compensation benefit they currently receive if they also receive help from other Federal programs.

Overall, the President's original budget requested a total of $24.4 billion for the Veterans' Administration or $300 million less than the amount needed to allow existing programs to keep pace with inflation. Then 2 weeks ago, the Republican majority on the Senate Budget Committee voted to adopt the so-called Domenici-Reagan compromise. This compromise between the President and the chairman of the Senate Budget Committee, Senator DOMENICI, provided only $22.7 billion for the Veterans' Administration or $1.7 billion less than the President's original budget request which was already $300 million less than was needed. I voted no to this "compromise". I am willing to work with the President to reach a true compromise which will reduce the deficit. But I am not willing to do so, if it means abandoning the commitment to our veterans—especially those with service-connected disabilities when other alternatives exist.

This $1.7 billion cut which is 7-percent less than the President's original request would be achieved by eliminating the 7.4-percent cost-of-living adjustment for both the compensation and pension programs this year, an adjustment which was scheduled to be made beginning July 1 for those receiving pensions, and on October 1 for those receiving compensation. In addition, $300 million of the $1.7 billion cut would come from the Veterans' Administration's health care programs. Not only is this compromise unacceptable, it is unconscionable. Yet when Senator CHILES and I sought to restore these funds to the amount needed to just keep pace with inflation, we lost on a vote of 4 to 10.

Then yesterday, a new Republican compromise was revealed. We were told that funds were being restored to the Veterans' Administration. Yet when the details were finally revealed, we found that only $400 million of the $1.7 billion which had been cut was being restored. What did this $400 million provide? Little more than a 4-percent cost-of-living adjustment to veterans whose service-connected disabilities are rated 70 percent or more; 4 percent—not the 7.4 percent which those veterans were expecting. Even more disturbing was the fact that veterans rated less than 70 percent would receive no COLA. Neither would any veteran currently receiving a pension even though by law their benefits were to be adjusted 7.4 percent on July 1. Finally, yesterday's amendment provided few funds to cover the shortfall in the Veterans' Administration's health care accounts. Once again, we heard a few good speeches but no real support for our Nation's veterans.

Now we are about to take another vote. Once again I have joined with Senator CHILES and Senator CRANSTON to cosponsor an amendment seeking to restore cuts which President Reagan has insisted upon. While another year has come and gone, the debate merely continues.

This amendment would provide the Veterans' Administration $24.4 billion. This is the amount which it needs just to keep existing programs at the same level as last year. It is not an increase. It is just holding the line. I hope a majority of my colleagues join with me tonight to express their support for our veterans in a concrete way rather than mere words.

Our veterans deserve more.

(UP AMENDMENT NO. 976)

Mr. BRADLEY. Mr. President, before the majority leader offered his party's revised budget we had announced our intention to seek a restoration of $300 million in veterans' health funding for fiscal 1983. I am pleased to see a change of heart in my colleagues on the other side of the aisle. They now recognize the importance of veterans' health funding and have themselves restored most of those moneys. These funds are a portion of the commitment this Nation has made to its soldiers, sailors, and airmen. We must not go back on this commitment.

The men and women who have served in the Armed Forces of this Nation deserve decent medical support. The mechanism now in place to provide this support is the Veterans'

Administration hospital system. Veterans' hospitals are badly in need of improvements. Last month I visited the outstanding veterans' hospital in East Orange, N.J. The hospital staff is quite capable and provides good service to the veterans of my State with the resources available. But, Mr. President, these resources are barely sufficient. The facility has no central air conditioning and the onset of summer weather brings severe discomfort to the patients in the hospital. The fire alarm system is old and inadequate, posing a potential threat to the staff and patients in the event of fire. Parking facilities are atrocious, jeopardizing many of the hospital's outreach activities directed especially toward Vietnam veterans. The new additions to the budget will help remedy these kinds of problems around the country.

Mr. President, there is another reason why we should honor the commitment to veterans health: that is our commitment to the soldiers, sailors, and airmen of tomorrow. Many Americans are eager to avoid the need to coerce young people into the Armed Forces. We would rather have our military manpower requirements met by young people who seek challenge, public service, and the respect afforded the military profession. To achieve this goal, we must make military service worthwhile, we must make the military experience challenging and exciting; we must pay soldiers, sailors, and airmen an attractive wage; we must help those recruits who do not pick up marketable skills while in the military to go to college or vocational school when they get out; and, finally, we must promise to provide the resources to care for them if they are disabled in the line of duty to their country. If we hesitate or falter in these endeavors, we make it more difficult to enlist volunteers, and we make coercion—that is, the draft—more likely.

Mr. President, it is precisely because of this commitment to those who have served our country in the military that I am saddened that the benefits of our disabled veterans have not similarly been taken care of. While the revised budget before us has restored a portion of the cost-of-living increase for those veterans who have at least a 70-percent service-connected disability, this covers only a small portion of our disabled veterans.

I am pleased to join with Senator Chiles in an effort to fully restore the cost-of-living increase to all disabled veterans. Those who have been impaired in service to our country should be entitled to our full gratitude—not just four-sevenths of it. The Chiles amendment presents us with the opportunity to keep our disabled veterans current with the benefits that they have every right to expect.

Mr. President, we have a commitment to military men and women who have served their country in the past. We have an obligation to those young people now considering the benefits of service to their country. While I am pleased that most of the rather minimal funds have been restored which insure that health services are available, on the whole, we will have rather dismal news for our veterans unless the Chiles amendment is passed tonight. I urge my colleagues to find the $700 million necessary to continue our commitment to the disabled veterans of America.

Mrs. HAWKINS. Mr. President, as a cosponsor of this amendment I rise in support of this effort to restore essential services and payments to our Nation's veterans.

I have been a consistent supporter of President Reagan's economic recovery program, and he continues to have my full support. Reduced Government spending, less regulation and taxation, is the only formula for the long-term economic health of our country.

However, I cannot stand idly by and watch as our veterans bear what I consider to be an unfair and disproportionate cut in their budget. Reductions in Government spending are necessary, but they cannot come from the men and women who have served our country so well and bravely.

I have talked with veterans in all parts of my home State, Florida, and I know that they are prepared to make whatever sacrifices necessary and reasonable in order to help restore our economic vitality. Our veterans have served us well on the battlefield and they are willing to serve us well again as we battle to bring order to the economy. I believe that we cannot tolerate additional cuts in these areas of critical veterans services and benefits.

I recognize and appreciate the attempts by the Budget Committee to reevaluate the needs of the veterans, and to restore some of the cuts that were recommended in committee. But, I believe even the latest recommendation from the committee is insufficient.

It prohibits a cost-of-living adjustment for veterans who receive pensions, it decreases the cost-of-living adjustment for disability compensation by 46 percent, and, finally it underfunds desperately needed hospitals and medical clinics.

These cuts are entirely unacceptable to me. I believe they constitute an abrogation of our commitment to the veterans of this country.

These cuts are particularly onerous because they affect the elderly, the poor, and those in need of medical care among our veteran population. It is ironic and sad that unless this amendment is accepted, the veterans who sacrificed so much for this country when it was in need, will be refused basic, minimal services in their hour of need.

This proposed action could be particularly devastating to my State. In Florida, the veteran population has grown so rapidly that the ability of the Veterans' Administration to meet the needs of the population is being taxed on a daily basis.

Mr. President, I urge my colleagues to remember the moral commitment this Nation owes to veterans as we consider this vote. In so doing I am sure you will join me in voting to restore these needed funds to the veterans' budget.

The PRESIDING OFFICER. All time has expired.

The Chair begs your pardon. Five seconds remain to the Senator from New Mexico.

Mr. DOMENICI. Mr. President, I cannot say my name in 5 seconds.

The PRESIDING OFFICER. Time has now expired.

Mr. DOMENICI. I did not get a chance to say Domenici. [Laughter.]

Mr. President, I suggest the absence of a quorum and ask unanimous consent that it be charged to the time on the resolution.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. CHILES. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. CHILES. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Florida. The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Oregon (Mr. Hatfield) is necessarily absent.

I further announce that, if present and voting, the Senator from Oregon (Mr. Hatfield) would vote "nay."

The PRESIDING OFFICER (Mr. Mattingly). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 46, nays 53, as follows:

[Rollcall Vote No. 134 Leg.]

YEAS—46

Baucus
Bentsen
Biden
Boren
Bradley
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chiles
Cranston
DeConcini
Dixon
Dodd
Eagleton
Exon
Ford
Glenn
Hart
Hawkins
Heflin

Hollings
Huddleston
Inouye
Jackson
Johnston
Kennedy
Leahy
Levin
Long
Matsunaga
Melcher
Metzenbaum
Mitchell
Moynihan
Nunn
Pell
Pryor
Randolph
Riegle
Sarbanes
Sasser
Stennis
Tsongas
Weicker
Zorinsky

NAYS—53

Abdnor
Andrews
Armstrong
Baker
Boschwitz
Brady
Byrd, Harry F., Jr.
Chafee
Cochran
Cohen
D'Amato
Danforth
Denton
Dole
Domenici
Durenberger
East
Garn
Goldwater
Gorton
Grassley
Hatch
Hayakawa
Heinz
Helms
Humphrey
Jepsen
Kassebaum
Kasten
Laxalt
Lugar
Mathias
Mattingly
McClure
Murkowski
Nickles
Packwood
Percy
Pressler
Proxmire
Quayle
Roth
Rudman
Schmitt
Simpson
Specter
Stafford
Stevens
Symms
Thurmond
Tower
Wallop
Warner

NOT VOTING—1

Hatfield

So Mr. Chiles' amendment (UP No. 976) was rejected.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. DOMENICI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

(The following statements are printed at this point in the Record to assure inclusion in today's proceedings:)

IN SUPPORT OF HART AMENDMENT REGARDING TITLE I (UP AMENDMENT NO. 971)

Mr. MATSUNAGA. Mr. President, I rise in support of the amendment offered by the distinguished Senator from Colorado. Title I of the Elementary and Secondary Education Act is one of our most outstanding and effective educational programs. It has provided basic reading and mathematical skills to millions of educationally disadvantaged schoolchildren in low-income school districts in my State of Hawaii and throughout the Nation.

Today, as study after study continues to conclude, vast numbers of our Nation's students are not sufficiently adept at those academic disciplines that are of pivotal concern to a post industrial, computer oriented society. It would truly be misguided and counterproductive to relegate such an important and needed program as title I to anything but a premiere position in our struggle against technical illiteracy and public ignorance.

Title I programs have been exceedingly effective in insuring that disadvantaged children acquire the basic skills necessary for leading productive lives and contributing meaningfully to our society. Title I is, indeed, an American success story. And yet, last year, this vital program suffered a severe cut of $400 million. Prior to that unfortunate occurrence, title I was reaching 45 percent—not quite half of the 11 million children who were in need of help. And yet, the budget resolution being considered by the Senate today, provides for further reductions in this viable and critical program. If passed without the Hart amendment, the budget resolution will very likely lead to the virtual demise of title I, with all of the unfortunate consequences that would follow for so many of our young and, for that matter, for the future of education in our Nation itself.

Mr. President, the Hart amendment merely seeks to amend the budget resolution to continue title I at the current level of funding. It will not increase expenditures, just maintain them. And, that level would still be lower than that which was authorized by the Reconciliation Act of 1981. Accordingly, I urge all of my colleagues to join me in voting for the Hart amendment so as to allow title I teachers throughout our country to continue to prepare their students in the vital and necessary areas of reading and math, and by so doing, prepare a place for their students in the future and a place in the future for our disadvantaged American youth.

OPPOSITION TO MELCHER AMENDMENT TO DRASTICALLY CUT FOREIGN ASSISTANCE FUNDS—(UP AMENDMENT NO. 970)

Mr. BRADLEY. Mr. President, the proposed amendment to cripple our foreign security assistance program is a short-sighted cut that will surely jeopardize our broader economic and foreign policy interests over time. Security assistance, particularly the economic support program, establishes the foundation for political stability in countries important to the United States. Such assistance, on the whole, promotes pro-Western views in foreign countries and strengthens the ability of foreign governments to carry out economic programs that keep their economies more open to commercial relations with the United States.

Mr. President, it cannot be wise to weaken the security programs and economies of foreign friends just as the United States is becoming more dependent for its growth and security on developments in the rest of the world, particularly in the developing world. To destroy our security assistance program would be to impair our ability to protect our interests in the southern flank of Europe, in the Middle East, in the Horn of Africa, and in Central America, all regions where, for various national security reasons, the United States seeks to promote stability and the strength of our friends. Although the amendment is designed to exclude two of our most important allies in the critical Middle East region, Israel and Egypt, the result would be to destroy our ability to provide security assistance to nearly all our other friends and allies in these regions. If we are prepared to do this, then much of our defense program is a waste of money because the use of force cannot substitute for policies to stabilize the political communities and economies of many critical developing countries.

The United States relies even more on economic demand in foreign countries for our economic growth that we depend on their security for our own. The simple fact is that robust growth in the United States cannot occur without market opportunities abroad. And there will be no market opportunities for us if foreign economies, particularly those of developing countries, fail.

Trade already amounts to nearly one-fifth of our GNP, about twice what it was in the 1960's. Exports generate one in six manufacturing jobs in the United States, and keep one in three acres of farmland active. Markets in the developing world are particularly important to our growth prospects.

These markets have been the most dynamic source of growth for U.S. exports. Our exports to these countries grew at an average annual rate of 18 percent in the 1970's, compared with only 15 percent growth in our exports to other industrialized countries. Developing countries now take nearly 40 percent of U.S. exports, purchases which account for more than one-half million jobs here. Further, the United States has enjoyed large surpluses in its balance of trade in manufacturing goods with developing countries. They also are important customers for U.S. services, accounting for some $17 billion surplus in services in 1978. U.S. industry also heavily relies on the importation of minerals from many of these countries, and some of these minerals are critical to our economy and defense capability.

Mr. President, U.S. economic growth in the future will rest importantly on overseas market opportunities. Sales abroad can spur many of our industries and the export of our services. At this time, we in the Congress rightly are urging the administration to vigorously insist on the dismantlement of barriers to U.S. products, services, and investment abroad. But our efforts to eliminate barriers will be fruitless, unless overseas demand, particularly developing countries demand, for our services and products thrives. Our political relations with these developing countries are no less important. Adoption of this amendment would shoot ourselves in the foot on both counts. We already have enough economic and security problems. I hope we will not compound them with another self-inflicting wound. I urge my colleagues to reject this amendment.

SUPPORT FOR EPA FUND RESTORATION AMENDMENT—AMENDMENT NO. 1488

Mr. SARBANES. Mr. President, I strongly support the amendment to restore funds to the Environmental Protection Agency for its operating programs and for the Superfund program. The funds provided for by this amendment would enable us to continue to move toward our national goal of controlling hazardous wastes and toxic chemicals, ascertaining the effect of pollution on our health, and providing assistance to States to meet the requirements under the law in controlling toxic wastes and cleaning up our air and water.

It is imperative that we continue to keep as a national goal a clean environment. Congress and the American public have worked hard over the last few years to reach this goal by passing the Clean Water Act, the Clean Air Act, and other protections for the environment and our health. The Clean Water Act passed in 1972 directs EPA to insure safe and healthy water. The State of Maryland is especially sensitive to the importance of clean water because of its many water resources. The Chesapeake Bay not only provides a bountiful harvest of seafood and employment for thousands of Marylanders but also offers recreation to families throughout the year.

The clean air legislation, passed over a decade ago and strengthened more recently, requires the EPA, with the help of the States, to clean up our air. We are seeing progress. However, this administration has taken action to undo existing requirements and to cut funding.

The problem of abandoned hazardous wastes coming to the surface and causing serious health problems and fear in a community has come to our Nation's attention—especially since the findings at Love Canal. The Superfund program was enacted in December 1980 by the Congress to address these problems and encourage a partnership between the State and Federal Governments to clean up abandoned and uncontrolled hazardous waste sites and spills. Already the EPA has identified 115 dumps for clean up under this program. My State of Maryland, in which one of these hazardous dumps was located was able to remedy a potentially serious health hazard in a city neighborhood because of this program.

The additional funds in the amendment would still leave EPA below its 1981 budget, considering inflation. At the same time that the administration is cutting the budget for environmental protection, it is also suggesting that the 50 individual States pick up the responsibility and the cost of fighting pollution. The National Governor's Association and State environmental officials report that many States would consider dropping these programs because of the cost. If this happens, many of our hard-won gains in cleaning up our air and water will be lost. The New Federalism will not work with regard to pollution control programs—polluted air and water do not stop at State or county lines.

The State of Maryland's Office of Environmental Programs estimates that it will lose roughly $700,000 in Federal funds in fiscal year 1983. This is a 25 percent loss in their budget. Maryland receives 87 percent of its safe drinking water budget, 56 percent of its water quality budget, and 45 percent of its air quality funds from the Federal programs. If funds are cut from the Environmental Protection Agency, the State of Maryland has indicated that monitoring and enforcement of air and water quality standards will have to be cut, also.

The Reagan administration has seriously jeopardized our ability to protect our environment and the safety and health of our citizens. The protection of our environment has ground to a halt because of budget cutbacks, delays in promulgating regulations, regulatory changes and policy makers who do not subscribe to the mission of the Environmental Protection Agency. Cutbacks in enforcement and monitoring today will mean higher health costs and environmental losses in the future. It is a shortsighted and unwise policy to follow.

We must instead restore the protection of our environment and health as a national goal and priority.

ENVIRONMENTAL PROTECTION (AMENDMENT NO. 1488)

Mr. BRADLEY. Mr. President, since this administration has been in office the major EPA activity has been reducing environmental protection. There is a national concensus that clean air, clean water, and protection of the public health, EPA's responsibilities, are urgent concerns. The administration's attack on these concerns is dramatically reflected in the massive proposed EPA personnel cuts of nearly 50 percent, and budget cuts of over 50 percent from 1982 to 1984.

Amid administration claims that we must go slow because there is much we do not know, EPA's outside research budget is to be cut two-thirds. Even where money is in hand, as with superfund which cleans up imminently hazardous toxic waste sites, the administration has proposed spending at levels less than EPA itself had earlier defined as a "minimum program—unacceptable risk."

Mr. President, these EPA actions are irresponsible. They defy the public will. Every recent survey demonstrates strong public support for vigorous enforcement of environmental laws. A CBS-New York Times poll late last year showed an overwhelming majority of the public supports strict environmental protections no matter what the economic costs. An April 1982 poll of New Jersey residents by the Eagleton Institute showed that 68 percent of the public was very concerned about the problem of chemical wastes. And New Jersey residents have good cause for concern.

The Reagan administration's attempt to go slow on utilizing the superfund which Congress created more than a year and a half ago is appalling. Those delays only breed further public fear and anger.

But, Mr. President, the public is not the only concerned party. The business community also suffers—not only from the uncertainty which results when enforcement is spotty and decisions are not made. Responsible industries face resistance to new plant expansion and development when the public believes that Government is not watching the environmental consequences.

When EPA announced its plan to relax hazardous waste dumping standards even industry reacted. They know that we need to site and build hazardous waste disposal facilities. Yet, what community will tolerate such a facility in its vicinity if they believe strict standards will not be vigorously enforced?

EPA workers have more work per worker than any other agency; workload has doubled while the work force has been sharply reduced. Last, they cripple our ability to know how to protect the public health any time in the near future—the proposed budget means a loss of 1,500 senior researchers and 5,000 of their associates, effectively destroying the science base slowly developed to enable us to understand and manage the environment.

As a Senator from a State suffering from long neglect of the environment, a State which in a tiny land area has 11 percent of the most hazardous sites in America, I cannot allow the EPA to be dismantled. I cannot stand by while other States are polluted and progressively less environmental protection is done. Congress has passed the necessary legislation. The administration refuses to use it.

To restore the capability of EPA to deal with the environment, I support the Moynihan-Leahy amendment to increase EPA funding above Budget Committee recommendations. The additional funding will permit: One, effective control of hazardous wastes and chemicals beginning now and not in two decades; two, allow Superfund cleanup to proceed with the necessary urgency; and three, will assume maintenance of a scientific capability so that we will know what to do and how to do it.

SOCIAL SECURITY

Mr. McCLURE. Mr. President, sometimes the conventional wisdom proves to be conventional but not wise. I am referring to the widespread notion that any adjustment in the social security future benefit levels to regain solvency for the fund would be politically disastrous—at least to those supporting the changes. That is a notion that has been pushed by those who want increased levels of spending and, unfortunately, by those who seek political advantage from the fears of those dependent upon social security for their necessary living expenses.

Mr. President, I believe the evidence is on the other side. In my own experience, the older people who are most directly affected are concerned about the stability of the fund, those younger workers who face many years of payments into the fund are not confident they will ever receive any payments in return, and all our people distrust the political process that deals with the problem. Various polls that have been published verify my own observations. We are, also, seeing widespread editorial support for such action. One of the most cogent and persuasive of such editorials appeared in the Albuquerque Tribune of Wednesday, May 19, 1982. The title and the lead sentence state the political condemnation and the real problem very pointedly. The title is "Timid Congress," and the body of the editorial is less kind to the Congress. The lead sentence is: "It is sad but true that the U.S. Senate still views the current budget impasse as a political question rather than a serious national problem."

Mr. President, that is sad but true. The editorial is, also, right on the mark when it says that "Senator PETE DOMENICI of New Mexico is correct when he predicts that the tide of public opinion will be with us in funding social security savings to go with a general budget tightening." And, unfortunately, the editorial is right when it says that "Congress lacks the courage to face that issue with an election pending."

Mr. President, this country needs men and women with vision and courage—men and women like Senator PETE DOMENICI. This country needs men and women who trust the American people enough to vote with the same good sense and determination as the American people, themselves, show. It is time to recognize that statesmanship and good politics are sometimes the same.

I ask unanimous consent that the full text of the editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

TIMID CONGRESS

It is sad but true that the U.S. Senate still views the current budget impasse as a political question rather than a serious national problem.

The consensus seems to be to continue muddling along, depending upon the passage of time to deal with the pending bankruptcy of Social Security.

In so doing, Congress is selling short the hopes and plans of today's wage earners, to placate the well organized minority of retirees already collecting the payroll taxes being deducted from today's workers.

One needn't decide to throw this nation's elderly to the wolves to accept the necessity for some form of cost containment plan to put Social Security once again on the road toward long term solvency.

Sen. Pete Domenici, R-N.M., is correct when he predicts that "the tide of public opinion will be with us" in finding Social Security savings to go with a general budget tightening.

He is also correct when he says the goal for Social Security is solvency—the continued ability for the system to pay for itself through the present Social Security tax.

But Congress lacks the courage to face that issue with an election pending.

Today we have a national budget awash in red ink that perpetuates a crisis of confidence in the nation's money markets. That crisis will continue with Republican Senate leaders' talk of restoring budget cuts already scheduled for Medicare, student loans, veterans' benefits, housing and space.

The budget process is going backwards, even as Congress talks of raising taxes again. The tax talk will effectively nullify any salutorious effect the Reagan tax cut might have had on American savings and investment plans.

The Social Security system is so loaded with automatic entitlement multipliers that outgo has continued to exceed income despite the record Social Security tax hikes of recent years.

A timid Congress awaits a Social Security cure from divine intervention, and is on the way to selling out the economic future of the nation for near term political spoils.

[From the Albuquerque Tribune, Wed., May 19, 1982]

EACH MUST GIVE A LITTLE

(By William L. Lehmann)

EDITOR, THE TRIBUNE: As a federal employee, I didn't cause inflation but rather suffered from it. As a federal retiree, I had expected to keep up with inflation as provided for in the terms of my employment. But today, faced with the most various financial crisis since the Great Depression, it is clear that each of us must give a little or we all will sink.

Therefore, while it will hurt personally, I applaud Sen. Pete Domenici for his courage and will support his harsh but realistic call to freeze non-defense federal expenditures for a year. The kind of inflation we have seen over the last two years will destroy us if it is not stopped, and we won't stop it with huge deficits or with ever increasing taxes.

Sen. Domenici has shown the leadership of a statesman concerned for the fate of his country. If we support that leadership, we have a chance to win. If we fail to support it now, our children and grandchildren may well have to rebuild from the effects of a second Great Depression.

THE BUDGET COMPROMISE

Mr. SCHMITT. Mr. President, I want to commend the senior Senator from New Mexico on his diligent, often frustrating work on the first concurrent budget resolution.

For the last several months, Congress has been paralyzed with inaction over the budget. Only through Senator DOMENICI's leadership is this budget resolution on the floor of the Senate today. Although it does not incorporate all the factors that I believe it should, it nonetheless takes another important bite at the economic apple.

The budget compromise is a good one. It reduces deficits in all of the next 3 fiscal years. This resolution coupled with congressional action on a balanced budget constitutional amendment should shore-up the week knees in the long- and short-term credit markets

We are debating this resolution today because we are in a recession. The recession is a direct result of past policies of tax and spend. Last year, this Congress enacted the boldest legislation ever in addressing our economic woes. We did not act quickly enough. Before industry could begin the expansion that the Economic Tax Recovery Act allowed, the big spending juggernaut of inflation-born high interest rates swept those expansion plans away. Unemployment and a recession have resulted. The big spending chickens have come home to roost.

If we had acted quickly enough, our industrial base would have expanded, the revenues flowing to the Treasury would have been greater, and we would not be projecting deficits of over $200 billion in fiscal year 1985.

What is done is done. Our task today is to pass this resolution and get on with the business of the Senate.

This budget resolution is a brave initiative; it requires a large number of people to make some sort of scarifice, and sacrifice is never popular. Federal civilian employees and retirees will be asked to give up cost-of-living increases in salaries and annuities. The growth of entitlements will be slowed, and nondefense discretionary programs will be frozen.

In a very eloquent speech on this floor, Senator GARN brought some facts to the attention of the Senate that bear repeating. In 1962 we had the first $100 billion budget. In 1971 we had the first $200 billion budget. In 1975 we had the first $300 billion budget. In 20 years our budgetary largesse has expanded 700 percent. The budget has been running out of control and the American people and financial markets have said stop.

One other fact that I would point out to this body is that the true tax on the American people is not the revenues we call taxes. Every dollar we spend today has to be payed for by revenues some time. The true tax Americans pay is the amount that the Government spends. Mr. President, in fiscal year 1983 we expect to tax the American public at a rate of $783.6 billion, because we are going to spend that much.

It should be pointed out that even this $783.6 billion in taxes is the result of a compromise. It is still too large. True, deficits are reduced from earlier projections. However, we are still looking at deficits of $115.4 billion in fiscal year 1983, $91.3 billion in fiscal year 1984, $64.4 billion in fiscal year 1985, or a total of $271.1 billion of deficit in 3 years.

This body should also take note of the size of the public debt. In fiscal year 1985, we can expect the public debt to be $1.5 trillion. It took us over 200 years to get ourselves $1 trillion in debt. It will take 5 years to add one half trillion dollars to that.

However, it is my hope that this budget will send the right message to industry and to the credit markets. That message should stabilize our turbulent economic environment, and reduce the level of fear and uncertainty about the future direction or our economy.

That fear and uncertainty must be reduced so that this body can get on with the business of the country. Without feeding on that fear, my colleagues on the other side of the aisle would not have been able to get mileage out of social security that they have. But, they did not help to fashion the compromise. They were content to criticize, not cooperate.

Some can continue to demagogue on social security; some can continue to point to unemployment statistics; and some can continue to snipe at the Federal Reserve while our economy slowly grinds to a halt. Or we can do the right and responsible thing and pass this budget resolution and go back to our committees and carry out the instructions contained in the budget resolution. I hope we are prepared to do the latter.

THE BUDGET FOR SPACE, SCIENCE, AND TECHNOLOGY

Mr. CHILES. Mr. Presient, I am pleased that the modified budget resolution has "unfrozen" the budget for space, science and technology. I had planned to offer an amendment to restore the President's January budget request, as I had done in the Budget Committee. The Budget Committee's freeze plan would have cut these budgets by $800 million in 1983 and 1984, and $400 million in 1985.

Mr. President, we have all been thrilled to watch the early successes of the Space Shuttle. Freezing its funds at 1982 levels would cut operations by about $400 million in 1983. In the outyears, where the costs of Shuttle procurement decline, there would not be much savings in the deficit. Yet the impact on the space program would be substantial.

The production of the fourth orbiter vehicle would be delayed, requiring the Air Force to buy more Titan rockets for its launch needs. This would also give commercial users a strong incentive to switch to alternative systems, such as the French Ariane. We would be giving up our technological superiority in a classic case of penny-wise, pound foolish. The kinds of space science losses would be the Space Telescope and gamma ray observatories, the Spacelab missions, and the backup activities, of developing instruments, data analysis and support technology. Since these backup activities have some of the greatest spinoffs into commerical technology, the economic loss would be quite serious.

While some space science missions may sound easy to delay, each time we squeeze them back, we cause experienced engineers and scientists to leave the field and discourage new ones from entering. Our rates of producing engineers are already well below the Soviet Union and Japan. If we keep eating our scientific seed corn, it will be generations before we recover.

I think we have all become aware of the critical role that science and technology play in developing the growth sectors of our economy. In some areas, like telecommunications and computers we can see the direct, immediate payoffs. In other areas, like high energy physics, mathematical research and space science, the returns cannot be clearly known in advance. Yet, the rewards are no less real for their unpredictability. Advances in computer hardware come from understanding how electric charges react in different materials under various temperature conditions. Software improvements come from mathematics. Last year, the administration made an error and tried to cut back on basic research. The outcry from business as well as the scientific community was sufficient to convince them to restore a modest 3-percent real growth path for science in their 1983 budget. This is the minimum long-term investment we need for the good of the economy. The administration's request does not even adequately fund important programs like science education, so sacrifices will have to be made to live within this request.

If we go along with the freeze in basic science, we will lose many important projects. We would have to eliminate three or four new experimental computer facilities, thus retreating in an area where we are competing neck to neck with the Japanese for leading the next generation of computers. Electronics facilities, such as the Cornell Election Storage King and the Indiana University Cycloton would have to be cut, and planned initiatives in polymer and solid-state chemistry research would be foregone. Many other projects in chemical engineering, microelectronics, and robotics would also be hit by a freeze. In the biological sciences, we would lose an attempt to replace outmoded laboratory equipment through a shared-instrumentation initiative. Planned projects in large integrated ecosystems and the flow of bio-organic elements would be curtailed. Promising initiatives in the neurosciences would also be cut back, delaying our understanding of the basic functioning of the brain and nervous systems.

This is just a brief catalog of the immediate losses. As with space science and engineering, we would create a longer term loss by sending out a message to the country that we do not place a high priority on scientific research. We can expect scientists to be dedicated, but we cannot expect them to work if no one will fund their research. While private companies will pay for applied research, it is not in their economic interest to fund basic research. The return to any one company is only a quarter of the return to the economy as a whole. Yet, without a strong foundation of basic research, applied research and technology cannot get very far.

I am therefore pleased that the Senate majority has made this change, and I hope it will survive through the rest of the budget process.

MEDICARE CUTS

Mr. BIDEN. Mr. President, the media is full of stories about social security. Whenever I hold a town meeting in Delaware, a large number of the questions deal with proposals to cut social security. We in the Senate recently spent many hours debating the issue here on the floor just a few days ago. Social security is the hot issue of the day, commanding the attention of much of the population.

While it is proper, Mr. President, for social security to receive a great deal of attention and publicity, I am afraid all that attention has obscured yet another cut which can have an equally devastating effect on seniors. I am referring, Mr. President, to the proposal to make significant cuts in the medicare program over the next 3 years.

Now it is true, Mr. President, that the resolution before us restores a portion of the cut originally contemplated by the majority of the Budget Committee. I do not, however, believe the amount restored is sufficient; and so voted for the Moynihan amendment making additional restorations, aimed particularly at mitigating the effects of the proposal to institute a copayment against the cost of a medicare patient's hospitalization.

Although it is unclear, Mr. President, what kind of copayment scheme might be approved, I would like to briefly examine the effect of the original Budget Committee proposal to institute a 6-percent copayment in fiscal year 1983, an 8-percent copayment in fiscal year 1984, and a 9-percent copayment in fiscal year 1985.

If this proposal were ever to be enacted into law, it would mean that a medicare patient would be forced to pay $116.34 per week—after the $256 deductible currently charged—for the average hospital room in Delaware, as opposed to $0 today. In fiscal year 1984, assuming a 5-percent increase in the cost of a hospital room in Delaware, the charge would be $165.36 per week, again as opposed to $0 today. In fiscal year 1985, assuming another 5-percent jump in average hospital costs, the additional charge would rise to $192.15 per week.

To bring this proposal into even clearer perspective, Mr. President, a 60-day hospital stay for a medicare patient under current law costs that patient $256 in out-of-pocket expenses. If a copayment on the order originally contemplated by the Budget Committee majority were to be approved, that stay would rise to $1,287.87 in fiscal year 1983, $1,743.48 in fiscal year 1984, and $1,972.80 in fiscal year 1985.

When he first heard of the magnitude of the proposed medicare cuts, the president of the Association of Delaware Hospitals called my office to express his view that the proposal is "unrealistic." I would go a step beyond that characterization, Mr. President. I believe such a proposal represents a callous attempt to cut costs in order to hide the failure of the administration's economic program.

How are we to expect seniors to cope with such attempts to balance the budget on their backs? Let us remember that, although the Consumer Price Index actually went down last month, the health care portion of the CPI jumped by 12 percent.

Let us also remember, Mr. President, that this generation of seniors has made its sacrifice. They have been through the Great Depression. They have lived through three and, in some cases, four wars. They have worked to bring the country out of numerous recessions.

Yes, they are willing to do even more. Each senior I encounter expresses his or her willingness to do their part to help get America's economy back on track. But they are not willing to have the budget balanced on their backs, and neither am I. I hope, Mr. President, that any copayment scheme gets the sound beating it deserves.

THE EVE OF TRAGEDY

Mr. PELL. Mr. President, for the past 7 weeks, the world has watched the slow unfolding of a dreadful drama in the South Atlantic. There is no condoning Argentina's use of force in seizing the Falkland Islands. Britain's response was understandably vigorous. And the march of events has steadily dimmed our hope for a reasonable ending. Britian has dispatched a fleet of warships, hundreds of men have died already in combat at sea, negotiations have foundered, and the two sides now appear poised for a spasm of blood-letting from which both will gain nothing but sorrow. We seem on the eve of tragedy better chronicled by an Evelyn Waugh, whose most vigorous theme was man's inexorable stupidity.

The futility of this outcome stands underscored by the alternative available to the adversaries. In themselves, the Falklands offer scant economic benefit to either nation. But regional possibilities for undersea mineral development do render the islands potentially valuable to both. Conceivably, joint action could produce mutual gain, the feasibility of collaboration being suggested by Britian's relevant technological capabilities and the sizable population of British language and descent already harmoniously resident on the Argentine mainland. As the present dispute has moved toward crisis, the concept of cooperative development has given way to the passions of confrontation. But trusteeship or split sovereignty proposal could still be revived. In the latter case, a third party—the United Nations or the United States—would serve as catalyst and partner. If not, hundreds or thousands of fine young men from both nations will soon lose their lives to a conflict the world's next generation may scarcely remember. Let us hope—and indeed pray—that the imperatives of emotion and national dignity will, at the last hour, yield to the finer claims of constructive statesmanship and creative compromise.

In closing I would add that political leaders have a duty to their nation and its pride, but they also have a duty to God and to the lives of their young men.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the ACTING PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the Committee on Governmental Affairs.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 10:32 a.m., a message from the House of Representatives, delivered by Mr. Berry, one of its clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 2035. An act to authorize certain employees of the U.S. Department of Agriculture charged with the enforcement of animal quarantine laws to carry firearms for self-protection; and

H.R. 6164. An act to authorize the Secretary of Agriculture to implement the Agreement on the International Carriage of Perishable Foodstuffs and on the Special Equipment To Be Used for Such Carriage (ATP), and for other purposes.

ENROLLED JOINT RESOLUTION SIGNED

At 10:53 p.m., a message from the House of Representatives, delivered by Mr. Berry, announced that the Speaker has signed the following enrolled joint resolution:

H.J. Res. 412. Joint resolution to authorize and request the President to designate May 20, 1982, as "Amelia Earhart Day."

The enrolled joint resolution was subsequently signed by the President pro tempore (Mr. Thurmond).

ENROLLED JOINT RESOLUTIONS SIGNED

At 4:15 p.m., a message from the House of Representatives, delivered by Mr. Berry, announced that the Speaker has signed the following enrolled joint resolutions:

S.J. Res. 53. A joint resolution to provide for the designation of September 5, 1982, as "Working Mothers' Day";

S.J. Res. 59. Joint resolution designating the square dance as the national folk dance of the United States; and

S.J. Res. 160. Joint resolution to provide for the designation of July 9, 1982, and April 9, 1983, as "National P.O.W.-M.I.A. Recognition Day."

The enrolled joint resolutions were subsequently signed by the President pro tempore (Mr. Thurmond).

HOUSE BILL REFERRED

The following bill was read the first and second time by unanimous consent, and referred as indicated:

H.R. 2035. An act to authorize certain employees of the U.S. Department of Agriculture charged with the enforcement of animal quarantine laws to carry firearms for selfprotection; to the Committee on Agriculture, Nutrition, and Forestry.

HOUSE BILL PLACED ON CALENDAR

The following bill was read the first and second times by unanimous consent, and placed on the calendar:

H.R. 6164. An act to authorize the Secretary of Agriculture to implement the Agreement on the International Carriage of Perishable Foodstuffs and on the Special Equipment to be Used for Such Carriage (ATP), and for other purposes.

ENROLLED JOINT RESOLUTIONS PRESENTED

The Secretary reported that on today, he had presented to the President of the United States the following enrolled joint resolutions:

S.J. Res. 53. Joint resolution to provide for the designation of September 5, 1982, as "Working Mothers' Day";

S.J. Res. 59. Joint resolution designating the square dance as the national folk dance of the United States; and

S.J. Res. 160. Joint resolution to provide for the designation of July 9, 1982, and April 9, 1983, as "National P.O.W.-M.I.A. Recognition Day."

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-3492. A communication from the Secretary of the Senate, transmitting, pursuant to law, a full and complete statement of the receipts and expenditures of the Senate, showing in detail the items of expense under proper appropriations, the aggregate thereof, and exhibiting the exact condition of all public moneys received, paid out, and remaining in my possession from October 1, 1981 through March 31, 1982; ordered to be printed and to lie on the table.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. SCHMITT, from the Committee on Commerce, Science, and Transportation, without amendment:

S. 2551. An original bill to authorize appropriations for the National Science Foundation for fiscal year 1983 (Rept. No. 97-407).

By Mr. PACKWOOD, from the Committee on Commerce, Science, and Transportation, with an amendment in the nature of a substitute:

S. 2336. A bill to authorize appropriations for fiscal year 1983 for certain maritime programs of the Department of Transportation, and for other purposes (Rept. No. 97-408).

By Mr. THURMOND, from the Committee on the Judiciary, without amendment:

S. 2215. A bill to recognize the organization known as the National Association of State Directors of Veterans' Affairs, Inc. (Rept. No. 97-409).

By Mr. DOLE, from the Committee on Finance, without amendment:

S. 2555. An original bill to authorize appropriations for the U.S. International Trade Commission, the U.S. Customs Service, and the Office of the U.S. Trade Representative for fiscal year 1983, and for other purposes (Rept. No. 97-410).

By Mr. PACKWOOD, from the Committee on Commerce, Science, and Transportation, with an amendment in the nature of a substitute:

H.R. 3663. An act to amend subtitle IV of title 49, United States Code, to provide for more effective regulations of motor carriers of passengers (Rept. No. 97-411).

By Mr. DOMENICI, from the Committee on the Budget, without amendment:

S. Res. 384. A resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of title IV of S. 2487, which authorizes supplemental appropriations for fiscal year 1982 for intelligence activities of the United States.

By Mr. PERCY, from the Committee on Foreign Relations, without amendment:

S. Con. Res. 98. A concurrent resolution reaffirming Senate resolution (S. Res. 179) and House resolution (H. Res. 177) and urging the President to seek agreement at the Versailles summit conference that nuclear supplier nations should export nuclear fuel and equipment only to nations that permit fullscope safeguards.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. PERCY, from the Committee on Foreign Relations, Robert Anderson, of the District of Columbia, a career member of the Senior Foreign Service, class of minister-counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States to the Dominican Republic.

(The above nomination was reported from the Committee on Foreign Relations with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

NOMINEE: Robert Anderson
POST: Dominican Republic

CONTRIBUTIONS AND AMOUNT

1. Self: Robert Anderson; none.
2. Spouse: Elena Anderson; none.
3. Children and spouses names: Gerald and Cynthia (daughter), Delarue Christina Anderson (daughter), Mark Andrew Anderson (son); none.
4. Parents names: Mrs. Andrew Anderson (mother), father (deceased); none.
5. Grandparents names: Deceased.
6. Brothers and spouses names:
7. Sisters and spouses names: Howard and Wynne Winn-Moon; none.

By Mr. TOWER, from the Committee on Armed Services:

Richard L. Wagner, Jr., of California, to be Chairman of the Military Liaison Committee to the Department of Energy.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. SCHMITT:

S. 2551. An original bill to authorize appropriations for the National Science Foundation for fiscal year 1983; from the Committee on Commerce, Science, and Transportation; placed on the calendar.

By Mr. BIDEN (for himself, Mr. Thurmond, Mr. Wallop, Mr. Bentsen, Mr. Chafee, Mr. Durenberger, Mr. Garn, Mr. Goldwater, Mr. Huddleston, Mr. Inouye, Mr. Jackson, Mr. Leahy, Mr. Lugar, Mr. Moynihan, Mr. Roth, Mr. Schmitt, and Mr. Hollings):

S. 2552. A bill to protect the safety of intelligence personnel and certain other persons; to the Committee on the Judiciary.

By Mr. ROTH (by request):

S. 2553. A bill to amend section 3109 of title 5, United States Code, to clarify the authority for appointment and compensation of experts and consultants, and for other purposes; to the Committee on Governmental Affairs.

By Mr. PERCY (for himself, Mr. Dixon, Mr. Jepsen, Mr. Zorinsky, Mr. Pressler, Mr. Baucus, Mr. Burdick, Mr. Levin, and Mr. Exon):

S. 2554. A bill to require the Commodity Credit Corporation to dispose of Government-owned stocks of agricultural commodities; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. DOLE:

S. 2555. An original bill to authorize the appropriations for the U.S. International Trade Commission, the U.S. Customs Service, and the Office of the U.S. Trade Representative for fiscal year 1983, and for other purposes; from the Committee on Finance; placed on the calendar.

By Mr. DANFORTH (for himself and Mr. Chiles):

S. 2556. A bill to require that furniture and decorative accessories for us in offices of certain officers of the government be procured by the Administrator of General Services, and for other purposes; to the Committee on Governmental Affairs.

By Mr. QUAYLE:

S. 2557. To amend the Internal Revenue Code of 1954 to simplify the tax system by providing flat rate schedules for individuals and corporations, and for other purposes; to the Committee on Finance.

By Mr. DeCONCINI:

S. 2558. A bill to increase the duty on imported copper by an amount which offsets the cost incurred by copper producers in the United States in meeting domestic environmental requirements; to the Committee on Finance.

By Mr. MELCHER:

S. 2559. A bill for the relief of Aleksander Perovic; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. LEAHY (for himself, Mr. Kennedy, Mr. Hart, Mr. Cranston, Mr. Stafford, and Mr. Moynihan):

S. Con. Res. 97. A concurrent resolution urging greater opportunity for public participation in formulation of regulations governing national forest system resource planning; to the Committee on Agriculture, Nutrition, and Forestry.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BIDEN (for himself, Mr. Thurmond, Mr. Wallop, Mr. Bentsen, Mr. Chafee, Mr. Durenberger, Mr. Garn, Mr. Goldwater, Mr. Huddleston, Mr. Inouye, Mr. Jackson, Mr. Leahy, Mr. Lugar, Mr. Moynihan, Mr. Roth, Mr. Schmitt, and Mr. Hollings):

S. 2552. A bill to protect the safety of intelligence personnel and certain other persons; to the Committee on the Judiciary.

PROTECTION OF INTELLIGENCE PERSONNEL

Mr. BIDEN. Mr. President, on behalf of Senators Thurmond, Wallop, Bentsen, Chafee, Durenberger, Garn, Goldwater, Huddleston, Inouye, Jackson, Leahy, Lugar, Moynihan, Roth, Schmitt, and Hollings, I am introducing a bill to amend title 18, United States Code, to protect the safety of intelligence personnel and certain other persons.

Essentially, the bill provides Federal criminal penalties for assaults on intelligence agency employees in the course of their official duties, as well as for assaults on defectors admitted to the United States under CIA auspices and other foreign visitors certified by the Director of Central Intelligence to be present in the United States under CIA auspices.

These amendments were proposed by the CIA, endorsed by the Justice Department, and supported by the administration for inclusion in the Intelligence Authorization Act for fiscal year 1982. The Senate Intelligence committee reported them as section 510 of S. 1127, the Intelligence Authorization Act for fiscal year 1982, on May 6, 1981. It was then passed by the Senate.

Unfortunately, the House version of the Intelligence Authorization Act for fiscal year 1982 contained no similar provisions; and the Conference Committee deleted section 510 because the House conferees insisted upon its consideration as separate legislation. Accordingly, this bill contains the same provisions as section 510 of S. 1127 passed by the Senate. The intent of these provisions was discussed in the Senate Intelligence Committee report on S. 1127 (S. Rept. No. 97-57, pp. 18-19).

The members of the intelligence and Judiciary Committees have already expressed their unanimous view that there is an overriding need to give intelligence personnel the same type of protection against murderous assaults as is afforded by current law to many other types of Government employees. Senior intelligence officials frequently receive threats to their safety, and lower level employees have also been threatened by persons who learn of their intelligence affiliation. However, under present law there is not an adequate basis for Federal Criminal investigation or prosecution in cases where there is evidence that an assault will occur in the performance of the employee's official duties.

Congress has an obligation to provide the full protection of Federal law for those who serve our intelligence agencies. It is sometimes difficult, as we have recognized in considering the Intelligence Identitites Protection Act, to strike a balance that protects their safety without infringing on constitutional rights. This bill does not raise such issues.

Several important issues that affect the CIA and the intelligence community are before the Congress this year, and these matters should be considered very carefully. I believe, however, that this proposal to protect the safety of intelligence personnel deserves prompt enactment. It is my earnest hope that the other body will act as soon as possible on the identical measure, H.R. 4940, introduced by Chairman Boland of the House Intelligence Committee, so that this legislation can be passed without further delay.

As Judiciary Committee representative on the Intelligence Committee I pledge to work for prompt enactment of this legislation. The full membership of the Intelligence Committee has joined me in sponsoring this legislation and I am particularly pleased that the distinguished Chairman of the Judiciary Committee has joined us in this effort. With this kind of bipartisan support I am optimistic that the essential protection it proposes will soon be available to our intelligence professionals.

I ask unanimous consent that the text of the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2552

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1114 of title 18, United States Code, is amended—

(a) by inserting "or attempts to kill" after "kills";

(b) by striking out "while engaged in the performance of his offical duties" and inserting in lieu thereof "or any officer or employee of any department or agency within the Intelligence Community (as defined in section 3.4(F) of Executive Order 12333, December 8, 1981, or successor orders) not already covered under the terms of this section"; and

(c) by inserting before the period at the end thereof a comma and the following: "except that any such person who is found guilty of attempted murder shall be imprisoned for not more than twenty years".

Sec. 2. Chapter 51 of title 18, United States Code, is amended by adding at the end thereof the following new section:

"§ 1118. Murder, manslaughter, assaults, threats, extortion, or kidnaping of persons given entry into the United States for permanent residence pursuant to section 7 of the Central Intelligence Agency Act of 1949

"(a) Whoever kills or attempts to kill a person given entry into the United States for permanent residence pursuant to the provisions of section 7 of the Central Intelligence Agency Act of 1949 (50 U.S.C. 403h) shall be punished as provided under sections 1111, 1112, and 1113 of this title, except that any such person who is found guilty of murder in the first degree shall be sentenced to imprisonment for life, and any such person who is found guilty of attempted murder shall be imprisoned for not more than twenty years.

"(b) Whoever engages in conduct proscribed by section 112, 878, or 1201 of this title against any person described in subsection (a) shall be punished as provided under those sections.".

Sec. 3. Chapter 51 of title 18, United States Code, is amended by adding at the end thereof the following new section:

"§ 1119. Murder, manslaughter, assaults, threats, extortion or kidnaping of persons present in the United States under intelligence auspices

"(a) Whoever kills or attempts to kill a person certified by the Director of Central Intelligence or his designee to be present in the United States under the auspices of any department or agency within the Intelligence Community (as defined in section 3.4(F) of Executive Order 12333, December 8, 1981, or successor orders) shall be punished as provided under sections 1111, 1112, and 1113 of this title, except that any such person who is found guilty of murder in the first degree shall be sentenced to imprisonment for life, and any such person who is found guilty of attempted murder shall be imprisoned for not more than twenty years.

"(b) Whoever engages in conduct proscribed by section 112, 878, or 1201 of this title against any person described in subsection (a) shall be punished as provided under those sections.".

Sec. 4. The table of sections for chapter 51 of title 18, United States Code, is amended by adding at the end thereof the following new items:

"1118. Murder, manslaughter, assaults, threats, or kidnaping of persons given entry into the United States for permanent residence pursuant to section 7 of the Central Intelligence Agency Act of 1949.
"1119. Murder, manslaughter, assaults, threats, extortion, or kidnaping of persons present in the United States under intelligence auspices.".

By Mr. ROTH (by request):

S. 2553. A bill to amend section 3109 of title 5, United States Code, to clarify the authority for appointment and compensation of experts and consultants, and for other purposes; to the Committee on Governmental Affairs.

LEGISLATION RELATING TO EXPERTS AND CONSULTANTS

● Mr. ROTH. Mr. President, I am introducing, by request of the administration, a bill to amend section 3109 of title 5, United States Code, to clarify the authority for the appointment and compensation of experts and consultants as Federal employees, and for other purposes. This legislation was proposed in Executive Communication No. 3448, dated May 5, 1982, and referred to the Governmental Affairs Committee on May 12, 1982. I am introducing this measure so that the public may have a legislative proposal upon which to comment.

Mr. President, I ask unanimous consent that a copy of the letter sent by the Director of the Office of Personnel Management, dated May 5, 1982, a copy of the section-by-section analysis describing the legislation, a statement of purpose and justification, and the text of the bill be printed in full in the Record.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2553

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3109 of title 5, United States Code, is amended to read as follows:

"§ 3109. Employment of individual experts and consultants

"(a) For the purpose of this section—

"(1) 'agency' has the same meaning as in section 5721 of this title;

"(2) 'appointed consultant' means an individual—

"(A) who has a high degree of knowledge, skill, or experience in a particular field, and

"(B) whose primary function is to serve an agency in an advisory capacity in that field, rather than to perform or supervise an operating function of the agency.

"(3) 'appointed expert' means an individual—

"(A) who has excellent qualifications and a high degree of attainment in a professional, scientific, technical, or other field,

"(B) who, because of such qualifications and attainment, is usually regarded as an authority, or as a practitioner of unusual competence and skill, by other individuals engaged in that field, and

"(C) whose primary function is to perform an operating function of an agency rather than to provide advisory services.

"(b) The head of an agency may appoint and fix the pay of appointed experts and consultants for temporary (not in excess of one year) or intermittent services, without regard to—

"(1) the provisions of this title governing appointment in the competitive service; and

"(2) chapter 51 and subchapter III of chapter 53 of this title (relating to position classification and pay rates), except that the rate of pay for any individual so appointed may not exceed the rate of basic pay payable for GS-18 unless otherwise specifically authorized by statute.

"(c) Positions in the Senior Executive Service may not be filled under the authority of subsection (b) of this section.

"(d) The Office of Personnel Management shall prescribe regulations governing the employment of appointed experts and consultants and the reporting requirements of this section, and may take such action as it considers appropriate to assure compliance with this section and those regulations, including audit of individual cases, and, if necessary, suspension of the authority to appoint experts and consultants. Agencies shall comply with the requirements of the Office, including taking any corrective action the Office may direct.

"(e) Each agency making appointments under the authority of subsection (b) of this section shall provide such information and reports as the Office of Personnel Management requests.

"(f) The head of any agency with statutory authority to appoint experts and consultants without regard to the provisions of this section shall, to the extent practicable and in keeping with the provisions of such authority, appoint such experts and consultants in a manner consistent with the principles of this section.

SEC. 2. The table of sections at the beginning of chapter 31 of title 5, United States Code, is amended by striking out the item relating to section 3109 and inserting in lieu thereof the following new item:

"3109. Employment of individual experts and consultants.".

SEC. 3. The amendments shall take effect one hundred and eighty days after the date of enactment of this Act.

SECTION ANALYSIS

Present section 3109 of title 5, United States Code, authorizes Federal agencies to obtain the services of experts or consultants, or organizations thereof, by contract under certain conditions, without regard to key civil service laws. This legislative proposal would amend the section.

The revised subsection (a), first section, continues the present definition of agency, and adds definitions for consultant and expert.

In subsection (b), the existing requirement for agencies to have specific authority in separate appropriation or other legislation in order to use this section is eliminated to permit agencies to use the section directly without further authorization. This change would not affect Congress' power to place appropriations or other limitations on an agency's use of experts and consultants. Present authority to "procure by contract" the services of individuals and organizations is eliminated. As revised, the authority will only permit appointment of individuals for personal services in an employer-employee relationship. Authority for agencies to procure services of organizations by direct negotiation as an exception to formal advertising requirements is deleted as superfluous. Agencies have broad authority to procure services under Federal procurement regulations and 10 U.S.C. 2304 and 41 U.S.C. 252 grant exceptions to agencies from advertising when procuring personal or professional services. Present authority for individuals to serve on a temporary (not to exceed 1 year) or intermittent basis is continued without change.

In subsection (b)(2), present exceptions from the classification and the General Schedule pay laws are continued. The maximum rate payable to individuals would be set at the equivalent of GS-18. Under present section 3109, as interpreted by the Comptroller General, the maximum rate payable is the equivalent of the GS-15 rate unless higher rates are authorized in separate legislation, or unless the position is in certain scientific or professional categories in which the rate can go up to the GS-18 equivalent. Authority for the White House Office (Level II), GAO (Level V), and a few other agencies with express statutory authorization to pay higher rates under section 3109 would continue.

The present subsection (b)(3), concerning advertising requirements for services to be acquired by contract, has been omitted as unnecessary since the subject is treated under the procurement laws and regulations.

Subsection (c) continues the present restriction against using section 3109 to fill SES positions.

Subsection (d) would require the Office of Personnel Management to prescribe regulations concerning the employment of individual experts and consultants appointed under the section and would require agencies to take corrective actions the Office directs. The subsection would permit the Office of Personnel Management to see that agencies are following the provisions of section 3109 in the same manner that the Office carries out its evaluation and compliance responsibilities for all other agency personnel management activities which are subject to OPM review.

Subsection (e) would require agencies to provide the Office of Personnel Management with data and other information which is essential for effective oversight of agencies' use of experts and consultants. Neither this subsection nor subsection (d) above would require the National Security Agency to disclose information which is protected by section 6 of the National Security Agency Act, Public Law 86-36.

Subsection (f) would require agencies which have a statutory authority for appointing experts and consultants other than 5 U.S.C. 3109, to the extent they consider it practicable and in keeping with the provisions of their authorities, to employ experts and consultants consistent with the principles of this section.

Subsection (f) would not apply to independent statutory authorities including (1) those for appointment to particular occupations such as the Veterans Administration's authority in 38 U.S.C. 4114 to fill physicians, dentists, and certain other positions, and (2) for the Attorney General to acquire the services of witnesses under authorities other than those for the appointment of experts and consultants.

Section 2 amends the analysis of chapter 31 of title 5 to agree with the new catchline for section 3109.

Section 3 provides a 180-day period for agencies and the Office of Personnel Management to make effective preparation to implement this legislation.

STATEMENT OF PURPOSE AND JUSTIFICATION

(A draft bill to amend section 3109 of title 5, United States Code, to clarify the authority for appointment and compensation of experts and consultants, and for other purposes)

The purpose of this legislation is to reform the system for the appointment and compensation of experts and consultants as Federal employees under section 3109 of title 5, United States Code.

For many years, executive branch officials and members of Congress have called attention to the need for agencies to improve their management of expert and consulting services, whether secured by contracting out or employment. Concerns noted include the use of consultant arrangements to bypass competitive employment procedures, personnel ceilings, or pay limitations; unnecessary projects; repeated extension of services which ought to be brief; assignments to policy-making work that agency officials should perform; and lack of hard data about the overall consultant picture.

Working together, the Office of Federal Procurement Policy, Office of Management and Budget, and this Office have taken certain actions to improve agency use of experts and consultants and to eliminate misuse.

This proposal would clean up problems in the employment area by clearly spelling out the terms for appointment of experts and consultants, by eliminating procurement and contracting from the provision, by providing authority, where there had been none before, for central enforcement and corrective action, and by simplifying requirements.

The use of outside experts and consultants for intermittent or temporary periods has been a long accepted practice in private business and Government. By bringing their highly specialized talents and insights to bear on new or unusual problems, these individuals help an organization to operate more economically and effectively. Because the service they provide is unique and because the length of their service is often short and uncertain, they are usually not subject to the same employment procedures as regular personnel. In the Federal service, exceptions from normal employment requirements have been authorized for experts and consultants at least as far back as the 1880's.

The principal statutory authority governing the employment of most experts and consultants in the Federal service was originally enacted as section 15 of the Administrative Expenses Act of 1946, and now appears as section 3109 of title 5, United States Code.

It is a general authority which permits an agency head, if he or she has specific statutory authorization, to "procure by contract" the temporary (not to exceed 1 year) or intermittent services of experts or consultants, or organizations of experts or consultants, including stenographic reporting services. It provides an explicit exception from laws requiring competitive appointment, position classification, and General Schedule pay levels.

For individuals serving in agencies otherwise subject to classification and pay laws, the section sets a maximum daily pay limit—either the top rate of GS-15 or the GS-18 rate, depending on the job.

As part of its general review responsibilities the Office of Personnel Management monitors the employment of individual experts and consultants primarily to assure that this authority is not used to circumvent the competitive hiring system through improper exceptions.

The general authority still serves an essential purpose for Federal managers. However, experience has shown it is unnecessarily complex and cumbersome to administer. Personnel data reports and onsite evaluation findings reflect the problems agencies have with the law, even to uncertainty as to how to count and report their experts and consultants. Its mixture of employment with procurement make it a mystery to those who wish to use it. It is confusing because of the multiplicity and variety of specific agency statutory authorizations enacted over the past 30 years to use the general authority. Among agencies, maximum daily pay rates range from $50 to Executive Level II.

Further, the general authority makes no provision for central enforcement of the terms and conditions under which the services of experts and consultants may be obtained.

SUMMARY OF PROPOSED CHANGES

1. Eliminate any reference to procuring by contract the services of individuals

One of the problems with section 3109 is that it speaks of obtaining the services of experts and consultants as Federal employees by contract. This is a continuing source of confusion to agencies since most contracts for services are made under the procurement regulations that flow from title 41, U.S. Code (Public Contracts), and are not intended to create an employer/employee relationship.

This leads to uncertainty about whether employment or something else is involved when an individual's services are procured by contract under section 3109, that is, whether these are really appointments in the usual sense. The provision for contracting for personal services in section 3109 tends to blur the generally-accepted boundaries between "procurement" and "employment" and it should be eliminated.

The thrust of section 3109 is to permit appointment of experts and consultants as employees outside of the civil service and classification laws. To accurately reflect that intent and the relationship between the agency and the individual experts and consultants it hires, the proposal substitutes "appoint" for "procure by contract" in the present law.

This amendment would not affect agency authority under procurement laws to contract for services, including those of experts and consultants, since these are not employer-employee situations. It is important to note that the oversight role of the Office of Personnel Management respecting experts and consultants would be concerned solely with those who serve the Government as Federal employees. Its mandate as the central personnel agency is personnel management. The field of procurement management, of contracting for goods and services, is a world apart and subject to other statutes and oversight by other agencies.

The provisions in the present law to "procure by contract" the services of organizations of experts and consultants and to negotiate directly with contractors without regard to statutory advertising requirements would be eliminated as unnecessary. The broad general authority agencies have to contract for services under Federal procurement regulations would include authority to contract with organizations of experts and consultants. Comparable exceptions for obtaining "personal or professional services" without formal advertising already appear in procurement laws including 10 U.S.C. 2304 and 41 U.S.C. 252.

2. Eliminate the requirement for each agency to have a separate statutory "triggering" authority before it can use the general statutory authority

It has become almost commonplace to grant the required authorization. Almost all agencies have the authority. Over sixty authorities appear in permanent legislation. Others appear annually in appropriation acts. The General Accounting Office some time ago recommended simplifying the section to provide a self-contained authority for hiring experts and consultants by eliminating the requirement for authorizing language in organic or appropriation acts. Needless to say, elimination of the need for separate statutory authority in no way would preclude Congress from placing appropriations or other limitations on an agency's use of experts and consultants.

3. Increase, for the few agencies restricted to lower rates, the top pay rate to grade GS-18 for individuals for all occupations in agencies otherwise subject to the classification and pay laws

The proposal would set grade GS-18 as the general maximum pay rate for jobs in agencies subject to the classification and General Schedule pay laws. This is a conforming change to give all agencies authority to pay up to the same general maximum. Congress already has authorized the grade GS-18 rate when establishing new agencies in recent years. Some older permanent statutory authorizations limit pay to $100 a day or less—too low a rate to generally attract good personnel. At present, unless an agency has a specific rate set by its individual statutory authority triggering section 3109, it may pay up to the maximum of the GS-15 rate. (A Comptroller General decision says a GS-18 rate may be paid but only for professional work in research or in the hard sciences.)

4. Provide central enforcement authority and put definitions in law.

Although onsite evaluations show the majority of individual experts and consultants hired are qualified, serve briefly, and otherwise represent proper use of the authority, agencies at times misuse it. For example, the work may become indistinguishable from that regularly performed by career employees, or the time limits on service in section 3109 may be exceeded.

Accordingly, two changes are proposed to improve agency use—defining key terms in the legislation itself and assigning the Office of Personnel Management regulatory authority. The present statute does not define key terms, although administrative definitions have been developed over the years in the instructions of the former Civil Service Commission and in Comptroller General decisions. Placing these definitions in the law itself is needed for clarification.

Section 3109 does not give regulatory authority to any agency. In the past, the former Civil Service Commission asserted technical jurisdiction because it was responsible for determining coverage under the civil service and classification laws and misuse of the authority was, in effect, an illegal exception from those laws. In recent years, in attempting to respond to agency challenges on legal grounds to its authority in this area, the Commission found there was little legal support for preventing misuse based on those laws.

Authority to prescribe regulations and to take corrective actions would give necessary legal support to the Office of Personnel Management's present onsite evaluation and agency self-policing efforts. Authority to use the section would rest with the management of each agency subject to regulation and oversight by the Office of Personnel Management. The Office would see that the criteria for experts and consultants and the time limits on duration of service have been applied. It would protect regular, continuing job opportunities for career employees against improper assignment of experts and consultants, and guard against use of the authority for work which ought to be in the Senior Executive Service.

In those instances where an individual agency misuses the authority, a variety of enforcement tools would be available for use when we believe it is necessary—including prior or post appointment review of individual agency selections, and in special circumstances, suspension of an agency's authority to hire experts or consultants pending compliance with the statute or with OPM's regulations.

The proposal provides that the small number of agencies with authorities independent of section 3109 would conform to the principles of the section.

The proposal would not have an inflationary impact nor would it require additional appropriations or outlays.

U.S. OFFICE OF PERSONNEL MANAGEMENT,
Washington, D.C., May 5, 1982.

Hon. GEORGE H. BUSH,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: The Office of Personnel Management is submitting with this letter for the consideration of the Congress proposed legislation "To amend section 3109 of title 5, United States Code, to clarify the authority for the appointment and compensation of experts and consultants as Federal employees, and for other purposes."

This is an update of our proposal introduced as S. 2506 last year.

Under present section 3109 of title 5, United States Code, an agency may procure by contract the temporary (not to exceed 1 year) or intermittent services of experts and consultants, or organizations thereof, without regard to certain civil service laws, when authorized to do so by specific legislation. Individuals hired under this section are Federal employees. Unless other rates are specified in that legislation, the maximum rate generally payable to an individual is the top daily rate for grade GS-15 under the General Schedule; for certain scientific or professional positions, the maximum daily rate for grade GS-18 is authorized.

Today there are over 60 permanent statutory authorities for individual agencies to use experts and consultants under section 3109. Others are repeated annually in appropriation acts. Some permit renewal of appointments; others do not. Daily pay rates vary, with some as low as $50, to few at the GS-18 rate.

Our proposal would clarify section 3109 by making it solely a personnel appointing authority and eliminating any connection with procurement and contracting, by updating its requirements, and by providing positive support in law for regulating the personnel aspects of employment under the authority. Other changes include removal of outdated pay rates for certain agencies or occupations; addition of definitions of experts and consultants for clarification; and extension of the principles of section 3109, insofar as practicable, to those agencies with authority to appoint experts and consultants independent of the section.

The proposed elimination of the need for agencies to have separate triggering authority in another statute before using 3109 would in no way preclude the Congress from placing appropriations or other limitations on an agency's use of experts and consultants.

This proposed legislation would further the continuing efforts of the executive branch to assure that agencies use expert and consultant services effectively and appropriately.

The Office of Management and Budget advises there is no objection from the standpoint of the Administration's program to submission of this proposal.

A similar letter is being sent to the Speaker of the House of Representatives.

Sincerely,

DONALD J. DEVINE,
Director.●

By Mr. PERCY (for himself, Mr. DIXON, Mr. JEPSEN, Mr. ZORINSKY, Mr. PRESSLER, Mr. BAUCUS, Mr. BURDICK, Mr. LEVIN, and Mr. EXON):

S. 2554. A bill to require the Commodity Credit Corporation to dispose of Government-owned stocks of agricultural commodities; to the Committee on Agriculture, Nutrition, and Forestry.

SURPLUS AGRICULTURAL COMMODITIES DISPOSAL ACT OF 1982

● Mr. PERCY. Mr. President, I rise today to introduce the Surplus Agricultural Commodities Disposal Act of 1982. I am convinced that the enactment of this legislation could result not only in a significant reduction in future Federal Government outlays for storage and handling of our growing agricultural wheat and feed grain surpluses, but it will also mean substantial benefits to the Nation in terms of increased liquid fuel self-sufficiency, stablized agricultural income, reduced Federal Government fuel costs, and increased flexibility in Federal Government agricultural programs.

Mr. President, this Congress has before it an inescapable responsibility: How to reduce unacceptably large—and growing—Federal budget deficits. These deficits are the legacy of many years of Federal Government spending, and there will be no simple solutions.

Attachment 1 to this statement is a copy of an article from the March 22, 1982, issue of Business Week noting that flat foreign sales of U.S. agricultural commodities have exacerbated the administration's budget deficit. In part, the growing surpluses of wheat and feed grains has forced the administration to increase its projected outlays for farm price-support programs in fiscal year 1982 and 1983 to more than $17 billion.

Mr. President, attachment 2 is an industry estimate of the true cost to the American taxpaper of Commodity Credit Corporation (CCC) ownership of surplus grains. Conservatively estimated, the cost to the Federal Treasury of holding 1 bushel of CCC corn for its average retention period of 2 years exceeds $4.14 a bushel. This not only represents a severe drain on the Treasury, but also serves as an extreme drag on agricultural income, and in effect results in a vicious circle of Government acquisition and storage of ever-growing stocks. Especially, in view of the fact that the growth in export demand for U.S. agricultural commodities—which grew approximately 7 percent each year during the 1970's—is now expected to be flat, or even decline, it is clear that new approaches are needed to better relieve these commodity surplus pressures.

Mr. President, while no panacea, the legislation that I am introducing today represents what I believe to be one realistic means of helping to reduce taxpayer expenditures and contributing to a balanced budget. As an added benefit, the enactment of this legislation could provide the Nation with a high grade liquid fuel capable of further reducing oil imports, stablize agricultural income, create jobs, and expand Federal and State tax bases.

The proposed legislation is really quite simple. It would provide the Secretary of Agriculture with the authority to contract with alcohol fuel producers, on a competitive bid basis, to process surplus commodities into fuel alcohol and its high protein coproducts. The legislation would provide the Secretary with sufficient latitude to insure that such processing arrangements would yield a positive budgetary gain to the taxpayer, with part of the returns coming about from the sales of the fuel alcohol to Federal fleet users as required by 42 U.S.C. 8871 and Executive Order 12261. (Federal purchases of alcohol-enhanced fuels are required if the price is less than or equal to the price of unleaded gasoline.) Further savings would accrue from the Secretary's ability to forgo the considerable costs of storage, handling, and interest on the surplus stocks that would otherwise be incurred.

While it can be argued that, under numerous scenarios, significant per bushel savings would result immediately, there would also be substantial intangible benefits that the Nation would enjoy as a result of this program. Rather than simply allowing surplus commodities to continue to accumulate, with the growing likelihood that they might never be used, the diversion of a percentage of these stocks for processing into fuel alcohol would stimulate job creation, back out crude oil imports on a gallon-for-gallon basis, stabilize and improve agricultural income, and begin an orderly, gradual approach toward greater value-added processing of agricultural committtees. Federal and State tax bases would be expanded, and an improved foundation toward more secure and dispersed energy production would be established. While the program admittedly offers no panaceas, it does offer us a rare opportunity to achieve all of these benefits and still enjoy direct budgetary gains.

Attachment 2 provides a sample worksheet of the direct budgetary impacts of this proposal as it would work for a bushel of corn, as reported in remarks by Representative THOMAS A. DASCHLE. The results for wheat and other feed grains would be comparable. I believe that the figures are conservative and defensible. As the worksheet makes clear, the CCC could expect to enjoy a net gain from implementation of this program of between $1.56 to $4.06 per bushel of CCC corn that would otherwise have been retained for 2 years. For instance, an alcohol fuel producer in Lenox, Iowa is currently taking damaged sample grade corn worth 80 cents a bushel and converting it to ethanol and protein coproducts worth over $4 a bushel. One bushel of the damaged corn produces 2.1 gallons of ethanol and 14 pounds of protein byproducts. The owner of the plant says the damaged corn could not be used for animal feed because of its poor quality. However, once converted into distilled dried grain, the animals will gladly devour it.

It should be emphasized that, while theoretically the system is supposed to operate in a way that ultimately enables the CCC to partially recoup its costs by selling the grain when market prices rise to the trigger level established by law, there is increasing probability that stocks will grow to such levels that the CCC may not be able to expect to recoup even its acquisition costs until many years out into the future. In fact, there is growing concern among experts that current CCC storage capacity will not be sufficient and that some forfeited farmer reserve stocks may end up in piles on the ground. Here again, the alcohol fuels option is a perfect fit, since distressed or spoiled grains are suitable as feedstocks for alcohol production.

An obvious question is just how much of these CCC stocks could be taken in 1 year. Currently, the fledgling domestic alcohol fuels industry has a production capacity of well over 250 million gallons, and facilities now in varying stages of construction will bring this production capacity to over 360 million gallons annually by next year. Attachment 4 provides a summary of the size and locations of these identified facilities. This is an impressive accomplishment when one considers that this industry has been battling a bewildering combination of reverses in Federal Government policies as well as the current oil surplus.

Yet another constraint on the amount of CCC grain stocks that could be utilized under this program in the near-term stems from the fact that the entire Federal fleet consumes only about 500 million gallons of gasoline annually. Using the typical 10 percent ethanol-enhanced blend now sold widely throughout the country, this would mean that there exists an immediate market for 50 million gallons of fuel-grade ethanol. While this admittedly represents less than 10 percent of current CCC stocks, since it would utilize 20 million bushels of grain, it is a figure that could be reached easily, with all of its attendant benefits. For instance, CCC now has over 30 million bushels of distressed corn in storage. Therefore, the proposed program could be solely confined to using the below-grade corn. The potential for expansion of the fuel alcohol market is enormous and, while the Secretary must not allow CCC marketing efforts to displace the efforts of commercial fuel alcohol producers and marketers, it is clear that the midterm outlet for alcohol fuel under this program could range from pure alcohol usage at the State and local government level, and the creation of a Strategic Alcohol Fuel Reserve.

This latter option is an especially exciting one, especially in view of the significant national security benefits it brings with it. In the event of a significant oil supply interuption, it will be the Nation's rural areas and farms that will be most seriously affected, since most of them now find themselves at the end of the pipeline. Our farmers account for approximately 4 percent of total gasoline usage annually, and the uninterrupted flow of liquid fuel to food and fiber producers is clearly a national security priority. This program could easily be expanded to create a cost effective, dispersed Strategic Alcohol Fuel Reserve (SAFUR) that would serve to address two serious problems simultaneously: Costly, hard to manage agricultural surpluses and dangerous vulnerability to oil supply interruptions.

Finally, Mr. President, I believe there is one other major benefit of this program that is of particular importance to our world trade, and especially our food aid, efforts. Contrary to the frequently-heard claim that fuel alcohol production presents a food vs. fuel threat, the progam I have proposed here would actually enhance the U.S. effort to meet world food needs. From a bushel of corn alone, a wet mill alcohol facility produces the following high grade food/fuel coproducts: 1.5 lbs of corn oil; 9.2 lbs of corn gluten feed (21 percent protein); and 2.7 lbs of corn gluten meal (60 percent protein). In fact, the production of fuel alcohol from grain yields coproducts which contain all of the original protein, vitamins, and minerals; only the starch portion is used to produce the 2.5 gallons of ethanol per bushel. The result is an improved product for world trade and food aid purposes. Whether it be commercial purchasers like the Soviet Union or the poorest food aid recipients, there is one recurrent problem in handling food shipments: an acute shortage of storage, loading, and transportation capability. The high protein alcohol fuel coproducts represent a solution to this problem, since they are only a third of the mass and weight of the bulk grain. Recipient countries get a concentrated quality product, and the United States gets a reduction in its commodity storage costs, a high grade liquid fuel, and the economic stimulus of incrcased jobs and tax base as a result of value added processing here in this country.

Mr. President, I am convinced that this proposal is worthy of my colleagues' unanimous support. It combines direct budgetary savings with stablized agricultural income, increased energy and national security, increased jobs and economic activity, and the promise of improved world food aid efforts. I would strongly urge my colleagues' fullest consideration and support. The early enactment of this proposal could transform hundreds of millions of dollars of costs into opportunities. We cannot afford to delay.

In the last 2 years, we have seen an enormous growth in CCC held stocks. In 1977, for instance, the Government held only 1 million bushels of corn. Today, those stocks are at about 264 million bushels. According to USDA those stocks are expected to increase to 315 million bushels by October 1982, and to increase to 375 million bushels by October 1983.

Mr. President, there is one overriding reason for this buildup of Government stocks: The Soviet Grain Embargo of 1980. Industry analysts directly attribute this embargo to the buildup of these stocks. These same analysts believe that the CCC reserves of corn are driving down prices by at least 20 cents a bushel. That would amount to a net loss to the Nation's farmers of $1.5 billion, based on a projected 7.7 billion bushel corn harvest this fall.

Even if this program were to increase corn prices by a few cents a bushel, farm income could increase by tens of millions of dollars nationally. Of course, the real answer to reducing these growing surpluses is to develop export markets. Together with Agriculture Committee Chairman Helms, Secretary Block, and many others, we are all working on developing these new markets. However, we should not just count on exports to improve the picture, but look to creative programs such as this proposed law.

Mr. President, I ask unanimous consent that the attachments mentioned earlier and certain other supporting materials be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From Business Week, Mar. 22, 1982]

FLAT FARM EXPORTS MAKE THE DEFICIT GROW

Foreign sales of agricultural commodities—a critical source of trade revenue for the U.S. and of income for its farmers—are heading toward their first decline since the late 1960's. The drop is adding to the budget problems of the Reagan Administration, which recently doubled its projection of outlays for farm price-support programs in fiscal 1982 and 1983 to more than $17 billion. And because it is depressing the farm economy in an election year, the drop in export sales is generating congressional support for retaliatory trade measures to force Japan and Western Europe to reduce trade barriers and subsidies.

In its March forecast, the Agriculture Dept. projected farm export sales of $42.5 billion, down 3 percent from the previous year and the first drop since 1969. The decline will result from a combination of lower prices and lagging volume in some key goods, such as feed grains. Total feed-grain exports, Agriculture predicts, will be down 6 percent to 64.6 million metric tons. Corn prices, now at $2.63 a bushel, are 23 percent lower than a year ago.

FEWER ORDERS

Moreover, the outlook is for continuing weakness in exports and prices. Developing and industrialized nations, including such important markets as China and Japan, are ordering less because of the worldwide recession that has reduced growth and limited export earnings. And the largest potential buyer in the East bloc, the Soviet Union, is both pinched for hard currency and wary of new U.S. trade restrictions. Notes one trade analyst: "If you thought there was going to be an embargo, why expose yourself further?" Russia so far has ordered only about half the 23 million tons of grain Washington has invited it to buy.

Faltering export sales have a twofold impact on the federal budget. Because crop prices decline, Agriculture is forced to pay grain farmers more compensation under target price programs. And because more farmers are likely to default on crop loans, the department's Commodity Credit Corp. must take title to more grain and assume responsibility for reselling it.

David A. Stockman, director of the Office of Management and Budget, has conceded that the Administration's projections for crop program outlays were some $9 billion too low for fiscal 1982 and 1983. And some analysts believe even that estimate is not high enough. Says Vincent J. Malanga, senior economist at A. Gary Shilling & Co., a New York consulting firm: "Between reduced export demand and the large harvests likely in the coming year, the government is going to have to buy an awful lot of grain."

PRESSURE ON THE HILL

In the meantime, some members of Congress are trying to pressure the Reagan Administration into taking a more aggressive role in marketing agricultural products abroad. Almost immediately after the Agriculture Dept. reduced its estimate of fiscal 1982 export sales, the House Agriculture Committee called Agriculture Secretary John R. Block and U.S. Trade Representative William E. Brock to hearings on farm exports.

Committee members told them that the Administration should support funding of a new program to subsidize commodity loans for developing nations and work harder to reduce trade restrictions in industrialized countries such as Japan, which the U.S. will confront in trade talks during April. If the Administration does not press harder, Congress will, declares Chairman Eligio de la Garza (D-Tex.). "I hope the signal is going out," he says.

SAMPLE WORK SHEET OF TOTAL COSTS FOR CCC-HELD CORN

Acquisition	$2.50
Transportation	.30
Handling	.138
Storage—year 1	.31
	3.25
Interest—year 1—percent	×14
	3.895
Storage—year 2	.30
	4.195
Interest—year 2—percent	×14
Total [1]	$4.786

[1] Estimated average carrying cost to Government of 1 bushel of CCC-held corn over a 2-year period.

Theoretically, the system is supposed to work in a way that ultimately enables the Government to recoup its costs by selling the grain when market prices improve to where they hit the "trigger level" (105 percent of weighted average market price?) allowable by law for release of Government stocks. However, this rarely takes into account the Government's cost of money, administrative costs, or other incidental expenses of carrying the stocks, even under the best of circumstances.

It should be remembered, for instance, if the Government decides to dispose of the grain by exporting it, it will be responsible for paying the freight (estimated at approximately $.30 to $.70 per bushel, as well as additional handling charges.

Most importantly, it is becoming increasingly likely that, with U.S. carryover growing to record levels, and foreign purchasers relegating the United States to a supplier of last resort, CCC stocks could grow even larger, and retention times increase. The costs to the taxpayer could become even larger unless alternative outlets and methods of utilization are found.

PROPOSAL.—CCC contract with alcohol fuel producers to bid for surplus grain. CCC retain title to grain, pay a "processing" fee plus allow alcohol producer to keep high protein by-product, and CCC sell alcohol to Federal fleet.

ROUGH BUDGET IMPACTS IN PER BUSHEL COSTS AND GRAINS TO FEDERAL GOVERNMENT

Costs:	
Processing fee [1]	$1,87
Value of DDG given to processor	1.34
Total costs	3.21
Value:	
Sale of alcohol to DFSC [2]	2.50
Storage, handling, interest costs foregone	(3)
Intangibles—reduced oil imports, job creation, farm income stabilization	(4)
Total value	(5)
Total net budgetary gain	(6)

[1] $.75 per gallon × 2.5 gallon per bushel.

[2] At $1 per gallon.

[3] Conservative estimate $2.28 to $4.78.

[4] No value given.

[5] $4.78 to $7.28.

[6] Direct per bushel of $1.56 to $4.06 based on average 2 year retention period for stocks. Higher figure assumes that extreme surpluses would interfere with CCC recoupment of acquisition costs as provided for under law.

U.S. fuel alcohol production capacity

[Anhydrous gallons]

Year:	*Production capacity*
1979	40,000,000
1980	85,000,000
1981	175,000,000
1982	281,000,000
1983	[1] 362,000,000

[1] Projected through first quarter only.

U.S. FUEL ETHANOL PRODUCTION CAPACITY THROUGH MAR. 31, 1983

[Capacity in million gallons]

Facility	Location	Feedstock	Capacity
Archer Daniels Midland [1]	Decatur, Ill	Corn starch	60.0
Pekin Energy Company [1]	Pekin, Ill	do	60.0
Archer Daniels Midland [1]	Cedar Rpaids, Iowa.	do	45.0
A.E. Staley [1]	Loudon, Tenn	do	40.0
Archer Daniels Midland	Peoria, Ill	Corn	15.0
Am. Gasohol Refiners	Wichita, Kans	do	10.0
Michigan Agrifuels	Alma, Mich	do	8.0
National Distillers Co.	Louisville, Ky	do	6.0
U.S. Gasohol Corp	Lockeford, Calif	Spirits	5.0
Midwest Solvents	Atchison, Kans	Corn	3.5
Syn Corp.	Roberta, Ga	Spirits	3.0
A. Smith Bowman	Reston, Va	do	3.0
White Flame Fuels	Van Buren, Ark	Corn	3.0
Georgia Pacific	Bellingham, Wash.	Wood	3.0
Farm Fuel Products	Storm Lake, Iowa	Corn	2.5
Colorado Gasohol	Baca, Colo	do	2.0
Milbrew	Juneau, Wis	Whey	2.0
Total			271.0
Small scale production			10.0
Year ending Dec. 31, 1982			281.0
1st Quarter 1983			
South Point Ethanol	South Point, Ohio.	Corn	60.0
Kentucky Agricultural Energy	Franklin,Ky	do	21.0
Total			81.0
Total capacity through March 1983			362.0

[1] Corn wet milling facility

[From Alcohol Week, Mar. 22, 1982]

POSTAL SERVICE ALCOHOL PINTOS RUNNING FINE, WITH NO TROUBLE AT ALL

The ethanol and methanol fleet vehicles operated by the U.S. Postal Service in Springfield, IL and Denver, CO are running fine and giving no trouble at all. The Postal Service has 10 methanol powered Ford Pintos and 10 ethanol Pintos operating out of Denver, and nine methanol and eight ethanol Pintos operating out of Springfield. Another methanol Pinto and two more ethanol Pintos will soon be added to the Springfield fleet, making 20 methanol cars and 20 ethanol Pintos in all.

Conversions of the cars from gasoline fueling to alcohol is being done by Postal Service garages in Springfield and Denver, using conversion kits prepared by Alcohol Energy Systems Inc. of Sunnyvale, CA. The cars have been operating for some six weeks, according to a Postal Service official.

Thirteen alcohol cars were operating during a severe cold spell in Springfield and experienced no trouble with starting or operation by postal delivery drivers. No driveability difference was detected between the alcohol Pintos and gasoline Pintos, the source said. "If anything, [the alcohol cars] are a bit better."

It is too early for any comparative operating data to be available, said the Postal Service source. The Pintos will be operated "until they quit," or for their full service life of 6–8 years. Since they have been converted for alcohol fueling, including having their engine compressions raised, they could not practicably be reconverted to gasoline operation, the source said.

Evalaution of fleet operations results will be done in a couple of years, said the source. Whether the Postal Service buys more alcohol cars will depend upon the results of the Springfield and Denver experiment. More engine wear is expected with the methanol cars than the ethanol cars, the source said.

Ethanol for the Springfield fleet is being provided by Archer Daniels Midland and methanol is being provided by Ashland Chemical. Ethanol and methanol for the Denver fleet is being provided by Ashland Chemical, the source said.●

Mr. DIXON. Mr. President, today I am pleased to join with Senator PERCY and others in introducing the Surplus Agricultural Commodities Act of 1982. This proposal would allow the U.S. Department of Agriculture to dispose of surplus stocks of grain at a substantial savings to the Government without changing current market demand for

these agricultural commodities. This measure also reaffirms our commitment to the alcohol fuels industry.

This proposed legislation would allow the Secretary of Agriculture to award processing contracts on a competitive bid basis to alcohol production facilities that would guarantee the delivery back to the Commodity Credit Corporation of a specified amount of fuel-grade alcohol by a specified date. The alcohol fuel produced would be sold by the CCC only to Federal fleet users at a price low enough to require its purchase under existing Federal law and Executive Order 12261.

This proposal would result in significant savings to the Government. According to the USDA, it now costs the CCC at least $1.72 per bushel in interest, storage, transportation, and handling costs for surplus grain held for 2 years. These figures do not take into consideration the amount of loss associated with the deterioration in the quality of the grain held by the USDA.

The outlook for the agriculture economy is bleak. Estimates for net farm income are at the lowest level since the Great Depression. In 1981, for the first time in over a decade, the value of agricultural exports declined. The amount of stock held by the CCC and in the farmers-held reserve continues to increase and with the possibility of good crops again this year, this amount will continue to become larger. This proposal creates a new demand for these stocks at a savings to the Government.

Mr. President, I ask for prompt consideration of this bill and ask my colleagues to join me in support of this proposed legislation.

By Mr. DANFORTH (for himself and Mr. CHILES):

S. 2556. A bill to require that furniture and decorative accessories for use in offices of certain officers of the Government be procured by the Administrator of General Services, and for other purposes; to the Committee on Governmental Affairs.

FURNITURE PURCHASE REIMBURSEMENT ACT OF 1982

● Mr. DANFORTH. Mr. President, this morning the Subcommittee on Federal Expenditures, Research, and Rules held a field hearing at the Federal Labor Relations Authority here in Washington. We saw there a memorable abuse of public funds. The offices of the three members of the FLRA had been decorated, at taxpayer expense, at a cost of more than $150,000. We saw two Barcelona chairs, purchased at a cost of $3,400. We saw eight file cabinets that cost $3,900. We saw a conference table and eight chairs that cost more than $10,000.

These purchases were made last year, despite an OMB bulletin prohibiting such spending and despite budget cutbacks that ultimately led to 47 FLRA employees being RIF'd. None of the three members acknowledged knowing anything about the cost of their furniture or even the total cost of the contract until the furniture arrived.

I do not believe that this behavior is typical of our Federal employees; indeed, I do not believe that this behavior necessarily casts a shadow on the FLRA's ability to carry out its mission. But I do believe it is time to put a stop, once and for all, to the possibility of this happening again.

That is why I am introducing the Furniture Purchase Reimbursement Act of 1982. My message to Federal employees is very simple: either do it right, of buy it yourself. Under my bill, all purchases of furniture for Presidential appointees will have to be handled through the General Services Administration. If a Federal employee violates that rule, he will pay for the furniture out of his own pocket.

At present, the Office of Management and Budget has little power to enforce a freeze on furniture procurement: An outlaw like the FLRA can simply go out and contract for the purchase outside the usual GSA channels. This bill, in my opinion, will provide a simple, straightforward, commonsense remedy. I look forward to its prompt consideration.●

● Mr. CHILES. Mr. President, this morning, Senator DANFORTH and I went to the Federal Labor Relations Authority offices downtown and toured their facilities.

What we found was an agency which has spent a quarter of a million dollars furnishing the offices of its three members in a palatial manner.

We saw carpet and wallpaper purchases which cost $5,000 to $15,000 per room, conference tables $4,000, and chairs $400 to $700 each.

Mr. President, it made me mad to see that these officials ordered themselves a complete set of patio furniture: Tables, umbrellas, chairs, and serving carts for $2,400. Then they discovered that the doors to the patio are permanently locked, so they gave the furniture to the Park Service, which has put it out for public use. I am angry for the taxpayers who have to subsidize this kind of activity.

All of this was occurring while personnel were being fired because the Government could not pay their salaries; with new and surplus furniture in warehouses; and during a Presidential freeze on such purchases.

Our hearing this morning revealed that the agency heads were operating in total disregard to law, to procurement regulations, and most of all in total disregard of commonsense.

Mr. President, we had them all testify, and no one admitted prior knowledge of the costs and the opulence of the procurements which were subsequently made.

One agency official stated that with the benefit of hindsight, what took place in the agency was "illegal."

Mr. President, I am delighted to join Senator DANFORTH in cosponsoring this legislation which would make agency officials personally responsible for furniture purchases they might make under similar circumstances.●

By Mr. QUAYLE:

S. 2557. A bill to amend the Internal Revenue Code of 1954 to simplify the tax system by providing flat rate schedules for individuals and corporations, and for other purposes; to the Committee on Finance.

SELF-TAX PLAN ACT OF 1982

● Mr. QUAYLE. Mr. President, today I am introducing the "SELF-Tax Plan Act of 1982," a proposal to simplify our tax system by providing flat rate schedules for individuals and corporations. My proposal will restore four essential principles to the tax system: simplicity, efficiency, lower rates, and fairness (SELF). The SELF tax reform will permit the American taxpayer to complete the required tax return forms quickly and by him or herself.

FAILURES OF THE CURRENT TAX SYSTEM

Henry Simons, writing in his classic study, "Personal Income" Taxation,[1] insisted that an income tax, if it was to be an improvement over payroll or excise taxes, "should be progressive, it should be levied according to simple general rules or principles * * * and it should be as equitable as possible among individuals. Thus, it must proceed from a clear and workable conception of personal income; and it must be constructed in such manner as to minimize the possibilities, both of lawful avoidance * * * and of successful evasion through false declaration."

Our current tax system retains an officially progressive rate structure, but in every other respect fails to meet the primary requirements of a fair tax system. These requirements are: simplicity, efficiency, low tax rates and fairness (SELF). Our tax system, taking into account all the exceptions and preferences built into the law, is also not even very progressive.

A. SIMPLICITY

A "simple" tax system is one in which the tax code is relatively simple to understand and administer. Regulations, forms and instructions should be easily understood by taxpayers and tax administrators alike.

Today our tax structure is more complex than it has ever been. In 1954, only 18 percent of taxpayers used tax return preparers; over 80 percent filled out their tax forms person-

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Footnotes at end of article.

ally. In 1981, 52.4 percent of all 1040 forms were prepared by specialists as were 16.9 percent of all 1040A forms—an average of almost 40 percent overall.

In addition, in 1953, even though most Americans filled out their own tax forms, only 3.2 percent of 1040 and 1040A returns had mathematical errors. In 1976, 8.8 percent of these forms had such errors, and in 1980 the error rate was 7.4 percent.

The Commissioner of Internal Revenue, in 1977, summarized the difficulty clearly when he stated that the basic filing requirements for U.S. tax returns are "beyond the comprehension of a large portion of the adult population." [2]

B. EFFICIENCY

An efficient tax system is "neutral:" it allows personal and business decisions to be made on the basis of their perceived value, apart from tax considerations. It does not induce individuals and businesses to engage in uneconomic activity in order that they receive specific tax breaks.

Clearly the U.S. tax system has been a major factor influencing recent U.S. patterns in trade, investment, research, and development. The tax structure has promoted consumption and over-investment in such items as residential housing and racehorses, while it has discouraged business modernization. It has been a major factor contributing to our recent decline in productivity growth.

An efficient tax system is also one which can collect necessary revenues with relatively simple enforcement procedures, made possible by public support and cooperation. Thus, an efficient tax system must be perceived as basically fair and worthy of support.

There was a time when Americans were proud to pay their income tax. Efficiency of collection surpassed the efforts of most other nations, with relatively few tax collectors and special enforcement mechanisms. Today, this situation is dramatically different.

More Americans each year are taking advantage of the available tax loopholes. For every year since 1976 a smaller percentage of American tax returns have chosen to take the standard deduction while a higher percentage has chosen to itemize. Also, the average American taxpayer who itemizes no longer fills out his own tax form; a clear majority of those who itemize have their returns filled out by professionals. American business also has taken advantage of the tax preferences; it is now estimated that nearly half of all American businesses, as a result of the complex collection of available business tax provisions, will pay no corporate income tax in fiscal year 1983.

Enforcement of the tax laws has become extremely costly to Government. Nearly half of all government-created paperwork stems from different tax forms, requiring an estimated expenditure of 650 million man-hours annually. The system, rather than inducing cooperation, has angered the average taxpayer who is beginning to turn away from the system altogether. It is now estimated that 15 percent of income goes unreported, probably the highest percentage in the history of the Internal Revenue Code.

Recently, a bill was introduced by Senators Dole and Grassley to reform the tax compliance system. Senator Dole estimates that the income tax compliance gap for both individual and corporate income taxes—the difference between what the Federal Government is owed and what it collects—grew from $21 billion in 1973 to $76 billion in 1981. His bill would require stiffer reporting, higher penalties for noncompliance, and a beefing-up of IRS resources.[3]

The regulatory cost of the present tax system is staggering. Today IRS regulations contained in title 26 of the Internal Revenue Code fill some 10,000 pages. The IRS employs more than 50 attorneys who spend 65 percent of their time writing new regulations, generally specifically authorized by Congress. Rather than attempting to cut down on these regulations, we are now considering expanding and enforcing them more effectively. This can only serve to anger the average taxpayer even more.

C. LOW TAX RATES

The profusion of tax preferences in the present code substantially redistributes the Federal tax burden and renders it considerably less progressive than the published tax rates. Also, by excluding substantial amounts of income from the tax base, rates imposed on the remainder must be kept high so the necessary amount of revenue can be raised.

For example, in 1961 only 10 percent of U.S. tax returns had a positive marginal tax rate other than 20 to 22 percent. In that year we had almost a flat, rather than progressive schedule of tax rates.[4] Today, in comparison, published tax rate schedules are much more progressive than they were in 1961, but we also have enacted a profusion of tax expenditures.

The result has been, in spite of all the changes in the tax laws over the last 30 thirty years, average tax rates as a percent of personal income have gradually increased, despite passage of the 1964 and 1981 tax laws which both substantially lowered maximum tax rates (from 91 to 70 percent in 1964; from 70 to 50 percent in 1981[5]). Between 1951 and 1981 the average tax rate as a percentage of personal income increased from 9.2 percent in 1951 to 12.1 percent in 1981.[6]

D. FAIRNESS

A tax system is fair if it is based on the basic principle of ability of pay. All income should be treated equally as part of the tax base, and people with the same income should pay the same tax.

Clearly this does not describe the current American tax system. In 1982, U.S. individual income tax rates range from zero to 50 percent. However, U.S. law also provides for well over a hundred separate exclusions, exemptions, deductions, preferential tax rates, credits and tax deferrals which allow for relief or exemption from current taxes. These so-called "tax expenditures" either reduce taxable income or reduce taxes by applying lower rates, credits or delays in tax payment. The total revenue lost to all tax expenditures will be over $250 billion in fiscal year 1982, well over twice the size of the Federal budget deficit projected for that year.[7]

Because of the complexity in the tax law, substantial equity has been lost; different taxpayers with roughly the same income pay far different rates of tax depending on their eligibility for different tax preferences. Tax expenditures have rendered the otherwise progressive rate structure less progressive, partly because tax preferences are most prevalently used by wealthy taxpayers to reduce their tax burden: These are the taxpayers who can afford to hire specialists to take advantage of the tax code's complexity.

A NEW APPROACH TO RAISING REVENUES: THE SELF-TAX PLAN

I believe we need to reexamine the fundamental structure of our tax system. We must reestablish SELF as the overriding principle in taxation: simplicity, efficiency, low tax rates, and fairness. These principles entail the following:

People should be able to understand the basic requirements of the tax law and to file their returns by themselves, without the need for professional assistance.

All income should be taxed equally. People who earn the same income should pay the same tax.

The poor should not be taxed at all, and we should be careful to establish this standard fairly generously.

Specific preferences and subsidies should be removed from the tax code; economic policy should be addressed directly and not through incomprehensible tax manipulations.

What I am advocating is a return to a simple relatively flat-rate tax schedule. It has been estimated that a flat rate of about 19 percent on all income, excluding payments from the very poor, would raise about the same revenue as was raised by the Federal Government in 1980.[8]

While a single flat rate would be simplest to administer, I would advocate retaining at least some progressivity in the tax structure. I would exempt from all taxes persons earning $17,500 per year or less. However, I would include all sources of income in computation of each individual's tax base.

Footnotes at end of article.

My plan will eliminate almost all special tax exemptions from the code. Government benefits would be counted as income. This would include, for example, unemployment insurance, employers' contributions to health benefits, credits for child care expenses, the exclusion of employee meals, food stamp benefits, and basic retirement benefits. I would include a provision to insure that persons receiving social security should not be taxed twice on their social security contribution.

Currently the officially defined poverty level is about $9,000 per year for a family of four. The value of transfer payments received for the same size family is now estimated to equal about $5,000 per year. I believe that with a $17,500 limitation per individual taxpayer, no poor person by current definitions would be required to pay any tax. In addition, the lowest income recipients among the non-poor population would also be exempt from individual income taxation.

In addition, I believe the wealthiest taxpayers should pay a somewhat higher rate than the average taxpayer. Thus, I would advocate a top rate of 25 percent on incomes above $50,000 per year. Incomes between $17,500 and $50,000 would be taxed at an 18-percent rate. This would add an element of progressivity to the system and should provide sufficient revenue to conduct the activities of the Federal Government.

I would permit a dependents' allowance of $600 per person to recognize the costs of raising children. I would retain the current system which distinguishes single individuals from married persons, and I would permit the filing by married couples of joint tax returns.

With respect to business taxes, I would establish a flat 20-percent rate that would apply to all forms of business, including corporations, partnerships, and farms. Business would be taxed on the base of gross earnings, less the amount paid for goods, services and employee compensation. I would permit a capital recovery allowance to encourage investment in plant and equipment and allow deductions for such normal costs of business as interest and depreciation.

As with the individual income tax base, I would repeal the current morass of deductions from the numerous specific business subsidies in the present tax code. Businesses would not be taxed on earnings received from ownership of other businesses, provided the owned business files its own tax return.

I would tax business income only once, with the business tax. I would therefore not tax individuals for earnings from dividends, interest and capital gains, since this income would already have been taxed via the business tax. The effect of removing the current double taxation of business income should be to encourage investment in productive enterprise and to simplify investment decisions.

Under this general plan, then, all official tax rates would be reduced substantially. The top individual tax rate would drop from 50 to 25 percent. The top business tax rate would be reduced from 46 to 20 percent.

The IRS could devise a postcard on which every taxpayer could compute his own tax. Paperwork for business would be cut very radically, as it would for Government. Lower rates would be made possible by a fairly broad expansion of the tax base. The poorest individuals would pay no tax, and we would retain a slightly progressive rate schedule. In addition, business would pay its fair share of the tax burden.

The estimated effects of my proposed plan are summarized in table I:

As can be seen from the table (which is based on data produced by the Treasury Department in 1981), if my plan were in effect for the current fiscal year, the Federal Government would collect about $29 billion more in revenue than under current law.

The different income groups would be affected differently by the proposed system. The poor and near-poor would pay no tax. In 1982, this group paid $34.5 billion in Federal income taxes.

The middle group ($17,500 to $50,000) would pay about $16.3 billion less in tax than they pay under current law, providing a somewhat lower percentage of total Federal taxes collected. The $17,500 to $50,000 income group would provide 27.7 percent of total Federal revenues compared to 31.6 percent under current law.

The wealthiest group of taxpayers (over $50,000 per year) would pay $17.8 billion more in individual income taxes under the SELF plan than under current law. The highest income group would also provide a higher proportion of Federal revenues collected than they do now (13 percent compared to 10.7 percent).

Under my proposed SELF plan, business income taxes would provide $62 billion more in Federal tax revenues than at present. Business would provide 17.1 percent of total Federal revenues—not a high proportion by historic standards. This would reverse the recent trend of eliminating business taxes. In 1982, business income taxes will provide only 8.0 percent of total Federal revenues.

NECESSITY FOR DEALING WITH THE TAX PROBLEM NOW

The present tax structure, including its numerous preferences and loopholes, is no longer able to raise sufficient revenues for the operation of the Federal Government. If we do nothing to raise revenues we cannot avoid large budget deficits. Such deficits frighten businessmen and investors, causing interest rates to remain very high. This weakens the prospects for a healthy economic recovery. It is clear that Congress must address the issue of long-term revenues if the Federal deficit is to be reduced.

The need to simplify the tax structure is widely recognized. Several bills have already been introduced in the Senate which would order the Treasury Secretary to propose legislation or to draft changes in regulations to provide for massive simplification of the tax code.[9]

If a serious approach to increasing the tax base is not soon adopted, we will face the prospect of either raising rates or adding new taxes. I believe we will all be better off if we took the path of reform. If we do not, we will be perpetuating the present inequities and inefficiencies in the system.

Many advantages would ensue from a program of tax simplification. Americans could once again compute their own taxes. They no longer would have to employ tax preparers to wade through a jungle of incomprehensible regulations. The ease of dealing with the tax system should result in an increase in income reported, and the underground economy would begin to shrink.

The system would be much fairer. People with the same income would pay the same level of tax. There would be no reward to employing high priced tax specialists to gain special benefits by manipulating confusing rules and regulations; there would be relatively few regulations to manipulate. Everyone who pays tax would do so on the same, straightforward basis. This should reduce taxpayer anger and restore basic public respect for the total system.

The system would also be more equitable and more efficient. The poor would not pay anything, the wealthy would pay a higher rate than anyone else, and business would pay its fair share. A substantial burden in paperwork would be lifted from business, government, and individuals alike. Tax considerations would no longer be the driving force behind specific business decisions; the economy would be freer to respond to normal market forces. The result should be higher economic growth and productivity. Overall long-term benefits from such tax reform can be very great and I believe we should begin to consider the issue seriously.

Footnotes at end of article.

FOOTNOTES

[1] Chicago, University of Chicago Press, 1937, p. 208

[2] Speech, May 23, 1977.

[3] Statement to the Press of Senator Bob Dole on the Underground Economy, March 5, 1982, pp. 1-2.

[4] Eugene Steurle and Michael Hartzmark, "Individual Income Taxation, 1947-1979," National Tax Journal, v. 34, June 1981, p. 156.

[5] J. Pechman, *Federal Tax Policy* (Brookings Institution), Table A-2, p. 300.

[6] Steurle and Hartzmark, *op. cit.*, p. 157.

[7] *Estimates of Federal Tax Expenditures for Fiscal Years, 1982-1987*, prepared for the Committee on Ways and Means and the Committee on Finance, Joint Committee on Taxation, March 8, 1982, p. 18.

[8] Robert E. Hall and Alvin Rabushka, "A Simple Income Tax with Low Marginal Rates," Hoover Institution, Stanford University, November 12, 1981, p. 13.

[9] S. 2147 (97th Congress, 2d session, March 1, 1982) introduced by Senator DeConcini requires the Treasury Secretary to propose legislation that would establish a simple income tax with low marginal rates. S. 2200 (97th Congress, 2d session, March 15, 1982) introduced by Senator Helms, would provide for a flat 10 percent income tax rate to all individuals, allowing only a $2,000 personal exemption.

Mr. President, I ask unanimous consent that the bill, a section-by-section analysis, and a table be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2557

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "SELF-Tax Plan Act of 1982".

SEC. 2. SIMPLIFIED RATES FOR INDIVIDUALS.

Section 1 of the Internal Revenue Code of 1954 (relating to tax on individuals) is amended to read as follows:

"SECTION 1. TAX IMPOSED.

"There is hereby imposed on taxable income of each individual (including an estate and trust) for each taxable year a tax equal to the applicable percentage of taxable income determined in accordance with the following table:

"If the taxable income is:	The applicable percentage is:
Not over $17,500	0
Over $17,500 but not over $50,000	18
Over $50,000	25.".

SEC. 3. FLAT RATE FOR CORPORATIONS.

Section 11 of the Internal Revenue Code of 1954 (relating to tax imposed on corporations) is amended to read as follows:

"SEC. 11. TAX IMPOSED.

"There is hereby imposed for each taxable year on the taxable income of every corporation a tax equal to 20 percent of such taxable income.".

SEC. 4. REPEAL OF ALL SPECIAL PROVISIONS.

(a) IN GENERAL.—Except as provided in subsection (b), all specific exclusions from gross income, all deductions, and all credits against income tax are hereby repealed.

(b) RULES OF APPLICATION OF SIMPLIFIED TAX SYSTEM.—The repeals provided in subsection (a) shall be subject to the following exceptions:

(1) The following provisions shall not be repealed:

(A) Section 31 (relating to credit for tax withheld on wages).

(B) Section 32 (relating to credit for tax withheld at source on nonresident aliens).

(C) Section 102 (relating to gifts and inheritances).

(D) Section 115 (relating to income of States, municipalities, etc.).

(E) Part V of subchapter B of chapter 1 (relating to deductions for personal exemptions), except that the amount allowable for each such exemption shall be $600.

(2) The following principles shall control with respect to such repeals:

(A) Deductions shall be allowed for ordinary and necessary business expenses (including a capital recovery allowance).

(B) Income earned by a trade or business shall be taxed only once, thus eliminating any taxation of dividends, interests, or gain from the sale or exchange of an interest in a trade or business.

(C) Married individuals may at their election file a joint return but the marriage penalty shall be eliminated.

(D) No individual shall be taxed twice on their Social Security (or other retirement) contributions.

SEC. 5. EFFECTIVE DATE, ETC.

(a) EFFECTIVE DATE.—The amendments made by this Act shall apply to taxable years beginning after December 31, 1982.

(b) TECHNICAL AND CONFORMING CHANGES.—The Secretary of the Treasury or his delegate shall, as soon as practicable but in any event not later than 90 days after the date of the enactment of this Act, submit to the Committee on Ways and Means of the House of Representatives a draft of any technical and conforming changes in the Internal Revenue Code of 1954 which are necessary to reflect throughout such Code the changes in the substantive provisions of law made by this Act.

SECTION-BY-SECTION ANALYSIS

Sec. 1. Establishes the "SELF-Tax Plan Act of 1982" as the short title of the bill.

Sec. 2. Provides simplified tax rates for individuals. Incomes of not over $17,500 per year will not be taxed; incomes over $17,500 but not over $50,000 would be taxed at an 18 per cent rate; incomes of over $50,000 would be taxed at 25 per cent.

Sec. 3. Provides a flat rate of 20 per cent for corporations.

Sec. 4. Repeals all specific exclusions from gross income, deductions and credits against the income tax. A number of exceptions are provided:

(1) withholding is permitted and credits for taxes withheld.

(2) Income from gifts and inheritances will be treated as under current law.

(3) the Federal Government will not tax state and local governments.

(4) Deductions will be permitted to corporations for ordinary and necessary business expenses, including a capital recovery allowance.

(5) Income earned by a trade or business will be taxed only once, eliminating taxation of dividends, interests, or gains from the sale of an interest in a trade or business.

(6) The marriage penalty is eliminated, but married couples may file jointly if they so choose.

(7) No individual will be taxed twice on their Social Security or other pension contributions.

Sec. 5. The amendments made by this Act shall apply to taxable years beginning after December 31, 1982. The Treasury Secretary or his delegate are directed to submit, not later than 90 days after the enactment of this Act, any necessary conforming changes in the Internal Revenue Code of 1954 to the Committee on Ways and Means of the House of Representatives.

TABLE I.—INCOME TAX REVENUES COLLECTED BY THE FEDERAL GOVERNMENT FOR FISCAL YEAR 1982—1981 TAX LAW COMPARED TO QUAYLE SELF-TAX PLAN

[Dollars in billions]

	1981 tax law (1982 estimate)		Quayle self-tax Plan [1]	
	Amount	Percent [2]	Amount	Percent [2]
A. Individual income taxes (per year)	$300.0	47.8	$267	40.7
Taxpayers:				
Under $17,500	34.5	5.5	0	0
$17,500–$50,000	198.3	31.6	[3] 182	27.7
Over $50,000	67.2	10.7	85	13.0
B. Business income tax	50.0	8.0	112	17.1
Total	350.0	55.8	379	57.8

[1] Assumes revenues collected from other than income taxes will not be changed (social insurance, excise, estate and gift taxes, custom duties, and miscellaneous receipts) a total of $277.1 billion.

[2] Percent of Federal revenue collected.

[3] The $600 dependents allowance (an estimated revenue loss of $6 billion) is attributed entirely to the $17,500–$50,000 income bracket.

Source: U.S. Department of the Treasury Office of Tax Analysis, reported in "A Program for Economic Recovery" White House report (Feb. 1981) ●

By Mr. DeCONCINI:

S. 2558. A bill to increase the duty on imported copper by an amount which offsets the cost incurred by copper producers in the United States in meeting domestic environmental requirements; to the Committee on Finance.

COPPER ENVIRONMENTAL EQUALIZATION ACT OF 1982

Mr. DeCONCINI. Mr. President, I am today introducing legislation of great potential significance to the western copper producing States and the Nation as a whole. It is the Copper Environmental Equalization Act of 1982.

We are faced, as everyone is surely aware, with a crisis of major proportions in the American copper industry. The effect of this crisis is to erode the productive capability of the copper industry and to throw into disarray the lives of thousands of men and women whose livelihood—directly or indirectly—hinges on copper. As the world price of copper has steadily declined, American producers have been faced with the unpleasant choice of either sustaining ever greater losses on the sale of copper produced below cost or to cut back on production.

For a short period it was not unreasonable to expect the industry to suffer its losses. But as the crisis has become more protracted with little signs of abatement in the near future, they have made substantial cutbacks in production. This has taken three forms: Mines have been closed altogether; some workers have been laid off in other mines; or, workers have been put on shortened work weeks.

It is estimated that between 8,000 and 12,000 have been in my own State of Arizona which has been hardest hit because it produces 64 percent of the Nation's copper. The situation has

become intolerable, and I believe we have a responsibility to our constituents to take affirmative action.

The purpose of the legislation is to equalize the competitive position of the American copper industry vis-a-vis the world copper industry.

Until recently, American industry has been extremely competitive. Although American ores are generally lower grade than that found in some of the foreign producing nations, we have compensated through the much higher productivity of American labor. That is a tribute both to management and labor. However, the Federal Government has, in recent years, imposed a number of very legitimate requirements on the copper industry. These requirements were designed to protect our God-given environment so that our children will have pure air to breath and natural beauty to behold.

But the imposition of these requirements has been expensive. It has increased the cost of domestically produced copper. Those increases have given foreign copper producers a competitive advantage which is not inherent, but artificial. The legislation we introduce simply seeks to equalize the costs of American copper where the differences are the result of environmental requirements.

This legislation would impose a tariff upon copper produced in countries which do not adhere to the same pollution standards as the United States. That figure can be adjusted upward or downward depending upon each country's efforts in the area of pollution control. If a country's efforts are similar to our own, no additional tariff would be imposed. If, conversely, those efforts are virtually nonexistent—as is the case in many of those countries which export copper—the tariff would be higher—if the President makes such a finding.

The Copper Environmental Equalization Act of 1982 is legislation that is worthwhile. It serves the objective of protecting the American copper industry in a way and for reasons it should be protected. This is not an indiscriminate tariff imposed to cut off world trade. It is a rational tariff designed to compensate for increased costs associated with the environment. In fact, it is our hope that this legislation will encourage foreign governments to adopt standards similar to our own and, in the process, make a substantial contribution toward protecting the world's environment.

I ask unanimous consent, Mr. President, to have the text of the bill printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2558

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Copper Environmental Equalization Act of 1982".

PURPOSE

SEC. 2. The purpose of this Act is—

(1) to enhance the world's environment by encouraging foreign copper producers to adopt environmental measures substantially equivalent to those employed in the United States; and

(2) to offset the cost advantage obtained by foreign copper producers who do not employ environmental measures substantially equivalent to those imposed on domestic copper producers.

AMENDMENTS TO THE TARIFF SCHEDULES OF THE UNITED STATES

SEC. 3. The Appendix to the Tariff Schedules of the United States (19 U.S.C. 1202) is amended by adding at the end thereof the following new part:

"PART 4.—ENVIRONMENTAL EQUALIZATION DUTIES

Item	Articles
	Part 4 headnotes: 1. The duties provided for in this part are cumulative duties which apply in addition to the duties, if any, otherwise imposed on the articles involved. Unless otherwise stated, the duties provided for in this part are effective until suspended or terminated. 2. The duties provided for by items 970.00 and 972.00 may be adjusted as provided in section 4 of the Copper Environmental Equalization Act of 1982.

Item	Stat. suffix	Subpart A. Metal-bearing ores and other metal-bearing materials	Units of quantity	Rates of duty		
				1	LDDC	2
970.00		Cooper bearing ores and materials (provided for in items 602.28, 602.30, 603.49, 603.50, 603.54, and 603.55 of part 1, schedule 6).		10 cents per pound on copper content.	10 cents per pound on copper content.	10 cents per pound on copper content.

Item	Stat. suffix	Articles	Units of quantity	Rates of duty		
				1-a	1-b	2
		Subpart B. metals, their alloys and their basis shapes and forms.				
972.00		Copper, its alloys and their so called basic shapes and forms (provided for in items 512.02 through 512.06, inclusive, and items 612.15 through 613.18, inclusive, of part 2C, schedule 6).		10 cents per pound on copper content.	10 cents per pound on copper content.	10 cents per pound on copper content.

ADJUSTMENTS TO COPPER EQUALIZATION DUTY

SEC. 4. (a) The President shall, under the circumstances described in subsection (b), adjust the duty imposed on an article of copper under part 4 of the Appendix to the Tariff Schedules of the United States (19 U.S.C. 1202).

(b) The President shall, based upon determinations of the various environmental costs of production by the Administrator of the Environmental Protection Agency (hereinafter in this Act referred to as the "Administrator") under section 6—

(1) increase the duty imposed by such part 4 on an article of copper by an amount equal to the amount by which the excess of—

(A) the United States environmental costs of production per pound of such article, over

(B) the sum of—

(i) the foreign environmental costs of production of such article, plus

(ii) the amount of such duty (prior to such increase); and

(2) decrease the duty imposed by such part 4 on an article of copper, by an amount equal to the amount by which the excess of—

(A) the sum of—

(i) the foreign environmental cost of production of such article, plus

(ii) the amount of such duty (prior to such decrease), over

(B) the United States environmental cost of production per pound of such article.

PROPOSALS FOR ADJUSTMENT TO THE COPPER EQUALIZATION DUTY

Sec. 5. The Secretary of the Treasury (hereinafter in this Act referred to as the "Secretary") shall be regulation prescribe a procedure by which interested parties may propose an adjustment in the rate of duty under section 4. If the Secretary finds pursuant to such procedure that there may be cause to make an adjustment under section 4, he shall request the Administrator to make a determination under section 6 of each of the environmental costs of production required to be made by such section.

DETERMINATION OF ENVIRONMENTAL COSTS OF PRODUCTION

Sec. 6. The Administrator shall be regulation prescribe a method or methods for the determination of environmental costs of production for the articles of copper subject to the duty imposed by part 4 of the Appendix to the Tariff Schedules of the United States (19 U.S.C. 1202), which shall include a method or methods for the determination of the foreign environmental cost of production of such an article of copper in cases in which environmental costs of production have been incurred in more than one country.

(b) When requested by the Secretary under section 5, the Administrator shall, applying the methods prescribed under subsection (a), determine—

(1) the environmental cost of production for each phase of processing of each article for which such request is made, with respect to each country in which such processing occurs, and

(2) the comparable environmental cost of production of such article in the United States for each such phase.

The foreign environment cost of production shall be computed with respect to each such article for each combination of countries in which such article may be processed for importation into the United States.

REDUCTION OF DUTIES

Sec. 7. Notwithstanding any other provision of law, the President may reduce the duty which is imposed on articles of copper by part 4 of the Appendix to the Tariff Schedules of the United States (19 U.S.C. 1201) only in accordance with the provisions of this Act.

AMENDMENT TO THE TRADE ACT OF 1974

Sec. 8. Paragraph (1) of section 503(c) of the Trade Act of 1974 (19 U.S.C. 2463) is amended—

(1) by striking out "and" at the end of subparagraph (F);

(2) by striking out the period at the end of subparagraph (G) and inserting in lieu thereof ", and"; and

(3) by adding at the end thereof the following new subparagraph:

"(H) copper articles which are subject to the duty imposed by part 4 of the Appendix to the Tariff Schedules of the United States (19 U.S.C. 1202).".

DEFINITIONS

Sec. 9. For purposes of this Act—

(1) The term "environmental cost of production" means the cost incurred in mining, milling, smelting, refining, or in any other phase of the processing of an article of copper which is subject to the duty imposed by part 4 of the Appendix to the Tariff Schedules of the United States (19 U.S.C. 1202) such duty if imported into the United States, which is attributable to compliance with a law or regulation of the country in which such process occurs which is for the purpose of protecting the environment.

(2) The term "United States environmental cost of production" means the aggregate of the environmental costs of production of an article of copper—

(A) which would be subject to the duty imposed by such part 4 if it were imported into the United States, and

(B) for which each phase of the processing occurs in the United States.

(3) The term "foreign environmental cost of production" means the aggregate of the environmental costs of production of an article of copper subject to the duty imposed by such part 4 which is imported into the United States.

EFFECTIVE DATE

Sec. 10. The provision of this Act shall be effective with respect to articles entered, or withdrawn from warehouse, for consumption after the date of enactment of this Act.

ADDITIONAL COSPONSORS

S. 1421

At the request of Mr. Eagleton, the Senator from Maryland (Mr. Sarbanes) was added as a cosponsor of S. 1421, a bill entitled the "National Archives and Records Administration Act of 1981."

S. 1422

At the request of Mr. Grassley, the Senator from New Hampshire (Mr. Humphrey) was added as a cosponsor of S. 1422, a bill to authorize the donation of surplus property to any State for the construction and modernization of criminal justice facilities.

S. 1910

At the request of Mr. Bentsen, the Senator from Rhode Island (Mr. Chafee) was added as a cosponsor of S. 1910, a bill to amend section 403(B)(2) of the Internal Revenue Code of 1954 with respect to computation of the exclusion allowance for ministers and lay employees of a church; to add new section 430(B) annuity contract includes an annuity contract of a church, including a church pension board; to conform section 403(c) with recent amendments to 402(a)(1); to amend section 415(c)(4) to extend the special elections for section 430(b) annuity contracts to employees of churches or conventions or associations of churches and their agencies; to add a new section 415(c)(8) to permit a de minimis contribution amount in lieu of such elections; and to make a clarifying amendment to section 415(c) by adding a new paragraph (9) and conforming amendments to sections 415(d)(1), 415(d)(2), and 403(b)(2)(B).

S. 1984

At the request of Mr. McClure, the Senator from Nebraska (Mr. Zorinsky), and the Senator from Idaho (Mr. Symms) were added as cosponsors of S. 1984, a bill to amend the Federal Trade Commission Act to protect the legislative and regulatory authority of the State legislatures, and for other purposes.

S. 2013

At the request of Mr. Inouye, the Senator from Idaho (Mr. McClure) was added as a cosponsor of S. 2013, a bill to amend the Controlled Substances Act to establish a temporary program under which heroin would be made available through qualified hospital pharmacies for the relief of pain of cancer patients.

S. 2159

At the request of Mr. Danforth, the Senator from Maryland (Mr. Sarbanes) was added as a cosponsor of S. 2159, a bill to amend the Bankruptcy Act to provide that judgment debts resulting from a liability which is based on driving while intoxicated shall not be discharged.

S. 2215

At the request of Mr. Thurmond, the Senator from Illinois (Mr. Percy), the Senator from South Dakota (Mr. Pressler), the Senator from Michigan (Mr. Riegle), the Senator from South Dakota (Mr. Abdnor), the Senator from Ohio (Mr. Metzenbaum), the Senator from Pennsylvania (Mr. Specter), and the Senator from Minnesota (Mr. Boschwitz) were added as cosponsors of S. 2215, a bill to recognize the organization known as the National Association of State Directors of Veterans Affairs, Inc.

S. 2225

At the request of Mr. Baucus, the Senator from Michigan (Mr. Levin) was added as a cosponsor of S. 2225, a bill to amend the Internal Revenue Code of 1954 to remove certain limitations on charitable contributions of certain items.

S. 2263

At the request of Mrs. Hawkins, the Senator from Minnesota (Mr. Durenberger) was added as a cosponsor of S. 2263, a bill to amend the Controlled Substances Act to provide increased penalties for illegal distribution of controlled substances in or adjacent to elementary and secondary schools.

S. 2297

At the request of Mr. Hatch, the Senator from Nevada (Mr. Laxalt) was added as a cosponsor of S. 2297, a bill to amend title II, United States Code, to improve the protection for shopping centers and their tenants under the Bankruptcy Code.

S. 2298

At the request of Mr. Boschwitz, the Senator from Alabama (Mr. Heflin) was added as a cosponsor of S. 2298, a bill entitled "The Enterprise Zone Tax Act of 1982."

S. 2300

At the request of Mr. Ford, the Senator from Wisconsin (Mr. Proxmire) was added as a cosponsor of S. 2300, a bill to establish domestic content requirements for motor vehicles sold in the United States, and for other purposes.

S. 2353

At the request of Mr. Bentsen, the Senator from Alabama (Mr. Denton), the Senator from Nebraska (Mr. Zorinsky), the Senator from South Carolina (Mr. Hollings), the Senator from Georgia (Mr. Mattingly), the Senator from Tennessee (Mr. Sasser), the Senator from Alabama (Mr. Heflin), and the Senator from Mississippi (Mr. Cochran) were added as cosponsors of S. 2353, a bill entitled "The Life Insurance Taxation Act of 1982."

S. 2366

At the request of Mr. Dole, the Senator from Florida (Mr. Chiles), the Senator from Missouri (Mr. Danforth), the Senator from Montana (Mr. Melcher), and the Senator from Arkansas (Mr. Bumpers) were added as cosponsors of S. 2366, a bill to set aside certain surplus vessels for use in the provision of health and other humanitarian services to developing countries.

S. 2486

At the request of Mr. Eagleton, the Senator from Maryland (Mr. Sarbanes) was added as a cosponsor of S. 2486, a bill to authorize the Secretary of Agriculture to purchase stored commodities from producers under certain circumstances.

S. 2493

At the request of Mr. Dole, the Senator from Maine (Mr. Cohen) was added as a cosponsor of S. 2493, a bill to amend the Food Stamp Act of 1977 to reform the food stamp program, and for other purposes.

S. 2543

At the request of Mr. Chiles, the Senator from Nebraska (Mr. Zorinsky) was added as a consponsor of S. 2543, a bill to improve the effectiveness and efficiency of Federal law enforcement efforts.

SENATE JOINT RESOLUTION 162

At the request of Mr. Roth, the Senator from Indiana (Mr. Lugar), the Senator from Kentucky (Mr. Ford), and the Senator from Maryland (Mr. Mathias) were added as cosponsors of Senate Joint Resolution 162, a joint resolution to authorize and request the President to designate the week of June 20, 1982, through June 27, 1982, as "National Safety in the Workplace Week."

SENATE JOINT RESOLUTION 172

At the request of Mr. helms, the Senator from Massachusetts (Mr. Tsongas) was added as a cosponsor of Senator Joint Resolution 172, a joint resolution designating Baltic Freedom Day.

SENATE JOINT RESOLUTION 188

At the request of Mr. Inouye, the Senator from Alabama (Mr. Heflin), the Senator from Florida (Mr. Chiles), and the Senator from Nevada (Mr. Cannon) were added as cosponsors of Senate Joint Resolution 188, a joint resolution to authorize and request the President to designate March 1, 1983, as "National Recovery Room Nurses Day."

SENATE JOINT RESOLUTION 199

At the request of Mr. Sasser, his name was added as a cosponsor of Senate Joint Resolution 199, a joint resolution proposing an amendment to the Constitution of the United States.

SENATE CONCURRENT RESOLUTION 90

At the request of Mrs. Hawkins, the Senator from Florida (Mr. Chiles), the Senator from Mississippi (Mr. Cochran), the Senator from California (Mr. Hayakawa), and the Senator from New York (Mr. D'Amato) were added as cosponsors of Senate Concurrent Resolution 90, a concurrent resolution to express the sense of the Congress that the President is urged to promote a declaration by the United Nations of an International Year Against Drug Abuse.

SENATE CONCURRENT RESOLUTION 93

At the request of Mr. Dole, the Senator from Minnesota (Mr. Durenberger), the Senator from Iowa (Mr. Grassley), and the Senator from Maine (Mr. Cohen) were added as cosponsors of Senate Concurrent Resolution 93, a concurrent resolution to urge the Government of the Soviet Union to facilitate the emigration of certain Soviet citizens, and for other purposes.

AMENDMENT NO. 1488

At the request of Mr. Mitchell, his name was added as a cosponsor of amendment No. 1488 proposed to Senate Concurrent Resolution 92, an original concurrent resolution setting forth the recommended congressional budget for the U.S. Government for fiscal years 1983, 1984, and 1985, and revising the congressional budget for the U.S. Government for fiscal year 1982.

UP AMENDMENT NO. 970

At the request of Mr. Harry F. Byrd, Jr., his name was added as a cosponsor of UP amendment No. 970 proposed to Senate Concurrent Resolution 92, an original concurrent resolution setting forth the recommended congressional budget for the U.S. Government for fiscal years 1983, 1984, and 1985, and revising the congressional budget for the U.S. Government for fiscal year 1982.

At the request of Mr. Randolph, his name was added as a cosponsor of UP amendment No. 970 proposed to Senate Concurrent Resolution 92, supra.

AMENDMENTS SUBMITTED FOR PRINTING

URGENT SUPPLEMENTAL APPROPRIATIONS, 1982

AMENDMENT NOS. 1489 THROUGH 1491

(Ordered to be printed and to lie on the table.)

Mr. ARMSTRONG submitted three amendments intended to be proposed by him to the bill (H.R. 5922) making urgent supplemental appropriations for the fiscal year ending September 30, 1982, and for other purposes.

FIRST CONCURRENT RESOLUTION ON THE BUDGET

AMENDMENT NO. 1492

(Ordered to be printed.)

Mr. SASSER (for himself and Mr. Sarbanes) proposed an amendment to the concurrent resolution (S. Con. Res. 92) setting forth the recommended congressional budget for the U.S. Government for the fiscal years 1983, 1984, and 1985, and revising the congressional budget for the U.S. Government for the fiscal year 1982.

NOTICES OF HEARINGS

SUBCOMMITTEE ON RURAL DEVELOPMENT, OVERSIGHT, AND INVESTIGATIONS

Mr. ANDREWS. Mr. President, I wish to announce that the Senate Agriculture Subcommittee on Rural Development, Oversight, and Investigations will hold a hearing on rural energy policy. The "Rural Energy Equity" hearings will investigate the extent of energy problems and will explore all avenues that will help the United States achieve energy independence.

The hearings are scheduled for May 25 and 26 at 1:30 p.m. in room 324, Russell Senate Office Building.

Anyone wishing further information should contact John Cozart at 224-2035.

SUBCOMMITTEE ON AGRICULTURAL PRODUCTION, MARKETING, AND STABILIZATION OF PRICES

Mr. COCHRAN. Mr. President, as chairman of the Senate Agriculture Subcommittee on Agricultural Production, Marketing, and Stabilization of Prices, I wish to announce that hearings have been scheduled on proposed revisions in the dairy price support program. The subcommittee will receive testimony on S. 2533, the Emergency Dairy Adjustment Act of 1982, as well as on other proposals to make adjustments in the program.

The hearing will be held on Thursday, May 27, beginning at 10 a.m., in room 324, Russell Senate Office Building.

Anyone wishing further information should contact the Agriculture Committee staff at 224-2035.

SUBCOMMITTEE ON SECURITIES

Mr. D'AMATO. Mr. President, I would like to announce for the information of the Senate and the public that the Subcommittee on Securities will hold a hearing regarding recent disturbances in the U.S. Government securities market. The hearing will be held on Tuesday, May 25, 1982, in room 5300 of the Dirksen Senate Office Building beginning at 9:30 a.m. Testimony will be received from Government witnesses.

For further information, interested persons may contact Diane Sanger or Neil Levin of my staff at 224-6542.

ADDITIONAL STATEMENTS

A TRIBUTE TO HADASSAH

● Mr. PELL. Mr. President, the 70th anniversary of Hadassah, the Women's Zionist Organization of America, is being commemorated today in a ceremony at the White House. I would like to share in this celebration by extending my congratulations to the members of Hadassah who have dedicated their time and energy to the education and health of countless thousands of individuals at home and abroad.

Hadassah was founded in New York on February 24, 1912, by Henrietta Szold, the eldest daughter of a Hungarian-born rabbi and his wife. Miss Szold was well known in the American Jewish community as an educator, journalist, editor and active Zionist. In the 1890's she helped to organize a Zionist society in Baltimore and later, after moving to New York, she became actively involved in a women's Zionist study circle.

In 1909 Miss Szold visited Palestine and saw, firsthand, the appalling health conditions under which the people lived. She formed Hadassah to try to alleviate their plight and to continue her lifelong tradition of Jewish education. Thus, Hadassah was established to foster Zionist ideals through education in the United States and to begin public health nursing, and eventually training of nurses, in Palestine.

In the last 70 years Hadassah has built an impressive record of humanitarian service. Its first project, in 1913, was to send two American-trained nurses to Palestine to set up a small welfare station in Jerusalem for maternity care and the treatment of trachoma, an eye disease which at that time was the scourge of the Middle East. With the outbreak of World War I, Hadassah, in cooperation with other organizations, dispatched and maintained a unit of doctors, nurses, dentists, and sanitarians in Palestine. In 1918 the first nurses' training school in Palestine, the Henrietta Szold School of Nursing, was opened in Jerusalem. A year later, the School Hygiene Department of Hadassah was organized and began systematic examinations of children. These were the first in a long line of projects which eventually led to the creation of a widespread system of preventive medicine. Today, Hadassah helps to finance two large teaching and research hospitals as well as several clinics. The Hadassah-Hebrew Medical Center in Jersusalem is world renowned, and its facilities are available to all peoples of the Middle East regardless of race, religion, or nationality.

Over the years Hadassah has played a vital role in the education and care of youth in Israel and the United States. In the interwar period, Hadassah organized school lunch and recreation programs in Palestine. Hadassah is responsible for the founding of vocational schools in rural and urban areas of Israel as well as the establishment of the Hadassah Community College and the first medical school in Israel. In 1934 Henrietta Szold became the first director in Palestine of Youth Aliyah, a movement organized to rescue and transfer Jewish children from Europe for resettlement, maintenance and education in Palestine. Well over 100,000 Jewish youth have been assisted through this movement which remains one of the primary projects of Hadassah. In the United States Hadassah works closely with other Zionist youth groups and devotes a great deal of effort to the education of young American Jewish women through the Young Women's Zionist Organization of America.

Currently, Hadassah, which has 374,000 members in all 50 States and Puerto Rico, is the largest women's volunteer organization in the United States. Through the effort of these dedicated women, the peoples of the United States and Israel have been brought closer together, and the lives of many individuals have been made happier and healthier. The humanitarian spirit reflected in Hadassah and its legacy is an inspiration to us all.●

HADASSAH

● Mr. D'AMATO. Mr. President I rise today to note the many accomplishments and philanthropic works of the largest women's organization in the United States—Hadassah.

During 1982, Hadassah celebrates its 70th anniversary, 70 years of dedicated efforts to create a better society and a better way of life. The commitment of Henrietta Szold, founder of Hadassah, has served as an inspiration to the more than 370,000 Americans who are members of this worthwhile organization. Through educational activities undertaken in both the United States and Israel, these dedicated women have helped to strengthen the bond of friendship between our two nations.

Those associated with Hadassah frequently serve as leaders in their communities, involved in youth activities, Jewish education, and American and Zionist affairs. In addition, Hadassah has also been responsibile for promoting improved medical care, teaching, and research. Among its many accomplishments, Hadassah has been instrumental in developing nurse training programs in Israel, as well as a system of public health and welfare. Through the establishment of such institutions as the Hadassah University Hospital, the Henrietta Szold-Hadassah School of Nursing and more than a dozen specialized centers, Hadassah has made impressive progress in improving public health care.

I commend the dedication and tireless efforts exhibited by the women of Hadassah and encourage them to continue their work in the spirit of voluntarism.●

HADASSAH'S 70TH ANNIVERSARY

● Mr. HATCH. Mr. President, on February 3 I submitted a Senate concurrent resolution, Senate Concurrent Resolution 62, sponsored by myself and Mr. Kennedy congratulating Hadassah, the Women's Zionist Organization of America, on its 70th anniversary. Today a ceremony is being held at the White House to commemorate Hadassah's outstanding humanitarian achievements, and I would like to take this opportunity to again comment on the work of this exemplary organization.

Many of my colleagues are familiar with the Hadassah-Hebrew University Medical Center in Israel, the largest medical complex in the Middle East, whose two campuses provide comprehensive medical treatment to over 40,000 inpatients and 500,000 outpatients each year—regardless of race, religion, or nationality. For the benefit of my colleagues I would like to mention just one example of the thousands of people who are being helped by the research and improved medical techniques that are developed at the center. In February of this year 10 children with Down's syndrome underwent plastic surgery at the center in order to improve their physical appearance and general sense of well-being. The surgical team that performed the surgery lessened the protruding tongue, thereby facilitating improve speech, raised the nose bridge, altered the lid axis and raised the drooping eyelids of the young Israeli patients. The center will conduct a followup study to determine the extent to which these physical changes improve the social and mental development of the children.

In addition to their fine work in providing health care to thousands of people each year, the 370,000 members of Hadassah are active in a number of other fields. Today I would like to

commend the members of the Women's Zionist Organization of America for their efforts to alleviate the plight of Soviet, Syrian, and Ethiopian Jews, their contributions to Youth Aliyah—the child rescue and rehabilition movement which has provided care and training for some 185,000 youngsters since it was founded in 1934—and to the Jewish National Fund. As the largest single contributor to the Jewish National Fund, Hadassah has supported the reclamation of tens of thousands of acres for farming and industrial sites. Hadassah maintains a number of educational institutions in Israel, including a high school, community college and vocational guidance institute, as well as a medical school and schools of nursing, dentistry, pharmacy, and occupational therapy.

Not to be overlooked is the commitment of the Women's Zionist Organization of America to the preservation of Israel and to a just and lasting peace in the Middle East. Toward this end Hadassah provides factual information to the American people concerning Israel and functions as an accredited observer to the U.S. mission to the United Nations, in its capacity as a nongovernmental organization of the U.N.

Mr. President, I wish to once again congratulate the members of Hadassah on 70 years of outstanding service and commend them for their efforts toward fostering goodwill between the United States and Israel.●

SENATOR BOREN GAINS CLOUT ON ECONOMICS

● Mr. PRYOR. Mr. President, the Wall Street Journal on May 20 featured our friend and distinguished colleague, Senator David Boren of Oklahoma, in an article entitled "Senator Boren Gains Clout on Economics."

Senator Boren's full grasp of economic issues may come as news to many readers, Mr. President, but to me and to my colleagues in the Senate this is nothing new at all. We have long been impressed with Senator David Boren, with his responsibility, sense of duty, and understanding of the issues that face us today. We have also been impressed with his warmth and wit. As one person in this story comments: "He may be the most popular guy in this place."

I ask that this article from the Journal be printed in the Record.

The article follows:

Senator Boren Gains Clout on Economics

(By Albert R. Hunt)

Washington.—When a tough budget vote comes up in the Senate this week, Republican leader Howard Baker may be tempted to look across the aisle for help from a pudgy, pleasant-faced young Democrat.

That's because Senator David Boren of Oklahoma provided important aid to the Republicans during critical economic battles last year. He was the Senate's most active Democratic supporter of the Republican tax cuts and often joined with other conservative Democrats to support spending cuts. A year ago some Republicans even thought the first-term Senator might be ready to switch parties.

Today, however, Republicans no longer think David Boren may become one of them. Howard Baker isn't counting on assistance from him, either. For Mr. Boren, a member of the Senate Finance Committee, has become an important behind-the-scenes force in fashioning Democratic alternatives to the Reagan administration's tax and spending policies.

He was a leading figure on the party's 18-member task force that recently devised an alternative to the Reagan economic plans. In fact, he was the chief writer of a letter that Senate Democrats sent to the President, outlining their ideas.

Sen. Boren remains one of the Senate's more conservative Democrats. But he is putting some distance between himself and Republicans and taking a different view of his party responsibility. "I decided I shouldn't be standing just as a critic. I wanted to contribute to the dialogue in our party," he says.

The Oklahoma Democrat's vote is unlikely to decide the outcome of many economic issues, but his attitudes are significant because he has been a rather accurate political weathervane and because he is increasingly influential within the Senate.

"Dave Boren has very good relations on both sides of the aisle," says conservative Republican Sen. Alan Simpson of Wyoming. Liberal Democrat Bill Bradley of New Jersey says, "Dave is a very bright guy who wants to and is going to play an important part in shaping the alternative" to Reaganomics. Other Senate observers consider Sens. Boren and Bradley the two most knowledgeable young members of the Finance Committee in a long while, with the potential for decisive roles in major legislative struggles for years to come.

POPULIST STREAK

Until recently, Mr. Boren used his clout for very conservative ends. Back in 1978, while governor of Oklahoma, he was the first important Democrat to endorse the Republicans' Kemp-Roth proposal for deep tax cuts. Last year he sided with the Republicans on that plan, on indexing tax rates for inflation and on most other tax and spending measures. Last spring, top Republicans began imploring him to switch parties.

Mr. Boren, the son of a Democratic Congressman, admits he was disillusioned with his party. "We abandoned too many constituencies—the farmer, the small businessman, the believer in fiscal responsibility." But Dave Boren, who as a tot used to play hide-and-seek with his Dad's close friend, House Speaker Sam Rayburn, says he "never really considered leaving the Democratic party."

Moreover, despite his conservative instincts and those of his farming and small business constituents, Sen. Boren has a populist streak; nothing brings this out more than high interest rates. Some months ago he took to the Senate floor every day for more than 100 days to rail against high interest rates. The chief culprit, in the Oklahoman's mind, is the burgeoning budget deficit.

Thus the one-time champion of the Kemp-Roth tax cut now says the tax reduction enacted in 1981 "has proven to be excessive." He wants to defer both the third year of the individual income-tax cut and the indexing of tax rates that is scheduled to start in 1985.

THE FAIRNESS TEST

Meanwhile, Sen. Boren has been taking on more party responsibilities. Along with top Senate staff members, he wrote the Senate Democrats' March letter proposing alternatives to the Reagan program. Later he went back home to test market the main ingredients—deferring indexing and the 1983 tax cut, scaling down the increase in defense spending and, following a more moderate monetary policy. He reported that these went over well in conservative Oklahoma.

As head of the Senate Democrats' "themes committee," Mr. Boren was one of the architects of a party decision to focus on a "fairness test" in evaluating the GOP's program. "One of the few things most Democrats would agree on was their constituents thought the Reagan program was unfair," says a Democratic Senate strategist.

Sen. Boren has also sought accords on specific proposals. "I've told Ted Kennedy, 'Instead of you attacking independent oil companies and me attacking lobsters, let's find a way to agree on both.'" Sen. Boren argues. "Maybe we can recreate that old Austin-Boston axis (the 1950s and the 1960s alliance between some Massachusetts and Texas lawmakers) in these tough times."

Sen. Boren says he is willing to support "some targeted programs to aid regions and people in serious need" if an alliance on matters such as better treatment for smaller oil concerns can be worked out with his liberal colleagues. And he has good relations with such liberals as Sen. Bradley, Massachusetts Sen. Paul Tsongas and even Sen. Kennedy.

But since Sen. Boren, is far more conservative than many of his liberal colleagues, any unity may prove to be paper-thin when Senate Democrats some day turn from opposing Reagan programs to offering initiatives of their own.

Even so, Sen. Boren, a hard-working former Rhodes scholar, is likely to be a legislative force. He enjoys the legislative process and also is a genuinely nice man. His office employs more interns than almost any other Senate office, and Sen. Boren takes each one to sit with him on the Senate floor at least once.

Earlier this year, to thank them for their work, he took the employes of the Senate Democratic cloakroom to dinner. And he was one of the very few Senators the Capitol's subway operators invited to their Christmas party last year. "He may be the most popular guy in this place," says a Senate staffer.●

LIMITING THE POWER OF THE FEDERAL COURTS

● Mr. GOLDWATER. Mr. President, one of the consistent principles of conservatism is recognizing the separate-but-equal branches of our government. Indeed, from the very beginning of our system, the Founding Fathers showed the deep concern that one of the branches—legislative, executive or judicial—should ever attain dominance over either of the other two. This fundamental principle is at the very root of our free, democratic society. It is unfortunate that this line has been breached many times and not because of constitutional fact. Too often, we have seen one branch of government try to usurp the duties and responsibilities of another branch. These aberrations occur because of displeasure over a stated policy or because of personality conflicts which prevent any meaningful dialog from taking place. While the ends toward which these people are working may be commendable, the larger fact is that the means by which they go about their task does serious harm to our Constitution and the principles it is based upon.

The reason that we are all here today is that we campaigned, elected and took an oath to uphold the Constitution. Yet, in a mood of displeasure over a ruling of the Supreme Court, this body has over-stepped the separation-of-powers line and violated the very principles we are sworn to uphold.

Mr. President, there may be some decisions of the Supreme Court that I may not like, nevertheless, I cannot accept the idea that we must upset the balance to voice our displeasure.

In this regard, Mr. President, the Bar Association of Maricopa County, Ariz. recently passed a resolution opposing legislation limiting the power of jurisdiction of the Federal Courts.

Mr. President, I ask that this resolution be entered in full in the RECORD.

The resolution follows:

RESOLUTION

The Board of Directors of the Maricopa County Bar Association, representing in excess of 2,500 lawyers in Arizona, having considered the matter in special session, passed a unanimous resolution to

Oppose any congressional legislation limiting the power or jurisdiction of the Federal Courts to act in areas of constitutional interpretation.

This resolution, though passed because of pending legislation, is also intended to extend to future legislation.●

CHAMPUS

● Mr. INOUYE. Mr. President, the Wall Street Journal of May 4, 1982, carried an article by Mr. Burt Schorr entitled "Insurers Stop Paying for Some Treatment by Psychiatrists Amid Doubts About Need." I was most pleased to review Mr. Schorr's article, as it indicates the extent to which the mental health community is able to utilize the peer review mechanism as a cost-effective means of insuring high-quality care.

I was especially pleased to learn of this evolution, as it was the Department of Defense CHAMPUS program that initially spurred both the American Psychological Association and the American Psychiatric Association to create their peer review programs in 1977.

I think it is important for every one of us to be aware of the extent to which the Department of Defense CHAMPUS program has, for a number of years now, been in the forefront of developing highly innovative mental health policies and, accordingly, I was most pleased to note Mr. Schorr's recognition of CHAMPUS' role in this most important endeavor.

I am confident that we can continue to expect such progressive leadership from our CHAMPUS program in the future, as we continue to grapple with the ever-escalating costs of health care.

Mr. President, I request that Mr. Schorr's article be printed in the RECORD.

The article follows:

INSURERS STOP PAYING FOR SOME TREATMENT BY PSYCHIATRISTS AMID DOUBTS ABOUT NEED

(By Burt Schorr)

Insurance companies are invoking peer pressure to reduce payments for psychiatric treatment that may be unnecessary.

They suspect that many health-plan beneficiaries are going to psyciatrists for intensive therapy when less expensive treatment, such as talks with a counselor, would be just as effective. Insurers are also concerned by cases involving long-term care that has ceased to produce significant benefits.

But deciding whether to stop or reduce payments is difficult for insurers. "Psychiatry, at this point, is as much an art as a valid science based on sound medical principles," says Dr. William Guillette, medical director of Aetna Life & Casualty Co.

To help insurers evaluate whether the treatment they're paying for is necessary, professional organizations of psychiatrists and psychologists have formed peer-review panels. For Aetna, the first private insurer to use the panels, the program is paying off. Dr. Guillette says Aetna may save 3 percent of the $250 million a year it spends for mental-health care. So far Aetna has submitted 400 cases for review. In some, therapists terminated treatment when they saw the review comments; in others, reviewers recommended termination.

In one such case, a woman in her early 30s had been seeing a psychiatrist in a Southern city twice a week for three years. According to the psychiatrist, the woman was suffering from "anxiety neurosis" caused by "marital disharmony." He told Aetna the treatment would have to continue for an "undetermined period" because of "variable etiological factors."

Aetna, which had paid more than $9,000 for its 50 percent share of the woman's treatment, suspected that she needed only limited marriage counseling, which wasn't covered by her insurance. But when Aetna sought more information, the psychiatrist refused the request on grounds of patient confidentiality.

Aetna's Dr. Guillette turned the case records over to three psychiatrists chosen from more than 460 American Psychiatric Association members who have signed up to review cases. All three agreed in separate reports that, based on the available information, the insurance payments should be stopped fairly promptly. Dr. Guillette sent the findings to the therapist, along with an offer to continue payments for 30 more therapy sessions, to be followed by a second review. Aetna didn't receive any further bills for the woman's treatment.

STOPPING TREATMENT

Indeed, in the first 100 cases Aetna submitted for review, more than a third of the psychiatrists being scrutinized decided to end their patients' treatment once they saw the peer comments. Aetna's participation in the American Psychological Association's smaller peer-review program has produced similar results, Dr. Guillette says.

The 27,000-member American Psychiatric Association created its peer-review program because of increasing skepticism by insurers about the cost and efficacy of psychiatric care. Following Aetna's lead, eight other insurers, including Metropolitan Life Insurance Co., Mutual of Omaha and Connecticut General Life Insurance Co., have signed up to use the program in the last 16 months.

One problem in evaluating therapy claims is that there isn't any way to determine which therapy works best with a specific mental illness. Dr. Morris Parloff, a National Institute of Mental Health psychiatrist, is organizing a large-scale experiment for comparing treatments of depression. But Jerome Frank, professor emeritus of psychiatry at Johns Hopkins School of Medicine in Baltimore, says that attempting to assess the 200 types of therapy being used "in many ways is equivalent to attempting to determine the relative merits of Cole Porter and Richard Rodgers."

Dr. John McGrath, a member of the psychiatric association board, has similar doubts about the ability of reviewers to judge treatment methods, even though he has reviewed more than 70 cases under the peer-review program. "For an active and productive patient who is clinically depressed, a Manhattan psychiatrist might choose a talking therapy, while one in a rural area of Oklahoma might prefer to use drug therapy," he observes.

The inability to measure what they are paying for is one reason employers and health insurers tend to be much less generous with health-plan coverage for mental illness than for other types of medical care.

A 1980 sampling by the Health Insurance Association of America of employer health plans covering 19.6 million beneficiaries found that 40 percent of those covered were limited to $1,500 a year in psychiatric office visits—far less than for other health problems. Only some 10 percent could expect reimbursement for outpatient psychiatric services at the same 80 percent rate generally paid for medical office care.

"Insurers look at psychiatric treatment as open-ended and that scares them," says a spokesman for the Washington-based insurance association. "If you have cancer, they'll pay you, but usually you'll either be dead in two years or on your way to being cured. Psychiatry can go on for 10 or 15 years."

In the Washington, D.C. area, where therapists abound, Blue Cross-Blue Shield in 1980 and 1981 cut back the psychiatric coverage that it offers federal employes. The associations of psychiatrists and psychologists are challenging the reductions in federal court.

It was a similar threat by managers of the Defense Department's health program for military dependents and retirees, known as Champus, that spurred the psychiatric association to create its peer-review program in 1977—despite strong objections from many members who feared it would breach patient confidentially. Champus was considering cutbacks because of criticism from the General Accounting Office and Congress for paying the bills of marriage counselors and others whose services didn't really qualify as treatment for mental illness.

Champus eventually agreed to use peer review rather than reduce coverage. By getting the opinions of APA psychiatrists on nearly 300 cases a month, it is saving several million dollars a year on the nearly $100 million it pays for treatment of mental illness, spokeswoman says.

SENTINEL EFFECT

More intangibly, peer review is having a "sentinel effect" by getting psychiatrists and psycholgists to be more stringent in managing their patients' cases, says Dr. Henry Altman, head of the psychiatric association's peer-review committee.

In the majority of APA-reviewed cases, however, the reviewers recommend that treatment be continued. One such case involves a depressed woman in a Middle Atlantic state whose psychiatrist has been seeing her four times a week since early 1980. The therapist believes that his patient, who is in her mid-40s, had been prevented by her dominant, interfering mother from developing a sense of autonomy. This produced a fear of criticism and rejection that ultimately caused the woman to separate from her husband, he reported.

Evidence of the woman's emotional problems could be seen in her medical history. In addition to seven years of previous psychiatric care that began in her teen years, she had suffered for 15 years from stomach and intestinal problems that seemed related to her mental condition.

But the physical symptoms had abated considerably during the latest treatment period, which the reviewers all took as evidence that the psychoanalytically oriented treatment was helping her. They agreed that the method of treatment and its frequency were warranted.●

IS THE PEOPLE'S REPUBLIC OF CHINA A FRIENDLY COUNTRY?

● Mr. HELMS. Mr. President, in my capacity as chairman of the Committee on Agriculture, Nutrition, and Forestry, I recently presided over a hearing called to consider a legislative proposal to designate the People's Republic of China as a country friendly to the United States—a questionable proposal at best. Such a designation would have the result of making Communist China eligible for concessional sales agreements and food donations under Public Law 480.

In my judgment Mr. President, there is no merit to this proposal. But, as chairman of the Senate Agriculture Committee and as a Senator, I wanted both sides to be heard—the State Department came to tell the committee just how friendly Communist China really is to the United States. Theirs was a very weak case.

It appears that the only real area of mutual interest between the United States and Communist China is a shared concern over Soviet expansionism—for different reasons. Beyond that and our desire for expanded trade, the United States and Red China have little in common, particularly in the area of human rights.

But, the State Department is so desirous of cultivating a good relationship with Communist China, that its spokesman described the political and social conditions there as being much improved over conditions of just a few years ago. He went so far as to describe Communist China as something other than a dictatorship, and asserted that Communist "China does not identify itself as the leader of a world Communist movement, and its does not profess such a goal."

Then, Mr. President, there was another witness who appeared at the hearing on May 3, the distinguished Dr. Ray S. Cline, senior associate, Georgetown Center for Strategic and International Affairs. His testimony on relations between the United States and Communist China is most enlightening, and worthy of careful review by everyone who is interested in the topic of United States-Communist China relations.

Mr. President, I ask that a transcript of Dr. Cline's testimony, including an article included in the testimony, be printed in the RECORD.

The testimony follows:

STATEMENT OF DR. RAY S. CLINE, SENIOR ASSOCIATE, GEORGETOWN CENTER FOR STRATEGIC AND INTERNATIONAL AFFAIRS

Dr. CLINE. I was delighted that I got here in time to hear my former colleague from the State Department exhibit such diplomatic dexterity in suggesting that the Government of the People's Republic of China was not a dictatorship.

The CHAIRMAN. I gave him every opportunity to amend that.

Dr. CLINE. I think actually, the members of the Communist Party would be rather insulted by that, because of course, it is a cardinal principle of any Communist party that establishing a dictatorship of the proletariat is the reason they are in business. So I was fascinated to discover the State Department has somehow conveyed to the government of Peking a special status that they do not themselves claim, I am quite sure.

As I understand it, Senator, the proposal before you is, to remove from the present prohibited list of the People's Republic of China so that it would be eligible for agricultural assistance under the Public Law 480 law. It really baffles me as to why this proposal is being made. There are so many needy small nations with developing enterprise systems in agriculture, as well as in other parts of their economy, that would benefit a great deal from a relatively small amount of help, whereas the direction of your questioning already this morning had indicated the magnitude of the problem of agriculture in Communist China. Why we want to extend economic aid to a badly mismanaged, centrally planned Chinese economy on the mainland is hard for me to see.

I concluded from my studies that the People's Republic of China (PRC) is a dictatorship, built on the traditional Soviet model. The so-called progress, which was mentioned by a couple of previous witnesses, are minimal retreats from some of the wilder fantasies of Mao Tse-tung in 1966. Of course, if you take 1966 as a base, it is impossible to conceive of anybody running a country as badly as China was run during the cultural revolution, which began in that year. So you can say that there have been improvements. And of course, we want to encourage such improvements. But to argue that already we are dealing with a country which is "friendly" in the normal sense of the term, or run along lines which we would like to encourage with economic assistance, is pure fantasy, as far as I am concerned. That is the basic comment I would like to make this morning.

The PRC economy is still virtually an incentiveless system. It is totalitarian. It subordinates all people, all purposes, every economic activity, to arbitrary political control. The "private plots" that are allowed to be used by peasants are not examples of progress toward more freedom in China. They are exactly the same kind of very tiny private plots that are allowed to be used in the Soviet Union by the Soviet peasants. This is part of the Communist system. They do not own the land. It can be taken away from them; their right to use it can be taken away from them at any time. It has been, several times, in both Russia and China. So I do think it is a little bit misleading to suggest that somehow, this emphasis on "private plots" is moving toward a free enterprise or progressive or democratic system.

Heaven knows, the Chinese people need help, and I am very sympathetic with them, and I think we should try to help them, but not in ways which will perpetuate their enslavement in an economic system and a political system that simply does not work. It does not work anywhere in the Communist world, and it works probably worse in Communist China than in any other country.

So if we think of Public Law 480 aid as helping a country move along a path that makes sense for it, I should think we should extend that help at the point where the Communist Party of China is frankly admitting the bankruptcy of its economic policies and moving toward a more open society and free enterprise system. I do not think anybody can honestly say that is happening today, and in fact, in the past year, many of the steps which were considered possibly openings toward a looser society, a freer society, have been cancelled, and the direction is in the contrary, toward tighter control. More than that, the relationship with the United States which was always, in my view, one of opportunism and expediency, a very narrow common strategic interest, is now beset with quite a few very serious turbulences, complications, difficulties, caused by the regime in Peking. So it is stretching it a bit in my view to call it friendly, while it is certainly stretching it a long way to call it nondictatorial.

Even if we provided the kind of aid that you were speaking of, say, $50 million a year or something of that sort, it is very questionable to me that such a humanitarian gesture would result in any major improvement in the agricultural economy, and I question very much whether it would even filter through the Communist Party bureaucracy to reach the 800 million people living at subsistence level. My figures are that there are 39 million members of the Communist Party, a little less than the 50 million that Assistant Secretary Shoesmith has mentioned, but that is a pretty big bureaucracy, and they do control the system. I do not know how many non-Communists get into the universites—certainly not very many—but I assure you that very few of them get into the bureaucracy and control anything.

So, despite 30 years of Communist promises and rather extravagent claims—which are often credited in this country, almost as if they were real, because we have a kind of romantic feeling about China, which I tend to share, the economy is still a failure. I would like to see China be a great success, because in its past, it had a great civilization as a base, and we see in the Island of Taiwan and in Singapore and Hong Kong, a British colony, that the Chinese people under a free enterprise system perform miracles. They are absolutely marvelous in developing the standards of living of their people in these particular areas, especially the Republic of China on Taiwan, which has 18 million Chinese citizens. In Taiwan they have approached a political society which is indeed moving very much toward elections, toward free advocacy of ideas, as well as toward a private enterprise economy. Within the confines of the martial law which they must maintain, because of the continuing danger of Chinese Communist attack on Taiwan, I think we have a relatively open society in a Chinese system. That is what I would like to see on the mainland. And I think that if you are going to give aid to the People's Republic of China, we should do it when we have some reason, some quid pro quo benefit to expect, with respect to Chinese mainland movement toward the evolution which we have seen take place in the Republic of China on Taiwan.

We have in Taiwan a laboratory example of a developing system that has thoroughly Chinese cultural values but has opened up to the free enterprise concepts of the Western world. Its agriculture, as you know, is a marvel of ingenuity and technology. When the People's Republic of China moves in that direction, I am for helping them a great deal. At the moment, they are certainly not moving in that direction.

I wanted to add a few additional thoughts. The model of agriculture and economics that is being followed on the mainland has been a failure in every part of Asia, as well as a relative failure in the Soviet Union which has difficulty feeding its people. Today we have the remarkable phenomenon of the United States mainly supplying the surplus which makes it possible to feed both Communist China and Communist Russia. If our grain were not available, their rations would be very thin. There may be reasons to do that, but as I say, I think we ought to be trying to persuade people who receive our largesse in this way to move in a direction which will create an international environment that we can live with and trade with and see as a comfortable situation for all the nations around who want peace and stability. I do not believe that is true of either the Soviet Union or the People's Republic of China today.

Therefore, I would say that removing the PRC from the prohibited list under the P.L. 480 Act is a signal that is being sent at the wrong time. It is simply the wrong signal to send in our relations with the PRC at this juncture.

Let me give you a few more reasons, because in addition to the economic and structural problems, I understand that the law, Public Law 480, requires that agricultural assistance go to friendly countries not dominated or controlled by any world Communist movement. Well, you may indeed argue that the People's Republic of China is a very unsuccessful world Communist movement. It has tried to expand into Asia, into Africa, into Latin America, and has had comparatively little success, at least compared to the Soviet Union, which has run petty wild in these areas. But the PRC is actively in competition with the Soviet Union for influence in every part of the so-called Third World, and it is in competition by trying to establish Communist parties loyal to Peking which will encourage revolutionary activity against the established governments, trying to overthrow such governments, and to encourage guerrilla warfare and terrorist activities to destabilize the regions. Now, the limited power that Chinese Communists have to communize the developing nations is not in my mind a reason for sayng that they are not a world Communist movement. They have tried very hard, they are continuing to try, and to the extent that we give them economic aid, which relieves them of burdens that they could use for military or political conspiratorial purposes, I think we could indeed be assisting a world Communist movement, the People's Republic of China.

I must say again, I doubt that the Communist regime in Peking would deny that it is a world Communist movement. I think they would be a little insulted if we told them they were a third-rate local Communist outfit. They consider themselves, in classical Chinese style, the central kingdom, the center of the world, and they see their model, the model of Communism, based on Mao Tse-tung's though as the flag around which all countries will eventually rally, just as the Soviet Union considers the Leninist model the one.

So both of those countries are one-party Communist dictatorships and bureaucracies, competitors for leadership of the world communist movement. I really think it is ridiculous to say anything less.

Now, I consider that Peking can be demonstrated not very friendly to us in another very practical way, just from the current diplomatic situation, which the State Department did not seem to bring up in their testimony. Peking is now constantly, in the past year, threatening to downgrade diplomatic relationships with the United States unless Washington agrees to cut off Taiwan's access to all military weapons, even including the spare parts of the weapons which we have provided them in the past. The object is plainly stated, to force Taiwan's 18 million unwilling Chinese citizens who want to remain non-Communist because they are living in a prosperous and relatively open society to become a subordinate political entity under the government of Communist China.

The pressure is very severe on our government to force Taiwan to return to the mainland, which means returning to the embrace, not necessarily very tender, of the Communist Party of China and the government of the People's Republic of China. Now, we have, in the postwar period, Mr. Chairman, tolerated the movement of a number of large areas and large groups of people into the block or association of Communist states, most of them dominated by the Soviet Union, a fact which we generally deplore. I am not aware that we have ever forced any group of 18 million people against their will to become part of a Communist state, and I do believe that that is the requirement which Peking is putting on us in demanding that we stop military aid to Taiwan despite the provisions of the Taiwan Relations Act of 1979, passed by the Congress, assuring the security of the Chinese people on the Island of Taiwan.

In addition to being remarkably intransigent over this matter of our relations with Taiwan, which we perpetually continue to discuss in Peking, as if our policy toward Taiwan should be determined in Peking rather than in Washington, the government in Peking has been giving us a hard time in other respects. They have criticized American moves to resist Soviet and Cuban revolutionary adventurism in the Caribbean; they have protested our efforts to stabilize El Salvador; they have denounced our position on the Falkland Islands issue just a few days ago; they refused to condemn Poland's one-party military dictatorship under Jaruzelski. We sent a mission, as I understand it, from the State Department to ask Peking to join us in condemning the Polish repression, and instead, the idea was rejected, and the People's Republic of China sent a substantial amount of food aid to the government of Poland under General Jaruzelski. The U.S. government was urging everybody to boycott the Jaruzelski government. Are we proposing to send food to Communist China, which might then be trans-shipped to Poland today?

I think that the timing of this particular proposal is remarkably poor in the light of Peking's new hostility toward our goals in world affairs.

Now, it is true that we have a certain common interest with Communist China. It is a single interest, in my view. We both do not like to see the Soviet Union get stronger. It is a coincidence in many ways that we have that common interest. The reason it has been so prominent in Chinese statements recently is that they are frightened of the Soviet Union, which is on their border. That does not, in my view, equate to mutual friendship. Insofar as the Chinese Communists help us in restraining Soviet expansion, of course, they are on our side with respect to the Soviet Union. But as I have just indicated, they do not seem to be on our side with respect to much else. I promise you, on the basis of all historical evidence, that these kinds of single-interest relationships do not make two countries become friends when they have totally different social, economic, political systems and sharply divergent regional objectives, as ours are in contrast with the People's Republic of China.

I would like to make a couple of additional points, if I am not going on too long, Mr. Chairman.

The CHAIRMAN. You go right ahead.

Dr. CLINE. I think it is a myth perpetrated by the Administration of President Carter and inexplicably continued into this period by the proponents of the 1978 tilt toward Peking, that PRC top officials are or even claim to be basically friendly toward the United States. The Chinese Communist Party runs China; the formal governmental constitution, which is now being revised, means almost nothing. The Communist Party constitution that establishes the goals of the PRC has a provision in it, passed fairly recently, August 18, 1977—four days before the arrival of our Secretary of State to carry the word that we wanted to be friendly with China—and that provision in the constitution is: the Communist Party "unites with the proletariat, the oppressed people and nations of the whole world and fights shoulder-to-shoulder with them to oppose the hegemonism of the two superpowers, the Soviet Union and the United States, to overthrow imperialism, modern revisionism, and all reaction." We, of course, qualify under both imperialism and reaction, in Chinese Communist thinking.

Prior to the adoption of this constitution, the then number-one leader and Prime Minister, Hua Kuo-feng, explained to his Party friends that the United States, which was being cultivated to protect China from the Soviet Union, was the less dangerous of the

PRC's two enemies. He said, quote, "The Soviet Union and the United States are the source of a new world war, and Soviet social imperialism in particular presents the greater danger." Then, quoting Lenin, he continued, quote, "The more powerful enemy can be vanquished by taking advantage of every, even the smallest, opportunity of gaining a mass ally, even though this ally be temporary, vacillating, unstable, unreliable and conditional."

I do not think that is a particular flattering chain of adjectives to be applied to the United States, but clearly, this was what he was explaining to his own Party. That the PRC considers itself a true or in any way reliable ally of the United States, simply because it fears the Soviet Union more, is to me a myth that ought not to have the credence in Washington that it does today.

There is a final point that I believe is very important, sir—and maybe I will have to refer to some of my own writings. I regret to do that, but I picked up papers rather hurriedly this morning.

The CHAIRMAN. Well, I would say that is an excellent source.

Dr. CLINE. Thank you, sir. I will submit this to your Committee, if I may, the whole article.

(The article referred to here was received for the record and follows the end of the text of Dr. Cline's testimony.)

Dr. CLINE. What I wanted to point out is that when we look at the backward situation in the People's Republic of China, in fact, in all of the Communist Asian states—North Korea, Vietnam, Kampuchea, Laos—where the standard of living is extremely low, with grinding poverty, great political oppression, and in Southeast Asia, fullscale warfare going on by proxy between China and the Soviet Union, we ought to compare that with a region in which we do have friendly and, I think, productive interests.

The phenomenal industrial development of Japan, South Korea and Taiwan and of the whole chain of West Pacific states, taking what the Chinese Communists used to call contemptuously, "the capitalist road", has been remarkable. The trade is extensive. There are genuine interconnections with the United States and with the other Pacific states. Long-range business commitments are being made, even with Europe. Multinational investments, bilateral trade and banking arrangements, and increasing contacts around the world are creating a growth of regional interdependence, as well as multiple links with the United States, that is increasing our strength and the strength of the free world in the West Pacific.

I think the Pacific community of ten nations, including particularly Japan and South Korea and Taiwan, the newly industrializing nations, is the area in which we ought to ensure absolutely friendly relationships, because that is an area of economic growth and prosperity within the international trading system and the free enterprise system which is strengthening our total worldwide position vis-a-vis the Soviet Union. For example, the standard of living per capita in Australia and Japan is almost as high as in the United States. Taiwan has a per capita income of $2,720—very high by Asian standards, and certainly curiously in contrast with the People's Republic of China, which after 30 years of developing a Communist system on the mainland, has a per capita income of less than $300 per year.

Since these goods and services are being produced in a system that we can link with, can identify with, I think it is very important for us to work with those nations and hold up their example to the bankrupt Communist systems on the mainland. The economy of Taiwan is the irrefutable demonstration that Chinese societies can forge ahead rapidly in economic development. It is a free enterprise system. It is a constant reproach to the PRC, as some Chinese Communists have had the courage to admit in recent years. There, the standards of living have not lifted much, if any, above the levels of 25 years ago.

Now, on behalf of the Republic of China on Taiwan, President Chiang Ching-Kuo, who has managed this economic miracle, has made clear that unification with the mainland is an objective of the Chinese people everywhere, but that it can come only when freer economic and political processes than now exist come into being in the PRC. President Chiang has welcomed the continuing security guarantees from the United States of the Taiwan Relations Act of 1979, and always says that in case of any war in the Pacific, Taiwan bases and facilities are available to U.S. military forces regardless of who the enemy may be. That is what I call real friendship!

I suggest that if the favorable trends in Taiwan and the rest of the Pacific community, particularly Japan and Australia, persist and grow, the balance of power will shift in a direction advantageous to the United States, and if our luck holds, we will see the Pacific Basin turn East Asia into a zone of stability beckoning to the Communist five nations on the mainland to turn gradually toward trade and a good relationship with these open societies.

Now, that is good news, and I think it would be shocking for us to signal to the People's Republic of China that the very limited moves that they have made to ameliorate some of the hardships of their very retrogressive economic and political system on the mainland have won our approval. I think they have not yet faced their basic problem, and they might, if we lead them in the right direction.

I do not know why the government in Peking is now distancing itself and behaving so cooly toward Washington, but it is. The past few months have seen a real harshness and an abrasiveness in our relationship, solely instigated by Peking. It probably is for interanal political reasons, some kind of competition between the different leaders to show how tough they are on capitalists in general.

In any case, the threatening of diplomatic reprisals against the United states is something that any self-respecting nation should not accept and particularly not accept with gestures of friendship and concessions of a positive and specific kind, like economic assistance. The attitude that Peking is now showing us is not friendly. As a matter of fact, their attitude is basically blackmail. They are trying to get us to help them do what they want in Asia, rather than being friendly toward the peace and stability which is our objective in the area.

Therefore, I hope we will wait until there is some sign that China can be reunited, as I think it will be some day, on the basis of the principles of a free, political and economic society, and that we should not in any way disturb the pressure on the society of the People's Republic to reform itself and move toward a model more generally in the interests of its own people.

Thank you very much.

The CHAIRMAN. Dr. Cline, of course, I agree with you, but I would think that even those who may not agree with you would have to acknowledge that you have given a scholarly and logicial statement, which I very much appreciate. And I am going to ask staff to get me a transcript of your remarks, because I think they ought to be circulated as quickly as may be possible to all Senators.

Dr. CLINE. Thank you very much, Senator. I would be delighted to help them put it together.

The CHAIRMAN. Well, it was just excellent, and I appreciate your coming. Now, let me ask you just a few quick questions, because you have been here all morning, as have we.

You are a student of China, and you have written extensively on matters of military strategy. Is the People's Republic of China a credible modern military power?

Dr. CLINE. My view, Mr. Chairman, is that China is not a credible modern military power. It is a military power along the lines of ancient oriental despotisms which have existed for a long time. It has a 4 million man army, mainly unable to move very far from its garrisions. The strength of China, any China in history, has always been that it is so big and has so many people, one billion people now, that no government in its right mind would try to conquer all of China. I call the People's Republic of China "strategically indigestible", and that is a strength which will prevent the Soviet Union from attacking it. But it does not mean that the Chinese army is able to move against the Soviet Union, that it could assist us materially in any way except defending China if there were hostilities, nor that it is able to absorb the kind of technology which would make it a really valuable military ally.

The CHAIRMAN. I was disturbed to hear the semantics earlier this morning in purported refutation of the suggestion that the People's Republic of China is a dictatorship. I hope this does not mean that we have reached the point in our foreign policy such that we are no longer interested in a coalition in the Pacific Basin to deter Communist expansion.

Now, just for the record, what would you recommend, if you could push a button and your policy would be implemented; what would you suggest we do?

Dr. CLINE. Worldwide, Mr. Chairman, or in Asia?

The CHAIRMAN. I am talking about the Pacific Basin region.

Dr. CLINE. Yes, sir. I recommend that we take a positive, but not dominating role in encouraging the nations, non-Communist nations, all around the rim of the Pacific to develop a community spirit mainly for the purpose of exchanging economic goods and services, but also for consultation on the common security interests, so that we could reach the point in the Pacific, with American moral support and perhaps some economic support, that we reached in the Atlantic about 1948 or 1949, when we began talking seriously of an Atlantic community. Whether we want to go on to develop institutions and military cooperation is something that I would leave strictly to the Pacific states. I doubt that they really want to do that at this time. But they need the coherence that would come from having an informal, voluntary association or quasi-alliance, because they all are aiming at the same purpose. They do not fear the United States. They want us to back them up. They do not want us breathing down their necks. They do fear the Soviet Union. They fear the People's Republic of China. And I think this is a magnificent opportunity for us to help develop a creative Pacific community, a coalescence of common interest that would go a long way toward tilting the balance of world power back to the free world and the free enterprise system, which these Asians are really keen on, and very good at, too. They can help us, perhaps, correct our overemphasis on the frozen military situation in Western Europe and see things in a genuine global perspective.

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The **Chairman**. What signal do you think this P.L. 480 proposal will send around the world, and particularly with respect to the Pacific Basin?

Dr. **Cline**. I think it would signal that the United States is desperately weak in its capabilities to cope adequately with the expansionist power of the Soviet Union, so much so that we would Kow-tow, really make unrequited concessions to Communist China, simply because it is anti-Soviet. The world is full of anti-Soviet nations with many common interests with us. I have no wish to punish the People's Republic of China or reject any cooperation they want to give us in opposing the Soviet Union, but I see this signal as kind of a scraping up of some appeasement gesture too show that we really are counting on the People's Republic of China in a strategic way that I think is quite fantastic and will prove to be unrewarding.

The **Chairman**. Now, you heard the testimony this morning when I inquired about subversive activities. I should have broadened my question, I suppose. What about the Red Chinese activities in Africa and Latin America?

Dr. **Cline**. Well, they have been very extensive in the past, Mr. Chairman. As in many other questions that you posed, what you got was the statement, over and over, that, "Well, things are not as bad as they used to be." And that is true. The Chinese Communists have run out of steam—run out of money is what they have run out of—and they have also run out of political unity in their own government, so that they cannot quite agree on how to conduct subversive and revolutionary activities in many countries. But they still have representatives, intelligence and propaganda representatives in almost every country in the world, and they are very active in some of the African countries, some of the Latin American countries. And of course, as was pointed out in the earlier testimony, they have an active program of broadcasting and moral support at a minimum for the Communist parties of Burma, Malaysia, Thailand. The decrease in the support is clearly an opportunistic gesture to try to ease relations with the governments which they are trying to overthrow, but it is not very persuasive to me. And it is necessary, I think, perhaps to remind ourselves, since our historical memory is so short in this country, that in 1965, I believe it was, the government of the People's Republic of Communist China staged a massive revolutionary effort in Indonesia, with the result very nearly of overthrowing that government and with a civil war ensuring in which several hundred thousand people were killed. It set back Indonesia in relations with Peking a long way, and they are still strained as a result. But that was a classic attempt to set up a Communist dictatorship by internal revolution supported by the PRC. I suppose also, we should remind ourselves that the People's Republic of China is not averse to military operations. They are often mentioned as being extremely peaceable, which they are, when they are not able to gain objectives by military means, but they did attack India in 1962, and they of course were the mainstay of the fighting in Korea in the early 1950s and they provided the initial incentive and most of the initial arms and a great deal of the logistic support, working with the Soviet Union—it supplied the heavy military equipment—to defeat American and South Vietnamese forces in Vietnam. Now, maybe their minds and attitudes have all changed since then, but I think we should at least be cautious in protecting the interests of the Asian states which we do have some common ties with, rather than assuming that the People's Republic of China has become benign in its relationship with us and our Pacific allies.

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The **Chairman**. I appreciate very much your coming here this morning. Thank you.

Text of Article by Ray S. Cline and Marjorie W. Cline, from The Journal of East Asian Affairs, vol. II, No. 1, spring/summer 1982.

[From the Journal of East Asian Affairs]

THE COMMUNIST FIVE AND THE CAPITALIST TEN SOCIO-ECONOMIC SYSTEMS IN ASIA

(By Ray S. Cline and Marjorie W. Cline)

I

The New Year, 1982, greets Asian peoples under Communist domination with bleak prospects for the better life they all yearn to have. The People's Republic of China (PRC), the Democratic People's Republic of Korea, the Socialist Republic of Vietnam, the People's Republic of Kampuchea, and the Laos People's Democratic Republic are five failures. These are nations unable to meet the demands of their populations for security and a decent standard of living.

For years the Asian people have subsisted on promises and propaganda about the benefits their societies would reap from one-party Communist dictatorships, centrally planned command economies, and subordination of personality and thought to the discipline of the state. The result of this incentiveless, over bureaucratized life has not been prosperity and peace but poverty and local wars. Gradually the hardships, uncertainties, and brutalities have sapped the energies and spirits of the people in every Communist country in Asia.

After three decades there is a crisis of confidence in the Leninist-Stalinist political model in the People's Republic of China, whose leaders proclaim Soviet imperialism (hegemonism) to be the greatest peril to peace and stability in the world. Perhaps life would seem bearable if a bright model existed elsewhere, but the dreary, over centralized, highly militarized Soviet Union holds out little hope for its Asian imitators. The faltering Soviet military occupation of Afghanistan in December 1979 and the political tragedy in Poland two years later brought more and more bad news about the prospects of the lands of the hammer and sickle.

The best hope for these unfortunate nations lies in U.S. strategic influence with its pluralist political traditions and its consumer-oriented free enterprise economic trading system reasserting itself in East Asia. It is astonishing that after the ignominious American defeat and withdrawal from Vietnam, even the Southeast Asians who suffered the most from U.S. failures would like to see the Americans active again, not domineering but involved to prevent domination by either the Soviet Union or the PRC.

The United States is widely perceived at the beginning of 1982 as exerting a stabilizing and civilizing force, bringing trade and prosperity, comporting itself in a comparatively benign way throughout East Asia. Even former enemies are disposed to welcome the American strategic presence and woo American help. This is very good news indeed and a comparatively recent development.

Something has happened in this part of the world in the six years since intervention by the United States in behalf of an independent non-Communist South Vietnam, and the humiliating abandonment of this goal. During this period the image of the United States has become a plus rather than a minus in international politics. The United States and its friends, the ten comparatively prosperous Asian-Pacific insular and pen-insular states stretching in a seven-thousand-mile belt from Japan to New Zealand, at present simply look like political and economic success stories in contrast with the poverty in and constant conflict between the five Communist East Asian states.

These fifteen nations are seldom thought of as forming two international clusters, developed during the turbulent and changeful years of the last three decades, yet they are interconnected in ways worth study.

The PRC is at loggerheads with the Soviet Union, and North Korea is frozen in mobilized military antagonism to the Republic of Korea in the South. Both Laos and Kampuchea are now under Hanoi's heavy military thumb, while Vietnam and the PRC fight a desultory war. The strategic dominoes, so scornfully dismissed as non-existent by liberal critics of the U.S. involvement in the Vietnam War, did in fact tumble in Laos and Cambodia. Thailand and Malaysia are apprehensive lest the fallout extend to their countryside where for decades Communist guerillas have been trying to overthrow the governments.

All in all it is a depressing scene with Southeast Asia in the worst situation. The North Vietnamese who occupied South Vietnam in 1975 brutalized the people there as the pitiful flight of the boat people amply demonstrated. They set up a puppet Communist government in Laos, strengthened by the Soviet Union, under Prince Souphanouvong and have succeeded in doing the same in Kampuchea under a Marxist-Leninist People's Revolutionary Party with Heng Samrin as head of state in Phnom Penh. About 35 million Vietnamese, Lao, and Khmer people who wanted nothing to do with the austere Communist military dictatorship in North Vietnam have been brought into a semicolonial status under Hanoi's occupation. Several million died in the process.

The result is not good from anybody's viewpoint. All of the Indochina peninsula is impoverished, hungry, and politically oppressed. The Chinese and Vietnamese who collaborated for 30 years to control this region and expel first the French and then the Americans have come to fighting each other, directly in organized battle on the Vietnam-China border in early 1979 as well as by proxy in Laos and Kampuchea all the time.

The colossal incompetence in managing the economies of all the Asian Communist countries and the debilitating ideological conflicts among them have sunk into the consciousness of most East Asians. They may not know what exactly is an ordinate or an inordinate fear of Communism, but

they know—as even the Chinese Communists admit—that the Leninist-Maoist system of militarized bureaucratic government set up from North Korea to Kampuchea has brought much suffering and little economic progress. In their eyes this political model is so far by its own record a failure.

The territory the Communist Five occupy is about four million square miles, most of it on the Chinese mainland. All of the states except land-locked Laos are on the Pacific shoreline of East Asia. One billion one hundred million people live in this region, over a billion of them Chinese, the whole population amounting to one-fourth of all mankind. Great expectations were raised by Communist revolutions in these countries, where half the population is under 30 years of age. All of the resulting regimes have turned in dismal performances in their efforts to improve standards of living. What was only a while ago heralded as the wave of the future is still a sluggish backwater and swamp.

The whole North Korean-China mainland-Indochina experience has caused their political leaderships to lust for technology, investment funds, and trade with the United States and the countries once scorned as decadent, obsolete capitalist societies. The U.S. political and social views are still categorically condemned, but the rapidly increasing material achievements throughout non-Communist Asia are envied.

Table 1.—GNP and per capita income of the Communist Five, 1980

[GNP—In billions of U.S. dollars]

Country:	
China (PRC)	274.0
Korea (North)	17.0
Vietnam	16.0
Laos	.3
Kampuchea	N/A

[Per capita income—In U.S. dollars]

Country:	
Korea (North)	950
Vietnam	290
China (PRC)	281
Laos	89
Kampuchea	N/A

Note.—Sources differ on per capita income in the PRC, and the figure cited here may be high. For instance, the Chinese themselves state that their 1979 per capita income was U.S. $253.

Source: *The Asia 1982 Yearbook* (Hongkong: Far Eastern Economic Review, 1982), pp. 8-9.

Vice Chairman of the Communist Party Deng Xiaoping himself, strong man of the PRC, testifies to the new conventional wisdom. He was purged twice (once in 1965 and again in 1976) for, according to his enemies, urging mainland China to take "the capitalist road" instead of the more ideological and egalitarian path of Mao Zedong. The term "capitalist road" is familiar throughout Asia as a result. Everyone cannot fail to note that Deng is pulling and hauling the PRC in an almost desperate effort to provide its one billion very poor citizens with pragmatic economic incentives to work. The present Premier Zhao Ziyang at the Fifth National People's Congress, held from November 30 to December 13, 1981 in Peking, rubber-stamped Deng's economic program and promised to carry it on with "firm faith in the socialist system." [1]

The Chinese goal is to expand trade with the United States and its relatively prosperous allies, and even to try to catch up with Taiwan, the Chinese society that has become a newly industrializing country with a high economic growth rate and a standard of living approximately ten times that of the PRC.

II

Asians know, in other words, what many Americans have not yet focused on, that the "capitalist road" nations of East Asia and the West Pacific are built on a model that works. They foreshadow the wave of the future for a meeting of East and West—not the failed Marxist-Leninist model emulated in Peking, Pyongyang, and Hanoi.

TABLE 2.—TRADE WITH THE UNITED STATES, 1980

[In millions of U.S. dollars]

Country	Exports	Imports	Total
China (PRC)	1,056.00	4,131.00	5,187.00
Vietnam	—	1.20	1.20
Laos	.91	.22	1.13
Korea (North)	—	—	—
Kampuchea	—	—	—
Total			5,189.33

Source: "Direction of Trade Statistics Yearbook, 1981" (Washington, D.C.: International Monetary Fund, 1981), Passim

The good news, then, should be more widely understood in the United States. In the past five years a new spirit of confidence, greater political stability, and remarkably dynamic growth have developed in the belt of ten prosperous Asian-Pacific nations, once derided in Peking and now given the flattery of envy. Their expanding prosperity and trade make bright spots in this gloomy world.

The Pacific Ten are now sometimes described as an emerging Pacific Community. It is a useful term for Japan, South Korea, and Taiwan (the Northwest Pacific triangle); the Philippines, Indonesia, Singapore, Malaysia, and Thailand, the Association of Southeast Asian Nations (the ASEAN central arch); and Australia and New Zealand (the South Pacific anchor).

What suddenly is becoming obvious is that so many Asian nations are modernizing their societies successfully, each in a cordial association with the United States, while avoiding the disasters of their Communist neighbors and actually beginning to control and stabilize the conflicts that still threaten violence and war in East Asia.

The pattern is only now emerging. The Pacific Community of Ten, a very loose grouping of diverse peoples, is seldom thought of as a strategic unit. Nonetheless its existence is a valuable asset of the international trading world, with which the United States is now so interdependent. This world is a voluntary coalition of politically and economically pluralist societies that in the past thirty years have gradually formed an association of some kind with the United States in defense of the security and economic self-interest of the seafaring, preeminently trade-oriented nations that used to be called the free world.

Whatever may be the state of mind and morale elsewhere in this free world, the Pacific Community countries have an increasing consciousness of identity of strategic interest with one another and with the United States that seems not unlike the spirit of the Atlantic Community after the end of World War II—when there was no NATO, no European Economic Community, only a wish to rebuild European societies and avoid military domination or political intervention by the Soviet Union. Whether this spirit develops further or remains in its present nascent stage, it is a new and encouraging factor in world geopolitics.

This Pacific Ten collectively constitute a significant grouping of international power. Australia is a continent of almost 3 million square miles, thinly populated but endowed with enormous natural resources. It borders on the Indian Ocean as well as on the Pacific. All of the island states enclose or lie on large and strategically important seaways. Indonesia is an archipelago with three-quarters of a million square miles of land and an enormous domain of surrounding territorial waters. Even tiny Singapore borders on the gateway between the Indian and Pacific Oceans—the Strait of Malacca. The three peninsular countries, Thailand, Malaysia, and South Korea, are not small by European standards. The total territory encompassed in this vast ocean area of ten nations is considerably larger than either the United States or China—nearly four and one-half million square miles.

Table 3.—Territory and Population of the Pacific Ten

[Territory in square miles]

Country:	
Australia	2,970,000
Indonesia	736,000
Thailand	198,000
Japan	143,000
Malaysia	128,400
Philippines	116,000
New Zealand	103,736
South Korea	38,000
Taiwan	13,892
Singapore	225
Total	4,447,253

[Population in thousands]

Country:	
Indonesia [1]	149,400
Japan	117,800
Philippines	48,900
Thailand	48,600
South Korea	38,900
Taiwan	18,200
Australia	14,800
Malaysia	14,300
New Zealand	3,100
Singapore	2,400
Total	456,400

[1] It includes E. Timor and Irian Java.

Source: *The World Factbook, 1981* (Washington, D.C.: National Foreign Assessment Center, CIA, April 1981), *passim;* Information on Taiwan from *China Yearbook, 1980* (Taipei: China Publishing Co., 1980), p. 136; Population figures from *The Asia 1982 Yearbook, op. cit.*, pp. 8-9.

In terms of population Indonesia ia a very large state, the fifth greatest in the world at about 150 million. Japan has the seventh largest population in the world, about 118 million. Thailand, the Philippines, and South Korea are all among the 20 most populous nations. All together the Pacific Ten as of 1978 provided living space for more than 456 million people—twice the number in the United States. Only China and India have larger populations.

The magnitude of this region and its recent economic achievements have been little noted in the United States. There is also a serious cultural lag in appreciating the extraordinary leap into modernity made by these Asian and Pacific peoples in recent years. Americans are by political tradition, as well as ethnic and cultural ties, more inclined to look east across the Atlantic than west across the much larger Pacific. While we have not been paying much attention, the Pacific Community has emerged as an international reality. Its ten nations have created a regional economic strength bearing comparison with the United States, West Europe, or the Soviet Union. They have enjoyed for many years remarkably high rates of annual economic growth, much higher in recent years than in most other parts of the international trading world.

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[1] Premier Zhao Ziyang's speech to the Fourth Session, Fifth National People's Congress, broadcast by Beijing Domestic Service in Mandarin, 2 December 1981, as reported by Foreign Broadcast Information Service (FBIS), 3 December 1981, Vol. 1, No. 232, p. K2.

The phenomenal industrial development of Japan, South Korea, and Taiwan has been accompanied by rapid development of the abundant raw material resources—oil, uranium, iron ore, tin, rubber, timber, palm oil, and foodstuffs—of Southeast Asia, Australia, and New Zealand. The interconnections and long-range business commitments among these economies are beginning to be as complex and sophisticated as those of Europe. Multinational investments, bilateral trade and banking arrangements, and increasing contracts between regional institutions, enterprising businessmen, and government planners are creating growing regional interdependence as well as multiple links with the United States.

The result is that in 1980, the last year for which reliable statistics for all the countries are available, the GNP (Gross National Product) of the Pacific Ten was more than 1.8 trillion in U.S. dollars at 1980 market prices.

Table 4.—GNP and per capita income of the Pacific Ten

[GNP—In billions of U.S. dollars]

Country:	
Japan	1,397.0
Australia	140.1
Indonesia	66.8
South Korea	59.3
Philippines	35.4
Thailand	32.9
Taiwan	32.3
Singapore	24.0
Malaysia	23.7
New Zealand	21.4

[Per capita income in U.S. dollars]

Country:	
Australia	9,580
Japan	8,887
New Zealand	6,899
Singapore	3,410
Taiwan	2,720
Malaysia	1,783
South Korea	1,553
Philippines	732
Thailand	708
Indonesia	439

Source: *The Asia 1982 Yearbook, op. cit.*, pp. 8-9.

Furthermore, these goods and services are produced in entrepreneurial economic systems with a strong vested interest in trade. Total trade of the Pacific Ten with the United States amounted to nearly U.S. $109 billion in 1980, about one-fifth of their world trade, which reached U.S. $542 billion in the same year. A great deal of the world trade is in commodities needed in the advanced industrial nations of Europe as well as in the United States. It is obvious that its regional economic cluster of power in Asia is a major factor in the international trading world of goods and capital flows.

TABLE 5.—TRADE WITH THE UNITED STATES, 1980

[In millions of U.S. dollars]

Country	Exports	Imports	Total
Japan	31,905	24,567	56,472
Taiwan	7,500	5,500	13,000
South Korea	4,624	4,890	9,514
Australia	2,579	4,410	6,989
Indonesia	4,605	1,613	6,218
Singapore	2,424	3,389	5,813
Malaysia	2,117	1,633	3,750
Philippines	1,583	1,934	3,517
Thailand	795	1,361	2,156
New Zealand	720	768	1,488
Total	58,852	50,065	108,917

Source: Direction of Trade Statistics Yearbook, 1981, except for Taiwan. Its trade with the United States was calculated from estimates given in The Asia 1982 Yearbook.

III

The Pacific Community nations, and in particular ASEAN members, all consciously and firmly limit their avowed common purposes to regional economic goals. Nevertheless, the extent and frequency of consultation and informal cooperation among them is staggering in view of their divergent ethnic, religious, and political backgrounds. Security issues may not be on the agenda of ASEAN meetings, but they certainly come up for full examination in the corridor talks among the Southeast Asians as well as with the Northwest Pacific and South Pacific states.

In fact, it is possible to note in the past few years substantially increased sophistication about strategic concepts and great power ambitions. This more acute realism derives in part from the fact that most of these ten countries have crucial bilateral security arrangements with the United States, Taiwan, South Korea, Japan, the Philippines, Australia, and New Zealand all have formal American treaties or legally binding commitments. Thailand has had for many years and still relies on vague but credible U.S. assurances of assistance in the event of attack from Vietnam.

The other three ASEAN governments—Indonesia, Malaysia, and Singapore—are increasingly aware that it is American military power that guarantees the safety of the sealanes along which all Pacific Community trade passes, including the oil tankers plying to and from the Indian Ocean. This enormous traffic mostly moves via one of the world's most important strategic ocean passages, the Strait of Malacca, lying between Singapore and Malaysia on one side and Indonesia on the other.

The alternate routes are all through the Indonesian Archipelago. The vital oil traffic from the Persian Gulf to Japan alone automatically raises questions of security of the seas.

ASEAN officials quickly reveal deep concern over the presence of Soviet naval forces at the great American built base facility. Cam Ranh Bay, in Vietnam as well as the use of Vietnamese air bases by long-range Soviet military aircraft on logistic and intelligence reconnaissance missions. They also readily acknowledge that Soviet intrusion in the South China Sea constitutes a tacit Soviet threat in the Pacific.

Even the Japanese often speak in these terms to other members of the Pacific Community group of nations, something they never did two or three years ago. On their minds are not only the Soviet presence in Vietnam but also the division of Soviet ground forces on the disputed Northern Islands, a few miles from Hokkaido; the substantial Soviet navy on patrol in the Northwest Pacific; and recently, the modern intermediate range SS-22 missiles and Backfire bombers deployed in the Soviet Far East.

The Soviet entry into the South China Sea accompanied, and probably was caused by, the shifting great power alignments in the fall and winter of 1978, when Japan and the United States resumed diplomatic relations with the PRC, the main regional and ideological antagonist of the Soviet Union. After the Japanese move toward China in August and just before the American announcement of normalization of relations with Peking in December, Moscow signed a Friendship Treaty with strong security commitments to Hanoi.

Ten days after the Joint U.S.-PRC Communique, Vietnam attacked China's Communist client regime in Kampuchea. Early in 1979 the PRC attacked Vietnam "to teach a lesson," as Deng Xiaoping explained. The proxy war between Moscow and Peking has been going on in Southeast Asia ever since. The stalemate and discontent pervade the atmosphere. Nobody is winning this war. The PRC can scarcely afford it, and Vietnam can only do so with large infusions of somewhat unwelcome Soviet aid. The Khmer would really like to to get rid of both Chinese and Vietnamese puppet governments.

The ASEAN states, including Thailand, whose leaders have facilitated Chinese support of Khmer Rouge resistance since 1978, desire to see a compromised political settlement of the conflict. What they want is to free the area from domination by either Vietnamese or Chinese Communists. They also hope for a reduction of Soviet influence in Vietnam—now stemming from U.S. 3 to 6 million dollars a day of indispensable military assistance.[2]

The ASEAN countries all differ on their ideas of an acceptable resolution of the Kampuchean crisis. Indonesia and Malasia are more inclined to negotiate in some sympathy with Hanoi, while Thailand and Singapore consult Peking and resist consolidation of Vietnamese control in Kampuchea.

Most Southeast Asian leaders feel, however, that the mission ingredient for peace is a solid U.S. guarantee for Thailand against Vietnamese attack, accompanied by U.S. diplomatic pressure on Moscow and Peking to live and let live in Southeast Asia, plus U.S. support for a coalition government in Kampuchea. They also agree that only the United States can do what is needed and that American support of ASEAN initiatives is indispensable for peace in Indochina. Finally, everyone hopes the United States will counter the Soviet threat in the Pacific generally. The ASEAN countries hope the Reagan Administration in Washington will get around to doing all these things.

Some of these nations are nonaligned, but they all know their strategic interests lie within the emerging Pacific Community and with the United States. If the era of Vietnam guilt is ending in the United States, it is high time. Hostility toward Americans has dissipated long since in the region where the real damage occurred, most of it after the U.S. withdrawal rather than because of U.S. intervention. Substantial American participation is coping with the Pacific Community's national and regional problem, if it is discreet and reasonable, is now again thinkable, even sought after. Some day disenchantment with the doctrinaire Communist and a yearning for the better life evident in the capitalist trading nations of the Pacific will bring about a stabilizing political fix in East Asia.

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[2] *The Asia 1982 Yearbook*, p. 21.

The name of an old friend of the United States, the mercuric Prince Norondom Sihanouk, is surfacing again. He blows hot and cold, but he is being suggested as a paramount leader in Kampuchea by his present protectors in North Korea and his former patrons in the PRC. In this weird political landscape the arrival of a royal figure might just permit cooperation of the warring Communist factions under his aegis. In addition Sihanouk possibly could bring into a coalition former Khmer Rouge President Khieu Samphan and former Prime Minister Son Sann, who is leading a guerrilla war against both Pol Pot and Heng Samrin. Much depends upon the negotiating skills of ASEAN leaders and the understanding of psychological and political trends in the area by the Reagan Administration. It will be a severe test but it may prove to be a milestone triumph for the President. If so, the new spirit in the emerging Pacific Community will be what makes it happen.

Strangely enough nearly all of the Asian parties to the Kampuchean quarrel are leaning toward getting the United States involved. Even the Vietnamese would like to normalize relations with Washington in hope of reaping some economic benefits. The truth is the Southeast Asians all trust Americans more than they trust the Russians, or the Chinese, or for that matter, the Japanese, the other major international actor in the region. At least they mistrust the Americans less. This attitude may not reflect real affection, but it is as close to it as one usually gets in international geopolitics. Americans may not be loved, but they are wanted as participants in stabilizing efforts in Kampuchea, a key state whose equilibrium would strengthen non-Communist elements in Thailand, Laos, and even Vietnam.

Joining in this sentiment that leans toward consultation and cooperation with the United States are certainly our ANZUS treaty partners—Australia and New Zealand—with their European-American cultural ties, their complete dependence on sealane security, their primary interest in trade, and their current conservative political leadership. Friendly cooperation in Pacific matters can easily be established—in many ways already exists—between Washington on the one side and Canberra and Wellington on the other. The anchor of the Pacific Community is firmly emplaced in the South Pacific.

As for the strategic triangle in the Northwest Pacific, the wish for a strong U.S. presence is even more deeply felt. Reasonable and helpful American military, economic, and geopolitical moves in this region will be eagerly welcomed. Japan, South Korea, and Taiwan all feel strategically dependent on the United States. They would all be devastated if they thought either the Soviet Union or the PRC would become the dominant regional power.

Japan is an economic giant—with a GNP at almost U.S. $1.5 trillion as of 1981, after the United States and the USSR, the third greatest producer of goods and services in the world. Yet Japan devotes only one percent of its GNP to military expenditures and has developed only minimal armed forces, designed exclusively for defense. The U.S. commitment to the security of Japan is absolutely indispensable. The Japanese know the United States has a U.S. $2.6 trillion economy and spends five percent of its GNP on military strength. So long as Washington springs no strategic shocks and preserves Japan's freedom to produce and trade, Tokyo will want the United States active in the West Pacific. Probably Japan will, in due course, increase the forces dedicated to defense of the home islands and home waters. Any augmentation of its naval and air effort automatically frees U.S. forces for more flexible deployments in other Pacific regions or even into the Indian Ocean.

Most Japanese fully appreciate the benefits brought by a benevolent U.S. military occupation after World War II and many years of voluntary cooperation under the protective umbrella of the U.S.-Japan Mutual Defense Treaty. As in the case of West Germany in Europe, the Alliance of Japan with the United States in the Pacific is a pivotal geopolitical fact of late twentieth-century life. It is crucial to build on this relationship and for Tokyo and Washington to strengthen the Pacific Community as a whole.

If Japan is inevitably the indispensable northern bastion of the West Pacific chain of states anchored at the southern end by Australia and New Zealand, the Korean peninsula remains—as the Japanese have always said—a strategic dagger pointed at the heart of Japan. The security and stability of the Republic of Korea, which has occupied the southern half of the peninsula since it was divided in 1945, are permanently interlinked with the viability of Japan as an ally of the United States.

South Korea is at a delicate point now in an effort to achieve a new level of political stability under its capable new President Chun Doo Hwan, an army officer until his election. As President his highest priority is to see that no opportunity is provided for the 700,000-man military force of Soviet-armed North Korean Communists to conquer the South, as their Oriental Stalinist style leader, Kim Il-song, has threatened to do for several decades. The 600,000-man South Korean army is a counter to this threat so long as it is backed up by U.S. military strength, particularly in the air and at sea. South Korea is also, in its own right, one of the major strategic military elements in the Pacific cluster of countries and a valuable supplement to the American military presence in the area.

President Chun states clearly and forcefully that he must achieve security, political stability, economic growth, and social justice, in that order. He fully understands that the American alliance is essential to his first prerequisite, security. His visit to Washington in February 1981 as the first foreign chief of state to confer with President Reagan consolidated U.S.-Korean ties and gave a critical boost to the emerging trend of the whole Pacific Community toward closer cooperation with the United States. Keeping peace and stability in the Korean peninsula is a paramount strategic necessity not only for Seoul but also for Washington and Tokyo. Cooperation and consultation within the whole Pacific Community context will help immeasurably in the process.

The biggest cloud on the Pacific horizon may be the recently renewed clamor from Peking about the right of the PRC to exercise political control over the free Chinese society on Taiwan, using military force if necessary. For 30 years the Chinese Communists have claimed this right in principle, although they have failed in every effort to conquer Taiwan and, in fact, have never controlled the island.

The Chinese authorities in Taipei, the constitutional legatees of the Republic of China established in 1911, have governed Taiwan since 1949 and stoutly resist efforts to incorporate the island and its population in the PRC. Taiwan maintains a half-million well-trained men under arms and hews to the American alliance under which it has survived and prospered. With U.S. economic aid, ended by mutual agreement in the mid-1960s, Taiwan rapidly absorbed American technology, reached the take-off stage industrially, and by 1980 brought per capita income for its people to a level of over U.S. $2,700, as compared with U.S. $281 for the PRC.

The economy of Taiwan is the irrefutable demonstration, along with Singapore and Hong Kong, that Chinese societies can forge ahead rapidly in economic development. The fact that it is a free enterprise system is a constant reproach to the PRC, where standards of living have not lifted much if any above levels of 25 years ago.

Because of the threat from the mainland, the Republic of China on Taiwan remains under a comparatively restricted kind of martial law, and it has an indirect method of elections at the presidential level. Nevertheless it has held direct popular elections for most of the governing institutions that mainly touch people's lives—the local councils and the Taiwan provincial legislature. It is an open society with an emerging democracy as well as a miracle economy.

A competent and popular President, Chiang Ching-kuo, the 70-year-old son of the late Chiang Kai-shek, is steering his robust Chinese state of 18 million citizens firmly in the direction of steadfast alliance with the United States and participation in the international trading system of the West Pacific and the free world.

On behalf of the Republic of China, President Chiang has made clear that unification with the mainland can come only when freer economic and politicial processes than now exist come into being in the PRC. He has welcomed continuing security guarantees from the United States provided in the Taiwan Relations Act of 1979 and always says that, in case of any war in the Pacific, Taiwan bases and facilities are available to U.S. forces.

Unless the PRC takes the unlikely and foolhardy step of attempting the military conquest of Taiwan, the Republic of China will go on providing the third point of the Northwest Pacific triangle, protecting Japan and the sealanes leading from Korea and Japan to the South China Sea. Thus it is certain to be a central component in the emerging Pacific Community of trading and seagoing nations.

Taiwan also provides the geographical and strategic link with the Philippines, the northernmost of the ASEAN states, thus welding together the Northwest Pacific triangle with the ASEAN central arch. The Philippines is the main base for U.S. naval and air power in the West Pacific. It is the oldest outpost of American influence in East Asia. With the Philippines, only about 200 miles to the south, Taiwan holds a position of great strength at the middle of the strategic belt of states constituted by the Pacific Ten.

If the favorable trends in the emerging Pacific Community persist and grow, the balance of power will shift in a direction advantageous to the United States. This requires that the PRC be deterred from attacking Taiwan, that North Korea be deterred from attacking the Republic of Korea, and that the ASEAN states submerge their differences to work with the United States in patching together a peaceful and stable compromise in Kampuchea. The chances are fair to good. Extraordinarily efficient and farsighted leaders in East Asia-men like Chiang Ching-kuo of the Republic of China, Chun Doo Hwan of the Republic of Korea, and Lee Kuan-yew of the Republic of Singapore—are thinking along these lines. If their luck holds and they continue to cooperate with one another, the Pacific Ten can turn East Asia into a zone of stability, beckoning to the Communist Five to turn gradually toward the open societies. It is good news and something to work toward for President Reagan for the American people, and for all our allies in the free world.●

HADASSAH—70 YEARS OF SERVICE

● Mr. HOLLINGS. Mr. President, I rise today as one among many colleagues to pay tribute to Hadassah, the Women's Zionist Organization of America. This year Hadassah is celebrating 70 years of service, and it is fitting that time has been set aside today for the Nation to pause in recognition of the many splendid contributions which this organization has made through the years.

Hadassah is, as we all know, preeminently a humanitarian service organization. In fact it is our Nation's largest women's volunteer group, with a membership in excess of 370,000 women. Hadassah founded and continues to operate the Hadassah-Hebrew University Medical Center in Jerusalem, and this center has played a mighty role, not only in alleviating human suffering, but in cementing the ties of friendship which bind the United States of America and Israel.

Governments can debate the great issues of peace and war, budgets and finance, energy and commerce. But when all is said and done, the well-being of the people is always the ultimate goal. And in furthering the well-being of the people, Hadassah has built a record second to none—it has improved our health, enhanced our international friendship, and brought closer that day when disease and ignorance have been banished from the planet. It serves the purposes of humanity, and its ultimate accolade is that it has furthered those interests.

So today we join in tribute and thanks, and in the hope that the years ahead will be as productive for Hadassah as have the past 70 years.●

BUDGET DEFICITS

● Mr. GOLDWATER. Mr. President, of all of the problems that this country faces today, none is more significant than our economic crisis. Instead of abandoning the old, "business-as-usual" approach to our economy, we have gotten mired in the political infighting that looks for scapegoats instead of solutions. Too often, a small group with a vested interest can succeed in blocking the most worthwhile project by virtue of a power completely out of proportion to their numbers.

The 35th Legislature of the State of Arizona recently passed a memorial relating to the cause and effect of budget deficits and a proposal to help reduce the national debt. The proposals contained in this memorial would certainly go a long way toward easing the budget problems we face today and, the best part is, they are based on good, old-fashioned commonsense.

Mr. President, I ask that this memorial be printed in the RECORD.

The memorial follows:

HOUSE CONCURRENT MEMORIAL 2004

Whereas, continued deficit spending borrows against an uncertain future; and

Whereas, there have been destructive fiscal policies and precedents concerning deficit spending instituted by prior administrations and congresses; and

Whereas, these practices have created a deceptive and artificial dependence on big government which is difficult to curb or reverse; and

Whereas, unbalanced budgets have constituted a staggering form of economic oppression in the past and will diminish the potential for restoring a healthy economy in the future if continued; and

Whereas, past unbalanced budgets have created an enormous national debt which has become the responsibility of the current administration to service; and

Whereas, the servicing of an enormous national debt requires the federal government to enter the financial marketplace and compete for money with the private sector, both corporate and individual; and

Whereas, this excessive competition by the federal government has resulted in exorbitant interest rates; and

Whereas, the United States' economy cannot continue with such rates if it is to regain its financial vitality; and

Whereas, the interest rates will not return to affordable levels until the federal government returns control of the financial marketplace to the private sector, to which it rightfully belongs; and

Whereas, the federal government will not be able to withdraw from its influence of the financial market as long as it must service its enormous debt, which now exceeds one trillion dollars; and

Whereas, neither a large national debt nor continued deficit spending must be accepted as necessary evils, but instead must be identified as harmful burdens which plague the economy; and

Whereas, the national debt will exceed two trillion dollars within ten years if steps are not taken to reverse its current growth trend; and

Whereas, this growth trend foreshadows a greater dominance by the federal government in the financial marketplace as competition is intensified with the private sector for available capital funds; and

Whereas, this rivalry for dollars will continue to drive current interest rates even higher; and

Whereas, the acquisition cost of the assets owned by the United States currently exceeds the one trillion dollar debt; and

Whereas, many federal properties have appreciated significantly since they were acquired, so that the true value of the tangible assets of the United States may be substantially more than one trillion dollars; and

Whereas, the federal government has no idea what its assets are currently worth; and

Whereas, the federal government currently has surplus property with an acquisition cost of one billion, three hundred twenty-three million, three hundred eighty-seven thousand dollars and may have property worth many times this amount that is not needed by the federal government, but has not been declared surplus; and

Whereas, most properties declared to be surplus to the needs of the federal government, of which many are quite valuable, have been given away; and

Whereas, the proceeds from those few federal properties sold at market value have been used, not to restrain or reduce the national debt, but to acquire more government property; and

Whereas, federal assets are the property of the American people, but they have not heretofore been managed to the maximum benefit of the people; and

Whereas, without an up-to-date inventory of federal assets, there is no way to distinguish between those which are needed and those which are not; without knowledge of the approximate market value of such assets, there is no way to set priorities for liquidation; and without improved procedures the government may be unable to liquidate unneeded assets at their market value; and

Whereas, many federal properties could be liquidated without damage to the public welfare, and often without changing the present public use of such properties; and

Whereas, the federal government can continue to increase the national debt only at the risk of serious damage to the economy of the United States and other national economies throughout the world; and

Whereas, the liquidation of carefully selected federal properties could contribute to restraining and ultimately reducing the national debt of the United States.

Wherefore your memorialist, the House of Representatives of the State of Arizona, the Senate concurring, prays:

1. That the President and the Congress of the United States bring the nation's budget into balance.

2. That the government of the United States manage its assets in a manner more prudent and beneficial to the interests of the American people.

3. That the President immediately direct the heads of all Executive Branch agencies to inventory their assets (except for national parks, monuments, historic sites and other holdings for which an inventory would serve no purpose), to estimate the approximate value of each asset, and to identify the uses to which each asset is put.

4. That the President identify which assets are surplus to federal needs and should be candidates for liquidation.

5. That the President submit recommendations to the Congress of the United States on any legislative and administrative revisions that may be needed to carry out such a program of liquidation in an orderly manner.

6. That the receipts of this program be used only to restrain and ultimately reduce the national debt of the United States.

7. That the Comptroller General investigate and recommend to the United States Congress and each agency improved processes for managing federal assets, estimating their value, and liquidating those which are unneeded.

8. That if action is not taken on the preceding recommendations and if the President and Congress of the United States fail to unite and correct the financial disaster confronting our nation, the states seriously consider the option of calling a Constitutional Convention to take necessary corrective action.

9. That the Secretary of State of the State of Arizona transmit copies of this Memorial to the President of the United States, the President of the Senate of the United States, the Speaker of the House of Representatives of the United States, the Members of the Congress of the United States and both the President of the Senate and the Speaker of the House of Representatives of each state legislature.●

SOCIAL SECURITY

● Mr. BIDEN. Mr. President, in recent months, I have had literally hundreds of conversations with senior citizens throughout Delaware. On March 15, a number of leaders from the senior citizen community testified before a field hearing of the Senate Budget Committee. In each instance the message has been clear: "We are ready and willing to pitch in and help America get its economic house back in order. We want to do our part. But please, do not ask us to do more than is our fair share. We are not willing to have the budget balanced upon our backs."

Well, Mr. President, neither am I. That is why I did not support the Senate Budget Committee's original recommendation of $40 billion in unspecified social security cuts over the next 3 years; and am pleased that the provision has been removed from the proposed resolution now before us.

When Franklin Roosevelt signed the Social Security Act of 1935 he said:

> The Social Security Act was designed to provide the average worker with some assurance that . . . when his working days are over, he will have enough money to live decently . . . the Federal government will pay a definite amount of money as a retirement pension.

Mr. President, I would submit that social security represents a contract between the American people and the Government. I would also submit, Mr. President, that a proposal to make something on the order of $1,111 in unspecified cuts in the benefits received by each recipient over the next 3 years breaks that contract and helps shatter what little confidence the American people have left in their Government.

Nearly everyone agrees that changes will have to be made in the social security system within the next couple of years. The demographics of the Nation have changed and, without reneging on our contract with those receiving benefits, the social security system must change accordingly.

But Mr. President, we must not allow social security to become a pawn in the political fight over balancing the Federal budget. Any action taken that changes the social security program must have but one goal: That of insuring the short- and long-term viability of the system so that the American people may be assured of receiving the benefits they have worked so hard to earn.

As we all know, a bipartisan commission is now meeting to discuss the various ways in which social security can be saved. The President, the Speaker of the House, and the majority leader of the Senate have all agreed to await the Commission's findings before making any moves to substantively alter the social security program. We have no way of knowing what the Commission's recommendation will entail. We should, however, wait until the report has been filed and not attempt to make the Commission's decisions for it by mandating any specific amount of savings.

Let us not take a blind leap into this thicket. The manner in which we reform social security may well be the yardstick by which the 97th Congress will be judged. It demands a careful and measured approach. We must insure that we are not deluded, as we were 5 years ago into thinking that social security's problems have been solved for 50 years.

Mr. President, it was prudent to have removed the proposed $40 billion in unspecified social security cuts. I anxiously await the Commission's report, and hope we will get right on with the job of saving social security while keeping the contract we have made with the American people.

JOSEPH J. O'BRIEN

● Mrs. HAWKINS. Mr. President, today I want to publicly congratulate Mr. Joseph J. O'Brien, president of ITD Industries, Inc. of St. Petersburg, Fla., for being selected the Florida Small Business Person of the Year by the U.S. Small Business Administration.

Twelve years ago, Mr. O'Brien realized that controlling energy costs would become increasingly important in the 1980's and beyond. He decided that the market for Sun control film looked very promising and he went after it. Sun control film is a material applied to a building's windows in order to cut down on Sun glare and reduce the heating of the building interior from direct sunlight.

Mr. O'Brien started out having outside firms manufacture his own Sun control film, called SunGard. Today, Mr. O'Brien's own manufacturing firm, ITD Industries, Inc. produces SunGard in a 40,000 square foot facility in St. Petersburg, Fla. ITD has patented its own dry-bonding adhesive process which dramatically improves solar control film's marketability in the do-it-your-self market.

ITD Industries, Inc., now employs 82 people in the St. Petersburg area and will likely employ 40 to 50 more before it finishes expanding into other parts of south Florida and California. The company has also become one of the 7 largest manufacturers of solar film in the world and markets its products throughout the United States and in 18 foreign countries. ITD Industries has represented the United States at a U.S. Trade Exhibition on Energy Conservation products in Milan, Italy, at the request of the U.S. Department of Commerce.

Mr. O'Brien's success reinforces my belief that the small business community will continue to make substantial contribution to the economic health of this Nation. Continued technological innovation from ITD and companies like it promise to sustain this country's reputation for being able to get the job done. I am pleased to see Mr. Joseph O'Brien and ITD Industries continuing that tradition. In light of Mr. O'Brien's impressive achievements, it is clear that his selection as Florida Small Business Person of the Year is a well-deserved honor.

THE MARY McLEOD BETHUNE COUNCIL HOUSE

● Mr. CHILES. Mr. President, I am very happy to cosponsor S. 2436, a bill that would designate the Mary McLeod Bethune Council House here in Washington, D.C. as a national historic site.

Mrs. Bethune lived a life full of achievement and determination. She was born in Mayesville, S.C., in 1875. She attended Scotia Seminary in North Carolina and the Moody Bible Institute in Chicago. When the Presbyterian Board of Missions refused her application to become a missionary, she decided to devote her efforts to the education of blacks. In 1904 she established the Daytona Normal and Industrial Institute for Negro Girls. Later the school merged with the Cookman Institute and became known as Bethune-Cookman College. That institution is one of the most celebrated and historic in my State and all Floridians are proud of the heritage that is Bethune-Cookman's. Mrs. Bethune was not only a great educator, she was an inspirational political figure. She served as an adviser to President Roosevelt through three administrations. She helped President Roosevelt organize the National Youth Administration and was Director of the Division of Negro Affairs between 1936 and 1944. In 1935 she received the Springarn Award for her great service to America.

In 1955, we lost this great champion of education and civil rights. Her words are eloquent and in her often quoted legacy, she said, "I leave you a thirst for education. Knowledge is the prime need of the hour."

The creation of the Mary McLeod Bethune Council House will serve as a constant memory of her contributions to America.

Mr. President, I ask that a copy of the bill be printed in the Record.

The bill follows:

S. 2436

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

CONGRESSIONAL FINDINGS AND PURPOSE

Section 1. (a) Findings.—The Congress finds and declares that—

(1) the Mary McLeod Bethune Council House was the residence in Washington, District of Columbia, of Mary McLeod Bethune, renowned educator, national political leader, and founder of the National Council of Negro Women;

(2) it was at this location that Mary McLeod Bethune directed activities that brought her national and international recognition;

(3) this site was significant as a center for the development of strategies and programs which advanced the interests of black women and the black community;

(4) it was at this location that Mary McLeod Bethune as the president of the National Council of Negro Women received heads of state, government officials, and leaders from across the world;

(5) the Mary McLeod Bethune Council House was the first national headquarters of the National Council of Negro Women, and is the site of the Mary McLeod Bethune Memorial Museum and the National Archives for Black Women's History;

(6) the archives, which houses the largest extant manuscript collection of materials pertaining to black women and their organizations, contains extensive correspondence, photographs, and memorabilia relating to Mary McLeod Bethune; and

(7) the museum and archives actively collect artifacts, clothing, artwork, and other materials which document the history of black women and the black community.

(b) Purpose.—It is the purpose of this Act—

(1) to assure the preservation, maintenance, and interpretation of this house and site because of the historic meaning and prominence of the life and achievements of Mary McLeod Bethune, an outstanding leader in the areas of housing, employment, civil rights, and women's rights; and

(2) to assure the continuation of the Mary McLeod Bethune Memorial Museum and the Nation Archives for Black Women's History at this site, the preservation of which is necessary for the continued interpretation of the history of black women in America.

ESTABLISHMENT OF HISTORIC SITE

Sec. 2. In order to further the purpose of this Act and the Act of August 21, 1935 (16 U.S.C. 461-7), the Mary McLeod Bethune Council House at 1318 Vermont Avenue Northwest, in the city of Washington, District of Columbia, is hereby designated as a national historic site (hereinafter in this Act referred to as the "historic site").

COOPERATIVE AGREEMENT

Sec. 3. In furtherance of the purposes of this Act and the Act of August 21, 1935 (16 U.S.C. 461-7), the Secretary of the Interior is authorized and directed to enter into cooperative agreements with the National Council of Negro Women. Such agreements may include provisions by which the Secretary will provide assistance to mark, interpret, restore, and maintain the historic site and provide technical and financial assistance to the National Council of Negro Women for the preservation and interpretation of any properties referred to in section 1(a). Such agreement may also contain provisions that—

(1) the Secretary of the Interior, acting through the National Park Service, shall have right of access at all reasonable times to all public portions of the property covered by such agreement for the purpose of conducting visitors through such properties and interpreting them to the public; and

(2) no changes or alterations shall be made in such properties except by mutual agreement between the Secretary and the other parties to such agreements.

No limitation or control of any kind over the use of such properties customarily used for the purposes of the National Council of Negro Women shall be imposed by any such agreement.

ANNUAL REPORT

Sec. 4. The National Council of Negro Women shall, as a condition of the receipt of any assistance under this Act, provide to the Secretary of the Interior and to the Congress of the United States an annual report documenting the activities and expenditures for which any such assistance was used during the preceding fiscal year.●

SOCIAL SECURITY SYSTEM IS IN TROUBLE

● Mr. DOLE. Mr. President, two editorials on social security appeared in major newspapers today underscoring the seriousness of the social security financing crisis. "Social Security in 1982, 1984, and 2020," an editorial in the New York Times, and "The Social Security Problems: We've Got Company," in the Wall Street Journal, present clear statements of the financial and political dangers of Congress failing to deal with the social security deficit, both the short-term deficit and the long-term deficit—the one of importance to young taxpayers supporting the system. Both editorials point to the viability of reducing the rate of growth of social security benefits as a solution to the long-term social security financing problem.

Mr. President, I ask to have the two editorials printed in the Record.

The editorials follow:

[From the New York Times, May 20, 1982]

Social Security in 1982, 1984, and 2020

Before the hot potato of Social Security is put back in the political cooler, it would be well to remember, that this recurrent "crisis" routinely evokes a confusion of three different problems. President Reagan's experts are worried because Social Security payments may drive the Federal budget deeper into deficit. Social Security administrators fret that they may not have enough cash to pay next year's bills. And social planners are uneasy because a few decades from now there won't be enough income to pay the benefits of people just now starting to work.

The first anxiety is not about Social Security at all. The second could be quickly dissolved at small cost to pensioners. But the long-term problem could become intractable unless the system is soon reformed.

The Federal deficit in 1983 may exceed $175 billion. And since Social Security is a rapidly growing component of the budget, some fiscal conservatives urge a reduction in benefits.

This is indeed a good time to reconsider the dimensions of government support for the elderly and disabled—but not because the 1983 budget is colored red. Social Security is much less the cause of big deficits than large income tax cuts or defense expenditures. the immediate difficulty with Social Security comes from a different deficit, the one faced by the system's own trust funds.

Under current law, Social Security benefits are paid from the collections of a separate payroll tax. It has been known for some time that this collection would lag behind benefit payments in the early 1980's. But actuaries thought the system might squeak by, living off reserves until a corner was turned in 1985-86.

High unemployment has now reduced the estimates of near-term revenues and increased the demands for early retirement. The best guess is that the trust funds will run out of cash in 1984.

What could be done? Benefits might be cut by a few percent across the board. Cost-of-living raises might be deferred or reduced. Extra money might be taken from other parts of the Federal budget.

It would be fairest, we think, to save more selectively: by taxing the benefits of more affluent pensioners or raising more revenue by requiring Federal employees to join the system. But however the gap is closed, this modest problem can be overcome without hurting anyone very much.

The more worrisome crisis is still decades away. The system's need for cash will grow rapidly over the next quarter-century, but it will presumably be satisfied with current payroll taxes from the large work force that is forming as the baby-boom generation continues to mature. By about 2020, however, there may be trouble.

Then the babies of the 1950's will begin retiring without having produced a comparably large generation of younger workers to pay their pension bill. Unless something is done soon, the choices then will be dismal: raise payroll taxes sharply or deny promised benefits to the most heavily taxed generation in Social Security's history.

To avoid that choice, taxes could be raised now, making this generation of workers provide not only for its parents but also in part for itself. Less painfully, the retirement age could be gradually raised, from 65 to 68. Earlier retirement would still be available, at reduced benefit rates. But for most people, the change would be a realistic adjustment to longer lifespans and improved health.

Politicans who in 1982 cannot face even the tinkering that the 1984 shortage requires will simply flee from the 2020 problem. But it would be wise, just once, to tackle a critical issue before it explodes. For Americans under 40, Social Securtiy is a political and economic bomb with a long fuse.

[From the Wall Street Journal, May 20, 1982]

The Social Security Proalem: We've Got Company

(By A. Lawrence Chickering and Jean-Jacques Rosa)

Social Security obviously represents an enormous problem for politicians concerned about controlling the federal budget. Just this week, for instance, the Senate's Republicans decided to put their $40 billion savings proposal for Social Security on the back burner until after the fall elections.

However vexing the current problem may be—the program accounts for about one-quarter of all federal spending—it is worth remembering that Social Security will graduate from a mere problem into a full-blown crisis after the turn of the century, when the post-war baby boom generation reaches retirement age. Between now and about the year 2030 the number of workers paying to support each pensioner is expected to drop from 3.2 to 2.0. Unless benefits are reduced, Social Security payroll taxes may have to double to pay for currently legislated benefits at that time.

The current value of this unfunded implicit debt amounts to more than $1 trillion, or roughly the size of the current national debt. Depressing as those figures look for the U.S. system, a recent comprehensive study of social security systems in eight industrial countries ("The World Crisis in Social Security," edited by Jean-Jacques Rosa, 1982) shows that the future funding of social security benefits is growing into a serious world-wide problem.

The experience of these countries reveals the enormous difficulties governments have making and sustaining sensible public policy in areas in which the time horizon of a program greatly exceeds the time frame of most politicians. Policy choices made about social security in 1982 have consequences well beyond the turn of the century, but the temptation everywhere is to vote for current benefits that will have to be paid for by future generations of taxpayers.

The long-term funding crisis in social security arises because the aging of the population is reducing the number of workers paying taxes to support pensioners in pay-as-you-go systems. The number will continue to decrease until about 2025 or 2030, when the strains on public retirement systems will reach their peak.

The future ratio of two U.S. workers paying taxes to support each future pensioner seems low, but the current ratio in Italy is 1.4! West Germany, which today has 2.19 workers paying for each pensioner, in 2030 will have one worker (1.12 actually) paying for each pensioner.

These numbers imply large payroll tax increases, some in excess of 30%, in countries such as Italy, Sweden, West Germany, France and possibly Britain. The disincentive effects of such tax increases can only be imagined.

All these projections depend, of course, on estimates of future birth rates, life expectancies, and economic growth. Higher birth rates or economic growth would obviously improve the programs outlook. On the other hand, these are median estimates, and it is also possible they could prove too optimistic.

What is the answer? For those tempted to press for the accumulation of a genuine capital fund to pay for benefits, the evidence is not encouraging. First of all, building a capital fund in the face of an already-matured pay-as-you-go system is politically impossible, because it requires a long period of double contributions to the system—one to discharge obligations to people covered by the old system, and the other to accumulate the fund.

Even if such accumulations were possible, the case of Japan—which has the only capital funded program in the study—is not encouraging. Though funded systems, properly managed, should be immune to demographic changes, Japan shows the same systemic problem of trading present benefits for future costs that afflict pay-as-you-go systems.

Japan could maintain its current 10% tax rate and ride out its severe demographic changes if it paid a market rate of return on its capital fund. But it doesn't. Like politicians elsewhere, Japan's politicians tax the future to benefit the present. They invest the system's fund in public capital infrastructure—highways, airports, and so forth—which pays interest rates below those paid in the private market.

This investment policy is yielding negative real interest rates, so Japan's capital fund is being squandered. Unless the practice is changed, the Japanese will be forced increasingly into pay-as-you-go financing.

What is left? Tax increases will retard economic growth and aggravate the future funding problem. Italy and Sweden, where huge "underground" economies have grown up to avoid taxation, reveal the problems associated with high tax rates. That leaves one option: Reduce benefits. Either tighten the indexation formula and allow inflation to erode real benefits, or increase the retirement age—maintaining benefit levels but for a shorter retirement period.

Either way, the "future" funding problem is not only a future problem. The sooner reforms are put in place, the less the pain that must be borne to solve the problem. Still, one question remains about all this: Why have taxpayers accepted rising social security taxes without more fuss? The reason probably can be found in the myth that social security is insurance, creating inviolable rights to future benefits. Taxpayers think they will internalize all benefits, so they regard social security payroll taxes as equivalent to money in the bank. Their only objection can be that they are being forced to "save" too much. Thus, social security taxes go up and up without encountering the resistance so evident to tax increases of every other kind.

But politicians inclined to see social security as a problem with political consequences only as far ahead as the next election would do well to consider that people routinely factor future considerations into present behavior. And increasing numbers of younger voters are beginning to understand the social security mess and the system's "future problem." They're beginning to understand that the future is now.●

HONORING THE 70TH ANNIVERSARY OF HADASSAH

● Mr. PACKWOOD. Mr. President, today we celebrate the 70th anniversary of Hadassah, the Women's Zionist Organization of America (WZOA) founded on February 24, 1912 by Henrietta Szold. Hadassah has become the largest women's volunteer organization in America, with over 370,000 active members, and has been the cornerstone of international humanitarian service.

Henrietta Szold dedicated her life to the education of people less fortunate than herself. In the late 19th century, young Henrietta established night classes to help refugees who were fleeing from the Czarist Russian oppression to assimilate more easily into American society. Her ideal of night school served as a model to other cities across America. Mayor Fiorello La Guardia told her years later,

> If it had not been for the work you did years ago, I might not be here now, and I am deeply grateful.

Beginning in 1933, at age 73, Henrietta orchestrated the daring rescue and rehabilitation of thousands of innocent young children escaping Nazi cruelties. She welcomed them to Haifa, Israel, found them homes, and helped them start their lives over again. A deed such as this illustrates the type of person Henrietta was, and the spirit on which Hadassah has been based for 70 years.

A person of high principles and unswerving determination, she created Hadassah to provide aid and comfort to people who otherwise would have been left helpless. For 70 years, Hadassah has steadfastly adhered to Henrietta's doctrine of generosity and dedication.

The volunteers of the Women's Zionist Organization of America have provided exemplary service to countless people in the past seven decades by contributing to their health and education, both directly and through the training of medical personnel, Hadassah established and maintains the Hadassah-Hebrew University Medical Center in Jerusalem, Israel, which is available to all peoples, regardless of religion, race, or nationality. The tremendous Hadassah medical complex, which every year cares for over 41,000 inpatients, and half a million outpatients is founded on the oath of the Hebrew Physician: "* * * You shall help the sick, base or honorable, stranger or alien or citizen, because he is sick."

Women's groups and charitable organizations across the country have applauded the achievements of Hadassah and have heralded them as rays of hope emanating from a beacon of charity, which has bettered the lives of so many helpless.

Charitable organizations have used the methods Hadassah has established as examples in their own efforts, and see Hadassah as the ideal volunteer organization.

The Women's Zionist Organizations of America is regarded as a leader of women's movements, not only by Jewish women's groups, but also by all women's groups across the country. Because of Hadassah's determination and unsurpassed efforts in the field of voluntary service work, these women who have endured self-sacrifice and hardship have blazed a new way for women's organizations. They were, and are today, pioneers in the field. There is no other organization which is organized, administered and staffed wholly by women that compares to the achievements in service work of Hadassah.

The Women's Zionist organization of America has come forth since 1912 to offer a comforting hand to the uneducated, sick and poor. They have asked for nothing in return, but graciously accept offers of assistance to ensure the organization's ability to continue to help those people who seek Hadassah in time of need.

At a time when private organizations are called upon to meet more and more needs of the people, Hadassah has been a shining example of undying voluntarism and international brotherhood for the past 70 years.

Mr. President, Hadassah represents to me the kind of organization which we should see throughout America. It offers help to those in need, it discriminates against no one, and is an organization which every American regardless of race or religion should be proud of.

I salute the members of Hadassah and thank them for everything they have done to help people in my State, and to help people all over the world. I say to the members of Hadassah, "Shalom."●

THE BINARY WEAPONS PROGRAM

● Mr. **HATFIELD**. Mr. President, as one who has long opposed the production of binary chemical weapons and, indeed, the production or stockpiling of any lethal chemical weapons, I found myself in a most difficult situation a few nights ago in attempting to place meaningful limitations on the size and scope of the binary weapons program. Other facets of this program will be dealt with at the appropriate time. We were, of course, offering such legislation in the aftermath of narrow defeat of the amendment offered by Senator HART, which I cosponsored and strongly supported. My purpose in offering an amendment is clear: If we cannot stop this ill-considered move, let us at least ascertain that there will be a cap on the size of the arsenal and that we will not produce for NATO until and unless one of its members certifies that they desire forward deployment. Without a doubt, many Members of the Senate who felt that binaries must be produced because of uncertainties regarding the current stockpile do not feel that we should signal to the world that we are in an escalation process or that large stockpiles of chemical weapons are militarily desirable. For these reasons, the Senate agreed by a margin of 92 to 0 that the important and meaningful conditions embodied in the amendment should be accepted. I would like to spell out in detail the provisions of the amendment so that there is no question in anyone's mind regarding the intent of the Senate. I would, finally, like to say that if there is any indication that the Department of Defense does not comply with these provisions, I will act to insure that there will be no funding of the program until they demonstrate total compliance.

It is the intent of the Senate to allow modernization of the arsenal of lethal chemical artillery shells by production of 155-millimeter binary shells under the proviso that the total number of serviceable lethal chemical artillery shells not be permitted to exceed the current serviceable number which, in the view of the Senate, is adequate for the requirements of U.S. forces.

As specified in this amendment, for each 155-millimeter binary artillery shell produced, a serviceable unitary artillery shell from the existing arsenal shall be rendered permanently useless for military purposes. The word "serviceable" as used here, of course, means currently serviceable, in accord with the intent of the Senate that the currently serviceable stockpile of lethal chemical artillery shells shall not increase. This means that the existing unserviceable lethal chemical artillery shells are not to be renovated and are to be demilitarized when practicable.

Serviceable unitary artillery shells in the existing arsenal include not only 155-millimeter, but also 105-millimeter, and 8-inch nerve agent and mustard artillery shells designated as "serviceable," but absolutely nothing else. It excludes those designated "unserviceable" in the Army's June 1981 report on the chemical stockpile.[1]

The production of any component of a binary weapon shall constitute a whole weapon, for purposes of this amendment.

It is further understood that the one-for-one destruction of serviceable unitary shells be accomplished concurrently with any production of binary shells or their components. That is, in any fiscal year, the number of binary 155-millimeter shells produced—as difined above—must not exceed the number of serviceable unitary shells rendered permanently unusable for military purposes in the same fiscal year.

It is further the intent of the Senate, as specified in the amendment, that no lethal chemical weapons of any kind be produced or renovated in total quantities exceeding the requirements of the U.S. Forces, unless requested by the governments of one or more NATO allies; of course, the quantities produced and/or renovated in such cases shall be no more than the NATO ally—or allies—agree in advance of such production or renovation to accept for a pre-positioning on their territory.

It is the expectation of the Senate that, pursuant to the enactment of this legislation, all requests to the Congress for production or renovation of lethal chemical weapons of any kind be accompanied by a notification to the Congress specifying whether such weapons are for United States or for allied forces.

In conclusion, it is the understanding of the Senate that this and any future authorization and appropriation for lethal chemical weapons will be contingent upon full and complete adherence to the provisions set forth in this amendment as specified herein.

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[1] Worldwide Ammunition Report for Toxic Chemical Munitions and Bulk Agents (U.S. Army Armament Materiel Readiness Command, June 1981.

THE SELLING OF SALT II: HOW TO JUGGLE THE STRATEGIC BALANCE

● Mr. **GARN**. Mr. President, while SALT II failed to provide us with many of the advantages its proponents attributed to the agreement, it did set the stage for a major debate in this country concerning the deteriorating military, particularly strategic nuclear, position of the United States relative to that of the Soviet Union. The outcome of that debate was simply that the major shortcomings of the SALT II Treaty were made abundantly clear, and President Carter, acting upon the pretense of the Soviet invasion of Afghanistan, was forced to request the Senate not to take up the matter of treaty ratification on the floor.

Those of us who participated in the debate against the treaty, as it had been submitted, worked hard to combat the misleading impressions often left by those who supported its ratification. Chief amongst the so-called SALT sellers was former Secretary of Defense Harold Brown. Secretary Brown was a highly persuasive and effective proponent of the SALT II Treaty. Indeed, in recent testimony before the Senate Foreign Relations Committee, Secretary Brown again argued for the merits of the treaty.

I think it is, therefore, all the more timely to bring to the attention of my colleagues a recent article by Mr. Anthony Cordesman entitled, "Measuring the Strategic Balance: Secretary of Defense Brown as an American Oracle." The bottom line of Mr. Cordesman's analysis is that Secretary Brown molded the Department of Defense's annual posture statements in such a way as to meet the national security priorities of the Carter administration. Obviously, one of the highest

of those priorities was to secure Senate ratification of SALT II.

Mr. Cordesman identifies, and then analyzes in detail, six major distortions used by the former Secretary of Defense in his presentations of the United States-Soviet nuclear balance. These distortions of the analytic process were: First, the failure to define terms properly; second the failure to state assumptions; third, the manipulation of the method of comparison; fourth, the failure to define the method being used; fifth, the use of undefined shifts in the scale and measures used in portraying the balance; and sixth, the manipulation of the scenario.

The "politicalization" of defense data is not something that originated with the Carter administration. Yet the potential consequences of this process were highly disturbing for, as Mr. Cordesman notes, "no other Secretary of Defense had seriously had to cope with the prospect of U.S. strategic inferiority." What we needed was an unbiased assessment of the strategic challenge facing our Nation, with or without SALT II—we were not given such an assessment.

The DOD annual reports "systematically exaggerated the importance of SALT II" as Mr. Cordesman explains. The full nature of the Soviet threat was never spelled out for those of us who were being asked to make a judgment on the ratification of a major arms control agreement. We were told that SALT II would make a small, but useful, contribution to the cause of strategic nuclear arms control and U.S. national security. What we were not told is spelled out as follows by Mr. Cordesman:

> Even a very conservative estimate of the 'limits' imposed by the SALT II agreement would have indicated, therefore, that the USSR had the option of raising its total warhead number from 5,755 to 10,273 without varying its force mix. Improvement of the force mix, however, seems to have been a credible risk to consider in 1979, since U.S. intelligence had detected five new Soviet ICBMs under test, development of two new heavy bombers, testing of a new ALCM, and development of two new SLBMs. Indeed, even these figures are modest, for the SALT II agreement theoretically allows the USSR to deploy well over 17,000 warheads if it should choose to go for the maximum permitted loading of SLBMs and bombers (emphasis added) * * * SALT II only channeled the direction Soviet force improvements could take; it did not constrain the size or capability of Soviet forces.

Mr. President, I said before that the politicalization of defense data did not originate with the Carter administration. Nonetheless, we should be honest with one another about the real implications of SALT II in terms of its contribution to arms control and U.S. security. Today, we are once again hearing the wornout slogans of the proponents of SALT II. We are told that it provides for stability and removes uncertainty with respect to the United States-Soviet balance.

We are told that the time has come to ratify the treaty, or at the very least endorse its provisions by means of a Senate resolution. We are not reminded that the Senate Armed Services Committee found the agreement to be not in the national security interests of this country. Even the Senate Foreign Relations Committee proposed numerous reservations to the treaty as it was submitted by President Carter. Let us not indulge ourselves in a convenient lapse of memory concerning the fundamental weaknesses of SALT II as we continue to debate the issue of nuclear arms control today.

Mr. President, the proposal for major nuclear weapons reductions outlined recently by President Reagan has won wide backing from our NATO allies during the spring meeting of the NATO foreign ministers. This backing makes good sense, and I would recommend the same to my colleagues. No better explanation exists for the need to free ourselves from the approach to arms control and strategic stability characterized by SALT II than the recent analysis by Mr. Cordesman, and I ask that his article which was published by the journal, Comparative Strategy, be printed in the RECORD.

The article follows:

MEASURING THE STRATEGIC BALANCE: SECRETARY OF DEFENSE BROWN AS AN AMERICAN ORACLE

(By Anthony H. Cordesman)

[Charts and graphs not reproduced in RECORD]

If net assessment ever acquires enough discipline as a profession to merit a trivia game, the history of the Delphic oracle and the true nature of the "Delphic method" will be one of the essential bits of knowledge for any winner. From roughly 1100 B.C., when the Dorians conquered Greece, to 390 AD, when Emperor Theodosius II silenced the oracle and destroyed the temple, the Delphic oracle produced predictions to suit the politics of the day. The oracle was, however, always careful to make such prophecies sufficiently ambiguous so that the listener would be blamed for misinterpreting the prediction, rather than the oracle for failing to be accurate. In the process, a great deal of money and tribute changed hands, but the survival and success of the oracle always ultimately depended on the ability to read the political winds of the day, and to bend any prophecy in the proper direction.

Former Secretary of Defense Harold Brown's tenure as the nation's "oracle" of the strategic balance was far shorter than that of the oracle at Delphi. However, Secretary Brown adopted much the same methodology in reporting to the public and the Congress on U.S. and Soviet strategic forces. His annual assessments of the strategic balance and SALT II testimony were sufficiently Delphi, and shrouded in mystery, to be almost impossible to prove wrong. They were ambiguous enough to be interpreted as either statements of American strength or warnings of American weakness. As a result, the Secretary's public statements of the balance now make a fascinating case study of the problems in analyzing and communicating the strategic balance. They also provide a grim warning to the Reagan Administration of the dangers of failing to communicate the true trends in the balance and of drifting into using assessment of the strategic balance as a method of political prophecy.

A. THE PROCESS OF PROPHECY

During his four years in office, Secretary Brown's balances did a good job of serving the Carter Administration's political needs. The Secretary issued five major sets of balances, and each met an immediate political need. The first, which was presented in his FY 1979 Annual Report, was an extension of the ICBM vulnerability data which Secretary Donald Rumsfeld had presented in his last Annual Report in FY 1978.[1] It differed from Secretary Rumsfeld's balances, however, in that the assessment showed the results of a war game based on a counter force exchange following a Soviet first strike on U.S. ICBMs, and in the fact that U.S. intelligence had sharply revised its estimates of Soviet accuracy and MIRVing upwards during 1978. As a result, Secretary Brown's FY 1979 balances dramatized the growth of U.S. ICBM vulnerability, the Soviet threat, and the growth of Soviet superiority in such an exchange. This served the purpose of selling the FY 1979 defense budget, in an environment where the Administration lacked competing higher priority policy objectives.

By the following year, however, the situation had changed in several important respects. First, the USSR was being projected to improve its capabilities even more quickly than U.S. intelligence had projected the previous years. Second, the Carter Administration was now faced with the need to justify its defense program, not simply criticize the previous Administration. Third, momentum was gathering behind the SALT talks, and fourth, the Administration was having so much trouble with its strategic force improvement programs—such as the B-1, Trident, and MX—that it had to demonstrate success. As a result, Secretary Brown kept approximately the same methodology in his FY 1980 report that he had used in his FY 1979 report, but altered the scale for the comparison of relative force size, increased the effectiveness of some U.S. programs, and accelerated their initial operating capability (IOC). While this kind of juggling did alter the meaning of the balances, it was more or less legitimate, given the uncertainties then current regarding U.S. force improvement programs and the developments taking place in the Soviet threat.

However, the Secretary's FY 1979 and FY 1980 balances were scarcely the prophecy the Carter Administration wanted to communicate after the summer of 1979, when it began to try to persuade the Congress that the U.S. strategic programs were adequate and that the Senate could safely ratify the SALT II accords. As a result, both the Secretary's SALT II testimony of July 1979,[2] and his FY 1981 Annual Report, presented balances which contained major changes in methodology and presentation. Their effect was to support SALT II and the Carter Administration's political need to justify its efforts to limit defense expenditures. This shows up clearly in the SALT and FY 1981 balances in Table I in the sudden "improvement" in the capabilities of the U.S. relative to the USSR in the outyears, and the virtual elimination of a period of U.S. strategic inferiority.

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[1] Footnotes at the end of the article.

By the time the Secretary issued his last set of balances, in his fiscal year 1982 Annual Report, the Soviet Union had invaded Afghanistan and President Carter had been defeated in his attempt to gain reelection. As a result, the Secretary's task became largely valedictory. He had to justify both the choice of an MX program and the overall level of Carter strategic force improvement programs relative to the Soviet threat. He had to show that SALT II would be better than no SALT II, and that the Administration had not miscalculated the value of the Treaty in view of the changed American attitudes toward the USSR that followed the invasion. His last set of curves in Table I clearly serves that purpose.

B. THE ANALYTIC IMPACT PRODUCING PROPHECY TO PLEASE

Up to a point, such politicizing of the balance was good clean fun. No previous Secretary of Defense had failed to use his Annual Reports for political purposes, and many had failed to provide anything approaching the amount of information Secretary Brown provided. However, two aspects of Secretary's Brown's prophecies were deeply disturbing:

First, no other Secretary of Defense had seriously had to cope with the prospect of U.S. strategic inferiority. Such inferiority was always a distant theoretical prospect at worst until Secretary Rumsfeld's last year in office. This should have changed the rules behind politicizing the strategic balance. It should have meant that the overriding concern should have been communicating the risks inherent in the trends in the balance, with and without SALT II, and the adequacy of the nation's defense budget.

Second, Secretary Brown's staff went much further in manipulating the balance than had been the case in the past, and did so in ways that took exceptional advantage of the media and Congress's lack of technical background and of the almost automatic credibility the Secretary had as the nation's chief defense spokesman. In the process, six major distortions of the analytic process were used: Failure to define terms properly, failure to state assumptions, manipulation of the method of comparison failure to define the method being used, use of undefined shifts in the scale and measures used in portraying the balance, and manipulation of the scenario. These distortions allowed the Secretary of Defense to give the impression that he was providing a highly quantified and explicit picture of the strategic balance when he was actually issuing carefully tailored propaganda that went far beyond the normal limits of political gamesmanship.

1. Failure to define terms and State assumptions

None of the text that orginally supported Secretary Brown's five "balances" defined his terms or stated his assumptions. His SALT II testimony, and each of his four Annual Reports, presented the assessments shown in Table One as "black boxes" which had to be taken on faith.

As time went on, however, each successive comparison revealed changes which cast doubt upon the validity of the previous comparisons. The balances did not track from statement to statement, they did not reflect many of the major discoveries of the U.S. intelligence community, and they showed fluctuations that simply could not occur in a properly structured analysis. Further, as more and more hard data on the imputs to the Secretary's calculations leaked out, it became apparent that there had to be political motives for many of the detailed failures to define terms and assumptions.

The Frozen Threat

Secretary Brown never stated the assumptions he used in projecting the Soviet threat in any of his balances. The closest he came, and then by indirection, was to present the data on projected Soviet MIRVing shown in Table II, which comes from his FY 1982 Annual Report.

It is clear from the trend for Soviet forces projected in the outyears of the various balances in Table I, however, that the threat was "frozen" at a minimal level of change in FY 1980-FY 1981, when this suited the purpose of supporting the ratification of SALT II, and allowed to "grow" slightly in FY 1982 when it was more politic to dramatize the threat. Yet, even in FY 1982, the curves for outyear threat show that the assessment of Soviet force improvements had to be kept relatively static.

Accordingly, the limited growth of Soviet capabilities in the outyears of all five of Secretary Brown's balances in Table I means that his projections after the FY 1980 balances had to ignore the existence, already detected by the United States, of a new Soviet SSBN, new Soviet strategic air-to-surface missiles with greater range and accuracy, at least two Soviet heavy bomber development projects, new Soviet ICBM and SLBM developments, and Soviet progress in ICBM and SLBM MIRVing. Further, the curves for his SALT II and FY 1981 balances do not seem to reflect then current intelligence on projected Soviet improvements in accuracy for the late 1980s.

The Perfect U.S. Force Improvement Plan

The nature of the U.S. force improvements projected in each comparison of the balance was left equally undefined. It is clear from the sets of curves in Table I, however, that they must assume that all U.S. force improvements come on line exactly on schedule and at 100 percent of projected effectiveness.[3]

Yet even in FY 1980, and particularly by the time Secretary Brown issued the FY 1981 curves, the Secretary had good reason to believe such assumptions were unrealistically optimistic. The Trident submarine program schedule was in deep trouble before the FY 1981 curves were issued, and the Trident C-4 missile had already failed to meet its specification for reliability or accuracy.[4] While the Minuteman upgrade program generally proceeded on schedule throughout Secretary Brown's period in office, it was clear from at least FY 1981 onwards that the MX missile would probably lag badly in deployment, and that the various Titan II upgrade programs had not convincingly answered the question of whether more Titans would fall on the Soviet Union or the United States.

Further, long before he issued his FY 1982 curves, Secretary Brown knew that the cruise missile test program had begun to send clear warning signals that the ALCM would have to be deployed with a warhead which may not function under cold weather conditions; with a guidance system of uncertain reliability, which suffers serious degradation in accuracy and reliability over comparatively flat terrain and snow; and with dependence on up-to-date prestrike mapping capabilities which the United States has not yet been able to develop.[5]

Defining Who Is Alert

Another problem arose from the Secretary's failure to define the different states of alert used in comparing U.S. and Soviet forces. The basis for the various "generated alert" and "peacetime alert" curves shown in Table I, which began in FY 1980, was never explained in any of his documents. The shape of the curves indicates, however, that they were manipulated to use idealized U.S. alert rates which U.S. forces cannot generate in practice.

For example, the U.S. curves seem to sharply exaggerate B-52 availability under both alert conditions, as well as the accuracy the B-52s can achieve with normal avionics availability. The assumptions made regarding the Titan II missile, which furnish more than 19 percent of all U.S. ICBM EMT on 54 single warhead missles,[6] are a combination of availability, accuracy, and reliability that seems ludicrous.[7] Similarly, all the curves for the United States from FY 1980 onward seem to project U.S. SSBN availability at optimal rather than real rates, while assuming a Soviet attacker would make no long-term increases in his rates.

Finally, no explanation is given of the extent to which the USSR is allowed to build up its ICBM readiness, recover bombers, reload missle silos, or take other steps to compensate for a U.S. "generated alert." The curves also suggest that the Soviet Union is somewhat artificially limited in peaking its first strike attack readiness, in using bombers in second strikes, and in reloading missile silos, but this bias is far less clear than the exaggeration of U.S. readiness under various alert conditions.

The Undefined Importance of SALT II

Secretary Brown also never explicitly defined what the SALT II Treaty and Protocols were supposed to constrain, although all his comparisons obviously assumed that SALT II would place major constraints on the Soviet threat. Even his FY 1982 comparisons, which appear to provide his first explicit comparison of the "SALT II" and "no SALT II" cases, actually fail to provide any picture of why the two sets of curves differ and the extent to which the "SALT II" case would actually limit the growth of Soviet forces.

It is clear from the shape of the curves in Table I, however, that the SALT II or "SAL" case had to be projected on the basis that both the Treaty and the Protocols would operate in favor of the United States through 1990, and that Soviet advances in ICBM and SLBM MIRVing, and bomber missile loading, would be limited to the kind of levels shown in Table II. In effect the Secretary had to base all five of his comparisons on constraints that did not formally exist in the Treaty, on continuation of the Protocols beyond their expiration, and on the assumption that the USSR would not improve its warhead loading to anything like the level permitted in SALT II. This is further illustrated in his FY 1982 projections of the trend in Soviet warhead growth shown in Table III and was at best disingenuous.

The SALT agreement limited Soviet strategic force improvements only in very narrow ways. The Treaty set a ceiling of 2,250 on total missile launchers of all types plus heavy bombers, it limited MIRVed ICBMs and heavy bombers with ALCM to 1,320, total MIRVed ICBM and SLBM missile launchers to 1,200, and total MIRVed ICBM launchers to 820. It also limited ICBMs to 10 RVs and SLBMs to 14 RVs

each, and bombers to a maximum of 20-30 missiles if these missiles had ranges of over 600 km.[8] While it set limits on "heavy" ICBMs, these had little practical meaning. The only other major limitation was that one new type of ICBM could be deployed during the life of the Treaty. It was assumed by the United States that this would be a single warhead replacement for the SS-11 in the case of the USSR, and the MIRVed MX in the case of the United States, but no agreement existed to this effect, and the Treaty did not limit improvements in the MIRVing and accuracy of existing missiles.

The SALT II Treaty, therefore, was essentially a limit on delivery systems at a time when delivery system numbers were already far less important than warhead numbers and basing mode. These areas were constrained only by the Protocol, which applied only through 1981. The Protocol banned deployment of mobile ICBMs, development of land- and sea-based cruise missiles with ranges over 600 km, and flight testing and deploying new types of ICBMs. As a result, there were no SALT II limits on Soviet reductions in the vulnerability of their ICBM force or on the growth of Soviet warheads during virtually all of the period covered in the balance in Table I.

The importance this should have had to the Secretary's analysis can be illustrated in a number of ways. For example, the SALT II agreement allowed the USSR to radically change its ICBM basing after 1982, which would have cut U.S. retaliatory capabilities far below the levels shown in Table I. At the same time, the USSR had the option of making massive increases in its ICBM warheads. Even if one uses the Soviet end-1979 force mix[9] as typical of what should have been considred in Secretary Brown's curves, the USSR then had 544 MIRVed missiles with 3,452 warheads out of a total of 1,398 ICBMs and 4,306 warheads. Even if the USSR only increased the number of RVs on its existing MIRVed ICBMs to ten each during the 1980s, this would have allowed it to deploy 5,440 warheads on its ICBM systems and to increase its total ICBM loading to between 6,084 and 6,294 warheads.

Similarly, the USSR had only 1,309 warheads on a total of 989 SS-N-4 through SS-N-18 SLBMs. Only 480 of these warheads were on MIRVed SLBMs, and all were on 160 SS-N-18s, each of which was then credited with a maximum loading of 3 RVs per missile. If the USSR increased only this portion of its SLBM force to 14 RVs each during the 1980s, it would have been able to add more than 1,760 new warheads. This would more than double the total RV loading on its SLBM force to 3,069.

The Secretary should also have considered improvements in Soviet bomber loadings. The Soviet bomber force then consisted of 100 TU 95 Bear and 40 MYA-4 Bison Heavy bombers, which were estimated to carry a total of one large bomb or air-to-surface missile each, and 62 TU-26 Backfires with two ASM each. As a result, U.S. estimates credited the Soviet bomber force with about 140 warheads in analyzing the SALT II case because only Soviet heavy bombers were counted in the Treaty. Given the fact that the U.S. planned virtually no air defense and since the USSR does not need long-range ALCMs to penetrate U.S. defenses, the SALT II agreement would not have prevented the USSR from increasing the loading of its existing heavy bomber force with 8 short-range missiles per airplane by the mid-1980s. This would add 980 additional warheads to the existing Soviet force mix and raise the total warhead loading on the bombers to 1120.

Even a very conservative estimate of the "limits" imposed by the SALT II agreement would have indicated, therefore, that the USSR had the option of raising its total warhead number from 5,755 to 10,273 without varying its force mix. Improvement of the force mix, however, seems to have been a credible risk to consider in 1979, since U.S. intelligence had detected five new Sovit ICBMs under test, development of two new heavy bombers, testing of a new ALCM, and development of two new SLBMs. Indeed, even these figures are modest, for the SALT II agreement theoretically allows the USSR to deploy well over 17,000 warheads if it should choose to go for the maximum permitted loading of SLBMs and bombers. As Senators as diverse as Jake Garn and George McGovern pointed out at the time, SALT II only channeled the direction Soviet force improvements could take; it did not constrain the size or capability of Soviet forces.

Unthinking the Undefined

There is no way to tell how many similar problems existed in the definitions and assumptions Secretary Brown used in issuing the balances shown in Table I, since they cannot be traced because they involve individual weapons systems or intelligence projections whose character is classified, and whose sensitivity is buried in the aggregate curves. It is clear from the previous problems, however, that Secretary Brown's selection of definitions and assumptions had a political loading that hardly can have been coincidental. They were almost certainly chosen to show that the Carter Administration's force plans would "fix" the strategic balance. They were chosen to minimize any conservative challenge to SALT II that argued it might leave the United States weak, and they systematically exaggerated the importance of SALT II.

Ironically, however, this failure to define his terms and assumptions may partly have backfired. It led many conservatives and analysts outside the Defense Department to focus exclusively on the near-term "strategic bathtub," or the period of U.S. vulnerability and inferiority in the early 1980s, shown in Table I. These commentators ignored the longer-term problems the United States faced because none of the Secretary's balances examined the options the USSR was developing to increase its superiority after the mid-1980s, and because Brown's supporting text failed to highlight the uncertain credibility of the U.S. force improvements necessary to produce the swings in the balance back in favor of the United States.

2. Manipulation of the method of comparison and failure to define the method being used

The term "GIGO," garbage in—garbage out, describes a common analytic problem, but it ignores the questions of how valid the model is and whether the computer or data processor actually works. Poor models are as common as poor data and assumptions, and this characterizes a further set of defects in the balances shown in Table I. A historical comparison of the details of Secretary Brown's balances show they suffered as much from manipulation of the method of comparison, and from the failure to define the method being used, as they did from the failure to define terms and use realistic assumptions.

Turning Modeling Into a Shell Game

In fact, if it were not for the political motives behind the differences in the curves shown in Table I, they would indicate an amazing indecisiveness in U.S. strategic modeling. Although Table I provides five sets of curves, the same method of analysis is used in only two years, FY 1979 and FY 1980. These two years mark the transition from Secretary of Defense Donald Rumsfeld to Secretary Brown. The remaining sets of curves in Table I show that Secretary Brown never used the same model twice in any of his balances and constantly changed terms, measures, models, and methods.

However, the reasons for this "indecisiveness" become clear when these shifts in methodology are analyzed in terms of the broad political rationale for the shifts in Brown's balances discussed earlier. Secretary Brown's first sets of balances—those for the FY 1979 and FY 1980 Annual Reports—coincided with the discovery by U.S. intelligence that Soviet missile accuracy and MIRVing rates were improving far faster than had previously been predicted.

As a result, Secretary Brown shifted the methodology in his July 1979 SALT II testimony to compare "warheads." Measuring the balance in terms of "warheads" had the political advantage that is was the one area where the United States retained a major lead over the USSR, and was the area where the ALCM, U.S. SLBM force, and MX would produce the sharpest and quickest force improvement in future years. Further, by assuming Soviet MIRVing constraints that did not actually exist in either the SALT II Treaty or Protocol, the warhead measurement gave SALT II the greatest effect.[10] It is also interesting to note that Secretary Brown omitted the index marks from the vertical axis of his graphs. Although there is no way to be sure, this indicates he may have used a scale designed to exaggerate the shift toward U.S. superiority after 1986.

These aspects of the SALT II testimony curves drew so much hostile attention from publications like the Armed Forces Journal[11] that Secretary Brown introduced yet another method of comparing the balance in his FY 1981 report. He ceased to compare the relative force size on each side, and issued comparisons based on relative advantage. He again, however, omitted any scale marks on the vertical axis of the graphs in FY 1981, and made it almost impossible to assess what the differences between a given U.S. and Soviet curve really meant. Further, he introduced EMT and "generated alert" as new indices in his FY 1981 curves without any supporting explanation and with all the definitional problems discussed earlier.

This new approach to portraying the balance superficially countered the criticism that the Secretary had chosen "warheads" as a carefully rigged measure of the balance in his SALT II testimony. However, it is clear from comparing the SALT II testimony and fiscal year 1981 curves that the Soviet superiority in EMT was reduced by altering the vertical scale of the fiscal year 1981 comparisons. This is reflected in the curves shown in the fiscal year 1981 Annual Report, which are much smaller than the Soviet warhead curve shown in the SALT II testimony. It is equally clear in comparing the fiscal year 1981 curves with the fiscal year 1982 curves that followed, that fluctuations were taking place in the estimate of future Soviet warhead loading used in fiscal year 1981 of a kind that seem impossible to explain on the basis of any publicly released data on either U.S. or Soviet forces.

As has been discussed earlier, Secretary Brown shifted to a new set of political objectives in his last set of comparisons in his fiscal year 1982 Annual Report. The Secretary was now writing for posterity, and had to balance the mixed objectives of showing the post-Afghanistan Carter hard line on the Soviets, the need for MX, and the value of SALT II. The Secretary finally added such essential methodological benchmarks as a vertical scale for his comparison. In addition, he included an undefined hard target kill measure[12] to warheads and EMT, showed a SALT II and no SALT II case, and added a sensitivity analysis to defend his MX program. The end result was his set of prophecies which came the closest yet to a relatively realistic set of comparisons.

Unfortunately, as will be discussed shortly, even the methodology used in the fiscal year 1982 balances presented major problems. The "SALT II" versus "no SALT II" cases involved dubious (and totally unstated) constraints on Soviet MIRVing that did not logically flow from the current U.S. intelligence on Soviet force improvement activities. They involved shifts in the post-exchange EMT balance under the "no SALT II" case as early as 1982 which needed a full explanation to be convincing, particularly since they did not track with what should have been exactly the same comparisons in the "no MX and no-SALT II" case shown for the MX sensitivity curves.

Further, the Secretary added yet another new measure of the balance in fiscal year 1982, which seems to have been designed to dramatize the impact of his force improvement plans, called "U.S. Retaliatory Potential," which he did not bother to define and did not display for the pre-exchange case. And finally, he suppressed the post Soviet counterforce strike comparison, which again made it difficult to challenge his figures.

Implying a "Real World" Exchange Which Did Not Take Place

This politicization of the strategic balance was compounded during at least part of Secretary Brown's tenure by another major distortion in methodology. As Francis P. Hoeber points out in a recent case study analysis of modeling,[13] the "Relative Force Size" comparisons used in the FY 1979 and FY 1980 balances in Table I depended for their validity not only on honest estimates of forces and force capabilities, but also on using the right target base.

There is strong evidence, however, that the FY 1979 and FY 1980 comparisons did not use a realistic target base. Instead of targeting U.S. forces against Soviet targets and Soviet forces against U.S. targets, both U.S. and Soviet forces were targeted on the Soviet target base. This sharply distorted the results. The Soviet target base differs in numbers, size, hardness, camouflage, and dispersal characteristics. A key difference is that the Soviets have about 1,400 operational ICBM silos and the U.S. only 1,054. As a result, the Soviet Union—which was assumed to be heavily warhead limited in the FY 1979 and FY 1980 comparisons—was forced to allocate two RVs from its most accurate ICBMs against about 500 "U.S." missiles which did not exist. This wasted at least 800 Soviet warheads, and obviously skewed the comparison greatly in favor of the United States.[14]

In fairness to Secretary Brown, he provided a major new approach to presenting the strategic balance in FY 1979, and some problems may have been inevitable. This does not explain, however, why he repeated this error in his FY 1980 report, and seems to have repeated it again in his July 1979 SALT II testimony. By this time, several senior officers on his staff had been repeatedly queried by the press about the problem. It also is not possible to know whether a realistic target base was used in Secretary Brown's FY 1981 and FY 1982 comparisons, or what other shifts, adjustments, and problems exist in his models. Although no conceivable reason exists to classify their methodological and conceptual structure, they have never been explicitly defined. The most one can do is hope that the acolytes behind the oracle improved this aspect of their staff work in FY 1981 and FY 1982.

C. THE ORACLE'S LAST PROPHECY: FISCAL 1982 AS A CASE STUDY

Whatever their faults, the last set of curves in Table I still represent the most authoritative official picture of the U.S. view of the strategic balance. While they are Secretary Brown's last prophecy, their defects are still of critical importance to anyone who must rely on unclassified data to understand the shifts taking place in U.S. and Soviet strategic forces. As a result, it is interesting to examine their weaknesses and problems in detail.

As noted earlier, the FY 1982 curves at least have the merit that for the first time during Brown's tenure they retain many of the previous year's terms and measures. For example, the FY 1982 curves preserved the "warhead" and "EMT" measures of the balance from the FY 1981 Annual Report. However, the Secretary's FY 1982 balances otherwise serve as a case study example of the problems which characterized Brown's previous balances: The vertical scale is changed, and two new measures of the balance are introduced without supporting text: "Hard Target Kill (HTK)" capability and "Retaliatory Potential." The balances after the initial Soviet attack are dropped, and new sensitivity analyses are introduced without proper definition or supporting explanation.

Equally importantly, although the Secretary appears to use the same methodology in FY 1981 and FY 1982, the curves show detailed differences that indicate this may not be the case. The pre-exchange curves for FY 1981 and FY 1982 balances, for example, show significant differences. If the methodology has not been changed, then the U.S. seems to have a remarkable inability to measure the current strategic balance or to estimate outyear trends, which is far more serious than any SALT II verification problem.

1. Interpreting the fiscal year 1982 prophecy

The FY 1982 Annual Report is also as ambiguous as ever about what Soviet and U.S. force improvements are included in calculating the balance, the target base, the assumed changes in defense, and a host of other critical inputs and assumptions which will shape the future of U.S. security. Yet, although this aspect of Secretary Brown's last balances is as Delphic as ever, it seems possible to explain part of the prophecy. The Secretary seems to be including and excluding the following factors:

Underestimating the Soviet ICBM Threat

Only the known Soviet ICBM configurations shown in Table II are counted in estimating the balance. MIRVing is limited to the types and modifications of Soviet ICBMs mentioned in the FY 1982 Annual Report. The new Soviet ICBMs now under development are not fully integrated into the estimate of increasing Soviet capabilities in the outyears. No improvement is assumed to take place in Soviet ICBM basing to match the U.S. MX program, although the possibility of a mobile ICBM such as the SS–16 or a successor is mentioned elsewhere in the text of Secretary Brown's FY 1982 Annual Report. The USSR neither attempts to maximize its ICBM warhead loading to the level permitted by the SALT II Treaty, nor takes advantage of its current ICBM development programs in either the SALT II or non-SALT II cases. As a result, the only increases in the Soviet ICBM threat come from the deployment of more missiles and/or warhead deployments on existing types, except for an undefined replacement of the SS–11.

Freezing the Soviet SLBM Threat

The Soviet SLBM threat is highly constrained in both the SALT II and non-SALT II cases. The curves shown in Table III indicate that both Soviet ICBMs and SLBMs are assumed to increase their RV loading, but this seems to reflect shifts in the warhead package on the SS–18 and SS–19 SLBMs (three MIRVs per SLBM versus one RV on the SS-N-8, and a maximum of three MIRVs on the SS-N-6 Mod 3). Improved variants of the SS-N-6, SS-N-8, and SS-N-18 are evidently not included in the count in Table I, nor do the comparisons allow for the deployments of new SLBMs such as the SS-NX–20 now under test for deployment on the Typhoon submarine.

Exaggerating the Effect of SALT II

These assumptions regarding the buildup of Soviet ICBM and SLBM and warheads exaggerate the impact of the "SALT II" versus the "no-SALT II" balance almost as much as does the assumption that the United States can go to relatively invulnerable ICBM basing and the USSR will not. Without these assumptions, the USSR could build up its warhead strength and capabilities at virtually the rate it can produce warhead material and improve its present RV and guidance packages. These sets assumptions seem extraordinarily improbable given the past rate of buildup in Soviet strategic forces.

Ignoring the Probable Soviet Bomber and Cruise Missile Threat

The FY 1982 curves also seem to assume the present Soviet bomber force and weapons loading without Backfire, only limited improvements in Soviet ALCM capabilities and bomber loading, and no deployment of any of the new Soviet heavy bomber types now under test. Soviet bombers are evidently not allowed to generate to maximum "one shot" peak rates before the initial Soviet attack or to reduce the vulnerability of their disperal basing during 1980-90. No Soviet use of SLCMs to parellel U.S. deployment of the Tomahawk is included.

No Major Improvements in Soviet Strategic Defenses

Neither side is assumed to make any improvements in ABM defenses through 1990, although Secretary Brown does state elsewhere in his Annual Report that the Soviet ABM systems will be upgraded. It is assumed that all such upgrading will be confined through 1990 to the defense of Moscow and to improve Soviet attack characterization. Judging from other portions of the Secretary's text, the development of Soviet "look down-shoot down" fighters, and new SAMs like the SA–X–10, is assumed to improve Soviet air defenses. However, the deployment of the ALCM and the B-52 upgrade program is evidently assumed to offset this and even slightly increase the estimated delivery percentage and hard target kill capabilities of U.S. bombers. Finally, U.S. active defenses are assumed to improve, but to have only token effect. These assumptions seem somewhat more valid than those made regarding Soviet offensive forces, but they are based on rigid Soviet adherence to the ABM Treaty, a still very uncertain B-52 improvement and ALCM program, and no deployment of space weaponry through 1990.

Currently Programmed U.S. Force Improvements Are Perfectly Implemented

Although some adjustment may have been made in FY 1981 curves for the United States in order to reflect the initial delays in the Trident program, the U.S. side of the FY 1982 curves again seem to assume perfect deployment of the Carter Administration ALCM and MX programs. This would be particularly unrealistic in the case of the MX. It also appears to have led to use of the ALCM in the counterforce retaliatory mode against Soviet ICBMs in the FY 1982 exchange curves. The resulting count seems to exaggerate the operational accuracy and reliability of the ALCMs to about twice its real world level, and assumes too fast a rate of real world deployment. More importantly, it assumes the Soviets would ride out a "slow" U.S. ALCM attack on Soviet ICBMs and bases. The "ride-out" seems exceedingly unlikely given Soviet doctrine and C^3I capabilities.

Exaggerating U.S. Readiness and Alert Capabilities

The FY 1982 curves also seem to exaggerate or misstate U.S. readiness capabilities and options. They assume that two-thirds of all U.S. SLBMs are at sea, survivable, and fully operational and on-station. This seems distinctly unrealistic, given the present readiness problems with the Poseidon SSBN, and the probable stretch-out of the Trident SSBN deployment program. They evidently assume a 30 percent bomber alert rate, and total bomber availability and alert rates which almost certainly cannot be achieved with either the existing B–52 or its presently-planned upgrades. They thus demand a level of performance that can only be achieved with a new U.S. strategic bomber, but provide no basis for estimating the importance of such a system.

The FY 1982 curves also seem to depend to an unknown degree on keeping the Titan II in service through the end of the 1990s. As was discussed earlier, this skews the EMT curves in favor of the United States because Titan II now provides something like one-fifth of total U.S. prompt retaliatory EMT. Quite aside from the present uncertainty regarding whether the Titan II would actually deliver more of that EMT against the USSR in a real war than against the United States, it scarcely seems a system for the entire 1980s.

Finally, the FY 1982 estimates fail to examine the potential importance of the Trident II missile as well as a new bomber, and the supporting text fails to note that the benefits shown for the MX are not linked to the basing mode selected under the Carter Administration. In short, the new curves—including the MX sensitivity curves in Table I—again fail to provide a balanced insight into the true nature of U.S. strategic force improvement options and capabilities.[15]

D. CONTRADICTION FROM THE CHAIRMAN OF THE JOINT CHIEFS OF STAFF: A PROPHET WITHOUT HONOR IN HIS OWN PENTAGON

These problems in Brown's last balances are further highlighted by the fact that the Chairman of the Joint Chiefs seems not only to have a radically different view of the strategic balance but to be planning with a fundamentally different count of U.S. and Soviet forces. As Table IV shows, General David C. Jones uses substantially different measures of pre-attack force strength and of warfighting capability in his FY 1982 Military Posture Report.

In fact, General Jones' "prophecy" for fiscal year 1982 fully agrees with that of Secretary Brown in only one set of figures: Chart A–2 in Table IV. In this case, however, the Chairman seems to be analyzing the strategic forces of two countries completely different from those being compared by Secretary Brown. In fact, the slopes of the Chairman's curves for EMT, hard target kill potential, and warheads (weapons) are so different from those of the Secretary that they raise the Dr. Strangelove-like spectacle of two chief war planners on the same side who never talk to each other. How, for example, can the Chairman's picture of EMT show so many fewer changes in the trend line and reflect a different force ratio? How can Jones and Brown have such different estimates of the relative numbers of pre-attack weapons?

1. A different war to a different drummer?

The Chairman's and the Secretary's curves for the outcome of a counterforce exchange are even more different, but this may be slightly more excusable. Secretary Brown seems to be comparing the outcome of a straight counterforce exchange, and General Jones states that he is portraying a counterforce exchange involving the targeting of ICBMs plus "a specified percentage of the remainder of the opponent's target system." This could lead to some differences, although they should normally be minor.

General Jones also compares U.S. and Soviet forces using yet another new measure of the strategic balance. His curves compare "Discretionary Force Potential" rather than warheads, EMT, or retaliatory potential. Unlike Secretary Brown, however, General Jones defines his terms:

"DFP indicates the extent to which an arsenal achieves or exceeds its targeting goals against the opposing system. Planners can allocate weapons not required to meet initial targeting goals at their discretion to hedge against unexpectedly poor system performance, to maintain a reserve force, to target another opponent, or to meet other requirements not included in the initial targeting goals."[16]

This definition would seem to mean the number of warheads or nuclear weapons left over after the U.S. and Soviet exchange. If not that, it would seem to mean EMT. This however, does nothing to explain the differences between Jones's and Brown's views of the post-attack balance.

2. The chairman's different view of Salt II: Choice of analyst is more important than the choice of treaty

It is equally difficult to understand how the nation's two chief defense officials could differ so much over the impact of SALT II. General Jones uses a SALT II-constrained version of the Soviet threat, and this should logically be the same one as Brown uses. However, Jones shows a current U.S. inferiority which continues through 1989. In contrast, Brown's curves show continuing U.S. superiority in warheads from 1980 to 1990. Brown's EMT measure, in contrast, is far more pessimistic that Jones's comparison, and neither of Brown's "no SALT II constraint" comparisions for warheads and EMT track with the various comparisions set forth by General Jones.

The implication of these differences is that whatever the risks or advantages of SALT II, the details of the Treaty are far less important to the strategic balance than a U.S. defense planner's choice of a particular analyst, or model. In fact, given the lack of any apparent political motive to explain most of the detailed differences between the Brown and Jones curves, one might well conclude the SALT II is so unimportant that it falls into the analytic "noise level" between the Secretary of Defense's office and that of the Chairman of the Joint Chiefs.

So, for that matter, does the use of a device called the calendar. Note that the "knee" or major turning point in Secretary Brown's curves occurs in FY 1986, but that in General Jones' curves it generally occurs in 1985. One has to assume our two senior defense officials were working from different U.S. force plans in drafting their FY 1982 reports, and the change in the slope of the curves in Tables I and IV indicates that they were working from very different force plans.

3. The uncertain status of "launch under attack"

It is even more disturbing that the closest one can come to creating analytic "honor between prophets," given the chaotic differences between the nation's top defense officials, is to assume that Secretary Brown is basing all his comparisons on a Launch Under Attack (LUA) strategy.[17] This could explain away many of the differences between their fiscal year 1982 balances, although it seems politically and militarily unlikely. General Jones is also very careful to note that "The U.S. has no policy that assumes or requires launch under attack," although, "the fact that the LUA option is available weighs heavily in any Soviet deliberations on the advisability of a pre-emptive strike."[18]

It may weigh a lot more heavily on Soviet planners in the future, however, if they take the fiscal year 1982 differences between major U.S. prophets seriously. This seems particularly likely because General Jones provides four different public assessments of the theoretical value of LUA. If he is not tacitly advocating that LUA become U.S. policy, he certainly is sending the wrong set of signals.[19]

4. *The difference in analytic approach*

In fairness to General Jones, however, it should be noted that he is generally more careful to follow the rules of analysis than his former Secretary. He does show the Secretary's tendency to omit the vertical scale on his charts, and introduces a whole new logarithmic scale on his static force ratios. Yet, he does state many of his assumptions. He shows the gap in prompt hard target kill capability. He defines the general nature of his assumptions regarding the growth of the Soviet threat. He specifically mentions omitting Backfire in his war outcome comparisons. He states that he assumes perfect C^3I on both sides (which, incidentally, is the only reason the LUA case favors the United States). He mentions that the USSR may well deploy further force improvements which would make his curves shift radically in favor of the USSR, and he warns that "The prospect of a 'runaway' Soviet buildup in strategic arms is of some concern."[20] In short, General Jones at least supports his comparisons with a bare minimum of proper definition and supporting text.

E. LOOKING TOWARD FISCAL YEAR 1983: THE NEED FOR REALISM, NOT PROPHETIC REASSURANCE

Although Secretary Brown has left office, the problems in his balances have more than academic importance. If the United States is to forge a domestic consensus behind increased defense spending, to gain Allied support in deploying improved long-range theater nuclear forces, and implement the kind of extended deterrence strategy set forth in PD-59, the Secretary of Defense must reestablish credibility in predicting the threat and the need for improvements in U.S. forces.

He must provide the most detailed and objective statement of the strategic balance that can be made public without threatening U.S. security. Both the arms control and defense communities must be able to work from some common ground that can be shared with the Congress, the public, and the media. The United States cannot afford either defense budgets or treaties based on official statements which are skewed to serve near-term political interests of a given Administration.

It also scarcely seems coincidental that the U.S. intelligence community has had so much trouble making accurate estimates of the Soviet threat, or that it has continued the pattern of underestimates which Albert Wohlstetter documented so well.[21] The kind of balances Secretary Brown issued over four years do not encourage NIEs that speculate or probe, or projections which full examine Soviet options and actions. They do not encourage honest assessments of the risks inherent in our force improvement plans. They encourage conventional wisdom from the intelligence community that coincides with the political message the Administration is sending in its estimates of the balance, and they make any departure from that conventional wisdom a potential political threat.

This situation should change with the change in Administration. The new Secretary of Defense should provide a real net assessment of the balance, and not simply an oracular political summary. He should explain the Soviet threat and U.S. capabilities in detail, and ensure that the force improvement trends and options open to the USSR and the United States are fully and properly explained. He should communicate with his Chairman of the Joint Chiefs and make him a full partner in this effort. Above all, he should adopt an approach to portraying the balance which is consistent, which is credible, and which does not shift endlessly from year to year. The Secretary should strive to keep his credibility as the nation's defense spokesman.

This is, of course, easier said than done even for a conservative Administration which is committed to increased defense expenditures. It is all too tempting to use information for political rather than national ends.[22] It may be all too tempting, for example, to exaggerate the Soviet threat to justify higher defense spending in FY 1983. Alternatively, it may be equally tempting to return to the Panglossian distortions of Brown's balances if the problems in Trident, the MX, B-1 and ALCM programs continue to grow.

However, any such approach would eventually be disastrous. While manipulations of the strategic balance may initially be ignored even by experts, the media will inevitably discover them in the end. This could deprive a future Secretary of Defense of the credibility he needs at a time when it is of major importance to U.S. national security. Alternatively, if such distortions are not discovered in time, they could seriously hurt U.S. security. The United States was lucky in Secretary Brown's case. It was not legally bound for the SALT II Treaty or the force plans that he attempted to defend, and the political nature of Brown's prophecies never became a vital issue. The next set of manipulated curves could enshrine U.S. strategic inferiority, or produce the same kind of credibility gap that desperately hurt the U.S. defense effort in Vietnam, and from which we are only now recovering.

It seems worth remembering in this respect that some descriptions of the Delphic ritual indicate that every visitor to Delphi saw the motto, "know thyself," on the way to the oracle. Unfortunately, then, as during the last four years, this motto was visible only on the outside of the temple.

FOOTNOTES

[1] See Donald H. Rumsfeld, *Annual Defense Department Report for FY 1978*, Washington, D.C., 18 January 1977, pp.70-76.

[2] The text of the Secretary's SALT II balances is presented in full in State Department Current Policy Document No. 72A, "SALT II-Senate Testimony," July 9-11, 1979.

[3] In contrast, Chairman of the Joint Chiefs David C. Jones' balances, as presented in his FY 1982 *Military Posture* statement, specifically state this to be the case.

[4] These factors led President Reagan to announce on October 2, 1981, a Trident SSBN construction schedule of one per year through FY 1982. There is little chance this schedule will be met.

[5] The deployment of the ALCM recently had to be slipped to 1982. It will have limited reliability through the mid 1980s because of guidance tracking problems caused by weather and foliage effects.

[6] Now, in fact, 52 missiles which are planned to be phased out. See *The Washington Post*, September 24, 1981, p. A13.

[7] EMT or Equivalent Megatonnage attempts to compensate for the fact that the effects of nuclear weapons do not increase in proportion to their explosive yield. There are serious defects in the resulting calculation because it does not take account of thermal or radiation damage and the synergistic effects of all three forms of weapons effects which change significantly according to yield. EMT is normally measured by the formula that EMT equals yield in megatons to the two-thirds power. Although no Titan II missile was ever operationally tested in its final operational configuration, and the one major guidance platform test conducted under operational conditions raised serious doubts about the missile's reliability, each of the 54 Titan missiles carries a single 9 megaton warhead, and they have a cumulative yield of 486 megatons; this is an EMT of 234. In contrast, each of the 450 Minuteman II missiles has a single warhead with a nominal yield of 1.1 megaton each or a cumulative yield of 495 megatons; this is an EMT of 480. The 550 Minuteman III missiles vary in configuration, but are generally credited with a yield of three 170 KT warheads each, or a cumulative yield of 281 megatons; this is an EMT of 506. Accordingly the Titan II provides 19 percent of the EMT shown for the U.S. in the curves in Table I through 1985. Its role after 1985 was never formally defined in U.S. policy documents under the Carter Administration, although Titan II would then have been 23 years old, at least 12 years older than its design life. These problems with its age and reliability led the Reagan Administration to announce on October 2, 1981, that it would be deactivated in the early 1980s.

[8] Each party undertook not to deploy at any one time on heavy bombers equipped for cruise missiles capable of a range in excess of 600 kilometers, a number of such cruise missiles which exceeded the product of 28 and the number of such heavy bombers.

[9] These numbers are taken from Appendix I to John M. Collins, *U.S.-Soviet Military Balance*, McGraw-Hill, 1980, pp. 443-457.

[10] The USSR is permitted to MIRV its SLBM force up to 14 RVs per missile. Secretary Brown's SALT II testimony could only produce the curves shown if the USSR was assumed to make no major improvement in SLBM MIRVing beyond then-tested systems with 8-8 warheads through 1990. Similar constraints had to be applied to Soviet Bomber and ICBM warhead loading.

[11] See Benjamin F. Schemmer, "Pentagon Covered-Up Unprecedented 1978 U.S.S.R. Strategic Arms Build-Up," March 1979, pp. 16-17; Bridget Gail, "Brown's Bewildering Balances," December, 1979, pp. 30-33; and Justin Galen, "The SALT II Debate and the Strategic Balance," October, 1980, pp. 52-70.

[12] Hard target kill capability is generally defined as HTKP$=Y^{2/3}$ (or EMT)/CEP^2.

[13] Francis P. Hoeber, *Military Applications of Modeling: Selected Case Studies* (New York: Gordon and Breach, 1981), pp. 164-169; and Francis P. Hoeber, William Schneider, Jr., Norman Polmar and Ray Bessette, *Arms, Men, and Military Budgets, Issues for Fiscal Year 1981* (New York: Crane, Russak & Co., 1980), pp. 24-27.

[14] The use of a common red target base is cited in Lt. General Kelly Burke, "Quantifying the Strategic Balance: Some Methods and Their Limitations," delivered in a seminar on foreign relations at the Women's Institute for Strategic Policy, Monterey, California, December 8, 1979 (cited by Hoeber, "Military Applications of Modeling").

[15] On October 2, 1981, President Reagan announced a strategic program which clearly demonstrated the importance of the problems Secretary Brown ignored in his balances. This program:

Slipped the IOC for the squadron strength deployment of the ALCM to 1982.

Announced that the U.S. would build at least 100 B-1 bombers, build a "stealth" bomber in the late 1980s, and withdraw the aging B-52 (D).

Announced the U.S. would initially deploy only 100 M-X in Titan II and Minuteman silos while studying a mix of super hard silos, airborne launch and ballistic missile defense.

Stated that Titan II would be deactivated in the early 1980s.

Slipped the construction rate of the Trident SSBN to one per year through FY 1987.

Announced deployment of the Trident D-5 missile beginning in 1989.

Announced deployment of strategic nuclear SLCM on U.S. attack submarines in the mid-1980s.

Announced a strengthened civil defense and continuity of government program.

Announced an improved C^3I system.

[16] *U.S. Military Posture for FY 1982*, p. 26.

[17] Those readers who are not familiar with Launch Under Attack may not be aware of the importance of General Jones' assumption regarding perfect C^3I on both sides. Soviet attack characterization and C^3I systems are now much more capable, reliable, and survivable than those of the U.S. The USSR also benefits massively from the fact it is the attacker. It would take a minimum of five years to bring U.S. capabilities to the point where the U.S. could reliably characterize an attack and properly execute it under Launch Under Attack conditions. Some of these improvements are already programmed, but many are not, and even when deployed, some will then be vulnerable to credible advances in Soviet countermeasures and space capabilities. Accordingly, if the U.S. launched under attack, this would both impose unacceptable false alarm risks and probably degarde U.S. post-exchange capabilities at least through FY 1986.

[18] *United States Military Posture for FY 1982*, p. 29.

[19] The new C^3I program President Reagan announced on October 1, 1982, has many factors that indicate the United States is now pursuing an LUA option.

[20] *United States Military Posture for FY 1982*, p. 30.

[21] Albert Wohlstetter, "Is There a Strategic Arms Race?" *Foreign Policy*, 1974, No. 15, pp. 3-20, and "Rivals, but no 'Race'," *Foreign Policy*, 1974, No. 16, pp. 48-81.

[22] The Department of Defense did, in fact, alter the official U.S. estimate of Soviet ICBM accuracy. By using a lower estimate of accuracy than the one agreed to as the best estimate by CIA and DIA, it made U.S. ICBM survivability in silos seem far greater than the evidence actually indicated. See

Robert C. Toth, "Officers say Weinberger 'Fudged' Defense Estimates of Russians," *Los Angeles Times*, October 7, 1981, p. 27.●

ACKNOWLEDGEMENT OF LETTER FROM PHILLIP B. HEYMANN, ASSISTANT ATTORNEY GENERAL

● Mr. **MOYNIHAN**. Mr. President, On March 11, 1982 at the end of the debate on the Resolution of Expulsion of Senator Williams I remarked on conversations and correspondence I had had with members of the Justice Department concerning transcripts of conversations between Mr. Mel Weinberg and Mr. William Rosenberg in which my name and that of Senator Javits figured.

At that time I stated that I had not received a reply to two letters I had sent the then Assistant Attorney General in Charge of the Criminal Division, Phillip B. Heymann. I said:

> So far as memory serves, I never even received a reply to my letters to Professor Heymann. It may be that letters came and got lost in my office maze; this does happen. But not often.

Mr. President, Professor Heymann did reply to my letters and his answer dated February 24, 1981, was in fact lost in my office maze. I take this occasion to correct the record and to apologize to Mr. Heymann who is now a professor at Harvard University Law School.●

J. B. HOY

● Mr. **LUGAR**. Mr. President, I am pleased for this opportunity to say a few words on behalf of J. B. Hoy, a resident of North Webster, Ind., who has made the promotion of friendship throughout the Nation a high personal goal.

Mr. President, the merits of Mr. Hoy's work in this area and the strength of his convictions have already been recognized on a State and local level. In 1976, the Indiana General Assembly passed a resolution supporting Mr. Hoy's friendship proposal calling for a "Rose for Friendship Week." Since that time, his work has drawn additional support from several mayors.

Today it gives me great pleasure to submit a resolution signed by all but two members of the Indiana delegation, which recognizes Mr. Hoy's efforts in this national forum.

Whereas, one of the most important aspects to mankind is friendship

Whereas, all too often we forget to thank those around us for their friendship and all that they have done for us; and

Whereas, the rose symbolized the act of friendship; in its larger meaning a "Rose" for friendship can be an act of kindness, a token of rememberance, a compliment or just a friendly word:

Now therefore, We, the undersigned members of the Indiana Congressional delegation commend Mr. J. B. Hoy of North Webster, Indiana President of the Rose for Friendship Society for all he has done to promote the spirit of friendship and good will in our great state and throughout the Nation.

Signed:

Richard G. Lugar, Dan Quayle U.S. Senators; John Hiler, Dan Coats, Elwood Hillis, Joel Deckard, Lee Hamilton, Adam Benjamin, Floyd J. Fithian, Andrew Jacobs, Dave Evans, Members of Congress.●

NUCLEAR WEAPONS BUILDUP

● Mr. **PRYOR**. Mr. President, the increasing threat of nuclear war, and the public's reaction to it, continue to receive major attention by all of us. One of the organizations emerging as a leader in this field is Physicians for Social Responsibility. This group was founded in the early sixties and continues today to inform and challenge us with its findings.

Recently this organization held rallies in various cities in Arkansas protesting the buildup of nuclear weapons. Two of the leaders were interviewed on the Arkansas Educational Television Network: Dr. Jonathan Fine of Boston, an internist who is chairman of the national executive committee, and Dr. James Adamson of Little Rock, a specialist in pulmonary medicine who is a member of the Arkansas chapter of Physicians for Social Responsibility.

Extracts of that interview were then printed in the Arkansas Gazette on Sunday, April 25. These two doctors make pertinent and essential points on the subject of nuclear weapons, and I request that a copy of this interview be printed in the RECORD.

The interview follows:

[From the Arkansas Gazette, Apr. 25, 1982]

DOCTORS SAY NUCLEAR WEAPONS BUILDUP IS MADNESS

(Physicians for Social Responsibility held rallies in various cities in Arkansas last week protesting the building of nuclear weapons. Two of the leaders were interviewed on the Arkansas Educational Television Network last night—Dr. Jonathan Fine of Boston an internist who is chairman of the national executive committee, and Dr. James Adamson of Little Rock, a specialist in pulmonary medicine who is a member of the Arkansas chapter. Here is an extract of that interview.)

Q: Dr. Fine, your organization is not new is it?

FINE. It was founded in the early 1960s. You may recall that the imminent danger then was pollution of the atmosphere with radioactive material from atomic testing. We pointed out the health consequences, and under President Kennedy, following a mass movement, the testing was ended.

Q: How large is it?

FINE. Now there are about 13,000 physicians who are active members. Some are medical students, some are dentists but most of them are graduate physicians throughout the country . . . about 200 new members a week. We've been reactivated only in the last two and one-half years. We had about 200 members then.

Q: Dr. Adamson, how many members are there in Arkansas?

ADAMSON. Forty or 50 now. Seems to be growing rather quickly and I think in a short time we'll have double that number.

Q: We're used to seeing very young doctors in these protest movements but you are not one of those. How did you get involved in Physicians for Social Responsibility?

ADAMSON. I carried for two of the men who were critically ill because of being injured in the Titan Missile accident two years ago. I got to realizing that I needed to make a commitment, that this was a problem. We could have easily had a (nuclear) explosion with that accident, and somewhere there had to be a way to express myself.

Q. Dr. Fine, you've come a long way to be here. What kind of a message are you bringing?

A. I think if we continue on the path we're on, and the Soviets continue building more nuclear weapons, that sooner or later we're going to have nuclear war. It's unavoidable. Deterrence has worked for 37 years but when it fails it will fail catastrophically. The new weapons are especially dangerous on both sides of the Iron Curtain because they have first-strike characteristics, so we have to stop building them. We, as physicians, have been pointing out that there will be no winning or surviving of nuclear war, and, in fact, we won't be around, whether it's in Little Rock or Boston or New Orleans. 80 to 90 per cent of doctors and nurses and hospitals will be wiped off the face of the earth. There will be tens of thousands of burn victims—people with crush injuries and unimaginable other problems, acute radiation sickness. They'll have nowhere to go and it's going to be the same thing all across this country, Western Europe and the Soviet Union. We don't know when this is going to occur. Even if you think it's a 1 per cent chance a year—and there are a lot of people in this country that think it's a good deal more than that—that's a 63 per cent certainty within a hundred years mathematically. So we've got to stop this madness of increasing the number of nuclear weapons that nobody wants since they never could be used without bringing the end, essentially. We have to find better ways to defend our country.

Q: Is this an effort to try to get the United States to unilaterally disarm?

ADAMSON. I don't get that impression at all. Just to amplify, 60 percent of our population lives in an area of 18,000 square miles. 300 one-megaton bombs could destroy 60 per cent of our population. The Soviet Union has 9,000 today. What are they going to do with the other 8,700 weapons? To get back to your question, I don't think we are trying anyway to unilaterally disarm. We're just trying to say, we have enough and let's stop.

Q: But how do you put pressure on the people in the Kremlin? You are free to have your rallies in this country. But some people tried to have a nuclear-freeze rally in Red Square in Moscow last week and they were arrested.

ADAMSON. One aspect that I think that people in this country seem to forget is that the Soviet citizenry has seen devastation of all kinds over the last hundred years. In World War II there were 20 million Russians killed. We have lost 350,000 men in war but we've never had basically a battle here since the Civil War. It's difficult for me to believe that the Soviet people want it. Now I realize that they cannot influence their government in the same way that we can, but their government, they don't want a nuclear war. I believe that they understand that it would absolutely destroy the earth as we know it.

Fine. It's controlled from the top but underneath the surface, they have their internal debates. I had an opportunity to meet with 17 leading Russian physicians on an official delegation to discuss nuclear war, whether it could be avoided and what its consequences could be. They all agreed that it had to be avoided, that they couldn't win a nuclear war with us nor could we. The chief physician in that delegation was Brezhnev's personal cardiologist. He went back and his government allowed him to go on national television and tell that same message to the Soviet people. Nuclear missiles are a common enemy that threaten the survival of both nations. Now we were allies with the Russians not so long ago against a common enemy and we've got to find a way of allying with them to get rid of these weapons now for the survival of both nations. That doesn't mean we have to agree with them on the lack of freedom of speech in their country, or the way they treat their people internally—I thoroughly disapprove of all that. But on this, I think, we see things the same way, we just have to get to the negotiating table and work it out. To do that in the United States, we the people have to tell our leaders that we want them to do that.

Q: It's just hard to imagine that the Russian leaders feel that way because of the moves that they have made. President Carter, in 1977, tried to get them to make massive reductions in nuclear weapons and they said no. Their actions speak louder than words.

Adamson. I think we have a problem in this country where we ascribe to ourselves all the good motives and ascribe to the Russians everything evil.

Q: There's parity certainly in weapons but no parity in attitude, and I think that's what disturbs a lot of American people—Russian activities in Africa, Cuba and Afghanistan and the violation of the Helsinki Accords.

Fine. The point is we can't use nuclear weapons in those conflicts. We know that. We can bluff that we'll use them, but we can't use them. We're wasting our money as well as risking that we could get sucked into a nuclear war. We've got to build a sensible conventional weapons system. These aren't weapons of war; they are weapons of mass destruction. They don't help us in Afganistan, they haven't helped us anywhere else. They just threaten the world's survival. The Soviets understand that, too, and it really puzzles me profoundly that we're gone on this way. We haven't even renounced first-use of nuclear weapons. It is time we did that. There were four distinguished Americans recently, including George Kennan, who suggested that we renounce first-use because as long as we maintain first-use, aside from the morality issue which is a pretty profound one, we are making nuclear war more likely because if the Russians know we might strike first in some situation with nuclear weapons, they have to be prepared to do the same.

Q: Are you, Dr. Adamson, in favor of both a freeze and the renunciation of first-use?

Adamson. Secretary Haig and others have said that we cannot play our hand completely and say that we will never use these weapons unless we are struck first, that we've got to have that option. Well, perhaps, politically if that's what's necessary—and I don't feel like I have enough knowledge to say that—then perhaps we should keep that option if for no other reason but to keep the Russians a little off balance . . . as far as the freeze is concerned I'm very much in favor.

Q: Wouldn't it be better from the United States point of view to let us catch up a little bit before the freeze?

Adamson. I can't follow that reasoning. We'll never stop if we continue with this. I really believe that there is parity. I think that we can destroy the Russians and they can destroy us and it makes no difference whether we have one more weapon. With the number of weapons that we have today, we are capable of destroying the world.

We are capable of doing that right now. Not a week from now but right now, and it's got to stop.●

OLDER AMERICANS MONTH: A TIME FOR REFLECTION

● Mr. JACKSON. Mr. President, this month—May—is set aside as "Older Americans Month." It is a time for us to pause, reflect, and to give recognition to the Nation's senior citizens.

Older Americans are a great national resource and should be viewed as an enormous reservoir of talent, knowledge, and experience from which society can draw.

One of the biggest mistakes we can make is lumping all seniors into a single category. Some men and women may want to retire and go fishing or whatever at age 60, while others may wish—and be fully capable—to work into their 70's and beyond.

Public policy should be flexible and considerate of the wide-ranging needs and interests of senior citizens.

I might note that senior citizens comprise a minority group in this country of 34 million—and it is growing all the time. It is a minority group that all of us, if we are so fortunate, can expect to join someday.

This year thousands of older Americans participated in the White House Conference on Aging and tried to articulate some of the special interests and concerns of older Americans. They sought to help direct public policy in the future.

One of the leaders in this effort was from my own State of Washington, June Biggar, chairperson of the board of the American Association of Retired Persons. I always have enjoyed working with the association on matters of mutual interest and appreciate the advice and counsel I have received from the membership as well as others.

The Conference put the spotlight on some of the problems facing seniors in America today and laid out sort of a blueprint of the kind of action Congress and the States should take to better life in America for senior citizens.

I think "Older Americans Month" is an excellent time for us to renew our commitment to senior citizens and to focus our attention to their problems.

These are some of my own thoughts in this area:

SOCIAL SECURITY

This is one of America's great success stories. It has lifted millions of Americans from economic hardship and provided a measure of comfort and security. Social security financing must be a commitment to maintain current social security benefits to current recipients, including the minimum benefit.

HEALTH CARE

Access to adequate, affordable health care is a basic human right and is something that we can and must provide in this country. Nothing makes me sadder than to hear of retired couples, folks who have worked all their lives, that have had to sacrifice their life savings in order to cope with a long-term illness. Under existing medicare law, no assistance is provided to victims of a stroke or other disabling illness requiring long-term nursing home care. All assets must first be exhausted. I think that is wrong and cannot support the administration's proposed $3 billion cut in medicare benefits when there are already so many deficiencies in the program. I believe medicare should be expanded to include prescription drugs, eyeglasses, hearing aids, dental care, and other necessary medical assistance.

HOUSING

Safe and affordable housing should also be a basic entitlement for senior citizens in America today. I support efforts to restore the section 202 housing program budget which assists the elderly and handicapped. I support efforts to help older Americans to convert home equity into income without having to sell or move. I am sponsoring a massive housing stimulus bill to spark life into the homebuilding industry which would help all Americans. I hope to see more local, State, and private initiatives to build housing for older Americans. Recently, voters in my hometown of Everett—as well as voters in Seattle—approved bond issues which will mean more and better senior citizen housing. I was proud to be associated with both of those efforts and hope to see many more.

ENERGY

The largest monthly expense for many older Americans is energy and the high cost is forcing many of them to leave their family homes in search of other housing. I am a strong advocate of conservation and weatherization projects as two important means of reducing energy costs. Many senior citizens live in large, older, poorly insulated homes and thus can benefit most from those kinds of initiatives.

Recent studies indicate the elderly and poor use much less energy than any other group, yet spend a much larger portion of their income for it. They are hit especially hard by oil prices—a major reason why I have supported controls on oil and gas prices and opposed the oil import fee which hits persons on low and fixed incomes hardest. I believe we must continue to assist senior citizens who are left with the terrifying choice between food and freezing.

HOME ASSISTANCE

In-home care should be promoted as a viable alternative to institutionalization and can be accomplished by modest expansion of benefits for long-term home care, tax incentives, and expanded home services. In many instances, help with a few simple household chores can mean the difference between living at home and being forced to enter an institution. In the years ahead, I think we can expand and improve access to these kinds of services. I also am sponsoring legislation to cover hospice services under medicare which is an effective, humane substitute to expensive, intensive hospital care.

CRIME

It is unconscionable to me that some senior citizens must live in constant fear for their property or personal safety. I look forward to new initiatives increasing safety and security, promoting community awareness, and assisting victims of crime. I would like to see expansion of the community block watch program to provide voluntary escorts for seniors who feel the need for the added security of a neighbor's company.

TRANSPORTATION

Viable, affordable public transit is essential to the needs of Americans who want to be independent, but have no other means of transportation. Today the public transit system is at a critical stage and the Nation faces questions that will affect the future of transit for many years into the future. We cannot afford to back away from the commitment to provide bus transportation to senior citizens, as well as all Americans.

EMPLOYMENT

I support the right of older Americans to work as long as they wish and are able. I oppose arbitrary retirement ages. I also am sponsoring a Senate resolution in support of the community service employment program which is a cost-effective, efficient, and successful training and placement program for seniors who want to work. I also want to expand opportunities for seniors to assist government and industry, in a part-time advisory capacity.

We have made progress few would have thought possible in the fight to provide dignity and opportunity for senior citizens. As I travel around Washington State, I am ever-more impressed with the success of senior citizen activity centers. We have more than 150 of them in every nook and cranny in the State. They are the center of activity in every community, not just for seniors, but often for the whole community. They provide the added benefit of bringing seniors together with other segments of the community and a greater degree of human understanding is the result.

We live in an ever-changing society and we must be prepared to shift and fine tune our course over and over. But let us always continue to progress and move forward as we consider the needs and interests of America's senior citizens.●

HADASSAH'S 70TH ANNIVERSARY

● Mr. SPECTER. Mr. President, as a cosponsor of Senate Concurrent Resolution 62, I am pleased to participate in today's celebration commemorating the 70th anniversary of Hadassah, the Women's Zionist Organization of America.

When Henrietta Szold, "Pioneer Zionist, Defender of Democracy," founded Hadassah 70 years ago, who dreamt that the organization could ever grow to 370,000 active members who serve thousands of people in both America and Israel today?

Through their determined efforts, Hadassah members have provided invaluable and sustained leadership in the American Jewish community. Hadassah—the largest women's volunteer organization in America—educates its members and the Jewish community on a myriad of issues—ranging from domestic affairs and the civil liberties to the Middle East and the oppressed Jewry of the Soviet Union, Ethiopia and Syria.

Hadassah's endeavors have not been limited to American shores—since 1912, Israel has been blessed by the extensive Hadassah Medical Organization. Anyone who has ever visited Israel recognizes immediately the contribution made by the Hadassah Medical Organization. The Hadassah Medical Organization has, since 1912, been a pioneer in healing, teaching, and research. Hadassah facilities and personnel rank among the best in the world; they provide reassurance to the people of Israel who live under seige. Hadassah has, for many years, followed the Oath of the Hebrew Physician: "You shall help the sick, base or honorable, stranger or citizen, because he is sick."

Hadassah, however, has not limited itself to caring for the bodily ill. Hadassah serves the needy of spirit as well. Hadassah's "Youth Aliyah," is a child rescue movement which has cared about the uncared for. Since 1934, Hadassah has integrated 185,000 young people from 80 countries into Israeli life.

These efforts—and so many others over the last years—represent the commitment of Hadassah to promote social equality.

The word "Hadassah" comes from the myrtle plant—an evergreen. Hadassah, like the evergreen, endures. Hadassah, like the evergreen is ever growing.

Hadassah represents the best of things American—spirited women committed to creating a better society. Could Henrietta Szold have ever imagined the success into which her embryonic organization would develop?

I congratulate the members of Hadassah on their 70th anniversary and am deeply honored to represent the over 23,000 women of Pennsylvania who are members of such an admirable organization.

TO PRESERVE AMERICA'S CLASSICS

● Mr. MOYNIHAN. Mr. President, I rise to take note of a truly noteworthy event. The classics of American literature are about to be assembled in a most exemplary way, the sort of event that surely should bring this Chamber good cheer.

I refer to the announcement that the first four inaugural volumes of a project known as the Library of America have been published. This nonprofit venture will eventually compile, in a 100-volume set, the works of America's most distinguished and treasured authors and poets. In the words of Prof. Daniel Aaron, president of the library, "These books will comprise the American library of last resort."

Last Wednesday, a group of America's best known contemporary writers and figures from the world of publishing gathered at the Pierpont Morgan Library in New York City to mark the commencement of this ambitious project and to note the splendid help being given by the Ford Foundation and the National Endowment for the Humanities, among others.

Mr. President, this attempt to preserve the finest of America's rich literary heritage traces, in part, to a suggestion made by Edmund Wilson to the very distinguished editor, my friend, Jason Epstein. Wilson wrote Epstein that:

> The kind of thing I would like to see would follow the example of the Editions de la Pleiade which have included almost the whole of the French classics in beautifully produced and admirably printed * * * volumes.

The current project promises no less than the most satisfactory achievement of Wilson's dream. Mr. Epstein himself is involved as are other publishers, editors, and writers ranging from Roger Kennedy to Jacqueline Onassis.

Mr. President, I take this opportunity to commend all those involved with "The Library of America" and to wish the project well. We all will, indeed, profit from their labors. I ask that an excellent story about last Wednesday's ceremony at the Morgan Library, written for the New York Times by Mr. Herbert Mitgang be printed at this point in the RECORD.

The article follows:

[From the New York Times, May 14, 1982]

WRITERS HAIL REISSUING OF CLASSICS

(By Herbert Mitgang)

In the Pierpont Morgan Library late Wednesday evening, Eudora Welty, the silver-haired American storyteller, stepped slowly onto a platform before 100 invited guests, including some of the country's most distinguished members of the literary community.

"I shall read one story," she said. "I love stories. And I love this story, 'The Birthmark.'"

For the next 20 minutes, the audience was transported to 1843 by Nathaniel Hawthorne's tale of a beautiful, young wife with a blemish on her cheek and her husband's fatal obsession to remove it. As Miss Welty read toward the end, "The fatal hand had grappled with the mystery of life . . ." the story seemed to emerge as a symbolic statement about human imperfection, intolerance, feminism and marriage, with meaning for the 20th century, too.

This was no ordinary book occasion. Miss Welty was one of four aptly chosen readers—the others were Robert Penn Warren, the novelist, on Harriet Beecher Stowe; Arthur M. Schlesinger, Jr., the historian, on Walt Whitman, and Richard Wilbur, the poet, on Herman Melville—who had come to the great manuscript and print repository at Madison Avenue and 36th Street to celebrate the four inaugural volumes of "The Library of America."

Daniel Aaron, professor of English and American literature at Harvard University, who is president of the Library of America, said: "These books will comprise the American library of last resort."

Eventually, the library will grow to 100 volumes, collecting the works of the nation's foremost authors in authoritative, uniform hard-cover editions. This nonprofit publishing venture is a tale in itself—of early-resistance in some scholarly quarters, of cooperation between university presses holding copyrights and the series' executives for the sake of literary preservation, and of a dream that began more than two decades ago with a letter from Edmund Wilson, the critic, to Jason Epstein, the editor. The letter said in part:

"The kind of thing I would like to see would follow the example of the *Editions de la Plèiade*, which have included almost the whole of the French classics in beautifully produced and admirably printed, then-paper volumes ranging from 800 to 1,500 pages."

Now American readers can have a similar American collection, via two distribution channels, the Viking Press and Time-Life Books. The $25 books will not have to be read before they fall apart.

"They're printed on acid-free paper," said Brooke Vincent Astor at the Morgan ceremony. "Five hundred years from now, when they dig up the books, the literature of America will be here."

READINGS AND INTERPRETATIONS

The first four volumes are Herman Melville's "Typee," "Omoo" and "Mardi," three of his works on the South Seas, edited by G. Thomas Tanselle; Harriet Beecher Stowe's three novels, "Uncle Tom's Cabin," "The Minister's Wooing" and "Oldtown Folks," edited by Kathryn Kish Sklar; Walt Whitman's poetry and prose, embracing "Leaves of Grass" (the 1855 and 1891-92 versions) and "Complete Prose Works," edited by Justin Kaplan, and Nathaniel Hawthorne's tales, and sketches, "Twice-told Tales," "Mosses from the Old Manse," "The Snow Image, and Other Twice-told Tales," "A Wonder Book for Girls and Boys" and "Tanglewood Tales," edited by Roy Harvey Pearce.

Introducing selections from these works, the readers offered the audience a liberal education about the authors and their relevance to the present day.

Mr. Warren, reading from "Uncle Tom's Cabin," in a Deep South accent that has not been lost during his years of living in Connecticut, mocked the critics who said that Mrs. Stowe had lacked a real understanding of literature.

NOT A SECTIONAL BOOK

"She didn't need a Ph.D.—she read all the books she was supposed to as a young lady," he said. "'Uncle Tom's Cabin' is not a sectional book, not just North and South, but about human relations. Mrs. Stowe played fair; she made Simon Legree a Yankee. She was against racism as well as against slavery."

Reading from Melville's "Typee," Mr. Wilbur called it a natural best seller.

"I mean no detraction," he said, because "it combines adventure, fantasy and escape to an idyllic, delicately erotic place." The novel "denounces the conduct of great nations, inveighs against imperialists, and, at the same time, shows that the Typees could be degenerate and cannibalistic."

Mr. Schlesinger, reading "Crossing Brooklyn Ferry," said that the poet's vision was accurate.

"Whitman, after all, began as a newspaperman," he said.

AUTHORS AT CEREMONY

He pointed out that the poet was making a statement not simply about a river crossing, but also about "the passage of man" and proved it in soaring language.

Among the authors at the Morgan ceremony were Eleanor Clark, Ralph Ellison, Carlos Fuentes, Elizabeth Hardwick, Lillian Hellman, Irving Howe, R. W. B. Lewis, William Maxwell and Charles Ryskamp, who is also the library's director.

Among publishers and editors were Barbara Epstein, Jason Epstein, Lawrence Hughes, Roger Kennedy, Helen Meyer, Jacqueline Onassis and Cheryl Huber, who is executive director of the series.

For backing the publishing program, tribute was paid to the Ford Foundation and McGeorge Bundy and the National Endowment for the Humanities.●

SALUTE TO ELLSWORTH MISSILE WING

● Mr. PRESSLER. Mr. President, recently a missile crew from the 44th strategic missile wing at Ellsworth Air Force Base had the distinct honor of winning first place in the Strategic Air Command's "Olympic Arena" competition at Vandenburg Air Force Base.

Col. Joseph L. Stone, Jr., commander of the 44th strategic missile wing, and his missile combat competition team are to be commended for their top-notch performance in winning the highly coveted Blanchard Trophy during the "Olympic Arena" competition.

I have personally visited the missile sites and launch control facilities at Ellsworth and have had the opportunity to observe firsthand the example of excellence which is so characteristic of the Ellsworth missile crews. The first place finish of Ellsworth's combat competition team provides some much-deserved recognition of the 44th SMW's high caliber.

The citizens of my home State of South Dakota are very proud of the important role played by Ellsworth Air Force Base in our country's defense structure. Local officials and residents of the Rapid City community demonstrated their strong support for Ellsworth and their pride in Ellsworth's achievements by turning out in large numbers recently to welcome the winning team back from the "Olympic Arena" competition.

I join my fellow South Dakotans in congratulating Col. Joseph L. Stone, Jr., and his missile competition team for their exemplary performance in demonstrating the first-rate capabilities of the personnel at Ellsworth. The following individuals were members of the 44th SMW Missile Combat Competition team and deserve special recognition for their accomplishments:

First Lieutenant Ken B., Baier.
First Lieutenant Roger W. Burg.
First Lieutenant Michael D. McDowell.
First Lieutenant Steven R. Prebeck.
Technical Sergeant Arthur W. Avant., Jr.
Staff Sergeant Randy L. Bury.
Staff Sergeant Harold Blalock, Jr.
Staff Sergeant Warden L. Evans.
Sergeant Lee J. Strunk.
Sergeant Michael Skundberg.
Sergeant Michael O. Cloud.
Sergeant Robert S. Rush.
Sergeant James Gorka.
Senior Airman Richard C. Schwartz.
Senior Airman Ronald J. Morris.
Senior Airman Laurie L. Trescott.
Senior Airman Mark P. Koch.
Senior Airman Robert E. Hayden.
Senior Airman Wesley T. Peel.
Airman First Class Raymond E. Hadlock.
Airman First Class Charles E. Hatch.
Airman First Class Paul D. Rheault.
Airman Timothy B. Scott.
Mr. Arnold Gust.

We salute you all.●

RETIREMENT OF DR. OPAL H. MANN

● Mr. HUDDLESTON. Mr. President, recently, one of the U.S. Department of Agriculture's most valued and most imaginative administrators retired after 37 years of dedicated public service.

Dr. Opal H. Mann, who, I am proud to say, is a Kentuckian, was the Deputy Administrator for Home Economics and Human Nutrition of the Extension Service of the Department of Agriculture. In Dr. Mann, the Department of Agriculture had found an administrator who had begun her own extension service experience at the age of 8 in Morgan County, Ky. as a 4-H Club member, and who had carried her devotion to extension to the highest levels of government.

Perhaps the most remarkable aspect of Dr. Mann's career was her farsightedness in applying new technologies to the delivery of government services in this important arena. Dr. Mann pioneered presentations via satellite transmission of such things as food and nutrition services. This video communication expanded opportunities for disseminating information and at the same time reduced the burdensome expenses in time and money due to travel.

And her dynamic use of technology was far from a one-way street of taking information to the people. She also devised mechanisms for using these technologies to bring the people to the government, to explain their needs through such vehicles as the National Extension Homemakers Club national survey.

Under Dr. Mann's direction, the Extension Service was brought to the modern age and kept a step ahead with its emphasis on a broad range of services such as energy conservation and family resource management.

Dr. Mann exemplifies the ideal of the dedicated public servant. She entered the Cooperative Extension Service in 1945 as an assistant county home demonstration agent in Breathitt County, and was State program specialist at the University of Kentucky when she came to the national office in 1971 as Assistant Deputy Administrator for Home Economics.

Dr. Mann has never been content to confine her good works to her administrative duties. She has served as adviser to the National Extension Homemakers Council, has authored numerous publications, and has appeared as a speaker before many national groups and organizations.

Dr. Mann and her husband, Arnold C. Mann, plan to continue to reside in College Park, Md., and Dr. Mann plans to continue, in a somewhat more relaxed atmosphere, her interest in and contributions to the Cooperative Extension Service. Her future contributions will undoubtedly be as valued as her contributions during her public career.●

HADASSAH'S 70th ANNIVERSARY

● Mr. BRADLEY. Mr. President, Thursday May 20, 1982, marks the 70th anniversary of Hadassah, the Women's Zionist Organization of America. Along with many of my colleagues I am proud to salute the accomplishments and the spirit of this organization.

This important organization is named for Queen Esther, a woman who dedicated herself to the salvation of the people of Israel. Hadassah has carried on her principles for 70 years, expanding its membership throughout the United States and Puerto Rico. As the largest women's volunteer organization in the United States, Hadassah has assisted thousands—particularly through the health programs it supports—regardless of race, religion, or nationality. Today's members of Hadassah sustain a medical center, the Hadassah University Hospital, where Arabs and Israelis benefit from the most modern health care available particularly the child rescue rehabilitation programs, vocational training and treatment of eye disorders. In recent years, members have also made important contributions to land reclamation efforts in the State of Israel.

The 370,000 members of Hadassah have made lasting contributions to Israel and the United States through promotion of humanitarian causes. The spirit of voluntarism and good will of organizations like Hadassah are an integral part of our Nation and I am pleased to recognize their accomplishments.●

S. 2338—SCHOOL BOARD ADDITION TO ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS

● Mr. BENTSEN. Mr. President, I am pleased to join my colleague Senator PERCY as cosponsor of S. 2338, a bill to add school boards to the groups that make up the Advisory Commission on Intergovernmental Relations (ACIR). Although ACIR has a long and distinguished history of effective work in the area of intergovernmental relations, to date no local school district representative has been permitted to participate as a voting member of the Commission.

We can all agree, Mr. President, that school districts are an important—indeed indispensable—element of our intergovernmental network. According to information recently compiled by the National School Boards Association, school districts across this country employ approximately 44 percent of the personnel, and expend 36 percent of the funds utilized by local governments. School districts are found in 49 of the 50 States, and in 41 States act independently of other governmental entities. In my own State of Texas, 1,100 school districts—of which 1,040 are independent—elect more than 7,000 local officials, and employ over 330,000 individuals. Of a total State budget of $26.5 billion during his biennium, $8.1 billion, or nearly one-third is expended under the direction of local school districts.

Clearly, Mr. President, the officials whose decisions guide these districts have a wealth of experience in intergovernmental relations and in the conduct of delicate negotiations with Federal, State and local representatives whose activities impact on school districts. School officials have already experienced substantial dislocation from Federal budgetary reductions and program changes. We hear frequent reports of difficulty in adjusting to new block grants from superintendents who support the concept of greater local control, but would prefer that the mechanics of transferring responsibility be more responsive to their needs.

As we take up the administration's recommendations regarding implementation of the New Federalism, Members of Congress must do all we can to assure a smooth transition to greater local control of revenue sources and the services, projects, and programs they support.

Since the ACIR will continue to be a major forum for debate and decision-making, those who will be asked to assume the transferred responsibilities must be permitted to participate as full voting partners in designing the New Federalism. It would be a mistake to ignore the rich experience of school officials at the earliest stages of deliberation; it would be unfair to force school districts to shoulder the burdens of taxation and service delivery if they are barred from participating in the decisions to transfer those responsibilities.

In closing, Mr. President, I believe we will all be winners if this bill is enacted. The school districts will take their rightful place at the bargaining table; current members of the ACIR will benefit by the expertise these officials bring to the deliberations; Members of Congress will get legislative proposals reflecting the concerns of a wider spectrum of local officials; and, most importantly, the communities where taxes are generated and services provided will enjoy more broad based representation.●

ANNOUNCEMENT OF POSITION ON VOTE NO. 118

● Mr. PRESSLER. Mr. President, on May 14, at 3:04 a.m., the Senate voted on legislative rollcall vote No. 118. It was a tabling motion. I thought it was an up-and-down vote. It was my intention to support the amendment which was tabled by that vote. My vote did not determine the outcome.●

SEVENTIETH ANNIVERSARY OF HADASSAH

● Mr. COHEN. Mr. President, today there will be a ceremony at the White House commemorating the 70th anniversary of Hadassah, the Women's Zionist Organization of America.

Founded on February 24, 1912, this humanitarian service organization now is the largest women's volunteer organization in the United States, with 370,000 members in all 50 States and Puerto Rico.

Through the commitment and dedication of its members, Hadassah has made major efforts to promote economic and social justice, and to create a more humane world for all people. Hadassah still maintains the world-famous Hadassah-Hebrew University Medical Center in Jerusalem, Israel. This university is a living expression of the common humanitarian, social, ethical, religious, and scientific values shared between the peoples of the United States and Israel.

As a cosponsor of the resolution congratulating Hadassah on its 70th anniversary, I would like to commend my colleagues to join the White House in commemorating the occasion.●

FIRST CONCURRENT BUDGET RESOLUTION

The **PRESIDING OFFICER**. The Senator from New Mexico.

Mr. **DOMENICI**. Mr. President, I understand that we will now return to another Democrat amendment. That would be to Senator Sasser, who will offer a railroad retirement modification amendment.

Mr. President, I yield the floor.

Mr. **SASSER** addressed the Chair.

The **PRESIDING OFFICER**. Just one moment, please.

Will the Senate please come to order. Those who wish to talk, please go to the cloakroom.

The Senator from Tennessee.

UP AMENDMENT NO. 977

(Subsequently numbered amendment No. 1492)

(Purpose: To restore annual cost-of-living adjustments to railroad retirees)

Mr. **SASSER**. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

Mr. President, I send this amendment on behalf of myself, Senators Heinz, Hawkins, Kassebaum, also Senator Exon, Senator Metzenbaum, Senator Riegle, and a number of other cosponsors from both sides of the aisle.

The **PRESIDING OFFICER**. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Tennessee (Mr. Sasser), for himself, and other Senators, proposes an unprinted amendment numbered 977.

Mr. **SASSER**. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

The amendment is as follows:

UP AMENDMENT NO. 977

On page 2, beginning with line 15, strike out through line 21 on page 3 and insert the following:

(2) The appropriate levels of total new budget authority are as follows:

Fiscal year 1982: $777,600,000,000.

Fiscal year 1983: $835,329,200,000.

Fiscal year 1984: $897,031,700,000.

Fiscal year 1985: $972,834,200,000 minus $100,000,000.

(3) The appropriate levels of total budget outlays are as follows:

Fiscal year 1982: $740,700,000,000 plus $100,000,000.

Fiscal year 1983: $783,829,200,000 plus $400,000,000.

Fiscal year 1984: $832,331,700,000 plus $500,000,000.

Fiscal year 1985: $889,434,200,000 plus $700,000,000.

(4) The amounts of the deficits in the budget which are appropriate in the light of economic conditions and all other relevant factors are as follows:

Fiscal year 1982: $117,700,000,000 plus $100,000,000.

Fiscal year 1983: $115,429,200,000 plus $400,000,000.

Fiscal year 1984: $91,331,700,000 plus $500,000,000.

Fiscal year 1985: $64,434,200,000 plus $700,000,000.

(5) The appropriate levels of the public debt are as follows:

Fiscal year 1982: $1,144,200,000,000.

Fiscal year 1983: $1,292,129,200,000 plus $100,000,000.

Fiscal year 1984: $1,420,060,900,000 plus $100,000,000.

Fiscal year 1985: $1,533,295,100,000 plus $100,000,000.

And the amounts by which the temporary statutory limits on such debt should be accordingly increased are as follows:

Fiscal year 1982: $64,400,000,000.

Fiscal year 1983: $147,929,200,000 plus $100,000,000.

Fiscal year 1984: $127,931,700,000.

Fiscal year 1985: $113,234,200,000.

On page 16, beginning with line 1, strike out through line 4 on page 17 and insert the following:

(12) Income Security (600):

Fiscal year 1982:

(A) New budget authority, $255,800,000,000.

(B) Outlays, $251,500,000,000 plus $100,000,000.

(C) New direct loan obligations, $2,800,000,000.

(D) New primary loan guarantee commitments, $17,000,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, $281,800,000,000.

(B) Outlays, $272,600,000,000 plus $400,000,000.

(C) New direct loan obligations, $2,000,000,000.

(D) New primary loan guarantee commitments, $18,700,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $300,900,000,000.

(B) Outlays, $288,300,000,000 plus $500,000,000.

Fiscal year 1985:

(A) New budget authority, $333,000,000,000 minus $100,000,000.

(B) Outlays, $309,800,000,000 plus $700,000,000.

On page 26, beginning with line 15, strike out through line 23, and insert the following:

(6) The Senate Committee on Labor and Human Resources shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $102,000,000 and outlays by $457,000,000 minus $400,000,000 in fiscal year 1983; to reduce budget authority by $136,000,000 plus $100,000,000 and outlays by $625,000,000 minus $500,000,000 in fiscal year 1984; to reduce budget authority by $120,000,000 plus $100,000,000 and outlays by $744,000,000 minus $800,000,000 in fiscal year 1985.

On page 28, beginning with line 13, strike out through line 21 and insert the following:

(11) The House Committee on Energy and Commerce shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $514,000,000 and outlays by $1,031,000,000 minus $400,000,000 in fiscal year 1983; to reduce budget authority by $741,000,000 plus $100,000,000 and outlays by $1,230,000,000 minus $500,000,000 in fiscal year 1984; and to reduce budget authority by $815,000,000 plus $100,000,000 and outlays by $1,439,000,000 minus $800,000,000 in fiscal year 1985.

The cosponsors of the amendment are Senators Biden, Bradley, Burdick, Robert C. Byrd, Cannon, Eagleton, Exon, Ford, Hart, Heflin, Jackson, Kennedy, Long, Matsunaga, Melcher, Metzenbaum, Moynihan, Pryor, Randolph, Riegle, Zorinsky, Chiles, Mitchell, Sarbanes, Heinz, Durenberger, Hawkins, Kassebaum, Pressler, and Weicker.

The **PRESIDING OFFICER**. There shall be 1 hour equally divided on this amendment under the previous order.

Mr. **SASSER**. Mr. President, I did not hear the Chair.

Mr. **ARMSTRONG**. Mr. President, the Senate is almost but not quite in order.

The **PRESIDING OFFICER**. There will be 1 hour equally divided under the previous order.

The Senate will please come to order so the Senator from Tennessee may begin.

Mr. **SASSER**. Mr. President, in conformity with an agreement just made with the distinguished Senator from New Mexico, I ask unanimous consent that the time agreement be reduced to allow 20 minutes to the side.

The **PRESIDING OFFICER**. Is there objection?

The Chair hears none, and it is so ordered.

Mr. **SASSER**. Mr. President, this is a very simple amendment. Let me sum up, if I may, the three points that the amendment covers.

This amendment impacts on more than 1 million railroad retirees across the Nation. First, the amendment provides money in the budget to permit the 7.4 percent cost-of-living adjustment to be paid to the Nation's 1 million railroad retirees for fiscal years 1982 and 1983.

The cost-of-living adjustment will be paid on July 1, 1982. It also permits a cost-of-living adjustment for railroad retirees at the level of the Consumer Price Index for 1984 and 1985.

Under the budget resolution, the cost-of-living adjustments for 1984 and 1985 are capped at 4 percent. Of course, the budget resolution freezes the cost-of-living adjustment for 1982-83.

If this Amendment is adopted, these cost-of-living adjustments for railroad retirees might be at the level of the 6.5-percent range for railroad retirees in 1984 and 1985.

Indeed, the budget assumption on which this budget resolution is based assumes a 6.5-percent rate of inflation in fiscal year 1984-85.

Second, Mr. President, the amendment provides for full appropriations for the dual benefits received by those railroad retirees who were guaranteed such a benefit when the Congress passed the Railroad Retirement Act of 1974.

The dual benefit goes to railroad retirees who were retired as of 1974 or who at the time of the passage of the act in 1974 had 10 years of work history with the railroad. It was considered that if they had 10 years of work history, their rights vested under the old act and under the law then obtaining.

I might note that when the Reagan administration first attempted to reduce this dual benefit by some 21 percent in 1981, the move was defeated in this body by a vote of 61 to 34. So the Senate has deliberated this matter on a prior occasion and has spoken in no uncertain terms that it did not wish to see the dual benefit reduced or diminished, and certainly not by the 21 percent level as the administration had previously sought to do.

This dual benefit diminishes over time and will be eliminated gradually as the older retirees pass from the system due to the attrition of time.

Finally, the amendment provides funds for the operation of the 94 railroad retirement officers scattered around this country, including the very important central office in Chicago and the three field offices that happen to be located in my native State of Tennessee. These field offices are central and necessary and crucial to effective administration of the railroad retirement system.

I know that my colleagues realize that there are railroad retirees in every State in this Union. To give an example, in the State of Alabama there are 15,300 railroad retirees; in the State of Arizona, 13,500; in the State of Florida, 48,000; in the State of Georgia, 22,000. I see the distinguished Senator from Louisiana in the Chamber. There are 13,500 railroad retirees in the State of Louisiana who would be affected by this legislation.

I give this information by way of illustration and to indicate that these 1 million railroad retirees are scattered all across the 50 States of the Union.

These are good, hard-working men and women who have worked to build the railway system in this country. At the time they retired, they expected to have the full benefits of their retirement program as set forth in the Railroad Retirement Act of 1974. They are entitled to that, and this amendment provides that they will have these benefits, pursuant to the solemn act of Congress which bestowed these benefits on them in 1974.

What we are saying by this amendment is this, simply stated: that Congress stands by its commitment that was made to these men and women in 1974. That is the nutshell of this amendment. There is nothing complicated about it. It means nothing more and nothing less.

If we want our railroad employees to know that we stand behind their hard work, I urge my colleagues to vote for this amendment. If we want to suggest that we really do not care about the integrity of the railroad retirement legislation which was passed in 1974 by this body and by the House of Representatives, and signed into law by the President of the United States, then I suppose a vote against this amendment is in order.

Frankly, Mr. President, I am confident that the majority of my colleagues will want to honor this committment to the railroad retirees of this country who retired and relied on legislation that was passed here some 8 years ago.

Mr. President, how much time remains to my side?

The **PRESIDING OFFICER**. Twelve minutes and 45 seconds.

Mr. **SASSER**. I yield to the distinguished Senator from Ohio.

Mr. **METZENBAUM**. I thank the distinguished Senator from Tennessee.

I ask the Chair to advise me when 5 minutes have expired.

Mr. President, I am pleased to join the Senator from Tennessee in offering this amendment to restore the cost-of-living increase and fully fund the dual benefits to maintain the field offices of the railroad retirement system.

The Budget Committee has reported a resolution which, in effect, would cause unnecessary harm to more than 1 million railroad retirees.

First and foremost, the committee has eliminated the cost-of-living increase for retirees which was scheduled to take effect on July 1, 1982. Railroad retirement is quite a bit different from any of the other matters that have come before us on a budget issue. It is a completely self-financed system, based upon employee and employer contributions. There is no reason to eliminate the COLA for these retirees, because the Government does not pay for these COLA's. I want to emphasize that. This is not Government money we are talking about. This is the money of the employees and the employers themselves.

All payments made to the railroad retirement system are totally paid by the railroad industry—management and labor.

But one thing will happen, and that is further erosion in retiree income caused by a Congress that is totally insensitive to the plight of these hard-pressed senior citizens, if we do not act favorably on our amendment.

The committee's action did not stop with this arbitrary denial to the railroad retirees of the COLA they had every right to expect. The committee also reneged on the promise given to the railroaders with regard to the so-called windfall benefit—actually, a misnomer.

In 1974, Congress decided to eliminate the possibility of railroaders earning retirement benefits under both railroad retirement and social security. However, those individuals already entitled to benefits from both systems would receive what is called a dual benefit or windfall benefit. As I previously stated, that windfall appellation is somewhat misleading, because it is a benefit which was earned.

In 1983, $430 million is needed to fully fund the dual benefit. The committee has seen fit to provide only $379 million, a shortfall of $51 million. This action is not only unfair; it is actually—and I emphasize this—contrary to the expressed will of this body. The Senate spoke to this issue in November of last year. At that time, by a 2-to-1 margin, the Senate adopted an amendment I had offered and voted to fully fund the dual benefits.

I do not believe that the commitment of the Senate to meet its obligation to these retirees has changed. I cannot support this action by the Budget Committee, and I do not believe that the Senate as a whole will consent to inflict this cruel and unnecessary punishment upon retirees who have rightfully earned these benefits.

I urge my colleagues to join us in correcting an unjust decision.

Mr. **SARBANES**. Mr. President, will the Senator yield?

Mr. **SASSER**. Mr. President, I yield to the distinguished Senator from Maryland.

SENATOR SARBANES SUPPORTS THE RAILROAD RETIREMENT SYSTEM

Mr. **SARBANES**. Mr. President, I am very pleased to join the Senator from Tennessee as a cosponsor of this important amendment to protect the earned retirement benefits of over 1 million railroad retirement beneficiaries and to preserve the integrity of the Federal railroad retirement system. This Nation's retired railroad employees spent their working years safeguarding one of our country's most valuable resources, our rail transportation system. These dedicated workers paid into their retirement system and now rely on receiving their established benefits. If their benefits are unfairly diminished these railroad workers and their families will not be able to live their retirement years in the dignity and financial independence which their hard work over the years has earned them.

This amendment addresses three specific aspects of the railroad retirement system. First, it retains the scheduled July 1982 cost-of-living adjustment for railroad retirees, and maintains future COLA's as currently calculated to the Consumer Price Index. For the many older Americans living on fixed incomes, the annual COLA is an indisputable necessity in this time of continuing economic hardship. Railroad retirees rely on receiving their annual adjustment this summer in order to enable them to meet the rising cost of living. It is inequitable and unfair to single out retirees for a major cut in their retirement benefits in order to achieve savings in the budget.

Second, the amendment funds the railroad retirement dual benefits account for fiscal year 1983–85 at the level necessary to insure the payment of full benefits to all retirees. In 1974, Congress made a commitment to paying the cost of this dual-benefit program for those retirees who previously had been eligible for both social security and retirement benefits, until the program phases itself out through the attrition of existing beneficiaries. Yet sufficient funds have never been appropriated to cover the cost of these dual benefits.

For example, in fiscal year 1982 while $440 million was authorized to pay these obligated benefits, only $350 million was actually appropriated. Through a series of amendments, which I strongly supported, an additional $29 million was eventually added, but the 400,000 railroad retirees who are entitled to dual benefits still suffered a 15-percent cut in their benefit payments. These benefits have been promised to retired railroad workers, and Congress must live up to its obligation to fully fund this authorized program.

Finally, the amendment assures the continued operation of the Railroad Retirement Board and its field offices at current levels of service. The administration's proposal to abolish the Railroad Retirement Board and to transfer its many functions to the Social Security Administration, to a private pension fund—which does not yet exist—and to the States by October 1, 1982, would be an administrative nightmare. It would severely tax the already-strained resources of social security and the States, and would have a chaotic impact on the retirement, disability, sickness, and unemployment benefits of railroad workers.

The railroad retirement system is of critical importance to many of our citizens—retired employees, their spouses and widows—who depend on these benefits for their daily existence. We must not break our commitment to these workers, who have planned for their retirement based on guarantees made by the Government and who have contributed so much to our national strength.

Mr. SASSER. Mr. President, how much time remains to our side?

The PRESIDING OFFICER. Eight minutes.

Mr. SASSER. Mr. President, I yield 2 minutes to the distinguished Senator from Nebraska.

Mr. EXON. Mr. President, I thank my friend from Tennessee who I have the honor of serving with on the Budget Committee.

One of the reasons that I could not support the original budget that was reported out of the Budget Committee was during our deliberations when we were talking about COLA for the various groups I specifically asked the question and got the answer "no." We were not treating both tier 1 and tier 2 of the railroad retirement system as we were treating the other retirees.

I think that is a mistake, and I certainly hope that the amendment being offered by the Senator from Tennessee, which I am pleased to be an original cosponsor of, will be accepted by the Senate.

I would suggest to my colleagues that we should accept this in fairness if for no other reason.

The PRESIDING OFFICER. Who yields time?

Mr. SASSER. Mr. President, the distinguished senior Senator from Pennsylvania had indicated earlier by way of his staff that he wished to speak to this amendment. I do not see the Senator in the Chamber at the moment.

Mr. President, I yield 3 minutes to the distinguished Senator from Michigan.

Mr. RIEGLE. I thank the Senator.

Mr. President, this amendment on railroad retirement would provide for the maintenance of COLA adjustments under the railroad retirement system, as provided under current law, and would provide full funding to the so-called dual-benefit-windfall component for fiscal year 1983, fiscal year 1984, and fiscal year 1985.

There are several points that should be made.

First, this is a bipartisan amendment, enjoying the strong support of Members from both sides of the aisle.

Second, this amendment is intended to correct a major inequity in the pending budget resolution. Under this resolution, cost-of-living adjustments are provided for social security recipients, but are denied to railroad retirees. However, railroad retirees do not draw social security and therefore would be denied any cost-of-living adjustment. The freeze on railroad retirees COLA's would create a tremendous and unfair disparity between railroad and nonrailroad retirees in this country. The first part of this amendment is intended to put the railroad retirees on the same footing as social security recipients by extending to them their rightful cost-of-living adjustment.

The next point is that the second part of this amendment is intended to restore the COLA for the private pension equivalent component of the railroad retiree annuity. This component, which is calculated at 32.5 percent of the social security COLA, is already bought and paid for by the railroad industry—management and labor. Employees themselves contribute 2 percent of their pay in order to assure the continued payment of these COLA's for their railroad annuity.

The Government does not pay for these COLA's. The basic railroad retiree annuity is entirely funded by the railroad industry itself—by management and labor contributions to a trust fund. These contributions go directly into a trust fund. The freeze on these COLA's will result in no freeing of general revenues that could be used for other purposes. The budget savings supposed by the pending budget resolution are fictitious in this regard.

This amendment would also provide full funding for the so-called dual-benefit windfall. Prior to 1974, railroad employees with adequate railroad and nonrailroad employment were entitled to draw benefits under both the Railroad Retirement Act and the Social Security Act. In 1974, Congress eliminated dual-benefit coverage and authorized annual appropriations through the year 2000 for windfall benefits for railroad retirees who had retired prior to 1974 to partially compensate them for their loss of benefits.

Congress thereby made a commitment to this class of nearly 400,000 railroad retirees to pay the cost of the dual-benefit program as the dual-benefit entitlement was phased out through the attrition of its existing beneficiaries. As recently as November 15, 1981, the Senate voted by a vote of 61 to 34 for full funding of the so-called dual-benefit-windfall account, in the context of the continuing resolution.

The pending budget resolution would freeze the contribution to this account at $379 million while approximately $430 million is needed to fund this account. This would result in a benefit reduction of approximately 15 percent.

So for those reasons I hope the Senate will support this amendment.

Mr. SASSER. I thank the Senator from Michigan.

Mr. President, how much time is remaining?

The PRESIDING OFFICER. Two minutes and fifty seconds.

Mr. SASSER. Mr. President, I reserve the remainder of my time.

Mr. BOSCHWITZ. Mr. President, if the Senator will yield for a question, I note he told the Senator from Louisiana how many railroad retirees are in his State. How many are in his State by chance?

Mr. SASSER. The distinguished Senator from Minnesota will be interested to know that there are 27,400 railroad retirees in his State.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. GOLDWATER. Mr. President, I wonder if the manager on this side will yield for a question?

Mr. ARMSTRONG. Mr. President, I am delighted to yield to the distinguished Senator from Arizona for a question, for a statement, or for any other purpose that he may have in mind.

Mr. GOLDWATER. I wish to ask a question because a statement has been made, and it is true that this COLA increase will come out of funds provided by the Railroad Retirement Act. I just wish to ask how many railroads have been in a profit position in the last 10 years? Does the Senator know?

Mr. ARMSTRONG. Would the Senator care to rephrase that question and ask someone who can name the railroads that have been in a profit position in the last 10 years?

Mr. GOLDWATER. It is my understanding there are only one or two railroads in this country that have been making money, and if that is the case I wish to know where these funds are going to come from to provide a cost-of-living increase for the retirees. As beneficial and desirous as that might be I think once again we are looking for that old money tree.

Is there any answer to that?

Would the Senator from Tennessee care to answer?

Mr. SASSER. I am sure the Senator from Arizona was addressing the question to the manager of the bill.

Mr. ARMSTRONG. I assume that the Senator from Arizona is addressing it to the proponents of the amendment.

Mr. GOLDWATER. Mr. President, I would be very happy to. I do not think he would want to yield from his time.

Mr. SASSER. I will attempt to answer the Senator's question but I do not want it to count against my time.

Mr. GOLDWATER. It is an important question.

Mr. ARMSTRONG. Mr. President, we will be pleased to yield time to the Senator from Arizona if he wishes to pursue this question with the Senator from Tennessee. The Senator from Colorado has no idea, to answer his question.

Mr. GOLDWATER. I thank the Senator.

Does the Senator from Tennessee care to answer?

Mr. SASSER. I will just say to my distinguished and able friend from Arizona that there are some railroads in this country in a profit position. For example, in my area of the country the Southern Railway System and until just I think recently and perhaps still the L. & N. Railroad are in a profit position.

But this is a solemn commitment that was made to these railroad retirees contained in the Railroad Retirement Act of 1974.

Prior to the passage of the Railroad Retirement Act in 1974 many of these railroad retirees were entitled to a dual benefit. One came from the Railroad Retirement Act, the old Railroad Retirement Act, and the second, many of them were entitled to social security payments.

Now, in an effort to even that out this was all incorporated into the 1974 Railroad Retirement Act which deprived many of the retirees who retired prior to, or all the retirees who retired prior to, 1974, who were also entitled to social security benefits and the COLA that went with that, deprived them of those benefits.

It is a rather complex fact situation I would say to my distinguished friend from Arizona, and one that is difficult to explain quickly and easily. But there was an effort, as I am sure that the Senator from Arizona will recall, an effort on the part of Congress to even out the discrepancy between those who retired prior to 1974 were receiving benefits under the old act, and also receiving benefits under social security. This was incorporating all of those old retirees into the 1974 act where they would have been entitled to COLA's under the social security bill.

Mr. GOLDWATER. I realize all that. What I am trying to get at is, No. 1, how much is this going to cost?

Mr. SASSER. The cost has been figured at $1.7 billion over a 4-year period.

Mr. GOLDWATER. All right. How much money is there to pay that? Do you have enough funds in the Railroad Retirement Act to pay that?

Mr. SASSER. Well, I would say to my friend from Arizona that the Railroad Retirement Act is self-financing based on the funds paid into the system by the railroad workers and companies.

Mr. GOLDWATER. I am only trying to find out if there is enough money to pay this bill.

Mr. HEINZ. Mr. President, if the Senator will yield, I can answer his question. The answer is, yes.

Mr. GOLDWATER. Fine.

Mr. HEINZ. According to a CBO study, there is enough money to pay all these benefits through the end of the decade, based on intermediate economic assumptions.

Mr. GOLDWATER. That $1.5 billion in the next 3 years, the fund has that much in it?

Mr. HEINZ. That is included.

Mr. GOLDWATER. I am very interested because I was in charge of this legislation for 12 years, and I never knew that.

Mr. HEINZ. The Senator must have done something right because it is in good financial shape right now.

Mr. GOLDWATER. It is something of a miracle when the railroad business is pretty much in the hole, and you can afford $1.5 billion for COLA's.

Mr. HEINZ. It just shows what a fine job the Senator from Arizona was doing.

Mr. GOLDWATER. We do not have the railroads making money in Arizona.

Mr. HEINZ addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. HEINZ. I rise in support of the amendment, so I think I need time from Senator SASSER.

Mr. SASSER. I yield 2 minutes to the distinguished Senator from Pennsylvania. We have 2 minutes 50 seconds remaining.

Mr. HEINZ. Mr. President, I rise in support of the amendment introduced by the Senator from Tennessee, which I am proud to have cosponsored. This is not the first time that I have come to the Senate floor to defend the benefits of railroad retirees from arbitrary budget cuts. Last December, I came to the Senate floor to dissuade the Office of Management and Budget from arbitrarily making an additional cut of 12 percent in the so-called dual or "windfall" benefits—a cut which OMB would have imposed fully on its own initiative, and in direct contravention of congressional intent. I said at that time that OMB's planned actions were probably illegal—and subsequently, both the General Accounting Office (GAO) and the Congressional Research Service (CRS) have confirmed that legal opinion.

More recently, I have spoken out against OMB's premature and ill-conceived proposal to abolish the Railroad Retirement Board and divide its functions between the Social Security Administration and some private corporation.

In short, I have come to the floor because there has been a repeated assault on the railroad retirement system and its 1 million beneficiaries, more than 86,000 of whom reside in my own State of Pennsylvania.

Mr. President, I will try to summarize my main point as follows: I think the proposal of the Budget Committee which it came forward with is unfair, technically infeasible, and illogical. Apart from that there is nothing wrong with it.

It is unfair because this is the only group of people who have their benefits cut this year. The year 1982 is the year this freeze is supposed to go into effect.

It is technologically infeasible as a small point of interest because there is no time to adjust the computer tape for July 1982. Outside of that it is also illogical for the very simple reason that—and it is a rather complicated discussion—but the essence of it is that whatever benefits you get out of tier 1 or tier 2, that benefit is the result of social security plus a fixed amount that you get from railroad retirement.

If social security goes up and railroad retirement is frozen, you do not get a penny more under railroad retirement. That does not make any sense, does it? If we vote a social security increase for dually entitled railroad employees, and there are many of them, they will not get anything out of that increase in social security. So I say what we have is illogical.

I am, therefore, delighted to join my colleague from Tennessee in sponsoring this amendment which would accomplish three basic ends:

First, it would restore the annual cost-of-living increase for railroad retirees, which the budget resolution would have us skip in July 1982 and then cap at 4 percent in 1983 and in 1984.

Second, this amendment would provide for full funding of the so-called dual or windfall benefits in fiscal years 1983–85.

Third, this amendment would make it clear that the Congress of the United States wants the Railroad Retirement Board's network of field offices preserved—and not obliterated, as the Office of Management and Budget mistakenly has recommended.

I shall now address in detail the need for these three separate parts of the amendment.

COST-OF-LIVING INCREASE

The budget resolution applying to railroad retirement cost-of-living increases has to be modified—in my judgment—for four reasons: It is unfair. It is technically infeasible. It is illogical. And because it is illogical, it produces results which can only be described, kindly, as weird results.

UNFAIR

It is unfair, because this cut in the cost-of-living increase comes after a year in which railroad retirees, as I explained earlier, were the only group of retirees that got an actual reduction in their monthly benefits—the cut in the so-called dual or windfall benefits to nearly 400,000 annuitants nationwide, more than 30,000 of whom reside in Pennsylvania.

Mr. President, I believe the proposed cost-of-living freeze is also unfair because the inflation adjustment for railroad retirees is only a partial adjustment at best. The railroad benefit formula, which is extremely complicated, consists of two parts: a tier 1 benefit, which is essentially a social security benefit, and a tier 2 benefit, which is a railroad staff pension based solely on rail earnings and contributions. The so-called windfall benefit is paid in addition to the tier 2 benefit—however, the tier 2 benefit is reduced when an annuitant is eligible for the windfall, a point which has eluded many of those who have commented on this subject.

Now, the cost-of-living provisions under the law normally provide a percentage increase to tier 1 benefits which is the same as the social security benefit increase—because this tier 1 benefit is, in essence, a social security benefit. The tier 2 benefit is only increased by 32.5 percent of the social security benefit increase, so that the combined benefit increase to tiers 1 and 2 is well below the rate of inflation. Finally, the so-called windfall benefit is frozen at entitlement, which means it is not adjusted at all for inflation. For example, a windfall benefit awarded in January 1975 would be worth today only 55 percent of its original value, because the CPI increased by 81 percent between January 1975 and March 1982.

I say to my friends in the Senate, on both sides of the aisle, that to deny an automatic cost-of-living increase under these circumstances, is patently unfair.

TECHNICALLY INFEASIBLE

This proposal to skip the July 1982 benefit increase is also technically infeasible. By the time this budget resolution is passed and agreed to by both Houses, it will be impossible for the Railroad Retirement Board to change its computer tapes in time, unless the Railroad Retirement Board uses the benefit tape for the prior month, and thereby runs the substantial risk of paying a large number of incorrect benefit amounts—and benefits to ineligible people.

Mr. President, I believe my colleagues in the Senate are committed to reducing error in the payment of public benefits—not compounding it.

This proposal to freeze and then cap the railroad cost-of-living increase is also illogical because—as I said earlier, the railroad retirement tier 1 benefit is the legal equivalent of the social security benefit. To allow a cost-of-living increase for social security, and not for tier 1 benefits, just does not make any sense, when the budget resolution, and the full Senate by a rollcall vote, stated, as we should, that the full social security benefit increase of 7.4 percent will be paid in July.

Furthermore, because individuals who are entitled to both social security and railroad retirement benefits have their railroad benefit offset by their social security benefit, the increase in social security benefits could result in some retirees actually getting lower amounts from railroad retirement. In addition, because there is a financial interchange between the two systems, what the budget resolution means, in effect, is that the social security system will transfer money to the Railroad Retirement Board to pay these cost-of-living increases, but the Railroad Retirement Board will be legally prohibited from paying that cost-of-living increase to the beneficiaries entitled. That is why I said earlier that this illogical budget proposal produces weird results.

For these reasons, it behooves the Senate to recognize the basic unfairness of this proposal, acknowledge the technical problems and the logical fallacy, and amend the budget resolution to pay full cost-of-living increases to railroad retirees this July.

DUAL OR WINDFALL BENEFITS

Mr. President, this amendment would also restore full funding for the railroad retirement dual or windfall benefits.

Mr. President, these were benefits which Congress promised to railroad retirement annuitants in 1974, when it changed the law regarding dual social security and railroad retirement benefits. The Government of the United States promised those who were vested as of January 1, 1975, that their rights under prior law would be protected. Congress has no right to renege on this solemn promise, and we have a moral obligation to fulfill this pledge.

Mr. President, the amount of funding required for full payment of these benefits will be declining every year, as the following table illustrates:

Budget projection of railroad retirement accounts windfall benefit payment amounts if there is no cutback

Fiscal year:	*Millions*
1981–82	$440
1982–83	430
1983–84	420
1984–85	405
1985–86	385
1986–87	365

By 1987 or 1988, $350 million will be sufficient to finance these benefits. Moreover, this decline in funding—which is apparent in nominal terms—is even more stark in real terms. The Budget Committee projects inflation at 6.9 percent in 1982, 1983, 1984, and 6.4 percent in 1985.

When these inflation rates are applied to the funding level required for full funding of these windfall benefits,

it is apparent that these dual railroad retirement benefits are making a steadily smaller claim on the Federal budget.

Finally, I think it is important to have full funding of these railroad benefits so that we protect older Americans from the ups and downs of a fitful public policy. Just remember what happened last year to these railroad retirees. In July 1981 they got a cost-of-living increase. On October 1, a 21-percent cut in their dual benefits. On December 1, they received no windfall benefits. Then a check was paid at a 21-percent reduction around the middle of December. They have been receiving benefits at a 15-percent reduction since January 1982 with a check in mid-February repaying them for the difference between a 15-percent reduction and the 21-percent reduction during October, November, and December.

Mr. President, I submit this chequered pattern of public policy causes extreme and unnecessary uncertainty in the lives of these people, more uncertainty than any of us could tolerate, let alone be tolerated by those who are dependent on these retirement checks as their primary, if not sole source of income.

RAILROAD RETIREMENT FIELD OFFICES

Mr. President, the Office of Management and Budget has two strategies for abolishing the Railroad Retirement Board. The overt strategy is the one recommended in the budget to abolish the Board and split its functions between social security and a private corporation. Mr. President, this proposal has so little likelihood of acceptance by my colleagues in the House and in the Senate, that OMB has a reserve strategy, one which they have been pursuing for several years, which is to cut the administrative expenses of the Railroad Retirement Board, and thereby reduce, and eventually close, two-thirds of its field offices, and slowly strangle the Railroad Retirement Board to death.

Mr. President, this is another patent attempt by the Office of Management and Budget to obtain through its own machinations that which it cannot win directly from congressional intent.

It is important that this hidden strategy of strangling the Railroad Retirement Board be exposed for what it is, and that my colleagues join with me and Senator SASSER and others, to say loudly and clearly that the Railroad Retirement Field Service has to be preserved.

Mr. President, I commend the distinguished Senator from Tennessee for introducing this amendment, and I urge my colleagues on both sides of the aisle to join us in support of railroad retirees.

The PRESIDING OFFICER. Who yields time?

Mr. ARMSTRONG. Mr. President, I yield such time as he may need to the the Senator from Oklahoma.

Mr. NICKLES. I thank the Senator from Colorado.

I rise in opposition to the amendment of my friend and colleague from Tennessee.

I have heard several statements made here, and I read the letter sent out by the railroad union, and I must take issue with some of the comments that were made.

I heard one of our colleagues say that this is a private plan, that all the payments were made by railroad employees and by the railroad companies.

That is not correct. Mr. President, this is the only retirement system, the only private retirement system in the United States, that is subsidized by U.S. taxpayers. All other retirement systems, all other pensions, are paid for out by the private sector, with the exception of the railroad retirement system, and of course, those retirees can receive a windfall benefit.

There has been a lot of debate and a lot of people saying that the windfall benefits are deserved. I do not think most people in the Senate understand what the windfall benefit is. Basically, if you look at the social security benefit formula, there is a subsidy, a welfare benefit in that the formula is weighted toward the lower end of the scale. Now when that weighted formula is applied twice to one's career earnings split between rail employment and nonrail employment, rather than one to total career earnings, one receives basically two of the lower subsidies or welfare benefits coming from the social security system, which is the windfall component.

Congress realized that was wrong and said, "We will stop this inequity." In 1974 Congress passed legislation and said, "We will subsidize railroad retirement by funding windfalls out of general revenues at $250 million a year for 25 years, and the total cost will be $6.25 billion."

Now all of a sudden we find out that $250 million is not enough, so rail labor and management came back and asked for $350 million, and last year we increased it to $379 million. Now rail labor and management are wanting to increase it up to $430 million for fiscal year 1983.

It could conceivably go up to $500 million a year, so we are talking about a half-billion-dollar subsidy into a private pension plan by the Federal Government every year to subsidize a private pension plan. I do not think the taxpayers want to subsidize this private pension plan, and I do not think they should have to.

I think that Federal subsidies are a mistake, and certainly these increases would only perpetuate the mistake.

It is not a partisan Democratic or Republican issue. The Carter administration wanted to put a freeze on this subsidy. The Carter administration submitted legislation to freeze it at a maximum of $350 million annually. I think if we continue to increase it and fully fund it, we are making a serious mistake. If it is to be fully funded, let us have that funding come from the rail industry.

You might ask yourselves another question, too. This is the only private pension plan in the United States that is tax free. No taxes are paid on railroad retirement benefits. Retirees pay taxes on military retirement benefits, on civil service retirement benefits, and on all other private pension plans. Individuals have to pay taxes, income taxes, on their pension benefits that they receive greater than their individual contributions that were made, with the exception of railroad retirement. Forty-one percent of railroad retirement benefits are non-social-security-equivalent benefits, but rather collectively bargained private pension benefits—tax free.

When you add that, and the economic benefits of that are over $200 million a year, I think you find that the rail unions have done very, very well in their negotiating for special privileges in Congress. They have done very, very well. they are specialized in the fact that yes, they do have a Federal subsidy. The subsidy right now is $379 million. If this amendment passes it will go up to $440 million. I do not think we need that increased subsidy to the railroad pensions. That equals something to the tune of $854 per active railroad worker today, and would increase up to $991 in subsidy per active railroad worker if we passed this amendment in windfall subsidy alone, not to mention the COLA changes that we are talking about being made.

If we make the COLA changes, and they are added, we are going to increase the costs another $1.5 billion that is being added. That is, increase costs to a fund that is already beginning to go into jeopardy due to declining employment, below projections of necessary employment levels when those COLA's were granted. I think that is something we cannot afford.

We are not talking about hurting a plan with low benefits already. We are talking about a plan that has an average retirement benefit in current payout status of $893 for a married couple as of October 1981, and one in which a couple can now draw a maximum benefit of $1,667 per month. With that in mind I think that this amendment is ill advised. I think it is very special interest, and I hope my colleagues will reject it.

The PRESIDING OFFICER. Who yields time?

Mr. SASSER. Mr. President, I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Who yields time?

RAILROAD RETIREMENT

Mr. ROBERT C. BYRD. Mr. President, I rise in support of the amendment being offered by the distinguished Senator from Tennessee, Mr. SASSER. The resolution reported from the Budget Committee and endorsed by the administration would completely eliminate the cost-of-living adjustment in pension benefits scheduled for railroad retirees in July. It would cap cost-of-living increases in 1983 and 1984 at 4 percent, no matter how the inflation rate might grow. The resolution would make these changes to reduce the Kemp-Roth budget gap.

I think most Americans are willing to suffer a little hardship—as long as it is fairly evenly distributed—in order to help reduce the budget deficits facing us. However, the COLA freeze proposed in this resolution is grossly unfair, and this is exactly how the public does not want us to reduce the deficit. General revenues do not finance railroad retirement cost-of-living adjustments. Cutting benefits in self-funded pension systems clearly is not the path Congress should follow in attempting to hold down general revenue budget deficits. Yet, that is exactly what this resolution proposes to do.

The Sasser amendment would restore the scheduled July increase in railroad retirement benefits and maintain future COLA's according to current law indexing. It would also provide for full funding of the so-called dual-benefit component of the retirement program. This is the only portion of the retirement program financed by general revenue; they only go to a limited group of railroad retirees to whom they were promised when Congress eliminated their social security coverage.

When Congress rewrote the railroad compensation law in 1974, it made a commitment to protect individuals already entitled to both railroad and social security retirement benefits. The Senate considered the question of full dual-benefit funding last session during the appropriations process. We determined then that we should not renege on pledges of pension income to elderly Americans.

The Sasser amendment would also provide that the Railroad Retirement Board maintain field offices at their current funding levels.

I commend the Senator from Tennessee for his amendment and I am proud to add my name as a cosponsor. I know that in my own State of West Virginia, some 16,000 residents depend on promised railroad compensation benefits.

Mr. PRYOR. Mr. President, I rise in strong support of the amendment being offered by the distinguished Senator from Tennessee, Senator SASSER, and I am pleased to be included as an original cosponsor.

Mr. President, the budget resolution, Senate Concurrent Resolution 92, contains certain proposals affecting the railroad retirement system which I feel are both ill advised and patently unfair to the over 1 million railroad retirement recipients.

Included in these proposals are the following changes: Elimination of the July 1982 COLA, a cap on tier I and tier II COLA's for the next 2 years, and freezing the appropriation level for dual-benefit payments at $379 million which is $61 million below the full funding level.

The amendment I rise in support of today would revise these proposals by restoring the 1982 COLA, adjusting future COLA's to the consumer price index, and reestablishing the dual-benefit portion of the railroad retirement system to its full $440 million appropriation level.

In addition, this amendment makes the assumption that all railroad retirement field offices, including the central office located in Chicago, will be maintained at their current funding level.

Mr. President, I believe that it is only fair that we live up to our historical commitment to railroad retirement pensioners and, therefore, urge my colleagues to join me in support of this amendment.

(RAILROAD RETIREES—AMENDMENT NO. 1492)

● Mr. CHILES. Mr. President, I am pleased to cosponsor this amendment for railroad retirees. This amendment would do three things to preserve and protect the earned benefits of this Nation's 1 million retired railroad workers.

First, this amendment will restore the July 1, 1982, cost-of-living adjustment of 7.4 percent for railroad retirees, and provide for full cost-of-living adjustments in the future years. The Republican compromise budget now before the Senate would eliminate this July's adjustment and limit the 1983 and 1984 cost-of-living adjustments to a maximum of 4 percent.

Second, this amendment will restore full funding for the so-called dual windfall benefit. The Republican compromise budget freezes these benefits at the current reduced level of only $379 million. Railroad retirees are already suffering a 15-percent cut in these benefits. This amendment will restore their full benefits.

Third, this amendment will provide the necessary funds to keep all of the Railroad Retirement Board field offices open. We must maintain the vital services provided at the field office level.

Mr. President, I have heard from thousands of retired railroad workers in Florida during the past year. They are greatly worried about their retirement benefits. Since last October, their benefits have been cut, delayed, partially restored, and further threatened.

They do not know what to expect next from the Federal Government. If we pass this amendment, we will help to restore their faith in the Government. I urge the Senate to adopt this amendment.●

The PRESIDING OFFICER. Who yields time?

Mr. ARMSTRONG. Mr. President, I am happy to yield to the Senator from Iowa.

Mr. JEPSEN. Mr. President, I have an amendment to the amendment by the Senator from Tennessee and I send it to the desk.

The PRESIDING OFFICER. The Chair would advise the Senator that the amendment is not in order until all has expired on this amendment.

Mr. JEPSEN. Mr. President, would I be in order to talk about my amendment at this time before I offer it?

The PRESIDING OFFICER. The Senator is correct.

Mr. JEPSEN. Mr. President, I admire the intention of the distinguished Senator from Tennessee and I share his concern for the retired railroad workers. My vote is a matter of record of support in past years at times that this issue has been brought up.

However, as we all know, these are difficult times for the budget. Therefore, I am offering a substitute amendment which will provide full funding for the dual benefits which retirees have earned. I think that whether we have a COLA and the other benefits that are recommended by the distinguished Senator from Tennessee, it is a matter parallel to other things that is being indicated here—it is arbitrary, it is judgment, it is opinion, and we are thrashing and hashing these things out.

However, the dual benefits are something that, in my opinion, have been promised by Congress. They were promised in 1974. It is morally wrong, it is wrong no matter how you look at it, for us to take those away.

Therefore, the amendment that I am offering will add $51 million in fiscal year 1983, $41 million in 1984, and $26 million in 1985 to bring the benefits back to the full funding level.

Clearly, I think we have an obligation to continue the funding for these benefits because the Congress promised in 1974, when the Congress passed legislation eliminating dual benefits for future retirees, it promised that those entitled to benefits as of 1975

would receive them. These funds were to come from annual appropriations from the general revenues until the year 2000.

I strongly feel it is incumbent upon the Congress to continue to act in good faith by authorizing and appropriating the necessary funds for these benefits. To do otherwise would break faith with the American people and would damage our credibility with them.

For that reason, I am offering this amendment. I hope that it is ready. Will the clerk please read the amendment?

The PRESIDING OFFICER. The amendment is not in order at this time.

Who yields time?

Mr. DURENBERGER. Mr. President, will the proponent of the amendment yield me 2 minutes?

The PRESIDING OFFICER. Who yields time?

Mr. SASSER. Did the distinguished Senator say proponent or opponent?

Mr. DURENBERGER. Proponent.

Mr. SASSER. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. Thirty seconds.

Mr. DURENBERGER. That is fine. I will take 13.

Mr. SASSER. Mr. President, as much as I would like to accommodate the Senator from Minnesota, I would like to reserve the remaining 30 seconds, if I may.

I ask unanimous consent, Mr. President, that the distinguished Senator from Minnesota be allowed 2 minutes additional time on this amendment.

Mr. ARMSTRONG. Reserving the right to object, I wonder if the Senator from Tennessee would be willing, in lieu of that, to seek time from the bill yielded to him by the distinguished minority manager. I think that would accomplish his intent and purpose in the proper manner.

Mr. SASSER. Mr. President, I simply wish to reserve myself about 10 seconds.

The PRESIDING OFFICER. The Senator has 16 seconds remaining.

Does the manager or the minority manager yield time off the resolution?

Mr. HOLLINGS. Yes, go ahead.

Mr. SASSER. Two minutes.

Mr. DURENBERGER. Mr. President, it is with great pleasure that I join today with several of my colleagues in offering this amendment to insure that the 1 million railroad retirees in this country will again receive the full pension benefits they worked many years to earn.

This amendment raises no new issues. During consideration of the first continuing resolution last November, this Senate approved, by almost a 2-to-1 margin, an amendment Senator METZENBAUM, Senator ROTH, and I offered that would have restored the benefits of all retirees to their rightful level. However, to the dismay of us all, our colleagues from the House refused to agree to a full restoration of benefits. The funds provided by that amendment were cut in half by the House-Senate conference committee. Today we are asking once again that the Senate renew that commitment.

At this point, some background information is in order. Prior to 1974, railroad employees could be insured under both railroad retirement and social security. The benefits that these working people built up were part of a total compensation package offered through their employment and were considered deferred wages. In 1974, Congress eliminated the possibility of future retirees receiving benefits under both accounts. Those entitled to benefits before 1975, however, were exempted from the change and Congress authorized annual appropriations from general revenues from 1976 to 2000 to finance the cost of phasing out the original program.

In the last few years, unfortunately, the Office of Management and Budget has ignored congressional intent by failing to request the full appropriation required to fund that account, making up the short fall from the general account. This shortsighted action on the part of past administrations created a serious drain on the whole railroad retirement system.

During the budget reconciliation last fall, Congress made several changes in the railroad retirement fund. These changes were primarily aimed at insuring the solvency of the fund and included many cost saving provisions which amounted to $400 million over the next 3 years.

In addition, Congress provided for the windfall benefit to be paid out of a specific "dual benefits payment account" and stopped the practice of allowing shortfalls in the windfall account to be funded by draining the general railroad retirement account.

It was not the intent of Congress to reduce the benefits of current railroad retirees. Rather, the intent of Congress was to shore up the financially troubled fund and not to allow for new categories of beneficiaries. We accomplished this task with the support of both management and labor. But a serious injustice was inadvertently inflicted on railroad retirees, an injustice that I have been trying to correct for several months.

In December, the Senate tried to correct this injustice, but we were, as I said, thwarted by our colleagues from the House. Today I am simply asking that we affirm that commitment.

After our partially successful effort last December, I offered Senate Joint Resolution 269, a resolution expressing the sense of the Senate that full railroad retiree benefits should be restored as soon as possible. When offering that amendment, I pledged to the railroad retirees in Minnesota that I would try to amend the next available vehicle to restore their full benefits. Today, I am fulfilling that commitment.

What we are talking about today is a matter of basic equity. Our amendment would simply give retirees the benefits they earned and they deserve. Our amendment also restores full cost-of-living adjustments for railroad retirees, increases that would be eliminated or severely reduced by this budget resolution. Finally, our amendment assures railroad retirees that there will be enough funds in the budget to keep the Railroad Retirement Board central office in Chicago, as well as all field offices, open and fully functioning.

Mr. President, we must act immediately and firmly to assure railroad retirees that their lives will not be put through the chaos of recent months. We must assure railroad retirees that the pensions they depend on for their very existence will no longer be the object of the ongoing political struggle over the Federal budget.

Mr. President, one of these years, I hope it is 1983, this body is going to address the income security of everybody in this country. We have spent a lot of time in the last 2 weeks talking about social security as an element of that system. In the Finance Committee, we have spent 2 years now dealing with that subject.

Unfortunately, we do not have the income security of all Americans in our jurisdiction because it seems to be spread over a whole variety of committees in this Congress. Perhaps that is one of the problems why we sit here and divide veterans from railroad retirees, from elderly persons, from pensions, their social security, or whatever.

I come from a railroad family. I am not going to describe that family to you. I know a lot about railroad retirement, probably about as much as I know about social security—and I do not consider myself an expert in either.

I just think that it is very, very difficult for us, in this kind of a forum, to be picking and choosing among those whom we believe are entitled to a standard-of-living adjustment. I think it is inappropriate to talk about whether or not there are railroads that are making money and railroads that are not making money. The fact of the matter is there are a lot of railroads that are making money in this country, but there are also an awful lot of people in this country that heavily depend on programs like this.

I cannot stress strongly enough how vital these railroad retirement benefits are to those who receive them. I urge my colleagues to join us in voting for this amendment so that the railroad retirees of this Nation can enjoy the secure retirements they worked so hard to earn.

Mrs. KASSEBAUM addressed the Chair.

Mr. SASSER. Mr. President, I want to reserve myself 10 seconds, if I may.

Mrs. KASSEBAUM. Mr. President, I ask unanimous consent that my statement be printed in the Record.

The PRESIDING OFFICER. Off the resolution?

Mrs. KASSEBAUM. Yes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mrs. KASSEBAUM. Mr. President, I am pleased to offer my support to the amendment of the Senator from Tennessee, Mr. Sasser. This amendment addresses several important features of the railroad retirement program. In brief, the amendment would:

First, provide full cost-of-living adjustments to railroad retirees in fiscal years 1983, 1984, and 1985;

Second, provide full funding of the dual benefits account; and

Third, assure that the railroad retirement board central office and all field offices will be maintained at current funding levels.

Mr. President, a significant portion of this railroad retirement benefit is in essence a social security benefit. Under Senate Concurrent Resolution 92, railroad retirees would not receive the cost-of-living adjustment scheduled for July 1, 1982, while social security recipients would receive it. During the next 2 years, these retirees would receive cost-of-living adjustments of 4 percent. Over this same period, social security benefits would be fully adjusted for inflation under the assumptions of the budget resolution. I find this proposal troublesome from a number of standpoints.

First, it is just plain unfair to provide full cost-of-living adjustments to one group of social security recipients while expecting another group to go without any protection from inflation.

Second, due to the complex interrelationships between the railroad retirement and social security systems, it would be extremely difficult—if not impossible—to determine which beneficiaries would receive an adjustment and in what amount.

Finally, even if the structure of the railroad retirement system did not present particular problems in determining COLA amounts, it is still not realistic to expect that Congress will complete action on the necessary legislation in time to implement a July 1, 1982, freeze. Therefore, to achieve the assumed fiscal year 1983 savings in this program, all current beneficiaries would have their benefits cut by the amount of that July adjustment.

With respect to fiscal years 1984 and 1985, I believe it is inappropriate to make assumptions about capping cost-of-living adjustments in railroad retirement until we have made some decisions about the treatment of social security benefits. Again, equity and the tie-in between social security and railroad retirement are major considerations.

This amendment also assists the estimated 400,000 railroad retirees who sustained a 15-percent reduction in so-called windfall benefits this year. It is important to point out that this is a fixed group of retirees—limited to individuals who were qualified both for railroad retirement and for social security benefits prior to 1974. Railroad retirement law changes made in 1974 prevent other retirees from receiving similar windfalls.

When Congress agreed to establish a separate dual benefit account for the payment of these benefits to individuals "grandfathered" under the 1974 act, it was naturally assumed that sufficient funds would be appropriated to provide full payment of benefits. Unfortunately, this did not prove to be the case. I feel strongly that Congress should hold up its end of the agreement made in the 1974 law. Having decided to protect those individuals already entitled to dual benefits while correcting future dual entitlement problems, Congress should meet its commitment.

For the most part, we are talking about a group of older individuals who have relied on the railroad retirement system for many years. We are talking about a group which is shrinking, not growing, in size. We must live up to the promises we have made to these retirees.

Finally, this amendment assures that the railroad retirement board central and field offices will be able to continue at current funding levels. In the absence of this action, it is possible that as many as two-thirds of currently operating field offices will be closed. Virtually all of the cost of operating these offices is borne by the railroad retirement trust fund—a fund made up entirely of money raised by taxes on railroad industry payrolls. These offices offer invaluable specialized services to both railroad retirees and unemployed railroad workers. Given the complexity of the work handled at these field offices, it is clear that before any alternatives to the present structure are established, they should be studied to determine whether they will adequately replace the current field service.

I urge my colleagues to join in supporting this amendment.

Mr. ARMSTRONG. Mr. President, did the Senator from Tennessee wish to reserve the remainder of his time?

Mr. President, I yield to the Senator from Iowa.

Mr. JEPSEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. JEPSEN. Mr. President, I now offer my amendment. Would the clerk please read it?

The PRESIDING OFFICER. It is not in order to offer the amendment now until all time has expired.

Mr. JEPSEN. Mr. President, I was only doing that because I understood all time had been yielded back. Is that wrong?

The PRESIDING OFFICER. That is incorrect.

Mr. JEPSEN. I stand corrected. I was trying to follow directions.

Mr. GOLDWATER. I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. GOLDWATER. I do not care.

Mr. BAKER. Mr. President, will the Chair withhold that just for a moment?

Mr. President, what is the time situation on both sides?

The PRESIDING OFFICER. There are 3 minutes and 17 seconds remaining for the opponents and 16 seconds for the proponents.

Mr. BAKER. Would the Senator from Tennessee be willing to yield back the remainder of his time?

Mr. SASSER. I would like to still reserve the final 10 seconds.

Mr. BAKER. Mr. President, I think the best thing to do is to let the Senator from Tennessee claim his time now, and I believe that the manager on this side is ready to yield back our time thereafter, or he may do it now if he wishes to do that.

Mr. SASSER. Is the manager of the bill prepared to yield back his time?

Mr. BAKER. Mr. President, if we are going to have a race for recognition, I aim to win, if I can.

Mr. SASSER. Mr. President, I am confident that the distinguished majority leader would win that race if we got in a race for recognition.

Mr. President, I yield back the remainder of my time.

Mr. ARMSTRONG, Mr. President, I yield back the remainder of our time on our side.

Mr. BAKER addressed the Chair.

The VICE PRESIDENT. The majority leader.

Mr. BAKER. Mr. President, I yield to the Senator from Iowa so that he may offer his amendment.

Mr. JEPSEN. Mr. President, am I now in order to offer my amendment? It is my third time up. I do not want to strike out.

The VICE PRESIDENT. The Senator has been yielded time from the resolution by the majority leader. The Senator has the floor.

UP AMENDMENT NO. 978 PERFECTING AMENDMENT TO UP AMENDMENT NO. 977

(Purpose: To provide funds for payment of dual benefits to railroad retirees)

Mr. JEPSEN. Mr. President, I have an amendment at the desk. I ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Iowa (Mr. Jepsen) proposes an unprinted amendment No. 978, a perfecting amendment to unprinted amendment numbered 977.

Mr. JEPSEN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike out all after "Viz:" and insert the following:

On page 2, beginning with line 18, strike out through line 21 on page 3 and insert the following:

(2) The appropriate levels of total new budget authority are as follows:

Fiscal year 1982: $777,600,000,000.

Fiscal year 1983: $835,329,200,000 plus $51,000,000.

Fiscal year 1984: $897,031,700,000 plus $41,000,000.

Fiscal year 1985: $972,834,200,000 plus $26,000,000.

(3) The appropriate levels of total budget outlays are as follows:

Fiscal year 1982: $740,700,000,000.

Fiscal year 1983: $783,629,200,000 plus $51,000,000.

Fiscal year 1984: $832,331,700,000 plus $41,000,000.

Fiscal year 1985: $889,434,200,000 plus $26,000,000.

(4) The amounts of the deficits in the budget which are appropriate in the light of economic conditions and all other relevant factors are as follows:

Fiscal year 1982: $117,700,000,000.

Fiscal year 1983: $115,429,200,000 plus $51,000,000.

Fiscal year 1984: $91,331,700,000 plus $41,000,000.

Fiscal year 1985: $64,434,200,000 plus $26,000,000.

(5) The appropriate levels of the public debt are as follows:

Fiscal year 1982: $1,144,200,000,000.

Fiscal year 1983: $1,292,129,200,000 plus $51,000,000.

Fiscal year 1984: $1,420,060,900,000 plus $92,000,000.

Fiscal year 1985: $1,533,295,100,000 plus $118,000,000.

And the amounts by which the temporary statutory limits on such debt should be accordingly increased are as follows:

Fiscal year 1982: $84,400,000,000.

Fiscal year 1983: $147,929,200,000 plus $51,000,000.

Fiscal year 1984: $127,931,700,000 plus $41,000,000.

Fiscal year 1985: $113,234,200,000 plus $26,000,000.

On page 16, beginning with line 12, strike out through line 4 on page 17 and insert the following:

Fiscal year 1983:

(A) New budget authority, $281,800,000,000 plus $51,000,000.

(B) Outlays, $272,600,000,000 plus $51,000,000.

(C) New direct loan obligations, $2,000,000,000.

(D) New primary loan guarantee commitments, $18,700,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $300,900,000,000 plus $41,000,000.

(B) Outlays, $288,300,000,000 plus $41,000,000.

Fiscal year 1985:

(A) New budget authority, $333,000,000,000 plus $26,000,000.

(B) Outlays, $309,800,000,000 plus $26,000,000.

Mr. JEPSEN. Mr. President, I will not repeat, other than to say that I admire the intentions of the distinguished Senator from Tennessee. I share his concern for the retired railroad worker and they know that. However, as we all know, we have a budget. We have trying times but we are making some great progress. That is why I am offering a perfecting amendment which will provide what I believe we absolutely are morally obligated to do. It is incumbent on the Congress to continue to act in good faith by authorizing and appropriating the necessary funds for the benefits that they promised in 1974.

Mr. SARBANES. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. Who yields time for the parliamentary inquiry?

Mr. SARBANES. It must be somebody in opposition to the amendment.

Mr. BAKER. Mr. President, I will yield for a parliamentary inquiry.

Mr. SARBANES. With the offering of the amendment by the Senator from Iowa, what is the time situation with respect to the proponents and opponents of the amendment?

The VICE PRESIDENT. Since this is one of the amendments upon which a special time agreement was granted, with no provision made for second-degree amendments they are not debatable unless time is granted from the resolution. The majority leader is recognized.

Mr. BAKER. That is correct, I am sure. I was at the desk to inquire of that point when the Senator from Maryland arose. I think clearly the best thing to do is to provide some time for that. I ask unanimous consent that there be 10 minutes equally divided.

Mr. DeCONCINI. Mr. President, a parliamentary inquiry. In order to ask a parliamentary inquiry, must someone yield time to the person asking that inquiry?

The VICE PRESIDENT. Will the Senator repeat his question?

Mr. DeCONCINI. My parliamentary inquiry is, to ask a parliamentary inquiry must someone yield time for that purpose?

The VICE PRESIDENT. The Senator is correct.

Mr. DeCONCINI. If I want to ask a parliamentary inquiry, I must have time yielded to ask the question?

The VICE PRESIDENT. The Senator is correct.

Mr. BAKER. Mr. President, I renew my request.

The VICE PRESIDENT. Without objection, the request of the majority leader is granted. The Senator from Iowa is recognized.

Mr. JEPSEN. Mr. President, I reserve the remainder of my time.

Mr. DOMENICI. Will the Senator yield 1 minute to the Senator from New Mexico.

Mr. JEPSEN. I gladly yield 1 minute.

Mr. DOMENICI. Mr. President, I support the amendment the distinguished Senator has offered. Basically, this will give the committee of jurisdiction $51 million in additional budget authority and outlays for 1983, $41 million in 1984, and $26 million for 1985. That is additional flexibility. But what we have done to send a message as to why we are doing it we have used the numbers that are estimated to be required to reinstate the windfall part of the previous amendment, the windfall part of the concern that has been expressed here.

I do not want anyone to think that the committee is limited to just that. It is a very large committee function with a lot of money. They may very well use money for other things, even within their reconciliation instruction. But we have put back enough to clearly say that, "If you vote for this, you have put the windfall portion of this back into this resolution."

I thank the Senator for yielding.

Mr. BAKER. Mr. President, does the minority leader have control of the time in opposition?

Mr. HOLLINGS. I have, Mr. President. I yield to the Senator from Tennessee.

Mr. SASSER. Mr. President, let us make it crystal clear here. The perfecting amendment which is being offered by the Senator from Iowa freezes the cost-of-living adjustments for 1982 and 1983. The effect of that is to deprive railroad retirees of the annual cost-of-living adjustments for 1982 and 1983, 7.4 percent. I do not want my colleagues to be laboring under the false impression that that is not what occurs.

There is a technical difficulty here. I am advised that administratively it is no longer feasible to freeze the railroad retirement cost-of-living increase which is due to be paid in July of 1982. I am advised that computer tapes would have had to have been modified 1 week ago in order to make this freeze effective. New computer tapes are already in preparation to comply with current law.

The only way around this obstacle would be to run the computer tapes which are already out of date, obtaining erroneous payments, which would then have to be corrected on an individual basis. This would have to be done laboriously by hand and would consume a considerable amount of staff time and cost a considerable amount of money, too.

Mr. President, I think it is inequitable to derpive these railroad retirees who worked so hard and served so honorably the cost-of-living adjustments to which they are entitled. The cost of living has gone up during the period of time preceding the COLA adjustment they are entitled to of 7.4 percent.

To agree to this substitute amendment this evening would effectively deprive them of that increase to which they are entitled.

The cost of energy during the past year has not been frozen. The cost of housing during the past year has not been frozen. the cost of clothing, food, and the other necessities of life for these retirees has not been frozen over the past year. It seems to me it would be inequitable, unfair, at this time to deprive these retired workmen the cost-of-living adjustment to which they are entitled.

Mr. HATCH. Will the Senator yield for a question?

Mr. SASSER. No, I will not yield on my time.

Mr. DOMENICI. I will be pleased to yield time from the resolution.

Mr. HATCH. Just 30 seconds.

Mr. DOMENICI. I yield.

Mr. HATCH. I believe the Senator from Tennessee has made an excellent argument, but I think it should be pointed out that I believe there is enough flexibility in the committee to resolve this issue. The Senator from Iowa has made a very good suggestion. I would hope that everybody here on the floor would accept it and let us see what we can work out in the committee. I feel very deeply about this issue, and I think people know that.

I think he has made a good suggestion for this particular budget item.

Mr. SARBANES. Will the Senator from Iowa yield for a question?

Mr. JEPSEN. Yes; I yield.

Mr. SARBANES. As I understand it, the Sasser amendment covers three aspects of the railroad retirement plan. One is the cost-of-living adjustment, which otherwise would be denied altogether to railroad retirees in 1982—apparently now a fiscal and administrative possibility.

Second, the Sasser amendment addressed the windfall question—the so-called windfall question.

Third, it provides some funds to maintain the operation of the Railroad Retirement Board and its officers.

As I understand the amendment of the Senator from Iowa, it does only the second of those three things.

Mr. JEPSEN. That is correct.

Mr. SARBANES. Namely, it seeks to carry forward money for the so-called windfall but does not provide anything on the cost of living and allows the effort to begin to dismantle administratively the Railroad Retirement Board. Is that correct?

Mr. JEPSEN. That is correct.

Mr. SARBANES. Mr. President, it seems clear to me that the substitute proposal obviously does not fully address in a fair and quitable manner the situation confronting the railroad retirees. Therefore, I think the amendment offered by the Senator from Tennessee is superior to the substitute now being proposed.

Mr. JEPSEN. Mr. President, how much time do I have remaining?

The VICE PRESIDENT. Three minutes remain to the Senator.

Mr. DOMENICI. Mr. President, will the Senator yield to me? I shall take a minute off the bill so he will not lose his 3 minutes.

Mr. JEPSEN. Certainly, Mr. President.

Mr. DOMENICI. Mr. President, I do not think the Senator's answer with reference to the Railroad Retirement Board was correct. Basically, I am told, if one assumes that the numbers and the uses contemplated in this resolution are what are truly done, it would freeze that fund, not do away with it, I say to the Senator from Maryland. So there is money there. It is just at the same level.

Mr. President, let me make this point, we keep referring to the Budget Committee eliminating this, that, or the other. The Senate should know that we have not eliminated cost-of-living indexes for retirees. The fact is that we do not eliminate anything.

What we have done is assume that there would be a 1-year freeze on COLA's and taken that much money out of the function. Then we have reconciled that amount of money. The Labor and Human Resources Committee will not be forced to eliminate COLA's unless it decides that that is the best way to achieve the savings required of it.

The committee could, indeed, pick on other programs. There are numerous ones within their jurisdiction. Indeed, they may find that they give partial COLA and cut some other program. That will be their job under the chairmanship of the distinguished Senator from Utah (Mr. HATCH) who just spoke. He is correct.

I thank the Senator for yielding.

Mr. RIEGLE. Mr. President, will the Senator from Tennessee yield?

Mr. SASSER. How much time do I have, Mr. President?

The VICE PRESIDENT. The Senator from Tennessee has 1½ minutes remaining.

Mr. SASSER. I yield a minute to the Senator from Michigan.

Mr. RIEGLE. Mr. President, I think the comment the chairman of the committee just made is, with all due respect, a lot of baloney. You cannot say you are going to take it out of something else if you are not going to indicate what the something else is. If you have a specific proposal to cut something, then you should offer it. But you cannot assume that somehow, it will appear like magic. I think the amendment of the Senator from Iowa guts the amendment that has been offered by the Senator from Tennessee and others. I hope we can get this amendment out of the way so that we can have an up or down vote on whether we want to deny the railroad retirees of their rightful benefits.

Mr. SASSER. Mr. President, I could not agree more with the distinguished Senator from Michigan. The amendment of the Senator from Iowa effectively emasculates the amendment that I previously offered. In view of that, Mr. President, I move to lay the Jepsen amendment on the table.

The VICE PRESIDENT. The motion to lay the amendment on the table is not in order until the time has been used or yielded back. The Senator from Iowa has 3 minutes remaining.

The Senator from Iowa.

Mr. JEPSEN. Mr. President, I shall not take all the time. I just repeat that, clearly, we have an obligation to continue the funding for these benefits that I am proposing. Clearly, we do not have an obligation to treat any differently those under this retirement system than those who are under the civil service retirement system, or those who are under the military retirement system. The COLA for the railroad retirement system, the richest major pension system in the country, will cost over $1½ billion through 1985. This is essentially a private sector benefit. It is well above civil service, and railway labor and management can negotiate among themselves the amount and the terms of the pension component.

Mr. President, the large majority, over 50 percent of the pension plans in this country, do not have automatic COLA increases. This is one the the reasons we are in the deep economic trouble we are in today. I think this pension should be treated just as we are treating all the others except social security. But it is an obligation that we must fulfill to provide for these dual benefits for the retirees that we promised in 1974 who were entitled to benefits as of 1975. We are fulfilling that promise.

Mr. President, I yield to the majority leader.

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. BAKER. I yield myself I minute on the resolution.

Mr. President, I have discussed the request I am about to make with the minority leader and with a number of Senators, including the distinguished junior Senator from Tennessee, the author of the original amendment.

There is a drafting error in the second-degree amendment. I ask unanimous consent that notwithstanding the time limitation which was provided, the Senator from Iowa may modify his amendment.

The VICE PRESIDENT. Is there objection?

Mr. RIEGLE. Mr. President, reserving the right to object, and I do not know that I intend to object, I want to clarify what is occurring. We have not seen the language, and I want to make it clear that the understanding is that this does not change the substance of the amendment in any way. As I understand it, the reconciliation instruction related to a number change that was left out of the amendment, so it is a bona fide technical error and not a change in substance. If it is a change in substance in any way, I would object.

Mr. DOMENICI. No, it is not a change in substance. I have not seen it, but the staff informs me that you need to carry the numbers in two places, and the number is not carried in the reconciliation instruction; that, consequently, the principal thrust will be left out if we do not fix it. But if we have the votes for that, obviously that is our intention, and sooner or later we are going to do it. We will either vote the Sasser amendment down and do it by telling everybody that is what we are going to do, or the Senator will graciously let us fix it, and then we could vote.

Mr. BAKER. Mr. President, the kicker in the situation is that were it not for the 10 minutes equally divided, the right would exist to make the modification.

As the Senator will recall, I requested the time so that Senators on this side might debate the second-degree amendment and so that there would be some time.

I sincerely hope that there will be no objection to this correction, which is truly a drafting error.

Mr. RIEGLE. I thank the Senator.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. BAKER. Mr. President, so that there may be a moment for the staff to correct that, I am prepared to debate further on this measure, although time has expired, or to offer another quorum call for perhaps 5 minutes.

Mr. DOMENICI. Mr. President, it is 11:30. Is the majority leader prepared to tell us what he intends to do this evening?

Mr. BAKER. I had planned to go out at 12 o'clock.

Mr. CHILES. I thought it was 11:30.

Mr. BAKER. That leaves me 3 minutes. I see the Senator from Florida nodding in agreement.

Mr. President, I still plan to go out about 12 o'clock.

Mr. ROBERT C. BYRD. Mr. President, I have an amendment which I would call up tonight.

Mr. BAKER. Can the Senator from West Virginia give me some idea how long, or perhaps we already have a time agreement on the amendment?

Mr. ROBERT C. BYRD. Thirty minutes or less, equally divided.

Mr. BAKER. All right.

Mr. ROBERT C. BYRD. Twenty minutes equally divided.

Mr. BAKER. Yes; I think we might arrange that. That means we may run a little past 12.

Will the minority leader permit me to explore that with the people on my side?

Mr. DeCONCINI. Mr. President, I have an amendment I should like to call up tonight which could easily take 10 minutes or less, equally divided.

Mr. BAKER. I am willing to consider that. I set 12 as the target time; but if there is a general consensus that we should do this, I am willing to do it. Let me explore that possibility as well.

Mr. SARBANES. It seems to be an opportunity to get rid of a lot of amendments.

Mr. BAKER. That is the most cooperation I have had in a long time.

I thank the Senators.

Mr. JOHNSTON. Mr. President, I wonder if the majority leader——

The VICE PRESIDENT. The majority leader is recognized. The Senate will be in order.

Mr. BAKER. I yield to the Senator from Louisiana.

Mr. JOHNSTON. I wonder if the majority leader might inquire about how many amendments remain, so that we can have some idea about what time we can get away tomorrow.

Mr. BAKER. Mr. President, in answer to the Senator from Louisiana, it appears that there are still two DeConcini amendments.

Do I correctly understand that the Senator from Arizona is willing to reduce the time on either or both of those amendments?

Mr. DeCONCINI. That is correct.

Mr. BAKER. Ten minutes each?

Mr. DeCONCINI. That is correct.

Mr. BAKER. Mr. President, I make that request at this time—that on two DeConcini amendments, instead of 30 minutes each, the time be reduced to 10 minutes each, equally divided.

The VICE PRESIDENT. Is there objection?

Mr. DOMENICI. Mr. President, reserving the right to object——

Mr. SARBANES. Mr. President, will the majority leader yield for an inquiry?

Mr. BAKER. Mr. President, let me pursue this.

Mr. DOMENICI. Will the majority leader include in his unanimous-consent request a waiver of any point of order with reference to germaneness?

Mr. BAKER. Yes, I will.

Mr. DOMENICI. And could we have that with all of them, that that will be reserved, that the germaneness objection is not waived by the unanimous-consent request?

Mr. BAKER. Yes.

The VICE PRESIDENT. Is there objection?

Mr. SARBANES. Mr. President, reserving the right to object, it is my understanding that if we agree to these time limits, we then have placed ourselves in the position that there is no debate time on the second-degree amendment. Is that correct?

Mr. BAKER. I am sorry. I was distracted by another conversation. Will the Senator repeat his question?

Mr. SARBANES. If we agree to the time limit on these first-degree amendments, which we seek to do, to try to limit this, we are placing ourselves in the position that no debate time is then available, should a second-degree amendment be offered to the first-degree amendment, as happened with the Jepsen amendment to the Sasser amendment. Is that correct?

Mr. BAKER. That is the parliamentary situation unless we make provision for time for debate on a second-degree amendment.

Mr. SARBANES. Could we do that?

Mr. ROBERT C. BYRD. Except time can be yielded off the resolution.

Mr. BAKER. As the minority leader points out, while that is correct as to that amendment, time can be yielded off the resolution itself for that purpose.

Mr. SARBANES. I understand that, but that time is getting down pretty low now.

Mr. DOLE. Five hours.

Mr. SARBANES. There are 5 hours now, I think.

Mr. BAKER. Mr. President, could the Chair ask the clerk to give us the time remaining on the resolution?

The VICE PRESIDENT. There is a total of 6 hours and 57 minutes, approximately 7 hours.

Mr. SARBANES. As I understand it, the chairman of the committee obtained a blanket request as to germaneness that a point of order would not be waived on any amendment. Is that correct?

Mr. BAKER. What the chairman did, as I understand him, was to ask me in any future request that I make to include that proviso.

Mr. SARBANES. I wonder if that could be a proviso at least for 5 minutes equally divided on second-degree amendments and first-degree amendments upon which time limits are placed. There is a minimum guarantee.

Mr. BAKER. I think that is a reasonable request.

Mr. President, I amend my request with respect to the two DeConcini amendments in those two respects First, that no point of order as to germaneness is waived, and second, if a second-degree amendment is offered there will be 5 minutes of debate equally divided.

Mr. NUNN. Mr. President, reserving the right to object.

Mr. BAKER. Mr. President, was that request granted?

The **VICE PRESIDENT.** Is there objection?

Without objection, it is so ordered.

The majority leader.

Mr. BAKER. Now, Mr. President, continuing with the list, there are two Moynihan amendments on which we already have time agreements of 20 minutes each. I do not see the Senator from New York. Yes. Does the Senator from New York still plan to offer both those amendments?

Mr. MOYNIHAN. I do, and I would be happy to agree to a 20-minute time limit equally divided on each.

Mr. BAKER. Could we make that 10 minutes equally divided?

Mr. MOYNIHAN. Yes, if that is to be a general pattern.

Mr. BAKER. I make that request with the same two conditions as previously stated.

The **VICE PRESIDENT.** Without objection, it is so ordered.

Mr. DOMENICI. Now, Mr. Leader, reserving the right to object, on the 5 minutes that we granted for second-degree amendments my germaneness applies and this would be all the way through.

Mr. BAKER. Yes; that is correct.

Mr. DOMENICI. I thank the Senator.

Mr. BAKER. Next is the Hollings amendment dealing with WIC on which there is 30 minutes.

Mr. HOLLINGS. Make it 20 minutes.

Mr. LEAHY. Mr. President, reserving the right to object.

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, I would hope if we are going to continue to limit time on amendments that we agree that there will be no second-degree amendments so we have amendments in the first degree voted on up or down without second-degree amendments.

Mr. BAKER. Mr. President. maybe I am getting in over my head. I do not know whether there will be second-degree amendments. I do not expect them. There has been only one in this entire sequence. I think the point made by the Senator from Maryland is a good point, that is, if we are going to have them we should have some time to discuss them. But I cannot honestly say that I can provide against second-degree amendments in that event.

Mr. SARBANES. If I could suggest to the majority leader it would seem to me many Members would be induced to limit the time for debate on their first-degree amendment and thereby expedite business if they could conceive of the understanding that it would be their amendment that would be considered and that they would not have to be concerned about second-degree amendments.

Mr. BAKER. I think I better just retire from the field, Mr. President. I think we have a good list.

I understand that the Senator from Georgia has an amendment which is not on my list. Is the Senator from Georgia on the floor? Is there an amendment to be offered by the Senator from Georgia?

Mr. NUNN. Yes.

Mr. BAKER. Would the Senator from Georgia give us the subject matter and whether or not he would be willing to take a short time limitation.

Mr. NUNN. I would be willing to take a short time limitation. I am in the process of drawing the amendment now, and I would be premature to talk about the subject matter. It does relate to the budget. That would be an effort to lower the deficit. I will tell that. It will not be an add on.

I think it will be about 20 minutes on each side.

Mr. BAKER. I am sorry. I did not hear.

Mr. NUNN. About 20 minutes on each side.

Mr. BAKER. Rather than do this now, let me confer with the Senator from Georgia and see how we do that.

Mr. President, I do not think that we are going to make much more progress with this now. I am prepared. I think, to go forward with the vote.

Mr. President, while I check on one matter, I beg the indulgence of the Senate while I suggest the absence of a quorum.

Mr. HARRY F. BYRD, JR. Mr. President, will the majority leader yield?

Mr. BAKER. I yield to the Senator from Virginia.

Mr. HARRY F. BYRD, JR. The majority leader did not include the possible amendment by the Senator from Virginia. Do not leave me off that list.

Mr. BAKER. The Senator from Virginia is on the list. I just never got down that far. I gave up before I reached him.

I thank the Senator.

Mr. President, I suggest the absence of a quorum.

The **VICE PRESIDENT.** The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **VICE PRESIDENT.** Is there objection? Without objection, it is so ordered.

Mr. SASSER. Mr. President, will a tabling motion be in order at this time?

The **VICE PRESIDENT.** The Senator from New Mexico has the floor and could suggest the absence of a quorum if he wished. In the absence of that, a motion to table would be in order.

Mr. SASSER. Mr. President, I move to table the substitute amendment of the Senator from Iowa.

Mr. BAKER. Mr. President, I ask for the yeas and nays.

The **VICE PRESIDENT.** Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The **VICE PRESIDENT.** The question is on agreeing to the motion of the Senator from Tennessee to table the amendment of the Senator from Iowa. The yeas and nays have been ordered, and the clerk will call the roll.

The bill clerk called the roll.

Mr. STEVENS. I announce that the Senator from Oregon (Mr. Hatfield), is necessarily absent.

I further announce that, if present and voting, the Senator from Oregon (Mr. Hatfield), would vote "nay."

The **VICE PRESIDENT.** Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 58, nays 41, as follows:

[Rollcall Vote No. 135 Leg.]

YEAS—58

Andrews
Baucus
Bentsen
Biden
Boren
Bradley
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chiles
Cranston
DeConcini
Dixon
Dodd
Durenberger
Eagleton
Exon
Ford
Glenn
Hart
Hatch
Hawkins
Heflin
Heinz
Hollings
Huddleston
Inouye
Jackson
Johnston
Kassebaum
Kennedy
Leahy
Levin
Long
Mathias
Matsunaga
Melcher
Metzenbaum
Mitchell
Moynihan
Nunn
Pell
Percy
Pressler
Proxmire
Pryor
Randolph
Riegle
Roth
Sarbanes
Sasser
Specter
Stafford
Stennis
Tsongas
Weicker
Zorinsky

NAYS—41

Abdnor
Armstrong
Baker
Boschwitz
Brady

Byrd,
  Harry F., Jr.
Chafee
Cochran
Cohen
D'Amato
Danforth
Denton
Dole
Domenici
East
Garn
Goldwater
Gorton
Grassley
Hayakawa
Helms
Humphrey
Jepsen
Kasten
Laxalt
Lugar
Mattingly
McClure
Murkowski
Nickles
Packwood
Quayle
Rudman
Schmitt
Simpson
Stevens
Symms
Thurmond
Tower
Wallop
Warner

NOT VOTING—1

Hatfield

So the motion to lay on the table the amendment of the Senator from Iowa was agreed to.

(The following proceedings occurred after midnight:)

Mr. BAKER. Mr. President, let me put a suggestion. I understand the distinguished minority leader has an amendment that he wants to take up tonight.

I am advised by the manager of the bill on this side that he is not at this moment prepared to go forward with a vote on the Sasser amendment.

I ask unanimous consent, Mr. President, that it be in order to temporarily lay aside the Sasser amendment and proceed to the consideration of the Byrd amendment.

Mr. RIEGLE. Reserving the right to object, and I do not know that I will object, but I am wondering, under the parliamentary situation, if the Sasser amendment is agreed to, as I hope it would be, it is still subject to later amendment, as I understand it. So I think in fairness, after debating the issue, we have had a vote, a decisive vote, and I think we ought to have an opportunity to vote on a Sasser amendment. If the chairman of the Budget Committee or somebody else tomorrow or later tonight wants to offer an additional amendment, they are fully within their right to do so.

Mr. BAKER. I have not one word in disagreement with that. It does not prejudice the right of any party to amend the Sasser amendment if and when the Sasser amendment is adopted, and I rather suspect that it will be. I was trying to avoid that rollcall and get to another matter.

Mr. RIEGLE. Let us do it by voice vote.

Mr. BAKER. Mr. President, I prefer to do it this way. I do not think anybody loses any rights.

Mr. President, what I would like to do is to temporarily lay aside the Sasser amendment and take up the amendment to be offered by the Senator from West Virginia.

The **VICE PRESIDENT.** Is there objection?

Mr. KENNEDY. Mr. President, I object.

The **VICE PRESIDENT.** Objection is heard.

The question recurs on the amendment of the Senator from Tennessee.

The majority leader is recognized.

Several Senators. Vote. Vote.

Mr. DOMENICI. I suggest the absence of a quorum, Mr. President.

The **VICE PRESIDENT.** The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. MOYNIHAN addressed the Chair.

The **VICE PRESIDENT.** Without objection, it is so ordered.

The majority leader is recognized.

The Senate will be in order.

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The **VICE PRESIDENT.** The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **VICE PRESIDENT.** Is there objection? Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 9 A.M.

Mr. BAKER. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 9 a.m. this morning.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. BAKER. I yield.

Mr. ROBERT C. BYRD. Several of our Members will not be here tomorrow and have said that they would like to vote on the Sasser amendment tonight. Even though I would like to have a vote on my amendment, several of my Members will be gone. But could we not at least have the vote on the Sasser amendment while we have Senators here?

Mr. BAKER. Mr. President, let me put the request, if I may, for the time of the meeting tomorrow, if the minority leader would not object.

I ask unanimous consent that when we complete our business this day we stand in recess until the hour of 9 a.m. this morning.

Mr. RIEGLE. Reserving the right to object, and I do not want to be contentious. It is a late hour and we are all tired. But before we say yes to that, I want to have some sense of what is going to follow later tonight. I want to protect this situation. If the Senator will give me some idea, I will be happy to consent to the request.

Mr. BAKER. I will do that, but right now all I can do is try to establish a time for in the morning. At some point we have to reconvene today, and I hope the Senator from Michigan will not object.

The **VICE PRESIDENT.** Is there objection? Without objection, it is so ordered.

Mr. BAKER. Mr. President, I think in less than 60 seconds I can give an answer on what else will occur. Before I do that, may I put a parliamentary inquiry?

The **VICE PRESIDENT.** The Senator will state it.

Mr. BAKER. As of this moment, the Sasser amendment is the pending amendment, is that correct?

The **VICE PRESIDENT.** The Senator is correct.

Mr. BAKER. As, when, and if the Sasser amendment is adopted, the Sasser amendment would still be subject to amendment in what degree?

The **VICE PRESIDENT.** It would be amendable if the amendment made or maintained mathematical consistency.

Mr. BAKER. That amendment would be in order at any time during the consideration of this resolution, would it not?

The **VICE PRESIDENT.** The Senator is correct.

Mr. BAKER. That is a unique feature to the Budget Act.

The **VICE PRESIDENT.** The Senator is correct.

Mr. BAKER. Mr. President, I shall not take long, but I suggest the absence of a quorum.

The **VICE PRESIDENT.** The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **VICE PRESIDENT.** Without objection, it is so ordered.

Mr. BAKER. Mr. President, I ask unanimous consent that the yeas and nays on the Sasser amendment be vitiated.

Mr. QUAYLE. I object.

The **VICE PRESIDENT.** Is there objection?

Mr. QUAYLE. I object.

The **VICE PRESIDENT.** Objection is heard.

MOTION TO RECESS UNTIL 9 A.M. ON FRIDAY, MAY 21, 1982

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate now stand in recess until 9 a.m. this morning.

Mr. KENNEDY. I object.

Mr. ROBERT C. BYRD. Mr. President, I do not want to object to the majority leader's request. He can move for it and get a vote on it. I hope we can vote upon the amendment by Mr. Sasser. Several Senators will have to be gone in the morning. Inasmuch as the figure will again be amendable, this will leave the majority side some recourse. If it saw fit to attempt to amend the figure again, it could do so on tomorrow.

Mr. BAKER. Mr. President, once again, I do not dispute any part of that. I think that is not my problem at the moment. I think there is such a total failure of consensus on how we should proceed, I think the best thing is to get started in the morning.

Mr. President, I move, in accordance with the order previously entered, that the Senate stand in recess until 9 a.m. today.

Mr. ROBERT C. BYRD. Mr. President, I ask for the yeas and nays.

The VICE PRESIDENT. The question is on——

SEVERAL SENATORS. Yeas and nays, Mr. President.

The VICE PRESIDENT. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

VOTE ON MOTION TO RECESS

The VICE PRESIDENT. The question is on agreeing to the motion to recess. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Oregon (Mr. HATFIELD) is necessarily absent.

I further announced that, if present and voting, the Senator from Oregon (Mr. HATFIELD) would vote "yea."

The PRESIDING OFFICER (Mr. MURKOWSKI). Are there any other Senators in the Chamber who wish to vote?

The result was announced—yeas 55, nays 44, as follows:

[Rollcall Vote No. 136 Leg.]

YEAS—55

Abdnor
Andrews
Armstrong
Baker
Boschwitz
Brady
Byrd,
  Harry F., Jr.
Chafee
Cochran
Cohen
D'Amato
Danforth
Denton
Dole
Domenici
Durenberger
East
Garn
Goldwater
Gorton
Grassley
Hatch
Hawkins
Hayakawa
Heinz
Helms
Hollings
Humphrey
Jepsen
Kassebaum
Kasten
Laxalt
Lugar
Mathias
Mattingly
McClure
Murkowski
Nickles
Packwood
Percy
Pressler
Quayle
Roth
Rudman
Schmitt
Simpson
Specter
Stafford
Stevens
Symms
Thurmond
Tower
Wallop
Warner
Weicker

NAYS—44

Baucus
Bentsen
Biden
Boren
Bradley
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chiles
Cranston
DeConcini
Dixon
Dodd
Eagleton
Exon
Ford
Glenn
Hart
Heflin
Huddleston
Inouye
Jackson
Johnston
Kennedy
Leahy
Levin
Long
Matsunaga
Melcher
Metzenbaum
Mitchell
Moynihan
Nunn
Pell
Proxmire
Pryor
Randolph
Riegle
Sarbanes
Sasser
Stennis
Tsongas
Zorinsky

NOT VOTING—1

Hatfield

RECESS UNTIL 9 A.M.

The motion was agreed to; and at 12:25 a.m., the Senate recessed until 9 a.m., Friday, May 21, 1982.

NOMINATIONS

Executive nominations received by the Senate May 20, 1982:

THE JUDICIARY

Steffen W. Graae, of the District of Columbia, to be an associate judge of the Superior Court of the District of Columbia for a term of 15 years, vice Dyer Justice Taylor, retired.

George W. Mitchell, of the District of Columbia, to be an associate judge of the Superior Court of the District of Columbia for a term of 15 years, vice William E. Stewart, Jr., retired.

EXTENSIONS OF REMARKS

IVAN LOUIS COTMAN: A VOLUNTARY RESPONSE TO THE NEW FEDERALISM

HON. WILLIAM M. BRODHEAD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1982

● Mr. BRODHEAD. Mr. Speaker, recently Ivan Louis Cotman, one of my constituents and an associate superintendent of the Michigan Department of Education, spoke before the Seventh Annual Conference of the National Association for Equal Opportunity in Higher Education here in Washington.

I would like to commend Mr. Cotman's speech to the attention of my colleagues:

The speech follows:

IVAN LOUIS COTMAN: A VOLUNTARY RESPONSE TO THE NEW FEDERALISM

Good afternoon, my name is Ivan Louis Cotman and I am an Associate Superintendent with the Michigan Department of Education. I am a native of Detroit, Michigan who received his B.A. from Kentucky State University in 1962. In 1964, I was awarded a M.S.W. from the Atlanta University in social work. In addition, I have done doctoral work at the University of Manchester in Manchester, England. In 1975, I was granted an Ed.D. in Educational Administration from Wayne State University in Detroit, Michigan.

I have served as an elected member of the Detroit Regional Board of Education; have consulted with school districts, state boards, and school superintendents in both the public and private sectors and now serve as a member of the Executive cabinet for the Michigan Superintendent of Public Instruction. But most of all, I am a proud graduate of two black institutions of higher education in the public sector (K.S.U.) and the private sector (A.U.).

Further it is my pleasure to share with you a model which has been developed to underscore what can be done by joint working efforts between Sororities, Fraternities and Fraternal orders. In addition, what I will describe relates to the key theme of this session on "Developing Linkages and Networks for Blacks in Higher Education with Sororities and Fraternities and Fraternal Orders."

My topic is "A Foundation Model for Black Inter-Organizational Greek Letter Linkages to Insure Education and Youth Development: A Voluntary Response to the New Federalism."

CLARIFICATION OF INTENT

The model I'd like to describe today is not designed nor intended to highlight any one organization in contrast to another. Moreover, it is singularly a model which is in existence, does work, can be replicated and might be adopted by a consortium of fraternities, sororities or fraternal orders.

I also want you to know that the model I want to describe is the IRS tax exempt private corporation known as the Alpha Phi Alpha Education Foundation. I serve as Vice-President of the Foundation which is a separate and distinct entity from Alpha Phi Alpha Fraternity, Inc.

BACKGROUND ON THE ALPHA PHI ALPHA EDUCATION FOUNDATION

Alpha Phi Alpha Fraternity, Inc. since its founding in 1906 at Cornell University in Ithaca, New York, has been vitally concerned and dedicated to the improvement of educational opportunities among blacks. The "Go To High School-Go To College" effort begun in the decade of the twenties and continuing until the fifties was an action program to encourage and stimulate Blacks to do just as the slogan states.

There was recognition, however, that a more systematic approach had to be developed to assure higher educational opportunities. With this in mind, the Alpha Phi Alpha Education Foundation, Inc. was authorized by the Fifty-first General Convention of Alpha Phi Alpha Fraternity, Inc. for the purpose of accepting tax exempt monies for educational activities. Following this General Convention, the Foundation was incorporated under the laws of the State of Illinois on September 3rd 1965. The purposes of the Foundation as stipulated in its Constitution and By-laws are as follows:

"To accept and receive donations in property or money from Alpha Phi Alpha Fraternity, Inc., its members and others and to use and make the same and the income therefrom available for use solely and exclusively for charitable, scientific and educational purposes, no part thereof, principal or interest, ever to be used for carrying on propaganda or otherwise attempting to influence legislation, but the same to be devoted to purposes only of providing financial assistance including grants and non-interest bearing loans to students beyond high school; to promote continuing education for constructive citizenship; to encourage the production of scholarly works by members of Alpha Phi Alpha Fraternity, Inc., and others; to collect, systematize and preserve the creative works of the members of Alpha Phi Alpha Fraternity, Inc., and others, and doing any and all things necessary and incident thereto."

The Foundation is supported by a dues rebate from all financial members of Alpha Phi Alpha Fraternity. Its programs include: (a) scholarships of $1,000 apiece to members in each of its Regions, (b) conduit of all funds for the Alpha Million Dollar Fund benefitting the Urban League, NAACP and the United Negro College Fund, (c) administration of a $25,000 federal tutorial grant for tutorial and remedial purposes and (d) educational programing for the Fraternity. These are but a few of its activities.

The Foundation has as its major goal the development of projects for which private or public funds may be secured. Contributions to the Foundation are deductible for income tax purposes. Ultimately, the Foundation hopes to finance projects entirely on its own.

EDUCATION AND BLACK YOUTH DEVELOPMENT: A FOUNDATION EFFORT

As has been suggested, I believe that the foundation model with appropriate funding can serve to undergird an education and youth development effort.

PROGRAM ACTIVITIES PROPOSED BY THE FOUNDATION WERE

Career Guidance.—A high quality Career Guidance Program will be established. The Program will provide guidance to youth with regards to:

Careers and life-long experiences;

Speech and dress patterns during job interviews;

Academic experiences and performances; and

Use of role models for youth (high school and college) motivation.

Experiences will take place via internships, summer enrichment activities, seminars, advisement and will be supervised by persons who have achieved some success in their chosen careers.

Chapters will establish partnerships with local schools to provide for career clustering. A career cluster is one which focuses upon a certain career with appropriate role models in various disciplines—e.g.—science, allied health, etc.

Leadership Development.—A national thrust in the area of Leadership Development is a must for the Fraternity. The goals of the thrust will be to:

Increase leadership awareness;

Build leadership skills;

Provide reinforcement for youth in leadership positions; and

Provide citizenship education.

The curriculum will include:

Communication skills development;
Management/organization:
Problem-solving;
Establishment of goals and objectives;
Evaluation;
Organizational development;
Conduct of meetings;
Decision-making;
Leadership:
Theories;
Parliamentary procedures;
Group Dynamics:
Management; and
Team skills.

Counselling and Tutorial Efforts.—Local chapters will be encouraged to establish counselling and tutorial thrusts as joint partnership efforts with local public schools. Emphasis will be placed on tutoring students in reading, natural sciences, English, History and Mathematics. The tutorial thrusts will occur on Saturdays and evenings.

Chapters will undertake a massive effort designed to provide Black youth with academic and career counselling which many are not given during their high school tenure. Young people will receive information on colleges and other post-secondary education institutions. They will obtain information on available scholarships and assistance with designing programs of study at the high school level which will enable them to pursue collegiate studies.

Youth Motivation.—In order to inspire young people to continue to achieve at high levels of excellence, recognition activities will be made at Chapter, State or District, Regional and National echelons. Chapters will be encouraged to recognize outstanding

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

local youth at a Founders' Day dinner or luncheon with appropriate plaques and certificates. Such recognition should be afforded for academic, service, community and citizenship achievements. The most outstanding youth from each Chapter will be sent, at Chapter expense, to compete at the State or District meeting. The process will be repeated at a luncheon at the State or District with the most outstanding person being sent, at Chapter expense, to the Regional meeting.

The Regional participants will be feted at a luncheon and will be judged on their achievements. The most outstanding youth will be sent, at the expense of each Region, to the National Convention for similar judging and recognition with a National Youth of the Year award ($500 and a plaque) provided the winner. Other participants will receive plaques and $150 each.

Press releases and media coverage will occur at each level of recognition.

Employment opportunities.—The Fraternity and its subordinate Chapters will undertake the task of assisting in the employment of Black Youth and young adults. It is well recognized that many talented Blacks are unable to attend College and must seek gainful employment; however, it is well known that the unemployment rate is extremely high among such persons and, as a probable consequence, the crime rate is also high. This thrust will employ the following strategies via Job Fairs:

Employers, with jobs, will receive invitations to set up interview booths with company displays at the Job Fair. Unemployed persons will be sought and brought, by the local Chapter, to the Job Fair for contracts with potential employers.

Local civic and business leaders will serve as advisory and contact persons in order to promote and gain credibility for the program.

Potential employers will undertake sensitivity awareness seminars in order to understand and empathize with the plight of unemployed Black youth.

Black youth will receive job counselling and information regarding training opportunities.

Black History.—Alpha Phi Alpha Fraternity should encourage Black youth to read about successes of Blacks not only during Black History Month, but thorughout the year. Chapters are to embrace this as an active part of their programs. The potential strategies for the program implementation are:

Use of electronic media for program enhancement.

Black History Clubs will be organized and provided with materials for study. Brothers will supervise the activities of the Clubs.

An oratorical contest will follow the preceding activity at the end of the project.

Education.—The Alpha Phi Alpha Education Foundation Scholarship program will continue with efforts made to enhance it.

The Foundation will develop two educational booklets:

A Scholarshp Manual will contain the names and addresses of potential scholarship donors along with directions of how to prepare a scholarship application. The Manual will also contain information regarding how to seek financial aid —e.g.—Pell Grants, College Work-Study, National Direct Student Loans, etc.

A booklet which outlines the growth and development of educational programs within the Fraternity. This booklet will also contain a compilation of scholarship funds donated by individual Chapters.

Fund-Raising.—The Education Foundation will plan and implement a vigorous fund-raising program involving grants and gifts from Brothers, corporations and foundations. Although the Fraternity provides the Education Foundation with $1.25 per financial Brother, this financial base is too small to support this proposed program over a long period of time. The Foundation will establish goals and objectives for the effort which will involve the entire fraternal structure.

The effort will embrace a five-pronged approach:

The Foundation will propose the enactment of a social-action tax, as part of the national fee structure, which will support only social action programs.

Individual donations by Brothers via cash and property gifts, wills and insurance programs.

Corporate support will be sought for implementation and continuation of social action programs. In addition to gifts of money, support will include in-kind services and use of company equipment and personnel.

Proposals will be developed which seek financial support via grants and contracts from various federal and state agencies for the implementation of eligible social action thrusts which meet the missions of such agencies.

Support will be sought from interested Foundations for the youth development and educational efforts.

CONCLUSIONS

(1) The establishment of an IRS tax exempt private education foundation can provide for tax deductible contributions for use in distributing scholarship grants and/or funding tutorial or remedial programs for black students in higher educational settings. The Alpha Phi Alpha Education Foundation model can and should be replicated.

(2) The creation of an IRS tax exempt private foundation can be replicated to provide Inter-Greek organizational linkages to benefit black students by adoption under the auspices of the national Inter-Greek Council or other appropriate panhellenic umbrella organization.

(3) The National Association for Equal Opportunity in Higher Education (NAFEO) can be a catalyst to result in the fruition of the objectives set forth above.

CONCLUDING NOTES

The signals from the current national administration clearly indicate that public sector resources which have aided minority growth and youth development programs are declining at a rapid rate. Increasingly, the private or voluntary sector, if programs and causes of merit are to continue, will be required to absorb and underwrite these initiatives. The Alpha Phi Alpha Education Foundation model can work during the "new federalism" and beyond to assist in the education and development of black youth. Further, this Inter-Greek letter organizational model can be one link in the new chain based on self initiative and minority resource development which will be needed to insure the survival of black youth in higher educational settings during the days ahead.

Finally, let us resolve to let the new federalism become a "challenge" rather than a "clarion call" for us to come together across fraternity and sorority boundaries to chart an inter-organizational effort based on the notion that the key to our survival is education and that the basis of our survival is vested in our own initiatives on our own behalf.

I close with this note of optimism from William Ernest Henley's immortal poem Invictus,

> Out of the night that covers me,
>   Black as the Pit from pole to pole,
> I thank whatever gods may be
>   For my unconquerable soul.
>
> In the fell clutch of circumstance
>   I have not winced nor cried aloud.
> Under the bludgeonings of chance
>   My head is bloody, but unbowed.
>
> Beyond this place of wrath and tears
>   Looms but the Horror of the shade,
> And yet the menace of the years
>   Finds, and shall find me, unafraid.
>
> It matters not how strait the gate,
>   How charged with punishments the scroll,
> I am the master of my fate:
>   I am the captain of my soul.
>
> WILLIAM ERNEST HENLEY (1849-1903).

With our collective will and inconquerable committment to better Educational opportunities for our black youth, I have shared with you one model that has the potential for improving our present situation. Thank you.●

A TRIBUTE TO CHIEF WILLIAM T. "BILL" HOCKING

HON. JAMES A. COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1982

● Mr. COURTER. Mr. Speaker, I would like to rise on this occasion to say a few words of appreciation for a highly respected and greatly admired individual, Wharton Police Chief William T. "Bill" Hocking:

On June 6, Bill Hocking's family, friends, and colleagues will honor him with a dinner-dance celebrating his 25 years of dedication and fine work on the Wharton police force and in the Wharton community.

Bill's long and distinguished career with the Wharton Police Department began in 1957 when he finished first in the New Jersey State Police Chief's Exam. Following service in the U.S. Army, he returned to Wharton and assumed the position of sergeant, responsible for the supervision of all patrolmen and special employees. In 1964, Bill was promoted to detective lieutenant in charge of all criminal investigations. And, in 1966, Bill became Wharton police chief, supervising 34 employees and demonstrating the leadership and management qualities which have earned him the respect of his colleagues on the Wharton police force.

Active in the Morris County Police Chief Association, Chief Hocking served with distinction as president of that organization in 1977 and was director of police training for 2 years.

The Borough of Wharton and its police department will surely miss Bill Hocking as police chief—his training and outstanding abilities have brought him recognition at the top of his profession.

And so, Mr. Speaker, on behalf of his family and friends in the community and the department, I would like to congratulate Chief Bill Hocking on his 25 years of service to the Borough of Wharton and extend a heartfelt word of thanks for all he has done. I wish him the best of health and happiness in the years ahead. Thank you.●

JUDICIAL REFORM

HON. JACK FIELDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1982

● Mr. FIELDS. Mr. Speaker, today I am introducing a proposed amendment to the Constitution requiring that Federal judges be reconfirmed by the U.S. Senate every 10 years.

Mr. Speaker, presently, Federal judges once appointed serve life terms. The only constitutional mechanism for removal of these judges is impeachment. And as we all know, impeachment is a long and arduous process which historically has been exercised on only nine occasions, resulting in actual removal from office of only four judges.

In the absence of any other effective formal procedure for dismissal, Federal judges have been elevated to a stature unprecedented and unequaled by any other Federal official. Unfortunately, as a consequence, there is no procedure for removal of a judge who may be senile, disabled, dishonest, or in any other way unfit to fulfill his or her constitutional responsibilities.

According to Article III of the Constitution, Supreme and inferior court judges are appointed to their office for a term of good behavior. I certainly recognize and compliment the wisdom of the framers of the Constitution who, by separating judicial officials from the political process, preserved and defined the principle of separate but equal branches of Government. However, I continue to believe that this separation has resulted not in a more effective judicial system but rather in a greater disparity between the various branches of Government. The life tenure of these judges has made them less, not more accountable for their actions and decisions.

Furthermore and more significantly, is the increasing use by judges of their judicial power as a forum for legislating social policy. Our judicial system was established to interpret law, not to formulate national policy. However, in the last several years, many of our Federal judges have taken to backdoor legislating on such controversial issues as school prayer, abortion, and school busing. I sincerely believe that neither this legislative body nor the American public can stand by and watch this transgression of constitutional authority. National policy decisions should not be formulated in our courts but rather should be duly deliberated and decided by the people's elected Representatives in Congress.

Mr. Speaker, I urge expeditious consideration of this legislation so that our Nation can once again be assured of three separate but equal branches of Government.●

HADASSAH'S 70TH ANNIVERSARY

HON. JOHN LeBOUTILLIER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1982

● Mr. LeBOUTILLIER. Mr. Speaker, I was pleased to have joined many of my fellow colleagues in supporting a resolution designating May 20 as an official day of recognition for observance of the 70th anniversary of Hadassah, the Women's Zionist Organization of America. I wish to take this opportunity to contribute my thoughts about the meritorious work that Hadassah performs, and add my views on the challenges which Hadassah will face in the next 70 years.

Hadassah serves the entire American community through its strong and consistent advocacy of democracy, political decency and intelligent debate. Hadassah seeks to contribute to the political process through constructive ideas rather than through divisiveness, through discussion rather then demogoguery, and through reason rather then hysteria. In a free and open political environment such as ours, the complex range of decisions which each voter must face is large. The information and insight needed to reliably make these decisions is essential, and Hadassah is in the forefront of providing this type of informational service to the public.

In addition to playing a major role in the political life of our Nation, Hadassah performs many vital services on behalf of America and world Jewry, which finds itself under increasing assault.

Hadassah enjoys nongovernmental but prominent status as a United Nations observer, and also maintains expertise near the vital power centers of influence regarding the Middle East. Dedicated to a secure and lasting peace between Israel and her neighbors, Hadassah believes that only through accurate and timely information can bloodshed be avoided and progress toward permanent peace enhanced.

Through education and cultural enhancement, Hadassah seeks to keep the cohesiveness and creativity of American Judaism alive. The priceless possessions of heritage and history will not be lost thanks to the consistent educational works of Hadassah.

On behalf of making Israel a more unified, informed and active nation, Hadassah has much to be proud of.

On behalf of offering intelligence and rationality to the American political landscape, Hadassah has much to be proud of.

On behalf of fighting dangerous drifts toward pronounced anti-Israel foreign policies, Hadassah has much to be proud of.

On behalf of educating Jewish youth about their heritage and culture, Hadassah has much to be proud of.

On behalf of caring for the sick, aiding the needy, providing for the educationally ambitious, and aiding the elderly, Hadassah has few rivals.

The past 70 years that Hadassah has served world Jewry and the American public with distinction, forces of powerful destructiveness have sought to stamp out all that is dear to it that these forces do not prevail.

The next 70 years may be harder, and the 70 years after that may be even more difficult; however, the vital and highly effective works of Hadassah will aid in efforts to make the future brighter and to promote change and improvement in the present.

Hadassah operates in the best traditions of humankind, and I salute their record and efforts on this very special 70th anniversary observance.●

INFLATION'S DECLINE

HON. NORMAN D. SHUMWAY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1982

● Mr. SHUMWAY. Mr. Speaker, the Tahoe Daily Tribune recently carried an editorial which I find worthy of my colleague's attention, as well as praise for its responsible commentary. Indeed, the editorial is one of very few media notations of the fact that inflation is declining. Like the Tribune's editors, I believe this decrease in the rate of inflation is a healthy and positive sign, one for which the current administration is justified in taking at least some credit.

[The editorial follows:]

[From the Tahoe Daily Tribune, May 3, 1982]

EDITORIAL—INFLATION'S DECLINE HELPS EVERYONE OUT

Possibly because of the drama of the confrontation between Britain and Argentina over the Falklands, the decline in the cost of living index in March has not received the journalistic attention it deserves.

Government figures showed that the cost of living had declined by 0.3 percent in March, the greatest drop since 1953, and the first drop in seventeen years. Perhaps it marks an end to the inflation the country has endured.

Conversely, it indicates an increase in the value of the dollar because a dollar will now buy more goods and services than in the past. Principal leaders in the decline in prices were in food, housing and gasoline.

Some economists are now predicting that the overall rate of inflation will drop to 6.5 and even 4.4 percent for 1982. It will be remembered that at the end of Gerald Ford's term as president inflation had fallen to 4.5 percent. Under Mr. Carter it rapidly rose to double-digit figures of over 12 percent.

In one respect this may be good news for those attempting to decrease the budget for 1983. Cost of living adjustment for those receiving Social Security payments will drop to 7 percent this July. Last July payments were increased by 11.7 percent.

The decrease in the inflation rate is being widely attributed to the tight money policies of the Federal Reserve Board. If so, Chairman Paul Volcker has done a great service for the American wage earner. For years inflation has wiped out increases received by workers, as well as those on fixed incomes.

Rightly the Reagan administration is claiming some credit for lowering the inflation rate. Other factors, such as the world oil glut and bountiful harvests have also contributed. And housing costs are creeping down, too, is the result of the extremely high cost of new homes and the ruinous interest rates of mortgages.

The decline in inflation may work some hardship on business borrowers who have been counting for years on paying back debts with inflated currency. But it should also have an influence on interest rates since lenders should not have to figure inflation costs into the interest that they charge.

Some, of course, are charging that the price decline is the result of the recession which has been felt in business and in unemployment. If it continues we think that it is well worth the 9 percent unemployment that the nation is now suffering. And we realize that this is little consolation to those who are out of work.

All in all, however, we consider the decline a healthy sign that inflation is being beaten. And that would be a boon to everyone in the United States because it would mean that their money is worth more.●

PARRIS PRAISES EMPLOYEES OF NTIS

HON. STAN PARRIS

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1982

● Mr. PARRIS. Mr. Speaker, the 400 employees of the National Technical Information Service, located in Springfield, Va., should serve as a model of efficiency and productivity to us all. I recently had the privilege of visiting the massive NTIS complex and was quite impressed with the dedication and competence of the employees I met there.

For 40 years the NTIS has served the public interest by disseminating the results of Federal technological, scientific, economic, and engineering research to business, industry, and the general public. The NTIS has provided these services inexpensively and efficiently on an at-cost basis. This agency requested an authorization for fiscal year 1983 of only $2 million for computer hardware and software, capital improvements which will further increase its efficiency. Today I express my appreciation to my colleagues who joined me yesterday in approving this request. The $26 million per year operating costs of the NTIS are completely self-generated. Obviously the demand is high for the services the NTIS provides, and the demands the NTIS places on the Federal budget are low.

For the American economy to prosper in an era of explosive technological change, the functions performed by the National Technical Information Service are assuming unprecedented importance to our country.●

NUCLEAR FREEZE AMENDMENT TO THE BUDGET RESOLUTION

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1982

● Mr. CONYERS. Mr. Speaker, there is a large and growing number of American citizens who support the idea of a freeze on nuclear weapons. If a nuclear freeze were to become U.S. policy, it would result in a considerable reduction in Federal spending. Today I am asking the Rules Committee to grant a rule for an amendment I am proposing to the budget resolution that would effectively put a halt to further nuclear weapons production.

The amendment would delete $20.9 billion in budget authority and $8.4 bilion in outlays from functional category 050—national defense—and reduce the Federal deficit by the same amount.

The deleted funds consist of all expenditures related to the further testing, production, and deployment of nuclear weapons and of missiles and new aircraft designed primarily to deliver nuclear weapons. Specifically, the amendment seeks to delete all funds for the MX missile, B-1 bomber, Trident submarine and missile, air-, sea-, and ground-launched cruise missile, and Pershing II missile programs. In addition, it seeks to delete $5 billion in budget authority and $4.6 billion in outlays from the atomic energy defense activities administered by the Department of Energy, and the funds for which are included in the national defense function. These funds support the production cycle for nuclear warheads.

The amendment does not, then, arbitrarily cut funds from the Department of Defense. It calls for the deletion of only those funds that relate to the further testing, production, and deployment of nuclear weapons—the nuclear materials used in their production; their nuclear and nonnuclear components; the nuclear warheads themselves; and the delivery vehicles for nuclear weapons. I have attached documents that explain what is included in the proposed deletions. The amendment does not propose a policy of nuclear disarmament. It does not effect existing nuclear weapons stockpiles, or the funds to maintain such stockpiles. Rather, the amendment would freeze nuclear weapons at existing levels and preclude the further testing, development, and production of additioanl ones.

What I am proposing in the amendment is a strategy of arms control by mutual example, a freeze perhaps for a 2-year period that would demonstrate to the Soviet Union and the world that we are, indeed, serious about nuclear arms reduction.

The amendment is similar to scores of amendments that were granted rules in the past. Some had sought to delete or increase funds for particular functional categories. Others sought to transfer funds from one set of functional categories to another, for example from national defense to domestic programs.

The amendment I am proposing reflects a major policy question that is being debated throughout the Nation and the world—namely, the support for a freeze on nuclear weapons stockpiles. In the most recent national poll conducted by ABC News and the Washington Post (April 21–25, 1982), respondents supported a nuclear freeze by 71 percent to 25 percent—nearly a 3-to-1 ratio. The amendment translates into budgetary policy the savings that would result in freezing existing nuclear weapons.

I believe the House should be permitted to pass judgment on what has become an overriding policy question in our times.●

PRESIDENT SHOULD URGE NUCLEAR SUPPLIER NATIONS TO REQUIRE FULL-SCOPE SAFEGUARDS

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1982

● Mr. MARKEY. Mr. Speaker, I would like to express my strong support of House Concurrent Resolution 340, which urges the President to seek an agreement at the upcoming Versailles economic summit conference an agreement from all the other nuclear supplier nations that they will not export nuclear material and technology to nonweapons States unless they

have accepted the full-scope safeguards of the International Atomic Energy Agency.

I would like to thank Congressman BINGHAM for his leadership in keeping the issue of nuclear proliferation before the House as it conducts its foreign policy debates. As the gentleman from New York has eloquently pointed out time and again in this Chamber, nuclear proliferation—the spreading of weapons of mass destruction—should be one of the top foreign policy concerns of this Nation and of other nations of the world.

Congressman BINGHAM should be commended for his foresight in bringing this resolution to the floor. Indeed, the threat of nuclear proliferation should be an uppermost concern of the nuclear supplier nations meeting at Versailles. And I feel it is important that the Congress go on record in making it clear to the President that it feels that proliferation should be at the top of his agenda during his discussions with other supplier nations.

Mr. Speaker, on March 10, 1978, Congress passed the Nuclear Nonproliferation Act, of which Congressman BINGHAM was one of its principal authors. The act was largely the result of congressional concern over India's nuclear test, which had occurred 4 years earlier.

With the adoption of the Nonproliferation Act, the United States placed itself at the forefront of the nonproliferation battle by refusing to export nuclear materials to nonweapons States unless they agreed to place all their nuclear facilities under IAEA safeguards.

This was a bold move for the United States to take. It was met with strong opposition from the nuclear industry, which claimed it was an unreasonable restriction on their commerce overseas.

But it was the right move. And for it to be truly effective it must not end up a unilateral move. The leadership the United States has shown in requiring full-scope IAEA safeguards from receiving nations must not be undercut by other supplier nations. Full-scope safeguards are in everyone's interest. If the United States stands alone and the other supplier nations continue with business as usual, not only do we suffer, but the entire world suffers.

Last year, President Reagan recommitted the United States to becoming a reliable nuclear supplier. It is now time for the President to recommit this Nation to remaining a responsible supplier and to urge other supplier nations to do the same.

The day has long passed when a supplier nation could sell nuclear merchandise then turn its back on the proliferation consequences of that sale. The world's supplier nations can no longer be content to rely on limited IAEA safeguards to insure that the nuclear material they export is not diverted to nuclear weapons.

The Falkland Islands crisis shows how a regional flareup, which nobody expected, could easily become a global catastrophe. Argentina has refused to sign the Nonproliferation Treaty, has not adopted full-scope safeguards, and has received nuclear supplies from Germany, without the requirement of full-scope safeguards. Now Argentina, according to most reliable estimates, should be able to test a nuclear device by the mid-1980's. Would Argentina use nuclear weapons in a Falkland-type crisis? As Lord Mountbatten once said: "In warfare the unexpected is the rule and no one can anticipate what an opponent's reaction will be to the unexpected." The Falkland Islands crisis has shown how the unexpected can happen. It has also shown that the nuclear materials supplier nations have freely exported in the past can quickly—and unexpectedly—explode in their faces.

Mr. Speaker, there have been signs that other supplier nations might be willing to impose the full-scope safeguard requirement. That is why it is so important for the President to begin urging other nations to join the United States in this effort.

As Congressman BINGHAM has pointed out before, full-scope safeguards are not the final solution to the proliferation problem. There is still considerable room for improvement in the safeguards themselves. But the full-scope safeguards requirement is a necessary first step.

I therefore strongly urge the adoption of this resolution. It contains a very important message that the President should bring to Versailles.●

DON'T FREEZE PLUTONIUM—BURN IT!

HON. MARILYN LLOYD BOUQUARD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1982

● Mrs. BOUQUARD. Mr. Speaker, we have witnessed recently the introduction of the so-called plutonium production freeze resolutions in the House and Senate. House Joint Resolution 469 and Senate Joint Resolution 192 call for a negotiated halt to the production of plutonium, regardless of the purpose for which it might be used. I urge that you not support these resolutions on the grounds that they simply represent a back-door attempt to halt the pursuit of the development of safe, reliable, and economic advanced nuclear technologies.

That there is a heartfelt desire on the part of millions of Americans to halt, slow down, or roll back the size of the world's nuclear arsenals is an accepted fact. The needs for meaningful arms control and the avoidance of even limited nuclear war are undeniable. These are laudable goals which all Americans endorse. These sentiments have resulted in the introduction of a number of resolutions in both Houses of Congress. Whether or not you currently endorse or cosponsor any one of these several arms control resolutions, however, the plutonium freeze resolutions do not deserve your consideration because they lack any real relevance to the development of a meaningful arms control policy for three fundamental reasons:

First, as demonstrated by the 66-nation international fuel cycle evaluation (INFCE) results, no nuclear-power fuel cycle can be made completely free of proliferation risks solely by technical fixes. Stopping production of plutonium and relying on natural and low-enriched uranium in the once-through fuel cycle will not prevent the possibility that weapons-grade materials will be available. In fact, it is worth noting that nations such as Great Britain and France, who are actively developing commercial-size breeder reactors, perceive their programs as one way to preclude the availability of plutonium for nuclear weapons. Dr. Walter Marshall, the head of the United Kingdom's Atomic Energy Authority, has pointed out that the safest thing to do with plutonium from thermal reactors is to render it inaccessible by burning it up in fast breeders.

Second, the sponsors of the plutonium production freeze resolutions claim that such a freeze could be monitored by the International Atomic Energy Agency (IAEA). This is not a credible claim since at least one of the resolution's sponsors has continually attacked the IAEA as ineffective.

Third, and finally, a ban on the future production of plutonium would halt the possible deployment of breeder reactor technology—an action that would condemn nuclear power to the status of a relatively short-term, exhaustible energy source. The claim that worldwide uranium resources are sufficient to meet our needs well into the next century rests on the questionable assumptions that there will be relatively low electric growth, that as-yet-unproven technologies will provide the additional quantities of electricity to meet our needs, and that pessimistic breeder economics will, in fact, prevail. Such a proposition may be a popular one in certain circles; however, we do not believe it is a credible course with which to risk our Nation's energy future.

The plutonium production freeze resolutions represent nothing less than the cynical attempt by certain elements to play upon the fears of the American people in order to achieve other than their stated aim. They claim that their goal is to pursue arms control. In reality, they are pursuing the suppression of breeder and fuel cycle technologies and denial of the beneficial uses of nuclear energy.●

HIGH BLOOD PRESSURE SERVICES IN CLEVELAND

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1982

● Mr. STOKES. Mr. Speaker, the American Red Cross, which has responded to crisis situations for over a century, is in the forefront of a nationwide effort to attack hypertension. High blood pressure is the silent killer which claims thousands of Americans as its victims each year.

In the 21st District of Ohio, which I serve, the Red Cross blood pressure screening program has grown since its inception in 1979 from 11,000 testings to 33,000 testings in 1981. There is no charge for this service. Each month there are 25 sites manned by Red Cross nurse volunteers at which free blood pressure testing is done on a regular schedule. Referrals and followup are part of this program.

Seven of the sites are of particular interest because they are located in the heart of the black community. They are Red Cross chapter headquarters, Goodwill Industries, Antioch Baptist Church, Friendly Inn, King Kennedy Hi-Rise, Murtis H. Taylor Service Center, and the Red Cross Heights office.

Individuals found to be hypertensive are referred to community clinics, hospital out-patient services, or their own physicians for immediate treatment. These clients receive a personal call within 24 hours to make sure they have received medical care. Those who have slightly elevated pressure are asked to return to the site at a later date for additional followup. A permanent record is maintained for each individual. A personal blood pressure record is given to clients for their own reference.

As a part of the high blood pressure screening program, Cleveland's Red Cross also offer health education courses and information on nutrition and diet to more than 500 individuals.

May is now recognized nationally as high blood pressure month. The federally funded Greater Cleveland High Blood Pressure Coalition, of which Red Cross is a member, has established 45 blood pressure sites which will operate each day in May.

All testing is free, and referrals and followup are offered at each site. Other agencies and institutions involved include Marymount Hospital, Glenville Health Association, Huron Road Hospital Senior Alliance, the Kidney Foundation of Ohio, Visiting Nurse Association, American Sickle Cell Anemia Association, Kenneth Clement Health Center, Brentwood Ambulatory Center, St. John's Hospital, Hough-Norwood Family Health Center, J. Glen Smith Health Center, Cleveland Metropolitan General Hospital, Detroit Family Practice Association, County Tuberculosis Clinic, Brecksville VA Medical Center, City of Brecksville, Collinwood Community Services Center, Miles-Broadway Clinic, Fairview General Hospital, Free Medical Clinic of Greater Cleveland, and McCafferty Health Center.

Mr. Speaker, this community approach to the massive problem of hypertension is alreay proving its value. The public has been made more aware of the danger of high blood pressure. The growth of the Red Cross program alone from 11,000 testings only 3 years ago to 33,000 by December 1981, with an anticipated increase to 36,000 in 1982, is indicative of the concern and attention private citizens now give to monitoring their blood pressure and seeking medical help if it is needed.

I would like to commend the Greater Cleveland Red Cross Chapter and the other Cleveland agencies and institutions which are involved in free blood pressure education and screening of Cleveland citizens. With their assistance the hypertension epidemic will be brought under control.●

TRUTH IN BUDGETING

HON. WILLIS D. GRADISON, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1982

● Mr. GRADISON. Mr. Speaker, I would like to submit for the RECORD a rebuttal to the Washington Post's editorial of May 17, 1982, concerning the removal of social security from the unified budget.

The article emphasizes a point which I feel has been consistently overlooked in the discussion of this issue; that is, the inclusion of social security in the budget actually distorts the information the budget gives us on deficit spending.

"The basic purpose of a budget is to provide information and control." This point is well-stated by the Washington Post in its May 17 editorial "Budget Fakery." But the Post is miguided in believing that removing the social security trust funds from the budget will weaken the Federal budget process.

In fact, separating social security from the budget will strengthen the budgeting of general revenues, while saving the independent social security system from ill-conceived cuts.

Suppose the Federal budget deficit, excluding social security, stands at $50 billion, and the social security system is running a budget surplus of $50 billion. Under the present budget accounting methods, with social security in the budget, the deficit would appear to be $0. However, because money in the social security trust funds cannot be spent on anything except social security benefits, the $50 billion general revenue deficit would have to be financed through Treasury borrowing. Thus the unified budget would indicate that there was no deficit to finance when, in truth, there would be 50 billion dollars' worth.

No wonder President Johnson found inclusion of the social security surplus in the Federal budget for the first time ever such an attractive ploy. He received an enormous one-shot reduction in his Vietnam war deficit: the $25.2 billion deficit in 1968 became a $3.2 billion surplus in 1969, the only budget surplus since 1960. The fact that the Government was engaging in over $25 billion in deficit financing was hidden. Therefore, keeping the untouchable social security trust funds in the Federal deficit distorts "the basic purpose of a budget," as the Post put it, "information and control."

The Post argues that if you remove the social security trust funds from the budget, why not remove all the trust funds from the budget. Simply, the social security trust funds are the only ones that are completely independently financed and that fully fund the system they pay for, with the exception of the $1 billion veterans' life insurance trust funds. The other 10 Federal trust funds all have access to general Federal or State revenues, or only partially fund the system for which they are earmarked.

Because these other funds are not independent, they should be included in the Federal unified budget. This is what the 1967 Presidential Commission on Budget Concepts had in mind when it recommended inclusion of the various Federal trust funds in the budget.

The Post mentions in the same editorial that Congress has been "backsliding from the principle of a unified budget" by the proliferation of off-budget financing. I agee. Off-budget financing uses general Treasury funds in a manner that blatantly skirts the scrutiny of the budget process. For this reason I have introduced in the House the "Truth in Budgeting Act of 1982," which Senator PROXMIRE has introduced in the Senate. This legislation would put almost all off-budget agency spending back in the unified budget where it belongs.

Social security, however, does not belong in the budget. Support for moving it off-budget has been growing ever since it was placed in the budget. The 1971 Social Security Commission endorsed this proposal, as have four former Social Security Administration

Commissioners, including Robert Ball, and two former Secretaries of HEW, including Wilbur Cohen. President Carter's National Commission on Social Security, and in particular, Bob Myers, one of the architects of the Social Security system, recommended separation in 1981. Richard Schweiker, Secretary of HHS, personally likes the idea. A majority of the members of President Reagan's National Commission on Social Security Reform, which must report by December 31, 1982, support separation. Finally, my separation bill, H.R. 4773, now has 99 cosponsors, including both liberal Democrats and conservative Republicans.

Removing the social security system from the budget will enhance the meaning of the budget totals, will allow the troubled social security system to be independently refinanced as the National Commission and Congress deem appropriate, and may even break the budget deadlock that is keeping interest rates high and our economy in severe recession.●

CONGRESSIONAL SALUTE

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1982

● Mr. ROE. Mr. Speaker, on Tuesday, May 25, the residents of the city of Paterson, my congressional district and State of New Jersey will gather together for a 60th anniversary birthday celebration in testimony to a great champ, sportsman, leading citizen and good friend, the Honorable Lou D. Duva, who has attained excellence and national prominence among the champions in the sports world of boxing as well as the people of our community for his good deeds. Even as we gather together for a testimonial to him, the proceeds of his birthday party on May 25 will be donated to the Bergen-Passaic Chapter of the National Multiple Sclerosis Society to help the victims of this dread disease.

Mr. Speaker, I know that you and our colleagues here in the Congress will want to join with me in extending our heartiest congratulations and best of wishes to Lou Duva and share the pride of his good wife Enes and their children, Donna, Daniel and his wife Cathy, Denise and her husband Wes MacPhail, Dino, and Deanne and their grandchildren Casey and Maxie in commemorating Lou's lifetime of purpose and fulfillment in their family endeavors at the Lou D. Duva dinner-dance for multiple sclerosis.

Lou Duva was born in New York City on May 28, six decades ago and at an early age came to New Jersey with his parents who adopted our great State as their home. Lou attended Public School No. 4 in Paterson and Central High School. He joined the CCC Camp and took correspondence courses to complete his high school education.

A recent news article sums up his career endeavors in the boxing world, as follows:

> Lou Duva's life has been dedicated to boxing. He has seen the days when Joe Louis ruled the heavyweights and Sugar Ray Robinson ruled the welterweights and middleweights. He began as an amateur, won a Diamond Gloves title and turned pro to help support his family.
>
> Holding down two jobs, training, and fighting, could not all be done in the course of a 24-hour day. Therefore, an aspiring fight career ended.
>
> It's 40 years later and Lou Duva is now one of the most recognized members of the boxing industry. As a fighter, a cut man, a trainer, a promoter and now a very successful manager, Duva can say he's just about done it all.

Mr. Speaker, Lou Duva has been involved in the boxing business for 40 years. During that time he has been an amateur boxer, winning the Paterson Diamond Gloves Championship, a professional fighter, a cut man, trainer, manager of fighters and promoter.

The father of five children, Lou married Enes Rizio on November 6, 1949. He passed the legacy of his boxing experience to his children, who now run Main Events, the promotional company he founded.

Lou now occupies his time as one of the premier fight managers in the world, handling several world-rated contenders, including Tony Ayala, Jr., Bobby Czyz, Alex Ramos, Johnny Bumphus, James Green, Rocky Lockridge, Tony Braxton, Curtis Harris, and Diego Rosario.

He became involved in professional boxing when he "carried the bag" for his older brother, Carl, a successful professional fighter in the 1940's. Following his years in the ring, Lou began promoting fights for the U.S. Army during World War II. After the war, he began promoting on his own. His career as a promoter culminated with the staging of the world middleweight title bout between Dick Tiger and Joey Giardello on December 7, 1963, in Atlantic City, N.J.

Since then, as a manager who has guided his prospects to the top of the world boxing ranks, Lou has also guided his children in their rise to the top of the boxing promotional field. On September 16, 1981, the Duva family made history as the promoters of the showdown between Sugar Ray Leonard and Thomas Hearns for the World Welterweight Championship.

Mr. Speaker, our champion, Lou Duva, has achieved in his lifetime the respect and esteem of all of us who have had the good fortune to know him. It is to his modesty in his achievements, his outstanding expertise in his field of endeavor, the warmth of this friendship and his standards of excellence in the American way of life that I seek this national recognition of his service to his community and his fellowman. The quality of his leadership and excellence in the sports world of boxing—a lifetime dedicated to good works, compassion and fair play, always with dignity and universal respect—has truly enriched our community, State, and Nation. We do indeed salute a distinguished citizen, community leader and great American—the Honorable Lou D. Duva of Paterson, N.J.●

FALKLAND LESSON ON TAIWAN?

HON. NORMAN D. SHUMWAY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1982

● Mr. SHUMWAY. Mr. Speaker, the Christian Science Monitor recently carried an editorial which drew upon the Argentine invasion of the Falkland Islands to secure an object lesson concerning the possibility of hostile action against Taiwan. The author points out what may happen when an insecure, authoritarian government experiences increased domestic pressure from its citizens because of economic distress and questionable human rights treatment. I believe the article is worthy of my colleagues' attention.

The article follows:

[From the Christian Science Monitor, May 12, 1982]

A FALKLAND LESSON ON TAIWAN?

(By Robert L. Downen)

> Argentina's surprise military seizure of the Falkland Islands offered an important lesson regarding Taiwan's security, for anyone who cared to notice. The incident demonstrated once again what may happen when an insecure authoritarian government experiences increasing domestic pressure from its citizens because of protracted human rights abuses and a lagging economy. It may in desperation launch an aggressive campaign elsewhere in a effort to divert attention from internal problems and to rally popular unity behind a patriotic cause.
>
> It is just this example which leads one to wonder what Peking's ambitions may be a few years hence, when the present regime's modernization goals fail to materialize, the country's economic troubles reach crisis levels, and enlightened Chinese exposed to Western liberalism begin to demand government reform. At such time, an aggressive unification crusade directed against Taiwan could offer several redeeming benefits for Peking.
>
> Yet, at this moment, many observers still question the need for continuing United States defense commitments to the people on Taiwan. To place an artificial ceiling on such assistance is neither practical nor wise, even if Peking "promises" to pursue its peace offensive against Taiwan peacefully.
>
> Furthermore, such concessions by U.S. officials are unnecessary. There is ample reason to suspect that Peking leaders, for domestic and foreign policy reasons of their

own, are already reconciled to a temporary withdrawal of their ambassador from Washington and a "symbolic" downgrading of relations with the US for a short time. In this way, Deng-Xiaoping could give mainland China the appearance of a more independent position, situated apart from both Washington and Moscow.

That Peking has already decided upon a temporary but highly visible public rupture with Washington can be detected from several policy pronouncements in recent months. Chinese officials spurned cooperation with Washington's economic sanctions in response to the Polish crisis of last December, actually increasing its level of trade with Poland by 30 percent after imposition of martial law. Peking has openly attacked US support for El Salvador, calling for a "national liberation movement" to defeat superpower interference in that country. It has warned the Reagan administration against "providing assistance and making loans, compromises or concessions," to its enemy in the south, Vietnam, in view of recent contacts between Washington and Hanoi.

After a hiatus of several years, Peking resumed demands that the U.S. withdraw its armed froces from South Korea which it claims "impede the relaxation of tension in the Korean peninsula" and it refused to act as an intermediary between Pyongyang and Washington after the North Korean missile-firing incident last year.

Chinese leaders continue to differ openly with U.S. official policy concerning the Palestinian issue in the Middle East and sanctions against South Africa, among other longstanding differences. And Vice-Premier Deng has restored his application of the term "hegemonists" to the U.S. A recent assertion by one senior U.S. official that "when it comes down to it, we don't have any contradictions [with Peking] except Taiwan" seems naive and misleading in the current context.

Should Peking carry out its plans to temporarily downgrade political relations with Washington, it nevertheless will not allow this move to damage more substantive commercial and cultural ties or the fundamental strategic relationship it now enjoys with the U.S.—all of which benefit China so much. Therefore, it would be a serious mistake indeed for American diplomats to make major concessions now in a futile effort to reverse Peking's preordained decision on a largely cosmetic, diplomatic maneuver.

The U.S. Congress devoted a great deal of conscientious bipartisan effort to the careful drafting of the Taiwan Relations Act in 1979. It is all the more important now to ensure that those thoughtful commitments are not slowly undone by diplomatic maneuvers carried on outside the realm of public scrutiny. Any binding limitations on the level or time frame of future U.S. arms sales are premature and should be subject to congressional hearings and amendment of the Taiwan Relations Act.

THE HOPELESS HOUSE

HON. DOUGLAS K. BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1982

● Mr. BEREUTER. Mr. Speaker, the Wall Street Journal, in an editorial published on May 13, reflected on recent activities of the Congress—on some actions we have taken and on some we have not. I am entering a portion of that editorial in today's CONGRESSIONAL RECORD. I commend its wisdom to my colleagues. I hope that all of us will find the time to read it and take appropriate action and advice to heart.

[From the Wall Street Journal, May 13, 1982]

THE HOPELESS HOUSE

One thing you can say about the House of Representatives, it sure is a busy place. Just in the last three days:

An overwhelming majority of members voted to spend $1 billion the government doesn't have to give young folks a subsidy so they can afford to buy that dream house they've been thinking about;

The Banking Committee approved an $8.5 billion bill, put forward by Chairman St Germain of Rhode Island, to try to restore the relaxed life style savings and loan executives once enjoyed. All that money, also wafted out of thin air, would go for "net worth guarantees," an instrument the sickly institutions could put on their balance sheets as assets (in much the way you would capitalize an insurance policy if the accountants would let you) to make them look healthier. The Treasury would have to go out and borrow money to give to an S&L if the institution collapsed;

Three Democrats, Wolpe of Michigan, Edgar of Pennsylvania and Oberstar of Minnesota—joined by Republicans Schneider of Rhode Island and Jeffords of Vermont—introduced a bill to bring back the energy crisis. Congress has been pining for the good old days of the 1970s when all the government's mistakes could be blamed on the oil companies. This bill would put a big new tax on crude oil production, at a time when industry profits are falling, thus discouraging oil output and giving us a chance to have gasoline lines again in a few years. Congress would then be able to re-engage itself in crisis management, meddling in the energy, automobile, housing and other businesses.

The only thing neglected amid all this activity is the thing the Founding Fathers once fondly hoped the House would take the primary responsibility for, seeing to it that the government was prudently managing its finances. Tip O'Neill, who theoretically presides over the present maelstrom of irresponsibility, is mainly interested in making the people pay for electing Ronald Reagan in 1980. Hence, he has devoted his energies to once more baiting the Social Security trap, which he sprang on the President so successfully last year. . . .

The upshot is that Congress probably won't even take the first, relatively simple, step of the budget process on time this year, that is to say passing the first joint budget resolution that is due next Saturday. Mr. O'Neill is carrying an outrageous budget, involving enormous tax increases, around in his hip pocket. Phil Gramm and Jack Kemp have their own proposals but there is very little incentive this year to put up a first resolution budget and have it blown to bits in the appropriations process in the fall.

The result is stalemate, with the House leadership laying back and trying to force the Republicans and conservative Democrats to take the responsibility and the political heat for the spending cuts that will be necessary if the budget is to be brought under control. It's a cute game but we wonder how it will really play with the voters next fall when the Speaker and the Chairman of the Ways and Means Committee go forth to explain why it is that there has finally been a complete breakdown in the ability of the House to manage the nation's finances. And the irony is that if the House were doing its most important job, its members wouldn't have to be dreaming up schemes to bail out savings and loans and others who are in trouble because of federal irresponsibility.●

A TRIBUTE TO FOSTER A. DAY

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1982

● Mr. DORNAN of California. Mr. Speaker, I would like to take this opportunity to hail the lifetime work of Foster A. Day who has selflessly contributed to improving the community of Redondo Beach, Calif. Mr. Day will be honored on May 26, 1982, by the Salvation Army in a presentation of the "Others" award, given only to those rare individuals who devote their energies toward helping others and improving living conditions in their community.

For nearly 40 years, Mr. Day has been actively involved in community organizations including the Rotary Club of Redondo Beach, the B.P.O.E. Redondo Beach Lodge, the Redondo Beach Chamber of Commerce, the Redondo Beach Round Table, the Harbor Review Board, the YMCA Board, and the Salvation Army Board. Foster Day has been a leader in all of these organizations, taking the initiative in planning projects such as the Harbor area in Redondo Beach.

Mr. Day has also devoted many hours toward improving Redondo Beach's school system. He was elected to the Redondo Elementary School Board, served twice as its president, and then was appointed to the El Camino College Board, where he also served as president. During his tenure in the school system, between 1945 and 1957, Mr. Day's leadership abilities resulted in successful and well-coordinated expansion of educational facilities to meet growing population demands.

Mr. Speaker, Foster A. Day is one of those rare individuals in our society who take it upon themselves to improve the lives of others around them. I want to commend his efforts to you and our colleagues, in the hope that the accomplishments of such a unique community leader will be appreciated by others and emulated by all.●

HIGHER EDUCATION AMONG NATIVE AMERICANS

HON. THOMAS A. DASCHLE

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1982

● Mr. DASCHLE. Mr. Speaker, it is with enthusiasm that I, along with Congressman PAUL SIMON and other colleagues, introduce the reauthorization of the Tribally Controlled Community Colleges Assistance Act. This bill has greatly enhanced higher education among native Americans and has, as its title suggests, been written with much guidance by tribally controlled community colleges.

Indian people are at the low end of the economic ladder in this country—they have a poverty rate 300-percent greater than the national average, the highest unemployment rate, and the worst health conditions in the Nation. The investment we make in Indian education is one of the best things we as a Congress can do. The modest amount of money we expend is paid back over and over again, both in monetary and nonmonetary terms. The costs of a lack of education to individuals and society as a whole by any measure—economic, social, spiritual—are much more than the investment we make to insure an educated populace.

I would like to submit for inclusion in the RECORD an article from the Lakota Times regarding the success of one tribally controlled community college, the Oglala Sioux Community College located on the Pine Ridge Indian Reservation. I urge my colleagues to read this success story and to support the Tribally Controlled Community Colleges Assistance Act.

OGLALA SIOUX COMMUNITY COLLEGE: WORKING OR NOT?

(By Reva High Horse)

KYLE.—A recent report from Oglala Sioux Community College shows that 86 per cent of its graduates are employed. Another 10 per cent are in school.

Out of 163 graduates since the school opened, only 4 per cent are not working or in school.

"On a reservation where there is 80 per cent unemployment, a study showing the 86 per cent of our graduates have jobs certainly proves that getting a degree is effective," observes Tom Allen, director if Institutional Development at the college.

Graduates since the college opened in the fall of '72 have gone into all walks of life. Most have stayed on the reservation, going into work that will benefit the people here. The college has produced, for example, four Tribal Councilmen, a Tribal Treasurer, a postmaster, the current head of Public Health Human Services, two community health representatives, two mental health workers, and four social workers. All are working on the Pine Ridge Reservation.

Thirty teachers, 30 nurses and 18 teacher aides also graduated from OSCC. The overwhelming majority work on the reservation. Seventy-four per cent of the nurses who graduated from OSCC have passed the state boards.

The school's adult education program has trained 756 people for their high school equivalency degrees, as well as the 163 graduates with A.A. degrees.

Officials say they are pleased to see that one of their goals for the college has been achieved: manpower coming out with the school's A.A. (associate of arts) degree is going back to work for the community. The college is producing directors of local programs, government representatives, nurses for the local hospital, and teachers for the local schools.

SELF-DETERMINATION

"There's been a big push for self-determination and local control," comments OSCC graduate, Francis Montileaux, "but we need Indian people with credentials. Until we get them, programs will select non-Indians who are qualified." The director of Human Services at the Public Health Hospital says that's why education and credentials are so important.

Montileaux was in the first graduating class from OSCC, in the spring of 1974. That first degree propelled him forward, and he went on to get his B.A. from Chadron State, and then his master's degree from the University of Utah.

"I really believe I would never have gone further than high school if the college hadn't been here," he said. "I didn't have the ambition, then, to leave the reservation—and junior colleges, across the country, are very expensive. It's been a real advantage for us to have a local college, right here, where people can get to it."

"It was sort of a catalyst in my life," he said. Montileaux, who is the only Lakota on the reservation with a master's degree in health, became director of Human Services at the hospital last month. He had been chosen as acting director last year, after heading the BIA Social Services program.

Did he think he'd be in the position he is now if he had not gone to OSCC and pursued higher education. "I doubt it seriously," he said.

Cordella Attack Him also talked about the benefits she received from her two years at OSCC. She graduated from the college in 1978, after being married and raising a family. Cordella, who now teaches Lakota Studies at OSCC, served as a consultant at Harvard University this year—teaching a course in Native American Religion there in February. She has been asked to give another course at Harvard in May.

"I wouldn't have been able to go to college if OSCC hadn't been there," she explained. Lakotas have very strong family ties, and with the extended family concept, people want to be able to care for their grandparents or other relatives. So, since I had children, I didn't want to go off the reservation to study.

"I had been teaching elementary school, and telling the kids they should get an education. So I decided to practice what I preached."

That was in 1971. Cordella became a part-time student, taking a few courses here, and a few course there—and then enrolled full-time. Her son, John, 19, and her daughter, Lolita, 20, have also taken courses at the college.

"The school has improved since I went there. There are more courses, and some pretty good instructors. When OSCC opened, you'd find four or five students in a course; this year 32 signed up for my Lakota Social Systems course," she said.

More people are signing up at the college now than in the past. Enrollment this spring reached 670, a big jump from the 348 who registered for classes in the fall of '72.

One interesting fact emerged from the survey: 85 percent of the OSCC graduates are women. Only 15 percent are men. "The women are more aggressive. They're really out there pushing for what they want," Cordelia observed. "I notice, in my own classes, that the men will be going along fine, then they drop out for a semester. They're not as steady."

"I think they're too used to being forced to go to classes in high school. They find it hard to make themselves do it on their own. They're just too used to being told what to do," she said.

Montileaux, who is trained to observe people in his field, psychiatric social work, offered his own theory on the high number of women in college: "I think Indian women are more responsible, more concerned about the future of their children. The male children are favored, even catered to, and are not given many responsibilities.

"So the women—in all Native American groups, not just Sioux—mature emotionally way before the men. They're more motivated." He said he'd seen the same thing in graduate school: there would be eight women in a class to every man. "It's unbelievable, but it's true," he said.

One hundred and thirty nine women have graduated from the school since '74. In the same seven-year period, 24 men graduated.

The overwhelming majority of graduates are Indian (89 percent). But there have been some white students (18, or 11 percent)—even some from off the reservation. Maxine Watson is one of them. Maxine is from Rushville, and is now director of nursing at the Parkview Lodge Nursing Home in Rushville.

"I didn't have to give up being with my family to go to college," she said. "OSCC provided a place for a lot of men and women to go to school who wouldn't have gone, otherwise."

Maxine said she was one of only two white students in her class, but she was never made to feel uncomfortable by the Indian students. "We got along fine," she said, looking back.

Several graduates said they thought the college could have been more demanding on the students in its early days. Some, going on to four-year schools, said they found their study habits were poor, and their basic skills in writing and math weak. Another student pointed to the problem of too many students dropping out before finishing.

There have been changes to work on these problems, Allen said. More Basic Skills courses are offered now, and there is more emphasis on teaching study habits. "We're also working on the retention rate. That is an area of concern—the problem of students signing up, and then dropping out before they get their degree."

OSCC was first chartered by the Tribe in 1971, under Tribal President Gerald One Feather. The federal New Careers Program, headed by Birgil Kills Straight, gave the school a big boost when it started, Allen explained. The college has branches in all nine districts of the reservation, so people can attend classes close to their homes.

"I think in the beginning, people had seen so many programs come on the reservation, flounder around, and fall apart, that they didn't expect the college to be around for very long, said one graduate, "I think that was the attitude of most of the students, in the beginning.

"But people saw that it didn't flounder, that it stayed around—and that lots of students have walked out its doors with degrees. And with jobs.

"So they're taking it pretty seriously now."●

THE 70TH ANNIVERSARY OF HADASSAH

HON. BILL GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1982

● Mr. GREEN. Mr. Speaker, I would like to take time now to share with my fellow Members of the House of Representatives a story of remarkable dedication and service. In this year Hadassah, the Women's Zionist Organization of America, will be celebrating its 70th anniversary. For seven decades Hadassah has made a magnificent contribution in the building of health and social services in Israel and in increasing and changing the lives of American Jewish women. Through war and peace, Hadassah medical facilities have served the people of Israel in immeasurable ways. Hadassah was the first to bring modern medical care to the old city of Jerusalem. Yet, since its founding in 1912 by Henrietta Szold, Hadassah has not only contributed to the improvement of Israel's medical facilities, but has also extended its scope to the point of rescuing some of the Jewish youth of Europe from the grasp of Hitler during the 1930's. However, while the chapters programs and activities have centered upon Hadassah facilities in Israel, its members are American women who have contributed earnestly to their communities in order to make the United States a more peaceful place to live.

Therefore, I would like to ask my colleagues to join me in recognition of Hadassah's past achievements and its future goals.●

GUAMANIAN COAST GUARD RESERVIST WINS ACHIEVEMENT MEDAL

HON. ANTONIO B. WON PAT

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1982

● Mr. WON PAT. Mr. Speaker, I take great pride in pointing out to my colleagues in the U.S. House of Representatives the news that one of my constituents, Petty Officer Alejo (Al) Sablan, has received the Coast Guard Achievement Medal for demonstrating "outstanding initiative."

Yeoman Second Class Sablan received the award during a special ceremony held recently on Guam at the reserve unit on the naval station. His commanding officer, LCDR Robert E. Hahn, praised the hard work done by Yeoman Sablan by saying: "Sablan has worked hard to bring our unit up to its present level of strength."

The award was given for the excellent job in recruiting that Yeoman Sablan did during his tour of duty while serving as the reserve unit's recruiter. The award he received is not his first. He has been commended previously for his performance beyond the call of duty and was cited as the outstanding reservist in the 14th Coast Guard District.

Yeoman Sablan is clearly a man who loves his job and who places a premium on excellence. He has served as a model to his colleagues and I salute this dedicated American for serving his Nation, the Coast Guard, and his island, with dignity and pride.

One special item in his commendation caught my attention and that was a note about the great amount of time Yeoman Sablan has put into his job. This willingness to put more into one's job than normally asked is typical of men such as Yeoman Sablan and is a characteristic which puts him apart from so many others. This manner of dedication is hard on a family life, however, and we must also salute his wife, the former Rosaline Yamashita Babauta of Agat and the Sablan's two beautiful twin daughters, Rochell and Marchell and their son, Saul, for working with this outstanding serviceman to make his success possible. We on Guam are most fortunate to have a man with the qualities possessed by Yeoman Alejo Sablan and so is the Coast Guard.

At this time I request that the following article from the Pacific Crossroads be reprinted:

COAST GUARD RESERVIST RECEIVES ACHIEVEMENT MEDAL

(By PA1 Phill Mendell)

Yeoman Second Class Alejo (Al) Sablan received the Coast Guard Achievement Medal during special ceremonies held at the Reserve Unit on Naval Station recently.

Presenting the medal during all hands drill was Captain James R. Costello, Commander, Marianas Section.

Sablan was cited for outstanding achievement and superior performance of duty from January 1977 to September 1981 while serving as the Reserve unit's recruiter.

In the citation received from Rear Admiral Bernie Thompson of the Fourteenth Coast Guard District, Sablan was commended for demonstrating outstanding initiative and contributing countless hours of his personal time in recruiting members and improving the unit's recruiting program.

"Petty Officer Sablan certainly deserves the award," commented Unit Commanding Officer, LCdr. Robert E. Hahn. "Sablan has worked hard to bring our unit up to its present level of strength." The award is the second that Sablan has received. He also has been cited as the Outstanding Reservist in the Fourteenth Coast Guard District.

He is married to the former Rosaline Yamashita Babauta of Agat, and the couple have twin daughters, Rochell and Marchell, and one son, Saul.●

REAGAN AND BLACK AMERICA

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1982

● Mr. RANGEL. Mr. Speaker, I would like to commend my colleague JULIAN DIXON of California for his excellent letter to the editor which appeared in the New York Times on May 17. Entitled "Black Americans' Complaints About Reagan," the letter eloquently expresses Black America's dissatisfaction with the policies of the Reagan administration.

The problems and concerns of which Mr. DIXON speaks will not be resolved by the type of cosmetic response toward blacks which the President has practiced in the last few weeks. The simple truth is that the policies which the President is intent on pursuing hurt blacks and other minorities both economically and socially. No amount of cosmetics, no amount of PR work, will disguise that. I commend Mr. DIXON's article to you:

BLACK AMERICANS' COMPLAINTS ABOUT REAGAN

(By JULIAN C. DIXON)

TO THE EDITOR: The President, the Republican Party and apparently now even The Times (editorial May 7) believe the Reagan administration has an image problem with black Americans. Nothing could be further from the truth.

In general, blacks share the public perception of the President as a decent and sincere individual. This does not alter the deep and abiding black opposition to the substance of the Reagan program or the policies his Administration espouses.

Because of its potential significance for the fall elections, of late there has been a flurry of reports regarding Republican concern over diminishing black support and expressed views that Reagan does not care about black problems.

Representative Guy Vander Jagt, head of the Republican Congressional Campaign Committee, believes this problem is solvable: " We don't have to change our policies, but we have to change our focus. We have a lot to sell, and we haven't done a very good job of presenting those arguments to win back allegiance."

If this sounds more like a marketing strategy for a new laundry detergent than formulation of sound national policies, perhaps it explains why it has taken Mr. Reagan over two years to realize that his programs as they relate to black Americans must be reassessed.

My view is far more jaundiced than The Times' regarding the promise of recent Presidential actions, which I find largely cosmetic.

His 11th-hour endorsement of the Voting Rights Act does not warrant effusive praise. As the President himself has said, the right to vote is a fundamental one and should be

protected by law. That his support follows months of waffling, and several nebulous endorsements timed to mitigate earlier black criticism, cast serious doubt on whether this action can be considered more than political self-interest.

It is difficult to be sanguine about the establishment of a White House special assistant to monitor the effect of Administration policies on blacks and other minorities without evidence that input will be heeded.

It will take time to judge but just four days after announcing this appointment, the Administration sanctioned proposed regulations to further weaken equal employment opportunity and affirmative action guidelines by making it considereably easier to demonstrate progress in minority hiring and by making it tougher for victims of discrimination to receive judgements for back pay. And the naming of a black adviser cannot begin to correct this Administration's abysmal record on including minorities among Presidential appointments.'

Nor can it compensate for the fact that the President is refusing to meet with the Congressional Black Caucus or the Black Leadership Roundtable to discuss specific concerns about his Administration's actions. His tolerance seemingly extends only to media events or gatherings of hand-picked blacks, such as the White House visit of black Republican ministers, designed to ensure that no criticism of his Administration is heard.

Record joblessness, evisceration of Federal programs helping the poor and working families, continued high interest rates and massive redistribution of tax benefits to America's wealthy are products of the Reagan economic plan.

His gesture of visiting a black family to show concern for the racial harassment they have endured is indeed commendable. Yet it will not even begin to bridge the gap which separates the concerns of black Americans from the substance of the Reagan Administration.●

SUPPORT OF BIOMEDICAL SCIENCE PROGRAMS

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1982

● Mr. STOKES. Mr. Speaker, I wish to take this opportunity to focus your attention to a program of which I have a great deal of interest and concern. It is an effort which takes young college students, the leaders of tomorrow, and help them forge careers in many areas of the biomedical sciences. It is, in short, part of our investment in the future.

The health and vitality of our people require the constant production of scientific expertise and manpower in the biomedical sciences. It is with pleasure that I bring to your attention the minority biomedical science research program (MBRS) and the minority access to research careers program (MARC) both at the National Institutes of Health and point to their effectiveness in the development of scientific expertise in students of minority colleges and universities. The MBRS and MARC programs assist in providing the manpower to address the health concerns of all citizens of this Nation.

You have listened to me numerous times in the past as I presented the disturbing statistics that describe the health status of American minority groups. And for that reason, I need not remind you that the infant mortality rate among minority Americans is almost twice that of majority Americans. It is not necessary to state to you that the life expectancy for minority adults is some 6 to 8 years less than that of the majority population. You have heard that minority persons demonstrate higher incidences of major cardiovascular diseases, cancer, diabetes, accidents, homicides, and suicides.

Some of this disturbing health data reflect the inadequate availability of health care providers to minority groups. Several studies have shown that most members of minority groups receive health care from persons of their own ethnic background. When we look at the composition of the health care work force, we find on the average that there are some 200 majority physicians per 10,000 majority population, but only 26 black physicians per 10,000 black population. As we take a closer look, we find that less than 3 percent of the dentists are black; less than 1 percent of the optometrists are black; less than 2 percent of the osteopaths are black; less than 4 percent of the pharmacists are black. The black population, on the other hand, comprise 12 percent of our populace. Clearly, these are too few to serve so many.

Other reasons for the poorer health status of minorities are related to the need to make new discoveries about the human disease state; to gain a greater understanding of growth and development of aging and death. In other words, to advance the frontier of science such that we can conquer these human illnesses that wreak havoc on mankind. To accomplish these tasks, we must provide funds for basic biomedical research and research training. The funds that we appropriate for the MBRS and MARC programs provide those dollars to support the much needed research at minority institutions. Through the MBRS program senior researchers and students have conducted studies on such subjects as the effect of barbiturate administration on recovery from brain trauma, and the effect of selenium on liver cancer. These are significant undertakings that have the potential of benefiting each and every one of us.

May I also bring to your attention the words of Dr. Allan Bromley, the former president of the American Association for the Advancement of Science, who in a presentation at the January 1982 annual meeting of this group, issued a challenge to succeed on two major frontiers. One is that of advancing the boundary of human knowledge. The second is that of assuring sufficient resources from the Federal Government and private industry to insure the adequate continuation of research and research training in our universities. He noted that we are presently experiencing a severe shortage of mathematicians, natural scientists, and engineers. He also made the following observations:

> The number of Ph. D.'s awarded in physics and astronomy in 1980 was almost identical to the number of degrees awarded in these two subjects in 1965, and only 57 percent of the 1740 awarded in 1971.
>
> The number of Ph. D.'s employed in the United States who practice physics in 1977 was the same number employed in 1968, 18,000.
>
> In the 1979-80 academic year, a total of 86,430 foreign students were enrolled in United State's Colleges and Universities, eight times the number enrolled in 1954-55. Over 55 percent of the present foreign students are enrolled in science and technical fields.
>
> In 1980, almost half of the Ph. D.'s in engineering went to foreign citizens, 24 percent of the Ph. D.'s in physics went to foreign nationals and 23 percent of the Ph. D.'s in chemistry to foreign nationals.

In the face of the shortage manpower, American universities still do an inadequate job of attracting women and minority groups into science, mathematics, and engineering. In 1980, black students received less than 3 percent of the Ph. D.'s in science and engineering; and Hispanic and Native Americans received far less than 1 percent of the Ph. D.'s awarded in these fields.

However, I am pleased to report that the picture does not have to remain as bleak as I have painted. I predict that continued support of programs such as the MBRS and MARC will lead to a lessening of the difference in student population of minorities and majority groups, and will lead to the production of a greater number of minority scientists who can assume their responsibility for advancing the frontier of knowledge.

And in years far ahead, I look forward to the day when I will read in the printed press of the men and women whose education we have provided for will have made contributions of significance and distinction. These learned scholars will have assumed positions of eminence in our society equal to that of the late Dr. Charles Drew, the black physician who contributed so much to the preservation of blood and plasma during World War II and the late Dr. Percy Julian, one of two black members of the National Academy of Sciences.

It is for this reason that I ask for your continued support to maintain the life and vitality of these two very significant programs, MARC and

MBRS at the National Institutes of Health.●

NL'S SAYREVILLE, N.J., PLANT RECEIVES NATION'S HIGHEST ENVIRONMENTAL AWARD

HON. BERNARD J. DWYER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1982

● Mr. DWYER. Mr. Speaker, the Nation's highest award for air pollution control has been earned by a pioneering industry in the 15th Congressional District—NL Industries, Inc., of Sayreville, N.J.

This titanium pigment plant has been given the 1982 National Environmental Industry Award for Excellence in Air Pollution Control, awarded jointly by the White House Council on Environmental Quality and the Environmental Industry Council.

We can all be proud of the advancements made toward curbing air pollution, but none of us more so than those innovators and achievers like NL Industries whose efforts make it all possible.

NL Industries has achieved a 99.6-percent reduction in atmospheric emissions through a new liquid phase digestion (LPD) manufacturing procedure. This new process also allows for significant energy savings and reduces waste disposed of in the ocean.

It is important to continue to properly recognize these advancements which make such vital contributions to improving our quality of life and national health.

It is with deep appreciation and respect that I join the Council on Environmental Quality and the Environmental Industry Council in saluting NL Industries for its initiative and important role in protecting our Nation's environment.●

OUR COUNTRY NEEDS EXPORT TRADING COMPANIES

HON. STEPHEN L. NEAL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1982

● Mr. NEAL. Mr. Speaker, the American economy is struggling through some perilous times. It is hamstrung by high interest rates, major recession, and low productivity. The work force is plagued by unemployment, underemployment, and the same high interest rates. The consumer is buying sparingly, if at all, many of the basic goods that keep the economy going.

It seems to me, Mr. Speaker, that this is an ideal time to bolster overseas sales of American goods and services. The need to do so is apparent; the anticipated effect persuasive. Each $1 billion of exports, for instance, supports 32,000 American jobs. One of every three jobs in agriculture—and one of each eight jobs in manufacturing—is related to exports.

The United States used to be the marvel of the industrial world in its ability to trade overseas to its advantage. Throughout the entire 20th century—up until 1971—we enjoyed a trade surplus. Since 1971, however, we have been in surplus only 2 years. Moreover, the annual trade deficits have become large. Over the last 3 years, in fact, the annual deficits have been $34 billion, $30 billion, and $28 billion, respectively. In the first quarter of 1982, we had a deficit of $5.9 billion in the merchandise trade balance. While this was better than the $9.1 billion deficit of the preceding quarter, most of the improvement was due to an 8-percent decline in imports; exports rose only 3 percent.

Mr. Speaker, without a concentrated effort to drum up trade in foreign markets, the prognosis for American foreign trade is not particularly encouraging. Many predictions indicate that there will be slow growth in the world economy during the next 10 years. International competition will increase. I would surmise that it also will become more intense; that other governments will do even more than they are now doing to support, subsidize, and encourage their own exports. I believe, therefore, that the United States must help its producers sell overseas; and that the Congress should enact laws which establish policies to promote trade.

The Committee on Banking, Finance and Urban Affairs has developed a bill which would help accomplish that purpose. The Bank Export Services Act (H.R. 6016), has been introduced by Chairman FERNAND ST GERMAIN and is now pending before the committee. It provides for formation of Export Trading Companies, or ETC's, which would facilitate the export of goods, especially by small- and medium-sized businesses. At present, small- and medium-sized firms do not have the resources necessary to penetrate foreign markets. Only 1 percent of American businesses are responsible for 80 percent of all our exports. ETC's, by exploiting economies of scale, could provide the capital, technical expertise, and knowledge of foreign markets—which are indispensable elements of successful export trade.

In addition, H.R. 6061 would send a signal to our trading competitors of our serious intent to increase our exports.

Simply stated, the bill would permit bank holding companies to invest up to 5 percent of their capital and surplus in ETC's. Edge Act corporations could invest up to 25 percent.

Some concern has been expressed—by me and by other members of the Banking Committee—as to the amount of risk that a bank participating in an ETC should be allowed to take. The concern is well advised. The soundness of our banking community is essential to a healthy economy. I am convinced, however, that while this bill will allow enough bank participation to make ETC's profitable, it provides adequate safeguards against excessive risks to the participating banks. Their investment in ETC's would be limited to 5 percent, and Bank Holding Companies would be subjected to the lending limits between a parent and its affiliate, as specified in the Federal Reserve Act. In short, this bill would induce banks to invest in ETC's, while guarding against undue risk to our banking system.

While there is much bipartisan support for ETC's, several provisions of H.R. 6061 are still subject to debate.

Concern has been expressed that H.R. 6061 would exclude small and regional banks from participating in ETC's. To alleviate this, there has been proposed an amendment which would allow banks with less that $300 million in assets to establish export subsidiary corporations.

Other aspects of the bill still being debated include: The restriction that ETC's not use the same name as their parent bank; that ETC's not take title to goods; and that ETC's be restricted exclusively to exporting.

These issues will be thoroughly examined in hearings this month. While many feel very strongly about them, there is, I believe, a bipartisan sentiment for getting the bill passed and I am optimistic that a compromise will be reached sometime this summer.

H.R. 6016 does not include Webb-Pomerene provisions at this point, despite the importance of clearly defining their operating procedures. At present, Webb-Pomerenes are permitted to operate outside the provisions of Sherman and Clayton antitrust laws while engaging in export activity; however, many Webb-Pomerenes have been sued by the Justice Department for antitrust violations. The Committee on the Judiciary has jurisdiction over this subject matter and is looking at the Webb-Pomerene situation. We should hope that the committee will expedite its consideration so we can have a clean, strong bill.

Finally, H.R. 6016, the Bank Export Services Act, would involve no direct cost to the Government and would provide a much needed stimulus to our economy. I am optimistic, Mr. Speaker, that the bill soon will be passed out of the Banking Committee and I am here urging my colleagues to support it when it reaches the floor.●

INTRODUCTION OF VICTIMS OF CRIME COMPENSATION ACT OF 1982 AND VICTIM AND WITNESS PROTECTION AND ASSISTANCE OF 1982

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1982

● Mr. RODINO. Mr. Speaker, in 1728 B.C. the Ancient Babylonian code of Hammurabi stated:

> That when a robbery occurred and the thief was not caught, the person robbed shall set forth the particulars regarding his lost property in the presence of God, and the city and governor in whose territory and district (the crime) was committed shall make good to him his lost property.

The code also said that when a person was murdered "the city and governor shall pay one mina of silver to his people."

As we read these ancient laws and think about the history of civilization, it is almost unbelievable that in a country as advanced as ours, the Federal Government cannot find the means to help States meet the basic needs of those citizens who have suffered from criminal attacks.

It is especially disheartening when we consider that the Federal Government has spent billions of dollars helping States in the treatment of criminals.

I am introducing legislation today that will offer meaningful assistance to the innocent victims of violent crime, in hopes of correcting the growing perception that Government only cares about the criminal—and not about the law abiding citizen who has suffered at the hands of the criminal.

The two bills I am proposing will also help in the fight against crime by encouraging greater victim cooperation in the apprehension and conviction of criminals.

The Victims of Crime Compensation Act will offer financial assistance to State programs that help crime victims recover from personal injuries. The Victim and Witness Protection and Assistance Act will establish new rules of Federal criminal procedure to make our criminal justice system more sensitive to the needs of crime victims and to better protect all those who cooperate with prosecutors to convict criminals.

The Victims of Crime Compensation is identical to the bill I introduced last year, with one important exception: It would require no new Federal expenditures. This new bill would establish a crime victims compensation trust fund as set forth in legislation introduced by my colleague, Marty Russo. The fund would obtain its revenues from the current Federal excise tax on the sale of handguns. Roughly, $30 million is collected each year in handgun taxes, more than enough to fund the first year of the bill's victim compensation program, according to estimates by the Congressional Budget Office. These funds are currently being used, along with tax receipts from long guns, ammunition, and bows and arrows, to support State programs for sportsmen, such as target shooting and hunter training. It seems to me highly inappropriate to pay for hunting programs with a sales tax on handguns—when handguns have nothing to do with hunting. In fact, most law-abiding handgun owners purchase their handguns for the purpose of protecting their families from criminal attacks. These Americans are deeply concerned about crime in our country and its effect on their communities. Many of these people have gone out and bought handguns out of fear, after someone in their family or their neighborhood had been the victim of a criminal assault. I believe that these Americans would welcome diverting the handguns sales tax they pay to a fund which helps the innocent victims of violent crime.

Thirty-three States now operate programs to compensate crime victims. Unfortunately, most of these, like my home State of New Jersey, are unable to meet all the legitimate demands of crime victims in their States because of a lack of funds. My bill would simply give these States the means to help more victims, and would encourage other States to establish victims compensation programs. It would do this, not by establishing another Federal program, but by reimbursing States for 50 percent of their grants to crime victims, with the maximum Federal payment on a single grant being $25,000.

Federal funds would pay only for those personal injury expenses not covered by insurance or other means. They would not pay for a victim's property losses or for a State program's administration costs. The bill would require victims to report crimes to police within 72 hours and to cooperate with all reasonable requests by police and prosecutors in order to be eligible for compensation.

The bill also would direct States to mandate that criminals make restitution to their victims whenever the courts believe it is appropriate. This requirement reflects my firm belief that criminal wrongdoers should be responsble for the losses that they cause their victims. However, as a practical matter, restitution cannot be considered a substitute for victim compensation programs since not all offenders are caught and most who are caught are financially unable to pay restitution.

But as long as violent crime continues to threaten the peace and stability of America's families, our Government has the obligation to help those who have been victimized overcome their injuries with dignity.

The second bill I am introducing today, the Victim and Witness Protection and Assistance Act, is designed to prevent crime victims from being twice brutalized: Once by the criminal and then by an insensitive criminal justice system. This bill would make several changes in the rules of criminal procedure to better protect victims and witnesses and to provide for a more effective administration of justice in criminal cases. It would require that before a criminal is sentenced, the judge receive a report detailing the crime's impact on the victim. It also would make it a crime to tamper with a witness or retaliate against a witness because of the witness' testimony in court.

The bill would broaden Federal law regarding restitution by permitting Federal courts to order restitution in any offense, including antitrust and industrial fraud cases. This would open the door for victims of white collar crime to obtain restitution of the funds they lost to criminals. The victims of high class business scams often have their life savings wiped out, and they get little financial help after the criminal goes to jail. This bill would allow the courts to order some form of payment to these victims above and beyond the prison terms served by the white collar criminals.

The bill would also direct the Attorney General to issue guidelines for the fair treatment of victims and witnesses, as recommended by the Attorney General's Task Force on Violent Crime.

I am convinced that the Victims of Crime Compensation Act and the Victim and Witness Protection and Assistance Act will go a long way toward reversing the growing alienation in society toward or criminal justice system. I urge my colleagues to work with me to enact these measures, which could help prevent future Americans from being victimized.●

H.R. 6068—THE INTELLIGENCE AUTHORIZATION ACT

HON. JAMES A. COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1982

● Mr. COURTER. Mr. Speaker, on May 19, the House approved an extremely important piece of legislation affecting our national security. The bill, H.R. 6068, known as the Intelligence Authorization Act of 1983, will provide the requisite funds for our Nation to enhance our strategic and military intelligence capabilities, as well as providing for the brave personnel of these agencies.

As our Nation has learned through prior mistakes, one of the most important aspects of our Nation's national security is its intelligence capabilities. In the past several years, our Nation has suffered from self-inflicted wounds to our national intelligence apparatus. Under the Reagan administration, a revitalized attempt to upgrade our intelligence capabilities has begun. In order that our Nation is always prepared and never misjudges real or potential adversaries, we must have the finest intelligence agencies in the world. The funds contained in this legislation are geared to provide this requirement.

Though I sincerely regret that I could not be present for this important vote, I would like to state that I strongly support its passage by an overwhelming number of my colleagues in the House of Representatives.

Thank you, Mr. Speaker.●

UKRAINIAN INDEPENDENCE DAY, BOSTON 1982

HON. BRIAN J. DONNELLY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1982

● Mr. DONNELLY. Mr. Speaker, the Boston chapter of the Ukrainian Congress Committee has asked that I insert several articles dealing with their commemoration of Ukrainian Independence Day this past January 22. I am more than happy to comply with this request, and I insert a narrative of the Boston anniversary written by Mr. Orest Szczudluk, as well as a resolution adopted by the Boston Ukrainian American community, at this point in the RECORD:

ANNIVERSARY OF UKRAINE'S INDEPENDENCE IN BOSTON

(By Orest Szczudluk)

BOSTON, MASS.—The 64th anniversary of Ukraine's independence was commemorated here with two programs. January 22, 1982, was also designated as "Ukrainian Independence Day" in Massachusetts and in Boston.

UKRAINIAN NATIONAL FLAG AT CITY HALL PLAZA

On January 22, 1982, over 150 people braved the frosty weather by attending a program at Boston City Hall Plaza. Orest Szczudluk, president of the Boston Chapter of the Ukrainian Congress Committee, opened the program and introduced attorney Robert B. Zozula as master of ceremonies. Mr. Zozula stated briefly the purpose of the observance and asked that the Ukrainian national flag be raised. Very Rev. Mykola Newmerzyckyj, pastor of the St. Andrew Ukrainian Orthodox Church, gave the invocation. Maria Hapij read Major White's proclamation and Oksana Mykytyn read Boston City Council's resolutions. Irene Kwasnij gave a very spirited talk about the Ukrainian people's struggle for national independence from 1918 to the present.

Councilor Frederick C. Langone, an old friend of the Boston Ukrainian community, greeted the assembled on behalf of the City of Boston.

Greetings and statements of support for the cause of the national independence of the Ukrainian people and all captive nations were extended by: Alexander J. Chaplik, president of the Lithuanian American Council of Boston; Sylvester Lambergs, chairman of the Latvian Heritage Foundation; Dr. Boguslav Lipinski, representing Support of Solidarity; Lajos Masszi, president of the Hungarian Society of Massachusetts and Isabel Rivero-Arguelles, secretary of the Facts About Cuba.

Congressman Brian J. Donnelly (D., Mass.) co-chairman of the Ad Hoc Congressional Committee on the Baltic States and Ukraine, sent a message of "support you your noble and just cause, that of an independent Ukraine once again." Present were also attorney Marty Foster, representing Cong. John J. Moakley's office and Earle W. Tuttle, editor and publisher of THE TRUTH, a new quarterly which concerns with issues pertaining to captive nations.

The program was concluded by benediction, offered by Very Rev. Peter Ohirko, pastor of the Christ The King Ukrainian Catholic Church.

COMMEMORATIVE PROGRAM

On Sunday, January 24, 1982, prayers for the freedom of the Ukrainian people were offered in both Ukrainian Catholic and Orthodox Churches.

The commemorative program was held at the St. Andrew Ukrainian Orthodox Church hall. After singing of the American national anthem by Olga Baryski and Eugene Moroz, with Miroslav Vintoniv at the piano, Orest Szczudluk opened the program and introduced Romanna Michajliw, head educational counsellor of the Ukrainian American Youth Association in Boston, who delivered the principal address. Mrs. Michajliw stressed the importance of the Acts of Proclamation of the Ukrainian States on January 22, 1918/19, March 15, 1939 and June 30, 1941, because those acts underscored the determination of the Ukrainian people to live in an independent and sovereign Ukrainian State.

Christine Michajliw read Governor Edward J. King's proclamation and Roxanne Szczudluk recited the resolutions passed by the Boston City Council. The younger members of the Ukrainian American Youth Association, under the direction of Olga Baryski, performed three songs, two of them on instruments. The same youth, under the direction of Maria Hapij, danced two Ukrainian folk dances. Larissa Diak and Eugene Moroz each rendered two songs, with Mr. Vintoniv on the piano. In addition, Miroslav Vitoniv rendered two musical scores on the piano.

Upon Mr. Szczudluk's recommendation, the assembled adopted resolutions, urging President Ronald Reagan to take political and economic sanctions against the Soviet Union not only in regard to Poland but also to Ukraine and all captive nations; authorize the U.S. delegations to the Madrid conference and the United Nations to take up the issue of national and human rights in Ukraine and in all captive nations; to use the power of the Office of the U.S. Presidency to appeal to the Soviet government to release Yuriy Shukhevych, Mykola Rudenko, Vyacheslav Chornovil, Lev Lukianenko and hundreds of other Ukrainian political prisoners from Communist Russian jails and concentration camps.

Copies of the resolutions were sent to President Reagan, Secretary of State Alexander M. Haig, Members of the Massachusetts Congressional delegation.

The concluding remarks were given by Volodymyr Fedoriw Boston UCCA's program director, who was also master of ceremony. The program was concluded with the singing of the Ukrainian national anthem.

RESOLUTIONS

Whereas, January 22, 1982, was observed as "Ukrainian Independence Day" in Massachusetts and in Boston, and the Ukrainian national flag was flown at the Boston City Hall Plaza; and

Whereas, the Ukrainian people could not observe this anniversary freely, because Ukraine is a captive country in the Soviet Russian colonial empire; and

Whereas, the Ukrainian people continue to struggle for full national independence and sovereignty, as attested to by writings, memoranda, appeals, trials and sentences of Ukrainian patriots by the Soviet Government in the present-day Ukraine

Now, therefore, we, Americans of Ukrainian descent, who assembled at the commemorative observance of the 64th anniversary of Ukraine's independence in Boston, Massachusetts, on January 24, 1982, do hereby resolve:

1. We support the Ukrainian people in their struggle to re-establish an independent and sovereign Ukrainian state, to which they are rightfully entitled under God's law and many international covenants.

2. We support the right of all captive nations in the Communist Russian colonial empire and under Communist Russian influence to national independence and sovereignty, as stated in the Captive Nations Week Resolution of July 17, 1959—Ukraine, Lithuania, Latvia, Estonia, Byelorussia, Armenia, Kazakhstan, Poland, Hungary, Slovakia, Czechia, Romania, Cuba, Afghanistan, Vietnam, and others.

3. We support President Ronald Reagan's economic sanctions against the Soviet Union in regard to its imperialistic policies in Poland and urge him to keep them in force until national and human rights are restored not only in Poland but also in Ukraine, Latvia, Lithuania, Estonia, Byelorussia, Hungary, Armenia, Afghanistan, Cuba, Vietnam, Georgia, Kazakhstan, and in all captive countries.

4. We call upon President Ronald Reagan to authorize the United States delegation to the forthcoming conference on the Helsinki Accords in Madrid to take up the issue of freedom and independence for Ukraine and all captive nations at the conference.

5. We call upon President Ronald Reagan to authorize the United States delegation to the United Nations to take up at the United Nations the issue of the decolonization of the Soviet Colonial Empire.

6. We call upon the United States Government to cancel all the trade agreements with the Soviet Union, because the Soviet economy is built on the exploitation of the captive peoples.

7. We call upon the United States Government and Congress to continue to fund Voice of America and Radio Free Europe; and to expose the Soviet Russian imperialistic policies in Ukraine, in all captive nations and throughout the world.

8. We appeal to President Ronald Reagan to use the power of the Office of the United States Presidency to appeal to the Soviet Government to release all Ukrainian political prisoners from Communist jails and concentration camps; among them—Yuriy Shukhevych, Mykola Rudenko, Oksana Meshko, Ivan Hel, Lev Lukianenko, Oles Berdnyk, Petro Sichko, Rev. Wasyl Romaniuk, Vyacheslav Chornovil, Josf Terelya, Oleksiy Tykhyi, and hundreds of others.

9. We authorize the Executive Committee of the Boston Chapter of the Ukrainian Congress Committee of America to send a copy of these resolutions to: President Ronald Reagan, Secretary of State Alexander M. Haig and Members of the Massachusetts Congressional delegation.●

ANDY JACOBS TO BILL PALEY ON ED ASNER

HON. FORTNEY H. (Pete) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1982

● Mr. STARK. Mr. Speaker, our colleague from Indiana (Mr. JACOBS) has a fresh and effective way with words. No matter what the issue, ANDY JACOBS is quick to draw the right phrase and make us think, "I wish I had said that."

He has done it again with a letter he sent May 13 to William Paley of CBS. The subject is the recent CBS decision to cancel Ed Asner's television program "Lou Grant," described by JACOBS as "so elevating that ratings concerning it seem no more important than ratings concerning CBS news."

The Asner show grappled with relevant social issues and now CBS has decided to end it. As our colleague points out in his letter, reprinted below, CBS has a knack for wasting shows that relieve the great wasteland.

HOUSE OF REPRESENTATIVES,
Washington, D.C., May 13, 1982.

WILLIAM PALEY,
President, CBS
New York, N.Y.

DEAR MR. PALEY: Why must it always be CBS?

You wouldn't cover the China hearings and Fred Friendly resigned. CBS viewers watched Lucy for the millionth time as the world and its largest nation passed them by.

When the Smothers Brothers tried to help us laugh our tears away about the tragedy of our foolish involvement in Southeast Asia, they were dismissed by CBS.

When Edward R. Murrow did what he could to bring sanity to the moments of McCarthy madness, CBS hesitated.

And now Mr. Ed Asner. Whether Mr. Asner is right or wrong in his political advocacy of medical aid for one side of the civil war in El Salvador, his television program is of the finest quality, so elevating that ratings concerning it seem no more important than ratings concerning CBS news.

An artist's biography does not change the intrinsic value of the art. And not only CBS, but also our country is the poorer for your acquiescence to unreasonable political and economic pressure to deprive Mr. Asner of his livelihood and the nation of his refreshing art.

"Courage," my mother says, "is fear that has said its prayers." Pray God CBS can learn to pray.

Sincerely,

ANDY JACOBS, Jr.●

EASTERN CONNECTICUT'S OUTSTANDING SCORE VOLUNTEER

HON. SAM GEJDENSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1982

● Mr. GEJDENSON. Mr. Speaker, last week was proclaimed National Small Business Week so that we can show our due appreciation to the men and women who employ millions of Americans, who provide the innovation needed to fuel our production capacity, and who comprise the basic structure for economic growth.

In the spirit of this special week, I would like to call my colleagues' attention to Mr. Edward McCloy, a resident of Uncasville, Conn., who gives his total energy and talents to the betterment of his fellow man, his community and society.

As chairman of the SCORE/ACE chapter in Norwich, Mr. McCloy heads a group of retired and active business owners who volunteer their services to residents of eastern Connecticut. The SCORE/ACE team offers, on a continuing basis, the background experience and technical know-how needed to assist owner-managers of small businesses in identifying basic management problems and their causes. With the help of these volunteers, businessmen are able to develop solutions and to achieve efficient, profitable business operations.

In addition to his outstanding services as chairman of SCORE/ACE, Mr. McCloy conducts workshops, on a monthly basis, at Mohegan Community College. These workshops deal with topics of interest to the area's small business, and several hundreds of people have benefited from his effort.

After a career in the armed services, Mr. McCloy retired as colonel, USAF, in 1965. Since his retirement, he has pursued a long and meritorious record of service to the community. In addition to his work with the SCORE/ACE chapter, Mr. McCloy serves as Selectman in the town of Montville, Conn.; he is a member of the Board of Directors of the Southeastern Connecticut Tourism District; he is on the Board of Directors of the Community Service Credit Union in Groton, Conn.; he is active with the Easter Seals Society.

Edward McCloy's contributions to the small business community—and indeed to all residents of eastern Connecticut—are immeasurable. Small business is characterized by service and progress, both of which are exemplified by the work of this outstanding citizen.●

THE SLAYING OF THE RELIGIOUS WORKERS IN EL SALVADOR: STILL NO JUSTICE

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1982

● Mr. GARCIA. Mr. Speaker, recent disclosure by the State Department that there is not enough evidence to solve the murders of the four American religious workers in El Salvador is indicative of the kind of problems still present in that country. I realize that El Salvador is trying to pull itself out of a state of political and economic chaos. I also realize that investigative techniques are not as sophisticated in El Salvador as they are in this country, and that even with FBI help there may be difficulties in solving this case. I am also aware that the Salvadoran judicial system does not function the same as ours.

But it has been 18 months since the women were killed. The families of the victims, and all Americans, are still waiting to see that justice is served. There is no excuse for this lengthy delay. Justice must be served, and it will not be served unless the U.S. Government exerts pressure on Salvadoran officials to resolve this case quickly and judiciously.

Apparently, Judge Bernardo Rauda Murcia, who is handling the case for the Salvadoran Government, has called for further legal review, indicating that a trial may eventually take place. That's fine, but I understand that it will be several months before any such trial would occur.

This entire process is being dragged on and on. The families of these women have been left hanging. Congress has been given the runaround, and the United States is still giving millions of dollars to the faltering Salvadoran military and security forces. I cannot sanction this kind of action on the part of my Government, nor do I accept the excess of excuses offered by the Salvadoran Government for its inability to see that justice is served.

What disturbs me even more is the recent failure of Congress to renew strict conditions on Salvador for receiving military aid. By forgoing strict conditions, the United States is severely limiting its leverage with the Salvadoran Government in seeing that they resolve this case.

We have exponentially increased military assistance to El Salvador since the 1979 coup. The only positive transformations that have occurred since that time are a stalled land reform program and the recent elections, and both of these successes are severely limited.

Over 80 Salvadoran military and security personnel were in the area when the slayings occurred. Yet, the progress in solving this case, as I have repeated, has been remarkably slow. But we still continue to allocate funds for military assistance without preconditions, despite this lack of progress.

Our Nation is suffering from severe economic problems. The poor of this country are being forced to bear the burden of cutbacks in social assistance programs. The administration, however, still requests more military aid for El Salvador, throwing good money after bad. We must be more prudent with military aid we offer to El Salvador or to any other country. I also believe the only real assistance we can offer the Salvadoran people is economic, but if the administration is adamant about sending military aid to El Salvador, should not that aid at least be conditioned on the Salvadoran Government resolving the murders of the four churchwomen? I am convinced it should.●

HMO RESCUE: A LOSING PROPOSITION

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1982

● Mr. McDONALD. Mr. Speaker, of particular interest during consideration of the 1983 budget is the following article written by Hans Sennholz, Ph. D., in the April 1982 issue of Private Practice. Dr. Sennholz relates the current trend toward reduced Government involvement in the financing of health maintenance organizations (HMO's) and also raises serious questions about the ability of HMO's to successfully accomplish the purpose for which they were instituted; namely, to restrain rising medical costs.

Since the Health Maintenance Organization Act was passed by Congress in 1973, the Federal Government has awarded some 617 grants, 81 direct loans, and 4 loan guarantees to HMO's. Of the 120 HMO's which currently meet Federal qualification standards, only 28 have received no Federal assistance. It should be noted that the Government has already lost over $193 million in defaulted loans from HMO's which have gone out of business.

In addition, in 1978 the General Accounting Office issued a report which stated that out of 14 HMO's examined, only 3 were determined to have a good chance of achieving financial independence before the end of their eligibility period to receive Government aid.

As the Federal Government is facing unprecedented budget deficits and concern is increasing about the need to limit Federal expenditures, the time has come to end the Government's financial stake in the experiment of health maintenance organizations and allow HMO's to succeed or fail on their own merit. I commend to the attention of my colleagues the following article:

HMO Rescue: A Losing Proposition

(By Hans Sennholz, Ph. D.)

Health maintenance organizations (HMOs) are falling on hard times. The federal government is now trying to extricate itself from the expenses and controversies of this modern concept in health care. It slashed some $30 million from 1982 HMO appropriations and probably will eliminate the remaining $70 million from future budgets. By 1983, just 10 years after the Health Maintenance Organization Act created the federal program and provided the seed money for a large number of HMOs, this chapter of government experimentation may draw to a close.

Whether supported or opposed, this particular federal venture in medical care is one of the many expensive transfer systems that seize income and wealth from productive taxpayers and inflation victims. Inflation victims should not be overlooked as transfer victims since the federal government dispensing HMO funds is appropriating primarily red-ink funds. In each year of HMO existence, the government suffered huge deficits that needed to be monetized in order to meet the expenses. Therefore, the federal HMO program is seen as one of many deficit programs that have given the 1970s its most conspicuous characteristics—rampant inflation.

HMOs must brace for lean years ahead. As the government begins withdrawing its financial support to get its deficit spending under control, many HMOs will be forced to close. Unless private sponsors come to their rescue, the future of all HMOs may be in question since spending could rage on, causing inflation to accelerate again. The inevitable economic decline will paralyze all phases and aspects of health care and cast serious doubt on HMOs.

In terms of purchasing power after inflation and taxation, American wages have declined some 15 percent since 1977, according to the U.S. Bureau of Labor Statistics. If it had not been for massive federal expenditures for Medicare, Medicaid and other programs, the health-care industry would have suffered serious declines in income and employment. Its condition now depends primarily on the continuation of federal largess. But the economic decline sooner or later necessitates federal spending cuts.

With the handwriting on the wall, many HMOs are scrambling for private sponsors and supporters. They are seeking rescue especially from a few, large tax-exempt or investor-owned national companies that are dominating the field: Kaiser Foundation Health Plan, Oakland, Calif.; Blue Cross and Blue Shield Association, Chicago; INA Health Plans, Inc., Philadelphia; Prudential Insurance Co., Newark, N.J.; Connecticut General, Hartford, Conn.; and Wausau Insurance Co., Milwaukee. In the state of Michigan, which is lingering in a deep economic depression, the Blue Cross and Blue Shield Association (BCBS) is spending big money on local HMOs.

It is not surprising the Michigan Blues, whose share in the state's health-care market has been falling steadily and whose underwriting losses continue to mount, are reaching for the straw of the HMOs. They could be making a mistake that will compound their losses and accelerate their decline. The HMOs they are acquiring for millions of dollars are high-cost and economy-class service operations that are unlikely to enhance the competitive position of the parent company.

If third-party involvement in medical care is inefficient and costly, a fourth party participation makes matters worse. But that's precisely what the Blues are doing in buying up local HMOs.

The phenomenal rise in the costs of medical services in recent years can be attributed primarily to the removal of restraints on demand and the appearance of third parties carrying the costs. Whenever individual demand for a valuable service is no longer limited by individual costs and sacrifice, the demand tends to be unlimited. Economists speak of "free goods" that are not subject to society's economizing efforts. The third party, called upon to meet the rising demand, must receive a remuneration sufficient to cover its own costs and include a pecuniary incentive for providing the service. Altogether the soaring demands and the third-party expenses are causing medical care to become extraordinarily expensive.

The third parties now are calling on fourth parties to help reduce the soaring costs. BCBS is spending millions of dollars on HMOs that promise to render medical services at bargain prices. But the HMO itself is an administrative organization that incurs additional costs. Closed-panel HMOs are run by professional managers who require payment. They determine the working hours and working conditions of the medical staff, the doctors' pay and fringe benefits and stipulate the number of patients who must be treated every day. The salaried-staff physicians, in turn, begin to engage in collective bargaining with management and often resort to union policies to enforce their demands.

In some HMOs, the doctors may have a direct stake in the operation and earn shares of HMO revenue. Many times the "conflict of interest" theory comes into play.

There is only one way for HMOs to reduce expenses—reduce the service. When BCBS of Michigan spends $10 million to acquire HMOs in Lansing, Saginaw and Detroit and commits $2 million more to the Grand Rapids HMO alone, it expects more than $12 million in future cost reductions. HMO administrative expenses constitute additional costs that also must be offset by service reductions. It is very doubtful that the HMO as a fourth party is capable of enhancing the competitive position of the third party.

The private sponsors of HMOs seem to overlook the essential differences between government-support HMOs and privately sponsored, prepaid health plans. A government plan obscures the multiplicity of costs covered by millions of taxpayers and inflation victims. A private plan needs to be self-supporting and regenerating in order to assure its survival. A million dollars granted by the federal government may be spent without pain. But the same amount granted by private sponsors must be retrieved from the payments or withholdings of many thousands of covered members. The former is a gift that is enjoyed by its beneficiaries;

the latter is a price paid by customers who are buying medical services in a competitive market. If, in their judgment, the price is excessive for the given services, they will turn to other insurers. The beneficiaries of the gift are not likely to be very critical of the giver, although they are always eager to receive more. But the subscriber-customer is always cost-conscious and searching for better services at lower prices. Thus, the subscriber-customer wants to allocate health-care dollars to the most efficient producer.

One Rescue Mission Fails

Michigan Master Health Plan, a health maintenance organization (HMO) based in Pontiac, Mich., filed for bankruptcy in February.

An independent practice association with 18,000 members, the plan had $5.6 million in debts. Approximately $3.5 million was owed to physicians, numbering 900, who had contracts with the HMO.

The organization went out of business less than two years after it opened and only two months after Blue Cross Blue Shield of Michigan made a rescue attempt by assuming the administration of the plan.

Before Blue Cross Blue Shield, the HMO was part of Medserco of St. Louis, Mo.●

ANN LANDERS ON NUCLEAR WAR

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1982

● Mr. DOWNEY. Mr. Speaker, yesterday the columnist Ann Landers wrote a response to a concerned reader, in which she urged everyone to write to President Reagan urging that we reverse our present lemming-like rush to the brink of nuclear annihilation, and that we stop wrecking our economy in the service of that enterprise. She concluded: "Do it today. Nothing on your calendar can be more important."

Well, it may be I disagree with Ms. Landers a little bit. For anyone concerned about nuclear war, the most important date on your calendar is not the day you write the President. It is the day in November 1984, when you pick the next President and the Congress that will serve with him. And the second most important day is in November of this year, when you decide who will be in Congress to make the decisions on war and peace over the next 2 years. What you do on those 2 days, and on the days leading up to them, may well determine whether you and I and our families live or die.

Setting this aside, her column was magnificent, and I am going to insert it in the Record at the conclusion of my remarks. I recognize that by doing so I will provoke a certain number of letters and phone calls to my office, making disparaging reference to allowing nuclear policy to be set by an advice-to-the-lovelorn columnist. So this is what I have to say about that:

I know the value of expertise. For my part, I have probably calculated and published at least as many hard target kill probabilities as anybody here or in the other body. I know the yield, accuracy, throw weight, alert rate, MIRV loading, and so forth of all major United States and Soviet systems at least as well as any other elected official around.

I also know the limits of expertise.

It was the experts who gave us MIRV, thus bringing us closer to war and creating the Minuteman vulnerability problem they now groan and moan about with such passion. It was the experts who developed the entire concept of strategic counterforce, probably the most likely cause of nuclear war in the world today. It was the experts who supported the Presidential candidate who now brings us closer to war by refusing to ratify SALT II. It was an expert in this administration who said we will all make it through a nuclear war if there are enough shovels to go around. It is the experts who seem to devote their most serious efforts to encouraging Soviet aggression by proclaiming imagined and nonexistent U.S. military weakness. It is the experts who are preparing to take us a giant step closer to the brink by giving us silo-killing SLBM's to which they may in time add depressed trajectories and space weapons—if there is anyone left to build anything by then.

So, yes, Ann Landers misstates the yield on the new nuclear warheads, and she oversimplifies counterpopulation effects to the point of misstatement. No matter. Her counsel is more fundamentally sound than that of the experts who have brought the probability of nuclear war to its present dismal state.

[From the Washington Post, May 17, 1982]

Ann Landers

Dear Ann Landers:

Can you stand another letter about the woman who didn't know whether to leave her gold crowns to relatives when she dies, for fear she might need them when she returns to life for the resurrection?

If the two strongest nations in the world, the United States and Russia, don't agree to put a freeze on nuclear weapons she won't have to worry about her teeth or anything else because they will be vaporized in a matter of minutes—along with millions of people.

Talk about a limited nuclear war and plans for civilian defense are insane. It would be impossible to evacuate the cities. Where would people go? What would they eat? What would they drink? Who would take care of them? The physicians and hospitals would be blown to smithereens.

You are more than an advice-to-the-lovelorn columnist, Ann Landers. You mold public opinion. People believe in you. For the love of mankind and its survival, please address yourself to this issue.—Terrified in D.C.

Dear Terrified:

Thank you for writing about a subject that is plaguing us all.

Dr. James E. Muller of the Harvard Medical School said, "The horror of nuclear war is so great that many people choose to deny it exists.

"An all-out attack on the United States could kill as many as 150 million Americans. Their immune systems, weakened by radiation, would succumb to fatal diseases. At least 80 percent of the doctors would be incinerated."

As the Rev. Theodore Hesburgh said at the a peace rally, "The living would envy the dead."

The New Republic pointed out in a recent editorial that the global arms budget for all countries is now $550 billion a year. About $100 billion is earmarked for nuclear weapons. When one considers that $500 billion equals the entire annual income of the poorer half of the earth's 4 billion people, one begins to grasp the magnitude of that expenditure. Meanwhile, we are cutting programs that benefit the elderly, the handicapped and the poor. More cheery news: Our Secretary of the Treasury Donald Regan says, "Our economy is dead in the water."

The standard reference is the Hiroshima bomb. It destroyed the city with the equivalent of 12,500 tons of TNT. (This is 12.5 kilotons.) The newest nuclear bomb is not measured in kilotons, but megatons. The yield would be equivalent to approximately 12 million one-ton trucks filled with TNT.

The Poseidon submarine carries 16 missiles, each with 10 warheads. Each warhead has three times the explosive force of that single bomb dropped on Hiroshima. We can already kill every Russian seven times. Now we are trying to build our arms supply so we can kill each Russian 14 times. The United States and other major powers are spending themselves broke on a war we dare not let happen.

Jonathan Schnell wrote in The New Yorker, "The machinery of destruction is in place, poised on a hair-trigger, waiting for the button to be pushed by some misguided or deranged human, or for some faulty computer chip to send out the instructions to fire."

I implore every person to sign his or her name across this column and mail it to President Ronald Reagan, the White House, Washington, D.C. An overwhelming response might prevent a nuclear holocaust that would mean the end of all life on this planet. Do it TODAY. Nothing on your calendar can be more important.●

RESOURCES URGENTLY NEEDED FOR DRUG AGENCIES

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1982

● Mr. GILMAN. Mr. Speaker, one major issue that has not received enough attention during the battle over the budget is the urgency for funding our Nation's war on drug traffickers and drug abuse. This issue must be elevated to a top priority within the Oval Office and the Congress and we must address the need to provide sufficient funds to combat our Nation's drug problems.

At a time when drug law enforcement officials throughout the world are reporting massive seizures of heroin, cocaine, marihuana, quaaludes, and other dangerous drugs by the planeload and the boatload, this administration has yet to fully commit itself to combating the drug problem. Our Nation cannot rely, as some contend, primarily on volunteers to reduce the supply and demand for drugs. A Federal drug strategy will not succeed if it focuses primarily on drug prevention, at the expense of the other three critical drug supply and reduction foundation blocs: Law enforcement, drug treatment and rehabilitation.

Furthermore, a national drug strategy will fail if it focuses primary attention upon a single drug of abuse, such as marihuana, while failing to recognize that many of our citizens are polydrug abusers.

A drug strategy will fail if it singles out one age group of drug abusers, such as youngsters, while failing to recognize that drug abuse adversely affects the health of all our citizens: The young and the elderly, the rich and the poor, individuals from all sectors of society.

A national drug strategy will fail if we do not intensify our efforts to raise the consciousness of the public regarding the dangers of drug abuse and if we do not back up our well-intentioned words with an intensified commitment to wage war on the drug problem by providing the funds needed for effective law enforcement and to meet the needs of our drug demand reduction agencies.

A strategy built upon the well-intentioned efforts of volunteers to prevent drug abuse, while cutting back on urgently needed equipment and professional personnel in the areas of law enforcement, prevention, treatment, and rehabilitation is a strategy built upon sand.

After 16 months in office, this administration still does not have a comprehensive, coordinated Federal drug strategy, a strategy committed to eradicating the illicit production of drugs at their sources, to interdicting the drug traffickers, to raising the consciousness of our citizens regarding the dangers of drug abuse, and to treating and rehabilitating those individuals who are dependent upon drugs.

At a time when the Golden Triangle of Burma, Laos, and Thailand produced an estimated 600 metric tons of opium in 1981 compared to the estimated 170 metric tons produced during 1979, when Afghanistan, Iran, and Pakistan produced approximately 675 metric tons of opium, when Mexico produced more than 10 tons of opium annually, when Lebanon, Pakistan, Morocco, and other Middle East nations produced an estimated 970 tons of hashish, and when between 40 to 48 metric tons of cocaine and between 9,500 and 14,000 metric tons of marihuana were imported annually into the United States, the administration has been cutting back on allocations of equipment, personnel, and resources for our various drug agencies.

During the first 6 months of fiscal year 1982, our drug law enforcement agencies seized more than 207 pounds of heroin with a street value exceeding $131 million, compared to the 269 pounds of herion valued at more than $166 million during the entire fiscal year 1980. More cocaine was seized by our law enforcement agencies during the first half of fiscal year 1982 than for the entire 12 months of either fiscal year 1980 or fiscal 1981. Over 5,500 pounds of cocaine were seized in fiscal year 1982, compared to the more than 4,700 pounds of cocaine seized in fiscal year 1981. The 56,691 pounds of hashish seized by our law enforcement agencies during the first half of fiscal year 1982 far exceeds the combined seizures of 32,666 pounds of hashish for fiscal year 1981 and 1982. During fiscal year 1981, law enforcement agencies seized more than 5.1 million pounds of marihuana with a street value of $3.1 billion, compared to the nearly 2.4 million pounds of marihuana seized for fiscal year 1980. Furthermore, intelligence reports predict that 8,800 pounds of heroin, nearly 92,000 pounds of cocaine approximately 28.6 million pounds of marihuana will be smuggled into the United States during 1982. Against that background, the U.S. Customs Service will be cut from a force of 15,065 to a proposed force of 12,120 for fiscal year 1983, and the Coast Guard's budget will be reduced by more than half a billion dollars: From $2.512 million for 1982 to a proposed $1.998 million for 1983.

At a time when increased numbers of our citizens are succumbing to drug overdose and are being reported to hospital emergency rooms, the National Institute on Drug Abuse (NIDA), our lead Federal drug demand reduction agency, has been reduced from a budget of $244 million in 1981 to a proposed $60 million for 1982. Its national leadership role in the fields of drug prevention, treatment and rehabilitation has been gutted. NIDA has been reduced to primarily a research agency whose research budget has been effectively reduced by 25 percent and whose mission is to participate in administrating alcohol, drug abuse, and mental health block grants to the States. It no longer provides necessary resources for drug prevention, treatment, and rehabilitation initiatives; it no longer has the resources to respond to requests for assistance in the areas of prevention, treatment, and rehabilitation.

On November 19, 1981, Dr. William Mayer, Administrator of the Alcohol, Drug Abuse, and Mental Health Administration, appeared before our Narcotics Select Committee, of which I am a member, and stated:

> NIDA will continue to disseminate public information and sponsor programs of active discouragement of drug misuse and abuse, following hard on the heels of a nationwide media campaign involving many, many voluntary community groups throughout the Nation.

Mr. Speaker, how will NIDA fulfill this function when the production of NIDA brochures and research monographs have already been severely curtailed?

Dr. Mayer further states:

> We will be launching a nationwide media campaign directly, explicitly, no holds barred, directed toward the use of pot and directed at the youngsters. . . .

Six months later, I am at a loss to see this nationwide drug media campaign, let alone one that is narrowly directed at a single drug, marihuana, and targeted to a single group of drug abusers, youngsters. Where is this mass media drug campaign that was to be viewed on our television sets, aired on our radios and advertised in newspapers, magazines, and other periodicals? Where is our comprehensive, coordinated Federal drug strategy?

As a member of the Narcotics Select Committee and the Foreign Affairs Committee that held separate hearings on different aspects of the drug problem, I can assure my colleagues that drug trafficking and drug abuse both in this Nation and abroad is not getting any better; rather, the situation is getting worse for every region of the world, and the problem is not going to go away today or tomorrow. Fighting drug abuse is a never-ending battle. It is a cancer eroding our society, contributing to a massive underground economy, corrupting public officials, and causing suffering to citizens from every sector of society. An endless wave of illicit drugs is inundating our shores.

Unless we elevate drug trafficking and drug abuse to a top priority on our national agenda, we will develop a society whose political, economic, and social institutions will be corrupted and whose citizens will become increasingly dependent upon drugs as a way of life. It does not make much sense authorizing sophisticated military equipment if our combat troops are strung out on drugs, if the tank gunner or air crewman cannot operate his equipment because he is high on drugs. What is the sense in developing a national drug strategy if our law enforcement agencies do not have the wherewithal * * * the equipment, personnel, and resources to interdict drug traffickers, if NIDA is reduced to administering block grants to the States, and if our citizens will be unable to obtain brochures on drug trafficking and drug abuse?

The drug problem has reached epidemic proportions, but senior administration officials apparently do not perceive that we have a drug epidemic, that we must marshal our resources, equipment, and personnel to combat this deadly menace. We have a crisis comparable to the deplorable state of our economy with its unacceptably high levels of unemployment and high interest rates. This is a crisis and it requires crisis management, a war room strategy and the commitment of our Nation to devote its resources, personnel, and technology to combat the scourge that plagues all mankind.

Mr. Speaker, the administration has undertaken some positive initiatives to combat drug trafficking and drug abuse, such as the south Florida drug task force, headed by our Vice President, and by the efforts of the First Lady whose visits to drug treatment centers have focused attention on the drug problem. Legislation relaxing posse comitatus restrictions on the use of military bases and equipment and the repeal of the Percy amendment prohibiting foreign assistance to nations conducting herbicidal spraying of marihuana fields are vital weapons in this Nation's arsenal to combat drug trafficking.

The south Florida drug task force is to be commended for its efforts to plug a major hole through which so much illicit drugs reach our shores. The task force plays an important role in our efforts to combat drug trafficking. Unfortunately, vital resources are being diverted to that area, leaving other regions exposed to the shifting trafficking patterns of the highly organized and well-financed drug traffickers. The drug task force should be an ongoing operation not only in Florida but throughout our country and they should be backed up with sufficient equipment and personnel to perform their mission.

But rather than adopt a "borrow-from-Peter-to-pay-Paul" drug strategy, our drug policymakers and budgeteers must recognize that drug trafficking and drug abuse constitutes a clear and present danger to our society and to the international community requiring adequate equipment, personnel, and resources to contain an estimated $90 billion illicit activity that undermines the political, economic, and social foundations of our society. Against this illicit drug activity, it is estimated that the administration proposes to spend far less than the estimated $900 million that was spent by previous administrations to control drug trafficking, to prevent drug abuse, and to treat and rehabilitate individuals victimized by drugs.

Mr. Speaker, it is pathetic that the south Florida task force must draw upon at least five major Coast Guard vessels from the Northeast, New York, mid-Atlantic regions, thereby reducing the number of vessels available in those regions for patrolling the high seas and waters over which the United States has jurisdiction. It is sad that our policymakers and budgeteers are not planning to beef up the Coast Guard whose present resources do not permit it to completely choke off seaborne drug trafficking through the Caribbean passes, but instead are proposing to reduce the Coast Guard's budget by more than half a billion dollars. It is pathetic that the south Florida task force does not have the funds to purchase the needed 16 automobiles, 21 portable radios, 5 shotguns, 5 binoculars and other basic equipment but had to borrow that equipment from the New York region.

A comprehensive, coordinated Federal drug strategy buttressed by an infusion of additional equipment, personnel, resources is urgently needed . . . and needed now. The formulation of such a drug strategy requires the attention of the Chief Executive and his senior associates.

As a member of the House Foreign Affairs Committee, I was pleased to have been able to recently support a $42.5 million authorization for the State Department's international narcotics control program, an increase of $2.5 million over the administration's request, and to support passage of H.R. 5922, the Urgent Supplemental Appropriations Act of 1982, providing a supplemental authorization of $48 million for the Coast Guard. But much more resources are needed if our drug agencies are going to be capable of effectively waging war on drug abuse.

Mr. Speaker, as we debate our budget priorities, I urge my colleagues to consider supporting increased funding for our drug agencies, and I urge the administration to elevate the drug problem to the highest level of national priorities.●

OAK ELEMENTARY SCHOOL OF ADDISON, ILL., VISITS ROME, EGYPT, AND ISRAEL

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1982

● Mr. HYDE. Mr. Speaker, March 16, 1982, was a historic day for 24 elementary school-age students from Oak Elementary in Addison, Ill., as they embarked on a 10-day visit to Rome, Egypt, and Israel. Their trip was the first ever student exchange program at the elementary school-age level.

The idea began in the summer of 1980 when Dr. John Czech, principal of Oak Elementary School, concerned about the fate of the American hostages in Iran, proposed the student exchange program as a means of improving understanding between Americans and the Middle East. His proposal was enthusiastically accepted by Government officials of Egypt and Israel, and planning began.

Dr. Czech selected 24 fifth and sixth grade students, searching out those he knew personally, were strong academically, emotionally stable enough to be without their parents for 10 days, and able to believe, listen, and work with him on the trip. Funds for the trip were raised by Dr. Czech from a variety of sources, including local businesses in the Chicago suburbs.

I am proud to share with my colleagues reports written by two of the students upon returning from their trip. Though we are accustomed to reading the accounts of seasoned journalists and adult travelers about their international journeys, we rarely have the opportunity to share the experiences of children on their first international trip so far from home. These essays are refreshingly candid and a reminder to all of us that the world is an even more wondrous place when viewed through the eyes and open minds of children.

The reports by Joey Bodzioch and Paul Franch of Addison, Ill., follow:

MY TRIP

(By Paul Franch)

My trip to Rome, Egypt and Israel was something that I will never forget.

The first day upon landing in Rome we went by bus to Vatican City, a city-state within the city of Rome. We saw the Pope in a general audience and then had a tour by bus of Rome where we saw the Colosseum, the Arc of Constantine and a number of churches. We left Rome by plane and arrived in Cairo Wednesday evening.

We were bussed from the airport to the El Nasr school where Egyptian families were waiting to take each one of us to their homes. The boy I stayed with was named Amr Reda. I had supper and slept with Amr everyday I was there. Each morning his mom or dad took us to the school where we all met and had a tour of different, interesting sites.

The first day we visited a Mosque, this is an Islamic church and you have to take off your shoes before entering. We also saw the oldest Jewish Synagogue in Cairo and a Coptic Christian church.

The second day we had a free morning. I played with Amr and some of his friends. We had a game of soccer. We went to lunch at the Sheraton Hotel and did some swimming there.

On Saturday, we visited the Egyptian museum where we saw the King Tut exhibit with the six tombs, his jewels and the small gold mummies where his organs are kept. We did not see the mummy of King Tut since it is kept in the museum in Luxor, a city in upper Egypt and we did not go there.

We were also a guest of the El Ahram Newspaper, the largest publication in Cairo, with a tour of the building.

On Saturday afternoon, we left for Alexandria by bus and saw the countryside, passed some small villages and larger cities. Alexandria is a port city on the Mediterranean Sea. We visited a Roman museum, had lunch on the grounds of King Faruk estates and swam in the Mediterranean Sea.

On Monday, we went to see the pyramids and the sphinx and in the evening, we saw the Sound and Light program. The pyramids and the sphinx are lighted up and the history is explained. It is hard to believe that the pyramids were built 4500 years ago without the help of machinery.

On Tuesday after meeting at the school, we left for the Suez Canal, a canal cut in 1869 between Africa and Asia to connect the Red Sea with the Mediterranean. This canal is navigated by large ships and submarines and 109 nations have the right to use it.

Wednesday morning, we went shopping at the Khan El Khalili Bazar in Cairo, a very crowded place with stores on both sides of very narrow streets. The interesting thing about this place was the way you could talk down the prices. If what you wanted cost ten pounds, you could offer four pounds and probably settle at six pounds. In the evening we met with the Minister of Education.

Thursday we stayed at the El Nasr school and had a game of soccer, Americans against Egyptians and lost 8-0. In the evening we had a farewell party and now it was time to leave our new friends. I shall never forget the warm and friendly people, the interesting sights we saw, the different food we had and the sunny Cairo weather.

Friday morning we left the Cario Airport for our way to Israel. We landed at the Ben-Gurion Airport in Tel Aviv and were bussed to Jerusalem. The countryside was very beautiful and Jerusalem is built in a bowl-like surrounding on small hills. We had a nice tour of the city by bus and stopped at different, interesting sites. Just before supper, I got my little finger cut in a door and had to go to the hospital. We then went to the Youth Hostel.

On Saturday morning, we left for Old City and had a full day of walking. We visited churches, the western wall, Temple Mount, Mosques, the way of the cross that Jesus took, it was like living 2000 years ago. In the evening, we went to a Folklore Performance.

On Sunday, we met with Mr. Zilka, the advisor to the mayor of Jerusalem, he gave us a brief history of the city and also a flag of the city to bring to our schools. We then visited a school and met with the students. We exchanged addresses and will write to each other. After lunch, we went to a Kibbuts, this is like a little village where some 60 families live and work together and do not get paid, everything is shared alike. We then went to Bethlehem and saw the place where Jesus was born. In the evening, some of the children from the school came to the Hostel and we had a party.

Monday morning we returned to Tel Aviv and started our trip back home. We arrived at O'Hare Airport at 3:30 and were greeted by our families and friends.

This was an experience I shall never forget. We made new friends, saw many interesting sights and I now can appreciate the way of life we have in the United States.

A CHANCE OF A LIFETIME

(By Joey Bodzioch)

This is a story of the trip I was so lucky to go on. It was a student exchange program to the Middle East and Italy.

First we went to Rome to see the Pope and some other sites. We saw the Pope with an audience of about 4,000 people. It was held in a huge auditorium. We didn't have as good of seats as expected but just seeing him was fine with me.

After seeing the Pope we had some sightseeing time. We saw the Colosseum, The Arc of Constantine and an Italian pyramid. I especially liked the Vatican and St. Peters square, because my teacher who has been to Italy had shown my class pictures of it.

We then went to Cairo Egypt. It was about 9:30 p.m. when we arrived so we couldn't really see anything that night, but we did see the El Nasr School. The school was very big. It taught from 1st grade to high school. That night at the school all we did was meet our Egyptian families.

On my first night sleeping in the Egyptian home, I was very nervous. I started crying because I was nervous and scared. It was pretty scary being with a family you know nothing about. Also the people in Egypt honk their car horns alot all night long, so while your sleeping with the windows open it is hard to sleep with all the racket going on. It was pretty lonely because all the people I knew were somewhere else. I was up crying for a while, but the Egyptian mother stayed up with me. She also made me hot chocolate. She was very nice.

The next day we all met at the school at about 8:30 a.m. Egypt time which was 12:30 a.m. American time. We would always meet in the morning to go on our daily sightseeing. We would go on little buses with our Egyptian kids. There were two buses.

On the first day we saw a Jewish Synagogue, a Mosque, and an Islamic Church. We saw alot of Cairo. It was very crowded and everybody had a horn and they use it constantly.

That night I was able to catch up with my sleep because the next morning we had free. I woke up at 10:30. After I was dressed and had eaten, my Egyptian friend, Walleed, and I went to the biggest club in Egypt. At the club we met a few other kids who were on the trip. At the club there was everything. There was two pools, soccer fields, basketball courts, and tennis courts. That afternoon we had lunch at the Sheraton Hotel and went swimming.

The next day we went to the Cairo Museum and saw the King Tut Exhibit. I really liked seeing the exhibit because I missed it when it was in Chicago. After that we went to the El Ahram newspaper, which is the biggest paper in Egypt. We saw the printers. I thought it was very un-modern, but they are developing ultra-violet printing. They put an article about us in the paper. We also had lunch at the paper. It was very good. I met one person working there, who I think put my name in the paper.

We went back to our Egyptian homes early to get to sleep because the next day would be very busy.

We met at the school at 7:30 AM because we were going to Alexandria, and it was a 4 hour drive. Most of us stayed up but a few slept. Only 6 Egyptian kids went with us. We went into a hotel where we were to stay overnight. John Pebler and I were roommates in the hotel. Once I got to my room I changed clothes and went down to the lobby to eat. Then we went back to our rooms and got ready to go to sleep. We had phones in our rooms so we were calling other kids and they were calling us.

The next day we woke up and had breakfast, and went to King Faruk's Estates. We saw his and his wife's castle. It was very big, and very well kept. There was a hotel on the estate. We did not stay there but we did get to swim in the Mediterranean Sea. The Med. Sea was the saltiest water I have ever swam in. If you go swimming you would want to try to keep your head above the water. I really liked Alexandria because I was back with the people I knew. We returned to Cairo very late.

The following day was my favorite. We went to Giza. Giza is the place where the first 3 pyramids and the first sphinx was built. We spent most of the day in Giza. It was surprising when you first see the pyramids because we had been passing areas of trees and plants and all of a sudden everything was desert with pyramids sticking out of it.

At lunchtime we went to a hotel in Giza. We met the manager of the hotel. It was a very big and nice hotel. We had a few hours to wait so we went to a bazaar. The bazaar was different than American stores. At the bazaar anything you want to buy you can try to get the price down. We all learned to do this very quickly.

After shopping we returned to the pyramids for the sound and light show. The show has lights set up at different points shining on the pyramids and sphinx. They make it sound like the sphinx is talking to you. It was really nice. It was told in English which surprised me. Later I found out it is told in a different language each night, and that night was in English for us.

The next day we went to the Suez Canal. The Suez Canal is the biggest Canal in Egypt. We were able to take a boat ride through a small part of the canal. We then went to a beach park along the canal. I saw a few submarines. I don't know what country they were from. We couldn't go swimming but some kids rolled up their pants and walked around in the water. We ate at a nearby club and returned to our homes.

The next day was our shopping day. We went to Khan El Khalili which is a big bazaar. I bought a lot of stuff, but mainly plates. I got my mom a big platter. One place wanted 10 pounds for one mahogany plate. I asked for 5 pounds but the man said no, so I settled on 8 pounds.

That night we met the Minister of Education. He was in a big conference room. There were reporters and TV men. After he talked with us a few kids were interviewed. I was pretty nervous being with a top official. A gift was given to each of us. It was a key chain, a passport folder, and some kids got Nefertitis and got sphinxes, made out of this marble like rock which is very common in Cairo. I got a sphinx.

The following day we met at the school at 1:00 PM, to play the Egyptian kids a game of soccer. Soccer is the official game of Egypt. They always play soccer. We played them and we didn't do too bad. We only lost 8 to 0.

Later that day my Egyptian family and I went to the Concorde Hotel for a farewell party. Dr. Czech talked with most of the Egyptian parents at the party. After the party John Pebler and I went to the club with our Egyptian kids. Joe my Egyptian friends cousin, who was born in America, went along. We played soccer before returning home.

I had to wake up at 3:00 AM the following morning because our plane left at 7:00 AM. My Egyptian mother woke me, I was already to go because I had packed the night before. There were no horns, or else I had gotten use to hearing them, and there was hardly any traffic.

When we arrived in TelAviv, our tour bus was waiting, and we had a nice relaxing ride to Jerusalem. We arrived at the youth hostel we were to stay at and it was raining. We were split into 3 groups with 8 to a room. We were in very cramped rooms. There were 4 bunk beds and a desk. Dinner

was not bad. I liked the bread and especially the oranges. In 2 days in Israel I ate 10 oranges and I normally dont' like oranges.

The next day was our most tiring. We were walking for over 8 hours, but it was nice seeing places like the place where Christ is believed to have been born and Jesus tomb. We started off going to the old city. We went to a lot of churches. We went into a few mosques, which was different because you have to take off your shoes. We saw the place where the cross was found. That really mystified me.

Later in the day we went to a folklore performance. I didn't really like it. I fell asleep during the performance as did others. After the performers went they made us dance. I was glad when it was over.

When we returned to the hostel there was a Space Invaders machine which made me feel more at home. The boys were all goofing around, and Paul Franch caught his finger in the door as someone slammed it, so he had to go to the hospital.

The next day we met the adviser to the mayor of Jerusalem Mr. Zilka. He gave a representative of each school who participated in our program a flag of Jerusalem. He talked with us about Jerusalem. We then visited Kibbutz. We didn't do much there but it was different. A group of families live in houses and share everything. We then went to Bethlehem and saw some more churches and went shopping.

After getting back to the hostel, the folk dancers came over and we had a party. We didn't do much except for dancing. A few kids from the school we had visited came also. It was a nice night, but what I wanted was the next day and going home.

We had to get up very early to leave for the airport, and it took the longest to go through customs. They checked our bags fully. When it was my turn the people who checked me asked a few questions, one was "Did you pack your own suitcase" I think they could tell I did it myself because it was so sloppy.

We were late getting to Rome, but they held our flight to Chicago about a half hour, and we rushed through the airport. We got our boarding passes and were on our way. It seemed like a fast flight, but it may have been I slept halfway.

Once we were in Chicago, it took a long time to get our luggage, but once we had our luggage it went fast. Our chaperones all had said customs would take a long time, but they didn't even check our bags. They only asked a few questions. We could see our parents above us looking down.

As soon, as I saw my mom, I kissed her, and said "I want to go to McDonald's", but she had made my favorite dinner, pot roast, fruit salad, corn and milk.

I was home from a trip I will never forget, A chance of a lifetime.●

HANDICAPPED BABIES JOIN HUMAN FETUSES—BEYOND THE PROTECTION OF THE LAW

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1982

● Mr. PAUL. Mr. Speaker, last month a baby born in Bloomington, Ind., was denied the routine surgery needed to keep it alive. It was denied this surgery for the simple fact that it was afflicted with Down's syndrome. The fact that a small fraction of the babies born with Down's syndrome are severely retarded was, apparently, considered sufficient cause to kill "Infant Doe."

"Killing" is most surely what was done. The routine, lifesaving surgery was withheld, and the parents and doctor might just as well have held the baby's head under water, or slit its tiny wrists. This baby was starved to death—but the crime has been legally excused because the child was handicapped. A terrible moral threshold has been crossed which allows some people to choose whether or not others will live. There is, it seems, an open season on human lives not considered "meaningful" or of sufficient "quality"—two terms used by those defending the murder of Infant Doe.

In a society which does not respect the right to life of all of its members, no one's life or liberty are secure. The law has previously allowed the taking of the lives of innocent fetuses, now, the same terrible prerogative is being extended over the lives of new born babies. Soon perhaps, that same logic will extend the power of healthy, "normal" individuals over the very old, retarded and handicapped adults, and innumerable others who may be deemed inadequate, meaningless, unpleasant, and insignificant.

I would like to call my colleagues' attention to a new case in Illinois, similar to the one of Infant Doe. On Monday, May 17, the Washington Times reported that a 3-week old baby was born with spinal bifida at the Lawrence County Hospital near Robinson, Ill. Once again, corrective surgery will allow the baby to live, but its parents have refused. Some prolife groups have asked the Government to enforce the civil rights of the child, but so far, the courts have refused to uphold this clear violation of this person's most basic rights. And the usually vocal major civil rights groups have been strangely, perversely, silent. Those who cannot speak for themselves are being allowed to die because of their handicaps.

Where is the chorus of liberal voices which rises up whenever discrimination is charged? Where are those who concern themselves with fighting child-abuse, or with providing day-care centers? Where are the fanatical advocates of women's rights, gay rights, and nonsmokers' rights? Where are the advocates of human rights at home and abroad? Why are these habitually shrill voices now so strangely silent?

The Federal Government has mandated equal access for the handicapped to public buildings and transportation. It has taken tax dollars to provide special educational facilities. It has legislated that providers of health care who receive Federal funds may not discriminate against the handicapped.

But the very lives of handicapped children are being taken and Government officials are silent. Despite all the apparent concern for the handicapped, our Government has refused to provide the basic protections required by the clear and simple language of the Constitution. These babies are being deprived of their lives without due process in violation of the 5th amendment; and they are being denied the equal protection granted by the 14th amendment. These cases make a mockery of our Constitution, which no where provides that exceptions may be made in cases involving handicapped citizens. If a healthy baby were treated as Infant Doe, or the baby in Robinson, Ill., those guilty would be charged with murder. Morally and constitutionally, there is no difference. The usually vocal rights advocates who are now silent betray their bald hypocrisy.

These two cases, of Infant Doe, and the Robinson, Ill., baby, and many others like them are the bitter fruit of the abortion, "pro-choice" tree. I wonder how far we will go before people wake up to the utter immorality of it all. The correct label for these cases was supplied by my distinguished colleague, HENRY HYDE, who called it "eugenic infanticide." "Eugenics," you may remember, was advocated by Adolph Hitler as the policy appropriate to the perfecting of his master race. Since then, the policy has been discredited, but appears to be undergoing a revival here is America. If the handicapped can be rooted out early, then, as a lawyer in the Infant Doe case put it, society might be spared the horrific trauma * * * but, of what? Of having handicapped people about? Well, Hilter might have used the same language to justify ridding German society of the horrific trauma of having the Jews about.

Given this bracing new environment of ours, I view as ominous the recent reports that a medical test has been developed to detect sickle-cell anemia in fetuses. A whole new class of unborn children will now be subject to a murderous form of preventive treatment.

I wonder whether civil rights groups will come forth when black babies with the sickle-cell trait join Infant Doe, the Robinson, Ill., baby, and the millions of aborted fetuses? It is my guess that the civil rights groups will be silent in this new situation which will make previous cases of prejudice seem trivial in comparison.

If all human life is not held to be sacred, then none is. There can be no middle ground. No one's life, and certainly no one's civil liberties, can be considered secure in a society which refuses to acknowledge the most basic right of its most defenseless citizens. I hope my colleagues here in Congress, and more of my fellow citizens, will soon come to realize this.●

EASING A COMPANY'S RISKS OVERSEAS

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 19, 1982

● Mr. LAGOMARSINO. Mr. Speaker, I wish to bring to the attention of my colleagues a recent article in the New York Times describing the activities of the Overseas Private Investment Corp. Under the leadership of its president, Craig Nalen, OPIC has made remarkable strides in expanding its operations to provide political risk insurance and financial services for American investors overseas.

I am certain my colleagues will be gratified with the accomplishments of OPIC both for development in Third World countries and for helping to expand American exports.

[From the New York Times, Apr. 25, 1982]

EASING A COMPANY'S RISKS OVERSEAS

(By Clyde H. Farnsworth)

Not that it craves anonymity, but the Overseas Private Investment Corporation "is probably one of Washington's best-kept secrets," or so acknowledges Craig A. Nalen, the marketing man that President Reagan picked as its helmsman last June.

"We intend to shed that cloak of secrecy," said the former executive at General Mills (cereals), Procter & Gamble (soaps) and the STP Corporation (gasoline additives). "Our mandate is to encourage the private investment in the third world that this Administration wants."

To do that, he has already logged 60,000 miles traveling around the world, matchmaking between American executives and officials of poorer nations, employing state-of-the-art technology to get his message across and drawing on extensive corporate ties to spread the gospel.

OPIC—not to be confounded with the oil cartel—provides political risk insurance and finance services for American investors in developing countries. It now insures investments and guarantees loans in 90 developing countries.

These are functions that Congress decided years ago are better performed by the Government than private industry. The Reagan Administration concurs. "We will explore the development of further safeguards for multilateral investment and ways to build successful bilateral experiences with OPIC," Mr. Reagan said in October.

With the Administration taking aim at food stamps and other domestic programs for the poor, foreign aid has become a prime target for the budget ax. The Administration wants private investment to help fill the gap between needs for developing countries and the shrinking pool of Government aid money. On the other side, in recent years many third-world countries, even those most oriented toward socialist economic policies, have shown themselves more receptive to foreign investment under programs to spur the private sector.

The American rationale for more emphasis on OPIC is not only that third-world development is speeded up but also that, because third-world countries comprise the fastest-growing export market, jobs are created in the United States by encouraging that growth.

Mr. Nalen says that American overseas affiliates generally buy their supplies and services from the United States. OPIC analysts contend that 40 percent of American exports go to American subsidiaries abroad and that OPIC-supported investments have created 47,000 export jobs in the last six years.

Not everyone agrees. For years, the labor union movement has argued just the contrary—that foreign investment takes away jobs from Americans.

"To the extent that United States corporations invest abroad, we undermine the attempt to enhance domestic investment," said Rudolph A. Oswald, director of economic research of the American Federation of Labor and Congress of Industrial Organizations.

Whatever the ultimate truths of the job argument, OPIC is singular in that it has never cost the taxpayers a cent. Quietly, too quietly OPIC officials believe, their agency actually chalked up record earnings of $76.2 million last year selling insurance to cover risks from expropriations, currency inconvertibility and wars, revolutions and insurrections.

Former Senator Frank Church, Democrat of Idaho and then chairman of the Senate Foreign Relations Committee, once described OPIC as "the craziest idea in Washington." But, he added, it was also "the best-managed crazy idea."

Created by an Act of Congress in 1969, OPIC began operations in January 1971. Since then the agency has sold more than $5 billion face amount of political risk insurance and accumulated a healthy $775 million in reserves to pay off any future claims. This despite the fact that is has paid, guaranteed or provided indemnities for more than $400 million to investors in settlement of 140 insurance claims.

By far the bulk of the money went to investors in just two areas. After the Chilean expropriation of copper mines and other American interests in 1971, OPIC made settlements of $315 million on 23 claims. It has so far paid $14.5 million on 10 claims to investors in Iran hurt by the 1979 revolution there.

The record shows that while having to spend money, it knows, like any good insurance company, how to make money, too. Premiums are a main source, amounting to about 1.5 percent of a covered investment, with loan interest and the investment of cash surpluses bringing in the rest.

OPIC can also be a tough customer when a dispute arises. The International Telephone and Telegraph Corporation, for example, claimed $92.5 million after Chile took over its properties there. But when questions arose about I.T.T.'s political involvement in Chile, OPIC denied the claim. the agency insisted, however, it was acting solely because I.T.T. had failed to abide by its contractual obligations. The case wound up in arbitration, where, ultimately, I.T.T. won. OPIC paid.

OPIC has many large policies outstanding—$100 million of coverage for the Union Oil Company in Thailand, for example, and $110 million of coverage for Blount Inc., a construction company, in Saudi Arabia. But it has written hundreds of smaller ones, including a $900 policy to protect a Florida investor, John C. Greenlaw, who was setting up a plant to bottle tropical drinks in the Dominican Republic. The investment expanded, and so did the policy, to $150,000.●

VETERANS BUSINESS AND EMPLOYMENT

HON. THOMAS A. DASCHLE

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1982

● Mr. DASCHLE. Mr. Speaker, once again the Veterans' Administration has proven its ineptitude and unwillingness to assist veterans of the Vietnam war. It is clear that vigorous congressional oversight will be necessary to insure the implementation of two programs passed into law last year—Public Law 97-72—to help alleviate Vietnam veterans unemployment. The VA must share this credit with the Office of Management and Budget (OMB) which is well known for its willingness to flaunt the intentions of Congress, especially with respect to veterans programs.

Last year the Congress passed an omnibus package of legislation designed to assist Vietnam veterans in the areas of health care, business, and employment. Two of the major provisions of this act were the establishment of a small business loan program in the VA and an eligibility extension of 2 years for Vietnam veterans who desire to utilize on the job or vocational training benefits.

Six months after passage of this act, OMB has not requested money for the small business loan program and the VA has subsequently decided that regulations are unnecessary. In addition, the VA has drafted guidelines so strict for the vocational and on the job training eligibility extension that only 169 individuals have been approved for participation during the first 3 months of the program. I would like to emphasize that CBO projected that nearly 40,000 veterans would use this program in the first year. At the current rate, fewer than 800 veterans will be allowed to participate the entire year. In a period when Vietnam veterans unemployment exceeds that of their nonveteran peers by 14 percent, this is an outrage.

Due to their lack of cooperation in implementing this law, the VA and OMB can rest assured that legislation will be introduced to further extend the OJT and vocational training eligibility period as well as the small business loan program. To address both of these issues, Chairman EDGAR has assured me that hearings will be held on June 17 before the Education, Training, and Employment Subcommittee.

I am also having inserted into the RECORD the comments with respect to the OJT and vocational training program by Keith Snyder, of the National Veterans Law Center.

VA GUIDELINES ON EXTENSION OF DELIMITING DATE SEEN AS TOO RESTRICTIVE

(From Keith Snyder of the National Vets Law Center)

On March 11, 1982, the VA published "statements of procedures" to implement the portion of Pub. L. No. 97-72 (*see* 1 VRN 58) that mandated a two-year extension of the normal 10-year delimiting date for Vietnam-era veterans for certain uses of the GI Bill. 47 Fed. Reg. 10,702; DVB Cir. 22-81-15 (excerpts are reproduced below).

The statute provides that certain veterans who have not used up all their entitlement to educational assistance allowance may be eligible to pursue:

(1) a program of apprenticeship or other on-the-job training;

(2) a course with an approved vocational objective; or

(3) a program of secondary education.

Upon completion of such a program, the VA "shall provide the veteran with such employment counseling as may be necessary to assist the veteran in obtaining employment consistent with the veteran's abilities, aptitudes, and interests." 38 U.S.C. SS 1662 (a)(3)(B).

However, according to some veterans organizations and Congressional staff, the procedures the VA has issued for putting the statute into effect are so restrictive that they do not meet the need of veterans and do not follow the intent of Congress. In addition, the VA appears to be in violation of the statute's requirement that regulations—not "procedural statements" be issued.

At a recent meeting of the Board of Directors of the National Association of Concerned Veterans (NACV), the VA's definition of the term "unskilled" was criticized as too narrow. Unskilled or "educationally disadvantaged" are two criteria for qualifying for the program. According to the VA, "unskilled" is someone who "has never been employed in other than entry level jobs." Entry level jobs are further defined as those requiring three months or less in vocational preparation. Whether a person is currently unemployed or has never been employed does not matter if they are qualified for more than an entry level job. Whether the job may no longer be one available given current economic conditions also does not matter.

NACV's concern is that very few veterans will meet that criteria. Their concern seems to be justified if the experience of the VA Regional Office in New York is any indication. Only three veterans had applied for the program by the end of March—and all three were rejected. The VA has estimated that 39,000 veterans would take advantage of this program.

Even if a veteran meets the VA's criteria, the training (for which the VA will only pay tuition and costs) is limited to non-college degree courses—effectively excluding attendance at community colleges or universities that offer vocational training and instead steering veterans toward less substantial training programs. Ironically, the training programs that the VA is now steering vets toward are those that in 1976 were criticized as fly-by-night operations. In response to that criticism, Pub. L. No. 94-502, 90 Stat. 2383 (Oct. 15, 1976), tightened up requirements on those programs and at the same time encouraged colleges to develop vocational and career-oriented courses. Now, because those better-quality training courses at colleges may also lead to a two-year associate degree, they don't qualify for VA funding under this program. Community college programs that offer a 30-hour certificate program would appear to qualify.

The VA has requested that the public comment on its "statements of procedure." Comments are due April 12 and should be directed to: Administrator (271A), VA, Washington DC 20420.●

SUPPORT FOR PHARMACY CRIME LEGISLATION CONTINUES TO MOUNT

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1982

● Mr. HYDE. Mr. Speaker, I am pleased today to file another list of cosponsors of H.R. 2034, legislation I have sponsored that would make it a Federal crime to rob a pharmacy of controlled substances. We now have 168 Members of the House who feel as I do, that a Federal response is long overdue to offset the alarming increase in armed robberies of our Nation's pharmacies.

The Drug Enforcement Administration has nearly completed its review of their legislative package, the drug enforcement amendments of 1981. It is anticipated that their proposals will be submitted to the Department of Justice in the very near future, and that the violent robbery of Controlled Substances Act registrants, including pharmacies, will be addressed in the DEA proposed legislation.

I have been advised that the Department of Justice intends to expedite its review of the DEA proposals once received, and I am hopeful that we will be in a position within the next few weeks to proceed with hearings on pharmacy crime legislation, including H.R. 2034.

Pharmacy crime continues its intrusion into the neighborhood drugstore, and although it is a Federal crime for the pharmacist to illegally prescribe controlled substances, that some pharmacist does not have the protection of the Federal Government if he is robbed at gunpoint of those same controlled substances.

I urge my colleagues who have not already done so, to cosponsor H.R. 2034, which calls for a maximum fine up to $5,000 and 20 years imprisonment, or both, with increased penalties for subsequent offenses, assault, use of a dangerous weapon, or murder. In addition, H.R. 2034 provides for certain mandatory minimum penalties depending on the nature of the offense.

A complete list of cosponsors of H.R. 2034 follows:

COSPONSORS OF H.R. 2034—PHARMACY PROTECTION, SPONSORED BY REPRESENTATIVE HENRY J. HYDE

ALABAMA

Bill Nichols, 3d;
Tom Bevill, 4th;
Richard Shelby, 7th.

ALASKA

Don Young, AL.

ARIZONA

Eldon Rudd, 4th.

ARKANSAS

John Paul Hammerschmidt, 3d.

CALIFORNIA

Vic Fazio, 4th;
George Miller, 7th;
Pete Stark, 9th;
Norman Shumway, 14th;
Tony Coelho, 15th;
Chip Pashayan, 17th;
Robert Lagomarsino, 19th;
Carlos Moorhead, 22d;
Henry Waxman, 24th;
Robert Dornan, 27th;
Wayne Grisham, 33d;
Jerry Patterson, 38th;
Bill Lowery, 41st;
Clair Burgener, 43d.

COLORADO

Ray Kogovsek, 3d;
Ken Kramer, 5th.

CONNECTICUT

Lawrence DeNardis, 3d;
Stewart McKinney, 4th;
William Ratchford, 5th.

DELAWARE

Tom Evans, AL.

FLORIDA

Bill Chappell, 4th;
Bill Young, 6th;
Skip Bafalis, 10th;
Clay Shaw, 12th.

GEORGIA

Bo Ginn, 1st;
Newt Gingrich, 6th;
Billy Lee Evans, 8th;
Doug Barnard, 10th.

HAWAII

IDAHO

George Hansen, 2d.

ILLINOIS

Marty Russo, 3d;
Ed Derwinski, 4th;
John Porter, 10th;
Robert McClory, 13th;
Tom Corcoran, 15th;
Tom Railsback, 19th;
Paul Findley, 20th;
Paul Simon, 24th.

INDIANA

David Evans, 6th;
Andy Jacobs, 11th.

IOWA

Jim Leach, 1st;
Tom Tauke, 2d.

KANSAS

Larry Winn, 3d.

KENTUCKY

Romano Mazzoli, 3d;
Gene Snyder, 4th;
Harold Rogers, 5th;
Larry Hopkins, 6th.

LOUISIANA

Bob Livingston, 1st;

Billy Tauzin, 3d;
Buddy Roemer, 4th;
Jerry Huckaby, 5th;
Gillis Long, 8th.

MAINE

MARYLAND

Roy Dyson, 1st;
Clarence Long, 2d;
Steny Hoyer, 5th;
Michael Barnes, 8th.

MASSACHUSETTS

Silvio Conte, 1st;
Edward Boland, 2d;
Barney Frank, 4th;
Margaret Heckler, 10th;
Brian Donnelly, 11th.

MICHIGAN

Mark Siljander, 4th.

MINNESOTA

Tom Hagedorn, 2d.

MISSISSIPPI

Jamie Whitten, 1st;
David Bowen, 2d;
Sonny Montgomery, 3d;
Trent Lott, 5th.

MISSOURI

Richard Gephardt, 3d;
Wendell Bailey, 8th;
Bill Emerson, 10th.

MONTANA

Ron Marlenee, 2d.

NEBRASKA

Doug Bereuter, 1st;
Hal Daub, 2d;
Virginia Smith, 3d.

NEVADA

NEW HAMPSHIRE

Norman D'Amours, 1st;
Judd Gregg, 2d.

NEW JERSEY

James Florio, 1st;
James Howard, 3d;
Chris Smith, 4th;
Edwin Forsythe, 6th;
Robert Roe, 8th;
Joseph Minish, 11th;
Matthew Rinaldo, 12th;
Jamea Courter, 13th;
Frank Guarini, 14th;
Bernard Dwyer, 15th.

NEW MEXICO

NEW YORK

John LeBoutillier, 6th; Joseph Addabbo, 7th; Mario Biaggi, 10th; Leo Zeferetti, 15th; Guy Molinari, 17th; Peter Peyser, 23d; Hamilton Fish, 25th; Benjamin Gilman, 26th; Gerald Solomon, 29th; George Wortley, 32d; Gary Lee, 33d; Frank Horton, 34th; John LaFalce, 36th; Henry Nowak, 37th; Jack Kemp, 38th.

NORTH CAROLINA

Walter Jones, 1st; Stephen Neal, 5th; Bill Hendon, 11th.

NORTH DAKOTA

Byron Dorgan, AL.

OHIO

Tom Luken, 2d; Michael Oxley, 4th; Bob McEwan, 6th; Ed Weber, 9th; Bill Stanton, 11th; Chalmers Wylie, 15th; Ralph Regula, 16th.

OKLAHOMA

Mike Synar, 2d; Dave McCurdy, 4th; Mickey Edwards, 5th.

OREGON

Les AuCoin, 1st; Ron Wyden, 3d.

PENNSYLVANIA

Thomas Foglietta, 1st; Bill Gray, 2d; Joe Smith, 3d; Charles Dougherty, 4th; Gus Yatron, 6th; James Coyne, 8th; Joe McDade, 10th; John Murtha, 12th; Don Ritter, 15th; Don Bailey, 21st; Austin Murphy, 22d; William Clinger, 23d; Marc Marks, 24th.

RHODE ISLAND

SOUTH CAROLINA

Thomas Hartnett, 1st; Floyd Spence, 2d; Butler Derrick, 3d; Carroll Campbell, 4th; John Napier, 6th.

SOUTH DAKOTA

Tom Daschle, 1st.

TENNESSEE

John Duncan, 2d; Marilyn Bouquard, 3d; Robin Beard, 6th; Ed Jones, 7th.

TEXAS

Sam Hall, 1st; Jim Collins, 3d; Phil Gramm, 6th; Kika de la Garza, 15th; Mickey Leland, 16th; Abraham Kazen, Jr., 23d.

UTAH

Dan Marriott, 2d.

VERMONT

VIRGINIA

Paul Trible, 1st; G. William Whitehurst, 2d; Tom Bliley, 3d; Frank Wolf, 10th.

WASHINGTON

Joel Pritchard, 1st; Sid Morrison, 4th.

WEST VIRGINIA

Robert Mollohan, 1st; Cleve Benedict, 2d; Mick Staton, 3d; Nick Rahall, 4th.

WISCONSIN

Steve Gunderson, 3d; James Sensenbrenner, 9th.

WYOMING

AMERICAN SAMOA

Fofo i.F. Sunia.

GUAM

Antonio B. Won Pat.

PUERTO RICO

Baltasar Corrada.

VIRGIN ISLANDS

Ron de Lugo.●

THE FALKLAND/MALVINAS CRISIS

HON. BALTASAR CORRADA

OF PUERTO RICO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1982

● Mr. CORRADA. Mr. Speaker, at the beginning of the Falkland/Malvinas crisis between England and Argentina I felt that the excellent efforts of our Secretary of State Alexander Haig, Jr. in attempting to bring about a peaceful negotiation and solution to the problem deserved the support and praise of our Nation as well as the international community. It is regrettable, however, that when those initial attempts by the United States to find a reasonable and peaceful solution to the crisis did not meet with success, we should have openly and unabashedly sided with England. Surely, England is our closest ally in Europe and a nation dearly bound to our own by ties of common heritage and history. But my friends, the Falkland/Malvinas crisis is not a matter that threatens the national security and the vital interests of England. We are talking about miniscule islands 8,000 miles from London, deep in the South Atlantic and in the Western Hemisphere—an obsolete vestige of the type of colonialism that was rampant in the four centuries following the European discovery of America in 1492, which we thought had been liquidated and mostly put aside by the middle of this century. If anyone should attempt to undermine the vital interests of our good friend and ally England, as Hitler tried in the Second World War, America will be there to defend our friends, as we did even if it required spilling the blood of our youth, including many U.S. citizens of hispanic heritage and Puerto Ricans, who as citizens of the United States, proudly contributed to defend our allies in Europe and defend democracy abroad. But to say that in the Faulkland/Malvinas crisis we have to openly take sides with England and disappoint practically all of our good neighbors south of the Rio Grande is an outright effort in diplomatic and political myopia to say the least. Our only role should have been and still should be one of exerting our good offices in helping to resolve a dispute between friends. This is not a matter of whether or not we like the Thatcher or the Galtieri governments. Argentina and England have been disputing over this problem long before their current governments emerged to the scene and will continue to do so until a peaceful and honorable solution is found. I deplore Argentina's action in invading the islands and taking them by force but that wrong will not be redressed by violence on the part of England in taking them back. Argentina should withdraw its forces and England should withdraw its naval task force while peaceful negotiations are undertaken. A temporary administration under United Nations supervision or direction should proceed immediately.

The only role for the United States is one of friendly mediator no matter whether we do it on our own initiative or through our efforts in the United Nations or any other proper international organization. After all, how are our own interests served by keeping a great ally in Europe happy about something happening in America while we scorn almost 30 of the nations closest to our borders in our own hemisphere. We should return to a neutral stance and do all we can to help find a solution of the immediate crisis as well as a long term settlement of this troublesome dispute.●

SALUTE TO EAST LANSING, MICH.

HON. JIM DUNN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1982

● Mr. DUNN. Mr. Speaker, I am very pleased to salute my hometown of East Lansing, Mich., as it celebrates its 75th anniversary this weekend. East Lansing's Diamond Jubilee will be marked by 2 days of activities, including a parade, awards ceremonies, games, workshops, a variety of displays depicting various aspects of life in the city, and musical entertainment. There is, after all, much to be proud of and much to celebrate.

East Lansing's beginnings actually go back to the 1840's when S. Robert Burcham acquired the title to a portion of Lansing Township which included much of the present business district. The first known business in East Lansing is attributed to a man who established a shop for making and repairing boots and shoes in his log home on the north side of Grand River Avenue and east of Abbott Road.

Following the establishment in 1856 of Michigan Agricultural College, now known as Michigan State University, a major portion of what is now East Lansing was then known as Collegeville. By the start of this century, active development was taking place and what is now the downtown East Lansing business district began to expand.

By 1906, what was then Collegetown felt a need to deal with this expansion and likewise felt a need for a single political authority. A charter was drawn up in 1907 and presented to the State legislature. The bill was passed unanimously with the name given as East Lansing.

Subsequent decades witnessed rapid growth in East Lansing's development. Banks, clothing stores, barber shops, coal dealers, drug stores, a newspaper, gift shops, and hardware stores are just a few of the businesses that were established during that time. The growth of business has continued to the point where East Lansing is the home of several fine restaurants and a downtown shopping district with many outstanding shops and convenience stores.

East Lansing is also the home of Michigan State University, the Nation's first land-grant college. Since it was established, MSU has served as one of the Nation's leading agricultural research centers, consistently making strides toward finding ways to best utilize our country's natural resources. MSU also has a fine tradition in other fields as well. Its colleges of business, communications, engineering, nursing, veterinary medicine, and others, rank among the country's finest.

MSU's campus is among our Nation's largest and most beautiful, blending an impressive past with activities to insure a progressive future. Among its recent accomplishments is the construction of the Nation's first superconducting cyclotron to study high energy physics, a performing arts complex scheduled to open this fall, and a communication arts building which opened last year.

In addition to MSU, East Lansing has several other resources and services worthy of recognition. The public school system is among the State's finest and graduates hundreds of students each year. The public library has nearly 110,000 volumes of books and other materials for adults and children to enjoy. The city's police and fire departments are filled with trained professionals who do an outstanding job of protecting residents. The waste water treatment plant was given an Award of Excellence for Outstanding Operation and Maintenance by the U.S. Environmental Protection Agency in 1978.

Mr. Speaker, my love for the city of East Lansing is well known. Perhaps my greatest expression of what the city means to me lies in the fact that I have chosen to make it my home since attending college there 20 years ago. I know my family, friends, all the residents of East Lansing share my pride.

I want to extend my best wishes to all of the people of East Lansing who will make this diamond jubilee truly memorable. I have no doubt that East Lansing's next 75 years will be as fruitful and prosperous as the first.●

THE LAST EPIDEMIC

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1982

● Mr. LEHMAN. Mr. Speaker, one of the outstanding organizations that has strove to make the public aware of the horrors of nuclear war is Physicians for Social Responsibility.

Dr. Jay Kerzner, one of the leaders of PSR in south Florida, wrote an article entitled "The Last Epidemic" which appeared in the Miami Herald on March 7, 1982. Throughout the country, doctors like Dr. Kerzner are trying to make people realize what a nuclear attack would do to their own communities. Only by breaking through the "psychic numbing" that affects us can we begin to take steps to end the threat of world holocaust.

I commend Dr. Kerzner's article to all my colleagues:

[From the Miami Herald, Mar. 7, 1982]

THE LAST EPIDEMIC

(By Jay Kerzner)

Nuclear war could be the last epidemic our civilization will know. Hundreds of millions of people would be killed or injured, and the economic, ecological and social fabric on which human life depends would be shattered. The likelihood of nuclear war becomes greater as the arms race escalates, and as government leaders devise scenarios for fighting and "winning" a "limited" nuclear war.

The United States now has 30,000 nuclear weapons, Russia has 20,000, Britain, France, China and India together have about 1,000—a total of a little over 50,000 nuclear weapons, or enough to provide five tons of explosive power for every man, woman and child on earth. By the 1990s, it is felt that at least two dozen countries will have nuclear weapons. With the proliferation of these weapons, and the potential for confrontation between nuclear nations, chances are high that a nuclear device could be exploded by the end of the century, either by accident or design. Yet the arms race has its own internal momentum with nuclear nations becoming, in George Kennan's words, "like lemmings heading for the sea, like the children of Hamlin marching blindly along behind their Pied Piper."

In addition to reducing the threshold for nuclear war, the nuclear arms race consumes huge amounts of money, technology and manpower that could be used for health and social needs. For example, the cost of one Trident ballistic missile submarine could fund the child nutrition program that was cut from the federal budget. With a diversion of funds consumed by 3 weeks of the arms race, the world could obtain a sanitary water supply for all of its inhabitants.

The destructive effects of nuclear weapons on human lives are often obscured by jargon such as "surgical strike" and "counterforce exchange." People tend not to want to think about what these weapons can really do, as if there was a mass process of avoidance and denial—a process that has been called "psychic numbing." The first step, then, in dealing with the threat of nuclear war is to shatter this "psychic numbing" and take a realistic look at the effects of nuclear weapons. In the light of this, notions of survivability and civil defense must then be critically examined.

Although the 15-kiloton atomic bomb dropped on Hiroshima was primitive in comparison to today's megaton nuclear weapons, a review of its effects gives us some meaningful insights. Nuclear weapons cause damage by three mechanisms—blast, fire and irridation. Out of a population of 245,000 people, 75,000 people were killed and 100,000 sustained serious injuries—principally trauma, burn injuries and radiation sickness. The number of deaths and casualties were comparable to other conventional bombings during the war, but the insidous effects of irradiation had never before been experienced. Acute exposure caused either death or an illness characterized by gastrointestinal symptoms, hemorrhage, listlessness and susceptibility to infection. Long-term effects included an increased incidence of leukemia and cancer.

In addition to the physical injuries, survivors suffered profound psychological shock by their exposure to such overwhelming destruction and mass death. Many victims felt that there had been a breakdown of the dividing line between life and death, that all forms of life had been extinguished at their source and that they had become tainted by a lingering, destructive force that would haunt them for the rest of their lives.

The health-care system of Hiroshima was totally devastated and overwhelmed. Only 30 out of 150 doctors and only 126 out of 1,780 nurses were left alive, and only three out of 45 hospitals remained. There was help, however, from neighboring cities and towns. Today it is likely that large numbers of nuclear weapons would be exploded over a large city and surrounding area so that there would be little or no effective help from outside.

Present-day nuclear weapons range in size from one kiloton to 20 megatons, that is, up to 1,400 times the explosive power of the Hiroshima bomb. If a single one-megaton were exploded over downtown Miami, everything for a distance of a half mile from the point of impact—ground zero—would be vaporized, and there would be an impact crater 1,000 feet wide and 200 feet deep. The blast would produce tremendous overpressures and winds up to 500 miles per hour, destroying or severely damaging buildings within a radius of 8½ miles. Broken glass and other solid objects would be turned into missiles traveling at speeds greater than 100 miles per hour. The heat would be so intense that everyone within a radius of six miles would either be killed or seriously burned. Firestorms could occur, fanned by 100- to 200-mile-per-hour winds, burning and asphyxiating those in shelters, and increasing the lethal area fivefold. Lethal radioactive fallout would cover an area of almost 1,000 miles, and would make this area uninhabitable for a prolonged period of time. In all, 469,000 people would be killed and 500,000 seriously injured—that is, almost one million casualties or about 42 percent of the population. Such death and destruction occurring at one place at one moment would be totally unprecedented in human experience.

The kinds of injuries that would occur after a nuclear explosion would include trauma of all kinds and in combinations—crushing injuries, fractures, penetrating wounds, lacerations, hemorrhage and ruptured internal organs, especially rupture of the lung. There would be tens of thousands of severe burn injuries, far exceeding present available resources in the entire United States for effective treatment of burns. There would be radiation sickness, deafness due to the ruptured eardrums and blindness due to retinal burns from glancing at the fireball. In the post attack period starvation and dehydration would be rampant with depletion and radioactive contamination of the food and water supply.

Infectious diseases would flourish in epidemic proportions due to people's decreased resistance, poor sanitary conditions, decomposition of human and animal corpses and the proliferation of insect vectors, since insects are more resistant to radiation than man. The types of infectious diseases would include many scourges of the past such as tuberculosis, plague, typhus, typhoid fever, hepatitis, cholera, tetanus and rabies. There would be stillbirths and fetal malformations, and in later years an increased incidence of cancer and untold genetic effects. Depletion of the ozone layer in the stratosphere would allow ultraviolet rays of the sun to penetrate, causing blindness and eventual death in animals and many insects, thereby causing vegetation to die, and thus totally disrupting the ecological balance.

The health-care system would be totally devastated and couldn't begin to deal effectively with the casualties. Physicians and hospitals would be destroyed at rates greater than that of the general population because they tend to be concentrated in downtown areas, the areas of highest lethality. There would be no transportation, no electric power, no effective communications, no X-ray or other diagnostic facilities, and there would be a marked shortage of blood, plasma, drugs and instruments. Unlike Hiroshima, there would be no outside help because there would be no one outside to render it. There would be 1,700 seriously injured survivors for each surviving doctor, so that if each doctor saw each patient for 10 minutes and worked 20 hours a day, it would be eight days before each person was seen once by a physician. Most people would die without even the administration of a narcotic to ease the pain. It has been said that the survivors would envy the dead.

These are the effects from the explosion of a single one-megaton nuclear weapon. A nuclear exchange would be expected to involve multiple weapons of even greater destructive capacity, so that the entire population of Miami would be killed and the city totally destroyed. In an all-out nuclear war between the United States and the Soviet Union there would be over 250 million deaths and 60 million serious injuries—in other words, mutual genocide. Radioactive fallout, much of it lethal, would cover the entire United States and Soviet Union, and there would be significant radiation exposure over the entire planet. With the vast physical devastation and total disruption of the economic, ecological and social fabric, this would indeed be the last epidemic our civilization would know.

The conclusion to be drawn is that there is no effective survival, even from a limited nuclear war, which could easily escalate into a full-scale nuclear war. The magnitude of death and destruction would be totally overwhelming. There is no possible effective medical response. And the proposed mechanisms of civil defense—shelters and mass evacuation—would be equally ineffectual.

The only effective prescription for the last epidemic is prevention. We must all recognize that there can be no winners in a nuclear war. The United States, Europe and the Soviet Union must either live together or die together. People worldwide must protest against te escalating nuclear arms race and urge that government leaders give the highest priority toward achieving meaningful arms limitation agreements. As Bertrand Russell and Albert Einstein said in a collective appeal of prominent scientists: "We appeal as human beings to human beings. Remember your humanity and forget the rest."●

CENTENNIAL OF UNITED STATES-KOREAN RELATIONS

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1982

● Mr. ZABLOCKI. Mr. Speaker, I would like to draw the attention of my colleagues to the fact that the members of the Foreign Affairs Committee and other Members of the House were privileged today to receive a distinguished delegation of members of the Korean National Assembly. This delegation, led by Ton Jing Park, chairman of the Foreign Affairs Committee in Korea, is in the United States to observe the centennial of the establishment of diplomatic relations between our two nations. The centennial occurs this month. The delegation from Korea has, on this occasion, kindly presented a Plaque of Friendship to the U.S. Congress.

Because the remarks made by Chairman Park this noon are particularly pertinent at this time, I ask that they be included at this point in the RECORD.

Mr. Chairman, esteemed Congressmen, and dear friends: I thank you most sincerely for this lovely luncheon as well as for your extremely generous and heartwarming words of welcome you have just given me and my colleagues.

On this memorable occasion commemorating the centennial of establishment of diplomatic relations between Korea and the United States, I also wish to convey to you the warmest greetings from the people and the members of the National Assembly of the Republic of Korea.

Mr. Chairman and dear friends: I wish to say at the outset that the warm hospitality and friendship that the leaders of your Government and the Congress have extended to me and to my colleagues since our arrival in Washington, D.C. are sufficient evidences that a new era of stronger friendship and deeper understanding is likely to evolve for many years to come. I believe this is all very natural.

In concluding the first treaty of friendship between the two countries 100 years ago, our two countries had mutually pledged that there shall be perpetual peace and friendship between the citizens and Governments of Korea and the United States.

Ever since the Republic of Korea and the United States entered into a close relationship following the end of World War II in 1945, they have been developing profoundly friendly and cooperative relations, the likes of which have been rarely seen in the highly volatile international community. This, I believe, is because our two peoples seek the common ideals of freedom and peace, and furthermore, both countries must devote joint efforts to promoting the security and prosperity of the Pacific region.

While the recent Soviet military buildup in the Far East threatens to upset the military balance in Asia and the Pacific region, the continued belligerent posture of Communist North Korea calls for our continued vigilance in the Korean peninsula, as you all know. It is impossible to overemphasize that the adequate deterrence is essential to preventing the recurrence of war and preserving peace and stability in the region. This is precisely why the United States stations its ground combat troops on the Korean soil. It is my firm belief that the close Korean-American cooperation and concerted efforts in the security field serve not only to the safety of our two nations but also to the peace and stability of the Asian-Pacific region and the world at large.

Last month, Vice President George Bush made his first visit to my country to commemorate the 100th year of the Korean-American relations. But as it turned out, his trip proved to be much more than a ceremonial one. It was a timely reaffirmation in most unequivocal terms of the need for a stronger Korean-American partnership. Vice President Mr. Bush, as he was addressing the National Assembly of the Republic of Korea, said and I quote: "The United States has no intention of stepping aside so Kim IL-sung can launch another invasion and set the clock back 32 years." This expression of the renewed U.S. determination to stand firm for the defense of the Republic of Korea, without a doubt, constitute an added source of confidence for us as we pursue the avowed goal of achieving a free, democratic and prosperous nation.

Of course, the security interest is not the sole binder of the Korean-American ties which is now entering its second century. Korea is now America's 9th largest trading partner and the 5th largest market for American agricultural products. In 1980, the total trade volume between Korea and the United States exceeded $10 billion and, no doubt, Korea's place in the United States trade will become even more important in the years ahead as our economy continues to expand. It is my belief, however, that Korea and America should develop even closer economic ties through further advancement of the American policy of free trade.

The closeness of Korean-American ties is reflected in a still another way. The bulging Korean community in the United States, as well as the increasing number of Korean students advancing their academic studies has contributed a great deal to deepening mutual understanding between the two peoples. We should work toward even broader cultural exchanges. I am convinced that such an approach is basic to developing a more mature and durable Korean-American partnership in the 1980's and beyond.

Our two republics have enjoyed cordial and fruitful relations over the past 100 years. We look forward to a second century of close and productive mutual cooperation between the Republic of Korea and the United States.

At this time, I would like to draw your attention to the fact that on March 13 this year the National Assembly of the Republic of Korea, on the occasion marking the centennial of diplomatic relations between the United States and Korea, unanimously approved a resolution. The resolution expressed our profound appreciation for the positive support and cooperation extended by the people and the Government of the United States in our efforts to bring about peace, stability, and freedom in the Korean peninsula and it further resolved to present a Plaque of Friendship to the Congress of the United States of America in the name of the Korean people, extolling the bonds of friendship that exist between the peoples of the two countries.

Mr. Chairman and distinguished Congressmen: It is a great honor and privilege for me to present to you on behalf of the Korean National Assembly, a copy of the resolution and the Plaque of Friendship.●

MAJ. GEN. JOHN KIRK SINGLAUB, USA (RET.)

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1982

● Mr. McDONALD. Mr. Speaker, General Singlaub's World War II duties included a parachute mission into France to organize, train, and lead a French resistance unit which provided assistance to the Allied invasion forces. In December 1944 he led Chinese guerrillas against the Japanese on the Indo-China-Chinese border. He also led a mission which resulted in the rescue of 400 Allied prisoners of war held by the Japanese at Hainan Island.

General Singlaub was assigned chief of a U.S. military liaison mission to Mukden, Manchuria from early 1946 until he was forced out by the Chinese communists in late 1948. From December 1948 to August 1949 he was the China desk officer at the CIA in Washington, D.C.

In December 1951 he volunteered for service to Korea where he served as Deputy Chief of the CIA mission and later in command of the 2d Battalion, 15th Infantry, 3d Infantry Division.

In May 1966 he was assigned to Vietnam as commander of the joint unconventional warfare task force.

On July 1, 1976, he was assigned Chief of Staff, United Nations Command, U.S. Forces, Korea, and the Eighth U.S. Army in Seoul, Korea. Concomitantly he served as the U.N. Command Senior Military Member of the Military Armistice Commission at Panmunjom.

At the direction of President Carter he was reassigned from Korea at Fort McPherson, Georgia as the Chief of Staff, U.S. Army Forces Command (FORSCOM).

General John Singlaub is currently serving as National Chairman of the United States Council for World Freedom.

Singlaub, whose 35-year career frequently reflected vanguard military action, attracted the attention of the American public in 1977 when, as Chief of Staff of the United Nations Command in Korea, he openly took exception with the Carter administration's order to cutback forces in that area. He was subsequently relieved of that command and retired the following year.

The late John Edgar Hoover once remarked that a person is honored by his friends and distinguished by his enemies. General Singlaub is certainly distinguished by his subterranean legume adversary and his amateur night team of recent times gone by, but he is thoroughly honored by his friends.●

PATCO VINDICATED

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1982

● Mr. CLAY. Mr. Speaker, recently the distinguished president of the Communication Workers of America, Glen Watts published the following article on the impact of the Reagan administration's dismissal of the 12,000 air traffic controllers in the Communication Workers of America News (Volume 41, No. 5, May 1982). Mr. Watts' statement is a cogent description of the inequities of the President's action and its adverse impact upon the airline industry.

Because of the relevance and importance of Mr. Watts' remarks, I have asked that the Watts article be reprinted in its entirety for the benefit of my colleagues.

The article follows:

In sweeping 12,000 striking air traffic controllers from their jobs last year, the Reagan administration failed to sweep away the serious problems that prompted the walkout and which yet plague our vital air traffic control system.

That's the conclusion of the independent task force commissioned by the Transportation Department after the strike to study management and employee relations in the Federal Aviation Administration.

The report of the task force eloquently states what the Professional Air Traffic Controllers Assn. has been trying to get across for years. In summary: the FAA's lack of concern for people has created an intolerable working environment in the flight control towers.

The report—while carefully avoiding any comment on the government's dismissal of the strikers—even hints at why PATCO may have chosen the tactic of an illegal strike. The report notes that "sickouts" and slowdowns by controllers in the early 1970s had been "not so subtly encouraged" by FAA management to win funds for better equipment and more staffing from Congress.

Put this history in context with candidate Ronald Reagan's pledge to support PATCO's goals if he were elected President, and one can see where signals were missed between PATCO leaders and the administration. The union thought the President was serious about changing the system. To give the White House an opportunity to intervene with a recalcitrant FAA management, union members put their jobs in jeopardy.

Ironically, the President's hard line in handling the dispute mimicked the management attitude within FAA that brought about the crisis, according to the recent independent study. The study group's report reveals years of autocratic rule by the FAA, a preoccupation with machines and systems at the expense of people, a tendency by managers—mostly former military personnel—to ignore human problems or try to "order them away."

The report focuses on management rigidity as the FAA's central problem and notes that poor employee relations is a bigger factor contributing to worker discontent than the inherent stress of the job. Air controllers are good at dealing with stress, the report states; however, FAA managers are not good at dealing with a younger generation of workers—in this case, universally considered an elite group—working in a stressful environment.

The study warns that: "Unless it wants a simple repetition of the events of 1981, (the FAA) will have to drastically change its management style. It must learn to patiently explain and to really listen, not just issue directives. . . . It has to learn that its success depends upon its employees, that they will increasingly be drawn from this younger generation, and that their respect must be continually earned. It must meet their needs for personal independence, economic success and participative commitment."

The conclusions of this excellent study could apply to many other occupations and work situations, especially where rapid technological development is underway. The report addresses changing employee attitudes—chiefly, a tendency toward greater independence among today's workers—in collision with outdated management styles and a trend toward reduced job content.

In hindsight, it should be clear that the "gut issues" of the PATCO strike were really the human issues, those dealing with job conditions, hours worked, grievance procedure and job enrichment. Money is seldom the most important issue in strikes, and this is particularly true in the case of illegal walkouts, where the personal risk is great.

The PATCO 12,000 were desperately signalling that something is very wrong in the air control system, a system critically important to the public safety and the national economy. President Reagan's response, rather than to listen and to deal responsibly with a tough problem, was to kill the messenger bringing bad tidings.

The firing of the strikers was an unusually harsh action, an affront to civilized labor relations policy and to modern concepts of how the ultimate power of the presidency should be handled. This punishment was compounded by the total blacklisting of the strikers from federal jobs, a policy which continues informally, according to PATCO.

And who has really suffered from this action? It's the American public, suggests the independent study report. Our air traffic control system not only remains mismanaged and fraught with poor morale, but it now is seriously understaffed and likely to remain so for years.

Justice and commonsense require that the government offer to rehire the strikers and move toward reforming the system in line with the recommendations of its own study panel.●

COMPUTERS AND OUR FUTURE

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1982

● Mr. STARK. Mr. Speaker, I want to commend my colleague Al Gore for hearings he held yesterday on the important role that computers will play in our future. The hearings discussed the potential that computers hold for creating new jobs and assisting third world countries. My own Subcommittee on Select Revenue Measures will shortly hold hearings on legislation to encourage the donations of computers to primary and secondary schools.

It is my hope that we in the Congress will recognize the great potential that exists in our high technology industry and work together through our schools and universities in a joint effort to tap its full potential.

I commend the attached article to my colleagues:

The article follows:

[From the Washington Post, May 20, 1982]

ACCESS TO COMPUTERS SEEN SAVING JOBLESS

(By Thomas W. Lippman)

Congress got an apocalyptic picture yesterday of a world falling into chaos as tens of millions of workers are displaced by fast-changing technology. Jean-Jacques Servan-Schreiber, the French author and politician, and the high-powered team of scholars and scientists he has assembled at France's controversial new World Center for Computer Science offered the pessimistic predictions.

Servan-Schreiber said that more than 30 million people are unemployed in the industrialized nations, and "all experts agree that, by the end of the '80s, at least an additional 25 million jobs will be lost . . . an army of 50 million jobless will appear on the horizon and signal a situation of discouragement and possibly despair."

Members of two subcommittees of the House Committee on Science and Technology listened attentively to Servan-Schreiber's projections because the task he has undertaken with the support of the Socialist government of French President Francois Mitterrand is nothing less than staving off that chaotic future and, at the same time, alleviating the economic problems of the developing nations.

The gospel according to Servan-Schreiber is that computerized access to electronic telecommunications and information systems will enable displaced workers to learn new skills, give Third World people access to technology and enable the world to keep up with an economic system that is changing "exponentially."

His goal of making that science accessible through international cooperation is shared by the World Center scientists who joined him at the witness table.

They were Nicholas Negroponte, an MIT professor on a two-year leave to serve as the World Center's exeutive director; Seymour Papert, a South Africa-born expert on computer programs for children and former assistant director of MIT's artificial intelligence laboratory; Edward Ayensu, a Ghanaian botanist who was director of the Smithsonian Institution's Office of Biological Conservation; Raj Reddy, a native of India and former head of the Robotics Institute at Carnegie-Mellon University; and Samuel Pisar, a lawyer and author who was made a U.S. citizen by act of Congress.

The presence on the staff of the French government-sponsored World Center of those scientists, who formerly worked in the United States, has stirred charges in the scientific community that the French are buying American scientific talent in a "reverse brain drain," and that the center, in the words of Rep. Albert Gore Jr. (D-Tenn.), who presided at the hearing, is "a stalking horse for the French electronics industry."

All said there was no truth to the charges.

"This is not intended to be a French institution," Pisar said. "It is worldwide in scope, a catalyst that might do something about pulling the industrialized world out of bankruptcy and the Third World out of misery."

In the face of potential worldwide economic disruption, "There is no time for nationalism, isolationism or protectionism," Servan-Schreiber said.

Gore suggested that developing countries aided by the center naturally might want to equip themselves with the hardware to which they are accustomed, but Servan-Schreiber replied, "They are accustomed to no hardware," which, in his view, is their problem.

In a test project to be set up to bring computerized learning to Senegal, the computers to be used will be manufactured not by a French company, but by Apple, an American company, he said.●

THE NATIONAL CRUDE OIL PROFIT SHARING ACT OF 1982

HON. HOWARD WOLPE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1982

● Mr. WOLPE. Mr. Speaker, on May 6, 1982, I and Congresswoman Claudine Schneider, with four of our colleagues, introduced H.R. 6330, the National Crude Oil Profit Sharing Act of 1982. This legislation is an attempt to develop a rational and coherent national energy taxation policy. The major premise of the bill is that our Nation's energy resources should be viewed as American resources, and that the benefits derived from these resources should be enjoyed by all of America, not by just the oil industry and those few States who by geological chance find these resources within their borders.

By establishing a permanent national severance tax on crude oil, and by placing reasonable limits on State energy taxation, the National Crude Oil Profit Sharing Act of 1982 addresses, simultaneously, four of the critical problems confronting the American economy:

First, unless massive Federal deficits are reduced, they will continue to contribute to prohibitively high interest rates which impede economic recovery.

The National Crude Oil Profit Sharing Act of 1982 would establish a permanent 30-percent tax on crude oil to be paid by producers. Actually, the effective rate of the tax would only be 16 percent after it is deducted as a business expense from Federal corporate income tax payments; it would raise $4.86 per $30 barrel of oil produced. The act would make 75 percent of the revenue from the tax available for reduction of the Federal deficit. If the tax were in effect in 1983, $14.8 billion would be raised to reduce the Federal deficit; through 1990 the revenues generated for deficit reduction would exceed $235 billion.

Two, American industry is finding it increasingly difficult to contend with foreign competiton. Much of the problem can be attributed to declining industrial productivity—due to obsolete facilities, high interest rates, high energy prices, and a lack of investment capital for modernization. In addition, hard-pressed urban areas are having difficulty in raising the capital needed to repair economically critical water, sewer, and transportation systems, and rural areas are faced with increasingly severe natural resource conservation problems.

The National Crude Oil Profit Sharing Act of 1982 would allocate 25 percent of the revenue from the natural crude oil severence tax to an energy and economic development trust fund. If this legislation were in effect, the trust fund would receive $4.9 billion in 1983. Half of the trust fund revenues would be dispersed to States to encourage new economic development and to revitalize basic industries so as to improve our competitive position in the international marketplace and create jobs for unemployed Americans. States could also use their economic development funds to assist local governments in repairing basic urban infrastructure systems, or to aid rural areas in addressing conservation problems that threaten the productive capacity of soil and water resources.

Three, OPEC has succeeded in raising the world price of crude oil by 1,000 percent since 1973, further reducing the competitiveness of our basic industry and causing a tremendous drain of capital from the U.S. economy. The other half of the trust fund revenues would be dispersed to States to fund programs to reduce our dependence on imported oil by encouraging energy efficiency improvements and the utilization of renewable energy technologies to displace petroleum. Numerous studies have concluded that energy efficiency improvements are the quickest, cheapest, and cleanest way to reduce our dependence upon petroleum and that renewable energy technologies could provide as much as 20 percent of the Nation's energy needs by the year 2000. I believe that it is very appropriate that a portion of a tax on oil—a nonrenewable resource—should be devoted to efforts to slow its depletion and to develop alternative energy resources.

Four, the Federal decision to allow the price of domestic crude oil to rise to OPEC levels has unintentionally contributed to growing fiscal disparities between States. Decontrol has allowed a few energy-producing States to raise tremendous revenues through State energy severance taxes, giving these States an unjustified economic windfall and advantage over the rest of the Nation.

This legislation would reduce the growing fiscal disparities between a few energy-producing States and the rest of the Nation by limiting State energy taxes on crude oil, natural gas, and coal to 1978 pre-decontrol unit rates adjusted for inflation. Unless this action is taken, it has been estimated that almost $200 billion will flow into the treasuries of a few energy-producing States in this decade. These revenues allow energy-producing States to offer powerful new location incentives for business and industry. The vast majority of States which do not have these energy resources to tax are at a competitive disadvantage in efforts to retain existing industry and attract new economic activity. In effect, the Federal decision to allow domestic oil prices to rise to OPEC levels is unintentionally subsidizing the economic development of energy-rich States.

The subject of energy taxation is inherently complex, both economically and politically. I would like to emphasize that we are not wedded to every detail of the legislation as outlined. But I believe that the basic concepts of this proposal are sound and should become part of the current debate over the direction of our Nation's energy and economic policy.●

THE SOUTH BRONX IS ALIVE AND WELL

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1982

● Mr. GARCIA. Mr. Speaker, I am from the South Bronx. I was born and raised there. I am now fortunate enough to represent that area in Congress. I am proud that I am from the South Bronx, and I am concerned that the image that the rest of America has of the South Bronx is less than positive. There is poverty in the South Bronx. There is crime in the South Bronx. We have plenty of problems, but we also have plenty of remarkable people living in the South Bronx. I would like to submit for the Record a recent article that talks about a couple of remarkable people. I think its time America was made aware of the positive side of life in my home, the South Bronx.

The article follows:

HAPPILY EVER AFTER IN THE SOUTH BRONX

(By Bill Reel)

People love to rave about their old neighborhood. I always ask them why they moved. After all, if it was so great, why didn't they stay there? They shrug and say that the neighborhood changed. I think to myself: You didn't move because the neighborhood changed, the neighborhood changed because you moved.

For years I've hoped to meet somebody who was born and raised in, say, the South Bronx, and who has lived there happily ever after, raising a family and hopeful about the future. The other day I met Joan Pipolo, 39, who lives with her husband and three kids in the house she grew up in on Barretto St. in Hunts Point, which is very far south in the Bronx indeed.

Joan's many friends are honoring her at a big affair tonight at Tardi's in Throgs Neck. She will be cited for tireless commitment to neighbor and neighborhood. She is a member and past president of Community Planning Board 2, she is president of the Barretto St. Block Association, she is president of the PS 48 PTA. Joan can't be overpraised. I'll bet she's unique in New York.

Joan and I were on Spofford Ave. the other afternoon watching work crews facelift the handsome red brick PS 48 schoolhouse. "I've been screaming and hollering for years to get the school steam-cleaned and painted, and the job is finally being done," Joan said proudly. "My late father, Frank Saccacio, went to PS 48. Later he owned Frank's Market across the street. I went to PS 48. My husband, Tom, went to PS 48. Tom is co-owner of Fort Tryon Market on W. 187th St. in Manhattan. Our kids went to PS 48. My daughter Nicole is in the third grade now. In fact, she just won the school science fair. Bronx public schools have served us well. My son, Guy, went to Lehman High and is a freshman at Iona College. My daughter Janine is a sophomore at Lehman."

Hunts Point has been called the most devastated neighborhood in the city. Joan is sure that its resurrection is underway. "I saw the devastation happen, and now I'm seeing the spirit of hope that is turning us around," she said.

Across from her neat brick house on Barretto St. above Randall Ave. she showed me a little black-topped park built by Bronx Frontier Development Corp., a community group where she works. "The neighborhood kids are always playing basketball or dancing in the park," she said. "Neighbors sit out at night. Everybody knows everybody. It's an old-fashioned block."

Joan pointed proudly to a big vegetable garden on the block that provides a couple of dozen families with zucchini, eggplants, radishes, tomatoes, collard greens, onions and strawberries. Bronx Frontier sponsored this garden, too.

Up on the corner of Barretto and Spofford is a 49-unit apartment building that tenants took over when the landlord abandoned it almost a decade ago. The tenants are now buying it from the city. Workmen were installing new plumbing and wiring while we were there.

"There are many good things happening in the South Bronx, but people seldom hear about them," Joan lamented. "Only crime gets publicized."

A block away on Manida St., Joan pointed out an abandoned apartment building soon to be restored by federal funds granted to a community organization headed by Joan's favorite priest, Father Louis Gigante. The padre has sponsored more than 1,000 units of housing in the South Bronx over the years. Not everyone agrees with Gigante all the time, but he is a savior in the South Bronx. He gets a chapter when the history of the church in New York is written.

Painters were applying a coat of beautiful bright yellow paint to the inside of St. Athanasius Church of Tiffany St., where Joan and Tom Pipolo were married 20 years ago and where daughter Nicole, 9, will make her first Communion on Sunday. Hope was everywhere as Joan and I toured Hunts Point. More than 100 of her friends will toast her tonight at Tardi's. Joan Pipolo doesn't just talk about the old neighborhood, she lives in it. Thanks to Joan, the neighborhood is changing—for the better.●

CAPITAL BUDGET RESPONSE

HON. BOB EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1982

● Mr. EDGAR. Mr. Speaker, in the interest of keeping the House informed on the issue of public infrastructure investment, I would like to share with my colleagues the following response from the White House to a recent letter sent by Representative CLINGER and me. The Office of Management and Budget—under both Republican and Democratic administrations—seems institutionally opposed to any significant changes in the formulation of the Federal budget. Although I think the budget writers raise important arguments, I truly believe that some changes in our perception of public capital investment are necessary in order to deal with a massive infrastructure crisis which looms in the coming years. I appreciate the responsiveness of the White House on this issue, and we will continue this important dialog on capital investment practices.

The letter follows:

THE WHITE HOUSE,
Washington, May 13, 1982.

Hon. BOB EDGAR,
House of Representatives,
Washington, D.C.

DEAR BOB: This is in further response to your follow-up letter to the President on the subject of capital budgets.

At our request, the Office of Management and Budget has carefully reviewed your letter. This review was conducted with special concern about the need to evaluate investments in our Nation's future productive capacity versus current consumption. As you know, concern over the Nation's capital stock was central to the tax legislation enacted last year. This concern is also reflected in the GAO report on capital budgeting to which you referred. Clearly, there are no easy answers to some of the problems highlighted in the GAO report. Unfortunately, the problems are easier to identify than the solutions. The solutions proposed in the GAO report are ill-advised, as is discussed in the enclosed copy of a letter by the Office of Management and Budget to the Government Operations Committee.

As the OMB letter points out, the GAO report recommended an increase in Federal control over State and local budgets. We are not convinced that Washington knows best how to set priorities for State and local spending. This Administration's policy is to devolve to the State and local levels the responsibility for and control over a range of domestic programs that have become increasingly centralized over the past several decades.

The cases cited in the GAO report actually support the view that capital budgets are not automatic cures for maintaining investment at adequate levels. GAO indicates that State and local capital assets are deteriorating despite the fact that most State and local governments operate under capital budgets.

At the Federal level, a capital budget would create additional complications in the budget but would not likely lead to better allocation of budget resources. This conclusion is supported by data showing Federal investment-type spending (physical and financial investments and investments in human capital—both for research and development and for education and training) for the past several years and as projected in the President's 1983 Budget. These data are shown in the enclosed table, and in a comparsion of the basic trends relative to the total economy (the GNP) in the table below. As the data indicate, over the past several years, despite stringent financial pressures, Federal investment-type spending for national defense has gone up faster than the rate of economic growth, and this investment is being increased further under this Administration. The normal Federal review process for deciding defense investment practices would not be improved by creating a separate Federal capital budget.

FEDERAL OUTLAYS OF AN INVESTMENT NATURE AS A PERCENT OF GNP

[Fiscal years]

	1978	1979	1980	1981	[1] 1982	[1] 1983
National defense	1.7	1.8	1.9	2.0	2.2	2.5
Nondefense:						
Grants-in-aid	1.4	1.5	1.5	1.3	1.1	.8
Other (on-budget)	2.0	1.8	2.0	1.8	1.6	1.2
Off-budget	.5	.6	.6	.8	.6	.5
Total nondefense	3.9	3.9	4.1	3.9	3.3	2.5
Total Federal Government	5.6	5.7	5.9	5.9	5.4	5.0

[1] Estimates for fiscal years 1982-83.

Federal grants-in-aid for investment purposes are declining under current budget policy: This is not due to a lack of a capital budget, but rather to policies designed to reduce the Federal grants and involvement in State and local responsibilities to more appropriate levels. Similarly, Administration budget efforts to shrink the magnitude of other Federal investment-type spending, especially lending, is part of a conscious set of policy initiatives.

In sum, budget results reflect deliberate budget policy to ration scarce Federal budget resources among a multitude of competing claims. Giving capital investment favored status in the budget process—or separating decisions about capital spending from decisions about operations—would not appear to constitute improved budgetary approaches.

The President certainly appreciates your help in seeking ways to improve the functioning of our Government; and we are anxious to maintain dialogue with Members of the Congress as to the best ways of resolving our fiscal problems. Thank you again for keeping us apprised of your thoughts and suggestions.

With best wishes.

Sincerely,

KENNETH M. DUBERSTEIN,
Assistant to the President.

FEDERAL OUTLAYS OF AN INVESTMENT NATURE

[Fiscal years; dollar amounts in billions]

	1978	1979	1980	1981	[1] 1982	[1] 1983
National defense:						
Construction and rehabilitation of physical assets	2.3	2.3	2.6	2.8	3.6	4.5
Acquisition of major equipment and other physical assets	20.1	26.8	30.3	36.9	43.2	57.2
Conduct of research and development	12.1	12.1	14.6	16.9	20.4	24.5
Other	.5	.4	.3	.2	.1	.3
Subtotal	35.1	41.6	47.8	56.8	67.2	86.4
Grants-in-aid of State and local governments:						
Construction and rehabilitation of physical assets	18.0	19.8	22.2	21.8	21.2	19.1
Conduct of education and training	9.5	16.0	15.5	14.4	10.9	7.5
Other	.7	.6	.7	.8	.7	.6
Subtotal	28.2	36.4	38.5	37.0	32.8	27.1
Other on-budget investments:						
Loans and financial investments	9.5	6.7	9.8	5.7	5.4	2.9
Construction and rehabilitation of physical assets	5.9	6.4	6.8	7.2	7.3	6.7
Acquisition of physical assets:						
Commodity inventories	1.0	1.3	2.0	4.3	.9	.6
Other	2.1	2.3	2.2	2.8	2.2	1.9
Conduct of research and development	12.4	14.2	15.3	17.0	17.3	16.7
Conduct of education and training	8.9	9.4	10.6	11.7	11.5	9.8
Other	1.6	1.9	3.6	3.5	3.2	3.3
Subtotal	41.5	42.2	50.4	52.1	47.9	41.8
Off-budget investments:						
Loans	11.2	13.6	14.7	21.0	16.4	12.3
Construction and acquisition of physical assets and equipment	.3	.4	.4	.5	.5	.9
Acquisition of commodity inventories					2.8	2.8
Subtotal	11.5	14.0	15.1	21.5	19.8	16.0
Recapitulation:						
Total on-budget	104.8	120.2	136.7	146.0	148.0	155.3
Off-budget	11.5	14.0	15.1	21.5	19.8	16.0
Grand total	116.3	134.2	151.8	167.5	167.8	171.3

[1] Estimates for fiscal years 1982-83.

MAY 26, 1981.

Hon. WILLIAM V. ROTH, Jr.,
Chairman, Committee on Governmental Affairs, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This letter is in response to a report issued by the General Accounting Office on February 26, 1981, entitled Federal Capital Budgeting: A Collection of Haphazard Practices (PAD-81-19). Our response to the report in draft form was largely negative. While the GAO has sought to allay some of our concerns, we continue to disagree fundamentally with the philosophy of the report and with many of its recommendations.

The philosophy of the report is stated succinctly in the title of the first section of chapter 3: "Federally financed physical capital needs special attention." The report then goes on to assert that the Executive Office of the President and the Congress make budget decisions without taking into account tradeoffs between capital investment and alternative uses of resources. It goes even further and recommends that the Congress assign to Senate and to House committees oversight responsibility for Federal capital investment and require by law that the President organize his Executive

Office in a way that would assure that special attention is given to capital investment. The report is incorrect in its assertion, and we do not agree with its recommendations.

As noted by OMB in commenting on a draft of the report, capital investment needs have long been considered explicitly by both OMB and the Congress during their reviews of the budget. In fact, this Administration stated in its February 18, 1981 report: A Program for Economic Recovery, that consideration of capital investment was one of the nine criteria that guided its budget decisions. The criterion, with which GAO might not agree, was that such investment had to be stretched out and retargeted. A full justification for adopting this criterion was given on page 22 of the Budget Reform Plan portion of the report.

The recommendation that the Congress order the President to organize his Executive Office in a way that the General Accounting Office perceives to be best is both presumptuous and disturbing. One of the main reasons for the durability of our form of government is that the founders of our Nation chose to divide responsibility and power among the legislative, executive, and judicial branches. GAO would undermine that principle by having the Congress encroach on the President's authority in one of the most direct ways imaginable—by telling him how he must organize his immediate staff. We cannot and should not agree with this recommendation.

The report, perhaps unintentionally, also gives the impression of trying to influence resource allocation decisions, which are the prerogative of the Congress and the President, to favor capital investment. The title of Chapter 7: "Federal decisionmaking limits physical capital investment," illustrates the point. Whether Federal decisionmaking limits capital investment is not the issue. The nature of the budget decisionmaking process is that it limits the resources allocated to any use. The issue is whether the President and the Congress have adequate information on which to base their decisions. We believe that they do.

The report appears to have two basic themes or postulates:

"A program of Federal physical capital formation should exist independently of the specific functions or programs undertaken by the Government; and

"The Federal Government should have as a national policy objective the ability to guide the formation and maintenance of physical capital by State and local governments."

These could be Federal policy objectives, and if they were, the GAO report would provide an analytical background for programs to deal with them. However, these are not the objectives of this Administration; nor does it appear that they have widespread support in the Congress.

With regard to the first theme, the basic GAO documentation rests on an economic analysis presented in Chapter 1 and using data reflected in Tables 1-5. In substance, it analyzes federally owned nondefense capital stock independently of the programs that the Federal Government operates and concludes that Federal capital formation is inadequate.

As we noted in our earlier comments to GAO, we cannot agree with this approach. The adequacy of Federal capital stock must be reviewed in the context of the specific programs being carried out. For example, the question of adequacy of Postal Service physical facilities depends on an analysis of the Postal Service operation, not on an analysis of per capita investment. Similarly, an evaluation of the adequacy or inadequacy of veterans hospitals depends on a review of the operation of the veterans medical care program. Contrary to what the report asserts, we do assess the condition of the entire infrastructure needs, but we do not give this factor the heavy weight that GAO would appear to prefer.

We also must reject the second theme of the report—that the Federal Government should have a national policy of setting standards for State and local government capital formation and maintenance. This theme pervades the report.

Fundamentally, we do not agree with the assumption that the fact that the Federal Government has financed and is financing significant amounts of grants for State and local capital formation necessarily commits the Federal Government to a policy of protecting these investments. It is not a proper function of the Federal Government to control the rate of State and local government capital formation, its composition, and the level of State and local efforts at physical capital maintenance.

The report's sweeping philosophy of the proper Federal role in the area of public capital formation is illustrated by quotations from the report, specifically:

"Presently no broad Federal plan exists that sets out a national strategy for keeping the nation's infrastructure intact and healthy. No single Federal agency is responsible for assessing new infrastructure needs or for preserving and maintaining existing capital assets, and there is little recognition at the Federal level that capital investment is a vital component of a vigorous economy. . . .

"Public Sector assets in the United States are deteriorating. Much of this capital stock is financed by the Federal Government, but ownership resides with States and municipalities. The Federal Government should take a closer look at the condition of this State and local capital stock, not simply because it finances much of it, but because Federal programs, policies, and planning procedures can accelerate or arrest the deterioration. However, as long as short-term, instead of long-range, strategies are implemented in capital investment areas, as long as the increased costs of Federal capital programs that are passed onto States are not recognized, and as long as no effective national capital improvement plan exists, the ability of the Federal Government to stop the decline of the physical capital across the Nation is severely limited."

This Administration has a basic approach toward some of the problems that the GAO report analyzes, but it runs along very different lines. The Administration's program can be summarized as follows:

"It is the responsibility of the Federal Government to protect and encourage a free and prosperous society within which individuals and State and local governments are able to solve their own problems with a minimum of Federal direction and control.

"Only where there is a compelling Federal interest will the Federal Government initiate new programs and policies—including grant programs.

"The social and economic distortions caused by narrowly focused Federal grant programs are best solved by reducing to an absolute minimum the number of such programs. In part, this is being done through creation of economic conditions such that State and local governments can finance their own programs. In part, it is being done by consolidating categorical grants into more flexible packages to be run by the State and local governments according to their priorities. And, in part, it is being done by reducing regulatory requirements.

"The Federal Government must maintain the social safety net of income security measures erected in the 1930's to protect the elderly, unemployed and poor, as well as veterans. This key responsibility does not pivot on capital budgeting."

I hope that these comments will be useful to you in your consideration of the report.

Sincerely,

EDWIN L. HARPER,
Deputy Director.●

CRISIS FOR AMERICAN STEEL

HON. RICHARD C. SHELBY

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1982

● Mr. SHELBY. Mr. Speaker, the steel business in this country is currently suffering through the longest and deepest depression since 1929. The average operating rate for the industry at the end of 1981 was barely 55 percent. In 1982, conditions have remained terrible; operating levels are now only about 57 percent and there is little sign of recovery on the horizon.

Yet, as domestic production has fallen there has been a steady increase in the amount of steel, as a percent of market share, imported to the United States. The dimensions of the problem are best illustrated by a brief summary of recent steel import and employment figures.

For the full year in 1981, a total of 19.9 million tons of steel were shipped into the U.S. market, an increase of 28 percent over 1980. Total imports' share of the domestic market, which had been 16.3 percent in 1980 (compared with an average 15.4 percent for 1970-80) reached a record 19.1 percent. By the year's end, the number of employees on layoff was near 77,000 and an additional 17,000 men and women were on short workweeks. These figures do not include the additional steel that was imported into this country in the form of cars, trucks and other finished products.

The numbers have continued to deteriorate in 1982 right up to the present. Total steel imports in February 1982 were 1.6 million tons, an increase of 29.7 percent over the same month last year. For the week ending March 27, 1982, there were nearly 81,000 steel industry employees on layoff and almost 26,000 more working a shortened week.

In my own State of Alabama, it has recently been announced that U.S. Steel intends an indefinite closing of the steel firm's massive Fairfield Works near Birmingham. The closing of this plant would push the area's already-high unemployment rate beyond the crisis point.

Displacement of American-produced steel by imported steel is clearly the single most serious problem confronting the domestic industry. The question you might ask is how have foreign steel producers been able to capture so much of the American steel market?

We have all heard the accusations aimed at the domestic steel industry, and the adulation that foreign steel producers have received for their efficiency. But I believe our steelworkers and our facilities can compete with those anywhere in the world. So I will tell you how foreign steel producers have been taking our market: Through dumping, and through very heavy direct and indirect government subsidies in blatant violation of U.S. trade laws.

The American steel market is the largest and most open in the world and foreign steel producers know this better than anyone, siphoning off much of our growth, jobs and profitability. Over many years foreign nations have—for internal political reasons—substantially increased, and subsequently maintained, their steelmaking capacity. In order to keep operating rates and employment as high as possible these foreign producers have maximized their export sales selling at any price regardless of production cost or fair value. They have done this through extensive government subsidies in disregard of international trade agreements. The U.S. market and American workers have been the main victims of these practices.

While these unfair trading practices by foreign steel producers were increasing, U.S. trade policy either ignored, or failed to stop them.

The trigger price mechanism which was established to reduce foreign dumping and subsidization has not worked. As soon as a strengthened TPM was reinstated in 1980 at the urging of European steel producers, those same producers again began to disregard it. Such violations of U.S. law cannot be condoned.

I believe there is only one solution left to this problem and that is strict and swift enforcement of our trade laws using every option provided under those laws. Although our Secretary of Commerce, Malcolm Baldrige, has been very active recently in an attempt to stem this dumping problem, I urgently request even stronger action.

Since all relief under the trade law is prospective, there is really no effective disincentive for engaging in illegal trade practices. Another major shortcoming of the existing law is that it may take more than a year to resolve an antidumping case.

A number of measures have been introduced in Congress seeking to strengthen our laws against international trade violations. I know that I am a cosponsor of many of these measures. The legislative activity in this area is a response to a general sense of frustration over our inability to stem the flood of subsidized or dumped foreign products being sold in American markets.

The time is long past when mere verbal assurances of restraint can be accepted. Unfair imports have already done serious injury to the American steel industry. Future jobs, earnings, and our ability to modernize are now in jeopardy. The blatant violation of U.S. trade laws by foreign steel producers requires stronger action by both Congress and the administration.

I sincerely hope that my deep concern about the future viability of the steel industry is shared by the other Members of Congress in order that Congress and the administration can act collectively to end the suffering experienced by workers and communities which rely on a healthy steel industry for their economic well-being.●

NEED FOR CLEANING UP TOXIC SUBSTANCES

HON. TIMOTHY E. WIRTH

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1982

● Mr. WIRTH. Mr. Speaker, today's Washington Post ran the following story on the need for cleaning up toxic substances. I hope the House will account for these needs in voting on the final fiscal year 1983 budget.

[From the Washington Post, May 20, 1982]

STATES CAN'T SHOULDER EPA'S CLEANUP LOAD

(By Sandra Sugawara)

There's one small problem with the Environmental Protection Agency's plans to trim its budget by turning some of its programs over to the states.

The states say they can't afford them either.

And, according to a recent survey by the National Governors Association and state environmental officials' groups, many would consider dropping programs—particularly ones designed to control air pollution—rather than accept responsibility for them.

The result, state officials say, could be damaging to many of the major gains for the 1970s in controlling air, water and hazardous waste.

The idea of turning over certain pollution control programs to the states is not new. In fact, under most of the major environmental laws of the 1970s, the federal government was supposed to set the policies, help with enforcement, and then give money to states to help them establish and eventually manage their own programs.

What worries state environmental officials is that EPA, at the same time it is trying to speed up the transfer of responsibility to states, wants to cut by 20 percent the $227.8 million it gives them for environmental programs. The federal money represents about 50 percent of state expenditures on these activities, according to the NGA survey.

State environmental officials note that state budgets are already burdened by other cuts in federal aid, swollen unemployment payments and lagging revenues because of the recession.

In fact, when the Pennsylvania legislature recently wrestled with cuts in spending, one of the largest—$526,000—came out of the budget for its Department of Environmental Resources. The agency had already shut 20 of its 46 environmental-enforcement offices, and officials said they have no idea what the new state cuts, let alone the proposed federal reductions, would do.

Environmental officials in Massachusetts expect the state budget for fiscal 1983 to provide a 15 percent increase in their funds, which they intend to use to develop their fledgling controls over hazardous waste, toxic waste and groundwater protection. Still, they anticipate problems.

Anthony Cortese, commissioner of the state's Department of Environmental Quality Engineering, said, "We can't cut back on those [programs]. We're just starting out with them." Cortese said the problem is a major one for the state. In the last three years, 97 hazardous waste sites have been discovered and about 50 remain to be cleaned up. Thirty-one water supplies were found contaminated.

Cortese said a 20 percent cut would hurt air and water programs, particularly issuing permits, monitoring, inspections and enforcement.

The NGA survey found officials in 11 of the 49 states surveyed optimistic that they would be able to make up at least part of the federal cuts in the hazardous waste program; six states, the air program cuts; three states, the water program cuts, and six states, the safe drinking water cuts.

Massachusetts and other states are considering charging users for processing air, water and hazardous waste permits. But some states lack the authority to charge for such services, and in about half of the 19 states that now charge for air quality permits, the money must go into general revenues.

On the other hand, at least 11 states indicated they would be forced to drop their program to prevent the deterioration of areas with air cleaner than the national average. The programs would either have to be picked up by the federal government or eliminated.

Many states say the federal cuts would also force them to lay off employees.

The cuts would also force the closing of 12 air pollution control agencies at the local level, including one in Alexandria, according to William Becker, executive secretary of the State and Territorial Air Pollution Program Administrators. Becker said the activities would be picked up by state authorities, further burdening state resources.

Twenty-seven states predicted that under the cuts it would take industry an average of 24 percent longer to get air permits. They also predicted that it will take longer to process water and hazardous waste permits, although they stressed that estimates are tentative.

The extent to which the states depend on federal assistance varies greatly, according to the survey. California is the least dependent, particularly in the air programs, where federal grants account for only 10 percent of the budget.

In contrast, federal funds account for about three-fourths of the air program budgets in Kansas, Ohio, Nebraska, Utah, New Hampshire and Vermont.

The federal government provides all the funds for hazardous waste disposal programs in Connecticut and Vermont.

Virginia depends on the federal government for 73 percent of its hazardous waste budget, 44 percent of its air budget, 46 percent of its drinking water budget and 21 percent of its clean water budget.

Maryland turns to the federal government for 87 percent of its drinking water budget, 58 percent of its water quality budget and 45 percent of its air quality funds. Maryland charges for some of its permits; Virginia doesn't have that authority.

Brendan Whittaker, Vermont's secretary of environmental conservation, said, "We don't like it. I suppose we can probably live with it. But what really worries me" is the federal government's apparent shift away from an aggressive environmental stance. "We need a strong federal presence" to set the nation's environmental direction.

He believes a forceful federal role discouraging regional inequities and is necessary to solve regional problems like acid rain. "I'm afraid we may be returning to the old days when fugitive industries begin shopping for an easy state to do business in."●

MAJ. GEN. PIERPONT M. HAMILTON

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1982

● Mr. LAGOMARSINO. Mr. Speaker, I rise today to pay tribute to one of our country's great military heroes who passed away recently in Santa Barbara, Calif. I refer to Maj. Gen. Pierpont M. Hamilton.

General Hamilton, a direct descendant of Alexander Hamilton and grandson of J. P. Morgan, was the recipient of our Nation's highest award for bravery; the Congressional Medal of Honor, bestowed upon him for his courageous actions in North Africa during World War II. He also held the Legion of Merit and Silver Star Awards, and was presented with the French Legion of Honor Medal, one of the French Republic's highest awards to a foreigner.

A veteran of both World Wars, General Hamilton also served the United Nations as a member of the subcommittee of the Joint Chiefs of Staff, and played a major role in Air Force policymaking and in the affairs of NATO in Europe.

In civilian life General Hamilton devoted much of his energy to community service and civic organizations including Guide Dogs for the Blind, the Order of Lafayette, the Boy's Club, and Community Chest.

And so today, I am pleased to have this opportunity to honor a man who served his country and his community selflessly and admirably.●

DO NOT CUT SOCIAL SECURITY COLA'S

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1982

● Mr. OTTINGER. Mr. Speaker, regardless of the way it is dressed up, the effort to cut social security benefits continues. I have introduced a bill that expresses congressional commitment to maintain the cost-of-living adjustments (COLA) for social security recipients. I believe passage of my resolution is more important now than ever.

Senior citizens have already been devastated by cuts in all their necessities—food, rent, health care, and energy assistance. Further cuts would jeopardize the lives of many older Americans. According to a recent study by Data Resources, Inc., the COLA cutbacks would have devastating results for many elderly persons: Up to 1.2 million elderly people would be pushed below the Government's official poverty line by 1985, and 2.1 million by 1990.

Public confidence in the social security system is at an all time low. Seniors around the country are reacting with justifiable fear to the continuing talk of tampering with their COLA. Proposals to cut the cost of living adjustments add to the general public's concern and skepticism about the program and Congress' willingness to provide promised benefits.

I believe we must reduce the deficit, but I do not believe that it should be done at the expense of our seniors, who are already suffering terribly from a wide range of budget cuts

If we are going to make any change in the social security COLA, we should not be capping it; rather, we should act to make it more realistically reflect the true expenses of seniors, particularly the higher proportion of income which they must expend on health care, food, rent, and energy. What we really need is a special Consumer Price Index for the elderly (which, given inflation in medical costs, might result in a higher COLA).

Limiting cost-of-living adjustments for social security recipients would put the burden of inflation on those least able to bear it. I hope that my colleagues will act to send a signal of reassurance to the seniors in their districts by cosponsoring House Concurrent Resolution 298. Time is of the essence.

The Save Our Security coalition, made up of 100 organizations created to protect social security benefits, has come down firmly against "any tampering with automatic COLA's for social security recipients." I submit to you a letter written to me by the chairman of S.O.S., Mr. Wilbur Cohen (former Secretary of HEW).

The text of the letter and the list of cosponsors of House Concurrent Resolution 298 as of May 19 follow:

COALITION TO PROTECT
SOCIAL SECURITY,
Washington, D.C., April 26, 1982.

HON. RICHARD L. OTTINGER,
U.S. House of Representatives, Washington, D.C.

DEAR DICK: The Save Our Security coalition wholeheartedly endorses H. Con. R. 298, which you have introduced with 54 cosponsors, to express the sense of Congress in opposition to any tampering with social security cost-of-living adjustments. We hope more of your colleagues will join you in this effort.

This action is desirable to prevent a grave injustice to social security recipients and to avoid doing them irreparable economic harm.

The whole purpose of cost-of-living increases is to help insulate beneficiaries from the ravages of inflation. Even at their present level, these adjustments do not make families whole for what they suffer from runaway prices. But they help, and they should not be delayed, modified, reduced or frozen. To do so would be to risk driving thousands of families into poverty.

I understand the Congressional concern about the huge federal deficits contained in the President's budget. We in the coalition share that concern. But it is simply not true that tinkering with social security would make any dent at all in the actual deficit. On paper, yes, it would appear that the budget would be more nearly in balance, but it would be strictly a bit of legislative sleight-of-hand.

Under the law, the money in the social security trust funds can only be used to pay benefits to retirees, the disabled, surviving spouses and dependent children—not to offset soaring costs in other parts of the federal budget. Were the Congress to touch the cost-of-living adjustments, it would be penalizing those who need these benefits for their economic survival; it wouldn't get at the root cause of whatever budgetary problems we have; and it would mislead the general public about the magnitude and nature of the deficit.

One thing more: I know that your resolution addresses only the cost-of-living allowances for social security recipients. I would hope you would not overlook the fact that retired and disabled government employees, their dependents and military pensioners are in the same boat as are social security recipients. We think it would be just as wrong to break the government's promises to these people as it would be to break faith with social security beneficiaries. So we hope you will resist any efforts, from whatever source, that would penalize any of these beneficiary groups.

Again, on behalf of the Save Our Security coalition—more than 100 organizations and some 35 to 40 million adult Americans strong—we commend you for your efforts, we pledge you our full support, and we hope you can convince the majority of your colleagues to support H. Con. Res. 298.

With all good wishes,

Sincerely,

WILBUR J. COHEN,
Chairman.

Cosponsors as of May 19: Mr. Anderson, Mr. Annunzio, Mr. Bailey, Mr. Barnes, Mr. Bingham, Mr. Blanchard, Mr. J. Burton, Mrs. Chisholm, Mr. Clay, Mrs. Collins, Mr. Conyers, Mr. Corrada, Mr. Crockett, Mr. D'Amours, Mr. Dellums, Mr. Dougherty, Mr. Downey, Mr. Dymally, Mr. Eckart, Mr. D. Edwards, Mr. Fascell, Mr. Fauntroy, Mr. Ferraro, Mr. Wm. Ford, Mr. Frank, Mr. Gaydos, Mr. Gray, Mr. Guarini, Mr. Hawkins, Mrs. Heckler, Mr. Hertel, Mr. Jacobs, Mr. Kastenmeier, Mrs. Kennelly, Mr. Kildee, Mr. Lantos, Mr. Leland, Mr. C. Long, Mr. Lowry, Mr. Markey, Mr. Mavroules, Ms. Mikulski, Mr. Mitchell, Mr. P. Mitchell, Mr. Mottl, Mr. A. Murphy, Mr. Nowak, Mr. Oakar, Mr. Oberstar, Mr. Pepper, Mr. Ratchford, Mr. Richmond, Mr. Rodino, Mr. Roe, Mr. Rosenthal, Mr. Roybal, Mr. Savage, Mr. Scheuer, Mrs. Schroeder, Mr. Schumer, Mr. J. Smith, Mrs. Snowe, Mr. Solarz, Mr. Stark, Mr. Sunia, Mr. Traxler, Mr. Vento, Mr. Walgren, Mr. Washington, Mr. Waxman, Mr. Weaver, Mr. Weiss, Mr. D. Young.●

OLDER AMERICANS ACT

HON. ROY DYSON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1982

● Mr. DYSON. Mr. Speaker, it is an honor to join our distinguished colleague, Congressman Claude Pepper, chairman of the Select Committee on Aging, in sponsoring House Concurrent Resolution 346 expressing the sense of the Congress regarding full funding of the programs as reauthorized under the "Older Americans Act Amendments of 1981."

The Older Americans Act, originally enacted in 1965, is truly one of America's great success stories. Like the Social Security Act, this act is a landmark in our Nation's efforts to assure a life of hope, dignity, and independence for older Americans. Over its 17-year legislative history, this act has been thoughtfully amended to best achieve the original policy goal of improving the lives of older Americans in the areas of income, health, housing, employment, retirement, and community services.

Before the enactment of the Older Americans Act in 1965, there was no one specific vehicle for coordinating the various State and Federal health and social service programs for the elderly. The Older Americans Act changed all that, and has long been considered one of the best designed and operated programs ever enacted by the Congress.

The Older Americans Act and the goals which it embodies will not diminish in significance over time. Indeed, they will only attain greater significance in the years ahead. It is estimated that there are 25 million people aged 65 and older presently living in the United States. By the year 2000, it is estimated that 31.8 million Americans, or 12 percent of the Nation's population, will be over the age of 65. The reauthorization of this act has allowed us to renew our commitment to the elderly who have contributed so much to our Nation.

The programs authorized under the Older Americans Act directly touch the lives of over 10 million older Americans. Nearly every one of these individuals lives on a fixed income and depends solely upon social security for his or her livelihood.

Nearly 3 million older persons participate in nutrition projects funded by the Older Americans Act at more than 12,500 local sites throughout the country. Title V of the act specifically authorizes the Senior Community Service Employment program, which funds 54,200 part-time jobs for persons between the ages of 55 and 80. In Maryland alone this program finances the part-time employment of 800 senior aides. Countless communities and individuals have benefited from the community service work provided by these senior citizens. Beyond these benefits and the dignity of a paycheck, those seniors who are able to remain in the work force continue to contribute to the social security system. For many older Americans, title V and the other programs of the Older Americans Act have provided hope for a self-sufficient and dignified existence, at an age when traditional employment opportunities shrink and self-worth is hinged increasingly on the need to play a useful role in society. This is one of the many real accomplishments of the Older Americans Act.

In this regard, the elimination of the categorical funding for title V and the overall reductions which were sought in the President's budget for fiscal year 1983, are tragically shortsighted and represent a reversal of one of our highest national priorities.

I could go on and on about the importance of funding these programs, but it seems unnecessary to enumerate in detail before this House the tremendous contributions which stem directly from this act; for last year, the Older Americans Act Amendments of 1981 received near-unanimous support in both Houses of the Congress. On December 29, 1981, the President signed this important measure into law. Now the administration is turning its back on this vital program.

This Nation, and this Congress in particular, must never abandon the noble commitment of promoting the continued dignity of its older citizens. This commitment is not an obligation, though in large measure it ought to be. It is a privilege, for a nation reveals itself not only in the men and women it produces, but also in those it remembers and cares for.●

AN EMIGRATION VISA FOR IDA NUDEL

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1982

● Mr. GILMAN. Mr. Speaker, I rise to support House Concurrent Resolution 333 which calls on the Soviet Union to grant Ida Nudel a visa permitting her to emigrate to Israel. This would end 11 years of painful frustration which Ida Nudel has endured in seeking permission to leave the Soviet Union to join her sister in Israel.

Ida Nudel's original application was denied on vague and unlikely State security grounds. Later, when she publicly demanded an exit visa, she was condemned to 4 years of Siberian exile. Despite sub-human living conditions in Siberia, her continued optimism and selfless work to aid her fellow prisoners of conscience earned her the name of "Guardian Angel."

In April of this year the beloved and respected Ida Nudel returned to Moscow and renewed her efforts to emigrate. Thus far she has only met with harrassment from the Soviet authorities and a bureaucratic impasse. The Soviet authorities have found an effective way of indefinitely delaying Ida's exit visa by forcing her to report periodically to local police.

The Soviet Union's continued refusal to allow Ida Nudel's emigration deprives her of her basic human rights. It is a flagrant violation of the Helsinki accords, to which the U.S.S.R. is a signatory.

Ida Nudel is now 51 years old. She has a heart condition. She has endured 4 years of deplorable living conditions in Siberia. Yet, over the years, she has demonstrated immense courage and optimism. She has never given up hope that someday she will achieve her dream of joining her only living relative, in Israel.

Accordingly, Mr. Speaker, I join my colleagues in urging the Soviet Union to honor its commitments to the preservation of basic human rights by allowing Ida Nudel to go to Israel.●

ATTITUDES TOWARD SOCIAL SECURITY AND COLAS

HON. NORMAN D. SHUMWAY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1982

● Mr. SHUMWAY. Mr. Speaker, when the National Commission on Social Security reform was established last winter, it was assumed that no substantive action on social security would take place until after the Commission issued its final report at the end of the year. The Commission was to work unmolested by the political pressures and demagoguery which had necessitated its creation in the first place.

Unfortunately, the issues of COLA's and proposed changes in benefits, which have risen to the fore during the budget debates of the past several weeks, undermine the bipartisan nature of the Commission's work, and prey upon the reelection fears of Members, rather than on the long-term good of the trust funds.

The Chamber of Commerce, in conjunction with the Gallup organization, released on May 12 the results of a poll which suggest that Americans' attitudes toward social security and COLA's are based in part on misperceptions, and, second, that social security is not the political football we may believe it to be. I would like to report the results of four questions, and would urge my colleagues to read the entire report for themselves. (The survey involved 1,028 telephone interviews with a national probability sample of the U.S. public, aged 18 and older. The survey was conducted March 22–April 3.)

Both the retired and employed have similar attitudes about "which political party is playing the more responsible role in trying to get social security back onto a more sound financial footing." Thirty percent of all respondents answered that both parties were about equal, 19 percent felt Republicans were playing a more responsible role, and 22 percent felt that the Democrats were. Of the retired (responses of the employed in parentheses), 17 percent (33 percent) felt both parties were about equal, 16 percent (22 percent) thought the Republicans were playing a more responsible role, and 19 percent (22 percent) felt the Democrats were.

Another question illustrates the misinformation surrounding the relationship between COLA's and the Consumer Price Index (CPI). When asked if, in the last couple of years, they thought that "the social security income that people receive has gone up by more than the CPI, less than the CPI, or about the same amount," 57 percent of all respondents thought less than the CPI, 6 percent said by more than the CPI, and 28 percent said by about the same amount. Of the retired (responses of the employed in parentheses), 41 percent (60 percent) said by less than the CPI, 5 percent (7 percent) said by more than the CPI, and 40 percent (27 percent) said by about the same amount.

Further, the public misinterprets discussions about COLA reductions to mean reductions in the dollar amount of social security checks or in the number of persons receiving benefits. Seventeen percent of all respondents interpreted "budget cuts" to mean reducing the number of people who receive checks, 34 percent thought it meant reducing the dollar amount of the checks, and 33 percent thought that it meant that the dollar amount would stay the same. Of the retired (employed responses in parentheses), 15 percent (17 percent) thought it meant reducing the number of beneficiaries, 17 percent (40 percent) thought it meant reducing the dollar amount of the checks, and 38 percent (30 percent) felt it meant that the dollar amount would stay the same.

Most importantly, the results of this poll indicated that changes in social security are not as politically charged as we imagine them to be. Of all respondents, 26 percent would be more likely to vote for a Member of Congress who voted to "freeze social security benefits temporarily at their existing level for 1 year rather than having them rise automatically with the CPI," 34 percent said less likely, and 33 percent said it was not an important issue. Remarkably, the responses for the employed and retired were identical.

This is not to say that Congress has free rein to structure social security however we see fit. However, I believe that we may be basing our reluctance to make long-term decisions on social security based on an imagined, single-minded voting bloc of senior citizens. What we must do is remove the political baggage of the social security debate, explain the origins of the trust funds' impending solvency, and convince the public that any changes are for the good of the trust funds rather than to reduce the Federal deficit. When the Commission completes its report, we must begin work in a responsible and bipartisan fashion. And in the meantime, let us give some credit to the senior citizens for their ability to comprehend the severe problems facing social security, and for their desire to restore the trust funds to solvency.●

SOCIAL SECURITY AND THE BUDGET

HON. GEORGE C. WORTLEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1982

● Mr. WORTLEY. Mr. Speaker, I am heartened that the social security issue has been taken out of the budget debate.

I, like many others in this body, was gravely concerned over the wild and irresponsible statements about social security that reverberated throughout the media. Grandstanding and cheap shots are easy. Finding workable and equitable solutions to the financial problems besetting the system require time and hard work. It is easy to point out flaws but much more difficult to come up with the wherewithal that will result in a financially stable program that will continue to meet the needs of the people it serves.

Social security is a successful program. It works because it has broad participation and support. Ninety percent of the American people are either paying into the system or receiving benefits. Social security provides a basic financial floor for the Nation's elderly. If a person pays into the program he can expect to receive old age and survivors benefits. No ifs, ands, or buts. That guarantee is the basic premise behind social security.

Prudence dictates that Congress wait for the recommendations from the special bipartisan Commission on Social Security before contemplating any substantive changes in the program. Social security should not be an issue in our budget deliberations.

Talk of unspecified cuts in the social security program was the height of folly. Older people need to be reassured that they will receive their full cost of living adjustment in July. Younger people need to be reassured that their contributions to social security represent a positive investment in their future.

Let us now begin our debate on the budget so that we can produce a document that correctly reflects our national priorities.

Let us keep our promise to preserve and protect the social security system. It is far too important to become a target for the demagogs. If we can proceed along these lines we will be meeting our responsibility as the peoples' representatives head on. They deserve no less.●

CREATING A CLIMATE FOR PRODUCTIVITY

HON. JOHN F. SEIBERLING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1982

● Mr. SEIBERLING. Mr. Speaker, it is refreshing to discover a company which recognizes that organizational well-being is difficult to achieve when the well-being of its own employees is ignored. The May issue of Dun's Business Month has an article about how Control Data Corp. has boosted employee productivity by providing personal, health, financial and job counseling, flexible work hours, educational and transportation assistance, and the like. As a result, employee turnover is well below the industry average, and the company saves $10 million a year in reduced medical costs, increased efficiency, and other economies.

Control Data believes that job security will be the big issue in the 1980's, and is looking for ways to insure job security during hard times. I agree that job security will be a major issue in the 1980's, and a bill I have introduced, the Productivity Incentive Act—H.R. 5682—would give the company a way to adjust its total labor costs without laying off workers. Under my bill, a portion of the employee's pay would be received as a bonus, which would be based on the annual profits or growth in productivity, or both, depending on agreement between the employees and employer.

The full text of the article follows these remarks.

[From Dun's Business Month, May 1982]

Creating a Climate for Productivity

(By Lynn Adkins)

To boost productivity, Control Data Corp. has put together a multifaceted program aimed at meeting employee needs. It reports considerable success. Since "productivity" became an industry buzzword in the late 1970s, U.S. companies have experimented with all kinds of techniques to increase the efficiency of workers. Most of these productivity-boosting ideas, though, attempt to mold workers into pre-structured programs based on company needs. Control Data Corp., the Minneapolis computer company, has taken a very different tack—and reports considerable success.

Believing that the responsibility for improving productivity lies with management, not employees, Control Data has set up a system that examines both the personal and on-the-job needs of its employees and then structures programs to meet those needs. Among other things, it has installed a 24-hour advisory hot line for employees and their families, health and financial advisory programs and a program to train the disadvantaged.

These programs have produced some enviable results. Control Data has reduced its employee turnover rate to 13 percent in the last five years, well below the average for American industry. During the same period, its productivity, based on revenue per employee, has risen 46 percent. And Chairman William C. Norris estimated that the hot-line service alone saves the company $10 million a year in reduced medical costs, increased efficiency and other economies.

The Control Data program began in the late 1960's, when Norris decided that the company should create jobs in economically deprived areas. A plant was built in a depressed northern Minneapolis neighborhood, but once hiring began, management quickly discovered that good intentions were not enough. In order to make productive workers out of employees who were preoccupied with day-care, financial and other personal problems, the company's traditional methods of dealing with workers would have to be altered. "We learned that employees don't leave their problems in the parking lot when they report for work," notes David Reed, general manager of the hot-line service. "Those problems vie for their attention on the job."

To deal with the situation, Control Data began its so-called Fair Break program, which offers employees on-the-job training to learn skills and counseling to help them with personal problems. The program is now in place at several plants and has proven to be a valuable tool in slashing turnover, according to Reed. At one plant, the turnover rate fell from 30 percent to 3 percent just two years after it was introduced.

The success of Fair Break convinced management that the productivity of all employees could be enhanced through various programs addressing their personal problems. One of the first and most important was the Employee Advisory Resource, or EAR, hot-line service set up in 1974. Staffed by 26 full and part-time counselors, EAR is used by around 15,000 employees and family members a year, Reed estimates. Approximately 55 percent of the calls deal with personal problems, he says, the rest with job-related ones. Contact between employee and counselor is strictly confidential, and employees need not identify themselves.

EAR not only assists employees, but helps alert the company to trouble spots. For instance, an increase in the number of calls from a particular plant often indicates some problem at that plant. "People call with marital or health problems, and if there are an inordinate number from any one location, that's a signal to us that something—it could be the plant manager—is wrong," Reed says.

Control Data's health program, called StayWell, includes fitness courses and programs to help employees manage stress, stop smoking, lose weight and the like. In addition, group activities such as jogging, exercise, aerobics, and softball are coordinated through the "health managers" at various company locations. "People from different departments and facilities have been able to meet each other through these group activities," says Raymond Rafalik, program manager, "and that fosters better relations between the departments on the job."

The financial advisory program offers employees computer courses on financial planning, as well as free home energy audits and car and van pooling. It also provides information on such things as where to get educational loans and volume discounts on food purchases.

Like many other companies, Control Data allows its employees to work flexible hours as long as they work the same number of hours every day and the work flow is not disrupted. More than 75 percent of its 60,627 employees are on flexitime, and the company considers the results well worth it. Lateness dropped 46 percent and sick leave 16 percent over a two-year period.

In formulating its productivity improvement programs, Control Data has made considerable use of its own computer technology, much of which is designed to solve such problems. The company's PLATO computer-based education courses, for example, are utilized in many ways—from providing on-the-job training for disadvantaged employees to helping disabled workers learn new skills to teaching secretaries how to manage their personal finances. The computer also allows disabled workers, or clerical workers who cannot leave their families, to work from their homes using terminals linked to company offices.

After a decade of experimentation, Control Data is still coming up with new programs. Right now, management is putting together a "justice system" to help solve employee-management disputes that cannot be otherwise resolved. Under the system, an employee complaint will be heard by a board of review composed of two people with similar jobs, an executive who works in a different field and the company ombudsman, who will be a nonvoting member. Reed says the system is expected to speed up the time it takes to resolve disputes and also assure that "the employee point of view is given every reasonable chance to be heard."

Looking ahead, Control Data believes that job security will become a major issue in the 1980s, and Deputy Chairman Norbert R. Berg and other executives are currently studying ways in which the company can provide better job security to employees during economic downturns.

This ongoing approach, Control Data management believes, is the key to any successful productivity-boosting program. "In order to achieve sustainable productivity increases," says Roger G. Wheeler, vice president of the human relations department, "companies must formulate long-term strategic plans in the human relations area much as they do in the financial or marketing areas."●

COOLING INFLATION

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1982

● Mr. HUBBARD. Mr. Speaker, Donna Bishop, a student at Morganfield Elementary School in Morganfield, Ky., has written me a well thought-out letter on the problem of inflation and how to deal with it. I believe that Miss Bishop's letter is one which should be shared with my colleagues and I want to do so at this time. The letter follows:

DEAR SIR: My name is Donna Bishop. I am an 11½-year-old student at Morganfield Elementary in Kentucky.

Now, you might think that we children don't know much of what is going on in this world. Well, you're wrong.

I know, as well as many others, that the inflation is getting worse, and food and health problems have become like a disease throughout the world, in addition to many more problems.

Well, I know it won't do much good to ask, but it probably won't hurt.

I am asking you to slow down on the taxes so people can get more food. Also, put some ice on the inflation to cool it down. Thank you for your time.

Thank you,

DONNA BISHOP.●

AN APPEAL TO RESIST EFFORTS TO WEAKEN THE REHABILITATION ACT OF 1973

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1982

● Mr. OBERSTAR. Mr. Speaker, the Reagan administration has determined that the section 504 guidelines of the Rehabilitation Act of 1973 need to be revised. I believe the administration is headed in the wrong direction.

The Department of Justice and the Office of Management and Budget have drafted changes to these guidelines which would substantially weaken them and virtually eliminate the hard-fought gains of our disabled citizens over the last 5 years. I commend to my colleagues' attention the following summary analysis of the proposed DOJ agency-wide guidelines for section 504 prepared by the Minnesota State Council for the Handicapped:

Section 504 of the 1973 Rehabilitation Act is a major piece of civil rights legislation for disabled people. Its language is brief and to the point, so its implementation has relied to a great extent on the individual 504 regulations issued by each federal agency. In order to assure that the various agency regulations were similar, the Department of Health, Education and Welfare was given the responsibility of drafting a set of agency-wide guidelines to which all the 504 regulations were to adhere. These guidelines were issued in 1978.

Responsibility for these guidelines was transferred to the Department of Justice (DOJ) in 1981. DOJ is now proposing changes that would substantially weaken the guidelines; this would affect the agency regulations and the status of civil rights for disabled people in this country. The following analysis is based on an unpublished copy of DOJ's proposed 504 guidelines dated January 27, 1982.

According to the statute, section 504 provides protection from discrimination for "otherwise qualified handicapped individuals." Otherwise qualified handicapped individuals are defined in the proposed DOJ guidelines as those who "with reasonable accommodation can perform the essential functions of the job or service in question" and those who "with reasonable accommodation meet the essential eligibility requirements and can achieve the purpose of the program." The proposed definition of reasonable accommodation is therefore critical. Unfortunately, DOJ has explicitly stated that reasonable accommodation "does not include modifications in the fundamental nature of a program or steps that would impose an undue hardship on a recipient or other beneficiaries." Nowhere does DOJ define "fundamental nature" or "undue hardship." Nor does DOJ provide guidelines that would prevent a recipient from claiming that any cost (or perceived cost) for which money is not readily available is an undue hardship. Far too frequently perceived excessive costs and inflated cost estimates have been used as a "red herring" to disguise an unwillingness to grant handicapped Americans their rights and their opportunities. DOJ does nothing to prevent this abuse in its proposed guidelines.

In addition, the reference to "other beneficiaries" in the definition of reasonable accommodation would allow peers of disabled persons (other students, co-workers, etc.) to use stereotypical thinking about disabled persons and to claim that the participation of a person with a disability, in and of itself, would cause an undue hardship. This is inimical to the spirit and intent of the 504 statute.

To make matters worse, DOJ has added a section that outlines a four-step process. Recipients that follow this process will be deemed to be in compliance with the reasonable accommodations requirements. This process requires recipients to provide opportunities for comment regarding reasonable accommodations and modifications that may be needed; to notify others of the comments received; to consider all comments, objections and proposals; and to make a written determination accepting, rejecting or modifying such objections or proposals. Nowhere is the recipient actually required to provide remedy for discrimination. No checks or balances appear in this process to stop a recipient from interpreting the requirements of the law in a manner that is convenient to itself but may not in fact reflect the meaning or intent of 504.

Throughout the proposed guidelines DOJ has also made wording changes that imply that an effects burden of proof (rather than an intent burden of proof) will not be sufficient in discrimination cases brought under 504. Proving intent to discriminate has been virtually impossible to do in courts of law, even in cases where the evidence of the effects of the discrimination is quite strong. This shift is of grave concern for those who seek protection by section 504.

DOJ has also dropped all use of the words "equal" and "as effective as." Thus the proposed 504 guidelines do not explicitly guarantee that qualified handicapped persons must receive opportunities, aids, benefits or services that are equal to and as effective as those provided for others. In addition, disabled persons could be segregated for programs and activities that are not considered "significant" if the proposed DOJ guidelines are not changed.

DOJ is also proposing changes to the basic definition of who is a disabled person covered by section 504. DOJ has dropped all reference to persons with emotional illness (although it has retained reference to mental illness) and to persons whose disability is drug addiction or alcoholism.

On the positive side, DOJ is maintaining that employment discrimination is covered by section 504. DOJ is under pressure, however, from the Office of Management and Budget to drop all reference to employment in the guidelines. It would be a major loss for the disabled community if employment were to be dropped from section 504.

DOJ makes the ATBCB Minimum Guidelines and Requirements for Accessible Design the accessibility standard to be used for compliance in new construction, additions and alterations. However, DOJ exempts from coverage the "design, construction, of alteration of any portion of a building which need not, because of its intended use, be made accessible to or useable by, the public or by physically handicapped persons." Through this exemption, DOJ has allowed the use of stereotyped notions about the "proper place" of disabled persons to determine where disabled persons will be allowed to enter. This exemption overlooks and forecloses employment opportunities for disabled persons in such buildings and it fails to take into consideration future uses of such buildings. Failing to require accessibility in all new buildings also ignores the fact that when accessibility features are designed into a building at the planning stage, the additional cost associated with accessibility is less than 5 percent of the total cost of the building. Accessibility provided later can be much more costly.

DOJ has proposed guidelines for the controversial mass transportation section that appear to address the critical issues and concerns in an even handed manner that provides both local flexibility and safeguards against abuse and discrimination. DOJ has also added a good section on accessibility for historic preservation programs.

The sections for education in the proposed guidelines are exceedingly brief. They neglect to reference key provisions that appear in the current regulations and that need to be referenced if educational rights are not to be substantially diminished.

Under the proposed DOJ guidelines, federal agencies are responsible for issuing "implementing directives, either as regulations or policy guidelines." There does not appear to be any requirement for publication or a public comment period on agency proposals if the agency issues its directives as policy guidelines rather than as regulations. With changes as substantial as those being proposed, it is essential that the public be notified and that it have an opportunity to respond prior to implementation of any new directives.●

REPRESENTATIVE TIMOTHY E. WIRTH ON COALITION BUDGET

HON. TIMOTHY E. WIRTH

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1982

● Mr. WIRTH. Mr. Speaker, this has been a difficult winter and spring for those of us in Congress who know that a deadlock on the 1983 budget could have very dangerous consequences for our ailing economy and ultimately for all Americans. But I am more hopeful now than I have been in months that Congress will reach agreement soon on a bipartisan budget.

At this juncture, we have a clear choice. Either we can let the budget debate degenerate into a partisan standoff and keep the Government afloat through continuing resolutions, or we can build a winning coalition and find a reasonable and balanced compromise.

If we allow ourselves to continue down the road of partisan finger pointing, all Americans will be the losers. Recordbreaking budget deficits will keep interest rates at a crippling level and recovery from the recession will be aborted.

That is why those of us here today have instead sought to build a coalition and develop a compromise. Each of us working alone might have drawn up a different budget; the budget we are releasing today represents the product of many hours of working together, realizing there are no easy or magic solutions, and reaching a proposal which we believe will best serve the Nation. We hope it will gain the support of thoughtful Members of both parties. It is the first comprehensive bipartisan budget to be offered during these long months.

We believe it is worthy of support because:

It is fair to all Americans. We believe the American people are willing to make sacrifices for the sake of getting our economy off the rocks, as long as those sacrifices are equitable to all sectors. This proposal does not ask those with the least in our society to sacrifice the most. It rejects cuts in social security and it offers support rather than discouragement to those seeking jobs. It does not ask those who have earned their retirement benefits to see them eroded through inflation, and it restores money to programs critical to our most needy, like the woman, infant, and child feeding program.

It reduces the deficit more than either the House or Senate Budget Committees, or the substitute proposed by the House Republican leadership. Our budget would reduce the amount of Federal Government red ink by $86.25 billion in 1983, by $143.1 billion in 1984, and $194.6 billion in 1985, and provide for deficits of $95.1 billion, $72.2 billion, and $37.5 billion respectively. Such deficit reductions will, we hope, send an important signal to our Nation's financial markets and lead to lower interest rates.

It includes positive initiatives including a package of investments key to solving our Nation's long-term productivity problem. At a time when many of our Nation's economic competitors are eagerly trying to claim our traditional distinction of being the idea capital of the world, these investments in university research and development, graduate fellowships, and upgraded research laboratories are essential to rebuilding a healthy economy for the rest of this decade and beyond. They are critical to restoring our economy's competitiveness in world markets in the eighties and beyond.

It includes funding for the cleanup of hazardous waste sites which now are threatening the health of millions of Americans. Our country generates 43 billion pounds of hazardous waste every year. Under the administration's budget, communities located near active dumps could not be assured of their safety for at least another 15 years, and those endangered by potential Love Canals might have to wait until the end of the century for cleanup to occur. This budget would provide funding for the Environmental Protection Agency to do the job Congress has directed it to perform—to protect the health of millions of Americans.

It includes increased funding for student aid, elementary and secondary education, vocational education, veterans medical care, Middle East peacekeeping, rental rehabilitation, crop insurance, soil conservation, which the coalition believes are also important to the health of our society now and in the future.

The proposal also asks for revenue increases smaller than included in the House Budget Committee proposal. The coalition directs the House Ways and Means Committee to find $29.8 billion in revenue increases in 1983, less than the recommendation of the Budget Committee to increased revenues by $31.7 billion.

It further includes savings in discretionary programs of $2.5 billion in 1983, which more than offsets additional discretionary spending amounting to $1.4 billion in 1983 outlays.

The coalition budget slows the excessive growth of defense spending by $9.4 billion in 1983, compared to the $8.9 billion in the House Budget Committee's proposal. But over 3 years, the coalition plan cuts slightly less in defense increases than the House Budget Committee proposal.

In short, this compromise, which not perfect, represents, I believe, our best hope of passing a budget soon which can help prompt an end to unbearably high interest rates and the deep recession.

I have also submitted for the committee's consideration two elements of the coalition budget which I request be made in order as amendments individually to House Concurrent Resolution 345. The first of these is an important proposal designed to improve our Nation's productivity and strengthen our university research and development capacity. The proposal, funded through the National Science Foundation and other agencies, would: First, provide increased funding for university research and development; second, increase the number of federally funded research fellowships; and third, establish a program to upgrade our Nation's aging university research instrumentation and facilities.

The second amendment is one that is critical to both public health and to protecting our environment. It would provide additional funding for the Environmental Protection Agency's operating budget and for the Superfund hazardous waste cleanup program established by Congress in 1980. Over the past 4 years, through the Superfund legislation and the Resource Conservation and Recovery Act, the Congress has mandated a major new mission for the agency: The management and control of the more than 43 billion pounds of hazardous waste generated annually in the United States. This effort goes virtually unfunded in both the President's budget and under the discretionary spending freeze included in the House Budget Committee proposal. Under these low levels of funding, no more than three to five sites could be cleaned up under Superfund each year. We must make much more rapid progress, and I urge the committee to make this amendment in order.

Thank you for your consideration.●

TIMES ARE TOUGH ALL OVER

HON. DANIEL K. AKAKA

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1982

● Mr. AKAKA. Mr. Speaker, there is a phrase which all of us have heard uttered countless times recently by various representatives of the current administration. This phrase, used to justify almost any kind of budget cutting and slashing, is: "Times are tough all over."

While I could not agree more with the sentiments of economic desperation expressed by this statement, I strongly oppose using this kind of reasoning to justify a failure to invest in the long-term future of this Nation. I am speaking specfically about the decline in the Federal Government's investment in non-defense-related research and development. The fact is that although the total Federal R. & D. figure is up $3 billion for fiscal year 1983 when compared to the fiscal year 1982 budget, it is also true that the only increases are for the military. It is further true that when Federal R. & D. drops in the civilian sector, so does the incidence of technology transfer and spinoff potential to industry.

Under the new budget, applied R. & D. will be severely cut. Energy conservation programs have virtually disappeared in the Reagan budget. Solar programs have been cut from $257 million to $72 million. NASA's technology transfer program has been eliminated. Funds for the National Science Foundation's engineering and science education programs have been slashed since fiscal year 1981 by a total of $55 million—to bottom out at $15 million in fiscal year 1983.

I am concerned by this decline not because I think it is bad to invest in military R. & D. On the contrary, I think that we must continue to invest in military R. & D. if we are to have every technological advantage we need in the art of warfare. But to invest in military R. & D. to the total exclusion of increased investment in civilian R. & D. constitutes one of the biggest mistakes this administration has ever contemplated making. As a Congress, we must neither condone nor permit this particular brand of shortsightedness. I urge all of my colleagues to bear in mind the fact that investing in civilian R. & D. is one of the smartest things that we in this country can do to insure our long-term economic health and our ensuing ability to compete successfully in the international marketplace. If we want to continue our tradition of technological superiority, then we must continue to invest substantially in civilian R. & D. If we

fail to do so, then we have only ourselves to blame for future weaknesses in our technology base.

I ask that an article from High Technology magazine entitled "Fiscal Year 1983 Budget Dramatically Shifts R. & D. Funding" be inserted in the RECORD immediately following my remarks.

FISCAL YEAR 1983 DRAMATICALLY SHIFTS R. & D. FUNDING

Money talks, and President Reagan's budget for fiscal 1983 eloquently states his shifts in priorities from previous administrations.

Of the total $43 billion requested for R&D in FY83, some 61 percent consists of $24.25 billion for the military and $1.7 billion for nuclear weapons R&D at the Energy Research and Technology Administration. Although the total federal R&D figure is up $3 billion from FY82, the only increases are for the military. This includes a new version of the B-1 bomber (B-1B), the MX missile, a new Trident II sublaunched missile, and Stealth technology, as well as basic research, which will rise to $828 million from $694 million this year. The $4.3 billion requested for DOD's Technology Base and Advanced Technology Development Activities includes projects on lasers, very high speed integrated circuits, materials development (lightweight and radar-foiling), information processing and computer languages, sensors, guided munitions, electronic devices, and behavorial research.

Basic research will get a 9-percent boost, with heavy emphasis on the phsical sciences and engineering. Much of the $5.8 billion total will be spent at universities, according to Douglas Pewitt, assistant director for general science in the Office of Science and Technology Policy.

"Although we do not make policy on the basis of institutions," says Pewitt, "we urge the agencies to recognize the tie to education in research." As a result, universities can actually come out of this budget "with a few more dollars of purchasing power than they started the year with."

Applied R&D, by contrast, will be severely cut under the new budget. Requests for solar and renewable energy R&D have been limited to $83 million, and conservation programs have virtually disappeared in the Reagan budget. Solar programs alone have been cut from $257 million to $72 million. NASA's technology transfer program will be eliminated, saving $5 million, and a 81-percent cut has been applied to the National Technical Information Service, which provides data on federal R&D and patents; user fees will rise as a result. Costs will also rise for users of data from LANDSAT environmental satellites, where the administration is attempting to recover operating costs.

Although the increases in funding should spur technological progress in military-related industries, critics raise two objections.

It is not clear, some congressmen argue, that increased technological sophistication is the key to national security. Over the past year, a number of Congressional hearings have highlighted poor performance of sophisticated weapons systems under battlefield conditions. One example: After two decades of development the M-1 tank must be redesigned before it can go into production.

Critics also question the wisdom of increasing defense-related R&D at the expense of civilian-sector programs. The $16.8-billion request for civilian-sector R&D matches FY82 levels, but it will buy less due to inflation. Federal R&D funds should help stimulate productivity and new product development in a time of recession, say critics, while simultaneously meeting federal needs. They cite the weakness of the U.S. consumer electronics industry versus overseas competitors, and point out that military R&D is increasingly specialized and therefore not easily transferable to commercial uses.

Congress will challenge the R&D budget and will likely increase requests for such perennial favorites as the National Institutes of Health, Agriculture Department, and National Science Foundation (NSF). Democratic priorities include human resource development, basic research, innovation, energy conservation, and renewable resources. Still, faced with a deficit in the $100-million range, Congress is unlikely to raise the total R&D figure.

Both universities and industry have expressed concern over what reduced funding—especially for grants, fellowships, and direct support of education—will do to exacerbate the already severe shortage in technology manpower. NSF's funds for science and engineering education, for example, have dropped from $70 million in FY81 to $20.9 million this year and are slated to drop further to $15 million in FY83. The problem is made even more severe because high private sector salaries are luring engineers away from teaching to the point where there are an estimated 2000 unfilled engineering faculty positions in universities nationwide. D. Allan Bromley, chairman of the American Association for the Advancement of Science, likens the consumption of engineering faculty by industry to "eating our seed corn."

The R&D community is also disturbed by the declining quality of instrumentation. Universities perform half of the nation's basic R&D, but their obsolete equipment is hampering both research and education, critics charge. A $75-million NSF reinstrumentation program, set to begin in FY82 under the Carter pro forma budget, was scratched by President Reagan. In surveys by NSF and the American Association of Universities, equipment and instrumentation in universities was found to be twice as old as that in industry, according to congressional testimony by Edward J. Bloustein, president of Rutgers University.

Times are tough all over, the administration has replied to its critics. "We cannot realistically expect to accelerate spending for R&D in a period of fiscal austerity," says George A Keyworth, director of the President's Office of Science and Technology Policy. Keyworth adds that as the economy improves, so will the outlook for R&D funding.

In addition, the administration explains that cuts in corporate and individual taxes, new depreciation schedules for equipment, tax credits for R&D and for donation of equipment to universities, along with regulatory reform, should help offset cuts in R&D. Unshackled, industry should be spurred to invest more in both university and private R&D, hence there will be more money for capital improvements, according to White House spokesmen.

High interest rates and continuing inflation, however, both serve to offset the effects of new tax policies. A recent assessment done by General Electric suggests that the effect of the tax credits in spurring industry support of university-based R&D will be "negligible."

Recent haggling between small business and universities over government set-asides, along with the feeling among university researchers that industry is unwilling to fund long-term, high-risk research, suggest that the budget cuts and ensuing competition for dwindling funds may strain industry-university relationships even further.

SMALL BUSINESS FAILURES: A KEY INDICATOR OF THE DEEPENING RECESSION

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1982

● Mr. OBERSTAR. Mr. Speaker, if the current bankruptcy rate of small businesses continues to increase, it will surpass the rate at the rock bottom of the Great Depression in 1933 when it hit 100 per 10,000 businesses. Because of its predominance in our Nation's economy, small business will, in a major way, determine the extent of our Nation's economic recovery.

Despite its dominant role in our economy, the small business sector is the first and hardest hit during periods of slowed economic growth. This situation is compounded by the Reagan administration's policy toward small business. Deficits of $100, $125, and $150 billion or even higher will force small businesses out of the credit market as Government consumes approximately 22 percent of the lendable funds available in the United States and big business eats up a lion's share of the rest.

The administration's economic policies overwhelming favor large corporations over small business. Accelerated depreciation and investment tax credits for the purchase of capital assets provide maximum benefits to large corporations while at best only minimum benefits to small business. Small businesses do not have the capital and diversified interests which are now required to obtain loans under the tightened credit market, and even if they could, they cannot afford to pay the exorbitant interest rates.

We simply cannot allow a main portion of a sector of our economy which employs nearly half our Nation's work force and accounts for nearly half the gross national product in the private sector to go bankrupt.●

SOCIAL SECURITY'S WOES

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1982

● Mr. DERWINSKI. Mr. Speaker, The Chicago Sun-Times of May 18 editorialized in three related editorials on the budget debate over social security outlays. There seems to be more misinformation than accurate reports on the subject of social security, and most of it emanates from Washington. I wish to insert these editorials as I believe they express especially timely and practical recommendations. They follow for the Members' attention:

Social Security's Woes

Democrats, with help from some Republicans, may defeat a Senate GOP proposal to save $40 billion in Social Security outlays over three years. Both sides really would rather keep Social Security out of this week's fight to cut President Reagan's economy-crippling budget deficits.

But can they? Says economist Rudolph G. Penner of the conservative American Enterprise Institute:

We face the "unpleasant fact that defense, Social Security and net interest outlays compose almost 60 percent of the 1982 budget."

Said Penner, "Without [cuts] in defense and Social Security, prospects for controlling total spending in the long run look bleak."

Right. Yet the notion is confusing, too, because Social Security is a self-supporting entity, funded by payroll taxes. In that sense, it has no business being in the budget.

But because it is a massive and ever-greater chunk of total government spending, Social Security worries financial experts who see rising budget dificits blocking an economic recovery. And its ever-heftier payroll taxes can create the same drag on the economy as raising income taxes.

Holding down *excessive growth* in entitlement programs—including Social Security, Medicaid and government pensions—can help the economy. Look at a growth comparison:

Proposed increases in Social Security for 1983 from 1982 total nearly $19 billion. The jump alone almost equals spending plans for all food stamps ($12.6 billion) and all Aid to Families with Dependent Children ($7.2 billion) *added together.*

Such unsustainable growth didn't begin with Reagan. Former Commerce Secretary Peter G. Peterson notes that for 15 years entitlement payments have increased at an annual rate of 15.4 percent. How many companies, he asks, boast such growth? Growth in entitlements doubles the annual rate of increase for all other non-defense programs.

As Peterson says, the average Social Security benefit grew 30 percent in real terms during the 1970s, while the real after-tax wages of workers declined nearly 10 percent.

Why? The answers suggest the remedies.

Show Where To Make Changes

Annual increases paid to Social Security recipients are tied to the Consumer Price Index. Benefits rise to help retirees keep pace with inflation. But that worthy goal has been distorted because the CPI has overstated inflation rates by overemphasizing mortgages.

One short-term solution is obvious: Revise the law to end 100 percent CPI indexing. As the Congressional Budget Office notes, lowering increases to 85 percent of the CPI could save nearly $44 billion in five years. Give annual increases when costs rise, but don't let the payment exceed inflation rates.

We reluctantly agree that, because of overcompensation in the past, this year's cost-of-living increases could be put on ice—especially if inflation rates dip further. A freeze on increases won't cut basic benefits. And it can ease the need for harsh cutbacks later.

But it would violate the social contract to cut benefits sharply now. And there's no need to do so. The basic problems are long-term.

One of the costliest is the Social Security benefit structure, which is geared to give each year's crop of retirees more spending power than people who retired the previous year. In 1970, the typical Social Security benefits paid to a married retiree and dependent spouse equaled about 60 percent of the worker's last take-home pay. Now those payments are about 90 percent. That's unfair.

As our chart shows, Social Security outlays of only $29 billion 12 years ago are expected to reach $173.5 billion in fiscal 1983.

Congress should consider gradually advancing retirement ages as people work longer. Economist Geoffrey H. Moore of Rutgers University's Center for International Business Cycle Research also has a proposal to streamline the way cost-of-living increases are figured. It would have saved $4 billion this year.

Yet even changes to save Social Security can't come without bipartisan support. The political reality is harsh: To merely mention revising the system brings instant abuse from fearful elderly voters—a potent bloc.

Able members of both parties agree that changes must come. And the sooner they do, the less painful they'll be.

Reagan should throw his support to specific ideas like those mentioned here. Instead, he is even waffling on the Senate GOP plan that he endorsed earlier. Limp leadership is no way to put Social Security in order.

And What Not To Do

A presidential commission led by former President Ford's chief economist Alan Greenspan is studying Social Security reforms. We hope its report *will not* recommend:

Dipping into general revenues to fund Social Security. That non-remedy would kick budget deficits much higher or force higher income taxes and inhibit economic recovery.

Raising the Social Security tax. That hits workers and employers, imposing greater drag on an already struggling economy.

Tying benefits to need, which would corrupt the principle of Social Security and inspire a backlash that could kill the program.

As an equitable alternative, Congress could tax Social Security benefits as other pension income is taxed. High-income recipients could afford it. Low-income retirees normally pay no income tax and would not be affected.

As shown earlier in this series, top economists choose the path of reduced deficits to escape the wilderness of recession. But little is left to cut from already bleeding programs for the poor. Wisdom and fairness demand reforms in indexed entitlements.

Given the massive size of the entitlements system, small changes produce big savings. But getting the job done requires bipartisan political cooperation—and courage.●

OMB GIMMICKRY THREATENS FERC BUDGET

HON. RICHARD OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1982

● Mr. OTTINGER. Mr. Speaker, I would like to bring to the attention of my colleagues a serious case of budget gimmickry by the Office of Management and Budget which threatens to close down the operations of the Federal Energy Regulatory Commission.

My concerns on this matter are shared by FERC Chairman C. M. Butler III, who wrote to me.

> The consequences [of the OMB actions] would be that at times throughout the year, the Commission would be unable to meet its obligations, and hence unable to operate.

And conceded that there is a dispute between FERC and OMB, over the OMB approach.

At issue is some novel budget gimmickry by which OMB hopes to hide the FERC budget by showing a net appropriation, rather than a gross appropriation. For reasons known only to OMB, it seeks to permit FERC to retain its fees—estimated optimistically at $60 million—rather than to deposit the fees in the Treasury, as other agencies do. Thus, according to OMB, they are at present scoring this net budget authority at $32.5 million, rather than $92.5 million.

FERC recognized the dangers of this approach, and on March 25, 1982, Chairman Butler expressed his concerns to OMB Director Stockman. Although OMB then changed the language of its budget request, FERC still did not find its budget secure. Recognizing that its budget continues to be "scored" at $32.5 million, Chairman Butler believes that FERC might be "unable to operate."

Chairman Butler is correct in this concern. As long as OMB continues to pretend that the FERC budget is $32.5 million, FERC may likely get only that amount.

The administration must stop playing games with the budget. Until OMB heeds the advice of FERC and the Congress to play straight with the figures, the FERC budget is in jeopardy.

I in no way wish to suggest that the entire FERC budget is justified. However, it must be considered on its merits, not on the basis of gimmicks.

I stand prepared, as chairman of the Energy Conservation and Power Subcommittee, to consider the administration's proposed legislation on FERC charges. In fact, the subcommittee staff and the GAO are currently reviewing the issue. However, I will not consider the proposal until the administration stops playing hide and seek with budget numbers. The issue is far

too important to permit such shenanigans.●

TELECOMMUNICATIONS TECHNOLOGY GROWING IN ILLINOIS

HON. TOM CORCORAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1982

● Mr. CORCORAN. Mr. Speaker, an important use of high-technology products is in telecommunications. In my own State, the first application in the United States of such a product—in telephone switching—was made. The device was largely developed, designed, manufactured and implemented in Illinois.

All Members are aware of the economic benefits which stem from domestic high-technology production facilities. I am pleased that so much of this new technology was and is produced and made in Illinois by Illinoisans. As the House considers telecommunications legislation, we must be careful not to unduly hinder the advancement of high-technology businesses in our country.

I ask, Mr. Speaker, that two articles on this new switching system be printed in the Record at this point, to illustrate the achievements it embodies.

The articles follow:

[From the Chicago Sun-Times, Mar. 26, 1982]

Bell's Big Switch Puts Seneca on Map

(By Linda Brenner-Stulberg)

The rural town of Seneca, Ill., 80 miles southwest of Chicago, was put on the map of telecommunications milestones at midnight Thursday when Illinois Bell technicians activated the first of a new generation of Bell digital switching systems.

Referred to as the No. 5 ESS (electronic switching system), the advanced technology is a call processing system that converts voice patterns into digital computer pulses and then replicates the voice on the receiving end. It incorporates microprocessors, fiber optics and large-scale integrated circuitry to take any kind of information—voice, pictures, computer data—and route it quickly and efficiently to its destination.

The system replaces a vintage electro-mechanical switching system installed in Seneca in 1954. Customers in Seneca initially will notice little difference in their phone service, except that they must now use seven-digit phone numbers. Bell System announcements will be computer-synthesized rather than recorded, the result of bubble memory developed by the Bell Labs.

In a short while, however, Seneca phone users will join their metropolitan counterparts who now have the ability to call forward, speed dial and call conference—add a third or fourth party to a conversation already in progress.

Over time, the network will bring video teleconferencing services, electronic messages, banking and financial services into customers' homes at the strokes of a few computer keys.

Seneca, with a population of under 1,800, becomes the first of the nation's Bell central offices to go on-line with No. 5 ESS.

Currently, there are 10,000 local switching systems serving about 85 million customer lines. By the end of the decade, Bell projects 20 percent of some 100 million lines will be routed through a No. 5 ESS. By 1984, Bell plans to be shipping out one new system daily.

Ultimately, the Seneca installation will become a remove switching unit, which will serve as a switching office from the host unit in Morris that will control the No. 5 ESS.

The system was manufactured by the Western Electric's Northern Illinois Works in Lisle and cost $644,000 to install.

[From the Bell System's Network News, May-June, 1982]

Seneca Goes High Tech

(By Nancy Hwastecki)

The Information Age moved into Seneca, Illinois, on March 25 in the form of the first generation of a new Bell System local call-processing system. And the No. 5 Electronic Switching System, as the machine is called, drew attention from the media as well as American and international telecommunications experts

In fact, this spring the interest continues with two British telecommunications managers being the latest visitors to make the trip to Seneca, a town of 2,100 people (with 1,326 telephone lines) between Morris and Ottawa.

Why all the excitement?

Telephone Engineer & Management perhaps summarized the event best: "It is important to the Bell System because it is Western Electric's first digital end office, and thus marks their entry into the digital derby. And it is important to the total industry because it, through its systems philosophy and its architecture, is a harbinger of things to come.

* * * * *

Initially, the No. 5 will be introduced in U.S. rural and suburban areas. Western Electric expects shipments of this switch to reach one a day by 1984. Currently, there are 10,000 local switching systems serving about 85 million customer lines. By the end of the decade, 20 percent of some 100 million lines will be routed through No. 5 ESS.

Illinois Bell plans to put a second No. 5 on stream next year in Sugar Grove, a western suburb of Chicago. This will be the first multi-module application of the No. 5 ESS.

The call processing rate in the No. 5 is twice the speed of the Bell System's next fastest switch and 16 times faster than most switches currently used.

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IMMIGRATION REFORM AND CONTROL ACT OF 1982

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1982

● Mr. MAZZOLI. Mr. Speaker, I am pleased to report to my colleagues that yesterday the Subcommittee on Immigration, Refugees, and International Law unanimously reported out favorably the Immigration Reform and Control Act of 1982.

This is an historic step. I want to thank my six devoted, diligent subcommittee colleagues for their untiring efforts in supporting the passage of this milestone legislation.

Congressman Ham Fish, the ranking member, and Congressmen Sam Hall, Barney Frank, George Crockett, Dan Lungren, and Bill McCollum deserve high praise for their professional labors and my sincere thanks for having been so supportive of their chairman along the way.

The bill emerged from the subcommittee markup as it had gone in, namely, a fair and balanced approach to immigration reform. In the words of the New York Times, it is not nativist, it is not racist, it is not mean.

Since amendments to the bill were adopted, the subcommittee decided to introduce a clean bill for full Judiciary Committee consideration.

When that clean bill is introduced, I will provide a summary of it for my colleagues so that they can continue to follow this important matter—and cosponsor it if that is their desire.

Once again, I want to thank and commend my subcommittee colleagues for their excellent work. They have done the American people a great service by passing this bill. I look forward to speedy consideration of it by the full Judiciary Committee.●

THE 25TH ANNIVERSARY OF STATION WBCB

HON. JAMES K. COYNE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1982

● Mr. JAMES K. COYNE of Pennsylvania. Mr. Speaker, WBCB Radio of Levittown, Pa. is celebrating their 25th anniversary this year. WBCB, referred to as "We're Bucks County's Best," is dedicated to providing the utmost in service to their community.

The station frequently provides a critical link to the public in a emergency situation, such as an urgent need for blood or for food or clothing for the victims of floods or fires. WBCB promotes community fundraising activities; sponsors a Christmas food, clothing, and toy drive; reports local news, weather, sports, and traffic; provides for listener input on public issues on a daily call-in show; and carries a number of features aimed to keep their community informed, in addition to providing varied, entertaining programing.

I am very proud to have such a civic-minded and conscientious radio station in the Eighth District in Pennsylvania. I want to commend WBCB for all their hard work over the past 25 years and wish them continued success in the future.●

AZOREAN HERITAGE WEEK

HON. MARGARET M. HECKLER

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1982

● Mrs. HECKLER. Mr. Speaker, today I have introduced a resolution declaring the week of June 7-13, 1982, to be Azorean Heritage Week, to commemorate Azorean contributions to our American society and to foster an appreciation of the culture, history, and traditions of the Azorean community.

This week of June 7-13 is a particularly significant because the Government of Portugal has declared this same week to be "Portuguese Communities Week" while the Commonwealth of Massachusetts has set aside June 10 as "Portugal Day."

The islands of the Azores, located in the Atlantic Ocean, are a part of Portugal. First discovered by Portugal in the 1400's, they were settled by Portuguese and Flemish farmers. Throughout their history, the islands have provided a strategically located stopping place for ocean travelers. Christopher Columbus made his first stop in the Azores on his voyage of discovery to the New World. The whaling ships of New England stopped in the Azores on their great swings around the Atlantic Ocean in pursuit of whales. The location of the Azores has not lost any of its importance in today's air age. Five thousand Americans—from the Navy and the Air Force—are currently stationed at a large U.S. airbase, Lajes, on the island of Terceira. This base is a valuable asset and underscores the good relationship between our Nation and Portugal.

Azoreans first came to the United States in great numbers during the early 1800's as whalers, most of them settling in southeastern Massachusetts. Later groups of immigrants have found employment in the textile mills of New England and the fertile farms of the San Joaquin Valley of California. More recently, refugees from the tragedies of volcanic eruption and earthquake have come to the United States from the Azores.

While striving to maintain a strong cultural identity and heritage, Americans of Azorean descent are dedicated to their new country—new immigrants seek to become citizens and registered voters as soon as possible. Many Azorean civic organizations hold citizenship classes, designed to instruct new arrivals. The strong family ties found within the Azorean community insure that these new citizens can preserve their cultural heritage while joining the mainstream of American society.

Today there are approximately 3 million people of Portuguese descent living in America. A very great number of these are from the islands of the Azores. Let us establish this heritage week in honor of this group of Azorean Americans in order to promote the unity of our Nation, which is made up of citizens from so many different backgrounds.●

BOB MURPHY—OUTSTANDING EDUCATOR

HON. CLAIR W. BURGENER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1982

● Mr. BURGENER. Mr. Speaker, one of San Diego County's outstanding educators will soon retire, and I would like to take this opportunity to salute his exemplary service to his community.

After 33 years of distinguished service, Mr. Bob Murphy will soon be stepping down as superintendent of the Fallbrook Union School District.

After graduating from Ball State University, Bob began his career as an educator in Fallbrook in 1949 as a junior high school teacher.

After just 2 years, Bob became business manager of the district and capably dealt with the financial problems any rapidly expanding school system experiences.

In 1961, his administrative talents were further recognized and Bob was named assistant superintendent, and for the past 5 years, Bob has led the Fallbrook Union School District during a critical time as superintendent.

I have worked closely with Bob Murphy over the years, and he has been a forceful leader for quality public education. He has presided over a school system which once served only a small rural community through its transformation into a burgeoning district which educated children from all walks of life and every economic station. And Bob Murphy has handled all the "growing pains" in a superb fashion.

Mr. Speaker, Bob Murphy has represented the best in public education and over the years established himself as one of those "pillars of the community" that we find all too rarely these days. He will be missed, I know, by the students, parents, and his many friends in the Fallbrook Union School District.●

A STRONG VOLUNTEER MILITARY

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1982

● Mr. PAUL. Mr. Speaker, despite the doomsday predictions of its opponents, the All-Volunteer Force is now acknowledged as a success. Enlistment and retention rates for soldiers and officers alike are up significantly in all forces; indeed, goals have been exceeded in every branch of the service for 2 years now.

Moreover, the quality of the volunteers is higher than ever—and much higher than the quality of draftees was. In intelligence and education, our volunteer soldiers are exceeding all requirements even as the requirements themselves are being raised. In fact, our recruits actually exceed the level of education and intelligence of the population at large. Our reserves are also being strengthened by the volunteer force.

The AVF is working, and working well.

I'm sure this comes as a blow to those who warned so fiercely of the near-certain doom that lay ahead when we abandoned the military draft in favor of a volunteer force. Proponents of the draft spared no effort or elocution in their claims that a strong national defense could not be mounted voluntarily. Even in the wake of the AVF's success, the shrill cries are continuing.

But now, with the days of the draft behind, we face a new threat to our privacy and freedom. Through a provision passed last year by this Congress, the Federal Government now has the right to compile and enter in a central computer every detail of our young people's lives, and to use this information in a coordinated effort to track them down and sniff out any possible draft registration violators. According to Gen. Thomas Turnage, the Director of Selective Service, work is underway to compile a massive Federal databank to keep track of every one of our young men. Even now, social security numbers are busily being entered into the Government's computer, with driver's license numbers, high school graduation lists, and other personal information scheduled to follow. This is a direct violation of the Privacy Act, and an assault on the freedom we all cherish as Americans.

Use of the social security number, for example, was to have been confined strictly to the administration of that one program. Yet it is rapidly being transmogrified into a national citizen identification number. And there is talk of the Government setting up a new national databank to keep track of all Americans.

Even if we needed to register our young men for reasons of national defense, it would still be wrong to maintain computer files on them. But with the proven success of our volunteer military, all of this is unnecessary. There is no legitimate reason for the Federal Government to cross-reference and keep computerized tabs on our young men.

The security of our Nation from outside threats is provided for through a strong voluntary military. But the security of our Nation from threats from within is surely no less important. The very existence of a national computerized databank on the private lives of our citizens presents the gravest threat to our freedom. We must put an end to this Federal information-gathering, forbid the Government to violate our right to privacy, and—finally—wipe the computers clean.

The AVF is doing its job, providing well-qualified soldiers for our Nation's defense. By ending the practice of Government computer surveillance, we can insure that there will always be freedom to defend.●

SAC DOING GREAT JOB, GUAM VISITORS FIND

HON. ANTONIO BORJA WON PAT

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1982

● Mr. WON PAT. Mr. Speaker, recently a number of distinguished visitors from Guam had a unique opportunity to tour the Strategic Air Command Headquarters in Offutt Air Force Base, Nebr., and other facilities, as guests of the Strategic Air Command. I was also privileged to attend the briefings at SAC along with my administrative assistant, George Eustaquio, and I can report to my colleagues that this was one of the most informative and interesting visits I have ever made to a U.S. military installation and highly recommend it to all of my colleagues who are concerned about the role of SAC in our defense network.

In turn, the outstanding staff of SAC made a number of new friends from Guam and in turn learned a number of interesting facts about their fellow Americans in Guam, which is also the location of an important SAC base—Andersen Air Force Base.

Let me make it quite clear from the outset that this inspection trip was a hectic one for every person concerned. We were up from the crack of dawn and went to bed a lot later than we were normally used to doing.

We led off at Offutt with a briefing on the role of SAC, followed by briefings for the next 48 hours on Soviet military capabilities, command control, and a tour of the headquarters of SAC, a tour of the SAC airborne command post aircraft, a personnel briefing, a briefing about the 544 Strategic Intelligence Wing, discussions about strategic nuclear balance and the air-launched cruise missile, a review of the B-1B bomber and the MX missile program, followed by a lengthy analysis of numerous other strategic operations.

The hard work was worth it, however, for all involved. We learned a lot and went home with a much better understanding of the hard work our SAC personnel are doing to keep this country safe and at peace.

I am equally certain that the SAC guests from Guam went home equally excited by their wonderful experience. We on Guam have long lived with a SAC base in our island, but few have really known the total importance of the SAC mission. Now, they know, and with this knowledge goes increased understanding and support in the local community for the SAC mission.

Included in the Guam contingent were 12 island commissioners, 3 members of our local legislature, a member of our judiciary, and representatives of the press and business community.

They were accompanied by officials from Okinawa, who also were given the tour. It should be noted that while those attending the tour of Offutt and other SAC facilities were provided free air transportation by SAC, these individuals did pay in full for all meals, lodging, and related assistance. Thus, costs to the taxpayers was kept at an absolute minimum in terms of public relations and good will. I will also add that these officials made the trip of Omaha at great personal expense and sacrifice of their time.

The Guam delegation was headed by speaker of the legislature, Thomas V. Tanaka. Other distinguished visitors included Senators Edward T. Duenas, Madeleine Z. Bordallo, the Honorable Paul J. Abbate, presiding judge, Superior Court of Guam, Mr. Joe Murphy, Pacific Daily News, Mr. Lee Webber, Pacific Daily News, Mr. Vicente C. Bernardo, commissioner of Yona, Alfred C. Dungca, assistant commissioner of Tamuning, Nicolas D. Francisco, president of the commissioners' council and commissioner of Mangilao, Daniel L. Guerrero, commissioner of Asan-Maina, Frank N. Lizama, commissioner of Sinajana, Juan N. Perez, commissioner of Santa Rita, Frank M. Portusach, commissioner of Agana Heights, Patricia S. Quinata, secretary of the Guam Commissioners' Council and assistant commissioner of Dededo, Daniel F. Sablan, assistant commissioner of Sinajana, Mr. Raymond S. Laguana, commissioner of Barrigada, Mr. Albert T. Topasna, commissioner of Umatac, Mr. David G. Blas, commissioner of Yigo, Mr. Nieves F. Sablan, commissioner of Piti, Mr. Drew Kaye, Government of Guam, Manuel L. Jose, businessman, W. George Bourland, businessman, Mrs. Tina Perez, businesswoman, Allen Pickens of Peat, Marwick & Mitchell, Leo Slotnick, businessman, and the Reverend Jordan B. Peck, Jr., archdeacon, St. John's Episcopal Church.

Needless to say, making such a trip the total success it was, took the labor of many individuals within SAC—too many to list here, unfortunately. But I would like to commend a special few who did so much, including Gen. Bennie L. Davis, commander in chief, SAC, Lt. Gen. George D. Miller, vice commander in chief, Maj. Gen. Andrew Pringle, Jr., SAC, Maj. Gen. Louis C. Buckman, SAC, and Maj. Gen. Stanley C. Beck, commander, Andersen Air Force Base, Guam, Capt. Herndon A. Oliver III, USN, Maj. Warren Weaver, protocol, 2d Lt. Michael D. Baker—PAO.

Both Maj. Gen. Andrew Pringle and Louis Buckman had served as commander, 3d Air Division at Andersen. During their respective tours they both made friends for themselves and the U.S. Air Force.●

THE EXPORT TRADING COMPANIES ACT

HON. THOMAS S. FOLEY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1982

● Mr. FOLEY. Mr. Speaker, I would like to express my strong support for H.R. 1799, The Export Trading Companies Act, which was introduced by my colleague from Washington, Mr. BONKER.

This important legislation will give American business a significant tool to compete more effectively in the world market. Right now, many small- and medium-size companies produce goods and services that would be competitive overseas, but which they are unable to export due to a lack of knowledge of the world market as well as a lack of sufficient capital to economically sell their products.

By encouraging the formation of trade intermediaries through the establishment of export trading companies, these smaller firms could draw on a knowledge of the foreign marketplace offered by trade experts, and could realize the economies of scale that the trading companies can offer through collective ventures. By expanding exports in these smaller firms we could create a significant increase in new American jobs and a significant decrease in our high balance of trade deficit.

This week the Judiciary and Banking Committees are both taking major steps toward bringing the export trading companies bill to the House floor. The Foreign Affairs Committee has already completed work on this measure. I wish to commend the members from all three committees for their thoughtful and diligent efforts on this important measure.

Passage of this legislation would be a significant step toward increasing American exports. It is a proven concept being employed by our trading partners. As a cosponsor of this measure I urge my colleagues to join me in supporting H.R. 1799, The Export Trading Companies Act, and seeking its expeditious passage.●

CRISIS IN EDUCATION

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1982

● Mr. FORD of Michigan. Mr. Speaker, I rise today on a matter of great concern to me and the residents in my congressional district in the Woodhaven School District in Michigan. During the last few months, the national media has focused attention on the fiscal dilemma of Michigan school districts, our State educational system as a whole, and the plight of the school children who may soon be left out in the educational cold.

While the potential closing of schools is a situation my constituents and I are very distressed about, it could very well arise in each and every Member's congressional district. The schools of the Nation are in desperate financial trouble. Some local school districts are facing more difficult situations than others. But unfortunately, my home State of Michigan and its schools are suffering under the absolute worst economic conditions in the country.

The citizens of Woodhaven have gone to the polls three times to vote on increased millage to support their schools, and each time, out of absolute desperation, they have rejected the millage. I believe that, to a great extent, my constituents have rejected these millages because the school tax is the only tax which is put before them for an up or down vote. With it, they can express their current attitude on their economic situation.

Mr. Speaker, I make these comments as a warning to my colleagues to make them aware of the challenges before our system of public school financing.

I would like to point out that there are a number of false assumptions being made about the crisis which has beset the Woodhaven School District. The first—and the most widely held—is that in some fashion, the State can take over the schools and the funding for them. I would like to set the record straight. There is absolutely no provision under State law which permits a financial takeover of a local school district by the State, and even if there were, the State is not in any position financially to do so. While President Reagan has not declared that the Nation is in a recession, Michigan is suffering from a depression. Not meaning to bring humor into what I see as a very serious situation, the old, worn story about when the Nation's economy has a cold, Michigan suffers from pneumonia, certainly applies in 1982.

Under the State's constitution, Michigan is required to balance its budget annually. Because the economic predictions of the Governor, the legislature, the department of management and budget, and even the prestigious Research Seminar in Quantitative Economics at the University of Michigan predicted a considerable shortfall in State revenue, the Governor has already been forced to impose $15.3 million in executive orders cutting back on State funding for education.

Our nationally respected State superintendent of public instruction, Dr. Phillip E. Runkel, made it clear on October 29, 1981:

> There will be no State bailout for financially-troubled school districts. I have met with the Governor, the Speaker of the House, the Senate Majority Leader and the minority leader of both houses in the State legislature, and they are unanimous in this decision—no bailout for the districts.

I know, given my long and close friendship with Dr. Runkel, that he is giving us straight talk.

Attorney General Frank J. Kelley also has confirmed that the State cannot take over the district financially. On October 18, 1981, he said:

> The Governor, the legislature, State school officials and others have already said there is no pot of gold available in Lansing. They have repeatedly said the financial fate of the local school district is in the hands of local voters.
>
> The Michigan Constitution does not impose a duty on the Michigan Legislature to appropriate additional State funds to those school districts where the electors have refused to approve property tax limitation increases for school operating purposes. It is a mistake for anyone to believe that the State has funds available for aid to school districts which run out of funds, Attorney General Kelley said.

Another false assumption of the residents is that they are "overtaxed" compared to neighboring school districts. It should be pointed out that even though Woodhaven has a high total tax rate, at 11th out of the 36 school districts in Wayne County for total tax rate, it is 22d out of 36 in operating millage. The Woodhaven District at the same time ranks 19th out of the 36 districts in local wealth—State equalized value—and is, in fact, just below the average in the county in per pupil operating expenditures.

That the fate of the school district and its 4,784 students lies with the will of the local voters is a trusted—and for the most part respected—tradition in Michigan. Local control of the schools is a policy I fought for as a young attorney for the then Taylor Township Schools, as a delegate to the State constitutional convention, and as a State senator. I continued to work diligently to maintain education statutes on the House Subcommittee on Elementary, Secondary, and Vocational Education.

Our schools in Michigan rank as some of the best in the United States. From its very beginning under the provisions of the Northwest Ordinance in 1787 and the State's first constitution in 1835, Michigan has pledged to its citizens that "the means of education shall forever be encouraged," and that a "system of free public elementary and secondary schools" shall be maintained.

The millage vote gives the voters the opportunity to maintain and enrich that commitment. It gives them the prerogative of insuring that their children and grandchildren receive the same chance for a successful future that we had.

For the seniors expecting to graduate each June, it means that they can fulfill their long-held plans—and dreams—first, of course, to receive the diplomas they have worked toward for 13 years of their lives, and then to go on to school, or hold a responsible job. But, without a renewed commitment on the part of voters, these children have less of a future than most of their parents had. The voters cannot affort to reduce the instructional program and rob their children of education, because they could well be robbing them of their entire futures or setting back their educational progress irreparably.

The Woodhaven schools, along with others in Michigan, have faced some very difficult times, but I firmly believe that it now is the time to put that all behind us. There are many achievements that the schools are responsible for that residents can point to with pride and enthusiasm:

> Accreditation of the Woodhaven High School by the North Central Association and the University of Michigan.
>
> Establishment of Teach Our Tots Early (T.O.T.E.) as a model intervention program for handicapped children 0-3 years of age.
>
> Cooperation as a member of the Downriver Vocational Consortium with Woodhaven High School operating as a center. Welding and Cosmetology courses were added to expand student offerings.
>
> Selected to receive a grant to develop an exemplary model to use in "mainstreaming" handicapped children into regular classrooms.
>
> Establishment of management profiles for elementary students in Language Arts, Math, Science and Social Studies.

> Implementation of a model Title I Preschool Program emphasizing parent involvement and training.
>
> Development of successful Remedial Programs with Article 3 and Title I funds to assist students having difficulty mastering skills in Reading and Math.
>
> Selected to receive Computer Instruction Grant which made possible the purchase of computer equipment and programs.
>
> Selected to receive Career Education Grant which made teacher training possible on the process of integrating career planning within the school curriculum.
>
> Received adoption grants to implement programs in Metrics, Talents Unlimited (Gifted) and Cable T.V.
>
> Expanded Adult Education Program to include Adult Basic Education for those individuals desiring to complete courses leading to a high school diploma.
>
> Piloted the 3790 Computer and Cathode Ray Tubes in conjunction with the Wayne County Intermediate School District leading to improved Data Processing Services for our District.
>
> Increased student achievement test scores.

Not only does the passage of the millage make good sense for the future of our children, it makes good economic sense. If the millage is not approved, Woodhaven could well be among the metropolitan schools with such limited instructional programs that people with children would choose to live elsewhere. What impact would this have on home values, and on the ability of our municipal officials and boards to attract new business which we so desperately need? I can assure you that not only would home values plummet, but any hope of bringing in new businesses would be quashed.●

HOUSE OF REPRESENTATIVES—*Friday, May 21, 1982*

The House met at 10 a.m.

The Chaplain, Rev. James David Ford, D.D.; offered the following prayer:

We implore Your blessing, O God, on this assembly and upon all who call upon You by name. Whatever our circumstance or whatever our task, we ask that Your Spirit would fill our hearts with those divine gifts You have prepared for us. May Your grace to us find expansion in our compassion to others, and may Your mercy to us encourage our good will in all we do. As we face the demands of our time, grant us Your peace and strength that we may do justly, love mercy and ever walk humbly with You. Amen.

THE JOURNAL

The **SPEAKER**. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. **SOLOMON**. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Chair's approval of the Journal.

The **SPEAKER**. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. **SOLOMON**. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The **SPEAKER**. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

ANNOUNCEMENT BY THE SPEAKER

The **SPEAKER**. The Chair would like to announce that there will be no 1-minute speeches today. Immediately following the vote, we will go into the rule.

The vote was taken by electronic device, and there were—yeas 295, nays 32, answered "present" 2, not voting 103, as follows:

[Roll No. 93]

YEAS—295

Addabbo
Albosta
Alexander
Anderson
Andrews
Annunzio
Anthony
Archer
Aspin
Atkinson
AuCoin
Bailey (MO)
Bailey (PA)
Barnard
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown (CA)
Broyhill
Burgener
Byron
Campbell
Carman
Carney
Chappell
Cheney
Chisholm
Clausen
Clinger
Conable
Conte
Corcoran
Courter
Coyne, James
Coyne, William
Crane, Daniel
D'Amours
Daniel, Dan
Daniel, R. W.
Daschle
Daub
de la Garza
Deckard
Dellums
DeNardis
Derrick
Dicks
Dingell
Donnelly
Dorgan
Dougherty
Downey
Duncan
Dunn
Dwyer
Dyson
Early
Edgar
Edwards (AL)
Edwards (CA)
Edwards (OK)
Emery
English
Erlenborn
Evans (DE)
Evans (GA)
Fary
Fascell
Fazio
Ferraro
Findley
Flippo
Florio
Foley
Fountain
Fowler
Frank
Frost
Fuqua
Gaydos
Gephardt
Gibbons
Gilman
Gingrich
Glickman
Gonzalez
Gore
Gramm
Gray
Green
Guarini
Gunderson
Hall, Ralph
Hall, Sam
Hamilton
Hammerschmidt
Hance
Hartnett
Hefner
Heftel
Hertel
Hightower
Holland
Hollenbeck
Holt
Hopkins
Horton
Howard
Hoyer
Hubbard
Huckaby
Hughes
Hunter
Hutto
Hyde
Jeffords
Jeffries
Jenkins
Jones (OK)
Jones (TN)
Kastenmeier
Kazen
Kemp
Kennelly
Kildee
Kindness
Kogovsek
Kramer
LaFalce
Lagomarsino
Lantos
Leach
Leath
Lee
Lehman
Leland
Lent
Levitas
Livingston
Loeffler
Long (LA)
Long (MD)
Lott
Lowry (WA)
Lujan
Lungren
Madigan
Marlenee
Marriott
Martin (IL)
Martin (NC)
Martin (NY)
Matsui
Mazzoli
McClory
McCollum
McCurdy
McDade
McDonald
McEwen
McGrath
Mica
Michel
Mikulski
Miller (CA)
Mineta
Minish
Moakley
Molinari
Mollohan
Montgomery
Moore
Moorhead
Morrison
Murtha
Myers
Napier
Natcher
Neal
Nelligan
Nelson
Nichols
Nowak
Oakar
Oberstar
Obey
Panetta
Parris
Patman
Paul
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Porter
Price
Pritchard
Quillen
Rangel
Reuss
Rhodes
Rinaldo
Ritter
Roberts (KS)
Robinson
Rodino
Roe
Rostenkowski
Roukema
Roybal
Rudd
Russo
Santini
Sawyer
Scheuer
Schneider
Schulze
Schumer
Seiberling
Sensenbrenner
Shamansky
Shannon
Sharp
Shaw
Shumway
Shuster
Skeen
Smith (IA)
Smith (NE)
Smith (NJ)
Snowe
Snyder
Solarz
Spence
Stangeland
Staton
Stenholm
Stokes
Stratton
Studds
Stump
Synar
Tauke
Tauzin
Taylor
Udall
Vander Jagt
Vento
Volkmer
Walgren
Wampler
Waxman
Weber (MN)
Weber (OH)
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams (OH)
Wilson
Winn
Wirth
Wolf
Wolpe
Wortley
Wright
Wyden
Wylie
Yatron
Young (FL)
Young (MO)
Zablocki

NAYS—32

Barnes
Brown (CO)
Butler
Coats
Coughlin
Dannemeyer
Emerson
Evans (IA)
Fiedler
Fields
Forsythe
Gejdenson
Goodling
Gregg
Harkin
Hendon
Hiler
Johnston
Latta
LeBoutillier
Miller (OH)
Mitchell (MD)
Oxley
Regula
Roemer
Rousselot
Smith (AL)
Smith (OR)
Solomon
Walker
Washington
Yates

ANSWERED "PRESENT"—2

Ottinger
Skelton

NOT VOTING—103

Akaka
Applegate
Badham
Bafalis
Beard
Benedict
Blanchard
Bliley
Brown (OH)
Burton, John
Burton, Phillip
Chappie
Clay
Coelho
Coleman
Collins (IL)
Collins (TX)
Conyers
Craig
Crane, Philip
Crockett
Davis
Derwinski
Dickinson
Dixon
Dornan
Dowdy
Dreier
Dymally
Eckart
Erdahl
Ertel
Evans (IN)
Fenwick
Fish
Fithian
Foglietta
Ford (MI)
Ford (TN)
Frenzel
Garcia
Ginn
Goldwater
Gradison
Grisham
Hagedorn
Hall (OH)
Hansen (ID)
Hansen (UT)
Hatcher
Hawkins
Heckler
Hillis
Ireland
Jacobs
Jones (NC)
Lewis
Lowery (CA)
Luken
Lundine
Markey
Marks
Mattox
Mavroules
McCloskey
McHugh
McKinney
Mitchell (NY)
Moffett
Mottl
Murphy
O'Brien
Pashayan
Patterson
Pursell
Rahall
Railsback
Ratchford
Richmond
Roberts (SD
Rogers
Rose
Rosenthal
Roth
Sabo
Savage
Schroeder
Shelby
Siljander
Simon
Smith (PA)
St Germain
Stanton
Stark
Swift
Thomas
Traxler
Trible
Watkins
Weaver
Williams (MT)
Young (AK)
Zeferetti

☐ 1020

So the Journal was approved.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed bills and a joint resolution of the following titles, in which the concurrence of the House is requested:

S. 1573. An act to exempt the Lake Oswego, Oregon, hydroelectric facility from part I of the Federal Power Act (Act of June 10, 1920) as amended, and for other purposes;

S. 1621. An act to authorize the replacement of existing pump casings in southern Nevada water project pumping plants 1A and 2A, and for other purposes;

S. 2177. An act to amend title III of the Colorado River Basin Project Act, Public Law 90-537 (82 Stat. 885), as amended by Public Law 95-578 (92 Stat. 2471), and Public Law 96-375 (94 Stat. 1505); and

S.J. Res. 197. Joint resolution to provide for the designation of the week of October 17 through October 23, 1982, as "Myasthenia Gravis Awareness Week."

☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

PROVIDING FOR CONSIDERATION OF HOUSE CONCURRENT RESOLUTION 345, FIRST CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 1983

Mr. **BOLLING**. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 477 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 477

Resolved, That upon the adoption of this resolution it shall be in order, section 305(a)(1) of the Congressional Budget Act of 1974 (Public Law 93-344) to the contrary notwithstanding, to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the concurrent resolution (H. Con. Res. 345) revising the congressional budget for the United States Government for the fiscal year 1982 and setting forth the congressional budget for the United States Government for the fiscal years 1983, 1984, and 1985. General debate in the Committee of the Whole on said resolution shall continue not to exceed nine hours, with not to exceed six hours equally divided and controlled as provided in section 305(a)(2) of the Congressional Budget Act and not to exceed three hours for debate on economic goals and policies as provided in section 305(a)(3) of the Congressional Budget Act. No amendment to the concurrent resolution shall be in order except those listed in categories A and B as follows: (A) four amendments in the nature of a substitute printed in the Congressional Record of May 21, 1982, which shall be considered only in the following order if offered, which shall all be in order any rule of the House to the contrary notwithstanding and which shall not be subject to amendment except pro forma amendments for the purpose of debate and except as provided herein: (1) the amendment in the nature of a substitute by, and if offered by, Representative Miller of California, said amendment shall be subject to amendments printed in the Congressional Record of May 21, 1982 by, and if offered by, Representative Miller, and debate on said substitute and on amendments thereto shall continue not to exceed one hour controlled by Representative Miller; (2) the amendment in the nature of a substitute by, and if offered by, Representative Obey of Wisconsin; (3) the amendment in the nature of a substitute by, and if offered by, Delegate Fauntroy of the District Columbia, and said amendment shall be subject to amendment by perfecting amendments made in order in this resolution, in the order provided and if offered by the Member who has caused the amendment to be printed in the Congressional Record, to the substitutes designated in category B of this resolution; (4) the amendment in the nature of a substitute by, and if offered by, Representative Rousselot of California; and (B) after all amendments in category A above are disposed of, the following three amendments in the nature of a substitute printed in the Congressional Record of May 21, 1982, which shall be offered and voted on only in the following order but which shall if offered be pending simultaneously as amendments in the first degree and said amendments shall be in order any rule of the House to the contrary notwithstanding: (1) an amendment in the nature of a substitute by, and if offered by, Representative Latta of Ohio; (2) an amendment in the nature of a substitute by, and if offered by, Representative Aspin of Wisconsin; and (3) an amendment in the nature of a substitute consisting of the text of H. Con. Res. 345 if offered by Representative Jones of Oklahoma. None of the said substitutes in category B shall be subject to amendment except by pro forma amendments for the purpose of debate only and by the following perfecting amendments printed in the Congressional Record of May 21, 1982:

(1) the amendment by Representative Pease;

(2) the amendment by Representative Bonior;

(3) the second amendment printed by Representative Jones;

(4) the amendment by Representative Kemp;

(5) the amendment by Representative Martin;

(6) the amendment printed by Representative Huckaby;

(7) the third amendment printed by Representative Jones;

(8) the amendment by Representative Schroeder;

(9) the amendment by Representative Green;

(10) the amendment by Representative Conyers;

(11) the amendment by Representative Wylie;

(12) the second amendment printed by Representative Solarz;

(13) the second amendment printed by Representative Simon;

(14) the third amendment printed by Representative Simon;

(15) the first amendment printed by Representative Simon;

(16) the fourth amendment printed by Representative Simon;

(17) the amendment by Representative Ottinger;

(18) the first amendment printed by Representative Waxman;

(19) the third amendment printed by Representative Waxman;

(20) the second amendment printed by Representative Waxman;

(21) the third amendment printed by Representative Solarz;

(22) the amendment by Representative Oakar;

(23) the second amendment printed by Representative Solarz;

(24) the amendment by Representative Hefner;

(25-31) the amendments by Representative Ford in the order in which printed;

(32-43) the amendments by Representative Hoyer in the order in which printed;

(44) the amendment by Representative Downey;

(45-46) the amendments by Representative Parris in the order in which printed;

(47) the amendment by Representative Wolf;

(48) the amendment by Representative Hughes;

(49) the amendment by Representative Zeferetti;

(50) the amendment by Representative Perkins;

(51-53) the amendments by Representative Fowler in the order in which printed;

(54) the amendment by Representative Weiss;

(55-56) the amendments printed by Representative Whitten in the order in which printed;

(57-58) the amendments by Representative Beilenson in the order in which printed;

(59-66) the first eight amendments by Representative Roe in the order in which printed; and

(67-68) the amendments by Representative Clausen in the order in which printed.

These perfecting amendments, if offered, shall be considered only in the order listed in this resolution and shall be in order any rule of the House to the contrary notwithstanding. An amendment initially offered to one of said substitutes by the Member who caused the amendment to be printed in the Congressional Record may be debated under the five-minute rule unless it has been offered to the amendment in the nature of a substitute offered by Delegate Fauntroy, in which case it shall be debatable for not to exceed ten minutes, equally divided and controlled by the proponent and a Member opposed thereto. After the disposition of a perfecting amendment to the category B substitute to which origninally offered, the perfecting amendment may then be offered separately to either or both of the other category B substitutes by any Member prior to the offering of another of the perfecting amendments, but debate on such a perfecting amendment if offered to a subsequent substitute shall continue not to exceed ten minutes, equally divided and controlled by the proponent and a Member opposed thereto. It shall also be in order to consider the amendment or amendments provided in section 305(a)(6) of the Congressional Budget Act of 1974 necessary to achieve mathematical consistency. If more than one of the amendments in the nature of a substitute made in order by this resolution have been adopted, only the last such amendment which has been adopted shall be considered as having been finally adopted and reported back to the House.

☐ 1030

The **SPEAKER** pro tempore (Mr. Minish). The gentleman from Missouri (Mr. Bolling) is recognized for 1 hour.

Mr. **BOLLING**. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio (Mr. Latta) and I yield myself such time as I may consume.

Mr. Speaker, the first and most important thing I want to say applies to every Member who has an amendment that he printed on the 19th of May. It does not make any difference whether it is a substitute or a perfecting amendment, those amendments all have to be reprinted in their final form for offering in the Record of today. Every single amendment that was put in on the 19th that is proposed to be offered during the consideration of the budget resolution has to be reprinted today.

Now, I say that twice because we suffered some kind of a disaster in the original printings. All of you should be aware—and there are no names attached to any of this—that we got substitutes that were half there, we got amendments that were an hour late, we got an amazing amount of junk, and if you want your amendments considered during the consideration of the budget resolution, you had better get busy and be sure that your amendments are in shape before you seek to offer them.

Now, inevitably there will be some changes in some amendments, and the only ones that are in order are those that are technical, conforming, and correcting obvious error. No attempt to change intent is legitimate. The intent of the amendment offered and printed on the 19th of May has to be the same.

Those of you who are technicians—and there are many who are—are going to understand that there is going to be a never-never land out there where there is an argument about intent and about words. But I want to make it very clear that we are going to try to see to it that nobody tricks anybody and that there are not any cute plays by anybody. Obviously, when somebody loses a page, that is a mistake; obviously, when 'a substitute comes in about half done, that is a mistake. But there is a great potential for gamesmanship, and the House is going to have an opportunity to understand when games are being played or when it is possible that games are being played. No threat, just a promise.

Mr. Speaker, I would like to take some time—perhaps more time than I should—to explain a very complicated rule. It is necessarily very complicated because, perfectly frankly, it was not our primary purpose, but we tried to see to it that everybody in the House as an individual and all the different factions in the House, and in particular the two parties, had a fair shot at their objectives. That means that we have a long, difficult, complicated rule. As far as I know, it is unique, and I am going to try, if you will allow me, to read an outline of it in order to save words.

The rule waives the 10-day layover rule of the Budget Act. The general debate is limited to 9 hours, 6 hours on the budget resolution and 3 hours on economic goals and assumptions; 6 is 4 less than 10, which the statute provides; 3 is one less than 4, which the statute provides on Humphrey-Hawkins.

The only amendments in order are those which were submitted by the May 19 deadline and reprinted, and—I say it again—they have to be reprinted in the May 21 Congressional Record as made in order by the rule.

The structure of the amendment process is as follows: There are two categories of amendments—that in effect means substitutes: Category A, Miller, Obey, Fauntroy, and Rousselot; and category B, Latta, Aspin, and Jones, which is the base resolution as well.

Category A substitutes shall be considered only in the specified order. All points of order are waived. Fauntroy is amendable, but all other are nonamendable except by pro forma amendments and for purpose of debate. Debate on Miller and all amendments thereto—and that is also the 5-minute rule—shall not exceed 1 hour. Miller is No.1; Obey is No. 2 in category A; Fauntroy is No. 3, and Rousselot is No. 4.

What the language I have already read means is that two of those are not amendable, one is unique, and the other one is amendable.

Category B: After Miller, Obey, Fauntroy, and Rousselot have been disposed of, Latta, Aspin, and Jones—that is the base resolution, too—shall be considered, if offered, only in the order specified and, if offered, voted on only in that order and shall be pending simultaneously. That means that the first one off the bat is Latta, the second is Aspin, and the third is Jones.

All points of order are waived against category B amendments. To try to waive them specifically would have been impossible or very nearly impossible. Category B substitutes shall be amendable only by pro forma amendments for debate and the specified perfecting amendments printed in the May 21 Record.

Let me say for the fourth time that if they do not get printed again, they are not going to be eligible. So every Member here and outside the Chamber needs to do some work today and see that it is done properly.

Mr. MICHEL. Mr. Speaker, will the gentleman yield?

Mr BOLLING. I yield to the minority leader.

Mr. MICHEL. Mr. Speaker, the gentleman is making a very clear and concise explanation of the rule, and I thank him appreciably.

In supplementing what the gentleman has just said about the importance of reprinting in today's Record, there is one other item that would be helpful. If the author of the amendment would have a very brief exposition of what the intent of that technical language is, it would probably be helpful for all Members if they are inclined to do so.

Mr. BOLLING. Mr. Speaker, I think that is a very good suggestion.

I had read that category B substitutes shall be amendable only by pro forma amendments for debate and the specified perfecting amendments printed in the May 21 Record, perfecting amendments to be considered only in the order specified or listed in the rule.

□ 1040

We are going to use categories, and they are arbitrary, and they are related in another place to function. But we did not use functions as the categories.

The categories I can read for you, but they will be available. There are a dozen of them. All of the amendments in the categories have to be offered while that category is up.

If we pass that category, that is the end of those amendments and that is terribly important to Members. That means that some Members may have to spend a little time on the floor waiting for their amendment to come up.

This is not going to be anything that anybody can help you with. If you really want to get your amendment offered you are going to have to be here because those categories close down. There will not be any problem on your understanding the categories because they will be available in print, following my statement.

Perfecting amendments may be initially offered only by the Member who submitted it to the Record and initially debated under the 5-minute rule without any limitation other than the limitation that the House puts on it.

There is no time limitation on the first offering by the Member who printed the amendment in the Record. That is notwithstanding, and this is very unusual, notwithstanding the disposition of a perfecting amendment to a substitute to which originally offered, the amendment may then be offered separately to any other substitute by any Member prior to the offering of another perfecting amendment.

In other words, the Member who printed the amendment will lose control unless he rises and gets recognition. I suspect he would get preference if he rose and got recognition for an amendment that he has already offered to a particular substitute when he offered it to a second or a third substitute.

Another Member would have the right to offer that amendment. In other words, you have a loose canon available to any Member after the amendment has had its first try.

Mr. FASCELL. Mr. Speaker, will the gentleman yield?

Mr. BOLLING. I will be glad to yield to the gentleman from Florida.

Mr. FASCELL. When an amendment is offered under that part of the rule, since all three substitutes are pending at the same time, can you offer the amendment to all three substitutes at the same time?

Mr. BOLLING. Not at the same time. You have to offer them seriatim, one after the other. You have to go through the process.

It may be that you can get unanimous consent to offer them to all substitutes simultaneously. It may not be. But we did not want to set up any situations where you were, in effect, providing for the offering of three amendments which have slightly different language because of the necessity of conforming the language to the particular substitute.

Mr. MARTIN of North Carolina. Will the gentleman yield for a question related to the particular point which is now being discussed?

Mr. BOLLING. I yield to the gentleman from North Carolina.

Mr. MARTIN of North Carolina. With regard to perfecting amendments, as I understand what the gentleman said and the colloquy that has just followed, if a perfecting amendment which has been drafted as an amendment to the committee bill, which is now the Jones amendment in the nature of a substitute, if that is then carried, it would then be in order, as a perfecting amendment, let us say, to the Aspin amendment?

Mr. BOLLING. Whether it was carried or not.

Mr. MARTIN of North Carolina. Whether it was carried or not?

Mr. BOLLING. It did not have to win to be eligible to be offered for the others.

Mr. MARTIN of North Carolina. My point is then a technical one. If it is then in order as an amendment to the Aspin amendment in the nature of a substitute, technically an amendment which I have eligible to be offered is drafted such that it strikes specific numbers in the Jones version which are different numbers in the Aspin version.

Mr. BOLLING. That is a tough one and there is going to have to be a decision made by the House at some point on that.

Mr. MARTIN of North Carolina. It would achieve the same results.

Mr. BOLLING. The same result. That is not quite that simple. The problem is if you take money from one category to put it in another I think it is highly questionable that you should be allowed the second time around to take money from another category.

Mr. MARTIN of North Carolina. No. It would be the same category. Specifically the amendment which is listed as an amendment, just to clarify for the chairman, as amendment No. 5, and with all due respect to two colleagues I believe that would be Representative Martin of North Carolina, that particular amendment has to do with the increase in taxes, with the revenue section.

What it would do would be to change those numbers in the Jones bill to precisely the same numbers as in the Latta substitute.

Mr. BOLLING. The gentleman is taking away here and moving there?

Mr. MARTIN of North Carolina. No. It is not taking here and moving there.

Mr. BOLLING. The problem I am addressing is the problem where two functions are affected, one losing, one gaining.

I think there is a very real question as to whether one would be allowed that took away from another function, the one proposed in the first. It sounds to me as if the gentleman's amendment would be in order as he suggests.

Mr. MARTIN of North Carolina. Should I resubmit a second version of it so that the numbers at least will be correct?

Mr. BOLLING. Yes. You should resubmit a version for each one.

Mr. MARTIN of North Carolina. It would take two versions?

Mr. BOLLING. It might take three, for all I know.

Mr. MARTIN of North Carolina. I thank the gentleman.

Mr. PARRIS. Mr. Speaker, Will the gentleman yield?

Mr. BOLLING. I yield to the gentleman from Virginia.

Mr. PARRIS. I find myself I think essentially in the same position as my friend from North Carolina in that I have an amendment that is in order now to the Jones version with specific numbers to eliminate the cost-of-living cap on Federal retirees.

My problem, if the chairman can help me with this, we have a vehicle to fashion before the end of this day, I am told. But we do not have anything to work with.

How do I find page 1, line 12, number so and so to add $10, take $20 out? How do you do that if you do not have a copy of the vehicle which you are amending?

Mr. BOLLING. I think you need to get help from the Budget Committee staff, the Parliamentarians, and your staff, You have experts on the budget on that side. I just think there is no way that I can provide the expertise for that.

We are just not equipped for it. But there are in the House other staff that I think can be helpful and I think you need to consult with them.

Mr. PARRIS. If the gentleman will yield further, the Jones vehicle is obviously available and has been to all of us.

Is the Aspin and the final version of Latta, and the balance of these that we have to make in order, are they now available for us to begin to work on with our individual staffs?

Mr. BOLLING. I think on those two you have got a reasonable situation in what has been printed on the 19th. They are in a relatively good shape. I am not going to go into the problems that exist in those two that I know about. But inevitably the Chairman of the Committee of the Whole will take into account all of the facts when he is confronted with this kind of a situation.

All I can suggest to the gentleman is that he do the best he can, given the circumstances, and he might be able to get the final version of Latta, for example. But the gentleman already has a very near final version to work with.

Mr. PARRIS. One final question. If I understand the purport of the gentleman's comments just earlier in this dialog, if we submit an amendment that says page 12, line 14, strike out x dollars, and if it is in fact line 15, then that would not be the subject of a point of order necessarily if the intent of the amendment was perfectly obvious?

Mr. BOLLING. But it would be very helpful to the gentleman who offers the amendment if there was not any question raised about it. It would be very helpful to the gentleman if he had it precisely right.

Mr. PARRIS. I thank the gentleman.

Mr. BOLLING. I mentioned, I believe, that there would be a time limitation on the second offering of an amendment.

The rule makes in order amendments to achieve mathematical consistency. That is a normal function of the budget law.

The key, and this is the key, the last substitute adopted shall be reported to the House. I repeat, the last substitute adopted shall be reported to the House.

Mr. Speaker, I reserve the balance of my time.

□ 1050

Mr. LATTA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, let me say that I believe the chairman of the Rules Committee has given a clear and concise explanation of the rule. It is a complicated rule. I would like to point out once again, as the gentleman has pointed out several times already for the benefit of the Members, that notwithstanding the fact that you printed amendments in the Record on May 19, they have to be reprinted again. They have to be reprinted again today.

Let me also point out a couple of things about the Miller, Obey, Fauntroy, and Rousselot substitutes.

In the case of the Miller substitutes, some of his own amendments will be permitted.

In the case of Obey, it will not—I repeat, not—be subject to amendment.

In the case of Fauntroy, it will be subject to any of the 68 amendments already printed in the Record.

In the case of Rousselot, it will not—I repeat, not—be subject to amendment.

In the second category, as the chairman has pointed out, the bipartisan recovery package which I will offer will be subject to any of the 68 amendments.

Then will come Aspin. It will go through the same procedure, being subject to 68, if they offer them, perfecting amendments.

And the same thing, lastly, with Jones.

And the last one standing, as the chairman has pointed out, will be the one that prevails.

Mr. BOLLING. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from Missouri.

Mr. BOLLING. Mr. Speaker, I think the gentleman means the same thing that I said, but there is a difference in the way the language came out.

Those three amendments are going to be up simultaneously.

Mr. LATTA. That is correct.

Mr. BOLLING. Right.

Mr. LATTA. But I hasten to point out that should you propose an amendment, say, to our substitute, that it just does not automatically apply to the other two. They have to be resubmitted to the other two, should they be submitted to the first one.

And then, as the chairman has pointed out, the first time an amendment is proposed, it will be under the standard procedure of the 5-minute rule. The second time, 10 minutes apply.

Mr. VOLKMER. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from Missouri.

Mr. VOLKMER. I just want to clarify for myself that we will first, as I understand it, perfect by amendment stage the last three, and then you will note on yours and then the Aspin and then the Jones, without any intervening amendments.

Mr. LATTA. No, that is not correct.

Mr. VOLKMER. That is not correct?

Mr. LATTA. No. As I understand it, they will attempt to perfect the first one, and they will vote on that.

Mr. VOLKMER. No, that is not the way I understand it. I understand we will perfect all three of them simultaneously.

Mr. LATTA. I stand corrected. The staff says we are not going to do it that way.

Mr. VOLKMER. Are we going to then perfect all three of them, once they are all three perfected then vote on each one, right after the other?

Mr. LATTA. That is correct.

Mr. ROUSSELOT. Will the gentleman yield?

Mr. LATTA. I yield to the gentleman from California.

Mr. ROUSSELOT. I appreciate my colleague yielding.

I would like to ask a question of the chairman of the Rules Committee.

If perchance one of the category A substitutes prevails—hopefully, the Rousselot balanced budget resolution—does that mean then that that will stand as an accepted substitute but that substitute, whichever one of those category A's might pass, must withstand the votes on the other three proposals? Is that correct?

Mr. BOLLING. The gentleman is correct. The last substitute adopted prevails.

Mr. ROUSSELOT. So that in order for any of the category A substitutes to prevail totally at the end, the other three must be defeated; is that correct?

Mr. BOLLING. That is correct.

Mr. ROUSSELOT. However, none of the amendments that have been attached to the other provisions later on would apply to the category A substitutes; is that correct?

Mr. BOLLING. Once they are closed, that will be the end of that.

Mr. ROUSSELOT. I thank the gentleman.

Mr. MICHEL. Mr. Speaker, will the gentleman yield for a further question?

Mr. LATTA. I yield to the gentleman from Illinois.

Mr. MICHEL. The gentleman mentioned the three substitutes in category B which are considered simultaneously and that to any one or all can be offered these orbiting 64 amendments.

Mr. LATTA. Sixty-eight.

Mr. MICHEL. Or whatever.

Mr. BOLLING. Sixty-seven.

Mr. LATTA. Sixty-eight.

Mr. MICHEL. If an amendment is offered to one of the substitutes and it is defeated, it does not necessarily preclude the offering of that amendment to any one of the other two substitutes, notwithstanding its having been once defeated?

Mr. BOLLING. That is correct. Regardless of the disposition, once it is offered by the author, the original author, it is loose.

Mr. LATTA. While the chairman is on his feet, let me say that the question posed by the gentleman from California (Mr. Rousselot) is something that I really do not think we considered as thoroughly in the Rules Committee as we probably should have, and he poses a very interesting question. Should he prevail on his vote, then we in the rule do not permit any type amendments to his proposition.

So then his proposition would be competing then with the ones in category B which would be subject to all of the 68 amendments.

Mr. BOLLING. That is exactly correct.

Mr. LATTA. Well, I would say that we have treated the gentleman from California very fairly.

Mr. Speaker, I yield 5 minutes to the gentleman from Arizona (Mr. Rhodes).

(Mr. RHODES asked and was given permission to revise and extend his remarks.)

Mr. RHODES. Mr. Speaker, last evening I voted in the Rules Committee not to report this resolution. I did it not because of any lack of feeling of importance that I have for the work at hand. I think it is extremely important. In fact, that is the reason I saw fit to vote against the resolution.

I think the resolution is very craftily crafted, and I compliment the leadership of the Rules Committee for having put together as good a package as I think he could have put together under the circumstances that he is dealing with, and I am not critical of my good friend, the chairman, or any of the members of the Rules Committee for having done it, except that I do feel that the mistake that was made, if indeed it is a mistake, is not considering the baited breath which you can feel around the country concerning the budget resolution which this House and the other body must adopt.

I feel a greater sense of urgency as far as time is concerned, I guess, than most people do, in getting this done. I do feel that we will have done a deed which we should have learned 3 or 4 years ago when this budget process took approximately 2 weeks to finish because of the fact that we were dealing with line item amendments. I am sorry to tell the Members that there are several of these amendments, I am told—and I have not had a chance to look at them all—but I am told that there are several of these amendments which are line item amendments, and I thought everybody agreed that a line item amendment should be taken care of in the appropriations process or in the authorization process and not in the budgetary process.

☐ 1100

I can foresee a scenario which, believe me, I hope will not happen.

I can foresee that there will be quite a few of these amendments adopted to category B substitutes, and when we finally end up with all of the category B substitutes having been perfected, that we will have three monstrosities on our hands and no way to do anything about them.

That is another reason why I asked, and it was agreed—what I asked that there be a motion to recommit in this resolution.

A motion to recommit is usually thought of as a weapon of a minority. I did not ask for the motion to recommit for that reason. I asked for it because I can foresee, with all of these amendments being offered, we could have three monstrosities and we would have no vehicle whatsoever to put before the House a resolution which would be adopted.

I think it is absolutely imperative that we adopt something, and I guess probably I am going to vote for whatever the last resolution is, if none has been adopted before, because it is so necessary, so important to this country that something get out of this House that we can send to conference with the other body. But I would like to have it be as good a document as we possibly can get.

I can imagine that if we put out the kind of hounddog that I can foresee, that the money markets around the country and indeed around the world will take one look at it and hold their noses and probably do some terrible things to the interest rate.

After all, my colleagues, the bottom line of this exercise has got to be to get that interest rate down. If we do not do that, whether or not my colleagues have been able to offer all of the amendments that they wanted, is really beside the point. The bottom line is that interest rate. The bottom line is the prosperity of this country.

I am afraid we are fooling around with it to a point that I just cannot support.

So, I probably, Mr. Speaker, will vote for the resolution. I am going to do it not because I like it, and you know that, but I am going to do it because I feel it is absolutely necessary that we get on with this job, that we do the work. This is the only vehicle that we have to get it done.

So when the time comes, I will very reluctantly vote for this resolution.

I do wish to reiterate, however, that I think that the time will come, maybe in 1 week, 2 weeks or 3 weeks, when we will wish very fervently we had done something entirely different.

Mr. BOLLING. Mr. Speaker, I yield myself 3 minutes.

I could easily clap for my friend from Arizona because I agree with the reasons that he feels the way he does.

I do not think I have to establish my credentials as being concerned about the need for action on a budget resolution. I answer this only so that you will all understand why this particular rule is before us.

There is an old saying, and it comes out in a lot of different languages, that quite often the longest way home is the best way home. It does not take a lot of imagination to understand what that means: This is part of the democratic process and the judgment that was made by the Rules Committee, and I think will be made by the House overwhelmingly, was that we had to rely on the ability of the House as a body to function intelligently and thoughtfully on a long, difficult, and incredibly important process.

In the end, what I did was very simple, although it required making a hard set of decisions—I recommended this rule because it gave each Member who was interested enough to file a proposition, the right to deal with his proposition and then in the end it gave an opportunity to the institution as a whole to pick among three different items.

Yesterday morning in a joint leadership meeting, a meeting of the Republican and Democratic leadership of the House, I made a plea that I have never made—I asked the leadership to be on the floor of the House as much as they could, and I asked the Members to pay very serious attention to what we are doing, because I think, as a person who knows something about general economics, that it would be an utter disaster if we disgraced ourselves and did not come up with reasonable alternatives to vote on in the end.

This is a test of the responsibility and commitment of every Member of the House and the combined bipartisan leadership. The House is on trial—the House as a whole—not the Democrats or the Republicans, or any faction thereof.

I have confidence that the House can rise to the occasion and that is my defense of the rule.

Mr. Speaker, I yield such time as he may consume to the gentleman from Arkansas (Mr. Alexander).

I thank the chairman for yielding.

Mr. Speaker, I congratulate the chairman and the members of the Rules Committee for practicing the art of the possible in order to produce a rule under most difficult circumstances. The Rules Committee has recommended a procedure that permits the Congress to rise to the need of the Nation to resolve the economic dilemma it faces. I rise in support of the rule which has been recommended by the committee. It is reasonable, it is fair, and it is workable. But, most of all, it is responsible.

Following the enactment of the President's economic policy last year, the business community began to examine the overriding question Reaganomics presented to the American people: Can the Nation have sustained economic growth and lower inflation with rising budget deficits and a tight money policy?

The financial markets responded negatively primarily because Reaganomics was judged by analysts to produce Federal spending greatly in excess of expected revenues for several years ahead, resulting in sustained higher interest rates. While most Americans demonstrated widespread patience to give the President's plan a chance to work, the final judgment came soon after Mr. Reagan submitted his budget proposal for the coming fiscal year, on February 8, 1982. Simply stated, the Nation has rejected Reaganomics.

Now that the President's budget proposal has been rejected, it is the clear responsibility of the Congress to formulate a budget that provides the necessary policy correction needed to change the direction of our Nation from the economic disaster in which it is currently proceeding.

The President's budget, as submitted on February 8, was rejected because it provided triple digit deficits resulting in enormous Government borrowing pushing interest rates higher and stifling economic recovery. We, in Congress, must pass a budget which would result in lower deficits and would set spending priorities within the means our Nation can afford.

Whether they are caused by Government spending, by tax cuts or by some other cause, Federal budget deficits help produce higher interest rates. For economic recovery to occur we must have a combination of lower interest rates and Government stimulation or private sector business activity. We must have a budget that will allow our Nation's economy to achieve our goal of economic revitalization—of ending this recession we have been plunged into by the well-intended but unworkable Reagonomics and of getting our economy back on a growth path and our people back on the job.

Not being an economist, I have found it very helpful to study the periods of economic recession, recovery and expansion since World War II. The information available reveals some truth which we should keep in mind when we debate economic policy.

The most important lesson we can learn is that the economy is cyclical, almost always changing. We learn that these cycles are affected by the policies of the incumbent Presidential administration. We learn that the economic health of our Nation is influenced by factors other than the fiscal policy that Congress helps shape. Some, but not all, of these other factors are:

First. National monetary policy;

Second. Private sector business investment decisions;

Third. Credit policies in the private sector;

Fourth. International trade practices of other nations;

Fifth. Energy marketing decisions of foreign producers; and,

Sixth. The state of defense relations among nations.

It is axiomatic that a change in economic policy transfers the burden of payment for Government services from one group of Americans, to another group of citizens in our Nation. One example is illustrated by a study cited in the "Report of the Joint Economic Committee on the 1982 Economic Report of the President: The Democratic Views." The study found that by 1990, under current Federal law, the average tax paid by half our people, those with incomes of $22,610 or less per year, will increase by $134 while the average tax paid by persons with incomes of more than $55,850 a year, the upper 5 percent of our taxpayers, will drop by $9,033.

Earlier I mentioned the impact of budget deficits on interest rates. Let me mention two cases in point.

By 1971, under the leadership of President Nixon, and with the approval of Congress, we had, in the space of 2 years, moved from a Federal surplus position to a double digit deficit. In quick succession, we had 3 years of double digit deficits under Presidents Nixon and Ford, the longest series, at that time, since World War II. By 1974, in the midst of the longest recession since World War II, interest rates were well into the double digit range.

Today, with the Nation faced with a series of triple digit deficits flowing from the budget and economic proposals of President Reagan, the prime interest rate is hanging at 16.5 percent. That is higher than the 15.27 percent average rate for 1980. And, it is occuring during the steepest recession we have had since the Great Depression.

Fifteen months ago, immediately after President Reagan presented the Congress and the Nation with his first budget proposals, I spoke in this House calling for "a spirit of careful cooperation as we contemplate the radical surgery that is being suggested. Before we act on anything with such potentially painful consequences and lasting side effects * * *" as I believed would result from Reaganomics.

Instead of cooperation, we got Presidentially driven steamroller tactics which, last year, resulted in Congress being misguidedly pushed into adopting a budget and economic policy which is producing budget deficits that are nearly four times higher than our House Committee on the Budget resolution would have generated.

Time and again since then, I have come to this House, and I have stood in any other forum I could get, and repeated my plea for the development of a bipartisan budget and economic policy which would best serve the interest of our Nation while getting us back to a balanced budget or surplus position. The last Federal budget that ended in black ink was proposed by and passed under the leadership of President Lyndon B. Johnson.

I am disappointed, but unsurprised, that my pleas for a bipartisan budget and economic policy, and those of others who share my concerns, have drawn such small response. I am grieved that the months-long, good-faith efforts of our chairman of the House Budget Committee, the gentleman from Oklahoma (Mr. Jones), to draw all elements of the committee, of the Congress, and of the Reagan administration into active, cooperative participation in developing a bipartisan budget have fallen on such rocky shores that we are again facing the kind of budget policy maneuvering that has already brought our Nation's economy into the most harsh recession since the Great Depression.

The official designations of economic recessions are made by the National Bureau of Economic Research, a private, nonprofit, nonpartisan organization. NBER designations are recognized and accepted, or have traditionally been recognized and accepted, by both the private sector and by the U.S. Government.

Since World War II we have experienced eight officially designated recessions:

One under President Truman;

Three under President Eisenhower, the last of which was followed, under Presidents Kennedy and Johnson, by the longest period of economic expansion in our Nation's history;

One under President Nixon and another, the longest thus far since World War II, which began under President Nixon and continued under President Ford;

One, the shortest recession on record, under President Carter in January to June, 1980; and,

This, the eighth and deepest since the Great Depression, which began last July under President Reagan.

The Presidents, timing, and duration of the recessions during this period are:

Truman, November 1948 to October 1949—11 months.

Eisenhower, July 1953 to May 1954—10 months.

Eisenhower, August 1957 to April 1958—8 months.

Eisenhower, April 1960 to February 1961—10 months.

Nixon, December 1969 to November 1970—11 months.

Nixon/Ford, November 1973 to March 1975—16 months.

Carter, January 1980 to June 1980—6 months.

Reagan, July 1981 to (continuing as of May 1982).

Each of these recession periods have been followed by a recovery and/or recovery and expansion period in the economy. They have ranged from the longest in our history which began during President Kennedy's first full month in office, continued throughout President Johnson's service and ended in President Nixon's 10 months in office, to the shortest which began under President Carter in July 1980 and surprised economists by its strength before recession set in in July 1981, under President Reagan.

The Presidents, timing, and duration of the recovery and economic growth periods separating the post-World War II recessions were :

Truman, October 1949 to June 1953—3 years, 9 months.

Eisenhower, May 1954 to July 1957—3 years, 3 months.

Eisenhower, April 1958 to March 1960—2 years.

Kennedy/Johnson/Nixon, February 1961 to November 1969—8 years, 10 months.

Nixon, November 1970 to October 1973—1 year, 11 months.

Ford/Carter, March 1975 to December 1979—4 years, 10 months.

Carter/Reagan, July 1980 to June 1981—1 year.

As I did in the early 1970's when I helped lead the successful fight to get the Budget Control and Impoundment Act of 1974 passed, which we have used and are using today to help Congress and the American people come to grips with the Federal budget, I believe we need a responsible fiscal policy with a balanced budget as an objective.

Frankly, a major reason I voted against the Gramm-Latta substitute budget proposal last year, which was developed and passed with the strong support of President Reagan, was it projected higher deficits than did the proposal recommended by the House Budget Committee.

Certainly, I can not in good conscience vote for the President's February 8 budget that even its chief proponent, President Reagan acknowledges would, if passed generate in 1982 through 1985, a $741 billion, 4-year deficit. Such a deficit would be greater than the $622 billion total combined deficit of all other Presidents, Democrats, and Republicans, compiled during their 48 years of service in the past half century. In fact, the $182 billion budget deficit the President says his original budget proposal would generate would be almost three times higher than the existing $66 billion deficit record set by President Ford in 1976, by compiling the highest single-year deficit in the history of the Nation.

Last year, in submitting his first budget proposal to the Congress on March 10, 1981, the President said: "We must move, surely and predictably, toward a balanced budget . . ."

He also said: "The plan I outlined will stop runaway inflation and revitalize our economy if given a chance. . . ."

And, the President said: "Our tax proposal will, if enacted, have an immediate impact on the economic vitality of the Nation, where even a slight improvement can produce dramatic results * * *"

Two weeks earlier, testifying before the House Committee on Appropriation, David Stockman, President Reagan's Director of the Office of Budget and Management, had said about the President's proposals: "I have suggested our program, if fully effective, will create more than 2 million jobs each year over the next several years. * * *"

And, almost 2 weeks after the President presented his budget to Congress, Donald Regan, Secretary of the Treasury, in a March 23, 1981, speech to the Wharton School of Finance and Commerce, said: The President's program will begin to bear fruit even before it is enacted. * * *"

When these promises were being made by the Reagan administration: The economy was growing; Employment was growing with 100.4 million Americans at work and the number of persons unemployed or only able to find part-time work, as well as the percentage rate for unemployment, were dropping;

New housing starts were rising;

Industrial production was going up; and,

Interest rates were going down.

In August 1981, when President Reagan signed the Economic Recovery Tax Act of 1981, he told the Nation that Congress had enacted his economic policies.

But, the first round of Reagonomics has yielded a bitter harvest:

For millions of American farmers whose prices received for their products, when they can find sales, are so deeply depressed that their economic condition is worse than at anytime since the economic catastrophe years of the Great Depression;

For homebuilders and their employees whose livelihoods are threatened or have been taken away by the sharp drop in housing construction and home mortgage rates that are averaging higher now than they did for the year 1981 or for 1980;

For the thousands of small business and industrial operators who make up 98.2 percent of the businesses and industries of the Nation, who have, in past years generated the vast majority of the new jobs, and who have been forced to survival borrowing for day-to-day operations by the effects of the continuing recession and are now teetering on the razor-edge of bankruptcy;

For the record high number, 10.3 million, Americans who are jobless and whose average time of unemployment is growing longer as the recession deepens;

For the 5.8 million Americans, more than at anytime since World War II, who have been forced to go on a part-time work schedule because of the recession-weakened demand for their labor;

For those who are still working but for whom the prospect of unemployment is strengthened by the now shrinking economy; and,

For those who must borrow money in an environment where the average prime interest rate has been stuck at 16.5 percent for more than 5 months and forecasters are not optimistic about it beginning to drop again in the foreseeable future.

When President Reagan presented his new budget to the Congress on February 8, 1982, he began to pave the way for evading the blame for the failure of his economic policy. He said in his message to the Congress: "We did not promise the American people a miracle. We did promise them progress, and progress they will get. * * *"

His OMB Director, David Stockman, followed that up by telling the House Committee on Appropriations, a day later:

"It (the current recession) was not anticipated by us. * * *"

And, on the same day, before the same committee, during the same hearing, Secretary of the Treasury Donald Regan said:

"I think one of the causes of the recession was high rates of interest. * * *"

The President and his administration have only recently begun a significant move away from support of the tight money, high interest rate policies of the Federal Reserve Board.

Dr. Murray Weidenbaum, appearing before the House Committee on Appropriations, on the same panel with Mr. Stockman and Mr. Regan, assured the House Committee on Appropriations, the Reagan administration was "projecting a recovery * * * specifically from March 1982 to December 1985, we are projecting average annual real growth in the economy of 4.8 percent. * * *"

By April, with the recession continuing to deepen, President Reagan was backing off his administration's prediction of a spring economic recovery and refusing during a nationally televised news conference to forecast the end of recession.

President Reagan may not have promised the American people a miracle, but he did, as I have quoted him earlier in this speech, promise us economic revitalization. His policies have delivered a continuing and deepening recession.

Ronald Reagan made the American people an offer they could not refuse. The American people accepted President Reagan's offer to radically change the economic policy of America. He offered to eliminate waste, fraud, and abuse from the bureaucracy; to cut taxes; to lower interest rates below 10 percent; to revitalize the economy; to create jobs; to rebuild America's military might; and to restore America's prestige abroad, and to balance the Federal budget by 1984. President Reagan's policies have been tried. They have failed. The price Americans have paid for this economic experiment has been enormous. We cannot afford the continued extravagance. It is unconscionable that we should sit back and allow the pain and suffering of the American people to continue.

I urge my colleagues to adopt the resolution.

Mr. MICHEL. Mr. Speaker, will the gentleman from Ohio (Mr. Latta) yield?

Mr. LATTA. I yield to the gentleman from Illinois.

Mr. MICHEL. How is the time divided on the general debate? Will that be equally divided between the two sides?

Mr. LATTA. It will be.

Mr. MICHEL. How about the time of debate of Humphrey-Hawkins? Is that a divisible time?

Mr. LATTA. It is also divisible, according to the rule of the House.

Mr. BOLLING. It is divisible. The normal way to do it on this side is to yield the time to the gentleman from California (Mr. Hawkins) and to whatever member of the minority rises to take the other half.

Mr. MICHEL. I thank the gentleman.

Mr. LATTA. Mr. Speaker, I yield 3 minutes to the gentleman from Mississippi (Mr. Lott).

Mr. LOTT. Mr. Speaker, I will be brief. I rise in support of this rule. It represents, in my opinion, the best efforts, although not perfect, of the leadership on both sides of the aisle to fashion a fair and equitable approach to this extremely complex issue.

When the Republican leadership began to negotiate with the Democratic leadership on the form of the rule for this budget, we realized from the outset that neither side would be able to get precisely what it wanted. The central point which we kept returning to was this: It was essential that the bipartisan package offered by Mr. Latta be given a freestanding, up-or-down vote as an alternative to the committee version of the budget. Under the rule before us today, this House is provided with that opportunity for a clear choice between the competing plans.

In addition to the committee version and the Latta, bipartisan package, five other substitutes are made in order under this rule. I think this gives the Members of the House sufficient opportunity to debate and consider a wide range of approaches to our budgetary situation.

For those on my side of the aisle, I will say that our work is cut out for us under this rule. It will not be easy to win with the Latta substitute and then to keep winning through two subsequent votes. But we did get what we asked for under the rule, and that is the clear choice between our plan and the Jones bill.

I commend the distinguished chairman of the Committee on Rules and the rest of the majority leadership for their cooperation on this matter. I look forward to the debate which will ensue in the next few days.

I would like to ask one question of the chairman of the committee for a clarification on the rule so that all members will understand.

I have been asked what the process will be when we get through general debate and to the various substitutes in terms of how much time you have on each substitute? My understanding is that we will have the usual 5-minute rule on the substitutes, and it is possible that one Member could stand and take 5 minutes on the Latta substitute and the next Member could be recognized under the 5-minute rule to discuss the Aspin or the Jones substitute, but once we get to the final three it is a 5-minute rule on all three.

Mr. BOLLING. That is correct.

□ 1110

Mr. LOTT. So I think that covers one of the points I have been asked.

Mr. MICHEL. Mr. Speaker, will the gentleman yield?

Mr. LOTT. I would be glad to yield whatever time I have remaining.

Mr. MICHEL. I thank the gentleman for yielding.

Is not correct that when we complete the debate on the three category B substitutes that the vote on those substitutes will come in the sequence of the bipartisan vote first?

The SPEAKER. The time of the gentleman from Mississippi has expired.

Mr. LATTA. Mr. Speaker, I yield 1 minute to the gentleman from Mississippi.

Mr. LOTT. I yield to the gentleman.

Mr. MICHEL. And if that prevails, we move on to vote on the second one in sequence, which would be the Aspin.

Mr. LOTT. Right.

Mr. MICHEL. If Aspin prevails, it automatically eliminates the bipartisan measure that had been passed prior to it.

Mr. LOTT. That is correct.

Mr. MICHEL. If Aspin should go down, then, of course, you still have free standing that bipartisan substitute and you move to a vote on Jones.

Mr. LOTT. That is correct.

Mr. MICHEL. And then, of course, depending upon what happens on the vote on Jones as to whether or not the substitute prevails or Jones; is that not correct?

Mr. LOTT. The gentleman is correct.

Mr. MICHEL. In other words, the last vote on a substitute is the one that is all controlling.

Mr. LOTT. The last winning substitute is the one that would then go for a vote on final passage.

Mr. MYERS. Mr. Speaker, will the gentleman yield?

Mr. LOTT. I am glad to yield.

Mr. MYERS. It seems that we could be voting on one or more of these 68 or 67 amendments more than once, then. The same amendment could come up under the different substitutes.

Mr. LOTT. That is correct.

Mr. MYERS. Not once, but several times.

Mr. LOTT. It could come up on one or all three.

Mr. MYERS. Even though it has been defeated, it could still come back.

Mr. LOTT. That is correct.

Mr. BOLLING. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. Miller).

Mr. MILLER of California. Mr. Speaker, first of all, I would like to thank the chairman of the Rules Committee, the gentleman from Missouri (Mr. Bolling) for making the Miller substitute and the four amendments in order. I think it clearly demonstrates his ability to be fair in this process, his desire to make sure that all of us have an opportunity to have input in the budget process.

I would hope between now and Monday that every Member of this House would make a very serious study of the pay as you go proposal, because it will be the first proposal up on Monday and I must tell you, it will be the only proposal from that point forward which will allow Members of this committee to balance the budget, to in fact achieve $27 billion surplus in 1985, while at the same time funding the social security COLA for this next year, providing a 5-percent real increase in military defense and funding the other social COLA's, veterans, railroad retirement and what have you.

How is that possible? Because for the first time this Congress will have an opportunity with the Miller substitute to tear up the national credit card. You will have an opportunity to go home and tell your constituents that you not only had the political conviction to vote for social security, the political conviction to vote for increased national defense, but the courage of those convictions to raise the revenues to pay for them.

For the first time, you will be able to go home and tell them exactly why you raised those revenues, because you must remember in every other proposal, whether you are raising $40 billion in taxes or $30 of $150 billion in taxes, you will not be able, just as you were not able last year, to explain to your constituents what happened.

This is a proposal to simply say this: If this Congress, the Congress of the United States, wants to spend one more dollar than they spent this year, then you must be prepared to pay and raise the revenues or find offsetting savings to allow us to spend that dollar.

What in fact happens is that in 1983 you will have a $109 billion deficit, which is lower than Gramm-Latta, Obey, the Senate and the House Budget Committees; but in 1985, if you follow this procedure, not because I say so, but because the Congressional Budget Office says so, you will achieve a $27 billion surplus, while the House Budget Committee will be $42 billion in the red, Gramm-Latta will be $57 billion in the red, the Senate is over almost $65 billion; so there is a choice. There is a very clear choice and a signal that you can send, that for the first time we are going to start paying our way. For the first time we are not simply going to vote to spend money today and send the bill to our constituents tomorrow.

I must tell you that if you go through this process, and I hope you will allow me to go through the four amendments, you will basically end up where the House Budget Committee ends up, but you will end up there with a very balanced budget.

The SPEAKER. The time of the gentleman from California has expired.

Mr. BOLLING. Mr. Speaker, I yield 2 additional minutes to the gentleman.

Mr. MILLER of California. I want to thank the chairman for the additional time.

That is the distinction, that you will end up basically at the expenditures of the House Budget Committee, but you are not going to end up there by smoke and mirrors. You are going to end up there, not by overestimating offshore oil revenues, not by overestimating executive savings, not by overestimating how much land we are going to sell off under the Secretary of the Interior; you are going to end up there by adding up real numbers and at the end of this procedure you will have, in fact, established that no longer are the uncontrollables uncontrollable, because you have taken control. You have taken control of the COLA's and you had the guts to vote for the money to fund them.

You will be telling the seniors of this country that for the next year social security will be fully funded. The other proposals cannot say that, because as they have said quietly, we just did not have guts to pay for it, so we pick it up in the deficit in 1985.

So for the first time, you can tell the seniors all next year's is there, because each time you vote for one of these amendments, you will also be directing the Ways and Means Committee to come up with the revenues.

So what we say, if the revenue is not there by October 1, we revert right back to the 1982 expenditure levels, because apparently the Congress did not have the courage of its convictions to fund the programs that it is asking the people of this country to pay for through high interest rates, high unemployment and unacceptable economic conditions; so this is not a Democratic proposal. This is not a Republican proposal. This is what the Texas State Legislature does. This is what the California State Legislature does, and that is every year you have got to decide, Is there enough money to pay for what we have decided to spend?

So for the first time, not the promises of Jimmy Carter or Ronald Reagan or any other President who says, "I promise to balance the budget in the future," but for the first time there is a procedure within the Congress of the United States to balance that budget, but not do it on the backs of poor people, on the backs of children, on the backs of the Defense Establishment. Reasonable spending, reasonable price tags and a balanced budget.

● Mr. GOLDWATER. Mr. Speaker, I rise in support of House Resolution 477, the rulemaking in order consideration of the first concurrent resolution on the fiscal year 1983 budget. I am very pleased to see bipartisan agreement on this rule, even if it turns out to be the only bipartisan agreement we get on the entire question of Federal spending and economic priorities in 1983. I know that this is a complicated rule, but I commend the House leadership and Rules Committee leadership; both sides of the aisle, in carefully crafting this rule which allows all interested parties a chance to have their views on the fiscal year 1983 budget heard in an orderly manner.

This body simply has to get on with the business of establishing budget priorities for fiscal year 1983. It is deplorable that we have procrastinated this long—halfway through the year—before even addressing this matter.

I get absolutely furious when I hear the other side of the aisle talk about how the Republican economic progam is geared to help the rich and hurt the poor. I deplore the arrant politicization of our economic mess. I know it has become practically political tradition in past election years for the party out of power to attack White House policy to make political brownie points. But, I say to you all now that it is time for us to stop this nonsense and get on with real solutions to our very real problems.

We have got an economic disaster on our hands. The Federal budget is exploding, social security is plummetting toward bankruptcy, the interest on the national debt alone is larger than the entire Federal budget of 1960, the housing industry is at a standstill, businesses are going bankrupt, our Nation's savings and loan industry will lose $6 billion this year; the list of imminent disasters can go on and on.

Let us cut the partisan rhetoric. In the final analysis, it only contributes to a fragmented, confused electorate who will never be satisfied for more than 6 months with their elected leaders because those leaders can never produce what is promised. Let us level with the American people, define in easy terms what the problems are. Let us look at what we really have, what we really need and last, what we really want. These are not easy choices or decisions. Let us arrive at answers to these problems in a fair and relatively dispassionate manner and get on with rebuilding our economy and our Nation into the world giant it once was and, I am confident, can be again. Thank you.●

Mr. LATTA. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, I take this time to again emphasize something that I do not want the Members to overlook.

We discussed yesterday the manner in which these amendments will be taken up and we discussed categories. They are going to be taken up in categories; however, it is spelled out on page 6 of the resolution that these perfecting amendments, if offered, shall be considered only—only in the order listed; meaning this, that if an amendment No. 5 author is not here proposing that amendment when the time for No. 5 comes up and they go to No. 6, amendment No. 5 author loses his opportunity to sponsor that amendment.

So I would caution Members to watch how these amendments are coming up when we get into that stage of the process, so that they do not lose their opportunity to offer their amendment.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. BOLLING. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

MESSAGE FROM THE SENATE

The SPEAKER. The Chair lays before the House the following message from the Senate:

That the Secretary be directed to request the House of Representatives to return to the Senate the bill (S. 907) entitled "An act to amend sections 351 and 1751 of title 18 of the United States Code to provide penalties for crimes against Cabinet officers, Supreme Court Justices, and Presidential staff members, and for other purposes."

The SPEAKER. Without objection, the request is agreed to.

There was no objection.

□ 1120

ADJOURNMENT TO MONDAY, MAY 24, 1982

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that when the House adjourns today, if general debate has been concluded on House Concurrent Resolution 345, it adjourn to meet at noon on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. LOTT. Mr. Speaker, reserving the right to object, just for the purpose of clarification, I want to make sure I understand what the gentleman has requested.

If we complete the 9 hours of general debate today, then we would go over until noon Monday?

Mr. WRIGHT. That is exactly correct.

Mr. LOTT. Otherwise, if we do not complete general debate, we will go ahead and complete it tomorrow beginning at 10 a.m.; is that correct?

Mr. WRIGHT. That is exactly right. If we are unable to complete general debate tonight, then we would presumably come in tomorrow at 10 o'clock and debate on Saturday until general debate has been completed. But this unanimous consent request would permit the House, if we are able to complete general debate today, to adjourn over until noon Monday.

Mr. LOTT. Further reserving the right to object, I yield to the minority leader for a question.

Mr. MICHEL. I thank the gentleman.

May I ask the distinguished majority leader if he can look in his crystal ball for next week, then? If we come in at noon on Monday and begin this amending process, what does the gentleman see for the time of convening on Tuesday, Wednesday, and Thursday?

Mr. WRIGHT. We would hope to continue as long as productively we could on Monday. The chairman of the Budget Committee has already advised that he wants to plow straight ahead just as long as we are making progress. Then we would plan to come in at noon on Tuesday, unless at that time it appeared reasonable that by coming in at an earlier hour, say 10 o'clock on Tuesday, we might expect to conclude our action on the total resolution Tuesday. If that appeared likely then on Monday we might offer that unanimous-consent request—to convene at 10 o'clock on Tuesday.

Assuming that the House is able to conclude consideration of the budget resolution on Tuesday of next week. then on Wednesday and Thursday we will consider:

H.R. 6296, the Housing and Urban-Rural Recovery Act of 1982, subject to a rule being granted: and

H.R. 746, the Regulatory Procedures Act of 1982, also subject to a rule being granted.

The conference report on H.R. 5922, the urgent supplemental appropriations, 1982, will be brought to the floor as soon as it is available.

Mr. JONES of Oklahoma. Mr. Speaker, will the gentleman yield?

Mr. LOTT. I would be glad to yield to the distinguished gentleman from Oklahoma.

Mr. JONES of Oklahoma. I just want to explore the possibility of a unanimous consent to come in Tuesday at 10 o'clock. As I look at the number of amendments pending, it could be a very long week. I would like to ask the majority leader's opinion.

Mr. LOTT. Further reserving the right to object, Mr. Speaker, I wanted to ask a question on that very point myself.

Tuesday, I believe, is a primary day in at least a couple of States. Do we anticipate coming in at an early hour on Tuesday and in fact having votes on Tuesday on the substitutes that would be allowed under the rule?

Mr. WRIGHT. If the gentleman would yield, notwithstanding the primaries in at least two of the States, it is the intention of the House, as announced last week in a colloquy between the gentleman from Mississippi (Mr. Lott) and the gentleman from Washington (Mr. Foley) to continue once we begin the process of amending this resolution until we shall have completed it. I think it would not be reasonable at all for us to expect we can get by Tuesday without any votes. That would make it infinitely more difficult for us to complete this vitally important piece of work next week.

Mr. ALEXANDER. Mr. Speaker, will the gentleman from Mississippi yield to me?

Mr. LOTT. Further reserving the right to object, I yield to the gentleman from Arkansas.

Mr. ALEXANDER. One of the primaries scheduled for Tuesday is the Arkansas primary.

Mr. LOTT. That is very important.

Mr. ALEXANDER. Because of the importance of this matter pending here, I have arranged to vote by absentee ballot. I am advised that other Members have done the same.

Mr. LOTT. That is very commendable.

Further reserving the right to object, I yield to the minority leader.

Mr. MICHEL. Mr. Speaker, I would certainly be willing, as the gentleman from Oklahoma (Mr. Jones) suggests, that we utilize to the fullest the time. I think we have given Members sufficient warning last week that this was going to be one whale of a busy week as we wind up before the Memorial Day recess.

My personal inclination would be, let us do as much as we can Monday, Tuesday, and Wednesday, and if possible, Members get a bonus of getting out of here Wednesday night rather than Thursday, as originally scheduled. So if we buckle down, I am all for doing as much as we possibly can and taking full advantage of the time.

Mr. WRIGHT. If the gentleman from Mississippi would yield further, pursuant to the comments just made by the very distinguished minority leader, there is an additional advantage to moving ahead with all reasonable speed on this resolution. In addition to this matter, it is necessary that we take final action upon the urgent supplemental appropriations bill before we adjourn on Thursday. So there is yet another extremely important matter lying before us next week.

This further intensifies, I believe, the rationale for moving ahead with all deliberate speed to the completion of this resolution. So I would have no objection personally, when the time comes on Monday that it appears reasonable, to ask unanimous consent to come in at 10 o'clock on Tuesday. I know that I would have no objection to that, and I do not imagine there would be any objection on the part of anyone else.

Mr. LOTT. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Texas (Mr. Wright) to adjourn until Monday in the event we have finished general debate today?

There was no objection.

HOUR OF MEETING ON TUESDAY, MAY 25, 1982

Mr. JONES of Oklahoma. Mr. Speaker, I ask unanimous consent that when the House adjourns on Monday, May 24, 1982, it adjourns to meet at 10 a.m. on Tuesday, May 25, 1982.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair would like to state that we Members should not get overly exuberant about getting out earlier next week because the supplemental appropriation, conference report should be disposed of and the Chair understands the Senate will be considering that bill on Tuesday, with a conference on Tuesday night, and the House would have to go to conference.

The Chair has been notified of another privileged matter that will be coming up on Wednesday.

So the Chair would hope the House would be able to get through the budget by Wednesday. But there would be a session on Thursday, as the Chair views things now.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

FIRST CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 1983

Mr. JONES of Oklahoma. Mr. Speaker, pursuant to the provisions of House Resolution 477, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the concurrent resolution (H. Con. Res. 345) revising the congressional budget for the U.S. Government for the fiscal year 1982 and setting forth the congressional budget for the U.S. Government for the fiscal years 1983, 1984, and 1985.

GENERAL LEAVE

Mr. JONES of Oklahoma. Mr. Speaker, pending that motion, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and include extraneous material, during consideration of House Concurrent Resolution 345.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Oklahoma (Mr. Jones).

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. HEFNER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 342, nays 0, answered "present" 2, not voting 88, as follows:

[Roll No. 94]

YEAS—342

Addabbo
Akaka
Albosta
Alexander
Anderson
Andrews
Annunzio
Anthony
Archer
Aspin
Atkinson
AuCoin
Bafalis
Bailey (MO)
Bailey (PA)
Barnes
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Bliley
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown (CA)
Brown (CO)
Broyhill
Burgener
Butler
Byron
Campbell
Carman
Carney
Chappell
Cheney
Clausen
Coats
Conable
Conte
Corcoran
Coughlin
Coyne, James

Coyne, William
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Dannemeyer
Daschle
Daub
de la Garza
Deckard
Dellums
DeNardis
Derrick
Dickinson
Dicks
Dingell
Donnelly
Dorgan
Dougherty
Downey
Duncan
Dunn
Dwyer
Dyson
Early
Edgar
Edwards (AL)
Edwards (CA)
Edwards (OK)
Emerson
Emery
English
Erlenborn
Evans (DE)
Evans (GA)
Evans (IA)
Fary
Fascell
Fazio
Ferraro
Fiedler
Fields
Findley
Flippo
Florio
Foley
Ford (MI)
Ford (TN)
Fountain
Fowler
Frank
Frost
Fuqua
Gaydos
Gejdenson
Gephardt
Gibbons
Gilman
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gramm
Gray
Green
Gregg
Guarini
Gunderson
Hall (OH)
Hall, Ralph
Hall, Sam
Hamilton
Hammerschmidt
Hance
Hansen (ID)
Harkin
Hartnett
Hawkins
Hefner
Hendon
Hertel
Hightower
Hiler
Holland
Hollenbeck
Holt
Hopkins
Horton
Howard
Hoyer
Hubbard
Hughes
Hunter
Hutto
Hyde
Ireland
Jeffords
Jenkins
Johnston
Jones (OK)
Jones (TN)
Kastenmeier
Kazen
Kemp
Kennelly
Kildee
Kindness
Kogovsek
Kramer
LaFalce
Lagomarsino
Lantos
Latta
Leach
Leath
LeBoutillier
Lee
Lehman
Leland
Lent
Levitas
Livingston
Loeffler
Long (LA)
Long (MD)
Lott
Lowery (CA)
Lowry (WA)
Lujan
Lungren
Madigan
Markey
Marlenee
Marriott
Martin (IL)
Martin (NC)
Martin (NY)
Matsui
Mavroules
Mazzoli
McClory
McCollum
McCurdy
McDade
McDonald
McEwen
McGrath
McHugh
Mica
Michel
Mikulski
Miller (CA)
Miller (OH)
Mineta
Minish
Mitchell (MD)
Moakley
Molinari
Mollohan
Montgomery
Moore
Moorhead
Morrison
Murtha
Myers
Napier
Natcher
Neal
Nelligan
Nelson
Nichols
Nowak
Oakar
Oberstar
Obey
Oxley
Panetta
Parris
Pashayan
Patman
Paul
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Porter
Price
Pritchard
Quillen
Rangel
Ratchford
Regula
Reuss
Rhodes
Rinaldo
Ritter
Roberts (KS)
Roberts (SD)
Robinson
Rodino
Roe
Roemer
Rosenthal
Rostenkowski
Roukema
Rousselot
Roybal
Rudd
Russo
Sabo
Santini
Sawyer
Scheuer
Schneider
Schulze
Schumer
Seiberling
Sensenbrenner
Shamansky
Shannon
Sharp
Shaw
Shelby
Shumway
Shuster
Skeen
Skelton
Smith (AL)
Smith (IA)
Smith (NE)
Smith (NJ)
Smith (OR)
Snowe
Snyder
Solarz
Solomon
Spence
Stangeland
Staton
Stenholm
Stokes
Stratton
Studds
Stump
Swift
Synar
Tauke
Tauzin
Taylor
Traxler
Udall
Vander Jagt
Vento
Volkmer
Walgren
Walker
Wampler
Washington
Waxman
Weber (MN)
Weber (OH)
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams (OH)
Wilson
Winn
Wirth
Wolf
Wolpe
Wortley
Wright
Wyden
Wylie
Yates
Yatron
Young (FL)
Young (MO)
Zablocki

ANSWERED "PRESENT"—2

Ottinger
Williams (MT)

NOT VOTING—88

Applegate
Badham
Barnard
Beard
Benedict
Blanchard
Brown (OH)
Burton, John
Burton, Phillip
Chapple
Chisholm
Clay
Clinger
Coelho
Coleman
Collins (IL)
Collins (TX)
Conyers
Courter
Craig
Crockett
D'Amours
Davis
Derwinski
Dixon
Dornan
Dowdy
Dreier
Dymally
Eckart
Erdahl
Ertel
Evans (IN)
Fenwick
Fish
Fithian
Foglietta
Forsythe
Frenzel
Garcia
Gingrich
Ginn
Gradison
Grisham
Hagedorn
Hansen (UT)
Hatcher
Heckler
Heftel
Hillis
Huckaby
Jacobs
Jeffries
Jones (NC)
Lewis
Luken
Lundine
Marks
Mattox
McCloskey
McKinney
Mitchell (NY)
Moffett
Mottl
Murphy
O'Brien
Patterson
Pursell
Rahall
Railsback
Richmond
Rogers
Rose
Roth
Savage
Schroeder
Siljander
Simon
Smith (PA)
St Germain
Stanton
Stark
Thomas
Trible
Watkins
Weaver
Young (AK)
Zeferetti

□ 1140

Mr. LIVINGSTON changed his vote from "nay" to "yea."

So the motion was agreed to.

The result of the vote was announced as above recorded.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the concurrent resolution (H. Con. Res 345) with Mr. Bolling in the chair.

The Clerk read the title of the concurrent resolution.

The CHAIRMAN. Without objection, the first reading of the concurrent resolution is dispensed with.

There was no objection.

The CHAIRMAN. Pursuant to House Resolution 477, the gentleman from Oklahoma (Mr. Jones) will be recognized for 3 hours, and the gentleman from Ohio (Mr. Latta) will be recognized for 3 hours.

After opening statements by the chairman and the ranking minority member of the Committee on the Budget, the Chair will recognize the gentleman from California (Mr. Hawkins) and the gentleman from Ohio (Mr. Latta) for 1½ hours each to control debate on economic goals and policies.

After this 3 hours of debate has been consumed or yielded back, the Chair will recognize the chairman and the ranking minority member of the Committee on the Budget to control the remainder of their 6 hours of debate.

The Chair recognizes the gentleman from Oklahoma (Mr. Jones).

Mr. JONES of Oklahoma. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, as the House of Representatives begins debate on the budget, our Nation faces two indivisible crises. One is economics, and the other is social. Neither will be solved independently of the other. Both must be addressed or we will shed the ties that bind our people together, turning class against class and destroying the vitality of our free enterprise system.

What is at stake is the economy itself. And what is the state of the economy, Mr. Chairman?

Unemployment stood at 7.3 percent just 1 year ago when we debated this budget; today it is at 9.4 percent, and Reagan administration spokesmen expect it to soar past 10 percent. One year ago mortgage rates stood at 15½ percent; today that mortgage is 17.4 percent, and millions of American families have been priced out of the market for a home.

□ 1150

As a result, new housing starts have fallen 40 percent. Business failures are running 49 percent above 1981. Our gross national product is expected to decline, actually decline in 1982. Farm income has fallen 39 percent and the savings and loan industry is likely to lose $6 billion this year alone.

Black unemployment stands at 18.4 percent. One out of every five black persons cannot find a job.

The economic program put in place 1 year ago has failed. It has failed to meet the standards the Republican administration set for its own program. Had that program succeeded, I can assure my colleagues this debate would not have taken place today.

But the program has failed to meet its own test of performance. A year ago Kemp-Roth Reaganomics was a promise without a past. Today Reaganomics is a reality with a record, a record of broken promises. It is a program which must be changed.

Even the President himself has acknowledged by offering to raise Federal taxes $122 billion over the next 3 years that his program must be changed.

The administration budget put before the Congress in February has been abandoned. That is not even a part of this debate.

All of the remaining budgets before this House recognize that the economic program put in place last year must be significantly altered.

In many ways the most peculiar thing about the debate this year is the similarity of the deficits proposed by the various alternatives. In fact, there is almost no difference in the deficit proposed by the Republican substitute and the budget offered by the House Budget Committee. But in terms of the other national crisis, the social crisis, the difference between the Republican budget and that of the Budget Committee is vast indeed.

In a time of record unemployment, the Republican alternative's prime aim appears to be to protect the tax cut for the rich. To do that they are willing to crush the programs for the old, the young, the poor, the hungry, and the handicapped. They propose to buy every dream weapon of every general without regard to efficiency or to mission.

The Republican substitute is a budget which ignores the legitimate needs of the average American in order to protect the rich. Should such a policy be allowed to continue, we will cease to be a society defined by a vast, mobile middle class. We will become a society of conflict between the poor who have lost hope and the rich protected by law.

Nothing, absolutely nothing could be more dangerous or more damaging to the preservation of order at home and the strength to provide security from foes abroad.

Let me stress one point here because there is going to be a lot of discussion on the defense budget. No one in any of the substitutes, in any of the proposals, no one proposes cutting national security or defense. The only question before the House is how much are we going to increase the defense budget.

What we in the Budget Committee propose is to increase in real terms the defense budget by 5 percent. That includes a 4-percent raise in pay, which I would hope would be dedicated to those ranks and grades which most need an increase. I think that higher paid officers, like affluent people in all parts of our country, should be willing to sacrifice a little bit. But with the 4-percent raise in salaries, the actual increase in the nonpay part of the defense budget under the Budget Committee proposal is approximately 9 percent after adjusting for inflation, a real growth of about 9 percent.

Nor is this a battle between spenders and savers when we discuss these budget alternatives. Both the Republican and the Democratic proposal makes significant savings. In fact, you can chart out the 3-year program of the committee bill versus the Republican substitute and the deficits are actually lowered more under the Budget Committee resolution.

This is a debate which will be decided by Members who must make a series of difficult choices. There are no easy solutions to the problems we face. I have said many times that the debate today has no first choices for political people. All of the choices are second choices at best; third, fourth, and fifth choices more likely.

But that is what is necessary if we are going to get this fiscal policy under control. That is the issue before the House today.

It is absolutely essential that a budget be passed. Whether you are a Republican or a Democrat, the very worst signal we could send to this country is that we are unable to come to grips with fiscal policy.

If we send a signal that we cannot pass the budget resolution and implement it, I think that such failure could lead to economic catastrophe.

So it is essential that a budget be passed, but it must be passed in a way that preserves the social fabric of our Nation.

At the conclusion of this debate the House will decide. I believe that the House can only decide that the House Budget Committee resolution is the budget that best meets the dual tests of fairness and effectiveness and provides the best solution to the dual crises facing our society, the social crisis and the economic crisis.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. The Chair will state that the gentleman from Oklahoma (Mr. JONES) has consumed 9 minutes.

Mr. LATTA. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, as we begin the debate on this bill or this resolution, let me say the thing that I want most from this House is a resolution that we can go to conference with the other body and give the country a budget it so desperately needs.

Notwithstanding the statements just made by my chairman, there are certain provisions in his resolution with which he is not in 100 percent agreement. There are provisions in our resolution in which I am not in 100 percent agreement. But it is a compromise that we must have in this Chamber.

There has been compromise in his resolution and certainly in the other main substitute, and there has been compromise with the various individuals in order to put together a package. So there has to be some compromise in this House to pass a resolution.

The shock that would go across the country would be terrific if we would be so irresponsible as not to pass a resolution with which we could go to conference. So I think that the rhetoric that we are going to hear for the next several days should probably be in moderation as much as possible.

But I know that sometimes that it is not possible. But at all times I think it is important that we keep the Nation's interest in mind.

□ 1200

We should not forget the Nation's interest during this debate and do something for purely partisan reasons that would be wrong for the Nation. We do not want this to happen. It cannot happen.

We have been, for the last several months—not weeks—attempting to come forward with a resolution that could pass this House. They have been working on the other side of this Capitol Building for a resolution.

The gentleman who just spoke, the chairman of our committee, and a bipartisan group that became known as the gang of 17, of which I was pleased to be a member, as well as the gentleman now sitting in the chair, labored long and hard to try to come up with a compromise. For three successive Sundays we were in, working to try to come up with some kind of a compromise to present to this House. Unfortunately, we could not come to a compromise. As a consequence, the problem now rests with this House. During this debate I am sure that we can come to some kind of a resolution for the best interests of the American people. We do not deserve to sit in this Chamber if we shirk that responsibility.

But I agree with what the gentleman said about interest rates. We will get into that in a minute. I agree with what the gentleman said about unemployment. We will touch on that briefly. But it seems like the financial markets, the banking community, everybody that knows anything about the financing of the debt, not only private but public, have been waiting for action by the Congress of the United States on a budget. Then hopefull—hopefully—when we do come forward with a budget, we will see those interest rates come down. Interest rates that we have had have hurt Democrats, Republicans, young and old, regardless of where you might sit or where you might live. These interest rates have been hurting. Something is responsible for those high interest rates. There is no question that we like to blame Mr. Volcker of the Federal Reserve Board for everything that happens. But we have to finance the debt which has been accumulated not by action by the Federal Reserve Board or from any administration, but because of the actions of this Congress. They do not spend any money downtown that we first do not appropriate. So we cannot escape that responsibility.

So hopefully—hopefully—we will be able to do something about a compromise budget.

One of the things that we learned in our discussions and which became very pronounced in the gang of 17, since it was composed of individuals from both sides of the aisle and from both sides of the Capitol and from people from the administration, including the Secretary of the Treasury and the head of OMB, were basic philosophical differences. That is what it is all about. For far too long, in my humble opinion, we have had a policy in this country of

tax and spend, tax and spend and do not worry about tomorrow, but spend, even though you do not have it, and tax, even though we were headed toward 23 percent of our gross national product being consumed for taxes on the Federal, State, and local levels. That is much too high for the growth that we needed in this country. That is much too high to permit our industries to modernize so they can be competitive in the world marketplace.

It grieves me as an American citizen to find that we are not competitive in many, many areas. There are reasons why we are not competitive. All you have to do is look at what has been happening in the major countries with which we compete. They have been permitted to modernize their industries, they have had certain advantages from their tax laws that our country has not been able to give.

So we have had these basic philosophical differences that will become most apparent during the debate on this bill. What we do here in the House with this budget resolution will determine what kind of a message this Congress will send to the American people and to the financial markets, in no uncertain terms. Will we as a Congress be telling them that we will continue on the economic course of the past or on the economic course that we attempted to chart last year? Hopefully, for the future of this country, we are not going to turn around and go back to what has been happening in the past 40 years.

I am not unaware of what has been said, especially on my right. We have heard the arguments that the President's program has been tried and found wanting, it is not working. Well, you can probably float that argument to somebody other than the gentleman now speaking in the well or anybody else who knows what we did here last year and when we did it. They say the President's program has failed to bring down unemployment. Well, look, my friends, in my district we have two automobile companies, and two more right across the line in other districts. Are we going to blame the President of the United States because the price of automobiles is too high and we cannot compete pricewise with foreign imports? Are we going to blame the President for this? The reason we have high unemployment in the auto industry is due to the price of the product and the high cost of financing. Without addressing these problems, I am surprised someone did not come along with some kind of a bill to subsidize the price of automobiles so that we could sell them?. Well, let me commend the automobile unions and their workers. They have taken that initial first step to do something about it. But in talking to the people in the companies themselves, they tell me we still have to modernize, and it is going to take a lot of money to do that.

So let us not put that monkey on the President's back, as some are attempting to do. I know that a lot of people will say that the President is a miracle worker. Can he turn things around as quickly as some of our people would ask? We have been wandering in the economic wilderness for 40 years, and it will take more than 40 weeks to solve the problems. Really, his program has not begun. What did we do? We have heard a lot about Gramm-Latta. We did something about reducing that extraordinary growth in the Federal budget last year, a tremendous step by this Congress. We cut $44 billion from the bloated budget offered by the former President, Jimmy Carter.

□ 1210

Do you know the size of the deficit we would have been dealing with now if that had not happened? We would be looking at a potential deficit for fiscal year 1983 of more than $225 billion.

Do I need repeat that? $225 billion in deficit for fiscal year 1983, if this Congress in its wisdom had not taken that step last year.

You know that is a quarter of a trillion dollars.

Can you imagine the panic on Wall Street today if this Congress had not taken that step and instead had approved Jimmy Carter's budget?

We also passed a tax bill last year which is a good start toward putting this country back to work on permanent jobs in the private sector.

Yes, letting the people once again spend a little bit more of their income. But really it was not the President's package that we passed. He set it in motion.

The President last year proposed a 30-percent individual income tax reduction over 3 years to reduce the amount of our GNP which had been consumed in taxes.

Only such a massive tax reduction would succeed in increasing savings and investments to produce the new jobs this country needed.

What did Congress do? It delayed the 1981 tax cut until October 1. The President wanted it January 1. And then Congress cut it in half. Congress reduced it to 5 percent. The President wanted a 10-percent reduction.

Over the entire year, that meant a tremendous reduction of 1¼ percent. That was supposed to turn the country around? How foolish do you think the American people are?

That tax cut had already been wiped out by inflation and a massive social security tax hike that went into effect on January 1 of this year.

This Congress in its wisdom also postponed the 1982 tax cut until July 1 of this year. The President wanted a 10-percent tax cut effective January 1, not July, but the Congress thought otherwise.

Now what does this mean? It means that not one penny in tax relief has yet gone toward getting us out of this recession, and the economists tell us that nothing much is going to happen to stimulate the economy until July 1 when taxpayers finally get the tax cut that the President wanted them to have a year ago.

Whose fault is this? Is it the President's? He does not vote in this Chamber. All he can do is propose. Under his program the American taxpayer would be enjoying now, today, a 20-percent reduction in his or her taxes, and the economy would not be bogged down in the recession in which we find ourselves.

Despite the best efforts of the Democratic leadership to prevent it, we are now enjoying some economic progress under the President.

The prime interest rate, the prime rate, was only 6¼ percent when President Carter took office. What was it when he left? Twenty-one and a half. Twenty-one and a half percent. Today it is 16½. Too high. But not 21½ percent.

Inflation, when Carter took office, stood at 4.8 percent. When he left, when President Reagan took office, inflation that hurts everybody, and especially the people on limited incomes, stood at 12.4 percent.

Let me tell my colleagues it has just been reported on the wire services that for the first 4 months of this year it is 1½ percent. One and a half. What welcome news for the people who have to pay the bills across this country and go into grocery and other stores and lay down the cold cash for what they have to buy.

What also is helping to slow our recovery are the high interest rates. And economists are divided on all the reasons why interest rates refuse to come down but they agree that one important reason is the fear that the massive Federal borrowing needed to finance the budget deficit in the future will crowd the private sector out of the financial markets.

Let me say that I am encouraged by the new awakening among some of our colleagues to the danger of huge deficits. Let me add when they warned me of the evils of too much borrowing it's like telling Noah about the flood, I said I welcomed new converts but I am not sure they have mastered their lessons. This is where the philosophical differences occur between the chairman's budget resolution and the bipartisan recovery substitute we plan to offer.

The question is, how do you reduce the deficit? You can do it by cutting spending or you can do it by increasing taxes or more deficit financing. Certainly I have not had too many letters lately from my constituents saying they want an increase in their taxes. But in the chairman's substitute you are going to have to have $147 billion in new taxes over 3 years.

Those of us who support the bipartisan alternative believe that the American worker is taxed too much already and the deficit should be brought down as much as possible by reducing spending.

Oh, sure, we realize that in order to bring the deficit down as quickly as possible we are going to have to have some additional revenues but certainly not $147 billion worth.

The highly respected Moody's Investor Service warned against using the tax code to solve our deficit problems. This is what they had to say as quoted in the Wall Street Journal:

> Efforts to balance the budget by higher income taxes could have a devastating effect throughout the economy. The expected drop in interest rates could well be meaningless in the long run if the economy's underpinnings continue to deteriorate, as we would expect them to do under greater tax burdens.
>
> The worst case scenario might be that higher taxes would substantially deepen the recession and result in greater budget deficit, thus leading to economic shambles.

Let me read the first sentence of that statement over again:

> Efforts to balance the budget by higher income taxes would have a devastating effect throughout the economy.

Moody's is not alone in its thinking. More and more economists are looking beyond the immediate problem of reducing the deficit and coming to the same conclusion about spending versus taxes.

Edward Campbell, chief economist for Brown Brothers Harrimann & Co., a New York investment banking firm, recently wrote a letter to Senator ARMSTRONG urging him to press for spending cuts to get the deficit down and allow the expansion of the private sector. He wrote:

> We feel that true reductions in government expenditures will count for more in the market than increasing taxes. One of our partners closely associated with the credit markets believes that a $1 expenditure cut will have about the same effect on interest rates as a $2 tax increase. It is extremely important that the government's share of the economy be reduced as to permit the expansion of the private sector."

Again we have a basic difference in philosophy. Should the American worker be taxed more so that the Government can spend more on the social welfare type programs, or should Government cut spending, reduce its presence in the economy and allow expansion of the private economy and greater job opportunities?

I have never questioned the sincerity of those who believe that big Government can solve all of the Nation's woes. The men and women in this Chamber who believe in large spending programs are all sincere people. They just happen to be wrong, in my humble opinion. Their way has been tried and it has failed. The American people know it has failed and they elected President Ronald Reagan in 1980 with a mandate to get Government spending under control and they have not abandoned the President.

□ 1220

A recent Gallup survey shows that 47 percent of the American people want the deficit reduced by cutting spending and only 4 percent said deficits should be reduced through higher taxes.

Yes, I said only 4 percent, 4 people out of every 100.

Thanks to President Reagan, the American worker is learning that there is a direct correlation between Government spending, inflation, higher taxes, and the slowing of real economic growth.

Now, let us look at some of the numbers that got us where we are today. During the 1960's, the economic growth in this country averaged 4.2 percent and inflation averaged 4.8 percent. By 1971, the inflation rates as measured by the Consumer Price Index had picked up to 6.6 percent. During the 1970's, taxes rose an average of 7.7 percent a year and personal savings averaged 8 percent of personal income.

By the middle of the 1970's, unemployment was averaging 7 percent.

Personal savings had dropped, had dropped to 5.7 percent and taxes were rising by 13.1 percent a year.

Federal spending more than tripled from 1970 to 1982, reaching more than $728 billion in the current fiscal year.

I have a chart on my left which presents this much more forcefully than I can with words. Now, let us take a look at it. In 1955, this Nation was spending only $68.4 billion. Spending increased rather slowly until 1965, when it reached $118.4 billion. That is not ancient history—1965.

Then it began to really accelerate, reaching $326.2 billion in 1975.

Well, look what happens then, huge increases every year, reaching $728.9 billion in the current fiscal year.

You will notice that that chart is one I used last year. You know, I try to conserve around this place, but we have to keep adding and I do not know where we are going to go next year if this spending does not come down.

Now, what does this mean relative to the national debt? This chart shows dramatic growth. In 1961, the national debt was at $300 billion. By 1971, it has risen to $370.1 billion.

On the 1st of April of this year, we hit the figure you see on the chart of $1,060 billion—$1,060 billion dollars' worth of debt. These figures are beyond my comprehension.

But can you imagine what we are doing to our kids and our grand kids? What a legacy to leave them.

I sadden every time I think about the legacy we are leaving to my grandson. I became a grandfather last September 1. What a legacy to leave that little fellow. When he becomes a taxpayer, the way we are going, we will not have enough room to put all the zeros and all the debt on such a chart.

Think about it. Does that make you proud? Does it make you proud that we have been living off his credit card? Does it make you proud that we are going to force on him and his generation this horrendous debt?

Oh, you say, they are not going to pay that debt. Oh, but they are going to pay the interest on it. Uncle Sam is not going to default on it. The full faith and credit of the U.S. Government is behind every single cent of it and he is not going to default on it.

Right now, the third highest item in the budget goes for interest on the national debt, $100 billion interest on the national debt, and we never even had total cost of Government, including the military, of $100 billion until the second year of President Kennedy's term of office.

How shameful, how shameful. They are your children, they are mine. We have been living off them. We have not been paying our way.

It is high time that we think about the next generation, because they are ours.

Oh, it does not make very good political hay. You know, I know something about politics. It does not make very good political hay to go back home and say to somebody, "Well, now, look, we would love to do this for you, everything ask for, we would love to do it for you. We would like to take care of every care that you have in the world, but we can't afford it."

Have you ever tried doing that? You know, most people are really reasonable. They say, "I would like to have this or I would like to have that."

You say, "Well, how are we going to pay for it?"

And it is important that we pay for it.

Let me say that the legacy that the last administration left President Reagan was not the best legacy it could have left. Federal spending had tripled in 10 years. Federal taxes had doubled in 5 years. A paternal Federal Government which was providing assistance of one sort or another to 1 out of every 3 Americans, 1 out of every 3 Americans, and a budget for one department alone, the Department of Health and Human Services spending more than $225 billion. That is a figure which is more than the total Federal budgets of all but two nations in the world, the United States and the Soviet Union.

Let me quote from an official HHS publication. In its own words, the health care financing administration tells of the general explosion of health care costs, an estimated $235 billion was spent for the direct provision of care in the year ending June 1981, an increase of 15.6 percent from the previous year.

In the year ending September 1981, personal health care expenditures reached $247 billion, up 15.7 percent.

The major source of the increase was spending for institutional care.

Expenditures for hospital care rose 17 percent in the year ending September to a level of $112 billion, and so it goes.

Very fine expenditures, but somehow or other we have got to get a handle on them unless we are willing to raise taxes to pay for them.

Expenditures for personal services increased 15 percent. Growth of spending for physician services increased, compared to the calendar year of 1980, while the rate of growth of spending for dental care slowed. All personal health care spending increased 11.7 percent from the 1980 level, and so it goes.

I bring up the numbers of the health care to show the impact inflation has had on these services which are so important, because it has driven up the cost of health care which in turn has caused a greater demand for Government services.

Increased Government spending has in turn fueled inflation.

As one who worries a lot about these numbers I have given you, they really bother me. I know standing by themselves they do not mean much to the average person, unless you translate them into everyday realities.

A prime rate of interest of 16½ percent means that businessmen find they cannot afford to expand and have trouble even financing their inventories.

The small businessman who provides some 70 percent of the new job opportunities in this country is for all practical purposes forced out of the loan market. He is struggling today just to keep his head above water.

□ 1230

Home mortgage interest rates in the 16- to 17-percent range mean that houses do not sell and builders cannot build them.

There are counties in this country which have not issued a single building permit in more than a year. Only 20 percent of the families in this Nation can afford to buy a home today at current interest rates. Because houses are not selling, people are turning down job promotions and transfers. The unemployed are not able to move to other areas where job prospects might be brighter.

There is another important number which I have not yet mentioned, and this is the unemployment rate.

I know everybody is against unemployment, including the Speaker. I would like everybody in this country who wants a job to have a job. But since the unemployment figure has been brought up, I think I will bring it up also.

The unemployment rate is now at 9.4 percent, which means that 10.8 million Americans are without jobs.

I often hear that the President has caused 10 million workers to lose their jobs. Everything is blamed on the administration. Congress does not take any blame. We blame the administration. Well, if we are going to do that, we have really got to take a look at what the unemployment rate was when the President took office. That would be fair, would it not?

When the President took office, the unemployment rate was 7.4 percent, and at that time there were 8.7 million Americans looking for work. Let me repeat that. When he took office, there were 8.7 million unemployed Americans.

Now, if the administration is going to be blamed for unemployment, I think we are going to have to break it down a little bit.

There has been an addition of 2.1 million unemployed workers since January 1981, and we regret that, but certainly prior to that time there were 8.7 million unemployed that he inherited. Who do we blame for these 8.7 million unemployed?

We are not going to solve these problems by changing course and going back to the old ways of attempting to spend our way out of this recession, only to drive the economy into another but deeper recession.

Certainly the current recession, which every economist worth his salt said started last July, long before any part of the President's program really became effective, is a gift from years of the boom and bust, from a Government which became too big and spent too much money. I hope that those days are over. Despite the shrill voices I hear demanding the cranking up of the printing presses, this Congress can remain firm in its commitment.

Those of us who believe in the President's program that we adopted last year, we must take stock of what is happening. We must not let the present unfortunate economic situation panic us into unwise actions which will haunt us in the years to come. The quick fix will not work. By slamming the door on higher taxes to reduce the deficit, we will be rejecting the discredited way out of the current budget difficulty.

But if we are serious about getting the budget under control, certainly this is what we must consider. There are signs that the President's program is beginning to have an impact. With inflation, as I mentioned earlier, for the first 4 months at just 1.5 percent, I no longer hear even my wife complaining about the prices at the supermarket going up every time she goes through the food line. These increases have slowed.

The President's tax cuts and lower inflation will help all Americans. But the lower inflation rates are of a greater benefit to the poor who pay very little in taxes.

A family of four with an $8,414 income in 1980 had $294 more in purchasing power in 1981 due to the slowing of inflation. An elderly couple with a $16,000 income in 1982 benefited by $564. Even taxpayers with a little money did better, because this Nation began last year to get inflation under control. A family with a $24,333 income in 1980 saw their buying power increased by $851.

Inflation has run even lower, as I mentioned, and beginning July 1, the American taxpayer will receive the first true relief in years when the 10-percent personal income tax becomes effective. This will considerably boost the average American's buying power. This is just a small part of the President's program, and it will work if we give it a chance.

I have heard voices raised that all the new money in the pockets of the American worker will cause inflation to take off again, which means the Government can spend his money better then he can himself and that will not cause inflation. I do not buy that argument.

The Federal Government already has proven it not only will spend every dollar it can get its hands on and then some, but the more money we can put in the hands of the American worker, the more he will save and invest, the more money he can use to expand this great economy, to increase productivity and lower the share of the gross national product consumed by the Federal Government.

Do we have the courage and the wisdom to do this? Are we willing to tell the American people that we trust them, for a change, to handle their own money? I hope so, because the Federal Government has no right to take from the American taxpayer one penny more than is needed to provide for the national security and other vital functions of this Government.

If we do that, it is going to mean that we will have some very popular Federal programs which might not be expanded. It means we are going to have to say no to some of the special-interest groups who come to Congress with their hands out looking for their share, for their particular constituency. That is not going to be easy. That is going to be hard, because they have gotten used to saying, "Yes, yes, yes" around this place, without ever thinking where the money is going to come from.

That does not mean the battle has been won. We still need to practice every day saying no when we cannot afford all the things that we would like to do.

The best proof that we have made the word "no" a permanent part of our vocabulary will be if we pass a budget in the House which is consistent with and continues an economic recovery program.

I have heard some people say if we cannot increase taxes we should cut spending and reduce the deficit by slashing the defense budget. If you look at the budget figures, that becomes very tempting. After all, the defense is a sizable part of this budget. Some people who are not familiar with the needs of the Defense Establishment and the challenges to freedom around the world will say, "Yes, cut defense." But those same people are not saying reinstitute the draft that we avoided last year by increasing the pay of enlistees by 25 percent.

Certainly one of the primary responsibilities of the Federal Government under the Constitution is to provide for the national defense. We have a tendency sometimes to forget that. As a result, over the years we have been neglecting the national security in our rush to provide more and more services to various segments of our society.

The portion of the Federal budget dedicated to defense has been shrinking for the last several years. In 1960, 49 percent of the Federal budget went for defense, and 25.1 percent was spent on human resources program. For 1969, the defense portion of the budget had shrunk to 43.2 percent, while human resources had risen to 34.5 percent.

☐ 1240

By 1980 priorities had changed so much that only 23.6 percent of the budget was spent for defense, and 52.1 percent was spent on human resources. During the 1980 Presidential campaign the President warned the American people of this situation. He told them bluntly that the Nation's ability to respond militarily to any emergency was in danger. The voters responded by electing him with a mandate to rebuild our military forces. That mandate has not been revoked, and certainly in every public opinion poll it has shown that the American people do not want to revoke that mandate.

We will have a chance next week to vote on this issue of defense, because some of the substitutes want to take an extra amount out of defense notwithstanding the warnings from the President. Just recently, I had the opportunity to speak with the Secretary of Defense, and he warned me that if some of these proposed defense cuts are approved, the Nation's defense will face, and I quote, "A total disaster."

Mr. Chairman, I will submit for the RECORD several proposed cuts that will have to be made in our Defense Establishment, according to the Secretary of Defense, if we go the route of some of these proposals.

Let me say, Mr. Chairman, that during the time we are debating this bill we have many things to think about. Certainly, as I said at the outset of my remarks, we have got to produce a budget with which we can go to conference. Whatever we do is not really the end of the road, because we still have to go into conference with the Senate.

I hope the House will give its attention to all of these amendments as they are proposed, and we will come forth with some sort of a product in the best interests of this country.

The CHAIRMAN. The gentleman has consumed 45 minutes.

The Chair recognizes the gentleman from California (Mr. HAWKINS), for 1½ hours.

Mr. HAWKINS. Mr. Chairman, I yield myself such time as I may consume.

The CHAIRMAN. The Chair recognizes the gentleman from California.

Mr. HAWKINS. Mr. Chairman, as we begin this debate on the 1983 budget, it is a first essential to rational thinking and requirement of law that we relate whatever we do to an overall economic policy. The people have a right to know where we as a nation are headed and why and how we intend to accomplish our goals. Confusing the objective with means of reaching personal interests—a balanced budget, cutting disliked programs, and so forth—continues the debate that has produced the worst crisis since World War II.

The issue before us is not how much we can cut the budget or save in taxes. the budget is a plan of expenditures and of raising revenues to match. All economic activity involves spending. We should be concerned with distinguishing between that spending which is cost beneficial, economic and socially just as opposed to wasteful, nonproductive, and unnecessary outlays.

It ill behooves those who support billions for new weapons without questioning their value to national defense to accuse others of being big spenders. It is equally true that those who support spending on such social programs as social security, Federal aid to education, medicine, and unemployment insurance understand the needs of an adequate defense preparedness and not attempt to cut essential defense needs to get money for domestic programs.

A basic premise in the current debate ought to begin with the realization that something we are now doing policywise is not right. Otherwise, we would not have the tragic conditions prevailing across the Nation and among the millions who are enduring intolerable hardship.

Whatever indicators one may use: Housing starts, business failures, profit losses, or employment, the facts unmistakably identify a deep recession, the duration of which is already too long for those who have already suffered irreparable loss.

The most direct and immediate damage done by the current deficient economic performance is massive unemployment. Beginning in April 1980, the offical rate has moved upward from 7 percent to its current peak of 9.4 percent. In the last year alone 2½ million persons have become unemployed and another 1½ million were added to those employed part time. Since all of this has occurred since the President's economic recovery programs were adopted, it should be credited to the results of his policy and the lack of public confidence placed therein. The people were in bad shape when Reagan took office; they are in worse shape as a result of his programs since then.

But the cost of unemployment is by no means limited to the unemployed. This is but a prime index of the deficient performance of the entire economy.

The total national output of goods and services—gross national product—would be trillions of dollars more had this tragic waste of our human resources and material resources—plant and equipment underutilized by almost 30 percent—not been maintained by the wrong policies.

Due also to the deficiencies in performance of the total economy from which taxes are derived, Government revenues at all levels at existing tax rates have been deficient. Thus, tremendous deficits have arisen not because we were spending too much or unwisely, but because of stagnant growth brought on by tight monetary policies, including high interest rates, unselective budget cuts in the three last Federal budgets, and regressive tax impositions in both 1982 under Reagan and 1980 under Carter.

This steep decline in economic performance deviates sharply from advice of reputable economists and from the mandates of the law as specified in the Full Employment and Balanced Growth Act of 1978.

Full employment, balanced growth and price stability is the national goal of economic policy mandated under this act.

It is a goal that should be pursued by a coordinated use of monetary, fiscal and structural policies in accord with our needs and our capabilities as a nation.

Since 1979, we have deviated from this goal as well as from a procedure for reaching it. Economic policy, if one is distinguishable at all, has been erratic, uncoordinated and contradictory.

As Prof. John Kenneth Galbraith stated it in the 1981 budget discussion:

> You are considering action that is part of a larger package which includes a massive continuing reduction in taxes on the one hand and a sharp cut in civilian Federal expenditures on the other. In conjunction with an increase in defense expenditures, the further result will be a continuing deficit in the Federal budget. Its size is still subject to dispute, for, indeed, it is still unknown. It will, however, be large enough so that there will have to be continued reliance on a tight money policy to contain inflation. . . . In other words, it works only as it induces the recession that is the counterfoil of the supply-side economics now so much under discussion. No one has yet devised a means for having a vigorously expanding economy and an economically depressive tight money policy at the same time.

By law, economic policy, goals and timetables for achieving lower inflation and a reduction in unemployment, achievement of a balanced budget and meeting of our domestic needs must be stated in the President's annual economic report. In addition, the Federal budget must be in accord; as well as the policies of the Federal Reserve Board. Obviously none of this is happening—the law, notwithstanding. Actually, it was the President's budget that was unbalanced by $180 billion.

The law prohibits a tradeoff of jobs to reduce the inflation yet unemployment has been a deliberate policy to slow down inflation; and the recession excused "as the price we pay" for so-called price stability which we are yet to achieve.

The law opposes the trickle-down theory in contrast to balanced growth, yet tax reduction has been boastfully crafted to help the very rich as a supply-sider approach to promote investments but has resulted in corporate acquisition, mergers and increased concentration of power.

At the other extreme, mass purchasing power and median income have declined, business failures have increased, savings are being exhausted, and the number in dependency has escalated.

Both low growth and unbalanced growth lie at the heart of our current economic and social ills. It is a sick economy that is responsible, not a breakdown in social security, excessive spending on domestic programs, or a wasteful mismanagement in job, health or education programs that is at fault.

In this debate a year ago, my friend JACK KEMP made this point that is still valid:

> Had the U.S. economy from 1960 to 1980 grown at the same rate it did from 1962 to 1967, that is, around 4.5 percent to 5 percent in real terms—not nominal inflationary terms, but in real terms—the gross national product today would not be $2.5 trillion; it would be $3.7 trillion. We would have another $200 to $250 billion of Federal revenues. We could have balanced the budget. We could have spent more for defense. We would have had less need for social programs and more resources to pay for them. We would have a sounder dollar.

While we may agree with supply-side economics on the necessity for growth, sharp difference arises on the means of achieving such growth, supply-siders would "water the economic tree" at its top through liberal tax handouts depending on the benefits trickling down. Balanced growth would dictate "watering the tree at its roots," building mass prosperity from the bottom up.

How can we get out of the present stagnant and unbalanced economy and move toward balanced growth? We must first recognize that only the Federal Government can adopt the policies which will create the framework for full production and full employment.

Government alone can provide for the general welfare by promoting the proper environment for balanced growth and jobs for all. This basic responsibility is set in the law. The President and we in Congress cannot ignore our accountability on this point.

Creating this environment requires a coordinated use of the economic policy tools in the Government's control. The goals have been set. It is up to us in Government to implement the policies necessary to achieve them. This can only be achieved with a full and efficient use of our human and natural resources.

First, monetary policy. President Reagan has consistently supported the Fed's tight money policy. The administration publicly admits that it is attempting to squeeze inflation out of the economy. However, this squeeze is actually contributing to inflation by raising the cost of borrowing money. Large businesses, which can borrow at the sky-high interest rates prevailing today, pass these costs along to their customers. Smaller businesses, especially in the credit sensitive industries, simply cannot afford to borrow and have closed up for good. Because of the high cost and limited availability of credit, bankruptcies have climbed to new heights, capital investment is way down, and most observers predict that any economic recovery will be short-lived and weak. Thus, in an attempt to squeeze out inflation, we are actually choking the patient to death.

Our alternative monetary policy would insist that the Fed set its annual goals for the growth of money supply consistent with money demands necessary for full employment and balanced growth. Section 108 of the Full Employment and Balanced Growth Act requires this action; that money be available to allow for economic expansion while limiting inflation. This section prohibits the alternatively too loose and then too tight policies we have endured in the past. The Fed and the administration must tailor their monetary policy to allow our economy to expand at a pace consistent with growing employment and low inflation.

The President should exercise his prerogatives under the authority of the Credit Control Act of 1969. He should implement selective credit policies to reduce interest rates and encourage revitalization of the housing industry, increased spending in productive plant and equipment, and basic investment in infrastructure items.

At the same time, he should encourage higher interest rates for speculation, gargantuan mergers, and other nonproductive investments. We must target advantageous credit to those projects which will create jobs, increase production, and expand growth.

Now, fiscal policy. The tax cut passed last year has been called the most irresponsible act in the Nation's history. The trickle-down supply-side theory is a "riverboat gamble" which has failed miserably. Personal tax cuts disproportionately benefited the wealthy while the low and middle income groups received little or no relief. The increased discretionary income of the rich has generally not been invested in productive enterprises, as the President had claimed, but instead has gone to luxury purchases.

Business tax cuts which were supposed to have led to increased capital investment and expansion have instead brought us a rise in mergers and takeovers. Tax leasing, which was supposed to benefit the struggling firm, has been misused to the point where profitable companies are actually receiving tax refunds from the Government.

Fiscal policy which promotes balanced growth would instead "water the roots" of our economy. Tax relief would be targeted toward the low- and middle-income earner. This person is more likely to spend the increased income on basic goods and services, thus providing the economy with a true stimulus. Increased consumer spending by this largest group of Americans would play a major role in revitalizing the economy toward recovery and growth. Thus, by targeting tax relief to the bulk of taxpaying Americans instead of the small elite, we would get a large and broad based stimulus, providing maximum growth with a minimum of inflation.

On the business side of the tax equation, we recommend policies which couple equity with efficiency. Tax loopholes which do little to promote productive investments and merely drain the Treasury, must be closed. Tax incentives which are clearly and specifically targeted for the kinds of investment which spurs balanced growth and produce more jobs, must be supported.

We must not allow large businesses to escape their fair share of taxation while forcing ever greater burdens onto smaller firms. Such steps as outlined above would greatly promote the effectiveness and fairness of business taxation, would reduce the deficit and would encourage growth.

Finally, and a major topic of this budget debate, is providing for the appropriate structural programs necessary to reduce unemployment and encourage balanced economic development. When Humphrey-Hawkins became law in 1978 unemployment was mandated to be reduced to 4 percent by mid-1983. Given the administration's plans, it will instead average around 8 percent, double the mandated goal. While the 1983 date cannot be met, we can quickly and consistently reduce unemployment, achieving the mandated goal of 4 percent by mid-1985. Accompanying the monetary and fiscal policies outlined earlier, we would suggest the following structural programs:

First. We would provide Government investment to create jobs that would put people to work rebuilding our Nation's cities, rail systems, ports, bridges, highways, mass transit systems, and other needed infrastructure projects. There is virtually no area of the country which does not need a renovation of its infrastructure system and such improvement will lead to increased economic efficiency and development. These jobs would, therefore, be directly aimed at providing the services and repair work necessary to keep our society running and our economy growing. We would finance these jobs through direct Federal expenditures and by targeted tax incentives to the private sector which would encourage increased employment. Various bills have been introduced in this Congress which would create a modern-day Reconstruction Finance Corporation. We must make this basic investment now for our Nation's future.

Second. Our economy is dramatically changing and in order to link job availability and worker skill levels, we must train our work force to be ready for the emerging employment opportunities. Young workers must learn the skills which will enable them to land new jobs. Older workers who have lost jobs in traditional industries must be retrained in new, more advanced skills required in the high technology growth industries. Such a massive skill transferral effort cannot be accomplished by the Government nor industry alone. Business, labor, and government must work in conjunction with one another so that workers can obtain the skills they need to compete in the new marketplace. This training effort, to ready our Nation for the economy of the 1990's and beyond, may well be the most important component of our program for growth. I urge my colleagues to support appropriate measures already moving in the House, H.R. 5320 and H.R. 6250.

Third. Industry specific programs must be developed. Housing, which has led the Nation out of all our postwar recessions, must be targeted. We must expand the supply of middle- and low-income housing. An ambitious program in this regard would attack the double digit unemployment in the construction industry and relieve the pressure of a tight housing market in many of our cities.

The Government can also encourage prudent pension investment by providing Federal guarantees in home mortgages. Mortgage subsidies are an acceptable short-term method of bringing the American dream of owning a home into reality for millions. "Sweat equity" and other such alternative programs are helpful in rejuvenating and stabilizing our communities.

In the field of health care, the expansion of health maintenance organizations and enactment of national health insurance and effective health planning will lower costs and offer tremendous numbers of job opportunities for health care professionals and assistants. The aging of our population means that there will be increased demands for health services and thus increased employment opportunities in the future.

Energy conservation programs must be continued and expanded. With the oil glut ending, our heating and cooling costs may well rise again. The demand for insulation services and energy efficiency retrofitting will continue to rise and this nascent field will grow rapidly.

Fourth. Along with the general promotion of jobs and balanced growth, we must take specifically targeted steps to reduce the drastically high levels of unemployment suffered by certain groups in the labor force. Blacks and youth are especially hard hit, suffering rates of unemployment many times higher than the national average. Therefore, skills training, education and job producing programs must be targeted to these victimized groups. Government, labor and the private sector must join together to provide the appropriate training and employment opportunities necessary to reduce employment among these populations. Tax credits and other incentives can be directed toward employers who hire these persons. Pending employment and training legislation must be fully funded and supported.

It is penny wise and pound foolish to ignore these problems now, for to do so will further isolate many Americans from the economic mainstream. We will end up paying for our inaction through increased unemployment, crime, illness, loss of taxpaying workers, and increase of tax-receiving welfare clients. Additionally, we will further weaken the economy and our society by moving farther from balanced economic growth.

Through implementing this well-coordinated economic policy, where monetary, fiscal, and structural policies are all serving the common goal of reducing unemployment and fostering full production and price stability, we can realistically achieve 4 percent unemployment by 1985. We can keep inflation low and prevent any new resurgences of price hikes. We can stabilize the Government's economic policy decisionmaking process. We can provide the necessary incentives for the business community to gain restored faith in the economy and embark on the path of balanced growth. Our economy is the greatest in the world. However, only with the proper Government policies can we assure that our resources are most efficiently and productively used.

I call upon my colleagues to look beyond partisan politics and together fashion policies and programs which truly meet the needs of our country, our economy, and our citizens. As we debate the economic policy of the 1983 budget resolution, we must realize that the health of our society and the stake of our future lie before us. Let us not waste this opportunity to use the economic policy tools before us to stop the destruction of our economy. Let us instead start on the road to prosperity.

Mr. FORD of Michigan. Madam Chairman, will the gentleman yield?

Mr. HAWKINS. I yield to the gentleman from Michigan.

Mr. FORD of Michigan. Madam Chairman, I am compelled to speak out against a penny-wise and pound-foolish proposal in the first budget resolution that would cap cost-of-living adjustments (COLA's) for retired Federal workers.

This would be a tragic mistake. It would also be grossly unfair to millions of retired civil servants whose purchasing power would be painfully eroded.

While cost-of-living increases, as measured by the Consumer Price Index, have indeed moderated, inflation is still with us. Yet this proposal would ask those retired Federal workers living on fixed incomes to pretend that inflation has vanished. I think there is enough fiction to Reaganomics already. There is no need to thicken the plot.

Wisely the Budget Committee decided not to cap social security COLA, understanding that to do so would work a severe hardship on those retired Americans who have no other protection from the ravages of inflation.

Neither does the resolution propose to cap pensions of veterans and railroad retirees.

To single out retired Federal workers, along with military retirees, for special treatment is offensive to the American tradition of fair play.

I find it difficult to understand the rationale that says some people need to have their retirement incomes protected while others do not. This kind of reasoning makes no sense at all to me.

Sadly, I think I do understand the atmosphere that nurtures this kind of tortured thinking. It is the false perception that has been created vis-a-vis those who work for the U.S. Government. It is a notion, spurred by high-placed demagoguery, that there are too many Federal employees, that they get paid too much, and that they do not do enough work.

And those who have retired from the Federal service are tarred with the same brush.

Whether we recognize it or not, it seems to me we are witnessing dangerous contempt for those who make up the Federal work force and those who have retired from it. We seem to feel they are fair game any time the Federal Government needs to economize. We have come to regard them as sacrificial lambs at the budget altar.

Last year we ignored a contractual obligation and decided, in the name of budget restraint, to eliminate the twice-a-year COLA payment to retired Federal workers. Having so easily done that, some of my colleagues now cavalierly say, "let's take it all away; it's the politically safe and expedient thing to do."

In taking this course, I submit, we are playing recklessly with the future. We have already extracted more than our pound of flesh from these people.

I would like to disabuse my colleagues, and the public, who feel Federal workers comprise some kind of a giant, modern-day works progress administration. We do not have Federal workers to make work. We have them to do work that needs to be done. They are not paper shufflers and petty bureaucrats. They are the FBI agents, the doctors, and scientists at the National Institutes of Health, our astronauts, Internal Revenue Service agents, the Secret Service agents who risk their lives to protect the President, and countless others whose work is indispensible to the health and welfare of our Nation.

By treating these people as second-class citizens—and believe me that this is what we are doing—we are imperiling the quality and performance of this valuable national asset.

While we pretend otherwise, the record is frighteningly clear that we are having trouble recruiting and holding on to the best people to fill these important jobs. At some of our most respected institutions we can not fill key positions. Good people are leaving every day, either opting for early retirement or being lured away by the private sector. Anyone who thinks this is an exaggeration should read the testimony presented before the Post Office and Civil Serivce Committee or go back and read some of the articles in major publications like the New York Times and Newsweek.

In our minds, and in the public mind, we cling to the false belief that all is well with the Federal work establishment because the workers are secure in their jobs, are well paid, and can look forward to generous pensions.

Today this picture is a false one. This administration has tossed job security out the window and Federal workers from Washington to California anxiously wait for the next shoe to drop. Comparability in pay, which is supposed to be guaranteed under law, has become a joke. Moreover, benefits that were supposed to lure and keep Federal workers, have declined below those in the private sector. This works a special hardship on the elderly retired whose medical costs are soaring.

Now we are proposing taking a little bit more out of the hide of the retired civil servants. Should we not pause and reflect what effect this will have on those still in the work force and those contemplating entering it?

This proposal is both unfair and shortsighted. To allow it to stand would inflict unnecessary pain on the one hand and exacerbate serious morale problems on the other.

If we continue using Federal employees and retired Federal workers as scapegoats, we will succeed in creating the kind of work force that already exists in the mind's eye of many critics. And it will be the American people who pay in lost services and protection.

Mr. JOHNSTON. Madam Chairman, I yield such time as he may consume to the gentleman from South Carolina (Mr. CAMPBELL).

Mr. CAMPBELL. Madam Chairman, I take the well today to discuss in some detail the reason that we are facing a crisis.

The gentleman from California has made some very good points, some telling points, there is no question. I understand his concern and where he is coming from. However, I think that we too often can get bogged down in details and forget what has happened to us from a larger viewpoint. I know I am guilty of that, and I know every Member of this body is guilty of it from time to time.

I think that we should take a look at what we are about and what has happened to us in the country over the last 20 years or so, to understand why we are here today faced with a fiscal crisis.

The gentleman referred earlier to the 1960's. I think we should look at the 1960's. We could start back with Jack Kennedy. I thought he was a pretty good President. I happen to have liked him. The point was made earlier that under Jack Kennedy, considered a liberal President of the United States, the budget, which was somewhere in the neighborhood of $100 billion, allocated 49 percent to national defense, and he maintained that national defense spending.

It was also pointed out that Jack Kennedy spent about 25 percent, or a little more, on human service programs, out of a $100 billion budget.

I say that just to remind us that just about 20 years ago, the budget of the United States was $100 billion and the defense of the Nation was the top priority of the country, under a Democratic administration and a Democrat House and a Democrat Senate.

Now, what happened to us? Why did we get into trouble? Did we get into trouble because of a Democrat Congress or a President? No. It is not partisan. Did we get into trouble because of Republican? No.

The gentleman from California is very accurate in his statement that these policies were not made by one or two people, and interest rates were not set by a little group sitting in a room. What happened is that we forgot what got us to the point where we were in the early 1960's, what in fact had made this country great.

After the Second World War, we experienced a period of unprecedented growth. The GNP of this country grew at a rate of better than 3 percent steadily for many years, and then suddenly in the 1960's the GNP began to taper off, until the late 1970's when the productivity growth began to actually decline. Why? These are the questions you have to ask. Why did it take place? And these are the questions that we are dealing with here today.

Let us go a little bit further. Let us look back again at the 1970's and see what we did. I have the privilege of serving on the Appropriations Committee. Most people in the country think that the Appropriations Committee appropriates the moneys that are expended in this Nation. Unfortunately, I have a vote in the Appropriations Committee that actually is only effective over 24 percent of the budget. As we started to shift in the early 1960's from fiscal responsibility, as defense of the Nation began to decline and the emphasis on social programs began to increase we also began to abdicate our responsibility as legislators. We began to give away the control of the budget. We began to index things to inflation. We began to create entitlement programs, and we began to automatically let them go up each year, whether we had the funds or not and whether we in fact voted for it or not. At the same time we began to accumulate a great deal of debt.

The gentleman from California referenced the period of the 1960's under Lyndon Johnson. He pointed out that the gentleman from New York (Mr. Kemp) has said that had we had 1960's-style growth in the 1970's we would not have our current economic problems. We also had the Vietnam war to stimulate the ecomomy during that period of time, however. I do not think we are looking for a wartime footing to pull us along.

But let us go back again and consider the point that I am making. The point is that we began here in Congress to transfer our responsibility to an index. And as we transferred responsibility, we began to lose our control. The Members of Congress recognized they were losing control. They created the Budget Impoundment Control Act, partially because of the acts of a President of the United States in impounding money and partially to discipline themselves. But it did not work. It has not yet worked. It has not worked to the extent that it should have to bring the fiscal discipline.

By 1976, we had in fact reached a point where the campaign issue between Mr. Carter and Mr. Ford was the misery index of the United States of America. I do not quite think that is an accurate measurement, but that is what they used during the campaign. And the issue was: What is the misery index?

The misery index itself was at that time 12 percent, the combination of inflation and unemployment. It was a great issue. That was what it was when Mr. Carter came into office. When he left, it had gone to 21 percent. It is an interesting comparison. But I do not blame that on Mr. Carter. I blame some of these things on the institutional changes that we have seen evolve in our structure of government.

And it is not only the institutional changes. The reward system of government has changed in the last 20 years, and we are paying a price for that today. What reward system? A fundamental in any economics class is that if you subsidize something, you get more of it; if you penalize something, you get less of it.

Through the years we began to change our code, our Tax Code and our support payments, and we began to penalize investment and we began to penalize savings and we began to penalize work and we began to penalize productivity as we put more and more of a burden on each. The result of that was a decline in productivity and on our ability to export our products, leaving us noncompetitive in the world market, until we reached a point that industries such as steel and television—these that were large American industries—were no longer viable because the changes we had brought about in the tax code had penalized them on their investment and on their ability to compete in the world.

□ 1320

The same happened to the American worker. The same happened to those who are out working.

I will never forget a worker in a plant in my district telling me he had all the work he wanted. If he worked any more, any overtime, it was not worth it to him because the Government took more than he did and he did not want to do it. He would rather stay home and cut his grass. That is a disturbing thing. Because of these changes in the tax law which penalize work, productivity, savings, we got less savings. We got less of an effort to work and produce, we got less in research and development, we got less in investment, and we are paying a terrible price in America for it.

What about the other side of the coin, the subsidy?

In fact, we began—not because of any Democrat or Republican—to reward idleness in America. We began to build up the welfare system with the best intentions, and that made it somewhat easier for some, and was absolutely essential to others—the really needy—whom we want to help. But the system began to make it too easy for some not to produce and not to work. And we begin to have a tremendous increase in welfare, an increase of the scope that between 1958 and today saw a 26-percent growth in the total number of children under 18 in America, but a 300-plus-percent growth in the number of American children under AFDC.

That is the type of thing that is taking place. So what are we debating here? We are debating essentially a fundamental change in America, a change in the reward system that is necessary to expand the private sector of this country that is the root of our greatness.

We cannot, and I disagree with the gentleman from California, whom I respect so much, we cannot say that Government has the answer. Government-created jobs do not solve the problem. Only a change in the reward system that will encourage the private sector to develop and create jobs will lead us out of the problem we find ourselves in.

Those of us that may argue over which program ought to be increased or decreased or what should not, should never lose sight in this debate that we have to have fundamental change the way we run this economy and in the reward system for any of these budgets to work. I hope that as we vote on the many, many amendments that we have before us that we will remember that and in so remembering do what is necessary to encourage the rebuilding of America, the rebuilding of the productive segment of America. Without it, the jobs that are so desperately needed in this country cannot be created. As we undertake consideration of this budget, let us not repeat the mistakes of the past but recognize and begin to implement the fundamental changes that must be made.

The CHAIRMAN pro tempore (Ms. Ferraro). The gentleman has consumed 12 minutes.

Mr. HAWKINS. Madam Chairman, I yield 5 minutes to the gentleman from Florida (Mr. Nelson).

Mr. NELSON. Madam Chairman, I am heartened by the seemingly emerging consensus that it is very important that we pass a budget. I would add my name to that list of those urging our colleagues on both sides of the aisle who might be hearing our words, that all across this land there is so much uncertainty about the condition of our national economy; there is a lack of confidence in the Congress and in the President to come forth with a sound fiscal policy. As a consequence, we have been led into very uncertain and unstable economic times.

Reflecting on the comments of our chairman of the Budget Committee, the gentleman from Oklahoma (Mr. Jones), we must nail down right now as essential, that next week we must produce a budget. We must have this as a vehicle to go into conference with the Senate so that we can hammer out some direction for the fiscal policy of this country.

So I am encouraged with that emerging consensus that I see.

At the same time I have to share with you a bit of discouragement as I have seen this budgetary process unfold.

As we were in our budget deliberations, producing a committee resolution, I kept noticing that as a member of the Budget Committee, that I normally would be involved and thoroughly enjoying participation in those deliberations, but I found myself increasingly reticent and quiet as I witnessed a partisan parade of statements in the Budget Committee.

Now this was merely reflective of the national debate that has been occurring in which this process has been used for partisan advantage—often to the neglect of the true interests of the

Nation of producing a fair and equitable budget in a more nonpartisan or bipartisan basis.

I suppose that parties on both sides have become very suspicious of one another because of some fear of political retaliation—fear that one side or the other might try to roll the other side politically. As a result, it has been difficult to engage in truly productive discussions from one side to another in producing a fair and equitable budget.

There are legitimate philosophical differences, not just two particular points of view, but many points of view across this body, as there should be.

But for the sake of the Nation's economy which needs resurrection right now, we ought to put aside a little bit of partisan politics and to engage in something that is in the best interest of the Nation.

As we then enter into the amendatory process next week, I hope that my colleagues will put aside a lot of the partisanship that has arisen. We have seen the Gang of 17 emerging from the discussions, we have seen the discussions between the two principals; namely, the President and the Speaker, and found that agreement could not be found, and it was represented to the Nation that there was vast disagreement.

I would submit that this body is a lot closer to consensus on a bipartisan basis than most people in this country recognize.

As a matter of fact, I was surprised to find in the negotiations of the Gang of 17 at the White House just how close they had come on a number of issues. Yet in the nationally televised addresses to the Nation, the Nation was left with the impression that the negotiations had broken down because of irreconcilable differences and the parties being far apart. I do not believe that that is the case and this one Member of Congress is going to do everything that he can next week to see us come forth with a fair budget.

The CHAIRMAN pro tempore. The time of the gentleman from Florida (Mr. Nelson) has expired.

Mr. NELSON. Madam Chairman, I ask for 1 additional minute.

Mr. HAWKINS. Madam Chairman, I yield 1 additional minute to the gentlemen from Florida.

Mr. NELSON. I would say this in conclusion, that next week, we will have sharp differences of opinion. We can understand that and we can disagree without being disagreeable. I recognize that this debate will take place in the context of an election year and I implore my colleagues to try to set aside the comment that is made for partisan purposes in an election year as we go about considering what is best in the interest of the Nation.

□ 1330

Mr. JOHNSTON. I thank my colleague from Florida and my colleague on the Budget Committee for an excellent statement on the approach we should take next week.

I might add, I agree with it totally and I would suggest an excellent way to start the process and demonstrate good faith on the majority side would be to have the Democratic National Committee destroy all those bumper strickers that say, "Save Social Security, Vote Democratic."

I yield 8 minutes to the gentleman from Ohio (Mr. Regula).

Mr. REGULA. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I hope that next week, working together, we can put together a budget for this Nation. I know of no more important responsibility falling on the shoulders of the Members of this body than to establish the national priorities, not only in the way in which we allocate the resources for the responsibilities of Government, but also as to the amount of our Nation's gross national produce that we are going to commit to Federal activities.

This is extremely important as a policy decision because it shapes the future direction of this Nation. The allocation of resources and the priorities we assign are a vital part of this national decision. The vehicle to accomplish this objective is the U.S. budget. This establishes the fiscal policy of the Nation. It impacts on monetary policy and the combination of the two determine very substantially the ability of the private sector economy to respond to the aspirations of our people. It impacts on the ability of the students who will be leaving high schools and colleges with a diploma as a passport to the U.S. economy, to fulfill their dreams. Their success will depend in a substantial part on what we do.

Many of us will be making commencement speeches over the next several weeks. We will be saying a lot of different things, but in terms of the future of these young people, our actions in this body will speak far more loudly than our words as we deliver them at the various commencements across this land.

If we want these young people to have the same opportunities that were achieved when this Nation was put together, we have to weigh carefully our decisions next week and in the weeks ahead as we structure the fiscal policy of this Nation.

I do not think we should be wedded to the past. I am interested in reading in the Declaration of Independence which says that "governments are instituted among men deriving their just powers from the consent of the governed, that whenever any form of government becomes destructive of these ends, it is the right of the people to alter or to abolish it."

What we are really talking about in the days ahead is whether or not we, as the representatives of the 240 million people in this Nation, and this is the people's House, want to take this opportunity to alter, to modify this Government.

In 1932, the Government was taking 9 percent of the gross national product of this Nation. For many reasons, a fundamental policy decision was made that the way to solve our Nation's problems was to expand the role of the Government. Each year that slice of the Nation's resources that are consumed by the Federal Government, grows larger. In 1962, under President John F. Kennedy, the Government was consuming 18.6 percent of the Nation's gross national product. Out of every dollar that a wage earner in my district earned, 18.6 cents came to Washington in 1962.

In 1982, probably the Federal Government will consume about 24 percent of the GNP financed either by taxes, or by borrowed money. I do not think that we want to continue that pattern. In 1982 we have an opportunity to alter our Government, just as Thomas Jefferson said it so well back in 1776.

Let us modify it. Let us start down another path. Let us say to the people of this Nation, to the young people that will leave the colleges and the high schools, that we are going to take less and less. If you look at the program of President Ronald Reagan, it is designed over a period of time to get back to the 18.6-percent level that was part of our national program in 1962. He is trying to redirect our national policies, so that people have the incentive to produce in the farms, factories, and business places of this Nation.

In 1962, the Federal Government was borrowing 10 percent of the savings pool. That left 90 percent for the young people that wanted to build and buy a home, start a business, get an education, buy an appliance, or do whatever was part of their dream for the future. Ten percent in 1962 was taken to finance the Federal deficit. The route we are going at the present time will result in the Federal Government taking 40 to 50 percent of the savings pool just to finance its deficit.

Is it any wonder that interest rates are high?

How can young couples across this land who want to start a business, to build their dreams and get that little home, compete with Uncle Sam for the savings dollar at a reasonable rate so long as we continue to run deficits in excess of $100 billion?

Obviously, they do not have a chance. Therefore, it is our responsibility in the days ahead to redirect this Nation, to say to all those who produce and make it work, that we are going to let you keep more. We are going to reduce Federal pressure on the credit market so that you can borrow money at a reasonable rate, so that you can achieve whatever might be your goal, so that the happiness, the dreams and the glories that those graduates of our high schools and colleges and technical institutions and in all the educational institutions in this Nation will be as happy when they come face to face with the job market as they were on the day they got their sheepskins.

It is estimated that to allow this to happen we will need 13 million new jobs in the next 5 years. The chamber of commerce estimates that it takes $50,000 on an average of invested capital to produce a job. Somebody has to buy a truck, somebody has to buy a milling machine or a tractor or a piece of land so that these young people can find jobs to satisfy their needs.

Fifty thousand times 13 million comes out to $650 billion. Where is that money coming from? It comes from people who save, who invest, who put their faith in the future of America.

I think is our responsibility to structure, as it is reflected in the fiscal policy called the U.S. budget, the kind of economic environment that will make it attractive and possible to invest, to save, the have the necessary capital to produce the jobs we need.

This is the real world that we are discussing as we attempt to achieve the worthy objectives of the Humphrey-Hawkins bill.

Mr. HAWKINS. Mr. Chairman, I yield 7 minutes to the distinguished chairman of the Joint Economic Committee, the gentleman from Wisconsin (Mr. Reuss).

Mr. REUSS. Mr. Chairman, one of the nice traditions about this budget debate is that the time is controlled for a period by the distinguished and beloved coauthor of the Humphrey-Hawkins bill, our admired friend, the gentleman from California, Mr. Gus Hawkins. I am grateful to him for yielding me the opportunity to observe that our country is in trouble.

High interest rates, recession, unemployment, and bankruptcies are tearing us apart at home and eroding our position in the world. I am not one of those who sees a depression just around the corner. But I do see a destructive period of stagnation ahead, unless we change our course.

Failure to have a bipartisan budget resolution in place very soon would court an extraordinary peril. In the absence of a bipartisan alternative to the Reagan budget and its multihundred billion dollar deficits, a resolution to extend the debt ceiling will become a referendum on the economic performance of the administration. I need not tell you that in such a referendum the administration will fail. Today, Democrats and Republicans alike recoil from the harsh civilian spending cuts, the extravagant waste of money on defense, the intransigence on taxes, from the deficits, and above all from the manifest economic failure of the President's program. Few Members from either party would stand up to be counted in favor of the Reagan deficits on such a vote.

Is there a way out?

I believe there is. It is the U.S. Congress—Senate and House, Republicans and Democrats—which must come to the rescue of the Nation's beleaguered economy, and must do so now. It would be nice if the President and the Federal Reserve were willing to enter into a fair compact with the Congress. But the clock is running, and we cannot wait.

Let us not ask Mr. Reagan how Congress shall compose its budget. Let us not ask Mr. Volcker how Congress shall exercise its constitutional responsibility, article I, section 8, to "coin money, regulate the value thereof."

Let us not ask them. Let us tell them. Here is how.

In quick order, we need two pieces of legislation:

A budget resolution which substantially reduces projected future deficits and instructs the Federal Reserve thereupon to reevaluate its monetary targets so as not to frustrate the lowering of interest rates; and a bill which achieves, now, a substantial reduction in future revenue losses by linking such reduction to a raising of the debt ceiling.

Given a guarantee of lower deficits, conservatives, moderates, and newly awakened antideficit liberals would support such a resolution. Given this prospect of fiscal responsibility and lower interest rates, the financial markets would relax. And even the President would be forced to thank us in secret, for saving him from the worst aspect of his own folly.

It is not the habit of the Congress to address monetary policy as part of the budget process. This year, however, we must chart a new course.

Monetary policy will determine whether the program we develop in the areas of taxes and spending will succeed or fail. If interest rates fall, we will succeed; if interest rates do not fall, we will fail. Any program to control the deficit in fiscal years 1983 through 1987 must, therefore, be accompanied by a guarantee from the Federal Reserve that the corresponding benefit—lower interest rates—will come into effect at once. The only way to assure that result, in my judgment, is to write the intent of Congress in the matter of monetary policy into the first budget resolution itself.

The recession, and the high interest rates which are the recession's proximate cause, are not simply and solely the consequence of large prospective out-year budget deficits. They result from the interaction of those deficits with the sharply contractionary monetary policy pursued by the Federal Reserve in 1981-82. And, if monetary policy is not corrected, curing the future deficits will be at the same time more difficult to do and far less effective.

The Federal Reserve announced that it would try to achieve money growth of between 3 and 6 percent. Instead, it achieved only 2.2 percent money growth for the year. Then, in February 1982, the Federal Reserve announced that the money growth target range for 1982 had been set at 2.5 to 5.5 percent, from a base that was severely depressed by the failure to attain even the bottom of the 1981 target range.

In the first quarter of this year, the Federal Reserve has actually permitted money growth of 8.9 percent at an annual rate. This is much more in line with the requirements for economic recovery than the announced targets. But this rate of growth presents its own problems.

If the Federal Reserve now decides to stick with its M_1 growth targets of 2.5 to 5.5 percent, the fact that money growth has exceeded the upper limit during the first 4 months means that growth will have to be severely restricted between May and December. For example, to hit a 4-percent money growth rate for 1982—the midpoint of the range—would require less than 1-percent money growth for the rest of this year, much less than the actual growth rate of last year. Such monetary stringency would certainly give us even higher interest rates and continued recession.

On the other hand, the Federal Reserve may decide to let the current rate of money growth continue through the rest of the year. But, if the Fed does this without publicly revising upward its monetary target ceiling, it will make a mockery of the requirements of the Humphrey-Hawkins act. Worse, it will add to the uncertainty that currently prevails in the financial community. The result, as lenders demand higher uncertainty premiums, will be unnecessary upward pressure on interest rates and continued recession.

How to avoid this dilemma? Section 301(a)(6) of the Budget Act specifically authorizes the budget resolution to include "such other matters relating to the budget as may be appropriate to carry out the purposes of this act." There is no matter any more appropriate to the debate on the budget this year than the course of monetary policy. Indeed, if we do not have such language, many Members of Congress

will hesitate to impose further fiscal sacrifice on their voters.

The first budget resolution is the appropriate vehicle for congressional instruction to the Federal Reserve. Because it is a resolution, which goes into effect on passage without benefit of Presidential signature, an instruction contained in it preserves the traditional independence of the Federal Reserve from the Executive, and the traditional dependence of the Federal Reserve on the will of the Congress. Under our Constitution and the Federal Reserve Act, we in Congress are the Federal Reserve's masters. Once a budget resolution embodying an instruction to the Federal Reserve went into effect, it would be binding. And, as every Chairman of the Federal Reserve Board has testified, it would be obeyed.

The Federal Reserve's position in our system is unique. The Fed is the monetary agent of the Congress, subject to congressional control, but only in the broadest sense. Toward the Executive, on the other hand, the Federal Reserve is, and of right ought to be, independent, though it must work with the Executive in the greatest possible harmony.

Why this independence from the Executive, but not from the Congress?

In essence, it is because Congress is given by article I, section 8, of the Constitution the monetary power "to coin money, regulate the value thereof." That ultimate monetary power is as much the Congress as are the taxing and spending powers.

Federal Reserve Board Chairmen from the beginning have recognized this. Thus, Chairman Thomas McCabe in 1950 called the Federal Reserve "a creature of the Congress and reporting to the Congress." Thus, Chairman William McChesney Martin, Jr., in 1956 called the Federal Reserve "an independent agency of the Government, responsible to Congress." Thus, Chairman Arthur Burns in 1971: "I know the Constitution and I am a law-abiding citizen—the Federal Reserve is an agent of the Congress, independent of the executive branch." Thus, Chairman William G. Miller in 1978: "It is only the Congress that has created the Fed, not the Constitution."

Once before, by House Concurrent Resolution 133 in 1975, Congress directed the Fed, in the face of a high-interest-rate recession, to "lower interest rates" and expand "the monetary and credit aggregates." Chairman Burns and the Fed did so. Interest rates declined, and we got out of the recession. As Chairman Volcker recalled only the other day, in "the mid-1970's, we seemed to be getting back on the growth-without-inflation path. You will recall both interest rates and the inflation rate declined well into that recovery."

Fortunately, the committees of this House with special experience in monetary and budget matters have both recommended that language mandating a change in monetary policy be incorporated in the first concurrent budget resolution. On April 23, 1982, in its seventh report on monetary policy, the Committee on Banking, Finance, and Urban Affairs, under the leadership of Chairman St Germain, recommended:

> Accordingly, the Committee recommends that, as Congress acts to restore fiscal responsibility and reduce the budget deficits currently projected for the years ahead, the Federal Open Market Committee ease the monetary target ranges now in effect so as to assure a full recovery and lower interest rates . . .
>
> As Congress acts to lower the budget deficit, Congress should formally express to the Federal Reserve its intent that monetary policy be adjusted in response to fiscal restraint. The Budget Resolution, in which Congress will make its commitment to fiscal responsibility, is being considered as a vehicle for such an expression of intent.

Now, the House Budget Committee, under the leadership of Chairman Jones, has responded favorably to the advise of the Banking Committee. The language of the budget resolution (H. Con. Res. 345, section 306) before us is as follows:

> It is the sense of the Congress that if Congress acts to restore fiscal responsibility and reduces projected budget deficits in a substantial and permanent way, then the Federal Reserve Open Market Committee shall reevaluate its monetary targets in order to assure that they are fully complementary to a new and more restrained fiscal policy.

This language is diplomatic, but it leaves no doubt that Congress means business. The Federal Reserve must respond to the mandate of the budget resolution with prompt and affirmative action to ease its monetary target ranges and so bring its monetary policy into line with the prorecovery, progrowth, antiunemployment, anti-high-interest-rates macroeconomic policy that we are designing here today.

Identical language to that adopted by the House Budget Committee has also been approved by unanimous vote by the Senate Budget Committee.

You will note that Congress in this resolution is not attempting to mandate a monetary target, or even a range. All that we are saying is that the present one, range 2.5 to 5.5 percent, is an albatross. We ask that the Fed kindly shake it off.

With the albatross shaken off, we expect the Fed's new ranges to be what the Fed believes will best lead to our ultimate Humphrey-Hawkins goals of maximum employment, maximum production, and maximum purchasing power.

□ 1340

Mr. JOHNSTON. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, no one could be against full employment, just like no one could be against motherhood, no one could be against honesty, no one could be against truth, no one could be against children, education, or anything else. But in 4,000 years of recorded history, we have never had an economy that was predicated on the free enterprise system that had full employment. Oh, we have had some dictatorships that had full employment. We have an economy in the People's Republic of China that has full employment, because everyone works for the government. No one can get fired. No one is challenged. No one is evaluated economically. Everybody gets so much a month and that is that.

So, to stand here today and to suggest that I am not for full employment would be ridiculous. Everyone is for it, just like everyone is for free trade, motherhood, and honesty.

But the economic realities are such, that the only way we can put people to work in a productive free enterprise economy, is to let business make those jobs on a long-term basis.

We have been pursuing the idea that Government can provide jobs for 15 years, and let me tell you what has happened over those 15 years.

Over those 15 years, the share of our economy controlled by the Government, State, Federal and local, has crept up from about 35 percent to almost 45 percent; that is, the private sector has left only 55 or 56 or 57 cents out of each dollar to provide the savings, to provide the capital, to provide everything else that you need to provide jobs.

Now, to see if this type of economy works, our evaluation should be a fairly objectively approached evaluation. We could simply go around and look at other economies throughout the world to see if there is a viable and healthy economy, controlled by Government. We could define that by simply saying an economy where the real increase in gross national product each year is, say, 3 percent, is viable and healthy. If in any of these economies we had Government spending of more than 40 percent of the gross national product, we could say, fine, then we can safely pursue the same end. We can spend 24 percent of the economy at the Federal level and let the State and local governments spend at 19 or 20 percent, and everything will work out fine, you see, because country x is doing it.

But I challenge any of my colleagues supporting any of the three budgets labeled the bipartisan coalition budget, the obey budget, or the Jones budget, to point out to me an economy, a healthy economy on this planet where government is controlling that much of the economy.

☐ 1350

They are simply not there. Over the last 15 years, we built a system that is incredible. We built a military retirement system that now has 30 retired generals drawing more in retirement pay than the Chief of Staff of the U.S. Army. And Government retirees drawing more than their working counter parts. All at the expense of the taxpayer.

Let us examine the history of another Government program, supplementary fuel assistance, a noble end back in 1977 when we enacted it the first time. It was $300 million, a one-shot appropriation, because fuel oil prices went from 60 cents to $1 a gallon in 1977. Well, here we are five years later, and what do we have? Now, the appropriation is $1.8 billion, which includes air-conditioning because obviously we had to do something for the Sun Belt States to get them to continue to vote for this, and we have an increased appropriation this year. But, what is economic reality? Economic reality is that the price of fuel oil is down 20 or 25 percent from a year ago, yet we appropriate more money.

It has been said that Reaganomics has not worked. Reaganomics has not even started. Reaganomics was more than offset, that miniscule tax cut that working Americans got last October, was more than offset by the increase in their social security taxes which occurred January 1. So, our only hope is to get a part of it, in July of this year, a 10-percent across-the-board tax cut for every working American. We ought to be concerned about those working Americans out there, because they are the people that have got to provide all that money we spend so freely up here.

Now, unfortunately, we are entering this budget debate with two very emotional factors influencing our thinking. One is unemployment, and my heart goes out to those who are unemployed because they are suffering more than their share of the burden. I submit that the people who are suffering the most are those unemployed who are involved in those industries where savings are most important, and I refer to homebuilding and I refer to the automobile industry, where in order to buy a home or a car someone must have saved the money so that other people can borrow it.

The other factor is the high interest rates dragging down the economy. Well, I submit to the Members that both of those are symptoms; they are not the disease. The disease is Government. It is Government that grows year by year to where it takes over more and more of the productive wealth of this country, the wealth that is produced by millions of American men and women. Just think about the last 5 years. The gross national product of this country, that which we all produce added together, the total wealth produced in this country, in the last 5 years has increased a little over 15 percent. But, what has Government spending done in the last 5 years? It has increased more than 60 percent. Government is growing four times as fast as the income of American men and women.

Now, the critical thing as we begin this budget debate is not the deficit in the short run. Sure, in the long run it may be important, it may be painful, but the important thing is how we are going to cure this problem of how much of the economy we can take over. The only way to cure that is by stopping our growth in spending, to the growth of the economy. This does not entail cutting anyone. This entails simply being content to level benefits, to say, "Hey, we have not got the money so we cannot give you an increase next year."

Because, if we continue to provide these increases, that retiree who is now making more than his counterpart who is working will further increase his benefits and his share. We have to have savings in this country. We cannot save less than 4 percent our income each year and have a free enterprise economy. It has not worked. It is not going to work. But the only way the American working people can save is to have less taken away from them by the Government.

Yet, the spending proposals that are proposed in three of these budgets, of $770 billion, simply proceed on the assumption that we can take more from the American people in the way of taxes and deficits, which will further impair their ability to save. The fact is that the Government under John Fitzgerald Kennedy was not spending the percentage of the gross national product than it is under President Reagan. Why? The Government back then was spending only 18 percent of our economy. Now, Government is spending 24 percent of our economy.

Can Reaganomics possibly work with the Government taking over the economy? I seriously question it. Yet, do we address the question of spending in three of these budgets? No, we simply promote an increase in Government spending that once again exceeds the increase in the economy as a whole. I do not believe, like my colleague from California, that Government "alone"—and I believe that is a direct quote—can provide employment. I believe that this system grew great under an economic system that will have a certain amount of unemployment at all times as economic dislocations occur. But, it has given America the greatest standard of living from a material standpoint that this planet has ever known, because it acknowledges that there are risks and there are rewards.

More control, more manipulation of the monetary policy of this country is not what is in order. Monetary policy is a reflection of the sickness, and the sickness is the share of this economy Government is taking, and we have got to address that. More Government spending has not worked as an economic system. If it had worked, this economy ought to be going great, because now Government is spending almost 45 percent of the total economy. This ought to be theoretically a perfect economy under the Humphrey-Hawkins full employment bill concept. We ought to be just running away with jobs, because year after year Government spending as a percentage of gross national product has gone up and up and up.

It has not worked, and unless the Congress is prepared to address seriously and at some political risk the real question in this country, how much of its economy can we take over, then there is little chance that this budget will ever be balanced, because as the economy grinds down due to overwhelming burdens of taxation and Government spending, there will not be any opportunity to restore it because the tax base simply will not be there. We have got to control spending, not increase taxes.

Mr. LATTA. Mr. Chairman, will the gentleman yield?

Mr. JOHNSTON. I yield to my colleague from Ohio.

Mr. LATTA. Mr. Chairman, I just want to commend the gentleman on a very, very excellent statement, one of the best statements I have heard on this subject since I have been in the House.

Mr. JOHNSTON. I thank the gentleman.

Mr. HAWKINS. Mr. Chairman, I yield 7 minutes to the gentleman from New York (Mr. Weiss).

Mr. WEISS. Mr. Chairman, at the outset I want to express my appreciation to the distinguished chairman of the Employment Opportunity Subcommittee, the gentleman from California (Mr. Hawkins) for yielding this time to me.

I want to commend also the chairman of the Budget Committee for the tone which he set as he opened the debate on the first budget resolution. I think it is quite right when he says that we do have social and economic concern of this Nation at stake in this debate. I must say that that is a refreshing difference from some of the language that one hears from the other side of the aisle. We constantly hear about this terrible deficit and this awful economy from the other side that was caused, not by the budget that was adopted last year or

the tax program that was adopted last year, but it is somebody else's fault; it is Jimmy Carter's fault; it is Wall Street's fault; it is the media's fault; it is the Democratic Party's fault; everybody's fault except Ronald Reagan and Reaganomics and the budget and tax program which was pushed through by that side of the aisle last year.

☐ 1400

We hear great pleas this year from the White House and from this side of the aisle about compromise and how we ought to really work in the spirit of compromise for the best interests of the Nation. We did not hear that talk last year. I recall last year we had a compromise budget, so-called, which was a horse-and-rabbit compromise with one Democratic Member and all the Republicans, and that was the Gramm-Latta compromise. What ever happened to Mr. Gramm, by the way?

With all the discussions about cutting back on spending, maybe my friends on the Republican side of the aisle will explain to the people of this country the fact that there was in fact no cut in spending because for every dollar that was cut out of social programs last year a dollar was put back by them into the defense portion of the budget, and over the course of the 5-year projection of the Reagan program we are going to have an increase of $1.65 trillion in defense expenditures. And that is not counting the undervaluation of the three-quarters of a trillion dollars that the Pentagon's Defense Resources Board tells us about. Indeed the projections are that this marvelous Reaganomics program is going to create in 4 short years 75 percent of the total national debt previously incurred in the entire history of this Nation. And that is not done by Democrats or Jimmy Carter; that is done by Ronald Reagan and the Republicans in the House and in the Senate.

Let us talk about unemployment, because Republicans like to take credit for bringing inflation down temporarily, but they say unemployment levels are not their fault. Unemployment is higher now than at any time since the Great Depression. It is 9.4 percent across the country, and in my city it is over 10 percent. In parts of the country it has reached 30 percent, and it is not enough to have your heart go out to those people. What they need is jobs. That is really what Humphrey-Hawkins was about.

Mr. Chairman, each element of the President's economic programs is simple, direct, and wrong. Transferring billions from social programs to defense has caused much pain and suffering, has not measurably increased our national security, and has contributed to our economic decline. Granting massive tax cuts—primarily to the rich and large corporations—has made the Federal tax code more regressive, threatens to yield persistent and irresponsibly large deficits in the foreseeable future, and has had no perceivable effect in stimulating economic growth. The administration's tight money policy—in essence forced bankruptcies and unemployment, with the aid of an international oil glut—has temporarily lowered inflation, but at the cost of driving the economy into the deepest recession since the Great Depression.

Each day that we cling with faint hope to Reagan's voodoo economics increases the chances that insufferable and irrevocable damage could be done to the economy and to the American people. At this moment the official unemployment rate is 9.4 percent, which does not include the millions of discouraged workers who have given up any real hope of finding a job. Some in the administration predict that unemployment could reach 10 percent in the coming months.

The faith that George Gilder argues is so vital to supply-side economics is certainly hard to sustain.

In this critical situation, there is no economic or moral justification in making another round of funding reductions in social programs. We must not continue with the misguided economic policies of this administration. Need we look further than Wall Street, hardly a disinterested observer, to judge the wisdom of our current national policy? Even the Senate Republicans, by approving future tax increases in their budget resolution, have conceded that this "riverboat gamble" has been a disastrous failure.

Just 4 short years ago the Congress enacted the Humphrey-Hawkins Act which directs the President to set forth the economic objectives, including goals for the reduction of unemployment and inflation, and recommendations for their achievement. The President's budget is required to incorporate programs and policies necessary to meet the goals of full employment and balanced growth. The original goals for reduction in overall unemployment and inflation were admittedly ambitious ones, but the act states that the President may recommend modification of this timetable. Needless to add, President Reagan has completely ignored this important law.

The Humphrey-Hawkins Act presents the goals, structure, and plan for responding to the Reagan recession and rebuilding our economy so we can achieve full employment and price stability. I strongly urge that Members reread the Humphrey-Hawkins Act and remember that the Federal budget is not simply a document with thousands of impersonal numbers, but is the statement about our national priorities and values.

I want to take a few minutes to discuss our Federal income maintenance programs, which have helped move this Nation closer to the goal of a more equitable society.

Programs such as AFDC, food stamps, and SSI have come under unremitting attack by an administration lacking in compassion and foresight. Through its repetitious references to the truly needy it has revealed its belief that many people who receive Government assistance do not actually deserve the aid they get. Missing from its political philosophy is an understanding of how societal forces can overwhelm even the most determined of individuals, but especially vulnerable are those whose psychological and financial resources are meager.

The undermining of our income maintenance programs actually works at cross purposes to two of the administration's stated goals. The need to increase national productivity, and the goal of increasing the self-sufficiency of individuals.

Much budget-cutting of social programs has been done in the name of reducing the Federal deficit although it should be apparent to everyone by now that even the total elimination of Federal social programs would still leave us with a substantial deficit.

A goal that has been ill served by this administration's regressive policies is that of individual and family self-sufficiency. Changes in the regulations governing the two major Federal income-maintenance programs, AFDC and food stamps, will virtually eliminate incentives for welfare recipients to work.

Before last year's changes, AFDC mothers who worked—and earned average wages for working AFDC mothers—were able to raise their disposable incomes to the poverty level in 29 States. After last year's cuts, average AFDC mothers were pushed below the poverty line in every State. Under the latest proposals, they will be dropped to 85 percent of the poverty line—or below—in every State. Incomes for working AFDC families would be reduced so much that parents who work would generally be little better off—or worse off—than AFDC mothers who do not work.

The new proposals would also discourage those who are working from working harder to increase their earnings. For most AFDC working mothers, each additional dollar they earn after their first 4 months on the job will result in a net income gain of only 1 cent. That is, 99 cents would be taxed away through reductions in AFDC and food stamp benefits and increases in social security and payroll taxes.

The work disincentive features I have mentioned are further aggravated by the fact that in 20 States, those working families who are eliminated from AFDC programs will also lose medicaid coverage for themselves and their children. In these States, medicaid is restricted to those on AFDC or SSI. When working families stand to lose medicaid coverage for their children because they work, and when their disposable incomes are not much higher than those on welfare who do not work, pressures to leave or to decline jobs and go back on welfare intensify.

In addition to the AFDC, food stamp, and medicaid cuts aimed at the working poor, our Nation's stubborn refusal to commit resources to care for the young children of working families is also contributing to the disincentive to become self-sufficient. As day care becomes scarcer and more expensive, more single mothers will be unable to find or to afford day care for their young children. Although the administration has been pusing the concept of workfare, it has been silent about what it plans to do about the increased need for day care that would result from implementation of such a policy. Who on Earth is going to care for the children left behind by working mothers? For the working poor, increased day care costs diminish the gains achieved through working.

Each time a mother leaves a job or fails to accept one because of these built-in disincentives, the Federal Government pays the bill. Federal AFDC and food stamp benefits are far higher for a family that does not work and has no other income, than for a family that has some earning and therefore qualifies for smaller welfare and food stamp benefits. When work disincentives become too great and fewer persons work, Federal costs actually increase and much of the savings the Congress thought it was achieving disappear.

One of the reasons for the unpopularity of the AFDC and food stamp programs is the popular misconception of just who benefits from them. Critics rant on about welfare cheats. Few, however, are aware that fully 70 percent of AFDC recipients and over half the people receiving food stamps are actually children.

Because of our callous attitudes about the poor—we mortgage our own future. When we dismantle programs that serve children and their families, we undermine our very own future. Our society delegates to families the responsiblity for nourishing our future generations. Children are the future workers, consumers, teachers, and unfortunately soldiers.

Today, high unemployment runs rampant. The various Federal income-maintenance programs that have been established over the last 50 years are primarily responsible for cushioning the blow of the current deep recession. I shudder to think what life would be like without them for millions of American workers.

The strength of a society is not determined by its feats of accomplishment or by its shows of military might. Rather a society that is truly strong is one that is truly just. Yet, our characteristically generous Nation is today failing what Hubert Humphrey called the moral test of a government—how it treats those who are in the dawn of life—the children; those who are in the twilight of life—the aged; and those who are in the shadows of life—the sick the needy, and the handicapped.

We cannot allow the Social Darwinist in the White House return us to era in which masses of people had little choice but to passively accept the dictates of cruel, unseen economic forces and the harsh tyranny of a social system which eulogized selection of only the fittest for reward, regardless of the fate of the weak, the old, the sick, and the feeble. Since the New Deal when Government assumed the responsibility to provide support, security and opportunity to those who had little, the American people have consistently rejected the doctrine of social Darwinism. And despite the rhetoric, philosophy and policies of Ronald Reagan, the American people still reject that cruel, narrow selfish doctrine today.

I want to conclude by quoting from President Franklin Roosevelt, whose greatest legacy was his leadership in convincing this Nation to reject social Darwinism. In accepting the Democratic nomination for reelection in June 1936, this great President said:

> Governments can err, Presidents do make mistakes, but the immortal Dante tells us that divine justice weighs the sins of the cold-blooded and the sins of the warm-hearted on different scales. Better the occasional faults of a government that lives in a spirit of charity than the consistent omissions of a government frozen in the ice of its own indifference.

The CHAIRMAN pro tempore (Mr. Beilenson). The Chair recognizes the gentleman from North Carolina (Mr. Johnston).

Mr. JOHNSTON. Mr. Chairman, at the present time we have no requests for time.

The CHAIRMAN pro tempore. The Chair recognizes the gentleman from California (Mr. Hawkins).

Mr. HAWKINS. Mr. Chairman, I yield 9 minutes to the gentleman from California (Mr. Waxman).

Mr. WAXMAN. Mr. Chairman, I am pleased to have this opportunity to discuss the health component of our overall economic and budgetary policies. Unfortunately, we do not engage in this discussion with the sensible objective envisioned by Humphrey-Hawkins of defining our Nation's health needs, and deciding on the appropriate role for Federal and State governments in meeting those needs. Instead, our decisions once again are focused on massive cuts in health programs that serve our Nation's most vulnerable citizens—the aged, the disabled, children, the poor, and the ill.

Let us look first at the history of these proposals.

Last year, we cut these programs by $2.8 billion, and programed another $2.8 billion cut into fiscal year 1983.

This year, the President, in his now discredited budget, proposed health cuts of more than $5 billion;

The Senate is apparently going to approve health cuts of more than $5 billion;

Our Budget Committee worked hard to develop an alternative, but still ended up with cuts of about $2.5 billion;

Many of us will propose amendments to reduce those cuts to more acceptable levels; and

At the same time, however, the Michel amendment will propose the harshest health cuts of all, totaling about $6 billion—that is worse than the President's proposal, worse than the Senate, and more than twice as large as the cuts enacted last year.

It is that Michel amendment that is the most devastating health policy proposal that we must confront in our debate. We cannot hide completely behind discussions of economic policy, and basic political choices among taxes, defense programs, and domestic programs, because we are at the same time making critical decisions on every component of our Federal programs. In health, the Michel amendment makes those decisions clear for all to see.

If you support the Michel amendment, you are voting to cut social security's medicare program by $4.8 billion in fiscal year 1983, and $23 billion over 3 years.

If you support the Michel amendment, you are voting to cut Federal medicaid payments to the States by $600 million in fiscal year 1983, and $2 billion over 3 years.

If you support the Michel amendment, you are voting to cut our public health efforts by about $550 million below the already reduced fiscal year 1982 levels.

It is very important that we all know ahead of time how we would have to achieve these cuts. While there is a broad consensus that we should continue efforts to develop long-range health system reforms, we simply cannot achieve $6 billion in Federal savings in fiscal year 1983 from such reforms. Fiscal year 1983 starts October 1, just 4 months away. In order to achieve that level of savings that quickly, we would have to turn again to short term shifts to States, providers, health insurers, and ultimately the program beneficiaries.

Let us look at how the Michel amendment proposes to achieve these

incredible reductions. In medicare, they suggest the following changes:

They would index the part B deductible. Just last summer, we raised this to $75, and they now propose to index it to the CPI, shifting more and more costs to direct out-of-pocket payments by the aged and disabled;

They would increase the monthly premium paid for part B by allowing it to rise faster than social security cash benefits. Each month, 29 million aged and disabled individuals would devote a higher share of their income to this premium. We have been very careful to assure that social security will not be cut, but this premium increase will reduce the monthly check just the same. I suggest that your constituents will react just the same.

They would mandate coverage of the working aged under employee health plans, shifting costs to those plans, and leading to potential discrimination against elderly individuals seeking employment.

They would delay medicare entitlement to the month following the month of eligibility, simply shifting these costs to the elderly for 1 more month.

They would increase copayments for home health care, shifting costs to the beneficiaries and discouraging use of home health services at the same time we should be encouraging such alternatives to institutional care.

They would make a number of reimbursement cuts to physicians and hospitals with projected savings that will be difficult if not impossible to achieve. For example, they project nearly $2.1 billion in cuts in fiscal year 1983, and more than $12 billion over the next 3 years, due to prospective reimbursement of hospitals.

While these are areas that many of us have tried to address for years, we need to impose some reality test on the savings levels. Any proposals in these areas will be both technically and politically difficult to develop, as many of you will recall from our hospital cost containment debate. If we accept the astronomical levels plugged into the Michel amendment, we must accept the simple fact that we will not be able to achieve those savings in the next few months from reimbursement reforms.

In the Senate, the Finance Committee has developed more realistic proposals for savings of less than $700 million for hospital reimbursement reforms—one-third as high as the Michel amendment estimates. In order to reach total medicare savings levels comparable to the savings in the Michel amendment, the Senate had to turn to coinsurance on inpatient hospital stays by the aged and disabled. The Domenici proposal, for example, required coinsurance of 6 percent in fiscal year 1983, 8 percent in fiscal year 1984, and 9 percent in fiscal year 1985, shifting billions of dollars of costs to the aged and disabled over the next few years. If we accept the ridiculous targets in the Michel amendment, we should recognize right now that we would also be forced to turn to more cost shifts to the aged and disabled, such as this coinsurance provision. Again, I must remind the Members that we have been very careful to avoid cuts in social security benefits, and I suggest that your elderly constituents will react the same way to paying more for their hospital care under medicare.

In medicaid, the Michel amendment proposes $600 million in Federal cuts, on top of the $900 million already programed into fiscal year 1983 by last year's Reconciliation Act. Once again, there is no pretense of needed reforms, but instead proposals to shift costs to others—shift them to State and local governments through matching reductions, or shift them to the low-income aged, disabled, and children and their families.

They would impose liens on the homes of institutionalized medicaid recipients in order to collect from their families after death. Let us be very clear about what we are talking about here. The elderly individual lying in a nursing home bed would be told that their Government had imposed a lien on their home—a home that often means everything to that individual. We can tell ourselves that technically, we would not foreclose on the lien while the person is alive, but that is small consolation for the individual. An elderly person knows full well what a lien is, and I think we all must question whether we want to solve the deficit problem that we have created by taking this action against the frail elderly in nursing homes.

They would allow States to require family supplementation for individuals in nursing homes. This would be a new program for means testing the adult children of the institutionalized medicaid recipient. Again, let us be very clear about what we are doing to that aged person in a nursing home and their family. That elderly person would know that because they are lying in that bed, their adult children may not be able to save for their own retirement, or that their grandchildren may not be able to get as good an education. Again is this how we want to reduce the deficit?

Finally, they would simply shift costs back to the States with Federal matching reductions. They would eliminate matching for States payment of the part B premium for those entitled to both medicare and medicaid, and reduce special matching provisions for some administrative costs, such as the costs of nursing home inspections. Many Members have been concerned for years over the issue of health and fire safety in these facilities, but we would be reducing our Federal support for that effort. Finally, they would reduce matching as part of their excess error rate proposal. Here, we would simply be withdrawing Federal support, and leaving those costs to hard-pressed State and local governments.

I must point out that in order to achieve the $600 million total required by the Michel substitute, we will probably have to enact more of these matching reductions to the States. The Congressional Budget Office has estimated the savings from items identical to those recommended by the Michel amendment, and they are about $100 million short of the Michel total. That will force us to develop even greater short-term savings proposals to meet the target. The surest way to guarantee such savings in the short time between now and October 1 would be further reductions in Federal matching to the States, who are still trying to cope with the impact of last year's slashes in medicaid funds. I do not think anyone wants to increase that burden on the States right now.

For Public Health Service programs, the Michel amendment proposes to fund the programs at the fiscal year 1982–83 freeze levels. That keeps them at about $550 million below the CBO baseline for fiscal year 1983, and about $700 million below the fiscal year 1981 level. This provides no leeway to the Appropriations Committee to address some of the serious shortfalls that have occurred as a result of last year's cuts.

If you support this amendment, you are supporting reductions in biomedical research, reductions in immunizations, reductions in efforts to combat venereal disease and tuberculosis, reductions in the Food and Drug Administration, reductions in health services for needy mothers and children, and reductions in education programs to alleviate our nursing shortages. We can say we are for those things, but this amendment provides no money to even maintain them at their current level, much less allow for desperately needed increases in certain targeted areas.

The choices among the various health provisions in the proposals before us are very clear for all. It is quite evident that the health cuts in the Michel amendment are the harshest cuts of all, and I urge all of you to defeat that proposal.

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Mr. JOHNSTON. Mr. Chairman, I yield 13 minutes to the gentleman from North Carolina (Mr. Martin).

Mr. MARTIN of North Carolina. Mr. Chairman, one of the nice things about this debate is that the time for a part of the debate is controlled by my friend, the distinguished gentleman from North Carolina (Mr. JOHNSTON) who has been a long-time foe of all of these attempts to expand the Government larger and ever larger, absorbing more and more of the people's income and responsibilities. He shares with me the belief that there is no real compassion in creating more and more artificial jobs on Government payrolls. All that does is further burden the private sector with more taxes to pay for it.

All that does is crush the private enterprise as a provider of real jobs, thus requiring more and more artificial jobs.

All these artificial jobs do is to redefine those who have been "unemployed" as "employed," but without changing the job description. I see the gentleman from North Carolina (Mr. JOHNSTON) agrees with my analysis.

All these artificial jobs do is redefine those who are "unemployed" as "employed," but without changing their job description.

The balanced budget substitute which the gentleman and I and others, the gentleman from Pennsylvania (Mr. WALKER), the gentleman from California (Mr. ROUSSELOT), the gentleman from Texas (Mr. ARCHER), the gentleman from Oregon (Mr. SMITH) the gentleman from California (Mr. DANNEMEYER), and others have joined in introducing begins with the belief that the Congress should, must, and will balance the Federal budget and that the people of this Nation are sick and tired of budget deficits. They are so sick and tired they are willing to endure some shared mild discomfort so long as that discomfort is broadly shared.

We continue with the flat statement that the Congressional Budget Office 1983 revenue estimate is wrong. It assumes wrongly that 1983 Federal revenues will be only $645 billion, assuming no tax increases, regardless of how large or how small the deficit. And that is absurd.

That $645 billion estimate that the Congressional Budget Office has given us is based on an assumption that the deficit will be cut down from the current high level of about $182 billion for fiscal year 1983, down to $100 billion, and it forecasts the economic consequences of that on the assumption that all that is going to happen is to reach $100 billion of deficit.

But for the first 6 months of fiscal 1982, receipts have been such that total 1982 revenues for this current fiscal year will be $642 billion. That is for this current year that is almost over. Based on current growth in revenues, there will be an 8-percent increase in the 1983 revenues over 1982. That is next year over this year. And that means that next year's revenues, 1983 revenues, will be $682 billion, not the $645 billion that the CBO estimated. It will be $682 billion, even after taking into account the tax cuts that were enacted this last year and which take effect this year and next year.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of North Carolina. I am certainly glad to yield to my colleague from California, who is the principal author of the Rousselot-Martin substitute balanced budget, the only balanced budget this House will be allowed to vote for.

Mr. ROUSSELOT. I appreciate my colleague yielding.

I know as a member of the Budget Committee he has followed very carefully the estimates that have been given by our Congressional Budget Office. Now what the gentleman has done is told us that they have substantially underestimated the in-hand revenues for 1982 and the potential revenues that are bound to come in between now and October 1, 1982. Is that not correct?

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Mr. MARTIN of North Carolina. In my opinion, that is correct. It may be that they feel justified in underestimating their revenues, because of their assumption that all we are going to do is reduce that deficit down from $182 to $100 billion. And it may, therefore, be their conclusion, as a consequence of that halfway step, that all we are going to get is a halfway recovery and that, therefore, there will not be the revenues that would be projected from the present day's rate of growth even with the economy in the shape that it is in.

Mr. ROUSSELOT. Well, then, maybe they are not aware that there will be a budget resolution which several of us are presenting that calls for no new add-on deficit in 1983. And does that not really give a different perspective on potential revenues if the total marketplace and economy understands that we are not going to add $100 billion add-on deficit?

Mr. MARTIN of North Carolina. That is certainly true. We believe that all of the pending budgets are understating revenues and overstating the deficit as a consequence by $37 billion.

But we believe that even if they have doubts about their own projections, because of their assumptions that all that is going to happen is the adoption of halfway measures, we believe that if we take the full measures of reducing the deficit to zero in 1983, as you and I and Mr. JOHNSTON and others I mentioned are proposing, we believe that those projections which we have are going to prevail. We believe that enactment of our balanced budget will enhance the likelihood of getting the higher revenue projections that are based even on today's sick economy.

Mr. ROUSSELOT. I appreciate my colleague taking the time to explain how those Congressional Budget Office projections relating to income are not necessarily accurate and, as a matter of fact, they have not taken into account the change in revenues that has occurred in the last 6 months to our Federal Treasury.

Mr. MARTIN of North Carolina. I thank the gentleman. I personally would not quarrel with them if they want to apply those revenue estimates to budget proposals which are going to end up with a $100 billion deficit, but I do not think that there is any justification for trying to impose those false assumptions on the one budget, the balanced budget which we are offering, which will reduce the deficit to zero, which therefore will in a dramatic way bring interest rates down, and investment up, and, therefore, you see, will increase revenues even more than we are projecting.

So we do make this correction in our balanced budget substitute.

Furthermore, because of the added economic stimulus that will result from lower interest rates produced by a balanced budget, we are saying the achievement of our revenue baseline estimates becomes all the more probable.

Working from these revenue and outlay baselines, we achieve a balanced budget by several measures. First of all, even though we wish it were not necessary, we freeze all pay and benefits paid by the Federal Government at their October 1, 1982, levels. That means all pay and benefits. It means social security beneficiaries will get their 1982 increase as scheduled on July of this year, of 7.4 percent and that other cost-of-living increase coming in by October, 1982, will stick. But during fiscal 1983, beginning on the first of October, evenly and evenhandedly there will be no raises and no cost-of-living increases, because that is necessary, though we wish it were not, if we are going to halt budget deficits and the damage that they are doing to our economy.

Second, even though we wish it were not necessary, national defense will be cut in our proposal by $8 billion under the President's request. Our defense outlays are within a billion dollars of that prepared by the House Budget Committee in its resolution and $2 billion below the Latta substitute.

Third, even though we wish it were not necessary, we do make significant cuts in most budget categories, as follows:

International affairs: $4.6 billion under the Jones bill, for a total of $7.5 billion;

Science, space, and technology: $750 million under the Jones bill;

Energy: $1.7 billion under Jones, leaving $3.3 billion;

Natural resources and environment: $1.85 billion under the Jones proposal, leaving $9 billion;

Agriculture: $500 million under Jones, for a total of $9.6 billion;

Commerce and housing credit: $950 million under Jones, leaving $2 billion;

Transportation: $3 billion under Jones, for $17 billion;

Community and regional development: $1.4 billion under the Jones proposal, leaving $6.5 billion;

Education, training, employment, and social services: $3.45 billion under Jones, for a total of $24 billion;

Health: $6.1 billion under Jones, leaving $74 billion;

Income security: $24.05 billion under Jones, leaving all of $249 billion, without significant losses to social security beneficiaries.

Veterans benefits and services: No change from the Jones proposal;

The administration of justice: $550 million under Jones, leaving $4.1 billion;

General government: $850 million under Jones, leaving $4 billion;

General purpose fiscal assistance: $4.7 billion under Jones, leaving $1.8 billion, assuming suspension of general revenue sharing until we have revenues to share;

Interest: $28 billion under Jones, for a balance of $92 billion, achieved by not having to borrow more money and by the drop in interest rates that would follow a balanced budget; and

Allowances and undistributed offsetting receipts, recommended at the same levels as in the Jones proposal.

Lastly, even though we wish it were not necessary, we raise $18 billion in additional revenues—which is less than any other proposal contemplates, even though we wish it were not necessary to raise any more taxes at all. As with other proposals, we do not specify the precise sources of that revenue. But we state that the undeniable result of a balanced Federal budget is more important than taking a hard line on preserving tax loopholes. Let me say that again: We state that the undeniably favorable result of a balanced Federal budget is more important than taking a hard line on preserving all of the existing tax loopholes. The Committee on Ways and Means on which the gentleman from California and I serve will examine all of these options.

For me personally, the suspension of general revenue sharing is a bitter pill. This is a program that I have supported since I was a county commissioner in North Carolina. As a county official I worked hard to lobby for it, and to defend it since long before joining this body. Normally, that might be one of the last items that I would want to cut. Others might put it in a different order of priority. My colleagues know that. But I am willing to go along with goring this ox of my own preference because we need to be able to do that as a symboy, as a shared sacrifice, to urge that others also be ready to share in widespread sacrifice in order to serve the good of the Nation. Although I prefer revenue sharing to the alternative of categorical grants, I am not willing to let revenue sharing stand between a $100 billion deficit and a balanced budget. Once you exempt one favored program, other exemptions will follow like dominoes; and the deficits will continue to soar. By protecting and saving each and every ox from being gored, we continue to pile up the debt required to do that, and then we continue to suffer these abnormally high interest rates.

We have crossed the trillion dollar threshold on the public debt during this past year. There is no way we can have any ungored oxen. They will be gored by high interest rates if we continue these deficit policies.

Now, all the other budget substitutes that are being proposed begin with the assumption that the best that can be done is to cut those current law deficits in half, from $182 billion down to the $100 billion level, give or take $10 billion. All of them begin with that assumption, every one of the other substitutes.

I say to my colleagues that we cannot afford to simmer along with these halfway measures which will produce only halfway results. As a member of the Budget Committee, I saw during the work of that committee that if we begin with the acceptance that all we can do is cut the current law deficit of $182 billion roughly in half, then we are going to take halfway measures to get there. Halfway measures will produce halfway results. Interests rates will not come down as substantially. We would get a halfway improvement in interest rates, we would get a halfway improvement in investment, and we would get a halfway improvement in jobs, a halfway improvement in unemployment, if all we do is generate a halfway recovery. A halfway reduction of deficits will only reduce interest rates halfway. That will lead to halfway investment activity.

We believe that the present economic hardships faced by our country and by our people deserve not halfway solutions but a total commitment of balancing the budget all the way.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of North Carolina. I yield to the gentleman from California.

Mr. ROUSSELOT. I appreciate my colleague bringing up the point about general revenue sharing, because it has been a problem in facing up to going into further debt to finance that program, and really we have no revenue to share. But is it not also true that many cities and country governments will admit that when they are forced to go into the marketplace for bonding, for other types of financing, that the competition by the Federal Government in its tremendous debt securities is just almost overwhelming, and many times when they get ready to go to the marketplace they pull back, because there is the Federal Treasury putting other debt securities on the market.

Mr. MARTIN of North Carolina. The gentleman is absolutely correct. Local governments, city and county governments—State governments too, for that matter—will be much better off if we take the necessary steps to bring interest rates down so that they will have relief from an overburden of debt service. They will be much better off with lower interest than they will be if we continue to pile up debts here in the Federal Government, even if we give them that general revenue sharing. That revenue sharing is not as valuable to them as getting their debt service down, and that will only happen if we balance our budget and get the Federal Government away from the credit window, so that other borrowers will not be crowded out by the Federal Government.

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Mr. MARTIN of North Carolina. I would say it is further ironic that the Federal Government has to borrow the money for revenue sharing. It is not revenue. We do not have the revenues to share because of the deficits that we have been experiencing, and so we have to go into the market to borrow that money at the Treasury bill rates, which have been 12 and 13 percent recently, in order to protect local governments from borrowing the money at lower rates available to them. I would say that is somewhat ironic. They will be better off if we can bring interest rates down. The gentleman is quite correct on that.

If revenue sharing and all the other devices for trying to cushion them from the ravages of the economy, if all of those programs are preserved and the resulting high deficits guarantees that the economy does not recover they will be worse off.

So I think the gentleman's leadership on getting this measure before us needs to be noted.

Mr. HAWKINS. Mr. Chairman, I yield 5 minutes to the gentleman from the District of Columbia (Mr. FAUNTROY).

Mr. FAUNTROY. I want to thank the chairman for the privilege of speaking in my capacity as chairman of the Subcommittee on Domestic Monetary Policy and chairman of the Congressional Black Caucus on the extent to which the fiscal and monetary policies of the past year have advanced the goals of the full employment and balance growth act for this year will do that.

If the Members in this Chamber do not realize it, the American people realize that the answer to that question is resounding "No!" The 50,000 small businesses that have gone bankrupt, the small farmer and the home builders who have gone bankrupt because of the high interest rate policies fostered by this budget and tax proposal know that these policies have failed. The 2.5 million who have lost their jobs since July last year know that they have failed. The middle income Americans who were promised that somehow the tax package was fair, who now come to realize that the average person making $15,000 a year ends up paying $100 more in Federal tax this year than last, while the average person making $200,000 a year ends up getting an additional $20,000 cash back, they know it has not worked.

The people in this country who are appalled that a deficit that has risen from a projected $42 billion for fiscal year 1982 to an astonishing $183 billion now know that the private sector will again be crowded out of the money markets, with the result that we will continue to have high interest rates, record unemployment, and record business failures. They know that this has not worked.

In short, my review of the effect of the fiscal and monetary policies of the past year dictates that move in the consideration of the fiscal year 1983 budget resolution to reverse the course upon which we have embarked.

Last year Government made two decisions that have had a devastating effect upon our economy and that have produced six records of human despair.

The first decision was a decision of the Federal Reserve Board, vigorously supported by the administration, to fight inflation by inflating the cost of credit. As a result of that decision we have had 50,000 small businesses to go bankrupt, and 2.5 million to lose their jobs to bring unemployment to a record 10.3 million people out of work, a record since the depression. It is easy enough for the American people to understand what happened. People can afford to buy houses in this country. They cannot afford to buy the money with which to purchase the houses; 17 and 18 percent interest rates for home purchase mortgages. When people cannot buy houses, then builders cannot build them, and when builders cannot build homes then bricklayers and electricians and carpenters and plumbers lose their jobs. When they lose their jobs, people who work in factories that make refrigerators and stoves and carpeting have to be laid off, because there are no houses into which the fruit of their labor may go. So that decision has to be reversed by the actions of this Congress with respect to this budget resolution.

The second decision made by Government last year was a four-part decision on fiscal policy that has produced four records.

We made a record cut of $280 billion over the next 5 years in programs, that are of the needs of the old, the young, the sick and the poor, every dollar cut from domestic programs, was spent as part of a record increased military budget of $1.7 trillion over the next five years.

At the same time that we produced a third record. We gave away a record $750 billion over the next 5 years to rich individuals and major corporations of this country, which individuals continued their practice over the past 5 years of investing five times as much in foreign productivity than is invested by foreigners in American productivity. We gave it to major corporations which did not reinvest it in new plants and equipment in this country but who instead invested it in mergers and takeovers that produced not a single new job in this country.

The CHAIRMAN pro tempore. The time of the gentleman from the District of Columbia (Mr. FAUNTROY) has expired.

Mr. HAWKINS. Mr. Chairman, I yield 1 additional minute to the gentleman from the District of Columbia.

Mr. FAUNTROY. The $183 billion deficit which, together with that enormous tax giveaway, offers the American people nothing but more unemployment, more small business failures, and more cuts in programs designed to cushion people through a recession.

I am saying, Mr. Chairman, that if those in this Chamber wish to deal seriously with the fallacies of those two decisions they ought to support the Fauntroy substitute which embodies the Congressional Black Caucus economic recovery package. We will outline that substitute in the debate following this assessment of whether the fiscal and monetary policies of the past year have fostered full employment and balanced growth in this country.

Mr. JOHNSTON. Mr. Chairman, I yield 5 minutes to the gentleman from Alabama (Mr. DICKINSON).

Mr. DICKINSON. Mr. Chairman, I welcome this opportunity to express my views on the present and fiscal situation, and speaking as the ranking member of the House Armed Services Committee, I am very pleased for this opportunity because I would like to address my remarks as to the relationship of the budget and our national posture as it relates to our defense posture.

The present situation, that is, high interest rates, high unemployment, coupled with a depressed economy, is causing all too many of our citizens very great distress, and I would have to say at this point and digress a bit to say that the gentleman that preceded me in the well would have the American people think that all the ills of today were created by the present administration.

This administration has only been in office some 18 months. We have built upon 30 years of excesses by previous administrations, and that is what has brought us to this point and not the activity and actions and policies of this administration.

This administration is trying to turn the situation around. But until the business community sees a real commitment here on the Hill, that is, to reduce the size of the projected deficits, there will be no loosening of credit and no significant capital investment and, consequently, no recovery.

We must do something, and hopefully it will be this week, because this is the only opportunity we will have to indicate our commitment toward energizing our economy.

Now I believe in a strong military that is capable of defending the United States. There is no secret about that.

Members of the Armed Services Committee are exceptionally aware of the strength of our potential adversary.

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Other Members have also seen the DIA briefing, that is the Defense Intelligence Agency, on the Soviet threat and will draw their own conclusions. As a matter of fact, I have urged by a letter that I originated, signed by over 30 Members, the Department of Defense, and this administration, to declassify much of the information that has come to us so that the American people can be informed as to really what is the threat that we are facing.

I believe in military strength, but I also believe in economic growth. Only through a prosperous, productive population and populace can we gain the moral strength, the national will and the physical resources to mount a strong national defense. If our economy is depressed and our people are out of work, then there is great pressure to cut back on those large visible elements of the budget that have no tangible and immediate benefits to our people. This is now the situation that faces us.

I seek a budget compromise, a compromise that will support the President's effort to rebuild both the economy and our national defense. The national defense effort needs a strong economy—and the Nation is in peril without a strong defense.

Recently Secretary Weinberger, who is the Secretary of Defense, appeared before our Armed Services Committee and I asked him to discuss with us some of the proposed reductions in the national defense bill. He explained that the President, during the budget negotiations of 2 or 3 weeks ago, agreed to an outlay reduction of $3.2 billion. Mr. Weinberger explained that he agreed to these reductions with reluctance. In fact, the President later stated that he would agree to defense reductions with great reluctance because the reductions were accomplished not because of any lessening of a need on the part of defense, but it was out of a need to balance the budget to bring a healthy economy into being.

Now, I am of the same mind. I am convinced that the objective of a strong defense is best served by rapidly improving our economic situation.

Therefore, I will support any reasonable reductions in the defense bill that will not impact readiness, sustainability or modernization any more than is absolutely necessary for our defense.

I stress again that I do not see a reduction in the threat. As a matter of fact, I see an increase in the threat facing the United States.

To counter this strength, a healthy domestic economy is essential. Therefore, I will support a reasonable defense reduction.

The CHAIRMAN pro tempore (Mr. BEILENSON). The time of the gentleman from Alabama has expired.

Mr. JOHNSTON. Mr. Chairman, I yield one additional minute to the gentleman.

Mr. DICKINSON. Mr. Chairman, let me say that we are all concerned about unemployment. I think my State is probably the second highest in the country. We are all concerned about the threat that our country faces.

I think that if the American people were adequately informed, though, as to what the threat actually is, and as I said before, I have asked the Secretary of Defense and the administration to declassify much of the information that has come to us. I have been one of those that has been urging a briefing to all Members of the House and the Senate as to what the threat is and most of us have received it now. I think if we actually understand what the problem is, what we are faced with, then we will not have to worry that we will make precipitous cuts in our defense spending as proposed in the budget.

I would urge all Members of the House, and as a result I suppose the people of the country, because we are reflecting the attitude of the people throughout this country, to not cut so deep in the budget that we imperil our defense posture.

Mr. HAWKINS. Mr. Chairman, I yield 7 minutes to the gentleman from California (Mr. ANDERSON).

Mr. ANDERSON. Mr. Chairman, among the important considerations each of us should examine as part of our deliberations during the budget process, is the impact that the various proposals may have on our Nation's infrastructure.

By infrastructure I am referring generally to those more or less permanent structures that constitute the underlying foundation on which our Nation is built. I am not referring to our very important expenditures on the health and education of our Nation's populace, but rather on the capital investment that we make which contributes immeasurably to a strong America.

These investments, if I may generalize further, require governmental involvement since their cost exceeds the benefits that accrue to any interested individual or enterprise.

Several years ago, I had the privilege of serving on the National Transportation Policy Study Commission chaired by my good friend and colleague from Pennsylvania (Mr. SHUSTER). Among that Commission's findings was that our public sector transportation capital investment requirements by the year 2000 exceed $1 trillion.

The American Transportation Advisory Council, a coalition of business organizations concerned with the future of the total transportation industry, has produced a report, ATAC II, the focus of which is a bit more immediate than was the NTPSC study. According to the very fine ATAC II report, this Nation's transportation capital needs from 1981 through 1990 will, in 1980 dollars, total $401 billion. Assuming annual inflation rates of 10 percent, that figure escalates to $623 billion. Of this total, $404 billion is for the country's highway system alone.

The Federal Highway Administration has indicated that our total highway system is wearing out at an annual rate 50 percent faster than it is being replaced at the present time.

According to the road information program, the percentage of miles on our Interstate System rated as being in good condition, has dropped from 74 to 63 percent in the past 10 years. That means that 37 percent, or about 15,000 miles, is in need of some repair. To help address this problem, the House Public Works and Transportation Committee has recently reported out legislation increasing the Interstate 4R program to $2.1 billion. This is a level of funding that most knowledgeable individuals, Democrat or Republican, conservative and liberals, regard as nearly approaching our minimum needs.

Our Interstate System, instituted in 1956, was built to have a design life of 20 years. Many segments are now approaching that age. Because roads deteriorate from fair to poor condition much more quickly than from good to fair, it is imperative that this Nation move quickly to repair its roads before they crumble. If we do not, they will soon be crumbling all around us.

It is not, of course, only the Interstate System that is in need of repair. The road information program estimates that over half the Nation's paved road network now suffers from substandard pavement conditions. I find that to be a shocking fact, reflecting a situation that must not be permitted to go unchecked.

If the deterioration continues, our trucking industry will suffer, paralyzing the movement of much of our Nation's freight. And the level of personal mobility which Americans have come to expect will, of course, also decline.

Similarly, our Nation's public transit needs are enormous. The ATAC II study has placed transit infrastructure needs over the next decade at about $50 billion in 1980 dollars. The American Public Transit Association estimates that about 16 percent of this is for bus purchases, and this excludes fleet expansion beyond that which is necessary to maintain generally existing levels of service with respect to urban population growth; 26 percent is for rail-fixed facility modernization, 10 percent for rail rolling stock replacement and modernization, 9 percent for planned rail extensions, 16 percent for the completion of new systems, 15 percent for new rail starts, and 5 percent for bus facilities.

If these investments are not made, public transit will be rendered obsolete, with our population becoming once again utterly dependent on the single-passenger automobile and its associated degradation of the air we breathe, usurpation of valuable urban and rural real estate, and addiction to petroleum.

With respect to our aviation infrastructure needs, Mr. Speaker, the development needs of our Nation's airports are great if they are to accommodate the increased growth and traffic, in both commuter and general aviation. That is projected through the remainder of this century. According to a November 1980 Federal Aviation Administration document, "National Aviation System Development and Capital Needs for the Decade, 1982–1991," air carrier enplanements will grow 61.2 percent and commuter enplanements will increase by a staggering 170 percent between 1979 and 1991. Additionally, the FAA forecast projects that we will witness a 150-percent increase in airport operations during this decade compared to the 1970's.

Associated with this projected congestion in the skies, are substantial capital development needs which—in the past few years—have hopelessly lingered behind system needs. Inflation has consistently eaten away at the Nation's principal program supporting air development, ADAP. Costs for actual airport construction increased 60 percent during the 4-year period of 1976-79—however, during 1976 through 1980, ADAP funding levels were increased by only 33 percent.

The situation with respect to airport facilities and equipment is no better. According to a Federal Aviation Administration study, "in constant dollars recent spending for F. & E. has declined to little more than a third of 1972 levels." The report concluded that "this decline in real capital investment has left the FAA with an aged inventory of equipment requiring higher levels of maintenance and continuously increasing costs * * *. Serious deterioraton of system performance is unavoidable unless capital investment levels are increased significantly."

Turning to our Nation's port infrastructure, historically the Federal Government has played an important role in the development of our Nation's seaports. Over the past 150 years, we have assumed the cost of providing anchorages, harbors, main shipping channels, navigation aids, and major public works such as breakwaters. Non-Federal interests have provided shoreside facilities and dredging within pierhead lines. The non-Federal contribution to port development has in fact, exceeded the Federal contribution, local port authorities having invested over $6 billion in ports since 1946, as compared to the Corps of Engineers total investment over the last 150 years of about $5 billion for navigation projects.

When one considers that in fiscal year 1981 customs revenues exceeded $9 billion it becomes apparent that port development is a very good investment, but more than a good investment, this Nation's system of deep water and river ports is a national economic treasure. Ports are a vital component of our domestic and foreign waterborne commerce. Our country's approximately 200 deep water and river ports make a significant contribution to the national, State and local economies, to this country's total transportation network, and to our military security.

But there is presently a bottleneck in the development of our port infrastructure, and I am concerned that this bottleneck may be at the Federal level.

But, and let me stress this, we face the critical problem that the Federal Government's navigation and channel development responsibilities have not kept up with the local port role in shoreside facility development. While the new generation of ships are getting bigger and deeper and trade volumes are expanding, the Federal Government has done very little in the way of deep draft navigation development. For example, there has not been one navigation project authorized in the past 6 years.

It is clear that as we move into the 1980's, the Federal Government must continue its role in port development. According to a Marad report, the marine terminal facility requirements of this Nation's deep water ports in the decade of the eighties will be over $5 billion, and for our river ports it will be $4.8 billion. New container facilities are required as well as expanded bulk facilities, especially coal, grain, oil, and liquefied natural gas.

The United States is perhaps more dependent on world trade than it has ever been. Twenty percent of our GNP is accounted for by foreign trade—95 percent of that trade volume is by waterborne cargo. That constituted a $15 billion contribution to our GNP in 1977 and our trade volume is expected to double by the end of the century.

The U.S. port system should not be limited by the Federal navigation system. It is critical that the Federal Government maintain a navigation capacity consistent with this country's international trade and defense requirements.

Mr. Speaker, I commend to all of our colleagues the October 26, 1981, edition of Business Week. Among its observations, are that—

> In the past, local politicians have responded to financial stress by postponing the maintenance of existing capital plant and deferring the building of new plants, much the same way an executive in the private sector acts when his company is in a financial bind. Says New York State Comptroller Edward V. Reagan, "You can always delay public investment, but in the end it catches up with you."

Even more ominous, and pertinent to our present deliberations, was the following from Business Week. I urge our colleagues' attention:

> The economic expansion President Reagan is predicting requires a strong and healthy public infrastructure. Industry cannot expand without adequate water and sewage systems and well-maintained roads, bridges, and mass transit systems to get its employees to work and its goods to market.

Mr. Speaker, for the President's plan to work, for anybody's budget plan to work, we need a strong infrastructure. If the Federal Government fails to meet today's challenges by failing to meet the needed capital investment, we will certainly need to redouble those efforts in the very near future. In the interim, our Nation will suffer. And they those capital investments are eventually made, as is inevitable, the cost will be much greater.

Every homeowner knows that the time to repair a floorboard is before it caves in. This Nation's infrastructure is about to cave in, and I would suggest that this must not be permitted to happen.

The capital infrastructure of our country must be maintained because clearly it is what supports the American economy, and the American people.

☐ 1450

Mr. JOHNSTON. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania (Mr. WALKER).

Mr. WALKER. Mr. Chairman, we know what is wrong with the economy. It has been discussed here regularly on this floor this afternoon. We know what is wrong with the economy is that we are swimming in an ocean of debt and deficit. It is an ocean that has been filling up for some time. But the American people are now put in the position of drowning in that ocean.

It is nothing new that we have created debt and deficit at the Federal level. It goes back now a couple of decades at least; that those deficits have been increasing and, therefore, the debt levels have been increasing. As a matter of fact, back as far as 1978 this Congress became so concerned about the kind of debt and deficits that were being piled up that we passed a law. We said in that law that the Federal Government expenditures should not exceed its receipts. We said we could not do it in 1978, so we delayed the implementation of that law until 1981. But we said that after 1981, the Federal Government must have a balanced budget.

In 1980, we said again that we reaffirmed our belief in what we did in 1978.

Well, we are faced on this floor with a whole series of budget proposals that are in direct violation of that law that ignore the law, that say that the law is meaningless. I think it is high time that the American people face up to the fact that this Congress is not willing to do what the law requires.

We said in 1978 that we were through with mortgaging the future, future generations, with debt and deficit. Now we are saying that we are abandoning what we have put into law.

Well, I submit, Mr. Chairman, that there are a number of States around the country that have similar laws on their books. My State does. In my State we take it seriously. As a matter of fact, I do not know any State that does have a similar law on its books that does not take it seriously. Every State legislator takes it seriously, the Governors take it seriously. In cities where they have similar laws, they take it seriously, the mayor and the council.

Only in this body, only here in the Congress, do we have the arrogance to believe that we are above the law.

Now, the honest course of action would be to repeal the law. If you do not believe in it, repeal it. But we should not be ignoring it. We should not be saying that the law is meaningless, because if we can say that this law is meaningless, we can say that all laws are meaningless.

What about the President's right to impound, and all of these things we have had around here for years that we get all disturbed about if something goes wrong? Why is that law any more meaningful with regard to the budget than the law we passed that says we have to have a balanced budget? I submit they are exactly the same, and we should not be ignoring the law. We should be doing what is necessary to implement that law.

We are going to be offered only one budget on this floor that does that. Mr. ROUSSELOT of California is going to offer a substitute that balances the budget in 1983. That is the only offering that this House will have that complies with the law of the land, and I think that it is necessary that the American people focus on that fact.

Mr. JOHNSTON. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from North Carolina.

Mr. JOHNSTON. Mr. Chairman, as I understand that budget, it proposes that we spend in 1983 basically what we spend in 1982. Is that the gentleman's understanding?

Mr. WALKER. Basically, I think the gentleman is right. It is slightly less, but basically we are spending in 1983 what we are spending here in 1982, under the Rousselot budget.

Mr. JOHNSTON. Does the gentleman realize that in 1982 we spent almost $100 billion at the Federal level alone on programs based on need, and that translates out to almost $17,000 for a truly needy family in the country being spent at the Federal level? The gentleman is proposing to continue that?

Mr. WALKER. I would say to the gentleman that it sounds to me like what he is saying is that if we would pass a balanced budget, as Mr. ROUSSELOT has proposed, that this Government would be in the position of still spending $17,000 for every poor family in the country. I believe that is the gentleman's point.

Mr. JOHNSTON. Yes. If the gentleman will yield further, it seems to me that there are many of my colleagues trying to make the American taxpayer feel guilty because they are only spending on a tax-free basis $17,000 for each truly needy family in the country, and that they should increase that in 1983 because they are not doing their share for the needy families of the country at only $17,000 a year.

Mr. WALKER. I think it is important to put that together with the figure of how much the average working family made last year in this country. That figure was $14,600. So that, in fact, we are spending at the Federal level at the rate of $17,000 for every poor family, more than the average family made out working for a living last year. So it seems to me that we are being at least responsible in a balanced budget amendment that seeks to spend $17,000 for every poor family in the country.

Mr. JOHNSTON. If my colleague would yield further, it seems to me we should point out to the American taxpayers that they should feel very proud of the fact that they are spending more on needy families than they are on themselves.

The CHAIRMAN pro tempore. The time of the gentleman from Pennsylvania (Mr. WALKER) has expired.

Mr. JOHNSTON. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. WALKER. I thank the gentleman for his contribution.

Mr. Chairman, I think it is important to recognize that that can be done and still balance the budget. That is the point here. We can continue to spend at that kind of level, a very compassionate kind of level, and still balance the budget.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from California.

Mr. ROUSSELOT. I appreciate my colleague yielding.

Mr. Chairman, I am also very grateful to our colleague, the gentleman from North Carolina, Mr. JOHNSTON, a member of the Budget Committee, and I know he has been over these figures very, very carefully, for pointing out that the average poor family in this country gets $17,000 from the Federal Government. That is an astounding figure.

One would almost be led to believe from some of our colleagues that they are getting almost nothing, or practically nothing, and that if we slow down the increases in these expenditures that somehow they will be denied. Well, that is just pure bunk. I appreciate my colleague bringing that up.

Mr. JOHNSTON. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I would be glad to yield to the gentleman from North Carolina.

Mr. JOHNSTON. Mr. Chairman, I feel compelled to point out that this is the figure we are spending. I am not suggesting that it is getting to them. After all, it has to wade through this morass of bureaucracies we have created up here, all the administrators, all the consultants, all the experts in various and sundry fields, and all the levels of government it has to filter down through. This is the burden we impose on the American taxpayer.

Mr. ROUSSELOT. So that is part of the problem. President Reagan has tried to eliminate all that unnecessary bureaucracy. Part of it is stopped by bureaucracy; is that correct?

Mr. JOHNSTON. I would think that is reasonable to assume. I think that a question that probably does not concern the Congress is whether or not the programs are well designed or being properly run. I think our typical answer is just to spend more money. We do not really care whether it does the job or not. I just feel we should not cast the burden on the American taxpayer who is already bearing it to the tune of $17,000 a year for a needy family and make him think it is his fault because it is not.

☐ 1500

The CHAIRMAN pro tempore. The time of the gentleman has again expired.

Mr. JOHNSTON. Mr. Chairman, I yield an additional 2 minutes to the gentleman from Pennsylvania.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield further?

Mr. WALKER. I will be glad to yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I want to compliment my colleague from North Carolina and my colleague from Pennsylvania for making this point, that even with the balanced budget we will still be spending at almost the identical level for the poor folks in this country as we have for the past year, so it will not deny them basic benefits that we have had in these many programs. The question of whether it is reaching them because of the bureaucracy is another one.

I also wish to compliment my colleague from Pennsylvania for bringing up the point that the only resolution before us that allows us to stay within the law is the balanced budget resolution. Is that correct?

Mr. WALKER. That is exactly correct, and I thank the gentleman. I say to the gentleman we cannot emphasize that point too much, because if we vote for any of the other resolutions that will come on to this floor, we are consciously voting to violate the law of the land. I would say to the gentleman that for lawmakers to take upon themselves the kind of arrogance that is involved in a conscious decision to violate the law is a great deal of arrogance indeed.

Mr. ROUSSELOT. What is that public law number? It is 95 what?

Mr. WALKER. It is 95-435.

Mr. ROUSSELOT. That was passed in 1978?

Mr. WALKER. Yes, and reaffirmed in 1980, so that the reaffirmation of that law is only 2 years old, and many of the Members of this House were parties to not only passing the law in the first place, but to reaffirming it in 1980. Now, they stand up and say they are not willing to comply with the law.

I think that is the height of arrogance.

I would like to make one other point with regard to the balanced budget. We have heard a good deal of talk about failing businesses, particularly small businesses, and we are all worried about the fact that the deficit has brought about that situation. There is one organization in the country that represents most of those small businesses. It is an organization that has those people particularly in mind.

The CHAIRMAN pro tempore. The time of the gentleman from Pennsylvania has again expired.

Mr. JOHNSTON. Mr. Chairman, I yield 2 additional minutes to the gentleman from Pennsylvania.

Mr. WALKER. That is the National Federation of Independent Business. That group has said flatly that there is only one budget that they endorse, only one out of all of these that will be offered, and that is the Rousselot balanced budget amendment. That is the only budget that that group will support. They are going to oppose all the rest. If any of the rest of them achieve a status that comes to final passage, they would oppose final passage. They feel very strongly about this. They are going to tell their membership that and make this a part of their congressional voting index, because they feel very strongly that it is important to balance the budget. If we do not balance the budget, small businesses are going to continue to go under. This is going to be the key point with them.

I think all of us who have expressed an interest in small business, and certainly we have had a rate of failure which is totally unacceptable, need to understand that small businessmen themselves feel that there is only one budget alternative that is acceptable. That is the balanced budget alternative.

Mr. JOHNSTON. Mr. Chairman, if the gentleman will yield further, as I understand it, there has been a lot of conversation in this House recently concerning the failure rate of small business, but the Rousselot amendment is the only budget that will let the business economy next year grow faster than the growth in Government spending.

Mr. WALKER. I would say to the gentleman that he is absolutely right. Only under the Rousselot amendment is Government growth going to go down to the point that it is taking a lesser percentage of the GNP, and thereby allowing a greater percentage of that GNP to be in the private sector where those small businesses can begin to expand and grow and employ more people. And that is what we really want to bring down, the unemployment rate. The Rousselot balanced budget amendment is a jobs bill. It is the best jobs bill we have had on this floor in the last decade, and I think it is high time that we do something to really begin to produce jobs in this economy by passing a budget in the vein of the Rousselot amendment.

Mr. HAWKINS. Mr. Chairman, I yield 7 minutes to the gentleman from Maryland (Mr. MITCHELL).

Mr. OTTINGER. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of Maryland. I yield to the gentleman from New York.

Mr. OTTINGER. Mr. Chairman, I am pleased to take part again this year in the vitally important debate on the Humphrey-Hawkins full employment bill. Nothing could be more important this year, because it seems clear that we cannot rid ourselves of the gigantic deficits and the staggering interest rates that are stifling our economy unless we implement the Humphrey-Hawkins bill and adopt policies and programs that will restore full employment.

It is just incredible to me that the Reagan administration should follow Herbert Hoover's example and opt to take no action in the face of the highest unemployment, greatest business bankruptcies, lowest profits, lowest housing starts—in short, the poorest economic performance—since the Great Depression.

The Government simply must intervene to put the millions of people who want to work back on the job performing the vitally needed functions of our society—educating our children, training our workers, rebuilding our transportation systems, restoring our cities and performing essential services.

Indeed, it is only by putting our people back to work that we can hope to reduce deficits—and continuation of the Reagan policies will only bring higher deficits and risk financial collapse.

The Reagan administration seems to have ignored completely the devastating effects of unemployment on the budget—to say nothing of the human tragedy that confronts the unemployed. For every 1 percent increase in unemployment, $30 billion is added to the deficit as the unemployed can no longer pay taxes while they do receive unemployment benefits. Millions of other potential workers are thrown on welfare.

The reverse of the above cited generally accepted formula is also true—for every 1-percent decrease in unemployment, the deficit is reduced $30 billion. To restore our economic health, therefore, it is vital to get our workers back on the payrolls and paying taxes. And it is vital to restore the health of our businesses and restore equitable corporate taxes so that they will prosper and contribute their fair share to elimination of the deficit.

One important factor in restoring full employment is to reverse the Reagan administration's mindless abandonment of an energy program to reduce our dependence on imported oil. Aggressive energy efficiency efforts will put hundreds of thousands of low-skilled people back to work, and at the same reduce our greatest national security threat—that of a cutoff of OPEC oil supplies which, if it occurred, would bring our economy and that of our free world allies to a halt. Furthermore, reducing the $77 billion we paid out last year for imported oil would release U.S. capital for job-producing investments.

A large part of the inflation that led to our current economic woes was attributable to the quintupling of OPEC oil prices. While the media tend to translate oil price increases solely into increases in the price of gasoline at the pump, in fact these oil price increases affect every element of our economy and multiply that effect as they ripple through our manufacturing and distributing processes.

We are the most energy intensive society in the world. We brush our teeth with plastic toothbrushes, wear plastic clothing, eat food grown with oil-based fertilizers, drive individual cars to and from work and on vacations. Our factory machinery is run with oil. Goods get delivered to warehouses and markets in trucks. Salesmen promote products in automobiles. The factories, warehouses, and retail outlets are heated and cooled with oil. At every step of the manufacturing and distributing process, oil prices are critical.

In the face of the huge jump in oil prices and our continued vulnerability to oil supply disruptions, however, the administration has abandoned all the efforts that were underway to reduce our foreign oil dependence.

Every responsible study that had addressed the problem of our oil dependence, has reached the same conclusion: That the cheapest, quickest, cleanest way to reduce oil dependence is through improved energy efficiency and renewable energy resources. This was the conclusion of the Ford Foundation, the Carnegie-Mellon Institute, the Harvard Business School, and most recently the Department of Energy's own Solar Energy Research Institute study. The same results were confirmed by the Energy Research Advisory Board of the Department of Energy just last month.

It just so happens that the conservation and renewable strategies recommended by these studies are also the most job intensive and require the least capital.

An important contribution could be made to our full employment objectives, therefore, if we were to reverse the Reagan energy policies—drop the subsidization of capital intensive nuclear projects that produce only electricity which accounts for only 7 to 8 percent of our oil use—and invest

much more capital in energy efficiency improvements.

To give just one example, the weatherization program proposed for elimination by the Reagan administration saves oil at an average price of just $10 per barrel as opposed to $30 per barrel for nuclear energy and $70 to $100 per barrel for synthetic fuel—for which we have established an $88 billion Synthetic Fuels Corporation. Whereas nuclear and synthetics produce few jobs and require huge amounts of capital, weatherization is cheap and highly labor intensive, utilizing easily trained low-skilled workers.

A reversal of Reagan's mindless energy policies would do much to restore the health of our economy, the jobs needed by our unemployed people, and the security of our Nation.

Mr. MITCHELL of Maryland. Mr. Chairman, I followed the last portion of the debate with a great deal of interest for two reasons. First, as I recall it the Congressional Black Caucus last year offered a budget, an alternative, which was balanced. There was no response to that balanced budget from that side of the aisle.

I also followed it with a great deal of interest because there was talk about a law being broken. Well, another law has been broken, or at least it has been badly bent, and that is the Hawkins-Humphrey Act. Immediately after it was signed into law this Government, including this Congress, decided that it would implement only a portion of the law. It would implement only that portion that dealt with reducing inflation. It blithely ignored the portion that dealt with full employment. So, one law was broken, two laws were broken, and I would hope that this body would do something in its budget consideration to bring us back within the law as defined by the Hawkins-Humphrey Full Employment Act. We did not do anything about unemployment. We focused it on inflation, and indeed, we brought inflation down.

There is a very simple explanation as to why inflation is down. If you put people out of work they cannot buy, and if they cannot buy, prices will fall. That is it. Never mind how, get inflation down. Inflation has come down based upon a deliberate, systematic policy of sustaining high unemployment rates. My lord, suppose when the Hawkins-Humphrey law was passed, suppose we had implemented both parts of it. Maybe we would not be facing the economic crisis we are confronting right now, people would have been working and paying taxes and so forth.

Particularly hard hit by this policy decision to break the law or to bend it, have been the blacks and other minorities in this Nation. Since the end of World War II almost 37 years ago, the black rate of unemployment has always been twice as high as the white rate, good times, bad times, recession, boom, depression—that figure has remained constant; twice as high.

Now, we come to an astounding, mind-boggling statistic. Black unemployment in this Nation is at an awesome 18.2 percent, and we pay a price. You pay it in your city and I pay it in mine. An even more mind-boggling statistic is the fact that the black youth unemployment rate is at an astounding, incredible 48 percent—almost one out of every two black youths are unemployed, and we are responding to it by building more jails and prisons. If that is an adequate response, then something is wrong with my thinking.

The situation may get worse. It may well get worse. Several times during this debate, there have been allusions to the small business failure rate, with 40-percent increased bankruptcies over the last year partly because of high interest rates; partly because of a policy of keeping people out of work so that they cannot consume. It may get worse. It is bad enough for the entire Nation, but what about the blacks and minorities in this Nation?

□ 1510

A scholarly article recently appeared that said that unless some help is forthcoming, black businesses in America might face extinction by 1990.

We talk about the necessity to balance the budget. I have no problem with that, but there is also a necessity to deal realistically with the problems that are destroying us from within. With reference to minority businesses, we see this Government, which made a commitment to help develop an entrepreneurial class in this Nation, abandoning that commitment. We have wiped out direct loan money to minority businesses, knowing full well that they do not have the same access to the lending institutions. We have cut last year, under the infamous Gramm-Latta resolution, 27 percent of the funds for bank loan guarantees. We jacked up the interest rates, and as a result already hundreds of black businesses have failed.

We are pursuing a policy of enhancing the military. I was glad to hear some of my colleagues say that the military budget can sustain some cuts, but $1.5 trillion over 5 or 6 years is a joke. The military-industrial complex cannot even absorb that kind of money. It is a joke.

I believed all my life, and I still believe, that when the private sector fails, then it becomes the duty and the responsibility and the obligation of Government to provide. When the private sector cannot provide safe, decent, sanitary housing, then that is Government's responsibility. When jobs are not available for people who want to work because the private sector cannot provide them, then that is Government's responsibility.

The only budget that significantly addresses the problem of unemployment which is racking our communities is the Congressional Black Caucus budget.

Maybe the Members do not want to hear these things. Maybe I ought to take the position that the problems of blacks and minorities are no longer on the front burner in this country and we should not even talk about them. However for as long as I am in this Congress and as long as those problems are there, they will be addressed with all the zeal and compassion with which I can address them.

It is wrong to craft any kind of a budget that is going to exacerbate the problems of my people and those who are other minorities. It is wrong to actually distort the facts and say that poor people are going to get all this money when you know it is a distortion.

You go and tell a poor family in any neighborhood in my city that they are getting $17,000 from the Federal Government and they will laugh in your face.

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of Maryland. I will not yield at this time. I only have a limited time.

It is simply not true. Not even all the poor families who need help are getting it from the Federal Government.

Mr. Chairman, while we are all gravely concerned about record levels of unemployment, it is most obvious that the present administration's policies run counter to any desire to rectify the problem. Even as we stand here today and address the need for a full employment economy, it is almost useless when our most prominent policymakers have acquiesced to the use of widespread unemployment to combat inflation.

We are currently faced with a near 10-percent national unemployment level; for inner cities, this percentage is even higher. While this problem is apparent, it is particularly distressing to witness policies at the Federal level which chip away at Government investment in employment stimuli. Instead of addressing the unemployment problem, the leading policymakers have generated initiatives which provide greater tax breaks to large corporate entities, and offer no guarantees that these establishments will utilize the incentives to provide additional employment opportunities. Additionally, inflationary defense spending, which will not induce the creation of much needed labor-intensive facilities and projects remains a top priority even in the face of a general consensus that such spending should be reduced.

It is most distressing that the goal of full employment as contained in the Humphrey-Hawkins full employment bill, while supposedly a primary objective, has become a matter which receives mere routine attention. Certainly to accept massive unemployment as a fact of life is to totally ignore that the role of Government should be to insure that Federal money's are invested in job-creation programs. It makes very little economic or social sense to boost productivity and guarantee a healthy supply side while totally ignoring the intense need to invest in the human capital so vital to any real stability. Yet, that is exactly the nature of our current national economic policies.

Government-sponsored job training and skills acquisition programs have been, for all intents and purposes, deemphasized. Simultaneously, the administration continues to insist that the private sector will absorb the precipitous unemployment which will result.

On another note, Government-sponsored student aid programs have been reduced significantly. One wonders just how we can expect any degree of economic stability without a properly trained or educated constituency.

Last, we are certainly not stimulating the buying power of many lower- and middle-income citizens by stripping away those Government-sponsored initiatives which enable these families to acquire jobs, educate their children, or own homes.

In the absence of the full employment objective, as contained in the Humphrey-Hawkins initiative, we are merely using temporary solutions for long-term problems. It is the role of Government to work in conjunction with the private sector to insure job opportunities. It cannot and should not be to totally withdraw, and entrust private entities with meeting all of our economic or social goals. The prevailing policies which eliminate job opportunities for millions, and maintain unemployment for just as many, must be reevaluated. If indeed this Government continues to provide for numerous tax incentives for corporate entities, then we must take a more stringent approach to insuring that these incentives will be used to: Promote more employment opportunities; invest in economically depressed communities; and, increase aid to smaller businesses that provide the greatest number of jobs.

The CHAIRMAN pro tempore. The Chair recognizes the gentleman from North Carolina (Mr. Martin).

Mr. MARTIN of North Carolina. Mr. Chairman, I yield 11 minutes to the distinguished gentleman from California (Mr. Rousselot).

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. Yes, I will be glad to yield to my colleague, the gentleman from Pennsylvania.

Mr. WALKER. Mr. Chairman, I thank the gentleman for yielding.

I have asked the gentleman to yield because I think it is important to emphasize the fact that to call the figure of $17,000 a distortion—and I think it was even called a lie—is just absolutely untrue itself. What we said was that the Federal Government is spending $17,000 for every one of those families in programs directed toward needy people.

We also said that the money is not getting to the people, and we asked the question why. We asked, "Why doesn't the money get to those people?" And the answer is because it is eaten by bureaucrats here in Washington.

If the gentleman's families are not getting that kind of money, I think the gentleman ought to ask why they are not getting that money, because that is what the taxpayers are being asked to pay and that is one of the problems with the Federal Government.

Mr. ROUSSELOT. Mr. Chairman, I think that was pretty evident from the discussion we had a few minutes ago, and I know that my colleague, the gentleman from Maryland (Mr. Mitchell) does understand that we were not saying that all Federal dollars spent for people in poverty reach them. As a matter of fact, that was part of our complaint with any of these programs.

As desirous as they seem, as worthy as the purposes of those programs appeared to be when they were passed, part of the problem is that they do not receive the full amount of money that was appropriated under those programs. It gets tied up in bureaucracy; it gets tied up in other channels before it even reaches them.

Many of us complain about that problem and feel that those programs designed to aid the needy and to help those in dire circumstances should be designed in such a way that those who are supposed to receive it really receive it, that it is not just a hope and a promise of something that somehow ends up in complicated bureaucratic agencies here.

That has been much of our complaint about some of these programs, and one of them that I think of is CETA; because we have felt that many of the cities have tranferred people from their payrolls on the city level and put them on CETA payrolls. So that has really not helped people to be retrained for new jobs, as was the original intent of the CETA program.

So I think that the point we were trying to make can be sustained, that even though the average dollar amount going to the average poor family in this country averages out to $17,000 per family, we are the first to acknowledge that they do not really all get it. That is part of the problem, and that is why we think there needs to be a change in direction.

Now, let me comment briefly on the balanced budget concept that will be given and the resolution that will be before this body next week. We genuinely believe that this is the one resolution on which Members can vote with a sense of knowing that they are voting to comply with the law. We have passed twice in this House a commitment to live within the means or the revenues that the Federal Government gets.

This budget resolution will definitely state that we intend to live and will live within the revenues that are contemplated to be coming in in fiscal year 1983, which begins on October 1 of this year. We think on that basis alone it is important.

Second, we believe that in an appropriate way it holds the line on spending increases so that we can say to the Nation that we now are not going to be the exception as Government, that we intend to live within the revenues that we know can be anticipated to be received by the Federal Government.

An awful lot of people in this country have said over and over to every Member of this House, "How is it that the Congress of the United States, which has the total control over the purse strings of this Federal Government, cannot vote to live within the revenues?" The control is here. We cannot put all the blame down the street on President Reagan. He has not created all these deficits; it has been done right here on this floor.

People ask us over and over again, "Why is it that this Congress cannot vote to live within the revenues that it is going to receive?"

I think that here we have a positive step that we can take to say to the rest of this country and to the economy that we will live within the revenues that we know will be coming in in 1983, and that we will hold the line on spending.

As the Members know, in our proposal we suggest a freeze on all checks being issued to individuals beginning October 1, 1982, for the fiscal year. That will not prevent the automatic escalation that occurs for social security recipients because that goes into place at the rate of roughly 7.4 percent for July. That will go into place. But we are saying that one way to achieve this is to say that the Federal Government in its entirety will freeze the payment levels at that level—not cut them back but freeze them—and that will save roughly $25 billion in the fiscal year for 1983.

□ 1520

I know some might say, "Well, that is too difficult a step to approach." But we are one of the few governments in the world or in this country that automatically escalates every payment every year. We say the time has come to say to the rest of the economy, to everybody else that does not automatically receive those kind of increases, that we will get the Federal Government for 1 year to stay basically where they are as of October 1, 1982, at the beginning of the fiscal year.

Mr. FAUNTROY. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I will be delighted to yield to my colleague from the District of Columbia.

Mr. FAUNTROY. I am, of course, intrigued by the gentleman's now affection for the balanced budget. We had a balanced budget proposal last year which if it had been followed would have relieved us of the large deficit we have today.

Mr. ROUSSELOT. The gentleman is talking about the proposal he made?

Mr. FAUNTROY. The proposal made by the Congressional Black Caucus.

Mr. ROUSSELOT. We probably should have taken a better look at that.

Mr. FAUNTROY. You certainly should have.

Did I understand the gentleman to say that his resolution would freeze all payments to individuals?

Mr. ROUSSELOT. That is right.

Mr. FAUNTROY. Do you freeze payments as well to corporations that have contracts with the Government with respect to our defense spending?

Mr. ROUSSELOT. Yes.

Mr. FAUNTROY. And by how much?

Mr. ROUSSELOT. No escalators, no anything. Also the military, I will say to the gentleman.

The gentleman understands what I just said, the military.

Mr. FAUNTROY. Yes. The Fauntroy substitute holds defense spending level at $200 billion. Does the gentleman's budget match that?

Mr. ROUSSELOT. In the proposed balanced budget, in our resolution which I am sending today to each of you, we all are, those of us who are cosponsors, we have a spending level for 1983, beginning October 1, for all defense activities of $213 billion.

Mr. FAUNTROY. That is about $14 billion more than we propose.

The fact is that in the first instance we gave away what came out to be $35 billion in tax relief which we financed in the deficit spending.

Mr. ROUSSELOT. I am sure, if I can interrupt just briefly, the gentleman does not really believe that by allowing people, taxpayers, to keep a little more of the money that they earned, that that is a giveaway.

I am sure the gentleman did not mean to say that.

Mr. FAUNTROY. No, I did not mean that.

Mr. ROUSSELOT. That means the average worker got to retain a little more of what he earned. That is not a giveaway. That is allowing them to keep what they earned.

Mr. FAUNTROY. If the gentleman will support the Fauntroy substitute tax measure he will find that 96 percent of the people will receive that tax relief and not the 2 percent who make the $200,000 a year that the gentleman knows was the effect of the tax break last year.

So I hope the gentleman does not mind my characterizing the windfall tax exemption of $1 billion to already well-healed oil companies was a reduction for them in what they have to pay.

Mr. ROUSSELOT. As the gentleman well knows, in the tax bill that left the House we did not have the provisions of which he speaks. The gentleman and I did not vote for those. Those were put in by the other body, as we say, and so we did not support the concept of which the gentleman speaks.

Let me just conclude my statement.

Mr. FAUNTROY. I thank the gentleman for yielding.

Mr. ROUSSELOT. I appreciate my colleague's comments. He is absolutely correct. I wish we had worked very aggressively for a balanced budget last year. I think we would have been better off.

Mr. Chairman, I would like to address myself to the measure, House Concurrent Resolution 345, the first concurrent budget resolution for fiscal year 1983.

First, I want to say that I recognize the hard work of the members of the Budget Committee and the many difficulties that they have faced. But the appalling fact is that, even after all their hard work, all the difficult choices, they have brought to the floor of the House a resolution which projects deficits exceeding $100 billion. That means, Mr. Chairman, that if we are to pass this resolution, a majority of Members of the U.S. House of Representatives must go on record as stating that the deficits which are appropriated for this year, or the next, or the one after that, are OK.

That is baloney. Perhaps a majority of you here can cast such a vote by supporting the committee budget. I certainly am convinced that a majority of the American people would not cast any such vote. I certainly will not.

I support the President's program for economic recovery. Because the President has shown the determination to control rampant Federal spending I have continued to not only support, but to advocate many of his restraints proposed for Government spending.

But coupled with that we have huge deficits—deficits which are now apparent to us all, but which also have put a hamstring on the control of Federal spending.

If we are to have any hope of getting on a sound economic basis, if we are to reduce interest rates, if we are to encourage job-creating economic growth, if we are to continue to hold down inflation, then I believe the present budget resolution must be substantially reshaped. The figures submitted by the budget resolution simply are too high on the spending side and, as a result, too high on the deficit side. In addition, they fund this spending with increased revenues. Even the revenues are too high. Let us not forget that this means higher and higher taxes for our constituents.

The projected deficits are too alarming to be permitted to stand.

I do not contend that these deficits can be cut without discomfort, but the longer we put off getting on a sound economic basis the more difficult it will be for everybody—the rich and the poor alike.

The Defense Department must be aware, for example, that while a strong national defense is essential, it cannot be maintained in the long run without a sound economy and a soundly based financial structure. Entitlement programs cannot be exempt from reductions, except where we are awaiting the report of the committee which is now studying the entire scope of the social security program, with the mission of preserving its solvency.

We must have a credible program of deficit reduction—otherwise, the critical element of business and consumer confidence will be lacking, and a soundly based and sustainable economic recovery will not be forthcoming.

While I am not an economist, I have discussed this subject with many prominent and noted economists and they overwhelmingly agree that while the seeds of recovery are in the ground—it does not insure a bumper crop. What is needed to tend to these seeds, the necessary nutrients and water and sunshine, is a drop, a substantial drop, in interest rates. These economists all agree that an elimination of the Federal deficit would be just what the farmer ordered for these seeds.

What remains to be seen are the strength, the scope, and the duration of any such recovery. And the determination of that will depend to a significant extent on what is done by the Congress in acting on the budget.

The immediate and actual consequences of our budgetary decisions are considerable. But the psychological effects are even greater.

In summary, I cannot support the budget submitted by the Budget Committee for two basic reasons: One, spending is too high, and two, the deficits are too great.

What I can support is the alternative budget resolution substitute I, and several of my colleagues in the House, including two members of the Budget Committee, have introduced—the balanced budget substitute.

For the past 11 years I have offered my balanced budget substitute resolution. The need for this resolution is even more pressing this year. It is imperative that the Congress send a signal—and a strong one—to Wall Street and the business community.

The deficits incurred by the rampant Federal spending of previous years is affecting the economy of this country. A lot of people lend money or have money loaned to them by others. They know about deficits and they know we have got to somehow do something about it. If not, we will have another period of superinflation. The Federal Reserve is going to be forced to loosen money enormously to prevent a disaster unless we have fiscal restraint here in the Congress.

Any approach that does not substantially reduce deficits will not be credible to those that lend money. Interest rates will not come down if large deficits are passed by the Congress. People have become educated about our deficit. Our colleague on the Senate side, Senator PETE DOMENICI, has stated on the floor of the Senate that "the budget process, for all its shortcomings, has finally convinced people that they ought to look at the budget for a few years into the future, make some projections and say, 'something is wrong,' or 'gee, things are great.' "

Can you imagine, Mr. Chairman, how the business community would respond if we told them that we had a balanced budget in 1983? I can tell you—they would say that interest rates would go down. That this is the signal that Wall Street has been waiting for.

Now, Mr. Chairman, can you imagine what these same lenders will say if we produce a fiscal year 1983 budget with the deficits skyrocketing or even camouflaged with a social security budget shifted to the side? Surely, interest rates would not be lowered. It is now time to solve these deficit problems.

It is unrealistic to expect interest rates to come down when a $100 billion 1983 Federal deficit coupled with Federal off-budget borrowing will consume 80 percent of the personal savings of Americans.

As the Federal Government borrows more and more money, it leaves only a tiny residue of savings which can be used for personal and business loans. That scarcity of available savings keeps interest rates high. And if we do not bring interest rates down dramatically, and I am talking not 2 to 4 but 6 to 8 percentage points, we will face higher unemployment, ever greater numbers of bankruptcies, and the prospect of a return to double-digit inflation as pressures mount to increase the money supply to finance Federal borrowing.

Courage is what is needed. The balanced budget substitute creates hardship for some Americans—but it is a fair and equitable discomfort. It calls for spending restraints in all Federal programs. No one is exempt.

The American people want to go back to work. Our resolution will accomplish this. Otherwise, we will have a weak economy, high unemployment and further deficit spending.

Let us bear in mind that while reducing the interest rates—we will be putting Americans back to work.

While balancing the budget is not easy—and by no means politically popular in all circles—it is necessary. It is a budget that can initiate action and a budget that will show Americans that we mean action and can do it in a limited time frame.

Judging by our current fiscal policy, the Congress has no intention of balancing the budget through an expanding economy. Today's high interest rates are wiping out all the economic gains that we could be making in response to the tax cuts that were enacted last year, 1981.

Day by day, inflation is increasing the tax burden levied on labor and capital. In so doing, it is virtually guaranteeing a recession. Inflation is a monetary phenomenon, and until we start "trading tobacco leaves" in the economy, as our forefathers did, inflation will continue to be a monetary phenomenon—caused by too much money chasing too few goods. If we are trying to slow down inflation, we should slow down the Federal Reserves' printing presses—not the productive economy—and the only way feasible to do this is to eliminate deficit spending.

Despite all the myths, we must face the cold facts as to what budget deficits are, and are not. Budget deficits represent an obligation that the Government has to those citizens from whom it has borrowed. It is an obligation to levy taxes on the general citizenry upon the maturity of the debt. In some instances the budget deficit is financed via the Federal Reserve bank's printing presses and this can be inflationary. Historically, the Fed's role in financing the debt has been partly to blame for our current high interest rates. The real problem with running budget deficits is that in most cases they are simply an expedient way of redistributing earnings from one segment of our society to another segment by forcing future generations to pay for the tab.

Unfortunately, today's generation of taxpayers is already paying part of the tab. With deficits growing, the Federal Government's obligation to increase tax rates has also been growing. As a consequence, our Nation's financial managers have been systematically turning down high risk projects with paybacks too far off in the future. The bottom line has been that investment has been dropping off over a period of years and along with it productivity. The only reason investment has not fallen completely out of bed is because of the tax cuts we enacted last session.

Mr. Chairman, there can be no doubt of the need to balance the Federal budget. Large deficits associated with increased Federal spending either contribute to inflation or serve only to stifle investment because of the expectation of higher taxes in future years. Nor can there be any doubt that the drafters of our Constitution ever intended to provide the Congress with a free ride to spend to their heart's content by virtue of inflation and higher taxes. They adopted provision to limit the Federal Government—but adoption of the 16th amendment has lead to the emergence of powerful special interest groups in society who are competing for larger and larger shares of a growing Federal spending pie.

The Congress is in need of a new set of fiscal rules which automatically limits the growth and the size of the Federal pie by constraining the power to raise taxes either through inflation or by direct vote. Ironically, the more the Federal Government has spent, the less productive our economy has become.

Congress must renavigate its fiscal course and reduce the size and scope of Federal Government. We must put an end to the unconscionable Federal intrusions into the workings of our national economy. Congress has the power to restrain Federal Government spending and balance the budget.

But, do they have the courage?

If they do, they will face that tough decision and vote for a balanced budget in the next fiscal year. I am totally convinced that we have no choice but to accept some discomfort now as individuals in order to prevent the human and economic tragedy promised by continuing high deficits.

Mr. Chairman, I rise in opposition to the budget resolution supported by the chairman of the House Budget Committee. I cannot vote for high spending side-by-side with high deficits. I will work toward the passage of my amendment—the only substitute which is a balanced budget substitute.

Mr. HAWKINS. Mr. Chairman, I yield 4 minutes to the gentleman from Illinois (Mr. WASHINGTON).

Mr. KILDEE. Mr. Chairman, will the gentleman yield?

Mr. WASHINGTON. I yield to the gentleman from Michigan.

Mr. KILDEE. Mr. Chairman, we can no longer ignore reality. We can no longer blink at the fact that we are in a serious recession. The American people have a right to expect that the Federal Government will respond to these conditions. The Federal Government is the only organization which can take countercyclical actions to alleviate the economic conditions which are making far too many people suffer.

This is not a novel concept. As long ago as the Truman administration, the Congress established a national goal of full employment. Implicit in that goal is a Federal responsibility.

There can be little doubt that the present administration has disregarded that responsibility. Nationally, we are in the most serious recession since the 1930's. Unemployment has reached alarming proportions. In my own district, we have nothing short of depression conditions, The unemployment rate in my home city, Flint, Mich., is now 26.4 percent. Unemployment in the State of Michigan is 17 percent.

The budget which was passed last year and the budget which the administration proposed this year ignored the goal of full employment. Quite frankly, they have exacerbated the problem. In exchange, we have received promises that conditions will gradually improve. Even the administration's economists do not predict full recovery in the near future. I would ask what the unemployed people in Flint, Mich., are going to do until the recovery comes. Under the administration's proposals, they are merely unfortunate victims who must sacrifice until the promises are fulfilled. The administration would have us believe that it is in the national interest to turn our heads away from their suffering.

I am disturbed that the administration would have us reduce the very programs which would help to spur economic recovery. It is extremely shortsighted to cut back on training programs and education programs which will help develop the skills which are needed.

Mr. Chairman, I would hope that this debate will prove to be more than lipservice to a national goal. I would urge my colleagues to seriously consider the substitute amendments which will be offered and to support the Simon amendment which will restore funding for needed education programs.

I would ask my colleagues not to turn their heads but to remember that the statistics which are so easily passed over represent millions of flesh and blood people and millions of individual tragedies.

Mr. WASHINGTON. Mr. Chairman, I am very pained by what is happening to America. Unemployment continues to rise. Bankruptcies are at record levels—the rate of business failures is only 17 percent lower than in the Great Depression—and many more companies are barely holding on. The banking industry is in disarray. Savings and loan and the vital cushion of social programs—the so-called safety net—has been sacked in support of Reaganomics.

I believe the actual situation is much worse than many of our colleagues will admit. Thirty-five years ago, the United States had 60 percent of the world's industrial capacity within our borders. American companies could bounce back from an economic downturn, and find their markets still intact. Now we are barely holding on. Our competitive position is weakened and each year the situation gets worse.

Yet, rather than realistic planning to revitalize the economy and increase the productivity and earnings of our people, Americans are handed jingoistic ads about getting tough with Japan. What we need is less posturing and more planning.

Instead of stimulating the troubled housing industry, the President has asked to reduce Federal subsidies for construction and rehabilitation, and now promises to veto the mortgage interest supplement we passed for home purchasers. The immediate affect will be a further decline in housing starts.

Instead of improving the technological skills of American workers, the administration wants to cut aid to education by another $1.4 billion.

The administration strategy for dealing with the problems of displaced workers has been to cut job training and youth unemployment programs by $2.2 billion, and to encourage American workers to "vote with their feet."

We have a declining transportation infrastructure, and an economy in which fewer of our families can afford more than one car. And yet the administration proposes additional cuts in aid to mass transit systems, driving some small systems out of business and allowing our largest systems to fall apart.

Mr. Chairman, it is senseless to suggest, as last year's budget did, that the Federal Government has no role to play in setting policies which relate fiscal growth to declines in unemployment, and which enable U.S. workers and U.S. companies to compete with their counterparts overseas.

Last year, I believe this body failed the American people. We allowed ourselves to substitute one man's popularity for commonsense.

Now the question is how many of us in the Congress will have the courage to admit that we were wrong.

I would suggest one step in that direction would be simply to take a good, hard look at the Fauntroy substitute which is the work product of the Congressional Black Caucus. It has been admitted here that it was the only budget submitted last year which had a zero deficit.

I suggest my colleagues take a good, hard look at that and I think they will find within the confines of that very ingenious budget perhaps the road to success in this country.

● Mr. DELLUMS. Mr. Chairman, during a recent interview, the President complained about the television news coverage he was receiving about the state of the economy. Evidently, in his view, if the massive unemployment problem was not reported, then it did not exist. The fact is that massive unemployment is the reality in numerous sections of the country. The latest statistics indicate that more than 10 million Americans are out of work. The unemployment rate in many Northeastern States has almost matched the levels of the Great Depression. In the past 3 years, California has lost more than a quarter of a million manufacturing jobs. In the bay area, the Mack truck plant, 1,400 jobs; the Colgate-Palmolive plant, 400 jobs; the General Motors parts plant, 450 jobs; the General Motors assembly plant, 6,000 jobs; and the Ford assembly plant, 4,000 jobs; have all been closed. The situation is terribly serious.

Among the numerous reasons for these employment disasters is the worsening recession, further aggravated by high interest rates, an increasing concentration of spending on the military, capital flight to low-wage and low-working condition countries in the Third World, and the conscious retreat from the principles of the Humphrey-Hawkins Full Employment Act.

For the purposes of this statement let me focus here on just one of those aspects, the massive transfer of our scarce domestic resources to the military. In part this is a guns and butter debate, but in part this massive defense spending leads to the undermining of the overall U.S. economy.

In the guns versus butter debate the administration has chosen guns, financed directly by cuts in social programs. The real problem, however, results from the impact of those defense dollars on the economy. The massive military spending increases, inadequately financed by taxes, exacerbate the ever-increasing deficit which the administration has pledged to eliminate. This creates a credibility problem; more importantly, the deficits crowd our commercial borrowing, keep interest rates high, and add to inflationary pressures. In addition, the defense dollars directly fuel inflation by channeling additional demand into an already crowded industrial market for machinery, raw materials, skilled labor, scientists, and engineers. Rising prices for these critical production inputs will result in price increases throughout the entire economy.

One of the justifications used by many in Congress to support the military or to temper their opposition to such amounts of military spending is the argument of jobs. However, defense spending actually interferes with efforts to create new employment opportunities in a labor market approaching 10 percent unemployment. While defense spending increases will maintain employment in defense industries, few new jobs will be created in this highly capital intensive sector—note the declining membership in the aerospace divisions of the UAW and the Machinists. In the less employed part of the U.S. economy—urban areas, minorities, women, less-skilled workers—defense dollars do not help and Federal support is disappearing. Military spending may create some jobs, a similar amount of money spent in the civilian sector would result in vastly greater numbers of jobs. This is so primarily because of the capital intensivity of military spending. Most of the spending is for either capital equipment or for highly specialized technical employment. Thus whereas the job-creating argument is not incorrect, it is false in comparison with the alternative uses of those moneys in the civilian sector.

What is happening is that we are reducing economic security. Cuts in income support, unemployment, welfare, food stamp programs, and so forth, make people more vulnerable in the workplace. The fear of joblessness stifles demands for better working conditions, better wages, more humane employment. In addition to the initial hardships being placed on people, there is a potentially radical transformation in the workplace away from the fight for better conditions on behalf of the work force back to a time when employers could demand of their workers whatever they wanted under whatever conditions they desired.

Further, it is imperative that the administration realize that the use of unemployment as a weapon against inflation is an unrealistic and particularly heartless approach to fiscal policy.

The Humphrey-Hawkins Act called for full employment, or 3-percent unemployment, as a target for 1983. This administration seems to see no need to comply with this law. Instead, as unemployment reaches new postwar highs, the administration insists on cutting way back on the very programs that have been designed and have been in place for decades to help persons who have been afflicted by low income or no income. Food programs, job training programs, vocational education programs, income security, and welfare assistance programs are all under attack by the Reagan administration.

As the May 7 figures from the Bureau of Labor Statistics indicate, no fewer than 10 categories of unemployment have reached new highs. Over 10,300,000 people are out of work; 9.4 percent of the workers in the labor force have no jobs. The number of discouraged workers, who have given up hope of finding jobs, is at a new high: 18.4 percent of the black labor force is out of work, and an alarming 48.1 percent of black teenagers have no work. Women, blue-collar workers, the working poor, almost every category of American except the already rich are experiencing the worst employment situation since before the Second World War.

As inflation falls slightly, due to a worldwide energy glut and a national recession, the administration tells us that record unemployment is the "price you have to pay for bringing down inflation."

It is time that the administration realizes that the health of the economy, the very issue which it claims brought it to power, needs immediate attention, in the form of a reversal of priorities. The use of unemployment as a weapon against inflation is not the answer. The problems of the world do not lend themselves to military solutions. The problems of our country do not lend themselves to massive, wasteful military spending programs.

I, and more than 40 of our colleagues, have introduced House Resolution 463, which expresses the sense of the House that the administration should give the reduction of unemployment a higher priority in determining the fiscal and monetary policy of this Nation. It is time that this Government, the Congress and the residents of "South Succotash" be able to come out from under the economic policies which are causing record unemployment, record deficits, and a massive recession.●

Mr. LATTA. Mr. Chairman, I yield 10 minutes to the gentleman from Texas (Mr. Archer).

Mr. ARCHER. Mr. Chairman, I think it is time for us to rise above the question of whether we are Republicans or Democrats, whether we might obtain some partisan political advantage in our election campaigns this year, and talk about the problem that faces this country.

Although the absolute interest rates have declined from 21.5 percent to 16.5 or 17 percent, we must admit to the fact that interest rates relative to inflation are the highest that this country has ever known in all of its history.

Americans want to buy homes, they want to buy cars. Survey after survey is taken of consumers in this country and they report back yes, they want to make those purchases. The question then is asked: "Why are you not buying a home and why are you not buying a car?" And the answer is clear as a clarion bell, "because interest rates are too high."

□ 1530

Then the question is asked: What rate of interest would it take for you to buy a car and to buy a home? The resounding answer is: Under 12 percent.

The Rousselot proposal for a balanced budget is the only proposal before this Congress that will reduce interest rates below 12 percent. Every other proposal involves a deficit of over $110 billion for fiscal year 1983. A deficit of that size, when coupled with the off-budget borrowing of the Federal Government, will consume 80 percent of the savings of the American people in the year 1983. There is no way for a significant reduction in interest rates under those circumstances. And the problem before this country that must be unlocked is interest rates, interest rates, interest rates.

The other budget proposals cavalierly treat the deficit, they cavalierly treat interest rates, and they do not remove that blockage. Under this balanced budget proposal, within a very short period of time we will see interest rates cut in half, and we will unleash the greatest resurgence of economic activity that this country has seen in generations. We will have the jobs, we will have the productivity, we will have the ability to meet the needs of both defense and the social programs; but we will only have it if we reduce interest rates. It is the only alternative available to this Congress to reduce interest rates, and that is to reduce the deficit and to get the Federal Government out of the borrowing market in competition with all of us who want to buy cars and homes.

Because this is so important to the economic vitality of this country, the National Federation of Independent Business that represents over 500,000 small businesses across this country has signed on in active support of the Rousselot proposal. It is based around the concept of a freeze, where everybody who receives a payment from the Federal Government, whether they be active or retired, will receive a freeze in that check for 1 year beginning October 1. The increases that are due to occur between now and October 1 would not be touched, but it would evenly balance across the board all Americans. That in itself would save $25 billion in the deficit.

I am worried about the economy of this country. I am worried so much that I do not believe that we can any longer talk about reelection or band-aids or minor changes. We must talk about major surgery. The boat is taking on water, and turning on the power is not going to help if we do not stop the water that is being taken on. There is no other proposal that will accomplish a reduction in interest rates. And if I am correct that that is the No. 1 priority that we should be considering in our deliberations, we must adopt the Rousselot proposal.

Yes, it is not going to be easy. It is never easy to restrain spending at the Federal level. But I think it is essential. And I think the American people are ready to halt these interest rates, even though it will be a difficult thing. Young and old alike have a stake in this, and time is running out. It is up to us this year, even in an election year, to act and act responsibly.

The CHAIRMAN pro tempore. The Chair will state that the gentleman from California (Mr. Hawkins) has 9 minutes remaining, and the gentleman from Ohio (Mr. Latta) has 7 minutes remaining.

Mr. HAWKINS. Mr. Chairman, I yield my remaining time to the gentleman from California (Mr. Panetta).

Mr. PANETTA. Mr. Chairman, first of all, I would like to express my gratitude to the gentleman from California (Mr. Hawkins) for giving me the opportunity to speak at this point in the debate. Also I would like to express my gratitude and thanks to the chairman of the committee, the gentleman from Oklahoma (Mr. Jones), for the work that he has done in what is truly a very difficult task, and becoming almost an impossible task in the Congress, of trying to fashion a budget resolution.

We find almost every year that there are growing differences in terms of priorities, regional differences, political differences, economic differences, and it becomes tougher and tougher to try to fashion a budget resolution that attempts to find the proper balance, the proper compromise, between all of these pressures, all of these decisions, all of these challenges.

As always, I think the committee has tried to do an excellent job at finding what is a proper balance between the various priorities in this House. The committee bill that is presently before the House represents that kind of balance. For that reason, it was supported by those of us in the committee who felt it represented that balance and, hopefully, all Members will find it to represent the proper balance in terms of the priorities that we are concerned about.

I also recognize that Members also are anxious to have other choices, other preferences, and they seek to be given that opportunity—indeed this rule gives them that opportunity—to select other choices, because obviously our greatest concern from a budget point of view, from a process point of view, from an economic point of view, is that regardless of the choices that you favor, regardless of the alternatives that you favor, it is extremely important that in the end this institution respond with a budget resolution. If we fail to pass a budget resolution at the end of next week, regardless of what alternative you support, regardless of what substitute you support, we will have all failed, and the signal that will go out to this economy and to the investment community will be clear: The Congress, the House of Representatives is unable to respond to what is our responsibility in trying to properly manage the economy.

So ultimately we must adopt a budget resolution. In that effort, I have joined with colleagues from both sides of the aisle in offering another choice, the choice represented by the Aspin-Pritchard substitute, which is one of the substitutes that Members will have an opportunity to vote on near the end of the debate. It tries, I think, to find, again, a balance between the various choices that are offered here, so that Members, hopefully, once they have exercised their first choice, will recognize that in this proposal there is an alternative that, hopefully, we can all join in adopting and taking to conference.

I think that for the benefit of Members there are four basic guidelines that Members must look at in determining what their ultimate choice will be: Deficit, fairness, productivity, and passability.

First is the question of the size of the deficit. And obviously the goal is to achieve a resolution that has the lowest deficit in real terms. I understand that there are balanced budget amendments, and I am sure there are Members who will exercise their decision in trying to achieve a balanced budget. But, frankly, in realistic terms, the ability to achieve a balanced budget by freezing all checks that go out to everybody in this country immediately simply is not going to happen politically. You could not pass $40 billion in savings in social security either on the Senate or House side. It is not very likely that we are going to pass a balanced budget amendment that freezes everybody's check.

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So, realistically, I would ask you while you may wish to exercise that particular option, I think ultimately you have to look for the substitute that is the most practical, that has the least deficit in real terms, in achievable terms, because if there is anything we are trying to achieve in this budget resolution battle, it is to reduce the deficits in real terms.

We are facing record deficits in this country. It has been mentioned time and time again, and because of those deficits, there is no way we will be able to get any kind of economic turnaround in this country.

It is for that reason that we must select a resolution that takes us toward a balanced budget and does it in a meaningful way.

The alternative that we have proposed, and I think the committee alternative as well, does an excellent job in directing us toward that goal. So the test that I would ask all Members to ask, what proposal provides the least deficit. The Aspin proposal, the Aspin substitute, provides a deficit of $95 billion the first year as compared with $103 billion for the committee, $100 billion for the Latta substitute.

Mr. MARTIN of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. PANETTA. I yield to the gentleman from North Carolina.

Mr. MARTIN of North Carolina. There is another substitute that we hope will get the full attention of the House. It does provide for a balanced budget, whereby the deficit would be zero.

Mr. PANETTA. I have made reference to that and, obviously, Members can exercise that choice. I just feel that ultimately, in terms of real terms, that that simply will not be adopted by the House or by the Congress and, therefore, I would hope that one of the choices near the end that clearly holds the possibility of being adopted that Members will again ask the same question what has the least deficit of those substitutes.

Second, I think fairness is extremely important. The proposal that is being proposed represents a fair balance in the priorities that we wish to establish in this country. There is no question that the budget resolution adopted last year and the implementation of that resolution placed the primary burden on programs that impact on people at middle and lower income levels. There is no much question that was the case, $35 to $40 billion much of which I dealt with directly as chairman of the reconciliation bill, clearly impacted on people at the lower income levels.

At the same time we were doing that, we were also enacting proposals that expanded defense to record levels and that expanded and provided a record revenue cut in this country. We simply cannot achieve a balanced budget by implementing those kinds of policies. You cannot do one thing with one hand and give it out with the other hand and expect that you are going to balance the budget. So, obviously, to get those deficits down and do it in a rational way it means that we do have to look at the defense budget. It means we do have to look at revenues and it means we do have to look at other reductions in savings in order to achieve that goal. Surely we ought not to attack the basic programs that support people at the lowest end of the ladder, particularly when we are experiencing the kind of recession and unemployment that is going on in the economy at the present time.

The proposal that we have offered finds, I think, that kind of balance and fairness not only in trying to protect programs in the discretionary and entitlement area but also by looking to the credit budget for additional savings, an area that has not been looked at by past budget resolutions, an area that is extremely important to be considered if indeed we are going to try to hold down all areas of expenditures at the Federal level. It also looks at revenues as well. But the overall 3-year revenue package I would remind the Members is less over 3 years than what is provided in the committee proposal.

The third area that I think needs to be asked is the area of productivity, the future. We cannot simply target the present resolution without asking the question what about the future. What kind of country do we want to have down the road? What kind of investment do we want to make as a nation in terms of the future? We cannot simply go ahead and worry about cutting here and/or cutting there without asking ourselves the question what do we want to protect? What do we want to invest in for the future? And that I think is addressed in the substitute that I have referred to both in terms of agriculture, with the additional for soil conservation, for education for the handicapped, for student aid, for training and unemployment to deal with the unemployed.

The CHAIRMAN pro tempore. The time of the gentleman from California (Mr. Panetta) has expired.

Mr. LATTA. Mr. Chairman, I yield 2 additional minutes to the gentleman from California (Mr. Panetta).

Mr. PANETTA. I thank the gentleman for yielding.

For the additions include in particular an area of productivity in which we have expanded assistance for research, which we think is extremely important in terms of a future investment.

Japan today graduates more engineers than the United States. We have to understand that that kind of investment for our future is important if we are indeed to have a productive economy.

The fourth and final test that I would ask Members to ask is what is passable in the end? If you are concerned about a resolution that must be adopted, then the question must be asked is this a resolution that in fact is passable, that can be supported on both sides of the aisle and that we can take to a conference? And there again I would urge your consideration of the Aspin substitute.

Finally, on reconciliation, although the language in all of the substitutes is not the strong language of last year, we have to recognize that there are, obviously, more difficult problems facing us this year both in terms of revenues as well as reductions. But I would urge you in terms of any efforts to reduce that language in the enforcementability to vote against those efforts. We need to have enforcement of any resolution.

The choices are before us.

Next week we begin to vote. The debate I think will be a good one. We will be able to look at various alternatives. But in the end I would urge one thing. This institution must respond and we must adopt a budget resolution.

The CHAIRMAN pro tempore. The gentleman from Ohio (Mr. Latta) has 5 minutes remaining.

Mr. LATTA. I yield such time as he may consume to the gentleman from Texas (Mr. Leland).

Mr. LELAND. Mr. Chairman, I want to compliment Mr. Hawkins for the fine leadership of this afternoon's discussion of economic priorities. It is indeed important to precede the debate on the budget with such a discussion. Only if we are clear on what our national priorities should be can we debate the budget, which is essentially the allocation of national resources according to our priorities.

I believe that we are going in the wrong direction toward achieving a lower rate of unemployment, inflation, and a reasonably balanced budget. Too much is being sacrificed to defense, to the invisible hand and nebulous benefits of free markets, without an eye for the long run, without an eye to the future.

Looking at one specific example, in the area of energy policy there are some very questionable priorities being set. Nobody doubts that we need an energy policy which looks to the future. We need an energy policy which realizes that the energy crisis only began in 1973, and will continue long into the future unless we take definitive steps toward conservation and the development of safe alternative sources.

But what do we see? A full 56 percent of the Reagan budget energy function goes to defense activities—atomic energy defense activities, and a full 88 percent of the energy function goes to nuclear related spending.

On the other hand, conservation programs are reduced to 2 percent of all energy spending, solar programs to 6 percent, and synthetic fuel programs to 4 percent.

While one clear national priority should be the development of safe alternative energy programs and energy conservation programs, these have been sacrificed and are being sacrificed to defense and nuclear power development.

My colleagues, I do not think that anyone is fooled any longer by the mirage of Gramm-Latta which this body passed in the first session. What was sold to the American people was an economic program which was to reduce the role of Government in the economy and reduce Federal spending. The American people were told to tighten their belts, to forgo important services from health to education, do without the basic Government assistance which insured a certain level of welfare for all Americans, we were told that Government was spending too much.

But was Government spending reduced? Absolutely not. For every reduction in social spending, came an increase in defense spending—defense spending which is programed to reach the historically unprecedented level of $1.5 trillion over the next 5 years.

Gentlemen, this time the American people will not be fooled. This time the American people will not allow their social security to be cut so as to fund the construction of obsolete weapons systems. This time the American people will not have their railroad retirement and their medicaid reduced to pay for huge cost overruns of obsolescent bombers and missiles.

If our national priority is to revitalize our economic and social system so as to redress the pressing problems of unemployment, inflation, high interest rates, and unreasonable deficits, we must look closely at our spending priorities.

I'd like to point out only a few of the benefits of redirecting wasteful defense spending to other vital areas:

With $100 billion, which is only 7 percent of total defense outlays for 1981 to 1986, we could rehabilitate the U.S. steel industry to make it the most efficient in the world.

With the $34 billion first cost of the MX missile program, we could develop a comprehensive 10-year energy efficiency program to save up to 50 percent of our oil imports.

With the $34 billion cost of the Navy's F–18 fighter program, we could modernize the Nation's machine tool stock to bring it to the level of Japan's.

These are only some examples of the ways we have misdirected our national priorities. If we were to rectify our priorities, and redirect some of this wasteful and obsolete spending, we would be taking important steps in the direction of improving the Nation's productive capacity, and in the process reduce both inflation and unemployment.

Mr. Chairman, I do not think the American people are going to put up with a rerun of last year's mirror and smokescreens budget game; 9.5 million unemployed Americans will not have a budget balanced on their backs; 9.5 million Americans are not going to lose their livelihoods so that $1.5 trillion can be misspent on defense.

I hope my colleagues will keep this in mind as we begin the budget debate in the days to come.

● Mr. CONYERS. Mr. Chairman, the attached amendment that I shall be offering to House Concurrent Resolution 345, the first concurrent budget resolution for fiscal year 1983, proposes to delete $20.4 billion in budget authority and $8 billion in outlays from functional category 050, national defense and to reduce the Federal budget deficit by the same amount.

The deleted funds consist of all expenditures related to the further testing, production and deployment of nuclear weapons and of missiles and new aircraft designed primarily to deliver nuclear weapons.

Specifically, the amendment seeks to delete all funds for the MX missile program the B–1 bomber program, the Trident submarine and missile program, the air-, sea-, and ground-launched cruise missile programs, and the Pershing II missile program. In addition, the amendment would delete $4.5 billion in budget authority and $4.2 billion in outlays from the atomic energy defense activities portion of the defense function, the funds of which would support the production cycle of new nuclear warheads; that is research, development and testing, production and surveillance, and materials production. In other words, my amendment seeks the deletion of only those funds that relate to the further design, testing, production and deployment of new nuclear weapons. It would not affect existing nuclear warheads stockpiles or existing delivery systems.

This amendment does not propose a policy of nuclear disarmament. Rather, it seeks to freeze nuclear weapons at existing levels. What I am proposing in policy terms is a strategy of arms control by mutual example, an independent freeze initiative for a 2-year period that would demonstrate to the Soviet Union and the world that we are, indeed, serious about nuclear arms reduction.

My amendment translates into budgetary policy the cost savings that would result from a nuclear freeze. The nuclear freeze idea is now being debated throughout the Nation and the world. In the United States the most recent national poll indicated that 71 percent of the respondents supported a nuclear freeze, nearly a 3-to-1 ratio.

I am offering this amendment so that the Congress of the United States may speak to, and pass judgment on, what surely is the most overriding international policy issue in our times.

At this point in the Record, I include the amendment.

AMENDMENT OFFERED BY MR. CONYERS TO HOUSE CONCURRENT RESOLUTION AS REPORTED

Page 12, line 14, (relating to the total budget authority for fiscal year 1983) strike out "$828,000,000,000" and insert in lieu thereof "$807,600,000,000".

Page 12, line 16, (relating to total budget outlays for fiscal year 1983) strike out "$780,550,000,000" and insert in lieu thereof "$772,550,000,000".

Page 12, line 18, (relating to the amount of the deficit for fiscal year 1983) strike out "$103,850,000,000" and insert in lieu thereof "$95,850,000,000".

Page 13, line 9, (relating to functional category 050) strike out "$242,850,000,000" and insert in lieu thereof "$222,450,000,000".

Page 13, line 10, (relating to functional category 050) strike out "$212,300,000,000" and insert in lieu thereof "$204,300,000,000".●

● Mr. PERKINS. Mr. Chairman, I plan to offer an amendment to the Jones amendment in the nature of a substitute consisting of House Concurrent Resolution 345, as reported by the Budget Committee.

The amendment I propose would strike paragraph (D) of section 301 beginning on line 21 of page 31 and ending on line 6 of page 32, and the paragraph beginning on line 18, page 38, and ending on line 3, page 39. That paragraph directs the Committee on Education and Labor to report changes in law within its jurisdiction that would reduce spending in an amount sufficient to reduce both budget authority and outlays by $73 million in fiscal year 1983. The Budget Committee's report on page 132 indicates that its recommendation related to the Federal Employees' Compensation Act and we are, in effect, directed to save the moneys indicated, rounded off to $0.05 billion at this point by adopting the President's proposals for amending that act.

The administration's proposal was part of last year's budget reconciliation and was rejected by the Congress.

A GAO report entitled "Injury Compensation Process Delays Prompt Payment of Benefits to Federal Workers" issued on September 25 of last year undercut the administration's proposal very substantially. In the course of oversight investigations and hearings the Subcommittee on Labor Standards, chaired by Representative George Miller of California, it has been clearly demonstrated that many of the provisions in the administration's proposal are ill-founded, ill-considered, unfair, unworkable, and unduly burdensome.

It is my understanding that Chairman Miller has some ideas he is presently having costed out by the Congressional Budget Office. He indicated that his proposals will save money and improve the program. He should be given a reasonable opportunity to perfect his legislation. He should not be driven under the gun of this so-called reconciliation process to accept the adminstration's proposal which would convert the Federal employees' compensation system to one of the most regressive in the Nation.

The administration's proposal imposes more of the cost of an injury on the victim than would any State workers' compensation system in the country.

The cost reductions would be more apparent than real. The conversion of FECA benefits at age 65 to the Civil Service retirement system would reduce the cost of FECA, of course, but would be an increased cost to the retirement system. The Post Office and Civil Service Committee should be party to these decisions.

The paperwork complexity of the administration's proposals create a disincentive to the Federal employee even to file a claim. They have thought of everything—they even have a proposal to round off benefits down to the last whole dollar. The benefits of a GS–2 would be reduced by the last 99 cents. I would hope the Congress would not be rushed into this rash exercise.

The amount of money is small and certainly not worth the damage that may be done if we act in haste. If my amendment is permitted and it prevails, we will do the job right.●

● Mr. CLAUSEN. Mr. Chairman, I would like to take this opportunity to explain to the Members my two amendments which the Committee on Rules has made in order to the budget resolution and to the Aspin/Panetta substitute and the Latta substitute.

These amendments are procedural in nature and do not change any of the budget figures or policies. They simply preserve the integrity of the legislative process by assuring that the authorizing committees will be able to play their proper role in the development of new legislative proposals within their jurisdiction.

I urge my colleagues to carefully consider my amendments, and hopefully they will see fit to support them.

By way of a detailed explanation, the following is a copy of the statement I gave in my appearance before the Committee on Rules, along with copies of the amendments themselves:

STATEMENT BY HON. DON H. CLAUSEN

Mr. Chairman, my sole purpose for appearing today is to request that you grant a rule making it in order to consider two amendments to the budget resolution which will permit the House to keep its options open in the event that user fees for certain programs are increased or that user taxes into certain self-financed, deficit proof trust funds are increased.

These amendments are procedural in nature and should be included in the Jones budget resolution or any amendment in the nature of a substitute.

They do not change any of the numbers or any of the policies embodied in the resolutions. My amendments are simply intended to preserve the integrity of the legislative process and, as I mentioned before, to allow the House to keep its options open.

My first amendment relates to user fees and the possibility that the Ways and Means Committee, in meeting its directive to raise additional revenues, might report legislation which is properly within the jurisdiction of one of the authorizing committees of the House.

Mr. Chairman, this amendment would merely provide that if, in complying with the reconciliation instructions contained in this budget resolution, the Ways and Means Committee chose to recommend new or expanded user fees within the jurisdiction of any other committee of the House, then a sequential referral of that recommendation under rule X of the Rules of the House would be appropriate.

This amendment is designed to preserve the jurisdictional structure that has been established and has functioned so well in the House of Representatives in the past. Without this language, there is an increased possibility that a committee or committees having expertise and legitimate jurisdiction concerning matters relating to new user fees could be prevented from having their rightful input concerning how the new user charge legislation should be structured.

It is recognized that the reports accompanying both Senate and House Budget Committee resolutions encourage the revenue-raising committees to consult with other appropriate committee or committees of jurisdiction if a decision is reached to develop user fee legislation. However, more is necessary to preserve the right of affected authorizing committees to play a meaningful and equal role in matters under their jurisdiction. Without assuring affected authorizing committees of their right to meaningfully participate in the development of legislation affecting programs within their jurisdiction, the authority of those committees could be significantly undermined. For example, the committee on Public Works and Transportation could be put in a position of having virtually no guaranteed right to structure user fee legislation involving deep water port dredging, even though the administration's legislative proposals in this area have been referred exclusively to the Public Works Committee during this 97th Congress.

I do not believe that it was ever the intention of the authors of the Budget Act to produce such a result, and this amendment is designed to help prevent this kind of occurrence.

My second amendment relates to section 304 of the budget resolution and certain self-financed, deficit-proof trust funds.

This is the situation we face. Section 304 of the budget resolution prohibits the enrollment of any measure containing budget authority in excess of the amounts allocated to the committee which initiated that measure under Section 302 of the Budget Act.

Our concern is this. The Committee on Public Works and Transportation has under its jurisdiction several programs now financed by user revenues, including highways and the aviation program. It has been considered possible that user fees supporting those programs could be increased, as under the proposal by the Secretary of Transportation to increase the highway user revenues by the equivalent of a 5-cent increase in the fuels tax; under this proposal, 4 cents of the increase would go for highways, and 1 cent for a separate trust fund for public transportation capital spending.

We have not sought budget authority commensurate with such increases, because of uncertainty over whether they would be proposed formally by the administration. We were well advised in our caution, as events proved, since the President decided just this past Tuesday to defer the matter as far as fiscal year 1983 is concerned.

At the same time, we recognize that the uncertainty persists as to what will come out at the end of the budget process for fiscal year 1983, and would not want to foreclose any options. My request, then, is that the rule governing consideration of the budget resolution makes in order an amendment that would exclude, from the prohibition against enrollment, budget authority derived from any trust fund, 90 percent or more of the receipts of which consist of or will consist of amounts related to the purposes of the outlays under specified provisions of the Tax Code. That would preserve our latitude as an authorizing committee if the ultimate outcome of he budget process were to result in increases in revenues for the transportation or aviation trust funds. This would also take care of a new public transportation trust fund, should revenues for such become available.

I would emphasize, Mr. Chairman, that this merely gets us out of a Catch-22 situation. It does not commit any Member to an increase in revenues in any manner, shape or form. If revenues are increased in any of these user-fee areas, such an amendment would not commit those funds to any particular purpose.

Consideration of such an amendment, and its adoption, would merely provide the flexibility intended by the budget committee, which stated as follows in its report (on page 43 in the discussion of new and increased user fees):

"It is the intent of the committee that should user fees and/or aviation and highway trust fund fees be increased pursuant to reconciliation directives contained in this resolution then these funds should be dedicated to corresponding programs and should support whatever increased program levels are established by Congress.

"It is also the intent of the committee that the Committee on Ways and Means consult with other appropriate committee or committees of jurisdiction in developing user fee legislation which recovers federal expenditures for programs and activities under the authorizing jurisdiction of those committees."

That in essense is the situation, Mr. Chairman, and our reason for requesting this amendment. I won't burden this committee at this point with a recitation of needs in these program areas, or the merits of any user fee increases. All we ask is that you permit the House to work its will in this fluid situation and not allow the budget process to impose unnecessary and unrealistic limitations on our ability to do so.

That concludes my statement, Mr. Chairman. I would only add that, with respect to the use of revenues derived from any of the user fees in question, the minority on the Budget Committee concurs with the majority (as noted in the discussion of user fees on page 241).

Thank you Mr. Chairman.

CLAUSEN AMENDMENT ON SELF-FINANCED TRUST FUNDS

(This is the first Clausen amendment on Page H2364 of May 19, 1982, Congressional Record).

Virtually identical versions have been drafted to (1) H. Con. Res. 345, (2) Latta substitute.

NOTE.—The Aspin/Panetta substitute already contains similar language.

AMENDMENT TO HOUSE CONCURRENT RESOLUTION 345—OFFERED BY MR. CLAUSEN

Section 304 is amended to read as follows:

"Sec. 304(a) In the House of Representatives, no bill or resolution providing—

(1) new budget authority for fiscal year 1983, or

(2) new spending authority described in section 401(c)(2)(C) of the Congressional Budget Act first effective in fiscal year 1983 which exceeds the appropriate allocation or subdivision of such new discretionary budget authority or new spending authority made pursuant to section 302 of such Act shall be enrolled until after Congress has completed action on the second concurrent resolution on the budget required to be reported under section 310 of such Act.

(b) If Congress increases revenues in a trust fund exempt under section 401(d)(1)(B) of the Congressional Budget Act, then for purposes of this section, "budget authority" and "new discretionary budget authority" shall not include spending authority or budget authority derived from any trust fund, 90 percent or more of the receipts of which consist or will consist of amounts (transferred from the general fund of the Treasury) equivalent to amounts of taxes (related to the puposes for which such outlays are or will be made) received in the Treasury under specified provisions of the Internal Revenue Code of 1954."

AMENDMENT TO LATTA AMENDMENT—IN THE NATURE OF A SUBSTITUTE TO HOUSE CONCURRENT RESOLUTION 345 OFFERED BY MR. CLAUSEN

Section 304 of the Latta Substitute is amended to read as follows:

"Sec. 304(a) In the House of Representatives, no bill or resolution providing—

(1) new budget authority for fiscal year 1983, or

(2) new spending authority described in section 401(c)(2)(C) of the Congressional Budget Act first effective in fiscal year 1983 which exceeds the appropriate allocation or subdivision of such new discretionary budget authority or new spending authority made pursuant to section 302 of such Act shall be enrolled until after Congress has completed action on the second concurrent resolution on the budget required to be reported under section 310 of such Act.

(b) If Congress increases revenues in a trust fund exempt under section 401(d)(1)(B) of the Congressional Budget Act, then for purposes of this section, "budget authority" and "new discretionary budget authority" shall not include spending authority or budget authority derived from any trust fund, 90 percent or more of the receipts of which consist or will consist of amounts (transferred from the general fund of the Treasury) equivalent to amounts of taxes (related to the purposes for which such outlays are or will be made) received in the Treasury under specified provisions of the Internal Revenue Code of 1954."

CLAUSEN AMENDMENT ON USER FEES

(This is the second Clausen amendment on Page H2364 of May 19, 1982, Congressional Record,)

Virtually identical versions have been drafted to (1) H. Con. Res. 345; (2) Latta substitute; and (3) Aspin/Panetta substitute.

AMENDMENT TO HOUSE CONCURRENT RESOLUTION 345—OFFERED BY MR. CLAUSEN

Sec. 303 is amended by adding the following new language at the end thereof:

"If the changes in laws reported to the House by the House Committee on Ways and Means pursuant to Sec. 301(K) of this resolution contain changes involving the imposition of new or expanded user fees within the jurisdiction of any other Committee of the House an appropriate referral pursuant to Rule X of the Rules of the House should be considered."

AMENDMENT TO THE LATTA AMENDMENT IN THE NATURE OF A SUBSTITUTE TO HOUSE CONCURRENT RESOLUTION 345—OFFERED BY MR. CLAUSEN

Sec. 303 of the Latta Substitution is amended by adding the following new language at the end thereof:

"If the changes in laws reported to the House Committee on the Budget by the House Committee on Ways and Means pursuant to Sec. 301(K) of this resolution contain changes involving the imposition of new or expanded user fees within the jurisdiction of any other Committee of the House an appropriate referral pursuant to Rule X of the Rules of the House should be considered."

AMENDMENT TO ASPIN/PANETTA AMENDMENT—IN THE NATURE OF A SUBSTITUTE TO HOUSE CONCURRENT RESOLUTION 345 OFFERED BY MR. CLAUSEN

Sec. 303 of the Aspin/Panetta Substitute is amended by adding the following new language at the end thereof:

"If the changes in laws reported to the House by the House Committee on Ways and Means pursuant to Sec. 301(G) of this resolution contain changes involving the imposition of new or expanded user fees within the jurisdiction of any other Committee of the House an appropriate referral pursuant to Rule X of the Rules of the House should be considered."●

● Mr. ROE. Mr. Chairman, I would like to take this opportunity to explain to the Members my eight amendments which the Committee on Rules has made in order to the budget resolution and to the Aspin, Latta, and Fauntroy substitutes.

These amendments are procedural in nature and do not change any of the budget figures or policies. They simply preserve the integrity of the legislative process by assuring that the authorizing committees will be able to play their proper role in the development of new legislative proposals within their jurisdiction.

I urge my colleagues to carefully consider my amendments, and hopefully they will see fit to support them.

By way of a detailed explanation, the following is a copy of the statement I gave in my appearance before the Committee on Rules, along with copies of the amendments themselves.

STATEMENT BY THE HONORABLE ROBERT A. ROE BEFORE THE COMMITTEE ON RULES, MAY 20, 1982

Mr. Chairman and members of the committee: I want to thank you for the opportunity to appear before the committee today as you consider one of the most important pieces of legislation reported this session: The First Concurrent Resolution on the Budget for fiscal year 1983.

Yesterday, after review of the Budget Committee reported resolution, I introduced a series of eleven amendments which address, in various ways, two important procedural issues that appear in the budget resolution, namely, section 301(k) and 304.

Section 301(k) directs the House Committee on Ways and Means to report changes in laws within the jurisdiction of the committee sufficient to increase revenue by $31.7 billion for fiscal year 1983. Pursuant to section 310 of the Congressional Budget Act, this directive is silent as to what specific programs should be considered for an increase.

However, the report accompanying H. Con. Res. 345 states the following:

"While the committee does not make specific revenue increases, the recommendation could accommodate * * * higher energy taxes * * * and increased user fees."

It states further that "The committee recommends offsetting receipts from user fees totaling $2.9 billion over three years." In addition, in its discussion of function 300, natural resources and environment, the committee specifically indicates assumed changes in such user fee areas as deep-draft and inland waterways.

Given this and the flexibility of the section 301(k) language, it is of concern to me and should be to many other affected committees and Members of the House, that in achieving the $31.7 billion, increases could be imposed on new or expanded user fees involving programs within the jurisdiction of committees other than the Ways and Means Committee.

Therefore, Mr. Chairman, my amendment, which is simply technical in nature and has no budgetary impact, is intended solely to preserve and insure the integrity of the legislative process.

In general, it would simply state that if the changes in laws reported by the Ways and Means Committee contain changes involving the imposition of new or expanded user fees within the jurisdiction of any other committee of the House, then an appropriate referral pursuant to Rule X of the House should be considered.

This language, I might add, is consistent with the intent of the budget resolution, for the report accompanying it states on page 43 that:

"It is also the intent of the committee that the Committee on Ways and Means consult with other appropriate committee or committees of jurisdition in developing user fee legislation which recovers Federal expenditures for programs and activities under the authorizing jurisdiction of those committees."

Let me address some of the specifics with regard to inland waterways and deep draft ports.

The administration has proposed legislation which would provide for 100 percent cost recovery of operation and maintenance costs as well as future construction costs. This represents a drastic change in present policy. Since the country's inception, the construction, operation and maintenance of an inland waterway navigation system and of deep draft ports has been considered to be properly the responsibility of the Federal Government because the benefits associated with water transportation are so widespread. These benefits accrue not only to vessel owners and shippers but to the Nation as a whole. Consumers benefit by availability of goods at lower prices because of the energy efficiency of water transportation. This efficiency also enables the country to compete more efficiently in the world market, especially in the areas of grain and coal exports and thereby benefits our balance of payments situation. Moreover, our water transportation system serves other purposes as well such as recreation, water supply and hydroelectric power. Finally, I would point out that over $3 billion a year is collected at United States ports in customs revenues.

The imposition of added user fees could have a substantial impact on not only the Nation's water transportation system, but on vast segments of its economy. On the inland waterways, the increased shipping costs associated with user fees would result in a certain amount of cargo diversion to other modes. There is the possibility that these other modes might then increase their rates commensurately, thereby adding even more to transportation costs. Vessels utilizing deep draft ports would also have to increase their rates. For commodities such as grain and coal, the increases in shipping costs could have a severe impact on their competitive position in the world market. Farmers would not be able to pass on their increased shipping costs for exported grain because the price of that grain is fixed by world market prices. This would have a further depressing effect on the Nation's agriculture. The United States steel industry would be made even less competitive in relation to foreign steel because of increased shipping costs both for raw materials and for finished products. These matters were fully brought out in four weeks of hearings which our Water Resources Subcommittee held on the water transportation system.

Because of the significant impacts associated with user charges on the water transportation system, its users, and the Nation as a whole, we feel it is imperative that our committee as the authorizing committee for this system have an opportunity to consider any proposals made as part of the reconciliation process to recover new or increased revenues related to inland waterways and deep draft ports.

My other issue of concern, Mr. Chairman, is section 304 of the budget resolution: the so-called deferred enrollment provision.

This section would prohibit enrollment of any spending bill which is inconsistent with the budget resolution allocations. My amendment, again technical in nature and with no budgetary impact, would simply address what I regard as a unique problem.

As you know, under the budget resolution, non-defense discretionary spending is, for the most part, held at the fiscal year 1982 appropriated level. However, there is also a directive to increase revenues in the next fiscal year by approximately $31 billion. A technical problem that I foresee is if revenues are increased, specifically trust fund revenues, and spending is held at the 1982 level, then spending bills which could support these increased program levels would not be able to be enrolled.

Therefore, my amendment would exempt from the section 304 requirement 90 percent self-financing trust fund spending bills when, and only, if Congress chooses to increase revenues in these trust funds. Again, this amendment is consistent with the intent of the Budget Committee, which in its report includes the following:

"It is the intent of the committee that should user fees and/or aviation and Highway Trust Fund Fees be increased pursuant to reconciliation directives contained in this resolution, then these fees should be dedicated to corresponding programs and should support whatever increased program levels are established by Congress."

My amendment would ensure that this could be the case.

Mr. Chairman, as I mentioned in my opening remarks, I have introduced eleven amendments in various forms to address both of these issues. I am flexible on how this committee may choose to fashion these amendments, perhaps even as a package incorporating all procedural amendments. However, I do want to emphasize the importance of both issues as both have a real impact on the overall integrity and effectiveness of the legislative process.

Thank you.

AMENDMENTS OFFERED BY MR. ROE

(1) Amendment to H. Con. Res. 345

Section 304 is amended to read as follows:

Sec. 304. (a) In the House of Representatives, no bill or resolution providing—

(1) new budget authority for fiscal year 1983, or

(2) new spending authority described in section 401(c)(2)(C) of the Congressional Budget Act first effective in fiscal year 1983 which exceeds the appropriate allocation or subdivision of such new discretionary budget authority or new spending authority made pursuant to section 302 of such Act shall be enrolled until after Congress has completed action on the second concurrent resolution on the budget required to be reported under section 310 of such Act.

(b) If Congress increases revenues in a trust fund exempt under section 401(d)(1)(B) of the Congressional Budget Act, then for purposes of this section, "budget authority" and "new discretionary budget authority" shall not include spending authority or budget authority derived from any trust fund, 90 percent or more of the receipts of which consist or will consist of amounts (transferred from the general fund of the Treasury) equivalent to amounts of taxes (related to the purposes for which such outlays are or will be made) received in the Treasury under specified provisions of the Internal Revenue Code of 1954.

(1) Amendment to Latta substitute

Section 304 is amended to read as follows:

Sec. 304. (a) In the House of Representatives, no bill or resolution providing—

(1) new budget authority for fiscal year 1983, or

(2) new spending authority described in section 401(c)(2)(C) of the Congressional Budget Act first effective in fiscal year 1983 which exceeds the appropriate allocation or subdivision of such new discretionary budget authority or new spending authority made pursuant to section 302 of such Act shall be enrolled until after Congress has completed action on the second concurrent resolution on the budget required to be reported under section 310 of such Act.

(b) If Congress increases revenues in a trust fund exempt under section 401(d)(1)(B) of the Congressional Budget Act, then for purposes of this section, "budget authority" and "new discretionary budget authority" shall not include spending authority or budget authority derived from any trust fund, 90 percent or more of the receipts of which consist or will consist of amounts (transferred from the general fund of the Treasury) equivalent to amounts of taxes (related to the purposes for which such outlays are or will be made) received in the Treasury under specified provisions of the Internal Revenue Code of 1954.

(2) Amendment to H. Con. Res. 345

Section 304 is amended to read as follows:

Sec. 304. (a) In the House of Representatives, no bill or resolution providing—

(1) new budget authority for fiscal year 1983, or

(2) new spending authority described in section 401(c)(2)(C) of the Congressional Budget Act first effective in fiscal year 1983 which exceeds the appropriate allocation or subdivision of such new discretionary budget authority or new spending authority made pursuant to section 302 of such Act shall be enrolled until after Congress has completed action on the second concurrent resolution on the budget required to be reported under section 310 of such Act.

(b) For purposes of this section, "budget authority" and "new discretionary budget authority" shall not include spending authority or budget authority derived from any highway, public transportation or aviation trust fund, 90 percent or more of the receipts of which consist or will consist of amounts (transferred from the general fund of the Treasury) equivalent to amounts of taxes (related to the purposes for which such outlays are or will be made) received in the Treasury under specified provisions of the Internal Revenue Code of 1954."

(2) Amendment to Latta substitute

Section 304 is amended to read as follows:

Sec. 304. (a) In the House of Representatives, no bill or resolution providing—

(1) new budget authority for fiscal year 1983, or

(2) new spending authority described in section 401(c)(2)(C) of the Congressional Budget Act first effective in fiscal year 1983 which exceeds the appropriate allocation or subdivision of such new discretionary budget authority or new spending authority made pursuant to section 302 of such Act shall be enrolled until after Congress has completed action on the second concurrent resolution on the budget required to be reported under section 310 of such Act.

(b) For purposes of this section, "budget authority" and "new discretionary budget authority" shall not include spending authority or budget authority derived from any highway, public transportation or aviation trust fund, 90 percent or more of the receipts of which consist or will consist of amounts (transferred from the general fund of the Treasury) equivalent to amounts of taxes (related to the purposes for which such outlays are or will be made) received in the Treasury under specified provisions of the Internal Revenue Code of 1954."

(3) Amendment to H. Con. Res. 345

In section 303 of the resolution insert the following new language: "If the changes in laws reported to the House by the House Committee on Ways and Means pursuant to section 301(K) of this resolution contain changes involving the imposition of new or expanded user fees within the jurisdiction of any other Committee of the House an appropriate referral pursuant to Rule X of the Rules of the House should be considered."

(3) Amendment to Aspin Substitute

In section 303 of the resolution insert the following new language: "If the changes in laws reported to the House by the House Committee on Ways and Means pursuant to section 301(G) of this resolution contain changes involving the imposition of new or expanded user fees within the jurisdiction of any other Committee of the House an appropriate referral pursuant to Rule X of the Rules of the House should be considered."

(3) Amendment to Latta Substitute

In section 303 of the resolution insert the following new language: "If the changes in laws reported to the House Committee on the Budget by the House Committee on Ways and Means pursuant to section 301(K) of this resolution contain changes involving the imposition of new or expanded user fees within the jurisdiction of any other Committee of the House an appropriate referral pursuant to Rule X of the Rules of the House should be considered."

(4) Amendment to H. Con. Res. 345

Section 301(K) is amended by adding the following at the end thereof: "For purposes of this section if any such changes involve the imposition of new or expanded taxes related to the use of inland waterways or deep draft ports (including, but not limited to, taxes on fuel, commodities, or vessels) or the imposition of any new or expanded user fees, they shall be submitted to and duly approved by the committee or committees of authorizing jurisdiction prior to submission to the House pursuant to section 310 of Public Law 93-344."

(4) Amendment to Aspin Substitute

Section 301(G) is amended by adding the following at the end thereof: "For purposes of this section, if any such changes involve the imposition of new or expanded taxes related to the use of inland waterways or deep draft ports (including, but not limited to, taxes on fuel, commodities, or vessels) or the imposition of any new or expanded user fees, they shall be submitted to and duly approved by the committee or committees of authorizing jurisdiction prior to submission to the House pursuant to section 310 of Public Law 93-344."

(4) Amendment to Latta Substitute

Section 301(K) is amended by adding the following at the end thereof: "For purposes of this section, if any such changes involve the imposition of new or expanded taxes related to the use of inland waterways or deep draft ports (including, but not limited to, taxes on fuel, commodities, or vessels) or the imposition of any new or expanded user fees, they shall be submitted to and duly approved by the committee or committees of authorizing jurisdiction prior to submission to the Committee on the Budget pursuant to section 303 of this resolution."

(5) Amendment to H. Con. Res. 345

Section 301(K) is amended by adding the following at the end thereto: "for purposes of this section, if any such changes involve the imposition of new or expanded user fees, they shall be submitted to and duly approved by the committee or committees of authorizing jurisdiction prior to submission to the House pursuant to section 310 of Public Law 93-344."

(5) Amendment to Aspin Substitute

Section 301(G) is amended by adding the following at the end thereto: "for purposes of this section, if any such changes involve the imposition of new or expanded user fees, they shall be submitted to and duly approved by the committee or committees of authorizing jurisdiction prior to submission to the House pursuant to section 310 of Public Law 93-344."

(5) Amendment to Latta Substitute

Section 301(K) is amended by adding the following at the end thereto: "for purposes

of this section, if any such changes involve the imposition of new or expanded user fees, they shall be submitted to and duly approved by the committee or committees of authorizing jurisdiction prior to submission to the Committee on the Budget pursuant to section 303 of this resolution."

(6) Amendment to H. Con. Res. 345.

Amend section 301 by adding the following new subsection (L):

(L) The House Committee on Public Works and Transportation shall report changes in laws within the jurisdiction of that Committee sufficient to reduce appropriations for programs authorized by that Committee so as to achieve savings in budget authority and outlays, as follows: $100,000,000 in budget authority, and $10,000,000 in outlays for fiscal year 1983.

(6) Amendment to Aspin Substitute.

Amend section 301 by adding the following new subsection (H):

(H) The House Committee on Public Works and Transportation shall report changes in laws within the jurisdiction of that Committee sufficient to reduce appropriations for programs authorized by that Committee so as to achieve savings in budget authority and outlays, as follows: $100,000,000 in budget authority, and $10,000,000 in outlays for fiscal year 1983.

(6) Amendment to Latta Substitute.

Amend section 301 by adding the following new subsection (L):

(L) The House Committee on Public Works and Transportation shall report changes in laws within the jurisdiction of that Committee sufficient to reduce appropriations for programs authorized by that Committee so as to achieve savings in budget authority and outlays, as follows: $100,000,000 in budget authority, and $10,000,000 in outlays for fiscal year 1983.

(7) Amendment to H. Con. Res. 345.

Section 301 (K) is amended by striking out "$31,700,000,000" and inserting in lieu thereof "$31,200,000,000."

(7) Amendment to Aspin Substitute

Section 301(G) is amended by striking out "$29,750,000,000" and inserting in lieu thereof "$29,250,000,000."

(7) Amendment to Latta Substitute

Section 301(K) is amended by striking out "$20,900,000,000" and inserting in lieu thereof "$20,400,000,000."

(8) Amendment to H. Con. Res. 345

Section 301 is amended by adding the following new subsection:

(L) the House Committee on Public Works shall report changes in laws within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $25,000,000 and outlays and $2,500,000 in fiscal year 1983.

(8) Amendment to Aspin Substitute

Section 301 is amended by adding the following new subsection:

(H) the House Committee on Public Works shall report changes in laws within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $25,000,000 and outlays by $2,500,000 in fiscal year 1983.

(8) Amendment to Latta Substitute

Section 301 is amended by adding the following new subsection:

(L) the House Committee on Public Works shall report changes in laws within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $25,000,000 and outlays by $2,500,000 in fiscal year 1983.

Mr. LATTA. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

The CHAIRMAN. The time of the gentleman from California (Mr. Hawkins) having been consumed and the gentleman from Ohio (Mr. Latta) having yielded back the remainder of his time, all time has expired for debate on economic goals and policies, and the committee will resume general debate under section 305(a)(2) of the Congressional Budget Act.

The Chair recognizes the gentleman from Ohio (Mr. Latta).

Mr. LATTA. Mr. Chairman, I yield 10 minutes to the gentleman from Louisiana (Mr. Roemer).

Mr. ROEMER. Mr. Chairman, the economic considerations facing our country are obviously serious. What is not so obvious is that this mess is the result of many factors:

First, inflation gone wild over the last decade and a half.

Second, the loss of our competitiveness in international trade.

Third, one being held as a permanent hostage to the OPEC nations.

Fourth, continued political demagoguery and personal self-interest evidenced by many Republicans and Democrats.

Fifth, tax burdens rising faster than growth in incentives to work and produce.

Sixth, the fact that the word guarantee has become more important in economic debate than the word productivity.

Seventh, the fact that consumption rules king in America over either saving or investment. Spending one tomorrows today has not brightened our present; it has dimmed our future.

The wonder is not that interest rates are high, the wonder is that they are not higher.

The wonder is not that the Japanese are beating our brains out, the wonder is that we continue to refuse to fight back.

The wonder is not the disgust evidenced in the general population by one 20-year policy of eternal tax increases and perpetual spending growth; the wonder is the incredible patience and tolerance of the public toward these practices.

We are reaping a harvest of woe planted long ago and carefully cultivated each year by political farmers who think that all food comes from the A. & P., all energy comes from ConEd, all jobs come from the Federal Government, and all economic wisdom rests on the banks of the Potomac.

I believe that we need a plan which will reduce Federal spending adequate to lower the deficit toward zero in the out years; a plan which will provide for a strong national defense—a function which in the first requirement of Government; a plan which will lower the deficit in a manner fair to taxpayer and taxeater alike.

Now there are some who want no budget. Some Republicans feel that the President's program will work in that modification. They are wrong.

Some Democrats promote no budget-no action because they wish to reap the political gains of economic sluggishness. They are wrong.

Our country should reject these Members—Republican and Democratic—of the do-nothing party.

We need a budget.

Many conservative Democrats, like myself, reacted negatively 4 months past when the administration submitted its fiscal year 1983 budget proposal.

The administration's budget suffered in three major tests:

Adequacy: It understated the deficit and failed to reduce it adequately.

Accuracy: It used numbers unobtainable in fact.

Equity: Sacred cows, like foreign aid and Eximbank were protected, while other programs like education were gutted.

The test of equity is not measured by the amount of sacrifice, but rather by the distribution of sacrifice.

We entered this economic mess together, we will climb out the same way; or not at all.

In that spirit of each giving a little in order to gain a lot, we conservative Democrats have been working for months on a compromise budget that was adequate to the task at hand, accurate in its proposals, and equitable in its effects.

Failing after much effort, to reach agreement with the Democrats represented by Chairman Jones, we reached out to moderate and conservative Democrats and to the Republicans to put a budget together for your consideration.

In considering our imperfect document, I ask you to consider it from two vantage points:

First. Comparison with the administration's budget:

We increase taxes more than the President—reluctantly, but by necessity in these economic times. Frankly, if this Congress could take the Dole-Grassley underground economy proposal seriously we could raise the needed revenue without increasing taxes at the margin on working people—which many liberals want to do by collecting taxes from those who now pay none.

We cut defense more than the President wants. We support a strong defense, but economic times require a 7 percent cap on real growth. There is waste in military spending. A reasonable reduction in growth rate is demanded.

We protect those who survive only with public assistance. In 1983 alone we add back $5 billion to the President; proposals in the areas of AFDC, SSI, food stamps and medicaid alone.

Any budget that does not deal with entitlements is ignoring the fastest growing part of the budget.

Entitlements equal 48 percent of the Federal budget—an amount in excess of $355 billion.

A proposal that does not deal with 48 percent of the budget will not lower interest rates a single point.

One proposal tightens eligibility requirements in the needs test entitlement areas. For example, we would permit States to require families with substantial means to help pay for nursing home costs of their parents. We would reduce payment error rates to 3 percent in medicaid, AFDC and food stamps. We would require military personnel to support dependent children. We would require good-faith job search as a condition of AFDC and food stamp eligibility. We would conform benefit rounding rules and similar calculations to social security provisions adopted last year.

After this minimal tightening, food stamp spending will be up $300 million in 1983 over 1982; SSI spending will be up $500 million in 1983; medicaid will be up $550 million in 1983; and medicare will be up $3.5 billion in 1983.

In other programs of critical need we have added additional money back to the President's fiscal year 1983 budget. For example:

[Dollars in billions]

Program	Administration budget	Bipartisan budget	Increases	By percent
(1) Higher education	$5.171	$7.089	$1.918	+37
(2) Elementary and secondary education	2.375	3.573	1.198	+50
(3) Handicapped and vocational education	1.346	1.845	.499	+37
(4) Manpower training (CETA)	2.387	3.207	.820	+34
(5) Older Americans employment		.266	.266	
(6) Low-income energy assistance	1.300	1.875	.575	+44
(7) WIC	1.000	1.332	.332	+33
(8) WIN		.300	.300	
(9) Economic development	.015	.212	.197	+1,306

Measured against the administration's original budget proposal, our plan is more adequate, more accurate, and more equitable.

Second. Comparison with the Jones budget:

The Jones budget proposal continues the age-old cycle of higher taxes and unbridled spending.

The Jones budget raises taxes far more than do we. In fact, in raising taxes by more than $145 billion in 3 years, the Jones budget raises taxes 50 percent more in the first year than do we.

The Jones budget barely touches entitlements, ignoring nearly 50 percent of Federal spending.

The Jones budget so-called freeze on discretionary spending is more like a thaw.

The Jones budget guts defense with budget authority reductions of incredible proportions given the state of national defense and the threatening uncertainty in the real world.

It is no wonder that Chairman JONES wants his proposal deeply amended; it's no wonder that the chairman was quoted by the press as saying that if his was the deciding vote he would vote against his own budget.

In conclusion, I thank my colleagues for their interest and I ask them to look carefully at the facts and give our budget an objective test.

It is not a perfect budget, but it is surely superior to the budget of the President and to that of Chairman JONES.

It is a tough budget for tough times. It is a realistic budget for the real world. It is not the end, but is a good beginning.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin (Mr. OBEY).

Mr. OBEY. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, I would like to take this time to explain to the House an amendment which I will be offering on Monday next, which is cosponsored by the following other Members: Mr. REUSS, Mr. UDALL, Mr. BENNETT, Mr. RODINO, Mr. LOWRY of Washington, Mr. SABO, Mr. OBERSTAR, Mr. DOWNEY, Mr. MCHUGH, Mr. SCHUMER, Mr. ASPIN, Mr. FORD, Mr. PEASE, Mr. KASTENMEIER, Mr. ZABLOCKI, Mr. BRODHEAD, and Mr. SHANNON.

☐ 1600

That amendment will try to restore a sense of balance, both to the Nation's accounts and to the set of values which are reflected, I would suggest, in a national budget more so than they are in any other document. To explain what we intend to try to do on both, let me first suggest where we are.

If Members look at page 77 of the President's budget submission, they will discover some interesting things about both this year's budget and last year's budget. They will discover that the budget this year increases by $32 billion. Defense alone increases by $34 billion. Interest increases by about $13 billion. And payments to individuals, largely for retirement checks, increases by another $20 billion.

That means that the remainder portion of the budget, that portion which I choose to describe as part of the safety net and virtually all of the investment portion of the budget, investment in education, investment in health, investment in job training, investment in human capital of all kinds, and investment in community infrastructure—the highways and the streets and the sewage treatment plants and everything else that makes a city run—in the President's own budget, that remainder portion of the budget would shrink in 1 year's time from $103 billion to $74 billion. That is a reduction of about 28 percent. That is a massive reduction in the investment portion of this Nation's budget. It is a reduction which, if we do not modify it, will plague us for years to come. It will make us a weaker society. It will make us a less educated society. It will make us a society less able to compete abroad, both economically and culturally.

One other interesting number: If my colleagues take a look at what the President's budget does in constant dollar terms, in other words, in real dollar terms, in purchasing power terms, after inflation, you will see that from last year, from the fiscal 1981 base, through the end of the year for the budget which we are now debating, that remainder portion of the budget, that investment portion of the budget will decline in real terms under the President's budget by almost 41 percent.

Those two numbers ought to explain why a good many of us are concerned about the pattern not only in the President's budget but also, I would submit, in the Budget Committee's alternative, although that is infinitely preferable to the disaster proposal coming out of the White House.

Let me put something else in perspective.

Last year this Congress adopted, at the President's insistence, two sets of numbers which have resulted, according to the Congressional Budget Office, in the largest projected deficits in the history of the country. The President's budget, as it was submitted, unchanged for policy, would provide deficits of $182 billion the first year, $218 billion the second year, and $233 billion the next.

Mr. Chairman, I insert a chart in the RECORD at this point to indicate what I am about to say.

The chart follows:

[In billions of dollars]

	Projected Reagan deficits [1]	Combined cost [2]	Tax cost only	Military cost only
Fiscal year:				
1983	182	126	93	33
1984	216	215	150	65
1985	233	303	199	104

[1] As reestimated by the Congressional Budget Office.

[2] Combined cost of tax cuts and military increases.

Mr. OBEY. I think we ought to understand what the tax cuts which we passed last year and what the military budget increases which we passed last year do to contribute to that deficit.

The tax cuts contribute $93 billion to that deficit of $182 billion this year, and military budget increases add another $33½ billion to that amount, for a combined effect of both tax cuts and military increases of $126 billion. That means that of the $182 billion deficit this year, $126 billion is directly traceable to the tax cuts and the military spending increases contained in the budget which was passed last year.

In the next fiscal year, the tax cuts amount to $150 billion add-on to the deficit, the increase in the military budget amounts to almost $65 billion in additional deficit, for a total of $215 billion. That is virtually equal to the budget deficit projected by CBO for the next year, which is $216 billion.

In the third year, the deficit is projected to be $233 billion. The tax cut will reduce revenues by $199 billion in that third year, and military spending will add $104 billion to what we spend.

The combined effect of tax cuts and military spending increases will be about $303 billion.

The tax cuts and military spending items exceed the budget deficit for that third year, so they amount to more than all of it.

Now, if our only policy goal were simply to balance the budget, our jobs here would be simple. All we would have to do is to wipe out last year's military increases and tax cuts and we would have a balanced budget a year from now, and a surplus 2 years and 3 years from now.

But there are other policy considerations. We do have military needs which require us to increase the amount of money going to national defense for the next 3 years. And I would suggest also that there is little disagreement over the need to continue to provide incentives in the Tax Code for capital investment, and in this year, with 10 million people unemployed, additional stimulus to the economy by way of a significant tax cut in July.

But I would suggest that if we do not limit the amount of tax reductions and the amount of increases in military spending to the amount of money which we can provide without borrowing money past 1985, we will, in fact, not send a sufficient signal to either the Federal Reserve or the money markets, and we will wind up not achieving confidence in the real world that we really will get this budget under control. Because without tighter fiscal policy interest rates will remain unacceptably high.

So basically, our amendment, which we will offer on Monday, will do a number of things.

It will, in comparison to the $440 billion in future tax reductions under the President's program, we will limit the value of those future tax cuts to about $210 billion, not quite half of the amount provided by the President.

☐ 1610

On the defense side, we will slow down the military expansion asked for by the President. The President's budget will get us to a billion dollars a day in budget authority for military spending by 1986. The Jones budget gets us there by 1987. Our budget will get us there by 1988 or 1989, depending upon whether CBO's figures or our figures are used. Either way, we will get there. Either way we will have a substantial buildup in defense.

I would also point out on the revenue side that even in the context of reducing the overall amount of future tax cuts programed into the economy, we can increase the justice in the distribution of those tax cuts. Let me give an example. Under the President's existing policy, we are expected to provide the additional individual tax cuts of approximately $71 billion come this July 1st. Under our proposal, we would allow for an individual tax cut of approximately $60 billion, but because we will change the distribution of that individual tax cut by following the pattern suggested in the Udall-Reuss-Obey tax proposal of last year, we will in fact provide a family with $10,000 adjusted gross income a tax cut which is more than $200 larger than the tax cut being provided by the president. We will provide for a family with an adjusted gross income of about $20,000, about $15 less than the size of the tax cut provided by the President. And a family with an adjusted gross income of $100,000, true, would receive $900 less in tax cuts under our proposal this coming year than they would under the President's, but they would still receive a tax cut of approximately $1,200. If they are struggling along on $100,000 a year, a $1,200 tax cut "ain't bad". We would provide on the individual side, in addition to the Udall-Reuss-Obey proposal that we delay any future third round on tax cuts and delay going to indexing until the country reaches a budget surplus sufficient to finance both those items.

On the business side, we would suggest that the Ways and Means Committee move to close some of the more spectacular and outrageous loopholes which were added to the Tax Code last year, including the infamous leasing provision, under which we have now established a negative income tax for corporations, although it has always been difficult to do that for individuals.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. OBEY. Mr. Chairman, I yield myself 15 additional minutes.

If we provide that discipline, if we provide that kind of tax cut and that kind of defense budget increase, we will by those actions make room for us to do two things which we believe are critically needed to deal with two other problems in the economy. One deals with what is hoped to be a short-term problem of massive unemployment, and the other is the long term problem this country has in maximizing its increases in productivity.

To deal with the recession, to deal with unemployment, we would provide—and keep in mind all of this is in the context of a proposal which would give us a balanced budget by 1985—we would provide for room for additional programs such as these: We would suggest, for instance, that we ought to provide an emergency bridge construction fund of about $600 million, because a good many bridges in the country are in serious disrepair, in reduced states of safety. That money could be put out into the economy quickly enough to have an impact on jobs this year and next year.

We believe we ought to provide additional funding for items such as community purchase of additional buses for their transportation systems. That will increase a number of jobs in the economy.

We believe we ought to provide an additional $1 billion to return the local municipal sewage treatment construction program to the level that it was pre-Reagan. That program has been reformed; that money can move out fairly quickly and no one, I think, can suggest that there is not, on the merits, a need for it. That will also provide a good many private sector jobs.

In addition to that, we believe that to help insure a greater degree of peace and stability in our communities and to provide a good many young people with their first real work experience, we ought to increase the number of summer youth jobs by about 350,000 to the level which existed before last year. Certainly, with the increase in unemployment, that is the minimum we ought to provide.

We also believe that we ought to fully fund the Older Workers Act under the Older Americans Act. We tried to make room for the economic development proposal out of Mr. OBERSTAR's subcommittee, and to revive a healthy Appalachian Regional Commission.

We also try to do two other things. We do not believe that it is either good economic policy or humane social policy to allow a number of States to trigger off extended unemployment compensation as they will do in October, 1 month before the election. It is not a good idea to do that anytime, but especially it would suggest it is not a good idea to do that before an election. Anyone who comes from a State which will trigger off, I would suggest, ought to take a look at the letters which I have sent to their offices today, because it tells them how they can avoid that problem. They can avoid that problem by voting for this amendment.

I know of no other substitute that does avoid that problem, unless the Black Caucus amendment does. We also suggest that we ought to do one other thing. There are a great many people in this society who have exhausted totally their unemployment compensation benefits.

□ 1620

They will, without an upturn in the economy, be stuck with the miserable prospect of being on welfare, period, with no other opportunities for employment. We suggest that at the very least we ought to provide a program of assistance to them which will allow them to work at minimum wage levels in a program to be provided in local communities in States which have the highest levels of unemployment in this country.

I had another disturbing experience last Sunday. I was in a town by the name of Janesville in Mr. ASPIN's district. I was talking to a lot of auto workers. Those workers were used to graduating from high school, going to work at the local Chevy plant, drawing their checks regularly, or, on occasion when they were on strike, at least being able to draw from the strike fund. Today all of that is gone for a good many of them.

These are people who used to sit in the VFW halls, who used to sit in their union halls, and who used to go out to their church picnics and gripe about the "moochers" on welfare. Now they face continued house payments, continued car payments, two kids in orthodontia, maybe another kid trying to go to college, and no job, no unemployment compensation, and no prospect that this Government is going to do anything except to promise that "prosperity is just around the corner."

We suggest that we ought to help those people turn that corner, and we can do it. We can do it in the context of a balanced budget, and we can do it in the context of fiscal discipline.

Felix Rohatyn said awhile ago, "Care and compassion can live alongside a balanced budget, a strong defense, and a vigorous fight against crime."

We are going to be offering this amendment in an effort to demonstrate that Felix Rohatyn is right, and I hope that you will give it serious consideration. It will provide new initiatives which will create about 1 million jobs.

We will also provide one additional new initiative in our proposal. I am chairman of the Budget Committee's Task Force on Economic Productivity. We held a number of hearings last year and, I think, developed a rather interesting record, regardless of your political theology. That record makes quite clear that while we certainly must continue to provide substantial new incentives for capital investment, we also have to provide much more in the way of targeted, effective, and disciplined investments in human capital. And one of those areas where we have to direct some of that investment is toward our science base.

We have, if you would take a look at the statistics, an incredible shortage facing us in electrical engineering, in industrial engineering, in mathematicians and statisticians, all the nuts-and-bolts people who can help this society become more productive and more competitive. Yet if you take a look at what has happened in this country since Sputnik, the last time that this society was galvanized to do anything about this problem, what you have on your hands is a national disaster area.

When Sputnik first went up—I will never forget it—people all across this country said, "We have to do something. We have to become No. 1 in science, we have to become No. 1 in math, we have to become No. 1 in engineering. We have got to be No. 1."

Since that time the Japanese have increased the percentage of their gross national product which they put into basic science research by 40 percent, the French have increased theirs by 30 percent, the Germans have increased theirs by 20 percent, and ours has declined by 20 percent. That makes no sense. It makes no social sense, it makes no economic sense, and it is, I believe, one of the principal reasons why we will continue to have serious troubles for the next decade competing economically in world markets.

So we suggest a couple of simple things. No. 1, we suggest that we increase the committee's budget for items such as university research and instrumentation, especially in the fields which I have just discussed. We also suggest that we provide some additional opportunities for low interest loans for graduate students at the university level in the areas I have just described, largely in math, engineering, and science. I would like to provide them also for language.

We also suggest one other thing. In the last 5 years we have seen a significant increase in the test scores coming out of kids in elementary schools. We are making progress in improving the quality of our elementary schools. The same cannot be said for high schools. What happens is that the kids are starting to turn upward in those test scores, but when they hit those high schools, that stops. One of the reasons that stops, I believe, is because so many qualified teachers are leaving education because they can make a lot more money someplace else. Take a look at the numbers, and you will see that in the last 10 years the real income of teachers has dropped in this society by over 10 percent. Very few other groups can make that statement.

We also have another problem, in my judgment, and that is that the standards which we require young people in high schools to meet before they graduate have become almost laughable. I do not want the Soviet system of education, I do not want the English system of education, I do not want the European system of education, but they do, to a greater degree than we do in this country, more consistently challenge young people to excellence, and one of the ways they do it is by providing tougher standards.

So what we try to do is to provide for a number of research grants to the labs and centers around the country and to local school districts to, for a 2-year period, examine the best methods by which we might increase the curriculum offerings in high schools. Then, in the third year, we would begin to add significant amounts of money in a targeted program for high schools in States which do raise their academic standards.

We believe that is essential to improving the long-term economic productivity of the country. And we think it is essential in attacking the very basic problem of adult illiteracy which we have in this country.

All of these things, as I have said, we have managed to do within the confines of a balanced budget by the year 1985 and which spends less than does the President's budget over that period. I know it is not popular to bring amendments like this to the floor. I know that some people say we are out of touch. I know that some people say that we are being "unrealistic and naive" because we are trying to preserve a much greater possibility for investment programs in this budget.

I would suggest that the persons on this floor who think that this country can maximize its productivity and can maximize its social cohesion without these kinds of programs are the truly naive and the truly shortsighted people in this Congress and in this society. And I do not believe that the public believes that we can for very long reduce our commitment to quality in education or in health or in job training or anyplace else.

Sure, it is nice to offer our constituents the prospect of having that burden lifted, but they know that in any democratic society taxes are the price we pay for a civilized society, and they know that you cannot for long, as the business community has pointed out for so long on the capital investment side, ignore the necessity to provide seed corn for this economy or we will all suffer in the end. We will suffer not only economically but we will suffer militarily because we will not have the resources, we will not have the economic engine to sustain

the kind of defense which I think the country needs and wants and deserves.

So all I would suggest is that Members take a look thoroughly at this proposal. We still provide tax cuts, we still provide defense increases, but we do it in a more disciplined way. I would suggest that it is the responsible thing to do, it is the disciplined thing to do, and in human terms it is the decent thing to do. I hope you will support it come Monday.

Mr. OTTINGER. Mr. Chairman, will the gentleman yield?

I thank the gentleman very much for yielding to me.

Mr. Chairman, I take this time to advise my colleagues of the amendment I will offer to restore full current policy funding—sufficient to permit programs to operate at current levels taking into account inflation—for all function 500 programs which include primary and secondary education, higher education grants and loans, the Older Americans Act, job training and employment services, CETA, occupational and vocational education, child welfare grants, handicapped services, day care, and others.

The committee has proposed a freeze on these function 500 programs. My amendment would provide increased funding to permit them to continue to operate at present levels. My amendment will not increase the deficit, as it requires that revenues be raised to pay for the additional expenditures.

If we are to have a strong defense and be able to compete effectively with the Japanese and Europeans for world markets, it seems obvious that we must have an educated population and provide the job and vocational training needed to give our workers the skills needed in today's technological society. If we are to lay claim to being a civilized society we must also see to it that our handicapped and senior citizens are not driven into penury.

The Ottinger amendment would simply maintain current policy for all programs under function 500. It increases budget authority from $27.55 billion to $28.45 billion for fiscal year 1983, an increase of $900 million. It increases outlays for that year from $27.45 billion to $28 billion, an increase of $550 million over the committee recommendation.

Increases over the committee recommendation would, obviously, be greater in fiscal years 1984 and 1985.

The committee cuts in these vital programs are particularly harmful because they were already so drastically cut by the Reagan economic program—those cuts last year have already done substantial damage to our society. To argue that everyone must sacrifice—that we cannot afford to spend this money—is rendered absurd by tax leasing for corporations, by huge tax breaks for oil companies, and by a personal income tax rate reduction that funnels 65 percent of its benefits to the wealthiest 12 percent of American families while 70 percent of this year's cuts hit programs aimed at the poor.

The committee cuts are counterproductive because these are the very programs we need if we are to rebuild our economy. No economic recovery is possible with a work force that is ill trained and poorly educated.

We ought to be increasing these programs, enlarging our commitment to train and educate our people. It is outrageous that we must fight to merely maintain the status guo.

Consider the damage already done by program cuts in fiscal year 1982, when the budget resolution levels were roughly 15 percent below actual outlays from the preceding year:

Title 20 social services—which includes day care money—was reduced by 17 percent.

Aid for the educationally disadvantaged, student financial aid and Pell grants were all reduced by roughly one-tenth. The program for the educationally disadvantaged is only serving right now 45 percent of students in need of such assistance.

Vocational education funding is 16 percent below 1980 funding levels.

Public service employment funding is 70 percent below fiscal year 1981 levels.

Only in a looking glass world could this be called a program for economic recovery.

The growth in Federal spending should be trimmed, and the deficit must be cut. But we must go after what David Stockman called weak claims, not weak clients. Yet the weak claims continued unchallenged, while weak clients suffer. There are plenty of places to look for deficit reduction without mortgaging our future, and I have specified $125 million in program cuts and cuts in tax sudsidies in the CONGRESSIONAL RECORD of April 1 of this year.

My amendment has already received the endorsement of the National Council on the Aging. By the time we debate the amendment next week, I am sure it will have received the endorsement of many other groups who understand that it is stupid to cut our education and job training programs and cruel for this Government to sustain the administration's abandonment of those who need us most: Our seniors, children, handicapped, unemployed and poor.

□ 1630

Mr. OBERSTAR. Mr. Chairman, will the gentleman yield?

Mr. OBEY. Surely.

Mr. OBERSTAR. I want to compliment him on his statement, a very thoughtful presentation of a very complicated issue, one that he has considered very thoroughly and to which he has given a great deal of time and attention.

What the Reagan administration has given us is a budget of despair, a budget of retreat, a budget of reaction.

What the gentleman from Wisconsin is proposing is a budget of progress, a budget of hope and a budget of balance—balance in equity and balance in its fiscal aspect.

Mr. Chairman, the first budget resolution, even more than the second resolution, is both an economic document as well as a statement of policy for the Government of the United States.

The Budget and Impoundment Control Act of 1974 was written for the purpose of giving Congress the institutional mechanism necessary for the Congress to exercise a coequal role with the executive branch in the development of the Federal budget.

It was intended not as a mode of confrontation, but as a means of insuring that elected representatives had both the resources and the means to review and amend administrative budget requests.

Congress intended the budget process to provide Congress and the administration with a procedure for establishing not just spending targets, but spending priorities for the Federal Government. It was to provide Congress with a framework in which it could evaluate the administration budget as well as the spending bills approved by authorizing and appropriating committees. Through the specific timetable and procedures required by the Budget Act, Congress as a whole was to exercise restraint on the activities of those committees to insure that they remained within the levels set by the budget process, and to end the practice of authorizing excessive or even impossible spending programs.

In its first years, the budget process worked well. An objection from the chairman of the Budget Committee that an amendment to an appropriation or an authorization bill was overbudget was persuasive in efforts to defeat such an overbudget amendment.

The Nation is all too familiar with the manner in which the administration used the budget last year, not as an instrument of fiscal restraint and deficit reduction, but as a means of destroying programs and reducing spending on senior citizens, schoolchildren, and community and economic development. At the same time, the administration persuaded a majority of the House to enact tax legislation that is principally responsible for the economic disaster of the current record Federal deficit.

In 1981, the budget process became an instrument of economic instability instead of the means to fiscal restraint intended by Congress in enacting the Budget Act.

The administration cannot solve the current economic crisis unless it recognizes the consequences of requesting record increases in defense spending simultaneously with implementation of the bill signed last August. The administration is making the mistake of the Johnson administration—enormous increases in defense spending, combined with an unwillingness to ask the American people to finance that increase. Rather, the administration imposes the burden of its tax and defense policies on the neediest of Americans—including the postwar record 9.4 percent of the population now unemployed.

It is an absolute disgrace that a country which passed the Humphrey-Hawkins Act in 1978 will tolerate such an unemployment level.

This House must act decisively to reverse the course set by the administration in its budget and tax policies last year.

If we are to have any hope of economic recovery, we must demonstrate clearly that this House is committed to reducing Federal deficits and eliminating the Federal deficit at a certain date in the near future. The administration's economic predictions have been so unrealistic that its projections have not stabilized interest rates, and have not restored investor confidence.

Last year, Congressmen DAVE OBEY, MORRIS UDALL, and HENRY REUSS proposed a tax plan, a proposal which I helped shape, which this Congress should have adopted. It provided tax relief for all Americans, in a responsible, stable manner which would have permitted the Federal Government to achieve a balanced budget in fiscal year 1983. Such a goal is impossible under current tax loss. The record post-World War II level of unemployment and the administration's tax plan will insure a record deficit this year, and most likely next year.

This House must pass a budget resolution which will assure the American people that Congress intends to eliminate the Federal deficit; that it is committed to eliminating the credit clash between the Federal Government and the private sector. Psychology economics, practiced by the Reagan administration, will not work. The tax act passed last year was a mistake. The Nation cannot afford it. It must be changed.

The Obey-Reuss-Udall tax bill, which I cosponsored last year, made good sense then. It makes even better sense now as the entire Nation sees the consequences of the grossly misnamed Economic Recovery Tax Act which President Reagan signed last summer.

The Obey amendment offers this House the best opportunity for reducing the Federal deficit and placing some restraint on the growth of defense spending. The Obey amendment:

Provides for a balanced budget in 3 years;

Spends less than the Reagan budget over the next 3 years;

Allows for a program to generate 1 million job opportunities for unemployed Americans;

Provides for growth in defense spending, but at a more responsible and less wasteful level than that in either the President's budget or the House Budget Committee resolution. Under Obey, defense spending would still be $1 billion a day by the year 1988.

The Obey budget amendment would provide for a total deficit in the years 1983-85 of $122.5 billion, compared to $270 billion in the Reagan budget, and $212 billion in the House Budget Committee. The Obey amendment recognizes the legitimate defense needs of the United States and provides for an increase in military spending so that by 1985 defense spending would total $256 billion, an increase of $65 billion from current levels.

Because of my deep concern for the unemployed of my district and throughout the Nation, I must support the Obey amendment. It makes a clear commitment not only to reducing the deficit, but also a commitment to a vigorous Federal jobs program. The Obey budget would add $1 billion to the House Budget Committee resolution for minimum wage jobs for unemployed workers who have exhausted their unemployment benefits and an additional $1 billion in aid for local communities with the highest unemployment rates to be spent on repairing public facilities.

Congress must rewrite the economic plan passed last year. It was, and is, a blueprint for economic disaster in the United States. We must put aside rhetoric and psychology and incantations of unworkable economic theories, and impose a vigorous reduction in the Federal deficit. Unless Congress does, American businesses will not have the capital they need to invest and to employ the 10 million Americans who are jobless because of the failure of Reagan economics.

Mr. JOHNSTON. Mr. Chairman, I yield 5 minutes to the gentleman from Virginia (Mr. BLILEY).

Mr. BLILEY. Mr. Chairman, I thank the gentleman for yielding, and would certainly be proud to associate myself with his remarks.

My colleagues, I would like to share with you what one of my friends has shared with me. My friend has in the past supported likeable, honest, but somewhat liberal candidates for Congress. When in 1980 the American people voiced their opposition to business as usual, my friend voted for President Reagan, but continued to support the incumbent fiscal liberal from his district for Congress.

Well, this startled and amazed me. I asked him how he could possibly do such a thing as to vote for a fiscal conservative for President and a fiscal liberal for Congress. And his reponse is necessary for us all to note.

My friend explained his votes thusly. He said, I voted for President Reagan because he campaigned to reduce spending and taxation and to bring about a balanced budget. He said, I am tired of the Congress spending money the country does not have. At that point, having accused the Congress of that which it is guilty, I asked him how he could vote to send his Representative back to Washington.

And he told me this. He said, I voted for that man years ago because I felt he was honest and intelligent. In fact, I probably emphasized his intelligence more than his integrity. This year, I voted for his intelligence again. I know he is a smart man, smart enough not to miss the handwriting on the wall. As a matter of fact, my friend said, my Congressman is so smart he will probably lead the Nation in this big turnaround. He is intelligent enough to recognize a policy for bankruptcy when he sees it, and he will be right there leading the fight for a healthy economy with Ronald Reagan.

I think there is a great lesson to be learned from my friend's story. Many Members currently serve in Congress not because they are ideologically perfect—none of us are. We are in office because our constituents know that we know what to do and when to do it. They expect us to read the handwriting on the wall. Many of the Members here who have consistently ignored revenue restraints and voted for more and more money year after year were returned to office because the people that elected them were saying to themselves, "Surely my Congressman can tell when he has made a mistake. I trust him, he is honest—he will turn around and we will get the country going again."

Well, I think we can see where the policies of the past have brought us. Let us now prove it to those people who have had faith in us that we can indeed learn from experience and mature from old mistakes. Let us balance our budget, and prove those millions of voters who believe in us right. Let us vote for the Rousselot substitute.

I thank the gentleman for yielding.

Mr. JOHNSTON. Mr. Chairman, I yield such time as he may consume to the gentleman from Texas (Mr. GRAMM).

Mr. GRAMM. Mr. Chairman, I would like to talk about the budget and where we are and what we agree on and what we do not agree on.

I think it is pretty clear if you listen to the people who have spoken here today, and I predict it will be true for those who speak here tomorrow and during the debate on the amendments, that we all agree that something has got to be done about the deficit, something has got to be done to reduce the amount of national income being absorbed by Government, something has got to be done to reduce interest rates by reducing the amount of money that the Federal Government borrows.

But I also assert that when you get beyond that basic agreement, fundamental differences that divide this House and divide this country become very clear.

In the major budget substitutes that will be voted on next week there are clear differences as to how we achieve those goals.

I would like very briefly to take the budget which was reported by the House Budget Committee and compare it to the bipartisan recovery budget which will be offered by the gentleman from Ohio (Mr. LATTA) on behalf of the Republicans and the conservative Democrats who seek to control the deficit by controlling spending.

I would like also to compare, based on tentative data, the budget that will be offered by the gentleman from Ohio (Mr. LATTA) on behalf of himself and conservative Democrats to the so-called coalition budget which will be offered by the gentleman from Wisconsin (Mr. ASPIN).

I think when you look at these comparisons you will see very clearly what the choices are before the House.

If you take the data contained in the vehicle reported by the House Budget Committee, you can break the basic policy changes into five different areas: what we do about nondefense discretionary, what we do about targeted entitlements, what we do about other spending reductions, what we do about defense, and what we do about taxes.

We are going to hear a lot of discussion in this budget debate about economic assumptions, as we did in the last. But what is relevant is not what we assume about the world, but what we do about the realities that we face.

I think in looking at what we do in these five functional categories you will clearly see the difference. In the area of nondefense discretionary, the bipartisan recovery budget cuts nondefense discretionary spending 72 percent more than the Jones House Budget Committee vehicle over the period 1983 to 1985.

In the area of targeted entitlements, the only section other than revenues that will be reconciled, that committees will be forced to make changes in under the reconciliation process, the bipartisan recovery budget cuts targeted entitlements 139 percent more than the Jones House Budget Committee budget over the 3-year period.

In the area of other spending reductions, the bipartisan recovery budget reduces other spending 489 percent more than the House Budget Committee.

In the area of defense, the Jones House Budget Committee budget cuts defense 69 percent more than the bipartisan recovery budget.

In the area of taxes, the Jones House Budget Committee budget raises taxes by 55 percent more than the bipartisan recovery budget and in the end achieves the same bottom line.

Basically, these differences are repeated when you compare the Aspin coalition budget and the bipartisan recovery budget that will be offered here.

If we look at nondefense discretionary and other spending reductions, the bipartisan recovery budget cuts nondefense discretionary spending 62 percent more than the Aspin coalition budget over the 3 years that the budget is in force.

In targeted entitlements the bipartisan recovery budget cuts targeted entitlements 119 percent more than the Aspin coalition substitute.

In defense, excluding pay, the Aspin coalition budget cuts defense 83 percent more than the bipartisan recovery budget.

In the area of taxes, the Aspin coalition budget raises taxes by 42 percent more than the bipartisan recovery budget over 3 years.

□ 1640

My point in making these comparisons is this: The House next week is going to have to choose between two real options. One option is embodied in the budget presented by the House Budget Committee and slightly modified in the coalition Aspin substitute. That option says, "Let us raise taxes and slash defense so that we can continue spending as usual in Washington." The real alternative is the bipartisan recovery budget, which says, "Let us focus our attention on spending so that we can meet our legitimate defense needs and so that we can let the American people keep more of what they earn." Those are the options that we must choose between. Do we want to raise taxes and slash defense, to continue spending, or do we want to control spending so that we can meet our legitimate defense needs and let the American people keep more money in their pockets to provide positive incentive for people to work, save, and invest? Those who have talked about how much trouble the economy is in would have us deal with those economic problems by raising taxes and by increasing spending. I believe that those are the policies that brought us to this sorry state, and I do not believe that going back to the policies of the 1960's and 1970's will solve our problems.

I think it is important that we pass a budget that gains control of spending and gains control of the deficit, that puts strong downward pressure on interest rates; but I think the focus has got to be on the problem, and the problem is spending.

Taxes were doubled over the last 6 years, and yet the deficit grew every year. Our problem is not inadequate taxes; our problem is excessive spending. In the bipartisan recovery budget we have an opportunity to do something about that excessive spending.

So I hope that we will have a good debate in which everyone will look at the issues. What do we do about domestic nondefense spending? What do we do about meeting the legitimate defense needs of our Nation? How much burden do we place on the shoulders of the working men and women in America? In those three areas the differences among these budgets will be very clear.

I would like to make one additional point, and that is that we have heard and we will hear a lot of talk about equity. Are cuts fair? Do we treat entitlement and discretionary programs fairly in terms of choosing where to make reductions? But I would submit to my colleagues that there is another issue of fairness, and that issue has to do with taxes. How much burden are we going to put on those who are pulling the wagon, as well as the burden that we are going to put on those who are riding in the wagon? And in the ultimate fairness test, by controlling the growth of taxes and focusing revenue increases on reducing the deficit, rather than increasing taxes to go on spending, I believe the ultimate fairness issue is going to be settled on the side of the bipartisan recovery budget.

So I look forward to the debate, and I believe when the American people look at the three choices, when our colleagues look at these three areas of difference in defense, in nondefense, domestic spending, and in taxes, I believe the bipartisan recovery budget is going to be adopted.

Mr. JOHNSTON. Mr. Chairman, I yield such time as he may consume to the gentleman from California (Mr. LUNGREN).

Mr. LUNGREN. Mr. Chairman, in this past week a national magazine made a reference to this Congress which I did not totally agree with until some of the votes that we had over the past week. I refer, of course, to the fact that we could not even get this House to go on record as keeping within the budget on that holy of holies, the Bureau of Standards.

I have not gotten a letter from anyone on social security, I have not gotten a letter from someone who is on the poverty level, I have not gotten a letter from someone who is on food stamps, I have not gotten a letter from a college student worried about going to school demanding that I not accept a cut in the Bureau of Standards. Yet, here in the House, we showed that we were incapable of even applying that discipline to ourselves during the last week. The article that I refer to said that the negotiations between the Speaker of the House and President Reagan were somewhat akin to the negotiations between Margaret Thatcher and the head of the Government in Argentina. They were basically about sovereignty. In one case, sovereignty over the Falklands, and in the other case, sovereignty over the Congress. And the article went on to say that the analogy goes even further because the sovereignty in both cases was about something that basically was barren, windy, and populated by sheep.

The problem is, as we face the budget debate, I do not hear the battle cry going up, "Save the country" or "Save the economy." It appears, rather, that the battle cry that is going up is, "do not lose the sheep."

We have a problem here. The question is: Are we going to have the guts in this House to do something about the economic circumstances of this country? Or are we going to be led around like sheep, concerned so much about the fact that we have to face the voters in November, and this program or that program cannot be touched?

Mr. Chairman, I am going to support the Rousselot balanced budget amendment because I think at some point in time we have got to say, "Yes, we are here to make a real difference in terms of policy." We have seen what has happened when we try to go day by day, month by month, year by year, saying, "Well, we will get closer to where we want to be, but we cannot afford to do it now, and somewhere down the line we will put our fiscal house in order, somewhere down the line we will in fact get to that point that we all agree we should be at, a balanced budget."

That type of approach may make sense, except for the fact that we would have to apply it in this House, and gradualism has really never succeeded here. You have to take bold steps. You have to be willing to take the heat. The President of the United States was willing to do that last year when he enacted a major tax program. Now, we made some changes in it before we finally issued it forth from this House and from the Senate, and now we hear the clamor by some, and a recent speaker in particular who said the reason we have this large deficit staring us in the face is because we cut taxes and we dedicated more money on the Federal level to national defense.

In other words, what is being suggested is that the people were wrong in November of 1980, they were wrong when they asked us to cut that burdensome taxation that they had been working under, and they were wrong when they suggested to us that perhaps our priorities had gone askew when we were paying more and more or dedicating more and more of our Federal resources to domestic programs and less and less to national defense.

We have moved in that direction because, No. 1, I think it is right; and No. 2, the people recognize that it is right. I do not think it serves us well to suggest to the American people, "Look, we did what you wanted us to do, and it has been a failure because we do not have the guts to address the questions that remain, that is, what are the proper levels of spending that ought to take place on the domestic level?"

I would suggest to my friends in this House that there is but one level of government that has the responsibility for providing a defense, and that is the Federal Government. And there are other levels of government that can assist in domestic programs—State government, county government, city government, other local entities. And we have any number of private and charitable institutions that join us in doing that. Yet if we were to ask them to go home to our local community and say, "We need a battleship, therefore you provide it for us," if I were to go home and ask the Governor of my State, Gov. "Moonbeam" Brown, "would you please provide us with a division," first of all, I would have to explain to him what I meant by that and, secondly, I do not think he would provide it for us. If I were to go to my county supervisors and say, "We need a destroyer, therefore you provide a destroyer," they would call for the man with the nets to take me away.

☐ 1650

Yet what has happened. We have allowed local State governments to come here and tell us that we should be doing the job that they should be doing. How many of us have received information, declarations, memorializations from our State legislatures, from our county government, from our city governments telling us, demanding, in fact, that we balance the budget, and then coming to see us a couple of weeks later and saying, "Well, we told you we wanted you to balance the budget but don't do it on our backs, keep giving us the money that we have been requesting from you in the past."

That shell game has to stop and it ought to stop this year.

We have the Rousselot balanced budget amendment that will be offered as a substitute to the prevailing vehicle, and I think that we ought to take serious look at it.

It does go down in defense somewhat, but I am willing to take a little bit off in defense if it will aid us in getting to the point of a balanced budget.

Most economists suggest if we had a balanced budget next year, the assurance of a balanced budget, the financial markets would be in such a position that we could have a fall in interest rates. But I would suggest to my colleagues, that all budgets are not made alike, all balanced budgets are not made alike, all tax cuts are not made alike, and we have got to go beyond that and look at what those budgets offer us.

If we can achieve a balanced budget by slashing defense and raising taxes, then is the goal worth it? I suggest it is not. Because, overriding even the concern for a balanced budget ought to be the health of the private economy in this country, and the private economy in this country is not going to be in a healthful state if we continue to say that somehow taxation with representation is worth less than taxation without representation.

In other words, if we throw up our hands and say we cannot afford the vote in tax cuts, because we have put in place automatic spending on the domestic side, such that it is always going to arrive at a deficit, then perhaps we ought to pack up and go home, because we are telling the American people forget about what you did in November 1980 and do not pay any attention to what you are going to do in November of 1982 because it does not amount to a darn thing in terms of a difference.

We cannot control this place. The place is in control of us. The system is in control of us. The uncontrollables are so uncontrollable that there is no way that we can in fact control.

Mr. Chairman, I think it would be a major mistake for us to go in the direction that some of those who are presenting some of these alternative budgets wish us to go, cutting defense, increasing taxes, and increasing domestic spending. Certainly that is what got us in the problems that we are today. And Mr. Chairman, as we make the decision this next week we ought to look at what the economic circumstances are, we ought to look at the good news. When we see it, the good news on the inflation front today is from the Bureau of Labor Statstics that said that inflation increased in April by only two-tenths of 1 percent. That is an annualized rate of 1.5 percent. That follows a month in which we had deflation.

Lower inflation is not the only good news. I want to call to the attention of the House the fact that interest rates are trending down. A year ago, 90-day T-bills averaged 16.4 percent. Yesterday it was announced that the same T-bill rate was 11.5 percent—a drop of almost 5 percent.

We all know that interest rates are unacceptably high today, but this is still good news that they are trending down.

Let my point out one other thing. The current interest on 3-month Treasury bills is lower today than it was in November 1979. That is right, November 1979. I did not say November 1981. I did not say November 1980. I said November 1979.

Now, that happens to be good news. When we get some of that good news we ought to try and analyze how we got there.

I suggest we have gotten there in part because there is some realization on the past of the American people that our President is standing firm in attempting to cut the burdensome rate of taxation, trying to cut the ever-spiraling increase in spending, particularly on the domestic side, and at the same time protecting our basic national interest in national defense.

To those who suggest that we ought to change that overall taxing policy that we enacted last year, let me suggest this. It is true those in higher incomes have been assisted most by the initial tax cuts that have gone into effect, but that is not the fault of this President. He wanted an across-the-board 30-percent tax cut, phased in over 3 years, the first phase to go into effect January of last year, the second phase January of this year. What happened? We would not allow that to happen. We postponed it. And the little guy, the average man and woman in America out there working, is only going to get some tax relief next year. So, if we say that we cannot afford the tax cuts for next year, as some have suggested here, what we are saying is, average America, we cannot afford to give you a tax break, the system has gone out of control here, and, therefore, you are going to have to take the heat for it.

Mr. Chairman, the point I am trying to make is that we have embarked on the general outlines of an economic program that if it is allowed to run its course will succeed. We have to move further in the direction of those trends than we have moved thus far, and that is the challenge we have today.

If some believe that all we have to do is raise taxes, then I suggest they have the burden of proof of showing us why that did not work with the previous administration.

If some believe that we cannot attack domestic spending, then I suggest they show us why our inaction on attacking excessive domestic spending did not work during the Carter years but somehow is going to work now.

If they say we should cut the hide out of the defense program that this President has embarked upon, then I think they need to show us why in following that trend during the Carter administration it did not succeed.

I think the burden of proof lies there, Mr. Chairman, and I think we have an obligation as we approach this next week to try and confront the question as to whether we want a balanced budget, and if it is the judgment of this House, as I fear it might be, since as I said before we cannot even afford to balance the budget of the Bureau of Standards—somehow as I said that holy of holies cannot be violated—I wonder if we will have the guts to have a balanced budget next week.

But if we do not, then I think we have to really look at those budgets that are presented to us to see how they arrive at their figures, what philosophy is contained in those budgets, and whether they take us further on the course plotted by President Reagan and the American people in November 1980, or whether they basically outline a U turn.

Finally, Mr. Chairman, I would like to make reference to an article that appeared in the New York Post in the last week in which it refers to Moody's, the leading investment advisory and bond rating service and their concern as they see us beginning the debate on the budget.

They warned in their latest bond survey that, "Efforts to balance the budget via higher income taxes could have a devastating effect throughout the economy."

They go on to say that higher taxes would, "probably halt the trend toward larger savings while doing nothing to improve productivity."

If we can take one lesson from the Japanese, it may be this. If you are going to run an unbalanced budget, you can take care of some of the problems that are provided by an unbalanced budget by having a tax policy which assures that there will be adequate investment and savings such that the capital pool of investment is so great that when the Government goes in to borrow it does not crowd out everybody else, and we ought to think about that, Mr. Chairman, as we deal with the various budgets that will be presented to us. If we attempt merely to balance the budget by massively increasing taxes I suggest, No. 1, we will never balance the budget and, No. 2, we will make sure that interest rates do not come down but soar much, much higher than they have been before.

Mr. RUDD. Mr. Chairman, will the gentleman yield?

Mr. LUNGREN. I yield to the gentleman from Arizona.

Mr. RUDD. Mr. Chairman, this body appears to have come out of its hibernation and has become a veritable beehive of activity. Yesterday, the Rules Committee handed out a rule on a budget resolution that is barely a week old, and now we are engaged in debate on this resolution.

It seems that this body is determined, after months of delay, to rush a budget resolution through Congress, hoping that the American public will not have too long a chance to see what is being offered before it becomes law.

I think a little review of the actions and situations that have put us in our current dilemma is necessary.

This budget could possibly be the second long step back to the road of fiscal responsibility and a sound economy. Or it could be a giant step back to the patterns of the past: Increased spending; increased taxation; increased inflation and increased misery, which will affect most severely the very group of individuals the increase of Government spending was aimed at helping: the poor.

The total 1963 budget was in the neighborhood of $118 billion. Right now, less than 20 years later, the debt service or interest on the debt alone is more than that entire budget. In 1965, the total amount of transfer payments in the Federal budget was some $40 billion. Now that total is in excess of $320 billion. Nearly a thousandfold increase in 17 years. Are the poor a thousandfold better off? There has been some good work done, but have we done enough to warrant such cost? And is that the only cost to this Nation? What about the cost of lost jobs, or lost capital for expansion that never came about because of the credit squeeze imposed by the borrowing of the Federal Government? Right now, this Government consumes almost half of all the available credit in the market that is necessary to build factories, homes; provide jobs for all the millions that are currently unemployed. Not only do the unemployed get hurt through the massive credit drain by the Government, but so do the employed. A large Federal budget with a large deficit can only be financed three ways: More taxes, more borrowing, or more money being printed up. A rise in taxes gives the working man less money to take home, to save, and to invest. More borrowing drives up interest rates which prevent the worker from getting the home he needs. And more printing of money increases inflation which reduces the value of whatever the working man brings home.

Clearly, it is in the best interest of both the employed and the unemployed to pass a budget that does not increase taxes, but that does reduce the size of a Federal budget whose presence on the market makes everyone's economic expectations less promising.

Mr. JONES of Oklahoma. Mr. Chairman, I yield 7 minutes to the gentleman from Texas, the distinguished chairman of the Social Security Subcommittee (Mr. Pickle).

□ 1700

Mr. PICKLE. Mr. Chairman, it is extremely important to our Nation that the House pass a budget in order to reduce the deficit because it is the primary, and perhaps the only way in which we are going to lower the interest rates and restore the confidence of the American people in our economy. I am encouraged that the seven budget proposals submitted to this body today all show a savings or a reduction in the neighborhood of $70 to $80 billion. There does not seem to be clear-cut Democratic budget or a clear-out Republican budget—but rather, a combination of several attempts, all sincere and bona fide efforts to lower the deficit. Whatever or whichever we pass, I think the Nation will be glad to see that we are finally meeting the challenge, and are making efforts to do our part by cutting down the deficit.

At the same time, however, I think we ought to be honest with ourselves and admit that we are not really doing all we could, or should. To make meaningful progress we must make significant reductions in the size of entitlements, tax cuts, and defense spending. Even if we proceed with reductions on the order of $70 billion, we still will not have a definite or permanent solution to our budgetary crisis. None of the plans submitted, for example, place lasting limits on the growth of entitlement programs. No more than $3 to $7 billion in entitlement savings is anticipated in fiscal year 1983. The entitlements program in our next year's budget will cost somewhere in the neighborhood of $356 billion. Admittedly, it will be an extremely difficult task to control these expenditures, but we can never hope to approach a balanced budget until we do it. Making a $5 billion reduction out of a $356 billion figure to not very much.

Entitlements represent some of our country's most important programs. They include medicaid, medicare, food stamps, AFDC, retirement benefits for civil servants, railroad workers, and veterans—and, of course, most importantly, social security. All of these programs can be called upon to contribute their share to a balanced budget. Indeed, no program is a sacred cow in the face of this overriding national need to restore order to our Federal budget. And I think that participants and beneficiaries in these programs would accept some adjustments, in cost-of-living increases particularly, if they felt they were being fairly treated and the action was necessary.

If changes affecting social security are ever considered in the budget, I would insist that they be coupled with the requirement that we also make the long-range changes needed to insure the solvency of the program in the future. After the budget is adopted, and we start to work on the specifics, I shall watch for any action that might bring about our long-range changes.

Even social security, however, is a part of the unified budget and has as much reason to be a part of this budget consideration as any other program so long as it is dealt with fairly and the strengthening of the social security program itself is the primary objective.

We think that with these budgets before us we will be making sufficient progress and will bring the deficit down in future years. But let me tell you, we are going to be back here next year adding $8 to $10 billion to the budget for social security—just to pay benefits. The Members should understand that. I want to repeat it. In next year's budget, the Congress, in order to meet the short-term deficit of the social security program, will be back here adding nearly $10 billion to pay current benefits. So we are adding to the deficit again next year because we have let the time run out on us this year to make the changes in social security that should be made. But the Congress is ducking the issue of social security this year.

Another area that we have not directly addressed is the matter of the third-year, locked-in, Kemp-Roth tax cut. Presumably, one or two of the budgets would include a delay of the third-year tax, since the amounts to be saved are so high in the revenue-raising area. Delaying the third-year tax for fiscal year 1983 and possibly the following 2 years, or at least making it contingent on improvements in the economy, could amount to tremendous savings. Here again, we are not going to reach a balanced budget until we confront this issue head on.

Lastly, we are not making the necessary cuts in the defense budget. None of the budgets offer a practical reduction in defense. The President has recommended that approximately a $33 billion increase be made in next year's budget. Reducing that figure by only $5 to $8 billion may not be enough. We should limit the proposed increase in the defense budget to $18 to $20 billion in order for us to march confidently toward a balanced budget.

If we are ever going to restore public confidence in the economy—if we are ever going to have a balanced budget we must be willing to make meaningful changes in the entitlement programs, in future tax cuts, and in defense. Those are the three big programs. It is the only way we are going to make meaningful reductions. In the budgets before us, we are hardly laying a glove on any of them. While we may end up with a decent budget, we still will not have done the right thing until we exercise more discipline and more stringent control in dealing with entitlements, taxes, and defense spending.

Mr. JOHNSTON. Mr. Chairman, I commend the gentleman from Texas for his statement. He has shown himself to be a worthy sucessor of his predecessors who died at the Alamo—courageous.

Mr. PICKLE. Mr. Chairman, I thank the gentleman very much.

Mr. JOHNSTON. Mr. Chairman, I yield myself such time as I may consume.

I think the American people are entitled to get a broad outline of what we are talking about spending, because in a budget of $700 billion plus, $500 billion goes to individuals either in payment for services, either in payment of retirement benefits for past services, or on the basis of need and unless and until we are courageous enough to tackle that $500 billion of a $700 billion budget, we have no hope of controlling Federal spending, as the gentleman from Texas recognizes.

There can be no sacred cow in the war to control Government spending. Unfortunately, we have allocated almost one-third of these benefit programs in dollar terms, the social security programs, into the category of untouchable and it is simply not feasible for us to attempt to control Federal spending without attempting to contrcl that.

Unfortunately, the debate up here seems to concern itself primarily with assumptions and projections that we have established over the past 5 or 10 years are more than likely dramatically off target. The only target we seem to be able to project fairly accurately is our spending levels. Unfortunately, our revenue has not kept pace.

What we deal with when we project the Federal budget is what amounts to pure guesstimates. Unfortunately, we choose the political palatable route of guessing high on revenues and guessing low on expenditures. That is why this line has continued to diverge; but one number stands out and will continue to stand out. That is the share of this economy that we take away from the American people and spend as we see fit, rather than letting the people who earned it spend it.

Mr. MARTIN of North Carolina. Mr. Chairman, will the gentleman yield for a moment?

Mr. JOHNSTON. I yield to my colleague, the gentleman from North Carolina.

Mr. MARTIN of North Carolina. I thank my colleague for yielding.

If I might have the attention of the gentleman from California (Mr. Lungren), who was speaking a moment ago, I would like to say that I was very much impressed by the remarks that he was making. One thing that particularly struck me was the point the

gentleman was making about those who are making efforts, falsely I believe, making efforts to blame President Reagan for high interest rates. Despite the fact that those interest rates were even higher before he became President, as he pointed out, as the gentleman from California said. Certainly these interest rates prevailing today are not acceptable and we have to take major measures to get those interest rates down; but the gentleman made a very important point, I think that there are those out there who are trying to blame the President even for the high interest rates that are lower than when he took office.

□ 1710

I happened to come across a copy of an item that was printed recently in the newspaper known as the Sentinel Star, published and circulated in Orlando, Fla., a news story which has the headline, "Reagan's Grip in Poll Gnaws at Democrats." The gist of this story is an account of a seminar conducted by a pollster named Bill Hamilton. It says on Saturday, speaking to a seminar in Orlando for Democratic candidates, this Washington-based pollster, Bill Hamilton, was saying that his "March poll of 750 Floridians shows Reagan's positive rating is 56 percent"—56 percent. It goes on to point out that that is somewhat lower than they had earlier measured. It certainly is comparable to the outstanding vote that he got in 1980.

But even though he finds the President with a positive rating of 56 percent, he believes that if the economy can be kept from thriving, that the President and his party will be in trouble this November. Can you believe that?

Let me read to you what the story says at the conclusion, and that is all quoted directly from this article in the Sentinel Star:

> "Unless the economy improves soon, Hamilton predicted, Republicans will take a beating in 1982."

A late summer or early fall economic recovery, he said, would be of little benefit to the GOP because it generally takes several months of good times before people are confident.

> "He admits"—that is this Democratic pollster and mastermind, Hamilton—"he and other Democratic-oriented consultants are doing their part"—to what?—"to help ensure that recovery doesn't come too soon."

Let me repeat that—

> "He admits he and other Democratic-oriented consultants are doing their part to help ensure that recovery does not come too soon."

Why? Well, this is a quotation from Hamilton's own words.

> "I and others"—Hamilton says—"have been counselling Congress to hold Reagan out there, to hold his feet to the fire as long as we can, short of putting the country under." Hamilton said.
>
> "We need to only hang him out another two or three weeks and we'll have our advantage for this election."

End of article.

Now, that statement from this Democratic pollster and mastermind——

Mr. JONES of Oklahoma. Just for a clarification, was that Alexander Hamilton the gentleman was reading from?

Mr. MARTIN of North Carolina. I was quoting from a Washington-based pollster named Bill Hamilton. He is not one of the founders of this country. He is what I would characterize as a Machiavellian mastermind of Democratic partisan politics in the State of Florida, not in the State which my chairman represents, Oklahoma, nor the State of North Carolina from which I come, but in the State of Florida.

I think this is very serious, I am sure my chairman would agree, to have these kinds of economic consultants and pollsters out there urging members of his party in the Congress to try to hold off any recovery as long as possible, short of driving the economy under. This Hamilton says:

> "We need only to hang him"—that is, the President—"out another two or three weeks and we'll have our advantage for this election."

No, that was not Alexander Hamilton. That was Bill Hamilton, a Washington consultant who was in Orlando, Fla., a Democratic mastermind, at a Democratic Seminar for Democratic candidates.

Mr. JONES of Oklahoma. The gentleman would agree he has not convinced the chairman of the Budget Committee of that wisdom; right?

Mr. MARTIN of North Carolina. If the gentleman would yield further to me, does the gentleman mean would I agree Mr. Hamilton has not convinced the chairman of the Budget Committee? Absolutely not; he has not. He has not persuaded our esteemed chairman of our committee to do everything short of driving the country under. My chairman is quite correct on that point. But he has been trying to persuade others, and I wanted to bring that to the attention of this Congress.

Mr. JOHNSTON. Mr. Chairman, I feel compelled to recognize the courage at least attributed to our distinguished chairman of the Budget Committee, according to the Tulsa paper, when he said he was not about to vote for the budget he submitted, and I will commend him for that.

Mr. JONES of Oklahoma. If the gentleman would yield, that is not exactly what it said.

Mr. LUNGREN. Mr. Chairman, will the gentleman yield?

Mr. JOHNSTON. I yield to the gentleman from California.

Mr. LUNGREN. Mr. Chairman, I do not think we should suggest that the chairman of the Budget Committee or others of his leadership are attempting to drive the economy in a backward condition on purpose, and I would not suggest that at all. I think, however, that the pollster speaking, as the gentleman referred to him, as the Democratic mastermind, perhaps if he worked in the Carter administration he was convinced of that ability to be able to drive the economy under, and perhaps he was suggesting if they really put their minds to it, they might be able to achieve it.

One of the things I think that we ought to realize is that the confidence factor is so important in turning the economy around. I have a suggestion on how we could restore the confidence in our economic program, and that is another constitutional amendment, unfortunately, a constitutional amendment to allow the previous President to come and sit as President for 2 weeks. I am convinced if we could get Jimmy Carter back in the White House for 2 weeks, President Reagan and his policies would look so good, the confidence factor of the American people would go so high we would get interest rates down much faster than they came down since Jimmy Carter last graced the Oval Office.

Mr. JONES of Oklahoma. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania (Mr. William J. Coyne).

Mr. WILLIAM J. COYNE. Mr. Chairman, as we consider the Federal budget for fiscal 1983, we should pause to define our terms.

First, we must define what we mean by "spending." A long-running, specious campaign by the administration has resulted in some Alice-in-Wonderland type of pronouncements as to what "spending" is.

Apparently, money for food stamps is "spending." Money for aircraft carriers is not.

Money for job training is "spending." Money for chemical warfare is not.

Money for student loans is spending. Money to expand our bulging nuclear arsenal is not.

A second term we must define is "tax cut." While much has been made of the supposed "tax cut" made by the administration last year, I would argue that what we have experienced is actually a tax and budget shift. According to a Congressional Budget Office study, 86 percent of the tax "cuts" Congress enacted last year went to families earning more than $20,000. In contrast, two-thirds of the spending cuts were borne by families making less than $20,000.

It has been noted that in 1980, before the enactment of the administration tax bill, the Exxon Corp. paid about 1.3 percent of its income in Federal taxes. The average working person pays about 10 percent. Many pay more. Did the Congress reduce the burden for the wage earner, while increasing the responsibilities of the oil companies? Just the opposite. In passing the administration's tax bill last year, we provided an additional set of tax breaks to the oil industry, thereby increasing the tax burden for the average wage earner.

The third term that demands definition is "fiscal responsibility." When I opposed the Reagan budget and tax bills last year, I pointed out that we were being asked to spend more money than we had—the result of sharp increases in the military budget and changes in the tax law to aid the wealthy. The administration prevailed in its argument that the magic of supply side economics would reduce the budget in short order. By the end of Reagan's first term it was promised, the budget would be balanced.

Believing anything the Office of Management and Budget has to say about balancing budgets is no longer a serious possibility in this Congress. Let us consider the budgets projected by OMB in recent months, noting the pattern that has developed as a result of the administration's own mistaken policies:

OMB PROJECTED BUDGET DEFICITS/SURPLUSES

[Dollars in billions]

	Fiscal year—		
	1982	1983	1984
March 1981	−$45.0	−$22.8	+$0.5
July 1981	−42.5	−22.9	+0.5
September 1981	−43.1	−22.9	−0.0
February 1982	−98.6	−91.5	−82.9
April 1982 (official)	−100.5	−101.9	−93.8
April 1982 (budget summit)[1]	−182.0	−216.0	−233.0

[1] Figures agreed upon by negotiators for all parties in budget talks.

As we consider these shocking figures, it is hard to take seriously the administration's arguments for fiscal responsibility. One has to admire the administration's nerve, nonetheless, in calling for a constitutional amendment to require a balanced budget in the face of the largest-ever Federal deficit. This is like starting a fire and playing hero to the gathering crowd by posing as a fire prevention expert.

As we make clear the definitions of terms we will use in this debate, I would like to add a word that has thus far been absent from the administration's vocabulary: Fairness. In the final analysis, the administration's budget approach fails because it rewards the wealthy, while punishing the poor.

There was some concern that the recent television program moderated by Bill Moyers, "People Like Us," concentrated unduly on those who bear the brunt of the Reagan administration tax and budget cuts. Members on the other side of the aisle suggested that the program told only one side of the story.

I agree. The media, by and large, has not concentrated on those who benefit from the radical changes Congress made in the laws last year.

Wall Street Journal Washington Bureau Chief Norman Miller describes it well:

> To refresh your memories, take inventory of what we—the affluent—get under the Reagan tax cut law, which the President is determined to keep in place despite its failure to rapidly revitalize economic growth as the administration promised a year ago.
>
> We get our income taxes cut 10 percent this year and next, plus inflation indexed cuts forever. The wealthiest among us get their tax rates cut to 50 percent from 70 percent. We get a sizable cut in our capital gains taxes. We can shelter substantial sums in IRS's and Keoghs. We can invest in tax free "all savers certificates" paying premium interest rates. If we have stock options, we will get our immediate gains free of tax when we exercise our new "incentive" options.

The Wall Street Journal's Miller goes on to say:

> The corporations we work for and invest in will get stunning profit gains from liberalized depreciation rules and tax rate cuts. Even if corporations lose money, they can cut losses by leasing unused tax credits to profitable companies, which can then lower their tax payments even more. The leasing gimmick is akin to food stamps for corporations.

In the Age of Reagan, some are clearly living well. But others have to pay.

When I opposed the administration tax and budget bills last year, I pointed out that cuts in the Transportation budget would force Pittsburgh bus fares to rise from $0.75 to $1.05. Congress approved the Reagan cuts, and the Pittsburgh Transit Authority is now considering raising the fare to $0.90 by August 15, 1982 and $1 by January 1983. A recent study estimates that unless Government assistance is expanded or services are cut, fares could rise to $1.65—a 120-percent increase—causing a ridership dropoff of 34 percent. The administration would further shift the tax and use burden to the people of Pittsburgh by reducing mass transit operating subsidies in the fiscal year 1983 budgets from the current $1 billion to $640 million.

By proposing cuts in aid to families with dependent children, the administration continues in its budget shift. When Congress last year adopted the changes in the AFDC program proposed by the administration, the number of eligible recipients was reduced by 10 percent, causing benefits to end for 744,000 children and 278,000 adults. The Department of Health and Human Services estimates that 18 percent of AFDC families and 19 percent of AFDC children were dropped from the program or are receiving reduced benefits. In a law change that may wreak disastrous consequences, the administration has actually devised a system which discourages the working poor from continuing to work.

Apparently none the wiser, the administration proposes still further reductions in fiscal 1983. If Congress adopts its proposals for a reduction of $1.7 billion in outlays, those outlays will have been reduced by 32.8 percent between 1981 and 1983. As we consider this prospect, we should bear in mind this all too little known fact—70 percent of all AFDC assistance goes to children, most of whom are under 15 years of age.

Despite a pledge not to touch programs which aid the truly needy, the administration reserved the biggest health care cut for fiscal 1983 for medicare, a program which serves some of the neediest members of our society. A $2.5 billion reduction in medicare assistance would require doctors, hospitals and patients to pay a larger share of health costs.

The administration would slash the medicaid program by $1.9 billion, a move which means patients would have to pay more for services, or forgo care altogether. We should note that, of the 22 million people expected to be eligible for medicaid in fiscal 1983, about half are children. As a result of cutbacks in the 1981 reconciliation bill, 661,000 children will lose medicaid assistance by the end of fiscal 1982. Further cutbacks are not in order.

The administration proposes a 33 percent reduction in fiscal 1983 for Department of Education programs, hitting hard at much needed aid for the handicapped. According to the Department of Education, the 1983 budget proposal would eliminate 2.9 million students from Federal higher education programs. I am especially troubled by this attempt to reduce our investment in our Nation's future. Our economic strength, indeed, our national security depends on our ability to produce trained, well educated students at the secondary and higher education level, students capable of leading and revitalizing our society.

In what must surely be the unkindest cut of all, the administration has backed a measure which would slice $40 billion from social security programs. A similar raid on social security was sidetracked last year by massive citizen protest. There is no indication that the American people feel any differently about social security this year. The administration is wrong in its choice of social security as a budget-cutting target. Its own political stubbornness is compounded by an upside-down set of priorities.

Mr. Chairman, what this economy needs is a stimulus, but the administration's failure to bring down interest rates, in part due to its large budget deficit, has slowed our economy.

What hath the Reagan interest rate wrought? In the construction industry,

unemployment is over 18 percent with 946,000 out of work. The calculated housing industry depression is the big reason.

Housing starts are at their lowest since World War II. If the present trends continue, we will be 10 million housing units short of the anticipated demand by the end of the decade, a truly staggering figure for those younger families seeking the security that homeownership provides.

Those young prospective homebuyers can quite rightly ask the "$100,000 question" to the administration. By taking on a $50,000 mortgage at today's 17 percent interest rate, they will pay, over 30 years, about $100,000 more than they would pay at a more reasonable 10 percent interest rate.

Mr. Chairman, I am happy to report that the House Housing Subcommittee on which I serve reported a bill, later approved overwhelmingly by the House, which would lower the interest rate on new home purchase to a more affordable 10-12 percent for the first few years of the mortgage. This measure, while limited in scope, will aid both homebuilders and buyers of homes. The administration opposes the bill, but it appears that even members on the other side of the aisle will break with the administration on this issue.

To turn around our economy, we cannot rely on emergency measures such as this. We must go further. We must act to actually lower the interest rate.

High interest rates, we should remember, do not conflict with administration policy. They are administrative policy. When the President presented his economic recovery program on February 19, 1981, he advised the Federal Reserve Board to lower the targets which the board sets each year for the growth of major monetary assets—in other words, to tighten the money supply.

I fear the administration will cling to this discredited policy until the economy grinds to a halt. Let me illustrate some of the effect a stagnating economy has on an industry of prime importance to my city of Pittsburgh—the steel industry.

When this administration took office in January 1981, there were 291,000 hourly employees in the domestic steel industry. By January 1982, that number had dropped to 252,000.

In the Pittsburgh area, United States Steel has about 13,500 of its 28,000 steelworkers laid off. At Jones and Laughlin Pittsburgh facilities, 1,260 of 3,200 employees are out of work.

President Reagan's interest in the problems of farmers took him to a Pennsylvania farm last week for a firsthand look at the situation. If he is interested in the problems of urban areas in Pennsylvania, I would be happy to accompany him on a visit to one of my city's steel mills. If we went to the Edgar Thompson Works in Braddock, for example, the President would find that the company has halted plans to reline a blast furnace because of a dropoff in steel demand. Only one of United States Steel's seven blast furnaces in the Mon Valley is now operating. Nationwide, steel production has dropped to 52 percent of capacity.

To spur consumer demand and business investment, interest rates clearly must come down. In the face of the administration's failure to achieve this, Congress must act. Our silence can be construed as consent. Accordingly, I believe Congress should enact a resolution directing the Federal Reserve to ignore the administration's February 1981 instructions to reduce the money supply. Tight money as a fiscal policy in the midst of a severe recession is a policy that borders on the absurd.

A fair tax applied on the same basis to everybody is another important economic stimulant worth trying. It reduces uncertainty and confusion. It halts the endless expenditure of efforts to obtain or increase one's tax privileges. It removes a demoralizing sense of injustice.

Theoretically, special tax benefits can be fashioned to help the needy. In practice, however, most benefits are won by special interest groups with the sharpest lawyers and lobbyists. Our Federal income tax is in such deep trouble because its multitude of favored treatments undermine the system's integrity. Voluntary self-enforcement, once the pride of the Nation, gives way to spreading tax evasion.

Nevertheless, Congress was persuaded to provide a new array of tax inducements. These were supposed to help society at large by boosting productivity, generating jobs, increasing profits and halting the overseas invasion of traditional U.S. markets.

The results so far look like a one-way street: corporate and wealthy taxpayers obtained their deductions and exemptions, but society failed to receive the economic transfusion that was supposed to gush out of this arrangement. The good things have not even trickled down.

At the very least, the tax benefits should be tied to certain socially-needed results. Benefits to the firm or industry should be denied if, instead of being plowed back into modernization or other productive activities, they are diverted into mergers, land speculation and other nonproductive pursuits. If accelerated depreciation does not generate new and improved equipment, it should be disallowed. Tax leasing that helps a firm escape income tax payments without any benefit for society should not be tolerated.

If we are to continue to give generous tax breaks to business, we must establish a national policy of credit conservation. By credit conservation, I mean a policy which encourages relatively easy credit for productive activities such as housing construction and home mortgages, new plant and equipment purchase, purchase of consumer durable goods and reinvestment in our deteriorating infrastructure by our local governments. To conserve credit for productive uses, we should limit the amount which can be used for corporate takeovers and commodity speculation—activities which create few, if any, new jobs.

The Congress can accomplish this by instructing the Federal Reserve, under the Credit Control Act of 1969, to discourage large banks from extending credit for large corporate takeovers and massive speculation activities while smaller businesses and investors, strapped by high interest rates, face financial ruin.

The takeover of Marathon Oil by United States Steel is a case in point. The United States Steel Corp., a major beneficiary of the tax breaks enacted last year, has a responsibility to reinvest in job-producing enterprises. The Federal Government should not stand by while this corporation uses its massive financial gain to rearrange the order of Fortune 500 corporations. Where we can assist companies such as United States Steel—by bringing down interest rates or by fine-tuning environmental laws—we should assist them. But this corporation and others have a responsibility to do their share to bring about job-creating investments. A major flaw of the tax bill last year was that the tax breaks were open ended. The result in new investment thus far has been very disappointing.

Mr. Chairman, the administration suggests that the money is not in the budget to fund programs for the elderly, the young homebuyer, the struggling student. It fails to point out that a big reason it is not there is the passage last year of the administration tax bill which guarantees a $750 billion loss to the Treasury over 5 years.

The second big reason the money is not there is the massive increase in arms spending, including outlays to cover waste and mismanagement, a nuclear buildup, and questionable weapons systems. We should remember Budget Committee Chairman Jones' description of how much money the $1.5 trillion budget for the military for the next 5 years actually is in everyday terms: If a person began spending a million dollars every day beginning at the birth of Christ, the Prince of Peace, by now that person would have spent only about half of what we intend to spend on the military over the next 5 years.

The budget can be restored to fiscal soundness, programs that meet human needs can be funded, and we can have a strong but far less expensive defense.

Here is how.

To reduce the Federal deficit, we should immediately cancel the third year of the Reagan administration tax cut that favors the well-to-do, and seriously consider canceling what remains of the second year of that ill-advised cut. It is estimated that canceling the third year of the tax cut would save $9 billion in fiscal 1983 alone. A repeal of the notorious tax leasing provisions could save $2.9 billion in fiscal 1983. We could save billions by repealing the oil depletion allowance, which allows oil companies to hide their profits from taxation.

In the area of military, we should remember that Budget Director David Stockman advised us earlier this year that there is a "swamp" of $10–$30 billion of waste in the Pentagon budget "if you really push hard." If ever there was a time to eliminate Pentagon waste, now is the time. We should challenge unnecessary weapons systems as well. Canceling the MX-missile system would save us $2 billion, while eliminating the B–1 bomber would save us $3.5 billion in fiscal 1983 alone. We should analyze military spending program by program in the same manner we analyze domestic spending. If we took this route, budget requests of $90 million for military bands, a request the administration had made for fiscal 1983, would probably not stand up. We need to reverse what appears to be the current congressional practice—the larger the budget request, as in the case of the military budget—the less the debate.

We should eliminate or restructure domestic programs whose time may have come and gone. But we must reverse the current trend, encouraged by the administration, of reducing or eliminating existing domestic programs simply because they exist. Programs aimed at rebuilding our cities or increasing job skills for the unemployed should not be subject to cuts. If anything, in the current economic situation, these programs should be expanded.

As we make our budget choices, we should indeed take care in how we define spending, tax cuts and fiscal responsibility. In the last session of Congress, I supported the Udall/Reuss/Obey and the Congressional Black Caucus budget and tax resolutions—measures which define things as they are and which make the budget choices necessary to turn the country around. In this session, I intend to back similar measures.

I urge my colleagues to join me in adding to the budget debate that word which the administration has seemingly banned from the vocabulary—fairness. Whatever choices we make, we cannot continue to reward one class over another, even if such a policy results in a temporary economic upswing—something that has yet to happen in the manner predicted by the administration. We must remember that a major purpose of the Government is to promote social justice—in the economic, social and political realm of our society. To abandon that aim is to abandon that which has made our country great.

The administration has had its chance and has headed the country toward a recession. It is now the duty of Congress to reverse that direction by enacting a budget that is fiscally responsible, fair and in keeping with our best instincts.

☐ 1720

Mr. JOHNSTON. Mr. Chairman, I yield such time as he may consume to the gentleman from California (Mr. LAGOMARSINO).

Mr. LAGOMARSINO. Mr. Chairman, we find ourselves today in an increasingly familiar position, a position which has become almost the norm in recent years. Today is May 21. The Budget Reform Act of 1974, which virtually all of us who were here then supported, says that we are to have the first budget resolution cleared through both Houses and conference and adopted by May 15. We are violating our own law. I suppose some would argue that it is not the first time, and they would be right, but that does not lessen our responsibility for doing everything we can to come into compliance.

So the question is, what is the best way to resolve the impasse. It is more than academic. The entire economy—Wall Street, corporate boardrooms and union officials, banks and individual savers and investors are all waiting, to say nothing of Federal employees, State, and local government, the providers and recipients of services, and the taxpayers—whom I may also remind you, are voters—are waiting for an answer. Some even argue that at this point, it is just as important that we come to a resolution of the issue, any reasonable resolution, than to procrastinate for another day. I do not agree—increasing taxes inordinately and cutting defense irresponsibly would not be in the interest of the Nation.

I am not happy with most of the various versions of the budget we have before us today. I would be willing to bet more than even money, if I were a betting man, that none of us are. All the proposals contain hard choices. Some trade short-term gain for long-term trouble. Others are so extreme they cannot really be taken seriously. But the voters did not send us here to argue and point fingers. They expect us to do our duty, even when it involves choices that may be politically or even personally unpopular. This, gentlemen and women, is where we truly earn our pay.

Having said that, I believe I can say that within the range of options available to us, and under the rule and the various amendments which will be offered, I think there is room for reasonable people of differing persuasions to agree. From my own point of view and considered judgment, the bipartisan recovery budget is the best place from which to start on the road to resolving the issue if a balanced budget can not be achieved. Why do I say that?

Well, in the first place, it is fair. Program savings are distributed evenly among all the major budget components, including $10.2 billion in defense, $7.3 billion in other discretionary programs, $6.9 billion in the entitlement programs, $6.8 billion in user fees and Federal pay and pensions, and almost $13 billion in management and administrative savings.

Second, it meets the deficit problems squarely on all fronts, while protecting key domestic social programs. It reduces the deficit by $391 billion over 3 years—paving the way for lower interest rates, sustained economic recovery and rising employment. At the same time, it restores the $6.4 billion for domestic programs targeted for reductions in the administration budget—including a 37-percent increase over the administration budget for college aid grants and loans, a 50-percent increase for elementary and secondary education, a 37-percent increase for handicapped and vocational education, a 34-percent increase for CETA, a 22-percent increase for title XX social services, 62 percent more for mass transit, 1,300 percent more for energy conservation, and restoration of funds for older Americans.

Savings under the bipartisan recovery budget are carefully targeted to areas of evident abuse, such as tightening child support enforcement. There are no sacred cows in this budget, Mr. Chairman. Dairy Subsidies are cut, defense is cut, no one escapes.

How does this plan compare to the other main alternatives before us? Well, compared to the budget baseline, it will reduce spending next year by $57 billion, and the deficit by $77 in 1983. Over the next 3 years, it provides nearly $300 billion in savings and reduces the deficit by almost $400 billion. It puts the deficit on a downward glide path. And compared to the baseline, deficit absorbtion of net private savings is only 42 percent this year, and 15 percent by 1985, compared to 74 and 66 percent—a crucial difference. The bipartisan recovery budget reduces the Federal spending share of the GNP to under 21 percent by 1985, compared to over 24 percent under the baseline.

The bipartisan recovery budget also preserves the vital elements of the President's economic recovery program, including all the individual tax cuts enacted by this body last year. This sends an important signal to taxpayers and to investors that we will stand by our commitment to them.

In comparison with the coalition budget, it saves taxpayers $94 billion over 3 years on their tax returns. It even cuts the legislative branch budget.

In short, Mr. Chairman, if we can't balance the budget, I feel the bipartisan recovery budget—with all its shortcomings and hard choices, represents a good compromise from which to start. Next week, we can decide policy options in the form of amendments.

In conclusion, Mr. Chairman, I hope that everyone here will go home over the weekend—and look at these plans. Decide what you can in conscience live with and what you cannot live without. But make a resolution that you will work in good faith toward resolving this terrible impasse, which by itself is creating new problems daily and posing new impediments to recovery.

Mr. JONES of Oklahoma. Mr. Chairman, I yield 10 minutes to the gentleman from California (Mr. MILLER).

Mr. MILLER of California. Mr. Chairman, I thank the chairman of the Budget Committee for yielding this time to me.

Mr. Chairman, as you know, our amendments were published in the RECORD on Monday, and since that time we have started to have time to go through the various amendments. I am somewhat shocked to learn that the Latta proposal, the principal information that is coming out—and if this information is in fact wrong, I hope it will be corrected during the debate—but the indications are that the Latta proposal contains some $92 billion in nondefense cuts over the next 3 years.

In the area of medicare, and area that is absolutely vital to our senior citizens, it appears that there is $23 billion cut in medicare, and this is a 50-percent deeper cut than that proposed by President Reagan in his budget proposal, which was rejected by both the House and the Senate. This means that 29 million elderly people would be forced to pay more for health care under this proposal than they are currently.

It also appears that there will be some $22 billion in cuts in low income housing programs. It also appears that the poorest of the poor, on food stamp programs, will also receive cuts along with the elderly, the blind, and the disabled, because of some $8 billion cut in the food stamp program.

Women, infants, and children, a program that is designed to aid pregnant women who are poor, who have been medically certified to be at nutritional risk, is cut in a sufficient amount to require some 400,000 women to leave this program.

☐ 1730

This is a program that has reduced infant mortality by a third. I think the supporters of the Latta proposal ought to think about the ramifications of that. This is a program which has returned to us three Federal dollars in saved hospital costs for every $1 we have invested in providing for a healthy baby and a healthy child.

Now that the Latta proposal has cut $92 billion out of social programs, that is not enough. They raise taxes by $95 billion. Now, you would think that that would get you toward a balanced budget, but it does not, because in 1985 we find out, after cutting the poorest of the poor in this country, after attacking the elderly through medicare, after attacking the blind and disabled, the healthy, and those on food stamps, after attacking the poor on low income housing, and after attacking poor pregnant women in this country, that they are still $57 billion in deficit. So you are not going to see a diminishing of interest rates; you are not going to see an economy that picks up and bounces along.

In fact, the Latta proposal even attacks housing. It tries to reverse the billion dollar program that was voted on the floor of this House to try to encourage the housing industry so people in this country can afford housing.

So I think all Members of the Congress, especially perhaps the Republican Members of the Congress, will be most interested in reading very carefully the Latta proposal because I think they will want to understand that if this proposal will do the same thing for the Republican party in its standing in the polls that Gramm-Latta did for the standing of the Republican party in the public opinion polls, it is very interesting, and maybe now we understand better why the President of the United States has public relations people trying to convey the impression that he is a fair person, that he is the image of fairness. He wants to appear to be fair, and yet he supports this kind of effort that is a direct attack on the poorest of the poor.

Let me say to my colleagues that there is another way. There is another way to achieve the economic goals that we aspire to. There is a way to achieve lower interest rates, there is a way to achieve economic recovery, but you need not decimate poor people in this country, and, interestingly enough, without decimating poor people in this country, you can arrive at a balanced budget by 1985, because in fact if this Congress will simply have the will of its convictions, the courage of its convictions, to go on a pay-as-you-go basis, then in fact we can achieve a budget surplus by 1985.

The other proposals want to raise defense spending by $23 billion, as does my proposal, except that I am willing to pay for it and the other proposals are not. As a result of that, Mr. Chairman, the Members will see by this chart that every other proposal continues in the red all the way through 1985. The Republicans remain in the red by $57 billion, the House Budget Committee remains in the red by $42 billion, and the Senate remains in the red by $64 billion. After the Republicans have slashed poor people and medicare and everybody else, they still cannot balance the budget, and yet they are going to raise our taxes.

So I think the Members of the House and the people in this country ought to consider whether in fact they want a change of direction. What the Rules Committee has done by making my substitute amendment in order is to allow this country for the first time to tear up the national credit card. It is allowing this country for the first time to go on a pay-as-you-go basis. It is allowing this Congress for the first time to stop spending money today and sending the bill to the taxpayers tomorrow.

It is doing that not because I say so. Those are the CBO figures. This is the only budget that emerged from CBO with no changes, because there are no gimmicks, there are no smoking mirrors. There is in fact a sound fundamental principle that if we are going to spend money, we are going to pay for it.

We just heard the chairman of the Subcommittee on Social Security say that under each and every one of these other proposals we really do not fund social security, and that come August of next year, a year from now, what we are going to find out is that we are going to be somewhere between $8 billion and $10 billion short. If you vote for the pay-as-you-go substitute, the first one on the agenda for Monday morning, in fact social security will be fully funded. In fact, it is the only provision that does that because each and every other provision uses the deficit to make up the difference, and it is that practice that has kept interest rates at an all-time high, it is that practice that has kept unemployment at an all-time high, and it is that practice that is causing more bankruptcies than we have seen in recent times.

So there is a fact another way, and I would hope that the Members will pick and choose. If they do not want to provide COLA for social security, they do not have to vote for it. If they do and they vote for amendment No. 1, they will be directing the Committee on Ways and Means to raise sufficient revenue to cover the cost of that COLA. If they do not want to provide for a 5-percent real increase in military spending, they do not have to, but if they do, they will be directing the Committee on Ways and Means to pay for that increase. If they want to treat other COLA's alike, the railroad retirement or the veterans' benefits, they will then also be required to provide the revenues or the savings or the offsetting savings to pay for these programs. So that is the choice. There is a choice which says that if we have the courage of our convictions, whether you agree the Government should spend money for purposes that I support or whether you agree the Government ought to spend money for other purposes, the time has come to start raising those revenues and to place this Congress on a pay-as-you-go basis. And then what we find is that by 1985 the Government can in fact run a surplus without decimating education programs, without decimating the Defense Establishment, without decimating NASA, or without decimating nutrition programs, but by prudently making a determination whether this new expenditure is worth the pain of raising taxes. I suspect that making that political decision will greatly reduce the appetite of this body to spend money for programs that do not meet the national interest test.

So it is clearly a departure from the manner in which the budget process has been run in the 8 years that I have been here, but I think also clearly it is a fundamental provision that must be built into the budget provision if we are in fact going to establish any credibility with the American public, because let us not forget what happened last year. We had the largest social cuts in history and the largest tax cuts in history, and the result was the largest deficit in history, the highest unemployment, and the most prolonged high interest rates and business failures. I do not think the Members want to go home and try to explain that.

Mr. Chairman, I offer them an alternative, and I hope we will have their support.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina (Mr. JOHNSTON).

Mr. JOHNSTON. Mr. Chairman, I commend the gentleman from California for one of the more dramatic presentations of the budgeting process. I hope that we will seriously be able to consider some spending restraints next year.

Mr. Chairman, I yield such time as he may consume to the gentleman from California (Mr. SHUMWAY).

Mr. SHUMWAY. Mr. Chairman, I have listened during the afternoon with considerable interest to the debate, to the many speeches that have been made here on the floor in support of the various budget proposals. Some of those speeches very obviously had a definite partisan overtone to them, coming from either side of the aisle, and others seemed to be very sincere and perhaps nonpartisan in their import.

But it seems to me that none of us as Members of the House can be at all surprised. We have heard here today a very fine variety of views on the subject of the budget and how we might best fashion a program of revenues and expenditures for the coming fiscal year. Mr. Chairman, in spite of the great diversity of ideas and opinions that have been reflected here today, it seems to me that all of us as Members of the House come to agreement on one particular subject, and that is the fact that our economy is in trouble today.

I suppose the real question that we must answer during the coming days of next week is how best to solve the many problems that face our economy. We are very concerned about high rates of unemployment, we are concerned about lingering high interest rates, and we are concerned about low productivity and other aspects of our economic dilemma today.

It seems to me, Mr. Chairman, that most of these proposals argued for or against here this afternoon fall on either one of two sides of a particular divider. One of those sides would have us go back to essentially the kind of programs, the kind of economic policies that we have had before, and the kind of spending and taxing proposals that have ruled here in Washington and throughout our country for so many years, and on the other side I think the proposals seem to fall on the subject that perhaps we might pursue the course that we set for ourselves last year when we reduced taxes for all Americans, when we reduced Federal spending, and when we apparently set up for ourselves a new system of economics in America.

☐ 1740

It seems to me, Mr. Chairman, in all fairness to what we have done in the past, to the reputations that each of us have as Members of Congress, and certainly in all fairness to the citizens of this great country, that now our course of action would best be to allow the full measure of what we put into effect last year to take its effect, to let, indeed, those tax reductions fall in place as they should, and to continue on the course that we set out for ourselves reducing Federal expenditures.

As I see it, there can be no doubt as to where most Americans are. The mail that I receive and the comments that I hear when I go to my district have been consistent throughout the years that I have had the privilege of serving in this House of Representatives, and that is that Americans are asking for restraint.

I do not hear any comments, I do not see any mail from any of my constituents or otherwise asking for increased taxes.

Certainly people want us to reduce the size of the deficit. They want us to work toward a balanced budget. But they want us to accomplish those efforts through more reductions in Federal spending and not adding to their burdens by increasing taxes.

It seems to me, Mr. Chairman, that one of the keys to our recovery in America from the recession we are in and the economic doldrums we are all suffering from is stimulating and staying with programs that will inspire Americans to save more of their money.

In this regard I would simply ask us again to look at the example of Japan. Japan has had high deficits. They have had very steep increases in the percent of the gross national product as it is spent by the Japanese Government. But yet they have been able to keep their rates of taxation, their rates of interest at acceptable norms, simply because they have over the years inspired on the part of their citizens much more savings and a much greater effort toward savings than we here in America do.

Japan has outpassed us by about three times in that particular regard.

Last year in the economic recovery program we set into place some motivations, some incentives for Americans to save more of their money. It seems to me now for us to retreat from that program and revert to the ways of the past would fly directly in the face and be very antithetical to the very kind of recovery that all of us want.

That savings will contribute toward the kind of capital pool that we need to have for not only the financing of the needs of the Government, the tremendous deficits that we have in this country, but financing the needs of the homebuilding industry, those young Americans who want to buy their first home, and certainly the kind of expansion and increase that we expect to see in American industry and our business base.

I suggest, Mr. Chairman, that this is the essential ingredient that we need to supply, to see that America successfully emerges from the recession that has gripped us now for several months.

I support wholeheartedly the effort which will be made next week to present a budget which will be balanced. I think that is what Americans want. I think we have the responsibility of providing it.

But if that particular measure fails, as it has in previous years, I am going

to support wholeheartedly the bipartisan approach that has been structured, because we do need to have a budget, and even though it is not totally the kind of budget that I would like, I am willing to forego some of my own preferences and my own desires, subordinate my own wishes simply because I think it is going to be better for all of us as Americans and certainly as Members of Congress, whether Democrat or Republican, to fashion and structure a budget which the American people are entitled to have.

Mr. Chairman, I think this subject that we have been debating today is of the most serious importance. It is a very grave subject for all of us as Members of the House, and I would hope we would be able to put aside some of the partisan differences that have prevailed in the past and see our way clear to reflecting the needs of the American people and coming up with a budget which will meet those needs and fulfill our responsibilities as Members of the House.

I appreciate the gentleman yielding this time and yield back the balance of my time.

Mr. JONES of Oklahoma. Mr. Chairman, I yield 5 minutes to the gentleman from Texas (Mr. STENHOLM).

Mr. STENHOLM. I thank the chairman for yielding.

Mr. Chairman, we come to the end of the debate on the budget for 1983. It has been an interesting evening.

I think my first comment would go to commend the gentleman from California (Mr. MILLER) for addressing the major issue that it seems we all have skirted around all year, his pay-as-you-go budget. But the one thing that I think is the most significant, especially in light of the statement made by the gentleman from Texas (Mr. PICKLE), chairman of the Social Security Subcommittee, in which he stated very clearly that if we do nothing in the area of social security that we will have a $40 billion-plus deficit in the social security trust fund to deal with after November 2.

I think this acknowledges in very clear language that Senator PETE DOMINICI was the only individual Member of the Congress that had the courage to state and make an attempt to have the Congress address a very real problem.

The gentleman from California (Mr. MILLER) will offer in his amendment on Monday the opportunity for Members of the Congress to address that question, if we have the courage to do so.

But I think the significant statement again was by the gentleman from Texas (Mr. PICKLE) in which he acknowledged that if we do nothing we, in fact, will be paying some $10 billion-plus out of our constituents' social security trust fund of which there is no money there to pay it, and we in the Congress have ducked it.

I know the chairman of the Budget Committee shares those same feelings with me, but for obvious reasons, political, that is, we have chosen to duck this.

The only thing that I would like to emphasize in my remarks in closing is this: The basic issue that we are going to address next week in the vote that finally grants us a budget will be on one basic issue, and that is Federal spending. There is only one budget, in my opinion, that has a chance to pass that will address the very real need of getting Federal spending under control, and that is the bipartisan recovery budget which I intend to support very, very strongly.

Let me remind my colleagues that in 1981 our Federal budget as a percent of gross national product was some 23.4 percent. In 1983, if we do nothing other than what we did last year, with the largest single spending reduction package in the history of our Nation, if we do nothing this year in additional increases, spending will go up, not down, to 24.3 percent of our gross national product.

What does that mean? I think the best way I have come to understand really and truly the real problem of getting Federal spending under control is the fact that we in this body have chosen to ignore the fact that is is out of control.

If my colleagues look at the era of 1929 to 1933, an era in our country that is so well known today, 1929 to 1933, Mr. Chairman, at that time we were spending at the rate of some 3 to 4 percent of our gross national product at the Federal level.

At the end of 8 years of the New Deal, at the end of 8 years of the creation of many programs that, in my opinion, were absolutely vitally necessary for America to pull itself back up by its bootstraps, at the end of 8 years we had increased our Federal expenditures to some 10 percent of our gross national product.

In 1981 it was 23.4. In 1983 it will be 24.3. The goal, and what we accomplish if we pass the bipartisan recovery budget is that we will reduce it to 20.9 percent by 1985, which is twice what was being spent at the end of 8 years of the New Deal.

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We have lost focus of reality in this body by our spending habits. Surely, in the wisdom of 435 of us, surely, in our wisdom, we can figure out how to meet the needs of the disabled, the poor, those who need help. There are many out there today in this country who do need help, but, surely, we can figure out how to meet those needs with twice the amount of expenditures as a percentage of our gross national product as was being spent at the end of the New Deal.

That is the challenge we have before us. I know it is never easy to cut spending. I know even in the 17th District of Texas, the multitude of letters that I receive from my constitutents is, "Hang in there, Charlie, keep cutting those expenditures except in that program that is so vital and necessary for my well-being."

That is the challenge, Mr. Chairman.

Mr. JONES of Oklahoma. Mr. Chairman, I yield to the distinguished chairman of the Committee on Rules, the gentleman from Missouri (Mr. BOLLING).

Mr. BOLLING. Mr. Chairman, I ask unanimous consent to extend my remarks and to include extraneous material here in the RECORD, under a previous agreement entered into.

The CHAIRMAN pro tempore. (Mr. OBEY). Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. BOLLING. Mr. Chairman, today I asked the Congressional Budget Office to prepare two sets of tables comparing the four substitute amendments to House Concurrent Resolution 345 which are broadly subject to amendment under the rule. The goal of this exercise was to obtain an objective comparison performed by a neutral office of professionals of these substitutes. The materials obtained from CBO follow. The first table provides a cost estimate by aggregates and functional categories of House Concurrent Resolution 345 which is the Jones substitute made in order by the rule and the amendments in the nature of a substitute made in order to the base budget resolution by Representative FAUNTROY, Representative LATTA, and Representative ASPIN. The second table is a comparison of these amendments showing deficit reduction measures by major categories:

TABLE 1.—CBO ESTIMATE OF H. CON. RES. 345, AS REPORTED [1]

[By fiscal year, in billions of dollars]

	1983	1984	1985
Budget authority	832.50	893.80	958.85
Outlays	786.85	833.85	888.55
Revenues	676.70	753.65	846.55
Deficit (−)	−110.15	−80.20	−42.00
050—National defense:			
Budget authority	243.00	268.35	297.35
Outlays	214.25	237.60	268.70
150—International affairs:			
Budget authority	16.15	16.80	21.20
Outlays	12.10	12.30	12.30
250—General science, space, and technology:			
Budget authority	7.75	7.75	7.60
Outlays	7.60	7.75	7.60
270—Energy:			
Budget authority	5.30	4.70	4.65
Outlays	5.00	4.05	3.85
300—Natural resources and environment:			
Budget authority	9.40	8.75	8.35
Outlays	10.85	9.85	8.85
350—Agriculture:			
Budget authority	6.90	8.40	6.85
Outlays	10.10	8.25	7.50
370—Commerce and housing credit:			
Budget authority	8.05	8.65	8.35

TABLE 1.—CBO ESTIMATE OF H. CON. RES. 345, AS REPORTED [1]—Continued

[By fiscal year, in billions of dollars]

	1983	1984	1985
Outlays	3.05	2.75	2.60
400—Transportation:			
Budget authority	22.30	22.40	22.95
Outlays	20.40	20.05	20.25
450—Community and regional development:			
Budget authority	7.00	7.15	7.35
Outlays	7.90	7.60	7.70
500—Education, training, employment, and social services:			
Budget authority	27.55	28.25	28.30
Outlays	27.45	28.00	28.20
550—Health:			
Budget authority	77.30	81.70	94.10
Outlays	80.10	89.65	101.25
600—Income security:			
Budget authority	286.95	314.50	344.55
Outlays	273.80	290.05	312.40
700—Veterans benefits and services:			
Budget authority	24.10	25.15	26.00
Outlays	23.40	24.55	25.90
750—Administration of justice:			
Budget authority	4.60	4.60	4.60
Outlays	4.65	4.60	4.60
800—General government:			
Budget authority	5.00	4.70	4.70
Outlays	4.85	4.60	4.50
850—General purpose fiscal assistance:			
Budget authority	6.50	6.75	6.85
Outlays	6.50	6.70	6.85
900—Interest:			
Budget authority	115.40	120.40	112.45
Outlays	115.40	120.40	112.45
920—Allowances:			
Budget authority	−1.05	.20	.50
Outlays	−.85	.50	.90
950—Undistributed offsetting receipts:			
Budget authority	−39.70	−45.40	−47.85
Outlays	−39.70	−45.40	−47.85

[1] May 20, 1982.

TABLE 1.—CBO ESTIMATE OF AN AMENDMENT IN THE NATURE OF A SUBSTITUTE PROPOSED BY MR. FAUNTROY TO H. CON. RES. 345[1]

[By fiscal year, in billions of dollars]

	1983	1984	1985
Budget authority	817.95	846.90	895.40
Outlays	803.20	843.45	867.45
Revenues	710.40	783.40	886.10
Deficit (surplus)	92.80	60.05	(18.65)
050—National defense:			
Budget authority	196.35	195.90	200.70
Outlays	201.20	199.70	200.20
150—International affairs:			
Budget authority	16.15	16.60	20.95
Outlays	12.05	12.25	12.25
250—General science, space, and technology:			
Budget authority	7.75	7.75	7.60
Outlays	7.60	7.75	7.60
270—Energy:			
Budget authority	6.15	5.45	5.60
Outlays	5.20	4.45	4.10
300—Natural resources and environment:			
Budget authority	7.85	7.80	8.30
Outlays	8.60	8.20	8.00
350—Agriculture:			
Budget authority	6.80	8.55	7.20
Outlays	10.30	8.45	7.80
370—Commerce and housing credit:			
Budget authority	12.90	8.00	8.15
Outlays	7.50	9.95	4.50
400—Transportation:			
Budget authority	27.60	22.50	23.55
Outlays	21.80	24.10	24.85
450—Community and regional development.			
Budget authority	11.30	12.25	13.00
Outlays	8.75	9.90	11.30
500—Education, training, employment, and social services:			
Budget authority	35.05	37.40	40.15
Outlays	29.80	36.00	38.45
550—Health:			
Budget authority	82.45	96.55	109.10
Outlays	84.80	96.80	109.85
600—Income security:			
Budget authority	287.50	305.50	339.35
Outlays	286.55	303.90	326.85
700—Veterans benefits and services:			
Budget authority	23.70	25.00	26.00
Outlays	23.00	24.35	25.95
750—Administration of justice:			
Budget authority	4.85	4.95	5.05
Outlays	4.85	4.90	5.05
800—General government:			
Budget authority	5.60	5.40	5.60
Outlays	5.40	5.30	5.30
850—General purpose fiscal assistance:			
Budget authority	6.55	7.10	7.60
Outlays	6.55	7.00	7.50
900—Interest:			
Budget authority	114.50	118.20	107.20
Outlays	114.50	118.20	107.20
920—Allowances:			
Budget authority	.35	2.85	4.15
Outlays	.40	3.10	4.55
950—Undistributed offsetting receipts:			
Budget authority	−35.45	−40.85	−43.85
Outlays	−35.45	−40.65	−43.85

[1] May 21, 1982.

TABLE 1.—CBO ESTIMATE OF AN AMENDMENT IN THE NATURE OF A SUBSTITUTE PROPOSED BY MR. LATTA TO H. CON. RES. 345 [1]

[By fiscal year, in billions of dollars]

	1983	1984	1985
Budget authority	808.65	870.35	955.40
Outlays	775.75	823.10	878.50
Revenues	665.85	738.00	821.35
Deficit (−)	−109.90	−85.10	−57.15
050—National defense:			
Budget authority	254.05	278.75	322.40
Outlays	216.45	244.55	279.25
150—International affairs:			
Budget authority	16.15	16.60	20.95
Outlays	12.05	12.25	12.25
250—General science, space, and technology:			
Budget authority	7.05	7.05	7.05
Outlays	7.15	7.10	7.30
270—Energy:			
Budget authority	3.70	2.95	2.80
Outlays	3.95	2.45	2.00
300—Natural resources and environment:			
Budget authority	8.55	8.00	7.55
Outlays	10.25	9.10	8.00
350—Agriculture:			
Budget authority	6.60	8.20	5.80
Outlays	9.25	7.45	7.05
370—Commerce and housing credit:			
Budget authority	6,30	6.90	6.65
Outlays	2.30	1.90	1.45
400—Transportation:			
Budget authority	20.90	21.15	21.45
Outlays	19.80	19.25	19.05
450—Community and regional development:			
Budget authority	6.85	7.00	7.20
Outlays	7.70	7.50	7.50
500—Education, training, employment, and social services:			
Budget authority	26.55	26.35	26.05
Outlays	26.70	26.30	26.10
550—Health:			
Budget authority	79.80	92.65	104.55
Outlays	76.95	84.55	94.50
600—Income security:			
Budget authority	259.30	279.90	316.25
Outlays	271.20	286.55	307.60
700—Veterans benefits and services:			
Budget authority	24.80	26.10	27.20
Outlays	24.00	25.30	27.00
750—Administration of justice:			
Budget authority	4.40	4.30	4.25
Outlays	4.50	4.35	4.25
800—General government:			
Budget authority	4.90	4.60	4.60
Outlays	4.75	4.55	4.40
850—General purpose fiscal assistance:			
Budget authority	6.50	6.70	6.85
Outlays	6.50	6.70	6.85
900—Interest:			
Budget authority	114.50	120.00	112.95
Outlays	114.50	120.00	112.95
920—Allowances:			
Budget authority	−2.95	−1.95	−1.75
Outlays	−2.95	−1.80	−1.55
950—Undistributed offsetting receipts:			
Budget authority	−39.30	−44.95	−47.45
Outlays	−39.30	−44.95	−47.45

[1] Revised—May 21, 1982.

TABLE 1.—CBO ESTIMATE OF AN AMENDMENT IN THE NATURE OF A SUBSTITUTE PROPOSED BY MR. ASPIN TO H. CON. RES. 345 [1]

[By fiscal year, in billions of dollars]

	1983	1984	1985
Budget authority	825.15	893.60	962.75
Outlays	780.45	830.80	886.45
Revenues	675.75	751.00	843.00
Deficit (−)	−104.70	−79.80	−43.45
050—National defense:			
Budget authority	240.35	269.10	300.95
Outlays	211.85	237.25	267.70
150—International affairs:			
Budget authority	16.25	16.85	21.25
Outlays	12.20	12.35	12.35
250—General science, space, and technology:			
Budget authority	8.15	8.40	8.20
Outlays	7.75	8.20	8.15
270—Energy:			
Budget authority	5.25	4.75	4.65
Outlays	5.00	4.10	3.85
300—Natural resources and environment:			
Budget authority	10.25	9.70	9.25
Outlays	11.25	10.70	9.75
350—Agriculture:			
Budget authority	7.00	8.60	7.00
Outlays	9.25	7.50	6.75
370—Commerce and housing credit:			
Budget authority	7.95	8.50	8.35
Outlays	3.05	2.55	2.45
400—Transportation:			
Budget authority	22.60	22.55	23.05
Outlays	20.40	20.30	20.50
450—Community and regional development:			
Budget authority	7.00	7.20	7.35
Outlays	7.85	7.60	7.65
500—Education, training, employment, and social services:			
Budget authority	27.95	28.95	29.15
Outlays	27.60	28.35	28.75
550—Health:			
Budget authority	77.45	81.90	94.40
Outlays	79.80	89.70	101.60
600—Income security:			
Budget authority	283.35	313.70	343.95
Outlays	273.35	289.40	311.80
700—Veterans benefits and services:			
Budget authority	24.60	25.80	26.90
Outlays	23.75	25.10	26.75
750—Administration of justice:			
Budget authority	4.60	4.60	4.60
Outlays	4.65	4.65	4.60
800—General government:			
Budget authority	4.95	4.65	4.70
Outlays	4.80	4.55	4.45
850—General purpose fiscal assistance:			
Budget authority	6.55	7.05	7.50
Outlays	6.45	6.95	7.40
900—Interest:			
Budget authority	114.85	119.80	112.05
Outlays	114.85	119.80	112.05
920—Allowances:			
Budget authority	−4.30	−3.20	−2.75
Outlays	−3.95	−2.95	−2.30
950—Undistributed offsetting receipts:			
Budget authority	−39.75	−45.30	−47.80
Outlays	−39.75	−45.30	−47.80

[1] Revised May 21, 1982.

TABLE 2.—COMPARISON OF CBO ESTIMATES OF H. CON. RES. 345, AS REPORTED, WITH 3 AMENDMENTS IN THE NATURE OF A SUBSTITUTE SHOWING DEFICIT REDUCTION MEASURES BY MAJOR CATEGORIES, MAY 21, 1982

[By fiscal year, in billions of dollars]

	H. Con. Res. 345 as reported			Latta substitute			Aspin substitute			Fauntroy substitute		
	1983	1984	1985	1983	1984	1985	1983	1984	1985	1983	1984	1985
Baseline deficit	182.0	216.0	232.5	182.0	216.0	232.5	182.0	216.0	232.5	182.0	216.0	232.5
Adjustments to baseline	−.4	−.6	−.4	−1.3	−1.4	−1.5	−.4	−.6	−.4			
Deficit reduction measures:												
Management savings	−8.9	−12.1	−12.1	−9.3	−12.6	−12.6	−8.9	−12.1	−12.1	−3.7	−7.1	−6.8
User fees (outlays only)	−.7	−1.1	−1.1	−1.1	−1.4	−1.7	−1.0	−1.0	−1.0	−.9	−1.6	−1.7
Federal pay	−4.0	−7.8	−10.9	−5.0	−8.9	−12.1	−4.4	−8.2	−11.3	−.6	−1.0	−.8
Discretionary nondefense	−3.1	−7.4	−13.5	−7.4	−14.3	−21.2	−5.1	−9.0	−14.2	−5.2	−17.8	−13.7
Entitlement savings [1]	−2.6	−6.1	−9.4	−7.4	−13.3	−18.9	−2.8	−5.2	−7.2	−12.1	−11.0	−8.5
Defense (other than pay and retirement)	−7.0	−13.4	−20.0	−5.3	−7.0	−10.0	−9.4	−14.3	−22.0	−22.4	−56.4	−96.4
Revenue increases (including user fees)	−31.7	−51.6	−66.6	−20.9	−36.0	−41.4	−30.8	−49.0	−63.0	−65.4	−81.4	−106.1
Other policy changes	−.8	−1.1	−1.2	−1.3	−1.3	−1.1	−1.7	−2.0	−2.1			
Interest rate market effects	−8.0	−19.1	−27.8	−8.0	−19.1	−27.8	−8.0	−19.1	−27.8	−8.0	−19.1	−27.8
Debt service savings	−4.2	−15.2	−27.6	−5.1	−15.6	−27.0	−4.8	−15.9	−28.0	−5.5	−18.2	−33.7
Total deficit reduction	−71.8	−135.8	−190.5	−72.1	−130.9	−175.2	−77.2	−136.2	−189.1	−89.2	−156.0	−251.1
Remaining deficit (surplus)	110.2	80.2	42.0	109.9	85.1	57.2	104.7	79.8	43.4	92.8	60.0	(18.6)

[1] Assumed dairy price support reductions in Latta and Aspin plans included in "Other" category.

Note: Detail may not add to totals due to rounding.

Mr. JOHNSTON. Mr. Chairman, I yield such time as she may consume to my colleague on the Budget Committee, the gentlewoman from Illinois (Mrs. MARTIN).

Mrs. MARTIN of Illinois. Mr. Chairman, it is too often sad that debates such as this do have to occur at a time when the Congress is somewhere else. But I suspect that after these months many of us are grateful that it is occurring at all.

I am not going to speak specifically to any of the budgets because each of them has, I suspect, some features that appeal to most Members of the Congress. Certainly the gentleman from California is welcome to see that the other side of the aisle is beginning to accept the point of view that we actually have to pay for programs, something that has not always been obvious.

A number of years ago, when I was serving in a lesser legislative body, a member of the opposition party got up, in terms of a program that involved veterans, something that I think feels a strong need to support, and someone asked him an intolerable question. They said: "How much will it cost?" And the sponsor's response was: "It will cost nothing. The Government is paying for it." That was an odd but strange rendition and perversion of what Government is supposed to be and its reaction back to the people and the fact that it deserves to be paid for. Nonetheless, that same gentleman talked about other budgets cutting and slashing and attacking the poor and attacking those who needed help and used, for example, medicare-medicaid. The cuts in medicare-medicaid will indeed be difficult, but they come from the hides of doctors and hospitals, so that those who need benefits can have them. And certainly I think it is safe to say that the normal Republican constituency would not be expected to attack doctors, to attack hospitals. And yet we are, because we must. We must cut spending. And all of the budgets must seek to cut that growth which threatens to suffocate this great Nation. Some accept the growth and raise taxes; others try for what is a more reliable mix. Those that cut most I think have the best economic base. But ultimately next week the House will make that decision.

So what I would like to speak to briefly is what the House must do after that. I have great fears that somehow we think that we can really kid the world, that we can talk about cutting spending and indeed raising taxes, and then conveniently forget that, after the budget discussion is over. No matter whose budget has been presented, it is not going to be easy to raise taxes.

When one talks, for instance, about an aviation tax, every small plane owner in the United States, especially those in our district, are going to call and write each of us. When we talk about a user fee for the Coast Guard, all one has to do is take a look at the map of the United States, look at the coastline, and recognize that in an election year that is going to be difficult. But somewhere, even past next week, we are going to have to do those things. We cannot just pick and choose in terms of either taxes or spending cuts. We cannot, for instance, talk about supporting either the Obey budget or indeed the Latta budget, or the budget that Congressmen JOHNSTON and MARTIN, and others, have been involved in, without then following up with both the Appropriations and Ways and Means votes, because if ultimately we are able to craft and do pass and get from conference a budget that will lower the deficit, a budget that will cut spending, a budget that does have in it some tax increments, then we will be faced with individual bills later, and we cannot leave the field of battle.

If the budget we pass sends the signal that all of us, excluding some Democratic pollsters' wants, sends the signal that this Congress means business, then how mixed will that signal be if 3 and 4 weeks later we, through the appropriations process, start appropriating beyond those limits and look to reconciliation after the election as the only route out?

What I am suggesting, I suspect, is that people out there, Republican, Democrat, and independent, are no dummies. They know that this stuff is not free and they know that it is going to require from every single one of us tough votes. And somewhere there must remain that coalition willing to make those difficult votes in an election year.

The gentleman from Texas and the other gentleman from Texas who spoke about social security wisely both stated we are trying to avoid many of the most difficult issues, but they are not going to go away this year. Ultimately the responsibility is ours. If we are on this side of the aisle, we may blame a former President. That side of the aisle may blame a current President. But I tell you right here and now as a Member, we ought to be blaming ourselves. We now have concurrent responsibility to put this economy back on track. Ex-President Carter and current President Reagan, whatever their differences, had tried what they thought best. Blaming them is not enough. Now it is up to us to prove indeed we are a coequal branch, the Congress of the United States, that is willing, for the sake of this Nation, to risk difficulties in an election year, to end up from conference with a reasonable budget and then to follow up with the votes that will support both spending cuts and any tax increments that are ultimately agreed to in that conference.

It is my first time here. I do not know the body well. I do not know the other body at all, but all of you tell me that is no loss. Getting to know you all, though, I think this year has been both a pleasure and, for me, going back home, I have tried to talk for both sides of the aisle of the pride they can have in the Members of Congress, that they are not dolts, that they do work hard, and that they are trying. I do not want to have to change that opinion. I want to fight our fights between parties fairly and well. But ultimately all of us have this year a special responsibility, new Members and old Members—I look at the chairman, with his experience and brilliance known by all—to make sure we can forge not just a budget, but the followup to that budget to make sure that each and every person in America can say next year that it has been better and it will get better.

□ 1800

Mr. JONES of Oklahoma. Mr. Chairman, I yield 10 minutes to the gentleman from the District of Columbia (Mr. FAUNTROY).

Mr. FAUNTROY. Mr. Chairman, last year, when President Reagan proposed a budget and tax plan that slashed taxes for the rich and large corporations, poured money into defense, and cut social spending, the Congressional Black Caucus offered an alternative budget with tax reform, reasonable defense, strong social programs, and a lower deficit. This year, President Reagan has proposed a new budget which preserves tax breaks for the rich and an excessive defense program, makes even deeper cuts in social spending, and leads to steadily rising deficits.

Once again, the Congressional Black Caucus offers a budget alternative that more closely reflects the priorities of the American people.

A BUDGET FOR THE PEOPLE

We in the Congressional Black Caucus know that the American people are concerned about what is happening in the economy, in our society, and in the world. We know that American people are concerned about large and growing deficits, which have contributed so significantly to the high interest rates that have slowed economic growth to a standstill. We know that the American people are concerned with the erosion by this administration of the Federal Government's commitment to help the poor, the elderly, and the disadvantaged. We know that the American people are concerned with the deterioration of public services and the decline of public investment in education, health care, transportation, the environment, and the quality of life under this administration.

We know that Americans are concerned about the growing shadow of nuclear war and the blind building of more nuclear weapons and weapons systems on top of existing ones. Our budget addresses these concerns.

The budget proposed by the Congressional Black Caucus has the following major features:

The CBC budget reduces the deficit substantially. In fact, our fiscal year 1983 budget of $91 billion is much less than the $127 billion in fiscal year 1983 deficit now projected for the Reagan proposal, and half the $183 billion deficit that will exist if nothing is done to rectify the errors of last year's budget. Moreover, our budget would lead to steadily shrinking deficits of $82 billion in 1984 and $43 billion in 1985, which will help interest rates down and provide the basis for economic recovery.

The CBC budget is fair and humane. We not only prevent the many additional cuts in human needs programs proposed by the President; we return funds to social programs that were lost by enactment of Reagan fiscal year 1982 budget reductions. These programs must remain Federal priorities if we value human potential and care to meet human needs. Because of savings generated by alternative tax and defense policies, several education, health, housing and urban programs can be restored to fiscal year 1981 funding levels, adjusted for inflation. For example, the budget restores $3.3 billion to title I; $1.6 billion to Pell grants for disadvantaged college students; more guaranteed student loan funds; 16,000 more section 8 housing units; increased funding for health care programs; $1.2 billion in social services funds, including child welfare programs; and $1.2 billion more than Reagan for pollution cuts. It retains EDA, the Legal Services Corporation, and low-income energy, and other conservation programs.

The CBC budget is stimulative and creates jobs. A centerpiece of the budget proposal is the creation of a major $6 to $8 billion Federal jobs, vocational education, and training package. This initiative is response both to the Nation's unemployment rate generally, and to the catastrophic unemployment in the black community specifically.

The CBC budget also includes a $4 billion urban infrastructure proposal, which will create 50,000 to 80,000 jobs directly and more indirectly, a $4 billion expansion of mass transit and highway construction programs, which will create an equal number of jobs, and homeownership assistance and rental housing construction programs that will stimulate employment in residential construction.

The CBC budget insures adequate social security and other support for the Nation's poor—both elderly and nonelderly. This budget maintains the cost-of-living adjustments for elderly on fixed income, and extends unemployment compensation benefits and program triggers to 52 weeks. In our view, this restoration of benefits is necessary at a time when we are experiencing levels of unemployment which have not been endured since the Depression. Our budget also provides increased funding for programs to assist the poor including $3.2 billion more than Reagan for AFDC; $5 billion more for food stamps; $7.7 billion more for medicaid; $2.9 billion more for medicare; $1.2 billion more for six health programs; and $400 million more for supplemental social insurance.

The CBC budget establishes a saner and safer national defense. As an initial matter, we recognize the need for a strong conventional military. We therefore provide in our alternative for the continued funding of practical conventional weapons, and actually increase pay for military personnel and funds for operations and maintenance. However, in an effort to slow the unacceptable rate of growth in the defense budget, and to insure that the deficit is reduced, the Congressional Black Caucus generally recommends that the defense spending be held at fiscal year 1982 levels. In addition, the CBC endorses the principle of a nuclear freeze by providing no funding for new nuclear weapons systems and nuclear weapons.

The CBC budget provides comprehensive tax reform. The CBC believes that there must be a fair and adequate tax system to support the many legitimate and necessary activities of the Federal Government. The existing system has not met that test, and the tax changes made by the President last year have made the situation even worse. Consequently, the CBC budget includes a comprehensive reform of the tax codes. We would replace the second and third years of the Reagan/Kemp/Roth individual tax cuts with tax cuts that would provide the most tax relief to the poor and middle class. We would close or cap many of the tax breaks and loopholes which allow the rich to avoid paying their fair share of taxes. We would reverse the misguided tax breaks given corporations last year as well as many of the wasteful corporate loopholes that existed before Reagan took office. And we would raise users fees and similar revenues where appropriate to support fund needed Federal programs.

Mr. MITCHELL of Maryland. Mr. Chairman, will the gentleman yield?

Mr. FAUNTROY. I yield to the gentleman from Maryland.

Mr. MITCHELL of Maryland. I thank the gentleman for yielding and I just wanted to indicate at this point in the RECORD that I hope we will not go through the same experience that we went through last year.

The Congressional Black Caucus budget was defeated. The experience was galling because Member after Member of this House came up to the chairman and to me and to other Members and said this is the best budget out there but we just could not vote for it, and we pressed them why could you not vote for it: Well, there was an allegiance to X, and an arrangement with Y. As you saw by the DSG report once again the caucus budget is considered to be the best budget. I think I am correct in making that quote.

Mr. FAUNTROY. Without question.

Mr. MITCHELL of Maryland. And I just hope the Members will not act out of political expediency or some other motives and vote against this budget unthinkingly and unreasonably. I do not want to go through that experience again where all of our friends came up after the fact and said this was the greatest thing that you have done but we could not vote for it.

Mr. FAUNTROY. I thank the gentleman.

□ 1810

Mr. JOHNSTON. Mr. Chairman, will the gentleman yield for a couple specific questions?

Mr. FAUNTROY. Yes.

Mr. JOHNSTON. What level of spending does the Black Caucus budget provide for in 1983, total spending?

Mr. FAUNTROY. The Black Caucus budget in 1983 provides for a total spending of $711 billion in outlays.

Mr. JOHNSTON. What level of outlays for defense does it provide?

Mr. FAUNTROY. It provides a total level of $200 billion in outlays for defense, holding defense spending level and responding to the documented view of the American people that we ought to institute a freeze on the development of nuclear weaponry and nuclear weapons.

Mr. JOHNSTON. Mr. Chairman, I yield such time as he may consume to the gentleman from New York (Mr. SOLOMON).

Mr. SOLOMON. Mr. Chairman, I thank the gentleman for yielding some time on me.

I guess I will be brief, because I am confused, as many other Members are.

I rise in opposition to the Budget Committee's budget, because I guess I share the concern of the chairman of that committee that it goes too far; but then I look at all the other proposals and they all go too far, too.

You know, I look back at 1978 when I was first running for election. I was complaining at that time that during the last 4 years that the Federal budget had grown from about $300 to $500 billion. I thought that was outrageous and I said at the time that over that same 4-year period, the national debt had grown from $500 billion up to $800 billion. I thought that was outrageous; but now I look 4 years later and the same thing has happened over again. We have not increased taxes at any time during that period, and yet the national budget has doubled, the national debt has doubled, the annual debt service has doubled, and here we sit in this Congress not dealing with the subject again today.

I just do not know what we are going to do about it, Mr. Chairman. I serve on the Public Works and Transportation Committee, which is the pork barrel committee of the Congress. I look at what that committee does and every bill they put out is over the budget recommendations of last year and this year.

I guess I just do not have any confidence in the way we Members of Congress operate. I look at what happened in the last couple days here, with little small bills, bills that came out that were $30 million over the budget recommendations, $10 million over or $500 million over and the Congress consistently votes to approve those overexpenditures; so when I look at all these proposals that we are going to be considering on Monday, Tuesday, and Wednesday, I just wonder what good it is going to do, because I do not see anything in any of these, in the Jones proposal or the Republican proposal, that deals with reconciliation, that is going to force these Members of Congress to be fiscally responsible. I am just afraid that we are going to complete a charade on Monday, Tuesday, or Wednesday, and we are going to end up with a budget that is not enforceable and none of us are going to live up to it.

I just wonder how the American people can have faith in any kind of body that reacts like that.

I guess I am going to end up supporting the lesser of the four evils, whatever that might be, when it comes on this floor on Monday, Tuesday, or Wednesday, and heaven only knows what is going to happen with all the amendments that are going to be added to whatever the final bill is.

I would just say this. I have listened to so much demagoguery over the last number of weeks dealing with social security. I look back at what the Congress has done to the social security system. I recall the other day in a dialog, it was late at night when we were talking. There was not anybody here listening. I think there were only three of us on the floor; but I talked about a gentleman who was about to retire and who had written me a letter and he said, "Mr. SOLOMON, who stole the money out of the social security system? Who stole my money that I paid in all those years?"

You know, that just really sank in, because I am 51 years old and I have been paying into that social security system all my life, too, and I wonder what happened to the money that I paid in there.

You know, as we look back, that money was stolen out of the social security system. It was legal thievery, I suppose, but it was stolen, because the fact is that all the people, my constituents and yours and you and I, the money we paid in is not there; and yet we are not doing anything about it.

You know, when the social security system was first formed back in the thirties it was supposed to be a supplemental retirement system. It was a forced savings account, so that people would put something away and would have something to live on when they retired later on.

It is just a doggone shame what has happened. Well, what really happened to it is that the Congress in its infinite wisdom over the years when they added all these little goodies into that social security system, they made it something that it is not supposed to be, like medicare and social security disability, children's benefits and survivors' benefits. You know, all these things should never have been put in that system and the reason the Congress put it there is so that it would not have to come up with the money in that fiscal year. What we ought to be doing to solve the social security problem is to take all those things out and put them in the general fund where they belong, whether they are good or whether they are bad. We ought to fund them out of the general fund over a wide tax base. If we were to do that, we could then fund the retirement system itself properly and all of the working Americans today would be more than willing to pay through a payroll tax whatever it costs to make sure that our senior citizens got that monthly retirement check each and every month; but no, the Congress is not dealing with that. Here we sit with all these proposals and I can assure you, gentlemen, that 2 years from now we are going to be right back in the situation where we are today.

I look at the increased tax proposals in all these bills and it is outrageous. The only way to stop the Congress from spending money is to take the revenues away from them. That is why I have strong reservations about any of these proposals, but I guess in the long run, like many of us, we will vote for the lesser of the evils and support the Republican and bipartisan proposal, which has got to be the best ball game in town.

□ 1820

Mr. JONES of Oklahoma. Mr. Chairman, I yield 7 minutes to the gentleman from Texas (Mr. GONZALEZ).

Mr. GONZALEZ. Mr. Chairman, 1 year ago, learned speakers in behalf of the administration told us that they had a new, magic elixir. This elixir, if we swallowed it whole, would solve all the economic ills of the Nation. It would make the economy boom, it would make unemployment go down, it would lower the Federal deficit, it would restore the Nation's confidence. This magic elixir was going to cure inflation, but without creating any pain. It was going to bring us all to greatness.

This is what I said about that magic, 14 months ago, almost to the day:

> We have been told that we can achieve three contradictory goals: balanced budget, lower taxes, and vastly greater military spending—all at once. Yet the fact is that all of this rests on the assumption that our economy will perform at levels vastly greater than any responsible economist forecasts. The truth is that the monetary policy called for by this administration will greatly constrain growth, which in turn means that the tax cuts are likely to lead to greater deficits than we now have, even if Congress gives Mr. Reagan all that he demands by way of budget reductions.

I also said that the Reagan program was, and I quote:

> A rich man's war and a poor man's fight. It is the well off who get the bulk of the benefits of the Reagan budget, not the poor and not the ordinary wage earner.

And what has happened?

The Nation's economy has stopped dead in its tracks, and is now falling backward. Almost 2 million Americans have become unemployed in the past 14 months. There are fewer people actually at work today than there were 3 years ago. Far from booming, the economy is shrinking. Far from being reduced, the Federal deficit has doubled. Far from being reassured, the business community is fearful, panicky, and demanding change in the magic elixir, which they know is poison.

Despite all these sobering and frightful events, despite the mass misery that has been created by this supposedly painless and magical economic medicine, here we are again going through essentially the same debate as last year. It is not really a debate about the Federal budget. It is more of a sterile theological discussion about what number makes the best deficit; what will be the magic deficit number that will banish the fear inspired by the Reagan program, without seeming to abandon the religion of supply-side theology. The proposals that lie before us all start with the same question: What is the magic deficit number? It is as if we were discussing how many angels might fit on the head of a pin, with the same futility that debate entailed.

The true believers in the supply-side theory claim that deficits do not matter. The trouble is that nobody believes that. Yet no one seems ready to grasp the nettle and confess that there was no magic elixir after all. Instead, the weary debate goes on: Just what is the true faith? Just what is the secret number that will make the magic work? But all of it is a theology without faith, an effort to obscure the truth: nobody cares about how many angels fit on the head of a supply-side pin. Nobody really believes that it makes any difference if the budget resolution assumes a deficit of $99 as opposed to $98 billion, and truthfully, it does not. The only thing that really matters is to find a policy that works—and that is a discussion that has to be couched in terms of practicality, not the sterile theology of last year, repeated here again today.

Last year, in embracing the Reagan religion, the then majority of the House cast aside the question of who would be hurt. The assumption was that the economy would not get much worse, no matter how clearly commonsense told us that this was not the case. The terms of the debate last year were this: not whether or not the Reagan program made any sense, but in what degree to accept it. The same is true today.

But the nub of the issue is precisely this: Does the Reagan program make any sense? The shrinking economy, the alarming and tragic rise in unemployment, the fantastic levels of interest rates, the doldrums of the stock market, the mushrooming rate of bankruptcies, all tell us that the Reagan program does not make sense, that last year's warnings were all too true. Yet we persist in debating what degree of it we should accept.

On the practical and commonsense level, we know that the depression of the housing industry is intolerable—and so the House approved by an overwhelming margin, a program I sponsored, to revive the homebuilding business. We know that when fresh millions of people are unemployed, it is unconscionable to cut off benefit payments, and so the Committee on Ways and Means is advancing a bill to continue unemployment compensation to those who would otherwise be cut off. We know that it makes no sense to have continued high interest rates, and so all the economic committees of the Congress call for eased monetary policy. We know that it makes no sense to tolerate the continuation of the deepest farm depression in 50 years, and so our Agriculture Committee is considering emergency relief. We know that it makes no sense to deepen and compound the miseries of the poor—and so every committee, every committee, has rejected the administration's demands for vast and unconscionable reductions in student assistance, in food stamp benefits, in medical care, in housing assistance, and a huge array of other programs that alleviate human suffering. When we consider the practical questions the House and Senate both reject the claim that the Reagan program does not hurt the truly needy—for we know that it has. We reject the claim that the Reagan program would create a boom—for it has not. We reject the claim that the Reagan program would not increase Federal deficits—for we know that the deficit projection for next year is eight times greater than he claimed it would be when the majority embraced his program. On down the line it goes: when it gets down to the practical side of things, the House recognizes reality, and the reality is that the Reagan medicine was not a magic elixir, it was and is poison. That poison has vastly increased unemployment; it has thrown the economy into reverse gear; it has kept interest rates high enough to induce bankruptcy on a level not seen since the Great Depression; it has stifled hopes, multiplied misery, and caused even its advocates to call for change.

The budget discussion, sadly, does not reflect the hard practicalities that we must confront. Instead, the various budgets all start with the assumption that the bottom-line deficit must be an attractive number, but that the religion of the supply-side doctrine must not be repudiated. Yet that poison is the source of the problem. In other words, the assumptions that we start with in these various options are not reasonable and not based on any principle. They are not related to the way the world works, since the supply-side basis that underlies them is something that the various authors of the resolutions do not themselves accept or believe in. They do not believe in the theology, but do not say so—they simply try to shade the argument to the point where hopefully, the poison will be reduced to a survivable level. They do not believe in the human sacrifices that supply-side religion demands, so they offer variations that try to mitigate the bloodshed enough to be more or less tolerable. But the options do not offer us an outright choice.

Grounded in the supply-side mud, the options simply try to fit programs into whatever space can be found or whatever illusion of space can be conjured up. Hence, for example, the official Republican budget conjures up imaginary savings, to allow the claim that this or that spending to alleviate misery will not add to the deficit.

But where, in any one of these options, do we find principle?

Where do we find as a principle, a call for thoroughgoing tax reform, reform to make the tax system more fair, more efficient, more productive, more workable?

Where do we find in all these incomprehensible options a real commitment to some minimum standard of human dignity and decency?

Where in the midst of all this do we find a commitment to regenerate the economy, to support the kind of education that we have to have in a world competing for high technology? Where do we find a commitment to the principle that this Nation needs to do something about its crumbling highways, its deteriorating bridges—all its hundreds of billions of dollars' worth of investment that could revive cities, spur commerce, provide employment?

Where in the midst of all this do we find a commitment to the principle that all who want to work should be able to find work, that great corporate failures are not a necessary part of moving forward—that sacrifice of the innocent is not tolerable?

We are entertained with learned discussion and weighty assumption. But the hard truth of it is that this year, just as last year, the Reagan program makes the Nation's economic battle a rich man's war and a poor man's fight. And indeed it is. The rich have gotten richer, as is attested by their vast gifts to the campaign funds of his party. But the poor have gotten poorer, and they have also grown more numerous.

Yet incredibly, we do not denounce squarely an economic policy that did exactly what responsible observers said it would: Worsen the Federal financial problem, worsen unemployment, worsen misery, and worsen the performance of the economy. Instead, we are presented with options that merely seek to bid for favor among interest groups that are fighting over crumbs—for they sense that unless there are fundamental changes—changes that they do not believe will happen this year—there will be fewer crumbs. What a tragedy it is. What a disservice to the Nation that we pay obeisance to this budget process, by indulging in a theological debate, rather than coming to grips with the need to call for reform, to get about the business of healing the damage inflicted in the past 14 months, to get about the task of alleviating the misery, of putting people back to work, to get on with the practical business of the country.

We are given a sorry range of choices—some better than others, but none that causes anyone to celebrate the possibility that better days might be ahead. No, instead, we see choices between bitterness and outright poison, not choices that indicate we really hope for, let alone, expect better things.

Mr. JOHNSTON. Mr. Chairman, I yield such time as he may consume to the gentleman from Iowa (Mr. Leach).

Mr. LEACH of Iowa. Mr. Chairman, I rise in favor of the bipartisan budget put forth by Mr. Aspin, Mr. Gephardt, Mr. Mineta, Mr. Panetta, and Mr. Wirth on the Democratic side of the aisle; Mr. DeNardis, Mr. Jeffords, Mr. Pritchard, Mrs. Schneider, Mr. Tauke, and myself on the Republican side.

Our approach represents an effort to establish a moderate concensus in the center of the Congress. It also represents an effort to put behind the partisan rancor that is dividing the country. America is crying out for consensus not greater social division.

We believe our budget is fair—carefully balancing the demands of the underprivileged with the requirements of defense.

We believe it is compassionate, but restrained—having in fact the lowest deficit of the two principal alternatives.

We also believe it is future oriented—giving greater priority to basic education and scientific research than the alternatives.

I would like to stress the basic science orientation of our budget in relation to the defense requirements of our country. As we look back at World Wars I and II, what distinguished American in a security sense from our allies and rivals was our technological and scientific base. It is here where we must always be second to none.

Finally, our budget envisions a 5 percent real growth per year in defense spending. This is less than the 6½ percent approach contained in the Latta alternative, but we are convinced it is prudent and responsible. America's greatest security asset is our economy and to the degree it is jeopardized by excessive defense spending, to that extent our defensive capacity is weakened. The key is the test of fairness and balance. We believe our budget best meets these tests. I urge its serious consideration by colleagues on both sides of the aisle.

Mr. JONES of Oklahoma. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. Does the gentleman from North Carolina have further requests for time?

Mr. JOHNSTON. Mr. Chairman, I yield myself as much time as I may consume.

Mr. Chairman, it is rare that one gets an opportunity to observe a filibuster on this side of this Capitol, but I am in the process of attempting to conduct one while certain technical changes are made. We still have the problem, in all the budgets submitted, of just how much of the economy this Government is going to try to take over next year.

Mr. MARTIN of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. JOHNSTON. I yield to my colleague from North Carolina.

Mr. MARTIN of North Carolina. Mr. Chairman, I thank the gentleman for yielding, because much of the debate that has gone on has centered on various ways many of our colleagues have of raising taxes as a way of avoiding excessive borrowing. We see in the past that steep increases in taxes have not saved us from going into debt. We just spend more than whatever those tax increases have been.

One of the things that I think needs to be noted by this body is that even with the tax cut that was enacted in 1981, a tax cut often referred to as the largest tax cut in history, it did not result in revenues declining this year in comparison with last year. It may have meant they did not go up as fast, but they did not decline. They rose. Revenues have increased this year over last year even with that tax cut.

The Congressional Budget Office and Office of Management and Budget and others all agree that even with the so-called tax cut scheduled for next year, and scheduled for this July, revenues are not going to go down. They are still going to go up.

One of the interesting things that we discussed, that we found in the deliberations of the Budget Committee, was that even with these tax cuts, revenues will rise as fast as inflation; indeed, a little bit faster. That means that there will be plenty of money in the Treasury to pay for those programs that are just rising as fast as inflation. There will not be enough to pay for those that are rising so much faster than inflation. That is where we have got to come to grips with this budget, to reduce expenditures, to reduce outlays, so that it fits within the available revenues.

Mr. JOHNSTON. I thank my colleague from North Carolina for his very pertinent remarks. There has been a great deal of talk about deficits here today, but whether we finance Government spending next year by deficit or whether we finance Government spending by taxes, or whether we spend additional, to get a balanced budget, is totally immaterial when we examine the size of Government spending in relation to the economy as a whole.

Earlier, I asked my colleague from Washington about the size of the spending in the Black Caucus budget. He responded that spending would be slightly in excess of $700 billion, but when I examined the Black Caucus budget I find total spending to be $808 billion. Now, if we factor $808 billion in Federal spending into any of the econometric models of our total economy next year, we will find that we have outdone ourselves because we will now see Federal spending as a percentage of our total economy exceeding 25 percent, an alltime record.

Mr. ROEMER. Mr. Chairman, will the gentleman yield?

Mr. JOHNSTON. I yield to the gentleman from Louisiana.

Mr. ROEMER. Mr. Chairman, I thank the gentleman for yielding.

A group of southern conservative Democrats sitting in the back row wanted to applaud the gentleman's spirit in the light of this filibuster under heavy and necessary circumstances. It is a temptation almost beyond belief, coming from our part of the world, and with our experience in politics, not to participate in a filibuster, so as the freshest member of that club, I have been thrust forward to wish the gentleman well and tell him that we are behind him.

Mr. JOHNSTON. Well, I thank the distinguished gentleman from Louisiana. I never thought I would be forced into that position, but I guess in the tradition of those great southern filibusters I will be forced to carry on.

Mr. SOLOMON. Mr. Chairman, will the gentleman yield?

Mr. JOHNSTON. I yield to the gentleman from New York.

Mr. SOLOMON. Mr. Chairman, I just cannot help but remark here, because I just want to say that thank God we have got some good southern Democrats, or I would hate to see what would be happening to this budget today.

Let me just say, the gentleman says he is participating in a filibuster. I just happened to be over in my office reading a Florida newspaper and there was an article there about the consultant to the National Democratic Party, and they were saying that they were advising the Democrats to hold the President's feet to the fire just as long as they could even if it brought this country to the brink of disaster. They did not want to push it to disaster, but to the brink of disaster. They wanted to stall the economy of this country just as long as humanly possible and get into the nearest election as quickly as possible.

I know that the conservative Democrats in this House are not going to go along with that, because they are good Americans and will help us to do what is right.

Mr. JOHNSTON. I may say further that I share the gentleman's views, and I do not think that consultant was typical of the great Democrats that have been Members of this House.

Mr. ROEMER. If the gentleman will yield further, as a final point, as a southern conservative Democrat, I appreciate those good words, and ask all the Members of this House, our colleagues, to read an article in Time magazine some 5 months ago on our economy in which they compared the generally free enterprise system we have with socialism around the world, and made a clear point. It is one that I think the gentleman is trying to make in a different way. Socialism makes good politics but lousy economics.

I think it is time for America to stand up, ask a sacrifice of everybody and we will all gain a great deal.

Mr. JOHNSTON. I thank the gentleman from Louisiana.

Mr. JONES of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. JOHNSTON. I yield to the gentleman from Oklahoma.

Mr. JONES of Oklahoma. Mr. Chairman, I think in discussions with the minority leader, we are in a position to yield back both of our time.

Mr. JOHNSTON. Mr. Chairman, I still am concerned about the size of spending. I am still waiting for somebody to respond to my challenge, to point out one single economy on this planet where government is spending more than 40 percent of the total economy, that is viable and healthy.

I asked that question earlier and no one responded because there are not any illustrations of healthy economies.

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If we examine the economy of Singapore, examine the economy of Hong Kong, or examine the economy of Taiwan, Japan, and West Germany, we will find that government spending as a percentage of that total economy varies from 25 to 38 percent—much less than our own. In all the budgets that we will consider we will have to look at how much of the total economy each of those budgets demands be taken away from those who earn it.

A recovery will only occur when private business is once again viable and healthy, and the first thing private business, the private sector of the economy, must have is the resources and the capital with which to invest and provide the necessary jobs. It must have the working capital. After all, business needs something besides capital equipment. It needs inventories, it needs working capital to finance its accounts receivable, and it needs all sorts of risk expenditures.

After all, it was that element of risk which has provided such a great economy not only to our farmers but also to our private sector. But when risk capital is no longer available, that happens because government takes over the money, the risk capital. And we are not going to have a great Nation with no rich prople. Somehow it has become fashionable to believe that is we just "whomp" up long enough on the rich prople, the poor automatically are going to be better off.

A lot of criticism has been made of the trickle-down theory of the economy, as has been suggested by the gentleman from New York (Mr. KEMP), and Mr. Stockman and others. Well, I submit to the Members that 15 years of trickle-up did not work either. It is now time for a whole new basis, a whole new attempt to try to see that all Americans, those who are dependent on the Government for their support and those who are dependent on business for their support, are considered. And after all, there are 99 million people out there who are working, 99 million people employed and keeping more and more of their paychecks because inflation is at 2 percent.

I am not going to suggest to the Members that the sole cause of the reduction in inflation is the idea of reduced Government spending under the Reagan administration. Yes, some things have gone our way, but I submit that some things have gone against us, too, like the continued prevalence of high-interest rates.

Mr. ROEMER. Mr. Chairman, will the gentleman yield?

Mr. JOHNSTON. I yield to the gentleman from Louisiana.

Mr. ROEMER. Mr. Chairman, I thank the gentleman for yielding.

On the question of Federal spending as a percent of our economy, I wonder if the gentleman would agree with statements made earlier on the floor that on some of the proposals or under some of the budget plans, particularly the bipartisan plan supported by conservative and moderate Democrats and many Members on the gentleman's side of the aisle, the deep spending cuts, so-called, in that program would virtually eliminate the Federal Government from our economy.

Would the gentleman agree that a careful look at the figures would show that with a moderate rate of spending over the next 3 years we can reduce Federal spending, but still have the Federal Government at about 21 percent of all of our gross national product coming right out of these Halls of Congress? Is that not true, after those so-called deep cuts?

Mr. JOHNSTON. Yes. I say, Mr. Chairman, to my colleague, the gentleman from Louisiana, that even after all of the freezes and all the proposals to cut back funding levels on those programs that we have seen were rife with waste and inefficiency, the Federal Government in 1985, even under our best estimates, will still be spending 21 percent of this economy.

Mr. ROEMER. Mr. Chairman, if the gentleman will yield further, that is obviously a better percentage than the 24.3 percent we will spend under the Jones program or others that we will have for consideration.

There is another figure in there that I wish the gentleman would comment on and share my excitement about, and that is the percentage of the available resources in the credit market that would be taken by the Federal Government under the bipartisan plan as opposed to current law. As I understand it, in current law, if current practices continue over the next 3 years, the size of that credit pool that would be taken by the Federal Government would be 45, 50, 65, and 70 percent in some cases, but with our budget, with a reasonable reduction in deficits and a reasonable restraint in spending, with increased military preparation by eliminating waste in that department, after those things are put in place, the Federal Government will only soak up about 15 percent of the available credit.

I wonder what will happen to interest rates over those 3 years if for the first time in a decade we lower the amount of credit funds soaked up by the Federal Government.

Mr. JOHNSTON. Mr. Chairman, the gentleman from Louisiana (Mr. ROEMER) has made a very valid point.

The real question is: Can a small businessman or can a small farmer who is out seeking capital to expand his business possibly compete with a borrower the size of the Federal Government? He cannot, not in any way. Whether or not we finance our spending by deficits or our spending by taxes, the result is that we take the money away from those who are best capable of allocating it to production.

Mr. MARTIN of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. ROEMER. I yield to the gentleman from North Carolina.

Mr. MARTIN of North Carolina. Mr. Chairman, I thank my colleague for yielding.

The gentleman from Louisiana (Mr. ROEMER) is quite correct. Government absorption of credit has been growing rapidly in recent years. The gentleman referred to a majority share of that credit. That refers to a percentage of new savings that goes into the credit pool and that is absorbed out by the Federal Government.

For a decade we had averaged on the level of about 35 percent of new savings being absorbed by the Federal Government. In recent years, as of last year, for example, that has risen to 75 percent, and next year, unless something is done, it will rise to 80 percent of new savings.

Now, there is another way of looking at the entire pool of all available credit, and it turns out that for two decades prior to 1975; that is, from the period, 1955 to 1975, the Federal Government absorbed 18 percent of all credit, and in the next 5 years, from 1975 to 1980, that proportion of all available credit rose from an 18 percent average up to 36 percent that is being absorbed by the Federal Government.

Now, that is not entirely made up of the borrowing to finance the national debt. It includes that. It also includes all of the off budget borrowing, the loan guarantees, the subsidies, the primary guarantees, the secondary guarantees, the direct loans, and all of this mixture of programs that have so greatly expanded this absorption of available credit.

● Mr. JEFFORDS. Mr. Chairman, I think most Members of this Congress understand the parameters of the critical stage we have reached in our own budget process and in our efforts to restore the economy of this country to health. I also know that the American people understand full well what the Congress has to do.

We have known for some time now that arriving at a consensus on the fiscal year 1983 budget was not going to be easy. The formulation of the fiscal year 1982 budget last year left some scars. The passage of time and the persistence of the recession have perhaps lent themselves to a solidification of budgetary philosophies and an increased willingness in some quarters to take a stand.

But the fact remains that Congress must adopt a first budget resolution for fiscal year 1983, and it must do so promptly. If this effort is to be successful, it will have to be bipartisan. It will have to leave behind the political posturing which has characterized the budget negotiations over recent months. Many of the parties involved in the negotiations have made honest, good faith efforts to break the logjam, and they are to be commended for it. We need to follow their example now. If partisan politics prevail, basic budget decisions could be deferred until after the November elections. Without clear signals on budget policy, the private sector investments which are key to economic recovery will also be deferred. Interest rates, which reflect investor doubts about the ability of the Congress to control taxes, spending and deficits, will not come down. The adverse impact of such developments on the economy could be devastating.

Over the last several weeks, a group of moderate Democrats and Republicans, known first as the Gang of Five and later as the Gang of Ten, entered into a series of discussions on how to expedite congressional approval of a sensible, responsible first budget resolution. The result has been the introduction of the so-called coalition budget substitute which is one of the three major budget proposals before the House for consideration.

As an original member of this bipartisan budget effort, I feel strongly that the coalition budget provides the Congress with a budget vehicle with a very good chance of success. I also feel that, of the seven budgets we will have a chance to vote on next week, it is unequivocably the best.

First of all, it has the lowest fiscal year 1983 deficit of the three major proposals, and the greatest 3-year deficit reduction figure. This is a very important point, of course, in terms of the Nation's economic recovery. If Congress does not take appropriate action to reduce the record deficits projected under the President's fiscal year 1983 budget, the Government will have to engage in massive borrowing to cover its debts. This will crowd small businessmen out of the credit markets and exert upward pressure on interest rates, which are already unacceptably high. The slumps being experienced by the housing, auto, and related industries will be exacerbated. Moreover, the national debt has reached $1 trillion, and the cost of servicing that debt on an annual basis has reached $100 billion.

On the revenue side, the coalition budget requires tax increases that fall between those required under the House Budget Committee bill and those required under the Republican proposal. I think it is important to note here that the coalition's fiscal year 1983 tax total can easily be reached without doing violence to the President's basic tax cut package as passed last year. The third-year individual tax cut can go ahead as planned, and accelerated depreciation for businesses can remain in place. I supported these innovations and do not advocate their undoing. Naturally, as is the case in a budget resolution of this kind, we have left the specifics of revenue raising to the House Ways and Means Committee. I would hope, however, that we could eliminate some of the special interest tax breaks that were adopted last year, such as the tax credit leasing system and the new breaks for the thriving oil industry.

Additionally, in his negotiations with the Speaker, President Reagan, just before the talks broke down, agreed to a 3-year revenue increase of $125 billion. Looking forward to a conference with the Senate, if the coalition budget is approved and the conferees split the difference on taxes, the end result would be a 3-year revenue increase of roughly $114.9 billion, significantly less than the President's final offer to Speaker O'NEILL.

Let us turn now for a moment to domestic discretionary spending. In this area generally, the committee and the coalition are not far apart, although the committee imposes slightly higher cuts. The distribution of the cuts varies, though, according to the addbacks provided for under each bill. I feel that the coalition has devised a package of add-ons that is well balanced and forward looking. It includes initiatives for investments that are essential to solving our long-term productivity problems. It includes funding for the cleanup of hazardous waste sites, and provides increased funding over the freeze level for student aid, elementary and secondary education, voc ed, veterans medical care and soil conservation. Although the Republican bill also has its add-ons, overall the domestic program cuts are considerably more severe than in either other package. The Republican substitute cuts these programs, which were hard hit last year, by $45.8 billion over the next 3 years. This is $13.4 billion more than in our bill.

Some more specifics. For the transportation, commerce, and housing credit and community and regional development functions, the coalition bill provides higher funding than the Republican bill, and roughly the same as the committee bill.

In the energy function, I am compelled to question the concessions which some of my Republican friends insist they have won in the Republican bill. The coalition budget derives its savings in this area by incorporating the President's proposal for a user fee on utilities for disposal of nuclear waste. The add-backs in the Republican substitute are meaningless because there is so little room to maneuver under the drastic overall cut in the energy function. If the Republican budget is going to live up to its supposed commitment to an energy conservation add-back, it would require a cut of about $1.7 billion in areas other than energy conservation. It is hard to imagine a DOE budget cut proposal from the administration without a minimal budget for energy conservation, given its track record. The Republican substitute cuts $500 million more from the energy function than even the President's original request, which budgeted a mere $22 million for conservation, only $4 million of which was for State grants.

Two additional areas where the coalition budget proves itself as far and away the best budget alternative are the financial aid programs for college students, and employment and training programs for displaced and underskilled workers.

For financial aid programs the coalition budget authorizes a total of $3.85 billion. This includes funding for college work-study programs, Pell grants and campus-based aid programs. The Jones budget authorizes these same programs at $3.6 billion, a reduction of $250 million from the coalition's level. It is in the Republican budget, however, that we see the most paltry support for these very important programs. The funding in that budget is a mere $3.46 billion, a reduction of $140 million from the Jones budget, and a reduction of $390 million from the coalition budget. If we are in favor of helping kids make it through college, the coalition budget is the one we should support.

Again, in employment and training programs, the coalition budget is head and shoulders above the rest. The Republican budget funds this program, that is of dire importance for a productive and skilled work force, at $3.307 billion. On the other hand, the coalition authorizes $4.150 billion. The choice is thus clear: we can have a work force that is college educated and well trained in job skills, or we can have the Republican budget.

There are two other domestic discretionary programs that are worthy of note. One is the WIC program that provides services to women who are pregnant or who have infant children. The Republican budget would cut 200,000 women and infants from the program in fiscal year 1983, 300,000 in fiscal year 1984, and 400,000 in fiscal year 1985. This is a result of funding the program at $9.34 billion for each of the next 3 years. On the other hand, the coalition budget increases funding for this highly successful and cost-effective program. For fiscal year 1983 it authorizes $9.8 billion, for fiscal year 1984, $10.8 billion, and for fiscal year 1985, $11.8 billion.

The Legal Services Corporation (LSC) is slated for elimination in the Republican budget by fiscal year 1985. For fiscal year 1984 it will endure a 60-percent cut. In the coalition budget, this program is not eliminated. Instead it is level funded for each of the next 3 years at $250 million. The LSC provides legal services to the poor and the elderly, and embodies the truly American concept of "justice for all."

The area of the greatest importance to the elderly, the disabled, and the low income of our country is the entitlements areas. Under this category fall the programs that provide for the health, nutrition, and income levels of this Nation's poor.

In the entitlement programs, the difference in priority is best illustrated when comparing the coalition budget to the Republican budget. In the targeted entitlement reforms, the Republican budget cuts $35.2 billion in the next 3 years. The coalition budget cuts $15.6 billion, a much more equitable and realistic figure.

It is when we look at the individual figures that the gap appears even wider. In the food stamp program, an entitlement that was designed to meet the basic nutritional and dietary needs of low income individuals, the Republican budget would cut $5 billion over the next 3 years. In the first year, for 1983, this would cut 300,000 elderly and disabled persons from the food stamp rolls. The coalition budget would cut only $1.4 billion, a mere third of the Republican budget.

In medicare there is again a huge difference. The Republican budget authorizes cuts totaling $4.9 billion. This is a substantial amount in a program that serves the health needs of the elderly and disabled in our country. Medicare is cut by only $2.35 billion in the coalition budget.

All this points to a divergence of priority within the budgets. The supporters of the coalition budget feel that it is a national responsibility to help those less fortunate by providing adequate food, health insurance and supplemental income. Those who support the Republican budget have turned their backs on the poor, the elderly and the disabled.

In the defense area, the moderate coalition budget merely slows the rate of increase proposed by the administration and by the Michel-Latta substitute. Our budget constitutes a real growth rate in budget authority of over 5 percent. Whether we should make an effort to shore up our defenses is not at issue—whether we will spend recklessly toward this end is in question. What we are saying is that defense spending should receive the same scrutiny as other areas of the budget and that throwing money at defense will not solve our security problems. In fact, it could make them worse by worsening Pentagon waste, creating industrial bottlenecks and ballooning the deficit.

A final observation, Mr. Chairman. We have some 67 amendments which are in order under the rule, and these amendments can conceivably be offered to each of the three major measures. I would hope that we could avoid loading the resolution down with too many amendments during this process. We do not want a Christmas tree bill. We do not want a bill that looks like last year's tax cut bill. If we lose control on these amendments, we could drive up the fiscal year 1983 deficit and send a horribly wrong signal to the financial markets and the American people.

In closing, Mr. Chairman, I want to commend the gentleman from Colorado (Mr. WIRTH) and the gentleman from Iowa (Mr. LEACH) for catalyzing the coalition budget, along with those other Democrats and Republicans who took part in an effort which I think has proved very fruitful.

Thank you, Mr. Chairman.●

● Mr. HUGHES. Mr. Chairman, I have prepared an amendment to the first budget resolution and its accompanying substitutes to restore some of the cuts that have been made in the Federal law enforcement agencies in recent years and that are proposed to be carried forward.

It is no secret that violent crime is out of control—it has risen 5 percent per year since 1971. The current as well as past administrations state we are engaged in a war against crime, but the facts reveal that we are in retreat.

Today we are spending the same sums on law enforcement activities as in previous years in totals unadjusted for inflation. What that means is that today our Nation's law enforcement agencies are smaller than they were 3, 4, or 5 years ago, when the crime rate was lower. We all know that in our districts, the State and local law enforcement agencies have been cut back as well. Yet the people, in every poll and survey, call clearly and loudly for more law enforcement.

The second point that I want to make is that the House Budget Committee has proposed a budget for law enforcement that is less than the President's bare bones budget. For example, House Concurrent Resolution 345 assumes an expenditure for the FBI that is $30 million less than the President asked for. And that is less than what is needed to operate the Bureau at the reduced levels at which it is now operating.

For fiscal year 1983 I am asking to restore cuts to the FBI that amount to

$39 million. As the leading Federal law enforcement agency, it has compiled the essential criminal history information that is used by all the States. It has the Nation's only centralized file of fingerprints that is the only way to establish positive identification for security and background checks. This program is scheduled to be cut back even though it already is subject to enormous backlogs.

Let me offer an illustration. One Miami case involved a man wanted by the FBI for flight from a drug trafficking conviction. He was arrested by the Miami police for a firearms violation. He was bailed out. It was a month before the FBI completed its fingerprint check, determined who the man was, and notified Miami. After he was released, he is suspected to have killed a half dozen people before he was killed in a police shootout. Sadly, this delay characterizes the criminal justice system. What have we saved?

It has been demonstrated over and over again that persons involved in the drug traffic, or who are addicted to narcotics are responsible for a large portion of our crime problem. The Drug Enforcement Administration has the world's best intelligence on those activities. It must not be cut back at a time when we are beginning to achieve dramatic successes in the fight against major drug traffickers. My amendment would restore $17 million for DEA, not to increase its efforts, but to hold its own.

My amendment restores $5 million for the Bureau of Alcohol, Tobacco, and Firearms. This Bureau is responsible for fighting violent crime that uses firearms, explosives, and arson. In the last 18 months, BATF seized over 700 machine guns in Florida alone. Recessions are marked by increases in the number of arsons designed to obtain insurance proceeds. That costs hundreds of millions in dollars in higher insurance premiums for every business and homeowner. BATF investigated over 400 arsons in fiscal year 1981 that involved 25 deaths and property damage in excess of $100 million. Those investigations alone saved over $25 million in fraudulent insurance proceeds.

Finally, I am requesting $190 million to fund the Office of Justice Assistance which is a streamlined and efficient replacement for the old LEAA. The House passed H.R. 4481 which would create the Office of Justice Assistance and authorized $190 million for fiscal year by a vote of 289 to 73 on February 10 of this year. This program is vital for State and local law enforcement. The $190 million for justice assistance is targeted against carrier criminals, arsons, white-collar crime, crime against the elderly, and serious juvenile offenders. It provides for improved prosecution and investigations where they are needed most.

Across the country, without regard to party or philosophy, in all the regions of the country, the American people demand more effective law enforcement. This was demonstrated by the overwhelming vote for assistance for the effective, hard-hitting State and local law enforcement programs embodied in H.R. 4481.

Defense against violent crime is every bit as important as military readiness, and the American people have time and again spoken out to make that clear.

An Amendment to H. Con. Res. 345, or Any Amendment, Thereto

To the matter concerning function 750; Administration of Justice

Increase budget authority by $251,000,000 in fiscal year 1983, by $261,000,000 in fiscal year 1984, and by $271,000,000 in fiscal year 1985;

Increase outlays by $251,000,000 in fiscal year 1983, by $261,000,000 in fiscal year 1984, and by $271,000,000 in fiscal year 1985;

Increase the aggregate budget authority level by $251,000,000 in fiscal year 1983, by $261,000,000 in fiscal year 1984, and by $271,000,000 in fiscal year 1985;

Increase the aggregate outlay level by $251,000,000 in fiscal year 1983, by $261,000,000 in fiscal year 1984, and $271,000,000 in fiscal year 1985;

Increase the deficit by $251,000,000 in fiscal year 1983; by $261,000,000 in fiscal year 1984, and by $271,000,000 in fiscal year 1985.●

● Mr. BROWN of California. Mr. Chairman, for the next few days we will be debating the Federal budget for fiscal year 1983, an issue of importance to our country and its citizens. We will, in the end, be determining whether to continue the path we began last year—a path which I believe has exacerbated high interest rates, increased unemploymnent, and produced huge deficits leading us to the most severe recession since World War II—or whether we will revise our priorities to strengthen the foundations of our economy.

To some of my colleagues, this may begin to sound as if I am about to advocate more spending and higher deficits. I am not. I realize the value of a balanced budget. But even with the best of budgets, even with a budget which is at or near balance, our economy will sputter and remain weak unless we address the critical problem at its very core: American industrial productivity.

This underlying concern, which I have had for several years, is the reason that I have decided to endorse the Obey budget alternative. While providing for a surplus in fiscal year 1985, the Obey proposal stresses an immediate economic stimulus program, and also stresses a strong education and science base, a base which will be the foundation for continued prosperity.

It would be making a mockery of the situation if I insisted that this one budget resolution would make or break our economy. But I also resist the philosophy that says there is no role whatsoever for Government in helping to improve the performance of American industry. The present administration, and many of my own colleagues, believe that the Government of this great country has no business trying to improve innovation or productivity in American industry.

But this flies in the face of reality. This flies in the face of what our competitors are doing, and doing very well. They have developed cooperative programs between Government and industry to overcome mutual problems. They are strongly supporting their educational institutions. They are providing adequate job training. They are encouraging innovation and productivity.

We, in stark contrast, are cutting back our support. We are neglecting the very foundation of our economy. We are abdicating our responsibility. Not only to business, but to every American who benefits from a prosperous economy. This is shortsightedness of the highest order.

To be fair, some of the proposals before us, such as the one from the Budget Committee, make very modest efforts to address this serious problem, and it is obviously a vast improvement over that proposed by the administration. The committee proposal does recognize the importance of job training, education, and science programs. Programs such as these demonstrate our commitment to the future. But frankly, I do not see the long-term commitment needed in these vital areas. And without them the difficulties we face today will be miniscule compared to the difficulties faced by the next generation.

The Northeast and Midwest, among other areas, are seeing firsthand the effects of sunset industries in our communities. These industries have lagged behind foreign competitors in research and innovation, laying off thousands of workers. At the same time thousands of other jobs go unfilled because of the lack of skilled applicants.

In my own Californian district, I have been working with business, labor, government, and educational institutions on an economic development program. It is our contention that each segment has a vital role to play in coordinating and developing our local economy. Rather than blaming it on the other fellow, each of us must learn from our past errors and redefine our methods for achieving economic prosperity.

Together we must commit ourselves to retraining the hard working, displaced worker, in conjunction with the training of future workers through our educational system. This skill development should not be willy-nilly, but should instead be directed and encouraged toward areas which will meet our future needs, toward a future more dependent upon science and technology.

Without a continuing superiority in our science programs, we will find ourselves unable to maintain our position as a leading industrial economy. The Nation's scientific research and development base are critical to this country's long-term economic vitality and national competitiveness. Scientific research and development gives us the knowledge base to control our destiny. Scientific exploration broadens our choices in shaping this Nation's economic and technological profile.

Although the administration is aware of the importance of science and technology to the Nation, it is inhibited by its political philosophy which sees no role for the Federal Government in trying to improve the innovation or productivity of American industry. There is a vast array of basic research as well as applied research which by its very nature is unlikely to be performed by the private sector, even under the best economic circumstances.

Out system of government, which has as its foundation freedom of choice and the free market, is not well equipped to deal with longer term questions. Rather, it compels our private industry to emphasize short-term solutions and rewards. While this is surely a gross oversimplification of the situation, we would be foolish to let this weakness overwhelm and destroy our great society.

We bail out our Chryslers, our bankrupt cities, and send emergency aid to victims of national disasters. We are a compassionate nation, but seem loathe to address the causes of our problems. Surely Federal support in science research and development, technology transfer, science education, and innovation and productivity, which is tied to scientific research, will not bring about the destruction of our free society, but rather will bolster a free society.

Nothing has preordained us to be the world economic leader. We worked hard to achieve that distinction and we should be proud of it. But to maintain it we will have to work even harder. The competition is better fed, better educated, and more committed than ever before. We, too, must make that commitment. We have the human resources, now we must provide the financial and economic resources.

Instead of preparing for the future, we here in Congress appear to believe that perhaps it will go away, or perhaps we prefer to allow others to solve the mistakes of our own self-preservation and shortsightedness. I urge my colleagues to look beyond the November elections and to determine what we want our country's future to be. If we fail to take the necessary steps now to improve the productivity of American industry, even if we do the greatest job in the world of balancing the budget, we will still face some serious economic problems which we may not be able to overcome. It is for this reason I urge my colleagues to support the Obey budget alternative and its modest, but realistic commitment to improving American productivity.●

● Mr. DERWINSKI. Mr. Chairman, it is a fact of life that most of the Members at least give lip service to the specific goal of the budget process, which is to lower the deficit, and that this positive step by the Congress would be helpful in producing lower interest rates, which, in turn, will stimulate the economy through revitalization of homebuilding, automobile sales, and other phases of our economy.

It is unfortunate that there is too much politics in the air, and a combination of one-upmanship and maneuvering between factions is being put ahead of practical decisions which are long overdue. My feeling is this has thoroughly confused and frustrated the public.

The budget process is supposed to bring discipline over spending. Obviously, it has not, and I wonder whether this process is, in fact, workable.

However, I specifically wish to address myself to functions falling under the jurisdiction of the House Post Office and Civil Service Committee. The Congress in establishing the civil service retirement system over 60 years ago, 15 years before enactment of social security, made a binding commitment to Federal employees and annuitants. As a matter of public policy, Congress provided for a contributory staff retirement system—not an income insurance plan as in the case of social security. The retirement system has operated on the premise that a long-term career employee would earn an annuity which would insure a standard of living in retirement reasonably close to the standard maintained by the employee during his working career, taking into account the level of pay of the employee and the length of service.

Retired Federal civil servants have earned the right to expect and depend upon annuities which will help them enjoy their golden years free of anxiety generated by constant tinkering with their annuities. They have contributed toward COLA benefits throughout their Federal careers. To turn our backs on them now by capping or reducing cost-of-living adjustments is to break a commitment we made to them in return for their dedicated service.

In all the double-talk over social security, I will continue to insist that the civil service retirement system be kept independent. It is an obligational commitment and that should continue to be our policy, and as far as I know, that is the President's position—continued support for the integrity of the civil service retirement system.

If Congress in its wisdom decides that budgetary discipline requires a cap on COLA benefits, such action should be taken on an across-the-board basis with uniform application to all pension benefits. It is the slight-of-hand, use-of-mirrors style that has developed in this budget battle which focuses on singling out retired Federal employees for another assault on their benefits, while other pension systems are left without any policy or budgetary reform.

One other major point I wish to make, Mr. Speaker, is this. If we really are interested in demonstrating to the American public that we share their genuine concerns about spiraling Federal spending, we should set an example by demonstrating that we are going to put our own house in order by placing a moratorium on pay increases for congressional employees. I would favor a 1-year moratorium on pay increase for congressional employees. Such action clearly would put Congress in a leadership role on fiscal responsibility.

We fall considerably short of that goal with ill-advised attempts to change a basic retirement policy and renege on the Government's promise of retirement security for retired civil servants. That is akin to a breach of contract.

Now to return to the general issue before us, Mr. Speaker, I believe the economy is on the verge of a great comeback. We have taken some steps to alleviate the problems of the housing industry, but interest rates must come down to create the boom everyone knows will ultimately come. The way to do this is to lower the deficit and do away with the spend-and-spend, tax-and-tax philosophy of the last 50 years which our friends in the majority party in the House are still practicing.

We have a strong, diversified economy which is the key to our economic leadership throughout the world. We can unleash it if we pass a budget to reduce the drain deficit Federal spending exerts on the economy.●

● Mr. DYMALLY. Mr. Chairman, last year funding for scientific research and for the educational system which trains our researchers was cut deeply along with most other domestic programs. It should be stated clearly as we take up consideration of the 1983 budget that education and basic research are not like other domestic funding areas. They are our guarantee of a strong and prosperous future. The modern workplace more and more demands a labor force with a high degree of technical expertise. We must have an educated populace. And, further, we must support basic and applied scientific research is the first step that leads to development and marketing of the products that support basic our businesses and industries and, ultimately, our economy.

Any severe cutbacks in these fundamental areas will, therefore, surely result in the long-term mortgaging of our children's future so that we might, selfishly, solve our own short-term problems. Given the grave consequences that accompany cuts in these areas, I would urge that this body reaffirm its commitment to a strong basic research program and a strong educational program. Moreover, I would urge that we take steps to plan national policies that will strengthen our programs of scientific and mathematical education as well as our basic research program.

Since World War II, the Federal Government has participated heavily in scientific research and in the education of scientists and technicians. For 40 years, we have considered science and scientific education to be of national importance, and we have supported them accordingly. Our investment has led to the creation of new construction materials, to improvements in the generation of electricity, to the development of computers, to the eradication of diseases that once devastated nations, and to a deeper understanding of human behavior. The federally funded drive that placed a man on the Moon is regarded in some circles as the most complex and most successful organizational venture ever undertaken by humankind. The effect of Federal involvement in science and scientific education has been awesome. It has transformed the world.

Now, we are reevaluating the proper role of the Federal Government in science and scientific education. In the coming years we will weigh contradictory values one against the other and make decisions about science and education that, for better or worse, will again transform the world.

We will decide whether it is more valuable for our local education agencies to determine science and mathematics content and curriculums for themselves than it is to guarantee that all our citizens gain the basic scientific education they need to function fully in a technologically complex world.

We will decide whether it is more valuable for our undergraduate and graduate students to have the privilege of paying for their education through their own labor than it is for the Nation to create a pool of scientists and technicians whose sole qualification is ability.

We will decide whether it is more valuable to fully support our free enterprise system by allowing market forces to determine the nature and course of scientific research and development than it is to support high-risk basic research and innovation in areas where it is not clear what marketable products will be directly forthcoming.

We will decide whether it is more valuable to select certain sciences for growth allowing the others to languish than it is to maintain a level of moderate growth across the range of sciences.

And, we will decide whether it is more valuable to preserve in secret our scientific discoveries than it is to promote the international exchange of scientific knowledge.

The agenda for our reevaluation of the proper Federal role in science is clear enough. We must determine the proper Federal contribution to scientific education, to scientific research, innovation, and development, and to the exchange of scientific ideas.

Less clear are the national goals which should guide our reevaluation. We lack a unified national science policy. And it behooves us, before we begin in earnest to determine the specifics of future Federal involvement in science, to first determine what outcome we wish to accomplish through this set of specific decisions.

This is neither a simple nor an inconsequential challenge. We are transient holders of public office, accustomed to responding to crises rather than to a need for long-term planning. Yet our challenge is to look beyond the few years we are here, beyond the present economic problems which face us, into the next century because the consequences of the decisions we make during our time will have their most profound effects on those who will follow us.

Science, by its nature, is a slow and risky, cumulative process. If we are to be responsible holders of public office, then we must strive to make decisions about science which are tied less to the concerns of the present moment than to a much more profound concern for the long-term well-being of our citizens. We must develop a national science policy which will not mortgage the lives of our citizens in the year 2000 simply to satisfy the demands of narrowly focused special interest groups in the year 1982.●

● Mr. FRENZEL. Mr. Chairman, this bipartisan recovery budget substitute is the result of cooperative labors, not only of the drafting committee which put it together, but also of every person, in both branches, both Houses, and both parties, who has toiled in the budget process.

It is based on numbers and assumptions developed at OMB, perfected at CBO, and ratified by the Senate and House Budget Committees. It is also based on budget presentations of many witnesses and the considerations and judgments of both Budget Committees' members.

It is a small piece in the ongoing budget process. It stands in stark contrast to the Jones budget, the product of the House Budget Committee, but it arises from the same process. In a sense, the two are siblings.

There would be no bipartisan recovery budget substitute if the Jones budget had dealt rationally with the problems that confronts us. It exists only because the Jones budget is deficient. The HBC labored mightily and produced, in the Jones budget, an unacceptable product.

To understand the differences between the two competing budgets, it is first necessary to examine the flaws in the Jones (HBC) budget. Generally, the flaws are generated by the majority's unwillingness to accept change. Majority liberals were simply unable to stop their old spending and taxing habits.

The majority professed a distaste for deficits, but refused to make necessary cuts in spending programs. For the long run, deficits can not be controlled unless spending is reduced. Having been unable to sever its ties to the discredited policies of the past, the majority was forced to embrace another discredited old policy, that of soaking the taxpayers with more taxes.

Specifically, the Jones (HBC) budget lays an astounding $150 billion burden on American taxpayers over the next 3 years. That burden is certain to inhibit the economic recovery. It almost seems calculated to do so.

At no time in modern history has our country tried to encourage a recovery by laying on substantial additional taxes—except during Herbert Hoover's presidency. The House Budget Committee has chosen an unusual example to follow.

The bipartisan recovery budget presents a sharp difference. It attacks the real problem: spending. It does not seek to blame the country's economic woes on the taxpayers. It blames them on the Government. It reduces Government influence and interference. It cuts Federal spending.

Because it cuts spending, it places on the taxpayer only that additional burden that is absolutely necessary to keep deficits down and declining. It raises $55 billion less taxes than the Jones' version. That is an enormous differential.

That presents a simple choice. Anyone who believes that taxpayers are not paying enough taxes, that the taxpayers should be punished for our sins, should vote for the Jones (HBC) budget. Those who believe spending should be cut, and taxpayers burdened less severely, should vote for the bipartisan recovery budget.

Another alternative is a late entry in the arena of budgetary options. This is the coalition budget substitute, authored by several Democratic members of the House Budget Committee in conjunction with some Republicans.

The substitute proposes $137 billion in increased taxes over 3 years. Discretionary nondefense spending would be cut over the same period by $32 billion. These figures are more reasonable than the Jones' figures of $149 and $24 billion respectively. Nevertheless, $137 billion in increased taxes is still too high. Our fragile economic recovery cannot withstand an additional tax burden that large.

Further, this substitute includes $8 billion in additional discretionary nondefense spending cuts over those recommended by the HBC majority. The authors still have not cut deep enough. Reducing Federal expenditures is the key to economic recovery, and the achievement of lasting prosperity. Raising taxes is not.

In summary, the authors of the coalition budget deserve credit for their efforts to write a more moderate proposal than that passed by the HBC by a partisan 17 to 12 vote. However, the substitute continues the tax and spend policies of old, even though it does so to a slightly lesser degree than the HBC passed alternative.

The high taxes and insufficient spending reductions of the coalition budget would have a detrimental impact on the economy and our fledgling recovery. It should not be passed.

There are other significant differences between the Jones (HBC) budget and the bipartisan recovery budget besides the taxing and spending issues. The Jones (HBC) budget does not even set a time certain for reconciliation. That alone could be a fatal flaw. The recovery budget sets a date.

The Jones (HBC) version merely waves at the credit budget, even though economists have told us for years that our credit budget is growing faster than our expense budget, and is one of the major forces pushing interest rates up. The name of the interest rate game has to be "down."

The bipartisan recovery budget forces credit items, both direct loans and guaranteed loans, into reconciliation. No longer will Government be able to lend to, or guarantee loans for, favored projects or borrowers without limit. And, better yet, the Federal interest subsidies, are also limited. There will still be a sharp discount from prime for favored borrowers from the Federal Government, but all will be subject to uniform minimum restrictions.

To repeat, the recovery budget is built on the same base and flows from the same process as the Jones' (HBC) budget. Both vary slightly, and about equally, from complete reliance on CBO figures. Despite those similarities, they are worlds apart.

The Jones' (HBC) budget spends big and taxes big. The bipartisan recovery budget spends less and taxes less. It is calculated to reduce interest rates through its declining deficits and its control of Federal credit programs. It will help our economic recovery. The Jones budget is likely to hinder recovery.

The choice is easy.●

● Mr. KOGOVSEK. Mr. Chairman, there will be numerous statements on the floor of the House within the next several days, offering varying views on the proper criteria for the fiscal year 1983 budget. It seems that almost as many budget proposals will be offered—all containing some good and some bad. But I am sure, or at least very hopeful, that the major focus of those statements and proposals will be methods by which we can keep the Federal deficit below $100 billion. Mr. Chairman, I find that figure more than just a little difficult to spit out. The deficit for fiscal year 1981 was $57 billion, and last year, this body talked endlessly about the need to keep the deficit down. Now, we face a projected 1982 budget deficit of at least $121 billion—going higher each day as unemployment rises and costs of paying for that unemployment rise too. We see the deficit rising upward because of gigantic increases in the growth of defense spending, because of the cost of entitlement programs and because of the excessive tax cut legislation this Congress passed and the administration signed its name to last year.

As we all consider what various budget proposals will do to programs of interest to us as individuals and to our districts, let us not lose sight of two paramount issues—rising deficits and the concept, the need, for fairness in Federal budgeting. Demagoguery has become a buzz word in Washington, on both sides of the political aisle on any number of issues. And the issues of fairness and balanced budgets are two of them.

As I prepare to go home and talk to my constituents about the budget questions before us, I sincerely want to be able to tell them that we are prepared to make some very difficult decisions. We'll find out soon enough if that is true.

I hope we are prepared to keep the fiscal year 1983 deficit below $100 billion, but I hope we are prepared to say that some of last year's decisions were wrong—wrong because they were so grossly unfair. The middle and lower income level families which make up the bulk of my district's population were hurt considerably by domestic program budget cuts—those people are farmers and ranchers and small businessmen and single-parent families trying to make ends meet and maybe a little more. The domestic program cuts were severe, and it is unrealistic—it is sheer demagoguery—to say that we can balance the Federal budget if we "just make those necessary cuts in domestic programs, if we just bite the bullet, if we just put a stop to all that waste fraud and abuse in social programs." The only way the budget can be balanced by further axing domestic programs that are helpful to the middle class and survival to the poor is to nearly eliminate them. That is not fairness in budgeting.

More of last year's decisions were wrong. We began to increase the growth in defense spending to astronomical levels—to degrees that even the strongest defense spokesmen in the country say are too much, too fast. I am not talking about making America weak by slowing down the growth. I am talking about using a reasonable approach—a necessity, particularly when the administration and Congress are seriously discussing arms limitation. I am talking about keeping America strong, and a stable economy is strength.

We have got to right one more wrong if we are going to address the two issues of deficits and fairness. That is an alteration of last year's tax bill—one that divides the burden of revenue-raising equitably among those who earn and pay the bill for education for the handicapped, for highway construction, housing for the poor, retirement for the elderly. We did not do that in last year's tax bill, and I think we all know it—those who supported it as well as those who opposed it.

The deficits are robbing us of growth, of ability to purchase a home or a car—because they are helping to keep interest rates high. A lack of fairness has robbed many who had little for the taking to start with, and I am not just talking about the poor. The middle-class family that was forced to pay higher prices for their children's school lunches because of Federal budget cuts got robbed, too.

Let us right the wrongs—the wrongs many say were committed by the Democratic Party for the last 20 years, and the wrongs which have taken place under the prodding of the present administration. And let us do it without the issue of political victory in the forefront.●

Mr. GREEN. Mr. Chairman, the gentleman from New Jersey (Mr. HOLLENBECK) and I offer this amendment because of our concern over the level of defense spending being proposed. In short, the amendment would in all 3 fiscal years reduce defense budget authority by $16 billion, defense outlays by $4 billion, and revenues by $4 billion.

While I recognize the need for some increase in defense, I think that it is clear that the level proposed is unreasonable. Also, I think that the increases need to be primarily in the areas of operations and maintenance and readiness. Clearly, we cannot afford and we do not in a strategic

sense need all of the costly new weapons systems which have been proposed. I personally do not see the need for the MX missile or the B-1 bomber, as examples.

When we add the $4 billion outlay cut in my amendment to the roughly $8 billion reduction the Jones substitute already contains from the baseline and to the military pay provisions, we then reach a total reduction of about $15 billion. This level of reduction will force the Armed Services Committee to make some very real and hard choices about weapons systems procurement. Such a reduction should not allow the committee to make easier—and, in my view, less wise—cuts in manpower, spare parts, and other readiness areas. Instead, the committee will have to look at entire weapons systems and decide what we truly need and what we can afford.

Further, I am disturbed at the high level of tax increases contained in the Jones budget, particularly in the outyears. I agree that some level of tax increase is justified as one component of or effort to reduce the deficit. However, I think that the Jones substitute may be going somewhat too far. Consequently, since my amendment cuts defense spending by $4 billion, we do not need to raise taxes as much to achieve the same deficit level as is in the Jones proposal. Thus, the amendment also reduces the revenue level in Jones by $4 billion.

I think that this is a reasonable proposal, one which will improve the Jones substitute, and I urge my colleagues to support my amendment:

AMENDMENT OFFERED BY MR. GREEN TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. JONES OF OKLAHOMA

Title II, Sec. 201(1) relating to the level of Federal revenues, strike out "$676,700,000,000" and insert in lieu thereof "$672,700,000,000."

Title II, Sec. 201(1) relating to the net amount by which the aggregate level of Federal revenues should be increased, strike out "$31,700,000,000" and insert in lieu thereof "$27,700,000,000."

Title II, Sec. 201(2) relating to the level of total new budget authority, strike out "$828,000,000,000" and insert in lieu thereof "$812,000,000,000."

Title II, Sec. 201(3) relating to the level of total budget outlays, strike out "$780,550,000,000" and insert in lieu thereof "$776,550,000,000."

Title II, Sec. 202(1)(A) National Defense (function 050) relating to New Budget Authority, strike out "$242,850,000,000" and insert in lieu thereof "$226,850,000,000."

Title II, Sec. 202(1)(B) National Defense (function 050) relating to Outlays, strike out "$212,300,000,000" and insert in lieu thereof "$208,300,000,000."

Title II, Sec. 204(1) relating to the level of Federal revenues for fiscal year 1984, strike out "$753,650,000,000" and insert in lieu thereof "$749,650,000,000."

Title II, Sec. 204(1) relating to the level of Federal revenues for fiscal year 1985, strike out "$846,550,000,000" and insert in lieu thereof "$842,550,000,000."

Title II, Sec. 204(1) relating to the amount by which the aggregate levels of Federal revenues should be increased for fiscal year 1984, strike out "$51,650,000,000" and insert in lieu thereof "$47,650,000,000."

Title II, Sec. 204(1) relating to the amount by which the aggregate levels of Federal revenues should be increased for fiscal year 1985, strike out "$66,550,000,000" and insert in lieu thereof "$62,550,000,000."

Title II, Sec. 204(2) relating to the level of total new budget authority for fiscal year 1984, strike out "$888,400,000,000" and insert in lieu thereof "$872,400,000,000."

Title II, Sec. 204(2) relating to the level of total new budget authority for fiscal year 1985, strike out "$952,850,000,000" and insert in lieu thereof "$936,850,000,000."

Title II, Sec. 204(3) relating to the level of total budget outlays for fiscal year 1984, strike out "$826,400,000,000" and insert in lieu thereof "$822,400,000,000."

Title II, Sec. 204(3) relating to the level of total budget outlays for fiscal year 1985, strike out "$881,200,000,000" and insert in lieu thereof "$877,200,000,000."

Title II, Sec. 205(1)(A) National Defense (function 050) relating to New Budget Authority for fiscal year 1984, strike out "$268,150,000,000" and insert in lieu thereof "$252,150,000,000."

Title II, Sec. 205(1)(B) National Defense (function 050) relating to Outlays for fiscal year 1984, strike out "$235,350,000,000" and insert in lieu thereof "$231,350,000,000."

Title II, Sec. 205(1)(A) National Defense (function 050) relating to New Budget Authority for fiscal year 1985, strike out "$295,950,000,000" and insert in lieu thereof "$279,950,000,000."

Title II, Sec. 205(1)(B) National Defense (function 050) relating to Outlays for fiscal year 1985, strike out "$265,950,000,000" and insert in lieu thereof "$261,950,000,000."

Amendment by Mr. GREEN to the amendment in the nature of a substitute offered by Mr. JONES of Oklahoma:

By Mr. GREEN:

Page 12, line 10, strike out "$676,700,000,000" and insert in lieu thereof "$672,700,000,000."

Page 12, line 12, strike out "$31,700,000,000" and insert in lieu thereof "$27,700,000,000."

Page 12, line 14, strike out "$828,000,000,000" and insert in lieu thereof "$812,000,000,000."

Page 12, line 16, strike out "$780,550,000,000" and insert in lieu thereof "$776,550,000,000."

Page 13, line 9, strike out "$242,850,000,000" and insert in lieu thereof "$226,850,000,000."

Page 13, line 10, strike out "$212,300,000,000" and insert in lieu thereof "$208,300,000,000."

Page 22, line 4, strike out "$753,650,000,000" and insert in lieu thereof "$749,650,000,000."

Page 22, line 5, strike out "$846,550,000,000" and insert in lieu thereof "$842,550,000,000."

Page 22, line 8, strike out "$51,650,000,000" and insert in lieu thereof "$47,650,000,000."

Page 22, line 9, strike out "$66,550,000,000" and insert in lieu thereof "$62,550,000,000."

Page 22, line 12, strike out "$888,400,000,000" and insert in lieu thereof "$872,400,000,000."

Page 22, line 13, strike out "$952,850,000,000" and insert in lieu thereof "$938,850,000,000."

Page 22, line 15, strike out "$826,400,000,000" and insert in lieu thereof "$822,400,000,000."

Page 22, line 16, strike out "$881,200,000,000" and insert in lieu thereof "$877,200,000,000."

Page 23, line 12, strike out "$268,150,000,000" and insert in lieu thereof "$252,150,000,000."

Page 23, line 13, strike out "$235,350,000,000" and insert in lieu thereof "$231,350,000,000."

Page 23, line 16, strike out "$295,950,000,000" and insert in lieu thereof "$279,950,000,000."

Page 23, line 17, strike out "$265,950,000,000" and insert in lieu thereof "$261,950,000,000."

● Mr. MOFFETT. Mr. Chairman, my comments during this important debate on the 1983 budget deal with two subjects: First, a general discussion of the budget and our economy; second, specifics regarding the President's proposed budget and the alternatives which have been thoughtfully advanced by Representatives JONES, ASPIN, and WIRTH.

The House will consider seven different substantive budgets and 68 line item amendments—amendments which either add or subtract funds—during the course of our debate. This rather remarkable range of choices contrasts significantly with our alternative last year: We were allowed to vote either for or against the Reagan economic program. I voted against the Reagan program, consisting of over $100 billion in spending cuts; $749 billion in tax breaks; and, a record $1.5 trillion, 5-year spending plan for defense. That program prevailed. And now, the Congress is confronted with the Reagan administration 1983 budget deficit which the Congressional Budget Office forecasts will exceed $180 billion.

Last year, a majority of the Members of the Senate and House felt comfortable with the President's program. This year, we have seven alternatives and 68 smaller amendments demonstrating differences in degree with the President's proposals. This extraordinary showing demonstrates that there is no unified congressional response to the President's huge and unprecedented budget deficit.

There was an attempt, earlier this year, to establish a compromise. Those efforts failed. The President would not back off his tax program; would not accept fundamental changes in what I regard as a wasteful and dangerous defense budget; and, he was continuing to seek more cuts—$40 billion more—to reduce social security. Fortunately, these social security reductions have been defeated—mostly, because of the political pressure properly brought to bear on the White House. But all seven budget alternatives, on which we will be voting this week, are handicapped by the President's refusal to back away from his original economic program. He steadfastly refuses to change course when his tax, budget, and defense plans have brought this country to the brink of economic collapse.

The President's inflexibility is remarkable given our current state of affairs.

Last March, the House and Senate were forced to pass resolutions redeclaring that the Government backs deposits in savings and loans.

Housing starts are at their lowest levels in 26 years.

Unemployment has reached 9.4 percent leaving a total of 10.3 million Americans out of work, but still actively looking.

Timber companies in the Pacific Northwest are lobbying the administration to be relieved from contracts which would force them to add lumber to their already overburdened backlogs.

Despite the existence of these recordbreaking statistics—and the human misery which they represent—the President is offering us no concessions, no willingness to compromise, and a 12-digit deficit which Congress, and Congress alone, will have to shrink.

Before I get into specifics, I think that it is important to draw some conclusions from this sorry state of affairs.

First, regardless of what budget is adopted, the people of this country should know what the 1983 budget is about. It is not about planning for the future. It is not about learning new ways to compete with the Japanese. It is not about saving social security, preserving the environment, or providing help for the poor, the jobless, or the infirm. The 1983 budget is about cutting or shaving programs to reduce the Reagan deficit to politically acceptable levels.

Second, unless the President changes his blind adherence to his failing program, we will be repeating this exercise in 1983, 1984, and 1985. We will be lurching from deficit to deficit; and, we will still not be putting into place a proemployment, procapital formation, economic growth policy which will rebuild our country.

Third, unless we adopt some acceptable amendments to restructure our priorities, Congress will be reestablishing for 1983, the painful and inequitable mistakes which are hurting so many people this year.

For this reason, I will be supporting several key amendments which will add funds and restore equity in our tax system for the purpose of righting some of the particularly savage cuts in the President's budget.

I will be supporting the Oakar amendment to restore funding to the medicare and medicaid programs;

I will be supporting the Aspin-Wirth amendment to maintain programs to protect the environment at EPA; to add strength to battered programs affording assistance to students; to fund the Solarz Middle East peace programs; and, to maintain our commitments to retirees who paid for and were promised cost-of-living adjustments.

I will be supporting and cosponsoring the Simon education amendment to support title I, Handicapped Education, Head Start, Pell grants, and libraries supported by title II funds.

Adoption of these amendments will restore the balance and some semblence of equity to a budgetary situation that lacks both. Ultimately, I continue to believe that it would be the best course to rethink this Nation's dangerous and unsuccessful experience with Reaganomics.

Many Americans are asking why Congress is complicating our economic problems by refusing simply to pass the President's budget proposals. The answer is that both Republicans and Democrats agree that the administration's proposals will generate deficits that are absolutely intolerable for the short- and long-term health of our economy. In addition, the President's 1983 budget demands slashes in spending on vital social services even deeper than those passed last year. These are cuts which have already brought enormous suffering to millions of Americans. At the same time, the President's budget continues with an endless increase in the Pentagon budget, which will consume 40 cents of every tax dollar by 1985, if we leave it untouched.

The President got everything he wanted last year from Congress on both his budget and tax proposals. Congress responded to a national mood that demanded quick action, without paying attention to the consequences. Now, we know the consequences. By allocating $1.5 trillion to the Pentagon between 1981 and 1986, while simultaneously cutting tax revenues $750 billion over the same period, the Reagan economic program has created the largest deficits in our history. Before the current fiscal year, the single largest deficit ever incurred by the Government was $66 billion in 1976, under President Ford. However, the deficit for the current fiscal year (1982), will be at least twice as great, or more than $130 billion. In part, this deficit is due to the recession, which started in July 1981, 7 months after President Reagan took office. But it is also due to the fact that the 1981 Reagan tax bill virtually wiped out the corporate income tax.

The $130-billion deficit for 1982 pales by comparison with future deficits. The President has publicly admitted that unless his budget and tax plans are fundamentally changed, the deficit for 1983 will be $182 billion, followed by $216 billion in 1984 and $233 billion in 1985. Cumulatively, the four Reagan deficits (1982–85) will total over $750 billion. This is a staggering sum, which in the view of every responsible economist in the country will derail the economy, perhaps causing another Great Depression.

We must reduce these deficits because they will absorb between one-half and three-fourths of all the credit available in the economy. When the Government incurs deficits, it borrows money by selling Treasury notes and bonds. Since there is always a limited amount of cash in the economy, large government borrowing inevitably collides with private sector demands for capital, required for productive investment. The competition for scarce capital between the Government and the private sector results in high interest rates.

Virtually everyone agrees—even the administration—that today's high interest rates are killing our economy. The Secretary of the Treasury himself stated barely a month ago that "the economy is dead in the water." No evidence has come to light since he made that statement to contradict it. The economy is dead because high interest rates make it impossible for consumers to buy such basics as autos and housing, and because business cannot afford to borrow money to expand. Nationally, our industries are operating at only 70 percent of capacity. The auto industry is limping with 22 percent of its work force unemployed. The construction industry has an unemployment rate of 20 percent. The housing industry is in its worst sales slump in a quarter of a century, while auto sales are the lowest in two decades. Only 10 percent of American families can afford the average-priced home at 16 percent interest rates. At 14.5 percent, the average-priced house will cost the buyer $290,000 on a 30-year mortgage—of which $220,000 will be interest payments.

The depression in auto and home sales has reverberated throughout the economy. Half the Nation's savings and loans banks are in serious financial trouble they are holding low-yielding mortgages, while few individuals are taking out new ones at the current high rates. Bankruptcy rates, among both small and large businesses, have increased 40 to 100 percent in just 1 year. In just the past few weeks, Braniff Airlines went under, while every day, other corporations teeter on the edge. Meanwhile, in an eerie replay of the Great Depression, Wall Street proceeds as if everything were normal—and the manipulations of just one small securities firm costs $500 million in losses to Chase Manhattan and other major financial institutions.

All of this translates into mass unemployment and suffering. The national unemployment rate of 9.4 percent is the highest in 41 years. It means that 10.3 million Americans have no jobs at all. An additional 6 million are only working part time because they cannot find full-time work. Another 2 million are too discouraged to look for work. This adds up to more than 18 million Americans suffering as a result of the Reagan recession. They represent nearly one-fifth—20 percent—of the work force. The President has been complaining that the media does not report the "right" statistics about his economic program. Well, the right statistics in this case are that 18 million citizens are being clobbered by Reaganomics.

What is the solution to this suffering? There are no easy answers. But we do know some things about the right direction to go in.

We know that we have to restore the revenue base of the Government. This means raising certain taxes, which will undoubtedly be denounced as "irresponsible" by various critics. But, through a combination of reducing corporate income taxes, and instituting the leasing of tax credits, the Reagan tax bill made it possible for such corporate giants as General Electric to report 1981 profits of $2.66 billion and to have the U.S. Treasury owe it $100 million. This is the real irresponsibility.

At the same time, the Reagan tax bill targeted its benefits to the upper 0.2 percent of taxpayers—those earning more than $200,000 a year. They will receive nearly $60,000 in tax reductions by 1984. In stark contrast, the tax burden on families earning under $30,000 a year will actually increase by 1984, due to bracket creep, higher social security taxes and because they get so little in tax reductions under the Reagan tax bill. A recent study found that families earning $10,000 a year or less will see their tax burden increase by 24 percent by 1984; those in the $10,000 to $15,000 range will see taxes go up by 9 percent; those in the $15,000 to $30,000 bracket will have an increase of 3 percent. Again, by contrast, those earning over $100,000 a year will get a decrease of 6 percent; and those with more than $200,000 will get a 15 percent tax cut. In the area of taxation, we can make gains for the economy by restoring equity to the system.

As we look toward the future—and as we properly examine the various budget alternatives in terms of their ability to get us there—education has to be recognized as a national priority.

EDUCATION—A NATIONAL PRIORITY

A great deal of what we are talking about today is hardly news. And yet, we find ourselves having to repeat what seem to be old adages about national priorities. It has been said many times, for good reason, that an educated population is the key to a strong defense and a healthy economy. This is axiomatic and is no less important today than before. However, the administration certainly has not heeded this axiom and education has been demoted from a national priority to an "intellectual curiosity" best left to the individual States.

The Connecticut Commissioner of Education, Mark Shedd, and the State board of education have recently passed a resolution condemning the President's proposed rollback of educational progress in the Nation. In the board's words:

> "The proposals of the President of the United States will waste human capital and will create future hardships for children in our schools through:
>
> Severe cuts in funds for vocational education, in an age of high technology and automation when it is critical to modernize and upgrade vocational education;
>
> Diminishing support for special education, thus undermining both the progress made in educating the handicapped to be productive citizens and the hope provided to their parents;
>
> Reduction in resources for bilingual education;
>
> Cutbacks in programs for the educationally disadvantaged; (and)
>
> Deletion of the special milk programs and the summer food service program * * *

In short, the President proposed an enormous cutback in education that represents a dramatic and tragic waste of human capital. The State of Connecticut simply cannot make up for the loss of Federal support for education—when the other States have to grapple with the myriad dollar losses from Federal cutbacks, I hold no illusions that education will be in the winner's circle when the dust settles. In fact, the past year has shown us that just the hint of a loss of education funds or a whiff of programmatic changes sends a sorry message to the States. The children's defense fund reports:

> As child advocates we are particularly concerned with the consequences to children of Federal abnegation of responsibility in certain critical areas. For example, last year, merely upon the introduction of an administration education block grant bill that would have repealed the Education for All Handicapped Children Act, at least 13 States began the process of repealing or substantially weakening their own State special education laws.

Now we are no longer speaking in terms of the President's budget cut proposals and for that I am indeed glad. The various budget freeze-on-discretionary-spending proposals, while a great deal more palatable than the President's approach to education, are still a long way from meeting the needs of a national priority. Freezing education spending at fiscal year 1982 levels is damage control, pure and simple. Federal education initiatives have already absorbed over 20 percent funding reductions from fiscal year 1981 levels, so we cannot kid ourselves that we are putting a freeze on a bounty. We should, at the least, be approaching the budget targets for fiscal year 1983 envisioned in last year's Reconciliation Act.

For all these reasons, I have chosen to cosponsor the restorative amendment to be offered by my friend and colleague Paul Simon. This amendment would add funds to such vitally important education programs as title I, handicapped education, vocational education, and Head Start. Each program would receive added funding equal to 3 percent less than the Reconciliation Act (Public Law 97-35) authorization levels. Education—the foundation for a better way of life for our children—is too important to benefit from anything less than an approximation of the authorization levels agreed upon last year. I urge you all, therefore, to join me in support of Mr. Simon's amendment.

I would be remiss if I did not take this opportunity to say a word about higher education, too. The Simon amendment adds badly needed dollars back to the Pell grant program, the foundation upon which student aid packages are built. Student aid is an access issue and one that has enjoyed bipartisan support over the past decades. When the Higher Education Act of 1965 was signed into law, President Johnson said, "I doubt that any future Congress will ever erect a prouder monument for future generations." Students, their parents, the education community and congressional advocates have all fought hard this spring to uphold that monument. The Simon amendment is a lynchpin to its support.

As I mentioned earlier in my remarks, the Reagan economic program—with its huge defense and tax giveaway drain on the Treasury—is forcing Congress through an exercise. It is a zero sum game where weak clients with strong claims are often overwhelmed by special interest groups with baseless claims on Federal funds. Our job, if the President sticks to his guns, is to finance our priorities by cutting his. Worthy programs like education should not have to depend on such a thoughtless process. But if this is going to be the rules by which we play, I am convinced that the defense budget is where we will have to turn to finance progressive programs to restore our economy.

DEFENSE SPENDING

Of course, the opposite was done last year.

During the 1981 Reagan economic budget debate, deep and debilitating cuts were made in social programs to finance military spending. These new outlays for defense revealed a strange myopia among the advocates of lower social spending. Those who claimed that we could not solve social problems by simply throwing money at them, they chose to look away when the same approach was taken with regard to the military.

But the most frustrating point is this: close scrutiny of the administration's proposed budget yields ample evidence that not all of these massive expenditures will really enhance national defense.

This year, we will be spending $6.8 billion to build two nuclear-powered aircraft carriers which could be destroyed by cruise missiles costing a fraction of that amount.

We will spend $4.8 billion on B-1 bombers which will be obsolete within a few years after they are built.

We will spend $4.5 billion on the MX missile, for which we have found no survivable, affordable basing mode.

And, we continue to waste billions of dollars through mismanagement, counterproductive interservice rivalry, inefficient procurement practices, inadequate oversight of contractors and the like.

These mistakes do not indicate that we are erring on the side of caution; instead, we are driving important resources away from the productive but capital-starved sectors of the economy.

The military sector is one of the most technology-oriented sectors of our economy. So, too, is the most dynamic sector of the civilian economy: computers, electronics, and so forth. Further, our high technology civilian industries face fierce competition from foreign companies, which are now making serious inroads into the video recorder, aerospace, and computer markets. The rapid shift of resources—including capital, engineers, other skilled personnel, specialty metals, and so forth—into the military sector will seriously harm those civilian industries. Simon Ramo of TRW Corp. summed up the consequences of competition between military and civilian sectors very well:

> In the past thirty years had the total dollars we spent on military research and development been expended instead in those areas of science and technology promising the most economic progress, we probably would be today where we are going to find ourselves arriving technologically in the year 2000.

There are certainly elements of our Armed Forces which need upgrading. But the administration's emphasis on procurement rather than manpower, combined with the fast pace of military spending increases, will create serious bottlenecks in our economy and undermine our competitiveness in world markets.

More importantly, a massive shift of resources to military production will worsen our current unemployment problems. Many administrative officials, including Secretary Weinberger, have often touted the number of jobs to be created by the impending military buildup in attempting to justify the unprecedented increase in defense spending. Yet, the fact is that $1 billion spent on defense procurement will create fewer jobs than $1 billion spent in just about any other sector of the economy.

A 1975 study by Chase Econometrics for Rockwell International analyzed the effects of the B-1 bomber program on employment. It was found that, over 5 years, a housing program costing the same amount as the B-1 program would generate 70,000 more jobs. A 1980 study by the Council on Economic Priorities found that, per $1 billion spent, the MX missile program would create 8,790 fewer jobs than a solar energy program, and nearly 16,000 fewer jobs than a mass transit program. Rather than helping to solve our unemployment problem, dramatic increases in defense spending will actually exacerbate the problem, especially for unskilled and semi-skilled workers who enjoy few opportunities in the high-technology defense industries.

I think that on the matter of military spending, our options are clear. We simply cannot afford to spend the amount of money that President Reagan and his Republican supporters in Congress have requested. These massive sums are not essential to our national security, yet they add to the deficit, and divert fund from vital domestic programs—energy conservation, health care, education, aid to the elderly and handicapped, renewable energy development, job training, housing, and so forth. I strongly believe that an energy-independent well-educated, healthy and full employed United States would be much more secure than a United States burdened with massive stocks of costly, rapidly obsolescent military hardware.

The President has had a lot to say about the "sorry record" of the past 40 years of "Democratic" economics. It is surely appropriate to look at that record, and to compare it with the Reagan recession—which began 7 months after Mr. Reagan took office, in July 1981. Between 1951 and 1981, the buying power of the average American rose 87 percent—after inflation is taken into account (from $4,682 per person to $8,770). Auto ownership increased 40 percent during the same period. The number of jobs in the economy increased by 67 percent—from 60 to 100 million. Personal wealth rose by 86 percent, from $21,000 per person (in 1981 dollars) to $39,600 per person. Homeownership increased 20 percent. Life expectancy at birth rose 8 percent. And the amount of education per citizen increased 34 percent.

This is the kind of "sorry record" the President fears and laments. Yet what has he offered us instead? The record speaks for itself: The single worst deficit in our history; the largest cumulative deficits in our history; the most reckless and bloated Pentagon budget in our history; the highest rate of unemployment in 41 years; the greatest number of unemployed in our history; the lowest rate of housing starts in 25 years; the worst auto sales in two decades; the most mean-spirited and thoughtless budget cuts in vital social services and education in five decades; and the worst recession since the Second World War. This record—the record of Reaganomics is what demands action by Congress, for a responsible and humane national budget.●

Mr. JOHNSTON. Mr. Chairman, I thank the gentleman from Louisiana (Mr. ROEMER) and also the gentleman from North Carolina (Mr. MARTIN).

Mr. Chairman, I have no further requests for time, and we yield back the balance of our time.

Mr. JONES of Oklahoma. Mr. Chairman, I have no further requests for time, and I also yield back the balance of our time.

Mr. Chairman, I move that the Committee do now rise.

□ 1850

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BOLLING, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the concurrent resolution (H. Con. Res. 345) revising the congressional budget for the U.S. Government for the fiscal year 1982 and setting forth the congressional budget for the U.S. Government for the fiscal years 1983, 1984, and 1985, had come to no resolution thereon.

PERMISSION FOR SUBCOMMITTEE ON ADMINISTRATIVE LAW AND GOVERNMENTAL RELATIONS OF THE COMMITTEE ON THE JUDICIARY TO SIT DURING 5-MINUTE RULE ON WEDNESDAY, MAY 26, 1982

Mr. SAM B. HALL, JR. Mr. Speaker, I ask unanimous consent that the Subcommittee on Administrative Law and Governmental Relations of the Committee on the Judiciary be permitted to sit while the House is reading for amendment under the 5-minute rule on Wednesday, May 26, 1982.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. JOHNSTON. Mr. Speaker, reserving the right to object, what is the purpose of the meeting? Has the gentleman discussed this with the minority?

Mr. SAM B. HALL, JR. Will the gentleman yield?

Mr. JOHNSTON. I yield to the gentleman from Texas.

Mr. SAM B. HALL, JR. I have now discussed this with the distinguished minority leader. I believe this will take about an hour to an hour and a half at most for testimony that we are going the hear.

Mr. JOHNSTON. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

PERMISSION FOR MEMBERS TO HAVE UNTIL 7:30 P.M. TODAY TO REFILE AMENDMENTS OR SUBSTITUTES ON HOUSE CONCURRENT RESOLUTION 345

Mr. BOLLING. Mr. Speaker, I ask unanimous consent that all Members of the House may have until 7:30 this evening to refile amendments or substitutes that they had previously filed in connection with the budget resolution.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

Mr. JOHNSTON. Mr. Speaker, reserving the right to object, may I inquire, has this been cleared with the minority leadership?

Mr. BOLLING. Mr. Speaker, will the gentleman yield?

Mr. JOHNSTON. I yield to the gentleman from Missouri.

Mr. BOLLING. Mr. Speaker, this request is for 7:30 tonight and I have spoken with the minority leadership. I have asked unanimous consent for all Members to have time to refile their amendments or substitutes in connection with the budget resolution.

Mr. JOHNSTON. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

Mr. MARTIN of North Carolina. Mr. Speaker, reserving the right to object, I do so only for the purposes of clarifying the matter. Under this request, the same standards the distinguished chairman enunciated earlier with regard to such changes will still be in effect?

Mr. BOLLING. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of North Carolina. I yield to the gentleman from Missouri.

Mr. BOLLING. The gentleman is about 150 percent right.

Mr. MARTIN of North Carolina. As usual.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

WETLANDS BILL

The SPEAKER. Under a previous order of the House, the gentleman from California (Mr. LAGOMARSINO) is recognized for 10 minutes.

● Mr. LAGOMARSINO. Mr. Speaker, as I explained last fall when I introduced H.R. 4680, wetlands and other natural areas in the United States are rapidly disappearing. As they disappear, fish and wildlife populations and outdoor recreational and educational opportunities also diminish or disappear. While continued Federal acquisition of needed conservation easements is a part of the solution, other essentially non-Federal solutions also need to be implemented. H.R. 4680 was such a proposal. It was designed to provide tax relief to those who sell certain lands or easements to qualified agencies and organizations for conservation purposes.

Since its introduction, I have received a significant number of very constructive improvement suggestions from a variety of conservation groups, and others. The discussions following Senator WALLOP's public lands workshop last summer have also provided additional valuable information. Accordingly, I elected to redraft this legislation somewhat to clarify several definitions and to avoid conflict with existing tax incentives for donations of partial interests in land for conservation purposes.

The primary purpose and intent of H.R. 6465 remains the same as H.R. 4680. That purpose is to exclude from gross income, for tax purposes, amounts received from certain sales of key natural area lands to qualified organizations, including the various States and the United States, if the primary use of such land after the sale is for a conservation purpose, and that purpose is protected in perpetuity.

The primary change in this new legislation is to delete the definitions contained in H.R. 4680 and to adopt the conservation terms previously approved by the Congress and enacted into law in the Tax Treatment Extension Act of 1980.

The Tax Treatment Extension Act of 1980, Public Law 96-541, insured the deductibility of the donation of gifts of partial interests in land for conservation purposes. At the time, that proposal was subject to intensive review. The result was a thorough and carefully structured law. The Tax Treatment Extension Act is only applicable to partial interest donations that are within a carefully defined list of conservation purposes, the conservation purposes must be protected in perpetuity, and the recipient of the donation must be a qualified not-for-profit or governmental organization with the commitment and resources necessary to protect the conservation purpose.

In essence, I have taken the solutions worked out by the Congress last session with regard to donations for natural conservation purposes and applied them to sales of conservation areas for a conservation purpose.

One problem identified with regard to H.R. 4680 was the negative impact on donations. The incentive to donate to a conservation organization for a conservation purpose would be lost if an incentive to sell also applied. H.R. 6465 corrects that situation. I have structured this new bill so that it will complement, not restrict, existing incentives for donations. The Tax Treatment Extension Act is applicable to the donation of a partial interest; that is, less than an owner's entire interest in a given area. H.R. 6465 covers the opposite situation; where an owner wants to sell his entire interest rather than retain limited rights, or sell a conservation easement for fish and wildlife purposes. In this manner, an incentive to sell will not generally be applicable to the same interest in land that is covered by the Tax Treatment Extension Act. An owner has to sell his entire interest or an easement for fish and wildlife conservation purposes to be covered by H.R. 6465. This could, of course, overlap with a donation of an owner's entire interest but, unlike partial interest donations, donations of this kind would not insure conservation protection and therefore generally serve a different purpose. However, H.R. 6465 covers conservation easements sold to qualified organizations for fish and wildlife conservation purposes because of the critical special needs in this area.

This new legislation also provides Federal estate tax relief in certain cases; permitting the value of qualified property transferred to a qualified organization to be considered as payment of part or all of the estate taxes due and the postponement of estate taxes due on qualified property being transferred to a qualified organization until the transfer is completed or cancelled.

In summary, H.R. 6465 excludes gain from the sale or exchange of real property to a qualified organization for conservation purposes. The term "qualified organization" is given the same meaning as provided by the Tax Treatment Extension Act. Similarly, the term "conservation purpose" is defined in reference to that act, but limited to three major natural conservation purposes as follows:

The preservation of land areas for outdoor recreation by, or the education of, the general public;

The protection of a relatively natural habitat of fish, wildlife, or plants, or similar ecosystem; or

The preservation of open space—including farmland and forest land—where such preservation is—

One. For the scenic enjoyment of the general public, or

Two. Pursuant to a clearly delineated Federal, State, or local governmental conservation policy, and will yield a significant public benefit.

While restrictive, these major natural conservation purposes are flexible enough to insure that areas sold to conservation organizations for a conservation purpose can continue to be used and managed as necessary for maintaining the conservation purpose. These are not wilderness area categories. No lands would be converted to wilderness areas under this legislation. Traditional conservation management practices and recreation uses such as hunting and fishing would be permitted to be continued. However, the conservation purpose would have to be protected in perpetuity.

H.R. 6465 addresses several other key issues. Third party transactions would be permitted; the sale to a nonqualified organization—such as a major corporation—would be covered if the purchaser thereafter contributes such property to a qualified organization within 6 months.

The legislation would not be applicable to short-term transactions—the exclusion would only apply if the gain in question was long-term capital gains.

The legislation would not be applicable to governmental acquisition by actual seizure, requisition, or condemnation. It would be applicable, however, if the property were merely under the threat of condemnation—such as if it were within the boundaries of a conservation area or purchased on a willing seller basis. This is an important distinction. This legislation is primarily designed to encourage private, State, and local sales. To the degree it applies to Federal transactions, it can only be cost-effective if it encourages prompt transactions. The cost of this incentive cannot be supported if it is added to the expense of costly condemnation proceedings.

H.R. 6465 also has a 10-year sunset provision which will insure that sales for a conservation purpose are not delayed. The intent is to deal as quickly as possible with present holdings, and thus prevent them from being stripped down or subdivided and then sold for a less desirable conservation purpose many years hence. This provision is not applicable in cases where the sale is of a taxpayer's entire remaining interest which follows the donation of an earlier qualified partial interest contribution.

Many opportunities to retain lands for conservation purposes in this Nation are being lost every day. Early enactment of this legislation will help avoid further rapid loss of this Nation's critical open space, outdoor recreation areas and special fish and wildlife habitats.●

LET'S START OLYMPIC COIN PROGRAM IMMEDIATELY

The SPEAKER. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, yesterday the House of Representatives overwhelmingly passed S. 1230 by a vote of 302-84. The legislation contained the Annunzio substitute, which calls for the striking of three Olmypic coins by the U.S. Mint which would be sold directly by the mint and with the profit from each coin being turned over to the Los Angeles Olympic Organizing Committee and the U.S. Olympic Committee.

The House rejected an Olympic marketing plan which would have produced 17 coins to be turned over to private marketers who would reap most of the profits from the sale of the coins. Only some 35 percent of the profit would go the Olympic committees.

The Annunzio substitute, which the House passed, would turn 100 percent of the money over to the athletes.

The other body has already passed the private marketing approach. Since the Olympic committees have indicated that they need the money immediately, the funds could begin flowing to the two Olympic committees within a matter of days if the other body would accept the House version of the legislation and not request a conference.

The Treasurer of the United States, Angela Bay Buchanan, in a letter to me and in testimony before the Consumer Affairs and Coinage Subcommittee, has said that under a Government-run coin program she could turn over $31 million to the Olympic committees within 4 months after passage of the act. And, of course, those funds could start flowing immediately.

I already have in my office more than 10,000 pledges to buy coins under a Government program. The people who sent me these pledges have indicated they will not buy coins under a private marketing approach. If the other body accepts the House version, I will turn those 10,000 pledges over to the mint immediately, and the mint can transfer the pledges into dollars overnight.

If the other body insists upon a conference, I am not certain how long such proceedings will take. The House next week will spend all of its time on the budget resolution, and that will be followed by the Memorial Day recess. In addition, if the body insists on a private marketing plan, with a bulk of the proceeds being turned over to special interests rather than our Olympic athletes, I am not certain that the House, after yesterday's vote rejecting such a plan, would be in any mood to change its mind.

I want all of the money from the coin sales to go to the athletes, and the House agreed with my position yesterday.

Let us give all of the money to the athletes, and let us do it now. We can begin the cash flowing immediately, but that decision rests entirely with the other body.●

INTRODUCTION OF MAJOR LEAGUE SPORTS COMMUNITY PROTECTION ACT OF 1982

The SPEAKER. Under a previous order of the House, the gentleman from California (Mr. STARK) is recognized for 15 minutes.

● Mr. STARK. Mr. Speaker, together with Congressmen DON EDWARDS and HENRY HYDE, I am today introducing the Major League Sports Community Protection Act of 1982, a bill designed to protect and promote the interests of communities throughout the Nation as they relate to the operations of professional sports leagues.

For many years, I have been concerned about the relationship between our Nation's communities and professional sports teams as well as the legal standards controlling these relationships. These professional sports teams serve vital interests in their communities and represent invaluable community assets. The teams are a source of deep and lasting pride to the metropolitan areas in which they are located. They act as emissaries of their community, representing in their national competitive efforts the spirit of their local fans. They provide a unique bond in bringing communities together not only to watch the athletic contests but to celebrate the victories and commiserate over the losses. In 1981 and 1982, for example, it was Oakland and San Francisco—not the Raiders and 49'ers—who won the Super Bowl. In short, sports teams, as we all know, are unique catalysts in bringing a community together and in promoting charitable, cultural, and educational opportunities for many citizens.

Sports teams also have come in our society to give communities a "major league" label that stimulates economic activity, not just in the "home city" but throughout entire metropolitan areas. The economic well-being of many communities has thus come to depend not only on the actual construction, maintenance, and operation of stadiums or arenas but on the many additional jobs that flow to communities when they come to be regarded as "major league" economic centers and employment markets. Sports teams have even become the cornerstone of major urban renewal efforts in some of our cities. Yet any one of these teams, lured by profit and financial prospects elsewhere, may attempt to leave its home community and its loyal fans, together with an empty stadium built at taxpayer expense for the team itself.

These are the bedrock community interests underlying the legislation that I am today introducing. This legislation is designed to protect the interests of communities in a manner that seems to me fair, essential, and long overdue.

Because of the importance of this legislation to many communities throughout the Nation, I want carefully to sketch its background and purposes as well as its narrow scope. More than a year ago, I had introduced H.R. 823, the "Sports Franchise Relocation Act," in an effort to spark discussion of this important issue and to outline my concerns with respect to the unwarranted transfer of sports teams. H.R. 823 represented an effort to legislate standards for the relocation of professional sports teams and to establish a regulatory framework for the evaluation of proposed relocations. I was then convinced, as I am now convinced, that clear legal standards had not been established for determining the responsibilities of sports franchises to their host communities and the prerogatives of sports leagues in honoring their obligations to communities in which league teams have successfully operated. To obtain the reactions of others to H.R. 823, I chaired hearings on that legislation and received many constructive suggestions from a variety of sources speaking for both communities and sports interests.

Subsequently, on February 10, 1982, I presented my views on the need for legal clarification in this area before the Subcommittee on Monopolies and Commercial Law of the Judiciary Committee. At that time, I expressed my strong concern about what I then described as "a lack of clarity in the antitrust standards used in considering sports league issues," stating that such clarification was "most clearly needed in the area of transfers of franchise location." Equally important, I expressed at that time the shock and outrage of the citizens of Oakland, Calif., and its metropolitan area at the conduct of the Oakland Raiders' management in its effort to misuse the antitrust laws to relocate the NFL's Oakland franchise in Los Angeles, despite the unprecedented and continued financial and moral support the Raiders had received in the Oakland area and despite the unanimous opposition of the NFL's other member clubs to this unwarranted abandonment of Oakland.

In Febuary 1982, when I testified before the Subcommittee on Monopolies, the controversy and public sense of unfairness about the trial of the Oakland Raiders' relocation case in a Los Angeles venue had reached epidemic levels. There was then—and I must say that there continues to be—a pervasive belief that Los Angeles was not, and is not, a fair place for the trial of this action.

Congress has recognized the importance of stable ties between our Nation's communities and professional sports teams. In 1964, for example, this public policy was recognized in a report of the Senate Judiciary Committee, which described the uniqueness of team sports and the "responsibility of the 'league' of teams" in maintaining geographic balance in the location of league members. One year later, another report of the Senate Judiciary Committee referred to congressional recognition of "the league concept and its benefits to the public." These emphatic concerns for the responsibility of sports leagues in maintaining teams in communities throughout the Nation in order to serve the public interest must now be translated into law. Thus, although this act will apply to the pending Oakland Raiders transfer case, it would be an injustice and a misnomer to characterize the act as "retroactive"; instead, the act merely confirms policies that Congress has often urged upon sports leagues and requires the Raiders to honor their contract commitments to the other NFL clubs to remain in Oakland except upon approval of a transfer by the league's membership under normal NFL procedures.

It is worth emphasizing that in the case of Oakland the record of congressional concern and of public policy is more emphatic than with respect to any other community. In 1966, when the House of Representatives was reviewing and eventually approving a statute to authorize the merger of the American Football League into the National Football League, it was made clear in both the merger documents and in NFL Commissioner Rozelle's testimony that the league had no intention of allowing the Raiders to leave Oakland so long as the team was well supported by the community. During the merger hearings, officials of both leagues stated that no teams would be moved as a consequence of the merger, even in the New York and Oakland-San Francisco areas where more than one NFL league team would be located. These representations were consistent with the NFL's longstanding policy of retaining teams in their home area where at all possible, and these representations were made to satisfy Congress concern that the unwarranted relocation of professional sports teams would sharply disserve the public interest.

In my judgment, communities that support professional sports teams deserve reasonable protection of taxpayer, fan, and public interests when the relocation of teams is proposed by team owners. In addition, it is not wise public policy to apply the antitrust laws in a manner that thwarts the public interest in stable league-community relations. Nor is it wise public policy to deprive sports leagues of the prerogative to determine when their most successful member clubs may be required to continue to operate in a particular community that has supported a team in a highly profitable fashion.

The proposed legislation that I am today introducing recognizes the legitimacy of community and league interests in maintaining existing team locations when sports teams have been, and continue to be, well supported by their communities. The bill accomplishes these public interests through two central provisions:

First, the bill authorizes sports leagues to operate with rules requiring their member clubs to obtain approval of the league membership before abandoning communities in which clubs have been operating successfully. This provision guarantees that the interests of communities and leagues will be evaluated when well supported and financially successful clubs are proposing to transfer their home locations. And if a league rejects such a transfer proposal, the league could not be attacked under the antitrust laws for maintaining the existing team location. This provision will, by the express terms of the proposed legislation, apply to the NFL's decision not to authorize the Raiders to transfer out of the Oakland community.

Second, the act encourages leagues to operate with internal league agreements for revenue sharing among their member clubs so that teams in smaller and midsized communities throughout our Nation will be assured of the economic strength to continue successful operations. Such revenue sharing, which is unique to professional sports, increases the likelihood that all members of a sports league may operate successfully and is a further reason for affording leagues the privilege of determining whether or not to continue successful team operations in a given locale.

Beyond these two specific provisions, the act has no effect on any sports-antitrust subject. In this respect, it is vastly different from proposed bills that had been discussed earlier in this session. The current legislation is not in any way antiplayer, antiplayers union, or antilabor. This type of legislative solution of the Raiders' problem has drawn the overwhelming support of labor unions throughout northern California, including building trades unions, the IAM, and many others. To assure that the limited scope of this act is unmistakably clear, the act guarantees that player and other third-party interests will not be prejudiced by expressly stating that it will not affect: Any collective bargaining subject or any issue of present or prospective player employment within any sports league; any collective bargaining subject or any issue of present or prospective player employment within any sports league; any ticket pricing practice in any sports league or its member clubs; any conduct of any sports league; or any existing television principles or any aspect of the sale of cable pay or subscription televison by any sports league or its member clubs.

Mr. Speaker, this act will give our communities the reasonable measure of protection that they deserve when they use public funding mechanisms to suppport professional sports teams. In Oakland, for example, the remaining annual debt service on the Coliseum amounts to more than $1.5 million, and this obligation continues for another 15 years. When a team is well-supported and the stadium has been built for that team—as with the Oakland Raiders, I can see no justification for allowing that team to abandon its community over the objection of its own league and to deprive the public authorities of the revenues needed to amortize stadium costs.

Mr. Speaker, I am very pleased that this act is being cosponsored today by two distinguished members of the Subcommittee on Monopolies and Commercial Law, Mr. Edwards of California and Mr. Hyde of Illinois, and I have urged them to make this act the subject of early hearings before that subcommittee. We believe that this act will directly benefit many communities, finance or subsidize pubic stadiums and arenas, and tens of millions of sports fans who have loyally supported—and made profitable—their "home teams."

The text of the bill follows:

H.R. 6467

A BILL To clarify the application of the antitrust laws to professional team sports leagues; to protect the public interest in maintaining the stability of professional team sports leagues; and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Professional Sports Stabilization Act of 1982."

FINDINGS AND DECLARATIONS

The Congress finds and declares that the public has an interest in preserving stability in the relationship between professional sports teams and the communities in which they operate and in encouraging professional team sports leagues to promote the economic and geographic stability of their member clubs.

Section 1. It shall not be unlawful by reason of any provision of the antitrust laws for a professional team sports league and its member clubs—

(a) to enforce rules requiring approval by the membership of the league for any relocation of a member club of such league; or

(b) to enforce rules for the division of league or member club revenues that tend to promote comparable economic opportunities for the member clubs of such a league.

INAPPLICABILITY TO CERTAIN MATTERS

Sec. 2. Nothing contained in this Act shall—

(a) be deemed to change, determine, or otherwise affect the applicability or nonapplicability of the labor laws, the antitrust laws, or any other provision of law to the wages, hours, or other terms and conditions of player employment within any sports league, to any player employment matter within any sports league, or to any collective bargaining rights and privileges of any player union within any sports league;

(b) exempt from the antitrust laws any agreement to fix the prices of admission to sports contests;

(c) exempt from the antitrust laws any predatory practice or other conduct with respect to competing sports leagues which would otherwise be unlawful under the antitrust laws; or

(d) modify any existing federal statutes relating to the television practices of sports leagues, or change, determine, or otherwise affect the applicability or nonapplicability of the antitrust laws or communications laws to any form of joint dealing practices by sports leagues with respect to sale of cable or subscription television.

FEDERAL PREEMPTION

Sec. 3. Notwithstanding any other provision of law, no State or political subdivision thereof shall establish, maintain, or enforce any regulation of commerce that imposes any limitation on the collective conduct of professional team sports leagues or their member clubs authorized by this Act.

APPLICABILITY TO PENDING ACTIONS

Sec. 4. (a) This Act shall apply to all actions commenced under the antitrust laws of the United States after the date of enactment of this Act.

(b) This Act shall also apply to all actions commenced under the antitrust laws of the United States prior to the date of enactment of this Act unless—

(1) the judgment in an action is final and unappealable on or before the date of enactment of this Act; or

(2) the court determines in an action involving collective conduct of a professional team sports league in which a release or covenant has been signed prior to the date of enactment of this Act that it would be manifestly unjust, in light of subsection (c) of this section and other circumstances, to apply this Act in such action to any unresolved claim of any party not a member club of such league.

(c) No agreement to settle, compromise, or release a claim which has been signed by the parties prior to the date of enactment of this Act may be rescinded, disapproved, reformed, or modified by the parties or by the court because of the application of the provisions of this Act, except upon the written consent of all parties thereto.●

THE PLIGHT OF ANDREI FROLOV

The SPEAKER. Under a previous order of the House, the gentleman from Illinois (Mr. Yates) is recognized for 5 minutes.

● Mr. YATES. Mr. Speaker, a courageous young woman from my district, Mrs. Lois Becker Frolova, is facing a serious international human rights problem that is caused by the illegal and immoral actions of the Soviet Government. Today I have introduced a concurrent resolution that I hope will help end the tragic and unnecessary separation that she and her husband are experiencing.

Mrs. Frolova and many of her friends in Chicago are very concerned about the fate of Lois' husband, Andrei Vladimirovich Frolov. Mr. and Mrs. Frolov met and fell in love while she was doing research on Russian history for her doctoral dissertation. They were married on May 19, 1981, and Mr. Frolov subsequently requested a visa to leave for the United States where he and his wife planned to settle. When he requested the exit permission, Mr. Frolov, a freelance journalist, lost all of his employment and has been unemployed since that time. His visa request was denied on September 7, 1981, citing bad relations with the United States. Recently when Frolov again was refused the visa the only explanation he received was that his departure was not in the best interest of the Soviet State. Unfortunately the lives of Mr. and Mrs. Frolov have been caught up in a power struggle not of their making. The refusal of the Soviet Union to issue the visa constitutes a direct violation of the Helsinki accords.

To express their determination—and out of desperation—the Frolovs—Andrei in Moscow and Lois in Chicago—have joined four other Soviets with spouses in the West in a hunger strike.

My resolution calls upon the Soviet authorities to grant Andrei Frolov an exit visa thereby living up to the humanitarian pronouncements of the Helsinki agreements.●

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mrs. Collins of Illinois (at her own request) for May 22, 1982, on account of official business of the Manpower and Housing Subcommittee of the Government Operations Committee.

Mr. Jacobs (at the request of Mr. Wright), for today, on account of official business.

Mr. Rahall (at the request of Mr. Wright), for today, on account of official business.

Mrs. Schroeder (at the request of Mr. Wright), for today, on account of official business.

Mr. St Germain (at the request of Mr. Wright), for today, on account of official business.

Mr. Washington (at the request of Mr. Wright), for today, on account of official business at a subcommittee hearing in Chicago.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the

legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Johnston) to revise and extend their remarks and include extraneous material:)

Mr. Lagomarsino, for 10 minutes, today.

(The following Members (at the request of Mr. Roemer) to revise and extend their remarks and include extraneous material:)

Mr. Annunzio, for 5 minutes, today.

Mr. Stark, for 15 minutes, today.

Mr. Gonzalez, for 15 minutes, today.

Mr. Ford of Michigan, for 5 minutes, today.

Mr. Coelho, for 5 minutes, today.

Mr. Yates, for 5 minutes, today.

Mr. Montgomery, for 60 minutes, May 26, 1982.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. Johnston) and to include extraneous matter:)

Mr. Johnston in two instances.
Mr. Napier.
Mr. Hyde in 10 instances.
Mr. Broomfield
Mr. McClory.
Mr. Bereuter.
Mr. Gilman in two instances.
Mr. Green.
Mr. Wylie.
Mr. Kemp.
Mr. Fields.
Mr. Conte.
Mr. Erlenborn.
Mr. Dannemeyer
Mr. Fiedler.
Mr. Chappie.
Mr. Philip M. Crane.
Mr. Wolf.
Mrs. Schneider.
Mr. Rinaldo.

(The following Members (at the request of Mr. Roemer) and to include extraneous matter:)

Mr. Shelby.
Mr. Bonker in two instances.
Mr. Lehman.
Mr. LaFalce.
Mr. McHugh.
Mr. Ford of Michigan in two instances.
Mr. Dorgan of North Dakota.
Mr. Perkins.
Mr. Neal.
Mr. Fascell in two instances.
Mr. Dwyer.
Mr. Beilenson.
Mr. Rostenkowski in two instances.
Mr. Roybal.
Mr. Fuqua.

SENATE BILLS AND JOINT RESOLUTION REFERRED

Bills and a joint resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 1573. An act to exempt the Lake Oswego, Oreg., hydroelectric facility from part I of the Federal Power Act (act of June 10, 1920) as amended, and for other purposes; to the Committee on Energy and Commerce.

S. 1621. An act to authorize the replacement of existing pump casings in southern Nevada water project pumping plants 1A and 2A, and for other purposes; to the Committee on Interior and Insular Affairs.

S. 2177. An act to amend title III of the Colorado River Basin Project Act, Public Law 90-537 (82 Stat. 885), as amended by Public Law 95-578 (92 Stat. 2471), and Public Law 96-375 (94 Stat. 1505); to the Committee on Interior and Insular Affairs.

S.J. Res. 197. Joint resolution to provide for the designation of the week of October 17 through October 23, 1982, as "Myasthenia Gravis Awareness Week"; to the Committee on Post Office and Civil Service.

ENROLLED BILL SIGNED

Mr. HAWKINS, from the Committee on House Administration, reported that the committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 1543. An act to confirm a conveyance of certain real property by the Central Pacific Railway Co. and Southern Pacific Co. to A. C. Taber and his wife, Mary Taber.

ADJOURNMENT

Mr. ROEMER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 57 minutes p.m.), under its previous order, the House adjourned until Monday, May 24, 1982, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3985. A letter from the Secretary of Education, transmitting proposed final regulations for the college housing program, pursuant to section 431(d) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

3988. A letter from the Acting Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112(a); to the Committee on Foreign Affairs.

3987. A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to amend the International Safe Container Act; jointly to the Committees on Merchant Marine and Fisheries and Energy and Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BOLLING: Committee on Rules. House Resolution 477. Resolution providing for the consideration of House Concurrent Resolution 345, a concurrent resolution revising the congressional budget for the U.S. Government for the fiscal year 1982 and setting forth the congressional budget for the U.S. Government for the fiscal years 1983, 1984, and 1985. (Rept. No. 97-583). Referred to the House Calendar.

Mr. SAM B. HALL, JR.: Committee on the Judiciary. H.R. 4903. A bill granting the consent of the Congress to an interstate compact between the States of Mississippi and Louisiana establishing a commission to study the feasibility of rapid rail transit service between the two States. (Rept. No. 97-584). Referred to the House Calendar.

REPORTED BILL SEQUENTIALLY REFERRED

Under clause 5 of rule X, the following action was taken by the Speaker:

H.R. 6307. The Committee of the Whole House on the State of the Union discharged, and referred to the Committee on Public Works and Transportation for a period ending not later than June 4, 1982, for consideration of such provisions of section 4 and section 9 of the amendment recommended by the Committee on Energy and Commerce as fall within the jurisdiction of the Committee on Public Works and Transportation pursuant to clause 1(p), rule X.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. WAXMAN:

H.R. 6457. A bill to amend the Public Health Service Act to revise and extend the authorities under that act relating to the National Institutes of Health and the national research institutes, and for other purposes; to the Committee on Energy and Commerce.

H.R. 6458. A bill to amend the Public Health Service Act and related laws to consolidate the laws relating to the Alcohol, Drug Abuse, and Mental Health Administration, the National Institute of Mental Health, and the National Institute of Alcohol Abuse and Alcoholism, and the National Institute on Drug Abuse, and for other purposes; to the Committee on Energy and Commerce.

H.R. 6459. A bill to transfer the National Institute for Occupational Safety and Health to the National Institutes of Health; to the Committee on Energy and Commerce.

By Mr. BAILEY of Pennsylvania:

H.R. 6460. A bill to amend the Internal Revenue Code of 1954 to increase the amount allowed to be deducted each taxable year for expenses incurred in connection with the elimination of architectural and transportation barriers for the handicapped and elderly from $25,000 to $100,000, and to make permanent the allowance of such deduction; to the Committee on Ways and Means.

By Mr. BUTLER (for himself, Mr. Glickman, Mr. Rodino, Mr. Fish, Mr. Edwards of California, Mr. Synar, Mr. Harkin, Mr. Bereuter, Mr. Huckaby, and Mr. Bedell):

H.R. 6461. A bill to amend title 11, United States Code, to provide for expedited determinations of interests in grain and the proceeds of grain, held by debtors who own or operate grain storage facilities; to the Committee on the Judiciary.

By Mr. ERLENBORN (for himself and Mr. Phillip Burton):

H.R. 6462. A bill to amend the Employee Retirement Income Security Act of 1974 to provide for certification by the Secretary of Labor of multiple employer welfare arrangements which are not collectively bargained and not fully insured and to define the extent to which State laws are preempted by such Act with respect to multiple employer welfare arrangements; to the Committee on Education and Labor.

By Mr. EVANS of Iowa (for himself and Mr. Tauke):

H.R. 6463. A bill to amend the Agricultural Act of 1970, to prohibit restrictions on the export of certain agricultural commodities; jointly, to the Committees on Agriculture and Foreign Affairs.

By Mr. FASCELL:

H.R. 6464. A bill to amend the Internal Revenue Code of 1954 with respect to the treatment of expenses of attending foreign conventions; to the Committee on Ways and Means.

By Mr. LAGOMARSINO (for himself, Mrs. Holt, Mr. Erdahl, Mr. Fauntroy, Mr. Forsythe, Mr. Livingston, Mr. Edwards of California, Mr. Dannemeyer, Mr. Burgener, Mr. Hughes, Ms. Mikulski, Mr. Fish, Mr. Fazio, Mr. Jeffords, Mr. Richmond, Mr. Pashayan, Mr. Downey, Mr. Coelho, Mr. Walker, Mr. Panetta, Mr. Horton, Mr. Neal, Mr. Edwards of Alabama, Mr. Patterson, Mr. Miller of California, Mr. Anderson, Mr. Evans of Iowa, Mr. James K. Coyne, Mr. Vento, Mr. Dan Daniel, Mr. Long of Maryland, Mr. Martin of North Carolina, Mr. Lowery of California, Mr. Jones of North Carolina, Mr. Dornan of California, Mr. Beilenson, Mr. Badham, Mr. Shumway, Mr. Weaver, Mr. Matsui, Mr. Chappell, Mr. Clinger, Mr. Williams of Montana, and Mr. Courter):

H.R. 6465. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income gain from sales of real property to certain organizations for use for conservation purposes, and for other purposes; to the Committee on Ways and Means.

By Mr. STANGELAND:

H.R. 6466. A bill entitled: "The Mandatory Cropland Set-Aside Act of 1982"; to the Committee on Agriculture.

By Mr. STARK (for himself, Mr. Edwards of California, and Mr. Hyde):

H.R. 6467. A bill to clarify the application of the antitrust laws to professional team sports leagues; to protect the public interest in maintaining the stability of professional team sports leagues; and for other purposes; to the Committee on the Judiciary.

By Mr. YATES:

H. Con. Res. 348. Concurrent resolution to urge the Government of the Soviet Union to facilitate the emigration of a Soviet citizen, and for other purposes; to the Committee on Foreign Affairs.

By Mr. WAMPLER:

H. Res. 478. Resolution expressing the sense of the House of Representatives with respect to changes in the Railroad Retirement Act of 1974 proposed in the President's budget for fiscal year 1983; to the Committee on Energy and Commerce.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 236: Mr. Weaver.

H.R. 3964: Mr. Frost, Mr. McEwen, and Mr. Smith of Oregon.

H.R. 4147: Mr. Hall of Ohio and Mr. Gaydos.

H.R. 4362: Mr. Derrick.

H.R. 4931: Mr. Wolf, Mr. Lent, Mr. Hartnett, Mr. Lowry of Washington, Mr. Lee, and Mr. Jones of North Carolina.

H.R. 5133: Mr. Long of Louisiana.

H.R. 5583: Mr. Bennett and Mr. Ertel.

H.R. 5872: Mr. Goodling.

H.R. 5890: Mr. Lee, Mr. Murphy, Mr. Smith of Pennsylvania, Mr. Harkins, Mr. Markey, Mr. Whitehurst, Mr. Fauntroy, Mr. Corrada, Mr. Seiberling, Mr. Savage, Mr. Weiss, Mr. Eckart, Mr. Hertel, Mr. Walgren, Mr. Gore, Mr. Lujan, Mr. Ertel, Mrs. Schneider, Mr. Glickman, and Mr. Roth.

H.R. 5969: Mr. Gunderson, Mr. Railsback, and Mr. Simon.

H.R. 5995: Mr. Ratchford, Mr. Heftel, Mr. Downey, Mrs. Schneider, Mr. Goodling, Mr. Fuqua, and Mr. Gray.

H.R. 6065: Mr. James K. Coyne.

H.R. 6105: Mr. Tauke and Mr. Marriott.

H.R. 6124: Mr. McKinney.

H.R. 6199: Mr. Alexander.

H.R. 6319: Mrs. Martin of Illinois, Mr. Daniel B. Crane, Mr. Philip M. Crane, Mr. Siljander, Mr. Johnston, Mr. Corcoran, Mr. Badham, Mr. Forsythe, Mr. Shumway, Mr. Hyde, and Mr. Bliley.

H.R. 6325: Mr. Weber of Ohio, Mr. Sensenbrenner, Mr. Frenzel, Mr. LeBoutillier, Mr. Gingrich, Mr. Jeffries, Mr. Stangeland, Mr. Shelby, Mr. Marlenee, Mr. Dyson, Mr. Tauke, Mr. Porter, Mr. Hartnett, Mr. Solomon, Mr. Evans of Delaware, Mr. Hunter, Mr. Atkinson, Mr. James K. Coyne, Mr. McGrath, Mr. Hansen of Idaho, Mr. Martin of New York, Mr. Brown of Colorado, Mr. Hyde, Mr. Parris, Mr. Markey, and Mr. Bliley.

H.R. 6369: Mr. AuCoin.

H.J. Res. 144: Mr. Scheuer.

H. Con. Res. 249: Mr. Lantos and Mr. James K. Coyne.

H. Con. Res. 297: Mr. Dannemeyer, Mr. Davis, Mr. Dornan of California, Mr. Duncan, Mr. Dunn, Mr. Edwards of Alabama, Mr. Edwards of Oklahoma, Mr. Emerson, Mrs. Holt, Mr. Hunter, Mr. Lujan, Mr. McCollum, Mr. Molinari, Mr. Myers, Mr. Quillen, Mr. Rhodes, Mr. Roberts of Kansas, Mr. Siljander, Mr. Smith of New Jersey, Mr. Snyder, and Mr. Weber of Minnesota.

H. Con. Res. 298: Mr. Stokes and Mr. Edgar.

H. Con. Res. 341: Mr. Bevill.

H. Res. 252: Mr. Mitchell of New York and Mr. Dwyer.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H. Con. Res. 345

By Mr. MILLER of California (A-1):

(Amendment in the nature of a substitute.)

—Strike out all after the resolving clause and insert in lieu thereof the following:

TITLE I—REVISION OF THE CONGRESSIONAL BUDGET FOR THE UNITED STATES GOVERNMENT FOR THE FISCAL YEAR 1982

Section 101. The provisions of this title shall supersede the figures reaffirmed in S. Con. Res. 50 of the Ninety-seventh Congress for the fiscal year beginning on October 1, 1981.

Sec. 102(a)(1). The level of Federal revenues is $622,800,000,000, and the net amount by which the aggregate level of Federal revenues should be decreased is $200,000,000.

(2) The level of total new budget authority is $784,500,000,000.

(3) The level of total budget outlays is $743,900,000,000.

(4) The amount of the deficit in the budget is $121,100,000,000.

(5) The level of the public debt is $1,147,700,000,000, and the amount by which the statutory limit on such debt should accordingly be increased is $747,700,000,000.

(6) The level of total gross obligations for the principal amount of direct loans is $63,400,000,000, and the level of total new primary commitments to guarantee loan principal is $74,250,000,000 and the level of total new secondary commitments to guarantee loan principal is $68,950,000,000.

(b) Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of subsection (a) of this section of this resolution, the Congress hereby determines and declares that, for the fiscal year beginning on October 1, 1981, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are as follows:

(1) National defense (050):

(A) New budget authority, $218,200,000,000;

(B) Outlays, $190,800,000,000.

(2) International Affairs (150):

(A) New budget authority, $16,750,000,000;

(B) Outlays, $11,450,000.

(3) General Science, Space, and Technology (250):

(A) New budget authority, $7,000,000,000;

(B) Outlays, $7,000,000,000.

(4) Energy (270):

(A) New budget authority, $4,750,000,000;

(B) Outlays, $6,500,000,000.

(5) Natural Resources and Environment (300):

(A) New budget authority, $10,400,000,000;

(B) Outlays, $12,850,000,000.

(6) Agriculture (350):

(A) New budget authority, $9,900,000,000;

(B) Outlays, $13,800,000,000.

(7) Commerce and Housing Credit (370):

(A) New budget authority, $7,500,000,000;

(B) Outlays, $3,750,000,000.

(8) Transportation (400):

(A) New budget authority, $21,350,000,000;

(B) Outlays, $21,450,000,000.

(9) Community and Regional Development (450):

(A) New budget authority, $7,000,000,000;

(B) Outlays, $8,650,000,000.

(10) Education, Training, Employment and Social Services (500):

(A) New budget authority, $25,450,000,000;

(B) Outlays, $28,200,000,000.

(11) Health (550):

(A) New budget authority, $79,050,000,000;

(B) Outlays, $73,750,000,000.

(12) Income Security (600):

(A) New budget authority, $261,350,000,000;

(B) Outlays, $251,850,000,000.

(13) Veterans Benefits and Services (700):

(A) New budget authority, $24,800,000,000;

(B) Outlays, $23,800,000,000.

(14) Administration of Justice (750):

(A) New budget authority, $4,500,000,000;

(B) Outlays, $4,650,000,000.

(15) General Government (800):

(A) New budget authority, $5,200,000,000;

(B) Outlays, $5,050,000,000.

(16) General Purpose Fiscal Assistance (850):

(A) New budget authority, $6,350,000,000;

(B) Outlays, $6,350,000,000.

(17) Interest (900):

(A) New budget authority, $102,350,000,000;

(B) Outlays, $102,350,000,000.

(18) Allowances (920):

(A) New budget authority, $2,850,000,000;

(B) Outlays, $1,900,000,000.

(19) Undistributed Offsetting Receipts (950):

(A) New budget authority, −$30,250,000,000;

(B) Outlays, −$30,250,000,000.

TITLE II—SETTING FORTH THE CONGRESSIONAL BUDGET FOR THE UNITED STATES GOVERNMENT FOR THE FISCAL YEARS 1983, 1984, AND 1985

Sec. 201. The Congress hereby determines and declares, pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on October 1, 1982—

(1) the level of Federal revenues is $645,000,000,000, and the net amount by which the aggregate level of Federal revenues should be increased is $0;

(2) the level of total new budget authority is $739,500,000,000;

(3) the level of total budget outlays is $754,400,000,000;

(4) the amount of the deficit in the budget is $109,400,000,000; and

(5) the level of the public debt is $1,285,550,000,000, and the amount by which the statutory limit on such debt should accordingly be increased is $885,550,000,000.

Sec. 202. Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of section 201 of this resolution, the Congress hereby determines and declares pursuant to section 301(a) of the Congressional Budget Act of 1974 that, for the fiscal year beginning on October 1, 1982, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are as follows:

(1) National Defense (050):

(A) New budget authority, $175,800,000,000;

(B) Outlays, $191,600,000,000.

(2) International Affairs (150):

(A) New budget authority, $16,900,000,000;

(B) Outlays, $11,600,000,000.

(3) General Science, Space, and Technology (250):

(A) New budget authority, $7,000,000,000;

(B) Outlays, $7,000,000,000.

(4) Energy (270):

(A) New budget authority, $4,400,000,000;

(B) Outlays, $6,000,000,000.

(5) Natural Resources and Environment (300):

(A) New Budget authority, $9,800,000,000;

(B) Outlays, $12,300,000,000.

(6) Agriculture (350):

(A) New budget authority, $9,900,000,000;

(B) Outlays, $13,900,000,000.

(7) Commerce and Housing Credit (370):

(A) New budget authority, $5,700,000,000;

(B) Outlays, $1,800,000,000.

(8) Transportation (400):

(A) New budget authority, $20,000,000,000;

(B) Outlays, $20,500,000,000.

(9) Community and Regional Development (450):

(A) New budget authority, $6,700,000,000;

(B) Outlays, $8,500,000,000.

(10) Education Training, Employment and Social Services (500):

(A) New budget authority, $27,800,000,000;

(B) Outlays, $28,200,000,000.

(11) Health (550):

(A) New budget authority, $78,400,000,000;

(B) Outlays, $79,500,000,000.

(12) Income Security (600):

(A) New budget authority, $260,400,000,000;

(B) Outlays, $259,200,000,000.

(13) Veterans Benefits and Services (700):

(A) New budget authority, $24,900,000,000;

(B) Outlays, $23,200,000,000.

(14) Administration of Justice (750):

(A) New budget authority, $4,500,000,000;

(B) Outlays, $4,600,000,000.

(15) General Government (800):

(A) New budget authority, $5,000,000,000;

(B) Outlays, $4,800,000,000.

(16) General Purpose Fiscal Assistance (850):

(A) New budget authority, $6,600,000,000;

(B) Outlays, $6,500,000,000.

(17) Interest (900):

(A) New budget authority, $115,700,000,000;

(B) Outlays, $115,700,000,000.

(18) Allowances (920):

(A) New budget authority, −$500,000,000;

(B) Outlays, −$400,000,000.

(19) Undistributed Offsetting Receipts (960):

(A) New budget authority, −$39,500,000,000;

(B) Outlays, −$39,500,000,000.

Sec. 203. The Congress sets forth the following budgetary levels for fiscal years 1984 and 1985—

(1) the level of Federal revenues is as follows:

Fiscal year 1984, $702,000,000,000;

Fiscal year 1985, $780,000,000,000;

and the amount by which the aggregate levels of Federal revenues should be increased or decreased is as follows:

Fiscal year 1984, $0;

Fiscal year 1985, $0.

(2) the level of total new budget authority is as follows:

Fiscal year 1984, $749,900,000,000;

Fiscal year 1985, $731,200,000,000.

(3) the level of total budget outlays is as follows:

Fiscal year 1984, $759,400,000,000;

Fiscal year 1985, $752,500,000,000.

(4)(A) the amount of the deficit in the budget is:

Fiscal year 1984, $57,400,000,000;

(B) the amount of the surplus in the budget is:

Fiscal year 1985, $27,500,000,000.

(5) the level of the public debt is as follows:

Fiscal year 1984, $1,404,450,000,000;

Fiscal year 1985, $1,490,880,000,000.

and the amount by which the temporary statutory limit on such debt should be accordingly increased is as follows:

Fiscal year 1984, $1,004,450,000,000;

Fiscal year 1985, $1,090,800,000,000.

Sec. 204. Based on allocations of the appropriate level of total new budget authority and of total budget outlays for fiscal years 1984 and 1985 as set forth above, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are respectively as follows:

(1) National Defense (050):

Fiscal year 1984:

(A) New budget authority, $191,000,000,000;

(B) Outlays, $191,900,000,000.

Fiscal year 1985:

(A) New budget authority, $187,300,000,000;

(B) Outlays, $192,200,000,000.

(2) International Affairs (150):

Fiscal year 1984:

(A) New budget authority, $17,000,000,000;

(B) Outlays, $11,800,000,000.

Fiscal year 1985:

(A) New budget authority, $17,000,000,000;

(B) Outlays, $11,900,000,000.

(3) General Science, Space, and Technology (250):

Fiscal year 1984:

(A) New budget authority, $7,000,000,000;

(B) Outlays, $7,000,000,000.

Fiscal year 1985:

(A) New budget authority, $7,000,000,000;

(B) Outlays, $7,000,000,000.

(4) Energy (270):

Fiscal year 1984:

(A) New budget authority, $4,000,000,000;

(B) Outlays, $5,600,000,000.

Fiscal year 1985:

(A) New budget authority, $3,800,000,000;

(B) Outlays, $5,400,000,000.

(5) Natural Resources and Environment (300):

Fiscal year 1984:

(A) New budget authority, $9,200,000,000;

(B) Outlays, $11,700,000,000.

Fiscal year 1985:

(A) New budget authority, $8,800,000,000;

(B) Outlays, $11,300,000,000.

(6) Agriculture (350):

Fiscal year 1984:

(A) New budget authority, $10,400,000,000;

(B) Outlays, $14,300,000,000.

Fiscal year 1985:

(A) New budget authority, $10,200,000,000;

(B) Outlays, $14,200,000,000.

(7) Commerce and Housing Credit (370):

Fiscal year 1984:

(A) New budget authority, $5,700,000,000;

(B) Outlays, $1,400,000,000.

Fiscal year 1985:

(A) New budget authority, $5,200,000,000;

(B) Outlays, $1,300,000,000.

(8) Transportation (400):

Fiscal year 1984:

(A) New budget authority, $19,900,000,000;

(B) Outlays, $20,400,000,000.

Fiscal year 1985:

(A) New budget authority, $19,900,000,000;

(B) Outlays, $20,400,000,000.

(9) Community and Regional Development (450):

Fiscal year 1984:

(A) New budget authority, $6,800,000,000;

(B) Outlays, $8,600,000,000.

Fiscal year 1985:

(A) New budget authority, $6,900,000,000;

(B) Outlays, $8,700,000,000.

(10) Education, Training, Employment, and Social Services (500):

Fiscal year 1984:

(A) New budget authority, $25,400,000,000;

(B) Outlays, $28,900,000,000.

Fiscal year 1985:

(A) New budget authority, $26,100,000,000;

(B) Outlays, $29,700,000,000.

(11) Health (550):

Fiscal year 1984:

(A) New budget authority, $78,400,000,000;

(B) Outlays, $81,600,000,000.

Fiscal year 1985:

(A) New budget authority, $78,200,000,000;

(B) Outlays, $84,200,000,000.

(12) Income Security (600):

Fiscal year 1984:

(A) New budget authority, $259,000,000,000;

(B) Outlays, $262,700,000,000.

Fiscal year 1985:

(A) New budget authority, $260,400,000,000;

(B) Outlays, $267,800,000,000.

(13) Veterans Benefits and Services (700):

Fiscal year 1984:

(A) New budget authority, $25,100,000,000;

(B) Outlays, $23,900,000,000.

Fiscal year 1985:

(A) New budget authority, $25,200,000,000;

(B) Outlays, $24,400,000,000.

(14) Administration of Justice (750):

Fiscal year 1984:

(A) New budget authority, $4,600,000,000;

(B) Outlays, $4,700,000,000.

Fiscal year 1985:

(A) New budget authority, $4,600,000,000;

(B) Outlays, $4,700,000,000.

(15) General Government (800):

Fiscal year 1984:

(A) New budget authority, $4,800,000,000;

(B) Outlays, $4,600,000,000.

Fiscal year 1985:

(A) New budget authority, $4,700,000,000;

(B) Outlays, $4,500,000,000.

(16) General Purpose Fiscal Assistance (850):

Fiscal year 1984:

(A) New budget authority, $6,800,000,000;

(B) Outlays, $6,800,000,000.

Fiscal year 1985:

(A) New buget authority, $6,900,000,000;

(B) Outlays, $6,800,000,000.

(17) Interest (900):

Fiscal year 1984:

(A) New budget authority, $119,900,000,000;

(B) Outlays, $119,900,000,000.

Fiscal year 1985:

(A) New budget authority, $108,300,000,000;

(B) Outlays, $108,300,000,000.

(18) Allowances (920):

Fiscal year 1984:

(A) New budget authority −$500,000,000;

(B) Outlays, −$400,000,000.

Fiscal year 1985:

(A) New budget authority, −$1,500,000,000;

(B) Outlays, −$1,400,000,000.

(19) Undistributed Offsetting Receipts (950):

Fiscal year 1984:

(A) New budget authority, −$45,200,000,000;

(B) Outlays, −$45,200,000,000.

Fiscal year 1985:

(A) New budget authority, −$47,800,000,000;

(B) Outlays, −$47,800,000,000.

TITLE III—PROVIDING RECONCILIATION INSTRUCTIONS AND OTHER ENFORCEMENT MEASURES

Part A—Reconciliation Instructions

Sec. 301. Pursuant to section 301(b)(2) of the Budget Act—

(A) the House Committee on Agriculture shall report changes in law within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of the Budget Act, sufficient to reduce budget authority by $1,600,000,000 and to increase outlays by $2,250,000,000 in fiscal year 1983, to reduce budget authority by $2,250,000,000 and to increase outlays by $3,900,000,000 in fiscal year 1984 and to reduce budget authority by $3,400,000,000 and to increase outlays by $3,750,000,000 in fiscal year 1985;

(B) the House Committee on Armed Services shall report changes in law within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of the Budget Act, sufficient to reduce budget authority by $600,000,000 and outlays by $600,000,000 in fiscal year 1983, budget authority by $1,700,000,000 and outlays by $1,700,000,000 in fiscal year 1984 and budget authority by $2,900,000,000 and outlays by $2,900,000,000 in fiscal year 1985;

(C) the House Committee on Education and Labor shall report changes in law within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of the Budget Act, sufficient to reduce budget authority by $400,000,000 and outlays by $400,000,000 in fiscal year 1983, budget authority by $950,000,000 and outlays by $950,000,000 in fiscal year 1984 and budget authority by $950,000,000 and outlays by $950,000,000 in fiscal year 1985;

(D) the House Committee on Energy and Commerce shall report changes in law within the jurisdiction of that committee which provides spending authority as defined in section 401(c)(2)(C) on the Budget Act, sufficient to reduce budget authority by $1,200,000,000 and outlays by $3,000,000,000 in fiscal year 1983, budget authority by $2,600,000,000 and outlays by $6,500,000,000 in fiscal year 1984 and budget authority by $4,850,000,000 and outlays by $11,200,000,000 in fiscal year 1985;

(E) the House Committee on Post Office and Civil Service shall report changes in law within the jurisdiction of that committee which provides spending authority as defined in section 401(c)(2)(C) of the Budget Act, sufficient to reduce budget authority by $000,000,000 and outlays by $700,000,000 in fiscal year 1983, budget authority by $000,000,000 and outlays by $2,200,000,000 in fiscal year 1984 and budget authority by $000,000,000 and outlays by $3,850,000,000 in fiscal year 1985;

(F) the House Committee on Veterans' Affairs shall report changes in law within the jurisdiction of that committee which provides spending authority as defined in section 401(c)(2)(C) of the Budget Act, sufficient to reduce budget authority by $150,000,000 and outlays by $150,000,000 in fiscal year 1983, budget authority by $300,000,000 and outlays by $300,000,000 in fiscal year 1984 and budget authority by $500,000,000 and outlays by $500,000,000 in fiscal year 1985;

(G) the House Committee on Ways and Means shall report changes in law within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of the Budget Act, sufficient to reduce budget authority by $550,000,000 and outlays by $14,800,000,000 in fiscal year 1983, budget authority by $1,150,000,000 and outlays by $31,650,000,000 in fiscal year 1984 and budget authority by $1,650,000,000 and outlays by $52,800,000,000 in fiscal year 1985;

Sec. 302. Pursuant to section 301(b)(2) of the Budget Act—

(A) the Senate Committee on Agriculture shall report changes in law within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of the Budget Act, sufficient to reduce budget authority by $1,650,000,000 and to increase outlays by $2,200,000,000 in fiscal year 1983, to reduce budget authority by $2,850,000,000 and to increase outlays by $3,550,000,000 in fiscal year 1984 and to reduce budget authority by $4,350,000,000 and to increase outlays by $2,800,000,000 in fiscal year 1985;

(B) the Senate Committee on Armed Services shall report changes in law within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of the Budget Act, sufficient to reduce budget authority by $600,000,000 and outlays by $600,000,000 in fiscal year 1983, budget authority by $1,700,000,000 and outlays by $1,700,000,000 in fiscal year 1984 and budget authority by $2,900,000,000 and outlays by $2,900,000,000 in fiscal year 1985;

(C) the Senate Committee on Governmental Affairs shall report changes in law within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of the Budget Act, sufficient to reduce budget authority by $000,000,000 and outlays by $700,000,000 in fiscal year 1983, budget authority by $000,000,000 and outlays by $2,200,000,000 in fiscal year 1984 and budget authority by $000,000,000 and outlays by $3,850,000,000 in fiscal year 1985;

(D) the Senate Committee on Labor and Human Resources shall report changes in law within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of the Budget Act, sufficient to reduce budget authority by $350,000,000 and outlays by $650,000,000 in fiscal year 1983, budget authority by $600,000,000 and outlays by $1,200,000,000 in fiscal year 1984 and budget authority by $000,000,000 and outlays by $950,000,000 in fiscal year 1985;

(E) the Senate Committee on Veterans' Affairs shall report changes in law within the jurisdiction of that committee which provide spending authority as defined in section 410(c)(2)(C) of the Budget Act, sufficient to reduce budget authority by $150,000,000 and outlays by $150,000,000 in fiscal year 1983, budget authority by $300,000,000 and outlays by $300,000,000 in fiscal year 1984 and budget authority by $500,000,000 and outlays by $500,000,000 in fiscal year 1985;

(F) the Senate Committee on Finance shall report changes in law within the jurisdiction of that committee which provide spending authority as defined in section 410(c)(2)(C) of the Budget Act, sufficient to reduce budget authority by $2,150,000,000 and outlays by $16,400,000,000 in fiscal year 1983, budget authority by $4,450,000,000 and outlays by $34,950,000,000 in fiscal year 1984 and budget authority by $7,550,000,000 and outlays by $58,700,000,000 in fiscal year 1985;

Sec. 303. The committees named in sections 301(A)-(F) and 302(A)-(E) must submit their recommendations to the Committees on the Budget of their respective Houses. Those recommendations shall be sufficient to accomplish the changes required by such subsection. After receiving those recommendations, the Committees on the Budget shall report to the House and Senate a reconciliation bill or resolution or both carrying out all such recommendations without any substantive revision.

Part B—Enforcement Measures

DEFERRED ENROLLMENT

Sec. 304. No bill or resolution providing—

(1) new budget authority for fiscal year 1983, or

(2) new spending authority described in section 401(c)(2)(C) of the Congressional Budget Act first effective in fiscal year 1983—which exceeds the appropriate allocation or subdivision of such new discretionary budget authority or new spending authority made pursuant to section 302 of such Act shall be enrolled until after Congress has completed action on the second concurrent resolution on the budget required ~~to be~~ reported under section 310 of such Act, and on any reconciliation legislation required by such resolution.

302 (b) REPORT

Sec. 305. It shall not be in order in either the House of Representatives or the Senate to consider any bill or resolution, or amendment thereto, providing—

(1) new budget authority for fiscal year 1983; or

(2) new spending authority described in section 401(c)(2)(C) of the Budget Act first effective in fiscal year 1983;

within the jurisdiction of any of its committees unless and until such committee makes the allocations or subdivisions required by section 302(b) of the Budget Act.

Sec. 306. It is the sense of the Congress that if Congress acts to restore fiscal responsibility and reduces projected budget deficits in a substantial and permanent way, then the Federal Reserve Open Market Committee shall reevaluate its monetary targets in order to assure that they are fully complementary to a new and more restrained fiscal policy.

—Page 5, line , increase the level of Federal revenues for fiscal year 1983 by $11,000,000,000.

Page 5, line , increase the net amount by which the aggregate level of Federal revenues should be increased for fiscal year 1983 by $11,000,000,000.

Page 5, line , increase the level of total budget outlays for fiscal year 1983 by $11,000,000,000.

Page 8, line , increase outlays for Functional Category (600) for fiscal year 1983 by $11,000,000,000.

Page 9, line , increase the level of Federal revenues for fiscal year 1984 by $22,300,000,000.

Page 9, line , increase the level of Federal revenues for fiscal year 1985 by $35,250,000,000.

Page 9, line , increase the amount by which the aggregate level of Federal revenues should be increased for fiscal year 1984 by $22,300,000,000.

Page 9, line , increase the amount by which the aggregate level of Federal revenues should be increased for fiscal year 1985 by $35,250,000,000.

Page 10, line , increase the level of total budget outlays for fiscal year 1984 by $22,300,000,000.

Page 10, line , increase the level of total budget outlays for fiscal year 1985 by $35,250,000,000.

Page 14, line , increase outlays for Functional Category (600) for fiscal year 1984 by $22,300,000,000.

Page 14, line , increase outlays for Functional Category (600) for fiscal year 1985 by $35,250,000,000.

Page 23, line , (relating to reconciliation instructions for the House Committee on Ways and Means) strike out "$14,800,000,000" and insert in lieu thereof "$3,800,000,000".

Page 23, line , (relating to reconciliation instructions for the House Committee on Ways and Means) strike out "$31,650,000,000" and insert in lieu thereof "$9,350,000,000".

Page 23, line , (relating to reconciliation instructions for the House Committee on Ways and Means) strike out "$52,800,000,000" and insert in lieu thereof "$17,550,000,000".

Page 23, line , insert before the semicolon at the end of the reconciliation instructions for the House Committee on Ways and Means the following: "; further, the House Committee on Ways and Means shall report changes in law within the jurisdiction of that committee sufficient to raise revenues by $11,000,000,000 in fiscal year 1983, $22,300,000,000 in fiscal year 1984, and $35,250,000,000 in fiscal year 1985".

Page 29, line , (relating to reconciliation instructions for the Senate Committee on Finance) strike out "$16,400,000,000" and insert in lieu thereof "$5,400,000,000".

Page 29, line , (relating to reconciliation instructions for the Senate Committee on Finance) strike out "$34,950,000,000" and insert in lieu thereof "$12,650,000,000".

Page 29, line , (relating to reconciliation instructions for the Senate Committee on Finance) strike out "$58,700,000,000" and insert in lieu thereof "$23,450,000,000".

Page 29, line , insert before the semicolon at the end of the reconciliation instructions for the Senate Committee on Finance the following: "; further, the Senate Committee on Finance shall report changes in law within the jurisdiction of that committee sufficient to raise revenues by $11,000,000,000 in fiscal year 1983, $22,300,000,000 in fiscal year 1984, and $35,250,000,000 in fiscal year 1985".

—Page 5, line , increase the level of Federal revenues for fiscal year 1983 by $22,800,000,000.

Page 5, line , increase the net amount by which the aggregate level of Federal revenues should be increased for fiscal year 1983 by $22,800,000,000.

Page 5, line , increase the level of total new budget authority for fiscal year 1983 by $68,000,000,000.

Page 5, line , increase the level of total budget outlays for fiscal year 1983 by $22,800,000,000.

Page 6, line , increase new budget authority for Functional Category (050) for fiscal year 1983 by $68,000,000,000.

Page 6, line , increase outlays for Functional Category (050) for fiscal year 1983 by $22,800,000,000.

Page 9, line , increase the level of Federal revenues for fiscal year 1984 by $47,400,000,000.

Page 9, line , increase the level of Federal revenues for fiscal year 1985 by $77,600,000,000.

Page 9, line , increase the amount by which the aggregate level of Federal revenues should be increased for fiscal year 1984 by $47,400,000,000.

Page 9, line , increase the amount by which the aggregate level of Federal revenues should be increased for fiscal year 1985 by $77,600,000,000.

Page 10, line , increase the level of total new budget authority for fiscal year 1984 by $81,600,000,000.

Page 10, line , increase the level of total new budget authority for fiscal year 1985 by $118,000,000,000.

Page 10, line , increase the level of total budget outlays for fiscal year 1984 by $47,400,000,000.

Page 10, line , increase the level of total budget outlays for fiscal year 1985 by $77,600,000,000.

Page 11, line , increase new budget authority for Functional Category (050) for fiscal year 1984 by $81,600,000,000.

Page 11, line , increase new budget authority for Functional Category (050) for fiscal year 1985 by $118,000,000,000.

Page 11, line , increase outlays for Functional Category (050) for fiscal year 1984 by $47,400,000,000.

Page 11, line , increase outlays for Functional Category (050) for fiscal year 1985 by $77,600,000,000.

Page 23, line , insert before the semicolon at the end of the reconciliation instructions for the House Committee on Ways and Means the following: "; further, the House Committee on Ways and Means shall report changes in law within the jurisdiction of that committee sufficient to raise revenues by an additional $22,800,000,000 for fiscal year 1983, an additional $47,400,000,000 for fiscal year 1984, and an additional $77,600,000,000 for fiscal year 1985".

Page 29, line , insert before the semicolon at the end of the reconciliation instructions for the Senate Committee on Finance the following: "; further, the Senate Committee on Finance shall report changes in law within the jurisdiction of that committee sufficient to raise revenues by an additional $22,800,000,000 for fiscal year 1983, an additional $47,400,000,000 for fiscal year 1984, and an additional $77,600,000,000 for fiscal year 1985".

Page 5, line , increase the level of Federal revenues for fiscal year 1983 by $2,700,000,000.

Page 5, line , increase the net amount by which the aggregate level of Federal revenues should be increased for fiscal year 1983 by $2,700,000,000.

Page 5, line , increase the level of total new budget authority for fiscal year 1983 by $5,000,000,000.

Page 5, line , increase the level of total budget outlays for fiscal year 1983 by $2,700,000,000.

Page 6, line , increase new budget authority for Functional Category (050) for fiscal year 1983 by $400,000,000.

Page 7, line , increase new budget authority for Functional Category (500) for fiscal year 1983 by $150,000,000.

Page 7, line , increase new budget authority for Functional Category (550) for fiscal year 1983 by $1,600,000,000.

Page 8, line , increase new budget authority for Functional Category (600) for fiscal year 1983 by $2,800,000,000.

Page 8, line , increase new budget authority for Functional Category (700) for fiscal year 1983 by $50,000,000.

Page 6, line , increase outlays for Functional Category (050) for fiscal year 1983 by $400,000,000.

Page 7, line , reduce outlays for Functional Category (350) for fiscal year 1983 by $3,850,000,000.

Page 7, line , increase outlays for Functional Category (500) for fiscal year 1983 by $250,000,000.

Page 7, line , increase outlays for Functional Category (550) for fiscal year 1983 by $1,350,000,000.

Page 8, line , increase outlays for Functional Category (600) for fiscal year 1983 by $4,500,000,000.

Page 8, line , increase outlays for Functional Category (700) for fiscal year 1983 by $50,000,000.

Page 9, line , increase the level of Federal revenues for fiscal year 1985 by $9,050,000,000.

Page 9, line , increase the level of Federal revenues for fiscal year 1984 by $20,950,000,000.

Page 9, line , increase the amount by which the aggregate level of Federal revenues should be increased for fiscal year 1984 by $9,050,000,000.

Page 9, line , increase the amount by which the aggregate level of Federal revenues should be increased for fiscal year 1984 by $20,950,000,000.

Page 10, line , increase the level of total new budget authority for fiscal year 1984 by $8,800,000,000.

Page 10, line , increase the level of total new budget authority for fiscal year 1985 by $13,900,000,000.

Page 10, line , increase the level of total budget outlays for fiscal year 1984 by $9,050,000,000.

Page 10, Line , increase the level of total budget outlays for fiscal year 1985 by $20,950,000,000.

Page 11, line , increase new budget authority for Functional Category (050) for fiscal year 1984 by $1,000,000,000.

Page 14, line , increase new budget authority for Functional Category (500) for fiscal year 1984 by $200,000,000.

Page 14, line , increase new budget authority for Functional Category (550) for fiscal year 1984 by $3,300,000,000.

Page 14, line , increase new budget authority for Functional Category (600) for fiscal year 1984 by $3,900,000,000.

Page 15, line , increase new budget authority for Functional Category (700) for fiscal year 1984 by $450,000,000.

Page 15, line , reduce new budget authority for Functional Category (850) for fiscal year 1984 by $50,000,000.

Page 11, line , increase new budget authority for Functional Category (050) for fiscal year 1985 by $1,650,000,000.

Page 14, line , reduce new budget authority for Functional Category (500) for fiscal year 1985 by $600,000,000.

Page 14, line , increase new budget authority for Functional Category (550) for fiscal year 1985 by $5,900,000,000.

Page 14, line , increase new budget authority for Functional Category (600) for fiscal year 1985 by $5,850,000,000.

Page 15, line , increase new budget authority for Functional Category (700) for fiscal year 1985 by $1,150,000,000.

Page 16, line , reduce new budget authority for Functional Category (850) for fiscal year 1985 by $50,000,000.

Page 11, line , increase outlays for Functional Category (050) for fiscal year 1984 by $1,000,000,000.

Page 12, line , reduce outlays for Functional Category (350) for fiscal year 1984 by $6,400,000,000.

Page 14, line , increase outlays for Functional Category (500) for fiscal year 1984 by $400,000,000.

Page 14, line , increase outlays for Functional Category (550) for fiscal year 1984 by $8,800,000,000.

Page 14, line , increase outlays for Functional Category (600) for fiscal year 1984 by $4,800,000,000.

Page 15, line , increase outlays for Functional Category (700) for fiscal year 1984 by $450,000,000.

Page 11, line , increase outlays for Functional Category (050) for fiscal year 1985 by $1,650,000,000.

Page 13, line , reduce outlays for Functional Category (350) for fiscal year 1985 by $7,150,000,000.

Page 14, line , reduce outlays for Functional Category (500) for fiscal year 1985 by $300,000,000.

Page 14, line , increase outlays for Functional Category (550) for fiscal year 1985 by $17,650,000,000.

Page 14, line , increase outlays for Functional Category (600) for fiscal year 1985 by $7,900,000,000.

Page 15, line , increase outlays for Functional Category (700) for fiscal year 1985 by $1,150,000,000.

Page 16, line , increase outlays for Functional Category (850) for fiscal year 1985 by $50,000,000.

Page 17, line (relating to reconciliation instructions), strike out all Title III, Part A, Secs. 301 and 302, and in its place insert the following:

PART A—RECONCILIATION INSTRUCTIONS

SEC. 301. Pursuant to section 310(b)(2) of the Budget Act—

(A) the House Committee on Agriculture shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $207,000,000 and outlays by $207,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $530,000,000 in budget authority and $530,000,000 in outlays in fiscal year 1984, and $661,000,000 in budget authority and $661,000,000 in outlays in fiscal year 1985;

(B) the House Committee on Armed Services shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $212,000,000 and outlays by $212,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $691,000,000 in budget authority and $691,000,000 in outlays in fiscal year 1984, and $1,228,000,000 in budget authority and $1,228,000,000 in outlays in fiscal year 1985;

(C) the House Committee on Banking, Finance, and Urban Affairs shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce outlays by $695,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $697,000,000 in outlays in fiscal year 1984, and $687,000,000 in outlays in fiscal year 1985;

(D) the House Committee on Education and Labor shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $73,000,000 and outlays by $73,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $101,000,000 in budget authority and $101,000,000 in outlays in fiscal year 1984, and $97,000,000 in budget authority and $97,000,000 in outlays in fiscal year 1985;

(E) the House Committee on Energy and Commerce shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $60,000,000 and outlays by $60,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $68,000,000 in budget authority and $68,000,000 in outlays in fiscal year 1984, and $77,000,000 in budget authority and $77,000,000 in outlays in fiscal year 1985;

(F) the House Committee on Foreign Affairs shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce outlays by $3,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $2,000,000 in budget authority and $8,000,000 in outlays in fiscal year 1984, and $4,000,000 in budget authority and $15,000,000 in outlays in fiscal year 1985;

(G) the House Committee on Merchant Marine and Fisheries shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $4,000,000 and outlays by $4,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $15,000,000 in budget authority and $15,000,000 in outlays in fiscal year 1984, and $27,000,000 in budget authority and $27,000,000 in outlays in fiscal year 1985;

(H) the House Committee on Post Office and Civil Service shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $0 and outlays by $273,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $242,000,000 in budget authority and $925,000,000 in outlays in fiscal year 1984, and $538,000,000 in budget authority and $1,648,000,000 in outlays in fiscal year 1985;

(I) the House Committee on Veterans' Affairs shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce the budget authority by $171,000,000 and outlays by $171,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $187,000,000 in budget authority and $187,000,000 in outlays in fiscal year 1984, and $195,000,000 in budget authority and $195,000,000 in outlays in fiscal year 1985; and

(J) the House Committee on Ways and Means shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce the budget authority by $334,000,000 and outlays by $2,489,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $205,000,000 in budget authority and $3,576,000,000 in outlays in fiscal year 1984, and $267,000,000 in budget authority and $4,160,000,000 in outlays in fiscal year 1985;

(K) the House Committee on Ways and Means shall report changes in laws within the jurisdiction of the committee sufficient to increase revenue by $31,700,000,000 for fiscal year 1983; further, the Congress finds that the prospect of unacceptably high deficits in future years requires additional revenues of $51,650,000,000 for fiscal year 1984, and $66,550,000,000 for fiscal year 1985;

Sec. 302. Pursuant to section 301(b)(2) of the Budget Act—

(A) the Senate Committee on Finance shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $393,000,000 and outlays by $2,548,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future years requires additional savings of $270,000,000 in budget authority and $3,641,000,000 in outlays for fiscal year 1984, and $339,000,000 in budget authority and $4,232,000,000 in outlays in fiscal year 1985;

(B) the Senate Committee on Finance shall report changes in laws within the jurisdiction of that committee sufficient to increase revenues by $31,700,000,000 for fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional revenues of $51,650,000,000 for fiscal year 1984, and $66,550,000,000 in fiscal year 1985;

(C) the Senate Committee on Agriculture, Nutrition, and Forestry shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $207,000,000 and outlays by $207,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future years requires additional savings of $530,000,000 in budget authority and $530,000,000 in outlays for fiscal year 1984, and $661,000,000 in budget authority and $661,000,000 in outlays in fiscal year 1985;

(D) the Senate Committee on Armed Services shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $213,000,000 and outlays by $213,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptable high budget deficits in future years requires additional savings of $694,000,000 in budget authority and $694,000,000 in outlays for fiscal year 1984, and $1,232,000,000 in budget authority and $1,232,000,000 in outlays in fiscal year 1985;

(E) the Senate Committee on Banking, Housing, and Urban Affairs shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $190,000,000 and outlays by $785,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptable high budget deficits in future years requires additional savings of $100,000,000 in budget authority and $797,000,000 in outlays for fiscal year 1984, and $104,000,000 in budget authority and $791,000,000 in outlays in fiscal year 1985;

(F) the Senate Committee on Commerce, Science, and Transportation shall report changes in law within the jurisidiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $4,000,000 and outlays by $4,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future years requires additional savings of $15,000,000 in budget authority and $15,000,000 in outlays for fiscal year 1984, and $27,000,000 in budget authority and $27,000,000 in outlays in fiscal year 1985;

(G) the Senate Committee on Foreign Relations shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce outlays by $3,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future years requires additional saving of $2,000,000 in budget authority and $8,000,000 in outlays for fiscal year 1984, and $4,000,000 in budget authority and $15,000,000 in outlays in fiscal year 1985;

(H) the Senate Committee on Governmental Affairs shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce outlays by $270,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future years requires additional savings of $240,000,000 in budget authority and $917,000,000 in outlays for fiscal year 1984, and $534,000,000 in budget authority and $1,633,000,000 in outlays in fiscal year 1985; and

(I) the Senate Committee on Labor and Human Resources shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $73,000,000 and outlays by $73,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future years requires additional savings of $101,000,000 in budget authority and $101,000,000 in outlays for fiscal year 1984, and $97,000,000 in budget authority and $97,000,000 in outlays in fiscal year 1985.

Page 23, line , insert before the semicolon at the end of the reconciliation instructions for the House Committee on Ways and Means the following: "; further, the House Committee on Ways and Means shall report changes in law within the jurisdiction of that committee sufficient to raise revenues by an additional $2,700,000,000 for fiscal year 1983, an additional $9,050,000,000 for fiscal year 1984, and an additional $20,950,000,000 for fiscal year 1985".

Page 29, line , insert before the semicolon at the end of the reconciliation instructions for the Senate Committee on Finance the following: "; further, the Senate Committee on Finance shall report changes in law within the jurisdiction of that committee sufficient to raise revenues by an additional $2,700,000,000 for fiscal year 1983, and additional $9,050,000,000 for fiscal year 1984, and an additional $20,950,000,000 for fiscal year 1985".

Page 5, line , increase the level of Federal revenues for fiscal year 1983 by $2,450,000,000.

Page 5, line , increase the net amount by which the aggregate level of Federal revenues should be increased for fiscal year 1983 by $2,450,000,000.

Page 5, line , increase the level of total new budget authority for fiscal year 1983 by $4,500,000,000.

Page 5, line , increase the level of total budget outlays for fiscal year 1983 by $2,450,000,0000.

Page 7, line , increase new budget authority for Functional Category (270) for fiscal year 1983 by $700,000,000.

Page 7, line , increase new budget authority for Functional Category (350) for fiscal year 1983 by $300,000,000.

Page 7, line , increase new budget authority for Functional Category (370) for fiscal year 1983 by $1,250,000,000.

Page 7, line , increase new budget authority for Functional Category (400) for fiscal year 1983 by $900,000,000.

Page 7, line , increase new budget authority for Functional Category (500) for fiscal year 1983 by $1,050,000,000.

Page 7, line , increase new budget authority for Functional Category (550) for fiscal year 1983 by $150,000,000.

Page 8, line , increase new budget authority for Functional Category (600) for fiscal year 1983 by $150,000,000.

Page 7, line , increase outlays for Functional Category (270) for fiscal year 1983 by $500,000,000.

Page 7, line , increase outlays for Functional Category (370) for fiscal year 1983 by $250,000,000.

Page 7, line , increase outlays for Functional Category (400) for fiscal year 1983 by $650,000,000.

Page 7, line , increase outlays for Functional Category (450) for fiscal year 1983 by $150,000,000.

Page 7, line , increase outlays for Functional Category (500) for fiscal year 1983 by $200,000,000.

Page 7, line , increase outlays for Functional Category (550) for fiscal year 1983 by $50,000,000.

Page 8, line , increase outlays for Functional Category (600) for fiscal year 1983 by $450,000,000.

Page 8, line , increase outlays for Functional Category (950) for fiscal year 1983 by $200,000,000.

Page 9, line , increase the level of Federal Revenues for fiscal year 1984 by $3,550,000,000.

Page 9, line , increase the level of Federal Revenues for fiscal year 1985 by $4,400,000,000.

Page 9, line , increase the amount by which the aggregate level of Federal revenues should be increased for fiscal year 1984 by $3,550,000,000.

Page 9, line , increase the amount by which the aggregate level of Federal revenues should be increased for fiscal year 1985 by $4,400,000,000.

Page 10, line , increase the level of total new budget authority for fiscal year 1984 by $5,050,000,000.

Page 10, line , increase the level of total new budget authority for fiscal year 1985 by $5,250,000,000.

Page 10, line , increase the level of total budget outlays for fiscal year 1984 by $3,550,000,000.

Page 10, line , increase the level of total budget outlays for fiscal year 1985 by $4,400,000,000.

Page 12, line , increase new budget authority for Functional Category (270) for fiscal year 1984 by $700,000,000.

Page 12, line , increase the new budget authority for Functional Category (350) for fiscal year 1984 by $150,000,000.

Page 13, line , increase new budget authority for Functional Category (370) for fiscal year 1984 by $1,300,000,000.

Page 13, line , increase new budget authority for Functional Category (400) for fiscal year 1984 by $950,000,000.

Page 14, line , increase new budget authority for Functional Category (500) for fiscal year 1984 by $1,350,000,000.

Page 14, line , increase new budget authority for Functional Category (550) for fiscal year 1984 by $300,000,000.

Page 14, line , increase new budget authority for Functional Category (600) for fiscal year 1984 by $300,000,000.

Page 12, line , increase new budget authority for Functional Category (270) for fiscal year 1984 by $650,000,000.

Page 13, line , increase new budget authority for Functional Category (350) for fiscal year 1985 by $100,000,000.

Page 13, line , increase new budget authority for Functional Category (370) for fiscal year 1985 by $1,150,000,000.

Page 13, line , increase new budget authority for Functional Category (400) for fiscal year 1985 by $1,000,000,000.

Page 14, line , increase new budget authority for Functional Category (500) for fiscal year 1985 by $1,500,000,000.

Page 14, line , increase new budget authority for Functional Category (550) for fiscal year 1985 by $350,000,000.

Page 14, line . increase new budget authority for Functional Category (600) for fiscal year 1985 by $500,000,000.

Page 12, line , increase outlays for Functional Category (270) for fiscal year 1984 by $600,000,000.

Page 12, line , increase outlays for Functional Category (350) for fiscal year 1984 by $150,000,000.

Page 13, line , increase outlays for Functional Category (370) for fiscal year 1984 by $300,000,000.

Page 13, line , increase outlays for Functional Category (400) for fiscal year 1984 by $800,000,000.

Page 14, line , increase outlays for Functional Category (500) for fiscal year 1984 by $850,000,000.

Page 14, line , increase outlays for Functional Category (550) for fiscal year 1984 by $200,000,000.

Page 14, line , increase outlays for Functional Category (600) for fiscal year 1984 by $850,000,000.

Page 12, line , increase outlays for Functional Category (270) for fiscal year 1984 by $500,000,000.

Page 13, line , increase outlays for Functional Category (350) for fiscal year 1985 by $200,000,000.

Page 13, line , increase outlays for Functional Category (370) for fiscal year 1985 by $500,000,000.

Page 13, line , increase outlays for Functional Category (400) for fiscal year 1985 by $900,000,000.

Page 14, line , increase outlays for Functional Category (500) for fiscal year 1985 by $950,000,000.

Page 14, line , increase outlays for Functional Category (550) for fiscal year 1985 by $300,000,000.

Page 14, line , increase outlays for Functional Category (600) for fiscal year 1985 by $850,000,000.

Page 23, line , insert before the semicolon at the end of the reconciliation instructions for the House Committee on Ways and Means the following: "; further, the House Committee on Ways and Means shall report changes in law within the jurisdiction of that committee sufficient to raise revenues by an additional $2,450,000,000 for fiscal year 1983, by an additional $3,550,000,000 for fiscal year 1984, and by additional $4,400,000,000 for fiscal year 1985".

Page 29, line , insert before the semicolon at the end of the reconciliation instructions for the Senate Committee on Finance the following: "; further, the Senate Committee on Finance shall report changes in law within the jurisdiction of that committee sufficient to raise revenues by an additional $2,450,000,000 for fiscal year 1983, by an additional $3,550,000,000 for fiscal year 1984, and by an additional $4,400,000,000 for fiscal year 1985"

By Mr. OBEY (A-2):

—Strike all after the resolving clause and insert in lieu thereof the following:

TITLE I—REVISION OF THE CONGRESSIONAL BUDGET FOR THE UNITED STATES GOVERNMENT FOR THE FISCAL YEAR 1982

SECTION 101. The provisions of this title shall supersede the figures reaffirmed in S. Con. Res. 50 of the Ninety-seventh Congress for the fiscal year beginning on October 1, 1981.

SEC. 102(a)(1). The level of Federal revenues is $624,900,000,000 and the net amount by which the aggregate level of Federal revenues should be increased is $1,900,000,000;

(2) the level of total new budget authority is $789,150,000,000;

(3) the level of total budget outlays is $745,800,000,000;

(4) the amount of the deficit in the budget is $120,900,000,000;

(5) the level of the public debt is $1,147,700,000,000, and the amount by which the statutory limit on such debt should accordingly be increased is $747,700,000,000; and

(6) the level of total gross obligations for the principal amount of direct loans is $63,400,000,000, the level of total new primary commitments to guarantee loan principal is $74,850,000,000, and the level of total new secondary commitments to guarantee loan principle is $68,950,000,000.

(b) Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of subsection (a) of this section of this resolution, the Congress hereby determines and declares that, for the fiscal year beginning on October 1, 1981, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are as follows:

(1) National Defense (050):

(A) New budget authority, $218,200,000,000;

(B) Outlays, $190,800,000,000.

(2) International Affairs (150):

(A) New budget authority, $16,750,000,000;

(B) Outlays, $11,450,000,000.

(3) General Science, Space, and Technology (250):

(A) New budget authority, $7,000,000,000;

(B) Outlays, $7,000,000,000.

(4) Energy (270):

(A) New budget authority, $4,750,000,000;

(B) Outlays, $6,500,000,000.

(5) Natural Resources and Environment (300):

(A) New budget authority, $11,400,000,000;

(B) Outlays, $13,200,000,000.

(6) Agriculture (350):

(A) New budget authority, $9,900,000,000;

(B) Outlays, $13,800,000,000.

(7) Commerce and Housing Credit (370):

(A) New budget authority, $7,500,000,000;

(B) Outlays, $3,750,000,000.

(8) Transportation (400):

(A) New budget authority, $22,200,000,000;

(B) Outlays, $21,500,000,000.

(9) Community and Regional Development (450):

(A) New budget authority, $7,000,000,000;

(B) Outlays, $8,650,000,000.

(10) Education, Training, Employment and Social Services (500):

(A) New budget authority, $24,400,000,000;

(B) Outlays, $28,600,000,000.

(11) Health (550):

(A) New budget authority, $79,050,000,000;

(B) Outlays, $73,750,000,000.

(12) Income Security (600):

(A) New budget authority, $261,350,000,000;

(B) Outlays, $251,850,000,000.

(13) Veterans Benefits and Services (700):

(A) New budget authority, $24,800,000,000;

(B) Outlays, $23,800,000,000.

(14) Administration of Justice (750):

(A) New budget authority, $4,500,000,000;

(B) Outlays, $4,650,000,000.

(15) General Government (800):

(A) New budget authority, $5,200,000,000;

(B) Outlays, $5,050,000,000.

(16) General Purpose Fiscal Assistance (850):

(A) New budget authority, $6,350,000,000;

(B) Outlays, $6,350,000,000.

(17) Interest (900):

(A) New budget authority, $102,200,000,000;

(B) Outlays, $102,200,000,000.

(18) Allowances (920):

(A) New budget authority, $4,850,000,000;

(B) Outlays, $3,150,000,000.

(19) Undistributed Offsetting Receipts (950):

(A) New budget authority, −$30,250,000,000;

(B) Outlays, −$30,250,000,000.

SEC. 103 (a). There is established a congressional federal credit budget for fiscal year 1982 of which the levels of total federal credit activity for fiscal year 1982 are:

(1) New direct loan obligations, $63,400,000,000

(2) New primary loan guarantee commitments, $74,850,000,000

(3) New secondary loan guarantee commitments, $68,950,000,000

(b) Based on allocations of the appropriate levels of total federal credit activity as set forth in paragraph (1) of this subsection, the appropriate levels of new direct loan obligations, new primary loan guarantee commitments, and new secondary loan guarantee commitments for each functional category are as follows:

(1) National Defense (050):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(2) International Affairs (150):

(A) New direct loan obligations, $10,400,000,000;

(B) New primary loan guarantee commitments, $8,100,000,000;

(C) New secondary loan guarantee commitments, $0.

(3) General Science, Space and Technology (250):

(A) New direct loan obligations, $200,000,000;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(4) Energy (270):

(A) New direct loan obligations, $10,300,000,000;

(B) New primary loan guarantee commitments, $400,000,000;

(C) New secondary loan guarantee commitments, $0.

(5) Natural Resources and Environment (300):

(A) New direct loan obligations, $50,000,000;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(6) Agriculture (350):

(A) New direct loan obligations, $22,600,000,000;

(B) New primary loan guarantee commitments, $2,700,000,000;

(C) New secondary loan guarantee commitments, $0.

(7) Commerce and Housing Credit (370):

(A) New direct loan obligations, $12,050,000,000;

(B) New primary loan guarantee commitments, $26,200,000,000;

(C) New secondary loan guarantee commitments, $68,200,000,000.

(8) Transportation (400):

(A) New direct loan obligations, $350,000,000;

(B) New primary loan guarantee commitments, $750,000,000;

(C) New secondary loan guarantee commitments, $50,000,000.

(9) Community and Regional Development (450):

(A) New direct loan obligations, $2,000,000,000;

(B) New primary loan guarantee commitments, $850,000,000;

(C) New secondary loan guarantee commitments, $0.

(10) Education, Training, Employment and Social Services (500):

(A) New direct loan obligations, $1,300,000,000;

(B) New primary loan guarantee commitments, $6,500,000,000;

(C) New secondary loan guarantee commitments, $700,000,000.

(11) Health (550):

(A) New direct loan obligations, $50,000,000;

(B) New primary loan guarantee commitments, $100,000,000;

(C) New secondary loan guarantee commitments, $0.

(12) Income Security (600):

(A) New direct loan obligations, $2,750,000,000;

(B) New primary loan guarantee commitments, $17,050,000,000;

(C) New secondary loan guarantee commitments, $0.

(13) Veterans Benefits and Services (700):

(A) New direct loan obligations, $1,050,000,000;

(B) New primary loan guarantee commitments, $11,900,000,000;

(C) New secondary loan guarantee commitments, $0.

(14) Administration of Justice (750):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(15) General Government (800):

(A) New direct loan obligations, $50,000,000;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments. $0.

(16) General Purpose Fiscal Assistance (850):

(A) New direct loan obligations, $250,000,000;

(B) New primary loan guarantee commitments, $300,000,000;

(C) New secondary loan guarantee commitments, $0.

(17) Interest (900):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0;

(18) Allowances (920):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0;

(19) Undistributed Offsetting Receipts (950):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0;

(c) It is the sense of the Congress that the President and the Congress, through the appropriations process, should limit in fiscal year 1982 the off-budget lending activity of the Federal Government to a level not to exceed $30,200,000,000, the on-budget lending activity to a level not to exceed $33,200,000,000, new primary loan guarantee commitments to a level not to exceed $74,850,000,000, and new secondary loan guarantee commitments to a level not to exceed $68,950,000,000.

TITLE II—SETTING FORTH THE CONGRESSIONAL BUDGET FOR THE UNITED STATES GOVERNMENT FOR THE FISCAL YEARS 1983, 1984, AND 1985

SEC. 201. The Congress hereby determines and declares, pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on October 1, 1982—

(1) the level of Federal revenues is $682,400,000,000 and the net amount by which the aggregate level of Federal revenues should be increased is $37,400,000,000;

(2) the level of total new budget authority is $816,600,000,000;

(3) the level of total budget outlays is $781,100,000,000;

(4) the amount of the deficit in the budget is $98,700,000,000; and

(5) the level of the public debt is $1,285,500,000,000, and the amount by which the statutory limit on such debt should accordingly be increased is $885,500,000,000.

SEC. 202. Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of section 201 of this resolution, the Congress hereby determines and declares pursuant to section 301(a) of the Congressional Budget Act of 1974 that, for the fiscal year beginning on October 1, 1982, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are as follows:

(1) National Defense (050):

(A) New budget authority, $228,400,000,000;

(B) Outlays, $208,700,000,000.

(2) International Affairs (150):

(A) New budget authority $16,150,000,000;

(B) Outlays, $12,100,000,000.

(3) General Science, Space, and Technology (250):

(A) New budget authority, $7,700,000,000;

(B) Outlays, $7,500,000,000.

(4) Energy (270):

(A) New budget authority, $5,300,000,000;

(B) Outlays, $5,000,000,000.

(5) Natural Resources and Environment (300):

(A) New budget authority, $9,200,000,000;

(B) Outlays, $10,800,000,000.

(6) Agriculture (350):

(A) New budget authority, $7,000,000,000;

(B) Outlays, $10,200,000,000.

(7) Commerce and Housing Credit (370):

(A) New budget authority, $8,150,000,000;

(B) Outlays, $3,100,000,000.

(8) Transportation (400):

(A) New budget authority, $22,300,000,000;

(B) Outlays, $20,550,000,000.

(9) Community and Regional Development (450):

(A) New budget authority, $7,300,000,000;

(B) Outlays, $7,950,000,000.

(10) Education, Training, Employment and Social Services (500):

(A) New budget authority, $28,650,000,000;

(B) Outlays, $27,850,000,000.

(11) Health (550):

(A) New budget authority, $77,600,000,000;

(B) Outlays, $80,400,000,000.

(12) Income Security (600):

(A) New budget authority, $287,800,000,000;

(B) Outlays, $275,750,000,000.

(13) Veterans Benefits and Services (700):

(A) New budget authority, $24,400,000,000;

(B) Outlays, $23,650,000,000.

(14) Administration of Justice (750):

(A) New budget authority, $4,650,000,000;

(B) Outlays, $4,700,000,000.

(15) General Government (800):

(A) New budget authority, $5,000,000,000;

(B) Outlays, $4,850,000,000.

(16) General Purpose Fiscal Assistance (850):

(A) New budget authority, $6,500,000,000;

(B) Outlays, $6,500,000,000.

(17) Interest (900):

(A) New budget authority, $114,900,000,000;

(B) Outlays, $114,900,000,000.

(18) Allowances (920):

(A) New budget authority, −$550,000,000;

(B) Outlays, $450,000,000.

(19) Undistributed Offsetting Receipts (950):

(A) New budget authority, −$43,850,000,000;

(B) Outlays, −$43,850,000,000.

SEC. 203(a). There is established a congressional federal credit budget for fiscal year 1983 of which the levels of total federal credit activity for fiscal year 1983 are:

(1) New direct loan obligations, $61,450,000,000;

(2) New primary loan guarantee commitments, $99,100,000,000;

(3) New secondary loan guarantee commitments, $68,250,000,000;

(b) Based on allocations of the appropriate levels of total federal credit activity as set forth in paragraph (1) of this subsection, the appropriate levels of new direct loan obligations, new primary loan guarantee commitments, and new secondary loan guarantee commitments for each functional category are as follows:

(1) National Defense (050):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(2) International Affairs (150):

(A) New direct loan obligations, $10,850,000,000;

(B) New primary loan guarantee commitments, $8,950,000,000;

(C) New secondary loan guarantee commitments, $0.

(3) General Science, Space and Technology (250):

(A) New direct loan obligations, $150,000,000;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments. $0.

(4) Energy (270):

(A) New direct loan obligations, $11,950,000,000;

(B) New primary loan guarantee commitments, −$850,000,000;

(C) New secondary loan guarantee commitments, $0.

(5) Natural Resources and Environment (300):

(A) New direct loan obligations, $50,000,000;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(6) Agriculture (350):

(A) New direct loan obligations, $19,150,000,000;

(B) New primary loan guarantee commitments, $2,650,000,000;

(C) New secondary loan guarantee commitments, $0.

(7) Commerce and Housing Credit (370):

(A) New direct loan obligations, $12,550,000,000;

(B) New primary loan guarantee commitments, $40,100,000,000;

(C) New secondary loan guarantee commitments, $68,250,000,000.

(8) Transportation (400):

(A) New direct loan obligations, $350,000,000;

(B) New primary loan guarantee commitments, $750,000,000;

(C) New secondary loan guarantee commitments, $0.

(9) Community and Regional Development (450):

(A) New direct loan obligations, $2,000,000,000;

(B) New primary loan guarantee commitments, $500,000,000;

(C) New secondary loan guarantee commitments, $0.

(10) Education, Training, Employment and Social Services (500):

(A) New direct loan obligations, $950,000,000;

(B) New primary loan guarantee commitments, $7,250,000,000;

(C) New secondary loan guarantee commitments, $0.

(11) Health (550):

(A) New direct loan obligations, $50,000,000;

(B) New primary loan guarantee commitments, $100,000,000;

(C) New secondary loan guarantee commitments, $0.

(12) Income Security (600):

(A) New direct loan obligations, $2,050,000,000;

(B) New primary loan guarantee commitments, $18,700,000,000;

(C) New secondary loan guarantee commitments, $0.

(13) Veterans Benefits and Services (700):

(A) New direct loan obligations, $1,050,000,000;

(B) New primary loan guarantee commitments, $20,950,000,000;

(C) New secondary loan guarantee commitments, $0.

(14) Administration of Justice (750):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(15) General Government (800):

(A) New direct loan obligations, $50,000,000;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(16) General Purpose Fiscal Assistance (850):

(A) New direct loan obligations, $250,000,000;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(17) Interest (900):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(18) Allowances (920):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(19) Undistributed Offsetting Receipts (950):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(c) It is the sense of the Congress that the President and the Congress, through the appropriations process, should limit in fiscal year 1983 the off-budget lending activity of the Federal Government to a level not to exceed $31,050,000,000, the on-budget lending activity to a level not to exceed $30,400,000,000, new primary loan guarantee commitments to a level not to exceed $99,100,000,000, and new secondary loan guarantee commitments to a level not to exceed $68,250,000,000.

Sec. 204. The Congress sets forth the following budgetary levels for fiscal years 1984 and 1985—

(1) the level of Federal revenues is as follows:

Fiscal year 1984: $787,800,000,000;

Fiscal year 1985: $892,200,000,000; and the amount by which the aggregate levels of Federal revenues should be increased is as follows:

Fiscal year 1984: $85,600,000,000;

Fiscal year 1985: $112,200,000,000.

(2) the level of total new budget authority is as follows:

Fiscal year 1984; $879,850,000,000;

Fiscal year 1985; $948,150,000,000.

(3) the level of total budget outlays is as follows:

Fiscal year 1984; $824,600,000,000;

Fiscal year 1985; $879,000,000,000.

(4) the amount of the deficit or surplus in the budget is:

Fiscal year 1984; −$37,000,000,000;

Fiscal year 1985; +$13,200,000,000.

(5) the level of public debt is as follows:

Fiscal year 1984; $1,404,450,000,000;

Fiscal year 1985; $1,490,800,000,000; and the amount by which the temporary statutory limit on such debt should be accordingly increased is as follows:

Fiscal year 1984: $1,004,450,000,000;

Fiscal year 1985: $1,090,800,000,000.

Sec. 205. Based on allocations of the appropriate level of total new budget authority and of total budget outlays for fiscal years 1984 and 1985 as set forth above, the appropriate level of new budget authority and the estimated budget outlays for each minor functional category are respectively as follows:

(1) National Defense (050):

Fiscal year 1984:

(A) New budget authority, $252,850,000,000;

(B) Outlays, $227,650,000,000.

Fiscal year 1985:

(A) New budget authority, $279,850,000,000;

(B) Outlays, $256,000,000,000.

(2) International Affairs (150):

Fiscal year 1984:

(A) New budget authority, $17,550,000,000;

(B) Outlays, $12,700,000,000.

Fiscal year 1985:

(A) New budget authority, $22,700,000,000;

(B) Outlays, $13,000,000,000.

(3) General Science, Space, and Technology (250):

Fiscal year 1984:

(A) New budget authority, $8,050,000,000;

(B) Outlays, $8,050,000,000.

Fiscal year 1985:

(A) New budget authority, $8,350,000,000;

(B) Outlays, $8,350,000,000.

(4) Energy (270):

Fiscal year 1984:

(A) New budget authority, $4,950,000,000;

(B) Outlays, $4,150,000,000.

Fiscal year 1985:

(A) New budget authority, $4,950,000,000;

(B) Outlays, $4,100,000,000.

(5) Natural Resources and Environment (300):

Fiscal year 1984:

(A) New budget authority, $9,100,000,000;

(B) Outlays, $10,200,000,000.

Fiscal year 1985:

(A) New budget authority, $9,300,000,000;

(B) Outlays, $9,550,000,000.

(6) Agriculture (350):

Fiscal year 1984:

(A) New budget authority, $8,550,000,000;

(B) Outlays, $8,400,000,000.

Fiscal year 1985:

(A) New budget authority, $7,150,000,000;

(B) Outlays, $7,750,000,000.

(7) Commerce and Housing Credit (370):

Fiscal year 1984:

(A) New budget authority, $9,000,000,000;

(B) Outlays, $2,800,000,000.

Fiscal year 1985:

(A) New budget authority, $9,200,000,000;

(B) Outlays, $3,050,000,000.

(8) Transportation (400):

Fiscal year 1984:

(A) New budget authority, $22,600,000,000;

(B) Outlays, $20,400,000,000.

Fiscal year 1985:

(A) New budget authority, $23,700,000,000;

(B) Outlays, $20,750,000,000.

(9) Community and Regional Development (450):

Fiscal year 1984:

(A) New budget authority, $7,950,000,000;

(B) Outlays, $7,900,000,000.

Fiscal year 1985:

(A) New budget authority, $8,450,000,000;

(B) Outlays, $8,350,000,000.

(10) Education, Training, Employment, and Social Services (500):

Fiscal year 1984:

(A) New budget authority, $30,250,000,000;

(B) Outlays, $29,400,000,000.

Fiscal year 1985:

(A) New budget authority, $31,550,000,000;

(B) Outlays, $29,900,000,000.

(11) Health (550):

Fiscal year 1984:

(A) New budget authority, $82,050,000,000;

(B) Outlays, $90,550,000,000.

Fiscal year 1985:

(A) New budget authority, $94,700,000,000;

(B) Outlays, $102,500,000,000.

(12) Income Security (600):

Fiscal year 1984:

(A) New budget authority, $316,450,000,000;

(B) Outlays, $292,400,000,000.

Fiscal year 1985:

(A) New budget authority, $348,250,000,000;

(B) Outlays, $315,650,000,000.

(13) Veterans Benefits and Services (700):

Fiscal year 1984:

(A) New budget authority, $25,550,000,000;

(B) Outlays, $24,950,000,000.

Fiscal year 1985:

(A) New budget authority, $26,800,000,000;

(B) Outlays, $26,650,000,000.

(14) Administration of Justice (750):

Fiscal year 1984:

(A) New budget authority, $4,900,000,000.

(B) Outlays, $4,850,000,000.

Fiscal year 1985:

(A) New budget authority $4,850,000,000.

(B) Outlays, $4,900,000,000.

(15) General Government (800):

Fiscal year 1984:

(A) New budget authority, $4,950,000,000;

(B) Outlays, $4,800,000,000.

Fiscal year 1985:

(A) New budget authority, $5,250,000,000;

(B) Outlays, $4,950,000,000.

(16) General Purpose Fiscal Assistance (850):

Fiscal year 1984:

(A) New budget authority, $6,750,000,000;

(B) Outlays, $6,700,000,000.

Fiscal year 1985:

(A) New budget authority, $6,900,000,000;

(B) Outlays, $6,900,000,000.

(17) Interest (900):

Fiscal year 1984:

(A) New budget authority, $117,000,000,000;

(B) Outlays, $117,000,000,000.

Fiscal year 1985:

(A) New budget authority, $105,500,000,000;

(B) Outlays, $105,500,000,000.

(18) Allowances (920):

Fiscal year 1984:

(A) New budget authority, $1,050,000,000;

(B) Outlays, $1,400,000,000.

Fiscal year 1985:

(A) New budget authority, $1,750,000,000;

(B) Outlays, $2,200,000,000.

(19) Undistributed Offsetting Receipts (950):

Fiscal year 1984:

(A) New budget authority, −$49,700,000,000;

(B) Outlays, −$49,700,000,000.

Fiscal year 1985:

(A) New budget authority, −$51,050,000,000;

(B) Outlays, $51,050,000,000.

Title III—Providing Reconciliation Instructions And Other Enforcement Measures

Part A—Reconciliation Instructions

Sec. 301. Pursuant to section 301(b)(2) of the Budget Act—

(A) the House Committee on Agriculture shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $207,000,000 and outlays by $207,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $530,000,000 in budget authority and $530,000,000 in outlays in fiscal year 1984, and $661,000,000 in budget authority and $661,000,000 in outlays in fiscal year 1985.

(B) the House Committee on Banking, Finance and Urban Affairs shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce outlays by $695,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $697,000,000 in outlays in fiscal year 1984, and $687,000,000 in outlays in fiscal year 1985.

(C) the House Committee on Energy and Commerce shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $59,000,000 and outlays by $59,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $65,000,000 in budget authority and $65,000,000 in outlays in fiscal year 1984, and $72,000,000 in budget authority and $72,000,000 in outlays in fiscal year 1985.

(D) the House Committee on Veterans' Affairs shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $171,000,000 and outlays by $171,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $167,000,000 in budget authority and $187,000,000 in outlays in fiscal year 1984. and $195,000,000 in budget authority and $195,000,000 in outlays in fiscal year 1985.

(E) the House Committee on Ways and Means shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $334,000,000 and outlays by $2,284,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $205,000,000 in budget authority and $3,005,000,000 in outlays in fiscal year 1984, and $267,000,000 in budget authority and $3,567,000,000 in outlays in fiscal year 1985.

(F) the House Committee on Ways and Means shall report changes in laws within the jurisdiction of the committee sufficient to increase revenue by $37,400,000,000 for fiscal year 1983; further, the Congress finds that the prospect of unacceptably high deficits in future years requires additional revenues of $85,600,000,000 for fiscal year 1984, and $112,200,000,000 for fiscal year 1985.

Sec. 302. Pursuant to section 301(b)(2) of the Budget Act—

(A) the Senate Committee on Finance shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $393,000,000 and outlays by $2,343,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future years requires additional savings of $270,000,000 in budget authority and $3,070,000,000 in outlays for fiscal year 1984, and $339,000,000 in budget authority and $3,639,000,000 in outlays in fiscal year 1985.

(B) the Senate Committee on Finance shall report changes in law within the jurisdiction of that committee sufficient to increase revenues by $37,400,000,000 for fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future years requires additional revenues of $85,600,000,000 for fiscal year 1984, and $112,200,000,000 in fiscal year 1985.

(C) the Senate Committee on Agriculture shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $207,000,000 and outlays by $207,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future years requires additional savings of $530,000,000 in budget authority and $530,000,000 in outlays for fiscal year 1984, and $661,000,000 in budget authority and $661,000,000 in outlays in fiscal year 1985.

(D) the Senate Committee on Armed Services shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $1,000,000 and outlays by $1,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future years requires additional savings of $3,000,000 in budget authority and $3,000,000 in outlays for fiscal year 1984, and $5,000,000 in budget authority and $5,000,000 in outlays in fiscal year 1985.

(E) the Senate Committee on Banking, Housing, and Urban Affairs shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $90,000,000 and outlays by $785,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future years requires additional savings of $100,000,000 in budget authority and $797,000,000 in outlays for fiscal year 1984, and $104,000,000 in budget authority and $791,000,000 in outlays in fiscal year 1985.

(F) the Senate Committee on Veterans' Affairs shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $81,000,000 and outlays by $81,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future years requires additional savings of $87,000,000 in budget authority and $87,000,000 in outlays for fiscal year 1984, and $91,000,000 in budget authority and $91,000,000 in outlays in fiscal year 1985.

Sec. 303. The committees names in sections 301(A)-(D) and 302(C)-(F) shall submit their recommendations to the Committees on the Budget of their respective Houses. Those recommendations shall be sufficient to accomplish the changes required by such subsection. After receiving those recommendations, the Committees on the Budget shall report to the House and Senate a reconciliation bill or resolution or both carrying out all such recommendations without any substantive revision.

DEFERRED ENROLLMENT

Sec. 304. In the House of Representatives, no bill or resolution providing—

(1) new budget authority for fiscal year 1983, or

(2) new spending authority described in section 401(c)(2)(C) of the Congressional Budget Act first effective in fiscal year 1983—which exceeds the appropriate allocation or subdivision of such new discretionary budget authority or new spending authority made pursuant to section 302 of such Act shall be enrolled until after Congress has completed action on the second concurrent resolution on the budget required to be reported under section 310 of such Act.

302(b) REPORT

Sec. 305. It shall not be in order in either the House of Representatives or the Senate to consider any bill or resolution, or amendment thereto, providing—

(1) new budget authority for fiscal year 1983; or

(2) new spending authority described in section 401(c)(2)(C) of the Budget Act first effective in fiscal year 1983;

within the jurisdiction of any of its committees unless and until such committee makes the allocations or subdivisions required by section 302(b) of the Budget Act.

Sec. 306. By this budget resolution, Congress significantly reduces projected deficits for fiscal year 1983 and more importantly by even larger amounts in fiscal year 1984 and 1985. These actions restore control over fiscal policy and make changes in monetary policy appropriate. Consequently, the Federal Reserve Board shall adjust monetary policy as required to foster sustained economic growth and declining inflation as reflected by the growth of gross national product assumed in this budget resolution and contained in the accompanying report.

If the Federal Reserve Board at any time prior to the passage of the budget resolution for fiscal year 1984 believes that the growth and inflation targets specified in the report are inappropriate, the chairman of the Federal Reserve Board shall submit to the Budget Committee and Banking Committees an analysis supporting that conclusion.

By Mr. FAUNTROY (A-3):

(Amendment in the nature of a substitute.)

—strike out all after the resolving clause and insert in lieu thereof the following:

TITLE I—REVISION OF THE CONGRESSIONAL BUDGET FOR THE UNITED STATES GOVERNMENT FOR THE FISCAL YEAR 1982

Sec. 101. The provisions of this title shall supersede the figures reaffirmed in S. Con. Res. 50 of the Ninety-seventh Congress for the fiscal year beginning on October 1, 1981.

Sec. 102. (a)(1) The level of Federal revenues is $622,800,000,000 and the net amount by which the aggregate level of Federal revenues should be decreased is $200,000,000.

(2) The level of total new budget authority is $784,500,000,000.

(3) The level of total budget outlays is $743,900,000,000.

(4) The amount of the deficit in the budget is $121,100,000,000.

(5) The level of the public debt is $1,147,700,000,000 and the amount by which the statutory limit on such debt should accordingly be increased is $747,700,000,000.

(6) The level of total obligations for the principal amount of new direct loans is $63,400,000,000, the level of total new primary commitments to guarantee loan principal is $74,850,000,000, and the level of total new secondary commitments to guarantee loan principal is $68,950,000,000.

(b) Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of subsection (a) of this section of this resolution, the Congress hereby determines and declares that, for the fiscal year beginning on October 1, 1981, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are as follows:

(1) National Defense (050):

(A) New budget authority, $218,200,000,000;

(B) Outlays, $190,800,000,000.

(2) International Affairs (150):

(A) New budget authority, $16,750,000,000;

(B) Outlays, $11,450,000,000.

(3) General Science, Space, and Technology (250):

(A) New budget authority, $7,000,000,000;

(B) Outlays, $7,000,000,000.

(4) Energy (270):

(A) New budget authority, $4,750,000,000;

(B) Outlays, $6,500,000,000.

(5) Natural Resources and Environment (300):

(A) New budget authority, $10,400,000,000;

(B) Outlays, $12,850,000,000.

(6) Agriculture (350):

(A) New budget authority, $9,900,000,000;

(B) Outlays, $13,800,000,000.

(7) Commerce and Housing Credit (370):

(A) New budget authority, $7,500,000,000;

(B) Outlays, $3,750,000,000.

(8) Transportation (400):

(A) New budget authority, $21,350,000,000;

(B) Outlays, $21,450,000,000.

(9) Community and Regional Development (450):

(A) New budget authority, $7,000,000,000;

(B) Outlays, $8,650,000,000.

(10) Education, Training, Employment and Social Services (500):

(A) New budget authority, $25,450,000,000;

(B) Outlays, $28,200,000,000.

(11) Health (550):

(A) New budget authority, $79,050,000,000;

(B) Outlays, $73,750,000,000.

(12) Income Security (600):

(A) New budget authority, $261,350,000,000;

(B) Outlays, $251,850,000,000.

(13) Veterans Benefits and Services (700):

(A) New budget authority, $24,800,000,000;

(B) Outlays, $23,800,000,000.

(14) Administration of Justice (750):

(A) New budget authority, $4,500,000,000;

(B) Outlays, $4,650,000,000.

(15) General Government (800):

(A) New budget authority, $5,200,000,000;

(B) Outlays, $5,050,000,000.

(16) General Purpose Fiscal Assistance (850):

(A) New budget authority, $6,350,000,000;

(B) Outlays, $6,350,000,000.

(17) Interest (900):

(A) New budget authority, $102,350,000,000;

(B) Outlays, $102,350,000,000.

(18) Allowances (920):

(A) New budget authority, $2,850,000,000;

(B) Outlays, $1,900,000,000.

(19) Undistributed Offsetting Receipts (950):

(A) New budget authority, −$30,250,000,000.

(B) Outlays, −$30,250,000,000.

Sec. 103. (a) There is established a congressional Federal credit budget for fiscal year 1982 of which the levels of total Federal credit activity for fiscal year 1982 are:

(1) New direct loan obligations, $63,400,000,000.

(2) New primary loan guarantee commitments, $74,850,000,000.

(3) New secondary loan guarantee commitments, $68,950,000,000.

(b) Based on allocations of the appropriate levels of total Federal credit activity as set forth in paragraph (1) of this subsection, the appropriate levels of new direct loan obligations, new primary loan guarantee commitments, and new secondary loan guarantee commitments for each functional category are as follows:

(1) National Defense (050):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(2) International Affairs (150):

(A) New direct loan obligations, $10,400,000,000;

(B) New primary loan guarantee commitments, $8,100,000,000;

(C) New secondary loan guarantee commitments, $0.

(3) General Science, Space and Technology (250):

(A) New direct loan obligations, $200,000,000;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(4) Energy (270):

(A) New direct loan obligations, $10,300,000,000;

(B) New primary loan guarantee commitments, $400,000,000;

(C) New secondary loan guarantee commitments, $0.

(5) Natural Resources and Environment (300):

(A) New direct loan obligations, $50,000,000;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(6) Agriculture (350):

(A) New direct loan obligations, $22,600,000,000;

(B) New primary loan guarantee commitments, $2,700,000,000;

(C) New secondary loan guarantee commitments, $0.

(7) Commerce and Housing Credit (370):

(A) New direct loan obligations, $12,050,000,000;

(B) New primary loan guarantee commitments, $26,200,000,000;

(C) New secondary loan guarantee commitments, $68,200,000,000.

(8) Transportation (400):

(A) New direct loan obligations, $350,000,000;

(B) New primary loan guarantee commitments, $750,000,000;

(C) New secondary loan guarantee commitments, $50,000,000.

(9) Community and Regional Development (450):

(A) New direct loan obligations, $2,000,000,000;

(B) New primary loan guarantee commitments, $850,000,000;

(C) New secondary loan guarantee commitments, $0.

(10) Education, Training, Employment, and Social Services (500):

(A) New direct loan obligations, $1,300,000,000;

(B) New primary loan guarantee commitments, $6,500,000,000;

(C) New secondary loan guarantee commitments, $700,000,000.

(11) Health (550):

(A) New direct loan obligations, $50,000,000;

(B) New primary loan guarantee commitments, $100,000,000;

(C) New secondary loan guarantee commitments, $0.

(12) Income Security (600):

(A) New direct loan obligations, $2,750,000,000;

(B) New primary loan guarantee commitments, $17,050,000,000;

(C) New secondary loan guarantee commitments, $0.

(13) Veterans Benefits and Services (700):

(A) New direct loan obligations, $1,050,000,000;

(B) New primary loan guarantee commitments, $11,900,000,000;

(C) New secondary loan guarantee commitments, $0.

(14) Administration of Justice (750):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(15) General Government (800):

(A) New direct loan obligations, $50,000,000;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(16) General Purpose Fiscal Assistance (850):

(A) New direct loan obligations, $250,000,000;

(B) New primary loan guarantee commitments, $300,000,000;

(C) New secondary loan guarantee commitments, $0.

(17) Interest (900):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(18) Allowances (920):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(19) Undistributed Offsetting Receipts (950):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(c) It is the sense of the Congress that the President and the Congress, through the appropriations process, should limit in fiscal year 1982 the off-budget lending activity of the Federal Government to a level not to exceed $30,200,000,000, the on-budget lending activity to a level not to exceed $33,200,000,000, new primary loan guarantee commitments to a level not to exceed $74,850,000,000, and new secondary loan guarantee commitments to a level not to exceed $68,950,000,000.

TITLE II—SETTING FORTH THE CONGRESSIONAL BUDGET FOR THE UNITED STATES GOVERNMENT FOR THE FISCAL YEAR 1983

Sec. 201. The Congress hereby determines and declares, pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on October 1, 1982—

(1) the level of Federal revenues is $711,000,000,000, and the net amount by which the aggregate level of Federal revenues should be increased is $——,

(2) the level of total new budget authority is $831,370,000,000,

(3) the level of total budget outlays is $808,797,000,000,

(4) the amount of the deficit in the budget is $97,797,000,000, and

(5) the level of the public debt is $1,285,550,000,000, and the amount by which the statutory limit on such debt should accordingly be increased is $885,550,000,000.

Sec. 202. Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of section 201 of this resolution, the Congress hereby determines and declares pursuant to section 301(a) of the Congressional Budget Act of 1974 that, for the fiscal year beginning on October 1, 1982, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are as follows:

(1) National Defense (050):

(A) New budget authority, $196,329,000,000;

(B) Outlays, $199,264,000,000.

(2) International Affairs (150):

(A) New budget authority, $16,760,000,000;

(B) Outlays, $11,653,000,000.

(3) General Science, Space, and Technology (250):

(A) New budget authority, $7,723,000,000;

(B) Outlays, $7,604,000,000.

(4) Energy (270):

(A) New budget authority, $5,757,000,000;

(B) Outlays, $4,901,000,000.

(5) Natural Resources and Environment (300):

(A) New budget authority, $7,915,000,000;

(B) Outlays, $9,239,000,000.

(6) Agriculture (350):

(A) New budget authority, $6,810,000,000;

(B) Outlays, $10,306,000,000.

(7) Commerce and Housing Credit (370):

(A) New budget authority, $12,626,000,000;

(B) Outlays, $5,476,000,000.

(8) Transportation (400):

(A) New budget authority, $27,302,000,000;

(B) Outlays, $22,367,000,000.

(9) Community and Regional Development (450):

(A) New budget authority, $11,332,000,000;

(B) Outlays, $9,795,000,000.

(10) Education, Training, Employment, and Social Services (500):

(A) New budget authority, $35,606,000,000;

(B) Outlays, $34,316,000,000.

(11) Health (550):

(A) New budget authority, $88,972,000,000;

(B) Outlays, $85,592,000,000.

(12) Income Security (600):

(A) New budget authority, $293,852,000,000;

(B) Outlays, $288,058,000,000.

(13) Veterans Benefits and Services (700):

(A) New budget authority, $23,714,000,000;

(B) Outlays, $23,747,000,000.

(14) Administration of Justice (750):

(A) New budget authority, $4,835,000,000;

(B) Outlays, $4,800,000,000.

(15) General Government (800):

(A) New budget authority, $5,597,000,000;

(B) Outlays, $5,379,000,000.

(16) General Purpose Fiscal Assistance (850):

(A) New budget authority, $6,556,000,000;

(B) Outlays, $6,549,000,000.

(17) Interest (900):

(A) New budget authority, $115,000,000,000;

(B) Outlays, $115,000,000,000.

(18) Allowances (920):

(A) New budget authority, $346,000,000;

(B) Outlays, $413,000,000.

(19) Undistributed Offsetting Receipts (950):

(A) New budget authority, −$35,662,000,000;

(B) Outlays, −$35,662,000,000.

By Mr. ROUSSELOT (A-):

(Amendment in the nature of a substitute.)

—Strike out all after the resolving clause and insert in lieu thereof the following:

TITLE I—REVISION OF THE CONGRESSIONAL BUDGET FOR THE UNITED STATES GOVERNMENT FOR THE FISCAL YEAR 1982

Sec. 101. The provisions of this title shall supersede the figures reaffirmed in S. Con. Res. 50 of the Ninety-seventh Congress for the fiscal year beginning on October 1, 1981.

Sec. 102. (a)(1) The level of Federal revenues is $622,800,000,000 and the net amount by which the aggregate level of Federal revenues should be decreased is $200,000,000.

(2) The level of total new budget authority is $784,500,000,000.

(3) The level of total budget outlays is $743,900,000,000.

(4) The amount of the deficit in the budget is $121,100,000,000.

(5) The level of the public debt is $1,147,700,000,000 and the amount by which the statutory limit on such debt should accordingly be increased is $747,700,000,000.

(6) The level of total obligations for the principal amount of new direct loans is $63,400,000,000, the level of total new primary commitments to guarantee loan principal is $74,850,000,000, and the level of total new secondary commitments to guarantee loan principal is $68,950,000,000.

(b) Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of subsection (a) of this section of this resolution, the Congress hereby determines and declares that, for the fiscal year beginning on October 1, 1981, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are as follows

(1) National Defense (050):

(A) New Budget authority, $218,200,000,000;

(B) Outlays, $190,800,000,000.

(2) International Affairs (150):

(A) New Budget authority, $16,750,000,000;

(B) Outlays, $11,450,000,000.

(3) General Science, Space, and Technology (250):

(A) New Budget authority, $7,000,000,000;

(B) Outlays, $7,000,000,000.

(4) Energy (270):

(A) New Budget authority, $4,750,000,000;

(B) Outlays, $6,500,000,000.

(5) Natural Resources and Environment (300):

(A) New budget authority, $10,400,000,000;

(B) Outlays, $12,850,000,000.

(6) Agriculture (350):

(A) New budget authority, $9,900,000,000;

(B) Outlays, $13,800,000,000.

(7) Commerce and Housing Credit (370):

(A) New budget authority, $7,500,000,000;

(B) Outlays, $3,750,000,000.

(8) Transportation (400):

(A) New budget authority, $21,350,000,000;

(B) Outlays, $21,450,000,000.

(9) Community and Regional Development (450):

(A) New budget authority, $7,000,000,000;

(B) Outlays, $8,650,000,000.

(10) Education, Training, Employment and Social Services (500):

(A) New budget authority, $25,450,000,000;

(B) Outlays, $28,200,000,000.

(11) Health (550):

(A) New budget authority, $79,050,000,000;

(B) Outlays, $73,750,000,000.

(12) Income Security (600):

(A) New budget authority, $261,350,000,000;

(B) Outlays, $251,850,000,000.

(13) Veterans Benefits and Services (700):

(A) New budget authority, $24,800,000,000;

(B) Outlays, $23,800,000,000.

(14) Administration of Justice (750):

(A) New budget authority, $4,500,000,000;

(B) Outlays, $4,650,000,000.

(15) General Government (800):

(A) New budget authority, $5,200,000,000;

(B) Outlays, $5,050,000,000.

(16) General Purpose Fiscal Assistance (850):

(A) New budget authority, $6,350,000,000;

(B) Outlays, $6,350,000,000.

(17) Interest (900):

(A) New budget authority, $102,350,000,000;

(B) Outlays, $102,350,000,000.

(18) Allowances (920):

(A) New budget authority, $2,850,000,000;

(B) Outlays, $1,900,000,000.

(19) Undistributed Offsetting Receipts (950):

(A) New budget authority, –$30,250,000,000;

(B) Outlays, –$30,250,000,000.

Sec. 103. (a) There is established a congressional Federal credit budget for fiscal year 1982 of which the levels of total Federal credit activity for fiscal year 1982 are:

(1) New direct loan obligations, $63,400,000,000.

(2) New primary loan guarantee commitments, $74,850,000,000.

(3) New secondary loan guarantee commitments, $68,950,000,000.

(b) Based on allocations of the appropriate levels of total Federal credit activity as set forth in paragraph (1) of this subsection, the appropriate levels of new direct loan obligations, new primary loan guarantee commitments, and new secondary loan guarantee commitments for each functional category are as follows:

(1) National Defense (050):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(2) International Affairs (150):

(A) New direct loan obligations, $10,400,000,000;

(B) New primary loan guarantee commitments, $8,100,000,000.

(C) New secondary loan guarantee commitments, $0.

(3) General Science, Space and Technology (250):

(A) New direct loan obligations, $200,000,000;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(4) Energy (270):

(A) New direct loan obligations, $10,300,000,000;

(B) New primary loan guarantee commitments, $400,000,000;

(C) New secondary loan guarantee commitments, $0.

(5) Natural Resources and Environment (300):

(A) New direct loan obligations, $50,000,000;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(6) Agriculture (350):

(A) New direct loan obligations, $22,600,000,000;

(B) New primary loan guarantee commitments, $2,700,000,000;

(C) New secondary loan guarantee commitments, $0.

(7) Commerce and Housing Credit (370);

(A) New direct loan obligations, $12,050,000,000;

(B) New primary loan guarantee commitments, $26,200,000,000;

(C) New secondary loan guarantee commitments. $68,200,000,000.

(8) Transportation (400):

(A) New direct loan obligations, $350,000,000;

(B) New primary loan guarantee commitments, $750,000,000;

(C) New secondary loan guarantee commitments, $50,000,000.

(9) Community and Regional Development (450):

(A) New direct loan obligations, $2,000,000,000;

(B) New primary loan guarantee commitments, $850,000,000;

(C) New secondary loan guarantee commitments, $0.

(10) Education, Training, Employment, and Social Services (500):

(A) New direct loan obligations, $1,300,000,000;

(B) New primary loan guarantee commitments, $6,500,000,000;

(C) New secondary loan guarantee commitments, $700,000,000.

(11) Health (550):

(A) New direct loan obligations, $50,000,000;

(B) New primary loan guarantee commitments, $100,000,000;

(C) New secondary loan guarantee commitments, $0.

(12) Income Security (600):

(A) New direct loan obligations, $2,750,000,000;

(B) New primary loan guarantee commitments, $17,050,000,000;

(C) New secondary loan guarantee commitments, $0.

(13) Veterans Benefits and Services (700):

(A) New direct loan obligations, $1,050,000,000;

(B) New primary loan guarantee commitments, $11,900,000,000;

(C) New secondary loan guarantee commitments, $0.

(14) Administration of Justice (750):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(15) General Government (800):

(A) New direct loan obligations, $50,000,000;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(16) General Purpose Fiscal Assistance (850):

(A) New direct loan obligations, $250,000,000;

(B) New primary loan guarantee commitments, $300,000,000;

(C) New secondary loan guarantee commitments, $0.

(17) Interest (900):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(18) Allowances (920):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(19) Undistributed Offsetting Receipts (950):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(c) It is the sense of the Congress that the President and the Congress, through the appropriations process, should limit in fiscal year 1982 the off-budget lending activity of the Federal Government to a level not to exceed $30,200,000,000, the on-budget lending activity to a level not to exceed $33,200,000,000, new primary loan guarantee commitments to a level not to exceed $74,850,000,000, and new secondary loan guarantee commitments to a level not to exceed $68,950,000,000.

TITLE II—SETTING FORTH THE CONGRESSIONAL BUDGET FOR THE UNITED STATES GOVERNMENT FOR THE FISCAL YEARS 1983, 1984, AND 1985

Sec. 201. The Congress hereby determines and declares, pursuant to section 301(a) of the Congressional Budget Act of 1974, that the for the fiscal year beginning on October 1, 1982—

(1) the level of Federal revenues is $701,750,000,000, and the net amount by which the aggregate level of Federal revenues should be increased is $18,850,000,000,

(2) the level of total new budget authority is $797,400,000,000,

(3) the level of total budget outlays is $701,750,000,000,

(4) the amount of the deficit in the budget is 0, and

(5) the level of the public debt is $1,285,550,000,000, and the amount by which the statutory limit on such debt should accordingly be increased is $885,550,000,000.

Sec. 202. Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of section 201 of this resolution, the Congress hereby determines and declares pursuant to section 301(a) of the Congressional Budget Act of 1974 that, for the fiscal year beginning on October 1, 1982, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are as follows:

(1) National Defense (050):

(A) New budget authority, $243,450,000,000;

(B) Outlays, $213,000,000,000.

(2) International Affairs (150):

(A) New budget authority, $12,050,000,000;

(B) Outlays, $7,500,000,000.

(3) General Science, Space, and Technology (250):

(A) New budget authority, $7,000,000,000;

(B) Outlays, $6,500,000,000.

(4) Energy (270):

(A) New budget authority, $4,400,000,000;

(B) Outlays, $3,300,000,000.

(5) Natural Resources and Environment (300):

(A) New budget authority, $9,400,000,000;

(B) Outlays, $9,000,000,000.

(6) Agriculture (350):

(A) New budget authority, $9,900,000,000;

(B) Outlays, $9,600,000,000.

(7) Commerce and Housing Credit (370):

(A) New budget authority, $5,000,000,000;

(B) Outlays, $2,000,000,000.

(8) Transportation (400):

(A) New budget authority, $21,300,000,000;

(B) Outlays, $17,000,000,000.

(9) Community and Regional Development (450):

(A) New budget authority, $6,700,000,000;

(B) Outlays, $6,500,000,000.

(10) Education, Training, Employment, and Social Services (500):

(A) New budget authority, $27,450,000,000;

(B) Outlays, $24,000,000,000.

(11) Health (550):

(A) New budget authority, $77,300,000,000;

(B) Outlaya, $74,000,000,000.

(12) Income Security (600):

(A) New budget authority, $286,250,000,000;

(B) Outlays, $249,000,000,000.

(13) Veterans Benefits and Services (700):

(A) New budget authority, $23,750,000,000;

(B) Outlays, $23,050,000,000.

(14) Administration of Justice (750):

(A) New budget authority, $4,600,000,000;

(B) Outlays, $4,100,000,000.

(15) General Government (800):

(A) New budget authority, $5,000,000,000;

(B) Outlays, $4,000,000,000.

(16) General Purpose Fiscal Assistance (850):

(A) New budget authority, $6,500,000,000;

(B) Outlays, $1,800,000,000.

(17) Interest (900):

(A) New budget authority, $92,000,000,000;

(B) Outlays, $92,000,000,000.

(18) Allowances (920):

(A) New budget authority, –$1,000,000,000;

(B) Outlays, –$1,000,000,000.

(19) Undistributed Offsetting Receipts (950):

(A) New budget authority, –$43,650,000,000;

(B) Outlays, –$43,650,000,000.

Sec. 203. (a) There is established a congressional Federal credit budget for fiscal year 1983 of which the levels of total Federal credit activity for fiscal year 1983 are:

(1) New direct loan obligations, $33,223,000,000.

(2) New primary loan guarantee commitments, $143,293,000,000.

(3) New secondary loan guarantee commitments, $32,008,000,000.

(b) Based on allocations of the appropriate levels of total Federal credit activity as set forth in paragraph (1) of this subsection, the appropriate levels of new direct loan obligations, new primary loan guarantee commitments, and new secondary loan guarantee commitments for each functional category are as follows:

(1) National Defense (050):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(2) International Affairs (150):

(A) New direct loan obligations, $5,425,000,000;

(B) New primary loan guarantee commitments, $8,975,000,000;

(C) New secondary loan guarantee commitments, $0.

(3) General Science, Space, and Technology (250):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $171,000,000;

(C) New secondary loan guarantee commitments, $0.

(4) Energy (270):

(A) New direct loan obligations, $105,000,000;

(B) New primary loan guarantee commitments, $5,289,000,000;

(C) New secondary loan guarantee commitments, $0.

(5) Natural Resources and Environment (300):

(A) New direct loan obligations, $45,000,000;

(B) New primary loan guarantee commitments, $25,000,000;

(C) New secondary loan guarantee commitments, $0.

(6) Agriculture (350):

(A) New direct loan obligations, $13,869,000,000;

(B) New primary loan guarantee commitments, $5,702,000,000;

(C) New secondary loan guarantee commitments, $0.

(7) Commerce and Housing Credit (370):

(A) New direct loan obligations, $8,905,000,000;

(B) New primary loan guarantee commitments, $66,733,000,000;

(C) New secondary loan guarantee commitments, $32,000,000,000.

(8) Transportation (400):

(A) New direct loan obligations, $121,000,000;

(B) New primary loan guarantee commitments, $628,000,000;

(C) New secondary loan guarantee commitments, $8,000,000.

(9) Community and Regional Development (450):

(A) New direct loan obligations, $1,781,000,000;

(B) New primary loan guarantee commitments, $6,698,000,000;

(C) New secondary loan guarantee commitments, $0.

(10) Education, Training, Employment, and Social Services (500):

(A) New direct loan obligations, $848,000,000;

(B) New primary loan guarantee commitments, $10,300,000,000;

(C) New secondary loan guarantee commitments, $0.

(11) Health (550):

(A) New direct loan obligations, $36,000,000;

(B) New primary loan guarantee commitments, $104,000,000;

(C) New secondary loan guarantee commitments, $0.

(12) Income Security (600):

(A) New direct loan obligations, $1,000,000,000;

(B) New primary loan guarantee commitments, $18,356,000,000;

(C) New secondary loan guarantee commitments, $0.

(13) Veterans Benefits and Services (700):

(A) New direct loan obligations, $938,000,000;

(B) New primary loan guarantee commitments, $20,307,000,000;

(C) New secondary loan guarantee commitments, $0.

(14) Administration of Justice (750):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(15) General Government (800):

(A) New direct loan obligations, $5,000,000;

(B) New primary loan guarantee commitments, $5,000,000;

(C) New secondary loan guarantee commitments, $0.

(16) General Purpose Fiscal Assistance (850):

(A) New direct loan obligations, $145,000,000;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(17) Interest (900):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0;

(18) Allowances (920):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0;

(19) Undistributed Offsetting Receipts (950):

(A) New direct loan obligations, $0

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

Sec. 204. The Congress sets forth the following budgetary levels for fiscal years 1984 and 1985—

(1) the level of Federal revenues is as follows:

Fiscal year 1984: $749,900,000,000;
Fiscal year 1985: $804,600,000,000;

and the amount by which the aggregate levels of Federal revenues should be increased is as follows:

Fiscal year 1984: $48,150,000,000;
Fiscal year 1985: $54,700,000,000;

(2) the level of total new budget authority is as follows:

Fiscal year 1984: $813,700,000,000;
Fiscal year 1985: $885,400,000,000;

(3) the level of total budget outlays is as follows:

Fiscal year 1984: $749,900,000,000;
Fiscal year 1985: $804,600,000,000;

(4) the amount of the deficit in the budget is:

Fiscal year 1984: $0;
Fiscal year 1985: $0;

(5) the level of the public debt is as follows:

Fiscal year 1984: $1,404,450,000,000;
Fiscal year 1985: $1,490,800,000,000;

and the amount of which the temporary statutory limit on such debt should be accordingly increased is as follows:

Fiscal year 1984: $1,004,450,000,000;
Fiscal year 1985: $1,090,800,000,000;

Sec. 205. Based on allocations of the appropriate level of total new budget authority and of total budget outlays for fiscal years 1984 and 1985 as set forth above, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are respectively as follows:

(1) National Defense (050):

Fiscal year 1984:

(A) New budget authority, $270,000,000,000;

(B) Outlays, $241,000,000,000.

Fiscal year 1985:

(A) New budget authority, $310,100,000,000;

(B) Outlays, $275,700,000,000.

(2) International Affairs (150):

Fiscal year 1984:

(A) New budget authority, $14,500,000,000;

(B) Outlays, $8,000,000,000.

Fiscal year 1985:

(A) New budget authority, $14,900,000,000;

(B) Outlays, $8,900,000,000.

(3) General Science, Space, and Technology (250):

Fiscal year 1984:

(A) New budget authority, $7,000,000,000;

(B) Outlays, $6,000,000,000.

Fiscal year 1985:

(A) New budget authority, $7,000,000,000;

(B) Outlays, $6,000,000,000.

(4) Energy (270):

Fiscal year 1984:

(A) New budget authority, $4,200,000,000;

(B) Outlays, $3,000,000,000.

Fiscal year 1985:

(A) New budget authority, $4,100,000,000;

(B) Outlays, $2,500,000,000.

(5) Natural Resources and Environment (300):

Fiscal year 1984:

(A) New budget authority, $9,300,000,000;

(B) Outlays, $8,700,000,000.

Fiscal year 1985:

(A) New budget authority, $8,900,000,000;

(B) Outlays, $8,000,000,000.

(6) Agriculture (350):

Fiscal year 1984:

(A) New budget authority, $9,800,000,000;

(B) Outlays, $9,200,000,000.

Fiscal year 1985:

(A) New budget authority, $9,000,000,000;

(B) Outlays, $8,700,000,000.

(7) Commerce and Housing Credit (370):

Fiscal year 1984:

(A) New budget authority, $5,000,000,000;

(B) Outlays, $500,000,000.

Fiscal year 1985:

(A) New budget authority, $6,900,000,000;

(B) Outlays, $500,000,000.

(8) Transportation (400):

Fiscal year 1984:

(A) New budget authority, $19,200,000,000;

(B) Outlays, $17,000,000,000.

Fiscal year 1985:

(A) New budget authority, $19,500,000,000;

(B) Outlays, $16,500,000,000.

(9) Community and Regional Development (450):

Fiscal year 1984:

(A) New budget authority, $6,900,000,000;

(B) Outlays, $6,400,000,000.

Fiscal year 1985:

(A) New budget authority, $7,000,000,000;

(B) Outlays, $6,300,000,000)

(10) Education, Training, Employment, and Social Services (500):

Fiscal year 1984:

(A) New budget authority, $21,700,000,000;

(B) Outlays, $22,500,000,000.

Fiscal year 1985:

(A) New budget authority, $21,700,000,090;

(B) Outlays, $21,500,000,000.

(11) Health (550):

Fiscal year 1984:

(A) New budget authority, $84,900,000,000;

(B) Outlays, $84,900,000,000.

Fiscal year 1985:

(A) New budget authority, $93,800,000,000;

(B) Outlays, $93,500,000,000.

(12) Income Security (600):

Fiscal year 1984:

(A) New budget authority, $289,900,000,000;

(B) Outlays, $274,800,000,000.

Fiscal year 1985:

(A) New budget authority, $315,200,000,000;

(B) Outlays, $290,100,000,000.

(13) Veterans Benefits and Services (700):

Fiscal year 1984:

(A) New budget authority, $24,200,000,000;

(B) Outlays, $23,600,000,000.

Fiscal year 1985:

(A) New budget authority, $24,200,000,000;

(B) Outlays, $24,200,000,000.

(14) Administration of Justice (750):

Fiscal year 1984:

(A) New budget authority, $4,200,000,000.

(B) Outlays, $4,200,000,000.

Fiscal year 1985:

(A) New budget authority, $4,200,000,000;

(B) Outlays, $4,200,000.

(15) General Government (800):

Fiscal year 1984:

(A) New budget authority, $4,700,000,000;

(B) Outlays, $4,000,000,000.

Fiscal year 1985:

(A) New budget authority, $4,200,000,000;

(B) Outlays, $4,000,000,000.

(16) General Purpose Fiscal Assistance (850):

Fiscal year 1984:

(A) New budget authority, $4,000,000,000;

(B) Outlays, $1,900,000,000.

Fiscal year 1985:

(A) New budget authority, $3,000,000,000;

(B) Outlays, $1,900,000,000.

(17) Interest (900):

Fiscal year 1984:

(A) New budget authority, $80,000,000,000;

(B) Outlays, $80,000,000,000.

Fiscal year 1985:

(A) New budget authority, $80,000,000,000;

(B) Outlays, $80,000,000,000.

(18) Allowances (920):

Fiscal year 1984:

(A) New budget authority, −$800,000,000;

(B) Outlays, −$800,000,000.

Fiscal year 1985:

(A) New budget authority, −$800,000,000;

(B) Outlays, −$600,000,000.

(19) Undistributed Offsetting Receipts (950):

Fiscal year 1984:

(A) New budget authority, −$45,000,000,000;

(B) Outlays, −$45,000,000,000.

Fiscal year 1985:

(A) New budget authority, −$47,300,000,000;

(B) Outlays, −$47,300,000,000.

TITLE III—PROVIDING RECONCILIATION INSTRUCTIONS AND OTHER ENFORCEMENT MEASURES

PART A—RECONCILIATION INSTRUCTIONS

SEC. 301. Pursuant to section 301(b)(2) of the Budget Act—

(A) the House Committee on Agriculture shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $271,000,000 and outlays by $2,742,000,000 in fiscal year 1983;

(B) the House Committee on Banking, Finance, and Urban Affairs shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce outlays by $4,905,000,000 in fiscal year 1983;

(C) the House Committee on Education and Labor shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $898,000,000 and outlays by $3,317,000,000 in fiscal year 1983;

(D) the House Committee on Energy and Commerce shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $5,344,000,000 and outlays by $9,964,000,000 in fiscal year 1983;

(E) the House Committee on Foreign Affairs shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce outlays by $3,589,00,000 in fiscal year 1983;

(F) the House Committee on Merchant Marine and Fisheries shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $298,000,000 and outlays by $441,000,000 in fiscal year 1983;

(G) the House Committee on Post Office and Civil Service shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $349,000,000 and outlays by $1,280,000,000 in fiscal year 1983;

(H) the House Committee on Veterans' Affairs shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce the budget authority by $1,133,000,000 and outlays by $1,113,000,000 in fiscal year 1983;

(I) the House Committee on Ways and Means shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce the budget authority by $50,922,000,000 and outlays by $64,068,000,000 in fiscal year 1983;

SEC. 302. Pursuant to section 301(b)(2) of the Budget Act—

(A) the Senate Committee on Finance shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $50,928,000,000 and outlays by $64,657,000,000 in fiscal year 1983;

(B) the Senate Committee on Agriculture, Nutrition, and Forestry shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $275,000,000 and outlays by $2,757,000,000 in fiscal year 1983;

(C) the Senate Committee on Armed Services shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $89,000,000 and outlays by $103,000,000 in fiscal year 1983;

(D) the Senate Committee on Banking, Housing, and Urban Affairs shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $4,329,000,000 and outlays by $4,550,000,000 in fiscal year 1983;

(E) the Senate Committee on Commerce, Science, and Transportation shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $1,451,000,000 and outlays by $4,932,000,000 in fiscal year 1983;

(F) the Senate Committee on Foreign Relations shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce outlays by $3,934,000,000 in fiscal year 1983;

(G) the Senate Committee on Governmental Affairs shall report changes in law within the jurisdicition of that committee to reduce spending in amounts sufficient to reduce outlays by $2,215,000,000 in fiscal year 1983;

(H) the Senate Committee on Labor and Human Resources shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $2,159,000,000 and outlays by $6,084,000,000 in fiscal year 1983;

SEC. 303. The committees named in sections 301(A)-(H) and 302(B)-(H) shall submit their recommendations to the Committee on the Budget of their respective Houses by June 30, 1982. Those recommendations shall be sufficient to accomplish the changes required by such subsection. After receiving those recommendations, the Committees on the Budget shall report to the House and Senate a reconciliation bill or resolution or both carrying out all such recommendations without any substantive revision.

DEFERRED ENROLLMENT

SEC. 304. In the House of Representatives, no bill or resolution providing—

(1) new budget authority for fiscal year 1983, or

(2) new spending authority described in section 401(c)(2)(C) of the Congressional Budget Act first effective in fiscal year 1983—which exceeds the appropriate allocation or subdivision of such new discretionary budget authority or new spending authority made pursuant to section 302 of such Act shall be enrolled until after Congress has completed action on the second concurrent resolution on the budget required to be reported under section 310 of such Act.

302(B) REPORT

SEC. 305. It shall not be in order in either the House of Representatives or the Senate to consider any bill or resolution, or amendment thereto, providing—

(1) new budget authority for fiscal year 1983; or

(2) new spending authority described in section 401(c)(2)(C) of the Budget Act first effective in fiscal year 1983;

within the jurisdiction of any of its committees unless and until such committee makes the allocations or subdivisions required by section 302(b) of the Budget Act.

SEC. 306. It is the sense of the Congress that if Congress acts to restore fiscal responsibility and reduces projected budget deficits in a substantial and permanent way, then the Federal Reserve Open Market Committee shall reevaluate its monetary targets in order to assure that they are fully complementary to a new and more restrained fiscal policy.

By Mr. LATTA (B-1):

—Strike all after the resolving clause and insert the following:

TITLE I—REVISION OF THE CONGRESSIONAL BUDGET FOR THE UNITED STATES GOVERNMENT FOR THE FISCAL YEAR 1982

SEC. 101. The provisions of this title shall supersede the figures reaffirmed in S. Con. Res. 50 of the Ninety-seventh Congress for the fiscal year beginning on October 1, 1981.

SEC. 102(a)(1). The level of Federal revenues is $628,400,000,000, and the net amount by which the aggregate level of Federal revenues should be increased is $900,000.000

(2) the level of total new budget authority is $764,900,000,000;

(3) the level of total budget outlays is $728,900,000,000;

(4) the amount of the deficit in the budget is $100,500,000,000;

(5) the level of the public debt is $1,147,700,000,000, and the amount by which the statutory limit on such debt should accordingly be increased is $747,700,000,000;

(6) the level of total obligations for the principal amount of new direct loans is $63,400,000,000, the level of total new primary commitments to guarantee loan principal is $74,850,000,000, and the level of total new secondary commitments to guarantee loan principal is $68,950,000,000.

(b) Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of subsection (a) of this section of this resolution, the Congress hereby determines and declares that, for the fiscal year beginning on October 1, 1981, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are as follows:

(1) National Defense (050):

(A) New budget authority, $219,000,000,000;

(B) Outlays, $187,600,000,000.

(2) International Affairs (150):

(A) New budget authority, $19,000,000,000;

(B) Outlays, $11,400,000,000.

(3) General Science, Space, and Technology (250):

(A) New budget authority, $7,000,000,000;

(B) Outlays, $6,900,000,000.

(4) Energy (270):

(A) New budget authority, $4,800,000,000;

(B) Outlays, $6,200,000,000.

(5) Natural Resources and Environment (300):

(A) New budget authority, $10,100,000,000;

(B) Outlays, $12,700,000,000.

(6) Agriculture (350):

(A) New budget authority, $9,600,000,000;

(B) Outlays, $12,800,000,000.

(7) Commerce and Housing Credit (370):

(A) New budget authority, $6,300,000,000;

(B) Outlays, $3,400,000,000.

(8) Transportation (400):

(A) New budget authority, $21,100,000,000;

(B) Outlays, $21,200,000,000.

(9) Community and Regional Development (450):

(A) New budget authority, $6,600,000,000;

(B) Outlays, $8,200,000,000.

(10) Education, Training, Employment and Social Services (500):

(A) New budget authority, $23,800,000,000;

(B) Outlays, $27,900,000,000.

(11) Health (550):

(A) New budget authority, $79,100,000,000;

(B) Outlays, $73,500,000,000.

(12) Income Security (600):

(A) New budget authority, $250,700,000,000;

(B) Outlays, $249,600,000,000.

(13) Veterans Benefits and Services (700):

(A) New budget authority, $24,800,000,000;

(B) Outlays, $24,200,000,000.

(14) Administration of Justice (750):

(A) New budget authority, $4,500,000,000;

(B) Outlays, $4,600,000,000.

(15) General Government (800):

(A) New budget authority, $5,200,000,000;

(B) Outlays, $5,100,000,000.

(16) General Purpose Fiscal Assistance (850):

(A) New budget authority, $6,400,000,000;

(B) Outlays, $6,400,000,000.

(17) Interest (900):

(A) New budget authority, $99,200,000,000;

(B) Outlays, $99,200,000,000.

(18) Allowances (920):

(A) New budget authority, −$300,000,000;

(B) Outlays, −$400,000,000.

(19) Undistributed Offsetting Receipts (950):

(A) New budget authority, −$31,800,000,000;

(B) Outlays, −$31,800,000,000.

SEC. 103(a). There is established a congressional federal credit budget for fiscal year 1982 of which the levels of total federal credit activity for fiscal year 1982 are:

(1) New direct loan obligations, $63,400,000,000;

(2) New primary loan guarantee commitments, $74,850,000,000;

(3) New secondary loan guarantee commitments, $68,950,000,000.

(b) Based on allocations of the appropriate levels of total federal credit activity as set forth in paragraph (1) of this subsection, the appropriate levels of new direct loan obligations, new primary loan guarantee commitments, and new secondary loan guarantee commitments for each functional category are as follows:

(1) National Defense (050):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(2) International Affairs (150):

(A) New direct loan obligations, $10,400,000,000;

(B) New primary loan guarantee commitments, $8,100,000,000;

(C) New secondary loan guarantee commitments, $0.

(3) General Science, Space and Technology (250):

(A) New direct loan obligations, $200,000,000;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(4) Energy (270):

(A) New direct loan obligations, $10,300,000,000;

(B) New primary loan guarantee commitments, $400,000,000;

(C) New secondary loan guarantee commitments, $0.

(5) Natural Resources and Environment (300):

(A) New direct loan obligations, $50,000,000;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(6) Agriculture (350):

(A) New direct loan obligations, $22,600,000,000;

(B) New primary loan guarantee commitments, $2,700,000,000;

(C) New secondary loan guarantee commitments, $0.

(7) Commerce and Housing Credit (370:)

(A) New direct loan obligations, $12,050,000,000;

(B) New primary loan guarantee commitments, $26,200,000,000;

(C) New secondary loan guarantee commitments, $68,200,000,000.

(8) Transportation (400):

(A) New direct loan obligations, $350,000,000;

(B) New primary loan guarantee commitments, $750,000,000;

(C) New secondary loan guarantee commitments, $50,000,000.

(9) Community and Regional Development (450):

(A) New direct loan obligations, $2,000,000,000;

(B) New primary loan guarantee commitments, $850,000,000;

(C) New secondary loan guarantee commitments, $0.

(10) Education, Training, Employment and Social Services (500):

(A) New direct loan obligations, $1,300,000,000;

(B) New primary loan guarantee commitments, $6,500,000,000;

(C) New secondary loan guarantee commitments, $700,000,000.

(11) Health (550):

(A) New direct loan obligations, $50,000,000;

(B) New primary loan guarantee commitments, $100,000,000;

(C) New secondary loan guarantee commitments, $0.

(12) Income Security (600):

(A) New direct loan obligations, $2,750,000,000;

(B) New primary loan guarantee commitments, $17,050,000,000;

(C) New secondary loan guarantee commitments, $0.

(13) Veterans Benefits and Services (700):

(A) New direct loan obligations, $1,050,000,000;

(B) New primary loan guarantee commitments, $11,900,000,000;

(C) New secondary loan guarantee commitments, $0.

(14) Administration of Justice (750):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(15) General Government (800):

(A) New direct loan obligations, $50,000,000;

(B) New primary loan guarantee commitments, $0.

(C) New secondary loan guarantee commitments, $0.

(16) General Purpose Fiscal Assistance (850):

(A) New direct loan obligations, $250,000,000;

(B) New primary loan guarantee commitments, $300,000,000;

(C) New secondary loan guarantee commitments, $0.

(17) Interest (900):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(18) Allowances (920):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(19) Undistributed Offsetting Receipts (950):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(c) It is the sense of the Congress that the President and the Congress, through the appropriations process, should limit in fiscal year 1982 the off-budget lending activity of the Federal Government to a level not to exceed $30,200,000,000, the on-budget lending activity to a level not to exceed $33,200,000,000, new primary loan guarantee commitments to a level not to exceed $74,850,000,000, and new secondary loan guarantee commitments to a level not to exceed $68,950,000,000.

TITLE II—SETTING FORTH THE CONGRESSIONAL BUDGET FOR THE UNITED STATES GOVERNMENT FOR FISCAL YEARS 1983, 1984, AND 1985

SEC. 201. The Congress hereby determines and declares, pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on October 1, 1982—

(1) the level of Federal revenues is $665,900,000,000 and the net amount by which the aggregate level of Federal revenues should be increased is $20,900,000,000;

(2) the level of total new budget authority is $805,200,000,000;

(3) the level of total budget outlays is $768,500,000,000;

(4) the amount of the deficit in the budget is $102,600,000,000;

(5) the level of the public debt is $1,285,550,000,000, and the amount by which the statutory limit on such debt should accordingly be increased is $885,550,000,000.

SEC. 202. Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of section 201 of this resolution, the Congress hereby determines and declares pursuant to section 301(a) of the Congressional Budget Act of 1974 that, for the fiscal year beginning on October 1, 1982, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are as follows:

(1) National Defense (050):

(A) New budget authority, $253,850,000,000;

(B) Outlays, $214,250,000,000.

(2) International Affairs (150):

(A) New budget authority, $16,200,000,000;

(B) Outlays, $12,050,000,000.

(3) General Science, Space, and Technology (250):

(A) New budget authority, $7,050,000,000;

(B) Outlays, $7,150,000,000.

(4) Energy (270):

(A) New budget authority, $3,600,000,000;

(B) Outlays, $3,900,000,000.

(5) Natural Resources and Environment (300):

(A) New budget authority, $9,000,000,000;

(B) Outlays, $10,550,000,000.

(6) Agriculture (350):

(A) New budget authority, $6,400,000,000;

(B) Outlays, $9,050,000,000.

(7) Commerce and Housing Credit (370):

(A) New budget authority, $7,300,000,000;

(B) Outlays, $2,450,000,000.

(8) Transportation (400):

(A) New budget authority, $21,450,000,000;

(B) Outlays, $20,050,000,000.

(9) Community and Regional Development (450):

(A) New budget authority, $6,850,000,000;

(B) Outlays, $7,850,000,000.

(10) Education, Training, Employment and Social Services (500):

(A) New budget authority, $27,250,000,000;

(B) Outlays, $26,800,000,000.

(11) Health (550):

(A) New budget authority, $79,800,000,000;

(B) Outlays, $76,950,000,000.

(12) Income Security (600):

(A) New budget authority, $259,200,000,000;

(B) Outlays, $270,900,000,000.

(13) Veterans Benefits and Services (700):

(A) New budget authority, $24,710,000,000;

(B) Outlays, $23,860,000,000.

(14) Administration of Justice (750):

(A) New budget authority, $4,400,000,000;

(B) Outlays, $4,500,000,000.

(15) General Government (800):

(A) New budget authority, $4,900,000,000;

(B) Outlays, $4,750,000,000.

(16) General Purpose Fiscal Assistance (850):

(A) New budget authority, $6,500,000,000;

(B) Outlays, $6,500,000,000.

(17) Interest (900):

(A) New budget authority, $112,800,000,000;

(B) Outlays, $112,800,000,000.

(18) Allowances (920):

(A) New budget authority, −$2,950,000,000;

(B) Outlays, −$2,750,000,000.

(19) Undistributed Offsetting Receipts (950):

(A) New budget authority, −$43,110,000,000;

(B) Outlays, −$43,110,000,000.

SEC. 203 (a). There is established a congressional federal credit budget for fiscal year 1983 of which the levels of total federal credit activity for fiscal year 1983 are:

(1) New direct loan obligations, $55,600,000,000;

(2) New primary loan guarantee commitments, $92,800,000,000;

(3) New secondary loan guarantee commitments, $53,300,000,000;

Based on allocations of the appropriate levels of total federal credit activity as set forth in paragraph (1) of this subsection, the appropriate levels of new direct loan obligations, new primary loan guarantee commitments, and new secondary loan guarantee commitments for each functional category are as follows:

(1) National Defense (050):

(A) New direct loan obligations, $50,000,000;

(B) New primary loan guarantee commitments, $50,000,000;

(C) New secondary loan guarantee commitments, $0.

(2) International Affairs (150):

(A) New direct loan obligations, $10,650,000,000;

(B) New primary loan guarantee commitments, $8,800,000,000;

(C) New secondary loan guarantee commitments, $0.

(3) General Science, Space and Technology (250):

(A) New direct loan obligation, $150,000,000;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(4) Energy (270):

(A) New direct loan obligations, $11,150,000,000;

(B) New primary loan guarantee commitments, $1,800,000,000;

(C) New secondary loan guarantee commitments, $0.

(5) Natural Resources and Environment (300):

(A) New direct loan obligations, $50,000,000;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(6) Agriculture (350):

(A) New direct loan obligations, $16,000,000,000;

(B) New primary loan guarantee commitments, $2,650,000,000;

(C) New secondary loan guarantee commitments, $0.

(7) Commerce and Housing Credit (370):

(A) New direct loan obligations, $11,150,000,000;

(B) New primary loan guarantee commitments, $35,800,000,000;

(C) New secondary loan guarantee commitments, $53,300,000,000.

(8) Transportation (400):

(A) New direct loan obligations, $400,000,000;

(B) New primary loan guarantee commitments, $450,000,000;

(C) New secondary loan guarantee commitments, $0.

(9) Community and Regional Development (450):

(A) New direct loan obligation, $1,750,000,000;

(B) New primary loan guarantee commitments, $−100,000,000;

(C) New secondary loan guarantee commitments, $0.

(10) Education, Training, Employment and Social Services (500):

(A) New direct loan obligations, $850,000,000;

(B) New primary loan guarantee commitments, $7,250,000,000;

(C) New secondary loan guarantee commitments, $0.

(11) Health (550):

(A) New direct loan obligations, $100,000,000;

(B) New primary loan guarantee commitments, $100,000,000;

(C) New secondary loan guarantee commitments, $0.

(12) Income Security (600):

(A) New direct loan obligations, $2,050,000,000;

(B) New primary loan guarantee commitments, $18,750,000,000;

(C) New secondary loan guarantee commitments, $0.

(13) Veterans Benefits and Services (700):

(A) New direct loan obligations, $1,050,000,000;

(B) New primary loan guarantee commitments, $20,950,000,000;

(C) New secondary loan guarantee commitments, $0.

(14) Administration of Justice (750):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(15) General Government (800):

(A) New direct loan obligations, $50,000,000;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(16) General Purpose Fiscal Assistance (850):

(A) New direct loan obligations, $250,000,000;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(17) Interest (900):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(18) Allowances (920):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(19) Undistributed Offsetting Receipts (950):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(c) It is the sense of the Congress that the President and the Congress, through the appropriations process, should limit in fiscal year 1983 the off-budget lending activity of the Federal Government to a level not to exceed $29,800,000,000, the on-budget lending activity to a level not to exceed $25,800,000,000, new primary loan guarantee commitments to a level not to exceed $92,800,000,000, and new secondary loan guarantee commitments to a level not to exceed $53,300,000,000.

SEC. 204. The Congress sets forth the following budgetary levels for fiscal years 1984 and 1985—

(1) the level of Federal revenues is as follows:

Fiscal year 1984, $738,000,000,000;
Fiscal year 1985, $821,400,000,000;

and the amount by which the aggregate levels of Federal revenues should be increased is as follows:

Fiscal year 1984, $36,000,000,000;
Fiscal year 1985, $41,400,000,000.

(2) the level of total new budget authority is as follows:

Fiscal year 1984, $867,640,000,000;
Fiscal year 1985, $953,090,000,000.

(3) the level of total budget outlays is as follows:

Fiscal year 1984, $817,860,000,000;
Fiscal year 1985, $873,590,000,000.

(4) the amount of the deficit in the budget is:

Fiscal year 1984, $79,660,000,000;
Fiscal year 1985, $52,190,000,000.

(5) the level of the public debt is as follows:

Fiscal year 1984, $1,404,450,000,000;
Fiscal year 1985, $1,490,800,000,000;

and the amount by which the temporary statutory limit on such debt should be accordingly increased is as follows:

Fiscal year 1984, $1,004,450,000,000;
Fiscal year 1985, $1,090,800,000,000.

SEC. 205. Based on allocations of the appropriate level of total new budget authority and of total budget outlays for fiscal years 1984 and 1985 as set forth above, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are respectively as follows:

(1) National Defense (050):

Fiscal year 1984:

(A) New budget authority, $278,850,000,000;

(B) Outlays, $242,650,000,000.

Fiscal year 1985:

(A) New budget authority, $322,200,000,000;

(B) Outlays, $277,550,000,000.

(2) International Affairs (150):

Fiscal year 1984:

(A) New budget authority, $16,800,000,000;

(B) Outlays, $12,350,000,000.

Fiscal year 1985:

(A) New budget authority, $21,250,000,000;

(B) Outlays, $12,450,000,000.

(3) General Science, Space, and Technology (250):

Fiscal year 1984:

(A) New budget authority, $7,050,000,000;

(B) Outlays, $7,100,000,000.

Fiscal year 1985:

(A) New budget authority, $7,050,000,000;

(B) Outlays, $7,050,000,000.

(4) Energy (270):

Fiscal year 1984:

(A) New budget authority, $2,900,000,000;

(B) Outlays, $2,350,000,000.

Fiscal year 1985:

(A) New budget authority, $2,270,000,000;

(B) Outlays, $1,500,000,000.

(5) Natural Resources and Environment (300):

Fiscal year 1984:

(A) New budget authority, $8,400,000,000;

(B) Outlays, $9,500,000,000.

Fiscal year 1985:

(A) New budget authority, $7,950,000,000;

(B) Outlays, $8,400,000,000.

(6) Agriculture (350):

Fiscal year 1984:

(A) New budget authority, $8,100,000,000;

(B) Outlays, $7,350,000,000.

Fiscal year 1985:

(A) New budget authority, $5,700,000,000;

(B) Outlays, $6,950,000,000.

(7) Commerce and Housing Credit (370):

Fiscal year 1984:

(A) New budget authority, $7,900,000,000;

(B) Outlays, $1,950,000,000.

Fiscal year 1985:

(A) New budget authority, $7,650,000,000;

(B) Outlays, $1,750,000,000.

(8) Transportation (400):

Fiscal year 1984:

(A) New budget authority, $21,700,000,000;

(B) Outlays, $19,700,000,000.

Fiscal year 1985:

(A) New budget authority, $22,050,000,000;

(B) Outlays, $19,550,000,000.

(9) Community and Regional Development (450):

Fiscal year 1984:

(A) New budget authority, $7,000,000,000;

(B) Outlays, $7,500,000,000.

Fiscal year 1985:

(A) New budget authority, $7,200,000,000;

(B) Outlays, $7,500,000,000.

(10) Education, Training, Employment, and Social Services (500):

Fiscal year 1984:

(A) New budget authority, $27,550,000,000;

(B) Outlays, $26,700,000,000.

Fiscal year 1985:

(A) New budget authority, $27,400,000,000;

(B) Outlays, $26,550,000,000.

(11) Health (550):

Fiscal year 1984:

(A) New budget authority, $92,650,000,000;

(B) Outlays, $84,550,000,000.

Fiscal year 1985:

(A) New budget authority, $104,550,000,000;

(B) Outlays, $94,500,000,000.

(12) Income Security (600):

Fiscal year 1984:

(A) New budget authority, $279,100,000,000;

(B) Outlays, $286,150,000,000.

Fiscal year 1985:

(A) New budget authority, $314,250,000,000;

(B) Outlays, $307,000,000,000.

(13) Veterans Benefits and Services (700):

Fiscal year 1984:

(A) New budget authority, $25,980,000,000;

(B) Outlays, $25,800,000,000.

Fiscal year 1985:

(A) New budget authority, $27,090,000,000;

(B) Outlays, $26,640,000,000.

(14) Administration of Justice (750):

Fiscal year 1984:

(A) New budget authority, $4,300,000,000;

(B) Outlays, $4,350,000,000.

Fiscal year 1985:

(A) New budget authority, $4,250,000,000;

(B) Outlays, $4,250,000,000.

(15) General Government (800):

Fiscal year 1984:

(A) New budget authority, $4,600,000,000;

(B) Outlays, $4,550,000,000.

Fiscal year 1985:

(A) New budget authority, $4,600,000,000;

(B) Outlays, $4,400,000,000.

(16) General Purpose Fiscal Assistance (850):

Fiscal year 1984:

(A) New budget authority, $6,700,000,000;

(B) Outlays, $6,700,000,000.

Fiscal year 1985:

(A) New budget authority, $6,850,000,000;

(B) Outlays, $6,850,000,000.

(17) Interest (900):

Fiscal year 1984:

(A) New budget authority, $118,800,000,000;

(B) Outlays, $118,800,000,000.

Fiscal year 1985:

(A) New budget authority, $112,100,000,000;

(B) Outlays, $112,100,000,000.

(18) Allowances (920):

Fiscal year 1984:

(A) New budget authority, −$1,950,000,000;

(B) Outlays, −$1,600,000,000.

Fiscal year 1985:

(A) New budget authority, −$1,750,000,000;

(B) Outlays, −$1,350,000,000.

(19) Undistributed Offsetting Receipts (950):

Fiscal year 1984:

(A) New budget authority, −$48,790,000,000;

(B) Outlays, −$48,790,000,000.

Fiscal year 1985:

(A) New budget authority, −$50,050,000,000;

(B) Outlays, −$50,050,000,000.

PART A—RECONCILIATION INSTRUCTIONS

SEC. 301. Pursuant to section 301(b)(2) cf the Budget Act—

(A) the House Committee on Agriculture shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $720,000,000 and outlays by $710,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $1,831,000,000 in budget authority and $1,821,000,000 in outlays in fiscal year 1984, and $2,505,000,000 in budget authority and $2,505,000,000 in outlays in fiscal year 1985.

(B) the House Committee on Armed Services shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $218,000,000 and outlays by $218,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $703,000,000 in budget authority and $703,000,000 in outlays in fiscal year 1984, and $1,242,000,000 in budget authority and $1,242,000,000 in outlays in fiscal year 1985.

(C) the House Committee on Banking, Finance and Urban Affairs shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $0 and outlays by $695,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $0 in budget authority and $697,000,000 in outlays in fiscal year 1984, and $0 in budget authority and $687,000,000 in outlays in fiscal year 1985.

(D) the House Committee on Education and Labor shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $183,000,000 and outlays by $155,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $455,000,000 in budget authority and $407,000,000 in outlays in fiscal year 1984, and $604,000,000 in budget authority and $573,000,000 in outlays in fiscal year 1985.

(E) the House Committee on Energy and Commerce shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $367,000,000 and outlays by $483,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $526,000,000 in budget authority and $526,000,000 in outlays in fiscal year 1984, and $575,000,000 in budget authority and $575,000,000 in outlays in fiscal year 1985.

(F) the House Committee on Foreign Affairs shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $0 and outlays by $2,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $2,000,000 in budget authority and $8,000,000 in outlays in fiscal year 1984, and $4,000,000 in budget authority and $15,000,000 in outlays in fiscal year 1985.

(G) the House Committee on Government Operations shall report changes in laws within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $0 and outlays by $0 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $3[illegible],000,000 in budget authority and $240,000,000 in outlays in fiscal year 1984, and $636,000,000 in budget authority and $557,000,000 in outlays in fiscal year 1985.

(H) the House Committee on Merchant Marine shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $4,000,000 and outlays by $4,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $15,000,000 in budget authority and $15,000,000 in outlays in fiscal year 1984, and $27,000,000 in budget authority and $27,000,000 in outlays in fiscal year 1985.

(I) the House Committee on Post Office and Civil Service shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $0 and outlays by $376,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $242,000,000 in budget authority and $1,061,000,000 in outlays in fiscal year 1984, and $538,000,000 in budget authority and $1,808,000,000 in outlays in fiscal year 1985.

(J) the House Committee on Veterans Affairs shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $77,000,000 and outlays by $77,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $75,000,000 in budget authority and $75,000,000 in outlays in fiscal year 1984, and $71,000,000 in budget authority and $71,000,000 in outlays in fiscal year 1985.

(K) the House Committee on Ways and Means shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $910,000,000 and outlays by $5,390,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $769,000,000 in budget authority and $8,146,000,000 in outlays in fiscal year 1984, and $722,000,000 in budget authority and $11,273,000,000 in outlays in fiscal year 1985.

(L) the House Committee on Ways and Means shall report changes in laws within the jurisdiction of that committee sufficient to increase revenue by $20,900,000,000 for fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future years requires additional revenues of $36,000,000,000 for fiscal year 1984, and $41,400,000,000 for fiscal year 1985.

SEC. 302. Pursuant to section 301(b)(2) of the Budget Act—

(A) the Senate Committee on Agriculture shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $720,000,000 and outlays by $710,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future years requires additional savings of $1,831,000,000 in budget authority and $1,821,000,000 in outlays for fiscal year 1984, and $2,505,000,000 in budget authority and $2,505,000,000 in outlays in fiscal year 1985.

(B) the Senate Committee on Armed Services shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $218,000,000 and outlays by $218,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future years requires additional savings of $703,000,000 in budget authority and $703,000,000 in outlays for fiscal year 1984, and $1,242,000,000 in budget authority and $1,242,000,000 in outlays in fiscal year 1985.

(C) the Senate Committee on Banking, Housing and Urban Affairs shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $0 and outlays by $695,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future years requires additional savings of $0 in budget authority and $697,000,000 in outlays for fiscal year 1984, and $0 in budget authority and $687,000,000 in outlays in fiscal year 1985.

(D) the Senate Committee on Commerce, Science, and Transportation shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $4,000,000 and outlays by $4,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future years requires additional savings of $15,000,000 in budget authority and $15,000,000 in outlays for fiscal year 1984, and $27,000,000 in budget authority and $27,000,000 in outlays in fiscal year 1985.

(E) the Senate Committee on Finance shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $1,277,000,000 and outlays by $5,873,000,000 in fiscal year 1983; further, the Congress finds that prospect of unacceptably high budget deficits in the future years requires additional savings of $1,615,000,000 in budget authority and $8,912,000,000 in outlays for fiscal year 1984, and $1,933,000,000 in budget authority and $12,405,000,000 in outlays in fiscal year 1985.

(F) the Senate Committee on Foreign Relations shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $0 and outlays by $2,000,000, in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future years requires additional savings of $2,000,000 in budget authority and $8,000,000 in outlays for fiscal year 1984, and $4,000,000 in budget authority and $15,000,000 in outlays in fiscal year 1985.

(G) the Senate Committee on Governmental Affairs shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $0 and outlays by $376,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future years requires additional savings of $242,000,000 in budget authority and $1,061,000,000 in outlays for fiscal year 1984, and $538,000,000 in budget authority and $1,808,000,000 in outlays in fiscal year 1985.

(H) the Senate Committee on Labor and Human Resources shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $183,000,000 and outlays by $155,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future years requires additional savings of $455,000,000 in budget authority and $407,000,000 in outlays for fiscal year 1984, and $604,000,000 in budget authority and $573,000,000 in outlays in fiscal year 1985.

(I) the Senate Committee on Veterans' Affairs shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $77,000,000 and outlays by $77,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future years requires additional savings of $75,000,000 in budget authority and $75,000,000 in outlays for fiscal year 1984, and $71,000,000 in budget authority and $71,000,000.

(J) the Senate Committee on Finance shall report changes in laws within the jurisdiction of that committee sufficient to increase revenues by $20,900,000,000 for fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future years requires additional revenues of $36,000,000,000 for fiscal year 1984, and $41,400,000,000 in fiscal year 1985.

SEC. 303. The committees named in sections 301 and 302 shall submit their recommendations to the Committees on the Budget of their respective Houses by June 30, 1982. Those recommendations shall be sufficient to accomplish the changes required by those subsections. After receiving those recommendations, the Committees on the Budget shall report to the House and Senate a reconciliation bill or resolution or both carrying out all such recommendations without any substantive revision.

SEC. 304. In the House of Representatives, no bill or resolution providing—

(1) new budget authority for fiscal year 1983, or

(2) new spending authority described in section 401(c)(2)(C) of the Congressional Budget Act first effective in fiscal year 1983—which exceeds the appropriate total allocation of new discretionary budget authority or new spending authority made pursuant to section 302(b) of such Act by the committee of jurisdiction shall be enrolled until after Congress has completed action on the second concurrent resolution on the budget required to be reported under Section 310 of such Act.

SEC. 305. It shall not be in order in either the House of Representatives or the Senate to consider any bill or resolution, or amendment thereto, providing—

(1) new budget authority for fiscal year 1983; or

(2) new spending authority described in section 401(c)(2)(C) of the Budget Act first effective in fiscal year 1983;

within the jurisdiction of any of its committees unless and until such committee makes the allocations or subdivisions required by section 302(b) of the Budget Act in connection with the most recently agreed to Concurrent Resolution on the Budget.

SEC. 306. (a) After the Congress has completed action on the concurrent resolution on the budget required to be reported under section 310(a) for fiscal year 1983, and, if a reconciliation bill or resolution, or both, for such fiscal year are required to be reported under section 310(c), after that bill has been enacted into law or that resolution has been agreed to, it shall not be in order in either the House of Representatives or the Senate to consider any bill, resolution, or amendment providing authority for—

(1) new direct loan obligations for fiscal year 1983;

(2) new primary loan guarantee commitments for fiscal year 1983; or

(3) new secondary loan guarantee commitments for fiscal year 1983;

or any conference report on any such bill or resolution, if—

(A) the enactment of such bill or resolution as reported;

(B) the adoption and enactment of such amendment; or

(C) the enactment of such bill or resolution in the form recommended in such conference report;

would cause the appropriate level of total new direct loan obligations for fiscal year 1983, total new primary loan guarantee commitments for such fiscal year, or total new secondary loan guarantee commitments for such fiscal year set forth in such concurrent resolution on the budget to be exceeded.

(b)(1) The joint explanatory statement accompanying the conference report on this resolution shall include an estimated allocation, based upon section 203 of this resolution as recommended in such conference report, of the appropriate levels of total new direct loan obligations, new primary loan guarantee commitments, and new secondary loan guarantee commitments authority among each committee of the House of Representatives and the Senate which has jurisdiction over bills and resolutions providing such new authority.

(2) As soon as practicable after this resolution is agreed to every committee of each House shall, after consulting with the committee or committees of the other House to which all or part of the allocation has been made, subdivide among its subcommittees the allocation of new direct loan obligations, new primary loan guarantee commitments, and new secondary loan guarantee commitments allocated to it in the joint explanatory statement accompanying the conference report on this resolution.

SEC. 307. It is the sense of Congress that reductions in federal employment should be accomplished through attrition only.

SEC. 308. It is the sense of the Congress that if Congress acts to restore fiscal responsibility and reduces projected budget deficits in a substantial and permanent way, then the Federal Reserve Open Market Committee shall reevaluate its monetary targets in order to assure that they are fully complementary to a new and more restrained fiscal policy.

By Mr. ASPIN (B-2)

—Strike all after the Resolving Clause and insert in lieu thereof the following:

TITLE I—REVISION OF THE CONGRESSIONAL BUDGET FOR THE UNITED STATES GOVERNMENT FOR THE FISCAL YEAR 1982

SEC. 101. The provisions of this title shall supersede the figures reaffirmed in S. Con. Res. 50 of the Ninety-seventh Congress for the fiscal year beginning on October 1, 1981.

SEC. 102. (a)(1) The level of Federal revenue is $622,800,000,000 and the net amount by which the aggregate level of Federal revenues should be decreased is $200,000,000.

(2) The level of total new budget authority is $784,500,000,000.

(3) The level of total budget outlays is $743,900,000,000.

(4) The amount of the deficit in the budget is $121,100,000,000

(5) The level of the public debt is $1,147,700,000,000 and the amount by which the statutory limit on such debt should accordingly be increased in $747,700,000,000.

(6) The level of total obligations for the principal amount of new direct loans is $63,400,000,000, the level of total new primary commitments to guarantee loan principal is $74,850,000,000, and the level of total new secondary commitments to guarantee loan principal is $68,950,000,000.

(b) Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of subsection (a) of this section of this resolution, the Congress hereby determines and declares that, for the fiscal year beginning on October 1, 1981, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are as follows:

(1) National Defense (050)

(A) New budget authority, $218,200,000,000;

(B) Outlays, $190,800,000,000.

(2) International Affairs (150):

(A) New budget authority, $16,750,000,000;

(B) Outlays, $11,450,000,000.

(3) General Science, Space, and Technology (250):

(A) New budget authority, $7,000,000,000;

(B) Outlays, $7,000,000,000.

(4) Energy (270):

(A) New budget authority, $4,750,000,000;

(B) Outlays $6,500,000,000.

(5) Natural Resources and Environment (300):

(A) New budget authority, $10,400,000,000;

(B) Outlays, $12,850,000,000.

(6) Agriculture (350):

(A) New budget authority, $9,900,000,000;

(B) Outlays, $13,800,000,000.

(7) Commerce and Housing Credit (370):

(A) New budget authority, $7,500,000,000;

(B) Outlays, $3,750,000,000.

(8) Transporation (400):

(A) New budget authority, $21,350,000,000;

(B) Outlays, $21,450,000,000.

(9) Community and Regional Development (450):

(A) New budget authority, $7,000,000,000;

(B) Outlays, $8,650,000,000.

(10) Education, Training, Employment and Social Services (500):

(A) New budget authority, $25,450,000,000;

(B) Outlays, $28,200,000,000.

(11) Health (550):

(A) New budget authority, $79,050,000,000;

(B) Outlays, $73,750,000,000.

(12) Income Security (600):

(A) New budget authority, $261,350,000,000;

(B) Outlays, $251,850,000,000.

(13) Veterans Benefits and Services (700):

(A) New budget authority, $24,800,000,000;

(B) Outlays, $23,800,000,000.

(14) Administration of Justice (750):

(A) New budget authority, $4,500,000,000;

(B) Outlays, $4,650,000,000.

(15) General Government (800):

(A) New budget authority, $5,200,000,000;

(B) Outlays, $5,050,000,000.

(16) General Purpose Fiscal Assistance (850):

(A) New budget authority, $6,350,000,000;

(B) Outlays, $6,350,000,000.

(17) Interest (900):

(A) New budget authority, $102,350,000,000;

(B) Outlays, $102,350,000,000.

(18) Allowances (920):

(A) New budget authority, $2,850,000,000;

(B) Outlays, $1,900,000,000.

(19) Undistributed Offsetting Receipts (950):

(A) New budget authority, $30,250,000,000;

(B) Outlays, $30,250,000,000.

Sec. 103. (a) There is established a congressional Federal credit budget for fiscal year 1982 of which the levels of total Federal credit activity for fiscal year 1982 are:

(1) New direct loan obligations, $63,400,000,000.

(2) New primary loan guarantee commitments, $74,850,000,000.

(3) New secondary loan guarantee commitments, $68,950,000,000.

(b) Based on allocations of the appropriate levels of total Federal credit activity as set forth in paragraph (1) of this subsection, the appropriate levels of new direct loan obligations, new primary loan guarantee commitments, and new secondary loan guarantee commitments for each functional category are as follows:

(1) National Defense (050):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(2) International Affairs (150):

(A) New direct loan obligations, $10,400,000,000;

(B) New primary loan guarantee commitments, $8,100,000,000;

(C) New secondary loan guarantee commitments, $0.

(3) General Science, Space and Technology (250):

(A) New direct loan obligations, $200,000,000;

(B) New primary loan guarantee commitments, $0.

(C) New secondary loan guarantee commitments, $0.

(4) Energy (270):

(A) New direct loan obligations, $10,300,000,000;

(B) New primary loan guarantee commitments, $400,000,000;

(C) New secondary loan guarantee commitments, $0.

(5) Natural Resources and Environment (300):

(A) New direct loan obligations, $50,000,000;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(6) Agriculture (350):

(A) New direct loan obligations, $22,600,000,000;

(B) New primary loan guarantee commitments, $2,700,000,000;

(C) New secondary loan guarantee commitments, $0.

(7) Commerce and Housing Credit (370):

(A) New direct loan obligations, $12,050,000,000;

(B) New primary loan guarantee commitments, $26,200,000,000;

(C) New secondary loan guarantee commitments, $68,200,000,000.

(8) Transportation (400):

(A) New direct loan obligations, $350,000,000;

(B) New primary loan guarantee commitments, $750,000,000;

(C) New secondary loan guarantee commitments, $50,000,000.

(9) Community and Regional Development (450):

(A) New direct loan obligations, $2,000,000,000;

(B) New primary loan guarantee commitments, $850,000,000;

(C) New secondary loan guarantee commitments, $0.

(10) Education, Training, Employment, and Social Services (500):

(A) New direct loan obligations, $1,300,000,000;

(B) New primary loan guarantee commitments, $6,500,000,000;

(C) New secondary loan guarantee commitments, $700,000,000.

(11) Health (550):

(A) New direct loan obligations, $50,000,000;

(B) New primary loan guarantee commitments, $100,000,000;

(C) New secondary loan guarantee commitments, $0.

(12) Income Security (600):

(A) New direct loan obligations, $2,750,000,000;

(B) New primary loan guarantee commitments, $17,050,000,000;

(C) New secondary loan guarantee commitments, $0.

(13) Veterans Benefits and Services (700):

(A) New direct loan obligations, $1,050,000,000;

(B) New primary loan guarantee commitments, $11,900,000,000;

(C) New secondary loan guarantee commitments, $0.

(14) Administration of Justice (750);

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(15) General Government (800):

(A) New direct loan obligations, $50,000,000;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(16) General Purpose Fiscal Assistance (850):

(A) New direct loan obligations, $250,000,000;

(B) New primary loan guarantee commitments, $300,000,000;

(C) New secondary loan guarantee commitments, $0.

(17) Interest (900):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(18) Allowances (920):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(19) Undistributed Offsetting Receipts (950):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(c) It is the sense of the Congress that the President and the Congress, through the appropriations process, should limit in fiscal year 1982 the off-budget lending activity of the Federal Government to a level not to exceed $30,200,000,000, the on-budget lending activity to a level not to exceed $33,200,000,000, new primary loan guarantee commitments to a level not to exceed $74,850,000,000, and new secondary loan guarantee commitments to a level not to exceed $68,950,000,000.

TITLE II—SETTING FORTH THE CONGRESSIONAL BUDGET FOR THE UNITED STATES GOVERNMENT FOR THE FISCAL YEARS 1983, 1984, AND 1985

Sec. 201. The Congress hereby determines and declares, pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on October 1, 1982—

(1) the level of Federal revenues is $675,750,000,000, and the net amount by which the aggregate level of Federal revenues should be increased is $30,750,000,000,

(2) the level of total new budget authority is $825,100,000,000,

(3) the level of total budget outlays is $772,550,000,000,

(4) the amount of the deficit in the budget is $96,800,000,000, and

(5) the level of the public debt is $1,285,550,000,000, and the amount by which the statutory limit on such debt should accordingly be increased is $885,550,000,000.

Sec. 202. Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of section 201 of this resolution, the Congress hereby determines and declares pursuant to section 301(a) of the Congressional Budget Act of 1974 that, for the fiscal year beginning on October 1, 1982, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are as follows:

(1) National Defense (050):

(A) New budget authority, $242,900,000,000;

(B) Outlays, $209,850,000,000.

(2) International Affairs (150):

(A) New budget authority, $16,250,000,000;

(B) Outlays, $12,200,000,000.

(3) General Science, Space, and Technology (250):

(A) New budget authority, $8,100,000,000;

(B) Outlays, $7,700,000,000.

(4) Energy (270):

(A) New budget authority, $5,000,000,000;

(B) Outlays, $4,700,000,000.

(5) Natural Resources and Environment (300):

(A) New budget authority, $9,500,000,000;

(B) Outlays, $10,900,000,000.

(6) Agriculture (350):

(A) New budget authority, $7,000,000,000;

(B) Outlays, $9,300,000,000.

(7) Commerce and Housing Credit (370):

(A) New budget authority, $7,950,000,000;

(B) Outlays, $2,950,000,000.

(8) Transportation (400):

(A) New budget authority, $22,150,000,000;

(B) Outlays, $20,250,000,000.

(9) Community and Regional Development (450):

(A) New budget authority, $7,000,000,000;

(B) Outlays, $7,900,000,000.

(10) Education, Training, Employment and Social Services (500):

(A) New budget authority, $27,900,000,000;

(B) Outlays, $27,550,000,000.

(11) Health (550):

(A) New budget authority, $77,200,000,000;

(B) Outlays, $79,900,000,000.

(12) Income Security (600):

(A) New budget authority, $286,100,000,000;

(B) Outlays, $272,950,000,000.

(13) Veterans Benefits and Services (700):

(A) New budget authority, $24,400,000,000;

(B) Outlays, $23,650,000,000.

(14) Administration of Justice (750):

(A) New budget authority, $4,600,000,000;

(B) Outlays, $4,650,000,000.

(15) General Government (800):

(A) New budget authority, $5,000,000,000;

(B) Outlays, $4,850,000,000.

(16) General Purpose Fiscal Assistance (850):

(A) New budget authority, $6,500,000,000;

(B) Outlays, $6,500,000,000.

(17) Interest (900):

(A) New budget authority, $114,550,000,000;

(B) Outlays, $114,550,000,000.

(18) Allowances (920):

(A) New budget authority, $3,350,000,000;

(B) Outlays, −$3,150,000,000.

(19) Undistributed Offsetting Receipts (950):

(A) New budget authority, −$43,650,000,000;

(B) Outlays, −$43,650,000,000.

Sec. 203 (a). There is established a congressional federal credit budget for fiscal year 1983 of which the levels of total federal credit activity for fiscal year 1983 are:

(1) New direct loan obligations, $55,200,000,000;

(2) New primary loan guarantee commitments, $99,100,000,000;

(3) New secondary loan guarantee commitments, $68,250,000,000.

(b) Based on allocations of the appropriate levels of total federal credit activity as set forth in paragraph (1) of this subsection, the appropriate levels of new direct loan obligations, new primary loan guarantee commitments, and new secondary loan guarantee commitments for each functional category are as follows:

(1) National Defense (050):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(2) International Affairs (150):

(A) New direct loan obligations, $10,950,000,000;

(B) New primary loan guarantee commitments, $8,950,000,000;

(C) New secondary loan guarantee commitments, $0.

(3) General Science, Space and Technology (250):

(A) New direct loan obligations, $150,000,000;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(4) Energy (270):

(A) New direct loan obligations, $11,950,000,000;

(B) New primary loan guarantee commitments, −$850,000,000;

(C) New secondary loan guarantee commitments, $0.

(5) Natural Resources and Environment (300):

(A) New direct loan obligations, $50,000,000;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(6) Agriculture (350):

(A) New direct loan obligations, $18,250,000,000;

(B) New primary loan guarantee commitments, $2,650,000,000;

(C) New secondary loan guarantee commitments, $0.

(7) Commerce and Housing Credit (370):

(A) New direct loan obligations, $12,150,000,000;

(B) New primary loan guarantee commitments, $40,100,000,000;

(C) New secondary loan guarantee commitments, $68,250,000,000.

(8) Transportation (400):

(A) New direct loan obligations, $350,000,000;

(B) New primary loan guarantee commitments, $750,000,000;

(C) New secondary loan guarantee commitments, $0.

(9) Community and Regional Development (450):

(A) New direct loan obligations, $1,950,000,000;

(B) New primary loan guarantee commitments, $500,000,000;

(C) New secondary loan guarantee commitments, $0.

(10) Education, Training, Employment and Social Services (500):

(A) New direct loan obligations, $850,000,000;

(B) New primary loan guarantee commitments, $7,250,000,000;

(C) New secondary loan guarantee commitments, $0.

(11) Health (550):

(A) New direct loan obligations, $50,000,000;

(B) New primary loan guarantee commitments, $100,000,000;

(C) New secondary loan guarantee commitments, $0.

(12) Income Security (600):

(A) New direct loan obligations, $2,050,000,000;

(B) New primary loan guarantee commitments, $18,700,000,000;

(C) New secondary loan guarantee commitments, $0.

(13) Veterans Benefits and Services (700):

(A) New direct loan obligations, $1,050,000,000;

(B) New primary loan guarantee commitments, $20,950,000,000;

(C) New secondary loan guarantee commitments, $0.

(14) Administration of Justice (750):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(15) General Government (800):

(A) New direct loan obligations, $50,000,000;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(16) General Purpose Fiscal Assistance (850):

(A) New direct loan obligations, $250,000,000;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(17) Interest (900):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(18) Allowances (920):

(A) New direct loan obligations, −$4,900,000,000;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(19) Undistributed Offsetting Receipts (950):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(c) It is the sense of the Congress that the President and the Congress, through the appropriations process, should limit in fiscal year 1983 the off-budget lending activity of the Federal Government to a level not to exceed $31,050,000,000, the on-budget lending activity to a level not to exceed $24,950,000,000, new primary loan guarantee commitments to a level not to exceed $99,100,000,000, and new secondary loan guarantee commitments to a level not to exceed $68,250,000,000.

Sec. 204. The Congress sets forth the following budgetary levels for fiscal year's 1984 and 1985—

(1) the level of Federal revenues is as follows:

Fiscal year 1984, $751,000,000,000;
Fiscal year 1985, $843,000,000,000;

and the amount by which the aggregate levels of Federal revenues should be increased or decreased is as follows:

Fiscal year 1984, $47,000,000,000;
Fiscal year 1985, $60,000,000,000.

(2) the level of total new budget authority is as follows:

Fiscal year 1984, $880,975,000,000;
Fiscal year 1985, $945,450,000,000.

(3) the level of total new budget outlays is as follows:

Fiscal year 1984, $818,150,000,000;
Fiscal year 1985, $874,450,000,000.

(4) the amount of the deficit in the budget is:

Fiscal year 1984, $67,150,000,000;
Fiscal year 1985, $31,450,000,000.

(5) the level of the public debt is as follows:

Fiscal year 1984, $1,404,450,000,000;
Fiscal year 1985, $1,490,800,000,000.

and the amount by which the temporary statutory limit on such debt should be accordingly increased is as follows:

Fiscal year 1984, $1,004,450,000,000;
Fiscal year 1985, $1,090,800,000,000.

Sec. 205. Based on allocations of the appropriate level of total new budget authority and of total budget outlays for fiscal years 1984 and 1985 as set forth above, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are respectively as follows:

(1) National Defense (050):

Fiscal year 1984:

(A) New budget authority, $268,650,000,000;

(B) Outlays, $235,500,000,000.

Fiscal year 1985:

(A) New budget authority, $296,850,000,000;

(B) Outlays, $266,200,000,000.

(2) International Affairs (150):

Fiscal year 1984:

(A) New budget authority, $16,800,000,000;

(B) Outlays, $12,300,000,000.

Fiscal year 1985:

(A) New budget authority, $21,200,000,000;

(B) Outlays, $12,300,000,000.

(3) General Science, Space, and Technology (250):

Fiscal year 1984:

(A) New budget authority, $8,300,000,000;

(B) Outlays, $8,100,000,000.

Fiscal year 1985:

(A) New budget authority, $8,100,000,000;

(B) Outlays, $8,050,000,000.

(4) Energy (270):

Fiscal year 1984:

(A) New budget authority, $4,400,000,000;

(B) Outlays, $3,750,000,000.

Fiscal year 1985:

(A) New budget authority, $4,350,000,000;

(B) Outlays, $3,550,000,000.

(5) Natural Resources and Environment (300):

Fiscal year 1984:

(A) New budget authority, $9,000,000,000;

(B) Outlays, $9,950,000,000.

Fiscal year 1985:

(A) New budget authority, $8,500,000,000;

(B) Outlays, $9,050,000,000.

(6) Agriculture (350):

Fiscal year 1984:

(A) New budget authority, $8,550,000,000;

(B) Outlays, $7,750,000,000.

Fiscal year 1985:

(A) New budget authority, $6,100,000,000;

(B) Outlays, $7,450,000,000.

(7) Commerce and Housing Credit (370):

Fiscal year 1984:

(A) New budget authority, $8,500,000,000;

(B) Outlays, $2,600,000,000.

Fiscal year 1985:

(A) New budget authority, $8,350,000,000;

(B) Outlays, $2,600,000,000.

(8) Transportation (400):

Fiscal year 1984:

(A) New budget authority, $22,575,000,000;

(B) Outlays, $20,250,000,000.

Fiscal year 1985:

(A) New budget authority, $23,125,000,000;

(B) Outlays, $20,450,000,000.

(9) Community and Regional Development (450):

Fiscal year 1984:

(A) New budget authority, $7,150,000,000;

(B) Outlays, $7,600,000,000.

Fiscal year 1985:

(A) New budget authority, $7,350,000,000;

(B) Outlays, $7,700,000,000.

(10) Education, Training, Employment, and Social Services (500):

Fiscal year 1984:

(A) New budget authority, $28,300,000,000;

(B) Outlays, $28,200,000,000.

Fiscal year 1985:

(A) New budget authority, $28,200,000,000;

(B) Outlays, $28,250,000,000.

(11) Health (550):

Fiscal year 1984:

(A) New budget authority, $81,400,000,000;

(B) Outlays, $89,150,000,000.

Fiscal year 1985:

(A) New budget authority, $93,800,000,000;

(B) Outlays, $100,750,000,000.

(12) Income Security (600):

Fiscal year 1984:

(A) New budget authority, $313,400,000,000;

(B) Outlays, $289,650,000,000.

Fiscal year 1985:

(A) New budget authority, $343,850,000,000;

(B) Outlays, $312,450,000,000.

(13) Veterans Benefits and Services (700):

Fiscal year 1984:

(A) New budget authority, $25,650,000,000;

(B) Outlays, $24,900,000,000.

Fiscal year 1985:

(A) New budget authority, $26,700,000,000;

(B) Outlays, $26,500,000,000.

(14) Administration of Justice (750):

Fiscal year 1984:

(A) New budget authority, $4,600,000,000;

(B) Outlays, $4,600,000,000.

Fiscal year 1985:

(A) New budget authority, $4,600,000,000;

(B) Outlays, $4,600,000,000.

(15) General Government (800):

Fiscal year 1984:

(A) New budget authority, $4,700,000,000;

(B) Outlays, $4,600,000,000.

Fiscal year 1985:

(A) New budget authority, $4,700,000,000;

(B) Outlays, $4,500,000,000.

(16) General Purpose Fiscal Assistance (850):

Fiscal year 1984:

(A) New budget authority, $6,750,000,000;

(B) Outlays, $6,700,000,000.

Fiscal year 1985:

(A) New budget authority, $6,850,000,000;

(B) Outlays, $8,850,000,000.

(17) Interest (900):

Fiscal year 1984:

(A) New budget authority, $114,200,000,000;

(B) Outlays, $114,200,000,000.

Fiscal year 1985:

(A) New budget authority, $105,650,000,000;

(B) Outlays, $105,650,000,000.

(B) Allowances (920):

Fiscal year 1984:

(A) New budget authority, −$2,450,000,000;

(B) Outlays, −$2,150,000,000.

Fiscal year 1985:

(A) New budget authority, −$2,000,000,000;

(B) Outlays, −$1,600,000,000.

(19) Undistributed Offsetting Receipts (950):

Fiscal year 1984:

(A) New budget authority, −$49,500,000,000;

(B) Outlays, −$49,500,000,000.

Fiscal year 1985:

(A) New budget authority, −$50,850,000,000;

(B) Outlays, −$50,850,000,000.

TITLE III—PROVIDING RECONCILIATION INSTRUCTIONS AND OTHER ENFORCEMENT MEASURES

Part A—Reconciliation Instructions

Sec. 301. Pursuant to section 301(b)(2) of the Budget Act—

(A) the House Committee on Agriculture shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $207,000,000 and outlays by $207,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high deficits in future years requires additional savings in budget authority by $530,000,000 and outlays by $530,000,000 in fiscal year 1984 and budget authority by $661,000,000 and outlays by $661,000,000 in fiscal year 1985;

(B) the House Committee on Banking, Finance and Urban Affairs shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce outlays by $695,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high deficits in future years requires additional savings in outlays of $697,000,000 in fiscal year 1984 and outlays of $687,000,000 in fiscal year 1985;

(C) the House Committee on Education and Labor shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $73,000,000 and outlays by $73,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings in budget authority of $101,000,000 and outlays of $101,000,000 in fiscal year 1984 and budget authority of $97,000,000 and outlays of $97,000,000 in fiscal year 1985;

(D) the House Committee on Energy and Commerce shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $59,000,000 and outlays by $59,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high deficits in future fiscal years requires additional savings in budget authority of $65,000,000 and outlays of $65,000,000 in fiscal year 1984 and budget authority of $72,000,000 and outlays of $72,000,000 in fiscal year 1985;

(E) the House Committee on Veterans Benefits and services shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $171,000,000 and outlays by $171,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high deficits in future fiscal years requires additional savings in budget authority of $187,000,000 and outlays of $187,000,000 in fiscal year 1984 and budget authority of $195,000,000 and outlays of $195,000,000 in fiscal year 1985;

(F) the House Committee on Ways and Means shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $334,000,000 and outlays by $2,680,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high deficits in future fiscal years requires additional savings in budget authority of $205,000,000 and outlays of $3,776,000,000 in fiscal year 1984 and budget authority by $267,000,000 and outlays of $4,360,000,000 in fiscal year 1985;

(G) the House Committee on Ways and Means shall report changes in laws within the jurisdiction of that committee sufficient to increase revenue by $29,750,000,000 for fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional revenue increases of $46,000,000,000 for fiscal year 1984, and $59,000,000,000 for fiscal year 1985.

Sec. 302. Pursuant to section 301(b)(2) of the Budget Act—

(A) the Senate Committee on Agriculture, Nutrition, and Forestry shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $207,000,000 and outlays by $207,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high future budget deficits in future fiscal years requires additional savings in budget authority of $530,000,000 and outlays of $530,000,000 in fiscal year 1984 and budget authority of $661,000,000 and outlays of $661,000,000 in fiscal year 1985;

(B) the Senate Committee on Banking, Housing, and Urban Affairs shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority in $90,000,000 and outlays by $785,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high future budget deficits in future fiscal years requires additional savings in budget authority of $100,000,000 and outlays of $797,000,000 in fiscal year 1984 and budget authority of $104,000,000 and outlays of $791,000,000 in fiscal year 1985;

(C) the Senate Committee on Labor and Human Resources shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $73,000,000 and outlays by $73,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of budget authority of $101,000,000 and outlays of $101,000,000 in fiscal year 1984 and budget authority of $97,000,000 and outlays of $97,000,000 in fiscal year 1985;

(D) the Senate Committee on Veterans' Affairs shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $81,000,000 and outlays by $81,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of budget authority by $87,000,000 and outlays by $87,000,000 in fiscal year 1984 and budget authority by $91,000,000 and outlays by $91,000,000 in fiscal year 1985;

(E) the Senate Committee on Finance shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $393,000,000 and outlays by $2,814,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high deficits in future fiscal years requires additional savings in budget authority by $270,000,000 and outlays of $3,841,000,000 in fiscal year 1984 and budget authority of $339,000,000 and outlays of $4,432,000,000 in fiscal year 1985;

(F) the Senate Committee on Finance shall report changes in law within the jurisdiction of that committee sufficient to increase revenue by $29,750,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high deficits in future fiscal years requires additional revenue increases of $46,000,000 in fiscal year 1984 and of $59,000,000 in fiscal year 1985.

Sec. 303. The committees names in sections 301(A)-(E) and 302 (A)-(D) shall submit their recommendations to the Committees on the Budget of their respective Houses. Those recommendations shall be sufficient to accomplish the changes required by such subsection. After receiving those recommendations, the Committees on the Budget shall report to the House and Senate a reconciliation bill or resolution or both carrying out all such recommendations without any substantive revision.

Sec. 304. (a) In the House of Representatives, no bill or resolution providing—

(1) new budget authority for fiscal year 1983, or

(2) new spending authority described in section 401(c)(2)(C) of the Congressional Budget Act first effective in fiscal year 1983 which exceeds the appropriate allocation or subdivision of such new discretionary budget authority or new spending authority made pursuant to section 302 of such Act shall be enrolled until after Congress has completed action on the second concurrent resolution on the budget required to be reported under section 310 of such Act.

(b) For purposes of this section, "budget authority" and "new discretionary budget authority" shall not include spending authority or budget authority derived from and highway, public transportation or aviation trust fund, 90 percent or more of the receipts of which consist or will consist of amounts (transferred from the general fund of the Treasury) equivalent to amounts of taxes (related to the purposes for which such outlays are or will be made) received in the Treasury under specified provisions of the Internal Revenue Code of 1954.

By Mr. JONES of Oklahoma (B-3):

—Strike all after the resolving clause and insert in lieu thereof the following:

TITLE I—REVISION OF THE CONGRESSIONAL BUDGET FOR THE UNITED STATES GOVERNMENT FOR THE FISCAL YEAR 1982

Sec. 101. The provisions of this title shall supersede the figures reaffirmed in S. Con. Res. 50 of the Ninety-seventh Congress for the fiscal year beginning on October 1, 1981.

Sec. 102. (a)(1) The level of Federal revenues is $622,800,000,000 and the net amount by which the aggregate level of Federal revenues should be decreased is $200,000,000.

(2) The level of total new budget authority is $784,500,000,000.

(3) The level of total budget outlays is $743,900,000,000.

(4) The amount of the deficit in the budget is $121,100,000,000.

(5) The level of the public debt is $1,147,700,000,000 and the amount by which the statutory limit on such debt should accordingly be increased is $747,700,000,000.

(6) The level of total obligations for the principal amount of new direct loans is $63,400,000,000, the level of total new primary commitments to guarantee loan principal is $74,850,000,000, and the level of total new secondary commitments to guarantee loan principal is $68,950,000,000.

(b) Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of subsection (a) of this section of this resolution, the Congress hereby determines and declares that, for the fiscal year beginning on October 1, 1981, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are as follows:

(1) National Defense (050):

(A) New budget authority, $218,200,000,000;

(B) Outlays, $190,800,000,000.

(2) International Affairs (150):

(A) New budget authority, $16,750,000,000;

(B) Outlays, $11,450,000,000.

(3) General Science, Space, and Technology (250):

(A) New budget authority, $7,000,000,000;

(B) Outlays, $7,000,000,000.

(4) Energy (270):

(A) New budget authority, $4,750,000,000;

(B) Outlays, $6,500,000,000.

(5) Natural Resources and Environment (300):

(A) New budget authority, $10,400,000,000;

(B) Outlays, $12,850,000,000.

(6) Agriculture (350):

(A) New budget authority, $9,900,000,000;

(B) Outlays, $13,800,000,000.

(7) Commerce and Housing Credit (370):

(A) New budget authority, $7,500,000,000;

(B) Outlays, $3,750,000,000.

(8) Transportation (400):

(A) New budget authority, $21,350,000,000;

(B) Outlays, $21,450,000,000.

(9) Community and Regional Development (450):

(A) New budget authority, $7,000,000,000;

(B) Outlays, $8,650,000,000.

(10) Education, Training, Employment and Social Services (500):

(A) New budget authority, $25,450,000,000;

(B) Outlays, $28,200,000,000.

(11) Health (550):

(A) New budget authority, $79,050,000,000;

(B) Outlays, $73,750,000,000.

(12) Income Security (600):

(A) New budget authority, $261,350,000,000;

(B) Outlays, $251,850,000,000.

(13) Veterans Benefits and Services (700):

(A) New budget authority, $24,800,000,000;

(B) Outlays, $23,800,000,000.

(14) Administration of Justice (750):

(A) New budget authority, $4,500,000,000;

(B) Outlays, $4,650,000,000.

(15) General Government (800):

(A) New budget authority, $5,200,000,000;

(B) Outlays, $5,050,000,000.

(16) General Purpose Fiscal Assistance (850):

(A) New budget authority, $6,350,000,000;

(B) Outlays, $6,350,000,000.

(17) Interest (900):

(A) New budget authority, $102,350,000,000;

(B) Outlays, $102,350,000,000.

(18) Allowances (920):

(A) New budget authority, $2,850,000,000;

(B) Outlays, $1,900,000,000.

(19) Undistributed Offsetting Receipts (950):

(A) New budget authority, −$30,250,000,000;

(B) Outlays, −$30,250,000,000.

Sec. 103. (a) There is established a congressional Federal credit budget for fiscal year 1982 of which the levels of total Federal credit activity for fiscal year 1982 are:

(1) New direct loan obligations, $63,400,000,000.

(2) New primary loan guarantee commitments, $74,850,000,000.

(3) New secondary loan guarantee commitments, $68,950,000,000.

(b) Based on allocations of the appropriate levels of total Federal credit activity as set forth in paragraph (1) of this subsection, the appropriate levels of new direct loan obligations, new primary loan guarantee commitments, and new secondary loan guarantee commitments for each functional category are as follows:

(1) National Defense (050):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(2) International Affairs (150):

(A) New direct loan obligations, $10,400,000,000;

(B) New primary loan guarantee commitments, $8,100,000,000;

(C) New secondary loan guarantee commitments, $0.

(3) General Science, Space and Technology (250):

(A) New direct loan obligations, $200,000,000;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(4) Energy (270):

(A) New direct loan obligations, $10,300,000,000;

(B) New primary loan guarantee commitments, $400,000,000;

(C) New secondary loan guarantee commitments, $0.

(5) Natural Resources and Environment (300):

(A) New direct loan obligations, $50,000,000;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(6) Agriculture (350):

(A) New direct loan obligations, $22,600,000,000;

(B) New primary loan guarantee commitments, $2,700,000,000;

(C) New secondary loan guarantee commitments, $0.

(7) Commerce and Housing Credit (370):

(A) New direct loan obligations, $12,050,000,000;

(B) New primary loan guarantee commitments, $26,200,000,000;

(C) New secondary loan guarantee commitments, $68,200,000,000.

(8) Transportation (400):

(A) New direct loan obligations, $350,000,000;

(B) New primary loan guarantee commitments, $750,000,000;

(C) New secondary loan guarantee commitments, $50,000,000.

(9) Community and Regional Development (450):

(A) New direct loan obligations, $2,000,000,000;

(B) New primary loan guarantee commitments, $850,000,000;

(C) New secondary loan guarantee commitments, $0.

(10) Education, Training, Employment, and Social Services (500):

(A) New direct loan obligations, $1,300,000,000;

(B) New primary loan guarantee commitments, $6,500,000,000;

(C) New secondary loan guarantee commitments, $700,000,000.

(11) Health (550):

(A) New direct loan obligations, $50,000,000;

(B) New primary loan guarantee commitments, $100,000,000;

(C) New secondary loan guarantee commitments, $0.

(12) Income Security (600):

(A) New direct loan obligations, $2,750,000,000;

(B) New primary loan guarantee commitments, $17,050,000,000;

(C) New secondary loan guarantee commitments, $0.

(13) Veterans Benefits and Services (700):

(A) New direct loan obligations, $1,050,000,000;

(B) New primary loan guarantee commitments, $11,900,000,000;

(C) New secondary loan guarantee commitments, $0.

(14) Administration of Justice (750):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(15) General Government (800):

(A) New direct loan obligations, $50,000,000;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(16) General Purpose Fiscal Assistance (850):

(A) New direct loan obligations, $250,000,000;

(B) New primary loan guarantee commitments, $300,000,000;

(C) New secondary loan guarantee commitments, $0.

(17) Interest (900):

(A) New direct loan obligation, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(18) Allowances (920):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(19) Undistributed Offsetting Receipts (950):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(c) It is the sense of the Congress that the President and the Congress, through the appropriations process, should limit in fiscal year 1982 the off-budget lending activity of the Federal Government to a level not to exceed $30,200,000,000, the on-budget lending activity to a level not to exceed $33,200,000,000, new primary loan guarantee commitments to a level not to exceed $74,850,000,000, and new secondary loan guarantee commitments to a level not to exceed $68,950,000,000.

TITLE II—SETTING FORTH THE CONGRESSIONAL BUDGET FOR THE UNITED STATES GOVERNMENT FOR THE FISCAL YEARS 1983, 1984, AND 1985

SEC. 201. The Congress hereby determines and declares, pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on October 1, 1982—

(1) the level of Federal revenues is $676,700,000,000, and the net amount by which the aggregate level of Federal revenues should be increased is $31,700,000,000,

(2) the level of total new budget authority is $828,000,000,000,

(3) the level of total budget outlays is $780,550,000,000,

(4) the amount of the deficit in the budget is $103,850,000,000, and

(5) the level of the public debt is $1,285,550,000,000, and the amount by which the statutory limit on such debt should accordingly be increased is $885,550,000,000.

SEC. 202. Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of section 201 of this resolution, the Congress hereby determines and declares pursuant to section 301(a) of the Congressional Budget Act of 1974 that, for the fiscal year beginning on October 1, 1982, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are as follows:

(1) National Defense (050):

(A) New budget authority, $242,850,000,000;

(B) Outlays, $212,300,000,000.

(2) International Affairs (150):

(A) New budget authority, $16,150,000,000;

(B) Outlays, $12,100,000,000.

(3) General Science, Space, and Technology (250):

(A) New budget authority, $7,750,000,000;

(B) Outlays, $7,600,000,000.

(4) Energy (270):

(A) New budget authority, $5,300,000,000;

(B) Outlays, $5,000,000,000.

(5) Natural Resources and Environment (300):

(A) New budget authority, $9,400,000,000;

(B) Outlays, $10,850,000,000.

(6) Agriculture (350):

(A) New budget authority, $6,900,000,000;

(B) Outlays, $10,100,000,000.

(7) Commerce and Housing Credit (370):

(A) New budget authority, $8,050,000,000;

(B) Outlays, $8,050,000,000.

(8) Transportation (400):

(A) New budget authority, $22,300,000,000;

(B) Outlays, $20,400,000,000.

(9) Community and Regional Development (450):

(A) New budget authority, $7,000,000,000;

(B) Outlays, $7,900,000,000.

(10) Education, Training, Employment, and Social Services (500):

(A) New budget authority, $27,550,000,000;

(B) Outlays, $27,450,000,000.

(11) Health (550):

(A) New budget authority, $77,300,000,000;

(B) Outlays, $80,100,000,000.

(12) Income Security (600):

(A) New budget authority, $286,950,000,000;

(B) Outlays, $273,800,000,000.

(13) Veterans Benefits and Services (700):

(A) New budget authority, $24,100,000,000;

(B) Outlays, $23,400,000,000.

(14) Administration of Justice (750):

(A) New budget authority, $4,600,000,000;

(B) Outlays, $4,650,000,000.

(15) General Government (800):

(A) New budget authority, $5,000,000,000;

(B) Outlays, $4,850,000,000.

(16) General Purpose Fiscal Assistance (850):

(A) New budget authority, $6,500,000,000;

(B) Outlays, $6,500,000,000.

(17) Interest (900):

(A) New budget authority, $115,000,000,000;

(B) Outlays, $115,000,000,000.

(18) Allowances (920):

(A) New budget authority, −$1,050,000,000;

(B) Outlays, −$850,000,000.

(19) Undistributed Offsetting Receipts (950):

(A) New budget authority, −$43,650,000,000;

(B) Outlays, −$43,650,000,000.

SEC. 203(a). There is established a congressional Federal credit budget for fiscal year 1983 of which the levels of total Federal credit activity for fiscal year 1983 are:

(1) New direct loan obligations, $60,900,000,000.

(2) New primary loan guarantee commitments, $99,100,000,000.

(3) New secondary loan guarantee commitments, $68,250,000,000.

(b) Based on allocations of the appropriate levels of total Federal credit activity as set forth in paragraph (1) of this subsection, the appropriate levels of new direct loan obligations, new primary loan guarantee commitments, and new secondary loan guarantee commitments for each functional category are as follows:

(1) National Defense (050):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(2) International Affairs (150):

(A) New direct loan obligations, $10,850,000,000;

(B) New primary loan guarantee commitments, $8,950,000,000;

(C) New secondary loan guarantee commitments, $0.

(3) General Science, Space, and Technology (250):

(A) New direct loan obligations, $150,000,000;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(4) Energy (270):

(A) New direct loan obligations, $11,950,000,000;

(B) New primary loan guarantee commitments, −$850,000,000;

(C) New secondary loan guarantee commitments, $0.

(5) Natural Resources and Environment (300):

(A) New direct loan obligations, $50,000,000;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(6) Agriculture (350):

(A) New direct loan obligations, $19,150,000,000;

(B) New primary loan guarantee commitments, $2,650,000,000;

(C) New secondary loan guarantee commitments, $0.

(7) Commerce and Housing Credit (370):

(A) New direct loan obligations, $12,150,000,000;

(B) New primary loan guarantee commitments, $40,100,000,000;

(C) New secondary loan guarantee commitments, $68,250,000,000.

(8) Transportation (400):

(A) New direct loan obligations, $350,000,000;

(B) New primary loan guarantee commitments, $750,000,000;

(C) New secondary loan guarantee commitments, $0.

(9) Community and Regional Development (450):

(A) New direct loan obligations, $1,950,000,000;

(B) New primary loan guarantee commitments, $500,000,000;

(C) New secondary loan guarantee commitments, $0.

(10) Education, Training, Employment, and Social Services (500):

(A) New direct loan obligations, $850,000,000;

(B) New primary loan guarantee commitments, $7,250,000,000;

(C) New secondary loan guarantee commitments, $0.

(11) Health (550):

(A) New direct loan obligations, $50,000,000;

(B) New primary loan guarantee commitments, $100,000,000;

(C) New secondary loan guarantee commitments, $0.

(12) Income Security (600):

(A) New direct loan obligations, $2,050,000,000;

(B) New primary loan guarantee commitments, $18,700,000,000;

(C) New secondary loan guarantee commitments, $0.

(13) Veterans Benefits and Services (700):

(A) New direct loan obligations, $1,050,000,000;

(B) New primary loan guarantee commitments, $20,950,000,000;

(C) New secondary loan guarantee commitments, $0.

(14) Administration of Justice (750):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(15) General Government (800):

(A) New direct loan obligations, $50,000,000;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(16) General Purpose Fiscal Assistance (850):

(A) New direct loan obligations, $250,000,000;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(17) Interest (900):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee, commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(18) Allowances (920):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee, commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(19) Undistributed Offsetting Receipts (950):

(A) New direct loan obligations, $0;

(B) New primary loan guarantee commitments, $0;

(C) New secondary loan guarantee commitments, $0.

(c) It is the sense of the Congress that the President and the Congress, through the appropriations process, should limit in fiscal year 1983 the off-budget lending activity of the Federal Government to a level not to exceed $31,050,000,000, the on-budget lending activity to a level not to exceed $29,850,000,000, new primary loan guarantee commitments to a level not to exceed $99,100,000,000, and new secondary loan guarantee commitments to a level not to exceed $68,250,000,000.

SEC. 204. The Congress sets forth the following budgetary levels for fiscal years 1984 and 1985—

(1) the level of Federal revenues is as follows:

Fiscal year 1984: $753,650,000,000;
Fiscal year 1985: $846,550,000,000;

and the amount by which the aggregate levels of Federal revenues should be increased is as follows:

Fiscal year 1984: $51,650,000,000;
Fiscal year 1985: $66,550,000,000;

(2) the level of total new budget authority is as follows:

Fiscal year 1984: $888,400,000,000;
Fiscal year 1985: $952,850,000,000;

(3) the level of total budget outlays is as follows:

Fiscal year 1984: $826,400,000,000;
Fiscal year 1985: $881,200,000,000;

(4) the amount of the deficit in the budget is:

Fiscal year 1984: $72,750,000,000;
Fiscal year 1985: $34,650,000,000;

(5) the level of the public debt is as follows:

Fiscal year 1984: $1,404,450,000,000;
Fiscal year 1985: $1,490,800,000,000;

and the amount of which the statutory limit on such debt should be accordingly increased is as follows:

Fiscal year 1984: $1,004,450,000,000;
Fiscal year 1985: $1,090,800,000,000;

SEC. 205. Based on allocations of the appropriate level of total new budget authority and of total budget outlays for fiscal years 1984 and 1985 as set forth above, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are respectively as follows:

(1) National Defense (050):

Fiscal year 1984:

(A) New budget authority, $268,150,000,000;

(B) Outlays, $235,350,000,000.

Fiscal year 1985:

(A) New budget authority, $295,950,000,000;

(B) Outlays, $265,950,000,000.

(2) International Affairs (150):

Fiscal year 1984:

(A) New budget authority, $16,800,000,000;

(B) Outlays, $12,300,000,000.

Fiscal year 1985:

(A) New budget authority, $21,200,000,000;

(B) Outlays, $12,300,000,000.

(3) General Science, Space, and Technology (250):

Fiscal year 1984:

(A) New budget authority, $7,750,000,000;

(B) Outlays, $7,750,000,000.

Fiscal year 1985:

(A) New budget authority, $7,600,000,000;

(B) Outlays, $7,600,000,000.

(4) Energy (270):

Fiscal year 1984:

(A) New budget authority, $4,700,000,000;

(B) Outlays, $4,050,000,000.

Fiscal year 1985:

(A) New budget authority, $4,650,000,000;

(B) Outlays, $3,850,000,000.

(5) Natural Resources and Environment (300):

Fiscal year 1984:

(A) New budget authority, $8,750,000,000;

(B) Outlays, $9,850,000,000.

Fiscal year 1985:

(A) New budget authority, $8,350,000,000;

(B) Outlays, $8,850,000,000.

(6) Agriculture (350):

Fiscal year 1984:

(A) New budget authority, $8,400,000,000;

(B) Outlays, $8,250,000,000.

Fiscal year 1985:

(A) New budget authority, $6,850,000,000;

(B) Outlays, $7,500,000,000.

(7) Commerce and Housing Credit (370):

Fiscal year 1984:

(A) New budget authority, $8,650,000,000;

(B) Outlays, $2,750,000,000.

Fiscal year 1985:

(A) New budget authority, $8,350,000,000;

(B) Outlays, $2,600,000,000.

(8) Transportation (400):

Fiscal year 1984:

(A) New budget authority, $22,400,000,000;

(B) Outlays, $20,050,000,000.

Fiscal year 1985:

(A) New budget authority, $22,950,000,000;

(B) Outlays, $20,250,000,000.

(9) Community and Regional Development (450):

Fiscal year 1984:

(A) New budget authority, $7,150,000,000;

(B) Outlays, $7,600,000,000.

Fiscal year 1985:

(A) New budget authority, $7,350,000,000;

(B) Outlays, $7,700,000,000.

(10) Education, Training, Employment, and Social Services (500):

Fiscal year 1984:

(A) New budget authority, $28,250,000,000;

(B) Outlays, $28,000,000,000.

Fiscal year 1985:

(A) New budget authority, $28,300,000,000;
(B) Outlays, $28,200,000,000.

(11) Health (550):
Fiscal year 1984:
(A) New budget authority, $81,700,000,000;
(B) Outlays, $89,650,000,000.
Fiscal year 1985:
(A) New budget authority, $94,100,000,000;
(B) Outlays, $101,250,000,000.

(12) Income Security (600):
Fiscal year 1984:
(A) New budget authority, $314,500,000,000;
(B) Outlays, $290,050,000,000.
Fiscal year 1985:
(A) New budget authority, $344,550,000,000;
(B) Outlays, $312,400,000,000.

(13) Veterans Benefits and Services (700):
Fiscal year 1984:
(A) New budget authority, $25,150,000,000;
(B) Outlays, $24,550,000,000.
Fiscal year 1985:
(A) New budget authority, $26,000,000,000;
(B) Outlays, $25,900,000,000.

(14) Administration of Justice (750):
Fiscal year 1984:
(A) New budget authority, $4,600,000,000;
(B) Outlays, $4,600,000,000.
Fiscal year 1985:
(A) New budget authority, $4,600,000,000;
(B) Outlays, $4,600,000,000.

(15) General Government (800):
Fiscal year 1984:
(A) New budget authority, $4,700,000,000;
(B) Outlays, $4,600,000,000.
Fiscal year 1985:
(A) New budget authority, $4,700,000,000;
(B) Outlays, $4,500,000,000.

(16) General Purpose Fiscal Assistance (850):
Fiscal year 1984:
(A) New budget authority, $6,750,000,000;
(B) Outlays, $6,700,000,000.
Fiscal year 1985:
(A) New budget authority, $6,850,000,000;
(B) Outlays, $6,850,000,000.

(17) Interest (900):
Fiscal year 1984:
(A) New budget authority, $119,300,000,000;
(B) Outlays, $119,300,000,000.
Fiscal year 1985:
(A) New budget authority, $110,850,000,000;
(B) Outlays, $110,850,000,000.

(18) Allowances (920):
Fiscal year 1984:
(A) New budget authority, $200,000,000;
(B) Outlays, $500,000,000.
Fiscal year 1985:
(A) New budget authority, $500,000,000;
(B) Outlays, $900,000,000.

(19) Undistributed Offsetting Receipts (950):
Fiscal year 1984:
(A) New budget authority, −$49,500,000,000;
(B) Outlays, −$49,500,000,000.
Fiscal year 1985:
(A) New budget authority, −$50,850,000,000;
(B) Outlays, −$50,850,000,000.

TITLE III—PROVIDING RECONCILIATION INSTRUCTIONS AND OTHER ENFORCEMENT MEASURES

PART A—RECONCILIATION INSTRUCTIONS

SEC. 301. Pursuant to section 301(b)(2) of the Budget Act—

(A) the House Committee on Agriculture shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $207,000,000 and outlays by $207,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $530,000,000 in budget authority and $530,000,000 in outlays in fiscal year 1984, and $661,000,000 in budget authority and $661,000,000 in outlays in fiscal year 1985;

(B) the House Committee on Armed Services shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $212,000,000 and outlays by $212,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $691,000,000 in budget authority and $691,000,000 in outlays in fiscal year 1984, and $1,228,000,000 in budget authority and $1,228,000,000 in outlays in fiscal year 1985;

(C) the House Committee on Banking, Finance, and Urban Affairs shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce outlays by $695,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $697,000,000 in outlays in fiscal year 1984, and $687,000,000 in outlays in fiscal year 1985;

(D) the House Committee on Education and Labor shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $73,000,000 and outlays by $73,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $101,000,000 in budget authority and $101,000,000 in outlays in fiscal year 1984, and $97,000,000 in budget authority and $97,000,000 in outlays in fiscal year 1985;

(E) the House Committee on Energy and Commerce shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $60,000,000 and outlays by $60,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $68,000,000 in budget authority and $68,000,000 in outlays in fiscal year 1984, and $77,000,000 in budget authority and $77,000,000 in outlays in fiscal year 1985;

(F) the House Committee on Foreign Affairs shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce outlays by $3,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $2,000,000 in budget authority and $8,000,000 in outlays in fiscal year 1984, and $4,000,000 in budget authority and $15,000,000 in outlays in fiscal year 1985;

(G) the House Committee on Merchant Marine and Fisheries shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $4,000,000 and outlays by $4,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $15,000,000 in budget authority and $15,000,000 in outlays in fiscal year 1984, and $27,000,000 in budget authority and $27,000,000 in outlays in fiscal year 1985;

(H) the House Committee on Post Office and Civil Service shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $0 and outlays by $273,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $242,000,000 in budget authority and $925,000,000 in outlays in fiscal year 1984, and $538,000,000 in budget authority and $1,648,000,000 in outlays in fiscal year 1985;

(I) the House Committee on Veterans' Affairs shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce the budget authority by $171,000,000 and outlays by $171,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $187,000,000 in budget authority and $187,000,000 in outlays in fiscal year 1984, and $195,000,000 in budget authority and $195,000,000 in outlays in fiscal year 1985;

(J) the House Committee on Ways and Means shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce the budget authority by $334,000,000 and outlays by $2,489,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $205,000,000 in budget authority and $3,576,000,000 in outlays in fiscal year 1984, and $267,000,000 in budget authority and $4,160,000,000 in outlays in fiscal year 1985; and

(K) the House Committee on Ways and Means shall report changes in laws within the jurisdiction of the committee sufficient to increase revenue by $31,700,000,000 for fiscal year 1983; further, the Congress finds that the prospect of unacceptably high deficits in future years requires additional revenues of $51,650,000,000 for fiscal year 1984, and $66,550,000,000 for fiscal year 1985.

SEC. 302. Pursuant to section 301(b)(2) of the Budget Act—

(A) the Senate Committee on Finance shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $393,000,000 and outlays by $2,548,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future years requires additional savings of $270,000,000 in budget authority and $3,641,000,000 in outlays for fiscal year 1984, and $339,000,000 in budget authority and $4,232,000,000 in outlays in fiscal year 1985;

(B) the Senate Committee on Finance shall report changes in laws within the jurisdiction of that committee sufficient to increase revenues by $31,700,000,000 for fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional revenues of $51,650,000,000 for fiscal year 1984, and $66,550,000,000 in fiscal year 1985;

(C) the Senate Committee on Agriculture, Nutrition, and Forestry shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $207,000,000 and outlays by $207,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future years requires additional savings of $530,000,000 in budget authority and $530,000,000 in outlays for fiscal year 1984, and $661,000,000 in budget authority and $661,000,000 in outlays in fiscal year 1985;

(D) the Senate Committee on Armed Services shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $213,000,000 and outlays by $213,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future years requires additional savings of $694,000,000 in budget authority and $694,000,000 in outlays for fiscal year 1984, and $1,232,000,000 in budget authority and $1,232,000,000 in outlays in fiscal year 1985;

(E) the Senate Committee on Banking, Housing, and Urban Affairs shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $90,000,000 and outlays by $785,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptable high budget deficits in future years requires additional savings of $100,000,000 in budget authority and $797,000,000 in outlays for fiscal year 1984, and $104,000,000 in budget authority and $791,000,000 in outlays in fiscal year 1985;

(F) the Senate Committee on Commerce, Science, and Transportation shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $4,000,000 and outlays by $4,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future years requires additional savings of $15,000,000 in budget authority and $15,000,000 in outlays for fiscal year 1984, and $27,000,000 in budget authority and $27,000,000 in outlays in fiscal year 1985;

(G) the Senate Committee on Foreign Relations shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce outlays by $3,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future years requires additional savings of $2,000,000 in budget authority and $8,000,000 in outlays for fiscal year 1984, and $4,000,000 in budget authority and $15,000,000 in outlays in fiscal year 1985;

(H) the Senate Committee on Governmental Affairs shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce outlays by $270,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future years requires additional savings of $240,000,000 in budget authority and $917,000,000 in outlays for fiscal year 1984, and $534,000,000 in budget authority and $1,633,000,000 in outlays in fiscal year 1985; and

(I) the Senate Committee on Labor and Human Resources shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $73,000,000 and outlays by $73,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future years requires additional savings of $101,000,000 in budget authority and $101,000,000 in outlays for fiscal year 1984, and $97,000,000 in budget authority and $97,000,000 in outlays in fiscal year 1985.

(J) the Senate Committee on Veterans' Affairs shall report changes in law within the jurisdication of that committee to reduce spending in amounts sufficient to reduce budget authority by $81,000,000 and outlays by $81,000,000 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future years requires additional savings of $87,000,000 in budget authority and $87,000,000 in outlays in fiscal year 1984, and $91,000,000 in budget authority and $91,000,000 in outlays in fiscal year 1985.

SEC. 303. The committees named in sections 301(A)–(I) and 302(C)–(J) shall submit their recommendations to the Committee on the Budget of their respective Houses. Those recommendations shall be sufficient to accomplish the changes required by such subsection. After receiving those recommendations, the Committees on the Budget shall report to the House and Senate a reconciliation bill or resolution or both carrying out all such recommendations without any substantive revision.

DEFERRED ENROLLMENT

SEC. 304. In the House of Representatives, no bill or resolution providing—

(1) new budget authority for fiscal year 1983, or

(2) new spending authority described in section 401(c)(2)(C) of the Congressional Budget Act first effective in fiscal year 1983—which exceeds the appropriate allocation or subdivision of such new discretionary budget authority or new spending authority made pursuant to section 302 of such Act shall be enrolled until after Congress has completed action on the second concurrent resolution on the budget required to be reported under section 310 of such Act.

302(B) REPORT

SEC. 305. It shall not be in order in either the House of Representatives or the Senate to consider any bill or resolution, or amendment thereto, providing—

(1) new budget authority for fiscal year 1983; or

(2) new spending authority described in section 401(c)(2)(C) of the Budget Act first effective in fiscal year 1983;

within the jurisdiction of any of its committees unless and until such committee makes the allocations or subdivisions required by section 302(b) of the Budget Act.

SEC. 306. It is the sense of the Congress that if Congress acts to restore fiscal responsibility and reduces projected budget deficits in a substantial and permanent way, then the Federal Reserve Open Market Committee shall reevaluate its monetary targets in order to assure that they are fully complementary to a new and more restrained fiscal policy.

By Mr. PEASE (1):

—at the appropriate place insert:

It is the sense of the House of Representatives that the Congress should enact legislation which makes the following changes in the Internal Revenue Code of 1954:

(1) Phase-out of the employee stock ownership credit.

(2) Limitation of the issuance of industrial development bonds.

(3) Limitation of the deduction for payment of nonbusiness interest (other than for purchase of a home or automobile).

(4) Repeal of the partial exclusion of dividends.

(5) Repeal of the exclusion of scholarship and fellowship grants.

(6) Repeal of the exclusion of amounts received under qualified group legal services plans.

(7) Repeal of the 15 percent exclusion of interest (scheduled to take effect in 1985).

(8) Elimination of the deductions for the extra cost of first-class travel.

(9) Limitation of the business deduction to 80 percent of the amount paid by the taxpayer with respect to meals, lodging, and entertainment.

(10) Repeal of the deduction for State and local personal property taxes.

(11) Limitation of deduction for casualty losses to 10 percent of the taxpayer's adjusted gross income.

(12) Repeal of safe harbor leasing.

(13) Reduction of the basis of property subject to a deduction, under the accelerated cost recovery system, by the amount of the investment tax credit allowed with respect to such property.

(14) Repeal of the charitable deduction for individuals who do not itemize deductions.

(15) Imposition of a requirement that real property construction period interest and taxes be capitalized in the case of corporations.

(16) Repeal of the investment tax credit for timber and the amortization of reforestation expenditures.

(17) Repeal of the deduction for taxpayers holding motor carrier operating authorities.

(18) Limitation of the deduction for medical expenses to medical expenses in excess of 5 percent of the taxpayer's adjusted gross income.

(19) Repeal of the expensing of intangible drilling and development costs in the case of oil and gas wells and geothermal wells.

(20) Repeal of the capital gains treatment of dividends reinvested in the stock of public utilities.

(21) Elimination of the use of the completed contract method of accounting for long-term contracts.

(22) Limitation of the deduction for additions to the reserves for bad debts in the case of thrift institutions.

(23) Repeal of percentage depletion with respect to natural resources.

(24) Repeal of special capital gains treatment of timber, coal, and domestic iron ore.

(25) Elimination of the use of modified coinsurance contracts as a method of treating investment income as underwriting income.

(26) Limitation of the tax credit for possessions corporations to prevent abuse of such credit.

(27) Repeal of the credit for oil and gas extraction taxes paid or accrued.

(28) Elimination of the special treatment of domestic international sales corporations.

(29) Increase in the percentage of gain or loss treated as short-term capital gain or loss in the case of regulated futures contracts.

(30) Imposition of a 5 percent capital gains tax for estates, based on the decedent's holdings at the time of death (subject to a $100,000 exclusion).

(31) Limitation on the phased-in increase in the unified credit against gift and estate taxes, and indexation of such credit.

(32) Repeal of the recent changes in current use valuation.

(33) Imposition of a $100,000 limitation on the estate tax exclusion for annuities and for the proceeds of life insurance.

(34) Repeal of the exemption for royalty oil, the reduction in tax imposed on newly discovered oil, and the exemption for stripper well oil.

—At the appropriate place insert:

It is the sense of the House of Representatives that the Congress should enact legislation such as the following suggested changes in the Internal Revenue Code of 1954 in order to use the closing of tax loopholes to the maximum extent possible as a way of raising revenue over the next 3 fiscal years:

(1) Phase-out of the employee stock ownership credit.

(2) Limitation of the issuance of industrial development bonds.

(3) Limitation of the deduction for payment of nonbusiness interest (other than for purchase of a home or automobile).

(4) Repeal of the partial exclusion of dividends.

(5) Repeal of the exclusion of scholarship and fellowship grants.

(6) Repeal of the exclusion of amounts received under qualified group legal services plans.

(7) Repeal of the 15 percent exclusion of interest (scheduled to take effect in 1985).

(8) Elimination of the deductions for the extra cost of first-class travel.

(9) Limitation of the business deduction to 80 percent of the amount paid by the taxpayer with respect to meals, lodging, and entertainment.

(10) Repeal of the deduction for State and local personal property taxes.

(11) Limitation of the deduction for casualty losses to 10 percent of the taxpayer's adjusted gross income.

(12) Repeal of safe harbor leasing.

(13) Reduction of the basis of property subject to a deduction, under the accelerated cost recovery system, by the amount of the investment tax credit allowed with respect to such property.

(14) Repeal of the charitable deduction for individuals who do not itemize deductions.

(15) Imposition of a requirement that real property construction period interest and taxes be capitalized in the case of corporations.

(16) Repeal of the investment tax credit for timber and the amortization of reforestation expenditures.

(17) Repeal of the deduction for taxpayers holding motor carrier operating authorities.

(18) Limitation of the deduction for medical expenses to medical expenses in excess of 5 percent of the taxpayer's adjusted gross income.

(19) Repeal of the expensing of intangible drilling and development costs in the case of oil and gas wells and geothermal wells.

(20) Repeal of the capital gains treatment of dividends reinvested in the stock of public utilities.

(21) Elimination of the use of the completed contract method of accounting for long-term contracts.

(22) Limitation of the deduction for additions to the reserves for bad debts in the case of thrift institutions.

(23) Repeal of percentage depletion with respect to natural resources.

(24) Repeal of special capital gains treatment of timber, coal, and domestic iron ore.

(25) Elimination of the use of modified co-insurance contracts as a method of treating investment income as underwriting income.

(26) Limitation of the tax credit for possessions corporations to prevent abuse of such credit.

(27) Repeal of the credit for oil and gas extraction taxes paid or accrued.

(28) Elimination of the special treatment of domestic international sales corporations.

(29) Increase in the percentage of gain or loss treated as short-term capital gain or loss in the case of regulated futures contracts.

(30) Imposition of a 5 percent capital gains tax for estates, based on the decedent's holdings at the time of death (subject to a $100,000 exclusion).

(31) Limitation on the phased-in increase in the unified credit against gift and estate taxes, and indexation of such credit.

(32) Repeal of the recent changes in current use valuation.

(33) Imposition of a $100,000 limitation on the estate tax exclusion for annuities and for the proceeds of life insurance.

(34) Repeal of the exemption for royalty oil, the reduction in tax imposed on newly discovered oil, and the exemption for stripper well oil.

By Mr. BONIOR of Michigan:

—Page 12, line 18, strike out "and", on line 22, strike out the period and insert in lieu thereof "; and", and after line 22, insert the following:

(6) the level of total tax expenditures is $273,135,000,000.

(Amendment to the amendment in the nature of a substitute offered by Mr. Aspin.)

Section 102(a) of title I is amended by inserting at the end thereof the following new paragraph:

(7) The level of total tax expenditures is $273,135,000,000.

(Amendment to the amendment in the nature of a substitute offered by Mr. Fauntroy.)

Section 102(a) of title I is amended by inserting at the end thereof the following new paragraph:

(7) The level of total tax expenditures is $273,135,000,000.

(Amendment to the amendment in the nature of a substitute offered by Mr. Latta.)

Section 102(a) of title I is amended by inserting at the end thereof the following new paragraph:

(7) The level of total tax expenditures is $273,135,000,000.

By Mr. JONES of Oklahoma (3):

(Amendment to the Latta amendment in the nature of a substitute.)

—To the matter in Title II concerning Function 050, National Defense:

Decrease Budget Authority by $10,600,000,000 in fiscal year 1983, by $8,200,000,000 in fiscal year 1984, and by $12,900,000,000 in fiscal year 1985;

Decrease outlays by $1,000,000,000 in fiscal year 1983 by $4,600,000,000 in fiscal year 1984, and by $6,300,000,000 in fiscal year 1985;

Decrease the aggregate budget authority level by $10,600,000,000 in fiscal year 1983, by $8,200,000,000 in fiscal year 1984, and by $12,900,000,000 in fiscal year 1985;

Decrease the aggregate outlay level by $1,000,000,000 in fiscal year 1983, by $4,600,000,000 in fiscal year 1984, and $6,300,000,000 in fiscal year 1985;

Decrease the deficit by $1,000,000,000 in fiscal year 1983, by $4,600,000,000 in fiscal year 1984, and by $6,300,000,000 in fiscal year 1985.

Purpose: To reduce Function 050 and to reflect a corresponding reduction in the deficit.

By Mr. KEMP (4):

(Amendment to H. Con. Res. 345 or any amendment or substitute thereto.)

—In section 201, delete subsection (1) and insert:

(1) the level of Federal revenues is $645,000,000,000; and the net amount by which the aggregate level of Federal revenues should be increased is $0.

In section 201, subsection (4) delete $103,850,000,000 and insert $134,850,000,000.

In section 204, delete subsection (1), and insert:

(1) the level of Federal revenues is as follows:

Fiscal Year 1984: $702,000,000,000;

Fiscal Year 1985: $780,000,000,000; and the amount by which the aggregate level of Federal revenues should be increased is as follows:

Fiscal Year 1984: $0;

Fiscal Year 1985: $0.

Delete section 301(K).

Delete section 302(B).

By Mr. MARTIN of North Carolina (5):

—Page 12, line 10, strike out "$676,700,000,000" and insert in lieu thereof "$665,000,000,000".

Page 12, line 12, strike out "$31,700,000,000" and insert in lieu thereof "$20,000,000,000".

Page 12, line 18, strike out "$103,850,000,000" and insert in lieu thereof "$115,550,000,000".

Page 22, line 4, strike out "$753,650,000,000" and insert in lieu thereof "$737,000,000,000".

Page 22, line 5, strike out "$846,550,000,000" and insert in lieu thereof "$820,000,000,000".

Page 22, line 8, strike out "$51,650,000,000" and insert in lieu thereof "$35,000,000,000".

Page 22, line 9, strike out "$66,550,000,000" and insert in lieu thereof "$40,000,000,000,".

Page 22, line 18, strike out "$72,750,000,000" and insert in lieu thereof "$89,400,000,000".

Page 22, line 19, strike out "$34,650,000,000" and insert in lieu thereof "$61,200,000,000".

Page 35, line 1, (relating to reconciliation instructions to the House Committee on Ways and Means) strike out "$31,700,000,000" and insert in lieu thereof "$20,000,000,000", and on line 4, strike out "$51,650,000,000" and insert in lieu thereof "$35,000,000,000", and on line 5, strike out "$66,550,000,000" and insert in lieu thereof "$40,000,000,000".

Page 35, line 21, (relating to reconciliation instructions to the Senate Committee on Finance) strike out "$31,700,000,000" and insert in lieu thereof "$20,000,000,000", and on page 36, line 1, strike out "$51,65,000,000" and insert in lieu thereof "$35,000,000,000", and on line 2, strike out "$66,550,000,000" and insert in lieu thereof "$40,000,000,000".

(Amendment to the amendment in the nature of a substitute offered by Mr. Aspin.)

—In section 201(1) (relating to 1983 revenues), strike out "$675,750,000,000" and insert in lieu thereof "$665,000,000,000", and strike out "$29,750,000,000" and insert in lieu thereof "$20,000,000,000".

In section 201(4) (relating to the 1983 deficit), strike out "$95,050,000,000" and insert in lieu thereof "$104,800,000,000".

In section 204(1) (relating to 1984 and 1985 revenues), strike out "$751,000,000,000" and insert in lieu thereof "$737,000,000,000"; strike out "$843,000,000,000" and insert in lieu thereof "$820,000,000,000"; strike out "$46,500,000,000" and insert in lieu thereof "$35,000,000,000"; and, strike out "$59,000,000,000" and insert in lieu thereof "$40,000,000,000".

In section 204(4) (relating to 1984 and 1985 deficits), strike out "$72,300,000,000" and insert in lieu thereof "$86,300,000,000"

and strike out "$32,700,000,000" and insert in lieu thereof "$55,700,000,000".

In section 301(G) (relating to reconciliation instructions to the House Committee on Ways and Means), strike out "$29,750,000,000" and insert in lieu thereof "$20,000,000,000; strike out "$46,000,000,000" and insert in lieu thereof "$35,000,000,000; and, strike out "$59,000,000,000" and insert in lieu thereof "$40,000,000,000".

In section 302(F) (relating to reconciliation instructions to the Senate Committee on Finance), strike out "$29,750,000,000" and insert in lieu thereof "$20,000,000,000; strike out "$46,000,000,000" and insert in lieu thereof "$35,000,000,000"; and, strike out "$59,000,000,000" and insert in lieu thereof "$40,000,000,000".

By Mr. HUCKABY (6):

(An amendment to H. Con. Res. 345, or any amendment thereto in the nature of a substitute to matters concerning Title II, Functions 050, Defense, and 920, Allowances.)

Function 050:

Increase budget authority by $2,500,000,000 and outlays by $1,500,000,000 in fiscal year 1983; Increase budget authority by $3,500,000,000 and outlays by $2,500,000,000 in fiscal year 1984; Increase budget authority by $4,500,000,000 and outlays by $3,600,000,000 in fiscal year 1985.

Function 920:

Decrease budget authority by $2,500,000,000 and outlays by $1,500,000,000 in fiscal year 1983; Decrease budget authority by $3,500,000,000 and outlays by $2,500,000,000 in fiscal year 1984; Decrease budget authority by $4,500,000,000 and outlays by $3,600,000,000 in fiscal year 1985.

By Mr. JONES of Oklahoma (7):

(Amendment to the Latta amendment in the nature of a substitute)

—To the matter in Title II concerning Functions, 500, 550, 600, 920, and the revenue level:

Function 500:

Education, Training, Employment and Social Services

Increase budget authority by $59,000,000 in fiscal year 1983, by $274,000,000 in fiscal year 1984, and by $404,000,000 in fiscal year 1985;

Increase outlays by $31,000,000 in fiscal year 1983, by $226,000,000 in fiscal year 1984, and by $373,000,000 in fiscal year 1985;

Function 550: Health

Increase budget authority by $628,000,000 in fiscal year 1983, by $976,000,000 in fiscal year 1984, and by $186,000,000 in fiscal year 1985;

Increase outlays by $3,115,000,000 in fiscal year 1983, by $4,825,000,000 in fiscal year 1984, and $6,526,000,000 in fiscal year 1985;

Function 600: Income Security

Increase budget authority by $750,000,000 in fiscal year 1983, by $1,563,000,000 in fiscal year 1984, and by $2,141,000,000 in fiscal year 1985;

Increase outlays by $854,000,000 in fiscal year 1983, by $1,699,000,000 in fiscal year 1984, and by $2,301,000,000 in fiscal year 1985;

Function 920: Allowances

Increase budget authority by $25,481,000,000 in fiscal year 1983, by $25,874,000,000 in fiscal year 1984, and by $26,074,000,000 in fiscal year 1985;

Increase outlays by $3,500,000,000 in fiscal year 1983, by $5,550,000,000 in fiscal year 1984, and $7,200,000,000 in fiscal year 1985;

Increase the revenue level by $7,500,000,000 in fiscal year 1983, by $12,300,000,000 in fiscal year 1984, and by $16,400,000,000 in fiscal year 1985.

Increase the aggregate budget authority level by $26,918,000,000 in fiscal year 1983, by $28,687,000,000 in fiscal year 1984, and by $28,805,000,000 in fiscal year 1985;

Increase the aggregate outlay level by $7,500,000 in fiscal year 1983, by $12,300,000,000 in fiscal year 1984, and $16,400,000,000 in fiscal year 1985;

Adjustments to Reconciliation Instructions in Title III:

House Committee on Agriculture:

Decrease budget authority by $405,000,000 and outlays by $395,000,000 in fiscal year 1983; Decrease budget authority by $1,158,000 and outlays by $1,148,000,000 in fiscal year 1984; Decrease budget authority by $1,702,000,000 and outlays by $1,702,000,000 in fiscal year 1985.

House Committee on Education and Labor:

Decrease budget authority by $135,000,000 and outlays by $107,000,000 in fiscal year 1983; Decrease budget authority by $385,000,000 and outlays by $337,000,000 in fiscal year 1984; Decrease budget authority by $424,000,000 and outlays by $493,000,000 in fiscal year 1985.

House Committee on Energy and Commerce:

Decrease budget authority by $318,000,000 and outlays by $438,000,000 in fiscal year 1983; Decrease budget authority by $498,000,000 and outlays by $498,000,000 in fiscal year 1984; Decrease budget authority by $548,000,000 and outlays by $548,000,000 in fiscal year 1985.

House Committee on Ways and Means:

Decrease budget authority by $683,000,000 and outlays by $2,963,000,000 in fiscal year 1983; Decrease budget authority by $1,162,000,000 and outlays by $4,843,000,000 in fiscal year 1984; Decrease budget authority by $1,198,000,000 and outlays by $7,501,000,000 in fiscal year 1985.

Increase amount of revenues by $7,500,000,000 in fiscal year 1983; $12,300,000,000 in fiscal year 1984; and $16,400,000 in fiscal year 1985.

Senate Committee on Agriculture, Nutrition, and Forestry:

Decrease budget authority by $405,000,000 and outlays by $395,000,000 in fiscal year 1983; Decrease budget authority by $1,158,000,000 and outlays by $1,148,000,000 in fiscal year 1984; Decrease budget authority by $1,702,000,000 and outlays by $1,702,000,000 in fiscal year 1985.

Senate Committee on Finance:

Decrease budget authority by $1,001,000,000 and outlays by $3,401,000,000 in fiscal year 1983; Decrease budget authority by $1,660,000,000 and outlays by $5,341,000,000 in fiscal year 1984; Decrease budget authority by $1,748,000,000 and outlays by $8,049,000,000 in fiscal year 1985.

Increase amount of revenues by $7,500,000,000 in fiscal year 1983; by $12,300,000,000 in fiscal year 1984; and $15,400,000,000 in fiscal year 1985.

Senate Committee on Labor and Human Resources:

Decrease budget authority by $135,000,000 and outlays by $107,000,000 in fiscal year 1983; Decrease budget authority by $385,000,000 and outlays by $337,000,000 in fiscal year 1984; Decrease budget authority by $424,000,000 and outlays by $493,000,000 in fiscal year 1985.

By Mrs. SCHROEDER (8):

(Amendment to H. Con. Res. 345 or any amendment in the nature of a substitute offered thereto.)

—Section 102(a)(2) is amended to read:

"(2) the level of total new budget authority is $782,250,000,000;"

Section 102(a)(3) is amended to read:

"(3) the level of total budget outlays is $743,200,000,000;"

Section 120(a)(4) is amended to read:

"(4) the amount of the deficit in the budget is $120,400,000,000;"

Section 102(b)(1) is amended to read:

"(1) National Defense (050):

"(A) New budget authority, $215,950,000,000;

"(B) Outlays, $190,100,000,000."

Section 202(2) is amended to read:

"(2) the level of total new budget authority is $815,010,000,000;"

Section 201(3) is amended to read:

"(3) the level of total budget outlays is $772,342,000,000;"

Section 201(4) is amended to read:

"(4) the amount of the deficit in the budget is $95,642,000,000, and"

Section 202(1) is amended to read:

"(1) National Defense (050):

"(A) New budget authority, $229,860,000,000;

"(B) Outlays, $204,092,000,000."

Section 204(2) is amended to read:

"(2) the level of total new budget authority is as follows:

"Fiscal year 1984: $865,281,000,000.

"Fiscal year 1985: $916,833,000,000."

Section 204(3) is amended to read:

"(3) the level of total budget outlays is as follows:

"Fiscal year 1984: $808,612,000,000.

"Fiscal year 1985: $845,866,000,000."

Section 204(4) is amended to read:

"(4) the amount of the deficit in the budget is:

"Fiscal year 1984: $54,962,000,000.

"The amount of surplus in the budget is:

"Fiscal year 1985: $684,000,000."

Section 205(1) is amended to read:

"(1) National Defense (050):

"Fiscal year 1984:

"(A) New budget authority, $245,031,000,000;

"(B) Outlays, $217,562,000,000.

"Fiscal year 1985:

"(A) New budget authority, $259,733,000,000;

"(B) Outlays, $230,816,000,000."

By Mr. GREEN (9):

(Amendment to the amendment in the nature of a substitute offered by Mr. Jones of Oklahoma.)

Title II, Sec. 201(1) relating to the level of Federal revenues, strike out "$676,700,000,000" and insert in lieu thereof "$672,700,000,000."

Title II, Sec. 201(1) relating to the net amount by which the aggregate level of Federal revenues should be increased, strike out "$31,700,000,000" and insert in lieu thereof "$27,700,000,000."

Title II, Sec. 201(2) relating to the level of total new budget authority, strike out "$828,000,000,000" and insert in lieu thereof "$812,000,000,000."

Title II, Sec. 201(3) relating to the level of total budget outlays, strike out "$780,550,000,000" and insert in lieu thereof "$776,550,000,000."

Title II, Sec. 202(1)(A) National Defense (function 050) relating to New Budget Authority, strike out "$242,850,000,000" and insert in lieu thereof "$226,850,000,000."

Title II, Sec. 202(1)(B) National Defense (function 050) relating to Outlays, strike out "$212,300,000,000" and insert in lieu thereof "$208,300,000,000."

Title II, Sec. 204(1) relating to the level of Federal revenues for fiscal year 1984, strike out "$753,650,000,000" and insert in lieu thereof "$749,650,000,000."

Title II, Sec. 204(1) relating to the level of Federal revenues for fiscal year 1985, strike out "$846,550,000,000" and insert in lieu thereof "$842,550,000,000."

Title II, Sec. 204(1) relating to the amount by which the aggregate levels of Federal revenues should be increased for fiscal year 1984, strike out "$51,650,000,000" and insert in lieu thereof "$47,650,000,000."

Title II, Sec. 204(1) relating to the amount by which the aggregate levels of Federal revenues should be increased for fiscal year 1985, strike out "$66,550,000,000" and insert in lieu thereof "$62,550,000,000."

Title II, Sec. 204(2) relating to the level of total new budget authority for fiscal year 1984, strike out "$888,400,000,000" and insert in lieu thereof "$872,400,000,000."

Title II, Sec. 204(2) relating to the level of total new budget authority for fiscal year 1985, strike out "$952,850,000,000" and insert in lieu thereof "$936,850,000,000."

Title II, Sec. 204(3) relating to the level of total budget outlays for fiscal year 1984, strike out "$826,400,000,000" and insert in lieu thereof "$822,400,000,000."

Title II, Sec. 204(3) relating to the level of total budget outlays for fiscal year 1985, strike out "$881,200,000,000" and insert in lieu thereof "$877,200,000,000."

Title II, Sec. 205(1)(A) National Defense (function 050) relating to New Budget Authority for fiscal year 1984, strike out "$268,150,000,000" and insert in lieu thereof "$252,150,000,000."

Title II, Sec. 205(1)(B) National Defense (function 050) relating to Outlays for fiscal year 1984, strike out "$235,350,000,000" and insert in lieu thereof "$231,350,000,000."

Title II, Sec. 205(1)(A) National Defense (function 050) relating to New Budget Authority for fiscal year 1985, strike out "$295,950,000,000" and insert in lieu thereof "$279,950,000,000."

Title II, Sec. 205(1)(B) National Defense (function 050) relating to Outlays for fiscal year 1985, strike out "$265,950,000,000" and insert in lieu thereof "$261,950,000,000."

—Page 12, line 10, strike out "$676,700,000,000" and insert in lieu thereof "$872,700,000,000."

Page 12, line 12, strike out $31,700,000,000" and insert in lieu thereof "$27,700,000,000."

Page 12, line 14, strike out "$828,000,000,000" and insert in lieu thereof "$812,000,000,000."

Page 12, line 16, strike out "$780,550,000,000" and insert in lieu thereof "$776,550,000,000."

Page 13, line 9, strike out "$242,850,000,000" and insert in lieu thereof "$226,850,000,000."

Page 13, line 10, strike out "$212,300,000,000" and insert in lieu thereof "$208,300,000,000."

Page 22, line 4, strike out "$753,650,000,000" and insert in lieu thereof "$749,650,000,000."

Page 22, line 5, strike out "$846,550,000,000" and insert in lieu thereof "$842,550,000,000."

Page 22, line 8, strike out "$51,650,000,000" and insert in lieu thereof "$47,650,000,000."

Page 22, line 9, strike out "$66,550,000,000" and insert in lieu thereof "$62,550,000,000."

Page 22, line 12, strike out "$888,400,000,000" and insert in lieu thereof "$872,400,000,000."

Page 22, line 13, strike out "$942,850,000,000" and insert in lieu thereof "$956,850,000,000."

Page 22, line 15, strike out "$826,400,000,000" and insert in lieu thereof "$822,400,000,000."

Page 22, line 16, strike out "$881,200,000,000" and insert in lieu thereof "$877,200,000,000."

Page 23, line 12, strike out "$268,150,000,000" and insert in lieu thereof "$252,150,000,000."

Page 23, line 13, strike out "$235,350,000,000" and insert in lieu thereof "$231,350,000,000."

Page 23, line 16, strike out "$295,950,000,000" and insert in lieu thereof "$279,950,000,000."

Page 23, line 17, strike out "$265,950,000,000" and insert in lieu thereof "$261,950,000,000."

By Mr. CONYERS (10):

(Amendment to the amendment in the nature of a substitute offered by Mr. Latta.) —Section 201(2), (relating to the total budget authority for fiscal year 1983), strike out "$805,200,000,000" and insert in lieu thereof "$784,800,000,000".

(3), (relating to total budget outlays for fiscal year 1983) strike out "$767,500,000,000" and insert in lieu thereof "$759,500,000,000".

(4), (relating to the amount of the deficit for fiscal year 1983) strike out "$101,600,000,000" and insert in lieu thereof "$93,600,000,000".

Section 202(1A), (relating to functional category 050) strike out "$253,850,000,000" and insert in lieu thereof "$233,450,000,000".

(1B), (relating to functional category 050) strike out "$213,250,000,000" and insert in lieu thereof "$205,250,000,000".

(Amendment to the amendment in the nature of a substitute offered by Mr. Aspin.) —Section 201. (2), (relating to the total budget authority for fiscal year 1983), strike out "$822,400,000,000" and insert in lieu thereof "$802,000,000,000".

(3), (relating to total budget outlays for fiscal year 1983) strike out "$770,800,000,000" and insert in lieu thereof "$762,800,000,000".

(4), (relating to the amount of the deficit for fiscal year 1983), strike out "$95,050,000,000" and insert in lieu thereof "$87,050,000,000".

Section 202. (1A), (relating to functional category 050) strike out "$242,900,000,000" and insert in lieu thereof "$222,500,000,000".

(1B), (relating to functional category 050) strike out "$209,850,000,000" and insert in lieu thereof "$201,850,000,000".

(Amendment to the Jones substitute.)

—Page 12, line 14, (relating to the total budget authority for fiscal year 1983) strike out "$828,000,000,000" and insert in lieu thereof "$807,600,000,000".

Page 12, line 16, (relating to the total budget outlays for fiscal year 1983) strike out "$780,550,000,000" and insert in lieu thereof "$772,550,000,000".

Page 12, line 18, (relating to the amount of the deficit for fiscal year 1983) strike out "$103,850,000,000" and insert in lieu thereof "$95,850,000,000".

Page 13, line 9, (relating to functional category 050) strike out "$242,850,000,000" and insert in lieu thereof "$222,450,000,000".

Page 13, line 10, (relating to functional category 050) strike out "$212,300,000,000" and insert in lieu thereof "$204,300,000,000".

—Page 12, line 14, (relating to the total budget authority for fiscal year 1983) strike out "$828,000,000,000" and insert in lieu thereof "$807,600,000,000".

Page 12, line 16, (relating to the total budget authority for fiscal year 1983) strike out "$780,550,000,000" and insert in lieu thereof "$772,550,000,000".

Page 12, line 18, (relating to the amount of the deficit for fiscal year 1983) strike out "$103,850,000,000" and insert in lieu thereof "$95,850,000,000".

Page 13, line 9, (relating to functional category 050) strike out "$242,450,000,000" and insert in lieu thereof "$222,450,000,000".

Page 13, line 10, (relating to functional category 050) strike out "$212,300,000,000" and insert in lieu thereof "$204,300,000,000".

By Mr. WYLIE (11):

—Page 12, line 10, (relating to the recommended level of Federal revenues for the 1983 fiscal year) strike out "$676,700,000,000" and insert in lieu thereof "$691,700,000,000" and on page 12, line 12, increase the amount by which revenues should be increased by $15,000,000,000.

Page 12, line 14, (relating to total new budget authority for fiscal year 1983) strike out "$828,000,000,000" and insert in lieu thereof "$800,200,000,000".

Page 12, line 16, (relating to total budget outlays for fiscal year 1983) strike out "$780,550,000,000" and insert in lieu thereof "$764,050,000,000".

Page 12, line 18, (relating to the amount of the deficit for fiscal year 1983) strike out "$103,850,000,000" and insert in lieu thereof "$72,350,000,000".

Page 13, line 9, (relating to functional category 050) strike out "$242,850,000,000" and insert in lieu thereof "$225,050,000,000".

Page 13, line 10, (relating to functional category 050) strike out "$212,300,000,000" and insert in lieu thereof "$205,800,000,000".

Page 15, line 11, (relating to functional category 900) strike out "$115,000,000,000" and insert in lieu thereof "$105,000,000,000".

Page 15, line 12, (relating to functional category 900) strike out "$115,000,000,000" and insert in lieu thereof "$105,000,000,000".

Page 35, line 1, (relating to reconciliation instructions to the House Committee on Ways and Means) strike out "$31,700,000,000" and insert in lieu thereof "$46,700,000,000 (of which at least $15,000,000,000 shall be generated through increased user fees and luxury and excise taxes)".

Page 35, line 21, (relating to reconciliation instructions to the Senate Committee on Finance) strike out "$31,700,000,000" and insert in lieu thereof "$46,700,000,000 (of which at least $15,000,000,000 shall be generated through increased user fees and luxury and excise taxes)".

(Amendment to the amendment in the nature of a substitute offered by Mr. Aspin.) —Page , line , (relating to the recommended level of Federal revenues for the 1983 fiscal year) strike out "$675,750,000,000" and insert in lieu thereof "$690,750,000,000" and on page , line , increase the amount by which revenues should be increased by $15,000,000,000.

Page , line , (relating to total new budget authority for fiscal year 1983) strike out "$822,400,000,000" and insert in lieu thereof "$797,000,000,000".

Page , line , (relating to total budget outlays for fiscal year 1983) strike out "$770,800,000,000" and insert in lieu thereof "$759,200,000,000".

Page , line , (relating to the amount of the deficit for fiscal year 1983) strike out

"$95,050,000,000" and insert in lieu thereof "$68,450,000,000".

Page , line , (relating to functional category 050) strike out "$242,900,000,000" and insert in lieu thereof "$225,050,000,000".

Page , line , (relating to functional category 050) strike out "$209,850,000,000" and insert in lieu thereof "$205,800,000,000".

Page , line , (relating to functional category 900) strike out "$112,550,000,000" and insert in lieu thereof "$105,000,000,000".

Page , line , (relating to functional category 900) strike out "$112,550,000,000" and insert in lieu thereof "$105,000,000,000".

Page , line , (relating to reconciliation instructions to the House Committee on Ways and Means) strike out "$29,750,000,000" and insert in lieu thereof "$44,750,000,000 (of which at least $15,000,000,000 shall be generated through increased user fees and luxury and excise taxes)".

Page , line , (relating to reconciliation instructions to the Senate Committee on Finance) strike out "$29,750,000,000" and insert in lieu thereof "$44,750,000,000 (of which at least $15,000,000,000 shall be generated through increased user fees and luxury and excise taxes)".

(Amendment to the amendment in the nature of a substitute offered by Mr. Latta.) —Page , line , (relating to the recommended level of Federal revenues for the 1983 fiscal year) strike out "$665,900,000,000" and insert in lieu thereof "$680,900,000,000 and on page , line , increase the amount by which revenues should be increased by $15,000,000,000.

Page , line , (relating to total new budget authority for fiscal year 1983) strike out "$805,200,000,000" and insert in lieu thereof "$768,600,000,000".

Page , line (relating to total budget outlays for fiscal year 1983) strike out "$767,500,000,000 and insert in lieu thereof "$752,250,000,000".

Page , line (relating to the amount of the deficit for fiscal year 1983) strike out "$101,600,000,000" and insert in lieu thereof $71,350,000,000".

Page , line , (relating to functional category 050) strike out "$253,850,000,000" and insert in lieu thereof "$225,050,000,000".

Page , line , (relating to functional category 050) strike out "$213,250,000,000" and insert in lieu thereof "250,800,000,000".

Page , line , (relating to functional category 900) strike out "$112,800,000,000" and insert in lieu there of "$105,000,000,000".

Page , line , (relating to functional category 900) strike out "$112,800,000,000" and insert in lieu there of "$105,000,000,000".

Page , line , (relating to reconciliation instructions to the House Committee on Ways and Means) strike out "$20,900,000,000" and insert in lieu there of "$35,900,000,000 (of which at least $15,000,000,000 shall be generated through increased user fees and luxury and excise taxes)".

Page , line , (relating to reconciliation instructions to the Senate Committee on Finance) strike out "$20,900,000,000" and insert in lieu thereof "$35,900,000,000 (of which at least $15,000,000,000 shall be generated through increased user fees and luxury and excise taxes)".

By Mr. SOLARZ (12):

(Amendment to the amendment in the nature of a substitute offered by Mr. Jones.) —Page , line , increase the level of total new budget authority for fiscal year 1983 by $400,000,000.

Page , line , increase the level of total budget outlays for fiscal year 1983 by $250,000,000.

Page , line , increase the amount of the deficit for fiscal year 1983 by $250,000,000.

Page , line , (relating to functional category 150) increase new budget authority for fiscal year 1983 by $400,000,000, and increase budget outlays for such fiscal year by $250,000,000.

Page , line , increase the level of total new budget authority for fiscal year 1984 by $400,000,000, and on page , line , increase the level of total new budget authority for fiscal year 1985 by $400,000,000.

Page , line , increase the level of total budget outlays for fiscal year 1984 by $350,000,000, and on page , line , increase the level of total budget outlays for fiscal year 1985 by $400,000,000.

Page , line , increase the amount of the deficit for fiscal year 1984 by $350,000,000, and on page , line , increase the amount of the deficit for fiscal year 1985 by $400,000,000.

Page , line , increase the amount of the deficit for fiscal year 1984 by $350,000,000, and on page , line , increase the amount of the deficit for fiscal year 1985 by $400,000,000.

Page , line , (relating to functional category 150) increase new budget authority for fiscal year 1984 by $400,000,000.

Page , line , (relating to functional category 150) increase new budget authority for fiscal year 1984 by $400,000,000, and increase budget outlays for such fiscal year by $350,000,000, and on page , line , (relating to functional category 150) increase new budget authority for fiscal year 1985 by $400,000,000, and increase budget outlays for such fiscal year by $400,000,000.

(Amendment to the amendment in the nature of a substitute offered by Mr. Latta.) —Page , line , increase the level of total new budget authority for fiscal year 1983 by $400,000,000.

Page , line , increase the level of total budget outlays for fiscal year 1983 by $300,000,000.

Page , line , increase the amount of the deficit for fiscal year 1983 by $300,000,000.

Page , line , (relating to functional category 150) increase new budget authority for fiscal year 1983 by $400,000,000, and increase budget outlays for such fiscal year by $300,000,000.

Page , line , increase the level of total new budget authority for fiscal year 1984 by $600,000,000, and on page , line , increase the level of total new budget authority for fiscal year 1985 by $850,000,000.

Page , line , increase the level of total budget outlays for fiscal year 1984 by $400,00,000, and on page , line , increase the level of total budget outlays for fiscal year 1985 by $450,000,000.

Page , line , increase the amount of the deficit for fiscal year 1984 by $400,000,000, and on page , line , increase the amount of the deficit for fiscal year 1985 by $450,000,000.

Page , line , (relating to functional category 150) increase new budget authority for fiscal year 1984 by $600,000,000, and increase budget outlays for such fiscal year by $400,000,000, and on page , line , (relating to functional category 150) increase new budget authority for fiscal year 1985 by $650,000,000, and increase budget outlays for such fiscal year by $450,000,000.

(Amendment to the amendment in the nature of a substitute offered by Mr. Aspin.) —Page , line , increase the level of total new budget authority for fiscal year 1983 by $400,000,000.

Page , line , increase the level of total new budget outlays for fiscal year 1983 by $250,000,000.

Page , line , increase the amount of the deficit for fiscal year 1983 by $250,000,000.

Page , line , (relating to functional category 150) increase new budget authority for fiscal year 1983 by $400,000,000, and increase budget outlays for such fiscal year by $250,000,000.

Page , line , increase the level of total new budget authority for fiscal year 1984 by $350,000,000, and on page , line , increase the level of total new budget authority for fiscal year 1985 by $350,000,000.

Page , line , increase the level of total budget outlays for fiscal year 1984 by $300,000,000, and on page , line , increase the level of total budget outlays for fiscal year 1985 by $350,000,000.

Page , line , increase the amount of the deficit for fiscal year 1984 by $300,000,000, and on page , line , increase the amount of the deficit for fiscal year 1985 by $350,000,000.

Page , line , (relating to functional category 150) increase new budget authority for fiscal year 1984 by $350,000,000, and increase budget outlays for such fiscal year by $300,000,000, and on page , line , (relating to functional category 150) increase new budget authority for fiscal year 1985 by $350,000,000, and increase budget outlays for such fiscal year by $350,000,000.

By Mr. SIMON (13):

(Amendment to the amendment in the nature of a substitute offered by Mr. Latta.) —Page , line , increase the level of total new budget authority for fiscal year 1983 by $300,000,000.

Page , line , (relating to functional category 150) increase new budget authority for fiscal year 1983 by $300,000,000.

Page , line , increase the level of total new budget authority for fiscal year 1984 by $650,000,000, and on page , line , increase the level of total new budget authority for fiscal year 1985 by $900,000,000.

Page , line , increase the level of total budget outlays for fiscal year 1984 by $150,000,000, and on page , line , increase the level of total budget outlays for fiscal year 1985 by $300,000,000.

Page , line , increase the amount of the deficit for fiscal year 1984 by $150,000,000, and on page , line , increase the amount of the deficit for fiscal year 1985 by $300,000,000.

Page , line , (relating to functional category 150) increase new budget authority for fiscal year 1984 by $650,000,000, and on page , line , (relating to functional category 150) increase new budget authority for fiscal year 1985 by $900,000,000.

(Amendment to the amendment in the nature of a substitute offered by Mr. Aspin.) —Page , line , increase the level of total new budget authority, for fiscal year 1983 by $300,000,000.

Page , line , (relating to functional category 150) increase new budget authority for fiscal year 1983 by $300,000,000.

Page , line , increase the level of total new budget authority for fiscal year 1984 by $650,000,000, and on page , line , increase the level of total new budget authority for fiscal year 1985 by $900,000,000.

Page , line , increase the level of total budget outlays for fiscal year 1984 by $150,000,000, and on page , line , increase the level of total budget outlays for fiscal year 1985 by $300,000,000.

Page , line , increase the amount of the deficit for fiscal year 1984 by $150,000,000, and on page , line , increase the amount of the deficit for fiscal year 1985 by $300,000,000.

Page , line , (relating to functional category 150) increase new budget authority for fiscal year 1984 by $650,000,000, and on page , line , relating to functional category 150) increase new budget authority for fiscal year 1985 by $900,000,000.

(Amendment to the amendment in the nature of a substitute offered by Mr. Jones of Oklahoma.)

—Page , line , increase the level of total new budget authority for fiscal year 1983 by $300,000,000.

Page , line , (relating to functional category 150) increase new budget authority for fiscal year 1983 by $300,000,000.

Page , line , increase the level of total new budget authority for fiscal year 1984 by $650,000,000, and on page , line , increase the level of total new budget authority for fiscal year 1985 by $900,000,000.

Page , line , increase the level of total budget outlays for fiscal year 1984 by $150,000,000, and on page , line , increase the level of total budget outlays for fiscal year 1985 by $300,000,000.

Page , line , increase the amount of the deficit for fiscal year 1984 by $150,000,000, and on page , line , increase the amount of the deficit for fiscal year 1985 by $300,000,000.

Page , line , (relating to functional category 150) increase new budget authority for fiscal year 1984 by $650,000,000, and on page , line , (relating to functional category 150) increase new budget authority for fiscal year 1985 by $900,000,000.

(Amendment to the amendment in the nature of a substitute offered by Mr. Latta.)

—Page , line , (relating to functional category 150) increase new budget authority for fiscal year 1983 by $300,000,000.

Page , line , (relating to functional category 920) decrease new budget authority for fiscal year 1983 by $300,000,000.

Page , line , (relating to functional category 150) increase new budget authority for fiscal year 1984 by $650,000,000, and increase budget outlays for such fiscal year by $150,000,000.

Page , line , (relating to functional category 920) decrease new budget authority for fiscal year 1984 by $650,000,000, and decrease budget outlays for such fiscal year by $150,000,000.

Page , line , (relating to functional category 150) increase new budget authority for fiscal year 1985 by $900,000,000, and increase budget outlays for such fiscal year by $300,000,000.

Page , line , (relating to functional category 920) decrease new budget authority for fiscal year 1985 by $900,000,000, and decrease budget outlays for such fiscal year by $300,000,000.

(Amendment to the amendment in the nature of a substitute offered by Mr. Aspin.)

—Page , line , (relating to functional category 150) increase new budget authority for fiscal year 1983 by $300,000,000.

Page , line , (relating to functional category 920) decrease new budget authority for fiscal year 1983 by $300,000,000.

Page , line , (relating to functional category 150) increase new budget authority for fiscal year 1984 by $650,000,000, and increase budget outlays for such fiscal year by $150,000,000.

Page , line , (relating to functional category 920) decrease new budget authority for fiscal year 1984 by $650,000,000, and decrease budget outlays for such fiscal year by $150,000,000.

Page , line , (relating to functional category 150) increase new budget authority for fiscal year 1985 by $900,000,000, and increase budget outlays for such fiscal year by $300,000,000.

Page , line , (relating to functional category 920) decrease new budget authority for fiscal year 1985 by $900,000,000, and decrease budget outlays for such fiscal year by $300,000,000.

(Amendment to the amendment in the nature of a substitute offered by Mr. Jones of Oklahoma.)

—Page , line , (relating to functional category 150) increase new budget authority for fiscal year 1983 by $300,000,000.

Page , line , (relating to functional category 920) decrease new budget authority for fiscal year 1983 by $300,000,000.

Page , line , (relating to functional category 150) increase new budget authority for fiscal year 1984 by $650,000,000, and increase budget outlays for such fiscal year by $150,000,000.

Page , line , (relating to functional category 920) decrease new budget authority for fiscal year 1984 by $650,000,000, and decrease budget outlays for such fiscal year by $150,000,000.

Page , line , (relating to functional category 150) increase new budget authority for fiscal year 1985 by $900,000,000, and increase budget outlays for such fiscal year by $300,000,000.

Page , line , (relating to functional category 920) decrease new budget authority for fiscal year 1985 by $900,000,000, and decrease budget outlays for such fiscal year by $300,000,000.

By Mr. SIMON (14):

(Amendment to the amendment in the nature of a substitute offered by Mr. Latta.)

—Page , line , (relating to functional category 500) increase new budget authority for fiscal year 1983 by $300,000,000.

Page , line , (relating to functional category 500) increase new budget authority for fiscal year 1983 to $28,218,000,000.

Adjust aggregate total new budget authority, total budget outlays, and the amount of the deficit for fiscal year 1983 accordingly.

Page , line , increase the level of total new budget authority for fiscal year 1984 by $650,000,000, and on page , line , increase the level of total new budget authority for fiscal year 1985 by $900,000,000.

Page , line , increase the level of total budget outlays for fiscal year 1984 by $150,000,000, and on page , line , increase the level of total budget outlays for fiscal year 1985 by $300,000,000.

Page , line , increase the amount of the deficit for fiscal year 1984 by $150,000,000, and on page , line , increase the amount of the deficit for fiscal year 1985 by $300,000,000.

Page , line , (relating to functional category 150) increase new budget authority for fiscal year 1984 by $650,000,000, and on page , line , (relating to functional category 150) increase new budget authority for fiscal year 1985 by $900,000,000.

(Amendment to the amendment in the nature of a substitute offered by Mr. Aspin.)

—Page , line , (relating to functional category 150) increase new budget authority for fiscal year 1983 by $300,000,000.

Page , line , (relating to functional category 500) increase new budget authority for fiscal year 1983 to $28,218,000,000.

Adjust aggregate total new budget authority, total budget outlays, and the amount of the deficit for fiscal year 1983 accordingly.

Page , line , increase the level of total new budget authority for fiscal year 1984 by $650,000,000, and on page , line , increase the level of total new budget authority for fiscal year 1985 by $900,000,000.

Page , line , increase the level of total budget outlays for fiscal year 1984 by $150,000,000, and on page , line , increase the level of total budget outlays for fiscal year 1985 by $300,000,000.

Page , line , increase the amount of the deficit for fiscal year 1984 by $150,000,000, and on page , line , increase the amount of the dificit for fiscal year 1985 by $300,000,000.

Page , line , (relating to functional category 150) increase new budget authority for fiscal year 1984 by $650,000,000, and on page , line , (relating to functional category 150) increase new budget authority for fiscal year 1985 by $900,000,000.

(Amendment to the amendment in the nature of a substitute offered by Mr. Jones of Oklahoma.)

—Page , line , (relating to functional category 150) increase new budget authority for fiscal year 1983 by $300,000,000.

Page , line , (relating to functional category 500) increase new budget authority for fiscal year 1983 to $28,218,000,000.

Adjust aggregate total new budget authority, total budget outlays, and the amount of the deficit for fiscal year 1983 accordingly.

Page , line , increase the level of total new budget authority for fiscal year 1984 by $650,000,000, and on page , line , increase the level of total new budget authority for fiscal year 1985 by $900,000,000.

Page , line , increase the level of total budget outlays for fiscal year 1984 by $150,000,000, and on page , line , increase the level of total budget outlays for fiscal year 1985 by $300,000,000.

Page , line , increase the amount of the deficit for fiscal year 1984 by $150,000,000, and on page , line , increase the amount of the deficit for fiscal year 1985 by $300,000,000.

Page , line , (relating to functional category 150) increase new budget authority for fiscal year 1984 by $650,000,000, and on page , line , (relating to functional category 150) increase new budget authority for fiscal year 1985 by $900,000,000.

By Mr. SIMON (15):

(Amendment to the amendment in the nature of a substitute offered by Mr. Jones of Oklahoma.)

—Page , line , (relating to functional category 500) increase new budget authority for fiscal year 1983 to $28,218,000,000, and increase outlays for such fiscal year to $27,537,000,000.

Adjust aggregate total new budget authority, total budget outlays, and the amount of the deficit for fiscal year 1983 accordingly.

(Amendment to the amendment in the nature of a substitute offered by Mr. Latta.)

—Page , line , (relating to functional category 500) increase new budget authority for fiscal year 1983 to $28,218,000,000, and increase outlays for such fiscal year to $27,537,000,000.

Adjust aggregate total new budget authority, total budget outlays, and the amount of the deficit for fiscal year 1983 accordingly.

(Amendment to the amendment in the nature of a substitute offered by Mr. Aspin.)

—Page , line , (relating to functional category 500) increase new budget authority for fiscal year 1983 to $28,218,000,000, and

increase outlays for such fiscal year to $27,537,000,000.

Adjust aggregate total new budget authority, total budget outlays, and the amount of the deficit for fiscal year 1983 accordingly.

(Amendment to the amendment in the nature of a substitute offered by Mr. Latta.)

—Page , line , (relating to functional category 500) increase new budget authority for fiscal year 1983 from $26,550,000,000 to $28,218,000,000, and increase outlays for such fiscal year from $26,700,000,000 to $27,537,000,000.

Page , line , (relating to functional category 920) decrease new budget authority for fiscal year 1983 by $1,670,000,000 and decrease outlays for such fiscal year by $850,000,000.

(Amendment to the amendment in the nature of a substitute offered by Mr. Aspin.)

—Page , line , (relating to functional category 500) increase new budget authority for fiscal year 1983 from $27,950,000,000 to $28,218,000,000.

Page , line , (relating to functional category 920) decrease new budget authority for fiscal year 1983 by $268,000,000.

(Amendment to the amendment in the nature of a substitute offered by Mr. Jones of Oklahoma.)

—Page , line , (relating to functional category 500) increase new budget authority for fiscal year 1983 from $27,550,000,000 to $28,218,000,000, and increase outlays for such fiscal year from $27,450,000,000 to $27,537,000,000.

Page , line , (relating to functional category 920) decrease new budget authority for fiscal year 1983 by $668,000,000 and decrease outlays for such fiscal year by $87,000,000.

By Mr. OTTINGER (17):

(Amendment to the amendment in the nature of a substitute by Mr. Jones of Oklahoma.)

—In matters concerning function 500:

Increase Budget Authority for fiscal year 1983 by $900,000,000.

Increase Outlays for fiscal year 1983 by $550,000,000.

Increase Budget Authority for fiscal year 1984 by $2,000,000,000.

Increase Outlays for fiscal year 1984 by $1,450,000,000.

Increase Budget Authority for fiscal year 1985 by $3,450,000,000.

Increase Outlays for fiscal year 1985 by $2,650,000,000.

Increase aggregate Budget Authority for fiscal year 1983 by $900,000,000.

Increase aggregate Outlays for fiscal year 1983 by $550,000,000.

Increase aggregate revenues for fiscal year 1983 by $550,000,000.

Increase aggregate level by which revenues should be increased for fiscal year 1983 by $550,000,000,

Increase aggregate Budget Authority for fiscal year 1984 by $2,000,000,000.

Increase aggregate Outlays for fiscal year 1984 by $1,450,000,000.

Increase aggregate revenues for fiscal year 1984 by $1,450,000,000.

Increase aggregate level by which revenues should be increased for fiscal year 1984 by $1,450,000,000,

Increase aggregate Budget Authority for fiscal year 1985 by $3,450,000,000.

Increase aggregate Outlays for fiscal year 1985 by $2,650,000,000.

Increase aggregate revenues for fiscal year 1985 by $2,650,000,000.

Increase aggregate level by which revenues should be increased for fiscal year-1985 by $2,650,000,000.

(Amendment to the amendment in the nature of a substitute by Mr. Aspin.)

—In matters concerning function 500:

Increase Budget Authority in fiscal year 1983 by $550,000,000.

Increase Outlays for fiscal year 1983 by $450,000,000.

Increase Budget Authority for fiscal year 1984 by $1,950,000,000.

Increase Outlays for fiscal year 1984 by $1,250,000,000.

Increase Budget Authority for fiscal year 1985 by $3,550,000,000.

Increase Outlays for fiscal year 1985 by $2,600,000,000.

Increase aggregate Budget Authority for fiscal year 1983 by $550,000,000.

Increase aggregate Outlays for fiscal year 1983 by $450,000,000.

Increase aggregate revenues for fiscal year 1983 by $450,000,000.

Increase aggregate level by which revenues should be increased for fiscal year 1983 by $450,000,000.

Increase aggregate Budget Authority for fiscal year 1984 by $1,950,000,000.

Increase aggregate Outlays for fiscal year 1984 by $1,250,000,000.

Increase aggregate revenues for fiscal year 1984 by $1,250,000,000.

Increase aggregate level by which revenues should be increased in fiscal year 1984 by $1,250,000,000.

Increase aggregate Budget Authority for fiscal year 1985 by $3,550,000,000.

Increase aggregate Outlays for fiscal year 1985 by $2,600,000,000.

Increase aggregate revenues for fiscal year 1985 by $2,600,000,000.

Increase aggregate level by which revenues should be increased in fiscal year 1985 by $2,600,000,000.

(Amendment to the amendment in the nature of a substitute by Mr. Latta.)

—In matters concerning function 500:

Increase Budget Authority by $1,200,000,000 for fiscal year 1983.

Increase Outlays by $1,200,000,000 for fiscal year 1983.

Increase the Budget Authority level for fiscal year 1984 by $2,700,000,000.

Increase the outlays level for fiscal year 1984 by $2,750,000,000.

Increase the Budget Authority level for fiscal year 1985 by $4,350,000,000.

Increase the outlays level for fiscal year 1984 by $4,300,000,000.

Increase aggregate Budget Authority for fiscal year 1983 by $1,200,000,000.

Increase aggregate Outlays for fiscal year 1983 by $1,200,000,000.

Increase the aggregate revenue level for fiscal year 1983 by $1,200,000,000.

Increase the aggregate level by which revenues should be increased in fiscal year 1983 by $1,200,000,000.

Increase the aggregate Budget Authority for fiscal year 1984 by $2,700,000,000.

Increase the aggregate Outlays for fiscal year 1984 by $2,750,000,000.

Increase the aggregate revenue level for fiscal year 1984 by $2,750,000,000.

Increase the aggregate level by which revenues should be increased in fiscal year 1984 by $2,750,000,000.

Increase the aggregate Budget Authority for fiscal year 1985 by $4,350,000,000.

. Increase the aggregate outlays for fiscal year 1985 by $4,300,000,000.

Increase the aggregate revenue level for fiscal year 1985 by $4,300,000,000.

Increase the aggregate level by which revenues should be increased in fiscal year 1985 by $4,300,000,000.

By Mr. WAXMAN (18):

(Amendment relating to biomedical research) to the amendment in the nature of a substitute offered by Mr. Jones of Oklahoma.)

—Page 12, line 10, increase the level of Federal revenues for fiscal year 1983 by $135,218,000, and, on page 12, line 12, increase the net amount by which the aggregate level of Federal revenues for such fiscal year should be increased by $138,218,000.

Page 12, line 14, increase the level of total new budget authority for fiscal year 1983 by $247,309,000.

Page 12, line 16, increase the level of total budget outlays for fiscal year 1983 by $138,218,000.

Page 14, line 16, (relating to functional category 550) increase new budget authority for fiscal year 1983 by $247,309,000, and on page 14, line 17, increase budget outlays for such fiscal year by $135,218,000.

Page 22, line 4, increase the level of Federal revenues for fiscal year 1984 by $367,109,000, and, on page 22, line 5, increase the level of Federal revenues for fiscal year 1985 by $623,568,000, and on page 22, line 8, increase the net amount by which the aggregate level of Federal revenues for fiscal year 1984 should be increased by $367,109,000, and on page 22, line 9, increase the net amount by which the aggregate level of Federal revenues for fiscal year 1985 should be increased by $623,568,000.

Page 22, line 12, increase the level of total new budget authority for fiscal year 1984 by $501,183,000, and on page 22, line 13, increase the level of total new budget authority for fiscal year 1985 by $766,290,000.

Page 22, line 15, increase the level of total budget outlays for fiscal year 1984 by $367,109,000, and on page 22, line 16, increase the level of total budget outlays for fiscal year 1985 by $623,568,000.

Page 27, line 5 (relating to functional category 550), increase new budget authority for fiscal year 1984 by $501,183,000, and on page 27, line 6, increase budget outlays for such fiscal year by $367,109,000, and on page 27, line 9, (relating to functional category 550) increase new budget authority for fiscal year 1985 by $766,290,000, and on page 27, line 10, increase budget outlays for such fiscal year by $623,568,000.

Page 35, line 1 (relating to reconciliation instructions to the House Committee on Ways and Means), increase the amount by which revenues are to be increased for fiscal year 1983 by $135,218,000; and at page 35, line 4, increase the amount of additional revenues required for fiscal year 1984 by $367,109,000; and, at page 35, line 5, increase the amount of additional revenues required for fiscal year 1985 by $623,568,000.

Page 35, line 21 (relating to reconciliation instructions to the Senate Committee on Finance), increase the amount by which revenues are to be increased for fiscal year 1983 by $135,218,000; and at page 36, line 1, increase the amount of additional revenues required for fiscal year 1984 by $367,108,000; and at page 36, line 2, increase the amount of additional revenues required for fiscal year 1985 by $623,568,000.

(Amendment (relating to biomedical research and medicare) to the amendment in the nature of a substitute offered by Mr. Latta.) (19)

—In section 201(1), increase the level of Federal revenues for fiscal year 1983 by $4,000,000,000, and increase the net amount by which the aggregate level of Federal revenues for such fiscal year should be increased by $4,000,000,000.

In section 201(2), increase the level of total new budget authority for fiscal year 1983 by $943,000,000.

In section 201(3), increase the level of total budget outlays for fiscal year 1983 by $4,000,000,000.

In section 202(11) (relating to functional category 550), increase new budget authority for fiscal year 1983 by $943,000,000, and increase budget outlays for such fiscal year by $4,000,000,000.

In section 204(1), increase the level of Federal revenues for fiscal year 1984 by $6,302,000,000, increase the level of Federal revenues for fiscal year 1985 by $8,328,000,000, increase the net amount by which the aggregate level of Federal revenues for fiscal year 1984 should be increased by $6,302,000,000, and increase the net amount by which the aggregate level of Federal revenues for fiscal year 1985 should be increased by $8,328,000,000.

In section 204(2), increase the level of total new budget authority for fiscal year 1984 by $1,740,000,000, and increase the level of total new budget authority for fiscal year 1984 by $9,179,000,000.

In section 204(3), increase the level of total budget outlays for fiscal year 1984 by $6,302,000,000, and increase the level of total budget outlays for fiscal year 1985 by $8,328,000,000.

In section 205(n), (relating to functional category 550) increase new budget authority for fiscal year 1984 by $1,740,000,000, and increase budget outlays for such fiscal year by $6,302,000,000, and (relating to functional category 550) increase new budget authority for fiscal year 1985 by $9,179,000,000, and increase budget outlays for such fiscal year by $8,328,000,000.

In section 301(E), (relating to reconciliation instructions to the House Committee on Energy and Commerce), decrease the amount by which budget authority is to be reduced in fiscal year 1983 by $318,000,000; and decrease the amount by which outlays are to be reduced in fiscal year 1983 by $438,000,000; and, decrease the amount of savings required in budget authority in fiscal year 1984 by $498,000,000 and decrease the amount of savings required in outlays in fiscal year 1984 by $498,000,000; and decrease the amount of savings required in budget authority in fiscal year 1985 by $548,000,000 and decrease the amount of savings required in outlays in fiscal year 1985 by $548,000,000.

In section 301(j), (relating to reconciliation instructions to the House Committee on Ways and Means), decrease the amount by which budget authority is to be reduced in fiscal year 1983 by $378,000,000; and decrease the amount by which outlays are to be reduced in fiscal year 1983 by $3,427,000,000; and decrease the amount of savings required in budget authority in fiscal year 1984 by $741,000,000 and decrease the amount of savings required in outlays in fiscal year 1984 by $5,437,000,000; and decrease the amount of savings required in budget authority in fiscal year 1985 by $8,007,000,000 and decrease the amount of savings required in outlays in fiscal year 1985 by $7,157,000,000.

In section 301(k) (relating to reconciliation instructions to the House Committee on Ways and Means), increase the amount by which revenues are to be increased for fiscal year 1983 by $4,000,000,000; and increase the amount of additional revenues required for fiscal year 1984 by $6,302,000,000; and, increase the amount of additional revenues required for fiscal year 1985 by $8,328,000,000.

In section 302(E) (relating to reconciliation instructions to the Senate Committee on Finance), decrease the amount by which budget authority is to be reduced in fiscal year 1983 by $698,000,000; and decrease the amount by which outlays are to be reduced in fiscal year 1983 by $3,865,000,000; and decrease the amount of savings required in budget authority in fiscal year 1984 by $1,239,000,000 and decrease the amount of savings required in outlays in fiscal year 1984 by $5,935,000,000; and decrease the amount of savings required in budget authority in fiscal year 1985 by $8,555,000,000; and decrease the amount of savings required in outlays in fiscal year 1985 by $7,705,000,000.

In section 302(J), (relating to reconciliation instructions to the Senate Committee on Finance), increase the amount by which revenues are to be increased for fiscal year 1983 by $4,000,000,000; and increase the amount of additional revenues required for fiscal year 1984 by $8,302,000,000; and, increase the amount of additional revenues required for fiscal year 1985 by $8,328,000,000.

(Amendment (relating to medicare) to the amendment in the nature of a substitute offered by Mr. Latta.) (20)

—In section 201(1), increase the level of Federal revenues for fiscal year 1983 by $3,865,000,000, and, increase the net amount by which the aggregate level of Federal revenues for such fiscal year should be increased by $3,865,000,000.

In section 201(2), increase the level of total new budget authority for fiscal year 1983 by $696,000,000.

In section 201(3), increase the level of total budget outlays for fiscal year 1983 by $3,865,000,000.

In section 202(11), (relating to functional category 550) increase new budget authority for fiscal year 1983 by $696,000,000, and increase budget outlays for such fiscal year by $3,865,000,000.

In section 204(1), increase the level of Federal revenues for fiscal year 1984 by $5,935,000,000, and increase the level of Federal revenues for fiscal year 1985 by $7,705,000,000, and increase the net amount by which the aggregate level of Federal revenues for fiscal year 1984 should be increased by $5,935,000,000, and increase the net amount by which the aggregate level of Federal revenues for fiscal year 1985 should be increased by $7,705,000,000.

In section 204(2), increase the level of total new budget authority for fiscal year 1984 by $1,239,000,000, and increase the level of total new budget authority for fiscal year 1985 by $8,555,000,000.

In section 204(3), increase the level of total budget outlays for fiscal year 1984 by $5,935,000,000, and increase the level of total budget outlays for fiscal year 1985 by $7,705,000,000.

In section 205(11), (relating to functional category 550 increase new budget authority for fiscal year 1984 by $1,239,000,000, and increase budget outlays for such fiscal year by $5,935,000,000, and (relating to functional category 550) increase new budget authority for fiscal year 1985 by $8,555,000,000, and increase budget outlays for such fiscal year by $7,705,000,000.

In section 301(E), (relating to reconciliation instructions to the House Committee on Energy and Commerce), decrease the amount by which budget authority is to be reduced in fiscal year 1983 by $318,000,000; and decrease the amount by which outlays are to be reduced in fiscal year 1983 by $438,000,000; and, decrease the amount of savings required in budget authority in fiscal year 1984 by $498,000,000 and decrease the amount of savings required in outlays in fiscal year 1984 by $498,000,000; and decrease the amount of savings required in budget authority in fiscal year 1985 by $548,000,000 and decrease the amount of savings required in outlays in fiscal year 1985 by $548,000,000.

In section 301(J) (relating to reconciliation instructions to the House Committee on Ways and Means), decrease the amount by which budget authority is to be reduced in fiscal year 1983 by $378,000,000; and decrease the amount by which outlays are to be reduced in fiscal year 1983 by $3,427,000,000; and decrease the amount of savings required in budget authority in fiscal year 1984 by $741,000,000 and decrease the amount of savings required in outlays in fiscal year 1984 by $5,437,000,000; and decrease the amount of savings required in budget authority in fiscal 1985 by $8,007,000,000 and decrease the amount of savings required in outlays in fiscal year 1985 by $7,157,000,000.

In section 301(K) (relating to reconciliation instructions to the House Committee on Ways and Means), increase the amount by which revenues are to be increased for fiscal year 1983 by $3,865,000,000; and increase the amount of additional revenues required for fiscal year 1984 by $5,935,000,000; and increase the amount of additional revenues required for fiscal year 1985 by $7,705,000,000.

In section 302(E) (relating to reconciliation instructions to the Senate Committee on Finance), decrease the amount by which budget authority is to be reduced in fiscal year 1983 by $696,000,000; and decrease the amount by which outlays are to be reduced in fiscal year 1983 by $3,865,000,000; and decrease the amount of savings required in budget authority in fiscal year 1984 by $1,239,000,000 and decrease the amount of savings required in outlays in fiscal year 1984 by $5,935,000,000; and decrease the amount of savings required in budget authority in fiscal year 1985 by $8,555,000,000; and decrease the amount of savings required in outlays in fiscal year 1985 by $7,705,000,000.

In section 302(j) (relating to reconciliation instructions to the Senate Committee on Finance), increase the amount by which revenues are to be increased for fiscal year 1983 by $3,865,000,000; and increase the amount of additional revenues required for fiscal year 1984 by $5,935,000,000; and increase the amount of additional revenues required for fiscal year 1985 by $7,705,000,000.

(Amendment (relating to medicare) to the amendment in the nature of a substitute offered by Mr. Jones of Oklahoma.) (20)

—Page 12, line 10, increase the level of Federal revenues for fiscal year 1983 by $715,000,000, and, on page 12, line 12, increase the net amount by which the aggregate level of Federal revenues for such fiscal year should be increased by $715,000,000.

Page 12, line 14, decrease the level of total new budget authority for fiscal year 1983 by $4,000,000.

Page 12, line 16, increase the level of total budget outlays for fiscal year 1983 by $715,000,000.

Page 14, line 16 (relating to functional category 550), decrease new budget authority for fiscal year 1983 by $4,000,000, and page 14, line 17, increase budget outlays for such fiscal year by $715,000,000.

Page 22, line 4, increase the level of Federal revenues for fiscal year 1984 by $835,000,000, and, on page 22, line 5, increase the level of Federal revenues for fiscal year 1985 by $955,000,000, and on page 22, line 8, increase the net amount by which the aggregate level of Federal revenues for fiscal year 1984 should be increased by $835,000,000, and on page 22, line 9, increase the net amount by which the aggregate level of Federal revenues for fiscal year 1985 should be increased by $955,000,000.

Page 22, line 12, decrease the level of total new budget authority for fiscal year 1984 by $61,000,000, and on page 22, line 13, decrease the level of total new budget authority for fiscal year 1985 by $120,000,000.

Page 22, line 15, increase the level of total budget outlays for fiscal year 1984 by $835,000,000, and on page 22, line 16, increase the level of total budget outlays for fiscal year 1985 by $955,000,000.

Page 27, 5 (relating to functional category 550), decrease new budget authority for fiscal year 1984 by $61,000,000, and on page 27, line 6, increase budget outlays for such fiscal year by $835,000,000, and on page 27, line 9 (relating to functional category 550), decrease new budget authority for fiscal year 1985 by $120,000,000, and on page 27, line 10, increase budget outlays for such fiscal year by $955,000,000.

Page 34, line 15 (relating to reconciliation instructions to the House Committee on Ways and Means), increase the amount by which budget authority is to be reduced in fiscal year 1983 by $4,000,000; and at page 34, line 16, decrease the amount by which outlays are to be reduced in fiscal year 1983 by $715,000,000; and, at page 34, line 19, increase the amount of savings required in budget authority in fiscal year 1984 by $61,000,000 and on page 34, line 20, decrease the amount of savings required in outlays in fiscal year 1984 by $835,000,000; and, at page 34, line 21, increase the amount of savings required in budget authority in fiscal year 1985 by $120,000,000; and at page 34, line 22, decrease the amount of savings required in outlays in fiscal year 1985 by $955,000,000.

Page 35, line 1 (relating to reconciliation instructions to the House Committee on ways and Means), increase the amount by which revenues are to be increased for fiscal year 1983 by $715,000,000; and at page 35, line 4, increase the amount of additional revenues required for fiscal year 1984 by $835,000,000; and, at page 35, line 5, increase the amount of additional revenues required for fiscal year 1985 by $955,000,000.

Page 34, line 11 (relating to reconciliation instructions to the Senate Committee on Finance), increase the amount by which budget authority is to be reduced in fiscal year 1983 by $4,000,000; and at page 35, line 12, decrease the amount by which outlays are to be reduced in fiscal year 1983 by $715,000,000; and, at page 35, line 15, increase the amount of savings required on budget authority in fiscal year 1984 by $61,000,000 and on page 35, line 16, decrease the amount of savings required in outlays in fiscal year 1984 by $835,000,000; and, at page 35, line 17, increase the amount of savings required in budget authority in fiscal year 1985 by $120,000,000; and, at page 35, line decrease the amount of savings required in outlays in fiscal year 1985 by $955,000,000.

Page 35, line 21 (relating to reconciliation instructions to the Senate Committee on Finance), increase the amount by which revenues are to be increased for fiscal year 1983 by $715,000,000; and at page 36, line 1, increase the amount of additional revenues required for fiscal year 1984 by $835,000,000; and, at page 36, line 2, increase the amount of additional revenues required for fiscal year 1985 by $955,000,000.

By Mr. SOLARZ (21):

(Amendment to the amendment in the nature of a substitute offered by Mr. Aspin.)

—Page , line , increase the level of Federal revenues for fiscal year 1983 by $1,500,000,000, and, on page , line , increase the net amount by which the aggregate level of Federal revenues for such fiscal year should be increased by $1,500,000,000.

Page , line , decrease the level of total new budget authority for fiscal year 1983 by $2,904,000,000.

Page , line , increase the level of total budget outlays for fiscal year 1983 by $915,000,000.

Page , line , decrease the amount of the deficit for fiscal year 1983 by $585,000,000.

Page , line , (relating to functional category 550) decrease new budget authority for fiscal year 1983 by $3,154,000,000, and increase budget outlays for such fiscal year by $715,000,000.

Page , line , (relating to functional category 800) increase new budget authority for fiscal year 1983 by $250,000,000, and increase budget outlays for such fiscal year by $200,000,000.

Page , line , increase the level of Federal revenues for fiscal year 1984 by $1,750,000,000, and, on page , line , increase the level of Federal revenues for fiscal year 1985 by $2,000,000,000, and on page , line , increase the net amount by which the aggregate level of Federal revenues for fiscal year 1984 should be increased by $1,750,000,000, and on page , line , increase the net amount by which the aggregate level of Federal revenues for fiscal year 1985 should be increased by $2,000,000,000.

Page , line , decrease the level of total new budget authority for fiscal year 1984 by $12,061,000,000, and on page , line , decrease the level of total new budget authority for fiscal year 1985 by $10,970,000,000.

On page , line , increase the level of total budget outlays for fiscal year 1984 by $835,000,000, and on page , line , increase the level of total budget outlays for fiscal year 1985 by $705,000,000.

On page , line , decrease of the deficit for fiscal year 1984 by $915,000,000, and on page , line , decrease the amount of the deficit for fiscal year 1985 by $1,295,000,000.

On page , line , (relating to functional category 550) decrease new budget authority for fiscal year 1984 by $12,361,000,000, and increase budget outlays for such fiscal year by $585,000,000, and on page , line , (relating to functional category 550) decrease new budget authority for fiscal year 1985 by $11,270,000,000 and increase budget outlays for such fiscal year by $405,000,000.

On page , line , (relating to functional category 800) increase new budget authority for fiscal year 1984 by $300,000,000, and increase budget outlays for such fiscal year by $250,000,000, and on page , line , (relating to functional category 800) increase new budget authority for fiscal year 1985 by $300,000,000, and increase budget outlays for such fiscal year by $300,000,000.

In the reconciliation instructions to the House Committee on Ways and Means, decrease the reduction in outlays by $715,000,000 in fiscal year 1983, by $585,000,000 in fiscal year 1984, and by $405,000,000 in fiscal year 1985.

In the reconciliation instructions to the Senate Finance Committee, decrease the reduction in outlays by $715,000,000 in fiscal year 1983, by $585,000,000 in fiscal year 1984, and by $405,000,000 in fiscal year 1985.

(Amendment to the amendment in the nature of a substitute offered by Mr. Latta.)

Page , line , increase the level of Federal revenues for fiscal year 1983 by $1,500,000,000, and, on page , line , increase the net amount by which the aggregate level of Federal revenues for such fiscal year should be increased by $1,500,000,000.

Page , line , increase the level of total new budget authority for fiscal year 1983 by $2,254,000,000.

Page , line , increase the level of total budget outlays for fiscal year 1983 by $4,065,000,000.

Page , line , increase the amount of the deficit for fiscal year 1983 by $2,565,000,000.

Page , line , (relating to functional category 550) decrease new budget authority for fiscal year 1983 by $2,504,000,000, and increase budget outlays for such fiscal year by $3,865,000,000.

Page , line , (relating to functional category 800) increase new budget authority for fiscal year 1983 by $250,000,000, and increase budget outlays for such fiscal year by $200,000,000.

Page , line , increase the level of Federal revenues for fiscal year 1984 by $1,750,000,000, and, on page , line , increase the level of Federal revenues for fiscal year 1985 by $2,000,000,000, and on page , line , increase the net amount by which the aggregate level of Federal revenues for fiscal year 1984 should be increased by $1,750,000,000, and on page , line , increase the net amount by which the aggregate level of Federal revenues for fiscal year 1985 should be increased by $2,000,000,000.

Page , line , decrease the level of total new budget authority for fiscal year 1984 by $10,711,000,000, and on page , line , decrease the level of total new budget authority for fiscal year 1985 by $10,270,000,000.

Page , line , increase the level of total budget outlays for fiscal year 1984 by $6,185,000,000, and on page , line , increase the level of total budget outlays for fiscal year 1985 by $8,005,000,000.

Page , line , increase the amount of the deficit for fiscal year 1984 by $4,435,000,000, and page , line , increase the amount of the deficit for fiscal year 1985 by $6,005,000,000.

Page , line , (relating to functional category 550) decrease new budget authority for fiscal year 1984 by $11,011,000,000, and increase budget outlays for such fiscal year by $5,935,000,000, and on page , line , (relating to functional category 550) decrease new budget authority for fiscal year 1985 by $10,570,000,000, and increase budget outlays for such fiscal year by $7,705,000,000.

Page , line , (relating to functional category 800) increase new budget authority for fiscal year 1984 by $300,000,000, and increase budget outlays for such fiscal year by $250,000,000, and on page , line , (relating to functional category 800) increase new budget authority for fiscal year 1985 by $300,000,000, and increase budget outlays for such fiscal year by $300,000,000.

In the reconciliation instructions to the House Committee on Ways and Means, decrease the reduction in outlays by $3,865,000,000 in fiscal year 1983, by $5,935,000,000 in fiscal year 1984, and by $7,705,000,000 in fiscal year 1985.

In the reconciliation instructions to the Senate Finance Committee, decrease the reduction in outlays by $3,865,000,000 in fiscal year year 1983, by $5,935,000,000 in fiscal year 1984, and by $7,705,000,000 in fiscal year 1985.

(Amendment to the amendment in the nature of a substitute offered by Mr. Jones of Oklahoma.)

—Page , line , increase the level of Federal revenues for fiscal year 1983 by $1,500,000,000, and, on page , line , increase the net amount by which the aggregate level of Federal revenues for such fiscal year should be increased by $1,500,000,000.

Page , line , increase the level of total new budget authority for fiscal year 1983 by $246,000,000.

Page , line , increase the level of total budget outlays for fiscal year 1983 by $915,000,000.

Page , line , decrease the amount of the deficit for fiscal year 1983 by $585,000,000.

Page , line , (relating to functional category 550) decrease new budget authority for fiscal year 1983 by $4,000,000, and increase budget outlays for such fiscal year by $715,000,000.

Page , line , (relating to functional category 800) increase new budget authority for fiscal year 1983 by $250,000,000, and increase budget outlays for such fiscal year by $200,000,000.

Page , line , increase the level of Federal revenues for fiscal year 1984 by $1,750,000,000, and, on page , line , increase the level of Federal revenues for fiscal year 1985 by $2,000,000,000, and on page , line , increase the net amount by which the aggregate level of Federal revenues for fiscal year 1984 should be increased by $1,750,000,000, and on page , line , increase the net amount by which the aggregate level of Federal revenues for fiscal year 1985 should be increased by $2,000,000,000.

Page , line , increase the level of total new budget authority for fiscal year 1984 by $239,000,000, and on page , line , increase the level of total new budget authority for fiscal year 1985 by $180,000,000.

Page , line , increase the level of total budget outlays for fiscal year 1984 by $1,085,000,000, and on page , line , increase the level of total budget outlays for fiscal year 1985 by $1,255,000,000.

Page , line , decrease the amount of the deficit for fiscal year 1984 by $665,000,000, and on page , line , decrease the amount of the deficit for fiscal year 1985 by $745,000,000.

Page , line , (relating to functional category 550) decrease new budget authority for fiscal year 1984 by $61,000,000, and increase budget outlays for such fiscal year by $835,000,000, and on page , line , (relating to functional catetegory 550) decrease new budget authority for fiscal year 1985 by $120,000,000, and increase budget outlays for such fiscal year by $955,000,000.

Page , line , (relating to functional category 800) increase new budget authority for fiscal year 1984 by $300,000,000, and increase budget outlays for such fiscal year by $250,000,000, and on page , line , (relating to functional category 000) increase new budget authority for fiscal year 1985 by $300,000,000, and increase budget outlays for such fiscal year by $300,000,000.

In the reconciliation instructions to the House Committee on Ways and Means, decrease the reduction in outlays by $715,000,000 in fiscal year 1983, by $835,000,000 in fiscal year 1984, and by $955,000,000 in fiscal year 1985.

By Ms. OAKAR (22)

(Amendment to the amendment in the nature of a substitute offered by Mr. Latta.)

—Page , line , (relating to functional category 050) decrease new budget authority for fiscal year 1983 by $400,000,000, and decrease budget outlays for such fiscal year by $4,850,000,000.

Page , line , (relating to functional category 550) increase new budget authority for fiscal year 1983 by $400,000,000, and increase budget outlays for such fiscal year by $4,850,000,000.

In the reconciliation instructions to the House Committee on Ways and Means, decrease the reduction in budget authority by $400,000,000 in fiscal year 1983 and decrease the reduction in outlays by $4,850,000,000 in such fiscal year.

In the reconciliation instructions to the Senate Committee on Finance, decrease the reduction in budget authority by $400,000,000 in fiscal year 1983 and decrease the reduction in outlays by $4,850,000,000 in such fiscal year.

In the reconciliation instructions to the House Committee on Armed Services, increase the reduction in budget authority by $400,000,000 in fiscal year 1983 and increase the reduction in outlays by $4,850,000,000 in such fiscal year.

In the reconciliation instructions to the Senate Committee on Armed Services, increase the reduction in budget authority by $400,000,000 in fiscal year 1983 and increase the reduction in outlays by $4,850,000,000 in such fiscal year.

(Amendment to the amendment in the nature of a substitute offered by Mr. Aspin.)

—Page , line , (relating to functional category 050) decrease new budget authority for fiscal year 1983 by $200,000,000, and decrease budget outlays for such fiscal year by $2,350,000,000.

Page , line , (relating to functional category 550) increase new budget authority for fiscal year 1983 by $200,000,000, and increase budget outlays for such fiscal year by $2,350,000,000.

In the reconciliation instructions to the House Committee on Ways and Means, decrease the reduction in budget authority by $200,000,000 in fiscal year 1983 and decrease the reduction in outlays by $2,350,000,000 in such fiscal year.

In the reconciliation instructions to the Senate Committee on Finance, decrease the reduction in budget authority by $200,000,000 in fiscal year 1983 and decrease the reduction in outlays by $2,350,000,000 in such fiscal year.

In the reconciliation instructions to the House Committee on Armed Services, increase the reduction in budget authority by $200,000,000 in fiscal year 1983 and increase the reduction in outlays by $2,350,000,000 in such fiscal year.

In the reconciliation instructions to the Senate Committee on Armed Services, increase the reduction in budget authority by $200,000,000 in fiscal year 1983 and increase the reduction in outlays by $2,350,000,000 in such fiscal year.

—Page 13, line 9 (relating to functional category 050), strike out "$242,850,000,000" and insert in lieu thereof "$242,750,000,000".

Page 13, line 10 (relating to functional category 050), strike out "$212,300,000,000" and insert in lieu thereof "$210,150,000,000".

Page 14, line 16 (relating to functional category 550), strike out "$77,300,000,000" and insert in lieu thereof "$77,400,000,000".

Page 14, line 17 (relating to functional category 550), strike out "$80,100,000,000" and insert in lieu thereof "$82,250,000,000".

In the reconciliation instructions to the House Committee on Ways and Means, decrease the reduction in budget authority by $100,000,000 in fiscal year 1983 and decrease the reduction in outlays by $2,150,000,000 in such fiscal year.

In the reconciliation instructions to the Senate Committee on Finance, decrease the reduction in budget authority by $100,000,000 in fiscal year 1983 and decrease the reduction in outlays by $2,150,000,000 in such fiscal year.

In the reconciliation instructions to the House Committee on Armed Services, increase the reduction in budget authority by $100,000,000 in fiscal year 1983 and increase the reduction in outlays by $2,150,000,000 in such fiscal year.

In the reconciliation instructions to the Senate Committee on Armed Services, increase the reduction in budget authority by $100,000,000 in fiscal year 1983 and increase the reduction in outlays by $2,150,000,000 in such fiscal year.

By Mr. HEFNER (24):

(Amendment to H. Con. Res. 345, or any amendment thereto, to the matter concerning Function 700, Veterans' Benefits and Services.)

—Increase Budget Authority by $300,000,000 in fiscal year 1983, by $500,000,000 in fiscal year 1984, and by $700,000,000 in fiscal year 1985;

Increase outlays by $250,000,000 in fiscal year 1983, by $350,000,000 in fiscal year 1984, and by $600,000,000 in fiscal year 1985;

Increase the aggregate budget authority level by $300,000,000 in fiscal year 1983, by $500,000,000 in fiscal year 1984, and by $700,000,000 in fiscal year 1985;

Increase the aggregate outlay level by $250,000,000 in fiscal year 1983, by $350,000,000 in fiscal year 1984, and $600,000,000 in fiscal year 1985;

Increase the deficit by $250,000,000 in fiscal year 1983; by $350,000,000 in fiscal year 1984, and by $600,000,000 in fiscal year 1985.

The amendment proposed is to H. Con. Res. 345 or any amendment thereto, and concerns Function 700, Veterans' Benefits and Services. This amendment will add $300 million in budget authority and $250 million in outlays in fiscal year 1983 to restore adequate funding levels for veterans medical programs. Commensurate increases are included in the outyears. The restoration of funds above the program level freeze will prevent the potential closing of VA hospitals, significant bed reductions or ward closing and employment reductions of as much as 13,000 FTE.

By Mr. FORD of Michigan (25-31):

Amendments to any category B amendment; remove 4% annuity cap for Federal civilian retirees.)

—In the matter relating to the level of total budget outlays for fiscal year 1983, increase the amount by $273,000,000.

In the matter relating to the amount of the deficit in the budget for fiscal year 1983, increase the amount by $273,000,000.

In the matter relating to budget outlays for functional category 600 for fiscal year 1983, increase the amount by $273,000,000.

In the matter relating to the level of total new budget authority for fiscal year 1984, increase the amount by $242,000,000.

In the matter relating to the level of total new budget authority for fiscal year 1985, increase the amount by $538,000,000.

In the matter relating to the level of total new budget outlays for fiscal year 1984, increase the amount by $925,000,000.

In the matter relating to the level of total new budget outlays for fiscal year 1985, increase the amount by $1,648,000,000.

In the matter relating to the amount of the deficit in the budget for fiscal year 1984, increase the amount by $925,000,000.

In the matter relating to the amount of the deficit in the budget for fiscal year 1985, increase the amount by $1,648,000,000.

In the matter relating to the new budget authority for functional category 600 for fiscal year 1984, increase the amount by $242,000,000.

In the matter relating to budget outlays for functional category 600 for fiscal year 1984, increase the amount by $925,000,000.

In the matter relating to new budget authority for functional category 600 for fiscal year 1985, increase the amount by $538,000,000.

In the matter relating to budget outlays for functional category 600 for fiscal year 1985, increase the amount by $1,648,000,000.

In the matter relating to reconciliation instructions in the House of Representatives, strike out any matter relating to the Committees on Foreign Affairs and on Post Office and Civil Service.

In the matter relating to reconciliation instructions in the Senate, strike out any matter relating to the Committees on Foreign Relations and on Governmental Affairs.

By Mr. HOYER (32):

(Amendments to any category B amendment; increase pay adjustment from 4 percent to 7 percent for Federal employees.)

—In the matter relating to the level of total new budget authority for fiscal year 1983, increase the amount by $1,146,000,000.

In the matter relating to the level of total budget outlays for fiscal year 1983, increase the amount by $1,153,000,000.

In the matter relating to the amount of the deficit in the budget for fiscal year 1983, increase the amount by $1,153,000,000.

In the matter relating to new budget authority for functional category 050 for fiscal year 1983, increase the amount by $459,000,000.

In the matter relating to budget outlays for functional category 050 for fiscal year 1983, increase the amount by $445,000,000.

In the matter relating to new budget authority for functional category 920 for fiscal year 1983, increase the amount by $687,000,000.

In the matter relating to budget outlays for functional category 920 for fiscal year 1983, increase the amount by $708,000,000.

In the matter relating to the level of total new budget authority for fiscal year 1984, increase the amount by $1,677,000,000.

In the matter relating to the level of total new budget authority for fiscal year 1985, increase the amount by $1,751,000,000.

In the matter relating to the level of total budget outlays for fiscal year 1984, increase the amount by $1,706,000,000.

In the matter relating to the level of total budget outlays for fiscal year 1985, increase the amount by $1,819,000,000.

In the matter relating to the amount of the deficit in the budget for fiscal year 1984, increase the amount by $1,706,000,000.

In the matter relating to the amount of the deficit in the budget for fiscal year 1985, increase the amount by $1,819,000,000.

In the matter relating to new budget authority for functional category 050 for fiscal year 1984, increase the amount by $752,000,000.

In the matter relating to budget outlays for functional category 050 for fiscal year 1984, increase the amount by $743,000,000.

In the matter relating to new budget authority for functional category 050 for fiscal year 1985, increase the amount by $789,000,000.

In the matter relating to budget outlays for functional category 050 for fiscal year 1985, increase the amount by $788,000,000.

In the matter relating to new budget authority for functional category 920 for fiscal year 1984, increase the amount by $925,000,000.

In the matter relating to budget outlays for functional category 920 for fiscal year 1984, increase the amount by $963,000,000.

In the matter relating to new budget authority for functional category 920 for fiscal year 1985, increase the amount by $962,000,000.

In the matter relating to new budget outlays for functional category 920 for fiscal year 1985, increase the amount by $1,031,000,000.

(Amendments to any category B amendment; increase pay adjustment from 4% to 5% for Federal employees.) (33-43)

—In the matter relating to the level of total new budget authority for fiscal year 1983, increase the amount by $396,000,000.

In the matter relating to the level of total budget outlays for fiscal year 1983, increase the amount by $398,000,000.

In the matter relating to the amount of the deficit in the budget for fiscal year 1983, increase the amount by $398,000,000.

In the matter relating to new budget authority for functional category 050 for fiscal year 1983, increase the amount by $167,000,000.

In the matter relating to budget outlays for functional category 050 for fiscal year 1983, increase the amount by $162,000,000.

In the matter relating to new budget authority for functional category 920 for fiscal year 1983, increase the amount by $229,000,000.

In the matter relating to budget outlays for functional category 920 for fiscal year 1983, increase the amount by $236,000,000.

In the matter relating to level of total new budget authority for fiscal year 1984, increase the amount by $559,000,000.

In the matter relating to the level of total new budget authority for fiscal year 1985, increase the amount by $584,000,000.

In the matter relating to the level of total budget outlays for fiscal year 1984, increase the amount by $576,000,000.

In the matter relating to the level of total budget outlays for fiscal year 1985, increase the amount by $607,000,000.

In the matter relating to the amount of the deficit in the budget for fiscal year 1984, increase the amount by $576,000,000.

In the matter relating to the amount of the deficit in the budget for fiscal year 1985, increase the amount by $607,000,000.

In the matter relating to new budget authority for functional category 050 for fiscal year 1984, increase the amount by $251,000,000.

In the matter relating to budget outlays for functional category 050 for fiscal year 1984, increase the amount by $248,000,000.

In the matter relating to new budget authority for functional category 050 for fiscal year 1985, increase the amount by $263,000,000.

In the matter relating to budget outlays for functional category 050 for fiscal year 1985, increase the amount by $263,000,000.

In the matter relating to new budget authority for functional category 920 for fiscal year 1984, increase the amount by $308,000,000.

In the matter relating to budget outlays for functional category 920 for fiscal year 1984, increase the amount by $328,000,000.

In the matter relating to new budget authority for functional category 920 for fiscal year 1985, increase the amount by $321,000,000.

In the matter relating to budget authority for functional category 920 for fiscal year 1985, increase the amount by $344,000,000.

By Mr. DOWNEY (44):

—Page 12, line 14, increase the amount of budget authority by $200,000,000.

Page 12, line 16, increase the amount of total budget outlays by $500,000,000.

Page 12, line 18, increase the amount of the deficit in the budget $500,000,000.

Page 13, line 9, (relating to functional category 050) strike out "$242,850,000,000" and insert in lieu thereof "$243,050,000,000", and on line 10, strike out "$212,300,000,000" and insert in lieu thereof "$212,500,000,000".

Page 14, line 21, (relating to functional category 600) strike out "$273,800,000,000" and insert in lieu thereof "$274,100,000,000".

Page 22, line 12, increase the amount of budget authority by $950,000,000.

Page 22, line 13, increase the amount of budget authority by $1,800,000,000.

Page 22, line 15, increase the amount of budget outlays by $1,650,000,000.

Page 22, line 16, increase the amount of budget outlays by $2,900,000,000.

Page 23, line 12, (relating to functional category 050) strike out "$268,150,000,000" and insert in lieu thereof "$268,850,000,000", and on line 13, strike out "$235,350,000,000" and insert in lieu thereof "$236,050,000,000", and on line 16, strike out "$295,950,000,000" and insert in lieu thereof "$297,150,000,000", and on line 17, strike out "$265,950,000,000" and insert in lieu thereof "$287,150,000,000".

Page 27, line 14, (relating to functional category 600) strike out "$314,500,000,000" and insert in lieu thereof "$314,750,000,000", and on line 15, strike out "$290,050,000,000" and insert in lieu thereof "$291,000,000,000", and on line 18, strike out "$344,550,000,000" and insert in lieu thereof "$345,150,000,000", and on line 19, strike out "$312,400,000,000" and insert in lieu thereof "$314,100,000,000".

Page 31, strike out lines 1, through 11.

Page 32, line 10, strike out "$60,000,000" and insert in lieu thereof "$59,000,000" and on line 11, strike out "$60,000,000" and insert in lieu thereof "59,000,000", and on line 14, strike out "$68,000,000" and insert in lieu thereof "$65,000,000", and on line 15, strike out "$68,000,000" and insert in lieu thereof "$65,000,000", and on line 16, strike out "$77,000,000" both times it appears and insert in lieu thereof "$72,000,000".

Page 32, strike out line 18 and all that follows through page 33, line 24.

Page 36, strike out lines 14 through 24.

Page 37, strike out line 12 and all that follows thereafter through page 38, line 17 and insert in lieu thereof "and".

By Mr. PARRIS (45):

(Amendments to the Latta substitute; strikes all provisions in the Bipartisan Recovery Program substitute relating to COLAs for military and Federal civilian retirees and adds language increasing the amounts for COLAs, eliminating the cap.)

—In the matter relating to the level of total new budget authority is increased by the amount of $212,000,000.

In the matter relating to the level of total budget outlays is increased by the amount of $488,000,000.

In the matter relating to the amount of the deficit in the budget is increased by the amount of $488,000,000.

In the matter relating to outlays in budget functional category 600 increase the amount by $488,000,000.

In the matter relating to total new budget authority for fiscal year 1984 increase the amount by $935,000,000.

In the matter relating to total new budget authority for fiscal year 1985 increase the amount by $1,770,000,000.

In the matter relating to total budget outlays for fiscal year 1984 increase the amount by $1,624,000,000.

In the matter relating to total budget outlays for fiscal year 1985 increase the amount by $2,891,000,000.

In the matter relating to the amount of the deficit for fiscal year 1984 increase the amount by $1,624,000,000.

In the matter relating to the amount of the deficit for fiscal year 1985 increase the amount by $2,891,000,000.

In the matter relating to new budget authority for fiscal year 1984 in budget functional category 600 increase the amount by $935,000,000.

In the matter relating to outlays for fiscal year 1984 in budget functional category 600 increase the amount by $1,624,000,000.

In the matter relating to new budget authority for fiscal year 1985 in budget functional category 600 increase the amount by $1,770,000,000.

In the matter relating to outlays for fiscal year 1985 in budget functional category 600 increase the amount by $2,891,000,000.

In the matter relating to reconciliation instructions required pursuant to section 301(b)(2) of the Budget Act, strike out any instructions to the House Committee on Armed Services and insert in lieu thereof the following: The House Committee on Armed Services shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $0 and outlays by $0 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $0 in budget authority and $0 in outlays in fiscal year 1984, and $0 in budget authority and $0 in outlays in fiscal year 1985.

In the matter relating to reconciliation instructions required pursuant to section 301(b)(2) of the Budget Act, strike out any instructions to the House Committee on Foreign Affairs and insert in lieu thereof the following: The House Committee on Foreign Affairs shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce outlays by $0 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $0 in budget authority and $0 in outlays in fiscal year 1984, and $0 in budget authority and $0 in outlays in fiscal year 1985.

In the matter relating to reconciliation instructions required pursuant to section 301(b)(2) of the Budget Act, strike out any instructions to the House Committee on Post Office and Civil Service shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $0 and outlays by $0 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $0 in budget authority and $0 in outlays in fiscal year 1984, and $0 in budget authority and $0 in outlays in fiscal year 1985.

In the matter relating to reconciliation instructions required pursuant to section 301(b)(2) of the Budget Act, strike out any instructions to the Senate Committee on Armed Services and insert in lieu thereof the following: The Senate Committee on Armed Services shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $0 and outlays by $0 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future years requires additional savings of $0 in budget authority and $0 in outlays for fiscal year 1984, and $0 in budget authority and $0 in outlays in fiscal year 1985.

In the matter relating to reconciliation instructions required pursuant to section 301(b)(2) of the Budget Act, strike out any instructions to the Senate Committee on Foreign Relations and insert in lieu thereof the following: The Senate Committee on Foreign Relations shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce outlays by $0 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future years requires additional savings of $0 in budget authority and $0 in outlays for fiscal year 1984, and $0 in budget authority and $0 in outlays in fiscal year 1985.

In the matter relating to reconciliation instructions required pursuant to section 301(b)(2) of the Budget Act, strike out any instructions to the Senate Committee on Governmental Affairs and insert in lieu thereof the following: The Senate Committee on Governmental Affairs shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce outlays by $0 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future years requires additional savings of $0 in budget authority and $0 in outlays for fiscal year 1984, and $0 in budget authority and $0 in outlays in fiscal year 1985.

(Amendments to Jones substitute; Strikes all provisions in the Jones substitute relating to COLAs for military and Federal civilian retirees and adds language increasing the amounts for COLAs, eliminating the cap.)

—In the matter relating to the level of total new budget authority is increased by the amount of $212,000,000.

In the matter relating to the level of total budget outlays is increased by the amount of $488,000,000.

In the matter relating to the amount of the deficit in the budget is increased by the amount of $488,000,000.

In the matter relating to outlays in budget functional category 600 increase the amount by $488,000,000.

In the matter relating to total new budget authority for fiscal year 1984 increase the amount by $935,000,000.

In the matter relating to total new budget authority for fiscal year 1985 increase the amount by $1,770,000,000.

In the matter relating to total budget outlays for fiscal year 1984 increase the amount by $1,624,000,000.

In the matter relating to total budget outlays for fiscal year 1985 increase the amount by $2,891,000,000.

In the matter relating to the amount of the deficit for fiscal year 1984 increase the amount by $1,624,000,000.

In the matter relating to the amount of the deficit for fiscal year 1985 increase the amount by $2,891,000,000.

In the matter relating to new budget authority for fiscal year 1984 in budget functional category 600 increase the amount by $935,000,000.

In the matter relating to outlays for fiscal year 1984 in budget functional category 600 increase the amount by $1,624,000,000.

In the matter relating to new budget authority for fiscal year 1985 in budget functional category 600 increase the amount by $1,770,000,000.

In the matter relating to outlays for fiscal year 1985 in budget functional category 600 increase the amount by $2,891,000,000.

In the matter relating to reconciliation instructions required pursuant to section 301(b)(2) of the Budget Act, strike out any instructions to the House Committee on Armed Services and insert in lieu thereof the following: The House Committee on Armed Services shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $0 and outlays by $0 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $0 in budget authority and $0 in outlays in fiscal year 1984, and $0 in budget authority and $0 in outlays in fiscal year 1985.

In the matter relating to reconciliation instructions required pursuant to section 301(b)(2) of the Budget Act, strike out any instructions to the House Committee on Foreign Affairs and insert in lieu thereof the following: The House Committee on Foreign Affairs shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce outlays by $0 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future fiscal years requires additional savings of $0 in budget authority and $0 in outlays in fiscal year 1984, and $0 in budget authority and $0 in outlays in fiscal year 1985.

In the matter relating to reconciliation instructions required pursuant to section 301(b)(2) of the Budget Act, strike out any instructions to the House Committee on Post Office and Civil Service and insert in lieu thereof the following: The House Committee on Post Office and Civil Service shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $0 and outlays by $0 in fiscal year 1983; further, the Congress finds that the prospect of unacceptable high budget deficits in future fiscal years requires additional savings of $0 in budget authority and $0 in outlays in fiscal year 1984, and $0 in budget authority and $0 in outlays in fiscal year 1985.

In the matter relating to reconciliation instructions required pursuant to section 301(b)(2) of the Budget Act, strike out any instructions to the Senate Committee on Armed Services and insert in lieu thereof the following: The Senate Committee on Armed Services shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $0 and outlays

by $0 in fiscal year 1983; further, the Congress finds that the prospect of unacceptable high budget deficits in future years requires additional savings of $0 in budget authority and $0 in outlays for fiscal year 1984, and $0 in budget authority and $0 in outlays in fiscal year 1985.

In the matter relating to reconciliation instructions required pursuant to section 301(b)(2) of the Budget Act, strike out any instructions to the Senate Committee on Foreign Relations and insert in lieu thereof the following: The Senate Committee on Foreign Relations shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce outlays by $0 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future years requires additional savings of $0 in budget authority and $0 in outlays for fiscal year 1984, and $0 in budget authority and $0 in outlays in fiscal year 1985.

In the matter relating to reconciliation instructions required pursuant to section 301(b)(2) of the Budget Act, strike out any instructions to the Senate Committee on Governmental Affairs and insert in lieu thereof the following: The Senate Committee on Governmental Affairs shall report changes in law within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce outlays by $0 in fiscal year 1983; further, the Congress finds that the prospect of unacceptably high budget deficits in future years requires additional savings of $0 in budget authority and $0 in outlays for fiscal year 1984, and $0 in budget authority and $0 in outlays in fiscal year 1985.

(Amendments to Latta substitute; increases pay adjustment for Federal employees from 4 percent to 5 percent.)

—In the matter relating to the level of total new budget authority for fiscal year 1983 increase the amount by $850,000,000.

In the matter relating to the level of total budget outlays for fiscal year 1983 increase the amount of $850,000,000.

In the matter relating to the amount of the deficit in the budget for fiscal year 1983 increase the amount by $850,000,000.

In the matter relating to new budget authority for functional category 050 for fiscal year 1983 increase the amount by $850,000,000.

In the matter of relating to budget outlays for functional category 050 for fiscal year 1983 increase the amount by $265,000,000.

In the matter relating to new budget authority for functional category 920 for fiscal year 1983 increase the amount by $585,000,000.

In the matter relating to budget outlays for functional category 920 for fiscal year 1983 increase the amount by $585,000,000.

In the matter relating to the level of total new budget authority for fiscal year 1984 increase the amount by $909,500,000.

In the matter relating to the level of total new budget authority for fiscal year 1985 increase the amount by $968,617,600.

In the matter relating to the level of total budget outlays for fiscal year 1984 increase the amount by $909,500,000.

In the matter relating to the level of total budget outlays for fiscal year 1985 increase the amount by $968,617,600.

In the matter relating to the amount of the deficit in the budget for fiscal year 1984 increase the amount by $909,500,000.

In the matter relating to amount of the deficit in the budget for fiscal year 1985 increase the amount by $968,617,600.

In the matter relating to new budget authority for functional category 050 for fiscal year 1984 increase the amount by $283,550,000.

In the matter relating to budget outlays for functional category 050 for fiscal year 1984 increase the amount by $283,550,000.

In the matter relating to new budget authority for functional category 050 for fiscal year 1985 increase the amount $301,980,800.

In the matter relating to budget outlays for functional category 050 for fiscal year 1985 increase the amount by $301,980,800.

In the matter relating to new budget authority for functional category 920 for fiscal year 1984 increase the amount by $625,950,000.

In the matter relating to budget outlays for functional category 920 for fiscal year 1984 increase the amount by $625,950,000.

In the matter relating to new budget authority for functional category 920 for fiscal year 1985 increase the amount by $666,636,800.

In the matter relating to budget outlays for functional category 920 for fiscal year 1985 increase the amount by $666,636,800.

(Amendments to Aspin substitute; increases pay adjustment for Federal employees from 4% to 5%)

—In the matter relating to the level of total new budget authority for fiscal year 1983 increase the amount by $850,000,000.

In the matter relating to the level of total budget outlays for fiscal year 1983 increase the amount by $850,000,000.

In the matter relating to the amount of the deficit in the budget for fiscal year 1983 increase the amount by $850,000,000.

In the matter relating to new budget authority for functional category 050 for fiscal year 1983 increase the amount by $850,000,000.

In the matter relating to budget outlays for functional category 050 for fiscal year 1983 increase the amount by $265,000,000.

In the matter relating to new budget authority for functional category 920 for fiscal year 1983 increase the amount by $585,000,000.

In the matter relating to budget outlays for functional category 920 for fiscal year 1983 increase the amount by $585,000,000.

In the matter relating to the level of total new budget authority for fiscal year 1984 increase the amount by $909,500,000.

In the matter relating to the level of total new budget authority for fiscal year 1985 increase the amount by $968,617,600.

In the matter relating to the level of total budget outlays for fiscal year 1984 increase the amount by $909,500,000.

In the matter relating to the level of total budget outlays for fiscal year 1985 increase the amount by $968,617,600.

In the matter relating to the amount of the deficit in the budget for fiscal year 1984 increase the amount by $909,500,000.

In the matter relating to the amount of the deficit in the budget for fiscal year 1985 increase the amount by $968,617,600.

In the matter relating to new budget authority for functional category 050 for fiscal year 1984 increase the amount by $283,550,000.

In the matter relating to budget outlays for functional category 050 for fiscal year 1984 increase the amount by $283,550,000.

In the matter relating to new budget authority for functional category 050 for fiscal year 1985 increase the amount by $301,980,800.

In the matter relating to budget outlays for functional category 050 for fiscal year 1985 increase the amount by $301,980,800.

In the matter relating to new budget authority for functional category 920 for fiscal year 1984 increase the amount by $625,950,000.

In the matter relating to budget outlays for functional category 920 for fiscal year 1984 increase the amount by $625,950,000.

In the matter relating to new budget authority for functional category 920 for fiscal year 1985 increase the amount by $666,636,800.

In the matter relating to budget outlays for functional category 920 for fiscal year 1985 increase the amount by $666,636,800.

(Amendments to Jones substitutes; increases pay adjustment for Federal employees from 4 to 5 percent.)

—In the matter relating to the level of total new budget authority for fiscal year 1983 increase the amount by $850,000,000.

In the matter relating to the level of total budget outlays for fiscal year 1983 increase the amount by $850,000,000.

In the matter relating to the amount of the deficit in the budget for fiscal year 1983 increase the amount by $850,000,000.

In the matter relating to new budget authority for functional category 050 for fiscal year 1983 increase the amount by $850,000,000.

In the matter relating to budget outlays for functional category 050 for fiscal year 1983 increase the amount by $265,000,000.

In the matter relating to new budget authority for functional category 920 for fiscal year 1983 increase the amount by $585,000,000.

In the matter relating to budget outlays for functional category 920 for fiscal year 1983 increase the amount by $585,000,000.

In the matter relating to the level of total new budget authority for fiscal year 1984 increase the amount by $909,500,000.

In the matter relating to the level of total new budget authority for fiscal year 1985 increase the amount by $968,617,600.

In the matter relating to the level of total budget outlays for fiscal year 1984 increase the amount by $909,500,000.

In the matter relating to the level of total budget outlays for fiscal year 1985 increase the amount by $968,617,600.

In the matter relating to the amount of the deficit in the budget for fiscal year 1984 increase the amount by $909,500,000.

In the matter relating to the amount of the deficit in the budget for fiscal year 1985 increase the amount by $968,617,600.

In the matter relating to new budget authority for functional category 050 for fiscal year 1984 increase the amount by $283,550,000.

In the matter relating to budget outlays for functional category 050 for fiscal year 1984 increase the amount by $283,550,000.

In the matter relating to new budget authority for functional category 050 for fiscal year 1985 increase the amount by $301,980,800.

In the matter relating to budget outlays for functional category 050 for fiscal year 1985 increase the amount by $301,980,800.

In the matter relating to new budget authority for functional category 920 for fiscal year 1984 increase the amount by $625,950,000.

In the matter relating to budget outlays for functional category 920 for fiscal year 1984 increase the amount by $625,950,000.

In the matter relating to new budget authority for functional category 920 for fiscal year 1985 increase the amount by $666,636,800.

In the matter relating to budget outlays for functional category 920 for fiscal year 1985 increase the amount by $666,636,800.

By Mr. WOLF (47):

(Amendments to any category B amendment.)

—In the matter relating to the level of total new budget authority for fiscal year 1983, increase the amount by $213,000,000.

In the matter relating to the level of total budget outlays for fiscal year 1983, increase the amount by $490,000,000.

In the matter relating to the amount of the deficit in the budget for fiscal year 1983, increase the amount by $490,000,000.

In the matter relating to new budget authority for functional category 050 for fiscal year 1983, increase the amount by $213,000,000.

In the matter relating to budget outlays for functional category 050 for fiscal year 1983, increase the amount by $217,000,000.

In the matter relating to budget outlays for functional category 600 for fiscal year 1983, increase the amount by $273,000,000

In the matter relating to the level of total new budget authority for fiscal year 1984, increase the amount by $936,000,000.

In the matter relating to the level of total new budget authority for fiscal year 1985, increase the amount by $1,770,000,000.

In the matter relating to the level of total budget outlays for fiscal year 1984, increase the amount by $1,625,000,000.

In the matter relating to the level of total budget outlays for fiscal year 1985, increase the amount by $2,885,000,000.

In the matter relating to the amount of the deficit in the budget for fiscal year 1984, increase the amount by $1,825,000,000.

In the matter relating to the amount of the deficit in the budget for fiscal year 1985, increase the amount by $2,885,000,000.

In the matter relating to new budget authority for functional category 050 for fiscal year 1984, increase the amount by $894,000,000.

In the matter relating to budget outlays for functional category 050 for fiscal year 1984, increase the amount by $700,000,000.

In the matter relating to new budget authority for functional category 050 for fiscal year 1985, increase the amount by $1,232,000,000.

In the matter relating to budget outlays for functional category 050 for fiscal year 1985, increase the amount by $1,237,000,000.

In the matter relating to new budget authority for functional category 600 for fiscal year 1984, increase the amount by $242,000,000.

In the matter relating to budget outlays for functional category 600 for fiscal year 1984, increase the amount by $925,000,000.

In the matter relating to new budget authority for functional category 600 for fiscal year 1985, increase the amount by $538,000,000.

In the matter relating to budget outlays for functional category 600 for fiscal year 1985, increase the amount by $1,648,000,000.

In the matter relating to reconciliation instructions in the House of Representatives, strike out any matter relating to the Committees on Armed Services and on Foreign Affairs.

In the matter relating to reconciliation instructions in the Senate, strike out any matter relating to the Committees on Armed Services and on Foreign Relations.

In the matter relating to reconciliation instructions to the Committee on Post Office and Civil Service of the House of Representatives and the Committee on Governmental Affairs of the Senate, reduce (but not below zero) each of the amounts set forth therein by the following amounts, respectively: $273,000,000, $242,000,000, $925,000,000, $538,000,000, and $1,648,000,000.

By Mr. HUGHES (48):

(Amendment to H. Con. Res. 345, or any amendment, thereto to the matter concerning Function 750: Administration of Justice.)

—Increase budget authority by $251,000,000 in fiscal year 1983, by $261,000,000 in fiscal year 1984, and by $271,000,000 in fiscal year 1985;

Increase outlays by $251,000,000 in fiscal year 1983, by $261,000,000 in fiscal year 1984, and by $271,000,000 in fiscal year 1985;

Increase the aggregate budget authority level by $251,000,000 in fiscal year 1983, by $261,000,000 in fiscal year 1984, and by $271,000,000 in fiscal year 1985;

Increase the aggregate outlay level by $251,000,000 in fiscal year 1983, by $281,000,000 in fiscal year 1984, and $271,000,000 in fiscal year 1985;

Increase the deficit by $251,000,000 in fiscal year 1983, by $261,000,000 in fiscal year 1984, and by $271,000,000 in fiscal year 1985.

(An amendment to the amendment in the nature of a substitute offered by Mr. Jones of Oklahoma to the matter concerning Function 750: Administration of Justice.)

—Increase Budget Authority by $251,000,000 in fiscal year 1983, by $261,000,000 in fiscal year 1984, and by $271,000,000 in fiscal year 1985;

Increase outlays by $251,000,000 in fiscal year 1983, by $261,000,000 in fiscal year 1984, and by $271,000,000 in fiscal year 1985;

Increase the aggregate budget authority level by $251,000,000 in fiscal year 1983, by $261,000,000 in fiscal year 1984, and by $271,000,000 in fiscal year 1985;

Increase the aggregate outlay level by $251,000,000 in fiscal year 1983, by $261,000,000 in fiscal year 1984, and $271,000,000 in fiscal year 1985;

Increase the deficit by $251,000,000 in fiscal year 1983, by $281,000,000 in fiscal year 1984, and by $271,000,000 in fiscal year 1985.

(Amendment to the amendment in the nature of a substitute offered by Mr. Aspin to the matter concerning Function 750: Administration of Justice.)

—Increase budget authority by $251,000,000 in fiscal year 1983, by $281,000,000 in fiscal year in 1984, and by $271,000,000 in fiscal year 1985.

Increase outlays by $251,000,000 in fiscal year 1983, by $261,000,000 in fiscal year 1984, and by $271,000,000 in fiscal year 1985;

Increase the aggregate budget authority level by $251,000,000 in fiscal year 1983, by $281,000,000 in fiscal year 1984, and by $271,000,000 fiscal year 1985;

Increase the aggregate outlay level by $251,000,000 in fiscal year 1983, by $261,000,000 in fiscal year 1984, and $271,000,000 in fiscal year 1985;

Increase the deficit by $251,000,000 in fiscal year 1983; by $261,000,000 in fiscal year 1984, and by $271,000,000 fiscal year 1985.

(Amendment to the amendment in the nature of a substitute offered by Mr. Fauntroy to the matter concerning Function 750: Administration of Justice.)

—Increase budget authority by $16,000,000 in fiscal year 1983;

Increase outlays by $101,000,000 in fiscal year 1983;

Increase aggregate budget authority level by $16,000,000 in fiscal year 1983;

Increase aggregate outlay level by $101,000,000 in fiscal year 1983;

Increase the deficit by $101,000,000 in fiscal year 1983.

(Amendment to the amendment in the nature of a substitute offered by Mr. Latta to the matter concerning Function 750: Administration of Justice.)

—Increase budget authority by $451,000,000 in fiscal year 1983, by $561,000,000 in fiscal year 1984, and by $621,000,000 in fiscal year 1985;

Increase outlays by $501,000,000 in fiscal year 1983, by $511,000,000 in fiscal year 1984, and by $621,000,000 in fiscal year 1985;

Increase the aggregate budget authority level by $451,000,000 in fiscal year 1983, by $511,000,000 in fiscal year 1984, and by $621,000,000 in fiscal year 1985;

Increase the aggregate outlay level by $501,000,000 in fiscal year 1983, by $511,000,000 in fiscal year 1984, and $621,000,000 in fiscal year 1985;

Increase the deficit by $501,000,000 in fiscal year 1983, by $511,000,000 in fiscal year 1984, and by $621,000,000 in fiscal year 1985.

By Mr. ZEFERETTI (49):

—On page 12, line 14, strike "$828,000,000,000" and insert "$828,400,000,000";

On page 12, line 16, strike "$780,550,000,000" and insert "$780,850,000,000";

On page 12, line 18, strike "$103,850,000,000" and insert "$104,150,000,000";

On page 14, line 6, strike $22,300,000,000" and insert $22,600,000,000";

On page 14, line 7, strike "$20,400,000,000" and insert "$20,600,000,000";

On page 15, line 1, strike "$4,600,000,000" and insert "$4,700,000,000";

On page 15, line 2, strike "$4,650,000,000" and insert "$4,750,000,000";

On page 22, line 12, strike "888,400,000,000" and insert "$888,800,000,000";

On page 22, line 13, strike "$952,850,000,000" and insert "$953,250,000,000";

On page 22, line 15, strike "$826,400,000,000" and insert "$826,750,000,000";

On Page 22, line 16, strike "$881,200,000,000" and insert "$881,600,000,000";

On page 22, line 18, strike "$72,750,000,000" and insert "$73,100,000,000";

On page 22, line 19, strike "$34,650,000,000" and insert "$35,050,000,000";

On page 26, line 2, strike "$22,400,000,000" and insert "$22,700,000,000";

On page 26, line 3, strike "$20,050,000,000" and insert "$20,300,000,000";

On page 26, line 6, strike "$22,950,000,000" and insert "$23,250,000,000";

On page 26, line 7, strike "$20,250,000,000" and insert "$20,550,000,000";

On page 28, line 7, strike "$4,600,000,000" and insert "$4,700,000,000";

On page 28, line 8, strike "$4,600,000,000" and insert "$4,700,000,000";

On page 28, line 11, strike "$4,600,000,000" and insert "$4,700,000,000"; and

On page 28, line 12, strike "$4,800,000,000" and insert "$4,700,000,000".

(Amendment to the amendment in the nature of a substitute offered by Mr. Latta to the matter concerning Function 400: Transportation.)

—Increase new budget authority by $1,150,000,000 in fiscal year 1983, by $1,000,000,000 in fiscal year 1984, and by $1,200,000,000 in fiscal year 1985;

Increase outlays by $100,000,000 in fiscal year 1983, by $600,000,000 in fiscal year 1984, and by $1,000,000,000 in fiscal year 1985;

To the matter concerning Function 750: Administration of Justice.

Increase new budget authority by $300,000,000 in fiscal year 1983, by $400,000,000 in fiscal year 1984, and by $450,000,000 in fiscal year 1985;

Increase outlays by $250,000,000 in fiscal year 1983, by $350,000,000 in fiscal year 1984, and by $450,000,000 in fiscal year 1985;

Increase the aggregate budget authority level by $1,450,000,000 in fiscal year 1983, by $1,400,000,000 in fiscal year 1984, and by $1,650,000,000 in fiscal year 1985;

Increase the aggregate outlay level by $350,000,000 in fiscal year 1983, by $950,000,000 in fiscal year 1984, and by $1,450,000,000 in fiscal year 1985;

Increase the deficit by $350,000,000 in fiscal year 1983, by $950,000,000 in fiscal year 1984, and by $1,450,000,000 in fiscal year 1985.

(Amendment to the amendment in the nature of a substitute offered by Mr. Aspin to the matter concerning Function 400: Transportation.)

—Increase new budget authority by $100,000,000 in fiscal year 1983, by $125,000,000 in fiscal year 1984, and by $125,000,000 in fiscal year 1985;

Increase outlays by $150,000,000 in fiscal year 1983, by $50,000,000 in fiscal year 1984, and by $100,000,000 in fiscal year 1985;

To the matter concerning Function 750: Administration of Justice.

Increase new budget authority by $100,000,000 in fiscal year 1983, by $100,000,000 in fiscal year 1984, and by $100,000,000 in fiscal year 1985;

Increase outlays by $100,000,000 in fiscal year 1983, by $100,000,000 in fiscal year 1985;

Increase the aggregate budget authority level by $200,000,000 in fiscal year 1983, by $225,000,000 in fiscal year 1984, and by $225,000,000 in fiscal year 1985;

Increase the aggregate outlay level by $250,000,000 in fiscal year 1983, by $150,000,000 in fiscal year 1984, and by $200,000,000 in fiscal year 1985;

Increase the deficit by $250,000,000 in fiscal year 1983, by $150,000,000 in fiscal year 1984, and by $200,000,000 in fiscal year 1985.

(Brief explanation of amendments offered by Mr. Zeferetti.)

The amendment to H. Con. Res. 345 increases the level of new budget authority and the estimated budget outlays for fiscal year 1983 for two functional categories: Transportation and Administration of Justice. The amendment is intended to raise the budget authority and outlay targets in the resolution to levels that would permit appropriations for the Coast Guard (operating expenses and acquisition, construction and improvements), the FBI, DEA and U.S. Customs Service to be made up to the amounts approved by the House authorizing committees for 1983. Total new budget authority for 1983 would be increased by $400 million; total budget outlays and the projected budget deficit would each be increased by $300 million. These increases are necessary to augment the resources available to combat drug trafficking and drug-related crimes.

Corresponding increases are included for 1984 and 1985.

The amendments to the Latta and Aspin substitutes would raise the levels of budget authority and outlays for the Transportation and Administration of Justice Functions to the levels provided in the amendment to H. Con. Res. 345.

By Mr. PERKINS (50):

(Amendment to the Jones amendment in nature of a substitute.)

—Strike the paragraph beginning on line 21, page 31, and ending on line 6, page 32, and the paragraph beginning on line 18, page 38, and ending on line 3, page 39. On page 12, line 14, increase the level of total new budget authority by $73,000,000, on line 16, increase the level of total budget outlays by $73,000,000, and on line 18, increase the deficit in the budget by $73,000,000.

By Mr. FOWLER (51-53):

—On page 12, line 14, strike "$828,000,000,000" and insert in lieu thereof "$826,290,000,000."

On page 13, line 9, strike "$242,850,000,000" and insert in lieu thereof $238,750,000,000", and on line 10, strike "$212,300,000,000" and insert in lieu thereof "$210,500,000,000."

On page 13, line 19, strike "$5,300,000,000" and insert in lieu thereof "$5,490,000,000", and on line 20, strike "$5,000,000,000" and insert in lieu thereof "$5,100,000,000."

On page 14, line 13, strike "$27,550,000,000" and insert in lieu thereof "$29,750,000,000", and on line 14, strike "$27,450,000,000" and insert in lieu thereof "$29,150,000,000."

—On page 12, line 14, strike "$828,000,000,000" and insert in lieu thereof "$828,400,000,000", and on line 16, strike "$780,550,000,000" and insert in lieu thereof "$779,660,000,000", and on line 18, strike "$103,850,000,000" and insert in lieu thereof "$102,960,000,000."

On page 13, line 16, strike "$7,750,000,000" and insert in lieu thereof "$8,250,000,000", and on line 17, strike "$7,600,000,000" and insert in lieu thereof "$8,060,000,000."

On page 13, line 22, strike "$9,400,000,000" and insert in lieu thereof "$7,500,000,000", and on line 23, strike "$10,850,000,000" and insert in lieu thereof "$8,950,000,000".

On page 13, line 25, strike "$6,900,000,000" and insert in lieu thereof "$7,500,000,000", and on page 14, line 1 strike "$10,100,000,000" and insert in lieu thereof "$9,750,000,000."

On page 14, line 6, strike "$22,300,000,000" and insert in lieu thereof "$22,350,000,000", and on page 7, strike "$20,400,000,000" and insert in lieu thereof "$20,450,000,000."

On page 14, line 13, strike "$27,550,000,000" and insert in lieu thereof "$28,700,000,000", and on line 14, strike "$27,450,000,000" and insert in lieu thereof "$28,300,000,000."

—On page 12, line 14, strike "$828,000,000,000" and insert in lieu thereof "$824,980,000,000", and on line 16, strike "$780,550,000,000" and insert in lieu thereof "$773,350,000,000", and on line 18, strike "$103,850,000,000" and insert in lieu thereof "$96,650,000,000."

On page 14, line 3, strike "$8,050,000,000" and insert in lieu thereof "$12,850,000,000", and on line 4, strike "$3,050,000,000", and insert in lieu thereof "$3,750,000,000."

On page 14, line 6, strike "$22,300,000,000" and insert in lieu thereof "$14,400,000,000", and on line 7, strike "$20,400,000,000", and insert in lieu thereof "$12,420,000,000."

On page 15, line 1, strike "$4,800,000,000" and insert in lieu thereof "$4,680,000,000", and on line 2, strike "$4,650,000,000", and insert in lieu thereof "$4,730,000,000."

(Amendments to the amendment in the nature of a substitute offered by Mr. Latta.)

—Section 201(2): strike "$805,200,000,000" and insert in lieu thereof "$803,490,000,000."

Section 202(1)(A): strike "$253,850,000,000" and insert in lieu thereof "$249,750,000,000;" (B): strike "$213,250,000,000" and insert in lieu thereof "$211,450,000,000."

Section 202(4)(A): strike "$3,600,000,000" and insert in lieu thereof "$3,790,000,000;" (B): strike "$3,900,000,000" and insert in lieu thereof "$4,000,000,000."

Section 202(10)(A): strike "$27,250,000,000" and insert in lieu thereof "$29,450,000,000;" (B): strike "$26,800,000,000" and insert in lieu thereof "$28,500,000,000."

—Section 201(2): strike "$805,200,000,000" and insert in lieu thereof "$805,600,000,000."

Section 201(3): strike "$767,500,000,000" and insert in lieu thereof "$766,810,000,000."

Section 201(4): strike "$101,600,000,000" and insert in lieu thereof "$100,710,000,000."

Section 202(3)(A): strike "$7,050,000,000" and insert in lieu thereof "$7,550,000,000;" (B): strike "$7,150,000,000" and insert in lieu thereof "$7,610,000,000."

Section 202(5)(A): strike "$9,000,000,000" and insert in lieu thereof "$7,100,000,000;" (B): strike "$10,550,000,000" and insert in lieu thereof "$8,650,000,000."

Section 202(6)(A): strike "$6,400,000,000" and insert in lieu thereof "$7,000,000,000;" (B): strike "$9,050,000,000" and insert in lieu thereof "$8,700,000,000."

Section 202(8)(A): strike "$21,450,000,000" and insert in lieu thereof "$21,500,000,000;" (B): strike "$20,050,000,000" and insert in lieu thereof "$20,100,000,000."

Section 202(10)(A): strike "$27,250,000,000" and insert in lieu thereof "$28,400,000,000;" (B): strike "$26,800,000,000" and insert in lieu thereof "$27,650,000,000."

—Section 201(2): strike "$805,200,000,000" and insert in lieu thereof "$802,180,000,000."

Section 210(3): strike "$767,500,000,000;" and insert in lieu thereof "$760,300,000,000."

Section 201(4): strike "$101,600,000,000" and insert in lieu thereof "$94,400,000,000."

Section 202(7)(A): strike "$7,300,000,000" and insert in lieu thereof "$12,100,000,000;" (B): strike "$2,450,000,000" and insert in lieu thereof "$3,150,000,000."

Section 202(8)(A): strike "$21,450,000,000" and insert in lieu thereof "$13,550,000,000;" (B): strike "$20,050,000,000" and insert in lieu thereof "$12,070,000,000."

Section 202(13)(A): strike "$4,400,000,000" and insert in lieu thereof "$4,480,000,000"; (B): strike "$4,500,000,000" and insert in lieu thereof "$4,580,000,000."

AMENDMENT SUMMARIES

[In billions of dollars]

Function and description	Change in—	
	Budget authority	Outlays
AMENDMENT NO. 1—PROVIDE FOR NATIONAL SECURITY		
050—National Defense	−4.10	−1.80
270—Energy	+0.19	+0.10

AMENDMENT SUMMARIES—Continued

[In billions of dollars]

Function and description	Change in— Budget authority	Change in— Outlays
500—Education, Training, Employment and Social Services	+2.20	+1.70
Total	−1.71	0
AMENDMENT NO. 2—INVEST IN OUR FUTURE		
250—General Science, Space, and Technology	+0.50	+0.46
300—Natural Resources and Environment	−1.90	−1.90
350—Agriculture	+0.60	−0.35
400—Transportation	+0.05	+0.05
500—Education, Training, Employment and Social Services	+1.15	+0.85
Total	+0.40	−0.89
AMENDMENT NO. 3—MAINTAIN BASIC INFRASTRUCTURE/ESTABLISH REAL FEDERALISM		
300—Natural Resources and Environment		
370—Commerce and Housing Credit	+4.80	+0.70
400—Transportation	−7.90	−7.98
750—Administration of Justice	+0.08	+0.08
Total	−3.02	−7.20

By Mr. WEISS (54):

—Page 30, lines 8 and 9, strike out "PROVIDING RECONCILIATION AND OTHER".

Page 30, strike out line 11 and all that follows thereafter through Page 39, line 12.

Redesignate the succeeding sections accordingly.

(Amendment offered by Mr. Weiss to the amendment in the nature of a substitute offered by Mr. Latta.)

—Strike out Section 301, Section 302, and Section 303.

Redesignate the succeeding sections accordingly.

(Amendment offered by Mr. Weiss to the amendment in the nature of a substitute offered by Mr. Aspin.)

—Strike out Section 301, Section 302, and Section 303.

Redesignate the succeeding sections accordingly.

(Amendment offered by Mr. Weiss to the amendment in the nature of a substitute offered by Mr. Jones of Oklahoma.)

—Page 30, lines, 8 and 9, strike out "PROVIDING RECONCILIATION AND OTHER".

Page 30, strike out line 11 and all that follows thereafter through Page 39, line 12.

Redesignate the succeeding sections accordingly.

—Strike out Section 301, Section 302, and Section 303.

Redesignate the succeeding sections accordingly.

—Strike out Section 301, Section 302, and Section 303.

Redesignate the succeeding sections accordingly.

By Mr. WHITTEN (55):

(Amendment to the amendment in the nature of substitutes offered by Messrs. Aspin or Jones.)

—Strike out section 304 relating to deferred enrollment and insert in lieu thereof the following:

SEC. 304. In the House of Representatives, no bill or resolution providing—

(1) new budget authority for fiscal year 1983, or

(2) new spending authority described in section 401(c)(2)(C) of the Congressional Budget Act first effective in fiscal year 1983—which exceeds the appropriate total allocation of new discretionary budget authority or new spending authority made pursuant to section 302(b) of such Act by the committee of jurisdiction shall be enrolled until after Congress has completed action on the second concurrent resolution on the budget required to be reported under section 310 of such Act.

(Amendment to the amendments in the nature of substitutes offered by Messrs. Latta, Aspin or Jones.)(56)

—Strike out section 304 relating to deferred enrollment and renumber the following sections accordingly.

By Mr. ROE (59):

(Amendment to H. Con. Res. 345.)

—Section 304 is amended to read as follows:

SEC. 304. (a) In the House of Representatives, no bill or resolution providing—

(1) new budget authority for fiscal year 1983, or

(2) new spending authority described in section 401(c)(2)(C) of the Congressional Budget Act first effective in fiscal year 1983 which exceeds the appropriate allocation or subdivision of such new discretionary budget authority or new spending authority made pursuant to section 302 of such Act shall be enrolled until after Congress has completed action on the second concurrent resolution on the budget required to be reported under section 310 of such Act.

(b) If Congress increases revenues in a trust fund exempt under section 401(d)(1)(B) of the Congressional Budget Act, then for purposes of this section, "budget authority" and "new discretionary budget authority" shall not include spending authority or budget authority derived from any trust fund, 90 percent or more of the receipts of which consist or will consist of amounts (transferred from the general fund of the Treasury) equivalent to amounts of taxes (related to the purposes for which such outlays are or will be made) received in the Treasury under specified provisions of the Internal Revenue Code of 1954.

(Amendment to Latta substitute.)

—Section 304 is amended to read as follows:

SEC. 304. (a) In the House of Representatives, no bill or resolution providing—

(1) new budget authority for fiscal year 1983, or

(2) new spending authority described in section 401(c)(2)(C) of the Congressional Budget Act first effective in fiscal year 1983 which exceeds the appropriate allocation or subdivision of such new discretionary budget authority or new spending authority made pursuant to section 302 of such Act shall be enrolled until after Congress has completed action on the second concurrent resolution on the budget required to be reported under section 310 of such Act.

(b) If Congress increases revenues in a trust fund exempt under section 401(d)(1)(B) of the Congressional Budget Act, then for purposes of this section, "budget authority" and "new discretionary budget authority" shall not include spending authority or budget authority derived from any trust fund, 90 percent or more of the receipts of which consist or will consist of amounts (transferred from the general fund of the Treasury) equivalent to amounts of taxes (related to the purposes for which such outlays are or will be made) received in the Treasury under specified provisions of the Internal Revenue Code of 1954.

(Amendment to H. Con. Res. 345.)

—Section 304 is amended to read as follows:

SEC. 304. (a) In the House of Representatives, no bill or resolution providing—

(1) new budget authority for fiscal year 1983, or

(2) new spending authority described in section 401(c)(2)(C) of the Congressional Budget Act first effective in fiscal year 1983 which exceeds the appropriate allocation or subdivision of such new discretionary budget authority or new spending authority made pursuant to section 302 of such Act shall be enrolled until after Congress has completed action on the second concurrent resolution on the budget required to be reported under section 310 of such Act.

(b) For purposes of this section, "budget authority" and "new discretionary budget authority" shall not include spending authority or budget authority derived from any highway, public transportation or aviation trust fund, 90 percent or more of the receipts of which consist or will consist of amounts (transferred from the general fund of the Treasury) equivalent to amounts of taxes (related to the purposes for which such outlays are or will be made) received in the Treasury under specified provisions of the Internal Revenue Code of 1954."

(Amendment to Latta substitute.)

—Section 304 is amended to read as follows:

SEC. 304. (a) In the House of Representatives, no bill or resolution providing—

(1) new budget authority for fiscal year 1983, or

(2) new spending authority described in section 401(c)(2)(C) of the Congressional Budget Act first effective in fiscal year 1983 which exceeds the appropriate allocation or subdivision of such new discretionary budget authority or new spending authority made pursuant to section 302 of such Act shall be enrolled until after Congress has completed action on the second concurrent resolution on the budget required to be reported under section 310 of such Act.

(b) For purposes of this section, "budget authority" and "new discretionary budget authority" shall not include spending authority or budget authority derived from any highway, public transportation or aviation trust fund, 90 percent or more of the receipts of which consist or will consist of amounts (transferred from the general fund of the Treasury) equivalent to amounts of taxes (related to the purposes for which such outlays are or will be made) received in the Treasury under specified provisions of the Internal Revenue Code of 1954."

(Amendment to H. Con. Res. 345.) (61)

—In section 303 of the resolution insert the following new language: "If the changes in laws reported to the House by the House Committee on Ways and Means pursuant to section 301(K) of this resolution contain changes involving the imposition of new or expanded user fees within the jurisdiction of any other Committee of the House an appropriate referral pursuant to Rule X of the Rules of the House should be considered."

(Amendment to Aspin substitute.)

—In section 303 of the resolution insert the following new language: "If the changes in laws reported to the House by the House Committee on Ways and Means pursuant to section 301(G) of this resolution contain changes involving the imposition of new or expanded user fees within the jurisdiction of any other Committee of the House an appropriate referral pursuant to Rule X of the Rules of the House should be considered."

(Amendment to Latta substitute.)

—In section 303 of the resolution insert the following new language: "If the changes in laws reported to the House Committee on the Budget by the House Committee on Ways and Means pursuant to section 301(K) of this resolution contain changes involving the imposition of new or expanded user fees within the jurisdiction of any other Committee of the House an appropriate referral pursuant to Rule X of the Rules of the House should be considered."

(Amendment to H. Con. Res. 345.) (62)

—Section 301(K) is amended by adding the following at the end thereof: "For purposes of this section, if any such changes involve the imposition of new or expanded taxes related to the use of inland waterways or deep draft ports (including, but not limited to, taxes on fuel, commodities, or vessels) or the imposition of any new or expanded user fees, they shall be submitted to and duly approved by the committee or committees of authorizing jurisdiction prior to submission to the House pursuant to section 310 of Public Law 93-344."

(Amendment to Aspin substitute.)

—Section 301(G) is amended by adding the following at the end thereof: "For purposes of this section, if any such changes involve the imposition of new or expanded taxes related to the use of inland waterways or deep draft ports (including, but not limited to, taxes on fuel, commodities, or vessels) or the imposition of any new or expanded user fees, they shall be submitted to and duly approved by the committee or committees of authorizing jurisdiction prior to submission to the House pursuant to section 310 of Public Law 93-344."

(Amendment to Latta substitute.)

—Section 301(K) is amended by adding the following at the end thereof: "For purposes of this section, if any such changes involve the imposition of new or expanded taxes related to the use of inland waterways or deep draft ports (including, but not limited to, taxes on fuel, commodities, or vessels) or the imposition of any new or expanded user fees, they shall be submitted to and duly approved by the committee or committees of authorizing jurisdiction prior to submission to the Committee on the Budget pursuant to section 303 of this resolution."

(Amendment to H. Con. Res. 345.)(63)

—Section 301(K) is amended by adding the following at the end thereto: "for purposes of this section, if any such changes involve the imposition of new or expanded user fees, they shall be submitted to and duly approved by the committee or committees of authorizing jurisdiction prior to submission to the House pursuant to section 310 of Public Law 93-344."

(Amendment to Aspin substitute.)

—Section 301(G) is amended by adding the following at the end thereto: "for purposes of this section, if any such changes involve the imposition of new or expanded user fees, they shall be submitted to and duly approved by the committee or committees of authorizing jurisdiction prior to submission to the House pursuant to section 310 of Public Law 93-344."

(Amendment to Latta substitute.)

—Section 301(K) is amended by adding the following at the end thereto: "for purposes of this section, if any such changes involve the imposition of new or expanded user fees, they shall be submitted to and duly approved by the committee or committees of authorizing jurisdiction prior to submission to the Committee on the Budget pursuant to section 303 of this resolution."

(Amendment to H. Con. Res. 345.)(64)

—Amend section 301 by adding the following new subsection (L):

(L) The House Committee on Public Works and Transportation shall report changes in laws within the jurisdiction of that Committee sufficient to reduce appropriations for programs authorized by that Committee so as to achieve savings in budget authority and outlays, as follows: $100,000,000 in budget authority, and $10,000,000 in outlays for fiscal year 1983.

(Amendment to Aspin substitute.)

—Amend section 301 by adding the following new subsection (H):

(H) The House Committee on Public Works and Transportation shall report changes in laws within the jurisdiction of that Committee sufficient to reduce appropriations for programs authorized by that Committee so as to achieve savings in budget authority and outlays, as follows: $100,000,000 in budget authority, and $10,000,000 in outlays for fiscal year 1983.

(Amendment to Latta substitute.)

—Amend section 301 by adding the following new subsection (L):

(L) The House Committee on Public Works and Transportation shall report changes in laws within the jurisdiction of that Committee sufficient to reduce appropriations for programs authorized by that Committee so as to achieve savings in budget authority and outlays, as follows: $100,000,000 in budget authority, and $10,000,000 in outlays for fiscal year 1983.

(Amendment to H. Con. Res. 345.) (65)

—Section 301(K) is amended by striking out "$31,700,000" and inserting in lieu thereof "$31,200,000,000."

(Amendment to Aspin substitute.)

—Section 301(G) is amended by striking out "$29,750,000,000" and inserting in lieu thereof "$29,250,000,000."

(Amendment to Latta substitute.)

—Section 301(K) is amended by striking out "$20,900,000,000" and inserting in lieu thereof "$20,400,000,000."

(Amendment to H. Con. Res. 345.) (66)

—Section 301 is amended by adding the following new subsection:

(L) The House Committee on Public Works shall report changes in laws within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $25,000,000 and outlays by $2,500,000 in fiscal year 1983.

(Amendment to Aspin substitute.)

—Section 301 is amended by adding the following new subsection:

(H) The House Committee on Public Works shall report changes in laws within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $25,000,000 and outlays by $2,500,000 in fiscal year 1983.

(Amendment to Latta substitute.)

—Section 301 is amended by adding the following new subsection:

(L) The House Committee on Public Works shall report changes in laws within the jurisdiction of that committee to reduce spending in amounts sufficient to reduce budget authority by $25,000,000 and outlays by $2,500,000 in fiscal year 1983.

By Mr. CLAUSEN (67):

—Section 304 is amended to read as follows:

"SEC. 304. (a) In the House of Representatives, no bill or resolution providing—

(1) new budget authority for fiscal year 1983, or

(2) new spending authority described in section 401(c)(2)(C) of the Congressional Budget Act first effective in fiscal year 1983 which exceeds the appropriate allocation or subdivision of such new discretionary budget authority or new spending authority made pursuant to section 302 of such Act shall be enrolled until after Congress has completed action on the second concurrent resolution on the budget required to be reported under section 310 of such Act.

(b) If Congress increases revenues in a trust fund exempt under section 401(d)(1)(B) of the Congressional Budget Act, then for purposes of this section, "budget authority" and "new discretionary budget authority" shall not include spending authority or budget authority derived from any trust fund, 90 percent or more of the receipts of which consist or will consist of amounts (transfered from the general fund of the Treasury) equivalent to amounts of taxes (related to the purposes for which such outlays are or will be made) received in the Treasury under specified provisions of the Internal Revenue Code of 1954."

(Amendment to Latta amendment in the nature of a substitute.)

—Section 304 of the Latta Substitute is amended to read as follows:

"SEC. 304. (a) In the House of Representatives, no bill or resolution providing—

(1) new budget authority for fiscal year 1983, or

(2) new spending authority described in section 401(c)(2)(C) of the Congressional Budget Act first effective in fiscal year 1983 which exceeds the appropriate allocation or subdivision of such new discretionary budget authority or new spending authority made pursuant to section 302 of such Act shall be enrolled until after Congress has completed action on the second concurrent resolution on the budget required to be reported under section 310 of such Act.

(b) If Congress increases revenues in a trust fund exempt under section 401(d)(1)(B) of the Congressional Budget Act, then for purposes of this section, "budget authority" and "new discretionary budget authority" shall not include spending authority or budget authority derived from any trust fund, 90 percent or more of the receipts of which consist or will consist of amounts (transferred from the general fund of the Treasury) equivalent to amounts of taxes (related to the purposes for which such outlays are or will be made) received in the Treasury under specified provisions of the Internal Revenue Code of 1954."

(Amendment to H. Con. Res. 345.) (68)

—Section 303 is amended by adding the following new language at the end thereof: "If the changes in laws reported to the House by the House Committee on Ways and Means pursuant to Sec. 301(K) of this resolution contain changes involving the imposition of new or expanded user fees within the jurisdiction of any other Committee of the House an appropriate referral pursuant to Rule X of the Rules of the House should be considered."

(Amendment to the Latta amendment in the nature of a substitute.)

—Section 303 of the Latta Substitution is amended by adding the following new language at the end thereof: "If the changes in laws reported to the House Committee on the Budget by the House Committee on Ways and Means pursuant to Sec. 301(k) of this resolution contain changes involving the imposition of new or expanded user fees within the jurisdiction of any other Committee of the House an appropriate referral pursuant to Rule X of the Rules of the House should be considered."

(Amendment to Aspin/Panetta amendment in the nature of a substitute.)

—Section 303 of the Aspin/Panetta Substitute is amended by adding the following new language at the end thereof: "If the changes in laws reported to the House by the House Committee on Ways and Means pursuant to Sec. 301(G) of this resolution contain changes involving the imposition of new or expanded user fees within the jurisdiction of any other Committee of the House and appropriate referral pursuant to Rule X of the Rules of the House should be considered."

SENATE—*Friday, May 21, 1982*

(Legislative day of Tuesday, May 11, 1982)

The Senate met at 9 a.m., on the expiration of the recess, and was called to order by the President pro tempore (Mr. Thurmond).

PRAYER

The Chaplain, the Reverend Richard C. Halverson, LL.D., D.D., offered the following prayer:

Father in Heaven, Thou knowest the weariness of body and mind felt by all who have been working so hard. Thou knowest the tension, the frustration, the disappointment, the anger which has been generated by the relentless pressure of these past days.

Help Thy servants to find relief in Thee. For those who face heavy weekend commitments, help them to find time for rest and relaxation, time to be with their families, time to worship and consider transcendent truth. Make real to them the promise of the prophet Isaiah, "* * * *they that wait upon the Lord shall renew their strength, they shall mount up with wings as eagles, they shall run and not be weary, they shall walk and not faint.*"—Isaiah 40: 31.

We pray this in the name of Him who said, *"Come unto me all ye that labor and are heavy laden and I will give you rest* * * *." Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The majority leader is recognized.

THE JOURNAL

Mr. BAKER. Mr. President, I ask unanimous consent that the Journal of the proceedings of the Senate be approved to date.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, in the interest of trying to get started on the resolution as soon as possible, I am prepared to yield back my time under the standing order.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield to me his time? I have a request from my side.

Mr. BAKER. I have no requests on this side, and I yield my time to the minority leader.

Mr. ROBERT C. BYRD. I thank the majority leader.

RECOGNITION OF THE MINORITY LEADER

The PRESIDENT pro tempore. The minority leader is recognized.

Mr. ROBERT C. BYRD. I thank the Chair.

Mr. President, how much time do I now have?

The PRESIDENT pro tempore. The Senator has 20 minutes.

FIRST CONCURRENT BUDGET RESOLUTION

Mr. ROBERT C. BYRD. Mr. President, as the majority leader knows, Democratic Senators have been planning for many weeks to use this weekend for an extended retreat conference. I made the majority leader aware of this some time ago and he has attempted to be most accommodating on this point. I appreciate that, because a great deal of planning has gone into this effort, and many Senators have gone to great lengths to rearrange their schedules to be able to attend.

It now appears that consideration of this budget resolution may run past our scheduled 2 p.m. departure. I regret this. I particularly regret it because we adjourned earlier than we needed to last night in order to avoid a vote on the Sasser amendment. So I say, Mr. President, that if we have to run beyond the 2 p.m. departure time today, we should do so.

As I indicated to the distinguished majority leader last night, as important as the retreat is to our Senators, I want to say very clearly that if those plans must be changed in order to finish the business on the budget, then so be it.

I would hate to abandon or abbreviate the retreat. Even more, I would hate to have the retreat given as the reason for not doing our business in a timely fashion.

I make this statement so that there will be no misunderstanding anywhere as to the position that we on this side take in the matter. Whatever is necessary to complete action on the resolution, as it must be done, we are ready to do.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I yield my remaining time to Mr. Chiles.

Mr. CHILES. I thank the Senator.

The PRESIDING OFFICER (Mr. Goldwater). The Senator from Florida.

DRUG TRAFFIC AND VIOLENCE

Mr. CHILES. Mr. President, earlier this week Senator Nunn and I introduced the Crime Control Act of 1982, S. 2543. The bill combines several proposals which we had already introduced, and the package is aimed at stopping the wave of crime that is plaguing this country. One of the major causes of crime and especially of violent crime, is drug trafficking. No State is affected more by drug trafficking, and by the violence it creates, than my home State of Florida. Florida, and especially the Miami area, has had more than its share of shootouts by cocaine cowboys, and of gangland-style murders. Miami has the dubious distinction of being the No. 1 violent crime city in the Nation, and all too frequently, the violence seems to lead back to the drug trade. In fact, 23 percent of the murders committed in Miami were committed with machineguns.

Earlier this week, we saw another example of violence in Miami that seems to have all the markings of involvement with drug trafficking. I do not want to prejudge the case, so I will leave out the names of the people involved. These are the facts.

On Tuesday night, a Miami attorney, a person who has defended several different people arrested on drug charges, heard a knock on the door of his home. He evidently recognized the two men standing outside, and let them in. Once inside, the two men pulled a gun on the lawyer, forced him to open a floor safe in his house, and took $5,000 from the safe. Then, they made him lie down on the floor, and he was shot several times. The two men then moved into one of the bedrooms. There, they found the lawyer's 68-year-old mother, who was in Miami visiting him. She was shot three times in the head and killed, while still in her nightgown. The lawyer was not killed, and managed to make it to a neighbor's house for help. Later that night, the two men were arrested and charged with murder, attempted murder, and robbery.

Mr. President, the reason the lawyer knew one of the gunmen was that he had defended the gunman last year, when the gunman was charged with possession of several dozen quaaludes.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

The lawyer was able to get the charges dropped by invoking the Speed Trial Act. It seems, however, that the quaalude incident last year was not the first time that the gunman has been arrested on drug charges. According to Dade County law enforcement officials, in 1975, the gunman was arrested when he sold 5 ounces of cocaine to Miami undercover police officers.

As it turned out, however, he was able to plead not guilty to the cocaine charges, and instead pleaded guilty to a charge of loitering. For this he received 6 months' probation. Police records in Florida and in another State showed two more arrests for larceny and for buying stolen property.

Mr. President, it is no wonder that 70 percent of the American public have little or no confidence in the ability of our criminal justice system to sentence criminals, when they learn about cases like this one. Six months' probation for selling 5 ounces of cocaine to an undercover police officer, and no conviction at all for having dozens of quaaludes in his possession. There is something wrong with our laws if a person like this is allowed back onto the street. Ironically, the person—his attorney—who helped get him back on the street after his last drug-related arrest ended up being one of his victims.

Mr. President, we in Congress need to take a hard look at our criminal justice system, and make sure that it is striking a proper balance between the rights of the defendant and the rights of society. Incidents like this underscore the need for us in Congress to let the American people know that we share their concern about crime and drug smuggling, that we are determined to take action to stop drug trafficking and the violence it creates, and to bring a better balance to our criminal justice system. That is exactly what will be done by the legislation that Senator Nunn and I are trying to place before the Senate.

ALFREDO GUTIERREZ CASE

Mr. NUNN. Mr. President, evidence suggests that the problems of lenient bail practices, light sentences, and rising numbers of fugitives, while not a recent phenomenon may be worsening.

For instance, a $1,000,000 bond may guarantee the average person's appearance in court, but it is a negligible business expense to a alleged major drug figure.

Accused cocaine smuggler, Alfredo Gutierrez is a case in point. A Bolivian national, Alfredo Gutierrez, was charged with conspiracy to import cocaine in May 1981, in Miami, Fla. He was arrested after delivering $9 million in cash to undercover DEA agents for the purchase of 855 pounds of cocaine base. Arrest warrants were also issued for other Bolivian nationals who were members of the same trafficking organization; Gutierrez was the only one to be successfully arrested.

Bail, initially set at $3 million, was reduced to $1 million. Hours after the arrest, a briefcase containing $1 million in cash was delivered to court officials and Gutierrez was released. He failed to appear for his September trial date. Law enforcement authorities received information that the Bolivian trafficking organization was prepared to deliver even the full $3 million to Miami to secure Gutierrez' release and return to South America.

On October 10, 1981, Alfredo Gutierrez, accompanied by two Bolivian police officers, was returned to Miami and was arrested by DEA agents. He was brought before a U.S. magistrate and held without bond.

The Gutierrez case is one of many that proved that until judges set bonds sufficiently higher to deter major drug dealers from fleeing, they will not look at bail as a deterrent to flight, but rather as an invitation. When dealing with the leaders of a narcotics industry producing upward of $64 billion a year in retail product alone, it is naive to believe that usual bail amounts will command appearance at trial. In many cases, the denial of bail may be the only answer. Our bill allows for that possibility in appropriate cases. The Gutierrez case serves as a classic example of the need for stricter bail policies in cases of major narcotics traffickers, such as the bail reform provisions which Senator Chiles and I have included in title II of the Crime Control Act of 1982.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. CHILES. I yield.

GENOCIDE: CAMBODIA—SIGNS OF RECOVERY

Mr. PROXMIRE. Mr. President, a recent article in the National Geographic draws a sharp portrait of one nation's recovery from the sickness of mass murder. The article deals with Kampuchea—formerly called Cambodia. Although it dramatically reveals the shocking brutality that recently swept this small nation, the article provides us with inspiring evidence of a return to peace.

Cambodia's experience with mass murder began when the Pol Pot forces took over the country in 1975. Pol Pot envisioned a nation based solely on the production of rice. This nation would need neither cities not people who were in any way involved with cities. It would be a nation without teachers or physicians or educated citizens.

As a result of Pol Pot's vision, Cambodia went through a 4-year-long nightmare in which over 1 million Cambodians were killed. It was a period of constant fear, of arbitrary killings, of a society rent asunder.

The nightmare ended with the overthrow of the Pol Pot regime. Now there are signs of hope in Cambodia. Although Pol Pot guerillas continue to haunt the countryside, much of the nation is experiencing peace. The capital city of Pnomh Penh, once a near-ghost town, has become a hub of activity. With the help of international relief agencies, Cambodia is rebuilding its economy. People are no longer starving, are no longer in constant fear for their lives.

These signs of recovery are indeed cause for hope. Yet we must not allow ourselves to forget that what happened in Cambodia could happen again—perhaps not in Cambodia, but elsewhere. The crime of mass murder is a recurrent one. As the case of Cambodia demonstrates, we must do all we can to strengthen international human rights safeguards.

One such safeguard is the Genocide Convention. By ratifying this convention, the United States would lend its support to a treaty which calls genocide an international crime and provides for the punishment of those who commit genocide. The Genocide Convention is a strong statement in support of the most fundamental of human rights: the right to live. It is our duty to uphold this right.

Mr. President, in view of what has occurred in such countries as Cambodia, I urge this body to ratify the Genocide Convention.

SOCIAL CONSEQUENCES OF A U.S.S.R. STRIKE AGAINST AMERICA'S ECONOMIC CAPACITY

Mr. PROXMIRE. Mr. President, the CATO policy analysis study of the overall consequences of a nuclear attack on the United States economic base by the Soviet Union is very revealing, and the social consequences are particularly appalling. Katz and Osdoba, the experts who made the study, make the following specific findings:

> ### Social Consequences
>
> To understand the effects of a nuclear war it is important to distinguish it from common disasters, even World War II. Especially if hostilities continue or their resumption is threatened, all the elements that make a small disaster tractable will be lacking: Limited damage, modest casualties, surviving leadership, a diminishing incidence of role conflict (desire to protect one's family rather than to perform emergency work) and large reservoirs of external, easily mobilized skilled workers, material resources, and organizational skills.
>
> The massive and simultaneous destruction of economic and human resources would result in an inability to provide immediate and sufficient human and material aid to damaged areas. There will be no time to adapt and to innovate as nations did in

World War II (U.S.S.R., as previously cited, is an example). More important, the lack of outside aid would create a sense of individual and communal isolation. Aid symbolized a reconnection with a larger, normal world. This connection helps provide the impetus for rebuilding the damaged society, creating a sense of vitality and competence to dispel the continuing perception of isolation. It also has an important function of binding together society, restating a common thread of hope and shared aspirations that are the essence of national life. The post-attack situation could be like Japan near the end of World War II.

There could be "a draft toward accomplishing personal and private aims rather than those which are national . . . farmers . . . growing little more than is required for their own subsistence," or more likely the complete demoralization seen in an earlier tragedy: "Survivors of the Black Death in growing helplessness fell into apathy, leaving ripe wheat uncut and livestock untended . . . no one had any inclination to concern themselves about the future." More pertinent, a panel of experts in a study of social consequence of nuclear war for the Office of Civil Defense concluded: "One month after the attack, less than half the potential labor force could be expected to work without immediately beneficial compensation, and that, of these, one in five would be able to function only at a level greatly degraded from his normal abilities."

The experience of nuclear war is likely to have devastating psychological effects, especially for Americans, whose homes and institutions have essentially escaped the ravages of recent wars. The very short period required to carry out highly destructive nuclear attacks would intensify the emotional impact, particularly those reactions associated with denial of the true extent of the damage or fostering flight from and resistance to reentering damaged areas.

Robert J. Lifton, in his study of Hiroshima survivors, described the psychological effect as "a sudden and absolute shift from normal existence to an overwhelming encounter with death." The reaction, as reported by a witness to the disaster, Father Siemes: "Among the passersby, there are many who are uninjured. In a purposeless, insensate manner, distraught by the magnitude of the disaster, most of them rush by and none conceives the thought of organizing help on his own initiative. They are concerned only with the welfare of their own families." In some cases even families were abandoned. The result of this experience was, as Fred Ikle described it 25 years ago, a deep aversion to returning to the cities to rebuild the economy. "And thus a very different situation will exist from that envisaged in most civil defense plans (in the 1950s)." The economic implications of this type of withdrawal would be serious.

A high incidence of abnormal behavior, ranging from the nonfunctional to the antisocial, could be anticipated. Specific psychological effects would include disorientation, fear, doubt, apathy, and antipathy toward authorities. The effects on Hiroshima/Nagasaki survivors provide ample evidence to support these concerns.

Families would be broken up by death, severe injury, disease, evacuation, or military and labor conscription. The young, elderly, and handicapped would suffer disproprotionately since they depend most on society's material and institutional resources. For example, the young and elderly showed significant increases in accidental death attributed to neglect in Great Britain in World War II.

The loss of material and institutional resources in urban-industrial attacks would make survival in the post-attack period difficult for individuals and groups alike, compounding the psychological stresses of the attack itself. Satisfying even the simplest survival requirements—food, shelter, and clothing—would become major tasks.

Significant interpersonal, intergroup, and inter-regional conflicts would probably arise. Ethnic, racial, regional, and economic conflicts present in the pre-attack society, while minimized in the period immediately after an attack, would be heightened after only a limited time by the extent of the deprivation and the resulting tensions. New antagonisms would develop between hosts and evacuees or refugees over the possession and use of surviving resources.

These phenomena were observed both in Britain and in Japan during World War II. The Allnutt study predicted these conflicts would be so serious that they "would necessitate the imposition of martial law or other authoritarian system in many localities, and the widespread use of troops to maintain order."

Continuing hostilities or prolonged threat of renewed war would engender even more profound changes in the social fabric. Major, possibly permanent, changes in social values and institution could be expected as society sought to adjust to a radically altered environment dominated by the question of physical survival.

Economic destruction, loss of political leadership (especially at the local level), and the need to mobilize resources for relief and recovery would present extraordinary demands on weakened political institutions. In the interest of implementing survival programs, legal norms and practices would have to be suspended for prolonged periods in many areas. The character of political institutions and authority would almost certainly change, especially if hostilities or the threat of hostilities persisted. Both old and new political structures would be likely to suffer from greatly reduced credibility. Decentralization of political power and more authoritarian methods of political, social, and economic control would be probable responses to post-attack conditions.

The substance of these problems is acknowledged with an ironic optimism by the panel assembled for the Allnutt study:

"Major institutions and organizations were seen as fragmenting in most cases and collapsing in others, but the seriousness of this result would be relieved somewhat by the irrelevancy of many of them to the early stages of recovery, and by the ability of social structures to spring back into action where physical conditions permit. The Federal Government would make serious mistakes and suffer a loss of power and prestige, but not a loss of faith so serious as to favor the possibility of revolt. Financial institutions would be modified greatly, and barter would be a widespread reaction to inflation, but money was not seen as going out of style, nor was a barter economy foreseen. Legal, judicial, and enforcement systems would similarly undergo great strains, being overwhelmed entirely in some areas, but again, due process, though delayed, would not be lost in principle. Industries and commercial organizations were expected to fragment into autonomous, local entities until communications and transportation systems were repaired, but the goals of such corporations would not be greatly changed."

We are not similarly convinced that such massive dislocations would not create more significant changes in both the underlying goals and functions of economic, social and political institutions in the post-attack society.

Mr. **PROXMIRE**. Mr. President, I yield the floor.

The **PRESIDING OFFICER**. Is there further morning business?

The minority leader has 14 minutes remaining.

Mr. **ROBERT C. BYRD**. Mr. President, I yield back to the majority leader the time under my control.

Mr. **BAKER**. Mr. President, I suggest the absence of a quorum on that time.

The **PRESIDING OFFICER**. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. **BAKER**. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

Mr. **BAKER**. Mr. President, I yield back my time under the standing order.

FIRST CONCURRENT BUDGET RESOLUTION

The **PRESIDING OFFICER**. The Clerk will state the pending business.

The legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 92) setting forth the recommended congressional budget for the U.S. Government for the fiscal years 1983, 1984, and 1985, and revising the congressional budget for the U.S. Government for the fiscal year 1982.

The Senate resumed consideration of Senate Concurrent Resolution 92.

Mr. **BAKER**. Mr. President, I ask unanimous consent that the Sasser amendment be laid aside temporarily and that the Senator from Wisconsin be recognized for the purpose of calling up two amendments on which I believe there will be short debate and a voice vote. Is that correct?

Mr. **PROXMIRE**. That is correct. I shall not take more than 10 minutes on each.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

Mr. **HOLLINGS**. Mr. President, that means we come back to the Sasser amendment after disposition of the two Proxmire amendments.

Mr. **BAKER**. Mr. President, I also ask unanimous consent that after we dispose of the two Proxmire amendments we resume consideration of the Sasser amendment without any change in status.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

The Senator from Wisconsin is recognized.

UP AMENDMENT NO. 979

(Purpose: To reduce the budget deficit for fiscal year 1983)

Mr. **PROXMIRE**. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The **PRESIDING OFFICER**. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Wisconsin (Mr. PROXMIRE) proposes an unprinted amendment numbered 979.

Mr. **PROXMIRE**. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

The amendment is as follows:

On page 2, strike out line 7 and insert the following:

Fiscal year 1983: $ plus $5,800,000,000.

On page 2, strike out line 12 and insert the following:

Fiscal year 1983: $ plus $5,800,000,000.

On page 2, strike out line 24 and insert the following:

Fiscal year 1983: $ minus $19,500,000,000.

On page 3, strike out line 13 and insert the following:

Fiscal year 1983: $ minus $25,300,000,000.

On page 5, strike out line 17 and insert the following:

(B) Outlays, $ minus $700,000,000.

On page 8, strike out line 18 and insert the following:

(B) Outlays, $ minus $700,000,000.

On page 9, strike out line 18 and insert the following:

(B) Outlays, $ minus $900,000,000.

On page 11, strike out line 18 and insert the following:

(B) Outlays, $ minus $1,100,000,000.

On page 12, strike out line 18 and insert the following:

(B) Outlays, $ minus $500,000,000.

On page 14, strike out line 19 and insert the following:

(B) Outlays, $ minus $400,000,000.

On page 16, strike out line 22 and insert the following:

(B) Outlays, $ minus $5,600,000,000.

On page 20, strike out line 23 and insert the following:

(B) Outlays, $ minus $4,600,000,000.

On page 21, strike out line 24 and insert the following:

(B) Outlays, $ minus $1,000,000,000.

On page 31, strike out line 6 through 10 and insert the following:

(2) The Senate Committee on Finance shall also report changes in laws within the jurisdiction of that committee sufficient to increase revenues as follows: $ plus $5,800,000,000 in fiscal year 1983; $ in fiscal year 1984; and $ in fiscal year 1985.

On page 32, strike out lines 5 through 9 and insert the following:

(6) The House Committee on Ways and Means shall also report changes in laws within the jurisdiction of that committee sufficient to increase revenues as follows: $ plus $5,800,000,000 in fiscal year 1983; $ in fiscal year 1984; and $ in fiscal year 1985.

Mr. **PROXMIRE**. Mr. President, for the last 3 years, from 1979, 1980, and 1981, I offered amendments which would bring the budget into balance. I have offered those amendments on the budget resolutions in each year. Each of those amendments have been defeated.

This year obviously would be a vain act to offer an amendment to balance the budget in 1983. There is no way we could even begin to do that, unfortunately. But I do think we could make more progress than we have made.

The amendment I am proposing would reduce the Federal deficit well below $100 billion. It would reduce the deficit from $115 billion to $90 billion. This amendment will help reduce high interest rates and get the economy moving again.

I believe that the current recession was caused by high interest rates and inflation and requires different answers than those recessions caused by falling prices, falling wages, and sharply diminished demands.

That is the confusion out in the country, and I think to some extent in this body also. There really is not an appreciation of the fact that the heart of our problem is high interest rates caused by overwhelming Federal deficits, and that is what we have to aim at.

The massive increase in unemployment since last July calls for far different economic and Government responses than were used in the Great Depression and post World War II recessions.

This recession is a credit recession. The housing and automobile industries are basket cases because of inflation and high interest rates.

What is called for now is not more spending, but less. We must make a quantum jump toward a balanced budget by a massive cut in spending, or an increase in taxes, or a combination of both, which is exactly what this amendment proposes.

Only by getting the Treasury out of the credit market, can we work our way out of the present recession.

There are those who would argue that we have tamed the inflation beast. A recent poll by Louis Harris Associates for Business Week contradicts that view. This survey shows that more than two-thirds of Americans believe that prices have been rising during the past month as fast as, or even faster, than in the past few years. Given the recent good news on the inflation front, what does this result show? It shows that people are not fooled into believing that the improvement is permanent. This pressimism over the future of price increases can only be dissipated by immediate action by Congress to move much more decisively toward a balanced budget.

The increase in the unemployment by more than 2 full percentage points from 7.2 to 9.4 percent since July, and the increase of 2.5 million unemployed workers over that time, could be virtually wiped out if interest rates fall and the housing and automobile industries get back on their feet.

For example, if we could build 2 million housing units, instead of the 1 million or less, that would put 2 million men and women back to work. The lower interest rates would also make it possible for Americans to finance the purchase of automobiles and other consumer durables.

Mr. President, if we want to get America working again, and reduce inflationary expectations, we need to cut the budget deficit much more sharply.

The talk about a budget deficit being cut in 1984 and 1985 is strictly pie in the sky. I have been in this body a long time, as has the distinguished Presiding Officer. Again and again they tell us that we are going to balance the budget, not the coming year, but 2, 3, or 4 years down the pike. We will reduce the deficit or balance the budget. The year after next.

Mr. President, we know that just does not work out. If we are going to make progress, we must make it in the coming year. That is the kind of action that will restore some faith in the credit market.

We are going forward in this budget resolution with a $115 billion deficit.

One-hundred fifteen billion dollars is one of the biggest deficits in the history of our country. Of course, interest rates are high.

My amendment would reduce the 1983 deficit from $115 billion to $90 billion. The Senate is moving in the other direction. Virtually overnight the deficit increased by $9 billion, from $106 to $115 billion. Is this the signal we want to send to the Nation's credit markets? Last year at this time we were talking about a deficit of about $40 billion for 1982. This resolution raises that sum to $117.7 billion. Are we starting down that same road again even before the first resolution for 1983 is adopted?

Should we, as responsible legislators, be proposing a deficit of $115 billion, the second highest in history, during a year when the economy should be growing. The answer is absolutely not. Whopping deficits during a recovery are poison.

This resolution may be internally consistent in that the numbers add, but as a policy document it is inconsistent. The committee has projected that real GNP, that is after inflation, will increase by 5.4 percent between 1982 and 1983—a rate which has been equalled or exceeded only seven times in the last 20 years. It projects that interest rates will decline 0.6 percent by July and by another 1.9 percent by 1983. These wonderful events are supposed to take place while we are approving a $115 billion deficit—a deficit that will probably grow as 1983 approaches.

Senators may argue that we are moving in the right direction, that by 1985 the deficit will be only $64 billion. As I say, I have heard this story before, many times before. Always the deficit is going to be cut—a few years down the road. The years roll by, but the deficits keep growing.

This resolution that is before us unamended will yield the same result. The big deficit reductions are scheduled to take place in 1984 and 1985—not 1983. The deficit in 1983 will be only $2 billion less than that now estimated for 1982. But one Congress cannot bind the next. What we do today can be easily undone next year, just as we are now undoing last year's $40 billion deficit. But while we are pulling figures out of the air, and congratulating ourselves on our tough mindedness, people are suffering. Each time we go through one of these economic cycles unemployment seems to reach a higher level but inflation never drops as far as before. Productivity declines. Entire industries are put through the wringer. Sections of the country are devastated, and human misery increases.

We must take decisive action to break these terrible cycles. My amendment is drastic medicine but the illness requires something more than half measures. As I have said, my amendment would reduce the deficit to $9[illegible] billion. It would do so by taking the lower of the figures in the budget resolution or the President's budget, as reestimated by the Congressional Budget Office.

In all but three cases, this pattern is borne out.

Mr. President, the amendment that I offer is a moderate amendment. For national defense I propose in fiscal year 1983 outlays of $214.6 billion, which is almost identical with the budget resolution. It cuts $700 million from the level in the resolution, but it is $8.6 billion below the estimate proposed by the President. I must point out that, even though I have cut the defense function more than any other function in the President's budget, my number still permits a growth—in real terms—of 5 percent over the level set for fiscal year 1982.

I recommend a reduction of general purpose fiscal assistance to $1.9 billion. This level is $4.6 billion below that proposed by both the President and the Budget Committee. This reduction is based on eliminating the general revenue-sharing program. We do not have any revenue to share. I have also added $1.0 billion to the President's budget for the housing initiative, which is making its way through the Senate, as a matter of realism.

This systematic approach to reducing Federal spending yields an overall reduction of projected outlays of $19.5 billion in 1983. Thus, in expenditures alone, the deficit would be reduced to $95.8 billion. To balance this spending reduction, revenues would be increased by $29 billion instead of $23.2 billion. This amendment would adopt the levels of increased revenues that were offered by President Reagan during the negotiations on the budget. The committee increased revenues by only $1.2 billion, whereas a full $7.0 billion was offered by the administration. This additional $5.8 billion decrease to the deficit produces a far more acceptable proposed deficit of $90.0 billion.

Mr. President, I must admit that I find it wholly distasteful to propose an annual deficit as high as the figure I just mentioned. However, given the circumstances which compel me to make this recommendation, I feel that this is far preferrable to the alternatives. I would far rather propose no deficit at all, as has been my custom, but this, unfortunately, is a critical year.

As much as I abhor proposing an amendment that includes such high deficits, I am even more distressed about continuing the devastating effect that these deficits have on interest rates and unemployment. We, in the Congress, must do all that we possibly can to constrain the cancerous effect that these deficits have on every aspect of our economy. As our deficit continues to grow, fewer people will be able to buy land or homes or automobiles. Fewer people will have jobs. Fewer people will be able to obtain the education they need, not only for their well-being, but also for the future strength of this Nation.

Within the next few weeks, we will have to raise the ceiling on our national debt for the 43d time since 1955. If we do not do so, our current ceiling of $1.0798 trillion will be exceeded. While this figure itself is disturbing, the speed with which we are moving toward this limit is even more alarming. When we last raised the ceiling in September, it was our expectation that the limit would not be achieved until the end of fiscal 1982. However, we are reaching this limit in two-thirds of the time we had anticipated. We all know why this is happening. Our deficit has risen faster than the most pessimistic of us had imagined.

Mr. President, we must take the strongest possible measures to constrain the growth of the cancer of increased deficits. Unfortunately, it seems impossible to arrest it this year. We will have to wait until future years to achieve arrest or to send it into remission.

I believe that the proposal before you now is the best attempt to curtail this growth.

Mr. President, I ask unanimous consent that a table comparing the President's Budget—the Senate Budget Committee's budget and my proposal—item by item be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

FROM THE OFFICE OF SENATOR WILLIAM PROXMIRE: FISCAL YEAR 1983 OUTLAYS REDUCTIONS

[In billions of dollars]

Function	President's budget	Revised resolution	Proxmire amendment	Savings under Rev. Res. 92
National defense	223.2	215.3	214.6	0.7
International affairs	12.1	12.1	12.1	
General science, space and technology	7.6	7.6	7.6	
Energy	4.3	5.0	4.3	.7
Natural resources and environment	10.5	11.4	10.5	.9
Agriculture	10.2	10.1	10.1	
Commerce and housing credit	1.8	3.9	2.8	1.1
Transportation	19.4	19.9	19.4	.5
Community and regional development	7.7	7.7	7.7	
Education, training, employment, and social services	22.6	27.0	22.6	4.4
Health	78.1	77.6	77.6	
Income security	267.0	272.6	267.0	5.6
Veterans benefits and services	23.8	23.1	23.1	
Administration of justice	4.7	4.7	4.7	
General government	5.2.	4.8	4.8	
General purpose fiscal assistance	6.5	6.5	1.9	4.6
Interest	121.7	115.5	114.5	1.0
Allowances	—.5	—.2		
Undistributed offsetting receipts	40.4	—39.3		

Recapitulation

	Billions
Proposed deficit	$115.3
Proxmire spending reductions	19.5
Subtotal	95.8
Additional revenues	5.8
Total deficit	90.0

The **PRESIDING OFFICER.** The question is on agreeing to the amendment of the Senator from Wisconsin.

Mr. PROXMIRE's amendment (UP No. 979) was rejected.

Mr. **BAKER.** Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. **HOLLINGS.** I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 980

(Purpose: To reduce levels of Federal credit activity)

Mr. **PROXMIRE.** Mr. President, I send a second amendment to the desk and ask for its immediate consideration.

The **PRESIDING OFFICER.** The clerk will report.

The legislative clerk read as follows:

The Senator from Wisconsin (Mr. PROXMIRE) proposes an unprinted amendment numbered 980.

Mr. **PROXMIRE.** Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

The amendment is as follows:

On page 2, strike out lines 18 through 20 and insert the following:

Fiscal year 1983: $ minus $900,000,000.
Fiscal year 1984: $ minus $600,000,000.
Fiscal year 1985: $ minus $500,000,000.

On page 2, beginning with line 24, strike out through line 1 on page 3 and insert the following:

Fiscal year 1983: $ minus $300,000,000.
Fiscal year 1984: $ minus $200,000,000.

Fiscal year 1985: $ minus $300,000,000.

On page 3, strike out lines 13 through 15 and insert the following:

Fiscal year 1983: $ minus $300,000,000.
Fiscal year 1984: $ minus $200,000,000.
Fiscal year 1985: $ minus $300,000,000.

On page 4, strike out lines 15 through 20 and insert the following:

(A) New direct loan obligations, $ minus $8,230,000,000.

(B) New primary loan guarantee commitments, $ minus $10,110,000,000.

(C) New secondary loan guarantee commitments, $ minus $13,000,000,000.

On page 5, strike out lines 10 and 11 and insert the following:

(D) New primary loan guarantee commitments, $ minus $30,000,000.

On page 6, strike out line 17 and insert the following:

(A) New budget authority, $ minus $600,000,000.

On page 6, strike out lines 19 through 22 and insert the following:

(C) New direct loan obligations, $ minus $570,000,000.

(D) New primary loan guarantee commitments, $ minus $1,220,000,000.

On page 7, strike out lines 1 and 2 and insert the following:

(A) New budget authority, $ minus $600,000,000.

(B) Outlays, $ minus $200,000,000.

On page 7, strike out lines 4 and 5 and insert the following:

(A) New budget authority, $ minus $500,000,000.

(B) Outlays, $ minus $300,000,000.

On page 8, strike out lines 19 through 22 and insert the following:

(C) New direct loan obligations, $ minus $250,000,000.

(D) New primary loan guarantee committees, $ plus $250,000,000.

On page 18, strike out lines 17 through 20 insert the following:

(A) New budget authority, $ minus $300,000,000.

(B) Outlays, $ minus $300,000,000.

(C) New direct loan obligations, $ minus $3,400,000,000.

On page 11, strike out lines 19 through 24 and insert the following:

(C) New direct loan obligations, $ minus $3,900,000,000.

(D) New primary loan guarantee commitments, $ plus $900,000,000.

(E) New secondary loan guarantee commitments, $ minus $13,000,000,000.

On page 13, strike out lines 19 through 22 and insert the following:

(C) New direct loan obligations, $ minus $110,000,000.

(D) New primary loan guarantee commitments, $ plus $110,000,000.

Mr. **PROXMIRE.** Mr. President, if Members are really serious about reducing the record high interest rates that have paralyzed so much of the American economy and driven millions of Americans out of work. This amendment offers a way to do it that, in my judgment, the resolution does not adequately consider. In this spirited floor debate on this budget resolution, very little has been said and, the first amendment to be introduced to do something about what has become by far the most explosive and serious interference by the Government with our credit markets and market interest rates. The projected deficit for 1983 would be around $115 billion under this budget resolution. We have battled for many hours over that figure. It has been the prime focus of our attention. And yet the credit budget—only a minor part of which is in the budget—is almost 50 percent higher, that is right, half again higher, than the budget deficit and has been increasing much, much faster.

Mr. President, why is it important to restrain the growth of Federal credit programs if they are not included in the budget and if they have no effect on the budget deficit? The answer is simple. Keeping Federal credit programs off-budget does not eliminate their effect on the economy. The money loaned under Federal credit programs must still be diverted from other and possibly more productive uses in the private economy. Thus the size of Federal borrowing, both for on-budget programs and for off-budget credit programs crowds out private borrowing and drives up interest rates dollar for dollar in exactly the same degree.

That Federal credit program, even though so much of it is outside the budget, has the same effect as the deficit on Federal borrowing and on high interest rates, and yet, as I say, we have not dealt with it until this amendment would propose to deal with it now.

From 1955 to 1974 total Federal borrowing has claimed about 20 percent of private credit resources. Then in 1975 the Federal Government began to claim an increasing share of the total amount of credit available in the economy. By 1981, the Federal share reached 35 percent. In other words, for every dollar saved in our economy, 35 cents goes to finance a Federal credit program. Is it any wonder that interest rates have soared and productivity has declined in recent years?

Now, you might think that at least the Budget Committee could reverse the trend and reduce the Federal share of credit resources. But what are the facts? The committee's own figures show that by fiscal year 1983, their recommendations will result in the Federal Government claiming 43 percent of private credit resources, the highest level in the last 11 years.

Clearly, this budget will not reduce interest rates—it will increase them unless we curb the Federal Government's insatiable appetite for credit.

My amendment would reduce the Federal credit budget by $18 billion. It would reduce the Federal share of the credit market from 43 percent under the Budget Committee's recommendations to about 40 percent. This is still far too high. But at least it is a step in the right direction.

Mr. President, I am offering an amendment to reduce the totals in the budget resolution for new direct loan obligations and new primary loan guarantee commitments. New direct loan obligations would be reduced by $8.2 billion—from $63.6 billion to $55.4 billion. Loan guarantee commitments would drop from $102.2 billion to $92.1 billion—a reduction of $10.1 billion. These reductions will have multibillion dollar favorable effect on the credit markets and on interest rates.

The idea of a credit budget is a new one and the concept is still evolving. I commend the Budget Committee and its chairman, the senior Senator from New Mexico, for the work they have done on the credit budget.

The idea is a new one because only a decade ago credit was a minor aspect of the Federal Government's activities. In 1973 the credit budget—had there been such a thing—would have been $19 billion. For 1983, the committee has proposed a credit budget of $166 billion—an eightfold increase in 10 short years. Meanwhile the traditional expenditure budget increased by threefold so the credit budget exploaded almost three times faster than the traditional budget. So why not cut the Federal credit budget?

The credit budget is important, Mr. President, because to a lender it makes no difference whether the Federal Government is in the market to finance the deficit or a direct loan to a third party. The Government is still a borrower and it competes unfairly with those who do not have access to the Treasury. During the sixties and early seventies, when the economy was performing reasonably well, Federal participation in the credit markets seldom exceeded 20 percent. By 1983 that figure had become an astonishing and disturbing 43 percent. No wonder that the Nation's private borrowers cannot get a loan at anything like a reasonable interest rate.

Under these circumstances, with the economy starved for credit, I was disturbed to find that the committee had actually increased the credit budget. In 1982 direct loans and primary loan guarantees came to $160 billion. For 1983 the President originally recommended a credit budget of $147 billion, but the committee has proposed a level of $166 billion.

If the estimated deficits are added to these figures, then the Federal Government will be in the credit markets to a greater extent in 1983 than in 1982. A $115 billion deficit added to a $166 billion credit budget totals $281 billion—compared to a total of $278 billion in 1982.

These data force me to conclude that the credit markets will not respond as the committee has projected. People who have money to lend, having been burned in the bond and stock markets during the seventies, have become relatively sophisticated about Federal finances. They understand the credit budget and they are no longer fooled by Congress calling some credit activities off-budget. Because of this growing awareness by lenders, interest rates will not fall as quickly or as far as the committee has estimated. Spending will increase because the committee has projected interest rate savings of $106 billion over the next 3 years—figures which have a pie-in-the-sky aspect to them. The Nation could face a major credit crunch because of a vicious spiral. Interest rates do not fall; spending and the deficit increase, which drives interest rates even higher. And the recovery chokes on a lack of reasonably priced credit.

We can squeeze some fat from the credit levels recommended by the committee without cutting essential Federal credit activities.

I have asked the Congressional Budget Office to analyze this amendment to determine its effect on program operations. I ask unanimous consent that my letter to Ms. Rivlin and her response be included in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MAY 19, 1982.

MS. ALICE RIVLIN,
Director, Congressional Budget Office, House Office Building Annex No. 2, Washington, D.C.

DEAR DIRECTOR RIVLIN: I have enclosed a copy of an amendment to the first budget resolution which would reduce the amounts for direct loans and primary loan guarantees. Would your staff examine this amendment to determine its effect on program operation?

Warmest regards.
Sincerely,
WILLIAM PROXMIRE,
U.S. Senate.

CONGRESSIONAL BUDGET OFFICE,
U.S. CONGRESS,
Washington, D.C., May 20, 1982.
Hon. WILLIAM PROXMIRE,
U.S. Senate, Dirksen Building,
Washington, D.C.

DEAR SENATOR PROXMIRE: Attached per your request are Congressional Budget Office estimates of the impact of your draft amendment to Senate Concurrent Resolution 92, to reduce levels for federal credit activity. The selection of programs to achieve the proposed reductions represent examples rather than recommendations of the Congressional Budget Office and were selected after discussions with your staff member, Bob Mauney.

Should you desire, we would be pleased to provide further details of the attached estimate.

Sincerely,
ALICE M. RIVLIN, *Director.*

POTENTIAL IMPLICATIONS OF CREDIT BUDGET AMENDMENT PROPOSED BY SENATOR PROXMIRE

[By fiscal year, in billions of dollars]

Proposed change	Estimated budget impact		
	1983	1984	1985
NATIONAL DEFENSE			
New primary loan guarantee commitments	−30		
Budget authority			
Outlays			

The proposed change would result in elimination of the defense production guarantee program, a program under which no guarantee commitments have been made in the past 2 years.

Proposed change	1983	1984	1985
INTERNATIONAL AFFAIRS			
New direct loan obligations	−570		
New primary loan guarantee commitments	−1,220		
Budget authority	−562	−564	−519
Outlays	−37	−191	−314

The proposed change could be achieved by reducing Export-Import Bank direct loans from $4.4 billion to $3.8 billion, the level requested by the President. This reduction would result in the reductions in budget authority and outlays shown above. The reduction in loan guarantees could be achieved by reducing the target for Export-Import Bank loan guarantees from the 1982 ceiling of $9.2 billion to the 1982 estimated actual level of $8.0 billion.

Proposed change	1983	1984	1985
ENERGY			
New direct loan obligations	−575		
Budget authority			
Outlays			

The proposed change could be achieved in part by reducing the Rural Electrification and Telephone Revolving Fund direct loans from the 1982 ceiling to the 1982 estimated actual obligations, a reduction of $325 million. The remainder of the cut could result from reduced Federal Financing Bank financing of the alternative fuels program as a result of the termination of the Tasco protect, a reduction of approximately $250 million. Neither of these changes would result in budget authority or outlay changes.

The Rural electrification fund cut has now been eliminated from the proposal.

Proposed change	1983	1984	1985
AGRICULTURE			
New direct loan obligations	−3,400		
Budget authority	−300		
Outlays	−300		

The proposed change could be achieved in part by elimination of the Commodity Credit Corporation's $2.2 billion short- and medium-term export loan program, a program under which almost no loans have been extended in the past 3 fiscal years.

The Agricultural Credit Insurance Fund's (ACIF) disaster loan program could be reduced by the remaining $1.2 billion, a change consistent with the President's budget proposal. The President's request of $1,540 million for disaster loans is a 53 percent reduction from the average level of new loans over the past 5 years. Alternatively, the ACIF's farm operating and ownership programs could be reduced. Any reductions to the ACIF would result in approximate outlay and budget authority savings of $300 million in 1983.

Another option would be to reduce the Commodity Credit Corporation's (CCC) price support loans by $1.2 billion. Any change to CCC price supports would require changes in authorizing legislation. The outlay impact of such a change would depend on the reduction approach selected and could range from $600 million to $1.2 billion for a reduction of $1.2 billion in direct loans.

Proposed change	1983	1984	1985
COMMERCE AND HOUSING CREDIT			
New direct loan obligations	−3,900		
New primary loan guarantee commitments	−5,000		
New secondary loan guarantee commitments	−8,250		
Budget authority			
Outlays			

The proposed reduction in direct loans could be achieved by restricting the limitation for the Central Liquidity Facility to $500 million. In 1982 a limitation of $4.4 billion was approved for the Central Liquidity Facility. Actual obligations are estimated to be $330 million in 1982 and $473 million in 1983.

The loan guarantee limits for the Federal Housing Administration's mortgage guarantees could be reduced to $35 billion, the level requested by the President. The highest level of prior commitments under this program was $29.1 billion in 1980.

The amendment would reduce the Government National Mortgage Association's mortgage-backed security program by $8,250 million to $60 billion, $12 billion higher that the Administration's current estimate for 1982 and $18 billion higher than the 1981 actual commitments for the program.

None of these changes to the Commerce and Housing function credit targets are expected to result in changes to budget authority or outlays.

Proposed change	1983	1984	1985
COMMUNITY AND REGIONAL DEVELOPMENT			
New direct loan obligations	−110		
New loan guarantee commitments	−100		
Budget authority		−5	−15
Outlays		−5	−15

The proposed reduction in direct loans could be achieved in part by eliminating rural development insurance fund loans for industrial development as proposed by the Administration, a savings of $75 million. The cut would result in the budget authority and outlay savings shown above for 1984 and 1985. Rural Telephone Bank loans could be held to $185 million, the estimated actual level for 1982 rather than the 1982 ceiling level of $220 million, a savings of $35 million.

The proposed reduction in loan guarantees could be achieved by restricting community development grant loan guarantees to $125 million, the estimated 1982 actual level of commitments rather than the 1982 limitation level of $225 million.

Mr. PROXMIRE. Mr. President, it might be argued that the Budget Committee recommendations for Federal credit programs for fiscal year 1983 allow for practically no growth over the fiscal year 1982 base and are therefore quite stringent. The problem with this reasoning is that the base for fiscal year 1982 is itself inflated. It includes limitations on credit activity established by the Appropriations Committee that in many cases substantially exceed the likely level of activity. Therefore, it makes more sense to compare the 1983 recommendations with the actual level recorded in fiscal year 1981. This is what I have based my amendment on. When we compare the Budget Committee recommendation of $166.1 billion with the $133.8 billion actually recorded in fiscal year 1981, we find that the committee is recommending a 24-percent increase in 2 years or an increase of 12 percent a year.

Mr. President, the proposed reductions would be good policy. Real interest rates are now at historic highs and part of the reason is psychological. The money markets do not believe the Congress or the administration can reduce the massive prospective Federal borrowing requirements. By making this reduction, we can signal the credit markets that we are taking a realistic look at the Government's credit needs. Already we see the deficit increasing and we have not begun to deal with the difficult specific issues raised by this resolution. Where are the management savings coming from? Whose taxes will be raised and by how much? This budget resolution is merely the first battle in what will prove to be a long war. If the objective is to reduce the deficit, we are already losing. It increased by $9 billion virtually overnight.

The credit markets badly need some assurances in light of these developments. My amendment would reduce Federal intervention in the credit markets by $18 billion. It reverses the trend of ever increasing Federal credit budgets. It would free credit resources for us by home and car buyers, farmers, small businessmen, and consumers.

My amendment reduces the amounts in the resolution so that they are closer to historical trends and reasonable program requirements. I realize that the Budget Committee does not make recommendations about specific programs. But I would like to cite several programs to give other Senators some idea of what I am suggesting should be cut and why. The committee has recommended $30 million in new loan guarantee commitments for the defense production guarantees account. This account has incurred no new loan obligations for the past 3 years. In addition, the Defense Department estimates that the account will have nearly $10 million in unobligated balances available at the end of 1982 and 1983. The committee has proposed $915 million in direct loans for alternative fuels production. This amount includes $248 million for the moribund TOSCO project, which can now be cut. The committee has recommended $40 billion in loan guarantees for the Federal Housing Administration's loan guarantee fund. For the past 3 years, this fund had the following levels of activity: 1980—$29 billion, 1981—$23.6 billion and for 1982 an estimated $25 billion. It has never been higher than $29 billion. I believe a more realistic figure for this account is around $31 billion—still an increase of 14 percent over the 1982 amount. These examples demonstrate why I believe the credit amounts in the resolution can be reduced without harm to essential Federal credit activities.

Mr. President, I might say that in the letter' from the Congressional Budget Office, from Mrs. Rivlin, the facts that I have suggested here are confirmed and a moderation of my amendment is also confirmed.

So, Mr. President, I urge the adoption of the amendment.

● Mr. LEVIN. Mr. President, regarding the impact of Federal credit activities on this Nation's financial markets and the economy, I commend the Budget Committee for again incorporating credit in the budget resolution.

Nevertheless, this resolution does not go far enough. Congress should not tolerate executive branch "impoundment" of loan guarantee authority mandated by Congress. But that is exactly what has happened.

On November 5, 1981, the Reagan administration unilaterally announced a program to reduce new loan guarantee commitments for fiscal year 1982 by $20.3 billion. In all, 14 guarantee programs were cut back through adminstrative means with no regard to congressional intent. The programs affected include Government National Mortgage Association, Rural Electrification Administration, the Export-Import Bank, and the Small Business Administration.

But Congress has yet to challenge comprehensively this unilateral administrative action. Federal agency responses to inquiries I have made reveal that they are operating programs at levels which are less than the levels established in law. In SBA's programs, for example, the announcement reduced loan guarantee authority in the Business Loan Investment Fund (BLIF) to $2.835 billion from $3.3 billion. In the pollution control bond program, levels were reduced to $50 million from $250 million, and in the surety bond program to $1.08 billion from $1.4 billion. Overall, the announcement reduced SBA loan guarantee authority by 20 percent, or $1 billion, even though Congress had authorized $5 billion in the Omnibus Budget Reconciliation Act of 1981.

As a result, SBA is restricted from entering into commitments to guarantee in the full amounts provided by Congress.

Congress, and only Congress, has the ultimate authority to decide the Federal Government's credit policies. To allow these administrative reductions to remain in effect would represent congressional acquiescence to this administration's asserted unilateral authority to reduce loan guarantee commitments below the amounts established in law.

These reductions also represent an abrogation of our responsibility under the Constitution and renders meaningless the establishment of levels for loan guarantee programs by our committees and Congress.

At issue here is executive usurpation of congressional authority to establish levels of new commitments for loan guarantee programs. At stake is the integrity of Congress and its institutional role in setting the Federal Government's budget priorities.●

● Mr. DOMENICI. Mr. President, let me say first that I share the concern of the Senator from Michigan about the need to exert greater congressional control over Federal credit activity. Extension of new credit under Federal auspices has grown dramatically as Congress has expanded its use of direct and guaranteed loans. As an indication of this growth, total loans and loan guarantees outstanding will likely exceed $900 billion by the end of 1983, a 217-percent increase since 1974.

Federal credit assistance has become a major factor in the reallocation of our Nation's resources and it must be given the same consideration and scrutiny as spending programs. We must demonstrate to the financial markets that we intend to reduce Federal presence in our Nation's credit markets and free available capital for use by the productive sectors of our economy.

To indicate the concern of the Budget Committee, I would point out that the resolution before us expresses the sense of Congress that effective budgetary control be established over Federal credit activity and directs the Senate Committees on the Budget and Governmental Affairs and the House Committee on Rules to move expeditiously to consider legislation that would achieve this objective. The Budget Committee has established a Task Force on Federal Credit and they have done a substantial amount of work on the topic. It is my hope that after we have completed our immediate task of setting in place a congressional budget, the task force will review these proposals with the careful consideration they deserve.●

● Mr. GORTON. Both the Senator from New Mexico and the Senator from Michigan have spoken on important issues involving Federal credit activities. Congress should be more rigorous in its consideration of the Government's credit programs.

In short, we should develop a rational framework and process for considering the Federal Government's credit activities.

As chairman of the Task Force on Federal Credit I intend to address the issues raised by both the Senators. I welcome the input of the Senator from Michigan and extend an invitation to all Members to share their thoughts on these important issues.●

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wisconsin (Mr. PROXMIRE).

The amendment (UP No. 980) was rejected.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. HOLLINGS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, what is the question before the Senate?

The PRESIDING OFFICER. The clerk will report the pending amendment.

The legislative clerk read as follows:

> The Senator from Tennessee (Mr. SASSER), for himself, and others proposes a printed amendment numbered 1492.

Mr. BAKER. Mr. President, the Senator from Tennessee is on the floor, I see. The distinguished chairman of the committee, however, is temporarily off the floor.

Mr. HOLLINGS. Mr. President, if the distinguished majority leader would yield, we could bring in one small amendment on women, infants, and children feeding and ask unanimous consent to set aside the Sasser amendment.

Mr. BAKER. Mr. President, I ask unanimous consent that we may temporarily set aside the Sasser amendment and proceed to the consideration of—what is the amendment of the Senator from South Carolina?

Mr. HOLLINGS. Women, infants, and children feeding to be offered by the Senator from Vermont and myself. We have a time limitation of 30 minutes to be equally divided. We can possibly do it in less time.

Mr. BAKER. All right. And that immediately after disposition of that amendment we return to the consideration of the Sasser amendment without any change in its status.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I yield the floor.

UP AMENDMENT NO. 981

Mr. HOLLINGS. Mr. President, on behalf of Senator LEAHY, Senator JOHNSTON, Senator RIEGLE, and myself, I send an amendment to the desk and ask for its immediate consideration.

The **PRESIDING OFFICER**. The clerk will report.

The bill clerk read as follows:

The Senator from South Carolina (Mr. Hollings), for himself, Mr. Leahy, Mr. Johnston, Mr. Riegle, Mr. Eagleton, and Mr. Kennedy, proposes an unprinted amendment numbered 981.

The amendment is as follows:

On page 2, beginning with line 15, strike out through line 14 on page 3 and insert the following:

(2) The appropriate levels of total new budget authority are as follows:

Fiscal year 1982: $777,600,000,000.

Fiscal year 1983: $835,329,200,000, plus $50,000,000.

Fiscal year 1984: $897,031,700,000, plus $100,000,000.

Fiscal year 1985: $972,834,200,000, plus $200,000,000.

(3) The appropriate levels of total budget outlays are as follows:

Fiscal year 1982: $740,700,000,000.

Fiscal year 1983: $783,629,200,000, plus $50,000,000.

Fiscal year 1984: $832,331,700,000, plus $100,000,000.

Fiscal year 1985: $889,434,200,000, plus $200,000,000.

(4) The amounts of the deficits in the budget which are appropriate in the light of economic conditions and all other relevant factors are as follows:

Fiscal year 1982: $117,700,000,

Fiscal year 1983: $114,429,200,000, plus $50,000,000.

Fiscal year 1984: $91,331,700,000, plus $100,000,000.

Fiscal year 1985: $64,434,200,000, plus $200,000,000.

(5) The appropriate levels of the public debt are as follows:

Fiscal year 1982: $1,144,200,000,000.

Fiscal year 1983: $1,292,179,200,000.

Fiscal year 1984: $1,420,210,900,000.

Fiscal year 1985: $1,533,845,100,000

On page 16, beginning with line 12 strike out through line 4 on page 17 and insert the following:

Fiscal year 1983:

(A) New budget authority, $218,800,000,000, plus $50,000,000.

(B) Outlays, $272,600,000,000, plus $50,000,000.

(C) New direct loan obligations, $2,000,000,000.

(D) New primary loan guarantee commitments, $18,100,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $300,900,000,000, plus $100,000,000,

(B) Outlays, $288,300,000,000 plus $100,000,000.

Fiscal year 1985:

(A) New budget authority, $333,000,000,000, plus $200,000,000.

(B) Outlays, $309,800,000,000, plus $200,000,000.

Mr. HOLLINGS. Mr. President, this amendment restores funds to the women, infants, and children feeding program, one of the most cost effective social programs. I understand the distinguished chairman of our Budget Committee will, according to the standard operating procedure, oppose this amendment. I am confident, though, that he will not tell us about how there is sufficient room in the budget resolution to fund WIC. He will probably tell us how we have increased funding, compared to the President's request.

In a capsule, this amendment continues WIC at the current level. We do not increase the number of persons served, but we increase funds to accommodate the increased costs of food. We are not cutting off people and not adding on people.

If funding for WIC is not increased, 100,000 expectant mothers and children will be eliminated from the program next year, 200,000 in 1984, and 300,000 in 1985. What I am talking about is a restoration of $50 million in 1983, $100 million in 1984, and $200 million in 1985. It is small in relation to the multibillion-dollar budget, but highly significant to this particular program.

Why should this program be continued? It saves money. I ask unanimous consent to have printed in the Record a study of WIC by the Department of Agriculture, and another article that appeared in the Sunday, May 16, Washington Post, entitled "The Care and Feeding of Pregnant Mothers." Nutrition does make a difference in the life and health of infants.

There being no objection, the material was ordered to be printed in the Record, as follows:

Evaluation of the Effectiveness of WIC

EXECUTIVE SUMMARY

The Special Supplemental Food Program for Women, Infants and Children (WIC) provides food supplements and nutrition education to pregnant and lactating women, and infants and children up to the age of five. The program attempts to reach those individuals who because of inadequate nutritional status are "at-risk" of complications of pregnancy or poor growth and development.

A substantial body of evidence is now accumulating to indicate that the WIC program is having a positive and significant impact on program participants in the U.S.

Data from several large scale studies discussed in this report have shown that participation in the WIC program is associated with a positive and significant increase in birth weight (20–21, 23). More importantly, this has resulted in a reduction in the incidence of low birth weight (less than 2500 grams or 5½ pounds) infants being born to women who participate in WIC (20–21, 23, 28).

Low birth weight (LBW) is currently the eighth leading cause of death in the U.S. LBW correlates more closely with neonatal mortality than any other variable. A LBW infant is twenty times more likely to die than a normal birth weight infant. Preliminary data from a study completed in January 1981 indicate that the WIC program results not only in fewer low birth weight infants but significantly decreases neonatal mortality (23).

The WIC program is not only associated with fewer LBW babies and therefore less deaths but the program also results in significant medical savings. This is primarily because LBW babies require a longer hospitalization period postnatally than do normal birth weight babies. By decreasing the number of LBW babies born, the WIC program concurrently reduces hospital cost. In addition , LBW infants have a higher prevalance of developmental abnormalites such as blindness and deafness. The WIC program appears even more cost-effective if these longer term costs are considered.

The WIC program has also been associated with improvements in nutritional status in infants and children. Infants and children participating in WIC had accelerated rates of growth (20) and decreased rates of anemia (20, 26).

In addition, many studies in developing countries have indicated that caloric supplementation during pregnancy improves birth weight and decreases neonatal mortality and morbidity (9–13). Similarly, results from evaluation of supplemental feeding programs for infants and preschoolers have shown that child growth is improved (16).

Data from these studies all show trends in the same direction: Neonatal outcome, hematological status and growth are improved as a result of participation in WIC. The WIC program appears to be making a substantial contribution to dealing with problems of inadequate nutritional status among "at-risk" women and children—two especially vulnerable groups in the U.S.

[From the Washington Post, May 16, 1982]

The Care & Feeding of Pregnant Mothers

(By Sarah Fritschner)

Nearly everyone learns about good nutrition in grade school. Like the capital of South Dakota, however, the basic four good groups soon fade from memory.

Dr. Jeff Spear, a third-year family practice resident at Andrews Air Force Base, admits that he didn't learn much nutrition at medical school and, like fellow residents, he didn't remember much from grade school.

This caused him a few problems, he says, when he began his stint in obstetrics. Although many aspects of medicine require no special nutrition knowledge, obstetrics is not one of them.

Infant mortality rates in Washington are twice the national average, and low-birthweight babies born in this area can cost taxpayers $300 per day each in medical costs. But many health professionals believe that one simple approach can reduce the number of low-birthweight babies: Their mothers need food, enough food, in the proper proportions.

Low-birthweight babies, which typically come from high-risk mothers—mothers who are young, indigent and/or ill—usually stay in hospital nurseries longer than normal-weight babies. Often they require intensive care. They are prone to debilitating disorders—anything from cleft palate to severe mental retardation—which may extend the need for government-supported medical care.

Recognizing the preventive-health potential, the March of Dimes sponsors an intensive course in maternal nutrition at the University of North Carolina at Chapel Hill. The year-old course, the only one of its kind in the country, attracts health professionals from all over the country to learn about nutritional counseling, dietary interviewing, the effects of narcotics on pregnancy and more.

Recognizing the need to do more than counsel patients about weight gain, Spear signed up for the two-week course that includes discussions among health professionals, lectures and actually working in the field counseling high-risk mothers.

Spear says he learned "basic nuts and bolts" of nutritional counseling—that pregnant mothers require four servings of milk each day, two to three of meat, four servings of fruit and vegetables and four servings of bread daily. He learned how to take a dietary history—to ask his patients how they ate in the last day and the last week to see weaknesses in the diet.

But the course teaches more than that, says Dr. Herbert Muncie, director of the division of research at the University of Maryland's department of family medicine. Although he was familiar with most of the nutritional requirements of pregnancy when he attended the course, he learned, from other professionals who attended, how to deliver effectively some of that information.

For instance, he says, he has "always treated the pregnant adolescent as someone who was 'done to'"; the adolescents in his clinic never participated in health care. Attending the course, he learned that others have success when these patients plot out their weight gains and monitor other changes in their own pregnancies. "I feel like it makes them recognize they're part of this process," he concluded; when they feel some control, they are more willing to make changes in their diets.

Before the course, says Muncie, he "had very little exposure to dieticians." Now he says he knows how to use someone with nutrition knowledge and experience to help with counseling.

Further, says Muncie, he learned something about community resources when he attended the course. He was familiar with the Women, Infants and Children feeding program only because he had to sign the forms for qualifying patients, and he "resented the paperwork." Now he realizes that the WIC program was designed to supplement other feeding programs (such as food stamps) to make sure that pregnant women get adequate diets.

Just as important, says course director Mildred Kaufman, many of the participants "don't appreciate how the [public feeding] project can contribute to the health of [their] patients and they don't know that some of these projects are in jeopardy." Doctors can influence the politics of health-care delivery in their communities.

In addition, she says, participants familiar with local resources can use them to establish new health-care programs locally. One participant from Hawaii, says Kaufman, returned to teach health-care professionals on all the islands proper nutrition counseling.

There is a trick, says Herbert Muncie. You can't just tell a patient what's wrong with her diet and expect her to change overnight. He saw one dietician tell a patient to make four major changes in her diet: cut down on soda pop, cut down on junk food, increase her calcium intake and increase the amount of meat she consumed.

That's too much at one time, he says, and it'll never work. If the patient accepts that changes in the diet will improve the outcome of her pregnancy, then he tries to get her to add to the diet to alleviate deficiencies, recommending gradual changes. It's important to look at the patient as an individual, says Muncie. If the patient loves black beans and rice there's no point in trying to get here to eat yogurt and potatoes. Once he learns what she will eat, he can suggest what she should eat. He likes the patient to come up with her own solutions.

Dr. Jeffrey Spear says he "appreciates the research" that shows that feeding indigent women decreases the frequency of congenital problems present in their babies. He realizes that low-birthweight babies usually have longer hospital stays, are more likely to die and have problems with infection and blood sugar. "There's still a lot of research to be done," he says, "but [the patient's] adequate weight, nutrition and weight gain are important. A large number of women who get pregnant don't get adequate nutrition during a pregnancy. We can prevent this—food is the cure."

Mr. HOLLINGS. Mr. President, I also want to mention the extensive Harvard study that showed that $1 spent on the prenatal component of WIC saved $3 in future hospital costs. The program works, it saves money and should not be cut. This is such a vital, fundamental, and particular program that I wish I had my railroad friends here—and I do not talk disparagingly. They seem to have done a good job at getting a few votes. I wish my railroad friends would join with us on this particular program because we need all the help we can get.

I yield to the Senator from Vermont.

Mr. LEAHY. Mr. President, I appreciate the comments made by Senator Hollings, especially as he is one man who has been recognized for a long time as one of the leaders in the fight against hunger in America.

Mr. President, this amendment is not intended to stir debate on the merits of the special supplemental food program for women, infants, and children known as WIC. That would not be a fair debate. There is near unanimity that WIC and its sister program, CSFP, are two of the most successful, cost-effective programs in all of Government.

What this amendment addresses is the issue of how many women, infants, and children should be served by these programs in the next few years. The modified Budget Committee mark assumes that 100,000 fewer people should be served in fiscal year 1983 than in fiscal year 1982. By fiscal year 1985, the Budget Committee mark assumes 300,000 fewer women, infants, and children should be served.

To me, this is an unacceptable approach. In a program as humane and sensible as WIC—A program that may well avert more in Federal health and hospital expenditures than it costs—it does not make any sense to serve fewer people in the future than are served now.

When one considers that:

Less than three-fourths of the Nation's counties have a WIC program;

Waiting lists for participation in WIC exist across the country;

The WIC caseload is already down by 75,000 people below the level participating before the Reagan austerity policies began;

And the current economic recession is adding significantly to the numbers of persons who desperately need aid from this program.

When one considers all of this, I believe a compelling case can be made that room must be made in the budget to serve more people than are being served now.

But this in not what we are trying to do. All that we want to do is maintain the current caseload. We just want to make sure that we serve as many women, infants, and children in the next few years as we serve now.

This is a very modest, conservative proposal. It would add only about $50 million to fiscal year 1983 costs, $100 million to fiscal year 1984 costs, and $160 million to fiscal year 1985 costs.

I urge my colleagues to join us in assuring that the current level of services be maintained in these programs. There is no finer investment that can be made in Federal program funding.

Mr. President, as I said earlier, the WIC caseload is already down by 75,000 people below the level participating before the Reagan austerity policies began. I know that there are waiting lists throughout the country for this program. I know that there are counties, maybe a quarter of the counties in the country, that do not even have the problem.

I am reminded of what one doctor in Vermont told the distinguished Senator from Oklahoma (Mr. Bellmon) and me when we had a hearing in Vermont. This was a doctor who practiced in a county with about a quarter of our State's population. He had had the chore of handling all the malnutrition cases involving children in that county for years. He told us about malnutrition cases, and I mean severe malnutrition cases, that resulted in such things as handicaps in the children, mental retardation, shortened lifespan, all of the other problems that went with it.

Finally, Vermont, which was a pilot State, got the WIC program. After the program was implemented in our State, the doctor told Senator Bellmon and me that, having handled all these malnutrition cases, as a direct result of the WIC program, he never saw another one. Children that were going to grow up handicapped or grow up with mental retardation or other problems were no longer seen because they no longer existed. Malnutrition was wiped out—actually wiped out.

What this does for women who want to bear their children—I really just cannot think of any nutrition program better than this one or more important for our support.

I yield back to my distinguished colleague from South Carolina.

● **Mr. KENNEDY**. Mr. President, I support the amendment offered by my friend and colleague and ask to be listed as a cosponsor.

Despite the advances and breakthrough we have made in almost every field, we still have one of the highest infant mortality rates of any Western nation and too many babies suffer mental retardation that could have been prevented if their mothers had received adequate nutrition during their pregnancies.

Infant mortality in this country fell 30 percent between 1970 and 1977, but the United States still has a higher rate than 14 other industrialized countries.

I believe it is unacceptable for the richest country in the world to rank behind Japan, Canada, Denmark, Sweden, and nine other countries in the rates of infant mortality. We have the knowledge and resources to be first, if only we have the will.

In the 8 years since WIC was first implemented nationwide, it has proven to be highly effective in reducing infant deaths and malnutrition.

Studies conducted by the Center for Disease Control and the Harvard University School of Public Health found that without question WIC:

Increased the duration of pregnancy;

Increased the birth weight of infants; and reduced the incidence of anemia and malnutrition, in young children.

Two million women and children participated in the program in 1981. Yet this is only one-fourth of the number who are eligible for and need the extra nutrition WIC offers.

The administration proposed to cut this essential program by 30 percent in fiscal year 1983. Once again the President attempted to slash a program that is aimed at the most vulnerable of our society.

The Senate Budget Committee's recommendation to freeze WIC at the current operating level of $980 million would mean that 100,000 fewer women and infants would receive benefits next year and 300,000 fewer would be served by fiscal year 1985. This very real cut in the number of participants is unacceptable.

In human terms, the funding for this program literally means the difference between life and death. In a new study, doctors in Massachusetts cited an increase in malnurtrition among poor children as a direct result of their being dropped from the WIC program. These doctors report case after case of infants who showed severe weight loss and developmental retardation as a result of their mothers being unable to pay for formula.

I recently spoke with Dr. Joel Alpert, chairman of pediatrics, Boston University Hospital. In Dr. Alpert's words:

> We have been seeing in the past year a series of alarming events: An increase in weight loss in low income children; an increase in child neglect; an increase in child abuse; and in increase in the number of cases of lead posioning—after all, if children are hungry they will eat anything they can.
>
> We are angry and we are scared. This is not only happening in Boston. Our colleagues report the same symptoms in all parts of the country. This week I saw the first case of ricketts as a result of vitamin D deficiency that I have seen in twenty years. These children have no lobby of their own, we must speak for them.
>
> Children are one-third of our population, but all of our future.

As Dr. Alpert and his colleagues have found, mothers are already bearing the burden of the budget cuts in food stamps. child care, health care, and AFDC.

We cannot now deny them the nutritional supplements they need to bear and raise healthy children.

As we consider this amendment let us remember what Hubert Humphrey said about WIC shortly before his death, "looking back on all of my years in Government service, I am as proud of this program as any with which I have been involved. It represents what is best in America—a dedication to our children and our future and an attempt to nip the poverty cycle in the bud." We must renew our commitment to that goal today.

I urge my colleagues to vote for this amendment.●

● Mr. BIDEN. Mr. President, the supplemental feeding program for women, infants, and children is a sterling example of a program that works. Not only does WIC work, Mr. President, but WIC works with little, if any, waste, fraud, or abuse.

To be eligible for WIC, participants must be low income and must be certified by a medical professional to be at a nutritional risk. This is not a program that can be tapped by just anyone coming in off the streets. WIC is specifically targeted to those most in need, and is designed to insure that only those most in need will receive benefits. Participants meeting the eligibility requirements receive vouchers, which are redeemable only for foods of high nutritional value.

A recent study by the Harvard School of Public Health, Mr. President, shows that WIC has been instrumental in lowering the incidence of low-birth-weight babies. The children's defense fund lists low birth weight as the eighth leading cause of death among children in the United States.

Low birth weight is also a leading cause of many disabilities, including deafness, blindness, and mental retardation. The Harvard study found that, because of the reduced incidence of low-birth-weight babies, each dollar spent on WIC actually saves $3 in hospital costs.

WIC has also had a sizable impact in the effort to reduce infant mortality. The Massachusetts Department of Public Health conducted a study which showed a substantially lower mortality rate for babies born to mothers in the WIC program than for those born to mothers eligible for WIC but not using the program.

Mr. President, about three-fourths of a child's brain development occurs between conception and the second birthday. If his or her mother does not have access to appropriate nourishment, chances are good that the child's brain will not develop to its fullest potential. The resultant loss in mental and physical capability is no less than a national tragedy, a squandering of our greatest natural resource.

Mr. President, let us vote to support this important investment in the future of our Nation. I urge my colleagues to support the Hollings-Leahy-Johnston amendment.●

(UP AMENDMENT NO. 981)

Mr. CHAFEE. Mr. President; I rise in support of the Leahy amendment to increase WIC funding by $50 million for 1983.

I cannot stress enough the importance of this program. There are two reasons why I feel so strongly that this amendment should pass.

First, WIC is a preventive health program which provides nutritional food to 2.2 million people. If the $50 million is not approved, WIC will see a caseload drop of 100,000 women, infants, and children. This country can ill afford the subsequent pressure on social service programs that a short-sighted move such as this will have. The increase is an adjustment for inflation. It unfortunately will not allow the thousands on waiting lists to receive needed benefits. But it will maintain the 1982 caseload level. I do not believe that this is an irresponsible request. For me to vote against the amendment would be irresponsible.

Second, not only does WIC provide supplementary food assistance, but it provides nutrition education for people who desparately need it. Teach people how to eat correctly, give them the means of doing so—and you have taught a lesson that can save the Federal Government millions.

I urge fellow Senators to join with me tonight in supporting this amendment. Nutrition and education are insurance policies for the low-income women, infants, and children receiving WIC—it insures something that money, in this case, can buy—a healthier and brighter future for the program's recipients.

Mr. HOLLINGS. Mr. President, I yield to the Senator from New Mexico.

Mr. DOMENICI. Mr. President, how much time is there for each side?

The PRESIDING OFFICER. There are 15 minutes to each side.

Mr. DOMENICI. Mr. President, I am going to yield myself 5 minutes and

use it with a quorum call at this point against my 5 minutes.

Mr. JOHNSTON. Will the Senator yield to me?

Mr. DOMENICI. Yes.

Mr. JOHNSTON. Mr. President, in 1970, Louisiana had the dubious distinction of having one of the highest incidences of infant mortality in the Nation. Although a number of improvements have been made, infant mortality remains disproportionately high. I am therefore especially concerned about funding of programs designed specifically to deal with this tragic problem.

Two programs operate in Louisiana to meet this need. The oldest program, the commodity supplemental feeding program, began in 1970 and now serves 21,000 financially and nutritionally needy women, infants, and children in Orleans Parish. One of the most successful programs we have had, CSFP is specifically designed to encourage voluntarism and involvement by the private sector. In the case of Orleans Parish, the Archdiocese of New Orleans operates the nine CSFP distribution sites, supervises, CSFP personnel working in the program, provides space utilized for the distribution sites, and is responsible for the joint certification process for program participants with the New Orleans Health Department. Many doctors and medical personnel donate their services, and many of the CFSP personnel are also volunteers. In addition, the local government is deeply involved. The New Orleans Health Department, for example, provides nutritional education to program participants and proper health care for children and prenatal and post partum mothers participating in the program.

The second program, WIC, began in the mid-1970's and serves over 58,000 needy women, infants, and children in my State. Similar to CSFP, participants in WIC must meet two tests. First, they must be financially needy and second, they must be certified by appropriate medical personnel as being at "nutritional risk," in other words as malnourished or undernourished. Surely, if there is to be a true safety net for the needy, these programs fall in that category.

Both programs, under the committee's funding proposal, will be curtailed over the next 3 years despite the fact that Louisiana officials believe that less than half of those eligible on the basis of income and nutritional need are able to participate within current funding levels. Under the committee recommendation as reported, WIC was especially hard hit, losing $46 million in funds deferred from 1981 to cover the 1982 caseload as well as having to absorb the USDA—anticipated 6 to 7 percent food price increase in 1983. I am advised that these two factors would have reduced WIC's national caseload by 200,000 in fiscal year 1983, by 300,000 in fiscal year 1984 and by 400,000 in fiscal year 1985. As reported, CSFP would have to absorb the food price increase and therefore lose about 8.5 percent of its current monthly caseload of 150,000. These programs are two of the most effective and cost-efficient efforts we have to combat serious nutrition and hunger needs, needs which would not be met in the absence of WIC and CSFP. Study after study has shown that for every $1 spent on these food supplements, $3 in future medical costs are saved. That is, these food packages have had startling results in helping reduce the incidence of low-birth-weight babies, babies which study after study has shown are more likely to experience birth defects, permanent handicap, and who require longer hospital stays at birth. Moreover, food supplements designed to meet nutritional deficiencies such as CSFP and WIC have also improved the overall health of older preschool children participating in the programs, with evidence showing improved hemoglobin levels, fewer days of missed school, fewer behavior problems, and higher IQ's.

I have been particularly impressed with the evidence of the benefits of WIC in Louisiana. Based on State surveys of the WIC program conducted in 1975, 1980, and 1981, tremendous strides have been made through this program in beginning to combat Louisiana's traditional child health problems. In the 1975 study, children on the WIC program for 15 months and more had improved growth patterns and hemoglobin levels. In the 1980–81 studies, conducted in some of our State's most rural and poorest parishes, two groups were studied. One group of 6 year olds' mothers were in WIC at least 3 months prior to delivery and as infants the children were on WIC soon after birth. These children—called group I—were compared to siblings 12 to 24 months older who were not on WIC until after their first birthday, since Louisiana did not have a WIC program until that time. This study had startling results:

First. The IQ's of children in group I were some 16 points higher than those in group II.

Second. The children in group I had significantly higher school grades in the first year of school.

Third. Based on interviews with the mothers, the children in group II had more behavior problems.

Fourth. The children in group II missed more days of school.

Fifth. The children in group I had higher birth weights and better growth patterns.

Finally, statewide vital statistics show that of 18,000 birth weights recorded to date of WIC participants, improvements were seen amongst all groups for those whose mothers were enrolled in WIC at least 3 months prior to delivery. For black mothers, however, the results were particularly dramatic. For those whose mothers enrolled in WIC after delivery, only 14.3 percent of the infants experienced low birth weights. For those whose mothers enrolled in WIC at least 3 months prior to delivery, however, the incidence of infants experiencing low birth weights dropped to 8.4 percent—almost 6 percentage points less. State officials estimate that WIC has helped prevent approximately 500 low birth weights in Louisiana in the last 2 years alone.

This is significant for two reasons. First, and foremost, nationwide about 8 percent of all babies are low birth weight, but 60 percent of infant deaths occur among low-birth-weight infants. Moreover, many that live have permanent handicapping conditions. It is well recognized that by preventing low-birth-weight babies, we can reduce the incidence of infant deaths and handicapping conditions. Second, in my State it is estimated that it cost about $7,000 per pound gained by low-weight babies in intensive neonatal nursery units. In contrast, it costs about $480 per year for each WIC patient. The immediate cost/benefit ratio is therefore apparent. Added to this, the reduced future medical costs show the WIC program to be an effective tool in reducing Federal expenditures for medical expenses associated with immediate and long-term care needs of low-birth-weight babies.

In my view, it would be pennywise but pound foolish to curtail these programs. By providing for a modest inflationary increase for both WIC and CSFP, in contrast, we have an opportunity to continue at current activity levels these important initiatives. This amendment will not increase participation, and indeed only half of those eligible will be able to participate within this funding level. Yet, this small adjustment will prevent many needy small children, pregnant, and post partum mothers from being dropped.

I urge the Senate to adopt this amendment and keep the safety net intact.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. LEAHY. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. DOMENICI. I yield.

Mr. LEAHY. Mr. President, I ask unanimous consent that a list of organizations taking positions on the WIC proposal be printed in the Record at this point.

There being no objection, the list was ordered to be printed in the Record, as follows:

ORGANIZATIONS OPPOSED TO THE ADMINISTRATION'S WIC PROPOSALS

The Administration has proposed to merge the WIC program into the Maternal and Child Health block grant at substantially reduced funding. The following organizations are opposed to the consolidation of WIC and MCH and are opposed to cuts in WIC's funding.

HEALTH ORGANIZATIONS

American Dietetic Association.
American Nurses Association.
American Public Health Association
Association for State and Territorial Maternal and Child Health and Crippled Children's Programs (MCH and CC Directors).
Association of State and Territorial Health Officers (ASTHO).
March of Dimes.
National Association of Children's Hospitals.
National Association of Community Health Centers.
National Association of State and Territorial Nutrition Directors.
National Association of WIC Directors.
National Indian and Native American WIC Coalition.
National Perinatal Association.
Society for Nutrition Education.

RELIGIOUS ORGANIZATIONS

Board of Church and Society of the United Methodist Church.
Bread for the World.
U.S. Catholic Conference.
Episcopal Church.
Friends Committee on National Legislation.
Interreligious Task Force on U.S. Food Policy.
Lutheran Council of the U.S.A.
Union of American Hebrew Congregations.
United Church of Christ.
United Presbyterian Church.
Women's Division of the United Methodist Church.
World Hunger Education Service.

OTHER ORGANIZATIONS

American Federation of State, County, and Municipal Employees (AFSCME).
American School Food Service Association (ASFSA).
Children's Defense Fund.
Community Nutrition Institute.
Food Research and Action Center (FRAC).
National Congress of American Indians.
National Urban Coalition.

Mr. DOMENICI. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, how much time do I have remaining on the amendment?

The PRESIDING OFFICER. The Senator has 3 minutes.

Mr. DOMENICI. I yield 3 minutes to the Senator from Kansas.

Mr. DOLE. Mr. President, I rise in opposition to the amendment. I am not certain I understand the purpose of the amendment or why it is being offered. The WIC program is under the jurisdiction of the Nutrition Subcommittee of the Agriculture Committee. It is a program that this Senator has supported. It originated, as everybody knows, with Senator Humphrey several years ago with $40 million. Since then, it has grown.

I think WIC is a worthwhile program, Mr. President, It is one the Senator from Kansas wants to see stay in place. In fact, we have come far from the administration's original proposal to fold this into the maternal and child health block grant. It is the opinion of this Senator that we have made some significant progress.

I guess what we are dealing with here is appropriated funds. I do not fully understand why the budget resolution gets into that. It seems to me we have targets that have been set. I assume the Appropriations Committee will make a determination on priorities.

In all candor, I would say the Senator from South Carolina, is one of the originators of Federal nutrition policy, and one of those who moved us in the right direction in this country during the early days of the Select Committee on Nutrition. The former Senator from South Dakota (Mr. McGovern), the Senator from Illinois (Mr. PERCY), and the former Senator from Oklahoma (Mr. BELLMON) also played major roles. There are a number of Senators who have had an important role. I do hope they would have enough confidence in those of us who support the program in the authorizing committee to make certain that we carry out the purposes of the act.

Obviously, Mr. President, not everyone is being served. If we did that, we would have to have a much greater appropriation than suggested, but we will serve about 2 million people. This program has grown by about 400 percent between 1977 and 1983. It is the opinion of this Senator that we have tried to address the proposal in a constructive way.

I think we have, in my view, a good program, Mr. President. We ought to make certain that it continues in an orderly funding fashion. I wish that we did not have to make this choice on the Senate floor today. I do not want to defeat the Senator from South Carolina, because I know of his interest in this area. It would be better if we could just withdraw the amendment, but if we cannot, I hope we can defeat the amendment. Then I shall work with the Senator from South Carolina to see that the program is carried out the way it should be.

Mr. HOLLINGS. Mr. President, the distinguished Senator from Kansas has really been a leader on WIC and he helped get us this far, when I know the administration wanted to cut WIC back substantially. For your help we are very grateful. But, Mr. President, the real program level for WIC is $980 million during fiscal year 1982.

Some would argue, "Look, you started with carryover funds from last year." I understand that carryover funds are used. That is how WIC is funded. In other words, the States provide services in one fiscal year then funds are drawn down and paid in the next fiscal year

CBO estimates that a budget authority of $1.033 billion would be required in fiscal year 1983 to maintain the same level of services that has been provided during fiscal year 1982. CBO estimates that if WIC is funded at the $980 million level during 1983 and if food prices increase between 1982 and 1983, it will be necessary to reduce services. If we do not increase the budget resolution by $50 million then we are not providing adequate funding to continue the program at the fiscal year 1982 level.

Mr. President, we are not trying here to expand WIC and we are certainly not ungrateful for the leadership given by the Senator from Kansas and others interested in the program. But it is a matter of dollars and cents. The program needs this level of funding.

The program serves 2 million low-income women, infants, and children; if the Senator from Kansas and I were king for a day, we would extend that to about 4 million. We are only covering about 50 percent of the eligible population.

Mr. DOLE. Or less.

Mr. HOLLINGS. Or less, that is right.

I just put an article from last Sunday's Washington Post into the RECORD explaining that even a doctor who has been working in the nutritional field is not particularly familiar with this. WIC is not a well publicized program. It is not one a poor expectant mother would jump into or know about.

There is no waste, fraud, and abuse in this program. It is providing nutritious food supplements, as the Senator knows. WIC saves billions and billions in future health and rehabilitation costs. And it saves lives.

All we are asking for is not to be picky. Put that extra $50 million in there so we can keep up the current program. The fact of the matter is that if we cut it out we will lose momentum in the program and mothers and children will suffer because of it.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Mr. President, I also yield to nobody in my admiration for the work the Senator from Kansas has done on this matter. I consider it an honor to be the ranking member of his subcommittee. However, I am very concerned for the same reason the

Senator from South Carolina has mentioned.

I am also concerned, Mr. President, about the low levels that apparently are going to be put in the House budget for this. I really feel we need this.

Mr. President, I ask unanimous consent that a couple of fact sheets setting out the arguments in more detail be printed in the RECORD at this point. I realize our time is virtually out.

There being no objection, the materials were ordered to be printed in the RECORD, as follows:

THE REVISED BUDGET COMMITTEE MARK FOR WIC AND CSFP WOULD REQUIRE A CUT IN CASELOAD IN FISCAL YEAR 1983

The Budget Committee provides for $980 million for WIC and CSFP in FY 1983. $980 million is the level at which these programs are operating in FY 1982. Only if food price inflation is zero through FY 1983 could the $980 million support the same number of participants as in FY 1982.

The Leahy-Hollings amendment would allow an increase in WIC and CSFP funding of only about 5.4 percent to reflect an increase in food costs. The amendment reflects the CBO estimate of funding needed to maintain the current caseload in FY 1983. All other major economic forecasters predict food price inflation to be in the 5 percent range.

The CBO estimate might well understate food price inflation. The wholesale food price index went up 1.6 percent in April 1982 alone.

If CBO's estimate of food price inflation should prove too high, the worst thing that would happen is that the number of women, infants, and children served next year would be slightly higher than the number served this year. Considering that (1) the WIC caseload has been reduced significantly since President Reagan took office; (2) over 800 counties have no WIC or CSFP program; (3) waiting lists for WIC exist across the country; and (4) the current recession is increasing the number of people eligible for WIC—this would not be an undesirable result.

WIC ALREADY IS LIMITED TO THOSE MOST IN NEED

The WIC Program is already limited to those with the greatest need for it. Cuts in the program would result in removing those with substantial needs from the program.

5 to 8 million women, infants and children nationwide are eligible for WIC, but only about 2 million are served due to the funding limits already on the program.

Several hundred counties—many in poor rural areas—have no program at all.

USDA's own figures show that there are now over 100,000 women, infants, and children who have been certified by medical officials as needing WIC but who have been put on waiting lists instead due to limited funds.

Most States have already stopped serving persons except those in the most severe need.

MARCH OF DIMES,
Washington, D.C., May 13, 1982.
Hon. PATRICK J. LEAHY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR LEAHY: We are advised that an amendment will be offered to the Senate Budget Resolution that will increase the funding for the Special Supplemental Food Program for Women, Infants and Children (WIC) to $1.033 billion. We urge you to support this level of funding. WIC is one of the most cost effective and beneficial of the federal nutrition programs.

The first Budget Resolution for FY 83 will come to the Senate floor sometime during the week of May 17. The level of funding for WIC in the Resolution is $934 million ($904 million for WIC and $30 million for a much smaller, similar program, the Commodity Supplemental Foods Program). That figure represents a cut of approximately $50 million from the FY 82 level. To maintain the program at current operating levels would require funding of $1.033 billion.

By cutting WIC below current operating levels, over 200,000 low income pregnant women and children at nutritional risk will have to be eliminated from the program. The Resolution also freezes WIC funding at the FY 83 level through FY 85, by which time increasing food costs will have caused an additional 200,000 to be dropped from the program. A total of 400,000 women and children would no longer benefit from the effective combination of food packages and nutrition education that the WIC program provides. The cost-effectiveness of this program has been documented by a Harvard School of Public Health study which found that for every $1 spent on WIC, $3 were saved in the averted hospitalization costs of low birth weight babies.

We must continue to provide this valuable program to as many low income, nutritionally at-risk women and children as is possible. Therefore, I urge you to support an amendment to restore WIC funding to a level which will allow the program to continue serving the current level of recipients. By voting to fund WIC and the CSF programs at a $1.033 billion level, you will enable this sound nutrition program to continue.

Sincerely,

CLYDE E. SHOREY, Jr.,
Vice President for Public Affairs.

The PRESIDING OFFICER. The time of the Senator from New Mexico has expired.

Mr. DOMENICI. I yield 1 minute to the Senator on the resolution.

Mr. DOLE. Mr. President, when I indicated the Senators who had been active in this area, I did not mean to exclude the Senator from Vermont, who had certainly been a very valuable member of our committee. We work very closely together.

Again, I understand the concern of both Senators and others who may have spoken before the Senator from Kansas arrived. The amended budget resolution did add about $46 million. Is that correct?

Mr. DOMENICI. That is correct.

Mr. DOLE. Mr. President, I would be very willing to plead the case in the Appropriations Committee with anyone, but I assume we will have a vote on this now. I suggest, under the circumstances, that we not adopt this amendment, but I pledge to the Senator from South Carolina and the Senator from Vermont to work with them to make certain that it is adequately funded.

Mr. DOMENICI. Mr. President, I yield myself 1 minute on the bill.

The Senator from Kansas has stated the case quite well, Mr. President.

What we have done in this situation is treat this program as an exceptional program. Most of the discretionary—and I stress discretionary because that means the appropriators are going to be free to fund the programs within their subcommittees and we do not have much to do with that. Most discretionary appropriated programs such a WIC are assumed to receive the same level of new budget authority in 1983 as was enacted for them in 1982; except, however, WIC was given an added $46 million under the amended resolution.

It is an exception, Mr. President. It is already given as a priority in the budget before us. They are going to be free in the Subcommittee on Appropriations to allocate budget authority among all their programs. Under this resolution, only the total level of budget authority is binding on the appropriators.

Higher levels could be achieved in this program. Lower levels could be achieved in this program. It is up to the appropriators. Each Senator is free to advocate his or her priorities in the appropriation process, and that is going to happen.

I feel much like the distinguished Senator from Kansas. It is difficult to say to those who have worked hard in these programs and leaders in these programs, such as my good friend Senator HOLLINGS, that we ought to defeat an amendment like this.

The truth of the matter is that WIC, as he wants it, as he thinks it should be funded, will probably be funded in appropriations with or without his amendment. There is plenty of money there. The chunk is what they are going to look at.

But just to play safe, this modified budget gave this particular program $46 million more than the others, which are frozen at the 1982 level.

I urge that we defeat the amendment and get on with the completion of the resolution.

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. Mr. President, I serve on that Appropriations Committee. Limiting the budget authority to $980 million in fiscal year 1983 assumes no increase in that particular program, and CBO will tell you just that. If the amendment is not adopted, my Appropriations Committee colleagues may say, "Senator, you debated it on the floor. You had your amendment. It did not win, and on that basis we are not going to fund WIC at any higher level."

With the inflated cost of food projected for the next fiscal year, what we are doing is really cutting out 50 million dollars' worth of services to expectant mothers, infants, and little children. I wish it were not true. But this budget resolution is the place where we set priorities. We need the extra $50 million. I hope that we would support our amendment.

Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second?

Mr. HOLLINGS. Mr. President, unless someone else wishes to talk, we yield back time and withhold the actual vote so the chairman of the Budget Committee can fit in another matter before we have the rollcall.

The PRESIDING OFFICER. The Chair has not ruled whether there is a sufficient second, and the Chair doubts it.

There is a sufficient number.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Chair might remind the body that under the Constitution the yeas and nays have to be ordered by one-fifth of those present, and those present means a quorum. We have been a little bit loose.

The clerk will call the roll.

Mr. DOMENICI. Mr. President, will you withhold on the rollcall? We want to set this aside and accept a noncontroversial amendment.

The PRESIDING OFFICER. Is there objection?

The Chair hears none, and it is so ordered.

The Senator from New Jersey.

UP AMENDMENT NO. 982

(Purpose: To require that concurrent resolutions on the budget include tax expenditures and off-budget activities by functional category)

Mr. BRADLEY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from New Jersey (Mr. BRADLEY) proposes an unprinted amendment numbered 982.

Mr. BRADLEY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the resolution, add the following new section:

SEC. 10. It is the sense of the Congress that concurrent resolutions on the budget should reflect the full range of fiscal activities of the Federal Government. It is further the sense of the Congress, therefore, that each concurrent resolution on the budget, beginning with the first concurrent resolution on the budget for fiscal year 1984, shall list, for each functional category, the tax expenditures and off-budget activities associated with that category, as well as the new budget authority, outlays, new direct loan obligations, new primary loan guarantee commitments, and new secondary loan guarantee commitments associated with that category.

Mr. BRADLEY. Mr. President, the amendment I am now offering would contribute to the truth-in-budgeting goal often referred to during this debate. This amendment would require future budget resolutions to list for each functional category all off-budget activities and tax expenditures associated with that category. Right now, budget resolutions list, function by function, outlays, budget authority, and on-budget borrowing authority. My amendment would merely add off-budget activities and tax expenditures to this function-by-function listing. This would allow the Budget Committee, the Senate, the Congress, and, most importantly, the American people to see the total amount of money that is spent in each budget category.

Today, it is very difficult for anyone to see how much money is spent on defense, on energy, on social services, on housing, or any other spending activity. Why is it so difficult? Because 27 percent of the fiscal activity of the Federal Government is not included in the budget resolution we are debating here today. Over $300 billion dollars in tax expenditures and off-budget activities is not visible in the budget. Under my amendment these expenditures would be clearly identified.

Some examples illustrate the problem. Looking at the budget resolution we are debating today, we would think that in fiscal year 1983 the Federal Government will be spending $5 billion directly on energy with another $12.7 billion in on-budget loan obligations and guarantees. But spending on energy will actually be much higher. Beyond loans and loan guarantees, the Federal Government will be spending an additional $17 billion on energy. How? Through tax expenditures and off-budget activities. Tax expenditures for alcohol fuels, conservation, intercity buses, and more amount to over $8 billion. In addition, oil purchases for the strategic petroleum reserve will cost another $3 billion, disbursements on rural electrification, the Synthetic Fuels Corporation, alternative fuels projects, and other off-budget energy activities add up to another $6 billion. Outlays on energy in fiscal year 1983 will actually be 250 percent higher than is indicated by the outlay figure in the budget resolution. Now, I am a strong supporter of some of these energy programs.

I have argued over and over that money for the strategic petroleum reserve is the best investment in energy security this country can make. I strongly support the SPR. The vast majority of Senators have firmly supported the SPR in the past, and I am confident will support it in the future. The SPR is the kind of program that can stand on its own merits whether on or off budget. But there are other programs in energy and in other areas that might not fare so well if exposed to the careful scrutiny that would be allowed under my amendment.

Another example: Looking at the budget resolution we are debating today, we would think that in fiscal year 1983 the Federal Government will be spending $3.9 billion directly on housing and commerce with another $56 billion in on-budget loans and loan guarantees. But spending in this category will actually be much higher. How? Through tax expenditures and off-budget spending. Tax expenditures in the housing and commerce area will total $122 billion in fiscal year 1983, off-budget spending another $4 billion. So the total spending is 3,000 percent of the outlay figure shown in Senate Concurrent Resolution 92. Again, many of these housing programs and subsidies are valuable programs but we ought to know what we are spending, how we are spending it so we can judge whether it is too much, not enough, or whether it is the best way to meet those specific needs.

Now, Mr. President, let me state again that I am not arguing today that we eliminate any of these tax expenditures or off-budget programs. Under my amendment we would examine tax expenditures and off-budget no more carefully than on-budget programs—but no less. Today we pay mere lip service to these hidden programs. Because they do not appear in the budget resolution, we do not fully account for their effects on the economy. We do not have the full picture before us.

These programs, however, have the same economic effect as on-budget spending and on-budget loan guarantees. A dollar in off-budget spending has the same effect on capital markets as a dollar in on-budget spending: Deficits can result from both and those deficits push up interest rates. An off-budget guaranteed loan has the same effect as an on-budget guaranteed loan: Both give certain loan applicants preferred treatment and benefits.

Mr. President, the purpose of the annual budget review is to enable us in the Congress to make informed decisions about how public money is spent. Further, the budget process provides the mechanism whereby we in Congress are held accountable to the American people for the disposition of public funds. Some have suggested that we take certain programs off budget. This cannot help us make informed decisions; this cannot help us account for public funds to the American people. Instead, we should bring all Government spending into the budget decisionmaking process. This

amendment is the first step in this process.

While this amendment only requires tax expenditures and off-budget activities to be listed, function by function, in the budget resolutions, there are logical next steps that we could consider that would move us toward a truly unified budget. Under a unified budget, the budget resolution, for example, might require a reduction in energy spending of $1 billion. The Energy Committee could either make the full $1 billion cut in programs under its jurisdiction or could negotiate with the Finance Committee for the elimination of some energy tax expenditures worth a fraction of the $1 billion. In this way, the Senate would be able to evaluate both tax expenditures and direct spending programs in the same context. The least effective $1 billion in energy programs—be they tax expenditures or direct spending programs—could be eliminated. I would hope to work with members of the Budget Committee to take the necessary steps toward a truly unified budget.

In the meantime, Mr. President, this amendment takes a necessary first step toward a unified budget, an honest budget. I urge my colleagues to support this amendment.

Mr. HEINZ. Mr. President, I am pleased to rise in support of Senator BRADLEY's amendment to improve the accounting for fiscal activities of the Federal Government by requiring that concurrent resolutions include specification of off-budget activities and tax expenditures. This amendment would lead to a more complete picture of the full range of Federal spending and Federal program activity—a picture which I am sure would improve our sense of overall spending priorities. In addition, this amendment would assure that if social security were separated from the unified Federal budget as I have proposed, there would be no danger that this change would reduce our capacity to assess the economic effects of Federal spending or consider total Federal spending priorities.

There have been many in the last few weeks who have totally misunderstood the proposal to separate social security from the unified Federal budget. These individuals seem to think this proposal is intended to shield social security from the weighing of priorities and from congressional and public scrutiny. This idea has been called a budget sleight-of-hand. I think this argument is ludicrous. As I said in this Chamber last week, and as the Wall Street Journal stated in an editorial comment Wednesday, hiding a program of social security's size and importance off-budget would be like tucking an elephant behind a telephone pole. We can write this program out of the budget process, but we will always know where it is and what it is doing. And I suspect those responsible for approving the budget will always know how to add social security back in to assess its effects on the economy. Senator BRADLEY's amendment will assure that we are prepared to do this.

I am sure there are those who must wonder—if we are so hot to get social security out of the unified budget—why are we so eager to add the program back in on the balance sheets? The answer is that our proposal to separate social security from the annual budget process is not an effort to disguise the social security deficit or improve the budget itself. It is merely an effort to separate decisions about the social security program from the yearly process of making adjustments in discretionary spending.

Mr. President, it seems to me sheer folly that we include a program with a long-term commitment to its participants in an annual budget process which can only look ahead 3 years at a time. Those who argue that social security is just like any other trust fund in the budget overlook the uniqueness of this program. In no other Federal program do we link the benefits paid to individuals 50 years from now directly to the tax contributions they make today. In no other Federal program do we assess the financial condition of the program based on a 75-year forecast of its costs. Social security is not a program which should be continually adjusted to correct the effects of its annual surpluses or deficits on the overall budget. Rather it is a program which should be set on a sound financial footing, and to the extent possible, left alone. To consider social security only in light of its cash flow in the next year or so is not only shortsighted, it can be damaging to the long-run integrity of the system.

Public confidence in the social security system is on the decline. The latest public opinion polls show that three-quarters of all young adults—those contributing to the program today—do not really believe they will ever receive benefits from the social security program when they retire. At least part of this recent loss of confidence is attributable to the growing realization that this program can be modified whenever Congress chooses.

We must today remind ourselves to view social security as an entitlement which an implicit contract between the Government and those who contribute to the system in anticipation of future benefits—for those who are receiving benefits, and those who will someday receive benefits, see it that way. In the last few years, public confidence has been shaken by the perception that the payment of social security benefits is now conditional upon the status of the overall Federal budget, and not solely upon the financial condition of the trust funds. Annual quick fixes in social security, made in the rush of reporting out a comprehensive Federal budget, undermine the sense that this is a social insurance program dependent on long-term commitments by workers and the Government.

As the chairman of the Senate Special Committee on Aging, I receive a lot of mail, as I am sure my colleagues do, complaining that social security funds are used to finance other Government programs. Many people mistakenly believe, because social security is part of the unified budget, that its funds may be used for any general purpose of Government. Of course, social security taxes are by statute restricted to financing the benefits of the social security program; but that is not evident either from the way we account for these funds, or from the way we criticize them in the budget process. For 2 weeks now, this body has set out for the media and the American public a distorted discussion of the uses of their social security tax contributions. Members of this Chamber have stated that we were planning to use changes in the social security program to allow us to increase defense spending or to preserve the third year of the tax cut. We have been told we were trying to balance the Federal budget on the backs of social security beneficiaries. I think the discussion of social security changes in the context of the unified budget and the use of reconciliation instructions to address the social security financing needs has needlessly confused the American public.

Mr. President, I think it is time to clarify the choices which face us in the annual budget process. I think it is time to elucidate the priorities we set and the program decisions we make—for our own sake and for the benefit of an informed American citizenry.

We must separate decisions about the financing of the long-range social security program from the year-by-year decisionmaking over the Federal budget. This does not mean that we should hide the social security financing problem, or take the pressure off the Congress to solve this problem. I think Senator BRADLEY's amendment would help to make sure that we do not hide the social security system when we separate it from the unified budget. But I think the time has come to clarify for the American public that social security is an independent and separate program which must survive on its own basis and not be continually adjusted to respond to budget pressures. Separating social security from the unified budget will not solve either the social security financing problem or the problem of budget deficits. If we adopt Senator BRADLEY's amendment, the Congress would be able to see the total on and off-budget deficit, and the total on and off-budget outlays, and moving social security around would make no difference in these figures. Separating social security out will, however, help to clarify the choices which we do face. The annual debate over social security in the context of the budget has obscured the real financing problem in social security. Worse yet, this wrangling has come close to wrecking the budget process itself, and undermining the chance for a bipartisan solution to solution security's financing woes.

Mr. President, I think it is time to make sense of the annual budget process and the way we account for Federal spending. I congratulate the Senator from New Jersey on his amendment, which I think would move us in this direction. It is a change which will help us look more objectively at the Federal budget. And I think it is a change which will allay some fears about my proposal to separate social security from the unified budget.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. This is a procedural matter involving more information that the Senator wants put in the budget. It is a sense of the Senate proposal, as I understand it. It does not modify the budget, and I have no objection and am willing to accept it.

Mr. BRADLEY. It is a sense of the Congress.

Mr. DOMENICI. Sense of the Congress. I understand.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New Jersey.

The amendment (UP No. 982) was agreed to.

UP AMENDMENT NO. 981

The PRESIDING OFFICER. The question is on the amendment of the Senator from South Carolina. The yeas and nays have been ordered. The clerk will call the roll.

The bill clerk called the roll.

Mr. STEVENS. I announce that the Senator from Alabama (Mr. DENTON), the Senator from Oregon (Mr. HATFIELD), the Senator from Georgia (Mr. MATTINGLY) and the Senator from New Mexico (Mr. SCHMITT), are necessarily absent.

I further announce that, if present and voting, the Senator from Oregon (Mr. HATFIELD), would vote "nay."

Mr. CRANSTON. I announce that the Senator from Kentucky (Mr. HUDDLESTON) and the Senator from Hawaii (Mr. MATSUNAGA) are necessarily absent.

I further announce that, if present and voting, the Senator from Kentucky (Mr. HUDDLESTON), would vote "yea".

The PRESIDING OFFICER. Are there Senators present who have not voted and care to vote?

The result was announced—yeas 44, nays 50, as follows:

[Roll Call Vote No. 137 Leg.]

YEAS—44

Baucus
Biden
Bradley
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chafee
Chiles
Cranston
DeConcini
Dixon
Dodd
Durenberger
Eagleton
Exon
Ford
Glenn
Hart
Hollings
Inouye
Jackson
Johnston
Kennedy
Leahy
Levin
Long
Mathias
Melcher
Metzenbaum
Mitchell
Moynihan
Nunn
Pell
Pryor
Randolph
Riegle
Sarbanes
Sasser
Stafford
Stennis
Tsongas
Weicker
Zorinsky

NAYS—50

Abdnor
Andrews
Armstrong
Baker
Bentsen
Boren
Boschwitz
Brady
Byrd,
  Harry F., Jr.
Cochran
Cohen
D'Amato
Danforth
Dole
Domenici
East
Garn
Goldwater
Gorton
Grassley
Hatch
Hawkins
Hayakawa
Heflin
Heinz
Helms
Humphrey
Jepsen
Kassebaum
Kasten
Laxalt
Lugar
McClure
Murkowski
Nickles
Packwood
Percy
Pressler
Proxmire
Quayle
Roth
Rudman
Simpson
Specter
Stevens
Symms
Thurmond
Tower
Wallop
Warner

NOT VOTING—6

Denton
Hatfield
Huddleston
Matsunaga
Mattingly
Schmitt

So Mr. HOLLINGS' amendment (UP No. 981) was rejected.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. DOMENICI. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 1492

The PRESIDING OFFICER. The question recurs on the Sasser amendment.

Mr. DOMENICI. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, could we have order in the Senate?

The PRESIDING OFFICER. There will be order in the Senate.

UP AMENDMENT NO. 983

(Purpose: To restore annual cost-of-living adjustments to railroad retirees)

Mr. DOMENICI. Mr. President, I send to the desk an amendment to the Sasser amendment in the nature of a substitute, and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from New Mexico (Mr. DOMENICI) proposes an unprinted amendment numbered 983.

Mr. DOMENICI. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, beginning with line 15, strike out through line 21 on page 3 and insert the following:

(2) The appropriate levels of total new budget authority are as follows:

Fiscal year 1982: $777,600,000,000 minus $2,000,000.

Fiscal year 1983: $835,329,200,000 plus $28,000,000.

Fiscal year 1984: $897,031,700,000 minus $9,000,000.

Fiscal year 1985: $972,834,200,000 minus $44,000,000.

(3) The appropriate levels of total budget outlays are as follows:

Fiscal year 1982: $740,700,000,000 plus $81,000,000.

Fiscal year 1983: $783,629,200,000 plus $375,000,000.

Fiscal year 1984: $832,331,700,000 plus $365,000,000.

Fiscal year 1985: $889,434,200,000 plus $350,000,000.

(4) The amounts of the deficits in the budget which are appropriate in the light of economic conditions and all other relevant factors are as follows:

Fiscal year 1982: $117,700,000,000 plus $81,000,000.

Fiscal year 1983: $115,429,200,000 plus $375,000,000.

Fiscal year 1984: $91,331,700 plus $365,000,000.

Fiscal year 1985: $64,434,200,000 plus $350,000,000.

(5) The appropriate levels of the public debt are as follows:

Fiscal year 1982: $1,144,200,000,000.

Fiscal year 1983: $1,292,129,200,000 plus $51,000,000.

Fiscal year 1984: $1,420,060,900,000 plus $92,000,000.

Fiscal year 1985: $1,533,295,100,000 plus $118,000,000.

and the amounts by which the temporary statutory limits on such debt should be accordingly increased are as follows:

Fiscal year 1982: $64,400,000,000.

Fiscal year 1983: $147,929,200,000 plus $51,000,000.

Fiscal year 1984: $127,931,700,000 plus $41,000,000.

Fiscal year 1985: $113,234,200,000 plus $26,000,000.

On page 16, beginning with line 1, strike out through line 4 on page 17 and insert the following:

(12) Income Security (600):

Fiscal year 1982:

(A) New budget authority, $255,800,000,000, minus $2,000,000.

(B) Outlays, $251,500,000,000 plus $81,000,000.

(C) New direct loan obligations, $2,800,000,000.

(D) New primary loan guarantee commitments, $17,000,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, $281,800,000,000 plus $28,000,000.

(B) Outlays, $272,600,000,000 plus $375,000,000.

(C) New direct loan obligations, $2,000,000,000.

(D) New primary loan guarantee commitments, $18,700,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $300,900,000,000, minus $9,000,000.

(B) Outlays, $288,300,000,000 plus $365,000,000.

(A) New budget authority, $333,000,000,000, minus $44,000,000.

(B) Outlays, $309,800,000,000 plus $350,000,000.

On page 26, beginning with line 15, strike out through line 23 and insert the following:

(6) The Senate committee on Labor and Human Resources shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $102,000,000 and outlays by $133,000,000 in fiscal year 1983; to reduce budget authority by $136,000,000 and outlays by $301,000,000 in fiscal year 1984; to reduce budget authority by $120,000,000 and outlays by $420,000,000 in fiscal year 1985.

On page 28, beginning with line 13, strike out through line 21 and insert the following:

(11) The House Committee on Energy and Commerce shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 407(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $514,000,000 and outlays by $707,000,000 in fiscal year 1983; to reduce budget authority by $741,000,000 and outlays by $906,000,000 in fiscal year 1984; and to reduce budget authority by $815,000,000 and outlays by $1,115,000,000 in fiscal year 1985.

Mr. DOMENICI. Mr. President, I yield myself 3 minutes off the resolution.

Mr. METZENBAUM. Mr. President, parliamentary inquiry.

The PRESIDING OFFICER. Who yields time for a parliamentary inquiry?

Mr. METZENBAUM. Will the Senator from South Carolina yield to the Senator from Ohio for a parliamentary inquiry?

Mr. DOMENICI. I would be pleased to yield.

The PRESIDING OFFICER. The Senator will state it.

Mr. METZENBAUM. Will the Senator be good enough, Mr. President, to advise what are the time limitations with respect to this amendment?

The PRESIDING OFFICER. Unless time is yielded off the resolution there is no time agreement.

Mr. METZENBAUM. I thank the Chair.

The PRESIDING OFFICER. On the substitute amendment.

Mr. METZENBAUM. I thank the Chair.

Mr. DOMENICI. I say to my friend, Senator SASSER, that I yielded myself 3 minutes.

This revises the Sasser amendment. It makes room for a 7.4-percent COLA in 1982 in the railroad retirement program. That is the same as the Sasser amendment. It provides room for 4 percent COLA's in 1983 and 1984, while Senator SASSER's amendment would give the full CPI. To the extent that the CPI and 4 percent are different or could be different, that is one difference in the amendment. It does what the distinguished Senator from Iowa wanted yesterday in his amendment, the windfall benefit amendment. It is the same provision for the windfall benefit as was in Senator SASSER's amendment for all 4 years 1982, 1983, 1984, and 1985.

By adopting the amendment, the Senate would maintain a consistent position in the outyears between railroad retirement COLA's and other COLA's in the budget resolution.

I hope the Senate will adopt this. I do not intend to debate it at length. I think if we have to, if we want to take some more time, some facts were not presented last night about the nature of these pensions and the nature of the add ons. The average pensions in the country under this railroad retirement fund were not considered yesterday,

This seems to me to be a fair compromise, and I hope it will be adopted by the Senate.

The PRESIDING OFFICER. Who yields time?

Mr. SASSER. Mr. President, I yield myself 3 minutes on the resolution. I yield to the distinguished Senator from Ohio (Mr. METZENBAUM).

Mr. METZENBAUM. I thank the Senator from Tennessee.

What we have here is an effort to make half a loaf of bread as good as a whole loaf of bread. The Senate last night indicated in unequivocal terms its position that it believed that the railroad retirement system should indeed be treated differently because these are not the funds of the Federal Government. These are the funds of the employees who paid into the fund, and the employers themselves.

What is now being suggested is that part of the program the Senate indicated it favored last night when it tabled the Jepsen amendment is an effort to lock in a 4-percent COLA in 1984 and 1985.

I do not think this is any better than that which we had before us last evening. I feel the Senate position was made clear at that point. I am sorry we have to continue to bring this issue to the floor of the Senate, and I think that under the circumstances further debate is unnecessary.

Mr. DECONCINI. Mr. President, will the Senator yield 1 minute to me?

Mr. METZENBAUM. I withhold making any motion.

Mr. SASSER. Mr. President, how much time do I have left on the resolution, I mean the time I yielded myself?

The PRESIDING OFFICER. If the Senator is managing the time on the resolution, there are 2 hours and 58 minutes.

Mr. SASSER. I thank the Chair.

I yield 2 minutes to the Senator from Montana.

Mr. MELCHER. I thank the distinguished Senator from Tennessee.

Mr. DOMENICI. Mr. President, will the Senator from Montana yield? I want to apologize to him. I promised I would yield to him and I forgot. I am sorry.

Mr. MELCHER. I understand completely. The manager of this budget resolution has a great diversity of tasks to do all at one time.

I urge the Senate to restore the budget authority for paying the dual benefits to take care of the question of social security.

The justification for cutting any of those funds is not before us. These come out of the private funds and are not funded by the Federal Government. I think those people on railroad retirement and social security who paid into both systems ought to be entitled under the law, under all decency and fairness to draw their benefits and not have them cut.

I object vigorously to any whittling away of any retirement benefits. I believe we should stick entirely to the amendment offered by Senator SASSER and so many others, including myself, and refuse to water it down by the substitute that is now before us.

Mr. President, as a cosponsor of this amendment, I urge the Senate to restore the budget authority for paying the dual benefit to railroad retirees for fiscal year 1983 to $446 million, up from the Budget Committee request of $379 million, for a total increase of $61 million additional authorization.

The other main thrust of our amendment insures the cost-of-living increase for railroad retirees for fiscal year 1983 and fiscal year 1984 in their tier 1 and tier 2 benefits. To deny these increases, as the budget before us proposes, would not save $16 billion over the next 5 years for the Federal Treasury. The railroad retirement system is not funded by appropriations of the Federal Government. It is solely funded by contributions from the employers and employees. There is not the slightest justification for cutting these retirees' cost-of-living increases in the guise of reducing the Federal budget deficit.

I oppose reducing any retirees' benefits, whether from social security, civil service, military service, veterans' pensions, or railroad retirement.

Perhaps some could justify cuts in those benefits which are funded from the Federal Treasury. I do not agree. How we should cut railroad retirees' tier 1 and tier 2 benefits, when not a dime of it comes from Uncle Sam, is beyond me.

Persons who are entitled to both railroad retirement and social security, because they have earned credits under both systems at different times of their working life, had their incomes decreased last year, despite the efforts of many of us, by 15 percent of entitlements to dual benefits. Unless we support our amendment, they will suffer the same unfairness again. Any way one looks at it, this is a cut in income to persons who receive social security benefits, the President's promises notwithstanding.

I urge the adoption of the amendment by Senator SASSER and many others including myself.

I object to watering down retirement benefits to these folks. They have worked for it—they are entitled to it. It is our obligation in the Senate to meet these fair, honest, and promised retirement benefits in full.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. SASSER. Mr. President, I yield 2 minutes to the Senator from Arizona.

Mr. DECONCINI. I thank the Senator and I thank my distinguished colleague from Tennessee. I thank him on behalf of the railroad retirees and also people who plan on retiring at some time under social security or veterans or any other retirement system.

The Senator from Tennessee has brought to the floor today exactly what this problem is all about. Are we going to have certain classes where social security recipients receive a 7.4 additional cost of living and others receive less? I just think it ought to be as clear as can be that we have an opportunity here to give the full cost of living, that is not appropriated funds, that is hard-earned money, set aside by the railroad retirees, to be equal in the handling of these particular types of retirement.

I thank the Senator from Tennessee. I ask unanimous consent that I be made a cosponsor of his amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RIEGLE. Mr. President, will the Senator from Tennessee yield to me?

Mr. SASSER. Mr. President, I yield 2 minutes to the distinguished Senator from Michigan.

Mr. RIEGLE. I thank the Senator for yielding.

Clearly the substitute that has been offered today is inadequate and falls short of what ought to be done. Last night the Senate expressed itself clearly on railroad retirement in tabling the Jepsen amendment. It was not a close vote. We were prepared to settle the issue. There was great stubbornness on the other side and an unwillingness to let the Senate vote. We had to put the issue over until this morning.

Now what we have here is an amendment that really does gut the protections and guarantees of the Railroad Retirement Act. This is what it does. There is no question about it, and that is the way it is going to be seen.

The only reason we even face this issue today and why we were unable to resolve it last night is because those on the other side were not willing to let the Senate proceed to a vote. I think it is critical that we stay with the full Sasser amendment and not have it whittled away in this fashion.

If we defeat this amendment those on the other side will be back with a different amendment, and they are going to keep chiseling the railroad retirees, just as they tried to with the social security recipients, until they finally find something with which they can browbeat people into supporting them.

This is a clear issue. It is clear cut, and I hope those who supported it last night, supported the tabling motion on the Jepsen amendment, will stand firm and not cave in to this pressure. We can pass the Sasser amendment and keep faith with the program responsibilities under railroad retirement and with the people across the country who, over the years, have put their money into this fund and who have a right to depend upon getting it back fully.

The PRESIDING OFFICER. Who yields time?

Mr. SASSER. Mr. President, I yield myself such time as might be necessary on the resolution.

I want to express my appreciation to Senator KASSEBAUM and Senator HEINZ for the work they have done on this amendment, and the efforts that have been made here to reach a compromise solution with regard to a substitute amendment.

I must say, however, Mr. President, that these efforts to reach a compromise, in my judgment, failed to measure up. We are left with a substitute amendment which, in effect, freezes the COLA for railroad retirees at 4-percent for the fiscal years 1983 and 1984, and that is simply unacceptable to us at this time, particularly freezing the COLA's on a system which is supposed to be self-financing, and on a system in which the retirees themselves have paid in the funds in conjunction with their employers.

Mr. President, does anyone on my side or the other side wish to speak in opposition to the substitute?

If not, Mr. President, if it is in order at this time, I would move to table the Domenici amendment.

Mr. DOMENICI. Will the Senator withhold on that?

Mr. SASSER. I am happy to withhold.

Mr. DOMENICI. Might I just say to my good friend from Michigan, I am glad that my voice is going and I have a sore throat today, because I would have a lot to say about your "chiseling" statements. But I am going to leave it to the good judgment of the Senators and others to see who is a chiseler around here, you or me.

Let me talk about the railroad retirement fund, and the statement that we do not have any right to adjust it because it belongs to the railroaders, and that it is funded from the railroad employers and employees. That is the way it was supposed to be, I say to my good friend in the chair, who, 12 years ago, started work on this.

The fact of the matter is there is not enough money in the fund. And do you know who is going to pay the money? The Federal Government. The facts are that the retirement fund is $1 billion short under conservative estimates over the next 3 years with this automatic COLA that they are speaking about that they are entitled to. Now where would the money come from if we do not put the billion dollars in? We are right back to one of those situations where you are a chiseler if you tell the truth; and that is the truth.

Now the average pension—so everyone will know we are not talking again about the $2,000 social security benefit or $4,000 social security benefit or $6,000 social security benefit—the average is $11,500 we are speaking of here; $11,500 is the average pension. It will only go up automatically, if we do not do something under the Sasser amendment, it will only go up automatically to $15,124 a year, on average, without enough money around to pay for it. But we ought to leave that increase in there and just tell those wonderful railroad people that when the check comes due it is going to be there—a 7.4-percent increase, this amendment says.

OK, we give it to them. But that is based upon the Consumer Price Index a long time ago. That is not the role of inflation today. That is based on the Consumer Price Index from 18 months ago. We probably would have been fair to vote in inflation as of today. But it is, in fact, inflation as of 18 months ago, as figured by the Consumer Price Index.

If you can find something in the Railroad Retirement Act that says that when these railroaders and their bosses started paying into the fund that they were going to get a Consumer Price Index add-on every year, then I will withdraw my amendment. We have invented the automatic COLA in railroad retirement in the last few years just as we did for everything else. There is no contractual right for the increase, just as there is not a contractual right for any of the

other pension COLA's. That includes retired Federal employees and all the others.

But this will say, "Do it anyway." And it will say the next year, 4 percent, and the next year, 4 percent. I hope when we reform social security to make it solvent, after having done this today, that we will have the courage to reform social security to make it solvent also, so it will be there when they need it for years to come and not just next year or the year after.

Now I am ready to vote on the tabling motion, if that is what they want. We are ready to vote.

Mr. METZENBAUM. Will the Senator yield for a question?

Mr. DOMENICI. If my answer does not have to be too long.

Mr. METZENBAUM. It will be very brief.

Is it not a fact that the COLA dollars with respect to this particular matter are paid entirely from the employer and employees fund and no Federal dollars are involved with respect to COLA?

Mr. DOMENICI. That is true.

Mr. METZENBAUM. I thank the Senator.

Mr. DOMENICI. But the fund will not receive enough dollars for the basic check the next year, that is the point I am making. If the fund comes up short, it does not matter who paid the COLA. That is it.

Mr. METZENBAUM. Is it not a fact that the basic dollars to which you just referred are also entirely employer-employee funds?

Mr. DOMENICI. Let me say what I said before. They are to this point. And there are not enough of them. There is no provision in the law to get more of them, so we are going to pay it out of the tax coffers. That is what I am talking about.

Mr. METZENBAUM. I thank the Senator.

Mr. RIEGLE. Mr. President, will the Senator from Tennessee yield 2 more minutes to the Senator from Michigan?

Mr. SASSER. Yes; I will yield 2 minutes to the Senator from Michigan.

Mr. RIEGLE. I would like to respond to what has been said here because I think it is both inaccurate and misleading. This is a chiseling amendment in every sense of the word. And if you do not see it, that is unfortunate.

More than that, what is happening here is a classic illustration of the double standard that is built all through this budget. Because, I would say to my friend, the chairman of the Budget Committee, you have taken money out of function after function after function to load up the other functions that you happen to feel strongly about.

I have said on the floor at least six times that, in the makeup of the budget document, $110 billion of increased spending for defense alone was built into the baseline deficits because it was the will of the majority in the Budget Committee to use a different budget assumption for the defense function. Now, in order to cover that kind of bloated overspending in defense and in other sacred cow areas in the budget, area after area is being raided and looted to come up with the money to cover the spending on the sacred cows.

That was the reason for the projected $40 billion cut in social security benefits which has now been set aside, for the cuts in medicare which are still in this budget, for the cuts in education, and now in this instance one attempt to cut down on the money that would otherwise go to the railroad retirees. It is a common pattern. They will be back here on every single one of these items to try to come up with the money for the sacred cows that have been protected in this budget. That is just the hard fact of the matter.

I would assume that the chairman would know that in last year's reconciliation bill we took action to put this retirement system for the railroaders on a sound base.

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

Mr. RIEGLE. Will the Senator yield 1 additional minute to me?

Mr. SASSER. I yield 1 additional minute, then we need to move on with this.

The PRESIDING OFFICER. One additional minute.

Mr. RIEGLE. The fact of the matter is the railroad retirement fund today is on a sounder financial ground and is more solvent than the social security system. We made the adjustments in law that were required to assure financial solvency a year ago. Both railroad workers and management have contributed additional funds to assure solvency through the Economic Tax Recovery Act of last year.

And the chairman himself has admitted that the Government does not pay for these COLA's. It comes out of the private sector.

But you cannot continue to raid the trust fund accounts and take money out to finance other public sector activity—and that is what this budget is doing in terms of the bloated items in the budget. You can not keep faith with people across this country by that approach. That is why this double standard is so offensive and why we ought to keep our word and stay with the steps we took a year ago.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, my distinguished leader is saying "Let's vote," but I want to recite one more fact. I just received the actuarial tables for the fund. So everybody will understand, if we do what the good Senator from Michigan has said we ought to do, then the fund will be $154 million short, $180 million short, $275 million short, and $375 million short, respectively, for the years 1982 through 1985.

Now I submit it will not be short, not because it was paid in by the railroaders or their companies, not because this is a trust fund like social security and you are not putting any general funds in it. You will pay for it. The taxpayers will pay for it. All we are trying to do is give the railroad retirees back what is in the fund equitably, honestly, and fairly, and no more.

I yield the floor.

Mr. KENNEDY. Mr. President, as a cosponsor of the Sasser amendment on railroad retirement I hope we have finally ended the Reagan administration's yearly effort to walk away from the promises previous Congresses have made to those who depend on the railroad retirement system.

And deny those retirees the benefit increases which they bargained for and paid for.

Congress has restructured the railroad retirement twice in the last 8 years in order to insure the financial integrity of the railroad retirement fund. In each case railroad retirees had to make adjustments in their expectations respecting their retirement benefits. In each case Congress promised to carry out the mandates embodied in those compromises.

In 1974, Congress eliminated the opportunity for future retirees to receive benefits under both the social security equivalent and railroad retirement accounts. At that time we promised to fully fund the phase out of windfall dual benefits through the year 2000.

Yet the administration proposed and the resolution adopts a 21-percent reduction in the dual benefit payment.

In addition, last year's compromise on railroad retirement specifically provided for full cost-of-living increases through the year 1990. It is important to realize that under the Railroad Retirement Act that cost-of-living increase is only one-third of the annual Consumer Price Index increase. Yet despite this hard won agreement last year the resolution proposed to freeze COLA in 1982, and hold them to 4 percent in 1983 and 1984.

Railroad retirement is not a Government funded program. With the exception of the payment for the phase-out of dual benefits, which we promised to fully fund back in 1974, every other dollar in benefits has been paid in by railroad employees and their employers.

I hope that the vote on the Sasser amendment insures that the tampering with the system will stop and that railroad retirees can be secure in the knowledge that railroad retirement will no longer be a political football in our annual budget exercise.

FULL FUNDING FOR RAILROAD RETIREMENT

Mr. HATCH. Mr. President, I support this amendment to full fund railroad retirement COLA's and the dual windfall benefits.

This amendment protects the accumulated savings of workers' retirement moneys earned over many years. One million railroad retirees are dependent on these benefits. 9,500 of these retirees reside in the State of Utah.

On equity grounds, too, it would be wrong, Mr. President, to freeze railroad retirement benefits. Because the social security system and tier I of the railroad retirement benefits are so closely linked in purpose and structure, it would be unfair to treat COLA's for the two systems differently.

From an administrative point of view, the amendment is also desirable. It would be practically impossible to implement a COLA freeze by July of 1982. Therefore, to accomplish the savings assumed in the resolution it would be necessary to cut actual benefits rather than freeze the COLA. Otherwise, railroad retirement savings assumed in the resolution could not be achieved.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. SASSER. Mr. President, this matter has been fully decided last evening. The substitute amendment has been discussed this morning. I do not want to run the risk of the distinguished chairman of the Budget Committee losing his voice this morning. He says he does have some throat problems. So in view of that, I move to table the Domenici substitute amendment.

Mr. METZENBAUM. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. STEVENS. I announce that the Senator from Oregon (Mr. Hatfield), and the Senator from New Mexico (Mr. Schmitt), are necessarily absent.

I further announce that, if present and voting, the Senator from Oregon (Mr. Hatfield), would vote "nay."

Mr. CRANSTON. I announce that the Senator from Kentucky (Mr. Huddleston), is necessarily absent.

The PRESIDING OFFICER (the Vice President). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 53, nays 44, as follows:

[Rollcall Vote No. 138 Leg.]

YEAS—53

Andrews
Baucus
Bentsen
Biden
Boren
Bradley
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chiles
Cranston
DeConcini
Dixon
Dodd
Durenberger
Eagleton
Exon
Ford
Glenn
Hart
Hawkins
Heflin
Heinz
Hollings
Inouye
Jackson
Johnston
Kennedy
Leahy
Levin
Long
Mathias
Matsunaga
Melcher
Metzenbaum
Mitchell
Moynihan
Nunn
Pell
Pressler
Proxmire
Pryor
Randolph
Riegle
Roth
Sarbanes
Sasser
Specter
Stennis
Tsongas
Weicker
Zorinsky

NAYS—44

Abdnor
Armstrong
Baker
Boschwitz
Brady
Byrd, Harry F., Jr.
Chafee
Cochran
Cohen
D'Amato
Danforth
Denton
Dole
Domenici
East
Garn
Goldwater
Gorton
Grassley
Hatch
Hayakawa
Helms
Humphrey
Jepsen
Kassebaum
Kasten
Laxalt
Lugar
Mattingly
McClure
Murkowski
Nickles
Packwood
Percy
Quayle
Rudman
Simpson
Stafford
Stevens
Symms
Thurmond
Tower
Wallop
Warner

NOT VOTING—3

Hatfield
Huddleston
Schmitt

So the motion to lay on the table Mr. Domenici's amendent (UP No. 983) was agreed to.

The VICE PRESIDENT. The majority leader is recognized.

Mr. BAKER. Mr. President, what is the question before the Senate?

The VICE PRESIDENT. The question before the Senate is the amendment of the Senator from Tennessee (Mr. Sasser).

Mr. BAKER. Mr. President, have the yeas and nays been ordered?

The VICE PRESIDENT. They have been ordered.

Mr. BAKER. And the time has expired?

The VICE PRESIDENT. The Senator is correct.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Oregon (Mr. Hatfield) and the Senator from New Mexico (Mr. Schmitt) are necessarily absent.

I further announce that, if present and voting, the Senator from Oregon (Mr. Hatfield) would vote "nay".

Mr. CRANSTON. I announce that the Senator from Kentucky (Mr. Huddleston) is necessarily absent.

I further announce that, if present and voting, the Senator from Kentucky (Mr. Huddleston), would vote "yea".

The PRESIDING OFFICER (Mrs. Kassebaum). Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 57, nays 40, as follows:

[Rollcall Vote No. 139 Leg.]

YEAS—57

Andrews
Baucus
Bentsen
Biden
Boren
Bradley
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chiles
Cranston
D'Amato
DeConcini
Dixon
Dodd
Durenberger
Eagleton
Exon
Ford
Glenn
Hart
Hatch
Hawkins
Heflin
Heinz
Hollings
Inouye
Jackson
Johnston
Kassebaum
Kennedy
Leahy
Levin
Long
Mathias
Matsunaga
Melcher
Metzenbaum
Mitchell
Moynihan
Nunn
Pell
Percy
Pressler
Proxmire
Pryor
Randolph
Riegle
Roth
Sarbanes
Sasser
Specter
Stafford
Tsongas
Weicker
Zorinsky

NAYS—40

Abdnor
Armstrong
Baker
Boschwitz
Brady
Byrd, Harry F., Jr.
Chafee
Cochran
Cohen
Danforth
Denton
Dole
Domenici
East
Garn
Goldwater
Gorton
Grassley
Hayakawa
Helms
Humphrey
Jepsen
Kasten
Laxalt
Lugar
Mattingly
McClure
Murkowski
Nickles
Packwood
Quayle
Rudman
Simpson
Stennis
Stevens
Symms
Thurmond
Tower
Wallop
Warner

NOT VOTING—3

Hatfield
Huddleston
Schmitt

So Mr. Sasser's amendment (No. 1492) was agreed to.

Mr. SASSER. Madam President, I move to reconsider the vote by which the amendment was agreed to.

Mr. SARBANES. Madam President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOMENICI. Madam President, I understand pursuant to our agreement that the distinguished Senator from West Virginia (Mr. Robert C. Byrd) has an amendment he is going to offer now, and I think it already has a time agreement on it.

What is the time agreement on it?

The PRESIDING OFFICER. The Senator from West Virginia has 30 minutes on his amendment.

Mr. HOLLINGS. That is 30 minutes equally divided I think.

Mr. ROBERT C. BYRD. Madam President, is the Senator willing to yield me time off the resolution?

Mr. HOLLINGS. Yes.

Mr. ROBERT C. BYRD. Madam President, I will shortly send to the desk an amendment for the purpose of adding sufficient funds to the budget resolution in the income security function to enable the operation of the Federal supplemental unemployment compensation program.

This will involve adding $337 million in both budget authority and outlays to function 600 for the current fiscal year, $627 million in both budget authority and outlays for fiscal year 1983, and $111 million in both authority and outlays for fiscal year 1984.

Madam President, earlier this week I introduced a bill to create such a program of supplemental unemployment compensation, and that bill was joined by 21 original cosponsors. I did so in the belief, and it is a belief that I am confident is shared by the other cosponsors, that we are currently in a crisis in this country. We find ourselves today in the grip of a most severe and damaging recession that we have experienced since the Great Depression and virtually every day the economic news is more depressing than the day before.

Despite consistently rosy pronouncements that we are bottoming out or that we are now rising from the trough, the business failures mount and industrial output continues to decline, but the single most distressing impact of the recession has been and it continues to be on working men and women and their families.

A little over a week ago, headlines in papers across the Nation announced the tragic news. The Washington Post headline read "Unemployment Worst Since Great Depression." The New York Times headline read "Jobless Rate Rises to 9.4 Percent, A Record in Postwar Years."

The details contained in the stories beneath those headlines were equally shocking. Over 10,300,000 people were jobless in April, an increase of 450,000 over the previous month; 5.8 million men and women were forced to work less than full time in April because they could not find full-time jobs.

Not counted in the previous two categories were more than 1.3 million people who have been unable to find work for so long that they have ceased looking for work.

The April seasonally adjusted unemployment rate was 9.4 percent, the highest since the Department of Labor began keeping monthly records just after World War II and higher than any annual unemployment rate before that time since 1941.

This was the national picture. But for many Americans and for many specific sections of the Nation, the picture was even bleaker. The unemployment rate in the construction industry was 19.4 percent. The unemployment rate among agricultural workers was 14.6 percent. In the State of West Virginia the unemployment rate was 11.3 percent. In Michigan 15 percent of the work force was unemployed.

Some cities and towns reported unemployment rates well over 20 percent. These unemployment statistics only scratched the surface of the personal tragedy that those statistics represent. When a person loses his or her job, unemployment insurance usually is available to help cushion the fall for a while, in most States for a maximum of 26 weeks.

Experience has shown that this is sufficient, on the average, to provide help during the time it takes those who have lost their jobs to find other work. During periods of relatively brief and shallow recessions, when 26 weeks of assistance often is not sufficient, the extended benefits program provides an additional buffer of a maximum of 13 weeks of additional benefits in most States.

These two programs are not designed to provide sufficient aid during severe and lengthy periods of recession. Unquestionably these two programs combined fall far short of meeting the needs during what appears to be the most severe recession that this Nation has experienced in the past 40 years.

It only takes a maximum of 39 weeks to exhaust the benefits available under both the regular and the extended benefits program. Yet, many of the workers who have been laid off cannot find a new job during that period.

When that happens, the usual course is predictable. First, the families exhaust all of their savings. Then when they have exhausted all of their savings, they are forced to make some very brutal choices between buying food or meeting mortgage or rent payments in order to avoid foreclosures or evictions.

It becomes necessary to sell personal possessions at a tremendous loss just to provide a temporary trickle of additional income, just to hold on a little bit longer.

Families forgo every expense that is not absolutely essential, including needed medical care.

If the recession persists and they still cannot find work, they finally experience true destitution. They lose their homes, they lose their automobiles, they lose many of their possessions, and, in some cases, they lose their physical and mental health. They lose their self-sufficiency. They lose their hope, they lose their pride.

We in the U.S. Senate have an obligation to do everything in our power to return our economy to stability and to put our people back to work. But, in the meantime, we cannot and we must not sit by and allow millions of Americans to exhaust all currently available unemployment compensation when there is no realistic possibility that most of them can find jobs.

During each of the past two most serious recessions—and I think this is important—Congress has established an additional tier, a third tier, of unemployment benefits for those who have exhausted both regular and extended benefits.

In 1971 such a supplemental benefits program was established when there were 5.1 million unemployed persons, and the unemployment rate was 5.5 percent.

Well, today we have twice that number of unemployed persons. We have 10.3 million unemployed persons, more than twice the number of unemployed persons as there were in 1971.

In 1971 the unemployment rate was 5.5 percent. Today the unemployment rate is almost double. It is 9.4 percent as of last month.

In 1974, during the next significant economic downturn, Congress again established a supplemental program when the unemployment rate reached 7.2 percent, and 6.6 million persons were out of work. I reiterate that in the current recession the unemployment rate is 9.4 percent; in other words, 2.2 percent higher than it was in the 1974 recession. Today we have 10.3 million Americans out of work, which means almost 4 million—lacking 300,000 persons—almost 4 million additional persons out of work over and above the number in 1974.

In those two recessions supplemental benefits programs were established. Madam President, according to any objective criterion, the recession today is far more severe than was either of these previous recessions. Nearly 4 million more people are out of work today than at the time the last supplemental benefits program was set in place in 1974. That is a difference, a big difference, a large increase of 60 percent.

It is for this reason, and because I believe it is urgent to provide some cushion for those whose lives are being wrecked for reasons beyond their control, that I have introduced legislation earlier this week to provide a third tier of unemployment assistance in States with high unemployment.

The Federal Emergency Unemployment Compensation Act of 1982 will be available to any State participating in the extended benefit program. Individuals will be eligible for its benefits if they meet all extended benefits criteria but have exhausted those benefits. I am profoundly hopeful that we have experienced the worst of the current recession, and I hope recovery will be evident soon, although, frankly, I do not believe that that will be the case.

Because the recession's conclusion cannot be seen clearly, the bill I have introduced earlier this week provides simply that the program will terminate when the national unemployment rate drops to or below 8 percent, but allows States with exceptionally high unemployment to continue in the program for a maximum of 6 more months.

The Congressional Budget Office projects that the program, if put into place on June 1 of this year, would cost $337 million this fiscal year, $627 million in fiscal year 1983, and $111 million in fiscal year 1984.

The budget resolution was not assembled with the assumption of such an expenditure. Therefore, the amendment I am offering will add these sums in both budget authority and outlays to the appropriate function in the resolution.

During this period when reducing the deficit is such a difficult task, proposing any program that will add to current Federal expenditures can only be done with serious concern. But our current budgetary dilemma not only does not remove the Government's responsibilities and its obligations to the people of the United States; in fact, in some crucial respects those obligations and responsibilities are heightened by the very recession that has been such a major contributor to our budgetary imbalance.

I say with absolute conviction that the supplemental benefits program my legislation proposes addresses one of these vital and fundamental responsibilities. If we provide the necessary funding latitude in this resolution, and if we enact the supplemental benefits program that I and 21 other Senators cosponsored and submitted earlier this week, we will be giving critical and immediate assistance to unemployed workers whose benefits have or soon will have expired in at least 31 States.

Madam President, these victims of the recession are not principally Democrats, they are not principally Republicans. They are—all of them—American workers on whom this Nation has depended before and must again depend when this destructive recession is ended.

I am hopeful that Senators from both sides of the aisles will recognize this problem and respond to it and will join together in this effort and speed supplemental assistance to those whose well-being depends on receiving it soon.

I urge my colleagues on both sides of the aisle to support this amendment. We cannot fail to provide the badly needed help to the American workers whose well-being is on the line today.

UP AMENDMENT 984

Mr. ROBERT C. BYRD. Madam President, I send to the desk my amendment and ask that it be stated by the clerk. I am pleased to be joined in introducing this amendment today by 20 cosponsors, whose names I will read before the clerk states the resolution: Messrs. Sarbanes, Randolph, Sasser, Pell, Moynihan, Metzenbaum, Melcher, Matsunaga, Levin, Kennedy, Jackson, Huddleston, Heflin, Hart, Ford, Dixon, Cranston, Cannon, Biden, and Riegle.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from West Virginia (Mr. Robert C. Byrd) for himself, Mr. Riegle, Mr. Biden, Mr. Cannon, Mr. Cranston, Mr. Dixon, Mr. Ford, Mr. Hart, Mr. Heflin, Mr. Huddleston, Mr. Jackson, Mr. Kennedy, Mr. Levin, Mr. Matsunaga, Mr. Melcher, Mr. Metzenbaum, Mr. Moynihan, Mr. Pell, Mr. Randolph, Mr. Sarbanes, and Mr. Sasser, proposes an unprinted amendment numbered 984.

Mr. ROBERT C. BYRD. Madam President, I ask unanimous consent, having already explained the amendment, that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, beginning with line 15, strike out through line on page 3 and insert the following:

(2) The appropriate levels of total budget authority are as follows:

Fiscal year 1982: $777,800,000,000 plus $337,000,000.

Fiscal year 1983: $835,329,200,000 plus $627,000,000.

Fiscal year 1984: $897,031,700,000 plus $111,000,000.

Fiscal year 1985: $972,734,200,000.

(3) The appropriate levels of total budget outlays are as follows:

Fiscal year 1982: $740,800,000,000 plus $337,000,000.

Fiscal year 1983: $784,029,200,000 plus $627,000,000.

Fiscal year 1984: $832,831,700,000 plus $111,000,000.

Fiscal year 1985: $890,134,200,000.

(4) The amounts of the deficits in the budget which are appropriate in the light of economic conditions and all other relevant factors are as follows:

Fiscal year 1982: $117,800,000,000 plus $337,000,000.

Fiscal year 1983: $115,829,200,000 plus $627,000,000.

Fiscal year 1984: $91,831,700,000 plus $111,000,000.

Fiscal year 1985: $65,134,200,000.

(5) The appropriate levels of the public debt are as follows:

Fiscal year 1982: $1,144,200,000,000 plus $337,000,000.

Fiscal year 1983: $1,292,229,200,000 plus $964,000,000.

Fiscal year 1984: $1,420,160,900,000 plus $1,075,000,000.

Fiscal year 1985: $1,533,395,100,000.

On page 16, line 2 strike all down to and including page 16, line 25 and insert the following:

Fiscal year 1982:

(A) New budget authority, $255,800,000,000 plus $337,000,000;

(B) Outlays, $251,600,000,000 plus $337,000,000;

(C) New direct loan obligations, $2,800,000,000;

(D) New primary loan guarantee commitments, $17,000,000,000;

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, $281,800,000,000 plus $627,000,000;

(B) Outlays, $273,000,000,000 plus $627,000,000;

(C) New direct loan obligations, $2,000,000,000;

(D) New primary loan guarantee commitments, $18,700,000,000;

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $300,900,000,000 plus $111,000,000;

(B) Outlays, $288,800,000,000 plus $111,000,000.

Mr. ROBERT C. BYRD. Madam President, I yield first to Mr. Riegle and then to Mr. Kennedy.

Mr. RIEGLE. I thank the Senator for yielding and I congratulate him on his initiative.

I want to speak directly to the substance of this amendment. I think the adoption of the Byrd amendment, which I and others are cosponsoring, to extend the suppplemental benefits unemployment insurance, in the fashion that has been described, is critical to the hundreds of thousands of our Nation's workers who have already exhausted their benefits or soon will exhaust them.

The amendment would provide funds for an urgently needed supplemental benefits program. The Federal Government has traditionally responded in the past to ease the burden of our unemployed workforce in times of deep recession with programs like the one that is being offered here. And that has happended under both Republican and Democratic administrations in the past. The Federal Government instituted a Federal supplemental benefits program in each of the last two most serious recessions—in 1971 and again in 1974. But I might say that today's recession has taken a far more devastating toll on our Nation's workers than either of the last two recessions that I just mentioned.

The Congressional Budget Office estimates that this supplemental unemployment benefits program would cost $337 million in the final two quarters of fiscal 1982 if it were to begin immediately, $627 million during fiscal year 1983 and $111 million in fiscal year 1984.

The FSB program is urgently needed now. This recession is far worse than the last 2 most serious national recessions in which this same type program was instituted. Today the national unemployment rate stands at 9.2 percent, which is a full 2 percentage points higher than the 1974 rate of 7.2 percent when the program was last instituted, and nearly 4 percentage points higher than the 1971 unemployment rate of 5.5 percent when a similar program was instituted.

Today there are over 9,957,000 unemployed workers who have been counted by the Department of Labor, which represents an increase of 4.5 million unemployed persons over the 1974 numbers when this program was last instituted. And I might say these figures do not take into account over 1 million additional unemployed persons who have become so discouraged that they have dropped out of the labor force altogether.

The current recession has reached a stage where thousands of workers are exhausting their unemployment benefits. So without this program thousands of unemployed workers will be expected to weather the duration of the recession without either the prospects of being rehired, because there are no jobs, and without further financial resources. Thousands of our unemployed work force are now being forced onto our State welfare systems which may or may not have the resources available to cover these workers who have exhausted their benefits.

Since January of 1980, the State of Michigan unemployment rate has averaged 16.4 percent, with the current Michigan unemployment rate standing at 15.5 percent, with 654,000 Michigan residents unemployed at this time. In January and February of this year, 33,500 Michigan workers exhausted their regular unemployment benefits and—get this—147,100, nearly 150,000, had already exhausted their extended benefits. And this is the classification of workers who have been unemployed now for a long period of time, to which this amendment is directed.

I might say there has been an enormous increase in the demand for welfare and social services in our State at a time when the revenues are decreasing—largely as a result of the severe Michigan unemployment problem.

For example, in February of this year, there were 2,257 new families who joined the AFDC rolls in Michigan. Of these, all but 24 were families with parents who had lost their jobs. The State of Michigan simply does not have the resources to handle the tremendous burdens being placed upon its unemployment insurance and social service systems by the magnitude and the duration of this kind of massive recession.

A new Federal supplemental benefits program could provide for up to 13 additional weeks of unemployment compensation benefits for individuals who have exhausted all standard and regular extended benefits, and only for so long as they meet all qualifications for the regular extended benefit programs.

So there is a critical need to provide adequate budgetary authority for such a supplemental benefits program. I salute the Senator from West Virginia for taking the lead on this issue. I hope the Senate will take this step, because this is a pressing matter and fully justified, in my view.

Mr. ROBERT C. BYRD. Madam President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 10 minutes remaining.

Mr. ROBERT C. BYRD. I thank the Chair. I yield 5 minutes to Mr. Kennedy.

Mr. KENNEDY. Madam President, I too, want to join my colleagues in expressing appreciation for the leadership that the Senator from West Virginia, Senator Byrd, has provided in bringing this matter of enormous importance to unemployed men and woman of this country to the Senate this afternoon.

Madam President, over the period of these last few weeks, the President of the United States has commented on the state of our economy.

Generally, when he comments on it, he expresses hope that his economic program is going to be successful in the future and then usually he gives us some good news. He talks about the rate of inflation having been reduced very dramatically. But the other side of that coin, which I do not think has adequately addressed by the President and by this administration, is what that economic policy has cost in human terms. Three million men and women have lost their jobs since the Reagan policy was signed into law. Of course, if you are going to throw millions of Americans out of work, you are going to bring inflation down because Americans will not be able to purchase the goods and services they would have if they were working.

That is the real story, Madam President. The enormous growth in unemployment is a clear result of the economic policies of this administration.

The Senator from West Virginia, myself, and our other colleagues, believe that we must have an economic policy that is fair and equitable. We are not going to put the whole burden on those men and women who have joined the unemployment lines.

Today we are talking about helping men and women who have worked, who have skills, who have talent, who have shown over the period of their lifetime that they are prepared to work, but there are no jobs for them. These are working men and women who have lost their jobs. These are men and women who go door to door, plant to plant, factory to factory, day in and day out and still cannot find work. Not only have they lost their jobs, they have also lost their medical benefits. With the exception of one or two unions—such as the UAW, who continue the health insurance for their unemployed members, these workers usually have 30 or 60 days of medical benefits and then they are off.

Think of the fear and anxiety in those families. If a child, a husband, or a wife gets sick, they know they are not covered.

Madam President, the program we are considering today would address that need. It is a very targeted program, as has been pointed out by the Senator from Michigan. This concept has been built into our national policy going back to President Eisenhower and the recession of 1958, when they adopted a temporary program on unemployment insurance.

In 1960, President Kennedy proposed an unemployment insurance program to meet the particular needs of that time, when unemployment was 7.1 percent.

President Nixon in 1970 made it a permanent program.

President Ford in 1975, when we had an unemployment rate of 9 percent, extended benefits for an additional 26 weeks. In effect, we had a total of 65 weeks. This policy continued with the recommendations of President Carter in 1980.

Madam President, I think it is important for this body to know that this particular amendment adds back just $1.2 billion of the amount cut last year in reconciliation. In reconciliation, this body reduced unemployment insurance by $5.6 billion.

This amendment is a very modest amendment. It is a targeted amendment. It will remain in effect only as long as we have a national unemployment level in excess of 8 percent. It will only go to those States which are paying extended benefits because of their high unemployment.

The cost figure of $1.2 billion is really just a partial restoration of the $5.6 billion cut last year.

I think, Madam President, there is a serious need for this kind of commitment to the unemployed working men and women of this country.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. KENNEDY. Can I have 2 minutes on the bill?

Mr. ROBERT C. BYRD. I yield 2 additional minutes.

Mr. KENNEDY. This chart reflects the skyrocketing unemployment rate, Madam President, and there is nothing which has been stated during this debate or discussion with regard to economic policy that is going to give any assurance whatsoever to unemployed people that that rate is going to come down. The fact is, there are 40,000 beneficiaries who are losing their unemployment insurance every single month, and that number is going to grow.

If we are going to deny, which this body did the other day, a jobs program to put people to work and try and meet the critical infrastructure needs of our communities, our cities, and our Nation; if we are going to deny people jobs—if we are not prepared to take that step—the least that we can do is to help individuals meet their responsibilities to their families and to their loved ones by extending this program for a temporary period of time.

Madam President, I ask that the complete text of my remarks be included in the Record.

Madam President, I want to lend my support for the amendment offered by the Senator from West Virginia.

We are faced today with the highest unemployment since the Great Depression. Last month alone 450,000 Americans joined the ranks of the unemployed. Over 10 million men and women across this country cannot find work.

What we have is a good news, bad news story. The President takes pleasure in telling the American people the good news—inflation is down.

But he never gets around to telling them the bad news—his economic program has lowered inflation by throwing 3 million Americans out of work. Instead, he blames the bad news on the "ghosts of Presidents past."

I think it is time we take a look at the record of previous Presidents. After all, we are in the throes of the sixth recession to hit the country in the last 25 years.

In 1958, when President Eisenhower was in office, unemployment reached 7.5 percent. In that year the Temporary Unemployment Compensation Act was adopted to provide additional benefits to the unemployed.

When President Kennedy came to office he responded to the recession underway and a 7.1 percent unemployment rate not just with a tax cut, which this administration likes to point to, but also with a program to extend unemployment benefits by 13 weeks.

In 1969, the Nixon administration recognized the need for a permanent extended benefits program that would go into effect with a national trigger to respond to any future recessions. Their Federal-State extended benefits program was passed in 1970.

When unemployment reached 9 percent in 1975—an all-time previous high—President Ford supported Federal funding for an additional 26 weeks of unemployment benefits, giving unemployed workers coverage for 65 weeks. And even more recently, the Carter administration sent Congress a 13-week Federal supplemental benefits program in response to the 1980 recession.

Now let us look at the record of this President and this administration. Their response to rising unemployment is not to increase unemployment benefits but to cut them.

The President's budget adopted last summer cut $5.6 billion in benefits for the unemployed in fiscal 1982 and 1983. Over 4 million workers stand to lose benefits as a result of these cutbacks.

Today, only 40 percent of the 10.3 million unemployed are collecting unemployment benefits. In 1975, when unemployment reached a then record 9 percent, 66 percent of the unemployed were covered by unemployment insurance. Clearly the social safety net is no longer available for millions of unemployed workers.

Even those covered by unemployment insurance can only look forward to limited protection; 300,000 workers have already exhausted the first 26 weeks of benefits. Those collecting an additional 13 weeks of extended benefits are exhausting at the rate of 40,000 a month. Over 120,000 workers since March have exhausted the 39-week program.

As unemployment continues to escalate, the problem will only get worse.

Yesterday this body resoundingly rejected the modest proposal Senator METZENBAUM and I offered to create jobs for the unemployed who have exhausted their unemployment benefits. If we are not willing to provide jobs for these workers, at the very least we must be willing to offer them an additional 13 weeks of unemployment benefits.

Let us be clear: These benefits are not a substitute for a job. But men and women who cannot find work still have to feed their families.

The program we are proposing would only be in effect if unemployment stays above 8 percent. We all hope the administration's economic forecast comes true. But if things do not get better, we must have a program in place to protect the unemployed until jobs open up and they can go back to work.

I urge my colleagues to support the Byrd amendment.

Madam President, I ask unanimous consent that two newspaper articles, one entitled "Majority From Ford's Mahwah Plant Still Jobless," and the second entitled "Mister, 'Your Benefits Are Exhausted'—The Motown, Mowed-Down, Without-a-Job And Feelin' Mighty Low-Down Blues," be printed in the RECORD at this point.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the New York Times, Apr. 25, 1982]

MAJORITY FROM FORD'S MAHWAH PLANT STILL JOBLESS

For the first time in 34 years, Eugene Pfeiffer cannot find a job.

"I've been working since I was 12," he said. "It gives a man a very disgusted feeling to know that he's really out there looking, and it's just closed doors no matter where you go."

Mr. Pfeiffer is one of 3,359 auto workers who lost their jobs when the Ford Motor Company closed its assembly plant in Mahwah, N.J., nearly two years ago. At first, he had been optimistic about his prospects because "I had the ability to do many jobs." For several years he had supplemented his income from Ford, first by working as an electrician at a generator plant and later as maintenance superintendent at a local college. At Mahwah, he was a utility man, filling in for eight other men on the assembly line.

Mr. Pfeiffer, who is 46 years old, has since sought jobs as an electrician, a machine operator and a warehouse worker, searching everywhere within driving distance of the town house in Middletown, N.Y., where he lives with his wife and two children. "I must have put in 16,000 miles just traveling," he said.

MANY REMAIN UNEMPLOYED

He turned down one job offer from a company that makes components for television sets because the pay was too low. He said that "between the mortgage and the gas and electric bills" he could not accept a job paying $3 to $5 an hour.

He is one of hundreds of displaced Mahwah workers struggling to cope with the emotional and financial strains of prolonged unemployment. A survey conducted by Cornell University late last fall indicates that large numbers of the Mahwah Ford plant workers remain jobless: 55.8 percent of those who responded said they were unemployed. The 2,206 workers who were sent questionnaires did not include those who had retired or who were not looking for work.

Finding work in a period of recession and in a region of decline in manufacturing has been particularly difficult for the majority of auto workers, who are relatively unskilled but who were earning nearly $20,000 a year, plus benefits. The minority with skills to fall back on are finding it little easier.

"We have people who are glass-setters, electricians and fork-lift operators," said Bernard Jackson, former vice president of Local 906 of the United Auto Workers, to which the Mahwah workers belonged. "But there isn't anyone to employ them. Even our skilled maintenance workers can't find jobs."

SEMINARS HELD FOR WORKERS

In 1978, Ford and General Motors each had two assembly plants in New Jersey, employing 15,589 workers. After Ford's Mahwah plant closed, the number of workers at the remaining plants totaled 11,441. In January, Ford laid off 1,450 blue-collar workers at its Edison plant, including several hundred who had been transferred from Mahwah. Nationwide, almost 250,000 auto workers have been laid off.

At the union local's headquarters in Mahwah, Cornell's New York State School of Industrial and Labor Relations is holding seminars for the workers as part of a study on the effectiveness of job counseling. The seminars are sponsored by the New York State Department of Labor, and only New York residents may take part.

Jacob J. Kaufman, the head of the project, said its aim was to provide advice on how to find a job and to encourage workers to seek alternatives. Traditionally, he said, blue-collar workers are "highly immobile in terms of their attitude toward the labor market."

"We're trying to broaden the way they think about the opportunities," he said.

CLOSING SHATTERED HIS PLANS

The closing of a plant is a trauma for employees who have worked there for 15 or 20 years and had bought homes, raised children and built their lives around the expectation of lifetime employment. Mr. Pfeiffer had worked at Mahwah for 25 years, starting when it first opened in 1955, and had expected to complete 30 years and retire with a pension.

"My dream went right down the sewer," he said, when the huge assembly plant on Route 17, just south of the New York border, was closed on June 20, 1980, as part of a cost-cutting measure in the face of declining car sales. Ford said the plant would not be reopened.

Many of the laid-off workers have found that their age is against them. In December, Ben Szachiewicz, 55, completed a computer repair course paid for with Federal job-training funds. He said employers were looking for people "who would be with then 5, 10, 15 years down the road." Although he is

eligible for a pension, it will not be enough to cover his expenses. "The job I do get, if I get it, won't pay as much," he said. "I'll have to keep working until I die."

So far, Mr. Pfeiffer, who had earned $430 a week with Ford, has been able to manage financially. He is one of the few former Mahwah workers who still receive supplemental unemployment benefits from Ford, and his wife's salary from the local power company helps tide the family over. But he has had to give up his health insurance policy, and his wife, Suzanne, wonders what will happen when the benefits run out in September. "We can't live on what I make," she said.

Mr. Pfeiffer used to visit three or four companies a week, but now he spends most of his time at home. He has found himself becoming increasingly irritable toward his family. "When you're working, you have more respect from the family," he said. "All of a sudden I feel like a piece of furniture around the house. I feel like less than a man, less than a father."

MISTER, "YOUR BENEFITS ARE EXHAUSTED"—THE MOTOWN, MOWED-DOWN, WITHOUT-A-JOB AND FEELIN' MIGHTY LOW-DOWN BLUES

(By Bill Brauker)

WESTLAND, Mich.—Three years ago, I stood in the office of Speaker of the House Tip O'Neill with my boss, a newly elected Michigan Congressman.

Two years ago, as a candidate for the Michigan House of Representatives, I stood in a union hall speaking to a group of United Automobile Worker retirees about our economic problems. I also rode through the Michigan countryside with a United States Senator, a police escort speeding us through intersections.

One year ago, I stood in my office as the editor of a suburban Detroit newspaper.

Until Thursday, I stood in line at America's most famous unemployment office, in Dearborn, Mich. When the television networks show film clips of the unemployed, I usually see the familiar interior of that unemployment office.

Working as the press secretary to a Congressman, and as a candidate and a newspaper editor, one gets the opportunity to observe public issues and comment on them. In the past, I have spoken and written of the tragedy of rising unemployment. Then I felt it.

I felt it in the morning when I woke up from a restless night of tossing and turning, with thoughts of the future that couldn't be purged from the brain.

I felt it when I picked up The Detroit Free Press and saw only a column and a half of help-wanted ads, none of them relating to my experience.

I felt it when I went to a job interview and found out that there were more than 200 applicants for the one position open. Even if you end up in the top 10, which I did, it still hurts.

I was not alone in my feelings. There are millions of others who search and search for work. They are the ones who still have hope. They believe that sooner or later things will get better and that once again they will become productive.

There are also those who have given up hope, those who have stood in the unemployment line for the last time. They are told: "Your benefits are exhausted." A very appropriate way of putting it.

The statistics that come out each month are false. Unemployment in Michigan is put at 17 percent. The unemployment is really higher than that. The figures do not register those people who have exhausted their benefits, and those who never worked long enough to be eligible for them, and those who worked in jobs not covered by benefits.

The figures don't tell the human side of it. They can't show the emotional side of being out of work, the family fights, the insecurity, the drinking. Normal people start acting in abnormal ways because their lives have changed and they are helpless to do anything about it.

One thing that the leaders of the nation have to begin thinking seriously about is the long-term effect of this period of unemployment on our way of life.

Will more of us who still have hope, break ranks and join forces with those whose benefits are exhausted?

I am not just talking about paychecks and taxes and the national budget. I am talking about spirit. The spirit of America. Traditionally, nowhere has it been any stronger than in places like Detroit. The people of this area have believed in the American dream and put it to work. They believed it when they were told that if they studied hard and worked hard they would succeed. They believed that if they were good productive workers, their families would thrive. That spirit is drifting away. People don't believe that anymore around here, and unfortunately the feeling is growing elsewhere, too. Once spirit escapes from the bottle, it is hard to recapture.

We have a great nation. We have hard-working people who want to be productive, but we have only one place for them now. We have put them into long lines, spending weekday afternoons standing, smoking cigarettes, waiting for their names to be called. It must be remembered that these people are not deadbeats. One can't just get into the line for the benefits. It is reserved for people who earned the right by working.

One Saturday night, as I was floating out of Detroit on I-96, my Cougar XR-7 punched on cruise-control, the FM radio was going full blast, taking me back to "The age of Aquarius, age of Aquarius. . . ." For a while I almost forgot what living in Detroit in 1982 was like.

Unfortunately, the song ended and I was still there, driving my American-made car out to suburbia.

Mr. KENNEDY. I thank the Senator from West Virginia for his leadership.

Mr. ROBERT C. BYRD. How much time have I remaining?

The PRESIDING OFFICER. The Senator has 3 minutes remaining.

Mr. ROBERT C. BYRD. I yield to the Senator from Michigan.

Mr. LEVIN. Madam President, with nationwide unemployment reaching the highest rate since 1941, with some economists predicting it will soon reach 10 percent, this is a vital amendment, a matter of national policy. This is not a partisan issue. This is a very human issue. My people in my State have endured 27 consecutive months of double-digit unemployment. My State is bleeding. The auto workers are bleeding, the steelworkers, the people who work in small business, the lumber mills, the housing industry—all are bleeding, Madam President. We need help. We need a helping hand.

Nobody is pointing a finger at anybody in this amendment. All this amendment seeks to do is to extend a helping hand to those who have fallen out of the safety net.

People cannot vote with their feet and maintain their families. People cannot move tramping the highways looking for work in this country and maintain their communities. The only way we can preserve our communities and our families is by finding work where we live and where we have sunk roots. For hundreds of thousands of Americans the safety net has now disappeared. The unemployment compensation benefits have dissolved.

This amendment is a modest amendment. It is critical to these people. Again, without it, there is no safety net; without it, there is no compassion; without it, there is pain, and this pain has gone on too long. We must avoid it by adopting the Byrd amendment. I am pleased to cosponsor that amendment.

Mr. ROBERT C. BYRD. Madam President, I thank my distinguished friend. I reserve the remainder of my time, if I have any.

The PRESIDING OFFICER. Who yields time?

Mr. ARMSTRONG. Madam President, I yield such time as he may require to the Senator from Kansas.

Mr. DOLE. Madam President, I have listened with interest to the statements of the distinguished minority leader who proposed the amendment, as well as other Senators who have spoken. I certainly agree. We have a problem. It is a problem which we should address. It is one which should be addressed in a bipartisan way. It is my hope that we will address this very concern in the Finance Committee. We have jurisdiction over the issue of unemployment compensation.

We have not marked up any legislation in the Finance Committee this year. We will do that within the next 3 to 4 weeks.

It would seem to this Senator we are getting very near the point of deciding whether or not we want to continue with this budget resolution. We do not want to recommit it, but if we keep adding billions of dollars, in the view of this Senator, we might as well not pass it. We have now had amendments proposed by the other side which would total about $20 billion over the next 3 years. I am sure there are more amendments for billions of additional dollars coming from some on the other side.

It would seem to this Senator that we just cannot continue to tell the American people how bad the deficits are, how bad the interest rates are, how bad the economy is, and then stand here and continue to offer amendments which make it worse.

I certainly have no quarrel with anyone who supports this amendment. The Senator from Kansas simply would hope they would let the Senate Finance Committee try to work it out. I do not believe there is anything in this amendment which would pay for the extension of benefits. Where does the money come from? I know the House Ways and Means Committee reported a bill yesterday. That bill, in effect, pays for the supplemental benefits program. At least the Ways and Means Committee has addressed the question, "How do we pay for the benefits?"

I could speak at length, but I think we all understand the problem. Unemployment is disastrous. No one likes it. But it seems to me that, on a budget resolution, we ought to make certain that we do not start legislating. That is, in effect, what we would be doing if we adopted the Senator from West Virginia's amendment.

The House Committee on the Budget adopted a resolution which does provide for the supplemental benefits program—and also pays for it. Of course, there are several different budget proposals which will be considered by the full House.

Workers, it has been pointed out, in States with high levels of unemployment already can receive an additional 13 weeks, beyond the regular 26-week program, for a total of 39 weeks—or over 9 months. The Byrd amendment would extend those benefits to a full year.

Madam President, I just do not believe we have the extra billion dollars to pay for the program in the next fiscal year or so. If the Finance Committee decides such a proposal is warranted, we will have to think about ways to pay for it.

Madam President, at the appropriate time, the Senator from Kansas will move to table this amendment.

Mr. STENNIS. Will the Senator yield to me for one question?

Mr. DOLE. Yes, Madam President.

The PRESIDING OFFICER. Who yields time?

Mr. DOLE. I yield to the Senator from Mississippi.

Mr. STENNIS. Madam President, the Senator was saying, as I understood it, that the Finance Committee was going to look into this very problem and would most likely come back with a recommendation on it. Is that correct?

Mr. DOLE. Madam President, that is the intention of the Senator from Kansas. I do not quarrel with anybody who says there is an unemployment problem. There is a problem. But at this time, States owe the unemployment compensation fund of the Federal Treasury about $8 billion. It seems to me we have to address the whole problem. Besides unemployment, we have to address where the money is coming from, how many States are impacted, what the appropriate length and level of the benefits should be.

Madam President, I hope we do not accept this amendment today. We have just about reached the breaking point on this resolution. If we keep adding money, this Senator is about ready to vote no on the resolution. We just added a billion dollars, now $1.6 billion. This amendment would add another billion or so.

I do not want to take away from the outstanding work done by the managers, the distinguished Senator from South Carolina (Mr. HOLLINGS) and the distinguished Senator from New Mexico (Mr. DOMENICI).

Mr. STENNIS. I thank the Senator. There is an acute problem in my State, but I do not want to act before the Finance Committee acts. I thank the Senator.

Mr. DOLE. Madam President, does the Senator from West Virginia want additional time?

Mr. ROBERT C. BYRD. Madam President, yes. I wonder if the Senator from South Carolina will yield me an additional couple of minutes.

Mr. HOLLINGS. Yes.

Mr. ROBERT C. BYRD. Madam President, I want to ask the distinguished Senator from Mississippi a question. I know he is very—he always is—to the committee that has jurisdiction over a subject matter to work its will on that subject matter. But I want to point out that that committee needs this amount in this budget; else the committee would have to take the amount out of other income assistance programs such as social security.

This amendment does not tell the Committee on Finance how to design the program. This amendment does not do that. All this amendment does is assure that sufficient funds are available for the Committee on Finance to go forward with a much-needed emergency extension of unemployment benefits.

(Mr. RUDMAN assumed the chair.)

Mr. ROBERT C. BYRD. Mr. President, I have already introduced a bill earlier this week which will be referred to the Finance Committee, which lays out the program I have in mind. That program is targeted on those States where need is great, as in the Senator's State of Mississippi, the need is great. My State's need is great. It lays out a temporary program which would automatically expire when unemployment comes down.

Mr. President, my legislation is not the last word on that subject. Every piece of legislation can be improved. The committee would work its will. I am open to suggestions. I am not here to attach my bill that I introduced earlier this week to this budget resolution. All I want to do is make sure that the budget resolution we have now before us will accommodate the situation which would then be up to the Finance Committee to fashion.

If my colleague from Mississippi is disturbed about the details of the program, let me say we have time to debate those details and fashion the best possible legislation at the appropriate time, but we have to provide for the funding now. Otherwise, that committee, when it does take action on this compelling matter, would have to take the amount out of other income assistance programs. It could be social security, as I say.

I hope that the distinguished Senator from Mississippi could support my amendment.

Mr. President, this is a listing of the States that will be immediately eligible under my emergency unemployment compensation legislation effective on May 1, 1982. They are:

Alabama, Alaska, Arkansas, California, Delaware, Idaho, Illinois, Indiana, Iowa, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nevada, New Jersey, North Carolina, Ohio, Oregon, Pennsylvania, Rhode Island, South Carolina, Tennessee, Utah, Vermont, Washington, West Virginia, Wisconsin, Puerto Rico, Virgin Islands.

Other States that the Congressional Budget Office projects will become available during the expected life of the program will be:

Hawaii, Kentucky, Louisiana, New York, North Dakota, District of Columbia.

Mr. President, I yield the floor.

SUPPLEMENTAL UNEMPLOYMENT BENEFITS PROGRAM

Mr. BRADLEY. Mr. President, over the past 16 months the Reagan administration has provided the Nation with a series of short-range economic forecasts. When the President first unveiled his 1982 fiscal year budget, the administration projected this year's annual average unemployment rate at 7.2 percent. In subsequent years, the unemployment rate was projected to fall to 6.6 percent in 1983, 6.4 percent in 1984, 6 percent in 1985, and 5.6 percent in 1986. Unfortunately, this has not been reality. Instead, we find more people out of work and out of hope since the Great Depression.

Mr. President, the amendment before us will provide funds for a 13-week supplemental unemployment benefits program. This program is necessary because the administration's program for economic recovery simply hasn't worked.

The amendment we are considering will provide over $300 million for this fiscal year, over $600 million for the next fiscal year, and over $100 million for fiscal year 1984. These funds will go to unemployed individuals who have used up their benefits under both the standard 26-week State financed unemployment insurance program and the 13-week Federal-State extended benefits program.

It is important to note that this proposed amendment will not just provide funds for an open ended benefits program. This Federal supplemental unemployment compensation benefits program will end when national and State unemployment rates drop to 8 percent. This amendment simply recognizes reality. That reality is that 10.3 million people are out of work, breaking a number of postwar records: More adult males, more blue-collar workers, more blacks, more teenagers, more married men, more workers over 55 are unemployed since World War II. More unemployed workers have simply given up hope and stopped looking for work than ever before.

If the President's economic recovery succeeds in the coming months and we do have the long awaited recovery, this unemployment benefit program will cease to exist. If the President's projections are unrealistic, however, as they have been in the past, then these funds will be available to individuals in high unemployment States who cannot find employment.

I know of no reason why the administration should not be held accountable for its own economic forecasts, and I urge my colleagues to support this amendment.

The PRESIDING OFFICER. Who yields time?

Mr. DOLE. Mr. President, I yield back my time and move to lay the amendment on the table. I ask for the yeas and nays.

Mr. ROBERT C. BYRD. Mr. President, will the distinguished Senator withhold his motion for a moment? The distinguished Senator from Tennessee wishes to speak.

Mr. DOLE. Yes, I will, Mr. President.

Mr. ROBERT C. BYRD. How much time does the Senator want?

Mr. SASSER. Two minutes.

Mr. ROBERT C. BYRD. Will the distinguished Senator from South Carolina yield him 2 minutes?

Mr. HOLLINGS. Yes.

Mr. ROBERT C. BYRD. I thank the distinguished Senator from Kansas for withholding.

Mr. SASSER. Mr. President, I support the amendment of the distinguished Senator from West Virginia (Mr. BYRD).

As an original cosponsor of S. 2542, legislation which establishes a Federal emergency supplemental unemployment compensation program, I am pleased to support this amendment, which provides room in the budget for these supplemental extended unemployment benefits.

As has been so ably pointed out earlier, Mr. President, our rising unemployment rate is a national tragedy.

The latest unemployment figures show some 9.4 percent of our work force unemployed. In my native State of Tennessee, more than a quarter million Tennesseans are unemployed, and our State unemployment rate has been over 12 percent this year already. Presently, we have over 250,000 Tennesseans out of work because of the current recession.

Indeed, if one looks closely at the unemployment rates for Tennessee's 95 counties, one finds that only 9 Tennessee counties have unemployment rates less than the national average and, in many rural counties, we have unemployment rates that are over 20 percent.

At this point, Mr. President, I ask unanimous consent that the March unemployment rates for Tennessee counties be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CPS LABOR FORCE SUMMARY

[Not seasonally adjusted]

Area [1]	Labor force	Employment	Unemployment	Rate
United States	108,761,000	98,471,000	10,290,000	9.5
Tennessee	2,090,900	1,840,800	250,100	12.0
Chattanooga SMSA	202,600	179,000	23,600	11.6
Hamilton County	137,040	120,410	16,630	12.1
Marion County	11,770	10,220	1,550	13.2
Sequatchie County	4,140	3,600	540	13.0
Clarksville-Hopkinsville SMSA	53,000	45,800	7,200	13.6
Montgomery County	30,170	25,220	4,950	16.4
Johns. City-Kgspt.-Brist. SMSA	180,600	160,500	20,100	11.1
Carter County	21,550	18,430	3,120	14.5
Hawkins County	18,300	16,060	2,240	12.2
Sullivan County	58,090	52,850	5,240	9.0
Unicoi County	7,500	6,010	1,490	19.9
Washington County	37,200	32,580	4,620	12.4
Knoxville SMSA	232,200	211,400	20,800	9.0
Anderson County	32,560	29,880	2,680	8.2
Blount County	38,210	34,500	3,710	9.7
Knox County	155,240	141,820	13,420	8.6
Union County	6,180	5,190	990	16.0
Memphis SMSA	401,000	362,400	38,600	9.6
Shelby County	360,810	327,460	33,350	9.2
Tipton County	15,680	13,880	1,800	11.5
Nashville SMSA	442,600	385,100	37,500	8.9
Cheatham County	10,730	9,790	940	8.8
Davidson County	232,230	216,320	15,910	6.9
Dickson County	15,790	13,600	2,190	13.9
Robertson County	18,480	16,760	1,720	9.3
Rutherford County	42,290	38,060	4,230	10.0
Sumner County	44,710	38,840	5,870	13.1
Williamson County	29,910	26,310	1,600	5.7
Wilson County	30,410	25,380	5,030	16.5
Non-SMSA counties				
Bedford	11,800	10,130	1,670	14.2
Benton	8,840	7,740	1,100	12.4
Bledsoe	3,460	2,820	640	18.5
Bradley-Polk	34,890	30,840	4,050	11.6
Bradley	28,920	25,670	3,250	11.2
Polk	5,980	5,170	810	13.5
Campbell	10,430	8,390	2,040	19.6
Cannon	3,550	2,940	610	17.2
Carroll	13,210	11,210	2,000	15.1
Chester	5,500	4,540	960	17.5
Claiborne	8,720	7,400	1,320	15.1
Clay	3,640	3,260	380	10.4
Cocke	12,150	8,990	3,160	26.0
Coffee-Moore	23,460	21,200	2,260	9.6
Coffee	21,020	18,9[illegible]0	2,060	9.8
Moore	2,430	2,230	200	8.2
Crockett	5,880	4,690	1,190	20.2
Cumberland	10,920	8,570	2,350	21.5
Decatur	4,550	3,970	580	12.7
DeKalb	6,850	5,010	1,840	26.9
Dyer	14,350	12,370	1,980	13.8
Fayette	9,280	8,020	1,260	13.6
Fentress	5,760	4,560	1,200	20.8
Franklin	12,030	10,760	1,270	10.6
Gibson	17,680	14,240	3,440	19.5
Giles	11,080	10,020	1,060	9.6
Grainger	8,520	7,100	1,420	16.7
Greene	23,370	19,900	3,470	14.8
Grundy	4,360	3,670	690	15.8
Hamblen	19,270	15,690	3,580	18.6
Hancock	1,790	1,380	410	22.9
Hardeman	8,760	7,250	1,510	17.2
Hardin	10,480	8,860	1,620	15.5
Haywood	8,670	7,120	1,550	17.9
Henderson	10,330	8,700	1,630	15.8
Henry	13,470	11,570	1,900	14.1
Hickman	6,210	4,890	1,320	21.3
Houston	3,430	2,780	650	19.0
Humphreys	7,440	5,560	1,880	25.3
Jackson	2,880	2,180	700	24.3
Jefferson	12,240	10,350	1,890	15.4
Johnson	5,940	4,850	1,090	18.4
Lake	3,220	2,360	860	26.7
Lauderdale	10,440	8,980	1,460	14.0
Lawrence	16,130	13,740	2,390	14.8
Lewis	3,510	2,970	540	15.4
Lincoln	11,010	9,860	1,150	10.4
Loudon	14,510	12,970	1,540	10.6
Macon	7,410	5,760	1,650	22.3
Madison	37,740	33,640	4,100	10.9
Marshall	9,930	8,960	970	9.8
Maury	21,810	18,620	3,190	14.6
McMinn	17,240	14,610	2,630	15.3
McNairy	11,460	9,780	1,680	14.7
Meigs	2,880	2,210	670	23.3
Monroe	10,810	8,310	2,500	23.1
Morgan	5,400	4,550	850	15.7
Obion	16,110	14,140	1,970	12.2
Overton	7,100	5,660	1,440	20.3
Perry	2,980	2,240	740	24.8
Pickett	1,860	1,560	300	16.1
Putnam	21,430	17,550	3,880	18.1
Rhea	10,920	9,320	1,600	14.7
Roane	16,140	14,000	2,140	13.3
Scott	6,830	5,650	1,180	17.3
Sevier	21,010	15,860	5,150	24.5
Smith	9,200	7,540	1,660	18.0
Stewart	2,340	1,450	890	38.0
Trousdale	3,430	2,580	850	24.8
Van Buren	1,320	800	520	39.4
Warren	13,690	11,780	1,910	14.0
Wayne	4,820	4,090	730	15.1
Weakley	17,380	15,680	1,700	9.8
White	8,650	6,850	1,800	20.8

[1] SMSA counties may not add due to rounding.

Mr. SASSER. Mr. President, these are numbers and statistics that I have just presented to my colleagues. But they should not be viewed as dry statistics. Rather, they should be viewed as poignant pictures of the continuing struggle of working men and women to try to maintain their economic livelihood, but not being able to do so.

Now it may be some time before our economy recovers. It may be some time before these individuals are able to get back to work.

In the interim, we cannot turn our back on these unfortunate individuals and families. They simply cannot find work. They are looking for work, but work is not there.

As the economy rebounds, these individuals will go back to work. So, if we pass this amendment offered by the distinguished Democratic leader (Mr. ROBERT C. BYRD), we can provide some extra unemployment benefits for Americans that need that little bit of extra unemployment assistance to tide themselves over until our economic recovery begins.

Mr. President, support of this amendment is support for American working men and women who find themselves upon hard times but who are ready and willing to get back to work as soon as our economy turns around.

Therefore, I urge my colleagues to support the amendment of our Democratic leader (Mr. ROBERT C. BYRD).

The PRESIDING OFFICER. The time yielded to the Senator has expired.

Who yields time?

Mr. DOLE. Mr. President, is the Senator from West Virginia ready to yield? Is all time yielded back?

The PRESIDING OFFICER. Is all time yielded back?

Mr. ROBERT C. BYRD. I yield back my time, Mr. President. I did not realize I had any time left.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment.

Mr. DOLE. Mr. President, I move to lay the amendment on the table and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay the amendment on the table.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. Brady). Is there objection?

The Chair hears none, and it is so ordered.

The question is on the motion to table. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. JOHNSTON (after having voted in the affirmative). On this vote I have a pair with the distinguished Senator from Montana (Mr. Melcher). If he were present and voting, he would vote "nay." I have already voted "yea." I therefore withdraw my vote.

Mr. BOREN (after having voted in the affirmative). On this vote I have a pair with the distinguished Senator from Kentucky (Mr. Huddleston). If he were present and voting, he would vote "nay." I have voted "yea." I therefore withdraw my vote.

Mr. STEVENS. I announce that the Senator from Oregon (Mr. Hatfield) and the Senator from New Mexico (Mr. Schmitt) are necessarily absent. I further announce that, if present and voting, the Senator from Oregon (Mr. Hatfield) would vote "yea."

Mr. CRANSTON. I announce that the Senator from Kentucky (Mr. Huddleston) and the Senator from Montana (Mr. Melcher) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 52, nays 42, as follows:

[Rollcall Vote No. 140 Leg.]

YEAS—52

Abdnor
Andrews
Armstrong
Baker
Bentsen
Boschwitz
Brady
Byrd,
  Harry F., Jr.
Chiles
Cochran
Cohen
D'Amato
Danforth
Denton
Dole
Domenici
East
Exon
Garn
Goldwater
Gorton
Grassley
Hatch
Hawkins
Hayakawa
Helms
Humphrey
Jepsen
Kassebaum
Kasten
Laxalt
Long
Lugar
Mathias
Mattingly
McClure
Murkowski
Nickles
Percy
Pressler
Quayle
Roth
Rudman
Simpson
Stafford
Stevens
Symms
Thurmond
Tower
Wallop
Warner
Zorinsky

NAYS—42

Baucus
Biden
Bradley
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chafee
Cranston
DeConcini
Dixon
Dodd
Durenberger
Eagleton
Ford
Glenn
Hart
Heflin
Heinz
Hollings
Inouye
Jackson
Kennedy
Leahy
Levin
Matsunaga
Metzenbaum
Mitchell
Moynihan
Nunn
Packwood
Pell
Proxmire
Pryor
Randolph
Riegle
Sarbanes
Sasser
Specter
Stennis
Tsongas
Weicker

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—2

Boren, for.
Johnston, for.

NOT VOTING—4

Hatfield
Huddleston
Melcher
Schmitt

So the motion to lay on the table Mr. Robert C. Byrd's amendment (UP No. 984) was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, will the Senator from New York (Mr. Moynihan) yield me 2 minutes?

Mr. MOYNIHAN. I am happy to yield such time as the minority leader desires.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished Senator.

Mr. President, I hope that all Senators will listen.

I have tried very hard to lay out the merits of this amendment that was just tabled, and other Senators on this side of the aisle did the same.

We offered this amendment in good faith and for a very conscientious purpose of trying to assist millions of Americans. That includes West Virginians and people from at least 30 States other than West Virginia at this point and eventually at least another half-dozen States.

I believe that a dispassionate view of the merits of this amendment would suggest to a healthy majority in this Senate that the amendment should have been adopted.

I do not find any fault with any Senator who, on the merits of the amendment, felt that he could not vote for it. I have no quarrel with that. I will never hold that against any Senator. If he cannot vote with me for reasons of his own conscience or if he just does not see a matter as I see it, that is perfectly all right with me. I do not fault any Senator for that.

But this was a truth-in-budgeting amendment because as the recession deepens or simply continues, it is very likely that Congress will enact a supplemental benefit program such as that contemplated by this amendment and by the legislation which I introduced earlier this week.

Only yesterday the House Ways and Means Committee took action and reported legislation to deal with this problem. But here is the thing I want to call attention to, and I do it without rancor and I do it because I believe it appeals to the basic conscience and patriotism of my friends on the other side of the aisle.

Few amendments considered in this session or during the last session of Congress have been decided on their merits. The tabling of this amendment was not decided on the merits of the amendment. It just seems to be very clear that if a Democrat offers an amendment, Members on the other side of the aisle simply automatically vote against it, they vote against the amendment.

There was no debate on this amendment except for the little bit of time that Senators on this side of the aisle took in explaining the amendment, the reasons for it, and the need for it, and except for the distinguished Senator from Kansas (Mr. Dole), who made a few brief remarks. There were no further remarks made about the amendment, no discussion of the merits from that side of the aisle.

I think that situation is a sad commentary on the extent to which the "governance" of America has degenerated into the "politics" of America.

I know it is said amendments are offered for political reasons, and all of that, and that can be said on both sides. I can remember when I was majority leader, amendments being offered on the other side of the aisle where we could have said, "Well, those are get-elected amendments. Those are amendments that are politically motivated. Those are amendments to get this one or that one or this side or that side on record."

But we have seen in the last session of this Congress and in this session an almost consistent pattern of simply moving to table or of voting an amendment down if that amendment is offered by a Democratic Senator. It is done without serious debate from the other side of the aisle.

The people of West Virginia, where unemployment is over 11 percent, and who have exhausted or who are about to exhaust their unemployment benefits, do not care whether a Democrat offers an amendment or not. They do not care whether the amendment is offered by Republicans.

Last year, if you remember, we on this side of the aisle offered an amendment that would put the Senate on record as being against the President's proposed cuts in social security benefits for persons who elected to retire at age 62, and we were defeated by one vote—one vote on an almost party line vote.

Then once we had been defeated on our amendment the other side of the aisle picked up our amendment, changed a word or so, so that the amendment would be parliamentarily in order, and offered virtually the same amendment. We did not vote against that amendment because it was then offered by the Republican side. We joined them. We said, "Hooray, whoopee. We want the elderly community of this country to get the message that the Senate is not going to stand for that kind of a cut."

So we joined with the Republicans in voting, I think 96 to 0, to put the Senate on record as against that cut.

For the people of Indiana, where unemployment is 12.9 percent, they do not care whether it is a Republican or Democratic amendment. The people of Washington, where unemployment is 12.8 percent, do not care whether an amendment is offered by a Democrat or a Republican; in Oregon, where unemployment is 12.3 percent, the people do not care whether a Democrat or a Republican offered the amendment. An empty stomach does not know whether the hand that feeds it is a Republican hand or a Democratic hand, and the people of this country I think are entitled to hear these amendments debated on their merits, and then if the Senate votes them down that is one thing.

But for Democrats simply to repeatedly call up amendments, have those amendments summarily voted down or tabled, is just simply not fair to the American people and it does not reflect very well on a body that is supposed to be the greatest deliberative body in the world.

I had hoped to get an up-or-down vote on the amendment. I do not quarrel with the Senator from Kansas for moving to table it, but I think it was a worthwhile amendment. I think it was an important amendment, and I think it merited some discussion on both sides, and I think it really merited an up-or-down vote.

So I think at some point, Mr. President, this kind of partisanship has to stop. Sometime, at some point in time, the Senate has to again become a deliberative body which considers issues on their merits and not on the basis of who sponsors the amendment, not on the basis of what party sponsors the amendment.

I thank the Senate for its indulgence.

Mr. DOMENICI. Mr. President, our majority leader is not here, and I am sure he would have liked to have heard the distinguished minority leader's words.

But let me just speak for the Budget Committee on the contention about excessive tabling. I do not have the record before me, so I am just going to challenge my recollection. But I will put the record of the Budget Committee since I have been the chairman squarely up against the record for the years this was handled on the other side, and we will see which side tabled more amendments. All of last year my recollection is we voted up and down on practically every one. We voted up and down on almost every one this year—just a couple of tabling motions out of all the amendments.

We have let those amendments be voted on as if they were substantive, as if they really were extension of unemployment compensation benefits amendments, which they are not; as if it is going to be an addition to the superfund, when Senator Moynihan is going to be through here today.

We have taken our lumps on all of those and voted up or down because we cannot make the point that those are substantive amendments. They add some dollars to a function and then leave it up to a committee as to what the committee wants to do with it.

I will say to my good friend from West Virginia—and I would almost lay my 10 years in the Senate on this—if the U.S. Senate and the U.S. House of Representatives get ready to report an extension of the unemployment compensation bill, as he is thinking about it, this Budget Act is not going to stand in its way. I will just predict that the fact that we did not vote for his proposal to add more money to a function is not going to stand in the way of an extended unemployment compensation bill. They are going to find ways to fit it within the total functions of this budget.

I am sorry that the Senator did not get an up-or-down vote. The fact that we did not debate it, I think all that means is that it has been pending around here for a long time. I have known Senator Byrd's proposal on unemployment compensation for 48 hours, and I am sure everybody else has known about it. We know precisely what it does, they know precisely what it does. I do not think that has anything to do with what has happened here today.

It was not thought by a majority to be necessary in this budget resolution to add that much money to an already existing bloated deficit, and I think that is what it means.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. DOMENICI. I yield to the Senator from Kansas.

Mr. DOLE. Mr. President, I thank the Senator from New Mexico for his comments.

I do not have any particular quarrel with what the Senator from West Virginia said. But we have had so many budget-busting amendments that we have now added $18 billion or $19 billion in new spending. With high interest rates and with large deficits what do we get from the other side? More budget-busting amendments, $18 billion or $19 billion worth, and I know more are coming.

As the Senator from North Carolina says, they are all amendments designed for the election in November. November amendments that are designed one after another with one object, more spending. They are for spending and we are for balancing the budget. I think that is how they will properly be perceived, if not in the Senate then by the American people.

The amendment just tabled was $1 billion for fiscal year 1982 and 1983. The Senator from Kansas did not enter into any time agreements. In fact, I do not intend to have any more time agreements if an issue involves the Finance Committee. We are going to take an hour on everything affecting the Finance Committee areas of jurisdiction.

Mr. DOMENICI. Mr. President, will the Senator yield? The Senator is going to thoroughly debate them.

Mr. DOLE. We will thoroughly debate everything. One million dollars or one billion dollars, we ought to spend at least an hour on each side on amendments. Then we can vote on the last 15 amendments, when we are all finished at 5 o'clock, without all the political rhetoric we are going to hear. I will just make one speech to cover all those amendments. The Senator from Kansas suggests that we all understand what is happening. We were in the minority until quite recently, and we did not like it. We understand that the Senator from West Virginia does not now like it either.

But the point is that we are trying to move this bill along. The financial markets are waiting for action. All they are getting is more amendments for more spending. That is what they are getting from most Members on the other side of the aisle. There will be another spending amendment pending and then another. We have an obligation not just to those in this Chamber but to millions of Americans who are waiting for interest rates to go down and who want to go back to work.

It just seems to this Senator that we had adequate debate. The Senator from Kansas pointed out we are going to consider unemployment compensation in the Senate Finance Committee. We might even pay for it in the Senate Finance Committee. It is not unheard of, I hope, in this country, to pay for what you want. We might even change the trigger rate so, in cases like Michigan, Oregon, and other States where unemployment is a real problem, we could make certain that we triggered in additional benefits.

Please believe that we are not insensitive. We are compassionate. We are also concerned about millions of people out there trying to make it, trying to get us to do what we ought to do and what we should have done 4 or 5 months ago on the budget. But if we load the budget up much more, I would think we ought to vote against the budget resolution and just tell the American people that it is so loaded and so bloated it is better off dead.

Mr. LONG. Will the Senator yield?

Mr. DOLE. I yield to the Senator from Louisiana.

Mr. LONG. I hope that the distinguished chairman of the Finance Committee, the able senior Senator from Kansas, will not let the weary drudgery of these long round-the-clock sessions keep him from being anything other than the statesman he usually is. There are some of us who are trying to pick and choose between these amendments and trying to vote with the Republicans when we think the Republican leadership is right, and basically trying to vote for what is right rather than to vote for who is right.

I would hope that the Senator will continue to follow the procedure that if an amendment has very little support, we will dispose of it in short order and get onto one that does have more support. I am convinced from what I know of the Members of this body that we still have the potential to balance the budget within the next 3 years, or to vote to balance it, anyway, even if we do not balance it, to vote at least for once in our life for fiscal responsibility. I am not saying that we have not done it at some other time in our life, but we will have a chance to vote for fiscal responsibility before we finish dealing with this budget resolution. I still think we have that potential.

I would hope that Senators' recriminations and the disappointments that occur to Senators whose amendments we dispose of will not take us away from the target that we are all trying to achieve, I believe, and that we all should be seeking to achieve; namely, to arrive at a budget resolution that will reduce spending and, hopefully, raise taxes enough to result in a balanced budget.

I do know that an amendment of that sort is being prepared. The Senator is aware of that. I hope before this resolution is disposed of we can make the Senate look very good, because I think we have that potential.

Mr. DOLE. I thank the distinguished Senator from Louisiana. I hope I did not imply that there was not selective voting on the other side by some. Some have not been so selective. But the Senator from Louisiana and others have been, and that is the way it should be.

I assume somebody, somewhere, certainly not this Senator, but somebody, will be adding up all the spending amendments offered by certain Members. I assume they may show up somewhere in the next few weeks or months. We are at the very crisis as far as the budget is concerned.

We do not seem to be heading in the right direction. I know there is a bipartisan group, I might add, working right now to try to put the genie back in the bottle as far as spending cuts and revenue increases are concerned. If that would happen, it would certainly be a hopeful sign not only to everybody in this Chamber but to millions of people on the outside waiting for Congress to do something. Not spend more of the money they do not have, but to try to balance the budget. It is the understanding of this Senator that is precisely what may be occurring in conversations off the Chamber floor now.

Mr. RIEGLE. Will the Senator yield briefly? Is the Senator aware that in the Budget Committee an extra $110 billion was added in the defense function and was buried in the base line deficit? I raise that point because if the Senator is worried about reducing the deficit, that would be the way to do it, because that $110 billion is a larger amount than the $17 or $18 billion in budget amendments you have referred to.

Mr. DOLE. I voted with Senator KASSEBAUM against the motion to table her amendment making additional cuts in defense spending. I am not on the Budget Committee, but certainly if your assumption is correct, we ought to take a look at it.

The PRESIDING OFFICER (Mr. DANFORTH). The Senator from New Mexico has the floor.

Mr. DOMENICI. The Senator from Wyoming wanted me to yield 2 minutes to him. I yield 2 minutes at this point of the resolution.

Mr. SIMPSON. Mr. President, if I may, I could not help but comment that in my time here, in 3½ years, to hear the comments of the Senator from West Virginia seems like a review of the first 2 months of my first 2 years here. In those first 2 years here, when he was majority leader, I never knew that anything but a motion to table was in the legislative voting lexicon. [Laughter.]

I remember coming to this floor on very few occasions when we were not voting simply on a motion to table.

So I have to whimsically reflect upon that because I remember well that capable man from West Virginia when he was in the saddle and the majority, the railroad train roared through this Chamber and in extraordinary ways, usually at night, if I remember; late at night.

I guess when you are in it long enough and over the course of years—as we have all done, as we have all legislated in our background in State legislatures—that you always end up on both sides of an issue at one time or another in your legislative life.

The cloture is a classic example of that: How the filibuster was challenged for years by the so-called liberals and now it is—at least has been—used as a tool of theirs. I think it is important to remember those things.

The crocodile tears should really be clogging in the tear ducts on this one because they are not becoming from the record as I know it. I guess the old phrase is, "Hoist on his own petard." That is exactly what it is.

But I will be interested in the scorecard on the motion to table in my first 2 years. I look forward to helping compile it.

Mr. ROBERT C. BYRD. Mr. President, I ask the Senator from New York if he would yield me 2 minutes.

Mr. MOYNIHAN. I yield to the distinguished majority leader.

MR. ROBERT C. BYRD. Mr. President, I am sorry that this discussion has deteriorated into this business of "shedding crocodile tears" over tabling motions and accusations, and recriminations, and all that.

The Senator may search the RECORD all he wishes, but I can remember that whenever a motion to table was made on this side of the aisle every Republican, almost without exception, voted against that motion to table. That is not true in our case. We have here six Republicans who voted "no" on this motion to table and we also had a number of Democrats who voted "aye" on the motion to table.

Now, the so-called crocodile tears are not being shed because this Senator's amendment was tabled. I have been in the Senate 24 years. I have been on Capitol Hill for 30 years, and I have been in politics for 36 years. I long ago learned that you win some and you lose some. So this Senator is not shedding any crocodile tears, I say to my friend from Wyoming, because the amendment was tabled.

The "crocodile tears" should be shed for those people in the Senator's State and in my State and in other States who have exhausted, or soon will exhaust, their unemployment compensation benefits and who will have to make serious choices as to whether or not they are going to buy food, or whether or not they are going to let the rent go, or whether or not they are going to pay their mortgages on their automobiles or their homes. The bell tolls for them.

Now, a number of times the distinguished Senator from Kansas, if I might have his attention, the distinguished Senator from Kansas a number of times has talked about "political rhetoric" and "November election amendments," and all that business.

I do not think that that promotes comity on both sides of the aisle. After all, we are all politicians. The Senator from Kansas is a politician. There are times when I could get up, very easily, if I wished to, and say that his actions or his statements are pure political rhetoric or I could say that they are political flimflam. I wish that we would get away from the business of tossing accusations at every Senator who tries to offer an amendment in good faith.

You know, we did not do that when I first came to this body 24 years ago.

Mr. DOLE. Will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. DOLE. I checked and on the first concurrent resolution in the 96th Congress, out of seven votes, there were five votes to table. Some were from Republicans and some from Democrats. I am not suggesting that any were from the Senator from West Virginia.

I have been very bipartisan in the last few years. However, it does seem to this Senator that we do have political differences. If we have different views, we ought to state those views.

I agree with the Senator from Louisiana, the disagreements ought to be handled in a way that it is not a personal affront to anyone.

I do not have any basic quarrel with the Senator from West Virginia, except to indicate that we would like to finish this resolution today. We think there are a lot of people who may not understand what we are doing here, which is probably a plus for us. There are some, however, who do understand what we are doing here. What we are doing is raising the deficit. We are not doing anything to lower interest rates.

Mr. ROBERT C. BYRD. I thank the Senator. May I just say that I would hope we can get away from this political rhetoric that denounces every amendment offered from this side of the aisle as a "get-yourself-elected amendment" or a "November-election amendment." I do not think that will encourage bipartisanship.

The Senator talks about the $1 billion added by my amendment. What about the increase in the deficit by $56 billion in one stroke when the Senator's party met in a closed session here on Tuesday, almost all day long, and modified the budget resolution? They increased the deficit $56 billion in one stroke. I do not think they should criticize my proposal which totals a little over $1 billion to help people in this country who wish more of us would shed "crocodile tears" over their plight.

We are going to hear more and more from them.

The only thing I am saying is this, and I will say it once more: If Senators, in good conscience, want to vote to table an amendment like this, that is fine, but Senators just march in—and they have not heard the debate—and if it is a Democratic amendment which has been offered they just peremptorily voted it down or table it.

I do not care if you want to move to table my amendment, that is all right, but at least I would like them to hear the debate. I have no right to presume that I can read the heart and mind of anybody on that side or anybody on this side. But I just cannot believe that the vote that was recorded on this past rollcall and on some of the other rollcalls which have been had on amendments offered by Democrats truly reflects the true feelings of all Republican Senators who cast their votes against good amendments that were offered from this side of the aisle.

That is all I have to say. I just think if we are going to work together we need to have a little better feeling than is being generated by Senators who refer to amendments on this side as being politically motivated, that they are "November amendments," they are "get-yourself-elected amendments." That does not do anybody any good and it does not reflect well upon the Senate. Nor do the American people want to hear it. They deserve better.

Mr. GOLDWATER. Will the Senator yield?

Mr. DOMENICI. I yield 1 minute.

Mr. GOLDWATER. Mr. President, before the minority leader leaves the floor, I have to say this to him, that the recitation he just made was reflected almost exactly in arguments that I used to make with him when he motioned to table bill after bill and amendment after amendment.

You are living through, I must say, exactly what we lived through. I remember the days when I begged you not to move to table. I thought the authors of bills and amendments should have better respect and attention.

But now, I am happy that my friend has remembered that.

Mr. ROBERT C. BYRD. Will the Senator yield me 1 minute?

Mr. MOYNIHAN. I yield.

Mr. ROBERT C. BYRD. Mr. President, I would say that my memory is about as good as anybody else's in the Senate. I do not say it is better. But it is easy to stand up and say "We are giving the same treatment that we got." I could say a lot of things, if I wanted to, about the problems we had in those days, too, with the then minority on that side of the aisle. But I am not going to do that. I am simply saying that we ought to at least decide these matters on the merits.

It is the right of any Senator to move to table. I do not question the right of the Senator from Kansas to move to table. I am simply saying that time after time after time, this year and last year, we have seen this happen. And time after time we have seen the majority walk in lockstep against good and meritorious Democratic amendments.

I can show to the Senator more than 100 votes in this Senate last year in which over two-thirds of the Republicans voted precisely the same way. So I have a little memory also. I simply plead that we start according a little bit of sincerity to the conscientious purpose of Senators on amendments offered from this side of the aisle. I yield the floor.

Mr. DOMENICI. Mr. President, I think we ought to get on with amendments, but, on the other hand, I want to yield myself 1 minute.

I say to my good friend from West Virginia, I sympathize with you but from a little different vantage point.

You do not know how many times I was sure that I had the best amendment in the world, and I lost. I left saying, "If they would only have listened. My amendment is so good, it would have passed."

I just think that is how you are feeling now. I think I felt that way a lot of times. I really think everybody knew what your amendment was all about. I regret to tell you that. They still voted to table it. But we all feel that way frequently.

You are talking about us saying political rhetoric all the time. I am forgetting all of that here. I hope that you would ask some of your people, when we try to save money, or say something is inordinately expensive, that we ought not spend more than we have, we do not like to be referred to on the floor as being chiselers because we are talking about that any more than you like to be referred to as being motivated by political rhetoric.

Maybe we can call all of that off this afternoon and pass the budget resolution.

Mr. ROBERT C. BYRD. I did not refer to any Senator as a chiseler.

Mr. DOMENICI. I did not say you did, Senator.

Mr. ROBERT C. BYRD. I have tried to speak with a very tempered voice, a very tempered tone.

The point is that I think my amendment was an amendment that deserved voting up or down on the merits.

The question is whether the Committee on Finance will report a supplemental unemployment benefits bill and if they do, where do they expect to find the funding for it. It must come from budget function 600. All my amendment was attempting to do is provide that funding, because without that in the budget, the choice is simple: either they cannot or it comes out of some other income assistance program such as social security.

The PRESIDING OFFICER. Who yields time?

The Senator from New York.

UP AMENDMENT NO. 985

Mr. MOYNIHAN. Mr. President, I send an unprinted amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from New York (Mr. Moynihan) proposes an unprinted amendment numbered 985.

On page 2, beginning with line 15, strike out through line 21 on page 3 and insert the following:

(2) The appropriate levels of total new budget authority are as follows:

Fiscal year 1982: $777,600,000,000.

Fiscal year 1983: $835,329,200,000 plus $100,000,000.

Fiscal year 1984: $897,031,900,000 plus $100,000,000.

Fiscal year 1985: $972,734,200,000 plus $200,000,000.

(3) The appropriate levels of total budget outlays are as follows:

Fiscal year 1982: $740,800,000,000.

Fiscal year 1983: $784,029,200,000.

Fiscal year 1984: $832,831,700,000.

Fiscal year 1985: $890,134,200,000 plus $100,000,000.

(4) The amounts of the deficits in the budget which are appropriate in the light of economic conditions and all other relevant factors are as follows:

Fiscal year 1982: $119,800,000,000.

Fiscal year 1983: $115,829,200,000.

Fiscal year 1984: $91,831,700,000.

Fiscal year 1985: $65,134,200,000 plus $100,000,000.

(5) The appropriate levels of the public debt are as follows:

Fiscal year 1982: $1,144,200,000,000.

Fiscal year 1983: $1,292,229,200,000.

Fiscal year 1984: $1,420,160,400,000.

Fiscal year 1985: $1,533,375,100,000 plus $100,000,000.

and the amounts by which the temporary statutory limits on such debt should be accordingly increased are as follows:

Fiscal year 1982: $64,400,000,000.

Fiscal year 1983: $148,029,200,000.

Fiscal year 1984: $127,931,700,000.

Fiscal year 1985: $113,234,200,000 plus $100,000,000.

On page 8, beginning with line 24, strike out through line 23 on page 9 and insert the following:

(5) Natural Resources and Environment (300):

Fiscal year 1982:

(A) New budget authority, $10,300,000,000.

(B) Outlays, $12,800,000,000.

(C) New direct loan obligations, $30,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, $9,900,000,000 plus $100,000,000.

(B) Outlays, $11,400,000,000.

(C) New direct loan obligations, $30,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $9,300,000,000 plus $100,000,000.

(B) Outlays, $10,300,000,000.

Fiscal year 1985:

(A) New budget authority, $8,900,000,000 plus $200,000,000.

(B) Outlays, $9,300,000,000 plus $100,000,000.

Mr. MOYNIHAN. Mr. President, this amendment is not in any sense a budget-busting resolution. It is an amendment that scarcely touches the budget.

Mr. President, may we have order? I agreed with the majority leader last evening that there would be 5 minutes of debate equally divided on both sides. I wonder if the other side might be present and this side might be quiet.

The PRESIDING OFFICER. The Senate will be in order.

The Senator from New York.

Mr. DOMENICI. Will the Senator yield for a question?

Mr. MOYNIHAN. I am happy to yield.

Mr. DOMENICI. Is there a time agreement on this?

Mr. MOYNIHAN. There is a time agreement of 5 minutes on each side. I informed the Senator and he agreed at the time.

Mr. DOMENICI. Mr. President, the Senator asked that we be present. I must tell him I cannot be present now. I am leaving the Senator from Wyoming and my staff here.

Mr. MOYNIHAN. Mr. President, the Senator from Wyoming is a member of the committee involved and he will more than represent the other side.

Mr. DOMENICI. I shall return and make the opposing argument before we vote.

Mr. MOYNIHAN. The Senator had better hurry.

Mr. DOMENICI. I do not think we shall vote until I get back.

Mr. MOYNIHAN. Mr. President, this amendment simply restores the Superfund provisions in the budget resolution to that modest level proposed by the Committee on Environment and Public Works; namely, to a total of $250 million in budget authority and $119 million in outlays for fiscal 1983 and corresponding numbers further down.

The actual outlay increase in the coming fiscal year is $28 million. It appears in the budget resolution as zero. The outlays for fiscal 1984 increased by $33 million and appear in the budget resolution as zero. Only in fiscal 1985 does the outlay increase round up to $100 million.

In our view, Mr. President, in the view of many Members, not necessarily all, of the Committee on Environment and Public Works, this is a good faith amendment. In good faith, the Congress passed Superfund legislation following the revelations of the Love Canal experience at Niagara Falls. We imposed a tax on 42 toxic chemicals produced by a relatively small number of firms. That tax revenue is committed to this fund to be used to cleanup hazardous waste sites. The fund will have available in it some $582 million in fiscal 1983.

Mr. President, even under this amendment outlays would represent about only 20 percent of the fund during fiscal 1983—and the fund continues to accumulate. Fiscal 1983 will be the third year after the Environmental Protection Agency began to exercise its responsibility as well as its mandate under the Superfund law. A $250 million funding level for fiscal 1983 would allow some 197 sites or spills to receive assistance. There is currently a priority list of some 115 sites that EPA announced last October, and there is a further list of some 400 priority sites now being prepared.

We know how to do this. In very considerable measure, it needs to be done. If we handle ourselves well, and there is no reason we shall not, this is a one-time exercise to rid ourselves of poison left in the Earth, seeping into drinking water, a result of the great chemical revolution of this century.

The PRESIDING OFFICER. The Senator's 5 minutes on the amendment have expired.

Mr. MOYNIHAN. I thank the Chair. I shall yield myself 1 minute on the bill.

The Committee on Environment and Public Works, which drafted this legislation after extensive hearings and inquiry, recommended a modest program for fiscal 1983, and we ask that the budget resolution reflect the judgment of the committee.

Mr. President, I hope the Senate recognizes that this amendment has zero impact on the budget this year in outlays; a zero impact next year; and only in 1983 do we add $100 million in outlays.

We are talking about money committed for the purpose of cleaning up hazardous waste sites. Seven-eighths of the trust fund will come from a tax levied on the producers of toxic chemicals. The trust fund will continue to accumulate. We only ask that it be spent at a somewhat more modest but good-faith rate.

Mr. RIEGLE. Mr. President, will the Senator yield briefly?

Mr. MOYNIHAN. Yes, I am happy to yield a minute to the distinguished Senator from Michigan. Our time has expired.

Mr. President, the Senator from Michigan (Mr. Riegle) wishes to be added as a cosponsor. I ask unanimous consent to that effect.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RIEGLE. Mr. President, I thank the Senator. I do want to join him. I think this is an important initiative. This is the kind of long-term requirement that the country must face up to and respond to. I think the amendment the Senator has proposed is a responsible one. I think it will save money in the long run and it will help us to face some of the hard issues and problems we need to face in the country. I hope his amendment will be successful.

Mr. MOYNIHAN. I thank my friend.

The PRESIDING OFFICER. Who yields time?

Mr. SIMPSON. Mr. President, on behalf of the distinguished chairman of the Committee on the Budget, I shall respond to my colleague from New York.

Indeed, Mr. President, we did work together on the "Superfund" legislation as members on the Environment and Public Works Committee. I feel I was instrumental in assisting in the passage of the final product. It is a very serious situation, once again evoking high emotion as we deal with phrases like "Valley of the Drums," leaching soils, Love Canal. It is one of those areas where, occasionally, reason and enlightenment seem to permeate the debate as well as the chemicals seem to permeate the soil.

Enough of that, Mr. President. I say the Superfund is indeed something I am proud to have been part of. I think it is good and I like the trust fund aspect of it.

Mr. President, the thing to be addressed here, I guess, is that the amendment of yesterday—of which this amendment was a part—was something we dealt with and it was defeated by the Senate by a vote of 62 to 34. Now we come back with this aspect of something like, really, a division of the question on which a vote occurred.

The Senator from New York has indicated that the funds from the Superfund are already set aside and in a trust fund designated for the sole purpose of addressing the hazardous waste problem. I have no argument whatsoever with that observation. That is a fact and it is just as I remembered it.

The Senator from New York also indicates that there are currently $279 million in that fund and that, by fiscal year 1983, there will be $582 million in that fund available for appropriation.

That, too, is a fact. The important part of that statement is that it says, "available for appropriation."

I think the Budget Committee chairman indicated in the statement submitted for the Record on this subject earlier that the budget resolution assumes $125 million more for EPA than is provided under the President's budget. That should not be lost in the debate.

The budget resolution as presented by the chairman produces $125 million more for the EPA than provided in the President's request. The amount assumed in the budget resolution does not mean that that is how much EPA or the Superfund or any other fund or organization is going to get. I think that is what may be lost in the debate.

While the Superfund is, indeed, as the Senator from New York correctly states, primarily made up of collections of excise taxes imposed on the chemical and oil companies and is a designated trust fund, the law, as we drafted it and as it was presented to the Senate and in the law, provided that the fund is subject to appropriations. Indeed, it is. If we were to pass this amendment, which I certainly do not suggest we do, who is to advise us that what money we added into the EPA budget function today the Appropriations Committee would use for the Superfund. I think that is the critical issue. I know that the Budget Committee chairman has indicated previously, which you may tire of hearing but I think he would want me to state again, that the assumptions in the budget resolution are not binding on the Appropriations Committee. That is a haunting theme of the Budget Committee chairman. If we were to place this money in for the Superfund, who indeed is to say what appropriations would do with it?

They may put it in any other program. They may even put it in some program that we have already voted down. That is certainly possible. Or they may make an increase on this budget resolution that we are processing over these last days.

For those reasons, I oppose the amendment on behalf of the Budget Committee chairman. I believe, although it is a striking example of a situation which is paramount in people's minds—and should be—that again it is not going to be addressed simply by passing this amendment because it is indeed, going to be not binding on the Appropriations Committee. Therefore, I do not believe it will solve what the Senator from New York may be trying to attain.

The PRESIDING OFFICER. The Senator's time on the amendment has expired.

Mr. MOYNIHAN. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

Mr. SIMPSON addressed the Chair.

The PRESIDING OFFICER. There is not a sufficient second.

Mr. SIMPSON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. SIMPSON. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. ROBERT C. BYRD. Will the Senator not object and allow me to make a brief statement?

Mr. SIMPSON. Mr. President, the Senator from Wyoming came to the floor with other things in mind.

The PRESIDING OFFICER. The quorum call is in progress.

The bill clerk continued calling the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Will the Senator from New York yield me 3 minutes?

Mr. MOYNIHAN. I am happy to yield.

ANNOUNCEMENT OF POSTPONEMENT OF DEMOCRATIC SENATORIAL COOLFONT CONFERENCE

Mr. ROBERT C. BYRD. Mr. President I take the floor at this time to state that it is obvious that we cannot finish the work on this bill by 2 o'clock today or by 3 o'clock or by 4 o'clock. It will probably be 8 or 9 o'clock or later. But in any event, I think we ought to finish acting on this resolution today.

Democratic Senators had planned for a conference at Coolfont in Berkeley County, W. Va. But we want to put the business of the Senate ahead of party interests. We have met. Mr. Boren, whom I designated as chairman of the group that would work out the arrangements for the Coolfont conference, is here on the floor. We have had several members of his group and other Senators who were planning to go to that conference. We were all in agreement that the American people expect us to complete action on this budget resolution and that we, ourselves, want to see action completed on the budget resolution. We put our Nation's interests first, and we are here to say that that conference will be postponed to another date, not canceled. It will simply be postponed to another date when we will not be faced with the extenuating circumstances that confront this Senate at this time.

Mr. BOREN. Will the leader yield?

Mr. ROBERT C. BYRD. I yield.

Mr. BOREN. Mr. President, I join in the remarks just made by the distinguished minority leader and say that the members of the committee that worked with me in planning this particular session are in unanimous agreement with the leader's decision that we should put the work of the country first, that the budget is extremely important to all of the people of this Nation and that must be our first priority. All of those who have discussed it are in agreement that this action should be taken, that we should complete our work here without any pressures of time operating on us and make sure that we carefully deliberate about each decision which we make here on this floor.

Mr. ROBERT C. BYRD. I thank the Senator for the good work that he has done in this regard. Even last night we were still hopeful that there might be a possibility that we could complete action on this measure by 2 o'clock today. We have speakers scheduled to address the conference. Senators have made plans for the conference. They were going to take their wives, and so our decision comes at no small inconvenience to Senators and speakers and members of the press who were invited. We now see that it is absolutely clear that it will take a good bit of time yet to complete action on this measure, and I think we should announce our plan to defer the Coolfont conference until a future date.

Mr. RANDOLPH. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. RANDOLPH. Mr. President, the announcement by the minority leader, Senator Byrd, is correctly stated and is spoken with a sense of duty to the work here.

The conference in West Virginia, now postponed, was to be at Coolfont, in the lovely hill country near historic Berkeley Springs, Morgan County. Democratic colleagues would have been privileged to be at this resort with their families. Informed speakers were to counsel with us. The discussions would have been helpful in a picturesque setting as "spring skips over the mountains top."

However, as our minority leader has said—we do believe that this measure is important legislation on which action should not be deferred until next week.

I commend our leader. He speaks not in apology. He emphasizes that Democrats in the Senate will stay on the job and work with others their will for passage. At a later date there will be a constructive conference where plans for successful prosecution of the November election will be considered and later carried to reality.

Mr. ROBERT C. BYRD. I thank the Senator.

Mr. President, I should like 2 more minutes yielded to me, and I ask unanimous consent that this time be charged on the time of the resolution, because we are speaking out of order.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. ROBERT C. BYRD. I yield to the Senator from Vermont.

Mr. LEAHY. Mr. President, I also wish to commend the distinguished Democratic leader for his decision. As I mentioned to him a few minutes ago, the decision came about 5 minutes after I had called my wife to make alternate plans, to make sure we would be at Coolfont tonight.

The meeting he organized last year was extremely helpful to individual Senators and extremely helpful in establishing the positions of our party in this body, something for which we have a historic responsibility, and it helped us carry out that historic responsibility.

I also commend him for doing what all of us expected and knew he would do, to put the interests of the United States far ahead of those of our party or of any particular individual Senator. I commend him for it.

I, for one, look forward to joining him and the distinguished senior Senator from West Virginia at Coolfont at another time.

Mr. ROBERT C. BYRD. I thank the Senator.

Mr. President, I yield to the distinguished Senator from Rhode Island (Mr. Pell).

Mr. PELL. Mr. President, I congratulate the minority leader on his decision. I am not surprised at it nor at his sense of priorities.

I am reminded that the parliamentary body that calls itself the mother of parliaments—although we may not agree with that—has a rule of priority as follows: nation, party, self.

I think that is a pretty good rule for all parliamentary bodies. This is an occasion when national interests are put ahead of party interests and both are put ahead of personal interests.

Mr. ROBERT C. BYRD. I thank the Senator.

Mr. President, I thank the Senator from Wyoming for permitting me to speak at this time.

Mr. SIMPSON. Mr. President, I thank the Senator from West Virginia for meeting his obligation to his side of the aisle. I think that is a very fine gesture for the minority leader and those of his party. I am sure it was a very difficult decision.

I can tell the minority leader how much the party on this side appreciates the Tidewater Conference, which is a time of reflection and refreshment for us. We feel just as you do. As you have all very well expressed, we have a duty. We on this side of the aisle feel it is just as important to proceed and are pleased that you share in that.

We are here to join together to get this difficult task done, so that we can get to a rollcall vote today on final passage.

I thank the Senator from West Virginia, and I appreciate the comments he and his colleagues have made.

FIRST CONCURRENT BUDGET RESOLUTION

The Senate continued with the consideration of the concurrent resolution.

Mr. DURENBERGER. Mr. President, will the Senator yield?

Mr. SIMPSON. I yield.

Mr. MOYNIHAN. On whose time?

The PRESIDING OFFICER. The minority leader had obtained consent that the time not be charged to either side on the resolution.

Mr. SIMPSON. Mr. President, I ask unanimous consent that the time be charged against the resolution.

Mr. ROBERT C. BYRD. Beginning here?

Mr. SIMPSON. Beginning at this time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DURENBERGER. I thank my colleague from Wyoming.

Mr. President, I am not headed this afternoon for Berkeley County, W. Va., or Beckley County.

Mr. RANDOLPH. Morgan County.

Mr. DURENBERGER. Some wonderful county in an incredibly beautiful State this afternoon, to enjoy refreshments, self-reassessment, or whatever goes on at the Democratic version of Tidewater. I will be headed, instead, for Duluth, Minn., which is currently the home of 15 percent unemployment, in an area that is probably by now the home of 22 percent to 24 percent unemployment.

I called my wife to inform her that I was going to be picketed by college students who were going to demonstrate their ungratefulness for my efforts here to restore higher education funds to the budget. But that is a sign of the times, and so are some of these amendments.

Mr. President, I opposed many Members of my caucus in supporting an amendment by the distinguished Senator from New York and the distinguished Senator from Vermont that related to the Environmental Protection Agency, and I did so because, as chairman of the Subcommittee on Intergovernmental Relations, I have spent a great deal of time in the last few months examining the relationship between Federal and State government in providing environmental quality control in this country.

I came to the readily simple conclusion that by the action of the Budget

Committee in reducing the appropriations for the Environmental Protection Agency, we were actually raising the costs of environmental protection in this country substantially.

Mr. President, I am supporting this amendment for a very critical reason. I am convinced—and I hope to use this opportunity to convince my colleagues—that an adequate budget level for the Environmental Protection Agency at each stage of the regulatory process is necessary to make sure that in the end the regulatory process is not more expensive than it needs to be. In other words, I intend to argue that budgeting adequate funds for EPA now will save money in the long run.

As chairman of the Subcommittee on Intergovernmental Relations, I have been holding a series of hearings on those laws which authorize a Federal agency to set environmental or health and safety standards and leave to the States the job of writing plans and regulations to meet those standards. Many of these State implementation programs are assigned to EPA. They include the Clean Air Act, the Resource Conservation and Recovery Act, and various aspects of our water pollution control law.

There are 18 laws of this type including the Occupational Safety and Health Act and the Surface Mining Reclamation Act, not all within the jurisdiction of EPA, but all taking a similar structure calling on the Federal Government to set standards and directing the States to implement those standards.

In reviewing these 18 State implementation laws, the subcommittee has found that there are four basic parts to the regulatory process, and that each of these parts is reflected in the budget of the Federal agency administering the program. These four parts are research and development, regulatory design, State grants, and enforcement. We have also found that inadequate funding for any part of this regulatory process tends to increase costs at some other point, so that no real savings are actually realized.

Let me go through the four parts one at a time so that I can make this interrelationship clear.

First, research and development. Setting environmental or health and safety standards is necessarily decisionmaking in an uncertain environment. The less certain the information, the more likely it is that the standard will be stricter than is necessary to protect public health and safety. When one has not committed the research funds necessary to gain a thorough understanding of the effects of a particular pollutant, preliminary indications of adverse health effects will lead to strict control measures. These control measures can have high costs to the economy that may in some cases exceed the benefits of the proposed standard. This economic inefficiency results from not devoting sufficient funds to the research effort in the first place. Savings in the agency budget end up imposing unnecessary costs on the private sector.

The second stage in the process is regulatory design. We prefer a system where the Federal Government sets the standards and the States implement them. However, that system depends on the Federal Government proceeding expeditiously toward final regulations that can be maintained consistently over a number of years.

In many of the programs created by State implementation statutes, the States are ready to implement, but find themselves unable to do so, because Federal regulations have not been published. The uncertainty created for State regulatory agencies and the private sector wastes resources. It does so because all new developments are in limbo pending the outcome of the design process. Adequate resources devoted to timely design of the regulations setting Federal standards, reduces regulatory costs over the long run.

The third step in this type of regulation is State implementation. Writing the plans, issuing the permits and enforcing the standards costs money. Looked at as a whole, the Federal Government and the States currently share these costs in about equal portions. The percentages vary widely by program and in some cases by State. But in general the costs of implementation are shared about evenly between the Federal and State partners in this regulatory process. The Federal share is paid to the States in the form of grant programs. But my colleagues should not forget that these grants are directed to the States, not as general assistance to meet some traditional State function, but rather to achieve specific Federal purpose that has been defined here in the Congress. To the extent that these grants can be called assistance programs at all, the assistance comes in the other direction. It is States spending some of their own funds to help us achieve a Federal purpose. And, as I said, for every Federal dollar that we commit, the States are also committing a dollar.

What happens when we do not provide adequate funds in the budget of an agency like EPA which is chargd with one of these State implementation statutes? Can we just expect the States to increase their share? No. In fact, the States are not obligated to commit any share at all. States are free to drop their implementation efforts altogether. The grant program is a carrot. We offer it to beg their assistance in helping us achieve our purpose. If we try to shift the cost to them by cutting the grant funds, we will reach the point that the States will simply back out altogether.

To illustrate this point, Mr. President, I ask unanimous consent that an article from the Washington Post this morning be printed in the Record at the conclusion of my remarks. It clearly indicates that in the face of the Federal budget cuts many States are contemplating an abandonment of their role in the implementation process.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. DURENBERGER. Mr. President, does this save us any money? It does not because the Federal agency is then obligated to go into the States and do its own implementation. Federal enforcement is more costly on two counts. No. 1, it is likely to be administratively more cumbersome and expensive. No. 2, Federal enforcement does not benefit from those State expenditures that were previously committed to implementation.

If in the name of saving a few dollars in the budget of the Federal agencies, we cause the States to drop out of these environmental programs, we really will have wasted money in the long run. We will be required to enforce these programs entirely from the Federal Treasury, and since the States are making a contribution roughly equal to our own at this time, we will end up doubling our costs.

Mr. President, I urge my colleagues to support this amendment. It is one of those rare cases where adequately funding a program now will save us money over the long term.

Mr. President, I indicate, further, that in spite of the very lucid, well thought out, well researched argument by my colleague from Wyoming in opposition to this amendment—because I do believe that the appropriations process is not only the appropriate place but also the most sensitive place to make decisions relative to grants from the Superfunds—I intend to support the amendment of the Senator from New York, although it comes hard for me to do so.

Duluth, Minn., is also the home of much of the deposition of acid rain in the United States, and I am sure that this amendment has much to do with the solutions to the problem, and for that reason I intend to support this amendment.

EXHIBIT 1

STATES CAN'T SHOULDER EPA'S CLEANUP LOAD

(By Sandra Sugawara)

There's one small problem with the Environmental Protection Agency's plans to trim its budget by turning some of its programs over to the states.

The states say they can't afford them either.

And, according to a recent survey by the National Governors Association and state environmental officials' groups, many would consider dropping programs—particularly ones designed to control air pollution—rather then accept responsibility for them.

The result, state officials say, could be damaging to many of the major gains of the 1970s in controlling air, water and hazardous waste.

The idea of turning over certain pollution control programs to the states is not new. In fact, under most of the major environmental laws of the 1970s, the federal government was supposed to set the policies, help with enforcement, and then give money to states to help them establish and eventually manage their own programs.

What worries state environmental officials is that EPA, at the same time it is trying to speed up the transfer of responsibility to states, wants to cut by 20 percent the $227.8 million it gives them for environmental programs. The federal money represents about 50 percent of state expenditures on these activities, according to the NGA survey.

State environmental officials note that state budgets are already burdened by other cuts in federal aid, swollen unemployment payments and lagging revenues because of the recession.

In fact, when the Pennsylvania legislature recently wrestled with cuts in spending, one of the largest—$526,000—came out of the budget for its Department of Enviornmental Resources. The agency had already shut 20 of its 46 environmental-enforcement offices, and officials said they have no idea what the new state cuts, let alone the proposed federal reductions, would do.

Environmental officials in Massachusetts expect the state budget for fiscal 1983 to provide a 15 percent increase in their funds, which they intend to use to develop their fledgling controls over hazardous waste, toxic waste and groundwater protection. Still, they anticipate problems.

Anthony Cortese, commissioner of the state's Department of Environmental Quality Engineering, said, "We can't cut back on those [programs]. We're just starting out with them." Cortese said the problem is a major one for the state. In the last three years, 97 hazardous waste sites have been discovered and about 50 remain to be cleaned up. Thirty-one water supplies were found contaminated.

Cortese said a 20 percent cut would hurt air and water programs, particularly issuing permits, monitoring, inspections and enforcement.

The NGA survey found officials in 11 of the 49 states surveyed optimistic that they would be able to make up at least part of the federal cuts in the hazardous waste program; six states, the air program cuts; three states, the water program cuts, and six states, the safe drinking water cuts.

Massachusetts and other states are considering charging users for processing air, water and hazardous waste permits. But some states lack the authority to charge for such services and in about half of the 19 states that now charge for air quality permits, the money must go into general revenues.

On the other hand, at least 11 states indicated they would be forced to drop their programs to prevent the deterioration of areas with air cleaner than the national average. The programs would either have to be picked up by the federal government or eliminated.

Many states say the federal cuts would force them to lay off employees.

The cuts would also force the closing of 12 air pollution control agencies at the local level, including one in Alexandria, according to William Becker, executive secretary of the State and Territorial Air Pollution Program Administrators. Becker said the activities would be picked up by state authorities, further burdening state resources.

Twenty-seven states predicted that under the cuts it would take industry an average of 24 percent longer to get air permits. They also predicted that it will take longer to process water and hazardous waste permits, although they stressed that estimates are tentative.

The extent to which the states depend on federal assistance varies greatly, according to the survey. California is the least dependent, particularly in the air programs, where federal grants account for only 10 percent of the budget.

In contrast, federal funds account for about three-fourths of the air program budgets in Kansas, Ohio, Nebraska, Utah, New Hampshire and Vermont.

The federal government provides all the funds for hazardous waste disposal programs in Connecticut and Vermont.

Virginia depends on the federal government for 73 percent of its hazardous waste budget, 44 percent of its air budget, 46 percent of its drinking water budget and 21 percent of its clean water budget.

Maryland turns to the federal government for 87 percent of its drinking water budget, 56 percent of its water quality budget and 45 percent of its air quality funds. Maryland charges for some of its permits; Virginia doesn't have that authority.

Brendan Whittaker, Vermont's secretary of environmental conservation, said, "We don't like it. I suppose we can probably live with it. But what really worries me is the federal government's apparent shift away from an aggressive environmental stance. We need a strong federal presence to set the nation's environmental direction."

He believes a forceful federal role discourages regional inequities and is necessary to solve regional problems like acid rain. "I'm afraid we may be returning to the old days when fugitive industries begin shopping for an easy state to do business in."

Mr. MOYNIHAN. Mr. President, we have some time while we await some Senators opposite, who now are making speeches, and that is all very well.

It might be useful at this time, then, to turn to an issue that has not yet been mentioned in this debate, on the resolution before us.

I wish to point out that this resolution contains the first expression in the history of the U.S. Congress of its sentiments to the Federal Reserve Board about the direction of monetary policy. It is striking evidence of the narrowness with which we consider economic questions and of the institutional constraints imposed on our inquiry into such questions, that we think only of fiscal policy and generally find ourselves unable to deal with monetary policy. To a curious degree, Congress has always left issues of monetary policy to an uncertain and often hidden relationship between the Federal Reserve and the Executive.

Ours is the one of only two industrial nations in the world where the legislative body does not set or even influence in a direct way monetary as well as fiscal policy, the other being the Federal Republic of Germany. This has been the informal arrangement since the establishment of the Federal Reserve; now, for the first time in this resolution this is being changed. The press has not noticed this, and it may be just as well. But I have spoken with the chairman of the Federal Reserve. He has noticed. He has also noticed that the Budget Committee of the House of Representatives has, in its resolution, adopted the same language on monetary policy we have incorporated in this concurrent resolution. When we go to conference, therefore, there will be identical language on both sides.

This is important. It has never happened before in the history of the Congress and this Nation. It is an event of some consequence.

It is an event that my distinguished friends from New York, members of the New York delegation such as the distinguished representative from Alexander, probably would view with alarm, some will be concerned at even so much as nodding in this direction at merely acknowledging the existence of the Federal Reserve System in a congressional resolution. But it is now a fact, Mr. President, that if we are going to meet our responsibilities in marco-economic policy, we cannot confine ourselves to fiscal policy.

During the markup of this resolution in the Budget Committee, Senators RIEGLE, SASSER, and I offered a monetary policy resolution which would, in effect, have expressed the sense of the Congress that the Federal Reserve should return to the monetary growth path which President Reagan proposed. Senators RIEGLE, SASSER, and I proposed a statement which would have encouraged the Federal Reserve to restore the monetary targets suggested by the President in his proposal for economic recovery of February 18, 1981.

In consultation with the Joint Economic Committee, we submitted our monetary proposal with our proposals for fiscal restraint to Data Resources Inc., for analysis by their computer simulation of the economy.

We got the most startling results that have come out of economic analysis in this body: rapidly declining interest rates, rapid economic growth, and rapidly declining deficits.

Later in the day, some dear friends from my own party will offer yet another proposal to reduce outlays in the budget. It will not happen. We in the Budget Committee sat for days, while Members rushed in to announce that deficits were destroying democracy, paused to look at their watches, and then ran back to their committees to propose yet another $5 billion in outlays for the Commodity Credit Corporation.

Such efforts are not sufficient.

We are dealing with an unprecedented monetary situation, one of the highest real rates of interest in the history of the United States.

Mr. President, not long ago we had the great honor and privilege to have the Queen of the Netherlands, Queen Beatrix, address a joint session of Congress, on the occasion of the 200th anniversary of relations between the United States and Holland. When Holland first recognized the United States 200 years ago, Congress immediately set out to borrow money from her bankers. But owing to the extraordinary risk of lending money to a revolution torn country recognized by only one nation on Earth, the Dutch exacted an extraordinary rate of interest. They charged our new Government 5 percent on those bonds. Last year real interest rates in this country rose above 11 percent.

We find ourselves today with an economic policy at war with itself—a hugely expansionary fiscal policy owing to the radical reduction of tax revenues with the large increase in defense outlays, confronting an incredibly tight monetary policy, perhaps loosening up now but incredibly tight in 1981. M_1 supplies grew at a rate of 2.3 percent in 1981: We have to go back to 1959 to find a comparably tight policy. The last time, it precipitated an economic contraction that helped elect John F. Kennedy, and there is something to be said for that. This time it is precipitating an economic crisis.

In any event, Mr. President, I only intended to take advantage of this quiet moment, when there are few in the Chamber, to note that, yes, there is something new in this resolution: For the first time in American history, a sense of the Congress statement calling on the Federal Reserve to reevaluate its monetary policies. I am pleased that, with Senators SASSER and RIEGLE, I brought this issue for consideration in the budget resolution.

These are not subjects easily followed, but I suggest that interest rates are more near to the heart of our difficulties today—interest rates essentially influenced by the decisions of the Federal Reserve's Open Market Committee, to which we address the sense of the Congress—than the rather clumsy and retarded efforts to change budget authorities and even final budget outlays. By the time what we are doing today has any effect on the economy, we shall have either entered a depression, or already have been in and out of another intervening recession.

Monetary policy responds more quickly. In New York this afternoon at 4 p.m., the stock markets will close and most of those present will sit around waiting to learn the Federal Reserve's latest estimates of M_1 supplies. And they will react immediately to what they learn, as will interest rates and investment decisions. The fiscal matters we are discussing here today will appear in the actual economic and money flows of this country only 2 years from now.

Mr. President, the hour of 2 p.m. has arrived and the distinguished minority whip has returned. Our time has expired, of course, and we have been speaking on the amendment.

I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second. The yeas and nays were ordered.

Mr. DOMENICI. Mr. President, I understand that time has expired on this amendment, but I would not like to start to vote on it for about 5 minutes. So we can do that, however the distinguished Senator from New York wishes. We can have a quorum and charge it to us for 5 minutes, or we can yield to the Senator from New York if he has something further to add. What is his pleasure?

Mr. MOYNIHAN. I am happy to have a quorum if it be charged to the Senator. I only made a 5-minute statement. Perhaps if I may take 2 minutes to charge it to our side just to respond on some of the comments made by the Senator from Wyoming and the Senator from Minnesota.

Mr. DOMENICI. All right, and then we will have a quorum on our side until around 5 after.

Mr. MOYNIHAN. Until the Senator from Kansas returns.

Mr. DOMENICI. Until 5 after.

Mr. MOYNIHAN. Mr. President, with respect for the Senator who spoke earlier, I would just like to add a few comments about the Superfund amendment. In a party caucus on Tuesday, $58 billion was added to the budget resolution that was reported out of the Budget Committee only a short time earlier, even so in the matter of Superfund the resolution is still below the request of the administration itself.

This amendment simply restores Superfund to the level recommended by the Committee on Environment and Public Works.

No one can speak for certainty to the appropriation process with respect to any of these functions, but I would say with confidence if our committee asked the Appropriations Committee to allocate $250 million in budget authority for fiscal 1983 from the Superfund trust fund, reserved moneys, that they will do that.

It is a very modest use of a steadily accumulating resource, and it is what the committee requested.

I hope the Senate will find it in the interest of comity to the committee to do so. I am hopeful that they will. I know there are people who will ask them why is it that in the aftermath of the Love Canal and an endless—not endless, but a very continuous sequence of toxic waste disasters in this country, we are not prepared to do even as much as the administration proposes. Why is it that we are unwilling to expend moneys that are earmarked for the cleanup of toxic waste dump sites? We have a special tax on 42 chemicals for this purpose. We know not just where to get the money but where to use it.

I would say once again we are in some respects facing a one-time problem. If we can clean up these dumps, they need not recur.

The PRESIDING OFFICER (Mr. HUMPHREY). The Senator's 2 minutes have expired.

Mr. MOYNIHAN. I thank the distinguished Presiding Officer and I yield the floor.

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. BAKER. Mr. President, as far as I know, there is no requirement for time off the resolution for debate. Have the yeas and nays been ordered on the amendment?

Mr. MOYNIHAN. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. BAKER. Does the Senator from Georgia seek recognition?

Mr. NUNN. Mr. President, I ask unanimous consent that Ed Zyas of my staff be accorded floor privileges.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment of the Senator from New York (Mr. MOYNIHAN). The yeas and nays have been ordered, and the clerk will call the roll.

The bill clerk called the roll.

Mr. BOREN (after having voted in the negative). On this vote I have a pair with the distinguished Senator from Montana (Mr. MELCHER). If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." I withdraw my vote.

Mr. STEVENS. I announce that the Senator from Oregon (Mr. HATFIELD), the Senator from South Dakota (Mr. PRESSLER), and the Senator from New

Mexico (Mr. SCHMITT) are necessarily absent.

I further announce that, if present and voting, the Senator from Oregon (Mr. HATFIELD) would vote "nay."

Mr. CRANSTON. I announce that the Senator from Kentucky (Mr. HUDDLESTON) and the Senator from Montana (Mr. MELCHER) are necessarily absent.

I further announce that, if present and voting, the Senator from Kentucky (Mr. HUDDLESTON), would vote "yea."

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 41, nays 53, as follows:

[Rollcall Vote No. 141 Leg.]

YEAS—41

Baucus
Biden
Bradley
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chiles
Cohen
Cranston
D'Amato
DeConcini
Dodd
Durenberger
Eagleton
Exon
Ford
Glenn
Hart
Hawkins
Heinz
Hollings
Inouye
Jackson
Kennedy
Leahy
Levin
Long
Mathias
Matsunaga
Metzenbaum
Mitchell
Moynihan
Pell
Pryor
Randolph
Riegle
Sarbanes
Sasser
Stafford
Tsongas

NAYS—53

Abdnor
Andrews
Armstrong
Baker
Bentsen
Boschwitz
Brady
Byrd, Harry F., Jr.
Chafee
Cochran
Danforth
Denton
Dixon
Dole
Domenici
East
Garn
Goldwater
Gorton
Grassley
Hatch
Hayakawa
Heflin
Helms
Humphrey
Jepsen
Johnston
Kassebaum
Kasten
Laxalt
Lugar
Mattingly
McClure
Murkowski
Nickles
Nunn
Packwood
Percy
Proxmire
Quayle
Roth
Rudman
Simpson
Specter
Stennis
Stevens
Symms
Thurmond
Tower
Wallop
Warner
Weicker
Zorinsky

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Boren, against.

NOT VOTING—5

Hatfield
Huddleston
Melcher
Pressler
Schmitt

So Mr. MOYNIHAN's amendment (UP No. 985) was rejected.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I yield myself 1 minute.

There are only 3 hours and 50 minutes, approximately, left of the time allocated for debate on the resolution. It is now 2:30 p.m. It is the intention of the leadership to finish this resolution today. I know that will cause, has already caused, serious inconvenience on both sides of the aisle, but I believe we can finish this resolution by 6 o'clock or thereabouts. I urge Senators to consider whether or not they require rollcall votes on all of their amendments and how they may be able to abbreviate their statements and remarks.

Mr. President, we shall make every effort to, and I am confident we will, finish consideration of this resolution today.

Mr. DECONCINI. Will the leader yield?

Mr. BAKER. Yes, Mr. President, I yield

Mr. DECONCINI. Would the majority leader consider asking for 10 minute rollcalls on these votes?

Mr. BAKER. Mr. President, I really cannot at this point. We are having so much trouble getting people in now on 15-minute rollcalls. If we get some stacked, I shall be glad to do that, with the first rollcall to be 15 minutes and subsequent rollcalls 10 minutes.

Mr. CHILES. Mr. President, I would if the majority leader would make some announcement when we are going to start 10-minute rollcalls after the next one. We are all here this afternoon, we do not have committee meetings, to be in our office and so forth. We ought to be able to make it.

Mr. BAKER. Mr. President, I think the Senator's suggestion is a good one. I shall ask my cloakroom to try to arrange that. We may have an agreement to that effect in a few minutes.

Mr. President, I yield the floor.

SOCIAL SECURITY SOLVENCY

Mr. BRADLEY. Mr. President, I am very pleased and not altogether surprised that the Republican modification of the Senate Budget Committee's first budget resolution has removed the $40 billion in cuts to the social security program initially called for. At the same time, I think it is important to recall what the Budget Committee Republican majority first proposed.

Mr. President, under pressure of the largest Federal budget deficit in our history, we were to approve an unspecified $40 billion in cuts in the social security program over the next 3 years. These cuts work out to approximately $1,000 for each of the 35 million Americans who currently receive social security benefits. Of course, we had been assured by partisans of this $40 billion compromise between the White House and the Budget Committee Republicans that the monthly checks of current recipients would be protected, that our senior citizens who are primarily dependent on social security for their income—an estimated 35 percent of all aged recipients—should not worry.

But worried they are, Mr. President. They are worried because they remember a promise the President made last year not to cut social security benefits, only to find minimum benefits disappear under the guise that they were not social security benefits at all. They are worried because they remember the drastic cuts in benefits for early retirees and disabled workers that President Reagan proposed last year. They are worried because they find it hard to believe that achieving $40 billion in cuts, $6 billion of it in fiscal year 1983, will not require such drastic reductions in benefits.

Mr. President, we owe the 35 million Americans who receive social security benefits and those many millions of working Americans who are contributing to the system to be open and honest about the social security program and its future. The partisan of this proposal argued that we should adopt an arbitrary number for cuts—the $40 billion—and then await the recommendations of the National Commission, conveniently expected just after the November elections, before getting down to details.

But voting for $40 billion in cuts without specifying which benefits and which beneficiaries will be affected does not meet the test of openness and honesty. Americans do not buy houses or cars, or insurance policies or even apples without looking at the goods first. We in the Senate, as elected representatives of the people of this Nation, should be far less willing to purchase a numerical fix in the budget without thoroughly considering the true cost that will be paid by the American people.

Mr. President, I will not deny that the social security system is facing a serious financing problem over the next several years. This short-term problem is a result of the weak performance of our economy over the last decade. Lagging productivity and the OPEC-driven inflation in oil prices are prominent contributors to our current difficulties. Yet interfund borrowing as provided for last fall by the Senate would have met the needs of the social security system. However, other events intervened, notably the recession and the dramatic rise in unemployment the recession has brought. Because social security has always been financed by payroll taxes on a pay-as-you-go basis, increased unemployment means decreased revenues available for social security payments. Despite optimistic forecasts by the Reagan administration and the passage of its economic program—some would say because of its passage—unemployment has risen dramatically in the past 6 months. In October, unemployment stood at 8 percent or nearly 9 million workers. Last month's figure was 9.4 percent or over 10 million workers out of work. The loss of 1½ million social security taxpayers in a few months has had a significant negative impact on the social security system. Moreover, the prospect of continued high rates of unemployment and a no-

growth economy will intensify current problems.

As a consequence, some short-term measures may be necessary to see the program through to the 1990's, when the baby boom generation will be fully employed and the system will move into surplus. I am confident that Congress will address this short-term financing problem once the National Commission on Social Security issues its report at the end of this year. At that time we will be able to consider specific proposals to deal with the program's financing needs. Changes in benefits or cost-of-living adjustments, or borrowing from general revenues, or among the trust funds must be evaluated in terms of human as well as budgetary costs and benefits. We will also have the advantage of hearing from those individuals and groups which will be affected.

Mr. President, we shall take the action necessary to assure the solvency of the social security trust funds, but we shall not do so blindly, as this budget resolution would have required, without adequate information about the amounts of money needed and without adequate consideration of the measures to be enacted. For these reasons, Mr. President, I strongly opposed the provision in the initial budget resolution and I am equally strongly supportive of the action taken to strike the provision from the resolution.

UP AMENDMENT NO. 986

(Purpose: To add cost-of-living increases for military and civilian retirees and provide for an equivalent decrease in defense spending)

The PRESIDING OFFICER. The Senator from Florida is recognized.

Mrs. HAWKINS. Mr. President, I send an unprinted amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will state the amendment.

The assistant legislative clerk read as follows:

The Senator from Florida (Mrs. HAWKINS) proposes an unprinted amendment numbered 986.

On page 5, strike out lines 7 through 10 and insert the following:

Fiscal year 1983:

(A) New budget authority, $251,700,000,000 minus $380,000,000.

(B) Outlays, $215,300,000,000 minus $380,000,000.

On page 5, strike out lines 16 through 23 and insert the following:

Fiscal year 1984:

(A) New budget authority, $278,300,000,000 minus $850,000,000.

(B) Outlays, $243,000,000,000 minus $850,000,000.

Fiscal year 1985:

(A) New budget authority, $316,500,000,000 minus $930,000,000.

(B) Outlays, $277,700,000,000 minus $930,000,000.

On page 16, strike out through lines 12 through 15 and insert the following:

Fiscal year 1983:

(A) New budget authority, $281,800,000,000 plus $$380,000,000.

(B) Outlays, $273,000,000,000 plus $300,000,000.

On page 16, beginning with line 22, strike out through line 4.

On page 17 and insert the following:

Fiscal year 1984:

(A) New budget authority, $300,900,000,000 plus $850,000,000.

(B) Outlays, $288,800,000,000 plus $850,000,000.

Fiscal year 1985:

(A) New budget authority, $332,900,000,000 plus $930,000,000.

(B) Outlays, $310,500,000,000 plus $930,000,000.

The PRESIDING OFFICER. The Chair points out there is a 20-minute time limitation.

Mrs. HAWKINS. That will be more than adequate, Mr. President.

Mr. President, the amendment I offer today raises budget authority and outlays under the income security function by $380 million in fiscal year 1983, $850 million in fiscal year 1984, and $930 million in fiscal year 1985. With identical offsets from the defense function, this amendment does not affect the deficit projections for fiscal years 1983, 1984, or 1985.

Under the budget resolution before us today, Federal and military retirees will not receive cost-of-living increases in fiscal year 1983, and the COLA caps will be 4 percent in fiscal years 1984 and 1985. Under this amendment, Federal and military retirees would receive a 4-percent COLA in all 3 fiscal years.

Mr. President, our retired military and Federal workers defended and served our Nation well. I believe it is time that the Senate reciprocate by demonstrating its gratitude. We can do so by retaining 54 percent of the benefit increase they were promised this year, rather than pulling the rug out from under their feet without warning.

I believe we must partially reinstate the fiscal year 1983 COLA to show our commitment to fairness. Retired individuals, for the most part, live on fixed incomes. Unlike others, they have few chances, and many have none, to raise their income to keep pace with inflation. I do not believe the elderly should be forced to watch helplessly as their most important means of support is eroded by inflation. I believe that would be unfair.

The 7.4-percent COLA increase promised earlier is, in fact, just a catchup provision for inflation that took place last year. Even if inflation is eliminated, and I hope it is, retirees need a 7.4-percent increase to reacquire the purchasing power provided under Federal pensions last year. In a very real sense, a 4-percent COLA in fiscal year 1983, as I propose now, is the minimum the Senate can provide in the name of budget restraint. If any lower figure is adopted, we will be guilty of a breach of faith.

Furthermore, if we go back on our word on such short notice, it will be more difficult to attract qualified personnel into Federal military and civilian service. Given the security challenges facing our country in the years ahead, and the growing need for a sophisticated work force, I believe it is pennywise and pound foolish to raise new doubts among potential recruits about the willingness of the Federal Government to honor the employment contracts it signs.

Mr. President, my amendment calls for increases in military and Federal COLA's, but I do not intend to add to the deficit. My amendment contains an off-set provision. It calls for offsetting the cost for the COLA increases by equal reductions in the defense function.

Mr. President, I would not offer this amendment if I thought it would undermine our needed military buildup or the negotiations between the President and our allies in Europe, or the Soviet Union. In fact, I am convinced that this amendment will actually enhance our national defense.

On the battlefield, we know that intelligent, experienced, well trained personnel, and reliable, capable equipment are essential to win a military engagement. However, I believe we can also agree that the equipment we use is only as good as the people who operate it. Considering that Soviet troops outnumber us in Europe, we would be forced to rely on the skill of our military personnel to compensate for this Soviet advantage. Therefore, our Armed Forces must continue to attract and retain intelligent, qualified personnel in order to carry out their responsibility to defend the country. And one of the ways to insure this is to continue the COLA for military retirees. If we break faith with our military retirees and do not give them a COLA when others will receive one this year, I have no doubt that this will affect military retention. Men and women who are considering a military career will know that Congress at any time might deny them benefits previously agreed to. If potential recruits are persuaded that, after serving their country well, they will have to win a pension lottery to be financially secure, many will opt for a career that can guarantee them retirement income.

The 4-percent COLA increase in fiscal year 1983 called for in my amendment for Federal retirees will have a beneficial effect on the whole Government for the same reasons. However, the defense effort again will benefit substantially; just over 1 million Federal civilians earn their living by defending the country. Many highly qualified civilians will decide to seek employment elsewhere when they learn their retirement benefits can be tampered with by majority vote of the Congress.

There is another argument that Senators who favor our military buildup should remember before they decide how to vote on my amendment. If the impression is created that this buildup is imposing hardship on vulnerable individuals, the consensus to launch the buildup that was evident in 1980 and 1981 will erode. This erosion will ultimately force us back into the bad habits of the late sixties and seventies where defense spending in real terms declined. I believe this would be disastrous. We must be committed to a long-term, steady increase in defense spending, and we must convince the Soviets that we have the political will to match the threat they are mounting. I believe the American people will make the necessary sacrifices unless we violate their sense of fair play.

Mr. President, I urge the adoption of this amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficent second? Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Who yields time

Is the Senate ready for the question?

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Is there 5 minutes to a side on this amendment?

The PRESIDING OFFICER. Ten minutes on each side.

Mr. DOMENICI. We have not used any time on our side?

The PRESIDING OFFICER. That is correct.

Mr. DOMENICI. Has the Senator from Florida used her time?

The PRESIDING OFFICER. The Senator from Florida has used just over 6 minutes.

Mr. DOMENICI. Mr. President, I suggest the absence of a quorum and charge it to my time.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, as much as I would like to support the amendment of the distinguished junior Senator from Florida, Senator HAWKINS, I cannot. I hope the Senate will not. In fact, I think it is one that I might very well move to table.

I do not do that very often, but I think it is an issue that really ought to be set aside. That is what I construe tabling is.

What the Senator is saying is that she would like to take from the defense function a little over $2 billion in outlays and move it over to another function so that it could be used to supplement the moneys that we have to pay Federal retirees and Federal military retirees.

What this really points up, once and for all, as we look at the facts, is that the Federal employees pension fund is not self-sufficient. Obviously, there are many retired Federal employees who assume that they have paid money into a trust fund, the Federal Government paid money into a trust fund, and it is there for the retirement.

It turns out that there is not enough there. In fact, this year we will be paying about $15 billion from the average citizens general tax funds to make sure that there is enough for their retirement.

Senator HAWKINS says rather than freeze for 1 year those checks that are going to those retirees, which may very well be the case under this budget, while we catch a breath here in the country and get caught up, take it out of defense and move it down into that function and use that to pay for it.

In this Senator's opinion it does two things wrong: We cut benefits which we voted here a number of times not to do, but it does it just as effectively as if we had voted to cut it. Then it says that money should go to supplement the function of Government that writes these retirement checks, because she wants them to receive a 4-percent increase.

If they were entitled to the Consumer Price Index the way we have been figuring it, they would get 7.4 percent. Since the distinguished Senator is going to provide less than the full CPI, I laud her for that; that has to happen sooner or later, and I think it ought to happen now, to get less than the full CPI for a while as a cost-of-living add-on.

I commend her for that. I hope that the Senate would not take from the defense to put into a 4-percent add-on for cost-of-living adjustments for retired Federal employees and retired veterans. This is just as bad as putting new money in, the $2.2 billion. In this case I can say we do not add to the deficit because we take it away from defense. That is about the best I can do.

I am willing to answer any questions about retired Federal employees in terms of whether or not they have been adequately compensated with cost-of-living increases in the past. I happen to think they have. But if anyone would like to discuss it, I have all the facts.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. DOMENICI. I yield.

The PRESIDING OFFICER. The Senator has 56 seconds remaining.

Mr. GOLDWATER. Can the Senator explain to us how that formula is set up? As I understand it, we who are civil servants pay so much into the kitty and, theoretically, when it was established, the Federal Government was to match that sum every year. Is that correct?

Mr. DOMENICI. Have we run out of time on this side, Mr. President?

The PRESIDING OFFICER. The Senator has 30 seconds.

Mr. DOMENICI. I yield myself 2 minutes on the resolution.

Mr. President, I appreciate the Senator asking the question.

The Federal employees retirement fund and the congressional employees retirement fund were supposed to be compensatory funds, whereby they take something out of the paycheck and the Government, as an employer, matches it, puts it off on the side. It was supposed to be enough to make sure that the checks were forthcoming for the retirees and that we pay for the medical they were entitled to. It was 7 percent from the employees and 7 percent from the Government.

We have to acknowledge that for a period of 4 or 5 years, the Federal Government did not put its share in, so we could go back and figure what that is. But 7 from the employer plus 7 from the employee is 14, so it receives 14 percent of payroll. It is now costing 36 percent of payroll, not 14. We think that is the highest pension plan in the world, from what we are able to see.

What the distinguished Senator from Florida is doing is acknowledging that there is not enough money in any trust fund. She says we will take it out of what we plan to spend in defense and put it in there and make sure they get only 4 percent, not a 7.4-percent increase. The Budget Committee assumed that for 1 year they should not receive any increase.

Mr. GOLDWATER. Can the Senator tell me how many years it has been since the Federal Government paid its share of this fund?

Mr. DOMENICI. I cannot. Does the Senator mean into the trust fund?

Mr. GOLDWATER. It seems to me that during the Eisenhower years, the President did require that this be paid, but I cannot recall that it has ever been paid since.

Mr. DOMENICI. I do not think it has been that long. In any event, we are on pretty sound ground that it is not paying for itself and that we have to put in general tax funds. I think the distinguished Senator from Florida is recognizing that in her amendment.

Mr. GOLDWATER. We are not only looking at a social security problem where, thanks to the sticky fingers of

people in politics, those funds have disappeared, but also, we are looking—am I correct in this——

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. GOLDWATER. We are looking at another retirement fund that is in trouble.

Mr. DOMENICI. I yield myself 1 additional minute.

Mr. GOLDWATER. I think it is very important, because civil servants all over this country, including Members of Congress, have the rather mistaken idea that our retirement funds, all retirement funds of civil servants, are safe. I do not think they are safe. I believe we are in real trouble, and this is just another example of—I hate to become political about it—but the other side using money that did not belong to them.

Mr. DOMENICI. I compliment the Senator for bringing up the issue. He is absolutely right.

If anybody would like further details and would like some expert explanation of this, the distinguished Senator from Alaska is here. He has been working on it for years, and he has a reform bill that he is working on. I do not think he would be doing that if we did not have a real problem. We do.

The retirement system, as we interpret it, has about a $640 billion unfunded liability. There are those who have been talking as though social security was the worst system around in terms of solvency or insolvency. It pales in comparison to this.

I think the civil service retirement is going to be reformed soon. The Budget Committee has merely asked that we hold the program in abeyance for a while, do not cut anybody, do not reform anything. Give Congress a chance. For 1 year, do not give pay raises and do not add COLA's. That is what is at issue here.

Mr. President, the distinguished Senator from Texas (Mr. TOWER) is here. I indicated before he arrived that I thought I would move to table this amendment, and I shall appreciate the benefit of his thoughts on this matter.

Mr. TOWER. I thank the distinguished chairman of the committee.

Mr. President, I certainly will support him in a tabling motion. If that tabling motion does not prevail, I think I would feel constrained to offer some amendments to specify the areas from which these defense cuts would be made.

I believe that this business of saying let us cut *x* amount percentage or dollars out of defense, without testifying where it comes from, is really irresponsible legislating.

So, for my part, although I appreciate very much what the Senator from Florida is trying to do—and it may be that the majority will agree with what she is trying to do—I think it would be incumbent on me to suggest areas in which these reductions should come.

I hope this matter can be resolved in another way, because I certainly am not unsympathetic to the thrust of what the Senator from Florida is trying to do.

Mr. PRYOR. Mr. President, the Senate Budget Commission in its action on the first concurrent budget resolution (S. Con. Res. 92) has reported reconciliation instructions to the Senate Committee on Governmental Affairs as well as several other committees. The Governmental Affairs Committee is directed by its instructions to eliminate cost-of-living adjustments in 1983 for civil service retirees. Action is also recommended to eliminate COLA's in 1983 for military retirees. I oppose this action at this time and I support efforts to restore funding to the budget to finance these cost-of-living adjustments.

First, I want to make it very clear that I am a strong supporter of a balanced budget, and no Senator in this Chamber supports budget cutting by the Congress more than I do. However, some groups cannot be forced to take reductions in their earned benefits while other groups are ignored.

The recommendation to eliminate COLA's in 1983 will impact adversely upon a group of individuals who have already made significant sacrifices in efforts to balance the budget. Just last year these very same individuals, the civil service and military retirees, were asked to give up one of their then twice-a-year, cost-of-living adjustments. This action came as part of a series of efforts which have been undertaken over the past 6 years to reduce the level of Federal retirement benefits.

Congress, in 1976, repealed what was known at that time as the 1-percent kicker, because it was believed to be overly generous to Federal retirees. The so-called kicker was replaced with the twice-a-year adjustment and it was described as a fair and equitable compromise, which was supported by those who acted to repeal the "kicker." Then in 1981, just last year, with the enactment of Public Law 97–35, the Omnibus Reconciliation Act of 1981, Congress changed the cost-of-living annuity adjustment process for Federal, postal, and military retirees and their survivors from twice a year to the current once a year. Now less than 1 year later we are asking those Federal beneficiaries to forfeit entirely their scaled down once-a-year adjustment for a 12-month period in fiscal year 1983.

Mr. President, I believe the action of forcing one element of our society to share an unequal burden in the effort to balance the budget is extremely inequitable. I am particularly concerned with the impact of such reductions on this group of elderly retirees, the majority of whom live on extremely modest, fixed incomes, which average a fraction of current workers' wages. This group of elderly, dedicated Americans who have contributed years of service to the Federal Government deserve better treatment than to have their benefits continuously slashed. I support those efforts to restore funding to the budget to insure the continuation of needed anti-inflation protection to maintain the purchasing power of our Nation's elderly.

The PRESIDING OFFICER. The time of the Senator has expired. Who yields time?

Mr. DOMENICI. Mr. President, is the Senator from Florida ready to vote?

Mrs. HAWKINS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mrs. HAWKINS. My time.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Who yields time?

Mr. DOMENICI. Mr. President, I understand that the Senator from Florida is ready to vote.

The PRESIDING OFFICER. Does the Senator from Florida yield back her time?

Mrs. HAWKINS. Yes.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment.

Mr. DOMENICI. Mr. President, I move to table the amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second. There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table the amendment.

On this question the yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. DENTON (when his name was called). Present.

Mr. HARRY F. BYRD, JR. (after having voted in the affirmative). Mr. President, on this vote I have a pair with the distinguished Senator from Montana (Mr. MELCHER). If he were present and voting, he would vote "nay." I already have voted "yea." I withdraw my vote.

Mr. STEVENS. I announce that the Senator from Oregon (Mr. HATFIELD), the Senator from South Dakota (Mr. PRESSLER) and the Senator from New

Mexico (Mr. SCHMITT) are necesssarily absent.

I further announce that if present and voting, the Senator from Oregon (Mr. HATFIELD) would vote "nay."

Mr. CRANSTON. I announce that the Senator from Kentucky (Mr. HUDDLESTON) and the Senator from Montana (Mr. MELCHER) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 51, nays 42, as follows:

[Rollcall Vote No. 142 Leg.]

YEAS—51

Andrews
Armstrong
Baker
Bentsen
Boschwitz
Brady
Cochran
Cohen
D'Amato
Danforth
Dodd
Dole
Domenici
Durenberger
East
Exon
Garn
Goldwater
Gorton
Grassley
Hatch
Hayakawa
Helms
Hollings
Humphrey
Jepsen
Johnston
Kassebaum
Kasten
Laxalt
Long
Lugar
Mattingly
McClure
Murkowski
Nickles
Packwood
Percy
Quayle
Roth
Rudman
Simpson
Specter
Stafford
Stennis
Stevens
Symms
Thurmond
Tower
Wallop
Warner

NAYS—42

Abdnor
Baucus
Biden
Boren
Bradley
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chafee
Chiles
Cranston
DeConcini
Dixon
Eagleton
Ford
Glenn
Hart
Hawkins
Heflin
Heinz
Inouye
Jackson
Kennedy
Leahy
Levin
Mathias
Matsunaga
Metzenbaum
Mitchell
Moynihan
Nunn
Pell
Proxmire
Pryor
Randolph
Riegle
Sarbanes
Sasser
Tsongas
Weicker
Zorinsky

ANSWERED "PRESENT"—1

Denton

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Harry F. Byrd, Jr., for.

NOT VOTING—5

Hatfield
Huddleston
Melcher
Pressler
Schmitt

So the motion to lay on the table Mrs. HAWKINS' amendment (UP No. 986) was agreed to.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the motion to lay on the table was agreed to.

Mr. DOMENICI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER (Mr. HEINZ). Who yields time?

Mr. FORD. Mr. President, could we have order?

The PRESIDING OFFICER. The Senator's point of order is well taken. The Senate is not in order.

Will Senators please retire to their seats? The Senate is not in order.

Who yields time?

Mr. DOMENICI. Mr. President, it is my understanding that the distinguished Senator from Arizona, Senator DECONCINI, is now to be recognized for a waste, fraud, and abuse amendment. Is that correct?

Mr. DECONCINI. That is correct. I have two amendments, Mr. President. The other one is on veterans and I would like to offer them back to back. I will cut down my time from 30 minutes to 10 minutes each.

Mr. DOMENICI. We will take them one at a time.

UP AMENDMENT NO. 987

(Purpose: To increase the savings called for in function 920 through increased debt collection in fiscal years 1983-85 and increased savings in waste, fraud, and abuse)

Mr. DECONCINI. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Arizona (Mr. DECONCINI) for himself, Mr. PRYOR, Mr. PROXMIRE, Mr. SASSER, and Mr. MITCHELL proposes an unprinted amendment numbered 987.

Mr. DECONCINI. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 22, line 16, strike the figure "−$2,000,000,000" and insert in lieu thereof the figure "−$4,300,000,000".

On page 22, line 17, strike the figure "−$2,000,000,000" and insert in lieu thereof the figure "−$4,300,000,000".

On page 22, line 24, strike the figure "−$800,000,000" and insert in lieu thereof the figure "−$3,500,000,000".

On page 22, line 25, strike the figure "−$800,000,000" and insert in lieu thereof the figure "−$3,500,000,000".

On page 23, line 2, strike the figure "−$800,000,000" and insert in lieu thereof the figure "−$2,400,000,000".

On page 23, line 3, strike the figure "−$600,000,000" and insert in lieu thereof the figure "−$1,800,000,000".

Mr. DECONCINI. Mr. President, the amendment that the Senator from Arizona is offering today should sound a familiar ring among my colleagues and addresses an issue that I have been calling to the attention of the Senate for the past 2 years. It deals with the savings called for under function 920 in what the Budget Committee has deemed "reduction in waste, fraud, and abuse" and "improved debt collection" and proposes going deeper in both of these so-called management initiatives.

I have read the Budget Committee report carefully, examined the function 920 assumptions, and the staff has discussed this matter with members of the Budget Committee staff, and I believe that the Senate Budget Committee did not go far enough in calling for savings in both debt collection and waste, fraud, and abuse activities. Therefore, my amendment increases the savings under function 920 in fiscal year 1983 by $2.3 billion; by $2.7 billion in fiscal year 1984; and $1.6 billion in fiscal year 1985. Let me briefly try to outline how I arrived at these additional savings beyond those savings called for in the Budget Committee resolution:

WASTE, FRAUD, AND ABUSE SAVINGS

Function 920, under the committee resolution, calls for savings in fiscal year 1983 of $1 billion in waste, fraud, and abuse; $1 billion in fiscal year 1984; and $1 billion in fiscal 1985. The committee report offers no explanation of where these reductions can be made. These savings levels were confirmed by the Budget Committee staff.

My amendment would increase the savings in fiscal 1983 to $1.7 billion: in fiscal 1984 to $1.6 billion: and in fiscal 1985 to $1.5 billion. My savings assume the following administrative savings;

The sum of $740 million in consultant services: The OMB recently reported to the Appropriations Committee that expenditures on consultant services totaled $3.7 billion in fiscal 1981. With cuts in personnel in the Federal Government, the use of consultants is increasing sharply. My amendment proposes a 20-percent cut.

The sum of $700 million in nondefense, administrative travel: Abuses in the travel area have been well-documented by this Senator and others. With over $12 billion a year spent on this type of travel, this represents about a 10-percent cut.

The sum of $100 million in public relations, public affairs, and advertising: This represents about a 6-percent cut in this activity.

The sum of $150 million in expenditures for Government, nonstrategic vehicles: A GSA study prepared at my request indicates that the Federal Government spends over $1.1 billion on maintenance and operation of the Federal motor vehicle fleet. My amendment would cut about 13 percent in the cost of the fleet.

The sum of $20 million in periodicals, audiovisuals: Based on OMB data, this represents about a 10-percent cut in the amount the Government spends on these publications and audiovisuals.

These savings total $1.7 billion in fiscal year 1983, or $700 million more than the total savings for waste, fraud, and abuse called for in the Budget Committee bill. For fiscal years 1984 and 1985, I assumed that the amount to be saved in these activities would be reduced by approximately $100 million. That translates into savings of about $1.6 billion in fiscal 1984 and $1.5 billion in fiscal 1985.

IMPROVED DEBT COLLECTION

Function 920, under the committee resolution, calls for savings in fiscal year 1983 of $1 billion in improved debt collection; $1 billion in fiscal year 1984; and $2 billion in fiscal year 1985.

Again, the committee report offers no explanation of where these savings can be achieved. On page 115 of the report they do say that "The committee recommendation also assumes, beginning in fiscal year 1983, the President's management initiatives in this function for reduction in waste, fraud, and abuse and for improved debt collection." Well, OMB Director Stockman testified before the Treasury, Postal Service Appropriation Subcommittee just the other week (May 12) that the President assumes debt collection savings in fiscal 1983 of $4 billion—not the $1 billion called for in the Budget Committee bill. In fact, the President's budget book for 1983 entitled "Major Themes and Additional Budget Details," page 279, confirms this by saying that "The President decided that an aggressive debt collection program must be pursued and has committed the administration to recover as much as $4 billion each year in delinquent debt, including delinquent taxes owed the Internal Revenue Service." Again, I do not believe that the Budget Committee has gone far enough to meet the President's own goals for debt collection in fiscal 1983-85.

My amendment would increase the savings in debt collection to $2.6 billion in fiscal year 1983; $3.1 billion in fiscal year 1984; and $1.1 billion in fiscal year 1985. Here is how I developed my debt collection estimates:

Internal Revenue Service has built into its fiscal 1983 budget a net collection of $1.9 billion in tax debt owed the Federal Government. I used that figure as a base in fiscal year 1983 and then added a 6-percent net collection for every other agency and department in the Federal Government that has outstanding, identified debt. I used the Treasury Department's latest bulletin for March 1982 in calculating what each agency and department should be able to collect in fiscal 1983. For example, the Department of Agriculture has about $2.1 billion in outstanding, identified debt. At 6 percent, Agriculture should collect a net of $124 million in fiscal 1983. Then for the outyears, I assumed, conservatively, that each agency, would only be able to collect the same amount of outstanding debt in 1984 and 1985 that they were able to collect in fiscal 1983. Now, IRS estimates that it alone will be able to collect a net of $2.4 billion in both fiscal 1984 and 1985, so for those years, I used that figure as my base upon which I add the collections of the other agencies.

Again, the DeConcini amendment would call for debt collection of $1.6 billion more than the budget committee bill in fiscal 1983; $2.1 billion more in debt collection in fiscal 1984; and $1.1 billion more in debt collection in fiscal 1985. And, these figures still fall short of the President's own projections for what the Government ought to be able to collect in fiscal years 1983-85.

CONCLUSION

Mr. President, the case for cutting low priority administrative expenditures such as nondefense travel, public relations, and consultants has been made on the floor of this Chamber time and time again by Senator SASSER, Senator PRYOR, and myself. You would think that the message would get through but the Senate has repeatedly fought off efforts to cut these often-wasteful expenditures. A March 30, 1982, report from OMB to the Appropriations Committee adds even more fuel to the fire for cuts in these areas, particularly consultant services.

The OMB report showed that, based on an OMB definition of consultant services, the Federal agencies and departments told OMB that they spent $1.6 billion on consultants in fiscal 1981. Yet the Office of Federal Procurement Policy totaled up all the consultant contracts for fiscal 1981—based on the same definition—and found that the Federal Government spent, not $1.6 billion, not $2 billion, not $3 billion, but a staggering $3.7 billion on consultants, or 130 percent more than the agencies thought they spent.

What this tells me is that neither OMB nor the individual Federal agencies know how much they spend on consultants. It is high time that we sharply cut back the amount the Federal Government spends on consultants.

Finally, the latest Treasury bulletin I mentioned earlier, indicates that there is a total of $41,736,818,000 in outstanding debt on the books. Of this amount, $9,194,872,000 is 181 to more than 360 days overdue and another $6,993,611,000 that is deemed as "noncurrent" or in excess of 1-year-old debt. That totals over $16 billion that is 6 months to over 1 year past due. I find this shocking. My amendment will go the extra mile to go get that debt and return it to the Treasury.

Mr. President, I urge the adoption of my amendment and ask for the yeas and nays.

Mr. President, I ask unanimous consent that a table reflecting the Budget Committee resolution versus my amendment be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE REFLECTING BUDGET COMMITTEE RESOLUTION VERSION SENATOR DECONCINI AMENDMENT

[Dollars in millions]

	Fiscal year— 1983	1984	1985	Total
Budget committee resolution, function 920:				
Reduction in waste, fraud and abuse	−$1.0	−$1.0	−$1.0	−$3.0
Improved debt collection	−1.0	−1.0	−2.0	−4.0
Total savings: Function 920	−2.0	−2.0	−3.0	−7.0
Senator Deconcini amendment, function 920.				
Reduction in waste, fraud and abuse	−1.7	−1.6	−1.5	−4.8
Improved debt collection	−2.6	−3.1	−3.1	−8.8
Total savings: Function 920	−4.3	−4.7	−4.6	−13.6
Savings over budget committee resolution	2.3	2.7	1.6	6.6

Mr. DECONCINI. I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI Mr. President, I yield myself 2 minutes.

Mr. President, I commend the Senator from Arizona. I do not know what anniversary this is of the presentation of the first DeConcini waste, fraud, and abuse amendment—is it the third, I ask the Senator? Does he recall?

Mr. DECONCINI. If the Senator is being facetious about waste, fraud, and abuse, I will be glad to get into a little levity with him on that subject matter.

Mr. DOMENICI. I was being facetious about it.

Let me just suggest that we have learned a lesson about how much we ought to assume budget resolutions for savings in waste, fraud, and abuse. We used to pile it into little chunks in different functions of the budget and say, "We will get it someday." Well, we learned about that.

For fiscal year 1983 we have assumed $2.0 billion for reduction in waste, fraud, and abuse, and for improved debt collection. This amendment would more than double it to $4.3 billion. In fiscal year 1984, we have assumed $2.0 billion in savings. This amendment would say, no, it is $2.7 billion more. For fiscal year 1984 we have assumed $30 billion in savings, and the distinguished Senator would add another $1.6 billion.

I am all for getting rid of waste, fraud, and abuse. I laud the distinguished Senator for consistently reminding us of its existence.

But I really suggest that to take this more credit for reducing it than the Committee recommendation is to take credit for something that is not going to happen. Therefore, with all the difficulty we have been going through in trying to come up with realistic and credible resolutions, we should certainly not add this much here. I urge that the Senate not adopt this amendment.

Mr. PRYOR. Mr. President, I like to commend the Senator from Arizona on his amendment and indicate my support. A day does not go by that I do not hear from constituents expressing great concern over the impact of the many spending cuts being considered by this Congress. They send articles, and personal experiences of wasteful and unnecessary spending and plead that such government spending be eliminated first—before cutting those services and benefits they rely upon to live.

Mr. President, this amendment will do just that. The savings that result from this amendment represent economizing at the administrative level. Surely, we as a government can make do with a few less magazines and periodicals, a smaller Federal motor vehicle fleet, and a smaller budget for public affairs, public relations and advertising. We in the Congress are on a course toward curbing government growth. It seems only logical then that we can achieve some amount of savings in nondefense administrative travel. I, for one, have seen the vast amounts wasted, or spent unnecessarily on consulting services. With a little less advice and a little more recognition for the contribution our civil servants are capable of making, we could save hundreds of millions annually in this area alone.

Senator DeConcini's amendment addresses what I feel is perhaps the most embarrassing aspect of our Federal machinery—the inability of our Government to collect its debts. President Reagan has pledged to improve this aspect of government, and the Senator's amendment indicates the willingness of the Congress to support this effort. It is astounding that over $41 billion in outstanding debt presently exists, and even more astounding that over $16 billion is from 6 months to over a year past due.

Far too often it is easy to overlook the obvious. Goals are set and numbers juggled to fit the slots. The absence in the Budget Committee's report of explanations for savings they propose gives me little confidence that these areas I have mentioned have been fully examined for the fullest possible savings. And if we do not examine areas where savings are possible, that do not directly affect our programs, then we have not served the taxpayers as well as they deserve. I urge my colleagues to support this amendment and the savings it can bring. It may very well be one of the few times when we can achieve savings without asking our constituents to bear the burden on their shoulders.

Mr. DeCONCINI addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. DeCONCINI. Mr. President, I still have some time remaining. I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. DeCONCINI. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. Mr. President, I inquire if the Senator from Arizona, on the veterans amendment that he still has pending, how much time he would desire on that?

Mr. DeCONCINI. Mr. President, I could do the veterans amendment in 4 minutes on my side.

Mr. BAKER. Mr. President, will the manager yield to me?

Mr. DOMENICI. Yes.

Mr. BAKER. Mr. President, it would appear then that we may be headed in the direction of two votes back to back. Is that the intention of the author of the amendment and the manager of the resolution?

Mr. DOMENICI. I was leaning in that direction.

Mr. DeCONCINI. That would be fine with me.

Mr. BAKER. I would like to do that if the parties agree to it. I ask unanimous consent that these two votes occur back to back, the first vote being 15 minutes and the second vote 10 minutes.

The PRESIDING OFFICER. Is there objection?

Mr. DOMENICI. Reserving the right to object. I would be glad to do that so long as the Senator does not preclude a tabling motion on his veterans amendment.

Mr. DeCONCINI. I think that is a prerogative of the manager of the bill.

Mr. DOMENICI. I do not think I will, but someone on this side might want to.

Mr. DeCONCINI. I understand.

Mr. DOMENICI. Then how much time is the Senator agreeing to on the veterans amendment?

Mr. BAKER. Did I understand the Senator from Arizona to say that he needed 4 minutes?

Mr. DeCONCINI. Make it 5, Mr. Leader.

Mr. BAKER. Five minutes to a side, Mr. President. Mr. President, the votes to occur back to back, 15 minutes on the first vote and 10 on the second.

The PRESIDING OFFICER. Is there objection? The Chair hears none. It is so ordered. Who yields time?

Mr. DeCONCINI. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DeCONCINI. Am I correct, Mr. President, that the time has been yielded back on the waste, fraud, and abuse DeConcini amendment and now we are prepared to move to the second amendment?

The PRESIDING OFFICER. The manager of the budget resolution still has 1 minute remaining.

Mr. DOMENICI. I yield back the remainder of my time.

The PRESIDING OFFICER. All time has expired on the Senator's amendment.

UP AMENDMENT NO. 988

(Purpose: To restore funding for cost-of-living adjustments in compensation benefits for service-connected disabled veterans and the survivors of those who have died from service-connected causes and in Veterans' Administration pension benefits for certain low-income wartime disabled or elderly veterans and certain survivors.)

Mr. DeCONCINI. Mr. President, I send an amendment to the desk and ask for its immediate considerations.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Arizona (Mr. DeConcini), for himself, Mr. Chiles, Mr. Mitchell, Mr. Cranston, Mr. Randolph, Mr. Matsunaga, Mr. Sasser, and Mr. Riegle, proposes an unprinted amendment numbered 988.

Mr. DeCONCINI. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 17, beginning with line 16, strike our all through line 4 on page 18, and insert in lieu thereof the following:

(A) New budget authority, $24,600,000,000;

(B) Outlays, $23,900,000,000;

(C) New direct loan obligations, $1,000,000,000;

(D) New primary loan guarantee commitments, $20,900,000,000;

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $25,900,000,000;

(B) Outlays, $25,100,000,000.

Fiscal year 1985:

(A) New budget authority, $26,900,000,000;

(B) Outlays, $26,800,000,000.

Mr. DeCONCINI. Mr. President, I will be very brief on this amendment. We have discussed this at great length when the Senator from Florida had an amendment up to restore certain funding for the Veterans' Administration. My amendment would provide a 7.4-percent cost-of-living adjustment for all disabled veterans in fiscal year 1983 and would provide for an increase in fiscal 1984 and 1985 consistent with increases in social security and now in the increases for the railroad retirees. The committee bill, on the other hand, provides a 4-percent cost-of-living adjustment in fiscal year 1983 only to veterans with a service-connected disability rated 70 percent or more and limits their COLA's to 4 percent in fiscal years 1984 and 1985.

My amendment would provide for a 7.4 percent, as I indicated, increase for wartime veterans who are needy or elderly and would provide for an increase in the fiscal years 1984 and 1985 consistent with increases in social security.

Although the committee bill has reduced the amount of its reconciliation instruction to the Senate Veterans' Affairs Committee, and thus assumes that the reduction will allow for the cost-of-living increase for pension recipients, the full 7.4 increase recommended by the President in his original budget, unanimously approved by the Senate Veterans' Affairs Committee in March, could not be achieved without drastic reductions in other programs.

Finally, my amendment would provide a 7.4 increase in benefits for survivors of veterans who died of service-connected causes.

Mr. President, I think it simply fair and just that since we have restored the 7.4 for railroad retirees, and permitted social security recipients to have 7.4 percent. There is no reason that we should not provide the same consideration here.

Mr. President, my amendment is the same as that portion of the Chiles amendment dealing with cost-of-living increases for veterans. It would provide for a 7.4-percent cost-of-living increase in veterans compensation and pension benefits in fiscal year 1983, and for COLA increases in fiscal year 1984 and fiscal year 1985 consistent with COLA increases in social security.

I am pleased that the very able ranking minority member of the Senate Veterans' Affairs Committee, Senator Cranston, Mr. Chiles and Senators Randolph, Matsunaga, Mitchell, and Sasser have joined me in cosponsoring this amendment.

It is important to note that the budget the President originally submitted to Congress in February provided for an 8.1-percent cost-of-living increase in both the veterans pension and compensation programs. In addition, the Senate Veterans' Affairs Committee unanimously approved a fiscal year 1983, fiscal year 1984, and fiscal year 1985 COLA increase consistent with the increase in the CPI, when it reported its recommendations to the Senate Budget Committee in March. Finally, the House Budget Committee has approved a 7.4-percent increase in VA compensation and pension benefits, and that is the increase I am recommending in my amendment.

It is clear that the Senate Budget Committee recognized the inadequacy of the funding levels for veterans programs in their original budget. However, the new version, in my view, remains inadequate and unfair. Whereas the original budget eliminated any COLA for compensation and pension recipients in fiscal year 1983, and limited increases to 4 percent in fiscal year 1984 and fiscal year 1985, the new version provides for a 4 percent COLA for compensation recipients with disabilities rated 70 percent or more. However, it provides no fiscal year 1983 COLA for the remaining disabled veterans. It assumes a fiscal year 1983 COLA for pension recipients as a result of a change in the reconciliation instructions to the Senate Veterans' Affairs Committee. It does not provide for any inflation adjustment for survivors of veterans who died of service-connected causes. It is my firm belief that this approach fails to meet the measure of fundamental fairness.

Veterans with disability ratings of 50 or 60 percent are, in most cases, severely handicapped. For example, a 50-percent disabled veteran could have an amputated leg or foot; he could be blind in one eye; he could have crippling rheumatoid arthritis or he could have a severe case of emphysema which would prevent him from climbing a single flight of stairs or walking one block without stopping. How can we justify not providing a cost-of-living increase for these severely handicapped veterans? I do not believe that we can.

Equally disturbing and equally unjustifiable is the fact that the survivors of veterans who died of service-connected causes will receive no cost-of-living increase in their benefit payments. This is a gross miscarriage of justice and violates the compact we made with those who died fighting the Nation's wars.

Although the budget resolution before us assumes a fiscal year 1983 COLA increase for pension recipients, it remains inadequate. If this resolution is adopted, it will leave veterans pension and compensation recipients totally unprotected or inadequately protected from the ravages of inflation.

The veterans service-connected compensation program provides benefits to those who have been disabled as a result of service to their country. Compensation recipients receive benefits based on the degree of their disability—ranging from 10 to 100 percent—as determined by the Veterans' Administration. Disability recipients do not receive an automatic cost-of-living increase. Rather, any increases in program benefits require congressional action each year. Let me reiterate that the Senate Veterans' Affairs Committee unanimously recommended an increase in compensation benefits consistent with increases in social security when it reported to the Budget Committee in March. My amendment provides for a 7.4-percent increase in compensation benefits which would take effect on October 1, if approved by both Houses of Congress and signed by the President. If my amendment is not adopted, 2.2 million service-connected disabled veterans and 355,000 of their survivors will receive a totally inadequate inflation adjustment in their benefits. Service-connected disabled veterans have already made great sacrifices in the service of their country. They should not be asked to forego a COLA increase or to accept a COLA increase which falls far short of the actual inflation rate. To begin the process of eroding benefits for disabled veterans would be a national tragedy and travesty, and would violate our compact with this most deserving group of American veterans. I hope this body will not allow that to happen.

The veterans pension program was established by Congress to assist elderly or disabled wartime veterans with limited incomes and the needy survivors of wartime veterans. Under this program a wartime or elderly veteran with no other income and no spouse or dependent receives an annual pension of only $4,960. That amount is reduced dollar for dollar by social security benefits or other countable income. Let there be no mistake, VA pension recipients are very needy veterans. Clearly, these beneficiaries ought to be encompassed in the President's "social safety net."

The veterans pension program was restructured in 1978. After enactment of the Veterans' and Survivors' Pension Improvement Act, Public Law 95-588, pension cost-of-living adjustments were linked to increases in social security. Therefore, pension recipients automatically receive the same cost-of-living increase as social security recipients—and on the same date, June 1. The rationale for coupling these programs was to insure that pension benefits kept pace with inflation and to prevent veterans pensioners who are also social security recipients, from having their benefits reduced each time there was an increase in social security. It also prevented VA pensioners, who were close to the maximum allowable income limits, from being removed from the pension rolls as a result of social security increases.

On May 11, the chairman and ranking minority member of the Senate Veterans' Affairs Committee, Senators Simpson and Cranston, sent a letter to the Administrator of the Veterans' Administration requesting, among other things, an analysis of the impact that the elimination of the fiscal year 1983 pension COLA would have on current VA pensioners who also receive social security. Specifically, they requested to know the number of pensioners who would have their benefits reduced or be removed from the pension rolls entirely as a result of social security COLA increases. In a letter dated March 18, the Administrator advised Senators Simpson and Cranston that 18,000 current beneficiaries would lose their eligibility for VA pensions and an additional 237,000 would have their pension benefits reduced. The elimination of the pension COLA would not only undermine the restructuring of the program which took place in 1978, it would place an unwarranted economic hardship on needy wartime veterans and their survivors.

There is no question in my mind that veterans are being inequitably treated under this budget resolution. This budget incorporates a 7.4-percent cost-of-living increase for both supplemental income beneficiaries and social security disability recipients. These programs are similar in many respects to the veterans pension and compensation programs. How can we approve cost-of-living increases for the former beneficiaries and deny those same increases to their veteran counterparts? And how can we do it with virtually no notice? As I noted earlier, veterans pension increases are scheduled to take effect on June 1. I have been informed that the latest date on which the Veterans' Administration can adjust its computer system to change pension benefits is May 25. Since this resolution cannot be enacted prior to that date, pension recipients will receive a 7.4-percent COLA adjustment on July 1, and probably on August 1 and September 1 as well. Then they will have those benefits reduced at a later date. Such action will only serve to reinforce the public's perception of an inefficient and insensitive Government. I trust we will collectively reject such an "Orwellian" scenario.

In summary, I would like to underscore the fact that this amendment addresses cost-of-living increases for wartime veterans who are either very needy, elderly or service-connected disabled. If America has no other obligation, it has an obligation to those who in our country's hour of need were willing to make the ultimate sacrifice and who now ask of us only that they receive equitable treatment under the law. I urge my colleagues to adopt this amendment.

I ask unanimous consent that the Senator from Hawaii (Mr. MATSUNAGA), the Senator from Tennessee (Mr. SASSER), and the Senator from Arkansas (Mr. PRYOR), be added as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MATSUNAGA. Will the Senator yield?

Mr. DeCONCINI. I yield.

Mr. MATSUNAGA. Mr. President, I rise as a cosponsor in support of the DeConcini amendment.

Mr. President, all that the pending amendment seeks to do is to insure equitable treatment for all veterans compensation and pension recipients in terms of cost-of-living increases. As the Senator from Arizona has indicated, the modified budget resolution is even more inequitous than the original resolution which, I would point out, would have eliminated COLA increases for compensation and pension recipients in fiscal year 1983 and limited increases to 4 percent in fiscal year 1984 and fiscal year 1985. The modified resolution would provide a 4-percent COLA increase in fiscal year 1983 for compensation recipients with a disability rated 70 percent or more, but does not provide a COLA increase for dependents and survivors. Nor does it provide for a COLA increase for pension recipients.

Mr. President, I agree strongly with my colleague on the Veterans' Affairs Committee that such an inequitous approach to veterans compensation and pension cost-of-living increases is highly objectionable and should be corrected by the Senate.

Senators should realize that in terms of disability compensation benefits, veterans with 50 percent and 60 percent disability ratings—who will not receive a cost-of-living increase in fiscal year 1983 under the modified budget resolution—are, in most cases, severely handicapped.

Senators should realize that a 50-percent disabled veteran could have a leg or a foot amputated; he could be blind in one eye; he could have crippling arthritis; or he could have a severe case of emphysema which might prevent him from climbing a simple flight of stairs. That is the type of veteran, Mr. President, the type of service-connected disabled veteran whom this budget resolution would deny a cost-of-living increase in fiscal year 1983.

Mr. President, are we really prepared to make such a judgment; that certain service-connected disabled veterans should receive a cost-of-living increase and others, with clear, disabling service-connected injuries, should be denied any increase? I think not.

There should be no misunderstanding, Mr. President, on the effect of the modified budget resolution on compensation and pension. If adopted without change, it will leave veterans rated below 70 percent receiving disability compensation, and veterans and survivors receiving pension benefits, totally unprotected from inflation and increases in the cost of living.

We are talking about service-connected disabled veterans here. We are talking about elderly or disabled wartime veterans with limited incomes. We are talking about the survivors of service-connected deceased veterans.

Mr. President, we are talking about denying a cost-of-living increase or, at least a full cost-of-living increase to disabled veterans rated over 70 percent, to those who have made the greatest sacrifices for their country. We are abrogating the commitment this Government made to our servicemen to care for them and their dependents in exchange for the tremendous sacrifices they made to defend our country on the field of battle. In my judgment, this is unconscionable.

Mr. President, the Senate has a chance to go on record here and now in strong opposition to any further erosion of the benefits provided to service-connected disabled veterans, to needy elderly wartime veterans, and to the survivors of veterans who made the supreme sacrifice for their country.

The DeConcini amendment will send a signal to these veterans and survivors that we have not given in to the temptation to balance the budget at their expense; that their need for a cost-of-living increase to make ends meet in these difficult times is recognized by the Senate; and that they will be treated fairly and equally with other Federal pension recipients, namely under social security and supplemental security income.

Equally as important, Mr. President, is that by providing full cost-of-living increases to disabled veterans, we are sending a signal to the young men of this country they will be rewarded for their future sacrifices in defense of their Nation. In the absense of such a commitment on the part of the Federal Government to caring for our veterans, we run the risk of not being able to adequately man our All-Volunteer Armed Forces.

For these reasons, Mr. President, I join my Veterans' Affairs Committee colleagues, the Senators from Arizona and California, in urging the Senate to approve the pending amendment.

Mr. DeCONCINI. Mr. President, I yield 1 minute to the Senator from Arkansas.

Mr. PRYOR. Mr. President, I am pleased to be a cosponsor of Senator DeCONCINI's amendment.

Mr. DeCONCINI. I yield 30 seconds to the Senator from Delaware.

KEEPING OUR COMMITMENT TO VETERANS REQUIRES MORE THAN MERE WORDS

Mr. BIDEN. Mr. President, I am happy to support the DeConcini amendment.

So often throughout this past year I have sat here on the floor and listened to my colleagues—both Democrats and Republicans—rise one by one to praise the sacrifices which our Nation's veterans paid to insure the freedom which all Americans enjoy today. On many occasions, I have joined in such statements, both here and in Delaware, because it is important to continually remind the Nation lest we forget. Many veterans are still paying for their service to the Nation. I speak of the 2.3 million disabled veterans and their families. I also speak of the tens of thousands of unemployed Vietnam-era veterans who are seeking nothing more than a place in the society they risked their lives for just a few years ago.

Unfortunately, many of my colleagues who are so quick to praise our Nation's veterans are unwilling to cast their votes in behalf of those same veterans. On at least five occasions last year, the Senate was faced with the

decision of whether or not to restore funding for Veterans' Administration programs which were cut by President Reagan. On each vote, the veterans of our Nation lost. Yet the speeches on behalf of our veterans have not lessened. If anything, they have increased.

When President Reagan announced his budget for the year beginning October 1, 1982, in February, I was appalled at his recommendation that veterans with service-connected disabilities rated less than 50 percent would lose their dependency benefits while those who are between 60 and 90 percent disabled and are unemployable would lose the 100-percent compensation benefit they currently receive if they also receive help from other Federal programs.

Overall, the President's original budget requested a total of $24.4 billion for the Veterans' Administration, or $300 million less than the amount needed to allow existing programs to keep pace with inflation. Then 2 weeks ago, the Republican majority on the Senate Budget Committee voted to adopt the so-called Domenici-Reagan compromise. This compromise between the President and the chairman of the Senate Budget Committee, Senator DOMENICI, provided only $22.7 billion for the Veterans' Administration or $1.7 billion less than the President's original budget request, which was already $300 million less than was needed. I voted no to this compromise. I am willing to work with the President to reach a true compromise which will reduce the deficit. But I am not willing to do so if it means abandoning the commitment to our veterans, especially those with service-connected disabilities, when other alternatives exist.

This $1.7 billion cut, which is 7 percent less than the President's original request, would be achieved by eliminating the 7.4 percent cost-of-living adjustment for both the compensation and pension programs this year. In addition, $300 million of the $1.7 billion cut would come from the Veterans' Administration's health-care programs. Not only is this compromise unacceptable, it is unconscionable. Yet when Senator CHILES and I sought to restore these funds in the Budget Committee to the amount needed to just keep pace with inflation, we lost on a vote of 4 to 10.

Earlier this week, a new Republican compromise was revealed. We were told that funds were being restored to the Veterans' Administration. However, when the details were finally revealed, we found that only $400 million of the $1.7 billion which had been cut was being restored. What did this $400 million provide? Little more than a 4-percent cost-of-living adjustment to veterans whose service-connected disabilities are rated 70 percent or more—4 percent. Not the 7.4 percent which those veterans were expecting. Even more disturbing was the fact that veterans rated less than 70 percent would receive no COLA. Neither would any veteran currently receiving a pension, even though by law his benefits were to be adjusted 7.4 percent on July 1. Finally, this latest modification of the President's budget provided insufficient funds to cover the shortfall in the Veterans' Administration's health-care accounts. Once again, we heard a few good speeches, but no real support for our Nation's veterans.

Last night, the Senate had yet another opportunity to meaningfully demonstrate its support for our Nation's veterans. The amendment which Senator CHILES offered, and which I cosponsored, would have provided the funding necessary to insure this year's cost-of-living adjustment to veterans eligible for pension or compensation benefits. This increase of 7.4 percent was to take effect on July 1 for those receiving pensions and October 1 for those receiving disability compensation benefits. In addition, the Chiles-Biden amendment would have restored funds to the Veterans' Administration's health care budget in an amount equal to last year's inflation rate. Without this additional money, the Veterans' Administration will have to find ways to cut programs and staff, both of which are stretched far too thinly already. Unfortunately, our amendment lost by a vote of 46 to 53.

Now the Senate has before it the DeConcini amendment. This amendment, which I have cosponsored, provides just the funding which is necessary for this year's pension and compensation cost-of-living adjustments. It provides no more than that. Nobody can argue that the recipients of these funds are financially secure. They count on their monthly checks. The Senate must not renege on our commitment to these men and women. I urge my colleagues to join with me this afternoon to express their support for our veterans in a concrete way, rather than only mere words.

Our veterans deserve more.

The PRESIDING OFFICER. Time has expired.

Mr. DOMENICI. I yield 3 minutes to the chairman of the Veterans' Committee.

Mr. SIMPSON. Mr. President, I remind my colleagues that the major veterans' organizations, and I think it is very important that they note this, are on record opposing the indexing of compensation COLA's. I know that may shock some.

May we have order, Mr. President?

The PRESIDING OFFICER. The Senator is correct. Senators will please take their seats or retire to the cloakroom for conversations.

The Senate is not in order.

The Senator may proceed.

Mr. SIMPSON. I remind my colleagues, Mr. President, that the major veterans' organizations are on record opposing the indexing of compensation COLA's. Their opposition to that COLA "insurance" is a very carefully thought out lobbying effort. The need to consider this matter on an annual basis allows a very justifiable opportunity for the veterans' groups to exert influence on every Member of Congress to support an across-the-board COLA at a rate no less than the CPI.

This method has worked extremely well for them for many years. Since the VA was established in 1930, the CPI has increased 569 percent while VA compensation payments have increased over 1,000 percent during that time.

That extraordinary statistic in itself is reason enough for the veterans' organizations to choose the risky road of annual consideration of this issue. A side benefit, not always addressed by but clearly recognized by the veterans groups, is that each year when a compensation increase is considered, other legislation to expand and extend benefits to service-connected veterans has usually been considered. Factually, since 1972, nine public laws have been enacted containing a compensation cost-of-living increase. Each and every one of them contain provisions affecting the benefits of service-connected veterans. Every such new benefit becomes permanent, not subject to annual reconsideration.

I ask unanimous consent that a document reflecting that information be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

COMPENSATION BILLS—LAST 10 YEARS

Date	Public Laws	Number of service-connected provisions expanding benefits of veterans
October 17, 1981	97–66	5
October 7, 1980	96–385	2
November 28, 1979	96–128	2
October 18, 1978	95–479	7
October 3, 1977	95–117	1
September 30, 1976	94–433	4
August 5, 1975	94–71	1
May 31, 1974	93–295	3
June 30, 1972	92–328	4

Mr. SIMPSON. No Congressman is going to take benefits away from a service-connected veteran, nor should they.

Let me share with you several of these benefits which have been enacted in the last 4 years due to the annual consideration of a compensation COLA. The expanded benefits for service-connected disabled veterans under annual review are as follows:

In 1981, increased from $3,800 to $4,400 the grant payable on a one-time basis toward the purchase of an automobile to certain veterans with severe service-connected disabilities.

Extended eligibility for automobile adaptive equipment assistance to veterans who suffer from service-connected ankylosis of a hip or knee.

Increased from $30,000 to $32,500 the maximum amount of grants to assist certain veterans with severe service-connected disabilities to acquire specially adapted housing.

In 1980 established a program of limited specially adapted housing grants, up to a maximum of $5,000, for veterans who, as a result of service-connected disability, are totally blind or have lost or lost the use of both hands.

In 1979, provided that a veteran compensated at the rate intermediate between the rates authorized under subsections (n) and (o) of section 314 of title 38 shall be eligible for the aid-and-attendance allowances.

I supported each and every one of those—and cosponsored many.

In 1978, increased the rate of compensation payable to a 100-percent disabled veteran who has suffered the service-connected loss, or loss of use, of three extremities;

Provided that a veteran entitled to the regular aid-and-attendance allowance would get a higher aid-and-attendance allowance;

Provided that a veteran who has suffered the service-connected loss or loss of use of one extremity entitling the veteran to a rating of 40 percent or more, and who has suffered the nonservice-connected loss or loss of use of the paired extremity which, if service connected, would entitle the veteran to a rating of 40 percent or more, would be entitled to a statutory award of $175 per month;

Provided for a new housebound rate, at the rate of $45 per month, for a surviving spouse receiving DIC who is so disabled as to be substantially confined to such surviving spouse's home, but is not in need of regular aid and attendance;

Provided for the payment of benefits at the DIC rates to the surviving spouses and children of totally disabled veterans, if at the time of the veteran's death the rating had been in effect continuously for 10 years, or 5 years or more continuously from the date of discharge, and, in the case of a surviving spouse, the marriage to the veteran was in effect for 2 or more years immediately preceding the veteran's death;

Increased by $500—from $3,300 to $3,800—the maximum amount of the automobile assistance allowance paid on a one-time basis to certain severely disabled veterans.

So over the years the extension of further benefits to service-connected veterans, which have resulted solely from an annual consideration of a compensation COLA, are reason enough to continue to leave the issue of a compensation COLA up to the Congress. As I stated during yesterday's consideration of the CHILES' amendment, some years have resulted in high increases such as in the past 2 years, which provided for an average increase of 11.2 percent in 1981, and an increase of 14.3 percent for seriously disabled veterans and surviviors in 1980. I ask unanimous consent that a table listing these increases and tracking these compensation increases over the past 10 years be inserted into the RECORD. Certainly it is quite clear that increases for the seriously disabled have always at least kept up with the rate of inflation.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

10-YEAR INCREASE IN MONTHLY VA COMPENSATION RATES

Degree of disability	1972 rate	Present rate	Percentage increase
10 percent	$28	$58	107
20 percent	51	107	110
30 percent	77	162	110
40 percent	106	232	119
50 percent	149	328	120
60 percent	179	413	131
70 percent	212	521	146
80 percent	245	604	147
90 percent	275	679	147
100 percent	493	1,130	129

The PRESIDING OFFICER. The Senator's 3 minutes have expired.

Mr. SIMPSON. May I ask unanimous consent for an additional 1 minute?

The PRESIDING OFFICER. Who yields time?

Mr. SYMMS. How much time remains?

The PRESIDING OFFICER. Two minutes.

Mr. SYMMS. I yield 2 minutes to the distinguished Senator off the resolution.

Mr. SIMPSON. I think we want to realize that we have here, over the years, the extension of further benefits to service-connected veterans which come from the fact that they themselves have asked for the annual consideration of a compensation COLA. I think that is reason enough to leave the issue up to the Congress. As I stated during yesterday's discussion with Senator CHILES on his amendment, it is a risky business. Some years it has resulted in high increases, such as in the past 2 years.

I will insert a table into the RECORD to disclose that, where they had an average increase of 11.2 in 1981. Last year those service-connected veterans rated between 70 to 90 percent disabled had a raise of 20 percent.

I ask unanimous consent that that information be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

The last cost of living raises for compensation rates:

Public Law 97-66 effective October 1, 1981

	Percent increase
10 to 30 percent disabled	8
40 to 60 percent disabled	12.8
70 to 90 percent disabled	20
100 percent disabled	11.2

Average for all disabled veterans equals 11.2 percent, same Dependency and Indemnity Compensation (DIC) recipients.

Prior to that, the last compensation COLA's, set forth in Public Law 96-385, effective October 1, 1980, were:

	Percent increase
10 to 40 percent disabled	13
50 to 100 percent disabled	14.3

Dependency and Indemnity Compensation (DIC) recipients equals 14.3 percent increase.

Mr. SIMPSON. Mr. President, we are not precluded from funding service disabled to the full amount as it is now in the budget, the $26 billion budget. We are not precluded from doing it.

Another thing we want to recall is that the veterans organizations of this country have said if there is no raise in social security, we will not insist on a raise for us, either.

DE CONCINI AMENDMENT TO RESTORE FULL 7.4 PERCENT COLA FOR BOTH PENSION AND COMPENSATION—UP 988

Mr. SIMPSON. Mr. President. I oppose this amendment to restore a full COLA for the pension and compensation accounts.

I feel that the functional totals presently contained in the modified budget resolution represent the most responsible and practical accommodation of the full funding position taken by the Senators from Florida and Arizona, and the $1.3 billion reduction that was originally advocated by the Budget Committee in the original version of Senate Concurrent Resolution 92.

Basically, the modified budget resolution splits the difference between these two positions, at a cost in fiscal year 1983 of $600 million more than the latter and $700 million less than the former.

The amendment now offered by the Senator from Arizona would restore the whole of the money sought to be restored by the amendment of the Senator from Florida—that is, approximately $750 million in cost-of-living increases. The budgetary impact of this amendment is thus no less drastic than that of the amendment that the Senate has just finished rejecting.

I point out to my colleagues that the budget resolution now contemplates that both the VA pension and compensation accounts will receive a cost-of-living increase next fiscal year—1984—and the year after.

Thus, having already rejected the amendment of the Senator from Florida, I think it is incumbent upon the Senate to do the same for the very similar amendment before us now.

Mr. CRANSTON. Mr. President, as the ranking minority member of the

Veterans' Affairs Committee and a cosponsor of the amendment of my colleague on the committee, the distinquished Senator from Arizona (Mr. DECONCINI), I rise in support of his amendment.

Mr. President, it is essential for this amendment to be adopted in order for us to deal fairly and equitably with out Nation's service-connected disabled veterans and needy wartime veterans. This amendment would restore the proposed levels of funding for veterans' programs to levels sufficient to provide for full cost-of-living adjustments—so-called COLA's—in Veterans' Administration compensation and pension benefits in fiscal years 1983, 1984, and 1985.

The issues regarding providing for these COLA's were before the Senate yesterday during the debate on the Chiles-Mitchell amendment—unprinted amendment No. 976—which would have restored funding both for these COLA's and for the VA's medical care, construction, and general operating expenses accounts. Although that amendment was defeated, I very much hope that the amendment now before us, which focuses exclusively on the COLA issue, can prevail.

Mr. President, the budget resolution as reported anticipated the elimination of any cost-of-living increase in fiscal year 1983 in the service-connected disability compensation program and the capping of such increases in fiscal years 1984 and 1985 at 4 percent. Now the Baker modification would lift the fiscal year 1983 freeze—but only for those with disabilities rated 70 percent or more disabling—and proposes a 4-percent cap for that year, too, for even these veterans. I find this discriminatory action totally incomprehensible.

Mr. President, I would like to quote Mr. Reagan on this subject of cost-of-living increases for the VA's service-connected disability compensation program. In August of 1980, in a campaign speech at the Veterans of Foreign Wars' convention in Chicago, he called it a "breach of faith" for "compensation for those with service-connected disabilities * * * (not to be) kept abreast of inflation * * *."

I strongly agree with the President on that.

To me it is absolutely unacceptable to ask the more than 2.2 million veterans who have service-connected disabilities—injuries and illnesses sustained in service to our country—to forgo an increase in the rates of their VA compensation benefits that would insure that their benefits keep pace with inflation. These individuals—as well as the more than 355,000 survivors of veterans who died while on active duty or as the result of service-connected causes—have already made sacrifices for this country and, in some cases, have made extreme sacrifices. They should not be asked to make this additional one.

I would note, however, that they would be willing to make still further, equitable sacrifices if that were being asked of all others similarly situated. As the American Legion said in its May 17 letter to all Senators:

> The American Legion has stated its willingness to consider any official budget proposal requiring veterans to assume some of the burden associated with the undeniable need to restore the Nation's economic health. However, we demand that all segments of society share an equal budgetary hardship.

Thus, Mr. President, to appreciate the impact of what is being proposed here regarding denying COLA's to veterans' compensation and pension recipients, we need to step back and look at what is being proposed at the same time for other income-maintenance recipients in directly parallel—but certainly no higher priority, at least until now—programs.

With respect to veterans' disability compensation, let us compare a totally disabled, paralyzed individual, a nonveteran, who is covered by social security and is receiving social security disability insurance payments. This July, this individual's check will go up by 7.4 percent and the next year and the next year after that, we anticipate paying him a full COLA—and that is as it should be.

Compare that disabled person's situation with that of his equally disabled neighbor, a paralyzed Vietnam veteran struck down on the battlefield and receiving full VA disability compensation.

Both individuals paid for their benefits—one with monetary contributions, the other with his loss of bodily functions in service to his country. They are both truly entitled to these benefits. Is one more deserving than the other? If so, is it the SSDI recipient? I think not.

Yet, we have before us a proposal by the Budget Committee—as proposed to be altered by the Baker substitute—to say to the veteran next October 1, "Sorry, we could afford to give you only a 4-percent increase, just 54 percent—a little more than half of the rate increase we gave your neighbor."

How can we explain that result?

Has that veteran's sacrifice somehow been diminished in its value to our country? Is anyone proposing to give him back 46 percent of his mobility?

And to make matters worse, we go on to say to this veteran who is beginning to doubt all the rhetoric about a grateful nation, "By the way, no matter how much the CPI jumps in the next 2 years, we are going to limit you to a 4-percent compensation increase each year; of course, we feel differently about your neighbor; we are not proposing any such cap on his SSDI benefits."

I find this disparate treatment totally indefensible. To discriminate against the service-connected disabled veteran is truly incomprehensible to me. There is no justification whatsoever for this inequitable result.

Mr. President, while I can appreciate the good intentions of my good friend from Wyoming (Mr. SIMPSON)—as he stated them yesterday—regarding the possibility that the Baker modification provides the flexibility needed to provide the full 7.4-percent cost-of-living increase in compensation benefits this year. I must point out that the Baker modification simply does not provide enough room for it.

To provide all 70-percent-or-more disabled veterans with a 7.4-percent COLA this year—instead of the 4 percent that the Baker modification allows—and to provide the 7.4-percent COLA to all of the other 2.4 million service-connected disabled veterans and to the survivors of those who have died from service-connected causes requires $561 million in budget authority and $577 million in outlays in fiscal year 1983 that just are not in the Baker levels.

As the Veterans' Affairs Committee chairman knows, the resolution as reported assumed that that increase will be denied this year and the Baker modification adds back only $600 million in budget authority and $500 million in outlays for fiscal year 1983. Of those amounts, $478.4 million in budget authority and $437.2 million in outlays are accounted for by the 4-percent increase for 70-percent-or-more disabled veterans and certain noncompensation items. That simply does not leave room for the additional $561 million in budget authority and $577 million in outlays that CBO estimates would be needed for the full COLA for compensation, as I have just described it. Moreover, there is an even greater lack of room in the two outyear amounts under the Baker modification.

As the chairman knows, the only programs over which our committee has jurisdiction are veterans' benefits and services. If we are going to fund a full compensation COLA within the limits of the Baker modification, the money has got to come from other VA programs. The question is, Which ones?

So, I think we need some clarification from the chairman as to exactly how he proposes to pay for this COLA. Does he propose further cuts of half a billion dollars in VA health care—on top of the $129 million reduction already taken? Does he propose cutting further into the VA pensioners' benefits—in addition to taking back some or all of the COLA that they will begin receiving in July? Does he have some other means for freeing up the needed funding?

Mr. President, we need to know the answers to these questions.

If the money is not in the budget for the compensation COLA, just saying we will make room for it is not good enough because further down the road we are going to have to deal with the realities and constraints of the numbers themselves.

Generalities are fine, but you cannot build a budget out of fluff and good intentions. The numbers tell the truth.

And the harsh reality of the numbers being proposed in the Baker modification is that they add up to unfairness for veterans, especially those who are disabled, service-connected, sick, poor, and elderly.

The Senate has a right to know what the implications are of the numbers being proposed, and we are not getting that at all. Indeed, the Senate needs to know clearly what it is allocating to entitlements—compensation, pension, and the GI bill—and what it is allocating to the so-called discretionary appropriation accounts—principally, medical care, medical research, construction, and general operating expenses. We must know this in order for the Senate's will to be reflected in the allocation to the Veterans' Affairs Committee made in the crosswalk in the explanatory statement accompanying the conference report on the first budget resolution. That is because our committee is allocated only spending authority as defined in section 401(c)(2)(C) of the Budget Act, the so-called entitlement accounts, and not the appropriated accounts which are allocated to the appropriations committee only.

So what is intended is the key, and the Baker modification clearly is posited on theses—which I urge the Senate to reject—of depriving veterans of fair cost-of-living adjustments and providing partial restorations for VA health-care programs.

Moreover, for those veterans with less than 70-percent disabilities, how do we explain denying them any COLA and giving SSDI recipients and social security retirees the full COLA? I cannot, and I do not see how the Senate can.

Denying all those with less than 70-percent disabilities any COLA this year means that we would enact no increase in rates of disability compensation for almost 2 million of those who suffer from disabilities incurred in service to their country.

Further, Mr. President, this budget would provide for no fiscal year 1983 increase to the more than 433,000 surviving dependents of veterans who died while in the service or who died of service-connected disabilities—that is, no inflation relief to more than 246,000 surviving spouses, 74,000 children, and 112,000 dependent parents of veterans who literally gave their lives for this Nation.

The effect then is to deny any equity to 2.4 million of these highest priority recipients while granting some—but inadequate—assistance to less than 8 percent in this category.

Now, the argument will be made that we are providing for the more severely disabled veterans by granting those veterans a partial cost-of-living adjustment. However, we should understand which veterans would be getting no increase: Among them are veterans with leg and foot amputations; veterans who are totally blinded in one eye; veterans who have lost the use of their minor hand; veterans who have had prosthetic replacements of shoulders, elbows, or knees and suffer from chronic severe painful motion or weakness in that joint; veterans suffering from severely incapacitating rheumatoid arthritis; veterans suffering from severe emphysema that prevents climbing one flight of stairs or walking one block without stopping; and veterans who have lost golfball-sized pieces of their skulls.

These are just some of the service-connected disabilities for which cost-of-living adjustments would not be granted. These are disabilities for which determinations have been made that they are the result of injuries or conditions incurred in or aggravated by military service.

Now, regarding the veterans' pension program, for which the Budget Committee proposed no increase at all this year—with 4-percent caps proposed for the next 2 years—again, it seems to me we have a most unfair discrimination against those who served their country in time of war.

First, let us clarify what we have in this veterans' pension program. This is purely a needs-based, income maintenance program for war veterans and certain survivors of them. We are not talking about the old pension program where family income was not counted and where there were numerous exclusions from countable income. Congress reformed this program in 1978 to make it truly needs-based and truly equitable. Anyone receiving a pension under this program is truly needy. Veteran pensioners are either totally disabled or over 65. Those are essentially the same qualifications for a low-income recipient of SSI—supplemental security income. Yet the SSI recipient—and I am not talking about contributory social security now but about the federalized welfare program—will be granted the full 7.4-percent COLA in the July check this year and the full COLA for each of the next 2 years—as, indeed, should be the case. Why then do we not do the same thing for the equally disabled or elderly low-income war veteran?

I have no acceptable answer to that question. Each of these individuals is poor and either old or disabled. It is true that Congress decided in 1978 to create a somewhat higher income standard—just over the poverty level—for the veteran pensioner. Today that means about $413 a month for a single war veteran with no dependents or other income, surely not a princely sum. That veteran needs the cost-of-living increase to subsist—just as does the SSI recipient.

Perhaps some will say, well the veteran can always get a COLA by switching to the SSI program. That may seem to some like a pretty appealing answer, but I contend that it is not.

Many very poor elderly and disabled people in this country feel that they are demeaned by taking welfare; they feel diminished by this—less worthy. Yet, those who served this country in the military look at veterans' pension as something they earned by their wartime service. They do not feel they are on welfare and do not want to be.

Is it our policy that we want to force an elderly or disabled wartime veteran who is subsisting at or below the poverty level with a feeling of self-worth and dignity to follow a course that the veteran feels will deprive him of his own self-respect? I hope not. Such a policy makes no sense from the standpoint of humanity, and it makes little fiscal sense since the net savings to the Federal budget would be minimal if these persons were forced over to SSI in order to subsist.

Mr. President, I should also point out the gross impracticalities inherent in this proposal to eliminate the pension COLA this summer. It is, at this point, far too late for the Congress to prevent that COLA from beginning to be paid as of July 1. The rate of the increase has already been computed—7.4 percent—and announcement of it was made in the Federal Register on May 14. The programing of the computers to print the checks for mailing on July 1 is already underway—and the last date on which it would be even remotely feasible to turn that process around and cancel the increase would be May 25—the date on which the July 1 checks will begin to be printed. Obviously, the change in current law that would be needed to prevent the COLA from going into effect—a change that the House Budget Committee has rejected and that I assure you the House Veterans' Affairs Committee would very, very strongly oppose—simply cannot be enacted by that date.

Thus, it seems clear that the increase will be paid as of July 1 and will also be included in the August and, probably, September pension checks as well. Thereafter, what does the Budget Committee propose should occur—that the law be changed after the fact to reduce the benefit levels that would already have begun to be

paid? Do any of my colleagues actually want the VA in August or September to announce to all 566,000 pensioners who would be affected that as of September 1 or October 1 their checks will be reduced by at least 7.4 percent? I ask each of you, please put yourselves in the shoes of a totally disabled or elderly veteran having a total income, if you have no dependents, of only $444 per month, or a widow of a wartime veteran having a total income of only $298 per month, who receives a notice from the Federal Government informing you that the Congress and the President of the United States have just passed and signed a law to cut your pension by 7.4 percent.

Think of it. Letters going out in August or September—or possibly in October—to hundreds of thousands of VA pensioners saying to each of them, in effect, the Congress and the President believed that you were getting too much money and decided to cut your pension benefits.

Are VA pensioners really getting too much?

I would point out to my colleagues that the poverty level for an urban family of four is—according to statistics released last August—a per annum income of $8,414. That level, according to a projection prepared by the Congressional Research Service, can be expected to increase to $9,289 in August of this year.

Now, compare this to the maximum income level for the VA's pension program. For a family of four, the current income standard for VA pension is $8,179—$235 less than the official level of poverty. And, when the level is revised in August, and when the VA pension checks are reduced as is proposed under this budget, the level of VA pension would be cut to a level more than $1,100 less than the level of poverty.

In essence, not only is the Budget Committee proposing that truly poor individuals be denied the necessary and appropriate cost-of-living adjustment due them under law, but also that they be required to give back the small increase that they have been promised and that they will receive under existing law. These are people struggling to survive on annual income levels that in the case of single veterans are just above the poverty level and that in the case of veterans with larger family units and surviving spouses of deceased veterans are below poverty levels.

Mr. President this is a truly unacceptable approach to dealing with the needs of those who are among our Nation's neediest citizens.

And please keep in mind that for 18,000 pensioners the effect of the budget would be not just a reduction—they would be dropped entirely from the rolls. Having received a 7.4-percent pension increase in July—along with a social security increase—when the law is changed to eliminate the pension COLA, they would be pushed all the way out of the program.

It also need be emphasized that the 267,000 VA pensioners who receive some social security are going to be hit with a double whammy if the Budget Committee's approach is adopted. When the pension COLA is eliminated, they will lose the 7.4-percent increase—just like all other pensioners. But, in addition, their pension benefits will be further reduced dollar-for-dollar by an amount equal to the July 1 social security increase.

For example, a veteran pensioner with no dependents who is currently receiving $3,000 a year in social security and no other nonpension income is today getting $1,960 per year in pension. On July 1, his social security check will increase to a $3,222 annual level and his VA pension to a $2,106 annual level—a $146 increase in pension. If the pension COLA is eliminated, he first loses the $146 annual increase in pension he started receiving on July 1. But he also suffers a further annual pension reduction of $222 because of the social security increase. Thus, this veteran would get a total pension reduction of $368. In terms of monthly benefits, the veteran would have received a $12.17 pension increase in July and the Congress would be inflicting a $30.67 reduction in September or October. Such treatment will be as baffling to this veteran as it is hard to endure.

Mr. President, as the legislative history of the 1978 VA Pension Improvement Act makes abundantly clear, this is exactly the kind of result that was intended to be avoided—pension terminations and reductions resulting from social security increases. I am sure that Senators who were here in 1978 and for several years before then will recall the enormous amounts of mail they got each year from VA pensioners who, because pension and social security were not linked as they now are, suffered pension reductions in January each year because of social security COLA's they had received the previous July. I venture to say that year-in, year-out that issue generated more constituent mail than any other matter. And correcting that problem—along with rectifying various enequities and deficiencies in the old pension program—were the driving forces behind the 1978 law. I do not think my colleagues really want to open those old sores again—but that would be the effect of the Budget Committee's proposal.

In summary, this proposal—which I am opposing now and will continue to oppose with every means possible wherever and whenever it comes up—is grossly inequitable, poorly conceived, and extremely impractical. It deserves to be rejected by an overwhelming vote in this body.

For these reasons, I strongly urge my colleagues to support the DeConcini amendment.

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER. There is 1 minute remaining to the majority, no time remaining to the minority.

Mr. HOLLINGS. Mr. President, we are trying to facilitate the order. While we are waiting, the distinguished Senator from Massachusetts wanted to discuss something.

Mr. SYMMS. Mr. President, I yield back my time.

The PRESIDING OFFICER. All time is yielded back. The question is on agreeing to the amendment.

Mr. DeCONCINI. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

UP AMENDMENT NO. 987

The PRESIDING OFFICER. The question is on agreeing to amendment No. 987. The yeas and nays have been ordered. The clerk will call the roll.

The bill clerk called the roll.

Mr. STEVENS. I announce that the Senator from New Jersey (Mr. Brady), the Senator from Oregon (Mr. Hatfield), the Senator from South Dakota (Mr. Pressler), and the Senator from New Mexico (Mr. Schmitt) are necessarily absent.

I further announce that, if present and voting, the Senator from Oregon (Mr. Hatfield) would vote "nay."

Mr. CRANSTON. I announce that the Senator from Kentucky (Mr. Huddleston) and the Senator from Montana (Mr. Melcher) are necessarily absent.

I further announce that, if present and voting, the Senator from Montana (Mr. Melcher) would vote "yea."

The PRESIDING OFFICER (Mr. Jepsen). Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 43, nays 51—as follows:

[Rollcall Vote No. 143 Leg.]

YEAS—43

Baucus
Bentsen
Biden
Boren
Bradley
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chiles
Cranston
DeConcini
Dixon
Dodd
Eagleton
Exon
Ford
Glenn
Hart
Heflin
Hollings
Inouye
Jackson
Johnston
Kennedy
Leahy
Levin
Long
Matsunaga
Metzenbaum
Mitchell
Moynihan
Nunn
Pell
Proxmire
Pryor
Randolph
Riegle
Sarbanes
Sasser
Stennis
Tsongas
Zorinsky

NAYS—51

Abdnor
Andrews
Armstrong
Baker
Boschwitz
Byrd,
Harry F., Jr.
Chafee
Cochran
Cohen
D'Amato
Danforth
Denton
Dole
Domenici

Durenberger
East
Garn
Goldwater
Gorton
Grassley
Hatch
Hawkins
Hayakawa
Heinz
Helms
Humphrey
Jepsen
Kassebaum
Kasten
Laxalt
Lugar
Mathias
Mattingly
McClure
Murkowski
Nickles
Packwood
Percy
Quayle
Roth
Rudman
Simpson
Specter
Stafford
Stevens
Symms
Thurmond
Tower
Wallop
Warner
Weicker

NOT VOTING—6

Brady
Hatfield
Huddleston
Melcher
Pressler
Schmitt

So the amendment (UP No. 987) was rejected.

Mr. FORD. Mr. President, the Senate is not in order. The clerk has to stand to see if a Senator is voting.

The PRESIDING OFFICER. The Senator's point is well taken. The Senate will be in order.

Mr. SIMPSON. Mr. President, I move to table amendment No. 988, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table the amendment of the Senator from Arizona. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STAFFORD (when his name was called). On this vote I have a live pair with the Senator from Oregon (Mr. Hatfield). If he were present and voting, he would vote "aye." If I were at liberty to vote, I would vote "nay." I therefore withhold my vote.

Mr. STEVENS. I announce that the Senator from Oregon (Mr. Hatfield), the Senator from South Dakota (Mr. Pressler), and the Senator from New Mexico (Mr. Schmitt) are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Kentucky (Mr. Huddleston), and the Senator from Montana (Mr. Melcher) are necessarily absent.

I further announce that if present and voting, the Senator from Montana (Mr. Melcher) would vote "nay".

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 49, nays 45, as follows:

[Rollcall Vote No. 144 Leg.]

YEAS—49

Abdnor
Armstrong
Baker
Boschwitz
Brady
Byrd,
Harry F., Jr.
Chafee
Cochran
Cohen
D'Amato
Danforth
Denton
Dole
Domenici
Durenberger
East
Garn
Goldwater
Gorton
Grassley
Hatch
Hayakawa
Heinz
Helms
Humphrey
Jepsen
Kassebaum
Kasten
Laxalt
Lugar
Mathias
Mattingly
McClure
Murkowski
Nickles
Packwood
Percy
Proxmire
Quayle
Roth
Rudman
Simpson
Specter
Stevens
Symms
Thurmond
Tower
Wallop
Warner

NAYS—45

Andrews
Baucus
Bentsen
Biden
Boren
Bradley
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chiles
Cranston
DeConcini
Dixon
Dodd
Eagleton
Exon
Ford
Glenn
Hart
Hawkins
Heflin
Hollings
Inouye
Jackson
Johnston
Kennedy
Leahy
Levin
Long
Matsunaga
Metzenbaum
Mitchell
Moynihan
Nunn
Pell
Pryor
Randolph
Riegle
Sarbanes
Sasser
Stennis
Tsongas
Weicker
Zorinsky

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Stafford, against.

NOT VOTING—5

Hatfield
Huddleston
Melcher
Pressler
Schmitt

So the motion to table Mr. DeConcini's amendment (UP No. 988) was agreed to.

Mr. DOMENICI. Mr. President, I move to reconsider the vote by which the motion to lay on the table was agreed to.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 989

(Purpose: To exempt new agricultural loan programs that are funded through the Commodity Credit Corporation from the requirement in section 5 that all such new loan programs be subject to the appropriations process during fiscal years 1982 and 1983)

Mr. DOMENICI. Mr. President, I have a perfecting amendment that has been cleared by the distinguished Senator from South Carolina which I am offering at the request of the Committee on Agriculture, both the chairman and the ranking minority member, and I send that amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from New Mexico (Mr. Domenici) proposes an unprinted amendment numbered 989.

Mr. DOMENICI. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 35, line 2, insert after "Acts." the following: "This section shall not be applicable to agricultural price support and related programs of the type in operation on January 1, 1982, that are funded through the Commodity Credit Corporation.".

Mr. DOMENICI. Mr. President, I am offering this amendment at the request of the chairman of the Committee on Agriculture, Nutrition, and Forestry, the distinguished Senator from North Carolina.

Mr. President, section 5 of Senate Concurrent Resolution 92 as modified by the Budget Committee on Wednesday would establish a point of order in the House and Senate in fiscal years 1982 and 1983 against authorizations of new direct loan obligations and new loan guarantee commitments, except those reported in response to reconciliation instructions contained in Senate Concurrent Resolution 92, which do not provide that the authority to make or guarantee such loans shall be effective only to such extent or in such amounts as are contained in appropriation acts.

For the past 2 years the requirement of section 5 of Senate Concurrent Resolution 92 has been included in the first concurrent budget resolution on the budget passed by the Senate in the spring. Two years ago, section 16 of the first concurrent resolution on the budget for fiscal year 1981 imposed the requirement. During consideration of that resolution, the Senate approved an amendment offered by Senator Talmadge which specified that the requirement of section 16 would "not apply to agricultural price support and related programs of the type in operation on January 1, 1980, which are funded through the Commodity Credit Corporation."

Mr. President, the amendment I am offering today would modify section 5 of this budget resolution to exempt agricultural price support and related programs from the requirement of section 5 in exactly the same fashion as the Talmadge amendment of 2 years ago did. The only difference is that my amendment would exempt programs in operation on January 1 of this year, rather than at the beginning of 1980.

I offer this amendment because of the concern expressed to me by the Senator from North Carolina and the Senator from Kentucky about the restriction section 5 would place on the ability of the Agriculture Committee to report legislation reauthorizing CCC price support and related programs.

Section 5, as now drafted, will make it out of order, during fiscal years 1982 and 1983, for either House of Congress to consider any legislation authorizing new direct loan obligations or new loan guarantee commitments unless the legislation also provides that the authority to make or guarantee loans will be effective only to the extent, and in such amounts, as are contained in appropriation acts.

The amendment will exclude, from the application of these provisions, legislation relating to agricultural price support and related programs of the type in operation on January 1, 1982, that are funded through the Commodity Credit Corporation.

Mr. President, I ask that the amendment be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New Mexico.

The amendment (UP No. 989) was agreed to.

Mr. DOMENICI. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HOLLINGS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOMENICI. Mr. President, it is my understanding that the distinguished senior Senator from New York is next.

Mr. HOLLINGS. Mr. President, will the Senator yield 5 minutes on the resolution to the Senator from Massachusetts?

Mr. DOMENICI. Yes.

Mr. HOLLINGS. On our side; Mr. President, I am just yielding 5 minutes to the distinguished Senator from Massachusetts on the resolution. It is with no vote, and in order for him to make his statement. This is with the clearance of the Senator from New York.

Mr. KENNEDY. Mr. President, I thank the Senator from South Carolina and also the Senator from New York.

I intend to vote against final passage of this resolution, and I urge the Senate to do the same. This resolution is yet another installment on the high and unfair sacrifice demanded of the American people because of the failing economic policy foisted on the country by the Reagan administration.

The message of the Senate majority's budget is clear—it prescribes ever deeper cuts in programs for the elderly, the sick, the needy, and families trying to educate their children. And it insists on these massive reductions in order to preserve the administration's unfair tax cut for the rich and its unwise plan for escalating the nuclear arms race.

You do not have to be a Sherlock Holmes to detect the injustice in this budget. It indicts itself on almost every line—with billions of dollars taken from Head Start, from elementary and secondary education, from maternal and child nutrition, from programs for the handicapped and vocational education, from protection for the environment against toxic waste, from pensions and disability benefits for veterans, and from unemployment compensation for the 10 million Americans who are out of work, including the 3 million more who have lost their jobs in the past year because of the current deep recession.

Perhaps the cruellest cut of all is the $13.5 billion slashed from medicare and medicaid, which will penalize the elderly and the poor when they are sick and can least afford it.

To be sure, there is consolation in the fact that but for our resistance, the injustice would have been far worse. Because we stood our ground, their crude attempt to take $40 billion from social security failed; $1.7 billion has now been restored for railroad retirement; and the childhood immunization program has been preserved.

Three times this year on the budget, the administration has stepped up to homeplate, swung, and missed. Strike one was the President's January budget, perhaps the wildest swing on any budget in the history of Federal budget cuts. Strike two was the original resolution reported by the Senate Budget Committee, which the President quickly reached for—and missed when the Republican caucus withdrew it to prevent its formal repudiation on the Senate floor. Strike three is the budget which the Republican majority is about to pass today, and which still demands unequal sacrifice from all those who deserve a better deal.

If this were baseball, the administration would be out on strikes. But it is hardball of a different sort, and millions of our citizens will suffer unnecessarily because of it.

It is now up to the House of Representatives to redeem the public interest in budget policy. I shall vote against this Senate budget, and I hope that Congressmen and Congresswomen of conscience in the House will do a better and fairer job. There is still time to put in place the Democratic alternative economic policy we have fought for on the Senate floor these past 7 days in May.

I thank the Senator.

The PRESIDING OFFICER. The Senator from New York.

UP AMENDMENT NO. 990

Mr. MOYNIHAN. Mr. President, I send to the desk for myself and Mr. Burdick an unprinted amendment.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New York (Mr. Moynihan), for himself and Mr. Burdick, proposes an unprinted amendment numbered 990.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, strike out lines 18 through 20 and insert the following:

Fiscal year 1983: $835,329,200,000 plus $100,000,000.

Fiscal year 1984: $897,031,700,000 plus $100,000,000.

Fiscal year 1985: $972,734,200,000 plus $100,000,000.

On page 2, beginning with line 24, strike out through line 1 on page 3 and insert the following:

Fiscal year 1983: $784,029,200,000 plus $100,000,000.

Fiscal year 1984: $832,831,700,000 plus $100,000,000.

Fiscal year 1985: $890,134,200,000 plus $100,000,000.

On page 3, strike out lines 13 through 15 and insert the following:

Fiscal year 1983: $115,829,200,000 plus $102,000,000.

Fiscal year 1984: $91,831,700,000 plus $100,000,000.

Fiscal year 1985: $65,134,200,000 plus $100,000,000.

On page 11, strike out lines 10 and 11 and insert the following:

(A) New budget authority, $7,100,000,000 plus $100,000,000.

(B) Outlays, $3,900,000,000 plus $100,000,000.

On page 11, beginning with line 18, strike out through line 23 and insert the following:

Fiscal year 1984:

(A) New budget authority, $7,600,000,000 plus $100,000,000.

(B) Outlays, $3,600,000,000 plus $100,000,000.

Fiscal year 1985:

(A) New budget authority, $7,400,000,000 plus $100,000,000.

(B) Outlays, $3,300,000,000 plus $100,000,000.

Mr. BAKER. Mr. President, will the Senator yield? Is this the amendment on which there are 10 minutes equally divided? The Postal Service amendment?

Mr. MOYNIHAN. The Senator is correct.

Mr. BAKER. I thank the Senator.

Mr. MOYNIHAN. Mr. President, may I say there will be but 5 minutes' debate on either side, and I hope the Chamber will be in order during that brief period.

Mr. President, the object of this amendment is simple. It is to restore to third-class mailing, which is the mailing of nonprofit, charitable activities—a group whom we have come to know as the independent sector—the mail subsidy they were to obtain this year under the Postal Reorganization Act of 1970.

The distinguished Presiding Officer will recall that this act arranged that the revenue forgone subsidy for nonprofit mailers be phased out over 16 years. This time the original budget resolution cut the subsidy that would have been required for stage 11, at which we were to have been during this next fiscal year, by $300 million.

I am happy to achnowledge that my colleagues on the other side of the aisle reduced this reduction, if you might use that term, from $300 million to $100 million. However, Mr. President, the Reconciliation Act passed last year would require that all of the remaining $100 million shortfall come from third-class mailers; that is, charitable, nonprofit associations.

The result of this would be that charitable enterprises would be at the end of phase 16, out of the system altogether, and at a time when our President and other such distinguished persons are saying, "If you must cut social programs from our budget we should turn to the independent sector, the nonprofit sector, for help in filling the gap."

Mr. President, this is a very crucial point. At the start of this year, I had the opportunity to hear President Reagan speak to the New York City Partnership. This is a distinguished group of civic, business, and government leaders who 3 years ago joined together in an effort to address some of the most significant problems facing our country's largest city. I have deep respect for these leaders, and I commend their vision and their work. But President Reagan's message to this group left me troubled. I should say, not because he looked to a renewed spirit of voluntarism as part of what he sees at the Nation's "new beginning." Rather, what distressed me was that the President expected the private sector—civic groups, nonprofit agencies, and volunteers—to be in large part the "safety net" of his economic program. This is a formidable, if not impossible, challenge, to say the least, for already financially strapped groups as these.

His call for voluntarism, therefore, gives me great pause. Indeed, in the budget before us today is a seriously inadequate level of funding for the revenue forgone postal subsidy that will seriously disable the very nonprofit groups the President expects to provide the services which will be reduced or eliminated as a result of budget cuts.

The revenue forgone subsidy is a postal subsidy used to defray the costs of lower postal rates for nonprofit groups. When the Postal Reorganization Act was passed in 1970, it included a provision to eliminate this subsidy so that every mail user would pay the true cost of using the mail system. Congress at the time, however, recognized that it would be too great a burden for nonprofit mailers to immediately begin paying all attributable costs for their mail, and therefore, established a phasing-out schedule, as it were, that would be spread over 16 years.

Fiscal year 1983 was to have been step 11 in this schedule. However, last year the President requested, and this Congress accepted, a funding level for the revenue forgone subsidy far below what was needed to meet the phasing schedule and, therefore, the Postal Service was forced to significantly raise postal rates for nonprofit mailers. In fact, all but two categories of nonprofit mailers were suddenly forced on January 10, 1982, to pay 1987 rates. These increases were as high as 105 percent in many cases. In dollar terms, for example, these increased rates cost the American Lung Association $2,310,000, the March of Dimes $2,520,000, and the National Catholic Development Conference $15,750,000.

The amendment that I have just sent to the desk would return these postal rates to the postal reorganization phasing schedule. Indeed, included in last year's Reconciliation Act is language that would require that any shortfall from the full amount of the subsidy needed to meet the phasing schedule will first have to be taken out of the subsidy to third-class nonprofit mailers, before second- and fourth-class nonprofit mailers, before second- and fourth-class mailers. Therefore, the remaining $100 million shortfall will still result in extremely high, indeed unprecedented, third-class postal rates. In fact, the U.S. Postal Service reports to me that the $813 million level in the budget resolution before us will still result in above step 16 rates for third-class mailers.

These third-class nonprofit mailers not only are the very nonprofit organizations that provide the human services being cut from this budget, but also rely very heavily on solicitations through the mail for their financial support. My amendment would raise the revenue forgone subsidy by $100 million, and thereby return all classes of nonprofit mail—second, third, and fourth—to step 11 rates where they should be according to the 1970 phasing schedule.

I must stress that subsidized second, third, and fourth class mail should not be confused with so-called "junk" mail. Second-class mailers consist of State and county newspapers and religious, educational, agricultural, labor, and veterans' organizations; third-class mailers are nonprofit organizations; and fourth-class mail consists of books, films, and other printed material that are exchanged between schools or public libraries. Nonprofit mail of this sort is unfortunately often confused with nonpreferred third class bulk mail. These bulk mailers do pay a lower rate than the users of first-class mail, but they receive entirely different service, and they are not subsidized.

At a time when the President has called on the nonprofit community to provide the services which will be reduced or eliminated as a result of budget cuts, I call on this body to support this amendment. Indeed, the telescoping of 6 or more years of rate increases into 1 year could threaten the very survival of many of these groups.

Mr. President, if there was a way to disperse across the whole of the mailing system the reduction of $100 million, that could well be argued. But there is no way or no way is proposed. If we cannot accept this small increase to restore our law to the 16-phase schedule that was anticipated, which is almost at its end, we will be specifically penalizing just those organizations and their beneficiaries that we would most hope to help fill some of the gaps our budget is creating.

The March of Dimes, the American Lung Association, the Boy Scouts, the Girl Scouts, the Audubon Society—think of whatever charity you have contributed to in the past year, ask if you do not think it was worthwhile, and ask if you think that it is fair that we should single out charities to pay this particular cost, to bear alone the burden. I repeat, Mr. President, that this would not be the case, save for the rigorous rules imposed by the reconciliation instruction of a year past.

I hope we could see the good public policy involved in this small, but important measure. I hope even more we can see its consistency with the President's own pleas to the independent sector to take up the slack and fill the gaps that are now being created.

I withhold the remainder of my time.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from New Mexico.

Mr. DOMENICI. Mr. President, I only wish the distinguished Senator from Alaska, Senator Stevens, were here. He is the expert on this. I do not think there are many Senators that know more about this issue of postal rate subsidies than he and I do not think there have been many more Senators who consistently try to do what is right, to live up to the Federal Government's commitments and yet gradually reform this system, which is costing us an arm and a leg, than he. But he cannot be here, so I will do the best I can.

First of all, let me point out that, in recognition of the fact that the Senate Appropriations Committee took action on Tuesday to add $60 million in additional funds for postal rate subsidies in fiscal year 1982; the Budget Committee on Wednesday added $200 million in budget authority and outlays to this function in each of fiscal years 1983 through 1985. The Appropriations Committee could use that money in those years to match the add-on for fiscal year 1982 it recommended on Tuesday.

The budget resolution, as modified by this addition, assumes that new budget authority for postal rate subsidies will total $800 million in each of the fiscal years 1983 through 1985. I repeat, the budget resolution, as modified, assumes—now we do not tell the Appropriations Committee, we only assume—that there will be $800 million for postal rate subsidies in each of the fiscal years.

This level of funding is $200 million higher than the current fiscal year 1982 revenue foregone appropriations to the Postal Service.

If the $100 million supplemental appropriation for postal rate subsidies, recommended by the Appropriations Committee in the urgent supplemental is enacted, the budget resolution will still provide a sufficient increase for postal rate subsidies in fiscal years 1983 through 1985.

The Senator from New York knows the assumptions in this budget resolution are not binding on the Appropriations Committee. It is free to reallocate budget authority among its subcommittees under this resolution; only the total level of budgetary authority is binding. The Appropriations Committee will be able to provide the level of funding for postal rate subsidies favored by the Senator from New York if it achieves offsetting reductions in other areas. Each Senator is free to advocate his priorities in the appropriations process. The Budget Committee has only set overall targets. I hope that the Senate will turn this down. We have already added $200 million, as I indicate.

I do want to also announce that our good friend, the Senator from Utah, Senator Hatch, who had previously supported the Senator from New York, has now concluded that with the $200 million that we added, $100 million is not needed. Actually, we put the $200 million in at his urging and at the urging of Senator Stevens from Alaska prior to the modification.

So, it appears to me that we have enough in this function. We do not need to throw another $100 million into it so that there will be more room for activities in this very difficult year. We need to make it as tight as possible, not as loose as possible.

Mr. MOYNIHAN. Mr. President, how much of my time remains?

The PRESIDING OFFICER. The Senator from New York has 21 seconds remaining.

Mr. MOYNIHAN. Mr. President, I make the simple point, as this amendment proposes, third-class mailing by charitable organizations, the cost for a three-quarter ounce fundraising letter will increase by 9 percent on the 1st of October. It is not wise public policy. We are having gradual reform that the distinguished chairman calls for. We are in the 12th year. We have only 5 years to go.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I just want to say that Senator Stevens, if he were here, would say that that last statement about what was going to happen to third-class mail is not true. That would happen under current law, but it will not actually happen because the law is going to be modified. And he intends to modify the law. We hope the budget resolution will facilitate that modification.

Mr. MOYNIHAN, Will the Senator yield me just 20 seconds to respond?

Mr. HOLLINGS. I yield 20 seconds on the resolution.

Mr. MOYNIHAN. May I say that the statement I made to the Senate was given me by the U.S. Postal Service. And I am sure that the Senator from New Mexico, when he said what I said was not true, did not mean to say I was telling an untruth.

Mr. DOMENICI. Absolutely not, I did not mean that.

Mr. MOYNIHAN. I believe he said that Senator Stevens hopes to see the present law modified. Were the law modified, that would not be the case. But, as the law is, it would be the case, such is the understanding in the Postal Service.

The PRESIDING OFFICER. All time on the amendment has expired. The question is on agreeing to the amendment of the Senator from New York (Mr. Moynihan). The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. HARRY F. BYRD, JR. (when his name was called). Present.

Mr. BAKER. I announce that the Senator from Minnesota (Mr. Durenberger), the Senator from Oregon (Mr. Hatfield), the Senator from South Dakota (Mr. Pressler), the Senator from New Mexico (Mr. Schmitt), and the Senator from Alaska (Mr. Stevens) are necessarily absent.

I further announce that, if present and voting, the Senator from Oregon (Mr. Hatfield) would vote "nay."

Mr. CRANSTON. I announce that the Senator from Arizona (Mr. DeConcini), the Senator from Kentucky (Mr. Huddleston), and the Senator from Montana (Mr. Melcher) are necessarily absent.

I further announce that if present and voting, the Senator from Montana (Mr. Melcher) would vote "yea."

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 34, nays 57, as follows:

[Rollcall Vote No. 145 Leg.]

YEAS—34

Andrews
Bentsen
Bradley
Burdick
Byrd, Robert C.
Cannon
Chiles
Cranston
Dixon
Dodd
Eagleton
Exon
Ford
Hart
Heflin
Hollings
Inouye
Jackson
Johnston
Kennedy
Levin
Long
Matsunaga
Metzenbaum
Mitchell
Moynihan
Packwood
Pell
Randolph
Riegle
Sarbanes
Sasser
Tsongas
Zorinsky

NAYS—57

Abdnor
Armstrong
Baker
Baucus
Biden
Boren
Boschwitz
Brady
Bumpers
Chafee
Cochran
Cohen
D'Amato
Danforth
Denton
Dole
Domenici
East
Garn
Glenn
Goldwater
Gorton
Grassley
Hatch
Hawkins
Hayakawa
Heinz
Helms
Humphrey
Jepsen
Kassebaum
Kasten
Laxalt
Leahy
Lugar
Mathias
Mattingly
McClure
Murkowski
Nickles
Nunn
Percy
Proxmire
Pryor
Quayle
Roth
Rudman
Simpson
Specter
Stafford
Stennis
Symms
Thurmond
Tower
Wallop
Warner
Weicker

ANSWERED "PRESENT"—1

Byrd, Harry F., Jr.

NOT VOTING—8

DeConcini
Durenberger
Hatfield
Huddleston
Melcher
Pressler
Schmitt
Stevens

So Mr. Moynihan's amendment (UP No. 990) was rejected.

Mr. DOMENICI. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. HOLLINGS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT 991

(Purpose: To provide for future adjustments of revenue levels)

Mr. DOMENICI. Mr. President, a Republican amendment is in order. I understand the distinguished Senator from Georgia (Mr. Mattingly) has an amendment which he is going to offer now.

Mr. MATTINGLY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Iowa (Mr. Mattingly) purposes an unprinted amendment numbered 991.

Insert at the appropriate place in the Resolution the following:

It is the sense of the Congress that the recommended levels of Federal revenues and the amounts by which aggregate levels of Federal revenues should be increased as provided in subsection 1(a)(1) of this resolution shall be ceilings against which revenue action of Congress shall be measured. Should the actual Federal revenues exceed the recommended levels for a given fiscal year, then the amounts specified in this resolution by which the aggregate levels of Federal revenues are to be increased in the following fiscal year shall be deemed to be decreased by a corresponding amount.

Mr. MATTINGLY. Mr. President, how much time do we have on the amendment?

The PRESIDING OFFICER (Mr. Gorton). There are 20 minutes evenly divided.

Mr. MATTINGLY. Mr. President, the reason I would like to have unanimous support of this resolution is that it is going to give the Senate conferees a strong position with regard to raising of taxes when they go to the conference with the House on the first concurrent budget resolution. By adopting this resolution, we shall take the pressure off the Senate conferees to accept the difference between the revenue increase designated in the Senate bill and considering a worst-case scenario of a higher level revenue mandated from the House level.

Second, and importantly, it could be entirely possible that we shall not need to raise taxes even as high as required in the Senate proposal to reduce the deficits. According to recent Treasury data, revenues are coming in stronger than had been originally estimated. If this trend continues, it could be that we are not going to have to have an increase in taxes that has been projected.

Mr. President, there will be those who will get up who are opposed to the third year of the tax cut or those who may want to keep the third year of the tax cut but want again to raise the taxes even higher than have been projected by our Budget Committee.

What this will do, in fact, is that we will make sure that we protect the taxpayers of our country so that when the time comes, when business does begin increasing again and our revenue estimates are exceeded, which they in all probability will be, there will not be the necessity for a tax increase.

The PRESIDING OFFICER. Who yields time?

Mr. HOLLINGS. Mr. President, my distinguished colleague from down in Brunswick is to be admired. He is an outstanding Senator and an outstanding friend, but this really shows that there are two very different views of the world. His view is that everything is well and happy. To quote the distinguished Senator from Georgia, "It is possible that we will not need to raise taxes even as high as required because the Treasury now says money is coming in all over the place."

In that world and in that school of Professor Laffer, Economics I, the outstanding student is Congressman KEMP. It is "Alice in Wonderland."

In all respect to the Senator, it is Emperor Nero fiddling while Rome is burning. I am in the burning part. Everywhere I go, the same business groups, advisory councils, NAM, and the chamber of commerce, they are all heated up: "When are you fellows going to sober up? Everyone else is freezing. Everyone is cutting."

Organized labor has seen the wrong and is mending its ways and cutting back on benefits. Everyone is trying to hold on to their job.

All the economic indicators are in the other direction, and now you come forward with what? A proposal that implies that we have too much revenue.

We are running this moment at a deficit of $2 billion a week more than we are taking in. That is $104 billion.

Right this minute we have a problem. You are going to have a debt limit bill soon and the debt limit bill is going to say that you are spending in Washington, D.C., at a rate of $2 billion more per week than you are actually taking in.

My distinguished colleague from Georgia says, "By the way, we want to make sure we don't get in too much revenue. If we do, we will automatically reduce the taxes in the next year by that amount."

The truth of the matter is that we are trying to make certain that we would not run deficits. I started to raise a point of order, but it is only the sense of the Senate. We are trying to move along promptly, and the gentleman wants to vote. I am perfectly prepared to give him a vote, without any motion to table, up or down.

But in all due respect to my dear colleague, our problem is not that we are getting in too much money.

If we have more revenues than we expect, then rather than, as the budget report says, ending up with a debt of $1.522 trillion in 1985, it may be slightly less, if we are very lucky.

The amendment really ought to be turned down. It should not be accepted.

I understand what the gentleman is trying to do to take the pressure off the conferees. I have not been able to get the pressure on the Senate or the conferees or anybody yet to close the budget gap. We have been trying to pressure them, but everybody is still spending merrily along. The present budget we have before us calls for what they estimate to be a $64.4 billion deficit 3 years from now, $117 billion next year.

So there is not a surplus of revenues in this budget. That is not the problem.

I thank the distinguished Senator. I say that in all respect to him. I see what he is trying to do. He probably has a good idea for another time, but right now we are in a fix a revenue shortage, not a revenue abundance.

The PRESIDING OFFICER. Who yields time?

Mr. MATTINGLY. I yield some time to the Senator from Kansas.

Mr. DOLE. Mr. President, I think maybe the refreshing part about this is that the Senator from Georgia brings a new view to the Senate. He has not been here as long as we have, and he does not know that these things are not possible yet.

I think that is the merit of the amendment. We could end up with a little more. I doubt it, but it could happen. If it does, I certainly hope it goes back to the taxpayers.

Maybe that is why we keep turning over those of us in the Senate. It is not a requirement, but if I understand the amendment, it provides that if the total revenues end up to be higher than projected in the resolution, we are going to return any excess to the taxpayers.

That is something we ought to strive to do. They are overburdened, and we are going to burden some of them some more when this resolution passes.

I do not see that the resolution does not serve some purpose.

Mr. SYMMS. Mr. President, will the Senator yield?

Mr. MATTINGLY. Yes; I yield.

Mr. SYMMS. I thank the Senator for yielding.

I would like to say to my good friend from South Carolina that the problem you have—and certainly this Senator resists raising taxes—is historically the Congress of the United States has spent every dollar they can get their hands on and than a few extra. In fact, I think it is up to over a trillion dollars.

Senator GRASSLEY says not a few, a lot—trillions.

If this amendment is in the bill, what it simply says, if I understand it correctly, is that we may not have to raise these taxes as high as is projected. If we do raise them, what is going to happen is that instead of having two aircraft carriers, we will probably decide we need three. And instead of trying to buy votes from this special interest group with some kind of addition in the COLA check, we will raise a little more and buy more votes.

That is the history of Congress. There is always a needy program. There is not one of these programs that, if you throw enough money at it, you cannot help either national defense or the weak sisters of the poor or whoever. Somebody gets some benefit if you throw enough money at the problem, with a lot of waste, but the taxpayer never seems to have the protection.

All the Senator is trying to do, if I understand him correctly, is just modestly say that if the revenues come in faster than projected, then the Finance Committee will not be held accountable to raise the taxes as high as necessary in order to bring about a balance. Is that correct?

Mr. MATTINGLY. That is correct.

Mr. SYMMS. There should not be one Senator who would disagree with it. I think it ought to be voted for unanimously.

Mr. HOLLINGS. The Senators act like they are out on the stump. We are in the real world. This is the U.S. Senate. Our problem is not too much revenues. The Senator says it like he is out on the stump: "They are going to

spend every dollar they get their hands on."

That is not the problem. We are spending every dollar that we cannot get our hands on. [Laughter.]

Two billion dollars a week.

Is that not the way you say it, Senator?

Mr. SYMMS. You make my point. The Senator is making my point.

The PRESIDING OFFICER. Who yields time?

Mr. MATTINGLY. Mr. President, I think it is very appropriate that we talk about the real world, and I think you have to decide simply whether it is east of the Potomac or west of the Potomac. Obviously, the real world is west of the Potomac.

The real facts are that if we ventured out there a little bit more, we would not run into too many people who wanted to raise taxes. All the Alices in Wonderland out there do not think that we need more taxes in this Federal Government.

There also is very sound thinking from this standpoint: If they understood this budget process—which very few people up here understand, or the budget reconciliation—and we set a target of revenues, or revenue levels, why should we not do this if we increase money into this great Treasury and just keep consuming and spending it? That is exactly what happens.

All I am saying in this resolution is that if the economy does turn around—and Members on both sides of the aisle want that to happen—if revenues do start increasing, then the Finance Committee will not have to raise as many taxes—that the taxpayers will have somebody to protect them.

It is not a humorous situation, Mr. President. It is a serious situation, that we try to protect the people of our country. It is a serious situation that we consider other proposals this day, in this Congress, to try to come to an agreement in order to get 51 votes to pass something, a budget agreement; and the best one out now, which is not even on the floor, is to ask about raising $40 billion more in taxes than the Budget Committee has proposed.

There must be a break somewhere for the people west of the Potomac, and that is what this is.

Mr. BOSCHWITZ. Mr. President, will the Senator yield?

Mr. MATTINGLY. I yield to the Senator.

Mr. BOSCHWITZ. Mr. President, I find the Senator's sense-of-the-Senate resolution to be anything but humorous, much as I respect my colleague from South Carolina.

There is no question that in the event interest rates would come down, and come down precipitately and quickly, we would have a reversal of business trends in this country, that there would be a revival of the economy.

Without question, the recession was poorly prognosticated and not foreseen, so a business recovery may not be well-foreseen by us in the Senate.

This is not the real world. At least, in my business experience, I would not call it the real world. Indeed, if we have such a recovery, there may be an infusion of tax revenues to which the resolution of the Senator from Georgia would apply, so that the Senator from Kansas and other members of the Finance Committee would not be required to impose additional taxes.

So I will support the resolution. I believe it is a real world resolution.

Mr. HARRY F. BYRD, JR. addressed the Chair.

The PRESIDING OFFICER. From whom does the Senator from Virginia seek time?

Mr. HOLLINGS. I yield time on the resolution to the Senator.

Mr. HARRY F. BYRD, JR. Mr. President, first, I like the idea that if revenues exceed expenditures, the excess revenues should be returned to the taxpayers.

Does this proposal become applicable only after the budget is balanced, or would it be applicable before the budget is balanced?

Mr. MATTINGLY. It is when the revenues would exceed the expected revenues as put out by the Budget Committee's revenue projections.

Mr. HARRY F. BYRD, JR. But if the additional revenues are less than the total expenditures, it would still apply?

Mr. MATTINGLY. I am sorry—I did not hear the Senator.

Mr. HARRY F. BYRD, JR. If the additional revenues, added to the revenue in this budget, total less than the expenditures, would it still apply? What I am getting at is this: Is this revenue in excess of a balanced budget?

Mr. MATTINGLY. No; it is not.

Mr. HARRY F. BYRD, JR. That makes a big difference.

I might say that I introduced in the Virginia Senate 31 years ago something very similar to this, except that my proposal was an automatic tax reduction law which was on the Virginia statute for 4 years. It returned to the taxpayers anywhere from 9 percent to 21 percent of their taxes for 4 years. But that provided that if revenues received by the treasury exceeded expenditures, plus a cushion, then that excess would go back to the taxpayers.

This, as I understand it, does not provide for a balanced budget. It provides for the money to go back before the budget is balanced, rather than after the budget is balanced.

Mr. MATTINGLY. Yes.

The Senator was fortunate in Virginia. There were probably not as many spenders as we have in Washington, D.C.

Mr. HARRY F. BYRD, JR. That is certainly correct.

I like the theory. If the Senator would make it any revenues in excess of a balanced budget, I would vote for it.

Mr. HOLLINGS. I would, too.

Mr. HARRY F. BYRD, JR. I could not vote for this, because we have a deficit that is so great that I think we should reduce it any way we can.

The PRESIDING OFFICER. Who yields time?

Mr. HOLLINGS. Mr. President, we are ready to vote.

The distinguished Senator has brought this into focus. I would support it if we were paying our bills but this is not revenues in excess of paying your bills. This is just revenues in excess of a particular estimate; and under the law, those excess revenues should be applied to reducing the deficit. This is no inducement for extra spending. We do not have the excess revenues that might have induced us to spend. On the contrary, we have the problem of high interest rates, and those high interest rates are directly related to these high deficits.

For the moment, the taxpayers have many, many problems. They have too much taxes. They have too much this and too much that. Many do not have a job. They have the problem of unemployment. With all the problems, the No. 1 problem to be dealt with is trying to address these deficits.

This amendment on the contrary, says: "Let's have higher deficits. If we get more revenues in, let's not apply it to reducing the deficit."

This particular budget, as they say in the report of the resolution being considered, called for a $117-billion deficit next year. So they do not estimate sufficient revenues to pay the bills or to bring us a balanced budget. If it did that, I would join the Senator from Georgia, as the Senator from Virginia has indicated.

On the contrary, what the Senator from Georgia is saying is: "We have deficits which are fairly large. They were about $50 billion when President Carter was in office. Then we took over, and what we really find is that the deficits are not big enough. We increased them by $50 billion. But to make sure they keep moving up, we say that any revenues above the estimates in the resolution should go back to the taxpayers. Then they can have higher and bigger deficits and higher and bigger interest rate."

Mr. MATTINGLY. Mr. President, the dialog is about the same it was 20 years ago. It is not the revenue side we keep looking at but the expenditure side of the Federal Government. This would force Congress to go to the expenditure side instead of constantly looking at the revenue side in order to balance the budget.

Before I came to the U.S. Senate, you were trying to balance the budget by raising taxes, and it did not work. It is not going to work this time.

What I am saying is that we have already asked, by a budget reconciliation, to increase revenues by $100 billion. We do not need to ask for any more.

Also, the people outside should have some stability. They should know that if revenues do increase and business expansion starts moving forward, we do not tap them on the shoulder to raise more taxes, but that revenues will increase into the Federal Treasury by business expansion. That is the part of the formula that people fail to look at.

The PRESIDING OFFICER. The time of the Senator from Georgia has expired.

Do the opponents of the amendment seek to use additional time?

Mr. HOLLINGS. No.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Georgia.

Mr. HOLLINGS. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Georgia. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. BAKER. I announce that the Senator from Minnesota (Mr. Durenberger), the Senator from Oregon (Mr. Hatfield), the Senator from South Dakota (Mr. Pressler), the Senator from New Mexico (Mr. Schmitt), and the Senator from Alaska (Mr. Stevens) are necessarily absent.

I further announce that, if present and voting, the Senator from Oregon (Mr. Hatfield) would vote "yea."

Mr. CRANSTON. I announce that the Senator from Arizona (Mr. DeConcini), the Senator from Kentucky (Mr. Huddleston), and the Senator from Montana (Mr. Melcher) are necessarily absent.

The PRESIDING OFFICER. Are there other Senators in the Chamber desiring to vote?

The result was announced—yeas 43, nays 49, as follows:

[Rollcall Vote No. 146 Leg.]

YEAS—43

Abdnor
Andrews
Armstrong
Baker
Boschwitz
Brady
Cochran
Cohen
Denton
Dole
Domenici
East
Garn
Goldwater
Grassley
Hatch
Hawkins
Hayakawa
Heinz
Helms
Humphrey
Jepsen
Kassebaum
Kasten
Laxalt
Lugar
Mattingly
McClure
Murkowski
Nickles
Percy
Quayle
Roth
Rudman
Simpson
Specter
Stafford
Symms
Thurmond
Tower
Wallop
Warner
Zorinsky

NAYS—49

Baucus
Bentsen
Biden
Boren
Bradley
Bumpers
Burdick
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Chafee
Chiles
Cranston
D'Amato
Danforth
Dixon
Dodd
Eagleton
Exon
Ford
Glenn
Gorton
Hart
Heflin
Hollings
Inouye
Jackson
Johnston
Kennedy
Leahy
Levin
Long
Mathias
Matsunaga
Metzenbaum
Mitchell
Moynihan
Nunn
Packwood
Pell
Proxmire
Pryor
Randolph
Riegle
Sarbanes
Sasser
Stennis
Tsongas
Weicker

NOT VOTING—8

DeConcini
Durenberger
Hatfield
Huddleston
Melcher
Pressler
Schmitt
Stevens

So Mr. Mattingly's amendment (UP No. 991) was rejected.

Mr. DOMENICI. Mr. President, my understanding is now that the distinguished Senator from Illinois, the junior Senator, has an amendment on foreign aid and he intends to offer it now.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Mr. DIXON addressed the Chair.

Mr. DOMENICI. Mr. President, might I inquire, we do not have a time agreement on this, do we?

Mr. HOLLINGS. The distinguished Senator from Illinois said he would agree to a time limitation.

Mr. DIXON. I would be delighted to agree to a time limitation of 5 minutes to a side.

Mr. DOMENICI. Better leave this one open. We can probably agree. The Senator has an hour and we have an hour and we will cut that.

Mr. HOLLINGS. But we are all trying to get out of here.

Mr. DOMENICI. Well, I do not know what the Senators want to do about that.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

UP AMENDMENT NO. 992

(Purpose: To reduce funds for foreign aid)

Mr. DIXON. Mr. President, I call up my amendment.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

> The Senator from Illinois (Mr. Dixon), for himself, Mr. Nunn, and Mr. Melcher proposes an unprinted amendment numbered 992.

Mr. DIXON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> On page 6, beginning with line 6, strike out through line 5 on page 7 and insert the following:
>
> (2) International Affairs (150):
>
> Fiscal year 1982:
>
> (A) New budget authority, $16,700,000,000.
>
> (B) Outlays, $11,400,000,000.
>
> (C) New direct loan obligations, $10,400,000,000.
>
> (D) New primary loan guarantee commitments, $9,300,000,000.
>
> (E) New secondary loan guarantee commitments, $0.
>
> Fiscal year 1983:
>
> (A) New budget authority, $14,800,000,000.
>
> (B) Outlays, $11,400,000,000.
>
> (C) New direct loan obligations, $10,200,000,000.
>
> (D) New primary loan guarantee commitments, $9,300,000,000.
>
> (E) New secondary loan guarantee commitments, $0.
>
> Fiscal year 1984:
>
> (A) New budget authority, $15,300,000,000.
>
> (B) Outlays, $11,400,000,000.
>
> Fiscal year 1985:
>
> (A) New budget authority, $19,600,000,000.
>
> (B) Outlays, $11,400,000,000.
>
> None of the budgetary limits placed on function 150 shall affect the continuation of financial assistance to Israel and Egypt in the amount necessary to meet the financial commitments made by the United States in conjunction with the Camp David accords.

Mr. DIXON. Mr. President, Members of the Senate, this amendment by my colleagues, the Senator from Georgia, Senator Nunn, and the Senator from Montana, Senator Melcher, and myself, is a very straightforward amendment and easily explained. This amendment would substantially cut the appropriation for foreign aid over the next 3 years while at the same time maintaining our commitment to foreign aid at the existing 1982 level.

The budget proposal for outlays in 1982 was $11.4 billion. The appropriation contemplated for 1983 in budget outlays is $12.1 billion. This amendment would maintain the existing level of $11.4 billion. The amendment would reduce the outlays for 1984 from $12.3 billion to $11.4 billion and for 1985 from $12.2 billion to $11.4 billion, for a savings over those 3 years of $2.4 billion.

Now, on yesterday, Members of the Senate may recall that my distinguished colleague from Montana (Senator Melcher) offered an amendment that would have reduced the appropriation for foreign aid over the next 3 years by $7 billion.

I voted against that amendment, as did my friend and colleague, the senior Senator from Georgia, Senator Nunn, because I agree with the arguments of my distinguished colleagues who said that that particular amendment effectively gutted the foreign aid program of this Nation over the next 3 years.

I do not want to gut that program, and, therefore, could not support that amendment.

Now this amendment, I say to my friends, is not offered in a partisan spirit, nor is it offered to be critical of anything that has been done by the committees that considered this question. But I put this to you: Is it fair to

the country to cut substantially domestic programs important to the country while permitting appropriations for foreign aid to grow?

Let me read some figures to you. These are cuts in selected domestic areas. Let us talk about energy. The cut in energy in outlays for 1983 alone is $1.4 billion. In 1984, the cut in energy is $42.5 billion. In 1985, the cut in energy is $2.7 billion.

How about natural resources and environment? The cut in outlays for natural resources and environment in 1983 is $1.4 billion; in 1984, $2.5 billion; and in 1985, $3.5 billion.

How about agriculture? The cut in agriculture in outlays for 1983 is $3.7 billion. The cut in outlays for 1984 is $5.6 billion. The cut in 1985 is $6.4 billion.

I could go on. In transportation, the outlay cuts for 1983, 1984, and 1985 total over $4.5 billion. In education the cuts for 1983, 1984, and 1985 total $4 billion.

We are not suggesting any cuts in our foreign aid program under the 1982 level for 1983, 1984, and 1985. We are suggesting maintaining the level of outlays for those years each year at $11.4 billion.

May I conclude by saying that our amendment protects our commitments to Israel and Egypt by including a provision that states that:

> None of the budgetary limits placed on function 150 shall affect the continuation of financial assistance to Israel and Egypt in the amount necessary to meet the financial commitments made by the United States in conjunction with the Camp David accords.

I think in a time when we are contemplating substantial cuts in every area of our budget that it defies logic to suggest that we should not make savings in the area of foreign aid—savings that are conservative in scope, savings constituting over 3 years only $2.4 billion and savings that will maintain the outlays in our budget at exactly the same level as 1982.

I am pleased to have join me in the sponsorship of this amendment, my distinguished colleague and friend, the senior Senator from Georgia, who, like the junior Senator from Illinois, voted against the $7 billion cut in foreign aid yesterday, but who shares my concern that foreign aid, like all other programs within our budget, should receive the full scrutiny and the close attention of this Senate.

I am delighted to yield to my colleague such time as he may require to speak on behalf of this amendment.

Mr. NUNN. I thank my friend and colleague from Illinois.

I will take just a moment to say that I support this amendment. I think it is logical. I think it is sound. It is not a frontal attack on foreign aid. It makes it clear that the foreign aid will continue at the 1982 level in 1983, 1984, and 1985. And, of course, I think that is what we are doing throughout the whole budget in other categories of domestic spending.

I agree with everything the Senator says. It just does not make sense to see foreign aid continue to go up, up, up, at a point in time we are actually holding or freezing the discretionary spending largely throughout the budget and we are also rolling back certain key areas of our own budget in terms of cost.

I think this makes sense. It does save, as I understand it, about $2.4 billion over the next 3 years, which will make a significant contribution to the very serious budget problem we have today.

I support my friend and colleague from Illinois in his amendment. I am proud to be a cosponsor of it. I urge my colleagues to vote for it.

Mr. KASTEN. Mr. President, I yield such time as he may desire to the Senator from Illinois, the chairman of the Foreign Relations Committee.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. PERCY. Mr. President, I would like to ask my distinguished colleague, Senator Dixon, a question. At the bottom of his resolution it says:

> None of the budgetary limits placed on function 150 shall affect the continuation of financial assistance to Israel and Egypt in the amount necessary to meet the financial commitments made by the United States in conjunction with the Camp David accords.

Of the $1.7 billion for Israel, may I ask the question: How much is specifically protected by that language, "amount necessary to meet the financial commitments made in conjunction with the Camp David accords"? What is that, the Sinai peacekeeping force? How much of the economic assistance, how much of the military assistance, is in conjunction with the Camp David accords?

Does the Senator think that that language is going to protect assistance to Israel and Egypt, or is it limited in some other unknown respect, or is it just camouflage?

As I interpret this, that is no protection for Israel or Egypt whatsoever.

Mr. DIXON. In reply to my senior colleague, whose opinions I regard highly in matters of this type, I was first advised by the Parliamentarian that the language employed here is germane. I am, secondly, advised that it adequately covers the problem with respect to the necessary appropriations for Israel and Egypt. I would leave those questions to the appropriate committees.

Clearly, the amount we funded in 1982 has been adequate to meet our responsibilities with reference to Israel and Egypt. There is a diminishing responsibility, to some extent, I am advised, with respect to the Sinai.

I am told that the contemplated budgetary amount will be $46 million in 1983 and 1984, not $150 million as contemplated in 1982.

I will yield to my friend, for whom I have a great deal of respect, in connection with his knowledge on the subject matter, and I would yield to my friends on the committees with respect to their knowledge. But I would again respond to my colleague by saying that this Senate has voted to cut back virtually all other programs.

It seems to me not unreasonable to suggest that if we are going to treat our own citizens this way, we ask the international affairs area to bear its share of the burden, by at least maintaining the same level in respect to the out years of 1983, 1984, and 1985 that we maintain in respect to 1982.

Mr. PERCY. Another question I would like to put to my colleague is, in this the same language at the end of the resolution as was contained in the Melcher amendment that was defeated yesterday by a resounding vote of this body?

Mr. DIXON. May I say to my dear friend and colleague, it is similar language. The language has been improved some. The Parliamentarian has assured us of the germaneness. The question of the intent of the administration and the appropriateness, of course, I would leave to them, recognizing our concern about Israel and Egypt, my distinguished colleague's concern for those places, and the concern of the chairman of the appropriate subcommittee, the distinguished junior Senator from Wisconsin.

I might further point out that Senator Melcher's amendment would have cut $7 billion. The junior Senator from Illinois reduces over 3 years by $2.4 billion. I voted against the amendment yesterday, listening to his argument that that cut was too gross and too deep. But I assure him I am not proposing cuts in what I believe would be too deep a fashion.

This amendment does not cut at all. It only maintains for the out years the same budgetary outlay as for 1982, $11.4 billion for the 3 outyears. We are treating foreign aid better than we treat education. We are treating foreign aid better than we treat transportation in this country. We are treating foreign aid better than we treat the social and domestic programs that people care about. I think the amendment is not unreasonable.

I say to my distinguished colleague, I ask for nothing different than what we have done elsewhere in the country.

Mr. PERCY. I can only say to my colleague that I am astounded and disppointed to see this amendment, which I had absolutely no idea would be coming up. I only saw it by chance 10 or 15 minutes ago. I immediately called Senator Melcher. Is he a cosponsor of this amendment?

(Mr. ABDNOR assumed the chair.)

Mr. DIXON. He is a cosponsor as well.

Mr. PERCY. I tried to reach him. I understand he is not in the Senate or in Washington, for that matter. I would want to put the question to him or any member of his staff who may be listening: Is it not true that we reached an agreement with Senator Melcher, when the original intention of the majority leader was to table his amendment, yesterday. Senator Melcher said, "If you will give me an up-or-down vote I will not introduce any other amendments proposed to reduce foreign military and economic assistance." We reached agreement with him. Senator Baker and I then agreed that we would not move to table his amendment, that we would not object to a up or down.

I could not understand his name being on this amendment after what I thought was an agreement that he would not offer another amendment.

In any event, the figures, as I understand this proposed amendment, just quickly looking at it, would be a $4.3 billion reduction for the next 3 years. That is not as much as the previous Melcher amendment, but the principle is exactly the same.

The budget resolution for foreign assistance, economic and military assistance, already cuts the President's original proposals, which he said could not be reduced. The budget resolution reduces the President's budget by $1.3 billion, if Export-Import Bank is held constant.

But this amendment would cut into our Export-Import Bank, too. Already American business operating overseas are disadvantaged because European and Japanese governments provide so much more export financing. We lose many contracts because we cannot compete with the subsidized financing.

Now I cannot believe my distinguished colleague (Mr. Dixon) would want to pull the rug out from under our exporters.

Surely he knows that Illinois firms receive about $1.5 billion in Eximbank financing, one of the largest States in that regard. I know he is aware that our largest private employer, Caterpillar Tractor Co., and other important Illinois companies like International Harvester, use Eximbank credits frequently. I cannot believe he would like to reduce the financing available to them and curtail their exports. We have enough unemployment in Illinois now and every billion dollars of exports creates over 30,000 jobs.

I cannot believe my colleague (Mr. Dixon) would sponsor an amendment that potentialy could undermine Illinois exports and yet that is precisely what this amendment cculd lead to.

This proposal is a deep cut. We have tried to hold level and constant with 1982 expenditures. By this proposal you are asking that the foreign assistance program absorb all of the inflation, that there be no increase.

I just want my colleague to recognize that if this amendment is adopted, it would not only mean cuts in Israel and Egypt, but it would also decimate the programs that we have developed in Pakistan and Oman.

I have been to see those bases in Oman. Those are absolutely crucial to our rapid deployment forces for protecting the oil resources of the United States of America, of Europe, and of Japan. These are vital to our national defense, to the economic lifeline of our allies, and to the American military personnel whose very safety, and ability to succeed, would be seriously jeopardized without those forward facilities in what is without a doubt the most volatile region of the world.

If we stop work on those bases now, it would be a 180-degree reversal in a program initiated by President Carter, fully backed and supported by President Reagan, and backed and supported by the Congress of the United States, on many occasions.

For instance, Tunisia Prime Minister, Defense Minister, and Foreign Minister were here just 3 weeks ago signing agreements with the United States of America, Tunisia—one of our best allies in the Middle East—is beleaguered and beseiged by Colonel Qadhafi in Libya who is training terrorists to make raids against their country. They hope to work this out diplomatically, but their hope is very, very thin, if you are depending on the word of someone who may be as unreliable as Colonel Qadhafi.

Are we going to cut our Tunisian friends adrift and not come through with the commitment we have already made to them? Is that what my colleague from Illinois would recommend? Apparently. I just cannot understand it. Surely my colleague knows this amendment would jeopardize our friends and allies. We cannot operate our Nation's foreign policy in a vaccum.

Yesterday, Senator Inouye was not able to speak on the Melcher amendment. He is so knowledgeable in these matters. The appropriation and the authorization committees have worked very closely. We simply know that we cannot afford, as a Nation, to undercut these programs which are in our national security interest. A large part of this cut will affect our national security interest. The question is, do we want to have other countries which are friendly to us, allied with us, and aiming toward the same objectives and goals, keep stability and peace in their area? Do we just want to do it alone, becoming Fortress America, saying, "Look, we do not need your help. We are not going to assist you. We do not need your manpower. We do not need facilities and bases in your country and we are not going to help build them. We are just going to take care of the world ourselves." This is a mutual program that we began, years ago, and we are down, as the President has said, to rock bottom. In a letter to the Senate yesterday and in a phonecall to me yesterday, he urged the U.S. Senate to go above the budget resolution and come to his full request.

We are still, Mr. President, $1.3 billion below the Reagan figure. This amendment would cut it, over several years, another $4.3 billion. It would decimate our foreign military and economic assistance programs.

Mr. President, we cannot have a foreign policy if we do not have backup for it. What are we going to do, back it up with mere words? We cannot do it with words in the South Atlantic.

I wish, at this particular time, to yield to my distinguished colleague who, yesterday, so eloquently spoke against the Melcher amendment, which I feel is exactly the same principle we are arguing for here.

We have come down to a rock-botton figure that cannot be cut unless we want to decimate programs we have solemnly committed to countries throughout the world. It would make us impotent in the world today. It would just put us on our own. I do not think we are in a position to do that.

We are not in a position to turn our backs on our friends to whom we said, "If you will give us assistance, we shall put our manpower, our strength behind you, and we will ally ourselves for the cause of peace and stability in the world."

Who is going to protect the raw materials coming into this country? Who is going to protect our interests abroad?

Mr. President, I yield to my friend from Wisconsin.

Mr. KATSEN. Mr. President, I yield to the majority leader.

Mr. BAKER. Mr. President, I asked for time only so I could ask how much longer the debate is going to take. I am about ready to make a motion to table the amendment.

Could the Senators from Illinois and the Senator from Hawaii give me an estimate?

Mr. DIXON. Mr. President, I do not want much time. I seldom differ with my dear friend and colleague, whom I respect and have such profound affection for. On this question, we obviously differ, but not in our affection for one another.

I want to clarify my position here and further make a comment about some things that concern my friend, the Senator from Montana (Mr. Melcher), who is presently absent from the Chamber. I shall not take more than 3 or 4 minutes, I feel confident, but I feel it necessary to respond to what has been said.

Mr. BAKER. I understand completely, Mr. President.

Mr. PERCY. Speaking for this side, Mr. President, I can put everything I have to say in the Record. I said it yesterday. I do not have to say it again today. The Senate has thought this thing through. We resoundingly defeated the Melcher amendment yesterday. I would like to see us defeat this one today.

I should like to hear from the distinguished Senator from Hawaii and the ranking member on the Foreign Relations Committee (Mr. Pell). I imagine 15 minutes would be adequate.

Mr. BAKER. Mr. President, there is 1 hour and 55 minutes approximately remaining. Would the parties be agreeable to a time limitation of 12 minutes equally divided? That would get us to approximately 6:15.

Mr. DIXON. Yes; I am agreeable.

Mr. PERCY. May I say as a matter of personal note, it is so seldom my distinguished colleague (Mr. Dixon) and I disagree on a basic issue. We have generally always been able to talk things out ahead of time. I wish he had given me even a few minutes' notice that he planned to offer this amendment. I regret we disagree on this particular issue, but it does not detract one bit from my regard for my distinguished colleague.

Mr. BAKER. Mr. President, I ask unanimous consent that there be a time limitation of 10 minutes equally divided to be under the control of the distinguished manager on behalf of the majority and the distinguished Senator from Illinois (Mr. Dixon).

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KASTEN. Mr President, I yield as much time as he may require to the Senator from Hawaii.

Mr. INOUYE. I thank the Senator.

Mr. President, much has been said about the foreign assistance program. I recognize that foreign aid is not popular. I also recognize that many Members of the Senate are distressed, even angry, with some of the budget reductions that have been proposed in this resolution. Why, then, would I appeal to my colleagues to protect funding for this function?

Mr. President, approximately $4.4 billion of the foreign assistance portion of function 150 is actually support for U.S. exporters; it is not support for foreigners. $4.4 billion is to support jobs, to help balance our payments, and to encourage the revitalization of the U.S. economy by improving exports.

Yesterday, Mr. President, I read in the business pages that corporate profits in the United States fell 17.5 percent in the first quarter of this year. The headline suggested that businesses were feared to be too weak to lead the economic recovery that the country so sorely needs. This amendment, Mr. President, would cut programs which directly support the expansion of U.S. exports. It would create a credit gap in the financing of our Nation's exports. I suggest that when our country is in a very deep recession, when our trade balance is in deficit, when we are trying to revitalize our Nation's economy, it is not a good time to have a credit gap in export financing.

Mr. President, the United States is involved in a heated international trade competition. The governmental credit agencies of foreign nations have become key elements of foreign and economic policy. These agencies agressively promote the exports of their countries by offering extremely favorable financing to prospective purchasers, particularly on large, high-technology products. Recently, the General Accounting Office produced a study which found that Japan and the United Kingdom supported 35 percent of their exports, France supported 20 percent of its exports, and Germany 12 percent. Only 6 percent of American exports were supported by Eximbank financing.

Mr. President, rather than cutting support for export programs, I suggest that these figures indicate a need to catch up with other countries—to meet their competition to defend our place in the global marketplace.

It is beyond question that the Eximbank has been a critical factor in promoting foreign trade. The Department of the Treasury found that at least 70 percent of exports attributable to Eximbank would not have occurred without Eximbank support. Eximbank helps our international balance of trade.

Finally, let us not forget that each billion dollars of U.S. exports supports 40,000 jobs.

Now, what about the remainder—the economic and security assistance programs and Public Law 480.

We are now engaged in a redefinition of our relationship with the Soviet Union and with our allies. Foreign assistance provides critically needed support to our friends. Over two-thirds of the programs funded in the foreign assistance bill provide security assistance, and military assistance, and arms credits to our friends—to those with whom we have joined to counter the spread of Soviet influence.

Mr. President, the foreign assistance bill is not a giveaway program. It is an investment in stability. I know that the American people want a reduction in spending—we all know that—but even more they want peace.

Mr. President, let every Senator contemplate the impact the collapse of the international economic system, or widespread hunger and famine, or unrestrained population growth will have on peace. Let every Senator contemplate what will happen to our foreign policy—to our national defense—if Turkey collapses and can no longer contribute to the defense of NATO's southern flank or if we lose access to military facilities in Spain, in Portugal, in the Philippines, because function 150 is cut further.

We who serve on the Senate Appropriations Committee are not irresponsible. We have recognized the need for austerity, and for the past several years we have held the programs funded in the foreign assistance bill to levels which are far below the levels requested by both the Carter and Reagan administrations. If the Senate now acts to further reduce funding for these programs, many of them will, as a direct consequence of the reduction, become wholly ineffective.

To each Senator who is considering supporting this reduction, I say ask yourself if you believe that the allies of the United States will look to us for leadership when we cannot fulfill our international obligations.

Ask yourself whether the impoverished peoples of the world will look to our economic system as their model for development if we cannot provide them with the means to help themselves.

Finally, ask yourself whether the opponents of Democracy will refrain from exploiting the unstable conditions—both economic and political—that will most assuredly follow our failure to respond to the needs of those less fortunate than we in our foreign assistance programs.

I ask that Senators set aside their anger and discontent—to consider the foreign assistance program on its merits—to support the foreign policy of our country.

I thank the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. KASTEN. Mr. President, how much time is available?

The PRESIDING OFFICER. The Senator From Wisconsin has 1 minute and 10 seconds.

Mr. KASTEN. Mr. President, I yield 1 minute to the Senator from Rhode Island (Mr. Pell).

Mr. PELL. Mr. President, I thank my colleague.

I reluctantly oppose the amendment of my colleague and friend from Illinois (Mr. Dixon). I point out that we now rank 17th among nations of the world when it comes to that portion of our gross national product we put into aid programs. If this amendment passed, we would be off the board, because they only keep records or statistics on the top 20.

I submit, Mr. President, that while the aid program is unpopular, while our needs here are great, nevertheless, the aid program as it has been reported out by the committee and as has been recommended by the Congress is about right. For the time being, we have pretty well stuck with it. If we lower it at this time, I think it will be against our national interest and against the interest of a lot of human beings around the world who depend on that for food, shelter, and literacy. I think those portions of the aid program are even more important, far more important, than some of the security aspects.

Mr. KASTEN. I thank the Senator and distinguished ranking member of the Foreign Relations Committee.

I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator's time on the amendment has expired. The Senator can take time from the resolution.

Mr. DIXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DIXON. Mr. President, may I briefly summarize in this way: No one in this Senate has greater regard for the senior Senator from Illinois than the junior Senator from Illinois. His devotion to his principles is well-known in my State. His outstanding service on the committee he chairs is well-known to the country.

I do not criticize that or find fault with it.

I put to Senators a very straightforward question. The question is: Can we afford to do less for our country than we do for other countries?

I am not suggesting any cuts. I am suggesting a freeze. This is a freeze; $1.4 billion for 1982—this year—$11.4 billion for 1983, and $11.4 billion for 1984 and for 1985. That is not unreasonable.

The figure $4.3 billion has been referred to. The actual cut in outlays over all 3 years is $2.4 billion. That is not a very great amount of money over the next 3 years.

Let me simply give my colleagues an idea of what this means to some of our domestic programs.

In education in 1983, we are cutting outlays $1.1 billion. My amendment would only cut foreign aid $700 million in 1983. In education in 1984, we are cutting $1.2 billion. My amendment would only cut foreign aid $900 million. In education in 1985, we are cutting $1.6 billion. My amendment would only cut foreign aid $800 million.

In transportation in 1983, we are cutting $1.4 billion. My amendment would only cut foreign aid $700 million.

Let us talk about agriculture. In 1983, we are cutting agriculture $3.7 billion. My amendment would only cut foreign aid $700 million. In 1984, we are cutting agriculture $5.4 billion. My amendment would only cut foreign aid $900 million.

The relative cuts are small. Over the lifetime of the bill, the cuts are only $2.4 billion. It is a reasonable amendment, and I recommend its adoption.

I submit that it is in line with what we are doing elsewhere in the budget.

Mr. President, I ask for a rollcall on this amendment.

Mr. KASTEN. Mr. President, this is another amendment which seeks to reduce the international affairs function of the budget. The President of the United States, in a letter provided to the Foreign Relations Committee just yesterday, underscored his personal commitment to full funding of this function. If we do not provide this, according to President Reagan, and I quote:

> Israel and Egypt would be deprived of the additional resources necessary to reinforce the post-Sadat peace process at a time when radical elements are working to unravel the tenuous ceasefire in Lebanon and to undermine the Mubarak regime;
>
> Moderate states threatened directly by the Soviets (e.g., Pakistan) or by their Libyan/Ethiopian surrogates (Tunisia, Morocco, Sudan, Somalia) would be deprived of tangible American support when they need it, putting at doubt our ability to call on them when our own interests in the Middle East or the Persian Gulf are threatened;
>
> Portugal, Spain and Turkey would be prevented from rebuilding their outmoded defense capabilities; NATO's southern flank would be vulnerable and we would jeopardize their cooperation in meeting threats beyond the alliance's boundaries;
>
> The momentum of the acclaimed Caribbean basin initiative would falter and the overwhelming plebiscite of the Salvadoran people for democracy would be left to walver.

As I have said before, I am not up here advocating increases in international affairs. In fact, I led those forces last year which reduced not only President Reagan's request, but reduced former President Carter's fiscal year 1982 request by over $2 billion. The resolution before you is a decrease in BA terms from the current year, and as you can see from the tables, the outlays remain nearly constant for the next 3 years.

For the sake of a sound and effective foreign policy, I would urge my colleagues to defeat this amendment.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. BAKER. Mr. President, has the time expired?

Mr. DIXON. Not quite, I guess, but I yield back my time.

Mr. BAKER. Mr. President, I move to table the amendment of the Senator from Illinois, and I ask for the yeas and nays on the motion.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on the motion to table the amendment of the Senator from Illinois.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. BAKER. I announce that the Senator from Minnesota (Mr. DURENBERGER), the Senator from Oregon (Mr. HATFIELD), the Senator from South Dakota (Mr. PRESSLER), the Senator from New Mexico (Mr. SCHMITT), and the Senator from Alaska (Mr. STEVENS) are necessarily absent.

I further announce that, if present and voting, the Senator from Oregon (Mr. HATFIELD) would vote "nay."

Mr. CRANSTON. I announce that the Senator from Arizona (Mr. DECONCINI), the Senator from Kentucky (Mr. HUDDLESTON), and the Senator from Montana (Mr. MELCHER) are necessarily absent.

I further announce that, if present and voting, the Senator from Montana (Mr. MELCHER) would vote "nay."

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 60, nays 32, as follows:

[Rollcall Vote No. 147 Leg.]

YEAS—60

Andrews
Armstrong
Baker
Baucus
Biden
Boschwitz
Bradley
Brady
Byrd, Robert C.
Chafee
Cochran
Cohen
Cranston
D'Amato
Danforth
Denton
Dodd
Dole
Domenici
East
Garn
Glenn
Goldwater
Gorton
Hart
Hatch
Hawkins
Hayakawa
Heinz
Humphrey
Inouye
Jackson
Jepsen
Johnston
Kassebaum
Kasten
Kennedy
Laxalt
Lugar
Mathias
Matsunaga
Metzenbaum
Moynihan
Murkowski
Packwood
Pell
Percy
Quayle
Riegle
Roth
Rudman
Sarbanes
Simpson
Specter
Stafford
Thurmond
Tower
Tsongas
Wallop
Weicker

NAYS—32

Abdnor
Bentsen
Boren
Bumpers
Burdick
Byrd,
  Harry F., Jr.
Cannon
Chiles
Dixon
Eagleton
Exon
Ford
Grassley
Heflin
Helms
Hollings
Leahy
Levin
Long
Mattingly
McClure
Mitchell
Nickles
Nunn
Proxmire
Pryor
Randolph
Sasser
Stennis
Symms
Warner
Zorinsky

NOT VOTING—8

DeConcini
Durenberger
Hatfield
Huddleston
Melcher
Pressler
Schmitt
Stevens

So the motion to lay on the table Mr. DIXON's amendment (UP No. 992) was agreed to.

Mr. KASTEN. Mr. President, I move to reconsider the vote by which the motion to lay on the table was agreed to.

Mr. DOMENICI. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Several Senators addressed the Chair.

Mr. DOMENICI. Mr. President, I yield to the distinguished Senator from Rhode Island (Mr. CHAFEE).

NO FUNDS PROVIDED FOR POLLUTION CORRECTION PROGRAM

Mr. CHAFEE. Mr. President, I note that the first concurrent budget resolution does not contain budget authority for a new program authorized in the Clean Water Act Amendments of 1981. That new program authorized $200 million to be used at the discretion of the Administrator of the Environmental Protection Agency to correct pollution caused by combined sewer overflows—a water pollution problem which plagues many of our older cities and towns.

Although the Committee on Environment and Public Works, in its report to the Budget Committee, recommended including $100 million in the budget for the correction of combined sewer overflows, the Budget Committee voted not to provide budget authority for this program.

I am deeply committed to seeking funding for this very important program. Even though budget authority is not now included I believe it will be possible to secure some funding through the appropriations process. Since the first concurrent budget resolution is not binding—it only sets targets—there will be time to work with the Appropriations Committee and the Budget Committee to insure that an appropriate amount of funds will be made available for this program.

Mr. President, I thank the distinguished Senator from New Mexico.

Mr. DOMENICI. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DOMENICI. How much time remains on the entire resolution?

The PRESIDING OFFICER. One hour and forty-two minutes remain.

Mr. DOMENICI. How is that divided?

The PRESIDING OFFICER. One hour and four minutes to the majority and 38 minutes to the minority.

Mr. DOMENICI. I thank the Chair.

It is my understanding the distinguished Senator from Missouri (Mr. EAGLETON) goes next and has an amendment on indexation.

UP AMENDMENT NO. 993

(Purpose: To express the sense of the Senate with respect to the repeal of the indexing provisions enacted under the Economic Recovery Tax Act of 1981)

Mr. EAGLETON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> The Senator from Missouri (Mr. EAGLETON) for himself, Mr. MATHIAS, Mr. BUMPERS, and Mr. RANDOLPH proposes an unprinted amendment numbered 993.

Mr. EAGLETON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> Insert at the end of the concurrent resolution the following new section:
>
> SEC. . It is the sense of the Senate that the Committee on Finance should report a bill repealing section 104 of the Economic Recovery Tax Act of 1981 (repealing to adjustment to prevent inflation-caused tax increase) as one of the changes in laws within the jurisdiction of such committee necessary to increase revenues by the amount specified in paragraph (2) of subsection (b) of section 2 of this concurrent resolution.

Mr. EAGLETON. Mr. President, I rise today to offer an amendment that it be the sense of the Senate that the Finance Committee report a bill repealing section 104 of the Economic Recovery Tax Act of 1981. This amendment, offered by myself, Senator MATHIAS, Senator BUMPERS, and Senator CHAFEE would repeal the indexing provisions that was included in the 1981 Tax Act. This provision requires that individual income tax brackets be indexed to the inflation rate beginning in calendar year 1985. According to the Joint Committee on Taxation, estimated revenue to be gained from repealing this provision would be $10 billion in fiscal year 1985, $26 billion in fiscal year 1986, and $43 billion in fiscal year 1987.

I voted against the indexing provision when the Senate originally considered it on July 16, 1981, because of my concern for the deleterious effects indexation would have on our economy. I voted against indexing because it accommodates and institutionalizes inflation into an economic system. One year later, our economy is more fragile than it has been at any time since the Great Depression of the 1930's. I do not believe that our economy could withstand the impact of indexing our tax system to the inflation rate.

Last year, we put in place the fundamental building blocks of President Reagan's economic plan: First, the Omnibus Reconciliation Act of 1981, making deep spending cuts in many programs and second, the Economic Recovery Tax Act of 1981, making substantial changes in our tax system and drastically reducing the revenues of the Federal Government. In return, President Reagan promised a balanced budget, an aggressive and highly stimulative economy, and a reduction in the high interest rates that have so debilitated our economy. Instead, we are looking at massive deficits now and into the future, continued high interest rates, and the highest unemployment rate since the end of World War II, all from the vantage point of our second recession in 2 years. We have watched as administration officials and Wall Street pundits, the real arbiters of the economy, have slowly pushed the recovery date further and further back into 1982. We also have a Treasury Secretary who said a few weeks ago that "the economy is dead in the water."

Consequently, many people are reassessing their earlier, unhesitating support for the President's program. Indeed, criticisms have come from such well-known conservatives as Henry Kaufman, the chief economist at Salomon Bros. and Herbert Stein, former Chairman of the Council of Economic Advisors under President Nixon and a current member of President Reagan's Economic Policy Advisory Board. Such divergent economic analytical groups as Data Resources Inc., the American Enterprise Institute, the Brookings Institution, the Congressional Budget Office, the Business Roundtable, and the National Association of Manufacturers are all now forecasting staggering Federal deficits from 1985 on at a time when revenue losses from the 1981 tax bill grow even larger as indexing takes effect. In a prepared statement before the House Budget Committee last March, Henry Kaufman stated:

> I believe that today's policies do not sufficiently limit the possibility of straying into unnecessary economic tragedy; for these policies have failed to gain the confidence and support in at least one vital area: the financial markets.

On "Meet the Press" on May 9, 1982, Mr. Kaufman indicated that it was essential that we repeal the indexing provision of the tax bill.

The grim, grim economic news is doled out on a daily basis. For example, today's New York Times, in a front page article, reported that corporate profits declined 17.5 percent in the first quarter of 1982. Also, revised figures for first quarter GNP showed a decline of 4.3 percent, rather than the preliminary figure of 3.9 percent. Said Allan Sinai of Data Resources, Inc.—

> * * * the U.S. economy, since 1980, has gone through an unprecedented business cycle downturn for the post-World War II period. Three years of recession are threatening the viability of a large chunk of corporate America. There is virtually nothing in the data coming out now to indicate any meaningful recovery.

I ask unanimous consent that the full text of the New York Times article be printed at the conclusion of my statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. EAGLETON. It is more important than ever that we in the Congress also take a second look at the program we so hastily put in place last year. We should not be so intransigent that we do not recognize that the course embarked on by the Reagan administraton and approved by this Congress has serious shortcomings. For this reason, I urge that we repeal the indexing provision of the 1981 tax bill. We need only look at other sectors of our economy to see the impact that indexing has already had. As long ago as 1979, GAO issued a report analyzing the effects of indexing for inflation on Federal expenditures. The report concluded that expenditures for indexed Federal programs have grown more rapidly than the budget as a whole.

We should also learn well from other countries who have experimented with indexation. In a Time magazine article on this subject, it was noted that in Western Europe and Latin America, where indexation has been much more widely practiced than in the United States, both the government and the public are growing increasingly disenchanted. As one top European economist noted, "Indexation is the fool's gold of modern economics. Nothing breeds inflation as much as cost of living benefits." Perhaps the most notable defector from the proindexation group is Nobel Prize winning economist Milton Friedman, who now concedes that indexing our economic system accommodates inflation by building it in and ultimately making it impossible to control.

As pointed out in a research paper published by the Congressional Budget Office, indexing could be inflationary if it were interpreted as a sign of Government acquiescence to inflation, or if it weakened public support for Government anti-inflation policies by insulating taxpayers from inflation's adverse effects. I fully agree with this assessment. Despite the illusion indexing offers that we are no longer paying high taxes, inflation will continue to insidiously penetrate our economy. Let us heed the warnings of conservative economist Alan Greenspan who said not too long ago:

> The chance that a sharp new downturn could reach crisis proportions used to be 1 in a 100. Now it is 1 in 5 or 10.

I urge my colleagues to rethink the wisdom of their earlier decision to index our tax system; I urge the adoption of my amendment.

The article follows:

Exhibit 1

[From the New York Times, May 20, 1982]

Profits Off 17.5 Percent for First Quarter

(By Jonathan Fuerbringer)

Washington, May 19.—Corporate profits fell 17.5 percent, almost a record, in the first quarter of this year, reflecting the squeeze on companies from declining production and high interest rates, the Commerce Department reported today.

The department also said that the gross national product, after adjustment for inflation, fell at an annual rate of 4.3 percent in the first quarter, a steeper drop than the preliminary 3.9 percent figure reported last month. The gross national product, the broadest measure of economic performance, is the total value of the nation's goods and services.

These reports, combined with the 6.4 percent decline in April housing starts reported yesterday and six-tenths of 1 percent drop in industrial production announced last week, indicate that the recession is likely to continue at least through June, despite Administration assertions in recent weeks that it had reached bottom.

PRIVATE ECONOMIST'S VIEW

The declines are "just another sign that the U.S. economy, since 1980, has gone through an unprecedented business cycle downturn for the post-World War II period," commented Allen Sinai, an economist with Data Resources Inc., a private forecasting concern.

"Three years of recession are threatening the viability of a large chunk of corporate America," Mr. Sinai said. "There is virtually nothing in the data coming out now to indicate any meaningful recovery." This means, he added, that the chances for any recovery this year hinge on "the July 1 tax cut and how consumers respond to it."

In the first quarter, after-tax book profits, which include profits on company's inventories, fell $25.2 billion, to a seasonally adjusted annual rate of $118.8 billion. This was the third-largest quarterly decline since World War II. The largest drop was 21.7 percent in the fourth quarter of 1953, and the next largest was 19.9 percent in the second quarter of 1980.

This decline in after-tax profits followed a 7.9 percent decline in the fourth quarter of 1981, to a seasonally adjusted annual rate of $144 billion. Profits in last year's third quarter had risen 2.4 percent, to a $158.3 billion adjusted rate.

Malcolm Baldrige, the Secretary of Commerce, said today that the Reagan Administration's reduction in depreciation taxes, which was approved last year, "is softening the decline in after-tax earnings." He added, "The tax act of 1981 reduced corporate tax liabilities to the Federal Government at an annual rate of $8 billion in the first quarter."

Since the first quarter of 1981, pretax book profits have fallen 33.9 percent, the steepest decline during any recession since World War II.

Profits after taxes have declined 29.9 percent since the first quarter of 1981, according to the Commerce Department. Although this is also a record decline during any recession since World War II, it is smaller than the before-tax decline and is only slightly more than the previous record decline in after-tax profits of 27.8 percent during the 1957–58 recession.

Profits from current production, which excludes profits on inventories, fell $27.7 billion in this year's first quarter. Nonfinancial corporations' profits fell $23.6 billion, accounting for almost all of the decline in the quarter. About two-thirds of this decline was in the manufacturing sector. The foreign portion of profits fell $4.2 billion while profits for financial corporations rose $100 million, as a rise of $1.2 billion in profits for Federal Reserve banks offset declines, especially in the savings and loan industry.

In addition to the effect of higher interest costs on profits, the decline was spurred by a faster rise in costs than in prices, which have been slowed by the decline in the inflation rate.

Interest costs were $71.3 billion, up from $60.5 billion a year before and were about half the level of corporate profits. The interest share of the output of nonfinancial corporations has risen from 3.6 percent a year earlier to 4.5 percent in the first quarter of 1982. The share of pretax profits has dropped from 9 percent a year ago to 6.3 percent.

The revised figure for the gross national product was a result of a sharper decline in inventories than was first reported. Based on more recent data, they fell a record $21.4 billion after adjustment for inflation. The 4.3-percent drop in G.N.P. followed a 4.5-percent decline in the fourth quarter of 1981.

For the first quarter, the G.N.P., before adjustment for inflation, fell $6.7 billion, to a seasonally adjusted annual rate of $2,991.6 billion.

Based on the revised figures, the fixed-weighted price index rose at an annual rate of 5.1 percent in the first quarter. The implicit price deflator, another measure of inflation based on the gross national product, rose at an annual rate of 3.5 percent. The fixed-weighted price index just measures changes in prices. The implicit price deflator produces an inflation number that reflects changes in both prices of goods and in what is consumed, which means that a shift to less expensive goods can bring down the rate of inflation.

In a related matter today, the White House denied, through the deputy press secretary, Larry Speakes, that the Administration was considering any change in its support for the Federal Reserve's tight monetary policy. The hint of a possible change was raised in reports of comments made last night by Edwin Meese 3d, counselor to the President, to a group of reporters.

Mr. EAGLETON. I yield to my colleague from Maryland.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. MATHIAS. Mr. President, it seems to me that tax indexing is nothing less than surrender to the forces of inflation. We have to reject this dangerous precedent because it will cripple Presidents and Congresses for years to come and will actually remove from the American people the control of their own destiny.

We have in place automatic escalators in a number of social benefit programs. How difficult it is to make adjustments in those automatic escalators. We are not even going to touch them now until the President's Commission on social security reform reports to us.

Indexation of benefits already pulls in one direction. When tax indexing goes into effect, you are going to have another force pulling in the opposite direction. Indexing will pull the gap of the deficit wider and wider automatically, and we will say we cannot do anything about it because we will have turned it all over to a formula. It is a formula that is going to govern our destiny in the future. When the deficits grow, we will just give up and say the formula is working.

It is a very dangerous situation to institutionalize inflation. The amendment offered by the Senator from Missouri, I think, faces this danger and attempts to provide us with a modicum of safety.

Mr. President, I ask unanimous consent that an article I wrote for the New York Times dated January 28, 1982, be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the New York Times, Jan. 28, 1982]

Against Indexing Taxes to Inflation

(By Charles McC. Mathias)

Washington.—Congress and the country know how much President Reagan values consistency. His report on the State of the Union reveals that it is essential to his perception of Presidential power and leadership.

Mr. Reagan summoned the memory of our boldest and most successful Presidents, but we also must remember that they never feared revising their policies and programs. They did not cling to consistency at the expense of developing steady, stable policies to move the country forward.

As we await the President's budget message, we anticipate enormous budget deficits. I believe he can find a way to pay the bills without plunging the country deeper and deeper into debt, without printing money, and without shifting programs to the states—a practice that only turns back the clock to an earlier period of social disequilibrium.

One reason we are looking at these deficits is last year's remission by Congress of $750 billion in tax revenue in the Tax Reform Act. Parts of that bill contain Mr. Reagan's ideas, and to repudiate them might indeed be inconsistent.

But many costly parts of the bill are not the President's idea.

Mr. Reagan told the Congress that he approved of indexing, yet the failure of Presidents to balance their budgets resulted from a misguided application of this very principle.

Congress first applied indexing to offset the impact of inflation on pensions. That spawned the monster, bracket creep. Now Congress proposes to slay the indexing monster with more indexing. What once seemed fair and equitable has become a fiscal nightmare.

Indexing's supporters say the practice restricts revenues, not expenditures. But that ignores today's crushing reality, inflation. We should not lock Presidents of tomorrow into fiscal programs that may bear no relationship to their contemporary reality.

Indexing taxes to the rate of inflation in 1985, as the tax bill does, was not President Reagan's idea. He only accepted indexing as part of the compromise package.

Indexing not only undermines the discipline and sacrifice embodied in his budget cuts and the public's response, but also works at cross purposes to the positive measures for cutting taxes to fight inflation and stimulate industrial recovery.

The 1981 tax bill contains many positive measures that will encourage greater savings and investment, and will help to stimulate productivity. But indexing serves only to undermine these new incentives.

It plants a fatal seed in the internal revenue system and institutionalizes inflation. It is nothing less than surrender to the very forces that President Reagan has so strongly and vigorously attacked in his program to revitalize the economy.

I urge the President to cast off this hairshirt. Americans will applaud him for it. Otherwise he will endanger the funds we need to rebuild our economic base.

Education and training for job skills would be one investment. Maintaining the health of Americans, not only for their personal good but for the good of the economy, would be another. This means a health-care system good enough to maintain health and well-being so that people can hold productive jobs. To increase our profit from trade, we must invest enough in research to keep our country's technological lead, which in turn will create more jobs.

President Reagan achieved a historic shift in the direction and momentum of government in his first year. He now has the opportunity to readjust and fine-tune his policies and programs—even those announced on Tuesday—to address our two most urgent economic problems, inflation and unemployment.

Ralph Waldo Emerson said "a foolish consistency is the hobgoblin of little minds." But that same quotation contains these words: "Speak what you think today in words as hard as cannon balls and tomorrow in hard words again, though it contradict everything you say today."

The time has come for words "hard as cannon balls" if we are to protect the tax revenues that we need to reduce the appalling Federal deficit while maintaining the programs that are the true bedrock of national security.

The PRESIDING OFFICER. Who yields time?

Mr. ARMSTRONG. Mr. President, I must say that of all controversial amendments which have been offered to this budget resolution this proposal by the distinguished Senator from Missouri is, in my judgment, the worst single idea which has been seriously advanced during the course of this debate on this issue. I say so because, in my judgment, the tax indexing provision which was contained in the Tax Reform Act was the most important single provision of that historic piece of legislation.

Written into the bill were three key items that tax brackets, personal exemptions, and the standard deductions would be adjusted each year in the taxpayer's favor to reflect the inflationary rate and its effect on the tax structure.

Mr. President, it is my desire to discuss the merits of indexing and the reasons why this amendment should be turned down at some length. But it seems only fitting that the Senator from Kansas, who is the father of indexing and the chairman of the Senate Finance Committee, should first be recognized if he desires to speak on this amendment because more than any other Senator, more than any other person, he is the one who is responsible for this amendment, which I say again is the most important single tax reform which has been enacted in many, many years.

So I am pleased to yield for whatever purposes he may have in mind and for whatever comments he may wish to make to the chairman of the Senate Finance Committee, the Senator from Kansas.

Mr. DOLE. Mr. President, I thank the distinguished Senator from Colorado. Again, as I just told him privately, in my view this is about the most important thing we did in the tax bill last year.

I happened to visit by telephone recently Alan Greenspan, who, I think, is a respected economist, the former Chairman of the Council of Economic Advisers, and a Presidential adviser, and he said—and I cannot quote him directly, but as I recall his words, he indicated to me—that indexing was probably one of the most important things we did in the tax bill of last year.

This Senator fails to understand why more working men and women are not clamoring—in fact, if they understand it, I know that they are clamoring—to know more about indexing because what it does in effect is bring about a budgetary discipline to the Congress and keep us from using that so-called revenue windfall from bracket creep of $16 billion, $17 billion, depending on what the inflation rate is. It is going to make Congress accountable—it is sort of a truth-in-budgeting proposal. It says to the Congress of the United States, because we have indexed the tax system, we are either going to have to increase taxes, really increase taxes, or reduce spending because we are not going to have that windfall to rely on.

In fact, I now have a letter from Alan Greenspan dated July 13, 1981, which states:

> I want to add my support to the proposal to index the individual tax system following the three year scheduled cut in tax rates. We have argued in favor of a three year phased 30% cut in rates to offset bracket creep. However, unless offset, bracket creep will again take hold in 1984 and beyond, and will again inordinately raise the burden on the average American taxpayer. Indexing, of course, will prevent that.
>
> I am aware that there are many who, while strongly in favor of further tax cuts, remain concerned over the size of the budget deficit in the out years. I share such concern and in fact that is one of the reasons why I favor indexing. It's becoming increasingly clear that the level of expenditures is currently being suppressed mainly by fears of budget deficits. If we allow tax receipts to rise as a consequence of bracket creep in the out years, the continued pressure on federal outlay growth will be undercut. What we are likely to get as a consequence is both increased taxes and increased expenditures with the budget deficit, perhaps, only modestly reduced from what it otherwise would be.

So, Mr. President, I will not take the time of the Senate, but I think this is an issue on which some Members, for very good reasons in their view, oppose indexing. They believe their reasons are sound. Others of us strongly favor indexing.

I might point out that this amendment, in itself, of course, would not affect indexing. It would just require that we raise revenues by a certain amount in fiscal year 1985 over and above what is already included in the resolution.

Mr. President, I ask unanimous consent to have printed in the Record an editorial from the New York Times dated July 26, 1981, entitled "A Tax Index Bets on Democracy."

There being no objection, the editorial was ordered to be printed in the Record, as follows:

A Tax Index Bets on Democracy

If you are truly weary of politicians "cutting" taxes every other year but nonetheless collecting ever larger sums for Federal spending, take heart from a live proposal to end the shell game. It is called "indexing" the income tax, and the Senate has voted to try it starting in 1985.

The idea, first embraced by Ronald Reagan during his Presidential campaign and now part of the Administration tax bill, is annually to index, or raise, the income that determines tax bracket—as well as taxpayers' personal exemptions and standard deductions—by an amount that offsets inflation. In other words, the prevailing tax rate would be held roughly constant in relation to purchasing power; it would stop creeping upwards simply because of inflation. If it takes an income of $33,000 this year to buy what $30,000 bought last year, the proportion going to Uncle Sam would no longer automatically increase.

It is a worthy idea that would restore honest packaging to Federal tax policy. If Government spending increases, Congress would have to actually vote to raise taxes to finance it. And merely holding the true tax rate constant could no longer be misrepresented as tax reduction.

The main argument for the change is integrity. Six times since 1969, Congress has flattered itself by passing what were called income tax cuts, when it was merely turning back revenues generated by the inflationary creep of taxpayers into ever higher tax brackets. And some of this windfall was not returned at all, but spent. So the legislators could boast not only of cutting taxes but also of increased Federal benefits. The Senate's indexing plan would end that game this year. Future tax cuts would really have to be cuts; increased spending would have to come from real economic growth or candidly acknowledged tax increases.

The strongest argument against the idea is that protecting taxpayers against inflation in this way would weaken their already feeble will to resist inflation. But that puts a policy premium on trickery. The fact is that taxpayers learn soon enough that their tax rates have been going up, no matter what the politicians say, and then join much riskier "tax revolts" of the kind that have now spread from the states to Washington.

Indeed, it may turn out that Government will more quickly fight inflation if it is among the first victims. Indexing the income tax would sensitize Congress and all Federal agencies to the declining value of the dollar. To avoid a true tax increase for new works, both President and Congress would have a new incentive to resist waste and the costly subsidies that still lie buried in the tax code.

Liberals have good reason to fear that in its present conservative mood, the nation would be driven by a tax index to resist important new social programs. But that is an argument to perpetuate good works by sleight of hand.

It is just as valid to argue that social programs lost political support precisely because they were too long financed with the inflation's tax windfall and did not have to be openly defended as meriting tax increases.

There are risks in tax indexing. If applied in 1985 after repeated reductions in social spending, it might wind up skimming an additional $13 billion from tax receipts and lead Congress to squeeze the budget even harder. Congress might still refuse to face up to inflation. And it might shortchange both military and civilian obligations rather than raise tax rates. But that would only perpetuate honest debate over priorities. The risk, in the end, is no greater than betting on democracy.

Mr. DOLE. Mr. President, I see the Senator from Colorado also has the editorial. There is just a lot of support for this concept.

(Mr. Quayle, assumed the chair.)

Mr. SYMMS. Will the Senator from Kansas yield?

Mr. DOLE. I am happy to yield.

Mr. SYMMS. I wish to praise the Senator from Kansas. I believe there was a time when I was in the other body that the Senator from Kansas gave a series of speeches on this subject here in this Chamber.

But is has always been interesting to me that not all but most of the people who favor indexing of all the welfare programs in the country do not want to index the working people from having to be pushed into higher tax brackets.

The Senator from Iowa mentioned yesterday that for every 10 percent pay increase that people have been getting in this country until the 1981 Recovery Act, they get a 16-percent tax increase.

Mr. DOLE. I share that view. I thank the Senator from Idaho. I know that organized labor opposes indexing. The Senator from Kansas has talked to labor leaders. This Senator fails to understand how they can oppose something for working people. The losers in this are the working people of America, the wage earners. What we are hoping to do is to protect their interests.

I might say, and I am certain the Senator from Idaho and the Senator from Colorado and other Senators know, that if you talk to an audience made up of working people and explain indexing, there is an immediate acceptance of the principle. I hope that we would not do anything today that might interfere with this forward step.

I thank the Senator from Colorado.

Mr. ARMSTRONG. Mr. President, I congratulate the Senator from Kansas for his statement today. Most of all, like all of the taxpayers of my State and the Nation, I thank him for his leadership on this important issue.

I see in the Chamber the Senator from Iowa, who has been one of the foremost advocates of tax indexing. I am pleased to yield to him for such observations as he may wish to make.

Mr. GRASSLEY. I thank my friend for yielding.

I want to say for those of us in this Chamber who are concerned about lower and middle income people, there is no category of wage earners that gets hurt worse from bracket creep than lower and middle income people. So if you want to help the lower and middle income people, indexing the income tax rates is a way to do it.

We know that the very wealthy are always going to be able to take care of themselves when it comes to paying taxes and to finding the loopholes to avoid taxes. But the middle- and low-income people are the ones who have gotten hurt over the last 10 to 15 years because of bracket creep. As I said here on this floor yesterday, people who get a 10-percent raise in wages end up paying 16 percent more in taxes. It does not even go up at the same rate as inflation. It is ratcheted up more, compounded beyond all reason and reality.

For those people who think that inflation-proofing pensions, and all the other things that are inflation-proofed through indexing, like COLA's, ought to approve of inflation-proofing of tax rates through indexing. If the principle is right in one respect, it is right in the other as well.

But I think the most important issue at stake here is that indexing is, quite frankly, the only salvation for the American people from a Congress that is not going to be responsible in looking at expenditures and the taxes that support those expenditures.

It is very easy to spend more money when it comes in as a result of inflation rather than as a result of a vote. A vote is unpopular, obviously.

The Senator from South Carolina said yesterday that in the 16 years he has been in the Senate he only had to vote for two tax increases. And yet look at how taxes have gone up during that period of time, automatically.

I say that indexing is the only salvation for our taxpayers. With indexing, we will have to vote for tax increases. We will have to put our names on the dotted line for tax increases. Quite frankly, there would probably be fewer tax increases, and, with less money coming into the Federal Treasury, spending would be forced downward.

The thing that surprised me most in this debate was a statement made by my friend from Maryland, Senator Mathias. He said that doing away with indexing would give the people of this country an opportunity to control their own destiny.

Without indexing, people are not going to be able to control their own destiny. Why? Because the less we are able to vote one way or another on increased taxes, the less control individuals in this country have over their own destiny.

We must retain indexing on the books. It does not even take effect until 1985. Before we talk about repealing what a majority of Congress last year thought was good policy—and I still think is good policy, and I think most people in this body feel is good policy—we ought to wait and give it an opportunity to work at the Federal level.

With those thoughts in mind, I urge you to vote against this amendment to repeal indexing.

Mr. SYMMS. Mr. President, I rise in strong opposition to the amendment that is currently being considered. I supported the concept of indexation while I was a Member of the House of Representatives, and I was very pleased to be a participant in obtaining the passage of the provision last summer which indexed tax rates to the rate of inflation.

Virtually every segment of American society has been adversely affected by the significant increase in the rate of inflation in recent years. The impact of inflation is worsened by the taxation of inflation-produced profits and gains, which leads to the liquidation of savings, erodes American business capital, saps the investment incentive in the private sector, and lowers the standard of living of all Americans, especially those in the middle class.

The provisions in the Internal Revenue Code were enacted with the expectation of little or no inflation. Indexation will simply minimize tax increases caused solely by inflation.

Because of bracket creep and the loss in value of fixed deductions and credits, individuals whose earnings merely kept pace with inflation have seen their purchasing power eroded by disproportionately high income taxes. A significant portion of the increase in business taxes has resulted from overstatements of income and capital gains that are due solely to inflation. Congress has reacted to the inequity and adverse economic impact by legislating periodic reductions in tax rates, modifications of tax brackets, increases in exemptions, and other changes. The results are a tax structure rife with inequities and disincentives to invest and an uncertainty about future tax provisions, which itself discourages investment.

Economists recognize that American business cannot effectively compete in domestic and foreign markets unless it is able to increase productivity. Instead of increasing, the Nation's rate of increase in productivity has declined significantly in recent years. Productivity depends in part on new investment in plant and equipment. American industry has traditionally received a significant portion of its capital needs for new plant and equipment from retained earnings, depreciation, and individual savings. Such traditional sources of new capital have been eroded by the taxation of inflation-induced profits and gains.

Representatives of Congress, academia, business, and the Treasury have expressed concern about the capital formation impact of having effective tax rates on inflation-adjusted business profits that are well in excess of the statutory rates. Representatives of these groups have also expressed concern about the capital formation impact of taxing interest on individual savings when those savings have been eroded by inflation. There is little wonder that American business has difficulty finding the needed capital to modernize its plant in order to maintain high rates of productivity.

Middle income taxpayers are paying an increasing percentage of the overall income tax burden. One must assume that these taxpayers are aware that past failures to index the Internal Revenue Code is partly responsible for their need to pay more tax on income that has a declining purchasing value.

I have described a number of significant arguments for and against tax indexation. Certain of the adverse arguments deserve further comment.

One of the most serious arguments is that indexation in any form is itself inflationary. It may or may not be inflationary, depending on whether the tax savings are used for investment to increase productivity or are expended for consumption of items, and depending on whether Government reduces its spending or increases its deficit.

Another argument is that tax indexation would leave Government with fewer resources for the improvement of society. There is nothing in the suggestion for tax indexation that would preclude Congress from increasing taxes. Indexation merely stops the increase in taxes that is caused solely by inflation, so that overt action by Congress is required to increase taxes. This route lets the electorate decide whether a given tax increase is in the public interest, and that effect is also desirable.

Other individuals have argued that indexation is not needed because Congress periodically adjusts the tax laws in response to inflation. This argument does not appear to be valid. Although it can be assumed that Congress has tried to respond to inflation's impact on the average taxpayer and business, studies have shown continuing taxation of significant amounts of inflation-induced income.

The merits of indexation outweigh the drawbacks. Economic considerations and the need for fairness in our tax laws mandates that indexation be maintained in the current law. Indexation does not imply a willingness to live with inflation; indeed, it removes the tax revenue bonus and tends to reduce the rate of growth in Government spending.

(UP AMENDMENT NO. 993)

● Mr. DURENBERGER. Mr. President, last year's tax bill has been called historic for the size of tax relief given to individual taxpayers and for the reordering of priorities to encourage greater productivity by American businesses. But I submit that indexing the Tax Code was the most historic of these achievements.

Tax indexing is nothing more than a windfall profits tax on Government. It proceeds from the philosophy that any windfall income created by inflation should remain with the income earner as a buffer against rising prices, rather than passing to the Federal Government.

Without indexing, the tax system has the inherent tendency to fuel the inflationary cycle. Individuals receive cost-of-living increases but have less aftertax income because of bracket creep. They end falling further behind, forcing them to rob their savings for everyday living expenses and fueling their desire for even higher wage increases the next time around.

Those who oppose indexing on the grounds that it will put unacceptable fiscal stress on the Government must assume that continuous tax increases are necessary to prevent a fiscal crisis. I do not believe this for a moment. But even if I did, this is all the more reason to index the system to force these tax increases to be voted by the legislature, not imposed automatically. Tax increases, Mr. President, should be painful for the legislature to enact.

In fact, I would go so far as to argue that any system that permits the legislature to increase taxes painlessly leads inevitably to fiscally irresponsible spending by the legislature.

In recent weeks, several criticisms have been made of the indexing provision of the Economic Recovery Tax Act—criticisms made, I would note, 3 years before that provision is to take effect. Since our Federal taxes have not yet been indexed, opponents of indexing are citing the only examples available to them: The experience of the nine States that have indexed their tax systems to one degree or another. Prominent among these examples is my own State of Minnesota.

Let the record be clear on one point: The severe fiscal problems being experienced in the State of Minnesota are not a result of the indexing of our tax system. In 1979, at the time indexing was adopted in Minnesota, it was estimated that the State government would collect $1.2 billion less in revenues over 3 years due to tax indexing. And so State legislators found ways to reduce the rate of increase in State spending over those three years and thus Minnesota taxpayers $1.2 billion.

What happened next, however—especially in 1981 and 1982—both the National and State economies fell far short of their expected performance, and so State revenues fell accordingly. In other words, Minnesota tax revenues decreased even more than the $1.2 billion that was expected. But this fall-off in revenues had absolutely nothing to do with indexing. It had everything to do with the economy. Without indexing, while the State would have collected $1.2 billion more in revenues, it also would not have taken steps to reduce State spending by the same $1.2 billion. The additional revenue shortfalls still would have occurred and the State still would be suffering, as so many States are, from a fiscal crisis. But Minnesota taxpayers would be footing a bill at least $1.2 billion more than their present obligations. Indexing was not the cause of my State's fiscal problems. Indexing has saved the taxpayers of my State over a billion dollars during the last 3 years, and indexing in Minnesota has in fact proven to be a way of holding down State spending—by $1.2 billion in this case.

Mr. President, another curious argument I frequently hear made is that indexing is somehow a sneaky way of shifting reliance away from the progressive income tax and onto the regressive sales tax. Again, the Minnesota experience, when fully understood, proves exactly the opposite.

When State legislators in Minnesota had to raise additional revenues this year, they had to do it in full view of the voters who elected them. The merits of raising the sales tax and raising the income tax were openly debated in the State legislature. The Governor recommended increasing the income tax—the highest in the Nation in several brackets. But thousands of Minnesotans called and wrote to their State legislators, and, in the end, an increase in the income tax was soundly rejected, while a 1-percent increase in the sales tax was approved. This was certainly a more open way to increase taxes than the previous unindexed system where tax rates were automatically increased by inflation, and revenue rolled into the State treasury without a single public official being accountable for a single public decision. Indexing restored, rather than destroyed, honesty in fiscal policy in the State of Minnesota.

Mr. President, I spoke earlier about opponents of indexing who contend that indexing will lead to fiscal problems. One cannot examine the Minnesota experience over the past 15 years without concluding that an unindexed tax system leads to fiscal irresponsibility and poor tax policy. Like the Federal tax system, Minnesota has a steeply progressive income tax, especially when compared to most other States. It acted as a great money machine for the State government—a machine fueled by inflation.

To compound the problem, the legislature also put in place an automatic mechanism to dispense the money as fast as it came into the State treasury. We in Congress know the mechanism well—entitlement programs—that do not have to be voted on each year but automatically send out the money.

The entitlement with the largest appetite in Minnesota is the real property tax circuit breaker—the Homestead Tax Credit. While the income tax levied hidden tax increases annually, the circuit breaker bestowed highly visible—and politically valuable—so-called tax relief to homeowners and renters. This tax credit was continually increased until now Minnesota property taxpayers pay only 42 percent of their levied property tax. The State of Minnesota pays the rest. Of course, this never represented true tax relief.

In short, if the proponents of this amendment support ever-increasing spending through the public sector as a basic philosophy of government, indexing should—as it obviously does—cause them great concern. Indexing eliminates the single most important part of the system that facilitates and encourages the growth of government. On the other hand, if one supports the notion that taxing and spending decisions should be made explicitly through the legislative process on a periodic basis, then indexing is having exactly the effect one would hope in Minnesota.

The Minnesota experience also addresses the contention that indexing hurts the low- to moderate-income taxpayers while giving a tax break to the rich. This is simply untrue. It is the low- and moderate-income individual who is constantly pushed upward into new brackets. For example, in Minnesota, the top tax bracket is reached at around $28,000. This means that bracket creep ceases to be a problem for individuals above $28,000 and therefore those in tax brackets above $28,000 did not gain a thing from indexing. In truth, it is the $15,000 to $28,000 brackets in Minnesota that were being killed by bracket creep. These are the working men and women of my State. To remove indexing would mean increased tax burdens for them, not the rich. And that is exactly what will happen to the working men and women of America if this amendment is successful. And so I say to my colleagues, before you put your reputations as tax experts, or as fiscal policy experts, or as Senators—who in an election year are especially sensitive to the needs of those Americans who foot the bill for all we do here this week—I ask you to look to Minnesota once again as an example of responsible government—and how responsive government should work.

Mr. President, indexing will bring fiscal responsibility and accountability back to the Federal Government. I urge my colleagues to reject this amendment and retain indexing in our tax code in 1985 and beyond.●

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER (Mr. Symms). The Senator from South Carolina.

Mr. HOLLINGS. Mr. President, once again I would like to stand and respond to "the single worst idea advanced," according to the Senator from Colorado, "in this debate."

Mr. ARMSTRONG. Seriously.

Mr. HOLLINGS. Seriously. Well, being dead serious, who do we have to go through these economic lessons and hypothetical nonsense that you all keep bringing up? You have the problem. You have the problem of insufficient taxes right now. You are supporting a budget that goes $117 billion into the hole next year and you are only asking for $20 billion in low tax revenues.

Now the rationale that you have with your econometric models and your fanciful theories is that, "Oh, with reindexing of taxes you are forced to cut spending." You are not forced now. You have got the big deficit. Nobody is being forced to cut spending further.

Middle class, middle class. Oh, we know what they think about the middle class. They give them that Economic Recovery Tax Act. For the $20,000-a-year-man, he gets $464 in tax reductions; but for the $60,000 Senator, we get $3,000. We know what they think of the middle class in their tax measures.

The realism is that on the Budget Committee, the latest study we had by the staff in 1980 was that by ratchet, and not just inflation, but those coming into the system and paying taxes for the first time, we gained in revenues $70 billion. But the higher interest rates and the indexing of spending programs that you folks say "do not touch" in your caucus budget—namely, social security—you say, "Do not touch that"—you increase spending by $83.1 billion.

So when we marked up the budget in January of last year we did not have all these extra moneys coming in from the high Carter inflation that you spoke of. On the contrary, in order to keep the programs levelly funded we had to find $13.1 billion.

The Senator from Missouri is exactly right. If you are going to do this, let us do away with all indexing. That is, the spending and the revenue side. Do you give us half a haircut. Do not come in here with an economic theory of reducing revenues and think that will force the Senate to cut spending. We will have to stand up and vote for the taxes.

We are looking for you to stand up and vote for the taxes. I have recommended $204 billion in additional taxes. I recommended yesterday $183 billion more in taxes, and that still did not bring us quite to a budget balance. But you did not stand with me. You opposed that suggestion and gave me a lecture that that increased taxes too much. Now tonight you want me to stand up.

I thank the Senator from Missouri.

Mr. EAGLETON. Mr. President, I yield 2 minutes to the Senator from Rhode Island.

Mr. CHAFEE. I thank the distinguished Senator from Missouri. I ask to be added as a cosponsor to his very wise measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHAFEE. The suggestion here was that the best thing we can do is to wait until this goes into effect and see how it works.

That is the worst argument I could hear.

The best thing we could do around here is to stop indexing before we even get into it.

Mr. President, I argued against this in the Finance Committee and we had a vote. Unfortunately, we did not prevail. The distinguished Senator from Louisiana was there with us, though, on this.

We debated this on the floor, as you will recall, when we took up the tax bill last year. Unfortunately, we lost that time, too.

But in the long run we are going to be proven right, Mr. President, because inflation is evil. Yet by providing total insulation from inflation we are avoiding some of the tough decisions we need to make to get the budget, inflation, and interest rates under control.

Now, what are thcy proposing? That a whole new group be insulated from inflation, the taxpayers. We will not even feel it, the suggestion is.

Mr. President, I think the best thing we can do is to stop this thing before it goes any further.

Mr. LONG. Will the Senator yield?

Mr. CHAFEE. I certainly will.

Mr. LONG. I thoroughly agree with the distinguished Senator from Rhode Island, I agree with him thoroughly. We have our expenses indexed to go up and our taxes not indexed to go up. That means you will have bigger and bigger deficits until you get this straightened out.

Mr. EAGLETON. I thank my colleague from Rhode Island and my distinguished colleague from Louisiana. As long as this indexing of Federal revenues remains on the books to take effect in 1985, you can be assured that you will have larger and larger deficits. You may be assured that by keeping this provision on the lawbooks, we are insuring deficits into perpetuity.

There are four ways we have attempted to get some relief on the deficit front and on the interest rate front. We can make meaningful cuts in the defense budget. Senator Kassebaum offered that amendment and it was rejected. Repeal indexing? That is before us. Repeal or remove safe harbor leasing? That may come before us later tonight. Repeal the 1983 individual income tax cut as Senator Hollings urged? That has been rejected.

These are the only four measures by which we will get any significant relief on the deficit front and until we get some relief on the deficit front everybody in this Senate knows there will be no relief on the interest rate.

Mr. President, I yield back the remainder of my time.

Mr. ARMSTRONG. "Do not look now but Washington is quietly getting ready to take away the best tax benefit you never got."

Thus does columnist Louis Rukeyser predict in a recent article that exactly the debate which is occurring here tonight would in fact take place. Mr. Rukeyser, who writes newspaper articles and appears on television, went on to predict that in fact the Congress would repeal indexing which he points out is a fancy name for a simple idea, the idea that the Government should have to ask for a tax increase when it wants one and not be able to let inflation do its dirty work for it.

That same idea, that indexing is important to the taxpayers of this country in every tax bracket, has been echoed by thoughtful observers all over the country. The Dallas Morning News also predicted—Mr. President, is the Senate in order?

The PRESIDING OFFICER. The Senate is not in order. The distinguished Senator from Colorado is quite correct. Will all Senators who are carrying on conversations please cease and desist or retire to the cloakrooms so we can have order and hear the message the Senator is giving us?

Mr. ARMSTRONG. Mr. President, the Dallas Morning News in a March 16, 1982, editorial also foresaw that this debate would occur, and it warned that before Congress got too enthusiastic about repealing tax indexing they would be well to reflect upon the basic issue. Here is what the Dallas Morning News said:

> Before Congress Indian givers start whooping around the fire, it is well to reflect on what we are talking about. Indexing means that beginning in 1985, individual income taxes will be adjusted to prevent bracket creep. If you are a taxpayer, you hardly need more explanation. Up goes inflation, up goes salaries, up goes Federal taxes, but even faster is the costly progression. It all gets down to this: The Federal Government is rewarding itself for its inability or unwillingness to cure inflation. The more inflation, the more taxes, and it is automatic. The pusillanimous politician need not go to the hustings to explain how he voted in the national interest to increase taxes. If this is not taxation without representation, then how, pray, may the definition be realistically formulated?

The Federal Reserve Bank of Philadelphia in its business review of January 1982 pointed out:

> Perhaps the most important aspect of the tax package adopted in 1981 is the decision to index the tax code beginning in 1985. If done properly, indexing can prevent bracket creep and thus automatically prevent declines in labor supply and potential GNP caused by rising marginal tax rates. Although Congress adopted the indexing provision with little debate, it is clearly one of the most significant changes in the personal tax code in recent memory.

The Senator from Kansas, the distinguished chairman of the Senate Finance Committee, has already pointed out that the New York Times editorialized its support of tax indexing under the headline "A Tax Index Bets On Democracy."

I would say to the Senator——

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. ARMSTRONG. Mr. President, I will yield myself a few additional minutes on the resolution.

The Senator from South Carolina has spoken disdainfully of the notion which underlies tax indexing, but I would point out to him that it is not only television commentators and journalists who support the idea of tax indexing; it is also the American Farm Bureau, the National Education Association, the National Federation of Independent Business, the National Taxpayers Union, the American Institute of Certified Public Accountants, the American Bar Association, and, I judge, most of the taxpayers of America. So I hope this amendment will not only be defeated but it will be resoundingly turned down.

Mr. President, may I inquire, have the yeas and nays been ordered?

The PRESIDING OFFICER. They have not been.

Mr. DOLE. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. DOLE. Mr. President, I wanted to point out something that perhaps the Senator from Colorado has pointed out or some other Senator has. This is an idea that was not hatched in Congress. There were a number of States that have indexing. I want to make certain we have the latest information on those States.

Arizona adopted indexing and it was effective in 1978-79; California, Colorado, Iowa, Minnesota, Montana, Oregon, South Carolina, and Wisconsin—that is nine States that have all had indexing since 1978. This Senator predicts that in another decade, almost every State will have indexing and we are going to find out, as we do many times, that the States are a jump ahead of us when it comes to policy, whether it is tax policy or any other policy.

Mr. CHAFEE. Mr. President, will the Senator from Colorado yield me one-half minute from the bill?

Mr. ARMSTRONG. Yes, Mr. President.

Mr. CHAFFEE. Mr. President, I think to that list of nations that have indexing, we should add Israel, Argentina, Brazil—indeed many South American countries have it—and it is an absolute disaster.

Mr. DOLE. Their economies are a disaster even without indexing, Mr. President.

The PRESIDING OFFICER. All time has expired.

Mr. DOMENICI. Will the Senator yield for a question?

Mr. ARMSTRONG. Yes, Mr. President.

Mr. DOMENICI. I want to ask the Senator a question. I was not here for the entire debate. The amendment does not remove indexation on the expenditure side, does it? It is just the sense of the Senate that we do that on taxes, but it is not the sense of the Senate that we do that on all those expenditures that are automatically indexed.

Mr. ARMSTRONG. The Senator is correct, Mr. President. Amazingly, through oversight, the deindexing proposed by this amendment applies only to the taxpayers, not those who are the beneficiaries of the tax proceeds.

Mr. President, I think we are ready for the vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. BAKER. I announce that the Senator from Minnesota (Mr. Durenberger), the Senator from Oregon (Mr. Hatfield), the Senator from Pennsylvania (Mr. Heinz), the Senator from South Dakota (Mr. Pressler), the Senator from New Mexico (Mr. Schmitt), the Senator from Vermont (Mr. Stafford), and the Senator from Alaska (Mr. Stevens) are necessarily absent.

I further announce that, if present and voting, the Senator from Oregon (Mr. Hatfield) would vote "nay."

Mr. CRANSTON. I announce that the Senator from Arizona (Mr. De Concini), the Senator from Kentucky (Mr. Huddleston), and the Senator from Montana (Mr. Melcher) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 34, nays 56, as follows:

[Rollcall Vote No. 148 Leg.]

YEAS—34

Andrews
Biden
Bradley
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chafee
Chiles
Cranston
Dodd
Eagleton
Ford
Glenn
Hollings
Inouye
Jackson
Johnston
Kennedy
Leahy
Mathias
Metzenbaum
Mitchell
Nunn
Pell
Pryor
Randolph
Sarbanes
Sasser
Stennis
Tsongas
Wallop
Weicker

NAYS—56

Abdnor
Armstrong
Baker
Baucus
Bentsen
Boren
Boschwitz
Brady
Cochran
Cohen
D'Amato
Danforth
Denton
Dixon
Dole
Domenici
East
Exon
Garn
Goldwater
Gorton
Grassley
Hart
Hatch
Hawkins
Hayakawa
Heflin
Helms
Humphrey
Jepsen
Kassebaum
Kasten
Laxalt
Levin
Long
Lugar
Matsunaga
Mattingly
McClure
Moynihan
Murkowski
Nickles
Packwood
Percy
Proxmire
Quayle
Riegle
Roth
Rudman
Simpson
Specter
Symms
Thurmond
Tower
Warner
Zorinsky

NOT VOTING—10

DeConcini
Durenberger
Hatfield
Heinz
Huddleston
Melcher
Pressler
Schmitt
Stafford
Stevens

So the amendment (UP No. 993) was rejected.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. TOWER. I move to lay that motion on the table. The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Before the Senator speaks, will all Senators please clear the well and take their seats?

Mr. DOMENICI. Mr. President, I understand that the senior Senator from Florida (Mr. Chiles) wishes to offer an amendment that has to do with procedure within the Budget Act—in particular, reconciliation. We have a time limitation of 40 minutes, equally divided, we will let that stand for now, but I do not think we will use all that time.

Mr. BAKER. Mr. President, will the Senator yield?

Mr. DOMENICI. I yield.

Mr. BAKER. Mr. President, I encourage Senators to keep their remarks as brief as possible.

Will the Parliamentarian advise the Chair what the allocation is?

The PRESIDING OFFICER. Forty-four minutes for the Senator from New Mexico; 23 minutes for the Senator from South Carolina.

Mr. BAKER. I thank the Chair.

The PRESIDING OFFICER. The Senator from Florida.

Mr. CHILES. Mr. President, I send to the desk an unprinted amendment and ask for its immediate consideration.

The PRESIDING OFFICER. For the information of the Senate, this is not an unprinted amendment. It is a motion to recommit, with instructions.

MOTION TO RECOMMIT, WITH INSTRUCTIONS

Mr. CHILES. Mr. President, we have been here talking all day—really, all-week, too—about what programs we are going to put in the tax and spending cut bill, but we have not talked at all about the procedures under which we are actually going to make these legislative decisions.

I am a strong supporter of the reconciliation process. I made the first motion in the Budget Committee back in 1980 to use reconciliation. We have included, for the first time, reconciliation in the opening motion to the committee to reduce deficits this time. Reconciliation works because it brings all our cuts into a single package, instead of trageting groups one at a time. However, I think fairness is the key word in the process.

As Members of the Senate, we have to be able to look at the total package and see whether or not it is fair. But under the Budget Act, each authorizing committee does its work alone. No one sees what they do until the Budget Committee puts the package together.

It should be remembered that under the Budget Act, the Budget Committee is prohibited by law from changing the provisions, even if they think what the committees have done is unfair. They simply put that package together, and then they bring it out to the floor. The germaneness rule keeps Members from making changes on the floor if the bill is unfair.

This is not a patisan matter; but each of us sits on a few committees, and therefore we do not sit on all the others. Yet, we represent States with diverse populations that have a lot of programs.'

We have a lot of programs we care about, and we care about those programs whether we serve on the committee of jurisdiction or not.

It is not a matter of being for or against saving money. I have already stated that I favor reconciliation as a method to save money. But the germaneness rule as it is now interpreted—and the Budget Act—biases the process against reducing the deficit; and the reason is that if a committee reports a cut in a popular program, such as railroad retirement or compensation for disabled veterans, it is always in order to strike the cut. But now, under the germaneness rules, it is not in order to substitute an alternative cut. All you can do is strike and cut, but you cannot substitute another.

Second, I think it gives the committees an invitation to play the Washington Monument game—that is, if they have something they do not really want cut, or if they have decided they really do not like their reconciliation instruction that has been sent to them, they can simply send something back.

It should be remembered that the Budget Committee cannot change anything. It goes into that package. They can send something back that grounds the Air Force or does something else that is going to be so unpopular that the body is not going to take it; and then they can say, "We followed the reconciliation instruction. We have produced our cut."

That comes out on the floor, and the body can vote up or down, yes or no. But they cannot substitute another cut. They can maker a lesser cut. They can say, "Ground the Air Force 2 years instead of 1 year," but they cannot put anything else in place for an offsetting cut.

Last year, we saw the House committees attempt to play that game when they said they were going to do things such as eliminating impact aid funds, making drastic cuts in the school lunch program.

Senators will recall that the House Education Committee reported a big package of those kinds of cuts, and it stirred up everybody; because they said, "We met our reconciliation instructions and are going to give you something that eliminates impact aid."

We have to understand that committee chairmen like to control the agenda and not be surprised by unexpected amendments. We give our committees a lot of power in the Senate, and we respect their knowledge and their responsibility.

We all know that when something really unusual or off-the-wall comes up and the chairman of the committee announces that the committee has not had an opportunity to hold hearings or study the issue, he will move to table, and normally he is supported by a vast majority of the Members. But we also know that a lot of old issues keep coming back and that Members from a particular region who have an interest in a particular spending program or tax break sometimes tend to go to one committee.

So, on a bare one-vote majority, an authorizing committee can protect a sacred cow, while other programs are going to be exposed. But the other Members of the Senate, under the germaneness rule, will never have an opportunity to even approach that sacred cow, if there is one. They will never have a chance, because they cannot propose that we cut and add. That process is gone.

The motion I propose is a limited remedy. It says that we will allow alternative spending cuts or tax packages to be offered, but it still prohibits adding any extraneous, nonbudgetary amendments. I believe that was the intent and what the Budget Act meant at the time we were writing the original rule.

In fact, I think we were all surprised when the Parliamentarian ruled to start with that germaneness did not let us cut in that. I really felt, and I helped write the Budget Act, and I think all of us who had something to do with it felt like that was part of the process that we were setting up.

We come out with a reconciliation, and remember we said if you are going to take something out of this, you better be prepared to put something back in because that is what we are going to have to do.

So I think that we should not change the Budget Act drastically to allow extraneous matters to come in and those kinds of matters. I do not want to do that at all. But I do think that we should change an interpretation which says that you do not have the ability to cut and add or you do not have the ability to substitute one tax cut for another because I think that prohibits the body, or each individual Senator, from being able to work its will.

Mr. President, I send a modification to the desk. There is a technical problem.

The PRESIDING OFFICER. The motion is so modified and the clerk will state the modification.

The bill clerk proceeded to read the modified motion.

Mr. CHILES. Mr. President, I ask unanimous consent that further reading of the motion be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The modified motion is as follows:

> I move to recommit the budget resolution, S. Con. Res. 92, to the Budget Committee with instructions that it be reported back forthwith together with all other amendments heretofore adopted by the Senate and containing the following provisions:
>
> "Sec. ( ). Notwithstanding section 305(b)(2) of the Budget Act of 1974, during consideration of any reconciliation bill reported prusuant to this resolution, it shall be in order to consider any amendments to the bill which provide for reductions in budget authority or outlays as defined in sec. 3(a) of the Budget Act or which increases revenues, provided that such amendment does not contain matters which are predominantly nonbudgetary in nature, or which modify programs or tax provisions in a manner which is not necessary to reduce budget authority, reduce spending authority or increase revenues."

Mr. DOMENICI. Mr. President, I yield myself 5 minutes.

Mr. President, I wish the distinguished Senator from Kansas had not left the Chamber.

Mr. DOLE. No. I am here.

Mr. DOMENICI. There he is.

Let me tell him what this amendment does. If there is a reconciliation instruction, and that is not an ordinary way to legislate, that reconciliation instruction is peculiar because Senators cannot filibuster it. They only have 50 hours for one of these resolutions. Let us say we direct the Finance Committee to save $3 billion, and the Senator's committee goes to work on that and saves $3 billion by changing the medicare law. The committee reforms it, and that portion of the reconciliation bill as determined by the Senator's committee has $3 billion in medicare savings.

When the committee reports back to the Senate either on its own or as a package, this Budget Act provides another very, very different thing to the Senate. That bill comes here and it only has 20 hours for debate. So the Finance Committee and the Senator from Kansas, as chairman, and the Senators of jurisdiction there would be thrust into reporting a bill with a time limit of 20 hours for debate of the whole bill and no right to filibuster.

In exchange for that, the writers of the Budget Act said we are going to have a tough germaneness rule because committees are giving up a great deal. The chairman and ranking minority members are giving up a great deal. The active members of the committees who have to produce a bill are giving up a great deal. They lose all those rights, and individual Members do also.

The Parliamentarian says yes, it is a rigid germaneness test. Someone might say we should raise taxes $3 billion instead of medicare. The $3 billion of taxes and the $3 billion of medicare changes cancel each other out and everything is rosy.

The Parliamentarian would say today under the rules of germaneness, you cannot substitute a part of the Tax Code for a medicare change.

I think that is healthy. That is clearly what was intended as part of the trade off for the limited rights on the floor. Senators should not have the right to substitute a tax bill for a medicare change in a reconciliation bill.

I know that is rigid, but let me tell the Senator I do not think we should be changing this kind of rule tonight at 7:45 p.m. with 15 or 20 minutes of debate remaining, and with no hearings as to what it really means to the overall process. I have the greatest respect for the distinguished Senator from Florida, but I hope we will not do this now.

This amendment would have been subject to a point of order on germaneness. I waived that when I agreed to the unanimous-consent request.

However, the distinguished Senator could have introduced it anyway the way that he did by a motion with instructions to recommit.

But I just make the point that in technical language it would have been subject to a point of order for germaneness itself tonight but for this other approach.

I hope we will table this motion and give the distinguished Senator from Florida ample time to ask the Rules Committee, the Governmental Affairs Committee, and maybe the Budget Committee to discuss it thoroughly. At some point after committee consideration he could bring it here to modify the rules of reconciliation.

Mr. PERCY. Mr. President, will the Senator yield for just a comment?

Mr. DOMENICI. I am pleased to yield to the distinguished Senator from Illinois.

Mr. PERCY. Mr. President, having spent 3 years working on this Budget Act with Senators Muskie and Sam Ervin, I can assure the Senator this was not the intention of the Governmental Affairs Committee when he reported out that bill. This was contrary to the rules that we established and if a change is to be made, I would not want to do it here, without the advantage of hearings and committee consideration. After all, the Governmental Affairs Committee still has jurisdiction over the budget process. I hope my good friend (Mr. CHILES) will bring this up in the committee process.

I completely concur with the chairman of the Budget Committee on the remarks he has made.

Mr. DOLE. Mr. President, will the Senator from New Mexico yield for a question?

Mr. DOMENICI. I am pleased to yield.

Mr. DOLE. Again I have the highest respect for the Senator from Florida, but I share the view that at 7:50 p.m., after 4 or 5 days, to come in with rules changes, I think it might be better if we had hearings.

But there is some mention that we will bring in some sacred cow. The Senator does not lose his motion to strike that sacred cow, does he?

Mr. DOMENICI. I ask the Senator, what was that?

Mr. DOLE. The Senator still has a right to strike that sacred cow.

Mr. DOMENICI. Yes, indeed.

Mr. DOLE. The germaneness requirement does not prevent any Member from striking any provision, as this Senator understands it.

Mr. DOMENICI. That is correct. The Senator is absolutely correct.

Mr. DOLE. It seems to me, and I wish the distinguished Senator from Louisiana were in the Chamber, because it happens that the Finance Committee gets involved in a lot of these issues as do other committees, but I can imagine the life of any Senator or chairman of any committee or any ranking minority Member to walk into the Chamber and find, as the Senator indicated, the Senate maybe reforming medicare, and someone has a tax provision maybe raising taxes on someone.

So, notwithstanding the good intentions, and I am certain they are, of the Senator from Florida, who is a student of the Budget Act and a member of the committee, I hope that we might move very quickly to do whatever we have to do to delay this for a couple of years or at least until we have had some hearings.

Let us do it right away. We wish to go home.

Mr. McCLURE. Mr. President, will the Senator yield?

Mr. DOMENICI. I am pleased to yield to the Senator from Idaho.

Mr. McCLURE. Mr. President, I understand what the Senator from Florida is trying to get to, but I think he opens the door much wider than he intends.

I can give a number of examples of kinds of substantive law changes that might come through under the very restrictive set of provisions of the reconciliation act.

The Senator from Idaho believes in natural gas deregulation, and I could very easily put a natural gas deregulation provision in under the guise of a revenue change with taxation on revenue occasioned from it.

I think the Senator from North Carolina might find it a useful device to get before this body the opportunity for an antiabortion amendment under the guise of offsetting revenues with respect to some of the HHS expenditures.

I am sure that that would alarm a lot of people if indeed we started getting some of those very important matters brought before this body under a provision to which there is no opportunity to either filibuster or discuss or, as a matter of fact, have the strictures of a time limit.

So I hope the motion to recommit will be disposed of in a negative manner very quickly. I support the chairman of the committee.

Mr. CHILES. Mr. President, if this resolution chooses to put reconciliation into effect in the first budget resolution that is a change in the Budget Act. I have not heard anybody argue that that ought to go to the Rules Committee, that that ought to be studied for a couple of years. We have decided that we are going to make a change in the Budget Act, and we made that change.

The resolution already contains changes in the Senate rules such as holding up the enrollment of appropriation bills. It is creating a point of order against credit programs, and telling the Senate to keep score on the 1982 spending on the basis of a Senate resolution without even waiting for the conference.

All these rules changes were put in on the basis of our experience in making the budget Act work.

In 1980 we had our first small experience with reconciliation. Last year we did it in a massive way, and now that we have tried reconciliation and seen some of its strengths and weaknesses, I think we should be flexible enough to make this kind of a limited change.

I listened with great interest to the Senator from Illinois because I happen to also have participated in the writing of the Budget Act, and I can tell you that the Senator from Maine, who was the principal author of it, along with all of us who worked on it, was amazed at the interpretation you could get from the Parliamentarian when he said you could not cut an act. He was flabbergasted. He said that was never the intention of the act, and anybody who was studying and working on it at that time was very, very much amazed.

I am ready to yield back my time.

Mr. DOMENICI. I am ready to yield back my time, and I do.

Mr. BAKER. If the parties have yielded back their time, and I understand that they have, I move to table the motion to recommit, and I ask for the yeas and nays.

THE PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

THE PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Tennessee to lay on the table the motion of the Senator from Florida to recommit. The yeas and nays have been ordered and the clerk will call the roll.

The bill clerk called the roll.

Mr. BAKER. I announce that the Senator from Minnesota (Mr. DURENBERGER), the Senator from Oregon (Mr. HATFIELD), the Senator from South Dakota (Mr. PRESSLER), the Senator from New Mexico (Mr. SCHMITT), the Senator from Vermont (Mr. STAFFORD), and the Senator from Alaska (Mr. STEVENS) are necessarily absent.

I further announce that, if present and voting, the Senator from Oregon (Mr. HATFIELD) would vote "yea."

Mr. CRANSTON. I announce that the Senator from Arizona (Mr. DECONCINI), the Senator from Kentucky (Mr. HUDDLESTON), and the Senator from Montana (Mr. MELCHER) are necessarily absent.

The PRESIDING OFFICER (Mr. RUDMAN). Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 61, nays 30, as follows:

[Rollcall Vote No. 149 Leg.]

YEAS—61

Abdnor
Andrews
Armstrong
Baker
Baucus
Bentsen
Boren
Boschwitz
Bradley
Brady
Byrd,
  Harry F., Jr.
Chafee
Cochran
Cohen
D'Amato
Danforth
Denton
Dole
Domenici
East
Garn
Goldwater
Gorton
Grassley
Hatch
Hawkins
Hayakawa
Heinz
Helms
Humphrey
Jepsen
Kassebaum
Kasten
Laxalt
Levin
Long
Lugar
Mathias

Matsunaga
Mattingly
McClure
Mitchell
Moynihan
Murkowski
Nickles
Packwood
Percy
Proxmire
Quayle
Roth
Rudman
Simpson
Specter
Stennis
Symms
Thurmond
Tower
Wallop
Warner
Weicker
Zorinsky

NAYS—30

Biden
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chiles
Cranston
Dixon
Dodd
Eagleton
Exon
Ford
Glenn
Hart
Heflin
Hollings
Inouye
Jackson
Johnston
Kennedy
Leahy
Metzenbaum
Nunn
Pell
Pryor
Randolph
Riegle
Sarbanes
Sasser
Tsongas

NOT VOTING—9

DeConcini
Durenberger
Hatfield
Huddleston
Melcher
Pressler
Schmitt
Stafford
Stevens

So the motion to lay on the table the motion to recommit, as modified, was agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. DOMENICI. I move to lay that motion on the table. The motion to lay on the table was agreed to.

Mr. DOMENICI. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DOMENICI. How much time remains on the entire resolution?

The PRESIDING OFFICER. Forty-seven minutes remain.

Mr. DOMENICI. And how is that divided?

The PRESIDING OFFICER. Thirty-four minutes to the majority, 13 minutes to the minority.

Mr. DOMENICI. It is my understanding—is Senator HOLLINGS here?

Mr. ROBERT C. BYRD. I am in his place.

Mr. DOMENICI. That the next amendment to be called up will be the Johnston-Nunn-Exon amendment.

We have no time agreement on that. Actually, we are entitled to the next amendment on this side. I am willing to proceed with that amendment if we can get a time agreement. It will have to be pretty brief because there are three or four additional amendments that we have to call up within that short period of time.

Mr JOHNSTON. Ten minutes on each side.

The PRESIDING OFFICER. Is there objection?

Mr. BUMPERS. Reserving the right to object, the Chair answered a parliamentary inquiry a moment ago about 47 minutes being left. Does that mean for all amendments? We had a unanimous-consent agreement yesterday that there would be certain time on various amendments. Is that 47 minutes in addition to that time? Will all time expire in 47 minutes?

The PRESIDING OFFICER. The Senator is correct.

Mr. BUMPERS. Without a unanimous-consent request or some arrangement for additional time, we have to go to final passage in 47 minutes?

Mr. DOMENICI. Except for votes, which do not count, 47 minutes remain.

Mr. BUMPERS. Forty-seven minutes for all these amendments?

Mr. DOMENICI. Yes, and 34 minutes of that belong to the Senator from New Mexico, and 13 minutes belong to the distinguished minority leader. But pending amendments get voted on without debate under the act. No amendments get cut out. They are called up and they get a vote. That is how the act is drawn.

Mr. BUMPERS. I thought we had an agreement that if there was really a genuine need for additional time, the majority leader said he would request additional time. What does he have to say about that?

Mr. DOMENICI. While the majority leader is arriving here, there never was a unanimous consent that we were extending 50 hours or the provisions of the act.

Mr. BAKER. Will the Senator yield?

Mr. DOMENICI. I yield.

Mr. BAKER. I indicated the other day that when we reached the point if there was need for additional time I would try to arrange it. I must say to my friend from Arkansas I think that is a vain hope, based on comments that have been made to me on both sides of the aisle about the prospects for a unanimous-consent request. But let me say this; Let us expedite this to the maximum extent. Let us get this amendment disposed of and see how we proceed with the others. I am perfectly willing to put a unanimous-consent request at that time for whatever arrangement seems appropriate.

Mr. BUMPERS. I do not think I can object to that.

On this time agreement, is it 5 minutes on each side?

Mr. JOHNSTON. Ten minutes on each side.

Mr. BAKER. Will the Members consider reducing that to 10 minutes? The Senator from Arkansas will be hard put.

Mr. JOHNSTON. This is a complete substitute, I think we need 10 minutes on each side.

The PRESIDING OFFICER. Is there objection?

Mr. RIEGLE. Reserving the right to object, I would like to address a question to the majority leader. I have two amendments left and I have been waiting in line now, as others have, who still have amendments, for at least 2 days. What I do not want to see happen is I do not want to see the time eaten up so that when we finally get to my amendments there is no time left. I wonder if the majority leader would be willing right now, and we do not have any amendment before us, to take the time that is left, divide it up on a fair basis, and nail down a consent agreement right now. I am not anxious to see my time to speak shorted so that somebody else has more time, and by the same token I am interested in everybody else having the time they are entitled to. Could we agree on 10 minutes on a side, for example, on all the remaining minutes and lock that in?

The PRESIDING OFFICER. The Senate is not in order.

Mr. GOLDWATER. Will the Senator yield?

Mr. BAKER. I yield.

Mr. GOLDWATER. I serve notice that I will object to any additional time.

Mr. BAKER. Mr. President, let me say to my friend from Michigan that what we have done is observed the interchange between Republican and Democratic amendments. It has been up to the managers of the bill to set the sequence. I have had nothing to do with that. I indicated the other day I would try to provide additional time. I tell you in all candor I do not believe we can get additional time.

Mr. ROBERT C. BYRD. Mr. President, I know that the majority leader is trying to be fair. He is trying to make an arrangement whereby each of the Senators who have remaining amendments can call their amendments up and get a little time for debate.

I have heard it said that there will be an objection to any extension. May I say if that is going to be the attitude, any objection, then there will be ways found to extend the debate on this measure. There will be ways found to extend the time on this budget. I think we will save time by allowing just a few minutes extra for those Senators who have waited, who thought they would have a few minutes left. I would hope we would not have this objection to any extension of time whatsoever.

Mr. BAKER. Mr. President, let me say that I really believe the best thing to do at this moment is to drop the subject and let me try to work on it. If I can do something with it, I will, and if I cannot, I will promptly report that to the minority leader.

Mr. RIEGLE. Before the majority leader yields the floor, may I make the point that I am concerned about any amendment coming up now and taking the lion's share of the time that is left? I am going to take a very small amount for my two amendments, but I want to make sure there is an equal division of time.

Mr. BAKER. I think we are using what precious little time we have now. I am perfectly willing for that arrangement if the Senator from Louisiana and the Senator from Michigan can agree on an arrangement.

Mr. RIEGLE. May I suggest that we take the time that is left and divide it equally on the amendments that are left? Why can we not do it that way?

Mr. DOMENICI. Mr. President, who is yielding time at this point?

The PRESIDING OFFICER. Time is running against the resolution. There are now approximately 39 minutes.

Mr. DOMENICI. Mr. President, may I say to my friend, the Senator from Michigan (Mr. Riegle), it is obvious why we have more time. We talk less.

Let me suggest to the Senator that when the 20 minutes has been used——

Mr. SARBANES. But there are more of you.

Mr. DOMENICI. More of you?—no; more or us; yes.

Mr. ROBERT C. BYRD. Mr. President, may we get on with this and stop utilizing time in this way?

Mr. BAKER. Mr. President, yes; I ask unanimous consent that I may proceed for 1 minute without charging it to anybody.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, let me take an inventory of what amendments remain and perhaps that will help us see how we proceed. Perhaps someone is not going to offer an amendment.

We have a Riegle defense cut; a Chiles law enforcement amendment.

Mr. DOMENICI. Mr. President, we do not need any time. We shall take it up when time has expired. That will be agreed to.

Mr. BAKER. We have the Bumpers safe harbor leasing provision.

Mr. BUMPERS. Mr. President, I think the Senator from Kansas and I can insert a colloquy in the Record. I am not going to belabor the point. We shall not take any time.

Mr. BAKER. A Riegle COLA amendment. Then a Heinz optional care coverage for working mothers.

The last one listed is an amendment to be offered by Senator Harry F. Byrd, Jr.

Mr. HARRY F. BYRD, JR. I shall probably not offer it.

Mr. BAKER. And the Hefling amendment.

Mr. DOMENICI. That we can do after time expires. We do not need any time on that, either.

Mr. BAKER. So, really, Mr. President, what we have are Riegle and Riegle and a colloquy on Dole-Bumpers—and a short time on Chiles on law enforcement and Heflin on cancer.

Mr. President, we can do this if we just get on with the business at hand, I think. I urge the Senator from Louisiana once again to consider doing this on 10 minutes equally divided.

Mr. HARRY F. BYRD, JR. Mr. President, I should like to reserve my opportunity, but I may not offer it.

Mr. BAKER. I thank the Senator.

Mr. President, let us try 10 minutes equally divided on the Johnston amendment.

Mr. JOHNSTON. Mr. President, we could have had this thing over with if you would just let us get to it. We need 10 minutes. This is a very important amendment.

Mr. BAKER. Mr. President, I yield the floor.

Mr. DOMENICI. Mr. President, let me say to my good friend, the Senator from Louisiana (Mr. Johnston) there is a legitimate concern. Others have been waiting long before the amendment was ready. We are going to work it out. I ask unanimous consent that there be 10 minutes on a side. I say to Senator Riegle I shall have plenty of time left over. I shall yield him some.

Mr. RIEGLE. I thank the Senator.

Mr. DOMENICI. Ten minutes on a side on the Johnston amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 994

Mr. JOHNSTON. Mr. President, I have an amendment at the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Louisiana (Mr. Johnston), for himself, Mr. Nunn, and Mr. Exon, proposes an unprinted amendment No. 994:

UP Amendment No. 994

On page 2, line 7, strike all after "668,200,000,000" and insert in lieu thereof the following:

Fiscal year 1984: $750,000,000,000.
Fiscal year 1985: $855,000,000,000.

and the amounts by which the aggregate levels of Federal revenues should be increased are as follows:

Fiscal year 1983: $23,200,000,000.
Fiscal year 1984: $48,000,000,000.
Fiscal year 1985: $75,000,000,000.

(2) The appropriate levels of total new budget authority are as follows:

Fiscal year 1982: $777,200,000,000.
Fiscal year 1983: $821,229,200,000.
Fiscal year 1984: $868,231,700,000.
Fiscal year 1985: $907,434,200,000.

(3) The appropriate levels of total budget outlays are as follows:

Fiscal year 1982: $740,500,000,000.
Fiscal year 1983: $771,929,200,000.
Fiscal year 1984: $813,631,700,000.
Fiscal year 1985: $855,000,000,000.

(4) The amounts of the deficits in the budget in fiscal year 1982 through fiscal year 1984, with a balance or surplus in fiscal year 1985, which are appropriate in the light of economic conditions and all other relevant factors are as follows:

Fiscal year 1982: $117,500,000,000.
Fiscal year 1983: $103,729,000,000.
Fiscal year 1984: $63,631,700,000.
Fiscal year 1985: $0.

(5) The appropriate levels of the public debt are as follows:

Fiscal year 1982: $1,225,100,000,000.
Fiscal year 1983: $1,361,100,000,000.
Fiscal year 1984: $1,461,100,000,000.
Fiscal year 1985: $1,509,900,000,000.

and the amounts by which the temporary statutory limits on such debt should be accordingly increased are as follows:

Fiscal year 1982: $145,300,000,000.
Fiscal year 1983: $136,000,000,000.
Fiscal year 1984: $100,000,000,000.
Fiscal year 1985: $48,800,000,000.

(6) The appropriate levels of total Federal credit activity for the fiscal years beginning on October 1, 1981, and October 1, 1982, are as follows:

Fiscal year 1982:

(A) New direct loan obligations $67,300,000,000.

(B) New primary loan guarantee commitments, $93,000,000,000.

(C) New secondary loan guarantee commitments, $69,000,000,000.

Fiscal year 1983:

(A) New direct loan obligations, $63,600,000,000.

(B) New primary loan guarantee commitments, $102,200,000,000.

(C) New secondary loan guarantee commitments, $68,300,000,000.

(b) Pursuant to sections 301 and 304 of the Congressional Budget Act of 1974, the Congress hereby determines and declares the appropriate levels of budget authority, and budget outlays, for the fiscal years 1982 through and inclusive of 1985 and the appropriate levels of new direct loan obligations, new primary loan guarantee commitments, and new secondary loan guarantee commitments for fiscal years 1982 and 1983 for each major functional category are:

(1) National Defense (050):

Fiscal year 1982:

(A) New budget authority, $216,900,000,000.

(B) Outlays, $190,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $30,000,000.

(E) New secondary loan guarantec commitments, $0.

Fiscal year 1983:

(A) New budget authority, $246,500,000,000.

(B) Outlays, $211,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $30,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $274,300,000,000.

(B) Outlays, $239,400,000,000.

Fiscal year 1985:

(A) New budget authority, $312,200,000,000.

(B) Outlays, $273,600,000,000.

(2) International Affairs (150):

Fiscal year 1982:

(A) New budget authority, $16,400,000,000.

(B) Outlays, $11,100,000,000.

(C) New direct loan obligations, $10,400,000,000.

(D) New primary loan guarantee commitments, $9,300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, $15,600,000,000.

(B) Outlays, $11,500,000,000.

(C) New direct loan obligations, $10,200,000,000.

(D) New primary loan guarantee commitments, $9,300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $16,100,000,000.

(B) Outlays, $11,700,000,000.

Fiscal year 1985:

(A) New budget authority, $20,400,000,000.

(B) Outlays, $11,600,000,000.

(3) General Science, Space, and Technology (250):

Fiscal year 1982:

(A) New budget authority, $7,000,000,000.

(B) Outlays, $7,100,000,000.

(C) New direct loan obligations, $200,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, $7,600,000,000.

(B) Outlays, $7,400,000,000.

(C) New direct loan obligations, $200,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $7,500,000,000.

(B) Outlays, $7,600,000,000.

Fiscal year 1985:

(A) New budget authority, $7,100,000,000.

(B) Outlays, $7,200,000,000.

(4) Energy (270):

Fiscal year 1982:

(A) New budget authority, $4,800,000,000.

(B) Outlays, $6,400,000,000.

(C) New direct loan obligations, $10,600,000,000.

(D) New primary loan guarantee commitments, $1,700,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, $5,100,000,000.

(B) Outlays, $4,800,000,000.

(C) New direct loan obligations, $12,100,000,000.

(D) New primary loan guarantee commitments, $600,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $4,400,000,000.

(B) Outlays, $3,700,000,000.

Fiscal year 1985:

(A) New budget authority, $4,300,000,000.

(B) Outlays, $3,500,000,000.

(5) Natural Resources and Environment (300):

Fiscal year 1982:

(A) New budget authority, $10,300,000,000.

(B) Outlays, $12,800,000,000.

(C) New direct loan obligations, $30,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, $9,100,000,000.

(B) Outlays, $10,600,000,000.

(C) New direct loan obligations, $30,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $8,500,000,000.

(B) Outlays, $9,500,000,000.

Fiscal year 1985:

(A) New budget authority, $8,100,000,000.

(B) Outlays, $8,500,000,000.

(6) Agriculture (350):

Fiscal year 1982:

(A) New budget authority, $9,900,000,000.

(B) Outlays, $13,800,000,000.

(C) New direct loan obligations, $22,600,000,000.

(D) New primary loan guarantee commitments, $2,700,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, $8,400,000,000.

(B) Outlays, $9,900,000,000.

(C) New direct loan obligations, $19,000,000,000.

(D) New primary loan guarantee commitments, $2,600,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $8,100,000,000.

(B) Outlays, $8,000,000,000.

Fiscal year 1985:

(A) New budget authority, $6,500,000,000.

(B) Outlays, $7,100,000,000.

(7) Commerce and Housing Credit (370):

Fiscal year 1982:

(A) New budget authority, $11,600,000,000.

(B) Outlays, $3,800,000,000.

(C) New direct loan obligations, $15,400,000,000.

(D) New primary loan guarantee commitments, $41,200,000,000.

(E) New secondary loan guarantee commitments, $68,200,000,000.

Fiscal year 1983:

(A) New budget authority, $6,900,000,000.

(B) Outlays, $3,700,000,000.

(C) New direct loan obligations, $15,100,000,000.

(D) New primary loan guarantee commitments, $41,200,000,000.

(E) New secondary loan guarantee commitments, $68,200,000,000.

Fiscal year 1984:

(A) New budget authority, $7,400,000,000.

(B) Outlays, $3,400,000,000.

Fiscal year 1985:

(A) New budget authority, $7,200,000,000.

(B) Outlays, $3,100,000,000.

(8) Transportation (400):

Fiscal year 1982:

(A) New budget authority, $20,800,000,000.

(B) Outlays, $21,300,000,000.

(C) New direct loan obligations, $400,000,000.

(D) New primary loan guarantee commitments, $900,000,000.

(E) New secondary loan guarantee commitments, $3,000,000.

Fiscal year 1983:

(A) New budget authority, $20,600,000,000.

(B) Outlays, $18,900,000,000.

(C) New direct loan obligations, $500,000,000.

(D) New primary loan guarantee commitments, $800,000,000.

(E) New secondary loan guarantee commitments, $3,000,000.

Fiscal year 1984:

(A) New budget authority, $20,800,000,000.

(B) Outlays, $18,700,000,000.

Fiscal year 1985:

(A) New budget authority, $21,100,000,000.

(B) Outlays, $18,700,000,000.

(9) Community and Regional Development (450):

Fiscal year 1982:

(A) New budget authority, $6,700,000,000.

(B) Outlays, $8,500,000,000.

(C) New direct loan obligations, $2,200,000,000.

(D) New primary loan guarantee commitments, $900,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, $6,700,000,000.

(B) Outlays, $7,500,000,000.

(C) New direct loan obligations, $2,200,000,000.

(D) New primary loan guarantee commitments, $600,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $6,700,000,000.

(B) Outlays, $7,300,000,000.

Fiscal year 1985:

(A) New budget authority, $6,800,000,000.

(B) Outlays, $7,200,000,000.

(10) Education, Training, Employment and Social Services (500):

Fiscal year 1982:

(A) New budget authority, $25,400,000,000.

(B) Outlays, $28,100,000,000.

(C) New direct loan obligations, $1,300,000,000.

(D) New primary loan guarantee commitments, $6,500,000,000.

(E) New secondary loan guarantee commitments, $700,000,000.

Fiscal year 1983:

(A) New budget authority, $25,500,000,000.

(B) Outlays, $26,000,000,000.

(C) New direct loan obligations, $800,000,000.

(D) New primary loan guarantee commitments, $7,200,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $25,700,000,000.

(B) Outlays, $25,900,000,000.

Fiscal year 1985:

(A) New budget authority, $25,400,000,000.

(B) Outlays, $25,500,000,000.

(11) Health (550):

Fiscal year 1982:

(A) New budget authority, $78,500,000,000.

(B) Outlays, $73,700,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $100,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, $78,329,200,000.

(B) Outlays, $76,429,200,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $100,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $91,031,700,000.

(B) Outlays, $84,531,700,000.

Fiscal year 1985:

(A) New budget authority, $102,434,200,000.

(B) Outlays, $96,034,200,000.

(12) Income Security (600):

Fiscal year 1982:

(A) New budget authority, $255,800,000,000.

(B) Outlays, $251,600,000,000.

(C) New direct loan obligations, $2,800,000,000.

(D) New primary loan guarantee commitments, $17,000,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, $281,100,000,000.

(B) Outlays, $272,300,000,000.

(C) New direct loan obligations, $2,000,000,000.

(D) New primary loan guarantee commitments, $18,700,000,000.

(E) New secondary loan guarantec commitments, $0.

Fiscal year 1984:

(A) New budget authority, $295,800,000,000.

(B) Outlays, $283,700,000,000.

Fiscal year 1985:

(A) New budget authority, $322,000,000,000

(B) Outlays, $299,600,000,000.

(13) Veterans Benefits and Services (700):

Fiscal year 1982:

(A) New budget authority, $24,800,000,000.

(B) Outlays, $23,800,000,000.

(C) New direct loan obligations, $1,000,000,000.

(D) New primary loan guarantee commitments, $11,900,000,000

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, $24,200,000,000.

(B) Outlays, $23,400,000,000.

(C) New direct loan obligations, $1,000,000,000.

(D) New primary loan guarantee commitments, $20,900,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $25,500,000,000.

(B) Outlays, $24,700,000,000.

Fiscal year 1985:

(A) New budget authority, $26,100,000,000.

(B) Outlays, $26,000,000,000.

(14) Administration of Justice (750):

Fiscal year 1982:

(A) New budget authority, $4,500,000,000.

(B) Outlays, $4,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, $4,400,000,000.

(B) Outlays, $4,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $4,400,000,000.

(B) Outlays, $4,400,000,000.

Fiscal year 1985:

(A) New budget authority, $4,400,000,000.

(B) Outlays, $4,400,000,000.

(15) General Government (800):

Fiscal year 1982:

(A) New budget authority, $5,200,000,000.

(B) Outlays, $5,000,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, $4,800,000,000.

(B) Outlays, $4,600,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $4,500,000,000.

(B) Outlays, $4,400,000,000.

Fiscal year 1985:

(A) New budget authority, $4,500,000,000.

(B) Outlays, $4,200,000,000.

(16) General Purpose Fiscal Assistance (850):

Fiscal year 1982:

(A) New budget authority, $6,400,000,000.

(B) Outlays, $6,300,000,000.

(C) New direct loan obligations, $200,000,000.

(D) New primary loan guarantee commitments, $800,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, $6,500,000,000.

(B) Outlays, $6,400,000,000.

(C) New direct loan obligations, $200,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $6,600,000,000.

(B) Outlays, $6,600,000,000.

Fiscal year 1985:

(A) New budget authority, $6,800,000,000.

(B) Outlays, $6,700,000,000.

(17) Interest (900):

Fiscal year 1982:

(A) New budget authority, $102,000,000,000.

(B) Outlays, $102,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, $113,500,000,000.

(B) Outlays, $113,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $115,800,000,000.

(B) Outlays, $115,800,000,000.

Fiscal year 1985:

(A) New budget authority, $100,100,000,000.

(B) Outlays, $100,100,000,000.

(18) Allowances (920):

Fiscal year 1982:

(A) New budget authority, $700,000,000.

(B) Outlays, $800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, −$2,100,000,000.

(B) Outlays, −$2,100,000,000.

(C) New direct loan obligations, $0.

(E) New primary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, −$900,000,000.

(B) Outlays, −$900,000,000.

Fiscal year 1985:

(A) New budget authority, −$900,000,000.

(B) Outlays, −$700,000,000.

(19) Undistributed Offsetting Receipts (950):

Fiscal year 1982:

(A) New budget authority, −$30,500,000,000.

(B) Outlays, −$30,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority −$39,300,000,000.

(B) Outlays, −$39,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, −$44,800,000,000.

(B) Outlays, −$44,800,000,000.

Fiscal year 1985:

(A) New budget authority, −$47,300,000,000.

(B) Outlays, −$47,300,000,000.

RECONCILIATION

SEC. 2. (a) Not later than June 18, 1982, the committees named in subsection (a) (1) through (15) of this section shall submit their recommendations to the Committees on the Budget of their respective Houses. Those recommendations shall be sufficient to accomplish the reductions required by subsection (a) (1) through (15) of this section. After receiving those recommendations, the Committees on the Budget shall report to the House and Senate a reconciliation bill or resolution or both carrying out all such recommendations without any substantive revision.

SENATE COMMITTEES

(1) The Senate Committee on Agriculture, Nutrition, and Forestry shall report changes in laws within the jurisdiction of that committee sufficient to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $779,000,000 in budget authority and $779,000,000 in outlays in fiscal year 1983; and $1,083,000,000 in budget authority and $1,083,000,000 in outlays in fiscal year 1984; and $1,428,000,000 in budget authority and $1,428,000,000 in outlays fiscal year 1985.

(2) The Senate Committee on Armed Services shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $583,000,000 and outlays by $583,000,000 in fiscal year 1983; to reduce budget authority by $1,345,000,000 and outlays by $1,345,000,000 in fiscal year 1984; and to reduce budget authority by $1,906,000,000 and outlays by $1,906,000,000 in fiscal year 1985.

(3) The Senate Committee on Commerce, Science, and Transportation shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $11,000,000 and outlays by $11,000,000 in fiscal year 1983; to reduce budget authority by $28,000,000 and outlays by $28,000,000 in fiscal year 1984; and to reduce budget authority by $42,000,000 and outlays by $42,000,000 in fiscal year 1985.

(4) The Senate Committee on Foreign Relations shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $0 and outlays by $6,000,000 in fiscal year 1983; to reduce budget authority by $5,000,000 and outlays by $15,000,000 in fiscal year 1984; and to reduce budget authority by $8,000,000 and outlays by $21,000,000 in fiscal year 1985.

(5) The Senate Committee on Governmental Affairs shall report changes in laws within the jurisdiction of that committee

which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $0 and outlays by $880,000,000 in fiscal year 1983; to reduce budget authority by $628,000,000 and outlays by $1,800,000,000 in fiscal year 1984; and to reduce budget authority by $1,000,000,000 and outlays by $2,629,000,000 in fiscal year 1985.

(6) The Senate Committee on Labor and Human Resources shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $102,000,000 and outlays by $457,000,000 in fiscal year 1983; to reduce budget authority by $136,000,000 and outlays by $825,000,000 in fiscal year 1984; to reduce budget authority by $120,000,000 and outlays by $744,000,000 in fiscal year 1985.

(7) The Senate Committee on Veterans' Affairs shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $100,000,000 and outlays by $100,000,000 in fiscal year 1983; to reduce budget authority by $169,000,000 and outlays by $169,000,000 in fiscal year 1984; and to reduce budget authority by $155,000,000 and outlays by $155,000,000 in fiscal year 1985.

HOUSE COMMITTEES

(8) The House Committee on Agriculture shall report changes in laws within the jurisdiction of that committee sufficient to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $779,000,000 in budget authority and $779,000,000 in outlays in fiscal year 1983; and $1,083,000,000 in budget authority and $1,083,000,000 in outlays in fiscal year 1984; and $1,428,000,000 in budget authority and $1,428,000,000 in outlays in fiscal year 1985.

(9) The House Committee on Armed Services shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $581,000,000 and outlays by $581,000,000 in fiscal year 1983; to reduce budget authority by $1,340,000,000 and outlays by $1,340,000,000 in fiscal year 1984; and to reduce budget authority by $1,899,000,000 and outlays by $1,899,000,000 in fiscal year 1985.

(10) The House Committee on Education and Labor shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $157,000,000 and outlays by $157,000,000 in fiscal year 1983; to reduce budget authority by $202,000,000 and outlays by $202,000,000 in fiscal year 1984; and to reduce budget authority by $196,000,000 and outlays by $196,000,000 in fiscal year 1985.

(11) The House Committee on Energy and Commerce shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $514,000,000 and outlays by $1,031,000,000 in fiscal year 1983; to reduce budget authority by $741,000,000 and outlays by $1,230,000,000 in fiscal year 1984; and to reduce budget authority by $815,000,000 and outlays by $1,439,000,000 in fiscal year 1985.

(12) The House Committee on Foreign Affairs shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $0 and outlays by $6,000,000 in fiscal year 1983; to reduce budget authority by $5,000,000 and outlays by $15,000,000 in fiscal year 1984; and to reduce budget authority by $8,000,000 and outlays by $21,000,000 in fiscal year 1985.

(13) The House Committee on Merchant Marine and Fisheries shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $11,000,000 and outlays by $11,000,000 in fiscal year 1983; to reduce budget authority by $28,000,000 and outlays by $28,000,000 in fiscal year 1984; and to reduce budget authority by $42,000,000 and outlays by $42,000,000 in fiscal year 1985.

(14) The House Committee on Post Office and Civil Service shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $2,000,000 and outlays by $688,000,000 in fiscal year 1983; to reduce budget authority by $638,000,000 and outlays by $1,820,000,000 in fiscal year 1984; and to reduce budget authority by $1,015,000,000 and outlays by $2,657,000,000 in fiscal year 1985.

(15) The House Committee on Veterans' Affairs shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $100,000,000 and outlays by $100,000,000 in fiscal year 1983; to reduce budget authority by $169,000,000 and outlays by $169,000,000 in fiscal year 1984; and to reduce budget authority by $155,000,000 and outlays by $155,000,000 in fiscal year 1985.

SENATE AND HOUSE COMMITTEES

(b)(1) The Senate Committee on Finance shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $1,750,000,000 and outlays by $5,456,000,000 in fiscal year 1983; to reduce budget authority by $2,509,000,000 and outlays by $7,923,000,000 in fiscal year 1984; and to reduce budget authority by $3,339,000,000 and outlays by $9,549,000,000 in fiscal year 1985.

(2) The Senate Committee on Finance shall also report changes in laws within the jurisdiction of that committee sufficient to increase revenues as follows: $23,200,000,000 in fiscal year 1983; $39,000,000,000 in fiscal year 1984; and $45,000,000 in fiscal year 1985.

(3) The legislation required in paragraphs (1) and (2) of this subsection shall be reported to the Senate no later than June 11, 1982.

(4) The House Committee on Ways and Means shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $1,183,000,000 and outlays by $4,727,000,000 in fiscal year 1983; to reduce budget authority by $1,707,000,000 and outlays by $7,121,000,000 in fiscal year 1984; and to reduce budget authority by $2,455,000,000 and outlays by $8,665,000,000 in fiscal year 1985.

(5) The House Committee on Ways and Means shall also report changes in laws within the jurisdiction of that committee sufficient to increase revenues as follows: $23,200,000,000 in fiscal year 1983; $39,000,000,000 in fiscal year 1984; and $45,000,000,000 in fiscal year 1985.

(6) The legislation required in paragraphs (4) and (5) of this subsection shall be reported to the House no later than June 11, 1982.

(c)(1) In order to insure the solvency of the Social Security Old-Age and Survivors Insurance Trust Fund created pursuant to title II of the Social Security Act, as amended, the Senate Committee on Finance shall report changes in laws within the jurisdiction of that committee so as to reduce outlays or increase revenues, or a combination thereof, to insure that all payments to beneficiaries are made in a timely manner.

(2) In order to insure the solvency of the Social Security Old-Age and Survivors Insurance Trust Fund created pursuant to title II of the Social Security Act, as amended, the House Committee on Ways and Means shall report changes in laws within the jurisdiction of that committee so as to reduce outlays or increase revenues, or a combination thereof, to insure that all payments to beneficiaries are made in a timely manner.

(3) The legislation required in paragraphs (1) and (2) of this subsection shall be reported no later than December 1, 1982, and shall take into account the recommendations of the National Commission on Social Security Reform. Such changes in laws shall do no more than is absolutely necessary to preserve the financial integrity of the social security system.

(4) It is the sense of the Congress that the amounts set forth in paragraphs (a)(1) through (a)(5) of section 1 shall be deemed revised to incorporate the budgetary effects of actions required by this subsection to insure the solvency of the social security trust funds immediately upon enactment of such changes.

(5) It is the sense of the Congress that the President of the United States should direct the National Commission on Social Security Reform to report its recommendations to the Congress not later than November 11, 1982.

SEC. 3. The enactment of savings required by the resolution is critical to the health of the economy of the Nation; and

Expeditious action on legislation pursuant to these instructions is critical to achieving the savings required by this resolution; and

The Senate is committed to completing action on the savings legislation required by this resolution at the earliest possible time; and

It is the sense of the Senate that Senate committees instructed in this resolution should begin deliberations on the legislation those committees are required to report under this resolution as soon as this resolution is agreed to in the Senate.

MISCELLANEOUS PROVISIONS

SEC. 4. It is the sense of the Congress that the President through administrative actions should limit in fiscal year 1983 total Federal Financing Bank origination of direct loans guaranteed by other Federal agencies to $15,900,000,000; and Federal Financing Bank purchases of loan assets from Federal agencies to $14,000,000,000. It is the further sense of Congress that direct borrowing transactions of Federal agencies should be, to the maximum extent possible, restricted to the Federal Financing Bank.

Sec. 5. It shall not be in order in the House or the Senate during fiscal years 1982 and 1983 to consider any bill, resolution, or amendment, except proposed legislation reported in response to reconciliation instructions contained in this resolution, authorizing new direct loan obligations or new loan guarantee commitments unless that bill, resolution, or amendment also provides that the authority to make or guarantee such loans shall be effective only to such extent or in such amounts as are contained in appropriation Acts.

Sec. 6. It is the sense of the Congress that it is urgent that effective budgetary control be established over all types of Federal direct loans and Federal loan guarantees. The Congress directs the committees of jurisdiction to move with expedition to consider legislation that establishes a process of annual determination of appropriate levels and proper budgetary treatment of Federal credit activity.

Sec. 7. No bill or resolution providing new budget authority for fiscal year 1983 or providing new spending authority described in section 401(c)(2)(C) of the Congressional Budget Act of 1974 in excess of the allocation to or report by a committee or subcommittee pursuant to section 302 of the Budget Act shall be enrolled until Congress has completed action on the Second Budget Resolution for that fiscal year as required to be reported under section 310 of the Budget Act.

Sec. 8 It is the sense of the Senate that the new spending and revenue levels for fiscal year 1982, adopted by the Senate, shall be the ceilings against which the spending and revenue actions of the Senate will be measured pending final agreement with the House of Representatives on the revision of the Second Concurrent Resolution on the Budget for Fiscal Year 1982.

Sec. 9. It is the sense of the Congress that if Congress acts to restore fiscal responsibility and reduces projected budget deficits in a substantial and permanent way, then the Federal Reserve Open Market Committee shall reevaluate its monetary targets in order to assure that they are fully complementary to a new and more restrained fiscal policy.

Sec. 10. The reconciliation instructions to the House and Senate Committees, as contained in this resolution, are hereby adjusted to reflect a cost-of-living adjustment tied to real GNP growth for all retirement programs, including social security, beginning October 1, 1982.

Mr. JOHNSTON. Mr. President, this is the balance-the-budget amendment. The problem with the present resolution is that deficits are too large. They start with 115 but go down only to 64.

Second, Mr. President, it is not fair because it treats different COLA's differently, different salaries differently, without having any rhyme or reason or any symmetry to it.

Mr. STENNIS. May we have order, Mr. President? I think anyone is entitled to be heard, but this is going to be important. May I ask for order?

The PRESIDING OFFICER. The Senator will suspend. The Senate is not in order. Those Senators wishing to confer will please retire to the cloakroom.

The Senator from Louisiana.

Mr. JOHNSTON. Mr. President, what this amendment does is, first of all, cut deficits from $103.5 billion in 1983 to $83.4 billion in 1984, to a balanced budget in 1985. The way it does that, Mr. President, is it raises taxes over a 3-year period by $146 billion. This is $39 billion more than the instant resolution being considered.

Second, Mr. President, it grants full COLA's, full Consumer Price Index COLA's to social security, to railroad retirement, and to the others that occur before October 1, 1982. Thereafter, it gives the GNP real growth rate, which is calculated to be 4 percent for each of the next 3 years, to all COLA's.

Third, it provides for spending cuts of discretionary nondefense at the rate of 2 percent and of entitlements, which are the nonretirement entitlements—medicare, medicaid, and food stamps—of 1 percent.

The pay raise, Mr. President, is capped at 4-percent in 1983, 1984, and 1985, but we restore the 4 percent pay raise for civil service workers.

With respect to foreign aid, Mr. President, those levels are frozen at the 1982 appropriated-to-date rate. That is to say, excluding the supplemental.

Mr. President, very briefly, why is this fair? It is fair because it is a proper allocation and a fair allocation between a raise in revenue—a raise in taxes—and a cut in spending. Indeed, Mr. President, the cut in spending here is $66.6 billion. The raise in taxes in only $39 billion.

It cuts defense, Mr. President, by $13.7 billion—more than we would like, but there is no way to get from here to there—that is, from here to a balanced budget—unless you deal with all elements of the budget. You cannot exclude large segments of the budget, whether they be entitlements or defense or revenue raising, and expect to get to a balanced budget.

Mr. President, with respect to COLA's, we allow people on cost-of-living adjustments to go up in their cost-of-living adjustments as the country fares. That is to say, if the gross national product increases at a fast rate, so do the cost-of-living indexes; so do the social security, railroad retirement, and all the rest. What we have done, Mr. President, over past years, is have payments to people on COLA's going up almost 100 percent faster over the last decade than to those who have been paying the bills. This puts everybody at the same starting mark, treats them all fairly.

Mr. President, we do not have much time to debate this, and I shall shortly close and give the rest of the time to my colleagues. But let me say this is not a quickly thought out amendment. A great deal of thought has gone into it. If you are for a balanced budget, I submit you ought to be for this amendment, because this is as fair a way as you are going to do it.

Mr. SYMMS. Mr. President, will the Senator yield for one quick question?

Mr. JOHNSTON. One quick question.

Mr. SYMMS. Is that GNP cap at 4 percent or——

Mr. JOHNSTON. Our assumption is that the Committee on Finance will tie COLA's to the GNP growth rate. The figures we have employed are 4 percent for each of the next 3 years, the basis of that being that that is the average amount projected for the GNP growth rate. We allow the fourth COLA for July 1 in social security which is 7.4 percent.

Mr. SYMMS. Would the Senator accept a modification to cap it at 4 percent?

Mr. JOHNSTON. I am sorry, Mr. President, we cannot. We have about used up all our time.

I yield to the Senator from Georgia (Mr. Nunn).

Mr. NUNN. Mr. President, I would just say what we have in for fiscal year 1983 on that, beginning in October; is 4 percent. In the outyears, 1984 and 1985, we have given figures, numbers, like the budget resolution. That is not binding.

What the Senator from Louisiana has tried to describe on the gross national product is the concept of having our older people who have retired treated fairly in accordance with the economic capability of our country. That is best reflected in the gross national product.

Mr. President, I shall take no more than a moment here. We do not have much time and a lot of people want to speak. The Senator from Louisiana has described the amendment. The reason I have cosponsored this amendment and worked on it with him and others is that I think it is fair. What we have in the budget resolution now, under no conceivable circumstances, as I perceive it, can it be fair. We have 4.5 for social security. I would like to make that much more, but we cannot. We have 7.5 for railroad retirement. We have zero for civil service retirement, zero for military retirement, and zero for those disabled veterans who are less than 70 percent disabled.

How can that be considered fair? How can anybody go back home and say it is fair? I cannot. So we are striving for fairness. Certainly some people are not going to like it, but we are saying everybody will get their full COLA up until October 1. We do not touch the July social security COLA. That is fully funded under our amendment. But beginning on October 1, we will have a 4-percent COLA. That I think will be in accordance with a principle that has been too long lacking in this country, that is, those who pay the taxes ought to have some equity, too. We cannot continue to have retirement increase at a faster pace than the economy is growing and that people are earning wages.

This is fair to retirees. It is fair to the people who pay the taxes.

In addition, we increased the revenue. We have to face that head on. We go to $146 billion. That is substantially less than the amendment we voted on the other day of the Senator from South Carolina, but it is $30 billion more than is provided in the current resolution.

But we do get to a balanced budget. Everybody in this body has said that is a goal, at least 1 time, probably 100 times within the last 2 months. Everybody is talking about it. Now we have a chance to do it. I urge my colleagues to vote for the balanced budget amendment of 1982.

Mr. GORTON. Will the gracious and learned chairman of the Budget Committee yield 2 minutes to one of his troops who wishes to support this amendment?

Mr. DOMENICI. If the Senator would not use all those nice words, I would.

Would the Senator mind if I asked a couple of questions first and yielded to a couple of Senators who oppose it? Then I will be glad to.

I want Senators to know it is hard for this Senator, as hard as I have worked on budgeting, to vote against a resolution that purports to create a balanced budget, but I am going to. I really wish—and this is the only time I will involve myself directly speaking to the junior Senator from Louisiana. I wish on the evening that we reported out our budget the Senator would not have erroneously, but rather quickly, figured out the social security number that was in there and said that that resolution was cutting social security by $1,100 average to each person. It did not happen to be true. It went up $1,300 under that. But I do not have enough time to figure out how much this amendment cuts social security. It sure does cut them, though, that is for sure. My guess is it cuts more than the one which we proposed would not occur until after the Commission reported and then that at that point they would make it solvent. We were not just automatically reducing them like this one is. It was a solvency proposal. This cuts them in the outyears.

I am not one who is going to stand here and say that is not going to have to happen, that we are going to have to cut social security. It is interesting, after all we have gone through and we modified our proposal so to order reconcile in December after the blue ribbon commission, when we all know they are going to report some significant savings—then we are going to take those savings into account—that now we have people principally on the other side of the aisle who want to cut social security in a budget balancing resolution.

Second, give me the latitude as your chairman, give me $140 billion to $150 billion in new tax latitude spread over 3 years, and I will come pretty close to bringing you a balanced budget. That is what this one does.

I do not say this with any rancor. I just wish we would have had more of the social security cut, recognition of its insolvency cooperation from the other side of the aisle, save and except the distinguished Senator, Senator Hollings, who was there before all of us. So he is not included. I wish we would have had some of that over the last 6, 8, 9 months. We would be there.

With that I want to yield to my good friend, Senator Dole.

Mr. DOLE. I will just take 2 minutes. Again, I thank the distinguished Senator from New Mexico, and I do not quarrel with what the Senators seek to do. Again, I have not reviewed the voting to see how it would have come out had we had their votes on railroad retirement and social security. We tried to make it fair, but there were some who would not let us make it fair.

The only point I will address is the revenue side.

We tried for weeks to try to work out an agreement. We came very close, and the Senator from Kansas had hoped even this afternoon we might reach some agreement. I commend the Senators for their effort, but I have to believe they found, when they started talking to their fellow colleagues on their side, that it was not as easy to work out an agreement as they thought it might be. We had the same problem on this side.

It just seems to me that this $146 billion figure would be extremely high, knowing or not knowing what the House may do; they may end up just with a tax bill. While I do not quarrel with the efforts made by the distinguished Senators—and I say it in the spirit we said it earlier to the distinguished Senator from Louisiana—we have to try to work these things out in a bipartisan way. This is not the end of the line. We will be back next week or even later this next month and perhaps by then we can come together. I think this may be the beginning of some bipartisan solution to our problems. I thank the Senator.

Mr. McCLURE. Will the Senator from New Mexico yield to the Senator from Idaho?

Mr. DOMENICI. How much time?

Mr. McCLURE. Two minutes.

Mr. DOMENICI. I will yield 2 minutes. Senator Quayle wanted 1 minute, Senator Gorton wants——

Mr. GORTON. The Senator does not have that much time left.

Mr. DOMENICI. I can take it off what I had left over. I will yield 2 off the bill.

Mr. QUAYLE. I will take 2.

Mr. DOMENICI. Senator Quayle has 2 instead of 1.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. McCLURE. I thank the Senator for yielding.

Mr. President, I rise in support of this substitute, not because I think it is perfect but because it is a product of a compromise and gets us where we want to go. What is the goal of all of this operation? The goal of this operation, among other things, is to give enough confidence to the American people and the economic markets so that interest rates can begin to drop. Why are they not dropping today? Because of the lack of that confidence. And what is most certain to give them that confidence? A balanced budget voted by this Congress that addresses the tough issues. This substitute does that; in every one of the areas they are tough. I do not like the additional cuts in defense that are imposed in this substitute. I think they are crippling. I think it is unfortunate that it is necessary. I think it is too bad that we have not been able to find other places to cut more so we did not have to do that. I do not like the increases in taxes. I have fought and voted and worked to keep the spending down so we would not have to have this kind of an increase in taxation.

We have been unsuccessful in doing that. It seems to me that it is far more important for us to send the right kind of an economic signal to the markets of this country by voting for a budget that is truly balanced by 1985. This would be truly balanced.

I commend my friends on the other side of the aisle for having the courage, the wisdom, the foresight, and the determination to bring this measure to us today. I support it, and I will vote for it. I think it is the right thing for us to do. I wish we had more time to discuss it than we have.

The PRESIDING OFFICER. The Senate will be in order.

The Senator from New Mexico.

Mr. DOMENICI. To the Senator from Indiana I yield 2 minutes.

Mr. QUAYLE. I thank my distinguished chairman. I enthusiastically support the Johnston-Nunn-Exon and really Domenici amendment—the Domenici of January and February amendment—because this is pretty close to what our chairman tried to get us to do last fall.

I should just like to direct my 2 minutes to those on this side of the aisle. This week we have been accused of voting against veterans, voting against education, voting against medicare, voting against medicaid, against the old, the young, the sick, the lame, and now we are going to be charged with voting against a balanced budget amendment.

I think that we better think pretty hard before we rush down to the well to vote against a balanced budget amendment that so many on my side of the aisle say they are for. But, oh, no, it may be too high in taxes for some, too much in defense for others; we cannot do it, so many of you will vote against a balanced budget amendment. But if you do, do not keep saying that you are for a balanced budget. This is it. This is the only balanced budget amendment we are going to have. It is either this or a deficit of $62 billion. It is a pretty easy choice. Let us not vote "no." Let us vote for this amendment.

● Mrs. KASSEBAUM. Mr. President, as we prepare to close debate on the resolution we have reached a crossroads. We have considered many amendments of substance. A few of those amendments have been adopted. The resolution, as it now stands, is ready for final passage. However, before that final vote, we have an alternative proposal before us—a proposal that offers modifications in a number of areas. I would like to address my remarks to the significance of those proposed modifications.

A major problem addressed by this substitute is the question of COLA equity. The indexation of Federal entitlement programs has been of concern to all. I find the resolution's approach toward cost-of-living adjustments troublesome from the standpoint that it does not take an evenhanded approach. While social security beneficiaries will be fully protected from inflation, other retirees are expected to go without COLA's.

We have long recognized that inflation adjustments contributed to the financial plight of our retirement systems due to the simple fact that such adjustments were not taken into account when system contributions were set. Even knowing that, I have been unwilling in the past to support COLA changes at a time when unanticipated high rates of inflation were quickly eroding the purchasing power of our Nation's older citizens. Fortunately, inflationary pressures have eased in recent months, and this trend is expected to continue.

Nonetheless, as we all well know, the time of reckoning has come. None of the choices we have made over the past year have been easy, and our future choices will be no more pleasant. I think the American public is willing to do what is necessary, but this willingness depends upon their feeling that the burden will be fairly distributed. I do not feel it is fair to offer cost-of-living adjustments to one group while denying them to others. Nor do I feel it is fair to the public—both active workers and retirees—to continue postponing action on difficult questions until we are on the brink of crisis.

In the area of national defense the substitute offers this body a chance to bring rational budgeting to defense spending. I addressed that fact 2 nights ago. My amendment called for outlay reductions of less than $14 billion over the next 3 years. $14 billion—from a 5-year buildup of $1.6 trillion. My amendment would not have canceled the administration's defense buildup. I dare say it would scarcely have slowed it down. It would, however, have provided significant relief for a budget hard pressed by deficit spending. This substitute offers this body another chance to go on record in favor of responsible defense spending.

The substitute resolution also addresses the question of taxes. It does so in a fashion with which I cannot totally agree. By increasing taxes as proposed in the substitute, we may well reduce potential economic growth for deficit reductions. Reducing deficit spending is always sound policy. However, increasing taxes is never as effective as reducing spending—if the goal is deficit reduction. While I would prefer lower revenue numbers—I am willing to compromise—if that is the price for the rest of the package.

As we prepare to vote on this substitute amendment—we face two imperfect choices. Nevertheless, the substitute plan appears to be less flawed than the resolution. It is more equitable in the area of COLA's. It is more responsible in the area of national defense. For those reasons I intend to vote for its adoption.●

Mr. LEVIN. I cannot support this amendment even though it achieves a balanced budget by 1985 because of the way it achieves it. The cuts in critical domestic programs are piled on top of prior cuts while there remains a huge real increase in the defense budget.

All programs must be trimmed. Increasing defense by 7 percent and then reducing it by 2 percent is not the same treatment given education programs which are decreased 2 percent on top of previous decreases.

We should adopt a budget resolution which gets us to a balanced budget in a way which is fair to all of our needs, both defense and domestic.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. If they keep getting better, I am going to quit yielding. [Laughter.]

I yield to the Senator from Washington.

Mr. GORTON. I thank my chairman.

Mr. President, the proposal of Senator Johnston and others is particularly appealing in two respects.

The first and most important of these respects is because of its impact on the economy. The deficits included in this proposal are lower than those in any other realistic proposal presented to us during the course of the last 3 or 4 weeks. They are, therefore, more likely to have a positive impact on lowering interest rates.

The PRESIDING OFFICER. The time yielded to the Senator from New Mexico on the amendment, under the agreement, has expired.

Mr. JOHNSTON. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. One minute and 31 seconds.

Mr. GORTON. I thought the Senator was going to yield me the remainder of his time.

Mr. DOMENICI. I yield the remainder of the 2 minutes from the resolution.

Mr. GORTON. Mr. President, the potential impact of this proposal on interest rates, and thus on economic recovery, is its principal virtue.

There is another aspect, however, which already has been mentioned by the two sponsors of the amendment; as it deals with cost-of-living adjustments for various retirement programs, it is fair in that it treats all of them equally.

In summary, this proposal is not at all dissimilar from the original budget proposal of the distinguished Senator from New Mexico, the chairman of the Budget Committee, or from mine, or from Senator Hollings, or others in this body.

Along with the chairman of the committee, I wish that the proponents of this amendment had made it somewhat earlier, because it likely would have been a product of the Budget Committee itself. Nevertheless, I intend to vote for the Budget Committee proposal on final passage should this amendment fail. But it is clear that this amendment offers more for the economy and is more equitable than anything else we have considered, and it deserves the support of the Members.

Mr. JOHNSTON. Mr. President, I yield the remainder of my time to the Senator from Nebraska.

Mr. EXON. Mr. President, the proposal before us is not a perfect one. I suspect there have been few "perfect" pieces of legislation introduced or passed in Congress.

I do not agree with some parts of this amendment, but there is one thing this amendment is: It is the only workable, reasonable, and truly compromise effort presented in all these hours of endless debate that forthrightly offers a chance for a balanced budget any time in the foreseeable future. I emphasize: the only one.

Furthermore, this amendment is less restrictive with regard to cuts in social security, less restrictive by half, than the actions taken in that area by the Budget Committee.

If this amendment is nothing else, it is unique. It is balanced and it is fair. This amendment cuts spending more than it raises revenues in order to balance the budget.

The indisputable fact is that the economic cart and ox of this country are not only lost deep in the woods, but also, both are in the ditch, and so far the rescue team has not responded.

The unemployed, the bankrupt, the farmers at their forced sales, the small businessmen and their inventories, the elderly and the infirm, even many of them major corporations, are in deep trouble; and they expect more from us than more of the same.

It is my perception that the people are far ahead of us in their understanding that we are not going to see a true economic recovery until interest rates are reduced. They also know, I believe, that the major cause of continued high interest rates is the new and bigger Federal borrowings, driven by the unmanageable deficits.

The PRESIDING OFFICER. The time of the Senator from Nebraska has expired. There are now 17 minutes remaining on the resolution.

Mr. EXON. Mr. President, I ask for 1 additional minute.

Mr. GOLDWATER. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. EXON. Is there any time remaining on the amendment?

The PRESIDING OFFICER. All time on the amendment has expired. Three minutes remain to the minority.

Mr. JOHNSTON. Mr. President, I ask for the yeas and nays.

Mr. EXON. Mr. President, I ask unanimous consent that the remainder of my remarks be printed in the Record.

The PRESIDING OFFICER. Without objection, it is so ordered.

● Mr. EXON. Speaking of deficits, I wonder if we all fully realize or appreciate the staggering record of shattering deficits before us tonight that I am fearful we are about to approve: 1982, $117.8 billion; 1983, $115.3 billion; 1984, $91.2 billion; 1985, $64.2 billion.

The people are about to find out about their so-far best-kept secret out of Washington.

Mr. President, in closing, I emphasize again that this amendment is not a perfect solution to the economic difficulties that confront America. The point is that it is the only one we have, and its acceptance is our last chance to get in a glide path to a balanced budget. It is either this amendment or continuing to sail without our economic rudder into the morass of mind-boggling deficits that I have outlined above.

I urge the adoption of the amendment.●

Mr. DOMENICI. Mr. President, I yield 2 minutes to the distinguished Senator from Texas, on the resolution.

Mr. TOWER. Mr. President, I strongly oppose this amendment.

Let me address myself to one aspect of it. It would reduce defense by about $14 billion above budgetary authority and outlays over 3 years. By assuming a one-for-one reduction in BA and outlays, the amendment suggests that reductions will have to come from the fast spending accounts. There are two such accounts: Operations and maintenance and personnel.

The Armed Services Committee has already reduced manpower about 28,000 below the administration's request, resulting in savings of several hundred million dollars. However, further reductions, for example, would have to come out of the force structure, something opposed by the Senator from Georgia in the committee.

The other fast spending account is O. & M. The committee has rejected further cuts in O. & M. in order to preserve readiness. The Budget Committee passed a resolution, at the insistence of Senator Hart, that no cuts should come out of readiness.

Mr. NUNN. Mr. President, will the Senator yield for 10 seconds?

Mr. TOWER. Let me finish.

If this amendment is not tabled, I intend to offer about six amendments to it which will describe the means by which these cuts will be arrived at.

The first will be expedited closing of military bases and installations, and I anticipate that there would be about 40 such installations.

Mr. DOMENICI. Mr. President, I yield 1 minute to the Senator from Georgia.

Mr. MATTINGLY. Mr. President, I oppose this amendment, but I commend my friend on the other side of the aisle for bringing up the COLA subject; because I think it will give a lot of consensus and a lot of momentum to do what needs to be done in COLA and the entitlement programs.

The main reason I oppose the amendment is that I want this committee to be able to go to the House conference committee with a lower tax figure than proposed, because I think the House will have a higher one. We should have a lower one, and there will be a consensus by that. That is the main reason why I think we should go with what the Budget Committee has come out with.

Mr. DOMENICI. I yield myself 1 minute.

Mr. President, I do not think anyone knows how difficult it is for this Senator tonight.

I wish my proposal in September of last year, which was very similar to this, would have been supported by enough members of the committee to take it to the floor in February, and then the first proposal I made as chairman of the Budget Committee during the last markup. It was very similar. It took the same kind of approaches—a balanced budget.

However, now I am compelled, in good conscience, to support what a committee proposed, what days of debate in the Senate has produced, what the President of the United States will support.

With that, I do not think we have any additional time.

I yield 1 minute to the distinguished majority leader.

Mr. BAKER. Mr. President, I shall not take the entire minute.

I remember the highest compliment I think I was ever paid in this Chamber from our late colleague, Senator Phil Hart, when I was engaged in a colloquy and he was overheard to say, "I think I am going to have to leave this Chamber; I am running the risk of being convinced."

That is the way I feel about the arguments that have been made by my friend from Indiana, my friend from Washington, and my good friends on the other side of the aisle about this proposal. It has many merits; it has also many difficulties. But the major difficulty it has is that it comes at a time when we are at the very end of this process and the committee system has operated, when we have gone through dozens of amendments and hours upon hours of debate.

Mr. President, it is not the time to write a budget resolution in the last few minutes of this debate, and I urge all Members to support the motion to table which I am about to make.

Mr. President, I move to table the amendment of the Senator from Louisiana, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Tennessee to lay on the table the amendment of the Senator from Louisiana.

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. BAKER. I announce that the Senator from Minnesota (Mr. Durenberger), the Senator from Oregon (Mr. Hatfield), the Senator from South Dakota (Mr. Pressler), the Senator from New Mexico (Mr. Schmitt), the Senator from Vermont (Mr. Stafford), and the Senator from Alaska (Mr. Stevens) are necessarily absent.

I further announce that, if present and voting, the Senator from Oregon (Mr. Hatfield) would vote "nay."

Mr. CRANSTON. I announce that the Senator from Arizona (Mr. DeConcini), the Senator from Kentucky (Mr. Huddleston), and the Senator from Montana (Mr. Melcher) are necessarily absent.

The PRESIDING OFFICER. Are there other Senators in the Chamber wishing to vote?

The result was announced—yeas 70, nays 21, as follows:

[Rollcall Vote No. 150 Leg.]

YEAS—70

Abdnor
Armstrong
Baker
Baucus
Biden
Bradley
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chafee
Cochran
Cranston
D'Amato
Danforth
Denton
Dixon
Dodd
Dole
Domenici
Eagleton
East
Ford
Garn
Glenn
Goldwater
Grassley
Hart
Hatch
Hawkins
Hayakawa
Heflin
Heinz
Helms
Humphrey
Inouye
Jackson
Jepsen
Kasten
Kennedy
Laxalt
Leahy
Levin
Lugar
Mathias
Matsunaga
Mattingly
Metzenbaum
Mitchell
Moynihan
Murkowski
Pell
Percy
Proxmire
Pryor
Randolph
Riegle
Roth
Sarbanes
Sasser
Simpson
Specter
Stennis
Thurmond
Tower
Tsongas
Wallop
Warner
Weicker
Zorinsky

NAYS—21

Andrews
Bentsen
Boren
Boschwitz
Brady
Byrd,
Harry F., Jr.
Chiles
Cohen
Exon
Gorton
Hollings
Johnston
Kassebaum
Long
McClure
Nickles
Nunn
Packwood
Quayle
Rudman
Symms

NOT VOTING—9

DeConcini
Durenberger
Hatfield
Huddleston
Melcher
Pressler
Schmitt
Stafford
Stevens

So the motion to lay on the table, Mr. JOHNSTON'S amendment (UP No. 994) was agreed to.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the motion to lay on the table was agreed to.

Mr. DOMENICI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

TAX LEASING: AMERICAN TAX DOLLARS FOR FOREIGN AIRLINES

Mr. BUMPERS. I noticed in a recent issue of the Wall Street Journal an item that referred to a strange transaction—an $80 million lease of a Boeing 747 airplane to Air France. Does this have anything to do with safe-harbor leasing? I would be shocked if this leasing provision was being used to subsidize nationalized foreign airlines like Air France.

Mr. DOLE. I do not have any information about the specific transaction to which the Senator refers. However, it is true that safe-harbor leasing can benefit foreign airlines, even airlines like Air France that are owned by foreign governments.

Property is eligible for safe-harbor leasing if it is eligible for the investment tax credit. Generally, property is eligible for the investment credit if it is used predominantly in the United States. However, there is a special exception for certain kinds of property, including airplanes flown to and from the United States. Thus, Air France could lease an airplane from a U.S. bank under prior law rules, and as long as the plane was flown to and from the United States, the bank would get the investment tax credit. The bank could then sell the credit and depreciation deductions to another taxpayer in a safe-harbor leasing transaction.

The net effect of these arrangements would be that the United States would be subsidizing 25 to 30 percent of the cost of a foreign airplane through a combination of the prior law and safe-harbor leasing rules. Moreover, there is not even a requirement that the airplane be manufactured by a U.S. aircraft manufacturer.

Mr. BUMPERS. Mr. President, I ask that a copy of the Manufacturers Hanover notice be made a part of the RECORD.

The notice follows:

[This announcement appears as a matter of record only]

MANUFACTURERS HANOVER LEASING CORPORATION

Q. I noticed in a recent issue of the Wall Street Journal an item that referred to a strange transaction—an $80 million lease of a Boeing 747 airplane to Air France. Does this have anything to do with safe-harbor leasing? I would be shocked if this leasing provision was being used to subsidize nationalized foreign airlines like Air France.

A. I don't have any information about the specific transaction to which the Senator refers. However, it is true that safe-harbor leasing can benefit foreign airlines, even airlines like Air France that are owned by foreign governments.

Property is eligible for safe-harbor leasing if it is eligible for the investment tax credit. Generally, property is eligible for the investment credit if it is used predominantly in the U.S. However, there is a special exception for certain kinds of property, including airplanes flown to and from the U.S. Thus, Air France could lease an airplane from a U.S. bank under prior law rules, and as long as the plane was flown to and from the U.S., the bank would get the investment tax credit. The bank could then sell the credit and depreciation deductions to another taxpayer in a safe-harbor leasing transaction.

The net effect of these arrangements would be that the U.S. would be subsidizing 25 to 30 percent of the cost of a foreign airplane through a combination of the prior law and safe-harbor leasing rules. Moreover, there is not even a requirement that the airplane be manufactured by a U.S. aircraft manufacturer.

MASS TRANSIT LEASING

● Mr. D'AMATO. Mr. President, last year the Congress passed landmark legislation which will help put this Nation back on the road to economic recovery. The Economic Recovery Tax Act of 1981 included provisions which made it possible for public transit agencies to sell depreciation deductions associated with mass transit vehicles through "safe harbor" leases.

In adopting this measure, Congress recognized the massive and critical infrastructure needs of America's older urban public transportation systems. The safe harbor leasing program for mass transit has created a means through which rundown and antiquated public transportation systems of this Nation can rejuvenate themselves and provide necessary transportation services, particularly to those who rely heavily upon mass transportation—the poor, the aged, and the handicapped. The mass transit leasing provisions allow the private and public sector to join together, with the result being more capital available for transit improvement.

As a member of the Senate committees which both authorize and appropriate funds for mass transportation in this Nation, I am acutely aware that because of budgetary constraints Federal assistance for mass transit will not remain at its historic levels. Safe harbor leasing provides a mechanism whereby limited Federal dollars could be optimally used.

Transit properties of this Nation are making sincere efforts to improve the quality of service to their riderships. The Metropolitan Transportation Authority in New York, for example, has embarked on a bold new 5-year capital improvement program which is unprecedented in scope and reliance on local resources. This program includes, as a major source of revenue, $480 million of funds from the private sector projected to be derived from lease investments and over $2.5 million of newly purchased rolling stock. A contract has been let for 325 new buses. Contract awards for 146 new commuter rail and 1,150 subway cars are imminent. Transit systems have therefore structured their improvement plans based on the existence of mass transit leasing. Elimination of mass transit leasing would place these programs in great jeopardy.

While some contend that mass transit leasing is an inefficient way of doing business, a GAO report of March 15, 1982, concluded that "from the Federal Government's perspective, mass transit, safe harbor leases are less costly than the grant program."

While crucial to the revitalization of mass transit systems throughout the Nation, the revenue cost attributable to the safe harbor leasing of mass transit vehicles is comparatively insignificant. In fact, less than $50 million of the $3.9 billion revenue loss from safe harbor leasing in fiscal 1983 will be attributable to mass transit leases. This represents only 1.25 percent of the cost. In future years, this proportion will be even smaller.

If we are to remain firm in our commitment to America's mass transportation systems—as we must—then mass transit safe harbor leasing must be retained. The revenue increase from abandoning this commitment would be minimal when compared with the tremendous chaos which will result in metropolitan areas across the Nation.●

Mr. PERCY. Mr. President, I wish to offer a few points regarding the misunderstanding concerning the safe harbor leasing tax provision.

First. Last year the Finance Committee included in the Economic Recovery Tax Act the safe harbor leasing provisions. The committee acted wisely when it wrote these provisions, for they insure that the new depreciation laws are neutral and can be used by all companies to improve their performance.

Second. There was unfortunately insufficient discussion of the safe harbor leasing provisions during Senate debate. The public should have been better educated about the intent of this. But they were not—that is history. This provision was then easy prey when it began to be used by businesses—easy prey for distortion. And its essential purpose has been distorted in recent months.

Third. My colleagues know basically how safe harbor leasing works. I will not belabor that, but would just say that corporations with not profits are able to sell their unused tax credits. With the funds generated by that sale, these businesses can move ahead with modernizing investments that lead to jobs and productivity increases.

Fourth. In Illinois, we have seen that this provision is working just as it was intended. Some of our capital-starved businesses now have funds for investment in new equipment. As one tangible example of that, I ask unanimous consent to insert in the RECORD a statement by Republic Steel Corp. about their $77 million investment in Chicago this year, made possible only by safe harbor leasing.

Fifth. At the same time, I would like to insert the excellent statement before the Senate Finance Committee of Frederick Jaicks, chairman of Inland Steel Co. of Chicago. Inland invested over $19 million it obtained from sale of its tax credits. Each of these instances show that one of our most important industry's—steel—is making important headway to modernize. These are dramatic indications that last year's enlightened tax provision is indeed at work.

Sixth. As some of our most important media has investigated this provision more closely, it has begun to appreciate its importance. I ask unanimous consent that an April 6 editorial from the Chicago Tribune be included in the RECORD at the end of my remarks.

The PRESIDING OFFICER. Without objection it is so ordered.

(See exhibit 1.)

Mr. PERCY. That editorial, entitled "Mining a Safe Harbor," concludes that this provision should not be repealed and that—and I quote—"Congress should find ways to balance the budget that do not mortgage our economic future."

Seventh. Before I conclude, I want to make one more point about safe harbor leasing. It is not just for the big corporations. Small businesses—also short on capital—were beginning to learn how to use it just as Senator DOLE signaled in February that he would make changes retroactive to February 19. That announcement put an instantaneous chill on leasing, particularly affecting small business.

Eighth. A small part of the new tax provisions are used in ways that are right now benefiting small business—especially farmers. To distinguish this use from the tax benefit transfer that is generally associated with safe harbor leasing, I will refer to this as "bona fide" leasing.

Ninth. The new law permits parties to a lease to agree in advance to specific purchase option prices for leased equipment. Equipment manufacturers like Allis-Chalmers, Caterpillar, John Deere, and International Harvester are this spring selling equipment financed at rates well below the current market rates because of their ability to agree ahead of time to a residual value of the equipment. I have written Senator DOLE about this and ask unanimous consent that my letter and an attachment explaining the benefits of "bona fide" leasing be included in the RECORD at the end of my remarks.

The PRESIDING OFFICER. Without objection it is so ordered.

(See exhibit 2.)

Mr. PERCY. Tenth. In short, Mr. President, this provision should be retained by Congress. It is helping the hard pressed Midwest and when this recession is over, we will see that many of our basic industries are in a stronger position because of safe harbor leasing.

EXHIBIT 1

[From the Chicago Tribune, Apr. 6, 1982]

MINING A SAFE HARBOR

A small provision which practically escaped notice when last year's tax cut was approved by Congress is now the source of a growing controversy. The safe-harbor leasing rules were attached to the administration's faster depreciation provisions, whose purpose was to stimulate sorely needed capital investment. Those leasing rules in effect create a market for the buying and selling of tax breaks. Firms with income to shelter can make deals with firms with too little income to benefit. The income-short companies get cash, the income-rich firms get tax credits. Despite the price tag of $9 billion put on the rules by the Treasury Department, the measure passed without debate.

But that was before the news stories began to circulate about large, profitable corporations paying hardly any taxes. Senate Finance Committee Chairman Robert Dole has vowed to repeal the leasing provisions. Any corporations which use them now, he warns, "do so at their own risk." House Ways and Means Committee Chairman Daniel Rostenkowski also wants changes in the rules, which he regards as "a symbol of the excesses of last year."

The safe-harbor rules obviously are vulnerable to populist demagoguery. But the idea behind them is sound. Inflation had rendered the old depreciation rules obsolete, since businesses were allowed to depreciate according to the original cost of capital investments, rather than their replacement cost. So the administration proposed an Accelerated Cost Recovery System to eliminate this "inflation tax." It also provided new tax credits to encourage capital investment, a prerequisite to boosting the nation's sagging productivity.

The only flaw was that these new incentives were useful only to companies with taxable profits. A company which had a bad year might spend millions on new plant and equipment, but it wouldn't be able to take advantage of the tax break. In essence, it would be forced to pay a higher price for capital than its more profitable rivals, giving it a serious competitive handicap.

The safe-harbor leasing rules were the remedy for this problem. They made it much easier for firms which can't use their tax credits and depreciation allowances to sell them to more profitable firms. The unprofitable company buys new equipment, sells it to another firm which can use the tax break, and then leases the equipment back. Far from rewarding less successful firms, these rules make the tax law neutral as among various types of firms. New companies just starting up with the possibility of great success down the line get the benefits of the rules as well as more established companies with temporary financial trouble. This is not a lemon subsidy.

If these new rules didn't exist, the profitable company would probably find another way to get the tax breaks the unprofitable one couldn't use: by buying the unprofitable firm. As Fortune Magazine put it, "without safe-harbor leasing, a few years' accumulation of unused tax benefits would transform a humdrum metal-bender into a dynamite takeover candidate for a company that can use the write-offs." Some leasing, of course, went on even before last year, but it was clumsier and more expensive—less efficient economically, in other words.

Will significant investments be lost to the economy if the safe-harbor rules are repealed? Of course they will. United Airlines, to cite just one example, says it will have to cancel an order for 20 new Boeing jets worth $800 million if the law is changed. Multiply that amount by several hundred, and you get a rough idea of the plant and equipment that won't be bought if Mr. Dole and Mr. Rostenkowski get their way.

The leasing provisions would probably be an issue even in a normal year. They are particularly vulnerable now, since Congress is looking desperately for ways to cut the administration's huge budget deficits. But though the revenue side of the budget would profit immediately from the change, in the long run both the economy and government revenues would suffer from the loss in productive investment. Congress should find ways to balance the budget that don't mortgage our economic future.

EXHIBIT 2

U.S. SENATE,
Washington, D.C., May 10, 1982.

Hon. BOB DOLE,
Chairman, Committee on Finance,
Washington, D.C.

DEAR BOB: Several of my constituents who operate manufacturing facilities in Illinois have expressed concern regarding possible loss of the bona fide leasing improvements passed last year under the broad heading of safe harbor leasing.

I understand the Senate Finance Committee will continue markup of legislation on this overall subject in the coming weeks. Although a great deal of attention has focused on the tax benefit transfer mechanism in the law, I am concerned that there has been little discussion of the equally important bona fide leasing changes. I have seen no criticism of the use of leasing in this way.

Developments in the Midwest lead me to believe that these leasing improvements are beginning to have a significant impact on sales of equipment. The new law allows parties in a lease to agree in advance to a dollar-specific purchase option price for leased equipment. This one change in the law now allows equipment manufacturers to offer farmers and construction equipment customers new equipment financed at rates well below the current market rates.

Moreover, the new law gives American equipment manufacturers an advantage that their foreign competitors cannot generally use here unless they have tax liability. I am enclosing with my letter an explanation of how the new law enables equipment purchasers to obtain new equipment at affordable rates. It may be useful as you review tax proposals this spring.

I urge you to work for the retention of these leasing provisions that seem to be proving so useful in the farm community.

Warm personal regards,

CHARLES H. PERCY,
U.S. Senator.

BONA FIDE LEASING AND SECTION 168(f)(8) OF THE INTERNAL REVENUE CODE

The Economic Recovery Tax Act of 1981 (ERTA) includes a provision which enables taxpayers who are unable to utilize depreciation and investment tax credits to "sell," for tax purposes only, a newly purchased asset to a taxpaying corporation, then lease that needed asset back. As a result of this transaction, the taxpaying corporation can claim the depreciation and investment tax credit on assets which continue to be used by the corporation which had no tax liability, and which may now deduct the "lease cost".

However, this provision, Section 168(f)(8) of the Internal Revenue Code, has also been used in a way which does not involve the controversial "sale" of tax benefits. This provision simply provides a more attractive bona fide leasing method of acquiring capital goods to farmers, contractors and small business people throughout the United States.

1981 LEASING IMPROVEMENTS

1. Purchase Option Available.—Before ERTA, parties to a lease could not agree in advance to a dollar-specific purchase option price for leased equipment. At that time, the lessee-user was only permitted to hold a purchase option for the "fair market value" of the equipment which would be determined at the end of the lease period. Because inflation and fluctuating product prices often caused large increases in the fair market value of used equipment, the value of the equipment at the end of the lease period could not be estimated accurately. Therefore, the lessee-user, who did not want to maintain equipment he was not certain he would ultimately purchase, was reluctant to enter into such leases.

A portion of Section 168(f)(8) now permits parties to a lease to establish—at the time the lease agreement is made—a dollar-specific purchase price for the product to be paid at the end of the lease period. This provision allows the lessee to know exactly how much his lease payments will be and exactly what it will cost to ultimately purchase the equipment.

2. Clarifies Definition of a Lease.—Prior to ERTA, determination of whether a transaction was a lease, or a conditional sale, required the lease to be structured so as to meet several tests. The uncertainty caused by those overlapping and conflicting tests posed an additional risk for the lessor, which ultimately translated into higher lease rates.

In an effort to clarify and simplify the distinction between a lease and a conditional sale, Section 168(f)(8) eliminates the uncertainty by guaranteeing that a transaction will be treated as a lease once certain requirements have been met. This provision greatly simplifies the tests required, while reducing the level of risk to both lessor and lessee. The effect has been lower lease rates, thus making it easier for users to acquire capital goods.

BENEFITS OF BONA FIDE LEASING

1. A Valuable Alternative for Users.—Leasing provides an attractive alternative for equipment users at a time when interest rates are high and investment in capital goods is declining. It requires less cash outlay by the user than other methods of equipment acquisition because when the lessor adjusts lease rates downward to reflect his investment tax credit and depreciation, the lessee in essence receives "financing" far below current market rates.

2. Buffer to Foreign Competition.—Leasing under ERTA provides a valuable marketing tool for U.S.-manufactured products. As a general rule, companies with U.S. manufacturing operations have substantial U.S. tax liabilities, while foreign competitors have relatively little U.S. tax liability. Leasing permits the U.S. manufacturer-lessor to benefit from the accelerated cost recovery system and investment tax credit, while the foreign manufacturer obtains no direct benefit from leasing—unless it enters into an agreement with a third party U.S. leasing company. This arrangement is inherently less efficient and more costly than the service provided by U.S. manufacturer-lessors. As a result, leasing provdes a strong marketing tool for U.S. manufacturers to use in meeting foreign competition, without resorting to trade protectionism.

BONA FIDE LEASING PROVISIONS SHOULD BE RETAINED

Regardless of the eventual disposition of the Tax Benefit Transfer provisions within Section 168(f)(8), the changes enacted last year providing for certainty in bona fide leasing transactions should be retained.

REPUBLIC STEEL CORP.

The Board of Directors of Republic Steel Corporation has approved a $112 million capital improvement program for finishing facilities at three company steel plants.

About $77 million will be spent at Chicago, more than $23 million at Youngstown, Ohio, and approximately $12 million at Gadsden, Alabama.

In announcing the program today, Mr. William J. De Lancey, chairman and chief executive officer, said "The company could not have undertaken these projects at this time if it had not been able to enter into the tax lease transaction which we announced recently. The total proceeds from this sale of tax benefits amounted to $139 million.

"The tax lease, which allows Republic to realize the value of investment tax credits and tax depreciation more rapidly than would otherwise be the case, was first announced last month when the first phase was closed. The final phase, valued at $106 million, was closed today.

"This transaction is a prime example of the constructive results which were made possible by the introduction of the tax lease provisions in the tax bill signed last summer," Mr. De Lancey said.

"These projects will strengthen our competitive capability and will add immeasurably to the strengthening of employment stability at the plants involved."

At its Chicago steel plant, the company will modernize the seamless tube mill facilities to achieve improved pipe quality, and increase pipe capacity. When completed, the improvements will permit the facility to produce high quality, heavy wall pipe needed for deep oil wells.

At the Youngstown plant of its Mahoning Valley District, Republic will upgrade finishing, shipping and warehousing facilities at the electric weld pipe mill. The improvement will bring into balance the mill's welding and finishing facilities and will increase the shipping capability by an additional 8,000 tons of pipe per month.

At Gadsden, the company will install new equipment at the 54-inch hot strip mill to process thicker slabs, almost double the present coil size capability, and improve quality by providing more uniform strip gauge and mechanical properties.

"The new $112 million program," Mr. De Lancey said, "is an immediate follow-up to other Republic improvements and additions made in 1979–81 with a price tag of almost one billion dollars in the past three years alone.

"Expenditures of this magnitude fully attest to our determination to enhance Republic's ability to compete in the growth of steel demand anticipated after this recession ends," Mr. De Lancey said.

STATEMENT OF FREDERICK G. JAICKS

My name is Frederick G. Jaicks and I am Chairman of the Board of Inland Steel Company, an integrated steel business, headquartered in Chicago.

Inland employs approximately 35,000 men and women and, in raw steel production, it is the seventh largest steel company in the United States. It has, for many years, been among the most profitable of the steel companies. It has reported profits every year since 1932.

Notwithstanding the fact that we have consistently reported profits, our profits today are inadequate. In fact, we actually reported a loss in the fourth quarter of 1981 and may be faced with that situation again in the first quarter of 1982.

Today's profits squeeze is the combined result of the state of the economy, the particularly depressed condition of several of our major customers, including the automobile manufactuurers, and the impact of imported steel. We are clearly in a distressed industry during a distressed period.

My purpose today is to explain the practical importance of the safe harbor leasing provisions to Inland and to the steel industry generally in the context of today's situation.

In order to return to acceptable levels of profitability and employment, Inland and the industry need to move forward with a program of continuous modernization, in

order to meet changing conditions, and to take advantage of the efficiencies provided by technological advances. This is, of course, very difficult during a period of profits squeeze, with its inherent limitations on internally generated funds, and restrictions on the amounts that we can prudently borrow.

Very large dollar investments are at stake. In Inland's case, the first phase of a major modernization program commenced in 1974, and was completed in 1980 at a cost of over $1 billion.

The second phase of the program, as originally laid out, would have involved almost as much money as the first phase, and would have provided new coke oven batteries, a major new finishing facility and increased continuous casting capacity.

However, with the recession in the steel business, which commenced in 1980 and which, after a brief upturn, returned and is still with us, we were forced to conclude that this expansion and modernization should be substantially cut back, at least for the present.

Thus, in 1981, our capital expenditure program was restrained and held to approximately $135 million. Similar restraints are being exercised in 1982.

The steel industry in general has similar massive requirements for modernization expenditures. Since November 1980, individual steel companies have announced modernization programs totaling more than $6.9 billion in capital investments. The struggle that will be required to justify and finance expenditures of this magnitude under today's operating conditions is obvious.

Inland and the steel industry vigorously supported the Economic Tax Recovery Act of 1981, particularly the Accelerated Cost Recovery System incentives, in the belief that it would aid saving and investment. But without the safe harbor leasing provisions, steel companies and other capital intensive businesses would be unable to use much of the investment incentives which Congress has provided because taxable profits from existing assets are insufficient to absorb the incentives generated by new assets.

Although Inland has been profitable in its financial statement, Inland's profits have not been large enough to absorb the investment credits generated by its prior huge investment programs. The combination of low operating profits for 1980 and 1981 and the incentive depreciation deductions produced net operating losses for tax purposes.

I do not want to leave the impression that the need for safe harbor leasing is only a recession phenomenon that will disappear with upswings in the business cycle. Congress has designed the tax incentives in such a way that their usability depends upon the ratio of new investments to taxable income. Companies with large amounts of new investments, which generally include capital intensive companies like steel, are likely to have a chronic problem.

Given the capital intensive nature of the steel business and the massive modernization expenditures that need to be made, Inland projects that, even with more normal profit levels and a more robust economy, it will be a number of years before all the tax incentives Inland generates can be absorbed currently.

If the Accelerated Cost Recovery System and investment credit incentives are not available to Inland through safe harbor leasing or some other comparable mechanism. Inland's investment program will be impacted adversely in a major degree. The unavailability of the incentives has two similar but distinct effects:

First, inability to use the incentives restricts the funds which can be made available to finance new investment. We cannot build facilities for which we do not have the money. Financing constraints are serious for many steel companies today and are obviously accentuated by the recession.

For companies with taxable income, the tax incentives provide an important cash flow. If we also owned a profitable unrelated company, for example, the investment credit alone would immediately provide 10% of the cost of a new steel facility.

We can see in the market place that, in the aggregate, the incentive tax benefits provided by the new law may supply cash equal to 30% or more of the cost of the asset. If the incentives are available, we can obviously do much more than if they are not available.

Second, inability to use the incentives increases our effective capital costs in comparison with others, which makes us and our products less competitive, further squeezing our profits.

For example, in 1981, when it became clear that Inland would not be able to currently absorb its unused tax incentives, Inland's financial staff calculated that Inland's net capital cost for new facilities would be 30% to 40% higher than the net capital cost of similar facilities to a company that could use the incentives currently. If our costs are higher, our profits will obviously be less; and that prospect is an obvious deterrent to new investment. By entering into a safe harbor lease, we calculate we could eliminate 70% to 80% of this excess capital cost, leaving us with not all, but most all, of the incentives provided by Congress to more profitable companies.

Accordingly, Inland placed about $71 million of its 1981 additions in a safe harbor lease, and received approximately $19,600,000 in cash. We were planning similar transactions in 1982, involving larger amounts of property. However, the announcement that the safe harbor leasing rules might be altered for transactions entered into after February 19, 1982, made everything uncertain, and we were forced to delay our plans. That, obviously, does not contribute to economic recovery, but we had little choice.

It is relevant, I think, to relate one other fact about our 1982 capital investment program. One of the major facilities under construction is a new continuous annealing line, which will provide lightweight, high-strength steel for the automotive industry. It will cost about $100 million. Several years lead time is often involved in constructing major facilities of this kind, and planning for this facility commenced in 1980—before safe harbor leasing. By then, it was apparent that we might be unable to use the tax incentives provided. Under the circumstances, we made plans to use a traditional "leveraged lease." That lease would have tansferred the tax benefits of the asset to the lessor in return for a reduction in the rentals Inland would pay.

Our financial people say that such leveraged leases have been a common transaction for many years. They perform the same tax benefit transfer function as a safe harbor lease. The same incentives are transferred to a lessor, but under the old rules, the lessor would not be permitted to pass as much of the incentive back to Inland as under a safe harbor lease.

After the safe harbor legislation, we restructured the transaction. As restructured, we will still have a "leveraged lease." The lessor will purchase the asset partly with its own funds and partly with funds borrowed from a third party, rather than from Inland. But the lease will also qualify under the safe harbor rules, if they remain unchanged.

The point is that the principles of safe harbor leasing are not new, but have been with us for many years. In the case of the continuous annealing facility, cutting back the safe harbor provisions would not reduce the amount of incentives used, as the same amount of deductions and credits could be transferred under the old leveraged lease rules. It would simply reduce the amount of those incentives which would go to the lessor and be passed back to Inland.

In summary, restrictions of safe harbor leasing would, in my view, force steel companies that cannot directly use tax incentives available to other companies to scale back important portions of their vital modernization programs. The cost, in terms of the nation's industrial strength and employment, particularly during a recession, would be substantial.

In urging the retention of safe harbor leasing, we are not asking for special favors. We simply ask that steel, and other capital intensive industries in steel's position, share in the same investment incentives that Congress has provided for companies that happen to have taxable income. This will permit companies like Inland to compete equitably for investment funds, and to continue to contribute to America's economic vitality.

Mr. RIEGLE. Mr. President, I strongly believe that we should maintain the basic provisions of safe harbor leasing and the accelerated cost recovery system enacted last year to stimulate business investment. Not only have these provisions encouraged the growth of many new businesses, they have also meant millions of dollars in reinvestment aid to ailing Michigan industries.

The situation in my State is critical. Michigan has the highest unemployment rate in the country. I cannot envision any substantial improvement in the near future if the Congress strips distressed industries of the only incentive they were given in last year's Economic Recovery Tax Act.

The automobile industry desperately needs the capital to improve its products and increase productivity in order to meet foreign competition. Because the industry is at the low point of its economic cycle, investment tax credits and the ACRS incentives are useless to most auto manufacturers. Safe harbor leasing has given them the incentive to invest, and it has done so in a practical manner.

For example, Ford Motor Co.'s 1981 expenditure for facilities and tooling in the United States amounted to slightly more than $1 billion. Spending levels in 1982 will be substantially higher. Ford received $153 million in safe harbor leasing revenue in 1981. Without the benefits of safe harbor leasing, Ford might have had to close more plants and lay off more workers to reduce overhead. Chrysler Corp. and American Motors Corp. also gained urgently needed capital through safe harbor transactions. And not only do these auto makers benefit, but their suppliers, severely hurt by the automobile industry's depressed condition, reap some of the rewards as well.

I will support legislative proposals to place limitations on the percentage of total tax liability for which a firm may use the safe harbor leasing provision. No profitable firm should be allowed to use the provision to completely offset its tax liability. We must make certain, however, that the safe harbor leasing rules remain available to companies who could otherwise utilize the new depreciation rules.

Safe harbor leasing is equitable tax policy. It creates no new tax credits or deductions. It eliminates the need for companies presently in need of cash for new equipment and retooling of products to merge with profitable corporations in order to survive. And most importantly, it will help to bolster our national economy and put Americans back to work.

I ask that an article on safe harbor leasing, which was written by Paul Tippett, be printed at this point in the RECORD.

The article follows:

A TAX BREAK FOR FAT CATS? HARDLY

(By Paul Tippett)

"Safe Harbor Leasing," a business tax arrangement that was part of the tax legislation enacted last year, has been described variously as "rent-a-deduction," food stamps for the rich, a giant business ripoff, and, to quote The New Republic, a "fiscal theater of the absurd." The Economic Recovery Tax Act of 1981 that provided for it is viewed by much of the media as a feast for the fat cats of business.

As usual, however, there has been excessive focus on a few atrocity cases and none on the overall benefits of the program.

The fact is that most business beneficiaries of the 1981 tax act—far from being fat cats—are in danger of starvation. The clearly exposed ribs of our basic industries such as autos, steel, rails, airlines and mining, are there for everyone to see. These industries provide jobs for millions of Americans. They need investment the most but can afford it the least.

The most important business element of last year's tax act was an investment incentive called the Accelerated Cost Recovery System (ACRS). The principal purpose of ACRS was to permit companies to take faster tax writeoffs on plants and equipment. They would therefore recover their investments faster, making it possible for them to modernize more rapidly.

The idea is sound. Much of this nation's manufacturing establishment looks antiquated when compared to the highly automated, modern facilities of many overseas competitors, notably Japan.

Recognizing the urgent need to improve productivity and create jobs via investment in plant and equipment, Congress wisely passed ACRS. It concluded that the reindustrialization of America was an urgent national priority rather then an aging buzzword that served only as a convenient subject for businessmen's speeches and articles in Chamber of Commerce magazines.

But in fashioning ACRS, the experts in the Treasury Department spotted a potential problem: how could a company receive tax benefits for investment if the company was unprofitable in the first place—if it was losing money or was a new company that was too young to earn much of a profit? As indicated, most of America's basic industries need investment the most but are currently unprofitable.

This question was answered with the Safe Harbor Leasing Provision, an imaginative and equitable device to help unprofitable and low-profit companies improve productivity, save existing jobs and create new ones.

Briefly, Safe Harbor permits an unprofitable company to sell tax benefits generated by a new investment to a profitable company that can utilize the tax benefits. Then the unprofitable company can invest the money from the sale of these benefits in new plants and equipment. In effect, the unprofitable company gets the same investment incentive a profitable one would receive.

Fiscal theater of the absurd? The facts prove otherwise. Many companies have benefited greatly from the Safe Harbor Leasing Provision. These benefits have not been paid out to stockholders. They have helped workers whose jobs have been saved.

Critics of Safe Harbor Leasing ignore its ingenious strengths:

(1) It promotes tax equality by ensuring that investments for all companies have the same value before taxes as they have after taxes.

(2) It provides many companies with a source of capital for plant improvements that would not otherwise be available to them.

(3) It creates no additional tax deductions or credits.

(4) It guarantees that investment tax benefits will be distributed evenhandedly between profitable and unprofitable companies, new companies and old ones.

(5) It eliminates the need of profitable companies to merge with unprofitable companies in order to obtain their tax benefits.

American Motors is a good example of a company that has been strengthened by Safe Harbor. In 1981, AMC received $10 million by selling the tax benefits associated with a new $30 million paint facility at its Jeep plant in Toledo, Ohio. This $10 million is now being invested in other job-producing projects.

In 1982 and 1983, we estimate that AMC can raise $100 million in additional capital this way. These funds will be reinvested immediately in product programs required for today's market. If these new product and manufacturing investments are allowed to die or are delayed, thousands of workers could be in trouble.

Potential abuses of the act are possible, especially if a company purchasing tax losses uses them to completely offset its tax liability. These abuses can be corrected easily, however, by limiting the use of losses to a fixed percentage of total tax liability. So let's not throw the baby out with the bath water.

Congress is now considering several bills that might repeal this valuable stimulus to business investment. Repealing Safe Harbor now would be a disaster. Retaining it with appropriate modifications would serve millions of American working people who need jobs and the thousands of companies that want to be more competitive in the growing world market.

SAFE HARBOR LEASING

Mr. LONG. Mr. President, we have had these leasing provisions around for a long time, and I have not heard one whisper of criticism up until recently.

It is extremely important to have a level playing field with respect to profitable companies and loss companies when they are making new capital investments.

With the accelerated depreciation rules adopted last year, it was necessary to also adopt safe harbor leasing to preserve this level playing field. Otherwise, 40 percent of the companies would not be able to utilize benefits of the accelerated depreciation and investment tax credits.

For example, this means that none of the major airlines can compete with Delta.

The other major airlines lost money last year without safe harbor leasing so that a new jet costs $30 million. Since Delta has profits and can utilize the depreciation and tax credits, this identical jet only costs it $20 million.

Now how can United, Eastern, Pan Am, and the others compete with Delta when Delta has this tremendous cost advantage in pricing its tickets?

Of course, they can not compete.

That is why we have safe harbor leasing—so they can sell their tax benefits and new jets cost everybody the same price.

Clearly accelerated depreciation and tax credits are subsidies to companies making new investments.

We can only make these subsidies available to profitable and loss companies in two ways:

Either we have safe harbor leasing or we have refundable tax benefits.

Otherwise 40 percent of American companies cannot utilize last year's new investment incentives.

And, rich, profitable companies get richer while the loss companies and their thousands of employees cannot compete on this uneven playing field and they cannot survive.

Revenue loss of safe harbor leasing is quite insignificant in terms of the impact of these companies and their employees going broke and being put out of work.

Further, leasing would continue to go on under the old rules but the buyers of the benefits would get more and the sellers would get less.

So the old system is much more inefficient.

The revenue loss may be the same but the loss companies get less of each dollar sold.

The new safe harbor leasing system is better and more efficient than the old.

Mr. BAKER. Mr. President, I will not take but just a minute. I have an agreement, I believe, with the Senator from Michigan in respect to two amendments. I ask unanimous consent that on two amendments by Mr. RIEGLE that they be considered on a time limitation of 3 minutes on each of the amendments, and 2 minutes for each amendment by the manager of the bill; that there be two 10-minute rollcalls back to back if they are ordered.

Mr. GOLDWATER. Mr. President, reserving the right to object, what does that do to the time?

Mr. BAKER. I am not asking for additional time.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. RIEGLE. Mr. President, if I may, I ask for the yeas and nays on the two amendments.

Mr. BAKER. Mr. President, I ask unanimous consent that it may be in order to ask for the yeas and nays on the two amendments with one showing of hands.

The PRESIDING OFFICER. Without objection, it is so ordered.

Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. GOLDWATER. Parliamentary inquiry.

The PRESIDING OFFICER. Who yields time?

Mr. GOLDWATER. Mr. President, I ask the majority leader if we could not have a morning hour after final passage.

Mr. BAKER. Yes.

ORDER FOR ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that after the passage of this bill there be a brief period for the transaction of routine morning business not to exceed 10 minutes, in which Senators may speak for not more than 2 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from New Mexico.

UP AMENDMENT NO. 995

(Purpose: To increase funding in function 550, Health, (for the National Cancer Institute).

Mr. DOMENICI. Mr. President, I have an unprinted amendment that I send to the desk and ask for its immediate consideration. This is made on behalf of Senator HEFLIN.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New Mexico (Mr. DOMENICI) proposes an unprinted amendment numbered 995.

Mr. DOMENICI. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

Mr. METZENBAUM. Objection.

Mr. BAKER. Mr. President, this is the Heflin amendment on cancer.

Mr. DOMENICI. I have another amendment we have agreed to and then we will go to the Riegle amendments and give him the remainder of the time. This is Senator HEFLIN's amendment.

The PRESIDING OFFICER. Is there objection?

Mr. MATHIAS. What is in the amendment?

Mr. DOMENICI. We worked this out on the Cancer Institute and there is no significant add-on to the budget. The distinguished Senator and I have worked on it.

Mr. MATHIAS. Where does the money come from?

Mr. DOMENICI. Under the budget, it is a question of size that when you put it in it does not add anything to the budget.

Mr. MATHIAS. But what does it take away from?

Mr. DOMENICI. Mr. President, I withdraw the amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. DOMENICI. I will offer it at the end of the session.

Mr. HEFLIN. It does not take away from anything.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. RIEGLE. Mr. President, I thank the chairman of the committee. I have two amendments that I will speak to briefly.

UP AMENDMENT NO. 996

Mr. RIEGLE. The first amendment that I am offering would restore the COLA, cost-of-living adjustment, for retired civil service employees and for retired military employees for fiscal year 1983. It would give them the COLA that they would normally get, and it would cap the COLA's at 4 percent in fiscal years 1984 and 1985. The adjustment that would apply for fiscal year 1983 is a 6.6-percent increase. That is somewhat less than the social security recipients will receive. But it provides a comparable cost-of-living adjustment.

Now, the difference between the amendment that I am offering and the one Senator HAWKINS offered earlier is that hers had a defense offset. Mine does not. Mine would not reduce the spending in the defense area in any fashion.

Mr. HART. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The Senator is correct. We will have order in the Senate.

Mr. RIEGLE. Mr. President, I might quickly say that if we fail to adopt this policy, as Senator NUNN from Georgia and others have said, we leave a tremendous inequity in the budget. We would be responding to the COLA requirements for retirees under social security and under railroad retirement, but we would have omitted those under civil service or the military. They are obviously affected by inflation just as everyone else is.

I think the increase that we are talking about here is a modest one, in light of the number of people affected and the equity that is involved. So I would hope that we could support this.

There are 1.7 million civilian retirees and 1.2 million military retirees. As a matter of fact, these retirement benefits are the only income that many of the people covered do receive. They do not have another source of retirement income. I think they deserve some degree of comparability.

I would just conclude by saying, so there is no question about a possible conflict of interest, that my budget assumption would exclude that COLA adjustment for those receiving congressional pensions. My amendment leaves that out. So we would not be voting for adjustments in pensions for ourselves or for our former colleagues, only for those who are civil service retirees and military retirees.

Mr. HART. Mr. President, the Senate is not in order.

The PRESIDING OFFICER (Mr. HATCH). Will the Senator suspend? The Senate will be in order.

Mr. RIEGLE. I think I have stated the case for this amendment, Mr. President. If there are questions, I would be happy to respond. I think the issue is understood. I would be happy to explain further to anyone who is in doubt.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator will suspend until the clerk reports the amendment.

The legislative clerk read as follows:

The Senator from Michigan (Mr. RIEGLE) proposes an unprinted amendment number 996.

Mr. RIEGLE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

UP AMENDMENT NO. 996

On page 2, beginning with line 4, strike out through line 8 on page 3 and insert the following:

(1) The recommended levels of Federal revenues are as follows:

Fiscal year 1982: $623,000,000,000.
Fiscal year 1983: $668,200,000,000.
Fiscal year 1984: $741,000,000,000.
Fiscal year 1985: $825,000,000,000.

and the amounts by which the aggregate levels of Federal revenues should be increased are as follows:

Fiscal year 1983: $23,200,000,000.
Fiscal year 1984: $39,000,000,000.
Fiscal year 1985: $45,000,000,000.

(2) The appropriate levels of total new budget authority are as follows:

Fiscal year 1982: $777,600,000,000.
Fiscal year 1983: $835,929,200,000.

Fiscal year 1984: $898,631,700,000.

Fiscal year 1985: $974,534,200,000.

(3) The appropriate levels of total budget outlays are as follows:

Fiscal year 1982: $740,700,000,000.

Fiscal year 1983: $785,329,200,000.

Fiscal year 1984: $835,231,200,000.

Fiscal year 1985: $893,834,200,000.

(4) The amounts of the deficits in the budget which are appropriate in the light of economic conditions and all other relevant factors are as follows:

Fiscal year 1982: $117,700,000,000.

Fiscal year 1983: $117,129,200,000.

Fiscal year 1984: $94,231,700,000.

Fiscal year 1985: $67,834,200,000.

On page 4, beginning with line 22, strike out through line 23 on page 5 and insert the following:

(1) National Defense (050):

Fiscal year 1982:

(A) New budget authority, $216,900,000,000.

(B) Outlays, $190,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $30,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, $252,300,000,000.

(B) Outlays, $215,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $30,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $279,300,000,000.

(B) Outlays, $244,000,000,000.

Fiscal year 1985:

(A) New budget authority, $317,600,000,000.

(B) Outlays, $278,800,000,000.

On page 16, beginning with line 1, strike out through line 4 on page 17 and insert the following:

(12) Income Security (600):

Fiscal year 1982:

(A) New budget authority, $255,800,000,000.

(B) Outlays, $251,500,000,000.

(C) New direct loan obligations, $2,800,000,000.

(D) New primary loan guarantee commitments, $17,000,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, $281,800,000,000.

(B) Outlays, $273,700,000,000.

(C) New direct loan obligations, $2,000,000,000.

(D) New primary loan guarantee commitments, $18,700,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $301,500,000,000.

(B) Outlays, $290,200,000,000.

Fiscal year 1985:

(A) New budget authority, $333,600,000,000.

(B) Outlays, $312,100,000,000.

On page 26, strike out lines 6 through 14 and insert the following:

(5) The Senate Committee on Governmental Affairs shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $0 and outlays by $0 in fiscal year 1983; to reduce budget authority by $0 and outlays by $367,000,000 in fiscal year 1984; and to reduce budget authority by $338,000,000 and outlays by $1,075,000,000 in fiscal year 1985.

On page 29, strike out lines 15 through 24 and insert the following:

(14) The House Committee on Post Office and Civil Service shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $0 and outlays by $8,000,000 in fiscal year 1983; to reduce budget authority by $10,000.000 and outlays by $387,000,000 in fiscal year 1984; and to reduce budget authority by $353,000,000 and outlays by $1,103,000,000 in fiscal year 1985.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I think it is clearly understood that we, obviously, feel we have done equity and we have accomplished parity as best we can. Those of us who have worked so hard to try to keep the deficits down hope that this amendment will be defeated.

I yield to the distinguished majority leader and I yield back the remainder of my time on this amendment.

Mr. BAKER. Mr. President, these votes are stacked, and they will not occur until after debate on the second amendment; is that correct?

The PRESIDING OFFICER. Without objection.

Mr. BAKER. I understood that had been ordered. Was that not ordered?

The PRESIDING OFFICER. That was the order.

Mr. BAKER. Mr. President, I am going to make the motion to table, but I ask unanimous consent that it occur in the same sequence back to back.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I move to table the amendment of the Senator from Michigan, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. RIEGLE. Mr. President, it is my understanding of the agreement that the vote will be stacked and we will go to the second amendment.

UP AMENDMENT NO. 997

The PRESIDING OFFICER. The clerk will report the second amendment.

The legislative clerk read as follows:

The Senator from Michigan (Mr. RIEGLE) proposes an unprinted amendment numbered 997.

Mr. RIEGLE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

UP AMENDMENT No. 997

On page 2, beginning with line 4, strike out through line 8 on page 3 and insert the following:

(1) The recommended levels of Federal revenues are as follows:

Fiscal year 1982: $623,000,000,000.

Fiscal year 1983: $688,200,000,000.

Fiscal year 1984: $741,000,000,000.

Fiscal year 1985: $825,000,000,000.

and the amounts by which the aggregate levels of Federal revenues should be increased are as follows:

Fiscal year 1983: $23,200,000,000.

Fiscal year 1984: $39,000,000,000.

Fiscal year 1985: $45,000,000,000.

(2) The appropriate levels of total new budget authority are as follows:

Fiscal year 1982: $776,700,000,000.

Fiscal year 1983: $823,329,200,000.

Fiscal year 1984: $886,831,700,000.

Fiscal year 1985: $955,634,000,000.

(3) The appropriate levels of total budget outlays are as follows:

Fiscal year 1982: $740,500,000,000.

Fiscal year 1983: $781,029,200,000.

Fiscal year 1984: $826,931,000,000.

Fiscal year 1985: $881,434,000,000.

(4) The amounts of the deficits in the budget which are appropriate in the light of economic conditions and all other relevant factors are as follows:

Fiscal year 1982: $117,400,000,000.

Fiscal year 1983: $115,400,000,000.

Fiscal year 1984: $90,400,000,000.

Fiscal year 1985: $60,200,000,000.

On page 4, beginning with line 22, strike out through line 23 on page 5 and insert the following:

(1) National Defense (050):

Fiscal year 1982:

(A) New budget authority $216,000,000,000.

(B) Outlays, $190,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $30,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, $239,700,000,000.

(B) Outlays, 212,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $30,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $267,500,000,000.

(B) Outlays $237,100,000,000.

Fiscal year 1985:

(A) New budget authority, $299,400,000,000.

(B) Outlays, $268,000,000,000.

On page 13, beginning with line 24, strike out through line 4 on page 18 and insert the following:

(10) Education, Training, Employment and Social Services (500):

Fiscal year 1982:

(A) New budget authority, $25,400,000,000.

(B) Outlays, $26,100,000,000.

(C) New direct loan obligations, $1,300,000,000.

(D) New primary loan guarantee commitments, $6,500,000,000.

(E) New secondary loan guarantee commitments, $700,000,000.

Fiscal year 1983:

(A) New budget authority, $26,800,000,000.

(B) Outlays, $27,100,000,000.

(C) New direct loan obligations, $800,000,000.

(D) New primary loan guarantee commitments, $7,200,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $27,300,000,000.

(B) Outlays, $27,300,000,000.

Fiscal year 1985:

(A) New budget authority, $27,400,000,000.

(B) Outlays, $27,200,000,000.

(11) Health (550):

Fiscal year 1982:

(A) New budget authority, $78,600,000,000.

(B) Outlays, $73,700,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $100,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, $80,000,000,000.

(B) Outlays, $80,000,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $100,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $92,800,000,000.

(B) Outlays, $89,300,000,000.

Fiscal year 1985:

(A) New budget authority, $104,400,000,000.

(B) Outlays, $101,400,000,000.

(12) Income Security (600):

Fiscal year 1982:

(A) New budget authority, $255,800,000,000.

(B) Outlays, $251,500,000 000.

(C) New direct loan obligations, $2,800,000,000.

(D) New primary loan guarantee commitments, $17,000,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, $282,000,000,000.

(B) Outlays, $273,200,000,000.

(C) New direct loan obligations, $2,000,000,000.

(D) New primary loan guarantee commitments, $18,700,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $301,400,000,000.

(B) Outlays, $289,300,000,000.

Fiscal year 1985:

(A) New budget authority, $333,000,000,000.

(B) Outlays, $310,600,000,000.

(13) Veterans Benefits and Services (700):

Fiscal year 1982:

(A) New budget authority, $24,800,000,000.

(B) Outlays, $23,800,000,000.

(C) New direct loan obligations, $1,000,000,000.

(D) New primary loan guarantee commitments, $11,900,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, $24,500,000,000.

(B) Outlays, $23,600,000,000.

(C) New direct loan obligations, $1,000,000,000.

(D) New primary loan guarantee commitments, $20,900,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $25,600,000,000.

(B) Outlays, $24,800,000,000.

Fiscal year 1985:

(A) New budget authority, $26,400,000,000.

(B) Outlays, $26,300,000,000.

On page 21, beginning with line 3, strike out through line 4 on page 22 and insert the following:

(17) Interest (900):

Fiscal year 1982:

(A) New budget authority, $102,000,000,000.

(B) Outlays, $102,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, $115,500,000,000.

(B) Outlays, $115,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $120,700,000,000.

(B) Outlays, $120,700,000,000.

Fiscal year 1985:

(A) New budget authority, $114,200,000,000.

(B) Outlays, $114,200,000,000.

On page 30, strike out lines 11 through 20 and insert the following:

(b)(1) The Senate Committee on Finance shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $1,250,000,000 and outlays by $3,056,000,000 in fiscal year 1983; to reduce budget authority by $1,909,000,000 and outlays by $4,323,000,000 in fiscal year 1984; and to reduce budget authority by $2,539,000,000 and outlays by $5,349,000,000 in fiscal year 1985.

On page 26, beginning with line 24 strike out all through line 7 on page 27 and insert the following:

(7) The Senate Committee on Veterans' Affairs shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $0 and outlays by $0 in fiscal year 1983; to reduce budget authority by $0 and outlays by $0 in fiscal year 1984; and to reduce budget authority by $0 and outlays by $0 in fiscal year 1985.

Mr. RIEGLE. Mr. President, I think this amendment is a very important one, although it is apparently the last one of this proceeding. This amendment would shift money out of the defense function and into four key domestic program areas that have been severely cut. My amendment assumes a 5-percent real rate of growth in defense spending over the next 3 years. The growth rate is slightly lower than the one that was put forward by the Senator from Kansas earlier, Senator KASSEBAUM.

My amendment would permit defense spending to increase by 5 percent after inflation over the period of the 3 years. That would free up from the defense function, as it is now in the budget, about $18.9 billion in outlays over the 3 years. I would put $14 billion of that back into four major social programs and I would use the remaining $5 billion over the 3 years to reduce the deficit.

One area where I propose to make restorations is in education, training employment, and social services. My amendment would accommodate a partial inflation adjustment for title I handicapped, vocational education, and Head Start.

The second area is in health. It would accommodate some of the medicare and medicaid benefits.

The third is in income security. It would accommodate a limited extended benefits program for unemployed workers in high unemployment States.

Finally, for the veterans, it would restore partial funding needed to retain veterans' health, pension, and compensation programs at current policy levels.

In addition, my amendment would free up some money to reduce the deficits over the 3-year period by a total of $5.4 billion.

Mr. President, I would say on the merits that I am convinced that we can finance our defense needs adequately with a 5-percent annual real rate.

Mr. DOMENICI. May we have order?

Mr. LEAHY. May we have order, Mr. President?

The PRESIDING OFFICER. The Senate will suspend. The Senator is correct. Let us have order while a Senator is speaking.

Mr. RIEGLE. I thank the Chair. I think we can finance our real defense needs into the future with a real 5-percent growth in spending net of inflation and restore some funding to these four vital programs that I have listed here, all of which I think are critical to the long-term security, health, and human circumstance in the United States in the future.

I hope that those who have a concern about the balance in the equity in the budget would find that they could support this amendment.

Mr. President, the amendment that I am offering today would make several modest but important changes in the Baker modified budget that is now before the Senate.

The budget resolution in its present form is deeply unbalanced. The main weight of budget cuts fall on those Americans who depend on Federal initiatives in education, health care, unemployment assistance, veterans programs, economic development, housing, and other major national priorities. By contrast, other areas of the budget are still treated like sacred cows. Spending in the defense function is slated to more than double between 1980 and 1985. It would increase by $23.7 billion in 1983 alone.

DEFENSE

Mr. President, many Senators may not know that the basic document from which the Budget Committee worked when it was preparing this budget had a $110 billion increase in defense spending above inflation built into it before we began. For all other functions the Congressional Budget Office projected the amounts that would be needed to adjust to current policies for inflation. For the defense function, however, CBO was asked to project the cost of President Reagan's full request. Those costs added $110.9 billion in budget authority and $60.4 billion in outlays to the amounts needed to fully adjust defense spending for inflation. The modest reductions proposed in committee for defense were actually reductions from a bloated base.

Mr. President, I ask unanimous consent that a table showing the impact of the change in the baseline be printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

DEFENSE BURIED IN BASELINE

[In billions of dollars]

	Fiscal year—				Total
	1982	1983	1984	1985	
Original current policy baseline:					
Budget authority	216.0	242.2	264.8	283.9	
Outlays	190.1	214.0	238.0	263.3	
Revised full baseline, which shows Reagan defense request:					
Budget authority	218.3	264.6	293.3	341.6	
Outlays	190.8	224.2	257.1	297.4	
Increase:					
Budget authority	+2.3	+22.4	+28.5	+57.7	+110.9
Outlays	+0.7	+9.5	+17.7	+32.5	+60.4

Mr. RIEGLE. Mr. President, the current budgetary crisis requires that the spending of the Defense Department and all other Federal agencies be subjected to the same rigorous scrutiny. In recent months, however, the Nation's weapons procurement policy seem to have been exempted from that scrutiny. I believe that the Nation's defense can best be protected by maintaining the readiness, operations, and maintenance of our Armed Forces. The security of the United States can, I believe, be effectively and safely maintained with 5 percent annual increases in defense budget authority above the amounts needed to fully adjust for inflation. My amendment would accommodate those increases. It assumes that the operations and maintenance account would not bear the burden of Defense Department savings, as they have in the past.

Almost all of the 5 percent could be achieved in three primary areas of procurement: aircraft, nuclear naval construction, and missiles.

DOD could slow down procurement of the following aircraft: F-15, F-16, F/A-18, A-10, B-1, and AH-64 (helicopter).

One *Nimitz*-class aircraft carrier could be postponed, and one Trident ballistic missile submarine and one nuclear-powered SSN-688 attack submarine could be cancelled.

In addition, the following missile programs could be postponed: Maverick, Pershing II, Patriot, and MX.

EDUCATION PROGRAMS

My amendment would restore some of the funding that is needed to continue the Federal support for title I, handicapped education, vocational education, and Head Start.

The modified budget that is before the Senate would freeze title I funding at the fiscal year 1982 continuing-resolution level, which was itself $600 million below the 1981 level. The freeze could force over 1 million children out of the program in fiscal year 1983. The 3-year freeze would mean about a 40-percent cut.

Last night, by a very close vote of 48 to 51, the Senate rejected Senator HART's amendment, which would have increased budget authority for title I by $200 million. My amendment would provide an even more modest increase.

Vocational education programs are helping States to train and retrain people for new jobs, and helping people avoid falling into the trap of long-term unemployment. More than 17 million young people and adults are upgrading their skills in 19,000 different programs throughout the country.

The Pell grant program helps needy undergraduate students receive a higher education. They help equalize college costs for low- and moderate-income families. CBO estimates that a budget freeze would exclude about 500,000 disadvantaged students from the program. This would come at a time when college tuition is expected to increase 15 percent a year.

The Head Start program offers hope to over 372,000 children. But this is still only about 20 percent of those who are eligible. The President lists Head Start among his safety net programs, but Head Start funding is being strained by deep cuts in other social service programs.

Education for the handicapped programs help States comply with their legal obligations to provide a free, appropriate education for all handicapped children. Many States such as my own State of Michigan are under severe fiscal stress and will not be able to make up for the proposed cutbacks in Federal assistance.

My amendment would provide some relief from the inadequate levels included for these programs in the budget in its present form. The amendment would provide less relief than other amendments to this budget, which have been offered and rejected by the Senate. I ask my colleagues on both sides of the aisle to consider providing at least this level of relief.

The amendment would accommodate about half of the funding increase needed to help these programs keep pace with inflation. It would increase outlays by about $0.1 billion in fiscal year 1983 and $0.4 billion in fiscal year 1984, and $0.7 billion in fiscal year 1985.

MEDICARE AND MEDICAID

The Baker modified budget resolution cuts medicare and medicaid by $23.5 billion in real terms over the next 3 years. Those cuts would come on top of very deep cuts enacted last year by the reconciliation bill. This resolution would impose a patient copayment on hospital days that are currently reimbursed. Current trends would bring hospital charges by 1985 to $475 per day. Therefore, medicare recipients would be expected to pay over $40 per day if they are hospitalized.

Increasing out-of-pocket costs for medicare services would have the same affect as reducing social security benefits for many people. It decreases the money an elderly person has available for basic necessities. But in some ways it may be even more perverse than a social security cut because it reduces income only when beneficiaries are sick and in need of medical services.

My amendment would restore about half of the funding needed to keep medicare and medicaid even with inflation. It clearly does not provide all of the relief that I would prefer, but I hope that my colleagues could provide at least this amount.

SUPPLEMENTAL UNEMPLOYMENT BENEFITS

Mr. President, my amendment would also address the growing needs of America's unemployed workers by accommodating funding for a more limited version of the extended unemployment benefits program introduced by Senator BYRD and cosponsored by myself and other Senators.

National unemployment now stands at 9.2 percent. A full 2-percentage points higher than the 1972 rate of 7.2 percent when the Federal supplemental benefits program was implemented.

America's unemployed workers have had to listen to rosy economic forecasts from various administration officials who claim that high-unemployment rates are necessary for our economic recovery. However, tens of thousands of unemployed workers are being forced into financial catastrophe every day. Thousands are being forced onto welfare programs which are also inadequately funded.

Our Nation's unemployed workers deserve a national response to their plight. This budget should make room

for that response, but it does not. My amendment would increase funding for extended benefits in high-unemployment States by $0.2 billion in fiscal year 1983, $0.5 billion in 1984, and $0.1 billion in 1985.

VETERANS

The Baker modified budget is patently unfair to millions of men and women who have served our country.

The budget reported from the committee fell far short of the amounts needed to help veterans programs to stay even with inflation—it fell short by $3.8 billion over the next 3 years. The modified budget restored only $2.1 billion of that shortfall.

This budget could force veterans to have their pensions actually reduced on a monthly basis. Under current law, social security benefits are fully countable as income under the Veterans Pension Act. A veteran's pension benefit is reduced dollar for dollar by the amount of the social security increase. Therefore, veterans, unlike other Americans would not benefit from any cost-of-living adjustment in social security. In fact, veterans would actually lose income on a real basis under this budget because their combined benefits would be frozen and their earning power would be eaten away by inflation. That makes no sense as a policy.

The proposed funding levels could cause thousands of veterans' hospital beds to close, could force 13,000 employees to be laid off, and could force 76 planned nursing homes and hospitals to be canceled.

My amendment restores about half of the funding that is needed to eliminate the funding shortfall and help veterans' programs keep pace with inflation. It would add $0.3 billion in fiscal year 1983, $0.6 billion in fiscal year 1984, and $0.9 billion in 1985.

The changes I propose in this amendment would have the additional benefit of reducing the deficit by about $1 billion in fiscal year 1984 and about $4 billion in fiscal year 1985.

For these reasons, Mr. President, I believe that my amendment is very prudent. I urge my colleagues to vote for it.

Mr. DOMENICI. Mr. President, I yield 1 minute to the Senator from Texas.

Mr. TOWER. Mr. President, this is a very deep cut in budgetary authority and in outlays. It is about $45.2 billion in authority and $20.6 billion below the Budget Committee recommendations for the 3-year period. It is a deeper cut than that proposed by the Senator from Kansas (Mrs. KASSEBAUM), which was defeated 53 to 44.

They are deep cuts that will cripple our modernization program and jeopardize our national security. The amendment was offered in the Budget Committee and defeated 15 to 2. I urge the Senate to defeat the amendment.

Mr. DOMENICI. I yield back any time I have on that amendment.

Mr. BAKER. Mr. President, I move to table the amendment of the Senator from Michigan and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment of the Senator from Michigan. The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HEINZ. Mr. President, on this vote, I have a live pair with the Senator from Oregon (Mr. HATFIELD). Were he present and voting, he would vote "yea." Were I at liberty to vote, I would vote "nay." Therefore, I withhold my vote.

Mr. BAKER. I announce that the Senator from Minnesota (Mr. DURENBERGER), the Senator from Oregon (Mr. HATFIELD), the Senator from South Dakota (Mr. PRESSLER), the Senator from New Mexico (Mr. SCHMITT), the Senator from Vermont (Mr. STAFFORD), and the Senator from Alaska (Mr. STEVENS) are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Arizona (Mr. DECONCINI), the Senator from Kentucky (Mr. HUDDLESTON), and the Senator from Montana (Mr. MELCHER) are necessarily absent.

I further announce that, if present and voting, the Senator from Montana (Mr. MELCHER) would vote "nay."

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 47, nays 43, as follows:

[Rollcall Vote No. 151 Leg.]

YEAS—47

Abdnor
Andrews
Armstrong
Baker
Boschwitz
Brady
Byrd, Harry F., Jr.
Chafee
Cochran
Cohen
D'Amato
Danforth
Denton
Dole
Domenici
East
Garn
Goldwater
Gorton
Grassley
Hatch
Hayakawa
Helms
Humphrey
Jepsen
Kassebaum
Kasten
Laxalt
Lugar
Mattingly
McClure
Murkowski
Nickles
Packwood
Percy
Proxmire
Quayle
Roth
Rudman
Simpson
Specter
Symms
Thurmond
Tower
Wallop
Warner
Weicker

NAYS—43

Baucus
Bentsen
Biden
Boren
Bradley
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chiles
Cranston
Dixon
Dodd
Eagleton
Exon
Ford
Glenn
Hart
Hawkins
Heflin
Hollings
Inouye
Jackson
Johnston
Kennedy
Leahy
Levin
Long
Mathias
Matsunaga
Metzenbaum
Mitchell
Moynihan
Nunn
Pell
Pryor
Randolph
Riegle
Sarbanes
Sasser
Stennis
Tsongas
Zorinsky

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Heinz, against.

NOT VOTING—9

DeConcini
Durenberger
Hatfield
Huddleston
Melcher
Pressler
Schmitt
Stafford
Stevens

So the motion to lay on the table Mr. RIEGLE's amendment (UP No. 996) was agreed to.

UP AMENDMENT NO. 997

The PRESIDING OFFICER. The question recurs on the motion to table the second Riegle amendment (UP No. 997). The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. BAKER. I announce that the Senator from Minnesota (Mr. DURENBERGER), the Senator from Oregon (Mr. HATFIELD), the Senator from South Dakota (Mr. PRESSLER), the Senator from New Mexico (Mr. SCHMITT), the Senator from Vermont (Mr. STAFFORD), and the Senator from Alaska (Mr. STEVENS) are necessarily absent.

I further announce that, if present and voting, the the Senator from Oregon (Mr. HATFIELD) would vote "nay."

Mr. CRANSTON. I announce that the Senator from Arizona (Mr. DECONCINI), the Senator from Kentucky (Mr. HUDDLESTON), and the Senator from Montana (Mr. MELCHER) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 61, nays 30—as follows:

[Rollcall Vote No. 152 Leg.]

YEAS—61

Abdnor
Andrews
Armstrong
Baker
Bentsen
Boren
Boschwitz
Brady
Byrd, Harry F., Jr.
Chiles
Cochran
Cohen
D'Amato
Danforth
Denton
Dixon
Dole
Domenici
East
Exon
Garn
Glenn
Goldwater
Gorton
Grassley
Hatch
Hawkins
Hayakawa
Heflin
Heinz
Helms
Hollings
Humphrey
Jepsen
Kassebaum
Kasten
Laxalt
Leahy
Long
Lugar
Mathias
Mattingly
McClure
Murkowski
Nickles
Nunn
Packwood
Percy
Quayle
Roth
Rudman
Sasser
Simpson
Specter
Stennis
Symms
Thurmond
Tower
Wallop
Warner
Zorinsky

NAYS—30

Baucus
Biden
Bradley
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chafee
Cranston
Dodd
Eagleton
Ford
Hart
Inouye
Jackson
Johnston
Kennedy
Levin
Matsunaga
Metzenbaum
Mitchell
Moynihan
Pell
Proxmire
Pryor
Randolph
Riegle
Sarbanes
Tsongas
Weicker

NOT VOTING—9

DeConcini
Durenberger
Hatfield
Huddleston
Melcher
Pressler
Schmitt
Stafford
Stevens

So the motion to lay on the table was agreed to.

Mr. **BAKER**. Mr. President, I move to reconsider the vote by which the motion to lay on the table was agreed to.

Mr. **GOLDWATER**. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. **HARRY F. BYRD, JR.** May we have order, Mr. President? We cannot hear what is going on.

Mr. **DOMENICI**. Mr. President, I understand that we have 2 additional minutes remaining on this side. Is that correct?

The **PRESIDING OFFICER**. The Senator is correct.

Mr. **DOMENICI**. I yield 1 minute to the distinguished majority leader.

Mr. **BAKER**. Mr. President, I will not take the full minute.

I wish to take this opportunity to congratulate the distinguished chairman of this committee and the ranking member for the role they have played in a difficult debate. They have gone a long way toward defining the role of the budget in the life of the Senate and the Congress and the Country.

I extend my congratulations as well to all of those who participated. It has been a difficult debate. It has been sometimes a heated debate. I think that the Senate has comported itself in an honorable and dignified way and will shortly produce a result of which it can be proud.

Mr. **CRANSTON**. Mr. President, increasingly the budget process, which many of us on both sides of the aisle worked hard to establish in 1974, has become a political shell game.

In the whirl and blur of numbers shrouded in disingenuous explanations, hidden and often inaccurate assumptions, and misleading rhetoric designed to divert attention from what is happening, the congressional budget process is being used as a propaganda tool and little else—not the instrument of fiscal accountability it was designed to be.

And, under Republican Senate rule—in a shortsighted and ultimately hopeless attempt to escape responsibility for the disastrous economic policies of the Reagan administration—this process, designed to let Congress exercise independently its constitutional power of the purse, lies victim to highly partisan manipulation.

Let us take a minute to examine what happened here:

After weeks of highly publicized—but very private—negotiations mostly among Republicans trying to get an ideological President to abandon his unworkable, radical policies, the Senate Budget Committee unanimously voted to reject the Reagan budget recommendations, 20 to 0.

Despite this unanimity, the Great Communicator continued to try to convince the American people that Democrats alone were blocking consideration and acceptance of his budget.

That is simply not true.

Next, by a straight party-line vote, the majority Senate Budget Committee Republicans reported their version of a budget resolution.

This resolution, Senate Concurrent Resolution 92, cut the Reagan spending requests over a 4-year period by $61.5 billion and would raise taxes by more than $75 billion over the same period, as one approach to lopping almost $140 billion off the inordinate deficits resulting from Reagan's proposals.

Senate Concurrent Resolution 92 won the immediate blessing of the Reagan White House as a sensible compromise.

President Reagan himself started a national campaign to find support for it.

Unfortunately, this tragically flawed proposal achieved most of its theoretical spending "savings" at the expense of social security recipients, from whom $40 billion was to be taken.

In addition, under this plan, our aged and needy citizens—often the same ones stung most by the proposed social security cuts, faced additional deprivation from proposed cuts in medicare and medicaid which would deny them some of the limited protection they now have from ever-escalating costs of medical care and hospitalization which can so swiftly wipe out the savings of a lifetime.

Of course, those elderly with adequate wealth to pay medical costs would be relatively unaffected under this Republican proposal.

This is one more example of the bitterly unfair march toward social Darwinism which the policies of this administration and its Republican friends so favor.

And these cuts in life-support benefits for the elderly would have come on top of a budget already unacceptably, unreasonably, and unfairly stacked against the aged, the needy, the vulnerable, and the dependent in our society.

This targeting of the vulnerable—particularly senior citizens—is no accident, Mr. President.

Just look at the tactics the Republican leadership was willing to use to try to prevent a majority of the Senate last night from eliminating the discrimination in this budget against railroad retirees.

Well, Mr. President, the President's short-lived campaign to win support for this compromise failed.

Faced with certain defeat even in this Republican-controlled Chamber, the Republican leadership returned to what they euphemistically called negotiations.

For most of 3 days, the Republican majority leadership of the Senate used dilatory tactics during the statutorily limited time they themselves had selected for consideration of this resolution to prevent any amendments from being offered or considered, and to prevent debate from taking place on this budget resolution. Why?

Solely, Mr. President, for the perceived partisan advantage of making sure that the amendment which eliminated their ill-conceived social security benefit cut from the resolution was offered by the same Republican leadership that had proposed the cut in the first place.

And, again, parliamentary tactics were used to avoid a rollcall vote on this amendment.

Now, I commend the majority leader and the chairman of the Budget Committee and their Republican colleagues who supported this $60 billion in 10 days change of mind for their flexibility, their resiliency, and their political judgment in deciding to accept, if belatedly, the good counsel offered from the outset from this side of the aisle.

But I do not think people will be fooled by the dubious parliamentary tactics.

Our senior citizens understand what the Republican leadership wanted to do to their social security benefits if they could have persuaded more of their colleagues to go along.

And when this latest compromise budget resolution was brought from the closed Republican caucus to this floor and presented as a Budget Committee amendment, though the Budget Committee—which operates under sunshine rules—had never seen it, the White House Deputy Press Secretary Larry Speakes, apparently unperturbed by the $60 billion change from the previously endorsed compromise again praised the new compromise as worthy of support.

That is how eager the White House is to salvage the appearance of victory from this complete rejection, even by the Senate Republicans, of not only the Reagan budget but also the White House endorsed first compromise.

Mr. President, it is a testimonial to the radical extremism of the Reagan administration that after a $130 billion change in the Reagan budget, the resulting budget resolution was still so far from sensible priorities that it could not command a majority even in this Republican controlled Chamber.

It testifies to the cynical contempt with which this administration views ordinary Americans that, failing to take away social security benefits, the White House and Republican Senate leadership would try to claim credit for stopping the effort.

The so-called compromises negotiated in closed Republican caucuses do not even bring this budget resolution into the spectrum of acceptability.

They are merely compromises among varying degrees of right-wing excess.

And the $60 billion swings here and there with the approval of the Budget Committee chairman testifies plainly to the looseness of this resolution.

The deficits in this budget resolution will keep interest rates high.

And high interest rates will throttle economic recovery.

But those deficits are not caused by Democratic efforts like those which the Republican majority has rejected to restore cuts of $310 million over 3 years to feed pregnant women and infants; to prevent 50,000 children over three years from being deprived of access to the Head Start program to save less than $200 million; or to provide $3.1 billion over 3 years to restore full cost-of-living compensation increases for service-connected disabled veterans and their survivors—up to now among the Senate's highest bipartisan priorities—and in the pension program for disabled or elderly impoverished war veterans and their needy survivors.

Those deficits are caused by the unwillingness of the Reagan administration and the Republican Senate leadership to deal adequately with the loss of Federal revenues resulting from the excesses of the Kemp-Roth help-the-rich tax cut, the unwillingness to repeal the safe harbor leasing provisions of the Economic Recovery Tax Act, which permits well-off corporations to avoid taxes, and the excesses of the extravagant, wasteful military budget. None of these excesses have been corrected or even reasonably compromised.

Mr. President, I oppose this resolution.

Mr. **DOMENICI**. Mr. President, I want to thank the Senators for——

Mr. **HARRY F. BYRD, JR.** May we have order, Mr. President.

The **PRESIDING OFFICER**. The Senator is correct. Let us have order.

The Senator from New Mexico.

Mr. **DOMENICI**. Mr. President, I want to thank all Senators for the assistance they have been in this very difficult matter. With such conflicting views, it is very difficult to put a budget together. I am satisfied that the one we put together and that we are going to vote on shortly, has a good chance of bringing interest rates down, if and when Congress implements it.

It has some very difficult burdens that Congress will have to undertake to carry it out.

I thank my committee for their hard work and, in particular, the staff on both sides for long and hard hours in bringing the resolution to the floor and in their assistance to both sides and all Senators in preparing amendments.

UP AMENDMENT NO. 995

(Purpose: To increase funding in function 550, Health, (for the National Cancer Institute)):

Mr. **DOMENICI**. Mr. President, there is the Heflin amendment that I have at the desk. It has been approved on both sides.

The **PRESIDING OFFICER**. The amendment will be stated.

The legislative clerk read as follows:

The Senator from New Mexico (Mr. DOMENICI), for himself and Mr. HEFLIN, proposes an unprinted amendment numbered 995.

Mr. **HEFLIN**. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

The amendment is as follows:

On page 2 beginning with line 15, strike out through line 21 on page 3 and insert the following:

(2) The appropriate levels of total new budget authority are as follows:

Fiscal year 1982: $777,600,000,000.

Fiscal year 1983: $835,329,200,000 plus $40,700,000.

Fiscal year 1984: $897,031,700,000 plus $38,200,000.

Fiscal year 1985: $972,734,200,000 plus $35,700,000.

(3) The appropriate levels of total budget outlays are as follows:

Fiscal year 1982: $740,800,000,000.

Fiscal year 1983: $784,029,200,000 plus $22,000,000.

Fiscal year 1984: $832,831,700,000 plus $36,000,000.

Fiscal year 1985: $890,134,200,000 plus $37,000,000.

(4) The amounts of the deficits in the budget which are appropriate in the light of economic conditions and all other relevant factors are as follows:

Fiscal year 1982: $117,800,000,000.

Fiscal year 1983: $115,829,200,000 plus $22,000,000.

Fiscal year 1984: $91,831,700,000 plus $36,000,000.

Fiscal year 1985: $65,134,200,000 plus $37,000,000.

(5) The appropriate levels of the public debt are as follows:

Fiscal year 1982: $1,144,200,000,000.

Fiscal year 1983: $1,292,229,200,000 plus $22,000,000.

Fiscal year 1984: $1,420,160,900,000 plus $58,000,000.

Fiscal year 1985: $1,533,395,100,000 plus $95,000,000.

And the amounts by which the temporary statutory limits on such debt should be accordingly increased are as follows:

Fiscal year 1982: $64,400,000,000.

Fiscal year 1983: $148,029,200,000 plus $22,000,000.

Fiscal year 1984: $127,931,700,000 plus $36,000,000.

Fiscal year 1985: $113,234,200,000 plus $37,000,000.

On page 15, strike out lines 11 through 25 and insert the following:

(A) New budget authority, $79,529,200,000 plus $40,700,000.

(B) Outlays, $77,629,200,000 plus $22,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $100,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $92,231,700,000 plus $38,200,000.

(B) Outlays, $85,731,700,000 plus $36,000,000.

Fiscal year 1985:

(A) New budget authority, $103,634,200,000 plus $35,700,000.

(B) Outlays, $97,234,200,000 plus $37,000,000.

Mr. **HEFLIN**. Mr. President, the budget resolution now under consideration by the Senate assumes a freeze in funds for cancer research at $966,682,000 in budget authority over the next 3 years. My amendment would add budget authority of $40,700,000 in fiscal year 1983, $38,200,000 in fiscal year 1984, and $35,700,000 in fiscal year 1985, with increases in outlays of $22,000,000 in fiscal year 1983, $36,000,000 in fiscal year 1984, and $37,000,000 in fiscal year 1985.

The amendment I am offering today would simply allow moneys for cancer research to be maintained at the current policy levels for fiscal year 1983, fiscal year 1984, and fiscal year 1985. It is imperative we maintain enough money in the budget to provide for real purchasing power year by year, in order to account for inflation.

A little more than a decade ago, our great Nation declared war on the horrible disease of cancer. However, this war against cancer has not yet been won. Out ultimate goal is to wipe out cancer completely. Unparalleled progress has been made in our battle against cancer, and I believe it is most important we work hard to see that this progress continues.

The great advances we see today in cancer research are largely because of the important work being carried on at the National Cancer Institute of the National Institutes of Health. The overall mission of the National Institutes of Health is to improve the health of the American people. One of the major components of the National Institutes of Health is the National Cancer Institute, which has developed one of the world's greatest cancer programs in expanding existing scientific knowledge on cancer causes and prevention, as well as on the diagnosis, treatment, and rehabilitation of cancer patients. I do not want to see the rug pulled out from under these great research efforts.

As a result of decades of hard work, we see great progress being made toward the prevention and cure of cancer. These sweeping gains show achievements in finding cures for some forms of cancer, gains in survival for many forms, superbly enhanced knowledge of prevention, and solid advances in fundamental areas that will serve as the basis for further improvements in the prevention, diagnosis, and treatment of cancer patients. Because of the training programs sponsored by the National Cancer Institute, the number of doctors who are cancer specialists has gone to about 3,000 today from the small figure of only about 100 during the late 1960's.

Various research facilities throughout the Nation are supported by grants from the National Cancer Institute. In my State, great work in cancer research is being carried on in biomedical and cancer research at the University of Alabama in Birmingham. The Cancer Center at the University of Alabama in Birmingham is regarded as one of the top cancer treatment and research centers in the country, and the number of remarkable research advances and improvements in patient care have taken place at the center.

For example:

First, our scientists were the first to discover that about 20 percent of leukemic children have a disease of primitive antibody-forming cells, the pre-B cell, which requires more aggressive treatment in order to cure the patient; second, our scientists were the first to identify the human natural killer cell, thought to be the normal target for interferon, and to play a key role in the body's destruction of cancer cells. And our scientists at the comprehensive center at the University of Alabama in Birmingham are pioneering the application of a new biophysical technique called "Nuclear Magnetic Renaissance," which should permit an increase in the understanding of how various treatments affect the biochemical workings of a cancer without the need to cut it out or grow it in culture or special laboratory animals. These are just some of the great research efforts being carried on in my State.

I am sure that similar programs are being conducted across the country. In fact, I know that the various talents of the entire Nation are brought together by the programs sponsored by the National Institutes of Health, to find new ways of insuring better health for every sector of America, and for every American.

This is why it is absolutely imperative that we continue to support the important work being done in cancer research. This killer is a disease that knows no class, economic status, race, or sex. It is a horrible disease that can strike anyone. Officials of the National Cancer Institute have estimated that 805,000 Americans will develop some form of cancer this year. Only one of three will survive 5 years or more after treatment. Before so many advances were made in cancer research, only one out of five would survive. This is solid progress. Yet, there is much work to be done. I urge you to help me insure that our important cancer research continues by adopting my amendment.

Mr. HARRY F. BYRD, JR. Mr. President, may we have order?

The PRESIDING OFFICER. The Senator is correct. Let us have order in the Chamber.

The question is on agreeing to the amendment of the Senator from New Mexico.

The amendment (UP No. 995) was agreed to.

UP AMENDMENT NO. 998

(Purpose: to modify the date by which Senate Committee on Finance and the House Committee on Ways and Means must report tax increase and entitlement spending cut legislation)

Mr. DOMENICI. Mr. President, I send an unprinted amendment to the desk in behalf of Mr. Dole and Mr. Long. It is a technical amendment changing a date in the reconciliation instruction from June 11 to June 22. In that instance, they have asked that they be allowed that additional time—I think it is reasonable—before we get out of conference. I ask that the amendment be considered at this point.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from New Mexico (Mr. Domenici) on behalf of Senators Dole and Long proposes an unprinted amendment numbered 998:

On page 31, line 9, and on page 32 line 9, delete "June 11" in both places and insert in lieu thereof "June 22.".

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New Mexico.

The amendment (UP No. 998) was agreed to.

UP AMENDMENT NO. 999

Purpose: To provide an increase of $135 million over current policy for Federal Law Enforcement Agencies (FBI; Drug Enforcement Agency; Immigration and Naturalization Service, (function 750))

Mr. DOMENICI. Mr. President, the last amendment is an amendment that I offer in behalf of Senators Chiles and Rudman. This, too, has been approved on both sides. The net effect is zero on the budget. It has to do with the law enforcement function. I ask that it be considered at this time.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from New Mexico (Mr. Domenici), for himself, Mr. Chiles, Mr. Rudman, Mr. Nunn, Mr. DeConcini, Mr. Bentsen, Mr. Johnston, Mr. Biden, Mr. Hollings, Mr. Thurmond, Mr. Mattingly, Mr. Metzenbaum, Mr. Gorton, and Mrs. Hawkins, proposes an unprinted amendment numbered 999.

Mr. DOMENICI. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Up Amendment No. 999

(a) On page 18, beginning with line 14, strike out all through line 2 on page 19, and insert the follwoing:

"Fiscal year 1983:

(A) New budget authority, $4,900,000,000.

(B) Outlays, $4,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $5,000,000,000.

(B) Outlays, $5,000,000,000.

Fiscal year 1985:

(A) New budget authority, $5,100,000,000.

(B) Outlays, $5,100,000,000."

(b) On page 2 beginning with line 4, strike out all through line 1 on page 3 and insert the following:

(1) The recommended levels of Federal revenues are as follows:

Fiscal year 1982: $623,000,000,000.
Fiscal year 1983: $668,400,000,000.
Fiscal year 1984: $741,400,000,000.
Fiscal year 1985: $825,500,000,000.

and the amounts by which the aggregate levels of Federal revenues should be increased are as follows:

Fiscal year 1983: $23,400,000,000.
Fiscal year 1984: $39,400,000,000.
Fiscal year 1985: $45,500,000,000.

(2) The appropriate levels of total new budget authority are as follows:

Fiscal year 1982: $777,600,000,000.
Fiscal year 1983: $835,629,200,000.
Fiscal year 1984: $897,431,700,000.
Fiscal year 1985: $973,234,200,000.

(3) The appropriate levels of total budget outlays are as follows:

Fiscal year 1982: $740,800,000,000.
Fiscal year 1983: $784,229,200,000.
Fiscal year 1984: $833,231,700,000.
Fiscal year 1985: $890,634,200,000.

Mr. CHILES. Mr. President, the amendment would increase the Budget Committee's mark in function 750, which is the law enforcement function. It takes off the freeze on spending in this function which the Budget Committee imposed, and allows for spending at the current policy level over the next 3 fiscal years. That is a cost of $200 million in fiscal year 1983. In addition, it adds $100 million to the function 750 in fiscal year 1983, in order to meet a limited number of top priority needs in the Federal Bureau of Investigation, the Drug Enforcement Administration, and the Immigration and Naturalization Service. So in total, the amendment adds $300 million to function 750 for fiscal year 1983, $400 million for fiscal year 1984, and $500 million for fiscal year 1985.

This small increase is absolutely essential if we are to show the American public that we are serious about trying to fight crime and drug trafficking, and in coming up with an enforceable immigation policy.

Mr. President, a freeze on spending in this function amounts to a reduction in the number of people we put

on the streets to fight crime and drug trafficking. The vast preponderance of the budgets of the agencies that are affected by the committee's mark is made up of personnel costs: For FBI and DEA special agents, for INS Border Patrol officials and investigators, for U.S. attorneys and marshals. These are areas we simply cannot afford to cut. If we had some assurance that criminals and drug smugglers were going to freeze their activities at this year's level, or that illegal immigration would remain at this year's level, perhaps the cuts would not appear so bad. But I do not think that we are going to get that type of assurance. In fact, if history is any judge, chances are that crime and drug smuggling will increase, and so will immigration. In short, we simply cannot afford to cut the budgets of our law enforcement agencies. Doing so would be a disservice to the American people.

I would like to take a few moments to look at how we arrived at the budget situation we face today, and to outline some of the reasons why I believe we need to increase our spending in this function.

When the administration first proposed its budgets for Federal law enforcement agencies earlier this year, I was mildly disappointed, but not alarmed. We had heard about a commitment to fight crime, and we all know how serious the crime problem is in America today. Nevertheless, what we got was, essentially, a current services budget. This year's level of effort would be continued next year, but there would be no increases. In fact, in some instances, there were cutbacks that hurt. For instance, the administration's budget called for a reduction of 100 work years for DEA agents. The proposed budget for INS in fact is a reduction in positions from the levels set in 1981. This reduction came in spite of the fact that greater demands have been placed on INS across the board in the last 2 years. And once again, juvenile justice programs were targeted for elimination.

But the most important feature of the administration's proposed budget was what it did not contain, and that was a call for increases in our law enforcement efforts. So when the regulation was considered in the Budget Committee, I offered an amendment to make real increases in our law enforcement budgets. The increases I proposed were relatively modest, in terms of the overall budget picture: An increase of $100 million over current policy. But they were designed to have a real impact on our efforts to fight crime and drug trafficking and to enforce our laws. They called for increases in the manpower and equipment for the FBI, DEA, and INS.the FBI increases carried out with the Senate Intelligence Committee's desire to increase our counterintelligence capability and tried to stop the proposed elimination of 120 special agent positions.

The DEA increases are based on recommendations made by the Senate Permanent Investigations Subcommittee, and would increase DEA special agent staffing up to 1979 levels, and help DEA reimburse the military for assistance in antismuggling activities. The INS increases are in line with the staffing levels authorized by Congress last year, and with the increases in manpower levels for the Border Patrol that are set out in Senator Simpson's comprehensive immigration reform package.

Unfortunately, the Budget Committee did not see fit to adopt this minimal increase over current services level of effort. In fact, the Budget Committee froze all spending in the law enforcement function at fiscal year 1982 levels, thereby creating a shortfall of $200 million for fiscal year 1983. Of course, the committee's mark also wiped out the $100 million increase above current policy that I had recommended.

Mr. President, I would like to describe just what the Budget Committee's actions mean. And, in doing that, there is one fact which must be kept in mind at all times. Law enforcement budgets, and law enforcement agencies, have one main expense, and that is for people. So when you talk about increasing law enforcement budgets, by and large, you are talking about putting more law enforcement officials on the street. By the same token, when you talk of decreasing law enforcement budgets, and that is what the Budget Committee's so-called freeze effectively does, you are talking about taking law enforcement people off the street. Specifically, it means that DEA would take a cut of $8 million below the President's budget. That cut translates into the layoff of 195 DEA agents, one-tenth of DEA's authorized agent strength. For the FBI, the Budget Committee mark, if implemented, would mean one of two things: Either a decrease of some 550 special agents, or else closing some FBI offices. Neither one of these alternatives is acceptable to me. For INS, the same result would occur. In fact, for INS, the cuts are the most difficult to absorb in terms of enforcing the law. If the FBI and the DEA are cut, you could try to argue that State and local law enforcement officials would nevertheless step in to fill the gap in our fight against crime and drugs. You cannot even try to make that argument about INS cuts. Under the Constitution, the Federal Government and INS have exclusive responsibility and authority to enforce immigration laws and policy. State and local governments cannot get involved in this area, and a loss on the Federal level is a loss that cannot be offset by increased activity on the State and local level. A local police officer would have the authority to arrest a drug trafficker, but he would not have the authority to do anything about illegal immigration.

For these reasons, I believe we need to return spending in the law enforcement function to current policy levels in the years ahead. I have also proposed an increase of $100 million in this budget function, a bare bones increase that could have a big payoff for those interested in fighting crimes. I would like to outline some of the factors which prompted me to push for this increase, and describe what the increase would be used for.

In the same way that cuts in law enforcement budgets translate into staff reductions, increases can be used to increase our law enforcement efforts. We get a big payoff for relatively modest amounts of money because the money is used to put more law enforcement officials on the streets to fight crime and drug smuggling. I have tried to target three agencies where I believe increases are warranted.

For the FBI, my proposal would override the administration's proposal to eliminate 120 special agent slots. I do not know of a single area of the country which claims to be overstaffed with FBI agents. Putting more agents on the street will help fight organized crime and assist the FBI in breaking up drug smuggling rings. Another $15 million would be earmarked to restoring FBI services to those parts of the country where services were curtailed as a result of the Vice President's special task force on crime in south Florida. The task force showed that if the Government was willing to make a concerted effort to stop drug trafficking in an area, by putting the resources needed to do the job in place, the Government would succeed. Drug smuggling has not stopped in south Florida, but there is no question that the dozens of agents from the FBI, DEA, and Customs have made a real difference. However, those agents were assigned to Miami from all across the country, and there is no question that those other parts of the country suffered in their absence. Part of this amendment would give the FBI the funds it needs to restore services to their former levels in other parts of the country.

Finally, part of the increase in the FBI's budget would be used to help in the FBI's counterintelligence activities. The Senate Intelligence Committee has been looking into the need to increase our counterintelligence capabilities, and I understand that the committee plans to recommend increases in this area. Last week, the Permanent Investigations Subcommittee completed a series of hearings on one aspect of counterintelligence, the transfer of high technology items from the United States to Communist countries. Adm. Bobby Inman, the outgoing Deputy Director of the CIA, testified about our inability to prevent these transfers today. We asked him for recommendations to stop this dangerous flow. His answer, and his No. 1 recommendation, was a simple one. It was to get more agents and more people involved in counterintelligence activities. Mr. President, the FBI is charged with responsibility for counterintelligence activities. And if we really are serious about stopping technology transfer and other similar threats to our national security, we will make sure that the FBI has the resources it needs to do the job.

Another agency which I believe needs real increases in resources is the Drug Enforcement Agency. Last month, members of the Senate Permanent Investigations Subcommittee sent a letter to the Director of the Office of Management and Budget.

That letter called for an increase of $26 million above the original request made by the administration. I ask unanimous consent to have printed in the Record a copy of that letter.

There being no ojbection, the letter was ordered to be printed in the Record, as follows:

U.S. Senate Permanent Subcommittee
on Investigations,
Washington, D.C., April 23, 1982.

Hon. David Stockman,
Office of Management and Budget, Executive Office Building, Washington, D.C.

Dear Mr. Stockman: During November, the Senate Permanent Subcommittee on Investigations held extensive public hearings on international narcotics trafficking. Witness after witness reiterated what is already common knowledge: the United States is losing the battle against narcotics. With this in mind, it became even more disturbing to hear some witnesses discuss anti-narcotics resources and budgets. Narcotics trafficking is an $80 billion per year retail business; its overall cost to society is significantly larger. Narcotics trafficking and profits are directly related to violent crime and economic distortions, particularly in states such as Florida and New York. It is unreasonable to expect the federal government to begin to significantly alter the current chain of events without adequate resources. As members of the United States Senate, we intend to press for these resources. While many of the steps outlined recently by the Department of Justice in the effort to curb narcotics trafficking are to be endorsed and supported, we believe that these measures are shrouded in budgetary shortsighteness. We must therefore take strong exception to the Administration's apparent position that greater success against narcotics can be achieved with the same or less resources.

While there are a number of agencies involved in the federal anti-narcotics drive, the key component organization remains the Drug Enforcement Administration. Simply put, the DEA needs more money to do its job, a job the importance of which cannot be underestimated. Francis M. Mullen, Jr., DEA's Acting Administrator, told the Subcommittee on Investigations that DEA has had "inadequate" resources for many years and that further budget cuts would have an "adverse," and "possibly crippling" effect. We are determined not to let this happen. We are aware that the evolution of the fiscal year 1982 budget process prevents current action on our part. We therefore must turn our attention to the fiscal year 1983 budget process.

The Administration's proposed federal budget for fiscal year 1983 allots $246.945 million for DEA. Under the fiscal year 1962 continuing resolution DEA is currently being funded at an approximate annual level of $231 million. The Administration is therefore proposing an increase of 7 percent, which barely makes up for yearly inflation. Although inflation and required salary increases necessarily dilute funding at the same level for all governmental agencies, it is less palatable and less cost-effective when applied to DEA. DEA requires a real, non-diluted increase in funding, which we initially propose in the following areas:

Personnel: As narcotics trafficking and use increase DEA's full-time positions have decreased, from a peak of 4,365 in FY 1978 to the current level of approximately 3,900. Agents are the life blood of DEA and narcotics intelligence is critical to DEA's mission. We propose additional funding of $16 million for FY 1983 for additional staffing to be divided between operational agents and intelligence analysts. We would also add a proviso that at least one third of this amount be applied to DEA's overseas staffing, and the geographic allocation of this increased staffing be done at the discretion of the DEA administrator.

Domestic marijuana eradication: Domestic marijuana is gaining an increasing share of the U.S. marijuana market and will continue to do so, thereby decreasing the demand for imported marijuana. Even if logistically possible, eradication of foreign marijuana plants will be meaningless unless significant steps are taken to decrease domestic supply. A number of states (e.g., California, Hawaii, Oregon, Georgia) have begun eradication programs and other states have evidenced a desire to do so, but more money is needed, even if costs are shared between the federal government and the state and local entities. DEA;s expenditures in this area during the past few years have been minimal. We would propose additional FY 1983 budget authority in the amount of $4 million to be specifically earmarked for this purpose.

Military assistance: President Reagan signed Public Law 97-86, which includes amendments to the Posse Comitatus Act. These will allow increased military assistance in narcotics interdiction. However, serious concerns were rasised during the Subcommittee's hearings pertaining to the costs to agencies for the DOD assistance. Reimbursable charges are potentially enormous. These costs may be significant and DEA has obviously not made such costs part of their budget expenditures in the past. Unless resources are available to pay for military assistance, the partial repeal of Posse Comitatus in public law 97-86 will be emasculated. We propose the earmarking of $6 million in additional fiscal year 1983 budget authority for this reimbursement purpose.

We have proposed additional funding in three specific areas in the amount of $26 million. Adding this figure to the proposed level of $247 million, which barely accounts for inflationary increases, results in a total figure of $273 million. We feel that this is a minimum acceptable figure for DEA's fiscal year 1983 budget and we intend to express our sentiments in this regard when the fiscal year 1963 budget for the Department of Justice comes before the Senate.

Sincerely,

William V. Roth, Jr.,
Chairman.The Adminetz
Warren Rudman,
Vice Chairman.
Sam Nunn,
Ranking Minority Member.
Lawton Chiles,
Member.

Mr. CHILES. Mr. President, the letter calls for hiring additional special agents and intelligence analysts, with an emphasis on international efforts to curtail drug trafficking. It also allows for funds to be used for joint programs with the military to track down drug smugglers as they approach our shores, and earmarks funds to be used for drug crop eradication programs here in the United States. In fact, the proposed increases in agents would do no more than to bring DEA's agent strength back to the levels authorized in 1979. I do not believe that we have experienced any sort of drop in drug trafficking since then. Mr. President, those of us who signed that letter, both Democrat and Republican, agreed that this increase of $26 million was the minimum acceptable figure needed to mount a serious fight against drug trafficking.

The final agency where I believe we need to increase our resources is the Immigration and Naturalization Service. By an increase, however, I am merely suggesting that we return staffing to the levels authorized for 1981. We know that immigration programs have not decreased since then. In fact, today, the Senate Judiciary Committee is marking up a new immigration reform bill, a bill that places great emphasis on enforcement of the immigration laws. This bill, introduced by Senator Simpson, calls for increases in the staffing level for the border patrol. Furthermore, as I mentioned earlier last year, Congress authorized increases in other areas, such as investigations and inspections. I come from a State which has firsthand experience with the effects of uncontrolled immigration, and I want my colleagues to know that none of us can afford the turmoil and controversy that illegal immigration creates. We may soon have a new law on the books. I want to make sure that we have the resources to enforce that new law. But we do not even have the resources right now to enforce the current law.

Mr. President, what I have laid out may sound ambitious, but, in terms of the overall budget, it costs very little. By the same token however, our failure to act will have serious consequences. It is unrealistic to think that, if we freeze our law enforcement spending, then criminals will freeze their activities at this year's level. They will not, because freezing our

spending translates into laying people off, thereby making things easier for criminals. Besides, this Nation's crime problems are serious enough today, at current levels. I am committed to doing something to help fight crime and drug abuse, and to getting a more effective immigration policy in place. I believe that my colleagues share in that concern. The key to showing that we are determined to do something about these problems however, is to make sure our law enforcement agencies have the tools to do the job. That is what this amendment is designed to do. To do otherwise, to accept the Budget Committee's proposal for funding, would be a disservice to the American people. The fight against crime and drug trafficking should be considered part of our national security effort. It is domestic defense, and it is every bit as important to our national security as a strong national defense. We are moving ahead with increases in our national defense. This amendment simply provides that we move ahead with increases in our domestic defense as well.

Mr. RUDMAN. Mr. President, the pending amendment, which I am offering along with Senator Chiles, will add $300 million in budget authority and $200 million in outlays in fiscal 1983 for law enforcement. It includes an offsetting increase in revenues and, therefore, has no impact on the deficit.

Mr. President, the budget resolution assumes a freeze in spending for all domestic discretionary programs. I support that as a general policy, but it is not appropriate for law enforcement. Law enforcement is not comparable to most domestic programs where services can be increased or reduced depending on what can or cannot be afforded.

Law enforcement is our domestic defense. It is a job of the Federal Government which simply must be done. It has been my experience that criminals and drug smugglers do not reduce their activity simply because the Federal Government is having financial difficulties.

The $300 million increase in budget authority is intended to be used in several ways. First, $200 million is required to offset inflation. It is needed to prevent a reduction from the current level of Federal law enforcement activity. I should note that it brings funding to the level proposed by the administration.

Second, the amendment provides for a $100 million additional increase for the Drug Enforcement Administration, the Federal Bureau of Investigation, and the Immigration and Naturalization Service. These funds are to be used for additional DEA and FBI agents, antidrug smuggling operations to be coordinated with the Armed Forces, and additional efforts to combat illegal immigration.

I appreciate the cooperation of the Senator from New Mexico on this amendment. While I recognize that this is an amendment to a budget resolution and that there is no guarantee the money will be used as intended, I can assure my colleagues that I will, as a member of the Senate State-Justice-Commerce Appropriations Subcommittee, work toward that end.

Law enforcement agencies need this money desperately, and I urge its adoption.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New Mexico.

The amendment (UP No. 999) was agreed to.

Mr. HARRY F. BYRD, JR. addressed the Chair.

Mr. DOMENICI. Mr. President, does the distinguished Senator have a question of the Senator from New Mexico?

Mr. HARRY F. BYRD, JR. Mr. President, in lieu of sending an amendment to the desk, which I am entitled to do, which will take a 15-minute rollcall, in lieu of doing that, I ask that I might speak for 4 minutes after third reading and immediately prior to the vote.

Mr. GOLDWATER. I object, Mr. President.

After the vote?

Mr. HARRY F. BYRD, JR. Prior to the vote but I will yeld 11 minutes in favor of the Senator from Arizona if he would grant my request.

Mr. GOLDWATER. After the vote?

Mr. HARRY F. BYRD, JR. Before the vote.

Mr. GOLDWATER. I object, Mr. President. We have been around here too long.

Mr. HARRY F. BYRD, JR. I say to the Senator from Arizona that I am entitled to ask for a rollcall vote, which I will not do, and it will save that time.

Mr. GOLDWATER. OK. Go ahead. [Laughter.]

The PRESIDING OFFICER. The Senate will be in order.

Mr. DOMENICI. There is no third reading.

Mr. HARRY F. BYRD, JR. Mr. President, may we have order? I am going to speak for only a couple of minutes.

The PRESIDING OFFICER. The Senate will be in order.

Mr. HARRY F. BYRD, JR. Mr. President, I cannot vote for this budget resolution for two basic reasons: spending is too high and the deficits are too great.

Under this budget resolution, during the next 3 years and 5 months, the national debt, which today stands at $1 trillion $65 billion, will go to $1 trillion $533 billion—an increase of $468 billion.

Thus, the debt will increase by 44 percent in the short period of 3 years and 5 months. Unbelievable, is it not?

A year ago, under the strong leadership of President Reagan, most of us thought that at long last Federal spending was being brought under control. Such is not the case.

Television commentators and pressure groups have been telling the American people that Government spending has been reduced. This simply is not true.

Not only has spending not been reduced, but also, the rate of spending increases has stayed almost constant.

This budget resolution establishes a 13-percent increase in the cost of Government for the current year. This is only 1 percentage point below the 14 percent increase in spending for the previous fiscal year.

It is true that the budget resolution projects lowered spending increases for fiscal years 1983, 1984, and 1985. But it is also true that the Budget Committee for 3 years in a row, 1980, 1981, and 1982, has consistently underestimated spending—interestingly, by $44 billion in each of those 3 years.

It is also true that the Budget Committee, a year ago, projected an increase in spending for the current fiscal year at 6 percent—and the actual increase turns out to be more than double that: namely, 13 percent. So, obviously one must be skeptical of the projected figures.

I say again I shall vote against this budget because the spending is too high and the deficits are too great.

These huge deficits, which will exceed $100 billion a year for 2 years in a row, and probably for 3 years in a row, will, in my judgment, play havoc with the economy, will force interest rates higher, and will rekindle inflation.

By the end of 1985, under this budget resolution, 30 percent of our entire national debt will have been created during the next 3 years and 5 months.

I shall vote against this budget.

Mr. HOLLINGS. Mr. President, if the Senator will yield me 2 minutes on the same basis, I will save 13 minutes.

I thank the distinguished majority leader and the distinguished chairman of the committee. They have done yeoman work in light of an intransigent President.

I know that you would have a working budget and a working document that would not receive this kind of report card given it by the Senator from Virginia, but he has put it succinctly. For that reason, I am sorry I cannot support the resolution.

GUARANTEED STUDENT LOANS

Mr. BIDEN. Mr. President, I believe it is absolutely essential to the Nation's economic recovery and future technological and economic leadership that we insure the youth of our Nation—our future engineers, scientists, teachers, and businessmen—will have access to higher education. We simply must take full advantage of the most important natural resource this Nation has to offer; the intelligence of our young people.

That is why, Mr. President, I did not support the proposal originally made by the majority on the Budget Committee to slash $2.4 billion from the guaranteed student loan program over the next 3 years; and am pleased that the proposed cut has been wiped out of the resolution we consider here today.

The debate, however, is by no means over. I am aware that legislation incorporating the original Budget Committee proposal has been introduced. For that reason, I would briefly like to examine that proposal.

First, students from families with adjusted gross incomes over $40,000, which could be adjusted depending on the number of children in a particular family, would be ineligible for loans—regardless of any ability to demonstrate need. Students from families with incomes between $25,000 and $40,000 would be limited to borrowing the amount of their "assessed financial need."

Now, Mr. President, we must realize what has been happening to college tuition costs in recent years. When I was an undergraduate at the University of Delaware in the 1960's, tuition was about $320 per semester. Nowadays, according to the college board, the average public institution of higher learning costs $3,873 per year, while the average private university charges $6,885 per year. Times have changed, Mr. President. Working one's way through school is not quite the same task as that which faced students back in the so-called good old days.

Second, Mr. President, the original Budget Committee proposal would have eliminated the in-school interest subsidy; thereby increasing the cost of borrowing to the student while forcing many banks out of the program due to the increase in their administrative workload. The Delaware Post-Secondary Education Commission has informed me that a number of banks in my home State have indicated an intention to drop out of the program if the in-school interest subsidy is eliminated. If this statement is indicative of the feeling in bank board rooms around the country, the result of such a change could well be disastrous.

Mr. President, the Federal Government has already given students plenty to worry about. The Social Security Administration has not bothered to inform most of the affected students of the changes in the social security student benefit enacted in last year's reconciliation bill. The Congress, by delaying action on the urgent supplemental, has held up the $1.3 billion needed to operate the guaranteed student loan program through the rest of this fiscal year. Students, parents and administrators, who need to make decisions on how to finance next fall's education now; have been left in the dark by the uncertainty of government action in these matters. We are not treating the people who are our hope for the future very well.

The Congressional Budget Office estimates that the original Budget Committee proposal, which as I indicated earlier has been offered as a separate bill, could result in 300,000 students dropping out of the program. This comes, by the way, on top of decreased borrowing as a result of changes enacted in the loan program by the Higher Education Act of 1980 and last year's reconciliation bill.

It is impossible to determine, Mr. President, how many of those 300,000 students would be forced to drop out of school completely, or how many would have to transfer to other schools. What is clear is that large numbers of our most intelligent young people will not be able to obtain the education they desire.

Mr. President, we cannot afford to shirk our commitment to the continuing development of a well-educated population. The fulfillment of that commitment is vital to the security of our Nation. It was wise to have removed the cut from the budget resolution, and I hope the Senate will defeat any attempt that might be made later in this session to achieve these cuts through separate legislation.

GUARANTEED STUDENT LOANS

Mr. D'AMATO. Mr. President, ever since the administration forwarded its fiscal year 1983 budget to the Congress in early February, my office has been beseiged with letters, telegrams, and phone calls regarding the various recommendations in the budget. However, none of the proposals in the budget has engendered as much opposition as those relating to student financial assistance. I believe that every Member of this Chamber has experienced in one fashion or another the ground swell of opposition to further reductions in aid to higher education. I had several opportunities to witness the resistance to the student financial assistance recommendations. Almost 2 months ago, I addressed more than 7,000 students who travelled from all parts of this country to register their disapproval with the budget recommendations. In addition, several weeks ago I sponsored a meeting at which many New York State college and university presidents were given the opportunity to explain to officials from the Office of Management and Budget, the Department of Education, and the White House the drastic ramifications of the proposed budget cuts in higher education.

The Senate Budget Committee appropriately rejected the administration's proposals which, among other things, would have eliminated graduate students from the guaranteed student loan and (GSL) program, doubled the origination fee for the loan, eliminated or reduced funding for such vital campus based programs as the supplemental education opportunity grant (SEOG) program, college work study (CWS) program and the national direct student loan (NDSL) program. However, the committee did in its budget bill recommend two changes in the GSL program which I believe would have had a serious negative impact on the future of higher education in this Nation. I speak of the proposals to place an absolute income eligibility ceiling on the GSL program of $40,000 and the elimination of the in-school interest subsidy which is found in the budget bill. The first change would have precluded families with incomes of $40,000 and above from receiving GSL's even if they could demonstrate need. The other change would have forced students to borrow additional moneys to cover the interest which accrued while they were in school, thereby increasing a student's overall indebtedness dramatically.

From the outset I have expressed my opposition to further reductions in aid to higher education. I firmly believe that education is vital to both our domestic well-being and national security. I, therefore, cosponsored Senator STAFFORD's amendment which would have restored funding for the GSL program. I am very pleased therefore that the Senate has achieved a new budget compromise which incorporates the Stafford amendment. Sufficient funding has been restored to the GSL program so as to make the $40,000 income eligibility provision and the elimination of the in-school interest subsidy unnecessary. I commend the majority leader and the chairman of the Budget Committee for forging a new compromise which leaves the guaranteed student loan program, a program which is so important to middle-income families in particular, intact.

The State of New York offers a dramatic example of the dramatic impact of the proposals to place a $40,000 absolute income ceiling on the GSL and eliminate the in-school interest subsidy. Currently, 460,000 New York State students receive GSL's. If the proposals were adopted, the New York State higher education services corporation has estimated that over 25 percent of those receiving loans would have their loan either denied or reduced in the future. It is also estimated that anywhere from 10 to 15 percent of these students would have to shift enroll-

ment from independent college and universities to the State university system. The State system is not capable of accepting such a massive influx of students. To do so, the State would have to raise taxes by more than $184 million. It simply cannot do so in this economic environment. The result will be, therefore, that certain students would be denied access to higher education.

The elimination of the in-school subsidy, which has been described by many as the "heartbeat" of the GSL program, would have resulted in many banks refusing participation in the program. The Budget Committee's proposals would have required banks to make expensive administrative and processing changes which would have made it uneconomical for many to continue extending loans. In addition, the removal of the interest subsidy would have created serious cash flow problems for smaller banks in particular which use this subsidy to make additional loans.

Last year the Congress adopted radical changes in the guaranteed student loan (GSL) program, changes which are estimated to save over $5.6 billion through 1986. Now, families with incomes of $30,000 and over must demonstrate need before they can receive GSL's. They are still eligible for these loans if they have the requisite need. In addition, a 5-percent origination fee was placed on the GSL program. The point is that the GSL program has taken its fair share of the budget reductions and must not be reduced further.

I believe that the restoration of funding for the guaranteed student loan program and the recent action of the Appropriations Committee, of which I am a member, to provide $1.3 billion in supplemental funding for the GSL program will send the appropriate signal to all Americans that the Congress is committed to offering each student of this Nation access to a quality education regardless of family background and wealth. We must continue with the business of carefully reviewing the budget and reduce Federal deficits. This will have the effect of reducing interest rates and turning this economy around. Additionally it is worth noting that reducing interest rates will in and of itself drastically reduce the cost of the guaranteed student loan program. The interest paid to the lending institutions is directly tied to the interest rate on the 91-day Treasury bill. Each decline in that rate reduces the cost of the GSL program by $200 million. The way to reduce the cost of the program, therefore, is to reduce interest rates. I look forward to working with my colleagues in an effort to do just this.

GUARANTEED STUDENT LOAN PROGRAM

Mr. BURDICK. Mr. President, I am very pleased that funding has been restored in the budget resolution for the guaranteed student loan program. The threatened loss of Government support for this most successful of all student aid programs has created great unease throughout the country. I have heard from literally hundreds of North Dakota students and their families about it, as well as from the higher education community itself.

Our colleges and universities must be available to talent, commitment, character and intellectual ability of the highest quality, and to all races, creeds, backgrounds, levels of society and parts of the country. They must provide an opportunity to those who would otherwise have none. The proposed cutback in the guaranteed student loan program presents a serious threat to that opportunity for millions of students across this country.

As the president of Yale University said:

> We should remember that we have become what we are in large part because of two strands in our history—public commitment to excellence in education, and a commitment to public excellence through education.

History has shown these commitments to be the most valuable investment in the formulation and development of our modern and highly productive society. Let us not today lose sight of this historical lesson by reducing our commitment to education. Rather, let us reconfirm our goal of a public excellence through education by restoring that ingredient so vitally necessary for our students to pursue their educational aspirations.

The proposed elimination of the in-school interest subsidy would have cut out the heart of the guaranteed student loan program. It would have had the dual effect of forcing students to discontinue their education, and driving lenders out of the program because of the increased risk of financing the in-school interest, as well as requiring repeated refinancing of student loans for those who wish to prolong their education.

In short, Mr. President, further cuts in the guaranteed student loan program at this time could render it ineffective.

Last year we imposed restrictions on the program that have resulted in substantial savings as well as a reduced participation. However, we have not even been through one complete cycle with these revisions in effect, and their full impact has not been realized. I believe that we should continue the program in its current form for a period of time before further revisions are made.

It is for these reasons that I am today expressing my approval of the restoration of funding for the guaranteed student loan program.

GSL PROGRAM

Mr. BRADLEY. Mr. President, I am pleased that my colleagues on the other side of the aisle have belatedly recognized the importance of restoring funding for the guaranteed student loan (GSL) program. Both the administration's proposal and original recommendation of the Senate Budget Committee would have devastated the GSL program with a resulting negative impact on the Nation. The minimal budget saving would have done little to reduce our swollen budget deficits but would have done much to eliminate educational opportunities for the students who are the leaders of tomorrow. Insuring a strong future for our Nation requires that we support higher education for our citizens. As has been said, "if you think education is expensive, try ignorance."

Further cuts in the GSL program are shortsighted. The GSL program has already been substantially scaled back in the last year. Then the Budget Committee sought to penalize graduate and undergraduate students by eliminating the in-school interest subsidy and by prohibiting loans to families with incomes above $40,000. Many banks have indicated that these changes would cause banks to reevaluate their participation in the program.

I would like to share with you the comments of New Jersey's Chancellor of Higher Education describing the profound impact of the Reagan proposal on higher education in New Jersey:

> New Jersey, as the fourth highest per capita income state, would be profoundly affected by the passage of this proposal. Families exceeding this income would be severely restricted in receiving financial assistance. During a period of four months beginning October 1, 1981, 368 loans were made under present need analysis rules to students whose family incomes exceeded $40,000, but who showed documented financial need to attend college. This represented approximately 5 percent of 7,239 loans made during this period, but these statistics are skewed in favor of lower income families, since most students in the traditional admissions calendar were able to obtain a loan before the October 1 deadline, when family income was not reported. I think it is fair to predict that this proposal, if adopted, would eliminate 15 percent of the student population who have depended on this source as a needed means of financing their education.
>
> For those students who would qualify under Senator Domenici's proposal, the interest subsidy would be added to the principal of repayment. For instance, a freshman who is eligible for the maximum loan of $2,500 would create an indebtness of $3,400 (principal plus interest subsidy for in-school period at 9 percent times $2,500 for four years). For lenders this concept amounts to replacing a Guaranteed Student Loan Program with a Guaranteed Discounted Note Program. The borrower would owe the lender $3,400 but would only receive $2,500.

Chancellor Hollander offered the following data to demonstrate the effect of the restrictions imposed last year on GSL activity for a comparable 7-month period in 1981 and 1982:

	Fiscal year 1981—		Fiscal year 1982—		Percent and direction of change	
	Students	Loans	Students	Loans	Students	Loans
October	15,225	34,495	12,469	$28,818	−18	−16
November	6,566	14,463	4,044	9,135	−38	−37
December	7,197	15,231	3,386	6,977	−53	−54
January	8,334	16,895	3,055	6,117	−63	−64
February	6,264	12,253	3,743	7,171	−40	−41
March	5,547	11,262	4,190	8,453	−24	−25
April	3,784	7,611	1,979	4,198	−48	−45
Total	52,917	$112 210	32,866	$70,869	−38	−37

These are times when we must make difficult choices. But if we are truly concerned about achieving economic growth we cannot neglect the need for a trained and educated work force. The question is not whether we have enough money to educate our children. The question is whether we choose to spend it.

If left unchanged, the proposed budget will deprive hundreds of thousands of students of higher education. And that would be a grave loss to America's future. Federal support of higher education is a sound financial investment which insures a profitable return for society at large. It is important to note that college graduates pay more taxes than those who did not graduate from college. The college graduate earns on the average, over $7,500 more per year than does the high school graduate. The college graduate also has a better chance of being employed.

Improved education and the opportunity for a higher education are important ingredients of increased productivity and our economic recovery.

If America is to meet the challenge of the future it must develop its youth through education. Federal financial aid to higher education must not suffer because of the necessity of achieving deep reductions in Federal spending. The price is simply too high. And I am pleased that my Republican colleagues have come to recognize that.

MEDICARE-MEDICAID CUTS

Mr. CHAFEE. Mr. President, I note the presence of my colleague from Kansas, the chairman of the Finance Committee. Would the Senator answer a few questions about medicare and medicaid. Senator DOLE, it is my understanding that the present budget resolution would require savings of $4.7 billion in medicare and medicaid in fiscal year 1983, $7.1 in fiscal year 1984, and $8.5 in fiscal year 1985. This is $1.2 billion less in savings in fiscal year 1983, $2 billion less in fiscal year 1984, and $3 billion less in savings in fiscal year 1985 than the original budget resolution reported by the committee would have required.

Is that correct?

Mr. DOLE. The Senator is correct.

Mr. CHAFEE. Mr. President, I am concerned about the level of cuts which this would require on medicare and medicaid beneficiaries, and I do not think this level of cuts is acceptable. Do you share my concern?

Mr. DOLE. Mr. President, I share the concern of the Senator that the medicare and medicaid savings currently in the resolution are too high.

Mr. CHAFEE. Specifically, I am troubled by proposals that would require greater out-of-pocket expenses for medicare and medicaid recipients, in the form of premiums or copayments. I am also troubled by the prospect of States having to reduce services as a result of a loss of funds for their medicaid programs. I would be hard pressed to support measures which would have such an effect.

Mr. DOLE. Mr. President, I too am concerned about increasing out-of-pocket expenses and think the emphasis of our work in the Finance Committee ought to be to find ways to effect savings with a minimal impact on beneficiaries.

Mr. CHAFEE. I ask the Senator, are not there many actions we can take in the Finance Committee with regard to medicare and medicaid which will allow us to make savings without any direct impact on beneficiaries? For instance, cannot we restructure our reimbursement system so that providers will be paid in a more efficient manner, so that there will be some incentives to save money in the medicare program?

Mr. DOLE. We should certainly examine any proposals which would increase efficiency and encourage more appropriate use of medicare funds.

Mr. CHAFEE. Is the level of cuts in the present resolution acceptable to my colleague from Kansas? And does he think that the level presently in the Senate budget resolution will hold up after the conference with the House? If not, what is an acceptable level of cuts?

Mr. DOLE. The Senator from Kansas is not enthusiastic about making the level of cuts in the medicare and medicaid programs that the Senate budget resolution would require but I believe these numbers represent a good negotiating position. The House Budget Committee proposal seeks savings of $2 billion in 1983, $3.2 billion in 1984, and $4.8 billion in 1985. I would hope and expect that we will emerge from the conference with figures closer to $3 to $4 billion in 1983, approximately $5 billion in 1984, and somewhere in the range of $6 billion in 1985.

Mr. CHAFEE. Would it be the intention of the chairman of the Finance Committee then to seek to protect beneficiaries from cuts, and to seek equitable ways of making savings?

Mr. DOLE. I would expect the committee to seek out the most equitable means of reducing program growth. Clearly, it is my intention to protect the beneficiaries from unreasonable increased out-of-pocket expenses.

Mr. CHAFEE. I would look forward to working with the Senator to find innovative and sensible ways to control growth in the medicare system without hurting beneficiaries, and to protect medicaid beneficiaries from further cuts.

AGRICULTURE

Mr. EXON. Mr. President, I shall take a few moments to discuss the agriculture function of the budget. The Budget Committee has not had an opportunity recently to discuss priorities of agriculture, and there has been no mention of this most important subject as yet during the floor debate on the 1983 budget resolution.

During the Budget Committee's markup session, I was prepared to offer some agriculture options for the consideration of my colleagues on the Budget Committee. Under the procedures we used, however, it was not possible to talk about the needs of agriculture until the overall budget priorities had already been decided. Because of this procedure, I have waited until this moment to express my thoughts on the very serious situation facing American agriculture.

Before discussing the specific ideas I have on the agriculture budget, I thank the chairman of the Budget Committee, the distinguished Senator from New Mexico, for holding a special Budget Committee hearing earlier this year on the crisis which many of our country's farmers and ranchers are facing today. The testimony that our committee took was among the best I have heard in the 4 years that I have been in the Senate. Testifying before our committee was our friend and former colleague, Henry Bellmon, the former Senator from Oklahoma. Those of us who served with Henry Bellmon know of his integrity and credibility. Our friend retired from the Senate to return to his farming operations in Oklahoma, but he came back to tell our committee that there are fundamental problems facing agriculture in this country. I commend his testimony to my colleagues.

Mr. President, there are many problems facing agriculture today. Some of these problems are shared by other segments of our economy which are also sensitive to high interest rates. Indeed, farmers are hit very hard by high interest rates since many farmers must finance their operations with borrowed money, paying their loans when their agricultural products are sold. But farmers also face other economic hurdles besides record high real interest rates. The value of farmland, against which many farmers borrow, has dropped precipitously in some parts of the country. The inadequate farm bill passed last year by Congress has established loan and target prices for some commodities at unrealistically low prices. Natural gas deregulation will increase greatly farmers' cost of production, as natural gas is an important component of many agricultural fertilizers and chemicals, and it is also used by many farmers for irrigation. But perhaps most dismaying of all is the export outlook for the decade of the 1980's. The high interest rates in this country have caused the dollar to rise against nearly all foreign currencies, making our agricultural exports prohibitively expensive. The delay in reopening negotiations with the Soviet Union has also dampened farm export prospects.

I do not stand on the floor of the Senate today to tell my colleagues I know exactly what must be done to help agriculture. I believe it is clear, however, that certain measures should be taken by Congress to alleviate some of these problems. Specifically, I believe that the 1981 farm bill should be revised, that storage facilities should be expanded, that export assistance should be increased, and that the economic emergency loan program should be activated.

At this point I ask unanimous consent to have printed in the RECORD four specific proposals which I believe Congress should adopt.

There being no objection, the proposals were ordered to be printed in the RECORD, as follows:

EXON AGRICULTURE OPTIONS

REVISE THE 1981 FARM BILL BY ADOPTION OF TITLE II AND III OF S. 2033

This option would provide for the setting of loan and target prices for wheat and feed grains at those levels approve by the Senate Agriculture Committee when reporting S. 884, the Food and Agriculture Act of 1981, to the floor of the Senate in May of last year. Title II would raise target prices for wheat from $4.05 to $4.20 in 1982, from $4.30 to $4.40 for 1983, from $4.45 to $4.60 for 1984 and from $4.65 to $4.80 for 1985. This option would not change wheat loan levels. Title III would raise target prices for corn from $2.70 to $2.80 for 1982, from $2.86 to $2.95 for 1983, from $3.03 to $3.10 for 1984, and from $3.18 to $3.25 in 1985. The loan levels for corn from 1982 through 1985 would be set no lower than $2.80 per bushel compared to the current $2.55. The loan and target rates for other feed grains would be set by the Secretary in relation to the rate at which payments are made for corn. Changes from the CBO baseline as calculated by CBO for this option:

Fiscal year 1982		Fiscal year 1983		Fiscal year 1984		Fiscal year 1985	
BA	0	BA	0	BA	0	BA	0
			0.3		−0.2	0.7	−0.2

BA = Budget authorization.
0 = Outlay.

INCREASE THE STORAGE FACILITY LOAN PROGRAM BY $50 MILLION

In order to meet the growing needs of loans for on-farm storage for farmers who want to enter the 1982 farm program, providing an additional $50 million is a modest amount in light of the critical shortage of both on-farm and commercial storage brought on by low export demand and a huge 1981 carryover of grain. The current program has an artificial ceiling of $50 million placed on it by USDA, even though Secretary Block acknowledged before the Senate Budget Committee that he has authority to increase the level to accommodate demand. This option would recognize that the current $50 million level is inadequate and allow more farmers to enter the farm program.

Fiscal year 1982		Fiscal year 1983		Fiscal year 1984		Fiscal year 1985	
BA	0	BA	0	BA	0	BA	0
			0.1		0.1		0.1

BA = Budgel authorization.
0 = Outlay.

INCREASE EXPORT ASSISTANCE

There are two options for increasing agricultural exports. One is to make up to $1.0 billion available to the Export Credit Revolving Fund. However, this would add substantially to 1983 outlays. A second option, which would accomplish the same goals, is to use interest subsidies. This procedure would require no adjustments to the 350 mark since costs would be under $50 million and would be offset by savings due to smaller farm deficiency payments.

Fiscal year 1982		Fiscal year 1983		Fiscal year 1984		Fiscal year 1985	
BA	0	BA	0	BA	0	BA	0
	(1)		(1)		(1)		(1)

(1) Less than $50 million.
BA = Budget authorizations.
0 = Outlays.

MAKE $600 MILLION AVAILABLE FOR THE ECONOMIC EMERGENCY LOAN PROGRAM

The Economic Emergency Loan Program is authorized by the 1981 Farm Bill, and can provide emergency operating loans to farmers through the Farmers Home Administration. The Administration has not funded this program despite the fact that farm income is at the lowest since the Great Depression and foreclosures are increasing dramatically.

Fiscal year 1982		Fiscal year 1983		Fiscal year 1984		Fiscal year 1985	
BA	0	BA	0	BA	0	BA	0
	0.1		−0.1				
TOTAL EXON OPTIONS							
	(1)		0.3		−0.1	0.7	−0.1

[1] Less than $50 million.

Mr. EXON. Mr. President, I prepared these options, and asked the Congressional Budget Office to cost them out, prior to the Senate Budget Committee's markup sessions. Because of the way that the budget was developed in committee, there was no opportunity to discuss the needs of agriculture in the contest of other budget priorities.

The cost estimates which the Congressional Budget Office has assigned to these four options may now be somewhat out of date because of changed conditions. I believe, however, that the cost estimates are still reasonably accurate.

Allow me to take just a moment to discuss these agriculture budget options. First, I believe that the level of loan and target prices for wheat and feed grains which were established by the Senate Agricultural Committee when it reported S. 884 last summer were adequate, even if not ideal. As you remember, the Reagan administration opposed the farm bill as it came out of committee, and loan and target prices were lowered for wheat and feed grains prior to final passage. It is now recognized in both the House and Senate, by Members on both sides of the aisle, that intervention of the Reagan administration, and its successful efforts to break up the traditional farm coalition, have resulted in inequitable treatment for wheat and feed grain programs and have resulted in a most inadequate Federal farm policy. Several pieces of legislation have been introduced in both the House and the Senate to make major changes in the 1981 farm bill. Such legislation, if passed, would result in savings in some areas and additional expenditures in others. It is very difficult to determine at this time exactly what the will of Congress is going to be on these matters, but I would hope that the cost of the revisions that I am suggesting here could be accommodated within the budgets which are outlined in the budget resolution which is before us.

The second option which I believe needs to be adopted is to increase the storage facility loan program by a minimum of $40 to $50 million. Actually, this change could be accomplished by the Secretary of Agriculture without any further action by Congress. Despite the fact that there is a critical shortage of both onfarm and commercial storage brought about by low export demand and a huge 1981 carryover of grain, the U.S. Department of Agriculture has capped this loan program at $50 million. When Secretary Block was before the Senate Budget Committee earlier this year, I asked him if he recognized that he had the authority to increase this badly needed storage facility loan program. The Secretary admitted that he did have this authority, and I greatly regret that the Secretary has not used the authority that Congress has already given him to allow more loans for onfarm storage. Without adequate onfarm storage, farmers will be reluctant to enter into other Government programs which seek to limit production. If the Department of Agriculture would use the authority it currently has, this could actually help reduce the agriculture budget in the future since additional storage could help take wheat and feed grains off the market, thus raising prices and lowering the deficiency payment liability of the Federal Government.

I hope Congress will agree and make room in the agriculture budget for an additional amount of storage facility loan money.

I am also disappointed that the President has not proposed any funding for the export credit revolving fund, which was established by legislation last year. The need to increase exports during the coming decade cannot be overemphasized. During the 1970's agriculture exports not only helped farmers, but greatly assisted our country's overall economy. Had it not been for agricultural exports, our country's balance of trade deficits in the 1970's would have been devastating. During the 1970's our country imported huge amounts of costly imported oil, and the negative effect of this on our balance of trade was offset in part by our country's food producers and exporters. The export outlook for the 1980's as I have already indicated, is not bright.

In revising our programs this year, I believe it is necessary either to fund the export credit revolving fund or develop an alternative program of interest subsidies in order to make our agricultural exports competitive in world markets. Interest subsidies are used by many other countries against which we are competing. Interest subsidies are already used for many of our own country's industries through the Export Import Bank. Interest subsidies will soon be passed into law, in all probability, for the housing industry in this country. Agriculture exports, which are so important to both our farmers and our country's overall economic health, must be given equal consideration.

Fourth, I believe that the economic emergency loan program should be funded. This program can provide emergency operating loans to farmers through the Farmers Home Administration. This program needs to be reauthorized and adequately funded.

Just a few days ago, the distinguished Senator from Montana, Senator BAUCUS, and I introduced in the Senate the Farm Crisis Act of 1982. This legislation touches on many of the same programs and options which I have identified here today. Similar legislation has been introduced in the House with bipartisan support. This is a bill which is badly needed to correct the serious oversights on the 1982 farm bill.

The Congressional Budget Office has done a preliminary cost estimate of the Farm Crisis Act as it was introduced in the House. As my colleague from Montana has previously reported to this body, the bill would actually save money over the next 3 years, even though it would increase both budget authority and outlays in 1983. Likewise, the options I have listed here are estimated to have some cost impact for 1983 but there would be savings in 1984 and 1985.

At this point, I ask the distinguised chairman of the Senate Budget Committee what he believes the situation is with regard to the function 350 agriculture budget. It is my hope that some or all of the options which I have outlined here, and some of the features of the Farm Crisis Act, could be accommodated within the budget as it now stands. What are the chairman's thoughts in this regard?

Mr. DOMENICI. I thank the distinguished Senator from Nebraska for his remarks. I, too, am seriously concerned about the state of American agriculture. Most of us have heard farmers complain of high interest rates and the resulting high costs of producing farm commodities. Farm prices are also affected by high interest rates. Our grain and other exports decline with the rising value of the dollar overseas, which is, in part, a result of our high interest rates. Thus, our farmers have a tremendous stake in our efforts to reduce Federal spending and borrowing and will be among the first to reap the benefits of a stronger economy if we are successful.

The budget resolution does not determine the specific mix of farm programs or any other type of programs. These must be set by appropriations and other legislation. The outlays in the budget resolution for the agriculture function are nearly $24 billion in fiscal years 1982 and 1983. This is over 70 percent higher than any 2-year period in history. In this light, I agree with many of the proposals outlined by Senator EXON and feel that adjustments can be made within the totals in the agriculture function to accommodate some of these.

REVENUE RECONCILIATION

● Mr. DOLE. Mr. President, the Senator from Kansas would like to ask the distinguished manager of the bill whether revenue increases that result from increases in the number of Internal Revenue Service agents will count against the $107.2 billion in new revenues that are in the reconciliation instructions.

Mr. DOMENICI. In my opinion, the answer to the Senator's question is yes. The full Senate is, of course, the judge of whether a committee complies with its reconciliation instructions.●

SOCIAL SECURITY SYSTEM

● Mr. HATCH. Mr. President, the social security system has proven to be one of the most popular programs ever enacted by the U.S. Congress. Millions of people are dependent upon it. Millions more look forward to relying on this program. With so many people both now and in the future coming to rely on the social security system, we have a moral obligation to future and present beneficiaries of the social security system to do what is necessary to protect the soundness of the trust funds. Make no mistake about it; we face nothing less than the insolvency of the trust funds. It would be cruel, indeed, to ignore this problem. The most authoritative projections show that the combined OASDHI trust funds will become insolvent next year if we do nothing.

The Senate Budget Committee resolution assumed some action to preserve the solvency of the trust fund and this is a legitimate action, but some who would distract the Congress from adopting a sound overall fiscal policy have used the issue as a red herring, so I would endorse an elimination of the trust fund from our present considerations.

Up until 1970 the combined social security trust funds always had reserves on hand at the beginning of the year equal to or greater than total obligations for the year. Since 1970 and the subsequent dramatic increases in benefits, the trust funds have been running annual deficits with steadily dwindling reserves. Now we reach a point at the brink of insolvency where reserves equal 18 percent of annual liabilities or just over 2 months' worth of payments. Once reserves dip below 15 percemt, which could happen next year if no action is taken, the trust funds are technically insolvent and cannot be expected to pay full benefits on time.

I support the necessity of solvency measures to be recommended by the National Commission on Social Security Reform. These are dictated by our moral obligation to the participants in the social security system. These measures will presumably constitute the minimum necessary to maintain fiscal soundness of the trust funds. Is

it fair to today's workers to require them to pay higher taxes into the system, only to find out later when they retire, that the system is dry? Is it fair to older people to ignore their fears for the soundness of the system? Where would such irresponsibility end? We must attend to the justified claims of all participants, present and future, in the system.

The solvency problem of the system is, in a sense, a reflection of the whole budget problem. We see now with unmistakable clarity that business as usual both for the social security system and for the economy at large is no longer good enough. Just as we are faced today with the necessity of strengthening the economy, so we are faced soon with the necessity of doing something to strengthen the social security system.

The social security system, however, was established on the basis of earmarked funds to insure its financial independence, specifically to insulate the social security trust funds from being used for any other purpose than to pay out benefits. Accordingly, it may be best to separate the system from the budget in order to affirm that we have no intention whatsoever of balancing the whole Federal budget on the backs of social security recipients.●

DOMENICI MODIFICATION OF BUDGET RESOLUTION TO GRANT 4-PERCENT COMPENSATION COLA'S AND TO EXEMPT CERTAIN DISCRETIONARY VA ACCOUNTS

Mr. SIMPSON. Mr. President, I do want to express my support for that portion of the budget resolution, as modified, that sets functional totals for veterans benefits and services. Of the $1.3 billion that the original form of Senate Concurrent Resolution 92 would have reduced from the function 700 totals recommended in March by the Senate Veterans' Affairs Committee, I want to clearly note that the modifications now before us would restore approximately $0.6 billion in fiscal year 1983 budget authority in the following manner: Exempt from the freeze on nondefense discretionary spending the VA medical care account, the medical and prosthetic research account, and the general operating expenses account (GOE); and in addition provide a 4-percent cost-of-living increase for all recipients of VA disability compensation rated at 70 percent or above.

Mr. President, when the administration presented its budget for the Veterans' administration to the Congress on February 8, I noted with considerable interest the fact that that budget proposed increased budget authority of $867 million and increased budget outlays of $222 million over fiscal year 1982 appropriation levels.

During my period of over 3 years as a member of the Senate Veterans' Affairs Committee—and especially during the past year as chairman of that committee—I have again affirmed my longstanding appreciation for the sacrifices this Nation's veterans have made for our country, and I have a more significanlly informed awareness of the many invaluable VA programs designed to benefit the most deserving veterans. Over the years these veterans have answered when our Nation called them to serve. The freedoms that we, and indeed much of the rest of the free world, enjoy today are enjoyed because of the service they rendered. We owe much to these veterans—and in particular, those among them injured in the service of their country.

This country, over the years, Mr. President, has answered this obligation through the efforts of the Veterans' Administration. In particular, it has supported the veterans health care system, a system of some 172 hospitals, 228 outpatient clinics, 106 nursing homes, and 16 domiciliaries. In addition to caring for the medical needs of veterans, this system, through affiliation with medical schools throughout the country, has been an important adjunct to medical education in America. And, since the recent passage of S. 266, the Federal Interagency Medical Resources Sharing and Coordination Act of 1981, enacted into law as Public Law 97-174, the veterans' health care system has functioned as the primary backup to the Department of Defense for the treatment of wartime casualties. Veterans medical programs account for $7.5 billion, some 32 percent of the Veterans' Administration appropriation request for fiscal year 1983.

In addition, to those 2,290,400 veterans injured in service, this Nation pays a disability compensation averaging $3,368 per year based upon the degree of disability. Some 820,000 veterans defined as in need who served during wartime receive a pension averaging $3,218 per year. Programs for these veterans and their survivors constitute 62.6 percent of the VA's fiscal year 1983 appropriations request. The general operating expenses of the Veterans' Administration constitute 2.9 percent of that request and represent the administrative cost for compensation, pension, and a broad range of other veterans' benefits. The Veterans' Administration construction program, representing some 2.5 percent of the fiscal year 1983 appropriations request, primarily meets the needs for modernization of the veterans' health care hospital, clinic, nursing home, and domiciliary system.

Mr. President, last year the Senate Veterans' Affairs Committee and Congress as a whole was, I firmly believe, conscientious in assuring that the budget for veterans' benefits and services was lean and Spartan. This year the committee, in its report to the Senate Budget Committee, was again rigorous in its examination of the proposed budget presented to us by the administration and in its search for potential additional cost-savings within the VA. In our budget views and estimates to the Budget Committee submitted on March 8 of this year, we unanimously resolved to achieve some $150 million in legislative cost savings from a variety of specified and unspecified veterans' programs. In so doing, we knew that cuts of this magnitude would be painful. They would be particularly painful coming upon reductions enacted a year ago.

Mr. President, Senate Concurrent Resolution 92, the first concurrent resolution on the budget, as originally reported out of the Budget Committee on May 10, goes beyond what we on the Veterans' Affairs Committee would have contemplated—by cutting function 700, Veterans Benefits and Services. On May 5, my good friend and respected colleague, the senior Senator from California, who serves as ranking minority member of the committee, and I wrote to the chairman and ranking minority member of the Senate Budget Committee regarding our concerns as to the possibility of an across-the-board appropriations freeze at fiscal year 1982 levels for nondefense discretionary spending. We had previously expressed our concerns, in particular about the precarious funding of the VA's medical care system, the portion of the VA that would suffer most severely from a freeze at fiscal year 1982 levels. We also were concerned about funding for the general operating expenses of the agency, and sought an exemption of these items from any freeze that might be imposed.

In our letter to the Budget Committee, we did not specifically address the possibility of the elimination of cost-of-living adjustments for the veterans' compensation and pension accounts. I personally have visited with representatives of the major veterans organizations. Mr. President, I had received informally from them a commitment that, should cost-of-living adjustments be eliminated from all entitlement programs—to include social security—their membership, in the spirit of sacrifices they had made at times past, would support such a budget. On the other hand, should other entitlement programs receive cost-of-living adjustments, in so doing requiring that veterans' programs should bear a disapportionate share of the burden of achieving economic stability, they could not accept such a result.

Mr. President, I ask unanimous consent to have printed in the RECORD the May 5 letter to the Budget Committee to which I have referred.

There being no objection, the letter was ordered to be printed in the Record, as follows:

U.S. Senate,
Committee on Veterans Affairs,
Washington, D.C., May 5, 1982.

Hon. Pete V. Domenici,
Chairman.
Hon. Ernest F. Hollings,
Ranking Minority Member, Committee on the Budget, U.S. Senate, Washington, D.C.

Dear Pete and Fritz: It has come to our attention that one of the options presently under consideration by your Committee for resolving the fiscal year 1983 budget impasse is an across-the-board appropriations freeze at fiscal year 1982 levels for discretionary spending. We wish to convey to you our very great concern about such a course of action insofar as Function 700 is concerned.

By far the Function 700 account that would be most affected by such an appropriations freeze would be the medical care account, for which both the administration and this Committee have recommended fiscal year 1983 budget authority of $7.5 billion. You will recall that we have expressed to you on two recent occasions—in our March 8, 1982, report of budget views and estimates to your Committee and again in a letter dated March 31, 1982—our deep concern about the rather precarious funding situation facing the Veterans' Administration's Department of Medicine and Surgery in both fiscal year 1982 and fiscal year 1983. We refer you to those materials, and on the basis thereof strongly recommend that the Budget Committee not include in the budget resolution levels that would require the Department of Medicine and Surgery to bear a reduction from the President's requested level—such as the $530 million reduction that the freeze would entail—for fiscal year 1983.

We are concerned also about the effect that such a freeze would have on funding for the VA's general operating expenses account for fiscal year 1983. This account took a $26 million cut last year that it could ill afford, and we believe that the $53 million reduction resulting from a freeze would severely impair the VA's authority to administer effectively and on a timely basis the broad range of benefits and services that the Congress has enacted to meet the needs of the Nation's veterans.

For these reasons, we would request that if your Committee decides to pursue this freeze option, all discretionary spending in Function 700 be exempted. We note that there is precedent for such an exemption in appropriations actions taken last year with respect to the VA medical care account.

We would also like to take this opportunity to comment upon your April 13 response to our March 13 letter urging that your Committee not assume that CBO baseline estimates for Missions 3 (VA health-care and construction programs) and 5 (primarily VA management and administration) provide adequately for the programs included in those missions. In the next-to-last paragraph of your letter, you noted that when our Committee's March 8 recommendations "are adjusted to take the most recent CBO estimates into account, the total [Veterans' Affairs] Committee recommendation is the same as the CBO current policy baseline for Function 700. . . ." You go on to note that "the net effect is that [the Veterans' Affairs] Committee has recommended Function 700 totals for fiscal year 1983 that are the same as the totals in the CBO baseline that we are using for markup."

It is very important to note, however, that our Committee's recommendation is not a "current policy" recommendation and that the major reason our Committee's recommended overall Function 700 totals (adjusted apparently to take into account CBO reestimates of Missions 1, 2, and 4 accounts) are the same as the CBO current policy baseline totals is that our Committee has recommended savings (of $150 million) not taken into account by those CBO totals while the CBO totals do not make adequate provision for Missions 3 and 5. Thus, we continue to believe that the points that we made in our March 31 letter are relevant and important and urge that you recommend no reductions in the President's total requests for fiscal year 1983 funding for Missions 3 and 5.

We appreciate your consideration of our proposal.

Sincerely,

Alan K. Simpson,
Chairman.
Alan Cranston,
Ranking Minority Member.

Mr. SIMPSON. Mr. President on May 6 I was concerned to learn that the proposal of the Budget Committee for funding function 700, veterans' benefits and services, would in fact freeze discretionary accounts—which, in the case of the Veterans' Administration, involve primarily the medical care accounts, some 32 percent of the VA budget—at fiscal year 1982 levels. In addition, while continuing the cost-of-living adjustment (COLA) for social security, the Budget Committee proposed that cost-of-living adjustments for veterans' compensation and pension recipients be foregone for fiscal year 1983 and held at 4 percent for each of the next 2 fiscal years. The net impact of the Budget Committee's proposed budget contained in Senate Concurrent Resolution 92 would be a reduction of some $1.3 billion in fiscal year 1983 below the level of budget authority recommended by the Veterans' Affairs Committee on March 8. Such reductions would obviously be extremely painful.

Indeed, Mr. President, the possibility of eliminating the cost-of-living adjustment for veterans' disability compensation presents some very difficult questions for me. I have for some time been especially and personally concerned about benefits due to the service-connected disabled. On many occasions, I have expressed my opinion that indeed their well-being is the highest priority mission of the Veterans' Administration.

But against this important consideration, Mr. President, we must weigh another and indeed even broader concern that affects veterans as indeed it affects every American. That is my concern for the economy of this country. The budget we faced in February carried with it deficit spending of over $100 billion. Over the years we have watched the Federal debt grow, seen it pass the $1 trillion mark last fall. As that debt has grown, we have seen the interest on the national debt grow to the point where it now represents the third largest expenditure of the Federal budget itself, following only defense, health and social services. The trillion dollar debt we carry represents an incredible $4,600 for every man, woman, and child in this country and, more than the annual average V.A. pension or disability sums to a single veteran were we to adopt the budget as originally presented, that amount would grow substantially this year and in the years to come. The effects of such a situation are too well known to all Americans to bear repeating here. Econometric models—spend more than earn. We have been attempting to deal with these problems over the past session of this Congress. Since his inauguration, President Reagan has proposed some bold and novel steps to gain control of our national economy. We have achieved some successes, yet victory is not yet near. But we are closing in on success. Of greatest concern to me, however, is the fact that this is all particularly important to that special group of Americans for which I have such strong feelings—this Nation's veterans. They are our constituents. They are living in this economy. They suffer the ravages of high-interest rates and see their benefits eroded by high inflation. We owe these people, as we owe all Americans, a commitment to gain control over our economy.

Mr. President, the modified budget resolution figures for function 700 represent a very sincere and painstaking effort to balance these important competing interests. It would restore funds to the most vital VA accounts—those accounts that can least afford to bear the very substantial program reductions that would result from a freeze on discretionary spending and an elimination of the COLA.

With regard to cost-of-living increases for VA entitlement programs, the modified function 700 totals would permit a 4-percent increase for recipients of VA disability compensation whose disabilities are rated at 70 percent or more. As I have already noted, it has long been my view—a view that was unanimously affirmed earlier this year by the members of the Senate Veterans' Affairs Committee in our report to the Budget Committee—that the delivery of benefits and services to service-connected disabled veterans is the highest priority mission of the VA. But as a concession to the very compelling economic problems that we face today, I strongly believe that some reduction in the amount of the fiscal year 1983 COLA for compensation recipients is entirely appropriate. The limitation to compensation recipients rated at 70 percent disabled or

higher is intended to direct the limited COLA funds available toward only the most severely disabled veterans—those whose disabilities are most likely to have actually disrupted their earning capacity. And the 4-percent cap on this fiscal year 1983 compensation COLA—as compared to the full 7.4-percent COLA that would have been consistent with the earlier recommendations of the Senate Veterans' Affairs Committee—is intended to be consistent with all COLA limitations contemplated under the Budget Resolution for fiscal outyears 1984 and 1985. I am confident—from my own discussions with representatives of the veterans' organizations and from comprehensive staff analyses of the situation—that this fiscal year 1983 cap will present no serious hardship to any disabled veteran. Not one of us would have that.

The total fiscal year 1983 cost of adding back this limited COLA would be $147 million in budget authorities and $136 million in outlays.

The modified function 700 totals would also substantially restore the level of funding recommended in March by the Senate Veterans' Affairs Committee for three vital VA accounts—medical care, medical and prosthetic research, and general operating expenses.

MEDICAL CARE AND RESEARCH

During all the discussions and negotiations on the budget my major concern has remained that of insuring the full funding of the medical care account. The majority of the increase proposed in President Reagan's budget for fiscal year 1983, was in the medical care account. This was intended to fund uncontrollable pay costs and work load increases. I believe that this proposal was generally fair—even considering current budgetary restrictions. Even with the President's proposed increases, the VA's research programs were still lacking funds needed to maintain the highest quality research programs. Congress last year in the appropriations process made substantial reductions—reductions of almost 15 percent—in the medical and prosthetic research account. I believe that these research activities are a very cost efficient and vital adjunct to the provision of medical care by the VA, and that the activity that is performed within this account, especially in the area of rehabilitative research, is unique and might not practicably be accomplished outside the VA medical care system. In last year's appropriations process, this account was reduced by $22 million below the level originally recommended in the Conference Report on the HUD and Independent Agencies Appropriations Act for fiscal year 1982. As a result of this reduction, the President's fiscal year 1983 budget proposal did not adequately compensate for the reduction for fiscal year 1982. Also the elimination of 198 FTEE positions that would have resulted was of great concern.

Therefore, I have requested that the $10 million added back by the Veterans' Affairs Committee in it's March 8 recommendations to the Budget Committee, be included in the Budget Committee's modified resolution which is before us today.

The entire $287 million for medical care for fiscal year 1983, recommended in March by the Veterans' Affairs Committee, is also contained in Senate Concurrent Resolution 92, as modified by Senator Domenici. I am satisfied that although certain painful compromises must be made to accommodate the recommendations made by the Budget Committee and now endorsed by President Reagan, it is so very important to retain the original recommendations in medical care in order to insure that fully staffed, quality health care is available to all our Nation's eligible veterans.

The modified function 700 totals in the budget resolution would also permit a restoration of approximately $28 million in the general operating expenses account, which is responsible for administering the VA benefits programs. This restoration is designed to avoid the need for significant RIF's in this key, personnel-intensive account.

Thus, the fiscal year 1983 cost of restoring these three important VA accounts is: For medical care, $287 million in budget authority and $259 million in outlays; for medical research, $15.5 million in budget authority and $14.5 million in outlays; and for general operating expenses, $28 million in both budget authority and outlays.

Mr. President, one important aspect of the function 700 modifications before us now—an aspect that has caused some confusion and concern in the last 24 hours—is the effect of all of this on the VA pension account. The original form of Senate Concurrent Resolution 92 would have required the elimination of the fiscal year 1983 COLA for VA pensions. But I am aware of some unfortunate consequences of such an action. I have received a letter from the VA Administrator Robert Nimmo which indicated, among other things, that elimination of the pension COLA could have the effect of causing approximately 18,000 pensioners—with an average income of as little as $5,000 per year—to be dropped from the pension rolls, and another 267,000 to have their checks reduced to offset the planned increase in social security benefits. It now would also appear to be virtually impossible for legislation to be passed in any timely manner to defer the planned July 1, 7.4-percent COLA from taking effect. We would then be placed in the most unfortunate position of rescinding a COLA that would have already taken effect and even actually been paid directly into the hands of these extremely needy VA pensioners.

In order to correct this situation, it has been agreed to remove the specific direction in the reconciliation instructions to the Veterans' Committee to find savings in the pension account, and to lessen the amount of those instructions—by $0.1 billion in fiscal year 1983—in order to allow the committee complete flexibility to achieve these savings in such a way as it sees fit. The committee would thus be free to choose among amendments and reallocations to the pension program, compensation, or any other programs. It is important to note, Mr. President, that this change does not preclude full funding for the pension COLA.

Mr. President, these function 700 modifications have been painstakingly arrived at, in an attempt to balance my very compelling concerns about every aspect of the VA budget with today's pressing need for a coherent, responsible economic policy. I believe that the figures contained in the modified budget resolution very responsibly accommodate the President's interest and that of my colleagues in the Senate, in setting an overall VA budget that is reasonable under all of the circumstances.

For these reasons, I urge my colleagues to support the present form of Senate Concurrent Resolution 92 and the function 700 totals contained in it.

(By request of Mr. Domenici, the following statement was ordered to be printed in the Record:)

● Mr. HUDDLESTON. Mr. President, I was most concerned to read in Wednesday's Washington Post that housing starts fell 6 percent in April and that the March figures had been revised to show a small decline.

Clearly, the housing sector of our economy remains critically depressed and there is little indication that unemployment in the construction industry will significantly decrease.

Consequently, I should like to ask the floor manager of the bill a question:

The Senate Banking, Housing and Urban Affairs Committee has reported S. 2226, the so-called Lugar housing stimulus bill. The budget authority needed for that legislation is $5.1 billion. Is that amount of budget authority assumed in the revised resolution and, if so, in what year or years and under what function?

Mr. DOMENICI. The budget resolution as modified yesterday by the committee assumes the full $5.1 billion in new budget authority necessary to fund S. 2226. The funds are assumed in function 370, Commerce and Housing Credit, in fiscal year 1982.

Mr. HUDDLESTON. The Congressional Budget Office estimated outlays on S. 2226 as follows:

	Millions
Fiscal year 1982	$5
Fiscal year 1983	920
Fiscal year 1984	1,025
Fiscal year 1985	1,025
Fiscal year 1986	1,025
Fiscal year 1987	1,025

Are there sufficient outlays in the budget resolution to accommodate S. 2226 as estimated by CBO?

Mr. DOMENICI. Yes; the budget resolution as modified yesterday assumes in fiscal years 1982 through 1985 the outlays which CBO estimates will occur if S. 2226 is fully funded in fiscal year 1982. ($5 million in fiscal year 1982, $920 million in fiscal year 1983, and $1,025 billion in each of fiscal years 1984 and 1985.) These outlays are assumed in function 370. The resolution does not cover fiscal years 1986 and 1987.

Mr. HUDDLESTON. On Tuesday, the Senate Appropriations Committee added the text of S. 2226 plus $1 billion to the urgent supplemental. How will the Budget Committee score this action in terms of budget authority and outlays in fiscal years 1982 through 1987?

Mr. DOMENICI. The Budget Committee will score this appropriation as providing $1 billion in new budget authority in fiscal year 1982. This appropriation will not result in any outlays in fiscal year 1982, but will result in outlays of $185 million in fiscal year 1983, $205 million in each of fiscal years 1984 through 1986, and $200 million in fiscal year 1987. The Budget Committee will score these outlays.

Mr. HUDDLESTON. During the Senate Appropriations Committee markup on Tuesday, I asked the chairman of the Subcommittee on HUD-Independent Agencies what the impact on units of providing an appropriation of $1 billion would be. He responded that we would get one-fifth of the units originally projected under S. 2226. Would that also be the assumption of the Budget Committee for purposes of Senate Concurrent Resolution 92?

Mr. DOMENICI. The Senator from Kentucky acted wisely in asking the Senator from Utah, who chairs both the HUD-Independent Agencies Appropriations Subcommittee and the Committee on Banking, Housing, and Urban Affairs, about how many housing units would be assisted by appropriating $1 billion in fiscal year 1982 to fund S. 2226. The Banking Committee which he chairs is the committee with the expertise in this area, not the Budget Committee. I just repeat what I said earlier to the Senator from Kentucky: This budget resolution, as modified by the Budget Committee yesterday, provides room to accommodate full funding of S. 2226, as well as the outlays which would be associated with such an appropriation.●

ENERGY FUNDING UNDER THE BUDGET RESOLUTION

● Mr. HART. Mr. President, I was prepared to offer, along with Senators Tsongas, Cranston, and Bradley, an amendment to provide for spending on energy programs at the actual level of spending in this fiscal year. I am pleased the modified budget resolution makes this change, taking away the need for our amendment.

This change in the committee's original budget resolution was necessary because the committee allowed enough budget authority to continue only the current spending under new budget authority approved last year. This would not have provided for continuation of the $434 million in current spending which was undertaken with deferred and transferred funds. Since the programs being funded with these deferrals and transfers are predominately the energy conservation and alternative energy research programs which hold the most promise for reducing our dangerous reliance on insecure supplies of imported oil, it is essential we maintain at least the minimal level of commitment represented by the fiscal year 1982 funding levels.

Mr. President, I express my appreciation to Senators Tsongas, Cranston, and Bradley, and to the others—especially Mr. Marty Kress of the Senate Budget Committee staff—who helped prepare the amendment.●

Chiles-DeConcini Amendment To Exempt Law Enforcement Agencies From the Budget Freeze at Fiscal 1982 Levels

Mr. DeCONCINI. Mr. President, I am pleased to be an original cosponsor of this amendment that would exempt law enforcement agencies from the provision in the budget resolution that calls for freezing 1983 spending for law enforcement at fiscal year 1982 levels.

The distinguished Senator from Florida, Senator Chiles, has outlined in detail what the effect of the Budget Committee resolution would have on our Federal law enforcement effort and I will try not to be repetitive. Let me just point to a couple of examples of what critical law enforcement programs might be hard-hit if we do not adopt this amendment and exempt law enforcement agencies from the cutback assumptions built into the budget resolution.

U.S. SECRET SERVICE

Mr. President, if we accept the Budget Committee's assumptions, the budget of the U.S. Secret Service would be held to a level of $195 million, or about $100 million below the funding recommended by the President for fiscal year 1983. Although a major piece of the President's budget is built on the assumption that Secret Service will pick up many BATF functions, freezing Secret Service at $195 million will pose a serious setback to the Service's ability to protect the President of the United States and other designated protectees at a time when threats are at an alltime high.

Furthermore, the level of funding assumed in this resolution would jeapordize the Service's ability to conduct its long range planning and coordination for the upcoming Presidential campaign—a major undertaking that takes literally 12 to 18 months of intense preparation and work with other law enforcement agencies, both Federal and local. We should not jeapordize the protection of our President or other protectees by being pennywise and pound foolish with this important agency.

U.S. CUSTOMS SERVICE

Mr. President. the U.S. Customs Service may be one of the agencies hardest hit by the proposed freeze at 1982 funding levels. The Senate Budget Committee proposal would keep the Customs budget for fiscal year 1983 at a level of $514 million or $27 million below the President's 1983 request. If this level of funding were locked in, Customs would be forced to absorb this cut on top of a $38 million/2,300-position reduction already built into the President's fiscal 1983 budget. That means $67 million of cuts in existing Customs programs and unacceptable cutbacks in the number of inspectors, import specialists, patrol officers, and tactical enforcement teams at our ports of entry, airports, and exportation sites.

The Customs Service would also have to halt its participation in the Southeast Florida Crime Task Force—a Presidentially directed operation aimed at hitting violent crime and narcotics trafficking in that crime-torn part of the country. It would undoubtedly also mean that Customs would have to halt its highly successful Operation Exodus which was started in January of this year. This program is designed to halt the flow of critical, militarily significant technology from the United States and other Western countries, to the Soviet bloc countries. This Senator has learned that over the past several years the Soviet Union and her allies have undertaken a major, coordinated effort to obtain sophisticated U.S.-manufactured or designed high technology systems to enhance their own economic and defense capabilities. The rapid exportation of sophisticated strategic defense items, smuggled out of the country by clandestine and fraudulent means, poses a national security threat to this country and our allies. Operation Exodus will force the Soviet Union to spend hundreds of millions of dollars out of its already depressed economy on critical technology research and development—funds that they can ill-afford to spend and funds that will be diverted from their military arms and weapons systems buildups. Without an enhanced Customs budget for 1983, this operation may be dead before it is able to achieve its important national security objectives.

CONCLUSION

Mr. President, I could go on and on, listing program after program that could suffer irreparable harm if the assumptions built into this budget resolution for law enforcement are adopted. Suffice it to say that our law enforcement agencies must be exempt from the rigid funding ceilings proposed in the resolution if we are to establish adequate funding levels to keep essential law enforcement programs on track in 1983. I urge the adoption of this amendment.

INCREASING LAW ENFORCEMENT BUDGETS CHILES AMENDMENT

Mr. BIDEN. Mr. President, as the ranking member of the Judiciary Committee and the chairman of the Democratic Task Force on Crime, I support Senator Chiles amendment which would relieve Federal law enforcement agencies of a budget freeze at current level appropriations through 1985. A freeze in this area would undoubtedly mean a reduction in personnel for labor intensive agencies like the U.S. Attorney's, FBI, Drug Enforcement Administration, and Customs.

I need not spend a lot of time explaining how the Federal law enforcement agencies are already losing ground against drug traffickers and organized crime. Today we have 8 percent fewer Federal Bureau of Investigation agents than we did in 1975; Drug Enforcement Administration has 11 percent fewer personnel than it did in 1979. The U.S. Attorney's, which are screening out over 50 percent of their cases partially because they are understaffed, have 101 fewer positions and State and local assistance funds for law enforcement have been cut by 75 percent since 1980. Since 1975 violent crime in America has gone up 33 percent and the drug trafficking business is estimated to be an $85 billion a year business.

This budget proposal will increase national defense by $100 billion over the next 3 years. I cannot believe that this body does not believe it essential to spend one-half a percent of that figure on improving domestic defense. Other than the economy there is no other issue our constituents are more concened about than crime.

Last year we worked in a bipartisan manner in blocking administration cuts that would have eliminated 434 positions in the Drug Enforcement Administration, 340 agents in the Federal Bureau of Investigation, froze undercover investigations, froze personnel in the U.S. Attorney's Office—which was already 14 percent understaffed—and eliminated all State and local drug task force programs.

Just as it was clear to this body then, it should be clear now: We cannot afford to make budget cuts to law enforcement programs.

It is time to stop the rhetoric on the crime issue and spend the money so that we at least give our law enforcement people the tools necessary to do the job. As you well know, criminals are not cutting budgets. If a greater commitment to specific law enforcement, prosecution, judicial, and correction agencies is necessary, then we must face that fact and make the commitment.

I ask my colleagues to support this amendment.

Mr. D'AMATO. Mr. President, I rise to reiterate a point made many times during the debate on an amendment proposed by the distinguished junior Senator from Kansas. While we cannot know what action our colleagues in the other Chamber will ultimately take on their version of the first concurrent resolution on the budget, I believe it is timely and important to repeat the point that the proper forum for action regarding defense systems is the Defense Authorization Conference Committee, not the process of floor action on this budget resolution.

Mr. MOYNIHAN. Mr. President, I would like to say that I agree completely with my distinguished colleague from New York. I cannot imagine there is a Senator in the Chamber who would not do so as well. The fate of vital weapons systems should be decided only in the process of authorizing funding for the Department of Defense. Only in that context can adequate reference be made to alternative technologies or military strategies that might compensate for a decision to reduce or eliminate a particular program that we might decide is inadequate or inefficient to accomplish the task for which it is intended.

Mr. D'AMATO. Or which we may decide we simply cannot afford at this critical time in our Nation's economic history.

Mr. MOYNIHAN. Absolutely. It is clear that the Nation simply does not have the resources to finance, at this time, every program we might like to approve. We are therefore compelled to consider alternatives, and to search for opportunities to save money. But those particular decisions must be made on authorization bills. The purpose of the budget resolution we are considering today is to establish broad limits on categories of spending—not to make fine judgments about exactly which programs will be affected within each function of the budget.

Mr. D'AMATO. In this regard, I would draw the attention of the Senate to a statement that appeared in the minority views section of House Report 97-521, which listed specific defense programs that would become casualties if House Concurrent Resolution 345 were to be adopted as it was reported from the House Budget Committee. That committee, as Senators are surely aware, has recommended defense spending levels significantly lower than what now seems likely will be adopted by the Senate. While I agree with the motivations of the Members of the House who authored those views, I emphatically disagree that any particular spending level should necessarily be represented as an endorsement or rejection of specific defense systems.

Mr. MOYNIHAN. Only after the broad numbers have been agreed upon will we begin to discuss which programs may have to be changed to accommodate those ceilings. Is that a correct understanding of what the Senator from New York is stating?

Mr. D'AMATO. It is. And I want specifically to state my support for the A-6E and EA-6B aircraft programs, which constitute an indispensable component of our carrier-based aviation program, both of which have been selected for terminations by the report to which I have referred. Without the EA-6B, our naval aircraft would be unprotected in an electronic warfare environment.

Mr. MOYNIHAN. Is it not also true that the A-6E is the only attack aircraft in the Navy's inventory equipped with a true night and adverse weather capability—to cite yet another of the programs the minority members of the House Budget Committee have cited as a necessary casualty of the committee's decision to reduce the defense spending function.

Mr. D'AMATO. It is. In fact, if those two programs were to be terminated arbitrarily, as a result of hasty decisions made outside of the normal authorization, or deauthorization, process, our forces would be severely handicapped in conditions such as prevail today in the South Atlantic where the British Navy has today entered what appears to be major combat.

In closing, I urge my colleagues to realize and reaffirm the role of the Armed Services Committees in the process of defining and determining our defense programs. Action on the budget should set spending levels only. The shape of the defense program should properly be left to the committees, and legislation, governing the activities of the Department of Defense.

Mr. MOYNIHAN. Else why should we bother to have these committees?

Mr. D'AMATO. Precisely. Action on the budget should set spending levels only. Deviation from that principle undermines the positions of the conferees who will soon be meeting to reconcile differences in the two Houses' versions of the defense authorization bill.

Mr. MOYNIHAN. I would just emphasize that I am in complete agreement with my colleague on this point.

It should be clear to all that the minority views expressed in House Report 97-521 are not, should not and cannot be binding. They are discursive and thought provoking, as one would expect of an assemblage of Representatives devoted to the oversight of the Nation's defense. But they are not binding.

I think the Chair, and I commend my friend, the very able junior Senator from New York, for his initiative in raising an important point in such constructive fashion.

Mr. PELL. Mr. President, I am opposed to the budget resolution for 1983 now being considered by the Senate.

The budget resolution as reported to the Senate by the Budget Committee, with the last minute modifications adopted by the majority, provides for Federal deficits that are too large; it provides for excessive increases in spending for military purposes; and it provides for reductions and restraints in nondefense spending programs that are excessive, unwise, and unjustified.

The budget resolution would add $270 billion to the national debt over the next 3 years. It would increase military spending levels by 45 percent over the next 3 years—from $190 billion in the current fiscal year to $277 billion in fiscal year 1985. The resolution would squeeze $250 billion out of nondefense spending by freezing the level of nondefense programs, and by limiting the cost-of-living adjustments for veterans' pensions, and retired workers, and limiting actual pay raises for Government workers, both civilian and military.

During consideration of the budget resolution, I have voted for amendments that would have improved this resolution. I have voted for tax law changes that would have sharply reduced the huge deficits. I think this is vitally important so that we can bring down the very high level of interest rates that are keeping our Nation in a deep and prolonged recession.

I have voted also for amendments to reduce the rate of increase in defense spending, while still providing for significant increases in military spending after adjusting for inflation.

And, I have voted to restore funds for some of the high-priority programs that were cut or frozen by the resolution. These programs include funds for cleanup of toxic wastes through the Superfund, funds to avoid cutbacks in the highly successful title I program of education for the disadvantaged, and funds for education of the handicapped, to name only a few. Unfortunately nearly all of these amendments were defeated.

Although I am opposed to this budget resolution in its current form, let me say that it could have been much, much worse. In fact it was much, much worse until the majority of the Senate, at the very last minute, made some important changes in it.

As originally approved by the Budget Committee, on a party-line vote, the resolution would have required $40 billion in cuts from social security benefits over the next 3 years. Before the resolution was brought before the Senate, I voted twice for amendments to the defense authorization bill to reject those social security benefit cuts. I am happy that the benefit cuts were taken out of the budget resolution.

Also, as originally reported by the Budget Committee, the resolution provided for cuts in the program of guaranteed student loans. Those cuts would have virtually destroyed this program which is vitally important to millions of students from middle-income families. I was prepared to join in a floor fight to restore funds for this program and was pleased that the Republican majority, in recognition of the importance of this program, restored the funds at the last moment.

It is small comfort, however, that Federal education programs have not been deeply slashed by this budget resolution. Those programs still face lean years under this resolution because of the freeze the resolution imposes on nondefense spending programs.

In the case of Pell grants, for example, the freeze on funds means that in the coming years, the real value of the Pell grant program will be severely eroded by inflation. During the next 3 years we face the choice either of restricting the number of young people receiving Pell grants while maintaining the value of each grant, or of sharply reducing the value of each grant. If we follow the first course, it is estimated that 500,000 young people will have to be dropped from the program by 1985. For that reason I voted for an amendment to restore funds for Pell grants, but that amendment also was defeated.

The resolution, unfortunately, carries forward the mistaken economic theories of the administration, providing for excessive increases in defense spending and excess tax reductions that cause huge deficits in the years ahead. The administration, through this resolution, then attempts to reduce those economically disastrous deficits by deep cuts in nondefense spending.

The Congress approved this economic program last year and the result has been disastrous. Since passage of the administration program the Nation has suffered from a deep economic recession, with no end in sight. We have suffered from high interest rates and high unemployment.

With this record it is clearly a time for change in our economic policy. This budget resolution, however, simply carries on the same mistaken policies into the future. For that reason, I oppose the resolution.

Mr. MATTINGLY. Mr. President, before casting my vote in support of Senate Concurrent Resolution 92, I would like to take this opportunity to praise Senator Domenici and the other Senate leaders in their efforts to reach a budget package acceptable to a majority of this body.

No one, including myself, is entirely satisfied and supportive of every element and provision in Senate Concurrent Resolution 92. Nonetheless, adoption of Senate Concurrent Resolution 92 is a move in the right direction. While I would prefer spending and deficits at a much lower lever, action on this measure will send a signal, generally to the American people, and specifically to the financial markets, that Congress is determined to reduce future Federal deficits.

In considering Senate Concurrent Resolution 92, difficult decisions were made by all. Out task, however, is not complete. Our efforts to reduce the Federal Government's involvement in the economy must continue. Congress must examine and closely scrutinize every dollar spent to insure every program supported is cost effective and truly necessary.

In attempting to balance the Federal budget and achieve fiscal responsibility, we must protect the American taxpayer. For the past 20 years, Congress has tried to balance the Federal budget by continually raising taxes. Such efforts failed in the past, and will fail in the future. With this in mind, we must continue to remove the Federal Government's hand from the hip pocket of the working men and women of this country.

Congress must recognize that there are two sides to the budget equation. For too long, the spending side of the equation has been unchecked and out of control. Such attitudes must be reversed. We must closely scrutinize every dollar which leaves the Federal coffers.

Again, while I have reservations about certain provisions, I nonetheless feel adoption of Senate Concurrent Resolution 92 is a move in the right direction—one which will lead to lower interest rates and economic prosperity.

● Mr. NICKLES. Mr. President, it seems to me we have but two choices. On the one hand, we could reject this budget for a variety of reasons, but be faced with a $182 billion deficit in 1983 and even larger deficits in the future. Yes, a vote against this budget will plunge this Nation further into debt—which, in itself, is an irresponsible move.

On the other hand, we could adopt this budget, which does reduce Government spending $250 billion over 3 years and reduces deficits $357 billion over 3 years. I believe this budget's

deficit is too high. I do not endorse this budget's 1983 $115 billion deficit, but if I must choose between two wrongs—this budget, at least, causes less debt and less spending than no budget at all.

The budget only reinforces my belief that this Congress is irresponsible as it has been for the last 20 years. But I am left with little choice.

I believe this budget calls for too great a tax increase—we should not be raising taxes $107 billion over 3 years this much during a recession, and we should not be balancing the budget on the backs of the taxpayer. But it is far better than the $156 billion tax increase proposed by the House.

I am disappointed that this budget did not reduce spending enough. I believe we should reduce spending in all areas across the board and make some of the difficult decisions that must be made to reduce the ever-increasing growth in expenditures.

I am also disappointed because the vast majority of amendments offered to this budget were intended to increase spending, which is the height of fiscal irresponsibility.

This budget battle has greatly reaffirmed my belief in the need for a constitutional amendment to balance the budget through spending and tax cuts. Without a constitutional constraint, Congress will never be fiscally responsible.

Mr. President, I vote for this budget today—reluctantly—as the simple choice between the lesser of two evils. I hope the people in this country, who probably care little whether we are Republicans or Democrats, will voice their dissatisfaction with a big spending and big taxing Congress—if not by letter, then on election day.●

STATEMENT BY SENATORS DAVID L. BOREN, DENNIS DE CONCINI, J. JAMES EXON, ERNEST F. HOLLINGS, J. BENNETT JOHNSTON, SAM NUNN, DAVID PRYOR, EDWARD ZORINSKY.

● Mr. JOHNSTON. Mr. President, Senators David L. Boren, Dennis DeConcini, J. James Exon, Ernest F. Hollings, Sam Nunn, David Pryor, Edward Zorinsky, and I, submit the following joint statement:

As the Senate nears a final vote on the budget resolution, we believe it is important to establish, for the record, why we must oppose the resolution.

Simply stated, the deficits it projects are much too high. It will not restore confidence in the American economy and it does not promise to lower the high interest rates which are caused by these deficits.

To put it in perspective, this budget resolution projects, under the most optimistic assumptions, deficits which for the 4 years of this administration total $388.4 billion. This is more than 10 times the 4 year deficit of the Johnson administration ($37 billion); six times the deficit of the first 4 years of the Nixon administration ($64 billion); and twice the total deficit of the Carter administration ($191 billion).

We do not announce our opposition to the budget resolution in a spirit of taking partisan advantage. Our economic plight is much too serious for that. To the contrary, we stand ready to work with this administration in putting our economic house in order and specifically in working towards lowered deficits and a balanced budget. We have not yet been asked to join the negotiations, but we again extend the hand of cooperation in this urgent endeavor.●

● Mr. DECONCINI. Mr. President, I am honored to join my friends Senator Johnston, Senator Boren and the other cosigners of this joint statement and will vote with them against this budget resolution. I do so with considerable regret, because I had hoped that it would be possible to craft a genuinely bipartisan plan for making the revisions in the administration's budget that are necessary if fiscal chaos and further economic deterioration are to be averted. I know that my fellow Arizonans shared that hope, as did the vast majority of the American people. Perhaps it may yet be possible to arrive at such a plan, but the prospects for doing so are rapidly evaporating in the political heat of this election year. Senators Johnston, Boren, and the other cosigners of our joint statement, stand ready to help retrieve the situation before it passes the point of no return.

Some may take delight at the predicament faced by our friends in the ruling party as they seek a way out of the deepening economic crisis that grips the Nation, a crisis which is directly traceable to the ruinous prospective deficits in both the administration's budget and the modification of that budget incorporated in this resolution. Our joint statement makes the real dimensions of what we face unless we do something sensible all too plain. But we have no stomach for political profiteering at the expense of the millions of our fellow citizens who have been victimized by a failed economic program. What is needed is a genuinely cooperative effort to put together a balanced package of deficit reduction measures which can command broad-based bipartisan support and which, consequently, would be credible in the financial markets. Unhappily, the budget this body is about to pass simply will not do the job on either count. It will not have wide support within the Congress and certainly not in the country at large. Nor will it, or can it, convince those institutions which control lendable funds that the days of excessive Federal credit demands are over. Clearly they are not. The policy trajectory endorsed in this resolution will add almost $400 billion to the national debt by 1985, assuming a vigorous economic recovery beginning no later than the last half of this year and extending without interruption through 1983, 1984, and 1985. Now when was the last time we had a triennium of real economic growth on the order of 37 percent combined with real interest rates in the neighborhood of 5 percent to 6 percent? Yet that is precisely the scenario on which this budget is based. Perhaps it is time to enact a truth in public budgeting law. Note, too, that even this colossal figure understates the real dimensions of the Federal presence in credit markets. The resolution before us provides for $63.6 billion for new direct loan obligations and $102.5 billion for new loan guarantee commitments. Combined with the expected fiscal shortfall, these Federal credit activities are bound to increase demand on lendable funds and help to keep real interest rates at unprecedented levels.

And so, Mr. President, I cannot support this resolution because it will not and, indeed, cannot put us on the road back to a healthy, growing, and stable economic order. I say "back" advisedly, Mr. President. For notwithstanding certain self-serving rewrites of economic history which are becoming more and more common of late, the fact is that this Nation, for all its difficulties, has enjoyed a record of economic gain over the last 30 years that is the envy of all but a tiny fraction of the world's population. From 1951 to 1981, real per capita income rose from $4,682 to $8,770 or 87 percent; the number of jobs increased from 59.9 million to 100.4 million or 67 percent; homeownership grew from 55 percent of housing units to 66 percent; and life expectancy went from 68.4 years at birth to 73.6 years.

The gathering economic crisis and the fiscal disarray we are currently experiencing should not be allowed to blind us to this signal record of performance. It shows what our system can do under a sensible policy regime. We simply have to quit kidding ourselves and take the measures necessary to get public borrowing under control. We could and should have cut more deeply in some areas than this resolution assumes. Earlier today, Senator Melcher and I offered an amendment trimming a modest $7 billion over this and the next 3 fiscal years from foreign aid in function 150. Our effort was rewarded with 27 votes and a lengthy series of lectures on why it is impossible or unwise to reduce the rate at which we lavish American tax dollars on foreign countries, many of whom repay us handsomely by lining up with our enemies in various international fora or attacking our friends at every convenient opportunity. Surely, we told ourselves, the administration and Congress could find a way to save $6 billion out of a total $31.1 billion economic, financial, and military assistance budget without jeopardizing any real security interest of the United States. Not so, we were told. Every last dollar is indispensable to the effective conduct of American foreign policy. The distinguished chairman of the Foreign Relations Committee even read a letter from the President himself to that effect. For my part, I remain unconvinced that sound foreign policy requires payoffs, whether in cash or in military hardware.

There are yet other opportunities to realize economies that would help reduce the deficit and engender economic revival. We could save almost $10 billion by considering phasing out general revenue sharing over the next 3 fiscal years. Another $8 billion could be got from the community development bloc grant program. Now I am fully aware of how popular these programs are with local officials. A source of additional revenue with few strings attached is understandably welcome. But under prevailing fiscal circumstances, these bloc grants mean that Uncle Sam has to borrow the money to give local jurisdictions a fiscal bonanza. We simply cannot afford to do that any longer.

I also offered an amendment to increase government efficiency directly in the areas of waste, fraud and abuse. My amendment would have trimmed an additional $4.8 billion through better management of consultant contracts, administrative travel, public relations and advertising, vehicle purchases, etc. By the same token, Mr. President, the committee's resolution lacks balance and fairness. Given the obvious opportunities to cut costs in the areas I have enumerated as well as others, I have a hard time understanding why it is necessary to impose such harsh discipline on programs that benefit some of our most deserving citizens. Let me give you just a few examples.

First. Veterans. The original Republican budget called for a total cut in veterans benefits and services of $6.5 billion over the next 3 fiscal years. The Baker-Domenici substitute restored about $1.7 billion of this amount, leaving the men and women who defended our country to serve as the shock troops in the battle against the deficit by absorbing $4.8 billion in reduced services and benefits. Whereas the original budget eliminated any COLA for compensation and pension recipients in fiscal year 1983 and imposed a cap of 4 percent in the outyears, the version before us limits the COLA for compensation to 4 percent this year for veterans who are more than 70 percent disabled. Other disabled veterans compensation remains frozen along with pensions. And recommended levels for VA medical construction were not restored. The $40 billion in cuts in social security benefits assumed in the original version of the committee's resolution were deleted in the Baker-Domenici modifications, because it was obvious that the Full Senate would not agree to them. I opposed those cuts, Mr. President, and was glad to see them eliminated. But the same principle should be extended to veterans benefits and services. Those who rely, for example, on veterans pensions or disability compensation should not be treated differently, in my judgment, from those who depend on social security. To discriminate on the basis of the source of a person's retirement or disability income, as this resolution assumes, is just plain unfair.

Second. Medicare. Last year Congress enacted reductions of $3.9 billion. The budget before us assumes additional cuts of $18.2 billion over the next 3 fiscal years.

Third. Civil Service Pensions. Federal retirees saw their pensions cut by $2.3 billion last year. The budget before us would cost Federal pensioners another $5.1 billion.

Fourth. Military Pensions. Military retirees also take it on the chin to the tune of $3.8 billion.

Fifth. Title I ESEA. Compensatory education was cut $218 million for this fiscal year and the committee's recommendations would slash another $773.2 million by fiscal year 1985. I voted for both amendments to restore this highly successful program to current policy over the 3 fiscal years 1983-85.

Finally, Mr. President, let me say a few words about the revenue side of our budget problem. I think that by now it is clear to everyone acquainted with the facts that the tax reductions enacted last summer were excessive in size and probably flawed in composition as well. Mr. Stockman has admitted as much in his famous Atlantic Monthly revelations. The President admits as much in his budget which includes, you may recall, contemplated "revenue enhancements" of $44 billion. The President's representatives at the abortive budget negotiations were reported to have been interested in increasing that figure to something in the vicinity of $120 billion. And this budget resolution admits as much. Roughly 25 percent of the total $417.5 billion deficit reduction plan is composed of a miscellany of tax increases and additional users fees. The Domenici assumptions on revenues include:

Doubling excise taxes on distilled spirits, tobacco, beer, wine, telephones, and motor fuel;

Imposing a new $5 per barrel oil import fee;

Eliminating the deduction for State and local sales taxes;

Eliminating the deduction for State and local property taxes;

Imposing a new tax on unemployment benefits;

Repealing consumer deductions for health insurance and consumer interest.

Now, Mr. President, surely no one can seriously maintain that the tax policies adopted as part of the Reagonomics program last summer have had the economic effects that were promised or at least anticipated. Remember that we were assured by the advocates of that program that the tax reductions we passed would more than pay for themselves in burgeoning economic growth, falling interest rates, declining unemployment, and increasing price stability—all of which were to be reflected in a steadily improving Federal fiscal posture. Under the original administration plan, recall, the deficit for fiscal 1982 was projected at $45 billion and was to decline to $22.9 billion in fiscal 1983; the government ledger would go slightly into the black in fiscal 1984 and we would enjoy an almost $6 billion surplus in fiscal 1985. Here we are a little over a year later looking down the barrels of potential cumulative deficits over the period fiscal year 1982 to fiscal year 1985 of over $½ a trillion, or $518 billion to be exact. Under the resolution before us, the deficit for the next 3 years alone will come to over one quarter of a trillion dollars. Moreover, CBO's analysis of the President's budget reveals that, contrary to historical experience, Federal deficits continue to rise even under favorable economic circumstances. Obviously, something has gone awry.

Now, Mr. President, I know that taxes are hardly a popular subject, unless you mean to complain about them or cut them, of course. But the plain fact is that this government is in serious fiscal trouble and the country is, in large measure owing to our fiscal disarray, in serious economic straits. For this reason, I am convinced that we are going to have to explore additional options on the revenue as well as the expenditure side of the public ledger. We should at a minimum, it seems to me, reexamine some of the less defensible special breaks that are now in the Code. Certainly, we should take another look at the windfall profits tax reduction we passed last year. Repeal of those cuts would shave $4.7 billion off the 3-year deficit we face. We should also weigh very carefully whether proceeding with the full 10-percent rate cut scheduled for July of next year is wise under existing economic circumstances. I believe a responsible approach would be to make the third installment of Kemp-Roth contingent upon improvement in economic and fiscal conditions as measured by some meaningful indicator such as interest rates, unemployment, or the size of the deficit. I supported an amendment embodying this concept last summer during Senate debate on the Economic Recovery Tax Act.

Deferring the July 1983 rate reduction until the economy and the State of Federal finances improves would raise revenues by $76.3 billion. The resolution already assumes tax increases on the order of $101 billion. Thus there is plenty of room to consider this option, should it seem advisable to do so. I do not believe we should add this option onto the tax measures assumed in the resolution. Many of those are obviously unacceptable and have little chance of passage anyway. Certainly I do not believe it is necessary to raise revenues by almost $180 billion over the next 3 years. But I am convinced, though, that at some point it will be necessary to put deferral of the 1983 cut in the hopper of possible options.

To conclude, Mr. President, perhaps the time has come to rethink our entire approach to income taxation. I believe a simple flat rate tax might well prove a more effective system than the hodgepodge of special exemptions, preferences, and "incentives" we have now. I am convinced that it would be perceived as more equitable and for that reason alone, it would probably be more effective.●

Mr. **MITCHELL**. Mr. President, I had hoped that the budget resolution that the Senate approves would include the correction in budget policies that is so clearly warranted by our Nation's current economic condition. Unfortunately, the resolution now before the Senate fails to do this, and I intend to vote against it.

As the Congress has considered the fiscal year 1983 budget in recent months, the U.S. economy has deteriorated, and no evidence of an upturn exists. Nearly 10½ million workers, comprising 9.4 percent of our work force, are out of work. The high rate of business failures and bankruptcies, and the depressed state of the auto, housing, and forest products industries highlight the failure of current economic policies.

Not only are our budget policies failing, but they are also unfair. Recent public opinion polls show that an increasing number of people share the belief that last year's budget and tax cuts benefit the wealthy at the expense of the middle and lower income classes.

The administration ignored these trends in formulating its 1983 budget. Rather, the administration recommended a budget that continued along the same path that has led us to where we are now. The President recommended record budget deficits, further steep cuts in domestic programs, an excessively rapid increase in defense spending, and no compromise on his income tax program.

That budget proposal was greeted with criticism immediately, and was considered dead before Congress even began consideration of the 1983 budget. The final blow was delivered by the Senate Budget Committee which, even though controlled by Republicans, rejected the President's budget by a vote of 20 to 0.

Expectations were high that a bipartisan solution to our economic and social problems would emerge from congressional attempts to craft an alternative to the President's budget. Unfortunately, such an approach was not taken, and the budget before the Senate, although it made some progress in lowering the deficit, still fails the fairness test. It does so by calling for substantial cuts in domestic programs while rigidly adhering to the President's defense and tax goals. Such ideological commitments are inappropriate at a time when a pragmatic, bipartisan approach is essential to regain public support for our economic policies.

The budget cuts anticipated by this resolution place a heavy burden on our Nation's elderly, disabled, and disadvantaged. Savings would be achieved by shifting a greater share of health care costs to the elderly and by imposing further cuts on the working poor, veterans, food stamp recipients, and other needy recipients under Federal programs.

I reject the notion that cutting these programs represents the only solution to correcting our economic problems. Rather, these cuts are being promoted to finance an excessively rapid increase in defense spending and an ill-timed tax reduction.

Just as many domestic programs will face reduced funding, rapid increases in defense continue unabated. This resolution contemplates a 10-percent increase in budget authority for defense beyond that necessary to compensate for inflation.

I agree that we need to devote more resources to build a stronger national defense, particularly in the area of conventional force readiness. Yet a slower, steadier buildup makes more sense for the economy, and it buys better defense in the long run as well. Not only would a steadier increase in defense contribute to lower interest rates, but we would avoid bottlenecks in key sectors and encourage a more efficient use of the funds available. The amendments to this budget that I have supported would still provide for a significant increase in real defense spending but would not neglect human needs in doing so.

Similarly, this budget exhibits an inflexible approach to tax policy. While I strongly support the 1982 tax reduction as a needed stimulant to our stagnant economy, I believe that the scheduled 1983 tax cut should be deferred until the economy improves. I recognize the need to reduce taxes for all working Americans, but again moderation is in order. Implementing the third stage of the tax cut before interest rates have fallen and we have achieved control over Federal deficits could set us back in our efforts to resume sustained economic growth.

Furthermore, the tax cut should be modified to give more relief to middle income families who pay the greatest amount of taxes but will receive a disproportionately small share of the scheduled tax cuts. Such a move would help reverse the growing perception that our budget policies are unfair to middle income Americans.

Mr. President, American taxpayers want and deserve a balanced, moderate approach to reducing the deficit. This budget resolution offers instead more of the same—an imbalanced program involving sharp cuts in domestic programs and excessive defense and tax policies. Until we can fashion a more equitable budget, our policies will not and should not enjoy the support of the American people.

Mr. **BIDEN**. Mr. President, in the past the consideration of a budget resolution has been a time of planning for the future. That is not true today. This budget is not a plan for the future in any sense of the word. It reflects a misguided sense of outlay and tax priorities that will work great hardship on many people. It will be hard on the poor because it denies them help they need. It will be hard on the business person because it will not achieve its stated economic goals. It will be hard on the student seeking an education. It will be hard on the elderly planning their retirement. Its tax policies will be hard on the middle- and lower-income taxpayers. In short, its choices will be hard on everyone.

But right now I want to talk not about the substantive issues but about some procedural issues which in the longer run may be more important than many of the substantive program decisions we are making. For the congressional budget process is being weakened, perhaps destroyed by those conservatives who should most want to protect its effectiveness. The process is being distorted for short term political expediency.

Procedural questions are not the issues that excite people. These are not the issues that cause them to demonstrate or to write letters. But it is generally true that when a process is subverted, then ultimately the product of that process suffers too. So I want now to address the procedural problems that I see because I fear we will live with the results of them for many years.

As I see it, there are two procedural issues—fairness and honesty.

This budget has not been openly and fairly arrived at. I say that not because I lost—and of course I did lose—on virtually all the substantive issues that were before the Budget Committee. I understand that losing is part of being in a minority. I say it because there were no real opportunities to present alternative suggestions in an atmosphere where anyone was even listening. While the committee's markup consisted of several sessions and stretched over a matter of weeks—in fact this budget before us on the floor today was wrapped up in one evening. We sometimes joke here on the floor about voting first and debating later. But we literally did that in committee. The committee adopted this budget—then amendments to it could be offered.

Our chairman seemed to raise questions earlier—during consideration of a motion to vote on the President's budget—about whether the committee wanted to consider "package plans." But he had no hesitation about pushing the so-called bi-partisan compromise plan once it had been decided behind closed doors what that plan was. Gone were the days when we worked function by function, mission by mission, to weigh program priorities against fiscal policy dictates. As our chairman put it, the committee has "matured beyond" that. It was all over in a matter of minutes and the committee had adopted a plan that had seen the light of day only hours before.

Then, when the budget steamroller had gone by, we were presented with a series of far reaching procedural issues—many of which we had never heard of before. These were in many cases efforts to distort the budget process. Equally important, some of them threatened the rights of Senators on the floor to debate and amend freely.

The issue that outraged my sense of fairness most was a proposal that we eliminate the second concurrent resolution on the budget. More accurately, the proposal was that the first resolution become the second resolution automatically unless a different Second resolution was adopted by Congress. The decision as to whether to have such a resolution would have rested with the majority on the Budget Committee, because no second resolution would be considered on the Senate floor unless reported by the committee. And it was clear that the intention was not to have a second resolution. Thus last year's short cut of "reaffirming" a fully outdated first resolution as the second would now be streamlined into "automatic reaffirmation." There has never been a time when there were not important developments between the time of the first resolution and the second. Last year the majority pretended there were none—although the intervening events were more important than ever before. This year it was proposed to institutionalize the idea that no changes occur by predicting it in advance.

To propose such a change in the Budget Act with no opportunity to consider it—with no advance notice to the minority who would be shut out of an important part of the budget process by it—was and still is outrageous.

The minority was similarly shut out of involvement in the consideration of reconciliation instructions to the Senate committees. Reconciliation is the major tool for enforcing the budget resolution. The issues of which committees receive instruction, and for what savings, are major decisions in the preparation of a Budget Committee resolution. These decisions can alter the source of savings assumed in the Budget Act. Yet this information was never available to the minority.

Another reconciliation issue was presented to the committee by Senator CHILES. This was the critical problem of allowing reasonable leeway to amend a reconciliation bill on the floor of the Senate.

Reconciliation is the teeth in the budget resolution.

I support teeth in the budget resolution—particularly teeth that assure that the Senate and House will have the opportunity to consider legislation that will implement the budget resolution. That is my idea of what reconciliation should do. If the budget resolution says we should raise revenues—then the Finance Committee should send to the Senate a bill to do that. But reconciliation goes further than that. It also restricts the decision-making power of the Senate and the rights of individual Senators. It puts a wholly unrealistic time limitation of 20 hours on unbelievably complex legislation. But it also greatly restricts the ability of the Senate to choose the best path for implementing the budget. As a practical matter it prohibits the full Senate from substituting its fiscal policy choice for these chosen by the committee reporting the legislation. And that is a very serious delegation of the powers of the full Senate to its committees.

Senator CHILES offered a proposal that would leave the teeth in the budget resolution, but allow greater freedom of amendment and substitution. It was defeated on a party line vote. The country will be the loser as bad legislation prevails for lack of the ability to propose and debate better. I would predict that the day may come when committees may seek reconciliation instructions from the Budget Committee—to protect their legislation from floor amendment. Some committees have used it for this purpose in the past. That could be the beginning of the end of the Senate as we know it.

There were other procedural efforts to limit careful Senate consideration of fiscal policy. It was proposed to have a debt limit bill reported under reconciliation—as though there were danger that one would not be reported otherwise. Clearly the purpose was to prevent careful consideration and amendment of this important legislation.

There was yet another procedural innovation in this budget resolution whose future damage is hard to predict. It was a budget resolution that did not add up. If you add up the spending and subtract revenues from it as originally reported, you do not get the deficit stated in the resolution. You get a larger deficit. There was a third category that is neither spending nor revenues, or perhaps is both. It was called "social security solvency." Obviously the purpose of this was to avoid saying that the majority proposed to cut social security to reduce the deficit. But the precedent for having proposals in the budget that do not affect budget totals is scary to think about. The potential for abuse is staggering.

The budget process has been a closed process for the last year and a half. Meaningful participation has not been open to the minority. "Bipartisan compromises" are developed within one party. Budgets are voted through, after secret negotiations, with almost no public consideration. Sunshine laws pioneered in the early seventies are ignored in spirit and in fact. And the credibility of the process is eroded and may someday be destroyed.

The issue of credibility extends also the honesty of the numbers with which we are dealing. It is hard to believe how rapidly the estimates of our fiscal position have changed.

On March 23, Budget Committee members were presented with markup documents that indicated that the deficit for fiscal year 1983 would be $157.7 billion to continue existing program levels. Six weeks later, that figure was said by the majority to be $182.0 billion, an increase of $24.3 billion.

In that same time period, revenue forecasts were increased by $25.6 billion—including a whopping big $22.2 billion in fiscal year 1985 alone. And spending estimates rose by $105 billion over the 3 years. Incredible. How could the majority have been so wrong only 6 weeks earlier?

Part of the answer to that question is that they were not necessarily wrong. For example, the committee switched from CBO revenue estimates to Treasury revenue estimates—and gained a lot of revenue. And, in fairness, much of the new spending came because the committee switched from a neutral CBO base for defense to using the President's requested budget as the base.

Why could we not continue to use the Congressional Budget Office figures that were to have been used only weeks before? And which we normally used in the past. Did we change numbers to assure some special outcome? Higher revenue estimates show lower deficits—but will the revenues ever materialize? Why have a special set of numbers for defense spending? I am deeply concerned that these numbers this year may be no better than the ones we used last year. And behind last year's numbers, showing balanced budgets, hid all-time record deficits. I hope that will not be true again this year.

Last year in the Senate we had the famous, "unspecified savings" of $48.2 billion to reach budget balance by fiscal year 1984. This year we had the reduction in the deficit through unspecified social security changes of $40 billion. And we also have the highly optimistic assumption that interest rates on 90-day Treasury bills will fall below 7 percent by 1985 and thus reduce the deficit over 3 years by $54.9 billion. Perhaps interest rates will fall that much. I hope they will. But I would not make such optimistic assumptions in planning my personal finances—nor in making a conservative fiscal plan for the country.

Mr. President, these issues of fairness and honesty will come back to haunt the budget process. A budget prepared in secrecy—with ever-changing numbers of doubtful validity—is scarcely one to win the confidence of the financial markets of our Nation. Worse, such a budget sets a precedent for future budgeting that could threaten the usefulness of the process.

Mr. President, I rise today to oppose this budget resolution. I voted against reporting the original resolution from the Budget Committee. While the resolution has since been modified, including the removal of the proposed cuts in social security benefits, it is still a most unsatisfactory budget. It does not meet the basic needs of many American families because many essential programs like education and health care have been unwisely cut back. But at the same time, it does not deal adequately with the budget deficit problem that faces us.

Deficits are too high. Services are too low. I sought to remedy these problems on the floor. I sought to reduce deficits significantly, by as much as $76 billion in the next 3 years. At the same time I sought to make marginal improvements in such essential services as health care for the elderly and education for our children.

But these efforts were generally not successful. Therefore, I would urge my colleagues to vote against this budget resolution.

I know that all of my colleagues share a concern about the future of our Nation. We all want a strong economy coupled with a compassionate concern for American families. This budget resolution does not reflect such concerns.

Unlike most legislation that reaches the floor from committees, this resolution contains many proposals to which I believe Members of the Senate do not subscribe.

I do not believe that Senators feel it is good public policy to freeze most appropriated programs for 3 years. That will mean program reductions of 25 percent below current year levels.

Ask yourself, do you want to reduce highway work by 25 percent, the FBI by 25 percent, the Coast Guard by 25 percent, environmental protection by 25 percent, Eximbank by 25 percent, health research by 25 percent?

I do not believe that Senators feel it is good policy to impose regressive new taxes that will bear hardest on the workingman—taxes on beer, taxes on gasoline, taxes on home heating oil.

I do not believe that Senators feel it is good public policy to refuse to hold veterans benefits harmless from the ravages of inflation.

I cannot believe that Senators think it is sound health care policy to meet the rising costs of medical care by increasing the cost of that care to the elderly, poor and disabled—and perhaps thereby actually denying them that care. Is it the individual's fault that health care costs are rising? Should they be denied health care because they cannot afford it?

Do Senators really wish to condemn this Nation to a decade of listless growth and low productivity, as more astute nations surge ahead of us. That is what will happen, no matter how many productivity tax cuts we have, if we fail to educate our young, to train our workers, to invest in the economic infrastructure of our country and to promote scientific research and development. And that is what this budget would do.

Do Senators really want to leave us vulnerable to another energy crisis? Do they want toxic chemicals to continue to spoil our world?

Are these, and too many other things in this resolution, sound public policy steps? We have a budget before us that is committed to a lack of concern for the future. It is a budget that says that economic growth and strength in our country can be built on doing less, with larger deficits.

I cannot accept such a philosophy. I do not believe that a majority of my colleagues accept it. I urge them to join me in seeking to defeat this budget resolution.

Mr. BOREN. The Senate Budget Committee proposal under the committee's own economic assumptions will add at least $390 billion to the national debt by 1985. In fact it is likely to add over $500 billion to the debt because many of its proposals are unspecified or are based upon an overly optimistic view of the economy.

I cannot, in conscience, vote for it. To continue to run such huge deficits is to follow the certain path to economic ruin. It has taken us 206 years to reach a $1 trillion debt. Under this budget we are likely to add half of a trillion more in less than 5 years!

Already the Government is borrowing a third of all of the available credit in the country just to pay the interest on the national debt. This has forced interest rates to outrageously high levels, bankrupting countless farmers, small businessmen and others, and has put over 9 percent of our labor force out of work.

When will we wake up to the fact that we have to live within our means? Will we have to have an economic collapse before we realize that we must balance the budget? Congress and the administration both appear to be living in a dream world. If they continue to assert that deficits don't matter, that dream will soon become a nightmare. That is why I voted earlier in favor of the Johnston-Nunn substitute, which though not perfect, would have balanced the budget by 1985.

Not only are the deficits too large in this budget, it also assumes over $100 billion in new and unspecified tax increases. We can only guess what those might be. They will probably fall most heavily on the few remaining productive segments of our economy.

The record is shocking. Under the Johnson administration $37 billion was added to the national debt. Under the first Nixon administration $64 billion was added to the debt. Under the Nixon-Ford administration $167 billion was added, $191 billion under the Carter administration, and if this budget is adopted, under the best of conditions, $390 billion will be added to the national debt under the Reagan administration. I cannot endorse in any way or vote for this trend toward a runaway national debt.

This total breakdown of responsibility is the clearest possible evidence of the need for a constitutional amendment to balance the budget.

It is also plain that there is a need to reopen discussions on the budget. How can anyone seriously believe that any real solution can come by reaching a House-Senate compromise choosing between deficits of $100 billion or $120 billion per year or between $100 billion and $170 billion in new taxes. It will be clear in a few days that a fresh start will need to be made on the budget on a bipartisan basis. At that time I will again urge the President to call a bipartisan group together for a personal meeting with him in a place where several days of work can be accomplished if necessary to start on a new budget.

Mr. GRASSLEY. Mr. President, the budget resolution we have adopted, Senate Concurrent Resolution 92, charts the next mile along the road to economic recovery. It takes us further along the course we began last year, guided by the principles of Reaganomics: Low taxation, low spending, and movement toward a balanced Federal budget.

Under this budget resolution, the growth in Federal spending next year will be cut by more than half, from 12.9 percent in 1982 to 5.8 percent in 1983. Spending growth over the 3-year period 1983 to 1985 will average only 6.3 percent.

The spending restraint in this resolution is a giant step toward halting the growth of Government spending, a goal to which I am firmly committed. In just 4 years, from 1980 to 1983, spending growth will have been cut by 300 percent. In 1980, the year in which I was elected to the Senate, Federal outlays were growing at a rate of 17.5 percent. I consider a reduction in spending growth from 17.5 percent to 5.8 percent a significant acheivement.

In addition to controlling Federal spending, Senate Concurrent Resolution 92 increases revenues by $107 billion in order to tighten up the remaining deficits.

It has never been my intention to balance the budget by raising taxes and not cutting taxes. The economic crisis we face calls for striking a fair balance between the two, and I believe this resolution strikes that balance. Projected deficits from 1983 to 1985 totaled $631 billion. But the actions we have taken in this resolution have reduced that figure by $358 billion. Only $107 billion of that deficit reduction is in revenue increases.

All Democratic alternatives to this budget that have surfaced would set back the clock at least half a decade. Those alternatives would repeal the tax relief we won last year for the workingman and for small business. The Democrats would once again loosen the grip on Federal spending, and hence budget deficits.

We know where those policies have taken us in the past. And no one in this country wants to return there. That message was sent clearly in November 1980.

The reasons for maintaining the course of Reaganomics become more and more evident. Perhaps the best summation of why we must pursue a steady course appears in this week's issue of Fortune magazine.

In an article entitled "GNP Should Be Up This Quarter", Fortune says the following:

> Though the economy has made the turn out of recession, business has turned gloomy about what comes after. Most of the Executives responding to Fortune's semiannual survey of the business mood expect a recovery at better than a 4 percent pace in the second half. . . . But only 40 percent are confident about regaining real prosperity any time in the next couple of years. Compared with the burst of confidence that appeared a year ago and continued through last fall, that is quite a comedown. It might seem that the afterglow of Reagan's election has vanished and that business has lost faith in his program. On the contrary, the survey indicates that the worry is that the program will be abandoned before it can start to work. One corporate planning officer put the question: "Tax and monetary policies in place are good ones but require time to develop. Will the politicians give them time?"

Mr. President, I believe the budget we have adopted here has answered that question affirmatively. We compromised on this budget in order to facilitate a speedy agreement. But we did not give up on principle. The final product is consistent with the goals of Reaganomics, and I am confident it will assist greatly in allaying market fears and restoring economic vitality.

This is the budget that America wants and needs. We did not need a midcourse correction because we are on the right course. The American people know that. The workingman knows that. The small businessman knows that. Investors know that. The only ones who do not seem to know it keep surfacing with budget alternatives to increase taxes by anywhere from $140 billion to $204 billion. Is that any cure for an ailing economy? Of course not. It is a potion for economic misery.

Mr. President, the signs of potential recovery are too numerous to risk changing course in midstream. Why do anything that might throw a monkey wrench into the system?

Inventories where liquidated during the first quarter at the fastest annual rate on record. That kind of fast reduction in inventories has historically marked the end of recession. There was also a surge in durable goods orders in the first quarter which makes prospects for recovery even better.

According to Fortune magazine, second quarter inventories are likely to decline by only half the rate of the first quarter. That alone would assure a 2-percent growth rate this quarter for real GNP.

Final sales in the first quarter rose at a 1.8-percent annual rate. This increase reflects a slowdown in inflation plus an increase in purchasing power for the average worker.

And last week, the Commerce Department issued a report that showed retail sales for the month of April up 1.4 percent, the largest increase since January 1981. It included healthy sales gains in automobiles and furniture. Robert Ortner, Chief Economist at the Commerce Department, says the April sales figure is more like what we would expect after the July tax cut.

Purchasing power has increased for the average citizen thanks to lower inflation and the October tax cuts. In fact, this is the first recession since that of 1948 in which disposable income, which measures purchasing power, did not fall for any one quarter.

Americans are today $35 billion richer as a result of the fall in oil prices. The scheduled July tax cuts and the 7.4-percent social security boost will increase disposable income by another $45 billion over the next 12 months.

All this enhances the prospects of a consumer-led recovery, beginning in the third quarter.

But Mr. President, the extent to which that recovery is substantial and sustainable depends in large part on the cost of money. I believe that in passing this budget we have taken the right steps to eliminate the "fear premium" in interest rates, and to bring those rates more closely in line with the rate of inflation.

This is a crucial time in our history, Mr. President. The budget we passed was a test of our staying power, of our resolve to implement a responsible and consistent economic policy. That perhaps more than anything else is a sign that we in Congress will do what is necessary to achieve prosperity for our citizens. I stand firmly behind this budget resolution. I trust that it will have a significant and favorable impact on the economy, and thereby provide the foundation for a lasting period of economic growth.

Mr. MOYNIHAN. Mr. President, with regret, I cannot support the budget resolution, nor has a majority of this body. This Nation's economy and the entire congressional budget process face a serious crisis. This resolution fails to recognize or address the true dimensions of this crisis.

The task facing us has been a clear one and can be stated simply: Identify a course of action that can, at once, ease the deepening distress in the Nation's economy while also reducing escalating deficits, which themselves are jeopardizing prospects for lasting economic recovery. The budget process presented a unique opportunity to execute the midcourse correction in economic policy which I first called for last September, and to do so by establishing a bipartisan consensus on fiscal policy.

Unhappily, the majority of this body and the administration have decided to forgo this task. For now, at least, the opportunity has been rejected.

The first evidence of this lost opportunity appears in the resolution's economic assumptions. A budget resolution's assumptions about the pace of economic growth or interest rates are not merely academic data; they are the basis for its projections of overall Federal spending, Federal revenues, and Federal deficits. They are the basic infrastructure of any budget resolution.

Flawed assumptions are not new to the budget process. When Congress enacted the administration's economic program last year, the majority promised that the Nation's gross national product (GNP) would expand, in real terms, by a 42.2-percent rate this year. In the Budget Committee and again on the floor of this body, I warned that this forecast was profoundly unrealistic. Now we know that real GNP declined at rates of 4.5 percent and 4.3 percent during the last two quarters, and today fully 30 percent of America's manufacturing capacity lies idle. Last year's budget resolution also forecast that the unemployment rate would average 7.2 percent this year; 2 weeks ago, the Labor Department announced that 9.4 percent of the Nation's work force is now out of work, breaking all postwar records.

The budget resolution before us today forecasts real growth rates of 4.5 percent in fiscal year 1983 and 4.1 percent in fiscal year 1984. But unless the administration's current economic policy is corrected in fundamental ways, the Nation's economy cannot achieve such growth rates. Data Resources Inc., one of the Nation's leading economic forecasting firms, projects only 3.7 percent real growth in fiscal year 1983, and Evans Economics forecasts only 2.6 percent real growth in the next fiscal year. These two distinguished firms, then, foresee fully one-third less real growth over the next 2 years than does the budget resolution.

It makes a difference. If real growth is one-third less next year than assumed by this resolution, Government receipts will be significantly depressed and Government expenditures will be significantly higher. The deficits will be larger than forecast, and public resources, once again, will have been misallocated.

Consider interest rates. Last year, the budget resolution promised a 1.5 percentage point drop in interest rates this year under the administration's economic program. Today, interest rates continue at levels unprecedented for a deep recession, and real interest rates hover near alltime highs for any period. The resolution before us today assumes that the interest rate for 3-month Treasury bills will average 12 percent in fiscal year 1982, 10.7 percent in fiscal year 1983, and 8.8 percent in fiscal year 1984. This assumption can be fulfilled only if the Nation's economy abruptly enters a period of sustanied high growth and continued declining inflation, a scenario fraught with internal contradictions and nearly mathematically impossible under the Federal Reserve's current targets for the money supply. And compare this assumption with the views of two other prominent economic forecasting firms. Chase Econometrics, for example, forecasts that 3-month Treasury bill rates will average 12.8 percent in fiscal year 1982, 12.1 percent in fiscal year 1983, and 11 percent in fiscal year 1984. Wharton Economics forecasts rates of 12.7 percent in fiscal year 1982, 14.1 percent in fiscal year 1983, and 12.2 percent in fiscal year 1984. According to these assumptions, then, interest rates will likely average about 20 percent higher than assumed by this budget resolution.

Once again, it makes a difference. Continuing high interest rates will simply preclude the high real growth and declining deficits assumed by this budget resolution. Continued high rates also will significantly increase Federal spending to service the Governments debt, the fastest growing item in the entire Federal budget. And fully $104 billion of the reductions in Federal deficits for fiscal years 1983–85 promised under this resolution derive from reduced interest costs, from the assumption of declining interest rates and declining deficits.

No resolution built upon such faulty assumptions, on such shakey foundations, can hope to address the problems of macroeconomic stabilization policy we face.

These problems are not Democratic or Republican problems; they are the Nation's problems to which both parties must address themselves. And for many months, I have been urging a bipartisan approach, using the budget process to address the economic crisis.

Unhappily, the majority has determined otherwise. At all costs, the budget resolution would be a Republican preserve. As a result, the resolution before this Chamber was never approved by the Senate Budget Committee.

First, the President proposed a budget which, almost immediately, the leadership of both parties in Congress rejected. Alternatives were offered by Senator Hollings, by Chairman Domenici, by several other majority members of the Budget Committee, and by myself with Senators Riegle and Sasser. What emerged from the Budget Committee, however, was a resolution negotiated behind closed doors between the majority members of the committee and the administration.

This first resolution, like the President's first budget, triggered immediate criticism from both sides of this aisle. The focus of this criticism was an unprecedented proposal to cut $40 billion from social security in order to relieve the deficit problem. The majority proposed this drastic reduction, despite the administration's solemn pledge to the American people to await the recommendations from the President's Special Commission, on which I serve, about how to relieve the fiscal pressures on the social security system. The majority responded, once again, by retreating behind closed doors to negotiate a substitute resolution with the administration. It is this substitute we now consider, a resolution never approved by the Senate Budget Committee. These procedures do fundamental violence to the entire congressional budgetmaking process, the only mechanism Congress has to achieve responsibile, bipartisan fiscal policy.

And the resolution which resulted has deeply flawed priorities. It proposes to provide the Nation's health programs, including medicare and medicaid, with some $5 billion less than the amount required simply to keep pace with inflation. The Nation is struggling with the most extended period of economic stagnation and decline since the Great Depression. But this resolution proposes to reduce support for job training, employment, social services, and education programs—which absorbed a 16 percent real cut in last year's budget—by 24.8 percent more in inflation-adjusted terms. Commerce and housing programs, sectors devastated by the current recession, face reductions over the next 3 years of 31 percent in real terms. Mass transit and other transportation programs, which absorbed 14 percent real reduction under last year's budget, will now face another 12.7 percent real cut under this resolution.

I cannot accept the proposition that the root cause of our current economic crisis lies in those programs designed to provide basic security for the Nation's elderly, disabled, unemployed, and disadvantaged. Nor can I accept any budget that tries to achieve short-term goals by sacrificing basic elements of the Nation's economic and social infrastructure, basic components of long-term growth and productivity.

An alternative does exist. On March 31, I proposed a budget plan designed to alter the basic mix of fiscal and monetary policy, in order to accomodate lower interest rates and speed economic recovery. With Senators Riegle and Sasser, I offered a plan to reduce budget deficits and distribute the burdens of fiscal restraint fairly, by providing a midcourse correction in economic policy.

This plan would close the budget deficit by responsible fiscal restraint and by altering current monetary policy to permit lower interst rates and a rapid return to economic growth. First, the plan would raise $121 billion in additional revenues by closing $86 billion in tax loopholes over 3 years, by accepting about half of the administration's proposals to revise tax regulations and improve tax collections, and by deferring the indexing of tax rates until 1987. Next, I counseled moderation in expenditures.

Last year, Congress cut $35.2 billion from the Federal Government's discretionary spending programs. Congress should now consolidate and evaluate the impact of these reductions. At this time, Government should not be expanded; but neither should we waste the Nation's investment in human and physical capital by additional drastic reductions in education, transportation, energy, health care, and other related areas. I proposed to restrain discretionary expenditures to 1982 levels, adjusted only for inflation. Budgetary restraints, however, also dictate more rigorous scrutiny of the Defense Department's weapons procurement policies. The Nation's defense, I believe, can best be protected by maintaining the readiness, operations, and maintenance of our Armed Forces. America's security can be effectively and safely maintained with 5 percent annual real increases in defense budgetary authority, and this I also proposed.

The budget plan tied these proposals for responsible fiscal restraint to a shift in monetary policy. The current recession and continuing high interest rates are direct consequences of the current monetary policies, repeatedly endorsed by the administration, which have produced the sharpest decline in money supply growth in postwar history and the tightest monetary policy since 1959. The central measure of the money supply, M_1, dropped from 7.3 percent in 1980 to 2.3 percent in 1981.

My budget alternative proposed that the Federal Reserve revise its current monetary targets to bring interest rates relative to the rate of inflation. I proposed returning money supply growth to the path originally proposed in the administration's economic recovery plan of February 1981. This path assumed an average 0.6 percentage-point annual reduction in M_1 growth.

Working in consultation with the Joint Economic Committee, this plan for fiscal moderation and monetary change was submitted to one of the Nation's preeminent econometric analysis firms, Data Resources, Inc. (DRI). DRI reported that this program would quickly bring down interest rates and rapidly revive the interest-sensitive sectors of the Nation's economy. According to the DRI computer simulation, this plan would sharply increase economic growth this year and through 1983, generating additional tax revenues amounting to some $39 billion in 1983, $38 billion in 1984, and another $38 billion in 1985. And the sharply declining interest rates would reduce Federal expenditures for debt service by some $27 billion in 1983, $48 billion in 1984, and $62 billion in 1985.

By better coordinating the Government's fiscal and monetary policies, the DRI analysis showed, my proposal would reduce the Federal deficit to $78.1 billion in fiscal year 1983, $64.2 billion in fiscal year 1984, and $43.7 billion in fiscal year 1985.

I regret that the majority's determination to produce a partisan budget resolution precluded acceptance of this approach. I am pleased, however, that with Senators RIEGLE and SASSER, I was able to persuade the majority to attach an amended version of the monetary policy directive we offered the Budget Committee. If approved by tne entire Congress, this will represent the first occasion in our history that the Congress has directly expressed a sentiment to reevaluate monetary policy targets.

Unhappily, this is not sufficient. The resolution's unrealistic economic assumptions, arbitrary reductions in the Nation's social programs, and fundamental breach of the budget process leave the Nation's economic and budget crises unresolved. I must vote to reject this budget resolution.

Mr. LEVIN. Mr. President, I cannot vote for this budget resolution. Its deficits are too high for this year and for fiscal year 1984 and fiscal year 1985, and I disagree with the taxing and spending priorities used to arrive at those deficits. What we have here is a budget resolution which will keep interest rates high, unemployment high, and the economy depressed. My State of Michigan has endured double digit unemployment for 27 consecutive months, and this budget resolution promises only more of the same. Michigan has been forced to bear the heaviest burden for the administration's economic policy, and this budget resolution will do virtually nothing to ease that burden. This is simply not acceptable to me, and should not be acceptable to the rest of this Nation.

In addition to the serious disagreements which I have with this budget resolution on grounds of economics and equity, I am also disappointed with it because it represents a lost opportunity to achieve the bipartisan consensus which the money markets are looking for, which the public expects, and which is essential if this Congress is going to make the hard decisions on subsequent bills which will put the meat on the bones of this budget resolution. Earlier this week I endorsed the Durenberger bipartisan substitute not because I agreed with every element of it—I did not—but because I thought that it offered a balanced approach toward achieving lower deficits and lower interest rates. It would have limited the increase in defense spending to an average of slightly over 5 percent real growth. Even this amount is larger than I would prefer if we are to put our defense buildup in the proper economic perspective. But I was willing to make that compromise in the spirit of bipartisanship. The Durenberger budget would have cut nondefense discretionary defense spending substantially more than I would have because many of these programs already underwent significant budget cuts last year. But again, because of the need for bipartisanship, I was willing to vote for the Durenberger package. And finally with respect to taxes, I think more must be done to revise last year's tax bill than was assumed by the Durenberger budget. Specifically, it is essential that we take back some of the oil tax breaks and the slowdown tax reductions on multimillion-dollar estates which were included in that bill. These changes from the 1981 tax bill would increase revenues and remove some of the inequity which characterized that bill. However, I put these considerations aside, and decided to endorse the Durenberger budget.

I sensed that a number of my colleagues on both sides of the aisle were willing to act in a similar spirit of bipartisanship. We recognized that partisanship serves no useful economic purpose and shake the public's confidence in the Congress ability and determintion to deal with the budget. Mr. President, how can we ask the people of this country to sacrifice for the sake of improving our economy so that all may enjoy prosperity, if the debate on the budget resolution is carried on in a partisan fashion? A bipartisan budget would have avoided such a debate. Unfortunately, the Durenberger budget was never actually brought before the Senate for debate. Some of its spending "add-backs" were subsumed in the revised Budget Committee's resolution, but the increase in revenues and lower real rate of defense spending which had been part of the Durenberger budget were removed. The net effect was that the Durenberger bipartisan budget had been vaporized.

What we were left with was the budget resolution endorsed by the Republican members of the Budget Committee. In a sense, it is a revised budget which was less than 24 hours old when it came to the Senate floor. But in a very real sense it is like the budgets offered 15 years ago by President Johnson. It tries to give guns and butter. The guns are clear enough for everyone to see. MX missiles that we do not know how to base, B-1 bombers that will be obsolete shortly after they become operational, and aircraft carriers that are sitting ducks. But there is butter here as well. It is in the form of the President's sacrosanct tax cuts which will total almost $750 billion over 5 years. But just as we learned 15 years ago, pushing hard for both big amounts of guns and butter at the same time can prove disastrous for the economy. It risks creating rampant inflation or record high interest rates.

The budget we now have before us shows us the consequences of indiscriminate funding of guns and butter.

In place of the Reagan deficit of $91.5 billion for fiscal year 1983 which was proposed on February 8, we now have a proposed deficit of $115.3 billion. The cumulative deficit total for fiscal year 1983 through 1985 is now projected to be $270.7 billion according to the Budget Committee's proposal. This compares with the 3-year deficit total of $246.3 billion which was proposed by President Reagan earlier this year and which sent shock waves through the Congress. So, it is clear that this budget resolution provides for larger deficits than those which shook the confidence of the markets earlier this year. How can anyone expect it now to create confidence in those same markets? How can anyone expect it to send a message to Wall Street or the Federal Reserve that an end to tight money is in sight? How can it in any way offer hope for lower interst rates on car loans or home mortgages? It can not. It simply can not.

This is a budget resolution which is hamstrung by ideological inflexibility and an adherence to supply-side economic mythology. It is this inflexibility which prevented those supporting this budget resolution from taking the one step which can substantially reduce deficits by fiscal year 1985 and provide investors with the signal they are looking for that this Congress is serious about bringing deficits under control. This step is the deferral or repeal of the third year of the 10 percent individual cut enacted last year. By this action alone, the fiscal year 1985 deficit would be reduced from $64.2 to $28.3 billion. By this action alone, the deficits from fiscal years 1983 through 1985 would be reduced from $270.7 billion offered by the Budget Committee to $194.4 billion. It is for this reason that I supported the amendment offered by Senator HOLLINGS from South Carolina to repeal the third year of tax cut.

If on top of this one action, we also reduced the increase in defense spending to 6 percent real growth as Senator KASSEBAUM from Kansas proposed during the debate and which I supported, we could have reduced the deficit over the 3-year period by another $13.9 billion from the amount proposed by the Budget Committee. This amendment along with the Hollings amendment would have reduced the fiscal year 1985 deficit to below $20 billion compared with the Budget Committee's proposal for $64.2 billion. These two amendments taken together would have reduced the 3-year deficit total from the $270.7 billion proposed by the Budget Committee to $180.5 billion. If we had reduced defense spending to 3 percent real growth, as I proposed in my own alternate budget, the 3-year deficit could have been reduced by another $20 billion

So, Mr. President, the deficits included in this budget resolution are tragic. They are tragic because they will do nothing to bring down record interst rates or record unemployment. They are tragic because they will do nothing to revitalize auto sales or homeownership or steel production or small business. But most of all, they are tragic because they are totally avoidable if the majority of the Senate would simply recognize that a strong national defense does not require that this Nation be blindly muscle-bound, and if the majority of the Senate would recognize that tax cuts which drive up interest rates to record levels are no gift to the American people.

(By request of Mr. ROBERT C. BYRD, the following statement was ordered to be printed in the RECORD:)

● Mr. HUDDLESTON. Mr. President, I am sure all of us recognize the enormous effort that went into the formulation of the budget resolution being considered by the Senate. But many of my colleagues will be unable to support the final budget resolution because it will not provide adequate funding for certain programs.

As the ranking Democrat on the Committee on Agriculture, Nutrition, and Forestry, I hope the budget for agricultural programs will be adequate to address the needs of America's farmers, who face one of the worst farm income years in history.

The worsening farm income situation is a reflection of low commodity prices, rising production costs, including continued high interest rates, and sagging export sales.

To prevent this situation from worsening to the point where great numbers of family farmers are driven to bankruptcy, may require a revision of the Nation's farm programs.

What the Senate is considering is, of course, the first concurrent budget resolution for fiscal year 1983. If necessary, we can revise the budget when we consider the second concurrent resolution.

As the Agriculture Committee noted in its report to the Budget Committee, we must anticipate the possiblity of remedial legislation this year to address the worsening economic situation of U.S. farmers.

Section 5 of the resolution, as reported by the Budget Committee, provides that it will not be in order for the House or the Senate, during fiscal years 1982 and 1983, to consider any legislation authorizing new direct loans or new loan guarantees unless the legislation also provides that the authority to make or guarantee the loans will be effective only to such extent, and in such amounts, as are contained in appropriation acts.

I am pleased the Senate has adopted an amendment to revise section 5. The amendment makes it clear that the provisions of section 5 will not be applied to the argicultural price support and related programs of the type in operation of January 1, 1982.

Section 5, without this amendment, would have a debilitating effect on agricultural price support and related programs under the jurisdiction of the Committee on Agriculture, Nutrition, and Forestry. Section 5, without the amendment, would cause a fundamental shift in the manner in which our agricultural programs are operated and result in an administrative nightmare.

By guaranteeing the farmer access to loans or purchases at the price support rate, the Government program establishes a price floor for the commodity. With the availability of Government loans and purchases, farmers will not be forced to dump their crops on the market at a selling price lower than the price support rate.

Essential to the price support programs is the ability of the Department of Agriculture to handle all the commodities offered to it at all times during the marketing season. The Department of Agriculture, through the Commodity Credit Corporation, is required to make loans on, or purchase, program commodities, produced by participating farmers, that meet eligibility requirements relating to grade, moisture content, adequacy of storage, and other criteria. As a result, large fluctuations in price support activity can occur because of weather and market variations, both domestic and foreign.

If price support activity for a commodity increases, appropriation figures set in advance may be insufficient to fund the programs. However, the programs cannot be suspended to some point in the future when a supplemental appropriations act that releases additional funds becomes law.

Also, in many cases, farmers seeking price support aid need the loan or purchase proceeds immediately to pay off their existing production loans or obtain money to finance new production.

Under existing law, we have the flexibility required to operate price support programs effectively. Present law directs the Commodity Credit Corporation, which has commercial-type operations and the authority to borrow to obtain needed funds, to handle the price support obligations. The capital structure of the Commodity Credit Corporation is replenished each year by subsequent appropriations that restore realized losses on support operations when there are losses, and reimburse costs of other programs.

If the price support operations were subject to prior appropriations, this flexibility would be destroyed, administration of the programs would be impossible, and price support programs would not longer be a guarantee to farmers against unreasonably low commodity prices.

It should be noted, however, that any increase in the borrowing authority of the Commodity Credit Corporation is already subject to the appropriations process.

Mr. President, I ask to have printed in the Record the text of the letter Senator Helms and I wrote to Chairman Domenici urging the adoption of the amendment to section 5.

Chairman Domenici's cooperation and that of the ranking Democrat on the Budget Committee—Senator Hollings—are greatly appreciated.

The letter follows:

Committee on Agriculture,
Nutrition, and Forestry,
Washington, D.C., May 20, 1982.

Hon. Pete V. Domenici,
Chairman, Committee on the Budget,
U.S. Senate, Washington, D.C.

Dear Senator Domenici: We are concerned that section 5 of Senate Concurrent Resolution 92 as presently drafted would cause a fundamental shift in the Nation's agricultural price support programs under the jurisdiction of the Committee on Agriculture, Nutrition, and Forestry and result in an administrative nightmare.

In short, under the financing procedure dictated by section 5 of the resolution, Federal commodity price support loan programs would no longer be a guarantee to farmers against unreasonably low commodity prices. On its face, section 5 would appear to ignore the reasons why certain of our agricultural programs have been exempted from the appropriations process—they are designed and funded in a manner that protects farmers against unpredictable events, such as the weather and fluctuating economic conditions. Limitations in annual appropriation Acts on the amount of price support loans the Commodity Credit Corporation could make would be highly arbitrary, discriminatory between commodities, producers, and States, and almost impossible to enforce administratively.

We generally support the thrust of what the resolution seeks to achieve with respect to the extension of credit. However, we believe the changes that would be made by section 5 should more appropriately be considered as amendments to the Congressional Budget Act with hearings before the Committees on the Budget, Rules and Administration, and Governmental Affairs. Certainly, the new procedures in section 5 should not be applied to the Nation's price support programs. Accordingly, we have given consideration to offering an amendment to section 5 of the resolution.

However, we were pleased to learn that—in recognition of our concerns—you plan to offer an amendment during the Senate's consideration of the resolution making it clear that section 5 will be inapplicable to agricultural price support and related programs of the type in operation on January 1, 1982, that are funded through the Commodity Credit Corporation. This would be consistent with the action taken by the Senate in 1980 in adopting a similar amendment.

We believe the Senate's adoption of the amendment you plan to offer to section 5 of the resolution will be in the best interest of the Nation's farmers and consumers, and we appreciate your cooperation in this matter.

Sincerely,

Jesse Helms,
Chairman.
Walter D. Huddleston,
Ranking Minority Member.●

Mr. PROXMIRE. Mr. President, I am going to vote against this resolution because:

It proposes deficit spending totaling a whopping $388 billion for the period fiscal year 1982–85;

It proposes a staggering $1.5 trillion national debt in 1985 as appropriate;

It leaves unscathed a number of sacred cows which should have been cut;

It sets the stage for continued intolerable high-interest rates and a possible credit crunch; and

Finally, it promises a healthy economy but these promises are based on assumptions which are terribly wrong.

This resolution, despite all the rhetoric surrounding it, fails miserably to reduce deficit spending. By 1985, using pie-in-the-sky assumptions, the resolution proposes a deficit of at least $64 billion. Until this year, 1982, the deficit exceeded this total only once in the past 20 years.

This resolution proposes to increase the national debt by $388 billion in 4 short years. It does nothing to slow the growth of Federal credit, which drives up the debt and crowds out private borrowers.

Far from being a cut in spending, the resolution proposes a spending increase of nearly 6 percent. It continues to fund water projects, general revenue sharing, the Clinch River breeder reactor, and other political sacred cows. And, if experience is a good teacher, the actual rate of spending will probably double as fiscal year 1983 fades into history.

Interest rates are stuck at intolerably high levels because lenders do not believe the Federal Government has put its financial house in order. This resolution does nothing to dispel that belief. It is based on the assumption that a real-after-inflation-growth rate in GNP of 5.4 percent, a drop in interest rates of 2.5 percent in 8 months and a deficit of $115 billion are compatible and consistent. To me, those figures portend continued, high interest rates and a possible credit crunch.

Last year's budget resolution was promised on the assumption that tax cuts alone would stimulate investment. High interest rates put an end to that dream. This year's resolution is based on smoke and mirrors budget cuts and tax increases driving down high interest rates. I am afraid, Mr. President, that we shall soon be watching another dream die.

Mr. BRADLEY. Mr. President, during the Senate's consideration of the first concurrent budget resolution for fiscal year 1983 we have been seeking a balanced means to reduce the enormous budget deficits which are projected for the next 3 fiscal years. Massive tax cuts and record defense spending have given us deficits that are twice as high as any in our history. These deficits, combined with an extremely tight monetary policy, have produced and perpetuated this recession, as extraordinarily high real interest rates extinguish any sparks of recovery. Reducing the deficits, we can all agree, is necessary to restore stability to the financial markets and thereby to lay the basis for recovery from the deep recession into which our economy has fallen.

Mr. President, the budget resolution before us does not, in my opinion, significantly address the root causes of the problem. Worse still, in its budget-cutting it runs the risk of seriously crippling our efforts to return to a productive, growing economy.

What are the causes of our current budgetary problem? First, Mr. President, is the overgenerous Tax Act of 1981. In extreme optimism and without regard to the state of the economy 1 or 2 years hence, last year the Congress passed the administration's tax package. While I supported tax reductions for business to stimulate productive investment and reductions for individuals to help offset the increased social security tax burden, I could not support the final legislation. I believed then that the multiyear revenue loss from the tax cut would bring high interest rates and huge multiyear deficits, not economic growth. The arithmetic seemed clear: $750 billion in tax turnbacks over 5 year, plus $200 billion in defense increases, minus $135 billion in spending cuts over the same period would leave potential deficits of some $800 billion. The promised supply side economic miracle—a burst of businesss investment, the creation of millions of jobs and a booming economy—simply has not materialized. The 10 million Americans now unemployed, the record number of bankrupt small businessmen and farmers and the thousands more facing the prospect of bankruptcy, the anxious managers of our thrift institutions and the forest products, housing, and auto industries all know the unhappy truth: The Kemp-Roth-Reagan Tax Act was too incautious. Corrective action must now be taken.

Mr. President, this budget resolution also proposes defense spending which I believe to be excessive. I cannot support a budget resolution that turns defense spending into a blind alley which could lead to greater troubles for our economy. In defense, as in other areas, too many dollars spent too quickly can result in production bottlenecks and the diversion to defense purposes of an undue share of the output of our electronics and other high technology industries, damaging the health of our

nondefense industries. Moreover, the proposed levels of spending for defense will certainly fuel the already pronounced and well-documented inflationary tendencies in defense procurement programs.

We must be prepared to spend whatever is necessary to insure the appropriate margin of military safety in the coming decade. However, this budget authorizes funds for programs that do not demonstrably serve our national security and foreign policy objectives. If we are serious about reducting the long-run deficit, we must take decisive actions now to reduce out-year costs.

Accordingly, when the Senate considered the 1983 Defense Department authorization, I voted to cut money from such programs as the Nimitz class nuclear powered aircraft carrier, the MX missile, and the production of lethal chemical weapons. When we take up the defense appropriation bill later this year, I will also vote to delete funds for the B1 bomber. I regard this program as an unnecessary and unduly expensive bridge between our existing B52's and an advanced technology bomber, the so-called Stealth.

Cutting these programs would not generate more than a few billion dollars of additional savings in the current fiscal year. However, over time the savings would be substantial.

Mr. President, despite proclaimed concern about the projected deficits, the proponents of this budget resolution have proved unwilling to take the steps required to reduce out-year deficits to the degree necessary. The third year of the tax cut which give most Americans that $4 per week is held inviolate and minimal restraint is called for in defense spending. Instead they turn, once more to the programs serving middle and lower-income Americans which bore the brunt of last year's budget cuts. They propose billions of dollars in savings from the education, job training, health, and environmental programs which improve the quality of life for so many Americans.

Worst of all, Mr. President, the reductions required by this budget strike at the heart of U.S. opportunities for economic growth.

Mr. President, the world is becoming a single marketplace and the United States is selling more, buying more, and competing more on an international basis. As our economy grows more sophisticated and technological change transforms the American workplace and work process, the goods and services which we produce the best will also change. In order for American industries to keep pace with the worldwide demand for sophisticated products and services, the working skills of Americans will have to change and change rapidly. Historically, our efforts to improve productivity and products have focused on mobilizing new capital investment and in providing technology. Tax advantages and regulatory policies have encouraged businesses to invest in new buildings, machines, and technology. We need the investment, but as a result, investment in people has all too frequently been neglected.

However, as the postwar baby boom generation reaches maturity, the growth of the American work force will slow. This means that American companies will have a smaller pool of workers from which to draw. It also means that we cannot afford to neglect our education and job training programs any longer. How effectively we educate today's children and renew today's work force will determine how effective a work force we will have tomorrow.

Mr. President, I believe that we need to make significant new investments in our entire educational system and in our job training programs. We have fallen behind in producing the engineers, the scientists, the high school teachers of foreign language and science, the skilled machinists and the computer repair technicians that we need if our economy is to regain and maintain its strength and vitality. We should be increasing our investments in the education and training programs which expand job opportunities for our present and future workers, not slowing them as this budget would do.

As we look to the future, we must be especially sensitive to the special help that disadvantaged and handicapped children and young adults must have if they are to participate in and contribute to future economic growth. Special teachers supported in part by Federal dollars now provide this added help in thousands of elementary and secondary school classrooms around the country and Pell grants make college attendance possible for many thousands of students from low-income families. Mr. President, I and a number of my colleagues sought to restore funding to this budget resolution in order to sustain—merely sustain—our current efforts to assure equality of educational opportunity for all our children. Because we were not successful, handicapped children and low-income children will be required to make sacrifices which neither they as individuals nor we as a nation can afford—all because the Senate majority is unwilling to modify last year's unwise tax decisions.

The elderly, the disabled, and the poor are also being asked to increase their burdens on behalf of a tax cut that gives them very little. This budget calls for reductions in medicare and medicaid expenditures amounting to approximately $18 billion over the next 3 years. To achieve such savings, benefits will have to be cut, eligibility limited and many more dollars will have to come out of the pockets of senior citizens, the disabled and the poor.

Mr. President, I share the concern about the cost increases which have hit Federal health care programs—increases which exceed the general rate of inflation. But I do not believe that we can afford to lower the deficit by reducing access by the elderly and the poor to medical care. Cost containment and reform of our health care reimbursement system, not this budget's cost-shifting and cost barriers to care—this is the approach we should take.

Mr. President, I could cite other programs of vital national interest which have suffered funding reductions in this budget in order to maintain the third year of the tax cut and provide for massive defense spending. The superfund, created to begin the cleanup of the Nation's all too numerous and all too hazardous toxic chemical dumps, and special Federal aid to unemployed workers in high unemployment States are only two examples. As with education, job training, and health, these programs return benefits far in excess of their costs.

In conclusion, Mr. President, this budget resolution strikes the wrong balance between spending and revenues, and between defense and nondefense spending. Rather than compound the mistakes of last year by continuing a program that has not worked, we should bring our fiscal policies back into balance and start our economy on the true road to recovery.

Mr. President, I am compelled to vote against this budget resolution.

Mr. HELMS. Mr. President, it is part of the responsibility of being a Senator that we must choose between (1) going along with something that we believe to be wrong and therefore harmful to the country or (2) running the risk of being misunderstood.

Of those choices, especially concerning this budget resolution, I must run the risk of being misunderstood. I regret that I cannot support this resolution, despite my high esteem for Senator Domenici and others who have worked so hard and so long to reach a compromise that, in their judgment, would pass both the Senate and the House. But reaching a compromise is not nearly so important as standing firm for a budget that would do the job.

The truth is, Mr. President, that the compromises so evident in this budget resolution have bartered away the very principles that are imperative if we intend to send the right signal—the kind of signal that would encourage a stabilized economy, lowered interest rates, a reduction in Federal spending, a reduction in the Federal deficit, and a revitalization of the productive capacity of this Nation to put people back to work.

I realize, of course, that President Reagan was convinced by his advisers that in order to satisfy his Democratic adversaries compromises had to be made—but when basic principles, whether they be economic principles or otherwise, are compromised, trouble lies ahead.

I do not believe that this budget resolution will even begin to do the job that we say we want it to do. In fact, I am apprehensive that it will have precisely the opposite effect. I hope I am wrong. Believing that as I do, I cannot in good conscience support this budget resolution.

Mr. President, on yesterday I offered an amendment—the only one that I offered during this debate—an amendment that would have sent the right signal, an amendment that would reduce Federal spending by more than $101 billion on a pro rata basis, while reducing the enormous increase in taxes, stipulated by this budget resolution, by the same amount. The pro rata reduction in Federal spending would have been between 6 and 7 percent, and I am persuaded that there is not one Federal department or agency that could not accommodate such a decrease.

But my amendment was defeated, Mr. President. It received 17 votes—about what I anticipated when I offered the amendment, considering the mindset on both sides of the aisle.

Mr. President, I overheard a comment last night in the cloakroom by an able Senator who said that this budget resolution calls for too much spending, too much taxing and too little national defense. He is right. The assumptions of economic activity on which this budget resolution is based are seriously flawed. Senators may not today be able to perceive this, but I am persuaded that they will eventually see it—to their regret. But it will then be too late.

The economic theories on which this budget is based contradict previous tenents of the Reagan administration and are contrary to the principles Congress embraced when it adopted most of the President's economic recovery program in 1981.

Mr. President, it saddens me to say that this budget resolution, while well intended, may represent one of the most flawed pieces of economic legislation Congress has considered in years.

I fear that approval of this budget resolution may mean ecomonic dislocation on an even greater scale than exists today, and that it is in fact a rejection of the economic mandate that the American people endorsed in 1980.

The work of many Senators and staffs on this resolution deserves considerable credit. I wish that I could support the results of their efforts. But I cannot.

Mr. President, over the life of this budget process the assumptions on which budget resolutions have been based have never been proven correct. In other words, the revenue and outlay figures that Congress assumed, in making its judgments, have proven incorrect. This is not because the professional staffs of the Budget Committee and the Congressional Budget Office have not conscientiously done their jobs, but rather because the state of the art of economics is far from perfect. In fact, there has been a great debate within the CBO and the Senate Budget Committee concerning the tools used to make these assumptions.

My colleagues may recall that during the past Congress a memorandum was sent from Alice Rivlin, head of the CBO, to then Budget Committee Chairman Muskie referring to a "Right Wing Claque," that favored using economic assumptions based on classical or supply side economics. I assume the memorandum probably meant to refer to a "clique," which is a small group advocating a partisan cause; and not a "claque," which is a paid group of applauders in a theater. But what came through in the Rivlin memorandum was the CBO staff's bias against supply-side economics.

Ironically, the American people in 1980 endorsed precisely the kind of economic prescriptions which are at the heart of incentive-based, classical, or supply-side economics, and Congress in 1981 adopted much of President Reagan's program based on that economic view of the world. It is important to remember that a year ago Budget Director David Stockman described the CBO as the chief source of criticism of the President's program. Indeed, the assumptions on which this budget resolution is based are the same assumptions that were used by the political opponents of the President's program of cutting both taxes and spending in 1981.

The Wall Street Journal offered a cogent comment concerning the accuracy of the assumptions upon which Congress is relying to make significant changes in the course of economic policy:

> The actual deficit this year is running well below the forecast level. It's anybody's guess what the actual deficit will be when the fiscal year ends September 30, but we know for sure that people who can't even guess the current year are not to be trusted predicting the years beyond. Most of the numbers and economic assumptions before Congress haven't even been run through the OMB and Congressional Budget Office computers, for whatever that is worth.

Mr. President, even if CBO did run these numbers through its computers, I would doubt the reliability of the results because of the peculiar way OMB views the economy. As computer experts put it, "Garbage in, garbage out."

Mr. President, much of the debate on this budget is focused on the question of the economy and on the need for policies that will result in lower interest rates. Here again, conscientious and diligent men and women have come to a conclusion and they have acted on it—that a budget resolution containing a lower projected Federal deficit will have an immediate salutary effect on the financial markets, and that consequently interest rates will come down. The resolution has been described as the "clear signal" that is needed to give financial markets confidence in long-term economic stability and thus encourage people to make long-term investments. Such investment will produce economic stability necessary to bring down interest rates. So the argument goes.

Mr. President, it is almost as if we are expecting the markets to play the role of Charlie Brown in the comic strip. Every fall, Lucy holds a football for Charlie Brown and assures him she will not pull it away when he tries to kick it. Every year he doubts her, but is finally convinced that she is serious this time. Every year, of course, she pulls the football away and Charlie Brown winds up flat on his back.

Can anyone seriously contend that the figures on this budget are an accurate forecast of what Congress will do in fiscal 1983 or what the economy will do in fiscal 1983? I do not believe that Wall Street is populated with Charlie Browns.

Mr. President, no one can argue that Congress should or can ignore the Federal deficit. History provides the answer to that question. Anyone familiar with my record in Congress is aware of my conviction that we must reduce Federal spending and balance the Federal budget.

So we must not just lower the deficit, we must eliminate it. We must also act on the constitutional amendment to require a balanced budget, and we must cut Federal spending.

One final note, Mr. President. There is a substantive alternative that is too seldom discussed in Congress—a monetary policy that would certainly provide long-term predictability to the value of the dollar. A monetary policy with the purpose of stabilizing the value of the dollar would provide the stability needed to allow long-term interest rates to come down to historical levels. It would mean that the bond market would prosper, the industries in our Nation would grow again, and we could put Americans back to work.

Yes, Mr. President, I am talking about a gold standard. Unless we change the monetary system of this Nation, we are not going to solve the problem. We will merely be compounding it.

I will not consume the Senate's time further, Mr. President. Again, I regret that I cannot in good conscience support this resolution. At the same time, I would reiterate my respect for Senator DOMENICI and all others, including the staff members, who have spent so much time and effort on a most difficult task.

I thank the Chair and I yield the floor.

● Mr. GLENN. Mr. President, this budget resolution is most unacceptable. Indeed, in a very key way this resolution is worse than the original resolution reported out of the Budget Committee in that it projects even deeper deficits. Its deficits, in fact, exceed those of any of the other alternatives proposed. To me, a Federal deficit amounting to more than $270 billion over a 3-year period is dangerous. Such deficit forecasts suggest such large Federal demands on the capital markets as to severely impede our chance to recover from the current recession. They threaten the painfully-achieved reduction in inflation and promise continued high interest charges.

Government-related borrowing, which accounted for about 42 percent of total credit market borrowing in 1981, can only increase under the modified budget resolution the majority has thrust at us.

The majority has compounded the problem, then, and for one simple reason. The majority simply refuses to consider elimination of the third round, 10 percent of the Reagan-Kemp-Roth tax cut, scheduled to take effect in July of 1983. Budget cuts alone cannot possibly balance the budget when we are staring at $125 to $200 billion deficits over each of the next several years. Only undoing at least a portion of the tax cuts will do the job of substantial movement toward a balanced budget.

That, Mr. President, is what must be done to bring this deficit growth under control. Elimination of that scheduled tax reduction would yield $183 billion in revenues over the 3-year period this resolution addresses, permitting us to send a stronger signal to the capital markets even as we address some of the pressing needs for health care, the elderly, education, jobs unemployment assistance, nutrition, housing, law enforcement, transportation, and, yes, for national defense.

Shelving the third stage of last year's tax bill is the realistic way to meet our budgetary needs and reduce the deficit. That step would require an admission that we went too far last year. That is an admission that I, for one, am more than willing to make. Indeed, I voted that conviction last night when the amendment of the Senator from South Carolina (Mr. HOLLINGS) was rejected. I will vote that conviction once again today by voting "no" on this resolution.●

Mr. LEAHY. Mr. President, I intend to vote against the budget resolution before the Senate today, Senate Concurrent Resolution 92.

I regret that I must oppose this resolution. I do so because it ignores the severity of our present economic crisis, and fails to redirect the misguided economic policies which have caused that crises.

The budget process, beginning with the drafting of this resolution, offered the most promising opportunity to revamp the mix of spending and tax policies which has produced today's record budget deficits, record unemployment, and record-high interest rates.

It is unfortunate that the Reagan administration and the majority Members of the Senate have rejected offers for a bipartisan budget compromise, and have instead forced through the Senate a budget plan which embraces the Kemp-Roth tax bill, and all the other elements of the administration's failing supply-side policies.

It has disturbed me to watch the tradition of nonpartisanship in congressional budgeting, which is the pillar of the congressional budget process, ignored and violated during the development of this resolution.

While publicly stating their interest in a bipartisan budget compromise, Republican leaders in Congress and the administration have gone to extraordinary lengths to prevent Democratic participation in the budget negotiations.

In fact, the last gesture of bipartisan cooperation on the budget occurred when Senate Budget Committee Republicans and Democrats joined together in unanimously rejecting President Reagan's original budget. The vote against the President's budget and the $400 billion in budget deficits it contained was 20 to 0.

Following that vote the Senate majority has twice retreated behind closed doors to draft revised budget plans with no public discussion, and no Democractic participation.

The final result of these behind-the-scenes sessions is the resolution presently before the Senate today—a resolution which was never approved or even discussed by the Senate Budget Committee.

These partisan procedures do great harm to the congressional budget process, which has been, and hopefully will remain, the best and only means of achieving responsible and bipartisan fiscal policy.

As troubled as I am by the partisan maneuvering which has shaped the pending resolution, I would not oppose a budget resolution on questions of process alone. I must vote against this resolution because it does little to aid the prospects for economic recovery or to reduce the massive deficits which have paced our economic slide.

Mr. President, this budget resolution, and the supply-side economic policies it embraces, has two major shortcomings: It is unfair and it will not work.

It is unfair because the tax break given to a taxpayer earning $80,000 is 34 times—that is right—34 times bigger than the tax break for a family which earns $10 to $20,000 per year. It will not work because the record budget deficits it contains have caused soaring interest rates, reduced investment, and high unemployment instead of the promised economic growth and prosperity.

The old gospel said we had to pay the price of millions unemployed to reduce inflation. The new supply-side economics said you did not. It said you could cut taxes, balance the budget, restrict the money supply, whip inflation, and create a boom economy all at once. In fact, today we are reducing inflation only because there are 10 million unemployed. We have learned again the hard way that there is no free lunch.

This budget resolution reflects spending priorities which defy all rules of logic and fairness. It proposes drastic reductions in our environmental protection and cleanup efforts. It proposes deep cuts in the health, education, employment, job training, and social service programs which are critical to the health and security of the unemployed, the elderly, and the disadvantaged—especially now in the midst of a severe and protracted recession.

At the same time, this budget proposes generous, even reckless increases in defense spending for the procurement of numerous obsolete, goldplated weapons systems. Our Nation's defense strength and readiness can be improved and maintained with a slower rate of growth in military spending.

Mr. President, I refuse to believe that wholesale transfers of funds from research, education, energy and transportation programs which build and protect our economic infrastructure, into defense accounts, will bring about an improved economic climate.

We are told by the administration and supporters of this resolution that deep cuts in these many areas are necessary, that the severity of the times requires substantial and equal sacrifice as we work to reduce the escalating budget deficits.

In fact, this budget does not require equal sacrifice or balanced cuts. Offsetting the deep cuts proposed in areas of great importance to Vermont are spending increases totaling some $34 billion in other areas—areas such as civil defense, water projects, foreign military assistance and other nondefense accounts. On top of these budget increases is another $25 billion increase over last year's record level of defense spending.

We are also told by supporters of this resolution that it represents a bold and successful stand against runaway budget deficits.

In fact, this budget contains the largest budget deficits ever projected in the history of congressional budgeting. This resolution projects budget deficits totaling $270 billion in the next 3 years, $115 billion this year alone.

Mr. President, these unacceptable deficits are the product of the ill-conceived economic policies of the current administration. They are the cause of soaring interest rates and the reason for the current recession which has thrown more Americans out of work than at any time since the Great Depression.

As staggering as these deficit projections are, all indications are that they understate the true problem. A realistic forecast of the performance of the economy produces deficit projections which are substantially larger.

If the forecasts for economic growth and interest rates in this resolution prove to be overly optimistic, as was the case last year, Federal revenues will fall, expenditures will rise, and the actual deficits will exceed the already high levels projected in the pending resolution.

Mr. President, in summary, I cannot support this unfair and fiscally irresponsible budget.

I regret that amendments I offered to restore funds for environmental protection and for the women, infants, and children (WIC) supplemental food program were rejected. I regret that the amendments I supported to redistribute necessary spending cuts more equitably among different income groups, spending accounts, and regions of the country were also rejected.

Acceptance of these amendments would have done much to improve the fairness of this budget resolution.

I have similar regrets that deficit-reducing measures which I support were not approved. Amendments I supported to cut domestic and defense spending freeze foreign aid at 1982 levels and raise billions in revenues over the next 3 years, would have produced a balanced budget by 1985.

Instead, the resolution contains a deficit of $84 billion in 1985, and cumulative deficits of $271 billion over the next 3 years. These unacceptably high deficits are a prescription for continued economic disaster.

Mr. President, the House of Representatives will consider several budget alternatives next week. It is my hope that the House, and then a joint House-Senate conference committee, will draft a bipartisan compromise budget which is fair, which works, and which I can support.

● Mr. WEICKER. Mr. President, unfortunately I find myself in much the same position I did last year at this time. I have a budget resolution before me which floats on a vertible sea of red ink. I have before me a budget resolution whose tax cuts far exceed its spending reductions. I have before me a budget resolution which spends more on defense than this budget or the Pentagon can efficiently bear.

The only difference is that this year the deficits are twice as large; unemployment and interest rates are higher; and economic recovery is nowhere in sight.

In light of those prospects and that record, Mr. President, I must vote "no" on this resolution.●

● Mr. MATTINGLY. Mr. President, I rise today to support the conference report to accompany Senate Resolution 92, the first concurrent budget resolution for fiscal year 1983.

I must admit, however, that my support for the conference report, as was my support for the Senate budget resolution, is lukewarm. I would have preferred less spending, less taxes, and a lower Federal deficit.

While taxes are increased in the next 3 fiscal years as a result of the conference report in an effort to reduce the Federal deficit, outlays are increasing each year by a much larger amount. Until Congress acknowledges and reverses this trend, the Federal deficit will never disappear nor will the American economy prosper or operate at its full potential. In other words, Congress must recognize and deal with the spending side of the budget equation if it ever hopes to get control of the out-of-control Federal budget.

Mr. President, as I previously emphasized, I, like many of my colleagues, would have preferred less spending, less taxes, and a lower Federal deficit. This issue, however, must be addressed in subsequent Federal budgets.

Today we are faced with the choice of accepting the conference report or accepting no budget at all. Many will argue that no budget at all would be preferable. I disagree. No budget would certainly send the wrong signal to the American people and the financial market, both of whom are justifiably skeptical of Congress sincerity in getting its fiscal house in order. As I have indicated, I do have reservations about the conference report; nevertheless, it does not set a course of declining Federal deficits which will, hopefully in the next few years, bring Congress back to spending within its means. In fact, the conference report calls for $378 billion in deficit reductions over the next 3 years.

While Congress must continue its effort to reduce the Federal deficit and the Federal Government's involvement in the marketplace, adoption of the conference report will send a positive signal to the financial markets that Congress has taken a step to accomplish this goal. Moreover, I am hopeful that adoption of the conference report, showing declining Federal deficits in future years, will establish confidence by the financial markets and will thus lower the intolerably high interest rates which have thus far retarded economic growth and an economic recovery.

Mr. President, even with the passage of the conference report, our job is far from complete. A difficult round of tax and spending decisions will now begin in various committees that are required by the conference report to accomplish savings and achieve revenue increases. In this regard, I hope every American will continue to encourage and keep pressure on their elected officials to meet these instructions. Failure to do so will send a signal to the American people and the financial markets that Congress is back to its old way of business as usual, a situation which the people will not stand for and the economy cannot afford.

Mr. President, with the foregoing said, I cast a favorable vote for the conference report to accompany Senate Resolution 92, the first concurrent budget resolution.●

Mr. ROBERT C. BYRD. Mr. President, the time has come to vote on the first budget resolution, and I will have to vote against it, in its present form. I will have to vote against cutting medicare by $18.3 billion. I will have to vote against new taxes that could take money from our veterans. I will have to vote against a budget which could require user fees that unfairly burden our Nation's coal and gas producers. I will have to vote against this budget because it continues the folly of Kemp-Roth at the expense of the American working people and our Nation's elderly.

I will have to vote against dipping once more into the shallow well of domestic spending to drain away education funds, railroad retirement, housing, and veterans programs. Millions of our most deserving and hardest pressed working citizens will be hurt by this unworkable and unfair Kemp-Roth budget.

I tried to delay the Kemp-Roth tax cut for the wealthy until we could afford it. I tried to delay the tax cut rather than create $107 billion in new taxes in the middle of a recession, as the Budget Committee proposes. These new taxes could raise the price of energy through user fees, oil import taxes, or other energy penalties. These new taxes could increase the burden of families struck by catastrophic illnesses, by denying them tax relief for their overwhelming medical expenses. These taxes could further threaten the ability of parents to send their children to college. In short, these $107.2 billion in new taxes the Budget Committee proposes would come largely out of the pockets of working men and women.

Some people will be hurt by whatever decisions we make in this Chamber, but it did not have to happen this way. These terrible decisions must be made because the Kemp-Roth tax cuts and high interest rates have forced us into a deficit-ridden recession that is not abating.

This week, the Federal Reserve Board reported that the productive use of our Nation's factories and machinery slipped again in April. Nearly 20 percent of our available capacity now stands idle, waiting for the Kemp-Roth supply-side magic to take hold.

Industrial production, which is a basic indicator of our economic health, fell again in April, and now stands 8.6 percent below its prerecession level.

Just yesterday, the Commerce Department announced that in the first quarter of this year, before-tax business profits dropped at a 29-year record rate of 15.6 percent, while after-tax profits plunged 17.5 percent. On the same day, the Commerce Department announced that the GNP had dropped further in the first quarter than was originally thought. Instead of dropping 3.9 percent, there was actually a plunge of 4.3 percent.

And if the present is bleak, the future is no brighter. In April, the conference board's survey of consumer confidence hit an alltime low of 53.1 percent, and consumer buying plans plunged 27 points during that month. Everyone knows that until consumers begin to buy again, no sustained recovery is possible.

Why have consumers slashed their buying plans? Why have our Nation's businesses slashed their capital investment plans so severely that they will invest 4.5 percent less this year than last? Why are our factories running almost 30 percent below their capacity? One ominous phrase answers all these questions: High interest rates.

High interest rates have stifled investment. What business can afford to invest when real interest rates are running at a record rate of 15.5 percent? How many consumers can afford to buy houses, cars, or refrigerators at the current interest rates?

Is it really any wonder that we find ourselves facing record deficits, a stubborn recession and proposals to take more from our Nation's elderly, our Nation's sick, and our Nation's working poor?

None of us should be surprised that a contradictory policy of tight money and big deficits would lead to a recession and that deficits grow astronomically during bad economic times. There were plenty of storm warnings last year. Economists outside the administration were nearly unanimous in saying that huge tax cuts and tight money would damage our economy.

Democrats in the Senate tried repeatedly to tie the third year of Kemp-Roth to economic conditions. We did not want to eliminate the tax cut, but to schedule it when we could best afford it. We argued that there was no sense in adhering to a doctrinaire timetable established by rigid ideologies. I went to the White House to say that the Kemp-Roth plan should be more moderate, that it should pay attention to the needs of our people, not the needs of theory.

Reasonable people can disagree on many things, and we did not agree with our Republican colleagues that the Kemp-Roth tax cut could be swallowed whole. Our friends on the other side of the aisle stuck to the original Kemp-Roth plan, and they did it with the best of intentions. I am convinced that my Republican friends honestly believed the 3-year plan was the best way to get America moving, and that the supply-side magic promised to them by Mr. Stockman's computers would be worked on schedule.

They did not know that they were worshipping a false idol at that time. They did not know that the OMB computers were being fed manufactured data, and that the projections of sustained, low inflationary growth were made up out of whole cloth. They did not know that the promised 1984 balanced budget was a will-o'-the-wisp that would disappear as we drew closer to that year.

No Republican Senator thought that his support for Kemp-Roth would turn the silk purse of large tax cuts into the sow's ear of massive deficits. But I also know that my friends should not be surprised that such a transformation has come to pass. We disagreed, honorably and honestly, last year, but we disagreed nonetheless. Unfortunately, Democratic caution regarding Kemp-Roth has turned out to be the wisest course, and our predictions of economic difficulties have unfortunately been borne out.

Last year, we knew that the Kemp-Roth tax cut was a roadmap, but Republicans and Democrats disagreed about where that map led. My Republican friends thought we were traveling a road paved with gold and headed for the paradise of strong economic recovery. My Democratic colleagues believed we were setting out on the road to higher deficits and higher interest rates. If only we Democrats had been wrong, there would be no need for this year's Republican efforts to cut social security, medicare, student loans, and housing.

But we should not say that the Kemp-Roth tax cut is solely responsible for the recession, nor is it solely responsible for the record budget deficits that we face, deficits so large that we must struggle mightily to bring them down to the staggering figure of $100 billion in 1983. Our economy is too big, too resilient, and too creative to be destroyed with just one mistake. Unfortunately, there was a second mistake that helped make the difference.

Economic advisers to the administration pushed the Federal Reserve Board into pursuing the tightest money policy in memory. Last year, the basic money supply grew at only 2.3 percent. With inflation running at 10.4 percent last year, this means that the real supply of money actually decreased by 8.1 percent. In other words, after we take account of inflation there were 8 percent fewer dollars at the end of 1981 than there were at the beginning. With that steep drop in money it is no surprise that a steep and long recession has sprung from this high-interest-rate policy.

Even the administration's economic advisers recognize that their monetary policy was responsible for the recession. In their annual economic report for 1981, they wrote:

> There decelerations in monetary growth led to a sharp decline in real output in the final quarter of the year.

To their credit, these advisers did not seek to hide behind the past or to blame others for their recession. The high-interest-rate monetary policy caused the recession, they say.

The administration remains committed to the same tight money policy in 1982 that it followed in 1981, and with the same results: Record real interest rates and continued recession.

The combination of tight money and big deficits creates a vicious cycle where tight money leads to high interest rates which lead to deeper recession which leads to larger deficits. These deficits, in turn, increase interest rates as the Government sucks up more and more of the available credit from businesses and consumers.

This spiral will not be stopped until we return to a policy of prudent tax cuts, prudent spending cuts, prudent defense increases, and prudent monetary policy. We need an economic policy of commonsense, not of uncommon rigidity. Right now, the Kemp-Roth tax cut and the tight money policy are keeping interest rates up and keeping us in a recession.

I hope we will do something about these problems during this budget process. We should delay the third year of Kemp-Roth until we can afford it. I do not think the Government should promise tax cuts we have to borrow to afford.

I also hope we can force the administration to loosen its grip on the money supply. There is no need to have negative real money growth in the middle of a recession. Slow money growth means high interest rates, and high interest rates guarantee continued economic weakness for our Nation. Bankruptcies are running at 50-year record levels because businesses cannot afford to stay open at these interest rates, our citizens cannot afford to buy houses, cars, or appliances, and our industries cannot afford to invest.

Mr. President, what more reason do we need to change this destructive economic course? What more reason do we need to admit that the best-intentioned theories can go wrong in practice? How much longer must we endure this tragic, national nightmare? I would hope that we will eventually set the stage for recovery by looking not just at veterans programs, housing, and student loans, but at the Kemp-Roth tax cut and the high interest rate policies of the past 16 months.

So, I will vote against this budget resolution. I will vote against it because it continues a tragically flawed policy that has kept real interest rates at record levels and has cost 10.3 million people their jobs. I will vote against it because it penalizes our elderly, our students, our veterans, and our children to save a Trojan Horse tax scheme that reduces taxes for the wealthy few. I will vote against this resolution because it raises new taxes by $107.2 billion in the middle of a recession that still has not hit bottom. Most of all, I will vote against this budget because it is bad tax policy, bad budget policy, and bad economic policy. It is a compromise without a conscience, and a policy without a promise.

I may not be the only one who has trouble with this budget resolution. From recent press reports, the President himself seems to be backing away from this Republican budget plan. Yesterday, according to his spokesman, he decided to sit on the sidelines once more.

I would like to know if the President supports this latest Republican proposal, or if he still demands that social security be cut as the price for his support? I would like to ask my good friend, the Senator from New Mexico, if he knows whether the President stands behind this budget or not? If even the President cannot support this plan, I do not know why the Senate wastes its time in voting for a budget anticipating legislation which will eventually be vetoed. I hope my colleagues on the other side of the aisle can enlighten me, and the rest of the American people about the President's feeling about his budget. Does he support it or does he not? That is the question. Perhaps it will be answered by the President in the days to come.

Mr. PERCY. Mr. President, I plan to support this budget resolution for fiscal year 1983 when we come to the final vote on it. I do so not because this is the best budget, but because it is the best one we could put together here in the Senate.

The recession is having a major impact on my State of Illinois. Unemployment last month was 10.4 percent, one of the highest among the industrial States and a full point above the national average. In some of our Illinois cities, joblessness is much higher. In Kankakee, unemployment stands at a disconcerting 16 percent; in Decatur, at almost 13½; in the Quad Cities and Rockford, 13 percent. These are tragic statistics. Behind each one though is a family or individual whose work and career has been disrupted. It is imperative that we get the economy moving again so that new jobs will be created in Illinois and throughout the country.

Economists tell me the key to getting the recovery going at this point is a further decline in interest rates. These interest rates—the prime is as high as 18 percent in some Illinois towns—must be reduced and the best way to do this effectively and permanently is to slow Government spending and bring an end to the budget deficit as soon as possible. Financial markets want to see some progress in grappling with the deficit to convince them we are serious about keeping inflation down. If we can show them that—and I think we can—interest rates will begin to fall.

We have already seen tremendous progress made on the inflation front. Just today the Federal Government announced that inflation for April was a mere 3 percent and the inflation rate for the first 4 months of this year is an incredibly low 1.5 percent. When we think back to the 18 percent inflation we recorded in the first quarter of 1980—just 2 years ago—this achievement becomes all the more remarkable.

Despite the progress made in arriving at this budget, I am still concerned about the size of the budget deficit we are projecting for the upcoming year. A budget deficit of over $100 billion is way too large for the economy and I am, of course, disappointed to see very large deficits forecast out into 1984 and 1985. I have been working for several years to bring us to a balanced budget by 1984 and I shared the President's hope that we could achieve that.

Unfortunately, the recession has upset those hopes and plans. Unemployment has increased the payout of a number of entitlement programs. These payment must be made under current law and consequently Federal spending rises automatically. On the other side of the ledger, Federal revenues in a recession generally drop. As economic activity falls off and unemployment grows, taxes owed the Government usually drop. Additionally, inflation's almost precipitous drop this year has cut into the levels of taxes owed the Government.

In short, the budget is heavily influenced by the state of the economy. Both the rise in joblessness and the fall of inflation have worsened the budget picture, making a balanced budget all the more elusive for fiscal 1984.

Despite this fiscal forecast of a large budget deficit for fiscal 1983, I am somewhat encouraged that the projections may be proved to be inaccurate. During the first half of this year, Federal revenues have been coming in at a rate far in excess of what this budget resolution estimates. If the first half of the year is any guide to the revenue picture for the year, we will not see the $100 billion deficit forecast here. Rather, we could see a deficit in the range of $70 to $80 billion. While this is still too high, it is a vast improvement over a deficit forecasted at one point of over $180 billion if no action were taken by the Congress.

At this point, however, we cannot foresee accurately what pattern revenues will take for the remainder of this year. It may be that they will indeed follow the course of other recessions. They may nosedive in the second half of the year, thereby producing the large deficit predicted in this resolution.

As I said, I certainly hope we will see a continuation of this unexpected revenue flow. Dr. Milton Friedman, the Nobel Prize-winning economist, recently gave me his explanation for this unusual runup in revenues. He believes it is tied directly to last year's tax cut, especially the cut in the maximum tax on investment income, from 70 percent to 50 percent. There is certainly a precedent for this occurrence. In 1978 we cut the top tax on capital gains only to see in the following year a tremendous increase—let me repeat, increase—in the revenues from capital gains taxation. The lower tax simply encouraged greater investment and was an incentive for sales of assets. Not only did the economy benefit from this tax cut, with more investment and economic activity, but so did the Federal Treasury, with more revenues than it received at the higher tax rate. Perhaps we are seeing a repeat of that development this year, now that the lower tax is in effect. If this proves to be true, it will be a tremendous testament to the power of tax reduction.

Mr. President, there has been a considerable amount of discussion during the Senate's consideration of this resolution about tax burdens. For example we did have several votes on the third installment of the individual tax cut, set to take effect in July, 1983. In each case I voted to uphold the individual tax cut as it was voted and promised the taxpayers last year.

Some have argued that we cannot afford a tax cut any longer, with so large a budget deficit. I say to those people that they have not adequately studied Federal finances. The 25-percent tax cut we passed last year, phased in over 3 years, actually only amounts to a slowdown in the rate of tax increases. Let no one believe that we have cut taxes below what they were in 1979. We have not. We simply have slowed the rate of increase.

Mr. President, I ask unanimous consent that the following chart from the Senate Budget Committee report be printed in the Record at this point. This chart shows graphically how we are still in a position of rising taxes. The tax cut slows the increase, however, from 15.2 percent last year to 4 percent this year. Taxes are still rising.

Federal revenue projections

Fiscal year:	*Billions*
1981 (actual)	$599.3
1982 (projected)	623.0
1983 (projected)	667.0
1984 (projected)	739.0
1985 (projected)	878.5

Source: Senate Budget Committee.

Mr. President, I could not vote to cut off this tax relief. Illinois taxpayers are the third greatest recipients of tax relief under the tax cut. Too many Illinoisans have made plans for savings, investments or consumer purchases based on that tax cut. Especially now, in the midst of a recession of unknown duration, we should not vote to raise taxes. That is contrary to all economic advice and would throw us even deeper into recession.

Finally, I want to say a word about spending, because that is what is driving the budget into deficit now. Like taxes, spending in this budget continues to increase well beyond what it was last year. This budget resolution increases spending over last year's level by a substantial amount. According to the Budget Committee's projections, spending will rise by about $85 billion this year, up from last year's $657 billion in spending. Next year, fiscal year 1983, spending will still increase but at a slower pace. In 1983, we will see spending rise by about $60 billion, a 5.2-percent increase and about equal to what we can expect as next year's inflation rate.

This is certainly progress toward budget restraint. In the past several years, the budget has risen at rates in excess of the inflation rate. In other words, the Federal Government was spending at a rate greater than even prices were rising. We have begun to curb this spending rate and although we have a long way to go in ending deficit spending, I support efforts to keep us on this road to fiscal responsibility. Outlays as a percentage of GNP will fall in following years, from a high of 24.3 percent to 21 percent by 1985. This trend moves us much closer to the traditional 19 percent of GNP that Federal spending has consumed in past decades. This budget will help us get there.

Mr. BAKER. Mr. President, I have a unanimous-consent request to propound which has been cleared by the minority leader, I believe, and I will state it now for his consideration and that of other Senators.

I ask unanimous consent that the resolution be modified to reflect the totals and language that have now been agreed upon by the Senate. The modification renders the resolution mathematically consistent and corrects a technical error in the Sasser amendment.

The resolution as modified has been cleared with the ranking minority member and with the distinguished minority leader, and I send the modification to the desk.

The PRESIDING OFFICER. Without objection it is so ordered.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

Mr. BAKER. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second?

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. BAKER. I announce that the Senator from Minnesota (Mr. Durenberger), the Senator from Oregon (Mr. Hatfield), the Senator from South Dakota (Mr. Pressler), the Senator from New Mexico (Mr. Schmitt), the Senator from Vermont (Mr. Stafford), and the Senator from Alaska (Mr. Stevens) are necessarily absent.

I further announce that, if present and voting, the Senator from Oregon (Mr. Hatfield), the Senator from New Mexico (Mr. Schmitt), and the Senator from Vermont (Mr. Stafford) would each vote "yea."

Mr. CRANSTON. I announce that the Senator from Arizona (Mr. DeConcini) and the Senator from Montana (Mr. Melcher) are necessarily absent.

On this vote, the Senator from Montana (Mr. Melcher) and the Senator from Arizona (Mr. DeConcini) would each vote "nay."

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 49, nays 43, as follows:

[Rollcall Vote No. 153 Leg.]

YEAS—49

Abdnor
Andrews
Armstrong
Baker
Boschwitz
Brady
Chafee
Cochran
Cohen
D'Amato
Danforth
Denton
Dole
Domenici
East
Garn
Goldwater
Gorton
Grassley
Hatch
Hawkins
Hayakawa
Heflin
Heinz
Humphrey
Jepsen
Kassebaum
Kasten
Laxalt
Lugar
Mathias
Mattingly
McClure
Murkowski
Nickles
Packwood
Percy
Quayle
Roth
Rudman
Simpson
Specter
Stennis
Symms
Thurmond
Tower
Wallop
Warner
Zorinsky

NAYS—43

Baucus
Bentsen
Biden
Boren
Bradley
Bumpers
Burdick
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Cranston
Dixon
Dodd
Eagleton
Exon
Ford
Glenn
Hart
Helms
Hollings
Huddleston
Inouye
Jackson
Johnston
Kennedy
Leahy
Levin
Long
Matsunaga
Metzenbaum
Mitchell
Moynihan
Nunn
Pell
Proxmire
Pryor
Randolph
Riegle
Sarbanes
Sasser
Tsongas
Weicker

NOT VOTING—8

DeConcini
Durenberger
Hatfield
Melcher
Pressler
Schmitt
Stafford
Stevens

So the resolution (S. Con. Res. 92), as amended, was agreed to, as follows:

S. Con. Res. 92

Resolved by the Senate (the House of Representatives concurring), That the Congress hereby determines and declares, pursuant to sections 301(a) and 304 of the Congressional Budget Act of 1974, that:

(a) The following budgetary levels are appropriate for the fiscal years beginning on October 1, 1981, October 1, 1982, October 1, 1983, and October 1, 1984:

(1) The recommended levels of Federal revenues are as follows:

Fiscal year 1982: $623,000,000,000.
Fiscal year 1983: $668,400,000,000.
Fiscal year 1984: $741,400,000,000.
Fiscal year 1985: $825,500,000,000.

and the amounts by which the aggregate levels of Federal revenues should be increased are as follows:

Fiscal year 1983: $23,400,000,000.
Fiscal year 1984: $39,400,000,000.
Fiscal year 1985: $45,500,000,000.

(2) The appropriate levels of total new budget authority are as follows:

Fiscal year 1982: $777,600,000,000.
Fiscal year 1983: $835,669,900,000.
Fiscal year 1984: $897,469,900,000.
Fiscal year 1985: $973,269,900,000.

(3) The appropriate levels of total budget outlays are as follows:

Fiscal year 1982: $740,800,000,000.
Fiscal year 1983: $784,251,200,000.
Fiscal year 1984: $833,267,700,000.
Fiscal year 1985: $890,671,200,000.

(4) The amounts of the deficits in the budget which are appropriate in the light of economic conditions and all other relevant factors are as follow:

Fiscal year 1982: $117,800,000.
Fiscal year 1983: $115,851,200,000.
Fiscal year 1984: $91,867,700,000.
Fiscal year 1985: $85,171,200,000.

(5) The appropriate levels of the public debt are as follows:

Fiscal year 1982: $1,144,200,000,000.
Fiscal year 1983: $1,292,251,200,000.
Fiscal year 1984: $1,420,218,900,000.
Fiscal year 1985: $1,533,490,100,000.

and the amounts by which the temporary statutory limits on such debt should be accordingly increased are as follows:

Fiscal year 1982: $84,400,000,000.

Fiscal year 1983: $148,051,200,000.

Fiscal year 1984: $127,987,700,000.

Fiscal year 1985: $113,271,200,000.

(6) The appropriate levels of total Federal credit activity for the fiscal years beginning on October 1, 1981, and October 1, 1982, are as follows:

Fiscal year 1982:

(A) New direct loan obligations, $67,300,000,000.

(B) New primary loan guarantee commitments, $93,000,000,000.

(C) New secondary loan guarantee commitments, $69,000,000,000.

Fiscal year 1983:

(A) New direct loan obligations, $63,600,000,000.

(B) New primary loan guarantee commitments, $102,200,000,000.

(C) New secondary loan guarantee commitments, $68,300,000,000.

(b) Pursuant to sections 301 and 304 of the Congressional Budget Act of 1974, the Congress hereby determines and declares the appropriate levels of budget authority, and budget outlays, for the fiscal years 1982 through and inclusive of 1985 and the appropriate levels of new direct loan obligations, new primary loan guarantee commitments, and new secondary loan guarantee commitments for fiscal years 1982 and 1983 for each major functional category are:

(1) National Defense (050):

Fiscal year 1982:

(A) New budget authority, $218,900,000,000.

(B) Outlays, $190,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $30,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, $251,700,000,000.

(B) Outalys, $215,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $30,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $278,300,000,000.

(B) Outlays, $243,000,000,000.

Fiscal year 1985:

(A) New budget authority $316,500,000,000.

(B) Outlays, $277,700,000,000.

(2) International Affairs (150):

Fiscal year 1982:

(A) New budget authority, $16,800,000,000.

(B) Outlays, $11,400,000,000.

(C) New direct loan obligations, $10,400,000,000.

(D) New primary guarantee commitments, $9,300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, $16,200,000,000.

(B) Outlays, $12,100,000,000.

(C) New direct loan obligations, $10,200,000,000.

(D) New primary loan guarantee commitments, $9,300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $16,700,000,000.

(B) Outlays, $12,300,000,000.

Fiscal year 1985:

(A) New budget authority, $21,000,000,000.

(B) Outlays, $12,200,000,000.

(3) General Science, Space, and Technology (250):

Fiscal year 1982:

(A) New budget authority, $7,000,000,000.

(B) Outlays, $7,100,000,000.

(C) New direct loan obligations, $200,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, $7,800,000,000.

(B) Outlays, $7,600,000,000.

(C) New direct loan obligations, $200,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $7,700,000,000.

(B) Outlays, $7,800,000,000.

Fiscal year 1985:

(A) New budget authority, $7,300,000,000.

(B) Outlays, $7,400,000,000.

(4) Energy (270):

Fiscal year 1982:

(A) New budget authority, $4,800,000,000.

(B) Outlays, $6,400,000,000.

(C) New direct loan obligations, $10,600,000,000.

(D) New primary loan guarantee commitments, $1,700,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, $5,300,000,000.

(B) Outlays, $5,000,000,000.

(C) New direct loan obligations, $12,100,000,000.

(D) New primary loan guarantee commitments, $600,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $4,600,000,000.

(B) Outlays, $3,900,000,000.

Fiscal year 1985:

(A) New budget authority, $4,500,000,000.

(B) Outlays, $3,700,000,000.

(5) Natural Resources and Environment (300):

Fiscal year 1982:

(A) New budget authority, $10,300,000,000.

(B) Outlays, $12,800,000,000.

(C) New direct loan obligations, $30,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, $9,900,000,000.

(B) Outlays, $11,400,000,000.

(C) New direct loan obligations, $30,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $9,300,000,000.

(B) Outlays, $10,300,000,000.

Fiscal year 1985:

(A) New budget authority, $8,900,000,000.

(B) Outlays, $9,300,000,000.

(6) Agriculture (350):

Fiscal year 1982:

(A) New budget authority, $9,900,000,000.

(B) Outlays, $13,800,000,000.

(C) New direct loan obligations, $22,600,000,000.

(D) New primary loan guarantee commitments, $2,700,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, $6,600,000,000.

(B) Outlays, $10,100,000,000.

(C) New direct loan obligations, $19,000,000,000.

(D) New primary loan guarantee commitments, $2,600,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $8,300,000,000.

(B) Outlays, $8,200,000,000.

Fiscal year 1985:

(A) New budget authority, $6,700,000,000.

(B) Outlays, $7,300,000,000.

(7) Commerce and Housing Credit (370):

Fiscal year 1982:

(A) New budget authority, $11,600,000,000.

(B) Outlays, $3,800,000,000.

(C) New direct loan obligations, $15,400,000,000.

(D) New primary loan guarantee commitments, $41,200,000,000.

(E) New secondary loan guarantee commitments, $68,200,000,000.

Fiscal year 1983:

(A) New budget authority, $7,100,000,000.

(B) Outlays, $3,900,000,000.

(C) New direct loan obligations, $15,100,000,000.

(D) New primary loan guarantee commitments, $41,200,000,000.

(E) New secondary loan guarantee commitments, $68,200,000.000.

Fiscal year 1984:

(A) New budget authority, $7,600,000,000.

(B) Outlays, $3,600,000,000.

Fiscal year 1985:

(A) New budget authority, $7,400,000,000.

(B) Outlays, $3,300,000,000.

(8) Transportation (400):

Fiscal year 1982:

(A) New budget authority, $20,800,000,000.

(B) Outlays, $21,300,000,000.

(C) New direct loan obligations, $400,000,000.

(D) New primary loan guarantee commitments, $900,000,000.

(E) New secondary loan guarantee commitments, $3,000,000.

Fiscal year 1983:

(A) New budget authority, $21,600,000,000.

(B) Outlays, $19,900,000,000.

(C) New direct loan obligations, $500,000,000.

(D) New primary loan guarantee commitments, $800,000,000.

(E) New secondary loan guarantee commitments, $3,000,000.

Fiscal year 1984:

(A) New budget authority, $21,800,000,000.

(B) Outlays, $19,700,000,000.

Fiscal year 1985:

(A) New budget authority, $22,100,000,000.

(B) Outlays, $19,700,000,000.

(9) Community and Regional Dcvelopment (450):

Fiscal year 1982:

(A) New budget authority, $6,700,000,000.

(B) Outlays, $8,500,000,000.

(C) New direct loan obligations, $2,200,000,000.

(D) New primary loan guarantee commitments, $900,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(C) New budget authority, $6,900,000,000.

(B) Outlays, $7,700,000,000.

(C) New direct loan obligations $2,200,000,000.

(D) New primary loan guarantee commitments $600,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $6,900,000,000.

(B) Outlays, $7,500,000,000.

Fiscal year 1985:

(A) New budget authority, $7,000,000,000.

(B) Outlays, $7,400,000,000.

(10 Education, Training, Employment and Social Services (500):

Fiscal year 1982:

(A) New budget authority, $25,400,000,000.

(B) Outlays, $28,100,000,000.

(C) New direct loan obligations, $1,300,000,000.

(D) New primary loan guarantee commitments, $6,500,000,000.

(E) New secondary loan guarantee commitments, $700,000,000.

Fiscal year 1983:

(A) New budget authority, $26,500,000,000.

(B) Outlays, $27,000,000,000.

(C) New direct loan obligations, $800,000,000.

(D) New primary loan guarantee commitments, $7,200,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $26,700,000,000.

(B) Outlays, $26,900,000,000.

Fiscal year 1985:

(A) New budget authority, $26,400,000,000.

(B) Outlays, $26,500,000,000.

(11) Health (550):

Fiscal year 1982:

(A) New budget authority, $78,500,000,000.

(B) Outlays, $73,700,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $100,000,000.

(E) New secondary loan guarantee commitments, $0

Fiscal year 1983:

(A) New budget authority, $79,569,900,000.

(B) Outlays, $77,651,200,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $100,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $92,269,900,000.

(B) Outlays, $85,767,700,000.

Fiscal year 1985:

(A) New budget authority, $103,669,900,000.

(B) Outlays, $97,271,200,000.

(12) Income Security (600):

Fiscal year 1982:

(A) New budget authority, $255,800,000,000.

(B) Outlays, $251,600,000,000.

(C) New direct loan obligations, $2,800,000,000.

(D) New primary loan guarantee commitments, $17,000,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, $281,800,000,000.

(B) Outlays, $273,000,000,000.

(C) New direct loan obligations, $2,000,000,000.

(D) New primary loan guarantee commitments, $18,700,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $300,900,000,000.

(B) Outlays, $288,800,000,000.

Fiscal year 1985:

(A) New budget authority, $332,900,000,000.

(B) Outlays, $310,500,000,000.

(13) Veterans Benefits and Services (700):

Fiscal year 1982:

(A) New budget authority, $24,800,000,000.

(B) Outlays, $23,800,000,000.

(C) New direct loan obligations, $1,000,000,000.

(D) New primary loan guarantee commitments, $11,900,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, $24,000,000,000.

(B) Outlays, $23,200,000,000.

(C) New direct loan obligations, $1,000,000,000.

(D) New primary loan guarantee commitments, $20,900,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $25,000,000,000.

(B) Outlays, $24,200,000,000.

Fiscal year 1985:

(A) New budget authority, $25,500,000,000.

(B) Outlays, $25,400,000,000.

(14) Administration of Justice (750):

Fiscal year 1982:

(A) New budget authority, $4,500,000,000.

(B) Outlays, $4,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, $4,900,000,000.

(B) Outlays, $4,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $5,000,000,000.

(B) Outlays, $5,000,000,000.

Fiscal year 1985:

(A) New budget authority, $5,100,000,000.

(B) Outlays, $5,100,000,000.

(15) General Government (800):

Fiscal year 1982:

(A) New budget authority, $5,200,000,000.

(B) Outlays, $5,000,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, $5,000,000,000.

(B) Outlays, $4,800,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $4,700,000,000.

(B) Outlays, $4,600,000,000.

Fiscal year 1985:

(A) New budget authority, $4,700,000,000.

(B) Outlays, $4,400,000,000.

(16) General Purpose Fiscal Assistance (850):

Fiscal year 1982:

(A) New budget authority, $6,400,000,000.

(B) Outlays, $8,300,000,000.

(C) New direct loan obligations, $200,000,000.

(D) New primary loan guarantee commitments, $800,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, $6,600,000,000.

(B) Outlays, $6,500,000,000.

(C) New direct loan obligations, $200,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $8,700,000,000.

(B) Outlays, $8,700,000,000.

Fiscal year 1985:

(A) New budget authority, $6,900,000,000.

(B) Outlays, $6,800,000,000.

(17) Interst (900):

Fiscal year 1982:

(A) New budget authority, $102,000,000,000.

(B) Outlays, $102,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, $115,500,000,000.

(B) Outlays, $115,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $120,800,000,000.

(B) Outlays, $120,800,000,000.

Fiscal year 1985:

(A) New budget authority, $114,600,000,000.

(B) Outlays $114,600,000,000.

(18) Allowances (920):

Fiscal year 1982:

(A) New budget authority, $700,000,000.

(B) Outlays, $800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee Commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, −$2,000,000,000.

(B) Outlays, −$2,000,000,000.

(C) New direct loan obligation, $0.

(D) New primary loan guarantee commitment, $0.

(E) New secondary loan guarantee commitments, $0

Fiscal year 1984:

(A) New budget authority, −$800,000,000.

(B) Outlays −$800,000,000.

Fiscal year 1985:

(A) New budget authority, −$800,000,000.

(B) Outlays, −$600,000,000.

(19) Undistributed Offsetting Receipts (950):

Fiscal year 1982:

(A) New budget authority, −$30,500,000,000.

(B) Outlays, −$30,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, −$39,300,000,000.

(B) Outlays, −$39,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, −$44,800,000,000.

I further announce that, if present and voting, the Senator from Kentucky (Mr. HUDDLESTON), would vote "yea".

(B) Outlays, −$44,800,000,000.

Fiscal year 1985:

(A) New budget authority, −$47,300,000,000.

(B) Outlays, −$47,300,000,000.

RECONCILIATION

Sec. 2. (a) Not later than June 18, 1982, the committees named in subsection (a) (1) through (15) of this section shall submit their recommendations to the Committees on the Budget of their respective Houses. Those recommendations shall be sufficient to accomplish the reductions required by subsection (a) (1) through (15) of this section. After receiving those recommendations, the Committees on the Budget shall report to the House and Senate a reconciliation bill or resolution or both carrying out all such recommendations without any substantive revision.

SENATE COMMITTEES

(1) The Senate Committee on Agriculture, Nutrition, and Forestry shall report changes in laws within the jurisdiction of that committee sufficient to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $779,000,000 in budget authority and $779,000,000 in outlays in fiscal year 1983; and $1,083,000,000 in budget authority and $1,083,000,000 in outlays in fiscal year 1984; and $1,428,000,000 in budget authority and $1,428,000,000 in outlays in fiscal year 1985.

(2) The Senate Committee on Armed Services shall report changes in laws within the jurisdiction of the committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $583,000,000 and outlays by $583,000,000 in fiscal year 1983; to reduce budget authority by $1,345,000,000 and outlays by $1,345,000,000 in fiscal year 1984; and to reduce budget authority by $1,906,000,000 and outlays by $1,906,000,000 in fiscal year 1985.

(3) The Senate Committee on Commerce, Science, and Transportation shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $11,000,000 and outlays by $11,000,000 in fiscal year 1983; to reduce budget authority by $28,000,000 and outlays by $28,000,000 in fiscal year 1984; and to reduce budget authority by $42,000,000 and outlays by $42,000,000 in fiscal year 1985.

(4) The Senate Committee of Foreign Relations shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $0 and outlays by $6,000,000 in fiscal year 1983; to reduce budget authority by $5,000,000 and outlays by $15,000,000 in fiscal year 1984; and to reduce budget authority by $8,000,000 and outlays by $21,000,000 in fiscal year 1985.

(5) The Senate Committee on Governmental Affairs shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $0 and outlays by $680,000,000 in fiscal year 1983; to reduce budget authority by $628,000,000 and outlays by $1,800,000,000 in fiscal year 1984; and to reduce budget authority by $1,000,000,000 and outlays by $2,629,000,000 in fiscal year 1985.

(6) The Senate Committee on Labor and Human Resources shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $102,000,000 and outlays by $57,000,000 in fiscal year 1983; to reduce budget authority by $136,000,000 and outlays by $125,000,000 in fiscal year 1984; to reduce budget authority by $120,000,000 and outlays by $144,000,000 in fiscal year 1985.

(7) The Senate Committee on Veterans' Affairs shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $100,000,000 and outlays by $100,000,000 in fiscal year 1983; to reduce budget authority by $169,000,000 and outlays by $169,000,000 in fiscal year 1984; and to reduce budget authority by $155,000,000 and outlays by $155,000,000 in fiscal year 1985.

HOUSE COMMITTEES

(8) The House Committee on Agriculture shall report changes in laws within the jurisdiction of that committee sufficient to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $779,000,000 in budget authority and $779,000,000 in outlays in fiscal year 1983; and $1,083,000,000 in budget authority and $1,083,000,000 in outlays in fiscal year 1984; and $1,428,000,000 in budget authority and $1,428,000,000 in outlays in fiscal year 1985.

(9) The House Committee on Armed Services shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $581,000,000 and outlays by $581,000,000 in fiscal year 1983; to reduce budget authority by $1,340,000,000 and outlays by $1,340,000,000 in fiscal year 1984; and to reduce budget authority by $1,899,000,000 and outlays by $1,899,000,000 in fiscal year 1985.

(10) The House Committee on Education and Labor shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $157,000,000 and outlays by $157,000,000 in fiscal year 1983; to reduce budget authority by $202,000,000 and outlays by $202,000,000 in fiscal year 1984; and to reduce budget authority by $196,000,000 and outlays by $196,000,000 in fiscal year 1985.

(11) The House Committee on Energy and Commerce shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $514,000,000 and outlays by $631,000,000 in fiscal year 1983; to reduce budget authority by $741,000,000 and outlays by $730,000,000 in fiscal year 1984; and to reduce budget authority by $730,000,000 in fiscal year 1984; and to reduce budget authority by $815,000,000 and outlays by $839,000,000 in fiscal year 1985.

(12) The House Committee on Foreign Affairs shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $0 and outlays by $6,000,000 in fiscal year 1983; to reduce budget authority by $5,000,000 and outlays by $15,000,000 in fiscal year 1984; and to reduce budget authority by $8,000,000 and outlays by $21,000,000 in fiscal year 1985.

(13) The House Committee on Merchant Marine and Fisheries shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $11,000,000 and outlays by $11,000,000 in fiscal year 1983; to reduce budget authority by $28,000,000 and outlays by $28,000,000 in fiscal year 1984; and to reduce budget authority by $42,000,000 and outlays by $42,000,000 in fiscal year 1985.

(14) The House Committee on Post Office and Civil Service shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $2,000,000 and outlays by $688,000,000 in fiscal year 1983; to reduce budget authority by $638,000,000 and outlays by $1,820,000,000 in fiscal year 1984; and to reduce budget authority by $1,015,000,000 and outlays by $2,657,000,000 in fiscal year 1985.

(15) The House Committee on Veterans' Affairs shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in secton 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $100,000,000 and outlays by $100,000,000 in fiscal year 1983; to reduce budget authority by $169,000,000 and outlays by $169,000,000 in fiscal year 1984; and to reduce budget authority by $155,000,000 and outlays by $155,000,000 in fiscal year 1985.

SENATE AND HOUSE COMMITTEES

(b)(1) The Senate Committee on Finance shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $1,750,000,000 and outlays by $5,456,000,000 in fiscal year 1983; to reduce budget authority by $2,509,000,000 and outlays by $7,923,000,000 in fiscal year 1984; and to reduce budget authority by $3,339,000,000 and outlays by $9,549,000,000 in fiscal year 1985.

(2) The Senate Committee on Finance shall also report changes in laws within the jurisdiction of that committee sufficient to increase revenues as follows: $23,200,000,000 in fiscal year 1983; $39,000,000,000 in fiscal year 1984; and $45,000,000,000 in fiscal year 1985.

(3) The legislation required in paragraphs (1) and (2) of this subsection shall be reported to the Senate no later than June 22, 1982.

(4) The House Committee on Ways and Means shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $1,183,000,000 and outlays by $4,727,000,000 in fiscal year 1983; to reduce budget authority by $1,707,000,000 and outlays by $7,121,000,000 in fiscal year 1984; and to reduce budget authority by $2,455,000,000 and outlays by $8,665,000,000 in fiscal year 1985.

(5) The House Committee on Ways and Means shall also report changes in laws within the jurisdiction of that committee sufficient to increase revenues as follows: $23,200,000,000 in fiscal year 1983; $39,000,000,000 in fiscal year 1984; and $45,000,000,000 in fiscal year 1985.

(6) The legislation required in paragraphs (4) and (5) of this subsection shall be reported to the House no later than June 22, 1982.

(c)(1) In order to insure the solvency of the Social Security Old-Age and Survivors Insurance Trust Fund created pursuant to title II of the Social Security Act, as amended, the Senate Committee on Finance shall report changes in laws within the jurisdiction of that committee so as to reduce outlays or increase revenues, or a combination thereof, to insure that all payments to beneficiaries are made in a timely manner.

(2) In order to insure the solvency of the Social Security Old-Age and Survivors Insurance Trust Fund created pursuant to title II of the Social Security Act, as amended, the House Committee on Ways and Means shall report changes in laws within the jurisdiction of that committee so as to reduce outlays or increase revenues, or a combination thereof, to insure that all payments to beneficiaries are made in a timely manner.

(3) The legislation required in paragraphs (1) and (2) of this subsection shall be reported no later than December 1, 1982, and shall take into account the recommendations of the National Commission on Social Security Reform. Such changes in laws shall do no more than is absolutely necessary to preserve the financial integrity of the social security system.

(4) It is the sense of the Congress that the amounts set forth in paragraphs (a)(1) through (a)(5) of section 1 shall be deemed revised to incorporate the budgetary effects of actions required by this subsection to insure the solvency of the social security trust funds immediately upon enactment of such changes.

(5) It is the sense of the Congress that the President of the United States should direct the National Commission on Social Security Reform to report its recommendations to the Congress not later than November 11, 1982.

Sec. 3. The enactment of savings required by this resolution is critical to the health of the economy of the Nation; and

Expeditious action on legislation pursuant to these instructions is critical to achieving the savings required by this resolution; and

The Senate is committed to completing action on the savings legislation required by this resolution at the earliest possible time; and

It is the sense of the Senate that Senate committees instructed in this resolution should begin deliberations on the legislation those committees are required to report under this resolution as soon as this resolution is agreed to in the Senate.

MISCELLANEOUS PROVISIONS

Sec. 4. It is the sense of the Congress that the President through administrative actions should limit in fiscal year 1983 total Federal Financing Bank origination of direct loans guaranteed by other Federal agencies to $15,900,000,000; and Federal Financing Bank purchases of loan assets from Federal agencies to $14,000,000,000. It is the further sense of Congress that direct borrowing transactions of Federal agencies should be, to the maximum extent possible, restricted to the Federal Financing Bank.

Sec. 5. It shall not be in order in the House or the Senate during fiscal years 1982 and 1983 to consider any bill, resolution, or amendment, except proposed legislation reported in response to reconciliation instructions contained in this resolution, authorizing new direct loan obligations or new loan guarantee commitments unless that bill, resolution, or amendment also provides that the authority to make or guarantee such loans shall be effective only to such extent or in such amounts as are contained in appropriation Acts. This section shall not be applicable to agricultural price support and related programs of the type in operation on January 1, 1982, that are funded through the Commodity Credit Corporation.

Sec. 6. It is the sense of the Congress that it is urgent that effective budgetary control be established over all types of Federal direct loans and Federal loan guarantees. The Congress directs the committees of jurisdiction to move with expedition to consider legislation that establishes a process of annual determination of appropriate levels and proper budgetary treatment of Federal credit activity.

Sec. 7. No bill or resolution providing new budget authority for fiscal year 1983 or providing new spending authority described in section 401(c)(2)(C) of the Congressional Budget Act of 1974 in excess of the allocation to or report by a committee or subcommittee pursuant to section 302 of the Budget Act shall be enrolled until Congress has completed action on the Second Budget Resolution for that fiscal year as required to be reported under section 310 of the Budget Act.

Sec. 8. It is the sense of the Senate that the new spending and revenue levels for fiscal year 1982, adopted by the Senate, shall be the ceilings against which the spending and revenue actions of the Senate will be measured pending final agreement with the House of Representatives on the revision of the Second Concurrent Resolution on the Budget for Fiscal Year 1982.

Sec. 9. It is the sense of the Congress that if Congress acts to restore fiscal responsibility and reduces projected budget deficits in a substantial and permanent way, then the Federal Reserve Open Market Committee shall reevaluate its monetary targets in order to assure that they are fully complementary to a new and more restrained fiscal policy.

Sec. 10. It is the sense of the Congress that concurrent resolutions on the budget should reflect the full range of fiscal activities of the Federal Government. It is further the sense of the Congress, therefore, that each concurrent resolution on the budget, beginning with the first concurrent resolution on the budget for fiscal year 1984, shall list, for each functional category, the tax expenditures and off-budget activities associated with that cateogry, as well as the new budget authority, outlays, new direct loan obligations, new primary loan guarantee commitments, and new secondary loan guarantee commitments associated with that category.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. THURMOND. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask that there now be a period for the transaction of routine morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLURE. Mr. President, on March 22, 1982, I addressed a U.S. court of appeals decision in the case of PANE versus NRC ordering the Nuclear Regulatory Commission to prepare an environmental assessment of the effects of restart of the Three Mile Island unit one on the "phychological health of neighboring residents and on the well-being of the surrounding communities." At that time, I offered an amendment to the NRC authorization bill (S. 1207) to reverse the judgment on the basis that the court misinterpreted the intent of the National Environmental Protection Act (NEPA). I subsequently withdrew that amendment, pending receipt of the court's opinion explaining the scope and impacts of the January 7, 1982 decision, after obtaining the assurance of the distinguished floor managers of the bill, Senator SIMPSON and Senator HART, that the matter would be considered promptly upon issuance of the opinion.

That opinion having now been issued on May 19. it would be my intention to once again bring this matter to the attention of the Senate. Though the Washington Post and I do not always agree, the Post editorial board today joins me in urging a reversal of the court's decision.

Mr. President, I ask unanimous consent that the Washington Post editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

STRESS AND CONSEQUENCES

The U.S. Court of Appeals here has finally gotten around to giving its reasons for a January ruling. That decision directed the Nuclear Regulatory Commission to consider the psychological effects on the health of those living near Three Mile Island before allowing the undamaged reactor there to resume operations. Divining, without recourse to any medical evidence, a difference between "sociologically based community anxieties" and "post-traumatic anxieties," the two-judge majority gave a bizarre interpretation to the National Environmental Protection Act (NEPA). If allowed to stand, that decision will damage both this keystone of environmental law and the future of nuclear power.

The Pennsylvania residents who brought the case did not claim this reactor has any special defects that would make it less safe than other nuclear plants, but simply that their fears of another accident would exacerbate the stress they had suffered from the events at Three Mile Island.

The central issue in the case was what Congress intended when, in writing NEPA, it said that federal agencies must consider the effects of their actions on human health. The majority of the court held that psychological health is a part of health and is therefore entitled to NEPA protection. The judges acknowledged that other courts have rejected such claims. For example, opponents of siting a prison in a residential area unsuccessfully claimed severe anxiety over becoming victims of violent crime. The judges explained away the conflict by their novel labeling of anxieties. In effect, they said that fears of nuclear power are real fears that could affect psychological health, while fears of being murdered or mugged are not.

In his dissent, Judge Malcolm Wilkey pointed out the implications. Instead of being required to assess the actual effects of a proposed action, an agency is being directed to assess how people perceive those effects. Since the January judgment, opponents of nuclear power have not been slow to seize this new opportunity. One North Carolina group claimed that its members must "study long and hard" and that "the psychological stress of an operating plant in such close proximity will detract from their studies."

The environmental policy act, properly used, is sound law that has greatly improved federal programs. It can also, it seems, be abused to make a mockery of rational decision-making. The decision deserves to be promptly appealed.

Law, however, is different from common sense. In this case, the NRC could and should have allowed opponents of this plant a formal opportunity to vent their anxieties, regardless of whether the law required it. They have every reason to have lost confidence in the NRC and the utility. Nuclear power requires public confidence. Once that is lost, either it must be rebuilt or the project must be abandoned.

Mr. McCLURE. Mr. President, having received assurances from Senator Simpson and Senator Hart that this matter would receive the prompt consideration of the Environment and Public Works Committee, I am anxious to work with them now to ensure that the Senate will move expeditiously to consider and strike down the court's decision.

Mr. President, I ask unanimous consent that remarks relating to my amendment to S. 1207 be printed in the Record.

There being no objection, the remarks were ordered to be printed in the Record, as follows:

UP AMENDMENT NO. 836

Mr. McCLURE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The Presiding Officer. The amendment will be stated.

The legislative clerk read as follows:

[The Senator from Idaho (Mr. McClure) proposes unprinted amendment No. 836.]

Mr. McCLURE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The Presiding Officer. Without objection, it is so ordered.

The amendment is as follows:

On page 12, after line 19, add a new section to read as follows:

Sec. . (A). Chapter 10 of the Atomic Energy Act of 1954, as amended, is amended by adding the following new section at the end thereof:

"Sec. 112. Psychological Health and Well Being.—

"Notwithstanding any other provisions of law, the Commission shall not be required to consider the effects of any of its actions on psychological health or well being.".

"(b). The table of contents for such Chapter 10 is amended by adding the following new item at the end thereof:

"Sec. 112. Psychological Health and Well Being.".

Mr. McCLURE. Mr. President, this amendment would reverse a judgment issued on January 7, 1982, by the U.S. Court of Appeals in the case of Pane against the U.S. Nuclear Regulatory Commission. In that judgment, the court ordered the NRC to prepare an environmental assessment of the effects of restart of Three Mile Island Unit One on "psychological health of neighboring residents and on the well-being of the surrounding communities." The court further ordered the NRC, if it finds such effects to be significant, to prepare a full environmental impact statement.

Finally, the court's order bars the NRC from making a decision on the restart of TMI-1 pending completion of the environmental assessment and, if necessary, an environmental impact statement.

Mr. President, I believe the court's judgment in the Pane case that psychological health and well-being must be considered by the NRC, pursuant to the National Environmental Policy Act, before the Commission may allow the restart of TMI-1 represents a totally incorrect reading of the requirements of NEPA.

In addition, I believed the court's judgment has potentially serious adverse consequences in the case of TMI-1 restart proceedings, in the Commission's other licensing actions, and in a variety of other actions by numerous Federal agencies. For these reasons, I believe the Congress should act promptly to reverse the court's judgment in this case by making it clear as a matter of law that the NRC is not required to consider the effects of any of its actions on physchological health or well-being.

Mr. President, the most immediate impact of the court's decision will be on the restart of TMI-1. The NRC staff has estimated that the preparation of an environmental assessment of psychological stress will require at least 6 months.

If, after preparing such an assessment, the NRC finds that psychological stress resulting from the restart of TMI-1 will be significant, the Commission must then prepare an environmental impact statement, which the NRC staff estimates will require an additional 6-months.

If the court imposes further procedural requirements on the NRC such as the requirement to conduct an adjudicatory hearing on the issue, as the court has done in at least one instance in the past, the hearing would likely require at least 6 more months.

Thus, it is entirely possible that 1½ years or more could be required to comply with the court's ruling. Such a delay in the restart of TMI-1 could very well jeopardize the commitments that have been made by the State public utility commissions in Pennsylvania and New Jersey to designate ratepayer funds for the cleanup of Three Mile Island unit two.

In any even, under present arrangements, such funds cannot actually be spent for cleanup until TMI/1 is restored to service.

Mr. President, the potential of the court's decision to delay further, or even to jeopardize, the clean-up of TMI-2 is only one of the possible consequences of this decision. The court's requirement that psychological stress be considered an environmental impact under NEPA may well extend to other NRC licensing actions, and to a wide range of actions by other Federal agencies.

In the case of NRC, at the time of the court's decision, the Commission had rejected similar psychological stress arguments in six other proceedings. Two of these are proceedings for the issuance of new powerplant operating licenses.

Requiring the consideration of pyschological stress in these cases would almost certainly delay the issuance of these licenses, and would very likely lead to a flood of pyschological stress contentions in other pending and future NRC proceedings.

If the courts' decision extends to other agencies as well, virtually every major construction or development project requiring Federal approval—from airports, to bridges and roads, to military installations—would become targets for psychological stress contentions under NEPA.

Mr. President, I do not believe that the Congress ever intended NEPA to require the consideration of psychological stress as an environmental impact—in a case such as the restart of Three Mile Island Unit One, in NRC's other licensing actions, or in the actions of other Federal agencies. My amendment would make this clear. I urge the adoption of the amendment.

Mr. President, appended to my statement is a list of psychological, or at least so-called, stress situations involving environmental impact statements under the court order where Federal funds are involved. I refer to the possibility of interstate highways, airports, low-income housing projects, section 404 permits under the Federal Water Pollution Control Act, Forest Service programs, Bureau of Reclamation projects, Corps of Engineers projects, energy projects, urban renewal-development activities, actions affecting historic sites, actions involving toxic substances, including pesticides.

Mr. President, the list goes on and on where the possibility of claims made by various persons with respect to so-called psychological stress would open such a tremendous Pandora's box that I think it is well for us to address that question now and immediately.

Mr. Simpson. Mr. President, may I say to my good friend and neighbor, the distinguished Senator from Idaho, that I certainly agree with all of his comments, and I fully support the reasons that he has presented for his amendment.

I would even add an additional point. I am very troubled by the extremely subjective nature of the phrase "psychological health of neighboring residents and the well-being of the surrounding communities," to use the words of the court. Unlike the kinds of environmental impacts that are now routinely considered pursuant to NEPA, psychological health and well-being are not objectively determinable or measurable. I feel that the court's decision in the *Pane* case will lead the Commission, and perhaps other Federal agencies as well, into a morass of speculation and subjective judgement.

This decision might well lead to protracted hearings in which competing panels of psychologists and psychiatrists argue about the state of mind of the community. Perhaps the decision may even require public referenda in cases where psychological stress is alleged.

Certainly, whatever means the Commission selects for assessing psychological health and well-being is likely to be challenged as inadequate, leading to further litigation and delay. I, for one, certainly share your view that this is something that was never intended by the Congress when it enacted the National Environmental Policy Act.

Mr. McClure. Mr. President, I appreciate the comments of the distinguished Senator from Wyoming, and I share the concerns that he has mentioned.

Mr. Simpson. Mr. President, there is one other comment that I should like to make about this amendment. As the Senator from Idaho knows, we are in a somewhat unusual situation with the Pane case. Although the court issued its two-page judgment on January 7, it has not yet seen fit to issue its opinions, which will explain the court's rationale and define the scope of the decision. We discussed this matter with the Commission in our budget hearing earlier this year.

Although several of the Commissioners expressed serious concerns about the Pane decision, particularly if it extends beyond the restart of TMI-1, the Commission was unable to provide us with an assessment of the precise scope and impacts of the decision.

Thus, as a consequence of the court's failure to complete its work in this case, the committee has not yet been able to assess the scope of the decision or its likely impact. Given the seriousness of legislating any changes to NEPA, some of our colleagues have urged postponing any legislative action until after the court's opinions become available and the committee is able to assess the scope and impact of the decision.

I therefore inquire of the sponsor of the amendment if he would be willing to withdraw the amendment at this time with the understanding that the committee would actively consider this matter—and in a very prompt manner—after the court issues its opinions in the Pane case.

Mr. McClure. Mr. President, I agree with my colleague that it is somewhat difficult to assess the impact of this case, and to arrive at an appropriate legislative solution, in the absence of the court's opinions.

I reluctantly agree to withdraw the amendment at this time if the distinguished chairman and ranking minority member of the Nuclear Regulation Subcommitee will assure me that the committee will hold hearings on this matter as soon as the court's opinions are available and that the committee will act expeditiously to report out any necessary corrective legislation using whatever legislative vehicle is available at that time to assure prompt enactment.

Mr. Simpson. Mr. President, I am pleased to provide those assurances to the distinguished Senator from Idaho and pledge to do so. I certainly believe that some legislation will be needed to correct the court's erroneous interpretation of NEPA in sufficient time to avoid unwarranted impacts on the Commission's licensing actions.

This approach will allow us to closely tailor the legislative solution to the problem. I also add that this matter has been discussed with the distinguished Senator from Vermont, the chairman of the Environment and Public Works Committee, and he stands by these assurances as well.

Mr. Hart. Mr. President, although I am not yet convinced of the need for legislation in this case, I would certainly support the assurances made by the distinguished Senator from Wyoming that the committee will actively consider this matter, including the need for legislation, as soon as the court issues its opinions.

Mr. McClure. Mr. President, I thank my distinguished colleagues, and with those assurances on behalf of the committee, I withdraw the amendment at this time.

The PRESIDING OFFICER. (Mr. Armstrong). Without objection, the amendment is withdrawn.

Mr. McCLURE. Mr. President, I urge each Member of the Senate to review this matter carefully in preparation for early action.

POLICY TOWARD POLAND

Mr. MOYNIHAN. Mr. President, I rise to suggest that during the the last 3 months there has taken place a dramatic and important evolution of opinion among the Members of this body with respect to American policy toward the situation in Poland. The Senate, I believe, is moving toward the conclusion that the administration has failed adequately to address the crisis.

In a few days, it is now clear, this body will again engage in debate about how the Congress may contribute in positive fashion to the restoration of Solidarity to the position of influence it occupied before December 13, 1981.

More than 5 months after the brutal suppression of Solidarity, the United States has failed even to attempt to bring meaningful pressure to bear on the Polish military junta or its Soviet masters to mitigate or end the repression. Despite continuing and apparently growing resistance to the military regime by the Polish people, there has been no discernible action by the government in Warsaw to reinstate the relative freedoms that had been won for the people of Poland by the leaders and members of the first genuinely free trade union to have emerged in a Communist country. Lech Walesa remains in confinement, though enterprising members of Solidarity have managed to coordinate their activities in an increasingly active underground—as it has been dubbed by the Poles.

Recall that shortly after the imposition of martial law, the President announced a program of limited sanctions against both Poland and the Soviet Union. Taking a harder line than its principal allies, the United State suspended landing rights in this country for the Polish national airline and produced a television spectacular.

As insignificant as they were, these minor sanctions were important because they indicated a willingness on the part of the administration to impose real costs on those responsible for the events of December 13. And the President and the Secretary of State repeatedly said that would impose harsher sanctions if the situation in Poland did not improve. I welcomed the initial sanctions program and, along with many Members of this body, supported the President.

Yet since that time I have been gravely disappointed. For no further action seems to have been taken. Certainly no additional measures have been instituted during February or March, or April, now May. We are in the 23d week of martial law in Poland; the situation has not improved. It is long past time to take the next step. I believe default should be the next step.

A declaration of default would add to the financial and economic pressure on the Polish junta and on the Soviets who helped to install it. In the continuing absence of the political and economic reforms in Poland that are our goals—and which, if they were to occur, would mean that we should reconsider—default would render impossible any commerce by Poland with the West and make more difficult any trade by the Soviet Union.

The economic pressure that default would bring to bear would be of the most effective kind, for any effort to resuscitate the moribund Polish economy must require loans and credits from the West. Poland needs manufactured goods that simply cannot be produced in sufficient quantity in Eastern Europe. And Poland cannot now afford to purchase these goods without financial assistance from the West.

While the United States should provide that assistance for as long as the Government in Poland is responding to the humanitarian and political needs of its people, I do not believe the United States should provide such assistance in the present circumstances. So long as we do, we will only be seen by the Polish people themselves to be abetting their military rulers.

Accordingly, on February 9 I offered an amendment to an emergency supplemental appropriations bill for the Commodity Credit Corporation, the agency that has guaranteed the largest single portion of the U.S. Government-guaranteed loans and credit assurances to Poland. My amendment would have required the CCC to wait for banks whose loans to Poland were unrepaid to declare those loans in default—as was, incidentally, required in the original guarantee contracts—before paying out those guarantees.

However, due to very urgent, and largely off-the-record, lobbying by officials in the administration, my proposal was defeated on February 10 by a vote of 39 to 55. Hearings have more recently been held in several committees. The Senate's understanding of the intricate issues involved, and the overriding interest at risk, has been enhanced through the proper legislative process of hearing, discussion, and debate.

I was therefore not surprised to note that on Tuesday of this week, May 18, the Senate Appropriations Committee voted 15 to 4 in favor of a section of the urgent supplemental appropriations bill that would require default to be declared before any additional funds from the U.S. Treasury may be used to pay Poland's creditors.

This provision of the bill, which will come before the full Senate next week, had been added during markup by the able junior Senator from Wisconsin (Mr. KASTEN), with whom I have been privileged to work on this matter. It is fitting tribute to his persuasive presentation of a very sound argument that the vote in the Appropriations Committee, over the objections of the administration, was overwhelming: 15 to 4.

I note with great interest that among Senators voting in favor of retaining in the bill this default provision were three who had not voted for default on February 10. Of the 19 votes cast, 3 indicated that a change of heart had taken place.

I return to the point with which I began: An evolution of opinion has taken place among the Members of this body with respect to American policy toward Poland. Dissatisfaction with the course followed by the administration to date is growing.

I am hopeful, and confident, that the Senate will soon concur in the judgment of the Appropriations Committee. And that the United States will soon thereafter begin to bring its economic influence to bear in defense of the recently lost liberties of the Polish people.

I ask unanimous consent that at this point in the RECORD there be printed the full text of an insightful essay on the subject of Poland and the question of default by the distinguished columnist William Safire as it appeared in the New York Times this morning.

There being no objection, the essay was ordered to be printed in the RECORD, as follows:

[From the New York Times, May 21, 1982]

ONE FURTHER STEP

(By William Safire)

WASHINGTON, May 20.—The Soviet propaganda agency, Tass, today inadvertently graced the suppressed workers' movement in Poland with a new title: Solidarity is now officially recognized as "the Underground."

For the first time since the Soviet Union's Marshal Viktor Kulikov ordered the Polish puppet Government to arrest Lech Walesa and to break the back of a nascent free labor movement, the Kremlin media acknowledged that organized opposition exists.

"The United States and some of its allies are carrying on large-scale subversive activities against the Polish People's Republic," Tass charges, which encourage "anti-Socialist forces" in their struggle. The Russians say that Radio Free Europe has been giving instructions over the air about resistance organization and has sent coded instructions to Western agents in the Underground.

Would that it were true. In reality, the response of the Reagan Administration to the attack on the Polish people has been to huff and puff and then to try to forget about the whole thing.

Five months ago the President thundered, "the Soviet Union bears a heavy and direct responsibility for the repression in Poland." He suspended Soviet airline flights to the U.S.—hardly a body blow—but warned "further steps may be necessary, and I will be prepared to take them."

The repression has intensified; the labor leaders languish in jail. Further steps are now necessary but the President is not prepared to take them. On the contrary, he abetted the crackdown by using U.S. taxpayer dollars to pay off Polish creditors without requiring the Communist regime to declare default.

The "further steps" he promised have all been backward. Instead of pressing our European allies to suspend the pre-crackdown gas pipeline agreement with the Russians, Mr. Reagan has quietly caved in. Instead of using the Soviet need for a summit conference as a lever to help the poles, he has solicited the meeting that breaks all linkage to repressive Soviet behavior.

Despite this, members of the Polish Underground have courageously organized demonstrations that infuriate Moscow and make a mockery out of the puppet regime's pretenses of legitimacy. Cables from our Warsaw embassy say that Radio Solidarity comes through clearly in the moments before the Russians jam it with rock music. Calls for symbolic work stoppages have been successful, and the Underground stole May Day from the Communists with a surprise demonstration of its own.

Evidence of the Underground's growing success is the decision by Kremlin propagandists to blame the obviously widespread activity on outside provocateurs. Perhaps that fools some people in the Soviet Union; it is met with derision in the streets of Warsaw and Gdansk. The Underground leaders, in and out of jail, reject the don't-make-waves counsel of some church leaders; they are aware that resistance brings more repression, which generates more resentment, which will bring down the regime.

The message from the Underground is clear: the leaders want us to help make the Soviet decision to extinguish freedom in Poland an expensive and troubling one to the Soviet leadership.

Because the Reagan response is neo-Carterite hand-wringing, the U.S. Senate has begun to turn up the heat. Months ago, when the "further steps" pledge seemed serious, Reagan lobbyists were able to defeat Senate demands to declare Poland in default, thereby to cut all Soviet-bloc trade. But this week, after the example set by the Underground demonstrations, a Senate Appropriations subcommittee voted 15 to 4 for an amendment offered by Bob Kasten, Republican of Wisconsin, to require default to be declared before more Treasury money is paid to Poland's creditors.

The Kasten amendment defers to Presidential prerogative by permitting such payment if Mr. Reagan certifies it is in the national security interests of the U.S., but such a certification requirement would make it more likely for Mr. Reagan to question his dovish advisers. (Last week, when a State speechwriter, Mark Palmer, submitted a draft for a Reagan speech in West Berlin without a reference to the Berlin Wall, it was properly bounced back for rewrite.)

The Reagan men who have given up on Poland were stunned by the Senate committee action, especially by the support from Jake Garn, Republican of Utah, who dutifully followed the Reagan no-default line the last time around. White House heat will be on Senators Laxalt and McClure to defeat the Kasten amendment on the floor next week.

But Poland will not go away. As Tass tells us, the Underground is real. The synapses of Solidarity are sensitive again after the first, numbing blow. Is it not time to remind the President of a need for a "further step" forward?

WORLD TRADE WEEK AND NEW INCENTIVES TO STIMULATE U.S. EXPORTS

Mr. PERCY. Mr. President, earlier this year the President proclaimed the week of May 16 through May 22 as World Trade Week. As we approach the end of that week, I would like to underscore my support for the President's goals in expanding exports and building jobs in the growing world markets.

Our own economy is now in a recession. It is one we will pull out of as we have all other economic slumps. In the meantime, however, our businesses should not overlook the rapidly growing markets abroad. The Southeast Asian economies are growing by as much as 7 percent a year and the Mideast is a booming market. These are the places where many American businesses are selling products and keeping their employees at work. Exporting makes sense now and it will continue to make sense when our own economy is prosperous.

It is simply a fact that large parts of the world are growing faster than our economy, even in the best of times. We need to redouble our efforts to get American firms into exporting. The Senate has passed the export trading company legislation and the House is now beginning to move on this vital measure that will give the United States a type of trading company that has been used so creatively in Japan.

We can appeal to the small businesses in our own States, helping them to learn the ropes for exporting. Last February in Illinois, I held an export conference for small business that drew about 300 businesses, twice what we originally thought. It was a nuts-and-bolts seminar that gave the benefits of exporting while educating the businesses to the unique characteristics of foreign marketing.

The President has appointed his Export Council, on which I serve to

bring together business, labor and State, local, and Federal officials. We meet periodically and have divided into working subcommittees to discuss specific trade issues and make recommendations. I am pleased to serve on both the export promotion subcommittee and the agriculture subcommittee. These subcommittees are capably chaired by Governor Busbee of Georgia and Governor Thone of Nebraska, respectively. I commend them for their hard work and commitment to exporting.

At the most recent meeting of the President's Export Council—that is the full Council, with all subcommittees represented—a resolution was passed that I wish to bring to my colleagues attention.

The Council unanimously passed a resolution I had introduced to commend the United States and Foreign Commercial Services for their new initiatives to reward commercial officers for major contributions that boost U.S. exports. Our commercial officers are dedicated Federal employees, but often the rewards of the bureaucracy differ from the incentive system I have known and worked with in private business for so many years. The business of Government, I feel, would greatly benefit by adopting proven business practices.

At the February 22 meeting of the export promotion subcommittee, I suggested that we investigate the possibility of establishing a United States/Foreign Commercial Service bonus system. Commerce Department officials expressed their readiness to work with me on this project and on May 6—one of the quickest turn-arounds I have ever seen in Government—the new incentive awards program was announced.

Mr. President, I ask unanimous consent that the Commerce Department's press release announcing this program be included in the RECORD at the close of my remarks.

This program will not become operational until about June 1 and the first awards will be made at the end of September. This is an initiative that shows great promise. Especially smaller businesses will find the ready help of commercial officers helpful in getting their products sold overseas. Instead of only receiving career rewards for reporting and memo writing, commercial officers will now have tangible incentives to boost business opportunities.

Mr. President, the commercial services are to be commended for this new program. The resolution passed at the May 14 President's Export Council urges the President to become involved in this awards program. I would hope that President Reagan might choose to signal his personal commitment to exporting by making the awards in September.

Mr. President, I ask unanimous consent that the resolution passed by the Council on May 14 and sent to the President be included in the RECORD at the close of my remarks.

The PRESIDING OFFICER. Without objection it is so ordered.

(See exhibit 1.)

Mr. PERCY. Mr. President, there are of course bigger programs that will boost our exports. This is only a small part of our effort to make exporting a major goal in the United States. I am pleased to see that it has been announced in time for World Trade Week. It is an appropriate and cost-effective program and rising exports will create jobs here at home.

EXHIBIT 1

NEW INCENTIVES PROGRAM TO INCREASE U.S. EXPORTS

The Commerce Department today announced a special incentive program to increase U.S. exports.

Under the program, employees in the department's U.S. and Foreign Commercial Service group will be eligible for awards up to $2,000 for exceptional performance in helping U.S. firms either export for the first time or export to a new market. Last year, US/FCS specialists helped more than 5,000 small and medium-size firms make $1.5 billion worth of export sales. The exports accounted for more than 46,000 U.S. jobs.

"Our special incentives program is part of a new thrust to increase exports of U.S. goods and services," Richard McElheny, director general, US/FCS said. "We hope to achieve this by introducing smaller firms to the opportunities that the export market offers and by persuading firms that already export to export to additional foreign markets."

More than 85 percent of the firms currently receiving US/FCS export counseling and participating in export programs have fewer than 250 employees, McElheny said.

The US/FCS links Commerce Department offices in 47 U.S. cities with those in approximately 120 overseas posts to provide American business with a single network of trade-assistance services including market research and trade promotion.

The cash awards, to be presented in late 1982, will range from $250 to $2,000 each. A total of $100,000 has been allocated to the program. All employees of the US/FCS are eligible.

PRESIDENT'S EXPORT COUNCIL—RESOLUTION ON THE U.S. AND FOREIGN COMMERCIAL SERVICE

Resolved. The President's Export Council commends the International Trade Administration of the Department of Commerce for quickly implementing an export incentives awards system. Establishment of this program within the U.S. and Foreign Commercial Services will provide an incentive for domestic and foreign commercial service employees to more actively aid export opportunities. The private sector has successfully used similar incentives for years to encourage better sales and improved export performance. The awards will be cost-effective, for every $1 billion in exports results in $400 million in additionl Federal revenue. We urge the President to lend his personal support to the awards program and thereby underscore the Administration's commitment to export expansion.

THAI BICENTENNIAL

Mr. HAYAKAWA. Mr. President, I support Senate Concurrent Resolution 98, commemorating the bicentennial of the founding of the city of Bangkok and of the establishment of the Chakri dynasty.

I have had the pleasure of visiting Thailand twice in the last 5½ years, most recently in August of 1981. The progress which has been made in Thailand in the intervening time was abundantly evident. Thailand has an economic growth rate which is the envy of many and the prospects are that the economy will continue to expand to the benefit of the Thai People for the foreseeable future.

Today, however, Thailand is by no means a country without concerns. It faces significant current ecomomic problems created by the skyrocketing price of imported oil and the expense of caring for hundreds of thousands of homeless Indochinese seeking refuge within Thai borders from neighboring communist countries. And with 200,000 Soviet-supplied troops occupying its eastern neighbor Cambodia, the threat of invasion is always present and the expense of upgrading its military forces a substantial burden.

Nonetheless, the Thai are indeed a fortunate people when one compares them with their neighbors. Since the end of World War II, the Vietnamese, Lao, and Cambodian to the east have witnessed the miseries of war, harsh domestic policies and economic collapse. Per capita income in Thailand is now about eight times that in Vietnam. And to the west, the Burmese remain poor and isolated.

Just over 200 years ago, the future of Thailand was gravely in doubt. In April 1767, after a 14-year siege, a Burmese army overran the old Thai capital of Ayutthaya and victoriously sacked and burned the city to the ground. The royal family, the armed forces, the schools, the monasteries—virtually all Thai institutions—were destroyed.

The reemergence of an independent Thailand at a time when it was so close to extinction is an extraordinary example of the determination of resiliency of the Thai people. During this period, a military officer named Phya Taskin emerged as the leader of what remained of the armed forces and for the next 15 years led a war of national liberation in which the Burmese were routed and the country reunified.

Taskin became the new king, but as a monarch he proved far less gifted than as a leader of the armed forces. His militaristic ways and his desire for regimentation engendered substantial resistance. He was accused of madness, overthrown in a palace revolution and killed.

April 1782 was a significant month in the future history of Thailand. At that time, one of Taskin's lieutenants, Phya Chakri, was elevated to the throne and established the House of Chakri, whose successive offspring have guided the Kingdom of Thailand for the past 200 years. At the same time the king, who is remembered today as Rama I, founded Krung Rattanakosin as Thailand's new capital city, known in the West as Bangkok.

The 200 years since these events have witnessed the transformation of a small riverside village into a modern, bustling metropolis. The successive kings of the Chakri Dynasty have combined with the best qualities of scholars and poets, statesmen and patriots, warriors and peace makers. Under their skilled leadership they have successfully guided the ship of state through times of turbulence and uncertainty and the Kingdom has emerged strong and independent—a priceless legacy to its people.

It seems to me that the prosperity and independence which the Kingdom of Thailand is presently enjoying can be attributed not only to the imaginative approach of the royal family and other Thai leaders but also to the entrepreneurial, and capitalist, spirit of the Thai people and in some measure, American business interests.

As I reported to my colleagues in the Senate upon my return from my visit in Thailand last summer, the Thai people—as well as the people of the other ASEAN countries which I also visited—are devoted to the principle of free enterprise and free trade. They, like their ASEAN neighbors, are dedicated to the concept of democracy and united in the belief that communism has no place in their society. This devotion to freedom—and I might point out that "Thailand" means "land of the free"—has nurtured and encouraged a capitalist free enterprise system which has contributed to an expanding economy and increasing prosperity.

This free enterprise system has been furthered at every opportunity by the wise counsel and leadership of Their Majesties the King and Queen. Since the early days of the Chakri Dynasty the Kings of Thailand have at every opportunity sought new and different ideas to solve current problems. They have promoted the educational opportunities of their people. They have sought to take advantage of new technology in order to better the lives of their citizens. At the same time that the Thai rulers have adopted the best of that which is modern, they have steadfastly defended and supported the traditional values of Thai society.

Just as the sovereigns of Great Britain bear the title of "Defender of the Faith," so have the sovereigns of Thailand supported and defended the Buddhist religion which is the backbone of Thai society. In doing so, they have scrupulously respected the rights of the other religious sects found in the Kingdom.

Finally, I am proud to say that American business interests have contributed over the years to the success story which we are commemorating today. Almost since the time of the signature of our first treaty with the Thai in 1833—our first treaty with an Asian nation—American traders and investors have participated in the development of Thailand.

While in Bangkok last August, I talked to the president of a California oil company which has been instrumental in tapping the natural gas resources of the Gulf of Thailand. These resources will someday provide perhaps as much as 30 percent of Thailand's energy needs, thus lessening the burden on the Thai of importing oil. We can be proud of our contributions and, as I reported to the Senate upon my return last September, there are many opportunities for American business interests which will serve our purposes and contribute to the further development of the Thai economy.

For these reasons, I believe it is particularly appropriate that we in the Senate pay tribute to the Thai people and their wise and foresighted sovereigns on the occasion of their bicentennial. I am honored to be a cosponsor of this resolution and I commend it to the favorable consideration of my colleagues.

BILL WILLIS COMMENDED FOR TVA CAREER

Mr. **SASSER**. Mr. President, May 9, 1982, marks an important and significant milestone for William F. Willis, the general manager of the Tennessee Valley Authority. It was 22 years ago that Mr. Willis, as a young engineer, joined TVA. During the early years, he served in various capacities on navigation lock construction, hydro unit additions, and dam construction.

His abilities, his commitment to TVA, and his energetic approach to problem solving have served him well, for he has risen through the ranks of the Nation's largest electric utility to his present position as the chief operating officer of the agency.

Mr. Willis has been interested in construction and engineering since his boyhood days while growing up on a farm in Mathiston, Miss. He began his engineering studies in earnest when he enrolled in Mississippi State University in 1951. He later received his civil engineering degree after serving 3 years in the U.S. Army, with a tour of duty in Europe.

Because of the wide respect accorded to Mr. Willis as an expert in the utility industry, the State Department requested him last year to conduct a series of lectures in France and Turkey for key government officials and corporate executives. Mr. Willis discussed TVA's operations and its relations with the national and local governments and with citizens in general. He also offered in-depth comments on TVA's leadership in conservation and new energy sources.

Mr. President, during my tenure in the Senate, I have always considered my friendship toward TVA to be genuine and my criticism to be constructive. On this occasion, I would like to take a few moments to address some of the achievements of Mr. Willis during his nearly 3-year tenure as General Manager, and to express my commitment to helping Mr. Willis continue the progress that has been made in several vital areas.

Mr. Willis' encouragement of improved public participation in the affairs of this large Government agency is particularly noteworthy, and he should be commended for his efforts in this area. Earlier this year, as TVA reviewed its nuclear construction program, Bill Willis helped initiate an improved level of public involvement in TVA decisionmaking. An extensive process was developed to invite comments, an initial mailing of a background report to more than 2,000 public officials, community leaders, consumer groups, and representatives of industry throughout the Tennessee Valley. A 30-day comment period was established and the League of Women Voters was assisted by TVA personnel in conducting public roundtable discussions on a report that addressed the options available to the agency. Following these public discussions, the TVA Board of Directors conducted a public hearing. As a result of these efforts to involve the public, approximately 900 letters were received by TVA on the issue and more than 600 citizens attended and participated in meetings.

While I disagreed with the ultimate decision of the TVA Board, I was encouraged by the new spirit of public participation.

It has not been too long ago that board meetings at TVA excluded the public, and all decisions, both large and small, were behind closed doors. This new attitude of openness at TVA, which has been encouraged and supported by Mr. Willis, is important not only to my constitutents, but to thousands of others throughout the seven-State service area of the Tennessee Valley Authority. This is a large step in the right direction, and I stand ready to offer my assistance and suggestions in making further improvements in this important area.

There have been several other noteworthy achievements by Mr. Willis in his capacity as general manager that should be mentioned on this occasion. In an effort to cut costs, Mr. Willis initiated in 1980 a system of cost management and responsibility reporting. As

the cost of construction, fuel, labor, and materials inflated, he ordered a series of studies designed to determine if additional economies could be accomplished. One of these studies, conducted by Theodore Barry and Associates, an international management firm, resulted in the implementation of several recommendations to improve construction work force total utilization by 10 percent over the previous year.

Mr. Willis was also instrumental in achieving further savings with the aid of Booz-Allen and Hamilton, another well known and respected management firm. This study pointed out specific opportunities to improve management, organization, and overall cost effectiveness of day-to-day operations in the Office of Power, and TVA has begun implementing many of the report's recommendations.

Mr. President, TVA management today faces a difficult test in fulfilling its mission to manage its programs as efficiently and economically as possible. In pursuing these goals, Mr. Willis wrestles daily with the problems of inflation, high interest rates, and uncertain future. His commitment over the years has been important to TVA. I look forward to working with him in any way possible to achieve improved operations at TVA and to develop a consensus for improving the agency's relations with the people it serves.

THE WAR OVER THE FALKLAND ISLANDS

Mr. **RIEGLE**. Mr. President, it is with a profound sense of sadness and foreboding that I rise to express my view on the pending war over the Falkland Islands.

I think this war is a tragic mistake for Britian, Argentina, the Falkland Islanders and the world.

Too many lives already have been lost, and it appears the toll can only mount in the days ahead.

This is a foolish and unnecessary war—the responsibility for which must ultimately be laid at the feet of vainglorious Governments in Buenos Aires and London.

This problem should be settled by negotiation and nonmilitary means. It is this Senator's view that the lives now being lost in combat activity in the Falkland, and more of civilians who may be lost in the crossfire are lives that are being wasted.

The Falkland dispute is not worth the war now underway between Argentina and Great Britain, and it is profoundly unworthy of a wider war.

I urge my own Government to use the good offices of the Reagan administration to press for an immediate end to the fighting and to a resumption of negotiations through all available channels. I further call upon the Reagan administration to strictly limit U.S. involvement in this military struggle.

This foolish war could mushroom into a major conflict. unless other governments wisely and properly restrict their own participation in it. I urge that restraint upon my Government and all over governments.

TROOP WITHDRAWALS FROM NATO

Mr. **PERCY**. Mr. President, earlier this year the foreign Relations Committee asked the Defense Department to prepare an estimate of the cost of withdrawing U.S. troops from NATO and to provide statistics comparing U.S. and European troop strengths over the past two decades. The committee has now received this information.

The troop withdrawal cost study estimates that to restation in the United States all U.S. Army and Air Force units now deployed in Europe could cost the United States $17 billion extra in defense outlays over the next 5 years. This would not include the additional cost of providing greater mobility for these forces in order to return them to Europe in time of war.

After considering all options, the Defense Department study concludes:

> In all cases, the cost of returning the forces and headquarters and of refurbishing or constructing the appropriate base facilities in the continental United States would result in increased outlays through the next five years.

The conclusion we must all draw from this is that U.S. troop withdrawals from Europe cannot be seen as a cost-saving measure.

Other statistics provided by the Defense Department indicate the following:

Current U.S. troop strength in Europe is 329,000, slightly higher than the average for the decade of the 1970's, but well below the average for the decade of the 1960's. Thus the recent small increases in U.S. force strength in Europe simply compensate for some of the troop reductions of the Vietnam era.

The active duty forces of European NATO countries are estimated at more than 3.2 million men and women. This is a significant increase from the relatively low force levels recorded in 1975, and demonstrates that European countries are increasing their overall force structure.

In addition to the buildup in European active duty forces, European Reserve Forces have increased by nearly 2 million since 1970. These forces would be available to defend Western Europe against any Warsaw Pact attack. By comparison, U.S. Reserve strength has declined by almost 1.5 million during the same period.

The Europeans have made progress in the area of burden sharing, and the NATO 3 percent real defense growth goal is being met. A slight decline in the rate of European increase is expected for 1982, but despite the recession, European defense spending will continue to increase in real terms.

I conclude from these statistics that the case for U.S. troop withdrawals from Europe is very weak, that withdrawals would cost U.S. taxpayers dearly, and that the Europeans are making significant efforts to strengthen their defensive capabilities. Therefore, I want to reinforce my pledge to oppose vigorously amendments which require the withdrawal of U.S. forces from Europe.

Mr. President, I ask that six tables received from the Department of Defense in response to a request of the Foreign Relations Committee be printed in the RECORD.

The material follows:

COST OF U.S. DEFENSE COMMITMENT TO NATO

In recent years, the Department of Defense has provided a summary of the costs of the US contribution to NATO. This summary has been prepared by "allocating" US forces to various regions of the world where they might be needed and then determining the cost of maintaining those forces. The Department is currently reviewing and updating the methodology to solve some of the shortcomings involved in such an approach. The two most salient shortcomings are:

US forces are multi-purpose. While large US forces are available to meet any aggression by the Soviet Union and its allies they are also available to meet a threat to US security in other regions of the globe.

Much of the US force structure not directly allocable to Europe supports our NATO strategy and deterrent posture indirectly. Our strategic nuclear forces and RDJTF are examples.

With respect to withdrawals, we have developed an interim estimate of the effect on defense outlays of withdrawing troops from Europe and restationing them in the US. In all cases, the costs of returning the forces and headquarters and of refurbishing or constructing the appropriate base facilities in CONUS result in increased outlays through the next 5 years.

RESTATIONING COSTS: ILLUSTRATIVE U.S. TROOP WITHDRAWALS FROM EUROPE

[Outlays in billions of dollars]

	Fiscal year—	
	1983	1983–87
Option 1: 1 division, 2 TFW	0.1	0.8
Option 2: 1 corps, 5 TFW	.4	8.5
Option 3: All Europe-deployed USA and USAF forces	.8	17.0

If it is our intent to maintain the capability to defend against aggression by the Warsaw Pact, additional mobility forces must be purchased to transport the troops back to Europe when necessary. These costs are shown in the table below.

RESTATIONING COSTS WITH PROVISION OF MOBILITY FORCES

[TOA in billions of dollars]

	Fiscal year— 1983	Fiscal year— 1983–87
Option 1—1 division, 1 TFW.		
Restationing costs	0.1	0.8
Additional mobility	2.1	4.3
Total	2.2	5.1
Option 2—1 corps, 5 TFW:		
Restationing costs	.4	8.5
Additional mobility	2.2	11.2
Total	2.6	19.7
Option 3—All USA and USAF forces:		
Restationing costs	.8	17.0
Additional mobility		
Total	.8	17.0

In Options 1 and 2, enough mobility assets are procured (airlift and fast sealift) to return these forces to Europe by M+30. In Option 3—complete USA and USAF withdrawal—no such capability is procured due to its enormous cost, and therefore, no capability for rapid return exists.

Costs in these three options are based on generic costs of restationing Army and Air Force units in both new and refurbished bases in the US. We are about to conduct a study of the specific basing actions that would probably be taken if any of these three levels of withdrawal were to be undertaken. We will then price out these actions to obtain a more precise estimate of the costs of withdrawal.

If the costs of restationing US forces in Europe seem high, it must be remembered that we are talking of moving and relocating about one-third of our active Air Force and Army tactical forces from the bases where they have been permanently stationed for thirty-seven years. This involves a massive movement of men and material (e.g., 800,000 tons of Army ammunition), not to speak of rethinking our entire NATO strategy.

Question: Why is it that the United States has increased its troops in Europe by 58,000 since 1975 while the allies have decreased their forces by 56,000?

Answer: United States forces ashore in Europe as of Dec. 31, have increased from 278,000 in 1975 to 310,000 in 1981, a total of 32,000. At the same time, European active military strength increased from 3,039,000 to 3,212,000, an increase of 173,000.

TABLE B.—TRENDS IN UNITED STATES AND ALLIED TROOP STRENGTH IN EUROPE

U.S. MILITARY MANPOWER IN EUCOM AREA, END CALENDAR YEAR

[In thousands]

	1975	1981	Increase/decrease
Army	193.8	217.0	
Navy:			
Ashore	14.7	12.3	
Afloat	22.9	16.7	
Marine Corps:			
Ashore	1.3	1.2	
Afloat	1.9	1.9	
Air Force	68.4	79.5	
Total ashore	278.1	310.0	+31.9
Total afloat	24.8	18.6	−6.2
Total	303.0	328 6	+25.6

TABLE B.—TRENDS IN UNITED STATES AND ALLIED TROOP STRENGTH IN EUROPE—Continued

[In thousands]

	1975	1981	Increase/decrease
NATO MILITARY STRENGTH AVERAGE STRENGTH			
Norway	38.4	39.9	
Denmark	34.0	32.3	
Northern flank total	72.4	72.2	
Germany	490.8	495.0	
Netherlands	107.0	107.2	
Belgium	103.1	108.6	
Luxembourg	1.1	1.2	
United Kingdom	347.7	330.9	
France	585.2	575.2	
Central region total	1,634.9	1,618.1	
Turkey	584.1	741.2	
Greece	185.1	186.2	
Italy	458.9	504.9	
Portugal	103.7	89.6	
Southern flank total	1,331.8	1,521.9	
NATO Europe	3,039.1	3,212.1	+173.0
United States	2,098.0	2,120.0	+22.0
Canada	78.2	82.8	+4.6
Total	2,176.2	2,202.8	+26.6

TABLE C.—NATO MILITARY STRENGTH

[Average annual strength in thousands]

	1962	1963	1964	1965	1966
Northern flank:					
Norway	36	38	39	40	37
Denmark	48	49	50	49	47
Subtotal	84	87	89	89	84
Central region:					
Germany	368	402	430	428	461
Netherlands	138	133	125	120	125
Belgium	121	118	117	117	115
Luxembourg	2	2	2	2	2
United Kingdom	482	463	458	452	450
France	1,009	782	669	595	590
Subtotal	2,120	1,900	1,801	1,714	1,743
Southern flank					
Turkey	520	529	526	511	552
Greece	180	176	176	178	179
Italy	478	446	428	451	458
Portugal	142	164	172	181	182
Subtotal	1,320	1,315	1,302	1,321	1,371
NATO Europe	3,524	3,302	3,192	3,124	3,198
United States	2,725	2,701	2,691	2,666	2,853
Canada	126	123	118	111	106
Subtotal	2,851	2,824	2,809	2,777	2,959
NATO total	6,590	6,337	6,002	5,900	6,156
	1967	1968	1969	1970	1971
Northern flank:					
Norway	37	37	37	37	36
Denmark	49	47	44	42	45
Subtotal	86	84	81	79	81
Central region:					
Germany	453	454	457	455	472
Netherlands	121	119	117	112	113
Belgium	118	114	108	108	107
Luxembourg	1	1	1	1	1
United Kingdom	440	420	401	384	384
France	579	572	568	571	569
Subtotal	1,712	1,680	1,652	1,631	1,646
Southern flank:					
Turkey	550	564	607	625	615
Greece	180	180	179	179	179
Italy	455	478	486	522	526
Portugal	190	200	219	229	244
Subtotal	1,375	1,422	1,491	1,555	1,564
NATO Europe	3,173	3,186	3,224	3,264	3,291

TABLE C.—NATO MILITARY STRENGTH—Continued

[Average annual strength in thousands]

	1962	1963	1964	1965	1966
United States	3,298	3,436	3,467	[1] 3,294	2,714
Canada	105	99	96	91	87
Subtotal	3,403	3,535	3,563	3,385	2,801
NATO total	6,576	6,721	6,786	6,649	6,091
	1972	1973	1974	1975	1976
Northern flank:					
Norway	38.0	39 0	39.9	38.4	39.0
Denmark	42.0	38.7	34.5	34.0	30.9
Subtotal	80.0	77.7	74.4	72.4	69.9
Central region:					
Germany	457.0	465.4	475 0	490.8	493.2
Netherlands	114.7	110.5	110.3	107.0	105.7
Belgium	107.0	106.6	105.2	103.1	107.4
Luxembourg	1.1	1.1	1.1	1.1	1.1
United Kingdom	380.6	376.6	358.5	347.7	336.6
France	574.0	580.6	584.8	585.2	585.3
Subtotal	1,634.4	1,640.8	1,634.9	1,634.9	1,629.3
Southern flank:					
Turkey	560.7	563.4	573.9	584.1	674.4
Greece	185.7	184.3	185.9	185.1	186.3
Italy	540.7	547.9	533.8	[2] 458.9	454.8
Portugal	260.4	276.4	282.4	[2] 103.7	83.4
Subtotal	1,547.5	1,572.0	1,576.0	1,331.8	1,398 9
NATO Europe	3,262.0	3,290.6	3,285.3	3,039.1	3,098.1
United States	2,324.3	2,205.6	2,146.0	2,098.0	2,075.0
Canada	82.0	82.5	82.0	78.2	78.0
Subtotal	2,406.3	2,288.1	2,228.0	2,176.2	2,153.0
NATO total	5,668.3	5,578.7	5,513.3	5,215.3	5,251.1
	1977	1978	1979	1980	1981
Northern flank:					
Norway	38.7	39.6	40.0	39.7	39.9
Denmark	31.8	32.8	33.0	32.7	32.3
Subtotal	70.5	72.4	73.0	72.4	72.2
Central region:					
Germany	495.0	491.3	492.1	490.4	495 0
Netherlands	102.5	106.1	106.9	107.0	107.2
Belgium	106.9	108.7	107.3	107.7	108.6
Luxembourg	1.2	1.2	1.2	1.2	1.2
United Kingdom	325.6	320.0	324.3	329.7	330.9
France	584.0	581.4	577.8	574.6	575.2
Subtotal	1,615.2	1,608.7	1,609.6	1,610.6	1,618.1
Southern flank:					
Turkey	771.2	720.5	697.8	717.2	741.2
Greece	186.5	186.4	186.5	186.2	186.2
Italy	475.3	488.9	490.4	500.3	504.9
Portugal	79.5	81.6	81.2	88.1	89.6
Subtotal	1,512.5	1,477.4	1,455.9	1,491.8	1,521.9
NATO Europe	3,198.2	3,158.5	3,138.6	3,174.7	3,212.1
United States	2,060.0	2,033.0	2,050.0	2,075.0	2,120.0
Canada	78.4	79.0	79.3	81.8	82.3
Subtotal	2,138.4	2,112.0	2,129.3	2,156.8	2,202.3
NATO Total	5,336.6	5,270.5	5,267.9	5,331.5	5,414 4

[1] United States withdrawal from SEA.

[2] NATO approved restructuring of Italian Armed Forces.

[2] Demobilization of Portuguese Armed Forces following withdrawal from Angola.

TABLE D.—U. S. MILITARY PERSONNEL IN EUCOM GEOGRAPHICAL AREA [1]

[Nearest thousand—approximate]

	U.S. miliary
End 1950	145
End 1951	346
End 1952	405
End 1953	427
End 1954	404
End 1955	405
End 1956	398
End 1957	393
End 1958	380
End 1959	380
End 1960	379
End 1961	417
End 1962	416

TABLE D.—U. S. MILITARY PERSONNEL IN EUCOM GEOGRAPHICAL AREA [1]—Continued

[Nearest thousand—approximate]

	U.S. miliary
End 1963	380
End 1964	374
End 1965	363
End 1966	366
End 1967	337
End 1968	316
End 1969	300
End 1970	291
End 1971	303
End 1972	307
End 1973	300
End 1974	300
End 1975	303
End 1976	308
End 1977	318
End 1978	325
End 1979	330
End 1980	323
End 1981	329

[1] Includes Army, Air Force, Navy (ashore and afloat) and Marine Corps (ashore and afloat). Includes small numbers on military personnel in non-NATO countries in the EUCOM geographical area such as Spain, Austria, and Switzerland.

The following are the reserve military manpower strengths for the European NATO countries excluding France and Greece. These figures do not necessarily include all reserve personnel but only personnel with military training who are liable under current national legislation to be called up for active military service and are included as such in current national mobilization plans.

TABLE E.—TRENDS IN RESERVE MANPOWER STRENGTHS

[In thousands, excluding Greece and France]

End year	Total, Europe	United States
1961	2,355	1,413
1962	2,425	1,320
1963	2,691	1,345

TABLE E.—TRENDS IN RESERVE MANPOWER STRENGTHS—Continued

[In thousands, excluding Greece and France]

End year	Total, Europe	United States
1964	2,794	1,337
1965	3,010	2,143
1966	3,100	2,173
1967	3,245	2,163
1968	3,596	2,245
1969	3,622	(1)
1970	4,114	3,051
1971	4,855	2,627
1972	5,046	2,551
1973	5,198	2,369
1974	6,260	(1)
1975	6,585	(1)
1976	6,569	1,540
1977	6,339	1,252
1978	6,174	1,194
1979	6,260	1,184
1980	5,976	1,482
1981	6,020	1,596

[1] No data.

Note: This is a rough first cut at these numbers. We are continuing to attempt to refine them.

TABLE F.—REAL CHANGE IN DEFENSE EXPENDITURES [1]

[Constant 1980 prices and exchange rates, U.S. fiscal year bases]

	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982
Belgium	4.0	6.7	8.3	6.8	2.5	6.7	2.2	2.0	.2	−2.7
Canada	1.7	−2.4	3.6	2.6	3.8	−.2	−.9	5.1	3.0	3.0
Denmark	−3.8	3.5	2.0	−1.7	2.4	4.4	.2	.7	.1	.6
France	3.7	1.6	2.9	4.1	4.9	5.0	2.5	3.9	3.5	3.5
Germany	5.1	4.5	−1.4	.2	−.5	3.1	1.8	1.9	3.4	.7
Greece	−3.3	.4	61.7	−4.2	19.8	4.9	−2.9	−8.8	5.6	−3.0
Italy	−1.3	−.2	−2.9	−.7	4.5	1.4	2.6	4.9	−1.2	1.2
Luxembourg	4.3	8.7	6.2	7.1	−2.4	7.9	3.5	16.3	7.1	4.1
Netherlands	−.7	−.2	3.5	−.7	11.0	−4.8	3.9	−1.5	3.4	2.2
Norway	1.9	1.0	5.2	.4	1.5	7.7	1.9	1.8	2.5	3.3
Portugal	−4.7	27.4	−29.9	−18.4	−7.1	2.4	2.9	10.0	2.8	0
Turkey	2.0	1.1	71.1	11.6	2.5	0	2.6	2.0	3.1	2.4
United Kingdom	1.8	−3.9	3.9	−2.1	−2.3	−.6	3.0	2.7	2.1	3.4
United States	−8.7	−2.0	−.8	−3.7	.9	1.5	3.4	4.9	5.4	6.6
Non-United States NATO	2.4	.8	3.0	.6	1.9	2.1	2.2	2.6	2.6	2.1
Total, NATO	−4.3	−.8	.8	−1.8	1.4	1.8	2.9	3.8	4.1	4.6

[1] Based on NATO definition of defense spending ●

JOE STRICKLAND, SECOND ASSISTANT PARLIAMENTARIAN, U.S. SENATE

Mr. THURMOND. Mr. President, I rise today to recognize an outstanding South Carolinian—Joe Strickland. Born in Abbeville, S.C., he was educated at Keenan High School in Columbia, S.C., prior to entering Princeton University and Vanderbilt Law School. But it was not until he came to Washington that he fulfilled a long-time ambition.

Mr. President, Joe Strickland has made his State proud as the Second Assistant Parliamentarian of this distinguished Chamber. It is a job in which he serves admirably, with dedication and hard work. Those efforts were recently recognized in an article in the Columbia State newspaper, which cited his academic and professional achievements.

Mr. Strickland's job, as my colleagues well know, is vital to the operation of the U.S. Senate. He serves alongside another distinguished South Carolinian, Senate Parliamentarian Robert Dove.

It is a pleasure, Mr. President, to recognize Joe Strickland today and to ask unanimous consent that the article in the May 10 edition of the Columbia State be made a part of the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the State/Columbia, S.C., May 10, 1982]

MR. STRICKLAND GOES TO WASHINGTON: YOUNG BUT STILL OPENING DOORS

(By Kayle Tucker)

WASHINGTON.—Joe Strickland walks without hesitation past signs that say "Senators Only." At 26, he is too young to be a senator, but he walks with that Capitol Hill finesse that gets him where he wants to go.

Strickland had been opening doors for others to follow all his life: first black elected to a statewide office in the South Carolina Association of Student Councils; first black lieutenant governor of Boys State; and now, first black assistant parliamentarian in the U.S. Senate.

His is the story of a small-town boy who makes good. Born in Abbeville and raised in Columbia, Strickland went from Keenan High School to Princeton University for a degree in history before going on to graduate from Vanderbilt University Law School.

And last May, after being offered a job with a Wall Street law firm Strickland chose instead to make a childhood dream come true.

"When I was 16, I shared a podium with Sens. Thurmond and Hollings. I used to fantasize about working in the Senate," Strickland reminisces.

Ten years later, he made it. By this time, neither South Carolina senator remembered that day when they shared a podium with an impressionable young black man.

But they know him now, and they know they were an influence, just as Strickland is now an influence.

"The best thing I could do is to do a good job, so I can open up jobs for other blacks," Strickland says.

Despite his large, athletic frame, Strickland's boyish face has given him some trouble. Once, when he wore a blue suit, he was mistaken for a Senate page—high school students who serve as messengers in the Senate and who are required to wear blue. "I guess they thought I was just a very big high school student."

Now he dresses in "dignified gray."

His office has all the trappings of power: a working fireplace stocked with logs though spring finally has arrived, thick carpet, heavy drapes and large oak desk.

The parliamentarian, Robert B. Dove, is a South Carolina man himself, who once taught at The Citadel.

Strickland could have gone to a state college, but his parents said they would send him anywhere he wanted, and he wanted to get away. So with the help of college loans, he went to Princeton University, where he became vice president of the student body.

"I was teased a lot for being from the South. They used to call me 'country.' I had trouble adjusting to being a middle-class kid among the filthy rich."

When his college classmates invited him on various ski trips or ocean weekends. Strickland would tell them he couldn't afford it. "They would offer to loan me money until I could cash a check. They just couldn't understand."

Strickland is single and, to hear him tell it, very much available—a status he finds very much to his advantage in a town where there appear to be many attractive, unmarried women.

Washington, he smiles, is "a good place to be single."

He stresses, however, that this pleasant distraction is not the main reason he loves Washington. To him, the most exciting and thrilling thing about this town is that this is where history is made every day. And he just so happens to be right in the middle of it as an interested observer and occasional participant.

"The first time I was on the floor, I was scared to death. I thought I'd mess up. All the senators were looking at me, and they came over to shake my hand. They were very kind.

"It is a gentlemen's club. They all treat me with courtesy and respect. They are dignified."

Strickland was standing just outside Vice President George Bush's office the day Egyptian President Anwar Sadat was assassinated, and the look on Bush's face when the news came in touched the young South Carolinian.

"It's good to know these people care so much about the rest of the world," Strickland said.

The parliamentarian and three members of his staff sit at the desk in front of the Senate's presiding officer—sometimes the vice president, sometimes Sen. Strom Thurmond, R-S.C. Strickland is the first black ever to occupy one of those four seats in the front-row section.

How did he get there?

"I knew some of Baker's people in Tennessee. It's just a coincidence that it opened up when he took over." Republican Sen. Howard Baker Jr. is the Senate Majority Leader.

Strickland is careful when talking about politics, because his position is considered a nonpartisan job. An assistant to the parliamentarian, he must make decisions without bias on the rules of the Senate.

It is a "nerve-wracking job," he says, with very little room for error. He must advise whoever is acting as president of the Senate on procedure and, at the same time, update senators as they enter.

Each day he goes through a pile of letters, or "communications," and sends them to the proper committees or people. It is more complicated than it sounds. One day he lost a communication and had to track it down.

"There is a body of rules, and we have to keep up on them. We are like the referee in a basketball game."

Some senators would like to be able to influence the parliamentarian's decision, but Strickland says there is little political pressure. "We go strictly by the book. We're tough."

In his office, he keeps a log of every phone call, listing the names of the callers and what he told them. He points to the name of a New York lawyer. "She makes $100 an hour for what I tell her," he says good-naturedly. It doesn't bother him; he knows he can do the same someday.

"The true insider knows where to go for information," Strickland says of the people who call him. "I'm not the most important guy in Washington, but everything goes through us sooner or later."

Usually, a person in his position trains for nearly a year before working on the Senate floor. But Strickland was out there after only two months of preparation. "My boss wanted to give me responsibility."

Strickland himself has considered running for office someday, but he adds that so has everyone else here. Standing behind the majority leader's desk on the Senate floor, he describes the powerful position, which he admits he wouldn't mind having someday.

How about the first black U.S. President? He just laughs.

Strickland has a political background, though he would not describe himself as an activist. His family dominates black politics in Abbeville, and his father, Jospeh C. Strickland, is an election commissioner.

His parents also teach, his father at C.A. Johnson High in Columbia and his mother, Thomasina Strickland, at Gadsden Elementary School.

Both have graduate degrees. "It was tougher for them, that's why they sacrificed for me," Strickland says.

He has two younger brothers. One of them plays center on the University of South Carolina basketball team.

Strickland remembers every school he attended, every person who influenced him and everyone he meets here in Washington. "I have been blessed with a politician's memory. I remember names, faces, and relationships."

Some of them could be good contacts in the future, he's always looking ahead.

For now however, the thought of running for public office fades in the distant future. He came here via Abbeville, Columbia, New Jersey and Tennessee, and his hope is to return to South Carolina—no longer as a high school student but as a respected lawyer.

SECRETARY HAIG'S SPEECH

Mr. PERCY. Mr. President, I commend to my colleagues the speech that Secretary of State Haig made recently to the annual meeting of the U.S. Chamber of Commerce.

Secretary Haig has articulated both the major challenges facing America in the 1980's, and a strategy for American leadership in meeting them.

The challenges he describes as lagging Western strength, the interdependence of the industrialized democracies with the developing countries, and the emergence of the Soviet Union as a global military power increasingly prone to use this power to promote violence.

Secretary Haig properly calls our relationship with our allies the cornerstone of any effective strategy for the 1980's. He cites our task of developing and sustaining a relationship with the Soviet Union "which recognizes that the competition will succeed but constrains the use or threat of force." He calls for the interdependence of the developed and developing nations to be based on "the solid ground of common interest."

Mr. President, I ask unanimous consent that the text of Secretary Haig's speech be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

[From the New York Times, Apr. 28, 1982]

EXCERPTS FROM HAIG'S SPEECH ON FOREIGN POLICY

WASHINGTON, April 27.—Following are excerpts from an address by Secretary of State Alexander M. Haig Jr. to the annual meeting of the United States Chamber of Commerce here today as provided by the State Department:

The United States found it difficult to deal with the complex international situation that has emerged over the past decade. The economic growth of Western Europe and Japan, the Sino-Soviet conflict and the transfer of wealth to the oil producers have softened the sharp edges of American and Soviet dominance over the postwar world. The global military balance, however, is still the province of the superpowers.

Today it has become essential for the United States and its allies to deal with the new realities. Three trends in particular raise crucial questions about the prospects for Western security—and international peace—for the remainder of the century.

First, lagging Western strength. The United States has gradually lost many of the military advantages over the Soviet Union that once provided a margin of safety for the West—in some cases by choice, in others through neglect and error. Meanwhile, the Western alliance has suffered increasing political and economic strain.

Second, the increasing interdependence of the West and the developing countries, many of which adopt a strident public stance against Western interests and ideas. The third world has emerged in all of its diversity with its fragile unity already fragmented by regional conflict and global rivalry.

Third, the emergence of the Soviet Union as a global military power, increasingly bold in the use of its might to promote violence, notably in areas of strategic significance to the West. This trend has developed even as the Communist bloc, once the instrument of Soviet purposes, has been shaken by the Sino-Soviet schism and growing internal problems. Chronic economic failure has eroded the appeal of Marxist-Leninist ideology.

Let us ask ourselves, as others are surely asking about us, whether we can change these trends. I believe that we can.

The American people have emerged from their recent experiences convinced anew that there is no substitute for American leadership if we are to live in a world hospitable to our society and our values. In the 1980's this new American consensus for a more vigorous defense of our interests demand a new balance in the style of our foreign policy.

A balanced American foreign policy sustained by this consensus will enable America to lead once again.

TIES TO THE ALLIES

First, our relationship with our allies. We cannot pretend to lead unless we rally to our side those societies that share our values.

We must recognize, however, that the trends of the past decade have contributed to a rising sense of frustration between the U.S. and its partners. U.S.-European relations, in particular, have been distressed by the convergence of several events:

The loss of American strategic superiority and questions about the role of nuclear weapons in NATO strategy.

Increasing European political and economic stakes in détente and East-West trade despite aggressive Soviet actions in Afghanistan, Poland and elsewhere.

The recent record of low growth and high inflation among the industrial democracies leading to pressure for protectionist measures.

ARGUMENTS ARE SECOND NATURE

Angered by what they see as European reluctance to face the Soviet challenge, some Americans have been tempted to argue for withdrawal of American forces. Others, disturbed by persistent economic problems, have thought to retaliate by erecting protectionist barriers.

Arguments over burden-sharing are second nature to any large alliance of sovereign nations. The current trans-Atlantic exchanges, however must be put in historical perspective. Americans should not forget that our NATO allies substantially increased their defense spending over the past decade while the United States was reducing its defense effort. Nor should we ignore that the European members of NATO supply a high percentage of the air, ground and naval forces that constitute the conventional portion of deterrence in Europe.

In the days ahead, as we and our allies discuss outstanding issues, the U.S. must exert not only strong but coherent leadership. The allies must know where we are going if we expect them to go with us.

Much of our agenda will be dominated by the search for more constructive relations with the East. This search, arms control and the military balance are all interrelated, not independent and sometimes competing objectives. It is essential that we carry out NATO's two track decision of 1979 to go forward with the modernization of intermediate range nuclear systems while simultaneously pursuing arms control negotiations with the Soviet Union designed to limit these systems.

For too long we have pretended that a relaxation of tensions in Europe would be immune to Soviet attempts to change the balance of power. For too long we have imagined that the arms control process, in and of itself, could preserve the balance.

Finally, we should be conscious of our historic responsibilities as free societies in a world where individual liberty is too often suppressed.

THE SOVIET UNION

Finally, our country faces an historic opportunity in dealing with the Soviet Union.

In the name of a utopian ideal, Soviet totalitarianism imposes a single social model not only on its own people but on an expanding empire. In contrast, the forces of democracy seek to build national and international institutions based on diversity, individual choice and peaceful change. The competition between these two approaches will continue.

This rivalry, however, is constrained by another central fact of our time—nuclear weapons. Total victory by military means has become a formula for mutual catastrophe. Even the use of conventional force risks unpredictable consequences.

Our enduring challenge is therefore to develop and to sustain a relationship with the Soviet Union which recognizes that the competition will proceed but constrains the use or threat of force. We can develop a lasting framework for this relationship if we avoid the extremes that have distorted American foreign policy over the post war period:

First, that expressions of American good will and readiness to negotiate could somehow substitute for American strength and would move U.S.-Soviet relations from competition to cooperation.

Second, that a posture of confrontation, a refusal to negotiate, would somehow lead to capitulation by the other superpower.

The result of America's wishful thinking and profound national introspection has been swift and sure. Moscow has acted forcibly to expand its dominions. In Vietnam, in Kampuchea, in Southern Africa and Ethiopia, in Afghanistan and now in Central America we have reaped the grim harvest of self-delusion.

As we rebuild our strength and seek once more to convince the Soviet Union that restraint is in our mutual interest, we must not allow ourselves the error of another extreme. We cannot claim that we are too weak to negotiate and at the same time insist that we are strong enough for a policy of all-out confrontation.

An American approach to the Soviet Union that balances strength and negotiations offers the best hope of significant accomplishment. The Soviet attempt to change the balance of power has produced a backlash of increasing international resistance. Moscow has earned the fear and enmity of many nonaligned states through aggression in Afghanistan and support for Vietnam's subjugation of Kampuchea.

This backlash comes when Soviet prospects have dimmed. Moscow's allies are in deep economic trouble and the Soviet growth rate itself is declining. Agricultural shortfalls persist. Above all, as Poland has shown, the Soviet model and Soviet ideology are increasingly rejected by the workers themselves.

Over the decade of the 1980's, as the Soviet Union experiences a transition in leadership, it is likely to face greater economic difficulties and growing international isolation—a marked change from an era of unusual stability and expansion.

During this sensitive and dangerous period of changing superpower relationships, the United States must make clear to the Soviet Union that there are penalties for aggression and incentives for restraint. We cannot conduct business as usual in the face of Soviet adventurism in Afghanistan or Soviet-instigated repression in Poland.

An essential part of our strategy is to continue to differentiate among Communist countries themselves. This is a longstanding American policy that encourages autonomy and diversity.

Finally, just as the Soviet Union gives active support to Marxist-Leninist forces in the West and the South, we must give vigorous support to democratic forces wherever they are located—including countries which are now Communist. We want the competition of democracy and Communism to be conducted in peaceful and political terms, but we will provide other means if the Soviet Union insists upon violent methods of struggle.

In sum, the facts do not support the belief that there can be an early, sudden or dramatic reconciliation of Soviet and American interests. The competition will continue. But we can make the Soviets more cautious by our action. And as a new generation of Soviet leaders emerges, we can signal the benefits of greater restraint.

Ultimately, a foreign policy is the test of a nation's character. Today, the test of our character is whether we care enough about the values that make life worth living, the inner beliefs that have sustained Western civilization. Over the centuries, a certain idea of man has taken hold in our societies. The right of the individual, the responsibility of government to the governed and the rule of law have distinguished our way of life. These ideals are the true source of our strength and the true source of the weakness of our adversaries.

THE THIRD WORLD

Let me turn now to another major area where we have a great opportunity for change: our relations with the developing nations. It is one of the ironies of our age that as nations have become more powerful their destinies have grown more interdependent.

Together, we and the leaders of the developing countries have an opportunity to make sure that this interdependence is a source of mutual benefit, founded on the solid ground of common interest. The consequences of failure to cooperate would be disastrous for both America and the third world. But such cooperation must be based on the diverse realities of the present, not the slogans of the past.

The realities of diversity, conflict and great potential are bringing about a crucial shift in the attitudes of many third world nations. Their leaders face excruciating choices. Marxist-Leninist ideology has often been the locomotive that brought them to power but it has not become an engine for progress.

As a consequence, many countries with direct experience of the Soviet embrace are quietly attempting to broaden their relations, to encourage foreign investment and to reduce dependence on a patron who has little to offer but the tools and techniques of violence.

CONFRONTATION OVER THE FALKLAND ISLANDS

Mr. KENNEDY. Mr. President, as I speak there are reports of renewed and intense fighting over the Falkland Islands.

The United Nations Security Council is now being called again into session at the request to the Secretary General. We must all share the deepest concern that the Secretary General's efforts to mediate a peaceful solution to the Falkland Islands crisis have reached an impasse. Once again, the dangers of fighting and loss of life appear to be increasing, and with them the dangers not only to the Armed Forces of Britain and Argentina, but to the inhabitants of the islands and potentially to other countries whose interests are engaged.

Even at this late hour, I wish to lend my voice to that of the UN Secretary General and of the administration and appeal to both sides to make one more determined effort to achieve an honorable, peaceful solution to this crisis.

It would not be a defeat for the Argentine Government to agree to truly serious negotiations, based on UN Security Council Resolution 502.

It would not be a defeat for the British Government to stay the hand of its amassed military power, one more time, in order to encourage such a determined negotiating effort to succeed.

And it would be a victory for all sides—for Great Britain, for Argentina, for the people on the Falkland Islands, and for the international community as a whole—to permit negotiations to proceed and ultimately to succeed, without sacrificing the important principles at stake.

These principles include, Mr. President, the stake of all nations in the peaceful resolution of international disputes. They also include opposition to military aggression, upheld by the U.N. Security Council in resolution 502, and participation of the people involved in decisions affecting their own future. They also include national sovereignty, now contested between Britain and Argentina, but surely a principle that can be accommodated if negotiations are given further time and enough good will by both sides to proceed.

Surely the risks inherent in the military alternatives are enough for both governments to consider again the appeal of the U.N. Secretary General to five serious negotiations further opportunity to succeed. Both countries have already suffered large numbers of casualties; but these could pale in comparison to the lives that may be lost in a full-scale battle over the islands. And no one can dismiss the further dangers to international peace in which such military escalation might ultimately result.

So today, Mr. President, I believe we should join with our own administration and with the U.N. Secretary General in pressing yet again for a peaceful solution and prevention of further military escalation over the Falkland Islands.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the ACTING PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the Committee on Armed Services.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 3:40 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the bill (S. 907) to amend sections 351 and 1751 of title 18 of the United States Code to provide penalties for crimes against Cabinet officers, Supreme Court Justices, and Presidential staff members, and for other purposes, is returned to the Senate, in accordance with their request.

The message also announced that the House has passed the following bill, with an amendment, in which it requests the concurrence of the Senate:

S. 2271. An act to authorize appropriations to the Secretary of Commerce for the programs of the National Bureau of Standards for fiscal year 1983, and for other purposes.

The message further announced that the House has passed the following bills and joint resolutions:

H.R. 5842. An act to authorize appropriations for activities of the National Science Foundation for fiscal years 1982 and 1983, and for other purposes;

H.R. 6068. An act to authorize appropriations for fiscal year 1983 for intelligence and intelligence-related activities of the U.S. Government, for the Intelligence Community Staff, for the Central Intelligence Agency Retirement and Disability System, to authorize supplemental appropriations for fiscal year 1982 for the intelligence and intelligence-related activities of the U.S. Government, and for other purposes; and

H.J. Res. 444. Joint resolution to authorize and request the President to designate August 14, 1982, as "National Navaho Code Talkers Day."

ENROLLED BILL SIGNED

At 7:22 p.m., a message from the House of Representatives, delivered by Mr. Gregory, one of its reading clerks, announced that the Speaker has signed the following enrolled bill:

H.R. 1543. An act to confirm a conveyance of certain real property by the Central Pacific Railway Co. and Southern Pacific Co. to A. C. Taber, and his wife, Mary Taber.

HOUSE JOINT RESOLUTION REFERRED

The following joint resolution was read the first and second times by unanimous consent, and referred as indicated:

H.J. Res. 444. Joint resolution to authorize and request the President to designate August 14, 1982, as "National Navaho Code Talkers Day"; to the Committee on the Judiciary.

HOUSE BILLS PLACE ON CALENDAR

The following bills were read the first and second times by unanimous consent, and placed on the calendar:

H.R. 5842. An act to authorize appropriations for activities of the National Science Foundation for fiscal years 1982 and 1983, and for other purposes; and

H.R. 6068. An act to authorize appropriations for fiscal year 1983 for intelligence and intelligence-related activities of the U.S. Government, for the Intelligence Community Staff, for the Central Intelligence Agency Retirement and Disability System, to authorize supplemental appropriations for fiscal year 1982 for the intelligence and intelligence-related activities of the U.S. Government, and for other purposes.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. GARN, from the Committee on Banking, Housing, and Urban Affairs, with an amendment in the nature of a substitute, and an amendment to the title:

S. 2375. A bill to extend by five years the expiration date of the Defense Production Act of 1950 (Rept. No. 97-412).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. PERCY, from the Committee on Foreign Relations:

Treaty Doc. No. 97-2. Protocol to the Agreement on the Importation of Educational, Scientific and Cultural Materials, adopted at Nairobi on November 26, 1976, and opened for signature at the United Nations on March 1, 1977 (Exec. Rept. No. 97-53).

By Mr. HATCH, from the Committee on Labor and Human Resources:

Mr. HATCH. Mr. President, as in executive session, I report favorably two nomination lists in the Public Health Service which have previously appeared in full in the CONGRESSIONAL RECORDS of January 19, 1981, and April 14, 1982, and, to save the expense of reprinting them on the Executive Calendar, I ask unanimous consent that they may lie on the Secretary's desk for the information of Senators.

There being no objection, the lists were ordered to lie on the Secretary's desk.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. MITCHELL (for himself, Mr. Cohen and Mr. Roth):

S. 2560. A bill to amend the Tariff Schedules of the United States to insure that potatoes imported as seed are not diverted for

human consumption; to the Committee on Finance.

By Mr. MOYNIHAN:

S. 2561. A bill to revitalize the housing industry by strengthening the financial stability of home mortgage lending institutions are insuring the availability of home mortgage loans; to the Committee on Banking, Housing, and Urban Affairs.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. BAKER (for himself and Mr. Robert C. Byrd):

S. Res. 395. A resolution to authorize representation by the Senate Legal Counsel of Roy McGhee, a Senate employee, in the case of "Carl H. Kneumann v. Roy McGhee"; considered and agreed to.

By Mr. BAKER (for himself and Mr. Robert C. Byrd):

S. Res. 396. A resolution to authorize testimony by Staff and production of documents of the Committee on Small Business and representation by the Senate Legal Counsel; considered and agreed to.

By Mr. PERCY (for himself, Mr. Pell, Mr. Hayakawa, Mr. Glenn, Mr. Boschwitz, Mr. Lugar, and Mrs. Kassebaum):

S. Con. Res. 98. A concurrent resolution expressing the sense of the Congress on the occasion of Thailand's bicentennial; to the Committee on Foreign Relations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. MITCHELL (for himself, Mr. Cohen, and Mr. Roth):

S. 2560. A bill to amend the Tariff Schedules of the United States to insure that potatoes imported as seed are not diverted for human consumption; to the Committee on Finance.

END USE REQUIREMENT ON IMPORTED SEED POTATOES

● Mr. MITCHELL. Mr. President, I am pleased to introduce this bill, along with Senators Cohen and Roth. The intent of this bill is identical to S. 11, which I introduced early last year. If passed, this bill would require that imported potatoes certified as seed stock must actually be used as seed in order to receive the favorable tariff treatment provided for imported seed potatoes. Currently, virtually all imported seed potatoes are from Canada.

By including an end-use requirement in the tariff classification of seed potatoes, this bill would close what many potato growers perceive as a loophole in our tariff laws. Under the agreement negotiated during the Multilateral Trade Negotiations, there is a tariff of 36.5 cents per 100 pounds on potato imports. At specified levels, the tariff rises to 60 cents. This level is 114 million pounds for seed potatoes and only 45 million pounds for table stock. Once the lower table stock quota is reached, there is an incentive for importers who want to sell potatoes for human consumption to purchase seed potatoes and repackage them as table stock. This gives the importer tariff and grading advantages associated with the lower quality seed potatoes.

This marketing of imported seed potatoes as table stock has been a major complaint of Maine's potato growers. In recent years, they have witnessed the Canadians filling their table stock quota first and then labeling their imports as seed potatoes. This is unfair to U.S. potato growers marketing table stock potatoes and unfair to consumers who are unknowingly purchasing seed potatoes.

This practice is not prohibited by law, since the tariff law only requires that potatoes be certified as seed, not actually used as seed. Failure to have an end-use requirement in the definition of seed potatoes essentially renders the distinction between seed and table stock meaningless. Adding this end-use requirement to the tariff law would deny the tariff and grading advantages to imported seed and allow U.S. potato growers to compete on a fair basis with imported potatoes.●

By Mr. MOYNIHAN:

S. 2561. A bill to revitalize the housing industry by strengthening the financial stability of home mortgage lending institutions and insuring the availability of home mortgage loans; to the Committee on Banking, Housing, and Urban Affairs.

NET WORTH GUARANTEE ACT

● Mr. MOYNIHAN. Mr. President, I rise today to introduce the Net Worth Guarantee Act. This bill is identical to Representatives St. Germain's bill, H.R. 6267, as passed by the House of Representatives yesterday. It addresses the current crisis in the thrift industry that has been caused by continuing high interest rates.

This legislation sets up an $8.5 billion fund which would give Federal regulatory authorities the power to guarantee a percentage of the net worth of qualified thrift institutions. To qualify for the guarantees, an institution must have a net worth of less than 2 percent of its assets, losses in at least two consecutive quarters, and 20 percent of its loans in residential real estate or securities backed by real estate. In addition, for as long as the guarantee is outstanding, the institution must use 60 percent of its new deposits for the issuance of mortgages for one to four family housing units and multifamily rental projects.

This legislation is intended to help the thrift industry survive the current crisis and will cost the Federal Government money only if an institution is liquidated. I hope that we can move as expeditiously as the house has in addressing this situation by passing this necessary legislation.●

ADDITIONAL COSPONSORS

S. 1958

At the request of Mr. DOLE, the Senator from Indiana (Mr. Quayle) was added as a cosponsor of S. 1958, a bill to amend title XVIII of the Social Security Act to provide for coverage of hospice care under the medicare program.

S. 2043

At the request of Mr. HUMPHREY, the Senator from Minnesota (Mr. Durenberger) was added as a cosponsor of S. 2043, a bill to amend title 18, United States Code, to provide criminal penalties for the mailing of identification documents bearing a false birthdate.

S. 2277

At the request of Mr. MITCHELL, the Senator from Nevada (Mr. Cannon) was added as a cosponsor of S. 2277, a bill to amend the Internal Revenue Code of 1954 to make certain changes to stimulate the housing industry.

S. 2309

At the request of Mr. CHAFEE, the Senator from Alaska (Mr. Murkowski), and the Senator from Vermont (Mr. Stafford) were added as cosponsors of S. 2309, a bill to amend the Endangered Species Act of 1973, to authorize funds for fiscal year 1983, and for other purposes.

S. 2369

At the request of Mr. DOLE, the Senator from Montana (Mr. Melcher) was added as a cosponsor of S. 2369, a bill to amend the Internal Revenue Act of 1954 to clarify the standards used for determining whether individuals are not employees for purposes of the employment taxes, and for other purposes.

S. 2479

At the request of Mr. Symms, the Senator from Iowa (Mr. Grassley) was added as a cosponsor of S. 2479, a bill to amend the Internal Revenue Code of 1954 to treat certain interests as closely held businesses for estate tax purposes, to prevent the acceleration of estate tax installment payments in certain situations, and for other purposes.

SENATE JOINT RESOLUTION 162

At the request of Mr. Roth, the Senator from Kentucky (Mr. Huddleston) was added as a cosponsor of Senate Joint Resolution 162, a joint resolution to authorize and request the President to designate the week of June 20, 1982, through June 27, 1982, as "National Safety in the Workplace Week."

SENATE JOINT RESOLUTION 190

At the request of Mr. Burdick, the Senator from Maine (Mr. Cohen), the Senator from Florida (Mrs. Hawkins), and the Senator from New Mexico (Mr. Schmitt) were added as cosponsors of Senate Joint Resolution 190, a joint resolution to authorize and request the President to designate "National Family Week."

SENATE CONCURRENT RESOLUTION 73

At the request of Mr. HEINZ, the Senator from Minnesota (Mr. DURENBERGER), and the Senator from Alaska (Mr. MURKOWSKI) were added as cosponsors of Senate Concurrent Resolution 73, a concurrent resolution to condemn the Iranian persecution of the Bahai community.

SENATE CONCURRENT RESOLUTION 91

At the request of Mr. HEINZ, the Senator from Ohio (Mr. GLENN), the Senator from South Dakota (Mr. ABDNOR), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Idaho (Mr. SYMMS), the Senator from Vermont (Mr. STAFFORD), and the Senator from Michigan (Mr. LEVIN) were added as cosponsors of Senate Concurrent Resolution 91, a concurrent resolution to call upon the President to invite the Small Business Administration to participate in the Cabinet Council on Economic Affairs.

SENATE CONCURRENT RESOLUTION 96

At the request of Mr. GLENN, the Senator from Colorado (Mr. HART) was added as a cosponsor of Senate concurrent resolution 96, a concurrent resolution reaffirming Senate Resolution 179 and House Resolution 177 and urging the President to seek agreement at the Versailles summit conference that nuclear supplier nations should export nuclear fuel and equipment only to nations that permit full-scope safeguards.

SENATE RESOLUTION 231

At the request of Mr. PERCY, the Senator from Oklahoma (Mr. NICKLES) was added as a cosponsor of Senate Resolution 231, a resolution regarding the management of U.S. assets.

AMENDMENT NO. 1492

At the request of Mr. DECONCINI, his name was added as a cosponsor of amendment No. 1492 proposed to Senate Concurrent Resolution 92, an original concurrent resolution setting forth the recommended congressional budget for the U.S. Government for fiscal years 1983, 1984, and 1985, and revising the congressional budget for the U.S. Government for fiscal year 1982.

SENATE CONCURRENT RESOLUTION 98—CONCURRENT RESOLUTION RELATING TO THE BICENTENNIAL OF THAILAND

Mr. PERCY (for himself, Mr. PELL, Mr. HAYAKAWA, Mr. GLENN, Mr. BOSHWITZ, Mr. LUGAR, and Mrs. KASSEBAUM) submitted the following concurrent resolution; which was referred to the Committee on Foreign Relations:

S. CON. RES. 98

Whereas 1982 marks the 200th anniversary of Thailand's illustrious Chakri Dynasty and the designation of Bangkok as the capital city of Thailand;

Whereas this year has been designated in Thailand as the official year of celebration of the 200 year historical era of the Chakri Dynasty, the "Rattanakosin" Bicentiennial;

Whereas the United States has a long history of friendly relations and close cooperation with Thailand, predating even the signing of the Treaty of Amity and Commerce in the year 1833, the first U.S. treaty signed with an Asian nation; and

Whereas the United States and Thailand share common goals of preserving national independence and individual freedom and of improving the lives of our respective peoples; Now therefore be it

Resolved by the Senate (the House of Representatives concurring), that the Congress hereby—

Extends to the Thai nation and all its peoples warmest congratulations and best wishes during this festive year of celebration of the Rattanakosin Bicentennial.

THAILAND'S BICENTENNIAL

Mr. PERCY. Mr. President, I am today submitting a concurrent resolution expressing the sense of Congress on the occasion of Thailand's bicentennial celebration. I am pleased to be joined in introducing this resolution by the distinguished ranking minority member of the Committee on Foreign Relations, Senator PELL; the distinguished chairman of the Subcommittee on East Asian and Pacific Affairs, Senator HAYAKAWA; and the distinguished ranking minority member of that subcommittee, Senator GLENN. We are also joined by our colleagues on the committee, Senators BOSCHWITZ, KASSEBAUM, and LUGAR in offering this resolution.

Mr. President, I had the honor of serving as the President's personal representative and the chairman of the U.S. delegation representing the people of the United States at the ceremonies commemorating Thailand's bicentennial in Bangkok during the Easter recess. On this occasion, we had the opportunity to observe at first hand the warm and cordial relationship which exists between our two Governments and our two peoples. Their Majesties the King and Queen, whose distinguished dynasty is being commemorated, did us and the American people great honor by the exceptional warmth of their hospitality, testifying to the close relationship between our two countries. The delegation had an opportunity to observe the rich cultural heritage of this historic kingdom when we visited the ancient former capitol, Ayuthaya. We were privileged to have as our learned guide Her Royal Highness the Crown Princess, whose devotion to the Thai people and their rich culture was abundantly evident and is no less than that of her illustrious parents.

I took the opportunity of being in Bangkok to discuss U.S. trade, investment, and development questions with senior Thai officials and members of the American business community resident in Thailand. I was greatly impressed by the enormous progress in economic development which the Thai have made, under the leadership of the Chakri dynasty, since my last visit to Thailand in 1972. The growth in the industrial sector in 1981 was over 10 percent, an accomplishment we Americans certainly envy and one which continues. The preliminary figures for 1981 indicate that the gross national product rose again, by nearly 7 percent.

One of the most significant events in the industrial development of Thailand occurred in the fall of 1981 when the vast natural gas reservoirs of the Gulf of Thailand came "on stream." American business interests and investments have played a large part in this operation and will continue to do so as the primary source of energy for Thailand turns from imported oil to domestic natural gas. Indeed, there are many opportunities for American trade and investment inherent in this change. In this connection, while I was in Bangkok, I tried to put together Illinois manufacturers and Thai companies in need of energy equipment. These Illinois companies have great expertise and skill in the conversion of boilers and burners from oil to gas firing and are in an excellent position to facilitate the development and expansion of the Thai economy. This is only a small example of the many opportunities available to our entrepreneurs to serve both American business purposes and Thai development goals. With the expanding economy, which I observed at first hand in Thailand, there are great hopes for the future—for the Thai and for us.

I urge my colleagues to give their favorable consideration to this resolution which pays tribute to the Thai people, their long and distinguished history, and the enlightened leadership embodied in the 200-year reign of the Chakri dynasty.

NOTICES OF HEARINGS

SUBCOMMITTEE ON ENERGY, NUCLEAR PROLIFERATION, AND GOVERNMENT PROCESSES

Mr. PERCY. Mr. President, the Subcommittee on Energy, Nuclear Proliferation, and Government Processes of the Committee on Governmental Affairs will hold a hearing at 10:30 a.m. on Friday, May 21, 1982, in room 3302, Dirksen Building. The subcommittee will be receiving testimony on energy resiliency, decentralized storage of fuels, and alternative energy sources.

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON ENERGY, NUCLEAR PROLIFERATION, AND GOVERNMENT PROCESS

Mr. THURMOND. Mr. President, I ask unanimous consent that the Subcommittee on Energy, Nuclear Proliferation, and Government Process of the Committee on Governmental Affairs be authorized to meet during the session of the Senate at 10:30 a.m. on Friday, May 21, to hold an oversight hearing on energy resiliency.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON AGRICULTURAL PRODUCTION, MARKETING, AND STABILIZATION OF PRICES

Mr. THURMOND. Mr. President, I ask unanimous consent that the Subcommittee on Agricultural Production, Marketing, and Stabilization of Prices of the Committee on Agriculture, Nutrition, and Forestry be authorized to meet during the session of the Senate at 10 a.m. on Friday, May 21, to conduct an oversight hearing on the Federal crop insurance program.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON RURAL DEVELOPMENT, OVERSIGHT, AND INVESTIGATIONS

Mr. BAKER. Mr. President, I ask unanimous consent that the Subcommittee on Rural Development, Oversight, and Investigations of the Committee on Agriculture, Nutrition, and Forestry be authorized to meet during the session of the Senate at 1:30 p.m., on Tuesday, May 25, to hold a hearing on rural energy needs.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I ask unanimous consent that the Subcommittee on Rural Development, Oversight, and Investigations of the Committee on Agriculture, Nutrition, and Forestry be authorized to meet during the session of the Senate at 1:30 p.m., Wednesday, May 26, to hold a hearing on rural energy needs.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON INTELLIGENCE

Mr. BAKER. MR. President, I ask unanimous consent that the Intelligence Committee be authorized to hold a full committee meeting at 2 p.m., on Monday, May 24, to receive a briefing on intelligence matters.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON RULES AND ADMINISTRATION

Mr. BAKER. Mr. President, I ask unanimous consent that the Committee on Rules and Administration be authorized to meet during the session of the Senate on Tuesday, May 25, for the purpose of receiving testimony on the implementation of Senate Resolution 20, providing for television and/or radio coverage of Senate proceedings.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

WITH PATIENCE—HOPE

● Mr. ABDNOR. Mr. President, the good sense and wisdom of the people of this country should never be underestimated. During our deliberations on the budget resolution this week we are so busy trying to overwhelm with rhetoric, that we tend to overlook the small voices of the people we represent.

We should listen, Mr. President, because more of them than some of us might want to admit fully realize that we are not going to cure overnight the problems which have been building over a half century.

Mary Byington, who with her husband Jim, published the Timber Lake (S. Dak.) Topic for many years, recently published an open letter to her longtime subscribers which merits consideration by all of us in the Senate. There is light at the end of our economic tunnel of problems if we have the patience to stick with it and not succumb to the temptation for election-year quick fixes. Moreover, more people than we realize will respect us for taking the right course.

[The letter follows:]

[From the Timber Lake Topic, Apr. 29, 1982]

AN OPEN LETTER FROM MARY BYINGTON

Ever since President Reagan's budget for 1982 went into effect, and the 1983 budget was submitted to Congress, the news media has been focusing on the negative impact of cuts in various programs—the hardships being imposed on the poor, students, laborers, elderly, farmers, small businesses, and on and on * * *. A lot of people are beginning to feel sorry for themselves.

To many people, the budget cuts are deemed a disaster. And it's not surprising. After all, for almost 50 years, we've given Congress free rein in dishing out federal funds (taxpayer's money) for all kinds of programs and projects. Some were unneeded or impractical. Folks became hooked on easy money.

All of us sympathize with unfortunate ones who are being adversely affected by budget reductions. We're sorry there are no easy answers to their problems, but we are sure efforts will be made to correct inequities.

In the midst of the Great Depression, President Franklin Roosevelt remarked, "The only thing we have to fear is fear itself." Those words can give as much hope today as they did in 1933. Americans have had a habit of facing major problems and coming out on top.

Here in the Middle West, we suffered for many years from Dust Bowl paranoia—fear of drought and depression. We, who experienced the Dirty 30's, knew a lot of deprivation. Never were there so many who were so hard up! But, we survived!

When OPEC nations put the squeeze on the world with an oil embargo. Americans really buckled down to conserve on gasoline and other fuels. We've cut down on unnecessary use of gasoline, fuel oil and electricity so much so that there's an oil glut now. We've found ways to conserve energy and find alternate sources of energy, mostly on our own. Shouldn't we be proud of such an accomplishment?

We can do the same with deficit spending, too. We can learn to do with less * * * to wait a little longer for some things we'd like to have. We can be more efficient, do more for ourselves, and be proud of our labors.

There's been some progress. Even Democrats, today, are worried about budget deficits. That is an accomplishment! It's been years since they have given much consideration to balancing the budget.

It's difficult to accomplish much of anything by wringing our hands. We've proven we can do anything we set out to do, like sacking the energy problem. We can balance the federal budget, too. Congress may not be able to do it next year, nor even the year after. After all, it's taken half a century to get us into this mess. Sure, there will be problems for all of us in some way. President Reagan didn't "promise us a rose garden." Every family, every business, must learn to live within its means or go under. Our government is no different. It can be done! And, we'll be better off when it happens.

Some readers may ask, "what does she know about hardship?"

For most of my young life, it was an economic struggle for my family. Like many farmers of today, my father suffered from problems beyond his control, like drought, hail and grasshoppers. Twice, he had to sell out to satisfy mortgages.

Jim and I remember the Dirty 30's, too. We were among the poor, and Jim was among the unemployed, who tramped the country, looking for work.

It is through experiences of the past, that we can look to the future with hope. It is my desire to pass that hope along.

A similar message of hope from the grassroots is found in this editorial from the Huron (S. Dak.) Daily Plainsman. L. J. Maher's down-to-earth comments also have a message for impatient legislators.

WHAT'S UP ON THE STREET?

For the past two months political doomsayers of both political parties have been telling us that unless the administration and the Congress get together on a budget that will sharply reduce projected federal deficits the economy will continue to deteriorate and the country will go to pot.

The sky was supposed to fall on the money markets the day that President Ronald Reagan and House Speaker Thomas O'Neill agreed to disagree on the budget.

Next the administration and the Senate Budget Committee (on a party-line vote) agreed on a budget plan which calls for $96 billion in general tax increases over three years and $40 billion in unspecified Social Security cuts and tax hikes.

Senate Democrats, without bothering to examine the plan, labeled it unfair and hasty and immediately introduced an amendment rejecting the Social Security provisions which have not, as yet, even been spelled out. Obviously, a new battle has been joined.

If the conventional wisdom of the doomsayers had been correct the money markets should have gone into a tizzy during the past two weeks. And when unemployment percentages were announced last Friday at 9.4 percent, a new post-World War II record, the bottom should have dropped out of the stock market.

[The article follows:]

Instead, the New York Stock Exchange posted a broad gain for the day and the Dow Jones industrial average moved to its highest level in three months. The activity Friday capped a 70-point gain in the averages since early March. That is about the same time that the political leaders have been deadlocked in the budget battle and economists have been predicting disaster if an agreement were not reached.

We won't pretend to understand why the stock market is moving in the opposite direction that so many political and economic seers have predicted it would. Nor would we care to speculate upon the possibility of the trend of the past two months continuing. But there has to be a reason that hardheaded investors are driving stock prices up in the face of the budget confusion in Washington.

Some analysts say that the stock market does not respond to what is going on today, but rather what investors believe will happen five or six months from now. That theory would indicate that some pretty sophisticated investors think that the economy will turn around before the end of the year with or without a budget fix.

Others think the budget deficits will not be as large as predicted. They point to the fact that in the first half of the current fiscal year the deficit is running only slightly ahead of last year. In the first five months, the deficit was running at an annual rate of $57 billion, about the same as the 1981 deficit, despite the current recession.

The causes of that "deficit shortfall" are warmly debated. Some economists think it was due to prompter payment of corporate tax liabilities due to stiffer penalties, and slower than anticipated defense spending.

Others argue that supply-side effects are becoming visible. One theory is that people in high marginal tax brackets have been encouraged by tax reductions and decline in inflation to shift from tangibles into interbearing securities and funds which broaden the tax base. That would be just the sort of thing that supply-siders have predicted.

Whatever the reasons, Wall Street and the stock markets, in recent days, have not been following the Washington script. And that might just be a good sign.

In the past, the market has had a much better record for anticipating economic change than have the politicians and many self-styled economic experts. And right now the market seems to be signaling that the months ahead will not be all that bleak and gloomy.

Maybe it is time for the antagonists in the budget battle to take a few days off from the political posturing which dominates those budget debates and make a serious effort to find out why Wall Street is acting as it is. In the process, they might even find some solutions to the budget problems.●

PUBLIC SECTOR SYNFUELS—NOW MORE THAN EVER

● Mr. **SASSER**. Mr. President, the recent abandonment of two large synthetic fuels projects—in Colorado and in Alberta—has dealt a severe blow to the future of private investment in this important technology.

I am very much concerned that Congress does not abandon public sector investment in coal liquefaction, gasification, and other synfuels technologies. It is with this in mind that I have offered to the Senate, Senate Resolution 363, a resolution in favor of the continued adequate funding of fossil fuels technology, research, and development. I again invite my colleagues to join me and several members of the coal caucus in cosponsoring this resolution.

I call to the attention of my colleagues an article from the May 11 edition of the Oil Daily, which states that the Nation's energy security lies in the development of synfuels. This is the same argument that was made at the time of the passage of the Energy Security Act of 1980, when the price of imported oil was roughly the same as it is today. That argument is even more forceful today, however, as a rationale for the public sector involvement in synfuels development because of the recent private sector project abandonments.

I ask that the article by Bruce Fraser be printed in the RECORD.

The article follows:

[From the Oil Daily, May 11, 1982]

SYNFUELS PROJECT CANCELLATIONS GIVE OPEC BREATHING SPACE

(By Bruce Fraser)

The collapse of two of the West's biggest synthetic oil projects, in Colorado and in Alberta, Canada, lessens the threat to OPEC of competition from a large-scale synthetic fuels industry in this century.

As a result, OPEC faces fewer challenges to its role as leader in setting crude oil prices. And the dependence of the United States and Canada on oil from the volatile Middle East may be prolonged, Wall Street analysts say.

Part of the idea behind developing synthetic fuels was the possibility that, once produced in significant quantities, they could act as a ceiling on crude oil prices, diminishing OPEC 's power to set prices.

Now, observers say, that power is inhanced and there's even a greater likelihood OPEC will continue to exert upward pressure on prices.

"It reinforces the likelihood that real prices of crude oil will go up long-term," said Sanford Margoshes, an analyst at Bache Halsey Stuart Shields Inc. "It tends to increase the value of every barrel of oil and every mcf of gas that's not already committed because it postpones incremental supplies which someday might prove to be an effective ceiling."

"On margin," said William Randol, an analyst at First Boston Corp., "it will give OPEC producers more flexibility to raise prices, especially given the long lead times (the projects) involved."

LACK OF URGENCY

Besides high costs, analysts say the Colony oil shale and Alsands tar sands projects fell victim to the general belief that developing synthetic replacements to oil is not as urgent as it was when the push began 18 months ago.

This was spurred by the oil glut, which created the belief that oil is in plentiful supply around the world. The markets reacted accordingly, beginning in the first quarter, when prices on the spot market plunged to their lowest levels in a decade. Only recently have they showed signs of firming.

"Companies are no longer seeing the kind of price escalation they did before. Nor are they seeing supply tightness as early as they were before," remarked Constantine Fliakos, an international oil analyst at Merrill Lynch, Pierce, Fenner and Smith Inc.

"Down the road, we will have to depend to a greater extent on synthetics, but clearly the need to develop synthetics is no longer as urgent as it was," he said.

The projects by themselves would not have produced enough oil to bother OPEC. "In the event that the Middle East blows you're still in the soup anyway," noted Bruce Lazier, an analyst at Paine Webber Mitchell Hutchins Inc.

"You still have 25 percent of the free world's oil supplies coming out of there. These projects really wouldn't have changed things that much on the scale that they were going to be built."

However, the pioneering role in the fledgling synthetic fuels industry played by these projects was viewed by Middle East producers as a long-term threat.

It was, after all, the threat from projects like Colony and Alsands that many experts on Wall Street believe led Saudi Arabia to artificially create the glut by procuding more oil than the world needed beginning in the fall of 1982.

The Saudis were then able to exert influence on other OPEC members to keep prices down. This led OPEC eventually to tie the price of oil to the benchmark price for Saudi Arabian Light, assuring the cartel of price unity.

Some observers say the projects' collapse has given OPEC a much needed shot in the arm at a time when the financial distress of several members has threatened its unity.

"Now you've given economic carte blanche to the OPEC countries," said Peter Warren, director of research and planning at the Colorado School of Mines.

Another development that might have been cheered in the OPEC corner was the announcement by sponsors of the Alaska natural gas pipeline that they had decided to delay the $43 billion project for two years.

Still, no one is counting the synthetic fuels industry out yet, notably Union Oil of California, which last week announced, as expected, that it would still develop its shale project. And some analysts even see a silver lining in that the industry may well redirect more funding into exploration and production activity.

"By default it enhances the position of King Oil and will stimulate offshore exploration and development because funds that would have been directed into long-term synfuels projects will be available for exploration and development of conventional oil and gas," said Donald Fernow, an analyst at Thomson McKinnon Securities Inc.

But before the industry begins to take synfuels projects seriously again, he said, interest rates will have to come down and there will have to be an upturn in crude oil prices.●

DEDICATION OF VIETNAM VETERANS MEMORIAL PLAQUE IN AUGUSTA, MAINE

● Mr. **COHEN**. Mr. President, the war in Vietnam produced sharp divisions in our country, and many of the wounds still have not healed. Unfortunately, the veterans of that war are victims of

the ill feelings which many Americans still harbor, and are too often misunderstood in our haste to put the war behind us.

The following remarks by Jim Tukey, director of the Vietnam veterans' Operation Outreach Center in Portland, Maine, were made at the April 26, 1982, dedication of the Vietnam Veterans Memorial Plaque at the State Capitol in Augusta. I believe that Mr. Tukey does an excellent job in clearing up many of our misconceptions about this group of Americans, and gives us a keen insight into their feelings about the war.

I commend these remarks to our colleagues in hopes of a better understanding of Vietnam veterans, and ask that they be printed in the RECORD.

The remarks follow:

THE VIETNAM WAR: SOME MISCONCEPTIONS

(By Jim Tukey, Director, Vet Center, Portland, Maine)

First: We were not, on the whole, dragged into military service. Two-thirds of the men and women who served in Vietnam volunteered for duty. In contrast, two-thirds of the people who served in WWII were drafted.

Second: That Vietnam was something less than a real war. Why then were there more total combat casualties for the Marine Corps in Vietnam than in WWII and why did Vietnam produce the third largest number of casualties for the U.S. Army in its 200 year history?

Third: That we were somehow not as brave or did not sacrifice as much as our fathers did in previous wars. The American public, unfortunately, forgot the countless acts of incredible courage at Dak To, Khe Sahn, Ia Drang Valley, Hue City, and a thousand other unknown or too-soon forgotten places.

Fourth: That these soldiers did not care about their comrades. Nothing could be further from the truth. We cared deeply then and still remember them every day and in our nightmares.

Fifth: That Vietnam troops were habitual users of dangerous drugs when, in fact, hard drugs never emerged on any scale until the final years of the war. Furthermore, who could blame a nineteen year old, our average age in combat, for smoking marijuana to relieve some of his mental anguish or total physical exhaustion when many of his peers back home were using hard drugs to relieve their boredom.

Sixth: That we faced an inferior enemy force. Again, untrue. We faced two enemy forces. The elusive, courageous, Viet Cong who were fighting in their own backyard and were geniuses in camouflage and underground concealment and experts in improvising ambushes and booby traps. The second enemy was less well known by the American public, but, probably the more formidable foe, the North Vietnamese Army. A well trained, large army which was equipped with artillery and 122 millimeter Russian made rockets. Most importantly, both groups carried AK47 assault rifles, a high velocity automatic weapon the likes of which were never faced by any previous American force. Furthermore, the Vietnamese now have the world's fourth largest army.

Seventh: That we were mass killers of civilians. False. There were more civilians killed in the four years of the Korean War than the eight years of the Vietnam War.

Eight: That American troops in Vietnam were not as efficient as previous American soldiers. We were the youngest, best educated, best trained, best equipped, and most decorated troops America has ever seen. And, we never lost a major battle during our involvement.

Ninth: That we are troubled. For many of us this is true. Although, considering the unique and tragic circumstances of our war, we are a remarkable group. We were sent to war alone, joined up with a unit of complete strangers, experienced the trauma of total, absolute warfare, and, if not severely wounded, returned alone in a matter of hours to a country who would not or could not welcome us, mourn our dead with us, or recognize our sacrifice and courage.

Tenth: The Vietnam Veteran is ungrateful and demands to be seen as a hero. False. We are not ungrateful; we are honest. We received very little. A graphic example: In 1945 a G.I.'s educational benefits included tuition, books, room and board, and a monthly stipend of $54. In contrast, a Vietnam Veteran returning from the War in 1968 received only a monthly stipend of $130, no tuition, room, board, etc.

Finally, we do not wish to be seen as heroes because our heroes died in Vietnam.●

TEXTILES

● Mr. **HOLLINGS**. Mr. President, I rise today to call attention to a concurrent resolution passed recently by the South Carolina General Assembly.

The plight of America's textile industry is at present very difficult. Many plants have closed, many workers are without jobs or cut back in hours. In addition, textiles have the problem of maintaining their competitive viability in the face of a complete lack of an enlightened American trade policy. I have spoken on this matter many times before, but wish to emphasize here the urgent necessity of our developing a trade policy to turn not only America's textile and apparel industry around, but to make America competitive again across the whole gamut of industrial enterprise. For a generation now, we have been exporting jobs, dollars and technology, and the only result is that we have gotten ourselves into the position of colonialism in reverse. We are importing a tremendously high share of industrial and technological goods, and here at home, our industrial base has so eroded that nearly three-fourths of our work force is engaged in the provision of services. I am convinced that over the long haul, our economy cannot sustain viably unless we address these very fundamental problems.

Mr. President, on behalf of Senator THURMOND and myself, I ask unanimous consent that the concurrent resolution of the South Carolina General Assembly be printed in today's edition of the RECORD.

A CONCURRENT RESOLUTION

Whereas the volume of textile and apparel imports to the United States increased by 11 percent in 1981 in comparison with 1980; and

Whereas this increase resulted in a 19 percent jump in the textile apparel trade deficit; and

Whereas the actual dollar value of textile imports was $5.8 billion in 1980, up 13 percent; and

Whereas certain foreign countries are exporting textile products to the United States at such an astonishingly lower cost of production for the sole object of obtaining American currency; and

Whereas, the United States' textile industry is in desperate need of immediate measures to protect its domestic production and market so as to obviate the social scourges of unemployment and want, which endanger the economic fabric of this Nation: Now, therefore, be it

Resolved, by the House of Representatives, (the Senate concurring), That Congress is memorialized to take whatever measures necessary, including the enactment of suitable legislation, to control and equalize the competitive advantage of foreign textile producing and manufacturing countries over domestically produced textile products.

Be it further resolved, That copies of this resolution be forwarded to the Vice President of the United States, the Speaker of the United States House of Representatives, and each Member of the South Carolina Congressional Delegation in Washington, D.C.●

SYMPOSIUM ON CURRENT ECONOMIC POLICY

● Mr. **TOWER**. Mr. President, I am encouraged to note that important groups in our society are now taking up the debate on economic policy issues now before Congress. Our Nation is strengthened and the policy formulation process enhanced as Government, community, and business leaders develop informed opinions on these issues and pass these ideas on to elected public officials.

Perhaps the most imaginative and informative project to increase understanding of these issues was held last week in Austin, Tex. A "Symposium on Current Economic Policy" was sponsored by the RGK Foundation, Peat Marwick Mitchell, and the American Business Conference, Inc. I wish to commend these groups for contributing to the public debate and promoting understanding of these issues that impact our lives and our country's future.

The symposium brought together 75 distinguished business leaders and elected public officials to discuss the Economic Recovery Tax Act and its impact on business operation and planning. Austin provided an atmosphere where business and political leaders could address these economic issues away from the demands of their busy worlds, in a nonpartisan, nonideological forum. And, given the fact that our new policies and programs are the most significant shift in Government's approach to economic issues since the New Deal, such a common sense discussion contributed significantly to the understanding of these complex matters.

Distinguished speakers explained and criticized policies, including the junior Senator from South Carolina, Senator Hollings; Congressman Ireland of Florida, Mayor Richard Fulton of Nashville, Tenn. The incoming chairman of the National Conference of Mayors; Dr. Richard Rahn, vice president and chief economist of the U.S. Chamber of Commerce; Mr. Bruce Bartlett, deputy director of the Joint Economic Committee; Mr. Frank Burke, chief tax specialist for Peat Marwick Mitchell; Mr. William Kolberg, president of the National Alliance of Business; Mr. James McIntyre, former Director of the Office of Management and Budget; Mr. James Manning, executive vice president of the Glassrock Corp.; and Mr. John Corcoran, vice chairman of Donaldson, Lufkin, & Jenrette.

The consensus of all speakers was that the bold, new approach to the American economy proposed by the President and passed by the Congress last year, represents a significant departure from past policies. and will profoundly influence the cause of business activity over the next decade. Similarly, speakers and participants alike voiced concern over the short-term impact of Federal deficits, unemployment rates, and interest rates. Some suggested that adjustments in the program were necessary to enhance revenues, reduce the Federal deficit, and control interest rates, but most agreed that the long-term objectives of the program were sound and should be given an opportunity to work. Mr. McIntyre pointed out that without structural changes in the budget and its operations, very little relief would be forthcoming from business growth and reduced unemployment because of the automatic "kick-ins" that call for greater Federal expenditures as the economy advances.

My good friend, Dr. George Kozmetsky, dean of the University of Texas Graduate School of Business, placed the remarks of the speakers in perspective and suggested that America is in a period of reassessment and that perhaps, inadvertently, we are launching a reindustrialization of America. Dr. Kozmetsky remined both business and political leaders of the economic spinoffs of defense spending in the 1950's and 1960's, and suggested that the increases in the defense budget proposed over the next several years should be viewed as producing economic security as well as military security. He contended that the technological advances attendant to research and development in the defense industry will be the force that drives American business for the remainder of this century.

Again, Mr. President, I commend the sponsors of this symposium and I would urge others to join the debate, exchange ideas and views, and contribute to a greater understanding of our pressing economic issues.●

NONCAREER DIPLOMATS

● Mr. DODD. Mr. President, John Davis Lodge, a former Governor and Representative from Connecticut, wrote an opinion piece for the New Haven Register over 4 years ago which I believe will still be of great interest to my colleagues.

John Davis Lodge not only had a distingushed career in the House of Representatives and in Hartford, he also served his country as the U.S. Ambassador to Argentina and to Spain. As a noncareer diplomat himself, he has seen the great contributions distinguished Americans can make in representing their country overseas—whether they are Foreign Service Officers or not.

I ask unanimous consent that the article by John Davis Lodge which appeared in the New Haven Register on February 14, 1978, be entered into the Record.

[The article follows:]

[From the New Haven Register, Feb, 14, 1978]

Many Have Brilliant Records—Noncareer Diplomats Are a Basic National Asset

(By John Davis Lodge)

The eulogies following the recent death of David Bruce, outstanding diplomat and distinguished American, underscore in a notable way the contributions made over the last 200 years by non-career diplomats.

For David Bruce, in spite of his remarkable diplomatic prowess, was not a "career" man in the accepted sense.

Certainly his expertise in diplomacy deprived him of his amateur standing. Indeed our secretaries of state have never been members of the foreign service except on an acting basis, though some have been expert in foreign policy.

Certain senators and congressmen have been foreign affairs experts as have some professors, media representatives, writers, military, commercial, agricultural, and science attaches, as well as representatives of the CIA, the FBI, and USIA.

Foreign policy is made largely not by members of the foreign service but by the president, the secretary of state, and the Congress as well as other members of the executive branch.

Other non-career foreign affairs experts who have recently served with distinction as ambassadors are: Elsworth Bunker, my brother, Henry Cabot Lodge, Clare Boothe Luce, Robert Hill, Robert Strausz-Hupe, Averill Harriman, Henry J. Taylor, Shelby Cullom Davis, William Burden, Spruille Braden, J. William Middendorf, Admiral George Anderson, Thomas Gates, Amory Houghton, Elliot Richardson, Anne Armstrong, the late Philip Crowe and there are many others.

We had no career foreign service before the Rogers Act was enacted in 1924.

Diplomacy is not an exact discipline like science, surgery, technology. It requires a composite of many attributes which are sometimes possessed by people who are not career foreign service officers.

My former diplomatic colleague, Clare Boothe Luce, a distinguished author and public servant, in an informative, profound and brilliant study of the subject in Foreign Affairs magazine in July 1957, mentions a few non-career ambassadors of distinction: Benjamin Franklin, Thomas Jefferson, Gouverneur Morris, John Jay, James Monroe, John Quincy Adams, Albert Gallatin, Washington Irving, John Hay, James Russell Lowell, Joseph Hodges Choate, Jacob Gould Schurman, Myron T. Herrick, Richard Washburn Child, Lewis W. Douglas, Admiral W. H. Stanley, General George Marshall, all names of people who distinguished themselves in other fields.

Moreover, it is erroneous to assume that the comparison must be made between qualified young leaders and unqualified, "political appointees" with its pejorative implication.

All appointments are by the president and are by definition political. Furthermore, some came into the foreign service "career" in middle life. This is known as lateral entry or "Wristonisation."

Unqualified non-career ambassadors have from time to time been appointed as well as non-career ambassadors who were brilliantly qualified. While the general quality of career ambassadors has been high, across 53 years of existence the foreign service has occasionally produced rather humdrum chiefs of mission.

Efficiency reports sometimes engender excessive caution in career officers. Other things being equal, I do believe that there must be a presumption, rebuttable, to be sure, in favor of career people, men and women, who devote their lives to the art of diplomacy in the service of their country.

Yet the overriding objective is not to protect foreign service officers and encourage young people to enter the career though these are certainly highly desirable and important.

The vital point is that it is in the best interest of the United States to make maximum use of her talented sons and daughters without restrictions as to personal wealth or membership in the career foreign service.

The question involving career and non-career diplomats should not be a struggle between the spoils system with its elected officials and the established bureaucracy with its unelected appointees. The old school tie and the trade school boosters should really not struggle so hard to restrict the president's authority.

Yet it is good to recognize that ambassadorships are not pieces of candy to be awarded to the party faithful regardless of qualifications, as mere pawns in the patronage game.

They do constitute spendid opportunities for the president to appoint qualified people who for one reason or another deserve the honor.

As Mrs. Luce points out, James Reston in The New York Times of August 7, 1957, said: "The issue is not whether the Eisenhower Administration is being more political in its ambassadorial appointments than the Democrats, or whether these positions should be given to the top-career men in the foreign service, but whether the appointments have met the president's principle of appointing the best man available, regardless of party, wealth or foreign service record."

I say Amen to that.

So will the best interests of the nation be served.●

WORLD TRADE WEEK: NEW JERSEY CONTRIBUTES ITS SHARE

● Mr. BRADY. Mr. President, on April 5, President Reagan issued a proclamation designating the week of May 16–22 as World Trade Week. The purpose of this special week is to call attention to the importance of world trade to U.S. economic life. The theme for this year is "Export Means Jobs."

Though most Americans are unaware of it, more than one out of every nine workers in our country are employed in manufacturing industries producing goods that are exported abroad. Americans tend to view exports with indifference, not directly relating to their own jobs or this Nation's economic well-being. As we in this Chamber know, however, exports are of vital importance to industries like fishing, mining and minerals, trucking, rail transport, shipping, and many more. In all, exports comprise a total of 8.2 percent of the U.S. gross national product. It has been estimated that each $1 billion in manufactured goods exports means 31,000 U.S. jobs.

For this reason, Mr. President, I feel it is essential that the people of America continue to be educated about the importance of exports to our Nation. I commend Congress and the Reagan administration for the major steps they have taken toward setting the stage for more trade and for tapping the potential export resources of thousands of American companies who have yet to begin competing in world markets with their goods and services.

I call the attention of my colleagues to the advances within my own State toward its contribution to world trade. In 1981, New Jersey exports of manufactured goods reached a total of $8.4 billion. This represents 9.5 percent of the New Jersey gross State product and a 71-percent increase from the 1977 level. Almost 104,000 people in New Jersey are employed in export-related jobs in the State's manufacturing sector. Additionally, over 12 percent of the shipments from New Jersey ports are directly associated with exports, ranking our State 10th in the Nation.

Mr. President, I hope that the events scheduled through this week across the Nation will educate and encourage American people and companies to become more familiar with the exporting field. Export expansion could serve to bolster our sagging economy, create jobs, and provide the much needed assistance to our Nation's businesses.●

ARGENTINA

● Mr. PERCY. Mr. President, the administration recently transmitted a letter to the committee pursuant to section 3(c)(2) of the Arms Export Control Act which states that a "substantial violation" by Argentina of United States-Argentina arms sales agreements "may have occurred." There have been several requests for the text of the letter.

I, therefore, ask that this letter be placed in the Record.

The letter follows:

Department of State,
Washington, D.C., April 30, 1982.

Hon. Charles H. Percy,
Chairman, Committee on Foreign Relations, U.S. Senate.

Dear Mr. Chairman: I am providing the following information pursuant to section 3(c)(2) of the Arms Export Control Act.

On April 2 Argentine military forces occupied the Falkland Islands (known to the Argentines as the Islas Malvinas), which have been the subject of a long-standing dispute between the United Kingdom and Argentina. Argentine forces taking part in these operations were reportedly equipped with a variety of defense articles that had been furnished to Argentina under the Foreign Military Sales program, including destroyers, submarines and landing craft, and C–130, A–4 and S–2 aircraft. The use of these items by Argentina is limited, under the agreements governing their sale, to purposes consistent with the United Nations Charter and the Inter-American Treaty of Reciprocal Assistance (the Rio Treaty).

In these circumstances, I must report on behalf of the President, pursuant to section 3(c)(2), that a substantial violation by Argentina of these agreements may have occurred.

As you know, U.S. security assistance to Argentina remains subject to the prohibitions contained in Section 725 of the International Security and Development Cooperation Act of 1981. In addition, the Department is suspending until further notice all deliveries to Argentina of defense articles and services for which commitments were made prior to October 1, 1978.

The Administration intends to continue its efforts to encourage and assist in a peaceful resolution of this dispute at the earliest possible moment.

Sincerely,

Powell A. Moore,
Assistant Secretary for Congressional Relations.●

70TH ANNIVERSARY OF HADASSAH

● Mr. ZORINSKY. Mr. President, Teddy Roosevelt once said the first requisite of good citizenship in this country is "a willingness to pull one's own weight."

I want to draw my colleagues' attention to one such group of especially good citizens, who have been pulling their own weight—and then some—for seven decades now.

I speak, Mr. President, of Hadassah, the Women's Zionist Organization of America, which is commemorating its 70th anniversary this year. With 370,000 members, Hadassah is the largest women's volunteer organization in America. It has compiled a remarkable record of achievement.

Over the years, Hadassah has contributed to the health, education, and safety of countless thousands of people through a comprehensive program of medical treatment and social welfare.

Its selfless attitude is exemplified by its founder, Henrietta Szold, who personally saved children from the Holocaust. Since World War II, Hadassah, under the auspices of the Jewish Agency for Israel, has helped resettle and rehabilitate more than 100,000 children from 72 lands.

Through the Brandeis vocational school and the Alice Selisberg school of design, Hadassah has established a comprehensive educational system to train young men and women with useful skills.

Hadassah also founded and maintains the Hadassah-Hebrew Medical Center in Jerusalem. The center has established a tradition of excellence in teaching and treatment for all people of the region, regardless of religion, race or nationality based on the Hebrew physician's oath, "You shall help the sick, base or honorable, stranger or alien or citizen, because he is sick."

Mr. President, Hadassah's contribution as a humanitarian service organization is especially significant at a time when citizen groups are being urged to play a greater role in promoting the general well-being of our Nation. Through the dedicated work of its members, Hadassah has striven to advance democratic ideals and create a better world for all of us.●

THE 150TH ANNIVERSARY OF FIRST DEMOCRATIC CONVENTION

● Mr. SARBANES. Mr. President, today marks the beginning of the 150th anniversary of the first Democratic National Covention, a milestone event that I am proud to note was hosted by Maryland's great city, Baltimore. This convention portrayed the vitality and leadership that the Nation's oldest existing party has traditionally represented in this Nation's history.

Andrew Jackson, who was elected President in 1828, seemed assured of renomination, but a formally nominated candidate for Vice President was required. The 1832 convention was called by a caucus of Democratic members of the New Hampshire Legislature. Delegates to the convention were selected through a variety of processes, including city and county elections, legislative caucuses, and State conventions. With 334 delegates from every State but Missouri, the size of the convention forced a move from its original location in the Athenaeum to the Universalist Church on St. Paul Street.

On the first day, the convention established rules that have continued to make an impact on the party into the 20th century. The delegates chose to require a two-thirds vote for nomination of the Vice President to give their candidate a demonstration of strong support. They also adopted the unit rule to improve delegation management and to allow for differences in the size of State delegations.

The first ballot gave Martin Van Buren a substantial majority of votes, and the delegates then voted unanimously for his selection. There was no formal nomination for the President because none was considered necessary. This feeling was reflected in the words of Alabama Congressman William King, who said:

> With regard to the candidate to be supported for the Presidency, there was no diversity of sentiment among the members of the Convention—all concurring in the propriety and importance of the reelection of our present worthy and venerable Chief Magistrate, Andrew Jackson.

The convention ended with no major address delivered. Instead, delegates were instructed to report directly to their constituents. A general corresponding committee was established for each State, and a general central committee was placed in Washington, which later served to coordinate State-level efforts in the Presidential campaign.

Mr. President, the Democratic Convention of 1832 established many of the procedures and objectives that are still prominent in the two major parties today. I ask my colleagues, regardless of party affiliation, to join me in sharing those aspects of leadership so nobly demonstrated by great patriots 150 years ago in the city of Baltimore.●

THE CONGRESSIONAL RECORD

● Mr. GOLDWATER. Mr. President, although I have known, or at least thought I knew, that the Congressional Record could be checked by Senators or their assistants for the purpose of correcting grammatical errors, punctuations, and so forth, I never dreamed of the extreme to which this has gone and the way the Record is being abused. The other day sitting here, listening to debate, I was very interested in remarks of one Senator. I thought he made some good points and I thought that I would like to have them for my own personal use. So, I went to the office of the Official Reporters of Debate and asked if I could see a copy of the remarks. I was told that the transcript was in the hands of the Senator and would not be back until later. This interested me, so I began to ask questions of the reporters. I then learned, to my utter surprise and my complete disgust, that Senators are not only allowed to correct grammatical errors, and correct other such mistakes made during debate, but I was told that entire pages and, indeed, entire speeches were crossed out of the Record before the Record was completed and handed out the next morning. Now, Mr. President, this is going too far. I am not blaming, for one instant, those excellent people who report our remarks. Frankly, I depend upon their expertise in grammar to correct my many mistakes and, I cannot remember when I, personally, have asked to edit or even see my remarks. I was so shocked by this that I began to realize that the only way we are going to keep a permanent, accurate, dependable record of every word that is said on the floor of the Senate is if we allow television to record the actions of the Senate. Never before have I backed or supported a move to televise the Senate, but, Mr. President, I feel that in view of the abuses of the Congressional Record, and in the interest of keeping the American people accurately informed as to what we said and what we debated and decided, I must remove myself from the list of opponents to television. I fully intend to tell my leader, Senator Baker, that I will support the television move when it comes back to the floor.●

QUOTAS ON SUGAR IMPORTS

● Mr. LUGAR. Mr. President, on May 5, President Reagan imposed quotas on sugar imports. This action is harmful to trade between the United States and Caribbean countries, and undercuts the rationale for the Caribbean Basin initiative. When quotas are imposed, long-term contracts and commitments cannot be upheld. As a result, sugar-exporting countries either reroute sugar shipments to other countries or store sugar in bonded warehouses, an expense which is passed on to the buyer. Lawsuits follow—the U.S. Cane Sugar Refiners Association has already filed suit. Earnings for foreign-export countries will also decline as the amount of sugar sold to the United States declines. Since sugar exporting is a major source of income for many Caribbean countries, quotas will be detrimental to the already shaky economies of many Caribbean nations.

Beyond this, U.S. Trade Representative Bill Brock has said that the quotas will "make it more difficult" to argue against trade barriers in the European Economic Community and Japan. He has also said that the quota system is "a very, very difficult program for us to administer."

Mr. President, I request that the following article from the Wall Street Journal be printed in the Record.

The article follows:

[From the Wall Street Journal, May 20, 1982]

Quotas on Sugar Imports Are Creating Havoc in Major Sectors of the U.S. Trade

(By S. Karene Witcher)

The Reagan administration's recent setting of quotas on sugar imports is causing havoc in major parts of the U.S. sugar trade.

Ships are due to arrive in U.S. ports loaded with sugar that mightn't be allowed to be delivered to buyers because the loads exceed quotas placed on individual countries. Importers are stuck with thousands of tons of surplus sugar.

According to industry estimates, 50,000 tons of sugar are aboard ships destined for U.S buyers. And based on the amount of sugar space booked on freighters abroad, industry sources estimate another 100,000 tons of sugar could be at sea within the next two weeks. Exact figures are hard to come by because traders are reluctant to disclose publicly the extent of their troubles.

Farr Man International Inc., a New York-based sugar merchant, like other sugar importers, has ships en route to the U.S. with sugar that may exceed quotas. "I've no idea what we're going to do" with it once it arrives, says Carl Kappes, a vice president. He maintains sugar importers will suffer financial losses and maybe even bankruptcies because of quotas.

SUPPORT FOR U.S. GROWERS

The administration set the country-by-country quotas to support one part of the industry—the growers—by boosting prices of U.S.-grown sugar. But the quotas are causing trouble in other parts—among importers, brokers, refiners and industrial users—and are adding millions of dollars a year to consumers' sweetener bills.

U.S. sugar imports are generally higher this time of the year, trade sources note, because demand for products containing sugar, such as ice cream and soft drinks, usually increase as warm weather approaches. At any time, they add, between 100,000 tons and 200,000 tons of sugar are headed for the U.S. in the normal course of business.

At the heart of the problems are long term contracts upon which much of the sugar industry is based. Those contracts often weave through a web of concerns that begins with foreign suppliers and ends with U.S. industrial users. The quotas have placed many of those agreements in doubt and have "affected a string of contracts and commitments that stretches around the world," says Paul Mirsky, president of Refined Sugars Inc., a Yonkers, N.Y., refiner. He adds: "We've sold sugar for 1984 (delivery) and quite a bit for 1983." Now he fears he mightn't be able to get enough sugar to fill those contracts.

Contract terms with foreign suppliers vary but U.S. importers say they sometimes pay for shiploads of sugar in advance. Costs can run into the millions. For example, a shipload of 25,000 metric tons of sugar purchased at the recent price of nine cents a pound would be worth about $5 million (A metric ton is 2,204.6 pounds.)

HIGHER PRICES

If importers can't deliver sugar they've paid for, and have already agreed to sell to customers, they would be forced to replace it with sugar that can be imported within the quotas. Because quotas have boosted prices by about three cents a pound, they'll have to pay higher prices for it. In some

cases, that increase can be passed along the chain to consumers. In others, importers will have to absorb the costs.

The quotas were announced May 5 and implemented last week. Total sugar imports for the rest of the current quarter are set at 220,000 tons divided among several sugar-producing nations. The amount any country can export will be adjusted quarterly by Agriculture Secretary John Block. The purpose of the quotas is to raise U.S. sugar prices so the government won't have to purchase sugar at a set price of about 17 cents a pound, which it has promised to do later this year.

According to the quota ruling, any shipments must have left the producing country by April 23 and arrive by July 1 to be exempt from the restrictions, providing the ship's destination wasn't changed—from another country to the U.S.—enroute to beat the quotas.

An Agriculture Department official said importers basically have two choices with what to do with sugar they have already contracted for. They can reroute it to buyers in another country before it arrives here, or they can store it in bonded warehouses at their own expense and remove it as sufficient quota allotment becomes available in the months ahead. But importers say storage charges will add substantial costs to the sugar, and refiners note that the bonded warehouses are often located far from the refineries making transshipment prohibitively expensive. In addition, sugar traders note that if provisions to house the sugar aren't taken quickly once cargos arrive, importers could incur additional expense in storage fees, which can cost up to about $15,000 a day, depending on the size of the ship.

OTHER RAMIFICATIONS

Among other ramifications stemming from the quotas, industry sources predict:

There will be numerous disputes and legal battles, particularly if importers and refiners default on contracts to supply both raw and refined sugar. Already, one group, the U.S. Cane Sugar Refiners Association, has filed suit against the U.S. government. The group maintains the government can't legally impose import fees, which it already has in place, quotas.

That quotas will cut into the amount of trading in the U.S. sugar futures market. Quotas have reduced the risk of price fluctuations for U.S. buyers and thus the need to hedge their purchases on the futures market. One sugar trader says the business he handles for U.S. commercial hedge clients, including growers, refiners and industrial users, has declined 90% because of the quotas. Traders stress, however, that non-U.S. hedgers and speculators will continue to use the market.

Foreign-exchange earnings of some countries will suffer seriously because they won't make their U.S. export targets. And they'll get lower prices for the sugar they sell in other markets because quotas, while raising prices in the U.S., have reduced sugar prices abroad because more sugar is on the world market. Colombia, for example, has been boosting its sugar exports the past two years and this year expected to ship about 200,000 tons valued at roughly $60 million. Sugar ranks in the country's top five foreign-exchange earners and the U.S. is Colombia's main export market. "We'll be looking for alternative markets, but we won't be alone in looking," laments Jorge Salazar, deputy chief of mission at the Colombian embassy in Washington. Colombia will be particularly hard hit this year because earnings from its other major exports, such as coffee, are down because of lower prices world-wide.

Many countries are under pressure to sell sugar this year, rather than hold out for higher prices, because of export quotas set by the International Sugar Agreement, which helps regulate international sugar trade. Countries that don't fill yearly quotas risk having their quotas trimmed in the future.●

A REASON FOR ANGER

● Mr. DOLE. Mr. President, one of the great things about service in this body is the opportunity to associate with men and women who are deeply committed to serving their country and to addressing the very difficult and complex problems that we face as a Nation. The U.S. Senate has been called the world's greatest deliberative body, although in recent times some have not been so positive in their descriptions of our collective efforts here in the Senate. During the many hours of debate and discussion of issues here on the floor of this Chamber, much is said to establish the intent of this body regarding its actions, and to justify and explain the decisions taken here. Some of the detail seems tedious at times, and those in the gallery may wonder who is listening, when they look down and see so few Members on the floor. They are not fully aware that the greater part of the discussion about the merits of the issues that come before us for the formal action of this body has already taken place in the committees and subcommittees designed for that purpose.

But occasionally, as issues reach their zenith here on the floor, as fundamental propositions are put forward and challenged, statements are made which rise above any partisan or rhetorical position, and which force us to address the cold, hard facts of the issues we are dealing with. An example of this was heard in this Chamber on May 6, of this year. Our colleague, the senior Senator from Utah, Jake Garn, took the floor and clearly spelled out the obligation of this body and its Members to face up to the problems of our economy; to stop looking for someone to blame those problems on and to accept our responsibility to sit down and reason with one another with the sole purpose of finding answers; not to gain partisan or political advantage, or make points with special interests, but to come up with the fiscal policies that will keep us from suffering a massive economic collapse in this country.

Senator Garn's eloquent and moving pleas was heard by many in the gallery and repeated and quoted widely throughout the Halls of the Congress. Several of our colleagues, including Senator Goldwater, said at the time that it was one of the finest statements ever made in this Chamber. The President of the United States, upon reading the statement in the Congressional Record, made a personal phone call to Senator Garn to congratulate him on his statesmanship. Yesterday, another endorsement was given to Senator Garn's statement by Mr. James J. Kilpatrick, in his column in the Baltimore Sun, entitled "Garn's Anger," Calling it an "explosion of honesty," which "did not last long but was great while it lasted," Mr. Kilpatrick repeated several quotes from Senator Garn's remarks. I was fortunate enough to have been here in the Chamber on that day. I heard our colleague, and I applauded his statement at the time. I wish more of our colleagues could have heard it, and I hope that they will take the time to look that statement up in the Record of May 6—it's on page 9019.

Mr. President, when one of our colleagues makes a statement that receives this sort of attention, when it is of such great significance, I believe it is appropriate for us here in this body to recognize that. Mr. Kilpatrick has described the importance of Senator Garn's statement as well as anyone. Therefore, Mr. President, I insert in the Record at this time the column by Mr. Kilpatrick, as it appeared in the Baltimore Sun of May 20, 1982, and an abbreviated version of the same column which appeared in the Washington Post on May 21, 1982.

The columns follow:

[From the Baltimore Sun, May 20, 1982]

Garn's Anger

(By James J. Kilpatrick)

Washington.—Most of the time the United States Senate rolls along as politely as an old Stanley steamer, the proceedings oiled by the rituals of parliamentary speech, but something happened a couple of weeks ago that is worth reporting. Jake Garn, the junior senator from Utah, lost his temper on the floor. We witnessed an explosion of honesty. It didn't last long, but it was great while it lasted.

Mr. Garn's wrath was triggered by some of the most blatant demagoguery of recent years. Catching the leadership by surprise—in itself, a breach of decorum—West Virginia's Robert Byrd suddenly demanded immediate consideration of an amendment to the defense authorization bill. His amendment had nothing to do with defense. It would have declared that "the May 5, 1982, unfair action of the Senate Budget Committee, supported by the President, calling for an arbitrary $40 billion cut in Social Security benefits over the next three fiscal years, is hereby rejected."

In the annals of the Senate, such caustic language about a Senate committee is unheard of. Mr. Byrd's amendment had no chance of winning approval, and he knew it. His purpose was to put on a grandstand show of partisan politics.

The fireworks began. Senator Moynihan of New York, Mr. Sasser of Tennessee and Senator Riegle of Michigan joined the bear-baiting game, shooting barbs of rhetoric at President Reagan in particular and at Republicans in general. Edward Kennedy got in the act: Would Senator Byrd agree that the enormously unfair economic policy of this administration has resulted in massive tax cuts for the wealthy and massive budget cuts for the needy? Would the senator agree that the president is now asking the senior citizens of this nation, who have worked long to earn their Social Security benefits in their twilight years to bail out this administration's inequitable policy?

Russell Long of Louisiana entered the fray. His heart grieved for the "little working people" and especially for the "dear old folks" who would be so cruelly abused if Social Security were touched in any way. As demagoguery, this was a class act. Read the Congressional Record of May 6 for yourself.

Finally Jake Garn gained the floor. "I do not think I have ever listened to more blatantly partisan, more blatantly rhetorical baloney than I have listened to today. I am angry. I am angry at this body, I am angry at Congress—and I do not care which party, Republicans or Democrats—because there are weak-kneed, gutless politicians on both sides who will not face up to the issues or the problems of this economy.

In a cold rage, Mr. Garn spelled out fact after fact on the sorry state of the economy—a condition largely created by the high interest rates that in turn have been largely preserved by the wretched performance of this Congress.

"Who are we kidding?" Senator Garn demanded. "Only Congress can appropriate money. We created this problem. I hope the American people are smart enough to place a plague on both parties if this continues. . . . We should start facing up to the nature of this problem, and I do not care which side of the aisle faces up to it. There should not even be an aisle on this issue."

In that angry hour on the floor, Mr. Garn spoke for millions of Americans who are getting as fed up as he is with the political infighting and backstabbing in this election year. This Congress is now four months into its second session, and nothing constructive has been accomplished. Members are so fearful of Senator Long's "dear old folks" that they will not face up to changes that must be made in Social Security if the system is to survive.

Neither will this Congress face up to other entitlement programs that have grown comletely out of hand—food stamps, educational grants, dairy subsidies, and the like. Hell-bent on their own re-election, members have thrown responsibility to the winds. The country cries out for bipartisan statesmanship, and what do we get? Blather from Bob Byrd and carping from Ted Kennedy. Thanks to Jake Garn, anyhow, for rising above a wretched hour.

[From the Washington Post, May 21, 1982]

The Day Garn Lost His Temper

(By James J. Kilpatrick)

Most of the time the United States Senate rolls along as politely as an old Stanley steamer, the proceedings oiled by the rituals of parliamentary speech. But something happened a couple of weeks ago that is worth reporting. Jake Garn, the junior Senator from Utah, lost his temper on the floor.

Garn's wrath was triggered by some of the most blatant demagoguery of recent years. Catching the leadership by surprise—in itself a breach of decorum—West Virginia's Robert Byrd suddenly demanded immediate consideration of an amendment to the defense authorization bill. His amendment had nothing to do with defense. It would have declared that "the May 5, 1982, unfair action of the Senate Budget Committee, supported by the president, calling for an arbitrary $40 billion cut in Social Security benefits over the next three fiscal years, is hereby rejected."

In the annals of the Senate, such caustic language about a Senate committee is unheard of. Byrd's amendment had no chance of winning approval, and he knew it. His purpose was to put on a grandstand show of partisan politics.

The fireworks began. Moynihan of New York, Sasser of Tennessee and Riegle of Michigan joined the bear-baiting game, shooting barbs of rhetoric at President Reagan in particular and at Republicans in general. Ted Kennedy got in the act; would Senator Byrd agree that the enormously unfair economic policy of this administration has resulted in massive tax cuts for the wealthy and massive budget cuts for the needy? Would the senator agree that the president is now asking the senior citizens of this nation, who have worked long to earn their Social Security benefits, to bail out this administration's inequitable policy?

Finally, Jake Garn gained the floor. "I do not think I have ever listened to more blatantly partisan, more blatantly rhetorical baloney than I have listened to today. I am angry. I am angry at this body, I am angry at Congress—and I do not care which party, Republicans or Democrats—because there are weak-kneed, gutless politicians on both sides who will not face up to the issues or the problems of this economy."

Garn spelled out fact after fact on the sorry state of the economy—a condition largely created by the high interest rates that in turn have been largely preserved by the wretched performance of this Congress. "Who are we kidding?" Garn demanded. "Only Congress can appropriate money. We created this problem. I hope the American people are smart enough to place a plague on both parties if this continues. . . . We should start facing up to the nature of this problem, and I do not care which side of the aisle faces up to it. There should not even be an aisle on this issue."

This Congress is now four months into its second session, and nothing constructive has been accomplished. Members are so fearful of what one Democrat called the "dear old folks" that they will not face up to changes that must be made in Social Security if the system is to survive. Neither will this Congress face up to other entitlement programs that have grown out of hand—food stamps, educational grants, dairy subsidies and the like. The country cries out for bipartisan statesmanship, and what do we get? Blather from Byrd and carping from Kennedy. Thanks to Garn, anyhow, for rising above a wretched hour.

POLITICIZATION OF AGRICULTURAL RESEARCH

(By request of Mr. Robert C. Byrd, the following statement was ordered to be printed in the Record:)

● Mr. HUDDLESTON. Mr. President, I was disturbed by recent reports in the press that the Department of Agriculture had instituted a system for political loyalty checks of scientists nominated for positions on panels that provide expert advice to the Department on applications for agricultural research grants. These panels have no policymaking responsibility.

I was gratified to learn that Secretary Block has ordered a stop to these political investigations of scientists.

Clearly, good scientific judgment is not a matter of political affiliation.

If the public and the scientific community perceive that political considerations are interfering with the scientific evaluation of agricultural research projects, the credibility of such evaluations and of the projects themselves will be lessened. Without strong scientific credibility, the research programs sponsored by the Department of Agriculture will become the object of public skepticism and be increasingly difficult to defend in the formulation of the budget.

Many Members of Congress expressed their concern about Secretary Block's selection of a noncareer person to head the Soil Conservation Service. There was a concern that the appointment would be a precedent for the unnecessary politicization of the Department of Agriculture.

I hope that Secretary of Agriculture Block will continue to protect the integrity and credibility of scientific review panels and other advisory groups, and see that political loyalty or party affiliation will not influence the appointment of scientists to nonpolicy positions.

I intend to follow this matter closely and will make every effort to insure that merit and personal integrity are the only factors considered in the appointment of scientific advisers.●

COURT STRIPPING

● Mr. HART. Mr. President, the Senate is currently considering several resolutions to amend the Constitution to address controversial issues such as abortion, balanced budgets, school prayer, and school busing. Enactment of these amendments would have the practical effect of incorporating contemporary positions on social and economic questions into the founding document of our Government.

Our national Constitution, unlike the constitutions of many States and foreign nations, addresses issues broader than specific social and economic questions. Instead, it outlines the basic structure of our Government, and the procedures to be followed by those who govern. The framers of the Constitution knew that the document was, in the words of Chief Justice Marshall, to "endure for ages to come," and, therefore, should not be loaded with social and economic beliefs about which there is constant change and adjustment. Not only has this nearly 200-year-old arrangement preserved a separation of powers between the branches of Government, it has also helped to insure that important questions are resolved by the people's representatives in the political arena.

It is ironic that those who frequently complain about judicial interference

should be so eager to sponsor amendments which will broaden the power of judges to interpret and resolve questions of public policy.

Mr. Joseph Kraft, in a recent column in the Washington Post, argues that these amendment proposals are contrary to both the intent of the framers and our whole tradition of constitutional interpretation. I ask that Mr. Kraft's comments be printed in the Record.

The column follows:

[From the Washington Post, May 16, 1982]

A Rage to Amend

(By Joseph Kraft)

An austere simplicity distinguishes the American Constitution. The national charter ordains structure and procedure, but leaves social and economic questions open to constant adjustment by the higgledy-piggledy of the political marketplace. "It is not," Alexander Hamilton wrote of the Constitution in the 34th Federalist Paper, "framed upon a calculation of existing exigencies." "It is," Chief Justice John Marshall affirmed in *McCulloch* v. *Maryland*, "a document intended to endure for ages to come."

That exalted tradition gives the true measure of the current rage to amend the Constitution. The proposed changes would junk up the fundamental law of the land with controversial views on issues of the moment. It is astonishing such proposals could come from groups pleased to call themselves conservative.

The constitutional amendments now being pushed hard from the right fall into four different areas—abortion; the balanced budget; school busing and school prayer. This is the situation in each case:

Abortion is perhaps the most disputed social question in the land today. It is a constant subject of action in both Congress and the state legislatures. The Supreme Court, having ruled against making abortion constitutionally inadmissible, is now refining that decision—particularly with respect to payment of costs by the state. Medical technology alters so rapidly that establishment of the inception of pregnancy is itself something bound to change over time.

The balanced budget goes to the heart of the legislative process. Nothing is more appropriately the province of Congress than the levying of taxes and the voting of appropriations. The size of the deficits now impending stamps support for the amendment by the Reagan administration as a classic example of the drunk preaching temperance. Even so, the administration has been having a hard time reaching accord on the exact terms of an appropriate amendment.

School busing is another topic marked by high controversy and constant readjustment—in the Congress, the courts and by local school boards. The Supreme Court has been fashioning doctrine, case by case, and there is no reason—especially given the rapidly changing pattern of residence in the country—to give up on the tried and true method.

School prayer is also subject to great local variety. In areas of religious diversity, notably on the East and West coasts, school boards constantly avoid, or dilute, religious practice. In areas of basic homogeneity, religious observance keeps asserting itself. To impose uniformity is to invite social tension. Hence the great dispute over the word "voluntary."

The experience of past amendments works to reinforce those arguments. Twenty out of the 26 are purely procedural, covering matters like direct election of senators and the date of presidential inauguration. Six amendments do deal with substantial law.

The Reconstruction amendments (the 13th, 14th and 15th) brought the Constitution abreast of the proposition established in the Civil War, that the nation could not exist half-slave and half-free. The 16th Amendment legalized the income tax. The general rule is that substantive matters are added to the Constitution by amendment only when they involve business essential to the survival of the republic.

The exception that proves the rule is the 18th Amendment, which introduced Prohibition in 1919. By outlawing a common practice that was increasingly accepted in social custom, the amendment worked to foster a national binge of crime and corruption. It was repealed, with a sigh of relief, in 1933 by the 21st Amendment.

To be sure, the amendments now advocated by the right were not bred in a vacuum. They emulate the drive of the women's movement to establish by constitutional amendment a particular reading of equality between the sexes. They represent a reaction to efforts by a minority on the left to entrench in court decisions liberal views on abortion, budgetary entitlements, school busing and school prayers.

But the obvious conclusion is that neither right nor left ought to be able to fix, as eternal verities, notions that are intrinsically subject to change and adjustment. Certainly it cannot be claimed that a practice so remote from the intention of the framers, and so much at odds with traditional interpretations of the Constitution, is conservative. Even to the ideologues of the right, the term conservative ought to denote something more than mere response to liberal folly.●

MARTIN LUTHER KING, JR.

● Mr. HART. Mr. President, no one in my lifetime did more to advance the cause of social justice than did Martin Luther King, Jr. His life is powerful testimony to the ability of one person in our society to make a difference—and to the ability of our society to change through peaceful means.

I have long supported commemorating the memory of Dr. King with a national holiday on the anniversary of his birthdate. All Americans—whites as well as blacks—have gained from the courage, the vision, and the commitment exemplified by Dr. King's life. By devoting his life to making the American experience conform with American ideals, he manifestly strengthened our Nation.

In a recent column in the Washington Post, Mr. Richard Cohen explains with clarity and eloquence why establishing such a lasting memorial to Dr. King is an important and necessary tribute.

I ask that Mr. Cohen's column be printed in the Record.

The column follows:

Dr. King

(By Richard Cohen)

Let us begin with the old joke about the Lone Ranger and Tonto and how they find themselves surrounded by a horde of hostile Indians. The Lone Ranger sizes up the situation and asks, "Tonto, what do we do now?" To which Tonto replies, "What do you mean 'we,' white man?"

Like "blood is thicker than water" and other such sayings, this joke has entered the folklore as yet another way of saying we are what we are or, to put matters another way, what we were born. Still, not since Tonto kissed of his close personal kemo sabe have we seen such a statement of racial identification as Ronald Reagan's explanation of why the birthday of Martin Luther King Jr. probably should not be a holiday.

The president first declared neutrality on the issue saying, "I haven't taken a stand one way or the other. . . ," thereby implying that to do nothing was about the same as doing something. Of course, this is not the case since to do nothing is to favor the status quo—or, in other words, to take a position against making King's birthday a holiday.

But the president did not stop there. Speaking as a white, he reminded blacks that, while he had the "deepest sympathy" for the movement to honor King, there were other minority groups in this country and they had their heroes, too. "We could have an awful lot of holidays if we start down that road," the president said, adding that someone had to consider the cost of it all.

". . . [It] might be that there's no way we could afford all the holidays."

Offhand, it is hard to come up with a single movement to memorialize the birth of any person other than King. But granted such a movement and such a person exists, it is interesting that the president has lumped Dr. King in with the obscure. Worse than that, though, he is talking about him as if he were the bizarre creation of some ethnic group—the arcane hero of an arcane group. If that were the case, a bridge or a causeway would do very nicely.

But King is no such person. He is a Nobel laureate of peace, a man of enormous accomplishment who had the kind of vision and commitment and, in the end, sheer guts that you think exists only in myth and fiction. King was the field marshal of the civil rights movement. He helped change America and while it might have changed anyway there is hardly anyone who would not concede that Martin Luther King made a difference.

There is no doubt that King and his accomplishments have a special meaning to blacks. There is also no doubt that in some way King had—and in some ways still has—a special dimension because he was black. A holiday memorializing him would, after all, be the only holiday honoring a black person. That has got to have meaning to black people—a meaning lots of white people could not begin to appreciate.

But where the president misses the boat is in failing to realize that King is not just a black hero, any more than George Washington is just a white hero. Not only did King lead a civil rights crusade (not to mention antiwar and antipoverty movement) that was racially integrated itself, he did in behalf of an entire nation. The immediate beneficiaries of his civil rights activities, of course, were black. But in the end, the whole nation benefitted. We are all better off because of what King did.

The president misses the entire point of the civil rights movement if he continues to see it as something done for blacks only and if he persists in seeing blacks as some sort of "them"—not regular day-in-day-out Americans. He has made the same mistake with working women and with poor people and with any other group that is not off some old Saturday Evening Post cover about general stores and potbellied stoves.

Maybe not enough time has passed to evaluate King's contribution and see whether he measures up to the likes of Washington or Lincoln—not to mention Jefferson, whose greatness goes unrecognized by a national holiday. But whatever the decision, it is just plain insulting to King's memory and to people who revere him to refer to him as some sort of token, and to trivialize the attempt to memorialize him as yet another bizarre demand made by "those people." That is the sort of mentality King fought all his life. Maybe we need a day to think about it.●

IMPACT OF BUDGET CUTS

● Mr. **HART.** Mr. President, the Colorado Commission on Children and Their Families recently completed a study that accurately reflects the impact of the cuts in the fiscal year 1982 budget on Federal programs for low income families in Colorado.

The study provides information on the cumulative effect on low income families of last year's reductions in the Federal food stamp program, aid to families of dependent children, medicaid, school lunch program, low-income energy assistance program, and day care subsidy.

Mr. President, I urge my colleagues to review this study in an effort to better comprehend the impact the reductions in Federal programs is having on low income families.

I ask that the Colorado Commission on Children and Their Families' study by printed in the Record.

The study follows:

Monthly Income and Expenditures for Basic Needs

The federal budget for domestic social programs is usually analyzed in terms of its effects on separate federal programs: How much money will AFDC lose? By how much will Food Stamps be cut? Other analysts worry about the effects on other levels of government: How much money will state and local governments lose in federal grants? When we read about the effects of cuts on families, it is often in terms of what the family will lose in AFDC or in subsidized day care or in some other discrete benefit.

We believe this information will serve as a useful model and tool for planning, evaluation, and policy analysis. Income support programs have a history of policy boomerangs. These unintended effects might have been avoided had proposed changes in programs for the poor been analyzed in terms of their net effect on a low-income family's economic status.

The information given here focuses on the cumulative effect of the federal budget on one family. It's very specific. Income and expense figures are given for a single mother with two young children (the typical AFDC family) at five separate income levels. To do this, many assumptions had to be made: how large the family's apartment is, how high the heat's turned up at home, even what they eat. The assumptions are in every case very conservative. But by making these assumptions and by assigning a dollar value to non-cash income, it is possible to trace the cumulative effect on a family's economic well-being caused by the entire maze of public policy in the areas of income support and taxation.

These data portray net monthly income and expense for a family living in Colorado in 1982; the family is shown in five different income situations. But an interesting way to approach the information is to think of it as a progression of one family through the five levels—a woman who, in the best Horatio Alger tradition, is climbing up by her bootstraps. Looked at this way, the woman who decides to move off of total AFDC support into a full-time job at minimum wage nets an additional $18 per month. And a woman who climbs from an $11,000-a-year job to one paying $13,000 finds that she actually has less money to spend each month.

It is important to realize that the income levels considered here reflect the circumstances of a great number of families. Recent U.S. Department of Labor statistics show the average annual wage of women cooks to be $7,696; of women service workers, $8,840; of saleswomen, $9,880. A January, 1982, survey of private-sector salaries by the Colorado Department of Personnel showed that the average entry-level salary in this state for a typist is $9,936 and for a stenographer is $11,004.

With revolutionary changes proposed in federal social programs, the net effect on families must be carfully scrutinized. The income-test nature of these programs means that a change in wages or in the benefit amount received from a single program often leads to a drastic cumulative effect on the money a family has to meet its basic needs. Also, the effects on those who are able to work and on those who are now working (albeit at a low wage) need to be predicted as accurately as possible at a time when progams are being cut that are designed to help people develop or upgrade saleable skills or that are intended to provide support to the working poor.

Changes in social programs also have to be carefully thought out in light of the shifts in the poverty population. In 1959, only 20.3 percent of Colorado families living below the poverty level were headed by a woman; the percentage rose to 32.4 by 1969; and by 1975, the figure had risen to 45.2 percent. Census figures show that poor families headed by women now compose half of all poor families in the nation.

The bootstrap approach is more difficult for a single-parent family who has only one adult to shoulder roles both of breadwinner and parent. And it is made even more difficult when that single parent is a woman. Women typically have less education and fewer job skills than men. The extent of the difficulty is hinted at by length-of-stay figures from the Colorado Department of Social Services: In April, 1981, the average single-parent family had received AFDC benefits for seventeen months before termination; during this same period, the two-parent AFDC-U family had been on welfare rolls only seven months before termination.

This information does not intend to address the philosophical issue of whether there is any public obligation to support the poor. But is does raise questions of logic: Can one eliminate job programs and income support for an increasingly difficult-to-employ poverty population at the same time one is espousing a goal of eliminating welfare's cycle of dependency? Can one really expect families to work (or work harder) for little or no gain, or even a loss? And it raises a question of economics: Should we not make it a priority to support the working poor who, with some public assistance, can contribute toward their family's support, but who can contribute nothing if they must return to welfare rolls?

What are the effects of cuts in federal social programs on Colorado's lowest income population? The Governor's Commission on Children and Their Families set out to answer this quesion by gathering current income and expense data for the typical welfare family, a single parent with two young children. Data were gathered for this family in five financial circumstances: welfare as the sole source of support, parent earning $7,000 per year (full time at the federal minimum wage and the 1981 National Poverty Level for a family of three), $9,000, $11,000, and $13,000.

Every effort has been made to present conservative data; that is, when faced with a choice of expense figures, the lower one was consistently selected. Expense amounts for items such as food and rent are the same at all income levels although it is recognized that in reality spending patterns vary with income; this was done to ensure comparability between levels. Monthly figures were calculated by dividing annual income or expense amounts by twelve, thus compensating for monthly or seasonal fluctuations in benefits or costs over the course of a year.

Other than income tax credits, this analysis does not include benefits from government programs open to people regardless of income, e.g., public education, the subsidy by the federal government to the cost of a "regular price" school lunch, police and fire protection, and national defense.

MONTHLY INCOME

Wages and income taxes.

Wages were calculated assuming full employment with no unpaid days off and forty-hour weeks. Federal income taxes would be withheld, but Colorado state income taxes would not be in any of these situations according to the current Colorado income tax withholding tables. Though not included here, it should be noted that wage earners could also be subject to the Occupational Tax if employer in the City and County of Denver, but living elsewhere.

A family earning less than $10,000 a year would be eligible for the Earned Income Tax Credit (EITC). According to the Internal Revenue Service, all families eligible for EITC may receive it in monthly shares or in the customary annual lump sum; the monthly option is shown in these budgets. The EITC is a refundable tax credit.

Effective January 1, 1982, the Child Care Tax Credit is thirty percent of total child care expenses up to $4,800 for families who are supporting two or more children on an annual income of $10,000 or less. This rate then decreases by one percent for each $2,000 of additional income to a minimum of twenty percent. Unlike the EITC, the Child Care Tax Credit is not refundable, i.e., any portion remaining after tax liability has been eliminated is forfeited.

AFDC

The amount listed for the AFDC grant is based on the guidelines followed by the Colorado Department of Social Services during January, 1982. The amount shown here is an annual average, but in fact for some families the AFDC grant amount varies widely between months. This family at the $7,000 income level receives monthly grants ranging from $97 to $186; at the $9,000 level monthly benefits range from nothing to $94.

The "earned income disregard" now applies for only four months. Under this provision, $30 and one-third of any income over $30 is ignored each month when calculating the AFDC grant. After four months, the total amount of earnings is used in calculating how much the full AFDC payment amount will be reduced for families with a working member. Prior to the enactment of the Omnibus Reconciliation Act of 1981, this deduction from wages was made indefinitely.

AFDC is computed on a retrospective basis. Changes in financial need are not reflected in the AFDC grant until two months later. For instance, day care expenses for this family rise during June because the young school-aged child suddenly needs full-time day care. Yet the AFDC grant is not increased to reflect this higher expense until August.

Low-income energy assistance program (LEAP)

These figures were obtained from the Colorado Department of Social Services and assume the family lives in the Denver area and uses natural gas for heating. The annual LEAP benefit is disbursed in two installments; an eligible family receives one LEAP payment in January and another in April.

Food stamps

Food stamp benefit amounts are taken from U.S. Department of Agriculture eligibility guidelines effective during January, 1982.

Day care subsidy

Child care is assumed to become a consideration to the working parent for the four-year-old (all day) and for the six-year-old (four hours of before- and after-school care and all-day care during the summer months). To preserve comparable figures, these assumptions are used for all levels of earned income, though in fact use of child care would probably vary between them.

A working parent receiving AFDC herself pays the day care provider up to $160 per child per month. This day care cost is then deducted as an expense when computing the AFDC grant amount. If day care costs more than $160, the remainder is paid through Title XX and this supplemental payment is made upon request of the client by the Department of Social Services directly to the licensed day care provider.

Some very low income parents, while not financially eligible for AFDC, can still receive a subsidy for day care costs through Title XX monies. In this analysis, the family at $9,000 and at $11,000 would be "income eligible" for this subsidy. Title XX requires a contribution from parents toward the cost of their children's day care that is based on family size, not on the number of children in care.

For the family earning $13,000 per year, no longer "income eligible" for any Title XX day care subsidy, day care would be a much greater burden.

School lunches

The six-year-old would be eligible for free or reduced price school lunches during the 184 school days of the year. The amount of the subsidy was calculated by subtracting the amount this elementary school student must pay from the amount charged for a "regular price" school lunch, i.e., 75¢. In fact, all school lunches are subsidized to some extent, and 75¢ is less than the true cost of the food and its preparation. Because school breakfasts are not widely available outside of Denver, they are not included here as a benefit.

Medicaid

Medicaid benefits in Colorado are available only to those who are eligible for cash assistance. the family on welfare and the family whose sole wage earner makes minimum wage would be eligible for Medicaid benefits. A four-month extension of Medicaid benefits is available to those who become ineligible for AFDC solely because of increased wages or hours of employment if the family has been on assistance three of the last six months. The family here that earns $9,000 a year would not be eligible for this extension because wages and hours worked remain constant. As a result of the four-month limit on application of the earned disregard, this family would go on and off Medicaid, as well as AFDC, during the course of a year. See Appendix A.

According to the Colorado Department of Social Services, Medicaid coverage for AFDC recipients costs $42 per person per month. This includes expenses for direct medical services and for administration of the program.

Health Care/Insurance expenses are incurred by the family earning $9,000 during the five months the family is not eligible for AFDC and Medicaid. The Medical Expense category for this family is divided between the family's share and that covered by Medicaid. (The annual contribution of each is divided by twelve to obtain a monthly figure.)

MONTHLY EXPENSES

In assigning the amounts of money spent in each of the expense categories, the most conservative figures were used. The same dollar amounts were used for expenses such as food and rent at each of the income levels although it is recognized that in reality spending patterns vary with income and that the needs of a welfare family differ from those of a family with a working member in areas such as transportation and clothing.

Pains were taken to obtain figures that reflect typical expenses from reliable sources. There figures have not been altered by the Commission. As a result, in the lowest three income categories, the family has a negative amount of discretionary income.

One should not infer from this that the family necessarily goes into debt to finance a given level of consumption. Instead, the family would cut down on some of its expenses. Less basic or less staple commodities will be cut or eliminated entirely. In some cases a close cheaper substitute for a commodity might be available. For instance, the welfare family most likely spends less than the amount listed for items such as clothing and family activities.

It has been left to the reader to determine how families at these income levels might juggle expenses to stay within their budget.

Food

The $183 amount for food expense was taken from the U.S. Department of Agriculture's September 1980 calculations of cost for a family of three on the Thrifty Food Plan. The Thrifty Food Plan meets minimum nutritional requirements and is the most economical of the USDA budgets. It should be noted that it is assumed this family doesn't smoke or drink alcoholic beverages. See Appendix B for a Thrifty Food Plan for one month.

Rent

Housing costs were obtained from a statewide survey, conducted by the Colorado Department of Social Services, of three-person families receiving welfare. A representative sample of costs for those recipients renting an apartment was adjusted by discounting both very high rents and very low ones (very low rents usually indicate shared living arrangements). The highest rent eligible for subsidy under the Department of Housing and Urban Development's Fair Market Rents in the Denver area is $365 for a two-bedroom dwelling; the lowest Fair Market Rents in some rural counties of Colorado is $240.

Subsidized housing is available for only twenty percent of those eligible and would be of considerable help to the low-income family with such a limited budget.

Utilities and heat

The figures for utilities and heat do not include water, garbage disposal, sewer charge, or telephone; they were supplied by the Colorado Energy Research Institute. The Institute based its calculations on data from a survey conducted by the Colorado Public Service Company. The amounts are for an apartment of 600 square feet with the thermostat set at sixty degrees at night and sixty-eight degrees during the day.

Day care

The Mile High United Way Information and Referral Service reported that forty percent of the 1,100 day care homes in the five-county Denver metropolitan area charged between $40 and $44 per week. A statewide survey of day care centers conducted by the Colorado Commission on Children and Their Families found $40 a week to be a low but fairly widely available rate. This same survey found that one dollar an hour for before- and after-school care was one of the lower rates but available in most parts of the state. These figures were used in computing day care costs all day for the four-year-old (all year) and the six-year-old (summer only) plus four hours of before- and after-school care for the six-year-old.

Day care is paid for as follows for the four families with a working parent:

$7,000—Day care costs are taken into consideration when calculating the AFDC grant which is paid to the parent. Therefore the parent pays the provider out of her own pocket. Day care charges in excess of $160 per month per child are paid to the licensed provider directly by the Department of Social Services.

$9,000—Day care is extremely complex for this family due to the interaction of AFDC eligibility status (which changes when after four months of employment the earned income disregard provision no longer applies) and higher day care costs during the summer. Appendix A traces these changes.

$11,000—Day care is subsidized through Title XX block grant funds. This "income eligible" family pays a flat fee of $183 per month; a payment covering the balance (a supplement of $75 during school months and $161 during summer months) is issued directly to the day care provider by the Department of Social Services.

$13,000—Day care costs are borne entirely by the parent.

Telephone

This figure is based on information from Mountain Bell. This definitely assumes no long distance telephone calls are made.

Transportation, clothing, furnishings and household upkeep, personal needs, family activities, and health care/insurance

Figures used in these categories were obtained from the Bureau of Labor Statistics' Autumn 1980 Urban Family Budgets. The Autumn Budget Series is computed for three levels of family income, and the lowest level was used in this analysis. The figures were adjusted for family size (to represent a single parent with two small children) according to a formula provided by Bureau of Labor Statistics and a ten percent inflation adjustment was made to reflect the general price level increase from autumn, 1980, to autumn, 1981.

Furnishings and Household Upkeep includes such things as cleaning supplies, lightbulbs, kitchen utensils, towels, and bedding. It also may include small appliance repairs.

COLORADO COMMISSION ON CHILDREN AND THEIR FAMILIES—MONTHLY INCOME AND EXPENDITURES FOR BASIC NEEDS

FAMILY OF THREE (PARENT WITH TWO CHILDREN, AGED 4 AND 6) AT SELECTED INCOME LEVELS (APRIL 1982)

To adjust for fluctuation in income and expenses over the course of a year annual amounts were divided by 12 to obtain the monthly expenses.

FAMILY ON WELFARE (ANNUAL CASH INCOME, $3,756)

	Amount
Monthly income:	
Cash income:	
Wages	(1)
Income taxes:	
Withholding	
Tax refund	
Earned income tax credit	
Day care tax credit	
AFDC grant	313
Low-income energy assistance (LEAP)	16
Total	329
Dollar value of in-kind income:	
Food stamps	149
Day care subsidy	(1)
Free school lunches	12
Medicaid (services and administrative overhead)	126
Total	287
Total income (cash and in-kind services)	616
Monthly expenses:	
Food (78 cents per meal for mothers, 61 cents per meal for each child	183
Rent	210
Utilities and heat	35
Day care	(1)
Social security tax	(1)
Transportation	61
Clothing	66
Furnishings and household upkeep	37
Personal needs	18
Telephone	6
Family activities	33
Medical expenses (State payment paid directly to provider of service)	126
School lunches (paid by subsidy)	12
Total expenses	787
Total discretionary money	−171

[1] Not applicable.

PARENT EARNING MINIMUM WAGE (ANNUAL EARNED INCOME, $7,000) (NATIONAL POVERTY LEVEL FOR FAMILY OF 3)

	Amount
Monthly income:	
Cash income:	
Wages	583
Income taxes:	
Withholding	−31
Tax refund	18
Earned income tax credit	32
Day care tax credit	13
Total	32
AFDC grant	142
Low-income energy assistance (LEAP)	16
Total	773
Dollar value of in-kind income:	
Food stamps	41
Day care subsidy (figured into AFDC grant)	
Free school lunches	12
Medicaid (services and administrative overhead)	126
Total	179
Total income (cash and in-kind services)	952
Monthly expenses:	
Food (78 cents per meal for mother, 61 cents per meal for child)	183
Rent[1]	210
Utilities and heat	35
Day care	279
Social security tax	39
Transportation	61
Clothing	66
Furnishings and household upkeep	37
Personal needs	18
Telephone	6
Family activities	33
Medical expenses (State payment paid directly to provider of service)	126
School lunches (paid by subsidy)	12
Total expenses	1,105
Total discretionary money	−153

[1] These families do not live in subsidized housing. Subsidized housing is available for only 20 percent of the families eligible for this benefit. Subsidized housing would affect the AFDC family's monthly income through a reduction in rent expense and a reduction in food stamp income.

FAMILY WITH 1 WAGE EARNER (ANNUAL EARNED INCOME, $9,000)

	Amount
Monthly income:	
Cash Income:	
Wages	750
Income taxes:	
Withholding	−57
Tax refund	26
Earned income tax credit	10
Day care tax credit	31
Total	10
AFDC grant	37
Low-income energy assistance (LEAP)	0
Total	797
Dollar value of in-kind income:	
Food stamps	24
Day care subsidy	96
Free school lunches	12
Medicaid (services and administrative overhead)	74
Total	206
Total income (cash and in-kind services)	1,003
Monthly expenses:	
Food (78 cents per meal for mother, 61 cents per meal for each child)	183
Rent	210
Utilities and heat	35
Day Care:	
Paid by parent	183
Paid by subsidy	96
Social security tax	60
Medical expenses:	
State payment paid directly to provider of service for 7 mo	74
Paid by family for 5 mo when ineligible for medicaid	27
Transportation	61
Clothing	66
Furnishings and household upkeep	37
Personal needs	18
Telephone	6
Family activities	33
School lunches (paid by subsidy)	12
Total expenses	1,101
Total discretionary money	−98

FAMILY WITH 1 WAGE EARNER (ANNUAL EARNED INCOME, $11,000)

	Amount
Monthly income:	
Cash income:	
Wages	917
Income taxes:	
Withholding	−87
Tax refund	13
Earned income tax credit	0
Day care tax credit	74
Total	0
AFDC grant	0
Low-income energy assistance (LEAP)	0
Total	917
Dollar value of in-kind income:	
Food stamps	0
Day care subsidy	186
Reduced price school lunches	5
Medicaid—Not eligible for medicaid	0
Total	191
Total income (cash and in-kind services)	1,108
Monthly expenses:	
Food (78 cents per meal for mother, 61 cents per meal for each child	183
Rent	210
Utilities and heat	35
Day care:	
Paid by parent	93
Paid by subsidy	186
Social security tax	61
School lunch:	
Paid by parent	7
Paid by subsidy	5
Health care/insurance	64
Transportation	61
Clothing	66
Furnishings and household upkeep	37
Personal needs	18
Telephone	6
Family activities	33
Total expenses	1,065
Total discretionary money	43

FAMILY WITH ONE WAGE EARNER (ANNUAL EARNED INCOME; $13,000)

	Amount
Monthly income:	
Cash income:	
Wages	1,083
Income taxes:	
Withholding	−129
Tax refund	20
Earned income tax credit	0
Day care tax credit	78
Total	−31
AFDC grant	0
Low-income energy assistance (LEAP)	0
Total	1,052
Dollar value of in-kind income:	
Food stamps	0
Day care subsidy	0
Reduced price school lunches	5
Medicaid—not eligible for medicaid	0
Total	5
Total income (cash and in-kind services)	1,057
Monthly expenses:	
Food (78 cents per meal for mother, 61 cents per meal for each child	183
Rent	210
Utilities and heat	35
Day care	279
Social security tax	72
School lunch:	
Paid by parent	7
Paid by subsidy	5
Health care/insurance	64
Transportation	61
Clothing	66
Furnishings and household upkeep	37
Personal needs	18
Telephone	6
Family activities	33
Total expenses	1,076
Total discretionary money	19

APPENDIX A.—BENEFIT APPLICATION TIMETABLE

[Monthly benefit levels for family of 3, parent with 2 children aged 4 and 6 with monthly income of $750 ($9,000 per year)]

Action by client	Type and amount of benefit		(1)
January:			
Apply 1st time:			
Accepted	AFDC	94	
Accepted	Medicaid	Yes	
Rejected	Food stamps	0	
			258
February:			
	AFDC	94	
	Medicaid	Yes	
	Food stamps	0	
			258
March:			
	AFDC	94	
	Medicaid	Yes	
	Food stamps	0	
			258
April:			
	AFDC	94	
	Medicaid	Yes	
	Food stamps	0	
			258
May:			
	AFDC	0	
	Medicaid	No	
Apply 2d time: Accepted.	Food stamps	58	
Apply 1st time: Accepted.	Day care subsidy	197	61
June:			
Apply 2d time: Accepted.	AFDC	21	
Accepted	Medicaid	Yes	
	Food stamps	0	
	Day care subsidy	24	320
July:			
	AFDC	21	
	Medicaid	Yes	
	Food stamps	0	
	Day care subsidy	24	320
August:			
	AFDC	21	
	Medicaid	Yes	
	Food stamps	0	
	Day care subsidy	24	320
September:			
	AFDC	0	
	Medicaid	No	
Apply 3d time: Accepted.	Food stamps	58	
	Day care subsidy	197	61
October:			
	AFDC	0	
	Medicaid	No	
	Food stamps	58	
	Day care subsidy	197	61
November:			
	AFDC	0	
	Medicaid	No	
Apply 3d time: Accepted.	Food stamps	58	
Apply 2d time: Accepted.	Day care subsidy	197	61
December:			
	AFDC	0	
	Medicaid	No	
	Food stamps	58	
	Day care subsidy	197	61

[1] Out of pocket day care expense.●

CREOLA, ALABAMA FIRE CHIEF RETIRES

● Mr. DENTON. Mr. President, our world has many unsung heroes and heroines. I rise in recognition of one from my State, Mrs. Virginia Lawshe of Creola, Ala., who recently retired after 4 years as fire chief of the Creola Volunteer Fire Department.

During her tenure as fire chief, Mrs. Lawshe, another woman volunteer, Carol Sherman, and 21 men were on call 24 hours a day, 7 days a week, protecting Creola from the ravages of fire in dry brush fields and oil storage facilities. Mrs. Lawshe took the job as fire chief, she said, because they could not get men on the volunteer force and "somebody had to do it."

Mrs. Lawshe, a homemaker, is married to Willliam L. Lawshe. They have 4 children and 11 grandchildren.

Mr. President, it is not every day that a woman from Creola is mentioned in the the New York Times and I ask that an article about Mrs. Lawshe's work as fire chief be printed in the RECORD.

The article follows:

[From the New York Times, Friday, May 21, 1982]

WOMAN WHO BEGAN TOWN'S FIRE BRIGADE LEAVING AS THE CHIEF

CREOLA, Ala.—Fire Chief Virginia Lawshe says she's tired of her beeper going off on Sundays while she's at church.

She also wants to "go out West" on vacation, take sewing lessons and enjoy her 11 grandchildren.

For these and other reasons, Mrs. Lawshe, who is in her 50's, and helped found the volunteer fire department in this oil-producing Mobile suburb of 1,600 people, is hanging up her chief's hat.

"I enjoyed it," she said of her four years as chief. "I was the only woman who could stay up all night with a dozen men and not get talked about."

The duties of running the 23-member department passes to the Police Chief, Frank Hammond.

DEPARTMENT STARTED BY 2 WOMEN

Mrs. Lawshe and another resident, Carol Sherman, took on the firefighting job, she said, because none of the men in the community wanted to be seen riding the "white elephant."

That nickname was given the fire truck the town inherited from the state Forestry Commission. "We ran it in a parade and the engine got too hot and it burned out," she said with a hint of amusement.

The town bought another used fire truck, a 750-gallon pumper, from Brent, Fla. But the pride and joy of the community is the new 1,000-gallon truck purchased in November for $60,000.

"We worked and we worked and we worked to get these fire trucks," Mrs. Lawshe said.

The new truck is out of commission, however, because the underbody caught fire while the crew was fighting a sage-patch blaze. So the 750-gallon pumper is back in service until the new truck, which was insured, can be repaired.

The new truck was supposed to have been restricted to paved and dirt roads and the City Council was upset because the vehicle had been driven into the blazing field.

That led to some resignations from the fire department, but Chief Lawshe said she had planned to leave before the incident anyway. She said that she would stay "on standby" if needed.

In her firefighting career, Mrs. Lawshe takes pride in having saved a "$100,000 house" from a roaring blaze.

Among the larger blazes she helped fight was one at a Getty Oil fuel storage tank and a railroad engine that caught fire after hitting a dump truck.

"I'm hoping the men will be able to handle it now," she said.●

ORDER FOR RECESS UNTIL MONDAY, MAY 24, 1982

Mr. BAKER. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 12 noon on Monday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

TIME-LIMITATION AGREEMENT—S. 2332

Mr. BAKER. Mr. President, there is one item of business on today's calendar that has been cleared on this side for action. I refer to Calendar Order No. 557, S. 2332, and I would inquire of the minority leader if he is prepared to consider that measure at this time.

Mr. ROBERT C. BYRD. The minority is prepared to proceed.

Mr. BAKER. Mr. President, I ask unanimous consent that when the Senate turns to the consideration of Calendar No. 557, S. 2332, the IEA extension, it be considered under the following time agreement: 1 hour on the bill equally divided between the chairman of the Energy Committee and the ranking member, or their designees; 2 hours on an amendment to be offered by the Senator from New Mexico (Mr. DOMENICI) dealing with SPRO; 30 minutes on all other amendments in the first degree; 20 minutes on all second-degree amendments; 10 minutes on any debatable motions, appeals, or points of order, if so submitted to the Senate; and that the agreement be in the usual form.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

ORDER REFERRING S. 1230 TO COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. BAKER. Mr. President, there are other items in my unanimous-consent folder that I will run through quickly, if I may.

First, Mr. President, I ask unanimous consent that when the Senate receives from the House of Representatives S. 1230, the Olympic coin bill, it be referred to the Committee on Banking, Housing, and Urban Affairs.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZING REPRESENTATION BY THE SENATE LEGAL COUNSEL OF ROY McGHEE

Mr. BAKER. Mr. President, I have a resolution on behalf of myself and the distinguished minority leader that I send to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will state the resolution by title.

The legislative clerk read as follows:

A resolution (S. Res. 395) to authorize representation by the Senate legal counsel of Roy McGhee, a Senate employee, in the case of Carl H.Kneumann v. Roy McGhee.

The Senate proceeded to consider the resolution.

Mr. BAKER, Mr. President, Roy McGhee, a Senate employee, has been named as defendant in the case of *Carl H. Kneumann* v. *Roy McGhee,* case No. SC-9040-82, presently pending in the small claims and concilation branch of the Superior Court for the District of Columbia. Mr. McGhee is superintendent of the Periodical Press Gallery, and the case arises out of action by Mr. McGhee in his official capacity as a Senate employee. This resolution directs the Senate Legal Counsel to represent Mr. McGhee in this litigation.

The resolution was agreed to.

The preamble was agreed to.

The resolution (S. Res. 395), together with the preamble, is as follows:

S. Res. 395

Whereas, the case of *Carl H. Kneumann* v. *Roy McGhee,* Case Number SC-9040 82, is pending in the Superior Court of the District of Columbia, Civil Division, Small Claims and Conciliation Branch;

Whereas, Roy McGhee, an employee of the Senate, has been served with a statement of claim and notice of hearing concerning a matter arising out of his Senate employment;

Whereas, under section 704(a)(1) of the Ethics in Government Act of 1978 ("the Act"), 2 U.S.C. § 288c(a)(1) (Supp. IV. 1980), the Senate may direct the Senate Legal Counsel to defend the Senate or any Member or employee of the Senate in any civil proceeding with respect to the validity of any actions taken by them in their official capacity: Now, therefore, be it

Resolved, That pursuant to section 704(a)(1) of the Act, the Senate Legal Counsel is directed to defend Roy McGhee with respect to the statement of claim served on him in the case of *Carl H. Kneumann* v. *Roy McGhee,* Case No. SC-9040 82, in the Superior Court for the District of Columbia, Civil Division, Small Claims and Conciliation Branch.

AUTHORIZATION FOR TESTIMONY BY STAFF AND PRODUCTION OF DOCUMENTS OF COMMITTEE ON SMALL BUSINESS

Mr. BAKER, Mr. President, I send a second resolution to the desk on behalf of myself and the minority leader, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will state the resolution by title.

The legislative clerk read as follows:

A resolution (S. Res. 396) to authorize testimony by staff and production of documents of the Committee on Small Business and representation by the Senate legal counsel.

The Senate proceeded to consider the resolution.

The resolution was agreed to.

The preamble was agreed to.

The resolution (S. Res. 396) together with the preamble is as follows:

S. Res. 396

Whereas, on May 12, 1981, the Committee on Small Business requested that the Department of Justice review several matters on which testimony and documents were presented in its hearings on procurement practices at the Small Business Administration for possible violations of federal statutes;

Whereas, the Department of Justice has informed the Committee that a federal grand jury is investigating those matters to determine whether there have been such violations;

Whereas, the Department has requested, for the assistance of itself and the grand jury, that the staff of the Committee provide testimony, which may involve production of related documents and materials;

Whereas, the particular members of the staff of the Committee with relevant knowledge of the Committee's investigation are R. Michael Haynes, Marc Smolonsky, and John G. McLean;

Whereas, under section 704(a)(2) of the Ethics in Government Act of 1978 ("the Act"), 2 U.S.C. § 288c(a)(2) (Supp. IV 1980), the Senate may direct the Senate Legal Counsel to defend the Senate or any Member or employee of the Senate in any proceeding with respect to any subpena or order directed to them in their official capacity;

Whereas, by the privileges of the Senate of the United States and Rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate can, by the judicial process, be taken from such control or possession but by permission of the Senate;

Whereas, when it appears that documents, papers, and records under the control of or in the possession of the Senate and the testimony of employees of the Senate concerning information acquired in the course of their official duties are needful for use in any court for the promotion of justice, the Senate will take such action thereon as will promote the ends of justice consistently with the privileges and rights of the Senate: Now, therefore, be it

Resolved, That R. Michael Haynes, Marc Smolonsky, and John G. McLean are authorized to testify, concerning the investigation by the Committee on Small Business of procurement practices at the Small Business Administration, in response to requests by the Department of Justice or to subpoenas issued by a proper court, except concerning matters which the Senate Legal Counsel or his representative determine are privileged from disclosure.

2. That the Chairman of the Committee on Small Business is authorized to produce documents and materials relating to that investigation by the Committee in response to requests by the Department of Justice or to subpoenas issued by a proper court, except documents and materials which he and the Senate Legal Counsel or his representative determine are privileged from disclosure;

3. That pursuant to section 704(a)(2) of the Ethics in Government Act of 1978, the Senate Legal Counsel is directed to represent the Committee on Small Business with respect to requests and subpoenas for the production of documents and materials in the Committee's possession relating to that investigation, and to represent R. Michael Haynes, Marc Smolonsky, and John G. McLean with respect to requests and subpoenas for testimony concerning that investigation.

Mr. BAKER. I thank the chair.

THE EXECUTIVE CALENDAR

Mr. BAKER. On today's Executive Calendar there are certain items that are cleared on this side for action by unanimous consent. I would inquire of the minority leader if he is in position to consider those nominations appearing on page 3, beginning with Calendar 764 under Air Force, including those nominations under Navy, Army on page 4, New Reports on page 4 beginning with Department of State and Department of Defense, and all of those nominations placed on the Secretary's desk in the Air Force, Army, Marine Corps, Navy.

Mr. ROBERT C. BYRD. Mr. President, this side of the aisle is ready to proceed.

Mr. BAKER. I thank the minority leader.

EXECUTIVE SESSION

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate now go into executive session for the purpose of considering the nominations just identified.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed en bloc.

The nominations confirmed en bloc are as follows:

In the Air Force

The following-named officer under the provisions of title 10, United States Code, section 8034, to be reassigned in his current grade to a position of importance and responsibility designated by the President.

Gen. Charles A. Gabriel, 243-32-9018FR, U.S. Air Force.

Gen. Lew Allen, Jr., U.S. Air Force (age 56), for appointment to the grade of general on the retired list pursuant to the provisions of title 10, United States Code, section 1370.

In the Navy

Adm. James D. Watkins, U.S. Navy, for appointment as Chief of Naval Operations in the Department of the Navy for a term of 4 years pursuant to title 10, United States Code, section 5081 (a) and (b).

Admiral Watkins, having been designated for command and other duties of great importance and responsibility in the grade of admiral within the contemplation of title 10, United States Code, section 601, for this appointment while so serving.

The following-named captains of the Reserve of the U.S. Navy permanent promotion to the grade of commodore in the line, as indicated, pursuant to the provisions of title 10, United States Code, section 5912:

LINE

Beverly James Lowe.
Richard Edward Young.
Tommie Fred Rinard.
Tammy Haggard Etheridge.
LeRoy Collins, Jr.
Frederick Peter Bierschenk, Jr.

In the Army

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be general

Lt. Gen. Robert W. Sennewald, 492-22-4165, Army of the United States (major general, U.S. Army.

NEW REPORTS

Department of State

Robert Anderson, of the District of Columbia, a career member of the Senior Foreign Service, class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Dominican Republic.

Department of Defense

Richard L. Wagner, Jr., of California to be Chairman of the Military Liaison Committee to the Department of Energy, vice James Paul Wade, Jr., resigned.

Nominations Placed on the Secretary's Desk in the Air Force, Army, Marine Corps, Navy

Air Force nominations beginning David Joseph Abramowitz, to be specified later, and ending Keith W. Zuegel, to be specified later, which nominations were received by the Senate and appeared in the Congressional Record of May 10, 1982.

Air Force nominations beginning Barry Baptiste, to be second lieutenant, and ending Rick L. Vandagriff, to be second lieutenant, which nominations were received by the Senate and appeared in the Congressional Record of May 18, 1982.

Army nominations beginning Charles P. Bernstein, to be colonel, and ending Robert S. Dixon, to be major, which nominations were received by the Senate and appeared in the Congressional Record of May 10, 1982.

Army nominations beginning Paul F. Abel, Jr., to be second lieutenant, and ending David B. Ziegler, to be second lieutenant, which nominations were received by the Senate and appeared in the Congressional Record of May 10, 1982.

Army nominations beginning Ronald Hunter, to be lieutenant colonel, and ending Michael E. Williamson, to be first lieutenant, which nominations were received by the Senate and appeared in the Congressional Record of May 11, 1982.

Marine Corps nominations beginning J. F. Amos, to be major, and ending G. D. Yaron, Jr., to be lieutenant, which nominations were received by the Senate and appeared in the Congressional Record of May 5, 1982.

Navy nominations beginning Ronald John Abler, to be lieutenant commander, and ending Eleanor Joan Thompson, to be lieutenant commander, which nominations were received by the Senate and appeared in the Congressional Record of May 6, 1982.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nominations were confirmed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of these nominations.

THE PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate now return to legislative session.

THE PRESIDING OFFICER. Without objection, it is so ordered.

ORDERS FOR MONDAY, MAY 24, 1982

ORDER FOR RECOGNITION OF CERTAIN SENATORS

Mr. BAKER. Mr. President, on Monday next, the Senate will resume its session at 12 noon.

After the recognition of the two leaders under the standing order, I ask unanimous consent that special orders of not to exceed 15 minutes each be granted in favor of Senator Specter, Senator Chiles, and Senator Nunn.

THE PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ROUTINE MORNING BUSINESS ON MONDAY, MAY 24, 1982

Mr. BAKER. Mr. President, I ask unanimous consent that after the execution of the special orders, there be a period for the transaction of routine morning business to extend not past the hour of 1:30 p.m. in which Senators may speak for not more than 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

URGENT SUPPLEMENTAL APPROPRIATIONS

Mr. BAKER. Mr. President, I ask unanimous consent that, after the expiration of the time for the transaction of routine morning business, the Senate turn to the consideration of H.R. 5922, the urgent supplemental appropriations bill.

Mr. ARMSTRONG. Reserving the right to object. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislatiave clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESINDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, rather than ask that the Senate order the consideration of that measure, at this time let me simply announce that on Monday, after the expiration of time assigned for the transaction of routine morning business, it is the interntion of the leadership to ask the Senate to turn to the consideration of the urgent supplemental appropirations bill, which is H.R. 5922.

PROGRAM

Mr. BAKER. Mr. President, on Monday next, when the Senate convenes it will do so at 12 noon. After the recognition of the two leaders under the standing order, three Senators will be recognized on three special orders of not to exceed 15 minutes each, following which there will be a period for the transaction of routine morning business to extend no longer than 1:30 p.m., in which Senators may speak for not more than 5 minutes each.

After the expiration of the time for the transaction of morning business, Mr. President, it is anticipated that the leadership will ask the Senate to turn to the consideration of H.R. 5922, the urgent supplemental appropriations bill.

Rollcall votes are expected during the day on Monday. It is the intention of the leadership to try to finish this bill during the course of this coming week, and perhaps in the first 2 days.

RECESS UNTIL MONDAY, MAY 24, 1982

Mr. BAKER. Mr. President, if there is no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until the hour of 12 noon on Monday.

The motion was agreed to, and the Senate, at 10:21 p.m., recessed until Monday, June 24, 1982, at 12 noon.

NOMINATIONS

Executive nominations received by the Senate May 21, 1982:

In the Army

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. Richard L. Prillaman, 236-36-0074, U.S. Army.

IN THE NAVY

The following named lieutenants of the line of the Navy for promotion to the permanent grade of lieutenant commander, pursuant to title 10, United States Code, section 624, subject to qualifications therefor as provided by law:

UNRESTRICTED LINE OFFICER

Lieutenant commander

Aaby, Michael Clifford
Acree, Russell Garnett, Jr.
Adams, Earl Robert
Aikins, Lance Tipton
Alexander, Earl Robert
Alleman, Lew Earlington
Alley, Thomas Crockett, Jr.
Alvarez, Sandra Rosemarie
Ames, Morgan Paul, Jr.
Anderson, Charles Murry
Anderson, Lance Orville
Anderson, Mary Ellen
Anderson, Richard Lewis
Anderson, Ross Earl, III
Anderson, Stephen Patrick
Anderson, Thomas Jay
Anderson, William Michael
Andrews, James Nielsen, Jr.
Angel, Eddie Jefferson
Antanitus, David Joseph
Anthony, Patricia Johnston
Antonelli, John
Ashcraft, Raymond Joseph
Ashton, Stuart Arthur
Austin, David Paul
Avveduti, Joseph Peter, Jr.
Ayer, Clifford B., III
Ayers, Ronnie Lee
Azud, John Raymond
Babin, Michael Kelly, Jr.
Baccei, Patrick Kent
Bafford, Barney Ray
Baker, Dewitt Bernard, Jr.
Baker, Robert Duane
Balthrop, Clyde B
Bamford, Michael George
Banus, Markham Douglas
Barker, William Dennis
Barnett, William Eugene
Barrett, Joseph Patrick
Barringer, Fred Alexander, Jr.
Bartek, Stephen Anton
Barthold, David Hamilton
Barthold, Stephen Frederick
Bartholomew, Rodger Veryl
Barton, Michael Jon
Basilone, Garry Michael
Batten, Phillip Glenn
Baucom, Charles McIntyre
Baughman, Lynn Douglas
Baumgardner, Howard Joseph
Beaudoin, William George
Beaulieu, Joey Donald
Beckman, Mary Jo Neal
Belanger, Ronald Glafey
Belinski, Joseph Eugene
Bell, David Paul
Bell, Martha Louise
Bender, Robert Michael
Bennett, Ronald Finn
Bergamini, John Paul
Bernard, Ronald Lee
Berry, Clyde, Jr.
Bertagnoli, David James
Besch, David Lawrence
Bewley, John Milton
Bewley, Julie Surgi
Bills, Martha Rigby
Blackburn, William Richard
Blackwell, Thomas Minter
Boggs, Thaddeus Emory, Jr.
Bohner, Robert Thomas
Bolinger, William Kelly
Bollwerk, Willam Val
Booth, Larry Gene
Boothe, Donald Thurman
Borchardt, John Andrew
Bossart, Della Jane
Bostich, Dennis Nick
Bothwell, Vernon Eldon, Jr.
Boulay, William Joseph
Bowers, Michael Joseph
Boxall, Clarence Albert, Jr.
Boyer, James Charles
Bradbury, Leigh William
Brado, Robert Francis
Brady, Daniel Alan
Braeckel, Joseph Marcus
Braisted, Stanley William
Bramer, John Robert
Brandenburg, Steven Lee
Brannon, Charles Travis
Brender, Gary Louis
Brickey, Albert Boyd, Jr.
Briggs, Alfred Newsome, III
Brockhoff, Hans Christian
Bronsink, Sherman Hughes
Brooks, James Norman
Brooks, Richard Earl
Brouillette, John Lawrence
Brouse, John Ammon, Jr.
Browre, David Almy
Brown, Allan Marvin
Bown, Annette Elise
Brown, Dan Martin
Brown, John Elliott, Jr.
Brown, Thoma Joseph, Jr.
Brown, Timothy James
Brownlee, Kenneth Lewis
Brunson, Bruce Hood
Bryant, David Ross
Bryner, Terence Martin
Buck, Caryl Elizabeth
Buescher, John Francis
Buess, William Alan
Bulfinch, Susan Heelan
Burdett, Arthur Clinton, III
Burich, Stephen John, III
Burnette, Steven Ray
Burn, Daniel Allen
Busch, Steven John
Butler, Dean Esmond
Butler, Willard Clinton, Jr.
Buzzell, Sandra Geiselman
Byers, Earl Louis, II
Cable, Larrie Gene
Cadwell, Bradley Hugh
Cagle, Clifford Monroe
Caldwell, Steven Ray
Calland, Albert Melrose, III
Campbell, James Byron
Campbell, James Lynn
Campbell, Michael Patrick
Cannon, James Randall
Cantrell, Dick Perry
Cardwell, Cecil Dwight
Caren, Mark Stanley
Carlson, Craig Dean
Carlson, John Eric, III
Carlson, Richard John
Carlson, Thomas Richard
Carman, James Allen, Jr.
Carnes, Michael Arthur
Carpenter, Timothy Edward
Carr, Larry Donnell
Carr, Peter Francis
Carrico, William Frederick, J.
Carroll, James Thomas, III
Carroll, Kevin James
Carson, Theodore Montague, Jr.
Carter, Gary Thomas
Cassara, Richard John
Catron, Walter Preston
Caughey, Grant Joseph
Cavey, Bruce Wesley
Cereghino, Philip John
Cerney, Gary Michael
Chamberlain, Kathryn Browin
Chapman, John Michael
Chapman, Lyle Bennett
Chapman, Thomas Earle
Chase, Robert Richard
Checchio, Mark
Chenette, Richard Dwight
Chew, Richard Frederick, Jr.
Childress, Louis Deak
Chmelir, Peter Sargent
Christensen, John Douglas
Christensen, Stephen Randolph
Christiansen, Bill Myron
Christman, William Edward
Clark, Arthur Eugene
Clark, William John, Jr.
Clarke, Charles Joseph, III
Clemens, Raymond Michael
Clements, Kenneth Elbert
Clements, Stuart Shelton, Jr.
Clites, David Philip
Clouse, Alexander Paul
Coburn, Bruce Norman, Jr.
Cochran, Robert Hollis
Cohee, Frank Earle, III
Cole, Thomas Keith
Coleman, David Whitfield
Coligan, William Ernest
Collier, Daniel Sayre
Collins, Marlyn Neal, Jr.
Cook, Douglas Philip
Cooper, James Edward
Cooper, James Stewart
Corbell, Edward Demar Jr.
Corley, Farrell Wayne
Corley, Rolan Donald
Corman, Larry Joe
Corpin, Owen Darrell
Costello, Barry, M.
Cox, Brian Lynnwood
Cox, Stephen Anthony
Cox, Tracee Deborah
Coyne, John Joseph
Crabbe, Clark Waldron
Craig, Raymond Price, Jr.
Crane, Victor Charles
Cranor, Betty Jo
Crawford, John Michael
Crawford, Michael Wayne
Cremer, Gordon Douglas, II
Crocker, David Mark
Crouter, Mark Hanna, II
Crowder, William Douglas
Crowe, Richard, C.
Crowley, Timothy Edward
Cuff, Ronald James
Cummings, Kathleen Marie
Dady, Teresa Gail
Dahinden, Eric, M.
Dailey, Robert Michael
Danis, Paul Douglas
Dascenzo, Michael John
Davis, Alan Arthur
Davis, Charels Wayne
Davis, Donald Perry
Davis, John Scott
Davis, Richard Ross, Jr.
Davis, Susan Miryam
Dawson, Hugh Cunningham
Dean, Christopher Ray
Deasaro, Louis Paul
Deases, Bernd Klaus
Debien, Paul Thomas
Dehner, Bruce Earl
Delateur, Robert Emmett
Delong, Thomas, Jr.
Demetropolis, George John, Jr.
Denap, Frank Anthony
Denton, Marilyn Anne
Deppe, James Frank
Desilets, Paul Edward
Deutermann, Stephen Warner
Dever, Kenny Irvin, II
Deyke, Thomas Melvin
Dietrich, Rolf Adam

Differding, Gregory Allen
Dilley, James Ralph
Dion, Thomas Clifford
Dixon, Michael Stewart
Dolfie, Dennis Dodd
Dollahon, Winston Eugene
Donahue, Raymond Patrick, Jr.
Donald, Kirkland Hogue
Donato, Gerald Anthony, Jr.
Donlon, Michael Patrick
Donoghue, Daniel Richard
Donovan, Michael Richard
Donovan, Walter Joseph, Jr.
Dorpinghaus, Teresa Mary
Dow, Michael John
Dueker, James Allen
Duffy, Stephen Bernard
Dunlap, Donald King
Dunn, John Francis
Dunn, Robert Patrick
Dupouy, Douglas Kent
Durst, Calvin Lee
Eads, John William
Eberwein, John Robert
Eckert, William Fullerton, Jr.
Edmunds, Stephen Sherwood
Edwards, Kenneth Ray
Elcock, Charles Gregory
Eld, Dale Wayne
Elias, Kristine Cecile
Elleson, Lynn Ann
Ellis, Andrew Joel
Ellis, William Richard
Else, Daniel Henry, III
Elson, Stephen Jay
Endacott, Steven Mark
England, Dennis James
English, Patricia Ann, R.
Erick, Steven Gray
Escobio, Armand
Etter, John Alan
Eubanks, Richard Marcus
Evanoff, John Daniel, II
Evans, Charles Lamar
Evans, David Lloyd
Evans, Timothy Scott
Ewing, Davis Edward
Falkenstein, Rudolph F.
Farrens, Wayne Lee
Fasciano, William Culp
Feaster, Thomas Kenneth
Fenzl, David Paul
Fiebig, Victor Raymond
Filz, David Bruce
Finger, Gary Moore
Fink, John Eugene
Finley, Andrew Vincent
Finnegan, Robert Edward
Firks, Steven Franklin
Fitzpatrick, Brian David
Flynn, Patrick William
Foley, Patricia Glynn
Fong, Chester Kwock Mun
Ford, Thomas Richard
Foster, Richard Preston
Fraile, Robert Edward
Frank, John Bernard, Jr.
Frazier, Robert Leo
Fregin, Robert David
Frey, Wayne Kenneth
Fritsch, James Lawrence
Frost, Mark Douglas
Fry, James Thomas
Gallo, Arthur Wayne
Galyean, Christopher Loyd
Gannaway, Robert Rector, Jr.
Gardner, Marvin Hugh, Jr.
Gardner, Theodore Clark
Gary, Alan Victor
Gaudio, Jan Cody
Gazzolo, Victor John
Gehri, Richard Steven
Gemoets, Gary Vance
Gernes, Deborah Sue
Gerou, Deborah Kaye
Gilchriest, Timothy Bouton
Gilmore, Stephen Douglas
Glover, Thomas Franklin
Gochicoa, William Edward
Goins, Larry Keith
Golaszewski, Kenneth Mathew
Gorder, Timothy York
Goulette, David Arthur
Grace, James Anderson
Graf, Gary Lynn
Graham, Gerold W.
Graham, James Frank
Grant, Michael Charles
Graupmann, Gary James
Greene, John William, III
Greenert, Jonathan William
Gregory, Thomas Joe
Grey, Richard Jay
Grimsley, Michael James
Groh, Gary Edward
Gross, Charlotte Ruth
Gross, James Richard
Grote, Thomas Alan
Grundies, David Herbert
Grunzke, Craig Reed
Guertin, Michel John
Gurl, Robert David
Haas, Robert Cletus
Habermeyer, Alan David
Hackett, William Seldon
Haddock, Ronald Wayne
Hagen, Thomas Lee
Hagerling, Donald Woodford
Halloran, Lewis George
Hallowell, Paul Evan, Jr.
Halsey, Stephen Aaron
Haltiwanger, Rufus Daley, III
Hamel, Steven Robert
Hamilton, Charles Samuel, II
Hammond, Andrew Travis
Hamon, Dale Robert
Hamory, Quentin Theodore, Jr.
Handian, Mark Jerome
Hard, Ronald Lee
Harder, Jane Marie
Hardesty, David Lee
Harms, Alan Melvin
Harness, Roy Curtis
Harris, Ernest Arnold, Jr.
Harris, Kurt James
Harris, Ward Lee, Jr.
Harrison, John Edward
Harrison, Robert Frederick
Hart, Douglas Ramsay
Hartman, Robert Lee
Harvey, Lawrence Michael
Haug, William Carl
Hause, Herbert Ralph
Hauser, Paul Thomas
Hayner, Lawrence William
Hays, Clarence Donald, Jr.
Hazlett, James Arling
Hedin, John Alvin
Hein, Eugene Vincent
Helm, Roger Dale
Hempen, Gregory Scott
Henderson, Harriet Denise
Herbka, Nicholas Steven
Herbert, Mark Klaus Herman
Hibbeler, Kenneth Stewart
Higbee, John Joseph
Hill, George Curtis
Hill, Jimmy Lee
Hill, Patricia Ann
Hillier, David Gordon
Hilton, Charles Roland
Himes, Stephen Jonathan
Hines, Gary Alan
Hodge, Sharon Lee
Hoffhines, Mark Edward
Hoffman, Louis Albert, Jr.
Hogan, Robert James, II
Hoipkemeier, Steven Fredrick
Holden, Judith Ann
Holdstein, Wallace Woodruff
Hollifield, John Doyle, Jr.
Holloway, Stanley James
Holmes, Michael Lynn
Holt, Robert Lewis
Holton, Michael Anthony
Horning, Joel Ralph, Jr.
Houck, Kim Charles
Hovatter, Patrick James
Howell, John Augustus, III
Huber, Vernon Charles
Hudgens, Elmore McNair
Hudson, Edward Harrison
Huelle, Denis Emil
Huff, Mark Alexander
Hunt, Jesse Frank, Jr.
Hunt, Richard Morgan
Hunter, James Earl
Hunter, William Barnard
Hurley, Ellen Jean
Hurt, Nathan Dale
Hutchison, Gregory Boyd
Hyland, Greg F.
Ikeda, Larry Isao
Imhof, Michael Herbert
Infield, John Jay
Ingram, Darryl Wilson
Iversen, Gary Russell
Ivey, Stewart Douglas
Jackfert, Melvin Douglas
Jackson, Milton Jeffrey
Jackson, Paul Joseph
Jaeger, Hans Edward, Jr.
Jan, Kolin Marc
Jarosz, Martin James
Jasper, Stephen Charles
Jedlicka, Charles Alfred
Jenkins, Michael Eugene
Jenkins, Robert Donald, III
Jennings, Thomas Mitchell
Jensen, Richard John
Johansen, Kenneth Alton, Jr.
Johnson, James Leslie
Johnson, Michael Wayne
Johnson, Richard William
Johnson, Rickard Lamont
Johnson, Ronald Keith
Johnson, Steven Kenneth
Johnston, Charles Herbert, Jr.
Johnson, Randall Lee
Johnston, Robert Eduard
Jones, Allan Roper
Jones, Berniece Karen
Jones, Charlie Anthony, Jr.
Jones, David Henry, Jr.
Jones, Granville Paul
Jones, Houston Keith
Jones, James John, Jr.
Jones, Robert Bingham
Jowers, Russell Lee
Judge, Larry Vernon
Juul, Kenneth Horton
Kailey, Richard Franklin
Kane, Stephan Patrick
Kaplan, Bradley Jay
Keeler, George Clyde
Kendall, James Hubert
Kennedy, John Warren
Kernan, Robert Furey
Keville, Michael Thomas
Kiefer, Richard Lee
Kikta, Mark Douglas
Kilgor , George K.
King, Mary Ann
King, Michael Rogers
Kirby, David James
Kirk, Forest Larue
Kissling, Phillip Alan
Kittel, Edward Charles
Kittel, Steven Wayne
Knichel, Raymond James
Knox, James Alan
Kollmorgen, Leland Stanford

Kophamer, Maurice Scott
Korber, John Scott
Koskie, Edward Daniel
Kovacs, Gary Ernest
Kramer, Starling Hull, Jr.
Kranz, Jeffery Martin
Kranz, Richard John, III
Kraper, Kenneth Michael
Krug, Andrew Clarence
Kukral, Steven Charles
Labuda, Joel Lee
Lahneman, William James
Lambert, Christopher Lange
Landers, Michael John
Lane, Henry Carroll, Jr.
Lane, Thomas Patrick
Langer, John Jeffrey
Langerman, Mark Merlin
Langford, John Den, Jr.
Langley, Conrad Aaron, Jr.
Lathers, William Franklin
Laturno, Thomas Warren
Laurvick, Conrad Arthur
Lawrence, Dwight David
Lawton, Donald Marvin
Lawton, Martha Mary
Lee, William Harvey
Leedy, David Humbert
Leenhouts, John Richard
Legidakes, Dean J.
Leinster, Richard Wynne
Lemen, Jon Fredrick
Lenio, Edward Allan
Lennon, Bernadine Antoinette
Leoffler, Walter Frank, Jr.
Leonard, David Lindsay
Leonard, Ralph Royden, Jr.
Lewis, Bruce Lee
Lewis, Richard Croake, III
Lewis, Steven Glen
Libbey, James Alan
Lincoln, David Earl
Linn, Kenneth Michael
Linthicum, Thomas Wayne
Little, Tommy Don
Littlefield, Robert Douglas
Litzenberger, Ronald Will
Locke, Rodney Marvin
Lodge, William Kenneth
Lokkins, Craig Jerome
Londot, David Lee
Looney, John Thomas
Loren, Donald Patrick
Louk, David Joseph
Lounsbery, Henry Kazumi
Lowder, Gavin Douglas
Lucchesi, Marc Alexander
Luhrman, Stephen Albert
Lukaszewicz, Mary Alice
Luketich, Thomas Matthew
Luoma, Stephen Ross
Lyle, Linda Marie
Lyon, Michael Eugene Underwood
Lyons, James Edward
Maas, Gerhart Karl
Macdonald, Peter Michael
Mackin, Marilyn Loraine
MacMurray, Christopher
Maddix, Chris Lewis
Maher, John Barrett
Maher, John Joseph, III
Mahon, John Frederick
Mahoney, James Bernard, III
Majewski, Randy Dean
Malec, Ronald Stanley
Mallory, James Anthony
Manley, Clovis Elmer
Manning, John Everett
Mariner, George Thomas, Jr.
Marino, Anthony Ralph
Markin, Roe Edgar, Jr.
Marra, David Louis
Martin, Jay Stanley
Martinez, Jenny Lou
Marusa, Daniel Fred
Masciangelo, Peter Anthony
Mason, William Robert
Massey, Robert Clyde
Matlock, John Harvey
Maurer, Michael Lee
Mavroudis, John Alexander, Jr.
Maxwell, Perry David
Mayne, Richard Kay
McCabe, Robert Emmett, III
McCauley, Kim Christopher
McClellan, Thomas Robert
McCloskey, Kevin Verne
McCollough, Norman David
McComb, John Thurston
McCool, Barent Nelson
McCullough, Bernard Joseph, I
McCurdy, Rodney Elwyn
McDaniel, Howard Owens
McDermott, Mark Lawrence
McDonald, Edward Francis
McDonald, Gerald Dave, Jr.
McDonald, Harvey Blaylock
McHenry, John Dillard
McIntyre, Michael Thomas
McIntyre, Walter Rutledge
McKean, John Francis, Jr.
McKeever, William John
McKibben, Anthony Richard
McKinley, Gary Michae
McKnight, George Franklin
McLaughlin, Richard Keith
McLellan, Alan Michael
McMillan, Harry Benjamin
McQueen, Roderick McLemore
Mearsheimer, Thomas Joseph J.
Mechling, Andrew D.
Meekins, Charles Douglas
Menth, Michael John
Merrill, John Christian
Merten, Richard George
Messerschmidt, James A.
Messersmith, Roger Joshua
Meyer, John Carl
Meyer, Mary Jayne
Meyers, Timothy Albert
Middaugh, Richard Carney
Mihalick, Joachim Thomas
Miko, Ralph Charles
Miletich, Charles Anthony
Miller, Cecil Drew, Jr.
Miller, Gail Elaine
Miller, James John
Miller, Jeanne Marlene
Miller, Richard Lee
Miller, Robert Lee, Jr.
Miller, Ronald Irwin
Milliken, Mark Reed
Mitchell, Josephine
Mitsuoka, Tadashi Mark
Mixon, Ted Randall
Moe, Christopher Michael
Moebius, Richard Carl
Moeller, Robert Thomas
Moffatt, Susan Lynn
Moffit, Matthew Gordon
Mohr, James Martin
Molino, James Vincent
Molloy, William Dennis, Jr.
Molsberry, David Dean
Montesano, Frank William
Montgomery, Michael Lee
Moody, Thomas Ray
Moore, Deborah Neill
Moore, Ted Allen
Moore, Thomas Vincent
Moran, James Kevin
Morgan, Darrell Gene
Morgan, Kevin Paul
Morgan, William Cleve, Jr.
Morris, David Robert
Morris, Louis Field
Morrison, Gray Degraffenried
Morrison, Roger Harold
Moses, Warren Preston
Mosier, Mary Pierce
Moss, Alice Marie
Mosser, Donald Daniel
Moy, Gerald Michael
Moye, William Cannon
Mukri, Kevin Marc
Mulvehill, Pamela Michele
Munns, Larry John
Munsee, William Eugene
Murashige, Glenn Satoru
Murphy, Timothy Kevin
Murphy, William Francis, III
Murray, Jimmie Austin
Murray, Timothy John
Myers, Glen Dean
Nash, Richard Henry, III
Naylor, Olen Eugene, III
Neasham, Jon Duncan
Needles, Ivan Edward, Jr.
Neff, James Richard
Nelson, Arne John
Nelson, Howard Keith
Nesby, Charles William
Nesseth, Rodney Wayne
Neumann, John Francis
Newton, Wayne Joseph
Nicol, Robert Glenn, Jr.
Nielsen, Dana Jean
Niland, John Francis, Jr.
Nisley, John Jeremiah
Normand, Paul Emile
Northrup, Howard Mark
Novak, Paul Michael
Nuttall, Joseph Gregory
O'Brien, Jeffrey Michael
O'Brien, Thomas Eugene
Odegaard, John Edward
Odegaard, Lois Allen
Offer, Derek Francis
Ogden, David Richard
Olson, Thomas Francis
O'Neil, Michael George
O'Neill, David Brian
Oppel, Richard Erwin
Orrison, John Wilmot
Paar, Kenneth James
Paetz, Hein Friedrich
Palkie, James Sahlman
Parce, John Dickson
Parham, William Lynn, Jr.
Parkington, Richard James
Parnell, Jess Paul, Jr.
Parry, John Curtis
Parsons, Terry Lee
Pattern, Craig Wendal
Paul, Cynthia Starr
Pautke, Thomas William
Payne, Marion Douglass
Peecook, Scott Thomas
Persons, Timothy Bill
Petersen, Harry Jeffrey
Peterson, Mark Merritt
Petriccione, Carmine Lincoln
Phelan, John Joseph
Phillips, John Arthur
Pic, John Edward, Jr.
Pico, Andres Girard
Pigg, William Dale
Pikla, David Matthew
Pisel, Kenneth Phillip, Jr.
Pitman, Dwight Walter
Pittman, Glenn James
Place, Scott Thomas
Plower, Thomas Joseph
Plush, Richard Hamilton
Polefrone, Phillip Mark
Poodiack, James Anthony
Poplar, James Roswell, III
Powe, Howard Richard
Powell, Hal Roy
Powley, Curtis Nelson
Pranke, Dane Mason
Pratt, John Lester

Puleio, Daniel Thomas
Punches, Jack Duane, Jr.
Purcell, James Wendell
Purnell, Helen Lucille
Purser, Guy Ronald
Pyell, Richard Kent
Quigley, Craig Robert
Quinn, Michael James
Rabe, Brian John
Racette, William Anthony, Jr.
Raftery, James Joseph, II
Rahn, Ronald Robert
Ratajczyk, Steven Arthur
Rathbone, Thomas Myers
Rau, Douglas Harris
Rawley, Linda Marie
Readdy, William Francis
Red, Jonathan Barkley
Reed, Richard Allen
Reid, Dennis Roy
Reid, Dennis William
Rein, David Eugene
Repp, Robert Cecil
Richer, Pierre Joseph
Ricketts, Gary Abbott
Rigazio, Richard Charles
Rimes, John Dudley
Rindler, Mark Sol
Roberts, Gary James
Rogers, Cecile Ruth
Rogerson, William Tunstall
Rollings, George William
Rollins, Bryan Lee
Rollins, Dorothy Elaine
Rollins, Paul Allen
Rondeau, Ann Elisabeth
Rondorf, Neil Eugene
Ross, Scott Andrew
Rowland, George Fenton, Jr.
Rowson, Michael Charles
Roy, Tommy Marcel
Roybal, David Lawrence
Roybal, Raquel Arnold
Rudd, Bruce Alan
Rudd, Jerry Alan
Ruebsamen, David Charles
Russell, Bruce Frederick
Russell, Robert Stephen
Rutkowski, Edward Joseph, Jr.
Rutter, Ronald David
Salerni, Paul Larry
Sams, Rodney Louis
Sandel, Clyde Darwin
Sanders Robert Wilmer
Sandvig, Richard Gatling
Santi, Gary Stephen
Santos, Robert Martin
Sasser, Jackie Steve
Sawrey, William Michael
Schaffner, Leslie Jacob, Jr.
Schilling, Dean Walter
Schindler, Ralph Lee
Schlabaugh, Terry Edward
Schleeter, Russell William
Schmidt, Larry Herman
Schneider, Virginia Ann
Schnoor, Rober Timothy
Schofield, Larry William
Schorn, David Michael
Schreck, David Walter
Schrock, Gerard Paul
Schuller, Jeffrey Gordon
Scofield, Dane Thorp
Scontras, Andrew Peter
Serfass, Paul Theodore, Jr.
Service, Thomas Buchanan
Sestak, Joseph Ambrose, Jr.
Shaffer, George Wayne
Shamburger, Arthur Rayford J.
Sharp, James Thomas
Shaw, Claude B.
Sheehan, John Joseph III
Shinners, Thomas Edward
Shive, John Charles
Shook, Ricky Eugene
Showalter, Kenneth Ross
Shuford, Jacob Lawrence
Shumway, Bruce Hunt
Simmons, Larry Wayne
Simmons, Wayne A.
Simonds, Daniel Charles
Simons, Gary Joseph
Slonim, Richard Gilven
Small, David Bruce, Jr.
Smeigh, Carl Melvin, Jr.
Smith, Craig Alan
Smith, Herschel Atticus III
Smith, Kenneth Leon
Smith, Maurice Edward, Jr.
Smith, Shawn Matthew
Smith, Stephen Charles
Smith, Vinson Elmer
Smith, William Harold
Smyth, William John
Snowberger, Arnold III
Snurka, Thomas Warren
Sobeck, Gerald Robert
Sondergaard, John Michael
Spickett, David Lee, Jr.
Spruill, William Donald
Stack, Gary Lee
Stafford, Calvin Thomas
Staggs, Gary M.
Stark, Barry Allen
Stark, Timothy Benton
St. Denis, Thomas George
Stearns, Gregory Alan
Stephenson, Robert Bruce
Stetson, Jeane Hoover
Stettinius, William Carrington
Steuer, Donald Francis, Jr.
Stevenson, David Bradley
Steward, Daniel Nicholas
Stewart, Deanna D.
Stoddard, Jerry Ray
Stone, Vincent Courtney
Stone, William Edward
Story, Hugh Goodman, Jr.
Stout, Phillip Jay
St. Fierre, Larry
Stumpf, Robert Elmer
Sudol, Eugene George, Jr.
Supko, Timothy James
Sutowski, Richard Walter
Swaim, Claude Dean
Swanson, Thomas Kirk
Sweeney, Joseph Eugene, Jr.
Sweeney, Mark James
Sweet, William Dale
Sweigart, Frank
Takalo, Roger Dale
Talbot, James Robert III
Taliaferro, Stephen Gene
Tallerico, Robert Seth
Talley, Brent Robin
Taylor, Mark John Richard
Taylor, Robert Joseph
Teates, John Fred
Terpstra, Richard Paul
Teske, Julain Edward
Tetrev, Richard Henry
Thackery, Donald Norris, Jr.
Thayer, Steven Sprague
Thogerson, John II
Thomas, Brad N.
Thomas, Michael Dean
Thometz, George Michael
Thompson, Fred Wolford, Jr.
Thompson, Gregory Scott
Thompson, Judy Heiman
Thompson, Ronald Arthur
Thorn, John Thomas, Jr.
Thornton, Wayne Allen
Tibbert, Eric Paul
Tillison, Howard Marion
Timmerman, John Thomas, II
Tippin, Terry Lee
Tomasoski, Donald James
Tomsic, Joseph Andrew Michael
Trahan, Arnold Vincent
Traugh, Diane Richardson
Travers, Geoffrey Lane
Tromba, John Michael
Trosclair, Cecil Anthony, Jr.
Trotter, Hartwell Thomas, Jr.
Trotter, James Sheldon
Trudeau, Barry W.
Turner, Kent Dorell
Turner, Michael Irving
Twardziak, Anthony John, Jr.
Twomey, Patrick Joseph
Tyahur, Charles, Jr.
Unerriter, Steven Joseph
Undesser, Doughlas Allen
Valdivia, James, Jr.
Valencia, Raymond James
Valko, Peter George
Vance, Craig Eugene
Vandenbosch, Stephen William
Viator, Oran Joseph, Jr.
Viggiano, Glenn R.
Vincent, Larry Wade
Vint, Robert Dale
Vittitoe, Barbara Jo
Vogel, David Joe
Wachendorf, Miles Benton
Wagner, Jay Alan
Waickwicz, John James
Waldmann, Catharine Elizabet
Walker, David Bruce
Walker, Kenneth Dowell
Walker, Larry Osborne
Walker, Thomas Daniel Leclai
Waller, Edward Carson
Walters, Douglas Patrick
Ward, Dona Marie
Ward, Philip Doran
Ware, Reginald Charle
Watson, Vernon Melvin
Weaver, David Dale
Weaver, Floyd Ralph
Webb, Richard Alan
Weeks, David Orin
Weir, Steven Thomas
Weiss, John Robert
Weller, Clifford Francis
Welstead, William Gregg
Wepplo, John Henry
Wesley, William Alan
West, Robert Charles
Westbrook, John Wayne
White, Curtis Lee, Jr.
White, Donald Dane
Whitmire, Robert Donald
Wicks, Thomas Hubert
Wieand, Timothy Howard
Wiles, Gehrig Mack
Wilhelm, Donald Martin
Williams, Vernon Charles
Willmore, Michael Ray
Wilson, David Joseph
Wilson, Robert Leslie
Wilson, Ronald Jessie
Wing, Vern Franklin
Winslow, Michael John
Winston, John Marshall, Jr.
Winter, James Dana
Witte, Michael James
Wieklinski, Gary Robert
Wong, Lin Harold
Woods, James Augustus, Jr.
Woods, Laurent Bradford
Woodward, George Robert
Wooten, James Singleterry
Wootton, Tom Montgomery
Worley, Allen Blaine
Wozniak, Joseph
Wright, Frederick Paul
Wright, William Eugene
Yacus, George Michael
Yaeger, John William
Yakeley, Robert Craig

Yarborough, Joseph Earl, Jr.
Yeager, Merle Eugene
Yeiser, Harry Emanuel, III,
Yerigan, Rand Gordon
Young, Michael Paul
Young, Robert Ernest
Zacharias, David Alexander
Ziebell, Grant Gordon
Zignego, Douglas James
Zollinger, John Kerr, Jr.
Zusi, David Alexander

ENGINEERING DUTY OFFICER

Lieutenant commander

Barnes, Clifford Gerald, Jr.
Beberdick, Larry Edward
Bisceglia, Stephen Vincent
Celotto, Richard Charles
Chesterman, Charles Wesley J.
Christian, Anthony James
Cox, Edwin Ronald
Deucher, James Fordham
Dixon, James Russell
Elger, Wallace Michael
Exell, John Robert
Gideon, Alan Kent
Haddow, Daniel Patrick
Hendrickson, Charles Raymond
Kelley, Clark Thomas
Kikuta, Miles Yasuo
Leary, James Marcellus
Lepere, Victor Joseph, Jr.
Lerchbacker, Alan Bernard
Madsen, Leroy Edward
Marr, Kenneth William
Milliken, Logan George
Moody, William Vincent
Mortenson, Victor Adelbert J.
Muesing, William Edwin
O'Brien, Kevin George
Petrie, Frederic Andrew, III
Polkowsky, Ronald Leon
Pollard, Marshall
Putnam, Greer Reed
Regan, Francis Weldon, III
Rowland, Dana Wells
Sawyer, Lloyd Merrill, Jr.
Smith, Roderick Falter
Stone, Edward Lawrence
Sullivan, Paul Edward
Theis, Gary Anthony
Underwood, Mark J.
Vatikiotis, Costa Sozon
Via, Kenneth David
Wesco, Steven Lee
Williams, Vernon Thomas
Wise, Ryan Scott

AERONAUTICAL ENGINEERING DUTY OFFICER (AERONAUTICAL ENGINEERING)

Lieutenant commander

Cina, Frank Salvatore

AERONAUTICAL ENGINEERING DUTY OFFICER (AVIATION MAINTENANCE)

Lieutenant commander

Assion, Eric
Bachmann, Michael Charles
Betancourt, Coleen Ann
Bralley, Guy Suvier
Bremus, Martin Frank, Jr.
Crabtree, James Richard
Dacquisto, Nicholas Joseph
Derrick, Jerry Floyd
Eckstein, William Francis
Genovese, Dennis Harry
Hanna, Lynn Kenneth
Lauderdale, Walter Richard
Marone, Richard Michael
Martin, Wayne Anthony
McNiel, Marguerite Elizabeth
Pack, Gregory Walter
Rancik, Rodney
Ruth, Richard Lee
Scott, John Marvin
Stachelczyk, Gregory Joseph
Taylor, Patrick Earl
Thomas, Eugene Lehman
Wagner, Ronald Earl
Williams, James Michael

SPECIAL DUTY OFFICER (CRYPTOLOGY)

Lieutenant commander

Davis, Michael Hunter
Dillon, Veronique Solange
Forkois, Harold Martin, Jr.
Griffith, Elizabeth Stolberg
Meinhardt, John Leo
Sena, Michael George
Smark, Walter
Smith, Richard Clarence
Stroman, Cyrus Delee
Taylor, Howard C. D.

SPECIAL DUTY OFFICER (INTELLIGENCE)

Lieutenant commander

Aegerter, William Alfred
Avcalade, Maryann Geraldine
Banford, Robert Leo
Brand, Donna Jean
Broshar, Randall Merrill
Butler, Kevin Francis
Chandler, George Walter, III
Cilia, Gregory Allen
Cox, James Crawford, Jr.
Crumley, Edward Craig, Jr.
Dubois, Dennis Ned
Eggen, Steven Leslie
Fitzsimonds, James Russell
Foote, Joel Stanley
Ford, Leanna Young
Gibbs, James Robert
Graves, William Bryan
Holmes, Thomas Bernard, Jr.
Jayjock, Stephen Charles
Johnson, David Alan
Jones, Arthur, III
Kenney, Richard Gabriel
Marsh, Gregory Alan
Mazurkiewicz, John
Miller, Michael Carrol
Mize, Larry Andrew
Mobley, Richard Alan
Nolin, Kathleen McLaughlin
O'Neal, Michael Simms
Rutkowski, Marian Joseph, Jr.
Ruzicka, Richard Milos
Sampson, Thomas Newton, II
Schuster, Carl Otis
Shields, Richard Paul
Sindlinger, William Jay
Spatafore, Gene Alan
Stine, Harold Edwin J.
Veitch, Kim William
Wahl, Michael Jay

SPECIAL DUTY OFFICER (PUBLIC AFFAIRS)

Lieutenant commander

Baumann, Chris William
Diamond, Albon Curry, III
Donovan, Robert James
Farrar, George William
Forrester, Terrence Albert
Kudlick, Raymond Ross
Labbe, Michael Joseph
Rhein, Peter Van Rensselaer
Satterfield, Kenneth Stephen
Smith, Dale Edward

SPECIAL DUTY OFFICER (GEOPHYSICS)

Lieutenant commander

Aldinger, William Tyson, Jr.
Bradshaw, James Arthur
Hervey, Rex Vernon
Nelson, Arthur Ronald
Perdue, William Fred
Sandgathe, Scott Alphonse
Steiner, Edward Francis

LIMITED DUTY OFFICER (LINE)

Lieutenant commander

Abbruzzese, William Charles
Albury, Merrill Carlton
Allensworth, Timothy
Arsta, Charlie Lee
Bailey, Bruce
Barnett, Donald Ray
Barry, Michael James
Bennett, Rex George
Berkheimer, Thomas Eugene
Bissonnette, John Raymond
Blackie, John Allison
Bradley, Karl Fredsall
Braswell, Macarthur Delano
Bregg, Gerald Bruce Whittet
Briggs, L. J.
Browning, Harold Duane
Burrows, Gerald Eugene
Butler, Dorniece
Cain, James Michael
Calhoun, Michael Alan
Campbell, David Bruce
Carlson, Murl Norman
Cary, John David
Castle, William Robert
Coarsey, John Robert, Jr.
Coleman, Robert William
Collins, Jerry Ivan
Comfort, Terrence Jay
Conklin, Kenneth Joseph
Cox, Travis Brian
Crawford, Charles Henry
Crist, Howard Russell
Crossland, Joseph Luke, Jr.
Daugherty, Duane Lee
Davis, Lloyd Dale
Davis, Robert Edward
Deseve, Darryl Dale
Drewes, Kenneth Neil
Duncan, David Lee
Duryea, George Warner
Eccleston, John Milton
Elrod, Albert Wesley, Jr.
Fahrenkrug, Thomas Paul
Farley, David Edward
Fenton, Don Joseph
Flinner, William Wade
Flint, Robert Charles
Forgays, Reginald Earl
Freeman, James Bedford
Garon, Norman Gordon
Geithmann, Gary Richard
Glencoe, Thomas Michael
Goins, Donald Ross
Gold, William Lester
Gracia, Javier
Gunter, Danny Olin
Hanson, James Harold
Haskell, Charles Warren, Jr.
Hessler, Harold Reese
Hieber, Raymond Arthur
Hightshoe, Ronnie Lee
Hilt, James Raynor
Hinnefeld, Garrett John
Holik, Manfred Jurgen
Hulsing, Russell Dean
Hurdle, Daniel Ceward, Jr.
Isbell, Carlton Ray
Jaeh, Roland Heinz
James, Joseph David
Joyce, Richard Caleb
Kennedy, John Patrick
Kenyon, Robert Joseph
Kieffer, John Randall
King, Kenneth Joseph
Knutson, Thomas Eldon
Koch, Harry George
Krauss, Donald Juan
Lane, Robert Thomas, Jr.
Law, Roger David
Lecompte, Timothy Edward
Marsh, Robert William, Jr.
Marx, Keath Lawrence
Maurer, Paul Michael
McElhinney, William James
McKinney, Lawrence A.

McMullen, John William
Merkling, Kurt Charles
Moon, Edward Marion, Jr.
Morrison, James Samuel
Morrow, Benedict
Mundy, Charles Thomas, Jr.
Nash, David Dennis
Nutting, Dwight Pierce
O'Hara, Vincent Barry
Opseth, Don Everet
Payne, Ronald Leroy
Pehl, Thomas Leroy, Jr.
Piepenhagen, Ulrich Guenther
Porter, Philip Vaughan, Jr.
Proctor, Danny Lee
Reinke, Gerald Gene
Rohlf, Dale Merton, Jr.
Rylander, Jon Leslie
Schaefer, Andrew Charles
Schlatter, Ronald Keith
Schoenberg, William David
Schultz, William Louis
Sewell, William John, Jr.
Shuck, Ronald Glenn
Sidner, William Howard, Jr.
Sizemore, Jack
Smeltzer, Lowell Lamar
Smith, Albert Lawrence
Smith, George William
Smith, Glenn Lamar
Smothers, Curtis Jerry
Sooy, Richard Allen
Stephens, Arnold Dix
Stoddard, Leon Bert
Stout, Chester Henry
Stuart, Daniel Wilbert
Swayne, Richard Eugene, Jr.
Taylor, Henry Harrison
Thomas, Richard Hugh
Thornberry, Donald Earl
Thornton, Fred Douglas, Jr.
Thurman, Curtis Wayne
Tidd, Thomas Joseph
Tinney, Thomas Gayle
Turner, Raymond Theodore, Jr.
Vancleave, Jerry Maddux
Vanvleet, Barry Lea
Verhage, Lloyd Keith
Walsh, Richard Bruce
Walter, Mervyn David
Weisinger, Jack Peyton
West, Louis Fredrick
White, Merion Douglas
Willits, Larry Lester
Wise, Terry Patrick
Woodbury, John Searles
Wright, David Jay

CONFIRMATIONS

Executive nominations confirmed by the Senate May 21, 1982:

DEPARTMENT OF STATE

Robert Anderson, of the District of Columbia, a career Member of the Senior Foreign Service, class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Dominican Republic.

The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

DEPARTMENT OF DEFENSE

Richard L. Wagner, Jr., of California, to be chairman of the Military Liaison Committee to the Department of Energy, vice James Paul Wade, Jr., resigned.

IN THE AIR FORCE

The following-named officer under the provisions of title 10, United States Code, section 8034, to be reassigned in his current grade to a position of importance and responsibility designated by the President.

Gen. Charles A. Gabriel, 243-32-9018FR, U.S. Air Force.

General Lew Allen, Jr., U.S. Air Force, age 56, for appointment to the grade of general on the retired list pursuant to the provisions of title 10, United States Code, section 1370.

IN THE NAVY

Adm. James D. Watkins, U.S. Navy, for appointment as Chief of Naval Operations in the Department of the Navy for a term of 4 years pursuant to title 10, United States Code, section 5081 (a), and (b).

Admiral Watkins, having been designated for command and other duties of great importance and responsibility in the grade of admiral within the contemplation of title 10, United States Code, section 601, for this appointment while so serving.

The following-named captains of the Reserve of the U.S. Navy permanent promotion to the grade of commodore in the line, as indicated, pursuant to the provisions of title 10, United States Code, section 5912:

LINE

Beverly James Lowe
Richard Edward Young
Tommie Fred Rinard
Tammy Haggard Etheridge
LeRoy Collins, Jr.
Frederick Peter Bierschenk, Jr.

IN THE ARMY

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be general

Lt. Gen. Robert W. Sennewald, 492-22-4165, Army of the United States (major general, U.S. Army).

IN THE AIR FORCE

Air Force nominations beginning David Joseph Abramowitz, to be specified later, and ending Keith W. Zuegel, to be specified later, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of May 10, 1982.

Air Force nominations beginning Barry Baptiste, to be second lieutenant, and ending Rick L. Vandagriff, to be second lieutenant, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of May 18, 1982.

IN THE ARMY

Army nominations beginning Charles P. Bernstein, to be colonel, and ending Robert S. Dixon, to be major, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of May 10, 1982.

Army nominations beginning Paul F. Abel, Jr, to be second lieutenant, and ending David B. Ziegler, to be second lieutenant, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of May 10, 1982.

Army nominations beginning Ronald Hunter, to be lieutenant colonel, and ending Michael E. Williamson, to be first lieutenant, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of May 11, 1982.

IN THE MARINE CORPS

Marine Corps nominations beginning J. F. Amos, to be major, and ending G. D. Yaron, Jr., to be lieutenant, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of May 5, 1982.

IN THE NAVY

Navy nominations beginning Ronald John Abler, to be lieutenant commander, and ending Eleanor Joan Thompson, to be lieutenant commander, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of May 6, 1982.

EXTENSIONS OF REMARKS

WORLD TRADE WEEK

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1982

● Mr. LAGOMARSINO. Mr. Speaker, I wish to commend the gentleman from Washington Mr. Bonker for his initiative in making this special order today commemorating World Trade Week.

President Reagan and his administration, particulary Commerce Secretary Mac Baldrige and U.S. Trade Representative Bill Brock, have made trade and export promotion a major objective as a means for improving America's economic future.

As ranking minority member of the Subcommittee on International Economic Policy and Trade, I am reminded every day of the importance that foreign trade has on the United States domestic economic and political health. You will remember, I am sure, last year when increased imports of Japanese cars were seen as a threat not only to our economic recovery but also to our political ties with Japan. A major crisis was averted then, but that problem is back with us again this year.

In addition, there are other aspects of the United States-Japanese trade relationship, for example, which complicate our overall trade balance, and which must be dealt with in one way or another. Some of those problems present some pretty striking examples:

When the Bank of Tokyo wanted to expand in the United States, it bought the California First Bank, which gave it over 100 branches in California with the full power to act like any other U.S. bank. No U.S. bank could do the same thing under Japanese laws.

When a giant Japanese electronics company wanted U.S. technology, it simply bought a U.S. firm to gain that know-how.

When Japan wanted access to American blood plasma, its "Green Cross" bought Alpha, the second largest blood collector in the United States. No U.S. company could do the same in Japan.

The problems faced in our relationship with Japan will not be solved simply by an agreement to limit exports of cars to the United States or by opening one sector or another of the Japanese economy to American exports. The fundamental problem will be solved only when United States and other foreign firms have the same kind of access to the Japanese market that the Japanese enjoy here and in other parts of the world.

The Reagan administration and Members of Congress are facing a great deal of pressure from some businessmen and labor groups to resort to protectionist measures for American industry. To deal with the trade problems we face, the administration declared we would seek reciprocity in our trade relations, meaning we would seek equal access to foreign markets as we offer in the United States. However, some Members in Congress jumped on the term "reciprocity" to mean "do unto others as they do unto us," and as a result have introduced a number of bills under the term "reciprocity" but which in fact are no more than protectionist actions for one industry or aimed only at one of our trading partners.

Under the terms of GATT, the United States would be found in violation of a number of our trade agreements if we were to approve some of those legislative proposals. In a period of recession and slow economic growth, it is tempting to try to solve unemployment problems at home by blocking imports. If we do that, though then we all lose. We pay the cost of higher prices and support for inefficient industries and lower productivity.

Imports, of course, are only one part of the equation. Exports and export promotion are just as important, if not more important, and the area my subcommittee is most concerned about. It is also an area where the Reagan administration has made a serious commitment to increasing U.S. exports and to policies that will achieve that goal. Although I do not speak for the Reagan administration, there are a number of its trade policies I support whole-heartedly as well as proposals for changes in trade legislation. In addition, I have been named to a special Presidential advisory panel on export administration, and I look forward to the opportunity of making a contribution there, as well.

There are a number of reasons for this increased emphasis on export promotion. It offers enormous possibilities for economic growth. Even though our export growth in 1980—and the figures for 1981 are similar—accounted for nearly one-fifth of all our GNP growth, our merchandise exports still average only 8½ percent of our GNP. That is way behind nations like France and Germany. The major portion of our growth was due to agricultural exports, but we should be doing as well in manufactured products.

Exports are vital to modernizing our economy. They create high paying jobs in the most advanced industries—such as aircraft, computers, and petrochemicals. Exports allow us to create new and better paying jobs to make up for jobs lost to imports in lower wage industries and they pay for research and development projects.

Exports are also important for stimulating noninflationary growth. By reducing our trade deficit, increased exports help strengthen the dollar in the long run, and that lowers the cost of imported goods and services and reduces inflationary pressures on the economy. Finally, a stronger export position is an absolute necessity for a strong U.S. economic and political role in the world.

While our overall trade balance for 1980 showed some improvement, the figures for 1981 indicate trade deficits that may approach the dismal levels of 1978. For example, the trade deficit with Japan may be somewhere in excess of $15 billion. Deficits of that magnitude cannot be cured by mere short-term measures. It will take long-term changes to produce any significant turnaround for the United States.

Achieving faster export growth will not be a simple, quickly reached goal. As Commerce Secretary Baldridge says, the administration is "not going to achieve that goal by exhortation or by throwing more taxpayer money at exports. The answer is to get government out of the way of private enterprise, to use public policy to improve the inherent competitiveness of U.S. industry and to enforce international trade laws."

One of the key elements of the President's domestic recovery program—tax reduction—is also essential for stimulating export growth. For the United States to match its foreign competitors in quality goods and services that are competitively priced, we have to encourage greater capital investment. The accelerated depreciation rules already adopted should put U.S. firms on a more equal footing with their competitors. Personal tax reductions will generate the savings needed to provide the additional capital for investment. So by reducing regulations, by reducing Federal borrowing, and by reducing inflation and interest rates, we can stimulate the investment necessary to improve our competitiveness.

Another vital element to export promotion is the elimination of unnecessary export disincentives—laws and regulations that have needlessly restricted exports. Effective legislative

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● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

initiatives would: First, change the impact of some of our antitrust laws as they affect the export operations of U.S. firms, second, correct ambiguities in the Foreign Corrupt Practices Act, and third, provide new incentives to exporting.

One of the major pieces of legislation recently passed by my subcommittee is the export trading companies bill. The basic idea is to allow businesses to join together to form trading companies that would provide a full range of services needed to sell a U.S. product in a foreign market. Those services might include country and product research, customer identification, financing, packaging, documentation and after sales servicing. Although companies of all sizes can benefit from such a service organization, this "one-stop" shop for export services would be particularly beneficial for those small- and medium-sized businesses that do not have the experience or resources to attempt to export on their own.

The export trading company legislation would amend U.S. antitrust laws to allow firms to join together for export purposes as long as there is no substantial effect on domestic trade. It also would provide for participation by certain banks which would bring additional capital to the trading company as well as the expertise associated with the bank's wide range of contacts abroad and its familiarity with international trade practices and procedures.

I want to touch on one other topic today: the Caribbean Basin Initiative (or CBI, as it is know, for short). You are familiar with the general proposal the Reagan administration has put forward that combines official aid with one-way free trade, investment incentives and private sector initiatives to promote development in the Caribbean region.

I believe the approach is a sound one and one that I support wholeheartedly. As the various committees in the Congress review the program, it has taken on a somewhat different shape than was originally proposed. I believe we should not forget its primary purpose: To serve as one element of an overall approach to promote the economic development of the Caribbean region, particularly the private sector.

For those in the private sector, I would certainly urge them to investigate the potential of the CBI. The administration has already begun work to encourage the greatest possible private sector participation in the CBI. As part of this work, the Department of Commerce has established a Caribbean Basin Trade, Investment and Business Information Center as part of its office of Central America. This Center has been given the responsibility for providing a full range of support services to U.S. businesses wishing to increase their Caribbean trade and investment activities. The Center's activities are being coordinated with the U.S. Commercial Service and the Foreign Commercial Service located in the participating Caribbean countries. The Center will help identify key trade and investment opportunities for U.S. businesses as well as the problems and impediments that might be encountered. The Commerce Department's Information Center will also be designed to help our Caribbean neighbors identify areas that need change to permit a more hospitable climate for foreign investment and economic development.

I should remind you also that this is not purely a United States endeavor, but one supported and joined by Mexico, Canada, Venezuela, and just recently, Colombia. The Caribbean Basin Initiative offers a unique opportunity to aid the development efforts of our Caribbean and Central American neighbors. Its program of trade, aid and investment is designed to help these nations help themselves. With strong, vigorous economic growth, we help these nations develop the environment for political and social justice that will mean peace and stability for the region.

With the legislative initiatives passed and others pending, plus the administration's commitment to revitalizing our economy, I believe we will succeed in our goal to improve U.S. export competitiveness, thereby increasing U.S. exports and reducing our international trade deficit. I can only hope that we can also resist the pressure to adopt protectionist measures, which may have certain appeal for the short run, but would mean only economic stagnation in the long run.●

EDITORIAL OPINION STRONGLY OPPOSES ARMS SALE TO JORDAN

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, May 21, 1982

● Mr. GILMAN. Mr. Speaker, the possibility that the United States may negotiate a substantial arms sale of offensive weapons for the Kingdom of Jordan is troubling not only to me, but to many of my colleagues and to many of our Nation's thoughtful leaders.

A survey of editorial opinion recently compiled by the Anti-Defamation League (ADL) of B'nai B'rith underscores the widespread opposition to this unwarranted proposal.

The ADL found that of 22 major newspapers around the country that had commented on the reported offer, 15 had criticized the concept.

For the information of my colleagues, I am inserting at this point in the Record a copy of a summary of the ADL's study:

ADL Survey of 50 Major Newspapers

Defense Secretary Caspar Weinberger's reported offer to sell American military jets and mobile anti-aircraft missiles to Jordan was criticized by 15 of 22 major newspapers in various parts of the country which commented editorially, according to the latest survey of the 50 top circulating newspapers in the United States by the Anti-Defamation League of B'nai B'rith.

In reporting on the ADL's "Big 50" survey, Abraham H. Foxman, associate national director of the League, said that 11 of the 15 opposing the sale of F-16 or F-5G fighter planes and mobile Hawk missiles to Jordan were also critical of Mr. Weinberger for attempting to formulate U.S. foreign policy during his February trip to Saudi Arabia, Oman and Jordan. The papers commented that this is a role reserved to the President and the Secretary of State, Mr. Foxman said.

In addition, according to the survey, three other papers which took no position on the proposed weapons sale likewise criticized Mr. Weinberger's performance.

The four other papers which commented on the trip favored the armament sale to Jordan.

A number of the 22 papers also expressed disappointment at the Secretary's failure to win agreement from Saudi Arabia for the establishment of U.S. military bases on Saudi soil. Two faulted the Saudis for their treatment of Mr. Weinberger, the New York Times declaring that the Saudis had called the Secretary "just an arms salesman" and the San Francisco Chronical asserting that the Saudis had treated him "contemptuously."

The 15 newspapers opposing the sale to Jordan were:

In the East, the Washington Post, New York Post, Long Island's Newsday, Hartford Courant and the Philadelphia Inquirer;

In the South, the Memphis Commercial Appeal and the Atlanta Journal;

In the Midwest, the Chicago Sun-Times, Des Moines Register, Detroit Free Press, St. Louis Post Dispatch, Columbus Dispatch and the Kansas City Times;

In the West, the Portland Oregonian and the San Francisco Chronicle.

Declaring that the editorial headlines capsuled the newspapers' vigorous disagreement with the proposed sale, Mr. Foxman cited the following examples:

"What Sense Is It To Offer Offensive Arms To Jordan?"

"No To Jordan Arms Deal."

"Why Push Arms on the Mideast?"

"An Ill-Timed Jordan Arms Deal."

The Philadelphia Inquirer asked, "Against whom would Jordan use the advanced weapons?" and went on to say: "Who else but Israel?"

The Memphis Commercial Appeal noted that "Israel is understandably upset" by the proffered sale and added, "Americans have cause to be upset, as well."

The Chicago Sun-Times said the "idea verges on lunacy" because after "we help arm Israel to assure its survival and keep the Mideast peace . . . Weinberger proposes to upset the exisiting balance by peddling advanced weaponry to a country in a technical state of war with Israel, the one with which it shares its longest frontier, one that has turned its back on the Camp David peace process."

The four newspapers favoring the sale to Jordan were the Atlanta Constitution, the St. Louis Globe Democrat, the Dallas Times Herald and the Chicago Tribune.●

H.R. 5334

HON. CHALMERS P. WYLIE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, May 21, 1982

● Mr. WYLIE. Mr. Speaker, as we begin debate on the budget, I think it appropriate to observe that the Senate Appropriations Committee, during consideration of the urgent supplemental appropriations bill, by a bipartisan 13-to-9 vote, moved to strike down the controversial $75 per diem tax deduction for living expenses of Members of Congress.

I commend the members of the committee for their vote, which is responsive to the continuing groundswell of public indignation at the tax breaks for Members of Congress included in the black lung benefits bill approved last year. With this vote, Congress has taken a first step toward improving its credibility. I would hope that the full Senate and the Members of this body follow the lead of the Senate Appropriations Committee and act to repeal the ill-advised tax breaks.

To convince the House leadership of our resolve on this issue, I urge you to sign discharge petition No. 14, on H.R. 5334, my bill to rescind the tax breaks.●

VERIFICATION OF ARMS CONTROL AGREEMENTS WITH SOVIETS

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, May 21, 1982

● Mr. BROOMFIELD. Mr. Speaker, on Thursday the Wall Street Journal detailed some of the problems involved in the verification of arms control agreements with the Soviets in the second of an excellent series of editorials on the subject.

The Journal points out that all of our agreements, in the final analysis, depend on an assumption of Soviet good faith.

No verification procedures yet devised can handle a "cynical and deliberate attempt to subvert arms control totally, to build a huge concealed military advantage," the Journal states.

There is no basis in recent history to justify the assumption that we can trust the Soviets. As the editorial points out in detail, the clear and deliberate Soviet violations of the 1972 biological weapons conventions offer undeniable evidence of their "total cynicism and utter bad faith" in these negotiations.

Mr. Speaker, I commend the following editorial to everyone concerned about this fundamental dilemma which stands in the way of any meaningful arms reduction agreements with the Soviets.

[From the Wall Street Journal, May 20, 1982]

VERIFICATION

In 1972 the U.S. and the Soviet Union, among others, reached agreement on an arms control agreement with the sweeping title, "Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) and Toxin Weapons and Their Destruction." We have gradually learned the spirit in which the Soviets pledged to destroy any bacteriological or toxin weapons they possessed.

After signing of the convention, U.S. intelligence analysts were puzzled by continued construction of structures they had previously identified on satellite photographs as biological weapons facilities—combining animal pens and explosive assembly lines behind double fences. In 1979, we began to receive reports of an accident at one of these facilities, Military Compound No. 19, leading to an epidemic of anthrax near the Soviet city of Sverdlovsk. The reported symptoms indicated pulmonary anthrax, usually encountered only among workers in wool-sorting sheds. The Soviets said some ordinary anthrax had been caused by tainted meat and, though the convention obligated them to cooperate in any investigation of possible violations of the 1972 convention, they rebuffed all further inquiries.

Starting in 1976 and with increasing frequency in later years, Hmong refugees fleeing Laos told of "yellow rain," mists dropped from airplanes or spread by artillery shells that produced profuse bleeding and other bizarre symptoms. We now know that "yellow rain" contains trichothecene toxins derived from molds, banned under the 1972 convention. Poisoning from such toxins is exceedingly rare in most of the world, but was the cause of a stunning epidemic in the Orenburg region of the Soviet Union in the winter of 1943-1944. Afghan rebels fighting the Soviets also report poison gas attacks.

The cumulative evidence leads inescapably to the conclusion that the Soviets signed the biological weapons convention with every intention of violating it. They have proceeded with research, development and production of biological warfare agents, have tested them in remote battlefields and in fact have apparently adopted them as routine in some military situations. Presumably they agreed to the convention for propaganda purposes and to inhibit any Western development of similar weapons. They approached this arms control measure, in short, with total cynicism and utter bad faith.

In 1972, the U.S. and the Soviet Union also signed SALT I, which included a treaty limiting anti-missile systems and an interim agreement putting caps on intercontinental missiles and bombers and submarine-launched missiles. We now have to ask, what if the Soviets approached this 1972 agreement in the same spirit they approached the other one? What might they have done over the last decade?

For openers, we know the Soviets once had more than 900 intercontinental missiles in addition to those currently deployed under the SALT limits. These are the SS-7, SS-8, SS-9 and SS-11 missiles that have been replaced by more modern missiles over the life of the SALT agreements. Where are these 900 missiles today? We really have no idea.

The Soviet Union is closed society, without Congress or Aviation Week peering over the generals' shoulders. Though it seems to be Soviet military habit never to throw away old weapons, SALT made no provision for supervising the destruction of deactivated missiles. Our space satellites do not have X-ray vision to peer through the roofs of warehouses (let alone into the numerous railroad tunnels in the Urals). The 900 deactivated missiles compare with 1,054 ICBMs the U.S. is allowed under SALT.

We could, of course, assume that the 900 missiles have somehow gone away. But it would seem to us far more prudent to assume that in any crisis they would be hauled out from somewhere and pointed at the U.S. After all, you're dealing with the people who developed "yellow rain."

Why, though, should the Soviets rely on old-fashioned missiles? In addition to the missiles they have deployed under SALT limits, they have also deployed the modern, mobile and highly accurate SS-20. The number usually given is 300, but this is the number of launchers, and in fact each launcher is routinely deployed with one missile and at least one reload. So you have at least 600 missiles, and each has three warheads. So you are talking about at least 1,800 nuclear weapons (though there are suspicions that many of the warheads are chemical rather than nuclear).

The SS-20 does not have quite enough range to be classed as an intercontinental missile, and is usually thought of as a theater weapon in Europe. But it just happens that the SS-20 is the top two rocket stages of the intercontinental SS-16. Could the Soviets have some extra boosters around to convert SS-20s into SS-16s? We have no good idea; SALT makes no provisions for counting what comes off Soviet production lines. But after all, we're dealing with the people who developed "yellow rain."

Why, though, should the Soviets use up SS-20s useful for threatening Europe? If they're going to produce extra boosters, why not just produce more SS-16s? This is the world's only mobile intercontinental missile, splendidly suited for storage in warehouses or railroad tunnels. There has been a recent flap in the press over the SS-16, and it seems the Soviets have deployed some 20 to 40 of them, in fixed silos rather than on mobile launchers. But if they have produced 40, how many more came off the line for the warehouses or railroad tunnels? We have no firm idea. But we are dealing with the people who developed "yellow rain."

"It violates no confidence for me to state, as vice chairman of the Senate Select Committee on Intelligence, that our verification systems, being restored from losses sustained during the Iranian upheaval, give us high levels of confidence that the Soviets have been in general compliance with SALT I and, so far, with the SALT II agreement as well." So reads a recent letter in the New York Times from Senator Daniel P. Moynihan. But if we can't rule out entirely plausible scenarios under which the Soviets might have twice the number of ICBMs specified in SALT, how then can we have a "high level of confidence" that they have not violated SALT?

Because, dear reader, if the Soviets have a thousand extra missiles stored in warehouses and railroad tunnels, it does not violate SALT until they haul them out. Welcome to the wonderful world of verification.

Verifying Soviet compliance with arms control agreements means, in effect, learning the most sensitive military secrets of a totalitarian society. Can we really bet our national security on doing this, even with space satellites and electronic eavesdropping? Or for that matter, even with on-site inspection? On-site inspection of how many sites? On-site inspection 24 hours a day? On-site inspection of possible hiding places for missiles produced before inspection? (While SALT-I concerned huge ICBMs, SALT-III would presumably also concern cruise missiles, which are 20 feet long.) Meaningful verification would mean freedom to inspect at will anywhere in the Soviet Union, which would mean the Soviet Union would have to stop being a totalitarian society.

In practice the answer to this dilemma has been to negotiate not about what is militarily meaningful, but about what is technically verifiable. Thus SALT-I limits "launchers"—concrete holes in the ground. It does not limit warheads or even missiles, which can kill people. This opens new avenues for the Soviets to breach the spirit of the treaty, but after a lot of internal debate our intelligence agencies tell us they can "verify" its letter. Because they can count the holes in the ground we are invited to feel safe.

Implicit in this, deny it as our negotiators always do, is an assumption of some minimum of Soviet good faith. Hard bargaining and even some cheating around the edges—this verification can handle. But it cannot handle a cynical and deliberate attempt to subvert arms control totally, to build a huge concealed military advantage. It cannot deal, in short, with the kind of behavior the Soviets have exhibited with "yellow rain."

Senator Moynihan's letter catches the point nicely, if perhaps unwittingly. "Can we trust the Soviets? May I offer Mr. Dooley's dictum on such questions: 'Trust' everybody but cut the cards.'" But this is not an after-office poker game. At this saloon they don't check the six-guns at the door. Someone may blackjack you and run off with the pot, or pull a knife or spike your drink with mycotoxins. But we venture bravely in, fix the Soviets with our firmest stare, and keep reminding ourselves to cut the cards.●

A TRIBUTE TO HADASSAH

HON. EUGENE JOHNSTON

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 21, 1982

● Mr. JOHNSTON. Mr. Speaker, for 70 years the Women's Zionist Organization of America, Hadassah, has been an instrumental service organization for the American Jewish Community and the people of Israel.

As our largest women's service organization, with 370,000 volunteers throughout the United States and Puerto Pico, Hadassah celebrates its 70th anniversary this year. This Congress has already recognized its services through Senate Concurrent Resolution 62. Today, the National Board of Hadassah is visiting us and I would like to take this opportunity to commend them once again.

In the United States, Hadassah focuses on four main projects. Through American Affairs they provide an information service on current issue of interest for their members. Through Zionist Affairs the American public is better educated with factual information on the development and security of Israel. For a better understanding of their heritage, Hadassah serves the Jewish community by providing an education department to aid in meeting the goal of creative Jewish living. In addition, Hadassah also offers Hashachar, a youth movement designed to provide a deeper understanding of their religion and to develop a larger interest in its people.

Hadassah has been equally involved in improving the quality of life in Israel. They were the first to bring modern medical care to Israel and also established the first nurses training, medical and dental schools, public health and social welfare systems. In addition, Hadassah is responsible for the establishment of the Hadassah University Hospital which is recognized among the best in the world. These most valued medical contributions are priceless to the people of Israel.

The quality of education has also immensely been improved by Hadassah Israel Education Services. They continuously meet new challenges through its 2-year Hadassah Community College and the Hadassah Vocational Guidance Institute.

In addition, Hadassah's participation in Youth Aliyah and the Jewish National Fund have been invaluable. Through their participation in Youth Aliyah, it has allowed over 185,000 youngsters to integrate into Israel from 80 countries, including the Soviet Union, Latin and South America, Vietnam, Iran, and Syria. By participation in the Jewish national fund, tens of thousands of acres have been reclamated for farming and industrial sites.

Mr. Speaker, this public service organization has proved most invaluable in strengthening the relationship between Israel and the United States. Through their various services they have enriched all of us. Hadassah has, in its first 70 years of service been an effective organization. As it continues to grow and serve, not only will Israel and the United States benefit, but many individuals throughout the world will also grow and benefit. I commend Hadassah for its hard work and look forward to its new accomplishments and contributions.●

BIRTHDAY OF LEV BLITSHTEIN AND ANDREI SAKHAROV

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, May 21, 1982

● Mr. BARNES. Mr. Speaker, I want to take the opportunity today to remember two of the thousands of refuseniks still waiting for their freedom in the Soviet Union. Today is the 61st birthday of Andrei Sakharov and the 52d birthday of Lev Blitshtein.

Andrei Sakharov, a man whose name is well known in the United States and throughout the world, a Nobel Laureate physicist, and one of the most outspoken human rights activists in the Soviet Union, is still waiting for Soviet authorities to allow him to emigrate. His hunger strike last year brought the tragedy of Soviet refuseniks closer to us, and the outrage and protest of government leaders and the public put pressure on the Soviet Government to allow Dr. Sakharov's daughter-in-law to be reunited with her husband here in the United States.

However, Dr. Sakharov has paid a very dear price for his successful efforts. Mr. Speaker, as you and my distinguished colleagues know, Dr. Sakharov suffers from a serious heart condition, which became more severe after his hunger strike, and although he is permitted to take medication, Soviet authorities will not permit him to be examined and treated by a physician he trusts. Dr. Sakharov has asked that he either be seen by his personal physician or by a physician of the Soviet Academy of Sciences, but his requests have not been granted. At the very least, we in the United States are demanding that Dr. Sakharov be permitted access to adequate and proper medical care.

Despite Soviet intransigence and their efforts to make Andrei Sakharov a prisoner in his own country, his intellectual and spiritual freedom cannot be held captive.

Mr. Speaker, today I wanted especially to pay tribute to Lev Blitshtein. His is a name that most Americans do not recognize, but he is one of the thousands of Soviet refuseniks who have lived over the years in the constant fight to emigrate.

Lev Blitshtein was employed in the Soviet Government's Ministry of Meat and Dairy until he and his family applied to emigrate and in 1975 the request was denied. Lev Blitshtein loved his family so dearly that he divorced his wife to increase his family's chances of obtaining permission from the Soviet authorities—today, his wife, Blumah, his daughter Galina and her daughter, and his son Boris are all living in the United States. Lev Blitshtein remains in the Soviet Union. He is unemployed, and collects and sells bottles to support himself. He fears harassment by Soviet authorities, but he is still trying to emigrate. When he was refused permission to leave the Soviet Union, Mr. Blitshtein was told that he knew too much about the storage of canned meats and about how to make sausage. The real reason is that he loves too much the promise of freedom.

Lev Blitshtein is a very special, exceptional human being. Since his own refusenik life began, he has given moral support to many others, including Ida Nudel, whom he helped during her exile in Siberia. He is loved by so many because his humanity and compassion are boundless. He is a good man and has done nothing wrong. But his government has wronged him. His government has unjustly persecuted him and has tried to bleed the goodness out of him. Fortunately, through all these years, they have not succeeded.

I ask, when will the Soviet authorities finally recognize and cherish what it means to be a full human being, what it means to live in freedom, and what it means to run a government that respects the human rights of its citizens. Lev Blitshtein and Andrei Sakharov have asked for very little and they deserve to have it—we will be here with loud voices of protest until they do.●

AMERICAN INDUSTRY DECLINES ABROAD

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, May 21, 1982

● Mr. HYDE. Mr. Speaker, this Congress has had a continuing concern for our Nation's economy. We have frequently discussed the decline in American industry in not only the world markets, but here at home. We have debated the impact on income and jobs today and on our future economic outlook.

We only have to look at the changing position of American firms in several key markets over the past 20 years to recognize some major problems.

In metal manufacturing, 20 years ago 9 of the top 10 were American—today only 2; in electronics 6 of the top 8 were American and today only 3 in the world market; in chemicals we were preeminent with 7 of the top 10—today only 3.

In industry after industry—from automobiles to pharmaceuticals, we are a declining economic force in world markets.

Many reasons can be advanced for our Nation's economic ills, but clearly we need to focus on the international marketplace and determine what will offer opportunities for success to American firms. The major firms in Japan, Germany, Western Europe, and elsewhere are large multibillion dollar firms that are large in their own markets and effective competitors in all parts of the globe. They are firms that have carefully designed structures that provide vertical arrangements giving them the scientific, processing and marketing capabilities to succeed in this changing world marketplace.

Why do I bring this issue before my colleagues today? Simply because we have in H.R. 5158 a bill that seeks to increase Government regulation, break down the vertical structure of a key industry, and provides a variety of approaches to assure the export of technology to other nations. The issue of the emerging high-technology markets in telecommunications and computer fields is vital to America. Congress needs to develop a policy that allows our Nation to take the leading role in these markets, and we can, but not with H.R. 5158.

We need to develop a policy that recognizes economies and efficiencies of scale that are essential to success in world markets. We need to support an economic policy that encourages our capable firms to compete in this new marketplace. Our deliberations in many of our committee forums, including my Judiciary Committee, should reevaluate our policies to be sure that we are not threatening our technological leadership, our jobs, or even our economy with yesterday's thinking.

H.R. 5158 is yesterday oriented and I urge my colleagues to carefully review its approach to expand Government regulation into markets, technology, manufacturing equipment, and services. We can do better.●

SERVING FLORIDA'S VETERANS

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 21, 1982

● Mr. LEHMAN. Mr. Speaker, earlier this month our office organized a meeting of officials from the Veterans' Administration with members and representatives of the south Florida congressional delegation. Because we had received numerous complaints from veterans in the Miami area concerning the availability and quality of health care provided by the VA, we felt it was important to discuss these problems face to face with VA officials.

D. Earl Brown, Jr., M.D., Acting Assistant Deputy Chief Medical Director, and Donald B. Thompson, regional director for the southeastern region, prepared a statement for the meeting which I would like to include in the Record. I am sure my colleagues, especially those in Florida, will find the statement of interest.

The statement follows:

Statement of the Acting ADCMD for Operations and the Regional Director, Southeastern Region

We are pleased to be here today to provide to you an overview and discuss, in part, the veteran's health care delivery system in Medical District 12, which is comprised primarily of the State of Florida.

Medical District 12 includes the VA Medical Centers at Bay Pines, Gainesville, Lake City, Miami, and Tampa; and is supported by Outpatient Satellite Clinics at Jacksonville, Orlando, Riviera Beach, Oakland Park, St. Petersburg, and Ft. Myers. An additional Satellite Outpatient Clinic has been approved for Pensacola, and is planned for activation in the Summer of 1984.

At the onset, I would like to highlight some data to place this Medical District's role, in the delivery of health care to veterans, in perspective with the rest of the Nation.

Over the past seven years, the Veterans' Administration has experienced a 122% increase in its medical care budget and a 17% increase in employment. During this same period of time, the Florida facilities have received a 148% increase in its budget, and employment has increased 28%.

In fiscal year 1981, Medical District 12 had an estimated veteran population of some 1.4 million, which is approximately 5% of the total veteran population, and the applications received for care was 18% above the national average. Veteran health care demands in Florida, and the cost of such care, have risen at a high rate; and furthermore, the projections for the next eight years indicate an even greater rate of growth. Using 1990 as the 10-year planning horizon, it is projected that as the nation experiences a 10% decline in veteran population, Medical District 12, and more specifically Florida, will experience a 58% increase.

This occurrence in Florida, combined with a higher utilization of VA health care facilities by veterans 65 years and older (projected to increase 382% by 1990) translates to a 157% increase in health care demands in Florida by the year 2000.

The growing demands for services, coupled with the priority system as established by Congress, have resulted in a higher percentage of service-connected veterans being treated by the Florida facilities. As an example, in fiscal year 1981, 61% of all outpatients treated in Florida were service-connected, as compared to a systemwide average of 47%; and, with fewer medical, surgical, and intermediate care operating beds per 1,000 veterans, in fiscal year 1981, Florida treated more patients per 1,000 veterans than the system as a whole.

We do, however, have a shortage of psychiatry beds in the State. This has been recognized and a 200-psychiatric bed addition is planned for construction funding at the Gainesville VAMC in fiscal year 1986. In the interim, the psychiatric needs of our veteran constituency in Florida are largely being met through the VA FEE Medical and Contract Hospital Programs. For this and other reasons, Florida ranks third highest in the nation in FEE Medical and Contract Hospital expenditures.

The steadily increasing demand for services and the decline in the purchasing power

of the dollar has put substantial pressure upon our individual Medical Center's ability to provide comparable access to care. This is particularly true at the VAMC Miami. These pressures cannot help but be reflected in the quality of emotional support being provided the patient and the waiting time for services. These indicators of staff attitudes and workload pressures are caused primarily by physical plant constraints. We have recognized this and construction planning is now well along for a $49 million Ambulatory Care and Spinal Cord Injury project at Miami. Additional expansions are being planned in fiscal year 1985 for the radiology and radiation therapy areas. We also expect the recently opened Outpatient Clinic in Broward County to alleviate some of these pressures. These projects are expected to resolve the major outpatient space problems at VAMC Miami, and the current problem of waiting time. In the interim, the VAMC Miami has initiated attitudinal training programs, focusing primarily towards the staff located in the outpatient area. It should be noted, however, that the patient satisfaction surveys conducted by the Agency during 1980 and 1981, clearly demonstrates, that of the 12 components of satisfaction surveyed in Florida; ranging from physician care to waiting time, the percent of favorable responses (75% to 100%) met or exceeded comparable VA hospitals.

All of what I have said, clearly indicates that we are experiencing a constant growth in the veteran population in the State of Florida which includes a high percentage of service-connected and older veterans. That being the case, in an environment of constrained resources, the priority of care as articulated by Congress determines which veterans are going to be provided care, within a reasonable time frame. When the demand for care is consistently greater than the supply of available VA resources, as is the case in Florida, and particularly Miami, enrollment into outpatient treatment programs tend to be restricted to the priority levels for which appropriate care can be provided.

Unfortunately, the policy message, as was posted by the VAMC Miami, was not compatible with the established priority system, as cited in Title 38 U.S.C.; and, furthermore, it had not been cleared by VA Top Management. We recognized that the posted document was in conflict with the basic intent of the priority system and directed immediate removal of and future reference to such documents. We believe, however, that the posting is symptomatic of the concerns of the Miami VAMC for providing high quality care to their veteran constituency within an environment of limited resources.

This fact was recognized during the fiscal year 1983 budget hearings held by the Regional Director, in March, 1982, and 1 million dollars and 13,500 outpatient staff visits were added to the primary fund allocation of Miami, on a recurring basis. In addition, departmental efforts are presently underway to provide additional staffing and dollars to bring Miami's nursing home and surgical intensive care units to a fully operational status.

We do, however, recognize a continued shortage of nursing home care unit beds at Miami, and to this end, an additional 120-bed unit is being planned for inclusion into the fiscal year 1984 construction program.

As indicated, the traditional population growth indicators are calling for a greater veteran health care demand in Florida, over the next ten years. This requires the department, working in concert with the Regional Director and Medical District to rectify past fiscal inequities and to identify resolutions for meeting future demands. This effort can be accomplished best through two current efforts now underway within the Department. The first is Medical District Initiated Program Planning, called MEDIPP, in which the medical district inventories services and resources available; assesses the needs of the veteran population; and builds a plan to meet those needs. The second effort is an in-depth study such as that mandated by Congress in the fiscal year 1982 appropriation language. This will give us long-range projections of needs for a thirty-year period upon which we can base national funding construction planning. The first MEDIPP plan is due from the Districts in November, 1982, and will serve as the basis for the formulation of the fiscal year 1985 budget. This data will be used for the first ten years of the long-range study. It is expected that this submission will articulate and support the projected requirements for the veterans of Florida.●

ZAIRE SEEKS, AND SAUDI ARABIA UNDERMINES, PEACE IN THE MIDEAST

HON. BILL GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, May 21, 1982

● Mr. GREEN. Mr. Speaker, I want to express my admiration for the Zaire Government's unequivocal support for peace in the Mideast. Recognizing Israel's commitment to peace after the return of the Sinai Peninsula, Zaire's President Mobute Sese Seko announced on Sunday that it will renew diplomatic ties with Israel and open its Embassy in Jerusalem.

Zaire had broken off ties with Israel in 1973, during the 1973 Mideast War. Zaire's leaders now recognize that the days of the 1973 war are over, that a new era of Mideast politics is emerging. Their foresight and wisdom are considerable, and I want to commend Zaire emphatically for this action and urge other states not recognizing Israel to do so. Zaire's action signals a hope that the Camp David accords can work if world leaders have the wisdom and leadership to participate in the process.

Saudi Arabia, on the other hand, has shaken this hope for peace in the Mideast. Angered by Zaire's action, the Saudis have announced that they in turn will break off ties with Zaire, and other countries will probably follow suit. Qatar announced yesterday that it too would cut relations with Zaire. By their action, the Saudis perpetuate the instability in the region that has caused so much tragic an unnecessary violence. They have proven—for those who needed further proof—that they will take any opportunity to undermine peace in the Middle East.

The Reagan administration, which has pinned its strategic hopes in the Mideast on Saudi Arabia, must take this opportunity to condemn the Saudis' action. If the administration's support for the accords, as the fundamental framework for peace in the Mideast, is to be taken seriously, the United States must not countenance this blackmail by the Saudis. The United States must let the wisdom of a country like Zaire—rather than the hostility of Saudi policy—prevail in the Mideast by commending Zaire and speaking out forcefully against the Saudis' action.●

REAGAN'S SOLAR ECLIPSE

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, May 21, 1982

● Mr. LaFALCE. Mr. Speaker, I would like to bring to the attention of our colleagues a recent editorial written by Dick Munson, director, Solar Lobby, that appeared in the National Energy Journal.

In the editorial, Mr. Munson reviews the attempts that the Reagan administration had made to literally wipe out our Nation's energy conservation and renewable energy programs. From tax credits to direct subsidies, from home insulation for the poor to industrial conservation, and from energy information programs to energy audits, the President has clung to the advice of the conservative ideologs that surround him. That advice, Mr. Chairman, "let the free market do it."

As Mr. Munson points out, the Congress, Democrats and Republicans alike, have rejected this simple prescription. Those of us who witnessed the convulsions that the energy marketplace has experienced over the past decade and coalesced to pass these threatened programs into law know too well that the conditions that led to their birth have not disappeared. New Members, both in the House and in the Senate know from their constituents that these programs work and have made a difference.

Mr. Speaker, as we prepare to grapple with this administration's soaring deficits through the budget, authorization and appropriations processes, we must not lose sight of the role that the Federal Government must play to bring energy conservation and renewable energy technologies to the energy marketplace within the reach of all Americans.

The editorial follows:

Reagan's Solar Eclipse

(By Dick Munson)

The Reagan Administration has declared war on solar and conservation programs. If the White House gets its way, the energy conservation budget will be slashed by 97 percent, and the renewable energy budget by 87 percent. The Solar and Conservation Bank will be destroyed. Weatherization programs for low-income people will be eliminated. Appliance labeling, energy information programs, and energy audits will be forgotten. And business energy tax credits will be repealed.

This energy policy is both dangerous and costly. It ignores a growing consensus among scientists and the public that energy-efficiency improvements and renewable energy technologies are our nation's wisest and most economic energy investments. The recent reductions in our energy demand and oil imports are testimonies to that truth.

The Reagan plan is also hypocritical. For while President Reagan uses free enterprise rhetoric to justify solar and conservation reductions, he increased the 1982 nuclear budget by 36 percent; he maintained synthetic fuel subsidies; and he granted $12 billion of new tax benefits to the oil companies. He is, in essence, taking power over energy decisions away from consumers who pay the bills and giving it to the corporations that make the profits.

The contradictions and errors are even more clear in the 1983 budget proposal. If the White House gets its way, we will spend more taxpayer money to clean-up the radioactive mess at the Three Mile Island nuclear reactor than on all energy conservation programs. We will spend three and one-half times more on the Clinch River Breeder Reactor (which even David Stockman has called a boondoggle) that on all the solar and renewable energy programs combined. In fact, we will spend more on military bands than on all solar and conservation efforts.

The Reagan plan is also bad for business. Both Japan and France now spend more per capita than the U.S. on solar energy development, and recent studies suggest that foreign firms will soon capture the lucrative photovoltaics market, largely because the Administration has abandoned the solar cell program. And although the White House talks about creating a stable climate for business investments, President Reagan has sought to destroy the energy tax credits that were the impetus for many investments in alternative energy.

Some of the more severe impacts of the Reagan energy plan affect individuals and families. By destroying the weatherization programs and the Solar and Conservation Bank, the Administration is hurting low-income people and hindering their efforts to become energy self-reliant. Without financing assistance, the poor are unable to afford the up-front costs of conservation and solar improvements, despite the long-term economic benefits. An estimated 1.5 million American homes went without heat this winter, and some 15,000 Americans died from hypothermia, largely because they could not afford energy.

Fortunately, the Reagan energy plan is running into a brick wall. In 1982, Congress increased the renewable energy research budget $100 million above President Reagan's request. It also preserved the Solar and Conservation Bank, the Residential Conservation Service Program (providing energy audits), and the Public Utilities Regulatory Policy Act (promoting small power producers and cogenerators). Working with other renewable energy groups, the Solar Lobby was also able to generate quick and strong support in Congress for the solar and conservation tax credits. A resolution opposing the Administration's suggested repeal was signed by 262 Representatives and 62 Senators, clear majorities of both Houses of Congress.

This year, almost all members of the Senate Finance Committee endorsed the solar business tax credits (for solar, wind, biomass, and alcohol fuels) and opposed President Reagan's continued effort to eliminate them. And recent opinion polls suggest that Americans—who annually pay $750 per household on energy purchases—want government to spend more than a measly 92 cents per American home on renewable energy development.

But challenges lie ahead. The Reagan White House will continue to promote its radical and hypocritical energy policy. Those supporting safer and saner alternatives must inform their elected officials of the support for energy programs aimed at helping individuals gain increased self-reliance. Small businessmen and women must tell officials they want a fair share of government funds to support their efforts at technological innovation.

The solar and conservation programs were implemented because the public demanded them. Those same demands will preserve them.●

THE 70TH ANNIVERSARY OF HADASSAH

HON. RAYMOND J. McGRATH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1982

● Mr. McGRATH. Mr. Speaker, it is a great pleasure to take part in this observation of the 70th anniversary of Hadassah, the Women's Zionist Organization of America. As the representatives of several chapters and many members of Hadassah in the Fifth Congressional District, I wish to take this opportunity to commend the thousands of dedicated women who participate in the many community based and international activities sponsored by Hadassah. Beginning under the guidance and tireless efforts of Henrietta Szold in 1912, Hadassah has grown to a nationwide organization with a membership of 370,000.

In our Nation, Hadassah has been an active force in a wide range of political issues with a special emphasis on issues affecting the personal well-being of our citizens. Local groups work very hard to keep members informed on community, statewide, national, and international issues. The national organization is represented at State Department briefings and also works with the United Nations. These efforts are an integral part of American democracy.

Throughout the world, Hadassah has offered assistance to tens of thousands of young people fleeing oppression in the Soviet Union, Nazi Germany, Southeast Asia, and the Middle East. Hadassah has provided strong financial support for hospitals and educational institutions in Israel as well as youth centers and other facilities, which concentrate on assisting the poor and new immigrants in Israel.

I know every Member of this House joins me in expressing appreciation and sincere congratulations to the members of Hadassah throughout the United States at this milestone in their long and exemplary history of service.●

RICHARD WILBUR, LAKE FOREST COLLEGE COMMENCEMENT SPEAKER

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, May 21, 1982

● Mr. McCLORY. Mr. Speaker, it was my privilege recently to participate in the colorful and significant commencement exercise at Lake Forest College in my 13th Congressional District of Illinois. On that occasion the distinguished college president, Dr. Eugene Hotchkiss III, again gave evidence of his academic, social, and cultural leadership as he presided at these ceremonies marking the graduation of more than 200 students from this prestigious liberal arts college. There were certain advance degrees which were also awarded as well as honorary degrees of doctor of laws in which I was proud to be a recipient, along with our venerable and honored former Ambassador to Yugoslavia and to the Soviet Union, George Kennan. The honorary degree of doctor of humane letters was bestowed upon the noted poet Richard Wilbur, who, in turn, delivered the commencement address.

Richard Wilbur, in his brief remarks, combined references to the zeal and unrest which characterize young Americans as well as many of their elders on the basic subject of human survival when faced with the threat of a nuclear conflagration.

It seemed most significant that Richard Wilbur in his timely remarks was able to conclude with a reading of one of his own poems composed 20 years earlier. It measured rhythm he prophesied in his poem entitled "Advice to a Prophet," a need to respect and preserve all forms of terrestrial life.

Mr. Speaker, I feel particularly privileged to have served during these past 20 years as Representative of the congressional district which includes this great institution of learning, Lake Forest College, and to count the college president, Dr. Eugene Hotchkiss III, as a valued and most influential constituent. I am proud, indeed, to have received an honorary degree along with Ambassador Kennan and Richard Wilbur. I am attaching to these remarks a copy of Richard Wil-

bur's commencement address for the edification of my colleagues and all who glean these pages:

LAKE FOREST COLLEGE COMMENCEMENT ADDRESS OF RICHARD WILBUR

I've been invited not to make a long commencement address, but to talk for a few minutes and to end perhaps by reading you a poem. First, let me offer my compliments to the members of the graduating class: you've met the standards of an excellent college, and so you set out today with good credentials to realize yourselves in one way or another; furthermore, and more importantly, you've had the sort of humane education which makes for an informed concern with things beyond oneself, a concern with the general welfare and with the world at large. In the months ahead, I think that this country and the world will stand in great need of your generous concern.

A Papago Indian woman once sang, for an anthropologist, a song her father had made, and when it was over she said, "The song is very short because we understand so much." America, unfortunately, is not a harmonious tribal society in which things may be left unsaid; we are so diverse a people that if things are to be understood we must think them out, talk them out, wrangle over them, and perhaps vote upon them. Our loosely-knit diversity has been distressingly dramatized, in recent years, by the increase of single-issue politics: I know members of the National Rifle Association for whom the one and only cause is the prevention of gun control; for others, the single issue worth discussing is woman's rights, or gay rights, or the support of Israel, or the busing of school-children. It is not strange that people should stick up for themselves, and speak out on what touches them most nearly, and I'm sure we would like to see justice done in all these important matters; but I could wish for more true citizenship among us, more of the spirit which moved Archibald MacLeish of Glencoe, Illinois, who was lately taken from us in his 89th year. Every politician tells us that he is the servant of all the people: that is a hard thing to be, even with the best of intentions; yet if many Americans of the past had not tried to embody that ideal, and to set the common good above their personal interests, we might never have reached our bicentennial.

The overshadowing question of our day, the question which is vital to us all, is the control of nuclear armament, and it is not I who say that but millions of Americans of every condition, persuasion, race, and age. In recent months, there has been a spontaneous popular awakening to the fact that, as George Kennan eloquently puts it, there is "no hope, no fear, nothing to which we aspire, nothing we would like to avoid . . . which could conceivably be worth a nuclear war." As the movement for nuclear control and disarmament grows, there are once again marches in the streets, rallies, and the chanting of slogans, but since the cause is everybody's cause, I dare hope that we will not see again the bitter disorders and divisions of the Sixties. Marching in the streets is necessary, but what we need still more, I think, is a time of intense national meditation, in which we listen to Mr. Kennan, to Admiral Rickover, to Jonathan Schell, to those who disagree with them, to the Senators who have recently introduced their alternative resolutions, and to each other. In the interest of this planet, we are called to discuss at home, and to negotiate in earnest abroad; and it will not of course be easy, since the nearer we come to any practical solution, the more we will be confronted with the stubborn problem of the restriction of national sovereignties.

There are clear enough reasons, to be found in any newspaper, for the present upsurge of anti-nuclear feeling; but I think that that feeling is also, for all of us, the product of a long imaginative struggle, a struggle to conceive the monstrous possibility of the destruction of life on Earth. We begin to envision that possibility now, and to be capable of what de Tocqueville called "a salutary fear." When the atomic bomb was dropped on Hiroshima, I was with my division in Europe, and a fellow-soldier said to me, "I'll bet you ten dollars that you can't write a poem on that." I told him to keep his money, because I knew that I could not get my mind around such an enormity. Many years afterward, reading some remarks by the chairman of the AEC, and an essay by Bertrand Russell on the likely effects of radiation on fauna and flora, I suddenly felt enabled to make the danger of nuclear war seem real to myself, and perhaps to others. The result was a poem called "Advice to a Prophet," which I read in 1959 to an audience at Wesleyan University. When the reading was over, a young graduate student in physics came up to me and said, "I liked your poem about nuclear war, but of course it's not true; the nuclear armament of America and of the Soviet Union couldn't affect the natural world in the way you describe. In fact," he said, "there is far more destructive potential in the raw forces of nature herself."

I argued with him, of course, and cited my authorities, but I was troubled by what he said, because I think that poetry has no license to be inaccurate. A month or two ago, twenty-odd years after my reading at Wesleyan, I received a letter from that young graduate student, who is now a professor of physics at MIT. "I've just been reviewing the nuclear strength of the great powers," he wrote, "and though it will probably give you little pleasure to hear it, your poem is true." Here, then, is a poem which has regrettably come true or became possible; the poet, the speaker of the poem, is presuming to advise a prophet as to how to touch the imaginations of his townspeople.

ADVICE TO A PROPHET

When you come, as you soon must, to the streets of our city,
Mad-eyed from stating the obvious,
Not proclaiming our fall but begging us
In god's name to have self-pity,
Spare us all word of the weapons, their force and range
The long numbers that rocket the mind;
Our slow, unreckoning hearts will be left behind,
Unable to fear what is too strange.
Nor shall you scare us with talk of the death of the race.
How should we dream of this place without us?—
The sun mere fire, the leaves untroubled about us,
A stone look on the stone's face?
Speak of the world's own change. Though we cannot conceive
Of an undreamt thing, we know to our cost
How the dreamt cloud crumbles, the vines are blackened by frost,
How the view alters. We could believe,
If you told us so, that the white-tailed deer will slip
Into perfect shade, grown perfectly shy,
The lark avoid the reaches of our eye,
The jack-pine lose its knuckled grip
On the cold ledge, and every torrent burn
As Xanthus once, its gliding trout
Stunned in a twinkling. What should we be without
The dolphin's arc, the dove's return,
These things in which we have seen ourselves, and spoken?
Ask us, prophet, how we shall call
Our natures forth when that live tongue is all
Dispelled, that glass obscured or broken
In which we have said the rose of our love and the clean
Horse of our courage, in which beheld
The singing locust of the soul unshelled,
And all we mean or wish to mean.
Ask us, ask us whether with the worldless rose
Our hearts shall fail us; come demanding
Whether there shall be lofty or long standing
When the bronze annals of the oak-tree close.●

TELECOMMUNICATIONS ACT OF 1982

HON. EUGENE JOHNSTON

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 21, 1982

● Mr. JOHNSTON. Mr. Speaker, for more than 6 years this body has been working to establish a new national telecommunications policy based on diminished regulation and increased reliance on competitive market forces. H.R. 5158, the Telecommunications Act of 1982, though touted by well-meaning supporters as a solution to this longstanding policy debate, simply does not do the job. In fact, many of H.R. 5158's provisions are contrary to its own stated goals and, if enacted, would leave the industry disrupted and wallowing in controversy and litigation, with more regulation as the only certainly.

I would urge my House colleagues to take a close look at this measure and its potential impact on this Nation's fine telecommunications system. Many of you have been inundated with mail, telephone calls, and other contacts from both proponents and opponents of this bill. It can be confusing I will admit. The issues are indeed complex and sorting out the details can be difficult and time consuming. But what we establish here as policy will impact directly the future of telecommunications in this Nation and abroad.

With so much at stake, and so much time already invested in this effort, there is just no reason to rush at this critical juncture. It makes even less sense to attempt, as does H.R. 5158, to legislate around the decision forthcoming from Judge Greene regarding the A.T. & T. and Department of Justice modified final judgment.

I am aware, of course, that supporters of H.R. 5158 believe this legislation is essential because it would protect consumers from steep local rate increases and assure the future viability of local operating companies after divestitute. Both are admirable goals, but I submit neither goal is met under the current language of H.R. 5158. However, rather than spend more time reciting the flaws in this bill, let me just summarize by saying: First, H.R. 5158 will increase rather than reduce regulation in the telecommunications industry; second, it will put upward pressure on local rates; third, the future viability of local operating companies may be jeopardized by some of its provisions; and fourth, H.R. 5158 would in effect overturn the 1982 consent decree before a final decision has been rendered.

Mr. Speaker, thank you for the time. I would hope to use this forum in the future to explain more specifically the deficiencies in this legislation.●

HUMAN RIGHTS—MOROCCO

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Friday, May 21, 1982

● Mr. BONKER. Mr. Speaker, this week Amnesty International, the Nobel Prize-winning international human rights organization, released a comprehensive study of human rights in Morocco. The report cites instances of torture and very poor prison conditions, and noted that many people have been imprisoned for exercising their right to free expression.

At a time when the Reagan administration is requesting large increases of security assistance for the Government of Morocco, I believe it is important for the Congress to be aware of the significant human rights problems of the Hassan government.

I would like to commend to the attention of my distinguished colleagues a summary statement from Amnesty International which describes their report.

The statement follows:

MOROCCAN PRISONERS HELD INCOMMUNICADO AND TORTURED, SAYS AMNESTY INTERNATIONAL

Amnesty International said today (Tuesday, May 18, 1982) that Moroccan authorities were breaking their own laws and international agreements by holding political prisoners incommunicado for months or years and torturing many of them.

The authorities had failed to account for hundreds of other prisoners, some of whom had died in appalling prison conditions, it said.

In a report on a mission which visited Morocco last year, the worldwide human rights movement also said many people were imprisoned for exercising their right to free expression.

The report appealed for information on the fate of some 100 military men arrested about 10 years ago and convicted of involvement in attempts to assassinate King Hassan II. It cited reports that up to 15 may have died in a remote secret prison where the group is said to have been held in inhuman conditions since 1973. Amnesty International noted that at least 15 had completed their sentences but had not been released.

Published with the report were excerpts from prisoner's letters describing the gradual deaths of some of these men, said to have been kept constantly in filthy cells, fed on scraps and denied all contact with the outside world.

Other testimony and letters described abuses inflicted on political prisoners, including such tortures as beatings while the victim hangs from a bar bound at the ankles and wrists, electric shock and suffocation. The report said some prisoners were kept handcuffed and blindfolded for months.

The report said the Amnesty International mission, which visited the country in February 1981, had asked for information on a number of these prisoners and practices, but that the authorities had not yet given the information.

Amnesty International also said it knew of more than 100 Moroccan prisoners of conscience—people jailed for the non-violent expression of opinion—who had been in prison for at least five years. In addition, the report pointed to the denial of fair trial to many of the hundreds convicted in the past year after confrontations in June 1981 between striking workers and security forces. It said it had evidence that many of these people too were imprisoned only for expressing their opinions.

The report concluded that, besides the conviction of many prisoners of conscience, "a number of blatantly illegal practices, contravening both Moroccan law and the international convenants on human rights. . . (ratified by Morocco). . . have led to serious human rights violations involving the "disappearance" of large numbers of people and the deaths in custody of others."

The report listed some 90 people whose arrest has never been acknowledged but who are reported to have been seized by security forces in southern Morocco since 1975, apparently in connection with the dispute over the Western Sahara between Morocco and the Polisario Front, which seeks independence for the region. Amnesty International said it believed the real total of people who had "disappeared" after being seized in Morocco was substantially higher.

The report includes detailed analysis of Moroccan law and practice affecting political prisoners. Its recommendations include calls for a commission of inquiry into incommunicado and preventive detention—supposed to be strictly regulated under the law—and into medical attention for prisoners and the investigation of torture allegations. It also asks for details on the "disappeared" and on military prisoners described in the report, and urges the release of all prisoners held for the non-violent expression of their views.●

WORLD TRADE WEEK

HON. DOUGLAS K. BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1982

● Mr. BEREUTER. Mr. Speaker, every Member of this body should be well aware that the President has proclaimed this week "World Trade Week." At this time, we should think long and hard about the invaluable contribution trade makes to our national economy, and should redouble our efforts to establish the statutory and administrative structure necessary to facilitate the world's best trading apparatus.

Earlier this week, Mr. Melvin Sims, general sales manager of the Foreign Agricultural Service gave an excellent presentation to the National Governors' Association Conference on Agribusiness and Export Trading Companies. That speech highlighted what should be a top concern of this body in our efforts to maintain our trading preeminence: the maintenance of a strong agricultural trade sector. Manager Sims made several excellent suggestions about improvements we can make in our trading structure.

Need I remind you that for the first time in over a decade, the value of agricultural exports is expected to decline this year. Now is the time to halt this dangerous trend dead in its tracks. I encourage my colleagues, therefore, to read Mr. Sims' remarks and to join me in taking the actions he suggests so that our agricultural trade statistics can resume their impressive upward climb, to the benefit of our Nation's farmers and ranchers as well as to our economy as a whole.

REMARKS OF MELVIN E. SIMS, GENERAL SALES MANAGER, FOREIGN AGRICULTURAL SERVICE, BEFORE THE GOVERNORS' CONFERENCE ON AGRIBUSINESS AND EXPORT TRADING COMPANIES

Thank you for inviting me to join you today. As you know, agricultural exports were a topnotch performer in the 1970's. Without the surge in agricultural sales to foreign buyers, the trade deficit the United States is trying to overcome would be twice the size it is today. Keeping these exports strong is no longer the "luxury" it was in the 1960's when we had a surplus in non-agricultural exports, it has become a necessity not just for the farm community but for the entire economy of the nation.

The job of exporting food had become far more difficult in recent years. Stiffer competition in the aftermath of the Soviet grain embargo, a strengthening dollar, high interest rates, and the growing tide of foreign protectionism have all taken a toll on exports. For the first time in over a decade, we are expecting the value of agricultural exports to decline—falling below the $43.8 billion recorded in fiscal year 1981. Overall tonnage, however, will increase. While one commodity, corn, is primarily responsible for this decline in the value of exports, the fact remains that the overseas market has turned sluggish, and we are faced with the question: What can we do about it?

For one thing, the Federal Government needs to expand its activity as a promoter of exports. I've been involved in agribusiness for a long time and all too often I've seen the Federal Government acting more as a regulator than a helpful partner of business. I'm reminded of an article in the Bay City Times that summed it up pretty well: "The Ten Commandments contain 297 words. The Bill of Rights has 463 words.

Lincoln's Gettysburg address has only 266 words. But the Federal Directive regulating the price of cabbage has 26,911."

While this little story is apocryphal, it represents a public perception that is too often accurate, and it's this kind of thing the Reagan Administration is trying to get away from. It recognizes that the Federal Government has to be an effective promoter of business and exports. And that's where export trading companies come into the picture. The export trading company legislation is a major step forward in giving American business major tools to penetrate and expand export markets abroad. Agricultural exporters definitely need those tools if they are going to build their sales and keep making a critical contribution to our trade balance.

The Department of Commerce and others have estimated that up to 20,000 U.S. manufacturers and agricultural producers offer goods and services that could be highly competitive abroad. We estimate that perhaps 10,000 firms are exporting food and agricultural products, at least to some extent. Yet the small size and inexperience of many exporters and potential exporters leave them ill-equipped to absorb the front-end costs and risks involved in developing overseas markets.

Traditionally, the largest share of U.S. agricultural exports is in bulk agricultural commodities. Yet the world market for highly-valued products such as fresh fruits and vegetables, and semi-processed and processed agricultural products has been growing steadily at the rate of 12 to 15 percent a year. There is definite demand for these products which are often produced by medium and small sized companies who would be helped significantly by the services of export trading companies.

Trade in processed agricultural products may be more stable than trade in bulk commodities and it generates additional jobs. The U.S. economy needs this additional business. Workers in processing and transportation need the additional jobs. Farmers need the advantage of having both exporters and processors bidding in competition for their products. These are significant advantages and good reasons why we should use export trading companies and other devices to build processed food exports.

USDA has intensified its interest in the export of valued-added and consumer-ready products. Naturally, there are some obstacles. In a number of countries, barriers against importing these products tend to be more restrictive than they are for raw commodities. In some instances, subsidies used by our competitors to boost their own exports also complicate the picture.

Many of our efforts to lower trade barriers in Japan and Europe should in the future years have the effect of boosting our exports of meats, fruits and vegetable products, and other processed foods. On the promotion front, we are working with the National Association of State Departments of Agriculture on a major international sales event in Atlanta a year from now—a show that will attract buyers from all over the world. Our objective is a permanent increase of $100 million in U.S. exports of processed foods.

Even with the obstacles we face we expect in 1982 to export $12 to $13 billion worth of agricultural products processed in the United States. USDA believes that export trading companies can help boost this figure in the future. That view is shared by both the Subcommittee on Agriculture of the President's Export Council and the National Association of State Departments of Agriculture.

HOW WILL EXPORT TRADING COMPANIES HELP THESE EXPORTS?

The primary function of an export trading company or ETC is to combine the products, skills, and resources of several U.S. companies to enhance their export capabilities—or those of their clients. Export trading companies will attract producers of goods and services, banks, export management companies, and freight forwarders. The ETC would then be able to provide "one-stop" export service—including market research, marketing, financing, documentation, transportation, and after-sales service.

In the performance of these services, an export trading company would be able to take title to the products it trades and function in this manner, although it is not prevented from exporting on a commission basis or providing services for a fee. It may also become involved in importing and trade between third countries to build sales and revenues, reduce foreign exchange risks, maintain good customer relations, and handle barter deals which are beginning to occur more frequently in agricultural trade.

All of these services can be crucial in selling value-added and consumer-ready agricultural products. And they are areas where many U.S. exporters have been outdone by their foreign competitors.

In meeting problems with language, labeling requirements, and documentation, many U.S. exporters simply don't match up with the competition, especially if they only sell abroad occasionally. A one-stop export service in the form of an ETC can overcome these difficulties. An ETC can also help U.S. exporters target and adapt their products more effectively to consumer preferences in individual foreign markets.

There's no point in trying to sell U.S. frozen foods in the Netherlands when those foods are not packaged and shipped in a way that suits the Dutch market. Nor is there any point in trying to export mustard to West Germany without tailoring the taste of the product to what Germans traditionally prefer to put on their bratwurst. Many first-time exporters have made these kinds of avoidable and costly mistakes.

Existing trading companies are not usually geared toward bringing new agribusinesses into the export market and helping them anticipate and overcome problems in exporting. There are numerous trading companies, but most engage in only one or a few aspects of exporting or importing. They tend to be limited in terms of the products they handle and the services they provide. Simultaneously, these companies also have limited financial resources and this curtails what they can do in terms of market development, financing of sales, providing export information, and assistance with documentation.

At the present time, unless agribusinesses participate in a Webb-Pomerane Association, they are limited in the ways that they can break into or expand sales in foreign markets. To mobilize the small- and medium-sized processor we need full-service trading companies. And that means financing. The pending ETC legislation would permit banks to invest in trading companies. This would give ETC's both more financial clout and considerable added resources in terms of expertise in international financing. The benefits of a closer relationship between commerce and banking in the form of ETC's has been clearly demonstrated to us by our competitors in countries like Japan and South Korea. Strong banking participation in the trading companies of those nations has paid off dramatically.

THE ROLE OF USDA

USDA's Foreign Agricultural Service has been called on to work up a model for an export trading company that deals with agricultural products and, once the ETC legislation becomes law, will offer the model as a guide for building these organizations. At this point, there is no mandate on how an export trading company has to be structured. But the organization must have four key elements: market development, sales and distribution, customer service, and a financial package.

Once they are formed, ETC's will be able to turn to the Foreign Agricultural Service for a broad range of services and assistance. Its commodity analysts and marketing specialists in Washington, along with its overseas network of agricultural counselors, attachés, and trade officers, should prove to be an invaluable source of help for the ETC's. FAS can provide trade data to pinpoint market opportunities and arrange contacts with potential buyers. It can also offer promotional assistance overseas such as in product evaluation for specific countries; in-store, hotel, and restaurant promotions; and exposure for products at various trade fairs and exhibitions. FAS can also arrange visits by sales teams interested in promoting specific food products.

One of the first needs of an ETC is information on where market opportunities exist. The Trade Opportunity Referral Service (TORS) run by FAS provides this key information. When foreign buyers express interest in a U.S. agricultural product these trade leads are telexed to Washington and then forwarded to cooperating exporters.

These leads have also recently been entered into AGNET—a computer system run out of the University of Nebraska. Exporters who subscribe to the system can have almost instantaneous information on who is buying what overseas. Leads are also published in a weekly trade letter, Export Briefs, that is best suited for trading companies interested in exporting a wide range of agricultural products.

All of these resources should prove to be a big help to ETC's as they develop and expand their operations.

HOW WILL ETC'S AFFECT U.S. AGRICULTURAL EXPORTS?

It's likely that most U.S. agricultural sales will continue to be handled by large private exporters of bulk commodities and the larger exporting cooperatives. They have the financial and marketing facilities for large-scale transactions. But as the demand for value-added products continues to expand and more ETC's are formed, we may see the wide variety of services that an ETC can offer attracting more import business in foreign countries. The most critical advantage the ETC's will have will be in the role that commercial banks can play in their operations.

Even if the payoff in agricultural exports is not likely to be large in the immediate future, we are looking to ETC's to play a role in expansion, particularly in developing country markets. These nations generally have poor trade infrastructures and financial problems that curtail their purchases. The wide-ranging services an ETC can offer can help these types of customers boost their purchases of U.S. agricultural products. It would be a serious mistake to underestimate the importance of the developing country markets. In the 1970's they accounted for a substantial part of the growth in U.S. agricultural exports, while some more traditional markets like Western Europe were expanding at a far slower rate.

With an aggregate trade deficit of more than $100 billion over the last five years, the United States cannot afford to ignore the potential ETC's have for expanding both agricultural and industrial exports. Even limited payoffs can have a significant domestic impact and help turn around the economy. Every $1 billion increase in exports creates 31,000 jobs. In agriculture, every $1 increase in export sales doubles in the general economy. At the same time, export growth improves the efficiency of farm production, cuts Federal expenditures for price support programs, and makes the business of farming more profitable. These are the kinds of benefits we simply cannot afford to miss.●

A TRIBUTE TO HARRY WILLIAMS HASSKAMP

HON. JOHN L. NAPIER

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 21, 1982

● Mr. NAPIER. Mr. Speaker, South Carolina and the Sixth District recently lost an outstanding citizen, Harry William Hasskamp. A man of intense dedication to his fellow man, Mr. Hasskamp touched the lives of many individuals through his service to his family, friends, fellow workers, church, community, and his country.

Harry Hasskamp was a citizen of Bennettsville, S.C., a small, friendly town very dear to me because it is my home, and because of the special people there like Mr. Hasskamp. I knew Harry Hasskamp personally through working by his side in the First Presbyterian Church in Bennettsville, and can attest to his example of Christian vision and steadfast faith evidenced by his deep concern for his fellow man and his service rendered to his church where he served as elder.

Humbled by praise, yet worthy of it, Mr. Hasskamp's list of contributions grew extensively by the close of his life. I ask your attention to the comments which were broadcast on WBSC, the local radio station in Bennettsville, S.C. The following is a brief description of Mr. Hasskamp's accomplishments:

A community like ours suffers a great loss when a man such as Harry William Hasskamp dies. He served his family, community and church with all the vigor and devotion one man can give. Among his many accomplishments was his work as personnel manager and later vice president of operations at Becker Sand & Gravel, where he continued to serve in a consultant position after his retirement. He was a member of the South Carolina Mining Council, a former mayor pro tem of Marion, N.C., and currently was vice president of the Marlboro County Chamber of Commerce. He was a Sunday schoolteacher for the men's bible class of the First Presbyterian Church and a meticulous gardener. He was a man who gave his all in every endeavor. Harry Hasskamp has been described as a man who was friends with everyone, a warm, cordial and energetic person who was well-respected in his church and community. His pastor has described him as a man of robust faith . . . always continuing to learn, grow and trust in God. Harry Hasskamp leaves us not only the legacy of his good works, he leaves us his family . . . his wife, Pat; his son, Bill; and his daughter Kristi . . . and to them let us say that the love and warmth that Harry so unselfishly shared with us all is extended to you, his family, in the loss of a loving father, a husband and a friend.●

WRIT OF HABEAS CORPUS FOR ANDREI SAKHAROV

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, May 21, 1982

● Mr. PORTER. Mr. Speaker, I would like to take this opportunity to submit in the RECORD the text of the petition for a writ of habeas corpus which the National Interreligious Task Force on Soviet Jewry attempted to present to the Soviet Embassy and the Soviet consulate on behalf of Andrei Sakharov.

I commend Sister Ann Gillen, Bertram Meyers, and Ralph Ruebner for this continued fight against Soviet violations of human rights.

(In the Supreme Court of the Union of Soviet Socialist Republics)

ANDREI SAKHAROV, PETITIONER, VERSUS THE PROCURATOR GENERAL, RESPONDENT

PETITION FOR A WRIT OF HABEAS CORPUS

To the Honorable Chief Justice and Justices of the Supreme Court: May it please the court:

Now comes the Petitioner, Andrei Sakharov, by his next of friend, Tanya Yankelevich, by her attorneys, the Interreligious Lawyers' Task Force for Human Rights in the Soviet Union, of Chicago, Illinois, United States of America, who respectfully requests this Honorable Court to release him from his illegal confinement in the City of Gorki and permit his return to the City of Moscow as a free person.

In support thereof, Petitioner's friend states:

1. That on January 22, 1980, Andrei Sakharov was forced into internal exile immediately after having been arrested without being criminally charged. He was stripped of all honors and exiled to the City of Gorki for "subversive activities." He was allowed only to call his wife on the telephone and that same night, after having been arbitrarily arrested, was shipped off by airplane to the City of Gorki to begin internal exile. He was not charged with violation of Soviet laws, but was denounced by Izvestia for conducting "subversive activities" against the Soviet State.

2. That at no time did the Soviet Procurator General, or any other authority, formally charge Petitioner with violation of Soviet Law;

3. That Petitioner is a citizen of the U.S.S.R.;

4. That the Respondent is the custodian of Andrei Sakharov, as he is charged with the administration of justice in the U.S.S.R. pursuant to Article 164 of the 1977 Constitution of the U.S.S.R. (hereinafter referred to as the Constitution);

5. That this Honorable Court has jurisdiction to entertain this Petition pursuant to:

A. Article 57 of the Constitution which guarantees each citizen judicial review against arbitrary and illegal governmental action that abridges personal freedom.

B. Article 58 of the Constitution which entitles an aggrieved citizen to lodge a complaint in a court of law against the illegal actions of officials of the government.

C. Article 9, Section 4, of the International Covenant on Civil and Political Rights, which was adopted by the United Nations in 1966 and ratified by the U.S.S.R. in 1973, which provides for the remedy of judicial review of a citizen's unlawful detention.

D. The Universal Declaration of Human Rights, adopted by the General Assembly of the United Nations in 1948, to which the U.S.S.R. is a signatory, which provides in Article 8 for judicial review as a remedy against governmental action that contravenes fundamental rights of a citizen.

E. Article VII of the Conference on Security and Co-operation in Europe: Final Act of 1975, signed by the U.S.S.R., which guarantees a citizen the effective exercise of his civil rights.

6. That Petitioner is unlawfully confined in the City of Gorki and deprived of his liberty and human rights as the result of blatant illegal action of the government of the U.S.S.R., in that he is being punished without having been formally charged with violation of Soviet law or accorded due process of law or a judicial trial of any kind, in violation of:

A. Article 160 of the Constitution of the U.S.S.R. which guarantees a citizen liberty and freedon from confinement or imprisonment unless the person is adjudged guilty in a court of law and punished as a criminal.

B. Article 157 of the Constitution which provides for a public trial.

C. Article 156 of the Constitution which guarantees a citizen equal protection of the laws and equal rights before the courts.

D. Article 9 of the International Covenant on Civil and Political Rights which guarantees a citizen his right to liberty and due process of law and protects him against arbitrary arrest and detention.

E. Article 12, Section 1, of the International Covenant on Civil and Political Rights which guarantees a citizen the liberty of movement and freedom to choose his residence.

F. Article 14 of the International Covenant on Civil and Political Rights which guarantees a citizen due process of law, including the determination of criminal charges by a fair and public judicial proceeding, the right to be presumed innocent until proven guilty, the right to be informed of the criminal charge, the right to counsel, the right to present a defense, the right to be tried without undue delay, the right to confront his accusers, the right against self-incrimination and the right to an appeal after conviction.

G. Article 15 of the International Covenant on Civil and Political Rights which prohibits the imposition of punishment on a citizen for an act which does not constitute a criminal offense.

H. Article 9 of the Universal Declaration of Human Rights which prohibits arbitrary arrest, detention and exile.

I. Article 11 of the Universal Declaration of Human Rights which gurantees due process of law to a citizen accused of an offense.

7. That the internal exile of Andrei Sakharov contravenes fundamental freedoms and human rights recognized by Article VII of the Conference on Security and Co-operation in Europe: Final Act of 1975;

8. That the continued confinement of Andrei Sakharov violates human decency and basic notions of fairness.

Wherefore, Andrei Sakharov, by his next of friend, respectfully requests this Honorable Court to issue a writ of habeas corpus to the Procurator General, order his immediate release from internal exile, restore Andrei Sakharov all his rights as a free citizen, and permit him to return to the City of Moscow.

Respectfully submitted,

ANDREI SAKHAROV.

By Tanya Yankelevich, his next of friend.)

MEMBERS OF THE INTERRELIGIOUS LAWYERS' TASK FORCE FOR HUMAN RIGHTS IN THE SOVIET UNION

(Attorneys for Tanya Yankelevich)

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Patrick Monaghan, General Counsel, Catholic League for Religious and Civil Rights, 1100 West Wells Street, Milwaukee, Wis.

Ralph Ruebner, Associate Professor of Law, the John Marshall Law School, 315 South Plymouth Court, Chicago, Ill.●

EUTAW COUPLE CITED FOR RESTORING HOUSE

HON. RICHARD C. SHELBY

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 21, 1982

● Mr. SHELBY. Mr. Speaker, I would like to share with my colleagues in the House of Representatives a story that appeared in the Montgomery Advertiser on Monday, May 10, 1982. The article written by Mr. Alvin Benn of the newspaper's staff is a story about Mr. and Mrs. Roy Swayze of Eutaw, Ala., which is located in the Seventh Congressional District.

This wonderful couple was honored by Nancy Reagan on Friday, May 7, 1982, at the National Gallery of Art in Washington, D.C., for their work in restoring one of Eutaw's showcase mansions, Kirkwood. Following is the delightful story of this preservation effort.

EUTAW.—A transplanted Virginia couple who spent the past decade restoring one of Eutaw's showcase mansions were honored by Nancy Reagan Friday at the National Gallery of Art in Washington, D.C.

The National Trust for Historic Preservation saluted Mr. and Mrs. Roy Swayze and 17 other individuals, projects and organizations during the group's annual meeting.

The Swayzes bought Kirkwood in 1972 and immediatley began restoring it to prominence in the community and state.

"A principal landmark of antebellum days in the South, Kirkwood had fallen into crumbling disrepair," said the National Trust, chartered by Congress in 1949 and supported by the public through memberships and corporate gifts. "Today, Kirkwood is not only home to the Swayze family but once again a gracious landmark, complete with original furnishings."

Lawrence Oaks, director of Alabama's Historic Preservation Commission, was one of several state leaders who nominated the Swayzes for the national award. He said Thursday that it ranks among the most important in the country awarded to individuals.

"It is quite significant," said Oaks, "and is certainly one of the most prestigious honors in the nation when private restoration is involved."

Oaks commended the Swayzes for restoring Kirkwood "largely with their own hands and entirely with their own funds."

"After they acquired Kirkwood in 1972, they became preservationists by avocation," said Oaks, in his letter of nomination to the National Trust. "They have generously shared their experiences with their old house with all who paused to look and listen. They have taken a leading role in the activities of organized preservation groups statewide. Theirs is a model of historic preservation which has had a positive effect in the development of Alabama's historic resources."

The Swayzes were sightseers from Fairfax, Va., when they first spotted Kirkwood. Invited inside by its owner, the couple got a glimpse of the mansion's rich history. They bought the mansion and moved South after Swayze retired from his law practice.

They hired Edward Vason Jones, a well-known restoration architect, to help them and the project proceeded slowly until its completion.

The Swayzes became active members of the community with Swayze serving as chairman of Eutaw's Bicentennial Commission. They also donated a collection of old documents uncovered in trunks, cabinets and the attic of Kirkwood to the University of Alabama. The find amounted to 41 volumes of records and 2,617 other documents dating from the American Revolution.

Former Eutaw Mayor William Tuck said the Swayzes have been a "real boost" to the community and lauded their restoration efforts, saying Kirkwood is to become the centerpiece of the city's pilgrimage program this fall.

"They may not have paid much for the house, but it wasn't really worth that much at the time," said Tuck. "It was in deplorable condition and I imagine they have put more than $100,000 into it. Much of their work was done with original drawings and pictures of the house."

Kirkwood, built just before the start of the Civil War by Foster Mark Kirksey, features eight Ionic columns, a cupola and imported marble mantles.

Other attractions include hand-etched colored panels by the front doors, a rosewood piano and walnut stairs.

The Swayzes were honored under the National Trust's "Human Interest" category. Other divisions include Capitol Improvements, "Power of the Pen," Curriculums and Colleges, Rural, Adaptive Reuse and Business.

At this time I would like to offer my congratulations to the Swayzes for their dedicated efforts in preserving Kirkwood. I commend these fine outstanding people for their service to Eutaw, the great State of Alabama, and America. We need more people like Mr. and Mrs. Roy Swayze who love this country and want to preserve her past structures of history.

It is an honor for me to share their story with my colleagues in the House, and I hope that if any of them are ever in the vicinty of Eutaw, they will stop and visit the beautiful mansion of Kirkwood.●

U-M AUTHOR OF CONTROLLER STRIKE DATA FEARS INACTION

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, May 21, 1982

● Mr. FORD of Michigan. Mr. Speaker, there is an urgent need for sweeping changes in management procedures at the Federal Aviation Administration. Time is running out and unless we do something soon there is every reason to believe that we will find ourselves in the kind of nasty situation that developed last summer when the air traffic controllers walked off their jobs.

These are conclusions drawn from an independent study commissioned by the Department of Transportation and the FAA.

For the benefit of my colleagues who have not read the findings of the DOT/FAA task force, reprinted in Post Office and Civil Service Committee hearings, I urge the reading of this excellent article in the May 11, 1982, edition of the Detroit News extensively quoting Dr. David G. Bowers, of the University of Michigan, one of the authors of the task force report.

The article follows:

[From the Detroit News, May 11, 1982]

U-M AUTHOR OF CONTROLLER STRIKE DATA FEARS INACTION

(By Joel J. Smith)

The co-author of a federally funded study blaming Federal Aviation Administration (FAA) management for the air traffic controlers strike says he doubts the agency will implement recommendations in the report.

Dr. David G. Bowers, a research scientist at the University of Michigan's Institute for Social Research contends that a lack of action by the FAA will force another strike within the next several years.

Current controllers have the same problems—if not worse—that existed before the strike last summer, he said, and added that the problems are compounded by the shortage of qualified personnel created with the firing of striking controllers.

"The report is really a strong condemnation of FAA management," said Bowers, who was one of three men hired by the FAA last September to conduct the $600,000 study. "It not only says that they are doing a bad job as managers but it calls into question the whole way they organized and manage people.

"They won't try to change partly because they don't know how, partly because they don't want to."

FAA officials in Washington deny Bowers' allegations but admit they don't have any timetable for implementing the recommendations in the report, completed three weeks ago.

Jerry Lavey, a spokesman for the agency, said top FAA officials have been discussing the report.

"There is a plan being developed but nothing that we can put out at this time," said Lavey. "It's going to take some time, I can't give you a time frame.

"But this is not going to be ignored. It's in our own enlightened self-interest not to let it go."

Bowers said the illegal strike, which resulted in the firing by President Ronald Reagan of 11,400 controllers last August, could have been avoided if top FAA officials would have listened to previous reports that pinpointed management problems within the organization.

"They basically just don't want to believe it," said Bowers.

The FAA hired Bowers, Dr. Lawrence M. Jones, president of The Coleman Company in Wichita, Kansas; and Dr. Stephen H. Fuller, the former vice-president of personnel administration and development for General Motors, to conduct the six-month study.

The two-volume report concludes that:

FAA management needs an overhaul with the emphasis on seeking skilled management with proficiency in handling and motivating people

The agency must develop programs to identify, train and promote outstanding managers within the system.

The FAA needs to adopt policies and regulations to control the heavy flow of air traffic to avoid "peak pressure on equipment and people."

The FAA must conduct surveys of employee opinions and attitudes on how to improve the system.

Reported strike issues—a $10,000 pay raise and a 32-hour work week—were not the real causes of the walkout last summer, says Bowers.

Management attitude toward the controllers, he contended, was the underlying cause of the strike.

"The raise and shorter work week were just bargaining tactics," said Bowers. "They were really symbols for the FAA doing something about the way they basically treated people.

"If they had gotten the raise and the reduced work week, I don't think in the long run a job action would have been avoided.

The basic style that FAA management and supervisors use was the problem."

From research done for the study, Bowers said he estimates that half of the FAA managers and supervisors "displayed a kind of negative, punitive, autocratic style in dealing with people."

He said that was the result of the military background of most management personnel—particularly veterans of World War II and Korea—who were accustomed to barking orders. But, said Bowers, many controllers are Vietnam veterans who frequently question orders.

Another problem, said Bowers, is that many managers haven't been controlling aircraft for 10 or 15 years. During this time, substantial changes have occurred in the control towers.

"When many of the supervisors think of running traffic, they are back in the days of the propeller driven Constellations," said Bowers. "But there are more planes and they're moving a lot faster today."

Both fired and working controllers tend to agree with Bowers. They say that past FAA practice—or the lack of it—supports the theory that the agency will be slow to implement change.

"This is the fourth report since 1969," said a controller at Metropolitan Detroit Airport, who asked not to be identified, "Everyone of the reports has addressed the same management problems. Nothing has ever been done. I don't see the FAA doing anything about this either.

"If they address the report and acknowledge the things that are wrong, they would have to admit that firing the controllers was wrong."●

NORTH DAKOTA VOICE OF DEMOCRACY WINNER

HON. BYRON L. DORGAN

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 21, 1982

● Mr. DORGAN of North Dakota. Mr. Speaker, it is a pleasure to pay tribute to the young man who was North Dakota's winner of the annual Voice of Democracy contest sponsored by the Veterans of Foreign Wars of the United States and its Ladies Auxiliary.

Timothy W. Rand is from Valley City, N. Dak. Throughout his high school years, Tim exemplified the theme of this year's scholarship competition, "Building America Together," by participating in a wide range of public-spirited activities. At the same time, he was an honor student and something of a computer whiz.

It is exciting to see a young person who is already making such a valuable contribution to life in their community. I am happy to include Tim's winning speech so that everyone may share his philosophy.

BUILDING AMERICA TOGETHER

(By Timothy W. Rand)

The theme "Building America Together" is very appropriate in this scholarship competition. I'm a strong believer in the power and glory of the United States, but I feel that our country can only be at its very best when all the members of our society join together with the common goal of perpetuating the American ideals and values that have been so important to our nation's growth and success over the last 205 years.

The people of America come from varying backgrounds, have varying religious and political beliefs, and occupy varying social statuses. Americans are all different and they are free to express these differences. But I like to think that as individual Americans we all share the same basic views about our nation and its government. These nearly universal views are what allow us to cooperate and build America together.

It seems to me that when Americans voice their opinions against something, they usually are asking the people to make a change in our government or our society—not to support a bloody revolution. I'm thankful to live in a country that has this type of system. I'm convinced that any problems that may arise can be effectively corrected by legal and fair means. If laws become unjust, the people can change them. The government of the United States is flexible enough to adapt to the changes that every nation must face and at the same time remain very representative of the people. This flexibility at home is what makes our nation so strong worldwide. Because our government can adapt to changes, the people are usually quite satisfied with it. We, therefore, don't have a big problem with internal struggles or civil distrubances. The flexibility of our government keeps us happy, secure, and stable. The stability of our nation is respected worldwide and I feel this respect helps us maintain our world leadership position.

I feel that our generation is fortunate in that we don't have to "Build America." Our ancestors set down most of our nation's framework and all we have to do is enjoy their foresighted efforts. This statement extends only as far as the basic framework, however. Our duty as Americans is to work toward maintaining and enhancing this framework. This is the true meaning of "Building America Together." We must adhere to our individual characteristics, but at the same time remember that it is our government that has allowed us the right to be the diverse group that we are.

Although our government has had a lot to do with the past successes of our country, it is not, by any means, the only reason we've attained such greatness. Americans are America's biggest asset. The people are great thinkers and inventors. We come up with new ideas and apply them to benefit everyone. This keeps our nation alive and prosperous. Something that must be kept in mind is that everyone has a part to play in making America better. Very few of today's new inventions are made up entirely of ideas contributed by just one person. A lot of people must invent a lot of separate things before someone can put the ideas together in the form of a new invention. The task of improving America must be similarly undertaken in a cooperative fashion. We're not all inventors but we all have something to contribute. If you say that we're getting along fine now and ask why you should participate in improving America, I would reply saying we are getting along fine now, but think of how much better off we could be. The more people who participate in America, the better. So don't worry if you feel you have nothing to contribute—because you do. You are helping America simply by staying interested in it and loyal to it. But we need everyone's help if we are to continue "Building America Together."●

THE PRESS AS ADVERSARY

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, May 21, 1982

● Mr. LAFALCE. Mr. Speaker, today as we debate legislation on the floor of the U.S. House of Representatives, a gathering of distinguished Americans is taking place a few miles from here in Leesburg, Va. This gathering, the First Amendment Congress, will focus it energies on debating the role of the news media in our society. Because of our legislative business, my scheduled participation in this event has been postponed and I regret my inability to take part in this important series of meetings.

One of the great contributions that the First Amendment Conference and similar meetings confer on our Nation is the time necessary to reflect on the growing impact of the news media on our daily lives and especially our policymaking here in the Halls of Congress.

It was, therefore, with great interest that I read recent reports of a speech delivered by Michael J. O'Neill, editor of the New York Daily News at the annual meeting of the American Society of Newspaper Editors. Mr. O'Neill's thesis was a bold and stunning commentary from an experienced jounalist:

> While there has been an astounding growth in the power of the media over the last decade or so, I am by no means sure we are using it wisely. The tendency has been to revel in the power and wield it freely, rather than to accept any corresponding increase in responsibility.

These remarks, including his strong and critical commentary on the adversarial role that the press has with the Government and its elected and appointed officers, are an indictment of a philosophy that has become the hallmark of modern journalism. Drawing his critical fire from such journalistic classics as Lincoln Steffens' "The Shame of the Cities," O'Neill's determined questioning of the wisdom of the adversarial process and criticism of its inevitable excesses is a brief, yet classic review of what ails the modern press.

In sum, Mr. O'Neill calls for what many in this Chamber no doubt feel from their personal experience:

> In the final analysis, what we need most of all in our profession is a generous spirit, infused with human warmth, as ready to see good as to suspect wrong, to find hope as well as cynicism, to have a clear but uncrabbed view of the world. We need to seek conciliation, not just conflict, so that society has a chance to solve its problems. So that we as a nation can find again the common trust and unity that we need to overcome the great challenges we face in the 1980's.

In a subsequent commentary on Mr. O'Neill's address, Murray B. Light, editor of the Buffalo News, took exception to its thesis, stating:

> But the press must maintain its fundamental adversarial relationship with government, constantly being on the lookout for excesses, derelictions, usurping of power. It is a historic role for the press in this country and if surrendered could do nothing but harm to the republic.

Mr. Light, who attended the Chicago conference where Mr. O'Neill spoke, drew an interesting contrast between the newly found warmth between the United Auto Workers and their president, Douglas Fraser, and the Ford Motor Co., and its president, Donald Petersen. While Mr. Light thought we can welcome the advent of an age of mutual cooperation and respect between labor and management in the automotive field, we must be skeptical about a newspaper editor's plea for blurring the traditional relationship between the Government and the press.

As a final warning to those, like myself, who took heart from Mr. O'Neill's call for the courage to abandon at least some of the adversarial excesses of the press, Mr. Light stated:

> We are most fearful that government officials will look upon O'Neill's speech as heralding the beginning of a new age, and when it doesn't arrive the harangues about the press will become greater than they were during the days of President Nixon. That is the danger of the O'Neill address; it can and will be misinterpreted.

In submitting both an adaptation of Mr. O'Neill's remarks from the May 6 edition of the Wall Street Journal, and Mr. Light's commentary from the May 18 edition of his newspaper, I trust that my colleagues will share my interest in this subject—and will avoid the misinterpretations of which Mr. Light warns.

What certainly does stand forth from both commentaries is the good news that leaders in the American news media are undertaking a healthy regimen of self-examination. If this continues, our Nation and our Government, as well as our media, will benefit. For, as Mr. O'Neill noted, and this is true of Government as well as the media, "Our best defense against opponents, our best bet for strengthening credibility, is an openness of mind that encourages both self-examination and outside criticism."

The articles follow:

[From the Wall Street Journal, May 6, 1982]

A NEWSPAPER EDITOR LOOKS AT THE PRESS

(By Michael J. O'Neill)

While there has been an astonishing growth in the power of the media over the last decade or so, I am by no means sure we are using it wisely. The tendency has been to revel in the power and wield it freely, rather than to accept any corresponding increase in responsibility.

The extraordinary powers of the media, most convincingly displayed by network TV and the national press, have been mobilized to influence major public issues and national elections, to help diffuse the authority of Congress and to disassemble the political parties—even to make Presidents or to break them. Indeed, the media now weigh so heavily in the scales of power that some political scientists fear we are upsetting the checks and balances invented by our forefathers.

The press's harshly adversarial posture toward government and its infatuation with investigative reporting, which have always lurked in the psyche of American journalists, were enormously intensified by Vietnam, Watergate and the general attack on authority in the 1960s and 1970s.

It may be foolhardy to say anything uncharitable about investigative reporting; it is in such vogue now. We have all basked in the glory of exposes and gloated while public officials have turned slowly on the spit of newspaper disclosures. On balance, investigative reporting probably has done more good than harm, though a wise member of the New York Times editorial board, Roger Starr, would dispute the point. He once suggested wistfully that journalism schools should ban Lincoln Steffens' famous book. "The Shame of the Cities." He said that muckraking did so much damage to the cities that he hated to think what havoc modern investigative reporters might cause.

BLACKS, VIETNAM AND WOMEN

Muckraking has been over-emphasized, tending to crowd out other more significant kinds of reporting. If we had not been so busy chasing corrupt officials, for instance, we might not be guilty of having missed some of the biggest stories of the last half century:

The great migration of blacks from the South to the industrial cities of the North, something we didn't discover until there were riots in the streets of Detroit.

The first mincing steps toward war in Vietnam, which we did not begin reporting seriously until our troops were involved.

The women's liberation movement and the massive migration of women into the job market, a social resolution that we originally dismissed as an outbreak of bra burnings.

In some cases, investigative reporting has also run off the ethical tracks. Individuals and institutions have been needlessly hurt when the lure of sensational headlines has prevailed over fairness, balance and a valid public purpose. Those uninspiring scenes of reporters and cameramen trampling over Richard Allen's front lawn to hound his wife and children raise questions.

Is our duty to inform so stern that we must exile ourselves from our humanity? Are we like policemen who have become inured to violence? Have we become so cynical, so hardened by our experiences with sham, that we can no longer feel what an official feels, what his wife and children feel, when he is being ripped and torn on TV and in the press? Have we become so arrogant with our power, so competitive, that we cannot decide that the public crime is often not worth the private punishment? That the First Amendment is often abused rather than served by those who would defend it?

Similar questions need to be asked about our intensely adversarial coverage of government because this, too, is falsely coloring the information flowing to the public.

There are the natural tensions between a President who paints a rosy view of all he does and the messengers who deliver bad news. There is the understandable resentment of officials who believe the media always emphasize conflict and failure over success. On the other side, there are the endless official lies and deceits and masquerades that gnaw at the moral intent of reporters.

Within the America context, these tendencies are normal. But with Vietnam and Watergate, with new waves of young, committed reporters moving into the profession, with older editors feeling guilty about having been "too soft" in the past, the media's relations with government have taken a sharp turn for the worse. The government has become the enemy.

In its more extreme forms, the adversarial attitude creates barriers to the clear observation and analysis necessary for objectivity. It encourages emotional involvement with individual personalities and issues. It invites arrogance. It tempts reporters to harass officials. Ultimately, it undermines credibility because people intuitively sense when the press is being unfair. In Ben J. Wattenberg's view, they become deeply skeptical when all they get from the press is an endless rat-a-tat-tat of failure.

Every policy initiative, every action, has to run to a gauntlet of criticism that is often generated—and always amplified—by the press. In the searing glare of daily coverage, an official's every personal flaw, every act, every mistake, every slip of the tongue, every display of temper, is recorded, magnified, and ground into the public consciousness.

The protests of special-interest groups, the charges of publicity-hungry Congressmen, are rock-and-rolled through the halls of power. Controversy and conflict are sought out wherever they can be found, sapping energies and usually diverting attention from more urgent public business.

In this whirling centrifuge of criticism and controversy, authority is dissipated. Officials are undermined and demoralized. The capacity to govern, already drastically reduced by the fragmentation of power, is weakened further.

The media have, in short, made a considerable contribution to the disarray in government and therefore have an obligation to help set matters straight. Or at least to improve them. The corollary of increased power is increased responsibility. The press cannot stand apart, as if it were not an interested party, not to say participant, in the democratic process.

We should begin with an editorial philosophy that is more positive, more tolerant of the frailties of human institutions and their leaders, more sensitive to the rights and feelings of individuals—public officials as well as private citizens.

We should make peace with the government. No code of chivalry requires us to challenge every official action. Our assignment is to report and explain issues, not decide them. We are supposed to be the observers, not the participants—the neutral party, not the permanent political opposition. We should cure ourselves of our adversarial mindset.

For if we are always downbeat—if we exaggerate and dramatize the negatives in our society—we attack the optimism that has always been a wellspring of American progress. We undermine public confidence and, without intending it, become a cause rather than just a reporter of national decline.

We should also develop a more sensitive value system to be sure we do not needlessly hurt public figures while exaggerating the public's right to know. Rights do not have to be exercised just because they exist or because there is a story to be told. The claim of editorial duty should not be an excuse for titillation.

Editors also need to be ruthless in ferreting out the subtle biases—cultural, visceral, and ideological—that still slip into copy, into political stories, mostly, but also into the coverage of emotional issues like nuclear power and abortion. Lingering traces of advocacy are less obvious than Janet Cooke's fiction but, for that reason, are more worrisome. Editors—myself included—have simply not exercised enough control over subeditors and reporters reared in the age of the new journalism.

PAPERS SHOULDN'T BE LIKE TV

We should be more resistant than ever to media hype—the pseudo-event, the phony charges, the staged protest, the packaged candidate, the prime-time announcement and televised interview. Indeed, we should expose these as vigorously as we expose official corruption. For it is our job to cut through the superficial to identify the substantive—to explain and clarify the news, as most newspapers already do, in a reasoned way that television cannot. Although we should be interesting, we should not try to be an entertainment like television because this would be both futile and out of keeping with our special purpose.

Another issue is accountability. A brooding Ray Price, formerly of the New York Herald Tribune and the White House, complained that the press had acquired power "out of all proportion" to its ability or inclination to use it responsibly.

All sorts of remedies have been proposed, from ombudsmen to news councils, even antitrust legislation. Such machinery is probably unnecessary. But our best defense against opponents, our best bet for strengthening credibility, is an openness of mind that encourages both self-examination and outside criticism.

With this pyschic base, we can expect editors to respond more constructively to complaints, reporters to be more accepting of direction and correction. We can expect a more aggressive pursuit of fairness and a willingness to provide a more effective right of reply than letters to the editor or an occasional op-ed piece.

In the final analysis, what we need most of all in our profession is a generous spirit, infused with human warmth, as ready to see good as to suspect wrong, to find hope as well as cynicism, to have a clear but uncrabbed view of the world. We need to seek conciliation, not just conflict, so that society has a chance to solve its problems. So that we as a nation can find again the common trust and unity that we need to overcome the great challenges we face in the 1980s.

[From the Buffalo News, May 18, 1982]

Press Plays Vital Role as Adversary

(By Murray B. Light)

The annual convention of the American Society of Newspaper Editors featured two sessions with discussions on adversarial relationships.

Michael O'Neill, president of the society and editor of the embattled New York Daily News, addressed that issue and immediately stirred controversy among the more than 400 editors attending the Chicago meeting.

O'Neill, a highly respected editor among his peers, said it was time for newspapers to end or at least greatly modify their adversarial relationship with government. Pinch-hitting for David Gergen, assistant to President Reagan for communications, O'Neill sounded a theme many of us felt was one we could have expected from Gergen.

As a matter of fact, Gergen, in a belated convention appearance, quickly hailed O'Neill's speech and embraced its fundamental thesis.

We would agree with O'Neill that excesses in the press are inexcusable. Constant bickering with government is non-productive. Unfair reporting of the political process and the people involved in that process generally undermines the credibility of the press.

But the press must maintain its fundamental adversarial relationship with government, constantly being on the lookout for excesses, derelictions, usurping of power. It is a historic role for the press in this country and if surrendered could do nothing but harm to the republic.

The second arena for a discussion of the adversarial issue was a panel featuring Douglas Fraser, president of the United Auto Workers, and Donald Petersen, president of Ford Motor Co.

The two leaders, representatives of groups traditionally poised in an adversarial relationship, were so comfortable with each other, so in accord in their thinking, it was amazing.

Fraser admitted the historic labor agreement reached between Ford and UAW in February was primarily the result of adversity in the industry. Without 250,000 UAW workers in the industry.

But, he added, the traditional relationship between the UAW and Ford probably never will reach the red-hot pitch it has so many times in the past. The profit-sharing feature of the 1982 agreement "will minimize the possibility of conflict in the future," he said.

Petersen echoed the union leader's thoughts, stressing that the keystone of the agreement is co-operation and mutual trust.

The Ford president talked about a recent visit he had made to the Woodlawn stamping plant here, praising its productivity. He read a letter from a die-maker at the plant and noted that the employee wrote it was the first time in his 28 years with Ford that he felt the labor-management climate was such that he would dare to write a letter to the company president.

While we can welcome the advent of an age of mutual cooperation and respect between labor and management in the automotive field, we must be skeptical about a newspaper editor's plea for blurring the traditional relationship between the government and the press.

Nobody would really want a sweetheart relationship between labor and management. And, as Doug Fraser said, when the economic pie looks bigger and more appealing, the UAW will seek and expect a bigger share of that pie. He believes, however, that it can be achieved without the strife of the past. We agree with his thesis.

We are most fearful that government officials will look upon O'Neill's speech as heralding the beginning of a new age, and when it doesn't arrive the harangues about the press will become greater than they were during the days of President Nixon. That is the danger of the O'Neill address; it can and will be misinterpreted.●

"ENTERPRISE ZONE" INCENTIVE CREATES 2,000 NEW JOBS

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, May 21, 1982

● Mr. KEMP. Mr. Speaker, back in 1978, Consolidated Edison came up with a novel idea for protecting New York City's utility base while creating new jobs in some of the city's most depressed neighborhoods.

Their problem was simple. Less than half of Con Edison's electrical distribution capacity was being used in communities like the South Bronx and Bedford-Stuyvesant. They could not just abandon those lines, but they needed more customers to operate them profitably.

What Con Ed did—with the permission of the Public Service Commission and the encouragement of the city—was lower the utility rates on businesses that agreed to expand or locate in these economically distressed neighborhoods.

Now, just a year after this incentive was created, there are 531 companies taking advantage of this program, and almost as many waiting to have their applications processed. Con Ed officials estimate that the program has created almost 2,000 new jobs, and will generate many more in the next years. What is more, for the first time in years the utility load is up, with bigger increases expected in the future.

The "Enterprise Zone Tax Act" encourages and rewards this kind of innovative program by giving preference to enterprise zone applications which include State and local incentives that would complement Federal tax incentives. What is more, the success of Con Ed's program shows that businesses are in fact willing to consider setting up in the inner city and creating new jobs—if they have sufficient incentive.

I am attaching a New York Times article on Con Ed's program for my colleagues' information.

[From the New York Times, Apr. 4, 1982]

Con Ed's Discounts Help Generate New Jobs

(By Frank J. Prial)

A supermarket in the South Bronx paid a $4,365 electric bill last month. It might have paid $5,573, had it not been for a rate reduction of almost 22 percent from Consolidated Edison. A small doll factory in Brooklyn paid $174 instead of the $218 it would normally have been billed, and a Bronx plastics manufacturer whose February electricity bill was supposed to be $48,759 paid $38,913.

All three businesses are beneficiaries of a year-old Con Edison program that offers reduced rates to commercial and industrial companies that agree to expand or relocate in economically depressed parts of the city.

The program, known as the Area Discount Rate, was introduced hesitantly a year ago. Four months later, only 12 applicants had applied. Then the idea caught on. Now there are 531 companies taking advantage of Con Edison's offer and almost as many waiting to have their applications processed. They range in size from a butcher shop in Brooklyn with two employees to a plastics factory in the Bronx with just under 500 employees.

"We have a list of firms who want to move into these depressed areas to take advantage of the program," said Robert B. Stevens, a Con Edison assistant vice president for customer services.

"We have utilities all over the country inquiring about setting up similar programs of their own," he said.

The Con Edison program works in conjunction with various longstanding city programs to aid industry in the city. "Con Edison is actually complementing our programs," said Robert Kandell, the city's Economic Development Commissioner. "We would like Con Edison to extend its area-development rate zones as widely as possible."

The reduced rates—Con Edison will not call them discounts for fear the city will charge sales taxes on the original rates—apply to most of the South Bronx and parts of the Bedford-Stuyvesant, Brownsville, Coney Island, East New York, Red Hook and Williamsburg sections in Brooklyn.

The actual monthly rate reduction can vary from 15 percent to almost 30 percent, depending on use. To qualify, a customer has to use 25 percent more than he had normally been using for at least three months. He also has to be able to show that the increased electricity is being used for a new or expanding business.

At the start of the program, less than half of Con Edison's distribution capacity in each of the depressed areas was being used—which is not that much out of line with the overall distribution picture for the utility. Con Edison's sales of electricity have fallen 21 percent, from 34.7 billion kilowatt/hours in 1973 to 27.2 billion in 1981. Systemwide, the company is using only about 50 percent of its entire generating capacity, mostly because of cheaper power obtained from other sources.

Edward Glister, who works on the area development program for Con Edison, said electricity usage had picked up slightly since the program began. He said the load for all seven areas was up very slightly—less than 1 percent. "We expect the bigger increases to come in later years," he said, "when some of the bigger companies involved get their new programs fully operative."

So far as Con Edison officials can determine, the program has produced almost 2,000 new jobs. "When we hook up a new customer for the reduced rate," a spokesman said, "we ask him how many people he employs now or is about to. We don't check back." Optimistic Con Edison officials predict that the program could create as many as 50,000 new jobs.

The discounts apply for five years. After that, they are phased out over another five years. Presumably, by that time, consumption in the area will be up and the new businesses will be economically sound.

Con Edison first proposed the reduced rates for qualified customers anywhere in its system in 1978. But the Public Service Commission rejected the idea as discriminatory. The current program has the commission's blessing, Mr. Stevens said, because it concentrates on areas where facilities are serious underused.●

PULASKI CITIZEN'S CLUB CELEBRATES 65TH ANNIVERSARY

HON. BERNARD J. DWYER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, May 21, 1982

● Mr. DWYER. Mr. Speaker, a very special occasion was marked recently in the city of Perth Amboy: the 65th anniversary of the Pulaski Citizen's Club, Inc.

Founded in 1917, the group was chartered to help immigrants from Poland and other parts of Europe to obtain their citizenship papers.

Over the years the Pulaski Citizen's Club has evolved into a social and political organization as well. Its contributions to the city's cultural, civic, and social life are vast, and theirs is a presence those of us in the area welcome and respect.

Women have been a traditionally strong component in the activities of the Pulaski Citizen's Club; the group is now chaired by Mrs. Helen Wagner who presented an award to the group's oldest charter member, John Tucholski, during the recent 65th anniversary celebration.

We all owe a debt of gratitude to this association for its many years of devotion, interest, and humanitarian work in the development of Perth Amboy, Middlesex County, and the State of New Jersey.●

TAX INCREASES WORSEN DEFICITS

HON. JACK FIELDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, May 21, 1982

● Mr. FIELDS. Mr. Speaker, Mr. Speaker, over the past few weeks we have heard great concern over the need to calm credit markets and show resolve to business in order to lower interest rates and increase investment. Unfortunately, much of the concern has been focused on the unified budget deficit rather than on the total level of Federal spending and credit activity.

Oppenheimer & Co. recently polled chief investment officers and chief executive offices of major financial institutions on their feeling toward the budget. The overwhelming response was, "The deficit is a red herring; the real problem is Government spending as a percent of GNP." Moody's came out with similar result, indicating that tax increases would be counterproductive.

Yesterday, I received yet more evidence of the real concerns of the business and financial economy, this time from the heart of the business community, the U.S. Chamber of Commerce. Writing in Economic Outlook, Chief Economist Richard Rahn reports the results of chamber analysis of the budget proposals now before the Congress. This analysis indicates that budgets including higher taxes will result in higher deficits than budgets with lower taxes.

Responding to these results, the chamber's tax committee voted overwhelmingly, 30 to 2, against any tax increases.

What more evidence do we need that tax increases are the wrong policy, regardless of the unified budget deficit. Efforts should be redoubled on spending reductions but taxes should be left alone.

I wish that the text of Dr. Rahn's remarks be included in the Record.

Again, the Crossroads

(By Richard W. Rahn)

Economic science is not sufficiently developed to tell the future with certainty. But economic history unequivocably demonstrates that major tax increases slow the rate of economic growth and in turn, increase the demand for government services. Economic history also reveals that deficits tend to grow during periods of economic stagnation, while they tend to decline during periods of rapid economic growth.

In contrast to the frequent reports in the press, the current struggle over the federal budget is not one about who wants the biggest or smallest budget deficit, but is in actuality a conflict about the appropriate size of the federal government in our nation's economy. Members of Congress can be divided into two distinct camps regarding the appropriate level of government. The first are those who support the House Budget Committee version of the budget which essentially calls for a substantial increase in taxes, in effect repealing the third year of the Reagan tax cuts and increasing marginal tax rates. The bulk of the House Budget Committee's supporters are those who philosophically prefer bigger government rather than smaller government. Secondly, there is the camp who would like to see moderate increases or no increases in taxes and a reduction in the growth of federal government spending.

In order to forecast the future course of the economy over the next two years, one needs to make assumptions about the likely course of economic policy. There now appear to be three different fiscal policy possibilities. The first is the House Budget Committee Resolution which would increase taxes and, most importantly by increasing marginal tax rates, by about $82 billion in fiscal years 1983 and 1984. This is supported by the advocates of bigger government. The second scenario is the Senate Budget Committee proposal to increase federal taxes by about $55 billion over the next two fiscal years. The final alternative is one where Congress does not increase taxes at all during the next two fiscal years, but does manage to cut the growth rates in federal spending by about the same level as under the Senate Budget Committee. The U.S. Chamber Forecast Center simulated three alternatives and found that the no tax or low tax scenarios resulted in much higher real economic growth and lower deficits than the high tax scenario. (Please see following analysis).

The fact that economic growth turns out to be far lower and the resulting budget deficits much higher under the plan which calls for the biggest tax increases will come as no surprise to any student of economic history. Unfortunately, one of the major reasons why so many Members of Congress seem bent on following a course that leads to economic stagnation is they are basing their decision on erroneous data. The baseline budget deficit forecast agreed to by the Office of Management and Budget and the Congressional Budget Office contains a number of figures that have very little resemblance to reality. For instance, the baseline deficit forecast for 1982 shows a deficit of $119 billion. Experts outside of the government, as well as some within the Administration now believe that the most likely deficit for fiscal year 1982 is $95 billion. The baseline deficits assume that $40 billion would be needed to make Social Security solvent over the next three years. Yet the Trustees' Report and the opinion of many other experts indicate Social Security will need no more than another $22 billion over the next three years. In addition, the baseline forecast assumes that the cost-of-living adjustment for social security would increase by 8.1 percent beginning July 1, 1982, where the actual figure will only be 7.4 percent. These are just a few of the many examples indicating that the baseline budget deficit forecast number is very unrealistic and greatly padded. As a result, Congress begins working from a false premise.

In part because of the false premise, a series of excessive tax increase proposals have been made. All of these tax increase proposals disregard the decline in economic growth that they will induce. As a result one does not have to precisely agree with the Chamber Forecast Center scenarios to conclude that some proposals now emanating from the Congress are not economically realistic and may, in effect, create the economic misery that those who advocate them want to alleviate.●

WORLD TRADE WEEK

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1982

● Mr. CONTE. Mr. Speaker, I am pleased that the President has declared this to be World Trade Week. It gives us all an opportunity to reexamine the importance international trade has in our lives and in the strength of our economy.

We have heard for too long that U.S. productivity and product quality is low and that we cannot compete with our major foreign competitors. I am convinced that where there is the will and determination, our industry and agriculture can succeed admirably anywhere in the world.

The theme of World Trade Week is "Exports Mean Jobs." This is the message which will be emphasized in numerous observances this week throughout the country. As we wrestle with our continuing trade deficits, we must redouble our efforts to expand our exports in manufactured and agricultural products. This effort will require the cooperation of business, labor, academia, civic groups, and Government at local, State and Federal levels. By acting together, all Americans can benefit.

Government's role should be to provide the framework in which American products have equal access to international markets and to provide the financial support through the Export-Import Bank. Eximbank activities in 1980 directly supported 724,000 jobs in the United States. Over 2,600 businesses used Eximbank programs directly in 1981 and 13 percent of the total dollar amount went to small businesses.

I hope our focus on exports this week will renew America's commitment to trade and make exports a year-round activity of all Americans.●

BETTER THE COURT THAN THE BATTLEFIELD

HON. STEPHEN L. NEAL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 21, 1982

● Mr. NEAL. Mr. Speaker, we are witnessing today in the Falkland Islands what may be the beginning of a major war, the ultimate consequences of which cannot yet be perceived.

All diplomatic efforts have failed to achieve a peaceful settlement of the territorial claims of Argentina and Great Britain. Argentine troops hold the islands. The British fleet stands offshore, ready to launch an airborne and amphibious assault. Indeed, British raiding parties already have gone ashore to probe Argentine defenses. The Argentine Air Force, well-equipped and 100 fighters strong, waits only for the British fleet to maneuver within its range. A massive bloodletting clearly is in the making.

Mr. Speaker, too many people already have died in this dispute—today, 21 persons aboard a British helicopter; earlier, several hundred crewmen aboard an Argentine cruiser and a British destroyer. Who knows how many more lives hang in the balance? Who knows, once these forces clash head-on, how long the war will last, or how far it will spread. Major wars, involving many nations have begun less conspiciously.

There is still time, in my opinion, to avert catastrophe in the Falklands. There is a way, I believe, to settle the territorial claims peacefully.

Soon after this crisis became volatile, I urged the President of the United States to seek a legal settlement of the dispute. I asked him to use his good offices to persuade both Argentina and Great Britain to submit

the matter of sovereignty to the International Court of Justice at The Hague, with the agreement that both sides would abide by the Court's decision.

Today's edition of the Washington Post includes an op-ed article by Lloyd N. Cutler, who served as counsel to President Jimmy Carter. Mr. Cutler's comments on the Falkland situation offer an excellent explanation of how the International Court of Justice might operate in this situation. The article follows:

Not Too Late To Go to Court

(By Lloyd N. Cutler)

In a civilized society, when two individuals or institutions cannot agree about who owns a piece of property, one takes the other to court. Both must accept the court's jurisdiction, and both must abide by its judgment. This is what Britain and Argentina would have to do, even if they were already locked in armed combat.

The society of sovereign nations is not fully civilized, but it has created a court with the capacity to resolve territorial disputes. Every nation that signed the United Nations Charter also signed on to the Statute of the International Court of Justice. Under this statute, the court's jurisdiction extends to all cases that the parties may refer to it. Some U.N. members, including the United Kingdom but unfortunately not Argentina, have agreed to accept the court's compulsory jurisdiction in all cases involving questions of international law or of any fact which, if established, would constitute a breach of an international obligation. U.N. members states are bound to obey the court's decisions. If they do not, the Security Council may take enforcement measures such as economic or military sanctions.

The Falklands-Malvinas issues are ideally suited for judicial resolution. They involve factual and legal claims about sovereignty over people and property of the type that international judicial tribunals have been resolving for centuries. These claims have existed for more than 100 years, and they have been under active negotiation since 1967. They do not involve the truly vital national interests of either party—the people and property in dispute are marginal to the central economic, political and security concerns of both claimants. Perhaps neither side can "afford" to give in to the claims made or the force applied by the other, but any civilized nation can honorably "afford" to submit such issues to a neutral judicial tribunal and to abide by the result.

Modern history is full of judicial settlements of conflicting territorial claims, especially in the new lands of the Western Hemisphere. Neutral arbitration panels have resolved disputes between Venezuela and Britain over the boundary with Guyana, between the United States and British Canada over the Alaskan Panhandle, between Argentina and Paraguay over the Verde-Pilcomayo region, between Colombia and Venezuela over their border, and between Argentina and Chile over the Beagle Channel Islands.

In no case but the last—where Argentina kicked over the traces—has either side refused to accept the decision of the tribunal. Even in the Beagle case, Argentina has joined in resubmitting the issues to a pending "mediation" by the pope, and has not tried to occupy the disputed islands by force.

In the light of this history, it seems puzzling that neither of the parties, nor the United States nor the United Nations, has publicly proposed that if negotiations fail, the Falklands-Malvinas issues, or at least some of them be submitted to the International Court of Justice. It is especially puzzling that the U.N. Security Council has not done so, since Article 36 of the Charter requires the council, in framing its recommendations, to consider that "legal disputes should as a general rule be referred by the parties" to the court.

Perhaps Argentina or Britain would initially refuse—perhaps one or the other has already done so in response to a non-public proposal—just as Argentina refused a British submission to the court of the sovereignty issues as to South Georgia and Antarctica (but not the Falklands themselves) in 1955. But even so, the proposal should be publicly made—at least by the United Nations with the support of the United States—and the refusing state should be put to the burden of explaining why the claims it asserts to be so strong are not strong enough to submit to the judgment of a neutral judicial tribunal.

In the search for a solution of the Falklands-Malvinas dispute, a method of judicial resolution has been the missing ingredient. Both sides appear agreeable to withdrawing their forces, accepting a neutral interim administration and negotiating a final solution. The main hangup is Argentina's concern that the negotiations will stalemate again, and that has been its reason for stating that its claim of sovereignty is not negotiable. Britain cannot accept this position under the duress of the current Argentine invasion. The reasonable and honorable compromise is to assure Argentina against stalemate in a better way, by an agreement that if the negotiations do not produce a mutually acceptable solution of all issues within a specified time, either side may submit the unresolved issues to the International Court. As the court proved in the case filed by the United States over Iran's refusal to return our hostages, it can act promptly when the need arises.

Whatever else may divide them, the principle of judicial resolution is a banner under which all honorable and civilized nations can stand.●

BILL TO STOP ABUSE UNDER MULTIPLE EMPLOYER HEALTH CARE TRUSTS

HON. JOHN N. ERLENBORN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, May 21, 1982

● Mr. ERLENBORN. Mr. Speaker, the chairman of the Subcommittee on Labor-Management Relations, Phillip Burton, and I are today introducing legislation to put a stop to what the attorney general in my State, Illinois, has characterized as an increasing problem having the potential to become the "most sophisticated and profitable white-collar crime in America." In a growing number of States across the Nation, operators of bogus "insurance" trusts are bleeding the trusts of funds and claiming bankruptcy, thus leaving thousands of people holding the bag for millions of dollars in unpaid hospital and medical bills. The ensuing tragedies of the victims, personal bankruptcies, and damaged personal credit ratings, serve as notice to this Congress that there is an urgent need to enact the proposed legislation this year.

On March 5, the subcommittee held hearings in Chicago, Ill., to investigate the problems caused by these so-called multiple employer health trusts—or MET's. Our proposed legislative solution is an outgrowth of the consensus which emerged at the hearing among the interested parties—State and Federal regulators, the insurance industry, the actuarial profession, and legitimate health plan sponsors.

Generally, the abuses connected with MET's can be and, in some cases, have been dealt with under appropriate State laws. Unfortunately, the MET operators have been successful in thwarting timely investigations and other enforcement activities of State agencies by asserting that such entities are ERISA "plans" for which all State regulation is preempted pursuant to section 514 of the Employee Retirement Income Security Act of 1974 (ERISA). In all too many cases, the result has been that State remedial actions have come too late to head off insolvency and benefit losses stemming from the mismanagement and misdeeds of the MET operators. This has proved to be the general rule in spite of the steps taken by the Department of Labor to clarify the jurisdictional role of the States in regulating MET's. In fact the ERISA Administrator in the Department of Labor has testifed that in virtually all of the cases in which the Department has issued an opinion as to the coverage of a MET entity under ERISA, the entity in question has been found not to qualify as an employee welfare benefit plan with respect to which the ERISA preemption provision applies. The proposed legislation closes off all avenues of opportunity that might currently exist for MET operators to avoid such regulation at the Federal and State level, as may be applicable in each particular circumstance.

EXPLANATION OF MULTIPLE EMPLOYER WELFARE ARRANGEMENT ACT OF 1982

OVERVIEW

The bill defines the term "multiple employer welfare arrangement" to include all forms of what have come to be known in the insurance trade as multiple employer trusts or MET's. These arrangements may provide benefits—typically hospital and medical benefits—on a fully-insured basis or on a basis that does not involve the full guarantee of benefit payments by a licensed insurance company. Some of the arrangements may meet the definition of "employee welfare benefit plan" under ERISA, and, thus, are currently regulated at the Federal level as ERISA plans; others do not meet the ERISA plan definition, and, thus, are subject to whatever existing regulation may apply to such entities at the State level. Under the bill's amendment to ERISA's preemption provisions, the scope of State regulation is clarified with respect to all such arrangements whether or not they are fully insured or meet the ERISA definition of "plan."

The bill reaffirms the original intent of Congress in enacting the Employee Retirement Income Security Act of 1974 (ERISA) that if a multiple employer welfare arrangement does not meet the definition of an employee welfare benefit plan under the act, then such an entity is not exempted—under the preemption provisions set forth in section 514 of ERISA—from the application of State insurance and other laws regulating such entities. With respect to arrangements which meet the definition of ERISA plans, the bill specifically permits State regulation in varying degrees depending on the type of arrangement and whether or not the arrangement is certified by the Department of Labor as an ERISA covered welfare benefit plan. Thus, the bill removes any potential obstacle that might exist under current law which could hinder the ability of the States to regulate multiple employer welfare arrangements to assure the financial soundness and timely payment of benefits under such arrangements.

DEFINITION

Section 2 of the bill adds a new paragraph (40) to section 3 of ERISA which defines the term "multiple employer welfare arrangement." This term includes employee welfare benefit plans now covered under ERISA as well as other arrangements (so-called MET's) which are not covered under ERISA as plan entities. Any such arrangement which is established or maintained under or pursuant to one or more collective bargaining agreements is excluded from the scope of the term. Also excluded are plans or other arrangements maintained by a single employer. "Single employer" is defined to include two or more trades or businesses within the same control group.

The provisions of the bill which follow are consistent with the original intent of Congress in excluding those multiple employer welfare arrangements which do not meet the "employee welfare benefit plan" definition from the scope of the coverage and preemption provisions of ERISA. In this regard, the position of the Committee on Education and Labor was clearly stated in the Activity Report of the Pension Task Force (94th Congress, 2d Session, 1977):

> It has come to our attention, through the good offices of the National Association of State Insurance Commissioners, that certain entrepreneurs have undertaken to market insurance products to employers and employees at large, claiming these products to be ERISA covered plans. For instance, persons whose primary interest is in the profiting from the provision of administrative services are establishing insurance companies and related enterprises. The entrepreneur will then argue that his enterprise is an ERISA benefit plan which is protected under ERISA's preemption provision from state regulation.
>
> We are concerned with this type of development, but on the basis of the facts provided us, we are of the opinion that these programs are not "employee benefit plans" as defined in Section 3(3). As described to us, these plans are established and maintained by entrepreneurs for the purpose of marketing insurance products or services to others. They are not established or maintained by the appropriate parties to confer ERISA jurisdiction, nor is the purpose for their establishment or maintenance appropriate to meet the jurisdictional prerequisites of the Act. They are no more ERISA plans than is any other insurance policy sold to an employee benefit plan.

LIMITATION ON PREEMPTION OF STATE LAW

Section 4 of the bill amends ERISA Section 514 to make clear the extent to which State law is preempted with respect to employee welfare benefit plans which also meet the new multiple employer welfare arrangement definition.

Multiple employer welfare arrangements that do not meet the ERISA welfare plan definition are unconditionally subject to the State law. Such arrangements (i.e. MET's) are not regulated as plan entities under ERISA. This policy was reinforced in Wayne Chemical, Inc. against Columbus Agency Service Corp. in which the Court of Appeals for the Seventh Circuit stated:

> Congress would have had no reason to exempt from state regulation insurance programs that are established and maintained by entrepreneurs for their own profits.

With respect to multiple employer welfare arrangements which do meet the definition of welfare plan, the bill amends the ERISA preemption provision to permit limited State regulation of such plans while retaining the full scope of the Federal regulation which is presently applicable. The amendment to the preemption provision is necessary since State regulation is fully preempted under present law.

The bill identifies two different categories of plan arrangements which may be subject to State regulation. In the first category are welfare plans which first, are either fully insured or second, are not fully insured but have obtained a certification from the Department of Labor that they meet the ERISA "employee welfare benefit plan" definition. States may regulate such plans under their insurance or other laws, but such regulation is restricted to standards requiring the maintenance of contribution and reserve levels considered necessary for such plans to pay promised benefits in full when due.

In the second category are all other welfare plans which first, meet the definition of multiple employer welfare arrangement, second, are not fully insured, and third, have not obtained the above mentioned certification from the Department of Labor. These plans are subject to ERISA and whatever State law may apply to them (except to the extent that the State law may be inconsistent with the Federal law under title I of ERISA).

Another provision in the bill (new ERISA section 514(b)(4)(B)) clarifies present law and deals with a question which has arisen as to whether ERISA applies to any aspect of a multiple employer welfare arrangement which does not meet the ERISA welfare plan definition (hereafter referred to as a MET).

Since employers frequently subscribe to these MET arrangements to provide employees with welfare benefits, there is a strong presumption that ERISA applies. The Department of Labor, which has taken the position that the MET itself does not constitute a single umbrella-like employee benefit plan, has consistently maintained that each employer or union which subscribes to the MET has established its own employee benefit plan. Under this analysis, the MET is not a single large plan, but rather a funding vehicle for a number of small individual employee benefit plans.

This analysis does not jeopardize the application of State law to the MET because it is clear even under present law that State law may apply to funding vehicles for plans; for example, State insurance laws obviously apply to licensed insurance companies which underwrite benefits in a number of individual employer or union established employee benefit plans. It also fills a gap in State law by subjecting the operators of the MET to the reporting, disclosure, and fiduciary standards of ERISA to the extent they are administrators and fiduciaries to these subscribing welfare plans.

The Department of Labor's analysis is entirely consistent with the congressional intent under ERISA. Nevertheless, the Court of Appeals for the Fifth Circuit, in *Taggart Corp.* v. *Life & Health Benefits Administration*, 617 F.2d 1208 (5th Cir. 1980), has held that ERISA does not apply to the plans which subscribe to the MET. Even more disturbing is the reasoning of this decision which holds that employers which purchase insurance to underwrite benefits and/or which hire third parties to administer the plans do not establish welfare plans covered by ERISA. This reasoning is wholly inconsistent with the language of ERISA, its legislative history, the case law and the shared understanding of the employee benefit plan community. It is also a critical issue because it affects the jurisdictional scope of ERISA.

While there is every reason to believe that the courts will readily see the error of the Taggart decision (e.g., the Court of Appeals for the 11th Circuit has scheduled an en banc hearing to reconsider the Taggart decision), section 514 (b)(5)(B) makes it clear that welfare plans which subscribe to or use MET's as a funding vehicle are subject (as ERISA plans) to the applicable provisions of title I, including the preemption provisions (which preempt State law in connection with such plans).

VOLUNTARY CERTIFICATION CERTAIN PLANS

Section 3 of the bill adds a new section 5 to ERISA which allows multiple employer welfare arrangements which are not fully insured to apply to the Secretary of Labor for a certification that they meet the requirements under sections 3(1) and 4 necessary to be considered employee welfare benefit plans to which title I applies.

Legitimate ERISA plans which obtain certification will, as a result, be subject only to those standards of State law specified in section 514(b)(5)(A)(i). The Secretary of Labor would not have to consider any application for certification until 2 years after date of enactment. The Secretary need not issue a certification in any case in which the Secretary determines that denial of the request would be more protective of the rights of participants and beneficiaries.

In summary, the bill would allow added protections of State law to apply to multiple emloyer welfare arrangements by (1) clarifying that non-ERISA plan MET's are fully subject to State law, (2) allowing State law which does not conflict with ERISA to apply to nonfully insured, noncertified ERISA plan arrangements, and (3) allowing State financial solvency requirements to apply to fully insured, and certified ERISA plan arrangements.

A copy of the bill follows:

H.R. —

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Multiple Employer Welfare Arrangement Act of 1982".

DEFINITION OF MULTIPLE EMPLOYER WELFARE ARRANGEMENT

SEC. 2. Section 3 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002), relating to definitions, is amended by adding at the end thereof the following new paragraph:

"(40) The term 'multiple employer welfare arrangement' means an employee welfare benefit plan, or any other arrangement (other than an employee welfare benefit plan), which is established or maintained for the purpose of offering or providing any benefit described in paragraph (1) to the employees of two or more employers (including one or more self-employed individuals), or to their beneficiaries, except that such term does not include any such plan or other arrangement which is established or maintained under or pursuant to one or more agreements which the Secretary finds to be collective bargaining agreements. For purposes of this paragraph—

"(A) two or more trades or businesses, whether or not incorporated, shall be deemed a single employer if such trades or businesses are within the same control group,

"(B) the term 'control group' means a group of trades or businesses under common control, and

"(C) the determination of whether a trade or business is under 'common control' with another trade or business shall be determined under regulations of the Secretary applying principles similar to the principles applied in determining whether employees of two or more trades or businesses are treated as employed by a single employer under section 4001(b), except that, for purposes of this paragraph, common control shall not be based on an interest of less than 25 percent.".

CERTIFICATION OF MULTIPLE EMPLOYER WELFARE ARRANGEMENTS FOR PURPOSES OF PREEMPTION

SEC. 3. (a) Title I of the Employee Retirement Income Security Act of 1974 is amended by inserting after section 4 the following new section:

"CERTIFICATION OF MULTIPLE EMPLOYER WELFARE ARRANGEMENTS FOR PURPOSES OF PREEMPTION

"SEC. 5. (a)(1) Upon a request for certification under this section made by a multiple employer welfare arrangement which is not fully insured, the Secretary shall determine, pursuant to regulations which the Secretary shall prescribe, whether such arrangement meets the requirements under section 3(1) and section 4 necessary to be considered an employee welfare benefit plan to which this title applies.

"(2) For purposes of paragraph (1), a multiple employer welfare arrangement shall be considered fully insured only if the terms of the arrangement provide for benefits the amount of all of which the Secretary determines are guaranteed under a contract, or policy of insurance, issued by an insurance company, insurance service, or insurance organization, qualified to conduct business in a State.

"(3) The Secretary shall notify the multiple employer welfare arrangement of the determination under paragraph (1) and, if the Secretary determines that the arrangement meets the requirements described in paragraph (1), issue a certificate of such determination to such arrangement. The Secretary may terminate any such certification upon any subsequent determination by him, pursuant to such regulations, that the plan no longer meets such requirements. Such regulations shall include procedures for initial and continued certification under this section.

"(b) Notwithstanding subsection (a), the Secretary may deny a request for certification of a multiple employer welfare arrangement under this section, without regard to whether the arrangement meets the requirements referred to in subsection (a)(1), if the Secretary determines that denial of the request would be more protective of the rights of participants and beneficiaries under the arrangement.

"(c)(1) Section 554 of title 5, United States Code, shall not apply to any determination under this section.

"(2) The determination of whether or not to make a certification under this section, and the time by which notice of any such determination is provided, shall be solely the judgment of the Secretary and shall not be subject to judicial review except to the extent that the Secretary's actions may be arbitrary or capricious.".

(b) The table of contents in section 1 of such Act is amended by inserting after the item relating to section 4 the following new item:

"SEC. 5. Certification of multiple employer welfare arrangements for purposes of preemption.".

LIMITATION ON PREEMPTION OF STATE LAW WITH REGARD TO WELFARE PLANS WHICH ARE MULTIPLE EMPLOYER WELFARE ARRANGEMENTS

SEC. 4. (a) Subsection (b) of section 514 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1144), relating to effect on other laws, is amended by adding at the end thereof the following new paragraph:

"(5)(A) Notwithstanding any other provision of this section—

"(i) in the case of an employee welfare benefit plan which is a multiple employer welfare arrangement and which is either fully insured within the meaning of subsection (a)(2) of section 5 or under a certification in effect under section 5, State law shall apply to such arrangement to the extent that such State law provides—

"(I) standards, requiring the maintenance of specified levels of reserves and specified levels of contributions, which any such plan, or any trust established under such a plan, must meet in order to be considered and under such law able to pay benefits in full when due, and

"(II) provisions to enforce such standards, and

"(ii) in the case of any other employee welfare benefit plan which is a multiple employer welfare arrangement, in addition to this title, State law shall apply to the extent not inconsistent with the preceding sections of this title.

"(B) Nothing in subparagraph (A) shall affect the manner or extent to which the provisions of this title apply to an employee welfare benefit plan which is not a multiple employer welfare arrangement and which is a plan, fund, or program participating in, subscribing to, or otherwise using a multiple employer welfare arrangement to fund or administer benefits to such plan's participants and beneficiaries.".

EFFECTIVE DATE

SEC. 5. The amendments made by this Act shall take effect on the date of the enactment of this Act, except that the Secretary of Labor is not required to consider any application for certification under section 5 of the Employee Retirement Income Security Act of 1974 (as added by this Act) until two years after such date.●

CLOSE UP

HON. DANTE B. FASCELL

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 21, 1982

● Mr. FASCELL. Mr. Speaker, a recent article published in the Christian Science Monitor highlighted the experiences of several high school students during their visit to Washington, D.C., through the Close Up program, a nonprofit organization which gives thousands of students the opportunity to become more aware of and involved in the activities of our Government.

I have personally spoken to Close Up groups on many occasions and always find it rewarding and challenging. I have also had the opportunity to evaluate the benefit to the participants, both students and teachers. The interest, the enthusiasm, the commitment, and the participation which I sense coming from them carries over into their school and community activities. I am confident they are better citizens and Americans because they have learned so much about our Government, albeit in an extracurricular, short, concentrated program.

Close up is an extremely effective and worthwhile program, and deserves the continued support of Congress, the educational community, and the private sector.

I am sure our colleagues will be interested in the attached article.

The article follows:

STUDYING DEMOCRACY IN ACTION—AT THE CENTER OF THINGS

(By Robert Levin)

"I'm not into that [government] stuff—and that's why I came," explained Trent Himes, a sophomore at John Marshall High School in Portland, Ore., about his week in Washington, D.C., as part of the Close Up program. "I've gotten into some really good debates about abortion, nuclear power, and building up the military."

Close Up offers 14,000 high-schoolers from across the United States a week of congressional hearings, special meetings with their elected representatives, "business" lunches, and thought-jarring seminars.

"I was told," recalls Pat Baars, head of Marshall High's humanities department, "and I assumed before I came here, that this would appeal only to more 'able' students. I know now I was wrong. We have a range of students here; active involvement in what's going on draws in everyone. I have not heard one student say, 'This is boring.' "

The Close Up Foundation, a nonprofit operation based in Arlington, Va., has worked to debunk two myths while teaching about democracy: (1) Only specially gifted students can go beyond the nuts and bolts of civics; and (2) students and teachers have to learn in separate settings.

Young people are continually being told that they "are the hope and the future of this country—but nobody tells them how to deal with that fact," asserts Margery Kraus, Close Up vice-president and a former social studies teacher in northern Virginia.

Instead, she says, students arriving in Washington tend to feel that "government is so overwhelming, so impersonal. It is very hard for the students who come to understand how they fit in. They tend to think they don't count at all."

Such feelings of ineffectiveness are challenged by Close Up guest speakers such as Rep. Arlan I. Erdahl (R) of Minnesota, who led an hour-long session with 75 hearing-impaired students during a February workshop week. When asked, via a sign language interpreter, about declining federal support for television captioning, the congressman declared that television is "an avenue of information that you have just as much right to as anybody else."

The students learned quickly the lesson that a congressman's personal inquiry helps to focus attention on this and other issues. He promised, "I intend to find out what we [the legislative branch] can do."

At a luncheon filled with students from Houston, Texas, and Portland, Ore., led by congressmen from both areas, Rep. Bill Archer (R) of Texas explained, "Elections are won by very small changes in votes. Sometimes it isn't easy to find out whether you really like a particular [candidate] or not," but volunteering time and doing research are the best ways.

Representative Archer's views were not left unchallenged, however. One student rose to ask, "Do you feel that special-interest groups have drained your political freedom?"

And moments later the cohost, Rep. Ron Wyden (D) of Oregon, looking not much older than some of the students, arrived in time to argue with the Texan over offshore oil-drilling controls. Mr. Archer called Mr. Wyden's opposition to California-Oregon coastal drilling "provincial" and "unfair," since states like Texas are left to take the risks of environmental damage in the Gulf of Mexico area.

"I think Bill Archer and I would agree," Mr. Wyden replied, "that you need some kind of balance" between development and environmental protection in our energy policy. He pointed out to the students that this is "the kind of trade-off we have to make every day in the Congress."

Trade-offs. Provincial vs. national or international interests. Democrats vs. Republicans vs. independents. Do the students believe what they hear?

"I trust them," young Trent reported, "but I listen to see if I agree."

Fellow student David hesitated. "Gee . . . for the most part, I trust that they think they know what they're doing What they're doing I'm not always sure about. They're trying their best."

Says Close Up's Margery Kraus, "The week in Washington is what I call shock treatment. What they really learn is . . . it's not all true or all false. The reduction of issues on the evening news does not give you a chance to learn why there's so much disagreement and why democracy moves so slowly. . . . For a lot of students, that's a revolutionary concept."

Students who come are "certainly not uniform in their political attitudes," she adds. Thus, one of the main goals of the program is not only to review the nuts and bolts—how a bill becomes a law, seeing committees in action, studying connections among branches and levels of government—but to learn how to learn.

"The kids learn that how you ask a question is almost as important as what you ask," Ms. Kraus explained. "You ask . . . so as not to [allow] an easy yes-no answer, while still being polite."

She explains, "It's not abnormal for [students, who have arrived on Sunday] to ask on Tuesday, 'How do we know whom to believe?'

"That's a question we ask ourselves, too—all of us."

David Spencer elaborated: "A lot of [students] are still hanging back because they're afraid to ask a dumb question, to be embarrassed." However, Close Up provides several afternoon and evening small-group seminars with a dozen or so young participants and a group leader, often back at the hotel, which helps draw out shyer participants and answer questions raised during the day.

Meanwhile, about 2,000 teachers each year attend their own seminars on such topics as education, foreign policy, key domestic issues, and so forth. "Most of the teachers," Ms. Kraus explains, "want to be exposed to the resources of Washington and to be able to duplicate Close Up-like experiences for students at the state and local levels.

Close Up has its own textbook, "Perspectives," and a periodical, Current Issues, which help to stimulate discussion and provide curriculum material for teachers when they return to their home classrooms.

In operation since 1971, Close Up has recently expanded its offerings to include seminars over cable television, utilizing the Cable-Satellite Public Affairs Network to which many school systems subscribe.

Congress appropriates about 10 percent of the $11 million operating budget of Close Up, the only Washington program so honored. Students were charged a tuition of $448 this past year; one scholarship is provided to each participating school.

While Trent Himes turned to his family for tuition, schoolmate David Spencer, a senior, obtained $200 from a Portland law firm. Close Up's corporate donors tend to be oil and computer companies.●

LET'S HELP U.S. FIRMS COMPETE

HON. JAMES J. BLANCHARD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, May 21, 1982

● Mr. BLANCHARD. Mr. Speaker, the Export-Import Bank serves as a means for U.S. industries to compete with their foreign counterparts in selling their products or services abroad. But when it comes to obtaining contracts in the U.S. market, U.S. industries are clearly at a disadvantage. American private industry does not have the mechanism or the ability to compete effectively in the U.S. marketplace against companies with foreign government financing. There is no "Export-Import Bank" or other institution or statute to which they can turn to help offset the enormous financial advantages enjoyed by their foreign competitors. Because of this fact, on March 17, the New York City Metropolitan Transit Authority chose to award a $274.4 million subway car contract to Kawasaki Heavy Industries of Japan over the Budd Co., of Troy, Mich., the only railway passenger car manufacturer remaining in the United States.

For many years it has been common to read of U.S. firms losing out to foreign competition. But, in this instance a U.S. company had no chance whatsoever of winning. In fact, the major factor behind the Metropolitan Transit Authority's decision to choose Kawasaki was the attractive vendor financing this Japanese firm could offer. With assistance from the Export-Import Bank of Japan, Kawasaki included in its bid, terms for a loan to the New York Metropolitan Transit Authority of $126.6 million for a 5-year period at an effective interest cost of only 12.25 percent. These generous terms are in addition to the working capital financing that Kawasaki will be able to receive from its own government at an extraordinarily low interest rate of 8 percent. This irresistible financial package was far better than what The Budd Co., or any U.S. firm could have hoped to find at home.

This 325 subway car contract is the first part of an MTA plan to purchase a total of 1,150 subway cars. It will cost the city of New York somewhere between $1.3 and $1.4 billion and will be the biggest subway car order ever made in the United States and perhaps the world. But the cost to the United States as a whole is greater still. The Congressional Research Service estimates that for every $1,000 spent on foreign rather than domestic procurement, the United States loses $53 in corporate profits tax, $12 in taxes on unincorporated nonfarm business income, $161 of social security tax payments, $306 of personal income tax on wages, salaries, rent and interest, and $20 in State sales taxes. This amounts to a grand total of $552 lost in State and Federal taxes whenever $1,000 is spent for foreign as opposed to domestic procurement.

In fact, the Budd Co., of my district in Michigan had indicated to the MTA that it would have performed about 90 percent of the work in the United States had it been awarded the subway car contract. On the other hand, only 43 percent of Kawasaki's work will come from the United States. Using just this one difference, it can be determined that $129.1 million of U.S. content will be lost. Because of one contract, approximately $284 million of gross national product will have been sacrificed and $92.3 million of Federal tax revenue and $8.9 million in State and local tax revenue will have been lost.

It is unacceptable such an event should have been allowed to happen—that a city was forced to make a decision that will cause harm to the U.S. economy, and that any U.S. company should be undefended when faced with foreign competition which has been subsidized by its own government.

I hope my colleagues will join me in taking a closer look at this situation which has permitted a foreign government to reap a bonanza in employment and tax benefits while our own Government has stood by helpless in defending the interests of its own industries.

What is needed here, perhaps, is some mechanism within the Federal Government whereby our domestic industries can obtain financing comparable to that offered by foreign companies. Let us have the marketplace function on behalf of competitive pricing, but it seems grossly unfair to force U.S. private industry to compete for the same contracts with companies that are protected and actively assisted by foreign governments.●

FEDERAL EMPLOYEES MAKE A DIFFERENCE

HON. FRANK WOLF

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 21, 1982

● Mr. WOLF. Mr. Speaker, as we consider the budget for fiscal year 1983, I urge you to take time to also consider the men and women whose daily jobs fulfill the important and vital role of keeping the U.S. Government functioning and who work to save us millions of dollars as the following article from the St. Louis Post-Dispatch illustrates.

[From the St. Louis Post-Dispatch, Mar. 11, 1982]

THE "GOOD" BUREAUCRATS: THEY SAVE US MILLIONS

(By Harry F. Rosenthal)

WASHINGTON.—Everybody knows about bureaucrats. They are lazy, overpaid and indifferent to the public that pays them. They live in Washington and have no idea what's really important to the rest of the country. They are partners in the big three of What's Wrong With Government: Waste, Fraud and Abuse.

Politicians love them because they make such easy targets. Ronald Reagan as a candidate make campaign points by seizing on a nationwide dislike for bloated government. Reagan the president declared war:

"We are going to follow every lead, root out every incompetent and prosecute any crook we find who's cheating the people of this nation."

That shouldn't prove difficult in a government with a civilian payroll of 2.9 million. But along the way the investigators might stumble across some good guys, because among the lazy, the incompetent and the crooked, there also are the efficient, the dedicated and the conscientious.

C. Dale Forst got a job as laundry plant manager in a Veterans Administration hospital and his experienced eye told him things could be better. He eliminated a rinse-cycle, fiddled with different kinds and amounts of soap and bleach, turned down the water temperature and lo, the government saved $23,400 the first year.

Kenneth P. Boehne, working for the U.S. Railroad Retirement Board in Chicago, changed accounting practices. The result: $9.4 million in one-time savings and more than $7 million in increased investment income. Boehne has a habit of such things. Another time, while working for the General Accounting Office, he criticized the railroad board's investment practices. They were changed and investment income increased $550 million.

Such stories fall in the good new category and seldom make headlines. To encourage more enterprise on the part of his employees. Uncle Sam has an incentive awards program that pays off both in cash and honors. And there are other awards, not carrying money but prestige.

As in everything else affecting bureaucrats, there is widespread suspicion that the incentive awards themselves are riddled with waste, fraud and abuse; that bureaucrats rip off the government by nominating themselves or their friends.

While some of that may be true, Director Donald J. Devine of the U.S. Office of Personnel Management reported to President Reagan last June that "employee suggestions, inventions and performance contributions beyond job requirements resulted in benefits to the government in excess of $552 million during the preceding 12 months."

The federal government was suitably grateful. "For these contributions," Devine wrote the president, "employees received awards totaling just over $44 million, thus providing the government more than $12 for every $1 invested in awards."

The government has given such awards the last 25 years. It figures that four million employee contributions have saved taxpayers more than $6 billion while awards to government workers have totaled just over $490 million.

Devine's report showed that one in every 10 employees—251,963 in all—received incentive awards, cash or letters of commendation or pay increases normally granted for longevity. There were more than 1,800 presidential letters of commendation for cost-saving contributions to civilian and military personnel.

Presidential awards, however, did not always mean just an impressive signed certificate for the wall of the den. Forty-nine career federal managers—credited with saving the taxpayer $131 million—received the rank of Distinguished Executive and $20,000. Another 206 were named Meritorious Executive with cash awards of $10,000.

The ways that government employees make improvements are as varied as the government itself. Some are grandiose, saving millions; others are more modest but no less ingenious. And some just plain improve life.

Doctors Eric Blom of the Veterans Administration Medical Center and Mark Singer of the Methodist Hospital, both in Indianapolis, developed a simplified method for restoring patients' voices after their vocal cords were removed. The device, called a duckbill, saves a great deal money. But more than that, a recipient needs only to undergo surgery for a half-hour and receive 15 hours of outpatient training—half the time needed previously.

Two sergeants, Fred Warchol and Patric Peer, suggested a more efficient way of recovering silver from exposed X-rays. Recovery of the precious metal jumped from 30 percent to 98 percent.

Chemists Thomas K. Brown and William G. Gillespie collaborated on development of a water-wipable, currency-green ink that later was called, "a significant contribution to the successful production of the 1980 Christmas stamps." And then they developed another new ink that saves the Bureau of Printing and Engraving half-a-million dollars a year.

Frank J. Nola of NASA's George C. Marshall's Space Flight Center in Huntsville, Ala., produced a simple and inexpensive device that can cut power consumption by 30 to 60 percent on such things as typewriters, washers, refrigerators, fans and industrial sewing machines. NASA got the patent; the nation got the benefit. Estimates are that a reduction of a mere 4 percent of power used by electric motors could save the nation $1 billion a year.

For his work, Nola was the first recipient of the "Excalibur Award" for significant government achievement. The award was begun by Rep. Michael D. Barnes, a Maryland Democrat, to recognize federal emploees who work at solving the nation's problems and trying to save the taxpayers' money.

NASA says 200 companies have been licensed to produce the device, a power factor controller, and a number of firms are only now getting into producing them for heavy machinery such as tool and die equipment.

Another Excalibur winner was Carrol Roy of Iowa City, Iowa, who developed programs to benefit patients who rely on dialysis treatments for kidney disease. Her program enabled such patients to receive dialysis while on vacation and freed patients from other burdensome routine.

Judith Ann Albierz of Anchorage received an Arthur S. Flemming award for managing efforts of 65 people to transfer 13 million acres of land to Eskimo, Indian and Aleut corporations.

The Federal Aviation Administration praised a seven-member team for its work analyzing air traffic control procedures in areas controlled by the Boston, New York, and Washington centers. The result was a saving of four million gallons of fuel a year. The government gave the group $10,000 to be split equally.

Government good guys include the crew of a government boat that rescued a man who had fallen from another vessel in New York Harbor; 65 Federal Aviation Administration employees who helped relocate 61,000 Cuban refugees; a dozen Secret Service agents in the Los Angeles field office who, during a nine-month period, seized 15 counterfeit operations.

And finally, there is Lenny Skutnik, the $14,000-a-year errand boy for the Congressional Budget Office. His outstanding service had nothing to do with the government. It consisted of diving into the ice-choked Potomac River to rescue a woman floundering there after the recent crash of an Air Florida jetliner.

Skutnik sat in the Executive Gallery of the House of Representatives next to First Lady Nancy Reagan and heard the President, in his State of the Union speech, cite his heroics as the stuff and fiber of a real American.

For government employee Lenny Skutnik, the entire Congress of the United States, the Justices of the Supreme Court, the ambassadors of more than 100 countries and the President of the United States stood and applauded.●

HONORING HADASSAH

HON. MATTHEW J. RINALDO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1982

● Mr. RINALDO. Mr. Speaker, I take special pleasure in joining my colleagues in marking the 70th anniversary of the founding of Hadassah, the Women's Zionist Organization of America. This exemplary organization of volunteers was established on February 24, 1912, by Henrietta Szold, a native of Baltimore, for the purpose of mitigating the poverty and sickness in what was then Palestine. Today it has a membership of 370,000, making it the largest women's volunteer organization in the world, with representation in all 50 States, Puerto Rico and Israel.

Over the past seven decades, Hadassah has been in the forefront of promoting humanitarian causes. It has provided outstanding services in the field of health, education, child welfare, and housing, here and elsewhere in the world. Its dedicated members have helped thousands of Americans without regard to religion, race, or nationality.

I am sure that we all appreciate this dedication to improving life for all mankind, and endorse the noble goals of this fine organization. Earlier this year, I cosponsored a resolution commemorating the 70th anniversary of Hadassah, which was overwhelmingly approved by both the House and Senate.

It is my pleasure to pay tribute to the women of Hadassah, and to wish them continued success in the decades ahead.●

BUILDING AMERICA TOGETHER

HON. GENE CHAPPIE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 21, 1982

● Mr. CHAPPIE. Mr. Speaker, I include a copy of a winning speech from Todd M. Turner, a high school senior from Millville, Calif., who has won a regional award for his submission to the "Voice of Democracy Program" sponsored by the Veterans of Foreign Wars of the United States:

BUILDING AMERICA TOGETHER

(By Todd Turner)

A New England harpooner, calmly and carefully coiling his whale line in preparation for the chase. A New York shopkeeper, busily scooping out flour for a waiting customer. A Wisconsin school marm, textbook in hand, readying her students for the day's lesson. A tough, brawny, absolutely fearless miner, digging for silver in the Comstock Lode. It was men and women like these who, together, built the foundation for this country. People of diverse skills and talents from every corner of the land. And they were the backbone of our bustling young nation, contributing day in and day out, to America's spectacular growth and progress.

The building of a nation is no new thing in world history. Many were built long ago that are still around today. But many rose to colossal power and just as quickly, fell back into the dust from whence they came.

The building of America is a story of movement, of travel and transportation. It is a story of people spreading out across a vast unexplored continent and building a mighty nation of men and women who are not afraid of new places or strange surroundings.

The building of America is a story of communication, of town criers and newspapers. The Pony Express and the United States Mail, of radio, television and satellites. If the railroads bound the nation together with bands of steel, the telephone and telegraph bound the people together with copper wires.

The building of America is also a story of business, big business and small. It is the story of giant corporations and huge industries, of mail order houses and department stores, of supermarkets and chainstores with branches in a hundred cities and it is a story of the old-fashioned, small-town general store, where you could buy almost anything in the world you needed, or just sit around and chat with your friends.

Finally, the building of America is a story of traffic, of shiploads of immigrants crossing the sealanes to the new world, of long lines of prairie schooners trekking westward across the continent, of steamboats sporting up and down the Mississippi. Today, sleek automobiles streak endlessly across the broad highways that crisscross the nation, and in the skies above America the rumble of mighty airplane jets never ceases. In the cities, traffic clogs the streets so seriously that many shake their heads in despair. Horns blow, brakes squeal, and engines sputter, but traffic continues to move. The progress of America will also face obstacles and delays but it is my concern that we continue to go forward as we have throughout history.

What it all narrows down to, the building of America is a story of people. Before constructing a mighty nation, our ancestors had to fight for and win our independence. This success aroused a feeling of unity. This togetherness inspired the dedicated, hardworking men and women to build our cities, tend our farms, tame our wildernesses and shape our nation's proud heritage. and this unity is what makes America special.

Now, in the eighth decade of the twentieth century, the New England harpooner has been replaced by the Longshoreman, the school marm has given way to the trained specialist. The brawny miner's work has been made easier with heavy equipment and the shopkeeper may spend more time punching the keys on a computer than scooping flour. But the spirit of free enterprise still flourishes, and the common goals of freedom, love, peace, and prosperity still unite the people of this great land. These goals were not easily acquired, nor are they easily retained. It is up to you and me to see to it that the unity of this nation is a candle whose flame never flickers, dims, or weakens. Its light must be eternal. As long as there is an America, there must be a candle, and as long as there are Americans, there must be that light.●

A BILL TO SERVE THE PUBLIC INTEREST AND THE FANS OF PROFESSIONAL SPORTS TEAMS

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, May 21, 1982

● Mr. HYDE. Mr. Speaker, the bill which I am cosponsoring today with Congressman EDWARDS and Congressman STARK is not a bill directed at serving the interests of sports leagues. It is a bill directed at serving the public interest and the interests of the fans of professional sports teams regardless of where they are located.

If the antitrust laws can be interpreted to require sports leagues, over the objections of the league membership and under threat of treble-damage exposure, to permit their best supported and most financially successful teams to abandon their assigned communities and their most supportive fans, then there is something wrong with the antitrust laws.

If the antitrust laws require that sports leagues permit their franchises to put themselves up for national public auction whenever their local leases expire, then what happened to the public interest and the fan interests and community interests which Congress has so often urged upon sports leagues?

If horizontal business competitor antitrust principles are to be applied to sports leagues, how can the clubs of a league, over the objection of any member, continue to follow the revenue-sharing practices which have contributed so much to sports league stability and their ability to bring franchises to new cities?

In my view, there is a need for a considerably broader clarification of the antitrust principles to be applied to sports leagues in all contexts. My hope is that Congress will, at an early date, direct itself to this problem. For the bill I am cosponsoring today is only a beginning and thoughtful consideration should be given to putting more commonsense, sports league sense, and, indeed, antitrust sense back into the sports league picture. But the present bill is a limited bill and it is difficult for me to see how anyone in this body can find a valid basis for opposing it.

The time is past when the Federal courts and local juries should be permitted to arrive at antitrust decisions which make public interests and fan interests and community interests irrelevant to antitrust evaluations.

Should anyone believe that horizontal business competitor principles are appropriate for analyzing antitrust issues such as that presented by the proposed Oakland Raiders' transfer, they should carefully note the following statements of the plaintiffs in the pending Los Angeles litigation:

> Rule of reason doesn't mean that a jury can consider the whole universe of fairness and, acting as a joint Congress of the United States . . . say this is what we think ought not to be done. The rule of reason of fairness is a very limited thing.
>
> The NFL cannot meet its rule or reason burden by putting on witnesses who will throw around buzz words like "goodwill," "stability," "fan loyalty," and the like.
>
> ". . . [W]hat this case is about concerns commitments that were made very early in the 1960's and 1970's—commitments by a league; commitments by a city, by a county; and people who want to stand by their commitments.
>
> And I say to the Court that is not what this case is about. The rule of reason has nothing to do with that.

Why the antitrust principles applicable to sports leagues should function on this basis is beyond me.

I was much impressed by the testimony of George Halas before the House Subcommittee last December—when he summarized NFL history and the partnership principles and revenue-sharing practices which brought the NFL to its present state. I was less than impressed by the testimony of Mr. Alioto, the Raiders' counsel, a few months later, when everything he said about the NFL and the league relationship was directly the opposite of what he had argued a few years back when he was on the opposite side of the issue. Mr. Alioto is a good lawyer, but his view of the sports league relationship seems nothing if not flexible.

In the Los Angeles litigation, a Los Angeles court has interpreted the league relationship as one of separate independent business competitors. But was the Oakland Raiders franchise a horizontal business competitor of the other clubs of its league:

When the original clubs of the AFL made the decision to choose Oakland as a site for the conduct of AFL operations?

When the other clubs of the AFL contributed portions of their own assets to bring the Raiders franchise into existence?

When the AFL owners determined on the ownership of the Raiders franchise and obtained a contract commitment from the owners that the Raiders would continue to remain in Oakland until the American Football League determined otherwise?

When all clubs of the AFL agreed to pool and share their television revenues equally with the new club?

When the Raiders were having serious financial problems and the AFL clubs took measures to keep the franchise alive, including concessions with respect to visiting-team shares and a partial financing of the club by another AFL owner?

When Joe Foss, as the commissioner of the AFL, made many visits to Oakland at league expense in an effort to persuade the city of Oakland to build the Raiders a new stadium?

When the AFL commissioner made an express commitment to the city of Oakland that the franchise would remain in Oakland if the city would build and finance a new stadium?

When the Raiders, as a condition to entering into the NFL, made a contract commitment to remain in Oakland until the NFL determined otherwise?

When the Raiders were, during the 1970's, one of the most profitable franchises in the NFL because the other clubs of the NFL provided them with an equal share of leaguewide television income?

Does it not appear that the Raiders, as a long-time beneficiary of the AFL and NFL business partnership, have suddenly acquired a new view of the league relationship?

The bill which I am cosponsoring is limited to two very narrow issues of sports league functioning on which reasonable men should not differ. It deserves prompt enactment by Congress.●

WORLD TRADE WEEK

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Friday, May 21, 1982

● Mr. BONKER. Mr. Speaker, in recognition of World Trade Week, Trade Net issues a call to legislative and administrative action in the trade and investment area and underscores the urgency for such action with a reminder that economies around the world face greater challenges in the 1980's than at any time in the postwar period. These times evoke disquieting similarities with the turbulent twenties and the depressed thirties. The United States and most nations in the Western world have millions of people unemployed and staggeringly high interest rates. But they are more dependent than ever on international trade, and consequently, more vulnerable than ever to disturbances in other economic centers. Inherent to this international environment are the dangers of unilateral trade and investment restrictions.

Trade Net, which is an association committed to an open and expanding world trading system and the advocacy of U.S. policies that facilitate the export of goods and services and broaden world markets for U.S. exports, calls for a legislative and administrative agenda that supports:

> Export financing mechanisms, comparable in scope to those employed by other major industrialized countries, in order to encourage competitive U.S. export of manufac-

tured, high technology, and agricultural products;

Making agricultural trade, as is manufacturing trade, an integral component of the General Agreement on Tariffs and Trade (GATT);

U.S. consultations and negotiations to expand overseas markets for agricultural products;

Greater openness in the investment area through the development of internationally-agreed-upon rules;

U.S. negotiations to eliminate foreign investment practices that are in violation of international understandings;

Formulation of a U.S. policy on investment in Third World countries;

U.S. negotiations of an international agreement in the Organization for Economic Cooperation and Development (OECD) and, subsequently, in the GATT, to insure open trade practices in the services area;

Legislation to promote foreign trade in services;

Legislation to establish export trading companies;

Continuation of a Domestic International Sales Corporation (DISC)-type mechanism, plus extension of that mechanism to export trading companies;

Legislation to delineate and simplify accounting and other business practices for U.S. corporations engaged in foreign trade;

Formulation of a national coal export policy that would provide advice and assistance to the coal, transportation, and related service industries;

Implementation, improvement, and strengthening of the GATT and Multilateral Trade Negotiations (MTN) Codes, in order to resolve current and prospective trade and investment problems;

Expansion of GATT membership and enforcement of the agreements.

It is Trade Net's firm belief that the above legislative and administrative actions would generate substantial progress toward securing truly competitive conditions in the marketplace and creating a milieu in which production and employment can flourish.●

EXPLANATION OF CHANGES TO FUNCTION 250 (GENERAL SCIENCES, SPACE AND TECHNOLOGY) AND FUNCTION 270 (ENERGY)

HON. DON FUQUA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 21, 1982

● Mr. FUQUA. Mr. Speaker, the following tables were prepared today by the Science and Technology Committee staff to assist all Members in comparing the impact for Function 250 and Function 270 on programs under the jurisdiction of the committee:

[Budget authority in millions]

Function	Fiscal year		House Budget Committee	Latta substitute	Aspin substitute
	1983 Reagan request	1982 freeze level			
250	7.8	7.0	7.75	7.05	8.1
270	4.25	4.9	5.3	3.6	5.0
Energy supply R. & D. (includes solar, fission, fusion, basic energy sciences, electric energy systems and storage, etc.)	1.875	2.298	2.298	1.657	2.298
Fossil R. & D.	107	417	417	107	417
Conservation	22	146	387	312	387
Nuclear waste disposal fund	185	0	0	−300	−300
Other programs (includes departmental administration, FERC, ERA, SPRO on-budget activities, power marketing, ERA, EIA, NRC, etc.)	2.061	2.061	2.061	1.861	2.061
Deferrals (not counted in conservation)			193		193
Totals	4.250	4.900	5.300	3.600	5.000

Note.—Numbers may not add due to rounding.●

NUCLEAR WASTE LEGISLATION AND THE 97TH CONGRESS

HON. WILLIAM E. DANNEMEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 21, 1982

● Mr. DANNEMEYER. Mr. Speaker, while the budget looms large as the major issue of the 97th Congress, and rightfully so, we must not neglect other pressing national problems in the process. The enactment of nuclear waste legislation is a "must" item, in my judgment, before we adjourn later this year.

As of this writing, great progress has been made, although much remains to be done. The other body passed its version, S. 1662, on April 29, 1982, by a vote of 69 to 9. Here in the House, our Committee on Science and Technology made its views known with the reporting of H.R. 5016 as far back as November 20, 1981. The Committee on Interior and Insular Affairs reported out a bill on March 17, 1982.

I regret to inform the House, however, that the Committee on Energy and Commerce, of which I am a member, has yet to act. The Subcommittee on Energy Conservation and Power has not held hearings nor scheduled a markup session. Nonetheless, I am somewhat encouraged by recent news reports which indicate that the consensus-building process is moving forward.

Mr. Speaker, I am convinced that the successful demonstration of our ability to control and store nuclear wastes is the last remaining obstacle to the broader acceptance of nuclear power by the public. In that regard, we must act quickly before our society's capacity to take advantage of the nuclear alternative floats away in a sea of high interest rates, regulatory licensing delays, and nagging public doubts from the incident at Three Mile Island.

Lest there be any doubt about our technological capacity to store nuclear wastes, I would refer my colleagues, Mr. Speaker, to the current issue of Human Events, May 22, 1982. The issue contains an article by M. Stanton Evans under the heading of "How to Dispose of Nuclear Wastes." In it, Mr. Evans points to a recent report by the Office of Technology Assessment, which as my colleagues know is an arm of the legislative branch of Government set up to advise us on technical and scientific questions.

After dealing with the technical questions by quoting from the OTA report, Mr. Evans puts his finger on the real nature of the problem, which is of a political character. In the first instance, the Congress has been institutionally unable to come to grips with the nuclear waste problem because of the split jurisdiction among our standing committees. Three committees already claim a portion of the matter: Science and Technology, Energy and Commerce, and Interior. In both bodies of Congress, the Armed Services Committees are interested in the treatment of the vast amounts of nuclear waste. The input of our several colleagues on these committees is invaluable. But, at some point, "paralysis by analysis" sets in and we are prevented from working our will. The Energy and Commerce Committee should act swiftly so that the House will have sufficient time to consider the options, and work out a conference agreement with the other body.

The second aspect of the political problem is one of mustering the intestinal fortitude necessary to overcome the institutional quagmire and the external pressures. I am always amused by the fact that those within the environmental movement who object to

nuclear power facilities on the basis of the "unsolved" nuclear waste problem, are less than eager to push for the enactment of nuclear-waste demonstration legislation. It is also curious to me that those who, correctly, voice concern about acid rain, would object to the conversion of coal-fired powerplants to nuclear energy. The claim is made that acid rain stems from the high sulfur emissions of coal-fired plants in the Middle Western portion of the country.

Mr. Speaker, in summary I would simply repeat that we must get on with the consideration of nuclear waste legislation in committee and on the floor at the earliest possible date. I would like to insert the full text of Mr. Evans' article at this point in the RECORD.

[From Human Events magazine, May 22, 1982]

HOW TO DISPOSE OF NUCLEAR WASTES

(By M. Stanton Evans)

For most Americans who worry about the matter, the major hand-up on development of peaceful nuclear power is the disposal of radioactive wastes.

The problem, granted, usually arises after one has waded through a host of other lurid topics—reactors blowing up like bombs, possible "meltdowns" a la The China Syndrome, dreadful releases of radiation, etc. After these fears are shown to be chimerical, the dubious citizen may still be heard to mutter: "Well, maybe so. But until they solve the problem of waste disposal, I don't think they should go ahead with it."

As it happens, the problem of waste disposal has already been solved. Technically speaking, it is a non-problem. The difficulties are all political, and one suspects that official slowdowns and reversals have been nicely tailored to fit the plans of anti-nuclear crusaders. By fomenting hysteria on the subject, they have created the very problem that they complain about.

Don't take my word for it. Consult the recent report of the Office of Technology Assessment, Managing High-Level Radioactive Wastes. (OTA, it should be noted, is a bipartisan adjunct of the Congress which includes such people as Edward Kennedy and Morris Udall on its board.) Here is what this official report has to say about radioactive waste disposal through burial in stable geologic formations:

"There appear to be no insurmountable technical obstacles to developing such repositories to meet tentative Environmental Protection Agency safety criteria at a cost of no more than a few per cent of the total cost of nuclear power, provided that suitable sites can be found. Three or four such repositories will probably accommodate all of the radioactive waste expected to be generated by the reactors now in operation and under construction."

A leading misconception about waste disposal is that we will be awash in oceans of radioactive material for centuries—a mind-boggling managerial problem. This image is quite remote from the truth. As pointed out by J. Howard Kittel of Argonne National Laboratories, nuclear waste can be reduced to fairly minute physical dimensions—first by recycling spent fuel for added energy, then by "vitrification" of the remainder prior to geologic burial. (See "The Non-Problem of Nuclear Wastes," Human Events, Aug. 22, 1981.)

Concerning the possible health effects of buried waste releasing radioactive either through accidental human intrusion or through seepage, the OTA report observes: "The Environmental Protection Agency has calculated that both kinds of release from a well-designed and suitably sited repository containing 100,000 (metric tons) of spent fuel could be expected to produce health effects in an exposed population over a 10,000-year period that are much less than 1 per cent of the effects that could result in the same population from normal levels of background radiation."

As OTA additionally points out, the problem of nuclear waste is going to exist, and must be dealt with, irrespective of future decisions on nuclear power. There are already tens of thousands of gallons of such waste (mostly from military projects) in storage, and something will have to be done about them. Currently operating reactors, says OTA, have discharged some 8,000 metric tons of waste which "must be isolated safely, regardless of the future of nuclear power."

The difficulties in handling this matter stem almost entirely from politics: The official slowdown during the Carter years, the years-long delay in issuing federal guidelines and standards, uncertainty in the states about the direction of federal policy, fears about becoming "dumping grounds," etc. Needless to remark, the anti-nuclear agitators have been at work all the while to drag out the delays and intensify the fears as much as possible.

The OTA suggests the federal government get its act together and push forward with a coherent policy on waste disposal. Idaho's GOP Sen. Jim McClure agrees, and submitted a bill which passed the Senate last week that would do exactly that. On the evidence presented by OTA, it or something like it should become law at the earliest possible date.●

USED CAR FAIR DEALING ACT

HON. MATTHEW J. RINALDO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, May 21, 1982

● Mr. RINALDO. Mr. Speaker, I recently introduce H.R. 6321, the Used Car Fair Dealing Act. This bill gives the same protections to consumers as the Federal Trade Commission's used car trade rule, but without imposing unreasonable regulatory burdens on the used car industry. These shortcomings resulted in disapproval of the rule by the Energy and Commerce Committee on May 5 by a vote of 26 to 14.

The bill imposes penalties for misrepresentations by dealers and requires that a window sticker, or Buyer's Guide, be posted on all used cars offered for sale to consumers. The sticker must: First, disclose the full terms of any warranty coverage; second, state the terms of any service contract; third, provide a suggestion that purchasers ask the dealer if a pre-purchase inspection is permitted; fourth, give a warning against reliance on spoken promises that are not confirmed in writing; and fifth, disclose known defects and conditions which a reasonable purchaser would want to know. In requiring disclosure of such conditions, my bill extends the protections of the rule. Furthermore, the terms of the Buyers' Guide must be incorporated by reference in the sales contract, and they supersede the contract in the event of a conflict.

The main problem with the rule issued by the FTC is that one section requires an inspection of the car by a dealer even without a request by the purchaser, while another specifies that dealers are not required to conduct such an inspection. There are conflicting opinions on the legal requirements of the rule, but that is just the point. To be safe from a possible $10,000 fine, most dealers, who are small businessmen, not lawyers, would be compelled to have their vehicles inspected whenever they had reason to know of a possible defect but did not know which of 52 listed defects was involved.

Many of us on the Energy and Commerce Committee voted to disapprove the rule because its effect would be to increase costs to consumers and dealers by as much as several hundred dollars per car. Also, the effect of the inspection requirement would be to drive buyers into the unregulated private, person-to-person market, where they would have fewer protections against unscrupulous practices.

My bill simply incorporates the entire rule and removes the language that requires an inspection even without a request. The buyer is told by the Buyers' Guide that he may ask for an inspection, and nothing in my bill affects the purchaser's ability to obtain an inspection.

All members who wish to vote to disapprove the FTC used car trade rule and to support legislation that accomplishes the same goals without complications should join with me in cosponsoring this measure.●

THE DEMOCRATIC TRADITION

HON. EDWARD R. ROYBAL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 21, 1982

● Mr. ROYBAL. Mr. Speaker, last year, in our zeal to out-pennypinch the Republicans, many lost sight of the great principles on which our party is built. Traditionally, we have been the party of the people—all the people. The human condition has been our overriding concern. I believe we must try to recapture that attitude, while adding a touch of pragmatism to enable us to evaluate these conditions realistically.

Let us look at the facts. It was the Democratic Party which was largely responsible for our network of social programs designed to insure that everyone has access to proper nutrition, adequate shelter, decent education, and proper medical care. We should be proud of these programs; they were the means of achieving noble goals and in many cases they succeeded admirably.

I am not suggesting that these programs are perfect. Inefficiencies and abuses do occur, but these programs still offer realistic ways to improve the standard of living and provide economic and social opportunity for all citizens. For every horror story President Reagan can tell about welfare cheats and food stamp hoarders, we can more than match him with examples of men and women who, with the aid of these same programs, have pulled themselves up from poverty and are making substantial contributions to society. And we can counter with horror stories of our own about the thousands of very wealthy individuals who hide their income in tax shelters, or about million-dollar corporations who take advantage of so many loopholes that they wind up receiving a tax refund from the Government.

We have yet to see the positive results of last year's economic program which, President Reagan promised, would "* * * stimulate the economy * * * provide capital for expansion, mortgages for homebuilding and jobs for the unemployed." Instead, we are faced with a serious recession, record-high unemployment, a 35-year low in homebuilding, increasing long-term interest rates, and a 45-percent rise in business failures. We have also seen proof that these cuts are hurting those for whom the administration had supposedly designed a "safety net," and are threatening the future of this country by ignoring our need for a well-trained and educated society, and by permitting out infrastructure to deteriorate to a dangerous level.

There is a message in the midst of this economic chaos, and we must not fail to catch its meaning. We in Congress must not allow ourselves to be rubber stamps for this administration's policies. We must not continue to think we have won a great victory because we have restored a few dollars to one social program while scores of others are being dismantled. We must not forget that over the years we Democrats have provided more than our share of right answers, based on compassion and the highest of ideals. We can do it again if we refuse to knuckle under to the pressure of an administration and a policy that are obviously harmful to the people and the economy of this Nation. As we search for those answers today, let us not lose sight of what we were yesterday, the party of the people—all the people.●

THE PRESIDENT'S BUDGET REJECTS THE GOAL OF FULL EMPLOYMENT

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, May 21, 1982

● Mr. FORD of Michigan. Mr. Speaker, in 1978, the Congress passed, and President Jimmy Carter signed into law, the Humphrey-Hawkins Act, "An act to translate into practical reality the right of all Americans who are able, willing, and seeking work to full opportunity for useful paid employment at fair rates of compensation." To achieve this goal of full employment, Congress and the President committed the Federal Government "to use all practicable programs and policies to promote full employment."

Last year, President Reagan and his supporters in Congress turned their backs on this commitment and set out on a course designed deliberately not to fight unemployment, but to cause it. They have stuck to that course this year. The Republican Party believes it can control inflation by squeezing working Americans with high interest rates and a recession that will cost enough job losses to dampen their demands for wage increases. Apparently, this cynical policy has been partly successful.

The first step in this plan was the elimination of hunderds of thousands of Federal and federally subsidized jobs. The elimination of CETA public service employment, the layoff of thousand of Federal employees, and the elimination of social service programs quickly added three-fourths of a million people to the unemployment rolls. The Fed's tight money policy, which the President supports, and which has kept interest rates at record heights, was step 2. That policy, and the administration's refusal to do anything to stop the flood of automobile imports to this country, has effectively killed the domestic automobile market and thrown hundreds of thousands of American steel workers, rubber workers, textile workers, glass workers, electrical workers, and autoworkers into the unemployment line. And the ripple effect of layoffs in these basic industries has been enormous: The recession in the industrial belt has spread to the rest of the country and deepened into a depression in States like Alabama and Michigan.

High interest rates have crushed another vitally important industry—housing. Few middle-class Americans today can afford the exorbitant mortgage interest rates demanded by lending institutions. The result is that none but the wealthy are buying homes and none but the lucky are at work building them. Housing starts fell again last month, to the lowest level in three decades, and construction workers are unemployed in record numbers.

The third step in this program of fighting inflation by increasing unemployment involves the President's cuts in social insurance programs. Mr. Stockman and the other administration theorists believe that unemployment insurance, food stamps, and welfare are all inflationary. They all reduce the pain of unemployment and poverty. Without them, according to conservative theories, working people would be so afraid of losing their jobs that they would be satisfied with whatever wage they were offered and would never make inflationary wage demands. Thus, the President's budget proposes huge cuts in AFDC and food stamps, and the adminstration opposes the extension of unemployment insurance benefits for an additional 13 weeks.

The President's policies have begun to work. Almost 2 million Americans have lost their jobs since he took office, and millions of other workers have had concessions wrung from them in collective bargaining or, where no union represents them, unilaterally. Wage demands have moderated, and—thanks to the world oil glut and falling energy prices—so has inflation. But the damage the recession has done to the economy is far greater than the temporary drop in the inflation rate that the oil producers will soon erase.

Bankruptcies are running at a record rate; farm income is at the lowest level, in real dollars, since 1932; the gross national product is decreasing; and productivity is declining faster than ever before in our history.

There is a better way to manage our economy, and the Humphrey-Hawkins Act provided a blueprint for that better management. Our Nation's productivity is doomed to fall if our people are unemployed and cannot afford to purchase the products our industry produces. The Government's budget will not balance when high unemployment causes social insurance costs to skyrocket and tax revenues to plummet. We need short-term policies to stimulate demand and employment, and long-term policies of investment in human capital, the modernization of our industrial base, and sufficient production in the areas of basic need such as housing, food, and energy to

keep their costs low and provide a humane and stable way to fight inflation.

It is not too late to turn back to the commitment we made 4 short years ago.●

CONGRATULATIONS TO PROJECT CARE

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, May 21, 1982

● Mr. PHILIP M. CRANE. Mr. Speaker, I would like to take this opportunity to congratulate some students in my congressional district.

Project CARE, an energy education program in school district 54 in Schaumburg/Hoffman Estates, has been named the finest energy education program in the Nation for elementary school children.

The director of the National Energy Education Day project, Gerald Katz, reports that project CARE was judged best in the junior, elementary, division.

Project CARE stands for conservation awareness and responsibility for energy. It is a program for a cadre of fourth, fifth, and sixth grade students from throughout the district who study the wise use of energy, and then must teach what they have learned to their classmates.

The students have a final test of their energy knowledge in a week-long "Energy Encounter" in a wilderness setting in Wisconsin. They are allotted a limited supply of energy credits, and must plan their meals, shelter, and recreation using as few energy credits as possible.

Again, congratulations to those award-winning students, and their hardworking, dedicated teachers, principals, and administrators in school district 54 in Schaumburg/Hoffman Estates.●

IN SUPPORT OF HOUSE CONCURRENT RESOLUTION 340 (NUCLEAR COMMERCE)

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 21, 1982

● Mr. UDALL. Mr. Speaker, in adopting House Concurrent Resolution 340, we have clearly stated our concern about disturbing developments in the area of nuclear commerce. House Concurrent Resolution 340 seeks to encourage nations to agree to impose restraints upon their own nuclear export activities. This resolution, along with the news from the South Atlantic, emphasizes the danger of our time. We are getting uncomfortably close to an era when relatively minor disputes among nations will have a real potential for escalating into nuclear war. It seems to me incredible that in the 37th year of the nuclear age that this resolution is even necessary. I would have thought that by now the nuclear supplier nations would have recognized where their interests lie. I would have thought they would have seen by now that their interests would be best served if nuclear exports to non-nuclear weapons states were restricted to those that accepted full scope International Atomic Energy Agency safeguards. But this has not been the case. House Concurrent Resolution 340 is an important step toward a more rational order.●

REQUEST FOR A RULE ON H.R. 6369, THE FEDERAL SUPPLEMENTAL UNEMPLOYMENT COMPENSATION ACT OF 1982

HON. DAN ROSTENKOWSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, May 21, 1982

● Mr. ROSTENKOWSKI. Mr. Speaker, on May 20, 1982, the Committee on Ways and Means ordered favorably reported H.R. 6369, the Federal Supplemental Unemployment Compensation Act of 1982.

I take this occasion to advise my colleagues that the Committee on Ways and Means has requested a closed rule for the consideration of this bill, and that we will seek to be heard before the Committee on Rules as expeditiously as possible.●

REQUEST FOR A RULE ON H.R. 6181, THE SOCIAL SECURITY DISABILITY AMENDMENTS OF 1982

HON. DAN ROSTENKOWSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, May 21, 1982

● Mr. ROSTENKOWSKI. Mr. Speaker, on May 19, 1982, the Committee on Ways and Means ordered favorably reported H.R. 6181, the Social Security Disability Amendments of 1982.

I take this occasion to advise my colleagues that the Committee on Ways and Means has requested a modified closed rule for the consideration of this bill, and that we will seek to be heard before the Committee on Rules as expeditiously as possible.●

THE 70TH ANNIVERSARY OF HADASSAH

HON. ANTHONY C. BEILENSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1982

● Mr. BEILENSON. Mr. Speaker, I would like to take the occasion of the 70th anniversary of Hadassah to pay tribute to the organization's outstanding public service achievements. Since its founding on February 24, 1912, Hadassah has grown to become the largest women's volunteer organization in the United States. In the tradition of its founder, Henrietta Szold, it has continuously provided aid and inspiration to the people of this Nation and to Israel as well.

Hadassah's training of medical personnel and its maintenance of excellent hospital facilities has contributed to the health and welfare of countless thousands of people of all religions and nationalities. Hadassah also operates a distinguished educational system encompassing high school, community college, and vocational education which has served as a model for many other programs.

I commend Hadassah for its superlative efforts in promoting the spirit of volunteerism which is so necessary today.●

PERSONAL EXPLANATION

HON. CLAUDINE SCHNEIDER

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, May 21, 1982

● Mr. SCHNEIDER. Mr. Speaker, on Wednesday, May 19, Roll No. 81, my vote was recorded as "aye" when in fact I had intended my vote to be "no." I request that my intention be reflected in the RECORD.

Thank you, Mr. Speaker.●

SEVENTIETH ANNIVERSARY OF HADASSAH

HON. BOBBI FIEDLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1982

● Ms. FIEDLER. Mr. Speaker, May 1982 marks the 70th anniversary of Hadassah, the Women's Zionest Organization of America. As a member of Hadassah, I would like to offer my warmest congratulations on this happy occassion, and to wish Hadassah many more years of service.

The largest women's voluntary service organization in the United States, Hadassah's works have benefitted both here and in Israel, where the Hadassah University Hospital provides care and teaching. Out institutions—such as the Henrietta Szold Hadassah School of Nursing—are the fruits of Hadassah's many years of labor for the betterment of all peoples.

The scope and breadth of Hadassah's charitable work is such that it is impossible to single out any one project for special attention, but their efforts to help the plight of the Jewish communities in countries where persecution is still alive—such as in the Soviet Union, Syria, and Ethiopia—have certainly underscored Hadassah's commitment to extend the hand of friendship, aid, and hope wherever it can.

I am proud to be a member of Hadassah. I am proud to support the ideals that Hadassah has worked for throughout the last 70 years. The congratulations of both Houses of Congress which Hadassah has received upon this anniversary have been well merited. Hadassah shows that the best hope for people lies, still, with the care and concern of their neighbors.●

EXPLANATORY NOTE TO THE BONIOR AMENDMENT

HON. DAVID E. BONIOR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, May 21, 1982

● Mr. **BONIOR.** Mr. Speaker, this is actually a single amendment, made in order by the rule governing the consideration of House Concurrent Resolution 345, which may be offered to the resolution and any or all of the three substitutes cited.

This amendment merely adds a nonbinding target for tax expenditures for fiscal year 1983 to the budget resolution. The figure used was prepared by the Joint Committee on Taxation from the present tax expenditure budget and makes neither addition or deletions.

AMENDMENT OFFERED BY MR. BONIOR TO HOUSE CONCURRENT RESOLUTION 345, AS REPORTED

Page 12, line 18, strike out "and", on line 22, strike out the period and insert in lieu thereof "; and", and after line 22, insert the following:

(6) the level of total tax expenditures is $273,135,000,000.●

EXPORTS CRUCIAL TO OUR ECONOMIC FUTURE

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 20, 1982

● Mr. **BONKER.** Mr. Speaker, I appreciate this opportunity to address my colleagues during World Trade Week. As chairman of the House Export Task Force and a member of the President's Export Council, I have initiated and supported legislation designed to stimulate U.S. exports. This week is World Trade Week. The President's Export Council and other trade organizations are meeting throughout the country to discuss export issues. World Trade Week must be converted into a year-round conviction to increase exports. I would like to commend the Department of Commerce for their lead role in World Trade Week and for their wholehearted effort in promoting U.S. export trade.

The growing importance of trade to our economy is dramatic. In 1981, exports accounted for 8.2 percent of our GNP compared to 4.3 percent in 1970. If the United States is to maintain its standard of living, it must expand its exports. Exports support the value of the dollar, blunt the thrust of inflation, and pay for our imports—critically needed resources and materials from abroad. They stimulate creativity, innovation, productivity, and competitiveness.

The U.S. economy is presently suffering from both high interest rates and a recession. Exports would stimulate our economy. Each $1 billion of export sales creates approximately 32,000 jobs; one out of every three jobs in the agricultural sector and one out of every eight in the manufacturing industries are directly supported by U.S. exports. A huge market for overseas sales exists. However, because of domestic and international barriers, our manufacturers have not fully penetrated these markets. We must promote U.S. exports. The Congress must do this by enacting legislation to stimulate exports.

In my district alone, Mr. Speaker, exports are a crucial part of the economic base.

Washington State ranks first among States in export-related shipments as a percent of gross State product. The State ranks second in export-related employment. International trade is responsible for over 300,000 jobs in the State. Roughly one job in six depends on international trade.

These percentages can grow, and must grow. The forest products industry, for example, is heavily dependent on domestic housing starts. Small mill after small mill is folding. Many areas are suffering from severe unemployment. Increased wood products exports from Washington will help break the boom-bust cycle created by heavy dependence on the domestic market.

Until the last decade, trade had not been a major issue. The United States had a positive trade balance until 1971. Then we were hit with increased oil prices as well as problems in our domestic economy.

During the first quarter of 1982, our merchandise trade balance improved. However, this was due primarily to the 8-percent decrease in our imports; exports increased only 3 percent. It is imperative that we stimulate the growth of exports today.

U.S. exporters are faced with a diffuse bureaucracy. Despite many Trade Reorganization Acts, our trade functions remain highly fragmented; there is no unified body to handle trade policies. Rather, they are located throughout the Departments of Commerce, State, Treasury, Justice, et cetera. As a result of that fragmentation, we do not have a national export policy. In the absence of such a policy, we find export trade is not reflected in our public psyche, nor our industrial decisionmaking. But I do think, and I have stressed this many times before, that it is an issue whose time has come—it is just around the corner. World Trade Week identifies America's growing commitment to trade by encouraging U.S. citizens to utilize our trade potential. World Trade Week should serve as a catalyst to promoting U.S. exports.

The international marketplace is extremely complex and highly competitive, particularly as more and more nations feel the critical need to export as a result of weak domestic economies. The United States is at a competitive disadvantage for two major reasons; we have traditionally not been an exporting nation. As a result, we are only joining the bandwagon. Second, our Government has not been as active in encouraging export trade or in providing assistance to the business community as other nations have. Moreover, and unfortunately, policies have been implemented and legislation passed that, while well-intentioned, has served more as a disincentive to our business community because of their complex and ambiguous nature.

Progress, however, is being made. On the first count, the American businessman is now becoming more sensitive to the need to export in order to boost his own sales and to strengthen our national economy. On the latter, both Congress and the administration are serious in their efforts to pass legislation and implement programs and policies that will provide assistance to American business, encourage export trade, and improve our international trade status.

It is on legislation that I would now like to comment briefly.

For starters, export financing is crucial to U.S. exporters. While U.S. goods are competitive in price and quality, international sales are lost due to the predatory financing practices of our major trading partners. The French and other nations provide large sums of government financing for their exports. The U.S. Export-Import Bank, however, is limited in funds and also charges higher interest rates than our trading partners. This administration wants to cut Exim's funding from $4.4 billion to $3.8 billion, leaving U.S. exporters to pick up the tab. I feel we must help our producers sell overseas. Mr. Speaker, I have introduced House Resolution 456, along with my colleague from Washington (Mr. DICKS) expressing the sense of this body that the U.S. Export-Import Bank should have sufficient borrowing authority to provide competitive financing for American exports. Currently, U.S. exporters are at a competitive disadvantage; they receive less Government support than their foreign competitors.

In addition to providing financing for our exports, the formation of export trading companies would establish a needed service and expertise to the many small companies who lack the skills and know-how to export their products. To these small enterprises. the barriers to foreign trade are immense—providing capital, technical expertise, and knowledge of foreign markets. To date, most small companies have found foreign marketing alien and confusing and therefore have avoided it.

Of course, there are any number of consultants available to help small companies cut through those barriers. But there are two big obstacles to doing business overseas that even the most expert consultants often cannot breach—lack of financing and the uncertainties imposed by U.S. antitrust laws.

Those two big barriers are the principal targets of my Export Trading Company bill, H.R. 1799. It would deal with the capital problem by providing for limited bank investment in export trading companies. And it would provide for limited antitrust immunity.

In contrast, the Foreign Corrupt Practices Act is a major disincentive to trade. It is one of the most poorly written pieces of legislation we have. The Foreign Corrupt Practices Act of 1977 was drafted hurriedly in response to an incensed American public in the aftermath of Watergate and numerous instances of corporate bribery. It passed with little consideration or thought as to its potential consequences in terms of its meaning, clarity, and applicability.

As a result, we have today an act which, because of its lack of specificity and its ambiguous wording, is a major irritant and cost to American business. The difference between conduct prohibited and conduct permitted is often unclear.

In conclusion, Mr. Speaker, I have high hopes that by next year's World Trade Week, the American public, in conjunction with our Government, will be prospering in export trade. With the enactment of the Export Trading Company Act and amendments to the Foreign Corrupt Practices Act, I feel we would have accomplished a great deal.●